

Q4FY26 Review

9 June 2026



Auto & Auto Ancillaries

Ashok Leyland Particulars (Rs mn)	Target: INR 183		Previous Target: INR 217			(Rating: Accumulate to Buy)	
	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	1,41,605	1,19,067	18.9%	1,15,339	22.8%	1,38,358	2.3%
EBITDA	20,655	17,910	15.3%	15,350	34.6%	20,021	3.2%
EBITDA Margin	14.6%	15.0%	(46) bps	13.3%	128 bps	14.5%	12 bps
Adj PAT	14,047	12,561	11.8%	10,274	36.7%	14,123	-0.5%

Key reasons for deviation: Revenue/EBITDA slightly above est. on better realization and lower RMC, Adj. PAT largely in line with est.

Outlook post results: 1) CV industry to witness YoY growth in Q1FY27e supported by healthy base level demand despite, geopolitical disruptions and diesel price hikes. Temporary demand moderation and margins pressure may occur due to West Asia conflict, though deferred demand expected once situation stabilizes. 2) Segmentwise LCV and ICV expected to moderate from Q4FY26 levels, while HCV demand to improve; Tipplers, MAVs and trip trailers (for mining activities) to be fastest growing segment. 3) Aims to achieve market share of 35% in the medium term in MHCV segment, launched New Hippo and Taurus HD tipper range, with superior torque than industry, alongwith more launches planned, to help recapture lost tipper market share, replacement demand picks up; to enter LNG, CNG and hydrogen powered vehicle categories in near term. 4) In the LCV segment, to see some moderation from Q4FY26 levels, new 4.1ton BADA dost received positive market response. 5) Exports to remain under pressure in Q1FY27 owing to logistics challenges, no major slowdown in key markets. 6) The Non- CV businesses have strong prospects as well, with defence business have strong order book. 7) Commodity costs to remain inflationary, taken price hike of ~1-1.5% in Apr'26, alongside value engineering and cost reduction initiatives to mitigate the impact. 8) Capex of Rs. 7-10bn planned for FY27e, with additional investments needed for OHM, HLFL and HHF while, Switch India to remain self funded; HLFL reverse merger with NXT Digital to be completed by Q2FY27e. 8) In battery business, SoP targeted around Q2FY28, in initial phase to focus on battery packs for captive usage and energy storage applications.

Eicher Motors Particulars (Rs mn)	Target: INR 8,862		Previous Target: INR 9,694			(Rating: Retained Buy)	
	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	60,801	52,411	16.0%	61,140	-0.6%	58,865	3.3%
EBITDA	15,137	12,577	20.4%	15,567	-2.8%	14,917	1.5%
EBITDA Margin	24.9%	24.0%	90 bps	25.5%	(57) bps	25.3%	(45) bps
Adj PAT	15,200	13,622	11.6%	14,622	3.9%	14,318	6.2%

Key reasons for deviation: Revenue/EBITDA/Adj. PAT beat est. on slightly higher realizations and lower taxes.

Outlook post results: Strong demand momentum continued in Apr'26 with no healthy bookings and enquiry levels across key products, showing no visible slowdown despite ongoing geopolitical conflicts. The company is poised to outperform industry growth, supported by a robust product lineup and marketing initiatives tied to its 125th anniversary in FY27e. It will continue its strategy of new launches and A&P spends for market activation to sustain growth momentum, with a focus on increasing absolute EBITDA. Dealer inventory levels remains below seven days, with plants are operating at full 24/7 capacity to meet surging demand in the <350cc segment. Further, existing capacity of 1.4mn to increase to 1.6mn by Jul'26, will incur capex of Rs. 9.58 bn for new brownfield capacity expansion plans, taking total capacity to 2 mn units per annum by Q2FY28e. Also, in addition, MoU signed with AP government for land procurement for greenfield facility to be future ready. In exports, outlook remains cautiously optimistic, the US tariff related concerns easing gradually; the EU market is in a calibration phase; Brazil's robust growth is expected to continue with product acceptance supported by the CKD facility; and the SAARC to witness good growth. Expect commodity cost inflation of ~3-3.5% in Q1FY27e, of which nearly half addressed through price hike in Apr'26 and balance to be mitigated through cost reduction initiatives, operating leverage benefits, and continued value engineering efforts. In VECV, the industry outlook remains positive for mid-long term linked to GDP growth, as structural demand drivers remains intact such as higher infra activity, ecomm penetration, clean mobility and rising freight demand; export to remain strong, commodity cost to have ~3-3.5% impact in Q1FY27 (taken price hike of ~2% in Apr'26), and to enter vehicle financing business as a JV by investing Rs. 7.5bn for ~50% stake in Volvo Financial Services India.

Bajaj Auto Particulars (Rs mn)	Target: INR 10,300		Previous Target: INR 9,891			(Rating: Retained Reduce)	
	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	1,60,057	1,21,480	31.8%	1,52,203	5.1%	1,58,152	1.2%
EBITDA	33,227	24,506	35.6%	31,605	5.1%	32,931	0.9%
EBITDA Margin	20.8%	20.2%	59 bps	20.8%	(1) bps	20.8%	(6) bps
Adj PAT	27,180	20,493	32.6%	25,488	6.6%	26,216	3.7%

Key reasons for deviation: Slightly higher on all fronts.

Outlook post results: Exports are expected to grow at monthly run rate of ~220k units per month in Q1FY27e (~200k units in Q4FY26), led by LATAM, Asia, Nigeria recovery and Africa markets, strong revival in KTM sales, and capacity ramp-up in Brazil, more capacity additions likely in Brazil in FY26e; Gulf countries contribute ~5-6k units per month, impact to be minimal. The domestic motorcycle market to moderate to ~7-9% in near term, though premium segment especially 150cc+ to grow at 1.5x industry growth, which aligns well with Bajaj's portfolio mix. The company introduced ten interventions in Oct'25-Mar'26, plans to add more in 125cc and 150cc Pulsar range in Jul'26. West Asia conflict impact ability to service demand by ~10-15%. In Chetak, the recently launched C25 variant received strong acceptance aiding higher growth, capacity expansion planned going forward. The overall EV portfolio has achieved double-digit EBITDA margins, while e2W reached EBITDA positivity on scale benefits. In the 3W segment, the segment to remain best performing category in auto industry, with higher demand in larger 3W category, Bajaj offer widest e3W portfolio and to evaluate capacity expansion; meanwhile, the "Riki" e-rickshaw has expanded to 100+ cities. Commodity inflation is expected to impact margins by ~3.5-4% of revenue effective Apr'26, with pricing actions in Apr'26 to offset 40% and currency tailwinds alongwith cost optimization initiatives to cover more. Buyback approved at Rs 12000 per share.

Hero MotoCorp Particulars (Rs mn)	Target: INR 7,800		Previous Target: INR 7,364			(Rating: Retained Buy)	
	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	1,27,965	99,387	28.8%	1,23,284	3.8%	1,25,881	1.7%
EBITDA	18,556	14,156	31.1%	18,101	2.5%	18,140	2.3%
EBITDA Margin	14.5%	14.2%	26 bps	14.7%	(18) bps	14.4%	9 bps
Adj PAT	14,011	10,809	29.6%	14,378	-2.6%	13,991	0.1%

Key reasons for deviation: Performance slightly above estimates on better product mix and scale benefits.

Outlook post results: The domestic industry is expected to grow in high single digit in FY27e, with scooters to outpace motorcycles. The company is poised to outperform the industry, led by new product launches, strong response to latest launches and a marketing push. In scooter, to capacity expansion underway (Destini +50%, Xoom double). In EV, to increase capacity by ~50% in near term and double by FY27e end; focus areas include expanding distribution, brand awareness, and product offerings; invested over ~Rs 2bn (~37% stake) in Euler Motors, to meet funding requirements for FY27e; to expand PLI coverage to ~90% of portfolio. Unit economics will improve, aided by PLI approval for one model, with capacity expansion planned for FY27e to meet robust demand. Exports momentum to remain strong led by LATAM and gradual expansion in Africa; higher fuel prices to impact demand in Sri Lanka and Bangladesh in near term. Maintained mid-term EBITDA margin guidance of ~14-16%, Commodity cost inflation to be in high single digit of BOM, partially offset by price hike of ~2% in Apr'26 and other mitigation measures like cost optimization and operating leverage gains, the impact to be transitory in nature. Ad spends will remain high for brand building and product campaigns. PAM has significant growth potential given the massive on-road vehicle base; to invest ~Rs. 7bn in global parts centre to double its capacity.

Maruti Suzuki	Target: INR 17,744		Previous Target: INR 18,548			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	5,24,493	4,09,906	28.2%	4,98,915	5.1%	5,17,001	1.4%
EBITDA	61,569	48,426	27.1%	55,717	10.5%	67,772	-9.2%
EBITDA Margin	11.7%	11.8%	(10) bps	11.2%	57 bps	13.1%	(137) bps
Adj PAT	35,905	38,573	-6.9%	42,394	-15.3%	48,873	-26.5%

Key reasons for deviation: Revenue slightly above est. on better realizations; EBITDA hit by higher RMC/other expenses; PAT dragged by lower other income and higher taxes.

Outlook post results: 1) Maruti expects its domestic PV volumes to grow by ~10% in FY27e, supported by robust small car sales, strong bookings across segments (healthy order book of ~190k units (incl. ~130k units for small cars), capacity expansion and positive response to new launches. 2) First time buyers share increased post GST, while Victoris strengthened presence in mid-SUV segment. 3) Seven new SUV models (excl. Victoris and E Vitara) to be launched in India by FY30e 4) Strong demand for CNG model continues 5) Exports aimed to sustain similar volumes in FY27e, despite geopolitical challenges. 6) The Kharkhoda second facility has commenced operations, and Gujarat's fourth line will follow shortly in Jul'26—each adding 250k unit capacity. 7) E-Vitara received encouraging response in both domestic and exports, volumes constrained on capacity limitations, to improve post Gujarat line commissioning in Jul'26. 8) Capex for FY27e is Rs 140bn, primarily for two new plants. 9) Maruti remains aligned with SMC's strategic vision of regaining ~50% domestic market share, achieving 10% EBIT margin and scaling up exports with focus on EV. 10) Inventory remains lean at ~12 days as of end-Mar'26. 11) Operations to be temporarily impacted due to West asia conflict, though demand remains resilient, mitigation measures ongoing.

TVS Motor	Target: INR 4,405		Previous Target: INR 4,273			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	1,28,076	95,504	34.1%	1,24,763	2.7%	1,26,816	1.0%
EBITDA	16,795	13,306	26.2%	16,329	2.9%	16,523	1.6%
EBITDA Margin	13.1%	13.9%	(82) bps	13.1%	3 bps	13.0%	8 bps
Adj PAT	10,372	8,167	27.0%	9,933	4.4%	10,112	2.6%

Key reasons for deviation: Performance slightly higher than estimates due to higher realization.

Outlook post results: 1) 2W industry to grow in strong single digit in FY27e. Scooters, EVs, premium and super-premium bikes to sustain demand momentum, while economy segment to remain under pressure due to inflationary trends. Potential El Nino to impact rural demand in H2FY27e, with reservoir levels remains key monitorable. 2) To continue industry outperformance in Q1FY27e, both in wholesales and retail volumes. 3) Channel inventory improving from May'26, leading to production ramp ups. 4) Export growth momentum to continue in FY27e and expected growth levels similar to FY26, with company outperforming industry; in near term container shortages and logistics related challenges to constraint ability to fulfill demand, Dubai office set up to stay closer to export markets. 5) In EVs, TVS Orbiter has garnered positive feedback; PLI benefits now contribute 0.9% of revenue, to expand production capacity to ~50k per month, TVS King Cargo EV and CNG to strengthen TVS's market position in FY27e, also to co-develop e3Ws for last mile mobility with Hyundai Motor Company 6) Norton products getting ready; global launch expected in Q2FY27e, select product India launch soon after, while Ronin sales to cross ~10k units per month in near term, both to strengthen position in super premium category. 7) Investment in subsidiaries for FY27e to be lower by ~Rs. 5-6bn from FY26 (FY26 ~Rs 24bn). 8) Commodity costs to have impact of ~3-5% of revenue; price hike to offset 35% impact with rest to be mitigated through operating leverage, product mix, cost optimization measures and calibrated price increases ahead. 9) Capex for FY26e is ~Rs 35bn.

Suprajit Engineering	Target: INR 602		Previous Target: INR 598			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	10,419	8,769	18.8%	9,790	6.4%	10,150	2.7%
EBITDA	1,204	870	38.4%	949	26.9%	1,140	5.6%
EBITDA Margin	11.6%	9.9%	163 bps	9.7%	186 bps	11.2%	32 bps
Adj PAT	711	272	161.1%	184	286.7%	445	59.6%

Key reasons for deviation: Revenue/EBITDA beat due to lower other expenses, while PAT beat on account of better operational performance and higher other income

Outlook post results: 1) SCS achieved EBITDA positive as per guidance, restructuring completed and to be integrated with SCD division going forward. 2) SCD, expect double digit revenue growth with EBITDA margin of ~10-12% (restructuring led operational efficiencies and SCS turnaround) in FY27e, on back of ~20%+ growth in SAL(India) and Lonestar(China) plants, to focus on new business wins as tariffs situation recedes, restructuring completed; developed small actuators through LDC acquired technology; capacity expansion at SAL (India) to be undertaken. 3) DCD expected to record double digit revenue growth with stable EBITDA margins in FY27e, led by OEM. The aftermarket and beyond cables to see robust growth on new business wins and to outperform industry growth. 4) In SED, strong double-digit growth in FY27e with stable EBITDA margins, bolstered by new order wins across digital clusters, throttle grips and sensors, capacity expansion planned. 5) In PLD, expected double digit growth with stable EBITDA margin in FY27e. sales impact from Trifa brand due to Middle East conflict to continue; Started supplies to large US retailer with additional business wins; New enquiries from overseas (post halogen lamp competitor bankruptcies) provide positive FY27e outlook. 6) STC, actively support other divisions, developing ABS with Bluebrake and cables for sunroof; new facility to completed by Q3FY27e 7) At consolidated level, double digit revenue growth projected in FY27e; EBITDA margins (incl. SCS) expected at 12-13.5% in FY27e. 6) Capex for FY27e is ~Rs 2bn; effective tax rate is ~27%.

Steel Strips Wheels	Target: INR 275		Previous Target: INR 266			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	14,746	12,339	19.5%	13,208	11.6%	14,772	-0.2%
EBITDA	1,493	1,345	11.0%	1,278	16.8%	1,407	6.1%
EBITDA Margin	10.1%	10.9%	(78) bps	9.7%	45 bps	9.5%	60 bps
Adj PAT	645	617	4.5%	492	31.1%	574	12.2%

Key reasons for deviation: Revenue in-line, Operational beat on lower cost and better mix.

Outlook post results: 1) Expect FY27e revenue of Rs. 65bn; with PAT growth of ~15-20% YoY on strong order inflow and high utilization across all plants. EBITDA/wheel in FY27e expected at Rs. 300 translating to Rs. 6.5bn, to further improve to Rs. 7-7.5bn in FY28e 2) New expansion projects at Bhuj for alloy wheels of 0.6mn (total alloy wheels 6.2mn) and 1.1mn units (0.5mn Phase I and 0.6mn Phase II) for aluminum knuckles is planned at capex of Rs. 5bn. The alloy wheels and knuckles phase I to commence operations by Q4FY27 and to achieve ~70% utilization in first year of operation. New projects can achieved incremental revenue of Rs. 7-8bn at peak utilization. 3) Exports to recover and achieve revenue of Rs. 6bn in FY27e, as US tariffs situation recedes and order from other regions ramp up. 4) In 2-3w, has leadership position in EV wheels with ~80% market share, expected to grow above ~25% in FY27e. 6) In knuckles, expansion in two phases to increase capacity by ~1.1mn units. 7) Capex guided for FY27e at Rs 5.5bn; new Bhuj facility capex ~Rs 5bn(adding ~Rs 2bn to net debt) and Rs 0.5bn toward brownfield expansion in tractor wheels lines and paint shop facilities.

SJS Enterprises	Target: INR 2,500		Previous Target: INR 2,635			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	2,601	2,005	29.7%	2,435	6.8%	2,690	-3.3%
EBITDA	747	510	46.4%	714	4.6%	749	-0.3%
EBITDA Margin	28.7%	25.4%	327 bps	29.3%	(60) bps	27.8%	87 bps
Adj PAT	489	337	44.9%	450	8.5%	474	3.2%

Key reasons for deviation: Revenue missed est. due to lower than anticipated growth in standalone, Operational outperformance on better margins in subsidiaries and higher other income

Outlook post results: 1) Aim to increase exports share to 14-15% by FY28e; margins higher than domestic sales. 2) Outlook for auto industry is positive in FY27e though near term disruptions persist, to outperform industry growth by 1.5-2x 3) To deepen Hero relationship by pitching additional products. Capex for Bangalore expansion: Rs 450mn, completion by Q1FY27e. 4) Cover glass/display plant: completion and trials slated for FY27e; commercialization of cover glass and full display units to start FY28e. Big opportunity with rising display penetration (market size ~Rs 30-40bn of FY26). Capex: Rs 400mn over FY26-27e (Rs 200mn/year) for cover glass & additional Rs 200-250mn for optical bonding in FY27e. Asset turns at 5x; margin target ~25% via localization 5) SJS Decoplasts (erstwhile Exotech) new plant to generate revenue from FY27e, tapping significant export opportunities. 4) WPI's new products gaining traction from key customers M&M and Tata; new orders commenced and expected to ramp up. 5) Consolidated sustainable EBITDA margin is ~27-28% 6) To target potential acquisitions in FY27e.

Swaraj Engines	Target: INR 4,759		Previous Target: INR 4,759			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	5,458	4,542	20.2%	4,732	15.3%	5,736	-4.8%
EBITDA	750	618	21.1%	620	21.0%	786	-4.6%
EBITDA Margin	13.7%	13.6%	11 bps	13.1%	65 bps	13.7%	3 bps
Adj PAT	546	454	20.1%	447	22.2%	570	-4.3%

Key reasons for deviation: Slightly below estimates, due to lower than anticipated volumes, though operational margins were maintained as estimated.

Outlook post results: Despite easing of tractor industry growth to low single digit in FY27e, the company's sales growth momentum is expected to continue as 'Swaraj' is recognized for quality within the industry. The company is executing its engine capacity expansion plan, from 195,000 units to 240,000 units per annum by FY27. This investment also allows the company to upgrade its manufacturing technology to produce engines as per the future technology needs. Maintaining its strong dividend track record, the company has announced a final dividend of Rs 110 per share for FY26. We maintain our premium valuation multiple of 25x, as company's strong fundamentals, consistent dividends, and potential for business growth remains intact. We have more-or-less maintained our estimates, leading to a similar target price Rs 4,759 per share, offering ~22% upside from current levels. Maintain BUY.

Mayur Uniquoters	Target: INR 1,019		Previous Target: INR 873			(Rating: Retained Buy)	
Standalone (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	2,605	2,142	21.6%	2,370	9.9%	2,402	8.5%
EBITDA	873	447	95.0%	584	49.4%	594	46.9%
EBITDA Margin	33.5%	20.9%	1,260 bps	24.6%	884 bps	24.7%	876 bps
Adj PAT	601	361	66.6%	537	11.9%	516	16.5%

Key reasons for deviation: Revenue beat on good exports growth, Operational outperformance due to higher exports, lower RM costs and better product mix.

Outlook post results: The management continue to show confidence of growing high margin exports OEMs business at a faster clip and maintained their growth guidance. PU issues continued due to Chinese imports, so the management is in talks with several global brands to propel this business. The management was working on setting up warehouse in Mexico and look to have manufacturing facilities there to multiply its business from global auto players but all this is still on hold and final plan now depends on several developments in the US market. In the meantime, the management highlighted to add one production line in the existing facilities. The management has guided for double digit sales growth in foreseeable future with continuation of good margins. We have tweaked our estimates upwards considering continuation of high margin performances and maintain BUY rating on Mayur Uniquoters with TP of Rs 1,019 (18xFY28E EPS).

Gabriel India	Target: INR 1,309		Previous Target: INR 1,297			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	12,096	10,732	12.7%	11,787	2.6%	11,984	0.9%
EBITDA	1,130	1,088	3.9%	1,069	5.7%	1,102	2.5%
EBITDA Margin	9.3%	10.1%	(80) bps	9.1%	27 bps	9.2%	14 bps
Adj PAT	668	644	3.8%	647	3.4%	654	2.2%

Key reasons for deviation: Revenue in-line, EBITDA/Adj. PAT slightly higher on due to better margins in sunroof and higher other income

Outlook post results: 1) In Sunroof, no new RFQs were secured beyond already won orders from Korean customers, margins sustainable 2) SoP for Hero business expected in Q2FY27e, for FSD shock absorbers, product development underway with Tata motors; In MMAS, plant operations stabilized, focus on new RFQs for growth 2) Healthy outlook for high-margin exports; EU FTA to offset transport costs and enhance tech support, while US deal aids solar damper growth in North America. 3) For solar damper: won three businesses (products under development and validation stage with clients); for semi-active suspension, formal LOI from 2W customer received, product under development while, no LOI has been received from PV customer. 4) SK Enmove JV started small-scale operations in Q4FY26, secured order from couple customers; Jinhap JV, construction in progress, SoP targeted for Q3FY27e, secured order from Korean customer. 6) NCLT and Shareholder approval received for scheme of arrangement related to restructuring of JVs, remaining formalities to be completed by June end, financial consolidated from Q1FY27e onwards.

Lumax Auto Technologies	Target: INR 2,041		Previous Target: INR 2,109			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	14,169	11,329	25.1%	12,707	11.5%	13,268	6.8%
EBITDA	2,032	1,566	29.7%	1,759	15.5%	1,939	4.8%
EBITDA Margin	14.3%	13.8%	52 bps	13.8%	50 bps	14.6%	(27) bps
Adj PAT	877	584	50.3%	1,086	-19.2%	756	16.0%

Key reasons for deviation: Revenue above est. on growth across key product segments, strong aftermarket performance, EBITDA margin miss due to higher other expenses, while Adj. PAT outperformance is largely attributable to better operational performance, lower taxes and lower minority interest.

Outlook post results: 1) Maintained mid-term guidance revenue growth at 20% CAGR through FY31e, demand momentum healthy, though Q1FY27e may face some temporary pressure from elevated RM and energy costs, to outperform industry growth with 2-3x growth in select business on back of value added products and higher wallet share with key customers 2) Emerging subsidiaries executing faster this fiscal; margins to improve gradually. 3) Greenfuel order book at Rs 1.8bn; margins accretive. 4) IAC growth largely aligned with M&M performance, given its significant customer concentration, order book ~Rs. 5bn. M&M to remain dominant customer over next 3-5 years. 5) In Ituran, JV on track of target margin improvement of ~150bps in FY27e, to commence SoP for new regulatory driven product with higher margin over next three months. 6) Aftermarket expected growth momentum to continue in FY27e. 7) Capex for FY27e to be Rs 2.75-3.0bn. 8) Total order book stands at Rs 14.5bn. 8) Effective tax rate for FY27e ~26%; minority interest to stabilize at ~15-17% going forward. 9) Total debt ~Rs 10bn (~90% comprises of LT debt for inorganic acquisition), to initiated debt repayment from FY27e.

Key observation from the sector: The automobile industry demonstrated sustained demand momentum in the first two months of FY27E despite a challenging macroeconomic environment, supported by pending deliveries, seasonal wedding demand, capacity additions, and new model launches, notwithstanding geopolitical uncertainties and fuel price increases. Supply-side headwinds during April–May 2026, driven by raw material constraints, labour shortages, and elevated commodity prices, hampered companies' ability to fully service demand, though disruptions have since stabilised with production recovering to normalcy. The inflationary input environment, partly driven by the West Asia conflict, is expected to exert near-term margin pressure; however, the industry views this as transitory and is mitigating the impact through calibrated price hikes, cost optimisation, and strategic sourcing, with currency tailwinds benefiting select OEMs, while auto ancillaries are expected to pass on cost increases with a lag. The strong FY26 growth is expected to moderate in FY27E, weighed down by geopolitical conflicts, elevated inflation, a higher H2 base, and potential El Niño impact on rural demand. Segment-wise, 2Ws are projected to deliver high single-digit growth led by scooters and premium, PVs are expected to grow 4–6% with strength in small cars post-GST reforms and continued SUV momentum, while CVs are anticipated to sustain healthy single-digit growth driven by infrastructure activity, fleet demand, GST-driven price reductions, and replacement needs. Entry-level and commuter segments in 2W/PV and LCVs in CV have benefited most from improved affordability post-reforms, though recent price hikes to offset input cost inflation are expected to disproportionately impact these price-sensitive segments. OEMs have guided for a 2–5% near-term commodity cost increase, to be offset through cost reductions, currency tailwinds, and pricing actions, with capex focused on capacity expansions and debottlenecking to address low inventory and surging demand. Exports are poised for robust growth, underpinned by resilient LATAM demand, African market recovery, new launches, and network expansion, with medium-term tailwinds from potential US trade deals and EU FTA, though container shortages and logistical challenges remain constraints. Overall, we remain constructive on the long-term outlook, with structural growth drivers intact — sustained demand momentum, improved affordability post-GST, rising EV penetration in 2W/PV, and a CV upcycle driven by government infrastructure spending, project resummptions, and replacement demand.

Outliner: Companies under our coverage reported mixed topline performance; however, operational performance was largely better than estimates, supported by factors such as favourable product or geographic mix, higher realisations, PLI benefits, lower taxes, and higher other income. Estimate misses, where they occurred, were primarily attributable to lower-than-expected other income and higher costs. Among individual performers, Lumax Auto, Suprajit Engineering, and Mayur Uniquoters outperformed our estimates, with the outperformance driven by better product mix, higher other income, strong export performance, lower taxes and minority interest, and operational efficiencies. Separately, we have upgraded our rating on Ashok Leyland; while we have moderated our estimates, target price, and earnings multiple, the significant correction in the stock price largely triggered by the West Asia conflict and heightened global tensions appears to have been broadly factored in, resulting in the stock trading at reasonable valuations.

Our top picks are:

Hero MotoCorp: Beneficiary of increased rural demand, budget relief, GST led boost in entry level segment, strong EV performance, aggressive exports expansion, PLI benefits, new model launches, capacity expansion in scooters & EV, strong PAM growth & attractive valuation.

Maruti Suzuki: Beneficiary of strong growth momentum especially in small cars, successful new launches, lower inventory and healthy pending order book, upcoming largest capacity expansion of ~0.5mn units in a year, continued strong exports momentum, entry into EV market.

SJS Enterprises: Beneficiary of SUV and premiumization trend, guided to outperform by 1.5-2x ; Strong exports outlook; Volume benefits to play, addition of Hero in standalone business, SJS Decoplast to double revenue on expanded capacity, WPI to show strong growth, entry into complete display units.

Healthcare

Apollo Hospitals		Target: INR 9,610		Previous Target: INR 9,200		(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	66,055	55,922	18.1%	64,774	2.0%	64,239	2.8%
EBITDA	10,110	7,697	31.3%	9,653	4.7%	9,108	11.0%
EBITDA Margin	15.3%	13.8%	154 bps	14.9%	40 bps	14.2%	113 bps
Adj PAT	5,293	3,896	35.9%	5,167	2.4%	4,676	13.2%

Key reasons for deviation: Performance surpassing our estimates across all verticals led by The Hospital segment delivered 16% YoY revenue growth, supported by 7% inpatient volume growth, 4% pricing improvement, 5% better case mix, and 9% growth in ARPP to Rs 1.87 lakh while HealthCo revenue increased ~20% YoY and AHLH grew by 24% YoY.

Outlook post results: Apollo Hospitals is poised for a 14% revenue CAGR over FY26–FY28E, supported by mid-teen hospital growth, ongoing bed additions across key metro markets, recovery in Bangladesh patient flows, tariff hikes, and 20%+ growth in the offline and digital pharmacy business along with synergies from Keimed. We marginally increase our FY27E/FY28E estimates driven by hospital ramp-up and improving profitability across HealthCo. We continue to value Apollo Hospitals with an SOTP-based TP of Rs 9,610 (27x FY28E EV/EBITDA) and maintain our Buy rating on the stock.

HCGEL		Target: INR 726		Previous Target: INR 700		(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	6,253	5,852	11.5%	6,331	3.0%	6,589	-1.0%
EBITDA	1,251	1,057	18.3%	1,096	14.1%	1,256	-0.4%
EBITDA Margin	19.2%	18.1%	111 bps	17.3%	186 bps	19.1%	11 bps
Adj PAT	261	74	254.7%	32	705.6%	178	46.6%

Key reasons for deviation: Reported a healthy performance. Volumes grew 9% YoY while ARPP improved ~2% YoY to Rs 85,176. EBITDA was broadly in line with estimates, supported by ~100 bps YoY margin expansion from improved operating leverage and a better business mix despite the exit from low-margin segments. Consolidated PAT at Rs 22 Mn due to an exceptional impairment loss of Rs 319 Mn related to the proposed divestment of the Milann fertility business.

Outlook post results: HCG well positioned to deliver healthy earnings growth over FY26–FY28E, supported by 15%+ revenue growth, steady volume ramp-up, improving ARPP, and margin expansion driven by operating leverage and better utilization. Growth is expected to be led by brownfield bed additions, improved payor mix, focused marketing initiatives, and stronger overseas outreach. We maintain our BUY rating with an unchanged target multiple of 18x FY28E EV/EBITDA.

Narayana Hrudayalaya		Target: INR 2,483		Previous Target: INR 2,177		(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	25,938	14,754	75.8%	21,512	20.6%	21,984	18.0%
EBITDA	5,100	3,577	42.6%	3,672	38.9%	3,474	46.8%
EBITDA Margin	19.7%	24.2%	(485) bps	17.1%	259 bps	15.8%	386 bps
Adj PAT	2,279	2,024	12.6%	1,662	37.1%	1,549	47.1%

Key reasons for deviation: Strong Q4FY26 performance, with consolidated revenue rising 75.8% YoY to Rs 25,938mn, driven by healthy growth in India (+13% YoY), robust momentum in Cayman (+48% YoY), and the consolidation of its UK subsidiary (+65% QoQ). Consolidated EBITDA margins contracted YoY; however, India hospital margins improved, supported by a higher share of complex procedures, payer mix optimization, better bed configuration, technology-led efficiencies, and improved throughput.

Outlook post results: Narayana Hrudayalaya is well positioned for sustained growth, driven by margin expansion in India through case-mix improvement and operational efficiencies, continued Cayman momentum led by the fully operational Camana Bay hospital, and gradual profitability improvement in the UK business as integration progresses. The planned addition of ~1,535 beds over the next three years, along with clinic and insurance synergies, strengthens long-term growth visibility. Reflecting improved profitability prospects, we raise our FY27E/FY28E EBITDA margin estimates by 74bps/54bps. Maintain BUY rating with TP of INR2,2483/share, based on 26x EV/EBITDA for India business and 15x EV/EBITDA for international operations based on FY28E.

Fortis Healthcare		Target: INR 1,130		Previous Target: INR 1,110		(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	23,647	20,072	17.8%	22,650	4.4%	23,279	1.6%
EBITDA	5,323	4,355	22.2%	5,057	5.3%	5,075	4.9%
EBITDA Margin	22.5%	21.7%	82 bps	22.3%	19 bps	21.8%	71 bps
Adj PAT	2,752	2,241	22.8%	2,282	20.6%	2,277	20.9%

Key reasons for deviation: The hospital revenue was up by 19% YoY (+4% QoQ) on 17% increased occupied bed days (at 68% occupancy) and realization has improved, driven by higher volumes in key specialties such as Renal Sciences, Pulmonology and Orthopaedics seen strong double-digit growth. Diagnostics gross revenues grew 11.1% YoY to led by volume growth & preventive mix with Rs 375/test realization.

Outlook post results: Fortis Healthcare remains well positioned for a sustained growth, supported by 15%+ hospital revenue growth, ~150bps margin expansion guidance YoY, and brownfield expansion pipeline. Margins is expected to improve through occupancy gains, ARPOB growth, brownfield operating leverage, and integration of recent acquisitions, while Agilus is expected to deliver double-digit growth with further margin improvement. We estimate 14% revenue CAGR and 19% EBITDA CAGR over FY26–FY28E. We continue to value the company on an SOTP basis, assigning 30x FY28E EV/EBITDA to the hospital business and 22x to diagnostics.

Global Health		Target: INR 1,422		Previous Target: INR 1,253		(Rating: Accumulate to Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	11,590	9,313	24.5%	11,210	3.4%	11,274	2.8%
EBITDA	2,438	2,247	8.5%	2,173	12.2%	2,198	10.9%
EBITDA Margin	21.0%	24.1%	(310) bps	19.4%	165 bps	19.5%	154 bps
Adj PAT	1,440	1,393	3.4%	1,241	16.0%	1,335	7.9%

Key reasons for deviation: Performance exceeds estimates led by driven by healthy inpatient volume growth of 23%, 28% surge in outpatient volumes, healthy occupancy of 61%, improved realizations, and 5% YoY ARPOB growth supported by better case mix and optimized ALOS (+4.1% YoY).

Outlook post results: Global Health Ltd plans to add ~500 beds across existing hospitals over the next 12 months and ~2,700 beds through five greenfield projects over the next 3-4 years. Mature hospitals are expected to maintain stable growth supported by improving realizations, favourable case mix, and optimized ALOS, while continued reduction in Noida losses and gradual movement towards breakeven remain key positives. We estimate Revenue/EBITDA/PAT CAGR of 15%/22%/21% over FY26-28E. Accordingly, we value the stock at 25x FY28E EV/EBITDA (vs. 24x earlier), supported by improving earnings visibility and margin expansion opportunities.

KIMS	Target: INR 761		Previous Target: INR 774			(Rating: Buy to Accumulate)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	10,746	7,969	34.8%	9,977	7.7%	10,508	2.3%
EBITDA	2,065	1,980	4.3%	1,989	3.8%	2,049	0.8%
EBITDA Margin	19.2%	24.8%	(563) bps	19.9%	(72) bps	19.5%	(28) bps
Adj PAT	507	937	-45.9%	534	-5.1%	502	0.9%

Key reasons for deviation: Healthy IP/OP volume growth of 18%/30% YoY and a 14% YoY increase in ARPOB to Rs 47,132, supported by higher contribution from premium markets such as Mumbai, Hyderabad and Bengaluru. EBITDA grew modestly by 4.3% YoY to ~Rs 2,065 mn, while EBITDA margin contracted by 563bps YoY to ~19%, impacted by losses from recently commissioned hospitals in Thane, Nashik and Bengaluru, temporary operational disruption from the Kondapur transition.

Outlook post results: We retain our target multiple of 23x FY28E EV/EBITDA and broadly maintain our FY27/FY28 estimates, while factoring in slower-than-expected ramp-up at select new hospitals, delays in insurance empanelment's, and temporary duplication of fixed costs during ongoing transitions. The proposed Rs 1,500cr QIP is expected to strengthen the balance sheet through debt reduction and provide financial flexibility for future greenfield expansion across core markets. Over the medium term, healthy volume growth, improving ARPOB across key metro markets, and a well-funded expansion pipeline are expected to support strong earnings growth beyond FY27.

Rainbow Children's Medicare	Target: INR 1,459		Previous Target: INR 1,394			(Rating: Buy to Accumulate)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	4,599	3,701	24.3%	4,454	3.2%	4,252	8.2%
EBITDA	1,447	1,147	26.1%	1,470	-1.5%	1,333	8.6%
EBITDA Margin	31.5%	31.0%	47 bps	33.0%	(153) bps	31.3%	11 bps
Adj PAT	770	563	36.8%	725	6.2%	627	22.9%

Key reasons for deviation: Performance beating estimates driven by healthy patient traction and steady ramp-up across new hospitals. The quarter saw robust 18% and 19% YoY growth in IP and OP volumes respectively, along with 22% YoY growth in deliveries. Occupancy declined to 45%, down 121bps YoY and 189bps QoQ, while ARPOB improved 8% YoY to Rs 62,464.

Outlook post results: Rainbow Children's Medicare Ltd remains well positioned to sustain strong growth, supported by ramp-up in new hospitals, improving occupancy, higher specialty mix, and operating leverage benefits. We expect Revenue and EBITDA CAGR of 16% and 14% respectively over FY26-FY28E, driven by healthy patient volumes, ARPOB improvement, and contribution from recently added capacities. The company's expansion pipeline, including planned addition of ~900 beds over the next 2.5-3 years, further strengthens long-term growth visibility. We maintain our valuation at 22x FY28E EV/EBITDA.

Yatharth Hospital & Trauma Care Services	Target: INR 973		Previous Target: INR 855			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	3,416	2,330	46.6%	3,214	6.3%	3,386	0.9%
EBITDA	799	583	37.1%	751	6.4%	793	0.8%
EBITDA Margin	23.4%	25.0%	(161) bps	23.4%	1 bps	23.4%	(2) bps
Adj PAT	475	387	22.7%	454	4.8%	380	25.1%

Key reasons for deviation: Performance driven by robust traction across newly operational hospitals, which contributed ~22% to group revenues, while existing hospitals maintained healthy momentum with ~29% YoY growth. EBITDA increased 37% YoY to Rs 799 mn, while adjusted EBITDA margins, excluding initial losses from new hospitals, improved to ~30%, reflecting strong operating leverage and improving case mix.

Outlook post results: Yatharth is well placed to sustain strong growth, supported by robust ramp-up in new hospitals, improving specialty mix, rising ARPOB and continued expansion across NCR. While continuous capacity additions may keep consolidated EBITDA margins in the 24-25% band, healthy core operating margins, strong cash flows provide confidence on execution and future profitability. We value Yatharth at 18x FY28E EV/EBITDA (from 16x earlier), arriving at a revised target price of Rs 973 per share and maintain Buy rating.

Aster DM Healthcare	Target: INR 743		Previous Target: INR 667			(Rating: Buy to Accumulate)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	11,824	10,003	18.2%	11,858	-0.3%	11,575	2.1%
EBITDA	2,326	1,921	21.1%	2,113	10.1%	2,026	14.8%
EBITDA Margin	19.7%	19.2%	47 bps	17.8%	185 bps	17.5%	217 bps
Adj PAT	1,399	988	41.6%	737	89.9%	793	76.4%

Key reasons for deviation: Revenue rising 18% YoY to Rs 11.8 Bn and operating EBITDA increasing 21% YoY to Rs 2.3 Bn, supported by 15% patient volume growth and a 9% uplift in IP ARPP to Rs 1,25,234 on the back of a richer CONGO mix (~55%) during the quarter. The Kerala cluster remained a key growth driver, reporting a 21% revenue increase (+18% ex-Kasargod).

Outlook post results: Strong Q4 performance and sustained momentum in Kerala, along with expected recovery in the Karnataka-Maharashtra cluster and ongoing capacity expansion, support improved growth visibility, further aided by the upcoming Aster-QCIL merger (Expected to complete in Q1FY27). We raise our valuation multiple to 24x EV/EBITDA; and arrive at a target price to Rs 743. however, given the recent run-up in the stock price, our stance changed to Accumulate from Buy.

Vijaya Diagnostic Centre	Target: INR 1,396		Previous Target: INR 1,207			(Rating: Buy to Accumulate)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	2,194	1,732	26.6%	2,052	6.9%	2,076	5.7%
EBITDA	955	689	38.7%	861	11.0%	842	13.4%
EBITDA Margin	43.5%	39.8%	379 bps	41.9%	161 bps	40.6%	298 bps
Adj PAT	479	349	37.5%	432	11.0%	402	19.2%

Key reasons for deviation: ~18.5% volume growth across the network. Growth remained broad-based across pathology and radiology, supported by network expansion and improving brand acceptance in newer markets. Total tests increased 18.5% YoY to 4.49 Mn, while footfall grew 15.8% YoY to 1.21 Mn. Tests per footfall improved to 3.70 (+2.3% YoY) and realization per test rose 6.8% YoY to Rs 488, while wellness contribution expanded 67 bps YoY to 15.6%.

Outlook post results: Vijaya Diagnostics' robust Q4FY26 underscores execution strength amid network scaling, with faster hub break evens and balanced pathology-radiology growth reinforcing margin resilience at 40%+, while Rs 1.4-1.5Bn capex in FY27 for new 4-5 hubs/10-12 spokes, and Rising wellness traction & quality services demand sustain premium ARPP amid modest tariff hikes signals 18% earnings CAGR FY26-28E. Strong execution in newer markets, market share gains in core geographies, and improving PH performance support our valuation multiple of 60x FY28E EPS (vs 55x earlier).

Dr Lal Pathlabs	Target: INR 1,699		Previous Target: INR 1,679			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	7,027	6,026	16.6%	6,598	6.5%	6,685	5.1%
EBITDA	1,868	1,690	10.5%	1,793	4.2%	1,840	1.5%
EBITDA Margin	26.6%	28.0%	(146) bps	27.2%	(59) bps	27.5%	(94) bps
Adj PAT	1,313	1,548	-15.2%	1,131	16.1%	1,300	1.0%

Key reasons for deviation: Revenue growing 16.6% YoY and 6.5% QoQ, driven primarily by strong volume momentum as sample and patient volumes increased 12.9% YoY and 8.8% YoY, respectively, supported by continued lab expansion and robust traction across core regions. EBITDA rose 10.5% YoY to Rs.1.8 Bn; however, margins came under pressure during the quarter due to higher investments in infrastructure and increased advertising spend, leading to a contraction of 146 bps YoY and 59 bps QoQ to 26.6%.

Outlook post results: Dr. Lal Pathlabs delivered a 13% sales CAGR and a 15% EBITDA CAGR over FY19-FY25. Going ahead, revenue and EBITDA are expected to grow at a 13% and 12% CAGR over FY25-28E given volumeled growth supported by core region performance, Uptick in Suburban in West regions, and expansion/ M&As in the South. Moreover, the gradual improvement in specialty and Swasthfit mix, and cost controls, DLPL is expected to sustain a margin between 27-28%. We maintain our Buy rating with revised TP of Rs 1,699, based on PE of 43x FY28E EPS.

Key observation from the sector: Hospitals/diagnostics outlook remains healthy, supported by sustained patient volume growth 10%/12%, rising specialty mix (precision medicine, high-acuity cases driving 15-20% segment revenue), improving ARPOB, oncology-led demand, and an aggressive capacity expansion pipeline across major players. Budget 2026 tailwinds include duty exemptions on 17 cancer drugs, expanded cancer/trauma centers, robotic surgery funding in institutions, and Rs 106.53 Bn health allocation. Hospitals under coverage broadly delivered strong Q4FY26 revenue growth, driven by healthy occupancy, higher realizations, international patient recovery, and contributions from new facilities. Yatharth Hospital positively surprised with 47% surge to Rs 341 Cr, while Fortis Healthcare reported healthy growth with margin expansion. Narayana's 76% topline (UK-driven) beat but ~458 bps margin drag disappointed; Medanta beat revenue while margins drag on to Noida's rampup; KIMS reported strong ~35% revenue growth but profitability remained under pressure due to losses from recently commissioned hospitals and expansion-related costs. Diagnostics remained resilient, with Vijaya Diagnostics outperforming on both growth and margins aided by strong volume traction and operating leverage. Sector outlook remains favorable, supported by ongoing bed additions, oncology expansion, improving occupancy at new hospitals, and sustained demand for organized diagnostics, which should drive double-digit revenue growth and gradual margin improvement over the medium term.

Top picks:

Yatharth - Fastest-growing hospital chains under coverage, supported by strong ramp-up in newly commissioned hospitals, with superior 30-40% revenue CAGR FY26-28E supported by ARPOB gains (8-10%/yr), healthy occupancy, rising oncology contribution and aggressive NCR-focused expansion strategy.

Fortis - Strong visibility driven by 15%+ hospital revenue growth, improving occupancy, ARPOB expansion, diagnostics scale-up and a large brownfield expansion pipeline of ~1,800 beds. Margin expansion is expected through operating leverage, better utilization and integration of recent acquisitions.

Chemicals

IG Petrochemicals	Target: INR 501		Previous Target: INR 461			(Rating: Maintain Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	5,243	4,801	9.2%	4,653	12.7%	5,315	-1.4%
Adjusted EBITDA	666	472	41.1%	85	684.4%	555	20.0%
Adjusted EBITDA Margin	12.7%	9.8%	287 bps	1.8%	1088 bps	10.4%	226 BPS
Adjusted PAT	281	190	48.1%	-109	NA	281	-0.1%

Key reasons for deviation: The company reported slightly lower topline but better operating performance than estimates because of inventory gains, higher MAN realizations, higher than anticipated PAN-Ox spreads & operating efficiencies.

Outlook post results: The company's new leg of greenfield capacity expansion for addition of advance plasticizers of 75K tons capacity with a capex of Rs1.65bn is expected start in coming month, supporting revenue contribution from Q2FY27E. Also, company has completed its de-bottlenecking its base capacity of DEP Plasticizer to 12KT from 8.4KT at a very minimal capex. A slew of this expansion will boost non phthalic business revenue share to 27-30% of revenues by FY28E (vs ~6.1% of Q4FY26 & ~7.6% of FY26 revenue) & will provide some stability in the margins. The company new venture of Compressed Biogas (CBG) plant with a project installing 25-30 tonnes capacity at an investment of Rs1bn in its wholly owned subsidiary IG Biofuels Ltd is slated to complete by July 26. The growth in the subsequent year FY27E would be largely led by new plasticizer business coupled with higher spreads. The current demand environment has witnessed uptick led by GST rate cut & removal of US tariff uncertainty coupled with India EU FTA. Despite positive factors, we remain cognizant of the volatile nature of PAN-Ox spreads & factor in robust EBITDA growth over the next 2 years.

NOCIL	Target: INR 320		Previous Target: INR 194			(Rating: Maintain Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	3,304	3,397	-2.7%	3,158	4.6%	3,698	-10.7%
EBITDA	211	342	-38.3%	268	-21.3%	468	-54.9%
EBITDA Margin	6.4%	10.1%	(370) bps	8.5%	(212) bps	12.7%	(628) bps
Adj PAT	170	208	-18.3%	133	27.8%	278	-38.8%

Key reasons for deviation: The company reported lower than expected operational performance led by poor product mix, higher RM cost & lower realizations.

Outlook post results: Removal of US tariff uncertainty & India EU FTA presents a better picture for growth in select geographical markets. The icing on the cake could be the ADD imposition by the finance ministry (expected in middle of June 2026 end) wherein DGTR has already recommended the duty Rs ~40 per kg which could materially benefit Indian players & significantly support the growth dynamics. Even if ADD is not imposed, the benefits of lower cost & improved demand sentiment will support the margins & spreads per kg. The long-term growth story remains structurally positive for NOCIL, led by tyre players expanding capacity & investing to the tune of Rs200-250bn over FY26-28E leading to increased usage of rubber chemicals. Management stated that NOCIL is well placed & will be able to manage the negatives currently faced by rubber chemical players & expects long-term outlook to be good because of robust tyre & replacement demand. The volume growth expect double digit for FY27E considering the TDQ expansion of Rs2.5bn slated to commence in the coming quarters. We see fortunes turning around for NOCIL & factoring removal of uncertainties just present a case for reversal, although ADD imposition likely in next 2 months is a key factor to watch out for.

PCBL Chemical	Target: INR 440		Previous Target: INR 651			(Rating: Maintain Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	20,661	20,875	-1.0%	18,457	11.9%	19,381	6.6%
EBITDA	2,431	2,977	-18.3%	2,147	13.2%	2,075	17.2%
EBITDA Margin	11.8%	14.3%	(249) bps	11.6%	13 bps	10.7%	106 bps
Adj PAT	434	1,002	-56.7%	177	145.2%	176	146.6%

Key reasons for deviation: The company reported performance above estimates owing to better show in CB business but other businesses like Aquapharm failed to provide support during the quarter.

Outlook post results: The company phase 2 capacity of 60KT expansion has been commercialized in Chennai thereby supporting volume momentum. Recent US tariff uncertainty has been removed & India EU FTA will be a shot in the arm & we anticipate strong pickup in both US & EU market. Aquapharm remains the worst hit & reported weakest show since acquisition. However, we anticipate respite from end user industries to support volume growth in the coming years. Recent West Asia tensions leading to higher crude prices should increase oil drilling activities thereby supporting Aquapharm growth recovery. The company is focussed on improving composition in existing CB commodity grades commanding better spreads, increasing speciality grade pie & entering newer value-added grades (eg. Acetylene Black). The company has also meaningfully reduced its debt in FY26 via warrant conversion which is a positive step. At present, most negatives seem behind and factored in current stock price & the positive long-term outlook is visible.

Supreme Petrochem	Target: INR 740		Previous Target: INR 680			(Rating: Buy to Reduce)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	16,057	15,390	4.3%	12,809	25.4%	16,167	-0.7%
EBITDA	2,553	1,446	76.6%	708	260.6%	1,957	30.5%
EBITDA Margin	15.9%	9.4%	650 bps	5.5%	1037 bps	12.1%	380 bps
Adjusted PAT	1,707	1,069	59.7%	358	376.8%	1,306	30.7%

Key reasons for deviation: Despite almost in line topline, the operational performance was higher than our estimates because of higher spreads per ton & inventory gains benefits than anticipated.

Outlook post results: The uncertainties triggered by West Asia conflict has completely changed scenario on supply side as such higher RM prices will likely deter demand if stayed for a very longer period. Even before these uncertainties, already demand was reeling under pain, which will now be tested as things gets stabilized. Management has stated that volume growth guidance of ~8-10% in FY27E if things normalize by Q1 end. The company has completed Phase 2 EPS project & once ABS & new EPS capacity ramps up, stronger volume growth is anticipated in FY28E. Delay in sourcing RM from its key supplier IOCL to procure styrene monomer, company has now put its Rs8bn capex in Haryana (North India) on hold & awaits clarity on IOCL supply certainty. The negative today remains on heightened geopolitical tensions & higher competitive intensity which could impact its profitability in the short term. However, robust positioning of the company in existing businesses, strong balance sheet, better return ratios are the positives. The stock has witnessed sharp uptick since last quarter factoring in most positives & has left no room on the upside.

Aarti Industries	Target: INR 560		Previous Target: INR 585			(Rating: Maintain Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	22,060	19,490	13.2%	23,190	-4.9%	23,500	-6.1%
EBITDA	3,420	2,630	30.0%	3,220	6.2%	3,284	4.2%
EBITDA Margin	15.5%	13.5%	201 bps	13.9%	162 bps	14.0%	153 bps
Adj PAT	1,370	960	42.7%	1,443	-5.0%	1,430	-4.2%

Key reasons for deviation: The Company reported lower than anticipated topline, but EBITDA came higher than our estimate because of inventory gains leading to robust gross margin performance.

Outlook post results: Despite some delay in capex of Zone 4, management has maintained its long-term guidance of Rs18-22bn EBITDA by FY28E. The positives for the company are rebound in MMA business, uptick in volumes from base business & continued momentum from the recently signed long term deals. Management commentary remains optimistic supported by positive factors. The balance sheet looks leveraged as on FY26 with net debt of Rs43bn (includes gross debt of Rs49bn minus Rs6bn cash), although the same is expected to reduce as working capital comes down & gradual repayment is done in coming 2 years. The company will report stronger PAT CAGR ~40% over the next 2 years thereby The long term growth looks intact & solid.

Apcotex Industries	Target: INR 700		Previous Target: INR 655			(Rating: Maintain Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	3,976	3,494	13.8%	3,315	19.9%	3,913	1.6%
Adjusted EBITDA	584	385	51.7%	435	34.3%	593	-1.5%
EBITDA Margin	14.7%	11.0%	368 bps	13.1%	156 bps	15.2%	(47) bps
Adj PAT	385	168	129.6%	258	49.2%	350	10.0%

Key reasons for deviation: The Company reported almost in line Revenue/EBITDA than estimates but beat on PAT led by higher other income.

Outlook post results: Demand from paper & carpet segment will normalize in the coming fiscal after years of moderation in demand. The excitement around Anti-dumping duty (ADD) in NBR is waning as finance ministry has still not notified to impose despite DGTR confirming for the imposition. Since, current business will likely reach peak utilization in coming fiscal FY27E & to maintain its volume momentum, the company announced new brownfield expansion plan to commission 37KT plant of synthetic latex & 14.6KT plant of NBR. The combined investment will be Rs2.1bn & peak utilization would contribute revenues of Rs5.5-6bn (2.5-3x asset turns). Nitrile latex oversupply situation is still persistent but is reducing leading to command better margins. As demand in gloves segment normalizes, we expect substantial EBITDA contribution from nitrile latex business in the coming years. Considering two years down the line, we see higher contribution from synthetic & Nitrile latex backed by expansion, higher export & improvement in demand. The recent expansion will start by early FY28E & we are factoring modest uptick in spreads of nitrile latex for the next 2 years. The stock price has witnessed steep jump post current result announcement & we see more room on the upside. We see strong growth in sight, demand challenges behind, bottoming out cycle & volume momentum to be strong going ahead are the key positives.

Galaxy Surfactants	Target: INR 2177		Previous Target: INR 2458			(Rating: Maintain Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	13,147	11,449	14.8%	13,295	-1.1%	12,978	1.3%
EBITDA	1,216	1,269	-4.2%	1,194	1.8%	1,048	16.0%
EBITDA Margin	9.2%	11.1%	(184) bps	9.0%	27 bps	8.1%	117 bps
Adj PAT	624	759	-17.8%	679	-8.1%	543	14.9%

Key reasons for deviation: Reported better than expected realizations, although volumes remained muted because of weak pickup across markets.

Outlook post results: Recent removal of US tariff uncertainty only adds to growth momentum despite some near-term hiccups of geopolitical tensions. India remained resilient with volumes remaining strong in FY26 led by strong traction in specialty care products and steady demand across Performance and non-Tier 1 segments. AMET continued to remain in pain due to logistics disruptions, raw material constraints, and cautious ordering by customers. After a steep run, Fatty alcohol prices have dipped in last quarter but have now again started to rise led by rising crude & West Asia tensions, but we anticipate this to drift down in the coming fiscal starting Q2FY27E led by record palm oil crop plantations. Going ahead with subsiding inflation & increasing personal expenditure, volume momentum is likely to be continued. We reduce our EBITDA spreads per kg forecast by ~4%/1.3% in FY27E/28E factoring RM price inflation, higher other cost & expect overall volumes to rise by ~7% during FY26-28E. High single digit volume momentum along with pickup in export market would lead to Galaxy generating ~10.6% EBITDA margins & ~14% post tax ROCE by FY28E.

OCCL	Target: INR 167		Previous Target: INR 217			(Rating: Maintain Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	1,490	1,075	38.6%	1,142	30.5%	1,255	18.7%
Adj EBITDA	239	187	27.9%	197	21.1%	255	-6.3%
Adj EBITDA Margin	16.0%	17.4%	(135) bps	17.3%	(124) bps	20.3%	(429) bps
Adj PAT	186	87	113.4%	89	109.6%	133	39.6%

Key reasons for deviation: Company reported much better Revenue/PAT than our estimates majorly led by higher realizations but way higher raw material prices of sulphur & coating oil led to weaker gross margins & EBITDA lower than our estimates.

Outlook post results: The Insoluble Sulphur (IS) industry remained largely weak in FY26 with soft recovery from international markets along with subdued domestic market. Going ahead we feel that the global IS industry will improve gradually but current issues like oversupply situation might take at least ~1-1.5 year to normalize, although early signs of stabilization is seen. Removal of US tariff uncertainty and India EU FTA provide a much-needed breather in case of already sluggish exports. Even in Indian market, competitive intensity had increased & OCCL also lost some market share to its rivals but despite relief from imposition of ADD, other players have started dumping, giving no benefits of ADD currently. As per our analysis, despite ADD Imposition against China & Japan, other countries have started dumping into India, thereby limiting ADD gains, however, OCCL is behind the govt to impose ADD against countries who are aggressively dumping apart from those already in the list. Despite near term hiccups on higher competitive intensity & RM pricing volatility the company is backed by a strong foundation, operational agility and long-standing customer relationships, we remain confident in the ability of the company to emerge stronger and capture growth as the environment stabilizes. Other positive point about OCCL is its foray in North American market which will gain momentum now post tariff removal is in place. We anticipate recovery will gradually happen over the next 2 years (but slower than our earlier estimates) led by factoring higher sulphur prices which is a party spoiler & ADD benefits are offset today led by higher imports.

Archean Chemical Industries	Target: INR 577		Previous Target: INR 640			(Rating: Accumulate to Reduce)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	3,009	3,456	-12.9%	2,546	18.2%	3,203	-6.1%
EBITDA	437	883	-50.5%	544	-19.7%	838	-47.9%
EBITDA Margin	14.5%	25.5%	(1103) bps	21.4%	(685) bps	26.2%	(1164) bps
Adj PAT	134	535	-75.0%	236	-43.2%	452	-70.4%

Key reasons for deviation: Numbers stood lower than our estimates because of lower than anticipated performance across segments.

Outlook post results: Management has slightly modified its earlier bromine volume guidance & now expects ~20KT to come by FY27E & subsequent ~25KT in FY28E assuming no short-term blips or headwinds going ahead. Bromine pipeline remains healthy & strong order backlog provides growth visibility in the coming quarters. We have also aligned our volumes estimate for the next 2 years in line with management guidance. Bromine derivatives order book remains healthy expect ~17% topline contribution by FY28E. SOP business set for a turnaround in the coming years as company is working with Australian consultants and moving from pilot to plant stage. Bromine prices witnessed steep jump on spot basis (up to \$9 per kg & after peaking out & then dipping to \$5-5.5 per kg currently) & company has renewed its contracts it's LT contracts for coming fiscal on the higher side, this will support stronger jump in bromine revenues for FY27E. We are factoring higher logistics cost, slight moderation in bromine volumes & increase our realization estimate, & in lieu of this we cut our PAT estimates by ~22%/10% for FY27E/28E. Despite correction in the stock price & strong growth in sight, the valuations appear expensive.

Styrenix Performance Materials	Target: INR 2964		Previous Target: INR 3147			(Rating: Maintain Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	8,261	9,397	-12.1%	8,695	-5.0%	9,890	-16.5%
EBITDA	1,160	872	33.0%	418	177.5%	1,035	12.1%
EBITDA Margin	14.0%	9.3%	476 bps	4.8%	924 bps	10.5%	358 bps
Adj PAT	732	547	33.8%	187	292.4%	525	39.4%

Key reasons for deviation: During the quarter, despite lower than anticipated volumes, the company operational performance was ahead of estimates because of inventory gains & better product mix.

Outlook post results: The company is incurring capex of over the next 2-3 years to expand capacities in ABS, although PS has been kept on hold. Looking immediately over the next fiscal FY27E, standalone business has room for volume growth of 10-12% & ramp up of Thailand is in sight. Phase 1 ABS of 50KT is on stream H2FY27E which will support stronger volume growth in FY28E. At peak utilization levels the ABS capex will add ~Rs12-13bn to the topline & Rs2-2.5bn (Factoring Rs20-25 per kg EBITDA spreads) to EBITDA over the next 3-4 years. Through relentless R&D efforts, the company ensures continuity to introduce new products, blends and other value-added grade thereby, enhancing its portfolio with differentiated and value-added offerings. The company has deep rooted long-standing relationships with a lot of marquee clients across India & across different sectors like automotive, household appliances, electronics, medical devices, stationery, toys. By offering superior product solutions tailored as per customer needs, the company has a competitive edge which drive growth. Over the next 2 years, we anticipate volume growth of ~13% (similar to last quarter) from FY26E-28E led by ramp up of Thailand business & capacity expansion in base businesses. Since our last quarterly update the stock has seen decent run up. But, considering growth in sight we feel the risk reward is still quite comfortable.

Key observation from the sector: The chemical industry is facing unprecedented times with the closure the Strait of Hormuz following the late-February escalation between the US-Israel and Iran has triggered one of the most significant petrochemical feedstock disruptions in decades. The incident has already led to severe interruptions to tanker movements, insurance withdrawals and a dramatic fall in vessel transits. Major carriers have started rerouting via the Cape of Good Hope, and traffic through Hormuz has dropped sharply, with multiple commercial vessels damaged. Many base upstream chemicals supply was disrupted like Naphtha & Asia's cracker industry is overwhelmingly naphtha-based, and its supply chain is structurally import-dependent. The region's major petrochemical producers — India, Thailand, Indonesia, Malaysia, China, Japan, Singapore and South Korea — collectively imported 86.6 million tonnes of naphtha in 2025 & Middle Eastern suppliers (UAE, Qatar, Kuwait, Saudi Arabia, Oman, Bahrain) provide 54% of all naphtha imported by Asia's Petrochem sector. This clearly indicates that West Asia conflict is putting direct strain on downstream chemicals availability. Demand confidence index plummeted owing to Middle East tensions & already earlier announced trump tariffs amid weak global demand. Indian market is also grappling with demand issues led by slowdown in urban spending plus recent high frequency indicators indicates below normal rainfall & potential formation of El Nino. But inventories are very minimal in the channel pipeline, which is a positive, indicating restocking will pick up the demand momentum lately. Geopolitical tension is a big deterrent to demand but can be transitory if global risks subside. The resurgence of logistic issues in the last couple of months has significantly increased freight costs (more than 30-50% since Jan 26). We anticipate demand to bounce back once concerns on geopolitical trade risks subside, however, more indicators & data needs to be analysed in the coming months before reaching to a conclusion. Commodity or base chemical prices are witnessing steep surge led by crude oil price jump which remains quite volatile led by closure of Strait of Hormuz. Despite global headwinds, India remains on a strong footing in chemicals led by increasing interest of global companies to source from India to de-risk their supply chain, increasing share of speciality chemicals in overall product mix and robust capex aligned by chemical companies to capture future growth. For Indian chemical companies, inventory gains benefits should visible thereby expanding potential operating margins but the same can remain negative for couple of quarters away as inventory loses are absorbed, but in the near-term recovery in margins should be visible in the coming quarters.

Outliner: West Asia conflict triggered inventory gains during the quarter. Higher export related business struggled during the quarter led by US tariff related uncertainty & muted EU markets. Commodity chemical companies outperformed speciality chemical companies because of significant price surge in cost of crude oil. Most companies reported better than anticipated spreads per kg during the quarter supported by better mix & higher volumes in times of uncertainty. Also, removal of US tariffs uncertainty & India EU FTA deal will provide respite over the near term uncertainty from the coming quarter. Outlier companies are IG Petro, PCBL, Apcotex, Galaxy Surfactants & Supreme Petrochem wherein outperformance was because of improved spreads per ton, inventory gains, higher volumes coupled with operating efficiencies & lower cost. Weak performance was led by Archean chemicals, NOCIL because of higher cost, muted pricing, higher competitive intensity & inferior product mix. We have downgraded Archean & Supreme Petrochem to REDUCE. Supreme & Archean valuations have become expensive despite factoring uptick over the next 2 years. We have increased our upside in NOCIL factoring ADD gains & lower cost.

Our top picks are: NOCIL, Styrenix Performance Materials & PCBL

Apparel - Innerwear

Page Industries	Target:INR 43,803		Previous Target:INR 40,567			(Rating: Retained Accumulate)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	12,526	10,981	14.1%	13,868	-9.7%	11,530	8.6%
EBITDA	2,606	2,352	10.8%	3,181	-18.1%	2,468	5.6%
EBITDA Margin	20.8%	21.4%	(61)Bps	22.9%	(213)Bps	21.4%	(60)Bps
Adj PAT	1,787	1,640	9.0%	2,154	-17.0%	1,669	7.1%

Key reasons for deviation: Page results for Q4FY26 were better than our estimates due to higher than expected volumes. Company reported volume growth of ~10.8% YoY as compared to our estimate of single digit YoY increase in volumes.

Outlook post results: Management remains confident about sustaining double digit volume growth momentum going into FY27 and reiterated its long-term EBITDA margin aspiration of ~19%–21%, while indicating that FY26 margins benefitted from relatively lower marketing spends and strong gross margins. We expect the company to report Sales/EBITDA/PAT CAGR of ~10%/6%/6% respectively over FY26-FY28e.

Lux Industries	Target:INR 1,567		Previous Target:INR 1,159			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	8,730	8,177	6.8%	6,726	29.8%	8,961	-2.6%
EBITDA	642	766	-16.2%	359	78.8%	451	42.4%
EBITDA Margin	7.4%	9.4%	(201)Bps	5.3%	202 Bps	5.0%	232 Bps
Adj PAT	439	481	-8.7%	170	158.2%	253	73.5%

Key reasons for deviation: LUX reported reported revenue for Q4FY26 was in-line with our estimates while operating margins were higher due to lower-than-expected advertisement expenditure.

Outlook post results: Company is well placed to benefit from structural shift happening in the innerwear sector from un-organised to organised sector. We expect company to report healthy volume CAGR of ~15% over FY26-28E. We remain positive on Lux's mid to long term growth prospects, supported by its strong brand equity and long-standing presence in the innerwear industry. We maintain our "Buy" rating on the stock.

Rupa & Co.	Target:INR 207		Previous Target:INR 186			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	4,415	4,155	6.3%	3,135	40.8%	4,311	2.4%
EBITDA	550	459	19.8%	258	113.2%	358	53.6%
EBITDA Margin	12.5%	11.0%	141 Bps	8.2%	423 Bps	8.3%	415 Bps
Adj PAT	384	306	25.5%	171	124.6%	245	56.7%

Key reasons for deviation: While revenue was in-line, company delivered a sharp recovery in profitability during Q4FY26, with EBITDA margin expanding to ~12.5%, aided by improved gross margins and favourable product mix. Management highlighted that stronger contribution from premium categories, healthy volume growth and disciplined cost management supported margin expansion despite elevated competitive intensity and sustained discounting in the industry. In Q4FY26 company reported volume growth of ~9% YoY.

Outlook post results: Management remains optimistic on growth prospects and has guided for ~10%-12% YoY revenue growth in FY27, largely volume-led, while expecting EBITDA margins in the range of ~9%-10%. We expect the company's sales volume to grow at a CAGR of ~3% over FY26-FY28. While industry competition and discounting remain elevated, the company's healthy balance sheet, net cash position and focused investments in branding and distribution provide comfort on long-term growth visibility and margin improvement trajectory.

Dollar Industries	Target:INR 451		Previous Target:INR 470			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	6,215	5,491	13.2%	3,884	60.0%	6,150	1.1%
EBITDA	577	565	2.1%	388	48.7%	638	-9.6%
EBITDA Margin	9.3%	10.3%	(101)Bps	10.0%	(71)Bps	10.4%	(109)Bps
Adj PAT	326	292	11.6%	184	77.2%	365	-10.7%

Key reasons for deviation: Reported revenue in Q4FY26 was in-line with our estimates while margins were lower due to adverse product mix, led by higher contribution from the economy segment along with raw material inflation. Company reported volume growth of ~12% YoY in Q4FY26.

Outlook post results: Company has already undertaken calibrated price hikes of ~4%-6% in Q1FY27 to offset cost pressures. Management highlighted that demand trends remain stable across markets and is optimistic of achieving double-digit growth in FY27 aided by strong consumer demand, deeper retail penetration and improving channel mix. We expect the company to report sales volume CAGR of ~7% over FY26-FY28e. We remain positive on the company's mid-to long term potential.

Key observation from the sector: All four listed innerwear companies under our coverage reported YoY volume growth both in Q4FY26 and FY26. In Q4FY26 Dollar Ind posted the highest volume growth of ~12% YoY, followed by Page at ~11%, Rupa at ~9% YoY and then Lux. Elevated competitive intensity, and persistent pricing pressure continued to weigh on the innerwear industry. Except Rupa, the other three companies reported YoY lower EBITDA margins owing to reduced gross margins. We expect the performance of innerwear companies to improve on a YoY basis in FY27, supported by better demand, price hikes and expected reduction in competitive intensity. The innerwear industry is expected to sustain volume growth momentum over the medium term, supported by improving discretionary spending, premiumisation trends, and continued shift from unorganised to organised players. We like Dollar followed by Lux and Rupa. We maintain an Accumulate rating on Page Industries.

Textiles

Nitin Spinners	Target: INR 655		Previous Target: INR 506			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	8,598	8,413	2.2%	8,007	7.4%	8,258	4.1%
EBITDA	1,304	1,203	8.4%	1,115	16.9%	1,239	5.3%
EBITDA Margin	15.2%	14.3%	86 bps	13.9%	124 bps	15.0%	17 bps
Adj PAT	574	464	23.7%	444	29.2%	520	10.3%

Key reasons for deviation: Higher-than-expected numbers supported by recovery in demand and improved realizations.

Outlook post results: Earlier announced capex of Rs11bn is on track, which includes Rs4.5bn for spinning which will increase production by 22k MT/annum, Rs5.5bn for woven fabric capacity to add 35 Mm Mtrs/annum and Rs500mn for modernization to enhance efficiency. All this will lead to a good growth 2HFY27e onwards and additional sales are expected to fetch better margins due to higher value addition. Investments in green power will further boost margins. Trade deal with the EU and UK have created a huge new opportunity. As retail inventories are at low levels, demand recovery is expected in a big way when uncertainties subside. Considering prevailing good spreads and expectation of its continuity, we have upgraded our margin estimates. We maintain our BUY with target price of Rs655 per share, 13x FY28e EPS(Upgraded from 12x as now several green shoots are visible in the sector).

Vardhman Textiles	Target: INR 668		Previous Target: INR 532			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	24,980	25,086	-0.4%	25,053	-0.3%	26,545	-5.9%
Adj EBITDA	2,941	2,869	2.5%	3,091	-4.9%	3,584	-17.9%
Adj EBITDA Margin	11.8%	11.4%	34 bps	12.3%	(57)bps	13.5%	(173)bps
Adj PAT	1,847	2,373	-22.2%	1,855	-0.4%	2,052	-10.0%

Key reasons for deviation: Lower-than-expected Margins, impacted by higher other expenses on currency related hits.

Outlook post results: The company is currently executing a capex plan of ~Rs 35bn on various projects, of which 28bn is near completion. With this whole capex, additional capacity of 56,744 spindles and new capacity of 18mn meter/annum of technical textile & 31mn meter/annum of woven fabric will come on stream. In addition, the company has announced Rs1.2bn capex in garment to increase the capacity to 4.5mn shirts/annum from 2.5mn shirts/annum which will be completed by end of FY27. Rather than additional big revenues, this huge capex will help the company to cater to several business requirement, enrich mix, save power costs and improve margins. With India-UK deal and EU-India deal, along with normalization of US India trade tariff, we are constructive on the sector. There has been good run up in the stock price on expected better margins and strong exports demand Considering several green shoots in the sector, we have revised valuation multiple to 15x on FY28, from earlier 14x and arrived at a target price of Rs668 per share, offering 15% upside. Maintain Buy.

K.P.R. Mill	Target: INR 1101		Previous Target: INR 1034			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	17,847	17,690	0.9%	14,674	21.6%	16,791	6.3%
EBITDA	3,483	3,327	4.7%	2,945	18.3%	3,442	1.2%
EBITDA Margin	19.5%	18.8%	71bps	20.1%	(55)bps	20.5%	(98)bps
Adj PAT	2,272	2,046	11.1%	2,086	8.9%	2,347	-3.2%

Key reasons for deviation: Higher than expected topline was majorly on account of sugar segment which was up ~10%/~57% on YoY/QoQ basis. Lower than expected Margins were on the account of Textile EBIT margin contraction (34/107bps on YoY/QoQ) segment.

Outlook post results: Recent reduction of tariffs in the US will start unlocking additional demand that was muted due to high tariffs and several uncertainties. KPR has ~16% of export business from the US markets, a favourable trade deal can reduce tariff further, leading to better demand and margins. Trade deal with the EU/UK has also created a huge opportunity as KPR has substantial exposure to Europe (~63% of the total exports in FY26). Earnings growth should continue with margin improvement despite slower growth at sales due to capacity constraints. We assign 31x PE multiple to FY28E earnings and arrive at a target price Rs1,101/share. BUY.

Key observation from the sector:

- Continuation of higher utilization in woven fabric, spinning also continues to hold good ground, but overall demand environment remains sluggish for knitted fabrics. There was an obvious absence of pull demand due to loads of uncertainties. However, yarn exports to China picked up in recent months.
- During Q4FY26, RMG exports grew QoQ despite tariff uncertainties while it de-grew on YoY basis.
- Cotton prices were at lower level but inched up recently, Indian cotton have aligned with the international cotton prices and is no longer at disadvantage compared to NY futures. Yarn prices was also up on QoQ basis in tandem with cotton prices.
- Net spot spread is improving, leading indicator for continuation of margin improvement in coming months.
- India-US tariff normalization and prospective trade deal has provided much-needed-comfort to the sector.
- UK FTA has finally become reality and this is a very positive development, when it gets fully implemented. EU FTA is already finalized and will give boost to the overall sector in coming years.
- Despite Tariff issues and Middle East uncertainties, overall performance of the sector was resilient and there are several green shoots to indicate that sector performance will improve a lot with loads of recent positive development, including the removal of cotton import duty. We continue to maintain our positive stance on the sector and maintain BUY rating on our coverage stocks.
- Nitin Spinners remains our top pick in the sector as a small cap idea. Vardhman Textiles and KPR can be accumulated on corrections.
- Nitin Spinners - A growth play on spinning and woven fabric manufacturing, strong export presence with almost nil US exposure, strong and clean management, Margin improvement on cards with spread improving, Q3FY27E onwards strong growth with new capacities getting on-stream

Building Materials

BirlaNu Ltd	Target: INR 1,832		Previous Target: INR 2,037			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	10,101	9,289	8.7%	8,578	17.8%	9,675	4.4%
EBITDA	-77	224	NA	-128	-39.8%	99	-177.8%
EBITDA Margin	-0.8%	2.4%	(317)Bps	-1.5%	73 Bps	1.0%	(179)Bps
Adj PAT	-539	-247	118.2%	-530	1.7%	-324	66.4%

Key reasons for deviation: Revenue for the quarter increased by ~8.7% YoY which was slightly higher than our estimates. Margins were lower due to higher than expected losses in the floors segment.

Outlook post results: Management commentary suggests FY27 could witness a materially stronger growth and profitability trajectory driven by improving demand conditions, operating leverage and portfolio mix enhancement. BirlaNu is entering FY27 with stronger operational momentum, improved segment mix and visible profitability tailwinds, which could support gradual movement towards management's medium-term double-digit EBITDA aspiration. The company remains focused on scaling higher-margin segments such as Walls and Construction Chemicals while maintaining disciplined cost control across businesses.

Century Plyboards India	Target: INR 966		Previous Target: INR 953			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	14,922	11,983	24.5%	13,501	10.5%	14,263	4.6%
EBITDA	1,990	1,435	38.7%	1,688	17.9%	1,786	11.4%
EBITDA Margin	13.3%	12.0%	136 Bps	12.5%	83 Bps	12.5%	81 Bps
Adj PAT	967	596	62.2%	732	32.1%	725	33.4%

Key reasons for deviation: Results were broadly in-line with our estimates, while margins were better due to higher than expected margins in plywood and laminate segment.

Outlook post results: Company refrained from providing FY27 guidance across segments, citing elevated uncertainty arising from geopolitical tensions, volatility in chemical prices, freight cost inflation and global supply-chain disruptions. Management remains optimistic on the medium-to-long-term outlook for the building materials and interior infrastructure sector, supported by structural drivers such as urbanization, rising disposable income and continued housing demand. We maintain a positive outlook on the company given its diversified product portfolio, leadership position in plywood, rapidly scaling MDF business, and prudent capital allocation strategy.

Greenpanel Industries	Target: INR 258		Previous Target: INR 305			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	3,929	3,395	15.7%	3,998	-1.7%	3,650	7.6%
EBITDA	254	130	95.4%	246	3.3%	241	5.4%
EBITDA Margin	6.5%	3.8%	264 Bps	6.2%	31 Bps	6.6%	(14)Bps
Adj PAT	15	-56	NA	-33	NA	-24	NA

Key reasons for deviation: Greenpanel reported revenue was slightly higher than our estimates due to higher than expected volumes, while margins were in-line.

Outlook post results: Management remains cautiously optimistic on FY27 demand outlook, expecting MDF industry growth in low-to-mid teens while reiterating its focus on sustaining above-industry volume growth and further strengthening market share. The company intends to continue prioritising volume growth and market share expansion while maintaining discipline on costs and working capital. We remain constructive on Greenpanel given significant operating leverage available at current utilisation levels, earnings recovery could accelerate as demand picks up further and raw material cost pressures stabilise.

Greenply Industries	Target: INR 327		Previous Target: INR 303			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	7,762	6,488	19.6%	6,734	15.3%	7,450	4.2%
EBITDA	932	681	36.9%	589	58.2%	775	20.3%
EBITDA Margin	12.0%	10.5%	151 Bps	8.7%	326 Bps	10.4%	160 Bps
Adj PAT	417	166	151.2%	168	148.2%	299	39.5%

Key reasons for deviation: Greenply reported steady revenue was broadly in-line, margins were better due to better than expected margins in the MDF segment.

Outlook post results: Management expects a ~10% YoY volume growth in the plywood segment in FY27 and margins to either sustain or improve with scale and process upgrade in H2FY27. Further in the MDF segment it expects ~25%-30% YoY volume growth in FY27, and is confident of maintaining ~17% EBITDA margin. Greenply is entering a phase of improving growth visibility, with MDF acting as the key growth driver and plywood margins showing early signs of structural improvement.

Greenlam Industries	Target: INR 297		Previous Target: INR 297			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	8,577	6,818	25.8%	7,064	21.4%	7,481	14.7%
EBITDA	1,074	685	56.8%	712	50.8%	691	55.4%
EBITDA Margin	12.5%	10.0%	247 Bps	10.1%	244 Bps	9.2%	329 Bps
Adj PAT	418	66	533.3%	77	442.9%	108	287.0%

Key reasons for deviation: Greenlam overall results were better than our expectation due to higher than expected volume growth in the laminate and better margins. Laminate volumes grew by ~4.5% YoY as compared to our expectation of flat growth.

Outlook post results: Management remains confident of sustaining ~18%-20% YoY revenue growth in FY27 despite geopolitical uncertainties and raw material cost volatility. It expects laminates margins to remain broadly in the 16%-17% range over the medium term, supported by favourable product mix, pricing discipline, and growing international presence. Chipboard and plywood businesses to achieve operating breakeven during FY27, which should materially improve consolidated profitability.

Key observation from the sector: The wood panel sector as a whole benefited from restocking in anticipation of strong price hikes in the month of March & April 2026 due to sharp inflation in raw material costs on the back of war. In Q4FY26, Century Ply reported volume growth of ~23% YoY, while Greenply reported ~16% YoY growth in the plywood segment. Century Ply continues to gain market share, with volume growth consistently outpacing Greenply for the last eight quarters. In the laminate segment, Greenlam reported ~4.5% YoY volume growth while Century Ply posted a marginal decline of ~0.6% YoY. EBITDA margins increased YoY for both companies in the laminate segment due to better gross margin. MDF volumes grew across all three companies under our coverage. Greenply reported the highest MDF volume growth at ~45% YoY on the back of new capacity ramp-up, while Century Ply and Greenpanel reported YoY growth of ~39% and ~28%, respectively. MDF realisations declined YoY for all the three companies with highest decline of ~9.5% YoY for Greenpanel, ~5% YoY for Century Ply, and ~4% YoY for Greenply Ply. MDF EBITDA margins increased YoY for Greenpanel & Greenply, while it was down slightly for Century Ply due to plant shutdown taken for expansion. Century Ply achieved QoQ improvement in EBITDA Margin (adj for forex) in the particle board segment due to ramp-up of the plant, while Greenlam continued to report loss due to lower capacity utilisation in ramp-up phase. Overall management commentary was positive on demand across plywood, laminates, MDF and particle board for FY27.

We expect wood panel companies to report YoY volume growth across categories of plywood, laminate, MDF and Particle Board in FY27. We expect a positive demand environment across all wood panel segments, supported by the ongoing recovery in the real estate sector and a consumer shift towards branded products. We expect margins to improve across all wood panel companies due to operating leverage benefit. Further price hike would depend on raw material price increase. We like Century Ply followed by Greenply, Greenlam and then Greenpanel.

Footwear

Campus Activewear	Target: INR 349		Previous Target: INR 371			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	4,556	4,057	12.3%	5,886	-22.6%	4,496	1.3%
EBITDA	825	715	15.4%	1,103	-25.2%	790	4.4%
EBITDA Margin	18.1%	17.6%	49bps	18.7%	-64bps	17.6%	54bps
Adj PAT	442	350	26.0%	637	-30.7%	407	8.4%

Key reasons for deviation: Revenue was broadly in line with our estimate, supported by healthy volume growth of 10.5% and continued traction in sneakers, online channels and premium categories. EBITDA exceeded our estimate by 4.4% as operating leverage benefits, better control over expenses and lower-than-expected retail expansion costs more than offset the impact of raw material inflation and a higher online sales mix. Consequently, PAT came in 8.4% above our estimate, aided by the EBITDA beat, lower finance costs and a lower effective tax rate of 24.9% versus our expectation.

Outlook post results: Campus implemented calibrated price hikes across its portfolio in April to offset input cost pressures, with demand trends remaining healthy despite the increase in MRPs. Management remains confident of sustaining EBITDA margins within its historical range through pricing actions, operating leverage and cost optimisation initiatives. Capacity expansion also remains on track, with production capacity expected to double by end-FY27 as Pantnagar utilisation ramps up, while FY27 capex is likely to normalise towards maintenance-led investments in mould additions, assembly lines, selective EBO expansion and technology infrastructure. The company also plans to add 60–80 stores over FY27–FY28. We remain constructive on Campus Activewear's long-term growth prospects, supported by strong sneaker demand, continued premiumisation, a rising D2C mix, sustained investments in brand building and product innovation, and operating leverage benefits from capacity ramp-up.

Metro Brands	Target: INR 1,326		Previous Target: INR 1,300			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	7,730	6,428	20.3%	8,113	-4.7%	7,300	5.9%
EBITDA	2,379	1,972	20.6%	2,684	-11.4%	2,205	7.9%
EBITDA Margin	30.8%	30.7%	10bps	33.1%	-233bps	30.2%	58bps
Adj PAT	1,166	948	23.1%	1,309	-10.9%	1,135	2.8%

Key reasons for deviation: Revenue grew 20.3% YoY and exceeded our estimate by 5.9%, driven by strong festive and wedding season demand, healthy volume growth and robust traction in e-commerce and omni-channel channels. EBITDA surpassed our estimate by 7.9%, aided by the revenue beat, favourable product mix and operational efficiencies, resulting in EBITDA margin coming in 57bps above expectations. PAT was 2.8% ahead of our estimate, supported by better operating performance and higher other income, including a one-time gain from warehouse lease liability reversal.

Outlook post results: Management remains confident of sustaining mid-teen growth, supported by store expansion, omnichannel scaling, customer acquisition and continued investments across technology, talent and marketing. Growth is expected to be driven by a combination of same-store growth, annualisation of recent store additions and contribution from newer formats. While Foot Locker expansion remains cautious due to ongoing BIS-related supply chain challenges, the company continues to strengthen its portfolio through FILA localisation and repositioning initiatives and the ongoing rollout of Clarks, with the full product portfolio expected by Q2FY27 and EBO launches likely from Q3FY27 onwards. We believe near-term margins and cash flows may remain impacted by expansion-led investments and elevated inventory levels; however, these initiatives are expected to strengthen the company's market position and support long-term earnings growth.

Relaxo Footwear	Target: INR 390		Previous Target: INR 425			(Rating: Retained Accumulate)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	7,511	6,952	8.0%	6,680	12.4%	6,851	9.6%
EBITDA	1,240	1,121	10.6%	751	65.1%	910	36.2%
EBITDA Margin	16.5%	16.1%	39bps	11.2%	531bps	13.3%	323bps
Adj PAT	677	562	20.4%	308	119.7%	418	62.0%

Key reasons for deviation: Relaxo reported revenues way above our expectations, on the back of strong growth in volumes. The company sold 50mn pairs in Q4FY26 (vs 45mn pairs expected), up by ~11% YoY. However, ASP came in at Rs. 150 per pair, down ~2% YoY. EBITDA increased 10.6% YoY, and margin expanded 39bps YoY aided by operating leverage and continued cost optimisation initiatives. PAT increased ~20% YoY, supported by stronger operating profitability and higher other income.

Outlook post results: Management remains cautiously optimistic on FY27 performance, despite geopolitical uncertainties and inflationary pressures supported by improving demand trends, GST-led benefits for organised players and continued premiumisation initiatives. The company is targeting volume growth of around 4-5% over the next two years, while ASP improvement will remain a gradual process. Demand trends remained healthy in April and May FY27, although management remains watchful of consumer response following the recent price hikes of around 15-18% at the consumer level to offset sharp increases in raw material and labour costs. Management intends to improve operating margins over FY26 levels (~13.8%), supported by price hikes, operating leverage and cost optimisation initiatives. FY27 capex is expected to be around Rs1.8-2.0bn primarily be directed towards mould development, machine upgrades, office infrastructure and retail expansion. While the strong Q4FY26 performance and recovery in key channels are encouraging, we remain cautious on the near-term outlook given inflationary pressures, recent price hikes and geopolitical uncertainties that could impact consumer sentiment and discretionary spending.

Key observation from the sector: The footwear sector delivered a strong Q4FY26, with all three companies under our coverage reporting results ahead of our estimates, supported by improving demand trends, healthy volume growth and continued traction across organised retail, e-commerce and omni-channel channels. The GST reduction from 12% to 5% has improved affordability and strengthened the competitive position of organised players. At the same time, companies have undertaken calibrated price hikes to offset raw material and labour cost inflation, while continuing to focus on premiumisation, store/network expansion, operational efficiencies and sustained brand investments. While premiumisation, store expansion and digital adoption continue to support long-term growth, companies remain cautious on the near-term outlook due to inflationary pressures, recent price hikes, elevated inventory levels in certain segments and geopolitical uncertainties that could impact consumer spending. Nevertheless, organised players are expected to continue gaining market share, aided by stronger brands, wider distribution networks, GST-led benefits and ongoing investments in premiumisation and customer acquisition. Overall, we remain positive on the long-term growth prospects of the footwear sector and retain our BUY ratings on Campus Activewear and Metro Brands, and ACCUMULATE on Relaxo Footwears.

Infrastructure and Constructions

PSP Projects	Target: INR 771		Previous Target: INR 812			(Rating: Buy to Reduce)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	10,118	6,551	54.4%	7,712	31.2%	10,489	-3.5%
EBITDA	550	304	80.8%	519	6.0%	813	-32.3%
EBITDA Margin	5.4%	4.6%	79bps	6.7%	(129)bps	7.7%	-231
Adj PAT	212	50	327.2%	161	31.8%	369	-42.7%

Key reasons for deviation: PSP Projects Ltd has delivered a mixed performance in Q4FY26. Revenue grew strongly by 54.4% YoY and 31.2% QoQ to Rs10.1bn; however, it came in ~3.5% below our estimate, indicating slight execution slippage than our expectations despite a healthy base recovery and a visible ramp-up in project activity. EBITDA margin stood at 5.4% (up 79bps YoY but down sharply by 129bps QoQ), well below our estimate of 7.7% and the guided range, primarily impacted by an ECL provisioning of Rs290mn for the Kashi Vishwanath Dham project (included in other expenses). Adjusting for this, margins would have been ~8.3%. Effectively, EBITDA stood at Rs550mn for Q4FY26 (up 80.8% YoY and 6.0% QoQ). At the net level, PAT rose to Rs212mn (up 327.2% YoY and 31.8% QoQ), supported by improved operating performance and higher other income. However, it missed our estimate by ~42.7%, largely due to sharper-than-expected margin compression and elevated depreciation.

Outlook post results: PSP has largely delivered on its FY26 topline guidance; however, margins remained under pressure due to provisioning and cost overruns in legacy projects. Incorporating the outlook, we have recalibrated our estimates and now build in a strong 30.8% revenue CAGR over FY26-28E. Margin recovery is also expected to follow, with EBITDA margins gradually improving to ~7.8% by FY28E from 6.0% in FY26. This, coupled with easing finance costs, is likely to drive a sharp earnings acceleration, with PAT expected to nearly quadruple to ~Rs2bn over the same period. That said, the recent sharp run-up in the stock price limits valuation comfort, leading us to revise our rating from "Buy" to "Reduce" with a target price of Rs771/share.

KNR Constructions	Target: INR 142		Previous Target: INR 157			(Rating: Reduce to Accumulate)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	5,353	8,512	-37.1%	5,851	-8.5%	4,681	14.4%
EBITDA	283	1,175	-75.9%	306	-7.6%	318	-11.0%
EBITDA Margin	5.3%	13.8%	(852)bps	5.2%	5bps	6.8%	-151
Adj PAT	192	752	-74.4%	176	9.0%	161	19.6%

Key reasons for deviation: Revenue declined sharply by 37.1% YoY and 8.5% QoQ to ~Rs5.4bn in Q4FY26, primarily impacted by a subdued executable order book, lower execution intensity and slower ramp-up across recently secured projects. We had also considered the benign topline performance but the company reported topline better than our expectation due to better revenue booking in recently appointed jobs. Having said that, operating performance remained weak, with EBITDA margin coming in at 5.3% in Q4FY26, contracting sharply by 852bps YoY while remaining broadly flat sequentially (+5bps QoQ). Margin performance continued to be impacted by lower revenue absorption, adverse operating leverage and elevated other expenses. Consequently, EBITDA declined sharply by 75.9% YoY and 7.6% QoQ to ~Rs283mn. At the net level, PAT declined materially by 74.4% YoY to ~Rs192mn, although it improved 9.0% sequentially. The sharp decline in earnings was primarily attributable to weak operating performance; however, a significant increase in other income to ~Rs289mn (+56.4% YoY; +208.8% QoQ) partially offset the impact of subdued profitability.

Outlook post results: We project revenue growth to remain muted in FY27 at ~9.4% YoY. However, supported by an increase in executable order backlog, we expect a strong recovery in FY28, with revenues growing ~60% YoY. On profitability, we anticipate margins to moderate to ~10.8% by FY28E versus historical levels, leading to a forecasted PAT of ~Rs 3.0bn in FY28 (compared to ~Rs 7.4bn in FY25 and ~Rs 1.2bn in FY26). At CMP, the stock (excl. investments) is trading at ~9.8x FY28E P/E. In view of the sharp correction in the stock price, we revise our rating to 'Accumulate', while lowering our target price to Rs 142/share.

NCC	Target: INR 185		Previous Target: INR 195			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	53,157	53,762	-1.1%	40,429	31.5%	51,610	3.0%
EBITDA	4,488	4,951	-9.4%	3,273	37.1%	4,380	2.5%
EBITDA Margin	8.4%	9.2%	(77)bps	8.1%	35bps	8.5%	-5
Adj PAT	2,190	2,427	-9.8%	1,069	104.9%	1,800	21.7%

Key reasons for deviation: NCC Ltd reported a subdued Q4 FY26 performance, but better than our expectations. Its revenue declined marginally by 1.1% YoY, as execution in certain ongoing projects remained delayed and newly awarded projects witnessed a gradual ramp-up. However, on a sequential basis, revenue rebounded strongly by 31.5%. Further, EBITDA margin contracted by 77bps YoY to 8.4% (though improved by 35bps QoQ), impacted by higher employee costs and weaker operating leverage amid lower revenues. Consequently, EBITDA declined by 9.4% YoY but increased sharply by 37.1% QoQ. At the net profit level, reported PAT declined by 5.1% YoY, primarily due to subdued operating performance, lower other income, and higher depreciation expenses. Further, the company reported an exceptional loss of Rs215mn during the quarter towards provisions for certain loan receivables, investments, and employee benefit expenses. Adjusted for the exceptional item, APAT stood at ~Rs2.2bn, reflecting a decline of 9.8% YoY. However, on a sequential basis, APAT improved sharply by 104.9%, supported by better operating performance and improving execution momentum.

Outlook post results: We expect NCC to report 13.8% revenue CAGR over FY26-28E while margin is expected to stabilize at ~8.8% by FY28E on the expected project mix. As a result, EBITDA and (adj.) PAT are forecasted to improve at 17.5% and 17.3% CAGR respectively over FY26-28E. On SOTP based valuations, we arrive at a target price of Rs185/share. Retain Buy.

J.Kumar Infraprojects	Target: INR 835		Previous Target: INR 872			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	15,725	16,327	-3.7%	13,057	20.4%	15,930	-1.3%
EBITDA	2,193	2,351	-6.7%	1,890	16.0%	2,326	-5.7%
EBITDA Margin	13.9%	14.4%	(45)bps	14.5%	(53)bps	14.6%	-66
Adj PAT	1,055	1,141	-7.6%	931	13.3%	1,199	-12.1%

Key reasons for deviation: J. Kumar reported a weaker-than-expected Q4FY26 performance. Revenue declined 3.7% YoY to Rs15.7bn and came in marginally below our estimate of Rs15.9bn, reflecting weaker-than-expected execution momentum across key projects. However, revenue improved 20.4% QoQ, indicating gradual improvement in execution activity. Operating performance remained under pressure, with EBITDA margin contracting 45bps YoY and 53bps QoQ to 13.9%, primarily impacted by elevated other expenses. Consequently, EBITDA declined 6.7% YoY, though it improved 16.0% sequentially to Rs2.2bn amid better execution on a QoQ basis. On the profitability front, reported PAT declined 7.6% YoY due to subdued operational performance and higher depreciation expenses. However, the decline was partially offset by a sharp increase in other income. Sequentially, reported PAT improved 25.8%, supported by improved execution and better QoQ operating performance.

Outlook post results: A robust order backlog, strong expected order inflows, diversification across geographies and infrastructure segments, and proven execution capabilities supported by in-house design and engineering expertise are expected to drive healthy growth visibility over the medium term. Further, margins are likely to improve gradually from current levels, aided by faster execution, operating leverage, and fresh project wins at better profitability profiles, thereby supporting strong earnings growth ahead. In addition, the company's strong balance sheet position, net cash surplus, healthy working capital cycle, and improving return ratios further strengthen its investment case and provide financial flexibility for future growth opportunities. At the CMP, the stock is trading at attractive valuations of 7.8x FY27E P/E and 6.2x FY28E P/E, which we believe does not fully reflect the company's strong execution visibility and improving growth outlook. We value the company at 11x FY28E EPS of Rs75.9 and arrive at a target price of Rs835/share.

Ceigall India	Target: INR 349		Previous Target: INR 317			(Rating: Accumulate to Reduce)	
	Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E
Revenue	12,941	9,918	30.5%	9,699	33.4%	10,785	20.0%
EBITDA	1,826	1,092	67.3%	1,194	52.9%	1,273	43.5%
EBITDA Margin	14.1%	11.0%	310bps	12.3%	180bps	11.8%	231
Adj PAT	1,189	696	70.8%	745	59.7%	787	51.1%

Key reasons for deviation: Ceigall India Ltd delivered an impressive Q4FY26 performance, surpassing our expectations across key parameters. Revenue has risen by 30.5% YoY and 33.4% QoQ to Rs12.9bn, largely supported by an improvement in the execution on its strong order book position. We were also expecting strong growth but the company has delivered better topline with strong momentum across key projects. Gross margin improved by 173bps YoY and 142bps QoQ to 17.1%, which positively impacted EBITDA margin, expanding by 310bps YoY and 180bps QoQ to 14.1%. The margin expansion was also supported by relatively muted employee costs and lower other expenses (true YoY). Consequently, EBITDA registered a robust growth of 67.3% YoY and 52.9% QoQ. At the net level, strong operational performance coupled with lower depreciation and interest expenses led to a sharp increase of 70.8% YoY and 59.7% QoQ in PAT.

Outlook post results: Ceigall India remains well positioned to deliver healthy growth ahead, supported by its strong order book, expected receipt of ADs, and strong execution capabilities. Effectively, we expect the company to achieve a healthy 15.5% revenue CAGR over FY26-28E, while PAT to improve at a relatively moderate 11.1% CAGR due to normalization in margins compared to historical levels. Although gross borrowings are expected to increase to support ongoing project execution and equity commitments, leverage is likely to remain comfortable with the D/E ratio stabilizing at ~0.4x. At the CMP, the stock is trading at expensive valuation of ~11.5x FY28E P/E. We continue to value the standalone business at 11x FY28E P/E, while investments are valued at 1x P/BV. Accordingly, Target Price is set at Rs349/share. Reduce

GR Infraprojects	Target: INR 1,569		Previous Target: INR 1,634			(Rating: Retained Buy)	
	Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E
Revenue	25,209	19,904	26.7%	20,395	23.6%	25,290	-0.3%
EBITDA	2,734	3,484	-21.5%	2,054	33.1%	2,667	2.5%
EBITDA Margin	10.8%	17.5%	(666)bps	10.1%	77bps	10.5%	30
Adj PAT	2,582	3,432	-24.8%	2,013	28.3%	2,428	6.4%

Key reasons for deviation: G R Infraprojects Ltd delivered a better-than-expected performance. Revenue improved 26.7% YoY and 23.6% QoQ to Rs25.2bn, broadly in line with our estimate of Rs25.3bn. The strong performance was primarily driven by accelerated project execution, supported by a) a healthy executable order backlog constituting ~73% of the total order book and b) a meaningful contribution of ~Rs4bn from the newly forayed Oil & Gas EPC segment. EBITDA declined 21.5% YoY to Rs2.7bn, with margin contracting to 10.8% (down 666bps YoY), primarily due to project mix impact. However, margin remained within the guided band of 10-12%, indicating stable operational control despite volatility. EBITDA, however, came in slightly ahead of estimates and improved strongly by 33.1% QoQ, with a 77bps margin expansion, highlighting better operating leverage and execution efficiency. At the PAT level, reported PAT increased 12.4% YoY to Rs4.2bn, aided by exceptional gains from monetisation of four HAM SPVs sold to Indus Infra Trust, aggregating ~Rs2.5bn. Adjusting for these one-offs, adj, PAT stood at Rs2.6bn, down 24.8% YoY. However, on a sequential basis, adj. PAT grew sharply by 28.3%, driven by improved operating performance and better cost absorption.

Outlook post results: Following a challenging phase during FY24 and FY25, marked by subdued order inflows, project cancellations, and delays in receipt of Appointed Dates, GR Infra has entered a gradual recovery and growth phase in FY26, supported by a healthy executable order backlog and its strong execution capabilities. We expect this momentum to sustain ahead, with revenue likely to register a CAGR of 13.4% over FY26-28E. Further, EBITDA margin is expected to stabilize at ~11.8% by FY28E, aided by favourable project mix, operational efficiencies, and better cost absorption. The company's lean balance sheet, coupled with consistent monetization of HAM/BOT assets, remains a key strength, while the InvIT platform is expected to continue supporting recurring cash generation and future value unlocking opportunities. At CMP, the stock (excl. investments) is trading at an attractive valuation of 4.2x FY27E P/E and 2.8x FY28E P/E. We have adopted a SOTP valuation methodology, leading to a derived target price of Rs1,569/share.

PNC Infratech	Target: INR 349		Previous Target: INR 395			(Rating: Retained Buy)	
	Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E
Revenue	14,576	14,146	3.0%	10,564	38.0%	15,277	-4.6%
EBITDA	1,752	1,758	-0.4%	1,309	33.8%	1,833	-4.5%
EBITDA Margin	12.0%	12.4%	(41)bps	12.4%	(38)bps	12.0%	2
Adj PAT	1,004	1,210	-17.0%	772	30.0%	1,134	-11.4%

Key reasons for deviation: PNC Infratech reported a subdued Q4FY26 performance, as execution remained impacted by slower ramp-up in newly appointed HAM projects, moderation in water-related works, and delays in appointed dates across select projects, which weighed on revenues and profitability. Revenue increased 3.0% YoY and 38.0% QoQ to Rs14.6bn; however, it came in ~4.6% below our estimate of Rs15.3bn, reflecting weaker-than-expected execution across key projects. Gross margin expanded to 27.1%, up 288bps YoY (though it declined 124bps QoQ), supported by disciplined control over raw material and sub-contracting costs. However, this was offset by a sharp increase in other expenses, leading to EBITDA margin moderation to 12.0%. Consequently, EBITDA remained largely flat (-0.4% YoY) but improved 33.8% QoQ. At the net level, PAT declined 17.0% YoY to ~Rs1.0bn, weighed down by subdued operating performance and higher depreciation charges. Sequentially, PAT improved 30.0%, driven by better operating leverage and improved execution.

Outlook post results: The past two years have been challenging for PNC, characterised by subdued revenue performance amid weak order inflows, primarily due to muted awarding activity from NHAI, heightened competitions, and delays in receipt of appointed dates. Ahead, the outlook appears meaningfully more constructive, to be supported by expectation of the improved execution momentum on the strong order backlog and an anticipated revival in order inflows. This should drive a sustained ramp-up in revenues with stabilization of margins. At CMP, the stock (ex-investments) is trading at 6.1x FY27E P/E and 3.5x FY28E P/E, which we believe remains undemanding given the improving growth visibility, we ascribe a value of ~Rs207/share to the core construction segment and ~Rs142/share to investments, arriving at a target price of Rs349/share. Maintain Buy.

HG Infra Engineering	Target: INR 937		Previous Target: INR 1,134			(Rating: Retained Buy)	
	Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E
Revenue	13,539	19,730	-31.4%	14,498	-6.6%	17,252	-21.5%
EBITDA	1,269	2,829	-55.2%	2,243	-43.5%	2,481	-48.9%
EBITDA Margin	9.4%	14.3%	(497)bps	15.5%	(610)bps	14.4%	-501
Adj PAT	461	1,693	-72.8%	969	-52.4%	1,222	-62.2%

Key reasons for deviation: HG Infra reported a disappointing performance in Q4FY26. Revenue declined sharply by 31.4% YoY and 6.6% QoQ to ~Rs13.5bn, reflecting execution challenges and lower project activity during the quarter. We were expecting better execution especially on the solar and BESS-based orders but was muted due to technical reasons. Further, operating performance remained under pressure, with EBITDA margin contracting sharply by 497bps YoY and 610bps QoQ to 9.4%, primarily due to lower revenues, and weak economies of scale. Consequently, EBITDA declined steeply by 55.2% YoY and 43.5% QoQ. Reported PAT stood at Rs995mn, declining 53.1% YoY. However, earnings were supported by an exceptional gain of ~Rs711 mn arising from stake divestment in HAM subsidiaries. Excluding the one-off gain, adjusted PAT came in at Rs461 mn, registering a sharp decline of 72.8% YoY and 52.4% QoQ, largely due to weak operational performance and elevated finance costs.

Outlook post results: HG Infra to deliver a revenue CAGR of 7.5% over FY26-28E, while EBITDA margins are likely to moderate to 13.5% by FY28 due to changes in project mix. Adj. PAT is expected to improve at a CAGR of 17.2% by FY28. At the CMP, the stock (excl. investments) trades at an attractive 3.0x FY28E P/E. Based on our SOTP-based valuation, we arrive at a target price of Rs937/share. Maintain BUY.

Ahluwalia Contracts	Target: INR 1,046		Previous Target: INR 990			(Rating: Maintained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	13,223	12,158	8.8%	10,607	24.7%	12,941	2.2%
EBITDA	1,236	1,236	0.0%	960	28.7%	1,310	-5.6%
EBITDA Margin	9.3%	10.2%	(82)bps	9.1%	29bps	10.1%	-77
Adj PAT	801	832	-3.6%	540	48.4%	814	-1.5%

Key reasons for deviation: Ahluwalia Contracts reported a mixed Q4FY26 performance, with revenue growth surpassing expectations while profitability remained temporarily impacted by commodity cost inflation. Revenue increased by 8.8% YoY and 24.7% QoQ to Rs13.2bn, marginally ahead of our estimate of ~Rs12.9bn, driven by improved execution momentum supported by a strong order book position. EBITDA margin declined by 82bps YoY to 9.3%, primarily due to elevated raw material and employee costs. However, margins improved sequentially by 29bps, supported by better operating leverage on the back of stronger execution activity. Accordingly, EBITDA remained largely flat YoY at Rs1.24bn, while recording a healthy 28.7% QoQ growth. At the net level, PAT declined by 3.6% YoY to Rs801mn despite healthy revenue growth, largely due to margin compression and a sharp increase in depreciation expenses. The decline in profitability would have been steeper had it not been supported by higher other income. Sequentially, PAT improved sharply by 48.4%, aided by stronger operating performance and better execution momentum.

Outlook post results: We expect the company to deliver a robust 19.4% revenue CAGR over FY26-FY28E, supported by a strong executable order book and accelerating execution across key projects. EBITDA margins are projected to expand to ~11.5% by FY28, which in turn is expected to drive a strong PAT CAGR of ~32.2% over FY26-FY28E, aided by margin expansion and benign finance costs. We value the standalone business at 15x FY28E EPS, while the Kota asset is assigned 1x P/BV; on an SOTP basis, this translates into a target price of Rs1,046/share. Accordingly, we maintain our Buy rating on the stock.

Vishnu Prakash R Punglia	Target: INR 33		Previous Target: INR 49			(Rating: Accumulate to Sell)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	1,016	4,051	-74.9%	1,775	-42.7%	2,573	-60.5%
EBITDA	-1,252	457	NA	-131	NA	180	NA
EBITDA Margin	NA	11.3%	NA	NA	NA	7.0%	NA
Adj PAT	-1,308	162	NA	-225	NA	-15	NA

Key reasons for deviation: Vishnu Prakash R Punglia Ltd (VPRPL) continued to report disappointed set of numbers. Revenue declined sharply by 74.9% YoY and 42.7% QoQ to Rs1.0bn, indicating a severe slowdown in execution momentum. The decrease was chiefly due to a slowdown in construction pace, primarily attributed to delays in the receipt of funds associated with JJM-related projects. At the operating level, the company reported an EBITDA loss of Rs1.3bn compared to a profit of Rs457mn in Q4FY25 and a loss of Rs131mn in Q3FY26. The deterioration in operating performance was primarily driven by a steep decline in revenues, and a sharp increase in other expenses. At the bottom-line level, the company reported a net loss of Rs1.3bn compared to a profit of Rs162mn in Q4FY25 and a loss of Rs300mn in Q3FY26. The substantial deterioration in profitability was primarily driven by severe operating losses, elevated finance costs, and higher depreciation charges, further aggravating earnings pressure during the quarter.

Outlook post results: We have revised our estimates and expect revenue to improve at 24.4% CAGR over FY26-28E. Further, we expect margins to improve to ~10% by FY28E, leading to an estimated PAT of ~Rs 464mn in FY28 (compared to losses reported in FY26). However, the key monitorable continues to be the timely receipt of payments, which remains critical for achieving the projected financial performance. Valued at 9x FY28E P/E; rating downgraded to Sell with TP of Rs33/share

Key observation from the sector: The infrastructure sector continues to witness a slowdown in the pace of contract awards, particularly across roads & highways and water-related segments, adversely affecting the order book position of several companies. Additionally, delays in receiving appointed dates and work orders have continued to weigh on execution, thereby impacting the topline performance of certain players. Further exacerbating the situation, slower payment disbursements under the JJM segment have moderated execution momentum, resulting in several companies reporting performance below our expectations. Margin performance across the sector has also remained under pressure, primarily due to subdued revenue growth coupled with elevated cost structures. Nevertheless, management across most companies remains optimistic regarding an improvement in the awarding environment, supported by the conversion of a healthy project pipeline into actual tenders, which remains critical for driving future growth and facilitating margin normalisation. Among the companies under our coverage, Ceigall has delivered encouraging performance supported by improved order book conversion, while GR Infraprojects has reported healthy growth backed by a stronger executable order backlog and increasing contribution from its recently entered O&M segment. In contrast, KNR Constructions, Vishnu Prakash, and H.G. Infra have remained under pressure owing to lower executable order backlogs, delays in receiving payments from certain authorities and authority-related issues. Overall, we continue to see meaningful upside potential in Ahluwalia Contracts, J. Kumar Infraprojects, and GR Infraprojects, which remain our preferred picks within the infrastructure space.

ERW Steel Tubes and Pipes

APL Apollo Tubes Particulars (Rs mn)	Target: INR 2,427		Previous Target: INR 2,432			(Rating: Retained Buy)	
	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	62,692	55,086	13.8%	59,824	4.8%	64,291	-2.5%
EBITDA	5,110	4,137	23.5%	4,719	8.3%	4,651	9.9%
EBITDA Margin	8.2%	7.5%	64bps	7.9%	26bps	7.2%	92
Adj PAT	3,544	2,931	20.9%	3,101	14.3%	2,990	18.5%

Key reasons for deviation: APL Apollo Tubes Ltd has delivered a well-rounded operational performance in Q4FY26, with healthy topline growth driven by steady volume expansion and improved realizations, alongside margin expansion supported by disciplined pricing actions. Revenue improved 13.8% YoY to Rs62.7bn, driven by a ~8.8% increase in volumes to 0.92mn tonnes and a ~6% rise in realizations to Rs59,932/tonne. Sequentially, revenue grew 4.8%, chiefly led by a 2.9% improvement in realizations, indicating healthy pricing traction. EBITDA/tonne, however, rose to Rs5,525 in Q4FY26, compared to Rs4,864 in Q4FY25 and Rs5,146 in Q3FY26. This improvement was driven by calibrated price hikes in the general category (supported by strong brand premium) and continued cost optimisation efforts. Consequently, EBITDA margin expanded to 8.2% (up 64bps YoY and 26bps QoQ), while absolute EBITDA grew a robust 23.5% YoY and 8.3% QoQ to Rs5.1bn. On a net basis, PAT increased by 20.9% YoY and 14.3% QoQ to Rs3.5bn. This growth was primarily driven by a strong operating performance, coupled with the benefits of benign interest cost and depreciation expenses.

Outlook post results: We foresee the company delivering strong 17.4% revenue CAGR over FY26-28E, underpinned by a 14.0% volume CAGR. Further, we anticipate gradual improvement in blended realizations supported by firm HRC prices and a richer product mix. Thus, we model EBITDA/tonne to reach ~Rs5,259 in FY27 and ~Rs5,492 by FY28E. Consequently, EBITDA and PAT are expected to improve at healthy CAGRs of 17.6% and 21.4%, respectively. This earnings momentum, coupled with APL Apollo's dominant market position and capital efficiency, justifies the premium valuation (as compared with peers). Thus, by applying a 38x P/E multiple to FY28E EPS, we arrive at the target price of Rs2,427/share. Maintain BUY.

JTL Industries Particulars (Rs mn)	Target: INR 82		Previous Target: INR 88			(Rating: Retained Accumulate)	
	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	6,927	4,695	47.5%	4,705	47.2%	6,903	0.3%
EBITDA	577	178	224.0%	386	49.5%	534	8.1%
EBITDA Margin	8.3%	3.8%	454bps	8.2%	13bps	7.7%	60
Adj PAT	378	168	124.8%	265	42.8%	337	12.2%

Key reasons for deviation: JTL Industries a strong performance in Q4FY26, with revenue witnessing robust growth (and largely inline with our expectations) driven by healthy volume expansion and improved realizations, while margin strengthened meaningfully (and better than our estimate) on the back of better pricing and a richer product mix. To be specific, its revenue increased by 47.5% YoY to Rs6.9bn - largely driven by a 50.5% YoY increase in volumes to 1,23,262 tonnes, along with a 6.1% YoY improvement in realizations. However, lower revenues generated from stock-in-trade has partially impacted overall topline performance. Sequentially, a 36.3% increase in volumes coupled with a 5.7% rise in realizations led to a 47.2% QoQ growth in topline. The EBITDA/tonne improved sharply to Rs4,685 in Q4 FY26, compared with Rs2,176 in Q4 FY25 and Rs4,270 in Q3 FY26 and was primarily driven by better product mix, lower discounts and better pricing. Consequently, EBITDA surged by 224% YoY and 49.5% QoQ to Rs577mn. On the profitability front, PAT increased by 124.8% YoY and 42.8% QoQ to Rs378mn, supported by strong operating performance. However, the earnings growth was partially offset by higher interest costs during the quarter.

Outlook post results: We expect JTL to deliver a strong 31.7% revenue CAGR over FY26-28E, on the back of healthy 27.2% volume CAGR. Further, blended realizations are expected to improve gradually, aided by firmer HRC prices and a richer product mix. Consequently, EBITDA/tonne is projected to improve from ~Rs3,899 in FY26 to ~Rs4,190 in FY27E and further to ~Rs4,515 in FY28E. Supported by strong operating leverage and improving margins, EBITDA and PAT are expected to grow at CAGRs of 36.8% and 30.9%, respectively, over FY26-28E. Valuing the company at 20x FY28E EPS, we arrive at a target price of Rs88/share and retain our 'Accumulate' rating.

Hi-Tech Pipes Particulars (Rs mn)	Target: INR 116		Previous Target: INR 118			(Rating: Retained Buy)	
	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	14,804	7,337	101.8%	10,696	38.4%	10,198	45.2%
EBITDA	463	349	32.6%	419	10.6%	464	-0.3%
EBITDA Margin	3.1%	4.8%	(163)bps	3.9%	(79)bps	4.6%	-143
Adj PAT	176	176	-0.2%	174	1.2%	210	-16.4%

Key reasons for deviation: Hi-Tech Pipes delivered a healthy operational performance in Q4FY26. Revenue more than doubled on YoY basis to Rs14.8bn; however, after adjusting for stock-in-trade sales, revenue growth stood to a healthy 60.9% YoY, translating into an adjusted topline of ~Rs10.6bn. The strong performance was primarily driven by robust volume growth of 26.8% YoY, supported by healthy demand conditions and capacity expansion, coupled with a sharp 26.9% YoY increase in realizations, aided by rising HRC prices and better product mix. Having said that, we have considered lower realization and stock-in-trade during the quarter, hence the deviation was higher. Operational performance remained healthy, with EBITDA/tonne improving 4.6% YoY and 2.3% QoQ to Rs3,148, resulting in EBITDA growth of 32.6% YoY and 10.6% QoQ. The strong operating growth, however, did not fully translate into earnings growth, as PAT remained largely flat at Rs176mn owing to a sharp increase in depreciation and finance costs.

Outlook post results: We expect the company to deliver a strong revenue growth trajectory, with revenue from operations expected to register an 18.7% CAGR over FY26-28E, primarily driven by a healthy volume CAGR of 14.4%. We also anticipate gradual improvement in blended realizations, supported by firm HRC prices and an improving product mix. However, factoring in a lower contribution from stock-in-trade sales, adjusted revenue growth is expected to translate into a 12.5% CAGR over the same period. Further, we expect EBITDA/tonne to improve to ~Rs3,347 in FY27E and ~Rs3,545 in FY28E, supported by improving operating leverage and rising contribution from value-added products. Consequently, EBITDA and PAT are expected to register healthy CAGRs of 19.3% and 21.0%, respectively, over FY26-28E. We continue to value the stock at 22x FY28E P/E, which translates into a target price of Rs116/share. Maintain BUY.

Key observation from the sector: The quarter began on a strong footing, with most players reporting healthy volume growth; however, momentum weakened significantly in Mar'26 amid geopolitical disruptions, which adversely impacted export-oriented volumes. Domestic demand also witnessed temporary softness as customers deferred purchases following the sharp increase in product prices driven by a steep rise in HRC prices. While near-term challenges remain, with management commentary suggesting that some of the pressures witnessed in Mar'26 could extend into H1FY27, we believe these headwinds are largely transitory and do not alter the sector's structural growth story. The medium-to-long-term outlook continues to remain highly favourable, supported by sustained demand from construction and infrastructure activities, increasing penetration of organised players at the expense of the unorganised segment, and a favourable demand-supply environment. Additionally, higher realisations are expected to support revenue growth, while improving product mix, operating leverage, and increasing share of value-added products are likely to drive margin expansion over the medium term. Importantly, leading players continue to undertake significant capacity expansion initiatives to capitalise on the growing opportunity and further strengthen their market position. Overall, despite temporary demand disruptions and near-term uncertainties, the underlying fundamentals remain firmly intact, reinforcing our constructive outlook on the sector, with APL Apollo and Hi-Tech Pipes continuing to remain our preferred plays.

Banks

Karur Vysya Bank	Target: INR 365		Previous Target: 325			(Rating: Retained Buy)	
Standalone (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Net Interest Income	13,588	10,893	24.7%	12,393	9.6%	12,902	5.3%
Other Income	6,158	5,093	20.9%	5,090	21.0%	5,212	18.1%
Operating Income	19,746	15,986	23.5%	17,482	12.9%	18,115	9.0%
Opex	7,278	7,636	-4.7%	7,429	-2.0%	7,862	-7.4%
Pre Provisions Profit	12,468	8,350	49.3%	10,053	24.0%	10,253	21.6%
Provisions	2,577	1,614	59.6%	1,048	145.9%	1,147	124.6%
PBT	9,891	6,736	46.8%	9,006	9.8%	9,105	8.6%
Tax	2,641	1,602	64.9%	2,106	25.4%	2,184	20.9%
PAT	7,250	5,134	41.2%	6,900	5.1%	6,921	4.7%
NIM	4.25%	4.05%	20bps	3.99%	26bps	4.03%	22bps
Loans	9,81,906	8,40,045	16.9%	9,65,420	1.7%		
Loans growth (% yoy)	16.9%	14.0%	2.9%	17.3%	-0.4%		
Deposits	11,56,657	10,20,780	13.3%	11,45,950	0.9%		
Deposit growth (% yoy)	13.3%	14.5%	-1.2%	15.6%	-2.3%		
GNPA (%)	0.75%	0.76%	(1)bps	0.71%	4bps		
NNPA (%)	0.19%	0.20%	(1)bps	0.19%	0bps		
Credit Costs (bps)	106	78	28bps	44	61bps	47	59bps

Key reasons for deviation: KVB reported another stellar quarter with net profit beating estimates, driven by sharp NIM expansion (4Q NIM at 4.25%), robust above-system loan growth, healthy fee income and treasury-led other income, tight cost discipline and benign underlying asset quality despite prudential provision top-up.

Outlook post results: The strong 4QFY26 performance further reinforces the bank's transition into a sustainable 1.8%+ RoA franchise. We expect superior returns to be supported by above-system loan growth, resilient margins, improving fee momentum, tight cost control and benign credit costs, which should continue to support further re-rating.

DCB Bank	Target: INR 230		Previous Target: INR 220			(Rating: Retained Buy)	
Standalone (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Net Interest Income	6,552	5,580	17.4%	6,247	4.9%	6,620	-1.0%
Other Income	2,115	2,188	-3.3%	2,214	-4.5%	2,204	-4.0%
Operating Income	8,667	7,768	11.6%	8,461	2.4%	8,823	-1.8%
Opex	5,246	4,714	11.3%	5,233	0.3%	5,181	1.3%
Pre Provisions Profit	3,421	3,054	12.0%	3,228	6.0%	3,643	-6.1%
Provisions	690	672	2.6%	741	-6.9%	840	-17.9%
PBT	2,731	2,382	14.7%	2,487	9.8%	2,803	-2.6%
Tax	675	611	10.4%	640	5.4%	720	-6.3%
PAT	2,057	1,771	16.1%	1,847	11.3%	2,082	-1.2%
NIM	3.39%	3.29%	10bps	3.27%	12bps	3.31%	8bps
Loans	6,00,218	5,10,469	17.6%	5,66,000	6.0%	6,02,190	-0.3%
Loans growth (% yoy)	17.6%	24.7%	-7.2%	18.5%	-0.9%	18.0%	-0.4%
Deposits	7,25,833	6,00,310	20.9%	6,77,540	7.1%	7,11,367	2.0%
Deposit growth (% yoy)	20.9%	21.6%	-0.7%	19.5%	1.4%	18.5%	2.4%
GNPA (%)	2.45%	2.99%	(54)bps	2.72%	(27)bps		
NNPA (%)	0.89%	1.12%	(23)bps	1.10%	(21)bps		
Credit Costs (bps, % avg. assets)	32	36	(4)bps	37	(4)bps	40	(7)bps

Key reasons for deviation: DCB reported a strong 4QFY26 performance with PAT at ₹2.06bn, up 16% YoY and 11% QoQ. Performance was robust across parameters, in our view. Over the past several quarters, management execution has been consistent, with delivery closely tracking stated strategy.

Outlook post results: We expect DCB to continue delivering improving returns, supported by steady loan growth, continued NIM expansion, sustained fee traction, operating leverage, and benign asset quality. Overall, we believe the bank is well-positioned to achieve ~1% RoA by FY27, in line with management's guidance of ~13.5% ROE by FY27 (and ~14.5% by FY28).

ICICI Bank	Target: INR 1,570		Previous Target: 1,665			(Rating: Retained Buy)	
Standalone (Rs bn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Net Interest Income	230	212	8.4%	219	4.8%	229	0.4%
Other Income	73	73	0.7%	74	-0.8%	77	-5.2%
Operating Income	303	285	6.4%	293	3.4%	306	-1.0%
Opex	121	108	12.1%	119	1.2%	121	-0.1%
Pre Provisions Profit	182	177	3.0%	174	4.9%	185	-1.7%
Provisions	1	9	-89.2%	26	-96.2%	12	-91.8%
PBT	181	168	7.9%	148	22.3%	173	4.5%
Tax	44	41	6.2%	35	26.4%	42	3.7%
PAT	137	126	8.5%	113	21.1%	131	4.7%

NIM	4.32%	4.41%	(9)bps	4.30%	2bps	4.30%	2bps
Loans	15,539	13,418	15.8%	14,662	6.0%	15,296	1.6%
Loans growth (% yoy)	15.8%	13.3%	2.5%	11.5%	4.3%	14.0%	1.8%
Deposits	17,946	16,103	11.4%	16,596	8.1%	17,553	2.2%
Deposit growth (% yoy)	11.4%	14.0%	-2.5%	9.2%	2.3%	9.0%	2.4%
GNPA (%)	1.40%	1.67%	(27)bps	1.53%	(13)bps		
NNPA (%)	0.33%	0.39%	(6)bps	0.37%	(4)bps		
Credit Costs (bps)	3	27	(24)bps	71	(69)bps	31	(29)bps

Key reasons for deviation: ICICI Bank reported 4QFY26 PAT of ₹137bn (+8% YoY / +21% QoQ), exceeding our estimates and consensus by ~5–6%. The outperformance was predominantly driven by an exceptionally benign credit cost print alongside robust balance sheet expansion. Credit costs moderated sharply to 3bps (vs. 71bps in 3QFY26, elevated due to agri-related provisions, and 27bps in 4QFY25), underpinned by lower retail slippages, including a moderation in the unsecured portfolio, as well as meaningful corporate recoveries and write-backs.

Outlook post results: Looking ahead, sustained credit momentum, a benign asset quality cycle, positive operating leverage, and a gradual improvement in margins should underpin a superior return trajectory.

HDFC Bank	Target: INR 1,040		Previous Target: 1,160			(Rating: Retained Buy)	
Standalone (Rs bn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Net Interest Income	331	321	3.2%	326	1.4%	341	-3.0%
Other Income	132	120	9.7%	133	-0.4%	138	-4.1%
Operating Income	463	441	5.0%	459	0.9%	479	-3.3%
Opex	185	176	5.2%	188	-1.6%	188	-1.5%
Pre Provisions Profit	278	265	4.8%	271	2.6%	291	-4.5%
Provisions	26	32	-18.3%	28	-8.0%	37	-28.6%
PBT	252	233	7.9%	243	3.8%	255	-1.1%
Tax	60	57	4.3%	56	6.5%	60	-0.4%
PAT	192	176	9.1%	187	3.0%	195	-1.3%

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NIM	3.38%	3.54%	(16)bps	3.35%	3bps	3.39%	(1)bps
Loans	29,372	26,196	12.1%	28,214	4.1%		
Loans growth (% yoy)	12.1%	5.4%	6.7%	12.0%	0.1%		
Deposits	31,053	27,147	14.4%	28,601	8.6%		
Deposit growth (% yoy)	14.4%	14.1%	0.3%	11.6%	2.8%		
GNPA (%)	1.15%	1.33%	(18)bps	1.24%	(9)bps		
NNPA (%)	0.38%	0.43%	(5)bps	0.42%	(4)bps		
Credit Costs (bps)	36	50	(13)bps	41	(5)bps	51	(15)bps

Key reasons for deviation: HDFC Bank reported PAT of ₹192bn (+9% YoY, +3% QoQ), broadly in line (-1% vs SMIFS; +3% vs consensus). The quarter reinforces steady execution, with improving balance sheet dynamics and operating leverage. Loan growth at 12% YoY (+4% QoQ) trailed deposits (+14.4% YoY, +8.6% QoQ), driving a moderation in CD ratio. While not a regulatory constraint anymore, the shift is directionally positive and alleviates balance sheet tightness.

Outlook post results: Looking ahead, improving loan growth, expanding margins, cost discipline, and stable asset quality are expected to support a 1.8–1.9% ROA.

SBI	Target: INR 1,180		Previous Target: INR 1,235			(Rating: Retained Buy)	
	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Standalone (Rs bn)							
Net Interest Income	444	428	3.8%	450	-1.3%	472	-6.0%
Other Income	173	242	-28.5%	186	-6.7%	200	-13.4%
Operating Income	617	670	-7.9%	635	-2.9%	672	-8.2%
Opex	340	357	-4.8%	307	10.8%	362	-6.1%
Pre Provisions Profit	277	313	-11.4%	329	-15.7%	310	-10.7%
Provisions	29	64	-55.4%	45	-36.3%	51	-43.4%
PBT	248	248	0.0%	284	-12.4%	260	-4.3%
Tax	51	62	-17.0%	73	-29.7%	66	-22.2%
	197	186	5.6%	210	-6.4%	193	1.8%

NIM	2.81%	3.00%	(19)bps	2.98%	(17)bps	3.01%	(20)bps
Loans	48,779	41,633	17.2%	46,277	5.4%	48,095	1.4%
Loans growth (% yoy)	17.2%	12.4%	4.8%	15.6%	1.6%	15.5%	1.6%
Deposits	59,756	53,822	11.0%	57,013	4.8%	58,935	1.4%
Deposit growth (% yoy)	11.0%	9.5%	1.5%	9.0%	2.0%	9.5%	1.5%
GNPA (%)	1.49%	1.82%	(33)bps	1.57%	(8)bps		
NNPA (%)	0.39%	0.47%	(8)bps	0.39%	0bps		
Credit Costs (bps)	24	63	(39)bps	40	(16)bps	43	(19)bps

Key reasons for deviation: SBI reported net profit of ₹197bn (+6% YoY / -6% QoQ). PBT came in below estimates, driven by a sharp margin contraction, treasury losses, and weaker-than-expected fee income. NIM declined sharply by 17bps QoQ, impacted by the full transmission of repo rate cuts on the floating-rate book and a higher proportion of floating-rate corporate loans linked to T-bills versus MCLR earlier.

Outlook post results: Despite the NIM miss, the overall profitability outlook remains constructive. We believe sustained strong credit growth, margin recovery, robust fee income, disciplined cost control, and benign asset quality should support steady improvement in returns.

Bank of Baroda	Target: INR 322		Previous Target: 346			(Rating: Retained Buy)	
	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Standalone (Rs bn)							
Net Interest Income	125	115	8.7%	118	5.9%	124	0.9%
Other Income	40	47	-16.2%	36	10.2%	45	-10.9%
Operating Income	165	162	1.4%	154	6.9%	168	-2.2%
Opex	74	81	-8.7%	80	-7.9%	86	-14.3%
Pre Provisions Profit	91	81	11.5%	74	22.9%	82	10.5%
Provisions	32	16	103.1%	8	294.3%	12	155.6%
PBT	59	66	-10.1%	66	-10.0%	70	-15.2%
Tax	3	15	-80.2%	15	-80.1%	18	-82.7%
PAT	56	50	11.3%	51	11.1%	52	7.6%

NIM	2.89%	2.98%	(9)bps	2.79%	10bps	2.80%	9bps
Loans	14,091	12,096	16.5%	13,251	6.3%		
Loans growth (% yoy)	16.5%	13.5%	3.0%	15.1%	1.4%		
Deposits	16,485	14,720	12.0%	15,467	6.6%		
Deposit growth (% yoy)	12.0%	10.3%	1.7%	10.3%	1.7%		
GNPA (%)	1.89%	2.26%	(37)bps	2.04%	(15)bps		
NNPA (%)	0.45%	0.58%	(13)bps	0.57%	(12)bps		
Credit Costs (bps)	92	53	40bps	25	67bps	36	56bps

Key reasons for deviation: Bank of Baroda reported 4QFY26 PAT of ₹56bn, 11% YoY / 11% QoQ above estimates. The quarter was muddled by multiple one-offs and treasury loss, although the underlying performance remained steady. Key one-offs included: (1) ₹15bn floating provisions, which elevated credit costs as the bank built buffers against global uncertainty; (2) a ₹12.9bn tax refund, which lowered the effective tax rate; and (3) a ₹5.2bn increase in employee provisions due to revised mortality assumptions. However, yield hardening reduced AS-15 provisions, resulting in a sequential decline in opex.

Outlook post results: With robust credit growth, benign asset quality, healthy recoveries, and resilient NIMs, we expect returns to remain around the ~1% RoA level gives attractive valuations.

CSB Bank	Target: INR 490			Previous Target: 500		(Rating: Retained Buy)	
Standalone (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Net Interest Income	4,642	3,713	25.0%	4,532	2.4%	4,907	-5.4%
Other Income	3,062	3,815	-19.7%	2,765	10.8%	3,348	-8.5%
Operating Income	7,704	7,527	2.3%	7,297	5.6%	8,255	-6.7%
Opex	4,767	4,360	9.3%	4,376	8.9%	5,261	-9.4%
Pre Provisions Profit	2,937	3,168	-7.3%	2,921	0.5%	2,994	-1.9%
Provisions	230	602	-61.8%	868	-73.5%	624	-63.1%
PBT	2,707	2,565	5.5%	2,053	31.8%	2,370	14.2%
Tax	691	661	4.5%	527	31.1%	614	12.4%
PAT	2,016	1,904	5.8%	1,527	32.0%	1,755	14.8%

NIM	3.83%	3.75%	8bps	3.86%	(3)bps	3.90%	(7)bps
Loans	3,98,478	3,15,071	26.5%	3,66,770	8.6%		
Loans growth (% yoy)	26.5%	29.5%	-3.0%	28.1%	-1.6%		
Deposits	4,42,459	3,68,615	20.0%	4,04,600	9.4%		
Deposit growth (% yoy)	20.0%	24.0%	-4.0%	21.1%	-1.1%		
GNPA (%)	1.66%	1.57%	9bps	1.96%	(30)bps		
NNPA (%)	0.40%	0.52%	(12)bps	0.67%	(27)bps		
Credit Costs (bps, avg assets)	17	53	(36)bps	67	(50)bps	45	(28)bps

Key reasons for deviation: CSB Bank reported earnings ahead of estimates, driven by sharply lower credit costs and provisions, strong above-system loan and deposit growth, and healthy asset quality improvement with better slippages and recoveries. However, NIM remained under pressure due to repo transmission and mix changes, while treasury income stayed weak due to MTM losses.

Outlook post results: We believe asset quality concerns are largely behind, and CSB remains well placed to deliver $\geq 1.5\%$ RoA over the medium term, supported by strong loan growth, gradual liability franchise improvement, operating leverage and credit cost normalization. We expect margin trajectory to improve gradually, with more meaningful benefits accruing from FY28 onwards.

Punjab National Bank	Target: INR 118			Previous Target: INR 136		(Rating: Retained Accumulate)	
Standalone (Rs bn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Net Interest Income	104	108	-3.5%	105	-1.4%	112	-7.1%
Other Income	42	47	-11.7%	50	-17.1%	48	-13.3%
Operating Income	145	155	-6.0%	156	-6.5%	160	-9.0%
Opex	70	87	-19.0%	81	-12.8%	86	-18.5%
Pre Provisions Profit	75	68	10.7%	75	0.3%	73	2.4%
Provisions	4	4	nm	12	-63.2%	10	-56.8%
PBT	71	64	10.3%	63	11.8%	63	11.5%
Tax	19	18	0.1%	12	50.4%	16	17.1%
PAT	52	46	14.4%	51	2.5%	48	9.6%

NIM	2.47%	2.81%	(34)bps	2.52%	(5)bps	2.52%	(5)bps
Loans	12,253	10,775	13.7%	11,962	2.4%		
Loans growth (% yoy)	13.7%	15.3%	-1.6%	11.8%	1.9%		
Deposits	17,111	15,666	9.2%	16,603	3.1%		
Deposit growth (% yoy)	9.2%	14.4%	-5.2%	8.5%	0.7%		
GNPA (%)	2.95%	3.95%	(100)bps	3.19%	(24)bps		
NNPA (%)	0.29%	0.40%	(11)bps	0.32%	(3)bps		
Credit Costs (bps)	14	13	1bps	39	(25)bps	33	(19)bps

Key reasons for deviation: PNB reported 4QFY26 PAT of ₹52bn, ahead of our and consensus estimates, driven by lower provisions and a sharp opex beat. The opex surprise was largely attributable to reversal of AS15 provisions amid yield hardening.

Outlook post results: Going ahead, loan growth momentum is likely to sustain, supported by robust RAM growth, while fee income growth and cost discipline should remain intact. Margins appear to have bottomed out and are expected to improve gradually, aided by residual deposit repricing and a better asset mix. Overall, while near-term performance remains stable, evolving margin pressures and lower recovery tailwinds could moderate returns, with RoA potentially trending below the guided 1% over the medium term.

Canara Bank	Target: INR 145		Previous Target: INR 160			(Rating: Retained Accumulate)	
Standalone (Rs bn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Net Interest Income	98	94	3.9%	93	6.0%	97	1.3%
Other Income	48	64	-24.0%	79	-38.9%	66	-27.3%
Operating Income	146	158	-7.3%	172	-14.7%	163	-10.3%
Opex	79	75	4.9%	80	-2.0%	80	-1.4%
Pre Provisions Profit	68	83	-18.4%	91	-25.9%	83	-18.9%
Provisions	10	18	-45.9%	24	-58.9%	25	-60.0%
PBT	58	65	-10.6%	67	-14.0%	59	-1.5%
Tax	13	14	-13.1%	16	-18.7%	14	-12.4%
PAT	45	50	-9.9%	52	-12.6%	44	2.1%
NIM	2.54%	2.73%	(19)bps	2.45%	9bps	2.47%	7bps
Loans	12,200	10,492	16.3%	11,728	4.0%	11,960	2.0%
Loans growth (% yoy)	16.3%	12.6%	3.7%	14.6%	1.7%	14.0%	2.3%
Deposits	15,687	14,299	9.7%	15,213	3.1%	16,029	-2.1%
Deposit growth (% yoy)	9.7%	9.0%	0.8%	11.1%	-1.4%	10.0%	-0.3%
GNPA (%)	1.84%	2.94%	(110)bps	2.08%	(24)bps		
NNPA (%)	0.43%	0.70%	(27)bps	0.45%	(2)bps		
Credit Costs (bps)	33	71	(38)bps	84	(51)bps	84	(51)bps

Key reasons for deviation: Canara Bank reported 4QFY26 net profit of ₹45bn (-10% YoY / -13% QoQ). Underlying performance remained healthy, though weak other income weighed on operating profit and PAT. Excluding treasury-led weakness in other income, the quarter was robust across key operating parameters, marked by strong loan growth, solid NIM expansion, lower opex and benign asset quality.

Outlook post results: Looking ahead, while treasury income may remain subdued, this is likely to be offset by healthy loan growth, margin resilience, recovery in fee income, steady TWO recoveries and contained credit costs, supporting RoA around the 1% level.

Axis Bank	Target: INR 1,470		Previous Target: INR 1,385			(Rating: Retained Accumulate)	
Standalone (Rs bn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Net Interest Income	145	138	4.7%	143	1.2%	150	-3.5%
Other Income	60	68	-11.2%	62	-3.3%	68	-11.8%
Operating Income	205	206	-0.5%	205	-0.2%	218	-6.1%
Opex	105	98	6.4%	96	8.6%	101	4.0%
Pre Provisions Profit	100	108	-6.9%	109	-7.9%	117	-14.7%
Provisions	35	14	159.1%	22	56.8%	24	45.6%
PBT	65	94	-30.9%	86	-24.8%	93	-30.4%
Tax	-6	23	-125.5%	21	-127.1%	23	-125.0%
PAT	71	71	-0.6%	65	9.0%	70	1.0%
NIM	3.62%	3.97%	(35)bps	3.64%	(2)bps	3.61%	1bps
Loans	12,336	10,408	18.5%	11,591	6.4%		
Loans growth (% yoy)	18.5%	7.8%	10.7%	14.2%	4.3%		
Deposits	13,358	11,730	13.9%	12,608	6.0%		
Deposit growth (% yoy)	13.9%	9.8%	4.1%	15.0%	-1.2%		
GNPA (%)	1.23%	1.28%	(5)bps	1.40%	(17)bps		
NNPA (%)	0.37%	0.33%	4bps	0.42%	(5)bps		
Credit Costs (bps)	118	53	65bps	79	39bps	81	37bps

Key reasons for deviation: Axis Bank reported net profit of ₹71bn (-1% YoY, +9% QoQ), slightly ahead of estimates (+1% vs SMIFS, +2% vs consensus). One-offs in both tax and provisions broadly offset each other, rendering the overall impact largely P&L neutral. Core operating performance remained robust, with NIM at 3.62% (-2bps QoQ), strong loan growth of 18.5% YoY (+6.4% QoQ), healthy fee income momentum (+8% QoQ), controlled opex growth (+6% YoY, +4% QoQ excl. one-offs) and meaningful improvement in asset quality, with slippages, credit costs and NPA ratios all improving in 4Q. Treasury losses, however, weighed on overall other income.

Outlook post results: Looking ahead, we expect above-system loan growth, margin recovery from FY27, sustained fee income momentum, disciplined cost management and benign asset quality to support earnings delivery. However, following the recent rally, upside appears limited.

Key observations and outlook for the sector:

4QFY26 was characterised by strong credit growth, resilient asset quality and improving operating leverage across most banks, although treasury income remained weak amid volatile bond yields and geopolitical uncertainty. Margin performance was mixed during the quarter. Among large-cap banks, Bank of Baroda, HDFC Bank, ICICI Bank and Canara Bank reported margin expansion, while Axis Bank and SBI saw margin pressure due to faster transmission of repo rate cuts. Among small and mid-cap banks, KVB and DCB reported healthy margin expansion, while CSB saw marginal compression.

Loan growth remained robust across the sector, driven by Retail, MSME, Rural and Business Banking segments, with several banks outperforming guidance. Deposit growth improved sequentially, aided by granular mobilisation and easing liquidity conditions. Fee income trends were mixed, while treasury income remained subdued due to MTM losses and weak trading gains. Asset quality trends remained benign, with most banks reporting improving GNPA/NNPA ratios, lower SMA levels and moderated credit costs. Incremental provisioning in some banks was largely prudential in nature, reflecting buffers against macro and geopolitical uncertainty rather than underlying stress. Recoveries and write-backs also remained healthy.

During the quarter, we were positively surprised by KVB and DCB, both of which continued to deliver strong execution with improving profitability, margins and benign asset quality. Among large banks, ICICI Bank and HDFC Bank continued to exhibit strong operating performance, while SBI's earnings were impacted by sharper-than-expected NIM compression despite otherwise healthy trends.

Overall, going forward we expect margin pressure to gradually ease from FY27 onwards as deposit repricing benefits continue to flow through and liquidity conditions improve. Healthy loan growth, resilient fee income, disciplined cost control and benign asset quality should continue to support earnings, although treasury performance may remain volatile in the near term.

Within our banks' coverage, pecking order is - Large caps: HDFC (Buy) > ICICI (Buy) > SBI (Buy) > BOB (Buy) > Axis (Accumulate) > CBK (Accumulate) > PNB (Accumulate). Small/ mid-caps: KVB (Buy) > CSB (Buy) > DCB (Buy).

Insurance

HDFC Life Insurance	Target: INR 760		Previous Target: INR 890			(Rating: Retained Buy)	
Standalone (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Gross premium income	2,64,221	2,40,316	9.95%	1,88,034	40.52%	2,62,215	0.77%
Net premium income	2,58,294	2,37,656	8.68%	1,82,424	41.59%	2,60,608	-0.89%
Total Revenue	1,97,317	2,38,831	-17.38%	2,90,380	-32.05%	3,01,095	-34.47%
Surplus/Deficit after Tax	4,429	1,633	171.17%	-123	-	4,015	10.31%
Profit after Tax	4,957	4,765	4.02%	4,207	17.82%	5,312	-6.68%
Total APE (quarterly)	52,540	51,860	1.31%	39,740	32.21%	53,181	-1.21%
VNB (quarterly)	12,610	13,760	-8.36%	9,550	32.04%	13,029	-3.22%
VNB Margin (quarterly)	24.00%	26.50%	(250)bps	24.03%	(3)bps	24.50%	(50)bps

Key reasons for deviation: APE growth came in below our estimates mainly due to slower Non-Par growth amid heightened competition, weakness in the bancassurance channel, and deferred demand in March amid global uncertainty. VNB margin was also below our estimates, impacted by GST reforms and changes in surrender value regulations, which had a cumulative adverse impact of 1.3% in FY26.

Outlook post results: We anticipate near-term friction in the form of slowing protection growth and market-volatility-driven headwinds for the ULIP business. In FY26, retail protection grew a strong 43% YoY, however, we anticipate this momentum will taper off as the initial boost from GST reforms fades. ULIP grew 27% YoY, but demand may soften in Q1FY27 amid geopolitical uncertainties. We think improvements in bancassurance and agency channel productivity are likely to be gradual. Growth to be aided by the newly launched variable annuity product 'Ajeevan Growth Nivesh and Income'. On the margin front, the GST impact is expected to ease in H1FY27, and higher rider attachment rates should help support margins. However, a heavier ULIP product mix compared to last year will continue to weigh on margins. Meanwhile, we expect Non-Par recovery to remain sluggish due to aggressive market pricing and soft demand. Additionally, upcoming distributor commission regulations remain a key monitorable for future profitability. We expect APE, VNB, and EV to grow at a CAGR of 12.2%, 15.5%, and 15.1%, respectively, over FY26-FY28E.

SBI Life Insurance	Target: INR 2450		Previous Target: INR 2450			(Rating: Retained Buy)	
Standalone (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Gross premium income	2,79,389	2,40,016	16.40%	3,04,495	-8.25%	2,64,177	5.76%
Net premium income	2,76,838	2,38,607	16.02%	3,02,453	-8.47%	2,62,328	5.53%
Total Revenue	56,578	2,41,694	-76.59%	4,58,030	-87.65%	2,82,292	-79.96%
Surplus/Deficit after Tax	21,938	15,632	40.34%	4,273	-	19,686	11.44%
Profit after Tax	8,046	8,135	-1.09%	5,767	39.52%	8,464	-4.93%
Total APE (quarterly)	57,500	54,500	5.50%	86,000	-33.14%	59,187	-2.85%
VNB (quarterly)	16,300	16,600	-1.81%	22,900	-28.82%	16,691	-2.34%
VNB Margin (quarterly)	28.35%	30.46%	(211)bps	26.63%	172 bps	28.20%	15 bps

Key reasons for deviation: SBI Life reported healthy YoY APE growth, though it was below our estimates due to demand deferral amid global uncertainty. VNB margin exceeded our estimates slightly, driven by better-than-expected volume growth and a favourable product mix.

Outlook post results: We expect sustained growth in APE, supported by improved product mix, strategic new product launch, and gains in overall channel productivity. We see the company generating tangible returns from its investments in branding, branch expansion, and digital infrastructure in the intermediate term. ULIP contribution to Total APE moderated to 59% in FY26 (vs. 64% in FY25) and the Non-Par segment has exhibited structural resilience, maintaining a steady 16%-18% contribution over the past three years. The upcoming deferred annuity product should also help drive premium growth. On the margin front, other than IT costs, no major expenses are planned. We expect the cost ratio to be in the range of 10%-11%, and VNB margin to gradually move to 28%-29% from current level of 27.5%. Over the 3-5 years horizon, management anticipates 14% CAGR APE growth, with VNB margin around 27%-28%. We expect APE, VNB, and EV to grow at a CAGR of 12.0%, 14.1%, and 18.6%, respectively, over FY26-FY28E.

Key observation from the sector: The life insurance industry reported a 21.7% YoY rise in new business premiums in Q4FY26. Private insurers posted growth of 32.7%, while LIC recorded an increase of 17.3%. For private players, Total APE and Retail APE grew by 11.7% and 7.8% YoY, respectively, whereas LIC delivered growth of 9.9% in Total APE and Retail APE. Axis Max Life and SBI Life emerged as the strongest performers among the top players in FY26. APE growth remained steady as expected, led by annuity and protection products, and supported by sales of newly introduced products. This was partly offset by weaker business activity in March amid geopolitical tensions. However, life insurers remained focused on improving the branch level profitability & productivity in bancassurance channel, agent activation initiatives, and strengthening online distribution. Growth in Non-Par segment remained slow despite a favourable interest rate environment, and ULIP proportion in FY26 either remained steady or decreased marginally for most private life insurers. VNB margins for HDFC Life and SBI Life stood at 24.0%/24.2% and 28.3%/27.5% in Q4FY26/FY26, respectively, reflecting declines. In contrast, ICICI Prudential Life and Axis Max Life reported improvements in VNB margins on YoY basis, reaching 25.2%/24.7% and 28.2%/25.2%, respectively. Canara HSBC Life's VNB margin stood at 30.5%/22.4% during the same period, registering improvement YoY, while LIC reported margins of 25.6%/21.2% in Q4FY26/FY26, higher YoY. Margins continued to be impacted by GST reforms. In addition, MTM losses led to negative economic variances, resulting in a drag on EV.

Looking ahead, sales momentum is likely to continue with some adverse impact from the geopolitical environment. Non-Par segment is expected to see an uptick due to the low interest rate environment, making it more attractive to customers. Product innovation and revamping should continue across companies. The absence of GST on individual policies, increasing risk awareness, higher disposable incomes, technological advancements, and expansion into Tier 2 and Tier 3 cities are expected to drive insurance penetration in India. We expect the life insurance industry to grow at 10%-12% CAGR in the intermediate term. Distributor commission regulations are a key factor to watch from a growth perspective. That said, we do not foresee any major changes, suggesting a manageable impact on business growth.

On the regulatory front, the insurance industry is preparing for the implementation of Ind AS 117 following a one-year forbearance period. In addition, IRDAI is expected to release a consultation paper on distributor commissions in June 2026, and we anticipate the introduction of Risk-Based Capital (RBC) guidelines in 2027.

Consumer Durables

Symphony	Target: INR 995		Previous Target: INR 1,200			(Rating: Maintain Buy)	
	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Particulars (Rs mn)							
Revenue	3,380	4,880	-30.7%	2,330	45.1%	3,842	-12.0%
EBITDA	500	1070	-53.3%	240	108.3%	484.78	3.1%
EBITDA Margin	14.8%	21.9%	-714bps	10.3%	450bps	12.6%	218bps
Adj PAT	389	790	-50.8%	160	143.1%	364	6.9%

Key reasons for deviation: Symphony reported a weak Q4FY26 performance, with consolidated revenue declining 30.7% YoY to Rs3.4bn and coming in 12.0% below our estimate, primarily due to a sharp slowdown in the domestic business amid a high base and elevated channel inventory levels. India revenues declined 44.8% YoY and were materially below expectations, while the RoW business remained relatively resilient with only a marginal 1.9% YoY decline. Despite the sharp revenue contraction and weak operating leverage, EBITDA stood at Rs500mn with margins at 14.8%, ahead of our estimate, supported by resilient gross margins, disciplined cost-control measures and operating efficiencies. Consequently, adjusted PAT came in ahead of expectations despite the weak demand environment.

Outlook post results: Symphony continues to maintain a structurally strong position in the organised air-cooler market, supported by robust gross margins, healthy cash generation and an asset-light business model. While near-term demand visibility remains dependent on summer intensity, normalization of channel inventory and improving secondary sales trends are expected to support recovery over FY27E–FY28E. The company is also gradually reducing dependence on seasonal demand through the expansion of its Beyond India Summer Portfolio (BISP) and Round-the-Year (RTY) categories, including large-space cooling and water heaters. Furthermore, lower drag from overseas operations following the Australia restructuring, coupled with operating leverage benefits, tighter capital allocation and a sharper focus on profitability-led growth, is expected to drive gradual improvement in earnings quality, margins and return ratios over the medium term.

Key observation from the sector: The consumer cooling appliances sector witnessed a meaningful recovery in demand from mid-April onwards, supported by higher temperatures, improved secondary sales and normalization of channel inventory across RAC and air-cooler categories. However, the industry continues to face pressure from elevated input costs, including plastics, petroleum derivatives, electronics and logistics, limiting the ability to fully pass on cost increases. While demand trends remain healthy, consumer sentiment has turned more cautious amid inflationary pressures and higher fuel prices, creating uncertainty around the sustainability of demand in the coming months. Consequently, companies are increasingly focusing on calibrated price hikes, localisation, premiumisation, non-seasonal product categories and cost optimisation initiatives to balance growth and profitability.

Wire and Ropes

Usha Martin	Target: INR 528		Previous Target: INR 518			(Rating: Maintain Buy)	
	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Particulars (Rs mn)							
Revenue	9,793	8,961	9.3%	9,171	6.8%	9,787	0.1%
EBITDA	2,115	1,396	51.6%	1,759	20.2%	1,802	17.4%
EBITDA Margin	21.6%	15.6%	603bps	19.2%	242bps	18.4%	319bps
Adj PAT	1,478	1,010	46.4%	1,343	10.1%	1,210	22.1%

Key reasons for deviation: Usha Martin reported a strong Q4FY26 performance, with revenue growing 9.3% YoY to Rs9.8bn, broadly in line with our expectations. However, EBITDA increased sharply by 51.6% YoY to Rs2.1bn and significantly exceeded our estimate, driven by a higher contribution from value-added products, favourable product mix, operating leverage and sustained focus on cost optimisation initiatives. EBITDA margins expanded by nearly 600bps YoY to 21.6%, reflecting the company's increasing exposure to specialised applications across crane, mining, oil & offshore and elevator segments, which continue to support realizations and profitability. International markets remained a key growth driver during the quarter, registering 13% YoY growth compared to 4% growth in the domestic business, further supporting the earnings outperformance.

Outlook post results: Management indicated that the temporary softness in Middle East demand during Q4FY26 was largely timing-related, with recovery expected as project activity normalizes. Encouraged by improving business fundamentals and a richer product mix, the company has raised its profitability outlook and now expects EBITDA margins of ~20% to be a sustainable baseline. Usha Martin is targeting medium-term volume growth of ~10–12%, supported by capacity readiness, increasing penetration of value-added products and healthy demand across domestic and international markets. With utilisation levels of around 70–75%, a planned capex of ~Rs3bn over the next two years and a virtually debt-free balance sheet, the company remains well positioned to support future growth. Increasing contribution from specialised products, high entry barriers and operating leverage benefits are expected to drive resilient earnings and strengthen its competitive positioning over the medium term.

Key observation from the sector: India remains well positioned to benefit from the ongoing structural growth cycle in the steel wire rope industry, supported by sustained investments in infrastructure, metros, roads, airports, mining and energy projects. Demand prospects are further aided by increasing urbanisation, renewable energy expansion, marine infrastructure development under Sagarmala and upcoming ropeway projects under the Parvatmala initiative. Industry players continue to focus on increasing the share of value-added and specialised products, which is supporting pricing power, margin resilience and overall business quality. Operationally, improving product mix, stabilising raw material costs and operating leverage benefits are driving profitability improvement. Additionally, global supply-chain diversification away from China, coupled with policy initiatives such as Make in India, is creating meaningful export opportunities across Europe and North America. Usha Martin remains well placed to capitalise on these trends, supported by its strong domestic leadership, integrated manufacturing capabilities, growing international presence and increasing exposure to high-margin applications across oil & gas, offshore, LNG and mining segments.

Wagons & Modern Rail

Jupiter Wagons	Target: INR 337		Previous Target: INR 376			(Rating: Retained BUY)	
Consolidated (Rs Mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	7,802	10,445	-25.3%	8,904	-12.4%	8,400	-7.1%
EBITDA	833	1,527	-45.5%	1,159	-28.1%	1,092	-23.7%
EBITDA Margin	10.7%	14.6%	(395)Bps	13.0%	(234)Bps	13.0%	(232)Bps
Adj PAT	332	1,033	-67.9%	630	-47.3%	620	-46.5%

Key reasons for deviation: The company reported weaker than expected Q4FY26 mainly due to lower than expected wagon volume and thus softer margins.

Outlook post results: JWL reported a weak Q4FY26 and FY26 performance, but management remains optimistic on FY27, with growth expected to be driven by improved wagon execution, commissioning of the integrated wheelset facility, a healthy private-sector order pipeline, potential fresh Indian Railways wagon orders, export opportunities, and continued scale-up across passenger mobility and EV business. Jupiter Electric Mobility (JEM) is targeting revenue of ~Rs 10 bn over next 3-4 years, strengthening the company's diversification strategy. Consequently, we have slightly revised FY27 & FY28 financials downward. We expect company to report Sales/EBITDA/PAT CAGR of ~8%/9%/8% respectively over FY25-FY28E. We continue to value the stock at 30x FY28E EPS of Rs 11.23 to arrive at a target price of Rs 337 and maintain our "BUY" rating on the stock.

Titagarh Rail Systems	Target: INR 1,116		Previous Target: INR 1,093			(Rating: Retained BUY)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	8,754	10,056	-12.9%	8,321	5.2%	8,956	-2.3%
EBITDA	972	1,017	-4.4%	920	5.7%	994	-2.2%
EBITDA Margin	11.1%	10.1%	99 Bps	11.1%	5 Bps	11.1%	-
Adj PAT	540	168	221.4%	533	1.3%	529	2.1%

Key reasons for deviation: Q4FY26 results were in-line with our expectation with continued strength in the Passenger Rail Systems (PRS) segment partly offset by weakness in the Freight Rail Systems (FRS) business. Company posted wagon volume of 1,749 units in Q4FY26 against our expectation of ~1,879 units but with slightly better realization. Passenger coach production for the quarter remained in-line at 24 coaches.

Outlook post results: While freight revenues remained under pressure due to subdued ordering activity and supply-chain disruptions during the year, management reiterated confidence in a recovery supported by expected wagon tenders, normalization of wheelset availability and sustained long-term demand from Indian Railways (IR). Key growth drivers remain intact with the ramp-up in metro coach production, commencement of wheelset manufacturing, progress on the Vande Bharat programme and the development of the shipbuilding business. Additionally, the company has fully exited its Firema investment, resulting in one-time exceptional charges and restated earnings, while removing a long standing drag on profitability and cash flows. We expect company to report Sales/EBITDA/PAT CAGR of ~23%/27%/42% respectively over FY25-FY28E. Thus, we continue to value the stock at 30x FY28E EPS of Rs 37.2 to arrive at a target price of Rs 1,116 and maintain our "BUY" rating on the stock.

Texmaco Rail and Engineering	Target: INR 178		Previous Target: INR 181			(Rating: Retained BUY)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	11,670	13,464	-13.3%	10,416	12.0%	11,422	2.2%
EBITDA	1,064	976	9.0%	887	20.0%	982	8.4%
EBITDA Margin	9.1%	7.2%	187 Bps	8.5%	60 Bps	8.6%	52 Bps
Adj PAT	578	398	45.2%	449	28.7%	507	14.0%

Key reasons for deviation: Texmaco's Q4FY26 revenue came in-line with our expectation. Company reported slightly better EBITDA margins than our expectation due to cost discipline.

Outlook post results: Texmaco appears well positioned for the next phase of growth, supported by improving export traction, strong private wagon demand, expected revival in Indian Railways ordering, and continued momentum in infrastructure and electrification businesses. Under its Texmaco 2.0 / Vision 2030 strategy, the company is steadily transforming into a diversified, technology driven engineering platform with increasing focus on higher-margin and non-cyclical segments such as signalling, defence, metro systems, AI-led digital engineering, and rail infrastructure solutions. Strong balance sheet improvement, strategic global orders from South Africa and Cameroon, and planned investments across emerging businesses are expected to support long term revenue diversification, margin expansion, and improved earnings resilience. Texmaco is expected to post Sales/EBITDA/PAT CAGR of ~5%/8%/13% respectively over FY25-FY28E. Thus, we value the stock at 20x FY28E EPS of Rs 8.9, arriving at a target price of Rs 178, and maintain our "BUY" rating.

Key observation from the sector: Wagon manufacturing witnessed improvement in H2FY26 vs H1FY26, supported by easing wheel set shortages from peak constraints; however, production is yet to return to optimal levels. Industry management commentary indicates that FY27's wagon production is expected to remain above FY26 levels. A large wagon tender from IR is expected in next couple of quarters, which will act as a key catalyst for renewed industry momentum. As on date all the companies are having wagon order book for next couple of quarters.

The Union Budget 2026–27 remains supportive of the rail sector and strong emphasis on electrification, freight capacity enhancement, safety upgrades, and high-speed rail development—driving network expansion and infrastructure modernization. In parallel, listed wagon players are actively diversifying into passenger rolling stock and other non-wagon segments to broaden revenue streams and reduce cyclicity.

Thus, going ahead we continue to remain positive on the wagon and modern rail transit sector with our top pick being Titagarh Rail followed by Texmaco Rail and Jupiter Wagons.

Industrials

Tega Industries	Target: NA		Previous Target: NA			(Rating: Under Review)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	5,268	5,361	-1.7%	4,037	30.5%	5,544	-5.0%
EBITDA	602	1,499	-59.8%	462	30.3%	945	-36.3%
EBITDA Margin	11.4%	28.0%	(1,653)Bps	11.4%	(2)Bps	17.0%	(562)Bps
Adj PAT	427	1,019	-58.1%	197	116.8%	639	-33.2%

Key reasons for deviation: Tega reported revenue was slightly lower than our estimates, while margins were lower due to Molycop acquisition related professional & consultancy charges and higher overhead costs.

Outlook post results: Management reiterated its long-term growth outlook of ~15% CAGR for the consumables business and ~25% YoY growth for the equipment segment in FY27. Management reiterated its blended EBITDA margin guidance of ~21%–22% for the standalone Tega business. The company remains optimistic on the structural demand outlook for mining consumables, supported by rising investments in copper, gold and broader mineral beneficiation projects globally. Tega has completed the acquisition of Molycop and will begin consolidating Molycop's financials from Q1FY27. Given the transformational nature of the transaction and the ongoing integration process, we maintain our "Under Review" rating until greater visibility emerges on the combined entity's financial performance, synergy realization and capital structure.

Cement

The Ramco Cement	Target: INR 994		Previous Target: INR 1239			(Rating: Retained Accumulate)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	26,061	23,920	9.0%	21,015	24.0%	27,174	-4.1%
EBITDA	3,728	3,209	16.2%	2,808	32.8%	4,255	-12.4%
EBITDA Margin	14.3%	13.4%	89Bps	13.4%	94Bps	15.7%	(135)Bps
Adj PAT	850	310	174.2%	53	1503.8%	1,110	-23.4%

Key reasons for deviation: Ramco Cement reported cement sales volume grew by ~3.6% YoY which was in-line with our estimates, while margins were lower due to lower than expected realisation which lead to lower margins.

Outlook post results: Company plans to reach cement capacity of ~31 MTPA by March 2027. Going ahead, we expect EBITDA/ton to improve in FY27 and FY28 driven by improvement in realisations, focus on cost optimisation (increase in share of green power, through better fuel & freight cost) and positive operating leverage. We continue to value the stock at 14x FY28e EV/EBITDA and maintain our "Accumulate" rating.

Key observation from the sector: We remain constructive on the long-term sector outlook on the back of the ongoing sector consolidation. The Indian cement sector is poised for steady growth, with cement demand expected to rise further in FY27 driven by government infrastructure spending and initiatives to boost rural income are expected to drive demand for housing, benefitting cement consumption. As companies shift their focus from consolidation to enhancing organic growth via improved performance, efficiency and margins, cement prices are further expected to rise steadily.

Mid/Small Caps

TCI Express	Target: INR 619		Previous Target: INR 707			(Rating: Retained Buy)	
Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Q4FY26E	Deviation
Revenue	3,281	3,073	6.8%	3,141	4.5%	3,257	0.7%
EBITDA	315	263	19.8%	321	-1.9%	322	-2.2%
EBITDA Margin	9.6%	8.6%	104 Bps	10.2%	(62)Bps	9.9%	(29)Bps
Adj PAT	177	194	-8.8%	220	-19.5%	240	-26.3%

Key reasons for deviation: TCI Express reported revenue & EBITDA for the quarter was in-line while Adj PAT was lower due to higher than expected depreciation expenditure.

Outlook post results: Management remains cautiously optimistic on the outlook and expects double-digit volume growth along with ~15% revenue growth in FY27, supported by improving demand trends, price pass through benefits and continued market share gains across key verticals. It expects gradual margin recovery over the coming quarters despite near-term macro uncertainties and elevated logistics costs. We continue to value the stock at 25x FY28E EPS and maintain our "Buy" rating on the stock.

Huhtamaki India	Target: INR 265		Previous Target: INR 275			(Rating: Maintain Buy)	
Particulars (Rs mn)	Q1CY26	Q1CY25	YoY (%)	Q4CY25	QoQ (%)	Q1CY26E	Deviation
Revenue	6,131	6,099	0.5%	6,225	-1.5%	5,990	2.4%
EBITDA	400	387	3.2%	540	-25.9%	474	-15.6%
EBITDA Margin	6.5%	6.3%	17 Bps	8.7%	(216) Bps	7.9%	(140) Bps
Adj PAT	256	257	-0.6%	303	-15.5%	262	-2.3%

Key reasons for deviation: Huhtamaki's Q1CY26 Revenue was slightly higher, but EBITDA was below our estimates owing to higher other expenses plus higher depreciation than usual & higher other income led to slightly lower PAT than estimates.

Outlook post results: The recent IMD forecast of lower monsoon or even El Nino effect can impact growth in packaging industry. While the Indian flexible packaging industry may be growing at around 10-12%, the company is selectively focusing on customers and product categories aligned with its core strengths in innovation, premiumization, and sustainability. The company expects the inflationary impact at low-to-mid double-digit levels across key raw materials. The company "blueloop" range of products will focus on increasing value-added proportion in its product portfolio, although the pace of growth is slow but will increase going ahead as demand environment improves. This strategy will help the company to regain its lost glory & achieve double digit margins in the next 5-6 years.

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