

RESEARCH**SUN PHARMA | TARGET: Rs 2,109 | +22% | BUY**

Big Bold Acquisition

ULTRATECH CEMENT | TARGET: Rs 14,401 | +20% | BUY

Visibility gearing for a strong medium-term leap

AU SMALL FINANCE BANK | TARGET: Rs 1,064 | +2% | HOLD

Strong growth and improving AQ; valuations limit re-rating

NIPPON LIFE INDIA AMC | TARGET: Rs 1,206 | +22% | BUY

Strong quarter, robust outlook

SUPREME INDUSTRIES | TARGET: Rs 4,250 | +15% | BUY

Sustained volume growth, inventory gains led to margin beat

EMBASSY OFFICE PARKS REIT | TARGET: Rs 505 | +17% | BUY

DPU miss on flat QoQ occupancy; higher interest costs loom

CITY UNION BANK | TARGET: Rs 340 | +25% | BUY

Steady return profile with consistent AQ improvement

SUMMARY**SUN PHARMA**

- Sun acquired Organon at a ~24% premium at USD 14/share, valuing the company at an EV of USD 11.75 bn and 1.9x EV/Sales on CY25
- Combined entity to augment innovative portfolio to USD3.3bn (27% of sales) from current 1bn (21% contribution).
- We foresee 17% EPS accretion to Rs 15 from year 1 of operation for Sun, thus implying an ascribed PE of 31x on combined entity

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



ULTRATECH CEMENT

- Volume growth strong at ~16% YoY to ~42.5mt with capacity utilization at 89%, competitive pressure dampens realisations (-1% YoY)
- Fuel and packaging cost pressure margins despite cost saving measure with green power (43%) and lead distance 367km (-18km YoY)
- Revise FY27E/FY28E EBITDA (-2%/+1%) EBITDA/PAT CAGR ~28% each for FY27/FY28. Value at 18x EV/EBITDA, revise TP to Rs 14,401 BUY

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

AU SMALL FINANCE BANK

- PAT above estimates, largely on account of lower provisions; Return ratios improving
- Business momentum remains strong; Asset quality improved, driven by lower slippages
- Maintain HOLD with revised TP of Rs 1,064 (from Rs 1,035) and roll over the valuation to 3.0x Mar'28E ABV (unchanged) vs 3Y avg of 2.9x

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

NIPPON LIFE INDIA AMC

- NAM reported above estimates core revenue performance, growth of 30% YoY, core PAT growth of 47% YoY in Q4FY26
- Continued market share gains with overall, equity, and ETF share showing expansion. B-30 MAAUM market share remained stable
- We maintain BUY with TP of Rs 1,206, valuing the stock at 36x Mar'28E EPS, and reaffirm NAM as our top pick in the sector

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

SUPREME INDUSTRIES

- Pipe segment revenue grew 23% YoY, led by volume growth of 18% YoY and realisations growth of 4% YoY
- Pipe growth guidance of 15-17% YoY and overall volume growth of 12-13% YoY. EBITDA margin guidance of 14-14.5%
- Cut estimates, assign 40x (unchanged) to arrive at Mar-27TP of Rs 4,250 (Rs 4600 earlier). Maintain BUY

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

EMBASSY OFFICE PARKS REIT

- Reported Q4FY26 DPU of Rs 6.50 (-1.1% vs our estimates), as committed occupancy (90%) came in below our expectations (90.8%)
- Leasable area expanded to 43.5msf (+7.9% YoY), in-place rents rose to Rs 95psf/m (+3.3% YoY) and occupancy improved +300bps YoY
- Higher interest expense to weigh on DPU growth. Retain BUY; expect EMBASSY to trade at DPUx of 16.38x based on FY28E DPU

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

CITY UNION BANK

- PAT marginally above estimates. Sustainable return metrics with consistent ROA delivery of ~1.5%
- Advances growth to stay above system levels; AQ improving with NNPA ratio at a multi-quarter low. Leadership transition underway
- Maintain BUY with a revised TP of Rs 340 (from Rs 330), set at 1.9x Mar'28E ABV (unchanged), on the back of steady return profile

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

BUY

TP: Rs 2,109 | ▲ 22%

SUN PHARMA

| Pharmaceuticals

| 28 April 2026

Big Bold Acquisition

- Sun acquired Organon at a ~24% premium at USD 14/share, valuing the company at an EV of USD 11.75 bn and 1.9x EV/Sales on CY25
- Combined entity to augment innovative portfolio to USD3.3bn (27% of sales) from current 1bn (21% contribution).
- We foresee 17% EPS accretion to Rs 15 from year 1 of operation for Sun, thus implying an ascribed PE of 31x on combined entity

Foram Parekh
Research Analyst
 research@bobcaps.in

Sun Pharma's high ticket Organon acquisition – In an all-cash deal, Sun Pharma signs a definitive agreement to acquire Organon. Sun Pharma to acquire outstanding shares of Organon for USD 14 per share, valuing the company at an EV of USD 11.75bn and 1.9x EV/Sales and 6.18x EV/EBITDA for CY2025.

Leverage led acquisition – Sun Pharma has acquired many companies in the past, including Ranbaxy, which was then similar to Sun's size. At the time of Ranbaxy's acquisition, Sun was net cash, and the peak leverage ratio was in 2019, with net debt to EBITDA of 1.9x. Sun Pharma has taken an aggressive step by acquiring Organon, which would require it to acquire debt of USD 9bn, stretching net debt/EBITDA to 2.3x (one of the highest globally). However, the company is positive about repayment of the debt within a few years, as the combined entity is expected to generate FCF of USD 2.5bn annually.

Sun to strengthen its Non-US portfolio – Sun's current key geographies are the US and India (33% of sales each); however, the combined entity is expected to reduce its dependence on the US and have the US, EMS, and RoW contribute ~27–29% each. Organon has a presence in 140 countries, which can be leveraged for licensing opportunities.

Sun's innovative portfolio to increase from 20% to ~27% of sales – Sun's current innovative portfolio contributes ~20% of sales from 27 products. The portfolio of 27 products is largely either licensed or acquired. Acquiring Organon's portfolio to result in the innovative portfolio scaling to 27% of total sales from 49 products, and reaching USD 3.34bn from the current ~USD 1bn in 9MFY26.

Our View - The combination of Organon and Sun is expected to create a mammoth in the pharma industry. We see ~17% EPS accretion in year 1 of execution and arrive at a combined entity EPS of Rs 68 for FY28. On the combined entity, the stock is valued at 26x P/E on FY28 EPS, and we retain our PT of Rs 2,109, implying an ascribed P/E of 31x (vs. 34x before the acquisition), thus making the company attractively valued.

Key changes

Target	Rating
◀ ▶	◀ ▶

Ticker/Price	SUNP IN/Rs 1,734
Market cap	US\$ 44.1bn
Free float	45%
3M ADV	US\$ 63.8mn
52wk high/low	Rs 1,851/Rs 1,548
Promoter/FPI/DII	54%/16%/20%

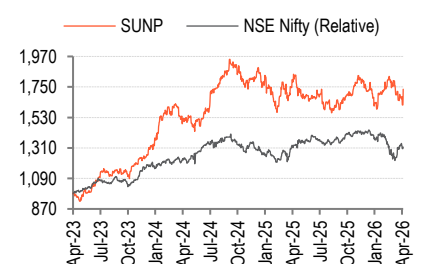
Source: NSE | Price as of 27 Apr 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	525,785	582,654	639,439
EBITDA (Rs mn)	153,869	170,433	193,436
Adj. net profit (Rs mn)	118,260	110,164	125,148
Adj. EPS (Rs)	49.3	45.9	52.2
Consensus EPS (Rs)	49.3	48.3	55.3
Adj. ROAE (%)	16.9	14.2	14.3
Adj. P/E (x)	35.2	37.7	33.2
EV/EBITDA (x)	28.6	26.3	23.6
Adj. EPS growth (%)	16.2	(6.8)	13.6

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



BUY
 TP: Rs 14,401 | ▲ 20%

ULTRATECH CEMENT

Cement

28 April 2026

Visibility gearing for a strong medium-term leap

- Volume growth strong at ~16% YoY to ~42.5mt with capacity utilization at 89%, competitive pressure dampens realisations (-1% YoY)
- Fuel and packaging cost pressure margins despite cost saving measure with green power (43%) and lead distance 367km (-18km YoY)
- Revise FY27E/FY28E EBITDA (-2%/+1%) EBITDA/PAT CAGR ~28% each for FY27/FY28. Value at 18x EV/EBITDA, revise TP to Rs 14,401 BUY

Volume drives growth, pricing pressure persist: UTCEM reported healthy ~16% YoY growth in revenue to ~Rs246bn in Q4FY26, driven by strong volume gains. Grey cement volumes rose ~16% YoY to ~42.5mt, with domestic capacity utilisation robust at 89% (vs 90% YoY). White cement volumes stayed healthy, up ~15% YoY. Grey cement realisations fell by ~1% YoY to ~Rs4,926/t, impacted by competitive intensity. UTCEM indicated ~2.5% price gains in Q1FY27 absorbed by the industry.

Cost inflation pressures operating leverage: Operating costs jumped ~2% YoY to ~Rs4,618/t, driven by external raw material purchases and other expenses inflation. RM cost (adjusted for energy) rose ~4% YoY, while other cost/tn rose ~7% YoY. However, energy costs remained well controlled despite blended fuel cost increasing to Rs1.77/kcal (vs Rs1.75/kcal YoY), supported by a higher green power mix (~43% vs ~36% YoY), improved AFR usage and better fuel optimisation.

Margins under pressure; acquired assets turn accretive: EBITDA gained ~8% YoY to ~Rs49.6bn, though EBITDA margin fell by ~160bps YoY to 20.2% on account of cost inflation partly offset by healthy operating leverage. EBITDA/tn fell ~7% YoY to Rs1,167/t. However, UTCEM indicated domestic standalone operations delivered ~Rs1,240/t excluding one-off bag cost inflation and forex MTM impact.

Expansion as per schedule: UTCEM domestic capacity crossed 200.1mtpa while global capacity is at 205.5mtpa. The next phase of expansion plan is laid out targeting to add~37mtpa and taking capacity to 242.5mtpa by FY28.

Revise earnings, no change in valuations: We revise our FY27E/FY28E EBITDA (-6%/-5%) to recalibrate demand supply dynamics and the cost inflation due to middle-east tension. We also introduce FY29 earnings and our FY26-FY29E CAGR is baked at 13%/20%/20% for Revenue/EBITDA/PAT. UTCEM is focused on saving cost, to prepare it for short/long-term industry challenges and is the correct strategy over chasing prices. Given the healthy cost measures, strong growth and a steady balance sheet, we continue to assign UTCEM 18x EV/EBITDA multiple (rolling over to March 2028) to arrive at TP of Rs14,401 (from Rs 14,794) and maintain BUY.

Milind Raginwar
 Research Analyst
 Ayush Dugar
 Research Associate
 research@bobcaps.in

Key changes

Target	Rating
▼	◀▶

Ticker/Price	UTCEM IN/Rs 12,010
Market cap	US\$ 36.8bn
Free float	40%
3M ADV	US\$ 39.4mn
52wk high/low	Rs 13,110/Rs 10,325
Promoter/FPI/DII	60%/15%/17%

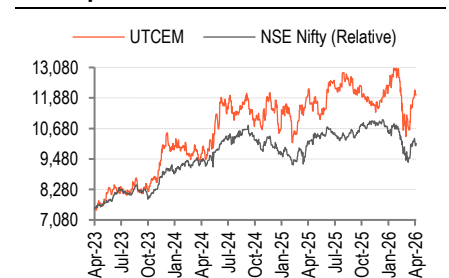
Source: NSE | Price as of 27 Apr 2026

Key financials

Y/E 31 Mar	FY26P	FY27E	FY28E
Total revenue (Rs mn)	8,21,697	9,64,853	10,69,432
EBITDA (Rs mn)	1,65,775	2,01,264	2,39,905
Adj. net profit (Rs mn)	75,090	89,489	1,07,330
Adj. EPS (Rs)	254.8	303.7	364.2
Consensus EPS (Rs)	254.8	343.6	412.8
Adj. ROAE (%)	10.4	12.0	13.7
Adj. P/E (x)	47.1	39.5	33.0
EV/EBITDA (x)	21.8	17.9	14.9
Adj. EPS growth (%)	17.1	19.2	19.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



HOLD
TP: Rs 1,064 | ▲ 2%

AU SMALL FINANCE BANK

| Banking

| 28 April 2026

Niraj Jalan
Research Analyst
Vijiya Rao
Research Analyst

Kaustubh Shetye
Research Associate
research@bobcaps.in

Strong growth and improving AQ; valuations limit re-rating

- PAT above estimates, largely on account of lower provisions; Return ratios improving
- Business momentum remains strong; Asset quality improved, driven by lower slippages
- Maintain HOLD with revised TP of Rs 1,064 (from Rs 1,035) and roll over the valuation to 3.0x Mar'28E ABV (unchanged) vs 3Y avg of 2.9x

PAT above estimates, largely due to lower provisions: PAT at Rs 8.3bn (+65% YoY) was higher than our estimates (Rs 7.5bn). This was mainly on the back of lower provisions at Rs 2.7bn (-58% YoY) — 27% lower vs estimates. Hence, credit cost improved to 0.6% (-16bps QoQ) of ATA in Q4FY26, given the normalisation in unsecured businesses and seasonal recovery in secured assets. With the stress is improving in MFI and credit card, management guided credit costs to be ~90bps of ATA for FY27. However, PPop missed our estimates by -3.2% to Rs 13.5bn (+4.6% YoY) owing to the rise in C/I ratio to 59.2% in Q4FY26 (54.7% in Q4FY25); partially offset by rise in NIMs to 5.96% (+26bps QoQ). Return ratios improved with RoA/RoE of 1.8%/17% (Q4FY26) vs 1.4%/11.9% (Q4FY25). Management expects RoA of 1.8% for FY27, largely driven by operating efficiency and normalisation of credit costs.

Business momentum remains strong: AUBANK witnessed a strong net advance growth of 25.4% YoY. Secured retail assets (wheels, MBL, HL and GL) accounted for 66% of total loans, followed by commercial banking (CB) (20.3%), unsecured (7.2%) and others (6.5%). Management expects to maintain a loan growth of 2-2.5x of India's nominal GDP growth in FY27. Deposit growth stays strong at 22.8% YoY.

Asset quality improved: GNPA ratio improved sequentially to 2.03% (-27bps QoQ), largely driven by lower slippage across most segments of Rs 6.6bn (-16.7% QoQ) or slippage ratio of 2.4% (-63 bps QoQ). Further, CE in non-overdue MFI loans improved to 99.7% (Q4FY26) vs 99.3% (Q3FY26). MFI book witnessed an increase in the CGFMU cover to ~92% (Mar'26) vs 83% (Dec'25).

Maintain HOLD: We expect AUBANK to deliver RoA of 1.8% by FY28E. Performance is driven by a consistently high loan growth, improvement in return profile and visible recovery in unsecured book. However, given that current valuations appear stretched relative to underlying fundamentals, we maintain our HOLD rating with a revised TP of Rs 1,064 (from Rs 1,035), rolling over to 3.0x Mar'28E ABV (multiple unchanged) vs. the 3-year average P/ABV of ~2.9x.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	AUBANK IN/Rs 1,043
Market cap	US\$ 8.2bn
Free float	77%
3M ADV	US\$ 30.3mn
52wk high/low	Rs 1,080/Rs 656
Promoter/FPI/DII	23%/37%/31%

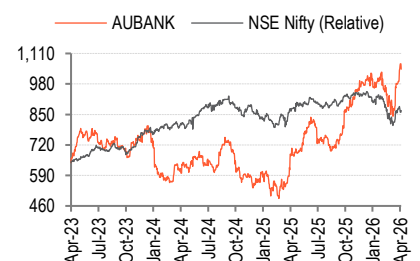
Source: NSE | Price as of 27 Apr 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
NII (Rs mn)	91,127	1,19,475	1,47,476
NII growth (%)	13.7	31.1	23.4
Adj. net profit (Rs mn)	26,413	36,070	46,960
EPS (Rs)	35.4	48.2	62.8
Consensus EPS (Rs)	34.5	46.7	58.8
P/E (x)	29.5	21.6	16.6
P/BV (x)	3.9	3.3	2.8
ROA (%)	1.5	1.7	1.8
ROE (%)	14.2	16.6	18.2

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



BUY
 TP: Rs 1,206 | ▲ 22%

NIPPON LIFE INDIA AMC | AMC

| 27 April 2026

Strong quarter, robust outlook

- NAM reported above estimates core revenue performance, growth of 30% YoY, core PAT growth of 47% YoY in Q4FY26
- Continued market share gains with overall, equity, and ETF share showing expansion. B-30 MAAUM market share remained stable
- We maintain BUY with TP of Rs 1,206, valuing the stock at 36x Mar'28E EPS, and reaffirm NAM as our top pick in the sector

Vijiya Rao
 Research Analyst
 Niraj Jalan
 Research Analyst
 Rutam Yellapurkar
 Research Associate
 research@bobcaps.in

Continued strong core performance: NAM reported strong Q4FY26 performance with core revenue growth above our estimates, expansion of EBITDA margins with robust QAAUM growth outpacing industry growth. Its core revenue grew 30.4% YoY (up 4.7% QoQ) in Q4FY26, above our estimates (up by 5.2%). This was aided by a robust QAAUM growth of 30.1% YoY and 3.4% QoQ, outpacing the industry growth of 19.4% YoY in FY26. EBITDA came in at Rs 5.01 bn, was up 38.9% YoY and 7.9% QoQ, above our estimates, a beat of 6%. EBITDA margins were at 68.6% vs. 66.7% in Q3FY26 vs. 64.5% in Q4FY25. This was primarily aided by robust growth in the ETF AUM. Consequently, PAT also came in higher than estimates (beat of 22%) in Q4FY26, rising 28.8% YoY. For FY26, PAT grew 18.9% YoY.

QAAUM growth outpacing the industry: ETF AUM grew significantly by 38.9% YoY in FY26 with mix increasing to 30% in the overall mix vs. 27% in FY25. Its ETF market share too increased to 21.4% vs. 19% in Mar'25. Equity and debt AUM grew 22.2% YoY and 23.7% YoY in FY26.

Continued market share gains: NAM India continued its trajectory as one of the fastest-growing AMCs, with the overall market share rising to 8.89% from 8.26% in Mar'25, marking its highest level since Jun'19. Its equity market share also improved to 7.16% from 6.86% in Mar'25. On TER, management believes the recent consultation paper on TER would have a marginal impact of 3-4bps on equity AUM and expects to manage through the pass on to the distributors.

Maintain BUY: NAM India continued to report a strong performance with steady market share gains and remained the fastest-growing AMC among the top 10 AMCs during Q4FY26, reporting overall market share gains of 63bps YoY. It continues to benefit from the consistent long-term fund performance, aiding steady flows and thereby better-than-industry performance. Hence, aided by industry-leading AUM growth, a robust retail franchise with steady SIP flows and market share gains coupled with favourable product mix, we maintain positive view on the company with BUY and TP of Rs 1,206 (Rs 1,060 earlier), valuing the stock at 36x Mar28E EPS, and reaffirm NAM company as our top pick.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	NAM IN/Rs 990
Market cap	US\$ 6.6bn
Free float	12%
3M ADV	US\$ 10.0mn
52wk high/low	Rs 1,064/Rs 613
Promoter/FPI/DII	74%/6%/9%

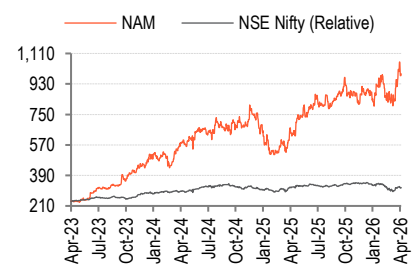
Source: NSE | Price as of 27 Apr 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Core PBT (Rs mn)	17,476	21,175	25,462
Core PBT (YoY)	24.4	21.2	20.2
Adj. net profit (Rs mn)	15,281	17,757	21,291
EPS (Rs)	24.1	27.9	33.5
Consensus EPS (Rs)	24.1	28.2	32.5
MCap/AAAUM (%)	9.3	7.5	6.1
ROAAAUM (bps)	22.7	21.3	20.5
ROE (%)	34.4	37.4	43.1
P/E (x)	41.2	35.4	29.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



BUY
 TP: Rs 4,250 | ▲ 15%

SUPREME INDUSTRIES | Building Materials

27 April 2026

Sustained volume growth, inventory gains led to margin beat

- Pipe segment revenue grew 23% YoY, led by volume growth of 18% YoY and realisations growth of 4% YoY
- Pipe growth guidance of 15-17% YoY and overall volume growth of 12-13% YoY. EBITDA margin guidance of 14-14.5%
- Cut estimates, assign 40x (unchanged) to arrive at Mar-27TP of Rs 4,250 (Rs 4600 earlier). Maintain BUY

Vineet Shanker
 Research Analyst
 Harshit Mundra
 Research Associate
 research@bobcaps.in

Topline miss offset by margin beat, driving operating outperformance: SI reported 17% YoY revenue growth (4.0% below estimates). However, EBITDA outperformed (+50% YoY; +22% vs est.) with margins expanding ~390 bps YoY to 17.7%, driven by gross margin improvement (on account of inventory gains) and lower other costs. Adjusting for inventory gain of Rs 700-800mn, the adj. EBITDA margin improved 170-190bps YoY. Consequently, PAT grew 48% YoY, aided by robust operating performance and higher associate contribution.

Volume recovery led by pipes; realisations stabilise on higher PVC resin prices: SI reported 16% YoY volume growth, led by pipes (18.3% YoY), reflecting improved demand and channel restocking. Non-pipe segments also recovered, with packaging (10.1% YoY) and industrial (4.5% YoY) growth, while consumer growth remained subdued. Blended realisations were broadly stable (1.1% YoY), aiding profitability. Segmentally, pipe EBITDA margins led by inventory gains expanded sharply (510 bps YoY to 18.7%), driving the overall margin improvement.

Concall KTAs: Industry volumes declined 9% YoY in FY26 amid weak infra spending and PVC volatility, with recovery expected in FY27 (8% growth). SI continues to outperform, led by strong CPVC growth (38% YoY) and higher VAP mix (15% YoY), supporting margins. Guidance remains at 12-13% volume growth (15-17% pipes) with 14-14.5% EBITDA margins. Capex of Rs 10 bn is focused on piping expansion (1.35 mn MTPA), while the balance sheet has strengthened to net cash of Rs 6.5 bn. Q4 included a Rs 700-800 mn MTM gain, while the exports and industrial demand remain weak.

Cut estimates, maintain BUY: We have cut our FY27-28 EPS estimates by 8-9% to reflect sharp decline in PVC resin prices in Q1FY27 (price corrected by ~30% in Apr-26) and expectation of subdued prices throughout FY27. We assign unchanged 40x 1YF multiple to FY28EPS to arrive at Mar-27TP of Rs 4,250 (earlier Rs 4,600).

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	SI IN/Rs 3,692
Market cap	US\$ 5.0bn
Free float	51%
3M ADV	US\$ 13.1mn
52wk high/low	Rs 4,739/Rs 3,182
Promoter/FPI/DII	49%/21%/16%

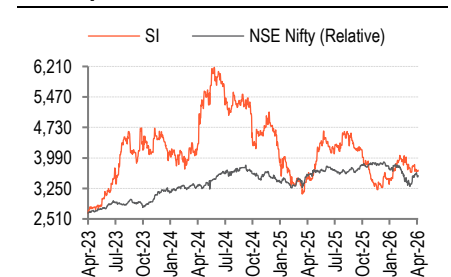
Source: NSE | Price as of 27 Apr 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	1,12,177	1,29,662	1,46,363
EBITDA (Rs mn)	15,532	18,164	21,297
Adj. net profit (Rs mn)	9,540	11,336	13,422
Adj. EPS (Rs)	75.1	89.2	105.6
Adj. ROAE (%)	16.1	17.5	18.8
Adj. P/E (x)	49.2	41.4	35.0
EV/EBITDA (x)	29.7	25.4	21.5
Adj. EPS growth (%)	(2.3)	18.8	18.4

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



BUY
 TP: Rs 505 | ▲ 17%

**EMBASSY OFFICE
 PARKS REIT**

| Real Estate (REITs) | 28 April 2026

DPU miss on flat QoQ occupancy; higher interest costs loom

- Reported Q4FY26 DPU of Rs 6.50 (-1.1% vs our estimates), as committed occupancy (90%) came in below our expectations (90.8%)
- Leasable area expanded to 43.5msf (+7.9% YoY), in-place rents rose to Rs 95psf/m (+3.3% YoY) and occupancy improved +300bps YoY
- Higher interest expense to weigh on DPU growth. Retain BUY; expect EMBASSY to trade at DPUx of 16.38x based on FY28E DPU

Yashas Gilganchi
 Research Analyst
 research@bobcaps.in

Over Q4FY26, EMBASSY leased 1.8msf (+12.5% YoY), driven by demand from GCCs (84% of total leasing). **Leasing was concentrated in Chennai and Bengaluru (68% of total absorption) with IT tenants driving 44% of the absorption volumes.**

EMBASSY **improved utilisation**, pushing in-place rents to Rs 95psf/m (+1.1% QoQ, +3.3% YoY) and occupancy to 90% (flat QoQ, +300bps YoY). **Leasable area expanded to 43.5msf (+5.8% QoQ, +7.9% YoY)**, resulting in **NOI of Rs 9,760mn (-0.9% QoQ, +9.4% YoY)**. Over Q4FY26, ~2.0msf of new supply was delivered and ~0.3msf was acquired.

Average cost of debt eased to 7.25% over Q4FY26, as the REIT expanded its share of fixed-rate debt to 60% (51% as of Q4FY25) and improved Net Debt/GAV to 30% (32% as of Q4FY25).

Even as lower-than-expected interest expense and non-recurring non-cash adjustments to NDCF drove NDCF to Rs 23,928mn (+9.5% YoY) and DPU to Rs 25.28 (+9.8% YoY), FY26 revenue from Operations missed our estimates by -0.4% and higher than expected operating costs resulted in NOI missing our estimates by -18.0%.

We continue to believe that EMBASSY operates in an environment constructive for demand to consolidate into its office spaces. **We expect EMBASSY to deliver DPU growth of +10.4% CAGR over FY27E-29E**, as it expands leasable area by +4.2% CAGR, improves occupancy and in-place rents by +600bps and +6.2% CAGR respectively. However, we expect higher interest expense to limit DPU growth.

We retain BUY on EMBASSY and revise our 1Y TP to Rs 505 (-5.2% from Rs 533 previously), based on an updated DPU multiple of 16.38x (16.0x previously) applied to Q1FY28E-Q4FY28E DPU estimates. The updated multiple reflects adjustments for a positive correlation between DPU growth rates and the stock price.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	EMBASSY IN/Rs 433
Market cap	US\$ 4.4bn
Free float	92%
3M ADV	US\$ 7.7mn
52wk high/low	Rs 462/Rs 374
Promoter/FPI/DII	8%/42%/28%

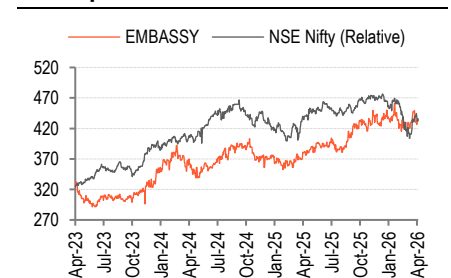
Source: NSE | Price as of 27 Apr 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	46,758	51,753	57,400
EBITDA (Rs mn)	37,843	40,210	44,784
Adj. net profit (Rs mn)	5,206	10,393	13,350
DPU (Rs)	25.3	27.7	30.9
Consensus DPU (Rs)	25.5	28.4	31.1
Adj. ROAE (%)	2.4	5.2	7.5
Price/DPU	17.1	15.7	14.0
EV/EBITDA (x)	10.9	10.2	9.2
Adj. EPS growth (%)	(67.6)	99.6	28.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



BUY

TP: Rs 340 | ▲ 25%

CITY UNION BANK

| Banking

| 28 April 2026

Niraj Jalan
Research Analyst
Vijiya Rao
Research Analyst

Kaustubh Shetye
Research Associate
research@bobcaps.in

Steady return profile with consistent AQ improvement

- PAT marginally above estimates. Sustainable return metrics with consistent ROA delivery of ~1.5%
- Advances growth to stay above system levels; AQ improving with NNPA ratio at a multi-quarter low. Leadership transition underway
- Maintain BUY with a revised TP of Rs 340 (from Rs 330), set at 1.9x Mar'28E ABV (unchanged), on the back of steady return profile

PAT marginally above estimates; return ratios remain steady: CUBK reported PPOP of Rs 5.8bn (+31% YoY; +13% QoQ) and was 6.1% higher than our estimates. The healthy growth in PPOP was mainly on the back of NII growing to Rs 7.9bn (+31% YoY; +4.5% QoQ). NII growth was driven by a strong net advances growth of 26.5% YoY — well above system levels. Management expects loan growth to sustain in the mid-to-high teens range, or 2–3% above system growth, with continued focus on MSME, gold loans, and secured retail segments. While NIMs improved to 3.74% (+14bps YoY) in FY26. Management expects NIMs to be largely stable in FY27 and move in a range of ±5-10bps. C/I ratio improved to 46.2% from 48.6% in Q3FY26. Despite a rise in provisions to Rs 1.2bn (+54% YoY), PAT increased to Rs 3.6bn (+25% YoY) or 1.8% marginally higher than our estimates. As a result, return ratios remain steady with RoA/RoE of 1.56%/14.2% in Q4FY26. Management expects RoA to improve by ~10bps to ~1.65-1.66% in FY27.

AQ improving with NNPA ratio at a multi-quarter low: Asset quality (AQ) continued to improve with absolute GNPA levels down to Rs 12.7bn (-4% QoQ). Hence, GNPA ratio improved to 1.91% (-26bps QoQ). The improvement in GNPA was supported by lower slippages of Rs 7.4bn (-9% YoY) and higher w/off of Rs 4bn (+2x) in FY26. With a consistent rise in PCR (including technical write-offs) to 84% in Q4FY26 vs 78% in Q4FY25, NNPA ratio improved to a multi-quarter low of 0.68% (-10bps QoQ). Further, SMA 2 declined to 0.72% (-23bps QoQ) of total loans in Q4FY26, indicating an improvement in the early delinquency buckets.

Leadership transition: Mr. R. Vijay Anandh is set to take charge as MD & CEO effective May 1, 2026, as part of a planned succession. While the transition marks a leadership change, management indicated strategic continuity with no material shift in the business focus or risk appetite.

Maintain BUY: CUBK's strong capital position (Tier I of 20.8%), above-system credit growth, and improving AQ metrics — resulted in a steady return profile. We expect the bank to report RoA/RoE of 1.7%/15.5% by FY29E. We maintain BUY with revised TP of Rs 340 (from Rs 330), set at (1.9x Mar'28E ABV) (unchanged).

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	CUBK IN/Rs 271
Market cap	US\$ 2.1bn
Free float	100%
3M ADV	US\$ 7.4mn
52wk high/low	Rs 324/Rs 172
Promoter/FPI/DII	0%/23%/41%

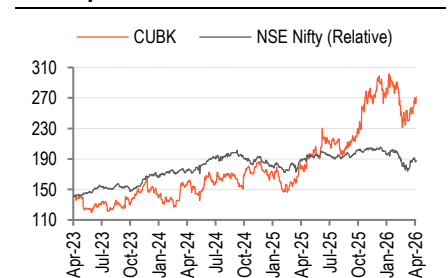
Source: NSE | Price as of 27 Apr 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
NII (Rs mn)	28,298	34,182	39,865
NII growth (%)	22.2	20.8	16.6
Adj. net profit (Rs mn)	13,262	16,131	19,116
EPS (Rs)	17.9	21.7	25.7
Consensus EPS (Rs)	17.9	20.8	24.3
P/E (x)	15.2	12.5	10.5
P/BV (x)	1.9	1.7	1.5
ROA (%)	1.5	1.6	1.6
ROE (%)	13.2	14.3	14.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



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Name of the Research Entity: **BOB Capital Markets Limited**
 Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
 SEBI Research Analyst Registration No: **INH000000040 (Perpetual)**
 SEBI Stock Broker Registration No: **INZ000159332**
 SEBI Depository Participant Registration No: **IN-DP-728-2022**
 SEBI Merchant Banker Registration No: **INM000009926**
 Phone: +91-22-61389300
 Name of the Compliance Officer: Mr. Sameer Khobrekar
 Email ID: Compliance@bobcaps.in; Phone no.: +91-22-61389358
 For any queries or grievances, you may contact the Grievance Officer.
 Name of the Grievance Officer: Mr. Manoj Pawar
 Email ID: head-customer@bobcaps.in; Phone no: 0+91-22-69417333

Brand Name: **BOBCAPS**
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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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