

RESEARCH**GAIL | TARGET: Rs 147 | -9% | SELL**

Performance below expectations on LNG-price volatility

DIVI'S LABS | TARGET: Rs 7,500 | +9% | HOLD

Margin headwinds to persist in near term

BOB ECONOMICS RESEARCH | RBI DIVIDEND

RBI dividend at record high

SUN PHARMA | TARGET: Rs 2,124 | +15% | BUY

Higher R&D spend leads to better sales across geographies

HINDALCO INDUSTRIES | TARGET: Rs 1,134 | +2% | HOLD

Results beat expectations on better Novelis performance

EICHER MOTORS | TARGET: Rs 7,431 | +6% | HOLD

Riding the premium wave; priced-in valuations; HOLD

AUROBINDO PHARMA | TARGET: Rs 1,686 | +15% | BUY

In-line estimates; growth drivers intact

PRESTIGE ESTATES PROJECTS | TARGET: Rs 1,731 | +25% | BUY

Robust performance; construction costs weighing on margins

THE RAMCO CEMENTS | TARGET: Rs 760 | -17% | SELL

Efficiencies impact the show; more challenges await; SELL

WEWORK INDIA MANAGEMENT | TARGET: Rs 765 | +35% | BUY

Higher utilisation and a larger footprint drove record revenues



SUMMARY

GAIL

- Revenue & EBITDA declined by 2.4%YoY and 58.9%YoY respectively impacted by Gas-transmission volumes and LNG prices volatility
- Outlook remains subdued and contingent on normalisation of LNG supply and recovery in gas marketing business
- Reduce to SELL; considering FY26 performance and rollover to Mar'28E, we reduce TP to Rs147 from Rs153

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

DIVI'S LABS

- Sales/EBITDA /PAT reported 3.4%/10%/1 below our estimates. EBITDA Margin was reported 235 bps below our estimates at 33%
- EBITDA Margin outlook for FY27 IS flat at 32%, due to RM supply availability issues arising from the Middle-East crisis
- We continue to ascribe 56x and roll forward to Mar'28 EPS to arrive at TP of Rs 7500; implying 9% upside; to Hold

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

INDIA ECONOMICS: RBI DIVIDEND

RBI declared a record Rs. 2.9 lakh crores surplus transfer to the government in FY26, compared with Rs. 2.7 lakh crores in FY25. The higher surplus can be attributed to revaluation gains on forex reserves. The current INR/USD rate is also higher than historical averages, hence the valuation gains is attributing to higher surplus. The other part may be due to interest earning on holding of rupee securities, due to record high OMO purchase by RBI in FY26. The higher surplus is positive in terms of maintaining the targeted fiscal deficit, especially at a time when elevated geopolitical risks have caused a pressure on exchequer.

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

SUN PHARMA

- Sales/EBITDA/PAT came 1.4%/-13.5%/-4.3% below estimates. Gross Margin was 103 bps higher; EBITDA Margin 416 bps below estimates
- Excluding new indication, Ilumya sales can clock USD 1.2bn by FY29E and global innovative sales can clock USD 2.2bn by FY29E
- We maintain estimates, continue to ascribe 34x PE and roll forward to Mar'28 EPS to arrive at TP of Rs 2,124 (earlier Rs 2109). Maintain BUY

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

HINDALCO INDUSTRIES

- Revenue grew by 20.4%YoY driven by India revenue and Novelis business. All segments reported improvement in EBITDA
- Outlook positive, given the improved domestic demand and incremental volumes from expansion projects over FY27-FY29E
- Reduce to HOLD from BUY, considering the sharp stock performance in recent times. We raise TP to Rs1,134, based on Mar'28E EBITDA

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

EICHER MOTORS

- Premium demand and refreshed portfolio traction drive revenue (SA) growth of ~16% YoY; FY26 RE volumes cross 1.2mn units
- Stable gross margins (~44%), despite elevated commodity inflation; calibrated price hike (1.75% in April) to help offset inflationary pressure
- Cut FY27/FY28 EBITDA estimates. We continue to assign 30x P/E and roll forward to arrive at SOTP-based TP of Rs7,431 (Rs 6,931). HOLD

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

AUROBINDO PHARMA

- Sales/EBITDA/PAT were reported 1.4%/-0.3%/5.6% above our estimates. EBITDA margin came 34 bps lower than our estimates
- EBITDA margin was guided North of 21% in FY27 vs 20.4% in FY26; aided by a healthy product mix and backward integration
- Due to doubling of PAT CAGR to 18% from FY27-29 vs 9% fromFY24-26; We Increase ascribed PE to 20x on Mar'28 EPS, TP of Rs 1,686

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

PRESTIGE ESTATES PROJECTS

- Reported FY26 EPS of Rs 27.76 — missing our estimates by -10.4%, dragged down by higher operating expenses (construction costs)
- Over FY26, delivered higher YoY growth in sales (+63.9%), collections (+50.6%), launches (+24.2%) and completions (+499%), vs FY21-FY25
- Higher growth in revenues to support valuation; construction costs to weigh on margins; lower TP to Rs 1,731 from (Rs 1,928), maintain BUY

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

THE RAMCO CEMENTS

- Volume growth in lower single digits at ~4% YoY. Eastern exposure helps pricing recovery ~5% YoY (2% QoQ), supports revenue growth
- EBITDA rose ~16% YoY, aided by improved operating leverage only respite that partially offsets persistent cost inflation
- Revise down FY27E/FY28E EBITDA, as cost inflation only on a rise assign 10x multiple and revise TP to Rs760 (vs Rs830). Maintain SELL

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

WEWORK INDIA MANAGEMENT

- Reported FY26 EPS of 5.40, beating our estimates by ~77%, on the back of a larger footprint (8.6msf) and substantially higher utilisation (86.9%)
- FY26 revenues grew +23.4% YoY; EBITDA was higher +23.1% YoY and Adj. EBITDA margins improved to ~22% (+980bps YoY)
- Larger operational area and improved utilisation to drive revenues; expect the stock to trade at 9.0x Adj. EBITDA. Maintain BUY at Rs 765

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

SELL
 TP: Rs 147 | ▼ 9%

GAIL

| Oil & Gas

| 22 May 2026

Performance below expectations on LNG-price volatility

- Revenue & EBITDA declined by 2.4%YoY and 58.9%YoY respectively impacted by Gas-transmission volumes and LNG prices volatility
- Outlook remains subdued and contingent on normalisation of LNG supply and recovery in gas marketing business
- Reduce to SELL; considering FY26 performance and rollover to Mar’28E, we reduce TP to Rs147 from Rs153

Sukhwinder Singh
 Research Analyst
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Operational performance below expectations: GAIL reported standalone revenue at Rs347bn (-2.6% YoY, +2.1%QoQ) — in line with our estimates. EBITDA at Rs18bn (-43.2% YoY, -31.2% QoQ), was 36% below our estimates. EBITDA performance was a miss, due to lower-than-expected performance in gas marketing, which reported losses and higher gas cost to petchem business.

Gas transmission performance: Volumes performance showed a 1.7% decline to 119mmscmd in Q4FY26 from 121mmscmd in Q4FY25. It was 125mmscmd in Q3FY26. The YoY decline is because low offtake by refineries, power and fertiliser sectors, owing to the increase in spot LNG prices. Management expect volumes to improve gradually, with normalisation in LNG supply.

Petchem business continues to incur losses: Volumes fell 21.4%YoY to 180TMT v/s 229TMT in Q4FY25. Petchem business reported EBIT loss of Rs3,777mn in Q4FY26 vs a loss of Rs1,580mn in Q4FY25. Prices of polypropylene end products remain weak, which impacted profitability.

Outlook : Environment remains weak in terms of constraints on gas supply from the Middle East and the increase in spot LNG prices. LNG prices increased to USD23/mmbtu from USD12/mmbtu in Mar’26. Current spot prices have come down to USD16-17/mmbtu. Uncertainty remains on the availability and normalisation of prices that are contingent upon the Middle-East conflict. This will have a bearing on the in gas transmission volumes, improvement in gas marketing business as well as the profitability of the Petchem business.

Capex: GAIL incurred a capex of Rs96bn in FY26 vs Rs79bn in FY25.

Reduce to SELL; reduce TP: We believe that GAIL’s Petchem business is likely to stay weak in the near term. Considering the performance in FY26 and rollover to Mar’28E, reduce to SELL from HOLD and reduce TP to Rs147 from Rs153; on SoTP-based EV/EBITDA of 5.5-6.5x for the business segments on Mar’28E EBITDA.

Key changes

Target	Rating
▼	▼

Ticker/Price	GAIL IN/Rs 161
Market cap	US\$ 11.2bn
Free float	48%
3M ADV	US\$ 21.8mn
52wk high/low	Rs 203/Rs 134
Promoter/FPI/DII	52%/13%/21%

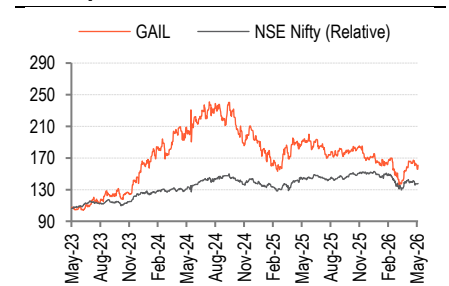
Source: NSE | Price as of 22 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	1,415,977	1,474,501	1,556,104
EBITDA (Rs mn)	115,101	151,098	176,256
Adj. net profit (Rs mn)	75,825	102,839	111,659
Adj. EPS (Rs)	11.5	15.6	17.0
Adj. ROAE (%)	8.7	11.3	11.6
Adj. P/E (x)	13.9	10.3	9.5
EV/EBITDA (x)	10.5	8.3	7.2
Adj. EPS growth (%)	25.8	(39.1)	35.6

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



HOLD
 TP: Rs 7,500 | ▲ 9%

DIVI'S LABS

| Pharmaceuticals

| 24 May 2026

Margin headwinds to persist in near term

- Sales/EBITDA /PAT reported 3.4%/10%/1 below our estimates. EBITDA Margin was reported 235 bps below our estimates at 33%
- EBITDA Margin outlook for FY27 IS flat at 32%, due to RM supply availability issues arising from the Middle-East crisis
- We continue to ascribe 56x and roll forward to Mar'28 EPS to arrive at TP of Rs 7500; implying 9% upside; to Hold

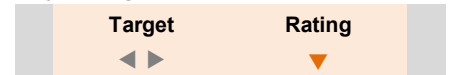
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Earnings Miss: Divi's Laboratories (DIVI) reported sales growth of 9.5% YoY to Rs 28.3 bn in Q4FY26. Sales grew on the back of 15.8% YoY growth in the Custom Synthesis, 0.3% YoY growth in the generic API and 17% YoY growth in the Nutraceuticals segments. RM cost grew by 14% YoY to Rs 11.2bn, contributing to 39.5% of sales in 4QFY26 vs 37.9% of sales in 4QFY25. Thus, gross profit increased by 7% YoY, while gross margin declined by 158 bps YoY to 60.5%. Employee costs went up by 9% YoY and Other expenses grew by 7.9% YoY. Therefore, EBITDA increased merely by 5.4% YoY to Rs 9.3bn, while EBITDA Margin decreased by 128bps YoY to 33%. Other Income was up 80% YoY and 76% QoQ to Rs 1.55bn; thereby leading to 11% YoY and 12.8% QoQ growth in PBT to Rs 9.6bn. Tax rate for QFY26 was 22% vs 23.4% in 4QFY25 and 23.1% in Q3FY26. Thus, PAT grew by 13.3% YoY to Rs 7.5bn.

Custom Synthesis growth on product diversification: The segment grew 12.5% below our estimates and reported growth of 15.8% to Rs 15.2bn. The growth was driven by commercialisation of diversified products including supplying iodine-based products to the innovators. In the peptide segment too, the company validated several fragments of amino acids. The company has invested both in solid peptides and liquid peptides to support customers across the developmental phase. Currently, the company is working on several late-stage products like 1) Gallidium compound, which is currently in Phase 3, 2) late life cycle management of a drug and 3) 3 long-term supply agreement contracts which are in various stages of validation. Factoring in all of the above, we expect the segment to grow at a CAGR of 28% from FY27-29 to Rs 114.3 bn by FY29E.

Valuation - At CMP, the stock is trading at 61.78x FY27E EPS of Rs 111.4 and 51.57x on FY28E EPS of Rs 133.7 per share. We continue to ascribe 56x, given 1) wider product diversification 2) commercialising products across technologies like flow chemistry, biocatalyst and various automation layers within the plant 3) backed by long-term supply agreements for 3 projects. On rolling forward to Mar'28, we arrive at a PT of Rs 7500, implying 9% upside, thus downgrading the stock to Hold (earlier BUY).

Key changes



Ticker/Price	DIVI IN/Rs 6,887
Market cap	US\$ 19.4bn
Free float	48%
3M ADV	US\$ 20.5mn
52wk high/low	Rs 7,072/Rs 5,637
Promoter/FPI/DII	52%/15%/22%

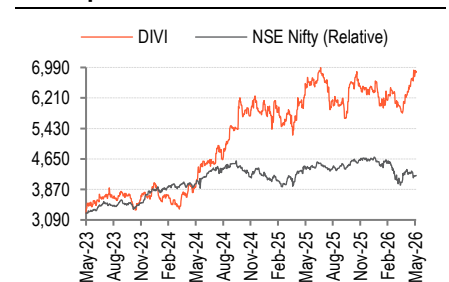
Source: NSE | Price as of 22 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	105,600	120,930	145,348
EBITDA (Rs mn)	34,410	39,015	47,320
Adj. net profit (Rs mn)	26,420	29,588	35,514
Adj. EPS (Rs)	96.7	111.4	133.8
Consensus EPS (Rs)	96.8	115.9	141.2
Adj. ROAE (%)	16.6	17.1	18.8
Adj. P/E (x)	71.2	61.8	51.5
EV/EBITDA (x)	54.2	47.5	38.9
Adj. EPS growth (%)	17.2	15.2	20.0

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



RBI DIVIDEND

22 May 2026

RBI dividend at record high

RBI declared a record Rs. 2.9 lakh crores surplus transfer to the government in FY26, compared with Rs. 2.7 lakh crores in FY25. The higher surplus can be attributed to revaluation gains on forex reserves. The current INR/USD rate is also higher than historical averages, hence the valuation gains is attributing to higher surplus. The other part may be due to interest earning on holding of rupee securities, due to record high OMO purchase by RBI in FY26. The higher surplus is positive in terms of maintaining the targeted fiscal deficit, especially at a time when elevated geopolitical risks have caused a pressure on exchequer.

Dipanwita Mazumdar
Economist

RBI has also highlighted that the balance sheet has expanded by 20.6% to ₹92 lakh crore as of Mar 2026, compared to Rs 76.3 lakh crore in the previous year. The contingency risk buffer is maintained at 6.5% of balance sheet which was 7.5% in the previous year.

India's 10Y yield is likely to be sticky at above 7% in the near term, unless war situation resolves.

What has led to record high surplus: conjectures?

RBI has transferred a dividend of Rs 2.87 lakh crore to the government for 2025-26. The budgeted amount which is also inclusive of dividend transfer of Nationalised Banks & Financial Institutions is at Rs 3.2 lakh crore for FY27. Thus, from RBI itself a windfall gain has been received. This component of non-tax revenue is likely to be higher since Banks are also reporting stable earning. RBI's surplus transfer has been significant in the past four years consecutively. A result of such unexpected increase could be higher interest income from foreign securities (exchange gain from foreign exchange transactions). This is because the current INR/USD rate is much higher than the historical rate of foreign exchange purchases. It is to be mentioned here that RBI's dollar sales have been US\$ 165.7bn in FYTD26 (till Feb'26), albeit lower than previous year level of US\$ 398.7bn. The other part of increase in income can be due to higher balance in the interest on holding of rupee securities. This is because RBI has done highest OMO purchase in FY26 to support durable liquidity (Rs 8.8 lakh crore of OMO purchase, Source: Bloomberg data on RBI purchase of GSec in secondary market)..



BUY
 TP: Rs 2,124 | ▲ 15%

SUN PHARMA

| Pharmaceuticals

| 24 May 2026

Higher R&D spend leads to better sales across geographies

- Sales/EBITDA/PAT came 1.4%/-13.5%/-4.3% below estimates. Gross Margin was 103 bps higher; EBITDA Margin 416 bps below estimates
- Excluding new indication, Ilumya sales can clock USD 1.2bn by FY29E and global innovative sales can clock USD 2.2bn by FY29E
- We maintain estimates, continue to ascribe 34x PE and roll forward to Mar'28 EPS to arrive at TP of Rs 2,124 (earlier Rs 2109). Maintain BUY

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Mixed set of earnings: Sun Pharma (SUNP) reported sales growth of 12% YoY to Rs 146bn in Q4FY26, driven by 14.8% YoY growth in domestic region, 4.5% YoY growth in the US region, 24% YoY growth in the EMs and 16% YoY growth in the RoW region. The API segment also grew by 20% YoY. Healthy product mix and moderate 6.2% YoY growth in the RM cost led to 14% YoY growth in the gross profit to Rs 118bn. Gross margin increased by 118 bps YoY to 80.8%. Employee costs rose 19% YoY; growth in R&D cost was 19.5% YoY and Other expenses (ex of R&D) went up by 21% YoY — leading to 3% YoY growth in EBITDA to Rs 35.27bn. Thus, EBITDA Margin declined by 229 bps to 24.1%. There was an exceptional gain of Rs 4.5bn towards forex — which led to a 26% YoY growth in reported PAT to Rs 27.14bn. Adjusting against the exceptional cost, PAT grew by 3% YoY to Rs 22.9bn.

Domestic business continues to shine: Sales came in line with our estimates, rising 14.8% to Rs 48.3bn — driven by 6% volume growth and new launches. The company continues to rank no.1 in Rx amongst 11 specialists. During the quarter, SUNP launched Semaglutide injection and oral Semaglutide has completed its trials. We expect domestic sales to grow at 12% CAGR from FY27-29 to Rs 274.76bn.

Valuation: At CMP, the stock is trading at a PE of 34.86x on FY27 EPS of Rs 52.9 and 29.69x on FY28 EPS of Rs 62.1. We continue to value the stock at 34x, due to 1) pickup in the innovative portfolio in both US and ex. of US regions 2) continuous double-digit growth in the domestic region 3) Ilumya sales to report 1bn sales (ex of new indication) and 4) ex of Organon portfolio, we expect global innovative portfolio sales to increase to USD2bn thus sustaining 80% Gross Margin. On roll forward to Mar'28 EPS, we arrive at TP of Rs 2,124 on the stock (Rs 2,109 earlier).

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	SUNP IN/Rs 1,845
Market cap	US\$ 46.8bn
Free float	45%
3M ADV	US\$ 73.1mn
52wk high/low	Rs 1,917/Rs 1,548
Promoter/FPI/DII	54%/16%/20%

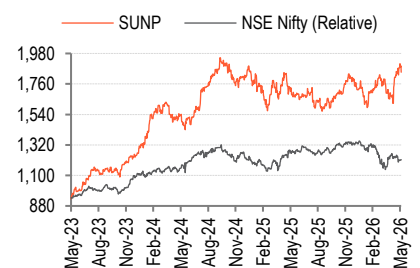
Source: NSE | Price as of 22 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	584,620	639,439	705,051
EBITDA (Rs mn)	164,912	187,042	216,810
Adj. net profit (Rs mn)	115,467	126,991	149,078
Adj. EPS (Rs)	48.1	52.9	62.1
Consensus EPS (Rs)	49.3	49.3	49.3
Adj. ROAE (%)	14.8	14.4	15.2
Adj. P/E (x)	38.3	34.8	29.7
EV/EBITDA (x)	28.6	25.6	22.5
Adj. EPS growth (%)	1.1	10.0	17.4

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



HOLD
 TP: Rs 1,134 | ▲ 2%

HINDALCO INDUSTRIES | Metals & Mining

22 May 2026

Results beat expectations on better Novelis performance

- Revenue grew by 20.4%YoY driven by India revenue and Novelis business. All segments reported improvement in EBITDA
- Outlook positive, given the improved domestic demand and incremental volumes from expansion projects over FY27-FY29E
- Reduce to HOLD from BUY, considering the sharp stock performance in recent times. We raise TP to Rs1,134, based on Mar'28E EBITDA

Sukhwinder Singh
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Results above expectations: Hindalco Industries (HNDL) reported revenue at Rs781bn, (+20.4%YoY, +17.5%QoQ) in Q4FY26 — 9% above our estimates. EBITDA came at Rs100bn (+13.4%YoY, +25.3%QoQ) and was 16% above our estimates. The outperformance came primarily on the back of higher-than-expected operational performance by Novelis. EBITDA/t was USD544 for the quarter — higher by 10.0%YoY.

Volumes performance: Aluminium upstream volumes stood at 339kt in Q4FY26 (+2.1% YoY, -1.7% QoQ), while FY26 upstream volumes increased 1.7% YoY to 1,350kt. Aluminium downstream volumes remained strong at 124kt in Q4FY26 (+18.1% YoY, +14.8% QoQ). FY26 downstream volumes grew 10.7% YoY to 446kt, reflecting healthy demand across value-added products. Copper volumes declined 5.2% YoY to 128kt in Q4FY26, though sequentially improved 4.9% QoQ. FY26 copper volumes were broadly flat at 487kt (-0.8% YoY). Novelis shipments stood at 844kt in Q4FY26 (-11.8% YoY, +4.3% QoQ), while FY26 shipments declined 5.3% YoY to 3,557kt.

Outlook on growth: Demand for AI & Copper remains strong in domestic market: In the domestic business, capex projects are focused on AI upstream, and Copper upstream; whereas in the Novelis company, there is a brownfield 175Kt and greenfield 600kt project in Bay Minnete, Alabama, US. Domestic projects will result in incremental volumes in FY29E, while the Novelis business will produce incremental volumes with a ramp-up in FY27E, FY28E and beyond.

Reduce to HOLD; revise TP: We reduce to HOLD from BUY, considering the sharp stock outperformance over the last quarter that has largely captured the near-term upside. We raise TP to Rs1,134 from Rs1,050, based on Mar'28E EBITDA, given the improved performance in FY26 based on India at 6.0x and Novelis at 6.5x Mar'28E EBITDA.

Key changes

Target	Rating
▲	▼

Ticker/Price	HNDL IN/Rs 1,109
Market cap	US\$ 26.4bn
Free float	65%
3M ADV	US\$ 64.1mn
52wk high/low	Rs 1,115/Rs 618
Promoter/FPI/DII	35%/32%/24%

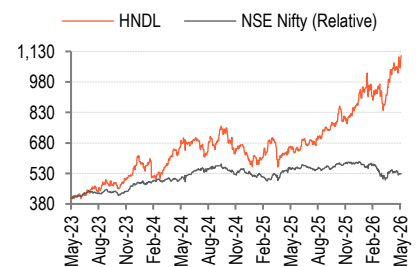
Source: NSE | Price as of 22 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	2,749,440	3,184,090	3,318,422
EBITDA (Rs mn)	348,840	414,202	462,044
Adj. net profit (Rs mn)	203,540	206,697	218,915
Adj. EPS (Rs)	29.0	93.1	98.6
Adj. ROAE (%)	4.9	14.1	13.2
Adj. P/E (x)	38.3	11.9	11.2
EV/EBITDA (x)	8.8	7.7	6.8
Adj. EPS growth (%)	(61.9)	221.6	5.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



HOLD
 TP: Rs 7,431 | ▲ 6%

EICHER MOTORS

| Automobiles

| 25 May 2026

Riding the premium wave; priced-in valuations; HOLD

- Premium demand and refreshed portfolio traction drive revenue (SA) growth of ~16% YoY; FY26 RE volumes cross 1.2mn units
- Stable gross margins (~44%), despite elevated commodity inflation; calibrated price hike (1.75% in April) to help offset inflationary pressure
- Cut FY27/FY28 EBITDA estimates. We continue to assign 30x P/E and roll forward to arrive at SOTP-based TP of Rs7,431 (Rs 6,931). HOLD

Milind Raginwar
 Research Analyst
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Premium segment demand sustains; exports pick up: EIM's SA revenue grew ~16% YoY to ~Rs59bn in Q4FY26, aided by healthy volume growth of ~12% YoY and improved realisations (~Rs186k/unit, +3% YoY). Besides this, the stronghold in domestic market exports gained traction led by Brazil (71% YoY) and LATAM. April'26 dispatches remained robust at ~104k units (+57% YoY), indicating continued demand strength. Consolidated revenue grew by 16% YoY to ~Rs61bn.

Stable gross margin despite commodity headwinds: RM cost grew in line with revenue at ~16% YoY, with RM cost-to-sales stable at ~56%, resulting in gross margins being stable at ~44%. Commodity inflation remained high (~90bps impact in Q4; management expects ~3–3.5% inflationary pressure in Q1FY27). Operating leverage, a favourable model mix, value engineering initiatives and calibrated price hikes (~1.75% hike undertaken from Apr'26) will help offset inflationary pressures.

EV entry to drive growth: EIM highlighted that ~1/3rd of customers are below 25 years. RE entered the EV space with Flying Flea C6 and multiple products remain on track for launch. EIM approved brownfield expansion to scale RE capacity to 2mn units and announced plans for a greenfield facility in Andhra Pradesh for LT growth.

CV recovery gains pace: VECV Q4FY26 revenue stood at ~Rs82.8bn with EBITDA at ~Rs9.2bn. HD truck market share improved to ~9.1%, while exports surged ~36% YoY, on the back of improving global demand. The parts business maintained healthy growth (~14% YoY) supported by higher fleet utilisation.

Cut estimates; maintain HOLD: We revise our FY27 EPS down by 3% to factor the changed business dynamics. But we revise up the FY28 EPS by 4%, due to a better product portfolio, focus on mid-segment category as well as improving exports. We introduce FY29 earnings estimates; revised EBITDA/PAT CAGR is at 16%/17% over FY25-FY29E. We value EIM at 30x P/E to factor in the healthier prospects in the RE segment, strong exports aided by CKD, boost to the VECV segment all aiding margins. We arrive at a higher SOTP-based TP of Rs 7,431 (vs Rs 6,931) on rollover that includes Rs 180/sh for VECV) on better prospects. Maintain HOLD.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	EIM IN/Rs 6,982
Market cap	US\$ 20.2bn
Free float	51%
3M ADV	US\$ 44.5mn
52wk high/low	Rs 8,230/Rs 5,220
Promoter/FPI/DII	49%/30%/9%

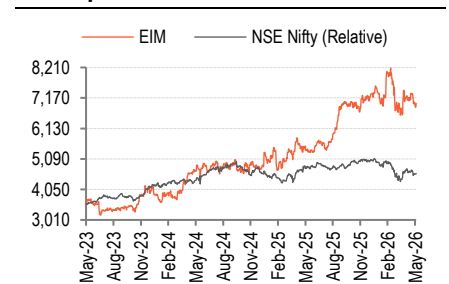
Source: NSE | Price as of 22 May 2026

Key financials

Y/E 31 Mar	FY26P	FY27E	FY28E
Total revenue (Rs mn)	2,26,997	2,27,206	2,86,240
EBITDA (Rs mn)	61,804	60,983	76,723
Adj. net profit (Rs mn)	54,083	54,106	65,296
Adj. EPS (Rs)	197.2	197.3	238.1
Consensus EPS (Rs)	197.2	207.0	241.0
Adj. ROAE (%)	24.8	21.7	22.4
Adj. P/E (x)	35.4	35.4	29.3
EV/EBITDA (x)	30.8	31.5	25.3
Adj. EPS growth (%)	26.4	0.0	20.7

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

Stock performance



Source: NSE



BUY
 TP: Rs 1,686 | ▲ 15%

AUROBINDO PHARMA

Pharmaceuticals

22 May 2026

In-line estimates; growth drivers intact

- Sales/EBITDA/PAT were reported 1.4%/-0.3%/5.6% above our estimates. EBITDA margin came 34 bps lower than our estimates
- EBITDA margin was guided North of 21% in FY27 vs 20.4% in FY26; aided by a healthy product mix and backward integration
- Due to doubling of PAT CAGR to 18% from FY27-29 vs 9% from FY24-26; We Increase ascribed PE to 20x on Mar'28 EPS, TP of Rs 1,686

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In-line estimates: Aurobindo Pharma’s (ARBP) earnings were in line with our estimates in Q4FY26, where sales grew by 5.6% YoY, driven by YoY growth of 30% in Europe, 24.7% in Growth Market, 6.5% in ARV; which was offset by 13.2% YoY growth in the US region. Flat RM cost and a healthy product mix led to 7% YoY increase in gross profit to Rs 53.2bn in Q4FY26. Subsequently, gross margin increased by 216 bps YoY to 61.3%. Employee costs went up by 18% YoY and 17.3% YoY growth in Other expenses ex of R&D led to EBITDA growth of 1% YoY while EBITDA Margin decreased by 104 bps YoY to 20.3%. During the quarter, interest cost declined by 14.6% YoY to Rs 982 mn, taxes were lower by 14.5% YoY, offset by forex loss of Rs 481 mn and 13% YoY decline in Other Income; thereby leading to 2% YoY growth in PAT to Rs 9.2bn. Adjusting against forex loss, PAT grew by 4% YoY to Rs 9.7bn in 4QFY26.

Europe grew on Generics portfolio – Europe region grew by 30% YoY to Rs 27.9bn (4.5% above our estimates) on the back of a healthy pick-up in the Generics portfolio across all regions. Going forward, the growth would likely be driven by the increasing supplies from the China plant, new launches, biosimilar launches and healthy traction in the base portfolio. Thus, we expect the region to at 11% CAGR in cc terms to Euro 1.39bn and 17% CAGR in INR terms to Rs 164.7bn by FY29E.

US base business to increase to USD2bn – US sales in Q4FY26 declined by 13% YoY to Rs 35.3bn; largely due to gRevlimid in the base. Going forward, the company expects the base business to grow closer to USD 2bn, driven by diversified launches, which can set off the price-erosion pressure. We expect the US business to grow at 5% CAGR from FY27-29 to USD 1.89bn by FY29E in cc terms and 10% CAGR growth in INR terms to Rs 193 bn by FY29.

Valuations: At CMP, the stock trades at 20x PE on FY27 EPS and 17x on FY28 EPS. We increase the ascribed PE to 20x (earlier 16x), due to 1) doubling of PAT CAGR 2) Product diversification from generic oral solids segments in the US and 3) increasing return ratios. We roll forward to Mar'28 EPS to arrive at TP of Rs 1,686 (earlier Rs 1,294); Maintain BUY on the stock.

Key changes

Target	Rating
▲	◀▶

Ticker/Price	ARBP IN/Rs 1,464
Market cap	US\$ 9.1bn
Free float	48%
3M ADV	US\$ 22.0mn
52wk high/low	Rs 1,550/Rs 1,016
Promoter/FPI/DII	52%/18%/23%

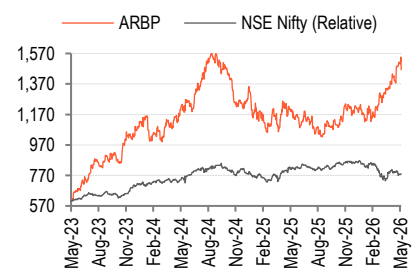
Source: NSE | Price as of 22 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	336,530	377,751	424,597
EBITDA (Rs mn)	68,557	80,975	94,538
Adj. net profit (Rs mn)	35,685	42,472	49,335
Adj. EPS (Rs)	60.9	72.5	84.2
Consensus EPS (Rs)	61.6	77.0	87.0
Adj. ROAE (%)	10.4	11.0	11.5
Adj. P/E (x)	24.0	20.2	17.4
EV/EBITDA (x)	12.6	10.6	8.9
Adj. EPS growth (%)	2.4	19.0	16.2

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



BUY
 TP: Rs 1,731 | ▲ 25%

PRESTIGE ESTATES PROJECTS

Real Estate (Developers)

25 May 2026

Robust performance; construction costs weighing on margins

- Reported FY26 EPS of Rs 27.76 — missing our estimates by -10.4%, dragged down by higher operating expenses (construction costs)
- Over FY26, delivered higher YoY growth in sales (+63.9%), collections (+50.6%), launches (+24.2%) and completions (+499%), vs FY21-FY25
- Higher growth in revenues to support valuation; construction costs to weigh on margins; lower TP to Rs 1,731 from (Rs 1,928), maintain BUY

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Over Q4FY26, PRESTIGE launched projects with saleable area of ~8.0msf (-43.0% YoY) and delivered ~5.51msf (no projects completed over Q4FY25). The developer sold ~4.94msf (+14% YoY) at average realisation of Rs 14,715psf (-6.1% YoY). Collections grew to Rs 47,937mn (+59% YoY) and EBITDA expanded to Rs 11,152mn (+85.2% YoY) — even as margins deteriorated to 26.91% (-1,100bps YoY) due to higher construction costs.

Over FY26, PRESTIGE launched projects with saleable area of ~31.84msf (+24.2% YoY) and delivered ~18.22msf (+499.3% YoY), mostly in Bengaluru. The developer sold ~22.28msf (+77% YoY) spread across 11,692 units at average realisation of Rs 13,970psf (+1.8% YoY). Collections grew to Rs 185,146mn (+53% YoY). EBITDA expanded to Rs 42,192mn (+43.3% YoY), even as margins deteriorated to 32.0% (-280bps YoY) owing to higher construction costs.

Despite improved cashflows driven by project executions leverage increased to 0.65x (from 0.42x), as avg. cost of debt reduced to 9.33% (-99bps YoY).

Management stated that improved cashflows are expected to limit leverage to this level through FY29.

As of Q4FY26, PRESTIGE reported unsold inventory of ~6,434 units (~13.26msf), including unrecognised revenue of ~Rs 659,353mn. The developer had 129msf of ongoing projects (66) and 98msf of upcoming projects (69 projects), which are expected to deliver free cashflows of Rs 579,212mn through FY30.

We believe PRESTIGE’s unsold inventory, its ongoing & upcoming projects, and its expanding annuity portfolio provide a robust pipeline for growth.

Despite demand-side macro-economic pressures and higher costs, we expect EPS to grow +36.9% CAGR over FY27E-29E (vs -5.2% over FY22-FY26) but expect investor sentiment to be cautious. Considering the high-correlation between booking values and the stock price (Multiple R of ~72%), we expect PRESTIGE to trade at 1.0x NAV (1.2x previously), based on the booking values estimated over Q1FY28E-Q4FY28E. Lower TP to Rs 1,731 (from Rs 1,928), maintain BUY.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	PEPL IN/Rs 1,389
Market cap	US\$ 6.3bn
Free float	39%
3M ADV	US\$ 13.0mn
52wk high/low	Rs 1,814/Rs 1,090
Promoter/FPI/DII	61%/14%/23%

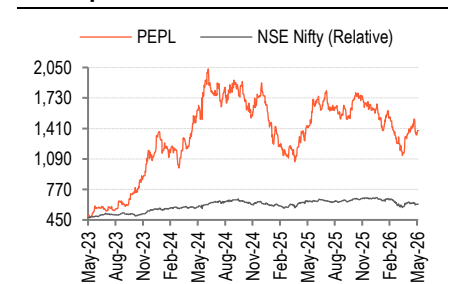
Source: NSE | Price as of 22 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	131,955	163,677	197,550
EBITDA (Rs mn)	42,192	49,085	59,518
Adj. net profit (Rs mn)	13,054	18,182	22,551
Adj. EPS (Rs)	27.8	42.2	52.4
Consensus EPS (Rs)	30.5	47.6	60.0
Adj. ROAE (%)	8.0	10.3	11.5
Adj. P/E (x)	50.0	32.9	26.5
EV/EBITDA (x)	14.2	12.2	10.0
Adj. EPS growth (%)	148.0	52.1	24.0

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



SELL
 TP: Rs 760 | ▼ 17%

THE RAMCO CEMENTS | Cement

24 May 2026

Efficiencies impact the show; more challenges await; SELL

- Volume growth in lower single digits at ~4% YoY. Eastern exposure helps pricing recovery ~5% YoY (2% QoQ), supports revenue growth
- EBITDA rose ~16% YoY, aided by improved operating leverage only respite that partially offsets persistent cost inflation
- Revise down FY27E/FY28E EBITDA, as cost inflation only on a rise assign 10x multiple and revise TP to Rs760 (vs Rs830). Maintain SELL

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Single-digit volume growth aid revenue: TRCL’s cement volumes gained ~4% YoY (22% QoQ) to ~5.4mt in Q4FY26; aided by the recovery in trade demand in key markets. Revenue grew ~9%/24% YoY/QoQ to ~Rs26bn, helped by volume growth and improved pricing. Average realisation gained ~5%/2% YoY/QoQ to ~Rs4,836/tn, despite the competitive intensity across South and East India. Capacity utilisation stayed healthy at ~83% (vs 85% YoY); typical in the busy period of Q4.

Cost inflation persists with partial offset from green power: Operating cost/tn jumped by ~4% YoY (flat QoQ) to Rs4,144/tn. Raw material cost rose sharply by ~8%/12% YoY/QoQ to Rs1,138/tn, due to Tamil Nadu mineral tax (~Rs370mn in Q4FY26). Power & fuel cost/tn went up 5.5% YoY driven by higher blended fuel cost at Rs1.62/kcal (vs Rs1.50/kcal YoY). This was partially offset by an increased green power usage (34% vs 31% YoY). Logistics cost rose ~2% YoY, despite stable lead distance at 276km (vs 278km YoY), as rail coefficient fell ~1pp YoY to ~12%.

EBITDA improves as operating leverage partially offsets the cost-pinch: EBITDA gained ~16%/33% YoY/QoQ to ~Rs3.7bn, with EBITDA margin improving by ~90bps YoY/QoQ helped by better operating leverage and improved pricing. EBITDA/tn improved ~13%/10% YoY/QoQ. APAT surged ~258% YoY, on a weak base (exceptional gains from non-core asset monetisation spurts reported PAT).

Expansion plans remain on track: Capex spend was ~Rs1.7bn in Q4FY26 (FY26: ~Rs10bn), and FY27 capex guidance is pegged at ~Rs8bn. WHRS capacity of 15MW, alongside Kiln Line-2 at Kolimigundla, will likely be commissioned in FY27.

Revise estimates downwards; retain SELL: We cut our FY27/FY28 EBITDA estimates by 21%/13%, penning (EPS estimates of Rs 13.0/Rs26.1). We introduce FY29 estimates and our Revenue/EBIDTA/PAT CAGR of 13%/19%/19% over FY25-29E. In FY26 net debt to EBITDA is elevated at 3x, owing to aggressive capex, but may soften in the near term. Cost inflation is clearly a concern to EBITDA margins. We continue to assign a 10x target multiple and revise our TP to Rs 760 (vs Rs 830) implying a replacement cost of Rs 8.1bn/mnt – a 10% premium. Maintain SELL.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	TRCL IN/Rs 915
Market cap	US\$ 2.3bn
Free float	58%
3M ADV	US\$ 2.5mn
52wk high/low	Rs 1,215/Rs 860
Promoter/FPI/DII	42%/7%/32%

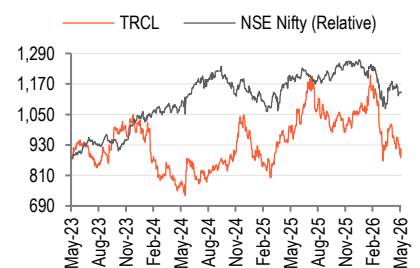
Source: NSE | Price as of 22 May 2026

Key financials

Y/E 31 Mar	FY26P	FY27E	FY28E
Total revenue (Rs mn)	90,126	1,06,114	1,23,295
EBITDA (Rs mn)	14,382	16,231	20,768
Adj. net profit (Rs mn)	1,404	3,090	6,157
Adj. EPS (Rs)	5.9	13.1	26.1
Consensus EPS (Rs)	5.9	20.1	30.1
Adj. ROAE (%)	1.8	3.7	7.1
Adj. P/E (x)	153.9	69.9	35.1
EV/EBITDA (x)	12.5	10.8	8.6
Adj. EPS growth (%)	81.0	120.1	99.2

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

Stock performance



Source: NSE



BUY

TP: Rs 765 | ▲ 35%

**WEWORK INDIA
MANAGEMENT**

| Real Estate (Flex-Work) | 24 May 2026

Higher utilisation and a larger footprint drove record revenues

- Reported FY26 EPS of 5.40, beating our estimates by ~77%, on the back of a larger footprint (8.6msf) and substantially higher utilisation (86.9%)
- FY26 revenues grew +23.4% YoY; EBITDA was higher +23.1% YoY and Adj. EBITDA margins improved to ~22% (+980bps YoY)
- Larger operational area and improved utilisation to drive revenues; expect the stock to trade at 9.0x Adj. EBITDA. Maintain BUY at Rs 765

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Over Q4FY26, **WeWork India Management (WEWORK)** expanded its operational area to ~8.6msf (+4.5% QoQ). The operator improved occupancy of its workspaces to an impressive 86.9% (+299bps QoQ) as demand for its workspaces remained robust. ~77% of its core revenue was generated by enterprise tenants — a majority of whom were domiciled in North America (~43.4% of core revenue). **Technology and media tenants contributed ~36.4% to total core revenue** and ~34.7% of WEWORK's tenants were domiciled in India.

Over FY26, WEWORK's footprint expanded to total area of ~11.6msf (+39.0% YoY), translating into larger operational area of ~8.6msf (+16.2% YoY), with ~127k operational desks. **The operator improved occupancy of its workspaces to 86.9% (+1,010bps YoY), as demand from BFSI and Telecommunications tenants offset the lower take-up by IT services, pharmaceutical and manufacturing tenants.**

As of Q4FY26, WEWORK had signed leases (with landlords) for an incremental ~1.6msf and had signed LOIs to add ~1.4msf to its portfolio. We expect the operator to expand its total area by +15.3% CAGR over FY27E-29E (vs +27.9% CAGR). **High demand for its workspaces is likely to enable growth in revenues by +30.0% CAGR (+24.05% CAGR over FY24-26) and maintain Adj. EBITDA margins at ~25.9% (vs ~16.3% over FY24-26), on the back of improved utilisation.** However, we expect that the persistent macro-economic uncertainty (AI-driven productivity gains) is likely to weigh on investor sentiment, limiting multiple expansion.

Although we expect WEWORK to expand total area at a slower pace over FY27E-29E (higher base), we estimate that the operator is well paced to drive higher growth in revenues and maintain Adj. EBITDA margins on the back of higher utilisation. We adjust our estimates to reflect a higher pace of expansion in operational area, higher occupancy and marginally lower capex. We expect WEWORK to trade at 9.0x Q1FY28E-Q4FY28E Adj. EBITDA (vs 9.5x previously), implying an unchanged 1Y TP of Rs 765; maintain BUY.

Key changes

Target	Rating
◀ ▶	◀ ▶

Ticker/Price	WEWORK IN/Rs 565
Market cap	US\$ 827.8mn
Free float	51%
3M ADV	US\$ 1.8mn
52wk high/low	Rs 664/Rs 420
Promoter/FPI/DII	49%/20%/26%

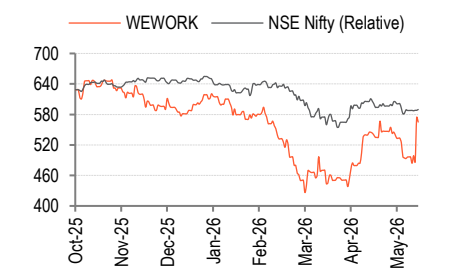
Source: NSE | Price as of 22 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	24,904	35,480	43,890
EBITDA (Rs mn)	15,736	22,744	27,602
Adj. net profit (Rs mn)	749	1,652	2,887
Adj. EPS (Rs)	5.5	12.1	21.2
Consensus EPS (Rs)	4.1	14.3	20.2
Adj. ROAE (%)	30.0	43.3	47.4
Adj. P/E (x)	102.0	46.7	26.6
EV/EBITDA (x)	5.0	3.4	2.8
Adj. EPS growth (%)	(44.2)	118.4	75.4

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



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