

**Market snapshot**



Equities - India	Close	Chg .%	CYTD.%
Sensex	77,269	0.5	-9.3
Nifty-50	24,119	0.5	-7.7
Nifty-M 100	60,160	0.6	-0.5
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	7,201	-0.1	5.2
Nasdaq	25,068	0.7	7.9
FTSE 100	10,364	-0.1	4.4
DAX	23,991	-1.2	-2.0
Hang Seng	8,774	1.1	-1.6
Nikkei 225	59,513	0.4	18.2
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	117	-4.3	87.9
Gold (\$/OZ)	4,559	-1.3	5.6
Cu (US\$/MT)	12,916	0.0	3.7
Almn (US\$/MT)	3,586	1.6	20.8
Currency	Close	Chg .%	CYTD.%
USD/INR	95.1	0.2	5.8
USD/EUR	1.2	-0.2	-0.3
USD/JPY	157.0	0.3	0.2
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	7.0	0.02	0.4
10 Yrs AAA Corp	7.5	0.00	0.2
Flows (USD b)	4-May	MTD	CYTD
FII	0.30	-4.92	-21.0
DII	0.50	5.95	32.7
Volumes (INRb)	4-May	MTD*	YTD*
Cash	1,473	1473	1327
F&O	2,81,670	2,81,670	2,76,305

Note: Flows, MTD includes provisional numbers.

\*Average



**Today's top research theme**

**India Politics: A momentous 'day of change' in Indian politics**

- ❖ BJP turns around fortunes in West Bengal. The BJP won 207 seats in West Bengal on the back of ~8% jump in the vote share to ~46% vs ~38% in 2021
- ❖ In Tamil Nadu, TVK makes a dream debut: Tamil Nadu delivered a very rare verdict with the debutant TVK party winning in 107 seats (vs. total of 234 seats) with a vote share of ~35%.
- ❖ Assam marks three in a row for BJP: The BJP won elections for the third time in a row on a pro-performance drive. BJP is winning or leading in 82 seats this time vs 60 seats in 2021, with its vote share rising from 33.6% to 37.8%.
- ❖ Kerala was the saving grace for Indian National Congress, wherein its alliance UDF is winning or leading in 85 seats (vs 41 in 2021).



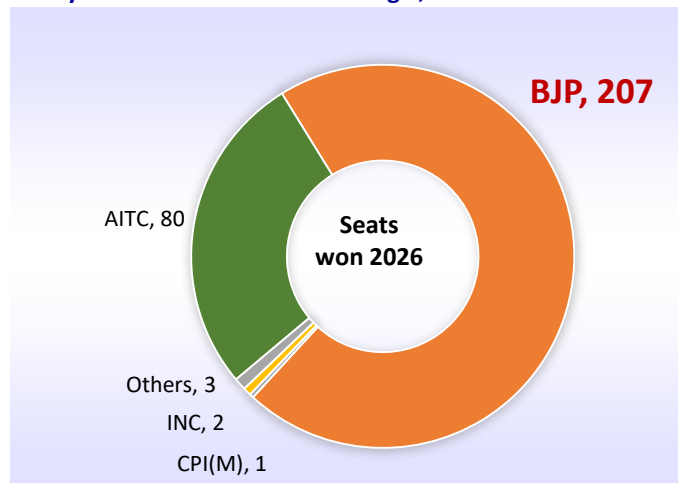
**Research covered**

Cos/Sector	Key Highlights
India Politics	A momentous 'day of change' in Indian politics
India Strategy	Ownership analysis – DIIs remain the bedrock!
Technology	Thoughts from the disruptors
Cholamandalam Inv. & Finance	Healthy performance; asset quality improves significantly
Ambuja Cements	Weak performance; profitability hit by elevated opex/t
Aditya Birla Capital	Strong execution across business segments
Godrej Properties	Showcasing a diversified scale-up
Other Updates	APL Apollo Tubes   CDSL   Manappuram Finance   Tata Technologies   Tata Chemicals   Zen Technologies   Godrej Agrovet   Jyothy Laboratories   Jindal Stainless   KEI Industries   Petronet LNG   Exide   CAMS   Sobha



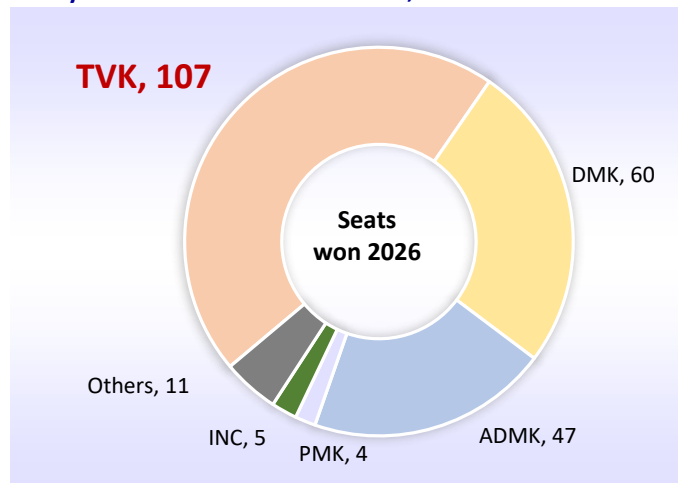
**Chart of the Day: India Politics (A momentous 'day of change' in Indian politics)**

Party-wise seats won in West Bengal, 2026



Source: MOFSL, Company

Party-wise seats won in Tamil Nadu, 2026



Source: MOFSL, Company

**Research Team**

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

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



Kindly click on textbox for the detailed news link

1

**Reliance cuts exports of alkylates, boosts LPG output**

Reliance Industries is increasing liquefied petroleum gas production. The company is reducing output of alkylates, a gasoline-blending component. This move aims to compensate for lost LPG imports from Middle Eastern countries. India faces a severe cooking fuel crisis.

2

**Petronet LNG plans to build 7 LNG storage tanks amid supply disruptions**

Petronet LNG Limited, India's largest liquefied natural gas (LNG) importer, plans to build 10 additional gas storage tanks across three of its terminals, amid the ongoing West Asia crisis that has underscored the need to strengthen storage capacity in the country.

3

**Milky Mist raises ₹482 crore from Temasek subsidiary in pre-IPO round**

Milky Mist Dairy Food Ltd has raised approximately ₹482 crore in a pre-IPO round anchored by Jongsong Investments Pte. Ltd., an indirect wholly owned subsidiary of Singapore-based investment firm Temasek Holdings, according to its public announcement.

4

**Nasdaq-listed Datadog ramps up India investments; sees SaaS evolving, not fading**

Nasdaq-listed Datadog is accelerating its India expansion, ramping up hiring, partnerships and go-to-market capabilities, as it looks to tap into the country's fast-growing cloud and AI adoption.

5

**Dream11 parent launches stock broking platform DreamStreet**

Dream Sports, the parent group behind Dream11, has launched DreamStreet, an AI-powered stock broking platform aimed at simplifying investing for retail users, particularly first-timers who have stayed away from markets due to perceived complexity, the company said in a statement.

6

**India resumes wheat exports after four years; faces price pressure in global market – Report**

Indian traders have begun exporting wheat for the first time in four years, according to Reuters, as ample stocks, higher global prices and firmer freight rates have opened a window for them to make small shipments to buyers in Asia and the Middle East.

7

**India's net direct tax collections rise 5.12% to Rs 23.40 lakh crore till March 31**

Net direct tax collections reached approximately Rs 23.40 lakh crore, marking a 5.12% increase as of March 31. This growth was bolstered by a 1% decrease in refunds, which helped offset the 4% rise in gross direct tax collections to Rs 28.1 lakh crore for the financial year.



## ELECTION

### 2026

#### West Bengal election outcome

Seats won	2021	2026
BJP	77	207
AITC	215	80
CPI(M)	0	1
INC	0	2
Others	2	3
<b>Total</b>	<b>294</b>	<b>293</b>

#### Tami Nadu election outcome

Seats won	2021	2026
TVK	0	107
DMK	66	60
ADMK	133	47
PMK	5	4
INC	18	5
Others	12	11
<b>Total</b>	<b>234</b>	<b>234</b>

### A momentous 'day of change' in Indian politics

- Big transition in West Bengal and Tamil Nadu state assemblies.** The biggest highlights of the election results of 4 states and 1 union territory were the tectonic shift in the power structure in West Bengal, the dawn of a new party in Tamil Nadu with a resounding debut on leaderboard, communist parties not governing any Indian state for first time in ~50 years and a discreet voting pattern on performance rather than the incumbency status of parties.
- BJP turns around fortunes in West Bengal.** Among the most notable outcomes, the BJP is winning or leading in 207 seats in West Bengal (~70% of total seats versus 2021 tally of 77 seats) on the back of ~8% jump in the vote share to ~46% vs ~38% in 2021 - surpassing even the most optimistic of exit poll expectations. The vote share swing in favor of BJP has been stark, with ~15% swing in vote share differential versus the TMC between 2021 and 2026 (10% below TMC in 2021 to 5% above TMC in 2026). This reflects the convergence of multiple factors, such as an ideological shift in the electorate's approach at large, widespread disenchantment over a lack of economic progress, voter base consolidation in certain critical segments, a historic ~93% voter participation, voter list 'rightsizing', three-term anti-incumbency of TMC, etc.
- A 'game-changing' moment for West Bengal, promises better economic outcomes in future:** As West Bengal elections were fought on diverse issues, the economic growth and development narrative was not laid out as forcefully as in some other states. However, this will be a watershed day in West Bengal politics, as for the first time, a right-wing political party (with credentials of development and business orientation) will form the government. Despite its geographical, social endowments (vicinity to Bay of Bengal, vast swathe of arable land, mineral reserves, high quality human capital, a strategic access to multiple states, labor pool, etc.), and a rich history of commercial vigor and entrepreneurship of trading community, the image of West Bengal had degenerated into a business-unfriendly state over the past decades under ~50 years of communist rule or a party driven more by appeasement politics.
- This should now change, and we believe this is the biggest strategic, long-term transition that will accrue over the years. West Bengal had been lagging national averages in growth, investments, and several other vital economic parameters. Now, with the benefits of a 'double engine' government, the economic strengths of the state will emerge and should attract greater investments over the next five years, in our view.
- In Tamil Nadu, TVK makes a dream debut:** In another instance of historic political development, Tamil Nadu (another large state with ~7% share in Lok Sabha seats) delivered a very rare verdict in annals of Indian politics, with the debutant TVK emerging as the leading party by a big margin in a tripartite battle. Led by the movie icon C. Joseph Vijay, the silver screen popularity of the movie star has extended into politics as TVK has been able to break the historical duopoly of the two grand old Dravidian parties, i.e. DMK and ADMK, on the poll plank of anti-dynastic politics with the promise of strong governance, growth, and development.
- A clear verdict for change, against old-parties fatigue:** Given the leader Vijay's strong hold on the youth, this verdict is clearly emblematic of the rising power of young voters who are restless to opt for change and even vote a debutant to

a stunning victory. Moreover, TVK has seemingly swept the Urban centers, likely winning more than 80% of urban seats, underscoring a progressive verdict for change and a fatigue with the old Dravidian style politics. Refusing to enter into any pre-poll alliance, the TVK has garnered close to a single-party majority, winning or leading in 107 seats (vs. total of 234 seats) with a vote share of ~35%. The shortfall in simple majority is small and could be bridged through post-poll alliances with smaller parties.

- **Assam marks three in a row for BJP:** While there were elements of anti-incumbency in the verdicts of West Bengal and Tamil Nadu, the results in Assam marked a clear departure for this trend, with BJP winning the Assam elections for the third time in a row on a pro-performance drive. BJP is winning or leading in 82 seats this time vs 60 seats in 2021, with its vote share rising from 33.6% to 37.8%. This signifies that the relevance of incumbency in Indian politics is diminishing, and the Indian electorate is maturing steadily to vote for parties on performance and results rather than merely on incumbency status. This will be the second straight victory for the BJP Chief Minister Himanta Biswa Sarma, with BJP's seat count rising to 82 vs. 60 posted in 2021 as electorate reposed faith in the clean image of the incumbent CM with a strong promise for governance, development, and growth.
- **Kerala reverts to its alternating cycle; Congress scores strongly:** Kerala was the saving grace for Indian National Congress, wherein its alliance UDF is winning or leading in 85 seats (vs 41 in 2021). The electorate has reverted to the alternating cycle by voting out the LDF on grounds of economic slack, excessive focus on welfare politics with disproportionate reliance on centralized authority. Kerala is known to generally alternate the ruling alliances between LDF and UDF. However, in 2021, this trend was stalled as the LDF was re-elected to power, aided by the charisma of its leader, Pinarayi Vijayan. The departure of LDF also marks another generational moment with the communist parties not governing any Indian state for first time in ~50 years.
- **BJP consolidates foothold in East India, strengthens its National Party stature:** With victory in the large state of West Bengal (7%+ share of India's population, 8% share of Lok Sabha seats), BJP has clearly become much stronger in Eastern India as well (with other 2 important states of Odisha and Assam already under its leadership). With this, the insinuations of BJP not being a national party will be weakened further. Moreover, this victory makes a strong position for BJP to create a buffer for 2029 Lok Sabha elections, which should cheer markets as it will ensure policy continuity at the Central level.
- **Brand Modi continues to be the biggest pull factor in Indian politics:** The BJP had invested significant intent and efforts in pre-election campaign, with the Prime Minister Narendra Modi himself campaigning extensively across the state alongside the local leader - Suwendu Adhikari. Clearly, the higher, intellectual strata of the West Bengal society have seemingly undergone a rare change in 'perspective' and voted for a right-wing ideology driven by high pull factor and convincing narrative set by the PM. Winning in West Bengal further strengthens the credentials of PM Modi as a leader commanding appeal in diverse segments of the Indian electorate, raising his overall popularity.
- **The quasi 'setback' in 2024 elections is a distant memory now:** With the West Bengal election results, the BJP has continued its momentum of recovery from the setback received in 2024 general elections. Since then, it has done well in multiple states like Haryana, Maharashtra, Delhi, and Bihar. The West Bengal

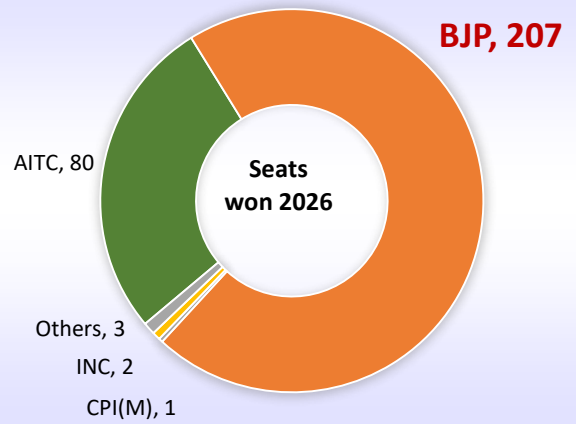
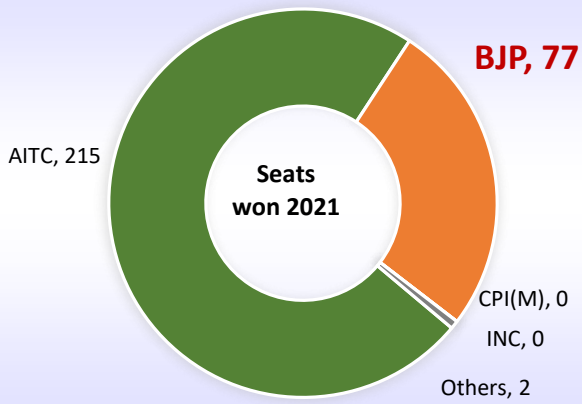
election results will embolden the party further, leading into the Feb-Mar 2027 elections of Uttar Pradesh – a metronome of Indian politics and a state where BJP suffered major setback in 2024 Lok Sabha elections.

- **The opposition INDIA alliance is weakening with every state election verdict:** The Congress-led INDIA alliance, which had made some headway during the 2024 Lok Sabha elections, has been on a continuous slide since then, with several of its member parties ceding ground to the NDA in states like Haryana, Maharashtra, Delhi, Bihar, and now West Bengal. Mamata Banerjee-led TMC was one of the strong pillars of the INDIA alliance. With a disappointing performance in state elections today and the loss of DMK in Tamil Nadu, it appears the Congress party will regain its voice in the alliance, albeit the alliance itself has become weak after a string of defeats and will require intense introspection to design a coherent forward plan.
- **BJP comes back in its ruled states, while ruling parties lose in other states:** A clear trend emerging in this set of results is that states/UT already ruled by BJP have witnessed re-election of BJP (in Assam and Puducherry), while in other states, i.e. West Bengal, Tamil Nadu, and Kerala, the ruling TMC, DMK, and LDF have respectively lost. We read this as the electorate distinguishing sharply between performance and underperformance rather than merely reflecting the generally perceived tendency of voting out the incumbent party. This bent was also observed in earlier state election results, where the ruling NDA returned to govern the states of Bihar, Maharashtra, Madhya Pradesh, Gujarat, and Uttar Pradesh.
- **View on markets:** Today's multiple state election verdict will be viewed positively by the market, not only for the message of a progressive change but more from the lens of policy continuity as the hands of the ruling NDA have become stronger and any faint memories and concerns of 2024 Lok Sabha setback have been convincingly wiped. The results have longer-term implications on the economic growth of involved states, especially the momentous transition for West Bengal, which will play out over the years. Once the results are digested and their positive undercurrent well noted, markets will quickly shift focus to the more immediate developments in the West Asia war and the 4QFY26 earnings season. The 4Q results season has been largely in line with our estimates with a positive bias. For the 109 companies reporting to date (forming ~50% of the estimated PAT pool of MOFSL universe), sales have been 1.6% ahead of our estimates, EBITDA has been in line, while PAT has been 2.6% ahead of MOFSL est. Sectorally, beats in Banks, Consumer, Consumer Durables, Healthcare, Metals, and Retail stand out, while Autos, NBFC Non-Lenders, Oil & Gas, and Utilities have posted misses on aggregate PAT level. However, in the near term, the market will remain hostage to volatile developments arising from the West Asian crisis, while higher commodity prices will be a key monitorable, as a prolonged elevated level could affect India's macro parameters and engender a tight monetary policy stance. We continue to prefer Large Caps and Mid Caps in our model portfolio. Our **Top Nifty-50 Ideas:** Bharti Airtel, SBI, ICICI Bank, M&M, Titan, Bharat Electronics, Eternal, Tata Steel, Infosys, and Interglobe Aviation. **Top Non-Nifty-50 Ideas:** TVS Motors, ICICI PRU AMC, Groww, Indian Hotels, AU Small Finance, Dixon Tech., Lenskart, Waaree Energies, Coforge, Radico Khaitan, and Delhivery.

**Note: Data sourced from the Election Commission of India, based on results or trends declared as of 10 PM on 4th May, 2026**

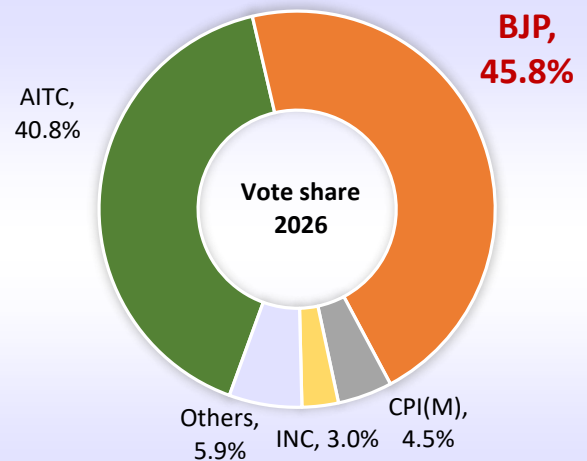
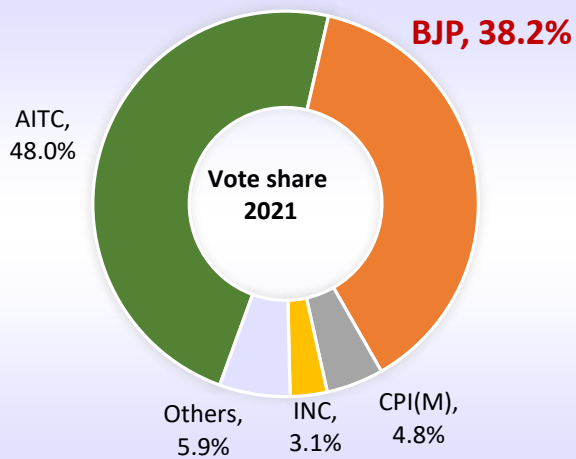
## West Bengal

### West Bengal | Party-wise seats won (or leading): Landslide victory for BJP



Source: Election Commission, MOFSL

### West Bengal | Party-wise vote share: Significant votes swing towards BJP

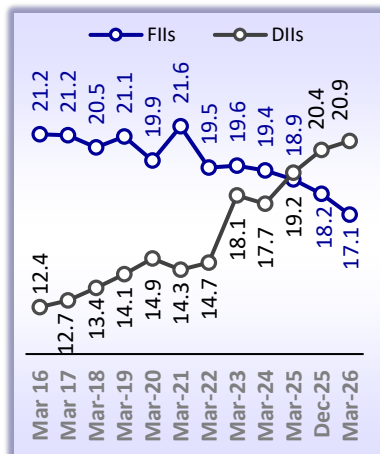


Source: Election Commission, MOFSL

BSE Sensex: 77,269

Nifty-50: 24,119

## Institutional ownership – Nifty-500 (%)



**DII's solidify their dominance; holdings in the Nifty-500 have surged to an all-time high of 20.9%**

## Ownership analysis – DIIs remain the bedrock!

### FII allocations in Technology at an all-time low

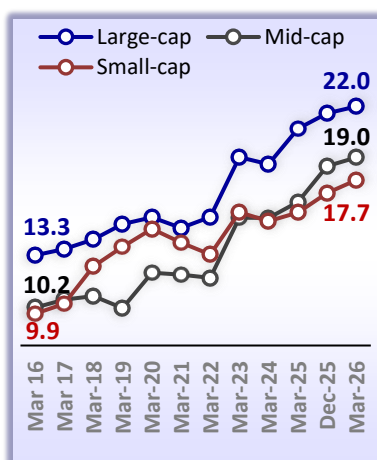
- **Sharp drawdown amid geopolitical tension:** Volatility in the Indian market persisted, making FY26 one of the most turbulent years for domestic equities. Indian equity markets stand at a pivotal juncture, supported by several tailwinds yet overwhelmed by geopolitical headwinds emanating from the ongoing Iran-Israel/US conflict.
- **DIIs remain the bedrock; even an abatement of FII outflows will help:** Domestic investors have continued to repose their unstinted faith in Indian equities, demonstrating strong resilience and an impressive capacity to absorb volatility over the past few years. In 1QCY26, DIIs have invested USD27.2b in Indian equities, backed by the unwavering SIP run rate. Conversely, FII flows have been volatile; while they turned positive in Feb'26 with ~USD1.7b of inflows, the onset of the Iran war sparked another bout of massive selling of USD14.2b in Mar'26 – taking the 1QCY26 FII outflows to USD15.8b. Once the war dust settles, there is a high likelihood of a better FII flow environment, and even an abatement in outflows will be taken positively by the market, while a full-blown positive flow can lead to sharper rallies.
- This structural shift in institutional ownership, which has gained momentum since 2021, continues to strengthen as DII holdings reach new peaks, touching 20.9%, while FII holdings touched a new low of 17.1% in Nifty 500 companies.
- **In this report, we explore their ownership across the Nifty-500 sectors and companies, analyzing how their holdings have evolved.**

### DII holdings in the Nifty-500 continue to surge

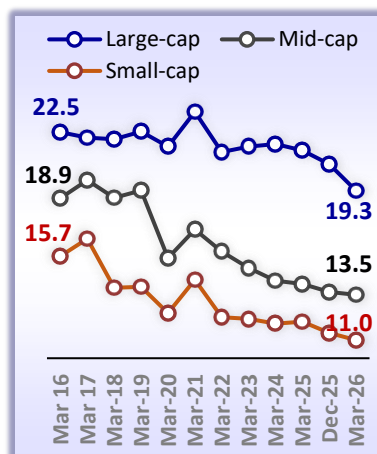
- Over the past one year, **DII** ownership rose 170bp YoY (+50bp QoQ) to an all-time high of 20.9% in Mar'26. In contrast, **FII** ownership dipped 180bp YoY (-110bp QoQ) to 17.1% (from 18.9% in Mar'25).
- **Promoter** holdings, which have historically remained range-bound, saw an increase of 40bp QoQ (flat YoY) to 49.4% in Mar'26.
- **Retail** holdings also increased to 12.7% in Mar'26 (+30bp YoY and QoQ).
- **Sectoral holding trends:** Within the Nifty-500, FIIs and DIIs showcased divergent trends. On a YoY basis, **DIIs raised their holdings in 21** out of 24 sectors. The maximum increase in holdings was visible in Private Banks, Technology, Telecom, Real Estate, Healthcare, and NBFC - Lending, while EMS, NBFC – Non-Lending, and Metals experienced a reduction in holdings.
- On a sequential basis, DIIs recorded the maximum increase in holdings in the Infrastructure, Private Banks, Technology, Real Estate, Telecom, Logistics, and Utilities sectors.
- On a QoQ and YoY basis, however, FIIs raised their stakes in Metals, PSU Banks, and Logistics. On a YoY basis, **FIIs reduced their holdings in 17 sectors, with the most significant reductions visible in** Private Banks, NBFC – Non-Lending, EMS, Real Estate, Technology, Retail, Consumer, Healthcare, Infrastructure, and Utilities.

The FII-DII ownership ratio in the Nifty 500 contracts to 0.8x in Mar'26

DII holdings in large-, mid-, and small-caps (%)



FII holdings in large-, mid-, and small-caps (%)



### FII-DII ownership ratio continues to contract

- As a proportion of the free float of Nifty-500, FII ownership dipped 360bp YoY (-180bp QoQ) to 33.8%. However, DII ownership rose 310bp YoY (+120bp QoQ) to 41.2%.
- The FII-DII ownership ratio in the Nifty-500 contracted 20bp YoY (-10bp QoQ) to 0.8x in Mar'26. Over the last year, the FII-DII ratio has expanded primarily in PSU Banks and Metals, while it contracted in 17 out of 24 sectors.
- Within the **Nifty-500 companies**, FIIs reduced their holdings in 54% of the companies YoY, while DIIs increased their stake in 73%.
- In the **Nifty-50**, FIIs reduced their holdings in 78% of the companies, while DIIs raised their holdings in 82% of the companies.

### Analyzing the Caps: DIIs continue to raise their stakes across the board

- According to the SEBI's categorization, large-, mid-, and small-cap stocks accounted for 67%, 22%, and 11% of the total Nifty-500 market cap, respectively.
- DIIs** significantly raised their stakes across market caps to an all-time high as of Mar'26. In contrast, FIIs have reduced their holdings across market caps YoY.
- Analysis of institutional holding patterns:** 1) On a YoY basis, **FIIs** reduced their stakes in large-, mid-, and small-caps by 220bp, 60bp, and 100bp, respectively. On a sequential basis, FIIs decreased their stakes in large-caps by 150bp to 19.3%, while they reduced their stakes in mid-caps and small-caps by 20bp and 40bp QoQ to 13.5% and 11%, respectively. 2) Conversely, **DIIs** significantly raised their stakes across market caps by 130bp/260bp/190bp YoY (+40bp/+50bp/+80bp QoQ) to 22%/19%/17.7%. 3) **Promoters** notably cut their YoY holdings in mid- and small-caps, while they rose in large-caps. Their holdings were reduced by 300bp/10bp YoY in mid-/small-caps. In contrast, the holdings rose YoY in large-caps by 80bp to 47.9% in Mar'26. 4) **Retail** holdings climbed in large-caps at 10.9% (+20bp YoY; +60bp QoQ). For mid-caps and small-caps, retail holdings were 14.6% (+90bp YoY; -30bp QoQ) and 20% (-80bp YoY, -50bp QoQ), respectively.

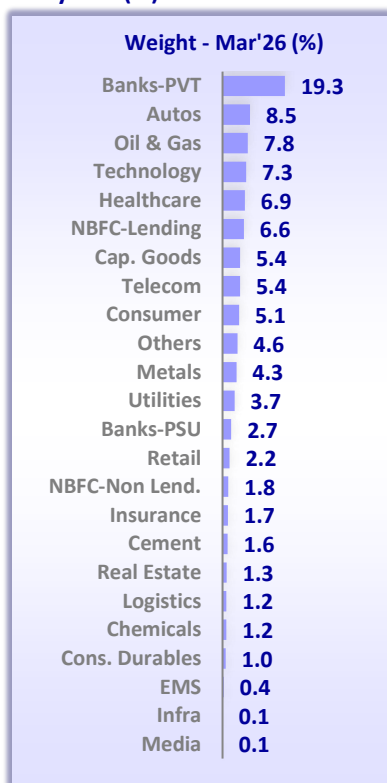
### Public players – apple of the eye for both DIIs and FIIs!

- We classified the Nifty-500 universe among private, PSU, and MNC companies. Notably, **DII** holdings in private companies rose to an all-time high of 21.5% (up 210bp YoY/70bp QoQ). Their holdings in PSU companies increased 70bp QoQ to 17.5% (+140bp YoY).
- FII** holdings in private companies reduced 250bp YoY and 140bp QoQ to 19.5% in Mar'26. The FII stakes in PSUs rose (+80bp YoY and QoQ) to 10.2% in Mar'26.
- Promoter** holdings in Private and PSU companies reduced 30bp and 160bp YoY to 44.8% and 64.9%, respectively, in Mar'26. However, MNC companies saw an increase in stake by 300bp YoY to 56.8%.
- Retail holdings were up in private companies by 60bp YoY to 14.1%. while they were down by 60bp YoY in PSU companies to 7.4%.

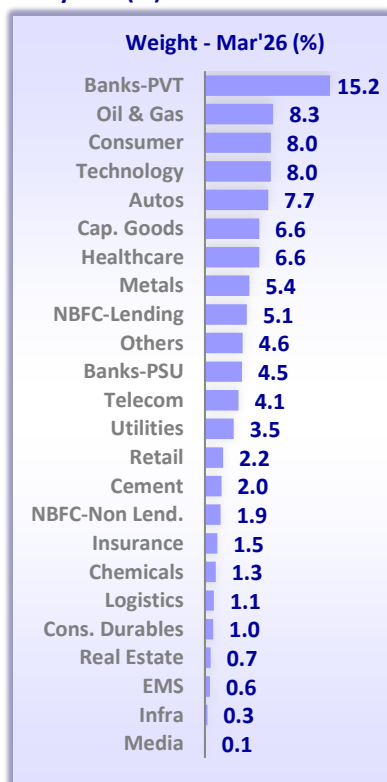
### Sectoral holdings YoY: DIIs raise holdings in 21 sectors, while FIIs cut holdings in 17

- Within the Nifty-500, FIIs reduced their holdings in 17 of 24 sectors: 1) **FIIs' holdings** were the **highest** in Private Banks (38.8%), followed by Telecom (23.7%), Real Estate (18.1%), Automobiles (18.1%), Consumer Durables (17.8%), Healthcare (17.6%), Oil & Gas (16.9%), Technology (16.5%), and NBFC - Lending (15.5%).

### FII's sectoral allocations within Nifty-500 (%)



### DII's sectoral allocations within Nifty-500 (%)



- FIIs raised their stakes in PSU Banks (+190bp), Telecom (+120bp), Metals (+120bp), Logistics (+110bp) YoY. 2) **DIIs** had the **highest** holding in Private Banks (37.3%), followed by Consumer (24.3%), Technology (22.3%), Oil & Gas (21.7%), and Telecom (21.7%).
- Among the key sectors, DIIs raised their stakes in both Private Banks (+420bp) and PSU Banks (+150bp). DIIs also raised their holdings in Technology (+400bp), Telecom (+340bp), Real Estate (+280bp), Infrastructure (+240bp), and Healthcare (+220bp) on a YoY basis.

### FII allocations in Metals, Healthcare, and Utilities climb in Mar'26

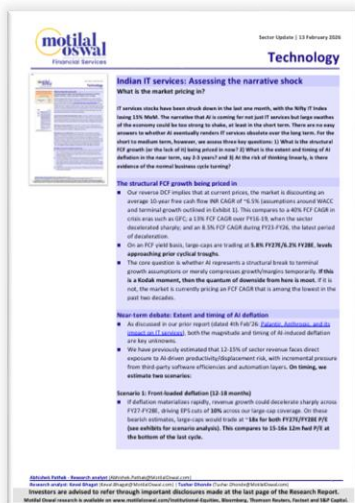
- FII allocation in BFSI (Private Banks, PSU Banks, NBFCs, and Insurance) dips to 32.1% (-260bp QoQ, -230bp YoY) in the Nifty-500 as of Mar'26. FIIs remained overweight (by 200bp) in BFSI vs. Nifty-500 (BFSI's weight in the Nifty-500 currently stands at 30.1%).
- BFSI was followed by Automobiles, in which FIIs had 8.5% weightage (up 160bp YoY and +10bp QoQ). In the Oil & Gas sector, FIIs had a weightage of 7.8% (+30bp QoQ and +100bp YoY). Overall, the Top 5 sectoral allocations of FIIs in the Nifty-500 accounted for 62.6% of total allocation – BFSI at 32.1%, Automobiles at 8.5%, Oil at 7.8%, Technology at 7.3%, and Healthcare at 6.9%.
- On a sequential basis, FIIs raised their weights in Metals, Healthcare, Utilities, Capital Goods, PSU Banks, Oil & Gas, and Retail, while they reduced their holdings in Private Banks, Technology, Real Estate, Infrastructure, and Consumer. **FII allocation in Technology dipped to an all-time low of 7.3%** (-90bp QoQ, -280bp YoY) in Mar'26.
- In terms of absolute holdings, out of the total FII holdings of USD696b, Private Banks topped the chart with USD134b in investment value. The top-5 companies that contributed 27% to the holding value were HDFC Bank (USD63.5b), Reliance (USD39.8b), Bharti Airtel (USD33.1b), ICICI Bank (USD32.6b), and Infosys (USD18.9b).

### DIIs: OW on Consumer and PSU Banks but UW on Private Financials

- Within the Nifty-500, DIIs were overweight on Consumer, PSU Banks, Oil & Gas, Technology, Metals, and Telecom, while they were underweight on Private Banks, NBFCs, Capital Goods, Automobiles, Real Estate, and Healthcare.
- Overall, the Top 5 sectoral holdings of DIIs in the Nifty-500 accounted for 60.2% of the total allocation – BFSI (28.2%), Oil & Gas (8.3%), Consumer (8%), Technology (8%), and Automobiles (7.7%).
- Of the total DII holdings of USD849b in the Nifty-500, Private Banks topped the chart at USD129b, followed by Oil & Gas at USD70b and Technology at USD68b.
- The top 5 stocks by holding value were HDFC Bank (USD43b), Reliance (USD40.6b), ICICI Bank (USD37.9b), ITC (USD28.4b), and SBI (USD25.7b).

### Retail holdings inch up in Mar'26

- Retail holdings for the overall Nifty-500 universe have remained in the range of 12-13% over the last three years. The holdings increased by 30bp YoY and QoQ to 12.7% as of Mar'26. Within the Nifty-500, the top 5 sectoral holdings of Retail, which accounted for 58.1% of the total allocation, were: BFSI (27.2%), Capital Goods (9.8%), Automobiles (7.7%), Consumer (6.9%), and Healthcare (6.5%).



## Thoughts from the disruptors

### We are on the road, meeting AI-native founders to understand where the value in IT services could migrate

In seeking answers to both the long-term future and the near-term outlook on the sector, we are going on the road and meeting founders of enterprise AI and AI-native companies to understand the disruption argument. **In this regard, we recently met Sayandeb Banerjee, Co-founder and CEO of MathCo: a Bengaluru- and Chicago-headquartered enterprise AI company with ~USD80m in revenue.** MathCo offers data engineering, advanced analytics, and agentic AI solutions; key partnerships include Snowflake and Databricks. Sayan is an industry veteran with over 25 years in data and analytics - across GenPact and Mu Sigma - before finally founding MathCo in 2016. **Our conversation spanned five themes:** (1) where is the value that is eroding from IT services migrating to; (2) whether AI is a cloud-style multiplier or divider for system integrator revenue; (3) incumbent SI moats; (4) the mid-tier and niche analytics competitive positioning; and (5) the T&M to outcome pricing transition. **Three durable themes emerged: domain context remains a moat, AI implementation services will see a clear J-curve, but timing is uncertain, and the cloud analogy for AI could be flawed.** Key questions and answers below.

**What does this mean for IT services? We believe the industry will take some time to find a new equilibrium — be it deflation, new pricing models, or client expectations:**

### Where is the IT services value erosion actually going?

- There is genuine real-term revenue compression. The cost of delivering an outcome has fallen sharply; **these savings are currently being extracted almost entirely by enterprise buyers through productivity demands** and vendor price pressure.
- Model providers — Google, Anthropic, OpenAI — are not yet the economic winners. They are still absorbing heavy infrastructure costs and actively subsidizing enterprise adoption: discounted token costs and, in some cases, direct services co-investment. **Example:** a hyperscaler may commit USD100m in services spend alongside an enterprise Gemini rollout just to ensure the deployment succeeds.
- This is not an equilibrium. **As token costs normalize (trajectory is structurally downward) and model providers reduce subsidization, the value pool will need to be shared across enterprises, model providers, and service ecosystem participants.**

### AI vs. the cloud cycle: multiplier or divider?

- Cloud migration was effort-intensive by design — moving petabytes from on-prem to cloud was a 500-person-team exercise for 18 months; the volume of effort was the product. **AI compresses that same migration to perhaps 50 people. The services revenue pool on any given workload shrinks even if the addressable universe expands.**

- The old SI piggybacking model — first on SAP, then Salesforce/Pega, then AWS — is structurally challenged. Hyperscalers in the cloud era were broadly indifferent to services revenue; **model companies (Anthropic, OpenAI, and Google) are actively pushing to capture a larger share of the value they enable.**
- Platform strategies differ materially. Palantir is explicitly platform-only — exits services after year one (Palantir engineers are priced at ~USD1m/year); **MathCo is generating meaningful follow-on services revenue on Palantir stacks at multiple client sites. Google remains partner-ecosystem oriented; AWS** historically tried to capture services revenue directly via ProServe. Anthropic and Google appear to understand they need qualified partners for enterprise execution at scale, suggesting partner economics will not be zero but structurally smaller than the cloud-era equivalent.
- **Our prior analysis estimated 12-15% of sector revenue faces direct AI-driven displacement risk** (see our report dated 27th Feb'26: [Making sense of the Anthropic product launches](#)); the AI-as-divider dynamic suggests that even the “implementation multiplier” assumption embedded in the bull case needs revisiting.

#### Context moats: real but eroding faster than the market appreciates?

- **Context — deep knowledge of enterprise systems, processes, and data — is the central variable in enterprise AI ROI. SIs and BPM firms have genuine defensibility here:** decades of accumulated process and systems knowledge that a pure AI-native firm cannot replicate overnight.
- However, AI is democratizing context acquisition: what previously required five senior architects to map (data schemas, process flows, and system interdependencies) can now be generated by foundation models in hours.
- MathCo ran a B2B collections transformation for a client with no native domain context — **AI-generated schemas substituted for the gap that would previously have disqualified them. This was not possible 12-18 months ago.**
- Enterprises are also finding a way around the moat: buyers are increasingly willing to run PoCs with smaller, more agile vendors.

#### MathCo's positioning: decision intelligence

- MathCo's fundamental positioning is business-problem-led, not technology-led — a distinction that is becoming more valuable.
- **The entry point is always the business outcome (marketing spend optimization, pricing transformation, collections efficiency), not the tech stack. This consulting-with-data mindset is an edge over firms** that enter from the infrastructure or platform side and work upward.
- The company has deliberately stayed out of the infra layer — no system builds, no large-scale infrastructure work. Its stack runs from data engineering (staging data from SAP, Workday, and Salesforce to Databricks, Snowflake, or native cloud, with data quality and governance layered in) through to algorithm development (predictive modeling, forecasting, and optimization) and outcome delivery.

### Case study: how AI has changed traditional data engineering

- Every enterprise AI initiative requires data to first be moved from source systems (SAP, Workday, and Salesforce) into a central staging environment - a data warehouse or lakehouse on Databricks, Snowflake, or native cloud. This process — extract, transform, load (ETL) — has been the backbone of enterprise data work for decades.
- **Traditionally, ETL was a headcount-intensive exercise. Depending on data volumes and system complexity, a pipeline build could require teams of 50-100 engineers over several months**, writing transformation rules and validating data quality. It was a natural home for large SI teams billing on T&M.
- Agentic ETL changes this fundamentally. An AI agent autonomously maps source schemas, identifies transformation rules, flags data quality issues, and builds the pipeline — with higher precision and a fraction of the human effort. **MathCo has built this into its NucliOS platform; when presented to a buyer running a traditional ETL program**, the cost differential opens the commercial conversation immediately.
- A second structural shift is happening alongside the effort compression. Traditional ETL staged data into SQL tables, which worked for dashboards but is poorly suited to how AI models reason. **Knowledge graphs and semantic layers are now the required foundation — and building these requires exactly the business-problem-first thinking** that MathCo is oriented around, rather than a purely technical approach.

### Different types of outcome-based models and the impact of deflation

- Deflationary pressure is strongest wherever pricing still signals labor input. **Any proposal that references headcount — explicitly or implicitly — invites the buyer to demand the same output with fewer people. T&M-based pricing is structurally vulnerable; this is not a cyclical phenomenon.**
- Sayan drew a distinction that the market always confuses. Outcome-tied pricing: scope and price are defined around a business output and delivery milestones — not headcount. Outcome-contingent/gain-share pricing: fee as a function of actual performance improvement achieved (e.g., “improve collections by X%, share Y% of the upside”).
- **Most large SIs saying “we’re moving to outcome pricing” mean the former; gain-share is a materially different and harder commercial model** — very few firms are genuinely doing it at scale.
- Gain share will survive, but implicit outcome-based (which is still headcount dependent) will decline too.

### Other points of discussion — J curve, AI model progress, and conclusion

- On the J-curve — unequivocal yes. **Enterprise AI at scale requires significant upfront investment in context before ROI materializes. Generic foundation models are irrelevant to an enterprise;** real ROI begins only when enterprise-specific contextual knowledge is fed in.
- Was Opus 4.6 a turning point? No single model release is a true inflection point — progress so far is a continuum, and the market periodically overreacts to

individual versions. Some of the positioning by model companies amplifies this — it is partly a marketing dynamic, not purely a capability step change.

- **Over the next 2-3 quarters, we will monitor:** (a) pricing commentary in managed services deals — any explicit mention of outcome-linked structures in large-cap results; (b) AI-native partnership announcements involving Indian IT vendors and evidence of short-cycle AI-led deal wins (refer to Exhibits 5 to 7).

### Our view on IT services




- The 4QFY26 results have done little to allay fears of disruption in the sector — **we expect most large-cap revenues to decelerate in FY27, a clear sign that deflation seems to be picking up**, and it may get worse before it gets better.
- The technology remains in flux, and it is difficult to expect clarity in the short term.
- **The two key variables we highlighted earlier remain unresolved:**
  - (1) Timing and extent of AI deflation, and
  - (2) Timing and scale of AI-led revenue opportunities.

While deflation is becoming incrementally visible, evidence of large-scale, revenue-accretive AI deals remains limited and skewed toward smaller, short-cycle engagements.
- **We have consistently argued that context (enterprise systems, data, process knowledge) is the core defensibility of IT services (refer to Exhibit 1). This still holds, particularly in brownfield environments where AI deployment is complex.** However, AI is reducing the cost of context replication, lowering entry barriers for AI-native firms and compressing incumbents' pricing power over time.
- Our analysis of API calls for Claude and token usage for OpenAI reveals two key things: 1) software engineering is ground zero for AI invasion – 50% of all API calls target software engineering, and 2) **AI is currently being used only by cloud-first/AI-native enterprises. Of the top 20 token users for OpenAI, 90% are new-age companies.** This indicates that AI is easier to deploy in greenfield environments (see Exhibits 2 and 3).
- Near-term, value capture remains skewed toward AI enterprises, with IT services vendors absorbing pricing pressure, keeping growth visibility constrained.

### Our research on Indian IT and AI:

- 1) [Mythos: Unpacking the next Anthropic model release](#) | 8<sup>th</sup> April 2026
- 2) [Making sense of the Anthropic product launches](#) | 27<sup>th</sup> Feb 2026
- 3) [Indian IT services: Assessing the narrative shock](#) | 13<sup>th</sup> Feb 2026
- 4) [Palantir, Anthropic, and its impact on IT services](#) | 4<sup>th</sup> Feb 2026
- 5) [GenAI and IT Services: The waiting game](#) | 19<sup>th</sup> Sept 2025
- 6) [Productivity gains and Indian IT – What is the value at risk?](#) | 5<sup>th</sup> Jun 2025

# Cholamandalam Inv. & Finance

Estimate change   
 TP change   
 Rating change 

**CMP: INR1,640**      **TP: INR1,900 (+16%)**      **Buy**

## Healthy performance; asset quality improves significantly

### Business AUM rises ~21% YoY; NIM (calc.) expands ~10bp QoQ

- Cholamandalam Inv. & Finance's (CIFIC) 4QFY26 PAT grew ~30% YoY to INR16.4b (~8% beat). FY26 PAT grew ~23% YoY to INR52.2b. NII in 4QFY26 grew ~26% YoY to ~INR38.6b (in line). Other income grew ~33% YoY to ~INR9.3b. This growth was mainly driven by higher fee income of INR6.3b (PY: INR4.6b) and higher assignment income of ~INR1.1b (PY: INR940m).
- Opex rose ~27% YoY to ~INR18b (in line), and the cost-to-income ratio declined ~140bp QoQ to ~37.7% (PQ: 39% and PY: 38%). PPOP grew ~28% YoY to INR29.8b (in line). FY26 PPOP grew ~28% YoY to INR105b.
- Yields (calc.) declined ~10bp QoQ to ~14.4%, while CoF (calc.) declined ~20bp QoQ to ~7.35%. NIM (calc.) rose ~10bp QoQ to ~7.1%. While yields are expected to improve with the scale-up of gold loans, consumer durable (CD), and unsecured CSEL, the company expects NIM + fees to remain broadly stable at ~8%, as the benefit from higher yields is likely to be offset by a modest increase in CoF in FY27. We expect NIM + fees to expand to ~7.7%/7.9% in FY27/FY28 (compared to ~7.6% in FY26).
- CIFIC indicated that demand remains healthy across segments, particularly in vehicle finance, with momentum sustaining into Apr'26. Management highlighted that while growth last year was driven by only three segments (HL, LAP, and SBPL), it now expects all eight divisions to contribute, supporting AUM growth of ~20-23% in FY27. We model an AUM growth of ~21% each in FY27/FY28.
- Management highlighted that early delinquency indicators and non-starters have improved significantly in Apr'26 compared to Apr'25 and Apr'24, indicating better credit quality at the origination level. The CSEL portfolio is also showing improvement, while vehicle finance NCLs are stabilizing, leading the company to guide for a decline in credit costs to ~1.5% in FY27 from ~1.6% (pre-overlay) in FY26. We estimate credit costs (as a % of avg. assets) of ~1.5%/1.4% in FY26/FY27.
- We keep our FY27E/28E EPS estimates broadly unchanged. We model a CAGR of 20%/21%/25% in disbursement/AUM/PAT over FY26-28E. We estimate an RoA/RoE of ~2.6%/20% in FY28. **Reiterate our BUY rating with a TP of INR1,900 (premised on 3.6x Mar'28E BVPS).**

### AUM up 21% YoY; sustained momentum in disbursement growth

- Business AUM grew 21% YoY/6.5% QoQ to INR2.24t, with newer businesses now forming ~13% of the AUM mix.
- Total disbursements grew ~25% YoY and ~10% QoQ to ~INR329b. Newer lines of businesses contributed ~21% to the disbursement mix (PQ: ~20% and PY: ~17%). VF disbursements grew ~25% YoY.
- Gold loan disbursements in 4QFY26 stood at ~INR11.3b across 120 branches concentrated in Southern and Eastern India.

Bloomberg	CIFIC IN
Equity Shares (m)	844
M.Cap.(INRb)/(USD)	1397.4 / 14.7
52-Week Range (INR)	1832 / 1299
1, 6, 12 Rel. Per (%)	15/-1/11
12M Avg Val (INR M)	2881

### Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Total Income	170.7	205.9	248.8
PPP	105.0	125.7	154.0
PAT	52.2	63.6	81.1
EPS (INR)	61.2	74.3	94.6
EPS Gr. (%)	21	21	27
BV (INR)	357	434	526

### Valuations

NIM (%)	7.0	7.0	7.0
C/I ratio (%)	38.5	38.9	38.1
RoAA (%)	2.3	2.4	2.6
RoE (%)	19.3	18.8	19.7
Payout (%)	3.3	3.0	2.5

### Ratios

P/E (x)	26.8	22.1	17.3
P/BV (x)	4.6	3.8	3.1
Div. Yield (%)	0.1	0.1	0.1

### Shareholding pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	49.3	49.7	49.9
DII	19.9	17.6	15.5
FII	24.9	26.6	28.2
Others	6.0	6.2	6.4

FII includes depository receipts

### Stage 2 improves 40bp QoQ; credit costs decline sequentially

- GS3/NS3 improved 30bp QoQ each to 3.05%/1.6%, while PCR on S3 rose ~4pp QoQ to ~47.3%. ECL/EAD declined ~5bp QoQ to 1.97% (PQ: ~2.02%). GS3 in new businesses declined ~35bp QoQ to ~2.4% (PQ: 2.75% and PY: 2.2%).
- VF GS3 declined to ~3.8% (PQ: 4.2%), SME GS3 dipped to 3.2% (PQ: 3.25%), SBPL GS3 declined to 3.5% (PQ: 4.7%), and CSEL GS3 declined to 1.9% (PQ: 2.2%).
- Stage 2 + Stage 3 [30+ dpd] dipped ~70bp QoQ to ~5.5%. In 4QFY26, write-offs were ~INR6.9b, translating into ~1.5% of TTM AUM (PY: ~1.35% and PQ: ~1.65%). Net slippage declined to ~INR4.4b, amounting to 0.9% (PY: 1.35% and PQ: 2.35%).
- CIFIC's credit costs in 4QFY26 stood at ~INR8.5b (in line). This translated into annualized credit costs of 155bp (PY: 140bp and PQ: 180bp).
- CRAR stood at ~19.2% (Tier 1: ~14.7%) as of Mar'26.

### Key highlights from the management commentary

- The home loan segment saw temporary moderation in disbursements due to operational issues such as election-related administrative delays, land record digitization mismatches, and documentation challenges (especially in the South). Management expects 1QFY27 to be better, supported by branch maturity and pan-India expansion.
- The gold loan business is being aggressively expanded, with branch count expected to increase from ~120 currently to ~480 (i.e., 360 additions), with these being exclusive branches.
- Management indicated that internal accruals should be adequate to support growth, provided AUM growth remains below ~25% and pre-tax RoTA is sustained at ~3.5%. However, if the Tier 1 capital ratio declines toward ~13%, the company may evaluate raising fresh equity capital.

### Valuation and View

- CIFIC delivered a strong operating performance, with healthy disbursement momentum driving ~21% YoY AUM growth. Asset quality improved significantly, supported by lower slippages and improvement across both Stage 2 and Stage 3 assets, leading to a sequential decline in credit costs, while margins expanded by ~10bp QoQ, primarily driven by a reduction in cost of funds.
- The stock trades at 3.8x FY27E P/BV. We estimate a CAGR of ~21%/25% in AUM/PAT over FY26-28 for RoA/RoE of 2.6%/20% in FY28E. **Reiterate our BUY rating with a TP of INR1,900 (premised on 3.6x Mar'28E BVPS).**
- **Key risks:** 1) weak macros translating into weaker vehicle demand and sustained lower capacity utilization; and 2) impact on asset quality and credit costs due to the ongoing West Asia crisis and the El Niño impact.

**Quarterly Performance**

(INR m)

Y/E March	FY25				FY26				FY25	FY26	4Q FY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	53,695	57,680	61,587	64,180	66,501	68,942	72,238	76,046	2,37,200	2,83,726	76,111	0
Interest Expenses	27,957	30,551	32,718	33,623	34,663	35,155	36,430	37,494	1,24,849	1,43,742	37,447	0
<b>Net Interest Income</b>	<b>25,738</b>	<b>27,128</b>	<b>28,869</b>	<b>30,557</b>	<b>31,838</b>	<b>33,787</b>	<b>35,808</b>	<b>38,551</b>	<b>1,12,351</b>	<b>1,39,984</b>	<b>38,663</b>	<b>0</b>
YoY Growth (%)	39.7	34.6	33.0	29.77	23.7	24.5	24.0	26.16	34.0	24.6	26.5	
Other Income	4,595	5,248	6,537	7,027	6,807	6,959	7,616	9,340	23,348	30,722	8,577	9
<b>Total Income</b>	<b>30,333</b>	<b>32,376</b>	<b>35,406</b>	<b>37,584</b>	<b>38,645</b>	<b>40,746</b>	<b>43,423</b>	<b>47,892</b>	<b>1,35,699</b>	<b>1,70,706</b>	<b>47,240</b>	<b>1</b>
YoY Growth (%)	42.6	36.8	37.2	29.0	27.4	25.9	22.6	27.4	35.9	25.8	25.7	
Operating Expenses	11,834	13,155	14,130	14,269	14,528	16,169	16,991	18,054	53,388	65,742	18,155	-1
<b>Operating Profit</b>	<b>18,499</b>	<b>19,221</b>	<b>21,276</b>	<b>23,315</b>	<b>24,117</b>	<b>24,578</b>	<b>26,432</b>	<b>29,838</b>	<b>82,311</b>	<b>1,04,965</b>	<b>29,085</b>	<b>3</b>
YoY Growth (%)	38.1	35.3	40.4	43.2	30.4	27.9	24.2	28.0	39.4	27.5	24.7	
Provisions & Loan Losses	5,814	6,235	6,640	6,253	8,821	8,970	9,103	8,464	24,943	35,358	8,573	-1
<b>Profit before Tax</b>	<b>12,685</b>	<b>12,986</b>	<b>14,636</b>	<b>17,062</b>	<b>15,296</b>	<b>15,608</b>	<b>17,329</b>	<b>21,374</b>	<b>57,369</b>	<b>69,607</b>	<b>20,512</b>	<b>4</b>
Tax Provisions	3,263	3,355	3,771	4,395	3,937	4,054	4,452	4,967	14,783	17,411	5,271	-6
<b>Net Profit</b>	<b>9,422</b>	<b>9,631</b>	<b>10,865</b>	<b>12,667</b>	<b>11,359</b>	<b>11,553</b>	<b>12,877</b>	<b>16,407</b>	<b>42,585</b>	<b>52,196</b>	<b>15,241</b>	<b>8</b>
YoY Growth (%)	29.8	26.3	24.0	19.7	20.6	20.0	18.5	29.5	24.4	22.6	20.3	

**Key Parameters (Calc., %)**

Yield on loans	14.4	14.5	14.65	14.48	14.4	14.45	14.49	14.40	14.5	14.2	
Cost of funds	7.86	7.94	8.06	7.86	7.78	7.63	7.56	7.34	8.1	7.5	
Spread	6.5	6.6	6.6	6.6	6.6	6.8	6.9	7.1	6.5	6.8	
NIM	6.84	6.78	6.81	6.80	6.76	6.91	6.99	7.09	6.9	7.0	
C/I ratio	39.0	40.6	39.9	38.0	37.6	39.7	39.1	37.7	39.3	38.5	
Credit cost	1.55	1.56	1.57	1.39	1.87	1.83	1.78	1.56	1.5	1.7	
Tax rate	25.7	25.8	25.8	25.8	25.7	26.0	25.7	23.2	25.8	25.0	

**Balance Sheet Parameters**

<b>Disbursements (INR b)</b>	<b>243</b>	<b>243</b>	<b>258</b>	<b>264</b>	<b>243</b>	<b>244</b>	<b>300</b>	<b>329</b>	<b>1,009</b>	<b>1,116</b>	
Growth (%)	21.6	12.9	15.3	6.6	0.0	0.5	16.1	24.6	13.7	10.7	
<b>AUM (INR b)</b>	<b>1,554</b>	<b>1,646</b>	<b>1,746</b>	<b>1,847</b>	<b>1,921</b>	<b>1,992</b>	<b>2,107</b>	<b>2,243</b>	<b>1,847</b>	<b>2,243</b>	
Growth (%)	35.4	32.5	30.5	26.9	23.6	21.0	20.7	21.4	26.9	21.4	
<b>AUM mix (%)</b>											
Vehicle finance	57.0	55.9	55.4	54.8	54.5	54.0	53.6	53.3	54.8	53.3	
Home Equity	20.7	21.2	21.5	22.4	22.9	23.2	23.3	23.3	22.4	23.3	
Home loans & Others	22.3	23.0	23.1	22.8	22.6	22.7	23.1	23.4	12.8	13.3	
<b>Borrowings (INR b)</b>	<b>1,499</b>	<b>1,578</b>	<b>1,671</b>	<b>1,749</b>	<b>1,813</b>	<b>1,875</b>	<b>1,978</b>	<b>2,109</b>	<b>1,749</b>	<b>2,109</b>	
Growth (%)	38.6	32.1	35.7	30.1	20.9	18.8	18.4	20.5	30.1	20.5	

**Asset Quality Parameters**

GS 3 (INR B)	41.2	47.1	51.3	52.1	60.4	66.3	70.1	67.7	52.1	67.7	
GS 3 (%)	2.6	2.8	2.9	2.81	3.2	3.4	3.4	3.05	2.8	3.0	
NS 3 (INR B)	22.5	26.1	28.7	28.5	34.0	37.6	40.0	35.7	28.5	35.7	
NS 3 (%)	1.5	1.6	1.7	1.57	1.8	1.9	2.0	1.64	1.5	1.9	
PCR (%)	45.5	44.5	44.1	45.3	43.7	43.2	43.0	47.3	45.3	47.3	

**Vehicle finance AUM mix (%)**

LCV	19.8	19.8	19.2	19.0	19.2	19.3	18.7	18.5	19.8	19.8	
Cars & MUV	22.8	23.1	23.7	24.1	24.5	24.8	25.3	25.5	22.8	23.1	
3W & SCV	3.6	3.6	3.6	3.5	3.5	3.5	3.5	3.4	3.6	3.6	
Used CV	27.4	27.6	27.6	27.7	27.6	27.6	27.2	27.0	27.4	27.6	
Tractor	6.5	6.2	6.0	5.6	5.3	5.1	5.0	4.7	6.5	6.2	
HCV	6.7	6.6	6.6	6.8	6.7	6.7	6.9	7.3	6.7	6.6	
CE	6.5	6.3	6.4	6.4	6.3	6.1	6.2	6.3	6.5	6.3	
Two wheeler	6.8	6.7	6.8	6.8	6.8	6.9	7.3	7.4	6.8	6.7	

E: MOFSL estimates

# Ambuja Cements

Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR445**

**TP: INR530 (+19%)**

**Buy**

## Weak performance; profitability hit by elevated opex/t

### Weak industry demand outlook in FY27; expansion plans deferred

- Ambuja Cements' (ACEM) 4QFY26 EBITDA was below our estimates due to lower realization and higher opex/t vs. our estimates. Consolidated EBITDA declined ~22% YoY to INR14.6b (-17% miss). Sales volume grew ~9% YoY to 19.9mt (in line). EBITDA/t declined 28% YoY to INR736 (est. INR 884). Profit adjusted for tax reversals and exceptional items (before MI) declined ~26% YoY to INR5.4b (-20% miss).
- Management indicates a cautious near-term outlook, with demand expected to remain soft at ~5.0% growth YoY in FY27. Cost escalation in 4QFY26 was a negative surprise, driven by higher fuel, freight, packing costs, and operating inefficiencies in acquired assets. In 1QFY27, opex/t is estimated to remain flattish QoQ, and management believes this marks the peak of cost/t. The company targets cost reduction of INR250/t p.a. over FY27–FY28 through efficiency and sourcing initiatives. It has adopted a more calibrated and disciplined capex approach, marking a shift from earlier aggressive expansion plans. The capacity targets (140-155 mtpa) are now likely to be deferred by 1-2 years (towards FY30).
- We cut our EBITDA estimates by 13%/3% for FY27/FY28, led by a cut in our volume growth and cost saving estimates. We value the stock at 16x FY28E EV/EBITDA to arrive at our TP of INR530 (earlier INR560). **Reiterate BUY.**

### Opex/t increases ~7% YoY; blended realization/t remains flat YoY

- Consol. revenue/EBITDA/adj. PAT (before MI) stood at INR109.2b/INR14.6b/INR5.4b (+9%/-22%/-26% YoY, and -1%/-17%/-20% vs. our estimates) in 4QFY26. Consol. volume increased ~9% YoY to 19.9mt. Blended realization/t remained flat YoY to INR5,485 (+1% QoQ; ~1% below estimates).
- Opex/t was up ~7% YoY/1% QoQ (~3% above estimates), led by an increase in other expenses/freight cost/variable cost per ton, rising ~26%/4%/3% YoY. EBITDA/t declined ~28% YoY to INR736, and OPM contracted 5.3pp YoY to ~13%. Depreciation/interest cost increased ~34%/46% YoY, while other income declined ~14% YoY.
- In FY26, revenue/EBITDA/PAT (before MI) stood at INR406.6b/INR65.4b/INR25.4b (+18%/+31%/+7% YoY). Sales volume grew ~16% YoY, aided by inorganic growth. Realization/t was up ~2% YoY to INR5,457. EBITDA/t grew ~13% YoY to INR878. OCF stood at INR53.6b vs. INR22.4b in FY25. Capex (net of proceeds) stood at INR59.6b vs. INR85.9b. Net cash outflow stood at INR5.9b vs. INR63.5b in FY25.

### Highlights from the management commentary

- Pricing remains a key challenge, with the industry witnessing only marginal price improvements INR10/bag (selective geographies seeing INR15–20) in Apr'26. Pricing power remains weak due to subdued demand conditions.
- The company is prioritizing improving utilization of existing assets and stabilizing past acquisitions before committing to the next leg of expansion. Organic growth remains the primary focus, while inorganic opportunities will be evaluated selectively.
- Capex is pegged at INR60b–65b in FY27. A large portion of this relates to projects already under execution, including capacity additions, WHRS, fly ash transportation systems, debottlenecking, and maintenance capex.

	ACEM IN
Bloomberg	ACEM IN
Equity Shares (m)	2472
M.Cap.(INRb)/(USDb)	1100.7 / 11.6
52-Week Range (INR)	625 / 394
1, 6, 12 Rel. Per (%)	0/-16/-15
12M Avg Val (INR M)	1422
Free float (%)	32.7

### Consol. Financial Snapshot (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	406.6	446.6	499.1
EBITDA	65.4	67.4	91.4
Adj. PAT	19.6	18.2	27.9
EBITDA Margin (%)	16.1	15.1	18.3
Adj. EPS (INR)	7.9	7.4	11.3
EPS Gr. (%)	-3.6	-7.5	53.6
BV/Sh. (INR)	240	245	255

### Ratios

Net D:E	-0.0	0.0	0.0
RoE (%)	3.5	3.0	4.5
RoCE (%)	9.1	3.6	5.3
Payout (%)	25.2	34.0	22.1

### Valuations

P/E (x)	49.2	53.1	34.6
P/BV (x)	1.6	1.6	1.5
EV/EBITDA(x)	17.2	17.6	13.2
EV/ton (USD)	109	99	93
Div. Yield (%)	0.4	0.6	0.6
FCF Yield (%)	-0.5	-0.8	-0.6

### Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	67.6	67.6	67.5
DII	20.1	19.9	17.3
FII	5.9	5.8	8.7
Others	6.4	6.7	6.5

FII includes depository receipts

### Valuation and view

- ACEM's 4QFY26 performance was below our as well as consensus estimates, mainly due to the cost overhang. It has reported lower profitability vs. peers (so far results announced). While management had indicated in its 3Q earnings concall that opex/t had normalized by end-Dec'25 and was likely to decline in 4QFY26, it instead remained elevated, led by higher branding and packing costs, along with incremental shutdown-related costs, higher lead distance, and additional goods tax in certain states. We estimate near-term performance to remain under pressure amid cost escalation and muted pricing, while, in the long term, various internal cost efficiency measures and a single cement platform will help the company improve overall performance.
- We estimate a CAGR of ~11%/18%/19% in consol. revenue/EBITDA/PAT over FY26-28, led by volume growth of ~9%. We estimate its EBITDA/t at INR856/INR1,053 in FY27/FY28 vs. INR887 in FY26. ACEM currently trades at 18x/13x FY27E/FY28E EV/EBITDA and USD99/USD93 EV/t. We value the stock at 16x FY28E EV/EBITDA to arrive at our TP of INR530 (earlier INR560). **Reiterate BUY.**

### Consolidated quarterly performance

	FY25				FY26				FY25	FY26	FY26	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE		
<b>Net Sales</b>	<b>83.9</b>	<b>73.8</b>	<b>85.8</b>	<b>99.8</b>	<b>102.9</b>	<b>91.7</b>	<b>102.8</b>	<b>109.2</b>	<b>343.4</b>	<b>406.6</b>	<b>110.1</b>	<b>(1)</b>
YoY Change (%)	-3.7	-0.6	5.6	12.2	22.6	24.3	19.7	9.4	10.2	18.4	10.4	
<b>EBITDA</b>	<b>12.8</b>	<b>9.7</b>	<b>8.9</b>	<b>18.7</b>	<b>19.6</b>	<b>17.6</b>	<b>13.5</b>	<b>14.6</b>	<b>50.1</b>	<b>65.4</b>	<b>17.7</b>	<b>(17)</b>
YoY Change (%)	-23.2	-25.2	-48.9	9.9	53.2	80.9	52.8	-21.6	73.0	30.6	-21.6	
Margins (%)	15.3	13.2	10.3	18.7	19.1	19.2	13.2	13.4	14.6	16.1	16.0	(262)
Depreciation	4.8	5.2	6.1	7.9	8.0	8.9	9.6	10.5	23.9	37.0	9.8	8
Interest	0.7	0.7	0.7	0.1	0.7	0.8	0.6	0.2	2.2	2.2	0.6	(67)
Other Income	3.5	3.7	2.4	2.7	2.6	2.6	0.9	2.3	12.4	8.3	2.1	13
<b>PBT before EO Item</b>	<b>10.9</b>	<b>7.6</b>	<b>4.5</b>	<b>13.4</b>	<b>13.5</b>	<b>10.6</b>	<b>4.2</b>	<b>6.2</b>	<b>36.4</b>	<b>34.5</b>	<b>9.3</b>	<b>(33)</b>
Share of profit of JVs	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.1	-
Extraordinary Inc/(Exp)	0.0	-0.2	19.4	4.4	0.4	-2.2	-0.2	-1.0	23.5	-3.0	0.0	
<b>PBT after EO Exp/(Inc)</b>	<b>10.9</b>	<b>7.4</b>	<b>23.9</b>	<b>17.8</b>	<b>14.0</b>	<b>8.4</b>	<b>4.1</b>	<b>5.3</b>	<b>60.1</b>	<b>31.7</b>	<b>9.4</b>	<b>(44)</b>
Tax	3.1	2.5	5.4	4.6	4.0	2.5	1.5	-15.4	15.6	-7.4	2.6	
Prior period tax adj.	0.0	0.0	-8.1	0.4	-0.3	-17.1	-1.0	2.1	-7.7	-16.3	0.0	
Rate (%)	28.4	33.3	22.4	26.0	29.0	29.3	35.9	-292.1	25.9	-74.7	27.8	
<b>Reported Profit</b>	<b>7.8</b>	<b>5.0</b>	<b>26.6</b>	<b>12.8</b>	<b>10.2</b>	<b>23.0</b>	<b>3.7</b>	<b>18.6</b>	<b>52.2</b>	<b>55.4</b>	<b>6.8</b>	<b>173</b>
<b>Adj PAT (before MI)</b>	<b>7.8</b>	<b>5.1</b>	<b>3.4</b>	<b>7.3</b>	<b>9.6</b>	<b>7.6</b>	<b>2.7</b>	<b>5.4</b>	<b>42.3</b>	<b>46.3</b>	<b>6.8</b>	<b>(20)</b>
Minority Interest	1.4	0.2	5.0	3.3	1.8	5.4	1.6	0.3	9.9	9.1	3.0	-
<b>Adj PAT (after MI)</b>	<b>6.4</b>	<b>4.9</b>	<b>4.6</b>	<b>4.4</b>	<b>7.8</b>	<b>5.6</b>	<b>1.1</b>	<b>5.1</b>	<b>20.3</b>	<b>19.6</b>	<b>3.8</b>	<b>34</b>
YoY Change (%)	(29.3)	(38.0)	(44.5)	(17.0)	22.0	13.6	(75.7)	16.4	(28.0)	(3.2)	(13.3)	

Note: Adj. PAT (after MI) of 2QFY26 is also adjusted for ACC's tax reversal impact

### Per ton analysis

Y/E March	FY25				FY26				FY25	FY26	FY26	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE		
<b>Volume</b>	<b>15.3</b>	<b>14.2</b>	<b>16.5</b>	<b>18.2</b>	<b>18.8</b>	<b>16.9</b>	<b>18.9</b>	<b>19.9</b>	<b>64.2</b>	<b>74.5</b>	<b>20.0</b>	<b>(0)</b>
Change (YoY %)	(1)	9	17	10	23	19	15	9	16	16	10	
<b>Blended Realization</b>	<b>5,485</b>	<b>5,181</b>	<b>5,203</b>	<b>5,484</b>	<b>5,473</b>	<b>5,429</b>	<b>5,437</b>	<b>5,485</b>	<b>5,345</b>	<b>5,457</b>	<b>5,515</b>	<b>(1)</b>
Change (YoY %)	-3.1	-8.6	-9.7	2.2	-0.2	4.8	4.5	0.0	-5.1	2.1	0.6	
Raw Material	963	997	1,094	1,004	811	774	1,008	1,007	1,016	905	1,170	(14)
Staff Cost	207	245	232	195	222	240	203	199	218	215	211	(6)
Power and fuel	1,419	1,276	1,250	1,263	1,337	1,349	1,380	1,317	1,300	1,345	1,252	5
Freight	1,370	1,282	1,239	1,284	1,289	1,221	1,250	1,331	1,352	1,275	1,220	9
Other expenditure	689	697	852	712	771	803	880	895	739	839	778	15
<b>Total cost</b>	<b>4,649</b>	<b>4,498</b>	<b>4,666</b>	<b>4,458</b>	<b>4,430</b>	<b>4,387</b>	<b>4,721</b>	<b>4,750</b>	<b>4,626</b>	<b>4,579</b>	<b>4,631</b>	<b>3</b>
<b>EBITDA</b>	<b>836</b>	<b>684</b>	<b>537</b>	<b>1,026</b>	<b>1,043</b>	<b>1,042</b>	<b>716</b>	<b>736</b>	<b>719</b>	<b>878</b>	<b>884</b>	<b>(17)</b>
Change (YoY %)	(23)	(31)	(56)	0	25	52	33	(28)	(3)	22	(14)	

# Aditya Birla Capital

Bloomberg	ABCAP IN
Equity Shares (m)	2617
M.Cap.(INRb)/(USDb)	906.3 / 9.5
52-Week Range (INR)	369 / 186
1, 6, 12 Rel. Per (%)	10/10/76
12M Avg Val (INR M)	1857

## Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
<b>PBT Break-up</b>			
NBFC	41.7	54.4	68.6
Housing	8.3	13.2	19.0
AMC	12.8	14.9	16.8
Life Insurance	2.6	2.9	3.2
Health Insurance	0.3	1.5	1.5
Other businesses	0.8	1.0	1.0
Consolidation adjustments	-4.7	-4.6	-4.5
<b>Consol PBT</b>	<b>61.8</b>	<b>83.3</b>	<b>105.8</b>
<b>Consol PAT Post MI and others</b>	<b>38.0</b>	<b>48.3</b>	<b>63.1</b>
Growth (%)	14.0	27.3	30.5
<b>RoE (%)</b>	<b>11.7</b>	<b>13.5</b>	<b>15.7</b>
Con PE	24.2	18.8	14.4
Cons. PBV	2.7	2.4	2.1

## Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	68.5	68.6	68.8
DII	13.8	14.7	9.8
FII	7.7	5.8	8.8
Others	10.0	10.9	12.6

FII Includes depository receipts

**CMP: INR346**

**TP: INR430 (+24%)**

**Buy**

## Strong execution across business segments

### Lending (HFC+NBFC) book grew ~32% YoY; NBFC GS2+G3 down ~40bp QoQ

- Aditya Birla Capital's (ABCAP) 4QFY26 consolidated revenue grew 12% YoY to ~INR159b and consolidated PAT (excl. one-off items) grew ~30% YoY to ~INR11.2b. FY26 PAT grew ~21% YoY to INR38b
- Overall lending book (NBFC and Housing) grew 32% YoY/9% QoQ to ~INR2.08t. Total AUM (AMC, Life insurance and health insurance) grew ~16% YoY to INR5.91t. Mutual fund quarterly average AUM grew 14% YoY to INR4.36t.
- Life Insurance individual FYP grew by ~15% YoY to INR47.2b in FY26 and Health Insurance GWP grew ~39% YoY to INR68.5b in FY26. Udyog plus, a B2B platform for MSMEs, scaled up to AUM of INR58b.

### NBFC: AUM up ~27% YoY; NIM declines ~4bp QoQ

- NBFC loan book grew ~27% YoY and 8% QoQ to ~INR1.6t. 4QFY26 disbursements grew ~28% YoY and ~16% QoQ to ~INR250b.
- NIM declined ~4bp QoQ to 6.08%. PBT grew ~26% YoY to INR11b. FY26 PBT grew 20% YoY to INR40b. 4QFY26 RoA stood at ~2.3%.
- The company reported a sequential improvement in asset quality, with GS2 + GS3 assets declining ~40bp QoQ to ~2.4%.
- Management shared that its asset quality remains strong, with continued improvement across product segments, including unsecured business loans and the personal and consumer (P&C) segment. Credit costs stood at ~1.04% (PQ: 1.23%) in 4QFY26. Management highlighted that credit costs are at their lowest levels in the past few years and expects them to remain broadly stable at ~1.1-1.2% in FY27. We estimate credit costs of 1.2%/1.25% in FY27/FY28E.
- Management indicated that the retail and MSME segments will continue to be the primary growth drivers, with sustained emphasis on deepening customer relationships and expanding digital sourcing platforms. With an improving credit environment, the share of unsecured and P&C segments in the loan mix is expected to increase by ~2pp over the next few quarters, which should support NIM expansion of ~25bp.

### HFC: Robust growth in HFC AUM; asset quality improves further

- HFC AUM grew 53% YoY/12% QoQ to ~INR475b. 4Q disbursements grew 37% YoY/29% QoQ to ~INR80b. NIM declined ~8bp QoQ to ~4.05%
- PBT grew more than 2x YoY to INR2.55b. 4Q RoA stood at 2.07%. Asset quality improved with GS2+ GS3 declining ~20bp QoQ to ~0.75%. S3 PCR rose ~15bp QoQ to ~59%.
- Management indicated plans to open ~100 branches in FY27, with a focus on Tier 2 and Tier 3 markets to enhance penetration. The company targets AUM of INR1t over the next 24-30 months, indicating strong growth visibility. We model loan book CAGR of ~38% over FY26-FY28E.

### Asset Management: QAAUM rose ~14% YoY; Equity QAAUM grew 17% YoY

- Mutual fund Quarterly Average AUM (QAAUM) rose 14% YoY to ~4.36t with equity mix at 45.3%. Individual monthly average AUM grew by 8% YoY to INR1.99t as of Mar'26.
- Equity QAAUM grew ~17% YoY to INR1.97t.

### Life Insurance: Individual FYP grew ~15% YoY; 13M persistency at 86%

- Individual FYP grew 15% YoY to ~INR47.2b, while renewal premium grew 17% YoY to INR12.2b in FY26.
- Value of new business (VNB) grew by 29% YoY to INR10.5b in FY26 and Net VNB margin rose 260bp YoY to ~20.6% as of Mar'26. 13M persistency stood at 86% in FY26.
- Management guided for a ~20-22% CAGR in individual FYP over the next three years, with a continued focus on expanding VNB margin to over 18%.

### Health Insurance: GWP grew 39% YoY; market share stood at 13.7%

- GWP in the Health insurance segment grew 39% YoY to ~INR68.5b in FY26 and combined ratio stood at 103% in FY26.
- SAHI market share stood at ~13.7% in 4QFY26.

### Highlights from the management commentary

- Management shared that there has been no material impact from geopolitical tensions in West Asia on the portfolio so far; however, the company remains cautious and continues to monitor macro developments closely.
- In the housing business, the company expects credit costs to remain stable, and with the benefit of further operating efficiencies, it has guided for RoA to be in the range of 2.0-2.1% in FY27. RoE is likely to remain at ~11.5-12.0% in the near term due to the recent capital infusion; however, it is expected to exceed 15% over the next 12-24 months.

### Valuation and view

- ABCAP's operational metrics continued to strengthen during the quarter, with healthy loan growth across both HFC and NBFC segments. Asset quality improved further across all products, including the unsecured portfolio. While NIM exhibited some pressure during the quarter, management expects a recovery over the next couple of quarters, supported by a higher share of unsecured loans in the loan mix.
- We expect a consolidated PAT CAGR of ~30% over FY26-28. The thrust on cross-selling, investments in digital, and leveraging 'One ABC' should drive healthy profitability, resulting in RoE of ~16% by FY28E. **Reiterate BUY with an SoTP (Mar'28E)-based TP of INR430.**

#### ABCL: SOTP – Mar'28

	Stake	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
NBFC	100	562	5.9	216	50	1.8x PBV
HFC	86	195	2.0	75	17	2.0x PBV
AMC	45	153	1.6	59	14	27x Earnings
LI	51	150	1.6	58	14	1.3x EV
Health Ins	46	49	0.5	19	4	1.0x GWP
Others		6	0.1	2	0	
<b>Target Value</b>		<b>1,114</b>	<b>11.7</b>	<b>430</b>	<b>100</b>	

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

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>ABFSL - NBFC arm</b>										
<b>Net Income</b>	<b>17,089</b>	<b>17,114</b>	<b>17,339</b>	<b>17,854</b>	<b>18,585</b>	<b>19,942</b>	<b>21,277</b>	<b>21,678</b>	<b>69,396</b>	<b>81,482</b>
<b>Opex</b>	<b>5,080</b>	<b>5,310</b>	<b>5,410</b>	<b>5,560</b>	<b>5,340</b>	<b>6,590</b>	<b>6,690</b>	<b>6,900</b>	<b>21,360</b>	<b>25,520</b>
Cost to Income Ratio (%)	29.7	31.0	31.2	31.1	28.7	33.0	31.4	31.8	30.8	31.3
<b>Operating Profits</b>	<b>12,009</b>	<b>11,804</b>	<b>11,929</b>	<b>12,294</b>	<b>13,245</b>	<b>13,352</b>	<b>14,587</b>	<b>14,778</b>	<b>48,036</b>	<b>55,962</b>
<b>Provisions</b>	<b>3,680</b>	<b>3,360</b>	<b>3,880</b>	<b>3,520</b>	<b>3,990</b>	<b>3,790</b>	<b>4,230</b>	<b>3,720</b>	<b>14,440</b>	<b>15,730</b>
<b>Profit Before Tax</b>	<b>8,329</b>	<b>8,444</b>	<b>8,049</b>	<b>8,774</b>	<b>9,255</b>	<b>9,562</b>	<b>10,357</b>	<b>11,058</b>	<b>33,596</b>	<b>40,232</b>
Change YoY (%)	20.6	14.7	5.0	10.6	11.1	13.2	28.7	26.0	12.5	19.8
<b>Consolidated Earnings</b>										
<b>Cons PBT Before JV Interest</b>	<b>12,437</b>	<b>16,057</b>	<b>11,840</b>	<b>16,807</b>	<b>14,061</b>	<b>13,824</b>	<b>15,163</b>	<b>18,112</b>	<b>49,078</b>	<b>60,343</b>
Growth YoY %	23.1	51.3	9.8	22.4	13.1	-13.9	28.1	7.8	6.4	23.0
Lending	9,177	9,482	9,147	9,985	10,796	11,502	12,650	13,607	37,791	48,555
NBFC	8,329	8,444	8,049	8,774	9,255	9,562	10,357	11,058	39,268	41,680
HFC	848	1,038	1,098	1,211	1,541	1,940	2,294	2,549	4,194	8,323
AMC	3,045	3,351	2,999	3,050	3,723	3,156	3,583	2,194	12,387	12,791
Life Insurance	215	443	432	495	386	669	477	1,038	1,580	2,570
Health Insurance	-540	-653	-835	2,089	-372	-676	-793	2,145	60	305
Others*	540	3,434	97	1,188	-473	-828	-754	-872	-2,739	-3,879
<b>Taxes</b>	<b>2,930</b>	<b>3,560</b>	<b>3,040</b>	<b>4,750</b>	<b>3,280</b>	<b>3,290</b>	<b>3,560</b>	<b>3,950</b>	<b>14,280</b>	<b>14,080</b>
Tax rate %	23.6	22.2	25.7	28.3	23.3	23.8	23.5	21.8	29.1	23.3
<b>Profit After Tax</b>	<b>7,650</b>	<b>8,540</b>	<b>7,150</b>	<b>8,860</b>	<b>8,500</b>	<b>8,820</b>	<b>9,654</b>	<b>11,647</b>	<b>32,200</b>	<b>38,621</b>
MI and Others	200	200	160	210	160	270	210	360	770	1,000
<b>PAT post MI and other adjustments</b>	<b>7,450</b>	<b>8,340</b>	<b>6,990</b>	<b>8,650</b>	<b>8,340</b>	<b>8,550</b>	<b>9,444</b>	<b>11,287</b>	<b>31,430</b>	<b>37,621</b>
Growth YoY %	15	18	-5	7	12	3	35	30	8	20
Gain on Sale of stake in Subs/associate (net of tax)	140	1,660	90	0	0	0	0	0	1,890	-20
<b>Reported PAT</b>	<b>7,590</b>	<b>10,000</b>	<b>7,080</b>	<b>8,650</b>	<b>8,340</b>	<b>8,550</b>	<b>9,444</b>	<b>11,287</b>	<b>33,320</b>	<b>37,601</b>
Growth YoY %	16.9	41.8	-3.7	6.5	9.9	-14.5	33.4	30.5	-0.1	12.8
<b>Details on lending business</b>										
<b>Loans (INR B)</b>	<b>1277</b>	<b>1379</b>	<b>1462</b>	<b>1574</b>	<b>1658</b>	<b>1779</b>	<b>1904</b>	<b>2074</b>		
Change YoY (%)	27.2	26.6	26.9	26.9	29.9	28.9	30.3	31.7		
NBFC	1073	1147	1194	1264	1312	1396	1482	1599		
Change YoY (%)	24.9	22.7	21.1	19.6	22.3	21.7	24.1	26.6		
HFC	204	232	267	311	346	383	422	475		
Change YoY (%)	40.6	50.5	61.5	68.6	69.6	64.7	58.0	52.8		
<b>Net Interest Margins</b>										
NBFC	6.56	6.29	5.99	6.07	5.97	6.06	6.13	6.08		
HFC	4.24	4.22	4.06	4.07	4.16	4.02	4.13	4.05		
<b>GNPA %</b>										
NBFC	2.51	2.50	2.27	2.30	2.20	1.68	1.51	1.33		
HFC	1.60	1.30	0.99	0.66	0.62	0.61	0.54	0.44		
<b>Details on Other business</b>										
<b>AMC Business</b>										
<b>QAAUM (INR B)</b>	<b>3,676</b>	<b>4,004</b>	<b>4,009</b>	<b>4,056</b>	<b>4,433</b>	<b>4,608</b>	<b>4,814</b>	<b>4,740</b>		
Change YoY (%)	19.2	23.8	23.5	17.3	20.6	15.1	20.1	16.9		
<b>Life Ins - 13th Mt persistency</b>	<b>88.0</b>	<b>88.0</b>	<b>87.0</b>	<b>88.0</b>	<b>87.0</b>	<b>86.0</b>	<b>84.0</b>	<b>86.0</b>		

\* Others includes Health Ins, PE, AB Money and inter group adjustment; Numbers may vary from actual reporting due to difference in reporting

# Godrej Properties

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR1,900**      **TP: 2,180 (+15%)**      **Buy**

## Showcasing a diversified scale-up

### Robust BD in FY26; launch pipeline remains healthy

Godrej Properties (GPL) added 18 new projects with an estimated saleable area of ~33msf, offering INR421b sales potential in FY26, which was >2x the guidance. These include INR386b in Group Housing and INR35b Plotted Developments. Apart from the larger cities, the company has added new projects in Nagpur (INR7.5b), Coimbatore (INR4.5b), Raipur (INR3.8b), and Vadodara (INR2.8b). These provide healthy pre-sales visibility for the medium term. It has planned for INR200b BD and INR480b launches in FY27, which would support pre-sales growth in the coming quarters.

Bloomberg	GPL IN
Equity Shares (m)	301
M.Cap.(INRb)/(USD\$)	572.2 / 6
52-Week Range (INR)	2507 / 1434
1, 6, 12 Rel. Per (%)	20/-11/-15
12M Avg Val (INR M)	1937

### Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	51.3	80.4	121.0
EBITDA	-4.2	3.5	8.1
EBITDA (%)	-8.1	4.3	6.7
PAT	18.6	20.8	25.6
EPS (INR)	61.7	68.9	85.0
EPS Gr. (%)	148.6	49.4	37.8
BV/Sh. (INR)	636.0	694.9	769.8

### Ratios

Net D/E	0.4	0.3	0.3
RoE (%)	10	10	12
RoCE (%)	6	6	7
Payout (%)	16.4	14.5	11.8

### Valuations

P/E (x)	31	28	22
P/BV (x)	3	3	2
EV/EBITDA (x)	-155	184	80
Div Yield (%)	1	1	1

### Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	51.7	47.2	46.7
DII	8.2	10.8	9.3
FII	26.2	28.1	30.5
Others	14.0	13.9	13.5

### Aiming for double-digit pre-sales growth in FY27

GPL clocked INR102b pre-sales in 4QFY26 (flattish YoY; ~12% above our expectations). Overall, in FY26, its pre-sales grew by 16% YoY to INR342b, which was 5% higher than the annual guidance; a broad range of 11 individual projects across 6 cities, each generating booking value of >INR10b, drove FY26 performance. Further, the annual pre-sales were well diversified regionally, with key contributions from MMR (INR103b), Bengaluru (INR88b), NCR (INR74b), Pune (INR37b), Hyderabad (INR24b) and Others (INR16b). The company has guided for INR390b pre-sales in FY27 (+14% YoY). **We bake in a 10% CAGR in pre-sales to INR413b during FY26-28E.**

### Net debt increases in FY26 but remains at comfortable level

Collections grew by 14% YoY to INR80b in 4Q, which was very strong. Overall, FY26 collections grew by 17% YoY to INR200b (achieved 95% of the annual guidance). Based on the pre-sales growth and progress in execution, we expect collections to expand at a 17% CAGR to INR274b during FY26-28E. Net OCF (before land & approval payments) stood at INR78.3b in FY26 (vs INR74.8b in FY25). GPL incurred INR91b towards land, approval, capital outflow, and advance to JV partners in FY26 (flattish YoY). Overall, net debt increased by INR31b to INR64b in FY26, while net D/E remains comfortable at 0.33x.

### Financials

- In 4QFY26, revenue stood at INR34.6b, up 63% YoY. EBITDA was at INR5.2b, with EBITDA margin at 15.1%. PAT was at INR6.5b, up 71% YoY, with PAT margin at 19%.
- In FY26, revenue stood at INR51b, up 4% YoY. EBITDA loss was at INR4.2b vs profit of INR444m YoY. PAT was at INR18.7b, up 34% YoY, with PAT margin at 36%.

### Valuation and view

- GPL has delivered healthy pre-sales growth despite a high base on the back of benefits of diversification across many regions. Further, collections growth has been slightly higher than pre-sales growth, which is encouraging. The strong BD during FY26, along with launches planned in the coming quarters, provides comfortable growth visibility over the medium term. While net debt increased in FY26 due to the sharp increase in project additions during the year, leverage remains at comfortable levels.
- Despite the high base, management has guided for 14% pre-sales growth, whereas it anticipates collections growth to be better than that.
- We have a BUY recommendation with an SoTP-based TP of INR2,180.

### Quarterly Performance (INR m)

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Gross Sales</b>	<b>7,390</b>	<b>10,932</b>	<b>9,689</b>	<b>21,217</b>	<b>4,346</b>	<b>7,404</b>	<b>4,984</b>	<b>34,581</b>	<b>49,228</b>	<b>51,314</b>
YoY Change (%)	-21.0	218.7	193.2	48.8	-41.2	-32.3	-48.6	63.0	62.2	4.2
Total Expenditure	8,641	10,613	9,413	20,118	6,779	12,531	6,811	29,359	48,785	55,480
<b>EBITDA</b>	<b>-1,251</b>	<b>319</b>	<b>276</b>	<b>1,100</b>	<b>-2,433</b>	<b>-5,127</b>	<b>-1,827</b>	<b>5,222</b>	<b>444</b>	<b>-4,165</b>
Margins (%)	-16.9	2.9	2.8	5.2	-56.0	-69.3	-36.7	15.1	0.9	-8.1
Depreciation	166	183	177	211	220	264	316	356	737	1,156
Interest	408	446	424	460	327	215	310	516	1,737	1,369
Other Income	9,605	2,533	2,711	5,593	11,858	12,097	5,355	3,485	20,442	32,795
<b>PBT before EO expense</b>	<b>7,780</b>	<b>2,224</b>	<b>2,385</b>	<b>6,022</b>	<b>8,878</b>	<b>6,491</b>	<b>2,901</b>	<b>7,835</b>	<b>18,412</b>	<b>26,105</b>
Extra-Ord expense	0	0	0	0	0	0	211	20	0	231
<b>PBT</b>	<b>7,780</b>	<b>2,224</b>	<b>2,385</b>	<b>6,022</b>	<b>8,878</b>	<b>6,491</b>	<b>2,691</b>	<b>7,815</b>	<b>18,412</b>	<b>25,874</b>
Tax	1,974	-1,145	621	1,884	2,622	1,629	608	2,240	3,334	7,099
Rate (%)	25.4	-51.5	26.0	31.3	29.5	25.1	22.6	28.7	18.1	27.4
MI & Profit/Loss of Asso. Cos.	-618	-32	-183	-354	-272	-831	-144	879	-1,186	-368
<b>Reported PAT</b>	<b>5,188</b>	<b>3,338</b>	<b>1,582</b>	<b>3,784</b>	<b>5,984</b>	<b>4,030</b>	<b>1,939</b>	<b>6,454</b>	<b>13,892</b>	<b>18,407</b>
<b>Adj PAT</b>	<b>5,188</b>	<b>3,338</b>	<b>1,582</b>	<b>3,784</b>	<b>5,984</b>	<b>4,030</b>	<b>2,150</b>	<b>6,475</b>	<b>13,892</b>	<b>18,638</b>
YoY Change (%)	288.3	359.5	152.2	-20.8	15.3	20.7	35.9	71.1	86.0	34.2
Margins (%)	70.2	30.5	16.3	17.8	137.7	54.4	43.1	18.7	28.2	36.3
<b>Operational Metrics</b>										
Sale Volume (msf)	9.0	5.2	4.1	7.5	6.2	7.1	6.4	7.3	26	27
Sale Value (INRb)	86	52	54	102	71	85	84	102	294	342
Collections (INRb)	30	40	31	70	37	41	43	79	170	200
Realization/sft	9,607	10,093	13,381	13,515	11,478	11,912	13,096	13,999	11,443	12,656

# APL Apollo Tubes

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR1,873      TP: INR2,250 (+20%)      Buy**

## Better brand strategy drives margin expansion

### Operating performance in line

Bloomberg	APAT IN
Equity Shares (m)	278
M.Cap.(INRb)/(USD\$b)	520.1 / 5.5
52-Week Range (INR)	2301 / 1492
1, 6, 12 Rel. Per (%)	-8/11/18
12M Avg Val (INR M)	1288

### Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	230.8	268.0	301.5
EBITDA	18.0	22.2	26.0
PAT	12.0	15.0	17.6
EBITDA (%)	7.8	8.3	8.6
EPS (INR)	43.4	54.0	63.5
EPS Gr. (%)	58.9	24.5	17.5
BV/Sh. (INR)	191.0	239.0	296.4

### Ratios

Net D/E	-0.1	-0.2	-0.3
RoE (%)	25.3	25.1	23.7
RoCE (%)	24.6	24.7	23.6
Payout (%)	13.8	11.1	9.5

### Valuations

P/E (x)	43.6	35.0	29.8
EV/EBITDA (x)	28.9	23.1	19.2
Div Yield (%)	0.3	0.3	0.3
FCF Yield (%)	2.8	1.4	3.0

### Shareholding Pattern (%)

As on	Mar-26	Dec-25	Mar-25
Promoter	28.3	28.3	28.3
DII	16.0	19.9	16.8
FII	37.5	33.1	31.8
Others	18.2	18.7	23.2

Note: FII includes depository receipts

- APL Apollo Tubes (APAT) reported a healthy operating performance in 4QFY26 despite geopolitical headwinds (strong performance in Jan and Feb partially offset by a subdued performance in Mar). Its EBITDA grew 24% YoY (up 8% QoQ), fueled by a 9% YoY volume growth and a 14% YoY jump in EBITDA/MT to INR5,525. This growth was led by the company's strategy of leveraging its brand portfolio across both the premium (APL Apollo) and value (SG) price segments.

- Amid the volatile geopolitical environment, the management has downgraded its FY27 volume growth guidance to 15-20% (vs earlier guidance of 20%) with EBITDA/PAT growth guidance of 20-25%/25-30%. Further, management has raised its EBITDA per MT guidance from INR5,000 to INR5,500.

- We largely retain our FY27/FY28 earnings estimates and value the stock at 35x FY28E EPS to arrive at our TP of INR2,250. **Reiterate BUY.**

### Healthy volume and better gross margin boost profitability

- Consol. revenue grew 14%/5% YoY/QoQ to INR62.7b (est. in line), led by sales volume growth of 9% YoY/1% QoQ to ~924KMT. VAP mix stood at 55% in 4QFY26 vs. 58%/57% in 4QFY25/3QFY26.

- Gross profit/MT was up 13% YoY/9% QoQ at INR10,825. EBITDA/MT rose 14% YoY/7% QoQ at INR5,525 (est. INR5,471). EBITDA grew 24%/8% YoY/QoQ to INR5.1b (est. in line).

- For FY26, Revenue/EBITDA/Adj PAT grew 12%/50%/59% YoY to INR231b/INR18b/INR12b. EBITDA/MT grew 36% YoY to INR5.2b. Further, total sales volume grew 11% YoY to 34,91,244 MT.

- CFO stood at INR21b vs. INR12b as of Mar'25. Gross debt stood at INR4.5b vs INR6.1b as of Mar'25.

### Key highlights from the management commentary

- **Market share:** Market share has increased to ~60%-65% from 55% last year, supported by capacity expansion funded through internal cash flows, particularly in the East (2 plants), along with higher branding spend focused on SKU optimization and brand visibility.

- **Capacity utilization:** The Dubai plant is currently operating at roughly 40% capacity amid the ongoing crisis. Additionally, the color-coated and galvanized tubes segment is running at 80-85% utilization due to gas-supply constraints. Once the situation normalizes, production could increase ~15-20% from the current levels.

- **Inventory management:** The company has consolidated production of certain SKUs into a single plant instead of spreading them across multiple facilities, which had earlier led to raw material and inventory build-up at different locations. This strategy proved effective, reducing inventory levels by 30–40k tonnes and leading to a decline of about INR2.5b of inventory QoQ, despite an increase in steel prices.

#### Valuation and view

- We expect APAT to continue its volume growth momentum, led by brand positioning in the premium and value segments, supported by capacity expansion in key markets, higher exports, and increasing industry demand from housing, solar, and infrastructure. Margin is also expected to improve further, driven by cost optimization measures, increased automation, and a rising mix of value-added products (with a better geographical mix).
- We expect a CAGR of 14%/20%/21% in revenue/EBITDA/PAT over FY26-28E. We broadly retain our FY27E/FY28E earnings and value the stock at 35x FY28E EPS to arrive at our TP of INR2,250. **Reiterate BUY.**

#### Consolidated - Quarterly Earnings Model

Y/E March	(INRm)											
	FY25				FY26				FY25	FY26	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Gross Sales</b>	<b>49,743</b>	<b>47,739</b>	<b>54,327</b>	<b>55,086</b>	<b>53,955</b>	<b>54,320</b>	<b>59,824</b>	<b>62,692</b>	<b>2,06,895</b>	<b>2,30,790</b>	<b>62,304</b>	<b>1</b>
YoY Change (%)	9.4	3.1	30.0	15.6	8.5	13.8	10.1	13.8	14.2	11.5	13.1	
Total Expenditure	46,727	46,359	50,872	50,949	50,235	49,850	55,106	57,581	1,94,906	2,12,772	57,243	
<b>EBITDA</b>	<b>3,016</b>	<b>1,381</b>	<b>3,456</b>	<b>4,137</b>	<b>3,720</b>	<b>4,470</b>	<b>4,718</b>	<b>5,110</b>	<b>11,990</b>	<b>18,018</b>	<b>5,060</b>	<b>1</b>
Margins (%)	6.1	2.9	6.4	7.5	6.9	8.2	7.9	8.2	5.8	7.8	8.1	
Depreciation	465	469	503	576	544	581	592	593	2,013	2,309	595	
Interest	278	364	368	323	333	276	329	317	1,333	1,254	250	
Other Income	247	148	217	349	256	251	247	365	961	1,119	302	
<b>PBT before EO expense</b>	<b>2,520</b>	<b>696</b>	<b>2,801</b>	<b>3,587</b>	<b>3,099</b>	<b>3,864</b>	<b>4,045</b>	<b>4,566</b>	<b>9,604</b>	<b>15,574</b>	<b>4,517</b>	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>2,520</b>	<b>696</b>	<b>2,801</b>	<b>3,587</b>	<b>3,099</b>	<b>3,864</b>	<b>4,045</b>	<b>4,566</b>	<b>9,604</b>	<b>15,574</b>	<b>4,517</b>	
Tax	589	158	631	656	728	848	944	1,023	2,034	3,543	1,260	
Rate (%)	23.4	22.7	22.5	18.3	23.5	22.0	23.3	22.4	21.2	22.7	27.9	
Minority Interest & P/L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>1,932</b>	<b>538</b>	<b>2,170</b>	<b>2,931</b>	<b>2,372</b>	<b>3,015</b>	<b>3,100</b>	<b>3,544</b>	<b>7,571</b>	<b>12,031</b>	<b>3,257</b>	
<b>Adj PAT</b>	<b>1,932</b>	<b>538</b>	<b>2,170</b>	<b>2,931</b>	<b>2,372</b>	<b>3,015</b>	<b>3,100</b>	<b>3,544</b>	<b>7,571</b>	<b>12,031</b>	<b>3,257</b>	<b>9</b>
YoY Change (%)	-0.2	-73.5	31.1	72.0	22.8	460.4	42.9	20.9	3.4	58.9	18.9	
Margins (%)	3.9	1.1	4.0	5.3	4.4	5.6	5.2	5.7	3.7	5.2	5.2	

Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR1,238      TP: INR1,160 (-6%)      Neutral**

## Weak performance; the KYC segment to dent revenue

Bloomberg	CDSL IN
Equity Shares (m)	209
M.Cap.(INRb)/(USD\$)	258.8 / 2.7
52-Week Range (INR)	1829 / 1116
1, 6, 12 Rel. Per (%)	-2/-14/-6
12M Avg Val (INR M)	4098

### Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Revenue	11.4	12.3	13.7
EBITDA	5.9	6.0	6.8
EBITDA Margin (%)	51.2	48.9	49.7
PAT	4.6	4.9	5.5
PAT Margin (%)	40.1	39.5	40.0
EPS	22.0	23.2	26.3
EPS Grw. (%)	-12.3	5.6	13.4
BVPS	93.8	103.5	114.8
RoE (%)	24.7	23.5	24.1
Div. Payout (%)	58.0	58.2	57.0

### Valuations

P/E (x)	56.5	53.5	47.2
P/BV (x)	13.2	12.0	10.8
Div. Yield (%)	1.0	1.1	1.2

### Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	15.0	15.0	15.0
DII	14.4	15.1	15.4
FII	11.4	12.4	11.3
Others	59.2	57.5	58.3

FII includes depository receipts

- CDSL's operating revenue rose 17% YoY but declined 14% QoQ to INR2.6b (11% miss). The sequential decline was led by a sharp fall in the IPO/corporate actions segment income. For FY26, revenue grew 6% YoY to INR11.4b.
- Operating expenses grew 27% YoY/flat QoQ to INR1.5b, driven by a 32%/14% YoY increase in employee/other expenses. EBITDA rose 7% YoY but declined 27% QoQ to INR1.2b, resulting in an EBITDA margin of 44.4% (vs. 48.7% in 4QFY25 and 52.9% in 3QFY26). For FY26, EBITDA declined 6% YoY to INR5.9b.
- PAT for the quarter declined 21% YoY and 40% QoQ to ~INR798m (31% miss due to a miss on revenue growth). PAT margin came in at 30.4% vs. 44.8% in 4QFY25 and 43.7% in 3QFY26. For FY26, PAT declined 14% YoY to INR4.6b.
- In the KYC segment, with an ~80:20 fetch-to-creation revenue mix, the recent pricing revisions—sharp cuts in creation charges (INR20 to INR5) and moderation in fetch charges (INR35 to INR28)—are expected to have a meaningful adverse impact on CVL's revenue.
- We cut our earnings estimates by 15%/17% for FY27/FY28 to reflect the impact of KYC pricing cuts in the CVL segment and slower traction in transaction revenues, while costs remain largely unchanged. We now expect a revenue/EBITDA /PAT CAGR of ~10%/8%/9% over FY26–28E and maintain a Neutral rating with a one-year TP of INR1,160 (44x FY28E P/E).

## IPO & corporate actions lead to a sequential dip in revenue growth

- The transaction revenue increased 20% YoY to INR 590m, while remaining flat QoQ due to moderation in the market activity during the quarter.
- Annual issuer charges grew 31% YoY to INR 1.1b, driven by growth in unlisted issuers and rising folios. However, it remained flat QoQ due to a slowdown in new unlisted issuer additions during the quarter.
- IPO and corporate action revenue dipped 32% YoY/71% QoQ due to lower corporate activity and a weak IPO pipeline during the quarter. However, this is likely to recover with a strong pipeline of large IPOs going forward.
- Online data charges grew 32% YoY to INR490m (flat QoQ), with an ~80:20 fetch-to-creation mix; recent pricing cuts are expected to materially impact CVL's revenue.
- During FY26, the revenue from operations of its subsidiary, CVL, declined to INR1.8b from INR2.3b in FY25, while total expenses were at INR1.2b vs. INR1.1b in FY25. PAT declined to INR554m vs INR1.1b.
- The insurance segment has scaled to partnerships with 49 insurers (vs. 45 in 4QFY25), with policies rising to 2.1m across 2.3m e-IAs (vs. 1.8m policies in 1.8m e-IAs YoY).
- Other operating income declined 82%/81% YoY/QoQ to INR55m due to the mark-to-market impact. It comprised E-CAS/E-Voting income of INR120.8m/INR55.8m for the quarter.
- Total expenses surged 27% YoY but were flat QoQ at INR1.5b, led by a 41% YoY increase in tech expenses and a 32% YoY rise in other expenses. CIR stood at 55.6% vs. 51.3% in 4QFY25 and 47.1% in 3QFY26.

- Impairment costs for the quarter stood at INR76.2m vs. INR40m in 3QFY26.
- Total number of issuers and ISINs grew 34%/29% YoY and 4%/5% QoQ to 48.1k/0.1m.
- Demat account additions for the quarter stood at 7.4m in 4QFY26 vs. 6.4m in 4QFY25 and 7.6m in 3QFY26. Assets Under Custody (AUC) stood at INR77t, progressing from INR71t in 4QFY25 but declining from INR85t in 3QFY26.

### Key takeaways from the management commentary

- Received no objection letter to set up a separate business unit at GIFT City as the first KYC-registering agency to support international investors and issuers.
- Continues to invest in scalable, tech-driven infrastructure—strengthening application, network, and cybersecurity layers while expanding APIs to enable seamless onboarding, transactions, and high-volume processing.

### Valuation and view

- While steady demat account additions (7.4m in 4QFY26) and healthy unlisted company admissions continue to underpin recurring revenue visibility, ongoing investments in talent and technology may limit operating leverage, with recent KYC pricing revisions further weighing on revenue growth.
- We have cut our earnings estimates by 15%/17% for FY27/FY28 to reflect the impact of KYC pricing cuts in the CVL segment and slower traction in transaction revenues, while costs remain largely unchanged.
- **We now expect a revenue/EBITDA/PAT CAGR of ~10%/8%/9% over FY26–28E and reiterate our Neutral rating with a one-year TP of INR1,160 (premised on 44x FY28E P/E).**

### Quarterly Performance

Y/E March	FY25				FY26				FY25	FY26	4Q FY26E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q						
Revenue from Operations	2,574	3,223	2,781	2,244	2,588	3,189	3,044	2,628	10,822	11,449	2,936	-10.5	17%	-14%
Change YoY (%)	72.0	55.4	29.7	-6.8	0.6	-1.0	9.4	17.1	33.2	5.8	30.8			
Employee expenses	267	314	323	315	390	414	403	359	1,219	1,565	427	-16.0	14%	-11%
Other Expenses	762	910	852	836	894	999	1,030	1,102	3,360	4,025	1,057	4.3	32%	7%
Total Operating Expenses	1,029	1,225	1,175	1,151	1,284	1,413	1,433	1,461	4,580	5,591	1,484	-1.6	27%	2%
Change YoY (%)	49	57	41	24	25	15	22	27	42	22	29			
<b>EBITDA</b>	<b>1,544</b>	<b>1,998</b>	<b>1,606</b>	<b>1,094</b>	<b>1,305</b>	<b>1,776</b>	<b>1,610</b>	<b>1,168</b>	<b>6,242</b>	<b>5,858</b>	<b>1,452</b>	<b>-19.6</b>	<b>7%</b>	<b>-27%</b>
Other Income	295	362	200	313	364	225	292	55	1,171	936	214	-74.2	-82%	-81%
Depreciation	98	119	130	143	152	161	171	178	490	662	177	0.4	25%	4%
<b>PBT</b>	<b>1,741</b>	<b>2,241</b>	<b>1,676</b>	<b>1,264</b>	<b>1,516</b>	<b>1,840</b>	<b>1,732</b>	<b>1,045</b>	<b>6,923</b>	<b>6,133</b>	<b>1,488</b>	<b>-29.8</b>	<b>-17%</b>	<b>-40%</b>
Change YoY (%)	76	54	15	-24	-13	-18	3	-17	24	-11	18			
Tax Provisions	405	627	386	268	488	427	390	234	1,686	1,539	336	-30.3	-13%	-40%
P&L from associate	5	6	7	8	-4	-13	-12	-12	26	-41	0			
<b>Net Profit</b>	<b>1,342</b>	<b>1,620</b>	<b>1,298</b>	<b>1,004</b>	<b>1,025</b>	<b>1,400</b>	<b>1,329</b>	<b>798</b>	<b>5,264</b>	<b>4,553</b>	<b>1,152</b>	<b>-30.7</b>	<b>-21%</b>	<b>-40%</b>
Change YoY (%)	82	49	21	-22	-24	-14	2	-21	25	-14	15			

### Key Operating Parameters (%)

Cost to Operating Income Ratio	40.0	38.0	42.2	51.3	49.6	44.3	47.1	55.6	42.3	48.8	50.6	503 bps	1334bps	849bps
EBITDA Margin	60.0	62.0	57.8	48.7	50.4	55.7	52.9	44.4	57.7	51.2	49.4	-503 bps	-1334bps	-849bps
PBT Margin	67.7	69.5	60.3	56.3	58.6	57.7	56.9	39.7	64.0	53.6	50.7	-1094 bps	-2054bps	-1716bps
Tax Rate	23.2	28.0	23.0	21.2	32.2	23.2	22.5	22.4	24.3	25.1	22.6	-16 bps	-58bps	-8bps
PAT Margin	52.1	50.3	46.7	44.8	39.6	43.9	43.7	30.4	48.6	39.8	39.2	-887 bps	-1630bps	-1329bps

# Manappuram Finance

Estimate change	↔
TP change	↑
Rating change	↔

**CMP: INR305**      **TP: INR315 (+3%)**      **Neutral**

## Strong gold loan growth but NIM remains under pressure

### Yields expected to now stabilize; non-gold portfolio asset quality concerns persist

Bloomberg	MGFL IN
Equity Shares (m)	846
M.Cap.(INRb)/(USDb)	258.3 / 2.7
52-Week Range (INR)	322 / 224
1, 6, 12 Rel. Per (%)	13/20/33
12M Avg Val (INR M)	1437

#### Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	54.7	68.6	81.0
PPP	28.3	39.9	49.4
PAT	9.9	20.3	27.5
EPS (INR)	10.6	19.6	26.6
EPS Gr. (%)	-25.7	85.6	35.7
BV/Sh.(INR)	171	187	208

#### Ratios

NIM (%)	10.4	10.1	10.2
C/I ratio (%)	50.8	44.4	41.4
RoA (%)	1.6	2.5	3.0
RoE (%)	7.0	11.5	13.5
Payout (%)	14.2	20.8	20.0

#### Valuations

P/E (x)	28.8	15.5	11.4
P/BV (x)	1.8	1.6	1.5
Div. Yld. (%)	0.5	1.3	1.7

#### Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	31.8	35.3	35.3
DII	13.0	11.1	8.0
FII	23.2	28.8	28.4
Others	32.0	24.8	28.3

FII Includes depository receipts

- Manappuram Finance's (MGFL) consol. PAT improved to ~INR4.05b in 4QFY26 (PY: -INR2b; ~58% beat). FY26 PAT declined ~18% YoY to ~INR9.9b. 4Q NII declined ~3% YoY to ~INR14b (in line). Operating expenses declined 6% YoY to ~INR7.4b (11% lower than est.).
- PPoP grew ~14% YoY to ~INR7.8b (~22% beat). Consol. credit costs stood at ~INR2.2b (vs. est. of ~INR3.2b). Annualized credit costs for the quarter stood at ~1.5% (PQ: ~2.9%).
- MGFL expects to sustain growth in FY27, led by strong gold loan momentum, supported by a robust franchise, and disciplined underwriting. Regulatory easing for branch expansion is expected to help scale up distribution, and management expects to add ~500-550 gold loan branches in FY27, while partnerships and co-lending will broaden its reach beyond branch presence.
- New offerings across consumption and income-generation gold loans and affordable housing are expected to aid in portfolio diversification. With a calibrated approach in non-gold segments (MFI and VF), along with a stable operating profile, the company is well positioned for healthy AUM growth in FY27.
- Asset quality is expected to improve across MFI and VF, supported by tighter underwriting, stronger credit controls and enhanced recovery efforts. In MFI, the new book (~59% of the MFI loans) continues to replace the legacy MFI pool (~41%), with higher CE (~99.4% vs ~98.6%), driving overall portfolio improvement; the legacy book is expected to reduce to ~10% by 3QFY27. In vehicle finance, focused collection actions and digital interventions have improved bounce recoveries from ~75% to ~90%. This portfolio rebalancing and operational strengthening should translate into moderation in credit costs and gradual improvement in asset quality.
- MGFL delivered a strong performance in the gold loan segment, supported by rising gold prices, healthy demand, and a gradual shift in customer preference toward formalized financing. However, growth in the non-gold portfolio has remained subdued, primarily due to ongoing asset quality concerns, even as the VF and Asirvad MFI segments show early signs of improvement.
- The stock trades at 1.6x FY27E P/B. Over FY26-28, we estimate a CAGR of 25%/23% in gold/consolidated AUM and ~66% in consolidated PAT, with consolidated RoA/RoE of ~3%/14% in FY28. **Reiterate our Neutral rating on the stock with a TP of INR315 (based on 1.5x FY28E consolidated BVPS).**

### Gold loans almost doubled in FY26; gold tonnage rose 7% QoQ

- Gold AUM grew ~32% QoQ and ~99% YoY to ~INR509b. Gold tonnage grew ~7% QoQ to ~63 tons.
- Within gold loans, LTV was stable QoQ at ~57%, while the average ticket size (ATS) in gold loans rose to INR128k (PQ: INR101k). Gold loan customer base grew ~3% QoQ to ~2.7m.
- Consol. Total AUM rose ~48% YoY and ~22% QoQ to ~INR638b. We expect MGFL to deliver ~23% AUM CAGR over FY26-28E, driven primarily by strong gold loan growth of ~25% CAGR during the same period.

### Margins under near-term pressure, with stabilization expected ahead

- Consol. NIM (calc.) declined ~95bp QoQ to ~9.8%. Net yields on the standalone business declined ~80bp QoQ to 17.7%, while standalone CoB declined ~20bp QoQ to 8.6%, resulting in a ~60bp decline in spreads to 9.1%.
- Gold loan yields declined to ~17.3% (PQ: 18.3%) in 4QFY26. Margins are expected to remain stable going forward, with gold loan yields normalizing in the ~17.5-18% range after a sustained bout of compression. This stability will be complemented with a calibrated focus on lower-ticket, higher-yielding segments. We expect margins to stabilize going forward, with NIMs projected at ~10.1%/~10.2% for FY27E/FY28E.

### Asirvad MFI shows early signs of recovery with improving collections

- Asirvad reported 4QFY26 profit of INR130m (vs. loss of INR1.6b in 3QFY26).
- Asirvad AUM (including gold loans) grew ~12% QoQ to ~INR68b, while Asirvad MFI AUM rose 4% QoQ to ~INR46.4b
- MFI GNPA declined ~10bp QoQ to 4.8%, while NNPA declined ~20bp QoQ to ~1.6%. Asirvad credit costs stood at ~INR90m (PQ: ~INR2.5b). This was aided by write-backs from mark-to-market (M2M) on the security receipts and ECL provision release.

### Highlights from the management commentary

- MGFL plans to significantly expand its gold loan branch network by adding ~500-550 branches. Regulatory changes removing prior approval requirements for branch openings are expected to facilitate faster branch expansion.
- MFI operations remain in a recovery phase, with a cautious and calibrated approach toward growth.

### Valuation and view

- MGFL reported a mixed performance, with continued pressure on profitability due to NIM compression and weakness in the non-gold portfolio. Gold loan growth remained a key positive, although gold loan yields exhibited sharp compression. However, management believes that margins have likely bottomed out and guided for stability in yields in the quarters ahead. Asset quality across vehicle finance and the recovery trajectory of Asirvad MFI remain monitorable, despite initial signs of improvement.
- **The stock trades at 1.6x FY27E P/B. Over FY26-28, we estimate a CAGR of 25%/23% in gold/consolidated AUM and ~66% in consolidated PAT, with consolidated RoA/RoE of ~3%/14% in FY28. Reiterate our Neutral rating on the stock with a TP of INR315 (based on 1.5x FY28E consolidated BVPS).**

**MGFL - Quarterly Performance (Consolidated)**
**(INR M)**

Y/E March	FY25				FY26				FY25	FY26	4QFY26E	Act v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	23,861	25,411	25,163	23,062	22,357	22,512	22,441	25,130	97,997	92,506	24,802	1
Interest Expenses	8,483	9,057	9,253	8,616	8,553	8,756	9,452	11,095	35,747	37,856	10,580	5
<b>Net Interest Income</b>	<b>15,378</b>	<b>16,354</b>	<b>15,909</b>	<b>14,446</b>	<b>13,804</b>	<b>13,756</b>	<b>12,989</b>	<b>14,035</b>	<b>62,250</b>	<b>54,650</b>	<b>14,222</b>	<b>-1</b>
YoY Growth (%)	19.4	20.8	9.5	-3.32	-10.2	-15.9	-18.4	-2.85	10.7	-12.2	-1.6	
Other income	1,259	961	464	230	293	241	1,148	1,126	2,752	2,741	490	130
<b>Net Income</b>	<b>16,636</b>	<b>17,314</b>	<b>16,373</b>	<b>14,676</b>	<b>14,097</b>	<b>13,997</b>	<b>14,137</b>	<b>15,161</b>	<b>65,002</b>	<b>57,391</b>	<b>14,713</b>	<b>3</b>
Operating Expenses	6,823	6,984	7,066	7,843	7,488	7,285	7,568	7,367	28,718	29,129	8,302	-11
<b>Operating Profits</b>	<b>9,814</b>	<b>10,331</b>	<b>9,307</b>	<b>6,833</b>	<b>6,609</b>	<b>6,712</b>	<b>6,569</b>	<b>7,794</b>	<b>36,285</b>	<b>28,262</b>	<b>6,411</b>	<b>22</b>
YoY Growth (%)	22.4	19.2	-0.6	-26.8	-32.7	-35.0	-29.4	14.1	2.6	-22.1	-6.2	
Provisions	2,286	2,604	5,546	9,192	5,594	3,692	3,541	2,156	19,628	15,560	3,156	-32
<b>PBT</b>	<b>7,528</b>	<b>7,727</b>	<b>3,761</b>	<b>-2,359</b>	<b>1,015</b>	<b>3,020</b>	<b>3,029</b>	<b>5,638</b>	<b>16,656</b>	<b>12,702</b>	<b>3,255</b>	<b>73</b>
Tax Provisions	1,963	2,006	976	-327	-310	847	643	1,590	4,618	2,771	688	131
<b>PAT</b>	<b>5,565</b>	<b>5,721</b>	<b>2,785</b>	<b>-2,032</b>	<b>1,325</b>	<b>2,173</b>	<b>2,385</b>	<b>4,048</b>	<b>12,039</b>	<b>9,931</b>	<b>2,567</b>	<b>58</b>
YoY Growth (%)	12	2	-52	-136	-76	-62	-14	-299	-45	-18	-226	
<b>Key Ratios (%)</b>												
Yield on loans	22.5	22.9	22.8	21.5	20.8	20.2	18.6	17.6	23.6	17.6		
Cost of funds (Cal)	9.4	9.4	9.8	9.5	9.4	9.3	9.0	8.6	10.4	8.2		
Spreads (Cal)	13.08	13.51	12.99	12.0	11.41	10.92	9.60	9.0	13.2	9.4		
NIMs (Cal)	14.50	14.75	14.42	13.47	12.85	12.37	10.76	9.84	15.0	10.4		
C/I ratio	41.0	40.3	43.2	53.4	53.1	52.0	53.5	48.6	44.2	50.8		
Credit Cost	2.10	2.30	4.93	8.4	5.12	3.27	2.89	1.5	4.7	3.0		
Tax Rate	26.1	26.0	26.0	13.9	-30.5	28.0	21.2	28.2	27.7	21.8		
<b>Balance Sheet Parameters</b>												
<b>Consol. AUM (INR b)</b>	<b>449</b>	<b>457</b>	<b>442</b>	<b>430</b>	<b>443</b>	<b>459</b>	<b>522</b>	<b>646</b>				
Change YoY (%)	21.2	17.4	9.5	2.3	-1.4	0.4	18.1	50.1				
<b>Gold loans (INR b)</b>	<b>236</b>	<b>244</b>	<b>245</b>	<b>256</b>	<b>288</b>	<b>315</b>	<b>388</b>	<b>510</b>				
Change YoY (%)	14.8	17.1	18.0	19.0	21.8	29.3	58.2	99.1				
Gold stock (tonnes)	60	60	57	56	57	57	59	63				
Gold loans/branch (INR m)	58	60	61	63	71	78	96	126				
<b>Consol. Borrowings (INR b)</b>	<b>385</b>	<b>385</b>	<b>370</b>	<b>354</b>	<b>374</b>	<b>377</b>	<b>463</b>	<b>572</b>				
Change YoY (%)	34.8	19.4	15.9	5.2	-2.8	-1.9	25.0	61.7				
<b>Borrowings Mix (%)</b>												
Debentures	12.3	12.1	11.3	10.6	10.1	9.0	9.5	7.1				
CPs	2.3	1.5	0.8	0.8	3.4	5.3	8.3	6.8				
WC/CC	20.5	19.1	20.6	20.5	21.1	19.2	18.2	17.0				
TL	54.3	47.7	53.5	52.7	51.3	47.3	47.4	46.7				
ECB	10.0	19.0	13.4	14.8	13.9	19.0	16.4	22.3				
Others	0.6	0.7	0.4	0.5	0.3	0.2	0.1	0.2				
Debt/Equity (x)	1.6											
<b>Asset Quality Parameters (%)</b>												
GNPL ratio (Standalone)	2.0	2.4	2.5	2.8	3.0	3.0	2.6	1.8				
NNPL ratio (Standalone)	1.7	2.1	2.3	2.5	2.6	2.6	2.2	1.6				
<b>Return Ratios (%)</b>												
RoA (Rep)	4.8	4.4	2.2	-1.6	1.1	1.7	1.7	2.8				
RoE (Rep)	16.7	18.6	8.9	-6.4	4.3	6.9	7.4	12.3				

**E: MOFSL estimates**

# Tata Technologies

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR591**      **TP: INR500 (-15%)**      **Sell**

## Encouraging FY26 exit

### Auto shows early signs of recovery; execution and deal ramp-up critical for FY27

Bloomberg	TATATECH IN
Equity Shares (m)	406
M.Cap.(INRb)/(USDb)	240 / 2.5
52-Week Range (INR)	793 / 507
1, 6, 12 Rel. Per (%)	3/-8/-8
12M Avg Val (INR M)	892
Free float (%)	44.8

#### Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	55.1	65.7	72.4
EBIT Margin (%)	12.9	14.5	15.2
PAT	5.5	8.3	9.3
EPS (INR)	15.6	20.4	22.9
EPS Gr. (%)	(5.9)	30.5	12.7
BV/Sh. (INR)	96.6	102.8	109.7

#### Ratios

RoE (%)	14.6	20.4	21.6
RoCE (%)	16.8	18.7	20.5
Payout (%)	75.1	69.9	69.9

#### Valuations

P/E (x)	37.9	29.0	25.8
P/BV (x)	6.1	5.8	5.4
EV/EBITDA (x)	27.7	21.3	18.7
Div Yield (%)	2.0	2.4	2.7

#### Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	55.2	55.2	55.2
DII	3.5	2.9	2.5
FII	5.8	5.5	3.1
Others	35.6	36.3	39.2

FII includes depository receipts

- Tata Technologies (TTL) reported revenue of USD171m in 4QFY26, up 12.4% QoQ in CC terms vs. our estimate of 9.5% QoQ in CC. Services segment revenue stood at USD133m, rising 11.9% QoQ in CC (organic 7.8% CC). EBIT margin was 13.1% (down 158bp QoQ), below our estimate of 15.2%. Adj. PAT was up 20.5% QoQ/down14% YoY at INR1,625m (below our estimate of INR2,017m).

- For FY26, TTL's revenue grew 6.5% and EBIT/adj. PAT declined 12.9%/5.9% YoY in INR terms. For 1QFY27, we expect revenue/EBIT/adj. PAT growth of 28.6%/32.7%/14.8% YoY. RoE came in at 14.6% in FY26 (vs. 19.8%/21.9%/23.7% in FY25/FY24/FY23).

- While 4QFY26 saw a strong rebound with improved deal momentum, growth remains in the early stages and is dependent on execution of recent wins and FVP conversions over the next few quarters. Auto spending is yet to see a clear inflection, with recovery still at an early stage, making execution a key monitorable. At ~29x 12M Fwd P/E, we view TTL's valuations as premium relative to its current growth and peers; we assign a TP of INR500 and reiterate Sell.

### Our view: Signs of auto ER&D recovery are emerging

- **Strong exit quarter, but sustainability of momentum remains key:** TTL reported a strong 4QFY26 with ~12.4% QoQ CC growth, led by deal ramp-ups, JLR normalization and some contribution from ES-Tec. Demand improved in 2HFY26 as OEM decision-making resumed, and the pipeline now includes multiple full-vehicle programs (FVPs), with a few already closed and more expected in the near term.

- **Management has guided for double-digit organic growth in FY27, with a relatively even quarterly progression and stronger 2H.** That said, we believe the near-term growth trajectory will still depend on execution of recent wins and timely conversion of the FVP pipeline. **We build in 10.6% YoY cc organic growth for FY27E.**

- **Automotive seeing early recovery:** The automotive segment grew ~13.6% QoQ in USD terms, supported by normalization at key clients and improved activity across both anchor and non-anchor accounts. **OEMs in Europe and North America have resumed investments in new product development, driven by competitive pressure and the need to accelerate product cycles.** While this has led to a pickup in deal activity, including FVP wins, **we believe the recovery is still at an early stage.** Large programs typically ramp up gradually, and any delay in client decision-making or program execution could push out revenue realization.

- **Deal wins improving visibility, but ramp-up will be gradual:** The company closed four large deals in 4Q and added two more post quarter, including a Japan entry via an FVP. These programs are multi-year in nature (18-36 months) and should support medium-term visibility. In our view, contribution from these deals should build progressively through FY27, with a more visible impact in 2H.
- **Margins improving, but expansion back-ended:** EBITDA margin improved ~200bp QoQ to 16% in 4Q, supported by operating leverage. Management has guided for FY27-exit EBITDA margin at >18%, driven by scale benefits, offshore mix and AI-led efficiencies. However, in the near term, margins may remain range-bound due to investments in talent, pyramid build and initial costs of new program ramp-ups. We estimate margins at **~16.6% in 1HFY27, with improvement towards ~17.6%** by 4QFY27E.
- **While 4QFY26 saw a strong rebound and deal momentum has improved, revenue growth remains in the early stages of recovery and is dependent on execution over the next few quarters. Margin expansion is likely to be gradual and back-ended. We remain watchful of deal ramp-ups, FVP conversions and sustainability of demand before turning constructive. Auto spending is yet to see a clear inflection and recovery remains at an early stage,** and management execution over the next couple of quarters will be key monitorables.

#### Valuations and changes to our estimate

- Revenue growth is expected to be ~10% USD CAGR over FY26-28E. We keep our estimates largely unchanged.
- Margins are expected to improve gradually in 1HFY27, with EBITDA margin guided to exit FY27 at >18%. However, near-term margins are likely to remain range-bound (~16-17%) due to ramp-up costs, pyramid build and mix, with meaningful expansion back-ended.
- At ~29x 12M Fwd P/E, valuations remain premium relative to the current growth trajectory and execution risks. We retain our TP of INR500 and reiterate Sell.

#### Beat on revenue and miss on margins; Services segment grew 11.9% QoQ CC (vs. guidance of 10% QoQ cc)

- USD revenue came in at USD171m, up 12.4% QoQ in CC terms vs. our estimate of 9.5% QoQ CC growth. For FY26, revenue stood at USD620m, up 1.3% YoY CC.
- Services segment revenue stood at USD 133m, grew 11.9% QoQ CC.
- Auto segment revenue was 81% (vs. 80% in 3Q).
- Adj. EBIT margin was 13.1% (down 158bp QoQ), below our estimate of 15%. For FY26, adj. EBIT margin stood at 12.9% vs. 15.7% in FY25.
- Adj. PAT was up 20.5% QoQ/down 14% YoY to INR1,625m (below our estimate of INR2,017m). For FY26, adj. PAT stood at INR6,333m, down 5.9% YoY.
- Onshore-offshore revenue mix was 67%-33% vs. 61%-39% in 3QFY26.
- The net headcount was up 0.5% QoQ in 4QFY26, taking the total headcount to 12,646. Attrition (LTM) increased by 40bp QoQ to 16.2%.
- The company declared a final dividend of INR8.35/share for FY26 and a special dividend of INR3.35/share, aggregating to a total dividend of INR11.7/share for FY26.

### Key highlights from the management commentary

- Demand environment improved meaningfully in 2HFY26 as geopolitical and tariff-related uncertainty eased, prompting OEMs to restart decision-making after a prolonged pause spanning much of FY25 and 1HFY26.
- Non-Chinese OEMs in Europe and North America are now reinvesting in new product development to address competitive pressure from Chinese players -- a dynamic that is directly influencing order book improvement.
- Management guided for double-digit organic CC revenue growth in FY27, excluding any inorganic contribution from Aztec; growth is expected to be broadly consistent across quarters, with 2HFY27 likely growing faster as pipeline converts.
- More than 50% of the engineering workforce is now AI-ready, positioning Tata Tech well to drive productivity and delivery improvements through FY27.
- Chromosome AI, Tata Tech's proprietary AI orchestration platform, acts as an integration layer across product development stages, enabling workflow automation, faster decision-making, and cross-functional collaboration across multi-geography programs.
- Management views AI not as an experiment but as a core execution enabler, helping compress cycle times, improve quality, and enhance delivery predictability on complex programs.

### Exhibit 1: Both Services and Technology solutions segment grew 11.9% QoQ in CC

Segments	Contri. To Rev. (%)	QoQ Growth (%)	YoY Growth (%)
Services segment	78.0	11.9	12.3
Technology solutions segment	22.0	11.9	26.7

Source: Company, MOFSL

### Exhibit 2: Auto showed 13.3% QoQ growth

Revenue Mix- Services Segment	Contri. To Rev. (%)	QoQ Growth (%)	YoY Growth (%)
Auto	81.0	13.3	9.6
Non-Auto	19.0	6.3	25.5

Source: Company, MOFSL

### Quarterly Performance

Y/E March	FY25				FY26				(INR M)			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY25	FY26	Est. 4QFY26	Var. (% / bp)
Revenue (USD m)	152	155	156	148	145	151	153	171	611	620	167	2.6
QoQ (%)	-2.9	1.6	0.7	-4.8	-2.0	3.9	1.2	11.9			9.0	281bQ
Revenue (INR m)	12,690	12,965	13,174	12,857	12,443	13,234	13,657	15,722	51,685	55,056	15,190	3.5
YoY (%)	0.9	2.1	2.2	-1.2	-1.9	2.1	3.7	22.3	1.0	6.5	18.1	414bQ
GPM (%)	25.3	26.0	25.2	26.0	23.2	22.7	21.9	24.8	25.6	23.2	25.0	-23bQ
SGA (%)	7.1	7.8	7.4	7.9	7.1	7.0	7.8	8.7	7.6	7.7	7.2	153bQ
EBITDA	2,311	2,355	2,340	2,334	2,002	2,079	1,928	2,521	9,341	8,530	2,704	-6.7
EBITDA Margin (%)	18.2	18.2	17.8	18.2	16.1	15.7	14.1	16.0	18.1	15.5	17.8	-176bQ
EBIT	2,014	2,056	2,036	2,023	1,688	1,770	1,568	2,054	8,128	7,080	2,303	-10.8
EBIT Margin (%)	15.9	15.9	15.5	15.7	13.6	13.4	11.5	13.1	15.7	12.9	15.0	-210bQ
Other income	183	118	221	523	589	436	227	152	1,045	1,404	304	-50.1
ETR (%)	26.2	27.6	25.4	26.8	26.8	26.7	27.7	28.5	26.6	27.4	27.0	146bQ
Adj. PAT	1,620	1,574	1,686	1,889	1,703	1,655	1,350	1,625	6,729	6,333	2,017	-19.4
QoQ (%)	3.0	-2.9	7.1	12.0	-9.8	-2.8	-18.4	20.4			49.4	
YoY (%)	-15.4	-1.9	-0.9	20.1	5.1	5.2	-19.9	-14.0	-1.0	-5.9	6.8	
Exceptional Items	0	0	0	0	0	0	1,284	-417	0	867	0.0	
PAT	1,620	1,574	1,686	1,889	1,703	1,655	66	2,042	6,729	5,466	2,016.7	
Adj. EPS (INR)	4.0	3.9	4.2	4.7	4.2	4.1	3.3	4.0	16.6	15.6	5.0	-19.5

# Tata Chemicals

Estimate change 

TP change 

Rating change 

**CMP: INR806**

**TP: INR700 (-13%)**

**Neutral**

**Industry headwinds hurt performance; near-term outlook subdued**

**Operating performance significantly below our estimates**

Bloomberg	TTCH IN
Equity Shares (m)	255
M.Cap.(INRb)/(USDb)	205.3 / 2.2
52-Week Range (INR)	1027 / 580
1, 6, 12 Rel. Per (%)	17/-4/-3
12M Avg Val (INR M)	732

## Financials & Valuations (INR b)

Y/E Mar	2026	2027E	2027E
Sales	145.8	159.9	173.6
EBITDA	18.1	22.0	29.0
PAT	-4.3	6.5	11.5
EBITDA (%)	12.4	13.8	16.7
EPS (INR)	(16.8)	25.3	45.2
EPS Gr. (%)	(202.1)	(250.5)	78.2
BV/Sh. (INR)	832	843	873

## Ratios

Net D/E	0.3	0.3	0.2
RoE (%)	(2.0)	3.0	5.3
RoCE (%)	3.8	3.4	5.1

## Valuations

P/E (x)	(47.8)	31.8	17.8
EV/EBITDA (x)	15.2	12.4	8.8
Div Yield (%)	1.6	1.9	1.9
FCF Yield (%)	0.6	4.6	11.3

## Shareholding Pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	38.0	38.0	38.0
DII	22.9	22.4	22.0
FII	11.9	12.3	13.3
Others	27.3	27.3	26.7

- Tata Chemicals (TTCH) posted a weak performance in 4QFY26, with consol. EBITDA declining 16% YoY. The slowdown was led by subdued performance across all the businesses, hit by lower realizations and higher fixed costs.
- Further, due to adverse current market conditions and unremunerative Southeast Asian markets (the highest export share of the US business), TTCH has recognized an INR18b impairment in goodwill in the US business.
- The global soda ash market remained muted with flat demand, excess inventory, and geopolitical pressures keeping costs elevated. However, no sharp demand destruction was visible. India stands out with strong demand and high utilization, supported by reduced imports and a shift toward domestic sourcing.
- Factoring in a weak 4Q performance and near-term macro environment, we cut our FY27/FY28 EBITDA estimates by 9%/5%. We **reiterate our Neutral rating with an SoTP-based TP of INR700.**

## Earnings dip on weaker realizations across regions

- TTCH reported an overall revenue of INR34.4b (est. in line) in 4QFY26 (down 2% YoY) primarily due to lower realizations. EBITDA margin contracted 130bp YoY to 8% (est. ~11.5%), and EBITDA stood at INR2.7b (est. INR4.0b), down 16% YoY.
- It posted an adj. net loss of INR7.5b vs. adj. net loss of ~INR328m in 4QFY26 (est. ~INR171m). The company has reported an impairment in goodwill of the US business of INR18b.
- **The Basic Chemistry Products** business fell 3% YoY to INR29.3b. Operating loss was INR18b (vs. EBIT of INR840m YoY). EBIT margin stood at -61%.
- **The Specialty Products business** grew 7% YoY to INR5b. Loss before interest and taxes was INR460m (operating loss of INR630m in 4QFY25). EBIT margin stood at -9.1%.
- The Indian standalone revenue rose ~3% YoY to INR12.5b, while TCNA/TCEHL/TCAHL dipped 10%/19%/3% YoY to INR11.8b/INR3.4b/INR1.5b. Rallis increased 6% YoY to INR4.6b
- EBITDA for India standalone/TCNA/TCAHL declined 6%/55%/45% to INR2.2b/INR360m/INR290m. EBITDA loss for TCEHL/Rallis stood at INR70m/INR10m (vs. a loss of INR280m/INR180m).
- EBITDA/MT of TCNA stood at USD7.5 (vs. USD15.7 YoY). EBITDA/MT of TCAHL declined 54% YoY to USD39. EBITDA margin for India standalone contracted 160bp YoY to 17.2%.
- For FY26, revenue/EBITDA declined 2%/8% to INR146b/INR18b. TTCH reported an adj net loss of INR4.3b vs. an adj net profit of INR2.9b in Mar'25.
- Gross debt stood at INR71.1b vs. INR63.0b as of Mar'25. Further, the CFO stood at INR1.3b vs. INR1.8b as of Mar'25.

### Highlights from the management commentary

- **Demand-supply scenario:** Global soda ash markets remained adequately supplied, and the supply overhang continued to exert pressure on pricing in 4QFY26. The challenging external environment amid the ongoing geopolitical crisis in the Middle East led to a rise in power and logistics costs, uncertainty, and limited visibility of any immediate change in market conditions.
- **India:** Soda ash demand in India remains robust, with customers shifting to domestic sourcing amid geopolitical tensions. Power costs (imported coal) remain insulated, cost increases are largely passed through, and a potential safeguard duty is under evaluation.
- **Supply chain risk:** Ammonia supply remains under watch in India following regulatory restrictions on fertilizer units supplying to non-fertilizer players; while current availability is adequate, any prolonged constraint could pose an operational challenge. In Kenya, HFO remains a key concern with ~45 days of inventory, after which procurement at sharply higher spot rates (up ~50–60%) could further pressure costs despite ongoing pass-through efforts.
- **Capex:** TTCH has guided capex of INR13b in FY27 for growth (Silica and Singapore acquisition) and maintenance capex. Silica plant/Dense Soda ash plant/Iodized Salt at Cuddalore/Mithapur/Tamil Nadu are expected to be commissioned by 4QFY28/3QFY28/2QFY29. Further, TTCH's board approved INR1b capex to debottleneck salt capacity at the Mithapur plant by 82.5kTPA over the next 12-14 months, on which ~20% returns are expected.

### Valuation and view

- The near-term environment remains unfavorable, with the soda ash demand–supply balance yet to meaningfully improve despite expectations of future demand from solar glass and electric vehicles. Benefits from these end-use industries are likely to play out gradually while the current oversupply persists. Although the company has expansion plans in India, the payoff remains contingent on a broader cyclical recovery, limiting near-term upside.
- **We expect TTCH to record a revenue/EBITDA CAGR of 9%/27% over FY26-28. Reiterate Neutral with an SoTP-based TP of INR700.**

**Consolidated - Quarterly Earnings Model**
**(INRm)**

Y/E March	FY25				FY26E				FY25	FY26	FY26E	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	<b>37,890</b>	<b>39,990</b>	<b>35,900</b>	<b>35,090</b>	<b>37,190</b>	<b>38,770</b>	<b>35,500</b>	<b>34,380</b>	<b>1,48,870</b>	<b>1,45,840</b>	<b>35,090</b>	<b>-2</b>
YoY Change (%)	-10.2	0.0	-3.8	1.0	-1.8	-3.1	-1.1	-2.0	-3.5	-2.0	0.0	
Total Expenditure	32,150	33,810	31,560	31,820	30,700	33,400	32,050	31,640	1,29,340	1,27,790	31,057	
<b>EBITDA</b>	<b>5,740</b>	<b>6,180</b>	<b>4,340</b>	<b>3,270</b>	<b>6,490</b>	<b>5,370</b>	<b>3,450</b>	<b>2,740</b>	<b>19,530</b>	<b>18,050</b>	<b>4,033</b>	<b>-32</b>
Margins (%)	15.1	15.5	12.1	9.3	17.5	13.9	9.7	8.0	13.1	12.4	11.5	
Depreciation	2,730	2,770	2,800	2,930	2,800	2,850	2,930	3,430	11,230	12,010	3,050	
Interest	1,330	1,450	1,480	1,370	1,470	1,440	1,460	1,530	5,630	5,900	1,440	
Other Income	470	1,080	280	420	960	1,380	380	440	2,250	3,160	600	
<b>PBT before EO expense</b>	<b>2,150</b>	<b>3,040</b>	<b>340</b>	<b>-610</b>	<b>3,180</b>	<b>2,460</b>	<b>-560</b>	<b>-1,780</b>	<b>4,920</b>	<b>3,300</b>	<b>143</b>	
Extra-Ord expense	0	0	700	550	0	650	540	18,370	1,250	19,560	0	
<b>PBT</b>	<b>2,150</b>	<b>3,040</b>	<b>-360</b>	<b>-1,160</b>	<b>3,180</b>	<b>1,810</b>	<b>-1,100</b>	<b>-20,150</b>	<b>3,670</b>	<b>-16,260</b>	<b>143</b>	
Tax	940	810	170	-250	440	820	-40	1,340	1,670	2,560	35	
Rate (%)	43.7	26.6	-47.2	21.6	13.8	45.3	3.6	-6.7	45.5	-15.7	24.7	
MI & Profit/Loss of Asso. Cos.	-140	290	0	-170	220	220	-130	-170	-20	140	-64	
<b>Reported PAT</b>	<b>1,350</b>	<b>1,940</b>	<b>-530</b>	<b>-740</b>	<b>2,520</b>	<b>770</b>	<b>-930</b>	<b>-21,320</b>	<b>2,020</b>	<b>-18,960</b>	<b>171</b>	
<b>Adj PAT</b>	<b>1,350</b>	<b>1,940</b>	<b>-5</b>	<b>-328</b>	<b>2,520</b>	<b>1,258</b>	<b>-525</b>	<b>-7,543</b>	<b>2,958</b>	<b>-4,290</b>	<b>171</b>	<b>NA</b>
YoY Change (%)	-73.8	-44.8	-100.3	-68.7	86.7	-35.2	10,400.0	2,203.1	-67.9	-245.1	-152.3	
Margins (%)	3.6	4.9	0.0	-0.9	6.8	3.2	-1.5	-21.9	2.0	-2.9	0.5	

**Key Performance Indicators**

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Consolidated</b>										
<b>Sales Volume ('000'MT)</b>										
North America	588	632	559	586	542	599	603	524	2,365	2,268
Europe	148	144	138	118	84	88	77	77	548	326
Africa	69	77	61	73	62	58	84	82	280	286
<b>EBITDA/MT</b>										
North America (USD)	40.4	42.1	30.9	15.7	40.5	14.7	-1.3	7.5	32.5	15.0
Europe (GBP)	11.8	17.4	6.9	-22.1	32.5	37.1	25.5	-7.3	4.8	22.7
Africa (USD)	43.4	66.6	42.7	83.6	32.0	35.5	49.4	38.7	60.1	39.8
<b>Cost Break-up</b>										
RM Cost (% of sales)	21.1	21.4	14.3	20.2	19.7	25.0	22.9	19.5	19.3	21.8
Staff Cost (% of sales)	12.6	12.5	14.7	13.8	13.9	13.3	14.2	15.2	13.4	14.1
Power and Fuel Cost (% of sales)	14.4	14.8	19.2	16.9	12.2	11.4	12.5	13.4	16.3	12.3
Freight and Distribution Cost (% of sales)	17.6	17.2	18.0	20.9	18.9	18.5	21.6	22.3	18.4	20.3
Other Cost (% of sales)	19.2	18.6	21.7	18.8	17.8	18.1	19.1	21.6	19.5	19.1
Gross Margins (%)	78.9	78.6	85.7	79.8	80.3	75.0	77.1	80.5	80.7	78.2
EBITDA Margins (%)	15.1	15.5	12.1	9.3	17.5	13.9	9.7	8.0	13.1	12.4
EBIT Margins (%)	7.9	8.5	4.3	1.0	9.9	6.5	1.5	-2.0	5.6	4.1

# Zen Technologies

Estimate change	↓
TP change	↔
Rating change	↔

**CMP: INR1,526**      **TP: INR1,400 (-8%)**      **Neutral**

## Execution ramp-up to track improving order inflows

Zen Technologies' (ZEN) 4QFY26 results were weaker than our estimates. However, the standalone order book increased 77% YoY to INR12.1b, aided by healthy order inflows, which have been ramping up since 3QFY26. We expect revenue execution to ramp up from 2HFY27 onward. The company has added various new products to its product portfolio and expects to scale up on both standalone and consolidated basis, supported by higher subsidiary contribution. The company has also received its arms manufacturing license for 12.7mm, 23mm, 30mm and 40mm cannons. While order inflows have increased in the last six months, we believe that it is important to see sustenance of inflows in order to achieve revenue growth on both standalone and consolidated basis. We trim our estimates by 9%/3% for FY27E/FY28E and maintain our Neutral rating on the stock with an unchanged TP of INR1,400, based on 30x two-year forward earnings.

## Weak set of results

ZEN's 4QFY26 numbers came in lower than our estimates. Revenue declined 76% YoY to INR719m, missing our estimate by 44%. Gross margins surged to 70.0% during the quarter vs. our estimate of 57.3%. However, due to weakness in overall execution, absolute EBITDA declined 96% YoY to INR36m. This led to PAT declining 83% YoY to INR147m vs. our estimate of a 57% YoY decline. The standalone order book as of FY26-end increased 77% YoY to ~INR12.1b. On a consolidated basis, the company received order inflows worth INR4.3b during 4QFY26, taking the consolidated order book to INR13.4b. For FY26, revenue/EBITDA/PAT declined 54%/57%/45% YoY, while EBITDA margin contracted 160bp YoY to 32.1%.

## Subsidiaries' execution to support consolidated revenue guidance

ZEN's standalone execution for FY26 stood at INR4.2b, supported by an opening order book of INR6.9b. Order inflows witnessed a recovery during the year, leading to a standalone order book of INR12.1b as of FY26-end. Consolidated order book for ZEN stood at INR13.4b, including ~INR10b from equipment (52% simulators; 48% anti-drones) and the balance from AMC. For FY26, consolidated revenue/EBITDA/PAT stood at INR6.9b/INR2.4b/INR2.2b, indicating subsidiaries' contributions to revenue/EBITDA/PAT at ~INR2.6b/INR1.1b/INR476m for FY26, with EBITDA margin/PAT margin of ~42%/18%. Revenue from subsidiaries mainly included contributions from ARIPL (INR1.3b) and UTS (INR1.2b). Pipeline for both remains healthy for coming years, with ARIPL expected to benefit from naval simulation related orders, while UTS pipeline can convert into ~INR2b worth of inflows per annum from FY28. Going ahead, the company has maintained its consolidated revenue guidance of INR40b for FY27-28 combined. Revenue contribution from its subsidiaries is guided to be ~INR3.7b in FY27, with ARIPL expected to scale up to ~INR3b by FY28 and UTS to ~INR1.5-2.0b. We expect standalone revenue to increase to ~INR10b/INR14b for FY27/FY28.

Bloomberg	ZEN IN
Equity Shares (m)	90
M.Cap.(INRb)/(USDb)	137.9 / 1.5
52-Week Range (INR)	2268 / 1223
1, 6, 12 Rel. Per (%)	6/14/11
12M Avg Val (INR M)	930

## Financials Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	4.2	9.9	13.8
EBITDA	1.4	3.6	5.0
EBITDA Margin (%)	32.1	35.9	36.4
PAT	1.5	3.0	4.2
EPS (INR)	16.2	33.6	47.0
EPS Growth (%)	-44.5	107.8	40.1
BV/Share (INR)	201.8	235.4	282.4

## Ratios

Net D/E	-0.3	-0.6	-0.6
RoE (%)	8.3	15.4	18.2
RoCE (%)	8.3	15.5	18.3

## Valuations

P/E (x)	94.5	45.5	32.4
P/BV (x)	7.6	6.5	5.4
EV/EBITDA (x)	99.7	35.8	25.1

## Shareholding pattern (%)

As Of	Mar-26	Dec-25	Mar-25
Promoter	49.0	49.0	49.1
DII	23.7	23.1	19.9
FII	10.8	12.1	15.0
Others	16.5	15.7	16.1

FII includes depository receipts

### **We expect margin to recover on execution scale up**

ZEN's 4Q margins were impacted by a mix of operating deleverage and several cost-related factors. Lower overall revenue led to weaker absorption of fixed costs. Employee expenses included additional costs of ~INR50m relating to year-end performance incentives. Warranty provisions were revised upward based on the actual utilization trends in anti-drone systems, leading to an incremental impact of ~INR31m. The company also incurred ~INR27m of post-supply costs related to export orders, including installation, logistics, and on-ground support. Additionally, R&D expenses were higher by ~INR33m sequentially, reflecting continued investments in future product development, which management highlighted as a structural and ongoing commitment. Going ahead, the company has guided for its consolidated EBITDA margin/PAT margin to be ~35%/25%. We factor in standalone EBITDA margin of 35.9%/36.4% for FY27/FY28 as the company's recent order wins reach the execution stage, leading to operational leverage. We also expect PAT margin of its subsidiaries to be in line with its guidance of ~30% for ARIPL and around mid-20s% for UTS.

### **Newly acquired arms manufacturing license to open gateways to growth over the long run**

The recently received arms and ammunition licenses mark a strategic entry into a large adjacent market, particularly aligned with the company's anti-drone focus. The initial emphasis is for manufacturing weapon systems such as 12.7mm, 20mm, and 30mm cannons, along with smart ammunition, especially 30mm programmable rounds designed for drone neutralization in hard-kill anti-drone systems. ZEN had already been working on related hardware over the past two years and sees strong demand both for standalone weapon systems and integrated solutions. While revenues from this segment are expected to be modest in the initial years, the company expects meaningful scale-up over the medium term, with manufacturing likely to commence from FY27 post testing and certification.

### **Upcoming products to expand its overall portfolio**

ZEN is expanding its product portfolio with a strong pipeline of next-generation defense technologies aimed at capturing evolving warfare requirements. Key additions include 1) advanced anti-drone systems with wider frequency dominance from 70 MHz to 12 GHz, 2) AI-enabled anti-drone simulators for realistic training, 3) a cyber security suite designed for deployment across command centers, ships, and aircraft, 4) an unmanned ground vehicle named 'VRISHABH', capable of combat logistics and casualty evacuation with 150kg payload and autonomous capabilities, and 5) Hyperstrike interceptor drone, capable of speeds up to 400kmph with AI-based targeting, designed to neutralize low-cost enemy drones. These products, along with naval simulation solutions and integrated command systems, position the company to transition from a simulator-focused player to a comprehensive defense technology provider.

### **Financial outlook**

We cut our estimates by 9%/3% for FY27/FY28 to factor in lower margins. We expect revenue of ~INR10b/INR14b for FY27/FY28, with EBITDA margin of ~36% resulting in PAT of ~INR3b/INR4.2b. This will be supported by 1) the finalization of orders across simulators and anti-drones; 2) EBITDA margin of ~36% for FY27-28; and 3) control over working capital due to improved collections. Subsidiaries' contributions to consolidated numbers are also expected to scale up meaningfully over the next two years.

### Valuation and view

The stock currently trades at 45.5x/32.4x P/E on FY27/28E earnings. While order inflows have increased in last six months, we believe that it is important to see sustenance of order inflows in order to achieve revenue growth on both standalone and consolidated basis. We cut our estimates to factor in slightly lower margins and **maintain our Neutral rating on the stock with an unchanged TP of INR1,400, based on 30x two-year forward earnings.**

### Key risks and concerns

Any slowdown in procurement from the defense industry, especially for simulators, can expose the company to the risk of reduced order inflows and hinder its growth. ZEN is also exposed to foreign currency risks for its export revenue.

### Standalone - Quarterly Earning Model

Y/E March	(INR m)											
	FY25				FY26				FY25	FY26	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
<b>Net Sales</b>	<b>2,540</b>	<b>2,417</b>	<b>1,415</b>	<b>2,935</b>	<b>1,111</b>	<b>1,247</b>	<b>1,162</b>	<b>719</b>	<b>9,307</b>	<b>4,238</b>	<b>1,275</b>	<b>(44)</b>
YoY Change (%)	91.7	277.4	44.3	116.3	(56.3)	(48.4)	(17.9)	(75.5)	116.3	(54.5)	(56.6)	
Total Expenditure	1,508	1,623	1,048	1,991	730	829	636	683	6,169	2,877	811	(16)
<b>EBITDA</b>	<b>1,032</b>	<b>794</b>	<b>367</b>	<b>944</b>	<b>380</b>	<b>418</b>	<b>526</b>	<b>36</b>	<b>3,137</b>	<b>1,360</b>	<b>464</b>	<b>(92)</b>
YoY Change (%)	56.0	264.9	(17.0)	109.4	(63.1)	(47.4)	43.2	(96.2)	77.0	(56.6)	(50.9)	
Margins (%)	40.6	32.9	26.0	32.2	34.3	33.5	45.3	5.0	33.7	32.1	36.4	
Depreciation	22	23	26	29	31	33	36	37	101	137	30	24
Interest	10	21	27	36	14	4	10	6	94	34	6	5
Other Income	30	84	220	244	199	230	143	200	578	772	168	19
<b>PBT</b>	<b>1,030</b>	<b>835</b>	<b>534</b>	<b>1,122</b>	<b>535</b>	<b>610</b>	<b>624</b>	<b>192</b>	<b>3,520</b>	<b>1,961</b>	<b>596</b>	<b>(68)</b>
Tax	288	182	147	273	164	149	145	45	890	502	148	(70)
Rate (%)	28.0	21.8	27.6	24.3	30.6	24.4	23.3	23.2	25.3	25.6	24.8	
<b>Reported PAT</b>	<b>742</b>	<b>652</b>	<b>386</b>	<b>849</b>	<b>371</b>	<b>462</b>	<b>478</b>	<b>147</b>	<b>2,630</b>	<b>1,459</b>	<b>448</b>	<b>(67)</b>
<b>Adj PAT</b>	<b>742</b>	<b>652</b>	<b>386</b>	<b>849</b>	<b>371</b>	<b>462</b>	<b>478</b>	<b>147</b>	<b>2,630</b>	<b>1,459</b>	<b>448</b>	<b>(67)</b>
YoY Change (%)	57.4	276.1	21.9	177.3	(50.0)	(29.2)	23.8	(82.6)	107.3	(44.5)	(47.2)	
Margins (%)	29.2	27.0	27.3	28.9	33.4	37.0	41.2	20.5	28.3	34.4	35.2	

# Godrej Agrovet

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	GOAGRO IN
Equity Shares (m)	192
M.Cap.(INRb)/(USD\$)	112.7 / 1.2
52-Week Range (INR)	876 / 506
1, 6, 12 Rel. Per (%)	-3/-4/-11
12M Avg Val (INR M)	209

## Financials & Valuations (INR b)

Y/E MARCH	2026	2027E	2028E
Sales	102.3	112.3	121.0
EBITDA	8.6	10.2	12.0
Adj. PAT	5.0	5.6	7.0
EBITDA Margin (%)	8.4	9.1	9.9
Cons. Adj. EPS (INR)	25.8	29.3	36.7
EPS Gr. (%)	15.3	13.4	25.3
BV/Sh. (INR)	106	125	151

## Ratios

Net D:E	0.6	0.6	0.4
RoE (%)	22.5	25.4	26.6
RoCE (%)	14.3	16.1	18.2
Payout (%)	42.7	35.9	28.6

## Valuations

P/E (x)	22.7	20.0	16.0
EV/EBITDA (x)	14.6	12.4	10.3
Div. Yield (%)	1.8	1.8	1.8
FCF Yield (%)	9.3	0.9	4.6

## Shareholding pattern (%)

	Mar-26	Dec-25	Mar-25
Promoter	67.7	67.7	67.6
DII	8.3	5.4	9.2
FII	3.8	6.3	3.8
Others	20.1	20.7	19.5

Note: FII includes depository receipts

**CMP: INR585 TP: INR690 (+18%) Buy**

## Near-term weakness with recovery underway

### Operating performance misses due to weaker-than-expected gross margins

- Godrej Agrovet Limited (GOAGRO) reported a subdued operating performance in 4QFY26, with EBIT declining 10% YoY. The weakness was primarily driven by a sharp contraction in the Crop Protection standalone / Vegetable Oil/ Dairy segments, where EBIT declined by 42%/12%/ 76% YoY. This was partially offset by strong performance in the Animal Feed and Poultry segments, which delivered EBIT growth of ~2.0x and 3.1x YoY, respectively.
- While growth trajectory remains structurally robust, supported by its strategic pivot towards a higher share of value-added offerings across key business segments, the evolution of the animal feed business towards 'animal nutrition' and a strong pipeline of new product launches in crop protection. The short-term outlook remains uncertain due to the evolving impact of El Niño, continued elevated milk procurement prices, and excess inventory levels in the crop care segment.
- Hence, we cut our FY27 EBITDA estimates by 9%, while broadly maintaining our FY28 EBITDA estimates. **We reiterate our BUY rating on the stock with an SOTP-based TP of INR690.**

### Operational performance impacted by input cost pressures

- Consolidated revenue stood at INR23.3b, up 9% YoY (est. in line). EBITDA margin contracted 90bp YoY to 6% (est. 7.2%), led by gross margins contraction by 240bp YoY to 23.4% and an increase in employee cost (stood at 6.2% vs 6.1% in 4QFY25). EBITDA stood at INR1.4b, down 5% YoY (est. INR1.7b). Adjusted PAT grew ~48% YoY to INR1b (est. of INR814m).
- AF:** Revenue grew 11% YoY at INR12.7b, while margins expanded 460bp to 10.4%. Volumes grew ~15% YoY, which was partially offset by a 4% dip in realizations (product mix change).
- Palm Oil:** Revenue declined 5% YoY to INR2.3b, driven by lower realizations in crude palm oil (CPO), which declined ~5% YoY. EBIT margin contracted 50pp YoY to 7%. EBIT declined ~12% YoY to INR162m.
- CP:** Consolidated CP revenue grew 16% YoY to ~INR3.1b, with standalone CP revenue/Astec growing 10%/35% YoY. Astec's revenue grew on account of robust volume growth in both the enterprise and CDMO categories. Consolidated CP EBIT declined 42% YoY to INR265m, with standalone CP EBIT declining 50% YoY to INR270m.
- The **Dairy** business revenue grew 4% YoY to ~INR4b, while EBIT declined ~76% YoY to INR16m, driven by elevated procurement costs. The **Poultry and Processed Food** business's revenue stood at INR1.8b (+2.5% YoY), while EBIT was INR126m (up 3.1x YoY) and EBIT margin stood at ~6.8% in 4QFY26, compared to 2.3% YoY to 4QFY25.
- For FY26, GOAGRO's revenue/EBITDA/adj. PAT grew 9%/6%/15% to INR102.3b/INR8.6b/INR5b.
- CFO stood at INR1.3b, as against INR969m in Mar'25. Further, gross debt stood at INR15.7b, as against INR13.7b in Mar'25.

### Highlights from the management commentary

- **Guidance/Outlook:** Management has guided for an early double-digit revenue growth and mid-teens PBT growth, underpinned by: i) sustained double-digit growth in animal nutrition, ii) a recovery in crop care from 2QFY27, driven by channel inventory normalization, iii) continued momentum in the oil palm business, and iv) moderation in milk procurement prices from 2QFY27 expected to support dairy margins.
- **Astec:** The business has reached a pivotal stage, achieving EBITDA break-even in FY26, with a sharp reduction in losses. It is positioned for sustained growth, driven by improved volumes, realizations, and capacity utilisation across both Enterprise and CDMO segments; management guides for 15-20% topline growth, with stable-to-improving margins going forward.
- **Crop protection:** The crop protection business is undergoing a strategic diversification from its earlier concentration in cotton herbicides and chilli-focused products towards a multi-crop portfolio, with FY27 marking the scale-up of new products-*Ashitaka* (maize herbicide) and *Takai* (rice-led insecticide), with contribution expected to increase from ~3% in FY26 to ~16-18%.

### Valuation and view

- GOAGRO's outlook remains constructive, supported by strategic portfolio realignment initiatives, including: i) exit from live-bird trading, ii) targeted geographic expansion in animal nutrition, iii) increased focus on R&D, iv) the transition of the animal feed business towards an 'animal nutrition' model, v) diversification of the crop protection portfolio, and vi) allocation of ~75–80% of planned capex towards growth initiatives.
- Further, improvement in volumes, realizations, and capacity utilization across both Enterprise and CDMO in Astec positions the business for sustained recovery and profitable growth in the coming years.
- We have built in Revenue/EBITDA/Adj. PAT CAGR of 6%/12%/12% over the FY26-FY28E. We reiterate our BUY rating on the stock with an SOTP-based TP of INR690.

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

Y/E March	FY25				FY26E				FY25	FY26	FY26E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Gross Sales</b>	<b>23,508</b>	<b>24,488</b>	<b>24,496</b>	<b>21,336</b>	<b>26,143</b>	<b>25,674</b>	<b>27,183</b>	<b>23,327</b>	<b>93,828</b>	<b>102,327</b>	<b>23,381</b>	<b>0</b>
YoY Change (%)	-6.4	-4.8	4.5	0.0	11.2	4.8	11.0	9.3	-1.9	9.1	9.6	
Total Expenditure	21,246	22,254	22,296	19,870	23,446	23,540	24,768	21,937	85,666	93,691	21,698	
<b>EBITDA</b>	<b>2,261</b>	<b>2,234</b>	<b>2,200</b>	<b>1,467</b>	<b>2,697</b>	<b>2,134</b>	<b>2,416</b>	<b>1,389</b>	<b>8,162</b>	<b>8,636</b>	<b>1,682</b>	<b>-17</b>
Margins (%)	9.6	9.1	9.0	6.9	10.3	8.3	8.9	6.0	8.7	8.4	7.2	
Depreciation	546	583	567	565	579	571	559	580	2,261	2,289	600	
Interest	302	398	345	289	355	396	347	286	1,334	1,383	340	
Other Income	92	126	87	130	119	78	183	678	435	1,058	136	
<b>PBT before EO expense</b>	<b>1,506</b>	<b>1,379</b>	<b>1,376</b>	<b>742</b>	<b>1,882</b>	<b>1,246</b>	<b>1,693</b>	<b>1,202</b>	<b>5,002</b>	<b>6,023</b>	<b>878</b>	
Extra-Ord expense	0	0	0	0	0	0	304	0	0	304	0	
<b>PBT</b>	<b>1,506</b>	<b>1,379</b>	<b>1,376</b>	<b>742</b>	<b>1,882</b>	<b>1,246</b>	<b>1,389</b>	<b>1,202</b>	<b>5,002</b>	<b>5,718</b>	<b>878</b>	
Tax	345	541	414	204	517	507	367	277	1,504	1,668	241	
Rate (%)	22.9	39.3	30.1	27.5	27.5	40.7	26.5	23.1	30.1	29.2	27.5	
MI & Profit/Loss of Asso. Cos.	-190	-286	-153	-170	-240	-187	-127	-124	-799	-678	-178	
<b>Reported PAT</b>	<b>1,352</b>	<b>1,123</b>	<b>1,115</b>	<b>708</b>	<b>1,605</b>	<b>926</b>	<b>1,148</b>	<b>1,049</b>	<b>4,297</b>	<b>4,728</b>	<b>814</b>	
<b>Adj PAT</b>	<b>1,352</b>	<b>1,123</b>	<b>1,115</b>	<b>708</b>	<b>1,605</b>	<b>926</b>	<b>1,377</b>	<b>1,049</b>	<b>4,297</b>	<b>4,956</b>	<b>814</b>	<b>29</b>
YoY Change (%)	28.3	6.7	21.4	23.9	18.8	-17.6	23.5	48.1	19.5	15.3	15.1	
Margins (%)	5.7	4.6	4.6	3.3	6.1	3.6	5.1	4.5	4.6	4.8	3.5	

**Key Performance Indicators**

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Segment Revenue Gr. (%)</b>										
Animal Feed (AF)	-10.1	-3.0	-1.3	-3.6	0.1	1.0	1.9	10.8	(4.5)	3.4
Palm Oil	12.4	-1.5	37.6	30.1	91.7	45.3	28.5	-5.1	17.3	39.4
Crop Protection	-4.6	-21.7	-13.1	6.4	10.4	-28.3	34.4	15.6	(9.1)	5.6
Dairy	1.0	3.2	1.0	-2.0	-2.7	-2.4	2.7	3.9	0.8	0.2
<b>Segment EBIT Margin (%)</b>										
Animal Feed	6.8	5.9	6.0	5.7	5.6	5.8	6.2	10.4	6.1	7.0
Palm Oil	9.2	16.7	23.7	7.5	17.4	21.6	23.1	7.0	16.2	19.3
Crop Protection	23.8	18.6	6.2	16.9	28.9	7.7	7.7	8.5	17.7	15.1
Dairy	4.3	2.1	2.5	1.7	1.0	2.3	1.2	0.4	2.7	1.2
<b>AF Volumes (000'MT)</b>	<b>346</b>	<b>362</b>	<b>397</b>	<b>370</b>	<b>375</b>	<b>400</b>	<b>445</b>	<b>426</b>	<b>1,013</b>	<b>1,361</b>
<b>AF Realization (INR/kg)</b>	<b>33.4</b>	<b>33.3</b>	<b>32.1</b>	<b>31.0</b>	<b>23.3</b>	<b>24.5</b>	<b>28.6</b>	<b>27.4</b>	<b>32.4</b>	<b>30.0</b>
<b>Cost Break-up</b>										
RM Cost (% of sales)	73.2	74.4	74.4	74.1	72.4	73.4	74.0	76.6	<b>74.0</b>	<b>74.0</b>
Staff Cost (% of sales)	6.0	5.0	5.7	6.1	6.1	6.4	6.1	6.2	<b>5.7</b>	<b>6.2</b>
Other Cost (% of sales)	11.2	11.5	10.9	12.9	11.1	11.9	11.0	11.2	<b>11.6</b>	<b>11.3</b>
Gross Margins (%)	26.8	25.6	25.6	25.9	27.6	26.6	26.0	23.4	<b>26.0</b>	<b>26.0</b>
EBITDA Margins (%)	9.6	9.1	9.0	6.9	10.3	8.3	8.9	6.0	<b>8.7</b>	<b>8.4</b>
EBIT Margins (%)	7.3	6.7	6.7	4.2	8.1	6.1	6.8	3.5	<b>6.3</b>	<b>6.2</b>

# Jyothy Laboratories

Estimate change	↔
TP change	↑
Rating change	↔

**CMP: INR268**      **TP: INR275 (+3%)**      **Neutral**

## Margin miss continues on high competition

Bloomberg	JYL IN
Equity Shares (m)	367
M.Cap.(INRb)/(USDb)	98.4 / 1
52-Week Range (INR)	383 / 196
1, 6, 12 Rel. Per (%)	23/-9/-27
12M Avg Val (INR M)	147

### Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Net Sales	29.4	32.3	34.9
Sales Gr. (%)	3.4	9.8	8.1
EBITDA	4.5	4.9	5.5
EBITDA Margins (%)	15.3	15.1	15.8
Adj PAT	3.3	3.6	4.1
Adj. EPS (INR)	9.1	9.9	11.2
EPS Gr. (%)	-11.1	9.0	13.7
BV/Sh (INR)	43.3	46.6	51.3

### Ratios

RoE (%)	22.4	22.0	23.0
RoCE (%)	21.8	21.5	22.5
Payout (%)	46.7	66.1	58.1

### Valuation

P/E (x)	29.6	27.2	23.9
P/BV (x)	6.2	5.8	5.2
EV/EBITDA	20.9	19.4	16.8
Div. Yield (%)	1.3	2.0	2.0

### Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	62.9	62.9	62.9
DII	14.6	15.1	16.3
FII	12.4	12.8	13.1
Others	10.1	9.2	7.7

FII includes depository receipts

Jyothy Laboratories (JYL) posted 8% (in line) sales growth in 4QFY26, while volumes rose ~11% (est. 6%; 4QFY25 5%, 3QFY26 7%). Volume growth was broad-based across categories. As seen in 3QFY26, the difference between value and volume growth was primarily due to pricing actions in dishwash amid high competition. The competitive intensity remained high among peers, offering higher grammage at lower MRPs. The company expects this gap to narrow going forward. Fabric Care continued to demonstrate strong growth, clocking 14% growth YoY. HI and Personal Care reported 3% and 20% growth on the back of a 5% and 9% decline in the base, respectively. Dishwash revenue was flat YoY, but volume grew by 5%, driven by pricing actions and promotions.

GM remained under pressure and contracted 400bp YoY to 45.2% (est. 47.4%, 46.5% in 3QFY26). Since JYL's 50-60% of RM is crude-linked, cost inflation is expected to sustain. The company has taken ~4% price hike at the company level to pass on RM inflation and will remain watchful of any further price hikes. EBITDA margin contracted 330bp YoY to 13.5% (miss). Management flagged near-term margin uncertainty due to geopolitical volatility, forex and crude fluctuations, and intensifying competition.

We remain cautious on JYL's near-term outlook, with elevated competitive intensity from category leaders likely to constrain both growth and margin. This, coupled with sharp inflation in crude and its derivatives, is expected to further pressure JYL's performance. We remain cautious on JYL's margin recovery owing to competition; margin recovery further appears delayed in high-cost inflation. Following a ~500bp EBITDA margin expansion to 17.5% over FY23–FY25, we believe margins had peaked and model a moderation to ~15–15.5% over FY27–FY28 (15.3% in FY26). **We reiterate our Neutral rating on the stock with a TP of INR275 (premised on 25x Mar'28E P/E).**

## Strong volume growth at 11%; miss on profitability

**In-line revenue growth, beat on volume growth:** JYL's net sales grew 8% YoY to INR7,174m (est. INR7,135m). Volume growth was 10.8% (est. 6%, 5% in 4QFY25) in 4QFY26. Consumption trends in 4Q remained steady, with stable demand and sustained volume growth across categories. Rural demand remained relatively stable through most of the year, while urban demand showed improvement following GST rate changes.

**Strong Fabric Care growth continued:** Fabric Care delivered value growth of 14.4% and volume growth of 17.8% YoY in 4QFY26. Liquid detergent category pricing remains competitive; the company continues to scale liquid detergents while ensuring profitability remains intact. The Dishwash segment recorded flat value growth and 5% volume growth in 4QFY26, with the divergence attributable to price reductions and increased grammage offerings. Liquids continued to outperform bars.

- **HI benefits from an improving mix, while GST aids in Personal Care, albeit on a low base:** HI and Personal Care reported 3% and 20% growth on the back of 5% and 9% decline in the base, respectively. Personal care posted 20.8% volume growth as demand improved after GST rate changes, with the impact becoming fully visible in 4Q. In HI, there was strong volume growth in Liquid Vaporizers, while Coils saw a decline.
- **Miss on margins:** Gross margin contracted 400bp YoY to 45.2% (est. 47.4%, 46.5% in 3QFY26). GM remained under pressure due to crude inflation amid ongoing geopolitical tensions. Packaging costs account for 15-20% of JYL's total material cost. Employee expenses and other expenses rose 9% each, while Ad spends declined 6% YoY. EBITDA margin contracted 330bp YoY to 13.5%. (est. 15%).
- **EBIT margin continues to contract for most segments:** Dish washing EBIT margin contracted sharply by 770bp to 10.4%, while Fabric Care contracted 420bp to 18%. Personal Care EBIT margins contracted 270bp to 7.9%. HI EBIT margins, on the other hand, improved from -7% to +6.3%.
- **Decline in profitability:** EBITDA declined by 14% YoY to INR968m (est. of INR1,068m). Similarly, PBT declined 14% YoY to INR955m (est. INR1,068m). Adj. PAT dipped 16% YoY to INR675m (est. INR858m).
- In FY26, revenue grew 3% YoY, while EBITDA/APAT declined 10%/11%, respectively.

#### Highlights from the management commentary

- Rural demand remained relatively stable through most of the year, while urban demand showed improvement following GST rate changes.
- **Management further alluded that while urban demand showed early signs of recovery, persistently high crude prices and retail inflation pose a risk to overall demand momentum.**
- JYL's 50-60% of RM is crude-linked. Therefore, a sharp increase in crude prices, along with a weaker rupee, has put pressure on the overall cost structure.
- **JYL took ~4% price hike at the company level in March.**
- The company expects to narrow the gap between value and volume growth in the near term.

#### Valuation and view

- We largely maintain our EPS estimates for FY27E-28E.
- We have been cautious on revenue growth and sustaining operating margin previously as well. We believe the elevated competitive intensity from larger players will continue to impact growth/margin in the near term. This, coupled with sharp inflation in crude and its derivatives, is expected to further exert pressure on JYL's performance. EBITDA margin witnessed ~500bp expansion to 17.5% during FY23-FY25. We model a downward trajectory and cut EPS by 5-6% for FY26-FY28. In addition, we model a 9% revenue and 11% EBITDA CAGR for FY26-FY28.
- **We reiterate our Neutral rating on the stock with a TP of INR275 (premised on 25x Mar'28E P/E).**

**Consolidated Quarterly Performance**
**(INR m)**

Y/E March	FY25				FY26				FY25	FY26	FY26E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Volume growth (%)	10.8%	3.0%	8.0%	5.0%	3.6%	2.8%	7.2%	10.8%	6.4%	8.0%	6.0%	
<b>Net Sales</b>	<b>7,418</b>	<b>7,338</b>	<b>7,045</b>	<b>6,670</b>	<b>7,512</b>	<b>7,361</b>	<b>7,396</b>	<b>7,174</b>	<b>28,470</b>	<b>29,443</b>	<b>7,135</b>	0.5
YoY change (%)	8.0	0.2	4.0	1.1	1.3	0.3	5.0	7.6	3.3	3.4	7.0	
<b>Gross Profit</b>	<b>3,805</b>	<b>3,683</b>	<b>3,506</b>	<b>3,281</b>	<b>3,608</b>	<b>3,537</b>	<b>3,440</b>	<b>3,240</b>	<b>14,275</b>	<b>13,824</b>	<b>3,382</b>	-4.2
Margins (%)	51.3	50.2	49.8	49.2	48.0	48.1	46.5	45.2	50.1	47.0	47.4	
<b>EBITDA</b>	<b>1,335</b>	<b>1,385</b>	<b>1,158</b>	<b>1,119</b>	<b>1,242</b>	<b>1,183</b>	<b>1,107</b>	<b>968</b>	<b>4,996</b>	<b>4,499</b>	<b>1,068</b>	-9.4
EBITDA growth %	13.7	2.3	-2.4	3.3	-7.0	-14.6	-4.4	-13.6	4.1	-10.0	-4.6	
Margins (%)	18.0	18.9	16.4	16.8	16.5	16.1	15.0	13.5	17.5	15.3	15.0	
Depreciation	134	139	143	146	147	152	155	158	561	612	152	
Interest	14	14	15	17	13	14	11	12	59	50	25	
Other Income	137	125	139	155	194	170	154	158	556	676	177	
<b>PBT</b>	<b>1,324</b>	<b>1,357</b>	<b>1,138</b>	<b>1,112</b>	<b>1,275</b>	<b>1,187</b>	<b>1,095</b>	<b>955</b>	<b>4,931</b>	<b>4,512</b>	<b>1,068</b>	-10.6
Tax	307	307	264	306	307	309	283	280	1,184	1,180	211	
Rate (%)	23.2	22.6	23.2	27.6	24.1	26.1	25.9	29.3	24.0	26.2	19.7	
<b>Adjusted PAT</b>	<b>1,017</b>	<b>1,050</b>	<b>874</b>	<b>806</b>	<b>968</b>	<b>878</b>	<b>811</b>	<b>675</b>	<b>3,747</b>	<b>3,332</b>	<b>858</b>	-21.3
YoY change (%)	16.6	1.0	-3.9	3.1	-4.8	-16.4	-7.2	-16.2	4.0	-11.1	6.4	

*E: MOFSL Estimates*

# Jindal Stainless

BSE SENSEX  
77,269

S&P CNX  
24,119

**CMP: INR778**

**Buy**

## Conference Call Details



**Date:** 05 May 2026

**Time:** 4:00 pm IST

**Registration:**

[Diamond Pass](#)

**Dial in:**

+91 22 6280 1148

+91 22 7115 8049

## Slight beat on earnings

- JSL's revenue stood at INR113b (+11% YoY and +8% QoQ) against our estimate of INR107b in 4QFY26. The company's revenue growth was mainly driven by better NSR, while volume growth was flat.
- Adj. EBITDA stood at INR14.5b, up 37% YoY and 3% QoQ (9% beat), driven by better NSR and muted cost during the quarter. This translates to an EBITDA/t of INR22,670 (+37% YoY and +5% QoQ) in 4QFY26.
- APAT for the quarter stood at INR8.9b (+49% YoY and +4% QoQ) against our est. of INR7.7b, led by better operating profitability.
- During FY26, revenue grew 9% YoY to INR429b, whereas the EBITDA and APAT grew 19% YoY to INR55.6b and 29% YoY to INR32.5b, respectively.
- Sales volume for the quarter stood flat YoY at 642KT, while declining 1% QoQ during the quarter. The export share rose to 7% in 4QFY26 from 5% in 3Q.
- In 4QFY26, the NSR stood at INR176,660/t, up by 11% YoY and 9% QoQ, led by SS price recovery.
- During FY26, the company volume grew 8% YoY to 2.6mt, while ASP improved 1% YoY. On account of muted cost, the EBITDA/t improved to INR21,670/t in FY26 vs. INR19,660/t in FY25.
- The consolidated net debt stood at INR30b, translating to net debt/equity of 0.15x as of 4QFY26.
- The Board has recommended a final dividend of INR3/share, taking the total dividend per share for FY26 to INR4 of the face value of INR2 each.

### Jindal Stainless' Consolidated Quarterly Performance (INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26 vs Est 4QE (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
<b>Sales (kt)</b>	<b>578</b>	<b>565</b>	<b>588</b>	<b>643</b>	<b>626</b>	<b>648</b>	<b>650</b>	<b>642</b>	<b>2,374</b>	<b>2,566</b>	<b>626</b> <b>2.5</b>
Change (YoY %)	5.3	3.9	14.8	12.8	8.3	14.7	10.5	(0.2)	9.1	8.1	
Change (QoQ %)	1.4	(2.2)	4.1	9.4	(2.6)	3.5	0.3	(1.2)			
<b>Net Realization/t</b>	<b>1,63,145</b>	<b>1,73,041</b>	<b>1,68,491</b>	<b>1,58,605</b>	<b>1,62,988</b>	<b>1,68,085</b>	<b>1,61,844</b>	<b>1,76,662</b>	<b>1,65,595</b>	<b>1,67,406</b>	<b>1,71,490</b> <b>3.0</b>
<b>Net Sales</b>	<b>94.3</b>	<b>97.8</b>	<b>99.1</b>	<b>102.0</b>	<b>102.1</b>	<b>108.9</b>	<b>105.2</b>	<b>113.4</b>	<b>393.1</b>	<b>429.5</b>	<b>107.3</b> <b>5.6</b>
Change (YoY %)	(7.4)	(0.2)	8.5	7.9	8.2	11.4	6.2	11.2	1.9	9.3	
Change (QoQ %)	(0.3)	3.7	1.3	2.9	0.1	6.7	(3.4)	7.8			
<b>EBITDA</b>	<b>12.1</b>	<b>11.9</b>	<b>12.1</b>	<b>10.6</b>	<b>13.1</b>	<b>13.9</b>	<b>14.1</b>	<b>14.5</b>	<b>46.7</b>	<b>55.6</b>	<b>13.4</b> <b>8.9</b>
Change (YoY %)	1.6	(3.6)	(3.1)	2.5	8.1	17.0	16.6	37.1	(0.8)	19.2	
Change (QoQ %)	17.1	(2.1)	1.8	(12.1)	23.5	6.0	1.4	3.3			
<b>EBITDA (INR per ton)</b>	<b>20,964</b>	<b>21,000</b>	<b>20,536</b>	<b>16,499</b>	<b>20,915</b>	<b>21,416</b>	<b>21,665</b>	<b>22,670</b>	<b>19,657</b>	<b>21,670</b>	<b>21,350</b> <b>6.2</b>
Interest	1.4	1.6	1.6	1.5	1.4	1.4	1.3	1.5	6.1	5.7	
Depreciation	2.3	2.4	2.4	2.4	2.5	2.6	2.7	2.8	9.6	10.6	
Other Income	0.5	0.5	1.0	0.9	0.7	0.9	1.0	0.9	2.9	3.5	
<b>PBT (before EO Item)</b>	<b>8.9</b>	<b>8.3</b>	<b>9.0</b>	<b>7.6</b>	<b>9.8</b>	<b>10.7</b>	<b>11.1</b>	<b>11.2</b>	<b>33.9</b>	<b>42.8</b>	
EO Items	-	-	-	0.1	-	(0.2)	0.3	0.5	0.1	0.6	
<b>PBT (after EO Item)</b>	<b>8.9</b>	<b>8.3</b>	<b>9.0</b>	<b>7.6</b>	<b>9.8</b>	<b>10.9</b>	<b>10.8</b>	<b>10.7</b>	<b>33.8</b>	<b>42.3</b>	
Total Tax	2.4	2.2	2.4	1.4	2.5	2.7	2.5	2.8	8.4	10.6	
% Tax	27.1	27.0	26.5	19.0	26.3	25.1	23.5	25.0	25.1	24.9	
<b>PAT before MI and Asso.</b>	<b>6.5</b>	<b>6.1</b>	<b>6.7</b>	<b>6.2</b>	<b>7.3</b>	<b>8.2</b>	<b>8.2</b>	<b>8.0</b>	<b>25.4</b>	<b>31.7</b>	
MI (Profit)/Loss	(0.0)	(0.0)	(0.0)	(0.0)	0.0	0.0	(0.0)	(0.1)	(0.1)	(0.1)	
Share of P/(L) of Ass.	(0.0)	0.0	(0.1)	(0.3)	(0.1)	(0.1)	0.1	0.4	(0.4)	0.2	
<b>Reported PAT after MI and Asso.</b>	<b>6.5</b>	<b>6.1</b>	<b>6.5</b>	<b>5.9</b>	<b>7.1</b>	<b>8.1</b>	<b>8.3</b>	<b>8.4</b>	<b>25.1</b>	<b>31.9</b>	
<b>Adj. PAT (after MI &amp; Asso)</b>	<b>6.5</b>	<b>6.1</b>	<b>6.5</b>	<b>6.0</b>	<b>7.1</b>	<b>7.9</b>	<b>8.6</b>	<b>8.9</b>	<b>25.1</b>	<b>32.5</b>	<b>7.7</b> <b>16.1</b>
Change (YoY %)	(13.1)	(9.2)	(5.4)	19.0	10.2	29.2	31.2	48.7	(3.9)	29.4	
Change (QoQ %)	29.0	(5.7)	7.1	(8.7)	19.4	10.6	8.8	3.5			

# KEI Industries

BSE SENSEX  
77,269

S&P CNX  
24,119

**CMP: INR5,059**

**Buy**

## Conference Call Details



**Date:** 05 May 2026

**Time:** 12:00 IST

**Dial-in details:**

+91 22 6280 1123

+ 91 22 7115 8024

[Link for the call](#)

### Consol. Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	117.5	135.9	159.4
EBITDA	12.4	14.7	17.8
PAT	9.3	10.2	12.2
EBITDA Margin (%)	10.6	10.8	11.2
Adj. EPS (INR)	97.3	106.4	128.0
EPS Gr. (%)	33.5	14.4	20.3
BV/Sh. (INR)	692	793	915

### Ratios

Net D:E	(0.2)	(0.1)	(0.2)
RoE (%)	14.3	14.3	15.0
RoCE (%)	14.6	14.8	15.6
Payout (%)	6.5	5.6	4.7

### Valuations

P/E (x)	52.1	45.5	37.8
P/BV (x)	7.0	6.1	5.3
EV/EBITDA(x)	37.4	30.7	25.1
Div. Yield (%)	0.1	0.1	0.1
FCF Yield (%)	(1.5)	(0.0)	0.8

## EBITDA beat; OPM expands 65bp YoY

- KEI Industries' (KEII) 4QFY26 revenue grew ~19% YoY to INR34.8b (in line). EBITDA increased ~27% YoY to INR3.8b (~10% beat). OPM rose 65bp YoY to 11% (+85bp vs. estimate). PAT grew ~25% YoY to INR2.8b (~17% beat). C&W revenue was up 18% YoY at INR33b (in line), EBIT increased 34% YoY to INR4.1b (12% beat), and EBIT margin expanded 1.5pp YoY to 12.4% (+1.4pp vs. estimate).
- Exports contributed ~12% to total revenue vs. ~16%/16% in 4QFY25/3QFY26. The order book stood at INR3.6b.
- C&W sales through dealers rose ~29% YoY during the quarter (~56% of total revenue vs. ~55% in 3QFY26). Further, its active working dealer count increased to 2,125 from 2,082/2,114 in 4QFY25/3QFY26.

## C&W revenue rises 18% YoY and EBIT margin expands 1.5pp YoY to 12%

- KEII's revenue/EBITDA/Adj. PAT stood at INR34.8b/INR3.8b/INR2.8b (+19%/+27%/+25% YoY and +1%/+10%/+17% vs. estimates) in 4QFY26. OPM expanded 65bp YoY to ~11%. Depreciation/interest costs rose ~47%/35% YoY. Other income increased ~15% YoY.
- Segmental highlights: a) **C&W** revenue was up ~18% YoY at INR33b, EBIT rose ~34% YoY to INR4.1b, and EBIT margin increased 1.5pp YoY to 12.0%. b) **EPC business** revenue remained flat YoY to INR2.2b, EBIT declined 72% YoY to INR47m, and EBIT margin declined 5.5pp YoY to ~2.1%. c) **Stainless steel wires (SSW)** revenue increased ~21% YoY to INR561m, EBIT increased 2x YoY to INR50m, and EBIT margin increased 3.5pp YoY at 8.9%.
- In FY26, revenue/EBITDA/PAT grew 21%/25%/33% YoY to INR117.5b/INR12.4b/INR9.3b. EBITDA margin stood at 10.6% (up 40bp YoY). C&W revenue/EBIT rose 22%/33% YoY to INR112.2b/INR13.0b, and EBIT margin expanded 95bp YoY at 11.6% in FY26.
- The company's gross debt stood at INR1.9b vs. INR1.8b as of Mar'25. Cash & bank balance (incl. unutilized QIP proceeds of INR4.7b) stood at INR15.1b vs. INR19.2b as of Mar'25. Net cash balance (ex-acceptances) stood at INR5.9b vs. INR14.9b in Mar'25.

## Valuation and view

- KEII's 4QFY26 performance was above our estimates. The C&W and SSW segments delivered strong revenue growth, while the performance in EPC was muted, with revenue remaining flat YoY. We are structurally positive on the C&W sector, given strong growth drivers.
- We have a BUY rating on the stock.** However, we will review our assumptions after the concall on 05<sup>th</sup> May'26 ([Concall Link](#)).

**Quarterly Performance**

(INR m)

Y/E March	FY25				FY26				FY25	FY26	MOSL 4QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Sales</b>	<b>20,605</b>	<b>22,838</b>	<b>24,768</b>	<b>29,148</b>	<b>25,903</b>	<b>27,263</b>	<b>29,547</b>	<b>34,764</b>	<b>97,359</b>	<b>1,17,478</b>	<b>34,365</b>	<b>1</b>
Change (%)	15.6	17.3	20.3	25.7	25.7	19.4	19.3	19.3	20.1	20.7	17.9	
<b>Adj EBITDA</b>	<b>2,146</b>	<b>2,248</b>	<b>2,504</b>	<b>3,013</b>	<b>2,580</b>	<b>2,693</b>	<b>3,317</b>	<b>3,816</b>	<b>9,910</b>	<b>12,407</b>	<b>3,482</b>	<b>10</b>
Change (%)	20.4	10.3	16.7	23.2	20.3	19.8	32.5	26.7	18.3	25.2	15.6	
Adj EBITDA margin (%)	10.4	9.8	10.1	10.3	10.0	9.9	11.2	11.0	10.2	10.6	10.1	85
Depreciation	155	163	190	193	199	202	226	285	701	912	312	(9)
Interest	142	133	143	139	145	142	166	188	556	641	169	12
Other Income	178	128	41	371	396	423	338	428	718	1,586	287	49
Extra-ordinary Items	-	-	-	-	-	-	(116)	-	-	(116)	-	
<b>PBT</b>	<b>2,027</b>	<b>2,079</b>	<b>2,212</b>	<b>3,052</b>	<b>2,632</b>	<b>2,773</b>	<b>3,263</b>	<b>3,772</b>	<b>9,370</b>	<b>12,439</b>	<b>3,288</b>	<b>15</b>
Tax	525	531	564	786	675	738	798	928	2,406	3,139	859	
Effective Tax Rate (%)	25.9	25.5	25.5	25.8	25.6	26.6	24.5	24.6	25.7	25.2	26.1	
<b>Reported PAT</b>	<b>1,502</b>	<b>1,548</b>	<b>1,648</b>	<b>2,265</b>	<b>1,957</b>	<b>2,035</b>	<b>2,349</b>	<b>2,843</b>	<b>6,964</b>	<b>9,184</b>	<b>2,429</b>	<b>17</b>
Change (%)	23.8	10.4	9.4	34.4	30.3	31.5	42.5	25.5	19.9	31.9	7.2	
<b>Adj PAT</b>	<b>1,502</b>	<b>1,548</b>	<b>1,648</b>	<b>2,265</b>	<b>1,957</b>	<b>2,035</b>	<b>2,436</b>	<b>2,843</b>	<b>6,964</b>	<b>9,271</b>	<b>2,429</b>	<b>17</b>
Change (%)	23.8	10.4	9.4	34.2	30.3	31.5	47.8	25.5	19.9	33.1	7.2	

**Segmental Performance (INR m)**

Y/E March	FY25				FY26				FY26 4QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Sales</b>										
Cables (Power + HW)	18,757	21,440	23,517	27,968	24,771	26,256	28,208	32,970	33,114	(0)
Stainless steel wires	538	602	551	462	521	539	545	561	494	13
EPC Business	2,261	1,309	759	2,234	994	1,014	1,374	2,233	1,540	45
<b>Growth (% YoY)</b>										
Cables (Power + HW)	16.4	20.8	26.0	35.2	32.1	22.5	19.9	17.9	18.4	
Stainless steel wires	(8.9)	2.0	19.4	(19.3)	(3.0)	(10.6)	(1.1)	21.5	7.1	
EPC Business	22.4	(58.2)	(79.9)	(34.4)	(56.0)	(22.6)	81.1	(0.1)	(31.1)	
<b>EBIT</b>										
Cables (Power + HW)	2,067	2,241	2,372	3,069	2,665	2,871	3,373	4,104	3,674	12
Stainless steel wires	10	29	30	25	42	44	35	50	25	97
EPC Business	298	121	19	170	79	51	17	47	50	(5)
<b>EBIT Margin (%)</b>										
Cables (Power + HW)	11.0	10.5	10.1	11.0	10.8	10.9	12.0	12.4	11.1	135
Stainless steel wires	1.9	4.8	5.5	5.4	8.1	8.2	6.4	8.9	5.1	380
EPC Business	13.2	9.2	2.5	7.6	8.0	5.1	1.2	2.1	3.2	(112)

# Petronet LNG

BSE SENSEX  
77,269

S&P CNX  
24,119

**CMP: INR276**

**Buy**

We will revisit our estimates post earnings call/management interaction.

## Conference Call Details



**Date:** 05 May'26  
**Time:** 11:30 am IST  
**Dial-in details:**  
+91 22 7195 0000

## UoP provision reversal drives beat

- PLNG's 4QFY26 revenue came in 7% above our estimate at INR94.4b.
- Reported EBITDA stood 77% above estimate at INR18.6b (+23% up YoY).
- The company booked additional provisions/waiver of INR1.2b/INR130m against UoP dues during the quarter. UoP trade receivables of INR6.3b were recovered during 4Q. **EBITDA adjusted for UoP provisioning and waiver would have stood 30% above estimate.**
- Adjusted EBITDA margin stood at 14.5% (vs. 11% in 3QFY26; 12.3% in 4QFY25).
- Reported PAT was 64% above our estimate at INR13.4b (+25% YoY).
- **PAT, if adjusted for UoP provisioning, waivers, and recovery impact, would have been 19% above estimates.**
- **Operational performance:**
- Total volumes came in 12% above our estimate at 219tbtu.
- Dahej utilization was also 11% above our estimate at 91%, while Kochi utilization stood in line with our estimates.
- **As of Mar'26**, provisions on UoP dues stood at INR3.1b.
- UoP dues of INR7.2b (net of provision: INR4.1b) were included in trade receivables as of Mar'26. PLNG has obtained bank guarantees from some customers to recover UoP charges. While some customers have not given balance confirmations toward these dues, management is confident of recovering such charges.
- Spot LNG prices increased QoQ in 4Q, averaging USD13.4/mmbtu (USD12.4/mmbtu in 3Q).
- The board has recommended a dividend of INR3/sh (FV: INR10/sh).

## Standalone - Quarterly Earning Model

Y/E March	FY25				FY26					(INR b)		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	4QE	Var (%)	YoY (%)	QoQ (%)
<b>Net Sales</b>	<b>134.2</b>	<b>130.2</b>	<b>122.3</b>	<b>123.2</b>	<b>118.8</b>	<b>110.1</b>	<b>111.6</b>	<b>94.4</b>	<b>88.2</b>	<b>7%</b>	<b>-23%</b>	<b>-15%</b>
YoY Change (%)	15.1	3.9	-17.1	-10.7	-11.4	-15.5	-8.7	-23.3	-28.4			
<b>EBITDA</b>	<b>15.6</b>	<b>12.0</b>	<b>12.5</b>	<b>15.1</b>	<b>11.6</b>	<b>11.2</b>	<b>12.2</b>	<b>18.6</b>	<b>10.5</b>	<b>77%</b>	<b>23%</b>	<b>52%</b>
Margin (%)	11.7	9.2	10.2	12.3	9.8	10.1	11.0	19.7	11.9			
Depreciation	1.9	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1			
Interest	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6			
Other Income	2.2	2.0	2.0	2.0	2.4	2.4	2.2	2.0	2.2			
<b>PBT before EO expense</b>	<b>15.2</b>	<b>11.4</b>	<b>11.7</b>	<b>14.5</b>	<b>11.4</b>	<b>10.8</b>	<b>11.7</b>	<b>17.9</b>	<b>10.1</b>	<b>79%</b>	<b>24%</b>	<b>54%</b>
Extra-Ord expense / (gain)	-	-	-	-	-	-	0	-	-			
<b>PBT</b>	<b>15.2</b>	<b>11.4</b>	<b>11.7</b>	<b>14.5</b>	<b>11.4</b>	<b>10.8</b>	<b>11.4</b>	<b>17.9</b>	<b>10.1</b>	<b>79%</b>	<b>24%</b>	<b>57%</b>
Tax	3.8	2.9	3.0	3.8	2.9	2.8	3.0	4.6	1.9			
Rate (%)	24.9	25.7	25.8	26.0	25.1	25.6	25.8	25.5	18.8			
<b>Reported PAT</b>	<b>11.4</b>	<b>8.5</b>	<b>8.7</b>	<b>10.7</b>	<b>8.5</b>	<b>8.1</b>	<b>8.5</b>	<b>13.4</b>	<b>8.2</b>			
<b>Adj PAT</b>	<b>11.4</b>	<b>8.5</b>	<b>8.7</b>	<b>10.7</b>	<b>8.5</b>	<b>8.1</b>	<b>8.7</b>	<b>13.4</b>	<b>8.2</b>	<b>64%</b>	<b>25%</b>	<b>54%</b>
YoY Change (%)	44.5	3.6	-27.2	45.1	-25.5	-4.9	0.0	25.0	-23.8			
Margin (%)	8.5	6.5	7.1	8.7	7.2	7.3	7.8	14.2	9.3			
<b>Key Assumptions</b>												
Total Volumes (Tbtu)	262.0	239.0	228.0	205.0	220.0	228.0	233.0	219.0	194.8	12%	7%	-6%
Dahej utilization (%)	112%	102%	96%	85%	94%	95%	97%	91%	80%	14%	6%	-6%
Kochi utilization (%)	22%	22%	24%	25%	21%	27%	30%	28%	29%	-1%	13%	-5%

**BSE SENSEX** 77,269  
**S&P CNX** 24,119

**Conference Call Details**



**Date:** 6<sup>th</sup> May 2026

**Time:** 12.00pm IST

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

+91 22 6280 1245/

+91 22 7115 8146

**Financials & Valuations (INR b)**

Y/E MARCH	FY26	FY27E	FY28E
Net Sales	172.7	178.7	189.8
EBITDA	19.4	19.8	21.3
Adj. PAT	11.2	11.3	12.3
Adj. EPS (INR)	13.2	13.2	14.4
EPS Gr. (%)	3.8	0.7	8.9
BV/Sh. (INR)	172.6	183.6	195.3
<b>Ratio</b>			
RoE (%)	7.6	7.2	7.4
RoCE (%)	7.7	7.4	7.6
Payout (%)	15.2	17.0	19.1
<b>Valuations</b>			
P/E (x)	27.3	27.1	24.9
P/BV (x)	2.1	2.0	1.8
Div Yield (%)	0.6	0.6	0.8
FCF Yield (%)	6.0	1.5	3.5

**CMP: INR359**

**Margins in line; PAT slightly ahead of our estimate**

- EXID's 4QFY26 revenues came in line with our estimates, having grown 9.4% YoY to INR45.5b. Overall, domestic business grew 12.5% YoY, despite a 50% degrowth in telecom. Exports continued to show a double-digit dip due to notable headwinds led by the ongoing geopolitical crisis, unavailability of containers, and disruption in shipping routes.
- Auto OEM business for the company grew 25%+ YoY, leading to increased market share across multiple segments. 2W/4W replacement business showed double-digit growth on a YoY basis.
- The industrial infra business (ex-telecom) also showed double-digit growth as order inflow and order execution picked up in sectors like railways, traction, etc. Inverters and solar business are back on a growth trajectory, posting mid-to-high teens growth on a YoY basis, buoyed by peak season demand in the second half of 4Q.
- EBITDA margin came in at 11.7%, in line with our estimate. Despite sharp rupee depreciation, Exide was able to increase margins YoY by 40bp.
- EBITDA also came in line, growing 13.7% YoY to INR5.3b.
- PAT came in slightly above estimates, at INR3.1b, up 22.7% YoY.
- EXID's lithium-ion battery manufacturing plant is witnessing steady progress. So far in Q4, they have invested INR6b. The total investment made till date stands at ~INR48b, with INR15b of investment made in FY26. Cylindrical lines are likely to start customer sample delivery by 1QFY27, while the Prismatic line will be initiating product trials shortly thereafter.
- For FY26, EXID's revenue/EBITDA/PAT rose 4.1%/4.3%/3.8% to INR173b/INR19.4b/INR11.2b. CFO stood at INR22.3b, while FCF was INR18.2b. The company continues to be debt-free despite the elevated capex.
- The Board has recommended a dividend of INR2 per equity share (face value INR1) for the fiscal year, the same as last year. The dividend is subject to shareholders' approval at the ensuing 79<sup>th</sup> AGM of EXID.
- **Valuation view:** The stock currently trades at 27.1x/24.9x FY27E/FY28E EPS.

**S/A Quarterly Performance**
**(INR m)**

Y/E March	FY25				FY26				FY25	FY26	4QE	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	<b>43,128</b>	<b>42,673</b>	<b>38,486</b>	<b>41,594</b>	<b>45,098</b>	<b>41,783</b>	<b>40,297</b>	<b>45,511</b>	<b>165,881</b>	<b>172,689</b>	<b>43,716</b>	<b>4.1</b>
Growth YoY (%)	5.9	3.9	0.2	3.7	4.6	-2.1	4.7	9.4	3.5	4.1	5.1	
RM cost (%)	69.3	68.5	68.0	68.8	69.2	70.2	68.4	69.9	68.7	69.4	68.5	
Employee cost (%)	6.1	6.3	6.8	6.3	6.1	6.4	6.5	6.0	6.4	6.3	6.3	
Other Exp(%)	13.1	13.9	13.5	13.7	12.6	14.0	13.4	12.4	13.6	13.1	13.3	
<b>EBITDA</b>	<b>4,943</b>	<b>4,836</b>	<b>4,486</b>	<b>4,667</b>	<b>5,482</b>	<b>3,947</b>	<b>4,696</b>	<b>5,304</b>	<b>18,931</b>	<b>19,429</b>	<b>5,172</b>	<b>2.6</b>
EBITDA Margin(%)	11.5	11.3	11.7	11.2	12.2	9.4	11.7	11.7	11.4	11.3	11.8	
Change (%)	14.4	0.1	2.0	-9.6	10.9	-18.4	4.7	13.7	1.2	4.3	11	
Non-Operating Income	142	528	132	161	182	424	183	142	962	931	221	
Interest	87	103	120	130	91	89	85	84	439	349	87	
Depreciation	1,257	1,270	1,244	1,268	1,276	1,306	1,270	1,158	5,039	5,010	1,312	
<b>PBT before EO Exp</b>	<b>3,741</b>	<b>3,991</b>	<b>3,253</b>	<b>3,430</b>	<b>4,297</b>	<b>2,976</b>	<b>3,524</b>	<b>4,204</b>	<b>14,415</b>	<b>15,001</b>	<b>3,995</b>	<b>-48.3</b>
EO Exp/(Inc)	0	0	0	0	0	0	90	0	0	90	0	
<b>PBT after EO Exp</b>	<b>3,741</b>	<b>3,991</b>	<b>3,253</b>	<b>3,430</b>	<b>4,297</b>	<b>2,976</b>	<b>3,434</b>	<b>4,204</b>	<b>14,415</b>	<b>14,911</b>	<b>3,995</b>	<b>5.2</b>
Effective Tax Rate (%)	25.3	25.4	24.7	25.8	25.4	25.8	25.0	25.7	25.3	25.5	25.8	
<b>Adj. PAT</b>	<b>2,796</b>	<b>2,978</b>	<b>2,450</b>	<b>2,546</b>	<b>3,205</b>	<b>2,207</b>	<b>2,644</b>	<b>3,124</b>	<b>10,769</b>	<b>11,181</b>	<b>2,964</b>	<b>5.4</b>
Change (%)	15.6	3.8	2.0	-10.3	14.6	-25.9	7.9	22.7	2.3	3.8	16.4	

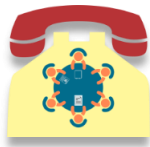
BSE Sensex  
77,269

S&P CNX  
24,119

**CMP: INR731**

**Buy**

**Conference Call Details**



**Date:** 5th May 2026

**Time:** 11:00 AM IST

[Link for the call](#)

**Financials & Valuations (INR b)**

Y/E March	2026	2027E	2028E
AAUM	52.7	60.8	70.1
Revenue	15.2	17.0	19.0
EBITDA	6.8	7.7	8.7
EBITDA Margin (%)	44.9	45.4	46.0
PAT	4.7	5.5	6.3
PAT Margin (%)	31	32	33
EPS	18.9	22.2	25.6
EPS Grw. (%)	1.0	17.1	15.4
BVPS	53.3	62.1	72.4
RoE (%)	38.5	38.4	38.0
Div. Payout (%)	34.3	60.0	60.0
<b>Valuations</b>			
P/E (x)	38.6	33.0	28.6
P/BV (x)	13.7	11.8	10.1
Div. Yield (%)	0.9	1.8	2.1

**Operating leverage drives a beat on PAT**

- CAMS' AAUM grew 21% YoY/flat QoQ to INR55.1t in 4QFY26 with a market share of ~68%. The equity mix stood at 55.4% vs. 54.4% in 4QFY25 and 55.6% in 3QFY26. Equity AUM rose 23% YoY to INR30.5t.
- The transaction volume grew 23% YoY and 7% QoQ to 293m in 4QFY26.
- CAMS reported operating revenue of INR4b in 4QFY26 (in-line), reflecting growth of 11% YoY/flat QoQ. For FY26, revenue grew 6% YoY to INR15.1b.
- Total operating expenses grew 8% YoY to INR2.1b (in-line). Employee expenses/other expenses grew 6%/10% YoY to ~INR1.3b/INR868m.
- EBITDA came in at INR1.8b, growing 15% YoY (8% beat), reflecting an EBITDA margin of 46.3% (vs. 44.7% in 4QFY25 and our est. of 43.9%). For FY26, EBITDA grew 5% YoY to INR6.7b.
- Other income at INR129m declined 4% YoY/flat 6% QoQ vs. our estimate of INR45m.
- PAT was 12% YoY/flat QoQ at INR1.3b (15% beat led by strong operating leverage) in 4QFY26 with PAT margin at 31.8% vs. 31.7% in 4QFY25. For FY26, PAT dipped 2% YoY to INR4.6b.
- The Board approved a final dividend of INR4/share.

**Valuation and view**

- Structural tailwinds in the MF industry are likely to drive absolute growth in MF revenue, with potential headwinds from the implementation of the TER regulation impacting yields. With favorable macro triggers and the right investments, the non-MF share of revenues for CAMS is expected to increase in the next three to five years.
- We will revise our estimates following the conference call scheduled for 5<sup>th</sup> May'26.

**Quarterly Performance**

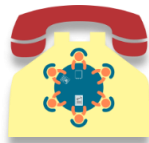
(INR m)

Y/E March	FY25				FY26				FY25	FY26	4QFY26E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q						
Revenue from Operations	3,314	3,652	3,697	3,562	3,542	3,767	3,901	3,952	14,225	15,162	3,845	2.8	11.0	1.3
Change YoY (%)	26.8	32.7	27.6	14.7	6.9	3.2	5.5	11.0	25.2	6.6	8.0			
Employee expenses	1,130	1,186	1,197	1,178	1,224	1,248	1,245	1,253	4,691	4,970	1,255	-0.2	6.4	0.7
Total Operating Expenses	1,816	1,950	1,969	1,968	1,999	2,091	2,112	2,121	7,703	8,356	2,156	-1.6	7.8	0.4
Change YoY (%)	20.1	27.5	22.8	17.8	10.1	7.3	7.3	7.8	21.9	8.5	9.5			
<b>EBITDA</b>	<b>1,498</b>	<b>1,702</b>	<b>1,728</b>	<b>1,594</b>	<b>1,543</b>	<b>1,676</b>	<b>1,789</b>	<b>1,831</b>	<b>6,522</b>	<b>6,806</b>	1,690	8.4	14.9	2.4
Other Income	117	126	149	134	131	122	129	129	526	512	45	188.7	(3.6)	0.4
Depreciation	170	184	195	228	208	246	253	280	777	988	256	9.4	22.7	10.7
Finance Cost	21	22	21	20	19	18	17	15	85	70	22	-31.9	(24.9)	(9.1)
<b>PBT</b>	<b>1,424</b>	<b>1,622</b>	<b>1,661</b>	<b>1,479</b>	<b>1,444</b>	<b>1,534</b>	<b>1,647</b>	<b>1,665</b>	<b>6,187</b>	<b>6,261</b>	<b>1,456</b>	14.4	12.6	1.1
Change YoY (%)	40.7	44.4	39.9	9.9	1.4	-5.5	-0.8	12.6	32.5	1.2	-1.6			
Tax Provisions	354	414	420	351	363	394	401	406	1,540	1,565	362	12.3	15.7	1.3
<b>Net Profit</b>	<b>1,070</b>	<b>1,208</b>	<b>1,241</b>	<b>1,128</b>	<b>1,080</b>	<b>1,139</b>	<b>1,246</b>	<b>1,259</b>	<b>4,647</b>	<b>4,695</b>	<b>1,094</b>	15.1	11.6	1.0
Change YoY (%)	41.3	44.2	40.2	9.5	1.0	-5.7	0.4	11.6	32.4	1.0	-3.1			
<b>Key Operating Parameters (%)</b>														
Cost to Operating Income Ratio	54.8	53.4	53.3	55.3	56.4	55.5	54.1	53.7	54.1	55.1	56.1	-2.4	(1.6)	(0.5)
EBITDA Margin	45.2	46.6	46.7	44.7	43.6	44.5	45.9	46.3	45.9	44.9	43.9	2.4	1.6	0.5
PBT Margin	43.0	44.4	44.9	41.5	40.8	40.7	42.2	42.1	43.5	41.3	37.9	4.3	0.6	(0.1)
Tax Rate	24.9	25.5	25.3	23.7	25.2	25.7	24.4	24.4	24.9	25.0	24.9	-0.5	0.7	0.1
PAT Margin	32.3	33.1	33.6	31.7	30.5	30.2	31.9	31.8	32.7	31.0	28.4	3.4	0.2	(0.1)
<b>Key Parameters</b>														
QAUM (INR t)	40.3	44.8	46.3	45.6	48.7	52.1	54.7	55.1	44.1	52.7	54.2	1.6	20.8	0.7
Share of Equity AUM (%)	53.3	55.4	55.3	54.4	54.8	55.1	55.6	55.4	54.9	55.2	52.4		1.0	(0.2)

BSE Sensex  
77,269

S&P CNX  
24,119

## Conference Call Details



**Date:** 5 May 2026

**Time:** 17:00 IST

**Dial-in details:**

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+91 22 7115 8045

### Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	51.9	57.2	71.4
EBITDA	3.1	6.6	9.4
EBITDA (%)	6.0	11.5	13.2
PAT	1.9	4.8	7.5
EPS (INR)	18.1	44.8	70.1
EPS Gr. (%)	104.2	147.9	56.3
BV/Sh. (INR)	441.4	479.8	543.6
<b>Ratios</b>			
Net D/E	(0.1)	(0.4)	(0.3)
RoE (%)	4.2	9.7	13.7
RoCE (%)	5.1	9.6	13.2
Payout (%)	35.2	14.2	9.1
<b>Valuations</b>			
P/E (x)	80	32	21
P/BV (x)	3	3	3
EV/EBITDA (x)	48	20	14
Div Yield (%)	0.4	0.4	0.4

**CMP: INR1,440**

**Buy**

## Healthy operational performance

### Pre-sales supported by sustenance inventory and new launches

- Sobha's bookings grew by 11% YoY to INR20.4b, with its share at INR16.3b (+19% YoY) in 4QFY26, supported by sustenance inventory as well as new launches during the quarter. NCR saw strong traction (30% of sales), supported by the launch of Sobha Rivana, while Kerala also witnessed a similar growth trajectory in the quarter (13% of sales), supported by the new project launch in Trivandrum. Bengaluru's share of sales stood at 51%, recording pre-sales of INR10.4b in 4QFY26. Overall sales volume declined by 14% YoY to ~1.3msf during the quarter.
- The company launched three new projects in 4Q – Sobha Rivana in Greater Noida (INR39b GDV), Sobha Altair in East Bengaluru (INR7b GDV), and Sobha Woods Whispering Hill in Trivandrum (INR3b GDV). Overall, it clocked 30% YoY growth in pre-sales to ~INR81b, albeit marginally below guidance. Sobha's share of sales grew at a higher rate of 35% YoY to INR67b. Sales volume grew by 18% YoY to ~5.5msf. Regional mix: Bengaluru contributed ~55% to sales, NCR at ~30%, Kerala ~10%, and other cities ~5%.
- The company's current project pipeline is ~31.2msf, including ~20.7msf of new residential projects, with ~15msf located in Bengaluru.

### Healthy collections growth and cash generation

Completions during the quarter stood at 1,088 homes (~1.76msf), whereas in FY26, it completed 3,188 homes (~5.4msf). In 4QFY26, collections increased 14% YoY to INR18b, with total cash inflow (incl. contractual business) increasing by 11% YoY to INR20b. In FY26, collections grew 27% YoY to INR71b, while net operating cash flow (before interest and taxes) grew by 35% YoY to INR19b. In FY26, land-related investment stood at ~INR11.7b, up 23% YoY, while the company generated a cash surplus of INR1.7b. Consecutively, Sobha's net cash on balance sheet improved to INR8b in FY26.

### P&L performance:

- In 4QFY26, consolidated revenue increased 60% YoY to INR19.9b, while real estate revenue also rose 69% YoY to INR17.9b. EBITDA increased 62% YoY to INR1.5b, while margin came in at 8%. Margin for the Real Estate business stood at 9%. Adj. PAT stood at INR918m, up 2x YoY. PAT margin stood at 4.6%.
- In FY26, revenue rose 29% YoY to INR51.9b, while real estate revenue stood at INR44.2b, up 31% YoY. EBITDA stood at INR3.1b, up 5% YoY, with a 6% margin. Real estate margin for FY26 stood at 9%. PAT stood at INR1.9b, up 2x YoY. PAT margin stood at 3.7%.

**Quarterly Performance**
**(INR m)**

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Net Sales</b>	<b>6,404</b>	<b>9,336</b>	<b>12,241</b>	<b>12,406</b>	<b>8,519</b>	<b>14,076</b>	<b>9,431</b>	<b>19,878</b>	<b>40,387</b>	<b>51,905</b>
YoY Change (%)	-29.5	25.9	78.7	62.6	33.0	50.8	-23.0	60.2		
Total Expenditure	5,845	8,565	11,569	11,466	8,281	13,120	9,044	18,357	37,444	48,801
<b>EBITDA</b>	<b>559</b>	<b>771</b>	<b>672</b>	<b>941</b>	<b>238</b>	<b>956</b>	<b>388</b>	<b>1,522</b>	<b>2,943</b>	<b>3,104</b>
Margins (%)	8.7	8.3	5.5	7.6	2.8	6.8	4.1	7.7	7.3	6.0
Depreciation	204	232	233	230	237	262	277	285	898	1,060
Interest	539	494	473	450	310	322	303	439	1,956	1,374
Other Income	295	317	328	301	495	617	400	421	1,241	1,933
<b>PBT before EO expense</b>	<b>111</b>	<b>362</b>	<b>295</b>	<b>562</b>	<b>187</b>	<b>989</b>	<b>208</b>	<b>1,219</b>	<b>1,330</b>	<b>2,602</b>
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
<b>PBT</b>	<b>111</b>	<b>362</b>	<b>295</b>	<b>562</b>	<b>187</b>	<b>989</b>	<b>208</b>	<b>1,219</b>	<b>1,330</b>	<b>2,602</b>
Tax	50	101	78	154	50	264	51	299	383	665
Rate (%)	45.4	28.0	26.4	27.3	27.0	26.7	24.6	24.6	28.8	25.5
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	2	1	0	4
<b>Reported PAT</b>	<b>61</b>	<b>261</b>	<b>217</b>	<b>409</b>	<b>136</b>	<b>725</b>	<b>154</b>	<b>918</b>	<b>947</b>	<b>1,934</b>
<b>Adj PAT</b>	<b>61</b>	<b>261</b>	<b>217</b>	<b>409</b>	<b>136</b>	<b>725</b>	<b>154</b>	<b>918</b>	<b>947</b>	<b>1,934</b>
YoY Change (%)	-49.8	74.6	43.8	481.1	124.9	178.0	-28.9	124.8	92.8	104.3
Margins (%)	0.9	2.8	1.8	3.3	1.6	5.2	1.6	4.6	2.3	3.7
<b>Key metrics</b>										
Sale Volume (msf)	1.2	0.9	1.0	1.6	1.4	1.4	1.4	1.3	4.7	5.5
Sale Value (INRb)	18.7	11.8	13.9	18.4	20.8	19.0	21.2	20.4	62.8	81.4
Collections (INRb)	13.9	12.8	13.2	15.8	16.0	18.5	18.2	18.1	55.7	70.7
Realization (INR/sft)	15,879	12,673	13,662	11,781	14,395	13,647	15,436	15,268	13,399	14,674

Source: MOFSL, Company



### **RR Kabel: Beat Q4 estimates; strong performance; Rajesh Kabra, Executive Director**

- Cables & wires drove growth momentum
- Inventory gains impact on margins minimal
- FY27 margin guidance ~9.5% maintained
- FMEG growth 10–12%; breakeven targeted
- Capex is an ongoing process; Rs 1,200 cr planned over three phases

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### **Dr Lal PathLabs : Next Year Will Be Driven By Patient Volumes; Shankha Banerjee, CEO**

- Growth largely volume-led; no near-term price hikes planned
- Patient/sample volumes to improve; mix aiding realization
- EBITDA margin guidance at 27–28%
- Low dependence on seasonal diseases; stable outlook

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### **LG Balakrishnan : Margin Impact Could Widen To Over 3% Going Ahead; B Vijayakumar, Chairman & MD**

- Will wait until Q2 for better clarity before making firm guidance predictions
- Margin impact could widen to over 3% going ahead
- Pricing pressure is leading to a 2% impact on margin

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### **SIS: Revenue Crosses ₹4,400 Cr In Q4FY26; Dhiraj Singh, CEO**

- FY27 growth guided at 15–20%, consistent with historical CAGR
- Facility management margins rising; targeting ~6% levels
- Security business margins to exceed 6% post APS integration
- Labor reforms, working capital reduction key growth drivers

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