

## Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	77,304	0.8	-9.3
Nifty-50	24,093	0.8	-7.8
Nifty-M 100	60,248	1.5	-0.4
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	7,174	0.1	4.8
Nasdaq	24,887	0.2	7.1
FTSE 100	10,321	-0.6	3.9
DAX	24,084	-0.2	-1.7
Hang Seng	8,756	-0.2	-1.8
Nikkei 225	60,537	1.4	20.3
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	113	0.4	81.5
Gold (\$/OZ)	4,682	-0.6	8.4
Cu (US\$/MT)	13,139	-0.8	5.5
Almn (US\$/MT)	3,644	-0.7	22.8
Currency	Close	Chg .%	CYTD.%
USD/INR	94.2	-0.1	4.8
USD/EUR	1.2	0.0	-0.2
USD/JPY	159.4	0.0	1.7
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	6.9	0.00	0.4
10 Yrs AAA Corp	7.5	0.00	0.2
Flows (USD b)	27-Apr	MTD	CYTD
FII	-0.12	-3.64	-19.3
DII	0.44	5.10	31.9
Volumes (INRb)	27-Apr	MTD*	YTD*
Cash	1,405	1431	1318
F&O	2,32,331	2,03,678	2,75,628

Note: Flows, MTD includes provisional numbers.

\*Average



## Today's top research idea

### Varun Beverages: Strong volume drives revenue growth

- ❖ Varun Beverages (VBL) posted a strong quarter with ~16% YoY volume growth, led by strong volume growth of 14.4% in India and 21.4% in international territories. Further, net realization per case improved 1.6% at the consolidated level, fueled by realization growth in international territories (due to favorable currency movement), which was partially offset by 1.5% dip in net realizations in India (due to pack upsizing and targeted price-point launches).
- ❖ Going forward, VBL is well placed for healthy 2QCY26 growth due to the El Niño-led heatwave, along with tailwinds from the Twizza and Crickley consolidations.
- ❖ Factoring in the consolidation of Twizza and Crickley and higher-than-expected volumes, we raise our CY26/CY27 earnings estimates by 4%/6%. We reiterate our BUY rating with a TP of INR600 (based on 47x CY26E EPS).



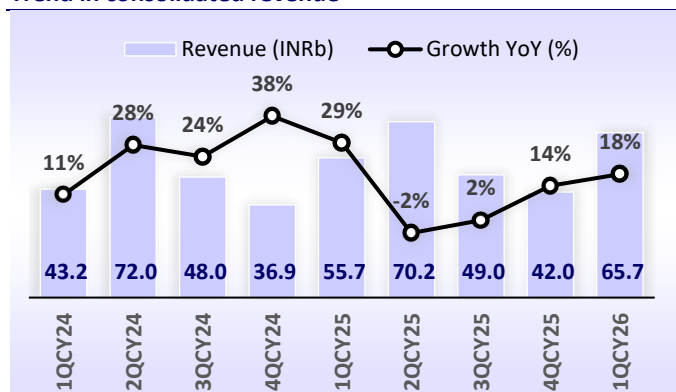
## Research covered

Cos/Sector	Key Highlights
Varun Beverages	Strong volume drives revenue growth
Sun Pharma	Organon acquisition – Transformational fit, disciplined math
UltraTech Cement	Cost efficiency drives EBITDA beat; growth story intact
Coal India	Beat on earnings; outlook positive
Lodha Developers	Well-placed for a diversified scale up
AU Small Finance Bank	Business momentum robust; well poised for RoA expansion
Other Updates	Bajaj Housing Finance   L&T Finance   SBI Cards   Nippon Life India AMC   Supreme Industries   Piramal Finance   Can Fin Homes   Jain Resource Recycling   Phoenix Mills   Prataap Snacks



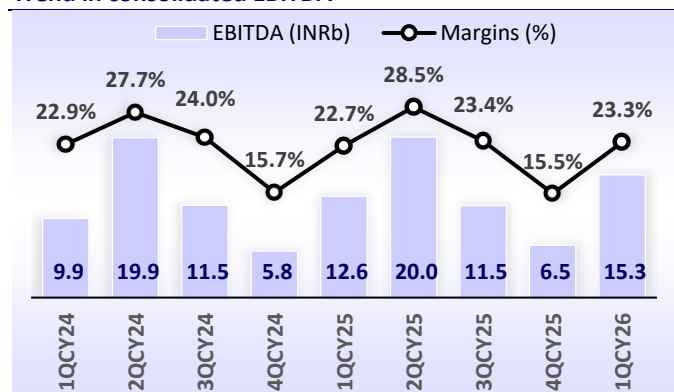
## Chart of the Day: Varun Beverages (Strong volume drives revenue growth)

### Trend in consolidated revenue



Source: Company, MOFSL

### Trend in consolidated EBITDA



Source: Company, MOFSL

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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**

**MobiKwik gets RBI nod for NBFC licence, to launch in-house lending arm**

Fintech firm MobiKwik has secured a crucial Reserve Bank of India approval for a non-banking financial company license. This paves the way for MobiKwik to launch its own lending business through a wholly owned subsidiary.

**2**

**Philips looks to step up play in India's growing discretionary market**

Philips says global macroeconomic volatility has hit businesses over the past five years, but underlying demand trends are still supporting near-term growth, according to Deeptha Khanna, executive vice president and chief business leader (personal health).

**3**

**\$250 bn e-commerce boom redraws India's retail buying & triggers a safeguard demand**

India's e-commerce sector is poised for massive growth, projected at \$250 billion. Gen Z shoppers are driving this expansion, favoring new models like live and creator-led commerce. However, a traders' body warns that unregulated growth could harm traditional retail.

**4**

**Amazon Now expands to Pune, Hyderabad, Chennai, Kolkata as part of 100-city push**

Amazon is bringing its rapid delivery service, Amazon Now, to 100 cities across India. This expansion will be backed by over 1,000 specialised delivery hubs. The service offers daily essentials delivered within minutes.

**5**

**Passenger Vehicle growth to slow to 4-6 % in FY27 on high base, macro risks; UVs to drive demand: ICRA**

Passenger vehicle industry growth in India is set to slow down in FY2027. This moderation follows strong performance in FY2026. Factors like a weak monsoon and global economic risks will be closely watched.

**6**

**Reserve Bank of India finalises ECL norms, rollout set for April 2027**

RBI introduces expected credit loss framework for banks, to be implemented from April 2027, replacing incurred loss norms and strengthening credit risk provisioning

**7**

**Eveready Industries' Rs 200-crore manufacturing plant to pave the way for global play**

Eveready Industries has launched a new Rs 200 crore manufacturing plant in Jammu. This facility is India's only operating alkaline battery plant. It will significantly increase production capacity. The plant aims to meet growing demand for high-performance power solutions.

# Varun Beverages

Estimate change	↑
TP change	↑
Rating change	↔

**CMP: INR519**      **TP: INR600 (+16%)**      **Buy**

## Strong volume drives revenue growth

### Earnings above our estimates

- Varun Beverages (VBL) posted a strong quarter with ~16% YoY volume growth, led by strong volume growth of 14.4% in India and 21.4% in international territories. Further, net realization per case improved 1.6% at the consolidated level, fueled by realization growth in international territories (due to favorable currency movement), which was partially offset by 1.5% dip in net realizations in India (due to pack upsizing and targeted price-point launches).
- Going forward, VBL is well placed for healthy 2QCY26 growth due to the El Niño-led heatwave, along with tailwinds from the Twizza and Crickley consolidations.
- Factoring in the consolidation of Twizza and Crickley and higher-than-expected volumes, we raise our CY26/CY27 earnings estimates by 4%/6%. **We reiterate our BUY rating with a TP of INR600 (based on 47x CY26E EPS).**

### Healthy all-round operations lead to margin expansion

- Consol. revenue grew 18% YoY to INR65.7b (est. INR59.6b) on account of 16% YoY growth in volume to 363m cases and an improvement in realization per case by 1.6% to INR174.
- EBITDA margin expanded ~60bp YoY to 23.3% (est. 22.5%). EBITDA per case grew 12% YoY to INR45.3. EBITDA rose 21% YoY to ~INR15.3b (est. INR13.4b).
- Depreciation increased 30.9% due to the commissioning of new plants of last year (Buxar, Prayagraj, Damtal, and Meghalaya), which were not present in the base quarter. Further, finance costs increased 18% on account of the acquisition of Twizza in South Africa in the current quarter. The income from surplus cash in India is accounted for as other income. Adj. PAT grew 21% YoY to INR8.8b (est. INR7.7b).
- The subsidiary's (consolidated minus standalone) revenue/EBITDA/adj. PAT jumped 36%/3x/16x YoY to INR22.1b/INR8.3b/INR7.8b in 1QCY26.
- CSD/Juice/Water volumes grew 74%/7%/19% YoY to 268m/27m/68m units in 1QCY26.

### Highlights from the management commentary

- **Packaging:** VBL's aluminum can beverage sales are less than 2%. The company is managing rising costs by cutting discounts. The packaging inventory is covered until next quarter for the domestic market and until the next two quarters for international markets. The shortage of aluminum cans is affecting the energy drinks portfolio, due to which the company is shifting to PET bottles.
- **Guidance and outlook:** The company remains bullish on domestic demand with no expected adverse impact from inflation. Strong traction in new launches such as Nimbooz (~60% growth) and Tropicana (100% growth), **along with the anticipated El Niño-led heatwave**, is expected to further boost beverage consumption and support a strong near-term outlook.

Bloomberg	VBL IN
Equity Shares (m)	3382
M.Cap.(INRb)/(USDb)	1754.8 / 18.6
52-Week Range (INR)	544 / 381
1, 6, 12 Rel. Per (%)	28/20/-1
12M Avg Val (INR M)	3337

### Financials & Valuations (INR b)

Y/E Dec	2025	2026E	2027E
Sales	216.9	260.2	292.5
EBITDA	50.6	60.4	68.4
Adj. PAT	30.5	36.0	43.6
EBITDA (%)	23.3	23.2	23.4
EPS (INR)	9.0	10.7	12.9
EPS Gr. (%)	17.4	18.3	20.9
BV/Sh. (INR)	57.9	66.1	76.4

### Ratios

Net D/E	0.0	-0.1	-0.2
RoE (%)	16.8	17.2	18.1
RoCE (%)	15.8	16.6	17.7
Payout (%)	27.9	23.5	19.4

### Valuations

P/E (x)	57.6	48.7	40.3
EV/EBITDA (x)	34.7	28.9	25.0
Div Yield (%)	0.5	0.5	0.5
FCF Yield (%)	0.5	1.4	2.5

### Shareholding pattern (%)

As on	Mar-26	Dec-25	Mar-25
Promoter	59.4	59.4	60.2
DII	14.4	13.6	9.2
FII	19.5	20.3	23.0
Others	6.7	6.7	7.6

Note: FII includes depository receipts

- **Strategic acquisition:** VBL consummated the acquisition of Twizza (9MCY26 revenue of INR8b) through BevCo at EV of ZAR2b (INR11,187m), strengthening its manufacturing footprint. VBL also acquired Crickley Dairy (9MCY26 revenue of INR1.6b) through BevCo at EV of ZAR238m (INR1314.68m), further strengthening its presence in South Africa.

#### Valuation and view

- We expect VBL to witness improved earnings momentum, aided by an extreme heatwave expected this year due to El Niño conditions (to aid in peak season demand); 2) a scale-up in the international market, driven by South Africa and recovery in the Zimbabwe market; 3) strengthening of on-ground execution in the Indian market; 4) scale-up of the snacking business, backed by the operationalization of the Morocco and Zimbabwe markets in 2HCY25; and 5) an expanding product portfolio (recently launched an energy drink known as 'Adrenaline Rush').
- We expect a CAGR of 16%/16%/20% in revenue/EBITDA/PAT over CY25-27. We increase our CY26E/CY27E earnings estimates by 4%/6% and **reiterate our BUY rating on the stock with a TP of INR600 (47x CY26E EPS).**

#### Consolidated - Quarterly Earnings Model

(INR m)

Y/E December	CY25				CY26				CY25	CY26E	CY26E	Var %
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
<b>Net Sales</b>	<b>55,669</b>	<b>70,174</b>	<b>48,967</b>	<b>42,044</b>	<b>65,742</b>	<b>87,798</b>	<b>58,670</b>	<b>47,975</b>	<b>2,16,854</b>	<b>2,26,926</b>	<b>59,642</b>	<b>10</b>
YoY Change (%)	28.9	-2.5	1.9	14.0	18.1	25.1	19.8	14.1	8.4	4.6	7.1	
Total Expenditure	43,030	50,186	37,493	35,512	50,453	63,459	44,793	41,118	1,66,220	1,73,643	46,218	
<b>EBITDA</b>	<b>12,640</b>	<b>19,988</b>	<b>11,474</b>	<b>6,533</b>	<b>15,289</b>	<b>24,339</b>	<b>13,878</b>	<b>6,857</b>	<b>50,634</b>	<b>53,283</b>	<b>13,424</b>	<b>14</b>
Margins (%)	22.7	28.5	23.4	15.5	23.3	27.7	23.7	14.3	23.3	23.5	22.5	
Depreciation	2,725	3,062	3,076	3,302	3,568	3,600	3,650	3,700	12,165	13,007	3,350	
Interest	411	365	452	467	485	400	350	300	1,696	1,770	350	
Other Income	281	772	1,464	991	435	500	1,200	570	3,507	3,662	309	
<b>PBT</b>	<b>9,784</b>	<b>17,332</b>	<b>9,410</b>	<b>3,615</b>	<b>11,671</b>	<b>20,839</b>	<b>11,078</b>	<b>3,427</b>	<b>40,141</b>	<b>42,168</b>	<b>10,033</b>	<b>16</b>
Tax	2,465	4,066	1,957	989	2,845	4,487	2,357	654	9,476	9,856	2,207	
Rate (%)	25.2	23.5	20.8	27.4	24.4	21.5	21.3	19.1	23.6	23.4	22	
MI & Profit/Loss of Asso. Cos.	54	97	57	108	64	93	44	90	316	325	54	
<b>Reported PAT</b>	<b>7,265</b>	<b>13,170</b>	<b>7,396</b>	<b>2,518</b>	<b>8,763</b>	<b>16,259</b>	<b>8,677</b>	<b>2,682</b>	<b>30,349</b>	<b>31,987</b>	<b>7,772</b>	
<b>Adj PAT</b>	<b>7,265</b>	<b>13,170</b>	<b>7,396</b>	<b>2,658</b>	<b>8,763</b>	<b>16,259</b>	<b>8,677</b>	<b>2,682</b>	<b>30,489</b>	<b>31,987</b>	<b>7,772</b>	<b>13</b>
YoY Change (%)	35.2	5.1	19.4	43.6	20.6	23.5	17.3	0.9	17.5	4.9	7.0	
Margins (%)	13.1	18.8	15.1	6.3	13.3	18.5	14.8	5.6	14.1	14.1	13.0	

#### Key performance indicators

Y/E December	4QCY23	1QCY24	2QCY24	3QCY24	4QCY24	1QCY25	2QCY25	3QCY25	4QCY25	1QCY26
<b>Segment Volume Gr.</b>										
CSD	25	6	32	23	42	36	2	19	51	25
NCB	14	13	39	3	0	22	-13	6	25	23
Water	5	10	7	12	17	6	13	7	16	21
<b>Cost Break-up</b>										
RM Cost (% of sales)	43	44	45	44	44	45	45	43	45	45
Employee Cost (% of sales)	14	9	7	11	13	9	8	11	14	9
Other Cost (% of sales)	27	24	20	21	27	23	18	22	26	23
Gross Margins (%)	57	56	55	56	56	55	55	57	55	55
EBITDA Margins (%)	16	23	28	24	16	23	28	23	16	23
EBIT Margins (%)	9	19	24	19	9	18	24	17	8	18

# Sun Pharma

BSE SENSEX  
77,304

S&P CNX  
24,093

**CMP: INR1,734 TP: INR2,025 (+17%) Buy**



Bloomberg	SUNP IN
Equity Shares (m)	2399
M.Cap.(INRb)/(USD\$b)	4159.1 / 44.2
52-Week Range (INR)	1851 / 1547
1, 6, 12 Rel. Per (%)	-9/10/-3
12M Avg Val (INR M)	4449

### Financials & valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	576.7	632.4	699.7
EBITDA	163.0	183.4	207.1
Adj. PAT	118.1	135.0	156.6
EBIT Margin (%)	23.3	24.5	25.4
Adj. EPS (INR)	49.2	56.3	65.3
EPS Gr. (%)	4.4	14.3	16.1
BV/Sh. (INR)	337.6	381.5	434.5

### Ratios

Net D:E	-0.4	-0.5	-0.5
RoE (%)	15.4	15.6	16.0
RoCE (%)	15.5	15.6	16.0
Payout (%)	25.2	21.9	18.9

### Valuations

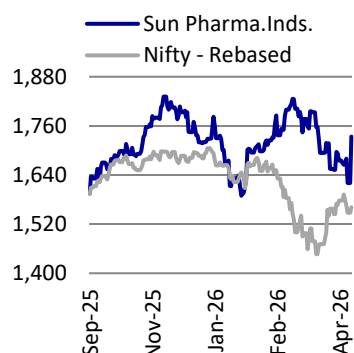
P/E (x)	35.2	30.8	26.6
EV/EBITDA (x)	24.5	21.3	18.3
Div. Yield (%)	0.6	0.6	0.6
FCF Yield (%)	1.8	2.1	2.5
EV/Sales (x)	6.9	6.2	5.4

### Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	54.5	54.5	54.5
DII	21.1	20.8	18.7
FII	15.9	16.1	18.0
Others	8.5	8.6	8.9

FII includes depository receipts

### Stock Performance (one-year)



## Organon acquisition – Transformational fit, disciplined math

### Portfolio expansion, 140+ country footprint and strong cash generation

- Sun Pharma's (SUNP) proposed acquisition of New Jersey-based Organon will provide several advantages for SUNP in terms of portfolio expansion, healthcare professional (HCP) connect, and geographical reach.
- The USD12b all-cash acquisition will expand SUNP's innovative medicines portfolio by adding women healthcare segment, boost its biosimilar offerings, and significantly expand its commercial footprint across 140+ countries, including the US, EU, China, Canada, and Brazil.
- Notably, Organon's stable EBITDA margins (30%+) and annual free cash flow of USD1b should boost SUNP's overall financials.
- Organon's revenue has been stable over the past five years, which is adequately factored in its valuation of ~6.2x CY25 EV/EBITDA. Following SUNP's acquisitions and subsequent scale-up track record, we believe there is a considerable scope to improve the company's growth prospects going forward.
- Further, the combined EBITDA (~USD3.7b) would be more than sufficient to pay for the interest outgo related to Organon debt, as well as the debt taken by SUNP to fund the acquisition. The combined net debt-to-EBITDA ratio is comfortable at 2.3x. We will incorporate Organon's financials after the deal closure (expected in 6-9 months).
- We value SUNP at 32x 12M forward earnings and arrive at a TP of INR2,025. Maintain BUY.

### Transaction strengthens global positioning with attractive valuation and strategic fit

- SUNP has entered into a definitive agreement to acquire Organon in an all-cash transaction at USD14/share, implying an enterprise value of ~USD11.75b.
- The transaction implies an equity value of ~USD4.0b and EV/EBITDA of ~6.2x (CY25 adj. EBITDA: USD1.9b), which appears reasonable given Organon's stable cash flows and margin profile.
- SUNP will acquire 100% stake via a merger structure, funded through internal accruals and committed financing, with a pro forma net debt-to-EBITDA ratio of ~2.3x after the deal completion.

### Organon offers scaled global platform with strong cash flows and leadership in women's health

- Organon is a global healthcare company with leadership in women's health (ranked #2 in contraceptives and #3 in fertility), alongside a diversified portfolio of innovative medicines, established brands, and biosimilars.
- The company has a scaled and diversified portfolio of 70+ products, including 50+ established brands (with ~15 brands exceeding USD100m in sales), ~22 innovative/women's health products (~33% revenue), and eight biosimilars (~11% revenue; ~USD700m sales; #7 globally).

- Financially, Organon has delivered stable performance in CY25, with revenue of ~USD6.2b, EBITDA of ~USD1.9b (~30%+ margin), and annual free cash flow generation of >USD1b, supporting its leveraged balance sheet (USD8.6b debt, ~USD0.6b cash).
- The company has a strong global commercial footprint across 140+ countries and a diversified manufacturing base with six sites across developed and emerging markets, including capabilities in complex product manufacturing.
- Backed by ~100 years of legacy (via Merck & Co. spin-off), Organon benefits from strong brand equity, proven R&D capabilities (e.g., Nexplanon, NuvaRing), and a scalable global platform that complements SUNP's portfolio and growth ambitions.

### Highlights from the management commentary

- Organon has an established leading position in women's health, with unmet needs across indications and scope for in-licensing to drive operating leverage.
- Synergies worth ~USD350m are expected over the next 3-4 years, primarily from cost efficiency in supply chain and workforce optimization.
- The combined entity will have commercial workforce of ~24k in 140+ countries, enabling a broader reach for its existing products and new launches.
- Organon adds scale in China (~USD800m in sales from eight key brands), providing a platform for product launches and access to the innovation landscape.
- Organon has ~10k employees, including ~4k field force.
- The company has capabilities in long-acting product development, which can be leveraged across multiple products.
- Organon has gross debt of USD8.5b and cash of USD0.9b, with the cost of debt at ~5.5%.
- It has maintained market share in core products with premium pricing in branded generics, with scope for line extensions.
- There is negligible overlap between SUNP and Organon portfolios; the acquisition is EPS accretive.

### Valuation and view

- We expect SUNP to see a meaningful scale-up after the Organon acquisition, with pro forma revenue of ~USD12.4b and EBITDA of ~USD3.7b ((FY25 SUNP, CY25 Organon), supported by the addition of a stable, margin-resilient business with strong cash flow characteristics.
- The transaction enhances SUNP's global positioning and portfolio diversification, with increased presence in women's health, innovative medicines, and biosimilars. It strengthens SUNP's scale across key international markets. We value SUNP at ~32x 12M forward earnings to arrive at a TP of INR2,025. Maintain BUY.

# UltraTech Cement

Estimate change 

TP change 

Rating change 

**CMP: INR12,000 TP: INR13,800 (+15%) Buy**

**Cost efficiency drives EBITDA beat; growth story intact**

**Cost headwinds manageable; leverage comfortable to support growth**

Bloomberg	UTCEM IN
Equity Shares (m)	295
M.Cap.(INRb)/(USD\$b)	3539.1 / 37.6
52-Week Range (INR)	13110 / 10325
1, 6, 12 Rel. Per (%)	3/7/-2
12M Avg Val (INR M)	3337

## Financial Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	885	1,025	1,127
EBITDA	170	192	226
Adj. PAT	83	94	115
EBITDA Margin (%)	19	19	20
Adj. EPS (INR)	281	317	389
EPS Gr. (%)	35	13	23
BV/Sh. (INR)	2,600	2,678	2,916

## Ratios

Net D:E	0.2	0.2	0.2
RoE (%)	11.2	12.0	13.9
RoCE (%)	10.1	10.7	12.1
Payout (%)	85.5	47.3	41.2

## Valuations

P/E (x)	42.8	37.9	30.9
P/BV (x)	4.6	4.5	4.1
EV/EBITDA(x)	21.1	18.9	15.8
EV/ton (USD)	186	173	156
Div. Yield (%)	2.0	1.2	1.3
FCF Yield (%)	1.7	1.5	2.4

## Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	59.3	59.3	59.2
DII	18.5	17.5	16.9
FII	14.3	15.1	15.9
Others	7.9	8.1	8.0

FII includes depository receipts

- UltraTech Cement's (UTCEM) 4QFY26 EBITDA was above our estimate, led by lower opex/t. Consol. EBITDA increased ~21% YoY to INR56.0b (7% beat). EBITDA/t grew ~11% YoY to INR1,253 (est. INR1,148). OPM surged 1.7pp YoY to ~22% (1.8pp above estimate). Adjusted PAT grew ~20% YoY to INR29.9b (~10% beat).

- Management indicated that near-term cost pressures (high fuel, packaging, logistics costs) amid West Asia crises are manageable with mitigation levers such as fuel mix optimization, supplier diversification and benefits from long-term contracts for input materials. The company's cost efficiency initiatives yielded cumulative cost benefits of ~INR185/t in FY25-26, and further gains are expected going ahead. The integration of acquired assets (ICEM and Kesoram) has been completed ahead of schedule, with full brand migration done in Mar'26. Capex is pegged at INR80-100b annually for capacity expansion over the next few years. The balance sheet remains strong, with a net debt-to-EBITDA ratio at <1.0x on a consolidated basis.

- We increase our FY27/FY28 EBITDA estimates by ~5% each, considering better cost efficiencies and integration benefits of acquired assets. Our EPS estimates are raised by ~9%/8% for FY27/28. We value UTCEM at 18x FY28E EV/EBITDA to arrive at a TP of INR13,800. **Reiterate BUY.**

## Sales volume up ~9% YoY; realization rises ~3% YoY to INR5,770

- Consol. revenue/EBITDA/adj. PAT stood at INR258.0b/INR56.0b/INR29.9b (+12%/+21%/+20% YoY and -2%/+7%/+10% vs. our estimates). Sales volume grew ~9% YoY to 44.7mt (-2% vs. estimate). RMC revenue increased ~24% (+13% vs. estimate) and white cement revenue grew ~15% YoY (+26% vs. estimate). Other operating income/t stood at INR74 vs. INR67/INR83 in 4QFY25/3QFY26.

- Blended realization increased ~3% YoY/QoQ (each). Grey cement realization was flat YoY (up ~2% QoQ). Opex/t remained flat YoY (-2% QoQ; ~2% below estimate). Variable/other expenses/staff cost per ton rose ~1% YoY (each), while freight cost/t remained flat YoY. EBITDA/t increased ~11% YoY to INR1,253. Depreciation/interest costs rose ~7%/3% YoY, while other income declined ~14% YoY. ETR was 24.6% vs. 20.1%/24.2% in 4QFY25/3QFY26.

- In FY26, revenue/EBITDA/adj. PAT stood at INR885.1b/INR170.2b/ INR82.7b (up 17%/36%/35% YoY). EBITDA/t grew ~18% YoY to INR1,103. OPM surged 2.7pp YoY to ~19%. In FY26 OCF stood at INR153.2b vs. INR106.7b in FY25. Capex stood at INR96.8b vs. INR91.3b in FY25, while FCF stood at INR56.4b vs. INR15.4b in FY25.

## Highlights from the management commentary

- The company crossed 200mtpa of domestic grey cement capacity, which is the largest in any country, excl. China. It plans to add ~37mtpa capacities in a phased manner to reach ~240mtpa by FY28E.

- Industry volume growth during 4QFY26/FY26 was 6-7%/6.5% YoY and is expected to be at 7-8% in FY27 too, led by infrastructure growth, growing rural demand and PMAY allocation.
- Lead distance stood at 367km in 4Q (down 18km YoY/up 4km QoQ) and 367km in FY26. The green power mix stood at ~43% in 4QFY26 vs. 35.7%/42.1% in 4QFY25/3QFY26 and targets ~85% by FY30.

### Valuation and view

- UTCEM's 4Q performance was ahead of our estimates, mainly driven by better cost savings. The company believes cost headwinds due to the West Asia conflicts are manageable in the near term with multiple levers and partially through the price hike taken so far. We estimate a CAGR of 13%/15%/18% in consolidated revenue/EBITDA/PAT over FY26-28. We estimate its consolidated volume CAGR at ~10% and EBITDA/t of INR1,136/INR1,216 in FY27E/FY28E vs. INR1,103 in FY26. OPM is estimated to expand 80bp to ~20% by FY28 (vs. ~19% in FY26).
- We estimate its net debt at INR178.4b in FY27 (to be peaked out) vs. INR146.9b in FY26. The net debt-to-EBITDA ratio is estimated to remain below 1.0x. We estimate its RoE/RoCE to increase to ~14%/12% by FY28 from ~11%/10% in FY26, backed by a rise in profitability and lower cost for ongoing expansions.
- The stock is currently trading at 19x/16x FY27E/FY28E EV/EBITDA. We value UTCEM at 18x FY28E EV/EBITDA to arrive at a TP of INR13,800. **Reiterate BUY.**

### Consolidated quarterly performance

	FY25				FY26				FY25	FY26	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE	(%)	
<b>Net sales</b>	<b>188.2</b>	<b>162.9</b>	<b>177.8</b>	<b>230.6</b>	<b>212.8</b>	<b>196.1</b>	<b>218.3</b>	<b>258.0</b>	<b>759.6</b>	<b>885.1</b>	<b>262.8</b>	(2)
YoY change (%)	6.1	1.8	6.2	13.0	13.1	20.3	22.8	11.9	7.1	16.5	13.9	
<b>Total expenditure</b>	<b>158.0</b>	<b>142.7</b>	<b>148.8</b>	<b>184.4</b>	<b>168.7</b>	<b>165.1</b>	<b>179.1</b>	<b>202.0</b>	<b>634.0</b>	<b>714.9</b>	<b>210.3</b>	(4)
<b>EBITDA</b>	<b>30.2</b>	<b>20.3</b>	<b>28.9</b>	<b>46.2</b>	<b>44.1</b>	<b>30.9</b>	<b>39.2</b>	<b>56.0</b>	<b>125.6</b>	<b>170.2</b>	<b>52.4</b>	7
YoY Change (%)	-1.1	-20.5	-11.1	12.3	46.2	52.6	35.3	21.3	-3.2	35.5	13.6	
Margins (%)	16.0	12.4	16.3	20.0	20.7	15.8	17.9	21.7	16.5	19.2	20.0	175
Depreciation	9.2	9.8	9.9	11.2	11.1	11.5	11.8	12.1	40.1	46.4	12.2	(1)
Interest	3.3	3.9	4.6	4.8	4.3	4.6	4.9	4.9	16.5	18.7	5.1	(5)
Other income	1.7	2.3	2.5	1.0	1.8	1.7	1.4	0.9	7.4	5.8	1.6	(46)
<b>PBT before EO expense</b>	<b>19.4</b>	<b>8.8</b>	<b>16.9</b>	<b>31.2</b>	<b>30.5</b>	<b>16.6</b>	<b>23.8</b>	<b>39.9</b>	<b>76.4</b>	<b>110.8</b>	<b>36.8</b>	9
Extra-ord expense	0.9	-	-	0.1	0.4	-	0.9	0.1	1.0	1.4	-	
<b>PBT after EO Expense</b>	<b>18.5</b>	<b>8.8</b>	<b>16.9</b>	<b>31.1</b>	<b>30.1</b>	<b>16.6</b>	<b>22.9</b>	<b>39.8</b>	<b>75.4</b>	<b>109.4</b>	<b>36.8</b>	8
Tax	3.6	1.7	3.3	6.3	7.9	4.2	5.5	9.8	14.9	27.4	9.6	
Prior period tax adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Rate (%)	19.6	19.5	19.4	20.1	26.1	25.1	24.2	24.6	19.7	25.0	26.2	
<b>Reported PAT</b>	<b>14.9</b>	<b>7.1</b>	<b>13.6</b>	<b>24.9</b>	<b>22.3</b>	<b>12.4</b>	<b>17.3</b>	<b>30.0</b>	<b>60.5</b>	<b>82.0</b>	<b>27.1</b>	11
Minority interest	0.0	0.1	0.1	0.0	0.0	0.1	0.1	0.2	-0.1	-0.4	-0.1	
<b>Adj. PAT</b>	<b>15.7</b>	<b>7.0</b>	<b>13.6</b>	<b>24.9</b>	<b>22.5</b>	<b>12.3</b>	<b>17.9</b>	<b>29.9</b>	<b>61.2</b>	<b>82.7</b>	<b>27.2</b>	10
YoY change (%)	-7.3	-45.2	-23.5	7.8	44.0	75.2	31.9	20.1	-13.3	35.2	9.1	

# Coal India

Estimate change 

TP change 

Rating change 

**CMP: INR453**

**TP: INR530 (+17%)**

**Buy**

## Beat on earnings; outlook positive

Bloomberg	COAL IN
Equity Shares (m)	6163
M.Cap.(INRb)/(USDb)	2788.6 / 29.6
52-Week Range (INR)	476 / 369
1, 6, 12 Rel. Per (%)	-4/21/15
12M Avg Val (INR M)	3335

### Financials & Valuations (INR b)

Y/E MARCH	2026	2027E	2028E
Sales	1,684	1,771	1,855
Adj. EBITDA	394	453	489
Adj. PAT	329	336	350
EBITDA Margin (%)	23.4	25.5	26.4
Cons. Adj. EPS (INR)	53.3	54.5	56.8
EPS Gr. (%)	(7.5)	2.3	4.1
BV/Sh. (INR)	193.3	219.8	247.4

### Ratios

Net D:E	(0.4)	(0.2)	(0.2)
RoE (%)	26.1	24.8	22.9
RoCE (%)	27.1	24.7	23.0
Payout (%)	50.0	50.0	50.0

### Valuations

P/E (x)	8.5	8.3	8.0
P/BV (x)	2.3	2.1	1.8
EV/EBITDA(x)	6.0	5.5	5.0
Div. Yield (%)	5.9	6.0	6.3
FCF Yield (%)	11.0	0.0	6.1

### Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	63.1	63.1	63.1
DII	22.9	22.7	23.5
FII	8.4	8.2	7.7
Others	5.6	6.0	5.7

- The company has retrospectively restated the FY24/25 financials following an audit-led reassessment of coal levy accounting, shifting certain levies from agent to principal basis. Due to this adjustment, the company has now added the collected cess to revenue and adjusted in other expenses. Adjustments include coal cess equalization balances, correction of capital asset misclassification, deferred tax recognition errors, and regrouping of prior-period expenses.
- Reported revenue for 4QFY26 stood at INR465b (+6% YoY and +10% QoQ).
- Adj. EBITDA (excluding OBR exp) stood at INR123b (+8% YoY and +22% QoQ) against our estimate of INR114b. EBITDA/t improved to INR620/t (+10% YoY and +16% QoQ) vs. our estimate of INR575/t.
- APAT came in at INR108b (+11% YoY and +22% QoQ) against our est. of INR91b during the quarter. The beat was mainly attributed to better operating profit and higher-than-expected other income of INR51b (+30% YoY and +114% QoQ) in 4QFY26.
- Production for 4QFY26 stood at 239mt (+1% YoY and +19% QoQ) and Offtake stood at 199mt (-1% YoY and +6% QoQ).
- E-auction premium for the quarter stood at 36% with volume of 28mt (~14% contribution to total sales volume) vs. 47% with volume of 22mt (~11% contribution to total sales volume) in 4QFY25.
- In FY26, revenue stood flat YoY at INR1,684b, while adj. EBITDA and APAT decline by 9% (INR394b) and 8% YoY (INR329b), respectively.
- The production volume in FY26 declined by 1% YoY to 773mt and offtake was down by 2% YoY at 747mt.
- The board recommended a final dividend of INR5.25/share, subject to approval, totaling INR26.75/share in FY26.

### Valuation and view

- Coal India (COAL) delivered a decent performance, mainly supported by higher e-auction volumes (accounted for ~14% of total volumes). Premium stood at 36% in 4QFY26. We expect COAL to post a 4% volume CAGR in FY26-28E, while a higher share of e-auction volumes with better premium will support overall NSR and margins. This is expected to translate into a CAGR of 5% and 12% in revenue and EBITDA over FY26-28E, respectively.
- The company's focus on increasing coal-washer capacity will improve its market share in domestic coking/non-coking coal. Further, management remains focused on expanding its coal mining operations, which will be funded through internal accruals.
- **At CMP, the stock is trading at 5x on FY28E EV/EBITDA. We reiterate our BUY rating with a TP of INR530, valuing the stock at 6x FY28E EV/EBITDA.**

**Consolidated quarterly performance**
**(INR b)**

Y/E March	FY25				FY26				FY25	FY26	FY26 4QE	Var (%)
	1Q	2Q	3Q	4Q*	1Q	2Q	3Q*	4Q*				
<b>Net Sales</b>	<b>364.6</b>	<b>306.7</b>	<b>368.6</b>	<b>439.6</b>	<b>358.4</b>	<b>301.9</b>	<b>424.4</b>	<b>464.9</b>	<b>1,691.8</b>	<b>1,684.0</b>	<b>389</b>	<b>19.5</b>
Change YoY (%)	1.3	(6.4)	1.9	15.0	(1.7)	(1.6)	15.1	5.8	16.9	(0.5)		
Change QoQ (%)	(4.6)	(15.9)	20.2	19.3	(18.5)	(15.8)	40.6	9.6				
<b>Adj. EBITDA</b>	<b>115.4</b>	<b>71.5</b>	<b>114.8</b>	<b>113.7</b>	<b>111.3</b>	<b>58.5</b>	<b>100.7</b>	<b>123.3</b>	<b>431.0</b>	<b>393.7</b>	<b>114</b>	<b>8.5</b>
Change YoY (%)	3.4	(19.6)	(3.8)	6.8	(3.6)	(18.3)	(12.3)	8.4	(2.6)	(8.7)		
Change QoQ (%)	8.4	(38.0)	60.5	(1.0)	(2.2)	(47.5)	72.3	22.4				
<b>EBITDA per tonne</b>	<b>581.5</b>	<b>425.6</b>	<b>591.5</b>	<b>564.8</b>	<b>582.4</b>	<b>352.1</b>	<b>533.8</b>	<b>619.2</b>	<b>565.6</b>	<b>522.9</b>	<b>575</b>	<b>7.8</b>
Depreciation	19.5	19.0	25.1	27.3	23.1	26.6	22.2	29.5	90.9	101.4		
OBR	(28.0)	(14.6)	(8.3)	(5.6)	(14.0)	(8.7)	(14.6)	(3.4)	(41.0)	(40.7)		
Interest	2.1	2.1	2.3	2.4	2.7	2.9	3.2	3.4	8.8	12.2		
Other Income	18.8	15.1	21.4	39.4	16.2	21.4	23.9	51.3	94.7	112.8		
EO Inc/(Exp)	-	-	-	-	-	-	(22.0)	-	-	(22.0)		
<b>PBT after EO</b>	<b>140.6</b>	<b>80.2</b>	<b>117.2</b>	<b>129.0</b>	<b>115.6</b>	<b>59.1</b>	<b>91.8</b>	<b>145.1</b>	<b>467.0</b>	<b>411.6</b>	<b>124</b>	<b>16.7</b>
Tax	32.0	18.8	33.0	33.3	29.7	18.5	23.1	37.2	117.1	108.5		
Tax Rate (%)	22.8	23.4	28.2	25.8	25.7	31.4	20.3	25.6	25.1	26.4		
<b>PAT before MI &amp; Asso.</b>	<b>108.6</b>	<b>61.4</b>	<b>84.2</b>	<b>95.7</b>	<b>85.9</b>	<b>40.5</b>	<b>68.8</b>	<b>107.9</b>	<b>349.9</b>	<b>303.1</b>		
MI	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.9)	0.1	0.7	(0.6)	(0.2)		
Sh. of Assoc.	0.9	1.4	0.7	1.7	1.4	2.1	2.9	1.2	4.6	7.6		
<b>PAT After MI &amp; Asso.</b>	<b>109.6</b>	<b>62.9</b>	<b>85.1</b>	<b>97.5</b>	<b>87.4</b>	<b>43.5</b>	<b>71.6</b>	<b>108.4</b>	<b>355.1</b>	<b>310.9</b>		
<b>Adjusted PAT</b>	<b>109.6</b>	<b>62.9</b>	<b>85.1</b>	<b>97.5</b>	<b>87.4</b>	<b>43.5</b>	<b>89.2</b>	<b>108.4</b>	<b>355.1</b>	<b>328.6</b>	<b>91</b>	<b>19.5</b>
Change YoY (%)	4.1	(21.9)	(17.0)	13.8	(20.2)	(30.8)	4.9	11.2	(5.1)	(7.5)		
Change QoQ (%)	27.8	(42.6)	35.2	14.7	(10.3)	(50.2)	104.8	21.5				

Source: MOFSL, Company

Note\* – Due to restatements led by change in accounting, the quarterly financials may not add up to the annual financials for FY25/26

**COAL Dispatches (mt) - Subsidiaries wise**

Y/E March	FY25				FY26				YoY %	QoQ %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
ECL	12.5	10.0	11.6	14.4	11.9	9.6	10.9	14.3	(0.7)	31.2
BCCL	9.7	8.8	9.7	9.7	8.9	7.9	8.5	7.3	(24.7)	(14.1)
CCL	22.0	19.8	20.4	22.6	18.2	14.5	19.7	22.8	0.9	15.7
NCL	34.9	30.6	36.3	34.5	33.5	32.5	33.1	33.7	(2.3)	1.8
WCL	18.1	12.6	17.8	19.7	17.6	11.0	14.9	16.2	(17.8)	8.7
SECL	47.3	34.3	42.7	45.8	46.0	37.8	44.9	49.2	7.4	9.6
MCL	52.0	50.1	54.5	52.8	51.8	50.8	54.0	54.3	2.8	0.6
NEC	0.1	0.1	0.1	-	-	0.0	-	0.0	NA	NA
<b>Total</b>	<b>196.6</b>	<b>166.1</b>	<b>193.0</b>	<b>199.7</b>	<b>187.8</b>	<b>164.0</b>	<b>185.9</b>	<b>197.8</b>	<b>(1.0)</b>	<b>6.4</b>

# Lodha Developers

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	LODHA IN
Equity Shares (m)	999
M.Cap.(INRb)/(USDb)	878.6 / 9.3
52-Week Range (INR)	1534 / 651
1, 6, 12 Rel. Per (%)	20/-18/-33
12M Avg Val (INR M)	1999

## Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	166.8	192.2	223.5
EBITDA	49.2	57.1	66.8
EBITDA Margin (%)	29.5	29.7	29.9
PAT	34.3	38.9	47.3
EPS (INR)	34.3	39.0	47.3
EPS Gr. (%)	24.0	13.6	21.4
BV/Sh. (INR)	233.1	266.1	306.4

## Ratios

RoE (%)	14.7	14.6	15.4
RoCE (%)	13.0	13.0	14.3
Payout (%)	12.4	15.4	14.8

## Valuations

P/E (x)	25.6	22.6	18.6
P/BV (x)	3.8	3.3	2.9
EV/EBITDA (x)	19.1	16.2	13.7
Div yld (%)	0.5	0.7	0.8

## Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	72.3	71.9	71.9
DII	4.6	3.2	2.4
FII	21.3	23.5	24.7
Others	1.9	1.5	1.1

**CMP: INR879**      **TP: INR1,150 (+31%)**      **Buy**

## Well-placed for a diversified scale up

### Pre-sales momentum expected to remain healthy

In 4QFY26, Lodha Developers' (LODHA) pre-sales grew by 23% YoY to INR58.9b (in line), supported by sustenance inventory as well as new launches of ~6.7msf (GDV ~INR140b). This was driven by a robust 58% YoY pre-sales growth in the South & Central micro-market (39% contribution). Overall, FY26 pre-sales grew 16% YoY to INR205b, which was a marginal 2% miss on the initial guidance due to slower NRI sales in the luxury segment. For FY27, a launch pipeline of ~15msf (GDV ~INR218b), INR514b unsold inventory (~30months; healthy), and future pipeline of 72msf beyond FY27 can keep the growth engine running for the medium term, even if business development remains muted in the next 2Y. Based on the assumption of the Middle East situation normalizing by 1QFY27-end, the company has guided for 17% YoY pre-sales growth in FY27. **We expect a 16% CAGR in pre-sales to INR275b during FY26-28E**, with an improving regional diversification, as the NCR project is also expected to be launched in 4QFY27/1QFY28.

### Business development acceleration improves growth visibility

The company sharply accelerated its business development with the addition of INR601b GDV in FY26, which is equivalent to 75% of the total BD done during FY22-25. However, this has come along with regional diversification, as ~27% of the BD in FY26 came from outside MMR: NCR (INR33b; 2 projects), Bengaluru (INR106b; 2 projects), and Pune (INR25b; 1 project). Given the aggressive BD in FY26, new additions are expected to be more selective and slower over the next 2Y. However, the company currently has ~INR2t GDV available for sale (excluding long-term township land), which lends comfort on growth visibility over the medium term.

### Strong collections growth; leverage well under control

In 4QFY26, collections grew by 18% YoY to INR52b, supporting healthy OCF of ~INR30b. Net debt reduced by INR8b QoQ to INR54b (net D/E @0.23x). In FY26, despite INR68b deployment toward growth in DevCo and INR6.8b in RentCo, net debt increased by ~INR14b, given the strong ~INR71b OCF generation. With moderating BD in the next 2Y, LODHA expects strong FCF generation. DevCo is also expected to deleverage toward a net debt-zero position over the medium term, while internal accruals and proceeds from land sale would be deployed toward the scale-up of the data center business.

### Financial performance

In 4QFY26, LODHA's revenue grew 12% YoY to INR47b. EBITDA grew by 16% YoY to INR14b, while EBITDA margin was at 30%. Adjusted EBITDA grew 13% YoY to INR16.5b, whereas margin was at 34%. Adjusted PAT was broadly flattish YoY at INR10.1b (20% margin). In FY26, revenue grew by 21% YoY to INR166.8b. EBITDA grew by 23% YoY to INR49.2b, with EBITDA margin at 30%. Adjusted PAT grew by 24% YoY to INR34b, with a 21% margin. The company expects a 20% CAGR in PAT to INR85b+ during FY26-31.

## Valuation and view

- Along with an increasing scale, LODHA has showcased its ability to diversify well regionally outside the MMR, which is expected to increase the opportunity size, derisk the operational performance, and improve growth visibility over the medium term. Further, the disciplined cash flow generation has ensured the continued addition of new projects to the portfolio vis-à-vis keeping leverage well under control and balance sheet strength under check. On the back of pre-sales performance as well as project execution, we expect collections growth and OCF generation to remain strong over the next 2-3Y. Scale up in the commercial segment and data center businesses would offer additional avenues for growth over the medium term.
- The company is trading at a 29% discount to its residential segment NAV. We have valued the Devco at its NAV, whereas the annuity business is on 7.5% cap rate.
- **We have a BUY recommendation with a TP of INR1,150.**

## Quarterly performance

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Gross Sales</b>	<b>28,465</b>	<b>26,257</b>	<b>40,830</b>	<b>42,243</b>	<b>34,917</b>	<b>37,985</b>	<b>46,725</b>	<b>47,135</b>	<b>1,37,795</b>	<b>1,66,762</b>
YoY Change (%)	76	50	39	5	23	45	14	12	33.6	21.0
Total Expenditure	20,897	19,211	27,771	30,036	25,073	26,897	32,574	33,009	97,915	1,17,553
<b>EBITDA</b>	<b>7,568</b>	<b>7,046</b>	<b>13,059</b>	<b>12,207</b>	<b>9,844</b>	<b>11,088</b>	<b>14,151</b>	<b>14,126</b>	<b>39,880</b>	<b>49,209</b>
Margins (%)	26.6	26.8	32.0	28.9	28.2	29.2	30.3	30.0	28.9	29.5
<b>Adj. EBITDA (as per co.)</b>	<b>9,600</b>	<b>9,600</b>	<b>15,900</b>	<b>14,600</b>	<b>12,000</b>	<b>13,100</b>	<b>14,900</b>	<b>16,500</b>	<b>49,600</b>	<b>56,500</b>
Margins (%)	33.7	36.6	38.9	34.6	34.4	34.5	31.9	35.0	36.0	33.9
Depreciation	604	665	672	778	659	714	975	1,106	2,719	3,454
Interest	1,172	1,365	1,441	1,517	1,478	1,565	1,850	1,674	5,495	6,567
Other Income	718	589	636	1,960	1,330	804	1,029	1,270	3,903	4,433
<b>PBT before EO expense</b>	<b>6,510</b>	<b>5,605</b>	<b>11,582</b>	<b>11,872</b>	<b>9,037</b>	<b>9,613</b>	<b>12,355</b>	<b>12,616</b>	<b>35,569</b>	<b>43,621</b>
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
<b>PBT</b>	<b>6,510</b>	<b>5,605</b>	<b>11,582</b>	<b>11,872</b>	<b>9,037</b>	<b>9,613</b>	<b>12,355</b>	<b>12,616</b>	<b>35,569</b>	<b>43,621</b>
Tax	1,747	1,368	2,137	2,637	2,284	1,710	2,854	2,558	7,889	9,406
Rate (%)	26.8	24.4	18.5	22.2	25.3	17.8	23.1	20.3	0.2	0.2
Minority Interest & Profit/Loss of Asso. Cos.	10	8	1	18	6	16	-68	-21	37	-67
<b>Reported PAT</b>	<b>4,753</b>	<b>4,229</b>	<b>9,444</b>	<b>9,217</b>	<b>6,747</b>	<b>7,887</b>	<b>9,569</b>	<b>10,079</b>	<b>27,643</b>	<b>34,282</b>
<b>Adj PAT (as per co.)</b>	<b>4,753</b>	<b>4,229</b>	<b>9,444</b>	<b>9,217</b>	<b>6,747</b>	<b>7,887</b>	<b>9,569</b>	<b>10,079</b>	<b>27,643</b>	<b>34,282</b>
YoY Change (%)	166	109	55	38	42	86	1	9	67.1	24.0
Margins (%)	16.7	16.1	23.1	21.8	19.3	20.8	20.5	21.4	20.1	20.6

E: MOFSL Estimates

## Key operational performance

Key metrics	FY25				FY26				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Sale Value (INRb)	40.3	42.9	45.1	48.1	44.5	45.7	56.2	58.9	176	205
Collections (INRb)	26.9	30.7	42.9	44.4	28.8	34.8	35.6	52.3	145	152
Net debt (INRb)	43.2	49.2	43.2	39.9	50.8	53.7	61.7	53.8	39.9	53.8

# AU Small Finance Bank

Estimate change	↔
TP change	↑
Rating change	↔

**CMP: INR1,043**      **TP: INR1,275 (+22%)**      **Buy**

## Business momentum robust; well poised for RoA expansion

### NIM expands 24bp QoQ

Bloomberg	AUBANK IN
Equity Shares (m)	747
M.Cap.(INRb)/(USDb)	780.5 / 8.3
52-Week Range (INR)	1080 / 655
1, 6, 12 Rel. Per (%)	13/28/54
12M Avg Val (INR M)	2537

### Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	91.1	116.6	145.0
PPoP	50.9	64.8	81.7
PAT	26.4	37.4	48.7
NIM (%)	5.2	5.5	5.5
EPS (INR)	35.4	49.8	64.8
EPS Gr. (%)	18.8	40.9	30.0
BV/Sh. (INR)	264	310	373
ABV/Sh. (INR)	258	300	361

### Ratios

RoA (%)	1.5	1.8	1.9
RoE (%)	14.4	17.4	19.0

### Valuations

P/E(X)	29.5	20.9	16.1
P/BV (X)	4.0	3.4	2.8
P/ABV (X)	4.0	3.5	2.9

### Shareholding pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	22.8	22.8	22.9
DII	31.3	31.3	27.2
FII	37.3	36.5	35.6
Others	8.7	9.5	14.4

FII includes depository receipts

■ **AU Small Finance Bank (AUBANK) delivered a healthy performance in 4QFY26, characterized by a healthy uptick in NIM, as well as lower-than-expected provisions. Business growth was robust at 24% YoY/9.6% QoQ.**

■ AUBANK's 4QFY26 PAT stood at INR8.3b, up 65% YoY (5% beat), led by healthy NII and a sharp decline in provisions.

■ NII came in at INR25.8b, up 23% YoY (in line). NIMs expanded 24p QoQ to 5.96%. The bank sustained industry-leading growth at 25% YoY/9% QoQ.

■ Asset quality improved, with slippages declining 17% QoQ. GNPA/NNPA ratios declined to 2.03%/0.74% (down 27bp/14bp QoQ). PCR improved to 64% from 62% in 3QFY26.

■ Credit costs declined to 0.6% (0.96% for FY26). Provisions were lower at INR2.7b (20% below our est., down 19% QoQ).

■ **We fine-tune our earnings and estimate a PAT CAGR of 35% over FY27-28E. AUBANK remains our top pick among mid-size private banks. Reiterate BUY with a TP of INR1,275 (premised on 3.4x Sep'27E BV).**

### Robust growth outlook; FY27E credit costs guided at 0.9%

■ AUBANK's 4QFY26 PAT grew by 65% YoY/25% QoQ (5% beat), aided by lower-than-expected provisions and healthy NII growth.

■ NII grew 23.3% YoY/10.3% QoQ to INR25.8b (in line), as NIM expanded 24bp QoQ to 5.96%. This growth was led by CoF reduction, lower day count, and lower interest reversals.

■ Provisions were lower at INR2.7b (20% lower than MOFSLe), while the quarterly credit cost ratio dipped to 15bp from 19bp in 3Q. PCR improved to 64.1% from 62.1% in 3QFY26.

■ Other income was lower at INR7.3b (8% lower vs. MOFSLe; up 1% QoQ), as the bank reported a minor treasury loss in 4Q. Opex grew 26% YoY/6% QoQ to INR19.6b (in line). The C/I ratio thus dipped to 59.2% (down 114bp QoQ).

■ Advances grew 25.4% YoY/ 8.8% QoQ, led by commercial banking (29% YoY/ 11.6% QoQ), and Retail secured (up 21% YoY/ 5.7% QoQ). The unsecured business grew 7% QoQ, fueled by MFI.

■ Bank guides for 2.2-2.5x nominal GDP growth, translating to 22-25% growth in FY27E, aided by favorable macro and strong execution.

■ Deposit growth was strong at 22.8% YoY/10.3% QoQ, while the CASA book grew 19.6% YoY/8.6% QoQ. As a result, the CASA ratio stood at 28%. The CD ratio declined to 88% from 89.2% in 3Q.

■ Slippages declined 17% QoQ to INR6.6b in 4Q, aided by improved asset quality across segments. GNPA/NNPA ratios declined to 2.03%/0.74%. The bank reported a lower credit cost of 15p (FY26 credit cost at 96bp) and has stated FY27E full-year guidance at 0.9%.

### Highlights from the management commentary

- AUBANK's 4Q is typically a seasonal quarter and better for credit costs. The bank targets credit costs of ~90bp for FY27E.
- The 1.8% RoA reported in 4QFY26 is partly seasonal. The bank aims to sustain ~1.8% RoA in FY27E. The key levers include improvement in the opex-to-assets ratio and moderation in credit costs, which are expected to be lower on a full-year basis.
- CoF has likely bottomed out, with repricing offset by recent increases in deposit rates.
- Overall, the bank continues to target sustainable growth of ~2.0-2.5x India's GDP growth.

### Valuation and view

- AUBANK delivered a strong quarter, supported by robust growth, 24bp QoQ NIM expansion, and a sharp decline in credit costs. Margin expansion was driven by lower cost of funds, an improved asset mix, favorable day-count impact, lower interest reversals, and partial benefit from tax reversals. Growth continues to remain among the best in the industry, supported by a high-yielding asset mix and strong momentum. We remain constructive on the bank's underlying growth trajectory. Operating expenses are expected to moderate, leading to a decline in the C/I ratio towards ~56-57% over FY27-28E.
- Asset quality trends remain encouraging, with stress levels easing and a recovery visible in the unsecured portfolio. With NIM expansion, normalization in credit costs, and sustained business growth, we expect AUBANK to deliver best-in-class earnings growth in the medium term. **We broadly retain our earnings estimates and expect a PAT CAGR of 35% over FY27-28. AUBANK remains our top pick among mid-size private banks. Reiterate BUY with a TP of INR1,275 (based on 3.4x Sep'27E BV).**

### Quarterly performance

(INR b)

	FY25				FY26				FY26	FY27E	FY26E	v/s Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Interest Income</b>	<b>19.2</b>	<b>19.7</b>	<b>20.2</b>	<b>20.9</b>	<b>20.4</b>	<b>21.4</b>	<b>23.4</b>	<b>25.8</b>	<b>91.1</b>	<b>116.6</b>	<b>26</b>	<b>1.2</b>
% Change (Y-o-Y)	54.1	58.1	52.7	56.6	6.5	8.6	15.7	23.3	13.7	27.9	-68.2	
Other Income	5.1	6.4	6.2	7.6	8.1	7.1	7.2	7.3	29.8	35.3	8	-7.9
<b>Total Income</b>	<b>24.3</b>	<b>26.1</b>	<b>26.4</b>	<b>28.5</b>	<b>28.6</b>	<b>28.6</b>	<b>30.7</b>	<b>33.1</b>	<b>120.9</b>	<b>151.9</b>	<b>33</b>	<b>-0.9</b>
Operating Expenses	14.8	14.8	14.4	15.6	15.4	16.5	18.5	19.6	70.0	87.1	19	0.6
<b>Operating Profit</b>	<b>9.5</b>	<b>11.3</b>	<b>12.0</b>	<b>12.9</b>	<b>13.1</b>	<b>12.1</b>	<b>12.2</b>	<b>13.5</b>	<b>50.9</b>	<b>64.8</b>	<b>14</b>	<b>-3.1</b>
% Change (Y-o-Y)	74.3	80.0	83.4	94.6	37.9	6.9	0.9	4.6	11.1	27.4	-69.5	
Provisions	2.8	3.7	5.0	6.4	5.3	4.8	3.3	2.7	16.1	15.2	3	-20.4
<b>Profit before Tax</b>	<b>6.7</b>	<b>7.6</b>	<b>7.0</b>	<b>6.6</b>	<b>7.8</b>	<b>7.3</b>	<b>8.8</b>	<b>10.8</b>	<b>34.7</b>	<b>49.7</b>	<b>11</b>	<b>2.4</b>
Tax	1.7	1.9	1.7	1.5	2.0	1.7	2.2	2.5	8.3	12.3	3	-4.6
<b>Net Profit</b>	<b>5.0</b>	<b>5.7</b>	<b>5.3</b>	<b>5.0</b>	<b>5.8</b>	<b>5.6</b>	<b>6.7</b>	<b>8.3</b>	<b>26.4</b>	<b>37.4</b>	<b>8</b>	<b>4.7</b>
% Change (Y-o-Y)	29.9	42.1	40.8	35.9	15.6	(1.8)	26.3	65.2	25.4	41.4	-62.3	
<b>Operating Parameters</b>												
Deposit (INR b)	972.9	1,096.9	1,122.6	1,242.7	1,277.0	1,325.1	1,384.2	1,526.6	1,526.6	1,883.8	1,470.1	
Loan (INR b)	896.5	948.4	995.6	1,070.9	1,098.3	1,157.0	1,234.2	1,342.8	1,342.8	1,674.4	1,315.1	
Deposit Growth (%)	40.4	44.8	40.1	42.5	31.3	20.8	23.3	22.8	22.8	23.4	18.3	
Loan Growth (%)	42.6	47.8	49.2	46.4	22.5	22.0	24.0	25.4	25.4	24.7	22.8	
<b>Asset Quality</b>												
GNPA (%)	1.8	2.0	2.3	2.3	2.5	2.4	2.3	2.0	2.1	2.1	2.3	
NNPA (%)	0.6	0.8	0.9	0.7	0.9	0.9	0.9	0.7	0.7	0.8	0.9	
PCR (%)	65.1	62.8	61.2	68.1	64.7	64.2	62.1	64.1	66.9	60.4	61.3	

E: MOFSL Estimates

# Bajaj Housing Finance

Estimate changes	↔
TP change	↑
Rating change	↔

**CMP: INR91**      **TP: INR100 (+10%)**      **Neutral**  
**Higher NIM contraction; competitive intensity still elevated**

Bloomberg	BAJAJHFL IN
Equity Shares (m)	8332
M.Cap.(INRb)/(USDb)	758.8 / 8.1
52-Week Range (INR)	129 / 73
1, 6, 12 Rel. Per (%)	14/-10/-27
12M Avg Val (INR M)	891

## Financials Snapshot (INR b)

INR b	FY26	FY27E	FY28E
NII	37.5	44.0	53.4
PPP	35.2	41.6	51.2
PAT	25.7	31.1	37.7
EPS (INR)	3.1	3.7	4.5
EPS Gr. (%)	19	21	22
BV/Sh. (INR)	27	31	35

## Ratios (%)

NIM	3.4	3.2	3.2
C/I ratio	19.7	19.3	18.2
RoA	2.2	2.2	2.2
RoE	12.1	12.9	13.7

## Valuation

P/E (x)	29.5	24.4	20.1
P/BV (x)	3.4	3.0	2.6
Div. Yield (%)	0.0	0.0	0.0

## Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	86.7	86.7	88.8
DII	1.2	1.4	0.7
FII	1.0	1.0	1.1
Others	11.1	10.9	9.4

FII Includes depository receipts

## Earnings in line; asset quality robust

- Bajaj Housing's (BHFL) 4QFY26 PAT grew 14% YoY to ~INR6.7b (in line). FY26 PAT grew ~19% YoY to INR25.7b. NII in 4QFY26 grew 15% YoY to ~INR9.5b (~5% miss). Other income grew 46% YoY to ~INR2b (~34% beat). NTI grew ~19% YoY to INR11.4b (in line).
- Opex rose ~6% YoY to INR2.2b (~6% lower than est.), and PPOp grew 23% YoY to INR9.2b (in line). FY26 PPOp grew ~24% YoY to ~INR35.2b.
- Net credit costs stood at INR555m (7% higher than est.), which translated into annualized credit cost of ~18bp (PQ: ~20bp and PY: ~12bp). Reported RoA/RoE in 4QFY26 stood at ~2.3%/12.2%.
- BHFL continues to pursue an aggressive but calibrated growth strategy, with a clear intent to sustain expansion at roughly twice the industry pace. The growth momentum is expected to be increasingly led by non-HL segments, which are scaling faster than traditional home loans due to their higher return profile and greater portfolio flexibility via sell-down opportunities.
- The company is sharpening its focus on both near-prime housing and the affordable housing segment under the Sambhav initiative, which is steadily scaling and is expected to reach meaningful disbursement run-rate over the next year. While home loan growth may remain relatively moderate due to elevated balance transfers, total AUM growth will be supported through diversification across product lines and active portfolio management.
- Margins are expected to remain stable in the near term but may gradually moderate since the disbursement yields are lower than portfolio yields. Mild yield compression is likely in early FY27 due to the competitive pricing and a higher proportion of home loans and LRD. CoF remains well managed, supported by a diversified borrowing base, though some upward pressure cannot be ruled out depending on money market interest rates.
- Management highlighted that the operating environment remains highly competitive, with strong participation from PSU banks and large private lenders, leading to persistent pricing pressure across segments. Banks continue to remain the pricing setter in mortgages, and BT-Outs continue to remain structurally high (~10%) despite a stable policy rate environment.
- We continue to believe in management's ability to drive profitability improvement, supported by a healthy AUM CAGR of 22% over FY26-28E, broadly steady NIMs, and benign credit costs. We expect BHFL to deliver strong AUM growth, but rising competition from PSU banks and higher BT-OUTs may push BHFL to cut its lending rates, which could exert pressure on NTI. We estimate BHFL to post a CAGR of 22%/21% in AUM/PAT over FY26-28E and RoA/RoE of ~2.2%/14% in FY28E. **Reiterate Neutral with a TP of INR100 (based on 2.8x FY28E BVPS).**

### Yield compression drives moderation in spreads despite stable CoF

- Reported yields declined ~20bp QoQ to ~8.9%, and CoB remained stable at ~7.3%, leading to ~10bp QoQ decline in spreads to ~1.7%.
- Reported NIM in 4QFY26 declined ~20bp QoQ to ~3.8%.
- Overall spreads are being influenced by two offsetting forces, declining acquisition yields in certain segments and efficiency gains from strong fee and assignment income, which have helped cushion margin contraction more than initially anticipated. **We expect BHFL to deliver an NIM of ~3.2% in FY27/28E.**

### Strong AUM momentum led by broad-based growth

- AUM grew 23% YoY to ~INR1.4t, while 4QFY26 disbursements grew ~23% YoY to ~INR175b. Within the housing finance strategy, the Sambhav affordable housing portfolio has reached ~INR50b in AUM and is currently seeing steady disbursements of ~INR4.1-4.25b per month, with management targeting ~INR6b monthly run-rate over the next 12 months.
- We expect BHFL to deliver an AUM CAGR of ~22% over FY26-28.

### Stable asset quality with a conservative provisioning buffer

- Asset quality was largely stable with GS3/NS3 at 0.3%/0.1%. PCR rose ~1pp QoQ to ~59.8%. (PQ: ~58.8%). Early delinquency indicators, including bounce rates, are showing a consistent improvement, indicating improving borrower behavior across segments. Importantly, no micro-level stress has been observed across any portfolio, and trends, including recent monthly data, remain stable.
- As a prudent measure, Stage 2 PCR has been increased despite the absence of any specific stress triggers, reflecting a conservative stance considering broader macro uncertainty. Overall, asset quality remains stable, well-controlled, and resilient across cycles. We model credit costs of ~13bp/~16bp for FY27/FY28E.

### Highlights from the management commentary

- Incremental yields remain competitive, with home loans at ~8.5-8.6%, LAP at ~9%, and developer finance at ~11.75%.
- The branch network expanded to 226 branches across 182 locations, supporting growth and distribution reach.

### Valuation and view

- BHFL is a strong franchise, well-positioned to navigate rising competition and a declining interest rate environment while maintaining healthy growth and profitability. However, the company continues to face increasing competitive pressure from banks, which are leading the pricing across product segments. This may result in some near-term margin contraction as BHFL prioritizes growth and market share.
- Given these dynamics, the current valuation of 3x FY27E already reflects its medium-term growth and profitability potential. We reiterate a Neutral rating on the stock with a TP of INR 100 (based on 2.8x FY28E BVPS).

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

Particulars	FY25				FY26				FY25	FY26	4Q FY26E	v/s Est.
	1QF	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	20,635	22,269	23,220	23,737	24,926	26,144	26,973	27,073	89,862	1,05,116	27,892	-3
Interest expense	13,988	15,137	15,159	15,509	16,060	16,580	17,335	17,620	59,793	67,594	17,968	-2
<b>Net interest income</b>	<b>6,648</b>	<b>7,133</b>	<b>8,060</b>	<b>8,228</b>	<b>8,866</b>	<b>9,565</b>	<b>9,638</b>	<b>9,453</b>	<b>30,069</b>	<b>37,522</b>	<b>9,923</b>	<b>-5</b>
Growth YoY (%)	9.7	13.0	24.9	30.9	33.4	34.1	19.6	14.9	19.7	24.8	20.6	
Other operating income	1,452	1,833	1,270	1,343	1,259	1,406	1,887	1,954	5,898	6,387	1,455	34
<b>Net total income</b>	<b>8,100</b>	<b>8,966</b>	<b>9,331</b>	<b>9,571</b>	<b>10,125</b>	<b>10,970</b>	<b>11,525</b>	<b>11,407</b>	<b>35,967</b>	<b>43,909</b>	<b>11,378</b>	<b>0</b>
Growth YoY (%)	15.3	17.9	25.1	33.4	25.0	22.4	23.5	19.2	23.0	22.1	18.9	
Operating expenses	1,701	1,840	1,846	2,078	2,145	2,147	2,316	2,194	7,464	8,671	2,331	-6
<b>Operating profits</b>	<b>6,399</b>	<b>7,126</b>	<b>7,485</b>	<b>7,493</b>	<b>7,980</b>	<b>8,823</b>	<b>9,209</b>	<b>9,214</b>	<b>28,503</b>	<b>35,238</b>	<b>9,047</b>	<b>2</b>
Growth YoY (%)	20.1	20.1	30.8	43.1	24.7	23.8	23.0	23.0	28.3	23.6	20.7	
Provisions	100	50	355	296	411	497	564	555	801	1,907	520	7
<b>Profit before tax</b>	<b>6,299</b>	<b>7,076</b>	<b>7,130</b>	<b>7,198</b>	<b>7,569</b>	<b>8,327</b>	<b>8,645</b>	<b>8,659</b>	<b>27,702</b>	<b>33,332</b>	<b>8,528</b>	<b>2</b>
Tax expenses	1,473	1,620	1,650	1,331	1,736	1,897	1,997	1,967	6,073	7,597	1,579	25
<b>Net profit</b>	<b>4,826</b>	<b>5,456</b>	<b>5,480</b>	<b>5,867</b>	<b>5,833</b>	<b>6,430</b>	<b>6,649</b>	<b>6,692</b>	<b>21,629</b>	<b>25,735</b>	<b>6,948</b>	<b>-4</b>
Growth YoY (%)	4.5	20.9	25.4	53.8	20.9	17.8	21.3	14.1	24.9	19.0	18.4	
<b>Key Parameters (%)</b>												
Reported Yields	9.8	9.9	9.8	9.7	9.50	9.3	9.1	8.9				
Reported Cost of funds	7.9	7.9	7.9	7.9	7.70	7.4	7.3	7.3				
Spread	1.9	1.9	1.9	1.8	1.80	1.9	1.8	1.7				
Reported NIMs	3.9	4.1	4.0	4.0	4.0	4.0	4.0	3.8				
Credit cost on loans	0.0	0.0	0.15	0.12	0.16	0.18	0.20	0.18				
Cost to Income Ratio (%)	21.0	20.5	19.8	21.7	21.2	19.6	20.1	19.2				
Tax Rate (%)	23.4	22.9	23.1	18.5	22.9	22.8	23.1	22.7				
<b>Balance Sheet Parameters</b>												
<b>AUM (INR B)</b>	<b>971</b>	<b>1,026</b>	<b>1,083</b>	<b>1,147</b>	<b>1,204</b>	<b>1,267</b>	<b>1,334</b>	<b>1,407</b>				
Change YoY (%)	31.0	26.3	26.1	25.5	24.1	23.6	23.2	22.7				
<b>Loans (INR B)</b>	<b>853</b>	<b>899</b>	<b>956</b>	<b>995</b>	<b>1,059</b>	<b>1,131</b>	<b>1,173</b>	<b>1,237</b>				
% of AUM	87.9	87.6	88.2	86.8	88.0	89.2	87.9	87.9				
<b>Disbursements (INR B)</b>	<b>120</b>	<b>120</b>	<b>126</b>	<b>143</b>	<b>147</b>	<b>159</b>	<b>165</b>	<b>175</b>				
Change YoY (%)	15.6	-1.2	17.2	25.1	22.1	32.5	31.6	22.8				
<b>Borrowings (INR B)</b>	<b>733</b>	<b>745</b>	<b>792</b>	<b>820</b>	<b>885</b>	<b>941</b>	<b>983</b>	<b>1,037</b>				
Change YoY (%)	25.3	19.3	24.3	18.6	20.7	26.4	24.1	26.5				
<b>Asset Quality (%)</b>												
<b>GS 3 (INR M)</b>	<b>2,360</b>	<b>2,580</b>	<b>2,810</b>	<b>2,870</b>	<b>3,150</b>	<b>2,980</b>	<b>3,190</b>	<b>3,300</b>				
G3 %	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3				
<b>NS 3 (INR M)</b>	<b>960</b>	<b>1,090</b>	<b>1,250</b>	<b>1,140</b>	<b>1,380</b>	<b>1,320</b>	<b>1,870</b>	<b>1,330</b>				
NS3 %	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1				
PCR (%)	59.3	57.8	55.5	<b>60.3</b>	56.2	55.6	58.8	<b>59.8</b>				
ECL (%)	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6				
<b>Return Ratios - YTD (%)</b>												
ROA (Rep)	2.3	2.5	2.4	2.4	2.3	2.3	2.3	2.3				
ROE (Rep)	14.3	13.0	11.5	12.1	11.6	12.2	12.3	12.2				

E: MOFSL Estimates

# L&T Finance

Estimate changes	↔
TP change	↑
Rating change	↔

**CMP: INR288**      **TP: INR350 (+22%)**      **Buy**

## Healthy quarter fueled by strong growth and declining credit costs

Bloomberg	LTF IN
Equity Shares (m)	2503
M.Cap.(INRb)/(USD\$b)	720.8 / 7.7
52-Week Range (INR)	329 / 156
1, 6, 12 Rel. Per (%)	9/15/66
12M Avg Val (INR M)	1891

### Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
Total Income	99.0	122.1	146.0
PPP	67.4	83.9	100.6
PAT	29.8	39.0	49.1
EPS (INR)	11.9	15.6	19.6
EPS Gr. (%)	12.4	30.6	25.9
BV/Sh. (INR)	112	125	140

### Ratios

NIM (%)	9.4	9.4	9.4
C/I ratio (%)	39.8	38.9	38.6
RoAA (%)	2.3	2.5	2.6
RoE (%)	11.1	13.2	14.8
Payout (%)	23.1	25.0	25.0

### Valuation

P/E (x)	24.2	18.5	14.7
P/BV (x)	2.6	2.3	2.1
Div. Yield (%)	1.0	1.4	1.7

### Shareholding pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	66.0	66.0	66.2
DII	14.9	15.3	13.3
FII	7.6	6.7	5.5
Others	11.5	12.0	15.0

FII includes depository receipts

### ECL model refresh leads to lower PCR on S3; Lakshya 2031 targets announced

- L&T Finance (LTF)'s reported 4QFY26 PAT grew 27% YoY to INR8.1b (in line), and FY26 PAT grew 13% YoY to INR29.8b. NII in 4QFY26 grew ~25% YoY to INR26.8b (in line).
- Opex grew ~20% YoY to ~INR12b (in line). The cost-to-income ratio rose ~30bp QoQ to ~39.7% (PQ: ~39.4%). PPOP in 4QFY26 grew ~28% YoY to ~INR18.2b (in line), and FY26 PPOP grew 13% YoY to INR67.4b. Credit costs stood at INR7.5b (in line). Reported credit costs dipped to 2.64% (PQ: 2.83%), a reduction of ~20bp QoQ. Slippage continued to decline with slippages of INR4b in 4QFY26 (PQ: INR6b).
- In line with its annual ECL model refresh, LTF recalibrated PD and LGD assumptions and updated forward-looking risk parameters. This resulted in an ~INR3b release of provisions (INR2.9b from S3 and INR110m from S2), which was redeployed into Stage 1, enhancing coverage on S1 to ~80bp (PQ: ~60bp). The S3 PCR declined to 68% (PQ: 73%) but is adequate as per the company management and the ECL model. The overall adjustment was P&L neutral, and the balance sheet was further strengthened.
- Management expects FY27 to mark the start of consistent, high-quality growth, driven by strong demand across rural, urban, and gold loan segments, with a continued focus on quality-led expansion. Despite external shocks such as the West Asia crisis and potential El Niño impact, LTF remains confident of sustaining healthy, risk-calibrated growth and profitability.
- The company outlined its Lakshya 2031 goals, targeting 20%+ AUM growth, credit costs below 2%, RoA of 3.0-3.2%, and RoE of 16-18%, with a strong emphasis on tech-led execution, granular expansion, and strengthening both core and emerging businesses.
- We estimate a CAGR of ~21% in the loan book and ~28% in PAT over FY26-FY28E, with consolidated RoA/RoE of 2.6%/~15% in FY28E. We expect LTF to deliver a structural improvement in profitability and RoA from FY27 onward. **Reiterate BUY with a TP of INR350 (based on 2.5x Mar'28E BVPS).**

### NIM improves ~20bp QoQ; CoB (reported) declines ~8bp QoQ

- Reported NIM improved ~20bp QoQ to 8.8%. However, NIM + fees rose ~6bp QoQ to ~10.5%. Spreads (calc.) declined ~10bp QoQ to ~8.4%. Yields (calc.) declined ~30bp QoQ to ~15%, while CoF (calc.) declined ~20bp QoQ to 6.6%. Reported CoB declined ~8bp QoQ to 7.17% in 4QFY26.
- Management shared that disbursement yields continue to remain higher than portfolio yields, primarily driven by a favorable product mix, and it expects NIM + fees income to remain stable in the ~10.0-10.5% range. We expect LTF to deliver a stable NIM (calc.) of ~9.4% each in FY27/FY28E.

### Asset quality improves significantly; retail GS3 declines to ~2.5%

- Consol. GS3 declined ~30bp QoQ to ~2.9% while NS3 rose ~5bp QoQ to ~0.96%. PCR declined ~460bp QoQ to ~67.3%. Retail GS3 declined ~30bp QoQ to 2.5%.
- Management indicated that asset quality remains stable across segments, with no visible stress in rural, SME, or 2W portfolios, while maintaining a cautious stance in urban SME and personal loans amid ongoing West Asia uncertainties. We expect credit costs for LTF to decline gradually from ~2.6% in FY26 to ~2.3% in FY28E.

### Retail loans grow 26% YoY; strong momentum across all product segments

- Disbursements grew 62% YoY to INR241b in 4QFY26. Growth in secured disbursements was led by 2W Finance, which stood at INR29.3b and grew 58% YoY. Gold Finance disbursements stood at INR27.8b in 4Q. Personal loan disbursements stood at INR37.9b with increased focus on big tech partnerships. Rural business finance disbursements rose 41% YoY and 7% QoQ to INR72.1b.
- The total loan book grew ~24.5% YoY and ~6% QoQ to ~INR1.22t. Wholesale loans declined to ~INR22b (PY: INR25.8b). Retail assets contributed ~98% to the loan mix. Retail loans grew ~26% YoY, led by healthy growth in MFI, 2W, SME, LAP, and personal loans. Personal loans exhibited robust growth of ~14% QoQ and 70% YoY. Rural Business Loans (MFI) grew ~6% QoQ, LAP grew ~9% QoQ, and SME grew at 7% QoQ.

### MFI collection efficiency improves during the quarter

- MFI collection efficiency (0-90dpd) was ~99.2% in Mar'26 (98.7% in Dec'25).
- Only ~1.6% (PQ: ~2.4%) of LTF customers have loans from 4 or more lenders (including LTF). There were improvements across PAR1-30, PAR31-60, and PAR61-90 cohorts.

### Highlights from management commentary

- Management shared that improvement in credit costs will be driven by sharper customer selection through the Cyclops underwriting engine, initially deployed in higher-risk segments such as 2W, tractors, and SME, with early trends encouraging and reflecting a strong shift toward prime customers alongside healthy origination growth.
- The company is undertaking aggressive distribution expansion, with plans to add 400-500 gold loan branches (including ~100 Sampoorna branches), along with 150-200 each of micro-loan and micro-LAP branches, significantly expanding its physical distribution footprint.

### Valuation and view

- LTF's 4QFY26 earnings were in line, with strong disbursement leading to healthy retail loan growth. Asset quality improved significantly during the quarter, resulting in sequentially lower credit costs. It also benefited from lower borrowing costs, aided by better treasury management and policy rate cuts, which contributed to a healthy expansion in NIM. The company also announced its Lakshya 2031 goals, which suggest potential for significant improvements in credit costs and return metrics over the coming years.
- LTF currently trades at 2.3x FY27E P/B. We estimate a CAGR of ~21% in the loan book and ~28% in PAT over FY26-28E, with consolidated RoA/RoE of 2.6%/15% in FY28E. We expect LTF to deliver a structural improvement in profitability and RoA from FY27 onward. **Reiterate BUY with a TP of INR350 (based on 2.5x Mar'28E BVPS).**

**Quarterly performance**

(INR m)

Y/E March	FY25				FY26E				FY25	FY26	4Q FY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	34,526	36,544	38,064	37,499	39,145	40,374	42,401	44,240	1,46,633	1,66,160	44,712	-1
Interest Expenses	13,514	14,763	15,692	15,998	16,357	16,343	17,030	17,470	59,968	67,201	18,043	-3
<b>Net Interest Income</b>	<b>21,012</b>	<b>21,781</b>	<b>22,371</b>	<b>21,501</b>	<b>22,788</b>	<b>24,031</b>	<b>25,371</b>	<b>26,770</b>	<b>86,665</b>	<b>98,959</b>	<b>26,670</b>	<b>0</b>
Change YoY (%)	19.9	18.1	14.6	8.2	8.4	10.3	13.4	24.5	15.0	14.2	24.0	
Other Operating Income	3,318	3,649	2,912	2,730	3,451	2,983	3,382	3,470	12,610	12,977	3,684	-6
<b>Net Operating Income</b>	<b>24,330</b>	<b>25,431</b>	<b>25,283</b>	<b>24,231</b>	<b>26,238</b>	<b>27,015</b>	<b>28,753</b>	<b>30,240</b>	<b>99,275</b>	<b>1,11,936</b>	<b>30,353</b>	<b>0</b>
Change YoY (%)	30.8	34.6	16.0	3.7	7.8	6.2	13.7	24.8	21.0	12.8	25.3	
Other income	2	47	76	43	0	0	32	1	167	34	51	-99
<b>Total Income</b>	<b>24,332</b>	<b>25,477</b>	<b>25,359</b>	<b>24,274</b>	<b>26,239</b>	<b>27,015</b>	<b>28,785</b>	<b>30,241</b>	<b>99,442</b>	<b>1,11,970</b>	<b>30,404</b>	<b>-1</b>
Change YoY (%)	20.9	18.1	13.8	3.6	7.8	6.0	13.5	24.6	14.6	12.6	25.3	
Operating Expenses	9,656	9,578	10,578	10,034	10,486	10,680	11,350	12,013	39,846	44,529	12,396	-3
Change YoY (%)	24.1	11.4	18.9	2.4	8.6	11.5	7.3	19.7	13.6	11.8	23.5	
<b>Operating Profits</b>	<b>14,676</b>	<b>15,899</b>	<b>14,781</b>	<b>14,240</b>	<b>15,753</b>	<b>16,335</b>	<b>17,435</b>	<b>18,228</b>	<b>59,597</b>	<b>67,440</b>	<b>18,009</b>	<b>1</b>
Change YoY (%)	18.9	22.5	10.5	4.6	7.3	2.7	18.0	28.0	15.3	13.2	26.5	
Provisions	5,453	6,504	6,542	6,185	6,320	6,446	7,513	7,489	24,684	27,459	7,685	-3
<b>Profit before Tax</b>	<b>9,223</b>	<b>9,396</b>	<b>8,239</b>	<b>8,055</b>	<b>9,432</b>	<b>9,889</b>	<b>9,922</b>	<b>10,739</b>	<b>34,913</b>	<b>39,982</b>	<b>10,324</b>	<b>4</b>
Tax Provisions	2,370	2,429	1,983	1,697	2,424	2,540	2,542	2,648	8,478	10,153	2,380	11
<b>Profit after tax</b>	<b>6,855</b>	<b>6,967</b>	<b>6,257</b>	<b>6,358</b>	<b>7,008</b>	<b>7,349</b>	<b>7,380</b>	<b>8,092</b>	<b>26,434</b>	<b>29,829</b>	<b>7,944</b>	<b>2</b>
Change YoY (%)	29	17	-2	15	2	5	18	27	14	13	25	
<b>Key Operating Parameters (%)</b>												
Rep. Net Income (% of Avg Assets)	11.08	10.86	10.33	10.15	10.22	10.22	10.41	10.47				
<b>Rep. Cost of funds (%)</b>	7.85	7.80	7.83	7.84	7.68	7.32	7.25	7.17				
Cost to Income Ratio	39.7	37.6	41.7	41.3	40.0	39.5	39.4	39.7				
Rep Credit Cost	2.37	2.59	2.49	2.54	2.23	2.41	2.83	2.64				
<b>Tax Rate</b>	25.7	25.9	24.1	21.1	25.7	25.7	25.6	24.7				
Balance Sheet Parameters												
<b>Gross Customer Assets (INR B)</b>	887	930	951	978	1,023	1,071	1,143	1,217				
Change YoY (%)	12.9	18.1	16.3	14.3	15.3	15.1	20.1	24.5				
Borrowings (INR B)	803	849	862	922	938	977	1,026	1,099				
Change YoY (%)	6.5	10.9	13.4	20.5	16.8	15.1	19.0	19.1				
Customer Assets /Borrowings (%)	110	110	110	106	109	110	111	111				
<b>Asset Quality Parameters (%)</b>												
GS 3 (INR B)	27.9	29.6	30.8	32.2	33.9	35.2	36.5	35.1				
Gross Stage 3 (%)	3.14	3.19	3.23	3.29	3.30	3.29	3.19	2.88				
NS 3 (INR B)	6.9	8.7	9.1	9.3	9.9	10.5	10.2	11.5				
Net Stage 3 (%)	0.79	0.96	0.97	0.97	0.96	0.98	0.92	0.96				
PCR (%)	75.3	70.6	70.6	71.1	70.8	70.3	71.9	67.3				
<b>Return Ratios (%)</b>												
ROAA	2.7	2.6	2.3	2.2	2.4	2.4	2.4	2.4				
ROAE	11.6	11.7	10.2	10.1	10.9	11.3	11.1	11.7				

E: MOFSL Estimates

# SBI Cards

Estimate change	↔
TP change	↓
Rating change	↔

**CMP: INR671**      **TP: INR760 (+13%)**      **Neutral**

## In-line quarter; credit cost improves further

### NIMs expand 10bp QoQ

- SBI Cards (SBICARD) reported 4QFY26 PAT of INR6.09b (up 14% YoY/9% QoQ), amid lower-than-expected provisions.
- NIMs expanded 10bp QoQ to 11.1%, as lower CoF was partly offset by a moderate decline in yields. Management expects margins to remain broadly stable going ahead.
- Opex grew 23.5% YoY/down 1.4% QoQ to INR25.6b. The bank has reversed INR1.1b owing to the PIDF reversal.
- Credit cost improved to 7.7% (vs 8.3% in 3QFY26). Management overlay was increased to INR2.20b for prudence.
- Spends growth was weak at 31% YoY/1% QoQ, led by strong corporate spends (up 195% YoY/12% QoQ). Retail spends rose 13% YoY (down 2% QoQ). Corporate spends contributed ~22% of total spends.
- GNPA ratio improved 45bp QoQ to 2.41%, while NNPA ratio declined 24bp QoQ to 1.04%. ECL declined 30bp QoQ to 3.0%, while PCR improved 154bp QoQ to 57.6%.
- **We maintain our earnings and estimate SBICARD to report an RoA/RoE of 4.15%/17.3% by FY27. Reiterate Neutral with a revised TP of INR760 (22x Sep'27E EPS).**

### Loan growth muted; revolver mix declines to 22%

- 4Q PAT grew 14% YoY/9% QoQ to INR6.09b (4% beat), aided by steady NII growth and lower-than-expected credit cost.
- NII grew 3% YoY/declined 5% QoQ to INR16.7b (largely in line). NIMs expanded 10bp QoQ to 11.1%, supported by lower CoF, partly offset by a moderation in yields. Management expects NIMs to remain broadly stable going forward.
- The transactor mix increased to 46% (vs 44% in 3QFY26), while revolve mix moderated to 22% (vs 23% in 3QFY26). The EMI mix declined to 32% (vs 34% in 3QFY26), reflecting a seasonal run-off of festival tenor balances.
- Other income grew 60% YoY/11.7% QoQ (19% beat on MOFSLe), aided by a one-off GST liability reversal of INR765.7m. C/I ratio increased modestly to 57.2% vs 56.8% in 3QFY26.
- CIF grew 6% YoY/1% QoQ to 22.1m. New card sourcing stood at 917k, within the guided 0.9-1.0m run rate. Around 54% of sourcing came from open market in 4QFY26.
- Spends remained strong with 31% YoY/1% QoQ growth, led by continued traction in corporate spends (up 195% YoY/12% QoQ), while retail spends grew 13% YoY. Despite healthy spends, receivables remained flat QoQ at INR569.3b due to a higher transactor mix and lower revolve balances.
- GNPA ratio improved 45bp QoQ to 2.41%, while NNPA ratio declined 24bp QoQ to 1.04%. ECL declined 30bp QoQ to 3.0%, while PCR improved 154bp QoQ to 57.6%.

Bloomberg	SBICARD IN
Equity Shares (m)	952
M.Cap.(INRb)/(USDb)	638.2 / 6.8
52-Week Range (INR)	1027 / 615
1, 6, 12 Rel. Per (%)	-6/-18/-23
12M Avg Val (INR M)	1085

### Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
NII	68.3	76.2	89.0
OP	78.8	86.5	100.8
NP	21.7	29.5	36.4
NIM (%)	11.9	12.0	12.2
EPS (INR)	22.8	31.0	38.3
EPS Gr. (%)	13.0	36.1	23.4
BV/Sh. (INR)	165	193	229
ABV/Sh. (INR)	161	187	229

### Ratios

RoA (%)	3.3	4.1	4.4
RoE (%)	14.7	17.3	18.1

### Valuations

P/E(X)	29.4	21.6	17.5
P/BV (X)	4.1	3.5	2.9
P/ABV (X)	4.2	3.6	2.9

### Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	68.9	68.6	68.6
DII	18.1	17.9	17.2
FII	9.5	10.2	9.9
Others	3.4	3.4	4.3

FII includes depository receipts

### Highlights from the management commentary

- Management overlay increased to INR2.2b as of Mar'26 from INR1.21b in Dec'25, reflecting prudence amid geopolitical uncertainty and ECL model refresh.
- Management expects NIMs to remain broadly stable in FY27, though any significant rise in CoF could pose a risk.
- Revolver mix has remained in the 22-24% band over two years and may trend slightly lower as newer vintages show lower revolving behavior.
- Card acquisition guidance remains 0.9-1.0m accounts per quarter.
- Management reiterated a medium-term RoA target of 4-4.5%, with lower credit costs being the key driver.
- Management expects further moderation in credit cost during FY27, though the pace will depend on macro and geopolitical developments.

### Valuation and view

SBICARD reported a largely in line but subdued performance in 4Q, with lower provisions and an improving credit cost outlook, even as receivables declined due to a higher share of transactors. Credit cost moderated to 7.7%, despite the bank taking an additional management overlay of INR1b during the quarter. NIMs are expected to remain broadly stable, as the benefit of lower cost of funds is likely to be partly offset by some moderation in yields. Corporate spending has rebounded, leading to a slight uptick in operating expenses, with corporate share expected to remain ~20% of the overall mix. Asset quality is expected to improve going forward, supported by lower forward delinquencies and a favorable macroeconomic environment. **We maintain our earnings and estimate SBICARD to report an RoA/RoE of 4.15%/17.3% by FY27. Reiterate Neutral with a revised TP of INR760 (22x Sep'27E EPS).**

### Quarterly performance

	FY25				FY26				FY26	FY27E	FY26E	V/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QA			4QE	Est
<b>Net Interest Income</b>	14.8	15.0	15.7	16.2	16.8	17.3	17.5	16.7	68.3	76.2	16.8	0%
% Change (Y-o-Y)	19.7	15.8	13.2	14.5	13.8	15.2	11.5	3.0	15.9	11.6	3.4	
Other Income	22.4	22.7	23.7	24.2	25.4	26.5	28.2	28.1	108.1	121.2	28.6	-2%
<b>Total Income</b>	<b>37.2</b>	<b>37.7</b>	<b>39.4</b>	<b>40.4</b>	<b>42.2</b>	<b>43.8</b>	<b>45.7</b>	<b>44.7</b>	<b>176.4</b>	<b>197.4</b>	<b>45.4</b>	<b>-1%</b>
Operating Expenses	18.2	20.1	21.1	20.7	21.2	24.8	26.0	25.6	97.6	110.9	25.9	-1%
<b>Operating Profit</b>	<b>19.0</b>	<b>17.6</b>	<b>18.3</b>	<b>19.6</b>	<b>21.0</b>	<b>18.9</b>	<b>19.7</b>	<b>19.1</b>	<b>78.8</b>	<b>86.5</b>	<b>19.5</b>	<b>-2%</b>
% Change (Y-o-Y)	25.4	13.3	13.0	7.2	10.5	7.7	7.7	-2.6	5.7	9.8	-0.9	
Provisions	11.0	12.1	13.1	12.5	13.5	12.9	12.2	11.0	49.6	46.9	11.6	-5%
<b>Profit before Tax</b>	<b>8.0</b>	<b>5.5</b>	<b>5.2</b>	<b>7.2</b>	<b>7.5</b>	<b>6.0</b>	<b>7.5</b>	<b>8.2</b>	<b>29.1</b>	<b>39.6</b>	<b>7.9</b>	<b>3%</b>
Tax	2.0	1.4	1.3	1.8	1.9	1.6	1.9	2.1	7.5	10.1	2.0	2%
<b>Net Profit</b>	<b>5.9</b>	<b>4.0</b>	<b>3.8</b>	<b>5.3</b>	<b>5.6</b>	<b>4.4</b>	<b>5.6</b>	<b>6.1</b>	<b>21.7</b>	<b>29.5</b>	<b>5.9</b>	<b>4%</b>
% Change (Y-o-Y)	0.2	-32.9	-30.2	-19.4	-6.5	10.0	45.2	14.1	13.1	36.1	9.9	
<b>Operating Parameters</b>												
Loan (INRb)	508.1	536.0	528.1	539.3	546.3	578.6	552.2	549.8	549.8	626.3	572.2	
Loan Growth (%)	21.5	23.0	12.0	9.9	7.5	7.9	4.6	1.9	1.9	13.9	6.1	
Borrowings (INRb)	408.7	432.2	439.1	449.5	461.8	492.3	462.2	440.6	440.6	495.7	476.9	
Borrowing Growth (%)	24.0	26.8	15.5	12.7	13.0	13.9	5.3	-2.0	-2.0	12.5	6	
<b>Asset Quality</b>												
Gross NPA (%)	3.1	3.3	3.2	3.1	3.1	2.9	2.9	2.4	2.5	2.4	2.8	
Net NPA (%)	1.1	1.2	1.2	1.5	1.4	1.3	1.3	1.0	1.1	1.3	1.2	
PCR (%)	64.4	64.4	64.4	53.5	54.3	55.4	56.1	57.6	57.6	46.3	57.1	

Source: Company, MOFSL

# Nippon Life India AMC

Estimate change	↔
TP change	↑
Rating change	↔

**CMP: INR990**      **TP: INR1,200 (+21%)**      **Buy**

## An all-round beat

Bloomberg	NAM IN
Equity Shares (m)	637
M.Cap.(INRb)/(USD\$)	631.5 / 6.7
52-Week Range (INR)	1064 / 613
1, 6, 12 Rel. Per (%)	13/15/54
12M Avg Val (INR M)	834

### Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
AAUM	6,738	7,902	9,465
MF Yield (bp)	39.5	38.5	37.5
Rev from Ops	27.1	30.8	35.9
Core PAT	13.5	15.1	17.8
PAT	15.3	17.6	20.5
PAT (bp as AAUM)	22.7	22.3	21.7
Core EPS	21.5	24.0	28.3
EPS	24.3	28.0	32.6
EPS Grw. (%)	19	15	17
BVPS	74	77	80
RoE (%)	34	37	42
Div. Payout (%)	90	90	90

### Valuations

Mcap/AUM (%)	9.3	7.9	6.6
P/E (x)	41.0	35.6	30.5
P/BV (x)	13.5	13.0	12.4
Div. Yield (%)	2.2	2.5	2.9

### Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	71.9	72.1	72.3
DII	14.8	13.8	12.8
FII	7.3	7.9	8.3
Others	5.9	6.2	6.5

FII Includes depository receipts

- Nippon Life India AMC's (NAM) operating revenue came in at INR7.4b (5% beat) in 4QFY26, up 30% YoY/5%QoQ. For FY26, revenue grew 21% YoY to INR27.1b. Yield on management fees stood at 40.8bp in 4QFY26 vs. 40.7bp in 4QFY25 and 40.2bp in 3QFY26.
- Total opex came in at INR2.3b (in line), up 15% YoY but down 1.5% QoQ. 4Q EBITDA stood at INR5.1b (8% beat), up 39% YoY/8% QoQ, with EBITDA margins at 68.6% (vs. 64.5% in 4QFY25). For FY26, EBITDA grew 25% YoY to INR17.9b with margin at 66.3%.
- 4Q PAT stood at ~INR3.8b (21% beat), up 29% YoY/down 5% QoQ. 4Q PAT margins stood at 52% vs. 52.7% in 4QFY25 and 57.2% in 3QFY26. For FY26, PAT grew 19% YoY to INR15.3b.
- The recent regulation (effective Apr'26) is expected to dent equity yields by ~3.5-4.0bp, though the impact will be fully passed on to distributors, limiting the effect on company profitability.
- **We have maintained our earnings estimates to reflect stable AUM growth and better yields, offset by a slight increase in employee expenses. We expect a CAGR of 19%/15%/16%/16% in AUM/revenue/EBITDA/PAT over FY26-28E. We reiterate our BUY rating on the stock with a TP of INR1,200, based on 42x FY28E core EPS.**

### Market share across categories continues to expand

- Total MF QAAUM grew 30% YoY/3% QoQ to INR7.25t. Equity/ETFs/Index /Debt funds saw YoY growth of 23%/57%/21%/17%.
- The share of Equity/ETF/Debt/Liquid in total QAAUM stood at 45.6%/33.4%/8.4%/9.5% in 4QFY26 vs. 47.6%/27.6%/9.3%/12% in 4QFY25.
- NAM's market share in QAAUM rose 63bp YoY/24bp QoQ to 8.9% (highest), with equity market share rising 24bp YoY/3bp QoQ to ~7.2%.
- ETF market share continues to surge, rising 234bp YoY/109bp QoQ to 21.4%, with NAM maintaining a dominant position in this space at 45% of total industry folios and 52% of ETF trading volumes on NSE/BSE.
- Gold and silver ETF AUM stood at INR848b, growing 23% QoQ. Gold and silver ETFs accounted for 36% of ETF AUM and 12% of total MF AUM.
- SIP flows declined marginally to INR108.7b in 4Q from INR109.8b in 3Q, due to market volatility (in line with industry), reflecting monthly SIP inflows of INR36.2b (+12% YoY). The SIP book grew to INR1.5t (+17% YoY). SIP market share inched up to 9.84% as of Mar'26 from 9.82% in Dec'25.
- Total opex came in at INR2.3b (in line), up 15% YoY and down 1.5% QoQ. As bp of QAAUM, the cost stood at 12.8bp in 4QFY26 vs. 14.5bp in 4QFY25 and 13.4bp in 3QFY26.
- Employee costs rose 14% YoY/fell 6% QoQ to INR1.3b. ESOP-related costs stood at INR110m in 4Q and ~INR430m in FY26. For FY27, it is expected to be ~INR350m. Total ESOP cost over the next four years is estimated at INR720m-750m, with a front-loaded impact in initial years. Other expenses grew 14% YoY/4% QoQ to INR854m.

- Non-ESOP expense growth guidance remains at ~15-16% YoY. Management expects operating leverage to play out as AUM scales up, leading to a gradual decline in cost ratios over time.
- Loss from other activities stood at INR335m (in line), impacted by MTM effect.
- In the investor mix, the retail share stood at 49% in 4QFY26 (vs. 50% in 4QFY25), while HNI/corporate share stood at 37%/14%.
- Cumulative AIF commitments stood at INR93.3b (+26% YoY). During 4QFY26, INR4b was raised. Credit Opportunity Fund Series II was launched and achieved the first close in 4Q, with 25% capital deployed.
- Offshore AUM stood at INR1.4b. The company continues to expand across Europe, Asia, and Latin America. Under the advisory segment, AUM declined to INR17b from INR20b in 4QFY25.
- In Gift City, two feeder funds are operational, with combined AUM growing to USD38m. Future product pipeline includes Digital Innovation Fund 2B: Fund of Funds, which shall invest in India-focused venture capital funds.
- Digital purchase transactions contributed 77% of total new purchase transactions. The company recorded its highest-ever monthly transactions of 1.8m in Jan'26.
- NAM has the largest investor base in the industry with 23.8m unique investors and a market share of 38.8%. It added 2.7m folios QoQ, taking the total to 39.4m.

#### Key takeaways from the management commentary

- Equity net sales market share and equity AUM market share remained in high single digits and above overall market share. The company achieved high single-digit market share in equity and hybrid net sales. Adjusted for NFO-related flows, equity net sales market share would be in double digits.
- SIP trends are stabilizing after a temporary slowdown, with signs of recovery visible in Mar'26. The company has started building SIP books in new categories as well, particularly in hybrid funds and commodity-based funds. It focuses on growing in categories, including flexicap funds and sector/thematic funds.
- SIF is being viewed as a strategic long-term growth opportunity. Significant backend work and product development are underway. The focus is on creating differentiated offerings rather than incremental MF-like products.

#### Valuation and view

- NAM remains the fastest-growing AMC among India's top 10 AMCs, gaining market share across segments—particularly in passive—driven by strong flows, sticky investors, and launches across segments. Recent regulations may dent its equity yields by ~3.5-4bp, though management expects to offset this impact by passing it on to distributors, limiting any P&L impact.
- We have maintained our earnings estimates to reflect stable AUM growth and better yields, offset by a slight increase in employee expenses. We expect a CAGR of 19%/15%/16%/16% in AUM/revenue/EBITDA/PAT over FY26-28E. **We reiterate our BUY rating on the stock with a TP of INR1,200, based on 42x FY28E core EPS.**

**Quarterly Performance**

(INR m)

Y/E March	FY25				FY26				FY25	FY26	4Q FY26	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q						
Revenue from Operations	5,050	5,713	5,879	5,665	6,066	6,581	7,053	7,387	22,307	27,087	7,054	4.7	30.4	4.7
Change YoY (%)	42.6	43.7	38.9	21.0	20.1	15.2	20.0	30.4	35.8	21.4	25			
Fees & Commission	179	192	187	159	186	198	196	203	718	783	209.7	-3.1	28.0	3.7
Employee Expenses	1,051	1,069	1,065	1,105	1,226	1,233	1,335	1,259	4,290	5,053	1,286.1	-2.1	14.0	-5.7
Other expenses	655	708	770	750	772	855	821	854	2,883	3,302	844.0	1.1	13.8	4.0
Total Operating Expenses	1,886	1,969	2,022	2,014	2,185	2,286	2,352	2,316	7,891	9,138	2,340	-1.0	15.0	-1.5
Change YoY (%)	24	26	23	13	16	16	16	15	21.5	15.8	16			
EBITDA	3,164	3,744	3,857	3,652	3,881	4,295	4,701	5,071	14,416	17,949	4,715	7.6	38.9	7.9
EBITDA Margin	62.7	65.5	65.6	64.5	64.0	65.3	66.7	68.6	64.6	66.3	66.8	-182 bps	419bps	199bps
Other Income	1,308	1,208	154	230	1,460	366	753	-335	2,900	2,243	-369	-9.1	-245.5	-144.5
Depreciation	68	74	77	86	84	88	109	122	306	403	118	2.9	41.5	12.2
Finance Cost	16	17	17	18	18	18	18	16	67	70	18	-10.9	-9.4	-7.9
<b>PBT</b>	<b>4,388</b>	<b>4,861</b>	<b>3,917</b>	<b>3,778</b>	<b>5,239</b>	<b>4,555</b>	<b>5,328</b>	<b>4,598</b>	<b>16,943</b>	<b>19,720</b>	<b>4,209</b>	<b>9.2</b>	<b>21.7</b>	<b>-13.7</b>
Tax Provisions	1,066	1,261	965	795	1,282	1,113	1,291	753	4,086	4,438	1,032	-27.0		
<b>Net Profit</b>	<b>3,322</b>	<b>3,600</b>	<b>2,953</b>	<b>2,983</b>	<b>3,957</b>	<b>3,443</b>	<b>4,037</b>	<b>3,845</b>	<b>12,857</b>	<b>15,281</b>	<b>3,178</b>	<b>21.0</b>	<b>28.9</b>	<b>-4.8</b>
Change YoY (%)	41.1	47.4	4.0	-12.9	19.1	-4.4	36.7	28.9	16.2	18.9	6.5			
Core PAT	2,331	2,705	2,836	2,801	2,854	3,166	3,467	4,125	10,674	13,543	3,456	19.4	47.3	19.0
Change YoY (%)	59.0	47.9	42.5	8.5	22.4	17.0	22.2	47.3	36	27	23.4			
<b>Key Operating Parameters (%)</b>														
Revenue / AUM (bps)	41.8	41.6	41.3	40.7	39.6	40.1	40.2	40.8	41.3	40.2	39.9	85 bps	9bps	51bps
Opex / AUM (bps)	15.6	14.3	14.2	14.5	14.3	13.9	13.4	12.8	14.6	13.6	13.2	-46 bps	-168bps	-64bps
PAT / AUM (bps)	27.5	26.2	20.7	21.4	25.8	21.0	23.0	21.2	23.8	22.7	18.0	324 bps	-20bps	-183bps
Cost to Operating Income Ratio	37.3	34.5	34.4	35.5	36.0	34.7	33.3	31.4	35.4	33.7	33.2	-182 bps	-419bps	-199bps
EBITDA Margin	62.7	65.5	65.6	64.5	64.0	65.3	66.7	68.6	64.6	66.3	66.8	182 bps	419bps	199bps
Tax Rate	24.3	25.9	24.6	21.0	24.5	24.4	24.2	16.4	24.1	22.5	24.5	-813 bps	-466bps	-784bps
PAT Margin	65.8	63.0	50.2	52.7	65.2	52.3	57.2	52.0	57.6	56.4	45.0	700 bps	-61bps	-520bps
Core PAT Margin	46.2	47.4	48.2	49.4	47.1	48.1	49.2	55.8	47.9	50.0	49.0	685 bps	640bps	669bps
<b>Opex Mix (%)</b>														
Fees & Commission	9.5	9.8	9.3	7.9	8.5	8.7	8.3	8.8	9.1	8.6	9.0	-19 bps	89bps	44bps
Employee Expenses	55.8	54.3	52.7	54.9	56.1	53.9	56.8	54.4	54.4	55.3	55.0	-60 bps	-51bps	-239bps
Others	34.7	36.0	38.1	37.2	35.3	37.4	34.9	36.9	36.5	36.1	36.1	79 bps	-38bps	195bps
<b>Key Parameters</b>														
QAUM (INR b)	4,838	5,492	5,700	5,572	6,127	6,565	7,009	7,250	5,400	6,738	7,070	2.5	30.1	3.4
Mix (%)														
Equity	48.1	49.2	49.0	47.6	47.0	47.7	47.1	45.6	48.5	46.9	0.0		-203bps	-148bps
Debt	8.7	8.4	9.4	9.3	9.2	9.7	9.7	8.4	8.9	9.3	0.0		-93bps	-136bps
Liquid	13.3	12.4	11.9	12.0	12.0	11.4	10.1	9.5	12.4	10.8	0.0		-248bps	-59bps
Others	29.9	30.1	29.7	31.0	31.7	31.2	33.1	36.5	30.2	33.1	0.0		545bps	343bps

Financials & Valuation (INR b)	New estimates		Old estimates		Change in estimates	
	2027E	2028E	2027E	2028E	2027E	2028E
Y/E March						
AAUM (INRb)	7,902	9,465	7,969	9,496	-1%	0%
MF Yield (bps)	38.5	37.5	38.0	36.5	1bps	1bps
Rev from Ops	30.8	35.9	30.6	35.0	0%	2%
Core PAT	15.1	17.8	15.1	17.2	0%	4%
PAT	17.6	20.5	17.7	19.9	0%	3%
PAT margin(bp as AAUM)	22.3	21.7	22.2	21.0	1bps	7bps
Core EPS	24.0	28.3	23.9	27.3	0%	4%
EPS	28.0	32.6	28.1	31.6	-0.4%	3.1%
EPS Grw. (%)	15	17	21	13		
BVPS	77	80	69	71		
RoE (%)	37	42	41	45		
Div. Payout (%)	90	90	95	95		

# Supreme Industries

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR3,692**      **TP: INR4,320 (+17%)**      **Buy**

## Margins expanded due to inventory gains and operating leverage

### Strong operating performance, though below our estimates

- Despite a lower-than-expected performance, Supreme Industries (SI) reported strong quarterly results, with an EBITDA growth of ~50% in 4QFY26 (vs. a dip in 9MFY26). The improvement was mainly driven by a 34% rise in EBIT/kg to INR22 (due to inventory gains of ~INR0.7-0.8b and operating leverage). Plastic pipe volume rose ~18% YoY. Management guided piping volume growth at ~15-17% for FY27.
- Following a spike in PVC prices in Mar'26 due to the West Asia crisis, management believes the current PVC prices of ~INR81/kg (down ~30% MoM in Apr) will be sustained in FY27, upon which we expect margins to stabilize around ~14% in FY27 (similar to the FY26 levels).
- Factoring in the current volatile geopolitical scenario and management guidance, we cut our FY27 earnings estimates by 6% while broadly retaining our FY28E earnings. We **reiterate our BUY rating**, valuing the stock at 37x FY28E EPS to arrive at our TP of INR4,320.

Bloomberg	SI IN
Equity Shares (m)	127
M.Cap.(INRb)/(USD\$b)	469 / 5
52-Week Range (INR)	4740 / 3182
1, 6, 12 Rel. Per (%)	-7/0/6
12M Avg Val (INR M)	1105

### Financials & Valuations (INR b)

Y/E Mar	2026	2027E	2028E
Sales	112.2	131.1	150.5
EBITDA	15.7	18.7	22.7
PAT	9.7	11.8	14.7
EBITDA (%)	14.0	14.3	15.1
EPS (INR)	76.0	92.8	115.5
EPS Gr. (%)	0.5	22.1	24.5
BV/Sh. (INR)	485.6	544.4	625.9

### Ratios

Net D/E	-0.2	-0.3	-0.3
RoE (%)	16.3	18.0	19.7
RoCE (%)	15.0	16.4	18.0
Payout (%)	45.3	36.6	29.4

### Valuations

P/E (x)	48.6	39.8	31.9
EV/EBITDA (x)	29.5	24.6	19.8
Div Yield (%)	0.9	0.9	0.9
FCF Yield (%)	0.9	1.2	2.3

### Shareholding Pattern (%)

As on	Mar-26	Dec-25	Mar-25
Promoter	49.0	49.0	48.9
DII	19.2	17.2	13.3
FII	17.1	19.2	22.9
Others	14.7	14.6	15.0

Note: FII includes depository receipts

### Healthy volume growth despite raw material price volatility

- SI's consolidated revenue grew 17% YoY to INR35.3b (est. INR39.3b), led by growth in volume (up 16% YoY) to 232.9k MT, while realization was flat YoY (INR152/kg).
- EBITDA rose 50% YoY to INR6.2b (est. INR6.8b), with an EBITDA margin expanded by 390bp to 17.7% (est. 17.3%). EBITDA/kg for the quarter was INR26.9/kg (+29% YoY).
- SI's Adj. PAT grew 48% YoY to INR4.3b (est. INR4.4b).
- Plastic piping products reported a volume of ~192k MT (+18% YoY). Revenue stood at INR25.6b (+23% YoY), and EBIT was INR3.8b (+77% YoY), resulting in an EBIT margin of 14.9% (+450bp YoY). Realization came in at INR133/kg (+4% YoY), while EBIT per kg stood at INR19.9/kg (+50% YoY).
- For industrial products, revenue was INR3.6b (+4% YoY), EBIT was INR416m (+18% YoY), and EBIT margin stood at 11.6% (+150bp YoY). For packaging products, revenue was INR4.6b (+7% YoY), EBIT was INR586m (+3% YoY), and EBIT margin stood at 12.8% (-60bp YoY). For consumer products, revenue came in at INR1.2b (-9% YoY), EBIT was INR315m (+39% YoY), and EBIT margin stood at 25.5% (+890bp YoY).
- For FY26, SI's volume/revenue/EBITDA/adj. PAT grew 12%/7%/10%/1% YoY to 753.9k MT/INR128b/INR15.7b/INR9.7b, while CFO rose 22% YoY to INR12.2b. Its cash surplus for the year was INR6.6b vs. INR9.5b in FY25.

### Key highlights from the management commentary

- **Outlook:** SI expects 12-13% overall volume growth in FY27, led by 15-17% volume growth in piping, with EBITDA margins of 14-14.5% and ROCE above 25%. Industry demand is projected to recover (~8% growth YoY) after a weak FY26. PVC prices have corrected and are likely to remain range-bound. The company targets USD50m from exports in the medium term, as against the current export level of USD5m.

- **Plastic pipes:** SI held ~12-13% market share in the piping system, supported by pan-India capacities, SKU expansion, and strong distribution. Further, expansion into electrofusion and olefin fittings is opening up the industrial and gas pipeline segment, which has healthy growth prospects, as there is limited competition. The company's CPVC business grew ~38% YoY.
- **Capex and expansion plans:** The company has planned INR10b+ capex for FY27, fully funded through internal accruals, with a balanced focus on greenfield (Patna, Jammu, Gadegaon, and Malanpur) and brownfield expansions. Capacity is set to increase by ~110k MT to ~1.35m MT, including ~100k MT in piping and ~10k MT in material handling.

### Valuation and view

- Macro headwinds affecting the PVC industry are largely behind, evidenced by the retracement of PVC prices to sustainable levels and demand recovery resulting in double-digit volume growth for SI over the last three quarters and healthy FY27 guidance. Margins are expected to stabilize, fueled by stable PVC price expectations, an improving mix of VAP, and higher growth in the high-margin CPVC segment.
- We expect SI to clock a 16%/20%/23% CAGR in revenue/EBITDA/PAT over FY26-28. We value the stock at 37x FY28 EPS to arrive at our TP of INR4,320; we **reiterate our BUY rating.**

### Consolidated - Quarterly Earnings Model

Y/E March	FY25				FY26				FY25	FY26	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4Q		
<b>Gross Sales</b>	<b>26,364</b>	<b>22,730</b>	<b>25,099</b>	<b>30,271</b>	<b>26,092</b>	<b>23,939</b>	<b>26,869</b>	<b>35,277</b>	<b>1,04,463</b>	<b>1,12,177</b>	<b>39,295</b>	<b>-10</b>
YoY Change (%)	11.3	-1.5	2.5	0.6	-1.0	5.3	7.1	16.5	3.1	7.4	29.8	
Total Expenditure	22,490	19,537	22,011	26,108	22,903	20,965	23,578	29,045	90,146	96,491	32,514	
<b>EBITDA</b>	<b>3,873</b>	<b>3,192</b>	<b>3,088</b>	<b>4,163</b>	<b>3,189</b>	<b>2,974</b>	<b>3,292</b>	<b>6,231</b>	<b>14,317</b>	<b>15,686</b>	<b>6,781</b>	<b>-8</b>
Margins (%)	14.7	14.0	12.3	13.8	12.2	12.4	12.3	17.7	13.7	14.0	17.3	
Depreciation	860	899	913	914	930	1,044	1,095	1,214	3,586	4,283	1,110	
Interest	33	26	30	30	28	58	114	90	119	290	90	
Other Income	214	151	89	125	169	155	38	86	578	448	40	
<b>PBT before EO expenses</b>	<b>3,194</b>	<b>2,417</b>	<b>2,235</b>	<b>3,344</b>	<b>2,400</b>	<b>2,028</b>	<b>2,120</b>	<b>5,013</b>	<b>11,190</b>	<b>11,561</b>	<b>5,621</b>	
Extra-Ord expense	0	0	0	0	0	0	154	0	0	154	0	
<b>PBT</b>	<b>3,194</b>	<b>2,417</b>	<b>2,235</b>	<b>3,344</b>	<b>2,400</b>	<b>2,028</b>	<b>1,967</b>	<b>5,013</b>	<b>11,190</b>	<b>11,407</b>	<b>5,621</b>	
Tax	836	629	584	732	629	529	527	1,195	2,782	2,879	1,413	
Rate (%)	26.2	26.0	26.2	21.9	26.2	26.1	26.8	23.8	24.9	25.2	25.1	
MI & Profit/Loss of Asso. Cos.	375	278	220	328	252	149	94	517	1,201	1,012	200	
<b>Reported PAT</b>	<b>2,734</b>	<b>2,066</b>	<b>1,870</b>	<b>2,939</b>	<b>2,023</b>	<b>1,647</b>	<b>1,534</b>	<b>4,336</b>	<b>9,609</b>	<b>9,540</b>	<b>4,408</b>	
<b>Adj PAT</b>	<b>2,734</b>	<b>2,066</b>	<b>1,870</b>	<b>2,939</b>	<b>2,023</b>	<b>1,647</b>	<b>1,688</b>	<b>4,336</b>	<b>9,609</b>	<b>9,694</b>	<b>4,408</b>	<b>-2</b>
YoY Change (%)	26.8	-15.0	-27.0	-17.2	-26.0	-20.3	-9.7	47.5	-10.2	0.9	50.0	
Margins (%)	10.4	9.1	7.4	9.7	7.8	6.9	6.3	12.3	9.2	8.6	11.2	

# Piramal Finance

Bloomberg	PIRAMALF IN
Equity Shares (m)	226
M.Cap.(INRb)/(USDb)	417.8 / 4.4
52-Week Range (INR)	1955 / 1235
1, 6, 12 Rel. Per (%)	-6/-/-

## Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
PPOP	22.9	39.3	57.2
PAT	15.1	24.1	36.8
PAT (ex-exceptional)	0.0	22.1	36.8
EPS	67	107	163
EPS Gr. (%)	210	60	53
BV/Sh. (INR)	1,247	1,342	1,480
RoA (%)	1.5	2.0	2.6
RoE (%)	5.4	8.2	11.5
<b>Valuation</b>			
P/E (x)	27.7	17.3	11.3
P/BV (x)	1.5	1.4	1.2
Dividend yield (%)	0.6	1.4	1.8

## Shareholding pattern (%)

As On	Mar-26	Dec-25
Promoter	46.2	46.2
DII	18.8	16.3
FII	14.9	16.0
Others	20.1	21.6

FII includes depository receipts

**CMP: INR1,841 TP: INR2,220 (+21%) Buy**

## A cleaner and stronger Piramal: Retail engine in full throttle

### Retail momentum strengthens, setting the stage for an RoA expansion

- Piramal Finance (Piramal) 4QFY26 net profit stood at ~INR5b (PQ: ~INR4b). FY26 PAT stood at INR15b (FY25: INR4.85b). NII in 4QFY26 rose 46% YoY to ~INR12.4b. Other income stood at ~INR5.5b (PY: INR7.7b and PQ: INR2.5b).
- During 4Q, Piramal agreed to the sale of its entire equity stake of ~15% in Shriram Life Insurance for a consideration of ~INR6b. The company has received the said consideration, and a net gain of ~INR2.6b was recognized in 4QFY26. Piramal also fully wrote off ~INR5.9b related to land development charges under investment property. This was because the original developer's LOI was cancelled, and no alternate developer could be appointed within the required timeline, leading to a full impairment of the asset.
- Piramal also received ~INR13.3b as deferred consideration for the sale of its Imaging business, which was recorded under exceptional items. The company utilized the deferred consideration and gains from the Shriram stake sale to reduce the legacy book, without impacting its net worth.
- The opex-to-AUM for the company's retail business declined to ~3.6% (PQ: 3.8%). Retail opex-to-AUM declined by ~290bp over the last 12 quarters. After a six-quarter pause in branch expansion, the company added more than 100 branches in 4QFY26, while still reporting a decline in cost ratios. It plans to open ~180 gold loan branches in FY27 and remains confident of further reduction in opex ratios, driven by productivity and efficiency gains.
- Total AUM grew 25% YoY and ~5% QoQ to INR1.01t. Wholesale 2.0 AUM grew ~38% YoY to INR125b, while **Wholesale 1.0 AUM declined ~59% YoY/46% QoQ to INR28b. Growth to Legacy AUM mix has improved to 97%:3% in Mar'26 from 34%:66% as of Mar'22.**
- Piramal indicated that retail loan growth continues to remain robust and well diversified across segments, including unsecured lending. The company guided for ~25% AUM growth in FY27 and remains on track to scale up to ~INR1.5t in AUM by FY28.
- **Piramal is entering a phase where scale benefits, lower operating costs, and a stable credit framework are expected to drive RoA expansion. Key structural levers include NIM improvement (supported by better product mix and lower cost of borrowings) and enhanced operating efficiency. We estimate a total AUM CAGR of ~24% and a total PAT CAGR of 56% over FY26-FY28, with an RoA/RoE of 2.6%/12% in FY28. We reiterate our BUY rating on the stock with a TP of INR2,220 (based on Mar'27E SoTP).**

### Healthy retail loan growth of 33% YoY; retail mix improves to 85%

- Piramal's retail AUM grew ~33% YoY to INR859b, with its share in the loan book rising to ~85%. Retail disbursements grew ~34% YoY to INR131b.
- Consol. NIM rose ~25bp QoQ to 6.5% (PQ: 6.3%). Management indicated that margins are expected to improve, supported by both asset-side levers (favorable product mix and expansion into higher-yielding segments) and liability-side benefits, with CoF likely to decline by ~50-80bp over the next 2-3 years, driven by credit rating upgrade and liability repricing. We expect an NIM (calc.) of 5.6%/5.9% in FY27/FY28 (vs. 5.2% in FY26E).

### Asset quality improves with broad-based improvement across sub-segments

- GS3 declined ~30bp QoQ to ~2.2%, while NS3 also dipped ~30bp QoQ to 1.6%. Stage 3 PCR rose ~175bp QoQ to ~30%. Total ECL/EAD was stable QoQ at ~2.1% of the AUM.
- Retail Business 90+ dpd declined ~20bp QoQ to 0.6%.
- Capital adequacy (CRAR) stood at ~19.8% as of Mar'26 (vs. ~20.3% in Dec'25).

### Highlights from the management commentary

- Management indicated that even if geopolitical stress persists, portfolio impact is expected to be lagged by 2-3 months due to borrower buffers, with no impact likely in 1QFY27 and any stress potentially emerging only in 2QFY27 (Jul-Aug'26). However, management highlighted that early indicators such as bounce rates remain stable, with Apr'26 trends in line with Mar'26.
- The company remains open to M&A opportunities in MFI, MSME, and gold loans, with a focus on value-based acquisition.

### Valuation and view

- Piramal reported a healthy operational performance during the quarter, led by strong growth in its retail loans and continued scaling down of the legacy wholesale book, which now accounts for <3% of total AUM. Asset quality improved across all key product segments (including unsecured segments), leading to a sequential decline in credit costs. With rising retail traction and lower incremental CoB, NIM expanded further, reinforcing the shift toward a more stable and profitable lending model.
- Our earnings estimate for FY26 and FY27 factors in gains from the AIF exposures and zero tax outgo in the foreseeable future. We estimate a total AUM CAGR of ~24%, a ~25% CAGR in Retail AUM, and a total PAT CAGR of 56% over FY26-FY28, with an RoA/RoE of 2.6%/12% in FY28. **We reiterate our BUY rating on the stock with a TP of INR2,220 (based on Mar'28E SoTP).**

#### SoTP valuation – Mar'28

	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
Lending Business	458	5.5	2,038	92	❖ 1.4x Mar'28E PBV
Shriram Group	24	0.3	107	5	❖ Based on its stake in the General Insurance Business
Life Insurance	8	0.1	34	2	
Alternatives	9	0.1	40	2	
<b>Target Value</b>	<b>499</b>	<b>6.0</b>	<b>2,220</b>	<b>100</b>	

Source: MOFSL, Company

**Piramal: Quarterly Performance**

(INR m)

Y/E March	FY25				FY26				FY25	FY26
	1QF	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	19,285	20,804	21,888	22,636	23,934	25,852	27,303	29,142	89,090	1,11,213
Interest Expenses	12,047	13,050	13,640	14,167	14,917	15,669	16,464	16,736	53,174	63,902
<b>Net Interest Income</b>	<b>7,238</b>	<b>7,754</b>	<b>8,248</b>	<b>8,469</b>	<b>9,017</b>	<b>10,183</b>	<b>10,839</b>	<b>12,406</b>	<b>35,916</b>	<b>47,311</b>
<i>YoY Growth (%)</i>	6.3	6.5	1.5	18.9	24.6	31.3	31.4	46.5		
Other operating income	1,943	2,075	6,358	5,900	2,492	2,863	1,874	5,098	6,417	6,301
Other Income	226	870	536	1,791	509	287	574	421	3,623	2,393
<b>Total Income</b>	<b>9,407</b>	<b>10,700</b>	<b>15,142</b>	<b>16,159</b>	<b>12,018</b>	<b>13,334</b>	<b>13,287</b>	<b>17,925</b>	<b>45,956</b>	<b>56,005</b>
<i>YoY Growth (%)</i>	-49.9	-7.4	6.0	20.6	27.8	24.6	-12.3	10.9		
Operating Expenses	7,034	7,534	8,002	7,843	8,145	9,007	8,247	14,544	30,143	33,078
<b>Operating Profit</b>	<b>2,373</b>	<b>3,166</b>	<b>7,140</b>	<b>8,317</b>	<b>3,873</b>	<b>4,326</b>	<b>5,041</b>	<b>3,382</b>	<b>15,814</b>	<b>22,927</b>
<i>YoY Growth (%)</i>	-75.5	-35.5	-2.4	-887.2	63.2	36.6	-29.4	-59.3		
Provisions & Loan Losses	1,007	2,376	6,278	8,058	1,646	1,653	2,150	11,684	10,740	26,080
<b>Profit before Tax</b>	<b>1,366</b>	<b>790</b>	<b>862</b>	<b>258</b>	<b>2,227</b>	<b>2,673</b>	<b>2,890</b>	<b>-8,302</b>	<b>5,074</b>	<b>-3,153</b>
Tax Provisions	664	272	521	136	247	-776	-731	30	1,594	-1,231
<b>PAT (before associate income)</b>	<b>702</b>	<b>518</b>	<b>340</b>	<b>122</b>	<b>1,980</b>	<b>3,449</b>	<b>3,622</b>	<b>-8,332</b>	<b>3,479</b>	<b>-1,922</b>
Associate Income	76	343	45	903	784	631	389	86	1,366	1,889
<b>PAT (before exceptional)</b>	<b>778</b>	<b>860</b>	<b>386</b>	<b>1,024</b>	<b>2,764</b>	<b>4,080</b>	<b>4,010</b>	<b>-8,246</b>	<b>4,845</b>	<b>-33</b>
Exceptional items	1,037	769	0	0	0	-810	0	13,264	0	15,084
Profit from Discontinued operations									-	-
<b>PAT (after exceptional)</b>	<b>1,815</b>	<b>1,630</b>	<b>386</b>	<b>1,024</b>	<b>2,764</b>	<b>3,270</b>	<b>4,010</b>	<b>5,018</b>	<b>4,845</b>	<b>15,051</b>

# Can Fin Homes

Estimate changes 

TP change 

Rating change 

	CANF IN
Bloomberg	
Equity Shares (m)	133
M.Cap.(INRb)/(USD\$b)	121.9 / 1.3
52-Week Range (INR)	972 / 692
1, 6, 12 Rel. Per (%)	6/14/26
12M Avg Val (INR M)	213

## Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	16.1	17.5	19.8
PPP	13.4	14.3	16.3
PAT	10.9	10.7	12.4
EPS (INR)	81.5	80.3	92.8
EPS Growth %	27	-2	16
BVPS (INR)	449	515	593

## Ratios (%)

NIM	4.06	3.94	3.93
C/I ratio	18.8	20.8	20.1
RoAA	2.5	2.3	2.3
RoE	19.7	16.7	16.7
Payout	18.4	17.4	16.2

## Valuation

P/E (x)	11.2	11.4	9.8
P/BV (x)	2.0	1.8	1.5
Div. Yield (%)	1.6	1.5	1.6

## Shareholding pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	30.0	30.0	30.0
DII	24.6	24.7	24.7
FII	13.4	13.2	12.1
Others	32.0	32.1	33.2

FII includes depository receipts

**CMP: INR915**

**TP: INR1,000 (+9%)**

**Neutral**

**Stable performance supported by steady margins and asset quality**

**Execution of 15% loan growth and NIM trajectory remain the key monitorables**

- Can Fin Homes (CANF)'s 4Q PAT grew ~48% YoY to ~INR3.5b (~17% beat). PAT for FY26 grew ~27% to ~INR10.9b. NII in 4QFY26 grew 21% YoY to ~INR4.2b (in line). Fee and other income stood at ~INR187m (PY: INR168m).
- Opex rose ~24% YoY to INR875m (inline). The cost-to-income ratio stood at ~19.8%. (PQ: ~18.5%, PY: ~19.4%). PPoP grew ~20% YoY to INR3.5b (inline). PPoP for FY26 grew ~17% YoY to INR13.4b.
- Provisions stood at INR6m (vs. MOFSLe of INR10m write-back), resulting in annualized credit costs of ~1bp [PQ: ~10bp and PY: ~16bp]. CANF posted an income-tax refund of INR135m in 4QFY26 and a one-time INR460m impact of DTA. This led to a lower effective tax rate of ~2% (PQ: 22.4% and PY: 16.2%).
- CANF is positioned for steady performance, with management guiding ~14% AUM growth in FY27. There is a potential for additional upside if prepayments moderate further. Disbursement momentum remains healthy across key markets, with Karnataka improving to ~INR2.75-2.9b monthly run rate, Tamil Nadu sustaining ~INR1.8-2.0b per month, and Telangana recovering to ~INR1.1-1.2b per month.
- Broadening this trend, growth is also supported by stable contributions from the North and East, reflecting healthy regional diversification and resilient demand conditions, as indicated by strong inquiry pipelines and the absence of any visible slowdown.
- CANF is also focusing on distribution expansion through ~28 new branches planned in 1HFY27, along with the ramp-up of ~54 recently opened branches that are still maturing. Additionally, a meaningful scale-up in the sales force from ~80-90 members to ~150 is expected to enhance sourcing capabilities, while the gradual shift towards higher in-house sourcing is improving overall productivity.
- Asset quality remains strong, with no discernible impact from geopolitical developments on delinquencies or bounce rates, indicating stable repayment behavior at the portfolio level. Karnataka continues to be the best-performing region, with the lowest delinquency levels and a YoY decline in absolute NPAs.
- CANF remains a resilient franchise, supported by strong margin performance even in a declining interest rate environment and consistently superior asset quality. However, we await clearer evidence of the execution of its FY27 loan growth guidance of 15%. We estimate an advances/PAT CAGR of ~14%/7% for CANF over FY26-28, with RoA/RoE of ~2.3%/~17% in FY28. **We reiterate our Neutral rating with a TP of INR1,000 (premised on 1.7x FY28E P/BV).**

### Pricing discipline and the benefit of CoB drive NIM improvement

- NIM (reported) for 4QFY26 rose ~4bp QoQ to ~3.9%. NIM (calc.) declined ~10bp QoQ. Reported yields for 4QFY26 fell ~2bp QoQ to 10.06% while CoB dipped ~6bp QoQ to 7.2%, leading to reported spreads expanding ~4bp QoQ at 2.86%. Bank borrowings for the quarter rose to 63% of the total borrowings (PQ: 62%).
- CANF guided for spreads of ~2.75-2.8%+ and NIM of ~3.75% in FY27. We expect CANF to deliver an NIM (calc.) of ~3.9% for FY27/FY28E.

### Strong disbursement momentum drives growth visibility ahead

- CANF's 4QFY26 disbursements grew ~32% YoY and 19% QoQ to INR32.5b. Advances grew ~10% YoY and ~3.7% QoQ to ~INR422b. Annualized run-off in advances stood at ~17% (PQ: 17.1% and PY: ~15%).
- CANF guided for loan growth of ~14% in FY27 on the back of disbursements of ~INR130b.
- Average ticket size (ATS) of incremental housing loans stood at INR2.7m (PQ: INR2.6m). The DSA channel in the sourcing mix was stable at ~80%.

### GS3 and NS3 decline while credit costs remain contained

- Asset quality improved, with GS3 declining ~7bp to 0.85% and NS3 declining ~12bp to ~0.37%.
- Within Karnataka, exposure to IT-linked salaried borrowers (~6%) has not resulted in any negative impact on overall asset quality trends. The company expects asset quality to remain strong, and we model credit costs of 18bp/16bp for FY27/FY28.

### Highlights from the management commentary

- CANF has undertaken a major IT transformation with an outlay of ~INR3b, of which INR1b was capex, and ~INR2b was opex spread over five years, aimed at improving scalability and operational efficiency.
- The Karnataka e-Khata issue is gradually being resolved, leading to improved business momentum in the state. Both Karnataka and Telangana are witnessing improving business sentiment, which is expected to support growth acceleration going forward.

### Valuation and view

- CANF's advances grew moderately, while elevated repayments weighed on AUM growth. Margins expanded ~4bp QoQ, supported by a favorable liability mix, and asset quality remained resilient with low GS3 levels. Importantly, disbursement growth was healthy in this quarter, indicating improving underlying momentum. The company guided ~14% loan growth in FY27, with NIM at ~3.75% and credit costs expected to remain benign. Going forward, execution on the loan growth target and the planned technology transformation will be the key monitorables.
- The stock trades at 1.8x FY27E P/B. We model an advances/PAT CAGR of ~14%/7% over FY26-28E, with an RoA/RoE of ~2.3%/~17% in FY28E. **We reiterate our Neutral rating with a TP of INR1,000 (based on 1.7x FY28E P/BV).**

**Quarterly performance**
**INR m**

Y/E March	FY25				FY26				FY25	FY26	4Q FY26E	Act vs est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	9,242	9,553	9,803	9,829	10,111	10,432	10,631	10,565	38,426	41,739	10,891	-3
Interest Expenses	6,027	6,155	6,356	6,343	6,483	6,386	6,422	6,342	24,882	25,632	6,567	-3
<b>Net Interest Income</b>	<b>3,214</b>	<b>3,398</b>	<b>3,447</b>	<b>3,485</b>	<b>3,628</b>	<b>4,046</b>	<b>4,210</b>	<b>4,223</b>	<b>13,544</b>	<b>16,106</b>	<b>4,324</b>	-2
YoY Growth (%)	12.7	7.3	4.8	6.3	12.9	19.1	22.1	21.2	7.6	18.9	24.1	
Other income	70	74	58	168	93	63	100	187	370	444	176	7
<b>Total Income</b>	<b>3,284</b>	<b>3,472</b>	<b>3,506</b>	<b>3,653</b>	<b>3,721</b>	<b>4,109</b>	<b>4,310</b>	<b>4,411</b>	<b>13,915</b>	<b>16,550</b>	<b>4,500</b>	-2
YoY Growth (%)	12.8	7.6	4.4	6.3	13.3	18.3	22.9	20.7	7.6	18.9	23.2	
Operating Expenses	488	594	593	707	682	762	799	875	2,382	3,118	848	3
YoY Growth (%)	12.3	13.3	20.0	-1.7	39.7	28.4	34.7	23.7	9.6	30.9	19.9	
<b>Operating Profits</b>	<b>2,796</b>	<b>2,878</b>	<b>2,913</b>	<b>2,946</b>	<b>3,039</b>	<b>3,346</b>	<b>3,511</b>	<b>3,535</b>	<b>11,532</b>	<b>13,432</b>	<b>3,652</b>	-3
YoY Growth (%)	12.9	6.5	1.7	8.4	8.7	16.3	20.5	20.0	7.2	16.5	24.0	
Provisions	245	137	221	154	263	31	97	6	758	396	-10	-157
<b>Profit before Tax</b>	<b>2,551</b>	<b>2,741</b>	<b>2,691</b>	<b>2,792</b>	<b>2,776</b>	<b>3,316</b>	<b>3,414</b>	<b>3,530</b>	<b>10,775</b>	<b>13,036</b>	<b>3,662</b>	-4
Tax Provisions	555	626	570	452	538	801	766	73	2,203	2,178	713	-90
<b>Profit after tax</b>	<b>1,996</b>	<b>2,115</b>	<b>2,121</b>	<b>2,339</b>	<b>2,239</b>	<b>2,514</b>	<b>2,648</b>	<b>3,457</b>	<b>8,572</b>	<b>10,858</b>	<b>2,949</b>	17
YoY Growth (%)	8.8	33.8	6.0	11.9	12.1	18.9	24.8	47.8	14.2	26.7	26.1	
<b>Key Parameters (%)</b>												
Yield on loans	10.5	10.6	10.6	10.4	10.5	10.6	10.6	10.2				
Cost of funds	7.5	7.4	7.6	7.4	7.3	7.1	7.0	6.7				
Spread	3.0	3.16	3.07	3.05	3.18	3.51	3.55	3.45				
NIM	3.6	3.77	3.74	3.70	3.77	4.13	4.19	4.08				
Credit cost	0.28	0.15	0.24	0.16	0.27	0.03	0.10	0.01				
Cost to Income Ratio (%)	14.9	17.1	16.9	19.4	18.3	18.6	18.5	19.8				
Tax Rate (%)	21.7	22.8	21.2	16.2	19.4	24.2	22.4	2.1				
<b>Balance Sheet Parameters</b>												
<b>Loans (INR B)</b>	<b>355.6</b>	<b>365.9</b>	<b>371.6</b>	<b>382.2</b>	<b>387.7</b>	<b>396.6</b>	<b>406.9</b>	<b>422.1</b>				
Growth (%)	9.4	9.7	9.1	9.2	9.0	8.4	9.5	10.4				
<b>AUM mix (%)</b>												
Home loans	88.9	88.5	88.3	87.8	87.5	86.9	86.2	85.6				
Non-housing loans	11.1	11.5	11.7	12.2	12.5	13.1	13.8	14.4				
Salaried customers	71.7	70.9	70.9	70.4	70.3	70.2	68.8	68.2				
Self-employed customers	28.3	29.1	29.0	29.5	29.6	30.4	31.1	31.8				
<b>Disbursements (INR B)</b>	<b>18.5</b>	<b>23.8</b>	<b>18.8</b>	<b>24.6</b>	<b>20.2</b>	<b>25.5</b>	<b>27.3</b>	<b>32.5</b>				
Change YoY (%)	-5.7	17.9	0.0	6.1	8.7	6.9	45.1	32.2				
<b>Borrowing mix (%)</b>												
Banks	56.0	60.0	60.0	52.0	53.0	57.0	62.0	63.0				
NHB	16.0	14.0	14.0	17.0	17.0	14.0	15.0	16.0				
Market borrowings	27.0	25.0	25.0	30.0	29.0	28.0	22.0	20.0				
Deposits	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0				
<b>Asset Quality</b>												
GNPL (INR m)	3,250	3,200	3,410	3,330	3,780	3,730	3,730	3,570				
NNPL (INR m)	1,740	1,720	1,870	1,740	2,080	1,910	1,990	1,560				
GNPL ratio %	0.91	0.88	0.92	0.87	0.98	0.94	0.92	0.85				
NNPL ratio %	0.49	0.47	0.50	0.46	0.54	0.50	0.49	0.37				
PCR %	47.0	46.0	45.2	47.7	45.0	48.8	46.6	56.3				
<b>Return Ratios (%)</b>												
ROA (Rep)	2.2	2.3	2.3	2.6	2.2	2.4	2.5	3.2				
ROE (Rep)	17.6	18.0	17.6	18.5	17.6	19.0	18.8	23.5				

E: MOFSL Estimates

# Jain Resource Recycling

BSE SENSEX  
77,304

S&P CNX  
24,093

**CMP: INR420 TP: INR560 (+33%)**

**Buy**



## Stock Info

Bloomberg	JAINREC IN
Equity Shares (m)	345
M.Cap.(INRb)/(USDb)	144.9 / 1.5
52-Week Range (INR)	500 / 248
1, 6, 12 Rel. Per (%)	-15/14/-
12M Avg Val (INR M)	1238
Free float (%)	26.4

## Financials Snapshot (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	93.1	137.8	163.3
EBITDA	6.6	9.4	11.8
PAT	4.4	6.4	8.4
EBITDA (%)	7.1	6.8	7.2
EPS (INR)	12.8	18.6	24.4
EPS Gr. (%)	98.5	46.1	31.1
BV/Sh. (INR)	48.3	66.9	91.4

## Ratios

Net D/E	0.5	0.4	0.2
RoE (%)	36.8	32.4	30.9
RoCE (%)	22.7	22.4	23.4

## Valuations

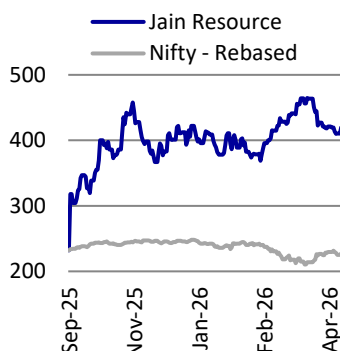
P/E (x)	32.9	22.5	17.2
EV/EBITDA (x)	23.3	16.4	12.9

## Shareholding pattern (%)

As On	Mar-26	Dec-25
Promoter	73.6	73.6
DII	10.1	8.7
FII	3.0	3.7
Others	13.3	14.0

FII Includes depository receipts

## Stock performance (one-year)



## A platform play on metals, recycling and green transition

Jain Resource Recycling (JAINREC) is one of India's largest non-ferrous metal recyclers, operating an integrated, multi-material processing platform. The growth story of JAINREC is fueled by its forward integration, potential 'greenium' benefits and diversification into critical metals.

- The copper supply gap is structurally widening, with demand expected to grow ~1.5x by 2040, while only ~70% of requirements may be met through mining by 2035. Long ~15-year new mine gestation periods and disruptions at key mines in Indonesia and Chile further constrain primary supply, accelerating reliance on recycled copper.
- In such a tightening supply scenario, JAINREC's forward integration into value-added copper products (Scrap → Ingots → Anodes → Cathodes → Wire Rods, Busbars, etc.) is strategically aligned with the fastest-growing new-age copper demand engines (AI-driven data centers and EVs), where the intensity of copper is high (EVs use 3-4x vs. ICE vehicles; data centers 30-45 MT/MW). This demand will be driven by rapid EV penetration globally (44% by CY35 vs. 22% in CY25) and India's data center expansion (4.5-6.5GW by 2030).
- Large OEMs indicate a shift in their policy toward green procurement, with players like Apple, Siemens and ABB willing to pay a premium for low-carbon inputs. This evolving preference is giving rise to 'greenium' (green premium), with institutions like the London Metal Exchange (LME) exploring differentiated pricing for low-carbon metals, which could provide additional realization upside.
- Beyond copper, JAINREC is de-risking growth through a multi-metal recycling strategy with an entry into critical metals such as tin (already operational) and antimony (under implementation), along with JV-led backward integration into scrap sourcing (US JV with C&Y) and battery recycling (Kuwait JV with Abraj Al Khaleej), which together strengthen feedstock security, improve supply stability and enhance per MT profitability.
- Overall, we like JAINREC for its structurally advantaged positioning amid tightening copper supply, emerging green metal pricing differentiation and growth de-risking through integration and diversification. We expect a CAGR of 32%/34%/38% in revenue/EBITDA/PAT over FY26-28E. We value the stock at 23x FY28E EPS to arrive at our TP of INR560 and reiterate our BUY rating.

## JAINREC aligned itself with future copper demand

- The global copper end-user demand landscape is shifting from traditional construction-heavy consumption toward electrical applications, driven by the energy transition (EVs, renewables) and digital infrastructure (AI, data centers). Among these, electrification and clean energy (EVs, renewables, grid) are already the largest incremental contributors.

- This shift is materially changing the end-use mix. **Clean energy applications alone are projected to account for ~61% of total copper consumption by 2040**, up sharply from ~25% today. At the same time, globally EV penetration is accelerating (est. ~44% by 2035 vs. 22% in 2025), with each EV using 3-4x more copper than ICE vehicles.
- With strong demand tailwinds as discussed above, the company is aligning itself to capture the growing copper demand by expanding its copper recycling capacity to 100k MT by FY28 from 83k MT today. This strategy is supported by a structural rise in copper demand (~1.5x by 2040) amid supply constraints (only ~70% met via mining by 2035), driving greater reliance on recycling.
- Further to improve its product mix, JAINREC is setting up value-added copper product capacity of 18k MT in FY27, which will be utilized to produce downstream products such as anode, cathode, busbar and wire rods, which are seeing increasing traction from new-age technologies.
- For instance, data centers are emerging as a powerful incremental demand driver. The rapid proliferation of AI and digital infrastructure is driving the need for highly reliable, low-loss power distribution systems, where **busbar trunking systems are increasingly preferred over conventional cabling due to superior scalability, safety and space efficiency**.
- As data centers scale up in both size and power density, their electrical architecture becomes significantly more copper-intensive, particularly in high-spec applications such as busbars and power distribution systems.
- In India, this trend is becoming increasingly visible. Data center capacity is expected to expand from ~1.7GW currently to ~4.5-6.5GW by 2030, with ~220MW of incremental capacity added in CY26 alone. Given copper intensity of ~30-45 MT/MW, this implies incremental copper demand of ~6.6-9k MT from CY26 additions alone, creating a strong and sustainable demand tailwind.
- As a result, downstream JAINREC's fabricated products such as wire rods (capacity 7.2k MT), busbars (capacity 6k MT) and cathode (capacity 18k MT) are witnessing disproportionate demand, with the **global busbar market itself projected to nearly double by 2035** (from USD15.7b to USD27.7b), driven by EVs and data centers (as per industry sources).
- **JAINREC's foray into value-added copper products such as cathodes, busbars and wire rods is a well-timed strategic move, as the evolving end-user demand mix, particularly the rise of EVs and data centers, structurally tilts in favor of these segments. We expect this value-added segment to contribute ~13% to revenue and 10% to EBITDA by FY28E.**

Top-quartile emissions (<2-3 tCO<sub>2</sub>/t for copper) refer to 25% of the global lowest-emission copper producers, indicating high carbon efficiency vs. industry averages. Top-quartile copper is critical for companies aiming to reduce supply chain emissions and meet sustainability targets.

### Large OEMs driving the shift toward green metals

- Green metal is defined as metal produced or recycled with low CO<sub>2</sub> intensity (e.g. top-quartile emissions such as <2-3 tCO<sub>2</sub>/MT for copper), high renewable energy usage (>70%), and strong recycling and responsible sourcing practices aligned with established frameworks.
- The rationale for green metal is also compelling, as recycled copper requires up to ~85% lower energy vs. primary production, which translates into significantly lower carbon emissions and makes it a preferred input for global OEMs seeking to reduce Scope 3 emissions.

**Scope 3 emissions** are indirect value chain gases generated from sources a company doesn't own or control, including suppliers (upstream) and customers (downstream). They often form the bulk of a business's carbon footprint.

- Importantly, large corporates such as Apple, Siemens and ABB are committed to procuring low-carbon materials even at a premium, which indicates acceptability of green metal at a premium.
- Effective Apr'26, EPR norms in India mandate producers to ensure recycling of non-ferrous metal scrap and meet targets. This, alongside potential recycled content mandates and favorable treatment for low-carbon metals in export markets, further confirms the differentiated treatment of green metal. (refer Exhibit 9)
- Here, JAINREC benefits from a strong intrinsic advantage, as recycled metals have only ~1-10% of the carbon footprint of primary metals, positioning the company favorably as customers increasingly prioritize low-emission supply chains; further their setup of scrap to cathode to finished products enables traceability and certification of green copper.
- The use of renewable energy (including captive solar power) in its operations further reduces carbon footprint, allowing JAINREC to offer near-zero emission copper products while retaining cost competitiveness, creating a differentiated “green + low-cost” positioning vs. peers, especially in export markets (by avoiding carbon-related tariffs and meeting stringent ESG norms).
- **Overall, strong OEM demand, regulatory support and premiumization of low-carbon materials position JAINREC to benefit from the shift toward green metals and provide better realizations.**

#### JAINREC positioned to capture potential ‘greenium’ upside

- JAINREC’s new plant is India’s first green copper cathode plant because of its scrap-based, renewable-powered production process. Through this downstream copper project at Jain Green Technologies (Unit 3), the company is extending its integration across the value chain, from scrap to anodes and onward to finished copper products.
- The emerging concept of a ‘greenium’, with institutions like **LME exploring differentiated pricing for low-carbon metals**, could provide additional realization upside and support a shift from pure commodity pricing to quality-linked pricing, particularly for cathodes and downstream products.
- At the operational level, the Unit 3 project represents a significant forward integration step, with phased capacity additions across the value chain. Copper anodes are expected to scale up to 1,600 MT/month (Phase 1 commissioned in 4QFY26 and Phase 2 in 1QFY27), while copper cathodes would reach 1,500 MT/month (with commissioning in 1QFY27 and ramp-up by 3QFY27), supported by downstream capacity of ~600 MT/month in wire rods and ~500 MT/month in busbars and profiles, enabling JAINREC to capture higher value addition beyond primary refining.
- JAINREC’s ability to offer traceable, low-carbon copper (from scrap to ingots to finished products) positions it favorably with global OEMs seeking to reduce Scope 3 emissions, thereby enhancing its potential to command a ‘greenium,’ as similar premiumization trends have already been observed in rPET.
- **We believe the plant’s fully integrated setup from scrap processing to electrolytic refining (~21-day cathode cycle) and downstream fabrication**

**reduces dependence on external intermediates, improves conversion margins and ensures tighter control over quality and specifications.**

### **De-risking growth through backward integration and diversification**

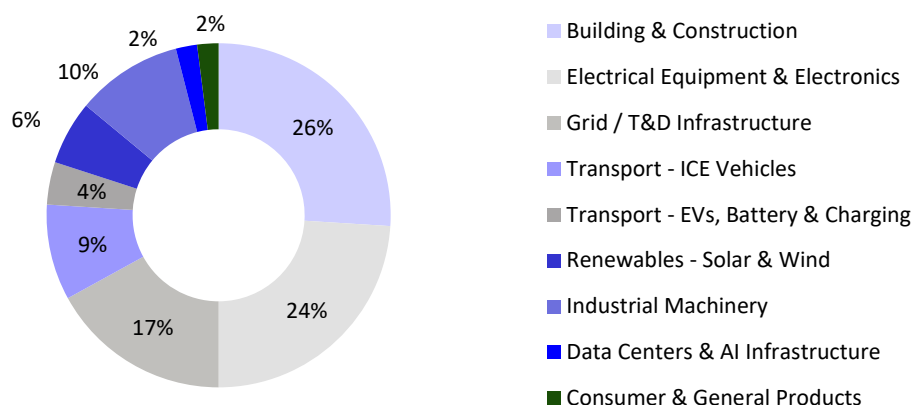
**Sec 232:** Starting Apr'26, the US has replaced metal-content duties with a tiered system ranging from 15% to 50% applied to a product's full invoice value. This shift significantly raises costs for industrial and downstream goods, though exemptions exist for products with less than 15% metal weight or those using U.S.-origin materials.

- JAINREC's strategy is evolving beyond traditional base metals into a multi-metal recycling platform, with its entry into critical metals such as tin (already operational) and antimony (under implementation), enabling diversification supply-constrained segments (geopolitical concentration in China).
- Both tin and antimony command materially higher per-unit realizations (tin: INR4.3m per MT; antimony: INR2m per MT) vs. copper and lead, which is expected to expand blended EBITDA margins as these streams scale up and reduce earnings dependence on any single metal cycle.
- This diversification is also backed by strong policy tailwinds, with India rolling out an INR1.5b recycling incentive scheme (~20% on capex + 40-60% on opex incentives) under the ~INR340b Critical Mineral Mission, alongside duty-free scrap imports and a targeted build-up to ~270k MT recycling capacity.
- At the same time, global trade dynamics are being reshaped by US Section 232 tariffs on imported finished metals (for promoting domestic metal production). This may disrupt traditional scrap flows from the US to ROW, as the US will now consume it domestically, thereby leading to near-term oversupply of metals.
- For instance, the US, being the largest exporter of copper scrap, could tighten scrap availability in global markets if a greater share is retained for domestic consumption (with already ~40% consumed domestically as of 2025), while reduced imports of finished metals into the US may simultaneously lead to oversupply in the rest of the world.
- However, **JAINREC is structurally insulated from this feedstock-related risk through its JV-led sourcing model**, particularly the C&Y Global (USA) partnership, which effectively converts this disruption into a feedstock advantage and provides high-quality US-origin scrap.
- Under this structure, US-based C&Y will supply scrap to the Indian JV, which is economically more beneficial than selling domestically, strengthening JAINREC's supply visibility precisely when other players might face tightening raw material availability.
- Similarly, the Kuwait JV (with Abraj Al Khaleej) provides backward integration into the lead value chain (scrap sourcing), focusing on battery breaking and supplying lead paste and grids directly to India, creating a captive, cross-border raw material pipeline.
- **This not only enhances margin capture at an upstream stage but also reduces dependence on fragmented domestic scrap markets while providing geographic diversification of feedstock sourcing.**
- **Overall, the combination of feedstock security, critical metal diversification, backward integration and policy alignment creates a structurally de-risked, scalable and margin-accretive growth engine, underpinning a resilient competitive moat.**

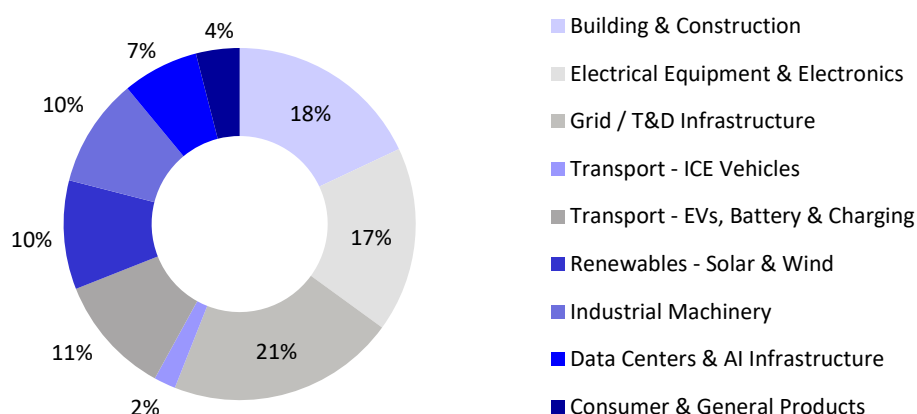
### Valuation and view

- As a leading player in India’s rapidly growing recycling industry, JAINREC is positioned for long-term growth aided by rising demand for recycled/green metals and a regulatory shift favoring organized players, along with the growth of demand for lead and copper in India outpacing the global demand growth.
- To move up the value chain, JAINREC is focusing on developing higher-value copper products, which should enhance margins and improve earnings visibility. We model EBITDA/MT to increase to ~INR24,275 by FY28 from ~INR18,292 in FY26E.
- Further, medium- to long-term demand for copper is expected to remain strong, driven by the rapid expansion of new-age industries such as renewable energy, data centers, and EVs.
- We expect a CAGR of 32%/34%/38% in revenue/EBITDA/PAT over FY26-28E. **We value the stock at 23x FY28 EPS to arrive at our TP of INR560 and reiterate our BUY rating.**

### Global copper end-use mix (CY25)



### Global copper end-use mix (CY40)



# Phoenix Mills

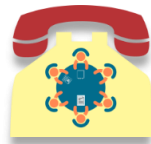
BSE Sensex  
77,304

S&P CNX  
24,093

**CMP: INR1,800**

**Buy**

## Conference Call Details



**Date:** 28 April 2026

**Time:** 11:00 IST

**Dial-in details:**

+91-22 6280 1341 / 7115  
8242

### Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	44.2	50.2	62.2
EBITDA	26.4	30.0	38.4
EBITDA (%)	59.6	59.7	61.7
PAT	12.5	15.8	23.1
EPS (INR)	35.0	44.1	64.5
EPS Gr. (%)	28.9	26.0	46.2
BV/Sh. (INR)	307.3	348.4	409.9

### Ratios

Net D/E	0.4	0.4	0.2
RoE (%)	11.7	13.5	17.0
RoCE (%)	11.9	13.2	16.1
Payout (%)	7.3	6.8	4.6

### Valuations

P/E (x)	51.4	40.8	27.9
P/BV (x)	5.9	5.2	4.4
EV/EBITDA (x)	26.1	23.1	17.5
Div Yield (%)	0.1	0.2	0.2

## Robust consumption and leasing

### Financial performance

- In 4QFY26, PHNX reported a revenue of INR12.3b, +21% YoY (in line with estimates), while EBITDA came in at INR7.5b, +34% YoY. Margin stood at 61%, +572bp/+225bp YoY/QoQ. Adj. PAT stood at INR4.1b, +50% YoY due to a higher share of associate profits. PAT margin stood at 33%.
- In FY26, revenue stood at INR44.2b, +16% YoY, while EBITDA came in at INR26.4b, up 22% YoY. Margin stood at 60%, up 295bp YoY. Adj. PAT stood at INR12.5b, up 29% YoY, with margins at 28%.

### Consumption momentum driving retail scale-up

- In 4QFY26, consumption increased 31% YoY to INR43b, while in FY26 it grew 21% YoY to INR166b. Consumption recorded a 15% CAGR since FY13. Newer malls – Phoenix Mall of the Millennium (Pune) and Phoenix Mall of Asia (Bengaluru) – continued to scale up well.
- Consumption growth in FY26 remained robust, underscoring resilient demand coming in from the electronics segment, which grew 41% YoY, followed by the jewelry segment, showcasing 35% YoY consumption growth. Other segments like Entertainment and Fashion continued to perform well, growing at 22% and 16% YoY, respectively. This growth was seen despite select assets continuing to undergo planned revamp and premiumization initiatives, which were ongoing in 2HFY26. The company also initiated the pilot of the Gourmet Village concept in the year at Phoenix Palladium and is now set to scale it across other centers. The company foresees retail scaling up to >18msf in GLA from current levels of 11.5msf by FY30.
- In 4QFY26, the company reported rental income of INR5.5b, up 14% YoY, while retail EBITDA stood at INR5.8b, up 19% YoY. In FY26, rental income stood at INR21.6b, up 10% YoY, while EBITDA stood at INR22.5b, up 12% YoY.

### Leasing traction strengthens office portfolio growth

- Gross leasing of ~2.2msf was completed as of FY26 for assets at Mumbai, Pune, Bengaluru, and Chennai. In 4QFY26, occupancy for operational assets in Mumbai and Pune was up 16% YoY and 6% QoQ to 83%. Millennium Towers 1 and 2 in Pune received Occupation Certificates in 3QFY26, while Millennium Tower 3 had received its Occupation Certificate at the end of last year.
- Leased occupancy across new developments in Pune, Bengaluru, and Chennai stands at 78%, 60%, and 33%, respectively. The company foresees the office scaling up to 9msf in GLA from the current levels of 5msf by FY30.
- Income from commercial offices in 4QFY26 stood at INR580m, +13% YoY, and EBITDA came in at INR380m, +13% YoY. Margins stood at 66%. In FY26, income stood at INR2.1b, up 6% YoY, and EBITDA came in at INR1.4b, +7% YoY. EBITDA margin stood at 66%.

## Hospitality

- **St. Regis:** For 4QFY26, occupancy stood at 88% vs. 86% in 3QFY26. ARR stood at INR25,938, up 10% YoY, and RevPAR stood at INR22,818, up 6% YoY. Total income in 4QFY26 for St. Regis was INR1.6b, up 10% YoY. EBITDA stood at INR820m, up 17% YoY, with margins of 53%, up 4pps YoY. In FY26, occupancy stood at 86%, flat YoY. ARR stood at INR21,626, up 8% YoY, and RevPAR stood at INR18,491, up 7% YoY. Total income for the year stood at INR5.4b, up 9% YoY. EBITDA stood at INR2.6b, up 17% YoY, with margins of 49%.
- **Marriott, Agra:** For 4QFY26, occupancy stood at 85% vs 87% QoQ. ARR stood at INR6,842, down 2% YoY, while RevPAR was also down 4% YoY to INR5,799. Total income in 4QFY26 for Marriott was INR169m, down 10% YoY. EBITDA stood at INR43m, down 49% YoY, with margins of 25%. In FY26, occupancy stood at 76%, up 1% YoY. ARR stood at INR5,873, down 2% YoY, and RevPAR stood at INR4,437, down 1% YoY. Total income stood at INR560m, down 2% YoY. EBITDA stood at INR140m, down 22% YoY, with margins of 25%. Hotels are likely to grow to 2,188 keys from the current levels of 588 keys by FY30.

## Premium housing demand drives sharp residential scale-up

- Due to robust demand from premium residential spaces, the company achieved gross residential sales of INR4.7b for FY26, up 2x YoY. The company recorded collections of INR4.7b up 2x YoY. Phoenix aims to add 1msf each year in the residential segment to be able to grow the portfolio to 7msf by FY30 from current levels of 2.8msf.

## Debt and Cash Flow

- Operating free cash flow (after interest and taxes) in 4QFY26 was INR6.3b, up 22% YoY. Excluding the residential business, it stood at INR5.3b, up 8% YoY. In FY26, operating free cash flow (after interest and taxes) was INR21.4b, up 23% YoY. Excluding the residential business, it stood at INR18.6b, up 13% YoY. Consolidated net debt stood at INR31.6b (vs. INR27.1b in 3QFY26).

## Financial Performance

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Gross Sales</b>	<b>9,041</b>	<b>9,180</b>	<b>9,751</b>	<b>10,163</b>	<b>9,530</b>	<b>11,154</b>	<b>11,212</b>	<b>12,332</b>	<b>38,136</b>	<b>44,228</b>
YoY Change (%)	11.5	4.9	-1.1	-22.2	5.4	21.5	15.0	21.3	-4.1	16.0
Total Expenditure	3,731	4,003	4,223	4,567	3,887	4,485	4,649	4,836	16,524	17,857
<b>EBITDA</b>	<b>5,310</b>	<b>5,177</b>	<b>5,528</b>	<b>5,597</b>	<b>5,643</b>	<b>6,669</b>	<b>6,563</b>	<b>7,496</b>	<b>21,612</b>	<b>26,371</b>
Margins (%)	58.7	56.4	56.7	55.1	59.2	59.8	58.5	60.8	56.7	59.6
Depreciation	775	775	813	902	934	912	863	894	3,265	3,603
Interest	1,031	1,031	1,029	941	951	919	1,023	974	4,032	3,868
Other Income	383	371	304	451	315	308	473	612	1,509	1,708
<b>PBT before EO expense</b>	<b>3,887</b>	<b>3,741</b>	<b>3,991</b>	<b>4,204</b>	<b>4,072</b>	<b>5,145</b>	<b>5,149</b>	<b>6,240</b>	<b>15,824</b>	<b>20,607</b>
Extra-Ord expense	-5	0	160	-27	0	0	-250	-40	127	-290
<b>PBT</b>	<b>3,882</b>	<b>3,741</b>	<b>4,151</b>	<b>4,177</b>	<b>4,072</b>	<b>5,145</b>	<b>4,900</b>	<b>6,200</b>	<b>15,951</b>	<b>20,317</b>
Tax	747	835	641	712	873	1,317	1,218	1,343	2,936	4,751
Rate (%)	19.3	22.3	15.4	16.9	21.4	25.6	24.9	21.5	18.4	23.4
MI & P/L of Asso. Cos.	809	725	862	777	792	788	923	824	3,173	3,328
<b>Reported PAT</b>	<b>2,326</b>	<b>2,181</b>	<b>2,648</b>	<b>2,688</b>	<b>2,407</b>	<b>3,040</b>	<b>2,758</b>	<b>4,033</b>	<b>9,842</b>	<b>12,238</b>
<b>Adj PAT</b>	<b>2,331</b>	<b>2,181</b>	<b>2,488</b>	<b>2,716</b>	<b>2,407</b>	<b>3,040</b>	<b>3,008</b>	<b>4,073</b>	<b>9,715</b>	<b>12,528</b>
YoY Change (%)	-3.1	-13.7	-11.0	-16.9	3.3	39.4	20.9	50.0	-11.6	29.0
Margins (%)	25.8	23.8	25.5	26.7	25.3	27.3	26.8	33.0	25.5	28.3

Source: Company, MOFSL

# Prataap Snacks

BSE Sensex  
77,304

S&P CNX  
24,093

**CMP: INR1,003**

**BUY**

## Revenue growth led by Namkeen Snacks

- 4QFY26 consolidated revenue grew 4.9% YoY to INR4.2b, led by volumes. This was in line with our estimate of INR4.3b. Revenue for FY26 stood at INR17.2b, recording 1.0% YoY growth.
- Gross margin expanded 310bp YoY to 28.6% for 4QFY26, led by a favorable product mix, while for FY26, gross margin expanded 160bp YoY to 28.8%.
- EBITDA stood at INR215m (+333.6% YoY), with 4QFY26 EBITDA margin settling at 5.1% (+390bp YoY). For FY26, EBITDA stood at INR818m, with EBITDA margin settling at 4.7% (+190bp YoY).
- APAT grew 109.6% to INR11m, with APAT margin at 0.3% (+320bp YoY).
- We believe Namkeen Snacks outperformed Western Snacks.
- Management has undertaken ~6-8% grammage reduction due to higher inflation of ~10%.
- The Board has proposed a dividend of 10% per share on a face value of INR5 each, translating to INR0.50 per share.

### Consolidated Qtrly performance

Y/E March	FY25				FY26				FY25	FY26	FY26E 4QE	Var. %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	<b>4,214</b>	<b>4,411</b>	<b>4,446</b>	<b>4,006</b>	<b>4,110</b>	<b>4,319</b>	<b>4,616</b>	<b>4,202</b>	<b>17,077</b>	<b>17,247</b>	<b>4,309</b>	-2%
YoY Change (%)	8.7	1.7	8.9	3.2	-2.5	-2.1	3.8	4.9	5.6	1.0	7.6	
<b>Gross Profit</b>	<b>1,316</b>	<b>1,283</b>	<b>1,025</b>	<b>1,023</b>	<b>1,174</b>	<b>1,288</b>	<b>1,306</b>	<b>1,204</b>	<b>4,663</b>	<b>4,972</b>	<b>1,186</b>	
Total Expenditure	3,914	4,218	4,499	3,956	3,930	4,086	4,408	3,987	16,590	16,428	4,157	
<b>EBITDA</b>	<b>300</b>	<b>193</b>	<b>-53</b>	<b>49</b>	<b>180</b>	<b>233</b>	<b>208</b>	<b>215</b>	<b>487</b>	<b>818</b>	<b>152</b>	41%
Margin (%)	7.1	4.4	-1.2	1.2	4.4	5.4	4.5	5.1	2.9	4.7	3.5	
Depreciation	176	177	176	164	171	170	168	177	692	669	175	1%
Interest	19	16	15	19	22	18	13	12	68	65	15	-17%
Other Income	22	25	27	23	24	19	28	13	97	84	25	-46%
<b>PBT before EO items</b>	<b>128</b>	<b>25</b>	<b>-218</b>	<b>-110</b>	<b>10</b>	<b>64</b>	<b>55</b>	<b>38</b>	<b>-176</b>	<b>168</b>	<b>-13</b>	
Extraordinary Inc / (Exp)	0	-89	343	0	0	-8	24	0	-254	-16	0	
<b>PBT</b>	<b>128</b>	<b>114</b>	<b>-561</b>	<b>-110</b>	<b>10</b>	<b>72</b>	<b>31</b>	<b>38</b>	<b>-431</b>	<b>152</b>	<b>-13</b>	-393%
Tax	34	51	-182	9	3	26	-1	27	-88	55	-3	-991%
Rate (%)	26.4	45.1	32.4	-8.3	33.6	35.5	-3.8	70.2	20.4	36.0	25.0	
JV and Associates	0	0	0	0	0	0	0	0			0	
<b>Reported PAT</b>	<b>94</b>	<b>63</b>	<b>-379</b>	<b>-119</b>	<b>7</b>	<b>46</b>	<b>32</b>	<b>11</b>	<b>-343</b>	<b>97</b>	<b>-10</b>	-214%
<b>Adj PAT</b>	<b>94</b>	<b>-27</b>	<b>-36</b>	<b>-119</b>	<b>7</b>	<b>39</b>	<b>56</b>	<b>11</b>	<b>-89</b>	<b>113</b>	<b>-10</b>	-214%
YoY Change (%)									-116.4	-227.4		
Margin (%)	2.2	-0.6	-0.8	-3.0	0.2	0.9	1.2	0.3	-0.5	0.7	-0.2	



### **DCB Bank : Gross, Net NPA Ratios At Lowest Levels In 7 Years; Praveen Kutty, MD & CEO**

- Gross and Net NPA ratios at the lowest levels in seven years
- Loan growth target maintained at 18–20%
- RoE guidance maintained at 13.5%

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### **Sun Pharma : Acquisition Provides Global Reach & Enhances Licencing Capabilities ; Dilip Sanghvi, MD**

- Acquisition provides global reach & enhances licencing capabilities
- Debt repayment and dividend payouts remain key concerns
- Enables entry into biosimilar as a top 10 global players

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- We have slowed disbursements in MSME; Maintain cautious stance ahead
- Credit cost to remain at current levels

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- 19 New & Existing Projects Estimated GDV at Rs21,800Cr.
- Outlines its ambitious ₹24,000 crore FY27 target.
- Entered NCR with 2 projects on JD Basis

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