FIRST LIGHT

14 May 2026

RESEARCH

BOB ECONOMICS RESEARCH | OIL-PRICE IMPACT

How long will the economy bear the shock?

TVS MOTOR | TARGET: Rs 3,658 | +4% | HOLD

Holding steady; well-oiled for turbulence; retain HOLD

CIPLA | TARGET: Rs 1,378 | +4% | HOLD

Mixed Earnings; exciting set of new products awaited

DR REDDY'S LABS | TARGET: Rs 1,511 | +19% | BUY

In-line Earnings on adjusted basis; margin outlook stable

HINDUSTAN PETROLEUM CORP | TARGET: Rs 438 | +12% | HOLD

Performance above expectations on better refining margins

CROMPTON GREAVES | TARGET: Rs 330 | +16% | BUY

Q4 beats estimates; Butterfly impairment resets balance sheet

OIL & GAS

World Petrochemical Conference (WPC 2026): key takeaways

SUMMARY

INDIA ECONOMICS: OIL-PRICE IMPACT

Evaluating historical data of international crude price and its impact on India's growth and inflation reveal some interesting results. Over the past 54 years, we found that on 18 out of 54 occasions, crude prices rose more than 20% in a year. Also, we have seen that the crude price shock is concentrated in certain years and the high of crude price generally lasts for 6-7 months. Here in our analysis, the period FY07-16 showed significant volatility in oil prices.

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TVS MOTOR

- Outperformance in Scooters, EVs and exports drive gains of 28% YoY and 34% YoY in volumes and revenue respectively
- Commodity inflation of ~3-5% and supply chain disruption contracts gross margin by ~161bps YoY, price hikes aid partially offset (35%)
- Revise down FY27/FY28 earnings marginally; value TVS at 33x core business. TP revised to Rs3,658 (vs Rs3,562 earlier); retain HOLD

Click here for the full report.

CIPLA

- Sales/EBITDA/PAT reported 1%/11%30% below estimates. Gross Margin reported 360 bps above; EBITDA Margin 176 bps below estimates
- Huge cash balance of Rs 13bn as on FY26; the company would scout for opportunities in the specialty segment for regulated markets
- R&D spend towards complex products to support 5 years growth. Ascribe 22x, roll forward to Mar'28 EPS; TP of Rs 1,378; Maintain Hold

Click here for the full report.

DR REDDY'S LABS

- On an adjusted basis, Sales/EBITDA/PAT reported 3%/20%/5% below our estimates. AEBITDA M reported 323 bps lower vs our estimates
- Ex gRevlimid sales Gross Margin guided in 50-55%. EBITDA margin ~20%with gSemaglutide and 25% post Abatacept launch
- We factor in the interest income to continue, thereby retaining our estimates. Continue to ascribe 21x and roll-forward to Mar'28 EPS

Click here for the full report.

HINDUSTAN PETROLEUM CORP

- Revenue grew by 4.9%YoY and EBITDA by 58.9%YoY; GRM came at USD14.5 vs USD5.1 in Q4FY25
- Positive on volume growth, given the strong demand. However, environment is challenging on crude supply and elevated prices.
- Maintain HOLD. Considering the challenging outlook on refining margin due to elevated crude prices – reduce TP to Rs438 from Rs 464

Click here for the full report.

CROMPTON GREAVES

- Revenue grew 11% YoY to Rs 22.8bn, led by 10% growth in ECD, 14% in Lighting and 17% in Butterfly
- Gross margin contraction (230bps YoY) partially offset by cost control measures, leading to a 100bps YoY contraction in EBITDA
- We assign 30x multiple on FY28E EPS to arrive at TP of Rs 330. Maintain BUY

Click here for the full report.

OIL & GAS

- US-Iran conflict has disrupted petrochemical supply chains and also tightened the feedstock availability, leading to volatility in pricing
- Global petrochemical markets continue to face severe margin pressure, given the aggressive capacity additions
- RIL benefits from domestic demand and has diversified suppliers, is thus well positioned to manage this environment

Click here for the full report.

OIL-PRICE IMPACT

13 May 2026

How long will the economy bear the shock?

Dipanwita Mazumdar
Economist

Evaluating historical data of international crude price and its impact on India's growth and inflation reveal some interesting results. Over the past 54 years, we found that on 18 out of 54 occasions, crude prices rose more than 20% in a year. Also, we have seen that the crude price shock is concentrated in certain years and the high of crude price generally lasts for 6-7 months. Here in our analysis, the period FY07-16 showed significant volatility in oil prices.

Statistically speaking, the coefficient of determination (called R square) of oil prices impacting GDP and WPI-Fuel also turns out to be higher during this period. The ARDL (autoregressive distributed lag) model does not establish any long run relationship between oil prices, GDP, CPI and WPI. VAR (vector autoregressive) model shows optimal lag length of 5 quarters.

Section 1. Nature of oil price shock-Historical perspective:

We have analyzed the data for the past 54 years to identify occasions when there has been significant jump in crude prices. Out of 54 years data points that we looked at, on 18 occasions (including current year), oil prices rose more than 20%. In the current crisis, it has risen significantly by 39.7% (change since 27 Feb 2026, start of the war, till 6 May 2026). Also, the range of variation (difference between high and low), is significant in the current fiscal, as was seen during FY22 and FY11.

Table 1: Listing out Years where oil price shock has been observed and what caused the same

Year	Average Brent price, US$/bbl	Low	High	No of months of high	Change in crude price, YoY	Major Economic Events
FY73	4	N.A.	N.A.	NA	26.7	Organization of Arab Petroleum Exporting Countries proclaimed an oil embargo
FY74	13	10	13	NA	206.9	NA
FY79	22	16	29	NA	48	Iran-Iraq War
FY80	34	31	36	NA	57	Iran oil embargo
FY87	18	16	19	NA	30.2	OPEC price accord begins to deteriorate
FY89	18	16	20	NA	20.9	Spill and to potential shortages on the west coast
FY91	23	16	35	5	27.5	SPR released oil post-Gulf war
FY97	21	18	24	4	22.6	NA
FY00	22	15	27	8	73.1	Energy crisis
FY01	28	23	32	7	30.5	Recession and 9/11
FY05	42	36	53	9	47.4	Hurricane Katrina
FY06	59	50	64	10	39.4	North Korea's missile launch and Israel-Lebanon war
FY08	82	68	103	10+6*	26.2	Financial crisis
FY11	87	75	115	6	23.9	Political turmoil in Egypt, Libya, Yemen, and Bahrain
FY12	114	108	125	12#	30.9	US European sanctions on imports of Iranian oil
FY19	71	58	81	9	22	US sanctions on Venezuela and Iran and OPEC led supply cut
FY22	80	65	113	3	74.6	Russia-Ukraine war
Current crisis**	100	78	118	29 days of above US$ 100/bbl#	39.7	US-Iran conflict

Source: Newspaper reports, Bloomberg, Bank of Baroda Research, Note: ** Data is taken since the start of the war i.e. 28 Feb 2026, # US$ 100/bbl count date till 6 May 2026,*6 months of carry forward to the next year as oil prices remained elevated during those months, #5 months of high, however prices in general was elevated for the full 12-months, Highlighted ones are the years of notable development in financial and political landscape.

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

HOLD
TP: Rs 3,658 | ▲ 4%

TVS MOTOR | Automobiles | 14 May 2026

Holding steady; well-oiled for turbulence; retain HOLD

- **Outperformance in Scooters, EVs and exports drive gains of 28% YoY and 34% YoY in volumes and revenue respectively**
- **Commodity inflation of ~3-5% and supply chain disruption contracts gross margin by ~161bps YoY, price hikes aid partially offset (35%)**
- **Revise down FY27/FY28 earnings marginally; value TVS at 33x core business. TP revised to Rs3,658 (vs Rs3,562 earlier); retain HOLD**

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Scooters, EVs and exports outperform, driving growth: TVSL reported revenue grew ~34% YoY to ~Rs128bn in Q4FY26, driven by a healthy 28% YoY volume growth to ~1.56mn. Scooters were the key growth driver, rising ~32% YoY. Motorcycle volumes grew ~23% YoY, supported by premium segment. 3W volumes jumped ~65% YoY and exports grew ~23% YoY, with continued momentum across Africa, LATAM and Asia. Average realisation gained ~4.5%/1.6% YoY/QoQ; aided by a richer mix, premiumisation, price hikes and higher exports contribution.

Commodity cost inflation and supply-side disruptions weigh on margins: Raw material costs spiked by ~37%/3% YoY/QoQ to ~Rs91bn. The RM cost-to-sales jumped to 71.4% (vs 69.8% YoY). TVSL indicated that the commodity inflation is currently at ~3-5% of revenue, with only ~35% offset through price hikes. Further, supply-side disruptions pertaining to labour shortages, gas availability and logistics delays also impacted the operations during late Q4 and early Q1FY27.

EV growth remains a key driver: EV sales grew strongly by ~51% YoY to ~115k units during Q4FY26, with revenue crossing ~Rs50bn. The penetration has increased further to 7.8% vs 7.1% YoY. To address the demand, EV production capacity has already been ramped up to~40k units/month and will soon scale up to ~50k units/month.

Calibrated capacity expansion: TVSL has announced plans to expand the overall capacity by ~1.5mn units by FY27 to ~8.3mn units. Capex(FY27) guidance is of ~Rs35bn, focused on new launches, R&D and EV expansion.

Revise TP; maintain HOLD: GST cut, premiumisation focus, exports mix will help balance EV scooters growth for margins. Further, buoyant growth across segments in the motorcycle portfolio adds comfort. The positive revival in the rural sentiment augurs well. We have marginally cut our EPS target for FY27e/FY28e by 1% and introduce FY29 earnings with 3-year EBITDA/PAT CAGR at 12%/16%. We maintain our P/E for the core business at 33x, factoring in the strong launch program and healthy exports. We arrive at a new 1YF TP of Rs 3,658 (Rs3,562) valuing the core business at Rs 3,525 and Rs 133/sh for TVS Credit Services. Maintain HOLD.

Key changes

Target	Rating
▲	◄ ►

Ticker/Price	TVSL IN/Rs 3,527
Market cap	US$ 17.7bn
Free float	48%
3M ADV	US$ 34.8mn
52wk high/low	Rs 3,970/Rs 2,655
Promoter/FPI/DII	52%/13%/25%

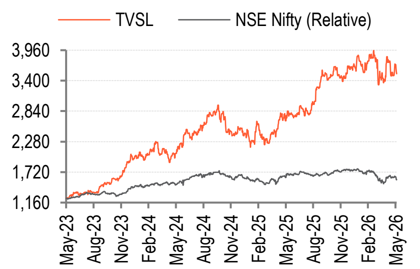
Source: NSE | Price as of 13 May 2026

Key financials

Y/E 31 Mar	FY26P	FY27E	FY28E
Total revenue (Rs mn)	4,72,703	5,22,868	6,02,456
EBITDA (Rs mn)	60,793	66,680	76,294
Adj. net profit (Rs mn)	36,575	42,922	50,002
Adj. EPS (Rs)	77.0	90.3	105.2
Consensus EPS (Rs)	77.0	91.9	110.2
Adj. ROAE (%)	32.6	28.8	25.9
Adj. P/E (x)	45.8	39.0	33.5
EV/EBITDA (x)	27.8	25.3	21.9
Adj. EPS growth (%)	34.9	17.4	16.5

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

Stock performance



Source: NSE

HOLD

TP: Rs 1,378 | ⮝ 4%

CIPLA | Pharmaceuticals | 14 May 2026

Mixed Earnings; exciting set of new products awaited

- **Sales/EBITDA/PAT reported 1%/11%30% below estimates. Gross Margin reported 360 bps above; EBITDA Margin 176 bps below estimates**
- **Huge cash balance of Rs 13bn as on FY26; the company would scout for opportunities in the specialty segment for regulated markets**
- **R&D spend towards complex products to support 5 years growth. Ascribe 22x, roll forward to Mar'28 EPS; TP of Rs 1,378; Maintain Hold**

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Mixed set of earnings – Cipla reported mix set of 4QFY26 earnings, where sales declined by 3% YoY (1% below our estimates) to Rs 65.4bn. The decline in sales was due to a 26% fall in the US region, offset by 15% YoY growth in the domestic region to Rs 30bn and 21% YoY growth in One Africa. Lower product mix and 3% YoY growth in RM cost led to a 5% YoY fall in gross profit to Rs 42.9bn and 180 bps reduction in gross margin at 65.6% (360 bps above our estimates). R&D cost went up by 26% YoY, due to higher API prices (APIs used in development) and increasing spend towards complex products like peptides and Oligonucleotides (sourcing to CROs for development) led to 35% YoY decline in EBITDA (11% below our estimates) and 761 bps YoY decline in EBITDA Margin at 15.2% (ex of high-margin products like Lenalidomide and Lanreotide). Depreciation also increased by 24% YoY to Rs 3.8bn, due to the last 3 years of higher capex towards building facilities and Rs 420 mn of impairment towards the change of business conditions and dynamics — thereby leading to 54% YoY decline in reported PAT to Rs 5.5bn. Adjusting against impairment, PAT declined by 37% YoY to Rs 5.9bn.

Domestic business sales growth across segments – During 4QFY26, domestic region grew by 15% YoY to Rs 30bn, driven by a double-digit growth across Rx portfolio, OTC and trade generics. The Rx business growth was driven by healthy Chronic contribution of 60%, new launches and making big brands bigger. Cipla's 4 new brands got added to Rs 1bn club totaling 33 brands with sales of Rs 1bn. Cipla's key brand Foracort clocked sales of Rs 10bn and Dytor clocked Rs 6.5bn sales as on MAT Mar'26 in the IPM. Cipla's double-digit growth was purely organic (1-2% contribution from Yurpeak). Going forward, we believe that growth will likely come on the back of 1) higher chronic share 2) good in-licensing products (Pfizer's key brands) 3) scaling big brands bigger 4) launching specialised/innovative products. Thus, we expect company to clock 12% CAGR from FY27-29 to Rs 178bn in FY29E.

Key changes

Target	Rating
▼	◀▶

Ticker/Price	CIPLA IN/Rs 1,328
Market cap	US$ 11.3bn
Free float	65%
3M ADV	US$ 24.5mn
52wk high/low	Rs 1,673/Rs 1,166
Promoter/FPI/DII	33%/26%/24%

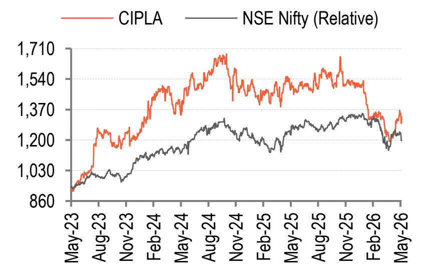
Source: NSE | Price as of 13 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	281,626	309,510	342,903
EBITDA (Rs mn)	59,249	59,556	68,822
Adj. net profit (Rs mn)	41,971	41,271	50,496
Adj. EPS (Rs)	52.1	51.2	62.7
Consensus EPS (Rs)	48.1	55.2	64.9
Adj. ROAE (%)	13.1	11.6	12.7
Adj. P/E (x)	25.5	25.9	21.2
EV/EBITDA (x)	19.4	19.5	17.3
Adj. EPS growth (%)	(20.4)	(1.7)	22.4

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 1,511 | ⮝ 19%

DR REDDY'S LABS | Pharmaceuticals | 13 May 2026

In-line Earnings on adjusted basis; margin outlook stable

- **On an adjusted basis, Sales/EBITDA/PAT reported 3%/20%/5% below our estimates. AEBITDA M reported 323 bps lower vs our estimates**
- **Ex gRevlimid sales Gross Margin guided in 50-55%. EBITDA margin ~20%with gSemaglutide and 25% post Abatacept launch**
- **We factor in the interest income to continue, thereby retaining our estimates. Continue to ascribe 21x and roll-forward to Mar'28 EPS**

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Weak performance on a reported basis – On a reported basis, Dr. Reddy's sales declined by 11% YoY to Rs 75.1bn, primarily due to 51% YoY decline in North America sales (gRevlimid stock life adjustment of Rs 4,530 mn) — offset by the growth across geographies, where India grew by 20% YoY, Emerging Markets grew by 29% YoY and 14% YoY growth in Europe. Lower product mix (no gRevlimid contribution) led to gross margin at 45% in 4QFY26. 14% YoY rise in Other expenses (29.5% of sales) resulted in a mere 8% of EBITDA Margin and 70% decline in EBITDA to Rs 6bn. Lower operations resulted in 86% YoY decline in PAT to Rs 2.2bn. However, there was an impairment of Rs 2.5bn towards non-current assets — adjusting for that — PAT reported 72% YoY decline to Rs 4.7bn.

Adjustments for 4QFY26 - During 4QFY26, there were several one-offs, starting with 4,530 mn (USD 50 mn) towards stock adjustments for gRevlimid in North America sales; Rs 59 mn of wind down cost under SG&A; Rs 1,141 mn towards VAT liability under SG&A, Rs 1,400mn towards the settlement of litigation in the US and UK in Other Income; Rs 1,890 mn towards divestment of intangible products in Other Income; Rs 1,290 mn towards the impairment of non-current assets for CAR-T therapy (several companies across the globe have discontinued CAR T therapy) and Rs 914 mn towards discontinuation of the Phase III study in the first line non-small cell lung cancer conducted by Immutep Limited.

In-line estimates on adjusted basis – On an adjusted 4QFY26 basis, sales decreased by 6%, primarily due to 37% YoY decline in the North America sales (17% below our estimates). This resulted in a 19% YoY fall in gross profit and gross margin reported at 48% (our estimate of 51%). On an adjusted basis, SG&A reported a normalised 7% growth (26.3% of sales) to Rs 20.9bn — resulting in 42% decline in EBITDA to Rs 11.7 bn and EBITDA margin reporting at 14.7% (our estimate of 18%). Adjusted Other Income grew by 20% YoY. Interest income of Rs 1.7bn led to 40% YoY decline in PAT to Rs 9.9bn (5% below our estimates). Adjusted EPS was at Rs 11.6 (our estimates of Rs 12.59).

Key changes

Target	Rating
▲	◄ ►

Ticker/Price	DRRD IN/Rs 1,265
Market cap	US$ 11.1bn
Free float	73%
3M ADV	US$ 32.2mn
52wk high/low	Rs 1,380/Rs 1,148
Promoter/FPI/DII	27%/27%/23%

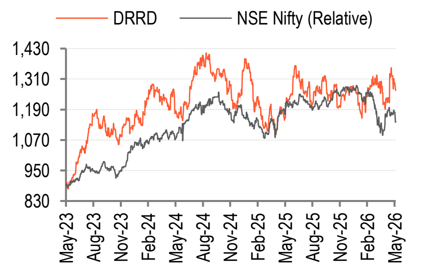
Source: NSE | Price as of 13 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	335,933	364,359	395,985
EBITDA (Rs mn)	67,049	76,515	87,117
Adj. net profit (Rs mn)	45,851	52,639	59,878
Adj. EPS (Rs)	55.6	63.3	72.0
Consensus EPS (Rs)	61.6	56.6	65.8
Adj. ROAE (%)	13.1	13.2	13.3
Adj. P/E (x)	22.8	20.0	17.6
EV/EBITDA (x)	15.9	14.0	12.6
Adj. EPS growth (%)	(20.3)	13.9	13.8

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

HOLD

TP: Rs 438 | 12%

HINDUSTAN PETROLEUM CORP | Oil & Gas | 13 May 2026

Performance above expectations on better refining margins

- **Revenue grew by 4.9%YoY and EBITDA by 58.9%YoY; GRM came at USD14.5 vs USD5.1 in Q4FY25**
- **Positive on volume growth, given the strong demand. However, environment is challenging on crude supply and elevated prices.**
- **Maintain HOLD. Considering the challenging outlook on refining margin due to elevated crude prices – reduce TP to Rs438 from Rs 464**

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Result better than expectations: Hindustan Petroleum Corporation (HPCL) reported revenue at Rs1,144bn (+4.9%YoY, -0.2% QoQ); 3% above our estimates. EBITDA came in at Rs92bn (+58.9%YoY, +31.6%QoQ) and was 41% above our estimates. This was due to better-than-expected GRM performance on the back of demand.

Refining performance: GRM came at USD14.5/bbl vs USD5.1/bbl in Q4FY25, due to higher product cracks. Crude brent price for Q4FY26 averaged USD76/bbl, up by USD1/bbl YoY. It was USD62/bbl in Q3FY26. Cracks improved YoY: Petrol cracks stood at USD18.0/bbl vs USD9.4 in Q3FY25. HSD (Diesel) cracks at USD27.8 vs USD14.7 in Q4FY25.

Marketing business: Domestic sales volumes were 12.4mnt (+2.6%YoY, -2.0%QoQ), while exports volumes at 0.6mnt (-3.4%YoY, -13.6%QoQ). FY26 volumes grew 2.6%YoY to 48.5mnt.

Capex: HPCL incurred Rs83bn of capex in FY26 vs Rs96bn in FY25. This was focused on strengthening the refining and marketing infrastructure. Capex for FY27E has been guided lower, given the uncertainty on the supply from Middle East.

Outlook on growth: The demand for products remains strong. HPCL has been managing the reduced supply of crude from Middle East by diversifying sources. Refinery upgradation project at Visakhapatnam refinery got commissioned in Jan, which will likely result in an incremental GRM of USD2.5/bbl. In terms of cost, Venezuela crude oil should result in a low-cost input opportunity, given its heavy, sour nature and thus, available at a discount to Brent.

Cut TP: maintain HOLD: We are positive on the business growth that is being driven by a strong demand for petroleum products. However, the environment is challenging on crude supply, elevated prices and marketing margins. We maintain HOLD. Considering a challenging outlook on refining margin, we reduce TP to Rs438 from Rs 464 earlier; based on 6.0xEV/EBITDA on Mar'28E EBITDA.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	HPCL IN/Rs 390
Market cap	US$ 8.8bn
Free float	45%
3M ADV	US$ 35.9mn
52wk high/low	Rs 508/Rs 316
Promoter/FPI/DII	55%/17%/20%

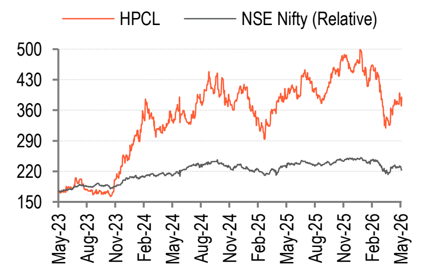
Source: NSE | Price as of 13 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	4,396,335	4,321,433	4,530,913
EBITDA (Rs mn)	306,327	222,888	228,712
Adj. net profit (Rs mn)	180,469	126,005	120,205
Adj. EPS (Rs)	84.8	59.2	56.5
Adj. ROAE (%)	30.9	17.9	15.1
Adj. P/E (x)	4.6	6.6	6.9
EV/EBITDA (x)	4.5	5.7	5.2
Adj. EPS growth (%)	167.9	(30.2)	(4.6)

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

RESULT REVIEW

BUY
TP: Rs 330 | ⮝ 16%

CROMPTON GREAVES | Consumer Durables | 14 May 2026

Q4 beats estimates; Butterfly impairment resets balance sheet

- **Revenue grew 11% YoY to Rs 22.8bn, led by 10% growth in ECD, 14% in Lighting and 17% in Butterfly**
- **Gross margin contraction (230bps YoY) partially offset by cost control measures, leading to a 100bps YoY contraction in EBITDA**
- **We assign 30x multiple on FY28E EPS to arrive at TP of Rs 330. Maintain BUY**

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Core performance beats; reported PAT hit by impairment: Q4FY26 revenue grew 11% YoY to Rs 22.8 bn on broad-based growth. Gross margin contracted 230bps YoY to 31.6% on commodity inflation. EBITDA grew 2% YoY to Rs 2.7 bn (margin at 11.9%, -100bps YoY), supported by pricing actions and cost optimisation. Adj. PAT increased 8% YoY to Rs 1.9 bn; reported PAT was a loss of Rs 5.3 bn on Rs 7.2 bn Butterfly impairment. FY26 revenue/EBITDA/adj. PAT at Rs 81.0 bn/Rs 8.2 bn/Rs 5.1 bn, 3%/-8%/-7% YoY, with weak 1H offset by a strong 2H.

ECD gains pace; BLDC and SDA shine: ECD revenue grew 10% YoY (+27% QoQ) to Rs 17.6 bn, on the back of record volumes in fans category in Mar'26 (BLDC +30%). SDA growth ~30%, led by the growth in air fryers, induction cooktops and double-digit pumps growth across categories. EBIT grew 2% YoY to Rs 2.7 bn (margin at 15.5%, -117bps YoY) on commodity headwinds, partly offset by pricing actions and operating leverage.

Accelerated Lighting growth; margin trade-off for brand investment: Lighting revenue grew 14% YoY to Rs 3.2 bn, driven by a deliberate mix shift in B2B away from the government contracts towards higher-margin indoor commercial, alongside strong B2C volumes. EBIT margin at 12.2% (vs 15.9% YoY) reflects stepped-up brand spends. Full-year EBIT margin still expanded 136bps YoY to 13.1%.

Butterfly grows 17%; Wires add new revenue pool: Butterfly revenue grew 17% YoY to Rs 2.1 bn (EBIT margin at 6.2%), led by gas stoves and cookers, even as ad spends went up. Crompton Armor (residential wires) was launched in Tamil Nadu and Karnataka under an outsourced model to limit the near-term capex; pan-India rollout planned through FY27.

Tweak estimates; maintain BUY: We have marginally revised our FY27-28E estimates to factor in the cost of ramp-up in wires, near-term commodity headwinds and increased brand investments. We assign 30x to FY28E EPS to arrive at TP of Rs 330. Maintain BUY.

Key changes

Target	Rating
◀ ▶	◀ ▶

Ticker/Price	CROMPTON IN/Rs 285
Market cap	US$ 1.9bn
Free float	100%
3M ADV	US$ 10.2mn
52wk high/low	Rs 363/Rs 217
Promoter/FPI/DII	0%/40%/44%

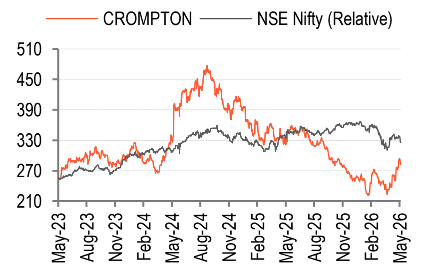
Source: NSE | Price as of 13 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	80,955	92,265	1,04,369
EBITDA (Rs mn)	8,274	8,931	10,444
Adj. net profit (Rs mn)	5,143	5,751	6,997
Adj. EPS (Rs)	8.0	8.9	10.9
Adj. ROAE (%)	16.2	18.1	19.1
Adj. P/E (x)	35.7	31.9	26.2
EV/EBITDA (x)	21.8	20.1	17.1
Adj. EPS growth (%)	(7.5)	11.8	21.7

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

13 May 2026

World Petrochemical Conference (WPC 2026): key takeaways

- **US-Iran conflict has disrupted petrochemical supply chains and also tightened the feedstock availability, leading to volatility in pricing**
- **Global petrochemical markets continue to face severe margin pressure, given the aggressive capacity additions**
- **RIL benefits from domestic demand and has diversified suppliers, is thus well positioned to manage this environment**

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World Petrochemical Conference (WPC 2026): was held from March 23-27, 2026 in Houston, Texas. During the conference, the key points of discussion were – How US-Iran war is changing the dynamics in the chemical market; inputs/feedstocks for Petrochem players and outlook shaping 2026.

Dow chairman and CEO, Jim Fitterling: He explains that the Iran conflict has disrupted normal chemical market fundamentals by constraining the supply chains, particularly through shipping bottlenecks and feedstock disruptions in the Middle East. Demand remains uneven, with packaging and consumer-linked segments holding steady while housing and construction continue to face pressure.

He emphasises that the demand itself is not the core issue, as it is growing at a stable pace. Capacity additions in petchem products are happening which is putting pressure on end product prices and margins across the industry.

On geopolitical factors, he notes that the Iran-related disruptions have constrained flows (primarily feedstock) in the near term. The Iran conflict has pushed 20% of low-cost supply out of the market; raising costs and thereby moving up the global petrochemical cost curve. Even as routes reopen, petrochemical shipments are expected to lag essential commodities like oil, gas, and fertilisers. He stated that even if Strait of Hormuz (SOH) reopens today, it will take 275 days or more to resume normal operations due to a logistics backlog.

Reliance Industries (RIL): Management commented post Q4FY26 results that the Middle East conflict altered the operating environment, as it led to a tight feedstock supply from the region. This is because 60-70% of Asian Naphtha used for Petchem operations moves through Strait of Hormuz (SoH). In this environment, RIL benefits from domestic demand.

We maintain BUY on Reliance Industries (RIL) with TP of Rs1,610 based on EV/EBITDA, on Mar.28 – 6.5x for refining; 5.5x for Petchem; 12x for Telecom and 35x for Retail business.

Recommendation snapshot

Ticker	Price	Target	Rating
RIL IN	1,359	1,610	BUY

Price & Target in Rupees | Price as of 13 May 2026

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