# FIRST LIGHT

06 May 2026

## RESEARCH

**MARICO | TARGET: Rs 887 | +10% | HOLD**

Strong growth momentum

**MAHINDRA & MAHINDRA | TARGET: Rs 4,317 | +34% | BUY**

Steady show continues, well geared for challenges; retain BUY

**AMBUJA CEMENTS | TARGET: Rs 450 | +4% | HOLD**

Consolidation pain continues no respite in medium term

**KEI INDUSTRIES | TARGET: Rs 4,900 | -2% | HOLD**

In-line quarter; long-term guidance intact

**PETRONET LNG | TARGET: Rs 292 | +3% | HOLD**

Middle-East supply constraints weighed on performance

**COFORGE | TARGET: Rs 1,300 | +11% | HOLD**

Likely in leaders quadrant on FY27 organic growth

**AJANTA PHARMA | TARGET: Rs 3,347 | +16% | BUY**

Strong Earnings; FY27 to be healthier than FY26

**EMCURE PHARMA | TARGET: Rs 1,965 | +16% | BUY**

In-line Earnings; all growth drivers intact

**SOBHA | TARGET: Rs 1,711 | +18% | BUY**

Strong sales over FY26; launches key to sustaining growth

## SUMMARY

### MARICO

- Stable demand environment with a gradual improvement, supported by rural recovery and improving affordability
- Margins impacted by input costs; outlook supported by the easing copra prices and steady demand recovery
- Diversification gaining pace, with premium, Foods and digital-first portfolios strengthening the growth mix. HOLD with TP of 887

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## MAHINDRA & MAHINDRA

- Strong volume-led growth (~24% YoY) continues to be driven by SUVs; EV scale and tractors on the back of healthy rural sentiment
- Revamp of product portfolio (19 tractors, 10 LCVs, 10 SUVs and 6 BEVs) and capacity expansion to drive growth
- FY27E/FY28E EBITDA estimates revised down; continue to value MM's core business at 24x 1YF P/E with TP of Rs 4,317 (Rs 4,625). Retain BUY

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## AMBUJA CEMENTS

- Volumes up 10% YoY to ~13.2mt, realization down ~4% reflecting pricing pressure despite improved premium mix (~36%)
- EBITDA/t declined ~44% YoY to Rs491 as costs peaked (~Rs4,500/tn exit), with ~Rs250/t cost reduction targeted in FY27
- We value ACEM's consolidated business at 14x (unchanged) 1YF, retaining earnings and TP revised to Rs 450 (vs Rs 567). Retain HOLD

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## KEI INDUSTRIES

- Revenue in-line; EBITDA beat on inventory gains. Revenue grew 19% YoY, led by 25% YoY growth in domestic; while exports declined (-10%)
- Sales though institutional channel was up 9% YoY, while dealer/distributor channel grew 29% YoY
- Raise estimates; roll forward to Mar-28EPS, arrive at TP of Rs 4,900, maintain HOLD

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## PETRONET LNG

- Revenue decreased by 23.3%YoY and 15.4%QoQ. However EBITDA increased by 23.1%YoY due to lower costs
- Outlook remains weak, as normalisation from Qatar energy will take time. Further, capex on petchem project remains a concern
- HOLD. Considering the challenging environment, we revise TP downwards to Rs292 from Rs300 based on 9.5x P/E on Mar.28E EPS

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## COFORGE

- 4Q weaker on revenue but better on margins. FY26 showed strong organic growth of ~25%. Expect organic growth of ~13% in FY27
- Management guides EBIT margin of 15.5% in FY27 (14.4% in FY26) and FCF to improve to 100% of PAT in FY27 earlier guide of 70-80%
- Raise FY28/FY29 EPS on margin uplift. Maintain Target multiple at 16.8x and rating at HOLD

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## AJANTA PHARMA

- Sales/EBITDA/PAT grew by 15.7%/6.8%/21.5% above our estimates. Tax rate reported at 23% vs expected 25.3%
- Sales guided to grow at 16–18%, driven by outperformance across geographies; increased our domestic sales growth rate to 15% for FY27
- Increased domestic and US sales growth led to rise in estimates. Ascribe 29x and rollforward to March'28 to arrive at a PT of Rs 3347

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## EMCURE PHARMA

- Sales/EBITDA/APAT grew by 1.5%/0.4%-1.1% above our estimates, while EBITDA Margin was 22 bps below our estimates
- International growth drivers remain intact; participating in gSemaglutide in Canada via Dr. Reddy's partnership
- We ascribe 25x (attractively valued amongst peers with higher domestic contribution), rollforward to Mar'28 EPS to arrive at a PT of RS 1965

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## SOBHA

- Reported FY26 EPS of Rs 18.09, missing our estimates by -31%, dragged down by higher operating expenses (+10% vs our estimates)
- Lower growth (vs FY23-25) in launches (-32.8%YoY) and sales (+29.6% YoY); higher growth in avg. realisations (+9.4% YoY), over FY26
- Sustained launches key to driving growth in a challenging residential market; expect the stock to trade at 0.5x NAVPS. Maintain BUY

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**HOLD**
**TP: Rs 887 | ▲ 10%**

# MARICO

| Consumer Staples | 05 May 2026

## Strong growth momentum

- **Stable demand environment with a gradual improvement, supported by rural recovery and improving affordability**
- **Margins impacted by input costs; outlook supported by the easing copra prices and steady demand recovery**
- **Diversification gaining pace, with premium, Foods and digital-first portfolios strengthening the growth mix. HOLD with TP of 887**

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**Volumes momentum accelerates**: Marico delivered a consol revenue growth of 22% YoY (vs 26.6% in Q3FY26), supported by a sharp sequential improvement in India volume growth to 9% (vs. 8% in Q3), despite stable but subdued consumption trends. Core franchises were resilient: Parachute grew 29% (pricing-led; low single-digit volumes), VAHO +26%, and Saffola Oils +8% (mid-single digit volumes). Foods grew 16%, while Premium Personal Care and digital brands scaled, with digital ARR at Rs 1,100+ crore. International business sustained strong momentum with 19% constant currency growth, led by Bangladesh (+35%) and Vietnam (+18%), South Africa (8%), though MENA declined 7%, owing to temporary geopolitical-led supply disruptions. GM improved sequentially by ~140bps, aided by the easing copra prices; though remained under pressure YoY, resulting in EBITDA margin contraction of 114bps to 15.6%. Despite the elevated input costs, Marico maintained brand investments, with A&P spends up 5% YoY, while EBITDA and PAT both grew 14% YoY. Management remains confident of sustaining high single-digit India volume growth, mid-teen international constant currency growth, and double-digit consolidated revenue growth in FY27, targeting to surpass Rs 15,000 cr revenues.

**Diversification & outlook (key highlights):** Marico strengthened its portfolio with the acquisitions of Cosmix and 4700BC. Foods crossed Rs 1,000cr and digital-first brands exited at Rs 1,100+cr ARR. Premium Personal Care scalesdc to ~Rs 350cr. GT traction improved on the back of Project SETU, alongside a strong e-commerce growth. Management highlighted stable demand with gradual recovery ahead, while monitoring crude-linked inflation and geopolitical risks. For FY27, the company expects high single-digit India volume growth, mid-teen international CCG growth and double-digit revenue growth, with the aspiration of a high-teen EBITDA growth.

**Our View**: We believe that a strong volume recovery and consistent execution across core and emerging portfolios, reinforce the growth visibility. Further, easing input costs and continued premiumisation/diversification will support margin recovery and sustained earnings momentum. We model revenue/EBITDA/PAT CAGR of 10/15/14 (%) over FY26–28E. We revised our rating to HOLD with TP at Rs 887, valuing at 50x P/E multiple Mar'28E.

### Key changes

| Target | Rating |
|---|---|
| ▲ | ▼ |

| | |
|---|---|
| Ticker/Price | MRCO IN/Rs 807 |
| Market cap | US$ 10.9bn |
| Free float | 40% |
| 3M ADV | US$ 14.3mn |
| 52wk high/low | Rs 814/Rs 680 |
| Promoter/FPI/DII | 59%/24%/12% |

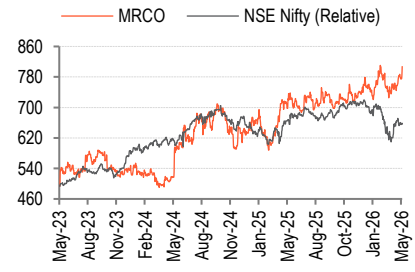
Source: NSE | Price as of 5 May 2026

### Key financials

| Y/E 31 Mar | FY26A | FY27E | FY28E |
|---|---|---|---|
| Total revenue (Rs mn) | 136,110 | 150,749 | 165,729 |
| EBITDA (Rs mn) | 23,280 | 29,898 | 32,815 |
| Adj. net profit (Rs mn) | 17,620 | 23,298 | 24,528 |
| Adj. EPS (Rs) | 13.6 | 17.9 | 18.9 |
| Consensus EPS (Rs) | 13.6 | 16.2 | 18.7 |
| Adj. ROAE (%) | 40.2 | 46.4 | 40.1 |
| Adj. P/E (x) | 59.6 | 45.0 | 42.8 |
| EV/EBITDA (x) | 44.7 | 34.8 | 31.7 |
| Adj. EPS growth (%) | 7.3 | 32.2 | 5.3 |

Source: Company, Bloomberg, BOBCAPS Research

### Stock performance




Source: NSE

**BUY**
**TP: Rs 4,317 | ⮝ 34%**

## MAHINDRA & MAHINDRA | Automobiles | 06 May 2026

### Steady show continues, well geared for challenges; retain BUY

- **Strong volume-led growth (~24% YoY) continues to be driven by SUVs; EV scale and tractors on the back of healthy rural sentiment**
- **Revamp of product portfolio (19 tractors, 10 LCVs, 10 SUVs and 6 BEVs) and capacity expansion to drive growth**
- **FY27E/FY28E EBITDA estimates revised down; continue to value MM's core business at 24x 1YF P/E with TP of Rs 4,317 (Rs 4,625). Retain BUY**

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**Volumes drive growth, though margins tempered by cost inflation:** MM (SA) revenue growth came at ~26% YoY to ~Rs395bn in Q4FY26, driven by a healthy blended volume growth of ~23.5% YoY (~421k units). NRPV improved by ~2% YoY to ~Rs939k/vehicle, aided by premium SUV mix and higher HP tractor contribution. However, elevated commodity costs led to RM cost rising ~230bps YoY to ~76.4% of sales, leading to OPM decline of ~87bps YoY to 14.1%.

**Growth to be capacity-driven:** Automotive segment revenue grew ~25% YoY with SUV volumes up ~19% YoY and revenue market share at ~24.5% (unchanged). MM highlighted that demand continues to outpace supply, indicating that near-term gains are constrained more by capacity than demand. Auto EBIT was up ~28% YoY to Rs29.6bn, supported by mix and operating leverage. FY27 SUV growth guidance of mid-to-high teens is driven by capacity ramp-up vs demand tailwinds alone.

**FES delivers strong:** Revenue increased ~32% YoY, led by strong tractor volume growth of ~36% YoY. EBIT grew ~31% YoY to ~Rs16.4bn with margins sustaining at ~19%, supported by favourable rural dynamics and operating leverage. However, management indicated a moderation to ~mid-single digit growth in FY27, factoring in a high base in H2FY26 and potential monsoon-related uncertainties.

**Revamped product pipeline:** MM has significantly recalibrated its product strategy with a strong pipeline of 10 ICE SUVs and 6 BEVs by FY31, built on the flexible NU_IQ platform enabling both ICE and EV powertrains. The LCV & Tractor portfolio will also see 10 & 19 new launches respectively.

**Revise estimates upwards; maintain BUY:** We cut our EBITDA estimates for FY27E/FY28E by 5%/5.2% (EPS is revised by 4% each) factoring in the competitive intensity from Automotive segment, and FES flattening post a very strong growth in FY26. We introduce FY29E earnings and our revised 3Y PAT/EBITDA/PAT CAGR is 12%/14%/14%. We continue to value MM's core business at 24x 1Y P/E, a 10% premium to its long-term average (22x), resulting in a revised SOTP-based TP of Rs4,317 vs Rs 4,625. This includes a subsidiary value of Rs347. Maintain BUY.

### Key changes

| Target | Rating |
|---|---|
| ▼ | ◀ ▶ |

| | |
|---|---|
| Ticker/Price | MM IN/Rs 3,211 |
| Market cap | US$ 42.2bn |
| Free float | 81% |
| 3M ADV | US$ 106.8mn |
| 52wk high/low | Rs 3,840/Rs 2,896 |
| Promoter/FPI/DII | 19%/37%/29% |

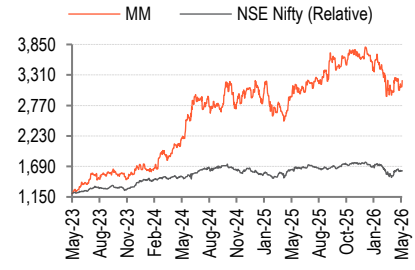
Source: NSE | Price as of 5 May 2026

### Key financials

| Y/E 31 Mar | FY25A | FY26E | FY27E |
|---|---|---|---|
| Total revenue (Rs mn) | 11,64,837 | 14,55,758 | 15,61,284 |
| EBITDA (Rs mn) | 1,62,745 | 2,03,001 | 2,27,858 |
| Adj. net profit (Rs mn) | 1,18,548 | 1,57,372 | 1,77,550 |
| Adj. EPS (Rs) | 98.9 | 131.4 | 148.2 |
| Consensus EPS (Rs) | 98.9 | 131.4 | 141.2 |
| Adj. ROAE (%) | 20.8 | 23.2 | 21.7 |
| Adj. P/E (x) | 32.4 | 24.4 | 21.7 |
| EV/EBITDA (x) | 25.4 | 20.7 | 17.9 |
| Adj. EPS growth (%) | 10.6 | 32.7 | 12.8 |

Source: Company, Bloomberg, BOBCAPS Research

### Stock performance




Source: NSE

**HOLD**
**TP: Rs 450 | ▲ 4%**

# AMBUJA CEMENTS | Cement | 06 May 2026

## Consolidation pain continues no respite in medium term

- **Volumes up 10% YoY to ~13.2mt, realization down ~4% reflecting pricing pressure despite improved premium mix (~36%)**
- **EBITDA/t declined ~44% YoY to Rs491 as costs peaked (~Rs4,500/tn exit), with ~Rs250/t cost reduction targeted in FY27**
- **We value ACEM's consolidated business at 14x (unchanged) 1YF, retaining earnings and TP revised to Rs 450 (vs Rs 567). Retain HOLD**

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**Demand soft; pricing pressure weighs on realisations:** ACEM reported modest 5.4% YoY revenue growth to ~Rs69.7bn in Q4FY26, driven by 10% YoY volume growth (~13.2mt) supported by acquired assets. However, realisations declined by 4.2% YoY (+7.3% QoQ) to Rs5,284/tn amid weak pricing environment despite higher premium mix (~36% vs 32% YoY). Management indicated limited price hikes (~Rs10/bag) with demand softness restricting further cost pass-through.

**Cost inflation at peak; reduction Q1FY27 onwards:** Cost/t rose ~3.5% YoY to Rs4,792/t, driven by surge in other expenses (+34% YoY) led by branding and maintenance spends, and inefficiencies in acquired assets. Energy declined ~6.4% YoY to Rs1,017/t, supported by efficiency measures and higher RE share (32%vs 26% YoY), partially offsetting broader cost inflation. Management highlighted that costs have peaked, sustaining at current levels in Q1FY27. Reduction of ~Rs250/tn targeted thereafter.

**Margins compress sharply:** EBITDA declined ~39% YoY to ~Rs6.5bn, with margins contracting ~679bps YoY to 9.3%, as cost inflation and weak realisations weighed. EBITDA/tn fell ~44% YoY to Rs491, reflecting impact of acquired assets operating at sub-optimal utilisation (Sanghi ~57%, Penna ~46%).

**Growth recalibrated:** Capacity stood at ~109mtpa, with a target of ~119mtpa by H1FY27. However, management indicated a reset in timelines, prioritising utilisation (70–75% in FY27), cost control and capital discipline over aggressive expansion. FY27 volume guidance at ~80mt (~8% growth target vs 5.5% industry growth).

**Maintain HOLD:** We revise our EBITDA estimates for FY27/FY28, factoring in the consolidation impact on cost, though volume growth will be healthy. Realisation gains may be challenging, given the heightened competitive pressure in FY26/FY27. The full impact of inorganic growth (ORCMNT + Penna) transition is steady and will continue in medium term, pinching cost. We value consolidated business by assigning EV/EBITDA of 14x (no change 1YF earnings and revise TP to Rs 450 (Rs Rs567) on rollover to March 2028 earnings. We retain HOLD.

### Key changes

| Target | Rating |
|---|---|
| ▼ | ◀ ▶ |

| | |
|---|---|
| Ticker/Price | ACEM IN/Rs 433 |
| Market cap | US$ 11.2bn |
| Free float | 37% |
| 3M ADV | US$ 14.2mn |
| 52wk high/low | Rs 625/Rs 394 |
| Promoter/FPI/DII | 63%/11%/17% |

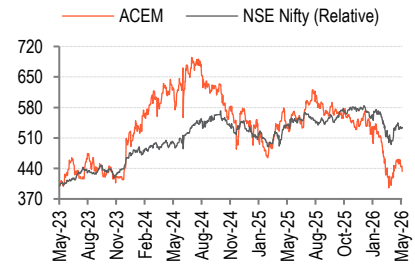
Source: NSE | Price as of 5 May 2026

### Key financials

| Y/E 31 Mar | FY25A | FY26E | FY27E |
|---|---|---|---|
| Total revenue (Rs mn) | 3,33,833 | 4,04,460 | 5,25,771 |
| EBITDA (Rs mn) | 59,707 | 65,389 | 72,100 |
| Adj. net profit (Rs mn) | 34,189 | 31,715 | 20,377 |
| Adj. EPS (Rs) | 14.7 | 12.9 | 8.3 |
| Consensus EPS (Rs) | 14.7 | 12.9 | 13.1 |
| Adj. ROAE (%) | 8.8 | 6.0 | 4.2 |
| Adj. P/E (x) | 29.5 | 33.6 | 52.4 |
| EV/EBITDA (x) | 16.9 | 16.2 | 14.8 |
| Adj. EPS growth (%) | (8.8) | (12.2) | (35.7) |

Source: Company, Bloomberg, BOBCAPS Research

### Stock performance




Source: NSE

**HOLD**
**TP: Rs 4,900 | ▼ 2%**

# KEI INDUSTRIES

| Consumer Durables | 05 May 2026

## In-line quarter; long-term guidance intact

- **Revenue in-line; EBITDA beat on inventory gains. Revenue grew 19% YoY, led by 25% YoY growth in domestic; while exports declined (-10%)**
- **Sales though institutional channel was up 9% YoY, while dealer/distributor channel grew 29% YoY**
- **Raise estimates; roll forward to Mar-28EPS, arrive at TP of Rs 4,900, maintain HOLD**

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**Beat on EBITDA; margin expansion led by inventory gains:** KEII reported Q4FY26 revenue of Rs 34.8bn (+19% YoY, in line with estimates), led by the cables & wires segment, where dealer/distribution sales outpaced institutional growth. Net volume growth during the quarter was ~2% YoY. EBITDA at Rs 3.8bn was up 27% YoY (15% ahead of our estimates), as margin expanded 60bps YoY to 11.0%. We believe this is on account of inventory gains and higher B2C mix offsetting EPC drag. For FY26, EBITDA/PAT grew 24%/32% YoY, ahead of 21% revenue growth.

**C&W led by B2C; channel mix continues to improve:** Core C&W revenue grew 18% YoY in Q4 to Rs 33.0bn, with B2C sales up 29% YoY to Rs 19.4bn and now accounts for 55.7% of sales. This supported a 150bps YoY expansion in the segment's EBIT margin to 12.4%. Institutional growth was modest at 6% YoY, but richer EHV sales of Rs2.2bn vs Rs1.2bn YoY.

**EPC to be contained; exports declined (-10% YoY/-18% QoQ):** Exports declined 10% YoY, due to the ongoing conflict in West Asia. However, management is confident of achieving robust growth as it adds new geographies. In FY26, exports grew ~45% YoY to Rs18.3bn and are targeted at ~20% of FY27 sales; aided by the restart of US shipments following the tariff-led lull. SS Wire was flat in FY26 at Rs2.12bn, though EBIT margin expanded ~360bps to 7.9%.

**Capacity ramp-up underway; balance sheet provides optionality:** Q4 volume growth was a mere 2% YoY. We believe this to be mainly on account of a slower capacity ramp-up at Sanand and higher channel inventories in the dealer channel. Phase 2 EHV is expected by Q4FY27; while an annual capex of Rs 6-7bn over the next 2-3 years will be funded internally.

**Raise estimates, maintain HOLD:** We revise our FY27-28E estimates upwards (+9%) in FY27-FY28 to incorporate the improving B2C channel mix and EHV ramp-up, while trimming EPC revenue assumptions given continued execution lag. We retain our 40x multiple and roll forward to Mar-28E EPS to arrive at TP of Rs 4,900; given limited upside, we maintain HOLD.

### Key changes

| Target | Rating |
|---|---|
| ▲ | ◀ ▶ |

| | |
|---|---|
| Ticker/Price | KEII IN/Rs 5,018 |
| Market cap | US$ 4.7bn |
| Free float | 61% |
| 3M ADV | US$ 21.7mn |
| 52wk high/low | Rs 5,303/Rs 3,151 |
| Promoter/FPI/DII | 37%/27%/20% |

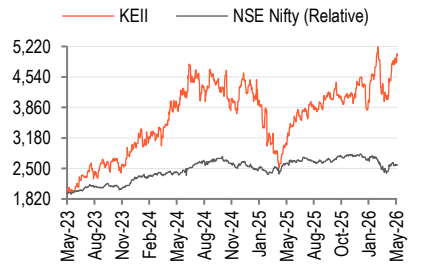
Source: NSE | Price as of 5 May 2026

### Key financials

| Y/E 31 Mar | FY26A | FY27E | FY28E |
|---|---|---|---|
| Total revenue (Rs mn) | 1,17,478 | 1,40,495 | 1,66,212 |
| EBITDA (Rs mn) | 12,290 | 14,347 | 17,068 |
| Adj. net profit (Rs mn) | 9,184 | 9,848 | 11,762 |
| Adj. EPS (Rs) | 96.1 | 103.1 | 123.1 |
| Adj. ROAE (%) | 14.8 | 13.8 | 14.4 |
| Adj. P/E (x) | 52.2 | 48.7 | 40.8 |
| EV/EBITDA (x) | 35.8 | 31.2 | 26.1 |
| Adj. EPS growth (%) | 31.9 | 7.2 | 19.4 |

Source: Company, Bloomberg, BOBCAPS Research

### Stock performance




Source: NSE

**HOLD**
**TP: Rs 292 | ▲ 3%**

# PETRONET LNG

| Oil & Gas | 05 May 2026

## Middle-East supply constraints weighed on performance

- **Revenue decreased by 23.3%YoY and 15.4%QoQ. However EBITDA increased by 23.1%YoY due to lower costs**
- **Outlook remains weak, as normalisation from Qatar energy will take time. Further, capex on petchem project remains a concern**
- **Maintain HOLD. Considering the challenging environment, revise TP downwards to Rs292 from Rs300, based on 9.5x P/E on Mar'28E EPS**

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**Revenue below expectations:** Revenue came at Rs94bn(-23.3%YoY, -15.4%QoQ) and was 13.0% below our estimates. EBITDA came at Rs18bn (+23.1%YoY; +55.3%QoQ), was 24.8% above estimates. The lower-than-expected revenue was due to lower than expected volumes on reduced supply from Qatar Energy which impacted offtake volumes.

**Volumes performance:** Volumes came at 219tbtu; higher by 6.8%YoY, primarily on the back of Kochi volumes. Dahej volumes were high by 6.3%YoY to 201tbtu with 90% of utilisation. Kochi volumes were higher by 12.5%YoY to 18tbtu with 28% utilisation driven by higher offtake from MRPL and Kochi refinery. QoQ volumes declined by 5.9% due to lower supply from Qatar energy impacted by attack on their facility by Iran. Dahej volumes primarily depend on Qatar Energy, which has declared force majeure following infrastructure damage caused by the Iran attack.

**Outlook:** LNG market is currently experiencing supply constraints given that the supply from Qatar Energy got hit, as the infra is damaged. Management expects LNG supply to resume in 3-4 weeks from end of war. Demand remains strong amidst constrained domestic gas production. Petronet has got incremental capacity at Dahej post Mar'26, as it expanded capacity from 17.5 to 22.5mntpa. Kochi terminal will get pipeline connectivity by end H1FY27 and will be integrated with the national grid. Supply volumes and high capex intensity of the petchem project lingers as a near-term concern, potentially weighing on profitability, despite its long-term growth benefits.

**Capex intensity:** Incurred a capex of Rs25bn in FY26 and guided a capex of Rs90bn for FY27E.

**Maintain HOLD; revise TP downwards:** Environment will remain challenging, in terms of LNG supply due to uncertainty on end of US-Iran war. Capex to stay elevated due to the petchem business. We maintain HOLD rating. Considering the challenging environment, we revised TP downwards to Rs292 from Rs300, based on 9.5x P/E on Mar.28E EPS.

### Key changes

| Target | Rating |
|---|---|
| ▼ | ◀ ▶ |

| | |
|---|---|
| Ticker/Price | PLNG IN/Rs 283 |
| Market cap | US$ 4.4bn |
| Free float | 50% |
| 3M ADV | US$ 14.6mn |
| 52wk high/low | Rs 327/Rs 235 |
| Promoter/FPI/DII | 50%/28%/12% |

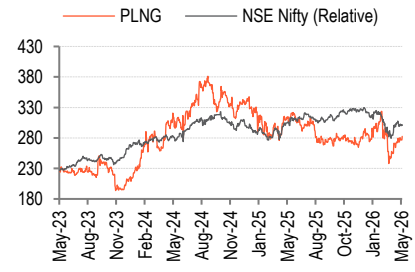
Source: NSE | Price as of 5 May 2026

### Key financials

| Y/E 31 Mar | FY26A | FY27E | FY28E |
|---|---|---|---|
| Total revenue (Rs mn) | 434,949 | 485,692 | 551,697 |
| EBITDA (Rs mn) | 53,354 | 53,087 | 73,490 |
| Adj. net profit (Rs mn) | 39,125 | 34,555 | 46,179 |
| Adj. EPS (Rs) | 26.1 | 23.0 | 30.8 |
| Consensus EPS (Rs) | 24.3 | 26.0 | 30.9 |
| Adj. ROAE (%) | 18.6 | 14.9 | 18.0 |
| Adj. P/E (x) | 10.8 | 12.3 | 9.2 |
| EV/EBITDA (x) | 6.0 | 6.8 | 5.7 |
| Adj. EPS growth (%) | (1.5) | (11.7) | 33.6 |

Source: Company, Bloomberg, BOBCAPS Research

### Stock performance




Source: NSE

**HOLD**
**TP: Rs 1,300 | ▲ 11%**

**COFORGE** | IT Services | 06 May 2026

## Likely in leaders quadrant on FY27 organic growth

- **4Q weaker on revenue but better on margins. FY26 showed strong organic growth of ~25%. Expect organic growth of ~13% in FY27**

  **Management guides EBIT margin of 15.5% in FY27 (14.4% in FY26) and FCF to improve to 100% of PAT in FY27 earlier guide of 70-80%**

- **Raise FY28/FY29 EPS on margin uplift. Maintain Target multiple at 16.8x and rating at HOLD**

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**Strong organic growth in FY26:** The 2% QoQ CC growth in 4Q was weaker than the 3.6% that we estimated. EBIT margin (ex-forex hedges) at 16.6% bettered estimate of 14.4% on lower-than-expected SGA and better gross margins on AI benefits. FY26 USD revenue growth was strong at 29.2%. We believe organic growth was ~25%, the highest among Indian Tier-2 companies. Growth in FY26 for Coforge was driven by the Sabre deal (estimate ~900bps YoY) and strong cross sell into the Cigniti client base (a big surprise from an execution perspective). BFS growth was subpar in FY26 due to a client specific issue. Which seems sorted out.

**Expect FY27 USD revenue growth at ~45% of which ~13% will be organic. Should be in the leader's quadrant on growth but we are cautious on stock:** Encora is being consolidated for 11 months of FY27. We have had a negative opinion about the Encora deal (**An expensive buy**) as (1) Encora at 4x Sales, 21x EBITDA on FY26E was an expensive buy for weaker organic revenue growth of 7-8% (FY24-FY26E). (2) 50%/100% of the equity held by investors in Encora (~21.5% post transaction) can come to market at 6/12-month intervals from deal closure. This is post sell down by Barings of its entire 70% stake and a QIP post the Cigniti deal (3) While the deal may be EPS-accretive, it is significantly return-dilutive. Post tax ROIC is falling by ~15 ppt from~ 25% in FY24 (before Cigniti buy) to ~10% level in FY28 (4) Assumption of 13–14-year amortization of intangible asset for client relationships (hence higher EBIT margin) seems optimistic. Vendor consolidation is a key theme playing out in the market now

**EPS estimate for FY28/FY29 raised due to better margin guidance. Retain multiple and HOLD rating:** We raise estimates as Coforge says it has lifted EBIT margin on a structural basis on lower SGA and better gross margin (benefits of AI on both). Post steep stock price cut we raised rating from SELL to HOLD through our 6 April 2026 note (**Narrative of FY27 set for its first test**). We maintain our target PE multiple at 16.8x (same as that given to our sector benchmark TCS). Besides the issues pertaining to Encora, we are also wary of Sabre and GCC related risks. On the AI front, we cannot make out the difference in Coforge's strategy from that of its peers. Effectiveness will be determined by extent of organic growth going forward.

### Key changes

| Target | Rating |
|---|---|
| ▲ | ◀ ▶ |

| | |
|---|---|
| Ticker/Price | COFORGE IN/Rs 1,169 |
| Market cap | US$ 4.1bn |
| Free float | 100% |
| 3M ADV | US$ 45.7mn |
| 52wk high/low | Rs 1,994/Rs 1,008 |
| Promoter/FPI/DII | 0%/23%/44% |

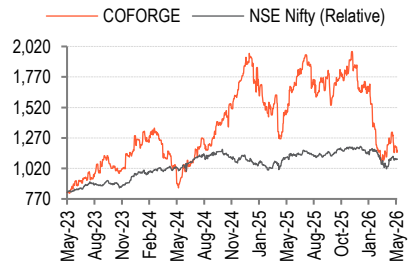
Source: NSE | Price as of 5 May 2026

### Key financials

| Y/E 31 Mar | FY26A | FY27E | FY28E |
|---|---|---|---|
| Total revenue (Rs mn) | 163,562 | 255,009 | 297,461 |
| EBITDA (Rs mn) | 30,585 | 50,309 | 56,140 |
| Adj. net profit (Rs mn) | 14,899 | 26,960 | 33,297 |
| Adj. EPS (Rs) | 44.3 | 62.7 | 77.4 |
| Consensus EPS (Rs) | 44.3 | 54.0 | 64.6 |
| Adj. ROAE (%) | 18.7 | 14.2 | 11.3 |
| Adj. P/E (x) | 26.4 | 18.7 | 15.1 |
| EV/EBITDA (x) | 13.0 | 7.7 | 6.8 |
| Adj. EPS growth (%) | 81.1 | 41.5 | 23.5 |

Source: Company, Bloomberg, BOBCAPS Research

### Stock performance




Source: NSE

**BUY**
**TP: Rs 3,347 | ▲ 16%**

# AJANTA PHARMA

| Pharmaceuticals | 06 May 2026

## Strong Earnings; FY27 to be healthier than FY26

- **Sales/EBITDA/PAT grew by 15.7%/6.8%/21.5% above our estimates. Tax rate reported at 23% vs expected 25.3%**
- **Sales guided to grow at 16–18%, driven by outperformance across geographies; increased our domestic sales growth rate to 15% for FY27**
- **Increased domestic and US sales growth led to rise in estimates. Ascribe 29x and rollforward to March'28 to arrive at a PT of Rs 3347**

**Foram Parekh**
**Research Analyst**
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**Earnings above estimates -** Ajanta reported earnings above our estimates on all fronts, with sales growing by 21.5% YoY to Rs 4.2bn, EBITDA growing by 12.2% YoY to Rs 3.3bn, and PAT growing by 18.4% YoY to Rs 2.7bn. The growth in sales was largely driven by 55% YoY growth in the US region and 37% YoY growth in the Branded Africa business, which offset lower 9% growth in the domestic business and a 10% decline in the Asia business. Ajanta was impacted by the Middle East war, which affected its Asia branded business; thus, EBITDA margin fell 193 bps YoY to 23.5%.

**Branded generic business to grow in mid-teens** – Ajanta's domestic business is expected to grow in the mid-teens, driven by outperformance in dermatology, pain, and ophthalmology therapies. The Asia business is expected to report mid-teens growth, driven by a low base and recovery from the Middle East war, while the branded Africa business is also likely to grow in the mid-teens, driven by new launches. Overall, we expect the branded generics business to grow at a CAGR of 13% over FY26–29 to Rs 53bn, without factoring in gSemaglutide sales.

**US generics growth to normalize -** Ajanta's US business has grown exceptionally well, as it continues to be a preferred partner for its distributors. Going forward, growth is expected to remain strong due to the full-year impact of new launches and manageable price erosion. Thus, we expect the US business to grow at a CAGR of 17% over FY26–29 to Rs 25bn by FY29.

**Margins likely to sustain at 27%** - Management expects EBITDA margins to sustain at 27% for FY27E due to: 1) better productivity in the domestic business, 2) recovery in the Asia branded business, and 3) sustainable gross margins.

**Valuation -** Due to outperformance and a strong outlook, we have increased our domestic and US sales estimates to factor in higher growth. This has increased our sales/EPS estimates by 8%/2% for FY27E and 10%/4% for FY28E. We believe all regions would continue their growth momentum; hence, ascribe a P/E of 29x and roll forward to Mar'28 EPS to arrive at a target price of Rs 3,347 (earlier Rs 3,215).

### Key changes

| Target | Rating |
|---|---|
| ▲ | ◀ ▶ |

| | |
|---|---|
| Ticker/Price | AJP IN/Rs 2,898 |
| Market cap | US$ 3.8bn |
| Free float | 31% |
| 3M ADV | US$ 3.2mn |
| 52wk high/low | Rs 3,228/Rs 2,330 |
| Promoter/FPI/DII | 66%/10%/15% |

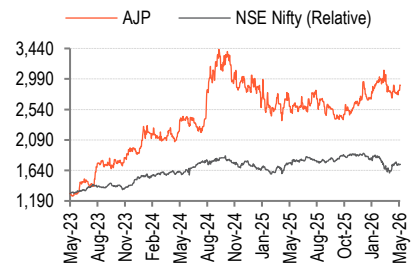
Source: NSE | Price as of 5 May 2026

### Key financials

| Y/E 31 Mar | FY25A | FY26E | FY27E |
|---|---|---|---|
| Total revenue (Rs mn) | 46,481 | 54,529 | 64,169 |
| EBITDA (Rs mn) | 12,595 | 13,948 | 16,916 |
| Adj. net profit (Rs mn) | 9,204 | 10,560 | 12,372 |
| Adj. EPS (Rs) | 72.8 | 83.6 | 97.9 |
| Consensus EPS (Rs) | 74.7 | 83.6 | 98.5 |
| Adj. ROAE (%) | 25.4 | 25.8 | 25.0 |
| Adj. P/E (x) | 39.8 | 34.7 | 29.6 |
| EV/EBITDA (x) | 29.2 | 26.3 | 21.6 |
| Adj. EPS growth (%) | 12.8 | 14.7 | 17.2 |

Source: Company, Bloomberg, BOBCAPS Research

### Stock performance




Source: NSE

**BUY**
**TP: Rs 1,965 | ⮝ 16%**

# EMCURE PHARMA | Pharmaceuticals | 06 May 2026

## In-line Earnings; all growth drivers intact

- **Sales/EBITDA/APAT grew by 1.5%/0.4%-1.1% above our estimates, while EBITDA Margin was 22 bps below our estimates**
- **International growth drivers remain intact; participating in gSemaglutide in Canada via Dr. Reddy's partnership**
- **We ascribe 25x (attractively valued amongst peers with higher domestic contribution), rollforward to Mar'28 EPS to arrive at a PT of RS 1965**

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**In-line numbers on adjusted basis –** Emcure's sales grew by 16.7% YoY to Rs 24.6bn, driven by 29% YoY growth in North America, 36% YoY growth in Europe, 16% YoY growth in the RoW region, and relatively lower growth of 5% in the domestic market. A healthy product mix led to a 154 bps YoY increase in gross margin and a 123 bps YoY increase in EBITDA margin. Lower other income, a higher tax rate, and an exceptional cost of Rs 44mn (forex gain, labour code provision, and redemption from Mantra shareholders) resulted in a 22% YoY increase in PAT to Rs 2.4bn. Adjusting for it, APAT grew by 38% YoY to Rs 2.7bn.

**Domestic sales to grow above the IPM growth –** In 4QFY26, domestic sales grew by a mere 5%, largely affected by the integration of the Zuventus portfolio (attrition among key leaders). Adjusting for the Zuventus portfolio (restructuring), sales grew by 7–8%. The company has undertaken restructuring initiatives across departments, which are showing improvement. The in-licensed portfolio (15% of domestic sales) is also likely to grow, wherein 1) Poviztra is expected to scale up sales with marketing by 1,000 dedicated MRs, 2) Roche to contribute from Q1FY27, and 3) Sanofi brands, both Amaryl and Cetapin, are auguring well for the portfolio. Going forward, the focus continues to be on the base business by making big brands bigger; hence, we expect the domestic region to clock a sales CAGR of 10% over FY26–29E to Rs 53.6bn in FY29.

**International business to continue growing in mid-teens –** The key growth drivers are expected to be: 1) deeper penetration of Amphotericin B in Europe and the RoW region, 2) an increase in market share in subsidiaries such as the Manx portfolio in Europe and Marcan in Canada, 3) the partnership for Semaglutide with Dr. Reddy's in the Quebec region, and 4) a healthy order book in the ARV segment of the RoW region. Hence, we expect the international region to grow at a CAGR of 15% over FY26–29 to Rs 79.4bn by FY29E.

**Valuations -** Factoring in the lack of competition for niche products across markets, we ascribe a P/E of 25x and roll forward to Mar'28 EPS to arrive at a target price of Rs 1,965 (earlier Rs 1,787).

### Key changes

| Target | Rating |
|---|---|
| ▲ | ◀ ▶ |

| | |
|---|---|
| Ticker/Price | EMCURE IN/Rs 1,690 |
| Market cap | US$ 3.4bn |
| Free float | 22% |
| 3M ADV | US$ 5.1mn |
| 52wk high/low | Rs 1,830/Rs 983 |
| Promoter/FPI/DII | 78%/3%/3% |

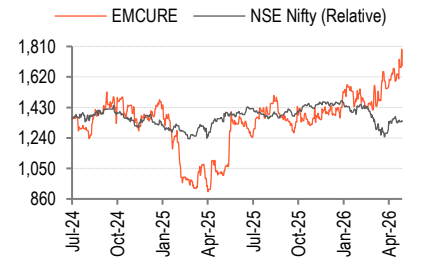
Source: NSE | Price as of 5 May 2026

### Key financials

| Y/E 31 Mar | FY25A | FY26E | FY27E |
|---|---|---|---|
| Total revenue (Rs mn) | 78,960 | 92,040 | 1,04,018 |
| EBITDA (Rs mn) | 14,689 | 17,891 | 20,873 |
| Adj. net profit (Rs mn) | 6,813 | 9,990 | 11,617 |
| Adj. EPS (Rs) | 36.0 | 52.7 | 61.3 |
| Consensus EPS (Rs) | 36.7 | 48.8 | 61.9 |
| Adj. ROAE (%) | 18.7 | 18.7 | 23.2 |
| Adj. P/E (x) | 47.0 | 32.1 | 27.6 |
| EV/EBITDA (x) | 20.4 | 16.9 | 14.3 |
| Adj. EPS growth (%) | 28.2 | 46.5 | 16.3 |

Source: Company, Bloomberg, BOBCAPS Research

### Stock performance




Source: NSE

**BUY**
**TP: Rs 1,711 | ⮝ 18%**

**SOBHA** | Real Estate (Developers) | 06 May 2026

## Strong sales over FY26; launches key to sustaining growth

- **Reported FY26 EPS of Rs 18.09, missing our estimates by -31%, dragged down by higher operating expenses (+10% vs our estimates)**
- **Lower growth (vs FY23-25) in launches (-32.8%YoY) and sales (+29.6% YoY); higher growth in avg. realisations (+9.4% YoY), over FY26**
- **Sustained launches key to driving growth in a challenging residential market; expect the stock to trade at 0.5x NAVPS. Maintain BUY**

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Over FY26, SOBHA launched projects with saleable area of ~5.9msf (-32.8% YoY) and sold ~5.5msf (~+17% YoY) at avg. realisations of Rs 14,675psf (+9.4% YoY); real estate collections grew to ~Rs 70,761mn (+28.1% YoY). However, **growth moderated, with lower growth (in launches (-32.8%YoY) and sales (+29.6% YoY) offset slightly by higher growth in avg. realisations (+9.4% YoY), vs growth over FY23-25.**

**SOBHA pushed completions to ~71% of its development portfolio**, **driving collections** to ~Rs 70,761mn (+28.1% YoY). Real estate EBITDA margins deteriorated ~80bps YoY to 9.3%, dragged down by higher construction costs, which were compounded by contributions from lower-margin projects.

SOBHA **has visibility on ~31.2msf of real-estate projects** (including ~0.24msf of unsold completed projects and 0.6msf of forthcoming commercial projects) concentrated (72%) in Bengaluru. The developer also reported a land bank with developable SBA of an additional 40.91msf. We remain optimistic about SOBHA's ability to drive multi-year growth.

**Despite near-term headwinds, we believe SOBHA's business remains structurally strong**; contingent on sustained launches and execution, to drive collections. We expect SOBHA to achieve sales growth of ~28.1% CAGR, helped by the growth in avg. realisations (+15% CAGR ) to generate sales of ~Rs 412,987mn as these projects are delivered over FY27E-29E. Over the period, we expect collections to grow by 20.4% CAGR, as the developer works on expediting the execution of its projects.

**Maintain BUY:** We believe that while the demand for SOBHA's residential properties remains strong, near-term headwinds and a structural moderation in the residential market is likely to lead to a muted sales value growth. We revise our EPS estimates downwards by ~-26% to reflect our updated assumptions over the period and **expect SOBHA to trade at ~0.5x NAVPS (trend back down to 6Y average) applied to Q1FY28E-Q4FY28E, implying a 1Y TP of Rs 1,711**.

### Key changes

| Target | Rating |
|---|---|
| ▼ | ◀ ▶ |

| | |
|---|---|
| Ticker/Price | SOBHA IN/Rs 1,446 |
| Market cap | US$ 1.6bn |
| Free float | 47% |
| 3M ADV | US$ 2.5mn |
| 52wk high/low | Rs 1,733/Rs 1,130 |
| Promoter/FPI/DII | 53%/6%/26% |

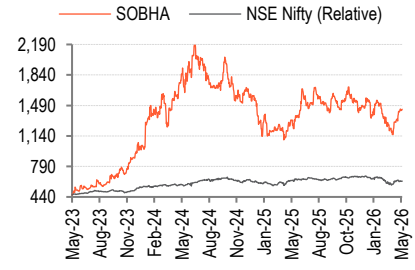
Source: NSE | Price as of 5 May 2026

### Key financials

| Y/E 31 Mar | FY26A | FY27E | FY28E |
|---|---|---|---|
| Total revenue (Rs mn) | 53,838 | 36,486 | 46,193 |
| EBITDA (Rs mn) | 3,104 | 6,055 | 9,130 |
| Adj. net profit (Rs mn) | 1,934 | 3,618 | 5,898 |
| Adj. EPS (Rs) | 18.1 | 33.8 | 55.1 |
| Consensus EPS (Rs) | 26.0 | 50.2 | 77.6 |
| Adj. ROAE (%) | 4.2 | 7.4 | 11.3 |
| Adj. P/E (x) | 80.0 | 42.8 | 26.2 |
| EV/EBITDA (x) | 49.8 | 25.5 | 16.9 |
| Adj. EPS growth (%) | 92.7 | 87.0 | 63.0 |

Source: Company, Bloomberg, BOBCAPS Research

### Stock performance




Source: NSE

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