

Market snapshot



Equities - India	Close	Chg .%	CYTD.%
Sensex	77,018	-0.3	-9.6
Nifty-50	24,033	-0.4	-8.0
Nifty-M 100	60,265	0.2	-0.4
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	7,259	0.8	6.0
Nasdaq	25,326	1.0	9.0
FTSE 100	10,219	-1.4	2.9
DAX	24,402	1.7	-0.4
Hang Seng	8,730	-0.5	-2.1
Nikkei 225	59,513	0.0	18.2
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	115	-1.9	84.4
Gold (\$/OZ)	4,557	0.8	5.5
Cu (US\$/MT)	13,059	1.1	4.9
Almn (US\$/MT)	3,652	1.8	23.1
Currency	Close	Chg .%	CYTD.%
USD/INR	95.3	0.2	6.0
USD/EUR	1.2	0.0	-0.5
USD/JPY	157.9	0.4	0.7
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	7.0	0.00	0.4
10 Yrs AAA Corp	7.5	0.00	0.2
Flows (USD b)	5-May	MTD	CYTD
FII	-0.38	-5.60	-21.0
DII	0.27	5.72	32.7
Volumes (INRb)	5-May	MTD*	YTD*
Cash	171	822	1312
F&O	7,00,268	4,90,969	2,81,475

Note: Flows, MTD includes provisional numbers. *Average



Today's top research idea

Mahindra & Mahindra: Strong growth guidance provided across segments

- ❖ M&M continues to enjoy a healthy launch pipeline and plans to launch 10 ICE SUV products between April 2026 and 2031, including one mid-cycle enhancement and nine new SUV nameplates. On the back of this, it expects to deliver healthy mid to high teens growth for FY27E.
- ❖ The company expects the LCV industry to grow in high single digits in FY27. Management expects the tractor industry to grow in mid-single digits in FY27. As a result, we have raised our EPS estimates by 4%/3% over FY27E/FY28E. We estimate MM to post a CAGR of ~15%/12%/13% in revenue/EBITDA/PAT over FY26-28.
- ❖ Management has indicated that despite ongoing macro headwinds, it remains confident of delivering 15-20% EPS CAGR over the next five years as well, with a target to maintain RoE at 18%. Reiterate BUY with a TP of INR3,963 (based on Mar'28E SoTP)



Research covered

Cos/Sector	Key Highlights
Mahindra & Mahindra	Strong growth guidance provided across segments
India Strategy – The Eagle Eye	Easing war fears lift global markets; volatility lingers
Other Updates	Larsen & Toubro Punjab National Bank Marico ICICI Lombard Jindal Stainless Coforge KEI Industries Petronet LNG Poonawalla Fincorp Ajanta Pharma CAMS Sobha AAVAS Financiers Spandana Sphoorty Hero Motocorp SRF United Breweries Alkyl Amines Shoppers Stop



Chart of the Day: Mahindra & Mahindra (Strong growth guidance provided across segments)

FY27 outlook

Tractors	Industry growth in Mid Single Digits expected for FY27
SUVs	Mid to high teen growth aspiration for M&M in FY27 Manufacturing capacity ramp up on-track to meet volume growth aspiration
LCV (<3.5T)	Industry growth expected in High Single Digit for FY27

Subject to geopolitical uncertainty subsiding

Source: Company, MOFSL

Research Team

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

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



Kindly click on textbox for the detailed news link

1

Vedanta outlines mega expansion across aluminium, oil, power post demerger

Vedanta Ltd has outlined an aggressive, multi-sector expansion roadmap across aluminium, oil and gas, power, and steel businesses, as the group prepares to scale up operations following its demerger into independent verticals.

2

ITC focuses on cost cuts over price hikes as input costs rise, says CMD Sanjiv Puri

ITC prioritises cost efficiencies over price hikes to manage inflationary pressures, Chairman and Managing Director Sanjiv Puri said, indicating that the company is taking a calibrated approach even as input costs rise across segments.

3

PNC Infratech accepts ₹235-crore NHAI settlement offer for Agra bypass project

Construction engineering company PNC Infratech Ltd has accepted a settlement offer of ₹234.72 crore from the National Highways Authority of India (NHA) under the Vivad-se-Vishwas III (Contractual Disputes) scheme in connection with an arbitration award related to the Agra bypass project.

4

KEC bags ₹1,002 crore orders in power, rail and renewables

KEC International Limited has secured new orders worth ₹1,002 crore across multiple business segments. The orders span its key verticals, including Transmission & Distribution (T&D), renewables, transportation, and cables & conductors, reflecting diversified order inflows in both domestic and international markets.

5

Arvind Ltd in talks to buy US fabric maker Dalco for \$125-140 million to expand overseas

Arvind Limited's technical fabrics arm, Arvind Advanced Materials, is in active discussions to acquire a majority stake in Dalco Nonwovens, a US-based needlepunch nonwovens manufacturer.

6

Carrier Global to break ground on ₹1,000 crore chiller facility at Sri City

The Government of Andhra Pradesh will on Wednesday mark a significant milestone in its industrial and digital infrastructure journey with the groundbreaking of Carrier's ₹1,000 crore advanced chiller manufacturing facility at Sri City.

7

Bondada Engineering eyes ₹10,000 cr investment for 25 GW RE, data centres

Bondada Engineering, a Rs 2,800 crore solar EPC company, estimates investments of around Rs 10,000 crore over the next four years to meet its 2030 target of reaching 25 gigawatt renewable energy capacity. It is also exploring data centres and defence manufacturing.

Mahindra & Mahindra

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR3,211 **TP: INR3,963 (+23%)** **Buy**

Strong growth guidance provided across segments

Will focus on 'accelerating in uncertainty'

- Mahindra & Mahindra's (MM) 4QFY26 PAT at INR37b was 15% ahead of our estimates, led by higher-than-expected other income, even as operational performance across the auto and farm segments was in line.
- On the back of its healthy launch pipeline and positive consumer sentiment, management has provided a strong outlook for FY27E across segments: tractor industry at mid-single digit, MM UV at mid to high teens, and LCV industry at high single digit. As such, we have raised our EPS estimates by 4%/3% over FY27E/FY28E. We estimate MM to post a CAGR of ~15%/12%/13% in revenue/EBITDA/PAT over FY26-28. **Reiterate BUY** with a TP of INR3,963 (based on Mar'28E SoTP).

Bloomberg	MM IN
Equity Shares (m)	1244
M.Cap.(INRb)/(USDb)	3992.7 / 41.9
52-Week Range (INR)	3840 / 2896
1, 6, 12 Rel. Per (%)	1/-/4/8
12M Avg Val (INR m)	9016

Financials & Valuations (INR b)

Y/E MARCH	2026	2027E	2028E
Sales	1,456	1,672	1,913
EBITDA	209.8	226.4	263.9
Adj. PAT	157.1	170.1	199.9
Adj. EPS (INR)	130.7	141.5	166.3
EPS Gr. (%)	32.4	8.3	17.5
BV/Sh. (INR)	618	724	849

Ratios

RoE (%)	23.1	21.1	21.1
RoCE (%)	22.4	20.5	20.6
Payout (%)	25.2	25.3	25.1

Valuations

P/E (x)	20.8	19.3	16.4
P/BV (x)	4.4	3.8	3.2
Div. Yield (%)	1.2	1.3	1.5
FCF Yield (%)	4.3	3.9	5.0

Shareholding pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	18.1	18.1	18.1
DII	31.0	30.0	29.4
FII	40.7	42.0	42.9
Others	10.1	9.9	9.6

FII includes depository receipts

PAT beat due to higher other income

- MM's 4Q standalone revenue grew 26% YoY to INR395b (in line), driven primarily by a strong 24% volume growth and a blended ASP growth of 1.6%.
- Overall, EBITDA margins came in marginally lower than estimates at 14.1% (est of 14.8%). EBITDA grew 19% YoY to INR55.6b (in line).
- Auto revenues grew 25% YoY to INR311b (vs est of INR301b), while PBIT margins came in at 9.5% (in line).
- Farm revenues grew 32% YoY to INR84.8b (vs est of INR88.2b), while PBIT margins came in at 19.4% (in line, flat YoY)
- Other income grew 10x YoY to INR5.9b (vs est of INR631m).
- On the back of higher-than-expected other income, PAT grew 53% YoY to INR37.3b, 15% ahead of our estimates.
- FY26 performance: Revenue/EBITDA/PAT grew 25%/23%/33% to INR1.45t/INR209b/INR157b, respectively. OCF/FCF grew from INR166b/120b in FY25 to INR228b/166b.

Highlights from the management commentary

- Management has indicated that despite ongoing macro headwinds, it remains confident of delivering 15-20% EPS CAGR over the next five years as well, with a target to maintain RoE at 18%.
- Management expects the company's SUV business to grow in the mid-to-high teens in FY27, supported by strong demand for its models.
- During this quarter, it has added six ICE SUV launches and three BEV launches to its earlier planned launch pipeline till 2031. As a result, MM now plans to launch 10 ICE SUV products between April 2026 and 2031, including one mid-cycle enhancement and nine new SUV nameplates.
- The company expects the LCV industry to grow in high single digits in FY27.
- Management expects the tractor industry to grow in mid-single digits in FY27.
- On capacity, Mahindra's ICE SUV capacity stood at 56.5K units per month as of FY26, while BEV capacity stood at 8K units per month. In FY27, the company plans to add another 3.5K units per month of ICE capacity. Further, the Chakan plant for the NU-IQ platform is expected to add 10K units per month of ICE capacity and 4K units per month of EVs by the start of FY28.

Valuation and view

- On the back of its healthy launch pipeline and positive consumer sentiment, management has provided a strong outlook for FY27E across segments: tractor industry at mid-single digit, MM UV at mid-to-high teens, and the LCV industry at high single digit.
- As such, we have raised our EPS estimates by 4%/3% over FY27E/FY28E. We estimate MM to post a CAGR of ~15%/12%/13% in revenue/EBITDA/PAT over FY26-28. **Reiterate BUY** with a TP of INR3,963 (based on Mar'28E SoTP).

Quarterly Performance

Y/E March									(INR b)			
	FY25				FY26				FY25	FY26	4QE	Var. (%)
INR b	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Total Volumes ('000 units)	315	301	344	319	361	350	423	397	1,280	1,530	397	
Growth YoY (%)	4.7	-0.5	17.8	15.3	14.4	16.0	23.1	24.2	14.0	19.6	24.2	
Net Realization (INR '000/unit)	857	914	889	981	945	955	911	997	910	951	981	1.7
Growth YoY (%)	7.0	13.5	2.2	8.0	10.2	4.5	2.5	1.6	3.1	4.5	-0.1	
Net Op. Income	270.4	275.5	305.4	313.5	340.8	334.2	385.2	395.5	1,165	1,456	389.1	1.7
Growth YoY (%)	12.0	12.9	20.3	24.5	26.1	21.3	26.1	26.2	17.5	25.0	24.1	
RM Cost (% of sales)	73.7	74.2	74.4	74.1	74.5	75.6	76.2	76.4	74.1	76.1	75.9	
Staff (% of sales)	4.3	4.2	4.2	4.0	3.8	3.9	3.6	3.3	4.2	3.6	3.5	
Oth. Exp. (% of Sales)	7.0	7.3	6.7	6.9	5.8	5.9	5.5	6.2	7.0	5.9	5.8	
EBITDA	40.2	39.5	44.7	46.8	48.8	48.6	56.7	55.6	171.2	210	57.4	-3.1
EBITDA Margins (%)	14.9	14.3	14.6	14.9	14.3	14.5	14.7	14.1	14.7	14.4	14.8	-70bp
Growth YoY (%)	22.4	26.4	35.6	42.0	21.4	23.1	26.8	18.8	30.3	22.5	22.6	
Other income	3.5	20.0	6.1	0.5	6.4	23.1	7.5	5.9	30.0	42.9	0.6	
Interest	0.5	0.6	0.6	0.8	0.6	0.6	0.6	0.7	2.5	2.5	0.6	
Depreciation	9.1	9.6	10.5	13.1	10.0	10.4	10.5	12.0	42.3	42.9	13.5	
PBT after EO	34.1	49.3	39.7	33.5	44.7	60.7	52.0	48.8	156.5	206.2	43.9	11.3
Tax	7.9	10.9	10.0	9.1	10.2	15.5	12.7	11.4	38.0	49.9	11.5	
Effective Tax Rate (%)	23.3	22.1	25.3	27.1	22.8	25.5	24.4	23.4	24.3	24.8	26.2	
Reported PAT	26.1	38.4	29.6	24.4	34.5	45.2	39.3	37.4	118.5	156.4	32.4	
Adj PAT	26.1	38.4	29.6	24.4	34.5	45.2	40.1	37.4	118.5	157.1	32.4	15.5
Change (%)	23.2	13.2	19.1	21.9	32.0	17.7	35.1	53.3	11.4	32.5	32.8	

Segmental Performance

Y/E March	FY25				FY26				FY25	FY26	4QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
Realizations (INR '000/unit)											
Auto	977	1,015	1,010	1,079	1,101	1,099	1,037	1,124	1,022	1,089	1,088
Farm Equipment	670	696	671	730	685	695	682	708	689	692	737
Blended	857	914	889	981	945	955	911	997	910	951	981
Segment PBIT Margins (%)											
Auto	9.5	9.5	9.7	9.2	8.9	9.2	9.5	9.5	9.5	9.3	9.4
Farm Equipment	18.5	17.5	18.1	19.4	19.8	19.7	20.2	19.4	18.4	19.8	19.6

Key Performance Indicators

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Tractors ('000 units)	121.5	93.4	121.8	88.0	134.1	122.9	149.6	119.8	424.6	526.4
Change (%)	5.6	3.7	19.8	22.9	10.4	31.6	22.8	36.1	12.2	24.0
Total UV ('000 units)	183.4	190.6	209.7	223.9	223.2	223.6	270.0	271.9	842.3	988.7
Change (%)	17.3	7.2	15.4	15.5	21.7	17.3	28.8	21.4	14.7	17.4
Cost Break-up										
RM Cost (% of sales)	73.7	74.2	74.4	74.1	74.5	75.6	76.2	76.4	74.1	76.1
Staff Cost (% of sales)	4.3	4.2	4.2	4.0	3.8	3.9	3.6	3.3	4.2	3.6
Other Cost (% of sales)	7.0	7.3	6.7	6.9	5.8	5.9	5.5	6.2	7.0	5.9
Gross Margins (%)	26.3	25.8	25.6	25.9	25.5	24.4	23.8	23.6	25.9	23.9
EBITDA Margins (%)	14.9	14.3	14.6	14.9	14.3	14.5	14.7	14.1	14.7	14.4
EBIT Margins (%)	11.5	10.8	11.2	10.8	11.4	11.4	12.0	11.0	11.1	11.5

E:MOFSL Estimates

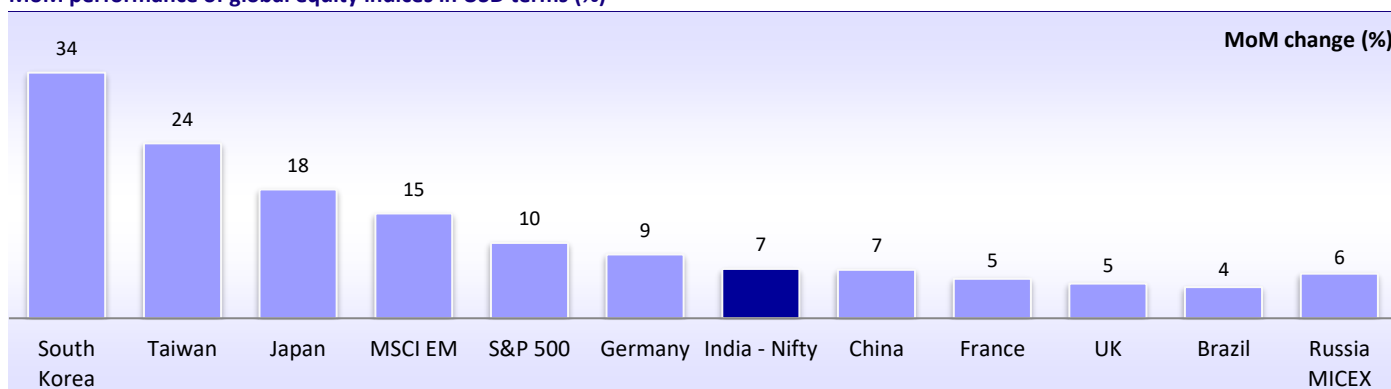
Strategy

INDIA STRATEGY – May'26 (The Eagle Eye): Easing war fears lift global markets; volatility lingers

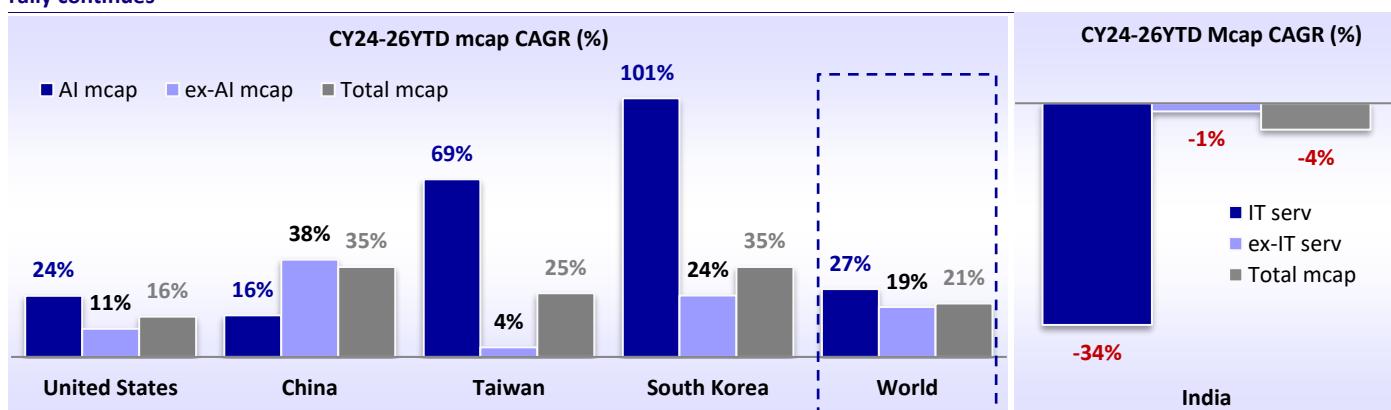
The key highlights of the 'The Eagle Eye' are as follows:

- a) Global markets rebound in Apr'26; South Korea extends outperformance; b) AI exposure gap weighs on India; unwind may trigger outperformance; c) Global defense enters a strong uptrend; d) India lags global peers; earnings remain pivotal; e) Broad-based gains; Smallcaps outperform, defense leads; f) Commodity price strength may dent margin outlook; g) DII momentum intact; FII exodus continues; h) Forex reserves rebounds; INR remains under pressure; i) Largecap valuations compelling; SMIDs remain high; j) Private Banks, Consumer and Technology valuations below historic average.
- Notable Published reports during the month: 1) Initiating coverages on: CG Power; Atlanta Electricals; GE Vernova T&D India; Fujiyama Power Systems; Fortis Healthcare.

MoM performance of global equity indices in USD terms (%)



CY24-26YTD performance – Indian market has started to underperform, while the Chinese market is beginning to outperform, and the AI rally continues



Note: All market cap CAGR figures are in USD terms.

Larsen & Toubro

Estimate changes



TP change



Rating change



Bloomberg	LT IN
Equity Shares (m)	1376
M.Cap.(INRb)/(USDb)	5577.5 / 58.5
52-Week Range (INR)	4440 / 3284
1, 6, 12 Rel. Per (%)	6/9/24
12M Avg Val (INR M)	8863

Financials Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Net Sales	2,858.7	3,132.3	3,848.0
EBITDA	291.5	317.7	386.5
PAT	170.1	196.5	242.9
EPS (INR)	123.7	142.9	176.7
GR. (%)	15.9	15.5	23.6
BV/Sh (INR)	795.0	894.9	1,014.2

Ratios

ROE (%)	16.4	16.9	18.5
RoCE (%)	9.5	10.0	11.4

Valuations

P/E (X)	32.8	28.4	23.0
P/BV (X)	5.1	4.5	4.0
EV/EBITDA (X)	19.1	17.6	14.4
Div Yield (%)	0.9	1.2	1.4

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	0.0	0.0	0.0
DII	43.1	42.8	42.5
FII	19.6	20.9	20.7
Others	37.2	36.3	36.8

FII Includes depository receipts

CMP: INR4,056

TP: INR4,550 (+12%)

Buy

Softer execution expected in 1HFY27

LT's consolidated results for 4QFY26 and full-year FY26 were slightly weaker than our estimates on lower-than-expected execution in core EPC. Core EPC execution growth stood at 12% YoY during the year and was impacted by delays in domestic water projects as well as disruption due to the Middle East war. However, order inflows surprised positively at INR3.6t for FY26, up 25% YoY, indicating a healthy visibility for execution going forward. Margin performance was flat YoY, while NWC (at 4.1%) and RoE (at 16.6%) remained strong for FY26. Despite the disruption due to the West Asia crisis, prospect pipeline is strong at INR17.8t for FY27 vs. INR19t for FY26. LT has outlined investments across new-age areas in its strategic plan of Lakshya 2031 to be future ready, which we believe may be return dilutive in near term. We revise our estimates to factor in expected divestment of Hyderabad Metro and Nabha power by 1QFY27 and lower order inflows and execution for FY27, along with a stronger recovery in FY28 in the Middle East for reconstruction-led demand. With rolling forward to Jun'28, we arrive at a revised SoTP-based TP of INR4,550 (INR4,200 earlier), based on 25x two-year forward earnings for core business and a 25% holding company discount to subsidiaries.

Results hit by weak execution

Consolidated revenue/EBITDA/PAT of INR828b/86b/54b grew 11%/5%/5% YoY in 4QFY26. While consolidated revenue/EBITDA missed our estimates by 5%/6%, EBITDA margin of 10.4% and PAT of INR54b were broadly in line with our estimates. For the core E&C business, order inflows came in 34% above our estimates at ~INR700b. While domestic order inflows increased 10% YoY, international ordering saw a 3% decline. This resulted in the core order book increasing 28% YoY to INR7.4t. Core E&C revenue came in at INR628b (up 11% YoY), 7% below our estimate mainly due to slightly weaker execution in water projects and revenue loss in Middle East projects in Mar'26. For FY26, consolidated revenue/EBITDA/PAT increased 12%/10%/16% YoY. OCF/FCF increased 83%/184% YoY. FY26 core E&C revenue/EBITDA rose 12%/12% YoY, while order inflow grew 25% YoY to INR3.6t.

Segmental margins impacted by cost overruns

For 4QFY26, core E&C EBITDA margin contracted 50bp YoY to 9.4% for the core business vs. our estimate of 9.6% mainly due to a change in revenue mix and higher logistics and insurance costs.

- **Infrastructure segment** margin improved 80bp YoY to 8.8%, mainly driven by execution cost savings.
- **Energy segment** margin stood at 6.6% vs. 8.1% last year. The margin variation is primarily attributed to cost inflation in few legacy jobs in the Hydrocarbon business.
- **Hi-tech manufacturing** margin stood at 17.9% vs. 19.5% in 4QFY25. The margin is reflective of the stage of execution and job mix in the portfolio.
- **Others segment** margin normalized after a sharp increase in the first nine months to 27.7% vs. 36.7% in the previous year.

Status of projects in Middle East

LT has indicated that the Middle East order book stands at around INR3t and currently work is progressing normally and payments are coming on time. The company has not seen cancellations of its projects, but deferment is seen in new project awards. Indirect impact of higher logistic and insurance costs is currently being felt on projects, and wherever possible, LT is in discussions with respective clients for a pass-through mechanism. The company lost nearly INR50b worth of revenue during the quarter due to the West Asia crisis and delays in water project completion on the domestic front.

Prospect pipeline remains strong

LT's FY27 prospects pipeline stands at INR17.8t vs. INR19.0t last year (down 6% YoY). Of this, INR9.1t is from domestic and INR8.7t is from international markets. Under the new segment classification, **infrastructure and utility** prospects stand at INR9.4t (vs. INR8.1t last year), within which share of transportation is 23%, heavy-civil is 20%, power T&D is 18%, B&F is 17%, water is 16%, and metals and minerals is 6%. Prospect pipeline of **Energy conventional** is INR5.4t (vs. INR7.6t last year), which includes hydrocarbon prospects of INR4.7t (83% from domestic) and carbonlite solutions of INR0.7t (largely domestic). Further, the **green energy** segment's prospect stands at INR2.5t (vs. INR3.0t last year), consisting of solar EPC prospect of INR1.8t (78% from international), and INR0.7t from offshore wind (completely international). The **manufacturing and product** pipeline is INR495b (vs. INR294b last year), including INR122b from heavy engineering and INR373b from PES systems. The previous year's pipeline had gas-to-power prospects of INR0.6t, which is not being pursued in FY27.

Lakshya 2031 plan focuses on investments in new-age areas

LT has outlined plans for Lakshya 2026-31 with a capital allocation philosophy in 1) strengthening the core, which involves capability enhancement in manufacturing facilities and yards, process automation, project-led capex, and investments in commercial real estate; 2) building the future growth engines such as investments in data centers, green hydrogen & semiconductor design, and foray into electronic products manufacturing. The company targets a CAGR of 10-12% in order inflows and revenue growth of 12-15% over FY26-31 with RoE in the range of 16-17%.

Capex and investments across segments

The capital allocation plan for Lakshya 31 includes ~INR50b for industrial electronics, INR30b for semiconductors for acquisition of IP, creation of lab facilities, etc., INR150b for green hydrogen, and around INR100b for data centers across hyper-scalers and non-hyper scalers. Around INR44b is allocated for the realty business, and around INR50b is planned for the upgrade of the existing hydrocarbon modular fabrication yard and shifting facility. Cumulatively, the company plans an investment of nearly INR430-450b over the next five years across these segments. For FY27 specifically, around INR25b will be for the core business, INR10b for electronics, and around INR20b for the data center.

Softer guidance for FY27 to bake in volatile environment

For FY27, LT has guided order inflow growth of 10-12%. Revenue growth would be in a similar range of 10-12%, with 1H to be softer due to the ongoing supply chain disruptions, and a pickup is expected in 2H as these constraints ease out. On the reclassification basis of the segments wherein realty business is excluded, core business margins for FY27 are expected to be in line with FY26 margins at 7.8%. NWC-to-sales is expected to normalize from current 4% levels to ~10% in FY27.

Financial outlook

We revise our estimates to factor in changes in subsidiary financials, expected divestment of Hyderabad Metro and Nabha power by 1QFY27, and lower execution in FY27. The company has highlighted that 1HFY27 will be softer in execution owing to the West Asia crisis and corresponding supply chain issues in the Middle East and India. We also bake in a subsequent faster recovery in FY28, led by reconstruction-led demand in the Middle East region. We expect core E&C revenue/EBITDA/PAT to clock a CAGR of 19%/21%/26% over FY26-28.

Valuations and view

At the current price, for core E&C, LT is trading at 31x/23x P/E on FY27/28E earnings. Rolling forward to Jun'28, we arrive at a revised SoTP-based TP of INR4,550 (INR4,200 earlier), based on 25x two-year forward earnings for core business and a 25% holding company discount to subsidiaries.

Key risks and concerns

A slowdown in order inflows, delays in the completion of mega and ultra-mega projects, a sharp rise in commodity prices, an increase in working capital, and increased competition are a few downside risks to our estimates.

Consolidated - Quarterly Earning Model
(INR b)

Y/E March - INR b	FY25				FY26				FY25	FY26	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	551	616	647	744	637	680	714	828	2,557	2,859	873	-5
YoY Change (%)	15.1	20.6	17.3	10.9	15.5	10.4	10.5	11.3	15.7	11.8	17.3	
Total Expenditure	495	552	584	662	574	612	640	742	2,293	2,567	781	
EBITDA	56	64	63	82	63	68	74	86	264	292	91	-6
YoY Change (%)	15.3	13.0	8.6	13.4	12.5	7.0	18.6	5.0	12.5	10.3	11.2	
Margins (%)	10.2	10.3	9.7	11.0	9.9	10.0	10.4	10.4	10.3	10.2	10.5	
Depreciation	10	10	10	11	10	11	11	12	41	44	11	5
Interest	9	9	8	7	8	8	6	7	33	28	8	-16
Other Income	9	11	10	11	14	14	14	16	41	58	9	80
PBT before EO expense	47	56	53	75	59	63	72	83	231	277	81	3
Extra-Ord expense	-	-	-	-5	-	-	13	-1	-5	13	-	
PBT	47	56	53	80	59	63	58	84	236	264	81	4
Tax	12	14	13	19	15	16	20	21	59	73	23	
Rate (%)	26.4	26.0	25.0	23.5	26.2	26.0	34.2	24.9	25.0	27.5	28.0	
MI & P/L of Asso. Cos.	7	7	6	6	7	8	6	10	27	31	6	
Reported PAT	28	34	34	55	36	39	32	53	150	161	53	1
Adj PAT	28	34	34	51	36	39	41	54	147	170	53	1
YoY Change (%)	11.7	5.4	14.0	18.8	29.8	15.6	22.1	4.5	13.0	15.9	4.0	
Margins (%)	5.1	5.5	5.2	6.9	5.7	5.8	5.7	6.5	5.7	5.9	6.1	

Y/E March - INR b	FY25				FY26				FY25	FY26	YoY (%)	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q					
Segmental revenue													
Consolidated (ex-services)	386	445	473	569	458	490	523	628	1,873	2,100	10.5	679	-7
Infrastructure Projects	269	320	321	389	288	318	337	397	1,299	1,339	2.0	474	-16
Energy Projects	85	89	111	122	125	131	127	166	407	549	35.5	138	20
Hi-Tech Manufacturing	18	21	24	34	32	28	33	49	97	141	44.9	39	24
Others	14	16	17	24	14	14	26	17	71	71	-28.7	27	-38
IT & Technology Services	115	118	121	125	126	133	135	141	479	535	12.8	136	4
Financial Services	37	38	39	38	40	42	45	47	155	173	22.5	44	6
Development Projects	13	14	14	12	12	15	12	12	56	51	-4.2	14	-18
Total Revenues	551	616	647	744	637	680	714	828	2,563	2,859	11.2	873	-5
Net reported revenue	551	616	647	744	637	680	714	828	2,557	2,859	11.2	873	-5
Segmental EBITDA													
Consolidated (ex-services)	29	34	36	56	35	38	43	59	155	175	5.0	65	-9
Infrastructure Projects	16	19	18	31	16	20	21	35	84	92	12.2	39	-11
Energy Projects	7	8	9	10	9	10	8	11	34	37	8.7	9	17
Hi-Tech Manufacturing	3	3	4	7	5	4	6	9	17	24	33.0	8	11
Others	3	4	5	9	5	4	9	5	21	22	-46.2	8	-45
IT & Technology Services	23	25	23	23	25	27	27	26	93	104	15.3	22	22
Financial Services	9	10	9	8	10	10	11	11	36	42	34.8	10	19
Development Projects	2	2	2	4	2	2	2	2	11	9	-40.0	4	-45
Total EBITDA	64	70	69	91	72	77	82	99	295	330	8.3	101	-1
Less: Implied eliminations	-8	-7	-7	-9	-8	-9	-8	-13	-31	-39		-9	
Net reported EBITDA	56	64	63	82	63	68	74	86	264	292	5.0	91	-6
EBITDA margin (%)													
Consolidated (ex-services)	7.6	7.6	7.6	9.9	7.6	7.8	8.1	9.4	8.3	8.3	-50bp	9.6	-17 bp
Infrastructure Projects	5.8	6.0	5.5	8.0	5.7	6.3	6.1	8.8	6.4	6.9	80bp	8.3	50 bp
Energy Projects	8.7	8.8	8.3	8.1	7.3	7.3	5.9	6.5	8.4	6.7	-160bp	6.7	-20 bp
Hi-Tech Manufacturing	17.4	12.8	18.2	19.5	15.1	14.7	18.3	17.9	17.3	16.7	-160bp	20.1	-221
Others	23.4	25.1	27.5	36.7	32.9	31.3	32.8	27.7	29.2	31.3	-900bp	31.1	-344
IT & Technology Services	20.0	21.0	18.7	18.2	19.5	20.2	19.7	18.6	19.4	19.5	40bp	15.9	272 bp
Financial Services	25.9	25.4	22.2	22.2	24.8	25.0	24.1	24.4	23.5	24.6	220bp	21.8	259 bp
Development Projects	17.0	15.5	15.8	32.9	17.8	10.9	20.6	20.6	19.0	17.0	-	30.8	-1023
Total EBITDA margin (%)	11.6	11.4	10.7	12.3	11.2	11.3	11.5	12.0	11.5	11.5	-30bp	11.5	45 bp
Net reported EBITDA margin	10.2	10.3	9.7	11.0	9.9	10.0	10.4	10.4	10.3	10.2	-60bp	10.5	-5 bp
Order inflow	544	630	987	721	766	968	1,164	699	2,882	3,597	-3.1	522	34
Order book	4,944	5,140	5,642	5,792	6,129	6,672	7,333	7,406	5,792	7,406	27.9	7,063	5

Punjab National Bank

Estimate change	↔
TP change	↓
Rating change	↔

CMP: INR108

TP: INR135 (+25%)

Buy

Lower provisions, opex drive earnings; NIMs decline 5bp

Asset quality ratio improves

Bloomberg	PNB IN
Equity Shares (m)	11493
M.Cap.(INRb)/(USD\$b)	1240 / 13
52-Week Range (INR)	135 / 89
1, 6, 12 Rel. Per (%)	-3/-6/10
12M Avg Val (INR M)	2357

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	419.6	465.6	540.3
OP	292.9	333.6	396.4
NP	169.0	209.7	246.0
NIM (%)	2.3	2.4	2.5
EPS (INR)	14.7	18.2	21.4
EPS Gr. (%)	-0.5	24.1	17.3
BV/Sh. (INR)	120	133	150
ABV/Sh. (INR)	115	128	144

Ratios

RoA (%)	0.9	1.0	1.1
RoE (%)	13.3	14.8	15.5

Valuations

P/E(X)	7.3	5.9	5.0
P/BV (X)	0.9	0.8	0.7
P/ABV (X)	0.9	0.8	0.7

Shareholding pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	70.1	70.1	70.1
DII	16.1	16.1	14.7
FII	6.4	5.9	5.7
Others	7.5	7.9	9.5

FII includes depository receipts

- Punjab National Bank (PNB) reported 4QFY26 PAT of INR52.3b (up 14% YoY/2.5% QoQ, 6% beat on MOFSLe), led by lower provisions and opex, partly offset by lower NII (5% lower vs. MOFSLe).
- NII declined 3.5% YoY (down 1.4% QoQ) to INR103.8b (5% miss), led by NIM decline of 5bp QoQ to 2.47%.
- Other income declined by 12% YoY/17% QoQ to INR41.6b (4% miss) amid lower treasury gains, while fee income growth was healthy (up 14% QoQ). Total revenue thus declined 6% YoY/6.5% QoQ to INR145.4b.
- Opex declined by 19% YoY/13% QoQ, led by a decline in employee expenses (down 35% YoY/26% QoQ) amid a rise in bond yields, resulting in lower AS-15 provisioning requirements.
- Loan book grew modestly by 13.7% YoY (2.4% QoQ), while deposits grew 9.2% YoY (+3.1% QoQ). CD ratio declined to 71.6% from 72% in 3QFY26.
- Slippages increased to INR27.6b from INR19b in 3QFY26, down 8% YoY (up 45% QoQ) amid seasonality. GNPA/NNPA ratios declined by 24bp/3bp QoQ to 2.95%/0.29%. PCR ratio stood stable at 90.3%.
- **We tweak our earnings estimates by +2%/-1% for FY27/FY28, and estimate FY27 RoA/RoE at 1.0%/14.8%. We reiterate our BUY rating with a TP of INR135 (premised on 0.9x Sep'27E ABV).**

FY27 NIM guided at 2.6-2.7%; RoA to sustain at >1%

- PNB reported a PAT of INR52.3b (up 14% YoY/2.5% QoQ, 6% beat) amid lower provisions and opex, while NII was lower than our estimate.
- NII declined 3.5% YoY/1.4% QoQ, as NIMs declined by 5bp QoQ to 2.47%. The NIMs compression was largely led by a decline in yields (down 18bp QoQ to 7.51%), while CoF reduction was lower at 6bp QoQ to 4.44%.
- Other income declined by 12% YoY/17% QoQ to INR41.6b amid lower treasury income, while fee income was robust (amid seasonality).
- Opex declined by 19% YoY/13% QoQ to INR70.4b (17% lower vs. MOFSLe) amid a spike in bond yields (lowering AS-15 provisions, benefit of INR21.2b). C/I ratio thus declined by 348bp QoQ to 48.4%.
- PPOp largely stood flat QoQ (up 11% YoY, 11% beat). Provisions declined by 63% QoQ, led by the reversal of standard asset provision (sterling). The bank expects the ECL transition to be largely manageable and sustains its RoA of 1%, despite the implementation of ECL.
- The loan book grew 13.7% YoY (2.4% QoQ) to INR12.25t amid slower growth in retail (flat QoQ), while agri (4.3% QoQ) and MSME loans (3.6% QoQ) grew healthy. Corporate book grew 12% YoY/2.4% QoQ.

- Deposits grew 9.2% YoY/3.1% QoQ to INR17.1t. CASA ratio declined to 37% (down 10bp QoQ). The CD ratio thus declined to 71.6%.
- On the asset quality front, slippages increased 45% QoQ to INR27.6b (down 8% YoY) due to seasonality. GNPA/ NNPA ratios thus declined by 24bp/3bp QoQ to 2.95%/0.29%, while PCR ratio was stable at 90.3%. SMA-2 (above INR50m) declined to 0.04% of loans vs. 0.16% in 3QFY26.

Highlights from the management commentary

- ECL transition: A rough internal estimate of the transition provisioning shortfall is INR90-100b; management believes existing floating provisions of INR20.5b, CAR of 17.74%, and PCR of 97.14% place it well to manage the transition.
- NIM is expected to improve QoQ from the 4Q level of 2.47% (global) going into FY27, supported by deposit repricing, a shift in loan mix toward higher-yielding RAM segments, and a reduction in low-yielding IBPC.
- A further INR180-200b IBPC reduction is planned in FY27; the bank intends to fully exit the IBPC business over time.
- Recovery was 2.4x of slippages in FY26; the bank holds floating provisions of INR20.5b as a prudential buffer ahead of the ECL implementation.

Valuation and view: Reiterate BUY with a TP of INR135

PNB reported a mixed quarter, with earnings beat led by controlled provisions and opex, while margins declined by 5bp QoQ. Provisions came in lower, aided by a reversal of standard provisions, while opex was lower due to a reversal in AS-15-related expenses. Business growth remained modest, and management guided for loan growth of ~12-13% in FY27. Asset quality trends were healthy, although slippages saw a marginal uptick on account of seasonality. The bank guided for RoA of >1% for FY27, while credit cost is guided at <0.4%. **We estimate FY27 RoA/RoE at ~1.0%/14.8%. Retain BUY with a TP of INR135 (~0.9x Sep'27E ABV).**

Quarterly performance

(INR b)

Y/E March	FY25				FY26				FY26A	FY27E	FY26E	V/s our Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QA				
Net Interest Income	104.8	105.2	110.3	107.6	105.8	104.7	105.3	103.8	419.6	465.6	108.9	-5%
% Change (YoY)	10.2	6.0	7.2	3.8	1.0	-0.5	-4.5	-3.5	-1.9	11.0	1.2	
Other Income	36.1	45.7	34.1	47.2	52.7	43.4	50.2	41.6	187.9	180.4	43.5	-4%
Total Income	140.9	150.9	144.4	154.7	158.5	148.1	155.5	145.4	607.5	646.0	152.4	-5%
Operating Expenses	75.0	82.4	78.2	87.0	87.6	75.8	80.7	70.4	314.6	312.5	84.8	-17%
Operating Profit	65.8	68.5	66.2	67.8	70.8	72.3	74.8	75.0	292.9	333.6	67.7	11%
% Change (YoY)	10.3	10.2	4.6	5.6	7.6	5.5	13.0	10.7	9.2	13.9	-0.1	
Provisions	13.1	2.9	-2.9	3.6	3.2	6.4	11.5	4.2	25.4	53.5	5.2	-19%
Profit before Tax	52.7	65.7	69.1	64.2	67.6	65.8	63.3	70.8	267.5	280.0	62.5	13%
Tax	20.2	22.6	24.0	18.5	50.8	16.8	12.3	18.5	98.5	70.3	13.4	39%
Net Profit	32.5	43.0	45.1	45.7	16.8	49.0	51.0	52.3	169.0	209.7	49.1	6%
% Change (YoY)	159.0	145.1	102.8	51.7	-48.5	13.9	13.1	14.4	1.6	24.1	7.5	
Operating Parameters												
Deposits	14,082	14,583	15,297	15,666	15,894	16,171	16,603	17,111	17,111	18,822	17,108	
Loans	9,840	10,196	10,700	10,775	10,920	11,338	11,962	12,253	12,253	13,821	12,262	
Deposit Growth (%)	8.5	11.3	15.6	14.4	12.9	10.9	8.5	9.2	9.2	10.0	9.2	
Loan Growth (%)	13.9	14.6	16.8	15.3	11.0	11.2	11.8	13.7	13.7	12.8	13.8	
Asset Quality												
Gross NPA (%)	5.0	4.5	4.1	4.0	3.8	3.5	3.2	3.0	2.9	2.5	3.0	
Net NPA (%)	0.6	0.5	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.2	0.3	
PCR (%)	88.4	90.2	90.2	90.3	90.3	90.0	90.2	90.3	90.3	91.0	90.1	

Estimate changes	↔
TP change	↑
Rating change	↔

CMP: INR807 **TP: INR950 (+18%)** **Buy**

Consistency intact; FY27 earnings to be an outlier among peers

Bloomberg	MRCO IN
Equity Shares (m)	1298
M.Cap.(INRb)/(USDb)	1047.9 / 11
52-Week Range (INR)	814 / 680
1, 6, 12 Rel. Per (%)	0/19/13
12M Avg Val (INR M)	1456

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	136.1	152.4	169.1
Sales Gr. (%)	25.7	12.0	11.0
EBITDA	23.3	28.5	33.0
EBITDA Margin. %	17.1	18.7	19.5
Adj. PAT	17.7	20.7	23.8
Adj. EPS (INR)	13.6	15.9	18.3
EPS Gr. (%)	9.7	17.1	14.9
BV/Sh.(INR)	32.4	34.8	38.6

Ratios

RoE (%)	43.2	47.4	49.8
RoCE (%)	39.2	43.2	45.6
Payout (%)	92.2	84.8	79.3

Valuations

P/E (x)	59.4	50.7	44.1
P/BV (x)	24.9	23.2	20.9
EV/EBITDA (x)	44.0	36.5	31.4
Div. Yield (%)	1.5	1.7	1.8

Shareholding Pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	58.9	58.9	59.1
DII	12.3	12.4	14.2
FII	24.3	24.2	22.2
Others	4.5	4.5	4.5

FII includes depository receipts

- Marico (MRCO) reported consolidated revenue growth of 22% YoY (in line) in 4QFY26. Domestic revenue grew 21% YoY, with volume growth of 9% YoY (in line). International revenue grew 19% YoY (+25% CC). Demand remained stable in 4Q; however, geopolitical crises in the Middle East pose near-term macro risks.
- Gross margin contracted 360bp YoY to 44.9% (est. 44.1%), while improving 140bp QoQ owing to the recent correction in copra prices. That said, vegetable oils and other crude-linked inputs are expected to remain inflationary given the ongoing geopolitical developments. EBITDA margin contracted 110bp YoY to 15.6% in 4Q (in line), while EBITDA grew 14% (est. 16%). Management expects to deliver high-teens EBITDA growth in FY27.
- MRCO expects to sustain high single-digit volume growth in the India business in FY27, driven by both the core portfolio and new growth engines. International business is expected to deliver mid-teen constant-currency (CC) growth driven by broad-based performance across markets. At a consol. level, the company aims to achieve double-digit revenue growth, surpassing INR150b in FY27. In the medium term, MRCO aspires to cross INR200b by FY30 (10-11% CAGR) along with mid-teens EBITDA CAGR. The management expects GM to expand 350-400bp in FY27, while EBITDA is likely to expand +150bp (with upside risk if the crude basket becomes soft).
- The company aims to deliver double-digit revenue CAGR over FY26-30, aided by strong volume growth and CC growth in the teens in international business with mid-teens EBITDA CAGR. In line with its aspiration, we model a 12% revenue and 19% EBITDA CAGR over FY26-28E. Given its sustained growth trajectory, diversifying revenue streams, and strong focus on TAM expansion, we believe the stock's premium valuation is likely to be sustained. MRCO remains one of our topics in our coverage universe. **We reiterate our BUY rating on the stock with a TP of INR950 (based on 50x Mar'28E EPS).**

In-line performance; volume growth at 9%

- **Strong revenue growth trajectory continues:** Consolidated net sales grew 22% YoY to INR33.3b (est: INR33.3b) in 4QFY26. Domestic sales rose 21% YoY, while domestic volumes grew 9% YoY (est. 9%). The international business delivered 19% CC growth (25% in INR terms), led by Bangladesh/Vietnam/South Africa, which posted 35%/18%/8% CC growth in 4Q. However, MENA declined 7% in CC as the ongoing geopolitical headwinds weighed on the business in Mar'26.

- **Broad-based growth across categories:** Parachute Coconut Oil (PCNO) posted a 29% YoY value growth with a 1% volume decline, primarily driven by price hikes. Copra prices have corrected ~35% from the peak levels, and management expects it to remain rangebound in the near term. MRCO has already undertaken ~10% price cuts in non-price point packs following the correction in copra prices and expects volume recovery from 1QFY27. Value-added Hair Oils (VAHO) continued their growth recovery, with revenue rising 26%. Saffola oil clocked 8% revenue growth during the quarter, driven by mid-single-digit volume growth. MRCO will implement necessary pricing action to offset any cost escalations. The Foods portfolio grew 16% YoY and exited the year at INR10b+ in revenue. The digital-first portfolio clocked an exit ARR of ~INR11b.
- **Contraction in margins, reversal in FY27E:** Consol. gross margin contracted 360bp YoY to 44.9% (est. 44.1%), while improving 140bp QoQ owing to the recent correction in copra prices. Management indicated that copra prices have dropped ~35% from peak levels, and MRCO expects them to remain rangebound in the near term. Employee expenses were up 14% YoY, ad-spending rose 5% YoY, and other expenses were also up 18% YoY. EBITDA margin contracted 110bp YoY to 15.6% in 4QFY26 (est. 16%).
- **Double-digit growth in profitability:** EBITDA grew 14% YoY (est. 16%). PBT/PAT grew 14% YoY each to INR5b/INR3.9b/ (est. INR5b/INR3.9b).
- In FY26, net sales, EBITDA, and APAT grew 26%/9%/11%.

Highlights from the management commentary

- In PCNO, management expects visible recovery in volume growth from 1QFY27. The company has already undertaken ~10% price cuts in non-price point packs following a correction in copra prices.
- Copra price correction is expected to support margins in FY27. Weighted average input cost inflation for FY27 is currently expected to remain marginal.
- **Gross margin is likely to expand 350-400bp in FY27, supported by easing copra costs. Part of the gross margin benefit is expected to be reinvested in A&P.**
- **Management expects ~150bps operating margin expansion in FY27, considering the uncertain operating environment.**
- The VAHO portfolio is expected to sustain double-digit volume-led growth going ahead.
- The Middle East exposure remains relatively limited for the company, reducing overall business risk from the region.
- Premiumization is gaining traction in International business, with premium categories rising from ~20% to ~30% over FY20-FY26 and projected to reach ~40% by FY30, supporting a structurally stronger and more balanced growth profile.

Valuation and view

- We largely maintain our EPS estimates for FY27 and FY28.
- MRCO plans to surpass INR150b in revenue in FY27 and INR200b by FY30. The company aims to deliver a double-digit revenue CAGR over FY26-30, backed by strong volume growth and international business growth in the teens (CC) with mid-teens EBITDA CAGR.

- Diversification is steadily improving the resilience of the international portfolio, with Bangladesh's revenue share declining from ~50% in FY20 to ~45% in FY26 and expected to reduce further to ~35% by FY30.
- To improve its domestic distribution reach, MRCO has also started Project SETU, which helps drive growth in GT through a transformative expansion of its direct reach.
- In line with its aspiration, we model a 12% revenue and 19% EBITDA CAGR over FY26-28E. Given its sustained growth trajectory, diversifying revenue streams, and strong focus on TAM expansion, we believe the stock's premium valuation is likely to be sustained. MRCO remains one of our topics in our coverage universe. **We reiterate our BUY rating on the stock with a TP of INR950 (based on 50x Mar'28E EPS).**

Quarterly Performance

Y/E March	(INR m)											
	FY25				FY26				FY25	FY26	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE	(%)	
Domestic volume growth (%)	4.0	5.0	6.0	7.0	9.0	7.0	8.0	9.0	5.5	8.3	9.1	
Net Sales	26,430	26,640	27,940	27,300	32,590	34,820	35,370	33,330	1,08,310	1,36,110	33,278	0.2%
YoY Change (%)	6.7	7.6	15.4	19.8	23.3	30.7	26.6	22.1	12.2	25.7	21.9	
Gross Profit	13,810	13,530	13,830	13,260	15,290	14,850	15,400	14,980	54,430	60,520	14,666	2.1%
Gross margin (%)	52.3	50.8	49.5	48.6	46.9	42.6	43.5	44.9	50.3	44.5	44.1	
EBITDA	6,260	5,220	5,330	4,580	6,550	5,600	5,980	5,210	21,390	23,340	5,310	-1.9%
Margins (%)	23.7	19.6	19.1	16.8	20.1	16.1	16.9	15.6	19.7	17.1	16.0	
YoY Change (%)	9.1	5.0	3.9	3.6	4.6	7.3	12.2	13.8	5.6	9.1	15.9	
Depreciation	410	410	440	520	450	470	500	600	1,780	2,020	609	
Interest	170	110	130	120	100	120	140	170	530	530	117	
Other Income	370	400	420	470	560	490	390	600	1,660	2,040	439	
PBT	6,050	5,100	5,180	4,410	6,560	5,500	5,730	5,040	20,740	22,830	5,024	0.3%
Tax	1,310	1,190	1,120	960	1,430	1,180	1,070	960	4,580	4,640	1,080	
Rate (%)	21.7	23.3	21.6	21.8	21.8	21.5	18.7	19.0	22.1	20.3	21.5	
Adjusted PAT	4,640	3,915	3,990	3,430	5,040	4,200	4,515	3,910	15,975	17,665	3,907	0.1%
YoY Change (%)	8.7	10.9	4.2	7.9	8.6	7.3	13.2	14.0	7.9	10.6	13.9	
Reported PAT	4,640	4,230	3,990	3,430	5,040	4,200	4,470	3,910	16,290	17,620	3,907	

E: MOFSL Estimates

ICICI Lombard

BSE SENSEX 77,018 S&P CNX 24,033

CMP: INR1,777 TP: INR2,230 (+25%) Buy



Stock Info

Bloomberg	ICICIGI IN
Equity Shares (m)	498
M.Cap.(INRb)/(USD\$b)	886 / 9.3
52-Week Range (INR)	2075 / 1630
1, 6, 12 Rel. Per (%)	-1/-7/-2
12M Avg Val (INR M)	1352

Financials Snapshot (INR b)

Y/E March	2026	2027E	2028E
NEP	222.6	252.3	286.2
U/W Profit	-11.1	-10.2	-9.9
PBT	36.6	43.5	51.7
PAT	27.7	32.9	39.0
EPS (INR/share)	56.3	66.7	79.3
EPS Growth (%)	10.5	18.6	18.8
BVPS (INR/share)	341.9	392.2	455.0

Ratios (%)

Claims	71.1	70.6	70.2
Commission	19.2	19.1	19.0
Expense	13.1	12.7	12.6
Combined	103.4	102.4	101.8
RoE	17.8	18.2	18.7

Valuations

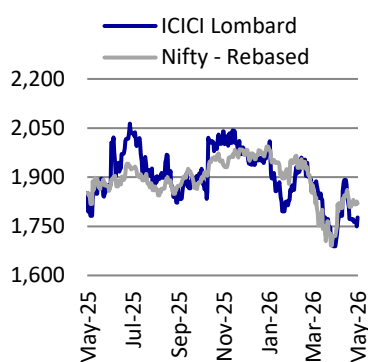
P/E (x)	31.6	26.7	22.4
P/BV (x)	5.2	4.5	3.9

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	51.3	51.3	51.6
DII	19.5	18.4	17.8
FII	22.3	23.4	23.7
Others	6.9	7.0	6.9

FII includes depository receipts

Stock Performance (1-year)



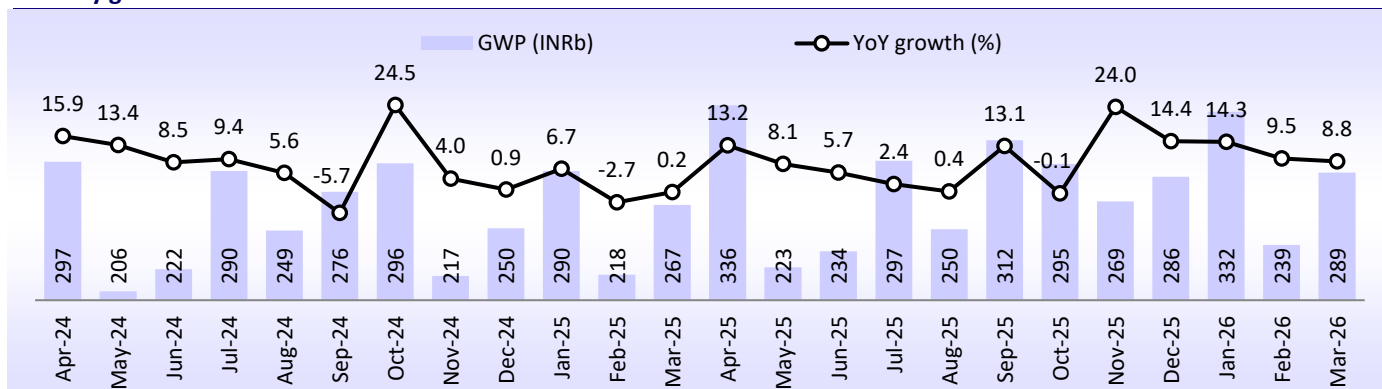
All engines on fire for profitable growth!

- ICICI Lombard (ICICIGI) is witnessing a sharp recovery in growth momentum, with 2HFY26 GWP growth of ~16% (vs industry ~11%), driven by a revival in motor, strong traction in health post GST changes, and steady commercial lines. The company is well-positioned to **sustain mid-teen growth** with strengthening demand across segments.
- The company is rapidly scaling its retail health franchise, led by the success of its flagship 'Elevate' product (retail health market share of 4.1% in FY26 from 3.2% in FY25). Fresh business growth in retail health and continued momentum in group health are likely to drive ~20% CAGR in the health segment over FY26-28, along with an improvement in profitability.
- Recovery in vehicle sales and improving pricing discipline are driving a revival in motor OD for ICICIGI, a trend expected to continue (10% FY26-28 CAGR) as pricing stabilizes. Motor TP remains a stable contributor, with rate hikes continuing to be the key driver of growth and profitability in this segment.
- ICICIGI maintains leadership across commercial segments, supported by a strong underwriting track record in claim-heavy businesses. With rate hardening, rising infrastructure capex, and increasing risk awareness, commercial lines are poised for steady growth, with improving profitability providing a stable and scalable earnings pillar.
- We expect ICICIGI's GWP/PAT to expand at an FY26-28 CAGR of 13%/19% as CoR reduces to 101.8% by FY28. The stock has corrected in the past few months and is currently trading at 22x FY28E P/E, compared to the five-year average of one-year forward P/E of 35x. **Reiterate a BUY rating on the stock with a TP of INR2,230 (based on 28x FY28E EPS).**

Growth recovery for private multi-line insurers

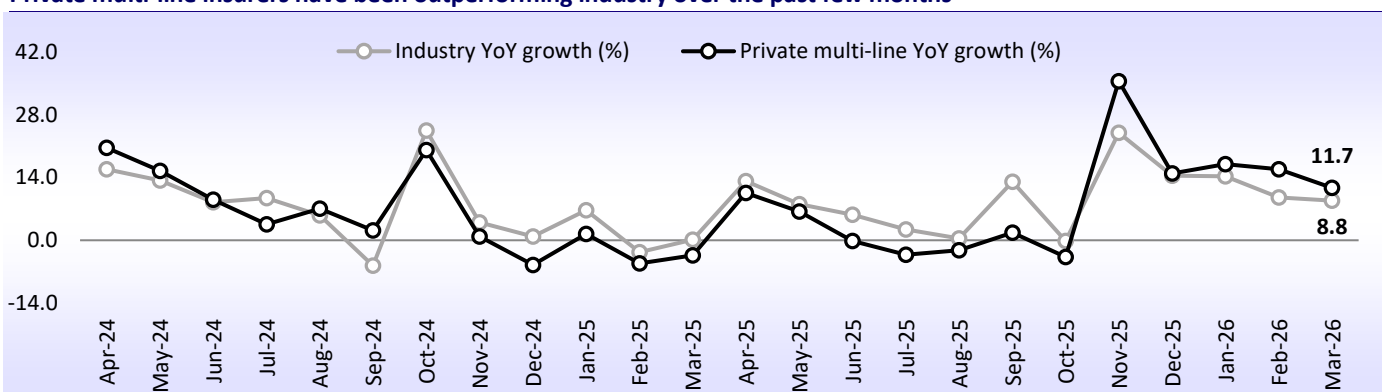
- The general insurance industry has witnessed a clear recovery in growth momentum over the past few months, with GWP growing 11% YoY in 2HFY26, following a muted FY25 (6% YoY GWP growth) and 1HFY26 (7% YoY GWP growth).
- Over the last four months, private multi-line insurers have started outperforming the industry after a slowdown in FY25 and 1HFY26. Since Nov'25, their GWP has reflected an alpha of 1-10% over industry growth.
- The growth is driven by: 1) 1/n impact on base, 2) strong traction in health insurance following GST exemption, 3) recovery in vehicle sales boosting motor insurance growth (highlighted in our [sector update](#)), and 4) sustained capex activity.
- Overall, the private GI industry appears to be transitioning back to a mid-teen growth trajectory, with all underlying parameters seeing favorable developments. Potential regulations on commission capping/deferment of commissions could pose a near-term threat to distribution expansion across the insurance industry.

Industry growth has recovered in 2HFY26



Source: GI Council, MOFSL

Private multi-line insurers have been outperforming industry over the past few months



Source: GI Council, MOFSL

ICICI's growth trajectory improved in 2HFY26

- ICICI's growth trajectory has improved from 8%/-1% in FY25/1HFY26 to 16% in 2HFY26, leading to market share improvement of 20-60bp YoY over the past few months. As of FY26, the insurer maintains the top position within the private insurance segment, with a market share of 8.9% (excluding crop insurance).
- Strong underlying demand has been observed across both motor and health following GST changes, and management intends to grow 100-200bp faster than the industry in FY27, while maintaining an 18-20% RoE. As of 2HFY26, ICICI has reported ~500bp alpha over industry growth. We expect its GWP to expand at an FY26-28 CAGR of 13%, with RoE in the 18-19% range.
- ICICI's motor segment market share has slightly reduced over the years, from 12% in FY20 to 10.7% in FY26. However, the insurer maintains the top position. Rising competitive intensity has impacted the motor OD segment's market share, while the motor TP segment's market share has remained stable.
- Retail health, which is dominated by SAHIs, has been the fastest-growing segment for the insurer, growing 51% YoY during FY26YTD, backed by its flagship product 'Elevate'. Following its launch in mid-2024, the new product has expanded retail health market share from 2.9% in FY24 to 4.1% as of FY26. ICICI is the largest private multi-line group health insurer, holding a stable market share of ~8.7%.
- In addition, ICICI is the largest private insurer in the fire segment with a stable market share in the 12.5%-13% range over the years.

Jindal Stainless

Estimate changes	
TP change	
Rating change	

CMP: INR779 **TP: INR920 (+18%)** **Buy**

Strong performance driven by SS price recovery

Outlook remains healthy

Bloomberg	JDSL IN
Equity Shares (m)	824
M.Cap.(INRb)/(USD\$b)	642.6 / 6.7
52-Week Range (INR)	884 / 556
1, 6, 12 Rel. Per (%)	3/12/35
12M Avg Val (INR M)	641

Financials Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Net Sales	429.5	493.7	561.2
EBITDA	55.6	59.4	70.3
Adj. PAT	32.5	33.8	41.0
EBITDA (%)	12.9	12.0	12.5
Adj. EPS (INR)	39.5	41.1	49.8
BV/Sh (INR)	240	277	323

Ratios

Net D:E	0.2	0.1	0.0
RoE (%)	16.4	14.8	15.4
RoCE (%)	12.7	12.5	13.3
Payout (%)	10.3	9.7	8.0

Valuations

P/E (X)	19.4	19.0	15.7
P/BV (X)	3.1	2.8	2.4
EV/EBITDA (X)	11.9	11.3	9.3
Div Yield (%)	0.5	0.5	0.5

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	62.1	61.2	60.9
DII	7.2	7.2	6.9
FII	20.9	21.6	21.4
Others	9.9	9.9	10.8

FII includes depository receipts

- Jindal Stainless (JDSL IN)'s revenue stood at INR113b (+11% YoY and +8% QoQ) against our estimate of INR107b in 4QFY26. The growth was mainly driven by better NSR, while volume growth was flat during the quarter.
- The sales volume for the quarter stood flat YoY at 642KT, while declining 1% QoQ. 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.
- 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 into 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) vs. 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.
- The sales volume in FY26 increased 8% YoY to 2.6mt, while ASP improved 1% YoY, and with muted costs, the EBITDA/t improved to INR21,670/t in FY26 from 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/sh, taking the total dividend for FY26 to INR4/sh.

Highlights from the management commentary




- Management expects 7-9% volume growth for FY27 and EBITDA/t in the range of INR18,000-20,000 for 1HFY27. This assumption is factoring in the cost pressures due to the rise in gas prices and other input costs.
- Energy cost pressures have emerged due to the Middle East geopolitical disruptions, which have increased the costs for propane, LPG, natural gas, and ammonia by ~2.5-3.0x for JDSL at the operating level. Further, the disruption of shipping lanes has resulted in rerouting, leading to intermittent cargo delays, which have added pressure on logistics and the cost structure.
- The total capex guidance for FY27 is ~INR26b. The overall capex strategy focuses on securing raw materials, increasing value addition, and enabling long-term scalable growth.
- For future expansion, land acquisition is underway in Maharashtra, where the company plans to build downstream capacity first, followed by upstream integration.
- The SS series mix for 4QFY26 stood at 200 series – 38%, 300 series – 43%, and 400 series – 19%; in FY26, the mix stood at 200 series – 37%, 300 series – 46%, and 400 series – 18%.

Valuation and view

- JDSL reported a decent performance in 4QFY26, supported by improved NSR. Going forward, we expect earnings to remain strong in FY27/28, mainly on account of incremental volumes from newly added capacity and healthy SS prices offsetting the inflation-led rise in nickel prices. While there would be near-term challenges related to cost inflation, the medium- to long-term outlook remains robust.
- At the industry level, SS demand is set for strong growth and is projected to reach +7mt by FY31, driven by domestic SS consumption. As the dominant player in SS space, we believe JDSL is well-placed to capitalize on this robust demand outlook, with higher VAP supporting margins.
- We slightly cut our FY27 EBITDA estimates by 7% and APAT by 9%, factoring in the gas supply disruption and rise in freight movement/rerouting costs. We project a revenue CAGR of ~14% with steady EBITDA of INR21,000-22,000/t, leading to ~12% EBITDA CAGR over FY27-28E. Moreover, the healthy CFO and steady capex outflow will ensure a resilient B/S (consol. net debt/equity of 0.15x in 4QFY26) to fund the next leg of expansion.
- **At CMP, the company trades at 9x EV/EBITDA on FY28 estimates. We reiterate our BUY rating with a TP of INR920 (premised on 11x EV/EBITDA on FY28E).**

Consolidated Quarterly Performance (INR b)

Y/E March	FY25				FY26				FY25	FY26	FY26	Vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Sales (kt)	578	565	588	643	626	648	650	642	2,374	2,566	626	2.5
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)				
Net Realization/t	1,63,145	1,73,041	1,68,491	1,58,605	1,62,988	1,68,085	1,61,844	1,76,662	1,65,595	1,67,406	1,71,490	3.0
Net Sales	94.3	97.8	99.1	102.0	102.1	108.9	105.2	113.4	393.1	429.5	107.3	5.6
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				
EBITDA	12.1	11.9	12.1	10.6	13.1	13.9	14.1	14.5	46.7	55.6	13.4	8.9
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				
EBITDA (INR per ton)	20,964	21,000	20,536	16,499	20,915	21,416	21,665	22,670	19,657	21,670	21,350	6.2
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		
PBT (before EO Item)	8.9	8.3	9.0	7.6	9.8	10.7	11.1	11.2	33.9	42.8		
EO Items	-	-	-	0.1	-	(0.2)	0.3	0.5	0.1	0.6		
PBT (after EO Item)	8.9	8.3	9.0	7.6	9.8	10.9	10.8	10.7	33.8	42.3		
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		
PAT before MI & Asso.	6.5	6.1	6.7	6.2	7.3	8.2	8.2	8.0	25.4	31.7		
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		
RPAT after MI & Asso.	6.5	6.1	6.5	5.9	7.1	8.1	8.3	8.4	25.1	31.9		
APAT (after MI & Asso.)	6.5	6.1	6.5	6.0	7.1	7.9	8.6	8.9	25.1	32.5	7.7	16.1
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				

Estimate change 
 TP change 
 Rating change 

CMP: INR1,169 **TP: INR1,800 (+54%)** **Buy**

A meaningful step-up

Margin profile sees a quantum jump despite near-term revenue snag

Bloomberg	COFORGE IN
Equity Shares (m)	335
M.Cap.(INRb)/(USDb)	502.2 / 5.3
52-Week Range (INR)	1994 / 1008
1, 6, 12 Rel. Per (%)	-9/-28/-20
12M Avg Val (INR M)	3823

- COFORGE reported a strong 4Q revenue growth of 2% QoQ in CC terms, above our estimate of 1.5% QoQ CC. The company reported an order intake of USD648m (down 69.5% YoY) in 4Q with five large deals, resulting in a robust 12-month executable order book of USD1.75b. EBIT margin stood at 16.6%, above our estimate of 15%. Adj. PAT stood at INR6.6b (up 119% YoY) vs. our estimates of INR4.8b. The FCF-to-NI ratio stood at 76.3% in FY26.
- FY26 revenue/EBIT/adj. PAT grew 35.9%/82.7%/73.8% YoY. In 1QFY27, we expect revenue/EBIT/adj. PAT growth of 23.5%/57.3%/56.3% YoY in INR terms. RoE came in at 16.5% in FY26 (vs. 13.9%/24.1%/23.1% in FY25/FY24/FY23). We value COFORGE at 26x FY28E EPS, arriving at a TP of INR1,800, implying 54% potential upside.

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	164.0	196.3	233.3
EBIT Margin (%)	14.4	16.2	16.2
PAT	14.9	21.6	26.3
EPS (INR)	43.8	61.5	74.8
Adj. PAT	17.2	21.6	26.3
Adj. EPS (INR)	50.6	61.5	74.8
Adj. EPS Gr. (%)	100.4	21.5	21.6
BV/Sh. (INR)	284.3	315.5	354.2

Ratios

RoE (%)	16.5	21.2	23.1
RoCE (%)	19.5	20.1	21.3
Payout (%)	35.1	50.0	50.0

Valuations

P/E (x)	26.7	19.0	15.6
P/BV (x)	4.1	3.7	3.3
EV/EBITDA (x)	13.4	9.2	7.7
Div Yield (%)	1.3	2.6	3.2

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	0.0	0.0	0.0
DII	56.2	53.7	49.9
FII	30.7	34.5	40.2
Others	13.2	11.8	9.9

FII Includes depository receipts

Our view: Striving to be on the right side of the AI-wave

- **Revenue restated, hedged loss/gain now part of other income** (previously a part of operational revenue): This has no impact on PAT but revenue and EBIT margin numbers are now restated and they do not include the impact of hedge losses. **For context, hedge losses had an 80bp impact on EBIT margin in FY26 (nil in FY25).**
- **Exiting the India pass-through business improves working capital as well as margin profile:** Coforge's India government business was pass-through in nature, and it has decided to exit this business. On a full-year basis, this would have a hit of 2-3%; majority of the impact will flow through in 1QFY27 (which is expected to be flat QoQ). While this blunts short-term growth rates, the deal book remains strong (executable order book at USD1.75b, +16.4% YoY, with additional framework agreements not included) and we expect Coforge to grow after the reset in 1Q.
- **EBIT margin guidance receives a meaningful upgrade:** Even assuming a similar impact of hedge losses in FY27, the updated margin guidance is at least 100-150bp above our earlier estimates. **This is a meaningful uplift; we increase our EPS estimates by 3-4%** despite the one-time impact from the India business hit.
- **Executable order book provides visibility into FY27:** Deal momentum remained healthy in 4Q, with order intake of USD648m and five large deal wins, taking **total large deal wins for FY26 to 21 (vs. 14 in FY25), ahead of management guidance of 20 deals.** The executable order book stands at USD1.75b (up 16.4% YoY), providing revenue visibility into FY27.
- **Coforge finding pockets of growth in AI:** Demand is shifting from experimentation to production-grade deployments with a focus on agent orchestration, enterprise workflows and managed services around AI systems. **We are positively surprised at the book's resilience to AI deflation, with management highlighting 25-35% productivity gains in development and 40-60% in code generation, yet sustained demand for maintenance, security and integration services.**

- **BFS uncharacteristically weak, management expects turnaround:** Coforge's BFSI vertical has remained weak for the past couple of quarters (decline of 2.0%/2.6% QoQ in 3Q/4Q). **A key leadership exit in the vertical has coincided with this; management expects the vertical to be back on track in FY27,** supported by deal pipeline and re-engagement in key accounts (2 of 5 large deals in 4Q from banking).

Valuation and changes to our estimates

- We expect COFORGE to be the growth leader within our coverage universe and we reiterate it as our top pick. We have increased our estimates by 3-4% to factor in the exit of the India pass-through business (2-3% revenue impact) and the restatement of revenue (hedge impact now excluded from EBIT), while building in a 100-150bp improvement in margin guidance.
- We continue to view COFORGE as a structurally strong mid-tier player, supported by improving margin profile, strong deal wins, and steady demand in AI-led managed services. **We value COFORGE at 26x FY28E EPS with a TP of INR1,800,** implying a 54% potential upside. We reiterate our BUY rating on the stock.

Beat on revenue and margins; Deal TCV healthy with five large deal wins in 4Q; FCF/NI at 110%

- COFORGE's revenue grew 2% QoQ CC (est. 1.5% CC). Reported USD growth was 1.7% QoQ. For FY26, revenue stood at USD1.9b, up 29.2% YoY.
- Growth was led by the Healthcare and Hi-Tech vertical (12% QoQ) and Transportation (4.5% QoQ), while BFS declined 2% QoQ.
- Order intake was USD648m (down 69.5% YoY). Five large deals were signed in 4Q. The 12-month executable order book rose 16.4% YoY to USD1.75b.
- Management expects to deliver robust revenue growth in FY27 and EBITDA of more than 20.5% on a consolidated basis in FY27.
- EBIT margin was 16.6%, above our estimates of 15%. For FY26, adj. EBIT margin stood at 14.4% vs. 10.5% in FY25.
- Utilization grew 80bp QoQ to 82.5%. Net employee addition stood at 35,777, up 1.2% QoQ. Attrition was down 10bp QoQ at 10.8%.
- Adj. PAT stood at INR6.6b (up 119% YoY) vs. our estimates of INR4.8b. For the full year, adj. PAT stood at INR17.9b, up 83% YoY.
- FCF/PAT stood at 110% in 4QFY26.

Key highlights from the management commentary

- Despite a challenging macro and heightened AI-driven flux, management maintains that demand tailwinds for Coforge are structural – the near-term modernization surge, the medium-term agentic deployment wave, and long-term tech market expansion all play to its strengths.
- Management addressed concerns around AI code deflation, noting that AI-generated code is cheap to build but expensive to own, maintain, and secure, creating a recurring high-margin managed services opportunity for firms positioned to capture it.

- Demand remains broad-based, with all key verticals – travel, healthcare, banking, insurance, and public sector – firing simultaneously; management expressed confidence that growth does not depend on any single vertical.
- Framework agreements (not captured in the executable order book) have already been signed and are expected to contribute materially to FY27 revenue; management indicated that additional, larger framework agreements are at near-final stages of closure.
- Cross-selling momentum from prior acquisitions is evident. Clients acquired through the Cigniti deal, who previously contributed USD25-30m collectively, have now scaled up to ~USD75m/year.
- AI is deeply embedded across the SDLC: the firm reports 25-35% productivity uplift in development, 40-60% in code generation, and up to 10x faster modernization timelines.

Quarterly Performance (IND-AS)

(INR M)

Y/E March (Consolidated)	FY25				FY26				FY25*	FY26*	Est. 4QFY26	Var. (%/bp)
	1Q	2Q	3Q	4Q*	1Q	2Q	3Q*	4Q*				
Rev. (USD m)	286	369	391	404	442	462	481	489	1,448	1,870	486	0.6
QoQ (%)	2.0	29.0	5.7	3.3	9.6	4.5	4.1	1.7	31.7	29.1	1.7	3bp
Revenue (INR m)	23,751	30,623	32,581	34,222	36,886	39,857	42,315	44,504	1,20,733	1,64,027	44,355	0.3
YoY (%)	6.9	34.5	40.2	47.6	55.3	30.2	29.9	30.0	34.0	35.9	30.1	-3bp
GPM (%)	32.2	32.4	33.4	34.3	33.7	34.0	33.6	34.4	33.7	33.8	34.0	40bp
SGA (%)	13.4	15.9	15.8	15.3	15.0	14.3	14.3	12.9	19.5	15.3	14.2	-126bp
EBITDA (INRm)	4,275	4,840	5,050	5,886	6,308	7,294	7,736	9,168	17,218	30,464	8,428	8.8
EBITDA Margin (%)	18.0	15.8	15.5	17.2	17.1	18.3	18.3	20.6	14.3	18.6	19.0	160bp
EBIT (INRm)	3,558	3,597	3,885	4,632	4,716	5,575	6,028	7,368	12,942	23,645	6,653	10.7
EBIT Margin (%)	15.0	11.7	11.9	13.5	12.8	14.0	14.2	16.6	10.7	14.4	15.0	156bp
Other income	-516	-173	-329	-262	383	18	-710	-582	19	-2,058	-310	87.4
ETR (%)	34.4	25.5	25.6	22.1	18.2	23.7	22.8	-6.6	25.7	13.4	24.0	-127.5
Minority Interest	-61.0	-314.0	-404.0	-461.0	-390.0	-496.0	-465.0	-539.0	-1,240.0	-1,890.0	0.0	
Reported PAT	1,310	2,021	2,120	2,613	3,168	3,769	2,502	6,123	8,395	14,854	4,821	27.0
QoQ (%)	-41.6	54.3	4.9	23.3	21.2	19.0	-33.6	144.7			92.7	
YoY (%)	-21.4	11.7	-10.9	16.4	141.8	86.5	18.0	134.3	1.2	76.9	84.7	
Adj. PAT	2,263	2,311	2,241	3,035	3,917	3,769	3,641	6,659	9,742	17,159	4,821	38.1
EPS (INR)	4.2	6.0	6.2	7.7	9.4	11.1	7.4	18.0	25.3	43.8	14	31.7

Note: * Numbers are adjusted for change in accounting policy for revenue.

Key Performance Indicators

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue (QoQ CC %)	1.6	26.3	8.4	3.4	8.0	5.9	4.4	2.0		
Margins										
Gross Margin	32.2	32.4	33.4	34.3	33.7	34.0	33.6	34.4	33.7	33.8
EBIT Margin	15.0	11.7	11.9	13.5	12.8	14.0	14.2	16.6	10.7	14.4
Net Margin	5.5	6.6	6.5	7.6	6.7	9.4	5.9	13.8	7.0	9.1
Operating metrics										
Headcount	26,612	32,483	33,094	33,497	34,187	34,896	35,341	35,777	33,497	35,777
Attrition (%)	11.4	11.7	11.9	10.9	11.3	11.4	10.9	10.8	10.9	10.8
Deal Win TCV (USD b)	314	516	501	2,126	507	514	593	648	3,457	2,262
Key Verticals (YoY USD %)										
BFS	9.4	23.6	18.3	30.9	32.5	17.4	16.4	(1.7)	20.8	14.9
Insurance	(6.8)	12.3	18.3	11.7	19.7	(1.1)	(3.1)	6.8	8.9	4.8
Travel and Transport	4.8	30.0	40.8	55.9	92.2	61.0	55.8	48.5	32.7	62.2
Key Geographies (YoY USD %)										
North America	7.7	48.2	66.4	64.7	72.4	31.5	24.9	25.6	46.6	35.6
Europe	2.4	15.7	18.4	15.3	22.8	7.0	2.6	6.5	13.1	9.1

KEI Industries

Estimate change 

TP change 

Rating change 

CMP: INR5,018

TP: INR5,780 (+15%)

Buy

Earnings beat; Sanand ramp-up to drive growth ahead

Capacity-led growth to accelerate; margins to expand from FY28

	KEII IN
Bloomberg Equity Shares (m)	96
M.Cap.(INRb)/(USD\$b)	479.7 / 5
52-Week Range (INR)	5303 / 3051
1, 6, 12 Rel. Per (%)	18/32/58
12M Avg Val (INR M)	1378
Free float (%)	65.0

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	117.5	139.9	166.9
EBITDA	12.4	15.6	19.1
Adj. PAT	9.3	11.2	13.7
EBITDA Margin (%)	10.6	11.1	11.4
Cons. Adj. EPS (INR)	97.0	117.3	142.8
EPS Gr. (%)	33.1	20.9	21.7
BV/Sh. (INR)	697	808	945

Ratios

Net D:E	(0.2)	(0.2)	(0.2)
RoE (%)	14.9	15.6	16.3
RoCE (%)	15.2	16.1	16.8
Payout (%)	4.6	5.1	4.2

Valuations

P/E (x)	51.9	42.9	35.3
P/BV (x)	7.2	6.2	5.3
EV/EBITDA (x)	37.7	30.1	24.4
Div Yield (%)	0.1	0.1	0.1
FCF Yield (%)	(0.9)	(0.1)	0.5

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	35.0	35.0	35.0
DII	25.8	27.3	23.5
FII	27.3	25.5	25.8
Others	11.9	12.2	15.6

FII includes depository receipts

- KEI Industries (KEII)'s 4QFY26 revenue grew ~19% YoY to INR34.8b (in line). EBITDA increased ~27% YoY to INR3.8b (~10% beat, driven by higher-than-estimated margin in C&W). OPM rose 65bp YoY to 11% (+85bp vs. estimate). PAT grew ~25% YoY to INR2.8b (~17% beat).
- Management remains optimistic, guiding a strong volume growth of ~17-18% in FY27 and ~20% in FY28, aided by strong capex momentum across key sectors and the ramp-up of its capacity expansion. However, volume growth in 4QFY26/FY26 at ~2%/~6% was modest, mainly due to capacity constraints and the slow ramp-up of Sanand (Phase 1) expansion. Its margin is likely to remain stable at ~10.5–11.0% in FY27, with further expansion from FY28 expected, backed by operating leverage, improved mix, and higher exports.
- We increase our EBITDA estimates by ~4%/7% for FY27/FY28 due to higher growth estimates in C&W. We also raise our EPS estimates by ~9%/12%, led by higher EBITDA and lower depreciation/higher other income estimates. We value KEII at 40x FY28E EPS to arrive at a TP of INR5,780. **Reiterate BUY.**

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. our 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 dipped 5.5pp YoY to 2.1%. c) **Stainless steel wire (SSW)** revenue increased ~21% YoY to INR561m, EBIT surged to 2x YoY to INR50m, and EBIT margin jumped 3.5pp YoY at 8.9%.
- In FY26, revenue/EBITDA/adj. PAT grew 21%/25%/33% YoY to INR117.5b/INR12.4b/INR9.3b. EBITDA margin surged 40bp YoY to 10.6%. C&W revenue/EBIT rose 22%/33% YoY to INR112.2b/INR13.0b, and EBIT margin expanded 1.0pp YoY to 11.6% in FY26. OCF stood at INR8.4b vs. operating cash outflow at INR322m in FY25. Capex stood at INR11.3b vs. INR6.9b. Net cash outflow stood at INR2.9b vs. INR6.6b in FY25.

Key highlights from the management commentary

- KEII has confirmed that none of its plants have faced any disruptions due to raw material constraints, given an adequate inventory stocking and sufficient domestic availability. However, certain challenges persist on the logistics front, mainly in the Middle East.
- The company's order book reported a healthy backlog, including INR6.25b in EHV cables, INR3.1b in EPC, INR21.5b in domestic institutional cables, and INR5b in export orders. Additionally, L1 orders in EHV cables were INR2.3b.
- Capex was pegged at INR6.0-7.0b p.a. for the next two to three years, towards capacity expansion, backward integration, and land acquisitions. This capex will be largely funded through internal accruals, with a disciplined allocation framework.

Valuation and view

- KEII reported a steady 4Q performance with strong traction in high-value segments, mainly EHV cables and robust B2C growth, which increased its share to ~56% vs. ~51% in 4QFY25. However, near-term growth will be partially constrained by capacity limitations at existing plants, which are already operating at near peak utilization. Incremental growth will therefore be driven primarily by new capacities. It is scaling up exports with a target of ~20% of total revenue in FY27 vs. ~16% in FY26.
- We estimate KEII's total revenue CAGR at ~19% over FY26-28, led by ~20% growth in the C&W segment and ~3% growth in the SSW segment. However, EPC revenue is projected to decline by ~8% annually. We project its EBITDA/ PAT CAGR of ~24%/21% over FY26-28. The stock is trading at 43x/35x on FY27E/FY28E EPS. We value KEII at 40x FY28E EPS to arrive at our TP of INR5,780. **Reiterate BUY.**

Quarterly performance

(INR m)

Y/E March	FY25				FY26				FY25	FY26	FY26 4QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Sales	20,605	22,838	24,768	29,148	25,903	27,263	29,547	34,764	97,359	1,17,478	34,365	1
Change (%)	15.6	17.3	20.3	25.7	25.7	19.4	19.3	19.3	20.1	20.7	17.9	
Adj. EBITDA	2,146	2,248	2,504	3,013	2,580	2,693	3,317	3,816	9,910	12,407	3,482	10
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
Extraordinary Items	-	-	-	-	-	-	(116)	-	-	(116)	-	
PBT	2,027	2,079	2,212	3,052	2,632	2,773	3,263	3,772	9,370	12,439	3,288	15
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	
Reported PAT	1,502	1,548	1,648	2,265	1,957	2,035	2,349	2,843	6,964	9,184	2,429	17
Change (%)	23.8	10.4	9.4	34.4	30.3	31.5	42.5	25.5	19.9	31.9	7.2	
Adj. PAT	1,502	1,548	1,648	2,265	1,957	2,035	2,436	2,843	6,964	9,271	2,429	17
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				FY25	FY26	FY26 4QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Sales												
Cables (Power + Housing wires)	18,757	21,440	23,517	27,968	24,771	26,256	28,208	32,970	91,682	1,12,206	33,114	(0)
Stainless steel wires	538	602	551	462	521	539	545	561	2,152	2,165	494	13
EPC Business	2,261	1,309	759	2,234	994	1,014	1,374	2,233	6,562	5,614	1,540	45
Growth YoY (%)												
Cables (Power + Housing wires)	16.4	20.8	26.0	35.2	32.1	22.5	19.9	17.9	25.2	22.4	18.4	
Stainless steel wires	(8.9)	2.0	19.4	(19.3)	(3.0)	(10.6)	(1.1)	21.5	(2.8)	0.6	7.1	
EPC Business	22.4	(58.2)	(79.9)	(34.4)	(56.0)	(22.6)	81.1	(0.1)	(46.0)	(14.4)	(31.1)	
EBIT												
Cables (Power + Housing wires)	2,067	2,241	2,372	3,069	2,665	2,871	3,373	4,104	9,749	13,014	3,674	12
Stainless steel wires	10	29	30	25	42	44	35	50	94	172	25	97
EPC Business	298	121	19	170	79	51	17	47	608	194	50	(5)
EBIT Margin (%)												
Cables (Power + Housing wires)	11.0	10.5	10.1	11.0	10.8	10.9	12.0	12.4	10.6	11.6	11.1	135
Stainless steel wires	1.9	4.8	5.5	5.4	8.1	8.2	6.4	8.9	4.4	7.9	5.1	380
EPC Business	13.2	9.2	2.5	7.6	8.0	5.1	1.2	2.1	9.3	3.5	3.2	(112)

Petronet LNG

Estimate change	↑
TP change	↔
Rating change	↔

CMP: INR282 **TP: INR360 (+28%)** **Buy**

1QFY27 likely to be soft amid near-term headwinds

Bloomberg	PLNG IN
Equity Shares (m)	1500
M.Cap.(INRb)/(USD\$b)	423.8 / 4.4
52-Week Range (INR)	327 / 235
1, 6, 12 Rel. Per (%)	5/7/-9
12M Avg Val (INR M)	865

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	434.9	431.6	529.5
EBITDA	53.6	52.8	59.3
Adj. PAT	38.6	35.4	36.6
Adj. EPS (INR)	25.7	23.6	24.4
EPS Gr. (%)	-1.6	-8.4	3.6
BV/Sh.(INR)	144.8	159.2	174.1

Ratios

Net D:E	-0.5	-0.2	0.0
RoE (%)	18.8	15.5	14.7
RoCE (%)	19.7	15.7	14.4
Payout (%)	39.0	39.0	39.0

Valuation

P/E (x)	11.0	12.0	11.5
P/BV (x)	1.9	1.8	1.6
EV/EBITDA (x)	6.0	7.2	7.2
Div. Yield (%)	3.5	3.3	3.4

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	50.0	50.0	50.0
DII	12.9	13.5	11.2
FII	27.1	26.3	28.8
Others	9.9	10.3	10.1

FII includes depository receipts

- Petronet LNG (PLNG) delivered a strong 4QFY26 beat, with reported revenue/EBITDA/PAT surpassing estimates by 7%/77%/64%, driven by robust volumes and UoP-related adjustments. EBITDA/PAT adjusted for UoP provisioning and waiver would have stood at 30%/19% above estimate. Volume outperformance (219tbtu, 12% above estimate) was led by higher Dahej utilization (91%), while Kochi remained in line.

- **Key things we liked about the result:** 1) As guided by management, UoP trade receivables of INR6.3b, pertaining to CY22 dues, were recovered during 4Q. 2) The Dahej terminal capacity utilization remained robust at 108% in Jan-Feb'26. 3) Management has guided that it intends to maintain a healthy dividend payout (similar YoY in absolute DPS) over the coming years, despite an increase in the capex. 4) Kochi-Mangalore-Bangalore PL is expected to be connected to the National Gas Grid by end-1HFY27. 5) New contracts include ~0.5mmtpa each from Equinor (Deepak Group; May'26 start) and ExxonMobil (commenced in Apr'26).

- **Key monitorables:** 1) The Dahej capacity utilization stood at 53% in Mar'26, primarily due to a pause in cargo deliveries from Qatar. ~7.5mmtpa of Qatari volumes are expected to remain unavailable as long as the conflict continues, raising concerns over a sharp decline in utilization. 2) The company booked additional provisions of INR1.2b against UoP dues during the quarter. UoP trade receivables of INR130m were waived off during 4Q. UoP write-offs and waivers continue to weigh on PLNG's performance. 3) The 5 mmtpa capacity expansion at the Dahej LNG Terminal shall become fully operational in 1QFY27.

- **We estimate Dahej capacity utilization at 69% in FY27:** Considering the pause in supplies from Qatar until resolution of the conflict, we recently lowered our FY27 volume assumption for the Dahej terminal to 15.5 mmtpa. However, Dahej volumes are expected to recover to 18.5mmtpa in FY28 (82% utilization).

- **Valuation and view:** Our DCF-based TP of INR360 (WACC: 11.5%, TG = 2%) assumes a 5% tariff cut at Dahej terminal in FY28, followed by a 4% rise for both the terminals. While we have incorporated the full capex for the petchem plant, we value it conservatively at 0.5x FY29E P/B and discount this back to FY27.

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 12% above our estimate at 219tbtu.
- Dahej utilization was also 11% above our estimates 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).

Valuation and view



- At 12x FY27E P/E and a ~3.3% dividend yield, we believe valuations are inexpensive. Our DCF-based TP of INR360 (WACC: 11.5%, TG = 2%) assumes a 5% tariff cut at Dahej terminal in FY28, followed by a 4% rise for both the terminals. While we have incorporated the full capex for the petchem plant, we value it conservatively at 0.5x FY29E P/B and discount this back to FY27.

Standalone - Quarterly Earning Model

(INR b)

Y/E March	FY25				FY26				FY25	FY26	FY26 4QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	134.2	130.2	122.3	123.2	118.8	110.1	111.6	94.4	509.8	434.9	88.2	7%
YoY Change (%)	15.1	3.9	-17.1	-10.7	-11.4	-15.5	-8.7	-23.3	-3.3	-14.7	-28.4	
EBITDA	15.6	12.0	12.5	15.1	11.6	11.2	12.2	18.6	55.2	53.6	10.5	77%
Margin (%)	11.7	9.2	10.2	12.3	9.8	10.1	11.0	19.7	10.8	12.3	11.9	
Depreciation	1.9	2.0	2.1	2.1	2.1	2.1	2.1	2.1	8.1	8.4	2.1	
Interest	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	2.6	2.4	0.6	
Other Income	2.2	2.0	2.0	2.0	2.4	2.4	2.2	2.0	8.2	9.0	2.2	
PBT	15.2	11.4	11.7	14.5	11.4	10.8	11.4	17.9	52.8	51.6	10.1	79%
Rate (%)	24.9	25.7	25.8	26.0	25.1	25.6	25.8	25.5	25.6	25.5	18.8	
Reported PAT	11.4	8.5	8.7	10.7	8.5	8.1	8.5	13.4	39.3	38.4	8.2	64%
Adj PAT	11.4	8.5	8.7	10.7	8.5	8.1	8.7	13.4	39.3	38.7	8.2	64%
YoY Change (%)	44.5	3.6	-27.2	45.1	-25.5	-4.9	0.0	25.0	11.0	-1.5	-23.8	
Margin (%)	8.5	6.5	7.1	8.7	7.2	7.3	7.8	14.2	7.7	8.9	9.3	
Key Assumptions												
Total Volumes (TBtu)	262.0	239.0	228.0	205.0	220.0	228.0	233.0	219.0	934.0	900.0	194.8	12%
Dahej utilization (%)	112%	102%	96%	85%	94%	95%	97%	91%	99%	94%	80%	14%
Kochi utilization (%)	22%	22%	24%	25%	21%	27%	30%	28%	23%	27%	29%	-1%

Poonawalla Fincorp

Estimate changes	
TP change	
Rating change	

CMP: INR439 TP: INR520 (+18%) Buy

Earnings in line; operating cost ratios improve

Credit costs continue to moderate; NIM (calc.) expands ~10bp QoQ

Bloomberg	POONAWAL IN
Equity Shares (m)	813
M.Cap.(INRb)/(USDb)	386.4 / 4.1
52-Week Range (INR)	570 / 361
1, 6, 12 Rel. Per (%)	6/-1/15
12M Avg Val (INR M)	977

- Poonawalla Fincorp's (PFL) 4QFY26 PAT stood at ~INR2.5b (inline) vs. a PAT of INR1.5b in 3QFY26. FY26 PAT stood at INR5.4b vs. a loss of INR983m in FY25.

- Opex rose 52% YoY to ~INR5.8b (in line), with the C/I ratio declining QoQ to ~46% (PQ: ~51% and PY: ~53%). PPop grew ~109% YoY to ~INR7b (in line). PFL shared that it plans to add a similar number of branches in FY27 as it did in FY26. Management further shared that opex/AUM is expected to decline in FY27 compared to FY26, though quarterly volatility of ~10-25 bp may continue due to ongoing investments in branch expansion.

- Provisions stood at INR3.5b (in line), translating into annualized credit costs of ~2.6% (PQ: 2.7% and PY: ~3.2%). PFL highlighted that continued focus on low-risk segments such as LAP, gold loans, salaried loans to top corporates, and education loans will help mitigate exposure to external headwinds. Further, credit costs are also expected to stabilize at structurally lower levels, driven by an improving asset mix and strong collection efficiency.

- The company has completed its QIP in Apr'26 by issuing ~67.4m shares at a price of INR370.75, aggregating to INR25b. Post capital raise, CRAR stands at 20.7% as of Mar'26, providing strong headroom for future growth.

- We cut our FY27E/FY28E EPS by 6%/7% to factor in the moderation in AUM growth. The stock currently trades at 2.7x FY27E P/BV. We model ~44% AUM CAGR and 118% PAT CAGR over FY26-FY28E and expect PFL to deliver an RoA/RoE of 2.4%/~16.6% in FY28E. **We reiterate our BUY rating with an unchanged TP of INR520 (based on 2.7x Mar'28E BVPS).**

Financials Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Net Total Income	40.3	64.6	95.0
PPOP	19.3	34.3	53.6
PAT	5.4	15.3	25.7
EPS (INR)	6.7	17.5	29.4
EPS Gr. (%)	-	160	68
Standalone BV (INR)	127	164	191

Ratios

NIM on AUM (%)	7.0	7.4	7.7
C/I ratio (%)	52.0	46.9	43.6
RoAA (%)	1.1	2.0	2.4
RoE (%)	5.9	12.4	16.6
Payout (%)	0.0	11.5	6.8

Valuations

P/E (x)	65.5	25.2	15.0
P/BV (x)	3.4	2.7	2.3
Div. Yield (%)	0.0	0.5	0.5

Shareholding pattern (%)

As Of	Mar-26	Dec-25	Mar-25
Promoter	63.9	64.0	62.5
DII	12.1	12.2	11.1
FII	10.8	11.2	10.6
Others	13.1	12.6	15.7

FII includes depository receipts

AUM jumps ~69% YoY; healthy traction continues in new businesses

- PFL's AUM grew ~69% YoY and ~10% QoQ to ~INR603b.
- New product disbursements crossed ~INR30b in 4QFY26 and contributed ~24% to the total disbursements in the quarter.
- Management highlighted that consumer businesses are contributing an increasing share to AUM, with six new businesses accounting for ~24% of disbursements in 4QFY26, reflecting successful diversification.
- PFL has successfully launched 400 gold loan branches spread across Gujarat, Haryana, Rajasthan, Punjab, Odisha, Karnataka, and Maharashtra.
- Management has guided an AUM CAGR of ~35-40% over the next couple of years, supported by diversification and distribution expansion. We expect PFL to deliver an AUM CAGR of ~44% over FY26-28.

NIM (calc.) improves ~10bp QoQ; reported CoF broadly stable QoQ

- NIM (calc.) improved ~10bp QoQ to ~7.85%, driven by improvement in yields by ~20bp QoQ to ~14.1%. CoB (calc.) declined ~10bp QoQ to ~7.45%. The reported CoF was broadly stable QoQ at 7.65%
- NCD issuance has been rising since Mar'25 and currently stands at ~31%, up from ~6%. This strengthens the long-term capital funding, while the company maintains a healthy mix of short- and long-term borrowings with flexible tenors.
- Management shared that the NIM is expected to remain strong, with further improvement in disbursement yields and gradual transmission to portfolio yields. We expect PFL to deliver an NIM on AUM of ~7.4%/7.7% in FY27/FY28E (vs. 7% in FY26).

Credit costs decline QoQ; minor improvement in asset quality

- GS3 declined ~7bp QoQ to ~1.45% while NS3 declined ~5bp QoQ to ~0.7%. PCR on S3 loans rose ~125bp QoQ to ~49% (PQ: ~47.8%).
- Management shared that slippages have improved across buckets, with Stage 1 and Stage 3 showing sequential improvement driven by better portfolio calibration. We model credit costs of ~2%/1.9% in FY27/FY28 (vs. 2.7% in FY26).

Highlights from the management commentary

- Fee income is expected to remain a strong contributor and is becoming an increasingly important earnings lever.
- Prime personal loans continue to scale strongly, with monthly disbursements reaching INR4.7b in Mar'26, reflecting strong demand and execution.
- Management remains cautiously optimistic, with no major portfolio risks identified, and it continues to closely monitor the macro conditions.

Valuation and view

- PFL reported an in-line quarter, supported by improving business momentum and operating efficiency following sustained investments in branches, people, and technology. Asset quality saw marginal improvement, with slightly lower sequential credit costs, while NIM expanded, driven by higher fee income and improved disbursement yields during the quarter.
- PFL is at an inflection point to deliver a healthy improvement in profitability along with rapid balance sheet expansion. We model ~44% AUM CAGR and 118% PAT CAGR over FY26-FY28E and expect PFL to deliver an RoA/RoE of 2.4%/~16.6% in FY28E. **We reiterate our BUY rating with an unchanged TP of INR520 (based on 2.7x Mar'28E BVPS).**
- **Key downside risks:** a) inability to execute its articulated strategy despite a new management team and investments in technology, distribution, and collections; and b) an aggressive competitive landscape leading to poor underwriting and a consequent deterioration in asset quality.

Quarterly Performance (Standalone)
(INR M)

Y/E March	FY25				FY26				FY25	FY26	4Q FY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	8,962	9,107	9,991	10,685	11,853	14,022	16,597	18,936	38,745	61,408	19,758	-4
Interest Expenses	3,201	3,516	3,850	4,584	5,461	6,378	7,387	8,441	15,151	27,667	8,841	-5
Net Interest Income	5,761	5,592	6,141	6,101	6,393	7,644	9,209	10,495	23,594	33,741	10,917	-4
YoY Growth (%)	36.8	17.8	25.1	8.5	11.0	36.7	50.0	72.0	21.1	43.0	78.9	
Other Income	997	858	581	1,048	1,287	1,405	1,588	2,268	3,346	6,548	1,882	21
Total Income	6,758	6,449	6,722	7,149	7,679	9,050	10,798	12,763	26,940	40,290	12,799	0
YoY Growth (%)	35.1	22.0	22.2	11.6	33.9	40.3	60.6	78.5	22.6	49.6	79.0	
Operating Expenses	2,436	3,610	2,908	3,821	4,434	5,184	5,520	5,816	12,769	20,955	5,799	0
Operating Profit	4,321	2,839	3,814	3,328	3,245	3,866	5,277	6,947	14,172	19,335	7,000	-1
YoY Growth (%)	46.9	-15.4	8.9	-18.71	-24.9	36.1	38.4	108.74	2.0	36.4	110.3	
Provisions & Loan Losses	425	9,144	3,562	2,526	2,411	2,877	3,275	3,537	15,526	12,099	3,649	-3
Profit before Tax	3,897	-6,305	252	802	834	989	2,002	3,411	-1,354	7,236	3,351	2
Exceptional items		0							0	0		
Tax Provisions	980	-1,594	65	179	208	247	500	863	-371	1,818	839	3
PAT (excl. exceptional)	2,916	-4,710	187	623	626	742	1,502	2,548	-983	5,418	2,512	1
PAT (incl. exceptional)	2,916	-4,710	187	623	626	742	1,502	2,548	-983	5,418	2,512	1
YoY Growth (%)	46	-	-93	-81	-79	-116	702	309	-112	-651	303	
Key Parameters (Calc., %)												
Yield on loans	15.5	15.0	15.2	14.1	13.4	13.7	14.0	14.2				
Cost of funds	8.0	8.0	7.8	7.8	7.7	7.7	7.6	7.5				
Spread	7.6	7.0	7.4	6.3	5.7	6.0	6.4	6.7				
NIM on loans	10.0	9.2	9.3	8.0	7.2	7.5	7.8	7.8				
C/I ratio	36.1	56.0	43.3	53.4	57.7	57.3	51.1	45.6				
Credit cost	0.71	14.38	5.16	3.2	2.66	2.76	2.71	2.6				
Tax rate	25.2	25.3	25.6	22.3	25.0	25.0	25.0	25.3				
Balance Sheet Parameters												
Disbursements (INR b)	74.0	63.1	71.5	93.8	106.5	123.6	131.5	143.4				
Growth (%)	-10.6	-19.1	-18.1	-3.2	43.9	95.7	84.0	52.9				
AUM (INR b)	270	284	310	356	413	477	550	603				
Growth (%)	51.7	40.5	41.2	42.5	53.0	68.0	77.6	69.4				
AUM mix (%)												
Focused	96.0	97.0	98.0	98.0	99.0	99.0	100.0	100.0				
Discontinued (Legacy and DA)	4.0	3.0	2.0	2.0	1.0	1.0	0.0	0.0				
Asset Quality Parameters												
GS 3 (INR m)	1,660	5,470	5,390	6,190	7,120	7,110	7,850	8,180				
GS 3 (%)	0.67	2.10	1.85	1.84	1.84	1.59	1.51	1.44				
NS 3 (INR m)	790	850	2,330	2,820	3,280	3,580	4,100	4,170				
NS 3 (%)	0.32	0.33	0.81	0.85	0.85	0.81	0.80	0.74				
PCR (%)	52.4	84.5	56.8	54.5	53.9	49.7	47.8	49.0				

E: MOFSL estimates

Ajanta Pharma

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR2,898 TP: INR3,400 (+17%) Buy

Strong beat on our 4Q estimates; robust outlook

Product launches/market reach to sustain growth momentum in branded generics

Bloomberg	AJP IN
Equity Shares (m)	125
M.Cap.(INRb)/(USDb)	362 / 3.8
52-Week Range (INR)	3228 / 2330
1, 6, 12 Rel. Per (%)	-2/17/14
12M Avg Val (INR M)	329

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	54.5	62.1	70.2
EBITDA	15.1	17.3	20.3
Adj. PAT	10.7	12.0	14.2
EBIT Margin (%)	24.5	24.8	25.9
Cons. Adj. EPS (INR)	85.0	95.4	113.0
EPS Gr. (%)	13.8	12.2	18.3
BV/Sh. (INR)	361.2	432.3	516.4

Ratios

Net D:E	-0.1	-0.2	-0.2
RoE (%)	25.6	24.1	23.8
RoCE (%)	25.3	23.2	23.1
Payout (%)	26.7	25.5	25.5

Valuations

P/E (x)	33.0	29.4	24.8
EV/EBITDA (x)	23.4	20.1	16.8
Div. Yield (%)	0.8	0.9	1.0
FCF Yield (%)	0.4	1.6	2.6
EV/Sales (x)	6.5	5.6	4.9

Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	66.3	66.3	66.3
DII	18.4	18.6	17.5
FII	8.3	8.0	8.9
Others	7.1	7.2	7.4

FII includes depository receipts

- Ajanta Pharma (AJP) delivered a better-than-expected 4QFY26, with a 10%/17%/21% beat on our revenue/EBITDA/PAT estimates. The robust revenue growth in the US and a lesser-than-expected decline in Asia sales, supported by better profitability, led to a superior show for the quarter.
- AJP achieved its highest-ever quarterly run rate in US sales at INR5b due to improved traction in existing products and new launches. AJP guided an accelerated pace of filing in FY27, which would improve the growth prospects in the US generics segment.
- In the domestic formulation segment, AJP exhibited a 1.3x and 1.7x YoY surge in volume and new launches vs. the industry, respectively, in FY26. It intends to further add MRs across therapies to sustain industry outperformance in the DF segment.
- While FY26 saw steady sales in Asia, AJP is geared up to notably improve growth in this segment, aided by new launches and higher market reach.
- AJP exhibited its second consecutive year of healthy growth in the Africa branded generics segment. The superior execution is expected to drive high-teens YoY growth in FY27 as well.
- We broadly retain our estimates for FY27/FY28. We expect a 13%/16% CAGR in revenue/EBITDA over FY26-28 due to sustained industry outperformance in the branded generics segment. The earnings CAGR would be similar to the EBITDA CAGR due to an increase in tax rate. We value AJP at 30x 12M forward earnings to arrive at a TP of INR3,400. **Reiterate BUY.**

Steady YoY revenue growth supported by margin expansion in 4Q

- AJP's 4QFY26 revenue grew 22% YoY to INR14.1b (our est: INR12.9b).
- Gross margin expanded 280bp YoY at 78.6%.
- EBITDA margin also expanded 100bps YoY to 26.4% (our est. 24.9%).
- EBITDA grew 26.2% YoY to INR3.8b (our est. INR3.2b).
- Adjusting for the net forex gain, PAT grew 20.6% YoY to INR2.7b (our est. INR2.2b).
- For FY26, AJP delivered a 17%/15%/14% YoY increase in revenue/EBITDA/PAT to INR54.5b/INR15.1b/INR10.7b.

Robust India/US/Africa growth offsets Asia's branded generics decline

- India sales were up 9% YoY to INR4b (29% of sales).
- The US generic sales grew 56% YoY to INR5.1b (36% of sales). Africa's institutional sales jumped 71% YoY to INR480m (3% of sales).
- Africa branded generic sales grew 37% YoY to INR1.8b (13% of sales).
- Branded generics Asia sales declined 10% YoY to INR2.7b (19% of sales).
- For FY26, R&D expenses stood at INR2.5b (5% of revenue).

- For FY26, AJP received four ANDA approvals, filed five ANDAs, and launched four products.
- For FY26, CFO is ~INR5.2b, and EBITDA to CFO conversion is 37%. The reduction in EBITDA to CFO conversion is largely due to increased working capital requirements due to the discontinuation of factoring.

Highlights from the management commentary

- AJP guided 16-18% YoY revenue growth for FY27. The growth would be driven by Asia/Africa (high double-digit YoY), and India (mid-teens YoY). However, the YoY growth would be dragged to some extent by mid-single-digit YoY growth in the US business.
- AJP guided a GM of 77% (+1%) and an EBITDA margin of 27% (+1%) in FY27.
- It indicated that sea transport for its goods was working amidst political turmoil in the Middle East. However, it is taking a longer time and incurring additional costs.
- AJP would be adding 250-300MRs across therapies in the DF segment in FY27 (~5-6% increase); similar additions are also planned across Asia/Africa markets.

Consolidated - Quarterly Earnings Model

Y/E March	FY25				FY26				FY25	FY26	FY26E	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	11,449	11,866	11,461	11,704	13,027	13,537	13,748	14,216	46,481	54,529	12,873	10.4
YoY Change (%)	12.1	15.4	3.7	11.0	13.8	14.1	20.0	21.5	10.4	17.3	10.0	
EBITDA	3,604	3,368	3,208	2,972	3,765	3,688	3,892	3,751	13,152	15,096	3,205	17.0
YoY Change (%)	28.1	15.9	-0.3	6.8	4.5	9.5	21.3	26.2	12.2	14.8	7.9	
Margins (%)	31.5	28.4	28.0	25.4	28.9	27.2	28.3	26.4	28.3	27.7	24.9	
Depreciation	340	344	360	398	413	430	435	454	1,441	1,731	436	
Interest	7	60	79	61	53	34	51	24	207	161	66	
Other Income	182	195	129	111	170	197	164	171	616	701	176	
PBT before EO expense	3,439	3,159	2,898	2,624	3,469	3,421	3,571	3,444	12,119	13,905	2,879	
Extra-Ord expense	-217	-257	176	71	-158	-13	16	27	-227	-129	0	
PBT	3,221	2,902	3,074	2,694	3,311	3,408	3,586	3,471	11,892	13,777	2,879	
Tax	764	738	745	442	758	806	848	804	2,688	3,217	685	
Effective Rate (%)	23.7	25.4	24.2	16.4	22.9	23.7	23.7	23.2	22.6	23.3	23.8	
Reported PAT	2,458	2,165	2,329	2,253	2,553	2,602	2,738	2,667	9,204	10,560	2,194	21.6
Adj PAT	2,624	2,356	2,196	2,194	2,675	2,612	2,726	2,646	9,369	10,659	2,194	20.6
YoY Change (%)	30.8	26.5	3.3	16.4	2.0	10.9	24.2	20.6	18.9	13.8	0.0	
Margins (%)	22.6	19.5	18.9	18.6	20.3	19.0	19.6	18.4	19.9	19.3	16.8	

Key Performance Indicators

Y/E March	FY25				FY26				FY25	FY26	FY26E	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
INRm												
Domestic formulations	3,530	3,860	3,450	3,700	4,100	4,320	4,090	4,040	14,540	16,550	4,174	-3.2
YoY Change (%)	10.7	8.7	12.0	13.5	16.1	11.9	18.6	9.2	11.2	13.8	12.8	
Asia	2,770	2,960	3,160	3,030	3,040	3,100	2,880	2,740	11,944	11,760	2,424	13.0
YoY Change (%)	9.1	28.7	8.2	7.8	9.7	4.7	(8.9)	(9.6)	13.0	(1.3)	(20.0)	
Africa (branded + Insti)	2,720	2,560	2,060	1,610	2,660	2,530	2,710	2,300	8,902	10,200	2,456	-6.3
YoY Change (%)	21.4	31.5	(14.5)	(7.5)	(2.2)	(1.2)	31.6	42.9	6.7	14.0	52.5	
US	2,280	2,320	2,630	3,250	3,100	3,440	3,990	5,050	10,205	15,580	3,738	35.1
YoY Change (%)	7.0	(2.1)	4.4	24.5	36.0	48.3	51.7	55.4	5.9	48.7	15.0	
Cost Break-up												
RM Cost (% of Sales)	23.4	22.1	22.5	24.2	21.2	23.4	20.8	21.4	23.0	21.7	22.0	
Staff Cost (% of Sales)	22.2	22.0	23.1	23.9	23.3	23.4	23.5	24.0	22.8	23.6	24.6	
Other Cost (% of Sales)	18.5	22.8	21.8	21.1	22.4	21.3	22.8	23.3	21.1	22.4	24.1	
Gross Margins(%)	76.6	77.9	77.5	75.8	78.8	76.6	79.2	78.6	77.0	78.3	78.0	
EBITDA Margins(%)	31.5	28.4	28.0	25.4	28.9	27.2	28.3	26.4	28.3	27.7	24.9	
EBIT Margins(%)	28.5	25.5	24.9	22.0	25.7	24.1	25.1	23.2	25.2	24.5	21.5	
PBT Margins(%)	29.6	26.2	25.0	22.2	26.3	24.9	25.7	23.9	25.7	25.2	22.1	
PAT Margins(%)	22.6	19.5	18.9	18.6	20.3	19.0	19.6	18.4	19.9	19.3	16.8	

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	CAMS IN
Equity Shares (m)	248
M.Cap.(INRb)/(USD\$)	197.7 / 2.1
52-Week Range (INR)	875 / 611
1, 6, 12 Rel. Per (%)	15/11/6
12M Avg Val (INR M)	1433

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
AAUM (INR t)	52.7	59.9	69.8
Revenue	15.2	16.9	19.2
EBITDA	6.8	7.7	8.9
Margin (%)	44.9	45.8	46.6
PAT	4.7	5.3	6.3
PAT Margin (%)	31	32	33
EPS	18.9	21.6	25.3
EPS Grw. (%)	1.0	13.8	17.3
BVPS	53.3	65.1	79.0
Roe (%)	38.5	36.4	35.1
Div. Pay-out (%)	66.0	45.0	45.0

Valuations

P/E (x)	42.1	37.0	31.5
P/BV (x)	15.0	12.2	10.1
Div. Yield (%)	1.6	1.2	1.4

Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	0.0	0.0	0.0
DII	22.1	22.0	16.7
FII	44.4	44.7	55.0
Others	33.5	33.3	28.3

FII includes depository receipts

CMP: INR797

TP: INR920 (+15%)

Buy

Strong momentum in the non-MF business

- CAMS reported operating revenue of INR4b in 4QFY26 (in line), up 11% YoY, driven by 9% YoY growth in MF revenue and strong growth of 24% YoY in non-MF revenue. For FY26, revenue came in at INR15.1b, up 6% YoY.
- 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, up 15% YoY, reflecting an EBITDA margin of 46.3% (vs 44.7% in 4QFY25 and our est. of 43.9%). For FY26, EBITDA rose by 5% YoY to INR6.7b.
- PAT grew 12% YoY/remained flat QoQ at INR1.3b (15% beat, led by strong operating leverage), with a PAT margin of 31.8% vs. 31.7% in 4QFY25. For FY26, PAT dipped 2% YoY to INR4.6b.
- Going ahead, yields are expected to decline by less than 3% annually, with no significant pricing pressure anticipated from AMC negotiations. The company maintains more than 20% revenue growth guidance in the non-MF segment (~24% YoY in 4QFY26), with an aim to achieve 20%+ EBITDA margins in this segment (over 16% in 4QFY26).
- We have largely maintained our estimates. We expect revenue/EBITDA/PAT to post a CAGR of 13%/15%/16% over FY26-28. We reiterate a BUY rating on the stock with a revised TP of INR920 (based on 36x FY28E P/E).

Robust 20%+ growth across key non-MF segments

- CAMS' AAUM grew 21% YoY/remained flat QoQ to INR55.1t in 4QFY26, with a market share of ~68%. Equity mix stood at 55.4% vs 54.4% in 4QFY25 and 55.6% in 3QFY26. Equity AUM rose 23% YoY to INR30.5t.
- **MF revenue** grew 9% YoY to INR3.3b (flat QoQ amid volatility and weak NFOs), contributing ~85% to total revenue; asset-based income formed ~86% of MF revenue, with ~14% from non-asset streams.
- SIP momentum remained strong with 12.6m new registrations in 4QFY26 (+46% YoY vs industry at 37% YoY), while transaction volumes rose to 293m (+23% YoY, +7% QoQ) and investor folios increased 21% YoY to 114.1m.
- Equity net sales share rose to 76.3% (vs 71% in 3QFY26), while the unique investor base grew 18% YoY to 47.6m, outpacing industry growth of 13%.
- **Non-MF revenue** grew ~24% YoY, consistently exceeding 20% guidance over the past three years, with momentum expected to sustain; it now contributes ~15.3% of revenue, with broad-based 20%+ growth across segments (Payments, AIF, KRA, etc.).
- **CAMSPay** delivered 22.8% YoY growth in 4QFY26, driven by strong traction in payment gateway/card payments, with non-MF now contributing over 50%, led by credit card, insurance, and NBFC use cases.
- **CAMS Alternatives** delivered strong performance with 25.4% YoY revenue growth in 4QFY26 (highest-ever quarterly); with AUM surpassing INR3.1t and >50% outsourced market share, it reinforced leadership by winning 44 mandates, including 14 marquee clients.

- **CAMS KRA** delivered 28% YoY growth despite industry headwinds, aided by new broker additions; while Apr'26 pricing cuts may impact FY27 revenue by ~INR80m, this is expected to be largely offset by NSE KRA contributions (INR25-30m) and balance led by volume-led growth and new client wins, keeping overall growth broadly flat.
- **CAMSRep** delivered 6% YoY revenue growth, with insurer services up 5% and Bima Central growing 8%, driven by new client wins and higher user engagement.
- With respect to other non-MF businesses, **CAMS Finserv** recorded a 45.9% YoY growth on the back of strong product offerings. **Think360's** revenue grew 36% YoY. **CAMS NPS** achieved 54.4% YoY/7.8% QoQ revenue growth, driven by new signings.
- Total operating expenses rose 8% YoY to INR2.1b (in line), with CIR improving to 53.7% (vs 55.3% in 4QFY25/54.1% in 3QFY26); employee costs grew 6% YoY to INR1.3b (guided ~5% ahead), while other expenses increased 10% YoY to INR868m. Having invested in the non-MF businesses for the past few years, the operating leverage is playing out in these segments.
- Other income at INR129m declined 4% YoY/remained flat QoQ vs our estimates of INR45m.

Key takeaways from the management commentary

- Costs remain well controlled, with FY26 growth at ~9% YoY, driven by structural efficiencies (automation/AI and leaner MF manpower), and FY27 expected to stay disciplined at ~5% employee cost growth and ~9% overall.
- Under CAMSRep, Bima Central doubled its active user base with 1.3m additions in FY26, maintaining ~40% market share; with LIC commencing operations in Feb'26, it is expected to meaningfully scale this segment going forward.
- During the quarter, 4 SIFs launched their maiden funds, taking the total number of SIFs serviced to 6. A strong pipeline remains in place, with 8 additional SIF launches expected over the coming months

Valuation and view

- CAMS remains structurally well placed to benefit from steady MF AUM growth, supported by strong SIP momentum, while accelerating traction in high-growth non-MF segments with an increasing revenue mix shift. Profitability is gradually improving, aided by operating leverage in scalable, platform-led non-MF businesses and a disciplined cost structure. Although yields may see some compression, this is expected to be largely offset by robust non-MF growth, supporting a balanced earnings outlook.
- We have largely maintained our estimates. We expect revenue/EBITDA/PAT to post a CAGR of 13%/15%/16% over FY26-28. **We reiterate a BUY rating on the stock with a revised TP of INR920 (based on 36x FY28E P/E).**

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			
EBITDA	1,498	1,702	1,728	1,594	1,543	1,676	1,789	1,831	6,522	6,806	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)
PBT	1,424	1,622	1,661	1,479	1,444	1,534	1,647	1,665	6,187	6,261	1,456	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
Net Profit	1,070	1,208	1,241	1,128	1,080	1,139	1,246	1,259	4,647	4,695	1,094	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			
Key Operating Parameters (%)														
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)
Key Parameters														
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)

Estimate change	↓
TP change	↓
Rating change	↔

CMP: INR1,446 **TP: INR1,720 (+19%)** **Buy**

Sustained launch momentum underpins pre-sales

Healthy launch pipeline and pre-sales visibility

Sobha (SOBHA) 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). The company has maintained a healthy business development and launch pipeline, with a total project pipeline of ~31.2msf, including ~20.7msf of upcoming residential developments, of which ~15msf is concentrated in Bengaluru. It has outlined ~10msf of launches for FY27 across Bengaluru, Gurugram, Hyderabad, and Pune, with additional phases planned in Kerala (including Calicut) and Bengaluru, while Chennai and Pune launches are expected subsequently. Phase 1 of the Gurugram project (Crescent), launched in Apr'26, has already achieved ~50% sales, indicating strong demand traction. Further, Phase 1 developments in Hoskote and Gurugram together account for ~6.2msf, supporting near-term visibility. SOBHA continues to invest in land acquisition, with ~INR11.5–11.6b deployed in FY26 and a similar outlay planned for FY27, targeting ~10msf addition annually.

Pre-sales momentum to remain strong

SOBHA reported pre-sales of INR20.4b in 4QFY26, up 11% YoY, with the company's share at INR16.3b (+19% YoY), supported by sustenance sales and new launches. Rivana in Greater Noida witnessed strong initial traction with ~25% of inventory sold within the first few weeks of launch. For FY26, the company achieved healthy pre-sales of INR81.4b, up 30% YoY, driven by volumes of ~5.5msf (+18.5% YoY) and a 9% YoY increase in realizations to INR14,675/sft. Sales remained well diversified, with Bengaluru contributing ~55%, NCR ~30%, Kerala ~10%, and other cities ~5%. The company has guided for ~30% YoY growth in pre-sales for FY27, supported by a robust launch pipeline, with ~50–55% of sales expected from new launches and the balance from sustenance sales. With new launches planned and improved affordability, we bake in a 20% CAGR in pre-sales over FY26-28 at INR116b.

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. SOBHA's net cash on balance sheet improved to INR8b in FY26. With construction progressing swiftly, we bake in an 18% CAGR in collections over FY26-28 at INR98b.

Bloomberg	SOBHA IN
Equity Shares (m)	107
M.Cap.(INRb)/(USDb)	154.7 / 1.6
52-Week Range (INR)	1733 / 1130
1, 6, 12 Rel. Per (%)	19/-5/11
12M Avg Val (INR M)	357

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	51.9	57.2	68.6
EBITDA	3.1	5.2	7.4
EBITDA (%)	6.0	9.0	10.8
PAT	1.9	3.7	5.9
EPS (INR)	18.1	34.9	55.5
EPS Gr. (%)	104.2	93.2	58.9
BV/Sh. (INR)	441.4	469.9	519.1

Ratios

Net D/E	(0.1)	(0.4)	(0.4)
RoE (%)	4.2	7.7	11.2
RoCE (%)	5.1	7.9	11.0
Payout (%)	35.2	18.2	11.5

Valuations

P/E (x)	80	41	26
P/BV (x)	3	3	3
EV/EBITDA (x)	48	26	17
Div Yield (%)	0.4	0.4	0.4

Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	52.9	52.9	52.9
DII	26.1	25.8	24.0
FII	6.2	6.3	8.9
Others	14.8	15.1	14.2

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%.

Valuation and view

- Ongoing and upcoming projects are valued at a DCF basis of INR139b.
- **We reiterate our BUY rating on the stock with a TP of INR1,720, indicating a 19% upside potential.**

Quarterly Performance

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	6,404	9,336	12,241	12,406	8,519	14,076	9,431	19,878	40,387	51,905
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
EBITDA	559	771	672	941	238	956	388	1,522	2,943	3,104
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
PBT before EO expense	111	362	295	562	187	989	208	1,219	1,330	2,602
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	111	362	295	562	187	989	208	1,219	1,330	2,602
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 & P/L of Asso. Cos.	0	0	0	0	0	0	2	1	0	4
Reported PAT	61	261	217	409	136	725	154	918	947	1,934
Adj PAT	61	261	217	409	136	725	154	918	947	1,934
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
Key metrics										
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

AAVAS Financiers

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR1,446 TP: INR1,565 (+8%) Neutral

Growth recovery underway; sustained momentum key to re-rating AUM growth impacted by higher run-offs; 1+dpd improved ~65bp QoQ

Bloomberg	AAVAS IN
Equity Shares (m)	79
M.Cap.(INRb)/(USDb)	114.6 / 1.2
52-Week Range (INR)	2153 / 1050
1, 6, 12 Rel. Per (%)	21/-6/-18
12M Avg Val (INR M)	357

Financials & Valuations (INR b)

INR b	FY26	FY27E	FY28E
NII	11.8	13.9	16.3
PPP	8.7	10.3	12.2
PAT	6.5	7.7	9.2
EPS (INR)	83	97	116
EPS Gr. (%)	14	18	20
BV/Sh. (INR)	637	734	851

Ratios (%)

NIM	5.4	5.4	5.4
C/I ratio	45.0	44.4	43.5
Credit cost	0.19	0.23	0.17
RoA	3.3	3.3	3.4
RoE	13.9	14.2	14.7

Valuation

P/E (x)	17.5	14.9	12.4
P/BV (x)	2.3	2.0	1.7

Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	48.9	49.0	26.5
DII	22.1	14.3	10.8
FII	16.7	24.7	29.7
Others	12.2	12.0	33.1

FII includes depository receipts

- AAVAS Financiers' (AAVAS) 4QFY26 PAT grew 18% YoY to ~INR1.8b (in line). PAT for FY26 grew ~14% YoY to ~INR6.5b. NII in 4QFY26 grew 18% YoY to ~INR3.2b (in line). Other income grew 19% YoY to INR1.2b (PQ and PY: ~INR1b).

- Opex rose ~19% YoY to INR2b (~8% higher than est.). The cost-income ratio was stable YoY at ~46% (PY: ~46%, PQ: ~43%). PPOp grew 18% YoY to INR2.4b (in line). PPOp for FY26 grew ~15% YoY to ~INR8.7b.

- Credit costs stood at INR67m (in line) and translated into annualized credit costs of ~12bp (PY: ~15bp and PQ: ~14bp).

- AAVAS' growth strategy is anchored in disciplined expansion across high-potential geographies, with continued branch additions in select Tier 2 and Tier 3 markets to deepen penetration and strengthen local franchise presence. The company focuses on securing the right customer-product fit with appropriate pricing, ensuring scalable and quality-led origination.

- Growth will be further supported by a balanced sourcing mix, combining strong direct channels, expanding digital platforms, and selective partner-led origination. Together, these levers will enhance conversion efficiency, improve market reach, and position the franchise for stronger AUM growth.

- AAVAS' portfolio continues to remain largely insulated from stress, with stable collection trends and improving recent performance indicators. This reflects its sustained operational resilience despite ongoing geopolitical tensions, with no discernible impact observed on asset quality. Even as the company gradually expands yields, management expects credit costs to remain below ~25bp, supported by prudent risk selection.

- For AAVAS, a key re-rating trigger would be its ability to translate the stated ~20% growth ambition into sustained AUM expansion alongside healthy disbursement momentum, thereby demonstrating durable execution in an increasingly competitive environment. The stock currently trades at ~2x FY27E P/B. We estimate AUM/PAT CAGR of ~18%/19% over FY26-28E, with an RoA/RoE of 3.4%/15% by FY28E. **Reiterate Neutral with a TP of INR1,565 (based on 1.8x FY28E BVPS).**

AUM grows ~15% YoY; calibration of sourcing mix to support growth

- AUM grew 15% YoY and ~6% QoQ to ~INR235b. Disbursements rose ~16% YoY/36% QoQ to ~INR23.5b. The annualized run-off in the loan book increased to ~19.8% (PQ: ~16.4% and PY: 17.5%).

- On the sourcing front, growth is expected to be supported by a calibrated mix of strengthened direct origination and expanding digital channels, enabling wider reach while maintaining control over customer quality and pricing discipline.

- We expect AAVAS to deliver an AUM CAGR of ~18% over FY26-28.

Yields expected to show a gradual improvement

- NIM (as a percentage of total assets) in 4QFY26 expanded ~45bp QoQ to ~8.45% and ~30bp YoY to 7.93% in FY26. Reported spreads declined ~14bp QoQ to ~5.2% owing to the impact of ~15bp reduction in PLR w.e.f from Mar'26.
- AAVAS' disciplined pricing approach, anchored in offering the right product at appropriate customer-specific rates, is expected to sustain healthy spreads. The company continues to guide for spreads above ~5%, and we model NIMs of ~5.4% each in FY27E/FY28E.

Healthy improvement in asset quality; credit costs stable

- Asset quality exhibited improvement, with GS3/NS3 declining ~14bp/~11bp QoQ at 1.05%/0.68%. 1+dpd improved ~63bp QoQ to 3.2% (PQ: 3.8%).
- The company has historically maintained strong asset quality, and we expect this trend to continue. We model credit costs of ~23bp/17bp for AAVAS in FY27/FY28E.

Highlights from the management commentary

- About ~40% of the company's borrowings are linked to external benchmarks, while ~33% are linked to short-term MCLR (up to 3M MCLR), allowing ~73% of liabilities to reprice quickly in line with interest rate movements.
- The company has largely completed its planned investments in technology and digital infrastructure. A minor investment in collections software is expected, with no material impact on the overall cost structure.

Valuation and view

- AAVAS has outlined a clear growth roadmap, but execution remains a key monitorable. While asset quality is expected to remain stable and proactive management of borrowing costs should support margin resilience, the improvement in disbursement momentum seen in 4QFY26, partly aided by seasonality, will need to sustain alongside consistent execution of the broader growth strategy.
- We estimate an AUM/PAT CAGR of ~18%/19% over FY26-28E, with an RoA/RoE of 3.4%/15% by FY28. **Reiterate Neutral with a TP of INR1,565 (based on 1.8x FY28E BVPS).**

Quarterly performance

Y/E March	FY25				FY26				FY25	FY26	4QFY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	4,797	4,906	5,121	5,353	5,489	5,636	5,738	5,934	20,177	22,798	5,972	-1
Interest Expenses	2,352	2,489	2,587	2,647	2,713	2,755	2,745	2,735	10,075	10,948	2,846	-4
Net Income	2,446	2,418	2,533	2,705	2,776	2,881	2,993	3,199	10,102	11,849	3,126	2
YoY Growth (%)	8	9	15	14	14	19	18	18	11	17	16	
Other income	628	898	859	1,022	790	1,038	1,008	1,214	3,407	4,051	1,126	8
Total Income	3,074	3,316	3,392	3,728	3,566	3,919	4,001	4,414	13,509	15,900	4,252	4
YoY Growth (%)	10	13	16	15	16	18	18	18	13	18	14	
Operating Expenses	1,379	1,368	1,447	1,719	1,662	1,727	1,730	2,040	5,912	7,158	1,881	8
YoY Growth (%)	3	5	7	20	21	26	19	19	9	21	9	
Operating Profits	1,695	1,948	1,945	2,009	1,904	2,192	2,272	2,374	7,597	8,742	2,370	0
YoY Growth (%)	16	19	23	10	12	12	17	18	17.1	15.1	18.0	
Provisions	86	48	61	76	113	80	78	67	271	337	63	6
Profit before Tax	1,609	1,900	1,884	1,932	1,791	2,112	2,193	2,308	7,326	8,404	2,308	0
Tax Provisions	348	421	420	395	399	473	493	491	1,585	1,856	468	5
Profit after tax	1,261	1,479	1,464	1,537	1,392	1,639	1,700	1,817	5,741	6,549	1,840	-1
YoY Growth (%)	15	22	26	8	10	11	16	18	17.0	14.1	19.7	
Key Parameters (%)												
Yield on loans	13.08	13.04	13.18	13.1	13.13	13.08	13.02	12.8	13.5	13.5		
Cost of funds	8.08	8.15	8.24	8.2	8.02	7.85	7.68	7.6	7.7	7.4		
Spread	5.00	4.89	4.94	4.89	5.11	5.23	5.34	5.20	5.8	6.1		
NIM		7.78	7.75	8.11	7.48	8.04	8.01	8.45	5.4	5.4		
Credit cost	0.2	0.1	0.1	0.15	0.2	0.2	0.1	0.12	0.2	0.2		
Cost to Income Ratio (%)	44.8	41.2	42.7	46.1	46.6	44.1	43.2	46.2	43.8	45.0		
Tax Rate (%)	21.7	22.2	22.3	20.5	22.3	22.4	22.5	21.3	21.6	22.1		
Balance Sheet Parameters												
AUM (INR B)	178.4	184.0	192.4	204.2	207.4	213.6	222.0	234.5	204.2	234.5		
Change YoY (%)	21.8	20.1	19.6	17.9	16.2	16.1	15.4	14.8	18	15		
AUM mix (%)												
Home loans	69.0	69.0	69.0	68.0	67.0	67.0	66.0	65.0	68.0	65.0		
Mortgage loans	14.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	32.0	35.0		
Loans (INR B)	144.4	147.1	153.2	162.3	162.3	166.6	173.0	183.7	162.3	183.7		
% of AUM	81.0	80.0	79.6	79.5	78.2	78.0	77.9	78.3	15.9	13.2		
Disbursements (INR B)												
Change YoY (%)	13.4	2.8	17.0	6.9	-5.4	20.6	8.0	16.0	10	11		
Borrowings (INR B)												
Change YoY (%)	126.0	124.8	133.8	139.2	143.9	144.1	150.0	156.9	139.2	156.9		
Borrowings/Loans (%)	87.2	84.8	87.4	85.8	88.7	86.5	86.7	85.4	85.8	85.4		
Debt/Equity (x)	3.2	3.1	3.2	3.2	3.2	3.1	3.1	3.1	3.2	3.1		
Asset Quality (%)												
GS 3 (INR M)	1,466.1	1,601.0	1,757.0	1,763.0	1,987.0	2,081.0	2,066.0					
G3 %	1.01	1.08	1.14	1.1	1.22	1.24	1.19					
NS 3 (INR M)	1,043.4	1,142.0	1,233.0	1,191.0	1,360.0	1,418.0	1,366.0					
NS3 %	0.72	0.78	0.80	0.73	0.84	0.85	0.79					
PCR (%)	28.8	28.7	29.8	32.4	31.6	31.9	33.9					
ECL (%)	0.6	0.6	0.7	0.7	0.7	0.7	0.7					
Return Ratios - YTD (%)												
ROA (Rep)	3.0	3.3	3.3	3.3	2.9	3.4	3.4					
ROE (Rep)	13.1	14.0	14.1	14.1	12.6	14.3	14.3					

E: MOFSL Estimates

Spandana Sphoorty

Estimate change	↓
TP change	↑
Rating change	↔

CMP: INR266 **TP: INR280 (+5%)** **Neutral**

Business momentum improves, aided by stronger collection efficiency

AUM grew ~12% QoQ as disbursements pick up; NIM declined ~120bp QoQ

Bloomberg	SPANDANA IN
Equity Shares (m)	89
M.Cap.(INRb)/(USDb)	21.3 / 0.2
52-Week Range (INR)	306 / 181
1, 6, 12 Rel. Per (%)	26/16/1
12M Avg Val (INR M)	77

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	4.6	6.4	9.5
Total Income	5.6	9.4	12.6
PPoP	-2.0	3.0	6.0
PAT	-7.0	1.4	3.9
EPS (INR)	-87	16	44
EPS Gr. (%)	-	-	173
BV (INR)	240	279	322

Ratios (%)

NIM	9.6	13.3	14.3
C/I ratio	136.7	68.0	52.9
Credit cost	15.1	3.3	3.1
RoA	-9.5	2.0	4.3
RoE	-29.4	6.1	14.5

Valuations

P/E (x)	-	16.8	6.2
P/BV (x)	1.1	1.0	0.8

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	48.2	48.2	48.1
DII	5.8	5.8	6.5
FIIFII	19.9	20.4	19.8
Others	26.2	25.7	25.6

FI includes depository receipts

- Spandana Sphoorty's (SPANDANA) 4QFY26 PAT stood at ~INR53m (vs. MOFSL's loss of INR86m). NII declined 48% YoY to ~INR1.1b (21% miss).
- Opex declined ~23% YoY to ~INR1.6b (~17% lower than est). Operating loss stood at INR100m (PQ: Operating loss of INR670m). Credit costs (net of recoveries) resulted in provision write-backs of INR180m, leading to annualized credit costs of -2% (PQ: ~6.6% and PY: ~36.2%).
- Management indicated that disbursements are expected to remain at INR5b/month over the next 3-4 months before increasing to INR5.5-6b/month thereafter, contingent on collection efficiency trends. The company is targeting AUM of INR65b by FY27, indicating a steady recovery in growth.
- Spandana plans to launch individual loans in Jun'26 through pilot programs, with differentiated underwriting and assessment. It will target relatively affluent micro-entrepreneurs for working capital needs rather than new businesses, with pricing at 23-26% and ticket sizes of INR100K-400K.
- SPANDANA focuses on calibrated growth while maintaining asset quality and improving operational efficiency. With the newly originated portfolio gaining dominance and the leadership transition to the new MD/CEO, the company aims to scale up certain product segments, including MFI and micro-LAP, while optimizing collections and CoF.
- We cut our FY27 EPS estimate by 14% to factor in lower NIM due to higher CoF and raise our FY28 EPS estimate by 5% to factor in lower credit costs. Strategic initiatives such as branch rationalization, loan origination system (LOS) migration, and potential merger with Criss Financial are expected to enhance productivity and unlock synergies. However, we will closely monitor a) scale-up in disbursements, b) merger progress and its impact on opex, and c) asset quality trends, as the company now starts the process of rebuilding the franchise. **Reiterate our Neutral rating on the stock with a TP of INR280 (based on 0.9x Mar'28E BV).**

AUM grew ~12% QoQ; disbursements grew ~30% QoQ

- AUM declined ~35% YoY but grew ~12% QoQ to ~INR44.2b. Disbursement grew ~30% QoQ to INR15.4b. Total borrower count declined ~11% QoQ to 1.15m.
- The company is targeting continued customer addition momentum, with plans to add ~700k borrowers in FY27, taking total customers to ~1.6m.
- Loan officer (net) count declined by ~1,000 during the quarter and Spandana currently employs ~7,162 loan officers.
- We expect SPANDANA to deliver AUM growth of ~38% over FY26-28, aided by disbursement CAGR of ~39% during the same period.

Reported NIM declines ~120bp QoQ; Yields improve ~40bp sequentially

- Reported yields improved ~40bp QoQ to ~22.8%, while CoF rose ~60bp QoQ to ~13.2%, resulting in a ~20bp QoQ reduction in spreads to 9.6%.
- Reported NIM declined ~120bp QoQ to ~9.9%.
- Management shared that CoF is expected to stabilize around ~12-12.5%, with FY27 CoF likely below ~12.5% as conditions improve. We expect Spandana to report NIMs of ~13.3%/14.3% in FY27/FY28 (vs. 9.6% in FY26).

GNPA declines to 3.8%; X-bucket CE improves to ~99.7%

- GNPA/NNPA declined ~45bp/20bp QoQ to ~3.8%/0.8%. S3 PCR rose ~190bp QoQ to ~80.5%. Gross Stage 2 declined ~80bp QoQ to ~0.9%.
- Gross collection efficiency (including arrears) improved to 95.3% (PQ: 94.5%) and net collection efficiency improved to 94.7% (PQ: 93.9%). X-bucket collection efficiency stood at 99.7% in Mar'26 (vs. 99.5% in Dec'25). PAR 30+ improved to 4.7% in Mar'26 from 6% in Dec'25.
- SPANDANA guided for gross credit costs of ~2.5-3.0% in FY27. We expect the gross credit costs to normalize significantly over the medium term, declining from ~15% in FY26 to ~3.3% by FY28E.

Highlights from the management commentary

- Management shared that ~80% of AUM now comprises the new book under revised guardrails and BRE framework, showing strong performance after eight months of seasoning.
- For an AUM scale of INR80b, incremental opex requirements are limited, with only selective addition of front-end staff. No major branch expansion or broad-based hiring is required, reflecting existing distribution capacity. Head office fixed costs are largely built out, with no meaningful incremental overheads expected.

Valuation and view

- Spandana reported a steady quarter, with sequential improvement in disbursements driving AUM growth after nearly six quarters of AUM contraction. Asset quality continued to improve on the back of stronger collection efficiency and recoveries from the written-off pool, resulting in benign credit costs during the quarter.
- The stock trades at 1x FY27 P/BV. We expect Spandana to deliver a CAGR of 39%/38% in disbursements/AUM over FY26-FY28E, leading to RoA/RoE of 4.3%/15% in FY28E. **Reiterate our Neutral rating** with a TP of INR280 (based on 0.9x Mar'28E BV).

SPANDANA: 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	6,935	6,071	5,029	3,907	2,837	2,246	2,252	2,318	21,943	9,653	2,507	-8
Interest Expenses	2,594	2,584	2,290	1,855	1,538	1,199	1,087	1,260	9,323	5,084	1,165	8
Net Interest Income	4,342	3,487	2,739	2,052	1,300	1,048	1,164	1,058	12,621	4,569	1,342	-21
YoY Growth (%)	48.0	10.4	-13.4	-46.8	-70.1	-70.0	-57.5	-48.5	-3.8	-63.8	-34.6	
Other Income	435	994	697	282	204	149	204	453	2,298	1,010	518	-12
Total Income	4,776	4,481	3,436	2,335	1,504	1,196	1,368	1,511	14,918	5,580	1,859	-19
YoY Growth (%)	45.7	8.6	-15.5	-49.3	-68.5	-73.3	-60.2	-35.3	-5.8	-62.6	-20.4	
Operating Expenses	1,908	2,203	2,651	2,083	2,091	1,886	2,038	1,612	8,843	7,627	1,934	-17
Operating Profit	2,869	2,278	784	251	-587	-690	-670	-100	6,075	-2,048	-74	36
YoY Growth (%)	51.7	-11.6	-67.4	-90.5	-120.5	-130.3	-185.4	-139.9	-34.7	-133.7	-129.5	
Provisions & Loan Losses	2,118	5,164	6,661	6,028	4,222	2,582	584	-181	19,863	7,207	110	-264
Profit before Tax	751	-2,886	-5,876	-5,776	-4,809	-3,271	-1,255	80	-13,788	-9,255	-184	-144
Tax Provisions	193	-723	-1,474	-1,433	-1,207	-780	-305	28	-3,436	-2,263	-98	-128
Net Profit	557	-2,163	-4,402	-4,343	-3,602	-2,492	-950	53	-10,352	-6,992	-86	162
YoY Growth (%)	-53	-273	-446	-438	-	-	-	-	-307	-	-98	
Key Parameters (%)												
Yield on loans	25.4	24.4	24.0	23.4	23.0	23.2	25.4	25.1				
Cost of funds	11.4	12.4	12.6	12.0	12.3	12.6	12.3	13.0				
Spread	14.1	12.0	11.5	11.5	10.6	10.6	13.1	12.1				
NIM	15.9	14.0	13.1	12.3	10.5	10.8	13.1	11.5				
Credit cost	7.8	20.7	31.8	36.2	34.2	26.7	6.6	-2.0				
Cost to Income Ratio (%)	39.9	49.2	77.2	89.2	139.1	157.6	149.0	106.6				
Tax Rate (%)	25.8	25.0	25.1	24.8	25.1	23.8	24.3	34.3				
Performance ratios (%)												
AUM/Loan Officer (INR m)	11.9	9.5	7.1	5.5	5.2	4.7	4.8	6.2				
Borrowers/Branch	2,048	2,022	1,669	1,380	1,186	910	774	789				
Borrowers/Loan Officer	219	191	149	135	131	116	105	107				
Balance Sheet Parameters												
AUM (INR B)	117.2	105.4	89.4	68.2	49.6	40.9	39.5	44.2				
Change YoY (%)	32.5	7.7	-14.1	-43.0	-57.7	-61.2	-55.8	-35.2				
Disbursements (INR B)	22.8	15.1	14.4	3.7	2.8	9.3	11.9	15.4				
Change YoY (%)	37.2	-39.8	-43.3	-90.8	-87.7	-38.3	-17.7	321.6				
Borrowings (INR B)	90.4	78.5	67.5	56.6	43.1	32.9	37.9	39.4				
Change YoY (%)	42.6	1.1	-15.3	-40.0	-52.4	-58.1	-43.9	-30.3				
Borrowings/Loans (%)	77.1	74.5	75.5	82.9	86.8	80.5	95.9	89.2				
Debt/Equity (x)	2.4	2.2	2.2	2.1	1.9	1.5	1.8	1.9				
Asset Quality (%)												
GS 3 (INR M)	2,920	4,770	4,000	3,540	2,510	2,170	1,590	1,540				
G3 %	2.6	4.9	4.8	5.6	5.5	5.6	4.2	3.8				
NS 3 (INR M)	590	970	810	750	530	450	340	300				
NS3 %	0.5	1.1	1.1	1.3	1.3	1.3	1.0	0.8				
PCR (%)	79.8	79.7	79.8	78.8	78.9	79.3	78.6	80.5				
ECL (%)	4.4	7.5	8.5	9.6	9.0	7.5	5.4	4.0				
Return Ratios - YTD (%)												
ROA (Rep)	1.7	-7.1	-16.3	-18.7	-18.9	-16.1	-6.4	0.3				
ROE (Rep)	6.1	-24.0	-53.5	-60.8	-58.6	-44.1	-17.5	1.0				

E: MOFSL Estimates

Hero Motocorp

BSE SENSEX
77,018

S&P CNX
24,033

CMP:INR5,113

Buy

Conference Call Details



Date: 06th May 2026

Time: 10:30 AM

Concall registration- [\[Link\]](#)

Financials & valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	468.3	508.4	552.0
EBITDA	68.7	72.8	80.5
Adj. PAT	53.6	57.5	64.2
Adj. EPS (INR)	267.8	287.0	320.8
EPS Gr. (%)	16.3	7.2	11.8
BV/Sh. (INR)	1,078	1,155	1,246
Ratios			
RoE (%)	25.9	25.7	26.7
RoCE (%)	25.4	25.2	26.2
Payout (%)	71.0	73.2	71.7
Valuations			
P/E (x)	19.1	17.8	15.9
P/BV (x)	4.7	4.4	4.1
Div. Yield (%)	3.6	4.1	4.5
FCF Yield (%)	7.2	3.3	6.3

Earnings in line with estimates

- Net revenues grew 28.8% YoY (in line with estimates) to ~INR128b.
- Net realizations grew 3.7% YoY/2.7% QoQ to ~INR74.6k per units. Volumes rose 24.2% YoY and remained flat QoQ at 1.7m units, primarily due to a strong festive season led by GST rate cuts and new model launches across all categories.
- Gross margins contracted 300bp YoY to 31.5% (below the estimated 32.2%).
- EBITDA was up 31.1% YoY to INR18.6b, broadly in line with our estimates. EBITDA margins marginally expanded 30bp YoY to 14.5% (in line).
- PAT came in line with our estimates at INR14b, up 29.6%.
- For the full year, Revenue/EBITDA/PAT were up 25%/17.1%/31% YoY to INR468b/~INR69b/~INR54b, respectively.
- Revenues from its Part, Accessories, and Merchandising business for the year stood at INR61.5b.
- CFO for the year stood at INR83.1b, with an FCF of INR73.2b. RoE/RoCE were up marginally at 25.9%/25.4%, respectively.
- The Board has declared a final dividend of INR75 per share, with full year dividend now amounting to INR185 per share (payout of 9250%).

From the PR

- Hero MotoCorp (HMCL) has firmly maintained its status as the world's largest manufacturer of motorcycles and scooters for the 25th year in a row, underscoring its long-standing dominance in the industry.
- The company has increased its stake to 36.7% in Euler Motors, a move designed to strengthen its dedicated focus on delivering last-mile electric mobility solutions.
- The company has significantly bolstered its product portfolio through a series of new launches and comprehensive updates, specifically introducing models like the HF Deluxe Pro, Glamour X, Destini 125, Destini 110, Xoom 160, Xtreme 125R, and Xpulse 210.
- Market share has been successfully expanded within the entry-level segment, driven largely by the HF Deluxe Pro, alongside the successful integration of new feature upgrades for the Passion+ and the latest XTEC 2.0 enhancements for the Splendor+.
- The Harley-Davidson business segment has seen a notable expansion with the launch of the H-D X440T, the re-introduction of the Street Bob, and the addition of the all-new Road Glide and Street Glide models to the lineup.
- VIDA, the company's emerging mobility business, recorded its highest-ever annual retail performance with an impressive 190% growth over the previous year.

- HMCL achieved record-breaking global dispatches and successfully broadened its international reach to 52 countries, marking its entry into the UK and broader European markets with a new range of Euro5+ compliant motorcycles.
- Further supporting its global ambitions, the company introduced three new products—the Hunk 250R, Xoom 125R, and Hunk 440—which are specifically tailored for international markets.
- **Valuation:** The stock trades at 17.8x/15.9x FY27E/FY28E EPS.

Quarterly Performance (S/A)

Y/E March	FY25				FY26				FY25	FY26	Var.	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				4QE
Total Volumes ('000 nos)	1,535	1,520	1,464	1,381	1,367	1,691	1,697	1,714	5,899	6,469	1,714	
Growth YoY (%)	13.5	7.3	0.3	-0.9	-10.9	11.3	15.9	24.2	4.9	15.1	24.2	
Net Realization	66,076	68,851	69,755	71,991	70,069	71,724	72,658	74,646	69,088	72,393	73,312	
Growth YoY (%)	1.9	3.3	4.7	5.3	6.0	4.2	4.2	3.7	3.7	8.7	1.8	
Net Op Revenues	101,437	104,632	102,108	99,387	95,789	121,264	123,284	127,965	407,564	468,301	125,678	1.8
Growth YoY (%)	15.7	10.8	5.0	4.4	-5.6	15.9	20.7	28.8	8.8	25.0	26.5	
RM Cost (% sales)	67.7	66.7	65.8	65.5	66.7	66.7	67.4	68.5	66.4	67.4	67.8	
Staff Cost (% sales)	6.0	6.2	6.5	6.8	6.5	5.8	5.7	5.3	6.4	5.8	5.7	
Other Exp (% sales)	11.9	12.6	13.3	13.5	12.3	12.5	12.2	11.7	12.8	12.1	12.2	
EBITDA	14,598	15,159	14,765	14,156	13,817	18,234	18,101	18,556	58,677	68,708	17,946	3.4
EBITDA Margins (%)	14.4	14.5	14.5	14.2	14.4	15.0	14.7	14.5	14.4	14.7	14.3	
Change (%)	21.0	14.1	8.4	4.1	-5.3	20.3	22.6	31.1	11.6	17.1	14.3	
Other Income	2,317	2,830	3,175	2,237	3,037	2,328	2,959	2,086	10,559	10,410	2,463	
Interest	48	49	55	47	56	57	60	55	199	228	68	
Depreciation	1,932	1,937	1,969	1,921	1,928	1,970	2,044	2,039	7,759	7,980	2,067	
PBT before EO Exp/(Inc)	14,935	16,003	15,916	14,425	14,870	18,537	18,955	18,548	61,278	70,910	18,274	
Effective Tax Rate (%)	24.8	24.8	24.4	25.1	24.3	24.9	24.1	24.5	24.8	24.4	25.3	
Adj. PAT	11,226	12,035	12,028	10,809	11,257	13,928	14,385	14,011	46,100	53,581	13,655	2.6
Growth (%)	18.7	14.2	12.1	6.4	0.3	15.7	19.6	29.6	12.7	31.0	26.3	

BSE SENSEX
77,018

S&P CNX
24,033

CMP: INR2,528

Buy

Conference Call Details



Date: 06th May 2026

Time: 11:30am IST

Dial-in details:

[Click Here](#)

Operating performance beats our estimates

- SRF reported overall revenue of INR46.2b (est. in line) in 4QFY26, up ~7% YoY. Revenue for the Chemical/Packaging Film/Technical Textile business grew 4%/13%/5% YoY to ~INR24.5b/INR15.9b/INR4.8b.
- EBITDA margins expanded 180bp YoY to 25% (est. of 23%). Gross margins stood at 50.5% in 4QFY26 vs. 48.2% in 4QFY25. Employee costs: 6.8% vs. 6.4%, power cost: 7.5% vs. 7.7%, other expenses: 11.3% vs. 10.9%.
- EBITDA stood at INR11.5b (est. of INR10.9b), up 15% YoY.
- EBIT margin in the Chemical/Packaging Film/Technical Textile business expanded 20bp/220bp/480bp YoY to 32.0%/9.6%/13.5%.
- Adj. PAT grew 20% YoY to INR6.9b (est. of INR6.3b), adjusted for forex loss/labor code impact of INR1.3b/INR117m in 4QFY26.
- For FY26, Revenue/EBITDA/Adj. PAT grew 7%/27%/51% YoY to INR158b/INR36b/INR21b.
- Gross debt stood at INR50b vs INR46b as of Mar'25. CFO stood at INR2.6b vs INR2.5b as of Mar'25.
- The Board has revised the Refrigerants project capex to ~INR23b (from INR11b) following land acquisition in Odisha, expanding the scope to include HFO, HF, and value-added HF derivatives capacity. The project will be executed in phases using in-house technology, with completion targeted by Feb'28.
- Additionally, an INR880m investment has been approved to expand HFC capacity at Dahej, aligned with Kigali Amendment entitlements. Post debottlenecking, total HFC capacity will reach 65,000 TPA, with commissioning expected in the near term.

Consolidated - Quarterly Earning

(INR m)

Y/E March	FY25				FY26				FY25	FY26	FY25E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QF	%	
Net Sales	34,641	34,243	34,913	43,133	38,186	36,402	37,125	46,152	1,46,931	1,57,865	47,242	-2
YoY Change (%)	3.8	7.8	14.4	20.8	10.2	6.3	6.3	7.0	11.8	7.4	9.5	
Total Expenditure	28,435	28,637	28,375	33,108	29,975	28,354	28,924	34,633	1,18,555	1,21,885	36,376	
EBITDA	6,207	5,606	6,538	10,025	8,212	8,048	8,202	11,519	28,376	35,980	10,866	6
Margins (%)	17.9	16.4	18.7	23.2	21.5	22.1	22.1	25.0	19.3	22.8	23.0	
Depreciation	1,882	1,939	1,943	1,952	2,032	2,121	2,169	2,198	7,715	8,521	2,300	
Interest	965	938	963	894	799	707	655	620	3,760	2,780	705	
Other Income	253	333	396	345	291	257	273	249	1,327	1,071	430	
PBT before EO expense	3,612	3,063	4,029	7,525	5,671	5,477	5,651	8,950	18,229	25,749	8,291	
Extra-Ord expense & DO	172	226	342	451	-87	306	1,134	1,379	1,192	2,733	0	
PBT	3,440	2,837	3,687	7,074	5,758	5,171	4,517	7,571	17,037	23,016	8,291	
Tax	918	822	976	1,813	1,435	1,289	190	1,751	4,529	4,665	2,024	
Rate (%)	25.4	26.9	24.2	24.1	25.3	23.5	3.4	19.6	24.8	18.1	24.4	
Reported PAT	2,522	2,014	2,711	5,261	4,323	3,882	4,327	5,820	12,508	18,352	6,267	
Adj PAT	2,695	2,240	3,053	5,712	4,258	4,112	5,177	6,855	13,700	21,085	6,267	9
YoY Change (%)	-29.6	-30.0	12.4	30.4	58.0	83.5	69.6	20.0	-3.0	53.9	10	
Margins (%)	7.8	6.5	8.7	13.2	11.2	11.3	13.9	14.9	9.3	13.4	13.3	

United Breweries

BSE SENSEX
77,018

S&P CNX
24,033

CMP: INR1,453

Conference Call Details



Date: 06th May 2026

Time: 3:00 PM

Dial-in details:

+91 22 6280 1234 /

+91 22 7115 8135

[Diamond Pass Registration](#)

Financials & Valuations (INR b)

Y/E MAR	FY26E	FY27E	FY28E
Net Sales	92.3	102.7	114.7
Sales Gr. (%)	3.7	11.2	11.8
EBITDA	8.1	9.8	12.8
Margin (%)	8.7	9.5	11.1
Adj. PAT	3.7	5.0	7.1
Adj. EPS (INR)	14.1	18.8	27.0
EPS Gr. (%)	-19.9	32.7	44.0
BV/Sh. (INR)	168.9	179.0	193.5

Ratios

RoE (%)	8.5	10.8	14.5
RoCE (%)	9.5	11.6	15.2

Valuations

P/E (x)	105.6	79.6	55.3
P/BV (x)	8.8	8.3	7.7
EV/EBITDA (x)	47.9	38.9	30.1

Miss on all fronts; volatile quarterly trend continues

- UBBL's standalone net sales declined 3% YoY to INR22.5b (est. INR24.7b) despite volume growth of 4% (est. +4%).
- Premium portfolio continued to grow strongly and delivered 16% volume growth (21% growth in FY26).
- Gross margin expanded 330bp YoY to 45.4% (est. 43%).
- Other expenses rose 14%, while employee expenses grew merely 2% YoY.
- EBITDA margin contracted 180bp YoY to 6.2% (est. 7.8%, 10.9% in 3QFY26). The margin trajectory has been volatile on the quarterly basis.
- EBITDA fell 25% YoY to INR1.4b (est. INR1.9b).
- Interest costs rose ~395% YoY to INR290m (est. INR173m).
- APAT was down 46% YoY at INR530m (est. INR1,045m).
- There was an exceptional gain of INR740m during the quarter on the transfer of free-hold land.
- In FY26, net sales grew by 4% while EBITDA and APAT were down 4% and 20%, respectively.

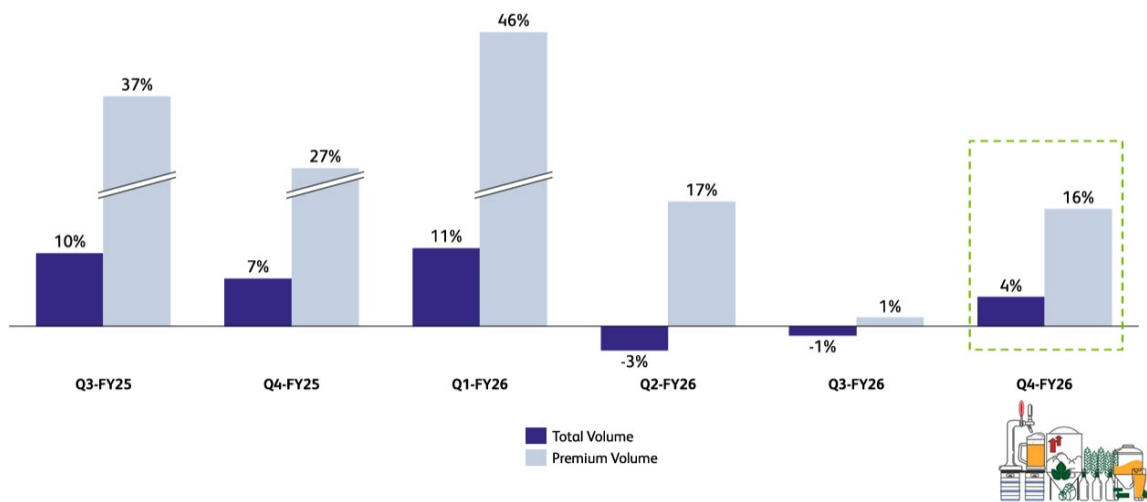
Standalone Quarterly Performance

Y/E March	FY25				FY26				FY25	FY26	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Volume growth (%)	5	5	8	5	11	-3	-1	4	6	7	4	
Net Sales	24,730	21,147	19,984	23,214	28,624	20,511	20,714	22,478	89,074	92,327	24,739	-9.1%
YoY Change (%)	8.8	12.0	9.6	8.9	15.7	-3.0	3.7	-3.2	9.7	3.7	6.6	
Gross Profit	10,642	9,272	8,619	9,772	12,176	8,779	9,393	10,209	38,305	40,557	10,609	-3.8%
Margin (%)	43.0	43.8	43.1	42.1	42.5	42.8	45.3	45.4	43.0	43.9	42.9	
EBITDA	2,847	2,268	1,411	1,862	3,105	1,301	2,255	1,391	8,390	8,053	1,935	-28.1%
YoY Change (%)	27.8	22.9	-3.0	31.2	9.1	-42.6	59.8	-25.3	20.5	-4.0	3.9	
Margins (%)	11.5	10.7	7.1	8.0	10.8	6.3	10.9	6.2	9.4	8.7	7.8	
Depreciation	577	571	613	567	628	640	689	759	2,327	2,716	693	
Interest	16	22	32	59	112	147	169	290	129	717	173	
Other Income	73	105	101	79	110	150	109	78	357	446	82	
PBT before EO expense	2,327	1,781	867	1,316	2,475	665	1,506	420	6,291	5,066	1,151	-63.5%
Tax	595	458	227	342	638	196	510	144	1,622	1,487	106	
Rate (%)	25.5	25.7	26.2	26.0	25.8	29.4	33.9	34.2	26.9	27.3	9.2	
Reported PAT	1,733	1,322	383	974	1,837	469	808	1,017	4,412	4,132	1,045	
Adj PAT	1,733	1,322	640	974	1,837	469	932	530	4,669	3,741	1,045	-49.3%
YoY Change (%)	27.3	22.9	-24.5	20.5	6.0	-64.5	45.6	-45.6	13.6	-19.9	7.3	
Margins (%)	7.0	6.3	3.2	4.2	6.4	2.3	4.5	2.4	5.2	4.1	4.2	

E: MOFSL Estimates

Quarterly volume growth

UBL Quarterly Volume Development (based on HL)



Alkyl Amines

BSE SENSEX
77,018

S&P CNX
24,033

CMP: INR1523

Neutral

Conference Call Details



Date: 06th May 2026

Time: 3:00 pm IST

Dial-in details: +91 22 6280

1148 / +91 22 7115 8049

Strong beat on our estimates

- 4QFY26 revenue came in at INR3.9b (est. INR3.3b), flat YoY and up 9% QoQ.
- Gross margin stood at 46% (Flat YoY, -200bp QoQ).
- EBITDAM came in at 18.3% (+70bp YoY, -70bp QoQ).
- EBITDA stood at INR707m (est. INR558m), up 4%/5% YoY/QoQ.
- Adjusted PAT stood at INR454m (est. INR349m), down 1% YoY and up 7% QoQ.
- For FY26, Revenue/EBITDA/Adj. PAT declined ~2%/2%/3% to INR15.4b/INR2.8b/INR1.8b.
- The BOD has recommended a dividend of INR10 per share for FY26.

Standalone - Quarterly Snapshot

Y/E March	FY25				FY26				(INR m)			Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY25	FY26E	FY26 4QE	
Gross Sales	3,997	4,149	3,712	3,861	4,055	3,894	3,540	3,869	15,718	15,359	3,281	18%
YoY Change (%)	-2.5	17.8	15.3	8.3	1.5	-6.1	-4.6	0.2	9.1	-2.3	-15.0	
Total Expenditure	3,206	3,414	3,000	3,182	3,290	3,192	2,868	3,162	12,807	12,512	2,724	
Gross Margin (%)	47.0%	45.4%	48.4%	45.9%	45.8%	47.3%	47.9%	45.8%	46.6%	46.7%	47.5%	
EBITDA	791	735	712	678	766	702	672	707	2,911	2,846	558	27%
Margin (%)	19.8	17.7	19.2	17.6	18.9	18.0	19.0	18.3	18.5	18.5	17.0	
Depreciation	177	180	179	176	179	182	177	179	712	717	185	
Interest	2	4	9	2	3	3	2	3	10	12	2	
Other Income	47	92	66	93	80	74	80	83	298	317	95	
PBT before EO expense	659	643	591	594	663	591	572	608	2,486	2,435	466	
PBT	659	643	591	594	663	591	572	608	2,486	2,435	466	
Tax	170	169	153	133	169	162	150	154	625	635	117	
Rate (%)	25.9	26.2	25.9	22.5	25.5	27.4	26.2	25.4	25.1	26.1	25.2	
Adj PAT	489	475	438	460	494	429	423	454	1,861	1,800	349	30%
YoY Change (%)	-1.8	74.2	30.9	19.7	1.2	-9.5	-3.4	-1.4	25.0	-3.3	-24.2	
Margin (%)	12.2	11.4	11.8	11.9	12.2	11.0	11.9	11.7	11.8	11.7	10.6	

Shoppers Stop

BSE SENSEX
77,018

S&P CNX
24,033

CMP: INR295

Neutral

Conference Call Details



Date: 06th May 2026

Time: 11am IST

Financials & Valuations (INR b)

INRb	FY26	FY27E	FY28E
Sales	47.1	49.3	52.5
EBITDA	7.2	8.0	8.5
Adj. PAT	(0.7)	(0.3)	(0.7)
EBITDA Margin (%)	15.3	16.1	16.3
Adj. EPS (INR)	(5.9)	(3.1)	(6.2)
EPS Gr. (%)	NA	84.4	101.3
BV/Sh. (INR)	35.8	34.4	26.2
Ratios			
Net D:E	10.3	10.2	14.2
RoE (%)	(20.4)	(11.2)	(27.1)
RoCE (%)	4.6	5.8	5.4
Payout (%)	-	-	-
Valuations			
P/E (x)	(50.8)	(95.4)	(47.4)
EV/EBITDA (x)	9.1	7.8	7.5
EV/Sales (x)	1.4	1.3	1.2

Premiumization holding up growth; margins disappoint

- Shoppers Stop's standalone revenue was up 9% YoY at INR11.2b (5% ahead of our est.), led by strong LFL growth in core departmental stores.
- Departmental store revenues grew by 6% YoY, driven by robust 5% LFL growth. The full-year revenue surpassed INR50b with 4.7% LFL, the highest in 10 years.
- Premiumization continues to drive growth, with the premium mix growing 11% YoY (LFL 10% vs. 6%/14% in 3Q/2Q). Personnel shoppers reported INR12b in revenue with contribution increasing 400p YoY.
- Beauty segment (ex-distribution) revenue declined 7% YoY, while including distribution revenue grew 17% YoY. On a full-year basis, Beauty (including distribution) grew 17% YoY, led by a spurt in distribution revenue (up 81% YoY).
- Revenue from In-tune stood at INR670m (vs. INR770m QoQ, up 24% YoY) with presence expanding to 84 stores (vs. 81 QoQ). Full year up 46% YoY.
- Store additions were muted, with the store count remaining flat YoY at 295 stores. It added net three departmental/Intune stores but closed beauty EBOs.
- The respective store count stood at: Departmental: 113 (4 opened, 1 closed), Beauty: 73 (7 closed), Intune: 84 (4 opened, 1 closed), and Home Stop: 12 (1 addition) for a total store count of 295.
- Gross profit was up by a modest 2% YoY to INR4.6b (1% below estimates) as gross margins contracted by ~280bp YoY to 41.6%.
- Employee cost grew 10% YoY, while other expenses declined 4% YoY.
- EBITDA grew 5% YoY to INR1.8b (in line) with the margin at 15.9% (contracting ~65bp YoY, 50bp miss), owing to lower gross margin.
- Pre-Ind-AS operating profit** stood at INR270m (down 14% YoY), with margins at 2.2% (vs. 2.9% in 4QFY25)
- Depreciation and interest costs were up 15%/2% YoY. Other income declined 50% YoY, further hurting profitability.
- Reported loss stood at INR183m (vs. profit of INR25m YoY).

Full-year performance

- Standalone revenue grew 6% YoY to INR47b.
- Gross margin was hit, contracting 110bp to 40.2%.
- Employee costs were up 6%, while others grew 2% YoY.
- Better cost controls were partly offset by lower gross margin, leading to a 50bp dip in EBITDA margin to 15.3%; EBITDA was up 3% YoY to INR7.2b.
 - Lease rentals grew 9% YoY to INR5.8b in FY26 to 11.4% of sales (up 27bp YoY).
 - FY26 Pre-IND AS EBITDA stands at INR1.4b (vs. INR1.7b YoY) with margins at 2.7% vs. 3.5% in FY25.
- Depreciation grew by 9%, while finance costs declined by 11%.
- Adj. loss stood at INR275m (vs. INR67m profit in FY25).

- **Core WC** stood at (-)30 days (INR3.9b), down 50% YoY, owing to a dip in inventory days (down 10 days to 148 days). SHOP has repaid borrowings worth INR1.1b in FY26, taking the total debt to INR1.5b (on track to be debt-free by FY27).
- Despite lower profitability, WC optimization has led to strong improvement in OCF (post leases + interest) at INR2.7b (vs. INR247m YoY). Capex also declined 25% YoY to INR1.2b owing to a slow ramp-up in Intune stores, resulting in an FCFF generation of INR1.5b.

Segment performance

- **The core segment** reported INR12.8b revenue (4% YoY) with Pre-IND AS EBITDA at INR500m (down 12% YoY) and a margin of 3.9% (down ~75bp on account of operating deleverage).
- **New Ventures** reported sales of INR720m (up 30% YoY), with Pre-IND AS EBITDA loss of (-) INR210m (increasing 11% YoY).
- *Segment-level EBITDA includes other income.*

Management commentary:

- SHOP's 4Q experienced early signs of demand recovery with improving customer traction (footfalls +3% LFL), while premiumization remained the key growth driver. Premium brands now contribute ~71% of sales with double-digit LFL growth.
- **INTUNE** showed sequential improvement from February with better sell-through and margin progression, though the format remains in investment mode. The focus remains on tightening unit economics via pricing resets, inventory control, and CRM-led repeat growth to drive a gradual turnaround.

Standalone P&L (INR m)	4QFY25	3QFY26	4QFY26	YoY%	QoQ%	4QFY26E	v/s Est (%)
Total Revenue	10,224	13,209	11,173	9	-15	10,684	5
Raw Material cost	5,690	8,007	6,531	15	-18	5,990	9
Gross Profit	4,533	5,201	4,643	2	-11	4,694	-1
Gross margin (%)	44.3	39.4	41.6	-279bp	217bp	43.9	-238bp
Employee Costs	1,022	1,107	1,124	10	2	1,064	6
SGA Expenses	1,818	1,997	1,739	-4	-13	1,874	-7
EBITDA	1,694	2,097	1,780	5	-15	1,756	1
EBITDA margin (%)	16.6	15.9	15.9	-63bp	5bp	16.4	-50bp
Depreciation and amortization	1,243	1,310	1,425	15	9	1,289	10
EBIT	451	787	356	-21	-55	466	-24
EBIT margin (%)	4.4	6.0	3.2	-123bp	-278bp	4.4	-118bp
Finance Costs	691	702	705	2	0	722	-2
Other income	174	239	86	-51	-64	149	-42
Exceptional item	21	-175	-13	NM	NM	0	
Profit before Tax	-45	149	-276	510	NM	-107	-159
Tax	-70	23	-94	34	NM	-27	-248
Tax rate (%)	154.5	NM	33.8			25.2	
Profit After Tax	25	126	-183	-840	-245	-80	-129
Adj Profit After Tax	4	301	-170	-4,143	-156	-80	-113

Pre-IND AS P&L (INR m)	4QFY25	3QFY26	4QFY26	YoY%	QoQ%
Total Revenue	10,860	14,200	12,100	11	-15
Gross Profit	4,140	4,980	4,310	4	-13
Gross margin (%)	38.1	35.1	35.6	-250bp	55bp
Lease rent	1,380	1,440	1,510	9	5
Opex	2,446	2,883	2,530	3	-12
EBITDA	314	657	270	-14	-59
EBITDA margin (%)	2.9	4.6	2.2	-66bp	-240bp
Depreciation and amortization	400	340	400	0	18
EBIT	-86	317	-130	51	-141
EBIT margin (%)	-0.8	2.2	-1.1	-28bp	-331bp
Finance Costs	40	40	20	-50	-50
Other income	300	260	260	-13	0
Exceptional item	20	190	10	NM	NM
Profit before Tax	640	130	-150	-123	NM
Tax	190	30	-90	-147	NM
Tax rate (%)	29.7	23.1	60.0		
Profit After Tax	450	100	60	-87	-40
Adj Profit After Tax	450	100	60	-87	-40

	4QFY25	3QFY26	4QFY26	YoY%	QoQ%
SSSG (%)	3.0%	-2.0%	5.0%		
Shoppers Stop stores	112	110	113	1	3
Net SS stores added	3	-1	3	NM	NM
Intune stores	71	81	84	18	4
Net Intune stores added	12	3	3	NM	NM

Core Business	4QFY25	3QFY26	4QFY26	YoY%	QoQ%
Sales	12,280	15,160	12,820	4	-15
Pre-IND AS EBITDA	570	900	500	-12	-44
% Margin	4.6	5.9	3.9	-74	-204

New Business	4QFY25	3QFY26	4QFY26	YoY%	QoQ%
Sales	560	830	720	29	-13
Pre-IND AS EBITDA	-190	-200	-210	11	5
% Margin	-28.6	-24.1	-29.2	-60	-507



Quess Corp : Global Factors, Domestic Elections Impacted General Staffing Biz; Lohit Bhatia, CEO

- Q4 staffing revenue muted due to supply-side disruptions & elections impacting migrant workforce availability
- NBFC insourcing impact clarified as historical, not current quarter drag
- GCCs now ~70% of professional staffing driving growth and stability
- Overall margin trajectory guided towards 2–3% medium term
- Construction staffing high-margin niche despite small base

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Tata Tech : Confident Of Double-Digit, Organic Growth In FY27; Warren Kevin Harris, MD & CEO

- Q4 revenue +12.5%, broad-based growth; ~4% from Aztec
- Strongest-ever deal pipeline supports double-digit outlook
- Margins up to ~16% (+190 bps QoQ) on scale recovery
- Target: >18% margins by Q4 FY27; long-term 20–21%
- Auto recovery drives growth; mix trending 70% auto, 30% non-auto

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KEI Industries : Volume Growth Is Tracking Strong In Q1 So Far; Anil Gupta, CMD

- Q4 volume growth ~12.5%, though revenue was hit by Middle East shipment delays.
- FY27 outlook remains strong with 20%+ revenue growth driven by Sanand capacity expansion.
- Margins stood near 11% (core cables ~12.4%) with guidance of 10.5–11% and stable outlook.
- Input costs are fully pass-through, keeping margins resilient across cycles despite volatility.
- Export disruption seen as temporary with strong order inflows recovering in Q1.

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Jindal Stainless : Efforts Underway To Replace Propane & LPG With Natural Gas; Tarun Kumar Khulbe, CEO & CFO

- FY26 volume growth 8.1% impacted by March disruption
- FY27 volume guidance 7–9%; exports stable at 8–10% mix
- Operating margin per ton ~18–20k H1 guidance amid high fuel costs
- Gas availability improving but input costs remain elevated
- Import relaxation seen as risk; net debt reduced vs guidance (~2.6–2.8k cr target)

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SELL	< - 10%
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