

HSIE Results Daily

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Results Reviews

- JSW Steel:** We maintain BUY on JSW Steel (JSTL) with a higher target price of INR 1,370/share (SOTP based). JSWS reported 6% YoY consolidated volume growth in Q4FY26 which, along with INR 2k/MT margin expansion (strong pricing rebound impact), led to 30% EBITDA growth. JSWS concluded the sale of BPSL assets into the JSW-JFE JV at end of Mar-26, thus accelerating net debt reduction by INR 216bn YoY, despite capex outgo of INR 156bn in FY26. It guided for ~10% LTL volume growth in FY27E. We expect margin to further expand on healthy steel prices, which should offset coking coal and iron ore cost inflation.
- Hindustan Aeronautics:** Hindustan Aeronautics Ltd recorded a modest FY26 performance, reflected in 7% revenue growth in FY26 over FY25, slowed by lower RoH orderbook execution. EBITDA margin for the year fell to 29.5% due to increased input costs. We expect HAL to post a 10% revenue CAGR over FY26-FY28E led by Tejas, ALH and engine deliveries with MRO gaining back traction. The pipeline for HAL over the next two years is estimated to the tune of INR 900bn. The delivery timeline for LCA Tejas MK1A still looks hazy but we feel confident that it should start from Q3FY27. The company has planned a capex of INR 120bn to service the existing orderbook and pipeline. With this anticipated increase in manufacturing revenue, Tejas deliveries, and a robust pipeline, we build in a 12% PAT CAGR over FY26-FY29E against our earlier PAT CAGR of 9% over FY25-FY28E. Following this, we maintain REDUCE but increase the multiple to 22 for FY28E EPS arriving at a TP of INR 3,800.
- Siemens Energy:** Siemens Energy Ltd (SEL) delivered a strong quarter with revenue/EBITDA/APAT at INR 23.9/4.9/3.7bn, a beat on estimates by 11%/+12.1/+8.2%. SEL received new orders worth INR 66.6bn in H1FY26, which led to an order backlog of INR 184.3bn (+22.2% YoY). Exports (largely PT driven) revenue share increased to 28.5% vs. 23.5% YoY. SEL continues to benefit from sustained traction in the power transmission segment, backed by rising demand for grid infrastructure. On the capacity front, SEL is investing ~INR 28bn across ongoing expansions (Kalwa, Chhatrapati Sambhajanagar) and a new greenfield transformer factory. The new facility is tentatively scheduled to become operational in phases starting H2FY27. The bid pipeline remains strong and new awards are expected to pick up pace in the coming quarters. Given the strong cash flow, robust order book, limited competitive intensity, and export opportunities, we maintain BUY on SEL with an increased TP of INR 3,844/sh (60x Sep-28E EPS, rollover from Dec-27 to Mar-28).
- Vishal Mega Mart:** VMM reported revenue growth of 22.2% YoY to INR 31.1bn in Q4 (HSIE: INR 29.7bn), driven by an uptick in consumption and further supported by increased promotional intensity. Reported SSSG stood at 12.1% in Q4FY26 (FY26 SSSG stood at 9.8%). The company added 24/99 (net) stores in Q4/FY26 respectively (store count: 795). Revenue/EBITDA density came in at INR9.6k/0.8k per sq. ft. in Q4 (up 10.4/25.4% YoY resp) annualized. Despite higher share of apparel (up 114bps YoY) and general merchandise (up 36bps YoY) in the mix in Q4FY26, GM contracted by 42bps YoY to 27.8% (HSIE: 28.4%) due to increased promotional intensity. However, cost efficiencies and SSSG-driven operating leverage led to Pre-IND AS

HSIE Research Team

hdfcsec-research@hdfcsec.com

EBITDAM improvement of 102bps YoY to 8.5% (HSIE: 8%). Note: Pre-IND AS rent was partially impacted due to lease renewals in Q4FY25. EBITDA/APAT grew 38.9/45.9% YoY to INR 2.65/1.68bn (HSIE: INR 2.36/1.72bn) respectively. Net cash stood at INR17bn at the end of FY26. We have largely maintained our FY27/28 EPS estimates and our BUY rating with a DCF-based TP of INR130/sh, implying ~45x Mar-28 P/E.

- **Sai Life Sciences:** EBITDA growth was moderate (+12% YoY), mainly due to muted sales growth (+4% YoY; CDMO was down 4% YoY, which was offset by 21% YoY growth in CRO). However, FY26 performance was solid with sales growth of 29% YoY, EBITDA grew 56% YoY, margin expanded by 485 bps YoY to at 28.8%, and PAT grew by 136% YoY. The company expects to sustain revenue growth in FY27 and business mix to skew more toward CRMO (to 70:30 in FY27 vs 65:35 in FY26 –CDMO:CRO), led by visibility from strong traction in existing projects, commercial ramp-up for four new molecules (approved in H2FY26), and ~225KL capacity addition in H1FY27, which could be scaled up from H2FY27. Moreover, it has added five phase III molecules, of which four are small molecules and one is in new modality (part of its integrated R&D program). It retains its growth guidance of 15-20% CAGR over next 3-5 years. It expects to sustain EBITDA margin at 28-30% in FY27 despite the rise in raw material and logistic costs as the company is discussing cost revisions with customers. Moreover, new capacities led inefficiencies may keep margin under pressure in short term. The company is entering a front-loaded investment cycle with doubling its capex spend to INR 11-13bn in FY27 (funding through mix of debt + internal accruals), of which 75% will be allocated to capacity expansion and balance toward capabilities and AI/technologies. This capex initiative is to align with long-term customer demand and strategic growth opportunities. While it expects near-term impact on asset turn, given aggressive capex plan, it aspires to achieve asset turn of 1.2-1.4x in medium term. Tailwinds like improved biotech funding (+52% YoY (YTD)), increasing biotech/ pharma IPOs, and stable funding towards late-stage assets provide visibility for the next few years. Factoring in FY26 and outlook, we have raised the EBITDA by 4/8% for FY27/28E, leading to strong sales growth visibility (24% CAGR over FY26–28E), with improved profitability (EBITDA CAGR 25%). We reiterate BUY with a TP to INR 1,280, based on 28x FY28E EV/EBITDA (implying 49x PE).
- **Data Patterns:** Data Patterns Ltd recorded a strong FY26 performance, reflected in 31% revenue growth over FY25, led by shortening of the execution cycle. EBITDA margin for the year stood at 40.3% (FY25 39%) due to a favourable product mix. We expect the company to continue posting a revenue CAGR of 24% over FY26-FY28E based on the orders in hand (INR 21bn) and the order pipeline with expectation of receiving a repeat order for production to the tune of INR 19bn in FY27E. The company is also actively exploring and pursuing export opportunities to expand and diversify its revenue, leveraging their in-house technology and products. Current valuations appear to have priced in these levers, leaving the export order book as a key monitorable. Although we believe that the company will keep on posting steady revenue growth, it is now sitting at peak margins, posing a risk for further margin expansion. Also, the current valuations are building in a positive surprise in revenue and earnings growth, which in our view is less probable. Following this, we change our rating to an ADD, arriving at a TP of INR 3,940 (55x FY28E EPS).
- **Kalpataru Projects International:** Kalpataru Projects International's (KPIL) Q4FY26 revenue/EBITDA/APAT were reported at INR 69.6/6.7/3.6bn, a beat of +3.3/15.5/17% to our estimates, respectively. KPIL secured new orders worth INR 264bn in FY26, taking the total order book (OB) to INR 654.6bn

(excl L1 INR 32bn, ~2.8x FY26 revenue). The company is now targeting FY27 revenue growth of ~15%+, with an EBITDA margin band of 8.5-8.7% and a PBT margin of 6.3%, along with an expected order inflow of INR 300bn+ in FY27. Key risks to watch include lingering Middle East geopolitical disruptions affecting execution and supply chain, slow collections in water and labour availability. Commodity and FX exposure is largely hedged, leaving diesel/fuel costs as the primary unhedged variable. Given the robust order booking, stable growth outlook, and a strong balance sheet (BS) and NWC, we retain our P/E target multiple at 20x. Maintain a BUY rating on the stock with increased TP of INR 1,764/sh (20x Mar-28E EPS rollover from Dec-27E).

- **Aether Industries:** We maintain our BUY on Aether Industries (AIL), with a target price of INR 1,373. Site 3++ has started commercial production and is being ramped up. The company is expanding its R&D capabilities and capacity. It is expanding its competencies in core chemistries to include integrated polymerization to target high-growth sectors like semiconductors. Solvent trials at Phase 1 block at Site 5 have started while commercial production would start in Q1. These developments will drive revenue growth over FY27-29E besides ramping up revenue from Baker Hughes contract. We expect revenue/EBITDA/PAT CAGRs of ~23/24/25% over FY26-FY29E while the RoE is expected to improve from 9.7% in FY26 to 13.2% in FY29. EBITDA and PAT were 9/3% below our estimates owing to higher-than-expected raw material while being offset by higher-than-expected other income.
- **Galaxy Surfactants:** We maintain our BUY recommendation on GALSURF with a price target of INR 2,449, based on (1) resilient volume growth; (2) improving traction for specialty care in the US; and (3) medium-term margin expansion roadmap, supported by specialty mix improvement, operating leverage, and monetization of capex. Q4 EBITDA was 26% below our estimates, owing to higher-than-expected raw material cost while APAT was 27.9% down.
- **Somany Ceramics:** Somany Ceramics' revenue grew 6% YoY to INR 8.1bn. Tiles volume growth stood at 2% YoY, while NSR was up 3% YoY (flat QoQ). EBITDA margin expanded by 317bps YoY to 11.3%, leading to EBITDA growth of 48% YoY, while APAT grew 94% YoY. The management guides for mid-single-digit tile volume growth in FY27, with EBITDA margin expected to expand by ~150bps YoY to 10.8%. Demand was weak in April following price hikes, resulting in low single-digit volume growth as dealers deferred purchases. Morbi players implemented sharp price increases of 30-35%, while organized players took relatively moderate hikes of 16-17%. The company has fully passed on input cost inflation in the retail segment; however, in the project segment (~16-17% mix), only ~85% of the cost increase has been passed through. Factoring in the strong Q4 results and industry-wide price hikes, we have revised our revenue estimates upward by 3/1% and APAT estimates by 10/8% for FY27/FY28E, respectively. We maintain ADD, with a higher target price of INR 530/share.

JSW Steel

Steel price rise to continue to bolster margin

We maintain BUY on JSW Steel (JSTL) with a higher target price of INR 1,370/share (SOTP based). JSWS reported 6% YoY consolidated volume growth in Q4FY26 which, along with INR 2k/MT margin expansion (strong pricing rebound impact), led to 30% EBITDA growth. JSWS concluded the sale of BPSL assets into the JSW-JFE JV at end of Mar-26, thus accelerating net debt reduction by INR 216bn YoY, despite capex outgo of INR 156bn in FY26. It guided for ~10% LTL volume growth in FY27E. We expect margin to further expand on healthy steel prices, which should offset coking coal and iron ore cost inflation.

- Q4FY26 performance:** JSWS reported consolidated sales volume growth of 6/4% YoY/QoQ. Domestic sales (90% of India operations) rose 6/7% YoY/QoQ. Domestic offtake remained impacted due to BF-3 at Vijayangar remaining shutdown. Blended NSR jumped 6/7% QoQ/YoY on continued price recovery. Opex too went up 3% QoQ on higher coking coal prices (+USD 16/MT QoQ) and a large forex loss of INR 11bn vs INR 1.2bn QoQ. Thus, unit EBITDA increased by INR 2k/MT QoQ to INR 10.4k/MT. JSWS spent INR 46bn in capex in Q4FY26.
- FY26 performance:** Consolidated volume rose 12% YoY, led by 10% domestic volume growth and ~12/20% uptick in its US/Italy sales volume. Blended NSR fell 2% YoY on weak pricing in 9MFY26. Unit EBITDA improved by INR 1k/MT to INR 9.9k/MT in FY26. Thus EBITDA/OCF rose 29/20% YoY to INR 295/251bn YoY. While it spent INR 156bn in annual capex, slump sale of its stake in BPSL to JSW JFE JV led to inflow of INR 294bn, thus leading to net debt reducing to INR 578bn (vs INR 794bn YoY).
- Con call KTAs and outlook:** JSWS guided for consolidated sales volume (ex BPSL) of 28.6mn MT (~10% LTL growth) for FY27E, driven by capacity ramp-up. NSR would continue to rise in Q1 as steel prices remain buoyant. Coking coal/iron ore prices have gone up ~USD12-13 per MT/ 5% QoQ in Q1FY27, which could moderate margin expansion. It guided for a capex of INR 220-240bn in FY27E, which would accelerate in the following years as JSWS is targeting to expand its India capacity (ex BPSL) from 32mn MT to 49mn MT by FY30E. We remain bullish on the company owing to strong volume and margin outlook. We have lowered our FY27/28E EBITDA by 11/11% each as we remove BPSL numbers, which will now be accounted through equity method. Adjusted for the same, we maintain our EBITDA estimates. We value JSWS at 8.5x FY28E EBITDA (vs 8x earlier, owing to healthy outlook) and its 50% stake in the JSWS-JFE JV ~1x BV, leading to an SOTP value of INR 1,370/share.

Quarterly/annual financial summary (consolidated)

YE Mar	Q4 FY26	Q4 FY25	YoY (%)	Q3 FY26	QoQ (%)	FY24	FY25	FY26P	FY27E	FY28E
Sales (mn MT)	8.0	7.5	6.4	7.6	4.3	24.8	26.5	29.6	28.4	31.0
NSR (INR/MT)	63,757	59,838	6.5	60,198	5.9	70,624	63,828	62,472	66,220	66,882
EBITDA (INR/MT)	10,374	8,515	21.8	8,503	22.0	11,395	8,659	9,941	11,707	12,743
Net Sales	508.1	448.2	13.4	459.9	10.5	1,750.1	1,688.2	1,851.0	1,883.6	2,073.7
EBITDA	82.7	63.8	29.6	65.0	27.3	282.4	229.0	294.6	333.0	395.1
APAT	163.7	15.0	989.2	21.4	665.3	83.7	38.7	98.1	108.7	143.4
AEPS (INR)	14.2	6.3	123.4	10.4	36.3	34.4	15.9	40.1	44.5	58.7
EV/EBITDA (x)						10.4	13.1	9.6	8.5	7.1
P/E (x)						27.5	59.4	23.4	21.1	16.0
RoCE (%) pretax						12.5	7.6	10.2	10.8	12.4
RoE (%)						11.4	4.8	10.5	9.9	12.0

Source: Company, HSIE Research

BUY

CMP (as on 15 May 2026)	INR 1,278
Target Price	INR 1,370
NIFTY	23,644

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,240	INR 1,370
EBITDA revision %	FY27E (11.2)	FY28E (11.0)

KEY STOCK DATA

Bloomberg code	JSTL IN
No. of Shares (mn)	2,445
MCap (INR bn) / (\$ mn)	3,127/32,586
6m avg traded value (INR mn)	2,208
52 Week high / low	INR 1,320/962

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	3.8	9.5	23.2
Relative (%)	12.7	20.5	32.0

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	45.31	45.31
FIs & Local MFs	11.06	11.16
FPIs	25.38	25.38
Public & Others	18.25	18.15
Pledged Shares	11.70	11.81

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

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

Hindustan Aeronautics

Nearing the Tejas delivery timeline

Hindustan Aeronautics Ltd recorded a modest FY26 performance, reflected in 7% revenue growth in FY26 over FY25, slowed by lower RoH orderbook execution. EBITDA margin for the year fell to 29.5% due to increased input costs. We expect HAL to post a 10% revenue CAGR over FY26-FY28E led by Tejas, ALH and engine deliveries with MRO gaining back traction. The pipeline for HAL over the next two years is estimated to the tune of INR 900bn. The delivery timeline for LCA Tejas MK1A still looks hazy but we feel confident that it should start from Q3FY27. The company has planned a capex of INR 120bn to service the existing orderbook and pipeline. With this anticipated increase in manufacturing revenue, Tejas deliveries, and a robust pipeline, we build in a 12% PAT CAGR over FY26-FY29E against our earlier PAT CAGR of 9% over FY25-FY28E. Following this, we maintain REDUCE but increase the multiple to 22 for FY28E EPS arriving at a TP of INR 3,800.

- **Q4FY26 highlights:** The revenue for this quarter stood at INR 139bn, up 2% YoY, EBITDA at INR 62bn, up 13% YoY, and APAT at INR 42bn, up 6% YoY.
- **FY26 highlights:** Revenue at INR 331bn (miss by 3%) due to slower-than-anticipated execution of RoH order book, EBITDA at INR 98bn (miss by 9%) and APAT at INR 91bn (beat by 4%) due to higher-than-expected other income. The EBITDA margin for FY26 fell to 29.5% from 31% in FY25 due to an unfavorable product mix and increased input costs. For FY27, we do not expect any such increase in cost of production and believe margins could move up again to 30%.
- **Capex planned ahead:** HAL inaugurated a new assembly line in Nasik for LCA Tejas MK1A with a capacity of 8 per annum in Oct'25, and capacity for HTT40 has also been ramped. The company has planned INR 120bn capex to set up infrastructure for manufacturing LCA MK1A, LCA Mark2, GE414 engines, IMRF engines, SSLV indigenization and IMR development.
- **Strong order book providing multi-year revenue visibility:** The order book stands at INR 2.54trn at FY26-end, with LCA Tejas MK1A constituting the highest share. The book to bill at 7.7 provides comfortable runway for revenue growth at a 10% assumption for the next 5 years.
- **Order pipeline intact:** The company anticipates additional contracts of 143 ALH for army, Su30 upgrades and upgrade of 40 DO228. In total the company expects orders of INR 900bn over the next 2 years including MRO.
- **LCA Tejas MK1A deliveries:** HAL currently has six aircrafts in its inventory and expects to receive 15 GE engines this year, so a total of 20 aircrafts are expected to be delivered in FY27E. We believe that this number could slip down drastically due to deliveries happening in Q3 and Q4 of FY27E as technical negotiations with IAF are expected to finalize by Sep'26. Adding to this is the staggered engine delivery timelines and the 30-45-day lag of complete aircraft delivery starting once the engine is received.

Financial Summary

(INR mn)	Q4FY26	Q4FY25	YoY	Q3FY26	QoQ	FY25	FY26	FY27E	FY28E
Net Revenues	1,39,424	1,36,999	2%	76,988	81%	3,09,810	3,30,888	3,65,049	4,03,044
EBITDA	62,091	54,964	13%	27,848	123%	96,081	97,698	1,09,880	1,22,122
APAT	41,960	39,766	6%	18,667	125%	83,641	91,155	1,03,679	1,14,985
Diluted Consol EPS (INR)	62.7	59.5	6%	27.9	125%	125.1	136.3	155.0	171.9
P/E (x)						35.1	32.2	28.3	25.5
EV/EBITDA						26.6	25.3	22.4	20.1
RoE (%)						26.1%	24.0%	23.2%	21.9%

Source: Company, HSIE Research

REDUCE

CMP (as on 15 May 2026)	INR 4,386
Target Price	INR 3,800
NIFTY	23,644

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 3265	INR 3800
EPS Change %	FY27E 8.4%	FY28E 5.2%

KEY STOCK DATA

Bloomberg code	HNAL IN
No. of Shares (mn)	669
MCap (INR bn) / (\$ mn)	2,933/30,566
6m avg traded value (INR mn)	6,334
52 Week high / low	INR 5,166/3,479

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	4.1	(7.3)	(9.8)
Relative (%)	13.1	3.8	(1.0)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	71.64	71.64
FIs & Local MFs	9.68	10.43
FPIs	10.86	10.21
Public & Others	7.84	7.73

Pledged Shares - -

Source : BSE

Amit Kumar, CFA

amit.kumar1@hdfcsec.com
+91-22-6171-7354

Nikunj Khetan

nikunj.khetan@hdfcsec.com
+91-22-6171-7336

Aryan Singh Dalal

aryan.dalal@hdfcsec.com
+91-22-6171-7330

Siemens Energy

Strong performance, robust growth

Siemens Energy Ltd (SEL) delivered a strong quarter with revenue/EBITDA/APAT at INR 23.9/4.9/3.7bn, a beat on estimates by 11%/+12.1/+8.2%. SEL received new orders worth INR 66.6bn in H1FY26, which led to an order backlog of INR 184.3bn (+22.2% YoY). Exports (largely PT driven) revenue share increased to 28.5% vs. 23.5% YoY. SEL continues to benefit from sustained traction in the power transmission segment, backed by rising demand for grid infrastructure. On the capacity front, SEL is investing ~INR 28bn across ongoing expansions (Kalwa, Chhatrapati Sambhajinagar) and a new greenfield transformer factory. The new facility is tentatively scheduled to become operational in phases starting H2FY27. The bid pipeline remains strong and new awards are expected to pick up pace in the coming quarters. Given the strong cash flow, robust order book, limited competitive intensity, and export opportunities, we maintain BUY on SEL with an increased TP of INR 3,844/sh (60x Sep-28E EPS, rollover from Dec-27 to Mar-28).

- Q2FY26 financial snapshot:** Revenue came in at INR 23.9bn (+27.4%/+25.3% YoY/QoQ, beat by 11%). EBITDA was INR 4.9bn (+39.0/+8.1% YoY/QoQ, a beat of 12.1%). EBITDA margin came in at 20.8% (+173bps/-330bps YoY/QoQ, vs our estimates of 20.6%). Consequently, RPAT/APAT came in at INR 3.7bn (+52.2%/+6.5% YoY/QoQ, an 8.2% beat)
- Robust order book:** With a strong order intake in PT/PG of INR 43.4/23.2bn in H1FY26 and OB of INR 125.2/59.2bn (+27.5/12.4% YoY), the core power transmission segment continues to outperform on growth, supported by domestic grid expansion (notably 765kV lines) and export opportunities. PG is more domestic with robust service revenue.
- Power transmission (PT) exports ramping up, power generation (PG) more of domestic story:** SEL is looking to strengthen the Indian footprint through PT capacity expansion (INR 28bn of capex outlay), backed by strong electricity demand from domestic consumption, public infrastructure Capex, industrial growth, data centers, and exports. SEL is expanding capacities across 1) transformer manufacturing, 2) high-voltage switchgear, and 3) a new Industrial Steam Turbine Service Centre in Raipur.

Standalone financial summary (INR mn)

Y/E - Sep	2Q FY26	2Q FY25	YoY (%)	1Q FY25	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Revenues	23,941	18,795	27.4	19,109	25.3	78,267	96,190	1,17,785	1,43,038
EBITDA	4,983	3,585	39.0	4,608	8.1	15,134	21,008	25,559	32,184
APAT	3,746	2,461	52.2	3,518	6.5	11,001	16,131	20,221	25,404
EPS (INR)	10.5	6.9	52.2	9.9	6.5	30.9	45.3	56.8	71.3
P/E (x)						100.0	68.2	54.4	43.3
EV/EBIDTA (x)						70.4	50.5	41.1	32.2
RoE (%)						29.0	31.9	30.8	29.9

Source: Company, HSIE Research

Change in Estimates (INR mn) – Y/E – Sep

Particulars	FY26E			FY27E			FY28E		
	New	Old	Change (%)/ (bps)	New	Old	Change (%)/ (bps)	New	Old	Change (%)/ (bps)
Revenue	96,190	95,094	1.2	1,17,785	1,16,443	1.2	1,43,038	1,41,408	1.2
EBITDA	21,008	19,970	5.2	25,559	25,268	1.2	32,184	31,817	1.2
EBITDA (%)	21.8	21.0	84.0	21.7	21.7	(0.0)	22.5	22.5	(0.0)
PAT	16,131	15,870	1.6	20,221	19,991	1.2	25,404	25,114	1.2

Source: HSIE Research

BUY

CMP (as on 15 May 2026)	INR 3,086
Target Price	INR 3,844
NIFTY	23,644

KEY CHANGES	OLD	NEW	
Rating	BUY	BUY	
Price Target	INR 3,584	INR 3,844	
EPS	FY26E	FY27E	FY28E
Change %	1.6	1.2	1.2

KEY STOCK DATA

Bloomberg code	ENRIN IN
No. of Shares (mn)	356
MCap (INR bn) / (\$ mn)	1,099/11,452
6m avg traded value (INR mn)	2,053
52 Week high / low	INR3,625/2,105

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	12.6	(5.3)	-
Relative (%)	21.6	5.8	-

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	75.00	75.00
FIs & Local MFs	7.21	7.59
FPIs	6.70	6.62
Public & Others	11.07	10.78
Pledged Shares	-	-

Source: BSE

Pledge share as a % of total shares

Parikshit D Kandpal, CFA

parikshid.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

Vishal Mega Mart

Key beneficiary amidst rising inflation

VMM reported revenue growth of 22.2% YoY to INR 31.1bn in Q4 (HSIE: INR 29.7bn), driven by an uptick in consumption and further supported by increased promotional intensity. Reported SSSG stood at 12.1% in Q4FY26 (FY26 SSSG stood at 9.8%). The company added 24/99 (net) stores in Q4/FY26 respectively (store count: 795). Revenue/EBITDA density came in at INR9.6k/0.8k per sq. ft. in Q4 (up 10.4/25.4% YoY resp) annualized. Despite higher share of apparel (up 114bps YoY) and general merchandise (up 36bps YoY) in the mix in Q4FY26, GM contracted by 42bps YoY to 27.8% (HSIE: 28.4%) due to increased promotional intensity. However, cost efficiencies and SSSG-driven operating leverage led to Pre-IND AS EBITDAM improvement of 102bps YoY to 8.5% (HSIE: 8%). Note: Pre-IND AS rent was partially impacted due to lease renewals in Q4FY25. EBITDA/APAT grew 38.9/45.9% YoY to INR 2.65/1.68bn (HSIE: INR 2.36/1.72bn) respectively. Net cash stood at INR17bn at the end of FY26. We have largely maintained our FY27/28 EPS estimates and our BUY rating with a DCF-based TP of INR130/sh, implying ~45x Mar-28 P/E.

■ **Q4FY26 highlights:** VMM's revenue grew 22.2% YoY to INR31.1bn (HSIE: INR 29.7bn), underpinned by strong SSSG (reported) of 12.1% in Q4FY26, while full-year SSSG stood at 9.8%. The company added 24 (net) stores in Q4FY26 (store count: 795). Apparel & GM both outpaced overall portfolio growth in Q4FY26, with 25.6/23.8% YoY growth respectively, while FMCG moderated to 15.2%, resulting in a revenue mix of Apparel/GM/FMCG at 42.6/29.1/27.8% in Q4FY26 vs. 41.5/28.8/29.5% in Q4FY25. Own brands share stood at 74.1% in FY26 vs 73.1% in FY25. Revenue/EBITDA density came in at INR9.6k/0.8k per sq. ft. in Q4 (up 10.4/25.4% YoY resp). GM contracted by 42bps YoY to 27.8% (HSIE: 28.4%), due to increased promotional intensity to clear old inventory and to capitalize on an uptick in consumption to maximize market share. However, Pre-IND AS EBITDAM improved by 102bps YoY to 8.5% (HSIE: 8%), driven by improved cost efficiencies and positive operating leverage. Notably, Pre-IND AS rent as a % of sales improved to 5.1% of sales in Q4FY26 (vs. 6.5% in Q4FY25), though the base period was impacted by lease renewals. EBITDA/APAT grew 38.9/45.9% YoY to INR 2.65/1.68bn (HSIE: INR 2.36/1.72bn), respectively. FY26 capex/net cash stood at INR3.2/17bn resp. Core cash conversion cycle improved from 15 days in FY25 to 12 days in FY26.

■ **Outlook:** As geopolitical crisis drives up inflation, we believe VMM is ideally positioned to gain market share as its value-driven pricing attracts consumers down-trading toward more affordable options. We have largely maintained our FY27/28 EPS estimates and our BUY rating with a DCF-based TP of INR130/sh, implying ~45x Mar-28 P/E.

Quarterly financial summary

(Rs mn)	4Q	4Q	YoY	3Q	QoQ	FY24	FY25	FY26	FY27E	FY28E
	FY26	FY25	(%)	FY26	(%)					
Net Revenue	31,141	25,479	22.2	36,704	(15.2)	89,119	1,07,163	1,29,063	1,51,974	1,77,214
Pre-IND AS EBITDA	2,646	1,905	38.9	4,542	(41.8)	7,414	9,741	12,709	15,050	18,190
APAT	1,679	1,151	45.9	3,129	(46.3)	4,619	6,320	8,392	10,738	13,432
EPS (Rs)	0.4	0.3	43.5	0.7	(46.3)	1.0	1.4	1.8	2.3	2.9
P/E (x)						116.2	86.6	66.3	51.8	41.4
EV/EBITDA (x)						72.2	55.3	42.4	35.1	28.2
Core RoCE(%)						8.3	10.8	13.9	15.9	18.9

Change in estimates

(INR mn)	FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)
Revenue	1,51,974	1,50,001	1.3	1,77,214	1,74,902	1.3
Gross Profit	43,224	42,909	0.7	50,486	50,115	0.7
Gross Profit Margin (%)	28.4	28.6	-16 bps	28.5	28.7	-16 bps
EBITDA	15,050	14,939	0.7	18,190	17,821	2.1
EBITDA margin (%)	9.9	10.0	-6 bps	10.3	10.2	8 bps
APAT	10,738	10,834	(0.9)	13,432	13,496	(0.5)
APAT margin (%)	7.1	7.2	-16 bps	7.6	7.7	-14 bps
EPS (Rs)	2.3	2.3	(0.9)	2.9	2.9	(0.5)

Source: Company, HSIE Research

BUY

CMP(as on 15 May 2026)	INR 119
Target Price	INR 130
NIFTY	23,644

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 130	INR 130
	FY27E	FY28E
EPS %	-0.9	-0.5

KEY STOCK DATA

Bloomberg code	VMM IN
No. of Shares (mn)	4,673
MCap (INR bn) / (\$ mn)	556/5,794
6m avg traded value (INR mn)	2,227
52 Week high / low	INR 158/99

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(2.4)	(13.1)	(7.0)
Relative (%)	6.5	(2.1)	1.8

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	54.09	40.12
FIs & Local MFs	25.47	32.73
FPIs	15.52	22.01
Public & Others	4.92	5.14

Pledged Shares - -

Source : BSE

-Pledged shares as % of total shares

Jay Gandhi

jay.gandhi@hdfcsec.com

+91-22-6171-7320

Vedant Mulik

vedant.mulik@hdfcsec.com

+91-22-6171-7348

Sai Life Sciences

Strong FY26; growth momentum to continue

EBITDA growth was moderate (+12% YoY), mainly due to muted sales growth (+4% YoY; CDMO was down 4% YoY, which was offset by 21% YoY growth in CRO). However, FY26 performance was solid with sales growth of 29% YoY, EBITDA grew 56% YoY, margin expanded by 485 bps YoY to at 28.8%, and PAT grew by 136% YoY. The company expects to sustain revenue growth in FY27 and business mix to skew more toward CRMO (to 70:30 in FY27 vs 65:35 in FY26 –CDMO:CRO), led by visibility from strong traction in existing projects, commercial ramp-up for four new molecules (approved in H2FY26), and ~225KL capacity addition in H1FY27, which could be scaled up from H2FY27. Moreover, it has added five phase III molecules, of which four are small molecules and one is in new modality (part of its integrated R&D program). It retains its growth guidance of 15-20% CAGR over next 3-5 years. It expects to sustain EBITDA margin at 28-30% in FY27 despite the rise in raw material and logistic costs as the company is discussing cost revisions with customers. Moreover, new capacities led inefficiencies may keep margin under pressure in short term. The company is entering a front-loaded investment cycle with doubling its capex spend to INR 11-13bn in FY27 (funding through mix of debt + internal accruals), of which 75% will be allocated to capacity expansion and balance toward capabilities and AI/technologies. This capex initiate is to align with long-term customer demand and strategic growth opportunities. While it expects near-term impact on asset turn, given aggressive capex plan, it aspires to achieve asset turn of 1.2-1.4x in medium term. Tailwinds like improved biotech funding (+52% YoY (YTD)), increasing biotech/ pharma IPOs, and stable funding towards late-stage assets provide visibility for the next few years. Factoring in FY26 and outlook, we have raised the EBITDA by 4/8% for FY27/28E, leading to strong sales growth visibility (24% CAGR over FY26–28E), with improved profitability (EBITDA CAGR 25%). We reiterate BUY with a TP to INR 1,280, based on 28x FY28E EV/EBITDA (implying 49x PE).

- Q4 highlights:** Sales grew 4% YoY to INR 6.02bn as CDMO (65% of sales) declined 4% YoY to INR 3.9bn and CRO (35%) grew 21% YoY to INR 2.12bn. GM was higher at 73.1% (+209 bps YoY); higher staff (+24%) and lower SG&A (-25%) led to an EBITDA of INR 1.76bn (+12% YoY, -6% QoQ) and margin of 29.3% (+213 bps). Higher other income (+62%) and lower interest (-28%) led to an adjusted PAT of INR 1.03bn (+18% YoY).
- Con call takeaways: CDMO:** Its planned capacity addition of ~450KL is on track (to reach a total capacity of ~1,150KL by FY27-end). It expects customer split to be at 50:50 for pharma: biotec customers (in FY26 it was at 48:52). The company received commercial supply qualification from two additional large pharma customers. It does not expect any major impact from tariff.

Quarterly financial summary

(INR mn)	4QFY26	4QFY25	YoY (%)	3QFY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Net Revenue	6,021	5,795	4	5,565	8	14,652	16,946	21,925	27,216	33,602
EBITDA	1,765	1,576	12	1,879	-6	2,855	4,057	6,312	7,784	9,845
APAT	1,039	883	18	1,087	-4	682	1,511	3,569	4,093	5,496
EPS (INR)	4.9	4.2	18	5.1	-4	3.2	7.1	16.9	19.3	26.0
P/E (x)						338.3	152.7	64.6	56.4	42.0
EV/EBITDA (x)						83.5	56.6	36.8	30.4	23.9
RoCE (%)						9	12	18	18	19

Source: Company, HSIE Research

BUY

CMP (as on 15 May 2026)	INR 1,091
Target Price	INR 1,280
NIFTY	23,644

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1160	INR 1280
	FY27E	FY28E
EBITDA %	4.4	8.1

KEY STOCK DATA

Bloomberg code	SAILIFE IN
No. of Shares (mn)	212
MCap (INR bn) / (\$ mn)	231/2,410
6m avg traded value (INR mn)	523
52 Week high / low	INR 1,139/700

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	19.2	25.1	44.4
Relative (%)	28.2	36.1	53.2

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	34.70	34.61
FIs & Local MFs	31.41	31.54
FPIs	21.41	21.17
Public & Others	12.48	12.68
Pledged Shares	-	-

Source: BSE

Mehul Sheth

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

Divyaxa Agnihotri

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

Data Patterns

Robust order pipeline adequately priced in

Data Patterns Ltd recorded a strong FY26 performance, reflected in 31% revenue growth over FY25, led by shortening of the execution cycle. EBITDA margin for the year stood at 40.3% (FY25 39%) due to a favourable product mix. We expect the company to continue posting a revenue CAGR of 24% over FY26-FY28E based on the orders in hand (INR 21bn) and the order pipeline with expectation of receiving a repeat order for production to the tune of INR 19bn in FY27E. The company is also actively exploring and pursuing export opportunities to expand and diversify its revenue, leveraging their in-house technology and products. Current valuations appear to have priced in these levers, leaving the export order book as a key monitorable. Although we believe that the company will keep on posting steady revenue growth, it is now sitting at peak margins, posing a risk for further margin expansion. Also, the current valuations are building in a positive surprise in revenue and earnings growth, which in our view is less probable. Following this, we change our rating to an ADD, arriving at a TP of INR 3,940 (55x FY28E EPS).

- Q4FY26 highlights:** The revenue for this quarter was INR 3,449mn, up 99% YoY, EBITDA at INR 1,985mn, up 24% YoY, APAT at INR 1,395mn, up 23% YoY. The EBITDA margin for Q4FY26 was 58% due to product mix but normalized over the year as the company had a weak Q2 in terms of margins.
- FY26 highlights:** Revenue for the year stood at INR 9,248mn (beat by 6%) led by faster execution cycle, with EBITDA at INR 3,740mn (beat by 12%), and EBITDA margin at 40% due to a better product mix. The company posted an APAT of INR 2,714mn (beat by 2.5%).
- Increased focus on export market:** The company is increasing its focus on the export market to grow and diversify its revenue stream by expanding its export team to address the growing opportunities. Multiple global OEMs have visited the facility, leading to inquiries after inspection due to competitive pricing and delivery timeline. Contracts from global OEMs are expected to start by Q3FY27, initially involving development, leading to production orders for military. The company has an INR 530mn export orderbook with expectation of repeat business from the UK. We believe this export order stream should lower the lumpiness in order inflows.
- Strong order inflows ahead:** The company's order book stood at INR 20.6bn as on date, with FY26 inflows at INR 11.2Bn. It expects to receive repeat orders of INR 19bn in FY27E. Further, the pipeline holds order flows from ongoing and upcoming platform projects such as LCA Tejas MK1A and QRSAM. It is also very active in AMCA project developing the glass cockpit and management systems, with sensors, RWR and radars slowly following. We are bullish on order book growth and revenue visibility in the coming years, encouraged by long-term initiatives and export orders and products under development such as Brahmos seeker, fire control systems, and EW.

Financial Summary

(INR mn)	Q4FY26	Q4FY25	YoY	Q3FY26	QoQ	FY25	FY26	FY27E	FY28E
Net Revenues	3,449	3,962	-13%	1,731	99%	7,084	9,248	11,473	14,231
EBITDA	1,985	1,601	24%	864	130%	2,750	3,740	4,474	5,508
APAT	1,395	1,135	23%	586	138%	2,218	2,714	3,249	4,009
Diluted									
Consol EPS (INR)	24.7	20.4	21%	10.4	137%	39.6	48.5	58.0	71.6
P/E (x)						98.6	80.6	67.3	54.5
EV/EBITDA						79.1	58.2	48.7	39.6
RoE (%)						15.7%	16.7%	17.4%	18.4%

Source: Company, HSIE Research

ADD

CMP (as on 15 May 2026)	INR 3,876
Target Price	INR 3,940
NIFTY	23,644

KEY CHANGES	OLD	NEW
Rating	BUY	ADD
Price Target	INR 3770	INR 3940
EPS Change %	FY27E 2.5%	FY28E 4.5%

KEY STOCK DATA

Bloomberg code	DATAPATT IN
No. of Shares (mn)	56
MCap (INR bn) / (\$ mn)	217/2,261
6m avg traded value (INR mn)	3,209
52 Week high / low	INR 4,303/2,131

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	40.0	25.0	47.7
Relative (%)	48.9	36.0	56.5

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	42.41	42.41
FIs & Local MFs	10.27	11.68
FPIs	11.54	12.47
Public & Others	35.77	33.43
Pledged Shares	-	-

Source : BSE

Amit Kumar, CFA

amit.kumar1@hdfcsec.com
+91-22-6171-7354

Nikunj Khetan

nikunj.khetan@hdfcsec.com
+91-22-6171-7336

Aryan Singh Dalal

aryan.dalal@hdfcsec.com
+91-22-6171-7330

Kalpataru Projects International

Steady show amid macro headwinds

Kalpataru Projects International's (KPIL) Q4FY26 revenue/EBITDA/APAT were reported at INR 69.6/6.7/3.6bn, a beat of +3.3/15.5/17% to our estimates, respectively. KPIL secured new orders worth INR 264bn in FY26, taking the total order book (OB) to INR 654.6bn (excl L1 INR 32bn, ~2.8x FY26 revenue). The company is now targeting FY27 revenue growth of ~15%+, with an EBITDA margin band of 8.5-8.7% and a PBT margin of 6.3%, along with an expected order inflow of INR 300bn+ in FY27. Key risks to watch include lingering Middle East geopolitical disruptions affecting execution and supply chain, slow collections in water and labour availability. Commodity and FX exposure is largely hedged, leaving diesel/fuel costs as the primary unhedged variable. Given the robust order booking, stable growth outlook, and a strong balance sheet (BS) and NWC, we retain our P/E target multiple at 20x. Maintain a BUY rating on the stock with increased TP of INR 1,764/sh (20x Mar-28E EPS rollover from Dec-27E).

- Q4FY26 financial highlights:** KPIL generated a revenue of INR 69.6bn (+12.2/+20.3% YoY/QoQ, beat by 3.3%) with an EBITDA of INR 6.7bn (+28.4/+39.6% YoY/QoQ, beat by 15.5%). EBITDA margin came in at 9.6% (-121/+133bps YoY/QoQ, vs our estimate of 8.6%). APAT stood at INR 3.6bn (+37.2/+56.7% YoY/QoQ, a beat by 17%).
- Diversified order book amid macro headwinds:** In FY26, KPIL received an order inflow of INR 264bn, which takes its OB to INR 654.8bn. (excl L1 INR 32bn). Domestic/international OB comprises 61/39% respectively, with OI coming in at 68%/32% for the two respectively, and T&D and BNF leading the charge. In FY26, revenue from T&D grew +25% YoY on the back of project execution and healthy order mix in India and overseas markets, while water lagged due to payment delays from UP and Jharkhand.
- NWC supports balance sheet:** KPIL's standalone NWC improved by 7 days YoY to 99 days in Q4FY26 (Q3:97 days) vs. KPIL guidance at under 100 days for FY26. Standalone net debt decreased to INR 7.5bn in Q4FY26 (Q3FY26: INR 18.4bn), with net debt to equity at 0.1x as of Mar'26 (vs. 0.2x as of Mar'26). Capex for KPIL in FY27 is estimated at INR 8bn.

Standalone Financial Summary (INR mn)

Particulars	4Q FY26	4Q FY25	YoY (%)	3Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E
Revenue	69,640	62,042	12.2	57,876	20.3	1,88,880	2,32,101	2,65,755	3,09,605
EBITDA	6,719	5,232	28.4	4,813	39.6	15,871	20,287	23,386	27,555
APAT	3,656	2,664	37.2	2,334	56.7	6,971	11,245	12,328	15,059
EPS (INR)	21.4	15.6	37.2	13.7	56.7	40.8	65.8	72.2	88.2
P/E (x)						27.8	17.2	15.7	12.8
EV/EBITDA (x)						17.4	12.8	9.1	7.6
RoE (%)						9.7	13.7	13.2	14.1

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY27E			FY28E		
	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	2,65,755	2,69,494	-1.4	3,09,605	3,07,223	0.8
EBITDA	23,386	23,176	0.9	27,555	27,343	0.8
EBITDA (%)	8.8	8.6	20.0	8.9	8.9	0.0
APAT	12,328	11,662	5.7	15,059	13,939	8.0

Source: Company, HSIE Research

BUY

CMP (as on 15 May 2026)	INR 1,256
Target Price	INR 1,764
NIFTY	23,644

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target (INR)	1,601	1,764
EPS	FY27E	FY28E
Change (%)	5.7	8.0

KEY STOCK DATA

Bloomberg code	KPIL IN
No. of Shares (mn)	171
MCap (INR bn) / (\$ mn)	215/2,238
6m avg traded value (INR mn)	210
52 Week high / low	INR 1,336/1,007

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	14.7	0.4	18.5
Relative (%)	23.6	11.4	27.3

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	33.57	33.58
FIs & Local MFs	43.90	45.12
FPIs	11.73	10.92
Public & Others	10.80	10.38
Pledged Shares	8.25	8.25

Source: BSE

Pledge shares as a % 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

Aether Industries

Growth driven by CEM and CRAMS

We maintain our BUY on Aether Industries (AIL), with a target price of INR 1,373. Site 3++ has started commercial production and is being ramped up. The company is expanding its R&D capabilities and capacity. It is expanding its competencies in core chemistries to include integrated polymerization to target high-growth sectors like semiconductors. Solvent trials at Phase 1 block at Site 5 have started while commercial production would start in Q1. These developments will drive revenue growth over FY27-29E besides ramping up revenue from Baker Hughes contract. We expect revenue/EBITDA/PAT CAGRs of ~23/24/25% over FY26-FY29E while the RoE is expected to improve from 9.7% in FY26 to 13.2% in FY29. EBITDA and PAT were 9/3% below our estimates owing to higher-than-expected raw material while being offset by higher-than-expected other income.

- Financial performance:** Revenue grew by +27.0/-3.8% YoY/QoQ to INR 3,051mn. The increase was driven by growth in the CEM business. EBITDA increased by +3.8/-25.2% YoY/QoQ to INR 827mn, the sequential decline driven by one-off items that include an INR 70mn inventory write-off and absence of a large insurance claims, which had boosted Q3 numbers. Segmental revenue breakdown for Q4FY26: 37% from large scale manufacturing, 10% from CRAMS, and 53% from CEM.
- Key con call takeaways: (1) Strategic shift:** The company continues its transition toward contract-based models; CEM and CRAMS collectively contributed over 64% of revenue in Q4. Management reaffirmed its vision to have 70% of revenue coming from these segments by FY30. **(2) LSM dynamics:** Large Scale Manufacturing (LSM) accounted for 43% of sales in FY26. By Jun-26, the company will launch two pharma and one agrochemical intermediate. **(3) Site 3++:** Has started production in February-26 with rapid ramp-up to meet demand in material science. **(4) Site 5:** Phase 1 with 2 production blocks are undergoing trials with commercial production expected to start in June 2026; construction for Phase 2 has started. **(5) R&D:** The company is expanding its R&D by adding 18 new fume hoods and a 400 MHz NMR machine with expected commercialization expected in Q2FY27; a new R&D building expected to come online in Q2FY28. **(6) Capex:** The company plans to incur a capex of INR 3-3.5bn for FY27 with major focus on Site 5 and the new R&D site. **(7) Emerging opportunities:** Positive customer feedback was noted in the semiconductor material space; an opportunity the company expects could triple by 2030.
- Change in estimates:** We have tweaked FY27/FY28 EPS estimates by -3.1/-1.5% to INR 21.6/29.1.

Financial summary (consolidated)

INR mn	4Q FY26	3Q FY26	QoQ (%)	4Q FY25	YoY (%)	FY25	FY26P	FY27E	FY28E	FY29E
Net Sales	3,051	3,171	(3.8)	2,402	27.0	8,387	11,601	14,884	18,637	21,447
EBITDA	827	1,106	(25.2)	797	3.8	2,412	3,636	4,549	6,020	6,873
APAT	551	662	(16.8)	525	4.8	1,673	2,262	2,869	3,859	4,431
AEPS (INR)	4.2	5.0	(16.8)	4.0	4.8	12.6	17.1	21.6	29.1	33.4
P/E (x)						87.9	65.0	51.3	38.1	33.2
EV/EBITDA(x)						60.8	41.7	33.0	24.9	21.7
RoE (%)						7.8	9.7	11.0	13.1	13.2

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY27E	FY27E	%	FY28E	FY28E	%
EBITDA (INR mn)	4,587	4,549	(0.8)	6,061	6,020	(0.7)
Adj. EPS (INR/sh)	22.3	21.6	(3.1)	29.6	29.1	(1.5)

Source: Company, HSIE Research

BUY

CMP (as on 15 May 2026)	INR 1,112
Target Price	INR 1,373
NIFTY	23,644

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,371	INR 1,373
EPS %	FY27E	FY28E
	-3.1%	-1.5%

KEY STOCK DATA

Bloomberg code	AETHER IN
No. of Shares (mn)	133
MCap (INR bn) / (\$ mn)	147/1,537
6m avg traded value (INR mn)	390
52 Week high / low	INR 1,275/723

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	15.0	32.5	47.9
Relative (%)	23.9	43.5	56.7

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	74.98	74.95
FIs & Local MFs	12.25	12.66
FPIs	5.81	6.29
Public & Others	6.96	6.10
Pledged Shares	0.00	0.00

Source: BSE

Nilesh Ghuge

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

Aditya Iyer

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

Galaxy Surfactants

Supply-led disruptions hurt Q4

We maintain our BUY recommendation on GALSURF with a price target of INR 2,449, based on (1) resilient volume growth; (2) improving traction for specialty care in the US; and (3) medium-term margin expansion roadmap, supported by specialty mix improvement, operating leverage, and monetization of capex. Q4 EBITDA was 26% below our estimates, owing to higher-than-expected raw material cost while APAT was 27.9% down.

- Financial performance:** Q4 revenue changed by +14.8/-1.1% YoY/QoQ to INR 13.15bn, driven by increase in realization while volume changed by -3.0/-2.0% YoY/QoQ to ~60,344 MTPA. Volumes for FY26 remained mostly flat with the high single-digit decline in Performance Surfactants offset by high single digit growth in Specialty Care. Gross profit per kg changed by +10.0/+3.2% YoY/QoQ to INR 56.3/kg while EBITDA per kg changed by -1.3/+3.9% YoY/QoQ to INR 20.2/kg. Sequential improvement in gross profit per kg is due to change in product mix, increase in realizations and passing freight cost to customers. EBITDA margin changed by -183.6/+27.3 bps YoY/QoQ to 9.3%.
- Post result con call takeaways:** (1) Performance impacted by supply chain disruptions due to the West Asia crisis. Issues were largely logistics/supply-driven. Raw material availability was a challenge. (2) Domestic volume is expected to grow in FY27 as prices of crude based ingredients have doubled and oleochemical based ingredients have become competitive (3) Growth was driven by specialty care segment in both India and the Americas while AMET remained subdued to the West Asia crisis. (3) Volume growth of close to 8% expected in Q1 with EBITDA per kg in the range of INR 19-21. It will be driven by continued growth momentum in India and the Americas and the expected recovery in AMET. (4) With continued focus on the specialty care segment, they have completed a capex of ~INR 4.8bn which is expected to provide benefits starting FY27. (5) Margin expansion will be supported by specialty mix improvement, operating leverage, and monetization of recent capex.
- Change in estimates:** We tweak our FY27/FY28 EPS estimates by 2.0/2.5% to INR 85.4/100.5.

Financial summary (consolidated)

(Rs mn)	Q4 FY26	Q3 FY26	QoQ (%)	Q4 FY25	YoY (%)	FY25	FY26P	FY27E	FY28E	FY29E
Revenues	13,147	13,295	(1.1)	11,449	14.8	42,237	52,483	58,687	64,113	69,441
EBITDA	1,216	1,194	1.9	1,269	(4.2)	4,842	4,753	5,059	5,917	6,482
APAT	624	590	5.9	759	(17.7)	3,049	2,674	3,029	3,564	4,217
AEPS (Rs)	17.6	16.6	5.9	21.4	(17.7)	57.0	75.4	85.4	100.5	119.0
P/E (x)						32.8	24.8	21.9	18.6	15.7
EV/EBITDA (x)						13.4	14.2	12.9	10.5	9.7
RoE (%)						13.4	10.5	10.6	11.6	12.9

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY27E OLD	FY27E NEW	%	FY28E OLD	FY28E NEW	%
EBITDA (INR bn)	4.94	5.06	2.4	5.86	5.92	1.0
Adj. EPS (INR/sh)	83.7	85.4	2.0	98.0	100.5	2.5

Source: HSIE Research

BUY

CMP (as on 15 May 2026)	INR 1,825
Target Price	INR 2,449
NIFTY	23,644

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,410	INR 2,449
EPS % chg	FY27E +2.0%	FY28E +2.5%

KEY STOCK DATA

Bloomberg code	GALSURF IN
No. of Shares (mn)	35
MCap (INR bn) / (\$ mn)	65/674
6m avg traded value (INR mn)	30
52 Week high / low	INR 2,750/1,510

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	25.5	(3.0)	16.5
Relative (%)	4.8	4.9	16.9

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	70.91	70.91
FIs & Local MFs	13.05	13.10
FPIs	4.09	3.99
Public & Others	11.96	12.00
Pledged Shares	0.00	0.02

Source: BSE

Nilesh Ghuge

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

Aditya Iyer

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

Somany Ceramics

Healthy margin performance; volume remains muted

Somany Ceramics' revenue grew 6% YoY to INR 8.1bn. Tiles volume growth stood at 2% YoY, while NSR was up 3% YoY (flat QoQ). EBITDA margin expanded by 317bps YoY to 11.3%, leading to EBITDA growth of 48% YoY, while APAT grew 94% YoY. The management guides for mid-single-digit tile volume growth in FY27, with EBITDA margin expected to expand by ~150bps YoY to 10.8%. Demand was weak in April following price hikes, resulting in low single-digit volume growth as dealers deferred purchases. Morbi players implemented sharp price increases of 30-35%, while organized players took relatively moderate hikes of 16-17%. The company has fully passed on input cost inflation in the retail segment; however, in the project segment (~16-17% mix), only ~85% of the cost increase has been passed through. Factoring in the strong Q4 results and industry-wide price hikes, we have revised our revenue estimates upward by 3/1% and APAT estimates by 10/8% for FY27/FY28E, respectively. We maintain ADD, with a higher target price of INR 530/share.

- Q4FY26 performance:** Revenue grew 6% YoY to INR 8.1bn. Tiles revenue grew by 5%, while bathware and other segment grew by 12% YoY. Tiles revenue mix stood at 83%. Tiles volume growth stood at 2% YoY, while NSR was up 3% YoY (flat QoQ). EBITDA margin expanded 317bps YoY (+195bps QoQ) to 11.3%, owing to higher gross and lower other expenses (-6% YoY, +3% QoQ). Consequently, EBITDA grew by 48% YoY. APAT grew 94% YoY, driven by EBITDA, lower finance cost, and lower depreciation. Company has recognized INR 35mn exceptional loss in Q4 on account of new labor laws.
- Con call takeaways and outlook:** The management guides for mid-single-digit tile volume growth in FY27; EBITDA margin is expected to expand by ~150bps YoY to 10.8%. Demand was weak in April following price hikes, resulting in low single-digit volume growth as dealers deferred purchases. Morbi players implemented sharp price increases of 30-35%, while organized players took relatively moderate hikes of 16-17%. The company has fully passed on input cost inflation in the retail segment; however, in the project segment (~16-17% mix), only ~85% of the cost increase has been passed on. Factoring in the strong Q4 results and industry-wide price hikes, we have revised our revenue estimates upward by 3/1% and APAT estimates by 10/8% for FY27/FY28E, respectively. We maintain ADD on Somany Ceramics, with a higher target price of INR 530/share.

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q4 FY26	Q4 FY25	YoY (%)	Q3 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Tiles sales (MSM)	20.8	20.4	2.0	17.5	19.1	69.3	70.9	72.1	76.4	81.0
NSR (Rs/Kg)	324.2	315.5	2.8	323.5	0.2	323.5	318.3	322.0	344.6	344.6
Tiles Revenue	6,750	6,439	4.8	5,655	19.4	22,426	22,551	23,223	26,339	27,920
Others Revenue	1,370	1,220	12.3	1,111	23.3	3,347	3,882	4,482	5,155	5,567
Net Sales	8,179	7,690	6.4	6,823	19.9	25,914	26,588	27,898	31,494	33,487
EBITDA	923	625	47.8	637	44.9	2,532	2,209	2,578	2,811	3,065
EBITDAM (%)	11.3	8.1		9.3		9.8	8.3	9.2	8.9	9.2
APAT	413	214	93.5	197	109.4	989	621	864	999	1,097
Diluted EPS (Rs)	10.1	5.2	93.5	4.8	109.4	24.1	15.1	21.1	24.4	26.7
EV / EBITDA (x)						8.8	9.7	8.1	7.1	6.3
P/E (x)						18.4	29.3	21.0	18.2	16.6
RoE (%)						11.5	7.4	9.8	10.5	10.6

Source: Company, HSIE Research

ADD

CMP (as on 15 May 2026) INR 443

Target Price INR 530

NIFTY 23,644

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 490	INR 530
EPS	FY27E	FY28E
revision %	9.7	8.4

KEY STOCK DATA

Bloomberg code	SOMC IN
No. of Shares (mn)	41
MCap (INR bn) / (\$ mn)	18/189
6m avg traded value (INR mn)	19
52 Week high / low	INR 624/332

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	10.4	0.5	(5.3)
Relative (%)	19.3	11.5	3.5

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	55.00	55.19
FIs & Local MFs	23.01	21.64
FPIs	0.90	1.34
Public & Others	21.09	21.83

Pledged Shares - -

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

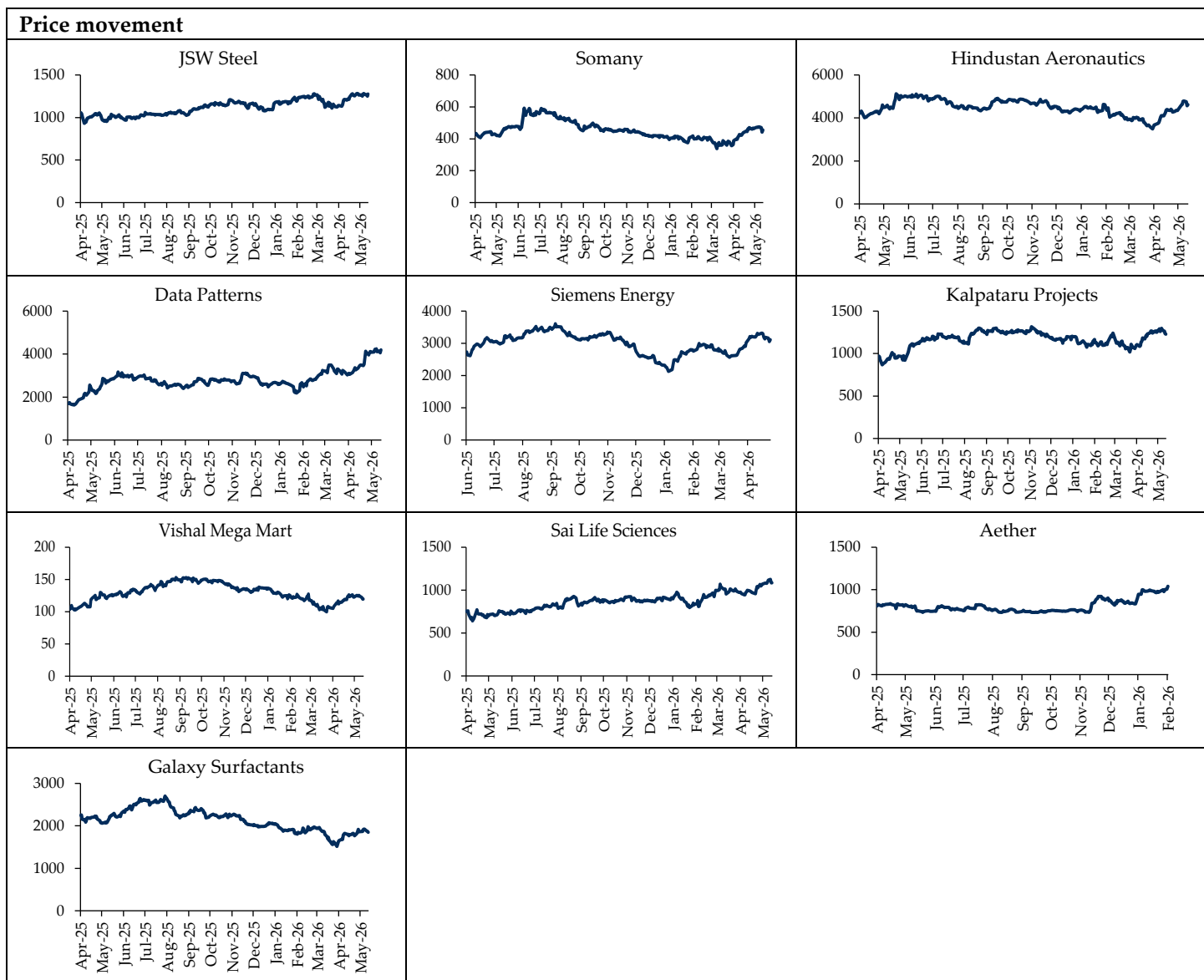
riddhi.shah@hdfcsec.com
 +91-22-6171-7359

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
Rajesh Ravi	JSW Steel, Somany Ceramics	MBA	NO
Keshav Lahoti	JSW Steel, Somany Ceramics	CA, CFA	NO
Riddhi Shah	JSW Steel, Somany Ceramics	MBA	NO
Mahesh Nagda	JSW Steel, Somany Ceramics	CA	NO
Amit Kumar	Hindustan Aeronautics, Data Patterns	CFA	NO
Nikunj Khetan	Hindustan Aeronautics, Data Patterns	PGDM	NO
Arayan Singh Dalal	Hindustan Aeronautics, Data Patterns	BCom	NO
Parikshit Kandpal	Siemens Energy, Kalpataru Projects International	CFA	NO
Jay Shah	Siemens Energy, Kalpataru Projects International	CA	NO
Aditya Sahu	Siemens Energy, Kalpataru Projects International	MBA	NO
Jay Gandhi	Vishal Mega Mart	MBA	NO
Vedant Mulik	Vishal Mega Mart	CA	NO
Mehul Sheth	Sai Life Sciences	MBA	NO
Divyaxa Agnihotri	Sai Life Sciences	MSc	NO
Nilesh Ghuge	Aether Industries, Galaxy Surfactants	MMS	NO
Aditya Iyer	Aether Industries, Galaxy Surfactants	PGDM	NO



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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

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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