

HSIE Results Daily

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Results Reviews

- Bharat Electronics:** Bharat Electronics Ltd recorded a robust FY26 performance, reflected through 16.2% revenue growth and 13.9% PAT growth YoY. This was led by faster execution of the orders at hand and an increasing export turnover; the lower PAT growth is on account of falling other income. The company's current order book stands at INR 739bn with book to bill of 2.7 and order inflow for the year at INR 300bn. We pencil in a 15.1% revenue CAGR over FY26-FY28E on account of estimated order flows for FY27E at INR 550bn including QRSAM (INR 300bn). Other order inflows estimated at INR 300bn+ for FY27 and FY28 consist of electronics for NGC, P-75I submarines, hammer program, etc. These new orders will be long cycle in nature as against earlier short cycle orders; hence, the revenue booking will entail a slower pace. PAT has doubled from FY23 to FY26 (26.6% CAGR), led by steady EBITDA margin expansion from 21.7% in FY22 to 29.2% in FY26, but the room for margin expansion has now narrowed significantly and we estimate a PAT CAGR of 15.6% over FY26-FY28E. Following this, we maintain ADD but decrease the multiple to 40x for FY28E EPS, arriving at a TP of INR 440.
- Samvardhana Motherson International:** The company's medium- to long-term growth potential is intact, considering expansion of the newer segments (including non-auto), content addition due to premiumization, addition of new customers, as well as any potential future acquisitions. However, we are concerned about rising vehicle and fuel inflation in the company's key geographies, some of which were already witnessing softer demand. Considering this, and the possible margin contraction over the near term at least due to the lag effect in passing on costs, and the upfront costs of setting up new facilities, we maintain an ADD rating. However, due to increasing traction in the non-auto segment, we raise our target PE multiple to 21x Mar-28 EPS (from 20x earlier) for a TP of INR 148.
- Bharat Petroleum Corporation:** We maintain BUY on Bharat Petroleum Corporation (BPCL) with a price target of INR367. BPCL is investing ~INR550bn in Bina refinery and petrochemical complex project and polypropylene project at Kochi refinery. Expansion of footprint in the petrochemicals and capacity augmentation and upgradation of Kochi and Mumbai refinery shall support growth in refining and petrochemical businesses. OMCs have raised auto fuel prices twice in a week's time to reduce losses. We believe that in the near term, calibrated and staggered price hikes will be taken by OMCs. Further, the government will compensate OMCs for the LPG under recovery they are incurring. The company in the near term shall face challenges in its marketing division. Q4FY26 EBITDA came in at INR101bn (+29.6% YoY, -13.8% QoQ), while APAT came in at INR75bn, flattish YoY and up 50% QoQ. EBITDA and APAT were 11% and 20% above our estimates, owing to higher-than-expected sales volumes and other income.
- Mankind Pharma:** EBITDA growth (+31% YoY) was driven by 12% YoY sales growth (India formulation up 13% YoY and exports +4%), higher gross margin (+59 bps), and cost controls (staff/ SG&A were up 5%/ flat YoY), resulting in the margin at 27% (+401bps YoY). Organic (ex-BSV and OTC) India formulation growth was at 10.1% YoY, and exports grew in ahead of BSV exports in Q4. Mankind expects the following: (1) overall double-digit

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revenue growth in FY27, (2) India formulation IPM outperformance in FY27, led by (a) 1.1x beat to IMP in chronic segment supported by traction in key segments (CVS and anti-diabetic), new launches, and traction from recently acquired brand Rivotril (CNS) products, and (b) recovery in the acute therapies after corrective measures to ensure volume growth and productivity improvement, (3) BSV: scale-up over the next few quarters, with an aim to improve margin in the near term, (4) consumer healthcare business to sustain high-teen growth, (5) expansion of the presence in export markets with recent EU-GMP certification for Udaipur and Ambernath plants, (6) GLP-1 to remain a long-term opportunity, although it will be a competitive market; the company focusing on adjacent and supportive therapies like VMN and Gastro, (7) EBITDA margin at 25.5-26.5% in FY27E, and (8) ETR at 25-26% (vs 17% in FY26), given the phasing-out of tax benefits at a few of its plants. The company is on track to repay acquisition-related debt by FY28E-end (repaid INR 15bn commercial paper in FY26). Factoring in outlook and higher tax guidance, we have cut our EPS FY27/28E by 5/3% and revised the TP to INR 2,750 (38x FY28E, implies EV/ EBITDA at 24x). We keep monitoring the progress in BSV integration, acute business recovery, and debt repayment (net debt at INR 39.32bn as of Dec-25 vs INR 57.84bn in Mar-25). ADD stays.

- **Anthem Biosciences:** EBITDA growth (+37% YoY) was led by 26% YoY growth in revenues (CRDMO grew 31% YoY), improvement in gross margin (+133 bps YoY to 64.7%), and muted SG&A, leading to a strong EBITDA margin of 43.7% (+334 bps YoY). The company indicated (1) that it would retain its aspiration of 20% CAGR for revenue, EBITDA, and PAT over the next few years as it expects EBITDA margin to sustain at 39-40% in the near term. (2) It expects growth in CRDMO to remain strong, led by traction from the existing 10 molecules and incremental sales from recently-launched four molecules (one with large pharma and three with mid-sized innovators). (3) It has good visibility in the peptide segment, with both GLP-1 innovator pipeline projects and other non-GLP peptides; it is working on 10+ peptide projects with supply opportunity across fragments, synthesis, amino acid chains, etc. The company has 100+ clinical development projects, including 15-20 payloads in the ADCs space with global innovators. The company sees near-term growth visibility from GLP-1 and peptides segment, while ADCs and oligonucleotide will be long-term growth drivers. (4) Specialty ingredients: It expects strong growth momentum on the back of Semaglutide API opportunity in India and RoW markets (it will remain cost competitive to Chinese suppliers), steady growth in existing products, and commercial visibility in probiotics (tied-up with few companies in RoW markets). (5) The company has enough capacity headroom (with recent expansion at Unit 2 and 3 taking CDMO capacity to 425KL) to support growth/new projects over the next few years; beyond which the ongoing expansion at Unit 4 (adding 365KL CDMO and 100KL fermentation capacity) will help scale up from FY29E (Unit 4 commissioning is expected by Mar-28). (6) It is also looking for biosimilars as the next engine of growth from FY28/29E onward. It saw healthy RFP/RFQ trends, supported by an improving global funding environment. The company is actively evaluating M&As both in India and international markets (net cash of ~INR 13.74bn as of Mar-26). Factoring in outlook, we have raised the EBITDA by 5/6% for FY27/28E. We retain ADD and revise the TP to INR 830, based on 36x FY28E EV/E (implying 52x PE).
- **Astral:** Astral's revenue grew 24% YoY to INR 20.9bn (plumbing grew 25% YoY; paints & adhesives grew by 22% YoY). EBITDAM expanded 38/294bps YoY/QoQ to 18.3%, leading to 27/22% YoY growth in EBITDA/APAT. Plumbing witnessed healthy volume growth of 24% YoY, aided by market share gains and channel stocking, while NSR remained flat YoY (+6% QoQ). For FY27, the company is targeting 10-15% plumbing volume growth, 25%

bathware revenue growth, 25% paints revenue growth, 15-20% India adhesives growth, and double-digit growth in the UK adhesives business. Management expects EBITDAM margins of 16–18% for plumbing, 15% for India adhesives, and 8–10% for UK adhesives, while paints are expected to achieve EBITDA profitability this year. The company expects PVC resin prices to rise, going forward, while channel inventory has started picking up from all-time lows over the past week. We broadly maintain our FY27/28E estimates. We maintain BUY with a target price of INR 1,900/sh, valuing the company at 60x Mar-28E EPS.

- **Eris Lifesciences:** EBITDA grew 8% YoY, as moderate sales growth of 7% YoY (+13% YoY for DBF and Swiss exports declined by -8%) and higher staff cost (+13% YoY) were offset by steady gross margin (at 75.5%) and muted SG&A, leading to an EBITDA margin of 36.2% (+37 bps YoY). Key Eris expects its (1) DBF business to outperform covered market growth by 1.3x, with an EBITDA margin of 37%, (2) exports business to see 18-20% growth with ~31.6% EBITDA margin; the growth guidance excluding sales from EU CDMO (strong order book visibility) as it is subjected to plant clearance, and (3) overall, mid-teen growth with EBITDA margin at ~36% in FY27. The company expects Semaglutide injectable pen and vials to see strong traction in the next few quarters. The company sees ex-Semaglutide business to sustain double-digit growth trend, led by new launches (like Insulin Aspart and Esaxerenon in FY27), scale-up in key therapies (insulin, CVS, oral anti-diabetics, and derma), and market share gain in Rh-Insulin. While Eris is well-placed to monetize GLP-1, Rh-insulin, and other pipeline opportunities, gradual scale-up in other core segments (CVS, derma, and VMN) is a key (visibility of FDC launches in FY27 and FY28). Factoring in the outlook, we have tweaked our EPS for FY27E/28E and arrived at TP of INR 1,730 (27x FY28E EPS). BUY stays.
- **Eureka Forbes:** Eureka's Q4 revenue grew 12% YoY to INR 6.8bn, driven by double-digit growth in product business. EBITDA margin (ex. ESOP) expanded 30bps YoY to 13.3%, while overall EBITDAM remained flat YoY at 12.6%. Consequently, EBITDA grew 11% YoY, while APAT grew by 6% YoY, dragged by increased depreciation. For FY27, the company's key focus is to accelerate revenue growth while sustaining margins, despite rising commodity costs, which remain a key headwind; company plans to mitigate it through calibrated price increases, improved product mix, and ongoing cost optimization. Considering in-line Q4 performance, we broadly maintain our revenue estimates; however, factoring in the inflationary cost environment, we cut our EBITDA by 3% and APAT estimates by 8% each for FY27-28E. We maintain BUY with a lower TP of INR 645/sh, valued at 40x Mar-28E AEPS (excluding non-cash intangible amortization and 50% of performance-based ESOP expenses).
- **ASK Automotive:** While management has indicated no impact to the 2W customer's production schedules yet due to the volatile business environment, it did caution on rising raw material and production costs that would continue to increase vehicle prices at least in the near term, as cost inflation is passed on. However, we expect topline growth to be cushioned due to the commencement of the company's alloy wheel and sunroof cables business from H2FY27, along with rising aluminium prices. We also expect exit from the low-margin wheel assembly business and better operating leverage due to the commencement of the new business segments to soften the impact from higher raw material and production costs. We value the company at 22x Mar-28 EPS for a TP of INR473, and maintain an ADD rating.

- **PNC Infratech:** PNC Infratech (PNC) reported Q4FY26 revenue/EBITDA/APAT of INR 14.6/1.8/1bn, a miss on our estimates by -14.8/-17.3/-24.9% respectively. FY26 has been impacted by slower tendering, delay in appointed dates (AD), subdued execution in water & canal, stretched JJM receivables, and land availability issues. The OB as of Mar'26 stood at INR 180bn (~3.9x FY26 revenue), FYTD27 OI (Ex of OB) stood at INR 60bn. PNC guided FY27/28 revenue at +30/25% YoY, EBITDA margin at 12% and OI is guided at INR 150bn (incl. wins till FYTD27) We expect revenue and orders awards to pick up in FY27, on the back of pick-up in execution, new revenue streams like renewables and mining to aid order inflow, and bid pipeline of INR 140bn provides visibility. 100% receipt of cash flows from asset monetization to Vertis contribute to the healthy cash buffer of PNC. We have cut estimates to factor in delays in AD; maintain BUY with a reduced SOTP of INR 304/sh (12x Mar-28E EPS and 1.3x P/BV for HAM).
- **Bajaj Electricals:** Bajaj Electricals' Q4 revenue was down 2% YoY, primarily due to 7% decline in consumer products segment (75% revenue mix), while lighting segment (25% revenue mix) grew by 16% YoY. EBITDAM decline of 390bps YoY to 3.5% (+230bps QoQ) led to EBITDA decline of 54% YoY, while APAT stood INR 18mn vs INR 377/-78mn YoY/QoQ. Management indicated that demand for summer products remained weak in Q4FY26 due to a delayed onset of summer. Q1FY27 witnessed mixed demand trends – the initially weak north market improved with the onset of summer, while the south saw strong traction throughout. Channel inventories have largely normalized, though they remain slightly elevated in summer categories like fans and coolers. The wires segment, launched in Q1FY27, has seen encouraging initial response and is expected to emerge as a key growth driver. We broadly maintain our revenue estimates for FY27/28E; however, considering weak Q4 performance and cost inflationary environment, we cut our APAT estimates by 13/2% for FY27/28E. We maintain REDUCE with a TP of INR 315/share, based on 25x Mar-28E EPS.
- **J Kumar Infraprojects:** JKIL reported lower-than-expected revenue/EBITDA/APAT of 15.7/2.2/1.1bn, a miss to our estimates by 1.7/3.6/7.1% respectively, owing to delay in site handovers, and low order intake of INR 10bn in FY26. As of Mar'26, the order book (OB) stands at INR 185.5bn (~3.3x FY26 revenue). Further, JKIL has guided an OI of INR 100bn for FY27, of which it has already secured INR 45bn and is L1 in INR 17.7bn. FY27 revenue growth guidance is 15%, with EBITDA margin guidance at 14-15%. JKIL is keen on bidding for large-scale projects in Maharashtra, including the Mumbai/Pune/Thane metro rail ones. Bid pipeline in MMR alone is INR 1trn+ and is expected to be finalized over the next 12-18 months. We have cut estimates to factor in muted FY26 order inflows. We have cut our PE valuation multiple from 11x to 9x to factor in elongated execution period and slowing growth. We maintain ADD, with a reduced TP of INR 589 (9x-Mar 28E).
- **Prince Pipes and Fittings:** Prince Pipes' Q4 revenue grew a healthy 18% YoY, led by strong plumbing volume growth of 23% YoY, driven by robust demand during Jan-Mar in Q4. However, NSR declined 4% YoY. EBITDA margin expanded sharply by 530bps YoY (+800bps QoQ) to 12.9%, leading to EBITDA/APAT growth of 100/132% YoY, aided by a low base. For FY27, the company is targeting 12-15% volume growth, with EBITDA margins of 11-12%. April witnessed channel destocking, with weak primary sales but resilient secondary demand, while May saw a strong recovery in primary volumes. We broadly maintain our earnings estimates. We maintain REDUCE with an unchanged TP of INR 260/share by valuing the company at 22x Mar-28 EPS.

- **Teamlease Services:** Teamlease reported a ~2% revenue decline for Q4, primarily due to the full-quarter impact of insourcing by a large NBFC client in general staffing (-3% QoQ), while specialized staffing grew 2% QoQ. Despite softer revenue, consolidated Q4 EBITDA grew 8% QoQ, with margins expanding 15bps QoQ to 1.6%. General staffing (GS) growth is expected to be led by a recovery in volume growth as regulatory and insourcing headwinds are now behind. Sectors contributing to the growth include BFSI, consumer durables, telecom, and industrial infrastructure. GS margins are set to expand as PAPM reached 689 in Q4, fuelled by 70% of new contracts moving to a variable markup model and a 20% YoY reduction in cost-to-hire. Specialized staffing growth (+13% YoY) is propelled by high-value roles in AI, data, and cybersecurity, with the GCC segment contributing ~60% of headcount. Factors driving specialized margins include a 20% YoY rise in recruiter productivity and adoption of higher-margin Hire-Train-Deploy and BOT models. HR services saw annual revenue and EBITDA growth of 22% YoY and 23% YoY, respectively. Steps to boost growth include strengthening digital platforms and expanding apprenticeship programs. Overall, the company targets positive volume growth in H1FY27 and ~20% YoY EBITDA growth for FY27E. The company announced a buyback of INR 2.38bn, which is 8.9% of paid-up-capital and ~25% of free reserves at INR 1,600 per share. Following a INR 1.43bn tax refund, the net cash position is at INR 6bn. We maintain ADD with a TP of INR 1,600, valuing the stock at 14x FY28E EPS. The stock is trading at a reasonable PE of 16/12x FY27/28E.

Bharat Electronics

Growth normalizes to realistic base; order book robust

Bharat Electronics Ltd recorded a robust FY26 performance, reflected through 16.2% revenue growth and 13.9% PAT growth YoY. This was led by faster execution of the orders at hand and an increasing export turnover; the lower PAT growth is on account of falling other income. The company's current order book stands at INR 739bn with book to bill of 2.7 and order inflow for the year at INR 300bn. We pencil in a 15.1% revenue CAGR over FY26-FY28E on account of estimated order flows for FY27E at INR 550bn including QRSAM (INR 300bn). Other order inflows estimated at INR 300bn+ for FY27 and FY28 consist of electronics for NGC, P-75I submarines, hammer program, etc. These new orders will be long cycle in nature as against earlier short cycle orders; hence, the revenue booking will entail a slower pace. PAT has doubled from FY23 to FY26 (26.6% CAGR), led by steady EBITDA margin expansion from 21.7% in FY22 to 29.2% in FY26, but the room for margin expansion has now narrowed significantly and we estimate a PAT CAGR of 15.6% over FY26-FY28E. Following this, we maintain ADD but decrease the multiple to 40x for FY28E EPS, arriving at a TP of INR 440.

- **Q4FY26 highlights:** The revenue for Q4 stood at INR 102.2bn, up 12% YoY, EBITDA at INR 29.8bn, up 6% YoY, and APAT at INR 22.3bn, up 5% YoY. The EBITDA margin at 29.2% (-160bps YoY) has normalized YoY as Q4FY25 had a larger share of high-margin products in the mix.
- **FY26 highlights:** Revenue at INR 276bn (+16.2% YoY, beat by ~1%) was on account of faster execution and higher export turnover. EBITDA at INR 80.5bn (+17.8% YoY, beat by ~9%) was helped by slight margin expansion from a favorable product mix and lower input costs. APAT was INR 60.6bn (+13.9% YoY, beat by ~4%) despite lower other income of INR 5.7bn (-24% YoY).
- **Strong order book with book to bill at 2.7:** The order book stands at INR 739bn at FY26-end including export order book of USD 495mn. It consists of electronic fuzes (INR 43bn), LRSAM (INR 35bn), avionics for LCA (INR 32bn), BMP2 upgrade (INR 28bn), Ashwini radar (INR 25bn), EW suite for Mi-17V-5 (INR 22bn), spares and services (INR 25bn), etc. The current book to bill of 2.7 provides 15% revenue growth visibility till FY28E. During the year BEL secured orders worth INR 300bn. The order inflow for the year consisted of avionics for LCA, mountain radars, EW suites, air defence radars, EOIR payloads, etc. On the export front, BEL received orders worth USD 346mn including SATCOMM network, TR modules, electronic fuzes, drones, etc.
- **Order pipeline increasing revenue visibility:** BEL's estimated order inflow for FY27 is INR 550bn, including QRSAM (INR 300bn) and base orders (INR 150bn p.a). Other major order inflows expected over FY27 and FY28 are electronics for NGC and P-75I submarines, shatrughat and samaghat project, hammer project, shakti phase IV and MRF-X radar for naval ships, estimated at INR 300bn+. These new order inflows are long cycle in nature providing extended revenue visibility over the medium term.

Financial Summary

(INR mn)	Q4FY26	Q4FY25	YoY	Q3FY26	QoQ	FY25	FY26	FY27E	FY28E
Net Revenues	1,02,244	91,496	12%	71,539	43%	2,37,688	2,76,101	3,18,259	3,66,299
EBITDA	29,817	28,161	6%	21,272	40%	68,337	80,493	91,575	1,06,131
APAT	22,264	21,270	5%	15,797	41%	53,227	60,623	69,633	80,988
Diluted Consol EPS (INR)	3.0	2.9	4%	2.2	41%	7.28	8.3	9.5	11.1
P/E (x)						57	50	43	37
EV/EBITDA						43	36	32	27
RoE (%)						29.3%	27.6%	26.4%	25.6%

Source: Company, HSIE Research

ADD

CMP (as on 20 May 2026)	INR 413
Target Price	INR 440
NIFTY	23,659

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 490	INR 440
EPS Change %	FY27E 3.6%	FY28E 2.6%

KEY STOCK DATA

Bloomberg code	BHE IN
No. of Shares (mn)	7,310
MCap (INR bn) / (\$ mn)	3,021/31,202
6m avg traded value (INR mn)	7,526
52 Week high / low	INR 473/359

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(6.3)	(2.3)	13.6
Relative (%)	2.7	9.8	20.8

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	51.14	51.14
FIs & Local MFs	20.47	20.00
FPIs	18.51	19.51
Public & Others	9.87	9.37
Pledged Shares	-	-

Source: BSE

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Samvardhana Motherson International

Emerging businesses gain traction

The company's medium- to long-term growth potential is intact, considering expansion of the newer segments (including non-auto), content addition due to premiumization, addition of new customers, as well as any potential future acquisitions. However, we are concerned about rising vehicle and fuel inflation in the company's key geographies, some of which were already witnessing softer demand. Considering this, and the possible margin contraction over the near term at least due to the lag effect in passing on costs, and the upfront costs of setting up new facilities, we maintain an ADD rating. However, due to increasing traction in the non-auto segment, we raise our target PE multiple to 21x Mar-28 EPS (from 20x earlier) for a TP of INR 148.

- Quarterly performance:** EBITDA margin at 11% was up 203bps YoY and 136bps QoQ, above ours and Bloomberg consensus estimates of 9.5% and 9.8% respectively. While the gross margin was in line with our estimate, the beat was mainly due to lower other expenses at 11% of sales (down 124bps YoY and 106bpsQoQ). EBITDA margin improvement QoQ was the highest in the emerging business division, up 521bps QoQ, reaching 14.5%. This was led by good performance in the aerospace and consumer electronics business.
- Not all bleak in FY27:** Despite an uncertain geopolitical environment and rising cost inflation, management expects FY27 growth to be supported by planned launches by European OEMs and a favorable outlook for the CV industry in developed markets. However, it did call out higher costs over the near term at least, like copper, polymer, and freight, which it has been in the process of passing on to customers, though with a lag.
- Medium to long-term outlook favorable:** Management highlighted that the growth outlook over the medium to long term will be supported by the large booked business of USD 96bn, of which 22% is for the EV segment and 3% for the non-automotive segment. In addition, there are 16 facilities at different stages of completion (all of which are in emerging markets), of which 13 facilities are scheduled to come on stream in FY27. It indicated that the lower leverage ratio leaves good room for acquisitions, and that it is waiting patiently for the right opportunities. The addition of new customers in Europe and rising content per vehicle augurs well for medium-term growth.
- Good potential of the non-auto business:** It highlighted that the third and the largest of the consumer electronics plant is likely to be operationalized by Q3FY27, which it believes would be an inflection point in the segment. The order book for the aerospace business grew 20% YoY in FY26 and stands at USD 1.6bn (to be executed over 5-8 years), which it expects will continue to expand considering the large potential in India. Additionally, it also continues to expand the aerospace product portfolio.

Quarterly/annual financial summary

YE Mar (INR mn)	4Q FY26	4Q FY25	YoY (%)	3Q FY26	QoQ (%)	FY26	FY27E	FY28E
Net Sales	3,43,093	2,93,168	17.0	3,14,094	9.2	12,61,037	13,77,258	16,27,563
EBITDA	37,908	26,429	43.4	30,431	24.6	1,19,029	1,27,915	1,66,672
EBITDA %	11.0	9.0	204bps	9.7	137bps	9.4	9.3	10.2
APAT	16,429	10,505	56.4	10,586	55.2	41,492	47,633	74,488
EPS (INR)	1.56	1.00	56.4	1.00	55.2	3.9	4.5	7.1
P/E (x)						33.6	29.3	18.7

Source: Company, HSIE Research

ADD

CMP (as on 20 May 2026)	INR 132
Target Price	INR 148
NIFTY	23,659

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 136	INR 148
	FY27E	FY28E
EPS %	-2.7%	+4.0%

KEY STOCK DATA

Bloomberg code	MOTHERSO IN
No. of Shares (mn)	10,554
MCap (INR bn) / (\$ mn)	1,395/14,407
6m avg traded value (INR mn)	2,419
52 Week high / low	INR 136/90

Note: Company issued a bonus of 1:2 on 21 July 2025.

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	2.1	18.0	35.9
Relative (%)	11.2	30.1	43.1

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	48.6	48.6
FIs & Local MFs	21.6	21.1
FPIs	11.8	12.5
Public & Others	18.0	17.8
Pledged Shares	1.4	1.4

Source : BSE

Pledged shares as % of total shares

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Bharat Petroleum Corporation

Increasing footprint in petchem

We maintain BUY on Bharat Petroleum Corporation (BPCL) with a price target of INR367. BPCL is investing ~INR550bn in Bina refinery and petrochemical complex project and polypropylene project at Kochi refinery. Expansion of footprint in the petrochemicals and capacity augmentation and upgradation of Kochi and Mumbai refinery shall support growth in refining and petrochemical businesses. OMCs have raised auto fuel prices twice in a week's time to reduce losses. We believe that in the near term, calibrated and staggered price hikes will be taken by OMCs. Further, the government will compensate OMCs for the LPG under recovery they are incurring. The company in the near term shall face challenges in its marketing division. Q4FY26 EBITDA came in at INR101bn (+29.6% YoY, -13.8% QoQ), while APAT came in at INR75bn, flattish YoY and up 50% QoQ. EBITDA and APAT were 11% and 20% above our estimates, owing to higher-than-expected sales volumes and other income.

- Capex update:** In FY26, the company incurred a capex of INR204bn and plan to spend ~INR250bn in FY27. Of which, INR110bn allocated for refinery division, INR100bn for marketing division, INR22.5bn toward equity infusion in BPRL and INR29bn for CGD entities.
- Update on E&P investments: (1) Mozambique:** In the first phase 13tcf out 70tcf is being developed. 42% of project is completed and first LNG cargo is expected by mid-2028. There is no capital commitment from the company in the future. Cash flow generated from phase I will be reinvested in subsequent phases if required. (2) **Brazil:** The total project cost is ~USD6.4bn, BPCL's share is ~USD2.8bn. The company has to invest USD1.2bn over the next 3-4 years for the first site. There is a potential of another site in the same field. Still the exploration and drilling have to happen, but the initial estimations are feeling the similar stage of reserves are available in this field also. The company is expecting ~88,000 barrel per day of oil production of which BPCL's share will be 40%. (3) **UAE:** It is already producing block. The Indian consortium (IOCL and BRPL) has ~10% stake in this. The consortium has announced the second discovery in the field. Now, this site will go for the development plan and the activities will commence.
- Valuation and change in estimates:** At integrated level, the company is incurring losses on sales of auto fuel. We expect the company to witness a correction in marketing margins in FY27 compared to FY26. However, these losses will be partially compensated by increase in retail fuel prices over the period. We have raised our crude oil assumption to USD90/85bbl for FY27/28E from USD70/bbl. We have revised our EPS estimates downward by 21/15% for FY27 and FY28 to INR44.9/55.5 per share. Our SOTP target price of INR367 is based on 4.5x Mar-27E EV/EBITDA for standalone refining, marketing, and pipeline business and INR/84sh for other investments.

Financial summary

YE March (INR bn)	4QFY26	3QFY26	QoQ(%)	4QFY25	YoY(%)	FY24*	FY25*	FY26P*	FY27E*	FY28E*
Revenue	1,186	1,190	(0.3)	1,112	6.7	4,481	4,403	4,552	5,783	5,810
EBITDA	101	117	(13.8)	78	29.6	441	254	412	314	358
APAT	75	75	(0.1)	50	51.2	269	133	263	192	237
AEPS (INR)	17.6	17.7	(0.1)	11.7	51.2	62.9	31.2	61.4	44.9	55.5
P/E (x)						4.7	9.4	4.8	6.5	5.3
EV / EBITDA (x)						3.6	6.4	3.8	5.1	4.3
RoE (%)						41.6	17.0	28.9	17.7	19.0

Source: Company, HSIE Research | *Consolidated

Changes in estimates

YE March	FY27E			FY28E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	392	314	(19.9)	422	358	(15.2)
EPS	57.1	44.9	(21.4)	65.4	55.5	(15.2)

Source: HSIE Research

BUY

CMP (as on 20 May 2026)	INR 294
Target Price	INR 367
NIFTY	23,659

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR455	INR367
	FY27E	FY28E
EPS change	-21.4%	-15.2%

KEY STOCK DATA

Bloomberg code	BPCL IN
No. of Shares (mn)	4,339
MCap (INR bn) / (\$ mn)	1,274/13,162
6m avg traded value (INR mn)	3,362
52 Week high / low	INR 392/267

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(19.8)	(19.5)	(6.1)
Relative (%)	(10.8)	(7.5)	1.1

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	52.98	52.98
FIs & Local MFs	19.56	18.53
FPIs	18.46	19.58
Government	0.43	0.43
Public & Others	8.57	8.48
Pledged Shares	0.0	0.0

Source : BSE

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Mankind Pharma

Steady Q4; improving India growth and margin

EBITDA growth (+31% YoY) was driven by 12% YoY sales growth (India formulation up 13% YoY and exports +4%), higher gross margin (+59 bps), and cost controls (staff/ SG&A were up 5%/ flat YoY), resulting in the margin at 27% (+401bps YoY). Organic (ex-BSV and OTC) India formulation growth was at 10.1% YoY, and exports grew in ahead of BSV exports in Q4. Mankind expects the following: (1) overall double-digit revenue growth in FY27, (2) India formulation IPM outperformance in FY27, led by (a) 1.1x beat to IMP in chronic segment supported by traction in key segments (CVS and anti-diabetic), new launches, and traction from recently acquired brand Rivotril (CNS) products, and (b) recovery in the acute therapies after corrective measures to ensure volume growth and productivity improvement, (3) BSV: scale-up over the next few quarters, with an aim to improve margin in the near term, (4) consumer healthcare business to sustain high-teen growth, (5) expansion of the presence in export markets with recent EU-GMP certification for Udaipur and Ambernath plants, (6) GLP-1 to remain a long-term opportunity, although it will be a competitive market; the company focusing on adjacent and supportive therapies like VMN and Gastro, (7) EBITDA margin at 25.5-26.5% in FY27E, and (8) ETR at 25-26% (vs 17% in FY26), given the phasing-out of tax benefits at a few of its plants. The company is on track to repay acquisition-related debt by FY28E-end (repaid INR 15bn commercial paper in FY26). Factoring in outlook and higher tax guidance, we have cut our EPS FY27/28E by 5/3% and revised the TP to INR 2,750 (38x FY28E, implies EV/ EBITDA at 24x). We keep monitoring the progress in BSV integration, acute business recovery, and debt repayment (net debt at INR 39.32bn as of Dec-25 vs INR 57.84bn in Mar-25). ADD stays.

- **Q4 highlights:** Sales grew 12% YoY to INR 34.43bn, with India formulation (78% of sales) up 13% YoY to INR 26.73bn, led by growth in chronic (~12%); consumer healthcare (6%) grew 20% YoY to INR 2.13bn and exports (16%) grew 4% YoY. GM was up 59bps YoY to 72.2%. Muted costs (staff/SG&A was +5%/flat YoY) led to EBITDA of INR 9.29bn (+31% YoY) and a 27% margin (+401bps YoY). Lower depreciation (-3%) and interest (-26%) and higher other income (+13%) led to a PAT[^] of INR 5.77bn (+80% YoY).
- **Key takeaways from con call:** India formulation organic growth was on the back of volume growth and traction in key chronic segments. Gross margin improvement was led by a better business mix (faster growth in chronic). The company expects capex at 6-7% of sales in FY27. In FY26, the company has improved its PCPM by ~11% YoY to INR 0.72 mn from INR 0.65 mn in FY25. BSV India business witnessed strong performance in Q4, led by strong performance in the IVF category (now covering 43k IVF centres). BSV exports had an impact due to geopolitical issues in certain RoW markets like the Philippines and slowdown in LatAm markets.

Quarterly financial summary

(INR mn)	4Q FY26	4Q FY25	YoY (%)	3Q FY26	QoQ (%)	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Revenue	34,429	30,794	12	35,672	(3)	87,494	103,348	122,074	142,776	161,331	180,696
EBITDA	9,299	6,832	36	9,194	1	19,006	25,351	30,179	36,174	41,946	47,884
APAT	5,775	3,211	80	5,153	12	13,720	19,129	19,363	20,427	25,368	29,876
EPS (INR)	14.0	7.8	80	12.5	12	33.3	46.4	46.9	49.5	61.5	72.4
P/E (x)						75.0	53.8	53.1	50.4	40.6	34.5
EV/EBITDA (x)						53.5	39.4	36.3	29.7	25.2	21.5
RoCE (%)						22	27	17	12	15	16

Source: Company, HSIE Research. ^Adj for costs of INR 232 mn

ADD

CMP (as on 20 May 2026) INR 2,584

Target Price INR 2,750

NIFTY 23,659

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2460	INR 2750
EPS %	FY27E (5.4)	FY28E (3.3)

KEY STOCK DATA

Bloomberg code	MANKIND IN
No. of Shares (mn)	413
MCap (INR bn) / (\$ mn)	1,067/11,017
6m avg traded value (INR mn)	1,182
52 Week high / low	INR 2,727/1,910

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	27.6	15.4	1.4
Relative (%)	36.7	27.4	8.6

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	72.66	72.66
FIs & Local MFs	13.26	14.46
FPIs	11.34	10.24
Public & Others	2.74	2.64
Pledged Shares	-	-

Source: BSE

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Anthem Biosciences

Steady Q4; CRDMO-led growth visibility stays

EBITDA growth (+37% YoY) was led by 26% YoY growth in revenues (CRDMO grew 31% YoY), improvement in gross margin (+133 bps YoY to 64.7%), and muted SG&A, leading to a strong EBITDA margin of 43.7% (+334 bps YoY). The company indicated (1) that it would retain its aspiration of 20% CAGR for revenue, EBITDA, and PAT over the next few years as it expects EBITDA margin to sustain at 39-40% in the near term. (2) It expects growth in CRDMO to remain strong, led by traction from the existing 10 molecules and incremental sales from recently-launched four molecules (one with large pharma and three with mid-sized innovators). (3) It has good visibility in the peptide segment, with both GLP-1 innovator pipeline projects and other non-GLP peptides; it is working on 10+ peptide projects with supply opportunity across fragments, synthesis, amino acid chains, etc. The company has 100+ clinical development projects, including 15-20 payloads in the ADCs space with global innovators. The company sees near-term growth visibility from GLP-1 and peptides segment, while ADCs and oligonucleotide will be long-term growth drivers. (4) Specialty ingredients: It expects strong growth momentum on the back of Semaglutide API opportunity in India and RoW markets (it will remain cost competitive to Chinese suppliers), steady growth in existing products, and commercial visibility in probiotics (tied-up with few companies in RoW markets). (5) The company has enough capacity headroom (with recent expansion at Unit 2 and 3 taking CDMO capacity to 425KL) to support growth/new projects over the next few years; beyond which the ongoing expansion at Unit 4 (adding 365KL CDMO and 100KL fermentation capacity) will help scale up from FY29E (Unit 4 commissioning is expected by Mar-28). (6) It is also looking for biosimilars as the next engine of growth from FY28/29E onward. It saw healthy RFP/RFQ trends, supported by an improving global funding environment. The company is actively evaluating M&As both in India and international markets (net cash of ~INR 13.74bn as of Mar-26). Factoring in outlook, we have raised the EBITDA by 5/6% for FY27/28E. We retain ADD and revise the TP to INR 830, based on 36x FY28E EV/E (implying 52x PE).

- Q4 highlights:** Sales grew 26% YoY to INR 6.11bn. CRDMO (84% of sales) was up 31% YoY to INR 5.13bn (+54% QoQ). Specialty ingredients (16%) grew 8% YoY to INR 981mn (+9% QoQ). Higher GM at 64.7% (+133 bps YoY), higher staff (+21%), and moderate SG&A (+9%) led to an EBITDA of INR 2.67bn (+37% YoY) and margin was at 43.7% (+334bps). Higher other income (+264% YoY) and depreciation (+30%) led to a PAT[^] of INR 1.88bn (+128% YoY).
- Con call takeaways:** The company indicates that gross margin improvement was supported by backward integration for intermediates. Added four new molecules in Phase 3 clinical pipeline (at 10 in FY26). Unit 4 (Harohalli, Bangalore): Capex of INR 12bn for Phase I with 365KL CDMO (small scale molecules move toward commercialization, peptides, Hi-Po API, and oligonucleotides) and 100KL fermentation capacities; civil work has started.

Quarterly financial summary

(INR mn)	4QFY26	4QFY25	YoY (%)	3QFY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Net Revenue	6,109	4,832	26	4,232	44	14,194	18,446	21,243	25,808	31,337
EBITDA	2,672	1,952	37	1,572	70	5,050	6,708	8,338	10,220	12,535
APAT	1,888	826	128	1,182	60	3,561	4,462	5,849	7,256	8,899
EPS (INR)	3.4	1.5	128	2.1	60	6.3	7.9	10.4	12.9	15.8
P/E (x)						123.1	98.2	74.9	60.4	49.3
EV/EBITDA (x)						86.0	64.8	51.5	41.8	33.8
RoCE (%)						23	28	29	28	28

Source: Company, HSIE Research. [^]Adjusted for one-offs gain of INR 9.8mn

ADD

CMP (as on 20 May 2026)	INR 780
Target Price	INR 830
NIFTY	23,659

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 720	INR 830
	FY27E	FY28E
EBITDA %	5.1	6.0

KEY STOCK DATA

Bloomberg code	ANTHEM IN
No. of Shares (mn)	562
MCap (INR bn) / (\$ mn)	438/4,528
6m avg traded value (INR mn)	382
52 Week high / low	INR 874/579

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	14.5	20.5	-
Relative (%)	23.5	32.6	-

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	74.69	74.67
FIs & Local MFs	7.60	11.55
FPIs	1.37	1.28
Public & Others	16.34	12.50
Pledged Shares	-	-

Source: BSE

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Astral

Industry-leading volumes; other segments firing too

Astral's revenue grew 24% YoY to INR 20.9bn (plumbing grew 25% YoY; paints & adhesives grew by 22% YoY). EBITDAM expanded 38/294bps YoY/QoQ to 18.3%, leading to 27/22% YoY growth in EBITDA/APAT. Plumbing witnessed healthy volume growth of 24% YoY, aided by market share gains and channel stocking, while NSR remained flat YoY (+6% QoQ). For FY27, the company is targeting 10-15% plumbing volume growth, 25% bathware revenue growth, 25% paints revenue growth, 15-20% India adhesives growth, and double-digit growth in the UK adhesives business. Management expects EBITDAM margins of 16-18% for plumbing, 15% for India adhesives, and 8-10% for UK adhesives, while paints are expected to achieve EBITDA profitability this year. The company expects PVC resin prices to rise, going forward, while channel inventory has started picking up from all-time lows over the past week. We broadly maintain our FY27/28E estimates. We maintain BUY with a target price of INR 1,900/sh, valuing the company at 60x Mar-28E EPS.

- Q4FY26 performance:** Revenue grew 24% YoY to INR 20.9bn. Employee cost and other expenses were up 16/33% YoY. EBITDAM expanded 38/294bps YoY/QoQ to 18.3%, leading to 27% YoY growth in EBITDA. APAT grew 22% YoY, led by EBITDA, partially impacted by higher finance cost (up 145% YoY). Plumbing witnessed healthy volume growth of 24% YoY (+36% QoQ), aided by market share gains and channel stocking. NSR remained flat YoY (+6% QoQ). Plumbing EBITDAM expanded 250/470bps YoY/QoQ.
- Con call highlights and outlook:** For FY27, the company is targeting 10-15% plumbing volume growth, 25% bathware revenue growth, 25% paints sales growth, 15-20% India adhesives growth, and double-digit UK adhesives growth. It has guided for EBITDA margin of 16-18% for plumbing, 15% for India adhesives, and 8-10% for UK adhesives, while paints are expected to achieve EBITDA profitability this year. It expects PVC resin prices to rise, going forward, while channel inventory has started picking up from all-time lows over the past week. The company's 40,000 MT CPVC resin plant costing INR 1.2bn will begin trial production in Dec-26, and is expected to boost CPVC volume growth and margin. We broadly maintain our FY27/28E estimates. We maintain BUY with a target price of INR 1,900/sh, valuing the company at 60x Mar-28E EPS.

Quarterly/annual financial summary (consolidated)

YE Mar (INR bn)	Q4 FY26	Q4 FY25	YoY (%)	Q3 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Pipes sales (K MT)	84.0	67.7	24.2	61.7	36.2	219.6	227.1	263.0	289.3	324.0
EBITDA (INR/kg)	41.9	37.0	13.2	31.7	32.3	34.1	33.6	33.0	33.7	34.2
Paints & adhesive revenue	5.54	4.55	21.9	4.70	18.1	14.99	16.36	18.90	21.78	24.47
Paints & adhesive EBITDAM (%)	8.7	13.3		11.0	15.0	13.5	11.9	10.2	11.8	12.4
Net Sales	20.89	16.81	24.2	15.42	35.5	56.41	58.32	65.69	76.14	85.72
EBITDA	3.83	3.02	26.8	2.37	61.4	9.18	9.46	10.62	12.44	14.86
EBITDAM (%)	18.3	18.0		15.4		16.3	16.2	16.2	16.3	17.3
APAT	2.19	1.79	22.2	1.20	82.3	5.46	5.24	5.55	6.88	8.52
Diluted EPS (Rs)	8.1	6.7	22.2	4.5	82.3	20.3	19.5	20.6	25.6	31.7
EV / EBITDA (x)						42.0	40.8	36.0	30.5	25.1
P/E (x)						71.2	74.2	70.0	56.5	45.6
RoE (%)						17.5	15.1	14.3	15.9	17.4

Source: Company, HSIE Research

BUY

CMP (as on 20 May 2026) INR 1,444

Target Price INR 1,900

NIFTY 23,659

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,900	INR 1,900
APAT revision %	FY27E -0.2	FY28E -0.2

KEY STOCK DATA

Bloomberg code	ASTRA IN
No. of Shares (mn)	269
MCap (INR bn) / (\$ mn)	388/4,006
6m avg traded value (INR mn)	1,081
52 Week high / low	INR 1,769/1,263

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(11.8)	(1.3)	5.8
Relative (%)	(2.7)	10.8	13.0

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	54.22	54.22
FIs & Local MFs	19.19	20.92
FPIs	15.21	14.50
Public & Others	11.38	10.36

Pledged Shares - -

Source : BSE

Pledged shares as % of total shares

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Eris Lifesciences

In-line Q4; India growth momentum to improve

EBITDA grew 8% YoY, as moderate sales growth of 7% YoY (+13% YoY for DBF and Swiss exports declined by -8%) and higher staff cost (+13% YoY) were offset by steady gross margin (at 75.5%) and muted SG&A, leading to an EBITDA margin of 36.2% (+37 bps YoY). Key Eris expects its (1) DBF business to outperform covered market growth by 1.3x, with an EBITDA margin of 37%, (2) exports business to see 18-20% growth with ~31.6% EBITDA margin; the growth guidance excluding sales from EU CDMO (strong order book visibility) as it is subjected to plant clearance, and (3) overall, mid-teen growth with EBITDA margin at ~36% in FY27. The company expects Semaglutide injectable pen and vials to see strong traction in the next few quarters. The company sees ex-Semaglutide business to sustain double-digit growth trend, led by new launches (like Insulin Aspart and Esaxerenon in FY27), scale-up in key therapies (insulin, CVS, oral anti-diabetics, and derma), and market share gain in Rh-Insulin. While Eris is well-placed to monetize GLP-1, Rh-insulin, and other pipeline opportunities, gradual scale-up in other core segments (CVS, derma, and VMN) is a key (visibility of FDC launches in FY27 and FY28). Factoring in the outlook, we have tweaked our EPS for FY27E/28E and arrived at TP of INR 1,730 (27x FY28E EPS). BUY stays.

- Q3 highlights:** Sales grew 7% YoY to INR 7.56bn, led by 12% YoY growth in DBF to INR 6.71bn and 8% YoY decline in Swiss sales to INR 860mn. GM declined to 75.5% (-35 bps YoY). Higher staff costs (+13% YoY) were offset by lower SG&A (flat YoY), resulting in an EBITDA of INR 2.73bn (+8% YoY) and 36.2% margin (+37 bps). DBF's margin was 36.7% (vs. 37.2% YoY) and Swiss was 32.6% (vs 36.6% YoY). Lower other income (-72% YoY), interest (-16%), and depreciation (-10%) led to a PAT[^] of INR 1.3bn (+40% YoY).
- Key takeaways from con call: Semaglutide (brand name Sundae):** The company launched vials (priced at INR 1,290/ unit) in Mar-26 and was able to gain market share of 21% in Apr-26, which it expects will settle down at 25-30%; In mid-April-26, it launched Sundae pen (2mg priced at INR 3,200/ unit) and plans to launch 4mg pen in May-26. The company plans to launch Obesity SKU in Jul-26. The company expects H1FY27 margin to remain soft, given the launch and scale-up activities for Semaglutide. It expects to see scale-up in pens from Q2FY27 onward with in-sourcing (phase I capacity of 5mn unit p.a.) and significant improvement in margin. **EU CDMO:** The company is working closely with a key customer and regulator to resolve plant-related observations. Its guidance of CDMO sales of INR 5-6bn stays and will monetize after plant clearance. It expects ETR to be at ~21% in FY27E (vs. ETR of 22% in FY26). In FY26, inventory and debtor days increase was largely attributed to export business and strategic decision to de-risk from supply chain uncertainty. It expects debtor days to normalize at 60 in FY27.

Quarterly financial summary

(INR mn)	4Q FY26	4Q FY25	YoY (%)	3Q FY26	QoQ (%)	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Revenue	7,566	7,053	7	8,075	(6)	16,851	20,092	28,936	31,294	36,710	41,436
EBITDA	2,736	2,524	8	2,816	(3)	5,367	6,748	10,172	11,202	13,263	15,243
APAT	1,316	937	40	1,126	17	3,822	3,904	3,517	4,870	7,111	8,873
EPS (INR)	9.5	6.8	40	8.1	17	27.6	28.2	25.4	35.2	51.3	64.1
P/E (x)						52.9	51.8	57.5	41.5	28.4	22.8
EV/EBITDA (x)						39.2	32.9	22.5	20.1	16.5	13.9
RoCE (%)						16	10	11	13	16	18

Source: Company, HSIE Research, ^Adjusted for deferred tax credit of INR 1.5 bn.

BUY

CMP (as on 20 May 2026) INR 1,460

Target Price INR 1,730

NIFTY 23,659

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1730	INR 1730
	FY27E	FY28E
EPS %	-1.5	0.7

KEY STOCK DATA

Bloomberg code	ERIS IN
No. of Shares (mn)	139
MCap (INR bn) / (\$ mn)	202/2,087
6m avg traded value (INR mn)	187
52 Week high / low	INR 1,910/1,200

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	8.6	(12.7)	(0.8)
Relative (%)	17.7	(0.6)	6.4

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	54.85	53.92
FIs & Local MFs	20.32	20.35
FPIs	6.85	6.39
Public & Others	17.98	19.34
Pledged Shares	16.92	16.92

Source: BSE

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Eureka Forbes

Decent quarter performance; cost inflation looming

Eureka's Q4 revenue grew 12% YoY to INR 6.8bn, driven by double-digit growth in product business. EBITDA margin (ex. ESOP) expanded 30bps YoY to 13.3%, while overall EBITDAM remained flat YoY at 12.6%. Consequently, EBITDA grew 11% YoY, while APAT grew by 6% YoY, dragged by increased depreciation. For FY27, the company's key focus is to accelerate revenue growth while sustaining margins, despite rising commodity costs, which remain a key headwind; company plans to mitigate it through calibrated price increases, improved product mix, and ongoing cost optimization. Considering in-line Q4 performance, we broadly maintain our revenue estimates; however, factoring in the inflationary cost environment, we cut our EBITDA by 3% and APAT estimates by 8% each for FY27-28E. We maintain BUY with a lower TP of INR 645/sh, valued at 40x Mar-28E AEPS (excluding non-cash intangible amortization and 50% of performance-based ESOP expenses).

- Q4FY26 highlights:** Revenue grew 12% YoY to INR 6.8bn, driven by double-digit growth in product business. Employee expenses (ex. ESOP) grew 11% YoY, while other expenses grew 12% YoY. EBITDA margin (ex. ESOP) expanded 30bps YoY to 13.3%, while overall EBITDAM remained flat YoY at 12.5%. Consequently, EBITDA grew 11% YoY, while APAT grew by 6% YoY, dragged by increased depreciation (up 33% YoY). In FY26, water purifiers saw temporary moderation, water softeners delivered strong double-digit growth, air purifiers grew 2.7x YoY on a low base, product business grew in the teens, and service revenue growth outpaced FY25.
- Con call KTA and valuation:** For FY27, the company's key focus is to accelerate revenue growth while sustaining margins. The e-commerce channel normalized by Q4 after facing issues in Q3. Management highlighted that rising commodity costs remain a headwind; however, it aims to mitigate the impact through calibrated price increases, an improved product mix, and ongoing cost optimization. A ~6-7% price hike implemented in April has had no material impact on demand, and with the increase announced only in the last few days of March, channel stocking remained limited, implying no inventory-led distortion in Q1FY27 growth. However, at current cost levels, some pressure on gross margins is inevitable. Considering in-line Q4 performance, we broadly maintain our revenue estimates; however, factoring in the inflationary cost environment, we cut our EBITDA by 3% and APAT estimates by 8% each for FY27-28E. We maintain BUY with lower TP of INR 645/sh, valued at 40x Mar-28E AEPS (excluding non-cash intangible amortization and 50% of performance-based ESOP expenses).

Financial summary

(INR mn)	Q4 FY26	Q4 FY25	YoY (%)	Q3 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Net Sales	6,837	6,127	11.6	6,454	5.9	21,893	24,369	27,091	31,165	35,520
EBITDA	856	771	11.0	686	24.7	1,986	2,656	3,133	3,655	4,480
EBITDAM	12.5	12.6		10.6		9.1	10.9	11.6	11.7	12.6
APAT	510	483	5.6	405	26.1	1,108	1,602	1,931	2,251	2,847
EPS (INR)	2.6	2.5	5.6	2.1	26.1	5.7	8.3	10.0	11.6	14.7
EV/EBITDA (x)						47.1	34.5	28.8	24.0	18.8
P/E (x)						85.4	59.0	49.0	42.0	33.2
RoE (%)						2.7	3.7	8.4	75.7	53.9

Source: Company, HSIE Research

BUY

CMP (as on 20 May 2026)	INR 473
Target Price	INR 645
NIFTY	23,659

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 695	INR 645
EPS %	FY27E -8.1	FY28E -8.1

KEY STOCK DATA

Bloomberg code	EUREKAFO IN
No. of Shares (mn)	193
MCap (INR bn) / (\$ mn)	92/946
6m avg traded value (INR mn)	142
52 Week high / low	INR 669/355

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.0)	(17.2)	(24.5)
Relative (%)	1.1	(5.2)	(17.2)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	62.56	62.56
FIs & Local MFs	6.45	6.16
FPIs	13.87	13.66
Public & Others	17.12	16.72
Pledged Shares	33.57	33.57

Source : BSE

Pledged shares as % of total shares

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ASK Automotive

Content addition to soften impact of business volatility

While management has indicated no impact to the 2W customer's production schedules yet due to the volatile business environment, it did caution on rising raw material and production costs that would continue to increase vehicle prices at least in the near term, as cost inflation is passed on. However, we expect topline growth to be cushioned due to the commencement of the company's alloy wheel and sunroof cables business from H2FY27, along with rising aluminium prices. We also expect exit from the low-margin wheel assembly business and better operating leverage due to the commencement of the new business segments to soften the impact from higher raw material and production costs. We value the company at 22x Mar-28 EPS for a TP of INR473, and maintain an ADD rating.

- Consolidated performance:** Q4FY26 EBITDA margin came in at 11.6%, down 60bps YoY and 138bps QoQ, below ours and Bloomberg consensus estimate of 12.5% and 12.8% respectively, impacted by higher raw material costs.
- Higher aluminium prices impacting margins:** Management indicated ~80bps impact to EBITDA margin in Q4 on account of higher aluminium prices. In FY26, this impact was to the tune of ~40bps. It was not able to pass on prices efficiently in Mar'26, especially in the aftermarket segment. However, it has indicated that the pass-on in Apr'26 has been much better.
- Guidance of mid-teen growth for FY27:** Management is confident of revenue growing in mid-teens in FY27. This will also be aided by revenues from the commencement of the alloy wheels business (revenue guidance of INR 0.9-1bn for FY27 and INR 2.2bn for FY28) and the sunroof cables business. It expects both these businesses to commence operations in H2FY27. Over the medium term, it remains positive on the 2W industry growth on the back of rising rural income, personal income tax rationalization as announced in the Union Budget, and the upcoming Eighth Pay Commission-driven sales. It, however, declined to comment on the possible El Nino impact, though it mentioned that in the past as well as during adverse monsoon seasons, it has not seen any major impact to the business. In the exports segment, it believes that if geopolitical tensions ease, growth can be ~20%, considering the orders in hand.
- Other call highlights:** (1) It called out rising wage inflation, though it is in talks with customers to pass on this cost. (2) Plant utilization at the new plant in Bengaluru was 90%, while in Karauli, it is still 65% due to the investments made for the alloy wheels. (3) There has been no update from the government on the implementation of ABS in the <125cc category. (4) A large e-2W customer of the company (Ola Electric) did not fare well in FY26, and hence the company has grown almost in line with the industry in the e-2W segment. (5) Budgeted capex for FY27 is INR 4bn (INR 0.4-0.5bn is for maintenance).

Quarterly/annual financial summary

YE Mar (INR mn)	4Q FY26	4Q FY25	YoY (%)	3Q FY26	QoQ (%)	FY26	FY27E	FY28E
Net Sales	11,471	8,497	35.0	10,842	5.8	41,763	44,598	53,002
EBITDA	1,333	1,038	28.3	1,409	-5.4	5,309	5,570	7,085
EBITDA %	11.6	12.2	-61bps	13.0	-139bps	12.7	12.5	13.4
APAT	724	576	26	793	-9	2,973	3,119	4,242
EPS (INR)	3.6	2.9	24.3	4.1	-10.5	15.1	15.8	21.5
P/E (x)						29.5	28.1	20.7

Source: Company, HSIE Research

ADD

CMP (on 20 May 2026)	INR 445	
Target Price	INR 473	
NIFTY	23,659	
KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 478	INR 473
EPS %	FY27E	FY28E
	-2.4%	-0.9%

KEY STOCK DATA

Bloomberg code	ASKAUTOL IN
No. of Shares (mn)	197
MCap (INR bn) / (\$ mn)	88/905
6m avg traded value (INR mn)	128
52 Week high / low	INR 579/371

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	2.2	(7.8)	1.5
Relative (%)	11.2	4.2	8.7

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	74.95	74.95
FIs & Local MFs	9.13	10.26
FPIs	9.72	9.29
Public & Others	6.2	5.5
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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PNC Infratech

Muted performance

PNC Infratech (PNC) reported Q4FY26 revenue/EBITDA/APAT of INR 14.6/1.8/1bn, a miss on our estimates by -14.8/-17.3/-24.9% respectively. FY26 has been impacted by slower tendering, delay in appointed dates (AD), subdued execution in water & canal, stretched JJM receivables, and land availability issues. The OB as of Mar'26 stood at INR 180bn (~3.9x FY26 revenue), FYTD27 OI (Ex of OB) stood at INR 60bn. PNC guided FY27/28 revenue at +30/25% YoY, EBITDA margin at 12% and OI is guided at INR 150bn (incl. wins till FYTD27). We expect revenue and orders awards to pick up in FY27, on the back of pick-up in execution, new revenue streams like renewables and mining to aid order inflow, and bid pipeline of INR 140bn provides visibility. 100% receipt of cash flows from asset monetization to Vertis contribute to the healthy cash buffer of PNC. We have cut estimates to factor in delays in AD; maintain BUY with a reduced SOTP of INR 304/sh (12x Mar-28E EPS and 1.3x P/BV for HAM).

- Q4FY26 financial highlights:** Revenue stood at: INR 14.6bn (+3/+38% YoY/QoQ, a miss by 14.8%). EBITDA: INR 1.8bn (-0.4/+33.8% YoY/QoQ, a miss by 17.3%). EBITDA margin: 12% (-41/-38bps YoY/QoQ, vs. our estimate of 12.4%). APAT: INR 1bn (-17/+30% YoY/QoQ, a miss of 24.9%). Q4FY26 Segmental revenue stands at 78/13/9% for Roads/Water/Toll & Annuity respectively.
- Robust order pipeline supported by RE and mining:** The OB as of Mar'26 stood at INR 180bn, excluding solar+BESS (to be executed in 24 months; execution to begin in Q3FY27). Roads/rail/water & canal/airport runway/mining MDO contribute 63/2/18/2/16% respectively to the OB. OB is spread across state and central government at 49/51% respectively. MH/Bihar/Chhattisgarh/UP/MP at 33/17/16/16/9% respectively are major geographical contributors to the OB.
- Strong balance sheet through strategic asset monetization:** PNC's standalone debt stands at INR 7.4bn as of Mar'26 (Mar'25: INR 4bn), while gross D/E is at 0.1 (Mar'25: 0.1x). The total equity investment in 12 ongoing/awarded HAM projects stands at INR 16.3bn, of which INR 10.8bn has been infused until Mar'26 with a balance of INR 5.4bn to be spread across FY27/28. NWC days stood at 134 as of Mar'26 (Dec'25/ Mar'25: 137/113). Capex in FY26 stood at INR 2.5bn while annual capex targeted in FY27 stands at INR 1.5bn. Management has guided for equity requirement of INR 4bn for BESS, spread across FY27/28.

Standalone Financial Summary (INR mn)

Particulars	4QFY26	4QFY25	YoY (%)	3QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E
Revenue	14,576	14,146	3.0	10,564	38.0	50,779	46,335	58,845	71,203
EBITDA	1,752	1,758	(0.4)	1,309	33.8	6,137	5,829	7,070	8,612
APAT	1,004	1,210	(17.0)	772	30.0	4,162	3,441	4,122	5,194
Diluted EPS (INR)	3.9	4.7	(17.0)	3.0	30.0	10.1	13.0	16.1	20.2
P/E (x)						20.8	16.1	13.0	10.3
EV / EBITDA (x)						8.3	9.4	8.0	6.6
RoE (%)						8.1	6.1	7.4	9.4

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY27E			FY28E		
	New	Old	% Change	New	Old	% Change
Revenues	58,845	60,706	(3.1)	71,203	71,633	(0.6)
EBIDTA	7,070	7,581	(6.7)	8,612	8,903	(3.3)
EBIDTA (%)	12.0	12.5	(47.4)	12.1	12.4	(33.3)
APAT	4,122	4,496	(8.3)	5,194	5,411	(4.0)

Source: HSIE Research

BUY

CMP (as on 20 May 2026)	INR 209
Target Price	INR 304
NIFTY	23,659

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target (INR)	INR 318	INR 304
EPS Change (%)	FY27E	FY28E
	-8.3	-4

KEY STOCK DATA

Bloomberg code	PNCL IN
No. of Shares (mn)	257
MCap (INR bn) / (\$ mn)	54/554
6m avg traded value (INR mn)	111
52 Week high / low	INR 332/158

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.9)	(20.4)	(27.8)
Relative (%)	4.1	(8.4)	(20.6)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	56.07	56.07
FIs & Local MFs	26.22	24.55
FPIs	6.95	7.18
Public & Others	10.77	12.21
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Bajaj Electricals

Another poor quarterly performance

Bajaj Electricals' Q4 revenue was down 2% YoY, primarily due to 7% decline in consumer products segment (75% revenue mix), while lighting segment (25% revenue mix) grew by 16% YoY. EBITDAM decline of 390bps YoY to 3.5% (+230bps QoQ) led to EBITDA decline of 54% YoY, while APAT stood INR 18mn vs INR 377/-78mn YoY/QoQ. Management indicated that demand for summer products remained weak in Q4FY26 due to a delayed onset of summer. Q1FY27 witnessed mixed demand trends – the initially weak north market improved with the onset of summer, while the south saw strong traction throughout. Channel inventories have largely normalized, though they remain slightly elevated in summer categories like fans and coolers. The wires segment, launched in Q1FY27, has seen encouraging initial response and is expected to emerge as a key growth driver. We broadly maintain our revenue estimates for FY27/28E; however, considering weak Q4 performance and cost inflationary environment, we cut our APAT estimates by 13/2% for FY27/28E. We maintain REDUCE with a TP of INR 315/share, based on 25x Mar-28E EPS.

- Q4FY26 highlights:** Revenue was down 2% YoY (2-year CAGR 2%), primarily due to 7% decline in consumer products segment (75% revenue mix), while lighting segment (25% revenue mix) grew by 16% YoY. Its peers, Crompton Consumer and Orient Electric, reported topline growth of 11% and 10% YoY. Gross margin declined 170/100bps YoY/QoQ to 29.3%, leading to EBITDAM decline of 390bps YoY to 3.5% (+230bps QoQ), dragged by 200bps YoY increase in other expenses in relative terms. In absolute terms, other expenses grew 10% YoY. Consequently, EBITDA declined 54% YoY. APAT stood INR 18mn vs INR 377/-78mn YoY/QoQ, owing to lower EBITDA. The company has recognized a INR 555.8mn exceptional loss in Q4, which included INR 264mn on account of impairment of goodwill on Aurangabad facility and INR 293mn impairment loss on plant, property, and equipment.
- Con call KTAs and valuation:** Management indicated that demand for summer products remained weak in Q4FY26 due to a delayed onset of summer. Q1FY27 witness mixed demand trends, with an initially weak north market improving with the onset of summer, while the south saw strong traction throughout. Channel inventories have largely normalized, though remain slightly elevated in summer categories like fans and coolers. The company lost some market share in fans due to a weaker presence in BLDC but expects improvement over the next one year. The wires segment, launched in Q1FY27, has seen encouraging initial response and is expected to emerge as a key growth driver. We broadly maintain our revenue estimates for FY27/28E; however, considering weak Q4 performance and cost inflationary environment, we cut our APAT estimates by 13/2% for FY27/28E. We maintain REDUCE with a target price of INR 315/share, based on 25x Mar-28E EPS.

Financial summary

(INR mn)	Q4 FY26	Q4 FY25	YoY (%)	Q3 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Net Sales	12,395	12,655	(2.1)	10,509	17.9	46,413	48,284	44,622	48,749	51,921
EBITDA	432	930	(53.6)	129	234.3	2,597	3,075	1,513	2,892	3,285
APAT	18	377	(95.3)	(78)	(122.8)	1,359	1,121	139	1,203	1,442
EPS (INR)	0.2	3.3	(95.3)	(0.7)	(122.8)	11.8	9.7	1.2	10.4	12.5
P/E (x)						29.0	35.2	284.0	32.8	27.3
EV/EBITDA (x)						14.0	12.2	22.6	12.0	10.5
RoE (%)						8.1	7.5	0.9	8.0	9.1

Source: Company, HSIE Research

REDUCE

CMP (as on 20 May 2026)	INR 342
Target Price	INR 315
NIFTY	23,659

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 320	INR 315
EPS %	FY27E -12.5	FY28E -2.2

KEY STOCK DATA

Bloomberg code	BJE IN
No. of Shares (mn)	115
MCap (INR bn) / (\$ mn)	40/408
6m avg traded value (INR mn)	173
52 Week high / low	INR 711/330

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.9)	(30.9)	(48.7)
Relative (%)	(1.9)	(18.8)	(41.5)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	62.70	62.70
FIs & Local MFs	17.08	16.88
FPIs	6.48	6.50
Public & Others	13.74	13.92
Pledged Shares	1.60	1.60

Source : BSE

Pledged shares as % of total shares

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J Kumar Infraprojects

Muted execution

JKIL reported lower-than-expected revenue/EBITDA/APAT of 15.7/2.2/1.1bn, a miss to our estimates by 1.7/3.6/7.1% respectively, owing to delay in site handovers, and low order intake of INR 10bn in FY26. As of Mar'26, the order book (OB) stands at INR 185.5bn (~3.3x FY26 revenue). Further, JKIL has guided an OI of INR 100bn for FY27, of which it has already secured INR 45bn and is L1 in INR 17.7bn. FY27 revenue growth guidance is 15%, with EBITDA margin guidance at 14-15%. JKIL is keen on bidding for large-scale projects in Maharashtra, including the Mumbai/Pune/Thane metro rail ones. Bid pipeline in MMR alone is INR 1trn+ and is expected to be finalized over the next 12-18 months. We have cut estimates to factor in muted FY26 order inflows. We have cut our PE valuation multiple from 11x to 9x to factor in elongated execution period and slowing growth. We maintain ADD, with a reduced TP of INR 589 (9x-Mar 28E).

- Q4FY26 financial performance:** JKIL generated revenue of INR 15.7bn (-3.7/+20.4% YoY/QoQ, a miss of 1.7%) with an EBITDA of INR 2.2bn (-6.7/+16% YoY/QoQ, a miss of 3.6%). JKIL's EBITDA margin stood at 13.9% (-45/-53bps YoY/QoQ, vs. our estimate of 14.2%), while RPAT/APAT came in at INR 1.1bn (-7.6/+13.3% YoY/QoQ, a miss of 7.1%). Major revenue contributors for Q4FY26 have been metro (UG)/metro (E)/elevated corridors/roads & tunnels/water/civil & others at 7/18/36/21/6/12% respectively. Geographically, Maharashtra, TN, and NCR lead revenue contributions at 57/16/20% respectively.
- Robust and diversified order book:** Geographically, the OB is spread across Maharashtra/TN/NCR/UP/Gujarat/Karnataka at 63/18/16/2/1/<1% respectively. Segment-wise, it is spread across elevated corridors/roads & tunnels/civil/metro (E)/metro (UG)/water at 51/18/15/6/5/4% respectively.
- Strong balance sheet to facilitate growth opportunities:** Gross debt stood at INR 6.2bn as of Mar'26 (Dec'25/Mar'25: INR 6.6/7bn), leading to a consistent gross D/E of 0.2x (Net D/E: -0.08x). JKIL expects gross debt to peak at INR 6-7bn in FY26. Capex in FY26 stood at INR 4.6bn (FY25: INR 2.4bn), while capex guidance for FY27/28 combined stands at INR 2.5/2.5bn. NWC days stood at 99 as of Mar'26 (Q3/Q2: 103/115 days).
- Weak ordering in FY26, strong inflows in FYTD27:** JKIL booked INR10bn of new orders in FY26, which is an all-time low. During FYTD27, it recorded INR 45bn in new orders and is L1 in INR17.7bn. JKIL's focus will remain on the EPC segment, with significant tenders worth INR 1trn+ expected to be floated from the MMR region in the next 12-18 months.

Standalone Financial Summary (INR mn)

Particulars	4QFY26	4QFY25	YoY (%)	3QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E
Revenue	15,725	16,327	(3.7)	13,057	20.4	56,935	56,939	65,480	75,302
EBITDA	2,193	2,351	(6.7)	1,890	16.0	8,264	8,187	9,379	10,676
APAT	1,055	1,141	(7.6)	931	13.3	3,904	4,176	4,344	4,953
EPS (INR)	13.9	15.1	(7.6)	12.3	13.3	51.6	55.2	57.4	65.5
P/E (x)						9.2	8.6	8.2	7.2
EV/EBITDA (x)						5.1	4.8	3.9	2.5
RoE (%)						13.8	13.1	12.1	12.2

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY27E			FY28E		
	New	Old	% Change	New	Old	% Change
Revenue	65,480	65,983	(0.8)	75,302	75,881	(0.8)
EBITDA	9,379	9,351	0.3	10,676	10,727	(0.5)
EBITDA (%)	14.3	14.2	15.1	14.2	14.1	4.1
APAT	4,344	4,555	(4.6)	4,953	5,173	(4.3)

Source: HSIE Research

ADD

CMP (as on 20 May 2026)	INR 473
Target Price	INR 589
NIFTY	23,659

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 730	INR 589
EPS Change (%)	FY27E	FY28E
	-4.6	-4.3

KEY STOCK DATA

Bloomberg code	JKIL IN
No. of Shares (mn)	76
MCap (INR bn) / (\$ mn)	36/370
6m avg traded value (INR mn)	78
52 Week high / low	INR 766/425

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(13.4)	(22.1)	(32.3)
Relative (%)	(4.3)	(10.0)	(25.1)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	46.64	46.64
FIs & Local MFs	15.26	15.16
FPIs	12.73	12.55
Public & Others	25.37	25.65
Pledged Shares	10.57	10.60

Source: BSE

Pledge share as a % of total shares

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Prince Pipes and Fittings

Strong results after several disappointing quarters

Prince Pipes' Q4 revenue grew a healthy 18% YoY, led by strong plumbing volume growth of 23% YoY, driven by robust demand during Jan-Mar in Q4. However, NSR declined 4% YoY. EBITDA margin expanded sharply by 530bps YoY (+800bps QoQ) to 12.9%, leading to EBITDA/APAT growth of 100/132% YoY, aided by a low base. For FY27, the company is targeting 12-15% volume growth, with EBITDA margins of 11-12%. April witnessed channel destocking, with weak primary sales but resilient secondary demand, while May saw a strong recovery in primary volumes. We broadly maintain our earnings estimates. We maintain REDUCE with an unchanged TP of INR 260/share by valuing the company at 22x Mar-28 EPS.

- Q4FY26 performance:** Revenue grew by a healthy 18% YoY. Plumbing volume growth stood at 23% YoY, driven by strong demand across Jan-Mar in Q4, led by competitive pricing and passing of inventory gains to the channel. However, NSR declined 4% YoY. EBITDA margin expanded 530bps YoY to 12.9% (+800bps QoQ) to 12.9%. Employee cost/other expenses surged by 10/7% YoY. EBITDA and APAT grew by 100% and 132% YoY on last year low base. Depreciation surged 26% YoY. The working capital days halving to 45 at Mar-26-end compared to ~90 days over the past three years. This improvement was led by lower debtor and inventory days, along with higher payable days.
- Con call KTAs and outlook:** For FY27, the company is targeting 12-15% volume growth, supported by ongoing industry consolidation, and expects EBITDA margins of 11-12%. April witnessed destocking, with weak primary sales but resilient secondary demand, while May saw a strong recovery in primary volumes. The company has outlined a capex plan of ~INR 2bn for FY27, primarily towards the Aqueel acquisition (Apr-25), debottlenecking of 2-3 facilities, and routine maintenance. Given the strong Q4 performance and continued focus on expansion, we raise our volume estimates for FY27/28E, leading to 5/3% increase in revenue estimates. However, the company's aggressive pricing strategy to gain share may restrict profitability; accordingly, we broadly maintain our earnings estimates. We maintain REDUCE with an unchanged TP of INR 260/share by valuing the company at 22x Mar-28 EPS.

Quarterly/annual financial summary

YE Mar (INR mn)	Q4 FY26	Q4 FY25	YoY (%)	Q3 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Pipes sales (K MT)	62.2	50.5	23.2	42.6	46.0	172.8	177.2	191.2	200.8	216.9
NSR (INR/kg)	137	143	-4.1	135	1.6	149	142	136	143	143
EBITDA (INR/kg)	18	11	62.2	7	169.1	18	9	12	14	15
Net Sales	8,501	7,197	18.1	5,733	48.3	25,687	25,239	25,983	28,646	30,938
EBITDA	1,096	548	99.9	279	293.0	3,074	1,618	2,316	2,764	3,225
EBITDAM (%)	12.9	7.6		4.9		12.0	6.4	8.9	9.6	10.4
APAT	561	242	132.1	-3		1,646	431	752	1,023	1,311
Diluted EPS (INR)	5.1	2.2	132.1	-0.0		14.9	3.9	6.8	9.3	11.9
EV / EBITDA (x)						10.0	19.9	12.6	10.7	9.0
P/E (x)						18.6	71.0	40.7	29.9	23.4
RoE (%)						11.3	2.8	4.7	6.1	7.3

Source: Company, HSIE Research

REDUCE

CMP (as on 20 May 2026)	INR 265
Target Price	INR 260
NIFTY	23,659

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 260	INR 260
EPS revision %	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	PRINCPIN
No. of Shares (mn)	111
MCap (INR bn) / (\$ mn)	29/303
6m avg traded value (INR mn)	50
52 Week high / low	INR 388/205

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	2.1	(10.8)	(7.0)
Relative (%)	11.1	1.2	0.2

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	60.94	60.95
FIs & Local MFs	15.61	15.54
FPIs	3.54	3.55
Public & Others	19.91	19.96
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Teamlease Services

Getting back on track

Teamlease reported a ~2% revenue decline for Q4, primarily due to the full-quarter impact of insourcing by a large NBFC client in general staffing (-3% QoQ), while specialized staffing grew 2% QoQ. Despite softer revenue, consolidated Q4 EBITDA grew 8% QoQ, with margins expanding 15bps QoQ to 1.6%. General staffing (GS) growth is expected to be led by a recovery in volume growth as regulatory and insourcing headwinds are now behind. Sectors contributing to the growth include BFSI, consumer durables, telecom, and industrial infrastructure. GS margins are set to expand as PAPM reached 689 in Q4, fuelled by 70% of new contracts moving to a variable markup model and a 20% YoY reduction in cost-to-hire. Specialized staffing growth (+13% YoY) is propelled by high-value roles in AI, data, and cybersecurity, with the GCC segment contributing ~60% of headcount. Factors driving specialized margins include a 20% YoY rise in recruiter productivity and adoption of higher-margin Hire-Train-Deploy and BOT models. HR services saw annual revenue and EBITDA growth of 22% YoY and 23% YoY, respectively. Steps to boost growth include strengthening digital platforms and expanding apprenticeship programs. Overall, the company targets positive volume growth in H1FY27 and ~20% YoY EBITDA growth for FY27E. The company announced a buyback of INR 2.38bn, which is 8.9% of paid-up-capital and ~25% of free reserves at INR 1,600 per share. Following a INR 1.43bn tax refund, the net cash position is at INR 6bn. We maintain ADD with a TP of INR 1,600, valuing the stock at 14x FY28E EPS. The stock is trading at a reasonable PE of 16/12x FY27/28E.

- Q4FY26 highlights:** Consolidated revenue stood at INR 29.25bn, -2.9/+2.3% QoQ/YoY, due to a -3.0/-9.4/+22.9% QoQ increase in GS/SS/HR revenue. The associate/core ratio decreased to 351 (-1.2% QoQ). Funding exposure remains at 14% along with DSO at 6 days. EBITDA margin for GS/SS/HR stood at 1.1/7.4/16.5%. 14 new logos were added in GS and 70% of new clients were added on variable markup; this will help in PAPM growth. SS headcount increased by 335 (~11 from TLD Global), as GCCs continued to display strength. GCCs are ~67% of SS revenue (vs 65% in Q3). 10 new logos were added in the DA segment. Net cash stood at INR 6bn (~25.3% of market cap).
- Outlook:** We expect revenue growth of 10/16% and an EBITDA margin of 1.38/1.45% in FY27/28E, leading to revenue, EBITDA, and EPS CAGRs of 13%, 18%, and 13% over FY26-28E.

Quarterly financial summary

YE March (INR bn)	4QFY26	4QFY25	YoY (%)	3QFY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Net Revenue	29,249	28,579	2.3	30,130	(2.9)	93,215	111,559	118,613	129,988	150,920
EBITDA	456	475	(3.9)	423	7.9	1,308	1,381	1,569	1,793	2,188
APAT	460	350	31.7	425	8.4	1,086	1,088	1,483	1,496	1,899
Diluted EPS (INR)	27.5	20.85	31.7	25.3	8.4	64.8	64.9	88.4	89.2	113.2
P/E (x)						21.8	21.8	16.0	15.8	12.5
EV / EBITDA (x)						15.3	13.3	8.7	9.3	6.9
RoE (%)						13.5	12.8	15.2	13.4	14.8

Source: Company, HSIE Research

Change in estimate

Rs Bn	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	127.44	129.99	2.0	147.14	150.92	2.6
EBITDA	1.72	1.79	4.5	2.10	2.19	4.1
EBITDA margin (%)	1.35	1.38	3bps	1.43	1.45	2bps
APAT	1.41	1.50	6.0	1.81	1.90	5.1
EPS (INR)	84.1	89.2	6.0	107.8	113.2	5.1

Source: Company, HSIE Research

ADD

CMP (as on 20 May 2026)	INR 1,413
Target Price	INR 1,600
NIFTY	23,659

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,500	INR 1,620
	FY26E	FY27E
EPS %	6.0	5.1

KEY STOCK DATA

Bloomberg code	TEAM IN
No. of Shares (mn)	17
MCap (INR bn) / (\$ mn)	24/245
6m avg traded value (INR mn)	121
52 Week high / low	INR 2,499/1,063

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	7.9	(15.9)	(26.8)
Relative (%)	17.0	(3.8)	(19.6)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	31.11	31.11
FIs & Local MFs	49.84	49.61
FPIs	6.35	6.76
Public & Others	12.67	12.49
Pledged Shares	1.61	1.61

Source : BSE

Pledged shares as % of total shares

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Rating Criteria

BUY: >+15% return potential

ADD: +5% to +15% return potential

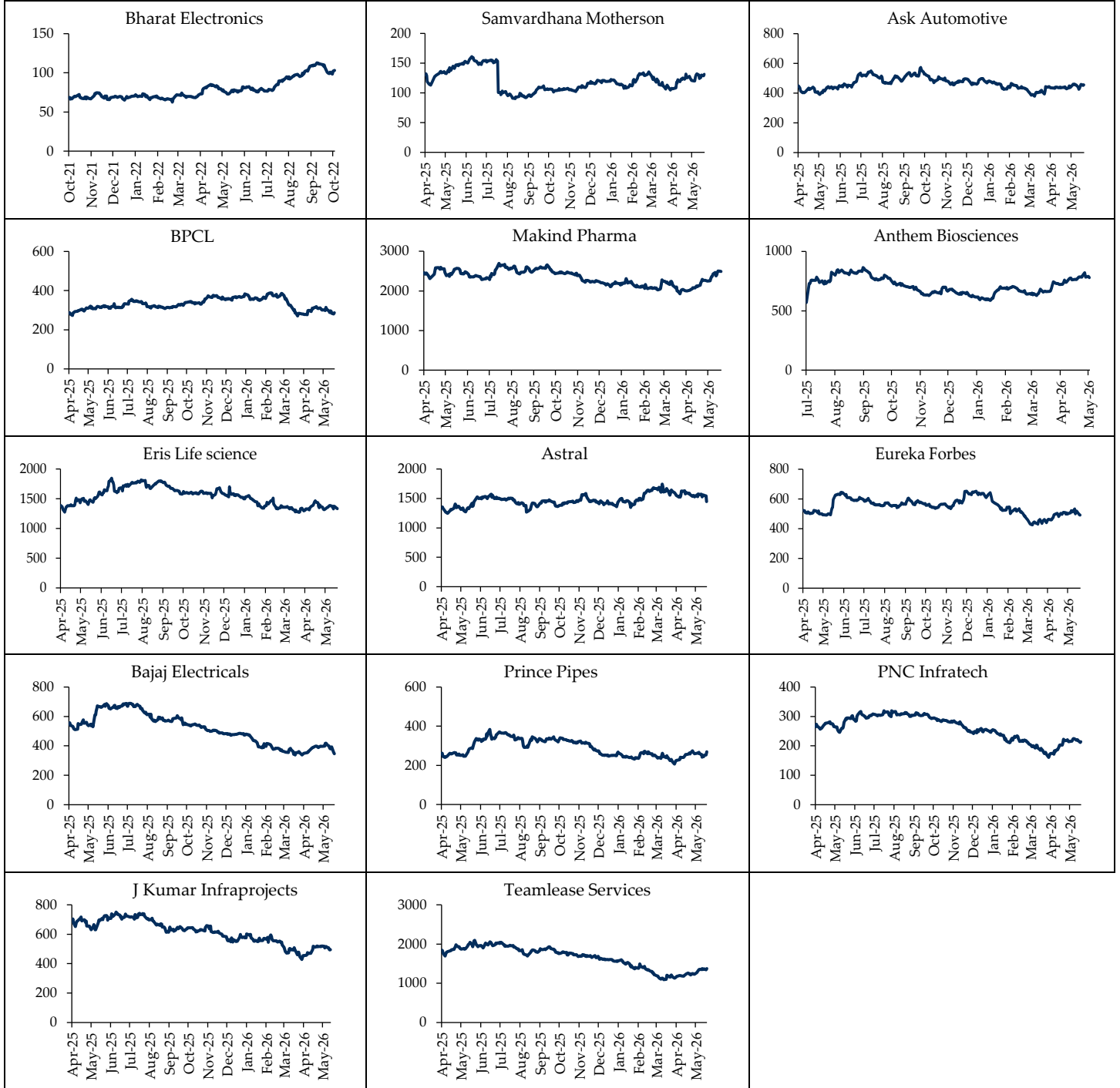
REDUCE: -10% to +5% return potential

SELL: > 10% Downside return potential

Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Amit Kumar	Bharat Electronics	CFA	NO
Nikunj Khetan	Bharat Electronics	PGDM	NO
Hitesh Thakurani	Samvardhana Motherson International, ASK Automotive	MBA	NO
Shubhangi Kejriwal	Samvardhana Motherson International, ASK Automotive	MSc	NO
Nilesh Ghuge	Bharat Petroleum Corporation	MMS	NO
Aditya Iyer	Bharat Petroleum Corporation	PGDM	NO
Mehul Sheth	Mankind Pharma, Anthem Biosciences, Eris Lifesciences	MBA	NO
Keshav Lahoti	Astral, Eureka Forbes, Bajaj Electricals, Prince Pipes and Fittings	CA, CFA	NO
Rajesh Ravi	Astral, Eureka Forbes, Bajaj Electricals, Prince Pipes and Fittings	MBA	NO
Mahesh Nagda	Astral, Eureka Forbes, Bajaj Electricals, Prince Pipes and Fittings	CA	NO
Riddhi Shah	Astral, Eureka Forbes, Bajaj Electricals, Prince Pipes and Fittings	MBA	NO
Parikshit Kandpal	PNC Infratech, J Kumar Infraprojects	CFA	NO
Aditya Sahu	PNC Infratech, J Kumar Infraprojects	MBA	NO
Jay Shah	PNC Infratech, J Kumar Infraprojects	CA	NO
Amit Chandra	Teamlease Services	MBA	NO
Arjun Savla	Teamlease Services	CA	NO

Price movement



Disclosure:

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