

HSIE Results Daily

Contents

Results Reviews

- DLF:** DLF reported a quarter with pre-sales of INR 39.7bn (+95.4%/+8x YoY/QoQ) primarily driven by Dahlias. Collections remained strong at INR 33bn (-0.6%/-30.5% YoY/QoQ) on the back of strong execution. DLF guided for FY27 presales of INR 200-220bn, consistent with the trajectory of the prior two years, backed by a launch pipeline of ~INR 200bn. The key planned launches include a major DLF City project in the INR 80-90bn range, DLF The Arbour (senior living), the next phase of Westpark Mumbai, a foray into Goa, and continued sales from The Dahlias with management confident that the ~INR 130-140bn of unactivated pipeline is sufficient to reach the stretched target. On the commercial and retail front, Atrium Place (a JV with Hines) is fully leased with OC in place, while three malls are expected to turn operational or fully leased in the near term. DLF's overall presales momentum is expected to remain steady at INR 200bn+, driving ~2x growth in both PAT and cash flows by FY30. With significant embedded potential from its existing land bank, DLF continues to generate healthy margins, targeting 45%+ gross margins in the medium term. We maintain BUY on DLF with a TP of INR 709/share.
- Tata Motors Passenger Vehicles:** JLR continues to face headwinds with demand uncertainty in China and the Middle East, and moderating demand in the UK and Europe. VME continues to remain elevated to support sales, and while Q4 was a rebound quarter post the cyberattack incident, we remain concerned on both the demand and supply side for FY27. The India PV segment though continues to do well and is expected to benefit from the ramp-up of the new products launched in H2FY26, leading to better operating leverage and improved mix. We value the company on a SOTP basis, with JLR valued at (INR 75) 2x Mar-28 EV/EBIT, the India PV business valued at (INR 271) 23x Mar-28 EPS, and the stake in Tata Technologies valued at INR 29, for a target price of INR 375. Maintain REDUCE.
- Voltas:** Voltas reported modest revenue growth of 3% YoY in Q4FY26 to INR 48.9bn, primarily impacted by 1% YoY growth in the UCP segment, while EMPS and EPS segments grew 5% and 27% YoY, respectively. EBITDA margin contracted sharply by 250bps to 4.5%, leading to a 34% YoY decline in EBITDA, while APAT fell by 52% YoY. Management highlighted a strong start to the summer season, with robust sales in March and continued momentum through Q1, albeit on a low base. The company has implemented multiple price hikes to tackle the commodity cost inflation. Management expects the RAC industry volume to grow by 15-20% in FY27, aided by a low base. While we broadly maintain our revenue estimates for FY27/28E following in-line Q4 topline performance, persistent raw material inflation remains a margin headwind; accordingly, we reduce our APAT estimates by 8/2% for FY27/28E. We maintain ADD with a revised target price of INR 1,320/share, based on SOTP valuation, with the UPC/EMPS/EPS segments valued at 40/18/18x at Mar'28 EPS, respectively, and the Voltas Beko JV at 2x P/S (implying ~40x Mar-28E EPS).
- LIC Housing Finance:** LIC Housing Finance's (LICHF) Q4FY26 earnings were higher than our estimates due to reflation in NIM and lower credit costs (11bps). Business momentum witnessed an uptick (disbursements up by +10% YoY; 31% QoQ); however, higher run-off rates led to subdued loan

HSIE Research Team

hdfcsec-research@hdfcsec.com

growth of 4.2% YoY. Management has indicated double-digit loan growth going ahead, driven by strong disbursement growth in retail segment. However, elevated competitive intensity in the core home loans segment, moderate demand amidst global uncertainties, and prioritization of margins over loan growth are likely to weigh on loan growth. However, the current subdued valuations (0.6x Mar-28 ABVPS) provide a favorable risk-reward. We revise our FY27E-FY28E earnings estimates to factor in higher margins and maintain ADD with a revised RI-based TP of INR 655 (implying 0.8x Mar-28 ABVPS).

- **The New India Assurance Company:** NIACL printed NEP growth at 7%, in line with of our estimates, as PAT clocked in ahead of our estimates, driven by reversal in tax provision and higher other income (~INR2.6bn), partly offset by additional provision for family pension (~INR9bn) and higher motor loss ratios. NIACL maintained its GI leadership position with a share of 12.8% (FY25: 12.6%), primarily led by the group health segment (+12% YoY). NIACL continued to recalibrate its motor portfolio, which was largely skewed towards the commercial vehicle segment. We believe PSU insurers seldom exercise the right of refusal, resulting in inferior profitability outcomes. After a strong show on profitability during FY25, NIACL's FY26 CoR has continued to disappoint due to higher loss ratio in the motor segments, one-off impact from wage arrears, and large catastrophic losses. Our forecasts imply 9/21% NEP/PAT CAGR over FY26-28E, led by better underwriting performance and moderation in float income from the investment book (AUM ~INR0.8trn). We maintain ADD with a revised TP of INR180 (0.7x Mar-28 BV).
- **Kaynes Technology:** Kaynes' revenue grew 26% YoY to INR 12.4bn, driven mainly by the automotive, industrial, and IoT/IT segments, which grew 19%, 31%, and 54% YoY, respectively. EBITDAM contracted by 150bps YoY to 15.6%, leading to EBITDA growth of 15% YoY, while APAT declined by 21% YoY, impacted by increased depreciation and higher tax rate. Operating cash flow further deteriorated to negative INR 6bn in FY26 (vs. -INR 0.8bn in FY25), reflecting high receivables in smart metering business. Management expects the EMS industry to grow at ~15-16%, while guiding for its own EMS segment to expand at ~2x the industry rate in FY27. The company expects INR 2.5-3/3-4bn revenue contribution from OSAT/PCB in FY27. Management expects EBITDA margin to improve in FY27. In our view, weak operating cash flow combined with high capex reflects poorly on the company's overall cash flow profile. Considering weaker-than-expected Q4 performance, we cut our revenue estimates by 9-10% each, and APAT estimates by 24% each for FY27/28E. We maintain REDUCE with a lower TP of INR 3,280/sh, based on DCF valuation (WACC: 12.5%, terminal growth: 5%), implying ~42x P/E on Mar-28E EPS.
- **Metropolis Healthcare:** EBITDA growth (29% YoY; organic growth at 27%) was mainly led by a 23% YoY increase in sales (+15% YoY organic rise). Patient/test volumes grew by 11/14% YoY and realization per patient/test improved by 11/8%. In FY27, Metropolis expects (1) ~15% sales growth, led by 8-9% volume and 5-6% realization growth, (2) steady organic growth and strong scale-up in acquired businesses, and (3) 100-125bps EBITDA margin expansion (24.4% in FY26), led by operating leverage and Core Diagnostics improvement (ended FY26 with single-digit margin and is targeting 20%+ margin over next 2-3 years). Aspiration for the next three years: (a) 14-15% sales CAGR, (b) 27-28% EBITDA margin, (c) ~25% TruHealth (wellness) contribution (19% in FY26), (d) addition of 100+ mini hubs (equipped with pathology and radiology services) – 50 new hubs and 50 hubs by upgrading existing centers, (e) improve Lab: centers ratio to 1:35 (vs 1:24 in FY26), and (f) improve mature center productivity by 20% (FY26 productivity at INR

0.35-0.4mn per center). The company sees Genomics (two centers each at Mumbai and Gurugram) as a future growth driver, with focus on oncology, reproductive health, and hereditary disorders space. The company has deferred the price increase (to pass on GST benefits) in the near term but is open for price hikes if needed. Having completed its investment phase (to add a few labs in FY27E), Metropolis is focusing on execution and margin expansion. Initiatives like network expansion, diversifying test portfolios, wellness packages, genomic scale-up, pursuing smaller M&As, gaining share in focused cities, and boosting B2C presence are expected to drive sales and margin. Factoring guidance, we have raised EPS by 2/6% for FY27/28E and revised TP to INR 600 (41x FY28E EPS). ADD stays.

- **Clean Science and Technology:** We maintain our REDUCE rating on Clean Science and Technology (CSTL) with a price target of INR 776 owing to (1) slower than expected ramp-up in HALS portfolio and (2) pricing pressure in the high margin MEHQ value chain from Chinese competitors. We expect EPS to grow from INR 21.6 in FY26 to INR 35.7 in FY29 at a CAGR of 18% and RoE to improve from 15.3% in FY26 to 17.2 % in FY29. Stock is trading at 34/28x FY27/28E, which we believe is contextually high. Q4 EBITDA was 20% above our expectation owing to higher-than-expected revenue and lower than estimated employee expenses. APAT was 8% above our estimates.
- **Dilip Buildcon:** Dilip Buildcon (DBL) reported revenue/EBITDA/APAT beat/(miss) of -2.1/10.2/28.5% respectively. DBL expects FY27 revenue growth at 30-40% after a dismal FY26 performance, with EBITDA margin of 11-12% and order inflow (OI) target of INR100-120bn. Capex is expected to be stable (INR 1bn annually), focused mainly on replacement needs. DBL business model is pivoting toward long-term assets contributing about 75% to profits and EPC at 25% by FY29. Balance sheet is expected to go through a robust transformation from net debt to net cash at standalone level by FY28. This will be on back of strong cash flows from mining business and InvIT distributions. Future investment in renewables business is being premised at keeping 15% stake and getting investors on board. Given the slower execution and commodity headwinds, we have cut our FY27/28 EPS estimates. We retain ADD with an increased SOTP-based TP of INR 554 (12x Mar-28E EPS, 1.1x P/BV HAM equity investment).
- **Sagar Cements:** We maintain ADD on Sagar Cements (SGC), with a lower TP of INR 255/share (valued at an average of 6.5x FY28E EBITDA and FY28E EV/MT of USD 65/MT). In Q4FY26, SGC reported 11% YoY volume growth, supported by strong ~42% YoY growth at its Andhra subsidiary. Cement price recovery and incentive accrual at the Satguru subsidiary, along with stable opex QoQ, led to a INR 176/MT QoQ improvement in profitability to unit EBITDA of INR 425/MT. SGC has guided for completion of its ongoing expansions by end FY27, alongside land monetisation over FY27-28E. We estimate consolidated volumes to grow at a 11% CAGR over FY26-28E, with margins improving to INR 529/MT in FY28E (from INR 462/MT in FY26). We also expect net debt/EBITDA to decline to 3.3x by Mar'28, from 5.8x in Mar'25.

DLF

Sustenance driving the sales momentum

DLF reported a quarter with pre-sales of INR 39.7bn (+95.4%/+8x YoY/QoQ) primarily driven by Dahlias. Collections remained strong at INR 33bn (-0.6%/-30.5% YoY/QoQ) on the back of strong execution. DLF guided for FY27 presales of INR 200-220bn, consistent with the trajectory of the prior two years, backed by a launch pipeline of ~INR 200bn. The key planned launches include a major DLF City project in the INR 80-90bn range, DLF The Arbour (senior living), the next phase of Westpark Mumbai, a foray into Goa, and continued sales from The Dahlias with management confident that the ~INR 130-140bn of unactivated pipeline is sufficient to reach the stretched target. On the commercial and retail front, Atrium Place (a JV with Hines) is fully leased with OC in place, while three malls are expected to turn operational or fully leased in the near term. DLF's overall presales momentum is expected to remain steady at INR 200bn+, driving ~2x growth in both PAT and cash flows by FY30. With significant embedded potential from its existing land bank, DLF continues to generate healthy margins, targeting 45%+ gross margins in the medium term. We maintain BUY on DLF with a TP of INR 709/share.

- Q4FY26 financial highlights:** Revenue came in at INR 18.4bn (-42.0%/-10.2% YoY/QoQ, a miss of 41.2%). EBITDA stood at INR 4.1bn (-58.0%/+5.4% YoY/QoQ, a miss by 63.1%). EBITDA margin came in at 22.6% (-863/+335 bps YoY/QoQ, vs 35.5% estimate). The share of profits and associates & JVs: INR 5.2bn (+28.4%/+11.4% YoY/QoQ). APAT was INR 12.7 (-1.1%/+5.4 YoY/QoQ, beat by 18%). DCCDL rental income was INR 11.7bn (+2%/+17.1% YoY/QoQ). EBITDA was INR 14.8bn (+1%/+18% YoY/QoQ) and PAT was INR 7.7bn (+10.1%/+47.1% YoY/QoQ).
- Full-year presales guidance achieved, aided by Dahlias:** DLF reported a quarterly presale of INR 39.7bn (+95.4%/8x YoY/QoQ) primarily driven by Dahlias where 32 units got sold. Within the DCCDL office portfolio, occupancy stood at 94% (flat QoQ). For FY27 key planned launches include a major DLF City project in the INR 80-90bn range, DLF The Arbour (senior living), the next phase of Westpark Mumbai, a foray into Goa, and continued sales from The Dahlias with management confident that the ~INR 130-140bn of unactivated pipeline is sufficient to bridge to the stretch target.
- Strong balance sheet set to propel business expansion:** DLF has achieved a landmark zero gross debt position. This achievement, driven by strong operational collections, results in a net cash position of INR 141.1bn. DLF expects ~INR 112bn of RERA escrow funds to be progressively unlocked over FY27-FY28 as underlying project milestones are achieved.

Consolidated financial summary (INR mn)

YE March (Rs mn)	4QFY26	4QFY25	YoY (%)	3QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E
Net Sales	18,141	31,276	(42.0)	20,202	(10.2)	79,937	81,940	99,912	1,15,209
EBITDA	4,108	9,780	(58.0)	3,899	5.4	21,086	14,484	27,165	37,261
APAT	12,479	12,822	(2.7)	11,442	9.1	43,668	38,059	48,078	58,874
Diluted EPS (Rs)	5.04	5.2	(2.7)	4.6	9.1	17.6	17.8	19.4	23.8
P/E (x)						44.2	43.7	40.2	32.8
EV / EBITDA (x)						91.3	132.4	132.4	70.2
RoE (%)						10.7	9.1	10.2	11.5

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY27E			FY28E		
	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	99,912	1,11,086	(10.1)	1,15,209	1,27,067	(9.3)
EBITDA	27,165	33,369	(18.6)	37,261	43,829	(15.0)
EBITDA (%)	27.2	30.0	(285)	32.3	34.5	(215)
APAT	48,078	44,540	7.9	58,874	54,758	7.5

Source: Company, HSIE Research

BUY

CMP (as on 14 May 2026)	INR 584
Target Price	INR 709
NIFTY	23,690

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 709	INR 709
EPS %	FY27E	FY28E
	7.9	7.5

KEY STOCK DATA

Bloomberg code	DLFU IN
No. of Shares (mn)	2,475
MCap (INR bn) / (\$ mn)	1,444/15,075
6m avg traded value (INR mn)	2,436
52 Week high / low	INR 888/489

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(6.9)	(23.7)	(14.0)
Relative (%)	1.9	(13.0)	(6.9)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	74.08	74.08
FIs & Local MFs	5.78	6.94
FPIs	14.82	13.54
Public & Others	5.34	5.43
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

Parikshit D Kandpal, CFA
 parikshitd.kandpal@hdfcsec.com
 +91-22-6171-7317

Jay Shah
 jay.shah1@hdfcsec.com
 +91-22-6171-7353

Aditya Sahu
 aditya.sahu@hdfcsec.com
 +91-22-6171-7338

Tata Motors Passenger Vehicles

India PV better placed, while uncertainties surround JLR

JLR continues to face headwinds with demand uncertainty in China and the Middle East, and moderating demand in the UK and Europe. VME continues to remain elevated to support sales, and while Q4 was a rebound quarter post the cyberattack incident, we remain concerned on both the demand and supply side for FY27. The India PV segment though continues to do well and is expected to benefit from the ramp-up of the new products launched in H2FY26, leading to better operating leverage and improved mix. We value the company on a SOTP basis, with JLR valued at (INR 75) 2x Mar-28 EV/EBIT, the India PV business valued at (INR 271) 23x Mar-28 EPS, and the stake in Tata Technologies valued at INR 29, for a target price of INR 375. Maintain REDUCE.

- JLR quarterly performance:** EBIT margin in Q4 stood at 9.2%, a massive rebound from the negative 6.9% in Q3, and a big beat to our estimate of 4%. The beat was largely on account of lower other expenses (improving by 92bps YoY and 921bps QoQ), led by gains from forex hedges and some centralized reduction of costs. However, this was not a normalized quarter as it entailed extra channel filling as a result of the cyber incident that impacted production in Q2 and Q3, leading to larger operating leverage benefits in Q4.
- JLR update and outlook:** Management has guided for GBP1.7bn of cost savings over the next couple of years and seeks to bring down the breakeven volume back to 300k during the same period. VME (Variable Marketing Expense) continues to remain elevated, mainly led by the China region due to softening demand, rising competitive intensity and to accommodate the higher luxury tax implemented last year. The Middle East region forms ~6% of total sales, and will see a hit in volumes, going forward, though management expects this to be temporary.
- India PV update and outlook:** EBITDA margin at 6.6% was above our estimate of 4.7% on better mix and operating leverage. Going forward, margin should benefit from operating leverage, cost optimization, and better product mix on ramp up of Sierra, Harrier petrol, and Safari petrol. Management has guided for the PV industry to grow 10% in FY27 and for the company to outgrow the industry. It highlighted that while the raw material cost inflation has been more than 5% of revenue, some of the factors responsible to partially offset this have been cost reduction equivalent to 2% of revenue, 0.5% price hike in April, and improving product mix. Dealer inventory remains healthy at 20 days, with waiting period for most models being in the 4-8 weeks range.
- Update on launches:** In the India PV business in FY27, it seeks to launch 2 new nameplates and four facelifts each for the ICE and EV segment. While it has also cited an intensive launch of products for JLR, with the initial launches to be the electric Range Rover and electric Range Rover Sport, followed by the all-new Jaguar, and then the launch of Range Rover on the EMA architecture.

Quarterly/annual financial summary

YE Mar (INR mn)	4Q FY26	4Q FY25	YoY (%)	3Q FY26	QoQ (%)	FY26	FY27E	FY28E
Net Sales	10,54,470	9,83,770	7	7,01,080	50	33,55,820	39,67,748	47,81,216
EBITDA	1,23,480	1,41,290	(13)	9,410	1,212	2,00,110	3,49,898	5,99,195
EBITDA %	11.7	14.4	-266bps	1.3	1037bps	6.0	8.8	12.5
APAT	57,680	75,510	(24)	(18,860)	N/A	27,650	88,938	2,43,232
EPS (INR)	15.7	20.5	(23.6)	(5.1)	N/A	7.5	24.1	66.0

Source: Company, HSIE Research

REDUCE

CMP (as on 14 May 2026)	INR 339
Target Price	INR 375
NIFTY	23,690

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 378	INR 375
EPS %	FY27E -2.6%	FY28E -2.9%

KEY STOCK DATA

Bloomberg code	TMPV IN
No. of Shares (mn)	3,682
MCap (INR bn) / (\$ mn)	1,247/13,025
6m avg traded value (INR mn)	4,293
52 Week high / low	INR 450/294

Note: The record date for the demerger of erstwhile Tata Motors was 14 October 2025, when it began trading ex of the CV business, with the price discovery happening at INR 400 per share. The company was renamed 'Tata Motors Passenger Vehicles Limited'

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.9)	(14.9)	(20.9)
Relative (%)	(2.2)	(4.1)	(13.8)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	42.56	42.56
FIs & Local MFs	15.34	17.04
FPIs	17.43	17.29
Public & Others	24.67	23.11
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

Hitesh Thakurani

hitesh.thakurani@hdfcsec.com
+91-22-6171-7350

Shubhangi Kejriwal

shubhangi.kejriwal@hdfcsec.com
+91-22-6171-7327

Voltas

Demand gaining traction; cost pressure inching up

Voltas reported modest revenue growth of 3% YoY in Q4FY26 to INR 48.9bn, primarily impacted by 1% YoY growth in the UCP segment, while EMPS and EPS segments grew 5% and 27% YoY, respectively. EBITDA margin contracted sharply by 250bps to 4.5%, leading to a 34% YoY decline in EBITDA, while APAT fell by 52% YoY. Management highlighted a strong start to the summer season, with robust sales in March and continued momentum through Q1, albeit on a low base. The company has implemented multiple price hikes to tackle the commodity cost inflation. Management expects the RAC industry volume to grow by 15–20% in FY27, aided by a low base. While we broadly maintain our revenue estimates for FY27/28E following in-line Q4 topline performance, persistent raw material inflation remains a margin headwind; accordingly, we reduce our APAT estimates by 8/2% for FY27/28E. We maintain ADD with a revised target price of INR 1,320/share, based on SOTP valuation, with the UPC/EMPS/EPS segments valued at 40/18/18x at Mar'28 EPS, respectively, and the Voltas Beko JV at 2x P/S (implying ~40x Mar-28E EPS).

- Q4FY26 performance:** Revenue grew 3% YoY to 48.9bn, dragged by 1% YoY growth in UCP segment (72% revenue mix). EMPS (25% revenue mix) and EPS (13% revenue mix) reported 5% and 27% YoY growth respectively. Gross margins declined 90bps YoY to 20.6% (-310bps QoQ). EBITDAM declined higher by 250bps to 4.5%, owing to 40/120bps increase in employee/other expenses, in relative terms. In absolute terms, employee cost /other expenses surged by 11/15%. Consequently, EBITDA declined 34% YoY. UCP segment EBIT margin contracted by 500bps YoY to 5% (+120bps QoQ). EMPS EBIT margin witnessed expansion, was up 650bps YoY to 6.4% (-200bps QoQ), while EPS EBIT margin contracted 340/120bps YoY/QoQ to 22.3%. APAT declined 52% YoY on lower EBITDA, further impacted by increased depreciation (up 47% YoY), lower other income (down 47% YoY), and higher tax rate.

- Con call takeaways and outlook:** Management highlighted a strong start to the summer season, with robust sales in March and continued momentum through Q1, albeit on a low base. The company has implemented multiple price hikes to offset the persistent commodity cost inflation and the impact of new BEE regulations, with industry-wide pass-through expected given double-digit input cost pressures. Management expects the RAC industry volume to grow 15–20% in FY27, on a low base. It expects gradual recovery in UCP segment margins to FY25 levels, supported by price hikes and ongoing cost optimization initiatives. While we broadly maintain our revenue estimates for FY27/28E following in-line Q4 topline performance, persistent raw material inflation remains a margin headwind; accordingly, we reduce our APAT estimates by 8/2% for FY27/28E. We maintain ADD with a revised target price of INR 1,320/share, based on SOTP valuation, with the UPC/EMPS/EPS segments valued at 40/18/18x at Mar'28 EPS, respectively, and the Voltas Beko JV at 2x P/S (implying ~40x Mar-28E EPS).

Financial summary

(INR mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ(%)	FY24	FY25	FY26	FY27E	FY28E
Net Sales	48,878	47,676	2.5	30,708	59.2	1,24,812	1,54,128	1,42,445	1,58,590	1,81,329
EBITDA	2,207	3,328	(33.7)	1,773	24.5	4,746	11,162	6,469	11,340	14,442
APAT	1,162	2,410	(51.8)	1,114	4.3	2,520	8,414	4,024	8,081	10,790
EPS (INR)	3.5	7.3	(51.8)	3.4	4.3	7.6	25.4	12.2	24.4	32.6
P/E (x)						170.0	50.9	106.5	53.0	39.7
EV / EBITDA (x)						88.9	38.2	66.1	37.5	29.3
RoE (%)						4.4	13.6	6.2	12.0	14.5

Source: Company, HSIE Research

ADD

CMP (as on 14 May 2026)	INR 1,295
Target Price	INR 1,320
NIFTY	23,690

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR1,365	INR 1,320
EPS %	FY27E -8.2	FY28E -2.1

KEY STOCK DATA

Bloomberg code	VOLT IN
No. of Shares (mn)	331
MCap (INR bn) / (\$ mn)	428/4,469
6m avg traded value (INR mn)	1,420
52 Week high / low	INR 1,583/1,187

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(15.2)	(3.2)	2.8
Relative (%)	(6.5)	7.5	9.9

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	30.30	30.30
FIs & Local MFs	37.74	38.28
FPIs	18.41	18.44
Public & Others	13.55	12.88
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

Keshav Lahoti

keshav.lahoti@hdfcsec.com
+91-22-6171-7353

Rajesh Ravi

rajesh.ravi@hdfcsec.com
+91-22-6171-7352

Mahesh Nagda

mahesh.nagda@hdfcsec.com
+91-22-6171-7319

Riddhi Shah

riddhi.shah@hdfcsec.com
+91-22-6171-7359

LIC Housing Finance

Growth challenges; attractive valuations

LIC Housing Finance's (LICHF) Q4FY26 earnings were higher than our estimates due to reflation in NIM and lower credit costs (11bps). Business momentum witnessed an uptick (disbursements up by +10% YoY; 31% QoQ); however, higher run-off rates led to subdued loan growth of 4.2% YoY. Management has indicated double-digit loan growth going ahead, driven by strong disbursement growth in retail segment. However, elevated competitive intensity in the core home loans segment, moderate demand amidst global uncertainties, and prioritization of margins over loan growth are likely to weigh on loan growth. However, the current subdued valuations (0.6x Mar-28 ABVPS) provide a favorable risk-reward. We revise our FY27E-FY28E earnings estimates to factor in higher margins and maintain ADD with a revised RI-based TP of INR 655 (implying 0.8x Mar-28 ABVPS).

- NIM reflation, lower opex drives steady PPOP growth:** LICHF reported muted NII growth of 3% YoY, led by subdued loan growth (+4.2% YoY). Cost of funds remained broadly steady with uptick in incremental cost of funds in Q4FY26. Yields declined by 12bps QoQ leading to moderation in spreads by 11bps. LICHF has kept its benchmark lending rate unchanged to protect its margins, leading to higher BT-outs in the retail segment. Operating ratios remained steady (C/I at 16%; Opex to AUM at 0.5%), along with healthy profitability (RoA/RoE at 1.9%/15.1%).
- Improving asset quality:** GS-II/GS-III improved QoQ to 2.78%/2.16% (Q3FY26: 3.08%/2.45%), with steady collections and recoveries in the retail segment. Credit costs was muted in Q4 (11bps) due to low net slippages and reduction in Stage III PCR (50%). Resolutions in large corporate accounts continue to remain protracted. We expect credit costs at ~25bps during FY27-FY28E.
- Subdued loan growth; risk-reward favorable:** With prioritization of margins and elevated competitive intensity from PSBs, meaningful uptick in loan growth is likely to remain a challenge for LICHF, particularly in retail home loans. Management has indicated creating a separate vertical for affordable home loans to augment margins and profitability, which is likely to be a very protracted journey, in our view. However, the franchise provides limited downside with steady RoE (~13-14%) and attractive valuation (0.6x Mar-28 ABVPS).

Financial summary

Y/E Mar (INR bn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY27E	FY28E
NII	22.2	21.7	2.6	21.0	5.7	84.2	88.5	97.7
PPOP	20.2	18.8	7.4	19.0	6.4	76.7	79.9	87.6
PAT	15.0	13.7	9.5	13.8	8.2	56.0	57.1	61.7
EPS (INR)	27.2	24.9	9.4	25.2	8.2	101.7	103.7	112.0
ROAE (%)						14.4%	13.0%	12.5%
ROAA (%)						1.8%	1.7%	1.7%
ABVPS (INR)						688	776	870
P/ABV (x)						0.8	0.7	0.6
P/E (x)						5.5	5.4	5.0

Change in estimates

INR bn	FY27E			FY28E		
	Old	New	Old	New	Old	New
AUM	3,469	3,459	-0.3%	3,773	3,793	0.5%
NIM (%)	2.5	2.6	9 bps	2.6	2.6	4 bps
NII	86.5	88.5	2.3%	96.4	97.7	1.3%
PPOP	77.2	79.9	3.6%	85.9	87.6	2.0%
PAT	55.2	57.1	3.4%	60.3	61.7	2.3%
ABVPS (INR)	764	776	1.7%	857	870	1.4%

Source: Company, HSIE Research

ADD

CMP (as on 14 May 2026)	INR 560
Target Price	INR 655
NIFTY	23,690

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 640	INR 655
EPS %	FY27E 3.4%	FY28E 2.3%

KEY STOCK DATA

Bloomberg code	LICHF IN
No. of Shares (mn)	550
MCap (INR bn) / (\$ mn)	308/3,219
6m avg traded value (INR mn)	880
52 Week high / low	INR 647/459

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	10.4	(1.3)	(7.1)
Relative (%)	19.1	9.4	0.0

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	45.2	45.2
FIs & Local MFs	21.8	20.9
FPIs	20.4	21.4
Public & Others	12.6	12.5
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

Deepak Shinde

deepak.shinde@hdfcsec.com
+91-22-6171-7323

Krishnan ASV

venkata.krishnan@hdfcsec.com
+91-22-6171-7314

Ayush Pandit

ayush.pandit@hdfcsec.com
+91-22-6171-7366

The New India Assurance Company

Recalibrating the motor strategy

NIACL printed NEP growth at 7%, in line with of our estimates, as PAT clocked in ahead of our estimates, driven by reversal in tax provision and higher other income (~INR2.6bn), partly offset by additional provision for family pension (~INR9bn) and higher motor loss ratios. NIACL maintained its GI leadership position with a share of 12.8% (FY25: 12.6%), primarily led by the group health segment (+12% YoY). NIACL continued to recalibrate its motor portfolio, which was largely skewed towards the commercial vehicle segment. We believe PSU insurers seldom exercise the right of refusal, resulting in inferior profitability outcomes. After a strong show on profitability during FY25, NIACL's FY26 CoR has continued to disappoint due to higher loss ratio in the motor segments, one-off impact from wage arrears, and large catastrophic losses. Our forecasts imply 9/21% NEP/PAT CAGR over FY26-28E, led by better underwriting performance and moderation in float income from the investment book (AUM ~INR0.8trn). We maintain ADD with a revised TP of INR180 (0.7x Mar-28 BV).

- **Investment income to the rescue:** NIACL's investment book (~INR0.8trn) had a ~30% equity allocation during FY25. Capital gains contributed ~50% of investment income during FY26 (FY25: 34%), higher than the corresponding contribution in larger private peers. The gains (INR25bn) were significantly higher to offset the drag from the wage cost arrears (INR34bn). Management has guided for moderation in investment gains from next year onwards.
- **Improvement in motor business metrics key to better profitability:** NIACL lost market share (-68bps YoY) in the motor segment during FY26, owing to recalibration of the overall motor portfolio. NIACL aims to improve motor business performance by adopting a geographically focused growth strategy, increasing exposure to private cars (FY26: 47% share), while reducing its dependence on loss-making commercial vehicle segment (FY26: 46% share in Motor TP business). We believe these shifts are likely to adversely impact near-term growth, although they will support medium-term profitability.

Financial summary

(INR bn)	4QFY26	4QFY25	YoY (%)	3QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E
NWP	100.6	98.0	2.7	97.2	3.6	365.1	395.5	429.1	470.4
NEP	100.2	93.5	7.2	97.7	2.6	355.4	386.7	421.4	461.9
RPAT	5.8	3.5	64.4	3.8	53.1	10.0	13.5	15.7	19.7
COR	118.2	111.6	659bps	118.0	21bps	116.7	122.4	118.3	118.3
BV/share						234.3	211.9	237.2	261.6
P/E (x)						25.6	19.3	16.7	13.4
P/ABV (x)						0.7	0.8	0.7	0.6
ROE (%)						3.7	4.9	5.5	6.4

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% chg	New	Old	% chg
Net written premium	429.1	432.7	(0.8)	470.4	476.6	(1.3)
Net earned premium	421.4	424.9	(0.8)	461.9	468.0	(1.3)
RPAT	15.7	16.2	(3.0)	19.7	19.8	(0.3)
COR	118.3	116.6	175bps	118.3	116.1	226bps
BV/share	237.2	239.0	(0.7)	261.6	251.4	4.1
ROE (%)	5.5	5.5	4bps	6.4	6.4	-1bps

Source: Company, HSIE Research

ADD

CMP (as on 14 May 2026)	INR 165
Target Price	INR 180
NIFTY	23,690

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 175	INR 180
EPS%	FY27E	FY28E
	-3.0%	-0.3%

KEY STOCK DATA

Bloomberg code	NIACL IN
No. of Shares (mn)	1,648
MCap (INR bn) / (\$ mn)	272/2,837
6m avg traded value (INR mn)	293
52 Week high / low	INR 215/117

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	9.5	(10.7)	(4.9)
Relative (%)	18.3	0.1	2.2

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	85.4	85.4
FIs & Local MFs	11.2	11.2
FPIs	1.0	1.0
Public & Others	2.4	2.4
Pledged Shares	Nil	Nil

Source : BSE

Krishnan ASV
venkata.krishnan@hdfcsec.com
+91-22-6171-7314

Shobhit Sharma
shobhit.sharma@hdfcsec.com
+91-22-6171-7341

Kaynes Technology

Weak performance; working capital concerns persist

Kaynes' revenue grew 26% YoY to INR 12.4bn, driven mainly by the automotive, industrial, and IoT/IT segments, which grew 19%, 31%, and 54% YoY, respectively. EBITDAM contracted by 150bps YoY to 15.6%, leading to EBITDA growth of 15% YoY, while APAT declined by 21% YoY, impacted by increased depreciation and higher tax rate. Operating cash flow further deteriorated to negative INR 6bn in FY26 (vs. -INR 0.8bn in FY25), reflecting high receivables in smart metering business. Management expects the EMS industry to grow at ~15–16%, while guiding for its own EMS segment to expand at ~2x the industry rate in FY27. The company expects INR 2.5-3/ 3-4bn revenue contribution from OSAT/ PCB in FY27. Management expects EBITDA margin to improve in FY27. In our view, weak operating cash flow combined with high capex reflects poorly on the company's overall cash flow profile. Considering weaker-than-expected Q4 performance, we cut our revenue estimates by 9-10% each, and APAT estimates by 24% each for FY27/28E. We maintain REDUCE with a lower TP of INR 3,280/sh, based on DCF valuation (WACC: 12.5%, terminal growth: 5%), implying ~42x P/E on Mar-28E EPS.

- Q4FY26 highlights:** Revenue grew 26% YoY to INR 12.4bn, driven mainly by the automotive, industrial, and IoT/IT segments (21%, 57%, and 12% revenue mix), which grew 19%, 31%, and 54% YoY, respectively. The aerospace and railways segments witnessed moderate growth of 6% and 8% YoY, while the medical segment saw a 25% YoY decline. Gross margins contracted 40bps YoY (-280bps QoQ) to 31.7%. EBITDA grew 15% YoY impacted by surge in employee cost up 95% YoY, while other expenses went up 8% YoY. so, EBITDAM contracted by 150bps YoY to 15.6% (+70bps QoQ). APAT declined 21% YoY impacted by increased depreciation up 221% YoY, higher tax rate, while was partially offset by higher other income up 105% YoY.
- Earnings call takeaways and outlook:** Management expects the EMS industry to grow at ~15–16%, while guiding for its own EMS segment to expand at ~2x the industry rate in FY27. Over the next 2–3 years, the company has guided for revenue to reach USD 1bn, with this target calculated on the basis of an INR 82.5 exchange rate at the time of guidance. The company expects INR 2.5-3/ 3-4bn revenue contribution from OSAT/ PCB in FY27. Management expects EBITDA margin will improve in FY27. In our view, weak operating cash flow combined with high capex reflects poorly on the company's overall cash flow profile. However, the company has expressed confidence in improving its cash generation, with expectations that operating cash flow will break even by FY27-end. Considering weaker-than-expected Q4 performance, we cut our revenue estimates by 9-10% each, and APAT estimates by 24% each for FY27/28E. We maintain REDUCE with a lower TP of INR 3,280/sh, based on DCF valuation (WACC: 12.5%, terminal growth: 5%), implying ~42x P/E on Mar-28E EPS.

Financial summary

(INR mn)	Q4 FY26	Q4 FY25	YoY (%)	Q3 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Net Sales	12,426	9,845	26.2	8,040	54.6	18,046	27,218	36,264	50,479	68,129
EBITDA	1,937	1,679	15.4	1,193	62.3	2,542	4,107	5,741	7,824	10,969
APAT	913	1,162	(21.5)	792	15.3	1,833	2,934	3,665	4,140	5,209
EPS (INR)	13.6	18.2	(25.0)	11.8	15.3	28.7	45.8	54.7	61.8	77.8
P/E (x)						116.2	72.8	60.9	53.9	42.8
EV / EBITDA (x)						79.0	51.6	39.0	30.1	22.4
RoE (%)						10.6	11.0	9.7	8.4	9.6

Source: Company, HSIE Research

REDUCE

CMP (as on 14 May 2026) INR 3,337

Target Price INR 3,280

NIFTY 23,690

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 3,810	INR 3,280
	FY27E	FY28E
EPS %	-23.6	-23.7

KEY STOCK DATA

Bloomberg code	KAYNES IN
No. of Shares (mn)	67
MCap (INR bn) / (\$ mn)	224/2,335
6m avg traded value (INR mn)	8,758
52 Week high / low	INR 7,705/3,295

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(15.4)	(47.7)	(46.9)
Relative (%)	(6.6)	(36.9)	(39.8)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	53.46	53.46
FIs & Local MFs	16.73	15.13
FPIs	8.87	7.28
Public & Others	20.94	24.12
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

Keshav Lahoti

keshav.lahoti@hdfcsec.com
+91-22-6171-7353

Rajesh Ravi

rajesh.ravi@hdfcsec.com
+91-22-6171-7352

Mahesh Nagda

mahesh.nagda@hdfcsec.com
+91-22-6171-7319

Riddhi Shah

riddhi.shah@hdfcsec.com
+91-22-6171-7359

Metropolis Healthcare

In-line Q4; on track to improve growth and margin

EBITDA growth (29% YoY; organic growth at 27%) was mainly led by a 23% YoY increase in sales (+15% YoY organic rise). Patient/test volumes grew by 11/14% YoY and realization per patient/test improved by 11/8%. In FY27, Metropolis expects (1) ~15% sales growth, led by 8-9% volume and 5-6% realization growth, (2) steady organic growth and strong scale-up in acquired businesses, and (3) 100-125bps EBITDA margin expansion (24.4% in FY26), led by operating leverage and Core Diagnostics improvement (ended FY26 with single-digit margin and is targeting 20%+ margin over next 2-3 years). Aspiration for the next three years: (a) 14-15% sales CAGR, (b) 27-28% EBITDA margin, (c) ~25% TruHealth (wellness) contribution (19% in FY26), (d) addition of 100+ mini hubs (equipped with pathology and radiology services) – 50 new hubs and 50 hubs by upgrading existing centers, (e) improve Lab: centers ratio to 1:35 (vs 1:24 in FY26), and (f) improve mature center productivity by 20% (FY26 productivity at INR 0.35-0.4mn per center). The company sees Genomics (two centers each at Mumbai and Gurugram) as a future growth driver, with focus on oncology, reproductive health, and hereditary disorders space. The company has deferred the price increase (to pass on GST benefits) in the near term but is open for price hikes if needed. Having completed its investment phase (to add a few labs in FY27E), Metropolis is focusing on execution and margin expansion. Initiatives like network expansion, diversifying test portfolios, wellness packages, genomic scale-up, pursuing smaller M&As, gaining share in focused cities, and boosting B2C presence are expected to drive sales and margin. Factoring guidance, we have raised EPS by 2/6% for FY27/28E and revised TP to INR 600 (41x FY28E EPS). ADD stays.

- **Q4 highlights:** Sales grew 23% YoY to INR 4.2 bn, with patient/test volume growth (+11%/ 14% YoY) and realization per patient/test up 11/8% YoY. Higher GM at 80.5% (+182 bps YoY), higher staff (+16%), and steady SG&A (+9%), led to an EBITDA of INR 1.08 bn (+29% YoY) and margin of 25.4% (+111 bps). Adjusted for one-offs, PAT[^] was at INR 508mn (+12% YoY).
- **Organic business:** Sales grew 15% YoY to INR 3.92bn, led by patient volume growth of 9% YoY to 3.43mn and test volume growth of 9% YoY to 7.21mn (realization per patient/test +5%). EBITDA stood at INR 1.06 bn (+27% YoY) and margin was 27.2% (+263 bps). PAT stood at INR 552mn (+21% YoY).
- **Key takeaways from con call:** The company is looking to expand in basic radiology (capex outlay of INR 3-4 mn). It sees volume growth to be faster in Northern regions and steady Mumbai. Higher depreciation in Q4 was due to addition of genomic labs and network expansion. In Q4FY26, for the organic business, TruHealth revenue (19% of sales) grew by 20% YoY, specialty (38%) grew by 16% YoY, B2C (60%) grew 15%, and B2B (40%) grew 15% YoY.

Quarterly financial summary

(INR mn)	4QFY26	4QFY25	YoY (%)	3QFY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Net Revenue	4,247	3,453	23	4,059	5	12,077	13,312	16,458	18,983	21,548
EBITDA	1,080	840	29	948	14	2,826	3,030	4,008	4,822	5,603
APAT	508	452	12	505	1	1,328	1,610	1,990	2,534	3,035
EPS (INR)	2.5	2.2	12	2.4	1	6.4	7.8	9.6	12.2	14.6
P/E (x)						84.6	69.8	56.4	44.3	37.0
EV/EBITDA (x)						40.0	37.4	28.1	23.0	19.5
RoCE (%)						14	14	16	18	19

Source: Company, HSIE Research. ^Adjusted for one-offs of INR 217mn in Q4FY25.

ADD

CMP (as on 14 May 2026)	INR 542
Target Price	INR 600
NIFTY	23,690

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 560	INR 600
	FY27E	FY28E
EPS %	1.5	6.4

KEY STOCK DATA

Bloomberg code	METROHL IN
No. of Shares (mn)	207
MCap (INR bn) / (\$ mn)	112/1,170
6m avg traded value (INR mn)	162
52 Week high / low	INR 575/397

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	11.0	10.0	27.1
Relative (%)	19.8	20.8	34.2

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	48.87	48.86
FIs & Local MFs	34.73	35.8
FPIs	11.68	10.43
Public & Others	4.72	4.91
Pledged Shares	1.18	1.18

Source: BSE

Mehul Sheth

mehul.sheth@hdfcsec.com
+91-22-6171-7349

Divyaxa Agnihotri

divyaxa.agnihotri@hdfcsec.com
+91-22-6171-7362

Clean Science and Technology

Pricing pressure in MEHQ product chain

We maintain our REDUCE rating on Clean Science and Technology (CSTL) with a price target of INR 776 owing to (1) slower than expected ramp-up in HALS portfolio and (2) pricing pressure in the high margin MEHQ value chain from Chinese competitors. We expect EPS to grow from INR 21.6 in FY26 to INR 35.7 in FY29 at a CAGR of 18% and RoE to improve from 15.3% in FY26 to 17.2 % in FY29. Stock is trading at 34/28x FY27/28E, which we believe is contextually high. Q4 EBITDA was 20% above our expectation owing to higher-than-expected revenue and lower than estimated employee expanses. APAT was 8% above our estimates.

- Financial performance:** Revenue changed by -5.5/+13.5% YoY/QoQ to INR 2,493mn. EBITDA changed by -8.6/+32.7% YoY/QoQ to INR 958mn. The executive directors voluntarily elected to forgo portion of their performance bonus entitled for FY26. Accordingly, the provision for it recognized in earlier quarters was reversed (~INR110mn) to that extent. That resulted in lower employee benefit expenses in Q4. Revenue improved sequentially, owing to volume growth while a YoY decline was owing to muted customer offtake and pricing pressure in selected products. EBITDA margin changed by -362/+946 bps YoY/QoQ to 38.4%.
- Segmental information:** Performance chemical revenue came in at INR 1,511.7mn (60.65% of revenues) changed by -9.0/-12.0% YoY/QoQ. Competition from Chinese manufacturers keep MEHQ prices low. FMCG chemicals revenue changed by +37.1/+4.5x YoY/QoQ to INR 365.8mn (14.68% of revenues) while Pharma and Agro intermediates revenue changed by +41.9/+45.7% YoY/QoQ to 615mn (24.68% of revenue).
- Concall takeaways:** (1) **HQ and Catechol:** Plant optimization is in progress and will be completed in the next two quarters. Plant utilization will improve post optimization. The company has reduced imports of HQ and Catechol which are key raw materials for TBHQ and Veratrole. (2) **HALS:** Production has reached to 1ktpa per quarter. The company is setting up a dedicated line for HALS2020, which is a key intermediate for higher grade of NOR HALS products. Export share in HALS has increased to 80% from 50% and to the US, European, and West Asian countries. Blended realization was INR460/kg in Q4, up from INR430/kg in Q3. (3) **Clean Chem-Fino:** INR2bn of additional infusion in subsidiary approved by CSTL. The investment will be in new products. The company has refurbished DHDT plant to make an intermediate for HALS. (4) Commissioning of performance chemical-2 plant has been delayed by one quarter to 2QFY27 due to labor shortage. (5) The company is importing key raw materials like Phenol, Ammonia from China which are cheaper compared to Indian supplier.
- Change in estimates:** We tweak our FY27/FY28 EPS estimates by +9.7/-0.7% to INR 24.1/29.7E.

Financial summary (consolidated)

Year Ending March (INR mn)	4Q FY26	3Q FY26	QoQ (%)	4Q FY25	YoY (%)	FY25	FY26P	FY27E	FY28E	FY29E
Net Sales	2,493	2,197	13.5	2,637	(5.5)	9,666	9,565	11,550	14,634	17,431
EBITDA	958	722	32.7	1,048	(8.6)	3,876	3,550	3,943	4,830	5,747
APAT	583	459	27.0	741	(21.4)	2,644	2,297	2,556	3,160	3,790
Diluted EPS (Rs)	5.5	4.3	27.0	7.0	(21.4)	24.9	21.6	24.1	29.7	35.7
P/E (x)						32.9	37.9	34.1	27.6	23.0
EV / EBITDA (x)						22.4	24.5	21.4	17.1	14.0
RoE (%)						20.2	15.3	15.1	16.5	17.2

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY27E	FY27E	%	FY28E	FY28E	%
EBITDA (INR mn)	3,568	3,943	10.5	4,762	4,830	1.4
Adj. EPS (INR/sh)	21.9	24.1	9.7	30.0	29.7	(0.7)

Source: Company, HSIE Research

REDUCE

CMP (as on 14 May 2026) INR 818

Target Price INR 776

NIFTY 23,690

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 796	INR 776
EPS %	FY27E +9.7%	FY28E -0.7%

KEY STOCK DATA

Bloomberg code	CLEAN IN
No. of Shares (mn)	106
MCap (INR bn) / (\$ mn)	87/908
6m avg traded value (INR mn)	327
52 Week high / low	INR 1,600/652

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	8.3	(13.1)	(34.5)
Relative (%)	17.0	(2.4)	(27.4)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	50.97	51.29
FIs & Local MFs	19.76	17.14
FPIs	10.0	13.39
Public & Others	19.26	18.18
Pledged Shares	0.00	0.64

Source: BSE

Nilesh Ghuge

nilesh.ghuge@hdfcsec.com
+91-22-6171-7342

Aditya Iyer

aditya.iyer@hdfcsec.com
+91-22-6171-7356

Dilip Buildcon

On the path to recovery

Dilip Buildcon (DBL) reported revenue/EBITDA/APAT beat/(miss) of -2.1/10.2/28.5% respectively. DBL expects FY27 revenue growth at 30-40% after a dismal FY26 performance, with EBITDA margin of 11-12% and order inflow (OI) target of INR100-120bn. Capex is expected to be stable (INR 1bn annually), focused mainly on replacement needs. DBL business model is pivoting toward long-term assets contributing about 75% to profits and EPC at 25% by FY29. Balance sheet is expected to go through a robust transformation from net debt to net cash at standalone level by FY28. This will be on back of strong cash flows from mining business and InvIT distributions. Future investment in renewables business is being premised at keeping 15% stake and getting investors on board. Given the slower execution and commodity headwinds, we have cut our FY27/28 EPS estimates. We retain ADD with an increased SOTP-based TP of INR 554 (12x Mar-28E EPS, 1.1x P/BV HAM equity investment).

- Q4FY26 financial highlights:** Revenue: INR 18.6bn (-19.6/+8.3% YoY/QoQ, a 2.1% miss); EBITDA: INR 2bn (-4.7/+11.1%, YoY/QoQ, a 10% beat); EBITDA margin: 10.7% (+168/+28bps YoY/QoQ), vs. our estimate of 9.5%. RPAT: INR 0.67bn (+43/-89% YoY/QoQ). APAT: INR 0.66bn (39/22% YoY/QoQ, 29% beat).
- Uptick in order inflows:** DBL's OB is at INR 288.3bn as of Mar'26 is 4.1x of FY26 revenue. OI has surpassed management expectation in FY26 at INR 150bn (INR 185.5bn won in FY26). The OB is well diversified, with exposure across mining/ metro/ tunnel/ bridges/ optical fiber/ renewables/road/irrigation/water/transmission at 20/4/6/6/3/18/19/16/1/6% respectively.
- Standalone balance sheet net debt zero status by FY28:** Amid lower OI and revenue degrowth, the net cash status has been extended to FY28 (from FY27). Total equity requirement for 13 road HAM, 1 ERCP-HAM, BOT-ZOTL, solar, transmission projects stands at INR 45.4bn, of which INR 17bn is invested as of Mar'26. The balance equity investment of INR 28.5bn (INR 12.1/11.1/2.4/0.5bn) is expected to be invested in FY27/28/29/30. The standalone equity/net debt and net D/E ratio stood at INR 68.2/18.9bn and 0.28x as of Mar'26 (Dec'25: 0.32x).

Standalone Financial Summary (INR mn)

Particulars	4QFY26	4QFY25	YoY (%)	3QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E
Revenue	18,602	23,148	(19.6)	17,182	8.3	90,045	70,050	91,065	1,05,909
EBITDA	1,995	2,093	(4.7)	1,795	11.1	9,033	7,344	9,983	11,624
APAT	658	473	39.2	537	22.6	1,638	1,789	3,333	4,789
Diluted EPS (INR)	4.5	3.2	39.2	3.7	22.6	11.2	12.2	22.8	32.8
P/E (x)						42.1	38.6	20.7	14.4
EV / EBITDA (x)						9.5	10.4	7.2	6.6
RoE (%)						3.1	2.9	5.3	8.0

Source: Company, HSIE Research

Change in estimates (INR mn)

Particulars	FY27E			FY28E		
	New	Old	% Chg.	New	Old	% Chg.
Revenue	91,065	91,306	(0.3)	1,05,909	1,06,189	(0.3)
EBITDA	9,983	10,511	(5.0)	11,624	11,890	(2.2)
EBITDA (%)	11.0	11.5	(55.0)	11.0	11.3	(31.5)
APAT	3,333	3,726	(10.6)	4,789	4,989	(4.0)

Source: HSIE Research

ADD

CMP (as on 14 May 2026)	INR 472
Target Price	INR 554
NIFTY	23,690

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 545	INR 554
EPS Change (%)	FY27E	FY28E
	-10.6	-4.0

KEY STOCK DATA

Bloomberg code	DBL IN
No. of Shares (mn)	162
MCap (INR bn) / (\$ mn)	77/801
6m avg traded value (INR mn)	156
52 Week high / low	INR 588/382

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	9.4	(0.6)	1.0
Relative (%)	18.2	10.2	8.1

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	63.14	63.14
FIs & Local MFs	6.23	6.10
FPIs	2.47	1.97
Public & Others	28.16	28.79
Pledged Shares	8.94	8.94

Source: BSE

Pledged shares as % of total shares

Parikshit D Kandpal, CFA

parikshitd.kandpal@hdfcsec.com
+91-22-6171-7317

Aditya Sahu

aditya.sahu@hdfcsec.com
+91-22-6171-7338

Jay Shah

jay.shah1@hdfcsec.com
+91-22-6171-7353

Sagar Cements

Andhra subsidiary ramp-up drives growth

We maintain ADD on Sagar Cements (SGC), with a lower TP of INR 255/share (valued at an average of 6.5x FY28E EBITDA and FY28E EV/MT of USD 65/MT). In Q4FY26, SGC reported 11% YoY volume growth, supported by strong ~42% YoY growth at its Andhra subsidiary. Cement price recovery and incentive accrual at the Satguru subsidiary, along with stable opex QoQ, led to a INR 176/MT QoQ improvement in profitability to unit EBITDA of INR 425/MT. SGC has guided for completion of its ongoing expansions by end-FY27, alongside land monetisation over FY27–28E. We estimate consolidated volumes to grow at a 11% CAGR over FY26–28E, with margins improving to INR 529/MT in FY28E (from INR 462/MT in FY26). We also expect net debt/EBITDA to decline to 3.3x by Mar'28, from 5.8x in Mar'25.

- Q4FY26 performance:** SGC's consolidated volumes rose 11% YoY, driven by strong ~42% YoY growth at its Andhra Cement subsidiary. Reported NSR rose 5% QoQ; excluding INR 230mn of incentives at Satguru (MP), NSR rose ~2% QoQ, reflecting pricing recovery. Unit opex remained broadly flat QoQ. SGC highlighted that Q4FY26 opex included ~INR 100mn of prior period provisions (impacting EBITDA by ~INR 50/MT), which will normalize to ~INR 20mn per annum from FY27 onward. Thus, reported unit EBITDA increased by INR 176/MT QoQ to INR 425/MT.
- FY26 performance:** Total volume rose 12% YoY, led by standalone/Andhra/Satguru growth of 7/25/18% YoY. Reported NSR rose 5% YoY. NSR includes incentive gain of INR 92/107 per MT during FY25/26 respectively. Unit opex stood flat YoY. Unit EBITDA stood at INR 462/MT (+ INR 213 YoY) with better pricing. Thus, EBITDA doubled to INR 2.92bn. OCF fell marginally to INR 2.2bn on higher working capital. Co spent INR 4.2bn. SGC raised INR 0.9bn through stake dilution in Andhra Cements. Net debt rose to INR 17bn vs INR 13bn YoY. Net debt to EBITDA improved to 6x, from 9x YoY.
- Con call KTAs and outlook:** SGC guided ~15% volume growth in FY27, driven by expansion ramp-up at its subsidiaries. It also expects cost rationalization to continue, which should drive margin expansion mainly in its south and east plants. The ongoing expansions are on track and SGC's capacity will increase to 12mn MT by Mar-27 (from 10.5mn MT in Mar-26). It has guided for a capex outgo of INR 3.3bn in FY27E. SGC expects to complete land monetization (worth INR 3.5bn) in the next two years. Factoring in recent cost escalations, we lower our EBITDA estimates by 1/3% respectively.

Quarterly/annual financial summary (consolidated)

YE Mar (INR bn)	Q4 FY26	Q4 FY25	YoY (%)	Q3 FY26	QoQ (%)	FY24	FY25	FY26P	FY27E	FY28E
Sales (mn MT)	1.9	1.7	11.3	1.5	27.1	5.6	5.7	6.3	7.0	7.7
NSR (INR/MT)	4,106	3,823	7.4	3,915	4.9	4,456	3,989	4,192	4,276	4,297
EBITDA (INR/MT)	425	214	98.9	250	70.4	437	249	462	462	529
Net Sales	7.9	6.6	19.6	5.9	33.3	25.0	22.6	26.5	30.0	33.2
EBITDA	0.8	0.4	121.5	0.4	116.5	2.5	1.4	2.9	3.2	4.1
APAT	0.9	(0.3)		(0.6)	(252.1)	(0.4)	(2.1)	(0.1)	(0.1)	1.4
AEPS (INR)	6.7	(3.9)		(4.4)	(252.1)	(4.2)	(14.5)	(0.8)	(9.1)	(2.7)
EV/EBITDA (x)						16.9	29.8	16.1	12.8	9.5
EV/MT (INR bn)						4.1	4.0	4.5	3.4	3.2
P/E (x)						(67.1)	(13.9)	(263.1)	(175.7)	17.3
RoE (%)						(2.7)	(9.9)	(0.6)	(6.4)	(1.8)

Source: Company, HSIE Research

ADD

CMP (as on 14 May 2026)	INR 185
Target Price	INR 255
NIFTY	23,690

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 265	INR 255
EBITDA revision %	FY27E (0.5)	FY28E (2.6)

KEY STOCK DATA

Bloomberg code	SGC IN
No. of Shares (mn)	131
MCap (INR bn) / (\$ mn)	24/253
6m avg traded value (INR mn)	18
52 Week high / low	INR 300/149

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(5.3)	(16.0)	(16.2)
Relative (%)	3.5	(5.3)	(9.1)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	48.33	48.33
FIs & Local MFs	18.37	18.48
FPIs	1.76	1.67
Public & Others	31.53	31.52
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

Rajesh Ravi

rajesh.ravi@hdfcsec.com
+91-22-6171-7352

Keshav Lahoti

keshav.lahoti@hdfcsec.com
+91-22-6171-7353

Riddhi Shah

riddhi.sha@hdfcsec.com
+91-22-6171-7359

Mahesh Nagda

mahesh.nagda@hdfcsec.com
+91-22-6171-7319

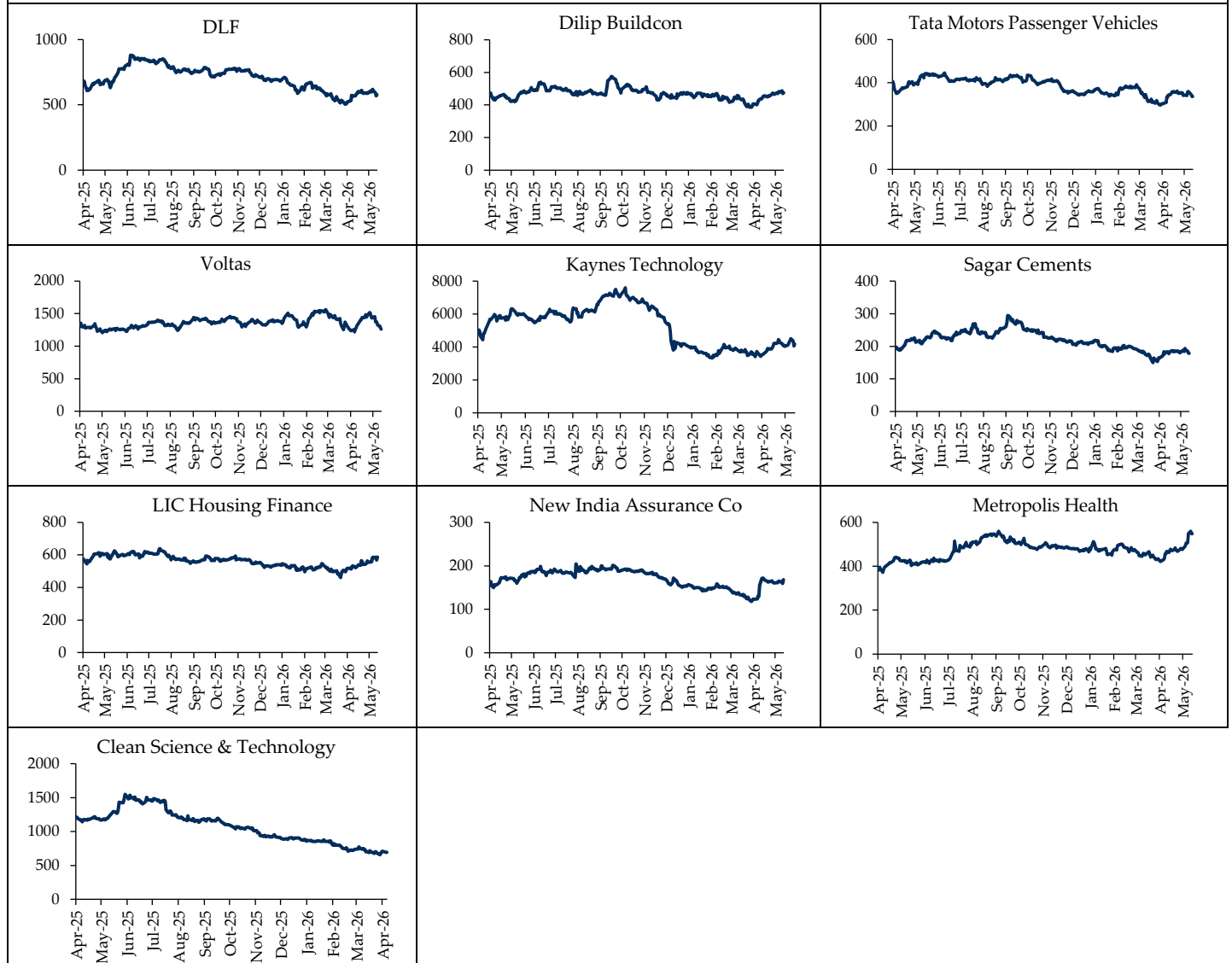
Rating Criteria

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
Parikshit Kandpal	DLF, Dilip Buildcon	CFA	NO
Jay Shah	DLF, Dilip Buildcon	CA	NO
Aditya Sahu	DLF, Dilip Buildcon	MBA	NO
Hitesh Thakurani	Tata Motors Passenger Vehicles	MBA	NO
Shubhangi Kejriwal	Tata Motors Passenger Vehicles	MSc	NO
Keshav Lahoti	Voltas, Kaynes Technology, Sagar Cements	CA, CFA	NO
Rajesh Ravi	Voltas, Kaynes Technology, Sagar Cements	MBA	NO
Mahesh Nagda	Voltas, Kaynes Technology, Sagar Cements	CA	NO
Riddhi Shah	Voltas, Kaynes Technology, Sagar Cements	MBA	NO
Deepak Shinde	LIC Housing Finance	PGDM	NO
Krishnan ASV	LIC Housing Finance, The New India Assurance Company	PGDM	NO
Ayush Pandit	LIC Housing Finance	CA	NO
Shobhit Sharma	The New India Assurance Company	CA	NO
Mehul Sheth	Metropolis Healthcare	MBA	NO
Divyaxa Agnihotri	Metropolis Healthcare	MSc	NO
Nilesh Ghuge	Clean Science and Technology	MMS	NO
Aditya Iyer	Clean Science and Technology	PGDM	NO

Price movement



Disclosure:

Authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Research Analyst or his/her relative or HDFC Securities Ltd. does not have any financial interest in the subject company. Also Research Analyst or his relative or HDFC Securities Ltd. or its Associate may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Further Research Analyst or his relative or HDFC Securities Ltd. or its associate does have/does not have any material conflict of interest.

HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH000002475.

Disclaimer:

This report has been prepared by HDFC Securities Ltd and is solely for information of the recipient only. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite or the particular circumstances of an individual investor; readers are requested to take professional advice before investing. This report may have been refined using AI tools to enhance clarity and readability.

Nothing in this document should be construed as investment advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in securities of the companies referred to in this document (including merits and risks) and should consult their own advisors to determine merits and risks of such investment. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete. HSL is not obliged to update this report for such changes. HSL has the right to make changes and modifications at any time.

This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction.

If this report is inadvertently sent or has reached any person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk. It should not be considered to be taken as an offer to sell or a solicitation to buy any security.

This document is not, and should not, be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments. This report should not be construed as an invitation or solicitation to do business with HSL. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.

HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report. As regards the associates of HSL please refer the website.

HSL or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

HSL or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.

HSL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither HSL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.

Please note that HDFC Securities has a proprietary trading desk. This desk maintains an arm's length distance with the Research team and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.

HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066

Compliance Officer: Murli V Karkera Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

For grievance redressal contact Customer Care Team Email: customercare@hdfcsec.com Phone: (022) 3901 9400

HDFC Securities Limited, SEBI Reg. No.: NSE, BSE, MSEI, MCX: INZ000186937; AMFI Reg. No. ARN: 13549; PFRDA Reg. No. POP: 11092018; IRDA Corporate Agent License No.: CA0062; SEBI Research Analyst Reg. No.: INH000002475; SEBI Investment Adviser Reg. No.: INA000011538; CIN - U67120MH2000PLC152193

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

HDFC Securities

Institutional Equities

Unit No. 1602, 16th Floor, Tower A, Peninsula Business Park,

Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

Board: +91-22-6171-7330 www.hdfcsec.com