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Diwali

Picks 2026



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Vikram Samvat 2083

Beyond Market Volatility: Identifying the Next Earnings Outperformers

Eight carefully selected companies positioned to capitalise on India's next phase of earnings growth

As we enter Samvat 2083, the investment landscape calls for selectivity rather than indiscriminate optimism. Global uncertainties, fluctuating capital flows and evolving market expectations continue to influence equity performance. In this environment, sustainable wealth creation is likely to depend less on broad-based market movements and more on identifying businesses capable of delivering consistent earnings growth, strengthening competitive positions and outperforming their respective sectors.

Our Diwali Stock Picks reflect this philosophy. We have identified eight companies across pharmaceuticals, technology, automobiles, hospitality, financial services, power and infrastructure where we see identifiable business drivers supporting the potential for stronger performance. The common thread is not simply exposure to India's long-term growth opportunity, but the possibility of earnings growth exceeding sector expectations as company-specific catalysts gain traction.

Our Investment Thesis: Growth Beyond the Sector

Across our selected companies, we see distinct pathways to earnings expansion. Glenmark Pharmaceuticals offers opportunities through its specialty portfolio, product launches and pipeline development, while HCLTech is positioned to benefit from enterprise technology spending and the growing adoption of AI-led solutions. Mahindra & Mahindra combines competitive strength in SUVs and tractors with opportunities emerging from its electric mobility portfolio. In hospitality, Indian Hotels Company can benefit from network expansion, operating leverage and the continued evolution of its asset-light business model.

Within financial services, Kotak Mahindra Bank offers scope for earnings improvement through business growth, operating efficiencies and a potential recovery in margins, while Bajaj Finance remains focused on expanding its assets under management, deepening customer relationships and leveraging its distribution platform. Tata Power provides exposure to the energy transition through renewable energy and solar manufacturing, while Larsen & Toubro is positioned to capture infrastructure and industrial opportunities through its execution capabilities and substantial order book.

The Edge: Earnings Delivery

In our assessment, the next phase of sector leadership will be determined by the ability to translate business opportunities into measurable financial performance. Revenue growth, margin progression, operating leverage and disciplined execution will therefore remain critical indicators of success. Importantly, our selection is anchored in the potential for individual companies to deliver stronger earnings trajectories rather than relying solely on favourable sector sentiment.

We believe these eight picks offer differentiated opportunities to participate in India's evolving growth story, with company-specific earnings drivers serving as the principal basis for our investment conviction over the medium term.

Particulars	Sector	Market Cap (Rs. Cr)	CMP*	Target Price	Upside (%)
Bajaj Finance	NBFC	5,84,679	939	1,096	16.7
Larsen & Toubro	Civil Construction	5,32,705	3,872	4,510	16.5
Kotak Mahindra	Bank	4,59,194	462	518	12.2
HCL Technologies	IT - Software	3,87,539	1,428	1,680	17.6
Mahindra & Mahindra	Automobiles	3,53,199	2,840	4,377	54.1
Indian Hotels Co	Hotels & Resorts	1,15,533	812	990	22.0
Tata Power Company	Power	1,10,255	345	421	22.0
Glenmark Pharmaceuticals	Pharmaceuticals	64,875	2,299	2,897	26.0

*CMP as on 30th October, 2026

Bajaj Finance Ltd

Sustained AUM Growth and Operating Leverage to Drive Earnings Compounding

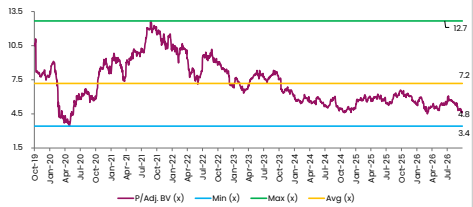
Buy

Current Market Price	939
Target Price	1,096
Upside (%)	16.7

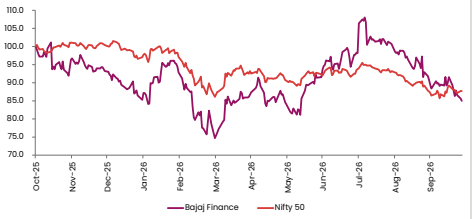
Key Stock Data

Company Name	Bajaj Finance Ltd
BSE Code	500034
NSE Code	BAJFINANCE
Bloomberg	BJFIN:IN
Shares O/S (Cr)	622.9
M.Cap (Rs.Cr)	5,84,679
3M Avg Vol	73,07,357
52 week H/L	1,176/788
FV (Rs)	1

1 Year Forward P/Adj. BV (x)



1 Year Relative Price Chart



Bajaj Finance is a leading diversified NBFC with a strong consumer-finance franchise, extensive distribution network and growing presence across SME, commercial, mortgage and rural lending. Its large customer base, multi-product strategy and technology-led underwriting provide structural advantages in customer acquisition, cross-selling and risk management. The company's focus on customer centricity, technology leadership and disciplined risk management under its FY26–FY30 strategy provides a foundation for sustained growth. Strong execution across lending segments and improving operating efficiency should support earnings growth despite near-term margin and credit-cycle uncertainties.

Diversified Lending Franchise to Sustain AUM Growth: Consolidated AUM grew 26.5% YoY to Rs. 5.85 lakh crore in Q2FY27, with quarterly net additions of approximately Rs. 37,680 crore. Growth remained broad-based, led by urban consumer finance (+43%), rural consumer finance (+63%), microfinance (+54%) and commercial vehicles and tractors (+89%). The customer base expanded 16% YoY to 128.85 million, while new loans booked increased 11% to 13.45 million. Management expects AUM growth of 26–27% in FY27 and anticipates an improvement in MSME growth during H2FY27, while maintaining its medium-term growth ambition of 23–25%. We estimate NII to grow at a CAGR of 18.9% over FY26–FY28E, supported by sustained AUM expansion, deeper customer penetration and cross-selling opportunities across its diversified lending franchise.

Operating Leverage to Offset Margin Pressure: NII grew 24% YoY to Rs. 13,335 crore in Q2FY27, while pre-provisioning operating profit increased 23% to Rs. 10,699 crore. The operating expenses-to-net total income ratio remained controlled at 33.0%, and management expects a further 25–40 bps improvement during FY27. Technology-led automation, AI-enabled customer servicing and cross-selling should improve productivity as the franchise scales. However, management anticipates marginal NIM compression amid further interest-rate increases and rising funding costs. Consequently, our earnings thesis relies primarily on balance-sheet expansion and operating efficiencies rather than aggressive margin expansion. These factors support our estimated 19.2% FY26–FY28E PPoP CAGR.

Disciplined Underwriting to Support Earnings Resilience: Consolidated GNPA and NNPA stood at 1.06% and 0.42%, respectively, in Q2FY27. Loan losses and provisions to average assets under finance declined to 1.56% from 1.88% a year earlier, and would have been 1.32% excluding the additional Rs. 337 crore macroeconomic provision. Management highlighted improving delinquency trends across recent loan vintages and expects the gradual run-down of its captive lending portfolio to provide further credit-cost benefits. While household leverage, unsecured lending and economic uncertainty remain monitorables, prudent provisioning and stronger underwriting should support earnings resilience. This underpins our estimated 18.9% FY26–FY28E PAT CAGR.

Valuation and Outlook: We initiate coverage on Bajaj Finance with a **BUY** rating and a target price of **Rs. 1,096**. We estimate FY26–FY28E CAGRs of 18.9% in NII, 19.3% in PPoP and 18.9% in PAT, driven by sustained AUM growth, a diversified lending franchise and operating leverage. Its extensive customer base and cross-selling capabilities should support growth, while disciplined underwriting remains critical to containing credit costs. Following the recent price correction, valuations offer a more favourable entry point, with the stock's earnings growth potential providing support to the investment case. We believe Bajaj Finance is well placed to deliver sustained earnings compounding over the medium term, supporting our positive view on the stock.

Financial Summary - Consolidated

Particulars (INR Cr)	FY25	FY26	FY27E	FY28E
Net interest income	36,393	44,110	53,454	62,398
Operating profits	30,028	35,887	42,896	51,024
Provisions and writeoffs	7,966	9,822	12,060	14,362
Profit after tax	16,768	19,330	22,997	27,342
Adj. BVPS (Rs)	149.5	175.7	204.4	246.5
P/Adj. BV (x)	6.1	5.2	4.5	3.7
RoA (%)	3.6	3.5	3.2	3.0
RoE (%)	17.3	17.0	17.3	17.1

Source: RBL Research

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Larsen & Toubro Ltd

Strong Order Book to Support Sustained Earnings Growth

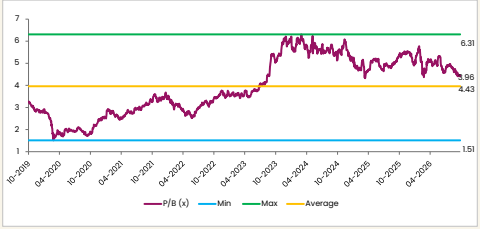
Buy

Current Market Price	3,872
Target Price	4,510
Upside (%)	16.5

Key Stock Data

Company Name	Larsen & Toubro Limited
BSE Code	500510
NSE Code	LT
Bloomberg	LT:IN
Shares O/S (Cr)	137.6
M.Cap (Rs.Cr)	5,32,705
3M Avg Vol	16,62,249
52 week H/L	4,440/3,288
FV (Rs)	2

1 Year Forward P/B (x)



1 Year Relative Price Chart



Larsen & Toubro (L&T) is well positioned to benefit from sustained infrastructure spending in India and continued investments in energy and industrial infrastructure across the Middle East. Its presence across infrastructure, energy, hi-tech manufacturing and technology services provides diversified growth opportunities, while its strong execution capabilities and established client relationships support its competitive position. With a record order book and a healthy project pipeline, revenue visibility remains strong. We believe sustained order inflows, better execution and an improvement in project profitability will drive earnings growth over the next two years.

Strong Order Inflows Provide Revenue Visibility: L&T's order book grew 28% YoY to Rs. 8.54 lakh crore at the end of Q2FY27, providing strong revenue visibility over the medium term. Order inflows stood at Rs. 1.48 lakh crore during the quarter, reflecting healthy project wins across the energy and infrastructure segments. Going ahead, sustained infrastructure spending in India, a gradual recovery in private-sector capex and continued investments in the Middle East's energy sector should support order prospects. We estimate order inflows of Rs. 4.79 lakh crore in FY27 and Rs. 5.27 lakh crore in FY28, keeping the order pipeline healthy. The sizeable backlog underpins our growth outlook, with the focus now shifting to execution, conversion of orders into revenue and the ability to secure fresh orders at healthy margins.

Execution to Drive Revenue and Earnings Growth: We expect L&T's revenue growth to be driven by execution of its sizeable order book, supported by fresh wins across infrastructure and energy, including continued investments in the Middle East. We estimate revenue to grow from Rs. 2.86 lakh crore in FY26 to Rs. 3.62 lakh crore in FY28, a CAGR of around 12.5%, as the strong backlog converts into execution. EBITDA is expected to increase from Rs. 36,344 crore to Rs. 44,140 crore, supported by operating leverage, improved project mix and execution efficiencies. Our estimates factor in gradual margin improvement, with the pace of earnings growth dependent on timely project execution and cost discipline.

Margin Improvement and Working-Capital Discipline Remain Key: Profitability remains dependent on project mix, execution efficiency and input costs. Margins in certain businesses have been affected by execution challenges and cost pressures, making a sharp recovery unlikely without sustained improvement at the project level. However, progress on ongoing projects and disciplined bidding should support gradual improvement. Working-capital management remains a strength, with net working capital at 1.7% of revenue in September 2026. We estimate owners' PAT will increase from Rs. 16,084 crore in FY26 to Rs. 22,569 crore in FY28, implying a CAGR of approximately 18.4%. Achieving this growth will require consistent execution and better profitability across projects.

Emerging Businesses Provide Long-Term Opportunities: L&T's presence in green energy, offshore wind, semiconductor-related activities and AI data centres provides opportunities beyond its traditional engineering and construction business. While these segments could contribute to growth over time, their impact will depend on execution, investment requirements and commercial viability.

Valuation and Outlook: L&T offers an attractive play on India's infrastructure capex cycle and rising global energy investments, with its record order book providing strong revenue visibility over the medium term. We expect execution-led growth, operating leverage and gradual margin improvement to drive an 18.4% CAGR in owners' PAT over FY26–FY28E. With earnings growth supported by a diversified business mix and a strong project pipeline, we initiate a coverage with a **BUY** rating and a target price of **Rs. 4,510**, based on a blended P/E and P/B valuation using FY28E estimates.

Financial Summary - Consolidated

Particulars (INR Cr)	FY25	FY26	FY27E	FY28E
Revenue from operations	2,55,734	2,85,874	3,20,179	3,61,802
EBITDA	34,551	36,344	37,781	44,140
Other income	3,074	4,052	7,000	6,500
Profit before tax	23,579	25,975	30,531	35,640
PAT incl. NCI	17,673	18,954	22,746	26,552
PAT attributable to owners	15,037	16,084	19,334	22,569
EPS (Rs.)	109.3	116.9	140.5	164.0
P/E (x)	34.6	32.4	26.9	23.1
P/B (x)	5.3	4.7	4.2	3.8

Source: RBL Research

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Kotak Mahindra Bank Ltd

Improving Growth and Operating Leverage to Drive Earnings Recovery

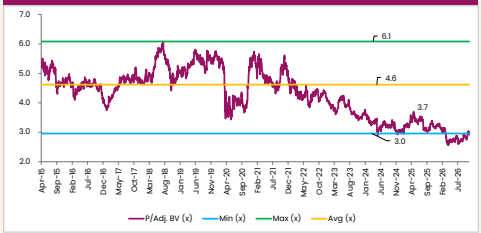
Accumulate

Current Market Price	462
Target Price	518
Upside (%)	12.2

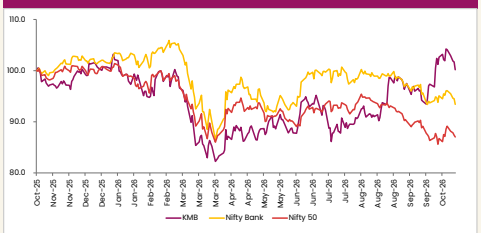
Key Stock Data

Company Name	Kotak Mahindra Bank Ltd
BSE Code	500247
NSE Code	KOTAKBANK
Bloomberg	KMB:IN
Shares O/S (Cr)	994
M.Cap (Rs.Cr)	4,59,194
3M Avg Vol	1,60,13,899
52 week H/L	453/345
FV (Rs)	1

1 Year Forward P/Adj. BV (x)



1 Year Relative Price Chart



Kotak Mahindra Bank is a leading private sector lender with a diversified franchise spanning retail, SME and corporate banking, complemented by subsidiaries across insurance, asset management and other financial services. Its strong capitalisation, established customer franchise and prudent underwriting provide a solid foundation for sustainable balance-sheet expansion. Following a period of growth moderation and margin pressures, improving advances momentum, disciplined cost management and scope for NIM recovery are expected to support an improvement in earnings growth over the medium term.

Advances Growth to Accelerate Across Key Lending Segments: Gross advances increased 23% YoY to Rs. 6.27 lakh crore in Q2FY27. Excluding loans against FCNR(B) deposits and the transferred KMIL loan portfolio, underlying advances grew 19% YoY, supported by SME, corporate and retail banking. Management targets advances growth of 1.5–2x nominal GDP growth, while maintaining underwriting discipline. Excluding FCNR(B) deposits, the deposit base grew 13% YoY, while CASA would have improved to 41.8% from 40.3% in Q1FY27. Progressive deployment of FCNR(B) liquidity and sustained traction across lending segments should support credit growth over the medium term.

NIM Recovery Potential to Support Earnings Growth: NIM declined 22 bps QoQ to 4.31% in Q2FY27, with approximately 15 bps of the contraction attributable to FCNR(B) deposits and related advances. While the full-quarter impact may keep Q3 margins under pressure, gradual deployment of these funds into customer advances and repricing of floating-rate loans should support recovery. We expect further rate hikes to aid gradual NIM expansion, with margins estimated at 4.69% in FY27E and 4.94% in FY28E, supporting NII growth to Rs. 38,816 crore and Rs. 46,000 crore, respectively.

Operating Efficiency and Asset Quality to Support Profitability: The cost-to-income ratio improved to 45.2% in Q2FY27 from 46.8% a year earlier, reflecting disciplined expenditure management and operating efficiencies. Continued investments in technology, automation and customer acquisition should support productivity, while incremental revenue growth offers scope for operating leverage. Asset quality remains healthy, with GNPA and NNPA ratios at 1.04% and 0.24%, respectively, and credit costs at 0.35%. Strong capitalisation, with a capital adequacy ratio of 21.9%, further supports balance-sheet expansion without compromising underwriting standards.

Valuation and Outlook: We maintain a **Accumulate** rating with a target price of **Rs. 518**. We estimate FY26–FY28E CAGRs of 23.8% in NII, 19.7% in PPoP and 22.4% in PAT, driven by advances growth, potential NIM recovery and operating leverage. The time-based price correction has resulted in a de-rating of the price-to-book multiple, improving the risk-reward profile. Given the bank's strong capitalisation, healthy asset quality and improving earnings outlook, we see limited scope for further material de-rating. A gradual recovery in margins and sustained cost discipline should support earnings delivery over the medium term. Its scale and diversified revenue streams provide resilience across market cycles. Execution remains central to the thesis: converting liquidity into advances, sustaining deposit mobilisation and containing incremental operating costs will determine the pace of recovery. These factors underpin our constructive view despite margin volatility.

Financial Summary - Standalone

Particulars (INR Cr)	FY25	FY26	FY27E	FY28E
Interest Earned	52,920	55,564	69,172	81,713
Interest Expended	24,578	25,554	31,103	37,284
Net Interest Income	28,342	30,010	38,816	46,000
Profit After Tax	11,862	12,491	18,370	18,710
Adj. book value per share (Rs)	87.0	129.8	135.4	149.1
RoA (%)	1.7	1.6	2.1	1.9
P/Adj. BV (x)	5.0	3.4	3.2	2.9

Source: RBL Research

Research Analyst
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HCL Technologies Ltd

AI-Led Growth, Strong Deal Pipeline and Improving Profitability

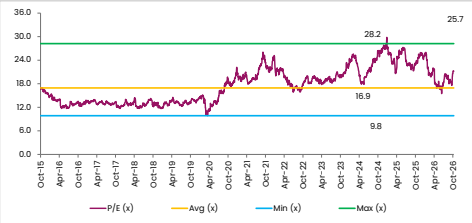
Buy

Current Market Price	1,428
Target Price	1,680
Upside (%)	17.6

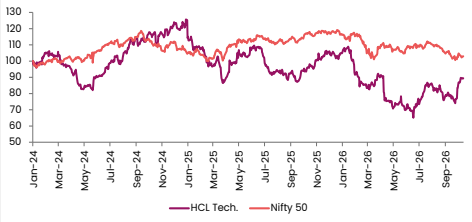
Key Stock Data

Company Name	HCL Technologies Ltd
BSE Code	532281
NSE Code	HCLTECH
Bloomberg	HCLT:IN
Shares o/s, Cr (FV 2)	271.5
Market Cap (Rs Cr)	3,87,539
3M Avg Volume (NSE)	34,20,893
52 week H/L	1,780/1,030

1 Year Forward P/E (x)



1 Year Relative Price Chart



HCL Technologies Limited is a global technology company providing IT and business services, engineering and R&D services, and software products across multiple industries and geographies. Its portfolio spans digital transformation, cloud, cybersecurity, engineering, infrastructure management and enterprise software. The Services business remains its primary growth engine, supported by established client relationships and technology-led transformation capabilities. Investments in artificial intelligence, data centre infrastructure and strategic partnerships are expanding its addressable market. However, weakness in the software business and cautious enterprise spending remain near-term concerns. Its global delivery network and technical expertise support medium-term growth.

Improving Profitability and Strong Deal Bookings: HCLTech reported Q2FY27 revenue of Rs. 35,620 crore, up 11.5% YoY, while net income increased 21.2% to Rs. 5,132 crore. EBIT margin expanded 71 bps YoY to 18.2%, supported by operating efficiencies and higher-margin AI services. New deal bookings reached US$3.26 billion, up 27% YoY, while Advanced AI revenue grew 78% to US$219 million. Despite improving profitability and strong bookings, revenue growth remained moderate in constant-currency terms. Converting deal wins into sustained organic growth remains important for strengthening earnings visibility.

Advanced AI and Strategic Partnerships Support Growth: The Advanced AI business is emerging as an important growth driver, with quarterly revenue reaching US$219 million, up 78% YoY. Its capabilities span enterprise transformation, intelligent automation, AI engineering and data centre infrastructure. Strategic partnerships, including its collaboration with Anthropic, support the development and deployment of agentic AI solutions. Investments in AI infrastructure and specialised engineering capabilities offer opportunities to capture rising enterprise technology spending. However, sustained monetisation, client adoption and potential AI-led pricing pressures remain key monitorable factors. Successful execution is expected to strengthen service differentiation and support higher-value revenue opportunities.

Services Momentum and Growth Visibility: The Services business continues to support growth, with IT and Business Services and Engineering and R&D Services recording positive YoY growth in Q2FY27. New deal bookings of US$3.26 billion provide a pipeline for future revenue conversion. Management raised the lower end of FY27 revenue growth guidance to 2.5%, retaining the range at 2.5-4.0% in constant-currency terms. Services revenue growth is expected at 3-4%, with EBIT margin guidance of 17.5-18.5%. Nevertheless, cautious client spending, geopolitical uncertainty and weakness in software products may constrain near-term growth.

Outlook and Valuation: HCLTech's strong deal pipeline, growing AI revenues, improving margins and diversified technology portfolio support medium-term growth prospects. However, moderate organic growth, cautious discretionary spending and potential AI-led pricing pressure may constrain near-term performance. Sustained deal conversion, software business recovery and AI monetisation are expected to strengthen earnings visibility. Accordingly, we initiate a coverage with a **BUY** rating and a target price of **Rs. 1,680**, based on 21.5x FY28E earnings, reflecting the company's growth opportunities and potential for sustained earnings improvement.

Financial Summary - Consolidated

Particulars (INR Cr)	FY25	FY26	FY27E	FY28E
Net revenue	1,17,055	1,29,102	1,39,645	1,49,420
EBITDA	21,420	22,923	25,074	26,829
EBITDAM (%)	18.3	17.8	18.0	18.0
APAT	17,399	18,065	19,823	21,211
APATM (%)	14.9	14.0	14.2	14.2
EPS (Rs)	64.1	66.5	73.0	78.1
PE (x)	21.8	21.0	19.2	17.9
RoE (%)	25.1	25.4	27.1	28.2

Source: RBL Research

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Mahindra & Mahindra Ltd

SUV Leadership, Tractor Strength and Accelerating EV Growth

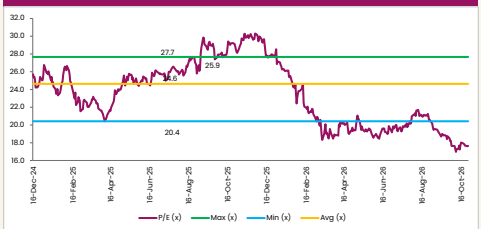
Buy

Current Market Price	2,840
Target Price	4,377
Upside (%)	54.1

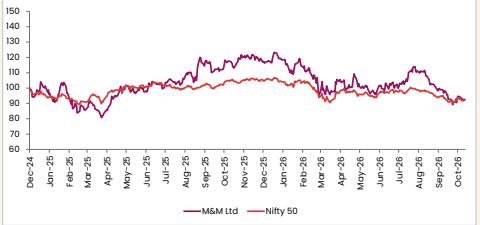
Key Stock Data

Company Name	M&M Ltd
BSE Code	500520
NSE Code	M&M
Bloomberg	MM:IN
Shares o/s, Cr (FV 5)	124.4
Market Cap (Rs Cr)	3,53,199
3M Avg Volume (NSE)	22,44,990
52 week H/L	3,840/2,744

1 Year Forward P/E (x)



1 Year Relative Price Chart



Mahindra & Mahindra Limited (M&M) is a leading Indian automotive and farm equipment manufacturer with a strong presence across SUVs, light commercial vehicles, tractors and electric vehicles. Its automotive portfolio includes Scorpio-N, Thar, XUV700, Bolero and the XEV range, while Mahindra and Swaraj are established tractor brands. The company also operates across financial services, technology, logistics and real estate. Its focus on product innovation, premium SUVs, electric mobility and farm mechanisation supports growth across business segments. Strong market positions, an extensive distribution network and a broad product pipeline underpin its competitive strengths.

Financial Performance and Operating Momentum: M&M delivered strong financial performance in FY26, with consolidated revenue increasing 24.8% YoY to Rs. 1,98,717 crore and adjusted PAT rising 32.3% to Rs. 18,621 crore. Momentum continued in Q1FY27, with revenue growing 28% YoY to Rs. 58,188 crore and PAT increasing 34% to Rs. 5,455 crore. Automotive revenue reached Rs. 1,17,834 crore in FY26, while Farm Equipment revenue stood at Rs. 42,568 crore. In Q1FY27, Automotive and Farm Equipment revenues reached Rs. 34,387 crore and Rs. 12,501 crore, respectively. Strong demand and market leadership supported growth, although commodity inflation and segment-level margin pressures remain key monitorable factors.

Product Pipeline and EV Expansion: The product strategy focuses on premium SUVs, electric mobility and next-generation vehicle platforms. The SUV portfolio, including Scorpio-N, Thar and XUV700, supports competitive positioning, while the XEV range strengthens the company's presence in electric mobility. Its long-term product pipeline and investments in new platforms are expected to expand offerings across price segments and powertrains. The electric SUV portfolio recorded a 37.4% revenue market share in FY26, reflecting growing traction. Capacity expansion, new launches and technology investments are expected to support market penetration, improve customer reach and strengthen competitiveness. However, intense competition and evolving consumer preferences remain important factors influencing future growth.

Farm Equipment Leadership and Rural Demand: The company maintained its leadership in India's tractor industry, with domestic market share reaching 43.6% in FY26 and 44.9% in Q1FY27. Tractor volumes grew 24% to approximately 5.26 lakh units in FY26, supported by healthy demand and favourable farm conditions. The Mahindra and Swaraj brands continue to benefit from product upgrades, distribution expansion and farm mechanisation solutions. An established rural network and broad product range provide opportunities to benefit from rising mechanisation and improving farm productivity. However, monsoon variability, rural income trends, crop realisations and commodity inflation remain key factors influencing tractor demand and segment profitability.

Outlook and Valuation: M&M's strong SUV and tractor franchises, expanding EV portfolio, product pipeline and diversified businesses support growth prospects. New launches, capacity expansion and farm mechanisation are expected to drive earnings, although commodity costs, competition and rural demand remain key risks. Operating efficiencies and market share gains will be important growth drivers. Accordingly, we maintain a **BUY** rating with a target price of **Rs. 4,377**, based on 22.9x FY28E earnings, reflecting the company's growth potential and earnings outlook.

Financial Summary - Consolidated

Particulars (INR Cr)	FY25	FY26	FY27E	FY28E
Net revenue	1,59,211	1,98,717	2,32,101	2,71,326
EBITDA	30,518	36,979	41,352	46,351
EBITDAM (%)	19.2	18.6	17.8	17.1
APAT	14,073	18,621	19,248	21,362
APATM (%)	8.8	9.4	8.3	7.9
EPS (Rs)	126.1	166.6	172.2	191.2
PE (x)	22.8	17.2	16.7	15.0
RoE (%)	25.2	33.3	34.4	38.2

Source: RBL Research

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Indian Hotels Company Ltd

Brand Strength, Asset-Light Growth and Hospitality Demand

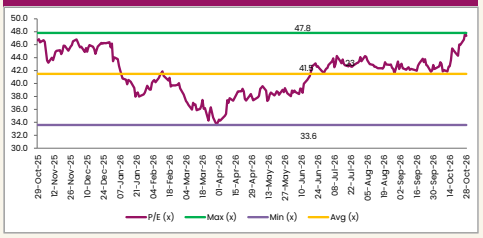
Buy

Current Market Price	812
Target Price	990
Upside (%)	22.0

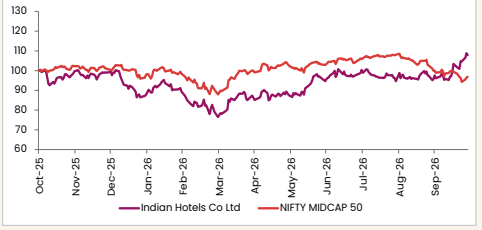
Key Stock Data

Company Name	Indian Hotels Co Ltd
BSE Code	500850
NSE Code	INDHOTEL
Bloomberg	IH:IN
Shares o/s, Cr (FV 1)	142.3
Market Cap (Rs Cr)	1,15,533
3M Avg Volume (NSE)	28,85,702
52 week H/L	816/565

1 Year Forward P/E (x)



1 Year Relative Price Chart



The Indian Hotels Company Limited (IHCL) is one of India's leading hospitality companies, with a diversified portfolio spanning luxury, upscale, midscale, boutique and wellness offerings. Its brands include Taj, Claridges Collection, SeleQtions, Vivanta, Gateway and Ginger, alongside experiential and wellness businesses such as Brij and Atmantan. The company also operates in air and institutional catering, providing additional revenue diversification. As of September 2026, its portfolio comprised 670 hotels, including 280 in the pipeline, across 15 countries and more than 300 locations. Its established brands and asset-light expansion model support growth across hospitality segments.

Financial Performance and Margins: IHCL reported FY26 revenue of Rs. 9,689 crore, up 16.2% YoY, EBITDA of Rs. 3,195 crore, up 15.3%, and adjusted PAT of Rs. 2,523 crore, up 7.7%, with EBITDA margin expanding to 33%. Growth was supported by higher RevPAR, catering, new businesses and management fees. In Q2FY27, consolidated revenue increased 21% YoY to Rs. 2,566 crore, EBITDA rose 21% to Rs. 788 crore, and PAT grew 23% to Rs. 349 crore. Standalone EBITDA margin expanded 400 bps to 38.9%, reflecting strong demand and operating leverage.

Asset-Light Expansion and Fee Income: The company continues to expand its hotel network through new signings and an asset-light growth strategy, enabling portfolio expansion without proportionate capital investment. It signed 47 hotels in H1FY27, taking its portfolio to 670 hotels, including a pipeline of 280 properties. Management fee income grew 25% YoY in Q2FY27, supported by new hotel openings. The expanding pipeline across brands and geographies is expected to strengthen recurring fee income, improve capital efficiency and support long-term growth. Timely project execution, hotel openings and the ability to maintain brand standards remain key monitorable factors.

Growth Drivers and Guidance: Management upgraded FY27 consolidated revenue growth guidance to 15-17% from 12-14%, while hotel segment revenue growth is expected at 17-19%. Growth is expected to be supported by demand from social and MICE events, higher room rates, new hotel openings and contributions from recently acquired businesses. Domestic same-store hotels recorded 25% RevPAR growth in Q2FY27, while full-service same-store hotels delivered 28% growth on a standalone basis. The expanding portfolio and premium brand positioning provide further growth opportunities, although demand seasonality, operating cost inflation and execution risks remain important monitorables.

Outlook and Valuation: IHCL's strong brand portfolio, sustained hospitality demand, expanding asset-light network and growing management fee income support its medium-term growth prospects. The upgraded FY27 revenue guidance and healthy operating performance indicate sustained business momentum, while the proposed merger of Oriental Hotels Limited, effective April 1, 2027, is expected to simplify the group structure and strengthen growth opportunities. However, rising operating costs, potential moderation in room rates, seasonality and delays in hotel openings remain key risks. Accordingly, we initiate a coverage with a **BUY** rating and a target price of **Rs. 990**, based on 41.8x FY28E earnings, reflecting the company's growth potential and earnings visibility.

Financial Summary - Consolidated

Particulars (INR Cr)	FY25	FY26	FY27E	FY28E
Net Revenue	8,335	9,689	11,336	13,264
EBITDA	2,229	3,195	3,792	4,497
EBITDAM (%)	33.2	33.0	33.4	33.9
APAT	2,343	2,523	2,757	3,372
APATM (%)	21.3	19.8	24.3	25.4
EPS (Rs)	16.5	17.7	19.4	23.7
PE (x)	49.2	45.7	41.8	34.2
RoE (%)	15.9	14.7	17.8	18.2

Source: RBL Research

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Tata Power Company Ltd

Renewables-Led Growth and Improving Business Mix to Drive Earnings Expansion

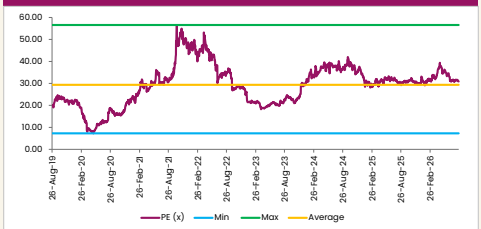
Buy

Current Market Price	345
Target Price	421
Upside (%)	22.0

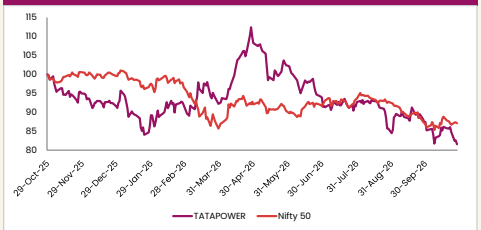
Key Stock Data

Company Name	Tata Power Limited
BSE Code	500400
NSE Code	TATAPOWER
Bloomberg	TPWR:IN
Shares O/S (Cr)	319.4
M.Cap (Rs.Cr)	1,10,255
3M Avg Vol	43,73,068
52 week H/L	465/333
FV (Rs)	1

1 Year Forward P/E (x)



1 Year Relative Price Chart



Tata Power is transitioning from a conventional power utility into an integrated energy platform, spanning generation, renewables, transmission, distribution, solar manufacturing and emerging clean-energy solutions. Its diversified operating model combines the earnings stability of regulated businesses with structural growth opportunities arising from India's rising electricity demand and energy transition. Expanding renewable capacity, improving distribution profitability and scaling solar manufacturing are expected to strengthen earnings visibility. While the transition requires substantial capital investment, a favourable business mix provides a foundation for sustained medium-term earnings growth.

Renewable Capacity Expansion and Solar Manufacturing to Drive Growth: Tata Power commissioned approximately 2.5 GW of renewable capacity in FY26, taking its renewable portfolio to 11.6 GW, including 5.1 GW under construction. The renewables business delivered 59% YoY PAT growth in FY26, reflecting improving scale and operating leverage. Solar manufacturing contributed Rs. 857 crore in PAT, supported by module production of 3,825 MW and cell production of 3,759 MW. Rooftop solar installations reached 1.7 GWp during FY26, taking cumulative installations beyond 4.8 GWp. Further capacity additions, improved manufacturing utilisation, backward integration and rising rooftop adoption should support growth.

Regulated Businesses Provide Stability and Strengthen Cash-Flow Visibility: The transmission and distribution business reported 49% PAT growth to Rs. 2,978 crore in FY26, while Odisha DISCOMs recorded PAT of Rs. 809 crore, up 84% YoY. These businesses provide relatively predictable earnings and cash flows, complementing the higher-growth renewable and manufacturing segments. Continued improvements in operational efficiency, collection performance and distribution economics should strengthen earnings quality and support funding requirements for the company's expansion programme.

Favourable Business Mix to Support Earnings Outperformance: Revenue is projected to grow at a 13.0% CAGR over FY26–FY28E, while PAT is expected to compound at approximately 25%. Earnings growth is likely to outpace revenue expansion, supported by operating leverage, renewable capacity commissioning, solar manufacturing scale-up, rooftop solar growth and improving profitability across regulated operations. Pumped-hydro storage and nuclear power provide additional long-term opportunities. However, these initiatives remain subject to regulatory approvals, project execution and commercial viability.

Capital Allocation and Leverage Remain Key Monitorables: Planned capital expenditure of Rs. 25,000 crore in FY27 and Rs. 27,000 crore in FY28 underscores the investment intensity of Tata Power's growth strategy. Net debt is expected to increase from Rs. 46,600 crore in FY26 to Rs. 62,600 crore in FY28E. Timely commissioning, capacity utilisation and operating cash-flow generation will therefore remain critical to managing leverage and protecting balance-sheet flexibility.

Valuation and Outlook: We maintain a **BUY** rating on Tata Power with a target price of **Rs. 421**, based on our blended P/E and EV/EBITDA valuation approach. We estimate PAT to grow at a CAGR of 25% over FY26–FY28E, supported by renewable capacity additions, a higher contribution from solar manufacturing and stable regulated earnings. The ramp-up of new capacities should drive earnings growth, while the shift towards renewables and manufacturing strengthens the company's long-term growth profile. Although elevated capex and rising leverage remain key monitorables, we expect improving asset utilisation and cash-flow generation to support the next phase of growth. At our target price, we see scope for value creation as capacity expansion translates into earnings growth and a stronger business mix. Timely execution and returns on invested capital will be key to sustaining this upside.

Financial Summary - Consolidated

Particulars (INR Cr)	FY25	FY26	FY27E	FY28E
Revenue from Operations	65,478	62,429	71,169	79,709
EBITDA	14,468	16,090	18,362	20,884
Other Income	1,514	1,743	1,300	1,450
Net Profit (Consol, incl NCI)	4,775	5,118	6,626	8,006
Basic EPS (Rs.)	12.4	11.7	16.0	19.7
RoE (%)	13.3	13.0	11.7	12.9
P/E (x)	26.9	28.5	20.9	17.0
EV/EBITDA (x)	10.1	9.5	8.8	8.1

Source: RBL Research

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Glenmark Pharmaceuticals Ltd

Advancing Global Healthcare Through Innovation

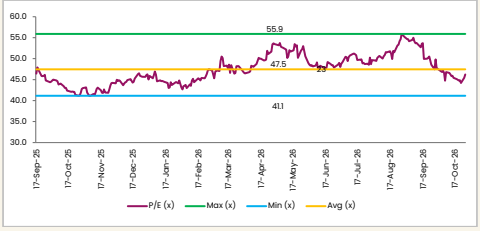
Buy

Current Market Price	2,299
Target Price	2,897
Upside (%)	26.0

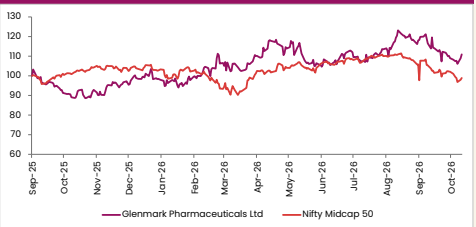
Key Stock Data

Company Name	Glenmark Pharmaceuticals Ltd
BSE Code	532296
NSE Code	GLENMARK
Bloomberg	GNP:IN
Shares o/s, Cr (FV 1)	28.2
Market Cap (Rs Cr)	64,875
3M Avg Volume (NSE)	6,37,547
52 week H/L	2,538/1,793

1 Year Forward P/E (x)



1 Year Relative Price Chart



Glenmark Pharmaceuticals Ltd. is a research-led pharmaceutical company with presence across 80+ countries, supported by 11 manufacturing facilities and six R&D centres. Its portfolio spans branded, innovative and generic medicines, with key focus areas including respiratory, dermatology and oncology. RYALTRIS®, WINLEVI® and oncology assets remain important growth drivers, while the IGI pipeline adds innovation-led opportunities. The AbbVie licensing agreement for ISB 2001, comprising a US$700 million upfront payment and potential deal value of US$1.925 billion, strengthens Glenmark's specialty profile. Its diversified geographic footprint, commercial infrastructure and increasing focus on differentiated therapies are expected to improve business mix and earnings quality.

Strong Financial Performance: Delivered growth in FY26, with consolidated revenue rising 27.5% YoY to Rs. 16,983 crore. EBITDA stood at Rs. 4,572 crore, translating into a 26.9% margin, while adjusted PAT reached Rs. 1,362 crore. Momentum continued in Q1FY27, with revenue increasing 23.1% YoY to Rs. 4,019 crore, EBITDA growing 38.6% to Rs. 805 crore and PAT reaching Rs. 483 crore. Performance was broad-based, with India, North America, Europe and Emerging Markets advancing 15.5%, 41.1%, 11.9% and 27.7%, respectively. Improving operating leverage, product traction and specialty contribution are expected to reinforce profitability, supporting further revenue and earnings progression.

Specialty Portfolio & New Launches Drive Growth: A specialty-led strategy offers a platform for expansion across respiratory, dermatology and oncology. RYALTRIS® remains a key growth driver, supported by wider geographic reach and increasing penetration, while upcoming respiratory and oncology launches can broaden the franchise. Trastuzumab Rezetecan and Aumolertinib are strengthening the oncology pipeline alongside proprietary IGI assets. India is expected to sustain healthy growth through core therapies and new products, with differentiated medicines likely to enhance business quality. Portfolio optimisation, specialty launches and penetration are expected to protect margins and create a runway for future earnings.

US Opportunity & Pipeline Monetisation Enhance Visibility: International opportunity is underpinned by its US respiratory franchise, niche launches and pipeline commercialisation. FY27 US growth is expected to remain robust, aided by new products and regulatory approvals, while RYALTRIS® offers additional potential across overseas markets. The ISB 2001 agreement with AbbVie provides upfront economics and strengthens validation of Glenmark's innovation capabilities. Further IGI assets could generate licensing opportunities, while expansion across Europe and Emerging Markets through respiratory, dermatology and oncology offerings broadens the addressable opportunity. Higher product penetration and pipeline monetisation are expected to diversify revenue streams, improve visibility and support a healthy earnings trajectory.

Outlook & Valuation: Specialty medicines, an established respiratory franchise, international reach and an innovation pipeline create avenues for expansion. RYALTRIS®, WINLEVI®, oncology assets and the AbbVie partnership are expected to lift the contribution from differentiated therapies, while new approvals can broaden the product base. We expect earnings growth to be supported by specialty expansion, overseas momentum and a better business mix. Greater contribution from higher-value therapies, product traction and potential IGI monetisation should reinforce earnings visibility. Accordingly, we initiate a coverage with a **BUY** rating and a target price of **Rs. 2,897**, based on 33.9x FY28E earnings, reflecting Glenmark's specialty portfolio, innovation capabilities and growth opportunity.

Financial Summary - Consolidated

Particulars (INR Cr)	FY25	FY26	FY27E	FY28E
Net Revenue	13,322	16,983	19,530	22,459
EBITDA	2,351	4,572	5,592	6,709
EBITDAM (%)	17.7	26.9	28.6	29.9
APAT	1,047	1,362	1,983	2,411
APATM (%)	7.9	8.0	10.2	10.7
EPS (Rs)	37.1	48.3	70.3	85.5
PE (x)	62.0	47.7	32.7	26.9
RoE (%)	11.8	13.0	16.0	16.4

Source: RBL Research

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S No.	Statement	Answer	
		Tick Appropriate	
		Yes	No
1.	I/we or any of my/our relative has any financial interest in the subject company? (If answer is yes, nature of interest is given below this table)		No
2.	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of the research report or date of the public appearance?		No
3.	I/we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of the public appearance?		No
4.	I/we have received any compensation from the subject company in the past twelve months?		No
5.	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
6.	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
7.	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
8.	I/we have served as an officer, director or employee of the subject company?		No
9.	I/we have been engaged in market making activity for the subject company?		No

2014 is/are as under:

Statements of ownership and material conflicts of interest, compensation – Research Analyst (RA)

Nature of Interest [If answer to f (a) above conflicts is Yes .....]

Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to

S. No.	Name of RA	Signature of RA	Serial Question of question which the signing RA needs to make a separate declaration	Answer	Answer

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