

## Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	74,609	0.1	-12.5
Nifty-50	23,413	0.1	-10.4
Nifty-M 100	60,165	0.8	-0.5
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	7,444	0.6	8.7
Nasdaq	26,402	1.2	13.6
FTSE 100	10,325	0.6	4.0
DAX	24,137	0.8	-1.4
Hang Seng	8,876	-0.1	-0.4
Nikkei 225	63,272	0.8	25.7
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	111	-0.3	77.4
Gold (\$/OZ)	4,689	-0.6	8.6
Cu (US\$/MT)	14,109	1.1	13.3
Almn (US\$/MT)	3,729	2.7	25.6
Currency	Close	Chg .%	CYTD.%
USD/INR	95.7	0.1	6.5
USD/EUR	1.2	-0.2	-0.3
USD/JPY	157.9	0.1	0.7
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	7.0	0.00	0.5
10 Yrs AAA Corp	7.5	0.00	0.2
Flows (USD b)	13-May	MTD	CYTD
FII	-0.49	-2.19	-22.7
DII	0.61	4.94	37.0
Volumes (INRb)	13-May	MTD*	YTD*
Cash	1,489	1539	1344
F&O	89,716	2,84,181	2,76,960

Note: Flows, MTD includes provisional numbers.

\*Average



## Today's top research idea

### TVS Motor Company: Margins stable despite cost pressures

- ❖ TVS Motor Company (TVS)'s 4QFY26 PAT stood at INR10b, in line with our estimates. EBITDA margin remained stable QoQ at 13.1% (in line) despite the sharp rise in input costs, as cost headwinds were offset by improved mix and favorable currency benefits.
- ❖ Overall, we factor in a revenue/EBITDA/PAT CAGR of 16%/19%/21% over FY26-28E. TVS's consistent market share gains across key domestic and export segments, along with a gradual improvement in margins, have driven healthy returns over the years. We expect this outperformance to continue over our forecast period, given its healthy new launch pipeline.
- ❖ This sustained outperformance is likely to help sustain its premium valuations in the long run. We reiterate our BUY rating and value the stock at 35x FY28E EPS to arrive at our TP of INR4,267.



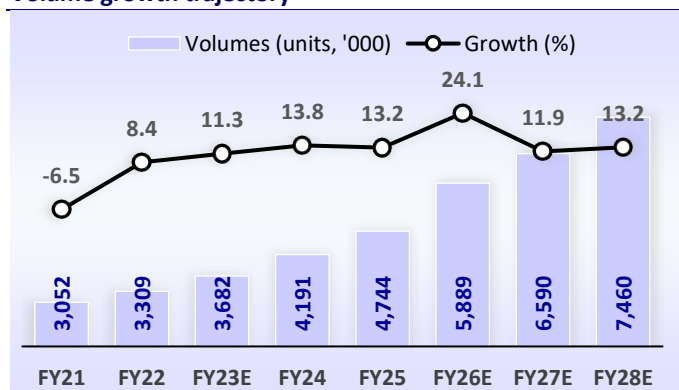
## Research covered

Cos/Sector	Key Highlights
TVS Motor Company	Margins stable despite cost pressures
Power Finance Corporation	Muted loan growth; pressure on yields weighs on NIM
TATA Motors	Rising costs to drive near-term margin pressure
Jindal Steel	Commissioning of new capacity to drive earnings
Cipla	Weak US flow; strong India show
Other Updates	HPCL   Tube Investments of India   GSK Pharma   MTAR Technologies   Crompton Greaves Consumer Electricals   Ventive Hospitality   Blue Dart Express   Sri Lotus Developers & Realty   Gopal Snacks   AMC   Bharti Airtel   DLF   Oil India   Bharti Hexacom   LIC Housing Finance   Inventurus Knowledge Solutions   Kaynes Technology   Signature Global



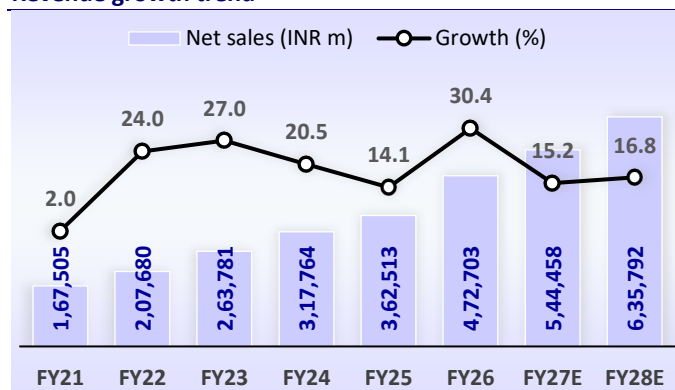
## Chart of the Day: TVS Motor Company (Margins stable despite cost pressures)

### Volume growth trajectory



Source: Company, MOFSL

### Revenue growth trend



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](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on textbox for the detailed news link

**1**

**RBI eases rules for outward remittances; drops prior approval for non-bank entities**

The Reserve Bank of India has eased rules for non-bank entities facilitating outward remittances. Prior approval from the RBI is no longer required for these tie-ups.

**2**

**Cabinet approves Rs 37,500 crore coal gasification scheme to cut import dependence**

The Union Cabinet on Wednesday approved a Rs 37,500 crore scheme to promote surface coal and lignite gasification projects, aiming to gasify around 75 million tonnes of coal and attract investments of up to Rs 3 lakh crore

**3**

**Russia to fulfil all agreements on energy supply to India: Russian FM Lavrov**

Russian Foreign Minister Sergey Lavrov has assured India that energy supply agreements will be completed. He stated that relations between Russia and India are based on deep friendship. Lavrov praised Prime Minister Narendra Modi as an energetic leader.

**4**

**Amul hikes milk prices by ₹2 per litre across country from May 14**

Gujarat Cooperative Milk Marketing Federation (GCMMF), which markets under the Amul brand, on Wednesday hiked milk prices by Rs 2 per litre across India, effective May 14, due to rising input costs.

**5**

**Zydus to acquire Assertio in ₹1,570 crore deal to expand US business**

Zydus Lifesciences will acquire US-based pharmaceutical company Assertio Holdings through its subsidiary Zydus Worldwide DMCC and acquisition vehicle Zara Merger Sub Inc. in an all-cash deal valued at about \$166.4 million (around Rs 1,570 crore).

**6**

**Anant Raj to evaluate demerger of data center business, appoints Anish Sarin as director**

Anant Raj Ltd is exploring a demerger for its data center business. A committee has been formed to evaluate the move. The company has also appointed Anish Sarin as a Director.

**7**

**Jio Financial to invest ₹4.95 crore for 50% stake in Jio Allianz General Insurance JV**

The joint venture has been formed to carry on the business of general insurance, including health insurance in India, subject to regulatory approvals. The incorporation follows an earlier disclosure regarding the execution of the joint venture agreement between the two entities.

# TVS Motor Company

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR3,522      TP: INR4,267 (+21%)      Buy**

## Margins stable despite cost pressures

### Continued outperformance to support premium valuation

- TVS Motor Company (TVS)'s 4QFY26 PAT stood at INR10b, in line with our estimates. EBITDA margin remained stable QoQ at 13.1% (in line) despite the sharp rise in input costs, as cost headwinds were offset by improved mix and favorable currency benefits.
- Overall, we factor in a revenue/EBITDA/PAT CAGR of 16%/19%/21% over FY26-28E. TVS's consistent market share gains across key domestic and export segments, along with a gradual improvement in margins, have driven healthy returns over the years. We expect this outperformance to continue over our forecast period, given its healthy new launch pipeline. This sustained outperformance is likely to help sustain its premium valuations in the long run. **We reiterate our BUY rating** and value the stock at 35x FY28E EPS to arrive at our TP of INR4,267.

Bloomberg	TVSL IN
Equity Shares (m)	475
M.Cap.(INRb)/(USDb)	1771.3 / 19.3
52-Week Range (INR)	3909 / 2191
1, 6, 12 Rel. Per (%)	5/31/49
12M Avg Val (INR M)	2530

### Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	472.7	544.5	635.8
EBITDA	60.8	68.1	85.8
Adj. PAT	36.5	41.6	53.4
EPS (INR)	76.7	87.6	112.4
EPS Gr. (%)	34.5	14.1	28.4
BV/Sh (INR)	236.5	310.0	404.5
<b>Ratios</b>			
RoE (%)	34.4	32.1	31.5
RoCE (%)	39.5	36.1	37.1
Payout (%)	15.8	16.0	16.0
<b>Valuations</b>			
P/E (x)	45.9	40.2	31.3
P/BV (x)	14.9	11.4	8.7
Div. Yield (%)	0.3	0.4	0.5
FCF Yield (%)	2.3	1.5	2.6

### Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	50.3	50.3	50.3
DII	18.8	18.3	19.7
FII	22.6	23.1	21.6
Others	8.3	8.3	8.5

FII includes depository receipts

### Earnings in line

- TVS's 4QFY26 PAT came in at ~INR10b, in line with our estimate.
- TVS posted its highest-ever quarterly sales of 1.56m units this quarter, up 28.3% YoY. Motorcycle volumes were up 23% YoY, Scooters rose 32%, and 3W volumes were up 65% YoY. Despite supply constraints of the rare earth magnet, the EV business recorded a 51% growth YoY, registering quarterly sales of 115k units.
- Revenues came in line with estimates at INR128.1b, up ~34% YoY.
- Realizations were up 4.5% YoY at INR82.1k per unit.
- EBITDA margin remained stable QoQ at 13.1% (in line) despite the spike in input costs, as cost headwinds were offset by improved mix and favorable currency benefits.
- EBITDA grew 26% YoY to INR16.8b, broadly in line with our estimate.
- Other income was below our estimate, as it included a loss on the fair valuation of an investment of INR527m made by TVS.
- Overall, PAT came in line at INR10b, up 17% YoY.
- The Board declared an interim dividend of INR12 per equity share. Further, the company had also allotted four fully paid bonus non-convertible redeemable preference shares for every equity share held (amounting to INR19b), with a maturity date of 1<sup>st</sup> Sep'26.
- TVS's FY26 revenue/EBITDA/adj. PAT stood at INR473b/INR60.8b/INR36.5b, having grown by 49%/36.5%/34.5% YoY.
- The CFO for the year came in at INR57.3b, with the company being free cash positive with INR38.1b. The RoE and RoCE for the year stood at 34.4% and 39.5%, respectively.

### Key takeaways from the management commentary

- Management expects industry growth in FY27 to remain in the high single-digit range and reiterates its target of outperforming industry growth across both domestic and international markets.
- Management expects production to improve progressively through 1QFY27 and remains confident of delivering growth ahead of the industry in both retail and wholesales.
- Scooters, EVs, and premium motorcycles are expected to remain key growth drivers in FY27, while the economy motorcycle segment may continue to face pressure from inflation and higher fuel prices.
- Commodity inflation remains elevated at ~3-5% of revenue, driven by steel, aluminum, crude derivatives, and energy costs. The company has offset ~35% of the increase through calibrated price hikes.
- The company plans to expand production capacity by 1.5m units over the next 12 months, taking total installed capacity to ~8.3m units.
- FY27 capex is expected at INR35b, including INR20b towards product development and technology investments, and over INR10b towards the manufacturing capacity expansion mentioned above.
- Management indicated that FY27 investments would fall INR5-6b below FY26 levels as several strategic projects begin transitioning toward commercialization.

### Valuation and view

Overall, we factor in a revenue/EBITDA/PAT CAGR of 16%/19%/21% over FY26-28E. TVS's consistent market share gains across key domestic and export segments, along with a gradual improvement in margins, have driven healthy returns over the years. We expect this outperformance to continue over our forecast period, given its healthy new launch pipeline. This sustained outperformance is likely to help sustain its premium valuations in the long run. **We reiterate our BUY rating** and value the stock at 35x FY28E EPS to arrive at our TP of INR4,267.

### S/A Quarterly Performance

Y/E March (INR m)	FY25				FY26				FY25	FY26	4QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Vols ('000 units)</b>	<b>1,087.2</b>	<b>1,228.2</b>	<b>1,212.0</b>	<b>1,216.3</b>	<b>1,277.2</b>	<b>1,507.0</b>	<b>1,544.5</b>	<b>1,560.4</b>	<b>4,744</b>	<b>5,889</b>	<b>1,560.4</b>	0.0
Growth (%)	14.1	14.3	10.1	14.2	17.5	22.7	27.4	28.3	13.2	40.5	28.3	
<b>Realn (INR '000/unit)</b>	<b>77.0</b>	<b>75.1</b>	<b>75.1</b>	<b>78.5</b>	<b>78.9</b>	<b>79.0</b>	<b>80.8</b>	<b>82.1</b>	<b>76.4</b>	<b>80.3</b>	<b>81.0</b>	1.3
Growth (%)	1.7	(0.9)	0.2	2.4	2.5	5.1	7.6	4.5	0.8	5.9	3.2	
<b>Net Sales</b>	<b>83,756</b>	<b>92,282</b>	<b>90,971</b>	<b>95,504</b>	<b>100,810</b>	<b>119,054</b>	<b>124,763</b>	<b>128,076</b>	<b>362,513</b>	<b>472,703</b>	<b>126,447</b>	1.3
Growth (%)	16.0	13.3	10.3	16.9	20.4	29.0	37.1	34.1	14.1	48.8	32.4	
<b>Total RM Cost</b>	<b>59,804</b>	<b>66,018</b>	<b>65,112</b>	<b>66,672</b>	<b>71,754</b>	<b>84,604</b>	<b>88,828</b>	<b>91,479</b>	<b>257,607</b>	<b>336,665</b>	<b>90,313</b>	1.3
RM (% of sales)	71.4	71.5	71.6	69.8	71.2	71.1	71.2	71.4	71.1	71.2	71.4	
Emp cost (% of sales)	5.7	5.4	5.5	5.2	5.8	5.1	5.0	5.0	5.4	5.2	5.0	
Other exp (% of sales)	11.4	11.4	11.1	11.0	10.5	11.2	10.7	10.4	11.2	10.7	10.6	
<b>EBITDA</b>	<b>9,602</b>	<b>10,798</b>	<b>10,815</b>	<b>13,326</b>	<b>12,630</b>	<b>15,086</b>	<b>16,341</b>	<b>16,795</b>	<b>44,540</b>	<b>60,794</b>	<b>16,429</b>	2.2
EBITDA Margin(%)	11.5	11.7	11.9	14.0	12.5	12.7	13.1	13.1	12.3	12.9	13.0	
Interest	372	319	338	358	403	466	579	591	1,387	2,039	587	
Depreciation	1,763	1,806	1,883	1,994	2,039	2,144	2,335	2,458	7,446	9,006	2,485	
Other Income	363	299	-227	145	343	-213	-280	-162	580	-300	211	
<b>PBT before EO Exp</b>	<b>7,829</b>	<b>8,972</b>	<b>8,367</b>	<b>11,120</b>	<b>10,531</b>	<b>12,263</b>	<b>13,147</b>	<b>13,584</b>	<b>36,288</b>	<b>49,449</b>	<b>13,567</b>	0.1
EO Exp	0	0	0	1,617	0	0	414	0		414	0	
<b>PBT after EO Exp</b>	<b>7,829</b>	<b>8,972</b>	<b>8,367</b>	<b>12,737</b>	<b>10,531</b>	<b>12,263</b>	<b>12,733</b>	<b>13,584</b>	<b>36,288</b>	<b>49,035</b>	<b>13,567</b>	0.1
<b>Total Tax</b>	<b>2056</b>	<b>2346</b>	<b>2182</b>	<b>2599</b>	<b>2745</b>	<b>3202</b>	<b>3329</b>	<b>3607</b>	<b>9183</b>	<b>12883</b>	<b>3546</b>	
Tax rate (%)	26.3	26.1	26.1	20.4	26.1	26.1	26.1	26.6	25.3	26.3	26.1	
<b>Reported PAT</b>	<b>5,773</b>	<b>6,626</b>	<b>6,185</b>	<b>10,139</b>	<b>7,786</b>	<b>9,061</b>	<b>9,404</b>	<b>9,977</b>	<b>27,105</b>	<b>36,152</b>	<b>10,021</b>	-0.4
<b>Adjusted PAT</b>	<b>5,773</b>	<b>6,626</b>	<b>6,185</b>	<b>8,521</b>	<b>7,786</b>	<b>9,061</b>	<b>9,709</b>	<b>9,977</b>	<b>27,105</b>	<b>36,457</b>	<b>10,021</b>	-0.4
Growth (%)	23.4	23.5	4.2	75.5	34.9	36.7	57.0	17.1	30.1	34.5	17.6	

E: MOFSL Estimates

# Power Finance Corporation

Estimate change	↔
TP change	↑
Rating change	↔

**CMP: INR446**                      **TP: INR525 (+18%)**                      **Buy**

## Muted loan growth; pressure on yields weighs on NIM

### Earnings beat driven by provision write-backs from stressed asset resolutions

Bloomberg	POWF IN
Equity Shares (m)	3300
M.Cap.(INRb)/(USDb)	1471.8 / 15.4
52-Week Range (INR)	487 / 330
1, 6, 12 Rel. Per (%)	5/29/13
12M Avg Val (INR M)	2963

- PFC's 4QFY26 PAT grew ~24% YoY to INR63.2b (~9% beat). FY26 PAT grew 16% YoY to INR201b (PQ: INR174b). NII declined ~7% YoY to ~INR55.2b (in line). Other operating income grew ~23% YoY to ~INR13.9b, including dividend income of ~INR11.8b.
- PFC reported exchange losses of INR3.1b (PQ: exchange loss of INR1.3b). Opex declined ~5% YoY to ~INR2.2b (~5% lower than est.). PPOP declined ~3% YoY to INR63.8b (in line). FY26 PPOP grew ~6% YoY to INR230b.
- Provisions write-backs stood at INR13.8b in 4Q (PQ: INR52m; PY: INR4.4b). This translated into credit costs of -25bp in 4QFY26 (PY: 8bp).
- Reported yields stood at ~9.96%, while CoB rose ~8bp QoQ to ~7.5%, resulting in spreads of ~2.45% for FY26. Reported NIM for FY26 declined ~10bp to ~3.55% (9MFY26: 3.65%).
- Management guided for loan growth of ~10% in FY27. PFC indicated that FY26 loan growth remained below earlier guidance of 10-11% primarily due to high prepayments and refinancing activity. However, PFC expects prepayments to moderate going forward as the interest rate cut cycle is now behind. We also model loan CAGR of ~10% over FY26-FY28E.
- Management highlighted that while lower domestic interest rates supported funding costs, heightened volatility in forex markets led to an increase in overseas borrowing costs. Given the continued uncertainty in forex markets and high competition weighing on yields, the company guided for spreads of 2.4-2.5% in FY27 (FY26: 2.45%).
- **We estimate a CAGR of 9%/10%/5% in disbursement/advances/PAT over FY26-28, with RoA/RoE of 3.2%/18% and a dividend yield of ~4.5% in FY28. We maintain our BUY rating with an SoTP (Mar'28E)-based TP of INR525.**

### Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	219	235	260
PPP	230	254	283
PAT	201	200	220
EPS (INR)	60.8	60.8	66.7
EPS Gr. (%)	16	0	10
BV/Sh. (INR)	311	353	400
ABV/Sh. (INR)	267	309	356
RoAA (%)	3.4	3.1	3.2
RoAE (%)	20.7	18.3	17.7
Div Payout (%)	30.5	30.5	30.0

### Valuations

P/E (x)	7.3	7.3	6.7
P/BV (x)	1.4	1.3	1.1
Core P/E (x)	5.6	5.6	5.1
Core P/BV (x)	1.2	1.1	0.9
Div. Yld (%)	4.2	4.2	4.5

### Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	56.0	56.0	56.0
DII	15.1	15.5	16.2
FII	19.6	18.3	18.8
Others	9.3	10.2	9.0

FII includes depository receipts

### PFC-REC merger expected to be effective in Apr'27, subject to approvals

- The proposed merger of PFC and REC is being positioned as a transformational step aimed at creating a larger and strategically stronger institution for India's power and infrastructure financing ecosystem, with enhanced scale, financing capabilities, and operational efficiency.
- The boards of both entities have already granted in-principle approval for the merger and appointed legal, transaction, valuation, and merchant banking advisors. The merger is expected to be effective from 1<sup>st</sup> Apr'27, subject to regulatory and government approvals. The endeavor is retain its government company status despite the likelihood of govt. shareholding falling below 50% (with a simple share swap).

### Disbursements decline ~40% YoY; muted loan growth of 7% in FY26

- The loan book stood at INR5.8t, up 7% YoY/1.8% QoQ. Repayments during the quarter stood at ~20.7% (PQ: 22.1% and PY: ~22.8%).

- Disbursements declined ~41% YoY to INR400b. Disbursements to infrastructure sector formed ~6% of the total disbursements in 4QFY26. Renewables segment in the loan mix was broadly stable at 15.5%.

#### Asset quality improves; PCR on standard assets declines QoQ

- GS3 declined ~55bp QoQ to ~1.1%, while NS3 declined ~10bp QoQ at 0.15%. Asset quality improvement was attributable to the resolution of Sinnar thermal, with an outstanding exposure of INR30b.
- PCR on Stage 3 improved ~2pp QoQ to 86.2%. Standard assets (Stage 1 + 2) PCR declined ~17bp QoQ to 86bp (PQ: 104bp and PY: 113bp).
- PFC has ~19 projects classified as NPAs. Resolutions in ~10 NPAs are being pursued under NCLT, and the remaining nine are being pursued outside NCLT.

#### Key highlights from the management commentary

- Competitive intensity remains elevated, particularly from banks refinancing operational renewable projects due to lower risk, shorter gestation and predictable cash flows.
- The company expects future growth to be driven by a diversified lending mix across renewable energy, conventional power, distribution reforms, storage projects, nuclear energy, infrastructure, EV ecosystem financing, and energy transition opportunities.

#### Valuation and view

- PFC delivered an operationally weak quarter. While the earnings beat was driven by provision write-backs, loan growth remained muted at <2% QoQ. Asset quality continued to improve, aided by the resolution of Sinnar thermal and TRN Energy, which resulted in provision write-backs. NIMs declined due to yield compression driven by competitive pressure from banks and higher incremental borrowing costs from volatility in forex markets.
- While the company has indicated that the proposed merger could become effective from 1st Apr'27, we are not factoring the same into our estimates at this stage given the limited clarity on the overall structure, execution roadmap, and potential financial implications. Further, the merger remains subject to multiple regulatory, governmental, and shareholder approvals, and hence we believe it is premature to build in any merger-related synergies, balance sheet benefits, or operational changes into our projections at this point.
- PFC (standalone) trades at 1.1x FY27E P/BV and ~6x FY27 P/E, which we view as attractive, and we therefore **maintain our BUY rating** with an SoTP (Mar'28E)-based TP of INR525 (premised on a 1.1x target multiple for the PFC standalone business and INR148/sh for PFC's stake in REC after a holdco discount of 20%).
- **Key risks:** 1) weaker loan growth driven by higher prepayments; 2) an increase in exposure to power projects without PPAs; 3) compression in spreads and margins due to an aggressive competitive landscape; and 4) any slowdown in the offtake of renewable energy projects.

**PFC: SOTP - March 2028**

	Stake	Target Multiple	Value (INR B)	INR per share	% To Total	Rationale
PFC Standalone	100	1.1	1,244	377	72	1.1x Mar'28 PBV
REC Stake (Pre-holdCo)	53	1.1	610	185		1.1x Mar'28 PBV
Hold Co Discount (20%)			122			
<b>REC Stake (Post Hold-CO)</b>			<b>488</b>	<b>148</b>	28	
<b>Target Value</b>			<b>1,732</b>	<b>525</b>	<b>100</b>	

**Quarterly Performance**

Y/E March	FY25				FY26				FY25	FY26	4QFY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	1,18,270	1,19,090	1,24,172	1,37,215	1,37,389	1,34,728	1,39,359	1,39,253	4,98,747	5,50,728	1,41,239	-1
Interest Expenses	74,990	75,007	77,231	78,109	82,697	81,835	83,294	84,028	3,05,380	3,31,769	84,880	-1
<b>Net Interest Income</b>	<b>43,280</b>	<b>44,083</b>	<b>46,942</b>	<b>59,106</b>	<b>54,692</b>	<b>52,893</b>	<b>56,065</b>	<b>55,225</b>	<b>1,93,367</b>	<b>2,18,959</b>	<b>56,360</b>	<b>-2</b>
YoY Gr %	23.5	18.2	12.9	39.5	26.4	20.0	19.4	-6.6	23.7	13.2	-4.6	
Other Income	3,160	14,655	5,971	11,309	2,016	11,829	6,827	13,910	35,096	34,494	12,896	8
<b>Net Operational Income</b>	<b>46,440</b>	<b>58,738</b>	<b>52,913</b>	<b>70,415</b>	<b>56,708</b>	<b>64,722</b>	<b>62,892</b>	<b>69,135</b>	<b>2,28,463</b>	<b>2,53,452</b>	<b>69,256</b>	<b>0</b>
YoY Gr %	41.1	19.4	11.5	42.1	22.1	10.2	18.9	-1.8	27.6	10.9	-1.6	
Exchange gain/(loss)	589	-3,100	457	-2,614	-6,546	-4,972	-1,276	-3,089	-4,668	-15,883	-1,406	120
<b>Total Net Income</b>	<b>47,029</b>	<b>55,639</b>	<b>53,370</b>	<b>67,801</b>	<b>50,162</b>	<b>59,750</b>	<b>61,616</b>	<b>66,046</b>	<b>2,23,795</b>	<b>2,37,569</b>	<b>67,850</b>	<b>-3</b>
YoY Gr %	24.6	15.9	18.0	34.9	6.7	7.4	15.4	-2.6	23.5	6.2	0.1	
Operating Expenses	1,016	2,355	1,832	2,341	1,848	1,932	1,991	2,222	7,500	7,989	2,349	-5
<b>Operating Profit</b>	<b>46,013</b>	<b>53,284</b>	<b>51,538</b>	<b>65,460</b>	<b>48,313</b>	<b>57,819</b>	<b>59,625</b>	<b>63,824</b>	<b>2,16,295</b>	<b>2,29,581</b>	<b>65,501</b>	<b>-3</b>
YoY Gr %	25.3	13.7	16.8	39.8	5.0	8.5	15.7	-2.5	23.9	6.1	0.1	
Provisions	620	-1,241	745	4,447	-6,818	2,420	52	-13,817	4,571	-18,164	-3,069	350
<b>PBT</b>	<b>45,393</b>	<b>54,525</b>	<b>50,793</b>	<b>61,013</b>	<b>55,132</b>	<b>55,399</b>	<b>59,573</b>	<b>77,640</b>	<b>2,11,724</b>	<b>2,47,744</b>	<b>68,570</b>	<b>13</b>
Tax	8,214	10,821	9,244	9,924	10,117	10,780	11,940	14,395	38,202	47,231	10,602	36
Tax Rate %	18.1	19.8	18.2	16.3	18.3	19.5	20.0	18.5	18.0	19.1	15.5	
<b>PAT</b>	<b>37,179</b>	<b>43,704</b>	<b>41,549</b>	<b>51,090</b>	<b>45,015</b>	<b>44,619</b>	<b>47,633</b>	<b>63,246</b>	<b>1,73,522</b>	<b>2,00,513</b>	<b>57,967</b>	<b>9</b>
YoY Gr %	23.6	13.6	23.0	23.5	21.1	2.1	14.6	23.8	20.6	15.9	13.5	

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

Yield on loans	9.9	9.8	10.0	10.7	10.3	9.9	10.0	9.8				
Cost of funds	7.4	7.3	7.4	7.0	7.1	7.0	7.0	7.0				
Spread	2.5	2.5	2.6	3.7	3.1	2.9	3.0	2.9				
NIM	3.56	3.57	3.76	4.51	3.93	3.73	3.89	3.76				
C/I ratio	2.3	5.34	3.90	3.96	3.38	3.65	3.55	4.02				
Credit cost	0.01	(0.03)	0.01	0.08	(0.12)	0.04	0.00	(0.24)				

**Balance Sheet Parameters**

<b>Disbursements (INR b)</b>	195	467	342	680	362	498	394	400				
Growth YoY (%)	(15)	42	45	40	86	7	15	(41)				
<b>AUM (INR b)</b>	4,750	4,934	5,038	5,431	5,498	5,612	5,696	5,801				
Growth YoY (%)	10	10	10	13	16	14	13	7				

**Asset Quality Parameters**

GS 3 (INR B)	161	134	135	105	105	105	93	63				
GS 3 (%)	3.4	2.71	2.68	1.94	1.92	1.87	1.64	1.09				
NS 3 (INR B)	41.1	35.3	35.9	20.9	20.8	20.8	14.7	8.7				
NS 3 (%)	0.9	0.7	0.7	0.4	0.4	0.4	0.26	0.15				
PCR (%)	74.4	73.6	73.4	80.1	80.3	80.2	84.2	86.2				

E: MOFSL Estimates

# TATA Motors

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR384**      **TP: INR416 (+8%)**      **Neutral**

## Rising costs to drive near-term margin pressure

### Growth outlook turns cautious

- Tata Motors' (TMCV) 4QFY26 PAT at INR22b was below our est. of INR23b due to lower-than-expected other income, even as operational performance was in line. EBITDA margin expanded 130bp YoY to 13.9%, led by operating leverage benefits.
- Demand outlook for the domestic CV industry has turned cautious post ongoing geopolitical dynamics and the impact it may have on the Indian economy, with likely margin pressure in the near term. We have, hence, lowered our growth forecast for TMCV CV volumes to 6% CAGR over FY26-28E from 8% CAGR earlier. We now factor in TMCV to post revenue/EBITDA/PAT CAGR of 8%/8%/10% over FY26-28E. The stock at 20.8x FY27E and at 17.9x FY28E EPS appears fairly valued. Reiterate Neutral with a TP of INR414 per share – we value the core business at 12x FY28E EV/EBITDA (in line with peers) and add INR12 per share for its stake in Tata Capital.

Bloomberg	TMCV IN
Equity Shares (m)	3682
M.Cap.(INRb)/(USD\$b)	1414.9 / 14.8
52-Week Range (INR)	509 / 306
1, 6, 12 Rel. Per (%)	-9/29/-
12M Avg Val (INR M)	5861

### Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Net Sales	777	845	914
EBITDA	102.3	104.4	118.5
Adj. PAT	65.6	68.0	79.0
Adj. EPS (INR)	17.8	18.5	21.5
EPS Gr. (%)	43	4	16
BV/Sh. (INR)	36.4	50.9	67.4

### Ratios

Net D/E (x)	-0.5	-0.5	-0.5
RoE (%)	59.9	42.3	36.3
RoCE (%)	38.9	35.4	31.9
Payout (%)	22.5	21.6	23.3

### Valuations

P/E (x)	21.6	20.8	17.9
P/BV (x)	10.6	7.6	5.7
EV/EBITDA (x)	12.3	12.0	10.1
Div. Yield (%)	1.0	1.0	1.3

### Earnings below estimates due to lower other income

- TMCV's 4Q revenue grew 22% YoY to INR245b (in line), supported by 25% volume growth YoY, while ASP declined 2% YoY.
- EBITDA margins expanded 130bp YoY to 13.9% (in line), led by operating leverage benefits. EBITDA grew 34% YoY to INR34b (in line).
- The company recorded an impairment provision of INR23.1b in 4Q due to a reduction in the NAV of TMF Holdings, while labor code provisions worth INR2.11b were reversed in the quarter.
- Adjusting for this, PAT grew 39% YoY to INR22b (6% below estimates), due to lower other income and slightly higher tax rate.
- **FY26 performance:** Revenue/EBITDA/PAT grew 12%/22%/43%, respectively.
- OCF/FCF stood at INR113b/INR93b, respectively.

### Highlights from the management commentary

- The company secured its largest order for 70,000 Yodha and Ultra T.7 vehicles for deployment in Indonesia in February.
- April volumes saw double-digit growth, with momentum sustained in May. However, given the expected fuel price increase and the potential impact on freight demand of the same, management has refrained from providing growth guidance for FY27. It expects 1QFY27 to post a single-digit volume growth and will monitor the situation on a quarterly basis.
- Raw material inflation had a 100bp impact in 4Q and is expected to have a higher impact in 1Q; the company took a 2% price hike in April but has chosen not to pass through the full cost increase to protect demand momentum.
- Regulatory approvals for the proposed acquisition of Iveco are underway, with most approvals already received. All FDI approvals for the transaction have been received. The remaining finance approvals from France and Spain are being actively pursued to enable closure at the earliest. Management expects to complete the transaction by 2QFY27.

## Valuation and view

Demand outlook for the domestic CV industry has turned cautious post the ongoing geopolitical dynamics and the impact it may have on the Indian economy, with likely margin pressure in the near term. We have, hence, lowered our growth forecast for TMCV CV volumes to 6% CAGR over FY26-28E from 8% CAGR earlier. We now factor in TMCV to post revenue/EBITDA/PAT CAGR of 8%/8%/10% over FY26-28E. The stock at 20.8x FY27E and at 17.9x FY28E EPS appears fairly valued. Reiterate Neutral with a TP of INR414 per share – we value the core business at 12x FY28E EV/EBITDA (in line with peers) and add INR12 per share for its stake in Tata Capital.

### Quarterly Performance (Standalone)

Y/E March	FY25				FY26				FY25	FY26	4QE	(INR M) Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Operating income</b>	<b>1,78,980</b>	<b>1,55,180</b>	<b>1,72,660</b>	<b>2,00,330</b>	<b>1,56,820</b>	<b>1,69,420</b>	<b>2,05,430</b>	<b>2,45,110</b>	<b>6,97,040</b>	<b>7,77,170</b>	<b>2,42,406</b>	<b>1.1</b>
Change (%)	4.9	-23.0	-14.5	-7.4	-12.4	9.2	19.0	22.4	-11.8	11.5		
RM Cost (% of Sales)	67.7	67.9	67.9	68.5	67.1	68.7	69.5	69.6	68.2	68.8	70.3	
Staff Costs (% of sales)	6.7	7.4	6.4	5.5	7.4	6.8	5.6	4.8	-0.9	3.2	4.8	
Other Exp (% of sales)	14.0	14.1	12.7	13.4	13.4	11.6	11.6	11.7	13.4	12.0	11.1	
<b>EBITDA</b>	<b>20,790</b>	<b>16,530</b>	<b>22,380</b>	<b>25,340</b>	<b>18,900</b>	<b>21,820</b>	<b>27,420</b>	<b>34,060</b>	<b>83,640</b>	<b>1,02,340</b>	<b>33,491</b>	<b>1.7</b>
EBITDA Margins (%)	11.6	10.7	13.0	12.6	12.1	12.9	13.3	13.9	12.0	13.2	13.8	8.0
Change (%)	30	-21	0	-2	-9	32	23	34	-2	22		
Non-Operating Income	830	1,760	830	1,600	2,450	1,790	1,360	1,700	6,030	7,170	2,904	<b>-41.5</b>
Interest	1,620	2,110	2,200	2,190	1,740	1,860	1,430	1,260	9,360	6,290	1,472	
Depreciation & Amort.	4,870	4,840	4,880	5,320	4,230	4,120	4,170	4,490	19,760	17,020	4,257	
<b>PBT before EO Exp</b>	<b>15,350</b>	<b>11,220</b>	<b>16,030</b>	<b>18,830</b>	<b>16,350</b>	<b>17,570</b>	<b>23,180</b>	<b>29,720</b>	<b>59,600</b>	<b>86,820</b>	<b>30,666</b>	<b>-3.1</b>
EO Exp/(Inc)	0	330	240	2,280	100	23,660	15,450	-2,200	3,220	37,000	0	
<b>PBT after EO Exp</b>	<b>15,350</b>	<b>10,890</b>	<b>15,790</b>	<b>16,550</b>	<b>16,250</b>	<b>-6,090</b>	<b>7,730</b>	<b>31,920</b>	<b>56,380</b>	<b>49,820</b>	<b>30,666</b>	<b>4.1</b>
Tax	2,763	4,460	1,620	2,360	2,140	4,120	2,120	7,860	12,930	16,200	7,418	
Effective Tax Rate (%)	18.0	41.0	10.3	14.3	13.2	23.4	27.4	24.6	22.9	32.5	24.2	
<b>Adj PAT</b>	<b>12,587</b>	<b>6,760</b>	<b>14,410</b>	<b>15,729</b>	<b>14,210</b>	<b>13,450</b>	<b>16,036</b>	<b>21,860</b>	<b>45,932</b>	<b>65,556</b>	<b>23,249</b>	<b>-6.0</b>
Change (%)	34.5	-55.7	-13.0	-25.1	12.9	99.0	11.3	39.0	-24.9	42.7		

Financials restated wef FY25; hence, prior year financials not comparable

# Jindal Steel

BSE SENSEX  
74,609

S&P CNX  
23,413

**CMP: INR1,243**

**TP: INR1,450 (+17%)**

**Buy**



## Stock Info

Bloomberg	JINDALST IN
Equity Shares (m)	1020
M.Cap.(INRb)/(USDb)	1267.9 / 13.2
52-Week Range (INR)	1306 / 883
1, 6, 12 Rel. Per (%)	4/24/41
12M Avg Val (INR M)	1715
Free float (%)	37.3

## Financials Snapshot (INR b)

Y/E MARCH	2026	2027E	2028E
Sales	532	675	781
EBITDA	90	142	177
Adj. PAT	34	71	95
Cons. Adj. EPS (INR)	33.3	69.0	91.6
EPS Gr. (%)	(19.6)	107.2	32.7
BV/Sh. (INR)	493	554	635

## Ratios

Net D:E	0.3	0.2	0.2
RoE (%)	7.0	13.2	15.4
RoCE (%)	8.2	13.1	15.5
Payout (%)	10.0	10.0	10.0

## Valuations

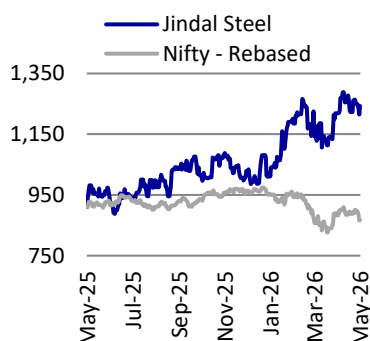
P/E (x)	37.3	18.0	13.6
P/BV (x)	2.5	2.2	2.0
EV/EBITDA(x)	15.9	10.0	7.9
Div. Yield (%)	0.3	0.6	0.7
FCF Yield (%)	(1.9)	3.4	3.6

## Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	62.7	62.7	62.2
DII	19.1	19.1	17.7
FII	9.5	9.3	10.4
Others	8.7	8.9	9.7

FII Includes depository receipts

## Stock Performance (1-year)



## Commissioning of new capacity to drive earnings

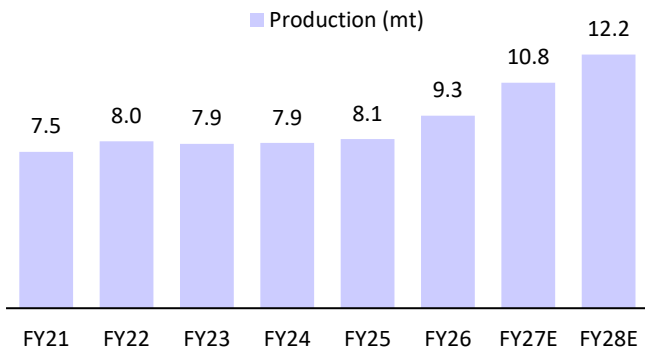
- Jindal Steel (JINDALST) completed the 6mtpa expansion at Angul, taking its crude steel capacity in Angul to 12mtpa and total capacity (including 3.6mtpa at Raigarh) to 15.6mtpa. This expansion positions JINDALST as the fourth-largest steel producer in India. Supported by the incremental capacity and improving domestic demand, we expect the company to witness a 17% CAGR in volume. Coupled with steady NSR growth and an increasing value-added portfolio, revenue is projected to witness a 21% CAGR over FY26-28.
- JINDALST's VAP share stands at 61% as of 4QFY26, which may decline to 50% in the near term with the addition of new steel capacity. However, the commissioning of the CRM complex and VAP enhancement projects will improve the product mix.
- JINDALST is implementing several cost-saving measures to boost operating margins, including: 1) slurry pipeline, 2) increasing the captive iron ore and power share, 3) raising the flat steel mix, and 4) focusing on VAP. Beyond the Angul expansion, the company has planned additional capex with a focus on enhancing VAP and strengthening logistics and supply chain. With steady NSR and various cost-saving measures, EBITDA/t is expected to increase to INR15,000/t by FY28.
- The company has reduced its net debt from INR464b in FY16 to INR160b in FY26, maintaining a net debt-to-EBITDA ratio of 1.7x as of FY26. Out of the INR470b of ongoing capex, INR260b has already been spent, and the remaining is expected to be deployed in FY27 and FY28. Annually, the company expects capex in the range of INR75-100b annually over the next two years. With strong earnings, we expect JINDALST to generate an operating cash flow of ~INR250b over FY27 and FY28, enabling it to comfortably fund its capex (ongoing + proposed) while maintaining the net debt-to-EBITDA threshold.

## Valuation and view

- After the capacity expansion, crude steel capacity is now higher by 65% to 15.6mtpa, primarily supporting volume growth. Additionally, the ramp-up of existing coal mines, commencement of the Utkal block (C and B1 & B2), slurry pipeline, and ACPPII commissioning are expected to lower coal costs and support margins. Further, the company's focus on improving the VAP share (CRM complex + VAP enhancement project) will support NSR.
- JINDALST has followed a prudent deleveraging policy, which has helped the company strengthen its balance sheet. With strong FCF, we expect the company to maintain its net debt-to-EBITDA near 1.5x, even while undertaking ongoing and proposed capex.
- At CMP, the stock trades at 7.9x EV/EBITDA and 2.0x P/B on FY28 estimate. We reiterate our BUY rating on JINDALST. We reiterate our BUY rating with a TP of INR1,450, based on 9x FY28E EV/EBITDA.

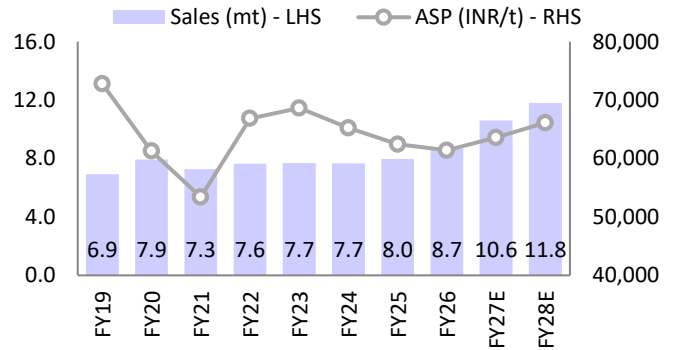
## Story in charts

### Angul's expansion to drive volume growth



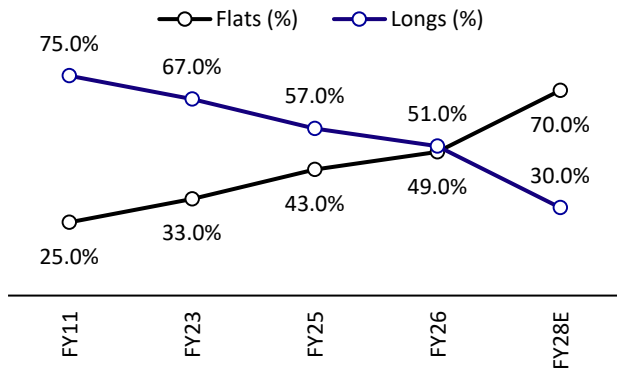
Source: MOFSL, Company

### Robust volume a key catalyst for revenue growth



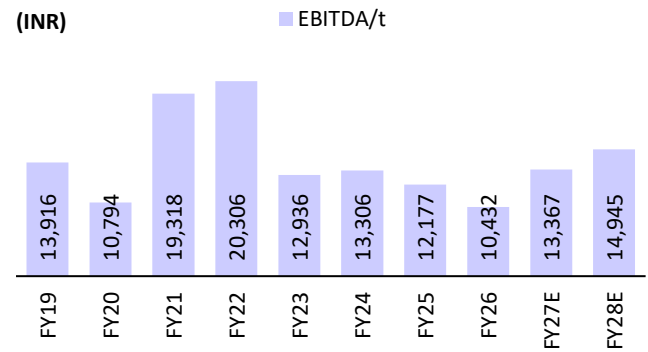
Source: MOFSL, Company

### Post-expansion, flat share to hit ~70%



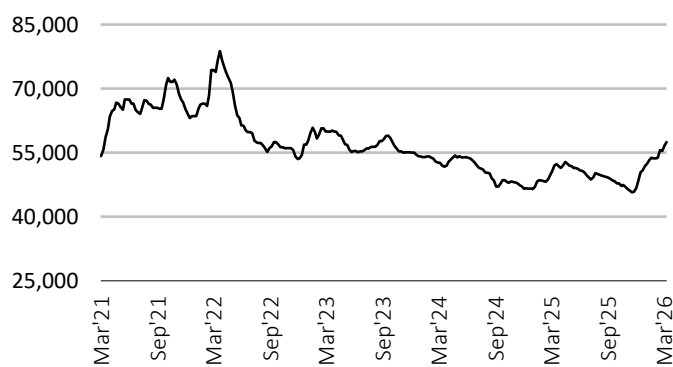
Source: MOFSL, Company

### EBITDA/t to increase with rising ASP and cost control measures



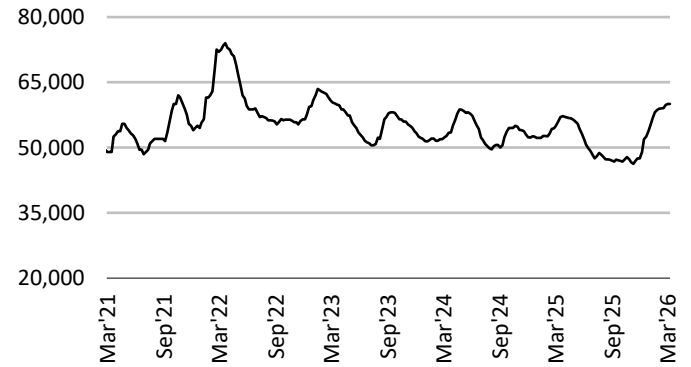
Source: MOFSL, Company

### Domestic HRC prices (INR/t)






Source: MOFSL, Company

### Domestic rebar prices (INR/t)



Source: MOFSL, Company

Estimate change	
TP change	
Rating change	

**CMP: INR1,327**      **TP: INR1,380 (+4%)**      **Neutral**

## Weak US flow; strong India show

### US growth to pick up from 2HFY27 onwards

	CIPLA IN
Bloomberg Equity Shares (m)	808
M.Cap.(INRb)/(USD\$b)	1072.4 / 11.2
52-Week Range (INR)	1673 / 1166
1, 6, 12 Rel. Per (%)	11/-3/-8
12M Avg Val (INR M)	2390

### Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	281.6	304.1	347.0
EBITDA	59.2	56.9	70.3
Adj. PAT	40.9	37.9	48.4
EBIT Margin (%)	16.7	14.2	16.2
Cons. Adj. EPS (INR)	50.7	47.0	59.9
EPS Gr. (%)	-19.2	-7.3	27.5
BV/Sh. (INR)	426.6	471.5	525.4

### Ratios

Net D:E	0.0	0.0	0.0
RoE (%)	11.9	10.0	11.4
RoCE (%)	12.8	10.7	12.2
Payout (%)	12.5	12.8	10.0

### Valuations

P/E (x)	26.2	28.2	22.1
EV/EBITDA (x)	20.5	21.4	17.2
Div. Yield (%)	0.4	0.4	0.4
FCF Yield (%)	0.8	-0.7	0.2
EV/Sales (x)	4.3	4.0	3.5

### Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	29.1	29.1	29.1
DII	31.9	30.6	28.1
FII	22.8	24.2	26.4
Others	16.2	16.1	16.3

FII includes depository receipts

- Cipla (CIPLA) delivered in-line revenue for 4QFY26. However, it delivered 15%/31% miss on EBITDA/PAT for the quarter. Lower-than-expected revenue in North America (NA), Emerging Markets (EM), and API segment, coupled with reduced operating leverage, dragged overall performance for the quarter.
- The YoY decline in NA sales intensified in 4QFY26, supported by competition in g-Lenalidomide and adverse regulatory impact on the off-take of lanreotide.
- This was offset, to some extent, as the Indian business, comprising Domestic Formulation (DF), trade generics, and consumer wellness, reported a broad-based double-digit YoY growth during the quarter.
- The African business, comprising private markets, tender business, and North Africa, also grew at a healthy rate of 14% YoY (in CC terms) for the quarter.
- We have reduced our earnings estimate by 10% for FY27, factoring in: a) the ongoing regulatory issue with respect to Lanreotide for the US market, and b) the adverse impact of geopolitical tension in emerging markets and enhanced marketing/promotional spend.
- We value CIPLA at 23x 12M forward earnings to arrive at a TP of INR1,380. We expect earnings to remain under check due to a reduction in contribution from g-lenalidomide and some gestation period for the accruing of upcoming niche launches. Reiterate Neutral rating on the stock.

### Product mix and reduced operating leverage drag profitability YoY

- CIPLA's 4QFY26 revenue declined 2.8% YoY to INR65.4b.
- Gross margin contracted 430bp YoY to 63.2%.
- EBITDA margin contracted 760bp YoY to 15.2% (our est. 17.4%), largely due to higher R&D/employee expenses (up 145/90bp as a % of sales).
- EBITDA declined 35.2% YoY to INR9.9b (our est. INR11.7b).
- Adj. PAT declined 53.6% YoY to INR5.7b (our est. INR8.2b). We await clarity on the sharp increase in depreciation/amortization in 4QFY26 (INR3.8b vs INR3b YoY and INR2.8b QoQ).
- Extraordinary items of INR420m include impairment of investment in associates.
- For FY26, CIPLA delivered 2.2% YoY growth in revenue to INR281.6b, while it delivered 17%/19% YoY decline in EBITDA/PAT to INR59.2b/INR40.9b.

### Momentum in DF/SAGA offset by subdued performance in US/EM/API

- US sales (22% of sales) declined 26% YoY to INR14.1b (USD155m, down 30% in CC terms).
- EM sales (13% of sales) declined 8.5% YoY to INR8.2b.
- API sales (1% of sales) declined 65% YoY to INR640m.

- DF sales (46% of sales) grew 14.7% YoY to INR30.1b.
- SAGA sales(19% of sales) grew 21.3% YoY to INR12.4b.

### Key highlights from the management commentary




- US sales run-rate is expected to improve to USD250m per quarter by the end of FY27; this excludes Lanreotide's revival. The increase in run-rate from current USD155m (4QFY26) to USD250m is backed by certain potential launches (business prospects of USD100m each on an annualized basis).
- CIPLA has guided for 18-20% EBITDA margin in FY27, with 2H posting a higher EBITDA margin compared to 1H.
- Management indicated that the g-Ventolin off-take would be gradual, with ramp-up expected from 2HFY27 onwards.
- The company remains well-positioned to manufacture formulations at its US site and source devices from its partner.
- India is projected to witness double-digit YoY growth in revenue, which is likely to sustain in FY27 as well.

### Quarterly Performance

Y/E March	(INR m)											
	FY25				FY26				FY25	FY26	Est.	% Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
<b>Net Revenues</b>	66,939	70,510	70,730	67,297	69,575	75,894	70,745	65,412	275,476	281,626	67,086	-2.5
YoY Change (%)	5.8	5.6	7.1	9.2	3.9	7.6	0.0	-2.8	6.9	2.2	-0.3	
Total Expenditure	49,781	51,654	50,841	51,921	51,793	56,947	58,194	55,442	204,197	222,377	55,413	
<b>EBITDA</b>	17,158	18,856	19,889	15,376	17,781	18,948	12,551	9,970	71,279	59,249	11,673	-14.6
YoY Change (%)	14.9	8.8	13.8	16.9	3.6	0.5	-36.9	-35.2	13.3	-16.9	-24.1	
Margins (%)	25.6	26.7	28.1	22.8	25.6	25.0	17.7	15.2	25.9	21.0	17.4	
Depreciation	2,467	2,717	2,798	3,087	2,527	2,970	2,784	3,829	11,070	12,110	2,791	
Interest	180	154	146	140	141	132	140	131	620	544	100	
Other Income	1,602	1,906	1,546	2,895	2,586	2,690	2,063	1,482	7,949	8,820	2,100	
<b>Profit before Tax</b>	16,114	17,891	18,491	15,043	17,699	18,535	11,690	7,491	67,538	55,416	10,882	
One-time (expense)/income	0	0	670	0	0	0	-2,759	-420	670	-3,179	0	
<b>PBT after EO expense</b>	16,114	17,891	19,161	15,043	17,699	18,535	8,931	7,071	68,208	52,236	10,882	
Rate (%)	27.0	27.0	18.0	18.6	27.0	27.0	18.7	21.0	22.7	24.4	25.0	
Minority Interest	-13.5	34.9	132.1	31.8	-55.7	19.0	-12.4	-45.3	185.3	-94.4	-40.0	
<b>Reported PAT</b>	11,776	13,025	15,705	12,218	12,976	13,512	6,758	5,547	52,725	38,792	8,201	
<b>Adj PAT</b>	11,776	13,025	13,644	12,218	12,976	13,512	8,780	5,663	50,664	40,931	8,201	-30.9
YoY Change (%)	18.3	10.9	14.0	40.6	10.2	3.7	-35.6	-53.6	19.6	-19.2	-32.9	

### Key performance Indicators

Y/E March	(INR m)											
	FY25				FY26				FY25	FY26	Est.	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
<b>INRm</b>												
Domestic formulation	28,980	29,480	31,460	26,220	30,700	31,460	34,570	30,070	116,140	126,800	29,104	
YoY Change (%)	4.5	4.7	10.0	8.5	5.9	6.7	9.9	14.7	6.9	9.2	11.0	
North America	20,870	19,860	19,060	19,190	19,330	20,390	14,850	14,140	78,980	68,710	15,060	
YoY Change (%)	14.5	5.2	-0.5	2.3	-7.4	2.7	-22.1	-26.3	5.3	-13.0	-21.5	
SAGA	6,950	10,680	9,750	10,190	8,710	11,780	10,010	12,360	37,570	42,860	11,005	
YoY Change (%)	-7.1	7.6	18.0	20.3	25.3	10.3	2.7	21.3	22.9	14.1	8.0	
Emerging market	8,490	8,060	8,240	8,950	8,610	9,670	9,290	8,190	33,740	35,760	9,348	
YoY Change (%)	9.0	9.8	10.5	20.6	1.4	20.0	12.7	-8.5	9.3	6.0	4.4	
API	980	1,600	1,260	1,820	1,020	1,480	1,440	640	5,660	4,580	1,693	
YoY Change (%)	-27.9	8.8	18.0	-3.7	4.1	-7.5	14.3	-64.8	-2.6	-19.1	-7.0	
<b>Cost Break-up</b>												
RM Cost (% of Sales)	32.8	32.4	32.0	32.5	31.2	32.9	37.2	36.8	32.4	33.9	36.8	
Staff Cost (% of Sales)	17.8	17.1	16.9	18.3	18.9	17.3	18.7	19.2	17.5	19.1	19.2	
R&D Expenses(% of Sales)	5.3	5.5	5.1	6.3	6.2	7.1	7.0	7.1	5.3	6.3	7.1	
Other Cost (% of Sales)	18.5	18.3	17.8	20.0	18.2	17.7	17.7	19.3	18.6	19.1	19.3	
Gross Margins(%)	67.2	67.6	68.0	67.5	68.8	67.1	62.8	63.2	67.6	66.1	63.2	
EBITDA Margins(%)	25.6	26.7	28.1	22.8	25.6	25.0	17.7	15.2	25.9	21.0	17.4	
EBIT Margins(%)	21.9	22.9	24.2	18.3	21.9	21.1	13.8	9.4	21.9	16.7	13.2	

Estimate change	
TP change	
Rating change	

**CMP: INR390**      **TP: INR455 (+17%)**      **Buy**

## Near-term earnings pressure persists

	HPCL IN
Bloomberg Equity Shares (m)	2128
M.Cap.(INRb)/(USDb)	910.1 / 9.9
52-Week Range (INR)	508 / 288
1, 6, 12 Rel. Per (%)	-7/-1/6
12M Avg Val (INR M)	2138

### Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	4,418	4,074	3,831
EBITDA	306	117	253
Adj. PAT	180	24	114
Adj. EPS (INR)	85	11	53
EPS Gr. (%)	168	-87	382
BV/Sh.(INR)	308	313	345

### Ratios

Net D:E	0.8	0.8	0.7
RoE (%)	30.9	3.6	16.2
RoCE (%)	16.7	3.7	11.6
Payout (%)	28.9	57.2	39.3

### Valuations

P/E (x)	4.3	33.0	6.8
P/BV (x)	1.2	1.2	1.1
EV/EBITDA (x)	4.2	11.3	5.1
Div. Yield (%)	6.7	1.7	5.7
FCF Yield (%)	33.4	1.6	12.6

### Shareholding pattern (%)

As Of	Mar-26	Dec-25	Mar-25
Promoter	50.3	50.3	50.3
DII	18.8	18.3	19.7
FII	22.6	23.1	21.6
Others	8.3	8.3	8.5

FII includes depository receipts

- HPCL's 4QFY26 EBITDA beat our est. by 121% at INR104.3b, due to a higher-than-estimated marketing margin (likely due to inventory gains). Reported GRM stood 9% below our estimate at USD14.5/bbl. Gross marketing margin (including inventory) stood at ~INR6.2/lit (est. INR1.9/lit). Refining throughput was in line at 6.4mmt. Marketing volumes also came in line at 13mmt. PAT also came in 113% above our estimate at INR49b.
- **Key things we liked about the result:** 1) HPCL posted a strong marketing performance, fueled by inventory gains, with a blended gross marketing margin of INR6.2/lit (vs est. INR1.9/lit). 2) Operational efficiency has increased, with Project Samriddhi 1.0 delivering INR16.9b in benefits (INR7.4b recurring), translating to ~USD0.54/bbl. 3) HPCL's standalone net debt as of 31<sup>st</sup> Mar'26 declined to INR475b (from INR632b as of 31<sup>st</sup> Mar'25). 4) Mega ongoing project commissioning plans are on track with the 3.55mmtpa residue upgradation facility to operate at 100% capacity in 2QFY27; HRRL CDU to operate at 100% capacity in 2QFY27; and the HRRL petchem complex slated for commissioning in FY28. 5) Progress at the Chhara terminal remains encouraging with ~90-95% breakwater completion (can operate for 11 months), which should improve utilization.
- **Key monitorables:** 1) Domestic LPG losses have worsened sharply recently to ~INR670/cylinder in May'26 (vs. ~INR170/cylinder in Apr'26 and ~INR80/cylinder in 4QFY26). 2) With gross auto-fuel marketing losses still in the range of INR15-25/lit, we see the possibility of an INR4-5/lit MS/HSD retail price hike. 3) With OMCs making huge marketing losses, we believe that some form of government compensation/support remains a possibility.
- **Key assumptions:** In FY27, we model a consol. EBITDA/PAT of INR117b/24b (down 62%/87% YoY), as we assume: 1) gross MS and HSD marketing margin loss of INR5/2.5 per lit in 1QFY27/2QFY27 (normalizing to INR4.5/lit in 2HFY27-FY28). 2) LPG under-recovery per cylinder of INR200/100 in 1QFY27/2QFY27. 3) GRM of USD14/12 per bbl in 1QFY27/2QFY27 (normalizing to USD7/bbl in 2HFY27-FY28).
- **Valuation and view:** HPCL currently trades at 1.1x FY27E P/B. We estimate the company to deliver RoE of 16.2% in FY28 and a 5.4% FY28E dividend yield. We have not assumed any significant benefit from the start-up of a bottom-upgradation unit and Project Samriddhi. **We reiterate our BUY rating on the stock with an SoTP-based TP of INR455.**

## Beat led by stronger-than-estimated marketing performance

- HPCL's EBITDA beat our est. by 121% at INR104.3b, due to a higher-than-estimated marketing margin.
  - Reported GRM stood 9% below our estimate at USD14.5/bbl.
  - Gross marketing margin (including inventory) stood at ~INR6.2/lit (est. INR1.9/lit).
  - Refining throughput was in line at 6.4mmt. Marketing volumes also came in line at 13mmt.

- LPG under-recovery stood at INR13.4b (vs. INR5b in 3Q).
- PAT came 113% above our estimate at INR49b.
- Other income, finance costs, and depreciation were above our estimates. Forex loss stood at INR14.5b.
- **As of Mar'26**, HPCL had a cumulative negative net buffer of INR128b due to the under-recovery on LPG cylinders (INR134.4b as of Dec'25).
- The MoP&NG, through letters dated 3<sup>rd</sup>/24<sup>th</sup> Oct'25, approved a compensation of INR79.2b to the company for under-recoveries on the sale of domestic LPG up to 31 Mar'25, and those expected up to 31 Mar'26. The amount would be released in 12 equal monthly installments, with accruals recognized on a monthly basis starting Nov'25. Accordingly, 5 equal monthly installments aggregating to INR33b have been recognized.
- HPCL's standalone net debt as of 31<sup>st</sup> Mar'26 stood lower at **INR475b** (vs. INR632b as of 31<sup>st</sup> Mar'25) — this is a **positive** development.
- HPCL generated cash flow from operations of **INR361b** in FY26 (FY25: INR142b).
- The Board recommended a final dividend of INR19.25/sh (face value INR10/sh; interim dividend declared earlier: INR5/sh).

### Valuation and view

- **HPCL** remains our preferred pick among the three OMCs. We model a marketing margin of INR4.5/lit for both MS and HSD in 2HFY27-FY28. We view the following as key catalysts for the stock: 1) the ramp-up of its bottom-upgrade unit by the end of 1QFY27, and 2) the start of its Rajasthan refinery in 2QFY27.
- HPCL currently trades at 1.1x FY27E P/B. We estimate the company to deliver an RoE of 16.2% in FY28 and a 5.4% FY28E dividend yield. **We reiterate our BUY rating on the stock with an SoTP-based TP of INR455.**

### Standalone - Quarterly Earnings Model

Y/E March	FY25				FY26				FY25	FY26	FY26	(INR b)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
<b>Net Sales</b>	<b>1,138</b>	<b>999</b>	<b>1,105</b>	<b>1,095</b>	<b>1,108</b>	<b>1,008</b>	<b>1,151</b>	<b>1,148</b>	<b>4,337</b>	<b>4,414</b>	<b>1,140</b>	<b>1%</b>
YoY Change (%)	1.6	4.4	-0.7	-4.4	-2.7	0.9	4.1	4.9	0.0	1.8	4.1	
<b>EBITDA</b>	<b>21</b>	<b>28</b>	<b>65</b>	<b>58</b>	<b>77</b>	<b>76</b>	<b>73</b>	<b>104</b>	<b>171</b>	<b>330</b>	<b>47</b>	<b>121%</b>
Margins (%)	1.8	2.8	5.8	5.3	6.9	7.6	6.3	9.1	3.9	7.5	4.1	
Depreciation	15	15	15	16	15	16	16	24	61	71	16.9	
Forex loss	0	0	5	0	1	7	2	14	4	25	0.0	
Interest	7	9	9	7	7	8	7	10	33	31	7.1	
Other Income	6	6	5	8	5	5	7	9	24	27	7.7	
<b>PBT</b>	<b>5</b>	<b>8</b>	<b>40</b>	<b>43</b>	<b>58</b>	<b>51</b>	<b>54</b>	<b>65</b>	<b>96</b>	<b>229</b>	<b>31</b>	<b>113%</b>
Tax rate (%)	24.5	24.4	24.6	22.1	25.0	25.2	24.8	25.2	23.5	25.0	25.2	
<b>Adj PAT</b>	<b>4</b>	<b>6</b>	<b>30</b>	<b>34</b>	<b>44</b>	<b>38</b>	<b>41</b>	<b>49</b>	<b>74</b>	<b>172</b>	<b>23</b>	<b>113%</b>
YoY Change (%)	-94.3	-87.7	471.4	18.0	1,128.5	506.9	34.7	46.1	-49.9	133.2	-31.3	
<b>Key Assumptions</b>												
Refining throughput (mmt)	5.8	6.3	6.5	6.7	6.7	6.6	6.4	6.4	25.3	26.0	6.3	2%
Reported GRM (USD/bbl)	5.0	3.1	6.0	8.5	3.1	8.9	8.9	14.5	5.7	8.8	16.0	-9%
Marketing sales volume incl exports (mmt)	12.6	11.6	12.9	12.7	13.0	12.1	13.3	13.0	49.8	51.5	13.1	-1%
Marketing GM incl inv (INR/liter)	3.0	4.2	5.7	4.6	7.0	5.8	5.4	6.2	4.4	6.1	1.9	233%

# Tube Investments of India

Estimate changes

TP change

Rating change



Bloomberg	TIINDIA IN
Equity Shares (m)	194
M.Cap.(INRb)/(USDb)	569.2 / 5.9
52-Week Range (INR)	3420 / 2165
1, 6, 12 Rel. Per (%)	10/6/3
12M Avg Val (INR M)	1169

## Consol. Financials & Valuations (INR b)

INR b	FY26	FY27E	FY28E
Sales	85.6	92.5	100.0
EBITDA	10.8	10.7	12.4
Adj. PAT	8.4	8.2	9.5
EPS (INR)	43.4	42.1	49.1
EPS Gr. (%)	12.4	-2.9	16.6
BV/Sh. (INR)	309.4	347.6	391.7

### Ratios

RoE (%)	15.0	12.8	13.3
RoCE (%)	19.4	16.9	17.4
Payout (%)	8.2	9.5	10.2

### Valuations

P/E (x)	7.6	7.9	6.7
P/BV (x)	1.1	1.0	0.8
Div. Yield (%)	1.1	1.2	1.5
FCF Yield (%)	1.2	0.6	0.9

## Shareholding pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	44.1	44.1	44.1
DII	22.2	20.1	16.6
FII	21.4	23.1	26.9
Others	12.3	12.7	12.4

FII includes depository receipts

**CMP: INR2,941**
**TP: INR3,454 (+17%)**
**Buy**

## Earnings miss led by lower margin across segments

### TI Medical and CDMO to ramp up in FY27

- Tube Investments' (TIINDIA) 4QFY26 adj. PAT at INR2.8b came in 7% below our est. due to a margin miss across segments amid input cost pressure.
- We cut our EPS estimates by 9%/4% for FY27/FY28 on the back of a cautious outlook for the auto sector and rising input cost pressure. Despite near-term margin headwinds, TIINDIA offers diversified revenue streams, with steady growth in core business (~6% S/A PAT CAGR over FY26E-28E) and CG Power, as well as the optionality of new businesses incubated under the TI-2 strategy. **We reiterate our BUY rating with a TP of ~INR3,454 (premised on FY28E SoTP; our valuation is based on a 20x PER for the standalone business, valuing the listed subsidiaries at a 35% HoldCo discount).**

### Earnings miss due to margin pressure across segments

- TIINDIA's 4Q standalone revenues grew ~16% YoY to INR22.7b (in line).
- EBITDA margins contracted 340bp QoQ to 11% (200bp below our est.), led by subdued margin performance across segments.

### Segmental performance:

- Mobility business revenue grew 15% YoY to INR2b (in line). However, EBIT margins contracted 40bp YoY to 2% vs. our est. of 3.2%.
- Engineering business revenue grew 21.7% YoY to INR14.9b (in line), and EBIT margin improved 30bp YoY (-180bp QoQ) to 11.8% (below our est of 13.2%).
- Metal-formed business revenue grew 4% YoY to INR4.2b (in line), whereas EBIT margin contracted 140bp YoY to 8.4% vs. our est. of 11.1%.
- Other business revenue grew 1% YoY to INR2.5b (8% above our est), and EBIT margins improved 110bp YoY to 6.4% vs. our est. of 8.9%.
- EBITDA grew 10% YoY to INR2.5b (13% below of est.).
- The company incurred a one-time expense of INR77.5m on account of changes in the labor code.
- Adjusted for this, PAT stood at INR2.8b, up 10% YoY (7% below our estimate).
- **FY26 performance:** Revenue/EBITDA/PAT grew 8%/13%/13% to INR85.5b/INR10.8b/INR8.5b. OCF/FCF stood at INR9b/INR7b.

### Highlights from the management commentary

- Management indicated that volume growth remains strong. However, raw material prices are a headwind, with pass-through typically happening with a lag of 1-2 quarters. The company would look to offset this headwind through internal cost-reduction initiatives.

- The company is seeing an upswing in EV demand, especially in SCV and HCV, and has a strong HCV order book. Major challenges are finance availability and deployment of charging infrastructure.
- The Railway business is still under the product development stage. While TI is ready with the product, the customer needs government approval, and management expects progress over the next 2–3 quarters.
- The CRSS plant in Nashik is ramping up and is expected to reach 100% utilization by FY27 end or 1HFY28. The tube facility in Western India is currently at 30% utilization and is also expected to reach full utilization by FY27 or 1HFY28.
- The company expects 15-20% growth in TI Medical revenue in the near term.
- The CDMO plant is under final commissioning, with commercial production expected from 2Q.
- Core business capex for FY27 is expected to be in the INR3.0-3.5b range. Additional investments will be required for TICMPL and TI Medical, estimated at around INR3b for FY27.

### Valuation and view

- We cut our EPS estimates by 9%/4% for FY27/FY28 on the back of a cautious outlook for the auto sector and rising input cost pressure. Despite near-term margin headwinds, TIINDIA offers diversified revenue streams, with steady growth in core business (~6% S/A PAT CAGR over FY26E-28E) and CG Power, as well as the optionality of new businesses incubated under the TI-2 strategy. **We reiterate our BUY rating with a TP of ~INR3,454 (premised on FY28E SoTP; our valuation is based on a 20x PER for the standalone business, valuing the listed subsidiaries at a 35% HoldCo discount).**

### Quarterly performance (S/A)

Y/E March	FY25				FY26				FY25	FY26	4Q	VAV. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY25	FY26		
<b>Net Sales</b>	<b>19,603</b>	<b>20,648</b>	<b>19,102</b>	<b>19,573</b>	<b>20,066</b>	<b>21,190</b>	<b>21,522</b>	<b>22,786</b>	<b>78,925</b>	<b>85,564</b>	<b>22,060</b>	<b>3.3</b>
YoY Change (%)	10.1	4.8	0.6	-0.3	2.4	2.6	12.7	16.4	3.7	8.4	12.7	
<b>EBITDA</b>	<b>2,400</b>	<b>2,460</b>	<b>2,431</b>	<b>2,280</b>	<b>2,474</b>	<b>2,765</b>	<b>3,094</b>	<b>2,511</b>	<b>9,606</b>	<b>10,844</b>	<b>2,880</b>	<b>-12.8</b>
YoY Change (%)	11.1	-2.1	1.5	5.0	3.1	12.4	27.3	10.1	4.0	12.9	26.3	
Margins (%)	12.2	11.9	12.7	11.6	12.3	13.1	14.4	11.0	12.2	12.7	13.1	-200bp
Depreciation	386	407	432	463	450	474	477	487	1,688	1,888	483	
Interest	72	69	54	52	37	16	14	11	247	78	23	
Other Income	137	261	175	1,502	234	229	78	1,593	2,075	2,110	1,598	-0.3
<b>PBT before EO expense</b>	<b>2,079</b>	<b>2,245</b>	<b>2,120</b>	<b>3,267</b>	<b>2,221</b>	<b>2,504</b>	<b>2,681</b>	<b>3,606</b>	<b>9,745</b>	<b>10,988</b>	<b>3,972</b>	<b>-9.2</b>
Tax	534	567	512	664	540	637	641	737	2,277	2,553	891	
Tax Rate (%)	25.7	25.3	24.2	20.3	24.3	25.4	25.3	24.0	23.4	23.2	22.4	
<b>Adj PAT</b>	<b>1,545</b>	<b>1,678</b>	<b>1,607</b>	<b>2,603</b>	<b>1,681</b>	<b>1,868</b>	<b>2,005</b>	<b>2,861</b>	<b>7,468</b>	<b>8,472</b>	<b>3,080</b>	<b>-7.1</b>
YoY Change (%)	4.6	-7.5	2.1	5.0	8.8	11.3	24.7	9.9	1.7	13.4	18.3	

# GSK Pharma

Estimate change	↔
TP change	↑
Rating change	↔

**CMP: INR2,412      TP: INR2,600 (+8%)      Neutral**

## Earnings miss; supply constraints moderate earnings

### Innovative portfolio scaling up steadily

Bloomberg	GLXO IN
Equity Shares (m)	169
M.Cap.(INRb)/(USDb)	408.6 / 4.3
52-Week Range (INR)	3516 / 2218
1, 6, 12 Rel. Per (%)	2/6/-9
12M Avg Val (INR M)	304

### Financials & Valuations (INRb)

Y/E MARCH	FY26	FY27E	FY28E
Sales	38.2	42.4	48.0
EBITDA	13.2	15.2	17.7
Adj. PAT	10.3	11.9	13.8
EBIT Margin (%)	32.8	34.0	35.3
Cons. Adj. EPS (INR)	60.7	70.0	81.2
EPS Gr. (%)	12.6	15.2	16.1
BV/Sh. (INR)	133.8	176.2	229.9

### Ratios

Net D:E	-0.6	-0.4	-0.6
RoE (%)	45.4	39.7	35.3
RoCE (%)	48.8	45.2	40.0
Payout (%)	47.6	41.3	35.6

### Valuations

P/E (x)	39.6	34.4	29.6
EV/EBITDA (x)	33.9	29.6	24.8
Div. Yield (%)	1.0	1.0	1.0
FCF Yield (%)	2.0	0.7	3.0
EV/Sales (x)	11.7	10.6	9.2

### Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	75.0	75.0	75.0
DII	7.7	7.7	7.8
FII	4.6	4.6	4.5
Others	12.7	12.7	12.7

FII Includes depository receipts

- GlaxoSmithKline Pharmaceuticals (GLXO) exhibited a miss on revenues, EBITDA, and PAT for the quarter. The raw material constraint for key products impacted the overall growth for the quarter.
- The innovative portfolio remains on a growth trajectory, supported by the higher off-take of existing products and new launches in the oncology and respiratory segments.
- Particularly, GLXO received approval for Blenrep MA in India. Shingrix Rx witnessed 56% YoY growth by volume. Nucala witnessed 76% YoY growth in the number of patients to be treated.
- While ex-innovative portfolio sales were impacted by supply constraints, key brands delivered competitive performance.
- We largely maintain our estimates for FY27/FY28. We value GLXO at 32x 12M forward earnings to arrive at a TP of INR2,600.
- We expect GLXO to deliver a 16% earnings CAGR over FY26-28, led by its focus on expanding innovative portfolio offerings as well as enhancing marketing efforts to scale up volume off-take. Further, the strong brand recall in general medicines is expected to lead to in-line industry growth. Considering the limited upside from current levels, we maintain a Neutral stance on the stock.

### Margin expansion offsets muted revenue growth for the quarter

- Revenue increased 2.2% YoY to INR10b (est: INR11b).
- Gross margin (GM) expanded 160bp YoY to 65.4%.
- EBITDA margin expanded 110bp YoY to 35.3% (our est: 36%), largely driven by expansion in gross margin.
- EBITDA grew 5.3% YoY to INR3.5b (vs. est. of INR3.9b).
- Adjusted PAT grew 5.7% YoY to INR2.8b for the quarter (vs. est. of INR3.2b).
- For FY26, Revenue/EBITDA/PAT grew 2%/13%/12% YoY.

### Key highlights from the management commentary

- Management indicated an aspiration to deliver double-digit revenue growth going forward.
- It has guided for strong double-digit growth in the vaccines portfolio in FY27.
- The company expects to broadly maintain current EBITDA margin levels, given the reinvestment to be done for two launches in Oncology products and one adult vaccine.
- GLXO follows an India-focused tiered pricing model for its oncology medicines and also has a patient assistance program in place. However, insurance benefits for GLXO's oncology medicines are yet to meaningfully accrue.
- Innovative portfolio contributed ~6% of 4QFY26 revenue; management aims to increase the share to ~10% over the medium term.
- The oncology field force currently stands at ~25 employees, with the company initiating further recruitment in different fields.
- GLXO currently has 26 ongoing clinical trials across key therapy areas, including oncology (14 studies), respiratory & immunology (8 studies), and infectious diseases (4 studies).

**Qtr Perf. (Consol.)**
**(INRm)**

Y/E March	FY25				FY26				FY25	FY26	FY26	Chg. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	<b>8,147</b>	<b>10,107</b>	<b>9,494</b>	<b>9,743</b>	<b>8,052</b>	<b>9,799</b>	<b>10,413</b>	<b>9,953</b>	<b>37,491</b>	<b>38,217</b>	<b>10,950</b>	<b>-9%</b>
YoY Change (%)	7.0	5.6	17.9	4.8	-1.2	-3.0	9.7	2.2	8.6	1.9	12.4	
Total Expenditure	5,841	6,891	6,665	6,412	5,541	6,442	6,581	6,444	25,809	25,008	7,008	
<b>EBITDA</b>	<b>2,305</b>	<b>3,216</b>	<b>2,829</b>	<b>3,332</b>	<b>2,511</b>	<b>3,357</b>	<b>3,832</b>	<b>3,509</b>	<b>11,682</b>	<b>13,209</b>	<b>3,942</b>	<b>-11%</b>
YoY Change (%)	60.2	11.1	29.7	29.5	8.9	4.4	35.4	5.3	28.6	13.1	18.3	
Margins (%)	28.3	31.8	29.8	34.2	31.2	34.3	36.8	35.3	31.2	34.6	36.0	
Depreciation	164	169	188	147	155	174	203	132	668	664	207	
<b>EBIT</b>	<b>2,141</b>	<b>3,048</b>	<b>2,641</b>	<b>3,184</b>	<b>2,356</b>	<b>3,183</b>	<b>3,628</b>	<b>3,378</b>	<b>11,014</b>	<b>12,545</b>	<b>3,735</b>	
YoY Change (%)	67.9	12.3	31.4	33.1	10.0	4.4	37.4	6.1	31.3	13.9	17.3	
Margins (%)	26.3	30.2	27.8	32.7	29.3	32.5	34.8	33.9	29.4	32.8	34.1	
Interest	4	3	1	6	4	5	12	6	13	27	-9	
Other Income	356	345	351	407	437	336	321	360	1,459	1,453	550	
<b>PBT before EO Expense</b>	<b>2,494</b>	<b>3,391</b>	<b>2,991</b>	<b>3,585</b>	<b>2,789</b>	<b>3,514</b>	<b>3,938</b>	<b>3,731</b>	<b>12,461</b>	<b>13,971</b>	<b>4,294</b>	
Tax	671	913	782	957	740	965	1,043	952	3,323	3,700	1,138	
Rate (%)	26.9	26.9	26.2	26.7	26.5	27.5	26.5	25.5	26.7	26.5	26.5	
<b>Adjusted PAT</b>	<b>1,823</b>	<b>2,477</b>	<b>2,209</b>	<b>2,628</b>	<b>2,049</b>	<b>2,549</b>	<b>2,895</b>	<b>2,779</b>	<b>9,138</b>	<b>10,271</b>	<b>3,156</b>	<b>-12%</b>
YoY Change (%)	58.6	13.9	5.7	36.8	12.4	2.9	31.1	5.7	24.6	12.4	20.1	
Margins (%)	22.4	24.5	23.3	27.0	25.5	26.0	27.8	27.9	24.4	26.9	28.8	
One-off Expense/(Income)	0	-47	-90	0	0	-26	-62	0	-137	-88	0	
<b>Reported PAT</b>	<b>1,823</b>	<b>2,524</b>	<b>2,299</b>	<b>2,628</b>	<b>2,049</b>	<b>2,575</b>	<b>2,956</b>	<b>2,779</b>	<b>9,275</b>	<b>10,359</b>	<b>3,156</b>	

E: MOFSL Estimates

# MTAR Technologies

Estimate change	↑
TP change	↑
Rating change	↔

**CMP: INR6,764      TP: INR8,000 (+18%)      Buy**

## Strong 4QFY26; a sharp upward revision in guidance

### Operating performance below our estimate; earnings in line

- MTAR Technologies (MTARTECH) delivered a strong 4QFY26 performance, with revenue/EBITDA increasing 67%/81% YoY, led by strong performance in the fuel cells division. The order book rose 2.7x YoY/ 8% QoQ to INR25.82b with strong inflows (~INR4.93b) in the fuel cells segment (~INR3.6b).
- The management has again raised its FY27 revenue growth guidance to 80% (+/- 5%) (vs. earlier guidance of ~50%) with EBITDA margins of ~24% (vs. 19.5% in FY26), indicating a sequential margin improvement going forward. The closing orderbook is expected to be ~INR50b (i.e., double of the current closing orderbook) in FY27, backed by strong visibility across segments (primarily in fuel cells). The management showcased readiness in executing higher orders at better margins, led by improving product mix and operating leverage.
- Consequently, we raise our FY27E/FY28E earnings by 5%/11%, led by strong growth visibility and improving margins. **We reiterate our BUY rating on the stock** with a TP of INR8,000 (60x FY28 EPS translating into a ~0.6x PEG ratio on FY26-28E EPS CAGR).

### Favorable operating leverage drives margin expansion

- MTARTECH's consolidated revenue grew 67% YoY to INR3.1b (est. in line). EBITDA grew ~81% YoY to INR618m (est. INR770m). EBITDA margin expanded 150bp YoY to 20.2% (est. 24%). Gross margin was 44.2% (-800bp YoY) due to higher input costs, led by the current geopolitical crisis. The employee costs/other expenses as a % of sales stood at 14.1%/10% (-480bp YoY each), indicating operating leverage.
- Adj. PAT surged 3.2x YoY to INR443m (in line) for the quarter.
- Revenue from Clean Energy – Nuclear/Clean Energy – Fuel Cell/Product & Others grew 169%/98%/33% YoY to INR70m/INR2.2b/INR501m, while Aerospace & Defense (A&D) declined 5% YoY to INR314m.
- The order book as of Mar'26 stood at INR25.8b (vs. INR23.9b/INR9.8b Dec'25/Mar'25), with inflows of ~INR5b in 4QFY26 (INR24.8b in FY26). The order book mix was ~51%/26%/14%/8.5% for Clean Energy – Fuel Cell/Clean Energy – Nuclear/A&D/Product & Others.
- NWC days reduced to 172 as of Mar'26 from 266/229 as of Dec'25/Mar'25 due to better payment terms with customers. The inventory/receivable/payable days stood at 208/140/100 (vs. 186/113/77 in Mar'25). Management intends to maintain this NWC level in FY27.
- For FY26, revenue/EBITDA/PAT grew by 30%/42%/83% to INR8.8b/INR1.7b/INR969m. CFO grew 94% YoY to INR2b.
- Net debt stood at INR1.3b as of Mar'26 vs. INR1.6b as at Mar'25. The debt/equity ratio increased to 0.45x in FY26 vs. 0.24x in FY25 due to higher capacity expansion. Management intends to maintain the ratio at ~0.5x in FY27.

Bloomberg	MTARTECH IN
Equity Shares (m)	31
M.Cap.(INRb)/(USDb)	208 / 2.2
52-Week Range (INR)	6969 / 1391
1, 6, 12 Rel. Per (%)	56/172/357
12M Avg Val (INR M)	1481

### Financials & Valuations (INR b)

Y/E Mar	2026	2027E	2028E
Sales	8.8	15.3	24.4
EBITDA	1.7	3.6	5.9
Adj. PAT	1.0	2.3	4.1
EBITDA Margin (%)	19.5	23.5	24.3
Cons. Adj. EPS (INR)	31.5	73.4	132.3
EPS Gr. (%)	83.1	133.3	80.2
BV/Sh. (INR)	267.4	340.9	473.2

### Ratios

Net D:E	0.2	0.1	0.1
RoE (%)	12.5	24.1	32.5
RoCE (%)	11.3	19.3	26.5

### Valuations

P/E (x)	214.4	91.9	51.0
EV/EBITDA (x)	122.0	58.1	35.1

### Shareholding pattern (%)

As on	Mar-26	Dec-25	Mar-25
Promoter	30.4	30.6	31.8
DII	27.7	30.0	24.4
FII	17.3	12.2	6.7
Others	24.6	27.2	37.1

Note: FII includes depository receipts

### Highlights from the management commentary

- **New growth avenues:** The company received its first AI data-center export order from SLB (~INR350m) and sees an INR4–5b opportunity going ahead. In O&G, customer qualification and first articles have been completed successfully with one customer opportunity alone estimated at USD35-40m, while multiple additional customers remain under qualification (new O&G plant peak revenue at INR4.5-5.0b). Additionally, increasing participation in aerospace actuator assemblies (INR1.3-1.5b opportunity), AMCA structural programs, and nuclear refurbishment opportunities provides multi-sector growth visibility ahead.
- **Aerospace:** MTARTECH has secured an order for the Main Landing Gear Support Structure Test Box assembly for the AMCA (Advanced Medium Combat Aircraft) program (~initial order of ~INR40m) and is actively participating in multiple fighter jet structural assembly tenders. The company also expects significant order inflows for actuator assemblies in the LCA Tejas Mark IA program.
- **Capacity expansion:** To support future growth, the company is undertaking multi-fold capacity expansion across facilities (~INR2.5-3.0b capex over the next two years), increasing manpower and management bandwidth. The company also indicated ~INR5-7b of capex over the next five years.

### Valuation and view

- MTARTECH has a strong order book of ~INR26b as of Mar'26, driven by a healthy pipeline across the clean energy (fuel cells), A&D, nuclear sectors, products & others. Further, completion of the first articles and the shift to volume production for new customers across all segments will drive further growth. We anticipate these initiatives to translate into strong growth and margin expansion, led by operating leverage, as guided by the management.
- Working capital concerns have been addressed with better payment terms and capital advances, leading to strong operating cash flow. Management indicated ongoing measures to sustain it at current levels.
- We estimate a CAGR of 67%/86%/105% in revenue/EBITDA/adj. PAT over FY26-FY28. **We reiterate our BUY rating on the stock** with a TP of INR8,000 (based on 60x FY28 EPS and translating into a ~0.6x PEG ratio on FY26-28E EPS CAGR).

### Consolidated - Quarterly Earnings Model

Y/E March	(INRm)											
	FY25				FY26				FY25	FY26	FY26	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE	%	
<b>Gross Sales</b>	<b>1,283</b>	<b>1,902</b>	<b>1,745</b>	<b>1,831</b>	<b>1,566</b>	<b>1,356</b>	<b>2,780</b>	<b>3,061</b>	<b>6,760</b>	<b>8,762</b>	<b>3,204</b>	<b>-4%</b>
YoY Change (%)	-15.9	14.0	47.4	28.1	22.1	-28.7	59.3	67.2	16.4	29.6	75.0	
Total Expenditure	1,117	1,534	1,412	1,489	1,282	1,186	2,139	2,443	5,552	7,050	2,434	
<b>EBITDA</b>	<b>166</b>	<b>368</b>	<b>333</b>	<b>341</b>	<b>284</b>	<b>170</b>	<b>640</b>	<b>618</b>	<b>1,208</b>	<b>1,712</b>	<b>770</b>	<b>-20%</b>
Margins (%)	12.9	19.4	19.1	18.7	18.1	12.5	23.0	20.2	17.9	19.5	24.0	
Depreciation	61	78	87	96	84	88	88	90	322	350	96	
Interest	48	52	63	59	58	62	77	96	222	294	70	
Other Income	5	14	31	0	6	37	24	164	52	231	20	
<b>PBT before EO expense</b>	<b>62</b>	<b>253</b>	<b>214</b>	<b>186</b>	<b>148</b>	<b>57</b>	<b>499</b>	<b>595</b>	<b>716</b>	<b>1,299</b>	<b>624</b>	
Extra-Ord expense	0	0	0	0	0	0	38	0	0	38	0	
<b>PBT</b>	<b>62</b>	<b>253</b>	<b>214</b>	<b>186</b>	<b>148</b>	<b>57</b>	<b>461</b>	<b>595</b>	<b>716</b>	<b>1,261</b>	<b>624</b>	
Tax	18	65	55	49	40	14	114	153	187	321	157	
Rate (%)	28.6	25.8	25.5	26.3	27.0	25.2	24.8	25.6	26.1	25.5	25.2	
<b>Reported PAT</b>	<b>44</b>	<b>188</b>	<b>160</b>	<b>137</b>	<b>108</b>	<b>42</b>	<b>347</b>	<b>443</b>	<b>529</b>	<b>940</b>	<b>467</b>	
<b>Adj PAT</b>	<b>44</b>	<b>188</b>	<b>160</b>	<b>137</b>	<b>108</b>	<b>42</b>	<b>375</b>	<b>443</b>	<b>529</b>	<b>968</b>	<b>467</b>	<b>-5%</b>
YoY Change (%)	-78.2	-8.2	52.8	181.7	144.2	-77.4	135.0	222.6	-5.8	83.1	240.5	
Margins (%)	3.5	9.9	9.2	7.5	6.9	3.1	13.5	14.5	7.8	11.1	14.6	

# Crompton Greaves Consumer Electricals

Estimate change	↑
TP change	↑
Rating change	↔

**CMP: INR285**      **TP: INR340 (+19%)**      **Buy**

## Earnings beat; strong growth in ECD and lighting segments

### Margins rebound due to strong levers; growth engines scale up

Bloomberg	CROMPTON IN
Equity Shares (m)	644
M.Cap.(INRb)/(USD\$b)	183.4 / 1.9
52-Week Range (INR)	364 / 217
1, 6, 12 Rel. Per (%)	22/12/-9
12M Avg Val (INR M)	899
Free float (%)	100.0

- Crompton Greaves Consumer Electricals (CROMPTON)'s 4QFY26 operating performance was above our estimates, led by better margins in ECD and lighting. EBITDA was up ~2% YoY to INR2.7b (~9% beat). Margin dipped 1.0pp YoY to 11.9% (+70bp vs. our estimates). Adjusted PAT (INR7.2b impairment related to goodwill and other intangible assets of its subsidiary BGAL) remained flat YoY to INR1.7b (~9% above our estimates).
- Management indicated that margin improvement in 4Q was led by operating leverage, calibrated price increase, premiumization, and cost optimization measures. While raw material inflation persisted into Apr'26, it is cautiously balancing further pricing actions with demand momentum during the peak summer season. Structural margin drivers remain intact, led by product mix improvement in lighting, scaling benefits in small domestic appliances, and supply chain efficiencies. It continues to aggressively build new growth engines through solar, wires, and premium appliances.
- We raise our EPS by ~10%/9% for FY27E/FY28E, driven by stronger growth estimates owing to new product categories and better margins. We value CROMPTON at 30x FY28E EPS to arrive at our TP of INR340. **Reiterate BUY.**

### Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	81.0	93.0	103.7
EBITDA	8.3	9.8	11.5
Adj. PAT	4.9	6.1	7.3
EBITDA Margin (%)	10.2	10.5	11.1
Cons. Adj. EPS (INR)	7.6	9.4	11.3
EPS Gr. (%)	-11.6	23.6	20.2
BV/Sh. (INR)	53.4	59.5	67.1

### Ratios

Net D:E	-0.1	-0.1	-0.2
RoE (%)	14.3	15.9	16.9
RoCE (%)	16.5	17.2	18.0
Payout (%)	39.3	37.1	35.3

### Valuations

P/E (x)	37.3	30.2	25.1
P/BV (x)	5.3	4.8	4.2
EV/EBITDA (x)	22.0	18.6	15.3
Div Yield (%)	1.1	1.2	1.4
FCF Yield (%)	3.5	1.3	4.3

### Shareholding pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	0.0	0.0	0.0
DII	66.1	65.8	57.0
FII	20.5	20.6	30.3
Others	13.4	13.7	12.6

FII includes depository receipts

### ECD revenue up ~10% YoY; margin stands at 15.5% (est. 14.6%)

- CROMPTON's consol. revenue/EBITDA/ Adj. PAT stood at INR22.8b/INR2.7b/ INR1.7b (+11%/+2%/flat YoY and +2%/+9%/+9% vs. estimate). Gross margin dipped 2.3pp YoY to ~31.6%. OPM contracted 1pp YoY to ~11.9%.
- Segmental highlights: **1) ECD:** revenue surged ~10% YoY to INR17.6b, while EBIT increased ~2% YoY to INR2.7b (~7% beat). EBIT margin declined 1.2pp YoY to ~16% (est. ~15%); **2) Lighting:** revenue grew by ~14% YoY to INR3.2b. EBIT declined ~13% YoY to INR384m. EBIT margin dipped 3.7pp YoY to ~12%; and **c) Butterfly:** revenue increased by ~17% YoY to INR2.1b. EBIT increased ~7% YoY to INR131m. EBIT margin contracted 60bp YoY to ~6%.
- In FY26, CROMPTON's Revenue/EBITDA/PAT stood at INR81.0b/INR8.2b/ INR4.9b (+3%/-7%/-12% YoY). OPM dipped 1.1pp YoY to ~10%. OCF stood at INR7.2b vs INR7.5b in FY25. Capex stood at INR835m vs. INR1.1b. FCF at INR6.4b was similar to FY25.

### Key highlights from the management commentary

- Strong momentum in the fans business with record volumes in Mar'26 aided by the company's accelerated push towards BLDC fans. This was aided by the company's accelerated push towards BLDC fans. The BLDC portfolio is now growing at over 30%, supported by multiple new launches, including premium and smart variants.
- It witnessed continued margin pressure from elevated raw material costs driven by geopolitical disruptions and commodity inflation. A cumulative price hike of ~7%-8% was implemented during FY26 (largely in Q4).
- It has reduced dependence on lower-margin government contracts in B2B lighting and increased focus on higher-margin indoor commercial projects. In B2C lighting, the product mix has improved with a focus on high-value products.

## Valuation and view

- Crompton's ECD business delivered a steady performance, with sequential improvement in fans, led by strong BLDC volumes and calibrated price hikes to offset cost pressures. The pumps segment posted robust double-digit growth, gaining market share across residential, agri, and solar categories. This growth was supported by new product launches. The appliances segment remained a key growth driver, with strong traction observed in small domestic appliances along with continued market share gains. It maintained leadership in select categories such as water heaters.
- The company is aggressive in new category launches: 1) in large kitchen appliances, it launched a super-premium brand, "Crompton Rhion"; 2) it also launched wires under the "Crompton Armor" brand, initially in South India, and subsequently, it will be rolled out nationally; and 3) it is scaling its solar rooftop retail rollout alongside ongoing project execution.
- We estimate CROMPTON to report a revenue/EBITDA/PAT CAGR of 13%/18%/22% over FY26-28. We estimate its OPM to expand to ~11% by FY28E from ~10% in FY26. The company's RoIC is expected to improve to ~29% by FY28 (supported by impairment of goodwill driving a lower capital base) from ~23% in FY26. Its RoE is likely to be ~17% in FY28 vs. ~14% in FY26E. CROMPTON trades at 30x/25x FY27E/FY28E EPS. **We reiterate our BUY rating with a TP of INR340, based on 30x FY28E EPS.**

## Quarterly Performance (Consolidated)

Y/E March	FY25				FY26				FY25	FY26	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE		
<b>Sales</b>	<b>21,377</b>	<b>18,960</b>	<b>17,692</b>	<b>20,606</b>	<b>19,983</b>	<b>19,156</b>	<b>18,983</b>	<b>22,833</b>	<b>78,636</b>	<b>80,955</b>	<b>22,334</b>	<b>2%</b>
Change (%)	13.9	6.4	4.5	5.1	-6.5	1.0	7.3	10.8	7.5	2.9	8.4	
<b>Adj EBITDA</b>	<b>2,324</b>	<b>2,034</b>	<b>1,880</b>	<b>2,644</b>	<b>1,917</b>	<b>1,649</b>	<b>1,953</b>	<b>2,707</b>	<b>8,882</b>	<b>8,226</b>	<b>2,487</b>	<b>9%</b>
Change (%)	25.1	16.6	25.5	29.9	-17.5	-19.0	3.9	2.4	24.5	-7.4	-5.9	
Adj EBITDA margin (%)	10.9	10.7	10.6	12.8	9.6	8.6	10.3	11.9	11.3	10.2	11.1	72
Depreciation	372	382	379	396	395	440	436	447	1,528	1,718	449	-1%
Interest	155	120	105	100	98	116	84	94	480	392	87	9%
Other Income	238	175	116	159	237	134	128	158	688	657	146	8%
<b>PBT</b>	<b>2,035</b>	<b>1,707</b>	<b>1,512</b>	<b>2,308</b>	<b>1,661</b>	<b>1,226</b>	<b>1,561</b>	<b>2,324</b>	<b>7,562</b>	<b>6,772</b>	<b>2,097</b>	<b>11%</b>
Extra-ordinary items	-	-	-	-	-	204	200	7,160	-	7,564	-	
Tax	511	427	393	591	422	268	350	475	1,921	1,515	506	
Effective Tax Rate (%)	25.1	25.0	26.0	25.6	25.4	21.8	22.4	20.4	25.4	22.4	24.1	
<b>Reported PAT</b>	<b>1,524</b>	<b>1,281</b>	<b>1,119</b>	<b>1,717</b>	<b>1,239</b>	<b>754</b>	<b>1,010</b>	<b>-5,311</b>	<b>5,641</b>	<b>-2,307</b>	<b>1,591</b>	<b>NA</b>
Change (%)	24.8	27.0	31.0	28.7	(18.7)	(41.1)	(9.8)	(409.2)	27.7	(140.9)	-7.3	
Minority Interest	6.3	31.7	20.8	22.6	16.1	42.5	26.9	28.6	81.4	114.1	33	
<b>Adj PAT</b>	<b>1,517</b>	<b>1,249</b>	<b>1,098</b>	<b>1,695</b>	<b>1,223</b>	<b>863</b>	<b>1,132</b>	<b>1,697</b>	<b>5,559</b>	<b>4,916</b>	<b>1,558</b>	<b>9%</b>
Change (%)	28.2	28.5	27.7	22.5	(19.4)	(30.9)	3.1	0.2	26.4	(11.6)	-8.1	

## Segmental Performance (INR m)

Y/E March	FY25				FY26				FY25	FY26	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE		
<b>Sales</b>												
ECD	17,266	13,927	12,878	16,029	15,863	13,712	13,850	17,553	60,100	60,978	17,429	1%
Lighting Products	2,333	2,531	2,577	2,761	2,330	2,611	2,750	3,156	10,203	10,846	2,921	8%
Butterfly	1,777	2,502	2,237	1,817	1,791	2,834	2,383	2,123	8,333	9,131	1,983	7%
<b>EBIT</b>												
ECD	2,587	2,064	1,957	2,675	2,116	1,450	1,800	2,724	9,283	8,090	2,545	7%
Lighting Products	209	271	278	440	296	405	333	384	1,196	1,419	349	10%
Butterfly	41	177	123	123	76	221	140	131	464	567	158	-17%
<b>EBIT Margin (%)</b>												
ECD	15.0	14.8	15.2	16.7	13.3	10.6	13.0	15.5	15.4	13.3	14.6	91
Lighting Products	8.9	10.7	10.8	15.9	12.7	15.5	12.1	12.2	11.7	13.1	11.9	25
Butterfly	2.3	7.1	5.5	6.7	4.2	7.8	5.9	6.2	5.6	6.2	7.9	(179)

# Ventive Hospitality

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR668 TP: INR780 (+17%) Buy**

## International strength offsets weak India performance

### Operating performance below our estimates

- Ventive Hospitality (VENTIVE) delivered an EBITDA growth of 10% YoY to INR3.9b in 4QFY26, primarily driven by EBITDA growth of 19% in the International business, which was partially offset by a 7% decline in the Indian business (due to one-off items). Adjusted EBITDA for the Indian hospitality business grew 6% YoY to INR1b.
- For 4QFY26, the Hospitality business revenue grew 13% to INR6.6b, led by ARR growth of 16% to INR31,227, while occupancy dipped 0.7pp to 70% due to a volatile geopolitical environment.
- Going ahead, the company's luxury and upscale portfolio stands to benefit from improving connectivity, strong demand in markets such as Pune and Bengaluru, and constrained supply conditions, particularly in the luxury segment.
- The Maldives market remains healthy, driven by strong demand from China, Korea, and Japan, along with improving connectivity through new international flight routes. Despite seasonally weaker 1Q trends, high-end resorts continue to witness stable demand, supported by the Maldives' global connectivity.
- We largely maintain our FY27/FY28 EPS estimates, reiterating our BUY rating with a TP of INR730 (based on FY28E SOTP).

### Margin pressures weigh on operating performance

- Consol. revenue grew 18% YoY to INR7.8b (est. in line). This was led by 5%/18% YoY growth in the India/International hospitality business to INR2.4b/INR4.2b. Annuity business revenue largely remained flat at INR1.3b.
- India business ARR grew 12% to INR14,020, while occupancy declined 2pp to 69%. International business TrevPAR grew 18% to INR90,818, with occupancy expanding 3pp to 75%.
- EBITDA grew 10% YoY to INR3.9b (est. INR4.2b). EBITDA margins contracted 90bp YoY to 49.5% (est. 51.2%), affected by higher F&B expenses (up 180bp) and employee expenses (up 50bp).
- The Indian business EBITDA declined 7% YoY to INR970m, while the International business EBITDA grew 19% to INR1.9b. Annuity business EBITDA grew 2% YoY to INR1,131m.
- Adj. PAT grew 83% YoY to INR2.3b (est. INR1.7b).
- The company reported exceptional items of INR51m due to additional depreciation on the assets of Aloft Whitefield hotel (going under renovation).
- For FY26, revenue/EBITDA/adj. PAT grew 53%/44%/3.4x to INR24.6b/INR10.9b/INR4.3b.
- Gross debt stood at INR20b vs. INR23b as of Mar'25. CFO stood at INR9.5b vs. INR6.8b as of Mar'25

Bloomberg	VENTIVE IN
Equity Shares (m)	234
M.Cap.(INRb)/(USD\$)	156 / 1.6
52-Week Range (INR)	845 / 542
1, 6, 12 Rel. Per (%)	13/-1/-11
12M Avg Val (INR M)	96

### Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	24.6	28.0	35.4
EBITDA	10.9	12.4	15.6
PAT	4.3	4.5	7.2
EBITDA %	44.4	44.4	44.0
EPS (INR)	18.6	19.4	30.9
EPS Gr. (%)	243.1	4.7	58.8
BV/Sh.(INR)	235.8	255.2	286.1
<b>Ratios</b>			
Net D:E	0.3	0.0	(0.1)
RoE (%)	8.4	7.9	11.4
RoCE (%)	9.1	8.9	12.1
<b>Valuations</b>			
P/E (x)	36.0	34.4	21.6
P/BV (x)	2.8	2.6	2.3
EV/EBITDA (x)	16.9	13.8	10.3
FCF per share	32.3	66.2	50.5

### Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	89.0	89.0	89.0
DII	5.2	5.2	5.4
FII	1.4	1.6	2.9
Others	4.4	4.2	2.7

Note: FII includes depository receipts

### Highlights from the management commentary

- **Guidance:** VENTIVE's Indian portfolio offers strong occupancy headroom and sustained double-digit ARR growth, supporting low-teen revenue and high-teen EBITDA growth over the medium term. Near-term performance is aided by spillover demand, a favorable base effect from operation Sindhoor, and the resilience of its diversified portfolio despite geopolitical uncertainties.
- **Yerawada Commercial Office Park:** VENTIVE has acquired a 50.02% stake in Narmada Estates Pvt. Ltd. to develop a Grade-A commercial office park in Yerawada, Pune, with ~0.63m sq. ft. of leasable area on a freehold land parcel. The INR5b project, expected to be completed over 48–60 months, is strategically positioned to capitalize on strong leasing demand, limited Grade-A supply in the Pune CBD market, and long-term annuity income potential.
- **Capex:** The company has reduced its debt levels and plans to incur ~INR10b of capex over the next three years. Management expects the majority of planned investments, including all announced projects, to be funded through internal accruals.

### Valuation and view

- VENTIVE's growth is expected to be driven by rapid multi-city expansion, infrastructure-led demand, limited supply conditions in key markets such as Pune, and diversification into membership-led hospitality through Soho House. Additionally, high-ADR Maldives assets and expansion into Sri Lanka are expected to further bolster growth.
- **Based on proforma financials, we build in a CAGR of 20%/19%/29% in revenue/EBITDA/adj. PAT over FY26-28E. We largely maintain our FY27/FY28 EPS estimates, reiterating our BUY rating with a TP of INR780 (based on FY28E SOTP).**

### Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26				FY25	FY26	FY26E	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Gross Sales</b>	<b>1,149</b>	<b>2,579</b>	<b>5,340</b>	<b>6,979</b>	<b>5,075</b>	<b>4,893</b>	<b>6,855</b>	<b>7,788</b>	<b>16,047</b>	<b>24,610</b>	<b>8,122</b>	<b>-4</b>
YoY Change (%)	NA	NA	322.7	461.9	341.7	89.7	28.4	11.6	235.7	53.4	16.4	
Total Expenditure	470	1,615	2,890	3,464	2,997	2,997	3,745	3,935	8,439	13,674	3,964	
<b>EBITDA</b>	<b>679</b>	<b>964</b>	<b>2,450</b>	<b>3,516</b>	<b>2,078</b>	<b>1,896</b>	<b>3,110</b>	<b>3,852</b>	<b>7,608</b>	<b>10,937</b>	<b>4,158</b>	<b>-7</b>
Margins (%)	59.1	37.4	45.9	50.4	40.9	38.8	45.4	49.5	47.4	44.4	51.2	
Depreciation	112	496	923	1,031	798	789	843	843	2,562	3,274	850	
Interest	116	715	989	746	601	559	601	534	2,567	2,295	571	
Other Income	62	100	324	193	124	652	365	909	678	2,050	450	
<b>PBT before EO expense</b>	<b>512</b>	<b>-147</b>	<b>862</b>	<b>1,931</b>	<b>803</b>	<b>1,200</b>	<b>2,032</b>	<b>3,384</b>	<b>3,158</b>	<b>7,418</b>	<b>3,187</b>	
Extra-Ord expense	0	0	61	0	0	0	30	51	61	81	0	
<b>PBT</b>	<b>512</b>	<b>-147</b>	<b>801</b>	<b>1,931</b>	<b>803</b>	<b>1,200</b>	<b>2,001</b>	<b>3,333</b>	<b>3,096</b>	<b>7,337</b>	<b>3,187</b>	
Tax	248	232	387	420	424	557	597	745	1,286	2,323	1,037	
Rate (%)	48.4	-157.4	48.4	21.7	52.8	46.5	29.8	22.4	41.5	31.7	32.5	
MI & Profit/Loss of Asso. Cos.	0	184	191	232	110	117	239	293	607	758	437	
<b>Reported PAT</b>	<b>264</b>	<b>-563</b>	<b>223</b>	<b>1,279</b>	<b>269</b>	<b>526</b>	<b>1,166</b>	<b>2,295</b>	<b>1,203</b>	<b>4,256</b>	<b>1,714</b>	
<b>Adj PAT</b>	<b>264</b>	<b>-563</b>	<b>254</b>	<b>1,279</b>	<b>269</b>	<b>526</b>	<b>1,187</b>	<b>2,335</b>	<b>1,239</b>	<b>4,311</b>	<b>1,714</b>	<b>36</b>
YoY Change (%)					2.0	-193.4	367.0	82.6	-24.0	248.1	34.1	
Margins (%)	23.0	-21.8	4.8	18.3	5.3	10.7	17.3	30.0	7.7	17.5	21.1	

# Blue Dart Express

 Estimate change 

 TP change 

 Rating change 

Bloomberg	BDE IN
Equity Shares (m)	24
M.Cap.(INRb)/(USDb)	121.1 / 1.3
52-Week Range (INR)	7225 / 4683
1, 6, 12 Rel. Per (%)	2/-6/-21
12M Avg Val (INR M)	413

## Financial Snapshot (INR b)

Y/E MARCH	2026	2027E	2028E
Sales	61.4	67.2	74.0
EBITDA	5.7	7.4	8.6
Adj. PAT	2.7	3.8	4.5
EBITDA Margin (%)	9.3	10.9	11.6
Adj. EPS (INR)	119.7	159.5	189.4
EPS Gr. (%)	16.1	33.2	18.7
BV/Sh. (INR)	771.7	906.2	1070.5

## Ratios

Net D:E	-0.1	-0.2	-0.2
RoE (%)	18.4	19.0	19.2
RoCE (%)	18.7	21.1	20.9
Payout (%)	24.8	15.7	13.2

## Valuations

P/E (x)	42.6	32.0	26.9
P/BV (x)	6.6	5.6	4.8
EV/EBITDA(x)	19.8	15.0	12.5
Div. Yield (%)	0.5	0.5	0.5
FCF Yield (%)	1.9	2.6	3.1

## Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	75.0	75.0	75.0
DII	14.5	13.6	13.0
FII	3.4	4.1	5.5
Others	7.0	7.3	6.5

FII includes depository receipts

**CMP: INR5,102**
**TP: INR6,000 (+18%)**
**Buy**

## Weak quarter; margins to improve ahead

- Blue Dart Express's (BDE) revenue grew by ~8% YoY to INR15.3b in 4QFY26 (in line with our estimate). The company handled 0.36m tons of cargo volumes (+9% YoY) and 96.2m shipments in 4QFY26. Realization was flat YoY at INR42.6/kg.
- EBITDA margin came in at 8.1% in 4QFY26 (down 20bp YoY and 370bp QoQ) against our estimate of 10.9% margins. EBITDA grew by ~6% YoY to INR1.2b (27% above our estimate).
- APAT stood at INR433m in 4QFY26 vs. INR532m in 4QFY25 (45% below our estimate).
- In FY26, revenue/EBITDA/APAT grew by 7%/15%/12%.
- The board recommended a dividend of INR25 per share.
- In 4QFY26, BDE reported steady volume growth of 9% YoY. However, margins took a hit due to a change in cargo mix, with APAT declining 19% YoY due to weak EBITDA margins. The ground and air express segments continued to see healthy traction. We cut our FY27 EBITDA estimates by 5% to incorporate the weak near-term outlook. **We reiterate our BUY rating with a revised TP of INR6,000 (based on 15x FY28E EV/EBITDA).**

## Steady volume growth; Air:Surface mix at 60:40

- In 4Q, BDE reported shipment volume of 96.17m (+5% YoY) and tonnage of 0.36mt (+9% YoY).
- Air Express contributed ~60% and Surface Express ~40% of total revenue. B2B/B2C segments accounted largely for 70%/30% of revenue. B2C majorly includes ecommerce shipments.

## Highlights from the management commentary

- The company implemented a general price increase, effective 1st Jan'26, with management indicating that realization improved by 3-4%. Management highlighted that the full benefit of price hikes typically accrues with a lag as large customers take additional time for renegotiations.
- The yield per kg remained under pressure during the quarter due to an adverse mix shift toward ground shipments and heavier cargo, which carry relatively lower realizations compared to premium air express shipments.
- Management indicated that the recent increase in ATF prices is unlikely to have any material impact on profitability as fuel surcharge mechanism largely neutralizes ATF volatility. Some impact from rising ATF prices on revenue will reflect in 1QFY27, though profitability impact is expected to remain largely neutral due to surcharge pass-through.

### Valuation and view

- The ground and air express segments continue to see healthy traction, driven by B2C growth and e-commerce volumes. Despite competition, the company has been able to maintain market share through its premium offerings.
- We cut our FY27 EBITDA estimates by 5% to incorporate the weak near-term outlook. **We reiterate our BUY rating with a revised TP of INR6,000 (based on 15x FY28 EV/EBITDA).**

### Quarterly snapshot - Standalone

Y/E March (INR m)	FY25				FY26				FY25	FY26	FY26	Var. vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	4QE	4QE		
<b>Net Sales</b>	<b>13,427</b>	<b>14,485</b>	<b>15,117</b>	<b>14,173</b>	<b>14,419</b>	<b>15,493</b>	<b>16,162</b>	<b>15,335</b>	<b>57,202</b>	<b>61,409</b>	<b>15,602</b>	<b>(2)</b>
YoY Change (%)	8.5	9.4	9.3	7.1	7.4	7.0	6.9	8.2	8.6	7.4	10.1	
<b>EBITDA</b>	<b>1,094</b>	<b>1,219</b>	<b>1,462</b>	<b>1,181</b>	<b>1,002</b>	<b>1,572</b>	<b>1,901</b>	<b>1,247</b>	<b>4,956</b>	<b>5,721</b>	<b>1,702</b>	<b>(27)</b>
Margins (%)	8.1	8.4	9.7	8.3	6.9	10.1	11.8	8.1	8.7	9.3	10.9	
YoY Change (%)	-3.4	-6.6	8.9	-15.3	-8.5	29.0	30.0	5.6	-4.2	15.4	44.1	
Depreciation	523	519	522	529	505	594	710	664	2,092	2,472	738	
Interest	70	70	73	75	72	105	126	117	288	420	130	
Other Income	191	190	196	206	207	194	189	182	783	771	202	
<b>PBT before EO expense</b>	<b>693</b>	<b>819</b>	<b>1,064</b>	<b>782</b>	<b>632</b>	<b>1,066</b>	<b>1,253</b>	<b>649</b>	<b>3,359</b>	<b>3,599</b>	<b>1,036</b>	
Extra-Ord expense	0	0	0	0	0	0	442	1	0	444	0	
<b>PBT</b>	<b>693</b>	<b>819</b>	<b>1,064</b>	<b>782</b>	<b>632</b>	<b>1,066</b>	<b>810</b>	<b>647</b>	<b>3,359</b>	<b>3,156</b>	<b>1,036</b>	
Tax	178	212	273	250	163	271	110	215	912	759	254	
Rate (%)	25.7	25.9	25.6	32.0	25.7	25.4	13.6	33.2	27.2	24.0	24.5	
<b>Reported PAT</b>	<b>515</b>	<b>608</b>	<b>791</b>	<b>532</b>	<b>469</b>	<b>795</b>	<b>700</b>	<b>432</b>	<b>2,446</b>	<b>2,397</b>	<b>782</b>	
<b>Adj PAT</b>	<b>515</b>	<b>608</b>	<b>791</b>	<b>532</b>	<b>469</b>	<b>795</b>	<b>1,032</b>	<b>433</b>	<b>2,446</b>	<b>2,730</b>	<b>782</b>	<b>(45)</b>
YoY Change (%)	-13.8	-14.8	-3.0	-30.0	-8.9	30.8	30.5	-18.6	-15.2	11.6	47.0	
Margins (%)	3.8	4.2	5.2	3.8	3.3	5.1	6.4	2.8	4.3	4.4	5.0	

# Sri Lotus Developers & Realty

Estimate change 

TP change

Rating change 

Bloomberg	LOTUSDEV IN
Equity Shares (m)	489
M.Cap.(INRb)/(USDb)	69.4 / 0.7
52-Week Range (INR)	219 / 102
1, 6, 12 Rel. Per (%)	4/-7/-
12M Avg Val (INR M)	504

## Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	7.7	11.5	17.3
EBITDA	2.8	4.0	6.1
EBITDA (%)	36.5	35.0	35.2
Net profit	2.4	3.5	5.2
EPS (INR)	4.9	7.2	10.6
EPS Growth (%)	4.3	47.7	48.3
BV/Share (INR)	39.1	45.8	55.9

## Ratios

Net D/E	-0.4	-0.3	-0.2
RoE (%)	16.7	16.9	20.9
RoCE (%)	15.8	16.6	21.2
Payout (%)	10.3	7.0	4.7

## Valuations

P/E (x)	29.3	19.8	13.4
P/BV (x)	3.6	3.1	2.5
EV/EBITDA (x)	22.2	15.4	10.7
Div Yield (%)	0.4	0.4	0.4

## Shareholding Pattern (%)

As of	Mar-26	Dec-25
Promoter	81.9	81.9
DII	1.6	2.8
FII	1.0	1.8
Others	15.5	13.5

CMP: INR142

TP: INR215 (+52%)

Buy

## Healthy business momentum

### Strong redevelopment pipeline supports growth

- Sri Lotus Developers & Realty (LOTUSDEV) delivered a strong operational performance, with 4QFY26 posting pre-sales growth of 177% YoY to INR4.6b, supported by sustained traction across its luxury and ultra-luxury residential portfolio. The successful launch of Lotus Celestia in Versova, which achieved bookings of INR1.6b within seven days against an estimated GDV of ~INR14-15b, reinforces the company's strong brand positioning and pricing power in premium micro-markets.
- In FY26, the company recorded pre-sales of INR11.6b, rising 137% YoY on the back of four new launches – Arcadian, Amalfi, Varun, and Celestia – with a combined GDV of INR30b. LOTUSDEV significantly strengthened its future growth pipeline during FY26 through the addition of nine projects with a cumulative GDV of ~INR85-90b, enhancing medium-term launch visibility and expanding its redevelopment footprint across key Mumbai markets.
- The FY27 launch pipeline remains robust with six planned launches - Lotus Aquaria, Lotus Trident, Lotus Aurelia, Lotus Sky Plaza, Lotus Portofino, and Lotus Odyssey, carrying an estimated GDV of ~INR50-55b, providing strong visibility for sustained pre-sales growth over the next few years. FY27 pre-sales guidance stands at INR18-20b, implying continued growth momentum, aided by upcoming launches, premium positioning, and sustained demand in Mumbai's luxury housing market. Hence, we bake in 56% CAGR in pre-sales to INR28b over FY26-28E.

### Collections momentum to improve, while net cash position sustains

- Collections stood at INR3.8b in FY26, rising 12% YoY, while 4QFY26 collections came in at INR0.8b, rising 240% YoY. Collections are expected to improve with momentum in construction. Hence, we bake in 93% CAGR over FY26-28E to INR14.1b.
- LOTUSDEV maintained a net debt-free balance sheet and continues to remain debt-free over the years.

### P&L performance

- FY26 revenue stood at INR7.7b, rising 40% YoY, while EBITDA came in at INR2.8b, with an EBITDA margin of 36.5%. PAT stood at INR2.4b, rising 4% YoY, translating into PAT margin of 31%.
- In 4QFY26, revenue stood at INR3.1b, rising 62% YoY, while EBITDA and PAT came in at INR1.2b and INR1.0b, rising 11% each on a YoY basis.
- FY27 revenue and PAT growth guidance stands at 55-60% YoY, supported by launch pipeline execution and improving project monetization.
- The Board has approved a 50% dividend payout for FY26, while the promoter group voluntarily waived its dividend entitlement to support future project additions and development activities.

### Valuation and view

- LOTUSDEV delivered a 59% pre-sales CAGR over FY22-26. With an increased pipeline of projects, pre-sales are expected to record decent growth. Collections are also expected to improve gradually as project monetization progresses.
- Supported by its execution track record, the company is expected to maintain healthy operating and net profit margins over the forecast period, albeit at more moderate levels than earlier envisaged.
- **We reiterate our BUY rating on the stock with a TP of INR215, indicating a 52% potential upside.**

### Quarterly performance

Y/E March	FY25				FY26				(INRm)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY25	FY26
<b>Gross Sales</b>	<b>1,207</b>	<b>1,227</b>	<b>1,162</b>	<b>1,900</b>	<b>613</b>	<b>1,761</b>	<b>2,240</b>	<b>3,075</b>	<b>5,497</b>	<b>7,690</b>
YoY Change (%)	NA	NA	NA	NA	-49.2	43.5	92.7	61.8	NA	649.6
Total Expenditure	679	571	546	810	319	1,257	1,446	1,862	2,607	4,884
<b>EBITDA</b>	<b>527</b>	<b>656</b>	<b>616</b>	<b>1,090</b>	<b>295</b>	<b>504</b>	<b>794</b>	<b>1,213</b>	<b>2,890</b>	<b>2,806</b>
Margins (%)	43.7	53.5	53.0	57.4	48.0	28.6	35.5	39.4	52.6	36.5
Depreciation	3	4	4	4	4	4	4	4	15	17
Interest	0	0	0	1	5	5	5	5	2	19
Other Income	18	23	74	81	68	127	158	145	196	498
<b>PBT before EO expense</b>	<b>542</b>	<b>675</b>	<b>686</b>	<b>1,166</b>	<b>353</b>	<b>622</b>	<b>943</b>	<b>1,349</b>	<b>3,068</b>	<b>3,267</b>
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
<b>PBT</b>	<b>542</b>	<b>675</b>	<b>686</b>	<b>1,166</b>	<b>353</b>	<b>622</b>	<b>943</b>	<b>1,349</b>	<b>3,068</b>	<b>3,267</b>
Tax	140	171	172	307	95	159	241	340	789	834
Rate (%)	25.8	25.3	25.1	26.3	27.0	25.5	25.5	25.2	25.7	25.5
MI & Profit/Loss of Asso. Cos.	-1	-1	-2	-1	-2	-2	-5	-53	-5	-62
<b>Reported PAT</b>	<b>401</b>	<b>504</b>	<b>512</b>	<b>858</b>	<b>256</b>	<b>462</b>	<b>697</b>	<b>956</b>	<b>2,274</b>	<b>2,371</b>
<b>Adj PAT</b>	<b>401</b>	<b>504</b>	<b>512</b>	<b>858</b>	<b>256</b>	<b>462</b>	<b>697</b>	<b>956</b>	<b>2,274</b>	<b>2,371</b>
YoY Change (%)	NA	NA	NA	NA	-36.1	-8.4	36.2	11.5	59,569.2	1,733.8
Margins (%)	33.2	41.0	44.1	45.1	41.8	26.2	31.1	31.1	41.4	30.8
<b>Operational Performance</b>										
Booking Value (INRb)	1.0	1.1	1.1	1.7	0.6	2.6	3.8	4.6	4.9	11.6
Collections (INRb)	0.8	0.9	1.4	0.2	0.7	1.1	1.2	0.8	3.4	3.8

# Gopal Snacks

Estimate change	↑
TP change	↑
Rating change	↔

**CMP: INR296**

**TP: INR390 (+32%)**

**Buy**

## Challenges largely behind, focus on higher growth

Gopal Snacks (GSL)'s revenue grew 29.0% to INR4.1b, led by Extruded Snacks (+27.8% YoY), followed by Snacks Pellets (+23.6% YoY) & Gathiya (+20.6% YoY). Recently, the company has resumed its main manufacturing facility at Rajkot, which was hit by a fire incident in Dec'24. The facility will now operate with an installed capacity of 1,05,233 MTPA and will manufacture a diversified product portfolio, including Gathiya, Namkeen, Snack Pellets, and Extruded Snacks. Its EBITDA/APAT surged 1453.0%/62.3% YoY, leading to an EBITDA margin of 7.7% (+705bp YoY). GSL added 72 distributors during 4Q and is on track to add 250 distributors over FY27, reaching 1,100+ distributors by FY27. Management guided a revenue of INR18b with an operating margin of 8-9%, supported by distribution expansion and scale of operation at the upcoming Rajkot facility.

## Plant restoration is on track; distribution expansion continued

GSL's operational performance is expected to improve meaningfully in FY27, supported by the recommissioning of the Rajkot plant and the successful ramp-up of the Modasa facility, which together enhance supply-chain efficiency and support future growth. On the product front, we expect Gathiya to clock ~10% CAGR, while namkeen (~23% of revenue) is projected to grow ~14% CAGR over FY26-28. Snack pellets (~16% of revenue) and wafers (~10% of revenue) are forecasted to clock ~13% and ~23% CAGR, respectively, during the same period. Management remains focused on aggressive distribution expansion, with plans to add ~250 distributors during FY27. Management expects core markets (65% of sales) and focus markets (25% of sales) to grow at ~17% and ~35%, respectively, in FY27, driven by increased distribution servicing frequency in core markets and distribution expansion in focus markets. Management has guided FY27 revenue of ~INR18b (incremental addition of ~INR3.0–3.5b from FY26), driven by additional ~INR1.7b from core markets through increased distribution servicing frequency and ~INR1.2b from focus markets via distribution expansion.

## Operating margin to improve, led by cost optimization

Gross margin improved to 27.7%, up 750bp YoY, supported by strategic cost optimization initiatives and effective management of raw material expenses. EBITDA came at INR315m (+1453.0% YoY), settling EBITDA margin at 7.7% (+705bp YoY), despite higher other expenses (+47.2% YoY) and higher employee costs (+12.4% YoY). Management targets gross margin to improve gradually while EBITDA margin is expected to remain at 8-9% (+200bp) in FY27.

## Valuation and view: Reiterate BUY

We expect GSL to benefit from distribution expansion in non-core markets, ramp-up of the Modasa facility, and the upcoming Rajkot facility. The company is driving growth through expansion into non-core states and a renewed focus on achieving operational efficiencies. The Board has declared 3rd interim dividend of INR0.4/share, taking the total dividend to INR1/share. We forecast a revenue/EBITDA/APAT CAGR of 17%/40%/87% over FY26-28. We upgrade our FY27E/FY28E earnings by 6.4%/ 5.1%, led by better visibility on market share gains, and reiterate our BUY rating with a DCF-based TP of INR390 (vs. INR365; based on an implied P/E of 40x on FY28E). Key risks: geographical concentration risk due to heavy reliance on Gujarat and supply chain disruptions.

	GOPAL IN
Bloomberg Equity Shares (m)	125
M.Cap.(INRb)/(USDb)	36.9 / 0.4
52-Week Range (INR)	398 / 248
1, 6, 12 Rel. Per (%)	14/-1/6
12M Avg Val (INR M)	51
Free float (%)	18.5

### Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	15.1	18.0	20.5
Adj. EBITDA	1.0	1.5	2.0
Adj. EBITDA (%)	6.7	8.5	9.7
Adj. PAT	0.3	0.8	1.2
Adj. EPS (INR)	2.8	6.6	9.7
Adj. EPS Gr. (%)	-48.1	137.9	47.4
BV/Sh. (INR)	38.4	43.3	50.6

### Ratios

Net D:E	0.3	0.2	0.1
RoE (%)	7.8	16.0	20.6
RoCE (%)	6.5	12.6	15.5
Payout (%)	36.3	25.0	25.0

### Valuations

P/E (x)	108.9	45.8	31.1
P/B (x)	7.8	6.9	5.9
EV/EBITDA (x)	38.5	25.0	19.0
Div. yield (%)	0.3	0.5	0.8

### Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	81.5	81.5	81.5
DII	6.3	6.3	7.0
FII	0.7	0.8	1.6
Others	11.6	11.4	10.0

**Consolidated Quarterly performance**

(INR m)

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Net Sales</b>	<b>3,543</b>	<b>4,026</b>	<b>3,936</b>	<b>3,175</b>	<b>3,222</b>	<b>3,757</b>	<b>4,008</b>	<b>4,096</b>	<b>14,680</b>	<b>15,082</b>
<i>YoY Change (%)</i>	11.2	12.6	7.1	-11.5	-9.1	-6.7	1.8	29.0	4.7	2.7
<b>Gross Profit</b>	<b>1,028</b>	<b>1,166</b>	<b>842</b>	<b>641</b>	<b>837</b>	<b>992</b>	<b>1,106</b>	<b>1,134</b>	<b>3,677</b>	<b>4,069</b>
Total Expenditure	3,134	3,559	3,781	3,155	3,070	3,515	3,704	3,781	13,628	14,070
<b>EBITDA</b>	<b>409</b>	<b>468</b>	<b>155</b>	<b>20</b>	<b>152</b>	<b>241</b>	<b>304</b>	<b>315</b>	<b>1,052</b>	<b>1,013</b>
<i>Margin (%)</i>	11.5	11.6	3.9	0.6	4.7	6.4	7.6	7.7	7.2	6.7
Depreciation	81	83	85	83	82	90	104	111	332	387
Interest	16	8	2	7	20	19	11	18	34	69
Other Income	18	12	7	18	3.3	2.4	1.0	37.8	56	44
<b>PBT before EO items</b>	<b>330</b>	<b>388</b>	<b>75</b>	<b>-51</b>	<b>53</b>	<b>134</b>	<b>190</b>	<b>224</b>	<b>742</b>	<b>601</b>
Extraordinary Inc / (Exp)	0	0	0	-472	2	215	1	175	-472	393
<b>PBT</b>	<b>330</b>	<b>388</b>	<b>75</b>	<b>-523</b>	<b>55</b>	<b>350</b>	<b>191</b>	<b>399</b>	<b>270</b>	<b>994</b>
Tax	87	99	22	-128	30	93	36	99	80	258
<i>Rate (%)</i>	26.4	25.6	29.2	24.5	54.2	26.5	18.8	24.9	29.7	25.9
JV and Associates										
<b>Reported PAT</b>	<b>243</b>	<b>289</b>	<b>53</b>	<b>-395</b>	<b>25</b>	<b>257</b>	<b>155</b>	<b>299</b>	<b>190</b>	<b>737</b>
<b>Adj PAT</b>	<b>243</b>	<b>289</b>	<b>53</b>	<b>77</b>	<b>23</b>	<b>42</b>	<b>154</b>	<b>125</b>	<b>662</b>	<b>343</b>
<i>YoY Change (%)</i>	-14.3	6.2	-70.3	-70.6	-90.5	-85.6	189.8	62.3	-33.5	-48.1
<i>Margin (%)</i>	6.9	7.2	1.4	2.4	0.7	1.1	3.8	3.0	4.5	2.3

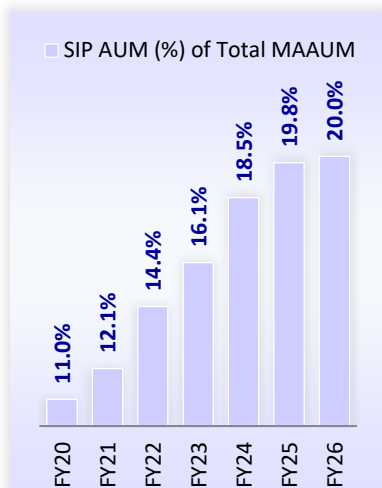
E: MOFSL Estimates

**Changes to our estimates (INR m)**

INR m	Old		New		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	17,135	19,808	17,985	20,511	5.0	3.6
EBITDA	1,371	1,783	1,529	1,990	11.5	11.6
EBITDA margin %	8.0	9.0	8.5	9.7	6.2	7.8
PAT	768	1,145	817	1,204	6.4	5.1
EPS	6.2	9.2	6.6	9.7	6.4	5.1

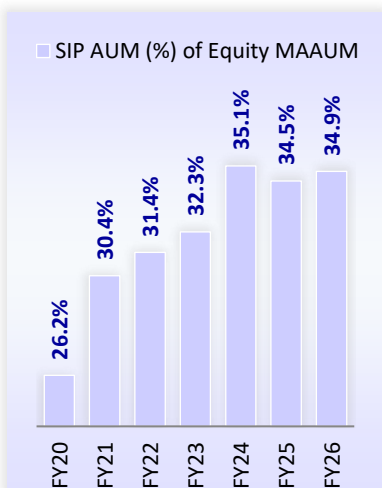
Source: MOFSL, Company

Share of SIP AUM as a % of overall AUM stood at ~20% as of Mar'26



Source: AMFI, MOFSL

SIP AUM as a % of equity MAAUM has gradually trended upwards



Source: AMFI, MOFSL

## SIP vs. lump sum flows – a cyclical test

SIP inflows demonstrate resilience, while lump sum flows are relatively cyclical

- Over the past decade, India's equity market structure has undergone a fundamental shift, with SIP inflows scaling ~10x from ~INR30b/month in FY15 to ~INR320b+/month in Mar'26 and annual contributions reaching ~INR3.5t, establishing a steady domestic liquidity base that has materially reduced reliance on volatile external flows.
- SIPs have effectively become a counter-cyclical stabilizer, with monthly run-rates sustaining or rising across stress periods (INR70–85b in FY19 → ~INR86b by FY20 → ~INR166b in FY24 → ~INR300b+ in FY26), contributing to relatively lower drawdowns and faster recoveries in recent market cycles.
- In contrast, lump sum gross inflows remain inherently pro-cyclical and sentiment-driven, with monthly inflows exhibiting wide dispersion from ~INR200b in weaker phases (e.g., in Jul'22) to peaks of INR400b–630b during late 2021.
- The Covid phase experienced the biggest drawdown in SIP (15% drop in Nov'20 vs. Mar'20) and lump sum gross inflows (59% fall over Mar–Nov'20) as it hit future earnings visibility for customers. However, as uncertainties receded and markets recovered, there was a sharp bounce back in both.
- The rising dominance of the SIP flow trend has structurally improved earnings visibility and inflow predictability for asset management companies, supporting steadier AUM compounding, stronger operating leverage, and a gradual re-rating of the business model toward annuity-like characteristics.
- In this report, we examine the evolution of SIP and lump sum investments over the past decade, analyzing their contributions to market flows and behavior across market cycles and how their contrasting characteristics have shaped market stability and return dynamics.

### SIP flows: Resilient across market cycles

- The trajectory of the NIFTY50 over the past decade underscores the cyclical nature of equity markets; however, SIP flows during this period reflect a transition from being market-sensitive to becoming a structural and resilient source of inflows.
- During the 2015 to early-2016 (Feb'16) phase, marked by a dip in NIFTY-50 by 15-18%, the monthly SIP flows rose steadily from ~INR25b to ~INR32b, indicating early signs of retail participation.
- The liquidity-driven rally through 2016–early 2018 (~58% market return) saw SIP inflows scale meaningfully, with monthly contributions reaching ~INR66b by Jan'18 and annual inflows growing ~53% YoY (FY18), driven by increasing retail participation and a favorable regulatory push creating awareness through the 'Mutual Fund Sahi Hai' campaign.
- Despite market divergence and corrections in broader segments during 2018–2019 (NIFTY ~10.5k–11.7k), SIP flows continued to strengthen, with monthly inflows rising to ~INR70–85b and annual contributions increasing to ~INR927b in FY19 (vs. ~INR672b in FY18), indicating reduced sensitivity to market volatility.

- During the Covid-19 drawdown, despite a >30% market decline, SIP inflows dipped by only ~15%, followed by a sharp recovery supported by global liquidity. This demonstrated the low elasticity of SIP flows in response to market returns. However, this was the steepest decline in SIP inflows and was driven by poor income visibility.
- In the post-Covid period (2022–2026), despite intermittent volatility and corrections, SIP flows continued to scale, with annual inflows crossing ~INR1t in FY22 and reaching ~INR1.9t in FY24, ~INR2.9t in FY25, and ~INR3.5t in FY26, establishing SIPs as a consistent and growing pillar of domestic equity inflows.
- In parallel, the number of SIP accounts has also increased ~10x to over 104m accounts as of Mar'26 from ~10m in FY16-17, while SIP AUM has grown to ~INR15t as of Mar'26 from ~INR3t in Feb'19, highlighting both breadth and depth of participation.

### Phase-wise evolution of SIP flows amid the market cycles

Period	Market context (NIFTY-50)	What drove it	SIP flow trends	Embedded analysis
2015 – Early 2016	~15-18% decline in markets	China's slowdown, Earnings slowdown	Monthly inflows rose steadily to ~INR32b from ~INR25b	❖ SIP adoption expanded despite range-bound markets, with new registrations offsetting cancellations, establishing early resilience in flows
Mar'16 – Jan'18	Strong rally (~58%) driven by liquidity and sentiment	Policy reforms (GST), DII inflows, Mutual Funds Sahi Hai campaign launch	Annual inflows up 53% YoY in FY18 to INR670b+; monthly ~INR31b → ~INR66b (Jan'18)	❖ Strong returns and policy support accelerated first-time participation; a massive surge driven by strong domestic liquidity
Feb'18 – Mar'20	~30-35% peak-to-trough (incl. COVID-led crash)	IL&FS/NBFC collapse, slowing economy, onset of COVID impact	Annual inflows rose to INR1t (+8.1% YoY); monthly ~INR86.4b by Mar-20	❖ Growth moderated but remained positive despite market and credit disruptions, indicating limited sensitivity of SIP persistence to near-term volatility
Apr'20-Oct'20	NIFTY regained its ~12k levels (pre-COVID scenario)	Recovery to pre-COVID-19 levels led by lower base effect and surge in DII inflows	Annual inflows declined only 4% to INR960.8b; monthly trough ~INR80b	❖ Decline driven by income disruption rather than sentiment; flows remained above pre-FY19 levels and recovered quickly with normalization
Nov'20 – FY24	Strong recovery followed by intermittent volatility; flat returns in FY23	Global liquidity, retail participation, and strong DII flows	Annual inflows rose to ~INR1.9t (FY24) from INR1.3t (FY22); monthly ~INR166b (FY24)	❖ Sustained growth despite muted returns indicates increasing decoupling of SIP flows from market performance
FY25 – FY26	Gradual uptrend with intermittent corrections	Rate hikes, FPI selling due to global uncertainties, earnings resilience, and domestic inflows	Annual inflows ~INR3.5t (FY26); monthly >INR300b; >100m accounts	❖ SIP flows have become structurally embedded and relatively inelastic, providing a consistent liquidity base across cycles

Source: AMFI, MOFSL

# Bharti Airtel

**BSE SENSEX**  
74,609

**S&P CNX**  
23,413

**CMP: INR1,789**

**Buy**

## Conference Call Details



**Date:** 14<sup>th</sup> May 2026

**Time:** 12:00 hours IST

### Financial Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Net Sales	2,104	2,430	2,732
EBITDA	1,194	1,405	1,580
Adj. PAT	272	404	514
EBITDA Margin (%)	56.7	57.8	57.8
Adj. EPS (INR)	44.8	66.3	84.3
EPS Gr. (%)	48	48	27
BV/Sh. (INR)	263	305	359
<b>Ratios</b>			
Net D:E	1.1	0.5	0.1
RoE (%)	20.9	25.5	27.7
RoCE (%)	14.8	18.6	21.5
Div. Payout (%)	60.9	51.3	53.4
<b>Valuations</b>			
EV/EBITDA (x)	10.3	8.4	7.1
P/E (x)	40.1	27.0	21.2
P/BV (x)	6.8	5.9	5.0

## Muted 4Q; FY26 FCF robust at INR542b, net debt decline ~INR475b YoY

Bharti overall reported a muted 4QFY26, with an in-line performance in India and a better show by Airtel Africa (AAF). India wireless revenue/EBITDA grew by less than 1% QoQ due to two fewer days QoQ (modest QoQ ARPU dip offset by robust net adds). Homes continued to benefit from an acceleration in subscriber additions, while Enterprise segment margins remained high. Airtel Africa maintained strong double-digit CC growth in revenue and EBITDA, with a further boost from favorable FX movements. Reported capex surged in 4Q across Wireless, Enterprise and DTH (though cash capex was broadly stable QoQ). Driven by seasonal WC build-up and higher cash interest outgo (likely pertaining to AGR dues repayment), FCF moderated to INR84b (vs. INR169b QoQ). Money from rights issue (INR157b) and FCF generation led to further ~INR215b reduction in net debt (net debt-to-EBITDAaL now down to 0.79x). For FY26, Bharti generated FCF of INR542b and reduced net debt by ~INR475b, driven by steady growth in India wireless, acceleration in Home broadband, and strong growth and favorable FX movements in Africa.

Bharti's promoter, ICIL (part of Bharti Enterprises), will swap its ~16.3% stake in AAF for ~2.4% equity issuance on preferential basis in Bharti. The transaction implies a valuation of INR1,923/sh (~7.5% premium to CMP) for Bharti and GBP3.67 (~7% discount to CMP) for AAF. The transaction avoids ~INR282b in cash outgo from Bharti, but will lead to ~2.4% equity dilution.

## Muted 4Q for India business; FY26 FCF generation robust at INR542b, net debt (exc. leases) declines ~INR475b YoY

- Consolidated revenue at INR554b (+16% YoY, our est. INR549b) was up 2.6% QoQ, driven primarily by robust growth in Africa (+7% QoQ, ~4% ahead) and Home broadband business (+10% QoQ).
- India revenue (including Indus) grew by a modest ~0.9% QoQ to INR396b (+8% YoY) and was in line with our estimate, with India wireless revenue inching up ~0.6% QoQ (+8.3% YoY, in line).
- Consolidated EBITDA at INR315b (+17% YoY, vs. our est. INR312b) increased ~2.3% QoQ, driven by robust performance in Airtel Africa (+8% QoQ, 6% ahead) and Home Broadband (+10% QoQ). India wireless EBITDA grew by a modest ~0.9% QoQ (11% YoY, in line).
- India EBITDA (including Indus) at INR240b (+1.2% QoQ, +9% YoY) was also in line with our estimate.
- Reported EBITDA margin contracted ~15bp QoQ to 56.9% (+45bp YoY) and was ~5bp below our estimate, driven largely by higher growth in relatively lower-margin Africa business.

- Consolidated EBITDAaL grew 3.4% QoQ to INR286.5b, with India EBITDAaL rising 1.2% QoQ to INR222b (margin up ~60bp QoQ).
- Reported PBT (before share of JVs) at INR131b (+5% QoQ, +36% YoY) was 5% below our estimate, due to higher net finance costs (-4% QoQ, but ~19% above).
- Adjusted for exceptional items, attributable PAT at INR72.5b grew 5% QoQ (+39% YoY), though came in ~5% below our estimate due to higher net finance costs.
- The company announced a dividend of INR24/share (vs. INR16/share YoY).

### **FCF generation moderates QoQ due to AGR repayment; net debt dips sharply**

- Consolidated capex surged to INR161b (+36% QoQ, +11% YoY), driven by pick-up in India wireless, DTH and Enterprise segment capex. India capex (ex-Indus) at INR112b rose ~54% QoQ (+9% YoY).
- Bharti's consolidated free cash flow (after leases and interest payments) moderated to INR84b (vs. ~INR169b QoQ), driven by seasonal working capital build-up (QoQ change of INR55b) and ~INR30b QoQ higher interest outgo, potentially linked to AGR repayment at Mar'26 end.
- Bharti's consolidated net debt (ex-leases) declined ~INR214b QoQ to INR910t (vs. INR1.125t QoQ), owing to the recent rights issue (~INR157b). Including the impact of leases, Bharti's consolidated net debt declined by ~INR178b QoQ to INR1.65t (vs. INR1.83t QoQ).
- India business net debt (ex-leases) declined sharply by ~INR199b QoQ to INR784b – practically debt-free except for GoI liabilities.
- Bharti's consolidated net debt (including leases)-to-EBITDA (annualized) declined to 1.29x (vs. 1.47x QoQ). India SA net debt-to-EBITDA moderated to 1.17x (vs. 1.39x QoQ).
- Excluding lease impact, Bharti's net debt-to-EBITDAaL dipped to 0.79x (vs. 1.02x QoQ) for consolidated business and 0.88x (vs. 1.13x QoQ) for India SA.

### **India Wireless: Muted 4Q as ARPU moderated due to two fewer days QoQ**

- Bharti's India wireless ARPU at INR257 (+5% YoY, our est. INR258) declined ~0.6% QoQ (vs. flat QoQ for RJio) due to two fewer days QoQ.
- Bharti subscriber net adds improved to 4.7m paying net adds (vs. 4.4m net adds QoQ, +3.8m consumer wireless net adds for RJio) and were ahead of our estimate of ~4m net adds.
- Subscriber mix continues to improve as Bharti added ~0.8m postpaid net adds (+3% QoQ, 12% YoY). Furthermore, Bharti's 4G/5G net adds improved to 5.8m (vs. ~5.2m QoQ).
- Bharti's India wireless revenue inched up 0.6% QoQ (vs. 1.9% QoQ for RJio, including FTTH) to INR288b (+8% YoY, our est. INR289b).
- India wireless EBITDA inched up 0.9% QoQ (vs. 2.1% QoQ for RJio including FTTH) to INR175b (+11% YoY, in line).
- Reported wireless EBITDA margin inched up ~15bp QoQ to 60.6% (+145bp YoY, vs. +10bp QoQ for RJio to 54.3%) and was ~15bp ahead of our estimate.
- Incremental margin came in at ~84% (vs. ~71% in 3QFY26 and ~59% for RJio and our estimate of ~60%).

- India wireless capex surged ~58% QoQ to INR70b (+15% YoY), and was ~20% ahead of our estimate.

#### **Homes: In-line results, ARPU moderation continues; net adds stable QoQ**

- Bharti's Homes BB net adds came in at ~1.13m (vs. ~1.16k QoQ, lower than our estimate of ~1.4m) to reach ~14.2m subs (+42% YoY).
- Reported ARPU declined further ~1% QoQ to INR527/month (-5% YoY, in line).
- Homes revenue was up ~10% QoQ to INR21.9b (+37% YoY). Homes EBITDA at INR11b (+10% QoQ, 38% YoY) was also broadly in line with our estimate.
- EBITDA margin was broadly stable at 50.2% (+35bp YoY) and was ~55bp below our estimate.
- Capex in Homes Business rose ~18% QoQ (+25% YoY) to INR18.9b (11% below our estimate).

#### **Enterprise: Modest growth recovery; margin expands**

- Airtel Business (Enterprise) revenue grew ~2.6% QoQ to INR54.9b (+3.3% YoY, in line).
- EBITDA at INR23.6b rose ~5% QoQ (+5% YoY, vs. our est. INR22.9b) as EBITDA margins expanded ~100bp QoQ to 42.9% (vs. our est. of 41.7% and 42.1% YoY).
- Capex for the Airtel business rose ~86% QoQ to INR14.1b (-43% YoY).

#### **Other businesses: Sustained strong growth in Africa, DTH continued to face headwinds**

- Airtel DTH revenue at INR7.5b declined ~1% QoQ (-2% YoY) as ARPU fell ~3% QoQ (-2% YoY) to INR159 (vs. our est. INR162). Subscriber net adds picked up with ~570k net subscriber adds (vs. our estimate and 3QFY26 net adds of ~73k QoQ). DTH EBITDA declined ~5% QoQ to INR3.3b (-14% YoY) as margins contracted ~185bp QoQ to 44.2% (-6.2pp YoY and ~260bp below our estimate).
- Airtel Africa continued to report strong double-digit YoY cc growth. Reported revenue (in INR terms) was up ~7% QoQ (+41% YoY, 5% ahead), while EBITDA was up ~8% QoQ (50% YoY, ~6% ahead), driven by higher margins in Nigeria and favorable FX movements.

#### **Other highlights: Customer engagement remains healthy**

- Data volume for India wireless business was up ~7% QoQ (vs. ~7% QoQ in 3QFY26, +6% QoQ for RJio including FTTH), while data usage per sub improved to 31.4GB/month (vs. 29.8GB QoQ, 42.3GB/month reported by RJio, including FTTH).
- Voice usage on network in India wireless rose ~1% QoQ (vs. +1% QoQ in 3QFY26 and 1% QoQ for RJio), with minutes of usage (MoU) per subscriber moderating to 1,150mins (vs. 1,152min QoQ and higher than 987mins for RJio).
- Bharti's tower additions improved to ~2.4k towers QoQ (vs. 1.1k in 3QFY26), bringing the total tower count to ~346k. Revenue per site was flat QoQ at INR276.6k/month (+6% YoY).

## Consolidated results

	4QFY25	3QFY26	4QFY26	YoY	QoQ	4QFY26E	vs est
<b>Revenue</b>	<b>478.8</b>	<b>539.8</b>	<b>553.8</b>	<b>15.7</b>	<b>2.6</b>	<b>548.6</b>	<b>1.0</b>
Access charges	14.8	14.7	14.9	1.1	1.7	15.3	(2.3)
License and spectrum fee	36.4	38.5	39.8	9.5	3.5	39.7	0.3
Network operating costs	91.1	98.8	102.1	12.1	3.3	104.4	(2.3)
Employee costs	18.3	19.6	20.3	10.7	3.6	20.2	0.6
SG&A expenses	48.2	60.5	61.8	28.3	2.2	56.7	9.1
Total costs	208.7	232.0	238.9	14.5	3.0	236.3	1.1
<b>EBITDA</b>	<b>270.1</b>	<b>307.8</b>	<b>314.9</b>	<b>16.6</b>	<b>2.3</b>	<b>312.3</b>	<b>0.8</b>
EBITDA margin (%)	56.4	57.0	56.9	45 bps	(16)bps	56.9	(7)bps
Depreciation and amortization	123.3	134.2	136.4	10.7	1.7	134.1	1.7
<b>EBIT</b>	<b>146.8</b>	<b>173.6</b>	<b>178.5</b>	<b>21.6</b>	<b>2.8</b>	<b>178.2</b>	<b>0.2</b>
EBIT margin (%)	30.7	32.2	32.2	156 bps	6 bps	32.5	(25)bps
Net finance cost	50.2	49.2	47.3	(5.8)	(3.9)	39.9	18.5
<b>PBT</b>	<b>96.7</b>	<b>124.4</b>	<b>131.2</b>	<b>35.7</b>	<b>5.5</b>	<b>138.3</b>	<b>(5.1)</b>
Tax provision	(28.9)	38.0	8.0	(127.6)	(79.0)	42.3	(81.1)
PAT before minority interest	125.6	86.4	123.2	(1.9)	42.6	96.0	28.3
Share of associates / JVs	0.6	1.2	0.8	46.3	(27.4)	0.9	(11.1)
Minority interest	14.5	18.7	19.2	-	2.7	20.5	(6.2)
Extraordinary items	1.4	2.6	31.6	-	-	-	-
<b>Reported net income</b>	<b>110.2</b>	<b>66.3</b>	<b>73.3</b>	<b>(33.5)</b>	<b>10.5</b>	<b>76.5</b>	<b>(4.2)</b>
<b>Adjusted net income</b>	<b>52.2</b>	<b>69.2</b>	<b>72.4</b>	<b>38.7</b>	<b>4.7</b>	<b>76.5</b>	<b>(5.3)</b>
Reported EPS (INR)	19.0	11.4	12.5	(34.1)	9.5	13.1	(4.2)
Adjusted EPS (INR)	9.0	11.9	12.4	37.5	3.8	13.1	(5.3)

## Net debt trends

	Mar-23	Sep-23	Mar-24	Sep-24	Dec-24	Mar-25	Sep-25	Mar-26
<b>Debt and cash trends</b>								
<b>Reported gross debt</b>	<b>1,655</b>	<b>1,578</b>	<b>1,520</b>	<b>1,465</b>	<b>1,418</b>	<b>1,484</b>	<b>1,401</b>	<b>1,218</b>
LT debt	401	333	276	197	208	202	202	194
ST debt (inc. current maturities)	135	162	204	291	265	376	264	137
Deferred payment liabilities	1,119	1,084	1,040	977	944	906	935	887
<b>Cash and Cash Equivalents</b>	<b>128</b>	<b>103</b>	<b>110</b>	<b>54</b>	<b>81</b>	<b>99</b>	<b>134</b>	<b>307</b>
<b>Net Debt excluding Lease Obligations</b>	<b>1,527</b>	<b>1,475</b>	<b>1,410</b>	<b>1,410</b>	<b>1,337</b>	<b>1,385</b>	<b>1,267</b>	<b>910</b>
Lease Obligation	605	596	637	792	629	653	681	737
<b>Net Debt including Lease Obligations</b>	<b>2,131</b>	<b>2,070</b>	<b>2,046</b>	<b>2,202</b>	<b>1,966</b>	<b>2,038</b>	<b>1,947</b>	<b>1,648</b>
<b>Net debt (including leases) to EBITDA</b>	<b>2.83</b>	<b>2.63</b>	<b>2.61</b>	<b>2.50</b>	<b>1.69</b>	<b>1.86</b>	<b>1.63</b>	<b>1.29</b>
<b>Net debt (excluding leases) to EBITDAaL</b>	<b>2.35</b>		<b>1.85</b>	<b>1.60</b>	<b>1.28</b>	<b>1.42</b>	<b>1.19</b>	<b>0.79</b>

## FCF (post interest and leases) trends

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	FY26	FY25	FY24	FY23
<b>CFO post tax before WC changes</b>	<b>194</b>	<b>214</b>	<b>236</b>	<b>255</b>	<b>267</b>	<b>283</b>	<b>293</b>	<b>308</b>	<b>1,150</b>	<b>900</b>	<b>765</b>	<b>684</b>
WC changes	24	35	21	3	40	19	34	(21)	72	84	24	(31)
<b>Cashflow from operations</b>	<b>218</b>	<b>249</b>	<b>257</b>	<b>259</b>	<b>307</b>	<b>302</b>	<b>327</b>	<b>286</b>	<b>1,222</b>	<b>983</b>	<b>789</b>	<b>653</b>
Lease payments	(18)	(20)	(16)	(17)	(17)	(16)	(16)	(18)	(67)	(72)	(79)	(76)
Capex in tangible assets	(99)	(96)	(84)	(98)	(111)	(108)	(108)	(113)	(440)	(376)	(381)	(260)
Capex in intangible assets	(71)	(57)	(35)	(69)	(2)	(6)	(5)	(12)	(24)	(231)	(140)	(129)
Paid finance cost	(42)	(64)	(33)	(38)	(33)	(26)	(30)	(60)	(149)	(175)	(140)	(67)
<b>FCF, post lease and interest payment</b>	<b>(12)</b>	<b>14</b>	<b>90</b>	<b>37</b>	<b>143</b>	<b>146</b>	<b>169</b>	<b>84</b>	<b>542</b>	<b>129</b>	<b>49</b>	<b>122</b>
Spectrum prepayments	79	85	36	60	-	-	-	-	-	260	163	62
<b>Adjusted FCF post leases and interest</b>	<b>68</b>	<b>98</b>	<b>126</b>	<b>97</b>	<b>143</b>	<b>146</b>	<b>169</b>	<b>84</b>	<b>542</b>	<b>389</b>	<b>213</b>	<b>185</b>

**Segmental performance**

	4QFY25	3QFY26	4QFY26	YoY	QoQ	4QFY26E	vs est
<b>Segmental revenue (INR b)</b>							
<b>India (incl. Indus)</b>	<b>367</b>	<b>392</b>	<b>396</b>	<b>7.7</b>	<b>0.9</b>	<b>397</b>	<b>(0.2)</b>
<b>Wireless</b>	<b>266</b>	<b>287</b>	<b>288</b>	<b>8.3</b>	<b>0.6</b>	<b>289</b>	<b>(0.2)</b>
Homes	16.0	20.0	21.9	37.3	9.5	21.8	0.6
DTH	7.6	7.6	7.5	(2.3)	(1.1)	7.5	(0.6)
Airtel Business	53	54	55	3.3	2.6	55	0.3
Passive infra	77	81	81	4.8	(0.6)	82	(1.5)
<b>Africa</b>	<b>114</b>	<b>150</b>	<b>160</b>	<b>40.9</b>	<b>6.8</b>	<b>154</b>	<b>3.8</b>
<b>Consolidated</b>	<b>479</b>	<b>540</b>	<b>554</b>	<b>15.7</b>	<b>2.6</b>	<b>549</b>	<b>1.0</b>
Eliminations	(55)	(59)	(60)			(61)	
<b>Segmental EBITDA (INR b)</b>							
<b>India (incl. Indus)</b>	<b>220</b>	<b>237</b>	<b>240</b>	<b>8.8</b>	<b>1.2</b>	<b>240</b>	<b>(0.0)</b>
<b>Wireless</b>	<b>158</b>	<b>173</b>	<b>175</b>	<b>11.0</b>	<b>0.9</b>	<b>175</b>	<b>0.1</b>
Homes	8.0	10.0	11.0	38.2	9.6	11.1	(0.6)
DTH	3.8	3.5	3.3	(14.3)	(5.1)	3.5	(6.1)
Airtel Business	22	22	24	5.4	5.0	23	3.2
Passive infra	45	46	46	2.6	(0.1)	47	(2.3)
<b>Africa</b>	<b>54</b>	<b>75</b>	<b>81</b>	<b>50.0</b>	<b>8.1</b>	<b>76</b>	<b>6.1</b>
<b>Consolidated</b>	<b>270</b>	<b>308</b>	<b>315</b>	<b>16.6</b>	<b>2.3</b>	<b>312</b>	<b>0.8</b>
Eliminations	(20)	(22)	(25)			(23)	
<b>Segmental EBITDA margin (%)</b>							
<b>India (incl. Indus)</b>	<b>60.0</b>	<b>60.4</b>	<b>60.6</b>	<b>61.7</b>	<b>21.3</b>	<b>60.4</b>	<b>12.5</b>
<b>Wireless</b>	<b>59.2</b>	<b>60.5</b>	<b>60.6</b>	<b>144.1</b>	<b>14.2</b>	<b>60.5</b>	<b>14.4</b>
Homes	49.9	50.1	50.2	33.0	4.8	50.8	(57.5)
DTH	50.4	46.0	44.2	(616.3)	(184.9)	46.8	(261.4)
Airtel Business	42.1	41.9	42.9	87.8	101.1	41.7	119.6
Passive infra	58.1	56.6	56.8	(125.7)	23.2	57.3	(50.8)
<b>Africa</b>	<b>47.3</b>	<b>49.8</b>	<b>50.4</b>	<b>305.2</b>	<b>59.8</b>	<b>49.3</b>	<b>107.8</b>
<b>Consolidated</b>	<b>56.4</b>	<b>57.0</b>	<b>56.9</b>	<b>44.7</b>	<b>(16.3)</b>	<b>56.9</b>	<b>(6.9)</b>
<b>Segmental capex (INR b)</b>							
<b>India (incl. Indus)</b>	<b>126</b>	<b>92</b>	<b>135</b>	<b>7.5</b>	<b>45.8</b>	<b>115</b>	<b>17.4</b>
<b>Wireless</b>	<b>60</b>	<b>44</b>	<b>70</b>	<b>15.4</b>	<b>58.2</b>	<b>58</b>	<b>19.5</b>
Homes	15.2	16.1	18.9	24.6	17.7	21.2	(10.9)
DTH	3.7	3.3	9.8	166.0	199.0	3.2	204.3
Airtel Business	25	8	14	(43.1)	86.1	12	14.8
Passive infra	23	20	23		15.1	20	15.7
<b>Africa</b>	<b>18</b>	<b>25</b>	<b>26</b>	<b>39.5</b>	<b>1.6</b>	<b>27</b>	<b>(3.3)</b>
<b>Consolidated</b>	<b>144</b>	<b>118</b>	<b>161</b>	<b>11.6</b>	<b>36.3</b>	<b>142</b>	<b>13.5</b>

**Key performance indicators**

	4QFY25	3QFY26	4QFY26	YoY	QoQ	4QFY26E	vs est.
<b>Operating metrics</b>							
<b>India wireless</b>							
<b>Wireless ARPU</b>	<b>245</b>	<b>259</b>	<b>257</b>	<b>5.0</b>	<b>(0.6)</b>	<b>258</b>	<b>(0.2)</b>
<b>EoP reported subs (m)</b>	<b>361.6</b>	<b>368.5</b>	<b>373.2</b>	<b>3.2</b>	<b>1.3</b>	<b>372.5</b>	<b>0.2</b>
Net adds (m)	5.0	4.4	4.7			4.0	
EoP prepaid subs	335.7	340.4	344.3	2.6	1.1	343.7	0.2
EoP postpaid subs	25.9	28.1	29.0	11.9	2.9	28.9	0.4
<b>EoP data subs (m)</b>	<b>281.2</b>	<b>294.1</b>	<b>299.1</b>	<b>6.4</b>	<b>1.7</b>	<b>299</b>	<b>(0.13)</b>
Data net adds (m)	3.6	4.7	5.0			5.4	
Data subs proportion (%)	77.8	79.8	80.1	237 bps	34 bps	80.4	(26)bps
<b>EoP 4G subs (m)</b>	<b>276.8</b>	<b>291.0</b>	<b>296.8</b>	<b>7.2</b>	<b>2.0</b>	<b>297</b>	<b>(0.08)</b>
4G net adds (m)	6.6	5.2	5.8			6.0	
Data volume (b MBs)	21,584	26,681	28,656	32.8	7.4	27,628	3.7
Data usage per data sub (GB/month)	25.1	29.8	31.4	25.1	5.6	30.3	3.8
Average data realization (INR/GB)	12.5	10.9	10.2	(18.4)	(6.3)	10.6	(3.7)
Voice usage on network (b mins)	1,254	1,266	1,280	2.1	1.1	1,285	(0.4)
Minute of usage per sub (min/month)	1,163	1,152	1,150	(1.1)	(0.1)	1,156	(0.5)
Network towers ('000)	338.0	343.5	345.9	2.3	0.7	345.0	0.3
MBB sites ('000)	1,120.1	1,171.1	1,187.9	6.1	1.4	1,175.7	1.0
Revenue per tower (INR/month)	2,61,769	2,76,281	2,76,635	5.7	0.1	2,77,377	(0.3)
<b>Homes</b>							
Cities covered (#)	1,476	1,591	1,635	10.8	2.8		
<b>Reported ARPU (INR/month)</b>	<b>543</b>	<b>529</b>	<b>527</b>	<b>(3.0)</b>	<b>(0.3)</b>	<b>520</b>	<b>1.3</b>
Calculated ARPU (INR/month)	552	533	535	(3.1)	0.3	527	1.6
<b>EoP reported subs (m)</b>	<b>10.0</b>	<b>13.1</b>	<b>14.2</b>	<b>41.7</b>	<b>8.7</b>	<b>14.5</b>	<b>(1.9)</b>
Net adds ('000)	812	1,159	1,135			1,414	
<b>DTH*</b>							
<b>ARPU (Rs/month)</b>	<b>162</b>	<b>163</b>	<b>159</b>	<b>(1.7)</b>	<b>(2.8)</b>	<b>162</b>	<b>(1.9)</b>
<b>EoP active DTH subs (m)</b>	<b>15.9</b>	<b>15.4</b>	<b>16.0</b>	<b>0.6</b>	<b>3.7</b>	<b>15.5</b>	<b>3.2</b>
Net adds ('000)	75.6	73.4	569.6			73.0	
<b>Airtel Business</b>							
<b>M2M subs (m)</b>	<b>34.8</b>	<b>67.0</b>	<b>77.0</b>	<b>121.1</b>	<b>15.0</b>		
Net adds ('000)	4,720	10,626	10,042				
<b>Airtel Africa</b>							
<b>Reported ARPU (US\$)</b>	<b>2.4</b>	<b>2.7</b>	<b>2.6</b>	<b>9.6</b>	<b>(0.8)</b>	<b>3.1</b>	<b>(15.7)</b>
<b>EoP subscriber base (m)</b>	<b>166.1</b>	<b>179.4</b>	<b>183.5</b>	<b>10.5</b>	<b>2.3</b>	<b>182.4</b>	<b>0.6</b>
Net adds (m)	2.9	5.6	4.2			3.0	
EoP data subscriber base (m)	73.4	81.8	84.2	14.8	2.9		
Net adds (m)	2.0	3.7	2.4				
Data subs proportion (%)	44.2	45.6	45.9	169 bps	28 bps		
EoP mobile money subs base (m)	44.6	52.0	54.1	21.3	4.0		
Net adds (m)	0.2	2.2	2.1				

**BSE SENSEX** 74,609  
**S&P CNX** 23,413

**CMP: INR574**

**Buy**

## Conference Call Details



**Date:** 14<sup>th</sup> May 2026  
**Time:** 16:00 IST  
**Dial in details:** +91 22 6280 1241 / +91 22 7115 8142  
[Webcast link](#)

### Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	81.9	114.1	133.2
EBITDA	14.5	39.1	47.9
EBITDA Margin (%)	17.7	34.3	36.0
PAT	42.1	69.1	81.2
EPS (INR)	17.0	27.9	32.8
EPS Gr. (%)	-9.8	64.1	17.5
BV/Sh. (INR)	183.7	200.6	220.4
<b>Ratios</b>			
RoE (%)	9.6	14.5	15.6
RoCE (%)	5.7	10.4	11.5
Payout (%)	44.9	39.4	39.6
<b>Valuations</b>			
P/E (x)	33.7	20.6	17.5
P/BV (x)	3.1	2.9	2.6
EV/EBITDA (x)	92.8	32.6	25.9
Div yld (%)	1.4	1.9	2.3

## Steady demand in luxury portfolio

### Dahlias offsets muted 2H launches; robust pipeline supports outlook

- In 4QFY26, bookings were at INR39.7b, up 95% YoY, whereas FY26 pre-sales declined by 5% YoY to INR201.4b.
- DLF Privana North witnessed a strong response with bookings of over INR110b, achieving another sellout for the company's luxury offering.
- The Dahlias continued to witness steady traction with cumulative bookings of over INR48b during FY26, reflecting healthy demand in the super-luxury segment.
- Robust medium-term launch pipeline (INR602b in GDV) keeps up the confidence of sustaining growth momentum through calibrated launches and premium product offerings.
- Residential collections declined 3% YoY to INR31.6b in 4QFY26 but rose 15% YoY to INR130.8b in FY26.

### Leasing traction remains healthy

- The overall occupancy in DCCDL's office portfolio increased to 95% (98% - non-SEZ/89% - SEZ) while Retail occupancy stood at 97%.
- Rental income in FY26 increased 17% YoY to INR14.3b, driven by steady growth across the portfolio.
- Net debt increased to INR182b from INR170b in 3QFY26, with a net debt-to-GAV ratio of 0.19x. Cost of debt marginally declined to 7.1% in the quarter from 7.2% in 3QFY26.

### P&L highlights

- In 4QFY26, DLF's revenue came in at INR18.1b, down 42% YoY. EBITDA fell 58% YoY to INR4.1b. EBITDA margin stood at 22.6%. Adj. PAT was flat YoY at INR12.4b.
- In FY26, DLF's revenue came in at INR81.9b, up 3% YoY. EBITDA declined 31% YoY to INR14.5b. EBITDA margin stood at 18%. Adj. PAT stood at INR42b, down 10% YoY, with margin at 51%.

## Quarterly performance

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Gross Sales</b>	<b>13,624</b>	<b>19,750</b>	<b>15,287</b>	<b>31,276</b>	<b>27,167</b>	<b>16,430</b>	<b>20,202</b>	<b>18,141</b>	<b>79,937</b>	<b>81,940</b>
YoY Change (%)	-4.3	46.5	0.5	46.5	99.4	-16.8	32.2	-42.0	24.4	2.5
Total Expenditure	11,337	14,730	11,287	21,496	23,525	13,595	16,304	14,033	58,850	67,457
<b>EBITDA</b>	<b>2,286</b>	<b>5,020</b>	<b>4,000</b>	<b>9,780</b>	<b>3,642</b>	<b>2,836</b>	<b>3,899</b>	<b>4,108</b>	<b>21,086</b>	<b>14,483</b>
Margins (%)	16.8	25.4	26.2	31.3	13.4	17.3	19.3	22.6	26.4	17.7
Depreciation	373	377	387	369	345	295	302	483	1,507	1,424
Interest	1,012	935	939	1,086	786	631	363	211	3,972	1,991
Other Income	3,675	2,058	2,088	2,202	2,642	6,188	4,593	2,798	10,022	16,220
<b>PBT before EO expense</b>	<b>4,576</b>	<b>5,766</b>	<b>4,761</b>	<b>10,527</b>	<b>5,153</b>	<b>8,097</b>	<b>7,828</b>	<b>6,212</b>	<b>25,630</b>	<b>27,289</b>
Extra-Ord expense	0	0	3,024	0	0	-2,352	602	-279	3,024	-2,029
<b>PBT</b>	<b>4,576</b>	<b>5,766</b>	<b>1,737</b>	<b>10,527</b>	<b>5,153</b>	<b>10,449</b>	<b>7,226</b>	<b>6,491</b>	<b>22,606</b>	<b>29,318</b>
Tax	1,183	-4,668	-2,667	1,813	1,332	2,763	-74	-921	-4,339	3,100
Rate (%)	25.9	-81.0	-153.5	17.2	25.8	26.4	-1.0	-14.2	-45.2	18.0
MI & P/L of Asso. Cos.	3,063	3,377	6,183	4,108	3,806	4,116	4,733	5,274	16,731	17,928
<b>Reported PAT</b>	<b>6,456</b>	<b>13,811</b>	<b>10,587</b>	<b>12,822</b>	<b>7,627</b>	<b>11,801</b>	<b>12,034</b>	<b>12,686</b>	<b>43,676</b>	<b>44,147</b>
<b>Adj PAT</b>	<b>6,456</b>	<b>13,811</b>	<b>13,611</b>	<b>12,822</b>	<b>7,627</b>	<b>9,449</b>	<b>12,635</b>	<b>12,407</b>	<b>46,700</b>	<b>42,117</b>
YoY Change (%)	22.5	121.8	107.3	39.3	18.1	-31.6	-7.2	-3.2	71.2	-9.8
Margins (%)	47.4	69.9	89.0	41.0	28.1	57.5	62.5	68.4	58.4	51.4
<b>Operational Metrics</b>										
<b>Residential (INRb)</b>										
Pre-sales	64	7	121	20	114	43	4	40	212	201
Collections	29	23	30	33	27	25	47	32	114	131

Source: Company, MOFSL

We currently have a 'BUY' rating for DLF. However, estimates are under review and we will revise them after the earnings call

**BSE SENSEX**  
74,609

**S&P CNX**  
23,413

**CMP: INR507**

**Neutral**

**EBITDA miss driven by higher-than-estimated other expenses**

- OINL's revenue came in line with our estimate at INR59.6b.
- Oil sales came in 3% above our estimate, while gas sales were 12% below our estimate at 0.87mmt/0.6bcm.
- Oil production increased 6% YoY to 0.891mmt. Gas production declined 6% YoY to 0.754bcm.
- Oil realization was USD77.9/bbl (our estimate of USD78.4/bbl).
- EBITDA was 14% below estimate at INR18.2b (-8% YoY).
- The miss was primarily due to a significant foreign exchange loss of INR4.9b (INR0.6b in 3QFY26, INR0.7b in 4QFY25) and elevated contract costs of INR9.1b (INR8.9b in 3QFY26, INR6.1b in 4QFY25).
- Exploration cost write-offs stood at INR1.5b (INR5b/INR1.5b in 3QFY26/4QFY25).
- EBITDA adjusted for forex loss stood at INR23.1b, up 16%/76% YoY/QoQ.
- Reported PAT was 18% above our estimate at INR17.9b.
- Other income stood above estimate, while tax rate stood below estimate.
- **Numaligarh refinery's 4Q performance:**
- PAT stood at INR9.8b (vs. PAT of INR6.2b during 4QFY25), as GRM stood at USD21.17/bbl.
- Crude throughput stood at 808.07tmt (809.67 in 4QFY25), and distillate yield was at 87.5% (vs. 86.8% in 3QFY26).
- The Board has declared a final dividend of INR1/sh (FV: INR10/sh, interim dividend declared earlier: INR10.5/sh).

**Standalone Quarterly Performance**

(INR m)

Y/E March	FY25				FY26				4QE	Var. (%)	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	<b>58,397</b>	<b>55,190</b>	<b>52,397</b>	<b>55,189</b>	<b>50,125</b>	<b>54,566</b>	<b>49,160</b>	<b>59,606</b>	<b>56,867</b>	<b>5%</b>	<b>8%</b>	<b>21%</b>
<i>Change (%)</i>	25.7	-6.7	-9.9	-4.1	-14.2	-1.1	-6.2	8.0	3.0			
<b>EBITDA</b>	<b>24,660</b>	<b>21,832</b>	<b>21,327</b>	<b>19,842</b>	<b>19,137</b>	<b>18,442</b>	<b>13,084</b>	<b>18,205</b>	<b>21,225</b>	<b>-14%</b>	<b>-8%</b>	<b>39%</b>
<i>% of Net Sales</i>	42.2	39.6	40.7	36.0	38.2	33.8	26.6	30.5	37.3			
<i>Change (%)</i>	5.9	-12.3	1.3	-15.0	-22.4	-15.5	-38.7	-8.2	7.0			
D,D&A	4,558	5,036	5,268	4,325	5,315	5,777	6,409	6,168	5,147			
Interest	1,970	2,299	2,442	1,952	1,534	2,603	2,665	2,859	2,557			
OI (incl. Oper. other inc.)	1,617	8,556	1,886	6,639	1,761	8,307	5,467	11,392	5,742			
<b>PBT before exceptional</b>	<b>19,750</b>	<b>23,054</b>	<b>15,503</b>	<b>20,203</b>	<b>14,050</b>	<b>18,368</b>	<b>9,477</b>	<b>20,570</b>	<b>19,262</b>	<b>7%</b>	<b>2%</b>	<b>117%</b>
<i>Rate (%)</i>	25.7	20.4	21.2	21.2	20.2	14.9	14.7	13.0	21.0			
<b>PAT</b>	<b>14,668</b>	<b>18,341</b>	<b>12,218</b>	<b>15,915</b>	<b>8,135</b>	<b>10,440</b>	<b>8,083</b>	<b>17,895</b>	<b>15,224</b>	<b>18%</b>	<b>12%</b>	<b>121%</b>
<b>Adj. PAT</b>	<b>14,668</b>	<b>18,341</b>	<b>12,218</b>	<b>15,915</b>	<b>11,209</b>	<b>15,633</b>	<b>8,083</b>	<b>17,895</b>	<b>15,224</b>	<b>18%</b>	<b>12%</b>	<b>121%</b>
<b>Key Assumptions (USD/bbl)</b>												
Gross Oil Realization	74.6	73.9	73.8	74.5	66.2	68.2	62.8	77.9	78.4	-1%	6%	24%
Oil sales (mmt)	0.83	0.84	0.83	0.85	0.82	0.83	0.82	0.87	0.85	3%	2%	6%
Gas sales (bcm)	0.68	0.65	0.68	0.67	0.70	0.66	0.66	0.60	0.68	-12%	-9%	-9%
<b>Net Oil Realization</b>	<b>74.6</b>	<b>73.9</b>	<b>73.8</b>	<b>74.5</b>	<b>66.2</b>	<b>68.2</b>	<b>62.8</b>	<b>77.9</b>	<b>78.4</b>	<b>-1%</b>	<b>5%</b>	<b>24%</b>

# Bharti Hexacom

BSE SENSEX  
74,609

S&P CNX  
23,413

**CMP: INR1490**

**Buy**

## Conference Call Details



**Date:** 13<sup>th</sup> May 2026

**Time:** 12:00 hours IST

### Financial Valuations (INR b)

INRb	FY26E	FY27E	FY28E
Net Sales	93.3	104.9	115.6
EBITDA	48.9	58.1	66.3
Adj. PAT	17.5	24.3	30.6
Adj. EPS (INR)	34.9	48.5	61.3
EPS Gr. (%)	36.4%	38.9%	26.3%
BV/Sh. (INR)	143.4	171.0	202.3
<b>Ratios</b>			
RoE (%)	26.7	30.9	32.8
RoCE (%)	16.4	22.7	29.3
<b>Valuations</b>			
P/E (x)	42.6	30.7	24.3
P/BV (x)	10.4	8.7	7.4
EV/EBITDA (x)	16.2	13.3	11.3

## Muted 4Q; FY26 FCF generation at INR21b, leading to ~INR16.6b reduction in net debt

- Overall, reported revenue stood at INR24.1b (+5% YoY, vs. our est. INR23.9b) in 4Q, which grew 2.3% QoQ. Excluding ICR revenue from in-roamers, customer revenue grew 1.8% QoQ to ~INR22.8b.
- Overall, 4Q EBITDA grew ~1% QoQ to INR12.7b (+9.5% YoY, in line).
- The reported EBITDA margin contracted ~65bp QoQ to 52.5% (+150bp YoY, 60bp below our estimate) and remained significantly below 58.9% (up 20bp QoQ) for Bharti's India operations (ex-Indus).
- Reported EBITDAaL grew 2.7% QoQ to INR11.6b, with pre-IND AS EBITDA margin rising ~25bp QoQ to 47.9%. Incremental pre-IND AS EBITDA margin stood at ~58% (vs. ~62% in 3Q).
- Depreciation and amortization were flat QoQ at INR5.7b, while net finance cost declined ~35% QoQ (-42% YoY) to INR0.7b (31% below our est.), resulting in ~5% beat on PBT of INR6.3b (+9% QoQ, +23% YoY).
- Adjusted PAT declined ~3% QoQ to INR4.66b (-1% YoY, vs. our est. of INR4.54b) due to the lower tax rate in the base quarter.
- BHL announced a dividend of INR18/share (vs. INR10/share YoY).
- For FY26, BHL generated FCF of INR21b, which led to a reduction in net debt (excl. leases) by ~INR16.6b

## Reported capex surges; FCF moderates QoQ due to seasonal working capital build-up

- Similar to Bharti, BHL's 4Q reported capex surged 72% QoQ to INR5.86b (up 38% YoY, 43% above estimate), though cash capex moderated QoQ.
- Overall net debt (ex-leases) declined ~INR1.3b QoQ at INR20.3b (vs. INR36.9b YoY). Including the impact of leases, Hexacom's consolidated net debt stood at INR54.7b (vs. INR56b QoQ, INR72.6b YoY).
- Net debt (ex-leases) to EBITDAaL declined further to 0.44x (vs. 0.48x QoQ, versus 0.88x for Bharti's India SA business).
- Free cash flow (after leases and interest payments) moderated to INR1.5b (vs. INR6.6b QoQ), driven by seasonal working capital build-up (INR5.1b change QoQ) and higher interest payments (~INR1.3b higher QoQ, likely due to AGR dues repayment).

## Wireless: Muted 4Q with marginal ARPU dip due to two fewer days QoQ

- Wireless ARPU moderated 0.4% QoQ (vs. -0.6% QoQ for Airtel) to INR252 (+4% YoY, in line) due to two fewer days QoQ.
- Paying subscriber base inched up by ~370k (vs. 368k net adds QoQ and our est. ~345k net adds). BHL accounted for ~7.9% of Bharti's paying net adds (vs. ~7.7% share in Bharti's paying subs base).
- However, the subscriber mix continues to improve with 477k smartphone net adds QoQ. BHL's share of Bharti's 4G/5G net adds slightly improved to ~8.3% (vs. 5.5% QoQ and ~7.7% share of Airtel's 4G/5G subs base).

- The share of data subs in BHL's mix improved ~65bp QoQ to 79.2%, but remains below Airtel's at 80.1% (+35bp QoQ).
- Reported wireless revenue grew 1.6% QoQ to INR23.1b (+4% YoY; vs. our est. of INR22.9b).
- Customer revenue grew ~1% QoQ (vs. ~3%/0.6% QoQ for R-Jio, including FTTH and Airtel's India wireless) to INR21.6b (+7% YoY).
- Wireless EBITDA at INR12.7b (+6% YoY, vs. our est. INR12.6b) was up 1.8% QoQ (vs. ~3% QoQ for R-Jio, including FTTH/Airtel) but better than the 0.9% QoQ growth for Airtel's India wireless business.
- Wireless EBITDA margins improved ~5bp QoQ to 55% (+115bp YoY, vs. -10bp QoQ to 54.3% for R-Jio), but were weaker than ~15bp QoQ improvement for Airtel's India wireless business to 60.6%.
- Incremental margins stood at ~59% (vs. 59%/84% for R-Jio and Bharti). On a YoY basis, incremental margin stood at ~86%.
- Wireless capex almost doubled QoQ to INR4.3b (+18% YoY).

#### **Homes and Offices: Robust growth driven by acceleration in subscriber base**

- Homes BB subs base reached ~0.84m (+88% YoY) as net adds accelerated to 148k (vs. 134k QoQ and our est. of 75k). BHL accounted for ~13% of Airtel's Homes BB net adds (vs. ~5.9% share in Airtel's Homes BB subscriber base).
- Reported Homes ARPU was stable QoQ at INR482/month (-2% YoY, vs. ~1% QoQ dip for Airtel to INR527/month).
- Homes and Offices revenue was up ~21% QoQ to INR1.18b (+65% YoY, 9% above) and was better than ~9.5% QoQ growth for Airtel.
- Homes and Offices EBITDA at INR0.45b (8% above) rose ~28% QoQ (+92% YoY, vs. 10% QoQ growth for Airtel), as margins expanded ~225bp QoQ to 38.1% (+525bp YoY). Comparatively, Airtel's Home BB margins were largely stable QoQ at 50.2%.
- Capex in the Homes business surged ~28% QoQ to INR1.5b (up ~2.6x YoY).

#### **Other highlights: Data engagement remains ahead of Airtel's India wireless business**

- Data volume grew 9% QoQ (vs. 5% QoQ in 3QFY26, +6% QoQ R-Jio including FTTH and Airtel India).
- Data usage per sub improved to 34.2GB/month (vs. 32GB QoQ, 42.3GB reported by R-Jio, including FTTH and higher than 31.4GB for Airtel on a pan-India basis).
- Voice usage on the network grew ~1% QoQ (+2% QoQ in 3QFY26, +1% QoQ for R-Jio and Airtel), with minutes of usage (MoU) per subscriber moderating to 1,129mins/month (vs. 1,135 mins QoQ, ~987 mins for R-Jio) though slightly lower vs. 1,150 mins for Airtel on a pan-India basis.
- Tower count increased 170 QoQ (vs. an increase of 43 QoQ in 3QFY26) for 26.7k towers. Revenue per site grew ~1% QoQ to INR287.7k/month (+3% YoY, vs. flat QoQ at INR276.6k for Airtel).

**Consolidated results**

	4QFY25	3QFY26	4QFY26	YoY	QoQ	4QFY26E	vs est.
<b>Bharti Hexacom</b>							
<b>Revenues</b>	<b>22,890</b>	<b>23,598</b>	<b>24,137</b>	<b>5.4</b>	<b>2.3</b>	<b>23,922</b>	<b>0.9</b>
Access charges	2,468	1,770	1,861	(24.6)	5.1	1,750	6.3
License and spectrum fee	2,093	2,173	2,217	5.9	2.0	2,207	0.4
Network operating costs	4,756	5,216	5,173	8.8	(0.8)	5,334	(3.0)
Employee costs	431	306	333	(22.7)	8.8	354	(5.9)
SG&A expenses	1,464	1,589	1,881	28.5	18.4	1,570	19.8
Total costs	11,212	11,054	11,465	2.3	3.7	11,216	2.2
<b>EBITDA</b>	<b>11,678</b>	<b>12,544</b>	<b>12,672</b>	<b>8.5</b>	<b>1.0</b>	<b>12,707</b>	<b>(0.3)</b>
EBITDA margin (%)	51.0	53.2	52.5	148 bps	(66)bps	53.1	(62)bps
Depreciation and amortization	5,312	5,668	5,648	6.3	(0.4)	5,663	(0.3)
<b>EBIT</b>	<b>6,366</b>	<b>6,876</b>	<b>7,024</b>	<b>10.3</b>	<b>2.2</b>	<b>7,043</b>	<b>(0.3)</b>
EBIT margin (%)	27.8	29.1	29.1	129 bps	(4)bps	29.4	(34)bps
Net finance cost	1,234	1,095	716	(42.0)	(34.6)	1,040	(31.1)
<b>PBT</b>	<b>5,132</b>	<b>5,781</b>	<b>6,308</b>	<b>22.9</b>	<b>9.1</b>	<b>6,003</b>	<b>5.1</b>
Tax provision	448	953	1,595	256.0	67.4	1,465	8.9
Extraordinary items	-	91	246			-	
<b>Reported net income</b>	<b>4,684</b>	<b>4,737</b>	<b>4,467</b>	<b>(4.6)</b>	<b>(5.7)</b>	<b>4,539</b>	<b>(1.6)</b>
<b>Adjusted net income</b>	<b>4,684</b>	<b>4,805</b>	<b>4,658</b>	<b>(0.6)</b>	<b>(3.1)</b>	<b>4,539</b>	<b>2.6</b>
Reported EPS (INR)	7.6	9.5	8.9	17.5	(5.7)	9.1	(1.6)
Adjusted EPS (INR)	7.6	9.6	9.3	22.5	(3.1)	9.1	2.6
<b>Costs as % of revenue</b>							
Access charges	(10.8)	(7.5)	(7.7)	307 bps	(21)bps	(7.3)	(39)bps
License and spectrum fee	(9.1)	(9.2)	(9.2)	(4)bps	2 bps	(9.2)	4 bps
Network operating costs	(20.8)	(22.1)	(21.4)	(65)bps	67 bps	(22.3)	87 bps
Employee costs	(1.9)	(1.3)	(1.4)	50 bps	(8)bps	(1.5)	10 bps
SG&A expenses	(6.4)	(6.7)	(7.8)	(140)bps	(106)bps	(6.6)	(123)bps
Total costs	(49.0)	(46.8)	(47.5)	148 bps	(66)bps	(46.9)	(62)bps

**Net debt trends**

	Mar-23	Sep-23	Mar-24	Sep-24	Mar-25	Sep-25	Mar-26
<b>Debt and cash trends</b>							
<b>Reported gross debt</b>	<b>62,693</b>	<b>62,353</b>	<b>48,347</b>	<b>48,901</b>	<b>37,800</b>	<b>31,264</b>	<b>26,943</b>
ST debt (inc. current maturities)	15,001	35,013	20,001	11,907	8,746	2,522	0
Deferred payment liabilities	27,693	27,340	28,346	36,994	29,054	28,742	26,943
<b>Cash and Cash Equivalents</b>	<b>11,015</b>	<b>15,775</b>	<b>2,774</b>	<b>340</b>	<b>910</b>	<b>3,081</b>	<b>6,642</b>
Cash and Cash Equivalents	555	463	398	334	171	212	330
Investments & Receivables	10,460	15,312	2,376	6	739	2,869	6,312
<b>Net Debt excluding Lease Obligations</b>	<b>51,678</b>	<b>46,578</b>	<b>45,573</b>	<b>48,561</b>	<b>36,890</b>	<b>28,183</b>	<b>20,300</b>
Lease Obligation	29,343	30,968	32,700	36,229	35,729	34,806	34,430
<b>Net Debt including Lease Obligations</b>	<b>81,021</b>	<b>77,546</b>	<b>78,273</b>	<b>84,790</b>	<b>72,619</b>	<b>62,989</b>	<b>54,730</b>
<b>Net debt (including leases) to EBITDA</b>	<b>2.63</b>	<b>2.35</b>	<b>2.23</b>	<b>2.12</b>	<b>1.55</b>	<b>1.30</b>	<b>1.08</b>
<b>Net debt (excluding leases) to EBITDAaL</b>			<b>1.46</b>	<b>1.35</b>	<b>0.87</b>	<b>0.64</b>	<b>0.44</b>

**FCF (post-interest and leases)**

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	FY25	FY26
<b>FCF, after lease and interest payment</b>										
<b>CF before WC changes</b>	<b>8,610</b>	<b>8,569</b>	<b>10,207</b>	<b>9,577</b>	<b>10,963</b>	<b>10,338</b>	<b>10,813</b>	<b>11,475</b>	<b>36,963</b>	<b>43,589</b>
WC changes	4,475	1,826	631	1,932	2,474	937	1,388	(3,748)	8,864	1,051
<b>Cashflow from operations</b>	<b>13,085</b>	<b>10,395</b>	<b>10,838</b>	<b>11,509</b>	<b>13,437</b>	<b>11,275</b>	<b>12,201</b>	<b>7,727</b>	<b>45,827</b>	<b>44,640</b>
Lease payments	(755)	(750)	(1,004)	(953)	(914)	(966)	(929)	(807)	(3,462)	(3,616)
<b>Capex in tangible assets</b>	<b>(4,728)</b>	<b>(5,252)</b>	<b>(4,025)</b>	<b>(11,167)</b>	<b>(2,956)</b>	<b>(4,220)</b>	<b>(4,119)</b>	<b>(3,533)</b>	<b>(25,172)</b>	<b>(14,829)</b>
Paid finance cost	(1,728)	(1,661)	(671)	(1,335)	(625)	(1,647)	(599)	(1,940)	(5,395)	(4,811)
<b>FCF, after lease and interest payment</b>	<b>5,874</b>	<b>2,732</b>	<b>5,138</b>	<b>(1,946)</b>	<b>8,942</b>	<b>4,442</b>	<b>6,554</b>	<b>1,447</b>	<b>11,798</b>	<b>21,384</b>
Spectrum prepayments				8,576					8,576	0
<b>Adjusted FCF after leases and interest</b>	<b>5,874</b>	<b>2,732</b>	<b>5,138</b>	<b>6,630</b>	<b>8,942</b>	<b>4,442</b>	<b>6,554</b>	<b>1,447</b>	<b>20,374</b>	<b>21,384</b>

## Segment Result

	4QFY25	3QFY26	4QFY26	YoY	QoQ	4QFY26E	vs est
<b>Segmental revenue (INR b)</b>							
<b>Wireless</b>	<b>22,249</b>	<b>22,718</b>	<b>23,089</b>	<b>3.8</b>	<b>1.6</b>	<b>22,942</b>	<b>0.6</b>
Homes	709	972	1,172	65.3	20.5	1,073	9.2
<b>Overall</b>	<b>22,890</b>	<b>23,598</b>	<b>24,137</b>	<b>5.4</b>	<b>2.3</b>	<b>23,922</b>	<b>0.9</b>
Eliminations	(68)	(92)	(124)			(93)	
<b>Segmental EBITDA (INR b)</b>							
<b>Wireless</b>	<b>11,969</b>	<b>12,471</b>	<b>12,691</b>	<b>6.0</b>	<b>1.8</b>	<b>12,580</b>	<b>0.9</b>
Homes	233	349	447	91.8	28.1	414	8.0
<b>Overall</b>	<b>11,678</b>	<b>12,544</b>	<b>12,672</b>	<b>8.5</b>	<b>1.0</b>	<b>12,707</b>	<b>(0.3)</b>
Eliminations	(524)	(276)	(466)			(288)	
<b>Segmental EBITDA margin (%)</b>							
<b>Wireless</b>	<b>53.8</b>	<b>54.9</b>	<b>55.0</b>	<b>117 bps</b>	<b>7 bps</b>	<b>54.8</b>	<b>13 bps</b>
Homes	32.9	35.9	38.1	527 bps	225 bps	38.6	(44)bps
<b>Overall</b>	<b>51.0</b>	<b>53.2</b>	<b>52.5</b>	<b>148 bps</b>	<b>(66)bps</b>	<b>53.1</b>	<b>(62)bps</b>
<b>Segmental Capex (INR b)</b>							
<b>Wireless</b>	<b>3,664</b>	<b>2,191</b>	<b>4,315</b>	<b>18</b>	<b>97</b>	<b>2,868</b>	<b>50</b>
Homes	590	1,212	1,546	162	28	1,238	25
<b>Overall</b>	<b>4,254</b>	<b>3,403</b>	<b>5,861</b>	<b>37.8</b>	<b>72.2</b>	<b>4105</b>	<b>42.8</b>

## Key performance indicators

	4QFY25	3QFY26	4QFY26	YoY	QoQ	4QFY26E	vs. est
<b>Operating metrics</b>							
<b>India wireless</b>							
<b>Wireless ARPU</b>	<b>242</b>	<b>253</b>	<b>252</b>	<b>4.5</b>	<b>(0.3)</b>	<b>252</b>	<b>0.2</b>
<b>EoP reported subs (m)</b>	<b>28.1</b>	<b>28.4</b>	<b>28.8</b>	<b>2.3</b>	<b>1.3</b>	<b>28.7</b>	<b>0.1</b>
Net adds ('000)	515	368	370			345	7.1
<b>EoP data subs (m)</b>	<b>21.6</b>	<b>22.3</b>	<b>22.8</b>	<b>5.6</b>	<b>2.1</b>	<b>22.8</b>	<b>0.0</b>
Data net adds ('000)	530	276	478			472	1
Data subs proportion (%)	76.7	78.5	79.2	251 bps	65 bps	79.2	(5)bps
<b>EoP 4G subs (m)</b>	<b>21.5</b>	<b>22.2</b>	<b>22.7</b>	<b>5.8</b>	<b>2.1</b>	<b>22.7</b>	<b>(0.0)</b>
4G net adds ('000)	710	283	477			487	(2)
Data volume (b MBs)	1,808	2,171	2,365	30.9	9.0	2,248	5.2
<b>Data usage per data sub (GB/month)</b>	<b>27.7</b>	<b>32.0</b>	<b>34.2</b>	<b>23.2</b>	<b>6.8</b>	<b>32.5</b>	<b>5.3</b>
Average data realization (INR/GB)	12.6	10.7	10.0	(20.9)	(6.8)	10.4	(4.4)
Voice usage on network (b mins)	95.3	95.9	96.8	1.6	1.0	97.5	(0.7)
<b>Minute of usage per sub (min/month)</b>	<b>1,139</b>	<b>1,135</b>	<b>1,129</b>	<b>(0.8)</b>	<b>(0.5)</b>	<b>1,137</b>	<b>(0.7)</b>
Network towers ('000)	26,497	26,572	26,742	0.9	0.6	26,617	0.5
MBB sites ('000)	90,740	93,472	94,397	4.0	1.0	-	
Revenue per tower (INR/month)	2,80,408	2,84,479	2,87,728	2.6	1.1	-	
<b>Homes</b>							
Cities covered (#)	114	117	120	5.3	2.6	-	
<b>Reported ARPU (INR/month)</b>	<b>490</b>	<b>483</b>	<b>482</b>	<b>(1.7)</b>	<b>(0.2)</b>	<b>480</b>	<b>0.4</b>
<b>Calculated ARPU (INR/month)</b>	<b>560</b>	<b>516</b>	<b>508</b>	<b>(9.3)</b>	<b>(1.5)</b>	<b>533</b>	<b>(4.6)</b>
<b>EoP reported subs (k)</b>	<b>448</b>	<b>695</b>	<b>843</b>	<b>88.1</b>	<b>21.3</b>	<b>709</b>	<b>18.9</b>
Net adds ('000)	53	134	148			75	
Implied other revenue (INR m)	89	62	60	(32.3)	(3.1)	106	(43.6)

# LIC Housing Finance

**BSE SENSEX**  
74,609

**S&P CNX**  
23,413

**CMP: INR586**

**Neutral**

## Conference Call Details



**Date:** 14th May, 2026

**Time:** 11:30 AM IST

**Dial-in details:**

+91 22 6280 1145/

+91 22 7115 8046

[Link for call](#)

### Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	84.2	88.3	95.5
PPP	76.3	79.5	85.1
PAT	56.0	56.3	60.3
EPS (INR)	101.7	102.3	109.6
EPS Gr. (%)	3.1	3.2	7.1
BV/Sh (INR)	740	818	906
<b>Ratios</b>			
NIM (%)	2.7	2.7	2.7
C/I ratio (%)	15.1	15.1	15.3
RoAA (%)	1.7	1.7	1.7
RoE (%)	14.5	13.2	12.7
Payout (%)	9.8	10.4	10.5
<b>Valuations</b>			
P/E (x)	5.8	5.1	4.7
P/BV (x)	0.8	0.6	0.6
Div. Yield (%)	1.7	2.1	2.2

### Earnings beat driven by NIM expansion and lower credit costs

#### Loan growth sluggish but disbursements gain momentum; NIMs up ~10bp QoQ

- LICHF's 4QFY26 PAT grew ~9% YoY to ~INR15b (~10% beat). FY26 PAT grew 3% YoY to ~INR56b.
- 4Q NII grew ~3% YoY to ~INR22.2b (~6% beat). Fee and other income grew 12% YoY to INR1.9b. Opex declined ~12% YoY to INR4b (~13% higher than MOFSLe) and cost-income ratio declined ~3pp YoY to ~16.6% (PY: ~19.4% and PQ: ~15.5%).
- PPop grew ~7% YoY to ~INR20b (~6% beat). Credit costs stood at ~INR740m (vs. est. of INR1.4b) and translated into annualized credit costs of ~9bp (PY: 14bp and PQ: 20bp).

### Sluggish loan growth due to elevated repayments

- Loan disbursements in individual home loans (IHL) grew ~8% YoY, while non-housing individual disbursements rose 25% YoY. Non-housing commercial disbursements declined ~32% YoY. Builder/project loan disbursements fell ~3% YoY.
- Total disbursements grew ~10% YoY/30% QoQ to ~INR210b. **Repayments were elevated at 18.6% (PY: 14% and PQ: 17.5%).**
- Overall loan book grew ~4% YoY to INR3.2t. Home loans grew ~4% YoY, while non-housing individual book grew ~14% YoY.

### Margins improve sequentially; reported yields decline ~12bp

- 4Q NIM improved ~10bp QoQ to ~2.8%.
- As of Mar'26, reported yields declined ~12bp QoQ to 9.2%, while CoB was broadly stable QoQ at ~7.3%. This resulted in spreads declining ~11bp to ~1.94% (9MFY26: 2.05%).
- The company declared a dividend of INR10/share for FY26

### Asset quality improves; Stage 2 PCR up ~190bp QoQ

- GS3 declined ~30bp QoQ to ~2.2%, while NS3 remained largely stable QoQ at ~1.1%.
- Stage 3 PCR declined ~5pp QoQ to ~50% (PQ: ~54.5%) and **Stage 2 PCR improved ~190bp QoQ to ~5% (PQ: 3.2%).**

### Valuation and view

- LICHF reported a strong sequential uptick in disbursements. However, loan growth remained sluggish due to high repayments. Margins improved sequentially, with NIMs expanding ~10bp. Asset quality also strengthened, as reflected in the decline in GS3, while earnings remained robust, aided by lower credit costs and NIM expansion.
- Key monitorable include management's commentary on mortgage demand trends, the intensity of competition from banks, and guidance on margins and loan growth. We will review our estimates after the earnings call on 14<sup>th</sup> May'26.

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

Y/E March	FY25				FY26				FY25	FY26	4Q FY26E	Act. v/s est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	67,391	68,534	69,516	71,173	71,131	70,335	70,439	70,093	2,76,615	2,81,997	70,632	-1
Interest Expenses	47,501	48,796	49,515	49,508	50,473	49,951	49,421	47,875	1,95,320	1,97,752	49,680	-4
<b>Net Interest Income</b>	<b>19,891</b>	<b>19,739</b>	<b>20,001</b>	<b>21,664</b>	<b>20,658</b>	<b>20,385</b>	<b>21,017</b>	<b>22,218</b>	<b>81,295</b>	<b>84,245</b>	<b>20,952</b>	<b>6</b>
YoY Growth (%)	-10.0	-6.3	-4.6	-3.2	3.9	3.3	5.1	2.6	-6.0	3.6	-3.3	
Fees and other income	446	784	1,057	1,661	1,201	1,362	1,431	1,853	3,948	5,720	1,534	21
<b>Net Income</b>	<b>20,337</b>	<b>20,522</b>	<b>21,059</b>	<b>23,326</b>	<b>21,859</b>	<b>21,747</b>	<b>22,449</b>	<b>24,070</b>	<b>85,243</b>	<b>89,965</b>	<b>22,487</b>	<b>7</b>
YoY Growth (%)	-9.7	-4.9	-1.9	2.0	7.5	6.0	6.6	3.2	-3.6	5.5	-3.6	
Operating Expenses	2,621	3,105	3,564	4,536	2,938	3,018	3,488	3,987	13,826	13,618	3,535	13
<b>Operating Profit</b>	<b>17,715</b>	<b>17,417</b>	<b>17,495</b>	<b>18,790</b>	<b>18,920</b>	<b>18,729</b>	<b>18,961</b>	<b>20,084</b>	<b>71,416</b>	<b>76,347</b>	<b>18,951</b>	<b>6</b>
YoY Growth (%)	-11.9	-8.3	-7.2	-1.3	6.8	7.5	8.4	6.9	-7.2	6.9	0.9	
Provisions and Cont.	1,431	773	-440	1,094	1,929	1,682	1,536	741	2,858	5,540	1,350	-45
<b>Profit before Tax</b>	<b>16,285</b>	<b>16,644</b>	<b>17,934</b>	<b>17,696</b>	<b>16,992</b>	<b>17,047</b>	<b>17,425</b>	<b>19,342</b>	<b>68,558</b>	<b>70,806</b>	<b>17,601</b>	<b>10</b>
Tax Provisions	3,282	3,355	3,615	4,016	3,392	3,508	3,586	4,368	14,268	14,855	4,017	9
<b>Net Profit</b>	<b>13,002</b>	<b>13,289</b>	<b>14,320</b>	<b>13,680</b>	<b>13,599</b>	<b>13,539</b>	<b>13,840</b>	<b>14,974</b>	<b>54,290</b>	<b>55,952</b>	<b>13,584</b>	<b>10</b>
YoY Growth (%)	-2	12	23	25	5	2	-3	9	14	3	-1	

**Key Operating Parameters (%)**

Yield on loans (Cal)	9.37	9.40	9.37	9.38	9.22	9.06	9.00	8.83	9.5	9.1		
Cost of funds (Cal)	7.50	7.64	7.62	7.43	7.46	7.35	7.26	6.97	7.5	7.2		
Spreads (Cal)	1.87	1.76	1.75	1.95	1.76	1.70	1.74	1.86	2.0	1.9		
Margins (Cal)	2.76	2.71	2.69	2.86	2.68	2.62	2.69	2.80	2.7	2.6		
Credit Cost (Cal)	0.20	0.11	-0.06	0.14	0.25	0.22	0.20	0.09	0.1	0.2		
Cost to Income Ratio	12.9	15.1	16.9	19.4	13.4	13.9	15.5	16.6	16.2	15.1		
Tax Rate	20.2	20.2	20.2	22.7	20.0	20.6	20.6	22.6	20.8	21.0		

**Balance Sheet Parameters**

Loans (INR B)	2,887	2,946	2,991	3,077	3,096	3,118	3,143	3,207	3028	3158		
Change YoY (%)	4.4	6.0	6.4	7.3	7.2	5.8	5.1	4.2	7.9	4.3		
Indiv. Disb. (INR B)	124	151	145	183	130	159	155	202	602	630		
Change YoY (%)	16.9	6.0	-2.1	9.3	4.6	5.7	7.0	10.3	6.9	4.5		
Borrowings (INR B)	2,537	2,574	2,626	2,706	2,709	2,725	2,721	2,775	2706	2798		
Change YoY (%)	5.1	5.7	7.1	7.0	6.8	5.8	3.6	2.5	7.2	3.4		
Loans/Borrowings (%)	113.8	114.4	113.9	113.7	114.3	114.4	115.5	115.6	111.9	112.9		

**Asset Quality Parameters**

GS 3 (INR B)	95.3	90.1	82.3	76.0	81.1	78.3	77.0	69.3	76.0	71.5		
Gross Stage 3 (% on Assets)	3.30	3.06	2.75	2.47	2.62	2.51	2.45	2.16	2.5	2.2		
NS 3 (INR B)	48.0	45.7	43.2	37.1	39.9	36.7	35.0	34.6	37.1	35.0		
Net Stage 3 (% on Assets)	1.69	1.58	1.47	1.22	1.31	1.20	1.13	1.10	1.2	1.1		
PCR (%)	49.6	49.3	47.5	51.2	50.8	53.1	54.5	50.0	51.2	51.0		
ECL (%)	1.96	1.85	1.66	1.59	1.63	1.63	1.62	1.42				

**Loan Mix (%)**

Home loans	85.3	85.2	85.1	85.0	84.8	84.7	84.6	84.5				
LAP	12.7	12.9	13.2	13.3	13.6	13.7	13.8	14.2				
Non Individual loans	2.0	1.9	1.7	1.7	1.6	1.6	1.6	1.3				

**Borrowing Mix (%)**

Banks	34.0	34.0	33.0	32.0	31.0	35.0	38.0	39.0				
NCD	54.0	54.0	54.0	55.0	55.0	53.0	50.0	46.0				
Sub Debt	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0				
Deposits	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0				
NHB	4.0	4.0	5.0	4.0	5.0	4.0	5.0	7.0				
CP	4.0	4.0	4.0	5.0	5.0	4.0	3.0	4.0				

E: MOFSL Estimates

# Inventurus Knowledge Solutions

<b>BSE Sensex</b> 74,609	<b>S&amp;P CNX</b> 23,413
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## Conference Call Details



**Date:** 14<sup>th</sup> May 2026

**Time:** 08:00 AM IST

[Diamond Pass Registration](#)

### Financials Snapshot (INR m)

Y/E MARCH	FY26	FY27E	FY28E
Sales	31,938	37,978	44,331
Sales Gr. (%)	19.9	18.9	16.7
EBITDA	10,913	13,065	15,516
EBITDA Margin (%)	34.2	34.4	35.0
PAT	7,308	8,639	11,012
EPS (Rs)	42.2	50.6	64.5
EPS Gr. (%)	47.6	19.7	27.5
BV/Share	146	197	262
<b>Ratios</b>			
RoE	33.6	29.4	28.1
RoCE	32.1	32.7	30.7
RoIC	32.9	42.5	57.2
<b>Valuations</b>			
EV/Sales	9.2	7.7	6.6
EV/EBITDA	26.8	22.4	18.9
P/E (X)	40.2	33.6	26.4
P/BV (X)	10.9	8.1	6.1

**CMP: INR 1,675**

**Buy**

## Revenue in line; beat on profitability

- IKS's 4QFY26 revenue at USD95m was up 15.3% YoY and 2.7% QoQ. (MOFSL est: 94m)
- Its 4QFY26 revenue at INR8.6b was up 18.5% YoY, in line with our estimate (MOFSL est: of INR8.5b)
- EBITDA grew 32.7% YoY to INR3.0b (est. INR2.8b) with EBITDA margin of 35.0%. (MOFSL est:34.4%)
- PAT grew 39.3% YoY to INR2.1b (MOFSL est. INR1.9b).

### Business Highlights :

**AI portfolio expansion:** IKS acquired ThinkDTM, an AI-native digital services firm, to strengthen patient access solutions with specialized AI expertise.

**Next-Gen product launches:** Introduced two Epic-integrated AI solutions on the Epic Connection Hub:

**Autonomous RCM coding engine:** An AI-driven coding solution with 95% accuracy, reducing denials through autonomous assignment and expert review.

**MyCareHub™:** An agentic AI platform using multi-agent orchestration to automate and personalize patient engagement.

Partnered with Certilytics to integrate payer rules and provider workflows through agentic AI and human oversight.

Signed a multi-year partnership with Holyoke Medical Center for AI-led clinical and administrative transformation.

Expanded engagement with Mission Community Hospital to develop advanced in-hospital AI capabilities for operational efficiency.

**RCM & VBC expansion:** Broadened a major partnership with a Top 5 U.S. Health System across additional regions and states.

### Valuation and view

We believe IKS is uniquely positioned to benefit from the long-term structural tailwinds in US healthcare technology, supported by its strong financial profile, differentiated tech-first platform, and expanding market opportunity. **Currently we have a BUY rating on IKS with a TP of INR1,902**, valuing the stock at 30x P/E on FY28E EPS (~30% EPS CAGR over FY25-28E).

**IKS - Quarterly Performance**
**(INR Mn)**

Y/E March	FY25				FY26				FY25	FY26	4Q FY26	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue (USD m)	77.0	76.9	78.2	84.0	86.7	90.2	92.5	95.0	316	364	94	1.1
QoQ (%)	3.2	-0.1	1.7	7.4	3.2	4.0	2.5	2.7	45.5	15.3	1.8	
Revenue (INR m)	6,401	6,428	6,572	7,240	7,401	7,811	8,150	8,577	26,640	31,938	8,475	1.2
YoY (%)			15.9	16.8	15.6	21.5	24.0	18.5	46.5	19.9	17.1	
GPM (%)	43.6	43.4	41.7	46.6	46.5	47.9	50.2	51.2	43.9	49.0	50.0	
SGA (%)	16.6	14.0	14.0	15.4	14.4	13.1	15.6	16.2	15.0	14.9	15.6	
EBITDA	1,730	1,891	1,815	2,262	2,378	2,718	2,816	3,002	7,697	10,913	2,915	3.0
EBITDA Margin (%)	27.0	29.4	27.6	31.2	32.1	34.8	34.6	35.0	28.9	34.2	34.4	+50bps
EBIT	1,447	1,608	1,537	1,979	2,098	2,416	2,496	2,662	6,571	9,672	2,585	3.0
EBIT Margin (%)	22.6	25.0	23.4	27.3	28.4	30.9	30.6	31.0	24.7	30.3	30.5	+50bps
Finance cost	260	222	205	210	181	161	233	127	898	819	212	
Other Income	36	52	270	33	31	37	56	49	390	385	42	
ETR (%)	22.0	21.4	19.0	17.9	22.2	20.6	20.1	18.6	19.8	20.3	21.5	
PAT	955	1,130	1,297	1,478	1,515	1,807	1,833	2,060	4,860	7,216	1,896	8.6
QoQ (%)	50.2	18.3	14.8	14.0	2.5	19.3	1.4	12.3			3.4	
YoY (%)			27.7	132.5	58.7	59.9	41.4	39.3	31.2	48.5	28.3	
EPS (INR)	5.7	6.7	7.6	8.7	8.9	10.6	10.7	12.1	28.6	42.2	11.1	8.6

# Kaynes Technology

BSE SENSEX  
74,609

S&P CNX  
23,380

**CMP: INR4178**

**Buy**

## Conference Call Details



**Date:** 14<sup>th</sup> May, 2026

**Time:** 10:00am IST

**Dial-in details:**

[Click Here](#)

## Operating performance misses estimates

- Consol. revenue grew 26% YoY to INR12.4b (est. INR15.5b)
- Gross Margins contracted 40bp YoY to 31.7%
- EBITDA grew 15% YoY to INR1.9b (est. INR2.5b). EBITDA margins contracted 150bp YoY to 15.6% (est. 16%)
- Adj. PAT declined 22% YoY to INR913m (est. INR1.8b).
- For FY26, Revenue/EBITDA/Adj PAT grew 33%/40%/24% to INR36b/INR5.7b/INR3.7b
- Gross debt stood at INR8.7b vs INR8.7b as of Mar'25. Company had a Cash outflow of INR6b vs INR823m as of Mar'25

### Consolidated - Quarterly Earning

Y/E March	FY25				FY26E				(INR m)			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY25	FY26	FY26E	Var %
Gross Sales	5,040	5,721	6,612	9,845	6,735	9,062	8,040	12,426	27,218	36,264	15,555	-20%
YoY Change (%)	69.6	58.5	29.8	54.5	33.6	58.4	21.6	26.2	50.8	33.2	58.0	
Total Expenditure	4,371	4,900	5,671	8,166	5,604	7,582	6,847	10,489	23,108	30,523	13,059	
EBITDA	669	821	940	1,679	1,130	1,480	1,193	1,937	4,109	5,741	2,495	-22%
Margins (%)	13.3	14.4	14.2	17.1	16.8	16.3	14.8	15.6	15.1	15.8	16.0	
Depreciation	84	86	108	169	156	166	204	544	447	1,071	230	
Interest	227	221	270	295	284	228	249	409	1,013	1,169	280	
Other Income	283	336	246	205	271	431	448	419	1,070	1,568	450	
PBT before EO expense	641	849	808	1,419	961	1,517	1,189	1,403	3,718	5,069	2,435	
Extra-Ord expense	0	0	0	0	0	0	25	0	0	26	0	
PBT	641	849	808	1,419	961	1,517	1,163	1,402	3,718	5,043	2,435	
Tax	133	247	144	257	215	303	397	490	782	1,404	612	
Rate (%)	20.8	29.1	17.8	18.1	22.3	20.0	34.1	34.9	21.0	27.8	25.1	
Reported PAT	508	602	665	1,162	746	1,214	766	912	2,936	3,639	1,824	
Adj PAT	508	602	665	1,162	746	1,214	785	913	2,936	3,658	1,824	-50%
YoY Change (%)	106.0	86.4	47.1	43.0	46.9	101.7	18.2	-21.5	60.1	24.6	56.9	
Margins (%)	10.1	10.5	10.1	11.8	11.1	13.4	9.8	7.3	10.8	10.1	11.7	

# Signature Global

BSE Sensex 74,609 S&P CNX 23,413

**CMP: INR897**

**Buy**

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**Date:** 04<sup>th</sup> Feb 2026  
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### Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	26.0	59.7	71.5
EBITDA	-0.5	15.1	17.1
EBITDA (%)	-1.8	25.3	23.9
Adj. PAT	-1.7	13.3	15.3
EPS (INR)	-12.3	94.7	109.2
EPS Gr. (%)	-269.7	-871.4	15.3
BV/Sh. (INR)	131.6	226.3	335.6
<b>Ratios</b>			
Net D/E	0.1	0.5	0.1
RoE (%)	-13.4	52.9	38.9
RoCE (%)	3.1	26.1	24.1
Payout (%)	0.0	0.0	0.0
<b>Valuations</b>			
P/E (x)	-73.1	9.5	8.2
P/BV (x)	6.8	4.0	2.7
EV/EBITDA (x)	-268.4	9.4	7.6
Div Yield (%)	0.0	0.0	0.0

## Weak operational performance

### Pre-sales misses guidance

- SIGNATUR achieved presales of INR15.7b in 4QFY26 (down 3% YoY), in line with our estimates. FY26 presales stood at INR83b (down 20% YoY), lower than its guidance. The company launched two premium projects in FY26 – Cloverdale in 1QFY26 and Sarvam in 3QFY26.
- During the year, SIGNATUR added 2.3msf of projects in Sohna region as part of business development. The company has planned launches of INR150b in FY27, which, along with sustenance sales, should drive 20% YoY growth in presales to INR100b (in line with FY25 level). About 63% of the 19.8msf upcoming launch pipeline is for group housing.

### Strong deleveraging despite soft collections

- Collections declined 22% YoY to INR9.1b in 4QFY26 and fell 8% YoY to INR40b in FY26. With construction in progress, the company has guided 25% YoY growth in collections to INR50b in FY27.
- Debt declined to INR2b in 4QFY26 from INR10b in 3QFY26 and INR9b in FY25.

### Financial performance

- In 4QFY26, revenue grew by 113% YoY to INR11b. EBITDA rose 29% YoY to INR564m with EBITDA margin at 5.1%. Reported PAT jumped ~18x YoY to INR11.5b on account of exceptional gains worth INR12.7b. PBT increased by 63% YoY to INR1.2b.
- In FY26, revenue grew by 4% YoY to INR26b. EBITDA loss stood at INR479m. Reported PAT surged ~10x YoY to ~INR11b on account of exceptional gains worth INR12.7b. PBT declined by 59% YoY to INR430m.

### Quarterly performance

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Net Sales</b>	<b>4,006</b>	<b>7,493</b>	<b>8,277</b>	<b>5,204</b>	<b>8,657</b>	<b>3,385</b>	<b>2,844</b>	<b>11,073</b>	<b>24,980</b>	<b>25,959</b>
YoY Change (%)	141.5	660.5	193.7	-25.0	116.1	-54.8	-65.6	112.8	101.4	3.9
Total Expenditure	4,019	7,609	8,142	4,766	8,324	4,128	3,477	10,509	24,535	26,437
<b>EBITDA</b>	<b>-13</b>	<b>-116</b>	<b>135</b>	<b>439</b>	<b>332</b>	<b>-743</b>	<b>-632</b>	<b>564</b>	<b>446</b>	<b>-479</b>
Margins (%)	-0.3	-1.5	1.6	8.4	3.8	-21.9	-22.2	5.1	1.8	-1.8
Depreciation	52	68	75	79	76	78	79	85	274	318
Interest	75	169	142	130	126	135	169	173	515	603
Other Income	274	281	345	500	327	340	283	880	1,400	1,830
<b>PBT before EO expense</b>	<b>135</b>	<b>-71</b>	<b>263</b>	<b>730</b>	<b>458</b>	<b>-615</b>	<b>-598</b>	<b>1,185</b>	<b>1,057</b>	<b>431</b>
Extra-Ord expense	2	0	0	3	1	1	0	-12,673	6	-12,671
<b>PBT</b>	<b>133</b>	<b>-72</b>	<b>263</b>	<b>727</b>	<b>457</b>	<b>-616</b>	<b>-598</b>	<b>13,858</b>	<b>1,051</b>	<b>13,102</b>
Tax	65	-113	-29	116	113	-147	-144	2,334	39	2,155
Rate (%)	48.8	157.9	-11.0	15.9	24.7	23.9	24.1	16.8	-3.9	-0.9
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	1	0
<b>Reported PAT</b>	<b>68</b>	<b>41</b>	<b>291</b>	<b>611</b>	<b>344</b>	<b>-469</b>	<b>-453</b>	<b>11,524</b>	<b>1,011</b>	<b>10,947</b>
<b>Adj PAT</b>	<b>70</b>	<b>41</b>	<b>291</b>	<b>614</b>	<b>345</b>	<b>-467</b>	<b>-453</b>	<b>-1,149</b>	<b>1,017</b>	<b>-1,725</b>
YoY Change (%)	-202.6	-121.5	1,195.7	47.1	393.5	-1,227.9	-255.7	-287.1	455.9	-269.7
Margins (%)	1.7	0.6	3.5	11.8	4.0	-13.8	-15.9	-10.4	4.1	-6.6
<b>Key metrics</b>										
Pre Sales (msf)	2.0	2.4	2.5	1.4	1.6	1.3	1.4	1.0	8.3	5.4
Presales (INRb)	31.2	27.8	27.7	16.2	26.5	20.1	20.2	15.7	102.9	82.5
ASP (INR/sqft)	15,369	11,681	11,124	11,912	16,358	15,000	14,028	15,700	12457	15278
Collections (INRb)	12.1	9.2	10.8	11.7	9.3	9.4	12.3	9.1	43.8	40.1



### MTAR Tech : Good Set Of Q4FY26 Earnings; Srinivas Reddy, MD

- FY27 revenue growth guidance raised to 80%; EBITDA margin guided at 24%.
- FY27 closing order book targeted near ₹5,000 crore.
- Clean energy remains largest growth driver, led by key global clients.
- Working capital cycle improved sharply; guided at 150–170 days.
- FY27 capex planned at ₹250–300 crore for capacity expansion.

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### Corona Remedies : Steady Q4 Earnings; FY27 Revenue Seen Growing 15%, Profit Up 20%; Bhavin Bhagat, CFO

- Estimate 15% revenue growth & profit growth of 20% in FY27
- Will scale up Eurasian markets in the next 3-4 years
- No plans to enter the US market as of now

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### Sagility : Guiding For Low Double-Digit Revenue Growth In FY27; MD & Grp CEO, Ramesh Gopalan

- FY27 growth guided at low double digits.
- EBITDA margin seen at 24–25%.
- AI-led healthcare demand driving growth.
- Evaluating AI-tech acquisitions.
- Debt repayment to improve return ratios.

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### Gopal Snacks : Targets Double-Digit Margins; Rigan Raithatha, CFO

- Will see double-digit margin by Q4FY27
- Target 15-20% growth in FY28 over FY27
- Capacity utilisation will increase to 42-43% in FY27

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

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