
MONARCH
NETWORTH CAPITAL
MNCL
DIWALI PICKS
SAMVAT 2083

Fear Prices In, Fundamentals Stay On

Samvat 2082 tested investor's patience. Rising US yields, elevated crude, supply-chain worries and a global rally narrowly concentrated in AI, left markets with little to show for two years of effort. Yet beneath the weak index returns, India Inc. kept delivering. However, the 12-month forward P/E multiple for the market has sharply compressed. For example, the Nifty 50 forward P/E compressed from 24.8x in late 2024 down to 17.2x by September 2026. Sharp corrections like this have historically been the trigger for next phase of wealth creation.

Sentiment, in our view, is more stretched than fundamentals. India's weight in the MSCI Emerging Markets index has nearly halved from ~20% to ~11%, so foreign overweight positions have largely been unwound. FPIs have sold large caps in the secondary market, but they remain active buyers in IPOs and are rotating towards small and midcaps. Their return to the Indian markets may require easing tax friction (the STT and capital gains overlap), calmer energy markets, and unwinding of AI trade. Markets are already pricing in much of the known bad news.

Our key theme for Samvat 2083 is the 8th Pay Commission. We expect its recommendations to be accepted in FY28, putting more money in the hands of over 2 crore employees and pensioners. Past commissions saw the extra income flow towards automobiles, travel and tourism, premium beverages and consumer durables, and we expect a similar pattern. The premiumization theme could benefit these consumption and discretionary pockets.

BFSI is our second conviction. Credit and deposit growth are both above ~15%, asset quality is at multi-year best, valuations are below average, and leadership transitions at several institutions could bring fresh strategic momentum. Select capital market plays remain attractive, though as steady compounders rather than a repeat of the last five years.

The returns ahead will be earnings-led, so moderated expectations and disciplined asset allocation matter. Our Diwali picks again focus on fundamentals, governance and reasonable valuations, favouring stock selection over trend-following.

Happy new year, and happy investing!

STOCK PICKS FOR SAMVAT 2083

Stock Details	Industry	Buying Range (₹)	CMP* (₹)	Target Price (₹)	Upside (%)
Aster DM Quality Care Ltd	Healthcare	660-700	681	835	23%
Bharat Electronics Ltd	Defence	355-385	370	449	21%
Bharti Airtel Ltd	Telecom	1950-2000	1974	2270	15%
Blue Star Ltd	Consumer Durables	1580-1670	1628	1,911	17%
Carborundum Universal Ltd	Capital Goods	995-1060	1030	1,563	52%
CCL Products (India) Ltd	Tea & Coffee	900-960	928	1,415	52%
HDFC AMC Ltd	AMC	2260-2360	2309	2,680	16%
Indegene Ltd	Technology	570-600	585	691	18%
Pricol Ltd	Auto Ancillary	625-660	644	800	24%
State Bank of India Ltd	Banking	945-980	962	1,265	31%
TBO Tek Ltd	Travel Platform	1495-1570	1532	2,043	33%
Vedanta Aluminium Metal Ltd	Metal	340-370	356	525	48%
VA Tech Wabag Ltd	Water Recycling	1760-1860	1812	2,235	23%

**Closing Price as on 30-10-2026*

Aster DM Quality Care Ltd

Buying Range: Rs 660-700 | **TP: Rs 835**

Monarch Research

CMP (Rs)	₹ 681
Target (Rs)	₹ 835
Upside	23%

Key Data

Bloomberg Code	ASTERDM IN
Curr Shares O/S (mn)*	872
Mkt Cap (Rsbn/USDmn)	593.1/6243
52 Wk H / L (Rs)*	891/519
5 Year H / L (Rs)*	891/166
Daily Vol. (3M Avg.)	10.5mn

Source: ACE Equity, MNCL Research

Price Performance

(%)	1M	6M	1Yr
ASTERDM	-2.4	-2.9	-2.5
NIFTY500	1.9	-3.9	-10.9

Source: ACE Equity, MNCL Research

Shareholding Pattern

(%)	Sep-26	Jun-26	Mar-26
Promoter	53.7	40.4	40.4
Inst./Govt.	33.9	38.2	44.7
Others	12.3	21.4	14.8

Founded in 1987 as a single clinic in Dubai, Aster grew into one of the largest healthcare chains across India and the Gulf. In April 2024, it demerged its GCC business to unlock value in its India operations. In July 2026, it merged with Blackstone-backed Quality Care India (CARE Hospitals, KIMSHEALTH and Evercare) to form Aster DM Quality Care, one of India's top three hospital chains. The combined entity operates 39 hospitals with 10,800+ beds across 28 cities, with a strong focus on South India. Both businesses have a CONGO mix (cardiac, oncology, neuro, gastro and ortho) of over 50%, reflecting their focus on high-acuity care. On a proforma basis, the merged entity reported FY26 revenue of Rs 9,273 crores (up 14% YoY) and operating EBITDA of Rs 2,013 crores, at a 21.7% margin.

- **Merger synergies to play out:** The merger combines Aster's strength in Kochi, Kozhikode and Bengaluru with CARE and KIMSHEALTH's leadership in Hyderabad and Trivandrum, with limited city overlap. This expands reach without internal competition. Synergies in procurement, supply chain, capex and corporate functions should lift EBITDA by Rs 1.5-2bn, increasing margins by 200-300bps.

- **Visible bed addition pipeline:** The company plans to grow from 10,800 to 15,000+ beds over 3 to 4 years, adding about 4,200 beds. Around 53% of additions are brownfield, which lowers capex per bed and speeds up ramp-up. Growth will come from deepening existing clusters and entering new states such as Madhya Pradesh, Chhattisgarh and Odisha.

- **Demand tailwinds outweigh pricing overhang:** India's low bed density, ageing population and rising insurance penetration keep demand for quality private care strong. The cancer drug margin cap, effective November 9, is a near-term headwind. However, Aster's diversified CONGO mix limits its exposure compared with oncology-heavy peers.

- **Outlook & Valuation:** We hold a constructive long-term view on Aster DM Quality Care, driven by bed additions and merger synergies over FY27 to FY29. As EBITDA crosses Rs 2,600 crore by FY28, we expect the market to value the company alongside India's largest hospital chains. Valuing FY28E pre-Ind AS combined EBITDA of ~Rs 2,673 crore at 27x, we arrive at a target price of ~Rs 835 per share, implying 23% upside.

Exhibit 1: Key Financials (Consolidated, Proforma)

Y/E Mar (Rs mn)	FY24*	FY25*	FY26	FY27E	FY28E
Sales	36,990	41,380	92,732	1,07,470	1,27,900
YoY (%)		*12%*	*124%*	*16%*	*19%*
Pre-Ind AS EBIDTA**	5,200	6,725	18,010	21,390	26,730
YoY (%)		*29%*	*168%*	*19%*	*25%*
PAT	1870	3066	7752	10165	14709
YoY (%)		*64%*	*153%*	*31%*	*45%*
EPS (Rs)	4	6	9	12	17

Y/E Mar	FY24*	FY25*	FY26	FY27E	FY28E
Pre-Ind AS EBIDTA (%)	14.06%	16.25%	19.42%	19.90%	20.90%
NPM (%)	5%	7%	8%	9%	12%
PER (x)				57.8	40.0
EV/ EBITDA (x)				27.5	22.0
RoE (%)	3.7%	9.0%	10.1%	15.0%	16.1%
RoIC (%)	2.3%	-78.0%	7.8%	10.5%	11.3%

** FY24 and FY25 financials are for Aster (pre-merger) while numbers for FY26 onwards are for combined entity*
*** Adjusted for lease expenses*
Source: Company, MNCL Research

Bharat Electronics Ltd (BEL)

Buying Range: Rs 355-385 | **TP: Rs 449**

Monarch Research

CMP (Rs)	₹370
Target (Rs)	₹449
Upside	21%

BEL is India's largest defence electronics manufacturer, holding market leadership across radars, electronic warfare, communications, air defense, electro-optics, avionics, and naval systems. The company enjoys a dominant market position supported by decades of technological expertise, strong execution capabilities and long-standing relationships with the Indian Armed Forces. With defense contracts accounting for nearly 90% of its top line, BEL acts as a core integration partner for strategic initiatives including LRSAM, MRSAM, and QRSAM, placing it at the forefront of India's shift toward indigenous electronics-based warfare. While Defence remains the core business, BEL is also expanding its non-defence portfolio across homeland security, smart cities, rail and metro systems, space electronics, solar power plants and secure communication solutions.

Key Data

Bloomberg Code	BHE IN
Curr Shares O/S (mn)*	2.64
Mkt Cap (Rsbn/USDmn)	2698/28331
52 Wk H / L (Rs)*	474/355
5 Year H / L (Rs)*	474/67
Daily Vol. (3M Avg.)	11.7mn

Source: ACE Equity, MNCL Research

Price Performance

(%)	1M	6M	1Yr
BEL	-4.7	-14.2	-9.7
NIFTY	1.9	-3.9	-10.9

Source: ACE Equity, MNCL Research

Shareholding Pattern

(%)	Sep-26	Jun-26	Mar-26
Promoter	51.1	51.1	51.1
Inst./Govt.	38.8	39.0	39.5
Others	10.1	9.8	9.6

Source: ACE Equity, MNCL Research

- **Strong Diversified Order Book:** The company maintains a robust order book of Rs 72,258 crore (~2.5x revenues). Moreover, the order pipeline remains strong as the full-year order guidance remains strong at Rs 55,000+ crore, driven by high-value prospective programs like QRSAM (expected in H2FY27). Defense contracts comprise roughly 90% of the overall backlog, featuring a well-diversified split across the Indian Army (~30%), Navy (~30%), and Air Force (~30%).

- **Robust execution:** BEL maintains a strong operational track record, having delivered a 3-year revenue CAGR of 16%. For FY27, management targets 15%+ revenue growth alongside EBITDA margins of ~28%, supported by accelerated execution of the order backlog, an enhanced product mix, and higher indigenization.

- **Expanding Addressable Market:** The rising electronic content in defense platforms creates a structural tailwind for BEL. Leveraging its comprehensive portfolio and deep indigenous integration capabilities, the company is uniquely positioned to capitalize on growing expenditures across electronic warfare, battlefield communications, and network-centric systems across domestic as well as international markets.

- **Outlook & Valuation:** We expect Revenue and EBITDA to grow at a CAGR of 15% and 12%, respectively, over FY26-FY28E, driven by sustained order inflows, strong execution and operating leverage. While BEL (FY28 estimated PE of 35.3x) trades above its 5-year historical valuation multiple, we believe the premium is justified because of underlying structural growth trends in the industry. Intrinsic valuation based on free cash flows gives a DCF valuation of Rs 449 per share, implying 21% percent upside from current levels.

Exhibit 1: Key Financials (Consolidated)

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Sales	202,682	237,688	276,101	320,217	362,721
YoY (%)	*14.3*	*17.3*	*16.2*	*16.0*	*13.3*
EBIDTA	48,708	66,819	77,563	88,201	98,087
YoY (%)	*46.6*	*67.2*	*59.2*	*13.7*	*11.2*
PAT	39,852	53,227	60,623	68,198	77,330
YoY (%)	*66.1*	*78.3*	*52.1*	*12.5*	*13.4*
EPS (Rs)	5.5	7.3	8.3	9.3	10.6

Source: Company, MNCL Research

Exhibit 2: Key Indicators

Y/E Mar	FY24	FY25	FY26	FY27E	FY28E
EBIDTAM (%)	24.0	28.1	28.1	27.5	27.0
NPM (%)	19.7	22.4	22.0	21.3	21.3
PER (x)	37.0	41.4	48.3	40.0	35.3
EV/ EBITDA (x)	23.8	27.8	33.0	29.3	25.8
RoE (%)	26.4	29.3	27.6	26.4	25.6
RoIC (%)	15.0	19.3	19.4	18.8	18.5
Pre-Tax OCF/EBITDA (%)	NA	33.5	45.9	147.3	110.0

Bharti Airtel Ltd

Buying Range: Rs 1,950-2,000 | **TP: Rs 2,270**

Monarch Research

CMP (Rs)	₹1,974
Target (Rs)	₹2,270
Upside	15%

Key Data

Bloomberg Code	BHARTI IN
Curr Shares O/S (mn)*	0.9
Mkt Cap (Rsbn/USDmn)	12295.9/129113
52 Wk H / L (Rs)*	2174.5/1726.3
5 Year H / L (Rs)*	2174.5/653
Daily Vol. (3M Avg.)	6.4mn

Source: ACE Equity, MNCL Research

Price Performance

(%)	1M	6M	1Yr
BHARTI	12.33	4.6	-4.48
NIFTY	1.9	-3.9	-10.9

Source: ACE Equity, MNCL Research

Shareholding Pattern

(%)	Sep-26	Jun-26	Mar-26
Promoter	50.0	50.0	48.8
Inst./Govt.	46.9	48.4	48.4
Others	2.7	2.7	2.6

Source: ACE Equity, MNCL Research

Bharti Airtel is one of India's leading integrated telecom operators, distinguished by its premium subscriber base, superior monetisation and strong execution capabilities. With ~377mn wireless subscribers, 14.7mn home broadband users and 16mn DTH subscribers, Airtel has built a formidable consumer franchise, complemented by a growing enterprise business spanning connectivity, data centres (Nxtra), cloud, cybersecurity and IoT. Its differentiated positioning is reflected in its industry-leading India wireless ARPU of Rs264 in Q1 FY27, supported by a higher-value subscriber mix and increasing adoption of premium services, with 80% of its wireless subscribers on 4G/5G. Having invested significantly in network quality and 5G infrastructure, Airtel is well positioned to translate improving industry pricing, rising data consumption and premiumization into sustained earnings growth

- **Structural ARPU upcycle:** Airtel is in a phase where improving pricing discipline, rising data consumption and premiumization can translate into sustained revenue growth, with ARPU expected to compound at ~10% over FY26–29. With the last tariff hike implemented in July 2024, a further ~15% increase over the next 6–12 months remains a key potential catalyst. Importantly, earnings growth is not solely contingent on tariff hikes: postpaid migration, smartphone upgrades, 5G adoption and higher-value data plans provide a structural pathway to 4–5% organic ARPU growth even in their absence. Airtel's premium customer base and superior monetisation position it to capture a disproportionate share of this recovery.
- **Multiple growth engines:** Airtel is evolving from a connectivity-led operator into a broader digital infrastructure and services platform, creating incremental growth opportunities beyond traditional wireless services. Nxtra targets 1GW+ capacity (from 120–130MW), taking market share to ~25%. Airtel is expected to benefit from rising demand for cloud infrastructure, enterprise digitization and AI-led computing
- **Strong free cash flows driving deleveraging:** With 5G radio capex largely done, India capex (ex-Indus) normalized to Rs 8,010 crore in Q1 FY27. Net debt (ex-leases) fell to Rs 81,900 crore, and net debt/EBITDA (incl. leases) to 1.15x. Free cash flow is expected to rise from, cutting net debt/equity from 0.9x to 0.1x.
- **Outlook & Valuation:** Steady ARPU gains, scaling adjacencies and falling interest costs should drive a ~23% PAT CAGR over FY26–29E, with ROE expanding to ~29%. Our SOTP-based valuation gives a target price of Rs 2,270 per share (implying 9.6x FY28E EV/EBITDA on consol numbers), ~15 percent upside from current levels.

Exhibit 1: Key Financials (Consolidated)

Y/E Mar (Rs bn)	FY25	FY26	FY27E	FY28E	FY29E
Sales	1729.9	2109.7	2430.5	2718.6	3016.6
YoY (%)	*15.3*	*22.0*	*15.2*	*11.9*	*11.0*
EBIDTA	932	1197	1383	1547	1719
YoY (%)	*19.0*	*28.5*	*15.6*	*11.8*	*11.1*
PAT	375	338	426	527	634
YoY (%)	*NA*	*86.4*	*43.5*	*30.7*	*17.6*
EPS (Rs)	58.8	43.8	70.5	87.1	105.0

Exhibit 2: Key Indicators

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
EBIDTAM (%)	53.9	56.7	56.9	56.9	57.0
NPM (%)	21.7	16.0	17.5	19.4	21.0
PER (x)	33.2	39.4	25.5	20.7	17.1
EV/ EBITDA (x)	13.8	9.7	8.0	6.8	5.8
RoE (%)	34.5	25.5	26.3	28.2	29.6
RoIC (%)	20.6	28.5	37.6	49.9	68.1
Pre-Tax OCF/EBITDA (%)	110.3	107.4	103.7	106.9	106.5

Source: Company, MNCL Research

Blue Star Ltd

Buying Range: Rs 1580-1670 | **TP: Rs 1,911**

Monarch Research

CMP (Rs)	₹1,628
Target (Rs)	₹1,911
Upside	17%

Blue Star Limited is India's leading heating, ventilation, air conditioning, and commercial refrigeration (HVAC&R) engineering firm. The company operates across two primary business segments: Electro-Mechanical Projects (MEP), where it executes large-scale, turnkey solutions for airports, metro rail systems, commercial real estate, and healthcare facilities; and Consumer Discretionary Products, where it stands as a leading player in Room Air Conditioners (RAC) with rapid expansion across urban and rural market. To support its operations, Blue Star operates seven manufacturing facilities across India producing air conditioning systems, commercial refrigeration equipment, and MEP solutions.

- **Consistent market share gain:** RAC market share has increased from 13% to 14.3% in the last 4 years, despite a tough competitive environment. Blue Star aims for 15% RAC market share going ahead. Besides this, Blue Star also holds leadership positions with ~31% market share in deep freezers and water coolers and ~32% market share in modular cold rooms.
- **Industry tailwinds:** The RAC industry is witnessing strong structural growth, driven by rising temperatures, low penetration, improving affordability, and changing consumer lifestyles. Industry sales volumes have continued to grow at healthy double-digit rates, reaching approximately 13.5-14.0 million units in FY26, despite demand being impacted by unseasonal rains. The market is expected to grow at a volume CAGR of around 10–12% over the long term, supported by significant headroom for household adoption.
- **Data Center Opportunity:** Blue Star is well positioned to capitalise on India's growing data centre opportunity through its specialised cooling solutions and electro-mechanical (MEP) project execution capabilities. Following a strong Rs 1,500 crore order inflow in Q1 FY27, the company projects full-year data-center MEP orders to reach approximately Rs 3,000 crore. Data centers are projected to be a major growth engine, with segment revenue targeted to reach Rs 4,000 crore by FY29.
- **Outlook & Valuation:** Driven by rising AC penetration and a robust multi-year order book, Blue Star offers an interesting play on Indian consumption and digital infrastructure buildout. While short-term quarter-to-quarter earnings can reflect weather seasonality and commodity cycles, the medium-to-long-term thesis remains intact. Intrinsic valuation based on free cash flows gives a DCF valuation of Rs 1,911 per share (~17% percent upside from current levels).

Key Data

Bloomberg Code	BLSTR IN
Curr Shares O/S (mn)*	206
Mkt Cap (Rsbn/USDmn)	₹335.7/$3534
52 Wk H / L (Rs)*	2029.6/1432
5 Year H / L (Rs)*	2417/418
Daily Vol. (3M Avg.)	0.4 mn

Source: ACE Equity, MNCL Research

Price Performance

(%)	1M	6M	1Yr
BLUE STAR	7.24	-8.6	-17
NIFTY	1.9	-3.9	-10.9

Source: ACE Equity, MNCL Research

Shareholding Pattern

(%)	Sep-26	Jun-26	Mar-26
Promoter	36.49	36.49	36.48
Inst./Govt.	41.37	41.42	41.59
Others	22.13	22.09	21.92

Source: ACE Equity, MNCL Research

Exhibit 1: Key Financials (Consolidated)

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Sales	96,854	119,677	124,021	138,903	166,684
YoY (%)	*21.4*	*23.6*	*3.6*	*12.0*	*20.0*
EBIDTA	6,649	8,575	9,311	9,455	12,458
YoY (%)	*34.9*	*29.0*	*8.6*	*1.6*	*31.8*
PAT	4,143	5,913	5,269	6,412	8,830
YoY (%)	*3.6*	*42.5*	*-10.9*	*21.7*	*37.7*
EPS (Rs)	21	29	26	31	43

Source: Company, MNCL Research

Exhibit 2: Key Indicators

Y/E Mar	FY24	FY25	FY26	FY27E	FY28E
EBIDTAM (%)	6.9	7.2	7.5	6.8	7.5
NPM (%)	4.3	4.9	4.2	4.6	5.3
PER (x)	63.0	74.3	62.4	51.2	37.2
EV/ EBITDA (x)	36.4	46.0	34.6	33.4	25.2
RoE (%)	21.0	20.8	15.3	15.6	19.2
RoIC (%)	14.8	15.4	13.0	11.9	16.1
Pre-Tax OCF/EBITDA (%)	64.0	101.4	29.3	121.7	94.0

Carborundum Universal Ltd.

Buying Range: Rs 995-1,060 **TP: Rs 1,563**

Monarch Research

CMP (Rs)	1,030
Target (Rs)	1,563
Upside	52%

Key Data

Bloomberg Code	CU:IN
Curr Shares O/S (mn)*	190
Mkt Cap (Rsbn/USDmn)	196.5/2069
52 Wk H / L (Rs)*	1,369/735
5 Year H / L (Rs)*	1,756/684
Daily Vol. (3M Avg.)	0.33mn

Source: ACE Equity, MNCL Research

Price Performance

(%)	1M	6M	1Yr
CUMI	-18	7.9	11
NIFTY	1.9	-3.9	-10.9

Source: ACE Equity, MNCL Research

Shareholding Pattern

(%)	Jun-26	Mar-26	Dec-25
Promoter	38.8	38.9	38.9
Inst./govt	40.7	41.0	40.2
Others	20.3	20.1	20.9

Source: ACE Equity, MNCL Research

Carborundum Universal (CUMI) offers a differentiated materials-science play, with backward integration across bauxite, fused alumina and silicon carbide (SiC), and growing exposure to engineered materials. While overseas losses at AWUKO and Foskor weighed on FY26 profitability, their eventual resolution could unlock a meaningful margin recovery over FY27E–FY29E. Beyond this recovery, earnings growth could be driven by two structural levers: Ceramics' exposure to high-value applications in semiconductors, power electronics and EVs, and EMD's shift from commodity grains to specialty products. Integration, diversification and increasing exposure to engineered materials underpin CUMI's differentiation from peers

- **Overseas drag delays margin recovery:** We view FY26's margin compression as largely transitory, driven primarily by AWUKO and Foskor Zirconia. Excluding these businesses, the core Abrasives, EMD and Ceramics businesses are expected to grow at 11–12%, supporting our margin-recovery thesis as the overseas drag diminishes. However, reported margins remain volatile: consolidated EBITDA margin improved from 9.9% in Q1 FY26 to 12.5% in Q3 FY26, before declining to 10.3% in Q4 FY26 and 9.5% in Q1 FY27. We attribute this weakness primarily to losses at AWUKO and Foskor rather than a structural deterioration in the core businesses. This remains our assessment, however, and needs validation through a sustained narrowing of overseas losses and a recovery in reported margins.
- **Ceramics, the margin-accretive growth engine:** Ceramics delivered a 24.7% EBITDA margin in FY26, nearly 3x Abrasives (8.8%) and the highest in the portfolio. Rising adoption of technical ceramics in semiconductors, power electronics and EV-adjacent applications, plus the shift to higher-value monolithic/composite refractories, should improve its revenue share as well as the overall margins.
- **Value-chain control and an EMD upgrade:** CUMI's integration across bauxite, fused alumina and silicon carbide (SiC) provides greater control over raw-material sourcing and offers a hedge against supply-chain volatility in a market exposed to Chinese grain supplies. This differentiates it from Wendt, which sources its grit externally, and GNO, whose operations are not focused on SiC. However, captive consumption remains modest, accounting for only ~11.2% of EMD's FY26 gross sales. The more significant margin lever is the shift from commodity grains towards higher-value products, including thermal spray powders and zirconia furnace grain. As these offerings scale up, we expect a richer product mix and improved EMD margins, with the benefits becoming more visible from FY28E.
- **Outlook & Valuation:** We value CUMI on a sum-of-the-parts basis, attributing a 45.0x P/E and a 27.0x EV/EBITDA for the core business and separately valuing its stake in listed Wendt India, to arrive at a Sept-2028E base-case target price of Rs 1,563. Our estimates indicate a FY26-29E Revenue/EBITDA/APAT CAGR of 11.0%/27.3%/28.6%.

Exhibit 1: Key Financials (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Sales	48,942	52,063	56,020	62,406	71,205
YoY (%)	4.1%	6.4%	7.6%	11.4%	14.1%
EBIDTA	7,118	5,789	8,159	9,972	11,947
YoY (%)	-3.7%	-18.7%	40.9%	22.2%	19.8%
PAT	3,969	3,293	4,895	5,817	7,009
YoY (%)	-14.0%	-17.0%	48.6%	18.8%	20.5%
EPS (Rs)*	15.4	10.2	25.7	30.5	36.8

Source: Company, MNCL Research

Exhibit 2: Key Indicators

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
EBIDTAM (%)	14.5	11.1	14.6	16.0	16.8
NPM (%)	6.0	3.7	8.7	9.3	9.8
PER (x)	48.9	44.9	43.2	36.4	30.2
EV/ EBITDA (x)	27.1	25.1	25.5	20.8	17.2
RoE (%)	8.8	5.2	11.9	12.8	13.7
RoIC (%)	11.2	7.0	11.2	12.4	13.5
Pre-Tax OCF/EBITDA (%)	42.7	63.5	63.6	45.5	58.3

CCL Products (India) Ltd.

Buying Range: Rs 900-960 | **TP: Rs 1,415**

Monarch Research

CMP (Rs)	₹928
Target (Rs)	₹1,415
Upside	52%

CCL Products India (CCL) is one of the largest producers of Instant Coffee for private labels. The company has manufacturing plants at strategic locations in Coffee growing areas i.e., India and Vietnam. Apart from its B2B prominence, CCL has also ventured into the retail space through its own Brands - Continental, Malgudi & THIS reported stellar growth to carve an over 8% market share in the growing domestic Instant Coffee Market. It manufactures spray-dried, agglomerated and freeze-dried coffee at Duggirala and Kuvvakolli in India, Dak Lak in Vietnam and Les Verrières in Switzerland, with total capacity of ~77,000 MTPA after its recent expansion. Apart from its overseas presence across the continents, CCL's domestic Continental Coffee brand reaches 1.5 lakh retail outlets through 700+ distributors, with branded sales of Rs4.4bn in FY26. With the major capex now complete, the company is moving from a capex cycle to a cash flow cycle.

Key Data

Bloomberg Code	CCLP IN
Curr Shares O/S (mn)*	134
Mkt Cap (Rsbn/USDmn)	141.0/1,455
52 Wk H / L (Rs)*	1,242/852
5 Year H / L (Rs)*	1,242/375
Daily Vol. (3M Avg.)	0.9mn

Source: ACE Equity, MNCL Research

Price Performance

(%)	1M	6M	1Yr
CCL	-8.9	-18.5	8.5
NIFTY	1.9	-3.9	-10.9

Source: ACE Equity, MNCL Research

Shareholding Pattern

(%)	Sep-26	Jun-26	Mar-26
Promoter	46.2	46.1	46.1
Inst./Govt.	32.3	32.5	32.7
Others	21.5	21.3	21.2

Source: ACE Equity, MNCL Research

- **One of the largest Instant Coffee manufacturers for the Global Private Labels:** CCL is one of the largest instant coffee manufacturers for the private labels, with over 250 clients. CCL offers more than 200 instant Coffee recipes/blends to its B2B clients to choose from. Further, CCL enjoys locations of its plants in the close vicinity of the fastest growing Instant Coffee market of South-East Asia and the Robusta Coffee Heartland of India and Vietnam. Its Swiss Granulation facility gives it an easy access to one of the largest Coffee markets i.e., Europe and Russia.
- **Cost-plus model insulates its profitability from Coffee price volatility:** CCL earns a largely fixed EBITDA per kg (~Rs146/kg in FY25-26), therefore elevated green coffee prices drive revenue without lifting EBITDA, compressing reported margins to 16.4% in FY26. As coffee prices soften, we expect EBITDA margins to recover to 18.6% by FY29E, while EBITDA per kg rises 3-4% a year due to rising contribution of high margin freeze-dried coffee and value-added premixes.
- **High capex period seems over; deleveraging ahead:** With annual capex run rate falling from Rs4-5bn over FY22-25 to a mere Rs0.3bn over the next three years, we expect CCL to generate superior free cash flows to the tune of Rs5.3-6.1bn annually. The management intends to use majority of the free cash flow for deleveraging the balance sheet and expects gross borrowings to come down from Rs11.0bn in FY26 to Rs2.0bn by FY29E, improving RoE from 16.6% FY26 to ~23.8%.
- **Outlook & Valuation:** With a global cost-leadership position in private-label instant coffee space, CCL Products is expected to deliver consistent performance despite volatility in coffee prices. We estimate Revenue, EBITDA and PAT CAGR of 13%, 18% and 31% respectively over FY26-29E. Our 1 year forward DCF target for CCL Products stands at Rs1415, with an upside potential of 52.0% from the current levels. Our DCF target price implies P/E multiple of 27.0x on FY28E.

Exhibit 1: Key Financials (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Sales	31,058	44,574	49,455	56,679	64,396
YoY (%)	*17.0*	*43.5*	*11.0*	*14.6*	*13.6*
EBIDTA	5,551	7,329	8,766	10,293	11,980
YoY (%)	*24.7*	*32.0*	*19.6*	*17.4*	*16.4*
PAT	3,103	3,881	5,374	6,988	8,759
YoY (%)	*24.1*	*25.1*	*38.5*	*30.0*	*25.4*
EPS (Rs)	23.2	29.1	40.2	52.3	65.6

Source: Company, MNCL Research

Exhibit 2: Key Indicators

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
EBIDTAM (%)	17.9	16.4	17.7	18.2	18.6
NPM (%)	10.0	8.7	10.9	12.3	13.6
PER (x)	45.5	36.2	26.2	20.2	16.1
EV/ EBITDA (x)	28.1	20.4	16.7	13.9	11.6
RoE (%)	17.0	16.6	21.0	22.9	23.8
RoCE (%)	11.4	13.9	17.0	19.6	21.8
Pre-Tax OCF/EBITDA (%)	56.7	123.6	77.6	69.9	70.1

HDFC AMC Ltd.

Buying Range: Rs 2,260-2,360 | **TP: Rs 2,680**

HDFC AMC is one of India's largest and most profitable asset managers, with quarterly average AUM (QAAUM) of Rs9,351bn in Q1FY27 and an overall market share of 11.2%. The company has a strong tilt towards equity - actively managed equity forms ~66% of its AUM, where it holds a 12.8% share of industry assets. Backed by HDFC brand, a pan-India network of 280 offices (196 in B-30 cities) and 110,000+ distribution partners, HDFC AMC serves 31.0mn live investor accounts and 17.1mn unique investors. With mutual fund penetration in India still low and household savings steadily shifting towards financial assets, the company is well placed to compound AUM and earnings over the long term.

- **Equity-heavy mix drives superior yields:** Equity's share of HDFC AMC's average AUM has risen from 45% in FY22 to 65% in FY26. Equity earns ~57bps, against ~28bps on debt and ~13bps on liquid funds, which has kept blended revenue yields at ~46bps despite industry-wide fee pressure. We build in ~2% annual compression in equity yields and expect equity AUM to compound at ~18% over FY26-29E, driving a 16% revenue CAGR.
- **Sticky, retail-led franchise:** Individual investors account form 69.2% of HDFC AMC's monthly average AUM, against an industry average of 60.7%, which makes its book more resilient through market cycles. SIP AUM stood at Rs2,332bn as of June 2026, with 17.2mn SIP transactions worth Rs48.1bn processed in the month (up 20% YoY by count). With 19.6% of AUM coming from beyond the top 30 cities and 98% of transactions now digital, the company is well positioned to capture the next leg of retail participation.
- **Best-in-class profitability, capital-light model:** HDFC AMC operates within a guided 33-35bps operating margin corridor (35bps in Q1FY27), translating into EBITDA margins of ~80% and RoE of 31% in FY26, which we expect to rise to ~37% by FY29E. The business needs minimal capital, allowing a ~70% dividend payout, while it holds Rs94bn of cash and investments. Its alternatives business (PMS and AIF) is scaling up, with AUM of Rs148bn (up 147% YoY), adding a new growth lever.
- **Outlook & Valuation:** With a strong brand, an equity-heavy and retail-led AUM base and industry-leading profitability, HDFC AMC is well placed to benefit from the financialisation of Indian household savings. We estimate Revenue and PAT CAGRs of 16% and 15.5% respectively over FY26-29E. Our 1 year forward DCF target for HDFC AMC stands at Rs2,680, with an upside potential of 16% from the current levels. Our DCF target price implies P/E multiple of 29.9x on FY28E.

Monarch Research

CMP (Rs)	**₹2,309**
Target (Rs)	**₹2,680**
Upside	**16%**

Key Data

Bloomberg Code	HDFCAMC IN
Curr Shares O/S (mn)*	429
Mkt Cap (Rsbn/USDmn)	989/10423
52 Wk H / L (Rs)*	2901/2206
5 Year H / L (Rs)*	2928/836
Daily Vol. (3M Avg.)	0.8mn

Source: ACE Equity, MNCL Research

Price Performance

(%)	1M	6M	1Yr
HDFCAMC	1.3	-14.8	-13.9
NIFTY	1.9	-3.9	-10.9

Source: ACE Equity, MNCL Research

Shareholding Pattern

(%)	Jun-26	Mar-26	Dec-25
Promoter	52.3	52.3	52.3
Inst./Govt.	24.7	23.9	24.4
Others	22.8	23.6	23.1

Source: ACE Equity, MNCL Research

Exhibit 1: Key Financials (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Sales	34,984	41,222	48,456	56,197	64,420
YoY (%)	*N.A.*	*17.8*	*17.6*	*16.0*	*14.6*
EBIDTA	27,919	32,953	38,716	45,068	51,718
YoY (%)	*N.A.*	*18.0*	*17.5*	*16.4*	*14.8*
PAT	24,602	28,581	33,158	38,441	44,015
YoY (%)	*N.A.*	*16.2*	*16.0*	*15.9*	*14.5*
EPS (Rs)	57.4	66.7	77.4	89.7	102.7

Source: Company, MNCL Research

Exhibit 2: Key Indicators

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
EBIDTAM (%)	79.8	79.9	79.9	80.2	80.3
NPM (%)	70.3	69.3	68.4	68.4	68.3
PER (x)	39.9	34.4	29.7	25.6	22.4
EV/ EBITDA (x)	32.3	27.0	22.8	19.3	16.6
RoE (%)	30.3	31.0	34.1	35.6	36.6
RoCE (%)	24.5	26.2	28.6	30.2	31.2
Pre-Tax OCF/EBITDA (%)	100.0	101.6	99.4	99.5	99.6

Indegene Ltd

Buying Range: Rs 570-600 | **TP: Rs 691**

Monarch Research

CMP (Rs)	₹585
Target (Rs)	₹691
Upside	18%

Key Data

Bloomberg Code	INDEGENE IN
Curr Shares O/S (mn)*	241 mn
Mkt Cap (Rsbn/USDmn)	₹141.5bn/$1502mn
52 Wk H / L (Rs)*	627/414
5 Year H / L (Rs)*	699/414
Daily Vol. (3M Avg.)	0.63 mn

Source: ACE Equity, MNCL Research

Price Performance

(%)	1M	6M	1Yr
INDEGENE	-0.9	17.1	6
NIFTY	1.9	-3.9	-10.9

Source: ACE Equity, MNCL Research

Shareholding Pattern

(%)	Sep-26	Jun-26	Mar-26
Promoter	25.7	25.7	25.7
Inst./Govt.	28.22	18.36	18.56
Others	46.56	55.94	55.74

Source: ACE Equity, MNCL Research

Established in 1998 and headquartered in Bengaluru, Indegene is a life sciences-focused technology solutions provider serving all top-20 global pharma companies including Pfizer, AbbVie, AstraZeneca, Novartis, and Sanofi. The company operates across two main segments: Enterprise Commercial Solutions (~70% of revenue and profits; covering sales, marketing, digital campaigns, HCP outreach, and analytics) and Enterprise Medical Solutions (handling regulatory submissions, medical writing, drug safety monitoring, and compliance). Till date, Indegene has completed 16 acquisitions - including BioPharm, Woodley, and Kayo Communications to strengthen its capablitites and market footprint across the US and Europe. Indegene's FY26 revenue per employee of ~USD 75k underscores the high-value, specialized nature of its life sciences solution portfolio relative to traditional IT service models. The company listed on the stock exchanges in 2024 and reported FY26 revenues of Rs 3,510 crores (up 24% YoY) with an EBITDA margin of 17.6%.

- **Large addressable TAM:** Indegene operates across huge expanding market estimated at >USD 135bn, expected to grow at a ~7% CAGR through 2030. Growth momentum is structurally supported by biopharma cost rationalization efforts, upcoming patent cliffs, and accelerating outsourcing penetration across drug discovery, clinical development, regulatory workflows, and commercial go-to-market strategies.
- **Growing client base:** Indegene's operational embedment across all of the top-20 biopharma regulatory, safety, and marketing workflows drive structural barriers to entry along with strong account stickiness. Consequently, Indegene continues to expand its wallet share, expanding its USD 1mn+ client list from 28 in FY22 to 54 by Q1 FY27.
- **Strong cash generation profile:** The company stands out in the mid-cap space with healthy return ratios and a strong balance sheet (cash reserves of over Rs 1,500 crore), backed by robust operating cash flows. This gives Indegene adequate financial flexibility and strength to fund R&D expenditure, organic sales growth and strategic acquisitions - without diluting shareholder returns.
- **Outlook & Valuation:** The management focus on deepening existing relationships and convert pipeline (including largest clients), acquisition synergies would continue to drive growth over near to medium term. Intrinsic valuation based on free cash flows gives a DCF valuation of Rs 691 per share (~18 percent upside from current levels).

Exhibit 1: Key Financials (Consolidated)

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Sales	25,896	28,393	35,105	44,232	52,194
YoY (%)	*12.3*	*9.6*	*23.6*	26.0	18.0
EBIDTA	5,054	5,343	6,190	7,578	9,569
YoY (%)	*27.7*	*5.7*	*15.9*	22.4	26.3
PAT	3,367	4,067	4,011	4,756	6,473
YoY (%)	*26.5*	*20.8*	*-1.4*	18.6	36.1
EPS (Rs)	15	17	17	20	27

Source: Company, MNCL Research

Exhibit 2: Key Indicators

Y/E Mar	FY24	FY25	FY26	FY27E	FY28E
EBIDTAM (%)	19.5	18.8	17.6	17.1	18.3
NPM (%)	13.0	14.3	11.4	10.8	12.4
PER (x)	NA	34.1	26.1	30.1	22.1
EV/ EBITDA (x)	NA	21.0	14.6	16.6	12.8
RoE (%)	27.0	20.1	13.9	14.3	17.0
RoIC (%)	30.4	31.8	26.4	24.9	31.9
Pre-Tax OCF/EBITDA (%)	125.2	112.7	129.0	80.4	84.4

Pricol Ltd.

Buying Range: Rs 625-660 | **TP: Rs 800**

Monarch Research

CMP (Rs)	₹644
Target (Rs)	₹800
Upside	24%

Established as a fluid management & control systems manufacturer for Automobile, Pricol has transformed itself into a leading tech agnostic auto-electronics company and is now the world's second-largest maker of two-wheeler instrument clusters with ~37% global share. It operates through three verticals: Driver Information & Connected Vehicle Solutions (DICVS, ~60% of FY26 revenue), Actuation, Control & Fluid Management Systems (ACFMS, ~20%) and Precision Plastics (P3L, ~20%), acquired from Sundaram Auto Components in Jan-2025. With 8 plants in India and one in Indonesia, exports to 45+ countries and a marquee OEM base including Honda, Suzuki, Yamaha, TVS, Bajaj, Hero, Tata, Daimler, JCB, Caterpillar, Harley-Davidson and Polaris, Pricol further diversified in FY26 to precision plastic business by acquiring P3L from Sundaram Auto Components.

Key Data

Bloomberg Code	PRICOL IN
Curr Shares O/S (mn)*	121.9
Mkt Cap (Rsbn/USDmn)	78.59/827.9
52 Wk H / L (Rs)*	823/509
5 Year H / L (Rs)*	823/91
Daily Vol. (3M Avg.)	0.6mn

Source: ACE Equity, MNCL Research

Price Performance

(%)	1M	6M	1Yr
PRICOL	-13.7	12.3	19.3
NIFTY	1.9	-3.9	-10.9

Source: ACE Equity, MNCL Research

Shareholding Pattern

(%)	Sep-26	Jun-26	Mar-26
Promoter	38.5	38.5	38.5
Inst./Govt.	28.7	29.7	31.1
Others	33.8	32.7	30.4

Source: ACE Equity, MNCL Research

- **Premiumization driving content per vehicle:** The shift from mechanical to TFT and electronic clusters, along with e-cockpit, HUD and telematics uptake, is driving Pricol's content per vehicle value. The management targets doubling the content per vehicle to ~Rs5,000 by FY30 and moving to the #1 global position (45-50% share). Recent order wins from Honda (Oct-25) and Suzuki expand the addressable market, while ~75-80% of Tata cars now carry Pricol clusters.
- **New growth vectors beyond the core:** The new ABS mandate for all two-wheelers applicable from Jan-2026 will push the demand for disc brakes fitment. Pricol will commission its new disc brake capacity of 0.5mn units in Q1FY27. ACFMS, which also serves export customers such as Caterpillar, Harley-Davidson and Polaris, continue to remain a pillar of growth (grew by ~30% in FY26).
- **P3L offer long runway of growth in Precision Plastic business:** Following its acquisition of Sundaram Auto Components' injection-moulding business in January 2025, Pricol leveraged P3L's precision plastics product portfolio beyond TVS, leading to superior growth. The management aims to double P3L's revenue in the next 3-4 years. P3L's EBITDA margin has also improved from ~6.3% at the time of acquisition to 9.2% in FY26.
- **Outlook & Valuation:** With rising electronics content per vehicle, a strong OEM franchise and new regulatory tailwinds in braking, Pricol is well placed to outgrow the underlying auto industry. We estimate revenue, EBITDA and PAT CAGRs of 16%, 21% and 19% respectively over FY26-29E, with margins expanding to 13.0% by FY29E. Our 1 year forward DCF target for Pricol stands at Rs800, with an upside potential of 19% from the current levels. Our DCF target price implies P/E multiple of 31.7x on FY28E.

Exhibit 1: Key Financials (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Sales	26,919	40,408	46,737	54,864	63,487
YoY (%)	*18.5*	*50.1*	*15.7*	*17.4*	*15.7*
EBIDTA	3,129	4,694	5,433	6,564	8,276
YoY (%)	*14.6*	*50.0*	*15.7*	*20.8*	*26.1*
PAT	1,670	2,508	2,754	3,080	4,243
YoY (%)	*18.8*	*50.2*	*9.8*	*11.8*	*37.8*
EPS (Rs)	13.7	20.6	22.6	25.3	34.8

Source: Company, MNCL Research

Exhibit 2: Key Indicators

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
EBIDTAM (%)	11.6	11.6	11.6	12.0	13.0
NPM (%)	6.2	6.2	5.9	5.6	6.7
PER (x)	49.0	32.6	29.7	26.5	19.3
EV/ EBITDA (x)	26.1	17.5	15.7	12.8	9.8
RoE (%)	16.4	22.2	20.0	18.4	20.8
RoIC (%)	12.6	17.9	16.3	15.9	18.1
Pre-Tax OCF/EBITDA (%)	117.0	57.5	82.7	81.2	91.5

State Bank of India Ltd

Buying Range: Rs 945-980 | **TP: Rs 1,265**

Monarch Research

CMP (Rs)	**₹962**
Target (Rs)	**₹1,265**
Upside	**31%**

Key Data	
Bloomberg Code	SBI IN
Curr Shares O/S (mn)*	9230
Mkt Cap (Rsbn/USDmn)	8898/93466
52 Wk H / L (Rs)*	1234/930
5 Year H / L (Rs)*	1234/441
Daily Vol. (3M Avg.)	9.67mn

Source: ACE Equity, MNCL Research

Price Performance			
(%)	**1M**	**6M**	**1Yr**
SBI	0.2	-9.9	2.9
NIFTY	1.9	-3.9	-10.9

Source: ACE Equity, MNCL Research

Shareholding Pattern			
(%)	**Sep-26**	**Jun-26**	**Mar-26**
Promoter	55.5	55.5	55.5
Inst./Govt.	37.2	37.3	37.5
Others	7.2	7.1	6.9

Source: ACE Equity, MNCL Research

State Bank of India has outperformed peers on key profitability metrics through the rate-cut cycle in FY26 while maintaining domestic credit market share. SBI raised ₹952bn through FCNR(B) deposits, the highest among PSU banks, strengthening its deposit base and liquidity position. With the interest rate cycle turning, SBI is well-positioned to navigate the changing rate environment, supported by its strong liability franchise and improving funding mix.

- **Credit Growth:** SBI's loan growth remained broad-based, accelerating to ~19% YoY in Q1FY27, in line with systemic credit growth. The bank maintained its domestic credit market share at 19.6%, compared with 19.7% in FY26, highlighting its ability to sustain growth while defending its market position. Improved liquidity and healthy end-user demand across agriculture, retail, services and industrial segments provide further support to loan growth, barring seasonal softness.
- **Deposits and Liquidity:** Deposit growth continues to trail loan growth as SBI gradually reduces its reliance on wholesale term deposits amid intense competition for funding. However, retail deposits grew at a healthy ~14%, in line with the industry, while FCNR(B) inflows provide an additional source of funding. Excess SLR increased from ₹3.06tn at the end of Q1FY27 to ~₹4tn, partly supported by these inflows. A strong retail deposit franchise and ample liquidity should help SBI navigate competitive funding conditions while supporting credit growth and margin stability.
- **Margins:** Despite intense deposit competition and rising funding costs across the industry, SBI's NIM improved by 7bps QoQ to 3% in Q1FY27, supported by lower reliance on bulk deposits and a decline in the cost of deposits. Going ahead, FCNR(B) inflows could further reduce dependence on bulk deposits and ease funding pressures, providing comfort on margin sustainability and supporting a gradual improvement in NIM over the long term.
- **Asset Quality & Return Ratios:** SBI's asset quality has improved steadily over the past eight quarters, with GNPA declining from ~2.2% in Q1FY25 to 1.47% in Q1FY27. Gross slippage remained controlled at ~0.6% of advances (annualised), while healthy recoveries and upgrades kept net slippages at ~0.3%. Stable margins, disciplined cost management and contained credit costs have supported consistent ROA and ROE of ~1.1% and ~15%, respectively. Sustained asset quality and stable returns provide earnings visibility and reinforce the resilience of SBI's operating franchise.
- **Outlook & Valuation:** SBI's strong liability franchise, resilient margins and improving asset quality position it to deliver sustainable earnings growth. Healthy credit growth, potential benefits from the changing interest rate cycle and FCNR(B) inflows provide support to business growth, margins and liquidity, while a higher contribution from fee income could improve earnings diversification. We maintain our positive view and a target price of ₹1,265 based on SOTP, valuing the standalone banking business at 1.4x FY28E BVPS, assuming a medium-term ROE of ~15%, and assigning ₹280 per share to subsidiaries.

Exhibit 1: Key Financials (Standalone)

Y/E Mar (Rs Bn)	FY24	FY25	FY26	FY27E	FY28E
NII	1,599	1,670	1,731	2,001	2,321
YoY (%)	10.38	4.43	3.69	15.56	16.03
PPOP	938	1,106	1,184	1,345	1,566
YoY (%)	12.04	17.89	7.09	13.59	16.40
PAT	664	709	1,009	812	927
YoY (%)	32.18	6.78	42.25	-19.47	14.10
BVPS (Rs)	392	464	553	623	703

Source: Company, MNCL Research

Exhibit 2: Key Indicators

Y/E Mar	FY24	FY25	FY26	FY27E	FY28E
NIM (%)	2.99	2.81	2.61	2.65	2.70
PER (x)	9.9	8.5	7.8	7.7	6.7
P/B (x)	1.72	1.46	1.22	1.08	0.96
RoA (%)	1.05	1.11	1.12	1.00	1.01
RoE (%)	18.8	18.6	17.3	15.0	15.1

TBO Tek Ltd.

Buying Range: Rs 1495-1570 | **TP: Rs 2,043**

Monarch Research

CMP (Rs)	₹1,532
Target (Rs)	₹2,043
Upside	33%

Key Data	
Bloomberg Code	TBOTEK IN
Curr Shares O/S (mn)*	108.6
Mkt Cap (Rsbn/USDmn)	165/1738
52 Wk H / L (Rs)*	1,771/1,005
All-Time H / L (Rs)*	2,000/986
Daily Vol. (1M Avg.)	0.01mn

Source: BSE, NSE, MNCL Research

Price Performance			
(%)	1M	6M	1Yr
TBOTEK	-9.7	21.6	0.8
NIFTY	1.9	-3.9	-10.9

Source: BSE, NSE, MNCL Research

Shareholding Pattern			
(%)	Jun-26	Mar-26	Dec-25
Promoter	44.4	44.4	44.4
Inst./Govt.	50.0	50.1	49.9
Others	5.6	5.5	5.7

Source: BSE, MNCL Research

TBO Tek is one of the world's largest B2B travel distribution platform connecting Travel agents, Tour Operators, OTA's and other enterprise level buyers with suppliers like Hotels, Air Ticketing, Anciliaries and Rental, etc. in more than 150 countries all around the world. TBO aggregates comprehensive travel inventory globally and distributes it seamlessly to a vast, diversified network of retail and enterprise buyers, enabling efficient cross-border multi-product discovery to fulfilment across travel use cases. With 1 million+ global inventories of hotels, 750+ airline access in more than 300,000 locations across the world, it provides ease to small size travel agents with less worldwide connections in travel itineraries.

- **Premium Travel Expansion and Technology-Led Growth**: With a very large addressable market (around $500 Billion), TBO Tek holds relatively smaller market share against this profitable opportunity for expansion all around the globe with much higher margins. TBO Tek is capturing this opportunity through its acquisition of US-based Classic Vacations (CV). This acquisition expands TBO's premium and luxury inventory while CV gains access to TBO's global inventory for complex, high-end packages. TBO is also developing Voya, an AI-enabled itinerary and connected-journey platform, and embedding AI across search, recommendations and servicing.

- **Strong Growth in Hotels & Ancillaries:** Within 4 years, the share in GTV for Hotels and ancillaries has expanded from 39% in FY22 to 64% in FY26 with revenue from hotel and package services increasing to ₹1,780 crore (Excluding CV). The growing contribution of hotels and ancillaries also supports better monetisation, as reflected in the increase in the overall take rate from 5.64% in FY25 to 7.27% in FY26. The rising contribution of hotel bookings, expansion of direct supplier relationships and premium inventory strengthens the company's product mix and creates opportunities to improve monetization.

- **Pan-Continental Presence and Geographical Diversification:** TBO Tek has built a global B2B travel distribution network spanning 60+ countries through 23 entities, connecting travel buyers across 150+ source-market countries with hotel inventory across 150+ countries. Its Hotels & Ancillaries GTV is diversified across Europe (36%), Middle East & Africa (25%), India (12%), Latin America (10%), North America (8%) and Asia-Pacific (8%) in FY26. The company recorded double-digit growth across all regions, with Latin America growing 137% year-on-year and the Middle East & Africa growing 46%. This broad geographical reach reduces dependence on any single travel corridor, allowing TBO to capture demand across different markets and helping cushion the impact of localised geopolitical or macroeconomic disruptions. However, its air-ticketing business remains concentrated in India, which contributed approximately 94% of air GTV in FY26.

- **Outlook & Valuation:** With a diversified global B2B distribution platform, strong cash generation and improvement in take-rate, TBO Tek is well placed to compound earnings despite geopolitical and travel-cycle volatility. We estimate revenue, EBITDA and PAT CAGRs of 24%, 34% and 37% respectively over FY26-29E. Our DCF target for TBO Tek stands at Rs2,043, with an upside potential of 33% from the current levels. Our DCF target price implies P/E multiple of 43.5x on FY28E.

Exhibit 1: Key Financials (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Sales	17,375	26,775	37,169	43,453	50,848
YoY (%)	24.7	54.1	38.8	16.9	17.0
EBIDTA	2,847	3,782	6,418	7,498	9,120
YoY (%)	9.1	32.8	69.7	16.8	21.6
PAT	2,299	2,443	4,267	5,099	6,351
YoY (%)	13.7	6.3	74.6	19.5	24.6
EPS (Rs)	21.5	22.8	39.3	47.0	58.5

Source: Company, MNCL Research

Exhibit 2: Key Indicators

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
EBIDTAM (%)	16.4	14.1	17.3	17.3	17.9
NPM (%)	13.2	9.1	11.5	11.7	12.5
PER (x)	56.1	72.9	42.2	35.3	28.4
EV/ EBITDA (x)	41.3	45.3	25.7	21.3	16.8
RoE (%)	26.4	17.8	24.2	23.0	22.9
RoIC (%)	15.3	11.3	13.9	14.5	15.8
Pre-Tax OCF/EBITDA (%)	112.4	8.6	126.3	97.9	98.4

Vedanta Aluminium Metal Ltd

Buying Range: Rs 340-370 | **TP: Rs 525**

Monarch Research

CMP (Rs)	356
Target (Rs)	525
Upside	48%

Vedanta Aluminium Metal Ltd (VAML) is India's largest producer of primary aluminium and alumina, demerged from Vedanta Ltd and listed independently on the NSE/BSE on 15 June 2026. The company operates one of the world's largest single-location Aluminium smelters at Jharsuguda (1.85 mtpa), the 5 mtpa Lanjigarh alumina refinery in Odisha and BALCO's smelting and power assets at Korba, backed by ~6,230 MW of captive thermal and renewable power. It sells primary aluminium and a range of value-added products (VAPs), including billets, wire rods, alloys and rolled products, with pricing linked to LME aluminium prices plus regional premiums. VAPs now account for ~62% of sales volumes, complemented by its low-carbon aluminium range, marketed under the 'Restora' brand. Key end markets include power transmission, EVs and transportation, packaging, construction and defence. In H1 FY27, its first half as a listed entity, VAML reported revenue of Rs 43,717 crore (up 43% YoY), EBITDA of Rs 20,412 crore (47% EBITDA margin) and PAT of Rs 12,784 crore (up 147% YoY).

Key Data

Bloomberg Code	VAML IN
Curr Shares O/S (mn)*	3910
Mkt Cap (Rsbn/USDmn)	1393.26/14678
52 Wk H / L (Rs)*	537/334
5 Year H / L (Rs)*	537/334
Daily Vol. (3M Avg.)	6.7mn

Source: ACE Equity, MNCL Research

Price Performance

(%)	1M	6M	1Yr
VAML	-13.8	-28.2	-28.2
NIFTY	1.9	-3.9	-10.9

Source: ACE Equity, MNCL Research

Shareholding Pattern

(%)	Sep-26	Jun-26	Mar-26
Promoter	56.4	56.4	NA
Inst./Govt.	26.4	26.5	NA
Others	17.2	17.2	NA

Source: ACE Equity, MNCL Research

- **Strong aluminium price tailwind:** LME aluminium traded in a US$3,000-3,750/t band in H1FY27 against an average of ~US$2,605/t in 2025, supported by a global supply deficit (~200kt estimated for 2026) and supply disruptions in the Gulf. Every 1% move in aluminium prices changes EBITDA by ~2%, giving strong operating leverage.

- **Backward integration to cut costs:** Captive coal mines (Kuraloi 8 mtpa, Ghogarpalli 20 mtpa) and the Sijimali bauxite mine (9 mtpa) are being commissioned through FY27-28, while alumina refinery utilization rises from ~70% to 90%. Management guides to a ~US$175-200/t reduction in hot-metal cost (Q2 FY27: US$1,722/t), which would place VAML in the first decile of the global cost curve and reduce its dependence on bought-out coal and bauxite.

- **Volume growth and deleveraging:** The new 0.435 mtpa BALCO smelter is ~25% commissioned, adding 260-270kt in FY27 with full ramp-up in FY28. With the capex cycle nearing completion, net debt fell from Rs 33,013 crore to Rs 26,442 crore in Q2 FY27 (net debt/EBITDA of 0.7x). The company paid its first interim dividend of Rs 8/share, and an expected ~40% payout implies a dividend yield of ~6% at current prices.

- **Outlook & Valuation:** We expect revenue and EBITDA to grow at a CAGR of 18% and 29%, respectively, over FY26-FY28E, driven by higher realisations, BALCO volumes and lower costs. **Key risks include a fall in aluminium prices, delays in mine approvals and leverage at the promoter (Vedanta Resources) level.** Valuing the company at 5.5x FY28E EV/EBITDA gives a fair value of Rs 525 per share (48% upside from current levels).

Exhibit 1: Key Financials (Consolidated)

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Sales	483,710	585,220	669,000	902,000	924,000
YoY (%)	*NA*	*21.0*	*14.3*	*34.8*	*2.4*
EBIDTA	96,570	177,980	247,000	420,000	413,000
YoY (%)	*NA*	*84.3*	*38.8*	*70.0*	*-1.7*
PAT	NA	NA	118,000	226,000	227,000
YoY (%)	*NA*	*NA*	*69.0*	*91.5*	*0.4*
EPS (Rs)	NA	NA	30.3	57.9	58.0

Source: Company ,MNCL Research

Exhibit 2: Key Indicators

Y/E Mar	FY24	FY25	FY26	FY27E	FY28E
EBIDTAM (%)	20.0	30.4	36.9	46.6	44.7
NPM (%)	NA	NA	17.6	25.1	24.6
PER (x)	NA	NA	11.7	6.1	6.1
EV/ EBITDA (x)	NA	NA	6.8	4.0	4.1
RoE (%)	NA	187	118.3	102.6	59.2
RoIC (%)	NA	42.3	30.4	43.3	40.5
Pre-Tax OCF/EBITDA (%)	NA	89	94	73	76

VA Tech Wabag Ltd

Buying Range: Rs 1760-1860 | **TP: Rs 2,235**

Monarch Research

CMP (Rs)	1,812
Target (Rs)	2,235
Upside	23%

Key Data

Bloomberg Code	VATW IN
Curr Shares O/S (mn)*	62.4
Mkt Cap (Rsbn/USDmn)	113/1,194
52 Wk H / L (Rs)*	2,320/1,033
5 Year H / L (Rs)*	2,320/216
Daily Vol. (3M Avg.)	0.4 mn

Source: NSE, Screener, MNCL Research

Price Performance

(%)	1M	6M	1Yr
WABAG	-12.5	20.0	27.3
NIFTY	1.9	-3.9	-10.9

Source: NSE, Tickertape, MNCL Research

Shareholding Pattern

(%)	Sep-26	Jun-26	Mar-26
Promoter	19.0	19.1	19.1
Inst./Govt.	24.6	24.6	22.4
Others	56.3	56.3	58.5

Source: BSE, Screener, MNCL Research

VA Tech Wabag Ltd (Wabag) is a Chennai-headquartered, pure-play water technology company and one of the top three global players in desalination and water treatment, with a heritage of over 100 years. It designs, builds and operates desalination, municipal sewage and drinking water, industrial (ZLD and ultra-pure water) and water-reuse plants across 25+ countries, backed by 125+ proprietary technologies and 1,500+ plants built since 1995. Its asset-light model pairs EPC execution with long-tenure O&M contracts, and 95-98% of its order book is backed by multilateral funding or sovereign guarantees. In Q1 FY27, Wabag reported revenue of Rs 887 crore (up 21% YoY), EBITDA (incl. forex) of Rs 116 crore (13.1% margin) and PAT of Rs 90 crore (up 37% YoY), while order intake of Rs 3,431 crore lifted the order book to a record Rs 19,400 crore.

- **Record order book, strong visibility:** The order book stood at a record Rs 194bn (4.7x TTM revenue) in June 2026, after record inflows of Rs 74.7bn in FY26 (up 31% YoY) and Rs 34.3bn in Q1 FY27. Recent mega wins include desalination plants at Yanbu (300 MLD, Saudi Arabia), Doha (272 MLD, Kuwait) and Perur (400 MLD, Chennai). The book is well balanced (EPC 66% / O&M 34%; India 51% / overseas 49%), and a bid pipeline of ~Rs 400bn over the next 18 months supports continued inflows.
- **Structural water-stress tailwind:** India has 18% of the world's population but only 4% of its freshwater, and water demand is projected at 1,498 BCM against supply of 744 BCM by 2030. Only ~17% of India's wastewater is treated (CPCB) however, Government AMRUT 2.0 (Rs 3tn) scheme will drive spending towards that area. The global water and wastewater treatment market is expected to grow from US$295bn (2024) to US$633bn by 2035, with new demand from data centres, semiconductors and green hydrogen (a US$4-6bn opportunity).
- **Asset-light, net cash and better returns:** Its WRIDDHI strategy shifted the mix from low-margin civil work to technology-led and overseas projects, lifting average RoE/RoCE from 11%/10% (FY13-22) to 15%/14% (FY23-26). It held net cash of Rs 965 crore at Q1 FY27 (its 14th straight net-cash quarter), is rated AA (Stable)/A1+ and enjoys a 7-10% cost advantage over global peers. Its plan to raise O&M to 20% of revenue (17% now) adds annuity-like earnings, though receivable days (~290) remain the key watch item.
- **Key risks**: Middle East exposure (35-40% of the backlog), delayed payments from government clients, cost overruns on large desalination projects and currency volatility (Q1 FY27 PAT included a Rs 37 crore forex gain).
- **Outlook & Valuation:** Management guides to 15-20% revenue growth (upper end likely in FY27) and a 13-15% EBITDA margin. We expect Revenue, EBITDA and PAT to grow at a CAGR of 18%, 23% and 26%, respectively, over FY26-FY28E. Based on our DCF valuation, we arrive at a one-year fwd. intrinsic value of INR 2,235.

Exhibit 1: Key Financials (Consolidated)

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Sales	28,564	32,940	39,442	46,740	55,150
YoY (%)	*-3.5*	*15.3*	*19.7*	*18.5*	*18.0*
EBIDTA	3,757	4,223	4,774	6,076	7,280
YoY (%)	*18.2*	*12.4*	*13.0*	*27.3*	*19.8*
PAT	2,504	2,948	3,734	4,900	5,930
YoY (%)	*-16.6*	*17.7*	*26.6*	*31.2*	*21.0*
EPS (Rs)	40.3	47.4	60.0	78.5	95.0

Source: Company, MNCL Research

Exhibit 2: Key Indicators

Y/E Mar	FY24	FY25	FY26	FY27E	FY28E
EBIDTAM (%)	13.2	12.8	12.1	13.0	13.2
NPM (%)	8.8	8.9	9.5	10.5	10.8
PER (x)	44.4	37.8	29.8	22.8	18.8
EV/ EBITDA (x)	27.2	24.2	21.4	16.8	14.0
RoE (%)	13.8	13.7	14.5	16.2	16.5
RoIC (%)	17.6	20.4	20.5	21.6	21.2
Pre-Tax OCF/EBITDA (%)	42.5	103.5	64.2	52.0	53.8

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