

ANTIQUE'S MORNING PRESENTATION

FROM THE RESEARCH DESK

QUARTERLY RESULTS REVIEW

Oil & Natural Gas Corporation

EBITDA beat, volume in line

Jindal Steel & Power

Lower input costs, record value-added sales drive EBITDA beat

NHPC

Lower Subansiri is delayed to 2HFY26

Oil India

EBITDA healthy but volumes below par

NMDC

Higher iron ore realization, record 1Q sales volume drive beat

PI Industries

Challenges continues in CSM business

Bharat Dynamics

A soft quarter; maintain BUY

Jubilant Foodworks

Value offerings and delivery channel restrict profitability

SJVN

Interest cost continues to impact PAT

Devyani International

Operating leverage impacts profitability; maintain HOLD

Jupiter Wagons

Supply chain challenges dent operational performance

Shilpa Medicare

Formulations, biologicals & margin expansion lead the way

Indian Hume Pipe Company

Early onset of monsoon impacts execution

Senco Gold

Encouraging profitability performance; maintain BUY

Global News

- The Nasdaq inched up 31.24 points or 0.1 percent to 21,713.14 and the S&P 500 rose 20.82 points or 0.3 percent to 6,466.58, while the narrower Dow posted a more significant gain, jumping 463.66 points or 1.0 percent to 44,922.27.
- Japan's Nikkei share average breached the 43,000-mark for the first time on Wednesday, with the broader Topix index also scaling a fresh all-time peak, tracking Wall Street's overnight gains and extending the rally to a sixth straight session. The Nikkei gained as much as 1.7% to touch an unprecedented 43,451.46 before ending the day at a record-high closing level of 43,274.67.

Market Snapshot

Global Indices	Closing	% Chg	% YTD
Dow Jones	44,922	1.0	5.6
NASDAQ	21,713	0.1	12.4
FTSE	9,165	0.2	12.1
CAC	7,805	0.7	5.7
DAX	24,186	0.7	21.5
Bovespa	1,36,687	(0.9)	13.6
Nikkei	43,275	1.3	8.5
Hang Seng	25,614	2.6	27.7
Shanghai Composite	3,683	0.5	9.9

Indian Indices	Closing	% Chg	% YTD
Sensex	80,540	0.4	3.1
Nifty	24,619	0.5	4.1
MSCI India	1,021	0.9	(0.3)
CNX Midcap	56,682	0.6	(0.9)
BSE Smallcap	52,096	0.6	(5.6)

Flows (USD mn)	Prev. Day	MTD
FII	(110)	(302)
MF	624.2	379.2

Provisional flows	(USD mn)
FII	643
Locals	(417)

Volumes	USD bn	% Chg
Cash (NSE + BSE)	11.0	10.3
F&O (net)	2,615.0	36.1

FII F&O	Stock Fut	Index Fut
Net (\$ mn)	296	52.7
OI (%)	0.8	0.3

ADR/GDR Gainers	Last	% Chg
Dr Reddy	14.3	2.5
Infosys	16.4	1.9
Wipro	2.7	1.9
ICICI Bank	32.7	0.3
HDFC	74.0	0.2

ADR/GDR Losers	Last	% Chg
Reliance	62.5	(0.2)

Sectoral indices

	Closing	% Chg	% MTD	% YTD
BSE Auto	53,948	1.2	2.0	4.4
BSE Bank	61,484	0.3	(1.0)	6.5
BSE Cap Goods	67,133	1.0	(1.6)	(1.0)
BSE Cons dur	58,579	0.2	(1.5)	(9.1)
BSE FMCG	20,258	(0.0)	(1.5)	(2.5)
BSE IT	34,048	0.0	(2.2)	(21.2)
BSE Health	44,598	1.8	(1.7)	(1.5)
BSE Metal	31,121	1.2	0.8	7.7
BSE Oil	26,335	(0.0)	(1.7)	1.0
BSE Power	6,645	0.0	(0.8)	(4.6)
BSE PSU	19,135	0.6	0.4	1.4
BSE Realty	6,883	0.3	(2.8)	(16.4)
BSE TECK	16,793	0.3	(2.3)	(13.8)

Nifty Outperformers

	Price	% Chg	% MTD	% YTD
Apollo Hospitals Enterprise	7,809	7.9	4.1	7.0
Hindalco Industries Ltd	701	5.0	2.6	16.3
Dr. Reddy'S Laboratories	1,253	2.7	(1.3)	(9.7)
Hero Motocorp Ltd	4,769	2.7	11.9	14.6
Cipla Ltd	1,561	2.6	0.4	2.3
Bharat Electronics Ltd	389	2.2	1.5	32.6
Eternal Ltd	312	2.1	1.5	12.3

Nifty Underperformers

	Price	% Chg	% MTD	% YTD
Indusind Bank Ltd	773	(1.2)	(3.2)	(19.4)
Adani Ports And Special Econ	1,320	(0.8)	(3.9)	7.2
Titan Co Ltd	3,467	(0.6)	3.6	6.6
Itc Ltd	414	(0.5)	0.5	(9.5)
Ultratech Cement Ltd	12,401	(0.4)	1.2	8.5
Axis Bank Ltd	1,066	(0.4)	(0.2)	0.1
Adani Enterprises Ltd	2,280	(0.4)	(6.2)	(9.8)

Bulk Deals

Security Name	Client Name	Buy/Sell	Qty	Price	Value (mn)
Zinka Logistics Solutions Ltd	Sands Capital Private Growth li Limited	Sell	12,85,276	515.7	663
Afcom Holdings Ltd	NEO Apex Venture Llp	Buy	1,80,000	790.0	142
Manoj Ceramic Ltd	Money Plant Pictures Llp	Sell	5,46,000	128.9	70
Prime Securities Ltd	F3 Advisors Private Limited	Sell	2,48,417	271.6	67
Prime Securities Ltd	IRAGE Broking Services Llp	Buy	2,27,106	271.7	62

Delivery Spike

Company	Volume	Spike (%)	Chg (%)
GMR Airports Ltd	1,13,86,449	358%	0.44%
IndusInd Bank Ltd	17,57,748	337%	-1.23%
Colgate-Palmolive India Ltd	5,14,698	241%	-1.36%
NMDC Ltd	1,74,01,338	227%	2.31%
Jindal Steel & Power Ltd	12,64,285	210%	-0.22%
ICICI Bank Ltd	70,71,068	152%	-0.08%
Shriram Finance Ltd	35,27,856	133%	1.20%
Hero MotoCorp Ltd	6,49,833	124%	2.66%
Bajaj Auto Ltd	2,06,380	118%	0.63%
Zee Entertainment Enterprises Ltd	46,80,033	111%	3.16%

Derivatives Update

Long Build Up

Company	Last	% Chg	% Chg OI	OI (in 000)
NUVAMA	6,961.00	1.03	20.21	161
APOLLOHOSP	7,824.00	7.89	18.81	3,535
NYKAA	213.55	3.98	12.27	50,275
TVSMOTOR	2,996.60	0.85	9.56	8,795
ALKEM	5,411.00	4.63	9.46	1,556

Short Build Up

Company	Last	% Chg	% Chg OI	OI (in 000)
SUZLON	60.61	(4.29)	18.05	98,120
LICI	890.10	(3.03)	14.43	7,079
MUTHOOTFIN	2,521.40	(0.58)	11.95	3,734
OIL	406.00	(4.85)	11.46	11,067
WIPRO	240.53	(0.15)	6.59	1,42,704

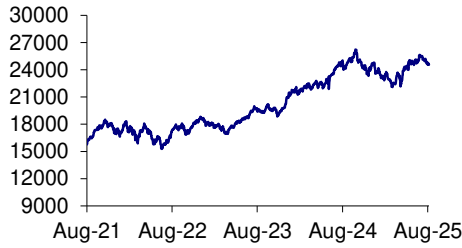
Short Covering

Company	Last	% Chg	% Chg OI	OI (in 000)
PAYTM	1,159.30	3.31	(8.81)	25,972
ASTRAL	1,295.70	1.93	(7.76)	8,238
BSE	2,507.20	5.63	(6.86)	10,882
JSL	723.25	1.48	(5.84)	4,250
TITAGARH	814.05	1.78	(5.62)	9,016

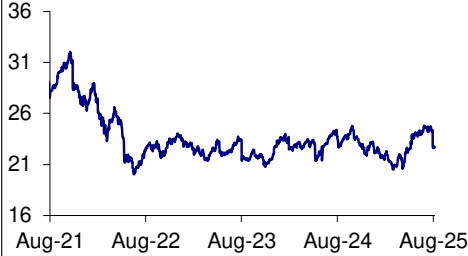
Long Unwinding

Company	Last	% Chg	% Chg OI	OI (in 000)
SJVN	93.42	-5.03	(7.58)	16,191
INDIANB	671.40	-0.04	(4.56)	7,197
PGEL	487.65	-5.49	(3.36)	13,751
PAGEIND	43,540.00	-0.51	(1.49)	307
PIIND	3,788.70	-1.10	(1.46)	1,958

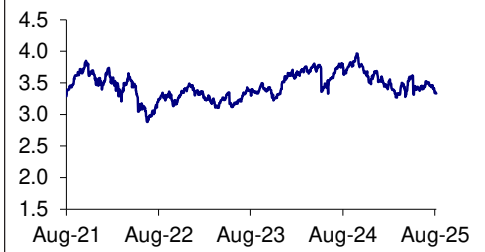
Nifty



Nifty P/E

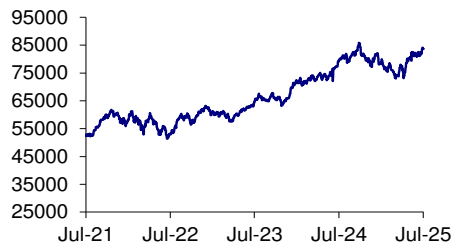


Nifty P/B

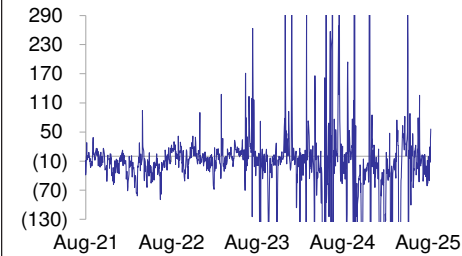


Source: Bloomberg

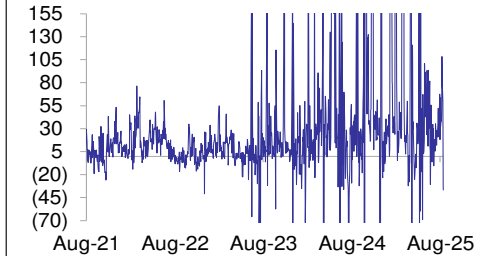
Sensex



FII Provisional Flows (INR bn)



DII Provisional Flows (INR bn)



Source: Bloomberg

Economy, Money & Banking

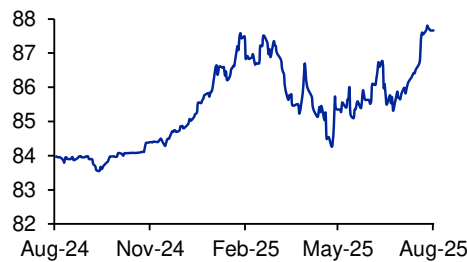
Forex Rate	Last	% Chg	% MTD	% YTD
INR~USD	87.5	0.2	0.1	(2.2)
INR~EUR	102.6	(0.8)	(2.4)	(13.1)
INR~GBP	118.7	(0.6)	(2.4)	(9.5)

Bond Market	Last	Chg (bps)	MTD (bps)	YTD (bps)
10 Year Bond	6.5	(1)	11	(28)
Interbank call	5.1	-	10	(95)

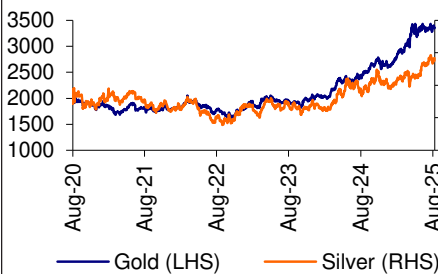
Commodities Update

Commodities	Last	% Chg	% MTD	% YTD
Gold (\$/Ounce)	3,367	0.3	2.3	28.3
Crude Oil (\$/Bbl)	63	0.2	(9.3)	(9.2)
Aluminium (\$/t)	2,611	(0.1)	1.9	3.3
Copper (\$/t)	9,724	(0.3)	1.7	12.4
Zinc (\$/t)	2,828	(0.5)	2.7	(4.3)
Lead (\$/t)	1,946	(1.6)	0.8	1.1
Nickel (\$/t)	15,053	(0.5)	2.2	(0.4)

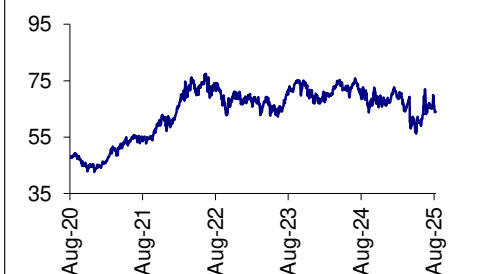
INR/USD



Gold and silver prices (USD/Tr.Oz)

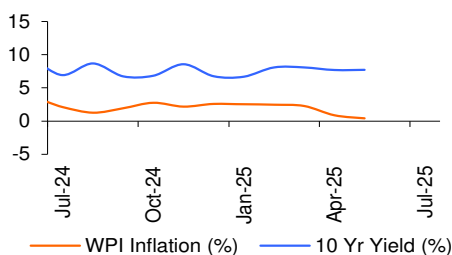


Crude prices (USD/barrel)

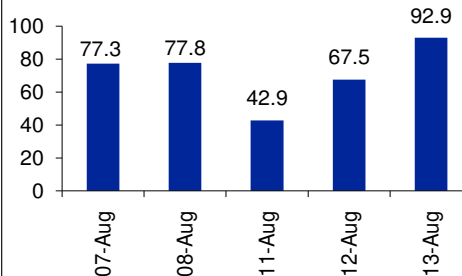


Source: Bloomberg

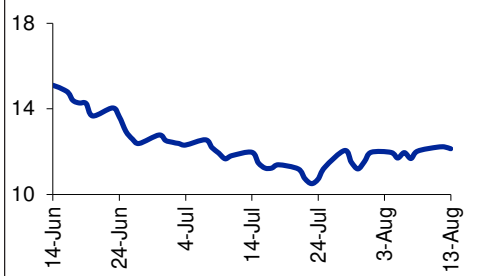
Inflation vs 10 year yield



Nifty premium/discount



NSE volatility index (%)



Source: Bloomberg

CMP	: INR 239
Reco	: BUY ↔
Target Price	: INR 295 ↓
Target Price Change	: -1%
Target 1HFY28EV/EBITDA(x)	: 3.5
EBITDA Change FY26/ 27	: +2%/ 0%

Varatharajan S.

+91 22 6911 3425

varatharajan.s@antiquelimited.com

Manish Divekar

+91 22 6911 3426

manish.divekar@antiquelimited.com

Kartikey Billaiya

+91 22 6911 3448

kartikey.billaiya@antiquelimited.com

Market data

Sensex	:	80,540
Sector	:	Oil & Gas
Market Cap (INR bn)	:	3,002.5
Market Cap (USD bn)	:	34.339
O/S Shares (mn)	:	12,580.3
52-wk HI/LO (INR)	:	345/205
Avg. Daily Vol ('000)	:	6,494
Bloomberg	:	ONGC IN

Source: Bloomberg

Valuation

	FY26e	FY27e	FY28e
EPS (INR)	24.7	24.3	24.4
P/E(x)	9.7	9.9	9.8
P/BV(x)	0.90	0.85	0.81
EV/EBITDA(x)	4.9	4.7	4.5
Dividend Yield (%)	4.1	4.1	4.1

Source: Company, Antique

Returns (%)

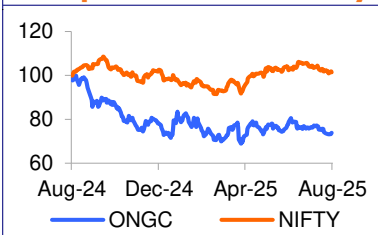
	1m	3m	6m	12m
Absolute	(1)	(1)	2	(29)
Relative	1	(0)	(4)	(30)

Source: Company, Antique

Shareholding pattern

Promoters	:	59%
Public	:	41%
Others	:	0%

Source: Bloomberg

Price performance vs Nifty

Source: Bloomberg Indexed to 100

1QFY26 RESULT REVIEW

Oil & Natural Gas Corporation

EBITDA beat, volume in line

ONGC reported a revenue of INR 320.3 bn (-8.5% QoQ, -9.3% YoY), in line with our/ street estimates. EBITDA (ex-dry well/ survey costs) stood at INR 186.6 bn (-1.8% QoQ, flat YoY), beating our/ street estimates by 5%/ 3%. The beat vs. our estimates was driven by lower-than-expected statutory levies (by INR 6.3 bn) and operating expenses (by INR 4.3 bn). PAT rose to INR 80.2 bn (+24.4% QoQ, -10.2% YoY), beating our estimate by 15% but missing street estimate by 3%. The strong PAT beat vs. our estimate was due to lower-than-expected survey and dry well expenses of INR 14.7 bn vs. our estimate of INR 25 bn. Total production was 9.95 mn tons (-0.6% QoQ, -3.8% YoY), in line with our estimate of 10.00 mn tons. Oil sales volume missed our estimate by 2.3%, but the impact was offset by higher realization in both crude/ gas by 1.3%/ 1.4%, keeping the revenue in line. With further delays in KG gas ramp-up, we cut our FY26 total production by 1.3% and reduce the operating expense marginally to align with 1Q trends, leading to a 3.4% EPS increase. Our FY27 volume estimate remains unchanged. Valuations remain compelling at just 3.1x 1HFY28E EV/EBITDA (adjusted for investments), with CMP implying crude price realization of only USD 49/bbl. We roll forward our valuation to 1HFY28 and maintain BUY with a revised TP of INR 295/share (earlier INR 300), implying 24% upside.

KG 98/2 gas full ramp-up delayed to FY27

Total production for the quarter stood at 9.95 mn tons (-0.6% QoQ, -3.8% YoY), in line with our estimate of 10.00 mn tons. KG 98/2 currently produces 33 kbpd oil and 3 mmscmd gas. Management expects KG oil/ gas production to peak at 45 kbpd and 10 mmscmd in FY27, with FY26 exit gas production at 6-7 mmscmd. Guidance for standalone production: FY26 - 19.93 mn ton oil, 21.11 bcm gas; FY27 - 21 mn ton oil, 21.48 bcm gas. **We expect total production to rise from 41.08 MMtoe in FY25 to 42.4 MMtoe by FY28 (+1.0% CAGR), with oil at 21.1/ 21.3/ 21.0 mn tons in FY26/ 27/ 28 and gas at 20.7/ 22/ 21.4 bcm, respectively.** The Daman upside project should add 5 mmscmd of gas, ramping up from 4QFY26, aiding growth.

Crude realization down but beats estimate; lower opex help beat EBITDA

Calculated gross crude oil realization was USD 67.9/bbl (-9.2% QoQ, -19.8% YoY), 1.3% above our estimate, while gas realization rose to USD 6.95/mmmbtu (+3.0% QoQ, +9.1% YoY), also 1.4% above our estimate. Opex/bbl fell to USD 14.3/bbl (-18% QoQ, +3.5% YoY), 3% lower than our estimate.

OVL EBITDA weakens; OPAL at breakeven

OVL reported EBITDA of INR 4.66 bn (-68.7% QoQ, -73.5% YoY), driven by lower crude oil revenue. Total sales volume was 1.598 mn tons (vs. 1.57 mn tons QoQ). OPAL's EBITDA remained negative but improved to INR -0.07 bn (vs. INR -1.6 bn QoQ). Production volume fell to 388.4 TMT (vs. 451.8 TMT QoQ), while sales volume was 407.4 TMT (vs. 445.8 TMT QoQ). **OPAL operated at 95% utilization in 1QFY26, targeting nearly 100% ahead. It achieved EBITDA break-even during the quarter and plans to switch from LNG (Qatar contract till CY28) to US-sourced ethane thereafter, requiring 600 ktpa annually.**

Mumbai High recovery boost via BP-upside from FY28

ONGC's tie-up with BP under the TSP model aims to boost Mumbai High production by ~60% over the baseline for 10 years, largely via enhanced recovery and reserve upgrades. An initial production uptick is expected from January 2026, with full-scale visibility from FY28. This could meaningfully drive long-term volume and value upside.

Investment Summary

Despite a cautious volume outlook for the next two years, ONGC is well-placed to deliver growth with KG 98/2 (slight delay, but peak guidance intact for FY27) and Daman ramp-up (up to 5 mmscmd). The rising share of premium-priced NWG gas (25% by FY27) is a structural positive the market underappreciates. Additionally, the TSP collaboration (benefit from 4QFY26) could drive recoverable reserve upside. Valuations remain compelling at just 3.1x 1HFY28E EV/EBITDA (adjusted for investments). Maintain BUY with a TP of INR 295/share.

Conference Call Takeaways

- **Cost escalation in operations** – Operating expenditure rose YoY mainly on account of higher floating production storage and offloading (FPSO) charges.
- **Higher raw material costs** – Raw material expenses increased YoY due to higher LNG consumption at the Dahej C2-C3 plant.
- **Rise in DD&A expenses** – Depreciation, depletion, and amortization expenses were higher by INR 6.3 bn YoY, driven by INR 2.1 bn higher depletion costs (including INR 1.7 bn from the KG 98/2 field) and increased depreciation for western offshore assets.
- **Dip in other income** – Other income fell marginally, impacted by lower interest income and the INR 180 bn capital infusion into OPAL.
- **Capex plan for FY26** – ONGC guided for capital expenditure of INR 330 bn in FY26, with INR 80-100 bn for exploration, <INR 150 bn for infrastructure projects, and the remainder for other initiatives.
- **Strong NWG contribution** – The NWG field generated an additional revenue of INR 3.33 bn YoY in 1QFY26, taking the total NWG revenue to INR 17 bn for the quarter. NWG prices are linked to 12% of the prevailing Indian basket price.
- **NWG production outlook** – NWG volumes are expected at 2.6 bcm in FY26 (13%-14% of total gas production) and 4.8 bcm in FY27 (24%-25% of total).
- **KG 98/2 field ramp-up** – Currently, KG 98/2 is producing 33 kb/d of oil and 3 mmscmd of gas; exit FY26 production is expected to exceed 35-40 kb/d oil and 6-7 mmscmd gas, with peak output in FY27 at ~45 kb/d oil and 10 mmscmd gas.
- **Overall production guidance (standalone)** – FY26 target is 19.93 mmt of oil and 21.1 bcm of gas (41.07 MMtoe), rising in FY27 to 21 mmt oil and 21.5 bcm gas (42.5 MMtoe).
- **Key project updates** – TSP on the MH field is expected to deliver results from 4QFY26; the Daman Gas Project remains on track for production to start in 4QFY27.
- **Exploration successes** – Two discoveries, Vajramani and Suryamani, were declared in 1QFY26.
- **OPAL performance and transition** – OPAL operated at 95% utilization in 1QFY26, targeting nearly 100% ahead. It achieved EBITDA break-even during the quarter and plans to switch from LNG (Qatar contract till CY28) to US-sourced ethane thereafter, requiring 600 ktpa annually. Debt stands at INR 24.8 bn with no equity infusion planned.
- **Overseas operations weakness** – ONGC Videsh's volumes were flat QoQ, but revenue fell >10% due to lower price realization and change in accounting for one overseas project (sales now booked as profit share, reducing revenue by ~INR 9 bn).
- **Operational cost optimization** – The company is implementing cost-saving measures, including shifting logistics to Pipavav Port, replacing offshore helicopter transfers with crew boats, and reducing administrative and transportation expenses.

Table 1: Result snapshot

Particulars (INR mn)	1QFY26	1QFY25	YoY (%)	4QFY25	QoQ (%)
Net sales	3,20,029	3,52,664	(9.3)	3,49,822	(8.5)
COGS+Statutory levies	70,860	1,06,327	(33.4)	79,113	(10.4)
% of sales	22.1	30.1		22.6	
Employee Benefits Expense	6,827	7,064	(3.4)	5,783	18.1
% of sales	2.1	2.0		1.7	
Other Expenses	55,771	53,098	5.0	74,848	(25.5)
% of sales	17.4	15.1		21.4	
Total Exp	1,33,458	1,66,490	(19.8)	1,59,744	(16.5)
EBITDA (excluding survey exp)	1,86,571	1,86,174	0.2	1,90,079	(1.8)
% of sales	58.3	52.8		54.3	
Other Income	12,105	20,609	(41.3)	20,747	(41.7)
Finance Costs	11,209	11,822	(5.2)	11,901	(5.8)
Depreciation & other write-offs	80,024	75,400	6.1	1,11,250	(28.1)
PBT	1,07,443	1,19,561	(10.1)	87,674	22.5
PBT after exceptional	1,07,443	1,19,561	(10.1)	87,674	22.5
Tax	27,201	30,180	(9.9)	23,192	17.3
Tax rate	25.3	25.2		26.5	
Reported Net Profit	80,242	89,381	(10.2)	64,483	24.4
Adjusted Net Profit	80,242	89,381	(10.2)	64,483	24.4
EPS (INR)	6.4	7.1	(10.2)	5.1	24.4

Source: Company, Antique

Table 2: Quarterly summary

Standalone details	Units	Reported					Antique Est.		Consensus	
		1QFY25	4QFY25	1QFY26	YoY %	QoQ %	1QFY26E	vs. Est. (%)	1QFY26E	vs. Est. (%)
EBITDA	INR mn	1,86,174	1,90,079	1,86,571	0.2	(1.8)	1,76,882	5.5	1,81,918	2.6
PBT	INR mn	1,19,561	87,674	1,07,443	(10.1)	22.5	93,382	15.1		
Adj. PAT	INR mn	89,381	64,483	80,242	(10.2)	24.4	69,878	14.8	82,931	(3.2)
Crude oil production	MMT	5.34	5.00	4.99	(6.5)	(0.2)	5.04	(0.9)		
Gas production	BCM	5.01	5.01	4.96	(0.9)	(1.0)	4.97	(0.0)		
Crude oil realization	USD/bbl	84.6	74.8	67.9	(19.8)	(9.2)	67.0	1.3		

Source: Bloomberg, Company, Antique

Table 3: Change in earnings estimates

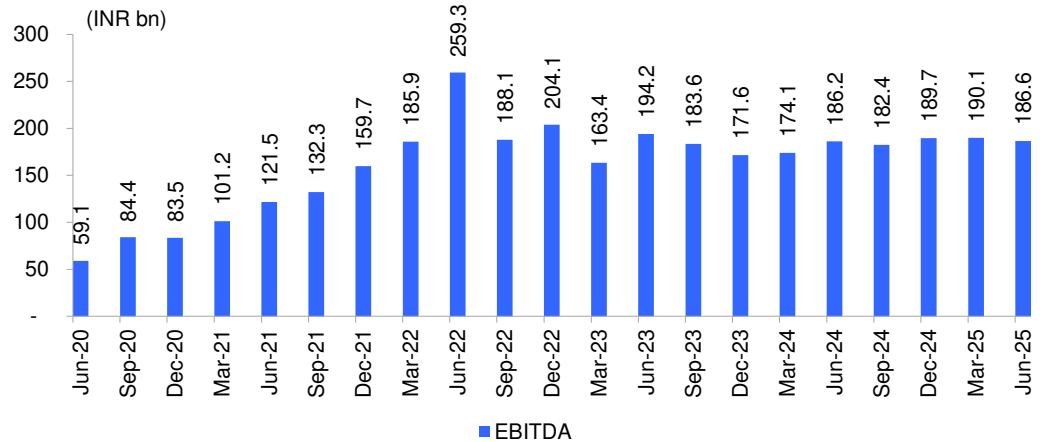
	Units	FY26E			FY27E			FY28E
		Revised	Old	% Chg (%)	Revised	Old	% Chg (%)	Revised
EBITDA	INR mn	6,62,016	6,50,802	2%	6,64,303	6,67,473	0%	6,67,517
PAT	INR mn	3,10,653	3,00,530	3%	3,05,202	3,06,384	0%	3,06,640
EPS	INR/sh	24.7	23.9	3%	24.3	24.4	0%	24.4
Key drivers								
Oil price	USD/bbl	65.0	65.0	0%	65.0	65.0	0%	65.0
Total production	Mmtoe	41.8	42.4	-1%	43.2	43.2	0%	42.4
Target price	INR/sh				295	300	-1%	

Source: Company, Antique

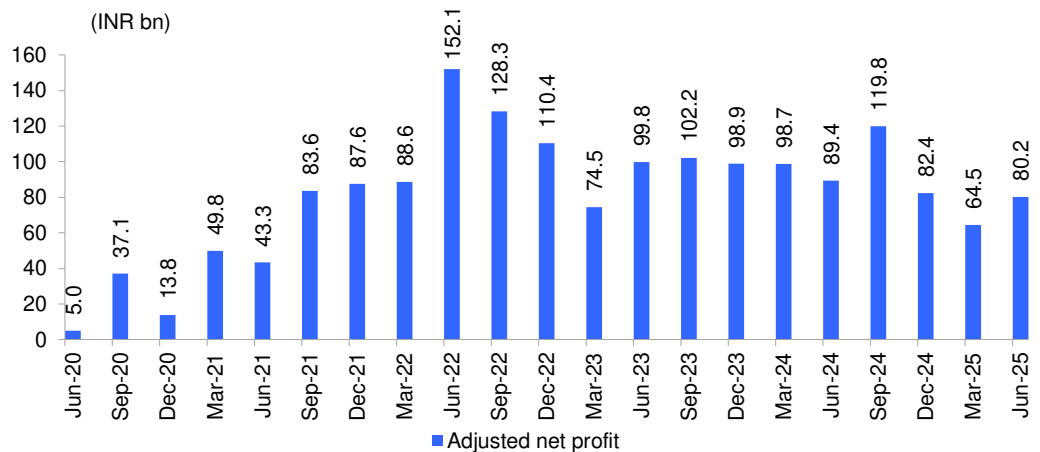
Table 4: Antique vs Bloomberg estimates

(INR bn)	FY26E			FY27E		
	Antique	Bloomberg	% Variation	Antique	Bloomberg	% Variation
EBITDA	662	676	-2%	664	711	-7%
PAT	311	356	-13%	305	385	-21%

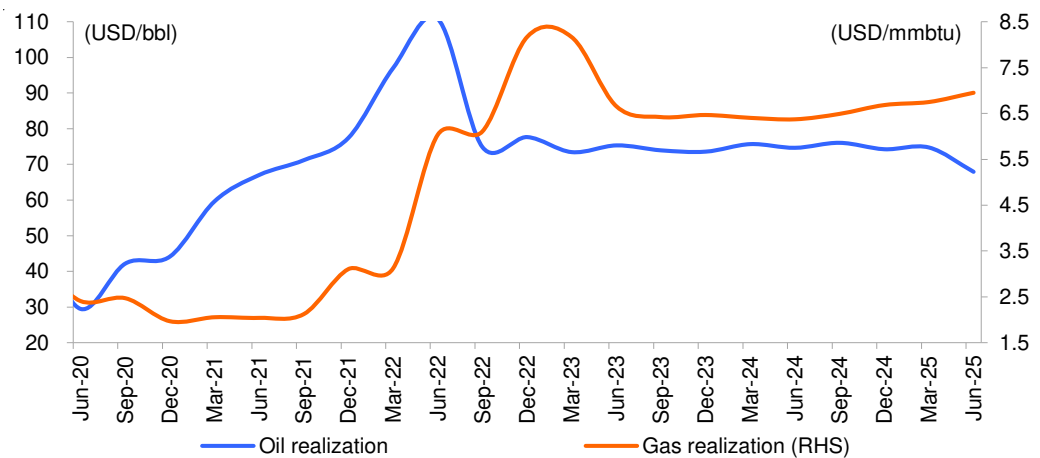
Source: Bloomberg, Antique

Exhibit 1: EBITDA (ex-survey/dry well exp.): INR 186.6 bn (-1.8% QoQ, flat YoY)


Source: Company, Antique

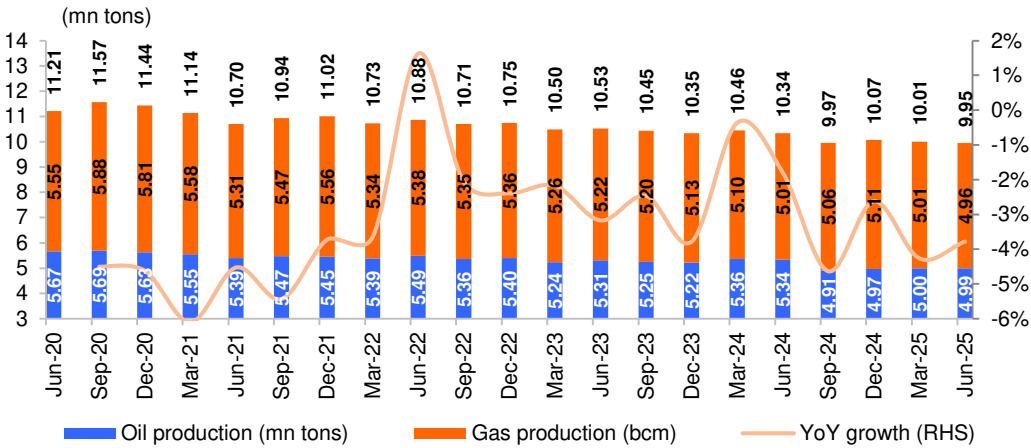
Exhibit 2: Adjusted PAT: INR 80.2 bn (+24.4% QoQ, -10.2% YoY)


Source: Company, Antique

Exhibit 3: Realization- Crude oil: USD 67.9/bbl (-9% QoQ); Oil - USD 6.95 (+3% QoQ)


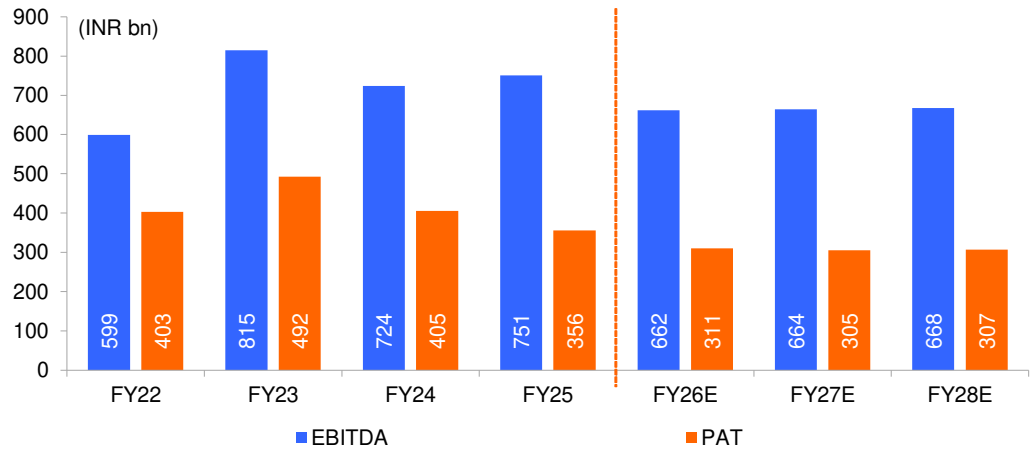
Source: Company, Antique

Exhibit 4: Total volume: 9.95 mn tons (-0.6% QoQ, -3.8% YoY)



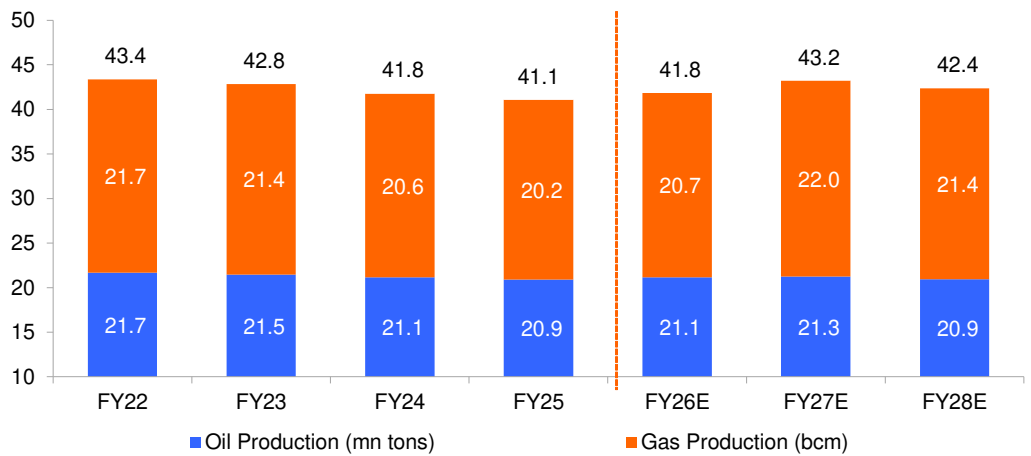
Source: Company, Antique

Exhibit 5: We estimate EBITDA/PAT to decline at 3.8%/4.9% CAGR over FY25-28E



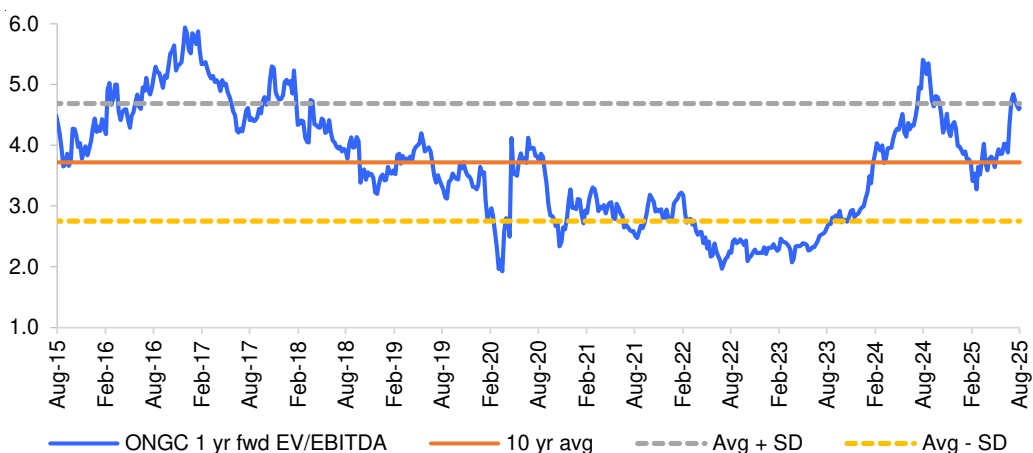
Source: Company, Antique

Exhibit 6: We estimate total production to grow at 1.0% CAGR over FY25-28E



Source: Company, Antique

Exhibit 7: 1-year forward EV EBITDA valuation



Source: Bloomberg, Antique

Table 5: Valuation

Calculation of Target Price	INR/share
TP based on 1HFY28E EV/EBITDA	263
TP based on DCF	328
Target Price (average of the above)	295

EV/EBITDA -

SOTP -EV/EBITDA	EBITDA	Multiple	EV	Net Debt FY27E	Equity	Per Share
ONGC	6,65,910	3.5	23,30,685	-88,542	24,19,227	192.3
OVL	54,872	3.5	1,92,052	2,40,701	-48,649	-3.9
Total	7,20,782	3.5	25,22,737	1,52,160	23,70,578	188.4

Investments -	Market Cap	% Shareholding	Discount	Equity	Per Share
HPCL	8,74,961	54.9%	30%	3,36,247	26.7
MRPL	2,18,724	71.6%	30%	1,09,671	8.7
IOCL	20,10,864	14.2%	30%	1,99,880	15.9
PLNG	4,12,275	12.5%	30%	36,074	2.9
GAIL	11,39,794	4.9%	30%	39,414	3.1
OpAL	1,83,653	96.0%	50%	88,153	7.0
Mozambique	12,64,200	16.0%	50%	1,01,136	8.0
				32,81,153	263

DCF-based

Particulars	FY25	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E
Oil price (USD/bbl)	78	65	65	65	65	65	65	65	65	65
APM price (USD/mmbtu)	6.5	6.8	6.9	7.1	7.2	7.3	7.4	7.4	7.5	7.5
Production (MMT)	41.1	41.8	43.2	41.5	39.8	38.3	36.7	35.3	33.8	32.5
Operating cash flow (INR mn)	6,12,521	5,57,825	5,77,874	5,68,813	5,57,696	5,46,961	5,36,586	5,22,090	5,09,896	4,96,514
Maintenance + Dev Capex (INR mn)	20,000	20,000	25,000	3,33,633	25,000	25,000	25,000	25,000	3,65,756	25,000
FCF	5,92,521	5,37,825	5,52,874	2,35,179	5,32,696	5,21,961	5,11,586	4,97,090	1,44,140	4,71,514
Ke	11.9%									
Terminal growth	0%									
Sum of DCF	31,28,331									
Net debt	20,123									
Equity value (INR mn)	32,30,576									
Equity value (INR/share)	257									
Add: Investments (incl. OVL)	69									
Fair price (INR)	328									

Source: Company, Antique

Financials (Standalone)

Profit and loss account (INR mn)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Net Revenue	13,84,021	13,78,463	12,34,938	12,86,640	12,95,165
Op. Expenses	6,60,184	6,27,838	5,72,923	6,22,337	6,27,647
EBITDA	7,23,838	7,50,625	6,62,016	6,64,303	6,67,517
GROSS PROFIT	17,82,273	17,31,854	15,39,991	16,02,654	16,12,576
Depreciation & depletion	2,15,747	2,38,394	2,54,487	2,67,821	2,73,028
Exploration write-offs	44,898	1,03,387	53,954	53,954	53,954
EBIT	4,63,193	4,08,843	3,53,575	3,42,528	3,40,536
Other income	1,07,782	1,04,794	1,07,938	1,11,716	1,15,626
Interest Exp.	40,813	46,040	47,309	47,309	47,309
Reported PBT	5,30,162	4,67,598	4,14,204	4,06,936	4,08,853
Tax	1,24,903	1,11,495	1,03,551	1,01,734	1,02,213
Reported PAT	4,05,259	3,56,103	3,10,653	3,05,202	3,06,640
Adjusted PAT	4,05,259	3,56,103	3,10,653	3,05,202	3,06,640
Adjusted EPS (INR)	32.2	28.3	24.7	24.3	24.4

Balance sheet (INR mn)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Share Capital	62,902	62,902	62,902	62,902	62,902
Reserves & Surplus	29,96,864	30,99,934	32,86,326	34,69,447	36,53,431
Networth	30,59,765	31,62,836	33,49,228	35,32,349	37,16,333
Debt	5,48,296	5,04,078	5,04,078	5,04,078	5,04,078
Net deferred Tax liabilities	2,47,088	2,32,614	2,36,756	2,40,825	2,44,913
Capital Employed	38,55,150	38,99,528	40,90,062	42,77,252	44,65,324
Gross Fixed Assets	31,12,342	34,77,100	37,17,100	39,41,900	41,66,700
Accumulated Depreciation	(13,21,119)	(15,75,433)	(18,29,920)	(20,97,741)	(23,70,768)
Capital work in progress	5,31,135	5,00,598	5,89,796	6,59,582	7,41,529
Net Fixed Assets	23,22,359	24,02,265	24,76,977	25,03,742	25,37,460
Investments	10,55,689	11,26,781	11,34,381	11,53,381	11,72,381
Non Current Investments	10,53,714	11,26,781	11,34,381	11,53,381	11,72,381
Current Investments	1,975	-	-	-	-
Current Assets, Loans & Adv.	10,82,161	9,87,481	11,03,656	12,42,817	13,79,656
Inventory	1,07,118	1,15,213	1,00,240	96,718	99,028
Debtors	1,14,097	1,02,838	96,660	93,264	95,491
Cash & Bank balance	3,00,313	1,54,956	2,77,282	4,08,361	5,25,662
Loans & advances and others	5,60,633	6,14,474	6,29,474	6,44,474	6,59,474
Current Liabilities & Provisions					
Liabilities	97,997	82,562	90,514	88,250	89,735
Provisions	5,07,063	5,34,438	5,34,438	5,34,438	5,34,438
Net Current Assets	4,77,102	3,70,481	4,78,704	6,20,129	7,55,483
Application of Funds	38,55,150	38,99,528	40,90,062	42,77,252	44,65,324

Per share data

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
No. of shares (mn)	12,580	12,580	12,580	12,580	12,580
Diluted no. of shares (mn)	12,580	12,580	12,580	12,580	12,580
BVPS (INR)	243.2	251.4	266.2	280.8	295.4
CEPS (INR)	49.4	47.3	44.9	45.5	46.1
DPS (INR)	12.3	12.3	9.9	9.7	9.7

Source: Company, Antique

Cash flow statement (INR mn)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	4,05,260	3,56,103	4,14,204	4,06,936	4,08,853
Depreciation & write-offs	2,41,854	3,18,324	2,89,441	3,02,775	3,07,982
Interest expense / income	(5,202)	(2,727)	(60,630)	(64,407)	(68,317)
(Inc)/Dec in working capital	24,109	84,852	29,103	4,654	(3,053)
Tax paid	(1,18,682)	(1,30,627)	(99,409)	(97,665)	(98,125)
Other operating Cash Flow	1,06,017	1,04,177	(19,000)	(19,000)	(19,000)
CF from operating activities	6,53,355	7,30,102	5,53,709	5,33,292	5,28,340
Capital expenditure	(3,76,669)	(4,11,832)	(3,34,400)	(3,19,200)	(3,19,200)
Deposit in Site Restoration fund	(17,949)	(21,855)	(15,000)	(15,000)	(15,000)
Inc/(Dec) in investments	(244)	(82)	(7,600)	(19,000)	(19,000)
Add: Interest/Dividend Income Received	(32,074)	(34,121)	1,07,938	1,11,716	1,15,626
CF from investing activities	(4,26,936)	(4,67,889)	(2,49,062)	(2,41,484)	(2,37,574)
Inc/(Dec) in debt	(54,460)	(73,965)	-	-	-
Dividend Paid	1,28,949	1,69,847	(1,24,261)	(1,22,081)	(1,22,656)
Others	(3,01,335)	(3,58,340)	(47,309)	(47,309)	(47,309)
CF from financing activities	(2,26,846)	(2,62,458)	(1,71,570)	(1,69,389)	(1,69,965)
Net cash flow	(426)	(245)	1,33,077	1,22,419	1,20,801
Opening balance	772	346	101	1,33,178	2,55,597
Closing cash balance	346	101	1,33,178	2,55,597	3,76,399
Bank Balance	2,99,968	1,54,856	1,44,104	1,52,764	1,49,264
Cash & Bank balance	3,00,313	1,54,956	2,77,282	4,08,361	5,25,662

Growth indicators (%)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenue (%)	-11.0	-0.4	-10.4	4.2	0.7
EBITDA (%)	-11.2	3.7	-11.8	0.3	0.5
Adj PAT (%)	-17.7	-12.1	-12.8	-1.8	0.5
Adj EPS (%)	-17.7	-12.1	-12.8	-1.8	0.5

Valuation (x)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	7.4	8.4	9.7	9.9	9.8
P/BV (x)	1.0	1.0	0.9	0.9	0.8
EV/EBITDA (x)	4.5	4.5	4.9	4.7	4.5
EV/Sales (x)	2.4	2.4	2.6	2.4	2.3
Dividend Yield (%)	5.1	5.1	4.1	4.1	4.1

Financial ratios

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
RoE (%)	14	11	10	9	8
RoCE (%)	16	13	12	11	10
Asset/T.O (x)	1	0	0	0	0
Net Debt/Equity (x)	0.1	0.1	0.1	0.0	(0.0)
EBIT/Interest (x)	14	11	10	10	10

Margins (%)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
EBITDA Margin (%)	52	54	54	52	52
EBIT Margin (%)	33	30	29	27	26
PAT Margin (%)	27	24	23	22	22

Source: Company Antique

CMP	: INR 995
Reco	: BUY ↔
Target Price	: INR 1,115 ↑
Target Price Change	: 10%
Target 1HFY28e EV/EBITDA (x):	6.8
EBITDA Change FY26/ 27	: No Change

Pallav Agarwal

+91 22 6911 3411

pallav.agarwal@antiquelimited.com

Dhruvesh Kanakia

+91 22 6911 3412

dhruvesh.kanakia@antiquelimited.com

Market data

Sensex	:	80,540
Sector	:	Metals
Market Cap (INR bn)	:	1,016.4
Market Cap (USD bn)	:	11.624
O/S Shares (mn)	:	1,020.1
52-wk HI/LO (INR)	:	1074/723
Avg. Daily Vol ('000)	:	1,307
Bloomberg	:	JSP IN

Source: Bloomberg

Valuation

	FY26e	FY27e	FY28e
EPS (INR)	57.4	77.6	100.1
P/E (x)	17.3	12.8	9.9
P/BV (x)	1.9	1.6	1.4
EV/EBITDA (x)	9.3	7.4	5.8
Dividend Yield (%)	0.3	0.3	0.3

Source: Company, Antique

Returns (%)

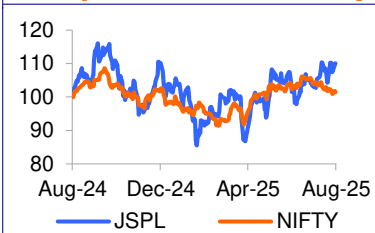
	1m	3m	6m	12m
Absolute	6	10	19	10
Relative	8	11	12	8

Source: Bloomberg

Shareholding pattern

Promoters	:	62%
Public	:	37%
Others	:	1%

Source: Bloomberg

Price performance vs Nifty

Source: Bloomberg

Indexed to 100

1QFY26 RESULT REVIEW

Jindal Steel & Power

Lower input costs, record value-added sales drive EBITDA beat

Jindal Steel's (JSL) 1QFY26 consolidated revenue at INR 122.9 bn was marginally higher than estimates. It was 9.7% lower YoY and 6.7% lower sequentially impacted by lower steel volume. Standalone revenue at INR 124.2 bn was 3.3% lower YoY and 4.7% lower sequentially. Consolidated sales volume at ~1.9 MT was lower by 9.1% YoY and 10.8% QoQ. Standalone adjusted EBITDA at ~INR 28.6 bn increased by 6.1% YoY and 18.3% QoQ. Consolidated adjusted EBITDA per ton increased by 15.9% YoY and 34.6% QoQ to INR 15,680 aided by lower coking coal costs coupled with lower conversion cost and higher realization (QoQ). Consolidated adjusted EBITDA at INR 29.8 bn increased by 5.4% YoY and 20.2% QoQ, and was ~15.6% above estimates. JSL recorded the highest ever sales of value-added products at 72% (vis-à-vis 58% in 1QFY25 and 64% in 4QFY25) aiding realization. Consolidated net debt increased by 20.4% QoQ to INR 144.0 bn at the end of 1QFY26 due to higher working capital, while net debt to EBITDA stood at ~1.5x level (vis-à-vis ~1.3x as at the end of 4QFY25). Management has maintained sales volume guidance of 8.5-9.0 MT in FY26 (vis-à-vis ~8.0 MT in FY25) aided by new BF at Angul. We roll over our estimates to 1HFY28E (from FY27E earlier) and maintain BUY rating with a revised TP of INR 1,115 (earlier INR 1,013) based on 6.8x 1HFY28 EV/EBITDA target multiple (earlier 7.0x).

Adjusted EBITDA improved with lower input costs

Consolidated sales volume at ~1.9 MT was lower by 9.1% YoY and 10.8% QoQ with the early onset of monsoon impacting demand. Consolidated adjusted EBITDA at ~INR 29.8 bn increased by 5.4% YoY and 20.2% QoQ. Consolidated adjusted EBITDA per ton increased by 15.9% YoY and 34.6% QoQ to INR 15,680 aided by lower coking coal costs coupled with lower conversion cost and higher realization (QoQ). Blended realization was marginally lower YoY but recovered by 4.5% QoQ aided by safeguard duty and a higher proportion of value-added products in the mix.

Lower coking coal cost drives cost reduction

Spot domestic steel prices are ~5%-7% lower than the 1QFY26 average impacted by monsoon seasonality. Strong domestic demand is expected to support pricing outlook with a reduction in imports. Iron ore costs were flat sequentially in 1QFY26 and are expected to increase with an uptick in steel demand post monsoon. JSL recently won the Roida – I iron ore block (3 mtpa capacity), offsetting the Tensa mine which is nearing the end of its life. Coking coal cost declined by USD 11 per ton sequentially and is expected to further decline by USD 5 per ton in 2QFY26. Utkal C/ Gare Palma are operating at rated capacity and Utkal B1 block is on track for mining activities to commence in 2QFY26. JSL has also commenced exploration of the recently won Saradhapur Jalatap East coal block (resources of 3,257 MT). The company would be self-sufficient in thermal coal once all the coal blocks are in operation.

Debt level higher QoQ; expansion projects on track

Consolidated net debt increased by 20.4% QoQ to INR 144.0 bn at the end of 1QFY26 due to project capex and working capital build up, while net debt to EBITDA stood at ~1.5x level as compared to ~1.3x as at the end of 4QFY25 (the company's target is 1.5x; best among Indian peers). Continuous galvanizing line 1 and 1,710 TPD oxygen plant were commissioned at Angul CRM complex, blast furnace 2 gas stoves heating was completed in 1Q and the first hot metal tapping is expected in 2QFY26 which would contribute to additional volumes. Basic Oxygen Furnace II at Angul is scheduled for commissioning by 2HFY26, which would provide additional volumes while the slurry pipeline (expected 2HFY26) would reduce costs. Management is targeting an exit crude steel capacity of 15.6 mtpa and finished steel capacity of 13.8 mtpa with the completion of the second phase of expansion by FY27.

Investment Summary

Higher volumes and product mix improvement from Angul expansion would support growth and profitability. Cost savings from increased captive coal, slurry pipeline, and higher captive power would aid profitability. Strong balance sheet would be able to support phase II expansion. We roll over our estimates to 1HFY28E (from FY27E earlier) and maintain BUY rating with a revised TP of INR 1,115 (earlier INR 1,013) based on 6.8x 1HFY28 EV/EBITDA target multiple (earlier 7.0x).

Table 1: Consolidated performance (INR mn)

	1QFY26	1QFY25	YoY (%)	4QFY25	QoQ (%)	FY26TD	CPLY (FY25)	YoY (%)
Sales	1,22,945	1,36,178	(9.7)	1,31,831	(6.7)	1,22,945	1,36,178	(9.7)
Stock adjustment	(7,212)	(72)	9,916.0	7,071	(202.0)	(7,212)	(72)	9,916.0
Cost of Material	57,935	67,441	(14.1)	55,934	3.6	57,935	67,441	(14.1)
Raw material consumed	50,724	67,369	(24.7)	63,004	(19.5)	50,724	67,369	(24.7)
% of sales	41.3	49.5	-821 bps	47.8	-653 bps	41.3	49.5	-821 bps
Employee cost	3,047	3,022	0.8	2,983	2.1	3,047	3,022	0.8
% of sales	2.5	2.2	26 bps	2.3	22 bps	2.5	2.2	26 bps
Other expenses	39,118	37,395	4.6	43,136	(9.3)	39,118	37,395	4.6
% of sales	31.8	27.5	436 bps	32.7	-90 bps	31.8	27.5	436 bps
Total Exp	92,889	1,07,785	(13.8)	1,09,124	(14.9)	92,889	1,07,785	(13.8)
EBITDA	30,056	28,393	5.9	22,708	32.4	30,056	28,393	5.9
Margin %	24.4	20.9	360 bps	17.2	722 bps	24.4	20.9	360 bps
Other income	304	345	(11.9)	718	(57.7)	304	345	(11.9)
Depreciation	7,215	6,829	5.7	6,906	4.5	7,215	6,829	5.7
Interest expenses	2,966	3,318	(10.6)	3,416	(13.2)	2,966	3,318	(10.6)
Profit Before Tax	20,179	18,591	8.5	13,104	54.0	20,179	18,591	8.5
Exceptional item	-	-	-	(12,295)	-	-	-	-
PBT after exceptional	20,179	18,591	8.5	810	2,392.5	20,179	18,591	8.5
Tax	5,219	5,211	0.1	3,754	39.0	5,219	5,211	0.1
Tax Rate %	25.9	28.0	-217 bps	463.7	-43782 bps	25.9	28.0	-217 bps
Share of Profit from associates	(0.3)	-	n.a.	(91.5)	n.a.	(0.3)	-	n.a.
Minority Interest	20	(22)	n.a.	358	(94.4)	20	(22)	n.a.
Reported Net Profit	14,940	13,402	11.5	(3,394)	(540.2)	14,940	13,402	11.5
Adjusted Net Profit	14,940	13,402	11.5	8,901	67.9	14,940	13,402	11.5

Source: Company, Antique

Table 2: Key performance metrics (Consolidated)

	1QFY26	1QFY25	YoY (%)	4QFY25	QoQ (%)	FY26TD	CPLY (FY25)	YoY (%)
Production volume (tons)	20,90,000	20,50,000	2.0	21,10,000	(0.9)	20,90,000	20,50,000	2.0
Sales volume (tons)	19,00,000	20,90,000	(9.1)	21,30,000	(10.8)	19,00,000	20,90,000	(9.1)
Blended realization (INR per ton)	64,708	65,157	(0.7)	61,893	4.5	64,708	65,157	(0.7)
Blended EBITDA (INR per ton)	15,819	13,585	16.4	10,661	48.4	15,819	13,585	16.4

Source: Company, Antique

Table 3: Standalone performance

	1QFY26	1QFY25	YoY (%)	4QFY25	QoQ (%)	FY26TD	CPLY (FY25)	YoY (%)
Sales	1,24,204	1,28,428	(3.3)	1,30,355	(4.7)	1,24,204	1,28,428	(3.3)
Stock adjustment	(6,268)	(1,457)	330.3	5,031	(224.6)	(6,268)	(1,457)	330.3
Cost of Material	65,073	68,267	(4.7)	61,698	5.5	65,073	68,267	(4.7)
Raw material consumed	58,806	66,810	(12.0)	66,730	(11.9)	58,806	66,810	(12.0)
% of sales	52.4	53.2	-76 bps	47.3	506 bps	52.4	53.2	-76 bps
Employee cost	2,593	2,496	3.9	2,507	3.4	2,593	2,496	3.9
% of sales	2.1	1.9	14 bps	1.9	16 bps	2.1	1.9	14 bps
Other expenses	34,244	32,130	6.6	39,732	(13.8)	34,244	32,130	6.6
% of sales	27.6	25.0	255 bps	30.5	-291 bps	27.6	25.0	255 bps
Total Exp	95,642	1,01,437	(5.7)	1,08,968	(12.2)	95,642	1,01,437	(5.7)
EBITDA	28,562	26,992	5.8	21,387	33.5	28,562	26,992	5.8
Margin %	23.0	21.0	198 bps	16.4	659 bps	23.0	21.0	198 bps
Other income	159	226	(29.7)	511	(69.0)	159	226	(29.7)
Depreciation	5,785	5,638	2.6	5,644	2.5	5,785	5,638	2.6
Interest expenses	970	1,831	(47.0)	1,371	(29.2)	970	1,831	(47.0)
Profit Before Tax	21,966	19,748	11.2	14,884	47.6	21,966	19,748	11.2
Exceptional item	-	-	n.a.	(13,136)	-100.0	-	-	n.a.
PBT after exceptional	21,966	19,748	11.2	1,747	1,157.1	21,966	19,748	11.2
Tax	5,727	5,183	10.5	672	752.1	5,727	5,183	10.5
Tax Rate %	26.1	26.2	-17 bps	38.5	-1239 bps	26.1	26.2	-17 bps
Reported Net Profit	16,239	14,565	11.5	1,075	1,410.2	16,239	14,565	11.5
Adjusted Net Profit	16,239	14,565	11.5	14,212	14.3	16,239	14,565	11.5

Source: Company, Antique

Table 4: SoTP valuation

	1HFY28e (INR mn)	Multiple	Valuation INR mn
Steel EBITDA	1,69,065	6.8	11,49,645
Total enterprise value			11,49,645
Less: Consolidated net debt			82,517
Add: Consolidated CWIP@0.4x			61,000
Target market capitalization			11,28,129
No of equity shares (mn)			1,012
Target price (INR per share)			1,115

Source: Antique

Financials

Profit and loss account (INR mn)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Net revenues	5,00,268	4,97,650	5,71,549	6,54,203	7,36,530
Total Expense	3,98,260	4,02,708	4,46,336	5,00,636	5,51,967
EBITDA	1,02,008	94,942	1,25,213	1,53,567	1,84,564
Depreciation & amortization	28,218	27,676	32,202	35,679	38,977
EBIT	73,790	67,266	93,011	1,17,888	1,45,586
Other income	1,566	1,675	1,045	1,044	1,296
Financial expense	12,942	13,121	14,184	11,810	9,329
Exceptional items loss(gain)	-	12,295	-	-	-
PBT	62,414	43,526	79,872	1,07,121	1,37,553
Provision for Tax	2,980	14,979	21,751	28,614	36,278
PAT	59,434	28,548	58,121	78,507	1,01,275
Share in profit from JV	(1)	(91)	-	-	-
Minority Interest	(49)	(336)	-	-	-
Attributable PAT	59,482	28,792	58,121	78,507	1,01,275
Adj. PAT after min. and asso.	59,482	41,087	58,121	78,507	1,01,275
Basic EPS (INR)	59.3	40.6	57.4	77.6	100.1
Diluted EPS (INR)	59.3	40.6	57.4	77.6	100.1

Balance sheet (INR mn)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Equity share capital	1,002	1,012	1,012	1,012	1,012
Reserves & surplus	4,42,158	4,70,837	5,33,199	6,15,350	7,19,997
Shareholder's funds	4,43,160	4,71,849	5,34,211	6,16,361	7,21,009
Minority interest	4,346	2,344	2,344	2,344	2,344
Debt	1,64,721	1,84,061	1,96,891	1,68,251	1,38,315
Deferred tax liability / (asset)	58,841	57,808	57,808	57,808	57,808
Capital employed	6,71,069	7,16,062	7,91,255	8,44,765	9,19,477
Gross fixed assets	7,56,462	790,186	9,00,763	9,81,893	10,56,893
Less: Accumulated depreciation	2,73,177	3,00,852	3,27,674	3,57,503	3,90,110
Net fixed assets	4,83,285	4,89,334	5,73,089	6,24,390	6,66,783
Capital work in progress	96,114	1,67,249	1,52,501	1,52,501	1,52,501
Goodwill on Consolidation	554	554	554	554	554
Investments	1,491	4,956	4,956	4,956	4,956
Inventory	70,774	56,102	62,128	67,362	70,333
Debtors	16,645	13,629	18,822	21,467	24,094
Cash & cash equivalent	46,938	58,853	55,091	55,011	86,521
Loans & advances and others	2,539	1,094	10,457	19,273	28,030
Other current assets	68,420	65,886	65,886	65,886	65,886
Current assets, loans & adv.	2,05,315	1,95,564	2,12,383	2,28,999	2,74,865
Creditors	1,10,668	1,35,859	1,50,309	1,64,716	1,78,263
Other liabilities & provisions	5,024	5,736	2,248	2,248	2,248
Current liabilities & prov.	1,15,692	1,41,594	1,52,557	1,66,964	1,80,511
Net current assets	89,624	53,970	60,155	62,363	94,682
Application of funds	6,71,069	7,16,062	7,91,255	8,44,765	9,19,477

Per share data

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Outstanding shares (mn)	1,002	1,012	1,012	1,012	1,012
BVPS (INR)	442	466	528	609	713
CEPS (INR)	28	27	32	35	39
DPS (INR)	2.0	2.0	2.5	2.8	3.0

Source: Company, Antique

Cash flow statement (INR mn)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	62,414	43,526	79,872	1,07,121	1,37,553
(Inc)/Dec in working capital	(33,025)	47,569	(9,947)	(2,288)	(809)
Tax paid	(2,980)	(14,979)	(21,751)	(28,614)	(36,278)
CF from operating activities	67,569	1,16,913	94,559	1,23,709	1,48,773
Capital expenditure	(91,814)	(1,04,858)	(95,830)	(81,130)	(75,000)
Net Investments	66	3,465	-	-	-
Income from investments	1,566	1,675	1,045	1,044	1,296
CF from investing activities	(90,182)	(99,718)	(94,785)	(80,086)	(73,704)
Inc/(Dec) in equity share capital	(3)	9	-	-	-
Inc/(Dec) in debt	34,258	19,339	12,831	(28,641)	(29,936)
Others	(5,646)	(13,852)	(5,591)	(4,286)	(2,846)
Dividends & Interest paid	(13,875)	(10,776)	(10,776)	(10,776)	(10,776)
CF from financing activities	14,734	(5,279)	(3,536)	(43,702)	(43,558)
Net cash flow	(7,879)	11,915	(3,763)	(79)	31,510
Opening balance	54,817	46,938	58,853	55,091	55,011
Closing balance	46,938	58,853	55,091	55,011	86,521

Growth indicators (%)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenue	(5.1)	(0.5)	14.8	14.5	12.6
EBITDA	2.7	(6.9)	31.9	22.6	20.2
PAT	29.2	(30.9)	41.5	35.1	29.0
EPS	29.5	(31.6)	41.5	35.1	29.0

Valuation (x)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	16.8	24.5	17.3	12.8	9.9
P/BV (x)	2.3	2.1	1.9	1.6	1.4
EV/EBITDA (x)	11.0	12.1	9.3	7.4	5.8
EV/Sales (x)	2.2	2.3	2.0	1.7	1.5
Dividend Yield (%)	0.2	0.2	0.3	0.3	0.3

Financial ratios

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
RoE (%)	13.4	8.7	10.9	12.7	14.0
RoCE (%)	11.0	9.4	11.8	14.0	15.8
Net Debt/Equity (x)	0.3	0.3	0.3	0.2	0.1
EBIT/Interest (x)	5.7	5.1	6.6	10.0	15.6

Margins (%)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
EBITDA	20.4	19.1	21.9	23.5	25.1
EBIT	14.8	13.5	16.3	18.0	19.8
PAT	11.9	8.3	10.2	12.0	13.8

Turnover ratios

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Asset turnover (x)	1.0	1.0	1.0	1.0	1.1
Debtors (days)	12	10	12	12	12
Inventory (days)	65	51	51	49	47
Creditor (days)	101	123	123	120	118

Source: Company Antique

CMP	: INR 85
Reco	: HOLD ↔
Target Price	: INR 85 ↔
Target Price Change	: No Change
Target 1HFY28e P/BV (x)	: SoTP based
EPS Change FY26/ 27	: No Change

Vishal Periwal

+91 22 6911 3414

vishal.periwal@antiquelimited.com

Shubham Shelar

+91 22 6911 3467

shubham.shelar@antiquelimited.com

Market data

Sensex	:	80,540
Sector	:	Utilities
Market Cap (INR bn)	:	854.9
Market Cap (USD bn)	:	9.778
O/S Shares (mn)	:	10,045.0
52-wk HI/LO (INR)	:	101/71
Avg. Daily Vol ('000)	:	7,421
Bloomberg	:	NHPC IN

Source: Bloomberg

Valuation

	FY26e	FY27e	FY28e
EPS (INR)	3.7	5.0	5.9
P/E (x)	22.8	17.1	14.3
P/BV (x)	2.1	2.0	1.8
EV/EBITDA (x)	23.4	17.8	14.8
Dividend Yield (%)	2.3	2.3	2.3

Source: Bloomberg

Returns (%)

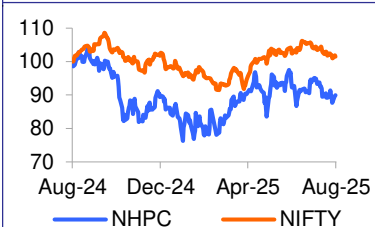
	1m	3m	6m	12m
Absolute	(3)	2	13	(11)
Relative	(1)	3	7	(12)

Source: Bloomberg

Shareholding pattern

Promoters	:	67%
Public	:	33%
Others	:	0%

Source: Bloomberg

Price performance vs Nifty

Source: Bloomberg

Indexed to 100

1QFY26 RESULT REVIEW**NHPC****Lower Subansiri is delayed to 2HFY26**

NHPC posted a modest 5% YoY rise in 1QFY26 PAT, with growth curtailed by under-recovery from the still-shut Teesta plant (damaged in FY24 floods), lower other income, and pending tariff approval for Parbati-2. Despite a 29% YoY increase in regulated equity from Parbati-2, FY26E PAT growth is seen moderating to 12% YoY. Commissioning of the Lower Subansiri project (earlier 750 MW in 1HFY26) is now pushed to 2HFY26, with full capacity now expected across FY26–27E. We forecast standalone and consolidated capacity CAGR of 12% and 17% respectively over FY25–28E, largely back-ended to 4QFY26 and FY27E. Given NHPC's history of delays, execution remains a key monitorable. The stock trades at ~2x 1HFY28E BV; we maintain HOLD with a SoTP-based TP of INR 85.

1QFY26 financial performance

NHPC's 1QFY26 results were broadly in line with our and consensus estimates, with revenue rising 19% YoY to INR 32.1 bn on the back of higher generation. EBITDA grew 12% YoY to INR 18 bn, supported by improved operational performance. Reported PAT was up 3% YoY to INR 11.3 bn; adjusted PAT stood at INR xx bn, up xx% YoY. PAT growth was moderated by a 47% YoY jump in depreciation expenses following the commissioning of Parbati-2. Other income more than doubled, rising 110% YoY to INR 1.8 bn.

1QFY26 operational performance

The company's consolidated 1QFY26 power generation increased 11% YoY to 8,813 MU, comprising 8,213 MU from hydro, 292 MU from solar, and 56 MU from wind. Growth was driven by the full commissioning of the 800 MW Parbati-2 hydroelectric project, with three units starting on April 1, 2025, and the fourth on April 15, 2025. Plant Availability Factor improved to 83.68% (vs. 78.8% YoY), supported by the new capacity addition, favorable water availability, and lower forced outages.

NHPC's capex plans and project pipeline outlook

NHPC plans to raise its consolidated capex from INR 116 bn in FY25 to INR 131 bn in FY26E, with annual spending expected to remain elevated over the medium term. The company has under-construction projects worth INR 961.7 bn, with ~47% of the cost incurred as of June 2025. The pipeline includes 8.5 GW of hydro power and 1.28 GW of solar capacity under development. Key milestones include the commissioning of Parbati-2 (800 MW) in April 2025, now NHPC's largest operating plant, and the expected FY27 commissioning of Subansiri Lower (2.0 GW) at an anticipated tariff of INR 5.6/unit. Other major projects—Teesta-VI (500 MW), Kiru (624 MW), and Pakal Dul (1,000 MW)—are slated for commissioning by FY28, while Dibang (2.88 GW), the largest in the portfolio, is targeted for FY32 with an estimated tariff of INR 4.46/unit.

Investment Summary

NHPC, a leading player in India's hydropower sector, operates 6,971 MW of capacity accounting for 15% of the country's installed hydro-electric base. Alongside its 8.5 GW under-construction portfolio, the company has 4 GW of projects under clearance and another 4 GW under survey and investigation. Its regulated equity of INR 168 bn is projected to grow by 23% in FY26E and 19% in FY27E, which is expected to be the key catalyst for EPS growth post-FY25.

Table 1: Financial highlights

In INR mn	Quarter Ended				
	1QFY26	1QFY25	% Chg	4QFY25	% Chg
Net Sales	32,138	26,942	19.3	23,470	36.9
EBIDTA	18,015	16,095	11.9	10,902	65.2
Other income	2,290	3,437	(33.4)	3,254	(29.6)
PBIDT	20,305	19,532	4.0	14,156	43.4
Depreciation	-4,358	-2,963	47.1	-3,147	38.5
Interest	-2,608	-2,439	6.9	121	(2,257.2)
Other	1,844	875	110.6	538	242.7
PBT	15,183	14,998	1.2	11,668	30.1
Tax	-3,872	-3,989	(2.9)	-2,472	56.6
Reported PAT	11,312	11,010	2.7	9,196	23.0

Source: Company, Antique

Table 2: Under construction projects: Standalone

Name of Project	Installed Capacity (MW)	Design Energy (MUs)	Type of the Project	CCEA Estimated Cost (in Billion)	Anticipated Project Cost (in Billion)	Provisional Project Expenditure till Mar'25 (in Billion)	Expected Commissioning Schedule
Subansiri Lower, (8x250) Assam/Ar. Pradesh	2,000	7,422	Run of River with small pondage	6.285	26.076	24.457	FY 26-27 (Q-1)
Teesta-VI, (4x125) Sikkim	500	2,400	Run of River	5.748	8.449	4.449	FY 27-28 (Q-3)
Dibang, (12x240) Arunachal Pradesh	2,880	11,223	Hydropower cum flood moderation scheme	31.876	31.876	3.343	FY 31-32 (Q-4)
Total (A)	5,380	21,045		43.910	66.401	32.250	

Source: Company, Antique

Table 3: Under construction: Subsidiary

Name of Project	Installed Capacity (MW)	Design Energy (MUs)	Type of the Project	CCEA Estimated Cost (in Billion)	Anticipated Project Cost (in Billion)	Provisional Project Expenditure till Mar'25 (in Billion)	Expected Commissioning Schedule
Rangit-IV, (3X40) Sikkim	120	508	Run of River	0.938	1.828	1.531	FY 26-27 (Q-1)
Kiru, (4X156) UT of J&K	624	2,272	Run of River	4.288	5.409	2.696	FY 26-27 (Q-3)
Pakal Dul, (4X250) UT of J&K	1,000	3,230	Run of River	8.112	12.728	6.991	FY 26-27 (Q-3)
Kwar, (4X135) UT of J&K	540	1,975	Run of River	4.526	4.526	1.136	FY 27-28 (Q-4)
Ratle, (4X205+30) UT of J&K	850	3,137	Run of River	5.282	5.282	0.990	FY 29-30 (Q-2)
Total (B)	3,134	11,122		23.146	29.773	13.343	
Total (A+B)	8,514	32,167		67.056	96.174	45.593	

Source: Company, Antique

Table 4: Standalone capacity build-up plan, CAGR of 12% over FY25-28E

	FY24	FY25	FY26E	FY27E	FY28E	Remarks
MW						
- Standalone	5,451	6,251	7,501	8,251	8,751	Parbati-2 (FY25), Lower Subansari (FY26/27), Teesta VI (FY28)
Change yoy, %		15%	20%	10%	6%	
- Subsidiary	1,520	1,520	1,520	3,264	3,804	Additon of Kiru, Pakal Dul , Rangit , Kwar
Change yoy, %		0%	0%	115%	17%	
Capacity	6,971	7,771	9,021	11,515	12,555	
Change yoy, %		11%	16%	28%	9%	

Source: Company, Antique

Table 5: Regulated equity build up

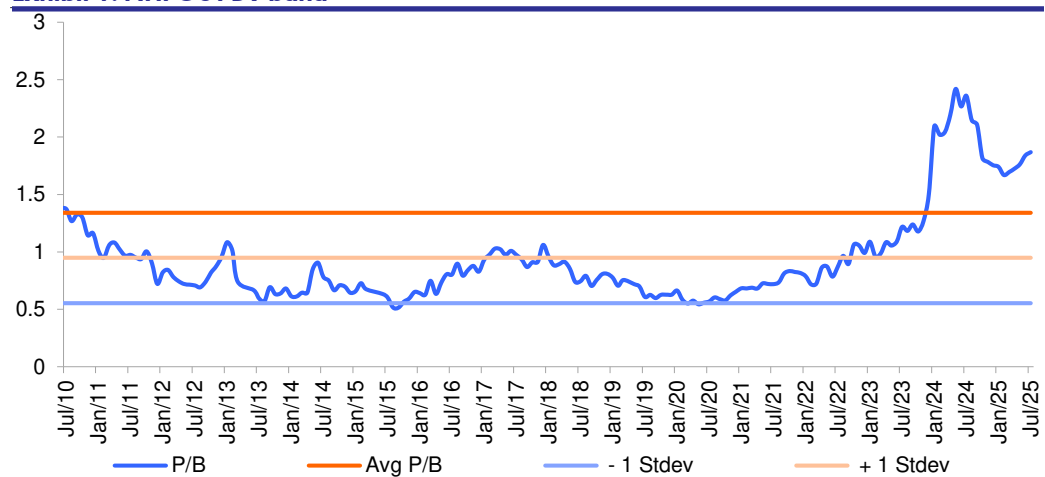
	FY24	FY25	FY26E	FY27E	FY28E
Regulated Equity, INR bn					
- Standalone	129	168	208	247	272
Change yoy, %		31%	23%	19%	10%
- Subsidiary	20	20	20	80	93
Change yoy, %		0%	0%	299%	17%
Capacity	149	188	228	327	365
Change yoy, %		26%	21%	44%	12%

Source: Company, Antique

Table 6: Sum-of-the-parts

	TP INR /sh
Standalone	
- Operational Capacity (Hydro)	58
- Under Construction (Hydro)	14
Subsidiary	
- Operational Capacity	3
- Under Construction	3
Others (Solar)	7
TP	85

Source: Company, Antique

Exhibit 1: NHPC's PBV band

Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Net Revenue	96,322	1,03,799	1,13,784	1,51,238	1,84,714
Op. Expenses	(47,639)	(48,599)	(53,678)	(66,291)	(77,804)
EBITDA	48,683	55,199	60,105	84,947	1,06,910
Depreciation	(11,841)	(11,930)	(14,674)	(20,691)	(29,174)
EBIT	36,842	43,269	45,431	64,256	77,736
Other income	13,618	13,495	13,507	14,577	18,160
Interest Exp.	(4,024)	(11,889)	(5,432)	(7,659)	(10,800)
Extra Ordinary Items -gain/(loss)	3,999	2,774	-	-	-
Reported PBT	50,434	47,648	53,505	71,174	85,096
Tax	(10,154)	(13,555)	(15,221)	(20,247)	(24,208)
Reported PAT	39,995	34,117	38,285	50,927	60,889
Net Profit	39,995	34,117	38,285	50,927	60,889
Adjusted PAT	35,996	34,117	38,285	50,927	60,889
Adjusted EPS (INR)	3.5	3.3	3.7	5.0	5.9

Balance sheet (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Share Capital	1,00,450	1,00,450	1,00,450	1,00,450	1,00,450
Reserves & Surplus	2,86,574	2,96,231	3,14,928	3,45,765	3,86,564
Networth	3,87,024	3,96,682	4,15,378	4,46,215	4,87,014
Debt	4,03,556	4,80,933	5,84,933	6,88,933	7,92,933
Minority Interest	51,900	54,949	54,949	54,949	54,949
Net deferred Tax liabilities	24,681	29,087	29,087	29,087	29,087
Capital Employed	8,67,161	9,61,651	10,84,347	12,19,184	13,63,983
Gross Fixed Assets	3,37,927	3,57,278	4,87,278	6,17,278	7,47,278
Accumulated Depreciation	(1,21,377)	(1,33,307)	(1,47,982)	(1,68,673)	(1,97,847)
Capital work in progress	3,96,503	5,03,984	5,03,984	5,03,984	5,03,984
Net Fixed Assets	6,13,053	7,27,955	8,43,280	9,52,589	10,53,415
Investments	4,666	4,441	4,441	4,441	4,441
Non Current Investments	4,666	4,441	4,441	4,441	4,441
Current Assets, Loans & Adv.	3,15,202	2,94,340	3,04,469	3,40,344	3,93,565
Inventory	1,901	2,571	2,818	3,746	4,575
Debtors	44,199	47,932	52,542	69,838	85,296
Cash & Bank balance	36,224	27,509	29,454	34,626	60,405
Loans & advances and others	2,32,878	2,16,328	2,19,655	2,32,134	2,43,288
Current Liabilities & Provisions	65,759	65,085	67,844	78,190	87,438
Liabilities	37,322	39,708	40,017	41,176	42,213
Provisions	28,437	25,378	27,827	37,014	45,225
Net Current Assets	2,49,443	2,29,255	2,36,626	2,62,153	3,06,126
Application of Funds	8,67,161	9,61,650	10,84,347	12,19,184	13,63,983

Per share data

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
No. of shares (mn)	10,259	10,259	10,259	10,259	10,259
Diluted no. of shares (mn)	10,259	10,259	10,259	10,259	10,259
BVPS (INR)	37.7	38.7	40.5	43.5	47.5
CEPS (INR)	5.2	5.0	5.2	7.0	8.8
DPS (INR)	1.9	1.9	1.9	2.0	2.0

Source: Company, Antique

Cash flow statement (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	50,434	47,648	53,505	71,174	85,096
Depreciation & amortization	11,841	11,930	14,674	20,691	29,174
Interest expense	4,024	11,889	5,432	7,659	10,800
(Inc)/Dec in working capital	22,556	(3,623)	(5,427)	(20,356)	(18,194)
Tax paid	(8,701)	(8,770)	(15,221)	(20,247)	(24,208)
Other operating Cash Flow	(10,779)	3,077	-	-	-
CF from operating activities	69,375	62,152	52,964	58,921	82,669
Capital expenditure	(65,877)	(82,404)	(1,30,000)	(1,30,000)	(1,30,000)
chng in investments	39,929	5,254	-	-	-
CF from investing activities	(25,948)	(77,150)	(1,30,000)	(1,30,000)	(1,30,000)
Inc/(Dec) in share capital	3,819	3,086	-	-	-
Inc/(Dec) in debt	34,665	71,579	1,04,000	1,04,000	1,04,000
Dividend Paid	(23,259)	(23,099)	(19,588)	(20,090)	(20,090)
Others	(49,364)	(45,282)	(5,432)	(7,659)	(10,800)
CF from financing activities	(34,140)	6,284	78,980	76,251	73,110
Net cash flow	9,287	(8,715)	1,945	5,172	25,779
Opening balance	26,937	36,224	27,509	29,454	34,626
Closing balance	36,224	27,509	29,454	34,626	60,405

Growth indicators (%)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenue	-9.2	7.8	9.6	32.9	22.1
EBITDA	-22.3	13.4	8.9	41.3	25.9
Adj PAT	-15.9	-5.2	12.2	33.0	19.6
Adj EPS	-15.9	-5.2	12.2	33.0	19.6

Valuation (x)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	24.2	25.6	22.8	17.1	14.3
P/BV (x)	2.3	2.2	2.1	2.0	1.8
EV/EBITDA (x)	25.1	23.7	23.4	17.8	14.8
EV/Sales (x)	12.7	12.6	12.4	10.0	8.6
Dividend Yield (%)	2.2	2.2	2.3	2.3	2.3

Financial ratios

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
RoE (%)	9.6	8.0	9.4	11.8	13.0
RoCE (%)	4.4	4.7	4.4	5.6	6.0
Asset/T.O (x)	0.1	0.1	0.1	0.1	0.1
Net Debt/Equity (x)	0.7	0.9	1.1	1.3	1.3
EBIT/Interest (x)	12.5	4.8	10.8	10.3	8.9

Margins (%)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
EBITDA Margin (%)	50.5	53.2	52.8	56.2	57.9
EBIT Margin (%)	38.2	41.7	39.9	42.5	42.1
PAT Margin (%)	32.7	29.1	30.1	30.7	30.0

Source: Company Antique

CMP	: INR 407
Reco	: BUY ↔
Target Price	: INR 520 ↓
Target Price Change	: -6%
Target 1HFY28 EV/EBITDA(x)	: 4.5
EBITDA Change FY26/ 27	: -1%/ 0%

Varatharajan S.

+91 22 6911 3425

varatharajan.s@antiquelimited.com

Manish Divekar

+91 22 6911 3426

manish.divekar@antiquelimited.com

Kartikey Billaiya

+91 22 6911 3448

kartikey.billaiya@antiquelimited.com

Market data

Sensex	:	80,540
Sector	:	Oil & Gas
Market Cap (INR bn)	:	662.0
Market Cap (USD bn)	:	7.571
O/S Shares (mn)	:	1,626.6
52-wk HI/LO (INR)	:	768/322
Avg. Daily Vol ('000)	:	1,708
Bloomberg	:	OINLIN

Source: Bloomberg

Valuation

	FY26e	FY27e	FY28e
EPS (INR)	34.7	40.2	45.3
P/E(x)	11.7	10.1	9.0
P/BV(x)	1.4	1.3	1.2
EV/EBITDA(x)	8.0	7.0	6.2
Dividend Yield (%)	3.4	4.0	4.5

Source: Company, Antique

Returns (%)

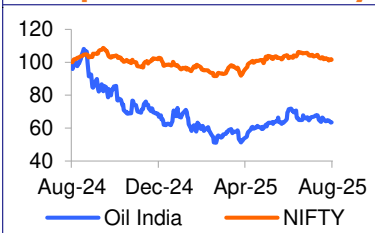
	1m	3m	6m	12m
Absolute	(6)	(0)	(1)	(41)
Relative	(4)	1	(7)	(42)

Source: Bloomberg

Shareholding pattern

Promoters	:	57%
Public	:	43%
Others	:	0%

Source: Bloomberg

Price performance vs Nifty

Source: Bloomberg Indexed to 100

1QFY26 RESULT REVIEW

Oil India

EBITDA healthy but volumes below par

Oil India's revenue fell to INR 50.1 bn (-9.2% QoQ, -14.2% YoY), 4%/ 5% below our/ street estimates, on lower crude sales of 0.822 mn tons (4.4% below est.) and weaker crude/ gas realization (-1.8%/ -0.5% miss). EBITDA (ex-exploration write-off) was INR 20.6 bn (-3.2% QoQ, -18.8% YoY), 9.4% below street but 1.8% above our estimate as statutory levies came INR 1.8 bn lower than expected. Reported PAT was INR 8.13 bn; other expenses included INR 3.07 bn in provision for exiting two Bangladesh blocks. Adjusted PAT at INR 10.4 bn (-34.4% QoQ, -28.8% YoY) missed our/ street estimates by 6.8%/ 26.4%. Consolidated PAT rose 37% QoQ to INR 20.46 bn, aided by NRL (INR 5.44 bn) and Russian assets (INR 7.8 bn). We cut our FY26 total production estimate by 1.3% on lower 1Q volumes and a slight delay in additional gas offtake due to NRL's slow ramp-up resulting in 1.5% cut in EPS, while FY27 volumes remain unchanged. Over FY25-28, we expect oil output to grow at 5% CAGR to 4 mmt and gas at 15% CAGR to 5 bcm. Upstream business trades at an undemanding 3.33x 1HFY28E EV/EBITDA (net of investments) and CMP reflects crude price realization of USD 47/bbl. We also cut NRL valuation by 9% on delayed ramp-up in expanded capacities (80% utilization in FY28 vs. 100% earlier). Rolling forward to 1HFY28, we maintain BUY with a revised TP of INR 520 (earlier INR 552), implying 28% upside.

Production grew but missed estimates

Total production rose to 1.68 mn tons (+1.5% QoQ, -0.8% YoY), 1.5% below our estimate of 1.70 mn tons. Crude output was 0.85 mn tons (+1.1% QoQ, -2.1% YoY), 1.7% below estimate, while gas output was 0.82 bcm (+2.0% QoQ, +0.5% YoY), 1.3% below estimate. Crude sales were 0.82 mn tons (-3.1% QoQ, -1.4% YoY), missing by 4.4%, whereas gas sales at 0.696 bcm (+4.5% QoQ, +2.8% YoY) beat by 1.1%. The 1Q gas miss was due to shutdowns at BCPL (20 days), BVFCL, partial offtake by NRL, and a month-long LPG plant closure-normal intake should resume post-quarter. **FY26/ 27 growth hinges on completion of the Northeast Gas Grid Phase 2 and offtake from Duliajan pipeline completion. Guidance remains at 4 mmt oil and 5 bcm gas by FY28, implying +14% oil and +54% gas growth over FY25-28.**

Realization miss; adjusted opex lower

Our calculated gross crude realization was USD 64.2/bbl (-11% QoQ, -22% YoY), below our estimate. USD 65.4/bbl and USD 2.5/bbl under Brent. APM gas price was USD 6.64/ mmbtu (vs. USD 6.5). Provisions taken: INR 3.1 bn for two Bangladesh block exit, INR 2.1 bn for Gabon block. Adjusted for one-offs, opex was USD 17.3/bbl (-10.4% QoQ, +27.8% YoY), lower sequentially on overhead cuts but remained elevated YoY.

NRL's weaker quarter on GRM drop

EBITDA fell to INR 7.9 bn (-22% QoQ, +7% YoY) as GRM fell to USD 5.02/bbl (-46% QoQ, -22% YoY) on USD 2.9/bbl inventory loss, similar to other peers in 1Q. Throughput was 0.799 mn tons (-1% QoQ, +5% YoY); distillate yield fell to 85.04% (vs. 88% QoQ). NRL's expansion from 3 to 9 mmt is 76% complete at refinery and 84% at the crude pipeline level; targeting mechanical completion by Dec-25. Standalone capex guidance is INR 70 bn for FY26 and INR 76 bn for FY27; NRL's capex is INR 91 bn for FY26 and INR 73 bn for FY27. **Expanded capacity expected at 40% utilization in 2HFY27 and 80% in FY28.**

Pipeline projects update

DNPL expansion (1 to 2.5 mmscmd) due Oct-25. IGGL (4.5 mmscmd) to complete in three phases: Jul-25, Mar-26, and Mar-27. NSPL capacity augmentation (5.5 mmtpa) due Oct-25; PNCPL (9 mmtpa) targeted for 4QFY26 commissioning.

Investment Summary

Oil India's production growth remains strong and with IGGL's progress nearing completion, it is nearing a stage where growth will not be restricted by offtake bottlenecks. NRL's expansion is also likely to be completed by end of CY2025 (slight delay possible with utilization only in FY27). Reiterate BUY with a TP of INR 520/share.

Conference Call Highlights

- **Temporary gas output disruption** — Gas production impacted by shutdowns at BCPL (20 days), BVFCL, partial offtake by NRL, and LPG plant closure for a month; normalized intake should resume post-quarter.
- **Production guidance retained** — FY26: 3.70 mmt oil, 3.65 bcm gas; FY27: 3.95 mmt oil, 4.31 bcm gas.
- **New discoveries & start-ups** — Hydrocarbon discovery at Namrup-Borhat (OALP block, Assam) and commencement of gas production from Bakhritibba DSF block in Rajasthan's Jaisalmer.
- **Consolidated financials** — Consolidated PAT up 37% QoQ at INR 20.46 bn, aided by NRL and Russian assets.
- **NRL performance** — 1Q throughput at 799 TMT (106% utilization), EBITDA INR 7.86 bn, PAT INR 4.88 bn. GRM at USD 5.02/bbl, including USD 2.93/bbl inventory loss on crude price fall.
- **NRL expansion progress** — Refinery expansion (3 MMT to 9 MMT) 80% complete; crude pipeline 84% done; phased commissioning from Dec'25, pipeline completion by early 4QFY26.
- **NRL ramp-up outlook** — Additional output to start in 2HFY27 with ~20% utilization in FY27, reaching ~80% in FY28.
- **Capex guidance** — FY26 standalone INR 69.95 bn. NRL FY26 capex INR 91.33 bn; FY27: OIL INR 75.85 bn, NRL INR 73.0 bn (total ~INR 140 bn).
- **Energy transition capex** — INR 250 bn earmarked till 2040 for solar, wind, CBG, green hydrogen. Plans for 25 CBG plants across multiple states.
- **Renewable projects** — 1.9 GW solar by Mar'26; 150 MW solar in Himachal; 1 MW green hydrogen plant in Himachal (EPC awarded).
- **Profit from Russian assets** — Russian investments contributed INR 7.80 bn in profit in 1Q (vs. INR 1.50 bn YoY); total recovery of 95% of investment (Taas 111%, Vankor 83%).
- **Russian dividend flows** — Taas: USD 51.5 mn (CY23), USD 70 mn (CY24), USD 17 mn YTD CY25; Vankor: USD 37 mn (CY23), USD 39.6 mn (CY24), USD 11.4 mn YTD CY25. Production steady at Taas, declining at Vankor but with infrastructure upgrades, the decline should slow.
- **Provisions** — INR 3.07 bn for Bangladesh blocks (BG of INR 2.85 bn invoked in FY25 on MWP shortfall, exit decided); INR 2.07 bn for Gabon block; total provisions ~INR 5.0 bn in 1Q vs. ~INR 4.0 bn annual average.
- **Pipeline expansion** — DNPL capacity upgrade from 1 mmcmd to 2-2.5 mmcmd for NRL by 3Q; feeder line parallel to DNPL (IGGL network) awaiting regulatory clearance; target Mar'27 completion.
- **IGGL network** — Phase 1 commissioned; upper-end connectivity from Duliajan oilfield pending ministry approval; once connected, gas can flow beyond NE to mainland.
- **Gas supply potential** — Current supply 3.25 bcm, to rise to ~5 bcm with pipelines upgrade; feeder line will lift capacity to ~7 mmcmd; surplus to be moved through IGGL to the rest of India.
- **Marketing freedom request** — OIL has sought PNGRB/ MoPNG nod to sell new well gas to NRL at a premium until CGD demand in NE develops (~FY28).

Table 1: Result snapshot

Particulars (INR mn)	1 QFY26	1 QFY25	YoY (%)	4 QFY25	QoQ (%)
Net sales	50,125	58,397	(14.2)	55,189	(9.2)
COGS+Statutory levies	12,483	19,768	(36.9)	14,779	(15.5)
% of sales	24.9	33.9		26.8	
Employee benefits expense	4,672	4,572	2.2	4,598	1.6
% of sales	9.3	7.8		8.3	
Other Expenses	12,330	8,634	42.8	14,489	(14.9)
% of sales	24.6	14.8		26.3	
Total Expenses	29,484	32,975	(10.6)	33,865	(12.9)
EBITDA	20,640	25,422	(18.8)	21,324	(3.2)
% of sales	41.2	43.5		38.6	
Other Income	1,761	1,617	8.9	6,639	(73.5)
Finance Costs	1,534	1,970	(22.1)	1,952	(21.4)
Depreciation & other write-offs	6,817	5,319	28.2	5,807	17.4
PBT	14,050	19,751	(28.9)	20,203	(30.5)
Exceptional	3,074	-		-	
PBT after exceptional	10,976	19,751	(44.4)	20,203	(45.7)
Tax	2,841	5,082	(44.1)	4,288	(33.8)
Tax rate	20.2	25.7		21.2	
Reported Net Profit	8,135	14,669	(44.5)	15,915	(48.9)
Adjusted Net Profit	10,441	14,669	(28.8)	15,915	(34.4)
EPS (INR)	5.0	9.0	(44.5)	9.8	(48.9)

Source: Company, Antique

Table 2: Quarterly summary

Standalone details	Units	Reported					Antique Est.		Consensus	
		1 QFY25	4 QFY25	1 QFY26	YoY %	QoQ %	1 QFY26E	vs. Est. (%)	1 QFY26E	vs. Est. (%)
EBITDA	INR mn	25,422	21,324	20,640	(18.8)	(3.2)	20,266	1.8	22,786	(9.4)
PBT	INR mn	19,751	20,203	10,976	(44.4)	(45.7)	14,966	(26.7)	-	-
Adj. PAT	INR mn	14,669	15,915	10,441	(28.8)	(34.4)	11,199	(6.8)	14,194	(26.4)
Crude oil production	mn tons	0.87	0.84	0.85	(2.1)	1.1	0.87	(1.7)		
Gas production	bcm	0.82	0.81	0.82	0.5	2.0	0.83	(1.3)		
Crude oil realization	USD/bbl	82.3	72.3	64.2	(21.9)	(11.1)	65.4	(1.8)		

Source: Bloomberg, Company, Antique

Table 3: Change in earnings estimates

	Units	FY26E			FY27E			FY28E
		Revised	Old	% Chg (%)	Revised	Old	% Chg (%)	New
EBITDA	INR mn	94,338	95,674	-1.4%	1,08,416	1,08,551	-0.1%	1,23,183
PAT	INR mn	56,409	57,291	-1.5%	65,438	65,773	-0.5%	73,662
EPS	INR/sh	34.7	35.2	-1.5%	40.2	40.4	-0.5%	45.3
Key drivers								
Oil price	USD/bbl	65.0	65.0	0.0%	65.0	65.0	0.0%	65.0
Total production	mmtoe	7.19	7.29	-1.3%	8.02	8.02	0.0%	9.00
Target price	INR/sh				520	552	-5.8%	

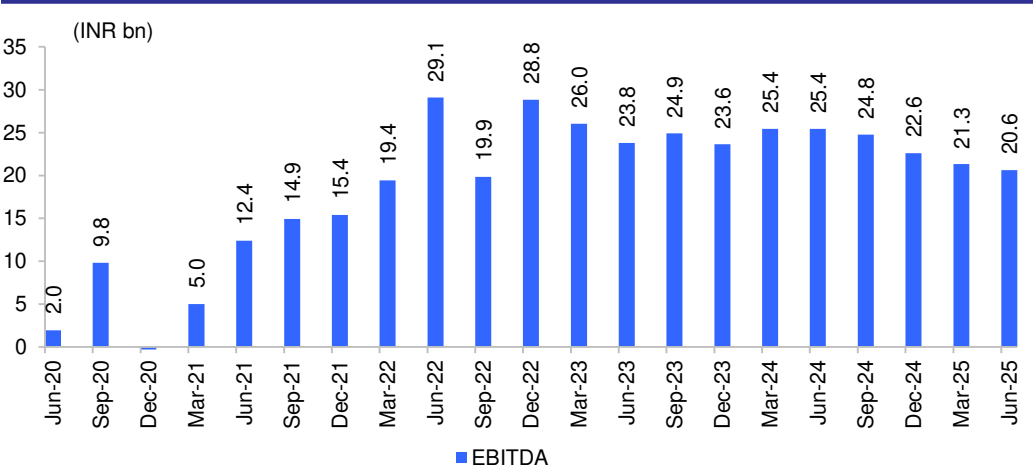
Source: Company, Antique

Table 4: Antique vs Bloomberg estimates

(INR bn)	FY26E			FY27E		
	Antique	Bloomberg	% Variation	Antique	Bloomberg	% Variation
EBITDA	94	102	-8%	108	116	-7%
PAT	56	64	-12%	65	75	-13%

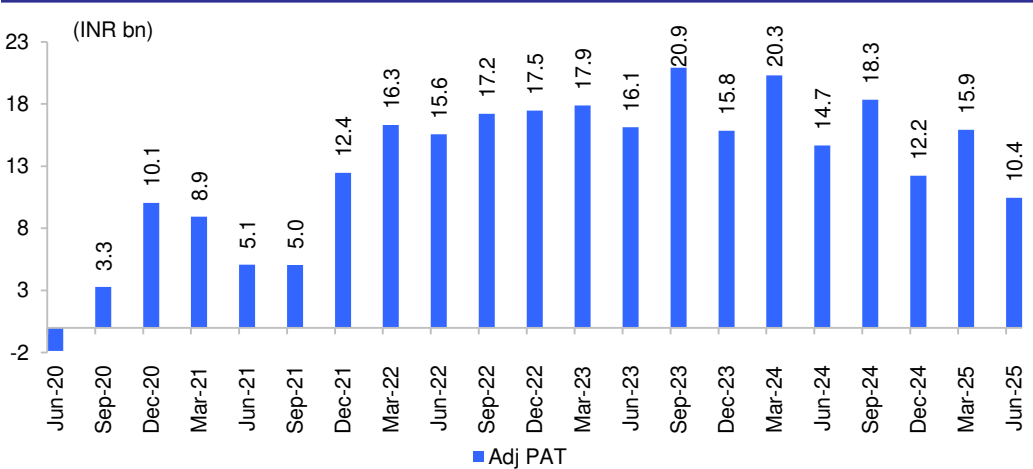
Source: Bloomberg, Antique

Exhibit 1: EBITDA: INR 20.6 bn (-3.2% QoQ, -18.8% YoY)



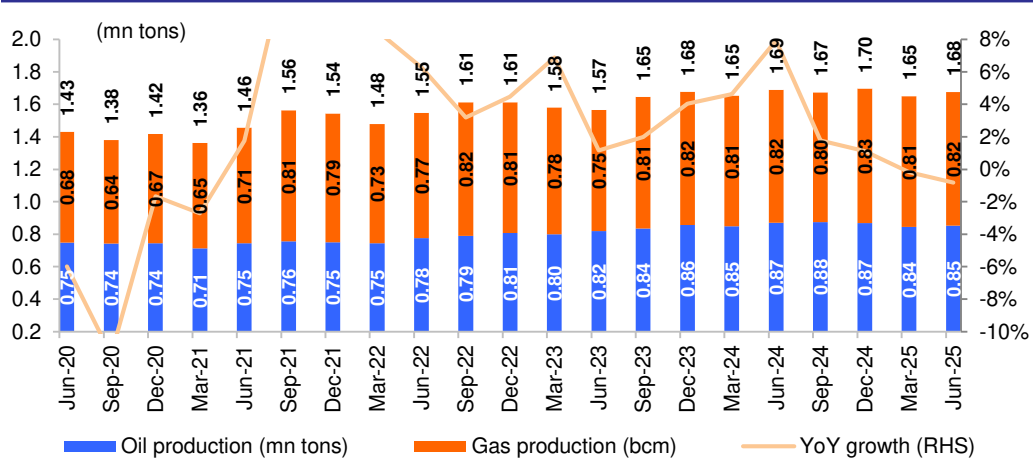
Source: Company, Antique

Exhibit 2: Adjusted PAT: INR 10.4 bn (-34.4% QoQ, -28.8% YoY)



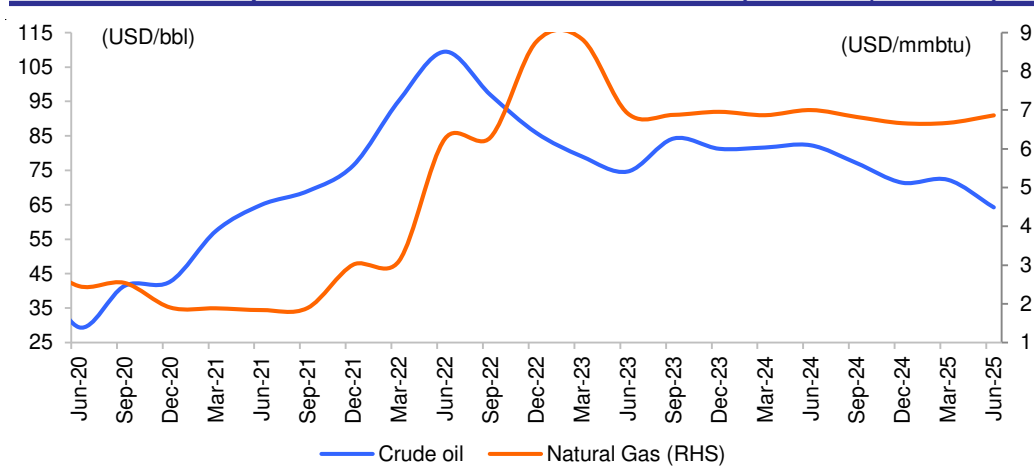
Source: Company, Antique

Exhibit 3: Total volume: 1.68 mn tons (+1.5% QoQ, -0.8% YoY)



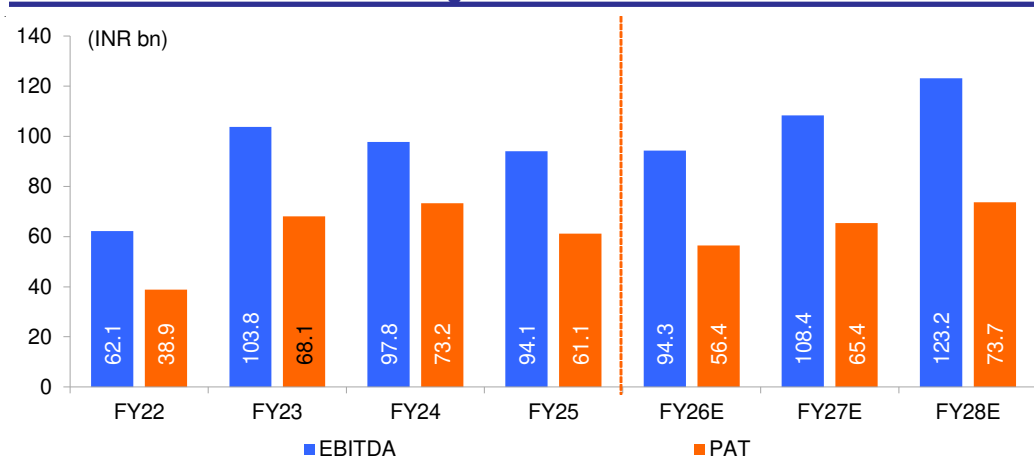
Source: Company, Antique

Exhibit 4: Calculated price realization - Crude oil: USD 64.2/bbl (-11% QoQ, -22% YoY)



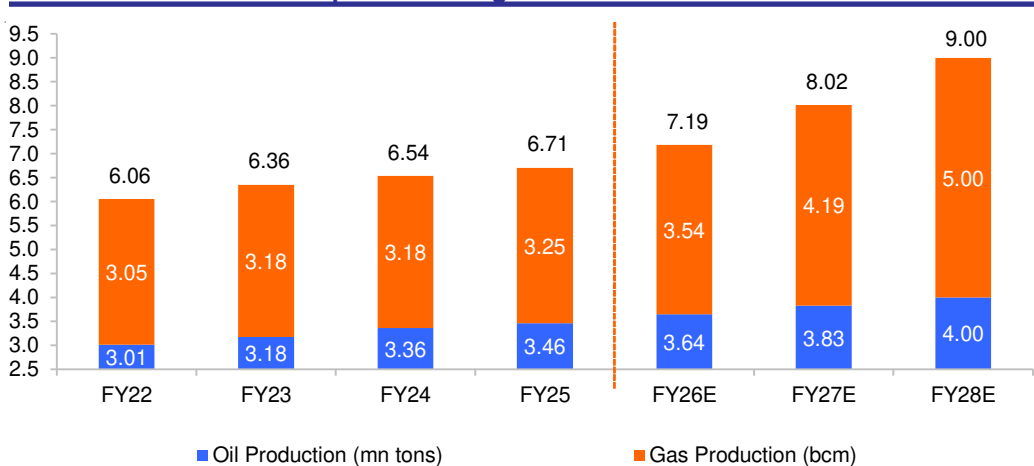
Source: Company, Antique

Exhibit 5: We estimate EBITDA/PAT to grow at 9.4%/6.4% CAGR over FY25-28E

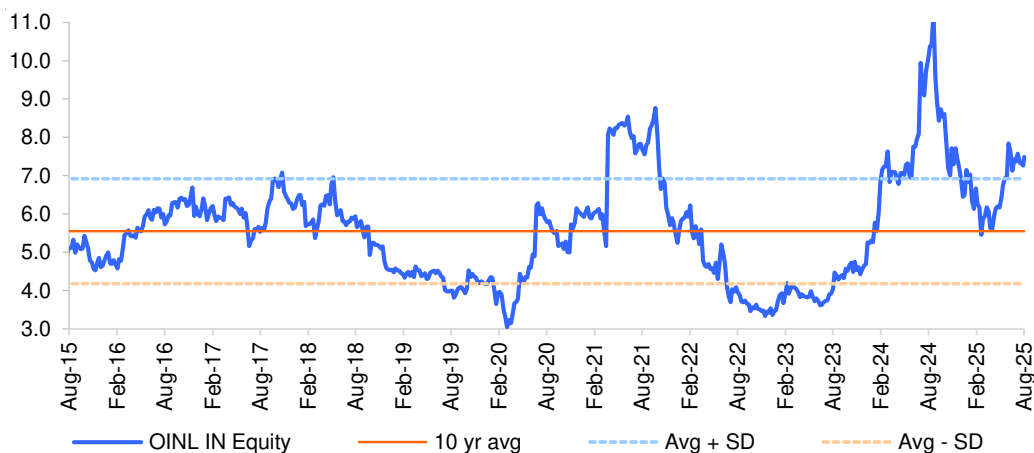


Source: Company, Antique

Exhibit 6: We estimate total production to grow at 10.3% CAGR over FY25-28E



Source: Company, Antique

Exhibit 7: 1-year forward EV/ EBITDA valuation

Source: Bloomberg, Antique

Table 5: Valuation**Calculation of Target Price**

based on 1HFY28 EV/EBITDA	491
based on DCF	548
Target Price (average of the above)	520

EV/EBITDA

Particulars	Amount (INR mn)
1HFY28E standalone EBITDA (INR mn)	1,15,799
Multiple (x)	4.5
Enterprise Value (INR mn)	5,21,097
Less: Net debt 1HFY28E (INR mn)	1,04,333
Equity Value (INR mn)	4,16,763
Add: Investments (NRL, Overseas assets, etc) (INR mn)	3,78,700
Target Value (INR mn)	7,95,463
Fair Value (INR/share)	491

DCF-based

Particulars	FY25	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E
Oil price (USD/bbl)	78.2	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0
APM price (USD/mmbtu)	6.5	7.0	7.3	7.3	7.4	7.5	7.5	7.6	7.6	7.6
Production (MMT)	6.7	7.2	8.0	9.0	9.0	8.8	8.6	8.5	8.3	8.1
Operating cash flow (INR mn)	82,330	79,008	89,865	99,514	1,01,467	1,01,103	1,00,772	1,00,470	99,556	98,675
Maintenance + Dev Capex (INR mn)	3,000	3,000	3,000	81,060	5,000	5,000	5,000	87,850	5,000	5,000
FCF	79,330	76,008	86,865	18,454	96,467	96,103	95,772	12,620	94,556	93,675
WACC	11.6%									
Terminal growth	0%									
Sum of DCF	5,83,477									
Net debt 1HFY28	1,04,333									
Equity value (INR mn)	5,06,963									
Equity value (INR/share)	313.67									
Add: Investments (INR/share)	234.82									
Fair value (INR/share)	548									

Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Net Revenue	2,21,297	2,21,172	2,14,203	2,39,471	2,66,727
Op. Expenses	1,23,500	1,27,049	1,19,865	1,31,055	1,43,544
EBITDA	97,797	94,123	94,338	1,08,416	1,23,183
Gross Profit	2,95,468	2,90,042	2,74,960	3,04,996	3,37,168
Depreciation & exploration write-off	22,961	25,649	31,077	34,441	39,248
EBIT	74,836	68,474	63,260	73,975	83,934
Other income	23,845	18,699	19,000	19,200	19,400
Interest Exp.	7,601	8,663	9,829	9,149	8,749
Extra Ordinary Items -gain/(loss)	(23,627)	-	-	-	-
Reported PBT	67,453	78,510	72,432	84,026	94,586
Tax	11,936	17,368	16,023	18,588	20,924
Reported PAT	55,518	61,142	56,409	65,438	73,662
Net Profit	55,518	61,142	56,409	65,438	73,662
Adjusted PAT	73,238	61,142	56,409	65,438	73,662
Adjusted EPS (INR)	45.0	37.6	34.7	40.2	45.3

Balance sheet (INR mn)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Share Capital	10,844	16,266	16,266	16,266	16,266
Reserves & Surplus	4,30,380	4,38,083	4,71,928	5,11,191	5,55,388
Networth	4,41,225	4,54,349	4,88,194	5,27,457	5,71,654
Debt	1,17,101	1,28,860	1,16,860	1,11,860	1,06,860
Net deferred Tax liabilities	27,855	26,990	29,163	31,684	34,521
Capital Employed	5,86,181	6,10,199	6,34,217	6,71,001	7,13,035
Gross Fixed Assets	2,11,103	2,45,034	2,84,285	3,25,073	3,61,754
Accumulated Depreciation	(45,050)	(51,679)	(59,008)	(67,037)	(75,766)
Capital work in progress	23,882	33,359	33,359	33,359	33,359
Net Fixed Assets	1,89,935	2,26,713	2,58,636	2,91,395	3,19,347
Investments	3,71,334	3,51,700	3,63,700	3,76,500	3,89,300
Non Current Investments	3,71,334	3,51,700	3,63,700	3,76,500	3,89,300
Current Assets, Loans & Adv.	89,769	1,16,136	93,070	85,061	87,200
Inventory	15,544	19,317	17,606	19,683	21,923
Debtors	25,813	26,891	20,540	22,963	25,577
Cash & Bank balance	30,702	41,502	26,497	12,988	9,273
Loans & advances and others	17,710	28,427	28,427	29,427	30,427
Current Liabilities & Provisions	64,857	84,352	81,190	81,956	82,811
Liabilities	30,827	35,893	32,730	33,497	34,352
Provisions	34,030	48,459	48,459	48,459	48,459
Net Current Assets	24,912	31,784	11,881	3,105	4,389
Application of Funds	5,86,181	6,10,199	6,34,217	6,71,001	7,13,035

Per share data

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
No. of shares (mn)	1,627	1,627	1,627	1,627	1,627
Diluted no. of shares (mn)	1,627	1,627	1,627	1,627	1,627
BVPS (INR)	271.3	279.3	300.1	324.3	351.4
CEPS (INR)	48.2	53.4	53.8	61.4	69.4
DPS (INR)	10.5	11.5	13.9	16.1	18.1

Source: Company, Antique

Cash flow statement (INR mn)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	67,453	78,510	72,432	84,026	94,586
Depreciation & amortization	17,751	19,187	21,147	21,583	24,173
Net Interest expense	3,352	2,656	(9,171)	(10,051)	(10,651)
(Inc)/Dec in working capital	(14,504)	(11,902)	(14,251)	9,633	265
Tax paid	(19,142)	(17,446)	(13,850)	(16,067)	(18,086)
Other operating Cash Flow	22,241	10,709	9931	12,858	15,075
CF from operating activities	77,151	81,714	66,237	1,01,981	1,05,361
Capital expenditure	(49,568)	(57,790)	(63,000)	(67,200)	(67,200)
Inc/(Dec) in investments	(21,835)	(6,135)	(12,000)	(12,800)	(12,800)
Add: Interest/Dividend Income Received	21,950	11,597	19,000	19,200	19,400
CF from investing activities	(49,453)	(52,329)	(56,000)	(60,800)	(60,600)
Inc/(Dec) in debt	-	(447)	(12,000)	(5,000)	(5,000)
Dividend Paid	(18,967)	(20,308)	(22,563)	(26,175)	(29,465)
Others	(8,796)	(7,069)	(9,829)	(9,149)	(8,749)
CF from financing activities	(27,762)	(27,824)	(44,392)	(40,324)	(43,213)
Net cash flow	(64)	1,561	(34,156)	857	1,548
Opening balance	2,465	2,401	3,961	(30,194)	(29,337)
Closing balance	2,401	3,961	(30,194)	(29,337)	(27,789)
Bank Balance	28,283	37,517	37,517	37,517	37,756
Cash & Bank balance	30,683	41,479	7,323	8,180	9,967

Growth indicators (%)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenue (%)	-4.9	-0.1	-3.2	11.8	11.4
EBITDA (%)	-5.8	-3.8	0.2	14.9	13.6
Adj PAT (%)	7.5	-16.5	-7.7	16.0	12.6
Adj EPS (%)	7.5	-16.5	-7.7	16.0	12.6

Valuation (x)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E	9.0	10.8	11.7	10.1	9.0
P/BV	1.5	1.5	1.4	1.3	1.2
EV/EBITDA	7.7	8.0	8.0	7.0	6.2
EV/Sales	3.4	3.4	3.5	3.2	2.8
Dividend Yield (%)	2.6	2.8	3.4	4.0	4.5

Financial ratios

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
RoE (%)	18.7	13.7	12.0	12.9	13.4
RoCE (%)	18.4	14.6	13.2	14.3	14.9
Asset/T.O (x)	1.1	0.9	0.8	0.8	0.9
Net Debt/Equity (x)	0.2	0.2	0.2	0.2	0.2
EBIT/Interest (x)	13.0	10.1	8.4	10.2	11.8

Margins (%)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
EBITDA Margin (%)	44.2	42.6	44.0	45.3	46.2
EBIT Margin (%)	33.8	31.0	29.5	30.9	31.5
PAT Margin (%)	29.9	25.5	24.2	25.3	25.7

Source: Company Antique

CMP	: INR 73
Reco	: BUY ↔
Target Price	: INR 91 ↑
Target Price Change	: 6%
Target 1HFY28 EV/EBITDA (x)	: 6
EBITDA Change FY26/ 27	: No Change

Pallav Agarwal

+91 22 6911 3411

pallav.agarwal@antiquelimited.com

Dhruvesh Kanakia

+91 22 6911 3412

dhruvesh.kanakia@antiquelimited.com

Market data

Sensex	:	80,540
Sector	:	Metals
Market Cap (INR bn)	:	638.1
Market Cap (USD bn)	:	7.298
O/S Shares (mn)	:	8,791.8
52-wk HI/LO (INR)	:	83/60
Avg. Daily Vol ('000)	:	10,359
Bloomberg	:	NMDC IN

Source: Bloomberg

Valuation

	FY26e	FY27e	FY28e
EPS (INR)	8.5	9.3	10.1
P/E (x)	8.6	7.8	7.2
P/BV (x)	1.9	1.6	1.4
EV/EBITDA (x)	5.8	5.1	4.6
Dividend Yield (%)	4.6	5.1	5.5

Source: Company, Antique

Returns (%)

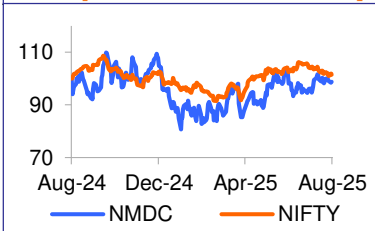
	1m	3m	6m	12m
Absolute	5	8	15	(3)
Relative	7	9	8	(5)

Source: Bloomberg

Shareholding pattern

Promoters	:	61%
Public	:	39%
Others	:	0%

Source: Bloomberg

Price performance vs Nifty

Source: Bloomberg

Indexed to 100

1QFY26 RESULT REVIEW**NMDC****Higher iron ore realization, record 1Q sales volume drive beat**

NMDC reported standalone revenue at ~INR 66.3 bn, higher by 23.4% YoY but lower by 4.6% QoQ (9.5% above our and 2.4% above consensus estimates). It recorded the highest ever 1Q iron ore sales volume at ~11.5 MT, higher by 14.3% YoY (but lower by 9.1% QoQ as 4Q is a seasonally strong quarter). It also achieved record 1Q production at ~12.0 MT (higher by 30.5% YoY but lower by 9.9% QoQ). Realization came in at INR 5,383 per ton, marginally higher YoY and 7.4% higher sequentially, aided by INR 440/ton hike in price of lumps and fines in May'25 partly offset by a reduction of INR 140/ INR 150 for lumps and fines respectively in Jun'25. EBITDA at INR 24.8 bn increased by 5.0% YoY and 21.0% QoQ. EBITDA was 14.8% above our and 8.3% above consensus estimates, aided by higher realization and sequentially lower employee cost. Employee cost at INR 4.1 bn was up by 5.6% YoY but declined by 24.7% QoQ. EBITDA per ton came in at INR 2,152, lower by 8.2% YoY but higher by 33.1% QoQ, and was 14.7% above our estimate. Adjusted PAT came in at INR 19.7 bn; it decreased marginally YoY (lower other income) but increased by 31.6% QoQ (aided by lower depreciation and interest cost). We favor the company's net cash position and capacity expansion plans to support higher volume offtake. We roll over our estimates to 1HFY28E (from FY27E earlier) and maintain BUY rating with a revised TP of INR 91 (earlier INR 86) at a target multiple of 6x 1HFY28E EV/EBITDA.

Record 1Q production and sales volume; outlook positive

NMDC recorded the highest ever 1Q iron ore sales volume at ~11.5 MT, higher by 14.3% YoY (but lower by 9.1% QoQ as 4Q is a seasonally strong quarter). It also achieved record 1Q production at ~12.0 MT (higher by 30.5% YoY but lower by 9.9% QoQ). July'25 (provisional) volumes were strong with production at ~3.1 MT (up by 42.4% YoY) and sales at ~3.5 MT (up by 13.1% YoY). NMDC expanded its evacuation capacity with Rapid Wagon Loading System at Kirandul, and is expected to complete doubling of the 150-km rail line from Kirandul to Jagdalpur by 2HFY26 (raising evacuation capacity from the Bailadila sector mines from 29 mtpa to 40 mtpa). Phase 1 activities of slurry pipeline (incl. 2 mtpa ore processing plant at Bacheli, 15 mtpa slurry pipeline from Bacheli to Nagarnar, and 2 mtpa pellet plant at Nagarnar) are likely to be completed in FY26. The company also plans to commence mining coal from Rohne coal block in FY26 and has appointed a mine developer-cum-operator for the Tokisud North Coal Block (operations could commence in FY26).

Realization improved YoY and QoQ aided by price hike

Realization came in at INR 5,383 per ton, marginally higher YoY and 7.4% higher QoQ, aided by INR 440/ton hike in price of lumps and fines in May'25 partly offset by a reduction of INR 140/ INR 150 for lumps and fines respectively in Jun'25. EBITDA at INR 24.8 bn increased by 5.0% YoY and 21.0% QoQ. NMDC took a price cut of INR 500/ INR 600 per ton (fines and lumps respectively) in Jul'25 but hiked prices by INR 400 per ton in Aug'25 (aided by firm international ore prices). During 1QFY26, NMDC dispatched 560 KT of fines for conversion to DRI grade pellets (which command a premium of USD 30-50 per ton over 62/63 Fe grade pellets) to Kudremukh Iron Ore Company under their JV agreement entered into during 4QFY25.

Capex for capacity expansion to be funded through internal accruals

Management had guided for FY26 capex outlay at INR 40 bn (FY25 witnessed a capex of INR 28 bn), primarily focused on long-term capacity expansion. Total planned long term capex is INR 700 bn, aimed at raising capacity to 100 mtpa by FY31. The company reported a net cash balance of ~INR 58 bn at the end of Mar'25 and capex can be funded through internal accruals. RINL has commenced paying the outstanding dues to NMDC with fresh equity infusion by the government (receivables reduced from INR 40.5 bn at the end of 4QFY25 to INR 39.9 bn at the end of 1QFY26), and receivables from NMDC Steel are expected to be cleared by the end of FY26 with the company turning profitable in 1QFY26. We expect dividend yield to sustain at ~4%-6% over FY26-28.

Investment Summary

We favor NMDC's strong operational capacity, net cash position, capacity expansion plans (100 mtpa capacity by FY31 and long-term target of 10%-15% of revenue from non-iron ore segments like gold, magnetite, and lithium mining prospects in Australia). We roll over our estimates to 1HFY28E (from FY27E earlier) and maintain BUY rating with a revised TP of INR 91 (earlier INR 86) at a target multiple of 6x 1HFY28E EV/EBITDA.

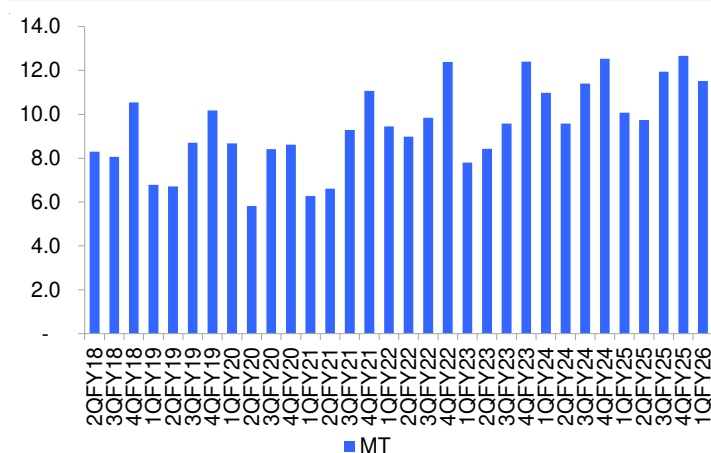
Table 1: Quarterly performance—standalone (INR mn)

	1QFY26	1QFY25	YoY (%)	4QFY25	QoQ (%)	FY26TD CPLY (FY25)	YoY (%)	
Sales	66,342	53,778	23.4	69,531	(4.6)	66,342	53,778	23.4
Cost of Material Consumed	963	40	2290.3	846	13.8	963	40	2,290.3
% of sales	1.5	0.1	138 bps	1.2	24 bps	1.5	0.1	138 bps
Royalty cost	26,802	20,228	32.5	29,002	(7.6)	26,802	20,228	32.5
Employee cost	4,101	3,882	5.6	5,444	(24.7)	4,101	3,882	5.6
% of sales	6.2	7.2	-104 bps	7.8	-165 bps	6.2	7.2	-104 bps
Other expenses	9,688	6,020	60.9	13,761	(29.6)	9,688	6,020	60.9
% of sales	14.6	11.2	341 bps	19.8	-519 bps	14.6	11.2	341 bps
Total Exp	41,555	30,170	37.7	49,053	(15.3)	41,555	30,170	37.7
EBITDA	24,787	23,608	5.0	20,478	21.0	24,787	23,608	5.0
Margin %	37.4	43.9	-654 bps	29.5	791 bps	37.4	43.9	-654 bps
Other income	2,979	3,645	(18.3)	4,908	(39.3)	2,979	3,645	(18.3)
Depreciation	1,055	736	43.3	1,228	(14.1)	1,055	736	43.3
Interest expenses	272	231	17.6	649	(58.2)	272	231	17.6
Profit Before Tax	26,440	26,286	0.6	23,509	12.5	26,440	26,286	0.6
Exceptional item	(1)	2	nm	-1.9	nm	(1)	2	nm
PBT after exceptional	26,439	26,288	0.6	23,507	12.5	26,439	26,288	0.6
Tax	6,753	6,444	4.8	8,545	(21.0)	6,753	6,444	4.8
Tax Rate %	25.5	24.5	103 bps	36.4	-1081 bps	25.5	24.5	103 bps
Reported Net Profit	19,686	19,840	(0.8)	14,962	31.6	19,686	19,840	(0.8)
Adjusted Net Profit	19,687	19,842	(0.8)	14,964	31.6	19,687	19,842	(0.8)

Operating metrics	1QFY26	1QFY25	YoY (%)	4QFY25	QoQ (%)	FY26TD CPLY (FY25)	YoY (%)	
Iron ore despatches (MT)	11.5	10.1	14.3	12.7	(9.1)	11.5	10.1	14.3
Iron ore realization (INR per ton)	5,383	5,334	0.9	5,013	7.4	5,383	5,334	0.9
EBITDA (INR per ton)	2,152	2,344	(8.2)	1,617	33.1	2,152	2,344	(8.2)

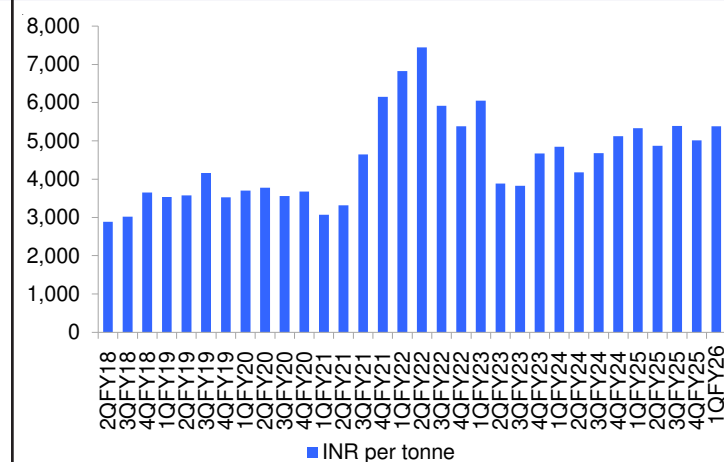
Source: Company, Antique

Exhibit 1: Volumes up YoY but down QoQ



Source: Company, Antique

Exhibit 2: Iron ore realization up YoY and QoQ



Source: Company, Antique

Table 2: NMDC’s target price

1HFY28e EBITDA - INR mn	1,07,729
EV/EBITDA multiple	6.0
Target EV - INR mn	6,46,372
Add: 1HFY28e net cash plus CWIP @0.4x	1,54,347
Target market capitalization - INR mn	8,00,719
Target price - INR per share	91

Source: Company, Antique

Financials

Profit and loss account (INR bn)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenues	213	237	253	278	303
Expenses	139	154	161	175	190
EBITDA	74	83	92	102	113
Depreciation & amortization	3	4	5	7	8
EBIT	70	79	87	96	105
Other income	14	16	15	15	16
Interest expense	1	2	2	2	2
Profit before tax	83	93	100	109	119
Extraordinaries	(3)	(0)	-	-	-
Tax	24	26	25	28	30
Profit after tax	56	67	74	81	89
Adjusted PAT	59	67	74	81	89
EPS (INR)	20.2	7.6	8.5	9.3	10.1

Balance sheet (INR bn)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Share Capital	3	9	9	9	9
Reserves & Surplus	251	287	332	381	435
Networth	254	296	341	390	444
Debt	34	43	43	43	43
Deferred tax/ other liabilities	(3)	(3)	(3)	(3)	(3)
Capital Employed	285	336	381	430	484
Gross Fixed Assets	51	71	91	121	151
Accumulated Depreciation	20	23	28	34	43
Net Assets	32	48	63	86	108
Capital work in progress	32	47	72	87	102
Investments	10	11	11	11	11
Current Assets Loans & Advances					
Inventory	27	26	22	23	24
Debtors	35	77	45	49	56
Cash & Bank	123	100	149	156	163
Loans & advances and others	92	95	93	99	108
Current Liabilities & Provisions					
Creditors	49	51	55	60	65
Provisions	17	18	20	22	23
Net Current Assets	211	229	234	245	262
Application of Funds	285	336	381	430	484

Per share data

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
No. of shares (mn)	2,931	8,792	8,792	8,792	8,792
BVPS (INR)	86.7	33.6	38.8	44.4	50.5
CEPS (INR)	21.3	8.0	9.0	10.0	11.0
DPS (INR)	7.3	3.3	3.3	3.7	4.0

Source: Company, Antique

Cash flow statement (INR bn)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	83	93	100	109	119
Depreciation	3	4	5	7	8
Interest	1	2	2	2	2
(Inc)/ Dec in working capital	24	(40)	43	(4)	(10)
Tax paid	(24)	(26)	(25)	(28)	(30)
CF from operating activities	87	32	125	86	89
Capex	(12)	(34)	(45)	(45)	(45)
(Inc)/ Dec in Investments	(1)	(1)	-	-	-
Income from investments	(3)	(0)	-	-	-
CF from investing activities	(16)	(36)	(45)	(45)	(45)
Inc/ (Dec) in share capital and premium	-	6	-	-	-
Inc/ (Dec) in debt	12	9	-	-	-
Dividends & Interest paid	(21)	(29)	(29)	(32)	(35)
Others	(10)	(5)	(2)	(2)	(2)
CF from financing activities	(19)	(19)	(31)	(34)	(37)
Net cash flow	52	(22)	49	7	7
Add: Opening balance	70	123	100	149	156
Closing balance	123	100	149	156	163

Growth indicators (%)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenue	20.5	11.2	6.8	10.0	9.1
EBITDA	21.3	12.3	11.6	11.2	10.3
PAT	37.8	13.2	11.3	9.4	9.0
EPS	37.8	(62.3)	11.3	9.4	9.0

Valuation

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	3.6	9.5	8.6	7.8	7.2
P/BV (x)	0.8	2.2	1.9	1.6	1.4
EV/EBITDA (x)	7.5	7.0	5.8	5.1	4.6
EV/Sales (x)	2.6	2.5	2.1	1.9	1.7
Dividend Yield (%)	10.0	4.5	4.6	5.1	5.5

Financial ratios

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
RoE	24.8	24.3	23.4	22.3	21.3
RoCE	29.5	28.2	27.5	27.9	25.9
Debt/Equity (x)	(0.4)	(0.2)	(0.3)	(0.3)	(0.3)

Margins (%)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
EBITDA	34.5	34.9	36.5	36.9	37.3
EBIT	33.0	33.3	34.5	34.5	34.6
PAT	27.8	28.3	29.5	29.3	29.3

Source: Company Antique

CMP	: INR 3,772
Reco	: HOLD ↔
Target Price	: INR 3,920 ↑
Target Price Change	: 2%
Target 1HFY28E P/E (x)	: 30
EPS Change FY26/ 27	: -6%/ -5%

Manish Mahawar

+91 22 6911 3427

manish.mahawar@antiquelimited.com

Riju Dalui

+91 22 6911 3431

riju.dalui@antiquelimited.com

Market data

Sensex	: 80,540
Sector	: Agrochemicals
Market Cap (INR bn)	: 572.4
Market Cap (USD bn)	: 6.546
O/S Shares (mn)	: 151.7
52-wk HI/LO (INR)	: 4804/2951
Avg. Daily Vol ('000)	: 206
Bloomberg	: PIIN

Source: Bloomberg

Valuation

	FY26e	FY27e	FY28e
EPS (INR)	107.0	122.7	141.2
BVPS (INR)	759.2	865.9	991.1
P/E(x)	35.2	30.7	26.7
P/BV(x)	5.0	4.4	3.8
RoE (%)	15.0	15.1	15.2

Source: Company, Antique

Returns (%)

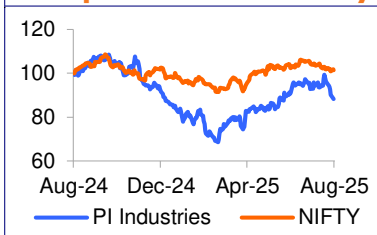
	1m	3m	6m	12m
Absolute	(7)	4	17	(14)
Relative	(5)	5	10	(15)

Source: Bloomberg

Shareholding pattern

Promoters	: 46%
Public	: 54%
Others	: 0%

Source: Bloomberg

Price performance vs Nifty

Source: Bloomberg Indexed to 100

1QFY26 RESULT REVIEW

PI Industries

Challenges continues in CSM business

PI Industries' (PI) 1QFY26 registered a weak set of numbers that are lower than our and consensus estimates led by poor topline growth. Revenue/ EBITDA/ PAT declined 8%/ 11%/ 11% YoY respectively on account of: a) A decline in the CSM business and b) Higher operational costs. Key highlights: 1) CSM revenue was down 14% YoY on account of lower volumes; however, new products grew 46% YoY and contributed 18%-20%. 2) Domestic revenue was up 6% YoY led by volumes, while biological products declined by 38% YoY. 3) Pharma revenue came in at INR 723 mn, up 190%/ -15% on YoY/ QoQ basis. 4) Gross margin improved ~570 bps YoY to 57%, mainly on account of improved product mix. 5) EBITDA margin was at 27% (ex-pharma at 32%), down 90 bps YoY. PI has maintained its FY26 topline growth at a single-digit with EBITDA margin at current levels. It expects to see recovery in CSM business from 2HFY26 onwards led by improved demand. Although it expects strong growth to continue in newly launched products in the CSM business. Further, scale-up of the pharma business in the next 2-3 years will provide strong growth visibility in the medium term. However, due to regulatory challenges domestic biological business was impacted negatively during the quarter and its revenue contribution was nil (~4% of total topline in FY25). Considering softness in CSM export business and challenges in the domestic business we have trimmed our FY26/ 27 EPS estimates by 6%/ 5%. We introduce FY28 estimates and roll over the TP to 1HFY28 EPS. Maintain HOLD with a revised TP of INR 3,920 (earlier INR 3,870), valuing the stock at 30x 1HFY28E EPS (five-yr. high/ low/ average 43x/ 33x/ 25x).

Established molecules in CSM business continue to be under pressure, though new products register strong growth

Consolidated revenue was at INR 19.0 bn, down 8% YoY (Antique's est. INR 23.7 bn). The CSM business was down 14% YoY due to lower volumes/ realization of -9%/ -5% YoY. However, new products in the CSM business registered strong growth of 46% YoY. The domestic business registered 6% YoY growth in revenue led by higher volumes. Biological products declined 38% YoY, mainly on account of regulatory challenges (ex-biological, the domestic business grew 13% YoY). Further, it is awaiting regulatory approvals to continue selling biological products in India, and the situation is expected to normalize in the coming months. Pharma registered 190% YoY topline growth to INR 723 mn.

Higher overheads impacted operating margins despite strong improvement in GM

Gross margin improved ~570 bps YoY to 57%, mainly led by improved product mix and lower RM costs. EBITDA was at INR 5.2 bn, down 11% YoY, below our estimate of INR 6.6 bn. While the EBITDA margin declined by 90 bps YoY to 27% due to higher employee costs and overheads, mainly related to development of new business and investments towards new product development and promotional activities. Employee costs/ other expenses at INR 2.3 bn/ INR 3.4 bn were up 16%/ 18% respectively. Standalone business EBITDA margin (ex-pharma) came in at 32%, up ~110 bps YoY. The pharma business reported an EBITDA loss of INR 441 mn due to high development spends which are expected to continue for the next few quarters. **The company has maintained its EBITDA margin guidance at current levels.**

Multiple levers to support future growth

CSM order book at USD 1.20 bn was down 23%/ 8% on YoY/ QoQ, which is executable in the next 4-5 years. Capex guidance for FY26 is INR 8-9 bn for commissioning two new dedicated plants. For the CSM business in FY26, the company expects to commercialize 8-10 new products to maintain strong growth momentum in newly launched products in the last three years. Expects the pharma business to register +75% growth in FY26 led by new customer addition. Working on new age electronic molecules which could provide strong growth in coming years.

Investment Summary

We believe a) Recovery in CSM from 2HFY26 onwards and growth in the domestic market, b) A robust pipeline of product launches for 3-4 years, c) Strong growth in new products, and d) Scale-up of the pharma business will continue to drive growth for PI over the medium term. PI has provided single-digit YoY topline growth guidance with EBITDA margin sustaining at 26% levels. Maintain HOLD.

Conference Call Highlights

■ CSM business:

- The order book size at USD 1.2 bn will provide growth visibility to the CSM business for the next 4-5 years.
- Aiming to commercialize six to seven new products in FY26. Expects growth to come from newly launched products.
- Newly launched products (over the last 3 years) registered 46% YoY growth.
- New product contribution will increase to 30%-35% over the next 2-3 years from the current 18%-20%.
- Expects growth recovery in the CSM business in 2HFY26.
- Started working on electronics and specialty chemical segment and expects good growth to come from the new segment in coming years.
- As of now management does not see any major impact of US tariff.

■ Domestic business:

- Brand business was up 6%, mainly driven by volumes, which are up 7%.
- Registered decent volume growth, however, prices are down due to high competition in the market.
- Biologicals business registered 38% decline in revenue due to regulatory challenges and the revenue contribution has now become zero. Management expects regulatory clarity to come in coming months.
- The biological business contributed ~20% to domestic agro-chemical business topline in FY25.
- The company has a pipeline of 20+ products at different stages of registration.
- In the domestic market, the company launched two new products during the quarter, namely Alcor (a systemic herbicide) and Comet (post emergent herbicide). Further, it expects to launch another three products during the year.

■ Pharma business:

- The current phase is focused on foundation-building; targeting breakeven EBITDA in 12-18 months and 2-3x revenue growth in 3-5 years.
- Two large pharma clients onboarded; on track to add two more by year-end, providing a stable revenue base.
- Strong growth in 1QFY26 was driven by deeper relationships with biotech and big pharma innovators.
- Gross margin improved to 55% vs. 52% YoY on account of favorable product mix.
- Maintained +75% revenue growth in FY26 with improvement in margin.

- **Capex:** PI has provided a capex guidance of INR 8-9 bn for FY26. This will include INR 1 bn capex for pharma and the rest is for agri input business.

- **Trade working capital:** Increased to 91 days vs. 73 days in the base quarter. This is due to the delayed season in domestic agri business and phasing of agchem exports in 1Q impacting receivable days.

- **Cash balance:** Net cash balance stood at INR 41.6 bn.

Table 1: Financial snapshot - (Consolidated)

(INR mn)	Q1 FY26	Q1 FY25	YoY (%)	Q4 FY25	QoQ (%)	FY26E	FY25	YoY (%)
Revenues	19,005	20,689	(8.1)	17,871	6.3	79,040	79,778	(0.9)
Cost of Material Consumed	8,091	9,977	(18.9)	8,030	0.8	35,498	37,711	(5.9)
% of sales	42.6	48.2	(565 bps)	44.9	(236 bps)	44.9	47.3	(236 bps)
Employee cost	2,323	2,001	16.1	1,970	17.9	9,090	7,837	16.0
% of sales	12.2	9.7	255 bps	11.0	120 bps	11.5	9.8	168 bps
Other expenses	3,400	2,879	18.1	3,315	2.6	13,042	12,440	4.8
% of sales	17.9	13.9	397 bps	18.5	(66 bps)	16.5	15.6	91 bps
Total expenditure	13,814	14,857	(7.0)	13,315	3.7	57,629	57,988	(0.6)
EBITDA	5,191	5,832	(11.0)	4,556	13.9	21,411	21,790	(1.7)
Margin %	27.3	28.2	(88 bps)	25.5	182 bps	27.1	27.3	(22 bps)
Other income	859	727	18.2	734	17.0	3,786	3,442	10.0
Depreciation	965	834	15.7	902	7.0	4,102	3,525	16.4
Interest expenses	39	83	(53.0)	79	(50.6)	160	330	(51.5)
Profit Before Tax	5,046	5,642	(10.6)	4,309	17.1	20,935	21,377	(2.1)
PBT after exceptional	5,046	5,642	(10.6)	4,309	17.1	20,935	21,377	(2.1)
Tax	1,074	1,175	(8.6)	1,017	5.6	4,710	4,818	(2.2)
Tax Rate %	21.3	20.8	46 bps	23.6	(232 bps)	22.5	22.5	(4 bps)
Reported Net Profit	3,972	4,467	(11.1)	3,292	20.7	16,225	16,559	(2.0)
Adjusted Net Profit	4,000	4,488	(10.9)	3,305	21.0	16,268	16,602	(2.0)
EPS	26.4	29.6	(10.9)	21.8	21.0	107.4	109.6	(2.0)

Source: Company, Antique

Table 2: Actual vs. estimated performance

(INR mn)	Actual (Reported)	ASBLe	Var (%)	Cons. Est.	Var (%)
Revenues	19,005	23,738	(19.9)	22,347	(15.0)
EBITDA	5,191	6,562	(20.9)	6,144	(15.5)
EBITDA margins (%)	27.3	27.6	(33)	27.5	(18)
Adjusted PAT	4,000	5,024	(20.4)	4,580	(12.7)

Source: Company, Antique

Table 3: Change in estimates

	FY26E			FY27E		
	Old	New	Change (%)	Old	New	Change (%)
Revenue	83,864	79,040	(5.8)	94,527	91,384	(3.3)
EBITDA	22,733	21,411	(5.8)	25,538	24,389	(4.5)
EBITDA Margin(%)	27.1	27.1	-1.8 bps	27.0	26.7	-32.9 bps
PAT	17,373	16,268	(6.4)	19,671	18,645	(5.2)
EPS	114.3	107.0	(6.4)	129.4	122.7	(5.2)

Source: Company, Antique

Table 4: Key technical prices

Particulars (INR/kg)	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Amisulbrom	10,896	11,291	11,424	11,405	10,893	10,938	--	--	--	--	7,690	--
YoY Growth (%)	--	10%	13%	10%	0%	-3%	--	--	--	--	--	--
QoQ Growth (%)	5%	4%	1%	0%	-4%	0%	--	--	--	--	--	--
AE 747 ETHER	4,213	4,243	3,988	3,988	4,010	3,968	3,772	-	3,807	3,293	3,341	--
YoY Growth (%)	31%	31%	12%	1%	-5%	-6%	-5%	--	-5%	-17%	-11%	--
QoQ Growth (%)	7%	1%	-6%	0%	1%	-1%	-5%	--	--	-14%	1%	--
Metominostrobin	2,825	2,936	2,916	2,916	2,681	2,921	2,858	2,424	2,421	2,445	2,422	2,387
YoY Growth (%)	12%	24%	14%	8%	-5%	-1%	-2%	-17%	-10%	-16%	-15%	-2%
QoQ Growth (%)	5%	4%	-1%	0%	-8%	9%	-2%	-15%	0%	1%	-1%	-1%
PCM (Herbicide Intermediate)	3,719	3,789	3,586	3,614	3,285	3,193	3,185	3,212	3,054	3,073	3,146	3,114
YoY Growth (%)	30%	19%	7%	-1%	-12%	-16%	-11%	-11%	-7%	-4%	-1%	-3%
QoQ Growth (%)	2%	2%	-5%	1%	-9%	-3%	0%	1%	-5%	1%	2%	-1%
Pyroxasulfone	6,898	7,096	7,140	7,116	7,157	7,210	7,102	7,067	7,098	7,138	6,824	6,580
YoY Growth (%)	20%	21%	8%	4%	4%	2%	-1%	-1%	-1%	-1%	-4%	-7%
QoQ Growth (%)	0%	3%	1%	0%	1%	1%	-2%	0%	0%	1%	-4%	-4%
Tefuryltrione	8,494	8,700		8,293	8,343	8,402	8,399	7,927	7,956	--	8,061	7,919
YoY Growth (%)	22%	22%	--	-2%	-2%	-3%	--	-4%	-5%	--	-4%	0%
QoQ Growth (%)	0%	2%	--	--	1%	1%	0%	-6%	0%	--	--	--
Triazole Intermediate				3,366	3,385	4,000	3,120	3,140	3,146	--	--	--
YoY Growth (%)	--	--	--	--	--	--	--	-7%	-7%	--	--	--
QoQ Growth (%)	--	--	--	--	1%	18%	-22%	1%	0%	--	--	--
Fluidapyr - New Product	6,853	7,176	6,847	6,812	--	--	6,428	6,311	6,317	6,371	6,108	5,885
YoY Growth (%)	--	--	--	--	--	--	-6%	-7%	--	--	-5%	-7%
QoQ Growth (%)	--	5%	-5%	-1%	--	--	--	-2%	0%	1%	-4%	-4%
Fluxapyroxad - New Product							6,708	6,708	-	-	5,902	4,387
YoY Growth (%)	--	--	--	--	--	--	--	--	--	--	-12%	-35%
QoQ Growth (%)	--	--	--	--	--	--	--	--	--	--	--	-26%
Saflufenacil - New Product			5,646	6,816	6,891	6,901	6,506	5,825	5,760	5,831	5,785	5,635
YoY Growth (%)	--	--	--	--	--	--	15%	-15%	-16%	-16%	-11%	-3%
QoQ Growth (%)	--	--	--	--	--	--	-6%	-10%	-1%	1%	-1%	-3%

Source: Antique

Table 5: Quarterly revenue and growth

Particulars (INR in mn)	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
CSM Revenue	12,783	13,286	12,814	15,187	15,610	15,037	13,986	17,241	17,199	15,565	13,638	14,897
Growth YoY (%)	28.7	23.5	15.0	33.0	22.1	13.2	9.1	13.5	10.2	3.5	(2.5)	(13.6)
Domestic Revenue	4,917	2,846	2,842	3,474	4,840	2,665	2,709	3,195	4,600	2,806	3,383	3,385
Growth YoY(%)	36.2	1.5	1.1	(13.4)	(1.6)	(6.4)	(4.7)	(8.0)	(5.0)	5.3	24.9	5.9
Pharma Revenue				443	719	1,273	715	253	411	637	850	723
Total Revenue	17,700	16,132	15,656	19,104	21,169	18,975	17,410	20,689	22,210	19,008	17,871	19,005
Growth YoY(%)	30.7	18.9	12.2	23.8	19.6	17.6	11.2	8.3	4.9	0.2	2.6	(8.1)

Source: Company, Antique

Table 6: Quarterly EBITDA and EBITDA margin

Particulars (INR in mn)	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
EBITDA	4,319	4,151	3,428	4,678	5,514	5,536	4,418	5,832	6,282	5,120	4,556	5,191
EBITDA Margin (%)	24.4	25.7	21.9	24.5	26.0	29.2	25.4	28.2	28.3	26.9	25.5	27.3

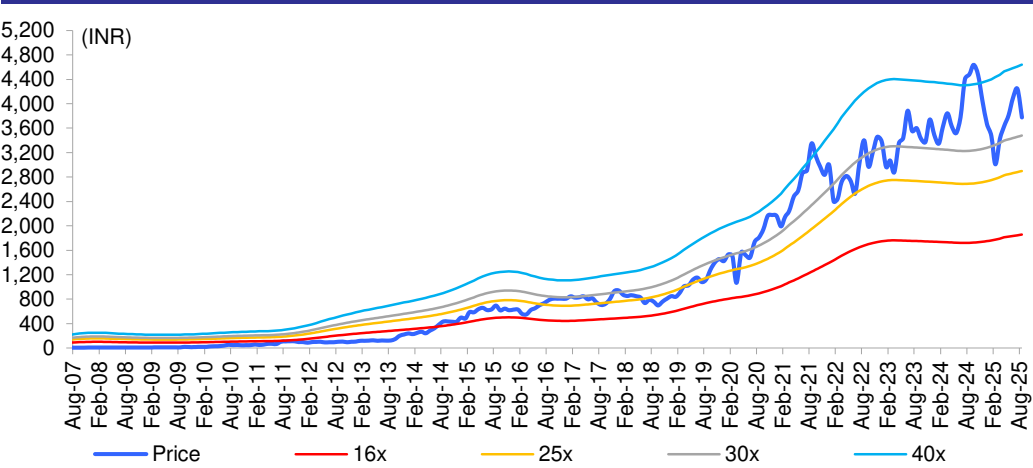
Source: Company, Antique

Table 7: Quarterly CSM order book and YoY growth

Particulars (USD in mn)	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
CSM Order book	1,800	1,800	1,800	1,800	1,800	1,700	1,750	1,550	1,450	1,400	1,300	1,200
Growth YoY (%)	29	29	29	29	-	(6)	(3)	(14)	(19)	(18)	(26)	(23)

Source: Company, Antique

Exhibit 1: One-year forward PE



Source: Bloomberg, Antique

Financials

Profit and loss account (INR mn)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Net Revenue	76,658	79,778	79,040	91,384	1,02,550
Gross Profit	38,282	42,067	43,542	48,605	53,926
Op. Expenses	56,511	57,988	57,629	66,995	74,774
EBITDA	20,147	21,790	21,411	24,389	27,776
Depreciation	3,082	3,525	4,102	4,769	5,436
EBIT	17,065	18,265	17,309	19,620	22,340
Other income	2,077	3,442	3,786	4,543	5,452
Interest Exp.	300	330	160	160	160
Reported PBT	18,842	21,377	20,935	24,003	27,632
Tax	2,132	4,818	4,710	5,401	6,217
Reported PAT	16,710	16,559	16,225	18,602	21,415
Minority Int./Profit (loss) From Asso.	105	43	43	43	43
Net Profit	16,605	16,516	16,182	18,559	21,372
Adjusted PAT	16,815	16,602	16,268	18,645	21,458
Adjusted EPS (INR)	110.6	109.2	107.0	122.7	141.2

Balance sheet (INR mn)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Share Capital	152	152	152	152	152
Reserves & Surplus	87,158	1,01,418	1,15,254	1,31,467	1,50,493
Networth	87,310	1,01,570	1,15,406	1,31,619	1,50,645
Debt	1,279	1,117	780	780	780
Net deferred Tax liabilities	(267)	278	278	278	278
Capital Employed	88,322	1,02,965	1,16,464	1,32,677	1,51,703
Gross Fixed Assets	48,616	58,604	67,104	75,604	84,104
Accumulated Depreciation	12,283	14,856	18,958	23,727	29,163
Capital work in progress	1,731	3,841	3,841	3,841	3,841
Net Fixed Assets	38,064	47,589	51,987	55,718	58,782
Investments	13,363	15,314	15,314	15,314	15,314
Non Current Investments	903	2,716	2,716	2,716	2,716
Current Investments	12,460	12,598	12,598	12,598	12,598
Current Assets, Loans & Adv.	55,744	59,591	61,452	74,932	91,695
Inventory	13,012	9,839	5,835	7,032	7,993
Debtors	9,299	14,058	11,910	12,518	14,048
Cash & Bank balance	27,039	24,996	33,009	44,684	58,956
Loans & advances and others	6,394	10,698	10,698	10,698	10,698
Current Liabilities & Provisions	18,849	19,529	12,290	13,287	14,088
Liabilities	11,484	12,102	4,863	5,860	6,661
Provisions	7,365	7,427	7,427	7,427	7,427
Net Current Assets	36,895	40,062	49,163	61,645	77,607
Application of Funds	88,322	1,02,965	1,16,464	1,32,677	1,51,703

Per share data

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
No. of shares (mn)	152	152	152	152	152
Diluted no. of shares (mn)	152	152	152	152	152
BVPS (INR)	574.4	668.2	759.2	865.9	991.1
CEPS (INR)	130.2	132.1	133.7	153.8	176.7
DPS (INR)	15.0	16.0	16.0	16.0	16.0

Source: Company, Antique

Cash flow statement (INR mn)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	18,947	21,420	20,935	24,003	27,632
Depreciation & amortization	3,082	3,525	4,102	4,769	5,436
Interest expense	300	330	160	160	160
(Inc)/Dec in working capital	3,671	(4,472)	(1,088)	(808)	(1,690)
Tax paid	(3,750)	(3,837)	(4,710)	(5,401)	(6,217)
Less: Interest/Div. Income Recd.	(1,249)	(2,227)	(3,786)	(4,543)	(5,452)
Other operating Cash Flow	(533)	(173)	-	-	-
CF from operating activities	20,359	14,130	15,656	18,223	19,912
Capital expenditure	(6,190)	(8,379)	(8,500)	(8,500)	(8,500)
Inc/(Dec) in investments	(12,811)	(6,290)	-	-	-
Add: Interest/Div. Income Recd.	996	427	3,786	4,543	5,452
CF from investing activities	(18,005)	(14,242)	(4,714)	(3,957)	(3,048)
Inc/(Dec) in debt	(19)	(450)	(337)	-	-
Dividend Paid	(1,744)	(2,276)	(2,432)	(2,432)	(2,432)
Others	(453)	(139)	(160)	(160)	(160)
CF from financing activities	(2,216)	(2,865)	(2,929)	(2,592)	(2,592)
Net cash flow	138	(2,977)	8,013	11,675	14,272
Opening balance	8,727	8,865	5,888	13,901	25,576
Closing balance	8,865	5,888	13,901	25,576	39,848
Bank Balance	18,174	19,108	19,108	19,108	19,108
Cash and Bank Balance	27,039	24,996	33,009	44,684	58,956

Growth indicators (%)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenue (%)	18.1	4.1	(0.9)	15.6	12.2
EBITDA (%)	30.6	8.2	(1.7)	13.9	13.9
Adj PAT (%)	36.8	(1.3)	(2.0)	14.6	15.1
Adj EPS (%)	36.8	(1.3)	(2.0)	14.6	15.1

Valuation (x)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	34.1	34.5	35.2	30.7	26.7
P/BV (x)	6.6	5.6	5.0	4.4	3.8
EV/EBITDA (x)	26.5	24.6	24.6	21.1	18.0
EV/Sales (x)	7.0	6.7	6.7	5.6	4.9
Dividend Yield (%)	0.4	0.4	0.4	0.4	0.4

Financial ratios

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
RoE (%)	21.1	17.6	15.0	15.1	15.2
RoCE (%)	23.8	22.7	19.2	19.4	19.5
Asset/T.O (x)	1.1	1.0	0.8	0.8	0.8
Net Debt/Equity (x)	(0.4)	(0.4)	(0.4)	(0.4)	(0.5)
EBIT/Interest (x)	63.8	65.8	131.8	151.0	173.7

Margins (%)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
EBITDA Margin(%)	26.3	27.3	27.1	26.7	27.1
EBIT Margin(%)	22.3	22.9	21.9	21.5	21.8
PAT Margin(%)	21.4	19.9	19.6	19.4	19.9

Source: Company Antique

CMP	: INR 1,591
Reco	: BUY ↔
Target Price	: INR 1,951 ↓
Target Price Change	: -3%
Target 1HFY28E P/E (x)	: 50
EPS Change FY26/ 27	: -6%/ -11%

Amit Shah

+91 22 6911 3466
amit.shah@antiquelimited.com

Dhirendra Tiwari

+91 22 6911 3436
dhirendra.tiwari@antiquelimited.com

Market data

Sensex	:	80,540
Sector	:	Defense
Market Cap (INR bn)	:	583.2
Market Cap (USD bn)	:	6.670
O/S Shares (mn)	:	366.6
52-wk HI/LO (INR)	:	2097/890
Avg. Daily Vol ('000)	:	1,768
Bloomberg	:	BDL IN

Source: Bloomberg

Valuation

	FY26e	FY27e	FY28e
EPS (INR)	24.9	35.9	42.1
P/E (x)	63.8	44.3	37.8
P/BV (x)	12.7	10.7	9.1
EV/EBITDA (x)	66.2	41.2	33.2
Dividend Yield (%)	0.5	0.7	0.8

Source: Bloomberg

Returns (%)

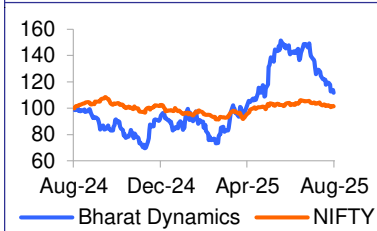
	1m	3m	6m	12m
Absolute	(14)	(9)	36	19
Relative	(12)	(8)	29	17

Source: Bloomberg

Shareholding pattern

Promoters	:	75%
Public	:	25%
Others	:	0%

Source: Bloomberg

Price performance vs Nifty

Source: Bloomberg Indexed to 100

1QFY26 RESULT REVIEW

Bharat Dynamics

A soft quarter; maintain BUY

Bharat Dynamics' (BDL) 1QFY26 results missed our expectations on all fronts impacted by subdued execution and fixed cost under absorption. Revenue growth of 30% YoY was supported by a benign 1QFY25 base, despite which a loss was incurred at the operating and net level given fixed cost under absorption. However, given the focus on execution of export orders with streamlined supply chain in place and geopolitical issues between Israel and Hamas subsiding, BDL is expected to retain its execution momentum in FY26 and clock +30% revenue growth as it has a large unexecuted order book of INR 200 bn+. Given the elevated R&D expenses likely to be incurred in FY26, the operating margin will see only a limited improvement of 50 bps YoY to 18.8%. In spite of which we expect the margin to see a sharp improvement in FY27 as R&D expenditure stabilizes post FY26. We marginally trim our FY26/ 27E EPS by 6%/ 11% respectively and retain BUY rating on the stock with a revised TP of INR 1,951 (earlier INR 2,006), valuing the stock at 50x 1HFY28E EPS (earlier 50x FY27E EPS).

1QFY26 result snapshot

- **Sales** at INR 2.5 bn (+30% YoY), below our estimate of INR 2.7 b (consensus INR 2.5 bn).
- **Gross margin** at 76.1% (-700 bps YoY) and below our expectation of 79%.
- **Other expenses** for the quarter stood at INR 1.0 bn (41% of sales vs. 33.6% of sales in 1QFY25; est. of 24% of sales).
- **Operating loss for the quarter** stood at INR 454 mn (INR 523 mn loss YoY) against our estimate of INR 28 mn profit (consensus INR 504 mn loss).
- **Other income** at INR 869 mn (+8% YoY) was below our estimate of INR 844 mn.
- **PAT** at INR 183 mn (+154% YoY), below our estimate of INR 515 mn (consensus INR 170 mn).

Ordering momentum to continue; INR 250 bn+ worth of orders expected by FY28E

BDL reported INR 66.6 bn worth of orders in FY25 supported by finalization of Medium Range Surface to Air Missiles (MRSAM), supply of armaments to the Indian armed forces resulting in a robust order book of INR 200 bn, providing healthy revenue visibility of 6x its TTM revenue. Incrementally, the ordering pipeline (INR 200 bn+) looks equally strong from the next two to three-year perspective, with large-ticket orders like Astra MK II, QRSAM, and MRSAM expected to be finalized.

Supply chain issues to normalize; execution to ramp-up in FY26

Despite a strong order backlog of ~INR 200 bn, BDL's execution has not been at its full potential given the supply chain challenges that it faced over the last two year, however, those issues now seem to be gradually getting ironed out. Execution is expected to pick-up leading to revenue growth of +30% in FY26 as supply chain issues, which were prevalent on account of geopolitical issues between Israel and Hamas, gets normalized. We believe normalization of supply chain and development of an alternate supply chain would help BDL smoothly execute the large order backlog it has accumulated over the last three years.

Investment Summary

Given the strong business outlook and a huge export opportunity available to BDL, we continue to remain positive on the company's long-term business prospects and maintain our positive stance on the company. We maintain BUY rating on the stock with a revised TP of INR 1,951 (50x 1HFY28E EPS).

Table 1: Quarterly performance

Particulars (INR mn)	1 QFY26	1 QFY25	YoY (%)	4 QFY25	QoQ (%)	FY26	FY25	YoY (%)
Total revenues (net)	2,479	1,912	29.7	17,770	(86.0)	42,735	33,451	27.8
RM	592	322	83.7	10,522	(94.4)	22,137	16,779	31.9
% of Sales	23.9	16.9	702 bps	59.2	-3532 bps	51.8	50.2	164 bps
Staff cost	1,320	1,471	(10.3)	1,379	(4.3)	6,210	5,488	13.2
% of Sales	53.2	76.9	-2371 bps	7.8	4547 bps	14.5	16.4	-188 bps
Other operating expenses	1,021	642	59.1	2,812	(63.7)	6,494	5,046	28.7
% of Sales	41.2	33.6	762 bps	15.8	2536 bps	15.2	15.1	11 bps
Total expenditure	2,933	2,435	20.5	14,712	(80.1)	34,840	27,313	27.6
EBITDA	(454)	(523)	(13.3)	3,058	(114.8)	7,895	6,138	28.6
EBITDA Margin (%)	(18.3)	(27.4)	907 bps	17.2	-3551 bps	18.5	18.3	13 bps
Depreciation	177	157	12.7	197	(10.1)	783	707	10.7
Interest	7	12	(39.7)	7	(2.4)	34	33	2.0
Other income	869	804	8.1	996	(12.8)	5,134	3,504	46.5
Extraordinary items	-	-		(49)		-	(1,076)	
PBT	231	112	105.9	3,850	(94)	12,212	8,902	37.2
Tax	48	40	19.1	1,054	(95.5)	3,077	1,991	54.6
Tax rate (%)	20.7	35.8	-1508 bps	27.4	-670 bps	25.2	22.4	283 bps
Reported net profit	183	72	154.3	2,746	(93)	9,135	5,834	56.6
Adjusted net profit	183	72	154.3	2,796	(93)	9,135	6,910	32.2
EPS (INR)	1.0	0.4	154.3	15.3	(93)	24.9	18.9	32.2

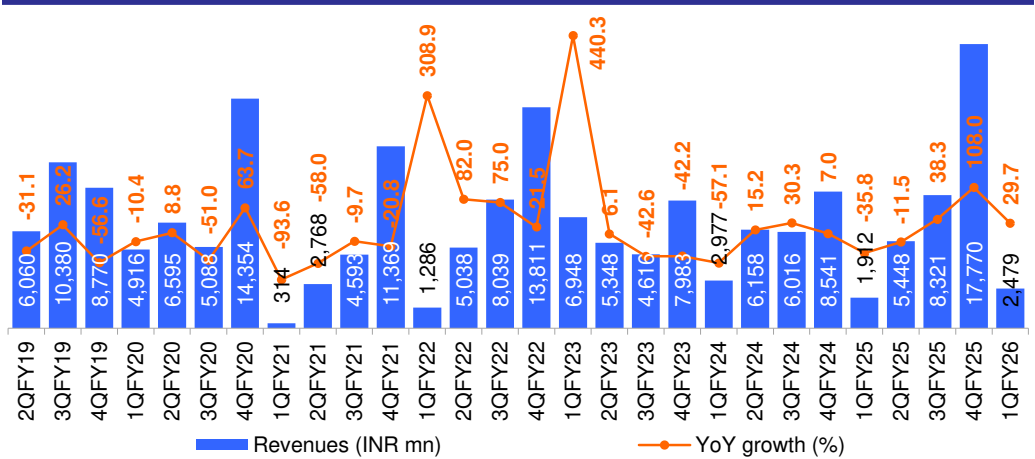
Source: Company, Antique

Table 2: Change in earnings estimates

INR mn	Old		New		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	45,817	63,565	42,735	55,956	-7%	-12%
EBITDA	8,912	15,272	7,895	12,578	-11%	-18%
EBITDA margin	19.5%	24.0%	18.5%	22.5%	-1.0%	-1.5%
Reported PAT	9,716	14,705	9,135	13,159	-6%	-11%
Adj. PAT	9,716	14,705	9,135	13,159	-6%	-11%

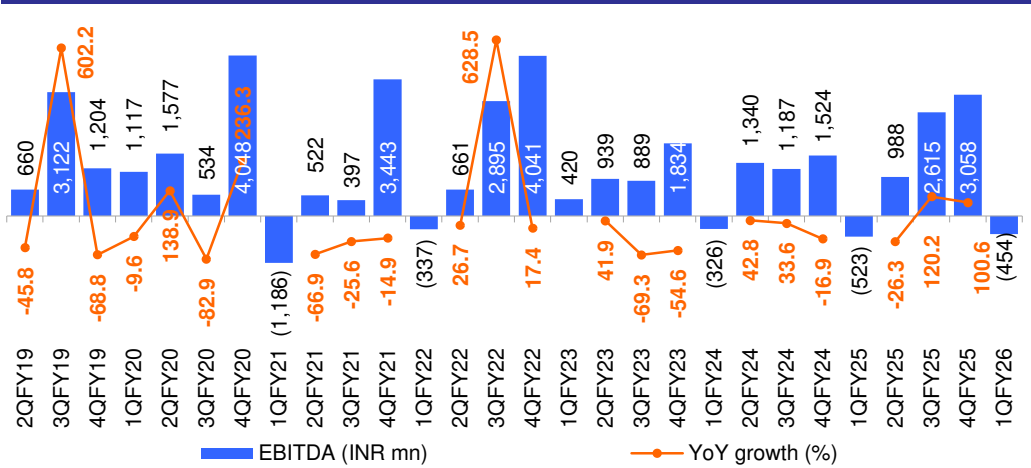
Source: Company, Antique

Exhibit 1: Witnesses revenue growth of 30% YoY



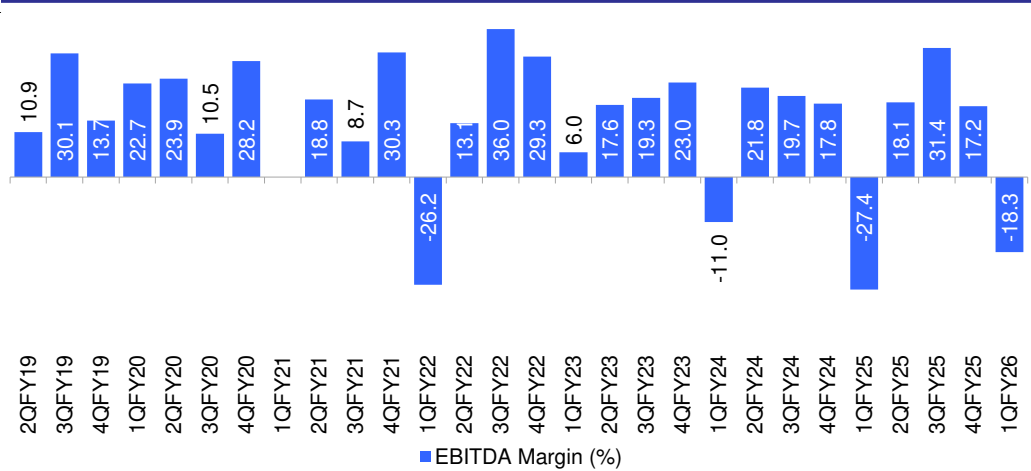
Source: Company, Antique

Exhibit 2: Operating loss stood at INR 454 mn



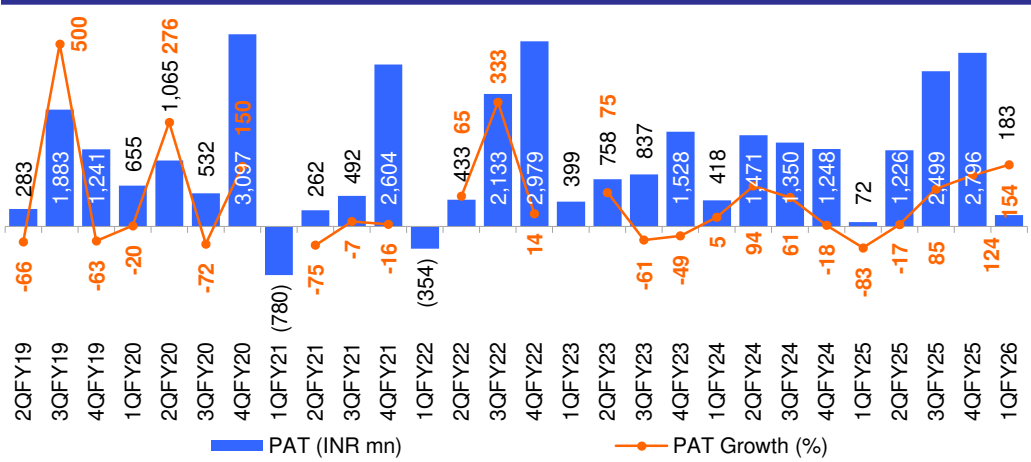
Source: Company, Antique

Exhibit 3: Posts negative EBITDA margin of 18%



Source: Company, Antique

Exhibit 4: Registers adj. PAT growth of 154% YoY



Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Net Revenue	23,693	33,451	42,735	55,956	68,084
Op. Expenses	19,967	27,313	34,840	43,378	52,391
Gross Profit	13,079	16,672	20,598	28,314	34,450
EBITDA	3,726	6,138	7,895	12,578	15,693
Depreciation	670	707	783	808	833
EBIT	3,055	5,431	7,112	11,770	14,860
Other income	3,618	3,504	5,134	5,857	5,827
Interest Exp.	31	33	34	34	35
Extra Ordinary Items -gain/(loss)	1,640	(1,076)	-	-	-
Reported PBT	6,642	8,902	12,212	17,593	20,652
Tax	2,155	1,991	3,077	4,433	5,204
Reported PAT	6,127	5,834	9,135	13,159	15,448
Net Profit	6,127	5,834	9,135	13,159	15,448
Adjusted PAT	4,487	6,910	9,135	13,159	15,448
Adjusted EPS (INR)	12.2	18.9	24.9	35.9	42.1

Balance sheet (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Share Capital	1,833	1,833	1,833	1,833	1,833
Reserves & Surplus	34,535	38,257	44,089	52,492	62,355
Networth	36,368	40,090	45,922	54,324	64,188
Debt	-	471	471	471	471
Net deferred Tax liabilities	(707)	(1,227)	(1,227)	(1,227)	(1,227)
Capital Employed	35,661	39,333	45,166	53,568	63,431
Gross Fixed Assets	15,092	14,212	15,907	16,407	16,907
Accumulated Depreciation	6,856	7,538	8,321	9,129	9,962
Capital work in progress	729	1,171	743	743	743
Net Fixed Assets	8,965	7,845	8,329	8,021	7,689
Investments	-	1,070	-	-	-
Current Assets, Loans & Adv.	93,728	1,07,283	1,26,673	1,49,003	1,62,310
Inventory	19,825	26,451	33,865	42,287	51,452
Debtors	3,104	8,264	3,169	4,149	5,048
Cash & Bank balance	42,285	41,904	61,144	66,021	61,992
Loans & advances and others	28,514	30,664	28,496	36,545	43,817
Current Liabilities & Provisions	67,032	76,864	89,837	1,03,456	1,06,567
Liabilities	63,029	71,784	84,005	95,883	97,380
Provisions	4,003	5,081	5,832	7,573	9,187
Net Current Assets	26,696	30,418	36,836	45,547	55,743
Application of Funds	35,661	39,333	45,166	53,568	63,431

Per share data

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
No. of shares (mn)	367	367	367	367	367
Diluted no. of shares (mn)	367	367	367	367	367
BVPS (INR)	99.2	109.4	125.3	148.2	175.1
CEPS (INR)	18.5	17.8	27.1	38.1	44.4
DPS (INR)	5.3	5.8	7.5	10.8	12.6

Source: Company, Antique

Cash flow statement (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	6,642	8,902	12,212	17,593	20,652
Depreciation & amortization	670	707	783	808	833
Interest expense	31	33	34	34	35
(Inc)/Dec in working capital	(278)	(4,103)	12,822	(3,833)	(14,225)
Tax paid	(2,298)	(2,511)	(3,077)	(4,433)	(5,204)
Less: Interest/Div. Income Recd.	(3,618)	(3,504)	(5,134)	(5,857)	(5,827)
CF from operating activities	1,149	(477)	17,640	4,312	(3,737)
Capital expenditure	(921)	438	(1,267)	(500)	(500)
Inc/(Dec) in investments	-	(1,070)	1,070	-	-
Add: Interest/Div. Income Recd.	3,618	3,504	5,134	5,857	5,827
CF from investing activities	4,452	1,771	4,937	5,357	5,327
Inc/(Dec) in debt	-	471	-	-	-
Dividend Paid	(2,304)	(2,543)	(3,302)	(4,757)	(5,584)
Others	430	430	(0)	0	(0)
CF from financing activities	(1,905)	(1,675)	(3,336)	(4,792)	(5,619)
Net cash flow	3,696	(381)	19,241	4,877	(4,029)
Opening balance	38,589	42,285	41,904	61,144	66,021
Closing balance	42,285	41,904	61,144	66,021	61,992

Growth indicators (%)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenue	(4.8)	41.2	27.8	30.9	21.7
EBITDA	(8.7)	64.7	28.6	59.3	24.8
Adj PAT	27.4	54.0	32.2	44.1	17.4
Adj EPS	27.4	54.0	32.2	44.1	17.4

Valuation (x)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	130.0	84.4	63.8	44.3	37.8
P/BV (x)	16.0	14.5	12.7	10.7	9.1
EV/EBITDA (x)	145.2	88.3	66.2	41.2	33.2
EV/Sales (x)	22.8	16.2	12.2	9.3	7.7
Dividend Yield (%)	0.3	0.4	0.5	0.7	0.8

Financial ratios

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
RoE (%)	13.1	18.1	21.2	26.3	26.1
RoCE (%)	13.4	18.5	21.7	26.7	26.5
Asset/T.O (x)	0.7	0.9	1.0	1.1	1.2
Net Debt/Equity (x)	(1.2)	(1.0)	(1.3)	(1.2)	(1.0)
EBIT/Interest (x)	214.9	270.0	362.8	512.0	589.1

Margins (%)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
EBITDA Margin	15.7	18.3	18.5	22.5	23.0
EBIT Margin	12.9	16.2	16.6	21.0	21.8
PAT Margin	18.9	20.7	21.4	23.5	22.7

Source: Company Antique

CMP	: INR 640
Reco	: HOLD ↔
Target Price	: INR 743 ↑
Target Price Change	: 14%
Target 1HFY28e P/E (x)	: 65
EPS Change FY26/ 27	: -3%/ -2%

Abhijeet Kundu

+91 22 6911 3430
abhijeet.kundu@antiquelimited.com

Anuj D

+91 22 6911 3445
anuj.d@antiquelimited.com

Jaini Solanki

+91 22 6911 3435
Jaini.solanki@antiquelimited.com

Market data

Sensex	:	80,540
Sector	:	Restaurants
Market Cap (INR bn)	:	422.1
Market Cap (USD bn)	:	4.828
O/S Shares (mn)	:	659.8
52-wk HI/LO (INR)	:	797/558
Avg. Daily Vol ('000)	:	1,883
Bloomberg	:	JUBI IN

Source: Bloomberg

Valuation

	FY26e	FY27e	FY28e
EPS (INR)	6.1	10.1	12.8
P/E (x)	105.5	63.5	50.1
P/BV (x)	18.6	15.6	12.7
EV/EBITDA (x)	22.3	18.0	15.6
Dividend Yield (%)	0.5	0.5	0.5

Source: Company, Antique

Returns (%)

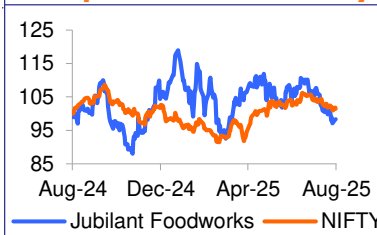
	1m	3m	6m	12m
Absolute	(6)	(9)	(3)	(1)
Relative	(4)	(8)	(9)	(2)

Source: Bloomberg

Shareholding pattern

Promoters	:	41%
Public	:	59%
Others	:	0%

Source: Bloomberg

Price performance vs Nifty

Source: Bloomberg Indexed to 100

1QFY26 RESULT REVIEW

Jubilant Foodworks

Value offerings and delivery channel restrict profitability

Jubilant Foodworks' (JUBI) 1QFY26 profitability was below our expectations with India Domino's strong LFL growth of ~12%. Gross margin contracted ~200 bps due to increasing salience of value offerings. EBITDA margin contracted only 33 bps YoY to 19% despite higher GM contraction, offset by controlled overheads. India Domino's performance was driven by strong growth in delivery channel (revenue/ LFL growth of 25%/ 20%). Dine-in grew 2.5%, an outperformance within the industry, driven by lunch hour meals. Management initiatives like waiver of delivery fees, value for money offerings, 20 mins delivery, etc. are expected to aid volume growth. We believe India Domino's profitability could remain under stress due to value offerings and minimal to no price hikes. Revenue growth should continue across both the delivery and dine-in channels. Factoring pressure on operating margin due to increased salience of value offerings, we reduce our FY26/ 27 earnings estimates by 3%/ 2% respectively. In view of the limited re-rating potential, we maintain HOLD recommendation with a revised target price of INR 743 (previously INR 653) based on 65x P/E on 1HFY28 estimates.

Domino's SSSG momentum continues

JUBI's India revenue grew 18% to INR 17 bn with Domino's LFL growing 11.6% during the quarter. LFL growth was driven by strong delivery LFL growth of 20.1% YoY and improving performance of lunch meals in dine-in. Recently launched products performed above management expectations (chicken portfolio in the South and Big Big Pizza), which further drove growth. India Domino's revenue grew 17.7% YoY owing to strong order growth of 17.3% YoY. Dine-in channel revenue grew 2.5% driven by lunch meals. During the quarter, JUBI added a net of 61 new Domino's stores, taking the total count to 2,240 (10% growth YoY).

Profitability impacted by value offerings

During the quarter, gross margin was at 74.1%, contracted 199 bps YoY. The contraction in GM was led by intentional value-led pricing mix, extended IPL season, and the success of the Big Big Pizza. As per management, ~75% of the GM contraction can be attributed to new launches. EBITDA grew 16.2% YoY to INR 3.2 bn. EBITDA margin contracted only 33 bps YoY to 19% despite higher GM contraction, offset by controlled overheads. Pre-Ind AS EBITDA margin was at 12%, expanding 40 bps YoY. During the quarter, employee costs and other expenditures increased by 11% and 16% YoY, respectively. Recurring PAT grew by 29.5% YoY. Domino's Turkey and COFFY LFL came in at negative 2.2% and 2.1% respectively (adjusted for inflation). A total of 71 stores were added across all brands (including international markets), taking the total to 3,387 stores.

Investment Summary

Management initiatives like waiver of delivery fees, value for money offerings, 20 mins delivery, etc. are expected to aid volume growth. However, profitability will see moderate expansion as the saliency of value offerings increase and JUBI will take only a limited or no price hikes. In our view, the optimism of recovery in performance is already factored into the valuation. Hence, we maintain HOLD recommendation with a revised target price of INR 743 (previously INR 653) based on 65x P/E on 1HFY28 earnings.

Conference Call Highlights

- JUBI witnessed healthy growth despite a challenging demand environment. Management anticipates demand to improve sequentially.
- International business navigates through inflationary demand environment. Next quarter onwards debt from the Turkey business will start getting covered.
- Management anticipates 200 bps improvement in gross margin over the next three years.
- GM is dilutive due to a) Big Big Pizza which is EBITDA dilutive, b) Extended IPL offer due to geopolitical tensions, and c) Price hikes in the chicken category. Going forward, JUBI will take calibrated price hikes as Indian consumers tend to be price cautious.
- Cost efficiency in supply chain was achieved, leading to 50 bps improvement during the quarter.
- Around 75% of the overall loss is accounted for by the new launches.
- Popeyes witnessed healthy double-digit growth in South Indian markets. Store expansion is in pipeline for the next quarter.
- Delivery channel grew 24.6% YoY despite the impact of free delivery in the base quarter. Growth in the dine-in channel was led by targeted consumer initiatives.
- Loyalty program leads to high frequency in consumption. Average frequency is at three, however, frequency of cheesy rewards is six.
- In urban centers, the company split stores between delivery and carry-out stores with size of around 800-900 sq. ft. However in rural areas JUBI opened larger size stores of 1,500 sq. ft. as dine-in takeaway contributes close to 50%.
- During the quarter, Lunch Feast, Big Big Pizza, and the chicken portfolio performed well. To cater to non-veg demand, the company launched the chicken burst pizza variant.

Table 1: Quarterly standalone performance

INR mn	1 QFY26	1 QFY25	% Chg	4 QFY25	% Chg
Total Operating Income	17,016	14,396	18.2	15,872	7.2
Cost of Raw material	4,406	3,441	28.1	4,044	9.0
% of sales	25.9	23.9	199bps	25.5	41 bps
Gross Profit	12,610	10,955	15.1	11,828	6.6
Gross Margin (%)	74.1	76.1	-199bps	74.5	-41 bps
Employees cost	2,849	2,562	11.2	2,727	4.5
% of net sales	16.7	17.8	-105bps	17.2	-44 bps
Other expenditure	6,528	5,611	16.3	6,044	8.0
% of net sales	38.4	39.0	-62bps	38.1	28 bps
EBITDA	3,233	2,782	16.2	3,056	5.8
EBITDA margin%	19.0	19.3	-33bps	19.3	-25 bps
Depreciation	1,817	1,552	17.1	1,777	2.3
Interest	657	619	6.1	667	(1.5)
Other Income	125	73	71.3	66	89.8
PBT	883	684	29.2	677	30.4
Tax	216	168	28.3	182	18.4
Tax rate (%)	24.5	24.6	-16bps	26.9	-248 bps
Recurring PAT	667	515	29.5	495	34.9
Reported PAT	667	515	29.5	495	35
EPS	1.0	0.8	29.5	0.7	35

Source: Company, Antique

Table 2: Quarterly consolidated performance

INR mn	1 QFY26	1 QFY25	% Chg	4 QFY25	% Chg
Total Operating Income	22,609	19,331	17.0	21,032	7.5
Cost of Raw material	6,463	5,297	22.0	5,976	8.2
% of sales	28.6	27.4	119bps	28.4	18 bps
Gross Profit	16,145	14,034	15.0	15,056	7.2
Gross Margin (%)	71.4	72.6	-119bps	71.6	-18 bps
Employees cost	3,762	3,287	14.4	3,738	0.6
% of net sales	16.6	17.0	-36bps	17.8	-114 bps
Other expenditure	8,004	6,917	15.7	7,432	7.7
% of net sales	35.4	35.8	-38bps	35.3	6 bps
EBITDA	4,380	3,831	14.3	3,886	12.7
EBITDA margin%	19.4	19.8	-44bps	18.5	90 bps
Depreciation	2,202	1,835	20.0	2,137	3.0
Interest	1,107	1,344	(17.6)	1,166	(5.1)
Other Income	185	171	8.2	107	73.6
Share of net profit/ (loss) of associates	32	(26)	(221.8)	6	399.4
PBT	1,289	796	61.8	695	85.3
Tax	317	188	68.2	194	63.2
Tax rate (%)	24.6	23.6	93bps	27.9	-334 bps
Recurring PAT	972	608	59.8	501	93.9
Add: Extra ordinary items	-	-	-	-	-
Reported PAT	972	608	59.8	501	94
EPS	1.5	0.9	59.8	0.8	94

Source: Company, Antique

Table 3: Actual vs. estimates

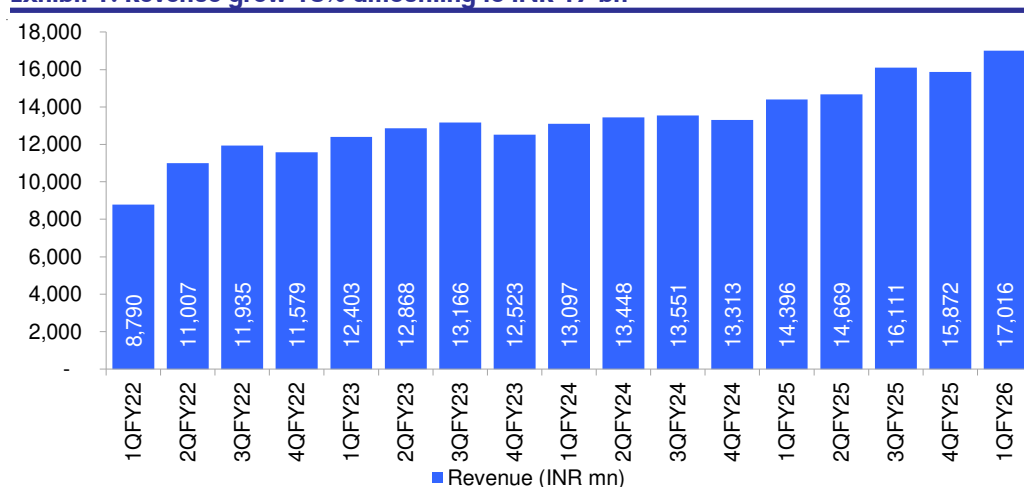
	Actual	Antq Est	Var (%)	Cons	Var (%)
Revenue	17,016	16,555	2.8	16,941	0.4
Gross Margin %	74.1	76.0	-189 bps	75.0	-94 bps
EBITDA	3,233	3,377	(4.3)	3,297	(1.9)
EBITDA margin	19.0	20.4	-140 bps	19.5	-46 bps
PAT	667	758	(12.1)	679	(1.8)

Source: Company, Antique

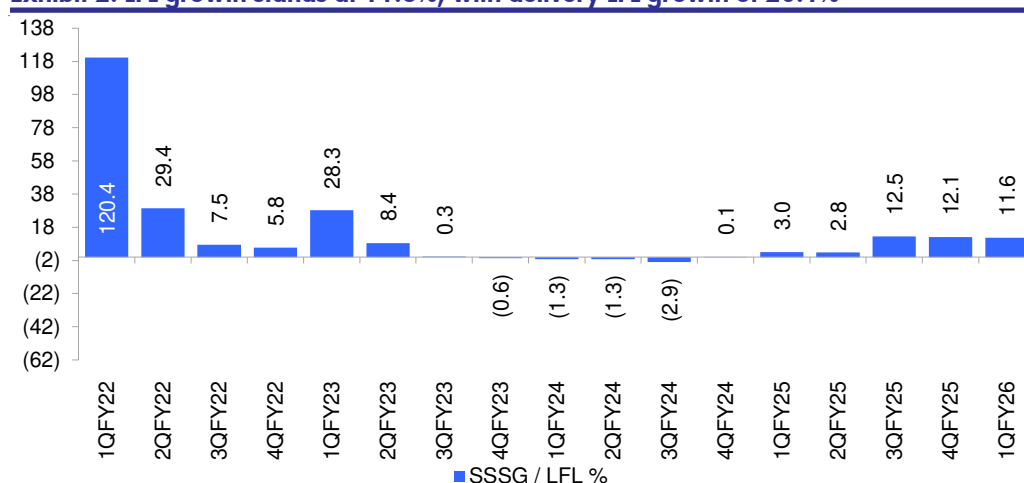
Table 4: Change in estimates

INR mn	FY26			FY27		
	New	Old	Change	New	Old	Change
Revenue	92,302	92,707	(0.4)	1,04,619	1,05,068	(0.4)
Gross Margin %	72.9%	73.0%	-10 bps	73.0%	73.6%	-58 bps
EBITDA	19,395	19,563	(0.9)	23,748	23,956	(0.9)
EBITDA margin	21.0%	21.1%	-9 bps	22.7%	22.8%	-10 bps
PAT	4,002	4,128	(3.1)	6,652	6,809	(2.3)
EPS	6.1	6.3	(3.1)	10.1	10.3	(2.3)

Source: Company, Antique

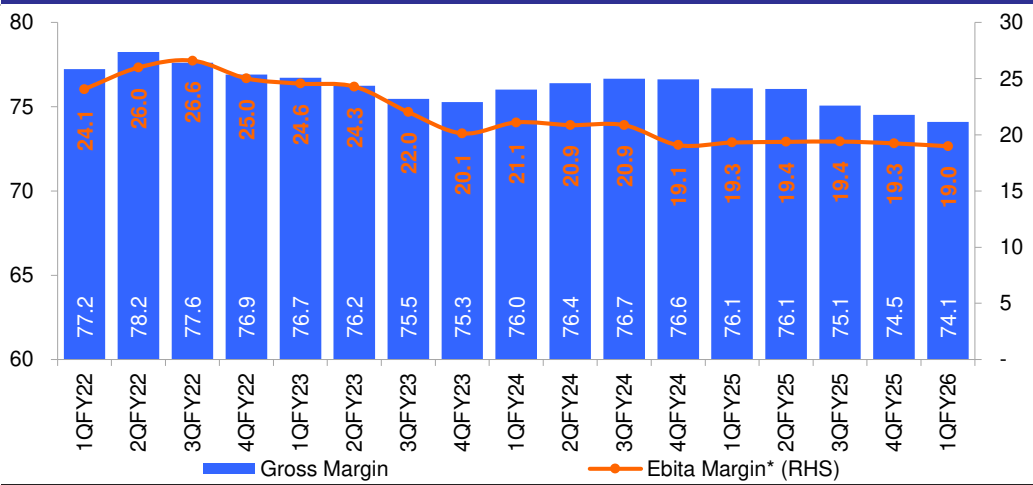
Exhibit 1: Revenue grew 18% amounting to INR 17 bn

Source: Company, Antique

Exhibit 2: LFL growth stands at 11.6%, with delivery LFL growth of 20.1%

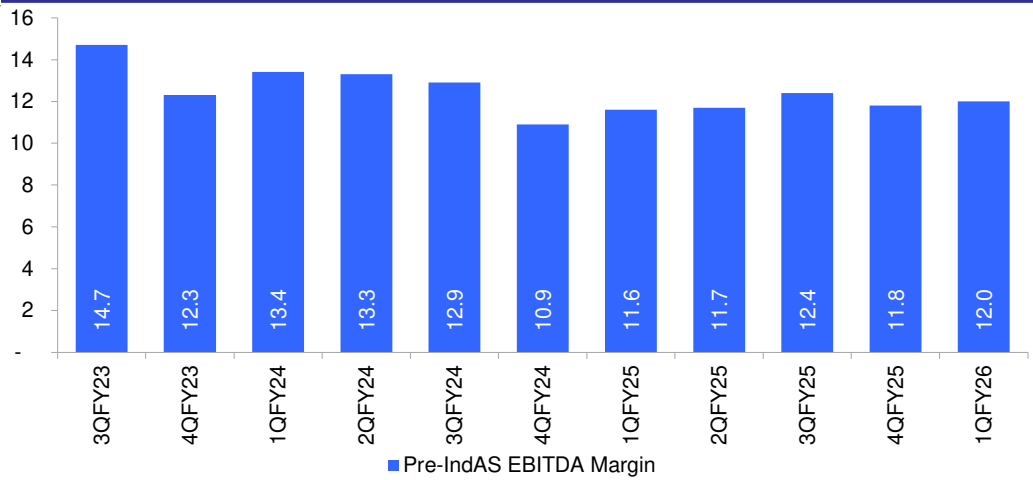
Source: Company, Antique

Exhibit 3: Gross margin contracted 199 bps YoY while EBITDA margin contracted 33 bps YoY



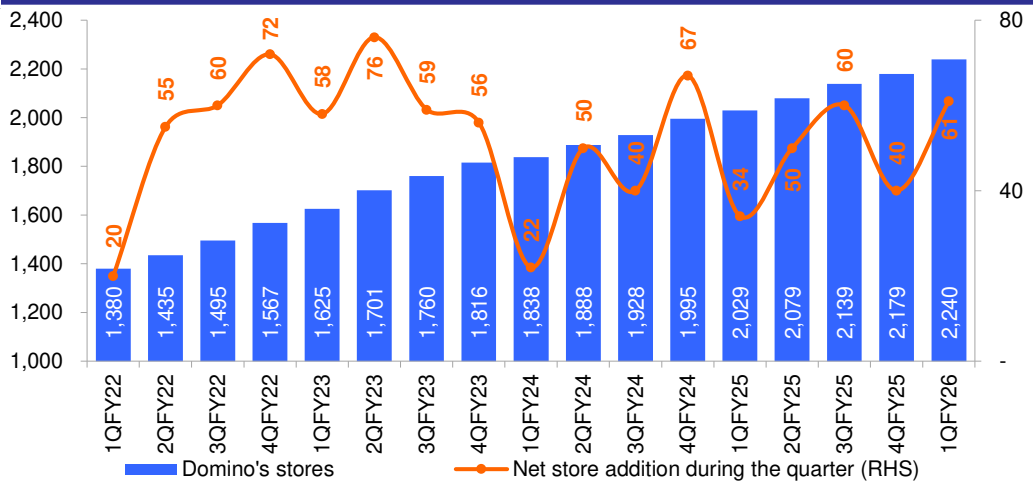
Source: Company, Antique

Exhibit 4: Pre-Ind AS EBITDA margin expanded 40 bps YoY to 12%



Source: Company, Antique

Exhibit 5: Added 61 Domino's stores during the quarter to reach 2,240 stores



Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Net Revenue	56,541	81,417	92,302	1,04,619	1,17,085
Gross Profit	43,130	58,739	67,306	76,376	85,532
Op. Expenses	(45,106)	(65,695)	(72,907)	(80,871)	(90,072)
EBITDA	11,435	15,722	19,395	23,748	27,012
Depreciation	(5,980)	(8,065)	(10,075)	(11,065)	(12,139)
EBIT	5,455	7,657	9,321	12,682	14,873
Other income	419	753	980	1,077	1,185
Interest Exp.	(2,878)	(5,226)	(4,965)	(4,890)	(4,817)
Extra Ordinary Items -gain/(loss)	1,861	(90)	-	-	-
Reported PBT	4,857	3,095	5,336	8,870	11,241
Tax	(850)	(774)	(1,334)	(2,217)	(2,810)
Reported PAT	4,008	2,321	4,002	6,652	8,431
Net Profit	4,008	2,321	4,002	6,652	8,431
Adjusted PAT	2,313	2,429	4,002	6,652	8,431
Adjusted EPS (INR)	3.5	3.7	6.1	10.1	12.8

Balance sheet (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Share Capital	1,320	1,320	1,320	1,320	1,320
Reserves & Surplus	20,387	19,708	21,400	25,743	31,865
Networth	21,706	21,027	22,720	27,063	33,184
Debt	14,973	15,022	13,022	9,022	5,022
Minority Interest	726	800	-	-	-
Net deferred Tax liabilities	1,293	716	716	716	716
Capital Employed	38,699	37,565	36,457	36,800	38,922
Gross Fixed Assets	92,447	1,03,019	1,12,960	1,24,295	1,36,063
Accumulated Depreciation	(30,609)	(38,674)	(48,749)	(59,814)	(71,953)
Capital work in progress	1,178	2,552	2,552	2,552	2,552
Net Fixed Assets	63,016	66,897	66,763	67,032	66,661
Investments	3,080	1,760	1,760	1,760	1,760
Non Current Investments	2,102	1,195	1,195	1,195	1,195
Current Investments	978	565	565	565	565
Current Assets, Loans & Adv.	13,960	15,137	16,235	18,653	23,519
Inventory	4,099	4,056	4,599	5,212	5,833
Debtors	2,651	3,301	3,742	4,241	4,747
Cash & Bank balance	1,570	1,542	1,375	2,361	5,777
Loans & advances and others	5,641	6,237	6,520	6,839	7,162
Current Liabilities & Provisions	41,357	46,228	48,301	50,645	53,019
Liabilities	40,561	45,619	47,610	49,863	52,143
Provisions	796	609	691	783	876
Net Current Assets	(27,398)	(31,092)	(32,066)	(31,992)	(29,500)
Application of Funds	38,699	37,565	36,457	36,800	38,921

Per share data

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
No. of shares (mn)	660	660	660	660	660
Diluted no. of shares (mn)	660	660	660	660	660
BVPS (INR)	32.9	31.9	34.4	41.0	50.3
CEPS (INR)	15.1	15.7	21.3	26.9	31.2
DPS (INR)	2.0	2.5	3.5	3.5	3.5

Source: Company, Antique

Key assumptions

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Gross margin (%)	76.3	72.1	72.9	73.0	73.1
Employee expenses (%)	18.7	17.3	17.1	16.9	16.9
Ad-spends (% of sales)	4.5	6.2	6.2	6.2	6.2

Cash flow statement (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	4,857	3,095	5,336	8,870	11,241
Depreciation & amortization	5,980	8,065	10,075	11,065	12,139
Interest expense	2,878	5,226	4,965	4,890	4,817
(Inc)/Dec in working capital	(956)	1,502	806	912	924
Tax paid	(893)	(1,024)	(1,334)	(2,217)	(2,810)
Other operating Cash Flow	(1,768)	(183)	-	-	-
CF from operating activities	10,096	16,680	19,848	23,520	26,311
Capital expenditure	(8,476)	(8,707)	(9,941)	(11,335)	(11,768)
Inc/(Dec) in investments	(5,399)	158	-	-	-
Add: Interest/Div. Income Recd.	135	49	-	-	-
CF from investing activities	(13,740)	(8,501)	(9,941)	(11,335)	(11,768)
Inc/(Dec) in share capital	(1,359)	(1,350)	-	-	-
Inc/(Dec) in debt	13,146	49	(2,000)	(4,000)	(4,000)
Dividend Paid	(1,320)	(1,650)	(2,309)	(2,309)	(2,309)
Others	(7,823)	(5,255)	(5,765)	(4,890)	(4,817)
CF from financing activities	2,644	(8,207)	(10,074)	(11,200)	(11,126)
Net cash flow	(999)	(27)	(168)	986	3,416
Opening balance	2,569	1,570	1,542	1,375	2,361
Closing balance	1,570	1,542	1,375	2,361	5,777

Growth indicators (%)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenue	9.6	44.0	13.4	13.3	11.9
EBITDA	-0.7	37.5	23.4	22.4	13.7
Adj PAT	-34.5	5.0	64.7	66.2	26.7
Adj EPS	-34.5	5.0	64.7	66.2	26.7

Valuation (x)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	182.6	173.8	105.5	63.5	50.1
P/BV (x)	19.5	20.1	18.6	15.6	12.7
EV/EBITDA (x)	38.0	27.7	22.3	18.0	15.6
EV/Sales (x)	7.7	5.3	4.7	4.1	3.6
Dividend Yield (%)	0.3	0.4	0.5	0.5	0.5

Financial ratios

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
RoE (%)	11.0	11.4	18.3	26.7	28.0
RoCE (%)	19.6	22.1	27.8	37.6	42.4
Asset/T.O (x)	2.3	2.3	2.6	3.0	3.2
Net Debt/Equity (x)	0.6	0.6	0.5	0.2	(0.0)
EBIT/Interest (x)	(2.0)	(1.6)	(2.1)	(2.8)	(3.3)

Margins (%)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
EBITDA Margin (%)	20.2	19.3	21.0	22.7	23.1
EBIT Margin (%)	9.6	9.4	10.1	12.1	12.7
PAT Margin (%)	4.1	3.0	4.3	6.3	7.1

Source: Company Antique

CMP	: INR 93
Reco	: HOLD ↔
Target Price	: INR 97 ↑
Target Price Change	: 2%
Target 1HFY28E P/BV (x)	: 2.5
EBITDA Change FY26/ 27	: No Change

Vishal Periwal

+91 22 6911 3414
vishal.periwal@antiquelimited.com

Shubham Shelar

+91 22 6911 3467
shubham.shelar@antiquelimited.com

Market data	
Sensex	: 80,540
Sector	: Utilities
Market Cap (INR bn)	: 367.2
Market Cap (USD bn)	: 4.200
O/S Shares (mn)	: 3,929.8
52-wk HI/LO (INR)	: 149/81
Avg. Daily Vol ('000)	: 11,735
Bloomberg	: SJVN IN

Source: Bloomberg

	FY26e	FY27e	FY28e
EPS (INR)	2.8	3.6	3.9
P/E (x)	32.8	26.0	24.1
P/BV (x)	2.5	2.4	2.4
EV/EBITDA (x)	22.9	19.0	19.7
Dividend Yield (%)	2.1	2.7	2.9

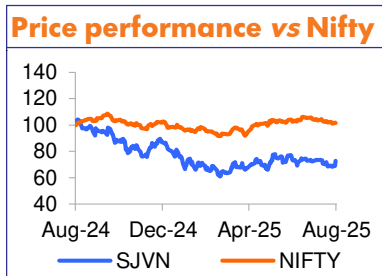
Source: Company, Antique

Returns (%)				
	1m	3m	6m	12m
Absolute	(4)	(3)	1	(32)
Relative	(2)	(2)	(5)	(33)

Source: Bloomberg

Shareholding pattern	
Promoters	: 82%
Public	: 18%
Others	: 0%

Source: Bloomberg



Source: Bloomberg Indexed to 100

1QFY26 RESULT REVIEW

SJVN

Interest cost continues to impact PAT

SJVN delivered a weak quarter, with PAT down 36% YoY despite an 11% YoY rise in EBITDA, as higher finance costs weighed down on profitability. The increase in interest expense was driven by corporate debt taken to fund equity contribution of projects under construction. To support future growth, the company has securitized cash flows from its 1.5 GW Nathpa Jhakri plant, a move that will likely keep interest costs elevated until new capacities come online. We retain HOLD rating with a target price of INR 97 (earlier INR 95), as we roll forward the TP to 2.5x 1HFY28E book value. Key triggers ahead include commissioning of the Buxar thermal project in 1HFY26E and the Arun-3 hydro project in FY27E. SJVN's has guided to increase its operating capacity of 2.8 GW by 5 GW in FY26E (1.3 GW coal, balance renewables), followed by another 2 GW in FY27E.

EBITDA in-line; interest cost led to muted PAT growth

SJVN reported consolidated revenue of INR 9.1 bn, up 5% YoY, in line with our and consensus estimates. EBITDA rose 11% YoY to INR 7.4 bn, with the margin improving to 81% (vs. 77% in 1QFY25 and 48% in 4QFY25). However, PAT declined 36% YoY to INR 2.3 bn, missing our and consensus estimates by ~40%, primarily due to a 51% YoY jump in finance costs and a 23% YoY rise in depreciation expenses. The increase in finance costs was driven by corporate debt raised to fund the equity contribution of projects under construction. Other income fell 39% YoY to INR 541 mn.

A growth pipeline as part of vision 2030

The company currently operates a capacity of 2.8 GW along with two transmission lines. The under-construction portfolio includes four hydro projects (1.6 GW), a 1.3 GW coal-based thermal plant, and 11 solar projects totaling 1.8 GW. In FY26E, the company aims to add 5 GW-comprising 1.3 GW from the coal plant (commissioning by October 2025) and 3.7 GW from renewables. For FY27E, the targeted addition includes 69.5 MW from hydro and 1,930 MW from solar and wind projects. The thermal plant will operate under CERC terms with a regulated 15.5% RoE, while renewable capacity is secured via competitive bidding. SJVN remains committed to its long-term growth roadmap of achieving 25 GW of operational capacity by 2030 and 50 GW by 2040.

Diversifying into PSPs and Green Ammonia

In FY25, SJVN signed MoUs with the governments of Bihar, Maharashtra, Chhattisgarh, Mizoram, and Rajasthan to develop pumped storage projects (PSPs). Preliminary work is targeted for completion by 2027, with construction expected to take 4-5 years per project. The company also signed a MoU with AM Green Ammonia India Pvt. Ltd. to establish a green ammonia platform in two phases-starting with 1 mtpa capacity and scaling to 5 mtpa by 2030. Growth opportunities are being actively pursued through SJVN Green Energy Ltd. (SGEL), its wholly-owned subsidiary, which could be monetized by way of an IPO.

Investment Summary

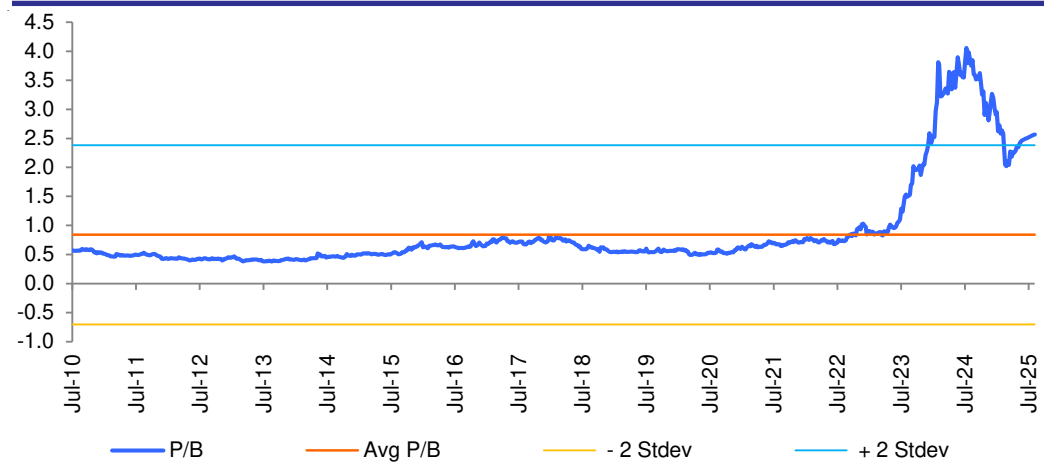
SJVN, a JV between the Center and Himachal Pradesh Government, is expanding hydro projects in Nepal and Bhutan while diversifying into renewables. It targets 25 GW capacity by 2030 and 50 GW by 2040. Trading at ~3.0x FY27E book, execution and timely commissioning remains key.

Table 1: Financial Highlights

In INR mn	Jun-25	Jun-24	% Chg	Dec-24	% Chg
Net Sales	9,175	8,704	5.4	6,710	36.7
EBIDTA	7,423	6,675	11.2	4,629	60.4
Other income	541	881	(38.5)	898	(39.7)
PBIDT	7,965	7,557	5.4	5,528	44.1
Depreciation	(1,604)	(1,309)	22.5	(1,375)	16.7
Interest	(2,160)	(1,426)	51.4	(2,217)	(2.6)
Regulatory Income	(263)	(212)	24.0	(57)	360.1
Shares from JV	(93)	9		9	
PBT	3,846	4,619	(16.7)	1,888	NM
Tax	(1,568)	(1,047)	49.7	(402)	290.3
Reported PAT	2,276	3,572	(36.3)	1,488	NA

Source: Company, Antique

Exhibit 1: P/B band



Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Net Revenue	25,794	30,720	46,101	68,516	76,053
Op. Expenses	(7,623)	(8,509)	(17,041)	(29,111)	(33,108)
EBITDA	18,170	22,211	29,060	39,405	42,944
Depreciation	(5,571)	(6,762)	(7,971)	(12,196)	(14,888)
EBIT	12,599	15,449	21,089	27,209	28,057
Other income	2,976	3,045	3,034	3,557	4,604
Interest Exp.	(4,573)	(7,434)	(9,263)	(12,046)	(12,414)
Extra Ordinary Items -gain/(loss)	830	(71)	-	-	-
Reported PBT	11,833	10,989	14,860	18,720	20,247
Tax	(2,621)	(2,809)	(3,715)	(4,680)	(5,062)
Reported PAT	9,114	8,180	11,145	14,040	15,186
Net Profit	9,114	8,180	11,145	14,040	15,186
Adjusted PAT	9,117	9,185	11,145	14,040	15,186
Adjusted EPS (INR)	2.3	2.3	2.8	3.6	3.9

Balance sheet (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Share Capital	39,298	39,298	39,298	39,298	39,298
Reserves & Surplus	1,01,411	1,02,595	1,05,938	1,10,150	1,14,706
Networth	1,40,709	1,41,893	1,45,236	1,49,448	1,54,004
Debt	2,02,517	2,69,254	3,37,254	4,33,254	5,31,654
Net deferred Tax liabilities	(4,180)	(3,627)	(3,627)	(3,627)	(3,627)
Capital Employed	3,39,045	4,07,519	4,78,863	5,79,075	6,82,030
Gross Fixed Assets	1,51,428	1,67,752	3,22,752	4,27,752	5,32,752
Accumulated Depreciation	(42,364)	(49,126)	(57,097)	(69,293)	(84,180)
Capital work in progress	2,00,334	2,61,616	1,91,616	2,06,616	2,21,616
Net Fixed Assets	3,09,398	3,80,242	4,57,271	5,65,076	6,70,188
Investments	29,374	32,098	32,098	32,098	32,098
Non Current Investments	29,374	32,098	32,098	32,098	32,098
Current Assets, Loans & Adv.	48,961	44,664	49,398	65,162	68,779
Inventory	818	833	1,250	1,857	2,061
Debtors	1,671	5,542	3,158	4,881	5,417
Cash & Bank balance	37,498	33,715	38,126	48,222	49,975
Loans & advances and others	8,974	4,575	6,865	10,203	11,325
Current Liabilities & Provisions	37,206	39,703	50,124	73,480	79,253
Liabilities	29,432	32,491	39,300	57,394	61,398
Provisions	7,774	7,212	10,823	16,086	17,855
Net Current Assets	11,755	4,961	(725)	(8,318)	(10,474)
Miscellaneous expenses	(11,482)	(9,781)	(9,781)	(9,781)	(9,781)
Application of Funds	3,39,045	4,07,519	4,78,863	5,79,075	6,82,030

Per share data

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
No. of shares (mn)	3,930	3,930	3,930	3,930	3,930
Diluted no. of shares (mn)	3,930	3,930	3,930	3,930	3,930
BVPS (INR)	35.8	36.1	37.0	38.0	39.2
CEPS (INR)	3.7	4.1	4.9	6.7	7.7
DPS (INR)	1.8	1.5	2.0	2.5	2.7

Source: Company, Antique

Cash flow statement (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	11,735	10,989	14,860	18,720	20,247
Depreciation & amortization	5,571	6,762	7,971	12,196	14,888
Interest expense	4,573	7,434	9,263	12,046	12,414
(Inc)/Dec in working capital	(3,337)	4,383	10,097	17,688	3,910
Tax paid	(2,674)	(1,721)	(3,715)	(4,680)	(5,062)
Other operating Cash Flow	(2,773.90)	(3,017.70)	-	-	-
CF from operating activities	13,095	24,830	38,476	55,970	46,397
Capital expenditure	(56,497)	(66,688)	(85,000)	(1,20,000)	(1,20,000)
chng in investments	(1,430)	(1,316)	-	-	-
CF from investing activities	(57,927)	(68,003)	(85,000)	(1,20,000)	(1,20,000)
Inc/(Dec) in debt	65,240	64,682	68,000	96,000	98,400
Dividend Paid	(6,957)	(7,072)	(7,802)	(9,828)	(10,630)
Others	(13,268)	(18,220)	(9,263)	(12,046)	(12,414)
CF from financing activities	45,015	39,390	50,936	74,126	75,356
Net cash flow	183	(3,784)	4,411	10,095	1,753
Opening balance	37,314	37,498	33,715	38,126	48,222
Closing balance	37,498	33,715	38,126	48,222	49,975

Growth indicators (%)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenue	-12.2	19.1	50.1	48.6	11.0
EBITDA	-18.5	22.2	30.8	35.6	9.0
Adj PAT	-34.2	0.7	21.3	26.0	8.2
Adj EPS	-34.2	0.7	21.3	26.0	8.2

Valuation (x)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	40.1	39.8	32.8	26.0	24.1
P/BV (x)	2.6	2.6	2.5	2.4	2.4
EV/EBITDA (x)	29.2	27.1	22.9	19.0	19.7
EV/Sales (x)	20.6	19.6	14.4	11.0	11.1
Dividend Yield (%)	1.9	1.6	2.1	2.7	2.9

Financial ratios

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
RoE (%)	5.9	5.8	7.8	9.5	10.0
RoCE (%)	3.9	4.0	4.6	5.0	4.4
Asset/T.O (x)	0.1	0.1	0.6	0.6	0.6
Net Debt/Equity (x)	1.2	1.7	2.3	2.9	3.4
EBIT/Interest (x)	3.4	2.5	2.6	2.6	2.6

Margins (%)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
EBITDA Margin (%)	70.4	72.3	63.0	57.5	56.5
EBIT Margin (%)	48.8	50.3	45.7	39.7	36.9
PAT Margin (%)	31.7	27.2	22.7	19.5	18.8

Source: Company Antique

CMP	: INR 158
Reco	: HOLD ↔
Target Price	: INR 171 ↓
Target Price Change	: -1%
Target 1HFY28e EV/EBITDA (x): SoTP based	
EBITDA Change FY26/ 27	: -16%/-13%

Abhijeet Kundu

+91 22 6911 3430
abhijeet.kundu@antiquelimited.com

Anuj D

+91 22 6911 3445
anuj.d@antiquelimited.com

Jaini Solanki

+91 22 6911 3435
Jaini.solanki@antiquelimited.com

Market data

Sensex	:	80,540
Sector	:	Restaurants
Market Cap (INR bn)	:	195.7
Market Cap (USD bn)	:	2.238
O/S Shares (mn)	:	1,231.9
52-wk HI/LO (INR)	:	223/130
Avg. Daily Vol ('000)	:	2,325
Bloomberg	:	DEVYANI IN

Source: Bloomberg

Valuation

	FY26e	FY27e	FY28e
EPS (INR)	0.1	0.3	0.6
P/E (x)	2,382.2	491.9	245.2
P/BV (x)	12.8	12.4	11.8
EV/EBITDA (x)	22.4	19.0	16.6
EV/Sales (x)	3.4	3.0	2.6

Source: Bloomberg

Returns (%)

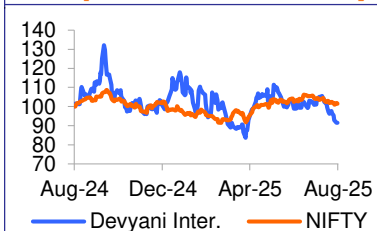
	1m	3m	6m	12m
Absolute	(6)	(9)	(1)	(5)
Relative	(4)	(9)	(7)	(7)

Source: Bloomberg

Shareholding pattern

Promoters	:	63%
Public	:	37%
Others	:	0%

Source: Bloomberg

Price performance vs Nifty

Source: Bloomberg Indexed to 100

1QFY26 RESULT REVIEW

Devyani International

Operating deleverage impacts profitability; maintain HOLD

Devyani International's (Devyani) India operational performance was below our expectations with 1% SSSG decline in KFC and 4% SSSG decline in Pizza Hut. KFC's profitability (restaurant operating margin - ROM at 15.5%) was impacted by 6% YoY decline in average daily sales (ADS). Pizza Hut's performance was weak as well, with 8% ADS decline. Moreover, Pizza Hut's profitability remains impacted (ROM declined 602 bps YoY to 1%) due to operating deleverage. Devyani's acquisition of Sky Gate is likely to weigh on profitability in the near term. As a result, we reduce our FY26/ FY27 EBITDA estimates by 16%/ 13% respectively. The near-term outlook remains challenging due to weak consumer sentiment and lack of growth catalysts for re-rating. Hence, we maintain HOLD rating with a revised target price of INR 171 (previously INR 173), based on 1HFY28 SoTP valuation.

KFC's SSSG declined; increased promotional activity impacts profitability

KFC's revenue grew 11% YoY to INR 6.1 bn while SSSG declined 1%. KFC's ADS declined by 6% YoY to INR 98k due to weak consumer demand coupled with the Shravan month leading to low consumption. Notably, gross margin contracted by 242 bps YoY and 119 bps QoQ to 67.1% on account of higher aggregator and delivery cost on the back of higher promotions. Restaurant EBITDA margin contracted 409 bps YoY as the company invested in promotional initiatives to drive dine-in sales coupled with operating deleverage. During the quarter, Devyani added eight stores (total 704). The company maintained its store addition guidance of 100+ new stores in FY26. It continues to focus on menu innovation to drive footfall.

Pizza Hut's weak performance continues

Pizza Hut's revenue at INR 1.87 bn grew 3% YoY while SSSG declined 4%. Pizza Hut's ADS declined 8% YoY to INR 33k due to an increase in competitive intensity and weak demand environment. Gross margin contracted by 205 bps YoY and by 84 bps sequentially to 74.7%. Restaurant EBITDA margin contracted 602 bps YoY to -1.1% due to operating deleverage (lower ADS) and higher promotional intensity. Devyani closed 12 stores during the quarter, resulting in its total store count coming down to 618. The company stated that future store expansion will be more measured, contingent on improvements in ADS and SSSG.

Emerging growth brands

Devyani completed the acquisition of 86.13% stake in Sky Gate Hospitality, which runs Biryani by Kilo and Goila Butter in June-25. Own brand (Vaango, Sky Gate) revenue stood at INR 350 mn, largely led by the consolidation of Sky Gate (starting 11th June-25); adjusting for the acquisition of Vaango revenue/ store count (96) remained flat in 1QFY26. Franchisee brands (Costa) revenue grew 14% YoY to INR 519 mn. ADS remained flat to INR 28k. Gross margin stood at 75.1% (flat YoY), while EBITDA margin contracted by 204 bps YoY and 468 bps on a sequential basis to 12.9%.

Investment Summary

Devyani's near term outlook remains challenging due to a) Uncertainty regarding Pizza Hut's revival, b) Profit dilutive acquisition of Sky Gate, c) Weak consumer sentiment, and d) Lack of growth catalysts. Hence, we maintain HOLD with a revised target price of INR 171 (previously INR 173), based on 1HFY28 SoTP valuation.

Conference Call Highlights

- Devyani changed its reporting into three key segments, 1) Yum Brands consisting of KFC and Pizza Hut, 2) Other franchise brands such as Costa Coffee, New York Fries, Tea Live and Sanook Kitchen, and lastly 3) Own brands, including Vango and the recently acquired Sky Gate Hospitality Portfolio.
- Sky Gate – As of June 2025 the store count stood at 105 stores for Biryani by Kilo and Goila Butter Chicken. In FY26, Devyani intends to turnaround the portfolio brands first, post which it will look ramp up the brands. Moreover, 90% of the stores are delivery friendly, however, it is working on introducing new channels such as airports and food courts, especially for Biryani by Kilo. At the industry level, The Hyderabad, Lucknow and Calcutta biryani contributes to 70% of total biryani demand. Sky Gate has all three kinds of biryani under its portfolio.
- Gross margin was impacted on account of higher raw material prices (cheese, flour, edible oils) coupled with higher promotion activities across key brands—KFC and Pizza Hut.
- KFC's SSSG was impacted due to Shravan month leading to low consumption. Investments in the online channel led to steady momentum. The company has been trying to revive the dine-in channel through several initiatives. Improvement should be witnessed in the next few quarters.
- Pizza Hut launched Juicylicious range of pizzas with three variants. The response was encouraging.

Table 1: Quarterly financials

	1QFY26	1QFY25	YoY (%)	4QFY25	QoQ (%)
Revenue	13,570	12,219	11.1	12,126	11.9
COGS	4,318	3,769	14.6	3,819	13.0
Gross Profit	9,252	8,450	9.5	8,306	11.4
Gross margin %	68.2	69.2	-97bps	68.5	-32 bps
Employee cost	2,011	1,682	19.5	1,706	17.8
% of sales	14.8	13.8	105bps	14.1	75 bps
Other expenditure	5,192	4,534	14.5	4,592	13.1
% of sales	38.3	37.1	116bps	37.9	40 bps
EBITDA	2,049	2,234	(8.3)	2,008	2.0
EBITDA margin %	15.1	18.3	-318bps	16.6	-147 bps
Depreciation	1,497	1,322	13.2	1,653	(9.5)
Interest cost	668	630	6.0	695	(4.0)
Other Income	134	99	34.8	130	3.1
PBT	18	381	(95.3)	(211)	(108.4)
Tax	5	81	(93.6)	(56)	(109.3)
PAT	13	300	(95.8)	(155)	(108.1)
Exceptional items	12	(76)		(13)	
Reported PAT	24	224		(168)	
Minority Interest	15	77	(81.0)	20	(27.9)
Adjusted PAT	27	377	(92.8)	(135)	(120.2)

Source: Company, Antique

Table 2: Actual vs. estimates

Consolidated	Actual	Antq	Var(%)	Cons	Var(%)
Revenue	13,570	14,532	(6.6)	13,703	(1.0)
Gross Margin	68.2	68.7	-52 bps	69.0	-77 bps
EBITDA	2,049	2,645	(22.5)	2,327	(12.0)
EBITDA Margin	15.1	18.2	-310 bps	17.0	-188 bps
Adj. Net profit	27	217	(87.5)	156	(82.6)

Source: Company, Antique

Table 3: Change in estimates

INR mn	FY26			FY27		
	New	Old	Chg (%)	New	Old	Chg (%)
Revenue	58,505	58,987	(0.8)	65,994	67,320	(2.0)
EBITDA	8,955	10,663	(16.0)	10,323	11,861	(13.0)
EBITDA Margin	15.3	18.1	-277 bps	15.6	17.6	-198 bps
PAT	82	800	(89.8)	395	877	(54.9)
EPS	0.1	0.7	(89.8)	0.3	0.7	(54.9)

Source: Company, Antique

Table 4: SoTP-based valuation - 1HFY28

INR mn	Adj EBITDA (pre INDAS)	Multiple	% Stake	EV
India & other Intl. business	5,724	35	100%	2,00,333
Thailand	2,298	10	51%	11,722
Total				2,12,055
Less: Debt				6,318
Add: Cash				4,859
Market Cap				2,10,596
O/S				1,230
Target Price				171

Source: Company, Antique

Table 5: Segment-wise performance

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
KFC									
Stores	510	540	590	596	617	645	689	696	704
ADS (INR `000)	117	109	104	93	104	96	96	83	98
SSG (%)	(1)	(4)	(5)	(7)	(7)	(7)	(4)	(6)	(0.7)
Revenue (INR mn)	5,164	5,090	5,243	4,941	5,546	5,434	5,698	5,109	6,126
Gross Margin (%)	69.7	69.0	69.4	69.9	69.5	69.0	68.6	68.3	67.1
Store EBITDA Margin (%)	21.1	19.4	19.0	19.0	19.5	16.6	17.2	16.2	15.5

Pizza Hut

Stores	521	535	565	567	570	593	644	630	618
ADS (INR `000)	40	39	37	32	36	35	35	31	33
SSG (%)	(5)	(10)	(13)	(14)	(9)	(6)	(1)	1	(4)
Revenue (INR mn)	1,835	1,840	1,796	1,621	1,819	1,848	1,902	1,754	1,873
Gross Margin (%)	74.9	75.7	75.8	77.3	76.8	76.7	76.2	75.6	74.7
Store EBITDA Margin (%)	10.1	7.7	6.1	4.4	4.9	3.1	2.1	0.7	(1.1)

Costa Coffee

Stores	123	146	154	179	192	207	209	220	222
ADS (INR `000)	33	31	35	33	28	27	26	27	28
SSG (%)	9	9	6	7	7	9	5	4	4
Revenue (INR mn)	324	346	397	451	455	490	517	523	519
Gross Margin (%)	77.2	76.3	77.1	76.7	74.9	75.1	75.4	76.1	75.1
Store EBITDA Margin (%)	21.0	14.7	14.9	18.0	14.9	14.5	16.8	17.6	12.9

Total

Stores	1,290	1,358	1,452	1,782	1,836	1,921	2,032	2,039	2,145
Revenue (INR mn)	8,466	8,195	8,431	10,471	12,219	12,222	12,944	12,126	13,570
Gross Margin (%)	70.8	70.8	70.6	69.2	69.2	69.3	68.7	68.5	68.2
Adj. EBITDA (INR mn)	1,115	946	787	959	1,414	1,143	1,306	1,081	1,095
Adj. EBITDA Margin (%)	13.2	11.5	9.3	9.2	11.6	9.4	10.1	8.9	8.1
Rep EBITDA (INR mn)	1,734	1,588	1,463	1,739	2,234	1,987	2,192	2,008	2,049
Rep EBITDA Margin (%)	20.5	19.4	17.4	16.6	18.3	16.3	16.9	16.6	15.1

Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Net Revenue	35,563	49,511	58,505	65,994	72,894
Gross Profit	24,997	34,122	40,193	45,536	50,297
Op. Expenses	(29,040)	(41,178)	(49,550)	(55,671)	(61,434)
EBITDA	6,524	8,333	8,955	10,323	11,460
Depreciation	(3,848)	(5,699)	(6,340)	(7,034)	(7,355)
EBIT	2,675	2,634	2,615	3,289	4,106
Other income	326	370	407	443	479
Interest Exp.	(1,869)	(2,648)	(2,913)	(3,204)	(3,525)
Extra Ordinary Items -gain/(loss)	(1,037)	-	-	-	-
Reported PBT	96	356	109	528	1,060
Tax	(133)	(197)	(27)	(133)	(267)
Reported PAT	(38)	159	82	395	793
Net Profit	(38)	159	82	395	793
Adjusted PAT	1,510	91	82	395	793
Adjusted EPS (INR)	1.3	0.1	0.1	0.3	0.6

Balance sheet (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Share Capital	1,206	1,206	1,230	1,230	1,230
Reserves & Surplus	9,352	9,738	13,989	14,384	15,176
Networth	10,558	10,944	15,219	15,614	16,406
Debt	9,102	9,318	6,318	6,318	6,318
Minority Interest	2,928	3,079	3,079	3,079	3,079
Net deferred Tax liabilities	(810)	(583)	(583)	(583)	(583)
Capital Employed	21,777	22,758	24,032	24,427	25,220
Gross Fixed Assets	51,516	58,657	69,765	73,265	76,265
Accumulated Depreciation	(13,637)	(17,014)	(23,354)	(30,388)	(37,743)
Capital work in progress	110	35	35	35	35
Net Fixed Assets	37,988	41,677	46,446	42,912	38,557
Goodwill	4,287	4,581	4,581	4,581	4,581
Intangible Assets	4,287	4,581	4,581	4,581	4,581
Investments	0	12	12	12	12
Non Current Investments	0	12	12	12	12
Current Assets, Loans & Adv.	6,239	6,533	6,595	11,616	17,783
Inventory	1,310	1,482	1,763	1,989	2,197
Debtors	527	413	488	551	608
Cash & Bank balance	1,809	1,814	400	4,859	10,507
Loans & advances and others	2,593	2,824	3,943	4,218	4,471
Current Liabilities & Provisions	26,737	30,045	33,600	34,693	35,712
Liabilities	26,035	29,247	32,711	33,710	34,630
Provisions	702	799	890	983	1,082
Net Current Assets	(20,498)	(23,512)	(27,006)	(23,077)	(17,929)
Application of Funds	21,777	22,758	24,032	24,427	25,220

Per share data

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
No. of shares (mn)	1,206	1,206	1,230	1,230	1,230
Diluted no. of shares (mn)	1,206	1,206	1,230	1,230	1,230
BVPS (INR)	8.8	9.1	12.4	12.7	13.3
CEPS (INR)	3.2	4.9	5.2	6.0	6.6

Source: Company, Antique

Key Assumptions

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Gross margin (%)	7,029.0	6,892.0	6,870.0	6,900.0	6,900.0
Employee expenses(%)	1,391.8	1,434.9	1,460.0	1,440.0	1,420.0
Ad-spends (% of sales)	487.1	496.4	600.0	600.0	600.0

Cash flow statement (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	96	356	109	528	1,060
Depreciation & amortization	3,848	5,699	6,340	7,034	7,355
Interest expense	1,869	2,648	2,913	3,204	3,525
(Inc)/Dec in working capital	375	648	(184)	529	501
Tax paid	(267)	20	(27)	(133)	(267)
Other operating Cash Flow	(480)	(480)	(480)	(480)	(480)
CF from operating activities	5,441	8,891	8,670	10,683	11,693
Capital expenditure	(4,619)	(4,818)	(11,108)	(3,500)	(3,000)
Inc/(Dec) in investments	(10,911)	185	-	-	-
Add: Interest/Div. Income Recd.	21	11	-	-	-
CF from investing activities	(15,509)	(4,622)	(11,108)	(3,500)	(3,000)
Inc/(Dec) in share capital	951	452	4,193	(0)	-
Inc/(Dec) in debt	8,328	216	(3,000)	-	-
Others	(386)	(4,922)	(649)	(3,204)	(3,525)
CF from financing activities	8,893	(4,254)	544	(3,204)	(3,525)
Net cash flow	(1,175)	15	(1,894)	3,978	5,168
Opening balance	851	1,676	1,814	400	4,859
Closing balance	1,809	1,814	400	4,859	10,507

Growth indicators (%)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenue	18.6	39.2	18.2	12.8	10.5
EBITDA	-0.4	27.7	7.5	15.3	11.0
Adj PAT	-47.0	-93.9	-10.8	384.2	100.7
Adj EPS	-47.4	-93.9	-12.6	384.2	100.7

Valuation (x)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	126.2	2,082.5	2,382.2	491.9	245.2
P/BV (x)	18.0	17.4	12.8	12.4	11.8
EV/EBITDA (x)	30.9	24.2	22.4	19.0	16.6
EV/Sales (x)	5.7	4.1	3.4	3.0	2.6

Financial ratios

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
RoE (%)	14.9	0.9	0.6	2.6	5.0
RoCE (%)	19.5	13.5	12.9	15.4	18.5
Asset/T.O (x)	2.7	2.8	3.1	3.4	3.6
Net Debt/Equity (x)	0.7	0.7	0.4	0.1	(0.3)
EBIT/Interest (x)	(1.6)	(1.1)	(1.0)	(1.2)	(1.3)

Margins (%)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
EBITDA Margin (%)	18.3	16.8	15.3	15.6	15.7
EBIT Margin (%)	7.5	5.3	4.5	5.0	5.6
PAT Margin (%)	4.2	0.2	0.1	0.6	1.1

Source: Company Antique

CMP	: INR 317
Reco	: HOLD ↔
Target	: INR 362 ↓
Target Price Change	: -16%
Target 1HFY28e P/E (x)	: 28
EPS Change FY26/ 27	: -13%/ -10%

Amit Shah

+91 22 6911 3466
amit.shah@antiquelimited.com

Dhirendra Tiwari

+91 22 6911 3436
dhirendra.tiwari@antiquelimited.com

Market data

Sensex	: 80,540
Sector	: Comm. Vehicles
Market Cap (INR bn)	: 134.5
Market Cap (USD bn)	: 1.538
O/S Shares (mn)	: 424.5
52-wk HI/LO (INR)	: 588/270
Avg. Daily Vol ('000)	: 603
Bloomberg	: JWLIN

Source: Bloomberg

Valuation

	FY26e	FY27e	FY28e
EPS (INR)	9.8	12.1	13.8
P/E (x)	32.3	26.2	23.0
P/BV (x)	4.2	3.6	-
EV/EBITDA (x)	21.4	17.0	14.8
Dividend Yield (%)	0.2	0.2	-

Source: Company, Antique

Returns (%)

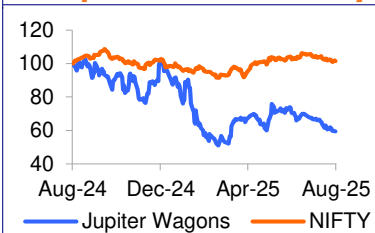
	1m	3m	6m	12m
Absolute	(15)	(15)	(3)	(43)
Relative	(13)	(14)	(8)	(44)

Source: Bloomberg

Shareholding pattern

Promoters	: 68%
Public	: 32%
Others	: 0%

Source: Bloomberg

Price performance vs Nifty

Source: Bloomberg Indexed to 100

1QFY26 RESULT REVIEW

Jupiter Wagons

Supply chain challenges dent operational performance

Jupiter Wagons (JWL) reported weak 1QFY26 as freight wagon volume witnessed a sharp decline as wheel set delivery continues to remain a challenge. The revenue miss was primarily due to lower than estimated wagon volume registered during the quarter which also led to a sharp decline in EBITDA. The INR 598 mn revenue also missed our estimate by 53% with the margin declining 250 bps YoY to 13%. PAT came in at INR 311 mn (-66% YoY; est. of INR 790 mn). We believe JWL is a top-tier player in the field of mobility solutions, particularly in the railways domain. It is well placed to register a revenue/ earnings CAGR of 12%/ 14% over FY25-28E supported by strong capabilities that it has developed on multiple fronts coupled with sectoral tailwinds that it enjoys in the business segments that it operates in. However, to factor in the sharp 1QFY26 earning miss, we trim our FY26/ 27E EPS estimates by 13%/ 10%. We retain HOLD rating on JWL given the weak ordering activity and near-term sectoral challenges, and scale down our TP to INR 362 (earlier INR 431), valuing the stock on a P/E multiple of 28x its 1HFY28E EPS (earlier 32x its FY27E EPS).

Wheel set supply challenges lead to weak revenue

JWL's 1QFY26 performance materially missed our estimates on all fronts. Revenue stood at INR 4.6 bn (-48% YoY), meaningfully missing our estimate of INR 7.8 bn, impacted by weaker than estimated railway wagon volume on account of unavailability of supply of wheel sets from the Indian Railways. Gross margin of 35.1% (+960 bps YoY) was above our estimate of 26.5%. EBITDA came in at INR 598 mn (-56% YoY), materially missing our estimate of INR 1.3 bn impacted by weaker than estimated revenue booking. PAT at INR 311 mn (-66% YoY) was below our estimate of INR 790 mn.

Weak order inflow; existing order backlog provides near-term comfort

JWL witnessed a decline of 84% YoY growth in its calculated order inflow to INR 1.3 bn impacted by weak ordering activity prevailing in the railway sector. However, it expects the order inflow momentum to pick-up supported by robust demand from the Indian Railways for freight wagons to materialize going ahead. Additionally, demand from private players remain robust and JWL believes it has the leadership position in the segment which will enable it to maintain market share and help it to supplement the current order book. The company has an order backlog of INR 59.0 bn (-15% YoY) with a revenue visibility of 1.7x TTM revenue.

Expansion strategy to aid in achieving mid-teen margins

The company increased its wagon capacity from ~500–550 wagons/month in FY22 to ~900 wagons/month and is expected to reach 10,000 wagons in FY26. JWL expects to receive license from the Indian Railways for Stone India as its pantograph has already been approved by IR and is expecting to deliver a prototype early next year. With the Bonatrans acquisition, JWL aims to expand BIPL capacity to 1,00,000 wheel sets from the current 20,000 forged wheels and axles by setting up a new facility in Odisha entailing an investment of approximately INR 25 bn. The company had recently raised INR 8 bn through the QIP route, which will be used to establish a forged wheel and axle manufacturing plant that will help cater to the domestic demand for forged wheels required for Vande Bharat trains and metro coaches, and also cater to export demand.

Investment Summary

We expect JWL to post revenue/ EBITDA/ earnings CAGR of 12%/ 13%/ 14% over FY25–28E. However, to factor in weak wagon segment ordering activity coupled with a sharp decline in 1QFY26 earnings, we trim our FY26/ 27E EPS estimates by 13%/ 10%. We retain HOLD rating on the stock given weak ordering activity and near-term sectoral challenges, and scale down our TP to INR 362 (earlier INR 431) valuing it at a P/E multiple of 28x its 1HFY28E EPS.

Conference Call Highlights

Wagon business:

- The total number of wagons in the order book is approximately 11,500.
- Confirmed order book stands at INR 59.7 bn.
- Order book split: Indian Railways account for about 4,000 wagons, and the private sector accounts for about 7,000 wagons.
- The overall margin per wagon sold has improved, particularly due to increased supply to the private sector.
- The company expects new substantial tenders from Indian Railways in the third or fourth quarter of the current financial year.
- Capacity exists to produce up to 1,000 wagons per month, and the company aims to surpass last year's production numbers.

Jupiter Electric Mobility (JEM) & Battery Division:

- Production and sales of Electric Light Commercial Vehicles (ELCVs) commenced in June, with over 50 vehicles already dispatched.
- The first dedicated showroom opened in Bengaluru, and plans are in place to open 4-6 more by September 2025.
- A MoU was signed with Pickup (a logistics platform) to deploy 300 GEM vehicles by the end of the year, aligning with the government's clean mobility goals.
- Commercial EV demand is projected to grow at 40% CAGR over FY30.
- Two new vehicles (a 2-ton payload and another 1-ton segment vehicle) are planned for launch in the current financial year.
- The battery division is experiencing 100% MoM growth.
- Supply to Siemens for Vande Bharat and other railway applications has commenced, with other products under development.
- The company is installing and commissioning a battery module line in Indore by late September to support growth, in addition to its established Bangalore facility.
- The combined battery and vehicle business is expected to generate INR 5-10 bn by FY28.
- The battery business specifically is projected to be INR 2-3 bn by FY27.

Wheel set business:

- Witnessing QoQ growth from the Aurangabad unit.
- Expects to achieve revenue of approximately INR 5.5 bn in the current financial year, further increasing to around INR 10 bn next year.
- The Odisha wheel and axle project (with a planned investment of INR 25 bn in phases) has commenced construction and equipment procurement, aiming to boost domestic manufacturing and export capabilities. This facility alone is expected to add INR 20-30 bn to topline revenue by FY28.

Brake systems:

- Including JVs, the business is expected to achieve more than INR 2.5 bn this year.
- Supplies are skewed towards the end of the year, with strong EBITDA margin expected from the next financial year.
- From the next financial year, INR 3-5 bn in revenue is expected from the brake system business.

Financial health and strategic outlook:

- The company's long-term credit rating has been upgraded to "Acute of Double A with Stable Outlook", reflecting a strong balance sheet.
- Jupiter Wagons remains a net debt free company.
- The company maintains its guidance of 10%-15% topline growth with 14%-15% EBITDA margin for the four-year period.
- The Indian logistics sector is expected to grow to USD 500 bn by 2030, with the rail share targeted to increase from 27% to 40% under the Gati Shakti initiative, presenting a significant opportunity.
- The planned capex for the Odisha project is INR 25 bn over FY26 and FY27, with no other substantial capex foreseen. Interest on this debt will be capitalized, so there will be no immediate impact on finance costs in the next two financial years.
- The company's focus remains on disciplined execution, market diversification, and innovation across rail and mobility segments to deliver sustainable growth.

Table 1: Financial performance

Particulars (INR mn)	1QFY26	1QFY25	YoY (%)	4QFY25	QoQ (%)
Total revenues (net)	4,593	8,799	(47.8)	10,445	(56.0)
RM	2,980	6,549	(54.5)	7,771	(61.6)
% of Sales	64.9	74.4	-955 bps	74.4	-951 bps
Staff cost	235	171	37.8	245	(3.8)
% of Sales	5.1	1.9	318 bps	2.3	278 bps
Other operating expenses	780	712	9.5	903	(13.6)
% of Sales	17.0	8.1	888 bps	8.6	833 bps
Total expenditure	3,995	7,432	(46.2)	8,918	(55.2)
EBITDA	598	1,367	(56.2)	1,527	(60.8)
EBITDA Margin (%)	13.0	15.5	-251 bps	14.6	-160 bps
Depreciation	162	125	30.3	149	9.0
Interest	159	126	26.2	166	(4.2)
Other income	169	79	115.0	120	41.0
PBT	445	1,194	(62.7)	1,332	(66.6)
Tax	129	278	(53.6)	249	(48.2)
Tax rate (%)	28.9	23.2	568 bps	18.7	1023 bps
Reported net profit	311	919	(66.2)	1,026	(69.7)
Adjusted net profit	311	919	(66.2)	1,026	(69.7)
EPS (INR)	0.8	2.2	(66.2)	2.5	(69.7)

Source: Company, Antique

Table 2: Volumes (nos.)

Volumes (Nos.)	1QFY26	1QFY25	YoY (%)	4QFY25	QoQ (%)
Railway Wagons	2,234	2,520	(11.3)	2,400	(6.9)
CMS Crossing	138	226	(38.9)	290	(52.4)
Comm. Vehicle Bodies & Components	1,883	2,911	(35.3)	2,946	(36.1)
Containers	292	200	46.0	304	(3.9)
Brake Disc Assemblies	3,261	1,256	159.6	4,237	(23.0)
Hubs	1,232	606	103.3	2,258	(45.4)

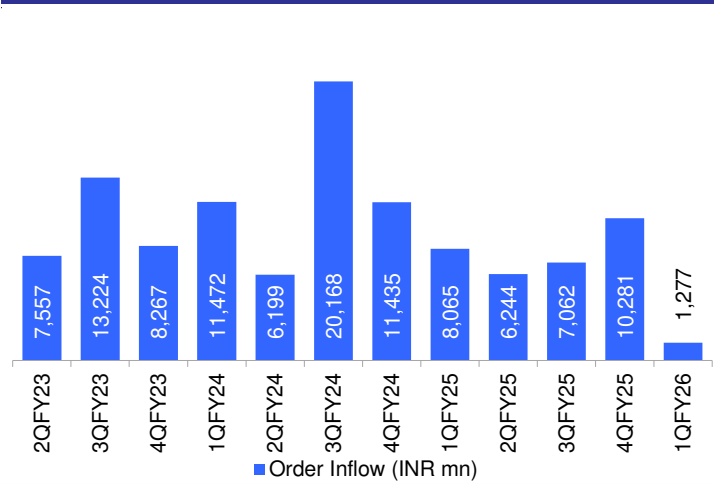
Source: Company, Antique

Table 3: Change in estimates

INR mn	OLD		New		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	47,300	55,369	42,303	49,762	-11%	-10%
EBITDA	6,906	8,185	6,049	7,365	-12%	-10%
EBITDA margin	14.6%	14.8%	14.3%	14.8%	-0.3%	0.0%
Reported PAT	4,638	5,558	4,050	4,991	-13%	-10%
Adj. PAT	4,638	5,558	4,050	4,991	-13%	-10%

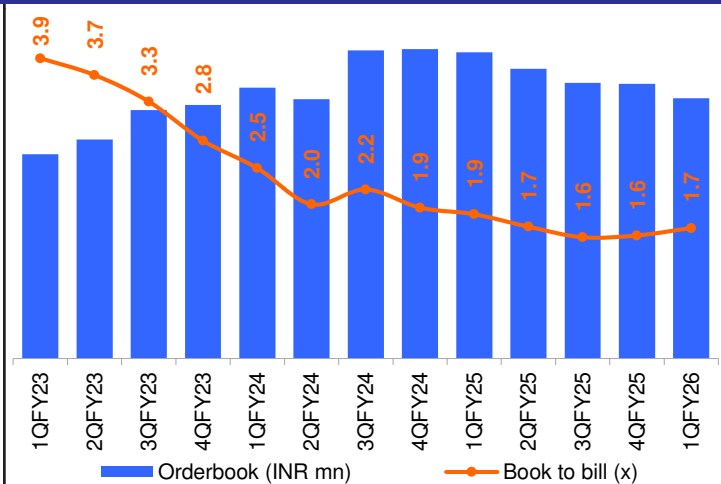
Source: Company, Antique

Exhibit 1: Calculated order inflow declined 84% to INR 1.3 bn



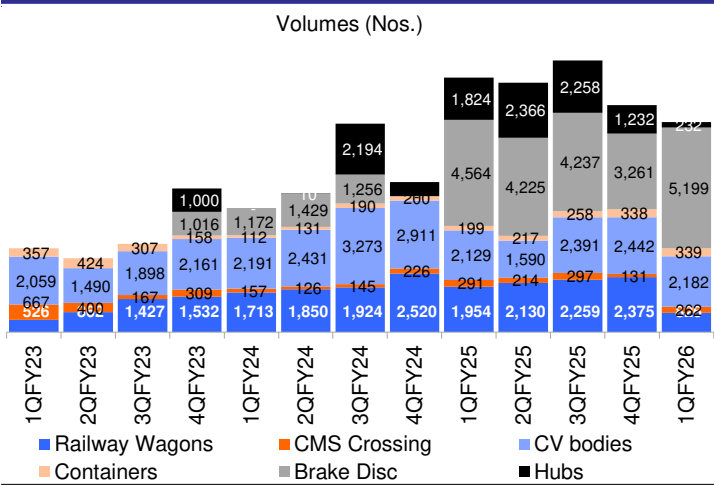
Source: Company, Antique

Exhibit 2: Order book stands at INR 59.7 bn with revenue visibility of 1.7x TTM revenue



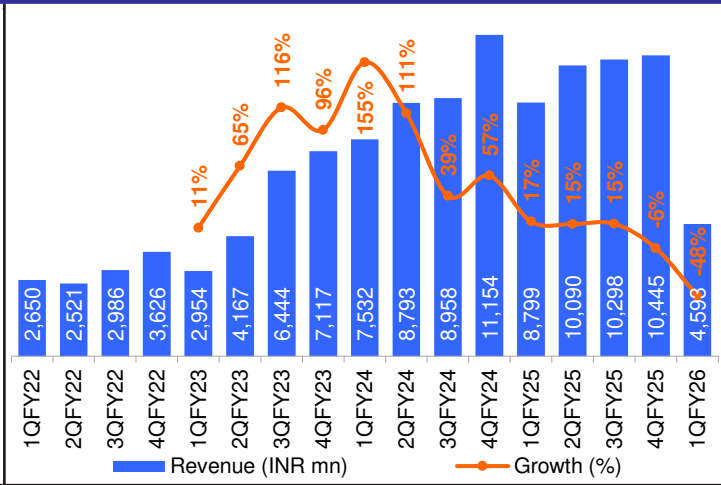
Source: Company, Antique

Exhibit 3: Sharp volume decline in railway wagons segment



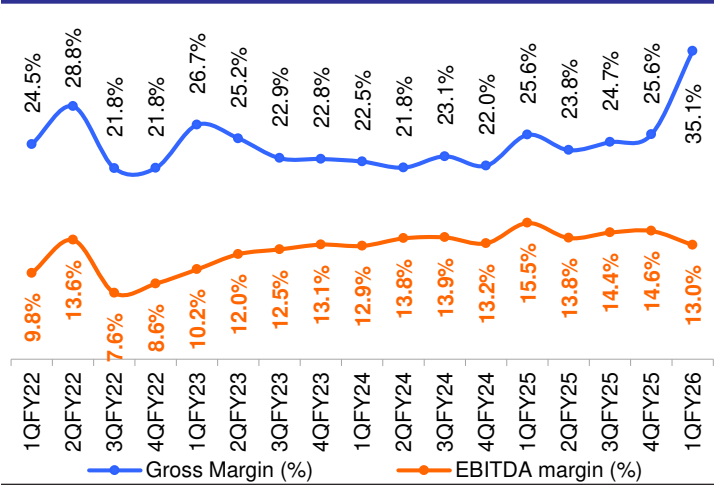
Source: Company, Antique

Exhibit 4: Revenue declined by 48% YoY



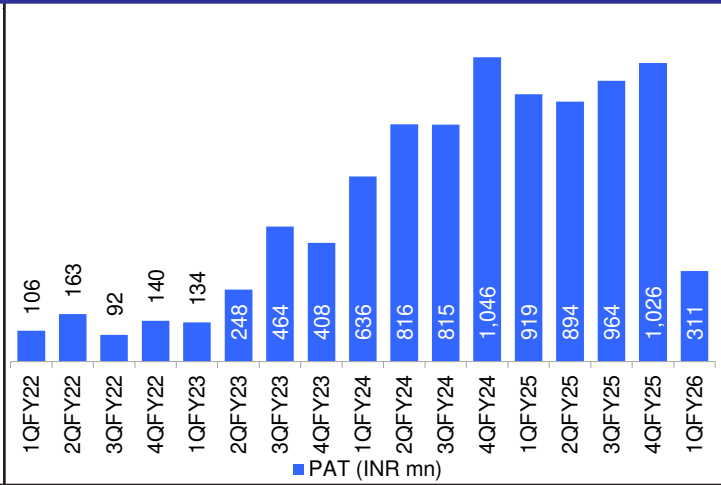
Source: Company, Antique

Exhibit 5: EBITDA margin declines 250 YoY to 13.0%



Source: Company, Antique

Exhibit 6: Earnings witness 66% YoY decline



Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Net Revenue	36,437	39,633	42,303	49,762	55,369
Op. Expenses	31,545	33,858	36,254	42,398	47,009
Gross Profit	8,147	9,874	10,364	12,192	13,565
EBITDA	4,892	5,775	6,049	7,365	8,361
Depreciation	282	536	580	672	764
EBIT	4,611	5,239	5,470	6,693	7,597
Other income	245	444	510	587	675
Interest Exp.	410	604	592	647	720
Reported PBT	4,446	5,078	5,387	6,633	7,552
Tax	1,109	1,156	1,358	1,671	1,903
Reported PAT	3,337	3,922	4,030	4,961	5,649
Minority Int./Profit (loss) From Asso. (27)	(119)		20	30	30
Net Profit	3,310	3,803	4,050	4,991	5,679
Adjusted PAT	3,310	3,803	4,050	4,991	5,679
Adjusted EPS (INR)	8.0	9.2	9.8	12.1	13.8

Balance sheet (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Share Capital	4,123	4,245	4,245	4,245	4,245
Reserves & Surplus	12,039	23,298	27,145	31,887	37,282
Networth	16,162	27,543	31,390	36,132	41,527
Debt	3,490	5,016	4,516	4,016	3,516
Net deferred Tax liabilities	316	235	235	235	235
Capital Employed	20,122	32,927	36,274	40,516	45,411
Gross Fixed Assets	9,673	11,620	13,620	15,620	17,620
Accumulated Depreciation	1,360	1,896	2,476	3,147	3,911
Capital work in progress	534	661	661	661	661
Net Fixed Assets	8,847	10,385	11,805	13,134	14,370
Investments	1,454	5,330	5,830	6,330	6,830
Non Current Investments	1,454	5,330	5,830	6,330	6,830
Current Assets, Loans & Adv.	19,098	24,276	29,650	34,005	38,623
Inventory	9,835	7,694	11,010	12,952	14,411
Debtors	4,908	8,149	5,215	6,135	6,826
Cash & Bank balance	2,130	5,936	9,557	10,369	12,323
Loans & advances and others	2,225	2,498	3,867	4,549	5,062
Current Liabilities & Provisions	9,278	7,064	11,010	12,952	14,411
Liabilities	9,217	6,977	10,431	12,270	13,653
Provisions	61	87	579	682	758
Net Current Assets	9,820	17,212	18,639	21,053	24,211
Application of Funds	20,122	32,927	36,274	40,516	45,411

Per share data

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
No. of shares (mn)	412	412	412	412	-
Diluted no. of shares (mn)	412	412	412	412	-
BVPS (INR)	39.2	66.8	76.1	87.6	-
CEPS (INR)	8.8	10.8	11.2	13.7	-
DPS (INR)	0.6	0.5	0.5	0.6	-

Source: Company, Antique

Cash flow statement (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	4,446	5,078	5,387	6,633	7,552
Depreciation & amortization	282	536	580	672	764
Interest expense	288	604	592	647	720
(Inc)/Dec in working capital	(4,099)	(3,586)	2,193	(1,602)	(1,204)
Tax paid	(1,086)	(1,156)	(1,358)	(1,671)	(1,903)
Other operating Cash Flow	(22)	(1)	-	-	-
CF from operating activities	(191)	1,476	7,395	4,678	5,928
Capital expenditure	(1,248)	(5,528)	(2,000)	(2,000)	(2,000)
Inc/(Dec) in investments	(3,398)	859	(480)	(470)	(470)
CF from investing activities	(4,646)	(4,669)	(2,480)	(2,470)	(2,470)
Inc/(Dec) in share capital	5,123	7,769	0	-	-
Dividend Paid	(323)	(190)	(202)	(250)	(284)
Others	89	(578)	(1,092)	(1,147)	(1,220)
CF from financing activities	4,889	7,001	(1,295)	(1,396)	(1,504)
Net cash flow	52	3,807	3,620	812	1,955
Opening balance	1,674	2,129	5,936	9,557	10,369
Closing balance	2,129	5,936	9,557	10,369	12,323

Growth indicators (%)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenue	76.2	8.8	6.7	17.6	11.3
EBITDA	94.1	18.0	4.7	21.7	13.5
Adj PAT	174.3	14.9	6.5	23.3	13.8
Adj EPS	157.8	14.9	6.5	23.3	13.8

Valuation (x)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	39.5	34.4	32.3	26.2	23.0
P/BV (x)	8.1	4.7	4.2	3.6	-
EV/EBITDA (x)	27.1	23.1	21.4	17.0	14.8
EV/Sales (x)	3.6	3.4	3.1	2.5	2.2
Dividend Yield (%)	0.2	0.1	0.2	0.2	-

Financial ratios

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
RoE (%)	27.4	17.4	13.7	14.8	14.6
RoCE (%)	31.0	21.4	17.3	19.0	19.3
Asset/T.O (x)	3.8	2.7	1.8	1.7	1.7
Net Debt/Equity (x)	0.2	0.2	0.1	0.1	0.1
EBIT/Interest (x)	11.8	9.4	10.1	11.3	11.5

Margins (%)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
EBITDA Margin (%)	13.4	14.6	14.3	14.8	15.1
EBIT Margin	12.7	13.2	12.9	13.5	13.7
PAT Margin	9.1	9.6	9.6	10.0	10.3

Source: Company Antique

CMP	: INR 907
Reco	: BUY ↔
Target	: INR 1,200 ↑
Target Price Change	: 10%
Target 1HFY28e P/E (x)	: 24
EPS Change FY26/ 27	: -2%/ -12%

Gaurav Tinani

+91 22 6911 3417

gaurav.tinani@antiquelimited.com

Vamsi Hota

+91 22 6911 3432

vamsi.hota@antiquelimited.com

Market data

Sensex	:	80,540
Sector	:	Pharmaceuticals
Market Cap (INR bn)	:	89.4
Market Cap (USD bn)	:	1.022
O/S Shares (mn)	:	97.8
52-wk HI/LO (INR)	:	1003/531
Avg. Daily Vol ('000)	:	62
Bloomberg	:	SLPA IN

Source: Bloomberg

Valuation

	FY26e	FY27e	FY28e
EPS (INR)	24.7	40.0	60.0
P/E (x)	36.8	22.7	15.1
P/BV	3.4	3.0	2.5
EV/EBITDA (x)	18.7	13.6	10.1
Dividend Yield (%)	0.1	0.1	0.1

Source: Company, Antique

Returns (%)

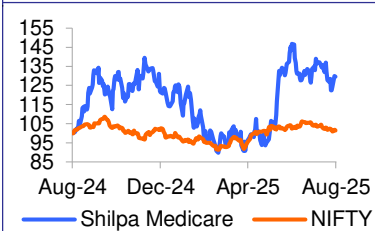
	1m	3m	6m	12m
Absolute	2	36	34	36
Relative	4	38	27	34

Source: Bloomberg

Shareholding pattern

Promoters	:	44%
Public	:	56%
Others	:	0%

Source: Bloomberg

Price performance vs Nifty

Source: Bloomberg Indexed to 100

1QFY26 RESULT REVIEW

Shilpa Medicare

Formulations, biologicals & margin expansion lead the way

Shilpa Medicare (SLPA) reported 1QFY26 revenue of INR 3.2 bn, up 10% YoY, led by a strong growth in the formulations (+74% YoY) and biologicals segments (+139% YoY). Formulations business growth was driven by strong performance in EU (+63% YoY) and RoW (+227% YoY) markets. Biologicals segment growth was led by commencement of new contracts and licensing income from the Orion Albumin deal. Gross margin expanded ~700 bps YoY in 1QFY26 to ~75% led by improved product mix. EBITDA grew 24.5% YoY with the margin expanding ~335 bps YoY to 28.5%. PAT grew 233% YoY to INR 469 mn, led by a significantly lower tax burden for the quarter. In the near term, SLPA is poised to capitalize on its differentiated formulations pipeline across key global markets. Nilotinib and Rotigotine ODF in the EU, Nor-UDCA in India, Pemetrexed and Bortezomib (505(b)(2)) in the US. We cut our FY27E earnings estimate by 12% as we lower our EBITDA margin assumption to reflect higher operating expenses. With aggressive capex investments behind, we believe SLPA's pipeline monetization can lead to a revenue growth CAGR of ~24% over a three-year period, with an EBITDA margin of ~35% by FY28E and EPS CAGR of over 80% (on a low base). Maintain BUY rating with a revised TP of INR 1,200 (earlier INR 1,090), valuing the stock at 24x 1HFY28E EPS (vs. FY27E earlier).

Formulations: Differentiated launches driving growth

Formulations grew 74% YoY, led by EU (+63% YoY) and RoW (+227% YoY). Nilotinib continues to gain traction in Europe. The company expects Rotigotine patch approval in EU by 4QFY26 and plans to file in the US in 3QFY26. In the US, SLPA's 505(b)(2) portfolio is gaining momentum. Pemetrexed has ramped up to ~20% volume share (Jul 2025), driven by its RTU format, with profit share gains expected to materialize over the subsequent quarters. Bortezomib RTU is expected to scale meaningfully in FY26E. In India, SLPA has successfully received CDSCO approval for Nor-UDCA (Nor Ursodeoxycholic Acid) indicated for treatment for Non-alcoholic Fatty Liver Disease (NAFLD). SLPA anticipates an Oct'25 launch by out-licensing to three of the top 10 Indian pharma companies alongside in-house distribution. Overall, SLPA's differentiated delivery formats are expected to drive ~40% CAGR in formulations revenue over FY25–28E.

Biologicals & CDMO: Strategic bets gaining traction

Biologicals revenue grew 139% YoY, driven by CDMO contracts and licensing income from the Orion Albumin deal. The recombinant human albumin program is progressing toward Phase III trials in India and EU, with commercialization expected in FY28E. SLPA's biosimilars pipeline includes Adalimumab (scaling in India, label expansion underway), Aflibercept (targeted for FY27E launch), and five early-stage molecules. Nivolumab is expected to enter Phase 1/ 3 trials by 4QFY26. The EU-GMP-certified Dharwad facility supports CDMO biologics, with five active projects in various clinical stages. On the small molecule CDMO front, SLPA's most advanced program is with Unicycive for Oxylanthanum Carbonate (OLC), a novel phosphate binder under USFDA review. Commercialization is expected in FY27E.

Investment Summary

We believe SLPA is well-positioned to monetize its FDF pipeline, driving an overall revenue CAGR of over 24% over FY25–28E. We expect the EBITDA margin to expand to ~35% by FY28E, supported by operating leverage and a richer product mix. CDMO traction (Unicycive contract and increasing momentum in biologicals) and recombinant human albumin remain key long-term growth drivers. On the balance sheet front, SLPA has made significant progress in deleveraging with net debt now at INR 5.5 bn with net debt/EBITDA having improved to 1.6x. With a bulk of its aggressive capex cycle now behind, further deleveraging can be seen in FY27E/ 28E. We maintain BUY rating on the stock.

Table 1: Revenue snapshot

(INR mn)	1QFY26	1QFY25	YoY (%)	4QFY25	QoQ (%)
FDF	800	460	73.9	1,080	(25.9)
API	1,800	1,612	11.7	1,830	(1.6)
CDMO (incl licensing income)	250	690	(63.8)	260	(3.8)
Biologics	370	155		100	270.0
Gross sales	3,220	2,917	10.4	3,270	(1.5)

Source: Company, Antique

Table 2: Quarterly snapshot

(INR mn)	1QFY26	1QFY25	YoY (%)	4QFY25	QoQ (%)
Net sales	3,215	2,925	10	3,308	(3)
RM Cost	796	928	(14)	1,045	(24)
% of sales	24.8	31.7	(696)bps	31.6	(682)bps
Staff costs	818	721	13	709	15
% of sales	25.5	24.7	79 bps	21.4	401 bps
Other expenses	684	540	27	786	(13)
% of sales	21.3	18.4	283 bps	23.8	(249)bps
Expenditure	2,298	2,189	5	2,540	(10)
EBITDA	916	736	25	768	19
EBITDA margin (%)	28.5	25.2	335 bps	23.2	530 bps
Other income	64	94		76	
Interest	188	237		145	
Depreciation	289	271		288	
PBT before EO	503	322	56	411	22.5
Exceptional items	-	-		281	
PBT	503	322	56	130	287.7
Tax	27	146		8	
Tax Rate %	5.4	45.4	(4,004)bps	5.9	(55)bps
Reported PAT	469	141	233	145	223
Adjusted PAT	469	141	233	333	41
EPS (INR)	4.8	1.4	233	3.4	41

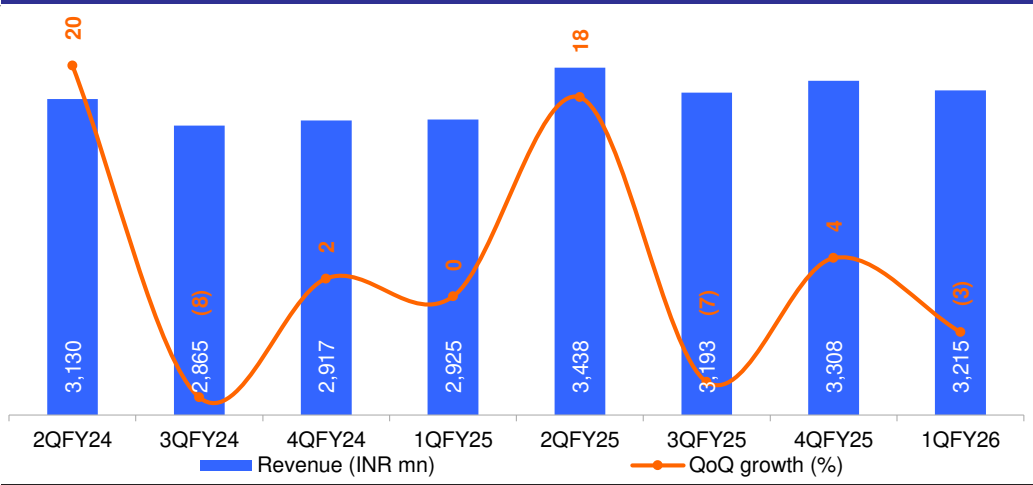
Source: Company, Antique

Table 3: Old vs. new estimates

(INR mn)	New estimates		Old estimates		Change %	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Rating	Buy		Buy			
Target (INR)	1,200		1,090		10	
Sales	16,812	20,401	17,189	21,324	(2)	(4)
EBITDA	4,995	6,662	5,117	7,361	(2)	(9)
EBITDA%	29.7%	32.7%	29.8%	34.5%	(6)bps	(186)bps
PAT	2,411	3,912	2,459	4,439	(2)	(12)
EPS (INR)	24.7	40.0	25.1	45.4	(2)	(12)

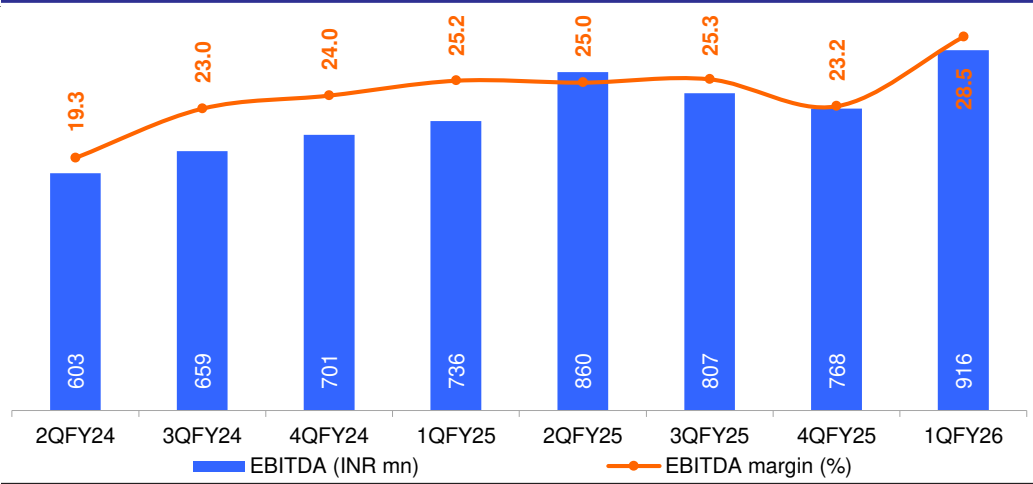
Source: Company, Antique

Exhibit 1: Quarterly revenue trend



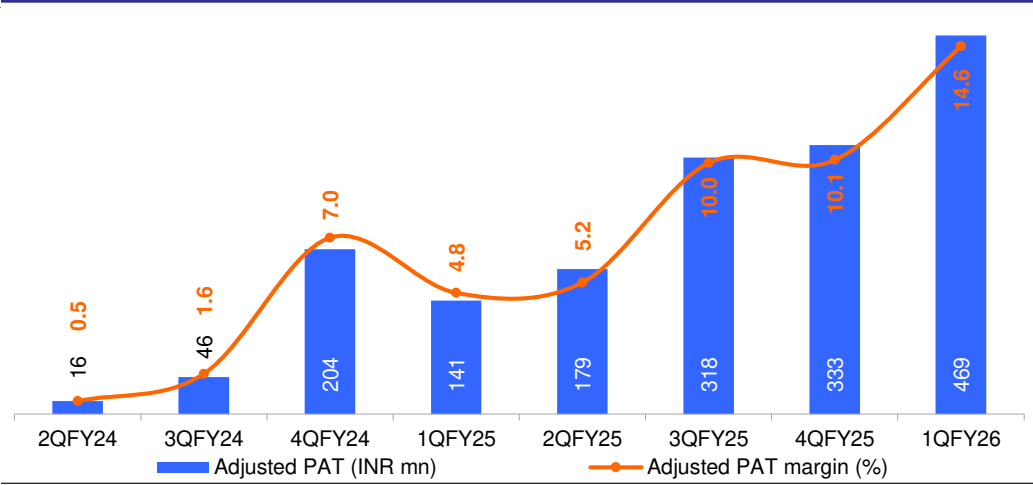
Source: Company, Antique

Exhibit 2: Quarterly EBITDA and margin trend



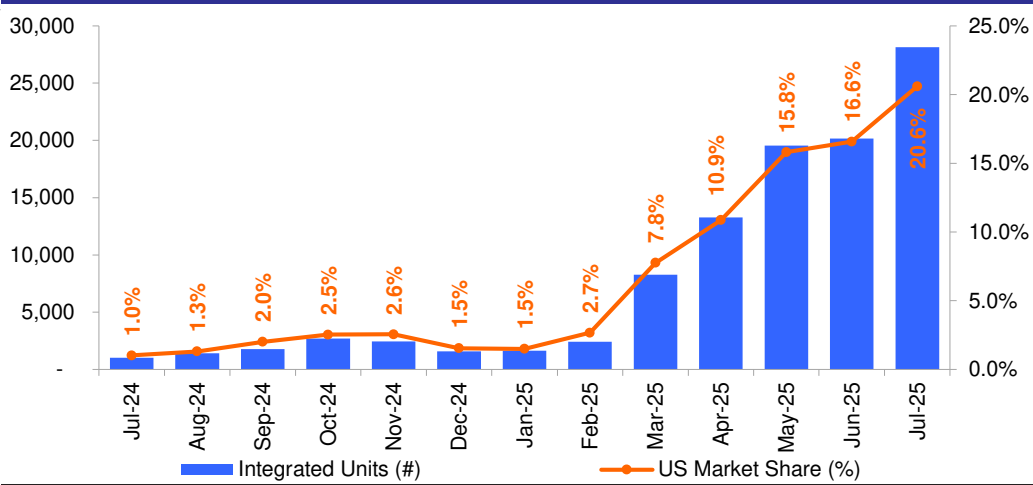
Source: Company, Antique

Exhibit 3: Quarterly PAT and margin trend



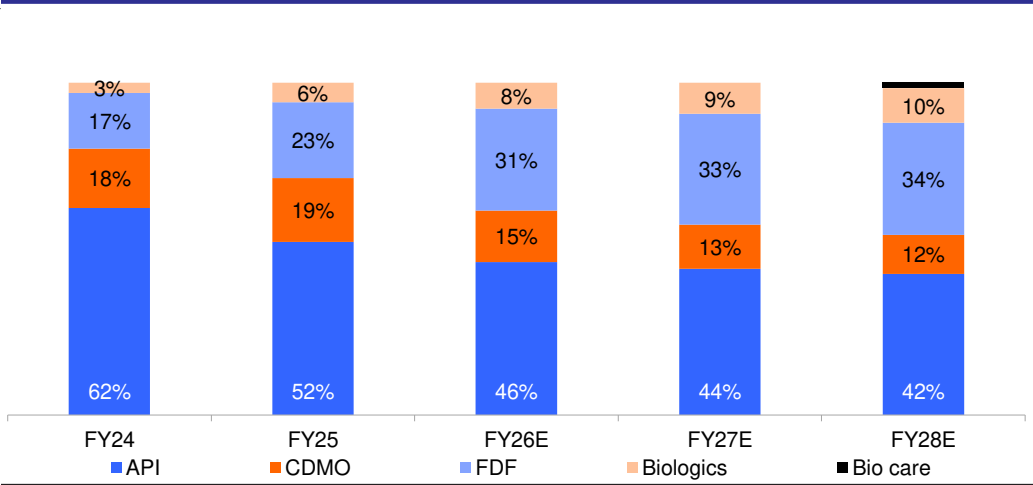
Source: Company, Antique

Exhibit 4: Pemetrexed volumes share ramping-up



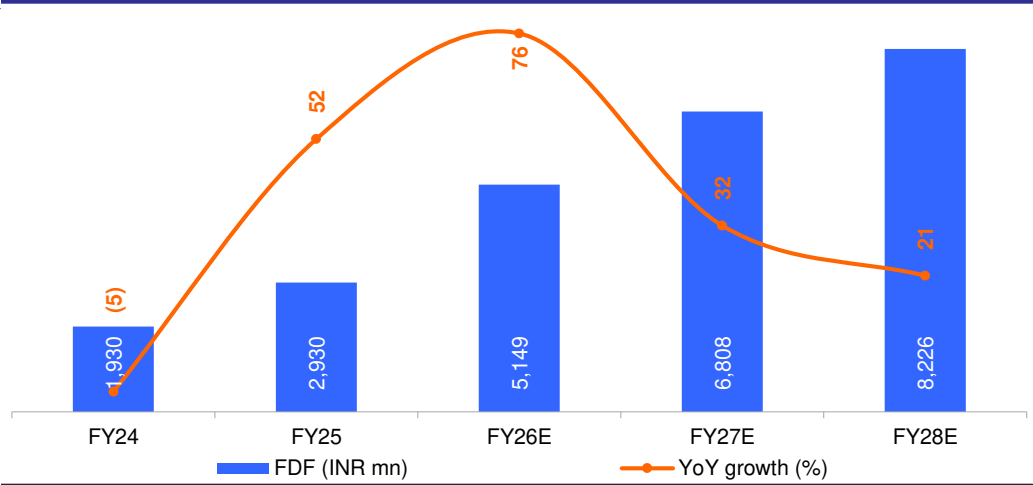
Source: Bloomberg, Antique

Exhibit 5: Revenue split – Differentiated launches to drive robust growth in formulations (FDF) contribution



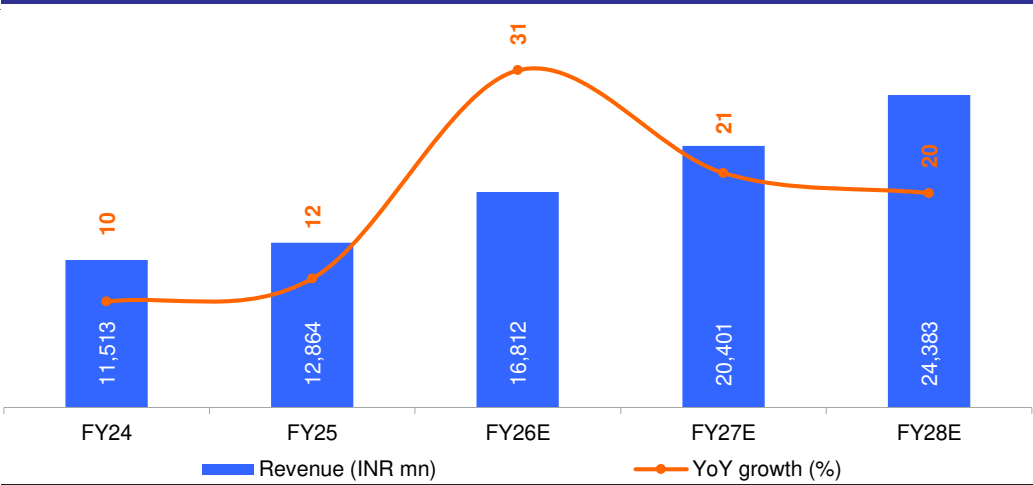
Source: Company, Antique

Exhibit 6: Formulations segment to grow over ~40% CAGR over the next three years



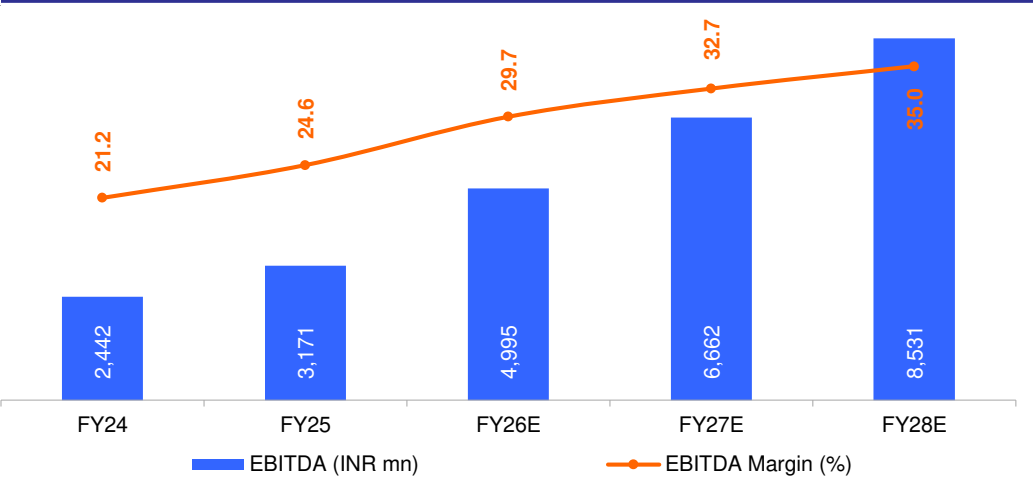
Source: Company, Antique

Exhibit 7: Revenue to grow at ~24% CAGR over 3 years



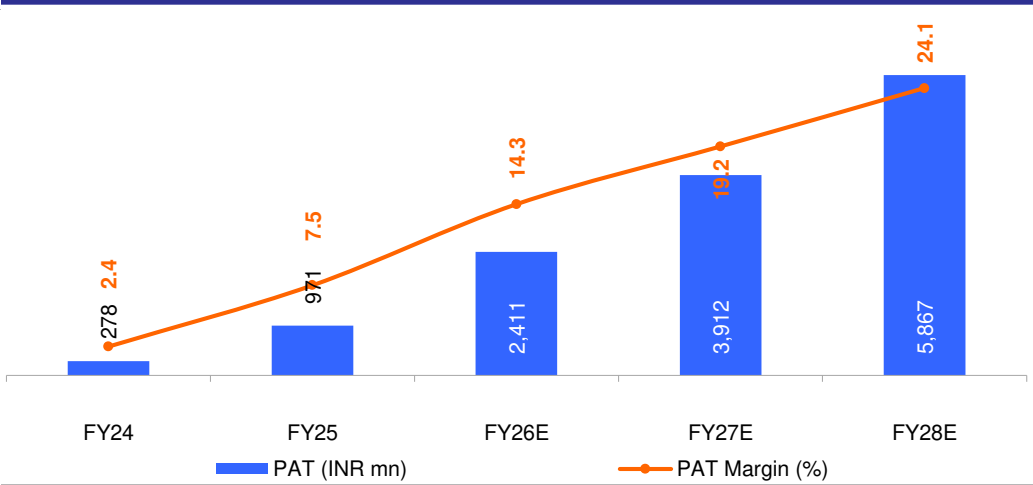
Source: Company, Antique

Exhibit 8: EBITDA margin to expand to ~35% by FY28E



Source: Company, Antique

Exhibit 9: Profitability to materially improve, driven by operating leverage



Source: Company, Antique

Conference Call Highlights

Financial highlights

- 1QFY26 revenue grew 10% YoY to INR 3.2 bn.
- Gross margin expanded 697 bps to 75.2%, led by improvement in product mix & licensing income.
- EBITDA grew 24.5% YoY with margin expanding ~335 bps to 28%.
- Interest cost for the quarter was INR 188 mn, as it includes INR 65 mn mark-to-market impact on Euro denominated loan this quarter. Excluding this impact, interest cost declined by INR 15 mn.
- PAT for the quarter expanded 233% YoY to INR 469 mn, due to significantly lower tax burden due to merger with INM Technologies, a wholly-owned subsidiary of the company, which had unabsorbed tax losses.
- In Jul'25, SLPA refinanced high cost NCD worth INR 750 mn with lower cost debt.
- Net debt as of Jun'25 stood at INR 5,500 mn.
- Capex during the quarter stood at INR 700 mn, largely directed towards fermentation capacity in Kadachur, Karnataka.
- SLPA announced issue of bonus shares in the ratio of 1:1 during the quarter.

API

- API segment grew ~12% YoY to INR 1.83 bn, driven by improved offtake of key products and contribution from newly increased capacities for key products.
- Onco API:
 - One Innovator customer's oncology NCE completed phase 3 trials with promising results. For the product, the customer has reviewed the breakthrough designation for bladder cancer and the filing was completed during the quarter. Commercialization anticipated in FY27E.
 - Another customer's oncology drug is undergoing phase 3 trials, which are anticipated to conclude by next year.
 - Generic molecules in oncology continue to have strong order book.
 - Palbociclib - Validation batches completed; to file DMF over the next three months.
 - Olaparib - Validation batches initiated and to be completed by Oct'25.
 - During the quarter, SLPA completed product & process validation for two other oncology products. DMF and CEP filings anticipated in the next six months.
- Non-Onco API:
 - The newly set-up commercial-scale manufacturing capacity for Tranexamic Acid has started contributing to the topline and is anticipated to ramp up materially over FY26.
 - UDCA's production run-rate has reached 10 metric tons per month.
 - For Nor UDCA, captive API supplies shall commence from 2QFY26.
 - Mycophenolate Mofetil - Process validation was completed during the quarter; anticipates filing DMF & CEP in FY26.
- Peptides & polymers
- Commercial supplies of the large polymer project have started and received ~USD 4 mn worth of orders from an US MNC for non-pharma applications. Anticipates completion by 3QFY26, with replenishment orders over the next two years.
- Completed manufacturing and supply of specialty polymers for an eye care related NCE of a US company.

- Peptides: Working on APIs and formulations for Semaglutide, Liraglutide, and Tirzepatide.
 - Liraglutide – Manufacturing formulation registration batches, which will be complete by end of Sep'25. Filing anticipated across all global markets.
 - Semaglutide – To complete both formulation and API registration batches by 4Q FY26.
 - Tirzepatide – Completed lab development, with scale-up anticipated in 3QFY26.
 - Separately both Desmopressin & Octreotide have been commercialized across Europe, US, and ROW markets. Order book remains strong for Desmopressin over the next two quarters.

FDF

- FDF segment reported a revenue of INR 800 mn, growing 74% YoY.
- EU (~39% of segment sales) and RoW (45% of segment sales) markets witnessed strong YoY growth (63% & 227% respectively).
- All three approved and launched NDAs have limited competition. More NDAs will be filed in coming quarters.
 - Launched 2nd NDA viz. Bortezomib RTU Subcutaneous in the US, scale up expected in FY26.
 - Pemetrexed gaining market share in the US, with profit share upside expected to materialize in coming quarters.
- Nilotinib continues to gain market share in EU; order book remains strong for upcoming quarters.
- Pipeline updates:
 - NOR – UDCA (NAFLD): Received CDSCO approval for Nor UDCA. Commercialization anticipated in Oct'25 via in-house team & three large Indian pharma companies (to receive licensing and milestone-based payments), with revenue booking from 3QFY26; RoW launch anticipated post India launch.
 - ROTIGOTINE (Parkinson's): US study dosing has been completed with results expected in 2QFY26. US submission planned in 3Q FY26. Europe submission completed by SLPA's partner and expecting limited competition launch in FY26E.
 - SMLTOP09 (Androgenic Alopecia): Phase II completed and data submitted to the Indian regulatory body; Phase III study to start post approval. EU regulators validated SLPA's clinical development approach through scientific advice.
 - SMLODF010 (Tadalafil Film): Expected to launch in European market in FY26.
 - SMLINJ011 (injection for prevention of nausea and vomiting associated with emetogenic cancer care): Estimated global market size is ~USD 375 mn. Dosing in Phase III clinical trials in India has been completed. SLPA received positive scientific advice responses from both EU and US (pre-IND) regulators & is planning clinical study designs.
 - SMLTDP012 (transdermal patch to steady plasma levels for Alzheimer's patients): Preliminary clinical trials initiated; full development to be completed by end of FY26.
 - SMLOSD014 (anticoagulation segments): Targeting a ~USD 10 bn+ U.S. branded market with its enhanced delivery platform. Exhibit batches completed and BE Studies planned.

Biologicals

- Biologicals segment (11% of sales) reported revenue growth of 139% YoY, led by commencement of new contracts during the quarter and licensing income from Orion.

- Adalimumab: India market sees growth, 24-month shelf life approved (from 18). Filing in progress in 15 RoW markets, with approvals expected in FY26. RoW approvals expected in this quarter.
- Aflibercept: Ophthalmic biologic with a global market size of ~USD 5 bn. Pursuing Phase III trials currently, which shall conclude by FY26E. Targets FY27 launch; out-licensed to two partners in India and Russia, with active discussions in MENA region.
- ADC - Product development initiated. Targets clinical trials in FY27.
- Nivolumab (USD 11 bn opportunity) - Small-scale development & PCT completed; clinical initiation in 4QFY26; targeting both US and EU markets.
- Pembrolizumab (USD 33 bn) small scale development completed and PCT in progress.
- Daratumumab (USD 13 bn) and Dupilumab (USD 21 bn) cell line development initiated; PCT targeted in FY26.
- Trastuzumab (USD 3 bn) process development completed.
- SLPA's first ADC biosimilar is expected to enter human studies in FY27.

Recombinant albumin

- Entered into a strategic partnership with Orion Corporation for exclusive commercialization in Europe region. Entitled to receive certain development and regulatory milestone payments from Orion.
- Global clinical trial protocol submitted, aligned with EMA guidance:
 - India – Initiating phase III trials in FY26.
 - EU – Initiating phase III trials in FY26, which could take 12–15 months to complete. Approval process to take another year's time post CT.
 - US – Pre IND to be filed 2QFY26.
 - Non-therapeutic - Samples shared with few clients in the US.

CDMO

- CDMO (incl. licensing) revenue for the quarter was INR 250 mn, down 64% YoY.
- Unicycive - NDA accepted by the US FDA; anticipates commercialization by FY27E.
 - Unicycive received a Complete Response Letter (CRL) from the FDA, citing deficiencies related to a third-party drug product manufacturer (unaffiliated with Shilpa Group).
 - In response, the company has proactively qualified an alternative supplier that has already successfully produced OLC drug product batches. This vendor will support resolving the CMC issues outlined in the CRL.
 - Developing back-end to develop & manufacture both API & Formulation.
- 25+ CDMO engagements (incl. 5 biologics) currently ongoing, spanning across phases of development.
- Two NBE projects expected to enter human studies in FY27 (Alveolus Bio and mAbTree engagements). SLPA to supply clinical trial as well as commercial supplies.
 - Term sheet signed with mABTree. Cell line received and process development underway. Targets investigator-led trials by late FY26.
 - Novel Live Biotherapeutic Product (LBP) development & manufacturing contract signed with Alveolus Bio.

Guidance

- Effective tax rate for rest of FY26E – between 35%-36% (vs. 5.4% in 1Q).

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Net Revenue	11,513	12,864	16,812	20,401	24,383
Op. Expenses	9,071	9,694	11,817	13,739	15,851
EBITDA	2,442	3,171	4,995	6,662	8,531
Depreciation	1,079	1,130	1,225	1,315	1,399
EBIT	1,364	2,041	3,770	5,347	7,133
Other income	84	232	243	280	797
Interest Exp.	918	755	550	394	90
Extra Ordinary Items -gain/(loss)	61	(281)	-	-	-
Reported PBT	591	1,236	3,463	5,233	7,839
Tax	224	440	1,039	1,308	1,960
Reported PAT	367	796	2,424	3,924	5,880
Minority Int./Profit (loss) From Asso.	(49)	(13)	(13)	(13)	(13)
Net Profit	319	783	2,411	3,912	5,867
Adjusted PAT	319	971	2,411	3,912	5,867
Adjusted EPS (INR)	3.7	9.9	24.7	40.0	60.0

Balance sheet (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Share Capital	87	98	98	98	98
Reserves & Surplus	18,000	23,625	25,938	29,752	35,522
Networth	18,087	23,722	26,036	29,850	35,619
Debt	9,374	5,877	5,127	3,627	1,127
Minority Interest	(87)	(85)	(85)	(85)	(85)
Net deferred Tax liabilities	(103)	(130)	(130)	(130)	(130)
Capital Employed	27,271	29,385	30,948	33,263	36,532
Gross Fixed Assets	19,005	20,465	22,065	23,415	24,765
Accumulated Depreciation	5,619	6,749	7,974	9,289	10,687
Capital work in progress	7,188	8,218	8,218	8,218	8,218
Net Fixed Assets	20,574	21,934	22,309	22,344	22,295
Goodwill	462	462	462	462	462
Investments	399	345	345	345	345
Non Current Investments	399	345	345	345	345
Current Assets, Loans & Adv.	9,394	10,236	12,253	15,284	19,437
Inventory	3,449	3,479	4,539	5,508	6,583
Debtors	3,920	4,408	5,044	6,120	7,315
Cash & Bank balance	318	285	607	1,593	3,476
Loans & advances and others	1,707	2,063	2,063	2,063	2,063
Current Liabilities & Provisions	3,559	3,593	4,421	5,173	6,008
Liabilities	3,128	2,838	3,666	4,419	5,254
Provisions	431	755	755	755	755
Net Current Assets	5,835	6,643	7,832	10,111	13,429
Application of Funds	27,271	29,385	30,949	33,263	36,532

Per share data

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
No. of shares (mn)	86.8	97.8	97.8	97.8	97.8
Diluted no. of shares (mn)	86.8	97.8	97.8	97.8	97.8
BVPS (INR)	208.4	242.7	266.3	305.3	364.3
CEPS (INR)	16.7	19.7	37.3	53.6	74.4
DPS (INR)	0.0	1.0	1.0	1.0	1.0

Source: Company, Antique

Cash flow statement (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	543	1,223	3,463	5,233	7,839
Depreciation & amortization	1,079	1,130	1,225	1,315	1,399
Interest expense	918	755	550	394	90
(Inc)/Dec in working capital	(979)	(1,382)	(867)	(1,293)	(1,435)
Tax paid	(412)	(470)	(1,039)	(1,308)	(1,960)
Less: Interest/Div. Income Recd.	(14)	(80)	(243)	(280)	(797)
Other operating Cash Flow	231	145	-	-	-
CF from operating activities	1,367	1,322	3,089	4,061	5,137
Capital expenditure	(1,680)	(2,071)	(1,600)	(1,350)	(1,350)
Inc/(Dec) in investments	(67)	10	-	-	-
Add: Interest/Div. Income Recd.	14	81	243	280	797
CF from investing activities	(1,732)	(1,981)	(1,357)	(1,070)	(553)
Inc/(Dec) in share capital	-	4,891	-	-	-
Inc/(Dec) in debt	1,397	(3,492)	(750)	(1,500)	(2,500)
Dividend Paid	-	-	(98)	(98)	(98)
Others	(929)	(773)	(563)	(407)	(103)
CF from financing activities	468	627	(1,411)	(2,004)	(2,701)
Net cash flow	102	(32)	321	986	1,883
Opening balance	216	318	285	607	1,593
Closing balance	318	285	607	1,593	3,476

Growth indicators (%)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenue (%)	9.6	11.7	30.7	21.3	19.5
EBITDA (%)	138.8	29.8	57.5	33.4	28.1
Adj PAT (%)	nm	204.7	148.3	62.2	50.0
Adj EPS (%)	nm	170.4	148.4	62.2	50.0

Valuation (x)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	247.0	91.3	36.8	22.7	15.1
P/BV	4.4	3.7	3.4	3.0	2.5
EV/EBITDA (x)	40.0	29.7	18.7	13.6	10.1
EV/Sales	8.5	7.3	5.5	4.4	3.5
Dividend Yield (%)	0.0	0.1	0.1	0.1	0.1

Financial ratios

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
RoE (%)	1.8	4.6	9.7	14.0	17.9
RoCE (%)	5.5	8.0	13.3	17.5	22.7
Asset/T.O (x)	0.4	0.5	0.6	0.7	0.7
Net Debt/Equity (x)	0.5	0.2	0.2	0.1	(0.1)
EBIT/Interest (x)	1.6	3.0	7.3	14.3	87.9

Margins (%)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
EBITDA Margin (%)	21.2	24.6	29.7	32.7	35.0
EBIT Margin (%)	11.8	15.9	22.4	26.2	29.3
PAT Margin (%)	2.8	7.5	14.3	19.2	24.1

Source: Company Antique

CMP	: INR 382
Reco	: BUY ↔
Target Price	: INR 487 ↓
Target Price Change	: -10%
Target 1HFY28E P/E (x)	: 16
EPS Change FY26/ 27	: -7% / -13%

Pallav Agarwal

+91 22 6911 3411

pallav.agarwal@antiquelimited.com

Dhruvesh Kanakia

+91 22 6911 3412

dhruvesh.kanakia@antiquelimited.com

Market data

Sensex	:	80,540
Sector	:	Metals
Market Cap (INR bn)	:	20.0
Market Cap (USD bn)	:	0.229
O/S Shares (mn)	:	52.7
52-wk HI/LO (INR)	:	608/279
Avg. Daily Vol ('000)	:	41
Bloomberg	:	INHP IN

Source: Bloomberg

Valuation

	FY26e	FY27e	FY28e
EPS (INR)	19.3	22.8	25.7
P/E (x)	19.8	16.7	14.8
P/BV (x)	1.3	1.2	1.1
EV/EBITDA (x)	13.7	12.0	10.9
Dividend Yield (%)	1.0	1.0	1.1

Source: Bloomberg

Returns (%)

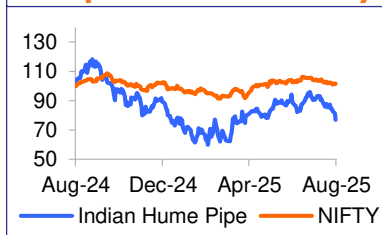
	1m	3m	6m	12m
Absolute	(12)	(5)	25	(21)
Relative	(11)	(4)	18	(22)

Source: Bloomberg

Shareholding pattern

Promoters	:	72%
Public	:	28%
Others	:	0%

Source: Bloomberg

Price performance vs Nifty

Source: Bloomberg

Indexed to 100

1QFY26 RESULT REVIEW

Indian Hume Pipe Company

Early onset of monsoon impacts execution

Indian Hume Pipe's (INHP) 1QFY26 revenue at ~INR 3.1 bn (12.1% below our estimate) fell 15.6% YoY (7.6% below adjusted 1QFY25 revenue) and 21.6% QoQ, impacted by lower contract revenue due to the early onset of monsoon and a few projects being at end of the execution cycle. The current order book stands at ~INR 39.4 bn (14.2% higher YoY against ~INR 34.5 bn at the end of 1QFY25 but 1.4% lower sequentially against ~INR 40.0 bn at the end of 4QFY25). Order book stands at ~2.7x FY25 revenue with an average execution cycle of 24-36 months. EBITDA was at INR 337 mn for the quarter; it declined 41.9% YoY (high base due to one-time gain of INR 313.7 mn, excluding which EBITDA improved 26.2% YoY) and 39.7% QoQ, and was 9.8% below our estimate. Adjusted PAT for the quarter was ~INR 219 mn, lower by 29.6% YoY and 30.2% QoQ, but was 51.1% better than our estimate due to higher other income. We like the company's land monetization prospects and long-term growth opportunities driven by government push for water supply and sanitation under the Jal Jeevan Mission and Swachh Bharat Mission. We factor in lower revenue, higher other income (bank deposits), lower interest costs, and revise our EBITDA margin estimates leading to a 7%/ 13% decrease in FY26/ 27 EPS estimates. We roll over our estimates to 1HFY28E (from FY27E earlier) and maintain BUY rating on a target multiple of 16x core 1HFY28 earnings (earlier 17x), add the post-tax NPV of land monetization projects, and arrive at a SoTP-based TP of INR 487 (earlier INR 544).

Revenue down YoY and QoQ impacted by early onset of monsoon

Revenue at INR 3.1 bn (12.1% below our estimate) fell 15.6% YoY (7.6% below adjusted 1QFY25 revenue) and 21.6% QoQ. Contract revenue was lower by INR 454.1 mn, impacted by the early onset of monsoon and projects being at the closure stage in a few states. Furthermore, 1QFY25 had one-time income of INR 313.7 mn from the transfer of land to Pune Municipal council. INHP was able to partially offset this by increasing products sales by INR 198.3 mn aided by enhanced product capacity from Walwa (completed Nov'24) and Dhule (completed Mar'25) plants in Maharashtra, as well as INR 104 mn increase in other income from surplus liquidity realized on sale of land in Bengaluru in 4QFY25.

EBITDA improved YoY (post adjustment for one-time income)

1QFY26 EBITDA was INR 337 mn; it decreased by 41.9% YoY as 1QFY25 EBITDA includes one-time revenue of INR 313.7 mn. Excluding the one-time gain from 1QFY25, EBITDA improved by 26.2% YoY (vis-à-vis adjusted EBITDA of INR 267 mn in 1QFY25). It declined by 39.7% QoQ as 4Q is a seasonally strong quarter. EBITDA margin for the quarter at 11.0% improved by 294 bps YoY (vs. adjusted EBITDA margin of 1QFY25) but was lower by 330 bps QoQ. Construction expenses at INR 1.8 bn were lower by 22.9% YoY and 28.3% QoQ and constituted 57.6% of revenue (vis-à-vis 63.1% in 1QFY25 and 63.0% in 4QFY25). Adjusted PAT for the quarter was ~INR 219 mn, lower by 29.6% YoY and 30.2% QoQ.

Order book higher YoY but lower QoQ; land monetization to continue

The current order book stands at ~INR 39.4 bn (14.2% higher YoY against ~INR 34.5 bn at the end of 1QFY25 but 1.4% lower sequentially against ~INR 40.0 bn at the end of 4QFY25). INHP had entered into strategic partnerships with a few prominent real estate developers for the development of its land bank in Pune, Delhi, and Mumbai. As on August 08, 2025, the company received INR 967.3 mn advance from Dosti Realty in lieu of its 38% share of the total sale in Hadapsar, Pune (537 flats amounting to ~INR 4,158.6 mn have been booked from a total of 1,025 flats across nine residential towers). It has also received ~INR 133.3 mn advance from Kalpataru in lieu of its 32.5% share of the total sale in Vadgaon, Pune (105 units amounting to ~INR 1,971.6 mn have been booked across three residential towers, including one tower of inclusive housing).

Investment Summary

Order book has grown YoY (currently ~2.7x of FY25 revenue) which translates to steady topline visibility for the medium term. The company's land monetization prospects and long-term growth opportunities driven by government push for water supply and sanitation under Jal Jeevan Mission and Swachh Bharat Mission would ensure a healthy order book. Land monetization would lead to higher operational cash flows and expanded capacities would drive deleveraging and lower interest costs. We roll over our estimates to 1HFY28E (from FY27E earlier) and maintain BUY rating on a target multiple of 16x core 1HFY28 earnings (earlier 17x), add the post-tax NPV of land monetization projects, and arrive at a SoTP-based TP of INR 487 (earlier INR 544).

Table 1: Quarterly performance-standalone (INR mn)

	1 QFY26	1 QFY25	YoY (%)	4 QFY25	QoQ (%)	FY26TD	CPLY (FY25)	YoY (%)
Sales	3,074	3,641	(15.6)	3,921	(21.6)	3,074	3,641	(15.6)
Cost of Material Consumed	484	375	29.2	382	26.7	484	375	29.2
% of sales	15.7	10.3	545 bps	9.7	600 bps	15.7	10.3	545 bps
Employee cost	277	270	2.4	294	-6.0	277	270	2.4
% of sales	9.0	7.4	158 bps	7.5	149 bps	9.0	7.4	158 bps
Other expenses	1,977	2,416	(18.2)	2,685	(26.4)	1,977	2,416	(18.2)
% of sales	64.3	66.3	-205 bps	68.5	-419 bps	64.3	66.3	-205 bps
Total Exp	2,737	3,060	(10.6)	3,361	(18.6)	2,737	3,060	(10.6)
EBITDA	337	581	(41.9)	560	(39.7)	337	581	(41.9)
Margin %	11.0	16.0	-498 bps	14.3	-330 bps	11.0	16.0	-498 bps
Other income	119	15	707.9	31	280.0	119	15	707.9
Depreciation	46	31	47.4	43	6.4	46	31	47.4
Interest expenses	119	142	(15.8)	162	(26.1)	119	142	(15.8)
Profit Before Tax	291	423	(31.2)	386	(24.7)	291	423	(31.2)
Exceptional item	-	-	n.m.	4,679	n.m.	-	-	n.m.
PBT after exceptional	291	423	n.m.	5,065	n.m.	291	423	(31.2)
Tax	72	111	(35.6)	72	(1.2)	72	111	(35.6)
Tax Rate %	24.6	26.3	n.m.	1.4	n.m.	24.6	26.3	n.m.
Reported Net Profit	219	312	(29.6)	4,993	(95.6)	219	312	(29.6)
Adjusted Net Profit	219	312	(29.6)	314	(30.2)	219	312	(29.6)
EPS (INR)	4.2	5.9	(29.6)	94.8	(95.6)	4.2	5.9	(29.6)

Source: Company, Antique

Table 2: Key metric

	1 QFY26	1 QFY25	YoY (%)	4 QFY25	QoQ (%)	FY26TD	CPLY (FY25)	YoY (%)
Order Book (INR mn)	39,449	34,545	14.2	40,025	(1.4)	40,025	34,545	15.9

Source: Company, Antique

Table 3: Revision in estimates

	Previous estimates		Current estimates		% change	
	FY26e	FY27e	FY26e	FY27e	FY26	FY27
Revenue (INR mn)	16,435	18,075	15,658	16,597	-5%	-8%
EBITDA (INR mn)	1,954	2,213	1,710	1,861	-13%	-16%
EBITDA margin	11.9%	12.2%	10.9%	11.2%	-97 bps	-104 bps
Other Income (INR mn)	168	164	272	264	61%	61%
Interest expense (INR mn)	483	348	429	309	-11%	-11%
Adjusted PAT (INR mn)	1,096	1,378	1,015	1,200	-7%	-13%
EPS (INR)	20.8	26.2	19.3	22.8	-7%	-13%

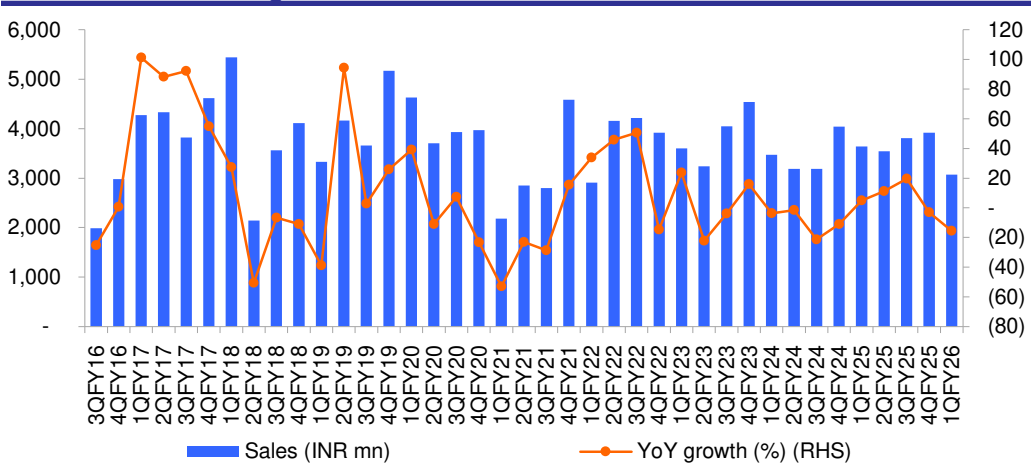
Source: Company, Antique

Table 4: SoTP valuation

1H FY28e PAT (INR mn)	1,278
P/E multiple (x)	16
Target market capitalisation (INR mn)	20,444
Add:	
Land monetisation value -NPV (INR mn)	5,228
Total Mcap (INR mn)	25,671
No of shares (mn)	53
Target price (INR per share)	487

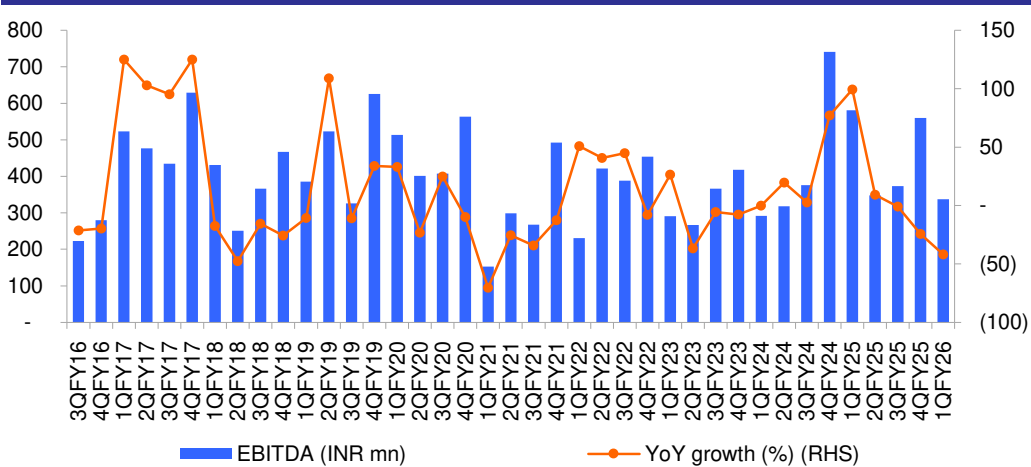
Source: Company, Antique

Exhibit 1: Revenue and growth trend



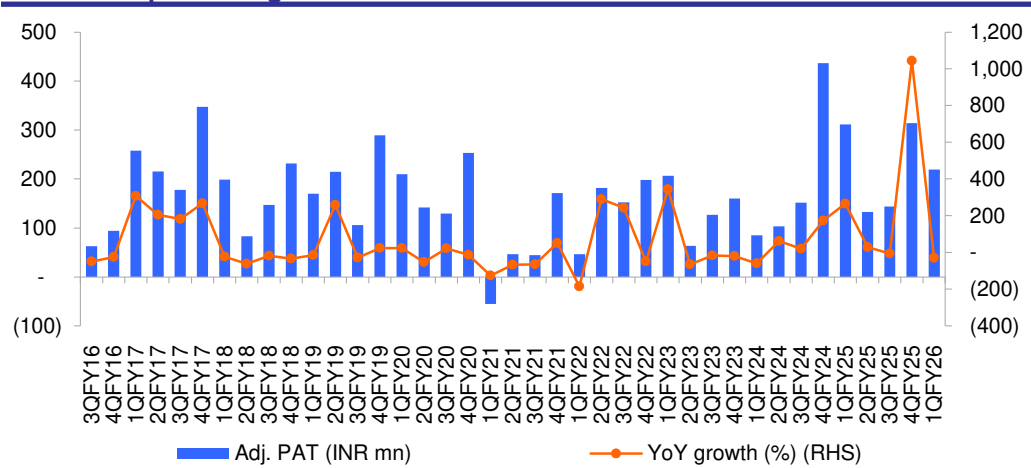
Source: Company, Antique

Exhibit 2: EBITDA and growth trend



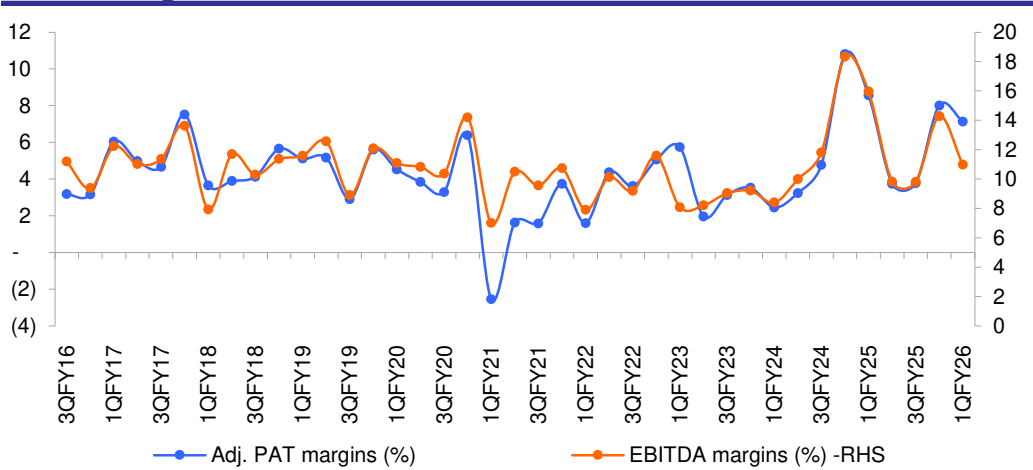
Source: Company, Antique

Exhibit 3: Adj. PAT and growth trend



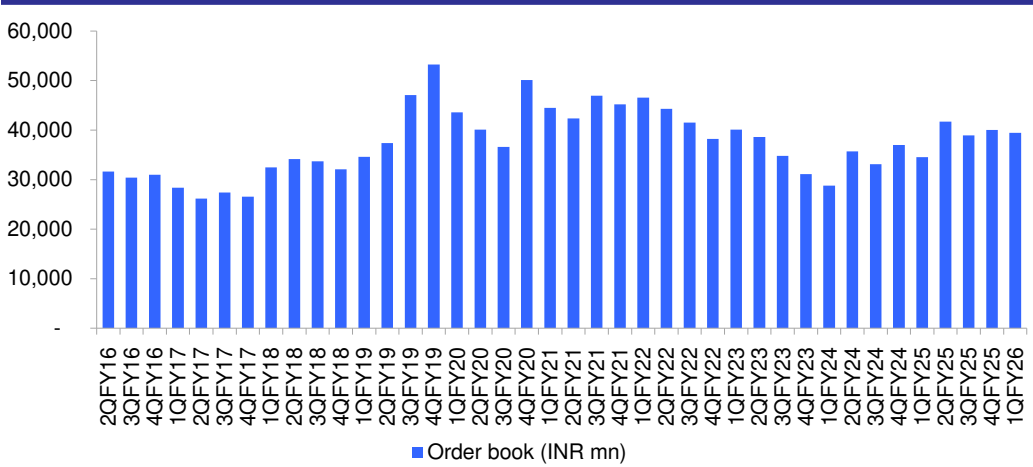
Source: Company, Antique

Exhibit 4: Margin trend



Source: Company, Antique

Exhibit 5: Order book



Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenues	13,886	14,912	15,658	16,597	17,700
Expenses	12,160	13,051	13,948	14,737	15,740
EBITDA	1,727	1,862	1,710	1,861	1,960
Depreciation & amortization	139	147	176	189	198
EBIT	1,588	1,715	1,533	1,672	1,762
Other income	86	89	272	264	263
Interest expense	639	623	429	309	189
Profit before tax	1,035	1,181	1,375	1,626	1,836
Extraordinaries	-	4,679	-	-	-
Tax	259	279	360	426	481
Reported Profit after tax	776	5,581	1,015	1,200	1,355
Adjusted PAT	776	902	1,015	1,200	1,355
EPS (INR)	14.7	17.1	19.3	22.8	25.7

Balance sheet (INR mn)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Share Capital	105	105	105	105	105
Reserves & Surplus	8,187	13,661	14,466	15,455	16,810
Networth	8,293	13,767	14,571	15,561	16,916
Debt	5,105	4,578	3,578	2,578	1,578
Other Long term liabilities	467	462	462	462	462
Capital Employed	13,865	18,807	18,612	18,601	18,956
Gross Fixed Assets	2,109	2,537	2,636	2,786	2,936
Accumulated Depreciation	955	1,006	1,182	1,371	1,569
Net Assets	1,155	1,532	1,454	1,416	1,367
Capital work in progress	15	11	12	12	12
Investments	53	50	50	50	50
Other Non current Assets	436	319	319	319	319
Current Assets Loans & Adv.	19,152	25,453	24,993	25,486	26,264
Inventory	1,429	2,102	2,560	2,705	2,932
Debtors	7,458	7,075	7,704	8,166	8,714
Cash & Bank	1,134	6,189	4,529	4,402	4,390
Loans & advances and others	9,131	10,087	10,200	10,213	10,228
Current Liabilities & Prov.	6,945	8,557	8,216	8,681	9,056
Creditors	6,840	8,398	8,041	8,488	8,844
Provisions	105	159	175	192	212
Net Current Assets	12,207	16,896	16,777	16,805	17,209
Application of Funds	13,865	18,807	18,612	18,601	18,956

Per share data

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
No. of shares (mn)	53	53	53	53	53
BVPS (INR)	171.2	284.2	300.8	321.2	349.2
CEPS (INR)	18.9	21.6	24.6	28.7	32.1
DPS (INR)	1.5	5.8	4.0	4.0	4.2

Source: Company, Antique

Cash flow statement (INR mn)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	1,035	1,181	1,375	1,626	1,836
Depreciation	139	147	176	189	198
Interest	639	623	429	309	189
(Inc)/ Dec in working capital	246	366	(1,541)	(155)	(415)
Tax paid	(259)	(279)	(360)	(426)	(481)
CF from operating activities	1,801	2,038	80	1,543	1,328
Capex	(123)	(425)	(100)	(150)	(150)
(Inc)/ Dec in Investments	(17)	3	-	-	-
Income from investments	-	4,679	-	-	-
Others	345	216	0	(0)	(0)
CF from investing activities	205	4,473	(100)	(150)	(150)
Inc/ (Dec) in share capital and premium	600	-	-	-	-
Inc/ (Dec) in debt	(1,229)	(527)	(1,000)	(1,000)	(1,000)
Dividends & Interest paid	(718)	(929)	(640)	(520)	(189)
CF from financing activities	(1,347)	(1,456)	(1,640)	(1,520)	(1,189)
Net cash flow	659	5,055	(1,660)	(127)	(11)
Add: Opening balance	475	1,134	6,189	4,529	4,402
Closing balance	1,134	6,189	4,529	4,402	4,390

Growth indicators (%)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenue	(10.0)	7.4	5.0	6.0	6.6
EBITDA	28.7	7.8	(8.2)	8.8	5.4
PAT	39.4	16.2	12.6	18.2	12.9
EPS	28.2	16.2	12.6	18.2	12.9

Valuation (x)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	25.9	22.3	19.8	16.7	14.8
P/BV (x)	2.2	1.3	1.3	1.2	1.1
EV/EBITDA (x)	14.3	13.1	13.7	12.0	10.9
EV/Sales (x)	1.7	1.2	1.2	1.1	1.0
Dividend Yield (%)	0.4	1.5	1.0	1.0	1.1

Financial ratios

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
RoE	10.2	8.2	7.2	8.0	8.3
RoCE	9.5	13.4	8.8	9.0	9.3
Net debt/Equity (x)	0.5	(0.1)	(0.1)	(0.1)	(0.2)
EBIT/Interest (x)	2.5	2.8	3.6	5.4	9.3

Margins (%)

Year-ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
EBITDA	12.4	12.5	10.9	11.2	11.1
EBIT	11.4	11.5	9.8	10.1	10.0
PAT	5.6	6.0	6.5	7.2	7.7

Source: Company Antique

CMP	: INR 339
Reco	: BUY ↔
Target Price	: INR 569 ↑
Target Price Change	: 11%
Target 1HFY28e P/E (x)	: 25
EPS Change FY26/ 27	: 2%/ 1%

Abhijeet Kundu

+91 22 6911 3430
abhijeet.kundu@antiquelimited.com

Anuj D

+91 22 6911 3445
anuj.d@antiquelimited.com

Jaini Solanki

+91 22 6911 3435
Jaini.solanki@antiquelimited.com

Market data	
Sensex	: 80,540
Sector	: Retail
Market Cap (INR bn)	: 55.5
Market Cap (USD bn)	: 0.635
O/S Shares (mn)	: 163.7
52-wk HI/LO (INR)	: 772/227
Avg. Daily Vol ('000)	: 820
Bloomberg	: SENCO IN

Source: Bloomberg

	FY26e	FY27e	FY28e
EPS (INR)	17.1	20.7	24.8
P/E (x)	19.8	16.4	13.7
P/BV (x)	2.5	2.3	2.0
EV/EBITDA (x)	12.1	10.6	9.4
Dividend Yield (%)	1.2	1.5	1.8

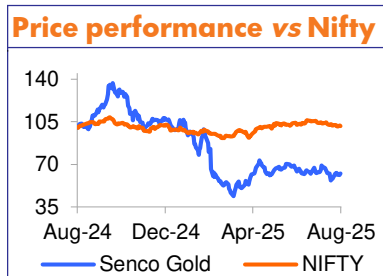
Source: Bloomberg

Returns (%)				
	1m	3m	6m	12m
Absolute	(1)	(5)	(24)	(37)
Relative	1	(4)	(28)	(38)

Source: Bloomberg

Shareholding pattern	
Promoters	: 64%
Public	: 36%
Others	: 0%

Source: Bloomberg



Source: Bloomberg Indexed to 100

1QFY26 RESULT UPDATE

Senco Gold

Encouraging profitability performance; maintain BUY

Senco Gold's 1QFY26 performance was better than our estimates with revenue/ SSSG/ EBITDA growth of 30%/ 20%/ 69% YoY. EBITDA margin expanded by 230 bps to 9.2%, driven by improvement in product mix (11.6% stud ratio in 1QFY26 vs. 10.9% in FY25) and better realization given rise in gold prices. Management indicated that demand should remain healthy in 2QFY26 and maintained its FY26 revenue growth guidance of 18%-20%. We remain optimistic about the company's medium- to long-term prospects, led by: a) Its strong positioning in East India, backed by its deep understanding of local consumer preferences; b) Strategic focus on lightweight jewelry, enabling a broader customer reach across different age groups; c) The benefits of transition it enjoys from unorganized to organized jewelry retail. We have marginally revised our estimates and maintain BUY recommendation with a revised target price of INR 569 (previously INR 514), based on 25x P/E on 1HFY28 estimates (earlier 25x FY27 estimates).

Revenue growth led by gold price growth and strong SSSG

Total revenue stood at INR 18.3 bn, resulting in 30.1% YoY (SSSG at 19.6%) growth. Additionally, 32% rise in gold prices YoY aided revenue growth. Diamond jewelry sales growth stood strong resulting in 11.6% studded ratio vs. 10.9% during FY25. The average ticket value grew to INR 79,400 vs. INR 73,000 during FY25. Additionally, average sales price grew to INR 52,300 vs. INR 48,100 for FY25. In the retail segment, company-owned showrooms (63% of retail revenue) registered a growth of 25% YoY, while the franchisee business (37% of retail revenue) grew 34% YoY during the quarter.

Profitability improved led by improving studded mix

Gross margin expanded 181 bps YoY to 19.1%, driven by higher saliency of studded jewelry and lower hedge ratio (hedge ratio of 55%-60% vs. normative range of 75%-80%). Management clarified that a lower hedge ratio was on account of liquidity constraints. Incrementally, EBITDA margin expanded by 231 bps YoY to 10.1% due to other operating expenses lagging revenue growth. Employee costs and other expenses grew 23% YoY to INR 418 mn and INR 1.2 bn respectively. Consequently, EBITDA grew 68.8% YoY to INR 1.8 bn. PAT grew 104% YoY crossing the INR 1 bn mark during the quarter.

Store expansion to continue largely through FOFO model

Senco added ten new stores (5 COCO, 1 FOCO, and 4 FOFO model) during the quarter, taking the total domestic store count to 185 stores (13% growth YoY). The company is optimistic of strong store addition with a pipeline of 10 additional stores by 3Q. Presently, 109 stores are company owned while the remaining are franchisee owned. The earlier guidance of adding 18-20 new showrooms is likely to be achieved earlier. Further, Senco expanded into Nagpur via the franchisee route.

Investment Summary

We remain optimistic about the company's medium- to long-term prospects, led by: a) Its strong positioning in East India, backed by its deep understanding of local consumer preferences; b) Strategic focus on lightweight jewelry, enabling a broader customer reach across different age groups; c) The benefits of transition it enjoys from unorganized to organized jewelry retail. We maintain BUY recommendation and a revised target price of INR 569 (previously INR 514), based on 25x P/E on 1HFY28 estimates.

Conference Call Highlights

- This quarter witnessed geopolitical tensions, tariff war as well as rise in gold prices by 32% YoY and 5% QoQ. Despite these tensions, consumer demand remained steady, leading to SSSG growth of 19.6%.
- Despite high base in 2QFY25 (custom duty benefit), management expects 18%-20% revenue growth in 2QFY26.
- Management anticipates roll out of at least 10 more stores by 3Q to achieve its guidance of 20 stores in FY26. Senco plans to open more franchisee stores, other than five franchisee stores it already has in the pipeline.
- During the quarter, studded jewelry grew ahead of gold jewelry (studded ratio at 11.6%). Management highlighted its target to achieve 15% stud ratio in the medium term which will bring about a 30-40 bps improvement in gross margin.
- Mandatory hallmarking of 9 karat gold jewelry should lead to an increase in consumer trust in affordable jewelry options. The initial response to 9k jewelry has been encouraging.
- Light weight jewelry (less than 8 grams) contributed 60%-70% of total sales. In a high gold price environment, this category is poised for steady growth.
- GML interest rates increased recently, however, Senco mitigated the costs by higher making charges and passed it to customers.
- Diamond jewelry continues to be in focus. Though, the prices may increase as few mines have been shut down.
- Hedging ratio in FY25 stood around 75%-80%. Management reduced it to 55%-60% in 1QFY26 due to liquidity constraints.
- During the quarter, Senco launched over 11,400 new jewelry designs.

Table 1: Consolidated quarterly financials

INR mn	1 QFY26	1 QFY25	% Chg	4 QFY25	% Chg
Total Operating Income	18,263	14,039	30.1	13,777	32.6
Cost of Raw material	14,774	11,611	27.2	11,465	28.9
% of sales	80.9	82.7	-181 bps	83.2	-232 bps
Gross Profit	3,489	2,428	43.7	2,313	50.9
Gross Margin (%)	19.1	17.3	181 bps	16.8	232 bps
Employees cost	418	340	23.1	357	17.2
% of net sales	2.3	2.4	-13 bps	2.6	-30 bps
Other expenditure	1,235	1,001	23.4	686	80.1
% of net sales	6.8	7.1	-37 bps	5.0	178 bps
EBITDA	1,836	1,087	68.8	1,270	44.5
EBITDA margin%	10.1	7.7	231 bps	9.2	83 bps
Depreciation	187	181	3.3	191	(2.4)
Interest	430	322	33.6	375	14.6
Other Income	186	123	51.7	147	27.0
PBT	1,406	708	98.6	851	65.3
Tax	359	195	84.0	226	58.7
Tax rate (%)	25.6	27.6	-202 bps	26.6	-105 bps
Recurring PAT	1,047	513	104.1	624	67.6
Add: Extra ordinary items	-	-	-	-	-
Reported PAT	1,047	513	104.1	624	68
EPS	6.4	3.3	93.8	3.8	68

Source: Company, Antique

Table 2: Actual vs. estimates

INR mn	Actual	Antq Est.	Var (%)	Cons Est.	Var (%)
Revenue	18,263	17,970	1.6	17,592	3.8
Gross Margin %	19.1	17.4	170 bps	14.7	445 bps
EBITDA	1,836	1,671	9.9	1,234	48.8
EBITDA margin (%)	10.1	9.3	75 bps	7.0	304 bps
PAT	1,047	884	18.4	590	77.5

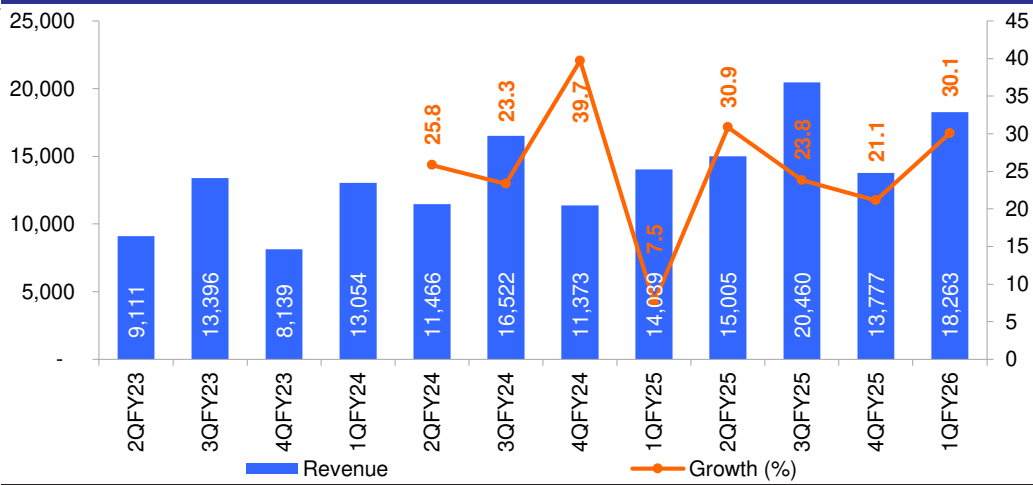
Source: Company, Antique

Table 3: Change in estimates

INR mn	FY26			FY27		
	New	Old	Chg (%)	New	Old	Chg (%)
Revenue	75,301	74,758	0.7	89,230	88,956	0.3
EBITDA	5,466	5,393	1.4	6,569	6,531	0.6
EBITDA Margin (%)	7.3	7.2	5 bps	7.4	7.3	2 bps
PAT	2,800	2,746	2.0	3,391	3,363	0.8
EPS	17.1	16.8	2.0	20.7	20.6	0.8

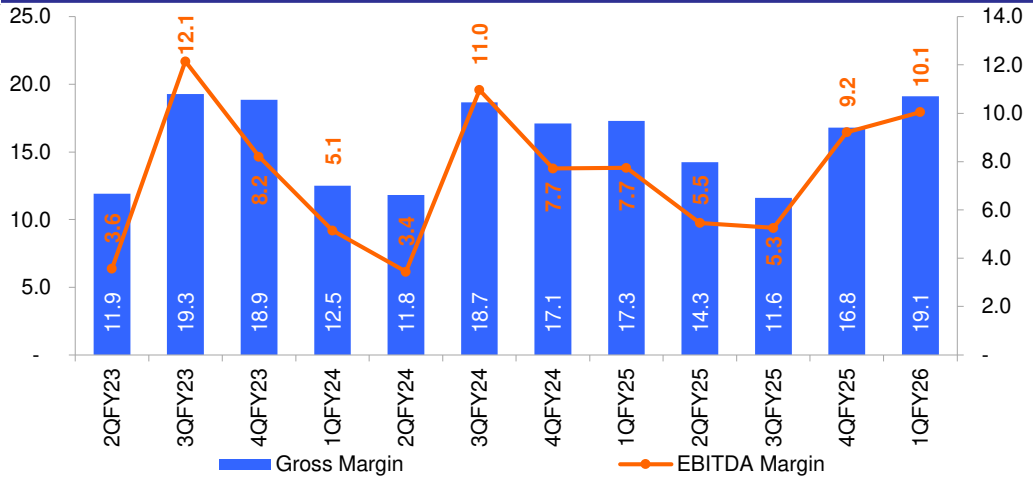
Source: Company, Antique

Exhibit 1: Reported revenue growth of 30% YoY amounting to INR 18.2 bn



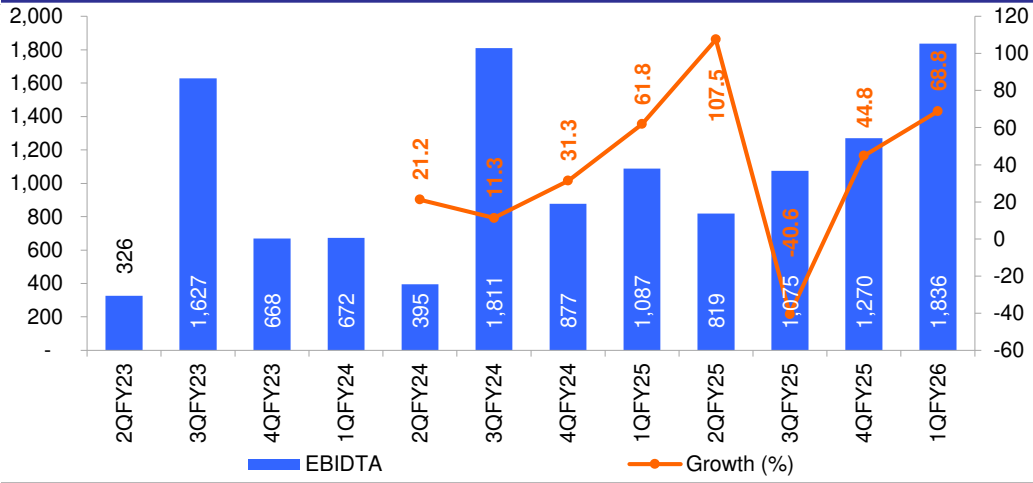
Source: Company, Antique

Exhibit 2: Gross/ EBITDA margins expanded by 181 bps/ 231 bps respectively



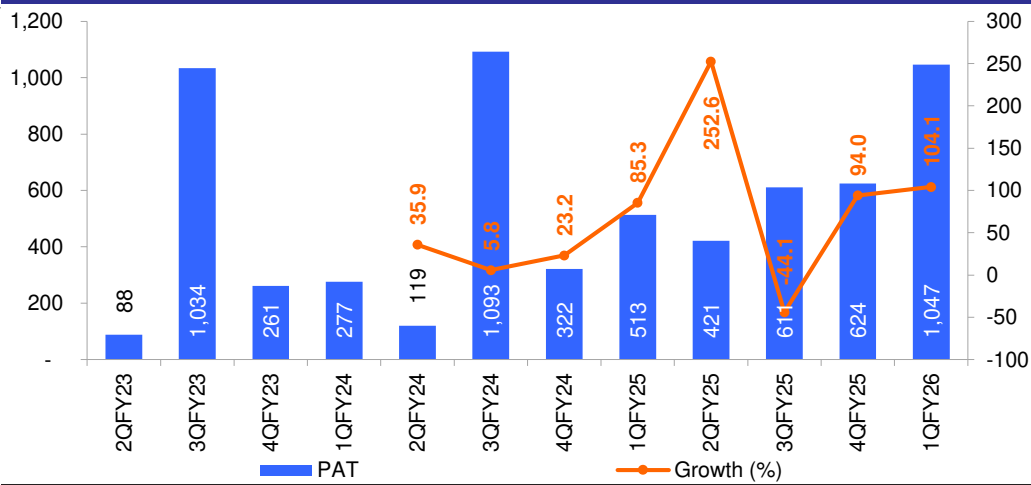
Source: Company, Antique

Exhibit 3: EBITDA grew 69% YoY to INR 1.8 bn



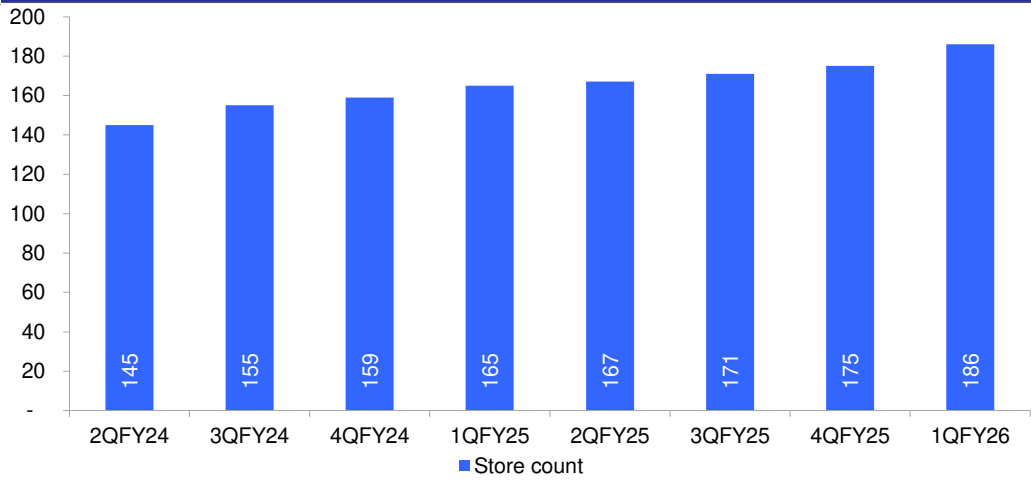
Source: Company, Antique

Exhibit 4: Recurring PAT grew 104% on YoY basis to INR 1 bn



Source: Company, Antique

Exhibit 5: Added 10 jewelry stores during 1Q, taking the total count to 186 stores



Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Net Revenue	52,414	63,281	75,301	89,230	1,05,080
Gross Profit	8,014	9,089	11,446	13,652	16,287
Op. Expenses	48,659	59,030	69,834	82,661	97,305
EBITDA	3,755	4,251	5,466	6,569	7,775
Depreciation	601	681	781	874	974
EBIT	3,154	3,569	4,685	5,695	6,801
Other income	422	546	559	573	588
Interest Exp.	1,081	1,362	1,436	1,655	1,868
Extra Ordinary Items -gain/(loss)	-	(574)	-	-	-
Reported PBT	2,495	2,179	3,809	4,613	5,520
Tax	686	586	1,009	1,223	1,463
Reported PAT	1,810	1,593	2,800	3,391	4,058
Net Profit	1,810	1,593	2,800	3,391	4,058
Adjusted PAT	1,810	2,167	2,800	3,391	4,058
Adjusted EPS (INR)	11.1	13.2	17.1	20.7	24.8

Balance sheet (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Share Capital	777	818	818	818	818
Reserves & Surplus	12,878	18,885	21,030	23,603	26,679
Networth	13,655	19,703	21,848	24,421	27,497
Debt	14,983	17,690	20,344	23,395	26,904
Net deferred Tax liabilities	(228)	(265)	(265)	(265)	(265)
Capital Employed	28,410	37,128	41,927	47,551	54,136
Gross Fixed Assets (Incl ROU)	5,040	5,760	6,474	7,265	8,085
Accumulated Depreciation	1,405	1,694	2,043	2,441	2,892
Net Fixed Assets	3,635	4,066	4,432	4,824	5,193
Investments	1	2	2	2	2
Non Current Investments	1	2	2	2	2
Current Assets, Loans & Adv.	33,361	43,130	50,196	57,531	66,130
Inventory	24,570	32,993	36,103	42,782	50,381
Debtors	529	810	825	978	1,152
Cash & Bank balance	5,514	5,909	9,578	9,470	9,599
Loans & advances and others	2,748	3,419	3,690	4,302	4,998
Current Liabilities & Provisions	8,587	10,070	12,703	14,806	17,188
Liabilities	8,522	9,991	12,567	14,648	17,005
Provisions	65	79	136	158	184
Net Current Assets	24,774	33,060	37,493	42,725	48,942
Application of Funds	28,410	37,128	41,927	47,551	54,136

Per share data

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
No. of shares (mn)	155	164	164	164	164
Diluted no. of shares (mn)	155	164	164	164	164
BVPS (INR)	87.9	120.4	133.5	149.3	168.1
CEPS (INR)	15.5	13.9	21.9	26.1	30.8
DPS (INR)	3.0	3.0	4.0	5.0	6.0

Source: Company, Antique

Cash flow statement (INR mn)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	2,495	2,179	3,809	4,613	5,520
Depreciation & amortization	601	681	781	874	974
Interest expense	1,081	1,362	1,436	1,655	1,868
(Inc)/Dec in working capital	(3,717)	(6,703)	(376)	(3,509)	(3,982)
Tax paid	(708)	(586)	(1,009)	(1,223)	(1,463)
Other operating Cash Flow		(442)	-	-	-
CF from operating activities	(247)	(3,509)	4,640	2,410	2,918
Capital expenditure	(382)	(506)	(450)	(500)	(500)
Add: Interest/Div. Income Recd.	201	-	-	-	-
Others	(1,003)	183	(696)	(766)	(843)
CF from investing activities	(1,185)	(322)	(1,146)	(1,266)	(1,343)
Inc/(Dec) in share capital	500	(44)	2,265	1,221	1,404
Inc/(Dec) in debt	219	41	-	-	-
Dividend Paid	(466)	(491)	(654)	(818)	(982)
Others	2,318	4,720	(1,436)	(1,655)	(1,868)
CF from financing activities	2,570	4,226	175	(1,252)	(1,446)
Net cash flow	1,138	395	3,669	(108)	129
Opening balance	4,376	5,514	5,909	9,578	9,470
Closing balance	5,514	5,908	9,578	9,470	9,599

Growth indicators (%)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
Revenue	28.5	20.7	19.0	18.5	17.8
EBITDA	18.6	13.2	28.6	20.2	18.4
Adj PAT	14.2	19.8	29.2	21.1	19.7
Adj EPS	NA	19.8	29.2	21.1	19.7

Valuation (x)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	30.6	25.6	19.8	16.4	13.7
P/BV (x)	3.9	2.8	2.5	2.3	2.0
EV/EBITDA (x)	17.3	15.8	12.1	10.6	9.4
EV/Sales (x)	1.2	1.1	0.9	0.8	0.7
Dividend Yield (%)	0.9	0.9	1.2	1.5	1.8

Financial ratios

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
RoE (%)	13.3	11.0	12.8	13.9	14.8
RoCE (%)	12.6	11.1	12.5	13.2	13.6
Asset/T.O (x)	1.8	1.7	1.8	1.9	1.9
Net Debt/Equity (x)	0.7	0.6	0.5	0.6	0.6
EBIT/Interest (x)	3.3	3.0	3.7	3.8	4.0

Margins (%)

Year ended 31 Mar	FY24	FY25	FY26e	FY27e	FY28e
EBITDA Margin (%)	7.2	6.7	7.3	7.4	7.4
EBIT Margin (%)	6.0	5.6	6.2	6.4	6.5
PAT Margin (%)	3.4	3.4	3.7	3.8	3.8

Source: Company Antique

Valuation Guide

		CMP	TP	Return	M. Cap	M. Cap	Net profit (INR bn)			EPS (INR)			P/E (x)			EV/EBITDA (x)			P/BV (x)	RoE (%)	RoCE (%)	Absolute (%)	
Company	Reco	(INR)	(INR)	(%)	(INR bn)	(USD bn)	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY26	FY26	FY26	1m	12m
ASSET MANAGEMENT COMPANY																							
Aditya Birla Sun Life AM	Buy	859	965	12	247.8	2.8	7.1	8.1	9.1	32.3	37.0	41.4	26.6	23.2	20.7	-	-	-	5.5	27.2	NA	1	21
HDFC Asset Management	Buy	5,482	6,200	13	1,172.7	13.4	20.4	24.2	28.3	115.2	138.9	159.3	47.6	39.5	34.4	-	-	-	12.8	34.3	NA	8	32
Nippon Life India AM	Buy	800	950	19	508.0	5.8	10.7	12.6	15.2	20.3	24.3	28.5	39.3	32.9	28.0	-	-	-	11.6	35.9	NA	-1	25
UTI Asset Management	Buy	1,327	1,530	15	170.0	1.9	7.3	8.0	9.1	57.2	62.8	71.7	23.2	21.1	18.5	-	-	-	3.5	17.0	NA	4	30
AGROCHEM & FERTILIZERS																							
Bayer Cropscience	Hold	5,653	5,220	(8)	254.0	2.9	5.7	6.9	8.4	126.5	153.2	187.5	44.7	36.9	30.1	35.5	27.0	22.2	8.6	23.7	31.1	9	9
Coromandel Intl.	Buy	2,258	2,430	8	665.7	7.6	17.9	20.9	28.5	60.7	71.0	96.8	37.2	31.8	23.3	23.7	20.9	15.2	5.2	17.5	25.3	5	34
Dhanuka Agritech	Buy	1,601	1,950	22	72.2	0.8	3.0	3.3	3.7	65.9	72.7	82.4	24.3	22.0	19.4	17.1	14.9	13.0	4.4	21.5	28.6	-1	-12
Paradeep Phosphates	Buy	208	250	20	169.6	1.9	5.5	8.8	8.8	6.8	10.8	10.8	30.7	19.2	19.3	16.0	11.5	11.3	3.5	19.8	17.3	22	148
PI Industries	Hold	3,773	3,920	4	572.4	6.5	16.6	16.3	18.6	109.2	107.0	122.7	34.5	35.3	30.8	24.6	24.6	21.2	5.0	15.0	19.2	-7	-13
Rallis India	Hold	380	330	(13)	73.9	0.8	1.3	2.3	2.9	6.4	11.8	14.9	59.6	32.3	25.5	24.2	17.0	13.7	3.6	11.5	16.1	7	14
Sharda Cropchem	Buy	990	1,260	27	89.3	1.0	3.0	5.4	5.8	33.7	60.2	64.5	29.3	16.4	15.3	14.0	9.2	7.6	3.0	19.8	25.0	27	76
Sumitomo Chemical India	Buy	597	660	11	298.0	3.4	5.1	6.3	7.6	10.1	12.7	15.2	59.0	47.0	39.4	46.4	37.3	31.5	8.6	19.9	26.6	10	11
UPL	Buy	686	730	6	580.3	6.6	13.1	21.6	31.5	16.4	27.1	39.7	41.8	25.3	17.3	9.2	7.8	6.7	1.7	7.0	10.6	4	32
BUILDING MATERIALS																							
Apollo Pipes	Buy	380	460	21	16.8	0.2	0.3	0.4	0.6	7.4	8.8	13.0	51.2	43.2	29.3	17.0	13.8	10.6	1.9	4.7	7.0	9	31
Astral	Buy	1,292	1,650	28	347.1	4.0	5.2	5.5	6.7	195	20.3	25.0	66.4	63.6	51.7	36.2	32.7	27.4	8.5	14.2	19.0	-14	31
Cera Sanitaryware	Buy	6,411	6,940	8	82.7	0.9	2.5	2.6	2.9	191.1	203.6	221.4	33.5	31.5	29.0	25.3	23.6	21.3	5.4	18.2	23.0	-3	37
Finolex Industries	Hold	191	230	21	118.3	1.4	3.8	5.4	6.4	6.2	8.8	10.3	30.8	21.6	18.5	20.6	18.5	15.6	1.9	8.8	10.5	-7	31
Greenlam Industries	Buy	221	250	13	56.3	0.6	0.7	0.6	1.5	2.7	2.4	6.1	80.8	90.8	36.4	24.1	21.0	15.6	4.8	5.4	7.9	-8	24
Greenpanel Industries	Buy	269	340	27	32.9	0.4	0.7	0.6	1.5	5.9	4.7	11.9	45.7	56.6	22.7	26.3	17.3	10.7	2.3	4.1	3.6	-6	23
Kajaria Ceramics	Buy	1,275	1,340	5	203.0	2.3	3.3	5.3	6.1	20.9	33.1	38.4	61.0	38.5	33.2	32.2	22.8	19.9	6.5	18.0	23.0	8	8
Prince Pipes and Fittings	Buy	300	450	50	33.1	0.4	0.4	1.0	1.6	3.9	9.4	14.3	76.8	31.7	20.9	21.4	13.1	10.0	2.0	6.4	8.3	-16	49
Somany Ceramics	Buy	515	620	20	21.1	0.2	0.6	0.8	1.3	15.1	20.7	30.5	34.0	24.9	16.9	10.5	7.9	5.9	2.5	10.5	14.2	9	27
Supreme Industries	Buy	4,300	4,480	4	546.2	6.2	9.6	12.0	13.5	75.6	94.4	106.3	56.8	45.6	40.5	37.5	30.4	27.1	8.7	20.1	23.8	5	17
CEMENT																							
ACC	Buy	1,786	2,100	18	335.4	3.8	10.1	15.6	18.2	53.6	83.1	97.0	33.3	21.5	18.4	12.4	10.4	8.9	1.7	8.1	11.2	-10	22
Ambuja Cement	Buy	581	675	16	1,430.7	16.4	17.6	29.3	35.7	7.1	11.6	14.4	81.4	50.0	40.4	30.6	19.5	16.3	2.6	5.4	8.9	-2	7
Birla Corp	Buy	1,297	1,600	23	99.9	1.1	3.3	5.5	6.2	38.3	71.0	80.3	33.8	18.3	16.1	10.3	8.4	7.9	1.3	7.5	8.9	5	3
Dalmia Bharat	Hold	2,271	2,370	4	425.9	4.9	8.0	14.4	13.7	42.3	76.6	72.7	53.6	29.7	31.2	18.0	13.3	13.0	2.3	8.0	8.8	5	32
Grasim Industries	Buy	2,746	3,050	11	1,868.6	21.4	3.8	5.0	8.4	5.5	7.4	12.4	496.7	372.9	221.4	170.0	113.8	80.7	3.4	0.9	2.3	-1	9
Heidelberg	Hold	215	206	(4)	48.7	0.6	1.1	1.9	2.4	4.7	8.5	10.6	45.6	25.2	20.2	18.6	12.3	10.1	3.4	13.7	17.7	0	-2
JK Cement	Buy	6,940	7,100	2	536.2	6.1	7.7	10.8	12.7	113.5	139.4	163.8	61.1	49.8	42.4	28.1	22.1	19.0	7.6	16.4	15.4	7	69
JK Lakshmi Cement	Hold	909	1,050	16	107.0	1.2	3.0	5.4	6.1	25.4	43.5	49.4	35.8	20.9	18.4	14.0	10.5	9.9	2.9	14.6	13.8	-6	14
Nuvoco Vistas	Hold	455	435	(4)	162.4	1.9	0.2	4.0	3.7	0.6	11.3	10.4	743.4	40.3	43.6	14.5	11.1	10.7	1.7	4.4	7.3	26	36
Orient Cement	Hold	235	295	26	48.2	0.6	0.9	3.9	4.0	4.4	19.2	19.7	52.8	12.2	11.9	15.8	7.1	7.2	2.2	20.0	20.1	-1	27
Shree Cements	Buy	30,410	33,500	10	1,097.2	12.5	11.5	22.9	30.7	319.7	634.1	850.0	95.1	48.0	35.8	25.8	18.8	16.4	4.7	10.2	13.2	-2	25
Star Cement	Buy	287	315	9	116.2	1.3	1.7	3.6	4.7	4.2	9.0	11.6	68.8	31.8	24.8	20.7	13.8	11.8	3.6	11.9	15.5	37	37
Ramco Cement	Hold	1,066	1,000	(6)	251.9	2.9	0.7	4.5	6.3	11.4	19.1	26.8	93.4	55.9	39.7	24.0	16.8	14.7	3.2	5.9	7.6	-6	36
UltraTech Cement	Buy	12,401	13,750	11	3,654.3	41.8	61.4	93.9	120.7	205.0	318.5	409.5	60.5	38.9	30.3	30.4	21.3	17.4	4.5	12.7	13.2	-1	13
EMS																							
Avalon Technologies	Hold	874	958	10	58.1	0.7	0.6	0.9	1.2	9.6	13.3	18.8	91.1	65.5	46.6	50.9	36.5	27.7	8.3	13.5	17.1	-1	88
Cyient DDM	Buy	424	570	34	33.6	0.4	0.7	0.9	1.4	8.6	11.8	17.2	49.4	36.0	24.6	24.2	16.4	12.3	3.2	9.4	13.2	-11	45
Kaynes Technology India	Hold	6,060	6,832	13	405.8	4.6	2.9	4.7	6.5	45.8	69.8	96.3	132.3	86.9	62.9	98.4	58.8	42.1	12.3	15.2	16.7	1	24
Syrma SGS Technology	Buy	695	823	18	123.9	1.4	1.8	2.4	3.1	10.4	13.5	17.5	67.1	51.7	39.7	39.3	30.6	23.3	6.2	12.8	14.2	2	71
FMCG																							
Allied Blenders and Distillers	Buy	494	608	23	138.2	1.6	1.8	2.6	3.3	6.6	9.4	11.7	75.2	52.5	42.2	33.9	27.9	24.1	8.3	16.4	18.4	2	64
Asian Paints	Hold	2,500	2,469	(1)	2,398.2	27.4	40.3	45.2	49.5	42.0	47.1	51.6	59.5	53.1	48.5	40.2	35.0	31.6	11.0	21.9	26.1	4	-17
Bajaj Consumer Care	Buy	223	325	46	30.6	0.4	1.3	1.6	1.8	9.1	11.9	13.3	24.4	18.7	16.7	20.5	11.6	9.8	2.2	15.5	18.9	-6	-19
Colgate Palmolive	Hold	2,172	2,413	11	590.7	6.8	13.8	14.5	15.7	50.7	53.3	57.8	42.8	40.8	37.6	29.6	28.3	26.0	31.3	81.5	136.6	9	37
Dabur India	Hold	504	562	12	893.1	10.2	17.7	20.3	23.2	10.0	11.5	13.1	50.3	43.8	38.3	37.7	32.8	28.7	7.6	18.1	22.2	4	-17
Emami	Buy	582	770	32	255.6	2.9	8.9	9.5	10.6	20.4	21.7	24.2	28.6	26.8	24.0	24.3	22.1	19.4	8.2	32.8	41.2	-1	27
Godrej Consumer	Buy	1,199	1,403	17	1,226.5	14.0	19.2	23.2	28.8	18.7	22.7	28.2	64.0	52.9	42.6	40.9	35.8	29.4	9.6	18.7	21.4	5	-13
Hindustan Unilever	Hold	2,495	2,603	4	5,862.5	67.0	102.2	105.5	117.0	43.5	44.9	49.8	57.4	55.6	50.1	40.3	38.5	34.5	12.2	21.7	26.8	-1	8
Honasa Consumer	Hold	285	279	(2)	92.7	1.1	0.7	1.1	1.3	2.2	3.3	4.1	127.6	87.3	69.0	126.0	54.4	40.2	7.2	8.6	12.7	-1	39
ITC	Buy	414	502	21	5,186.8	59.3	200.9	207.8	239.1	16.1	16.6	19.1	25.8	24.9	21.7	20.8	19.9	17.1	7.1	29.7	37.8	-1	-11
Jyothy Labs	Hold	329	352	7	120.9	1.4	3.7	3.8	4.1														

Valuation Guide

		CMP	TP	Return	M. Cap	M. Cap	Net profit (INR bn)			EPS (INR)			P/E (x)			EV/EBITDA (x)			P/BV (x)	RoE (%)	RoCE (%)	Absolute (%)	
Company	Reco	(INR)	(INR)	(%)	(INR bn)	(USD bn)	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY26	FY26	FY26	1m	12m
RETAIL																							
Aditya Birla Fashion & Retail	Hold	75	86	15	91.1	1.0	-7.9	-8.1	-6.6	-6.4	-6.6	-5.4	-11.6	-11.3	-13.8	12.1	11.0	8.2	1.5	-12.6	-7.3	-3	-34
Arvind Fashions	Buy	505	746	48	67.5	0.8	0.8	1.6	2.4	6.3	11.9	17.7	79.7	42.4	28.5	11.6	9.0	7.1	5.6	13.2	19.9	12	8
Avenue Supermarts	Hold	4,335	4,174	(4)	2,820.7	32.3	29.3	34.2	41.2	45.0	52.5	63.4	96.4	82.5	68.4	62.0	53.0	43.8	11.0	13.3	17.9	8	-13
Devyani International	Hold	159	171	8	195.7	2.2	0.1	0.1	0.4	0.1	0.1	0.3	2,093.82	395.2	494.6	24.4	22.5	19.1	12.8	0.6	12.9	6	-7
Jubilant Foodworks	Hold	640	743	16	422.1	4.8	2.4	4.0	6.7	3.7	6.1	10.1	173.8	105.5	63.5	27.7	22.3	18.0	18.6	18.3	27.8	6	0
Kewal Kiran	Buy	508	755	49	31.3	0.4	1.4	1.4	1.7	23.4	23.5	27.7	21.7	21.6	18.4	15.5	13.2	11.0	3.3	15.4	17.3	8	-19
Restaurant Brands Asia	Buy	79	105	33	46.1	0.5	-0.9	-1.2	-0.8	-1.5	-2.0	-1.3	-52.6	-39.6	-60.4	14.7	12.5	10.0	2.1	-5.3	2.0	-3	-26
Sapphire Foods India	Hold	315	357	13	101.3	1.2	0.3	0.6	0.9	1.1	1.8	2.8	290.6	173.6	111.5	20.8	16.8	13.6	6.9	4.1	15.2	5	3
Senco Gold	Buy	339	569	68	55.5	0.6	2.2	2.8	3.4	13.2	17.1	20.7	25.6	19.8	16.4	15.8	12.1	10.6	2.5	12.8	12.5	-1	-38
Shoppers Stop	Buy	519	807	56	57.1	0.7	0.1	0.1	0.7	0.6	0.6	6.0	846.8	808.5	86.5	8.5	7.6	6.4	16.5	2.0	8.4	-2	-30
Titan Co Ltd	Buy	3,467	4,615	33	3,077.8	35.2	38.8	49.5	62.0	43.7	55.8	69.8	79.3	62.1	49.7	51.8	42.6	35.3	20.0	36.6	21.2	2	2
Trent	Buy	5,399	7,031	30	1,919.1	21.9	15.8	21.1	27.1	44.6	59.5	76.3	121.1	90.8	70.7	69.6	53.4	41.2	24.0	26.4	34.8	2	-16
Vedant Fashion	HOLD	739	823	11	179.6	2.1	3.9	4.1	4.6	16.0	17.1	18.8	46.2	43.4	39.3	26.8	24.5	21.8	8.6	21.4	28.7	6	-33
V-Mart Retail	Buy	740	1,494	102	58.7	0.7	0.2	1.0	1.7	10.9	12.2	20.8	67.9	60.4	35.5	15.9	11.8	9.2	6.5	11.3	15.9	-3	-20
Westlife Foodworld	Hold	669	837	25	104.3	1.2	0.1	0.3	0.7	0.8	1.7	4.5	856.8	391.1	150.2	32.9	26.7	21.5	16.7	4.3	21.3	-15	-16
INDUSTRIALS																							
ABB	Buy	5,087	5,863	15	1,078.0	12.3	18.7	18.6	21.5	88.5	87.7	101.4	57.5	58.0	50.2	44.4	45.8	39.7	13.0	24.2	33.0	-10	-34
BHEL	Buy	224	300	34	779.9	8.9	6.3	16.4	32.0	1.8	4.7	9.2	123.5	47.4	24.3	70.7	29.8	17.4	3.0	6.4	17.5	-13	-23
Cummins India	Buy	3,792	4,325	14	1,051.2	12.0	19.1	21.4	24.6	68.8	77.1	88.8	55.2	49.2	42.7	49.6	41.4	35.3	13.5	28.8	37.7	8	2
Engineers India	Hold	201	242	20	113.1	1.3	3.3	3.9	4.9	5.3	6.2	7.7	38.1	32.4	26.2	36.3	25.0	18.8	4.0	14.3	16.3	-19	-6
GE Vernova T&D	Buy	2,917	3,032	4	746.9	8.5	6.1	9.7	12.8	23.8	38.0	49.9	122.8	76.7	58.5	90.6	56.6	42.8	29.4	45.1	65.1	28	73
Hitachi Energy	Buy	21,120	25,033	19	941.4	10.8	3.8	7.0	12.0	86.1	157.6	269.7	245.3	134.0	78.3	151.6	89.3	54.3	20.0	15.8	22.6	14	90
Honeywell Automation	Hold	36,855	41,453	12	325.9	3.7	5.2	5.7	7.5	592.3	648.0	853.7	62.2	56.9	43.2	50.1	44.7	32.5	7.2	13.4	13.8	-9	-28
KEC International	Hold	793	954	20	211.0	2.4	5.7	10.1	15.3	21.4	37.9	57.4	37.0	20.9	13.8	16.2	11.7	8.0	3.4	17.4	20.7	-9	-2
Kirloskar Pneumatic	Buy	1,310	1,496	14	85.0	1.0	2.1	2.6	3.2	32.3	39.9	49.6	40.6	32.9	26.4	28.0	22.9	17.9	6.4	21.1	19.3	-5	5
Kirloskar Oil Engines	Buy	905	1,281	42	131.5	1.5	4.1	4.9	5.9	28.0	33.6	40.7	32.3	26.9	22.2	19.8	17.1	13.8	4.0	15.5	20.2	-2	-28
LMW	Hold	14,892	15,668	5	159.1	1.8	1.2	1.6	4.1	111.9	145.1	382.4	133.1	102.6	38.9	103.2	79.4	27.4	5.3	5.3	6.9	-8	1
Linde India	Hold	6,226	5,641	(9)	531.0	6.1	4.5	5.2	6.4	52.5	61.2	74.5	118.6	101.7	83.6	69.2	59.1	50.3	12.8	13.2	16.6	-9	-13
Larsen & Toubro	Buy	3,694	4,000	8	5,080.7	58.1	145.6	181.7	226.1	104.0	129.7	161.5	35.5	28.5	22.9	23.3	19.0	15.5	4.4	16.9	12.6	6	4
Siemens	Buy	3,151	3,892	24	1,122.0	12.8	17.7	21.7	25.2	49.6	60.8	70.8	63.5	51.8	44.5	51.9	41.1	34.7	8.1	16.5	23.0	0	-10
Siemens Energy India	Buy	3,162	3,412	8	1,126.2	12.9	11.1	13.8	18.7	31.3	38.8	52.5	101.0	81.4	60.2	73.7	60.5	46.9	24.5	31.0	43.8	3	
Thermax	Hold	3,301	3,562	8	393.3	4.5	6.3	6.7	8.9	55.6	59.1	78.8	59.3	55.9	41.9	43.9	37.6	28.7	6.9	12.9	16.3	-4	-23
Transformers & Rectifiers India	Buy	514	700	36	154.2	1.8	2.1	3.4	4.7	6.8	10.9	15.0	75.7	47.3	34.2	47.4	29.1	20.8	10.4	24.3	30.7	1	51
DEFENCE AND AEROSPACE																							
Bharat Dynamics	Buy	1,591	1,951	23	583.2	6.7	6.9	9.1	13.2	18.9	24.9	35.9	84.4	63.8	44.3	88.3	66.2	41.2	12.7	21.2	21.7	-13	21
Bharat Electronics	Buy	389	454	17	2,842.4	32.5	52.9	57.9	68.6	7.2	7.9	9.4	53.8	49.1	41.4	40.2	35.5	29.5	12.3	27.0	27.8	-5	32
BEML	Buy	4,077	4,921	21	169.8	1.9	2.9	3.8	5.3	70.4	91.3	127.7	57.9	44.6	31.9	34.0	26.9	20.0	5.3	12.6	13.1	-11	12
Cochin Shipyard	Sell	1,683	1,664	(1)	442.8	5.1	8.4	8.6	10.1	32.0	32.6	38.5	52.5	51.7	43.7	47.8	40.0	32.3	7.1	14.5	18.7	-13	-24
Garden Reach Shipbuilders	Buy	2,639	3,194	21	302.3	3.5	5.3	7.5	9.7	46.0	65.6	85.0	57.3	40.2	31.0	62.9	35.5	26.0	11.8	32.3	42.2	-1	34
Hindustan Aeronautics	Buy	4,524	6,360	41	3,025.8	34.6	83.1	91.8	101.0	124.3	137.3	151.0	36.4	33.0	30.0	27.6	23.3	21.3	7.4	24.3	25.4	-7	-3
Mazagon Dock Shipbuilders	Buy	2,749	3,858	40	1,108.8	12.7	23.2	23.4	35.7	57.6	58.1	88.6	47.7	47.3	31.0	46.0	44.2	25.3	12.6	29.3	41.9	-12	10
PTC Industries	Buy	14,185	19,016	34	212.5	2.4	0.6	1.0	3.0	41.3	65.3	197.0	343.1	217.3	72.0	278.1	105.2	45.6	14.3	6.8	8.2	-2	0
Raymond Ltd	Buy	610	903	48	40.6	0.5	0.5	0.9	1.5	7.2	13.2	22.4	85.0	46.0	27.2	21.9	13.8	9.3	1.3	3.7	5.4	-11	-2
CONSUMER DURABLES																							
Bajaj Elec.	Hold	571	589	3	65.9	0.8	1.1	1.4	2.0	9.7	11.9	17.3	58.8	48.0	33.0	21.0	18.9	14.4	3.6	7.8	10.9	-14	-40
Blue Star	Hold	1,756	1,808	3	361.0	4.1	5.8	6.0	9.5	28.2	29.4	46.1	62.4	59.8	38.1	41.0	37.6	24.9	10.4	18.4	24.9	-4	2
Crompton Consumer	Buy	319	418	31	205.1	2.3	5.6	6.3	8.2	8.8	9.7	12.7	36.3	32.8	25.1	23.0	20.7	15.8	5.5	17.5	20.2	-6	-26
Havells India	Buy	1,466	1,797	23	919.4	10.5	14.9	17.0	21.0	23.8	27.2	33.6	61.5	53.9	43.7	41.2	35.3	28.6	9.6	19.0	25.1	-4	-21
Voltas	Hold	1,276	1,450	14	422.2	4.8	8.3	8.4	11.4	25.2	25.4	34.5	50.6	50.3	37.0	38.0	39.7	28.1	5.9	12.3	17.3	-7	-18
RAILWAYS																							
IRCON International	Hold	168	159	(5)	157.6	1.8	7.4	7.5	8.1	7.8	8.0	8.6	21.4	20.9	19.4	24.3	22.7	22.3	2.3	11.6	15.5	-12	-36
Jupiter Wagons Ltd	Hold	317	362	14	134.5	1.5	3.8	4.0	5.0	9.2	9.8	12.1	34.3	32.2	26.2	23.1	21.4	17.4	4.2	13.7	17.3	-14	-43
ITES	Hold	250	280	12	120.3	1.4	3.8	4.3	5.0	8.0	9.0	10.4	31.3	27.7	24.1	16.8	14.7	12.6	4.5	16.4	22.7	-10	-23
Rail Vikas Nigam Ltd	Sell	326	204	(37)	680.3	7.8	12.8	12.9	13.7	6.1	6.2	6.6	53.1	52.9	49.8	61.8	63.7	58.7	6.5	12.8	13.3	-15	-41
Titagarh Rail Systems	Buy	814	1,064	31	109.6	1.3	3.0	3.3	4.9	22.5	24.7	36.2	36.1	32.9	22.5	25.1	22.3	15.0	3.9	12.4	13.9	-13	-42

Valuation Guide

		CMP	TP	Return	M. Cap	M. Cap	Net profit (INR bn)			EPS (INR)			P/E (x)			EV/EBITDA (x)			P/BV (x)	RoE (%)	RoCE (%)	Absolute (%)	
Company	Reco	(INR)	(INR)	(%)	(INR bn)	(USD bn)	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY26	FY26	FY26	1m	12m
INFRASTRUCTURE																							
Ahluwalia Contracts	Hold	950	804	(15)	63.7	0.7	2.0	2.9	3.6	30.1	42.6	53.6	31.6	22.3	17.7	15.8	11.5	8.8	3.1	14.7	23.2	-8	-25
Ashoka Buildcon	Hold	178	219	23	50.1	0.6	2.0	3.0	4.1	7.0	10.6	14.4	25.4	16.8	12.4	12.5	9.1	6.9	1.2	7.2	11.8	-13	-24
Dilip Buildcon	Hold	474	463	(2)	69.3	0.8	1.5	1.7	2.7	9.5	10.6	16.8	49.8	44.6	28.3	9.5	10.0	8.7	1.3	3.0	8.4	-3	-7
HG Infra Engineering	Buy	995	1,650	66	64.9	0.7	5.3	6.0	7.0	81.6	92.0	107.5	12.2	10.8	9.3	5.5	4.6	3.7	1.9	18.9	22.0	-7	-35
IRB Infra	Buy	45	62	37	270.5	3.1	8.1	8.8	10.5	1.3	1.5	1.7	33.2	30.8	25.7	12.3	10.8	10.2	1.3	4.4	5.3	-7	-28
KNR Constructions Ltd.	Hold	201	197	(2)	56.5	0.6	3.3	2.4	2.8	11.6	8.6	10.0	17.3	23.4	20.1	8.8	13.8	12.0	1.4	6.0	8.4	-8	-41
NCC Ltd.	Buy	223	289	30	139.8	1.6	8.0	9.2	11.1	12.7	14.7	17.7	17.5	15.1	12.6	8.1	7.3	6.2	1.7	11.8	20.6	-1	-28
PNC Infratech	Buy	309	398	29	79.3	0.9	3.8	6.1	8.1	14.9	24.0	31.4	20.8	12.9	9.9	7.3	6.8	5.6	1.3	10.6	14.6	1	-33
PSP Projects	Buy	663	881	33	26.3	0.3	0.6	1.3	1.9	14.2	31.6	46.7	46.5	20.9	14.2	15.0	9.6	7.5	2.0	9.9	13.6	-15	-2
Welspun Ent.	Hold	450	509	13	62.3	0.7	3.1	3.5	4.2	22.5	25.7	30.4	20.0	17.5	14.8	15.5	13.3	10.7	2.1	12.4	18.7	-14	-21
IT																							
Cyient	Buy	1,169	1,400	20	129.9	1.5	6.0	6.0	7.0	54.9	54.7	63.5	21.3	21.4	18.4	11.4	11.2	9.4	2.2	10.2	12.8	-10	-33
Birlasoft	Hold	371	430	16	103.1	1.2	5.2	5.1	5.8	18.7	18.5	21.3	19.8	20.1	17.4	14.4	14.4	11.8	2.7	13.9	18.8	-11	-34
FirstSource Sol.	Buy	367	415	13	255.8	2.9	5.9	7.4	9.2	8.4	10.5	13.0	43.6	35.0	28.3	23.5	18.7	15.7	5.8	17.3	12.5	5	26
HCL Tech	Buy	1,501	1,825	22	4,073.5	46.6	173.2	176.3	199.7	63.3	64.2	72.4	23.7	23.4	20.7	14.9	14.2	12.9	6.2	26.1	33.9	-7	-7
Infosys	Hold	1,427	1,750	23	5,926.5	67.8	267.5	280.7	301.7	64.5	67.7	72.8	22.1	21.1	19.6	14.5	13.5	12.1	5.7	28.0	37.6	-9	-22
ITI Mindtree	Buy	5,115	5,875	15	1,516.0	17.3	46.0	51.4	57.9	155.5	173.7	195.5	32.9	29.4	26.2	23.0	20.6	17.7	5.9	21.3	29.5	-1	-6
L&T Technology Services	Hold	4,139	4,850	17	438.6	5.0	12.7	14.0	16.9	119.8	132.1	159.2	34.6	31.3	26.0	22.2	19.5	16.0	6.7	22.1	27.8	-5	-16
Mphasis	Buy	2,695	3,400	26	512.8	5.9	17.0	18.9	23.0	90.4	100.2	122.3	29.8	26.9	22.0	18.7	16.7	13.8	5.0	19.1	24.5	-5	-1
Coforge Ltd	Buy	1,622	2,000	23	542.5	6.2	9.7	15.0	18.6	24.8	42.3	54.0	65.4	38.3	30.0	27.4	18.4	15.2	7.3	21.8	23.0	-14	38
Persistent Sys	Hold	5,248	5,350	2	820.7	9.4	14.0	17.8	21.8	91.2	115.0	140.9	57.5	45.6	37.2	39.3	31.2	25.6	11.9	27.0	35.9	-6	10
Quesst Corp	Buy	268	360	34	39.9	0.5	2.1	2.2	2.7	14.1	14.8	17.9	19.0	18.1	15.0	13.5	11.9	10.1	3.4	19.6	18.8	-12	-20
TCS	Buy	3,036	3,725	23	10,985.2	125.6	485.5	510.7	560.1	134.2	141.2	154.8	22.6	21.5	19.6	15.7	15.3	13.8	10.2	49.9	60.6	-6	-28
TeamLease	Buy	1,692	2,300	36	28.4	0.3	1.1	1.4	1.9	64.7	84.7	115.1	26.2	20.0	14.7	20.2	14.6	10.4	2.7	14.5	15.7	-13	-45
Tech Mahindra	Hold	1,506	1,725	15	1,475.1	16.9	42.5	51.4	63.5	47.9	57.9	71.6	31.4	26.0	21.0	20.1	16.6	13.8	5.2	19.4	28.9	-4	-1
Wipro	Hold	242	285	18	2,533.3	29.0	131.0	133.0	139.0	12.5	12.9	13.6	19.3	18.7	17.7	12.0	11.8	11.0	2.9	15.6	18.7	-5	-2
Zensar Technologies	Buy	801	875	9	182.0	2.1	6.5	7.2	8.4	28.4	31.5	36.4	28.2	25.4	22.0	19.9	17.9	14.6	4.0	16.6	22.3	-1	8
METALS & MINING																							
APL Apollo Tubes	Buy	1,583	1,897	20	439.2	5.0	7.6	11.6	15.4	27.3	41.9	55.5	58.0	37.8	28.5	36.7	25.5	19.4	8.5	24.7	29.6	-6	11
Hindalco Industries	Buy	701	766	9	1,574.2	18.0	168.8	120.4	130.5	75.9	54.2	58.7	9.2	12.9	11.9	6.3	7.1	6.8	1.1	9.3	11.3	5	13
Hindustan Zinc	Hold	430	482	12	1,817.7	20.8	103.6	119.6	128.3	24.5	28.3	30.4	17.5	15.2	14.2	10.6	9.0	8.3	11.0	80.1	61.5	-1	-25
HI-Tech Pipes	Buy	88	122	39	17.8	0.2	0.7	1.1	1.5	3.6	5.5	7.6	24.4	16.1	11.6	11.1	9.5	7.4	1.3	8.5	11.6	-8	-48
Indian Hume Pipe	Buy	382	487	28	20.1	0.2	0.9	1.0	1.2	17.1	19.3	22.8	22.3	19.8	16.7	9.9	11.2	9.8	1.4	7.2	9.9	-12	-23
Jindal Steel & Power	Buy	996	1,115	12	1,016.4	11.6	41.1	58.1	78.5	40.6	57.4	77.6	24.5	17.3	12.8	12.0	9.2	7.4	1.9	11.6	12.5	7	7
JSW Steel	Hold	1,054	942	(11)	2,576.8	29.5	39.9	118.1	149.3	16.4	48.5	61.3	64.3	21.7	17.2	14.7	10.0	8.7	2.9	14.1	12.8	1	18
JTL Industries	Buy	68	86	27	27.3	0.3	1.0	1.0	1.5	2.5	2.6	3.8	26.9	25.8	17.9	22.2	18.5	13.2	2.0	8.2	11.0	-18	-35
Kirloskar Ferrous	Buy	546	659	21	89.9	1.0	3.2	4.1	6.3	19.3	25.0	38.4	28.3	21.9	14.2	13.5	10.5	7.9	2.4	11.3	13.3	-4	-24
MOIL	Buy	331	452	36	67.4	0.8	3.8	5.1	7.6	18.8	25.0	37.2	17.7	13.2	8.9	10.9	7.4	4.9	2.3	18.1	24.6	-9	-19
NALCO	Buy	190	262	38	348.8	4.0	53.2	37.0	43.2	29.0	20.2	23.5	6.6	9.4	8.1	3.9	5.1	4.2	1.7	19.3	25.2	0	15
NMDC	Buy	73	91	25	638.1	7.3	66.9	74.5	81.5	7.6	8.5	9.3	9.5	8.6	7.8	7.0	5.8	5.1	1.9	23.4	28.4	5	3
SAIL	Hold	124	129	4	512.3	5.9	26.8	39.0	52.3	6.5	9.4	12.7	19.1	13.1	9.8	8.2	7.2	6.2	0.8	6.4	7.2	-8	-1
Tata Steel	Buy	160	174	9	1,999.7	22.9	42.8	106.9	146.1	3.4	8.6	11.7	46.7	18.7	13.7	11.4	7.9	6.7	2.0	11.1	12.7	0	10
Venus Pipes	Buy	1,336	1,719	29	27.4	0.3	0.9	1.2	1.7	45.5	61.1	84.3	29.4	21.9	15.8	17.4	13.6	10.5	4.2	21.1	24.5	-18	-34
Vedanta	Hold	439	482	10	1,715.7	19.6	131.2	170.5	203.0	33.6	43.6	51.9	13.1	10.1	8.5	5.3	4.5	3.9	4.0	40.7	28.1	-2	4
OIL & GAS																							
BPCL	Buy	323	446	38	1,399.2	16.0	146.1	155.5	156.7	33.7	35.8	36.1	9.6	9.0	8.9	6.3	6.2	6.4	1.5	18.1	17.3	-6	-1
GAIL	HOLD	173	185	7	1,139.9	13.0	94.8	83.0	90.2	14.4	12.6	13.7	12.0	13.7	12.6	9.2	9.7	8.6	1.5	11.4	12.1	-6	-24
Gujarat Gas	Hold	424	455	7	292.0	3.3	11.5	11.5	13.8	16.6	16.7	20.1	25.5	25.5	21.1	15.4	15.0	12.6	3.2	13.0	15.8	-8	-28
HPCL	Buy	411	615	50	874.7	10.0	73.6	119.9	104.7	34.6	56.3	49.2	11.9	7.3	8.4	8.9	6.0	6.4	1.6	23.7	15.5	-4	10
IGL	Sell	206	175	(15)	288.8	3.3	14.7	15.9	17.3	10.5	11.3	12.4	19.7	18.2	16.7	12.8	11.9	10.5	2.8	16.1	20.5	-5	-23
Indian Oil Corp	Buy	142	200	41	2,011.3	23.0	117.3	226.3	251.1	8.3	16.0	17.8	17.1	8.9	8.0	10.1	6.5	5.9	1.1	12.2	11.2	-5	-13
Mahanagar Gas	Hold	1,343	1,350	1	132.7	1.5	10.4	9.9	10.1	105.8	99.8	101.9	12.7	13.5	13.2								

Valuation Guide

		CMP	TP	Return	M. Cap	M. Cap	Net profit (INR bn)			EPS (INR)			P/E (x)			EV/EBITDA (x)			P/BV (x)	RoE (%)	RoCE (%)	Absolute (%)		
Company	Reco	(INR)	(INR)	(%)	(INR bn)	(USD bn)	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY26	FY26	FY26	1m	12m	
PHARMA & HEALTHCARE																								
Alkem	Hold	5,389	5,355	(1)	644.3	7.4	21.7	24.0	27.2	181.1	200.6	227.2	29.8	26.9	23.7	25.2	22.2	18.9	4.7	18.6	23.1	11	-5	
Alembic Pharma	Buy	943	1,275	35	185.3	2.1	5.7	6.6	9.1	29.1	33.5	46.1	32.4	28.2	20.4	19.5	16.4	12.7	3.3	12.2	14.2	-9	-11	
CIPLA	Buy	1,561	1,875	20	1,260.9	14.4	52.2	41.2	53.2	64.6	51.0	65.9	24.2	30.6	23.7	16.6	19.5	14.9	3.7	12.6	17.6	5	0	
Concord Biotech	Buy	1,634	1,930	18	170.9	2.0	3.7	4.1	5.1	35.5	39.0	49.0	46.0	41.8	33.4	33.1	29.4	23.4	8.1	20.9	27.2	-11	4	
Divi's Laboratories Ltd	Hold	6,101	6,575	8	1,619.5	18.5	21.9	24.7	30.5	82.5	93.0	114.7	73.9	65.6	53.2	53.3	46.5	37.2	9.7	15.6	20.2	-10	31	
Dr Reddys	Sell	1,253	1,110	(11)	1,046.1	12.0	57.8	37.2	42.3	69.3	44.5	50.6	18.1	28.1	24.8	11.8	15.9	13.6	2.9	10.7	13.5	0	-8	
IOL Chemicals	Buy	93	89	(5)	27.4	0.3	1.8	2.3	2.2	6.1	8.0	7.4	15.4	11.7	12.6	9.1	6.9	6.8	1.4	12.4	15.9	0	21	
JB Chemicals	Hold	1,716	1,790	4	268.2	3.1	6.6	7.6	9.2	42.3	49.0	58.8	40.6	35.0	29.2	25.6	22.6	19.1	3.4	20.8	26.8	5	-13	
Laurus Labs	Hold	863	700	(19)	465.9	5.3	3.2	5.3	9.2	5.9	9.8	17.1	146.8	87.9	50.5	46.6	35.0	25.3	9.4	11.3	12.4	5	101	
Lupin	Buy	1,990	2,450	23	908.8	10.4	32.8	37.5	41.5	71.9	82.1	90.8	27.7	24.2	21.9	17.5	15.1	13.7	4.5	19.9	21.3	3	4	
Mankind Pharma	Buy	2,466	3,070	24	1,017.8	11.6	19.9	19.5	25.8	48.1	47.1	62.5	51.2	52.3	39.5	35.8	28.5	23.7	6.3	12.7	12.5	-9	11	
Shilpa Medicare	Buy	906	1,200	32	88.6	1.0	1.0	2.4	3.9	9.9	24.7	40.0	91.3	36.7	22.6	29.7	18.6	13.6	3.4	9.7	13.3	0	34	
Solara Active Pharma	Sell	605	566	(7)	27.1	0.3	0.9	1.6	1.5	17.8	32.5	31.4	34.0	18.6	19.3	12.4	9.4	7.7	1.9	11.7	10.4	-10	0	
Torrent Pharma	Buy	3,618	4,310	19	1,224.4	14.0	19.3	25.4	25.1	57.0	75.0	68.1	63.5	48.2	53.2	33.6	28.2	20.5	12.9	29.7	30.4	6	8	
Zydus Life Science	Hold	989	1,075	9	994.8	11.4	47.0	45.7	40.6	46.7	45.4	40.4	21.2	21.8	24.5	13.8	14.1	14.5	3.6	17.8	20.6	2	-16	
HOSPITALS & DIAGNOSTICS																								
Dr Lal Pathlabs	Sell	3,295	2,670	(19)	276.1	3.2	4.5	5.2	6.0	53.3	61.6	71.1	61.9	53.5	46.4	38.2	34.0	29.4	55.4	22.1	28.5	14	3	
Metropolis Healthcare	Sell	2,126	1,655	(22)	110.1	1.3	1.6	1.8	2.2	31.0	35.2	43.1	68.6	60.4	49.3	34.3	28.7	23.9	7.4	12.9	16.8	13	7	
Vijaya Diagnostic Centre	Hold	1,058	1,000	(6)	108.7	1.2	1.4	1.8	2.4	14.0	17.6	23.1	75.5	60.1	45.8	40.1	33.6	27.1	5.7	20.6	22.5	4	28	
REALTY																								
Arvind SmartSpaces	Buy	596	975	64	27.3	0.3	1.1	0.7	0.9	26.0	17.3	20.2	22.9	34.4	29.5	17.6	19.2	14.8	3.8	11.6	14.2	-9	-13	
Brigade Enterprise	Buy	966	1,346	39	236.2	2.7	6.9	8.1	11.9	29.8	35.2	51.9	32.4	27.5	18.6	18.1	13.9	10.7	18.3	13.4	13.1	-11	-14	
Aditya Birla Real Estate	Buy	1,766	3,061	73	197.3	2.3	-0.3	-0.6	0.3	-2.6	-5.0	3.1	-689.0	-356.3	577.7	787.8	106.5	77.8	5.3	-1.5	0.5	-21	-16	
DLF	Buy	758	933	23	1,875.4	21.4	46.7	50.9	72.1	18.9	20.6	29.1	40.2	36.8	26.0	90.4	72.8	57.4	3.9	11.3	5.8	-8	8	
Godrej Properties	Buy	1,960	2,723	39	590.4	6.8	14.0	15.2	33.0	46.5	50.4	109.7	42.2	38.9	17.9	1,408.6	85.7	68.5	3.1	8.4	9.1	-13	-32	
Kolte Patil	Buy	408	569	40	36.2	0.4	1.0	0.6	0.8	13.3	7.9	11.2	30.6	51.6	36.5	24.1	24.7	19.4	3.6	7.1	9.9	-11	13	
Macrotech Developers	Buy	1,226	1,588	30	1,223.8	14.0	27.6	30.5	36.0	27.7	30.5	36.1	44.2	40.2	33.9	31.8	26.6	22.8	5.3	14.0	15.7	-14	5	
Nexus Select Trust	Buy	150	172	15	227.4	2.6	4.8	8.8	10.6	3.2	5.8	7.0	47.2	26.0	21.4	17.9	13.2	12.7	1.7	6.3	7.9	3	8	
Oberoi Realty	Buy	1,627	2,269	39	591.5	6.8	22.3	31.0	35.6	61.2	85.2	98.0	26.6	19.1	16.6	19.1	14.5	12.3	3.1	17.9	19.9	-10	5	
Phoenix	Buy	1,437	1,784	24	513.8	5.9	9.7	11.8	14.6	27.2	33.0	40.9	52.9	43.6	35.1	25.2	21.5	18.4	4.6	10.9	10.6	-5	-15	
Prestige Estates	Buy	1,629	2,195	35	701.6	8.0	4.7	7.4	14.7	10.9	17.1	34.1	150.1	95.1	47.7	30.3	31.4	21.5	4.3	4.6	6.7	-6	9	
Sobha	Buy	1,521	2,399	58	162.6	1.9	0.9	3.2	6.1	8.9	29.7	57.3	171.8	51.1	26.6	53.2	25.7	15.5	3.3	6.7	11.1	-2	-10	
Sunteck Realty	Buy	379	562	48	55.5	0.6	1.5	2.8	2.4	10.3	19.4	16.6	36.9	19.6	22.8	30.9	15.8	18.7	1.6	8.4	10.6	-14	-35	
TELECOM																								
Bharti Airtel	Buy	1,867	2,222	19	11,204.7	128.1	280.9	322.5	437.9	46.9	53.9	73.1	39.8	34.7	25.5	14.1	10.7	8.6	8.2	25.7	19.5	-3	27	
TEXTILE																								
Arvind Ltd	Buy	292	453	55	76.4	0.9	3.5	4.0	5.7	13.5	15.3	21.9	21.6	19.1	13.3	10.4	9.4	7.5	1.8	10.0	11.9	-14	-28	
KPR Mills	Hold	969	1,055	9	331.1	3.8	8.2	9.5	12.0	23.8	27.7	35.0	40.6	35.0	27.7	26.5	23.7	19.1	5.8	17.7	23.4	-18	13	
Welspun Living	Hold	114	155	36	109.7	1.3	6.4	5.9	8.9	6.7	6.1	9.3	17.2	18.7	12.3	10.1	10.7	7.6	2.1	11.5	11.7	-17	-34	
UTILITIES																								
CESC	Buy	164	203	23	217.8	2.5	14.1	16.0	17.3	10.6	12.0	13.0	15.5	13.6	12.7	9.0	8.3	8.0	1.7	12.8	11.0	-9	4	
COAL India	Buy	386	445	15	2,379.4	27.2	345.0	337.5	353.3	56.0	54.8	57.3	6.9	7.1	6.7	4.5	4.4	3.9	2.0	31.2	38.8	1	-23	
Indian Energy Exchange	Hold	141	155	10	125.9	1.4	4.1	4.8	5.2	4.7	5.4	5.9	30.3	26.2	24.1	24.8	20.4	18.3	9.9	40.6	53.2	-32	-24	
JSW Energy	Hold	535	581	9	935.1	10.7	19.6	27.5	31.0	11.2	15.8	17.8	47.6	33.9	30.1	25.6	14.4	13.2	3.1	9.6	8.4	1	-17	
NHPC	Hold	85	85	(1)	854.9	9.8	34.1	38.3	50.9	3.3	3.7	5.0	25.6	22.8	17.1	23.7	23.5	17.8	2.1	9.4	4.4	-4	9	
NTPC	Buy	340	394	16	3,296.4	37.7	180.2	192.5	206.9	18.6	19.9	21.3	18.3	17.1	15.9	10.5	10.1	9.6	1.9	11.5	9.2	-1	-14	
Power Grid	Buy	288	340	18	2,680.4	30.7	155.2	160.8	176.9	16.7	17.3	19.0	17.3	16.7	15.2	10.0	9.3	8.7	2.7	16.7	13.1	-3	-14	
SJVN Ltd	Hold	93	97	3	367.2	4.2	9.2	11.1	14.0	2.3	2.8	3.6	40.0	33.0	26.2	27.1	22.9	19.1	2.5	7.8	4.6	-5	-34	
Torrent Power	Hold	1,362	1,314	(4)	686.4	7.8	23.5	26.6	30.7	46.6	52.7	60.9	29.2	25.8	22.4	15.1	14.0	12.8	3.5	14.4	12.9	-3	-19	
Tata Power	Buy	387	467	21	1,237.2	14.1	47.8	56.8	66.5	14.9	17.8	20.8	25.9	21.8	18.6	11.2	10.6	10.1	3.0	13.6	9.8	-4	-5	
TRAVEL & LEISURE																								
Indian Hotels	Hold	770	750	(3)	1,095.8	12.5	16.0	20.1	22.5	11.3	14.1	15.8	68.4	54.5	48.8	39.6	33.4	28.5	8.5	16.8	17.4	6	26	
Chalet Hotels	Buy	896	1,150	28	195.7	2.2	1.4	4.9	6.8	6.5	22.6	30.9	137.1	39.6	28.9	29.7	22.6	17.8	5.3	14.2	12.7	3	17	
Yatra Online	Buy	149	175	17	23.3	0.3	0.4	0.6	0.9	2.3	3.9	5.8	63.7	38.3	25.8	-	-	-	2.8	7.5	8.3	75	15	
MIDCAP DIVERSIFIED																								
CCL Products	Buy	858	1,030	20	114.5	1.3	3.1	3.5	4.9	23.2	26.1	36.4	36.9	32.9	23.6	23.7	20.1	16.1	5.1	16.6	13.3	-2	29	
EPL Ltd.	Buy	229	290	27	73.3	0.8	3.6	4.0	4.8	11.3	12.6	15.1	20.2	18.2	15.2	9.3	8.1	7.1	2.9	16.4	20.0	-4	-6	
Ganesha Ecosphere	Buy	1,411	1,970	40	35.9	0.4	1.0	1.2	1.8	40.5	46.3	65.6	34.8	30.5	21.5	19.0	18.1	13.8	2.8	9.9	9.8	-5	-12	
Gravita India	BUY	1,789	2,490	39	132.0	1.5	3.1	4.2	5.0	42.3	57.3	67.2	42.3	31.2	26.6	31.2	27.1	22.4	5.4	18.7	20.8	3	8	
Mold-Tek Packaging	Buy	799	1,100	38	26.5	0.3	0.6	0.8	1.1	18.2	24.8	32.8	43.8	32.1	24.4	20.0	15.7	12.8	3.8	12.3	11.0	13	3	
Solar Industries	Buy	15,039	16,600																					

Valuation Guide

		CMP	TP	Return	M. Cap	M. Cap	Net profit (INR bn)			BVPS (INR)			P/BV (x)*			NNPA Ratio (%)			P/E(x)	RoE (%)	RoA (%)	Absolute (%)	
Company	Reco	(INR)	(INR)	(%)	(INR bn)	(USD bn)	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY26	FY26	FY26	1m	12m
FINANCIALS																							
Axis Bank	Buy	1,066	1,300	22	3,306.8	37.8	263.7	255.8	318.5	553.3	632.6	731.7	1.8	1.5	1.3	0.4	0.4	0.4	12.9	13.9	1.5	9	8
Bank of Baroda	Buy	242	290	20	1,250.5	14.3	195.8	179.0	212.1	236.9	264.5	297.3	1.0	0.9	0.8	0.6	0.6	0.6	7.0	13.8	1.0	0	1
Canara Bank	Buy	109	140	28	988.6	11.3	170.3	174.9	191.3	103.0	118.4	135.3	1.1	0.9	0.8	0.7	0.5	0.4	5.7	17.4	1.0	-4	3
City Union Bank	Buy	211	250	18	156.2	1.8	11.2	12.5	14.7	127.8	142.9	161.0	1.6	1.5	1.3	1.3	0.9	0.8	12.4	12.5	1.5	-1	31
DCB Bank	Buy	122	184	51	38.4	0.4	6.2	6.0	7.4	172.0	189.5	211.5	0.7	0.6	0.6	1.1	1.2	1.3	6.4	10.6	0.7	-15	5
Equitas SFB	Buy	54	73	34	62.1	0.7	1.5	0.9	7.3	53.3	54.0	60.4	1.0	1.0	0.9	1.0	1.0	0.9	70.4	1.4	0.2	-14	-31
Federal Bank	Buy	196	240	22	482.0	5.5	40.5	37.0	47.1	136.1	149.4	166.3	1.4	1.3	1.2	0.4	0.4	0.4	13.0	10.6	1.0	-7	-3
HDFC Bank	Buy	1,980	2,270	15	15,198.7	173.8	673.5	735.7	867.4	635.7	710.3	797.2	2.8	2.5	2.2	0.4	0.3	0.3	20.6	14.3	1.8	0	23
ICICI Bank	Buy	1,421	1,680	18	10,143.4	116.0	472.3	511.5	610.9	402.8	460.2	528.9	3.0	2.6	2.2	0.4	0.6	0.8	19.8	16.3	2.3	0	22
IndusInd Bank	Hold	773	985	27	602.6	6.9	26.4	28.0	55.0	824.0	855.0	915.5	0.9	0.9	0.8	1.0	1.2	1.0	21.5	4.3	0.5	-11	-42
Karur Vysya Bank	Buy	256	330	29	204.9	2.3	19.4	20.5	23.9	148.2	170.7	196.9	1.7	1.5	1.3	0.2	0.2	0.2	10.1	15.9	1.6	5	20
Kotak Mahindra Bank	Buy	1,988	2,440	23	3,952.3	45.2	164.7	144.1	191.6	572.2	641.9	734.7	2.7	2.4	2.0	0.3	0.3	0.3	27.4	11.9	1.9	-10	14
Punjab National Bank	Hold	107	123	15	1,225.6	14.0	166.3	148.6	192.4	103.6	113.9	127.3	1.0	0.9	0.8	0.4	0.3	0.2	8.2	11.9	0.8	-4	-6
State Bank of India	Buy	822	955	16	7,586.2	86.8	709.0	704.5	782.1	421.7	495.8	563.6	1.5	1.2	1.0	0.5	0.4	0.3	10.8	16.0	1.0	2	2
South Indian Bank	Hold	30	34	15	77.2	0.9	13.0	12.4	14.5	37.3	41.5	46.4	0.8	0.7	0.6	0.9	0.9	0.9	6.3	12.0	0.9	-2	23
Ujjivan Small Bank	Buy	43	73	71	82.7	0.9	7.3	5.3	11.5	31.4	34.2	40.1	1.4	1.2	1.1	0.5	0.6	0.6	15.6	8.4	1.0	-13	2
Union Bank of India	Buy	136	170	26	1,035.8	11.8	179.9	171.0	177.6	140.6	156.7	174.4	1.0	0.9	0.8	0.6	0.5	0.5	6.1	15.1	1.1	-8	16

*Adjusted for subsidiaries

		CMP	TP	Return	M. Cap	M. Cap	Net profit (INR bn)			BVPS (INR)			P/BV (x)*			NNPA Ratio (%)			P/E(x)	RoE (%)	RoA (%)	Absolute (%)	
Company	Reco	(INR)	(INR)	(%)	(INR bn)	(USD bn)	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY26	FY26	FY26	1m	12m
NBFCs																							
Cholamandalam Invest.	Buy	1,461	1,570	7	1,228.6	14.1	42.6	50.9	64.3	280.9	339.3	413.1	5.2	4.3	3.5	2.6	2.9	2.6	24.1	0.2	2.3	-4	9
I&T Finance	Buy	201	243	21	503.1	5.8	26.4	32.1	39.5	102.5	112.1	124.0	2.0	1.8	1.6	0.0	0.0	0.0	15.6	0.0	0.0	-2	25

		CMP	TP	Return	M. Cap	M. Cap	VNB (INR bn)			EVPS (INR)			P/EV (x)			P/VNB (x)			RoEV (%)	Absolute (%)	
Company	Reco	(INR)	(INR)	(%)	(INR bn)	(USD bn)	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY26	1m	12m
Insurance																					
HDFC Life Insurance	Buy	777	860	11	1,673.9	19.1	39.6	46.5	54.7	249.6	290.7	338.2	3.1	2.7	2.3	27.3	21.3	16.2	16.7	2	13
ICICI Prudential Life Insurance	Buy	621	715	15	898.7	10.3	23.7	26.7	30.3	333.6	374.6	419.9	1.9	1.7	1.5	16.9	12.8	9.1	13.4	-8	-13
UIC of India	Buy	888	1,100	24	5,613.4	64.2	100.1	110.8	120.7	1,228.3	1,352.2	1,486.9	0.7	0.7	0.6	NA	NA	NA	10.4	-3	-14
Max Life Insurance*	Buy	1,588	1,725	9	548.0	6.3	21.1	25.0	29.3	730.0	868.1	1,029.0	3.4	2.9	2.4	27.3	21.1	16.1	18.1	1	53
SBI Life Insurance	Buy	1,840	1,980	8	1,844.6	21.1	59.5	68.0	76.9	701.3	824.2	965.1	2.6	2.2	1.9	19.1	14.9	11.3	17.9	-1	9

*Valuations after factoring 20% holdco discount

Events Calendar

Aug 2025

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sun
11 Aug	12 Aug	13 Aug	14 Aug	15 Aug	16 Aug	17 Aug
		Aditya Birla Fash. & Retail BPCL Brigade Enterprise Devyani International Engineers India Ganesha Ecosphere HG Infra Engineering Jubilant Foodworks PNC Infratech Shilpa Medicare Somany Ceramics United Spirits	Ahluwalia Contracts Indian Oil Corp Patanjali Foods			

Important Disclaimer:

This report has been prepared by Antique Stock Broking Limited (hereinafter referred to as ASBL) to provide information about the company(ies) and/or sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies).

ASBL is a Stock Broker having SEBI Registration No. INZ000001131 and Depository Participant having SEBI Registration No. IN-DP-721-2022(CDSL) registered with and regulated by Securities & Exchange Board of India. SEBI Registration Number: INH000001089 as per SEBI (Research Analysts) Regulations, 2014. CIN: U67120MH1994PLC079444.

ASBL and its affiliates are a full-service, integrated investment banking, investment management, brokerage and financing group.

This report is for personal information of the selected recipient/s and does not constitute to be any investment, legal or taxation advice to you. This research report does not constitute an offer, invitation or inducement to invest in securities or other investments and ASBL is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your general information and should not be reproduced or redistributed to any other person in any form. This report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur.

We and our affiliates have investment banking and other business relationships with some companies covered by our Research Department. Our research professionals may provide input into our investment banking and other business selection processes. Investors should assume that ASBL and/or its affiliates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material and that the research professionals who were involved in preparing this material may educate investors on investments in such business. The research professionals responsible for the preparation of this document may interact with trading desk personnel, sales personnel and other parties for the purpose of gathering, applying and interpreting information. Our research professionals are paid on the profitability of ASBL which may include earnings from investment banking and other business.

ASBL generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, ASBL generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing among other things, may give rise to real or potential conflicts of interest. ASBL and its affiliated company(ies), their directors and employees and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the affiliates of ASBL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report

Reports based on technical and derivative analysis center on studying charts company's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamental analysis. In addition ASBL has different business segments / Divisions with independent research separated by Chinese walls catering to different set of customers having various objectives, risk profiles, investment horizon, etc, and therefore may at times have different contrary views on stocks sectors and markets.

Unauthorized disclosure, use, dissemination or copying (either whole or partial) of this information, is prohibited. The person accessing this information specifically agrees to exempt ASBL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold ASBL or any of its affiliates or employees responsible for any such misuse and further agrees to hold ASBL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays. The information contained herein is based on publicly available data or other sources believed to be reliable. Any statements contained in this report attributed to a third party represent ASBL's interpretation of the data, information and/or opinions provided by that third party either publicly or through a subscription service, and such use and interpretation have not been reviewed by the third party. This Report is not intended to be a complete statement or summary of the securities, markets or developments referred to in the document. While we would endeavor to update the information herein on reasonable basis, ASBL and/or its affiliates are under no obligation to update the information. Also there may be regulatory, compliance, or other reasons that may prevent ASBL and/or its affiliates from doing so. ASBL or any of its affiliates or employees shall not be in any way responsible and liable for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. ASBL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This report is intended for distribution to institutional investors. Recipients who are not institutional investors should seek advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents.

ASBL and its associates may have managed or co-managed public offering of securities, may have received compensation for investment banking or merchant banking or brokerage services, may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

ASBL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.

Subject Company may have been a client of ASBL or its associates during twelve months preceding the date of distribution of the research report

ASBL and/or its affiliates and/or employees and /or relatives may have interests/positions, financial or otherwise of over 1 % at the end of the month immediately preceding the date of publication of the research in the securities mentioned in this report. To enhance transparency, ASBL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

There are no material disciplinary action that been taken by any regulatory authority impacting equity research analysis activities

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. The research analysts, strategists, or research associates principally responsible for preparation of ASBL research receive compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues

Disclosure of Interest Statement Companies where there is interest

- Analyst ownership of the stock - No
- Served as an officer, director or employee - No

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ASBL & its group companies to registration or licensing requirements within such jurisdictions.

For U.S. persons only: This research report is a product of Antique Stock Broking Limited, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account. This report is intended for distribution by Antique Stock Broking Limited only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Antique Stock Broking Limited has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Compliance/Grievance officer: Ms. Jayshree Thakkar, Contact No: 022-69113461, Email id: jayshree@antiquelimited.com/compliance@antiquelimited.com

Disclaimer that:

- Investment in securities market are subject to market risks. Read all the related documents carefully before investing.
- The securities quoted are for illustration only and are not recommendatory.
- Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

**Antique Stock Broking Limited**

ITI House
 36, Dr. R.K. Shirodkar Marg
 Parel (East), Mumbai 400012
 Tel. : +91 22 6911 3300 / +91 22 6909 3600
 www.antiquelimited.com