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EXTEL POLL 2026

Ranked #3 in the Onshore Broker Category
Ranked #4 in the Local Broker Category Rankings

Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	81,879	1.0	-3.9
Nifty-50	25,255	0.8	-3.3
Nifty-M 100	61,519	0.8	1.7
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	7,619	1.3	11.3
Nasdaq	25,466	1.6	9.6
FTSE 100	10,835	0.8	9.1
DAX	26,663	1.2	8.9
Hang Seng	8,171	-1.1	-8.3
Nikkei 225	61,249	1.3	21.7
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	93	2.3	48.6
Gold ($/OZ)	3,988	-1.1	-7.7
Cu (US$/MT)	13,890	0.7	11.5
Almn (US$/MT)	3,216	3.4	8.3
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	93.7	-0.3	4.2
USD/EUR	1.1	-1.2	-5.6
USD/JPY	159.8	1.2	2.0
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	7.2	0.06	0.6
Flows (USD b)	**11-Nov**	**MTD**	**CYTD**
FIIs	1.34	7.30	-24.5
DIIs	-0.90	-5.20	69.8
Volumes (INRb)	**11-Nov**	**MTD***	**YTD***
Cash	1,674	1349	1334
F&O	1,23,512	2,93,040	2,54,082

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Aarti Industries: Fuel additives lead; core chemistry gains momentum

Aarti Industries is an integrated specialty-chemical intermediate manufacturer serving energy, agrochemicals, pharmaceuticals and polymers, with capabilities across nitration, chlorination, hydrogenation and ethylation.

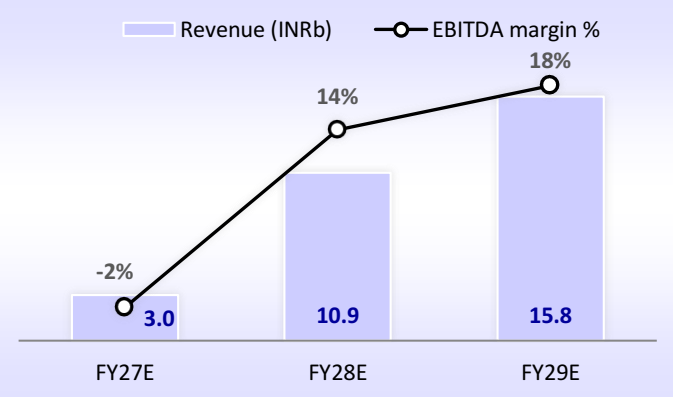
- Fuel additives growth is supported by MMA's competitive economics, rising adoption and capacity expansion to 360ktpa, alongside geographical diversification.
- Core chemistry growth should benefit from DCB expansion to 140ktpa, NCB spread recovery following China's export-rebate withdrawal, and ethylation expansion with downstream PEDA integration.
- The INR18b Zone IV platform supports new-product launches, while Augene and Re–Aarti JVs expand opportunities in higher-value derivatives and chemical recycling.
- We expect revenue/EBITDA/PAT CAGR of 16%/23%/35% over FY26–29, supported by higher utilization and capacity ramp-up. We initiate BUY with a TP of INR600, valuing ARTO at 30x FY28E EPS.

Research covered

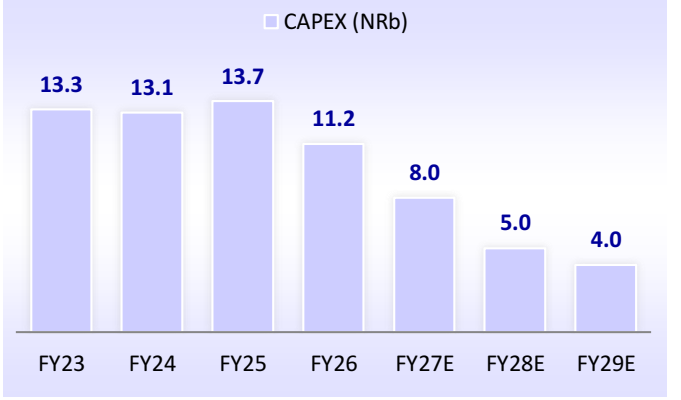
Cos/Sector	Key Highlights
Aarti Industries	Fuel additives lead; core chemistry gains momentum
Tata Power	Coal profits power 2Q earnings
Kalyan Jewellers	Growth outperformance sustaining; positive start of 2HFY27
PNB Housing Finance	Multiple levers of profitable growth
Lemon Tree Hotels	Healthy demand-led operating leverage and strong pipeline to drive earnings
Midwest	Revenue in line; higher costs lead to earning miss
Other Updates	Sectors (Bank Updates | Life Insurance) | Flash (Triveni Turbine)

Chart of the Day: Aarti Industries (Fuel additives lead; core chemistry gains momentum)

Zone IV – revenue and EBITDA margin estimate



Capex cycle shifts toward asset monetization



Research Team

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

In the news today

Kindly click on textbox for the detailed news link

1

PSBs improve profitability but fail to bridge valuation gap with private peers

The market continues to reward private lenders for their ability to generate higher returns through better customer service, stronger pricing power and a more consistent track record of value creation.

2

Tata Electronics in talks to raise $2 billion for expansion

The first tranche is likely to be up to $800 million, with initial pricing discussions around SOFR plus 180 basis points.

3

Tata Power says no provision needed for $650 million Kleros Award

Tata Power Company is currently not planning any financial provisions despite an adverse ruling from a Singapore court.

4

South Korean auto parts makers plan Rs 1,370 crore investment in Tamil Nadu

South Korean automotive component manufacturers Hwashin Automotive India and Seoyon E-Hwa Summit Automotive India have proposed investments.

5

Warburg Pincus leads race to buy stake in Pricol unit valued at ₹5,000 crore

Warburg Pincus is currently in discussions to acquire a 10-20% minority stake in Pricol's demerged unit.

6

Delhi's air woes drive demand for hill getaways, resort stays

Hotels and alternative accommodations are reporting increased bookings from Delhi as air quality deteriorates.

7

Healthy eating, GLP-1 trend make air fryers a kitchen staple as sales double

Air fryer sales in India have experienced significant growth, reaching nearly ₹1,000 crore in annual sales.

Aarti Industries

BSE Sensex	S&P CNX
81,107	25,045

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Bloomberg	ARTO IN
Equity Shares (m)	363
M.Cap.(INRb)/(USDb)	166.5 / 1.8
52-Week Range (INR)	552 / 338
1, 6, 12 Rel. Per (%)	-11/-9/19
12M Avg Val (INR M)	538

Financials & Valuations (INR b)

Y/E March	FY27E	FY28E	FY29E
Sales	117.6	117.3	131.0
EBITDA	15.6	18.1	21.5
PAT	5.9	7.2	10.2
EBITDA %	13.3	15.4	16.4
EPS (INR)	16.2	19.7	28.2
EPS Gr. (%)	42.2	22.2	42.9
BV/Sh.(INR)	177.9	197.7	225.9
Ratios			
Net D:E	0.7	0.6	0.4
RoE (%)	9.4	10.5	13.3
RoCE (%)	8.0	8.6	10.7
Valuations			
P/E (x)	28.5	23.3	16.3
P/BV (x)	2.6	2.3	2.0
EV/EBITDA (x)	13.7	11.5	9.2
FCF per share	0.5	31.4	33.9

Shareholding Pattern (%)

As of	Sep-26	Jun-26	Sep-25
Promoter	41.8	41.8	42.2
DII	20.9	21.1	18.2
FII	7.0	7.0	6.4
Others	30.3	30.1	33.2

FII includes depository receipts

CMP: INR459 TP: INR600 (+31%) Buy

Fuel additives lead; core chemistry gains momentum

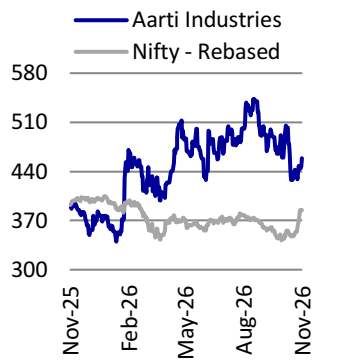
Aarti Industries (ARTO) is an integrated specialty-chemical intermediate manufacturer catering to energy, agrochemicals, pharmaceuticals, dyes and pigments, printing inks, and polymers. Its capabilities span nitration, chlorination, hydrogenation, and ethylation processes.

- MMA's (Mono Methyl Aniline - a gasoline octane enhancement additive) competitive octane-enhancement economics (~50% cheaper than MTBE), restrictions on additives such as MTBE due to groundwater contamination concerns, and limits on oxygen content in gasoline support its adoption. ARTO expanded its energy segment capacity by ~24% to 360ktpa in Jul'26, creating headroom for deeper penetration across the US, Europe, and Africa. **Further, 3-5 products under development could broaden the portfolio beyond MMA and support energy segment's growth.**
- Three key drivers are expected to drive growth across ARTO's core chemistry platforms: **1) DCB capacity expansion** from 120ktpa to 140ktpa would **increase exposure to polyphenylene sulphide (PPS) demand** from EVs and electronics; **2) NCB spread recovery** is supported by China's export-rebate withdrawal, aiding price growth; and **3) NT isomer imbalance is being addressed** through downstream ethylation capacity expansion (from 10kt to 30kt), with long-term contracts in agrochemical and the commissioned 4ktpa PEDA facility further enhancing DEA value addition.
- **INR18b capex for Zone IV (multipurpose plant) provides the next leg of growth** through phased product launches. Its flexible chemistry platform can support 35–40 products, with launches planned to reach 5-10 in FY27 and 25-30 by FY28. **We estimate Zone IV EBITDA of INR1.5b/INR2.9b in FY28/FY29, with full potential expected by FY30.**
- **We expect ARTO to deliver revenue/EBITDA/PAT CAGR of 16%/23%/35% over FY26-29, driven by fuel additive growth, higher utilization, and the Zone IV ramp-up. We value it at 30x FY28E EPS with a TP of INR600 and initiate coverage with a BUY rating.**

Fuel additives: Capacity expansion and rising MMA adoption to drive growth

- **ARTO's MMA business benefits from refiners and gasoline blenders seeking economical ways to meet octane requirements.** Wider gasoline–naphtha spreads (USD10+) make lower-octane naphtha more attractive for gasoline production, thereby increasing demand for octane-enhancement additives.
- **ARTO's geographic diversification supports capacity absorption while reducing dependence on individual markets** (largest destination market shifted from the UAE at ~80% in FY23 to US at ~33% in FY26). It is expanding its customer base across the US, Europe, and Africa, while Southeast Asia remains relatively untapped.

Stock performance (one-year)



- Further, **the company has a pipeline of 3-5 products with applications beyond octane boosting**, which could broaden its participation in customer formulations.

Integrated core chemistry platform is entering a phase of growth

- Three key drivers underpin growth across ARTO's core chemistry platforms:
- **1) The proposed DCB expansion from 120ktpa to 140ktpa supports higher Para-dichlorobenzene (PDCB) supply to the PPS engineering-polymer market**, benefiting from rising EV and electronics demand.
- **2) China's export-rebate withdrawal supports NCB pricing and margin recovery.** PNCB/ONCB prices rose ~76%/51% YoY in 1HCY26, while proposed tighter safety rules for Chinese nitration plants could further constrain supply.
- **3) The company has expanded ethylation capacity (from 10kt to 30kt) to address NT isomer imbalance through a downstream ethylation integration (ONT → ethylation derivatives).** Long-term contracts in agrochemical and the commissioned 4ktpa PEDA facility further enhance DEA value addition.

New capacity and partnerships widen ARTO's growth runway

- ARTO is investing INR18b to expand greenfield Zone IV multi-purpose plant capacity at Jhagadiya, Gujarat, which will support 35-40 products across agrochemicals, pharma, and advanced polymers. Product launches are planned to reach 5-10 in FY27 and 25-30 by FY28. **We estimate EBITDA of INR1.5b/INR2.9b in FY28/FY29 on 0.55x/0.8x asset turn, with full potential expected by FY30.**
- The 50:50 Augene JV expands ARTO's value chain from 3,4-DCA → 3,4-DCPI → Diuron technical (herbicide, algicide and biocide), supporting import substitution, with targeted steady-state revenue of INR3–4b after a one-to-two-year ramp-up.
- Re–Aarti, the chemical recycling JV with Re Sustainability (49%-owned by ARTO), targets 500TPD capacity by CY30 and annual revenue of INR5b within five years, starting with a 100TPD plastic-waste-to-pyrolysis-oil facility in Hyderabad.

We expect the company to post a CAGR of 16%/23%/35% in revenue/EBITDA/adj. PAT over FY26-29. It currently trades at 28x/23x/16x FY27E/FY28E/FY29E EPS with a RoE/RoCE of 13.3%/10.7% in FY29E.

Valuation and view: Initiate coverage with BUY and a TP of INR600

- 1) MMA's capacity expansion to 360ktpa from 290ktpa, competitive blending economics, and geographical diversification should support fuel additives growth. 2) Improving NCB spreads, ethylation and downstream integration (such as PEDA) to address isomer imbalances, and DCB expansion to meet growing PPS demand should drive core chemistry growth. 3) Zone IV (MPP) adds multi-year growth through new products, while Augene and Re–Aarti JVs extend ARTO's presence into higher-value derivatives and chemical recycling.
- We expect revenue/EBITDA/PAT CAGR of 16%/23%/35% over FY26-29. The stock currently trades at 28x/23x/16x FY27E/FY28E/FY29E EPS, with FY29E RoE/RoCE of 13.3%/10.7%. We value ARTO at 30x FY28E EPS (12% discount to 10-year average), arriving at a **TP of INR600, and initiate coverage with a BUY rating.**

Key risks

- 1) Fuel additives concentration, 2) delayed project ramp-up, 3) raw-material and pricing volatility, and 4) operational and environmental risks.

STORY IN CHARTS

Key product portfolio of ARTO

Product/platform	Starting raw material	What ARTO does	Main downstream use
NCB (Nitro Chloro Benzene)	Benzene + Cl_2 + HNO_3 (nitric acid)	Chlorination + nitration	Pharma, agrochemicals, dyes/pigments
DCB (Di Chloro Benzene)	Benzene + Cl_2	Chlorination	PPS, polymers, dyes, pharma/agro
Hydrogenation	Nitro-aromatics	H_2 reduction of $NO_2 \rightarrow NH_2$	Anilines for pharma/agro/dyes; PDA
PDA (Phenylenediamines)	Dinitrobenzene	Hydrogenation	Dyes, engineering polymers, specialty chemicals
NT (Nitro Toluene)	Toluene + HNO_3	Nitration	Dyes, pigments, agrochemicals, downstream anilines
Ethylation	Aniline + ethylene	Ethylation	MEA/DEA → agrochemical intermediates
MMA/Fuel Additives (Mono-Methyl Aniline/N-Methylaniline)	Aniline + methanol	N-methylation	Gasoline octane enhancement

Source: Company

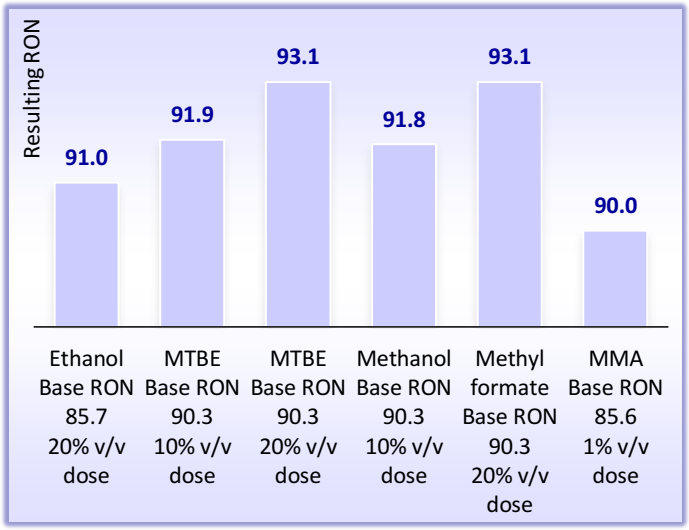
Some marquee customers out of total 1,100+ customers

End user industry	Customers
Agrochemicals	Bayer, Syngenta, FMC, Sumitomo Chemical, UPL, Gharda Chemicals
Diversified chemicals, polymers and advanced materials	BASF, SABIC, DuPont, Solvay, Celanese, Toray, Teijin, Eastman
Specialty chemicals and ingredients	Clariant, Nouryon, Atul
Dyes, pigments and textile chemicals	Colourtex, Sudarshan Chemical, Archroma
Pharmaceuticals and life sciences	Lonza
Oil refining / Energy	IndianOil, Bharat Petroleum, Hindustan Petroleum, Numaligarh Refinery (NRL)
Trading and distribution	Sojitz



Source: Company, MOFSL

MMA can deliver large RON gains with low dosage



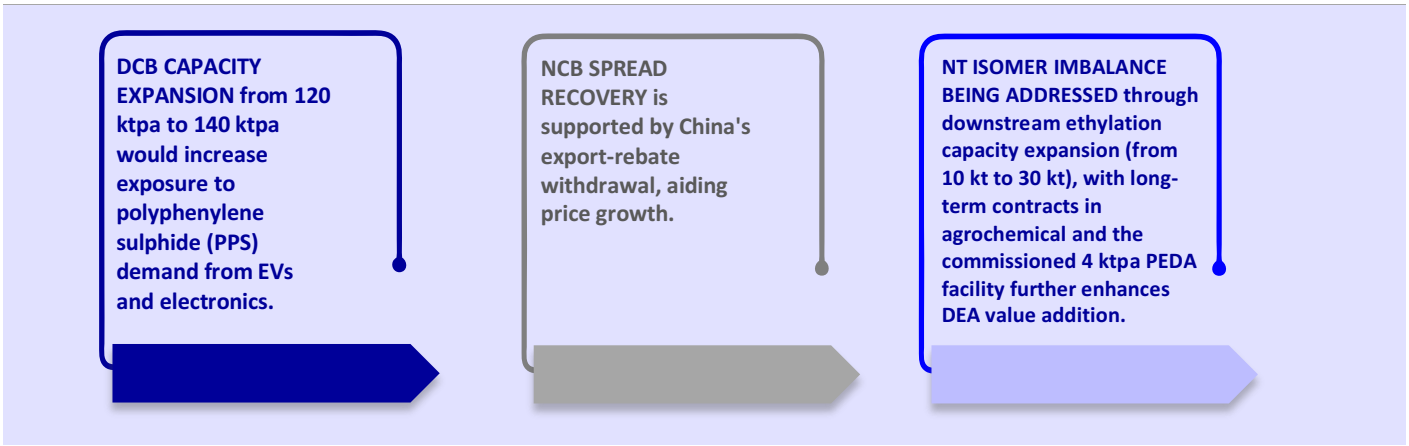
Source: ACS Energy, industry, MOFSL

Cost of blending for increasing octane by 5 RON

Calculation per 1,000 litres	MMA	MTBE
Target RON improvement	5	5
Estimated dosage	1.175% w/v	15.67% v/v
Additive volume (L)	11.9	156.7
Additive weight (kg)	11.75	116
Price per USD/kg	1.85	1.18
Gross additive cost (USD)	21.7	136.9
Base gasoline displaced (L)	11.9	156.7
Base gasoline value (USD0.7/L)	8.3	109.7
Cost of Blending (USD/L)	**13.4**	**27.2**

Source: Industry, MOFSL

Key growth drivers across the core chemistry

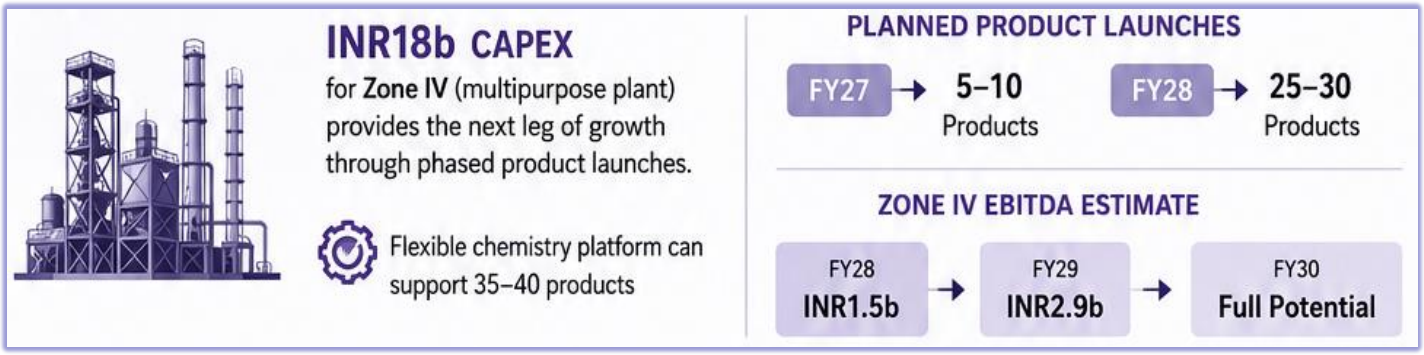


Long-term manufacturing contracts strengthen revenue visibility

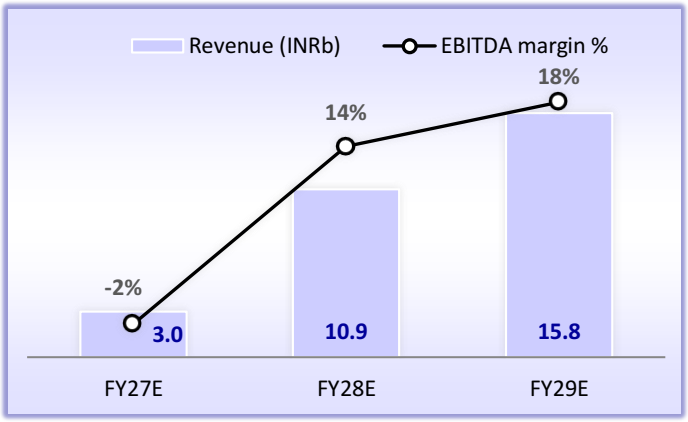
Contract announcement date	Manufacturing/ supply contract	Total contract value	Tenure	Execution/ commencement
29-Dec'17	Exclusive supply of a high-value specialty chemical intermediate to a global chemical conglomerate	**INR100b**	20 years	Dedicated facility commercialized in CY22.
20-Feb'19	Supply of a new specialty chemical intermediate to a global chemical conglomerate	**USD125m (~INR12b)**	10 years	Jointly developed process; facility commercialized in CY23.
27-Dec'23	Supply of a niche herbicide intermediate to a global agrochemical major	**INR30b+**	9 years, starting FY24	Existing integrated product portfolio; covered by existing capex program.
18-Jan'24	Supply of a niche specialty chemical to a multinational conglomerate	**INR60b+**	4 years	Existing customer relationship; no additional contract-specific capex envisaged.
12-Mar'26	Supply of a crop-protection intermediate to a global agrochemical innovator	**~USD150m (INR14.3b)**	Through 31st Mar'30	Higher volumes under an existing relationship; no significant incremental capex.
13-Oct'26	Dedicated manufacturing of a high-performance specialty chemical for a new global customer	**~USD150m (~INR15b)**	10+ years	Commercial operations expected in **FY29**; capex below USD25m.

Source: Company, MOFSL

Multipurpose plant to unlock the next leg of growth

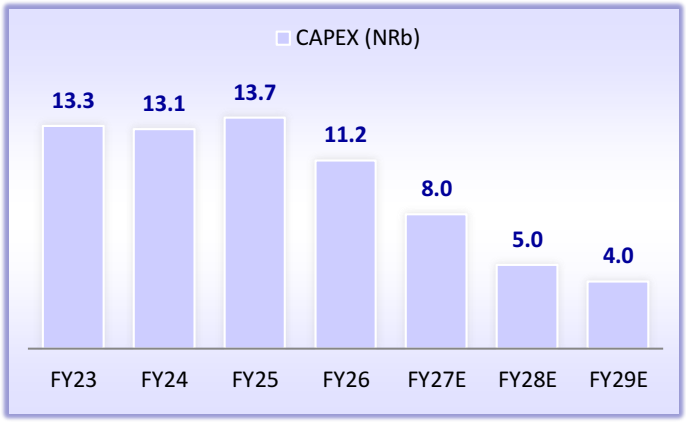


Zone IV – revenue and EBITDA margin estimate



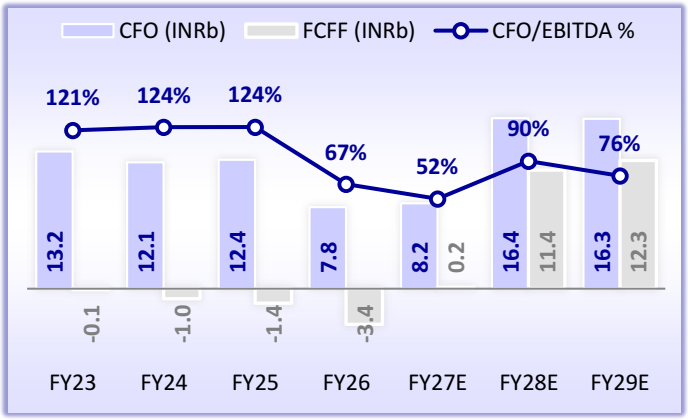
Source: MOFSL

Capex cycle shifts toward asset monetization



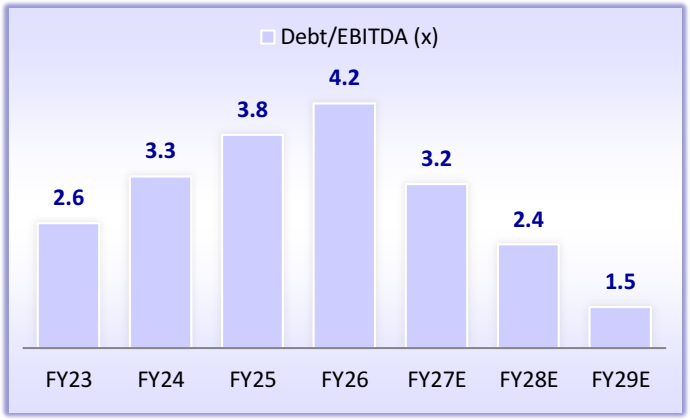
Source: MOFSL

Easing capex intensity to unlock free cash flow…



Source: MOFSL

…which is expected to drive lower debt/EBITDA



Source: MOFSL

Tata Power

Estimate change	⇧
TP change	⇔
Rating change	⇔

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Bloomberg	TPWR IN
Equity Shares (m)	3195
M.Cap.(INRb)/(USDb)	1153.4 / 12.3
52-Week Range (INR)	465 / 333
1, 6, 12 Rel. Per (%)	-7/-23/-7
12M Avg Val (INR M)	2260

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	624.3	781.9	869.6
EBITDA	131.0	172.4	210.4
Adj. PAT	38.2	53.8	66.1
EPS (INR)	11.9	16.8	20.7
EPS Gr.%	-11.1	40.9	22.8
BV/Sh. (INR)	123.5	137.9	155.5
Ratios			
Net D:E	1.2	1.3	1.2
RoE (%)	10.1	12.9	14.1
RoCE (%)	6.5	7.4	8.7
Payout (%)	20.9	16.3	14.5
Valuation			
P/E (x)	30.1	21.4	17.4
P/B (x)	2.9	2.6	2.3
EV/EBITDA (x)	13.7	11.1	9.6
Div. yield (%)	0.7	0.8	0.8

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	46.9	46.9	46.9
DII	18.5	18.4	16.7
FII	10.1	10.0	10.2
Others	24.5	24.7	26.3

FII Includes depository receipts

CMP: INR361 **TP: INR440 (22%)** **Buy**

Coal profits power 2Q earnings

- **Revenue in line; EBITDA below estimates**: 2QFY27 revenue stood at INR196.4b, in line with estimates, while EBITDA came in 15% below estimates at INR36.7b, with margins declining 240bp QoQ to 18.7%. Adjusted PAT stood at INR12.8b, in line with estimates, supported by a net exceptional gain of INR1.2b and strong Indonesia coal profitability. Operational capacity increased to 17.4GW, while module/cell production stood at 1,000MW/906MW.
- **Key things we liked:** 1) Power demand grew 10–11% YoY in 2QFY27, driven by higher agricultural and cooling demand. Oct'26 power demand growth reached 12% YoY, with management expecting the momentum to sustain through FY27. 2) Coal JV profit is expected to remain around INR4.0b per quarter over the next two quarters, subject to coal price stability. 3) The company incurred ~INR100b in capex during 1HFY27, including INR60b for renewables, and remains on track to achieve its FY27 capex target of INR250b. 4) The new ingot and wafer plant has secured all regulatory approvals, with commercial operations targeted by Mar'28. 5) The supplementary PPA with Gujarat for Mundra UMPP has been executed and submitted to CERC for approval. 6) Discussions with two additional procurer states are at an advanced stage, with closure targeted before Dec'26.
- **Key monitorables:** 1) Renewable capacity additions are guided at 2.5GW for FY27, with commissioning expected to accelerate in 2H as evacuation lines become operational in Dec'26 and Jan'27. 2) Renewable curtailment increased to 11% in 2QFY27 from 8.8% in 1QFY27, with improvement expected as transmission infrastructure is commissioned. 3) Kleros' attempt to attach shares in Singapore subsidiaries will be contested; the shares are pledged to a lender consortium, which is expected to oppose the attachment. 4) Management expects the Kleros enforcement process to take 3-6 months and remains confident of its position in the ~USD650m arbitration claim. No provision has been recognized.
- **Valuation and view:** We value the regulated business at 2.5x regulated equity, coal segment at 1x book value, renewables segment at 12x FY28E EBITDA, and pumped storage and other segments at 1x PB, and cash and investments add INR70/share. The sum of these contributions results in a TP of INR440/share.

Revenue in line; EBITDA misses estimates

Financial Highlights

- Consolidated revenue stood at INR196.4b (+26% YoY, +3% QoQ), in line with our estimate.
- EBITDA came in at INR36.7b (+11% YoY, -9% QoQ), 15% below our estimate. EBITDA margin declined 250bp QoQ to 18.7%.
- Adjusted PAT stood at INR12.8b (+40% YoY, +9% QoQ), 2% below our estimate. Results were boosted by strong performance at the Indonesia coal business (amid high coal prices due to the ongoing war).

- TPWR reported a net exceptional gain of INR1.2b in 2QFY27, primarily driven by INR3.0b gain on Tata Projects' de-association, partly offset by impairment provisions for Chembur SRA and ABV JV.

Operational Highlights

- Operational capacity increased to 17.4GW in 2QFY27 from 16.8GW in 1QFY27, driven by capacity additions in solar and WHRS. Under-construction capacity stood at 9.8GW.
- Overall RE capacity installation in 1HFY27 came in at 765MW vs. FY27 guidance of 2-2.5 GW. RE commissioning is expected to pick up in 2HFY27.
- Module/cell production stood at 1,000MW/906MW in 2QFY27, compared with 970MW/928MW in 1QFY27, reflecting a 3% YoY increase in module production and a 2% decline in cell production.
- TPWR incurred capex of INR44.76b in 2QFY27 and ~INR100b in 1HFY27, largely tracking full-year guidance of INR250b.

Highlights of 2QFY27 performance

- Weak hydro inflows are expected to support higher thermal PLFs to meet baseload demand.
- Renewable GenCo reported 1HFY27 EBITDA of INR22.31b, with FY27 normalized EBITDA expected to be more than double.
- The company incurred ~INR100b in 1HFY27 capex, including INR60b for renewables, and remains on track for its FY27 target of INR250b.
- Renewable capacity addition is guided at 2.5GW for FY27, with commissioning expected to accelerate in 2H.
- Renewable curtailment increased to 11% in 2QFY27 from 8.8% in 1QFY27, with improvement expected following transmission commissioning.
- The 2,800MW PSP portfolio comprises Bhivpuri (1,000MW) and Shirota (1,800MW), with INR118.71b committed for Shirota.
- Mundra's supplementary PPA with Gujarat has been executed and submitted to CERC, while discussions with two additional states are at an advanced stage.
- Distribution regulatory assets increased 28% YoY to INR83.1b, with tariff true-ups and amortization expected to commence in FY28

Valuation

- The valuation of TPWR is segmented across various business units:
- Regulated business is valued using a 2.5x multiple on regulated equity.
- Coal segment is valued at 1x book value.
- Renewables' segment is valued at 12x FY28E EBITDA.
- Pumped storage segment other segments are valued at 1x PB. Cash and investments add INR70/share.
- The sum of these contributions results in a TP of INR440/share, reflecting the comprehensive valuation of TPWR's diverse business segments.

Consolidated Performance

(INRb)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	%	%	%
Net Sales	**180.4**	**155.4**	**139.5**	**149.0**	**190.5**	**196.4**	**196.9**	**198.1**	**624.3**	**781.9**	195.7	*0.3*	*26.3*	*3.1*
YoY Change (%)	4.3	-1.0	-9.4	-12.8	5.6	26.3	41.2	32.9			25.9			
EBITDA	**41.4**	**33.0**	**30.5**	**26.0**	**40.1**	**36.7**	**45.4**	**50.2**	**131.0**	**172.4**	43.0	*-14.7*	*11.1*	*-8.6*
YoY Change (%)	15.4	-11.8	-8.9	-19.9	-3.0	11.1	48.6	93.2			30.1			
EBITDA Margin	22.9%	21.2%	21.9%	17.4%	21.1%	18.7%	23.1%	25.3%	21.0%	22.0%	22.0%			
Depreciation	11.6	11.6	12.1	12.8	12.6	12.9	13.0	13.3	48.1	51.8	12.9	*-0.1*	*10.7*	*2.1*
Interest	12.8	13.2	13.6	13.0	14.1	13.8	15.6	16.6	52.6	60.1	15.1	*-8.2*	*5.0*	*-1.6*
Other Income	3.6	5.1	3.2	5.6	3.9	3.3	3.4	4.9	17.4	15.5	4.6	*-29.3*	*-35.0*	*-15.5*
Rate regulated activity	-5.7	2.2	5.4	10.6	-1.5	2.5	0.0	0.0	12.5	1.0	0.0		*11.6*	*-263.4*
PBT before EO items	**14.9**	**15.5**	**13.4**	**16.4**	**15.8**	**15.7**	**20.2**	**25.2**	**60.2**	**77.0**	19.7	*-19.9*	*1.5*	*-0.5*
Extra-ord items	0.0	0.0	0.0	-0.9	0.0	1.2	0.0	0.0	-0.9	1.2	0.0			
PBT	**14.9**	**15.5**	**13.4**	**15.5**	**15.8**	**16.9**	**20.2**	**25.2**	**59.3**	**78.2**	19.7	*-13.9*	*9.2*	*7.0*
Tax	3.6	4.3	3.5	3.8	4.2	5.3	5.7	6.9	15.2	22.1	4.7	*13.0*	*21.5*	*24.9*
Rate (%)	24.0	28.0	25.8	24.7	26.7	31.2	28.3	27.4	25.6	28.3	23.8			
Share of associates and JV	1.3	1.3	2.0	2.5	2.4	4.9	3.2	1.0	7.1	11.5	1.1			
Minority Interest	2.0	3.3	4.2	4.2	2.2	2.9	4.0	3.8	13.7	12.9	3.1			
Reported PAT	**10.6**	**9.2**	**7.7**	**10.0**	**11.8**	**13.7**	**13.7**	**15.5**	**37.5**	**54.6**	13.0	*4.7*	*48.6*	*16.2*
Adj PAT	**10.6**	**9.2**	**7.7**	**10.7**	**11.8**	**12.8**	**13.7**	**15.5**	**38.2**	**53.8**	13.0	*-1.6*	*39.7*	*9.2*

TPWR SoTP valuation

Segment	Metric type	Metric value	Multiple	Value (INR/sh.)
Regulated business	Regulated equity	1,38,043	2.5	108
Coal	Equity		1x BV	5
Renewables	FY28 EBITDA	97,756	12	227
Pumped storage	Equity	37,650	1x PB	13
Others	Equity		1x PB	17
Cash and investments				70
Target price				**440**
CMP				361
Upside / (Downside)				**22%**

Kalyan Jewellers

Estimate change	⟷
TP change	⟷
Rating change	⟷

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Bloomberg	KALYANKJ IN
Equity Shares (m)	1033
M.Cap.(INRb)/(USDb)	684.2 / 7.3
52-Week Range (INR)	689 / 327
1, 6, 12 Rel. Per (%)	7/66/32
12M Avg Val (INR M)	5470

Financials & Valuations (INR b)

Y/E March	FY27E	FY28E	FY29E
Sales	460.6	545.0	638.6
EBITDA	29.8	34.6	40.0
Margins (%)	6.5	6.4	6.3
Adj. PAT	17.9	21.2	25.2
Adj. EPS (INR)	17.4	20.5	24.4
EPS Growth (%)	31.3	18.1	19.0
BV/Sh.(INR)	75.1	89.1	105.1
Ratios			
RoE (%)	25.5	25.0	25.2
RoIC (%)	16.2	17.3	18.6
Valuations			
P/E (x)	38.3	32.4	27.3
P/BV (x)	8.9	7.5	6.3
EV/Sales (x)	1.5	1.2	1.0
EV/EBITDA(x)	23.0	19.4	16.6

Shareholding Pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	62.9	62.9	62.8
DII	14.4	15.8	14.6
FII	13.8	10.8	14.1
Others	8.9	10.5	8.5

FII includes depository receipts

CMP: INR663 TP: INR800 (+21%) Buy

Growth outperformance sustaining; positive start of 2HFY27

- Kalyan Jewellers reported strong consolidated revenue growth of 31% YoY to INR103.2b (est. INR98.7b), despite the shift of festive season into 3QFY27. India's revenue grew 32% YoY, supported by healthy SSSG of 20% (South: 19%; non-South: 21%). Importantly, management indicated that 2Q witnessed volume growth, as SSSG of ~20% came against single-digit gold price inflation. Demand momentum remained strong in 3QFY27 as well, with the first ~40 days witnessing healthy traction. This reinforces the underlying demand strength and management's confidence in achieving its FY27 growth aspiration of minimum 25% revenue growth.
- Post adjustment of inventory gains/losses, GM contracted 80bp YoY to 11.9% and EBITDA margin contracted 20bp to 5.8%. EBITDA (adjusted) rose 26% YoY to INR6b (est. INR5.8b). Studded share moderated to 30% in 2QFY27 vs 31% in 2QFY26. PBT grew 35% YoY to INR4.4b. Management expects 2H PBT margin to expand over 1H, in line with seasonality, and reiterated its FY27 margin guidance of at least FY26 levels.
- Kalyan added a net of 11 Kalyan stores in India during the quarter, taking the network to 365 stores. FY27 expansion guidance remains intact at 84 Kalyan stores (all FOCO), 50 Candere stores, and 5 ATM showrooms, with openings weighted toward 2H. The balance sheet is also strengthening, backed by the repayment of non-GML debt in India and real estate monetization. Management intends to deploy free cash flow toward inventory additions in existing stores to support SSSG, with selective flagship store openings.
- Middle East revenue grew 11% YoY, driven by 12% SSSG, although APAT declined 19% due to higher finance costs. The company opened no stores during the quarter; however, discussions are underway with potential investors in the region for a larger FOCO partnership.
- With franchise-led showrooms contributing ~59% of India revenue and healthy SSSG across both Southern and non-Southern markets, Kalyan continues to strengthen its market position. Sustained customer acquisition, volume-led demand growth, and the ongoing shift from unorganized to organized retail remain key growth drivers. Further, the repayment of non-GML debt in India and real estate monetization mark continued progress on the balance sheet. We model a 21%/17%/22% revenue/EBITDA/PAT CAGR over FY26-29E. We reiterate our BUY rating with a TP of INR800 (based on 35x Sept'28 P/E).

Strong earnings print; India SSSG at 20%

India business

- **Healthy revenue growth with 20% SSSG**: India's revenue grew 32% YoY to INR90b (est. INR87b). Same store sales increased 20% YoY in 2QFY27. SSSG of the South region was 19% and non-South region was 21%. South's revenue growth was 23%, while that of non-South was 31%. Studded share stood at 30% in 2QFY27 vs 31% in 2QFY26. Studded revenue rose 27%.

- **More store expansion in 2HFY27:** The company added a net of 11 new Kalyan stores in India, reaching a total of 365 stores. Candere added nine stores, reaching a total of 138 stores. Total stores in India stood at 503. More stores are expected to open in 2HFY27.
- **Earnings clocked >30% growth:** There was a one-time gain of INR520m due to an increase in custom duty from 6% to 15%. GM was also impacted by a one-time inventory loss of INR83m due to open positions in Silver and Platinum (vs INR212m gain in 2QFY26). Adjusted for these inventory gains/losses, gross margin contracted 90bp YoY to 11.3%. EBITDA margin contracted 40bp YoY to 5.6%. EBITDA grew 23% YoY to INR5b. PBT grew 33% YoY to INR4.4b, while APAT grew 42% YoY to INR3.4b.
- Exceptional item includes a sale of its investment property (Land) during the quarter, leading to an income of INR735m as well as inventory gains (net gains INR437m).

Middle East

- ME business revenue rose 11% YoY. SSSG grew 12%. Studded share stood at 16.6% vs. 17.7% YoY.
- GM expanded 20bp YoY to 13.9% in 2QFY27. EBITDA grew 15%. EBITDA margin expanded 20bp YoY to 7.3%.
- PBT and APAT declined 18% and 19%. There were no new store additions during the quarter.

Consolidated performance

- Consolidated revenue registered 31% YoY growth to INR103.2b (est. INR98.7b).
- There was a one-time gain of INR520m due to an increase in custom duty from 6% to 15%. Besides, there was a one-time inventory loss of INR83m due to open positions in Silver and Platinum vs INR212m gains in 2QFY26.
- Adjusted for these inventory gains/losses, gross margin contracted 80bp YoY to 11.9% (est. 11.2%).
- Adjusted EBITDA margin contracted 20bp YoY to 5.8%. (est. 5.9%).
- Adjusted EBITDA witnessed 26% YoY growth to INR6b (est. INR5.8b).
- PBT grew 35% YoY to INR4.4b, while APAT grew 41% YoY to INR3.5b.

Key takeaways from the management commentary

- 3Q has started on a strong note. Navratri, Dhanteras, and the weekends after Navratri saw excellent traction, and management remains upbeat about the upcoming wedding season.
- Coins continue to account for a single-digit share of sales, with no meaningful shift toward coins or bars.
- To offset the 4Q base, store openings have been weighted toward 2H, particularly 4Q. The shift of the festive season to 2H is also expected to support performance.
- Management expects 2H PBT margins to be higher than 1H, in line with the usual seasonality, while remaining stable. This is consistent with its earlier guidance of maintaining FY27 PBT margins at least at FY26 levels.
- Discussions are underway with potential investors in the region to establish a larger FOCO partnership for the company's Middle East business.

Valuation and view

- We maintain our EPS estimates for FY27 and FY28.
- Kalyan has fully repaid its non-GML debt in India during 2QFY27, in line with management's earlier guidance. Further, the company has monetized one land parcel for ~INR860m, with another ~INR160m divestment expected in 3QFY27.
- With franchised showrooms contributing ~59% of India revenue, Kalyan's asset-light expansion model supports growth while limiting incremental capital requirements. Management plans to add 84 Kalyan showrooms in India during FY27, all under the FOCO model. The company intends to deploy free cash flow toward inventory additions in existing stores to drive SSSG, alongside selective flagship store opening.
- Continued traction in non-Southern markets (SSSG of 21% vs. 19% in South) and sustained customer acquisition reinforce Kalyan's market position. The ongoing shift from unorganized to organized retail provides an additional structural growth opportunity. Balance sheet deleveraging should also lower finance costs and improve financial flexibility.
- We model a 21%/17%/22% revenue/EBITDA/PAT CAGR over FY26-29E. We reiterate our BUY rating with a TP of INR800 (based on 35x Sept'28 P/E).

Consolidated Quarterly Performance **(INR m)**

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Stores	**406**	**436**	**469**	**507**	**524**	**545**	**591**	**641**	**507**	**640**	**546**	
Net Sales	**72,685**	**78,560**	**1,03,434**	**1,02,749**	**1,05,889**	**1,03,226**	**1,31,766**	**1,19,722**	**3,57,429**	**4,60,604**	**98,714**	**4.6%**
Change (%)	31.3	29.5	41.9	66.2	45.7	31.4	27.4	16.5	42.7	28.9	25.7	
Raw Material/PM	62,603	68,607	89,857	89,531	93,661	90,930	1,15,684	1,03,747	3,10,385	4,04,022	87,614	
Gross Profit	**10,081**	**9,954**	**13,577**	**13,219**	**12,228**	**12,296**	**16,082**	**15,975**	**47,043**	**56,582**	**11,100**	**10.8%**
Gross Margin (%)	13.9	12.7	13.1	12.9	11.5	11.9	12.2	13.3	13.2	12.3	11.2	
Operating Expenses	5,001	5,196	6,073	5,862	6,313	6,289	7,017	7,179	22,131	26,798	5,321	
% of Sales	6.9	6.6	5.9	5.7	6.0	6.1	5.3	6.0	6.2	5.8	5.4	
EBITDA	**5,080**	**4,758**	**7,505**	**7,357**	**5,915**	**6,008**	**9,065**	**8,796**	**24,912**	**29,784**	**5,779**	**4.0%**
Margin (%)	7.0	6.1	7.3	7.2	5.6	5.8	6.9	7.3	7.0	6.5	5.9	
Change (%)	35.1	20.1	52.0	84.2	16.4	26.3	20.8	19.6	51.8	19.6	16.3	
Interest	1,036	949	1,043	1,300	1,084	1,087	950	915	4,329	4,036	1,050	
Depreciation	977	1,032	1,089	1,131	1,150	1,272	1,336	1,267	4,229	5,025	1,242	
Other Income	463	514	642	462	557	780	642	1,166	2,080	3,145	668	
PBT	**3,530**	**3,291**	**6,014**	**5,388**	**4,238**	**4,429**	**7,422**	**7,779**	**18,435**	**23,868**	**4,155**	**6.6%**
Tax	889	898	1,436	1,293	1,162	1,330	1,893	2,004	4,516	6,388	1,059	
Effective Tax Rate (%)	25.2	27.3	23.9	24.0	27.4	30.0	25.5	25.8	24.5	26.8	25.5	
Adjusted PAT	**2,641**	**2,451**	**4,479**	**4,095**	**3,189**	**3,451**	**5,529**	**5,775**	**13,919**	**17,944**	**3,095**	**11.5%**
Change (%)	48.7	34.6	72.4	118.2	20.8	40.8	23.5	41.0	72.5	28.9	18.8	
Reported PAT	**2,641**	**2,605**	**4,163**	**4,095**	**3,487**	**4,271**	**5,529**	**5,775**	**13,504**	**19,062**	**3,095**	**38.0%**

E: MOFSL Estimates

PNB Housing Finance

BSE SENSEX	S&P CNX
81,879	25,255

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EXTEL POLL 2026
Ranked #3 in the Onshore Broker Category
Ranked #4 in the Local Broker Category
Category Rankings

CMP: INR1,125 **TP: INR1,500 (+33%)** **Buy**

Multiple levers of profitable growth

Strong growth, resilient margins, and disciplined underwriting to drive earnings

- **Diversifying growth engines to accelerate loan growth:** PNBHF is scaling its affordable housing and emerging-market franchises to diversify growth beyond its traditional prime mortgage business. Management targets overall portfolio growth of ~18-20% in FY27, with affordable housing and emerging markets expected to account for ~50% of the retail portfolio over the next two years, up from ~41% as of Sep'26. Leveraging its existing distribution network, expanding product offerings, and supplementary sourcing through pool acquisitions should support portfolio growth without a commensurate increase in distribution costs.
- **Improving portfolio mix and lower funding profile to support margin resilience**: A higher contribution from affordable housing, emerging markets, self-employed borrowers, and non-home loans should support incremental yields. Fresh origination yields increased to ~9.6% in 2QFY27, above the overall portfolio yield of ~9.5%. The CRISIL rating upgrade, which makes PNBHF AAA-rated by all four leading domestic rating agencies, should gradually translate into lower borrowing costs as existing liabilities are refinanced. While competitive pricing remains a near-term challenge, we expect NIMs of 3.6%/3.7% in FY27/FY28, respectively.
- **Disciplined underwriting and stronger collections to sustain asset quality:** PNBHF's asset quality remains healthy, with Stage 3 exhibiting improvement over the last many quarters. The company is strengthening its collection infrastructure through machine-learning-led early-warning systems, collection prioritization, and technology-enabled customer engagement. Recoveries from the ~INR6.5b legacy corporate pool should support negative credit costs in FY27, although credit costs are expected to normalize as recoveries moderate. We estimate credit costs to normalize to ~20bp in FY28, with portfolio seasoning and underwriting discipline remaining key monitorables.
- **Strengthening growth franchise with earnings recovery; reiterate BUY**: PNBHF's expanding affordable housing franchise, greater utilization of its existing branch network, and technology-led automation should support operating leverage. While the benefits of digital initiatives are yet to fully materialize, these investments should enable the company to scale its business without a commensurate increase in operating expenses. Importantly, the company's emphasis on balancing portfolio expansion with underwriting discipline should support the sustainability of its medium-term earnings trajectory. The stock trades at 1.2x FY28 P/B; we estimate loan/PAT CAGR of 22%/15% over FY26-29 and an RoA/RoE of ~2.3%/13% in FY28. Reiterate BUY with a TP of INR1,500 (1.5x Sep'28E BVPS).

Stock Info

Bloomberg	PNBHOUSI IN
Equity Shares (m)	261
M.Cap.(INRb)/(USDb)	289.9 / 3.1
52-Week Range (INR)	1225 / 730
1, 6, 12 Rel. Per (%)	-15/-2/26
12M Avg Val (INR M)	1181
Free float (%)	72.0

Financials Snapshot (INR b)

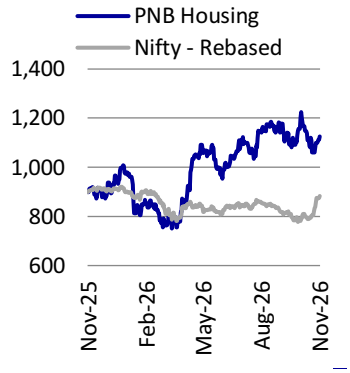
Y/E March	FY26	FY27E	FY28E
NII	30.7	35.0	44.3
PPP	25.8	30.6	39.6
PAT	22.9	25.1	29.1
EPS (INR)	88	96	112
EPS Gr. (%)	18	10	16
BV/Sh. (INR)	738	826	929
Ratios			
NIM (%)	3.8	3.6	3.7
C/I ratio (%)	26.3	25.8	23.6
RoAA (%)	2.6	2.4	2.3
RoE (%)	12.7	12.3	12.7
Valuations			
P/E (x)	12.8	11.7	10.1
P/BV (x)	1.5	1.4	1.2
Div. Yield (%)	0.7	0.8	1.0

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	28.0	28.0	28.0
DII	49.3	45.7	40.7
FII	14.2	16.8	18.6
Others	8.5	9.4	12.7

FII Includes depository receipts

Stock performance (one-year)



Affordable housing and distribution expansion to drive the next leg of growth

PNBHF is repositioning its portfolio toward affordable housing and emerging markets, with the combined contribution of these segments targeted to increase from ~41% as of Sep'26 to ~45% by Mar'27 and ~50% over the next two years. The affordable portfolio is expected to outpace overall portfolio growth of ~18-20% in FY27, making it an increasingly important driver of incremental disbursements.

The company is leveraging its existing prime and emerging-market branches to originate affordable housing loans alongside its dedicated Roshni vertical, complementing its network of ~234 affordable branches. This approach should widen sourcing reach and improve branch productivity without requiring commensurate investments in distribution infrastructure.

Additional growth avenues include Micro Housing Finance, which recorded disbursements of ~INR710m in 2QFY27, and a measured re-entry into corporate lending, with a loan book of ~INR6.9b and exposure capped at less than ~10% of the total portfolio.

Pool acquisitions provide another supplementary sourcing channel. PNBHF completed buyouts of ~INR9.9b in 1HFY27 against an annual budget of ~INR20b, comprising home loans and LAP. These transactions provide access to established customer pools and complement organic originations. We view pool acquisitions as an established industry practice (refer to Exhibit 12) among large HFCs in India, rather than a tool for inorganic growth. Industry participants often undertake such pool buy-outs to maintain their principal business criteria (PBC).

Collectively, the expanding affordable franchise, deeper utilization of the existing distribution network, and diversified sourcing channels should support portfolio growth. We estimate a loan CAGR of ~22% over FY26-29.

Higher origination yields and AAA-led refinancing to support margin stability

On the asset side, incremental yields of 9.6% in 2QFY27, above the overall portfolio yield of ~9.5%, indicate improving pricing on fresh originations. A higher share of affordable loans, self-employed borrowers, and non-home loans should further support portfolio yields. On the liability side, the AAA rating upgrade is expected to facilitate cheaper borrowings, with more meaningful benefits likely in FY28 as existing liabilities are refinanced. Additionally, proposed lending-rate increases following the repo-rate hike should help protect spreads against higher funding costs. However, competitive pricing pressures and the pace of liability repricing remain key monitorables. We expect PNBHF to deliver NIMs of 3.6%/3.7% for FY27/FY28 (vs 3.8% in FY26).

Offsetting lower insurance commissions through fee revision and cost control

Lower insurance commissions remain a potential headwind to PNBHF's fee income, with management evaluating processing fee increases, cost control measures, and other income enhancement opportunities to offset the impact. The company also expects lower insurance premiums to improve customer affordability, potentially supporting higher insurance penetration and greater voluntary uptake of insurance products. We believe the actual impact on PNBHF's earnings will become clearer only once the final regulatory guidelines are notified.

Strong collections and legacy recoveries to contain credit costs

Asset quality across prime and emerging portfolios remains healthy, supported by robust monitoring and collection mechanisms. Technology-led initiatives, including machine-learning-based early-warning systems and collection prioritization, should further strengthen risk management as the affordable portfolio expands. Credit costs are expected to remain negative in FY27, aided by recoveries from the ~INR6.5b legacy corporate pool. We expect credit costs to normalize to ~20bp by end-FY28 and FY29.

Stronger loan growth and earnings recovery underpin our BUY rating

PNBHF's earnings trajectory is expected to benefit from a higher contribution from affordable housing and emerging markets, gradual margin recovery, and improving operating leverage. Expansion of the affordable housing franchise and greater utilization of the existing distribution network should support portfolio growth, while the AAA rating upgrade is expected to progressively reduce funding costs as borrowings are refinanced.

Disciplined underwriting, stronger collection capabilities, and calibrated portfolio expansion should help preserve asset quality as the affordable and emerging market portfolios scale. While credit costs are expected to normalize as legacy recoveries moderate, the improving business mix and operating efficiencies should support sustainable earnings growth.

We believe the company is favorably positioned to deliver sustainable growth and healthy return ratios over the coming years. The stock trades at 1.2x FY28 P/B; we estimate loan/PAT CAGR of 22%/15% over FY26-29 and an RoA/RoE of ~2.3%/13% in FY28. Reiterate BUY with a TP of INR1,500 (1.5x Sep'28E BVPS).

Exhibit 1: Comparison of PNBHF valuation matrix with peers

Val summary	Rating	CMP (INR)	TP (INR)	EPS (INR)		BV (INR)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)	
				FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
PNB HF	**Buy**	**1,125**	**1,500**	**96.4**	**111.5**	**826**	**929**	**2.4**	**2.3**	**12.3**	**12.7**	**11.7**	**10.1**	**1.4**	**1.2**
LIC HF	Neutral	565	560	110.6	114.7	841	934	1.8	1.8	13.9	12.9	5.1	4.9	0.7	0.6
Bajaj Housing	Neutral	83	95	3.7	4.5	31	35	2.2	2.1	12.8	13.5	22.4	18.5	2.7	2.3
Aavas	Neutral	1,120	1,220	96.0	114.7	733	848	3.3	3.4	14.0	14.5	11.7	9.8	1.5	1.3
HomeFirst	Buy	1,079	1,270	67.7	79.0	481	555	4.2	4.0	15.1	15.3	15.9	13.7	2.2	1.9
CanFin	Neutral	775	795	84.2	92.1	519	596	2.4	2.3	17.4	16.5	9.2	8.4	1.5	1.3
Repco	Neutral	395	375	76.0	81.9	695	772	2.8	2.7	11.5	11.2	5.2	4.8	0.6	0.5

Lemon Tree Hotels

Estimate change	⟷
TP change	⟷
Rating change	⟷

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Stock Info

Bloomberg	LEMONTRE IN
Equity Shares (m)	792
M.Cap.(INRb)/(USDb)	91.6 / 1
52-Week Range (INR)	168 / 100
1, 6, 12 Rel. Per (%)	-7/-6/-26
12M Avg Val (INR M)	521
Free float (%)	77.7

Financials & Valuations (INR b)

Y/E Mar	2026	2027E	2028E
Sales	14.4	16.4	17.5
EBITDA	6.9	8.0	8.9
PAT	2.52	3.00	3.75
EBITDA (%)	47.8	48.7	50.9
EPS (INR)	3.2	3.8	4.7
EBITDA Gr. (%)	28.2	18.9	25.2
BV/Sh. (INR)	17.6	21.6	26.3
Ratios			
Net D/E	1.0	0.6	0.3
RoE (%)	19.7	19.3	19.8
RoCE (%)	13.1	15.6	18.3
Valuations			
P/E (x)	36.1	30.4	24.3
EV/EBITDA (x)	16.1	13.7	11.9
FCF Yield (%)	4.5	6.5	7.1

Shareholding Pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	22.3	22.3	22.3
DII	14.8	14.4	19.7
FII	18.4	19.5	21.5
Others	44.6	43.8	36.5

CMP: INR114 **TP: INR140 (+22%)** **Buy**

Healthy demand-led operating leverage and strong pipeline to drive earnings

Operating performance above our estimate

- Lemon Tree Hotels (LEMONTRE) reported healthy revenue growth of 18% YoY in 2QFY27, led by 17%/31%/39% YoY growth in room revenue/ management fees/FnB revenue. Average room rate (ARR) grew 8% YoY to INR6,751, with occupancy rate (OR) expanding 633bp YoY to 76.1%. RevPAR growth was driven by stronger retail demand, while F&B growth was led by MICE, group business, banqueting, and weddings.
- EBITDA margin stood at 44.2% (up 152bp) in 2QFY27, despite the combined impact of GST changes and stock appreciation rights (3.2% of sales)
- Going forward, we expect LEMONTRE to show healthy growth, led by aggressive expansion through Fleur (pipeline of ~3,400 keys by FY30), accelerating asset-light management fee income, premiumization via Aurika, and improving operating leverage as renovation, GST, and technology-related cost pressures normalize.
- We largely maintain our FY27/FY28 EBITDA estimates and reiterate our **BUY** rating on the stock with an SoTP-based **TP of INR140**.

Healthy RevPAR growth drives performance

- LEMONTRE's revenue grew ~18% YoY to INR3.6b (est. in line). OR expanded 633bp YoY to 76.1%. ARR increased 8% YoY to INR6,751. Management fees grew 31% YoY to INR187m.
- The company's EBITDA grew 22% YoY to INR1.6b (est. INR1.5b). EBITDA margin expanded 152bp YoY to ~44.2% (est. 43.9%) Adj. PAT grew ~16% YoY to INR401m (est. INR496m)
- For 1HFY27, LEMONTRE's revenue/EBITDA/Adj PAT grew 13%/14%/18% to INR7.1b/INR3.1b/INR861m
- Gross debt stood at INR14.3b vs INR15b as of Mar'26. The company's CFO stood at INR3.1b vs INR2.3b as of Sep'25.
- Exceptional items stood at INR220.9m in 2QFY27, including a property tax provision (INR158.3m), impairment of investment in an associate (INR334.7m) and acquisition-related expenses (INR36.6m), partly offset by a lease termination gain of INR416.4m.

Highlights from the management commentary

- **Development pipeline and expansion:** The company expects to open ~2,000 rooms on a gross basis in FY27, compared with ~1,523 rooms in the previous year, with the opening rate expected to accelerate further from FY28 onwards. During 2QFY27, it opened eight managed and franchised hotels comprising 523 rooms and signed 11 hotels with 825 rooms. The company is working towards adding ~2,300 rooms through a combination of operational brownfield acquisitions and greenfield developments by FY30–31.

- **Omaxe:** The partnership covers ~4,000 rooms across 10 properties, primarily in Tier-2 and Tier-3 cities, including Lucknow and Greater Noida. These locations offer access to residential, transit and commercial demand, with bus stations typically situated in prime city-center locations. Nine of the 10 properties are greenfield developments, with Omaxe owning the land and undertaking the development, while Lemon Tree will act as the hotel manager and brand owner without any capital investment
- **Bandra East, Mumbai:** LEMONTRE acquired land in Bandra East, adjoining the Bandra-Kurla Complex (BKC), for ~INR1.2b to develop an upscale Lemon Tree Premier hotel with ~172 rooms, targeted to open in FY30. This will be the company's seventh hotel in Mumbai and its first in Bandra. The project is expected to entail an investment of ~INR20m per key, with management targeting an opening ARR of ~INR12,000. The hotel will primarily target corporate demand from BKC rather than relying on the broader Mumbai market

Valuation and view

- The company is expected to maintain a healthy growth momentum going forward, fueled by: 1) accelerated growth in management contracts (with a pipeline of ~10,846 rooms), 2) rebranding of existing hotels, 3) expansion of the Aurika portfolio, 4) strong backing from Warburg Pincus, 5) improved yields following the completion of renovations across brands, and 6) the addition of owned hotels through Fleur (3,400 keys).
- We expect LEMONTRE to post a CAGR of 10%/14%/22% in revenue/EBITDA/adj. PAT over FY26-28, with RoCE improving to ~18% by FY28 from ~13.1% in FY26. **We reiterate our BUY rating on the stock with an SoTP-based TP of INR140.**

Consolidated Quarterly Performance (INRm)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2Q	(%)
Gross Sales	**3,158**	**3,063**	**4,061**	**4,164**	**3,446**	**3,614**	**4,608**	**4,740**	**14,445**	**16,408**	**3,471**	**4**
YoY Change (%)	17.8	7.7	14.3	10.0	9.1	18.0	13.5	13.8	12.3	13.6	-8.3	
Total Expenditure	1,753	1,756	2,014	2,012	1,949	2,017	2,202	2,252	7,533	8,420	1,947	
EBITDA	**1,405**	**1,307**	**2,047**	**2,152**	**1,497**	**1,597**	**2,406**	**2,488**	**6,912**	**7,988**	**1,524**	**5**
Margins (%)	44.5	42.7	50.4	51.7	43.4	44.2	52.2	52.5	47.8	48.7	43.9	
Depreciation	342	343	348	355	361	366	368	370	1,388	1,465	362	
Interest	447	423	414	388	364	364	350	328	1,672	1,406	360	
Other Income	16	17	17	31	21	24	22	30	82	98	22	
PBT before EO expense	**633**	**558**	**1,302**	**1,441**	**794**	**891**	**1,710**	**1,821**	**3,933**	**5,216**	**824**	
Extra-Ord expense	0	0	313	19	0	-221	0	0	333	-221	0	
PBT	**633**	**558**	**988**	**1,422**	**794**	**1,112**	**1,710**	**1,821**	**3,601**	**5,437**	**824**	
Tax	148	139	170	251	218	311	430	458	708	1,417	207	
Rate (%)	23.3	24.9	17.2	17.7	27.4	28.0	25.2	25.2	19.7	26.1	25.2	
MI & P/L of Asso. Cos.	102	73	191	255	116	235	222	284	622	857	121	
Reported PAT	**383**	**346**	**627**	**915**	**460**	**566**	**1,057**	**1,078**	**2,271**	**3,162**	**496**	
Adj PAT	**383**	**346**	**862**	**929**	**460**	**401**	**1,057**	**1,078**	**2,520**	**2,997**	**496**	**-19**
YoY Change (%)	93.5	16.7	37.9	9.8	20.1	15.8	22.7	16.0	28.2	18.9	-41.4	
Margins (%)	12.1	11.3	21.2	22.3	13.4	11.1	22.9	22.8	17.4	18.3	14.3	

Midwest

Estimate changes	↓
TP change	↓
Rating change	↔

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Ranked #3 in the Onshore Broker Category
Ranked #4 in the Local Broker Category Rankings

Bloomberg	MIDWESTL IN
Equity Shares (m)	36
M.Cap.(INRb)/(USDb)	35.7 / 0.4
52-Week Range (INR)	1860 / 860
1, 6, 12 Rel. Per (%)	-12/-32/-9
12M Avg Val (INR M)	118

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	6.5	8.4	10.7
EBITDA	1.7	2.3	3.6
Adj. PAT	1.0	1.4	2.3
EBITDA Margin (%)	27.0	27.9	34.0
BV/Sh. (INR)	266	305	370
Ratios			
Net D:E	(0.0)	0.1	0.0
RoE (%)	10.7	12.6	17.2
RoCE (%)	11.6	12.1	16.8
Payout (%)	-	-	-
Valuations			
P/E (x)	34.0	25.2	15.4
P/BV (x)	3.7	3.2	2.7
EV/EBITDA(x)	20.3	15.5	9.8
Div. Yield (%)	-	-	-

Shareholding Pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	77.1	77.1	77.1
DII	14.3	14.6	12.5
FII	3.9	3.9	2.1
Others	4.7	4.4	8.3

FII includes depository receipts

CMP: INR988 TP: INR1,150 (+16%) BUY

Revenue in line; higher costs lead to earning miss

- MIDWESTL's reported revenue of INR1.9b grew 15% YoY but declined 5% QoQ (in line) due to lower realization in 2QFY27.
- Combined granite production stood at 34k cbm (29% YoY and QoQ) during 2QFY27, of which Black Galaxy granite production stood at 22.8k cbm (+45% YoY and +33% QoQ) and Absolute Black granite stood at 11.2k cbm (+6% YoY and +21% QoQ).
- Combined granite sales volume stood at 32.9k cbm (+24% YoY and +20% QoQ) in 2QFY27, of which the company sold 21.6k cbm of Black Galaxy granite (+36% YoY and +20% QoQ) and 11.3k cbm of Absolute Black granite (+5% YoY and +20% QoQ).
- Blended granite ASP for the quarter was INR50,200/cbm, down 14% YoY and 26% QoQ.
- MIDWESTL's EBITDA stood at INR476m (against our est. INR557m), up by 2% YoY but down 3% QoQ in 2QFY27. This translates into an EBITDA margin of 26.1% in 2QFY27 vs. 25.5% in 1QFY27 and 29.3% in 2QFY26.
- APAT for the quarter came in at INR293m (vs. our est. INR328m). APAT grew 5% YoY and was flat QoQ.
- Quartz revenue during the quarter stood at INR135m, with average realization of ~INR8,500/t and volume of 16kt (vs. 3-4kt in 1Q).
- Quartz business achieved EBIT profitability in 2Q and is expected to report full-year PAT profitability. Its 2Q margins included recovery from previously scrapped contaminated material, while the 1H EBITDA margin was ~12%

Key highlights from the management commentary

- MIDWESTL's 2HFY27 is likely to be stronger than 1H, in line with seasonality, with 3Q and 4Q expected to deliver higher volumes. The company does not foresee any weather-related disruptions that were seen last year in 3Q.
- Management reiterated its medium-term target of achieving 2.5x revenue growth, 3x profitability and 35% ROCE over the next 3–4 years, backed by planned capex of INR3b.
- The natural stone business is expected to deliver 10-12% volume growth and 14-15% revenue growth in FY27, including a 3-4% benefit from currency movement.
- Quartz quarterly volume guidance stands at 25-30kt in 3Q and 35-40kt in 4Q. Quartz business revenue is expected to be ~INR0.9-1.0b in FY27 at an average realization of INR9,500–9,600/t.
- Quartz business is likely to achieve standalone PAT profitability in FY27, with positive EBITDA and PAT contribution in 2H as capacity utilization improves.
- The company has outlined INR3b of growth capex over the next 3-4 years, of which ~INR1.2b is allocated to Quartz Phase 2, while the balance is largely intended for the Sri Lanka rare earth project and associated processing facilities.

Valuation and view

- MIDWESTL delivered muted earnings in 2Q as strong volume offtake was offset by softened ASP. We cut our EBITDA estimates slightly by 5% for FY27 and 4% for FY28, factoring the slower rate of Quartz ramp-up and delays in phase-2 and HSM commissioning.
- We believe the near-term earnings outlook will remain contingent on the ongoing execution and ramp-up of new businesses. The long-term story of steady granite earnings, along with entry into high-growth businesses such as quartz and rare-earth critical minerals, remains intact.
- **At CMP, the stock trades at 10x FY28E EV/EBITDA. We reiterate our BUY rating on the stock with a revised TP of INR1,150, valuing the stock at 12x FY28E EV/EBITDA.**

Quarterly performance - INR m (INR m)

Y/E March	FY26				FY27				FY26	FY27E	FY27 2QE	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	**1,423**	**1,587**	**1,289**	**2,158**	**1,918**	**1,825**	**2,187**	**2,485**	**6,456**	**8,416**	**1,958**	**-6.7**
Change (YoY %)	3.3	12.4	10.0	(6.2)	34.8	15.0	69.7	15.2	3.1	30.4		
Change (QoQ %)	(38.2)	11.5	(18.8)	67.5	(11.1)	(4.8)	19.8	13.7				
Total Expenditure	**1,033**	**1,122**	**983**	**1,575**	**1,430**	**1,349**	**1,554**	**1,733**	**4,712**	**6,066**	**1,410**	**-4.3**
EBITDA	**390**	**465**	**305**	**583**	**489**	**476**	**632**	**752**	**1,744**	**2,350**	**547**	**-13.0**
Change (YoY %)	(9.6)	51.9	30.7	(21.9)	25.4	2.4	107.1	29.0	1.5	34.8		
Change (QoQ %)	(47.8)	19.4	(34.4)	91.0	(16.2)	(2.5)	32.8	19.0				
Margin (%)	27.4	29.3	23.7	27.0	25.5	26.1	28.9	30.3	27.0	27.9		
Other Income	42	21	53	26	59	69	36	(20)	142	144		
Depreciation	66	74	86	84	89	92	121	157	310	458		
Finance Cost	37	35	47	18	39	46	29	2	138	115		
PBT	**329**	**376**	**225**	**507**	**421**	**408**	**519**	**573**	**1,437**	**1,921**	**437**	**-6.6**
Tax	85	99	51	137	110	106	130	135	373	480		
Effective Tax Rate (%)	25.8	26.4	22.8	27.0	26.2	25.9	25.0	23.5	25.9	25.0		
PAT before MI, Assoc. & EO	**244**	**277**	**174**	**370**	**310**	**302**	**389**	**438**	**1,065**	**1,441**		
Minority Interest	(12)	1	9	(15)	(16)	(10)	-	-	(16)	(26)		
Share of profit/(loss) of Asso/JV	-	-	-	-	-	-	-	-	-	-		
Exceptional Items	-	-	-	-	-	-	-	-	-	-		
Reported PAT	**232**	**278**	**183**	**356**	**294**	**293**	**389**	**438**	**1,048**	**1,414**		
Adj. PAT	**232**	**278**	**183**	**356**	**294**	**293**	**389**	**438**	**1,048**	**1,414**	**328**	**-10.7**
Change (YoY %)	13.6	86.7	29.4	(24.6)	26.7	5.3	112.7	23.3	8.5	34.9		
Change (QoQ %)	(50.8)	19.7	(34.1)	94.2	(17.3)	(0.5)	33.1	12.6				

Financials: Banks

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Year	Bank credit YoY%
FY13	13.6
FY14	13.9
FY15	12.2
FY16	10.2
FY17	4.7
FY18	9.4
FY19	13.3
FY20	6.1
FY21	5.6
FY22	8.6
FY23	15.0
FY24	16.3
FY25	11.0
FY26	16.1
Apr'26	16.0
May'26	17.7
Jun'26	18.6
Jul'26	19.3
Aug'26	19.1
Sep'26	19.4

PAT (INR b)	Consensus FY27E	MOFSLe FY27E
Pvt Banks		
AXSB	301.1	299.7
BANDHAN	25.7	25.7
DCBB	9.3	9.8
HDFCB	814.6	821.5
ICICIBC	601.1	613.6
IDFCFB	43.2	45.0
IIB	45.7	44.5
KMB	174.1	179.4
FB	54.1	55.1
RBK	20.5	22.5
AUBANK	35.6	36.8
EQUITASB	8.1	8.3
Total Pvt	**2,133.1**	**2,161.9**
PSU Banks		
BOB	196.8	204.7
CBK	200.5	212.2
INBK	138.7	143.7
PNB	207.9	219.0
SBIN	878.6	870.0
UNBK	210.4	217.0
Total PSU	**1,832.8**	**1,866.6**
Total Banks	**3,965.9**	**4,028.5**

Benchmarking sector metrics to CRISIL & ICRA

Sector outlook robust; MOFSL credit growth/asset quality estimates improve

- **Systemic credit growth remained healthy at 19.4% YoY in 2QFY27, supported by improving corporate and retail demand. FCNR(B) mobilization of ~USD133b boosted deposit growth to 17.8% YoY. We estimate FY27E credit growth of 16.5% YoY for our coverage, ahead of CRISIL/ICRA est. of ~15.3% YoY, led by private banks (PVBs) at 19.2% YoY and PSU banks (PSBs) at 14.6% YoY.**
- **CRISIL and ICRA project GNPA ratios of 2.0% and 1.8%, respectively, for PSBs, compared with MOFSL's estimate of 1.66%, below the average rating agency projection.**
- **For PVBs, MOFSL estimates GNPA at 1.26%, below the benchmark. At an aggregate level, MOFSL estimates GNPA at ~1.5%, reflecting a relatively favorable asset quality outlook.**
- **ICRA expects credit costs of ~40bp for PSBs and ~80bp for PVBs in FY27, supported by controlled stress and adequate provisioning buffers. In comparison, MOFSL estimates PSBs' credit costs at ~40bp and PVBs' credit costs at a benign ~60bp, below ICRA's estimates.**
- **CRISIL and ICRA project RoA of ~1.3% vs. MOFSL estimate of 1.4% for our coverage universe — 1.7% for PVBs and 1.1% for PSBs, as we expect the banking sector earnings to rebound, with ~17% CAGR over FY26-28.**
- **PVBs, with an estimated earnings CAGR of ~22% over FY26-28, are likely to outperform PSBs, which are expected to report ~11% earnings CAGR over FY26-28. Top ideas: ICICIBC, HDFCB, KMB, AUBANK and SBIN.**

Strong 1H credit growth; liquidity deployment to fuel 2H acceleration

- Systemic credit growth remained robust at 19.4% YoY in 2QFY27, significantly above its 10-year average of 13.4%. MOFSL estimates systemic credit growth of 16.5% in FY27E, compared with CRISIL's projection of 14.5-15.5% and ICRA's estimate of 15.1-15.9%.
- With credit growth of 7.7% in 1HFY27, achieving our estimate would require incremental growth of ~8.8% during 2HFY27. We expect this to be supported by improving business activity, healthy retail and MSME demand, and a pickup in corporate lending, which contributed ~40% to incremental credit during 5MFY27.
- Additionally, deployment of surplus liquidity mobilized through FCNR(B) deposits (~USD133b) should provide headroom for incremental lending.
- Our banking coverage universe is expected to deliver 16.5% growth in FY27E, ~129bp above the rating agency benchmark of 15.3%, with PVBs expected to grow at 19.2% and PSBs at 14.6%. However, steady domestic deposit mobilization remains critical as surplus liquidity is progressively deployed.

Liquidity deployment and asset repricing to support recovery in NIMs

- Margins remained under pressure in 1HFY27 for PVBs on account of surplus liquidity on the balance sheet and lower overseas margin on FCNR(B) related leverage.
- Deployment of surplus liquidity into higher-yielding advances and retirement of high-cost liabilities should support an improvement in YoA.
- Anticipated repo rate hikes would lead to faster asset repricing, while the deposit repricing is expected to lag, thus aiding gradual NIM recovery from 2HFY27 onward. We expect a 17% CAGR in NII over FY26-FY28E for our coverage universe.

Asset quality resilient; MOFSL expects better GNPA outcome

- Asset quality is expected to remain broadly resilient, supported by contained fresh slippages and healthy corporate balance sheets. CRISIL and ICRA project GNPA ratios of 2.0% and 1.8%, respectively, for PSBs, compared with MOFSL's estimate of 1.66%, below the average rating agency projection.
- For PVBs, MOFSL estimates GNPA at 1.26%, below the rating agency benchmark. At an aggregate level, MOFSL expects GNPA at ~1.5%, reflecting a relatively favorable asset-quality outlook. ICRA expects fresh NPA generation rates to remain contained at ~0.8% for PSBs and ~1.6% for PVBs.
- Nevertheless, unsecured retail, MFI and select MSME portfolios are vulnerable to higher borrowing costs and rural income pressure, while CRISIL anticipates a marginal deterioration in overall asset quality during FY27.

Credit costs: Higher ECL provisioning needs for PSBs; PVBs relatively better positioned

- ICRA expects credit costs of ~40bp for PSBs and ~80bp for PVBs in FY27, supported by manageable incremental stress and adequate provisioning buffers. In comparison, we estimate PSBs' credit cost at ~40bp, broadly aligned with ICRA's projection (above 4bp based on underlying estimates), while PVBs' credit costs are estimated at ~60bp, below ICRA's expectations.
- Aggregate MOFSL credit costs are estimated at ~50bp. Despite the benign near-term outlook, PSBs could face higher incremental provisioning requirements under the proposed ECL framework, given relatively limited existing provision cushions, while PVBs appear better positioned to absorb the transition owing to stronger provisioning buffers.

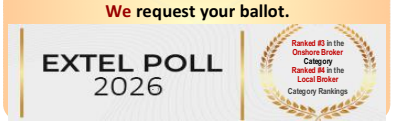
Healthy RoA outlook; RoE expectations remain conservative

- CRISIL and ICRA project RoA of ~1.3%, compared with MOFSL's estimates of 1.1% for PSBs and 1.7% for PVBs. Aggregate MOFSL RoA is estimated at ~1.4%, 6bp above rating agency projections.
- However, MOFSL's RoE estimates of 14.2% for PSBs and 12.9% for PVBs remain below ICRA's projection of 14.2%, while aggregate RoE of 13.5% is ~72bp lower.
- Notably, FCNR(B) inflows led to a marginal decline in the RWA-to-total assets ratio, as surplus liquidity was largely deployed in lower-risk-weighted assets. Despite exemptions from CRR and SLR requirements, progressive deployment of this liquidity is expected to increase RWA density, resulting in higher capital consumption and potentially constraining balance-sheet leverage.

View: Prefer ICICIBC, HDFCB, SBIN, KMB and AUBANK

- We expect systemic credit growth to remain healthy at 16.5% in FY27E, ~129bp above the average CRISIL/ICRA projection of 15.3%, supported by improving business activity, stronger corporate and MSME demand, and deployment of surplus FCNR(B) liquidity. With systemic credit having grown 7.7% in 1HFY27, achieving our estimate would require ~8.8% sequential growth in 2HFY27. Our banking coverage universe is expected to deliver 16.5% credit growth, led by PVBs at 19.2% and PSBs at 14.6%. Deployment of surplus liquidity into higher-yielding advances and retirement of high-cost liabilities should further support NIM recovery in 2HFY27. **Our top ideas are ICICIBC, HDFCB, KMB, SBIN and AUBANK.**

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Insurance Tracker

Individual WRP and YoY growth (%)

Individual WRP, INR m	Oct'26	YoY gr. (%)
Grand Total	**97,531**	**5.2**
Total Private	**68,670**	**5.4**
LIC	**28,861**	**4.8**
SBI Life	16,806	-0.9%
HDFC life	10,672	16.0%
Max Life	7,108	11.7%
Tata AIA	7,065	14.5%
ICICI Life	5,994	-0.3%
Bajaj Life	5,210	-0.4%
Birla Sun life	3,577	27.4%
Kotak Life	2,148	2.9%
Canara HSBC	1,777	1.4%
PNB Met Life	1,378	-13.1%

Source: LI Council, MOFSL

Industry growth slows down to 5% YoY

- **In Oct'26, the life insurance industry recorded ~5% YoY growth in individual weighted received premium (WRP), likely reflecting a base effect following the GST exemption introduced in Sep'25.**
- **Private players witnessed single-digit growth of ~5% YoY in Oct'26, with market share declining MoM to 70.4% vs. 73.4% in Sep'26. LIC also witnessed a growth of ~5% YoY.**
- **Among the listed private players, HDFCLIFE continues to be the fastest-growing player, with individual WRP growing ~16% YoY, followed by CANHLIFE/MAXLIFE, with growth of 1%/12%. SBILIFE, ICICILIFE, and BAJAJLIFE's performances were broadly flat YoY.**
- **The industry's new business premium grew ~26% YoY in Oct'26, driven by a 20% and 31% YoY growth in premiums for private players and LIC, respectively.**
- **New business premiums for HDFCLIFE/SBILIFE/MAXLIFE/ICICILIFE/BAJAJLIFE grew 18%/12%/17%/38%/19%. CANHLIFE reported a decline of 17% YoY.**
- **While there is uncertainty in the insurance ecosystem owing to the recent consultation paper on distribution regulations, we expect the positive growth trajectory to continue until the regulations are finalized. SBILIFE and CANHLIFE are our preferred picks within the sector.**

Individual WRP market share of private players stable YoY

- The individual WRP market share of private players was stable YoY at 70.4% in Oct'26 vs 70.3% in Oct'25.
- In Oct'26, SBILIFE maintained the top position among listed private players, with a 17.2% market share of individual WRP, followed by HDFCLIFE at 10.9% and MAXLIFE at 7.3%, while LIC's share stood at 29.6%.
- On an unweighted premium basis, SBILIFE was the top private player during the month, with a market share of 8.3%, followed by HDFCLIFE at 7.8% and ICICILIFE at 5.7%.

Performance of key private players

On an individual WRP basis, the combined market share of six private listed players – SBILIFE, HDFCLIFE, ICICILIFE, MAXLIFE, CANHLIFE, and Bajaj Life – accounted for 69% of the private insurance industry as of Oct'26. Among other prominent private insurers, TATA AIA reported a market share of 10.3%.

Among the key listed players based on individual WRP:

- **HDFCLIFE** grew 16% YoY in Oct'26. The total unweighted premium rose 18% YoY.
- **SBILIFE** declined 1% YoY in Oct'26. The total unweighted premium rose 12% YoY.
- **ICICILIFE** was flat YoY in Oct'26. The total unweighted premium rose 38% YoY.
- **MAXLIFE** grew 12% YoY in Oct'26. The total unweighted premium grew 17% YoY.
- **CANHSBC** grew 1% YoY in Oct'26. The total unweighted premium declined 17% YoY.
- **BAJAJLIFE** was flat YoY in Oct'26. The total unweighted premium grew 19% YoY.

Triveni Turbine

BSE SENSEX	S&P CNX
81,879	25,255

CMP: INR514 — Buy

Conference Call Details



Date: 11th Nov 2026
Time: 12:30pm IST
Dial-in details:
Diamond pass

Financials & Valuations (INR b)

Y/E March	2027E	2028E	2029E
Sales	24.1	29.1	35.6
EBITDA	4.2	5.9	7.5
Adj. PAT	3.4	4.8	6.0
Adj. EPS (INR)	10.8	15.0	19.0
EPS Gr. (%)	-5.1	39.4	26.6
BV/Sh.(INR)	53.3	64.1	77.8
Ratios			
RoE (%)	21.8	25.6	26.8
RoCE (%)	22.0	25.8	27.0
Valuations			
P/E (x)	47.8	34.3	27.1
P/BV (x)	9.7	8.0	6.6
EV/EBITDA (x)	38.0	26.8	21.2
Div. Yield (%)	0.6	0.8	1.0

Weak set of results

- Triveni Turbine reported a weak set of results with revenue, EBITDA, and PAT below our estimates.
- Revenue declined 3% YoY to INR4.9b (vs our est. of INR5.7b). Domestic revenue for the quarter was up 52% YoY, reaching INR3.4b, and export revenue for the quarter was down 47% YoY, reaching INR1.5b.
- Gross margin contracted to 40.3% YoY, down 1,040bp YoY.
- Lower-than-expected gross margins resulted in an EBITDA margin of 13%. Absolute EBITDA decreased 45% YoY to INR636m (vs our est. of INR794m).
- Lower margins and a higher-than-expected tax rate led to PAT decreasing 41% YoY to INR536m.
- Consolidated order book at 2QFY27-end stood at INR24.5b (up 10.5% YoY), with domestic order book at INR10b (down 9% YoY) and export order book at INR14.5b (up 29% YoY).
- Order inflow for the quarter stood at INR7.6b (up 17.2% YoY), with domestic inflows at INR4b (down 2.5% YoY) and export inflows at INR3.7b (up 50% YoY).
- For 1HFY27, revenue increased 6.4% YoY to INR9.3b, EBITDA decreased 39% YoY to INR1.2b, and PAT declined 33% YoY to INR1b, with EBITDA margins at 12.3%.
- For 1HFY27, the company reported a net operating cash inflow of INR943m (vs. an inflow of INR387m last year). FCF for 1HFY27 stood at positive INR575m (vs. a positive INR25m in 1HFY26).

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Var (%)
Net Sales	**3,713**	**5,062**	**6,240**	**6,796**	**4,427**	**4,910**	**6,885**	**7,927**	**21,811**	**24,149**	**5,672**	**-13**
YoY Change (%)	-19.9	1.0	24.0	26.3	19.2	-3.0	10.3	16.6	8.7	10.7	12.1	
Total Expenditure	2,977	3,916	4,899	5,516	3,914	4,274	5,543	6,205	17,308	19,935	4,878	
EBITDA	**736**	**1,146**	**1,341**	**1,280**	**513**	**636**	**1,343**	**1,722**	**4,503**	**4,214**	**794**	**-20**
YoY Change (%)	-23.0	2.9	22.7	6.3	-30.3	-44.5	0.1	34.6	3.1	-6.4	-30.7	
Margins (%)	19.8	22.6	21.5	18.8	11.6	13.0	19.5	21.7	20.6	17.5	14.0	
Depreciation	77	80	94	90	94	95	95	104	341	388	95	0
Interest	8	4	7	7	6	6	9	15	26	36	8	-29
Other Income	222	184	195	164	284	222	172	141	765	819	199	12
PBT before EO expense	**873**	**1,246**	**1,435**	**1,347**	**697**	**757**	**1,411**	**1,743**	**4,901**	**4,609**	**890**	**-15**
Extra-Ord expense	0	0	157	0	0	0	0	0	157	0	0	
PBT	**873**	**1,246**	**1,278**	**1,347**	**697**	**757**	**1,411**	**1,743**	**4,744**	**4,609**	**890**	**-15**
Tax	228	332	352	325	186	221	361	412	1,237	1,180	228	
Rate (%)	26.1	26.6	27.5	24.1	26.7	29.2	25.6	23.6	26.1	25.6	25.6	
MI & P/L of Asso. Cos.	-1	0	-9	-3	0	0	0	0	-13	0	0	
Reported PAT	**644**	**914**	**917**	**1,019**	**511**	**536**	**1,050**	**1,332**	**3,494**	**3,429**	**662**	**-19**
Adj PAT	**644**	**914**	**1,031**	**1,021**	**511**	**536**	**1,050**	**1,332**	**3,610**	**3,429**	**662**	**-19**
YoY Change (%)	-19.9	0.4	11.3	8.0	-20.7	-41.4	1.9	30.4	0.7	-5.0	-27.6	
Margins (%)	17.3	18.1	16.5	15.0	11.5	10.9	15.3	16.8	16.6	14.2	11.7	



IIFL Finance: Funds To Sustain Growth For Next 3-4 Years
Nirmal Jain, Founder & MD

- Raising ₹6,200 crore (₹5,000 crore from Blackstone for ~16% stake; ₹1,264 crore from promoters) to fund growth for 3–4 years.
- Tier-1 capital adequacy will roughly double to ~25%, positioning the firm for rating upgrades and lower borrowing costs.
- Capital primarily fuels the standalone gold loan and LAP business to sustain ~25% annual AUM growth.
- Evaluating future value unlocking, including a potential separate listing/demerger of the housing finance subsidiary.

Read More

Redington: Apple festive demand remains strong
V.S. Hariharan, MD & Group CEO

- SSG business to drive double-digit growth over the next 3-5 years
- Strong growth expected in AI infra, given India's gap with Western markets
- Enterprise segment growing 30-35% excluding data centers
- Turkey operations completed non-USD business exits; restructuring and cost-sizing aim for operational break-even by FY28.

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Paras Healthcare: Govt Trade Margin Controls To Have Marginal & Temporary Impact
Dr. Dharminder Kumar Nagar, Managing Director

- Oncology trade margin caps have minimal, temporary impact due to value-care positioning.
- Overall margins reached 23.5%, with mature units at ~29% and new units scaling to 18–19%.
- Adding 800 beds (300 in Gurugram, 500 in Ludhiana) over the next 12–18 months.
- ARPOB near ₹49,000 via 75% tertiary/quaternary care mix; medical value travel remains under 5%.

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Suprajit Engineering: Expect Double-Digit Growth In International Business
Ajit Kumar Rai, Founder & Chairman

- Global Cables & Mechatronics turnaround drove 25% growth, doubling margins to 11%+.
- H2 performance expected to surpass H1 (~₹2,200 cr achieved), sustaining double-digit growth.
- Progressive customer price pass-throughs are underway to offset elevated input/component costs.
- Electronics division grew ~50%; Phoenix Lamps captures share from an insolvent global competitor.

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NOTES

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

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

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