

RESEARCH**LIC | TARGET: Rs 1,001 | +25% | BUY**

Strategic product mix shift aids margins; growth drivers intact

ITC | TARGET: Rs 355 | +15% | BUY

Growth Amid Challenges

ERIS LIFESCIENCES | TARGET: Rs 1,711 | +23% | BUY

Miss on estimates; growth & margin to sustain on a high base

JSW CEMENT | TARGET: Rs 148 | +16% | BUY

No major surprises; growth path intact; maintain BUY

JK LAKSHMI CEMENT | TARGET: Rs 571 | -8% | SELL

Steady quarter; challenges galore in medium term; retain SELL

INDIQUBE SPACES | TARGET: Rs 167 | +2% | HOLD

Lower utilisation limiting growth

EPACK DURABLE | TARGET: Rs 280 | +20% | BUY

PLI reversal, RAC de-growth dent Q4; recovery underway

SUMMARY**LIC**

- VNB margin continued to expand 356bps YoY in FY26, leading to a strong absolute VNB growth, favourable product aided margins
- Management expects margins to improve further driven by increase in the ticket size and persistency
- Maintain BUY on LIC with TP of Rs 1,001 (earlier Rs 1,120); assigning a multiple of 0.7x its Mar'28 E P/EV

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ITC

- Cigarettes business transitioned to the new tax structure, following sharp tax hikes effective 1st Feb'26
- ITCMAARS platform now covers ~2.3mn farmers, while agri exports impacted by the disruptions pertaining to the West Asia conflict
- Agri business revenue declined 15.7% YoY impacted by West Asia conflict-led export disruptions

[Click here](#) for the full report.

ERIS LIFESCIENCES

- Sales/EBITDA/PBT/PAT were reported -7/-4.9%/-6.6%/126% above our estimates
- Domestic business EBITDA margin to sustain at 37% in FY27, thus supporting EBITDA margin on a consolidated basis
- Due to the industry-high margins in Formulations, we continue to ascribe 28x and roll forward to Mar'28 EPS to arrive at a PT of Rs 1711

[Click here](#) for the full report.

JSW CEMENT

- JSWCEMEN delivered a strong Q4 with 11% YoY revenue growth, on the back of 7% volume growth and improving realisations
- The commissioning of Nagaur unit marked entry into North India; Board approved additional 2.5mtpa GU to accelerate the penetration
- We value JSWCEMEN at 14x EV/EBIDTA FY28E revised earnings and arrive at a revised TP of Rs148 (Rs139) leaving 16% upside; Retain BUY

[Click here](#) for the full report.

JK LAKSHMI CEMENT

- Volume growth resilient at 8.3% YoY, but a sharp 7.5% YoY decline in realisations led to flat revenue and margin contraction
- Cost control partially cushioned, yet EBITDA margin contracted by ~340bps YoY; energy cost inflation of ~Rs120/tn likely in Q1FY27
- We value JKLC at 9x EV/EBITDA March'28 EBITDA with new TP of Rs 571 (Rs 716), as FY27E/FY28E EBITDA revised -9%/-13%. Retain SELL

[Click here](#) for the full report.

INDIQUBE SPACES

- Reported FY26 EPS of -Rs 5.28, missing our estimates by -26.7%, as slower expansion in active stock and lower utilisation limited growth
- Expanded active stock to 8.3msf (+19.9% YoY); occupancy deteriorated to 80.8% (-434bps YoY), resulting in EBITDA growth of 42.9% over FY26
- Lower utilisation (IT/ITeS exposure) to limit revenue growth to +24.1% CAGR over FY27E-29E; downgrade to HOLD, lower TP to Rs 167

[Click here](#) for the full report.

EPACK DURABLE

- A subdued quarter with a sharp decline in Revenue, EBITDA and PAT; PLI reversal amplified the profitability pressure
- RAC de-growth of 33% YoY, offset partially by 171% YoY growth in Components; non-AC diversification continues to show resilience
- Cut estimates, assign 20x (unchanged) multiple to Mar'28 EPS to arrive at Mar'27TP of Rs 280. Maintain BUY

[Click here](#) for the full report.

BUY

TP: Rs 1,001 | ▲ 25%

LIC

| Insurance

| 22 May 2026

Strategic product mix shift aids margins; growth drivers intact

- VNB margin continued to expand 356bps YoY in FY26, leading to a strong absolute VNB growth, favourable product aided margins
- Management expects margins to improve further driven by increase in the ticket size and persistency
- Maintain BUY on LIC with TP of Rs 1,001 (earlier Rs 1,120); assigning a multiple of 0.7x its Mar’28 E P/EV

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Performance above expectations: LIC reported better-than-expected operating performance in Q4FY26, with APE, VNB and VNB margins higher by 7.6%, 34% and 510bps respectively — exceeding our estimates. In Q4FY26, APE, VNB and VNB margins increased 21.8% YoY, 66.7% YoY and ~690bps YoY respectively. For FY26, APE grew 18% YoY, while VNB margin expanded by ~350bps. The company reported a healthy 2Y CAGR growth of 8.4% in APE and 21.6% in absolute VNB. Management indicated consolidation in the non-par mix, which currently stands at 35.1% vs 27.7% in FY25.

Significant VNB margin expansion: VNB margins witnessed a sharp expansion of ~690bps YoY to 25.7% in Q4FY26 and 360bps YoY to 21.2% in FY26. This was primarily on account of favourable product mix (an impact of 3%). However, part of it was offset by GST, lower persistency as well as the realignment of some expenses. The company continued to see the non-par mix (on individual APE basis) increasing to 35.1% from 27.7% in FY25. Similarly, individual savings mix increased to 16.4% from 12.5% in FY25. ULIP share in the mix rose to 14.2% vs 9.8% in FY25. The company expects its VNB margins to improve further, aided by an increase in the average ticket size and improvement in the persistency trends across cohorts.

APE growth: APE grew 17.8% YoY in FY26, with individual APE growing by 13% YoY and group APE increasing by 27% YoY. Individual savings witnessed a robust growth of 48% YoY. ULIPs grew 63% YoY in FY26. Overall industry APE grew 14.5% YoY in FY26, with private players clocking a growth of 14.9% YoY in FY26.

Maintain BUY on LIC: LIC reported better-than-expected APE, VNB and VNB margin, with robust growth (on a lower base), owing to the high-margin non-par share further rising (favourable product mix). With a continued focus on expanding the non-par share in product mix, management foresees margin expansion and balancing the APE and absolute VNB growth. We largely maintain estimates, with VNB margins to be in the 22-23% range in FY27E-FY29E. Hence, we maintain BUY on LIC with a TP of Rs 1,001, (earlier Rs 1,120), assigning a multiple of 0.7x its Mar’28E P/EV.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	LICI IN/Rs 800
Market cap	US\$ 53.6bn
Free float	0%
3M ADV	US\$ 12.8mn
52wk high/low	Rs 980/Rs 722
Promoter/FPI/DII	97%/0%/1%

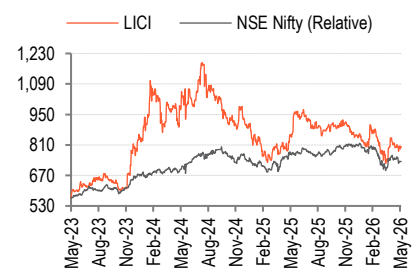
Source: NSE | Price as of 21 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
NBP (Rs mn)	26,06,130	29,05,835	32,31,288
APE (Rs mn)	6,69,610	7,63,564	8,74,308
VNB (Rs mn)	1,41,957	1,66,457	1,96,719
Embedded Value (Rs)	78,91,850	87,33,225	96,67,373
VNB margin (%)	21.2	21.8	22.5
EVPS (Rs)	1,247.7	1,380.7	1,528.4
EPS (Rs)	90.8	103.4	121.8
Consensus EPS (Rs)	90.8	92.4	103.0
P/EV (x)	0.6	0.6	0.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



BUY
 TP: Rs 355 | ▲ 15%

ITC

Consumer Staples

22 May 2026

Growth Amid Challenges

- Cigarettes business transitioned to the new tax structure, following sharp tax hikes effective 1st Feb'26
- ITCMAARS platform now covers ~2.3mn farmers, while agri exports impacted by the disruptions pertaining to the West Asia conflict
- Agri business revenue declined 15.7% YoY impacted by West Asia conflict-led export disruptions

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Steady performance across businesses ITC delivered a resilient performance in Q4FY26 despite geopolitical disruptions and supply-chain challenges arising from the West Asia conflict. Cigarettes business remained resilient despite the sharp tax hike effective 1st Feb'26, with revenue/PBIT increasing 31.7%/7.2% YoY to Rs110.7bn/Rs54.9bn, supported by strategic portfolio interventions and premiumisation initiatives. FMCG–Others remained the key growth driver, with revenue/PBIT increasing 14.7%/51% YoY to Rs63bn/Rs5.2bn aided by broad-based growth across staples, biscuits, snacks, noodles, dairy, personal care and agarbattis along with ~200bps EBITDA margin expansion. Paperboards, Paper & Packaging business witnessed gradual recovery, with revenue/PBIT increasing 1.8%/21.2% YoY to Rs22.3bn/Rs2.5bn aided by moderation in wood prices and benefits from Minimum Import Price (MIP) implementation. However, Agri business performance remained subdued, with revenue/PBIT declining 15.7%/29.6% YoY to Rs30.8bn/Rs1.8bn due to export disruptions and a high base.

Tax-related disruptions impact Cigarettes business: The Cigarettes business witnessed a challenging quarter, following the sharp hike in GST and excise duties effective 1st Feb'26; transitioning towards a new tax structure during the quarter. Despite the disruption, gross cigarette revenue increased 31.7% YoY to Rs110.7bn, while segment PBIT grew 7.2% YoY to Rs54.9bn, on the back of strategic portfolio interventions and premiumisation initiatives. Management highlighted that the unprecedented rise in tax incidence could accelerate illicit trade and pressure the legal industry volumes. In response, the company undertook staggered pricing actions and portfolio re-architecture initiatives, leveraging the key trademarks and differentiated offerings, to sustain the market standing and minimise the risk of downtrading towards illegal products.

Our View: We believe ITC's continued focus on premiumisation, digital-first brands, value-added agri products and expansion across FMCG categories is likely to support long-term growth. We maintain BUY with SOTP based TP of Rs 355 and upside of 15%.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	ITC IN/Rs 308
Market cap	US\$ 40.8bn
Free float	76%
3M ADV	US\$ 65.4mn
52wk high/low	Rs 444/Rs 287
Promoter/FPI/DII	0%/36%/64%

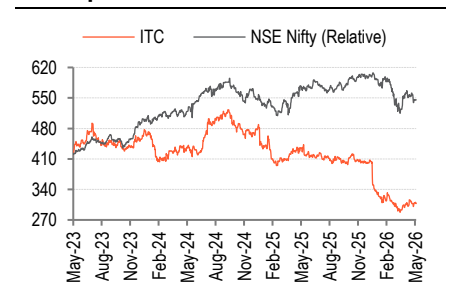
Source: NSE | Price as of 21 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	816,401	842,642	917,604
EBITDA (Rs mn)	252,082	258,864	284,860
Adj. net profit (Rs mn)	204,703	211,235	230,530
Adj. EPS (Rs)	16.3	16.9	18.4
Consensus EPS (Rs)	16.2	16.0	17.6
Adj. ROAE (%)	29.0	29.3	27.6
Adj. P/E (x)	18.9	18.3	16.7
EV/EBITDA (x)	15.3	14.9	13.5
Adj. EPS growth (%)	1.7	3.3	9.1

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



BUY
 TP: Rs 1,711 | ▲ 23%

ERIS LIFESCIENCES

Pharmaceuticals

21 May 2026

Miss on estimates; growth & margin to sustain on a high base

- Sales/EBITDA/PBT/PAT were reported -7/-4.9%/-6.6%/126% above our estimates
- Domestic business EBITDA margin to sustain at 37% in FY27, thus supporting EBITDA margin on a consolidated basis
- Due to the industry-high margins in Formulations, we continue to ascribe 28x and roll forward to Mar'28 EPS to arrive at a PT of Rs 1711

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Result below estimates – Eris Lifesciences (ERIS) reported sales growth of 7.3% YoY to Rs 7.6bn in Q4FY26. Sales growth was driven by 11.5% YoY growth in the domestic business to Rs 6.7bn as well as a decline of 7.5% YoY in the Swiss Parenteral business to Rs 860 mn. This was due to a Rs 300 mn supply disruption from the Middle-East crisis. Healthy growth in the domestic business and operational leverage led to an 8.4% YoY growth in EBITDA to Rs 2.7bn and 37bps YoY increase in EBITDA margin. During the quarter, interest cost lowered by 16%, depreciation lowered by 10% which was offset by other income declining by 72%, however, PBT grew by 24.7% YoY to Rs 1.6bn. There was a 200% YoY growth in PAT due to tax credit arising from the deferred tax asset to Rs 2.8bn.

Domestic business growth to stay above covered market – During Q4FY26, domestic business grew in line with our estimates. The growth came on the back of IPM outperformance by therapies like Dermatology and Insulin — at par IPM performance for Cardio that was offset by drag on the OAD portfolio (FDC ban). Also, GLP product Sundae’s market share rose, resulting in ERIS clocking 22% by Rx and 13% by sales value. The company expects Sundae to become profitable as the Bhopal facility manufactures cartridges in-house. ERIS also does not expect cannibalisation of its OAD portfolio with the pickup in Sundae and has witnessed rebound in the OAD portfolio in early months of FY27. Thus, we expect domestic sales to grow at 15% CAGR from FY27-29 to Rs 42.9bn in FY29E.

Valuation - We have lowered our EBITDA Margin by 140 bps and 150 bps, factoring in the stagnant 37% margins for domestic region and lack of sales from the EU CDMO in the Swiss Parenteral segment, until the plant clearance. Since the same has got cascaded to EPS, we reduce our EPS estimates by 5% in FY27 to Rs 49.6 and 4% in FY28 to Rs 62.4 per share.

At CMP, the stock trades at 29x on FY27 EPS and 24x on FY28E EPS. We continue to ascribe 28x, rolling forward to Mar'28 EPS, to arrive at TP of Rs 1711 on the stock. We maintain BUY.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	ERIS IN/Rs 1,386
Market cap	US\$ 2.0bn
Free float	29%
3M ADV	US\$ 1.9mn
52wk high/low	Rs 1,910/Rs 1,200
Promoter/FPI/DII	55%/13%/16%

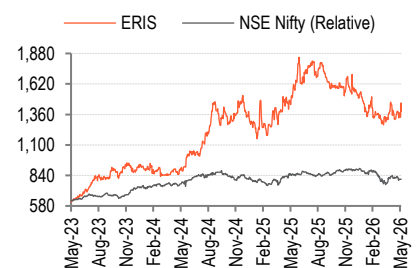
Source: NSE | Price as of 21 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	31,294	37,075	42,605
EBITDA (Rs mn)	11,201	13,482	15,684
Adj. net profit (Rs mn)	6,367	6,749	8,482
Adj. EPS (Rs)	46.9	49.7	62.5
Consensus EPS (Rs)	45.6	50.3	63.0
Adj. ROAE (%)	18.1	16.2	18.2
Adj. P/E (x)	29.6	27.9	22.2
EV/EBITDA (x)	14.8	12.6	11.3
Adj. EPS growth (%)	80.9	6.0	25.7

Source: Company, Bloomberg, BOBCAPS Research |

Stock performance



Source: NSE



BUY
 TP: Rs 148 | ▲ 16%

JSW CEMENT

Cement

22 May 2026

No major surprises; growth path intact; maintain BUY

- JSWCEMEN delivered a strong Q4 with 11% YoY revenue growth, on the back of 7% volume growth and improving realisations
- The commissioning of Nagaur unit marked entry into North India; Board approved additional 2.5mtpa GU to accelerate the penetration
- We value JSWCEMEN at 14x EV/EBIDTA FY28E revised earnings and arrive at a revised TP of Rs148 (Rs139) leaving 16% upside; Retain BUY

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Strong Cement volumes drive revenue: Revenue increased by ~11% YoY/QoQ to ~Rs18.9bn driven a steady volume growth of ~7% YoY to ~4mnt. Cement volumes remained robust up by ~12% YoY to 2.35mnt. GGBS volumes rose by ~5% YoY to 1.57mnt, despite the temporary slag availability disruptions at Dolvi and pollution-led shutdowns of RMC sites in Maharashtra. Average realisations improved by ~4% YoY/QoQ, supported by higher cement contribution in the overall sales mix. Trade mix improved to 51% vs 47% in Q3FY26, while premium products contributed 52%.

Temporary disruption arrests efficiency gains: Overall cost/tn was under control declining by ~2% YoY, (+4.3% QoQ). Energy costs fell sharply by ~7.2% YoY to Rs593/tn, due to lower fuel costs, increasing renewable energy usage as also operational efficiencies. Other expenses declined materially by ~12.6% YoY to Rs662/tn; reflecting operating leverage benefits and the absence of shutdown expenses in Q4FY25. Logistics rose ~4% YoY due to temporary supply rerouting.

Healthy operational performance surge margins: Effectively, EBITDA shot up by ~52%/28% YoY/QoQ to ~Rs3.7bn. EBITDA margin expanded by 521bps YoY to 19.3%, aided by improving realisations, lower energy costs and operating leverage benefits. EBITDA/tn improved significantly by ~42% YoY to ~Rs915/tn.

Strategic progress: To further strengthen its presence in North India, the Board approved an additional 2.5mtpa of grinding capacity at Nagaur at an estimated capex of Rs4.3bn. JSWCEMEN was also declared the 'Preferred Bidder' for the Sikilangso limestone blocks in Assam, bolstering long-term raw material security.

Valuations reasonable; maintain BUY: We value JSWCEMEN at 14x FY28 EV/EBIDTA to arrive at a revised TP of Rs148 (vs Rs 139), an upside of 16% over the CMP. The strong diversified earnings pool, well-spread regional mix and strong backward integration will help improve the quality of earnings. The 4Y EBITDA CAGR is at a robust 29%, backed by capacity additions and cost savings. We marginally revise our FY27E/FY28E/FY29E revenue/ebitda 2-4% upwards to factor in higher volume following the capacity expansion at Nagaur and stabilization.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	JSWCEMEN IN/Rs 127
Market cap	US\$ 1.8bn
Free float	28%
3M ADV	US\$ 3.4mn
52wk high/low	Rs 162/Rs 107
Promoter/FPI/DII	72%/3%/8%

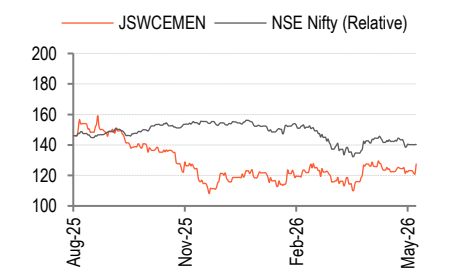
Source: NSE | Price as of 21 May 2026

Key financials

Y/E 31 Mar	FY26P	FY27E	FY28E
Total revenue (Rs mn)	65,125	74,946	84,469
EBITDA (Rs mn)	13,122	14,557	17,894
Adj. net profit (Rs mn)	6,749	4,229	5,492
Adj. EPS (Rs)	5.0	3.2	4.1
Consensus EPS (Rs)	5.0	4.3	5.5
Adj. ROAE (%)	15.9	6.1	7.5
Adj. P/E (x)	25.3	40.4	31.1
EV/EBITDA (x)	16.5	15.0	12.7
Adj. EPS growth (%)		(37.3)	29.9

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

Stock performance



Source: NSE



SELL
 TP: Rs 571 | ▼ 8%

JK LAKSHMI CEMENT

Cement

22 May 2026

Steady quarter; challenges galore in medium term; retain SELL

- Volume growth resilient at 8.3% YoY, but a sharp 7.5% YoY decline in realisations led to flat revenue and margin contraction
- Cost control partially cushioned, yet EBITDA margin contracted by ~340bps YoY; energy cost inflation of ~Rs120/tn likely in Q1FY27
- We value JKLC at 9x EV/EBITDA March'28 EBITDA with new TP of Rs 571 (Rs 716), as FY27E/FY28E EBITDA revised -9%/-13%. Retain SELL

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Realisations pressure offset volume gains: JKLC (SA) reported flat YoY (~20% QoQ) revenue at ~Rs19bn in Q4FY26, as volume growth was offset by weak pricing across key markets. Volumes grew ~8%/19% YoY/QoQ, aided by the GU ramp-up in Surat (>60% utilisation). Average realisations fell 7.6% YoY (flat QoQ) amid continued pressure in non-trade pricing, especially in key Gujarat and northern markets, despite steady trade prices. Industry capacity additions and aggressive competition continued to constrain the recovery in pricing.

Cost pressure yet to materialise: Overall cost declined ~4% YoY to Rs4,146/tn, supported by operating leverage, logistics optimisation and controlled overheads. Freight cost declined sharply by ~8% YoY to ~Rs1,122/tn, as dispatches remained focused on core markets. Energy cost remained broadly stable, despite the green power share moderating to ~46% (vs ~50% YoY). Pet-coke and coal prices surged ~40%/30% QoQ respectively with ~Rs120/tn cost pressures expected in Q1FY27.

Weak pricing dampens margins: EBITDA fell ~18% YoY to ~Rs2.9bn, given that lower realisations more than offset energy and freight savings. EBITDA margin fell ~340bps YoY and EBITDA/tn weakened ~25% YoY to ~Rs734/tn. APAT fell ~19% YoY to ~Rs1.4bn; impacted by a weaker EBITDA amid subdued pricing environment.

Expansion pipeline: Durg expansion remains on track though North East is unclear at present. However, management remains confident of achieving 30mpta by FY30. Capex for FY27 is guided to be ~Rs15-17bn ~Rs20bn for FY28.

Cut estimates; maintain SELL: We revise downwards FY27E/FY28E EBITDA by 9%/13%. This is to capture the challenging scenario in JKLC's key operating region of changing dynamics of intense supply pressure from large cement majors impacting pricing. Further, the cost pressure will hit the operations by ~R300 per/tn amid the middle east war situation per management. Top it with net debt addition due to Durg expansion and staying high beyond FY28 due to Naguar expansion are woes. We value JKLC at 9x EV/EBITDA Mar'28 revised earnings with a new TP of Rs 571 (Rs 716). Retain SELL. At our target price the stock trades at ~Rs7bn/mnt.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	JKLC IN/Rs 620
Market cap	US\$ 814.8mn
Free float	54%
3M ADV	US\$ 1.1mn
52wk high/low	Rs 1,021/Rs 550
Promoter/FPI/DII	46%/14%/26%

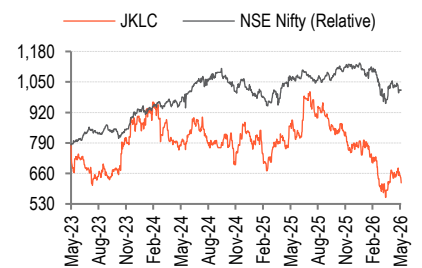
Source: NSE | Price as of 21 May 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	61,926	67,626	75,014
EBITDA (Rs mn)	8,652	10,114	11,011
Adj. net profit (Rs mn)	3,182	4,494	4,501
Adj. EPS (Rs)	27.0	37.2	36.2
Consensus EPS (Rs)	27.0	37.2	38.9
Adj. ROAE (%)	9.0	11.8	11.0
Adj. P/E (x)	22.9	16.7	17.1
EV/EBITDA (x)	10.3	9.9	9.5
Adj. EPS growth (%)	(33.6)	37.5	(2.5)

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



HOLD

TP: Rs 167 | ▲ 2%

INDIQUBE SPACES

| Real Estate (Flex-Work)

| 22 May 2026

Lower utilisation limiting growth

- Reported FY26 EPS of -Rs 5.28, missing our estimates by -26.7%, as slower expansion in active stock and lower utilisation limited growth
- Expanded active stock to 8.3msf (+19.9% YoY); occupancy deteriorated to 80.8% (-434bps YoY), resulting in EBITDA growth of 42.9% over FY26
- Lower utilisation (IT/ITeS exposure) to limit revenue growth to +24.1% CAGR over FY27E-29E; downgrade to HOLD, lower TP to Rs 167

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Over Q4FY26, Indiqube Spaces (INDIQUBE) expanded AUM by ~+1.15% QoQ and grew active stock by +6.68% QoQ to 8.3msf. Overall occupancy deteriorated significantly by ~-335bps QoQ, as IT tenants gave up space, with steady state occupancy down -238bps QoQ. **Lower utilisation limited revenue growth to +3.0% QoQ, despite higher revenue contributions from VAS (~+133bps).**

Over FY26, the operator grew AUM by +15.0% YoY and active stock by +19.9% YoY. Overall occupancy deteriorated ~-434bps YoY, as steady state occupancy improved ~+118bps YoY. Over the year, **smaller-than-expected rentable area and lower occupancy resulted in INDIQUBE missing our estimates for Revenue and EBITDA by -0.9% and -1.5% respectively.**

INDIQUBE remains exposed to the uncertainty caused by AI-led productivity gains (~49% of its tenant base made up of IT/ITeS tenants). Additionally, with ~90% of the operator's space additions being speculative, the operator is also vulnerable to an economic downturn. We expect the growth in rents to be contingent on the operator being able to improve occupancy and drive increased contributions from VAS revenues. However, **given the high demand for flex-workspaces and INDIQUBE's substantial presence across Bengaluru, we remain cautiously optimistic about the operator's ability to improve utilisation and drive growth in revenues over FY27E-29E.**

Over FY27E-28E, we expect higher occupancy (+120bps) and revenue contributions from VAS (~15.1% average) to drive revenue growth of ~24.1% CAGR (vs +35.8% CAGR over FY24-26) — translating into EBITDA growth of +23.5% CAGR (vs +55.0% CAGR over FY24-26).

Despite the operator's robust business, due to macro-economic headwinds and the absence of any near-term catalysts, we remain cautiously optimistic about management's ability to drive growth. We expect INDIQUBE to trade at a marginally lower multiple of 8.6x (9.0x previously) applied to Q1FY28E-4Q28E Adj. EBITDA. **We downgrade to HOLD, lower TP to Rs 167 (from Rs 233).**

Key changes

Target	Rating
▼	▼

Ticker/Price	INDIQUBE IN/Rs 164
Market cap	US\$ 366.9mn
Free float	40%
3M ADV	US\$ 0.3mn
52wk high/low	Rs 244/Rs 131
Promoter/FPI/DII	60%/2%/15%

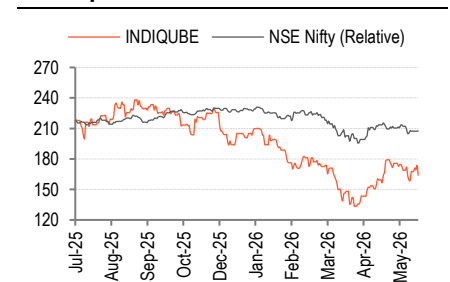
Source: NSE | Price as of 21 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	15,275	19,947	24,195
EBITDA (Rs mn)	8,813	11,249	13,667
Adj. net profit (Rs mn)	(1,063)	507	840
Adj. EPS (Rs)	(5.3)	2.2	3.6
Consensus EPS (Rs)	(4.6)	(0.6)	3.4
Adj. ROAE (%)	(41.6)	8.9	12.0
Adj. P/E (x)	(30.9)	74.8	45.2
EV/EBITDA (x)	3.9	3.1	2.5
Adj. EPS growth (%)	30.7	141.4	65.6

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



BUY
 TP: Rs 280 | ▲ 20%

EPACK DURABLE

Consumer Durables

21 May 2026

PLI reversal, RAC de-growth dent Q4; recovery underway

- A subdued quarter with a sharp decline in Revenue, EBITDA and PAT; PLI reversal amplified the profitability pressure
- RAC de-growth of 33% YoY, offset partially by 171% YoY growth in Components; non-AC diversification continues to show resilience
- Cut estimates, assign 20x (unchanged) multiple to Mar'28 EPS to arrive at Mar'27TP of Rs 280. Maintain BUY

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Significant miss on all parameters; PLI reversal weighs on profitability: Epack Durable (EPACK) reported a weak performance in Q4FY26, with revenue at Rs 5.9bn (-8% YoY) 27% below our estimate dragged by a continued RAC weakness and uneven seasonal offtake. EBITDA stood at Rs 258mn (-64% YoY), with margin compressing 680bps YoY to 4.4%, impacted by the adverse operating leverage and a higher promotional intensity. Adjusted PAT was close to nil, further weighed down by the reversal of Rs 320mn of previously recognised PLI income. For FY26, revenue stood at Rs 18.9bn (-13% YoY), EBITDA at Rs 1.1bn (-28% YoY) with margin at 6.0%, and PAT at Rs 33mn (-81% YoY).

Component growth limits RAC-decline impact; non-AC breadth continues to expand: RAC revenue declined 33% YoY to Rs 3.1bn, reflecting BEE norm transition, elevated channel inventory, and demand deferment. Component segment was a standout performer surging 171% YoY to Rs 1.4bn driven by heat exchangers, copper parts and injection-moulded components. SDA+LDA revenues declined 12% YoY to Rs 792mn; though category breadth continues to expand with traction in air fryers and a steady ramp-up in washing machines.

Summer recovery and utilisation improvement underpin near-term outlook: Demand trends have improved sharply from mid-April, with channel inventory largely normalised and Q1FY27 industry volume growth expected at ~15% YoY. RAC capacity utilisation averaged just ~40% in FY26 (vs ~45-50% in FY25), with peak-season utilisation at ~75% vs ~90% earlier, leaving a meaningful room for recovery as volumes normalise.

Cut estimates; maintain BUY: We cut FY27/28E EBITDA by 9%/10% considering the margin pressure from commodity inflation and higher depreciation from the recent capex. while cut revenue by 12%/11% to factor in a slower RAC recovery and PLI uncertainty. We roll forward to a Mar'27 TP of Rs 280 (vs previous TP of Rs 320), based on 20x Mar'28E EPS. We maintain BUY.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	EPACK IN/Rs 233
Market cap	US\$ 236.5mn
Free float	39%
3M ADV	US\$ 7.0mn
52wk high/low	Rs 415/Rs 196
Promoter/FPI/DII	48%/2%/7%

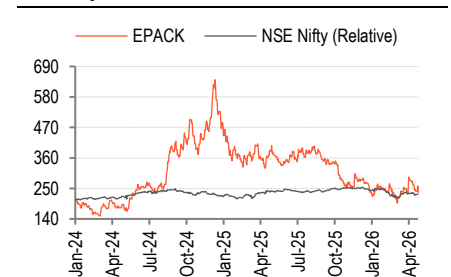
Source: NSE | Price as of 21 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	18,945	25,160	33,039
EBITDA (Rs mn)	1,139	2,171	3,111
Adj. net profit (Rs mn)	33	649	1,343
Adj. EPS (Rs)	0.3	6.7	14.0
Adj. ROAE (%)	0.3	6.5	12.3
Adj. P/E (x)	687.5	34.5	16.7
EV/EBITDA (x)	15.1	7.2	5.3
Adj. EPS growth (%)	(94.1)	1891.6	106.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



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BUY – Expected return >+15%

HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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