FIRST LIGHT

08 May 2026

RESEARCH

BAJAJ AUTO | TARGET: Rs 10,490 | -1% | HOLD

Overall healthy show; geared for challenges in medium term

DABUR INDIA | TARGET: Rs 526 | +12% | HOLD

Steady growth momentum

ESCORTS KUBOTA | TARGET: Rs 2,786 | -17% | SELL

Healthy Q4 show; medium-term woes continue; retain SELL

BLUE STAR | TARGET: Rs 1,790 | +2% | HOLD

Muted growth; cost control aids margin

KARUR VYSYA BANK | TARGET: Rs 362 | +15% | BUY

Return profile and AQ metrics to outperform peers

SOUTH INDIAN BANK | TARGET: Rs 49 | +17% | BUY

Portfolio recalibration to support earnings profile

SUMMARY

BAJAJ AUTO

- Revenue and Volume grew ~32%/~24% respectively, driven by exports (~610k, +25% YoY) and premiumisation (150cc+ sports segment)
- Margins sustain at 20.8%, aided by price hike and currency tailwind, though the net impact of 3.5-4% is likely in Q1FY27
- We revise FY27E/FY28E EPS upwards by 5% each; and value BJAUT at 24x March 2028 earnings. Revised TP at Rs 10,490 (vs Rs 9,686 earlier)

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DABUR INDIA

- Margins remained resilient despite inflationary pressures, aided by pricing actions, cost savings and better product mix
- Market share gains continued across categories like Hair Oils, Digestives, Home Care and Beverages, supported by premiumisation and innovation
- Quick commerce and premium products continued to be growth drivers. Maintain HOLD with TP of Rs 526 (42x Mar28 EPS)

Click here for the full report.

ESCORTS KUBOTA

- Tractor-led growth, combined with CE recovery, helped ~21% revenue growth in Q4FY26. FY27 tractor industry demand expected to be flattish
- EBITDA margin improved ~106bps YoY, despite the rising commodity and wage inflation. Price hikes of 1.5% taken to mitigate cost inflation
- Revise down FY27E/FY28E EBITDA/EPS to factor cost/growth concerns Retain 20x P/E multiple; revise TP down to Rs 2,786 (Rs 2,828). SELL

Click here for the full report.

BLUE STAR

- Revenue was ~flat YoY, broadly in line. EBITDA margins surprise positively (140bps above estimates)
- Unitary margin recovered, despite the flat sales on cost measures. EMP margin compressed on the mix
- Cut estimates; assign 47x Mar'28EPS to arrive at TP of Rs 1,790. Maintain HOLD

Click here for the full report.

KARUR VYSYA BANK

- Asset quality (AQ) remains better than peers in Q4FY26; stressed assets stay low at 0.45% of the total assets
- Return ratios improved and remained better vs peers, despite prudential provisions of Rs 1.6bn towards sectors that may get affected
- Maintain BUY with revised TP of Rs 362 (earlier Rs 306); ascribing 1.8x Mar'28E ABV (from 1.6x) vs currently trading at 1YF P/ABV of ~1.8x

Click here for the full report.

SOUTH INDIAN BANK

- PPoP almost in line with estimates; PAT up mainly on lower credit costs; Loan growth improved, with focus on Retail and MSME segments
- AQ improves as legacy stress eases and share of new book increases; SMA-2 trends improve to 0.2%, indicating a stable AQ outlook
- Maintain BUY with revised TP of Rs 49 (Rs 46 earlier), set at 0.9x Mar'28E ABV (unchanged) vs 1YF P/ABV of 0.8x

Click here for the full report.

HOLD
TP: Rs 10,490 | ⮟ 1%

BAJAJ AUTO

| Automobiles | 07 May 2026

Overall healthy show; geared for challenges in medium term

- **Revenue and Volume grew ~32%/~24% respectively, driven by exports (~610k, +25% YoY) and premiumisation (150cc+ sports segment)**
- **Margins sustain at 20.8%, aided by price hike and currency tailwind, though the net impact of 3.5-4% is likely in Q1FY27**
- **We revise FY27E/FY28E EPS upwards by 5% each; and value BJAUT at 24x March 2028 earnings. Revised TP at Rs 10,490 (vs Rs 9,686 earlier)**

Milind Raginwar
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Revenue growth accelerates on exports & premium mix: BJAUT reported revenue growth of 31.8% YoY to ~Rs160bn, aided by robust volume growth (24.3% YoY to ~1.37mn units), sustained exports momentum, and prudent product mix. Domestic motorcycles aideb by traction particularly in the 150cc+ sports segment, while 3W and EVs strong growth momentum continued. ASPs added 6% YoY, due to a richer mix and favourable currency movement (~Rs90.6/USD vs Rs86.5 YoY).

Margins remain resilient; inflation impact yet to unfold: EBITDA grew 35.6% YoY to ~Rs33.2bn, with margins sustaining at ~20.8% (+59bps YoY). OPM was aided by currency tailwinds, operating leverage, and growing contribution from premium motorcycles. Commodity inflation intensified in Q4, though the impact was partly mitigated (40%) by price hikes and cost controls. The EV (2W+3W) portfolio hit double-digit EBITDA margins and e2W business reached EBITDA breakeven.

Region and product diversification drive exports: LATAM outperformed across regions, with Brazil scaling up meaningfully (~10k quarterly units), aided by capacity ramp-up. Nigeria stabilised, with Q4 volumes crossing ~100k units despite operating at ~50% peak levels and retaining ~50% of retail market share. KTM exports rose to ~17.5k units from near-zero levels. BJAUT targets 220k unit/month export run-rate.

3Ws deliver a strong show: The 3W segment delivered its strongest show with volumes adding ~28% YoY, crossing milestone of 500k units annually. Growth continues to be driven by structural demand expansion in the last-mile mobility, semi-urban and rural markets. The ICE portfolio remains dominant with ~90% share in CNG, while the EV portfolio retained No.1 position in E3W registrations.

Retain earnings; maintain HOLD: We revise FY27E/FY28E EPS upwards by 5% each, factoring in BJAUT's improving domestic market growth in the key 2-W segment. We estimate higher volume factoring in the GST benefits and receding supply chain issues. We introduce FY29 earnings and EBITDA/PAT 3Y CAGR is at 13%/11%. We continue to value the stock at 24x P/E with rollover to Mar 2028 earnings and arrive at a revised TP of Rs 10,490 (vs Rs 9,686). Maintain HOLD.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	BJAUT IN/Rs 10,605
Market cap	US$ 32.6bn
Free float	46%
3M ADV	US$ 38.4mn
52wk high/low	Rs 10,740/Rs 7,612
Promoter/FPI/DII	54%/10%/13%

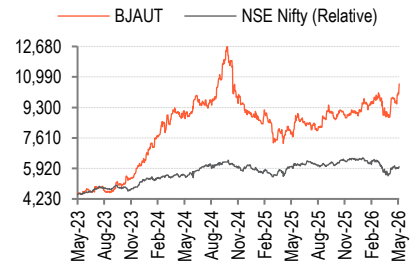
Source: NSE | Price as of 7 May 2026

Key financials

Y/E 31 Mar	FY26P	FY27E	FY28E
Total revenue (Rs mn)	5,87,324	6,58,123	7,28,449
EBITDA (Rs mn)	1,20,165	1,36,821	1,53,069
Adj. net profit (Rs mn)	99,431	1,09,988	1,22,153
Adj. EPS (Rs)	354.9	393.5	437.1
Consensus EPS (Rs)	354.9	398.5	449.1
Adj. ROAE (%)	28.4	27.8	26.2
Adj. P/E (x)	29.9	26.9	24.3
EV/EBITDA (x)	25.6	22.4	20.1
Adj. EPS growth (%)	18.8	10.6	11.1

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

Stock performance



Source: NSE

HOLD
TP: Rs 526 | ▲ 12%

DABUR INDIA

| Consumer Staples | 08 May 2026

Steady growth momentum

- **Margins remained resilient despite inflationary pressures, aided by pricing actions, cost savings and better product mix**
- **Market share gains continued across categories like Hair Oils, Digestives, Home Care and Beverages, supported by premiumisation and innovation**
- **Quick commerce and premium products continued to be growth drivers. Maintain HOLD with TP of Rs 526 (42x Mar28 EPS)**

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Stable 4Q: Dabur consolidated revenue at 7.3% YoY, driven by robust domestic execution and sustained market share gains across key categories. India FMCG business grew 9.5% YoY, with volumes growing a healthy 6%, supported by traction in Hair Care (+27% YoY), Home Care (+24% YoY), Digestives (~15% YoY), Skin Care (+12% YoY) and Oral Care (+7% YoY). Hair oils continued to outperform with 154bps market share gains, while Home Care and Digestives also witnessed healthy share gains. The Foods portfolio grew robust , led by Culinary (+30% YoY) and sustained momentum in Real Activ juices and coconut water. Rural demand continued outpacing the urban by ~350bps, although the gap narrowed sequentially. International business grew a muted 2.5% YoY amid geopolitical disruptions in the Middle East. However, growth remained healthy across Bangladesh (+22%), SSA (+20.1%), Turkey (+16.5%) and UK (+24.2%). Management revised FY27 India business growth guidance from high single digit to low double digits, aided by volume recovery and price hikes.

Margins resilient amid inflationary pressures: Dabur reported resilient profitability despite ~10% input cost inflation, driven by higher crude-linked packaging and geopolitical disruptions in the Middle East. Consolidated operating profit grew 8.2% YoY, while EBITDA margin expanded 90bps YoY to 21.0%; aided by calibrated price hikes, premiumisation and cost-saving initiatives. The company has already undertaken ~4% price increases, along with selective shrinkflation measures to mitigate inflationary pressures. Management expects sequential margin improvement in FY27E, supported by pricing actions, better product mix and operational efficiencies while remaining cautious on international margins amid continued geopolitical volatility.

Our view: We remain watchful on inflationary pressures and geopolitical disruptions in the Middle East, which could weigh on margins and international business recovery. We broadly maintain our estimates and expect the company to deliver sales/EBITDA/EPS CAGR of ~9%/15%/13% over FY26–29E. We maintain HOLD recommendation valuing the stock at 42x Mar28 EPS with a TP of Rs 526.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	DABUR IN/Rs 470
Market cap	US$ 8.8bn
Free float	34%
3M ADV	US$ 9.2mn
52wk high/low	Rs 577/Rs 403
Promoter/FPI/DII	66%/10%/19%

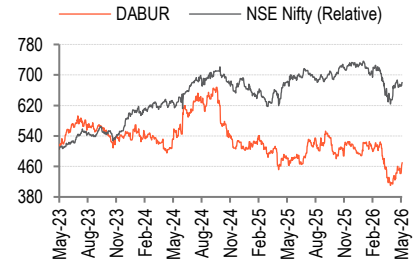
Source: NSE | Price as of 7 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	131,926	142,248	153,329
EBITDA (Rs mn)	24,518	27,097	29,908
Adj. net profit (Rs mn)	19,101	20,276	22,206
Adj. EPS (Rs)	10.8	11.4	12.5
Consensus EPS (Rs)	10.8	11.9	13.2
Adj. ROAE (%)	16.6	16.4	16.4
Adj. P/E (x)	43.6	41.1	37.5
EV/EBITDA (x)	34.0	30.7	27.8
Adj. EPS growth (%)	8.1	6.2	9.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

SELL
TP: Rs 2,786 | ▼ 17%

ESCORTS KUBOTA

| Automobiles | 08 May 2026

Healthy Q4 show; medium-term woes continue; retain SELL

- **Tractor-led growth, combined with CE recovery, helped ~21% revenue growth in Q4FY26. FY27 tractor industry demand expected to be flattish**
- **EBITDA margin improved ~106bps YoY, despite the rising commodity and wage inflation. Price hikes of 1.5% taken to mitigate cost inflation**
- **Revise down FY27E/FY28E EBITDA/EPS to factor cost/growth concerns Retain 20x P/E multiple; revise TP down to Rs 2,786 (Rs 2,828). SELL**

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Revenue growth healthy on back of volumes: ESCORTS reported a healthy revenue growth of 21.4% YoY (-9.5% QoQ) to ~Rs29.8bn in Q4FY26, driven primarily by strong tractor volumes growth of ~21% YoY to ~32.3k units amid robust rabi harvest, healthy rural sentiment and favourable farm economics. Domestic tractor volumes grew ~23% YoY vs industry gains of ~35%; while exports remained muted (-1% YoY), indicating that ESCORTS is underperforming the industry growth by a margin, due to limited reach in key South and East India.

Scale benefit offset cost inflation: RM costs rose sharply by ~20.5% YoY amid inflation across steel, tyres, copper and aluminium. However, RM cost to sales improved to 68.9% (vs 69.4% YoY), aided by healthy scale benefits. Gross margin improved to 31.1% (+50bps YoY), though other expenses rose sharply by ~28% YoY. EBITDA grew ~32% YoY to Rs3.8bn with EBITDA margin improving ~106bps YoY to 12.8%. Management expects cost pressure from commodity inflation and wage hikes in Haryana and UP, partially offset by ~1.5% price hikes taken in April.

White spaces addressed; FY27 outlook remains cautious: To address product gaps and improve regional penetration, ESCORTS plans multiple launches over the next 3–4 months across brands, while the Kubota brand is expected to introduce 8–9 new products. ESCORTS expects FY27 tractor industry growth to remain flattish (±2–3%), due to a high base, potential El Nino impact and commodity inflation pressures. However, the company expects to outperform the industry's growth.

Maintain SELL: Intense competition, unfavourable regional mix, and commodity cost inflation are challenges in FY27 apart from a higher base effect. ESCORTS has also faced challenges selling Kubota tractors given the engine manufacturing woes. We revise our EBITDA/EPS for FY27E/FY28E down by 5-6%/2.-3%. The new capacity benefits will flow from FY28 and beyond that will aid export visibility. We introduce FY29 earnings with a 3-year EBITDA/PAT CAGR of 12%/8%.Limited presence key regions like south India and intense competitive pressure will keep ESCORS performance under pressure. Effectively we revise our TP to Rs 2,786 (Rs 2,828). Our target P/E stays at 20x stock's LT mean. Retain SELL.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	ESCORTS IN/Rs 3,346
Market cap	US$ 4.7bn
Free float	63%
3M ADV	US$ 4.7mn
52wk high/low	Rs 4,180/Rs 2,710
Promoter/FPI/DII	37%/22%/8%

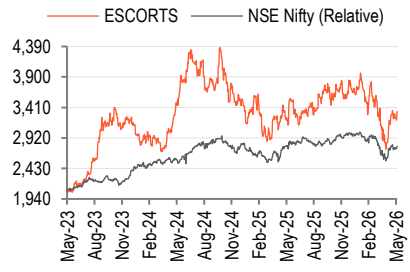
Source: NSE | Price as of 7 May 2026

Key financials

Y/E 31 Mar	FY26P	FY27E	FY28E
Total revenue (Rs mn)	1,15,403	1,29,550	1,52,127
EBITDA (Rs mn)	14,963	15,304	18,403
Adj. net profit (Rs mn)	13,429	13,567	15,247
Adj. EPS (Rs)	120.0	121.3	136.3
Consensus EPS (Rs)	120.0	131.8	141.5
Adj. ROAE (%)	10.9	10.4	10.5
Adj. P/E (x)	27.9	27.6	24.6
EV/EBITDA (x)	30.0	28.9	24.1
Adj. EPS growth (%)	19.2	1.0	12.4

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

Stock performance



Source: NSE

HOLD
TP: Rs 1,790 | ▲ 2%

BLUE STAR

| Consumer Durables | 07 May 2026

Muted growth; cost control aids margin

- **Revenue was ~flat YoY, broadly in line. EBITDA margins surprise positively (140bps above estimates)**
- **Unitary margin recovered, despite the flat sales on cost measures. EMP margin compressed on the mix**
- **Cut estimates; assign 47x Mar'28EPS to arrive at TP of Rs 1,790. Maintain HOLD**

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Modest growth; margin beat on cost control: Blue Star (BLSTR)'s Q4FY26 revenue was largely flat at Rs 40.7bn (+1% YoY), as the improving Room AC offtake was offset by the subdued demand in office, education and IT verticals. EBITDA grew 17% YoY to Rs 3.3bn, with margin expanding 106bps to 8.0%, led by cost discipline and stronger UCP profitability. Adj. PAT grew 8% YoY to Rs 2.1bn. For FY26, Revenue/EBITDA/Adj. PAT grew 4%/6%/-2% YoY.

UCP margin rebounds; demand recovery nascent: UCP revenue was flat YoY at Rs 19.9bn, but margin expanded 200bps (YoY/QoQ) to 10.4%, aided by cost rationalisation, deferred discretionary spends, channel stocking and new BEE-compliant RAC launches. While Q4 showed signs of recovery, FY26 UCP revenue still declined 5% YoY and EBIT margin compressed 20bps to 8.2%; reflecting a weak first half.

EMP steady; margin mix headwind: EMP & Commercial AC revenue grew 1% YoY to Rs 19.9bn in Q4, while FY26 revenue grew 13% to Rs 67.6bn; supported by buildings, data centres, factories and government/industrial demand. However, Q4 EBIT margin contracted 120bps YoY to 6.5%, with FY26 margin down 80bps to 7.4%, impacted as mix within this segment was less favourable. The carried-forward order book grew 10.5% YoY to Rs 69.2bn, providing near-term revenue visibility.

Significant margin expansion in PEIS: PEIS revenue grew 7% YoY to Rs 1.0bn in Q4, while EBIT margin expanded to 14.7% (+500bps YoY/560bps QoQ). FY26 revenue still declined 12%, as Med-Tech remained constrained by regulatory uncertainty, partly offset by Industrial Solutions growth and steady performance by Data Security. Despite margin improvement, PEIS remains small at ~2.5% of FY26 revenue.

Cut estimates; maintain HOLD: We reduce our FY27/FY28E PAT estimates by 9%/7% on elevated competitive intensity, near-term margin pressure from input costs/FX volatility and higher finance-cost assumptions. We retain our 47x multiple and value BLSTR on Mar-28E EPS to arrive at a revised TP of Rs 1,790 (HOLD).

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	BLSTR IN/Rs 1,749
Market cap	US$ 3.6bn
Free float	61%
3M ADV	US$ 12.9mn
52wk high/low	Rs 2,040/Rs 1,450
Promoter/FPI/DII	39%/11%/25%

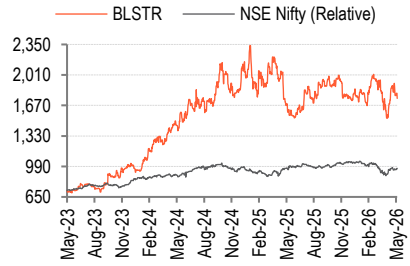
Source: NSE | Price as of 7 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	1,24,020	1,45,812	1,68,063
EBITDA (Rs mn)	9,304	10,197	12,218
Adj. net profit (Rs mn)	5,665	6,211	7,840
Adj. EPS (Rs)	27.6	30.2	38.1
Adj. ROAE (%)	17.4	17.0	18.7
Adj. P/E (x)	63.5	57.9	45.9
EV/EBITDA (x)	36.2	33.0	27.6
Adj. EPS growth (%)	(2.1)	9.6	26.2

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BUY
TP: Rs 362 | ▲ 15%

KARUR VYSYA BANK | Banking | 08 May 2026

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Return profile and AQ metrics to outperform peers

- **Asset quality (AQ) remains better than peers in Q4FY26; stressed assets stay low at 0.45% of the total assets**
- **Return ratios improved and remained better vs peers, despite prudential provisions of Rs 1.6bn towards sectors that may get affected**
- **Maintain BUY with revised TP of Rs 362 (earlier Rs 306); ascribing 1.8x Mar'28E ABV (from 1.6x) vs currently trading at 1YF P/ABV of ~1.8x**

AQ remains better vs peers: Karur Vysya Bank (KVB)'s asset quality (AQ) remains best-in-class, with GNPA/NNPA at 0.75%/0.19% in Q4FY26, while annualised slippages remained controlled at 0.75%. The bank maintained healthy provision buffers with PCR (ex. TWO) at 74.6%, resulting in a sequential flat NNPA ratio of 0.19%. Further, SMA 30+ improved to 0.17% in Mar'26 from 0.24% in Dec'25. Stressed assets (NNPA + standard restructured + net SRs) further declined to Rs 6.2bn (0.45% of total assets) in Mar'26 from Rs 6.5bn (0.48%) in Dec'25 — reflecting a continued improvement in the overall stress pool. Management expects both slippages and NNPA to remain below 1% in FY27.

Return ratios improved, outperforming peers: KVB reported PPoP of Rs 12.5bn (+49% YoY) in Q4FY26; 21.6% above our estimates, aided by one-offs including Rs 217mn of interest on income tax refund and ~Rs 150mn pension-related opex benefit. NIMs improved to 4.25% in Q4FY26 (ex-one-offs), supported by a decline in CoF to 5.47% (-9bps QoQ) and improvement in YoA to 9.93% (+16bps QoQ). The rise in YoA mainly came on a higher share of fixed-rate/gold loans and runoff of lower-yielding corporate accounts. Management expects NIMs to moderate to 3.75–3.8% in FY27 due to higher deposit costs and pressure on lending yields amid competitive intensity and relationship retention efforts. Despite higher provisions at Rs 2.6bn (+59.6% YoY), PAT increased 41% YoY to Rs 7.2bn and was 9.8% above our estimates; largely aided by one-off gains. The increase in provisions was mainly due to prudential provisions of Rs 1.6bn in Q4FY26 towards sectors identified (textile, ceramics, fertilizers, chemicals, granite, quartz, etc) that may get affected due to ongoing geopolitical tensions. Return ratios remain better vs peers, with RoA/RoE at 2.1%/20.6%; management guided for FY27 RoA at 1.7–1.8%.

Maintain BUY: KVB's adequate capital position (Tier I of 17.7% as of Mar'26), higher credit growth vs system levels (~17% YoY) & pristine AQ - all resulted in a consistent outperformance vs peers in terms of return profile. We expect the bank to deliver RoA/ RoE of 1.9%/17.6% by FY29E. Hence, we maintain BUY and roll over the valuation to 1.8x Mar'28E ABV (from 1.6x) with revised TP of Rs 362 (earlier Rs 306) vs currently trading at 1Y forward P/ABV of ~1.8x.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	KVB IN/Rs 314
Market cap	US$ 3.2bn
Free float	98%
3M ADV	US$ 10.9mn
52wk high/low	Rs 343/Rs 169
Promoter/FPI/DII	2%/19%/39%

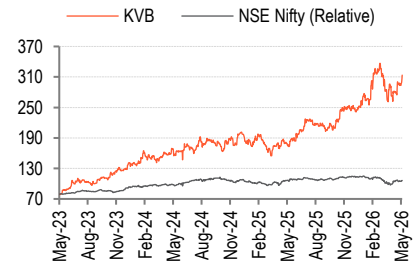
Source: NSE | Price as of 7 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
NII (Rs mn)	49,386	53,621	62,777
NII growth (%)	15.9	8.6	17.1
Adj. net profit (Rs mn)	25,103	26,914	31,304
EPS (Rs)	26.0	27.8	32.4
Consensus EPS (Rs)	26.0	27.5	31.5
P/E (x)	12.1	11.3	9.7
P/BV (x)	2.1	1.8	1.6
ROA (%)	2.0	1.8	1.9
ROE (%)	19.3	17.6	17.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BUY
TP: Rs 49 | ▲ 17%

SOUTH INDIAN BANK | Banking | 08 May 2026

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Portfolio recalibration to support earnings profile

- **PPoP almost in line with estimates; PAT up mainly on lower credit costs; Loan growth improved, with focus on Retail and MSME segments**
- **AQ improves as legacy stress eases and share of new book increases; SMA-2 trends improve to 0.2%, indicating a stable AQ outlook**
- **Maintain BUY with revised TP of Rs 49 (Rs 46 earlier), set at 0.9x Mar'28E ABV (unchanged) vs 1YF P/ABV of 0.8x**

PPoP almost in line with estimates; PAT up on lower CC: SIB reported PPoP of Rs 5.8bn (-14.9% YoY; flat QoQ) and was marginally above our estimates by 2%. This was supported by NII growth (+5.4% YoY; +3.9% QoQ) that was in line with estimates and lower opex of Rs 7.2bn (-4.9% YoY; -8% QoQ). Opex was lower, due to lower employee cost of Rs 3.5bn (-18% QoQ); mainly driven by a one-off write back of Rs 800mn related to actuarial valuation. Further, the C/I ratio improved to 55.3% (-1.9% QoQ) in Q4FY26. With a focus on digital channels, management expects C/I to improve in FY27. NIMs improved to 2.95% (+9bps QoQ) in Q4FY26. Management expects NIMs to improve in FY27, mainly driven by the change in product mix (retail and MSME segments) and ~60-65 % deposits due for repricing. PAT increased to Rs 4.1bn (+9% QoQ) and was 14.7% higher vs estimates, led by a decline in provisions to Rs 344mn (-57% QoQ), mainly due to low slippage.

Legacy stress eases as robust new book drives AQ: AQ improved significantly with GNPA ratio decreasing to 1.43% (-1.2% QoQ) — largely masked by a higher technical w/off of Rs 11.6bn, and lower slippages of Rs 1.5bn (-15.8% QoQ). A focused clean-up, tighter and selective underwriting standard of new book from Sep'20 — have improved the risk profile. The new book now constitutes ~88% of gross loans with a low GNPA ratio of 0.38% vs 8.85% in the old book. Further, SMA-2 trends continued improving to 0.2% (-18bps QoQ); indicating a stable AQ outlook.

Credit growth improving with focus on medium-yielding segments: Net advances grew 15.8% YoY, as of Mar'26 — the highest in the past 12 quarters — largely driven by continued recalibration toward higher-yielding Retail and MSME segments. Corporate book declined to 38.6% (Mar'26) of gross loans vs 41.3% (Mar'25), with management targeting a further reduction to ~33% over time.s

Valuation: SIB's strategic shift in the loan mix and improving AQ is expected to sustain earnings recovery. We expect SIB to deliver healthy return ratios with RoA/ RoE of 1.1%/ 13.2% by FY29E. We remain watchful of the management uncertainty as the MD & CEO's term is set to expire in Sep'26. Maintain BUY with revised TP of Rs 49 (Rs 46 earlier), set at 0.9x Mar'28E ABV (unchanged) vs 1YF P/ABV of 0.8x.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	SIB IN/Rs 42
Market cap	US$ 1.2bn
Free float	100%
3M ADV	US$ 6.4mn
52wk high/low	Rs 47/Rs 24
Promoter/FPI/DII	0%/24%/13%

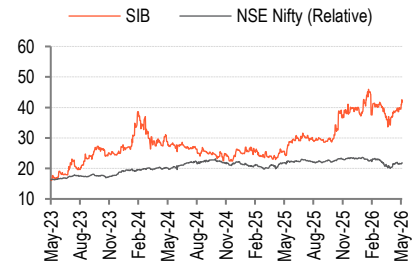
Source: NSE | Price as of 7 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
NII (Rs mn)	34,374	40,678	47,318
NII growth (%)	(1.4)	18.3	16.3
Adj. net profit (Rs mn)	14,551	16,378	18,335
EPS (Rs)	5.6	6.3	7.0
Consensus EPS (Rs)	5.6	6.0	6.8
P/E (x)	7.5	6.7	6.0
P/BV (x)	1.0	0.8	0.7
ROA (%)	1.1	1.1	1.1
ROE (%)	13.5	13.5	13.3

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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