

HSIE Results Daily

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Results Reviews

- TVS Motor:** TVS Motors' Q4FY26 EBITDA margin came in at 13.1%, including the PLI benefit of ~0.9% (up 20bps QoQ). This was in line with our estimate of 13.1% but above Bloomberg consensus estimate of 12.9%. Traction in the company's product portfolio as well as sustained margin performance continues to impress. In the export markets, it continues to expand its geographic presence as well as product portfolio. While the launch of key Norton models in Q2 should ease a key overhang, the timing is a concern considering global demand headwinds. Additionally, we expect RM cost inflation and logistic challenges to create business headwinds in at least the near term, and hence reduce our target multiple for the core business to 33x Mar-28 EPS (from 34x earlier), leading to a revised target price of INR 3,927, and maintain an ADD rating.
- Tata Motors:** While there is sustained freight activity and correspondingly sustaining transporter profitability, the lack of near to medium-term visibility has already led to customers of larger trucks postponing purchasing to the end of the month, as per management. We expect another pause in the CV upcycle on the back of cost inflation-led price hike, higher inflation led slowdown in the economy, slowdown in export freight, and a likely imminent rise in fuel prices that could dent operator profitability. We value the company on a SOTP basis, with the India CV business valued at (INR 430) 11.5x Mar-28 EV/EBITDA (vs 12x earlier), and the stake in Tata Capital valued at INR 13, for a target price of INR 443; maintain ADD.
- Hindustan Petroleum Corporation:** We maintained BUY rating on Hindustan Petroleum Corporation (HPCL) with a price target of INR 460. We believe the OMCs will pass on the burden of high oil prices to consumers by increasing retail fuel prices. Further, government will compensate OMCs for the LPG under recovery. In FY27, refining business to witness strong performance, owing to robust product spreads, capacity ramp-up and completion of refinery upgradation project. Marketing division shall face challenges in near term. Q4FY26 EBITDA came in at INR89.8bn (+54.7% YoY, +27.9% QoQ), while PAT came in at INR 49.0bn (+20.4YoY, +46.1% QoQ).
- Max Financial Services:** Axis Max Life Insurance (AMLI) reported a strong YoY APE/VNB growth of +20/26% for FY26. VNB margins expanded to 25.2% (+120bps YoY), marginally ahead of our estimates, despite a one-time impact of wage cost (INR0.6bn) and GST ITC disallowance (INR3bn). Growth in retail business was led by strong growth in number of policies (+18% YoY), with average SA per regular policy at INR5.9mn (+20% YoY) and premium to SA multiple at 56.3x, highest amongst the listed insurers. AMLI offset its earlier guidance of 300-350bps impact on VNB margins from the loss of GST ITC, with a mix shift towards non-ULIP segments (FY26: 62.4%; FY25: 55.7%) and rationalization of distributor costs. AMLI sustained growth (+52% YoY) in health and protection business amid its relentless focus on rider attachment (attachment rate at ~37%). We build 16/18% CAGR in the APE/VNB for FY26-28E; maintain ADD with TP of INR1,765 (implied 2x Mar-28E EV prior to 10% hold-co discount, 5% discount to SBILIFE).

HSIE Research Team

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- **Crompton Consumer:** Crompton Consumer's revenue grew 11% YoY to INR 22.8bn in Q4FY26. Electrical consumer durables segment grew by 10% YoY, while lighting and butterfly segments reported healthy 14% and 17% YoY growth. EBITDAM contracted by 110bps YoY to 11.9%, leading to EBITDA and APAT growth of 1% and 8% respectively. The company has recognized an impairment loss of INR 7.1bn on account of investment in Butterfly Gandhimathi. Fans led by strong BLDC momentum delivered record-high volumes in Q4. Lighting volumes grew in double digits across both B2C and B2B segments in Q4FY26. The company noted that cost inflation remains across multiple categories, but it has already taken measured price hikes to largely counter these pressures. Additional efficiency and cost optimization initiatives are expected to further absorb the impact. Management is confident that these actions will support profitability, with EBITDA margins projected to strengthen in FY27. We believe cost inflation is likely to remain a near-term headwind, while strong momentum in the solar business should support overall growth. Accordingly, we broadly maintain our estimates and retain BUY by valuing the stock at 30x Mar'28 EPS at an unchanged TP of INR 335/sh.
- **Paras Defence & Space Technologies:** Paras Defence and Space Technologies Ltd recorded a strong FY26 performance, reflected in 31% revenue growth in FY26 over FY25, led by faster execution of the order book and order wins in the defence engineering segment. EBITDA margin for the year fell sharply to 25.3% due to higher contribution of defence engineering segment in revenue. We expect Paras Defence to continue posting a revenue CAGR of 24% over FY26-FY28E due to the multiple JVs that the company has formed over the quarter to increase its product scope, which helps build in optronics revenue, increasing both revenue and margins. Paras has also acquired a 49% stake in Himanshi Thermals, helping the company build a precision engineering and thermal management orderbook diversifying its revenue streams. Following this, we have tweaked our EPS estimates for FY28E slightly upward. We still believe that even after the JVs and acquisition, the orderbook build-up needs to be monitored before turning optimistic on the stock. With this cloudiness on its orderbook inflow, we continue with a REDUCE rating, arriving at a TP of INR 703 (40x FY28E EPS).

TVS Motor

Headwinds could interrupt the ongoing dream run

TVS Motors' Q4FY26 EBITDA margin came in at 13.1%, including the PLI benefit of ~0.9% (up 20bps QoQ). This was in line with our estimate of 13.1% but above Bloomberg consensus estimate of 12.9%. Traction in the company's product portfolio as well as sustained margin performance continues to impress. In the export markets, it continues to expand its geographic presence as well as product portfolio. While the launch of key Norton models in Q2 should ease a key overhang, the timing is a concern considering global demand headwinds. Additionally, we expect RM cost inflation and logistic challenges to create business headwinds in at least the near term, and hence reduce our target multiple for the core business to 33x Mar-28 EPS (from 34x earlier), leading to a revised target price of INR 3,927, and maintain an ADD rating.

- Domestic demand is sustaining for now:** Management highlighted that demand is sustaining for now, driven by the continuation of most of the GST rate cut benefits. It expects the domestic 2W industry to grow in high single digit in FY27, led by the ICE scooter, e2W and super premium categories, while it expects challenges to continue for the economy segment. It expects to outgrow the 2W industry on the back of its attractive product portfolio.
- Challenges building up:** While it is watching the impact from the West Asia war closely, it is already witnessing RM cost inflation (3-5% impact) for which it has taken price hikes (to offset 35% of the impact). The timely availability of supply and gas is also a challenge, especially as Tier 2 suppliers have been impacted due to labor shortages, though it expects production from Tier 2 suppliers to normalize in a couple of weeks. Container availability is also a challenge, as lead times have gone up by 15%. Besides price hikes, it will also strive to offset the cost inflation via focus on improving product mix, leveraging scale benefits, and continuing cost reduction.
- Exports update:** It indicated that the company's international business continues to do well on the back of the excellent product range and continued strengthening of distribution. It is witnessing encouraging traction in Latin America and seeks to make Latin America a focus market with an aim to outgrow the industry. Despite its stronger presence in Africa, it is still seeing a huge opportunity to advance its business there. Overall, it expects the momentum to continue on the back of new product launches as well as leveraging of existing models, barring any major impact due to the war.
- Norton to ramp up from Q2FY27:** It indicated some key launches for Norton to be around Q2FY27. The products will mainly be for Europe, while a part of it will also be focused for India. While one high-end model is planned for the Solihull plant in the UK, many of the other models will be made at the Hosur plant in India. It indicated that product development expenses will continue in FY27 as well, though at a reduced level.

Quarterly/annual financial summary

YE Mar (INR mn)	4Q FY26	4Q FY25	YoY (%)	3Q FY26	QoQ (%)	FY26	FY27E	FY28E
Net Sales	1,28,076	95,504	34.1	1,24,763	2.7	4,72,703	5,32,008	6,15,714
EBITDA	16,795	13,326	26.0	16,341	2.8	60,794	67,723	83,772
EBITDA %	13.1	14.0	-85bps	13.1	2bps	12.9	12.7	13.6
APAT	9,977	8,521	17.1	9,714	2.7	36,566	41,919	53,607
Diluted EPS (INR)	21.0	17.9	17.3	20.4	2.9	77.0	88.2	112.8
P/E (x)						45.8	40.0	31.3

Source: Company, HSIE Research

ADD

CMP (as on 13 May 2026)	INR 3,527
Target Price	INR 3,927
NIFTY	23,413

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 4,094	INR 3,927
EPS %	FY27E	FY28E
	-2.5%	-1.4%

KEY STOCK DATA

Bloomberg code	TVSL IN
No. of Shares (mn)	475
MCap (INR bn) / (\$ mn)	1,676/17,508
6m avg traded value (INR mn)	2,961
52 Week high / low	INR 3,970/2,655

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.7)	2.2	30.0
Relative (%)	1.0	13.9	38.1

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	50.27	50.27
FIs & Local MFs	18.29	18.83
FPIs	23.09	22.57
Public & Others	8.35	8.33
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Tata Motors

Another pause in the CV upcycle likely

While there is sustained freight activity and correspondingly sustaining transporter profitability, the lack of near to medium-term visibility has already led to customers of larger trucks postponing purchasing to the end of the month, as per management. We expect another pause in the CV upcycle on the back of cost inflation-led price hike, higher inflation led slowdown in the economy, slowdown in export freight, and a likely imminent rise in fuel prices that could dent operator profitability. We value the company on a SOTP basis, with the India CV business valued at (INR 430) 11.5x Mar-28 EV/EBITDA (vs 12x earlier), and the stake in Tata Capital valued at INR 13, for a target price of INR 443; maintain ADD.

- Quarterly performance:** Standalone EBITDA margin at 13.5% was broadly in line with ours and Bloomberg consensus estimates. The improvement in margin QoQ (up 70bps) was led by better operating leverage, favorable product mix and disciplined cost management efforts though which was partially negated by commodity inflation.
- Demand to moderate in FY27:** Management has guided for single-digit growth for the domestic CV industry in FY27 considering likely imminent fuel price hike, general inflation and possible CV price hikes.
- Export headwinds:** It highlighted that there has been no shipment to the Middle East in the last two months, while it continues to look for alternate routes. It is also seeking to ramp up sales in other export markets and believes that execution of the large order from Indonesia should help cushion export headwinds in light of the West Asia war. On the 70k units order from Indonesia, it specified that the products have been homologated and that the first shipment is already in transit.
- Cost inflation on the rise:** It indicated a 100bps RM cost impact in Q4, with a larger impact to hit in Q1. To partially negate the cost inflation, it has taken a 2% price hike in April. It mentioned that it will be judicious in further price hikes as it will seek to minimize the consequent impact on demand. It will instead work to increase the value proposition for the customer.
- Q1 plans:** It will strive to drive the demand for heavy trucks via leveraging its higher payload and fuel efficient variants, for buses via scaling government tender procurement and execution capabilities, while it will look to sustain growth for SCV across the portfolio.
- IVECO deal closure delayed:** It now expects the IVECO deal closure to happen in Q2FY27, as the last two financial regulatory approvals are pending from France and Spain.

Quarterly/annual financial summary

YE Mar (INR mn)	4Q FY26	4Q FY25	YoY (%)	3Q FY26	QoQ (%)	FY26	FY27E	FY28E
Net Sales	2,44,520	1,99,990	22.3	2,04,040	19.8	8,38,550	8,93,560	10,08,135
EBITDA	33,070	24,380	35.6	26,060	26.9	99,350	1,02,301	1,27,835
EBITDA %	13.5	12.2	134bps	12.8	76bps	11.8	11.4	12.7
APAT	21,860	16,470	33	21,060	4	41,890	60,769	80,290
EPS (INR)	5.9	4.5	32.7	5.7	3.8	11.4	16.5	21.8
P/E						33.7	23.3	17.6
EV/EBITDA						13.5	13.0	10.2

Source: Company, HSIE Research

ADD

CMP (as on 13 May 2026)	INR 384
Target Price	INR 443
NIFTY	23,413

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 452	INR 443
	FY27E	FY28E
EPS %	-2.3%	-0.9%

KEY STOCK DATA

Bloomberg code	TMCV IN
No. of Shares (mn)	3,682
MCap (INR bn) / (\$ mn)	1,415/14,783
6m avg traded value (INR mn)	5,848
52 Week high / low	INR 509/306

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(20.6)	19.8	-
Relative (%)	(10.9)	31.5	-

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	42.56	42.56
FIs & Local MFs	17.17	17.84
FPIs	18.29	19.03
Public & Others	21.98	20.57
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Hindustan Petroleum Corporation

Strong performance by refining and marketing

We maintained BUY rating on Hindustan Petroleum Corporation (HPCL) with a price target of INR 460. We believe the OMCs will pass on the burden of high oil prices to consumers by increasing retail fuel prices. Further, government will compensate OMCs for the LPG under recovery. In FY27, refining business to witness strong performance, owing to robust product spreads, capacity ramp-up and completion of refinery upgradation project. Marketing division shall face challenges in near term. Q4FY26 EBITDA came in at INR89.8bn (+54.7% YoY, +27.9% QoQ), while PAT came in at INR 49.0bn (+20.4YoY, +46.1% QoQ).

- Refining:** HPCL reported crude throughput of 6.43mmt (-4.6% YoY, +0.78% QoQ). Reported GRMs at USD 14.3/bbl (+69.1YoY, +61.2 QoQ). The refining segment to report strong performance in FY27, owing to (1) strong product cracks and (2) Refinery Upgradation Facility (RUF) project shall increase product yield at Vizag refinery. The company has commissioned RUF project at Vizag during the quarter. We expect standalone core GRMs of USD10/bbl as against estimated core GRM of USD8.6/bbl in FY26. Low-cost crude oil inventory improved company's performance in Q4.
- Marketing:** Marketing sales volume was 13mmt (-2.5% YoY, +2.4% QoQ). The estimated blended gross marketing margin for the quarter stood at INR6.3/lit (+32.8% YoY, -1.1% QoQ).
- Conference call takeaways:** (1) HPCL has secured two months of crude oil supply currently, which is in line with company's policy. The company maintains 30 and 45 days of crude oil inventory for Mumbai and Vizag refinery respectively. As per the management, despite a fall in global crude oil production by more than 10mbpd, enough cargoes are available albeit at premium. The cost of freight and insurance has gone up significantly. (2) LPG under recovery for FY26 stood at INR52bn while it was INR13.5bn for Q4. The under recovery for Q1FY27 is INR33bn as of now. In April, LPG under recovery was INR170/cylinder and it has increased to INR670/cylinder in May. (3) **Capex:** INR46.1bn in Q4 and INR157bn in FY26. (4) HPCL Rajasthan Refinery Limited (HRRL): Crude cut-in at CDU-VDU commenced and 176 TMT crude processed during trial run in Feb'2026. It will take three months for this refinery to be able to operate at full capacity. However, till the petchem plant comes online, the output will be restricted to around 8 MMTPA. (6) HMEI reported EBITDA of INR 68bn in FY26.
- Valuation and change in estimates:** We expect the company to witness correction in marketing margins in FY27 compared to FY26 owing to sharp increase in product prices. These losses will be partially compensated by refining business and increase in retail fuel prices. We have raised our crude oil assumption to USD90/85bbl for FY27/28E from USD70/bbl. We have revised our EPS estimates downward by 33/28% for FY27 and FY28 to INR 62.5/79.2 per share. Our SOTP target price of INR460 is based on 4x Mar-27E EV/EBITDA for standalone refining, 4.5x Mar-27E EV/EBITDA for marketing and pipeline business and INR 165/sh for other investments.

Standalone financial summary

YE March (INR bn)	4QFY26	3QFY26	QoQ(%)	4QFY25	YoY(%)	FY25*	FY26P*	FY27E*	FY28E*
Revenue	1,148	1,151	(0.2)	1,095	4.9	4,341	4,418	5,602	5,698
EBITDA	90	70	27.9	58	54.7	166	306	258	302
APAT	49	41	20.4	34	46.1	67	180	133	168
AEPS (INR)	23.0	19.1	20.4	15.8	46.1	31.6	84.8	62.5	79.2
P/E (x)						12.3	4.6	6.2	4.9
EV / EBITDA (x)						8.8	4.3	5.0	4.0
RoE (%)						13.7	30.9	24.8	20.0

Source: Company, HSIE Research | *Consolidated

Changes in estimates

YE March	FY27E			FY28E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	345.1	257.9	(25.3)	375.0	301.9	(19.5)
EPS	93.9	62.5	(33.4)	109.5	79.2	(27.7)

Source: HSIE Research

BUY

CMP (as on 13 May 2026)	INR 390
Target Price	INR 460
NIFTY	23,413

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 579	INR 460
EPS change	FY26E -33.4%	FY27E -27.7%

KEY STOCK DATA

Bloomberg code	HPCL IN
No. of Shares (mn)	2,128
MCap (INR bn) / (\$ mn)	830/8,672
6m avg traded value (INR mn)	2,688
52 Week high / low	INR 508/316

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(13.3)	(19.7)	0.3
Relative (%)	(3.6)	(8.1)	8.4

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	54.90	54.90
FIs & Local MFs	20.66	19.57
FPIs	16.36	17.27
Public & Others	8.08	8.26
Pledged Shares	0.0	0.0

Source : BSE

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Max Financial Services

A year of strong execution

Axis Max Life Insurance (AMLI) reported a strong YoY APE/VNB growth of +20/26% for FY26. VNB margins expanded to 25.2% (+120bps YoY), marginally ahead of our estimates, despite a one-time impact of wage cost (INR0.6bn) and GST ITC disallowance (INR3bn). Growth in retail business was led by strong growth in number of policies (+18% YoY), with average SA per regular policy at INR5.9mn (+20% YoY) and premium to SA multiple at 56.3x, highest amongst the listed insurers. AMLI offset its earlier guidance of 300-350bps impact on VNB margins from the loss of GST ITC, with a mix shift towards non-ULIP segments (FY26: 62.4%; FY25: 55.7%) and rationalization of distributor costs. AMLI sustained growth (+52% YoY) in health and protection business amid its relentless focus on rider attachment (attachment rate at ~37%). We build 16/18% CAGR in the APE/VNB for FY26-28E; maintain ADD with TP of INR1,765 (implied 2x Mar-28E EV prior to 10% hold-co discount, 5% discount to SBILIFE).

- **Likely to become third largest amongst private players:** IRNB growth (1.5x private players) continued to outpace private life insurers, led by non-AXSB banca partnerships (+41% YoY), while the proprietary channels grew +28% YoY. The AXSB channel continued to show signs of growth fatigue (+8% YoY), despite management guiding for growth rebound on a soft base. Given the current IRNB growth trends, we believe AMLI will surpass TATAAIA in FY27E to become the third-largest life insurer amongst private life insurers.
- **Retail protection growth further strengthens:** AMLI continued to increase its mix of term insurance within individual APE to 13.3% (FY25: 10.4%), with its relentless focus on pure protection and rider attachments. Given significant growth in protection business (FY26: 51%) in proprietary channels, we expect the share of term insurance to average mid-teens over FY27-FY28E. Amongst listed players, AMLI has the highest share of term business in individual APE.
- **Sustaining growth levels remains key to valuation:** Management aspires for IRNB growth to be 500bps higher than the industry, while current valuation factors in a topline growth in its high teens. We believe this growth is crucial for sustaining the current valuation multiple.

Financial summary

Particulars	FY26	FY25	% chg	9MFY26	FY27E	FY28E
APE	105.0	87.7	19.7	69.1	121.7	142.3
VNB	26.5	21.1	25.6	16.3	31.3	37.1
VNB Margin	25.2%	24.0%	120bps	23.6%	25.7%	26.1%
EV	288.7	251.9			350.2	415.4
P/EV(X)	2.6	3.0			2.2	1.8
P/VNB(X)	28.7	36.1			24.3	20.5
ROEV%	17.5	19.1			18.8	18.6

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% chg	New	Old	% chg
APE	121.7	124.5	-2.3	142.3	144.4	-1.4
VNB	31.3	31.9	-2.0	37.1	37.6	-1.4
VNB Margin (%)	25.7%	25.6%	6bps	26.1%	26.1%	1bps
EV	350.2	351.8	-0.4	415.4	417.5	-0.5

Source: Company, HSIE Research

ADD

CMP (as on 13 May 2026) INR 1,598

Target Price INR 1,765

NIFTY 23,413

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,750	INR 1,765
VNB %	FY27E -2.0%	FY28E -1.4%

KEY STOCK DATA

Bloomberg code	MAXF IN
No. of Shares (mn)	345
MCap (INR bn) / (\$ mn)	551/5,762
6m avg traded value (Rs mn)	1,364
52 Week high / low	INR 1,893/1,274

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(12.4)	(6.4)	23.9
Relative (%)	(2.7)	5.3	31.9

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	1.3	1.3
FIs & Local MFs	45.1	47.9
FPIs	47.4	44.7
Public & Others	6.3	6.1
Pledged Shares	Nil	Nil

Source : BSE

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Crompton Consumer

Decent performance; cost inflation remains a challenge

Crompton Consumer's revenue grew 11% YoY to INR 22.8bn in Q4FY26. Electrical consumer durables segment grew by 10% YoY, while lighting and butterfly segments reported healthy 14% and 17% YoY growth. EBITDAM contracted by 110bps YoY to 11.9%, leading to EBITDA and APAT growth of 1% and 8% respectively. The company has recognized an impairment loss of INR 7.1bn on account of investment in Butterfly Gandhimathi. Fans led by strong BLDC momentum delivered record-high volumes in Q4. Lighting volumes grew in double digits across both B2C and B2B segments in Q4FY26. The company noted that cost inflation remains across multiple categories, but it has already taken measured price hikes to largely counter these pressures. Additional efficiency and cost optimization initiatives are expected to further absorb the impact. Management is confident that these actions will support profitability, with EBITDA margins projected to strengthen in FY27. We believe cost inflation is likely to remain a near-term headwind, while strong momentum in the solar business should support overall growth. Accordingly, we broadly maintain our estimates and retain BUY by valuing the stock at 30x Mar'28 EPS at an unchanged TP of INR 335/sh.

- Q4FY26 highlights:** Revenue grew 11% YoY to INR 22.8bn. Electrical consumer durables segment (77% revenue mix) grew by 10% YoY, while lighting and butterfly segments (14% and 9% revenue mix) reported healthy 14% and 17% YoY growth. Fans, led by strong BLDC momentum, delivered record-high volumes in Q4. Lighting volumes grew in double digits across both B2C and B2B segments in Q4FY26. Gross margins contracted by 240bps to 31.6% (-60bps QoQ). ECD EBIT margin declined 120bps YoY (+250bps QoQ) to 15.5%, while Lighting/Butterfly witnessed 370bps/60bps YoY margin contraction (+10/+30bps QoQ) to 12.2/6.2% respectively. So, EBITDAM contracted by 110bps YoY to 11.9% (+160bps QoQ). Consequently, EBITDA grew 1% YoY, while APAT grew 7%, supported by lower tax rate. The company has recognized an impairment loss of INR 7.1bn on account of investment in Butterfly Gandhimathi.
- Earnings call takeaways and outlook:** The company noted that cost inflation remains across multiple categories, but it has already taken measured price hikes to largely counter these pressures. Additional efficiency and cost optimization initiatives are expected to further absorb the impact. Management is confident that these actions will support profitability, with EBITDA margins projected to strengthen in FY27. The solar business continues to gain traction, with a revenue target of ~INR 25bn over the next 3-4 years. Additionally, management indicated a favourable start to the summer season, with encouraging demand trends in Q1FY27. We broadly maintain our estimates and retain BUY by valuing the stock at 30x Mar'28 EPS at an unchanged TP of INR 335/sh.

Financial summary

(INR mn)	Q4 FY26	Q4 FY25	YoY (%)	Q3 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Net Sales	22,833	20,608	10.8	18,983	20.3	73,128	78,641	80,955	91,055	1,01,901
EBITDA	2,707	2,675	1.2	1,953	38.6	7,137	9,013	8,274	9,882	11,454
APAT	1,821	1,695	7.5	1,134	60.7	4,399	5,560	5,043	6,126	7,193
EPS (INR)	2.8	2.6	7.5	1.8	60.7	6.8	8.6	7.8	9.5	11.2
P/E (x)						42.8	33.9	37.4	30.8	26.2
EV / EBITDA (x)						25.9	20.1	21.4	17.9	15.0
RoE (%)						13.4	15.2	13.8	16.8	17.5

Source: Company, HSIE Research

BUY

CMP (as on 13 May 2026)	INR 284
Target Price	INR 335
NIFTY	23,413

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 335	INR 335
	FY27E	FY28E
EPS %	-0.4	0.6

KEY STOCK DATA

Bloomberg code	CROMPTON IN
No. of Shares (mn)	644
MCap (INR bn) / (\$ mn)	183/1,916
6m avg traded value (INR mn)	962
52 Week high / low	INR 364/217

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.5	2.2	(14.0)
Relative (%)	16.2	13.9	(5.9)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	0.00	0.00
FIs & Local MFs	65.73	66.11
FPIs	20.55	20.49
Public & Others	13.72	13.40
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Paras Defence & Space Technologies

Defense engineering segment drives growth

Paras Defence and Space Technologies Ltd recorded a strong FY26 performance, reflected in 31% revenue growth in FY26 over FY25, led by faster execution of the order book and order wins in the defence engineering segment. EBITDA margin for the year fell sharply to 25.3% due to higher contribution of defence engineering segment in revenue. We expect Paras Defence to continue posting a revenue CAGR of 24% over FY26-FY28E due to the multiple JVs that the company has formed over the quarter to increase its product scope, which helps build in optronics revenue, increasing both revenue and margins. Paras has also acquired a 49% stake in Himanshi Thermals, helping the company build a precision engineering and thermal management orderbook diversifying its revenue streams. Following this, we have tweaked our EPS estimates for FY28E slightly upward. We still believe that even after the JVs and acquisition, the orderbook build-up needs to be monitored before turning optimistic on the stock. With this cloudiness on its orderbook inflow, we continue with a REDUCE rating, arriving at a TP of INR 703 (40x FY28E EPS).

- Q4FY26 highlights:** The revenue for this quarter was heavy, with the defense engineering segment contributing 65% of total revenue of Q4FY26 and optics & optronic systems contributing 35%. The operating margin for defence engineering is ~20% and for optronics ~44%; due to defence engineering's heavy contribution to this quarter, we see a large dip in margins for Q4FY26.
- FY26 highlights:** Revenue at INR 4,766mn (a 7% beat), EBITDA at INR 1,205mn (miss by 1.6%) and APAT at INR 866mn (beat by 0.5%). The miss in EBITDA came due to ~60% revenue contribution by defence engineering and ~40% by Optronics; Defence Engineering commanding a lower operating margin led to EBITDA margin contracting to 25.3% in FY26 (FY25 at 26.7%).
- Joint ventures and acquisition of Himanshi Thermal:** Paras Defense has entered multiple joint ventures this quarter. It signed a MoU with Complus Systems and JV Micronics to pursue opportunities in manufacturing and servicing Anechoic chambers and semi-anechoic chambers. Paras Defence has also entered a JV with Bandak Aviation Inc. DBA Northstar, US, to supply and support Northstar products such as air-to-air refueling systems. It signed an MoU with Green Optics LTD., South Korea to design and manufacture next gen optics and optical systems for space and defence. It has completed the acquisition of 49% equity of Himanshi Thermal Solutions from DefSpace Technologies and is engaged in the business of manufacturing fabricated metal products and liquid cold plates for space and airborne applications. All these JVs and acquisitions expand the company's scope of products, allowing them to grab a larger part of defence & space orders while also increasing participation in active projects.

Financial Summary

(INR mn)	Q4FY26	Q4FY25	YoY	Q3FY26	QoQ	FY25	FY26	FY27E	FY28E
Net Revenues	1,713	1,082	58%	1,064	61%	3,647	4,766	5,888	7,313
EBITDA	517	323	60%	285	81%	972	1,205	1,515	1,933
APAT	389	208	87%	173	125%	615	866	1,104	1,416
Diluted Consol EPS (INR)	4.3	4.9	-13%	2.3	89%	8.0	10.9	13.7	17.6
P/E (x)						99.2	72.7	58.0	45.2
EV/EBITDA						32.0	52.4	41.3	32.3
RoE (%)						11.4%	12.7%	14.2%	15.8%

Source: Company, HSIE Research

REDUCE

CMP (as on 13 May 2026)	INR 794
Target Price	INR 703
NIFTY	23,413

KEY CHANGES	OLD	NEW
Rating	Reduce	Reduce
Price Target	INR 665	INR 703
EPS Change %	FY27E 0.7%	FY28E 5.8%

KEY STOCK DATA

Bloomberg code	PARAS IN
No. of Shares (mn)	81
MCap (INR bn) / (\$ mn)	64/669
6m avg traded value (INR mn)	1,125
52 Week high / low	INR 973/580

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	24.1	10.5	11.9
Relative (%)	33.9	22.2	20.0

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	53.2	53.2
FIs & Local MFs	1.28	1.24
FPIs	4.92	5.06
Public & Others	40.61	40.52
Pledged Shares	-	-

Source : BSE

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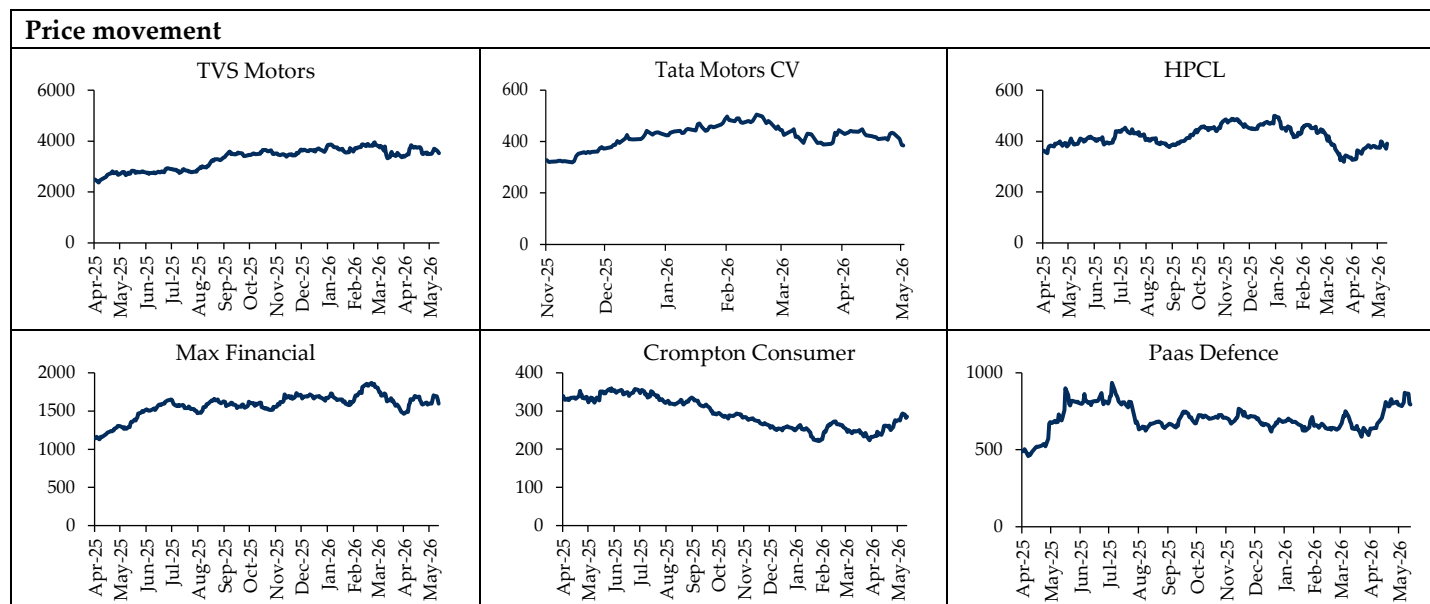
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Rating Criteria

BUY: >+15% return potential
 ADD: +5% to +15% return potential
 REDUCE: -10% to +5% return potential
 SELL: > 10% Downside return potential

Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Hitesh Thakurani	TVS Motor, Tata Motors	MBA	NO
Shubhangi Kejriwal	TVS Motor, Tata Motors	MSc	NO
Nilesh Ghuge	Hindustan Petroleum Corporation	MMS	NO
Aditya Iyer	Hindustan Petroleum Corporation	PGDM	NO
Krishnan ASV	Max Financial Services	PGDM	NO
Shobhit Sharma	Max Financial Services	CA	NO
Keshav Lahoti	Crompton Consumer	CA, CFA	NO
Rajesh Ravi	Crompton Consumer	MBA	NO
Mahesh Nagda	Crompton Consumer	CA	NO
Riddhi Shah	Crompton Consumer	MBA	NO
Amit Kumar	Paras Defence & Space Technologies	CFA	NO
Nikunj Khetan	Paras Defence & Space Technologies	PGDM	NO
Aryan Singh Dalal	Paras Defence & Space Technologies	BCom	NO



Disclosure:

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