INSTITUTIONAL RESEARCH

HSIE Results Daily

Contents

Results Reviews

- **Cholamandalam Investment and Finance Company:** CIFC's Q4FY26 earnings were ahead of our estimates, driven by NIM reflation, strong other income, and uptick in disbursements. Disbursements growth (+25% YoY) was driven by vehicle (+26% YoY) and new businesses (+58% YoY). Asset quality improved sequentially, with reducing delinquencies and credit costs (+1.6%) likely to improve further in FY27. CIFC remains a robust franchise with RoE of ~19-20% and AUM growth of ~20-23% over the medium term. However, global uncertainties could provide a downside risk to our estimates, particularly on vehicle finance portfolio (+53.3% of AUM). To that extent, current valuations (3.6x Mar-28 ABVPS) provide limited margin of safety. We revise our FY27E/FY28E earnings estimates due to higher other income and marginally lower credit costs and maintain ADD with a revised RI-based TP of INR 1,810 (implying 3.9x Mar-28 ABVPS).
- **Ambuja Cement:** We maintain BUY with an unchanged TP of INR 580/share (15.5x its consolidated FY28E EBITDA). In Q4FY26, ACEM reported +8/-1% total/LTL volume growth. Unit EBITDA remained flattish QoQ at INR 728/MT amid subdued pricing gain and elevated opex. Given the sharp opex underperformance in H2FY26, ACEM leadership has taken a call to slow down its expansion drive and increase focus on opex reduction (new target INR 500/MT reduction over FY26-28E) and sales channel beef-up. Thus, it also guided for 8% YoY volume growth and lowered the capex guidance for FY27. Factoring in near-term cost volatility, we have lowered FY27/28E EBITDA estimates by 8/2% respectively. However, the impact of the same on valuation is offset by slower capex outgo.
- **Aditya Birla Capital:** ABCAP reported strong AUM growth in the flagship NBFC business, with steady performance across most subsidiaries. ABSLAMC's equity AUM grew by +17% YoY with improving SIP contribution, although sustainability remains key. ABSLI's VNB margin improved by 260bps YoY, driven by a favorable product mix, although profitability was relatively subdued (RoEV at 13.2%). ABHI sustained its growth momentum, with limited visibility of breakeven in profitability. ABHFL reported strong AUM growth (+53% YoY), with further high growth aspirations post the equity infusion. We revise our earnings estimates across businesses and maintain ADD with a revised SOTP-based TP of INR 365 (standalone entity at 2x Mar-28 ABVPS; ABSLI at 1.5x Mar-28 IEV; ABHFL at 1.7x Mar-28 ABVPS).
- **Godrej Properties:** Godrej Properties Ltd (GPL) reported presales of INR 101.6bn (+20.7/flat YoY/QoQ), with a booking area of 7.3msf (-2.9%/+13.5% YoY/QoQ). GPL delivered 7.4/12.1msf of projects in Q4FY26/FY26. GPL added 18 new projects with a GDV of INR 421bn in FY26 (achieving >2x of targeted guidance for FY26). GPL has laid out a presales target of INR 390bn (15% YoY) for FY27, backed by a strong launch pipeline worth over INR 480bn. Management highlighted that AI-driven demand concerns may be overdone, citing GCC strength, and attributed NCR's FY26 dip entirely to launch slippages, expressing confidence in a recovery to above INR 100bn in FY27; pricing was characterised as rational across markets. With a strong balance sheet, prudent capital discipline, and no near-term equity dilution planned, GPL intends to deliver 20% RoE from FY28, led by strong execution,

HSIE Research Team
hdfcsec-research@hdfcsec.com

rising share of better margins projects moving into revenue recognition and margin accretion from premium launches. Construction cost inflation of 5-6% is seen as manageable via modest price hikes and forward contracts, with construction spending expected to sustain double-digit growth. Given robust presales outperformance, new launches, and stable underlying demand, we believe that GPL has all triggers in place for a rerating. We maintain BUY with an increased TP of INR 2,194/sh (building in NAV growth premium of 15% as accelerating monetization, rising FCF visibility, and a clear path to 20% RoE by FY28 warrant a structural rerating).

- **Ather Energy:** While the current volume inflection is being led by dealership expansion, the next inflection from FY28 will be led by portfolio expansion via its upcoming low-cost EL platform, which will also add more affordable models to the portfolio and help expand the addressable market. However, there is likely to be some pressure on the gross margin over the next couple of quarters, given the uncertain geopolitical situation. Having said that, it continues to impress with its capability to enhance its products via R&D, scale volumes, and increase market share along with margin improvement (that too without PLI). We value the company at 6.0x EV/sales for a TP of INR1,058; maintain BUY. It continues to be our top pick.

- **CDSL:** CDSL reported a weak quarter, with revenue declining 13.6% QoQ, below estimates, and PAT at INR 0.80bn versus INR 1.18bn expected, driven by a sharp 71.2% sequential fall in IPO/corporate action revenue and a 1.7% QoQ dip in transaction revenue. EBITDA margin contracted to 44.4%, from 52.9% in Q3 due to operating deleverage and elevated technology spends, which rose 41% YoY in Q4 and have grown at a 52% CAGR over the past five years to support infrastructure upgrades (cyber security, disaster recovery etc.), regulatory compliance, and future capacity. Demat account additions were broadly stable at 7.4mn in Q4 (vs 7.6mn last quarter), with CDSL retaining leadership at 80.2% market share and 86% incremental share. CDSL growth will be supported by growth in annuity revenue, e-voting, e-CAS alongside an expected recovery in transactions revenue. The annual issuer charges (annuity revenue) will witness reset in Q1FY27E, with ~20-25% YoY growth in the number of folios. We cut our revenue estimates by ~5% for FY27E/FY28E to reflect weaker IPO/corporate action revenue and slower market-linked growth and reduce EPS by ~7-8% due to higher technology investments, though we still expect revenue/EPS CAGRs of 16%/19% over FY26–28E. We maintain ADD with a TP of INR 1,300, valuing the stock at 42x Mar’28E EPS, with CDSL currently trading at 48x/40x FY27/28E EPS.

Cholamandalam Investment and Finance Company

A good quarter

ADD

CMP *(as on 4 May 2026)*	**INR 1,640**
Target Price	**INR 1,810**
NIFTY	**24,119**

KEY CHANGES	**OLD**	**NEW**
Rating	ADD	ADD
Price Target	INR 1,777	INR 1,810
EPS %	FY27E	FY28E
	3.1%	2.0%

KEY STOCK DATA

Bloomberg code	CIFC IN
No. of Shares (mn)	852
MCap (INR bn) / ($ mn)	1,397/14,696
6m avg traded value (INR mn)	3,114
52 Week high / low	INR 1,832/1,299

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(5.7)	(6.1)	10.2
Relative (%)	2.1	1.3	14.2

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	49.7	49.3
FIs & Local MFs	17.6	19.9
FPIs	26.6	24.9
Public & Others	6.2	6.0
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

CIFC's Q4FY26 earnings were ahead of our estimates, driven by NIM reflation, strong other income, and uptick in disbursements. Disbursements growth (+25% YoY) was driven by vehicle (+26% YoY) and new businesses (+58% YoY). Asset quality improved sequentially, with reducing delinquencies and credit costs (+1.6%) likely to improve further in FY27. CIFC remains a robust franchise with RoE of ~19-20% and AUM growth of ~20-23% over the medium term. However, global uncertainties could provide a downside risk to our estimates, particularly on vehicle finance portfolio (+53.3% of AUM). To that extent, current valuations (3.6x Mar-28 ABVPS) provide limited margin of safety. We revise our FY27E/FY28E earnings estimates due to higher other income and marginally lower credit costs and maintain ADD with a revised RI-based TP of INR 1,810 (implying 3.9x Mar-28 ABVPS).

- **NIM reflation, other income drives strong PPoP growth:** NIMs (reported) improved by 40bps QoQ to 8.4%, driven by lower cost of funds (10bps QoQ) and reflation in yields (+30bps QoQ), and are expected to remain steady in FY27, driven by higher yield from new businesses, as per management. Other income grew by +33% YoY, led by fee income (distribution income, etc.) and assignment income (+22% YoY). Opex ratios remained elevated (3.3% of AUM) due to increasing distribution and CGTMSE-related expenses.
- **Asset quality improves; headwinds ahead:** GS-III/NS-III improved QoQ to 3.0%/1.6% (Q3FY26: 3.4%/2%), with GS-II at 2.5% (Q3FY26: 2.9%), driving lower credit costs of 1.6% (Q3FY26: 1.8%; Q4FY25: 1.4%). Credit costs improved sequentially in vehicle (1.6%) and CSEL portfolio (5.2%) driven by seasonally strong quarter and reducing share of fintech partnerships respectively. While credit costs are likely to improve marginally in FY27, fuel prices, and vehicle demand amidst global uncertainties remain a key headwind in FY27.
- **Robust diversified franchise; limited margin of safety:** CIFC has become a leading robust diversified NBFC with new business segments – SME, SBPL, and CSEL scaling up well gradually with portfolio seasoning and approaching steady state profitability. We expect an uptick in loan growth (~22% AUM CAGR) during FY26-FY28E, along with strong profitability. However, current valuations (3.6x Mar-28 ABVPS) limit any meaningful margin of safety.

Financial summary

Y/E Mar (INR bn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY27E	FY28E
NII	38.6	30.6	*26.2*	35.8	*7.7*	140.0	170.0	207.3
PPOP	29.8	23.3	*28.0*	26.4	*12.9*	105.0	123.8	151.5
PAT	16.4	12.7	*29.5*	12.9	*27.4*	52.2	63.3	78.2
EPS (INR)	19.2	15.0	*27.9*	15.2	*26.3*	61.2	73.9	91.3
ROAE (%)						19.3	18.7	19.1
ROAA (%)						2.3	2.4	2.4
ABVPS (INR)						314.8	384.6	460.7
P/ABV (x)						5.2	4.3	3.6
P/E (x)						26.8	22.2	18.0

Change in estimates

INR bn	FY27E			FY28E		
	Old	New	Chg	Old	New	Chg
AUM	2,734	2,732	-0.1%	3,348	3,349	0.0%
NIM (%)	6.4	6.4	-4 bps	6.5	6.4	-4 bps
NII	169.2	170.0	0.5%	207.6	207.3	-0.2%
PPOP	121.2	123.8	2.1%	149.9	151.5	1.1%
PAT	61.3	63.3	3.3%	76.5	78.2	2.2%
ABVPS (INR)	382	385	0.6%	459	461	0.4%

Source: Company, HSIE Research

Deepak Shinde
deepak.shinde@hdfcsec.com
+91-22-6171-7323

Krishnan ASV
venkata.krishnan@hdfcsec.com
+91-22-6171-7314

Ayush Pandit
ayush.pandit@hdfcsec.com
+91-22-6171-7366

Ambuja Cement

Focus shifts to opex reduction as margin is hit

We maintain BUY with an unchanged TP of INR 580/share (15.5x its consolidated FY28E EBITDA). In Q4FY26, ACEM reported +8/-1% total/LTL volume growth. Unit EBITDA remained flattish QoQ at INR 728/MT amid subdued pricing gain and elevated opex. Given the sharp opex underperformance in H2FY26, ACEM leadership has taken a call to slow down its expansion drive and increase focus on opex reduction (new target INR 500/MT reduction over FY26-28E) and sales channel beef-up. Thus, it also guided for 8% YoY volume growth and lowered the capex guidance for FY27. Factoring in near-term cost volatility, we have lowered FY27/28E EBITDA estimates by 8/2% respectively. However, the impact of the same on valuation is offset by slower capex outgo.

- **Q4FY26 consolidated performance:** Consolidated cement volume rose 8% YoY; LTL volume (ex-Orient) fell 1% YoY. Blended NSR stood flat QoQ. The share of trade sales increased to 74% vs 67/73% QoQ/YoY. The share of premium sales rose to 36% vs 35/29% QoQ/YoY. Blended opex remained flat QoQ as the fall in input costs got offset by higher freight cost and elevated other expenses. Thus, unit EBITDA remained weak and flattish at INR 728/MT.
- **FY26 performance:** Total volume rose 15% YoY, of which LTL growth stood at 5% YoY. Blended NSR rose 3% YoY, which drove 11% rise in unit EBITDA to INR 872/MT, as opex rose 2% YoY. Thus, EBITDA rose 27% YoY to INR 65.2bn. However, increase in non-core working capital pulled down OCF to INR 54bn and ACEM spent INR 125bn toward organic expansion and Orient acquisition. Thus, net cash reduced to INR 9bn vs INR 95bn YoY.
- **Outlook and view:** ACEM guided that it will slow down on upcoming expansion and increase focus on opex reduction and channel beefing to bolster margin, which has been hit hard in H2FY26. It will add 10mn MT capacity and spend ~INR 65bn in capex in FY28E. It also guided to deliver ~8% YoY volume growth in FY27E and its target to reduce opex by ~INR 250/MT each in FY27/28E to INR 4,000/MT. Factoring in subdued Q4 performance and cautious FY27 outlook, we lower our FY27/28E EBITDA estimates by 8/2% respectively. For FY26-28E, we model a 9% volume CAGR and a rebound in unit EBITDA to INR 1,160/MT in FY28E vs INR 872/MT in FY26. As we have also lowered capex numbers, our target price remains unchanged.

Consolidated financial summary

YE Mar (INR bn)	Q4 FY26	Q4 FY25	YoY (%)	Q3 FY26	QoQ (%)	FY24	FY25	FY26P	FY27E	FY28E
Sales (mn MT)	20.10	18.66	*7.7*	18.94	*6.1*	59.20	65.22	74.72	80.69	89.57
NSR (INR/MT)	5,431	5,349	*1.5*	5,426	*0.1*	5,601	5,246	5,441	5,659	5,716
EBITDA(INR/MT)	728	1,001	*(27.2)*	714	*1.9*	1,081	789	872	949	1,160
Net Sales	109.15	99.81	*9.4*	102.77	*6.2*	331.60	342.18	406.56	456.64	511.94
EBITDA	14.64	18.68	*(21.6)*	13.53	*8.2*	63.99	51.44	65.16	76.61	103.89
APAT	21.20	8.64	*145.4*	1.49	*1,327.1*	31.48	23.98	33.11	25.85	42.93
AEPS (INR)	8.6	3.5	*144.6*	0.6	*1,327.1*	14.3	9.7	13.4	9.2	15.3
EV/EBITDA (x)						21.8	28.8	25.3	16.4	12.2
EV/MT (INR bn)						17.84	16.36	15.19	10.57	9.45
P/E (x)						43.1	56.6	41.0	48.4	29.1
RoE (%)						7.0	4.2	4.9	3.5	5.7

Source: Company, HSIE Research

BUY

CMP *(as on 04 May 2026)*	INR 445
Target Price	INR 580
NIFTY	24,119

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 580	INR 580
EBITDA revision %	FY27E *(8.0)*	FY28E *(1.7)*

KEY STOCK DATA	
Bloomberg code	ACEM IN
No. of Shares (mn)	2,472
MCap (INR bn) / ($ mn)	1,101/11,575
6m avg traded value (INR mn)	1,207
52 Week high / low	INR 625/394

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(17.1)	(21.5)	(16.2)
Relative (%)	(9.3)	(14.1)	(12.2)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	67.68	67.68
FIs & Local MFs	19.64	19.86
FPIs	5.80	5.87
Public & Others	6.88	6.59
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

Rajesh Ravi
rajesh.ravi@hdfcsec.com
+91-22-6171-7352

Keshav Lahoti
keshav.lahoti@hdfcsec.com
+91-22-6171-7353

Riddhi Shah
riddhi.shah@hdfcsec.com
+91-22-6171-7359

Mahesh Nagda
mahesh.nagda@hdfcsec.com
+91-22-6171-7319

Aditya Birla Capital

Steady performance; limited margin of safety

ABCAP reported strong AUM growth in the flagship NBFC business, with steady performance across most subsidiaries. ABSLAMC's equity AUM grew by +17% YoY with improving SIP contribution, although sustainability remains key. ABSLI's VNB margin improved by 260bps YoY, driven by a favorable product mix, although profitability was relatively subdued (RoEV at 13.2%). ABHI sustained its growth momentum, with limited visibility of breakeven in profitability. ABHFL reported strong AUM growth (+53% YoY), with further high growth aspirations post the equity infusion. We revise our earnings estimates across businesses and maintain ADD with a revised SOTP-based TP of INR 365 (standalone entity at 2x Mar-28 ABVPS; ABSLI at 1.5x Mar-28 IEV; ABHFL at 1.7x Mar-28 ABVPS).

- **Flagship NBFC — strong growth; steady profitability:** ABCAP's AUM growth improved to 26.6% YoY, driven by strong disbursements growth (+28% YoY), led by personal & consumer and unsecured segments. NIMs moderated marginally by 5bps QoQ to 6.1% due to lower yields. Asset quality improved QoQ with GS-II/GS-III at 1.1%/1.33% (Q3FY26: 1.29%/1.51%) and credit costs at 1%. Core profitability remained steady with RoA at 2.31%.
- **HFC business — equity infusion to drive next leg of growth:** ABHFL reported strong AUM/disbursements growth of 53%/37% YoY, driven by all segments. Operating efficiency continued to improve with opex to AUM at 2% vs. 2.6% in Q4FY25 and 2.1% in Q3FY26 and C/I at 46%, driving RoA/RoE of 1.9%/14.6%. With equity infusion by Advent International in Apr-26, ABHFL is poised for sustained strong growth during FY27-FY28E.
- **Life insurance — improving performance:** ABSLI's VNB margin improved significantly YoY (+260bps) to 20.6% for FY26 due to a shift in the product mix toward non-ULIPs (share of ULIPs down by 200bps YoY). Proprietary channel growth slowed down significantly to 3% in FY26, indicating strong focus on a balanced product mix.
- **ABSLAMC – improving flows; ABHI – high growth, muted profitability:** ABSLAMC reported -4% decline in core sequential revenue driven by decline in equity markets and continued to lose market share, however ABSLAMC witnessed healthy uptick in SIP flows in Q4 although sustainability remains the key. ABHI continued the growth momentum in FY26 (GWP growth of 39% YoY), gaining market share (13.7% among SAHI's). Profitability improved in FY26 with COR at 103% (FY25: 105%).

Financial summary (Standalone)

Y/E Mar (INR bn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY27E	FY28E
NII	18.9	15.3	*23.4*	17.9	*5.4*	70.4	85.2	103.6
PPOP	14.1	12.3	*14.7*	14.1	*(0.1)*	57.4	72.6	87.1
PAT	7.8	6.5	*18.9*	7.4	*5.0*	31.1	39.2	47.3
EPS (INR)	2.9	2.5	*18.1*	2.8	*5.0*	11.9	15.0	18.1
ROAE (%)						11.5%	12.8%	13.6%
ROAA (%)						2.0%	2.1%	2.1%
ABVPS (INR)						80.3	93.3	108.2
P/ABV (x)						2.4	2.1	1.8
P/E (x)						17.8	14.2	11.6

Change in estimates

INR bn	FY27E			FY28E		
	Old	New	Chg	Old	New	Chg
AUM	1,898	1,948	2.7%	2,291	2,353	2.7%
NIM (%)	4.6	4.6	-3 bps	4.6	4.6	-4 bps
NII	85.3	85.2	-0.1%	103.5	103.6	0.1%
PPOP	70.6	72.6	2.9%	84.7	87.1	2.8%
PAT	37.7	39.2	4.0%	45.8	47.3	3.4%
ABVPS (INR)	90	93	3.3%	105	108	2.7%

Source: Company, HSIE Research

ADD

CMP *(as on 04 May 2026)*	INR 346
Target Price	INR 365
NIFTY	24,119

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR356	INR365
EPS %	FY27E	FY28E
	3.5%	2.9%

KEY STOCK DATA	
Bloomberg code	ABCAP IN
No. of Shares (mn)	2,621
MCap (INR bn) / ($ mn)	906/9,531
6m avg traded value (INR mn)	2,024
52 Week high / low	INR 369/186

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(0.2)	4.3	74.6
Relative (%)	7.6	11.8	78.6

SHAREHOLDING PATTERN (%)	Dec-25	Mar-26
Promoters	68.6	68.5
FIs & Local MFs	14.7	13.8
FPIs	5.8	7.7
Public & Others	10.9	10.0
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

Krishnan ASV
venkata.krishnan@hdfcsec.com
+91-22-6171-7314

Deepak Shinde
deepak.shinde@hdfcsec.com
+91-22-6171-7323

Shobhit Sharma
shobhit.sharma@hdfcsec.com
+91-22-6171-7341

Ayush Pandit
ayush.pandit@hdfcsec.com
+91-22-6171-7366

Godrej Properties

The inflection story gets clearer

Godrej Properties Ltd (GPL) reported presales of INR 101.6bn (+20.7/flat YoY/QoQ), with a booking area of 7.3msf (-2.9%/+13.5% YoY/QoQ). GPL delivered 7.4/12.1msf of projects in Q4FY26/FY26. GPL added 18 new projects with a GDV of INR 421bn in FY26 (achieving >2x of targeted guidance for FY26). GPL has laid out a presales target of INR 390bn (15% YoY) for FY27, backed by a strong launch pipeline worth over INR 480bn. Management highlighted that AI-driven demand concerns may be overdone, citing GCC strength, and attributed NCR's FY26 dip entirely to launch slippages, expressing confidence in a recovery to above INR 100bn in FY27; pricing was characterised as rational across markets. With a strong balance sheet, prudent capital discipline, and no near-term equity dilution planned, GPL intends to deliver 20% RoE from FY28, led by strong execution, rising share of better margins projects moving into revenue recognition and margin accretion from premium launches. Construction cost inflation of 5-6% is seen as manageable via modest price hikes and forward contracts, with construction spending expected to sustain double-digit growth. Given robust presales outperformance, new launches, and stable underlying demand, we believe that GPL has all triggers in place for a rerating. We maintain BUY with an increased TP of INR 2,194/sh (building in NAV growth premium of 15% as accelerating monetization, rising FCF visibility, and a clear path to 20% RoE by FY28 warrant a structural rerating).

- **Q4FY26 financial highlights:** Revenue came in at INR 34.5bn (+63.2%/+6x YoY/QoQ, a miss by 13.3%). EBITDA: INR 5.2bn (vs INR +1.1bn/-1.8bn Q4FY25/Q3FY26) against an estimated EBITDA of INR 4bn. APAT: INR 6.4bn (+71.1%/+149.2% YoY/QoQ, a beat of 60%).
- **Strong demand drives presales momentum:** Presales for Q4FY26 stood at INR 101.6bn (+20.7%/flat YoY/QoQ), with a booking area of 7.3msf (-2.9%/+13.5% YoY/QoQ). This was led by strong demand in some key new project launches, largely led by Godrej Aveline at Bengaluru (INR 16bn), followed by Noida and MMR launch. For FY27, GPL has guided a target of c.15% presales growth on the back of robust launches planned for the next fiscal, which spans across cities like NCR (Gurugram, Ashok Vihar Delhi), Mumbai (Bandra, Worli, Vikhroli), Bengaluru, Hyderabad, Pune, and several other.
- **Strong collection helped lower debt:** GPL net debt decreased to INR 64.1bn (vs INR 68.7bn QoQ) and net D/E fell to 0.33x vs 0.37x QoQ. In FY26, GPL added 18 new projects with a saleable area of 33.3msf and a GDV of INR 421bn (achieving >2x of INR 200bn targeted for FY26).

Consolidated financial summary (INR mn)

YE March	4QFY26	4QFY25	YoY (%)	3QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E
Net Sales	34,581	21,217	63	4,984	594	49,228	51,314	64,143	88,517
EBITDA	5,222	1,100	375	(1,827)	(386)	444	-4,166	3,145	11,504
APAT	6,459	3,784	71	2,597	149	13,798	18,407	20,144	25,388
Diluted EPS (Rs)	21.5	12.6	70.7	8.6	149	45.8	61.1	66.9	84.3
P/E (x)						36.7	27.5	25.1	19.9
EV / EBITDA (x)						1,217.0	(129.5)	158.0	39.8
RoE (%)						9.9	9.8	8.2	7.4

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY27E			FY28E		
	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	64,143	70,766	(9)	88,517	91,996	(4)
EBITDA	3,145	1,929	63	11,504	12,119	(5)
EBITDA (%)	4.9	2.7	218	13.0	13.2	(18)
APAT	20,144	11,859	69.9	25,388	18,033	40.8

Source: Company, HSIE Research

BUY

CMP *(as on 4 May 2026)*	INR 1,900
Target Price	INR 2,194
NIFTY	24,119

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,008	INR 2,194
EPS Change %	FY27E	FY28E
	69.9	*40.8*

KEY STOCK DATA	
Bloomberg code	GPL IN
No. of Shares (mn)	301
MCap (INR bn) / ($ mn)	572/6,018
6m avg traded value (INR mn)	2,005
52 Week high / low	INR 2,507/1,434

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	11.0	(17.2)	(15.5)
Relative (%)	18.8	(9.7)	(11.5)

SHAREHOLDING PATTERN (%)	Dec-25	Mar-26
Promoters	47.17	51.66
FIs & Local MFs	10.78	8.19
FPIs	28.15	26.17
Public & Others	13.92	13.98
Pledged Shares	-	-

Source: BSE

Parikshit D Kandpal, CFA
parikshitd.kandpal@hdfcsec.com
+91-22-6171-7317

Jay Shah
jay.Shah1@hdfcsec.com
+91-22-6171-7353

Aditya Sahu
aditya.sahu@hdfcsec.com
+91-22-6171-7338

Ather Energy

Key inflection point beyond the near-term RM pressure

While the current volume inflection is being led by dealership expansion, the next inflection from FY28 will be led by portfolio expansion via its upcoming low-cost EL platform, which will also add more affordable models to the portfolio and help expand the addressable market. However, there is likely to be some pressure on the gross margin over the next couple of quarters, given the uncertain geopolitical situation. Having said that, it continues to impress with its capability to enhance its products via R&D, scale volumes, and increase market share along with margin improvement (that too without PLI). We value the company at 6.0x EV/sales for a TP of INR1,058; maintain BUY. It continues to be our top pick.

- **Quarterly performance:** EBITDA margin at -5.9% improved by 1,958bps YoY and 163bps QoQ, was a beat to our estimate of -7.0%, though in line to Bloomberg consensus estimate of -5.8%. EBITDA margin improvement was also driven by operating leverage and increase in non-vehicle revenue contribution. Gross margin came in at 23.0%, improving 636bps YoY and 101bps QoQ, despite rising commodity costs, as management took pre-emptive steps to secure supply, and was also aided via value engineering. It has expanded the total store count by 100 stores over Q4FY26 to 700 stores. A reasonable part of the store expansion has come from the Middle India region: Gujarat, Maharashtra, Madhya Pradesh, Chhattisgarh, and Odisha.
- **Update on the upcoming EL platform:** It indicated that the product launch on the new EL platform is expected during the key festive season around the Diwali of 2026. Bulk of the production will follow at the new plant in Sambhajinagar from FY28. It indicated that the EL platform would have a better cost structure, also aided by new technologies: charge drive controller (reducing the size of the charger), larger wheel sets, AEBS (which mimics the ABS like braking experience at a fraction of the cost), replacing aluminium frame with steel frame, and a much simple transmission system.
- **Update on the new plant:** The new plant is being set up with a planned capacity of 1mn units p.a., with the phase 1 capacity of 0.5mn units expected to commence operations by the end of Q3FY27. The plant is also more vertically integrated, and includes processes like battery pack assembly, transmission assembly, painting, electronics assembly, etc. It would also help reduce logistic cost in catering to customers in middle and north India.
- **RM inflation headwinds looming:** Management highlighted that since the commodity prices are continuing to rise, there would be pressure on the gross margin in the coming quarters, though which it believes to be only transient. While it has already taken a price hike of INR 1-1.5k in Q4 and another INR 2.5k in April 2026, it is seeking to take another hike over the next few months.

Quarterly/Annual financial summary

YE Mar (INR mn)	4QFY26	4QFY25	YoY (%)	3QFY26	QoQ (%)	FY26	FY27E	FY28E
Net Sales	11,747	6,761	73.7	9,536	23.2	36,718	49,061	66,063
EBITDA	-696	-1,724	NA	-720	NA	-4,084	-2,834	2,081
EBITDA %	-5.9	-25.5	1958bps	-7.6	163bps	-11.1	-5.8	3.1
APAT	-1,002	-2,344	NA	-796	NA	-5,121	-4,486	-353
EPS (INR)	-2.6	-6.3	NA	-2.2	NA	-13.4	-11.7	-0.9
EV/Sales (x)						9.5	7.2	5.3

Source: Company, HSIE Research

BUY

CMP *(as on 4 May 2026)*	INR 934
Target Price	INR 1,058
NIFTY	24,119

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,033	INR 1,058
	FY27E	FY28E
Revenue %	+2.2%	+4.3%

KEY STOCK DATA	
Bloomberg code	ATHERENE IN
No. of Shares (mn)	383
MCap (INR bn) / ($ mn)	357/3,759
6m avg traded value (INR mn)	2,682
52 Week high / low	INR 971/287

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	34.2	40.0	-
Relative (%)	42.0	47.4	-

SHAREHOLDING PATTERN (%)	Dec-25	Dec-25
Promoters	40.86	40.77
FIs & Local MFs	28.10	28.98
FPIs	17.46	17.22
Public & Others	13.58	13.03
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

Hitesh Thakurani
hitesh.thakurani@hdfcsec.com
+91-22-6171-7350

Shubhangi Kejriwal
shubhangi.kejriwal@hdfcsec.com
+91-22-6171-7327

CDSL

Weak quarter; investing in technology

CDSL reported a weak quarter, with revenue declining 13.6% QoQ, below estimates, and PAT at INR 0.80bn versus INR 1.18bn expected, driven by a sharp 71.2% sequential fall in IPO/corporate action revenue and a 1.7% QoQ dip in transaction revenue. EBITDA margin contracted to 44.4%, from 52.9% in Q3 due to operating deleverage and elevated technology spends, which rose 41% YoY in Q4 and have grown at a 52% CAGR over the past five years to support infrastructure upgrades (cyber security, disaster recovery etc.), regulatory compliance, and future capacity. Demat account additions were broadly stable at 7.4mn in Q4 (vs 7.6mn last quarter), with CDSL retaining leadership at 80.2% market share and 86% incremental share. CDSL growth will be supported by growth in annuity revenue, e-voting, e-CAS alongside an expected recovery in transactions revenue. The annual issuer charges (annuity revenue) will witness reset in Q1FY27E, with ~20-25% YoY growth in the number of folios. We cut our revenue estimates by ~5% for FY27E/FY28E to reflect weaker IPO/corporate action revenue and slower market-linked growth and reduce EPS by ~7-8% due to higher technology investments, though we still expect revenue/EPS CAGRs of 16%/19% over FY26–28E. We maintain ADD with a TP of INR 1,300, valuing the stock at 42x Mar'28E EPS, with CDSL currently trading at 48x/40x FY27/28E EPS.

- **Q4FY26 highlights**: CDSL revenue was down 13.6% QoQ albeit up 17.1% YoY. Total revenue of INR 2.63bn was lower vs our estimate of INR 2.92bn, due to 71.2% QoQ decline in IPO revenue along with a 1.7% QoQ decline in transaction revenue. This impact was partly offset by e-voting, CAS income, and annual issuer charges, which increased 2.1/0.9% QoQ. On the cost side, employee cost decreased by 11.1% QoQ while technology expenses and operating expenses increased by 12.0/3.5% QoQ. CDSL's EBITDA margin contracted sharply by 849/431bps QoQ/YoY to 44.4% because of the increased tech spending and fall in revenue. Other income fell sharply by 81.1% QoQ due to M2M impact and stood at INR 0.06bn. ETR for the quarter stood at 22.4% vs 22.5% in Q3FY26 and APAT stood INR 0.80bn, down 39.8% QoQ.
- **Outlook:** We expect revenue growth of +15/17% and an EBITDA margin of 51.5/53.2 for FY27/28E. The 16% CAGR over FY26-28E assumes 27/6/-5/17/14% CAGRs in annual issuer charges/transaction/IPO & corporate action/online data charges/e-CAS & e-voting revenue. Core PAT CAGR over FY26-28E is at +17%.

Quarterly financial summary

YE March (INR mn)	4Q FY26	4Q FY25	YoY (%)	3Q FY26	QoQ (%)	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Revenues	2,628	2,244	*17.1*	3,044	*(13.6)*	5,551	8,123	10,822	11,449	13,180	15,390
EBITDA	1,168	1,094	*6.7*	1,610	*(27.5)*	3,233	4,894	6,243	5,858	6,783	8,188
APAT	802	1,003	*(20.0)*	1,333	*(39.8)*	2,759	4,191	5,266	4,561	5,401	6,471
Diluted EPS (INR)	3.8	4.8	*(20.0)*	6.4	*(39.8)*	13.2	20.1	25.2	21.8	25.8	31.0
P/E (x)								49.3	56.9	48.1	40.1
EV / EBITDA (x)								39.1	41.6	35.6	29.1
RoE (%)						23.9	31.3	32.7	24.5	26.1	28.1
Cash/Mcap (%)						3.4	3.7	4.7	4.6	5.4	6.2

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

INR Mn	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	13,874	13,180	*-5.0*	16,138	15,390	*-4.6*
EBITDA	7,241	6,783	*-6.3*	8,740	8,188	*-6.3*
EBITDA margin (%)	52.2	51.5	-73bps	54.2	53.2	-95bps
APAT	5,832	5,401	*-7.4*	7,021	6,471	*-7.8*
EPS (INR)	27.9	25.8	*-7.4*	33.6	31.0	*-7.8*

Source: Company, HSIE Research

ADD

CMP *(as on 4 May 2026)*	INR 1,238
Target Price	INR 1,300
NIFTY	24,119

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,400	INR 1,300
EPS %	FY27E	FY28E
	-7.4%	-7.8%

KEY STOCK DATA	
Bloomberg code	CDSL IN
No. of Shares (mn)	209
MCap (INR bn) / ($ mn)	259/2,722
6m avg traded value (INR mn)	2,581
52 Week high / low	INR 1,829/1,116

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(9.4)	(19.5)	(6.8)
Relative (%)	(1.6)	(12.1)	(2.8)

SHAREHOLDING PATTERN (%)	Dec-25	Mar-26
Promoters	15.00	15.00
FIs & Local MFs	15.12	14.42
FPIs	12.40	11.36
Public & Others	57.49	59.22
Pledged Shares	0.00	0.00

Source : NSE

Pledged shares as % of total shares

Amit Chandra
amit.chandra@hdfcsec.com
+91-22-6171-7345

Arjun Savla
arjun.savla@hdfcsec.com
+91-22-6171-7339

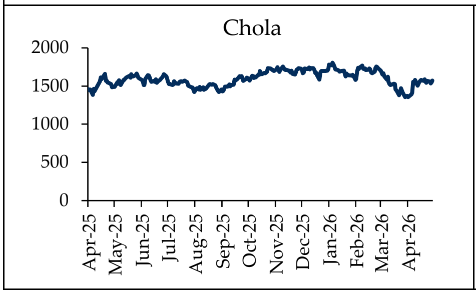
Rating Criteria

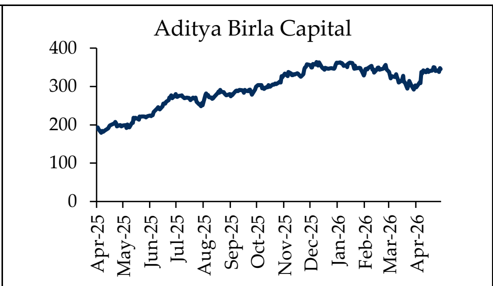
BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

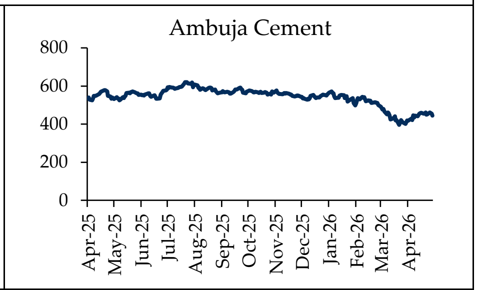
Disclosure:

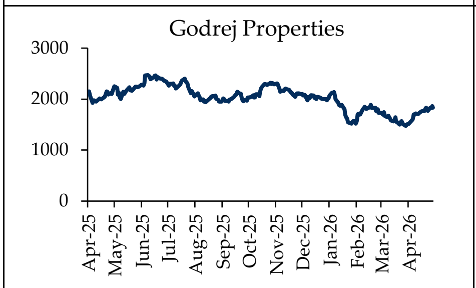
Analyst	Company Covered	Qualification	Any holding in the stock
Deepak Shinde	Aditya Birla Capital		NO
Deepak Shinde	Cholamandalam Investment and Finance Company	PGDM	YES
Krishnan ASV	Cholamandalam Investment and Finance Company, Aditya Birla Capital	PGDM	NO
Ayush Pandit	Cholamandalam Investment and Finance Company, Aditya Birla Capital	CA	NO
Shobhit Sharma	Aditya Birla Capital	CA	NO
Rajesh Ravi	Ambuja Cement	MBA	NO
Keshav Lahoti	Ambuja Cement	CA, CFA	NO
Riddhi Shah	Ambuja Cement	MBA	NO
Mahesh Nagda	Ambuja Cement	CA	NO
Parikshit Kandpal	Godrej Properties	CFA	NO
Aditya Sahu	Godrej Properties	MBA	NO
Jay Shah	Godrej Properties	CA	NO
Hitesh Thakurani	Ather Energy	MBA	NO
Shubhangi Kejriwal	Ather Energy	MSc	NO
Amit Chandra	CDSL	MBA	NO
Arjun Savla	CDSL	CA	NO

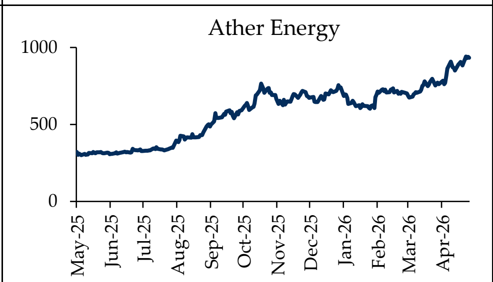
Price movement

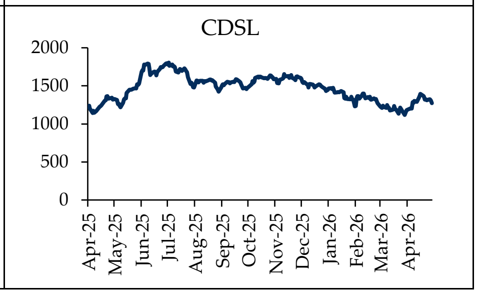












Disclosure:
Authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.
Research Analyst or his/her relative or HDFC Securities Ltd. does not have any financial interest in the subject company. Also Research Analyst or his relative or HDFC Securities Ltd. or its Associate may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Further Research Analyst or his relative or HDFC Securities Ltd. or its associate does have/does not have any material conflict of interest.

HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH000002475.

Disclaimer:
This report has been prepared by HDFC Securities Ltd and is solely for information of the recipient only. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite or the particular circumstances of an individual investor; readers are requested to take professional advice before investing. This report may have been refined using AI tools to enhance clarity and readability.
Nothing in this document should be construed as investment advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in securities of the companies referred to in this document (including merits and risks) and should consult their own advisors to determine merits and risks of such investment. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete. HSL is not obliged to update this report for such changes. HSL has the right to make changes and modifications at any time.
This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction.
If this report is inadvertently sent or has reached any person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.
Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk. It should not be considered to be taken as an offer to sell or a solicitation to buy any security.
This document is not, and should not, be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments. This report should not be construed as an invitation or solicitation to do business with HSL. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.
HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.
HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report. As regards the associates of HSL please refer the website.
HSL or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.
HSL or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.
HSL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither HSL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.
Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.
Please note that HDFC Securities has a proprietary trading desk. This desk maintains an arm's length distance with the Research team and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.
HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066
Compliance Officer: Murli V Karkera Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600
For grievance redressal contact Customer Care Team Email: customercare@hdfcsec.com Phone: (022) 3901 9400
HDFC Securities Limited, SEBI Reg. No.: NSE, BSE, MSEI, MCX: INZ000186937; AMFI Reg. No. ARN: 13549; PFRDA Reg. No. POP: 11092018; IRDA Corporate Agent License No.: CA0062; SEBI Research Analyst Reg. No.: INH000002475; SEBI Investment Adviser Reg. No.: INA000011538; CIN - U67120MH2000PLC152193
Investment in securities market are subject to market risks. Read all the related documents carefully before investing.
Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.
Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

HDFC Securities
Institutional Equities
Unit No. 1602, 16th Floor, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
Board: +91-22-6171-7330 www.hdfcsec.com