Arihant's Diwali Picks

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HIGH RISK · HIGH GAIN

MID CAP STOCK PICKS FOR SAMVAT 2083

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HAPPY SAMVAT 2083

Lighting the Path to Prosperity

This Diwali, as we light up our homes and hearts, we also celebrate the incredible journey of India's growth.

At Arihant Capital, we believe in empowering our clients to participate in this story by investing in fundamentally strong companies that have the potential to create long-term wealth. Our handpicked Diwali Stock Picks are curated by experts after thorough research to help you make informed, rewarding investment decisions and build a brighter financial future. May this festive season bring prosperity, joy, and rewarding opportunities to your investment journey!

Wishing you and your family a prosperous and joyous Diwali!

Arihant's
Diwali Picks
SAMVAT 2083

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16 mid cap picks for Samvat 2083

Sammaan Capital Ltd — Page 4
Housing Finance
Mkt Cap: ₹131,720 Mn CMP : ₹ 113

Sheela Foam Ltd — Page 6
Mattresses & Home Comfort
Mkt Cap: ₹61,750 Mn CMP : ₹ 565

GMM Pfaudler Ltd — Page 8
Process Equipment
Mkt Cap: ₹56,400 Mn CMP : ₹ 1254

C.E. Info Systems Ltd (MapmyIndia) — Page 10
Digital Maps & Geospatial Tech
Mkt Cap: ₹45,540 Mn CMP : ₹831

Raymond Lifestyle Ltd — Page 12
Textiles & Apparel
Mkt Cap: ₹30,550 Mn CMP : ₹ 501

Nuvoco Vistas Corporation Ltd — Page 14
Cement
Mkt Cap: ₹121,500 Mn CMP : ₹ 340

HEG Advanced Materials Ltd — Page 16
Graphite & Advanced Materials
Mkt Cap: ₹70,410 Mn CMP : ₹ 214

Exide Industries Ltd — Page 18
Batteries & Energy Storage
Mkt Cap: ₹287,510 Mn CMP : ₹ 338

HFCL Ltd — Page 5
Telecom Equipment & Defence
Mkt Cap: ₹358,400 Mn CMP : ₹249

Raymond Realty Ltd — Page 7
Real Estate
Mkt Cap: ₹39,830 Mn CMP : ₹ 598

Inox Wind Ltd — Page 9
Wind Energy Equipment
Mkt Cap: ₹101,430 Mn CMP : ₹ 58.4

KPIT Technologies Ltd — Page 11
Automotive Software
Mkt Cap: ₹146,150 Mn CMP : ₹ 536.55

Texmaco Rail & Engineering Ltd — Page 13
Rolling Stock & Rail Infra
Mkt Cap: ₹40,810 Mn CMP : ₹ 98.85

Sudarshan Chemical Industries Ltd — Page 15
Pigments & Speciality Chemicals
Mkt Cap: ₹82,980 Mn CMP : ₹ 1,029

Vindhya Telelinks Ltd — Page 17
Cables & EPC
Mkt Cap: ₹31,580 Mn CMP : ₹ 2,623

Kirloskar Pneumatic Company Ltd — Page 19
Compressors & Industrial Equipment
Mkt Cap: ₹69,520 Mn CMP : ₹ 536

Market cap is approximate: CMP shown on each stock page × shares outstanding.

Sammaan Capital Ltd

Financial Summary

Particulars (INR mn)	FY25	FY26	FY27E	FY28E	FY29E
AUM	623,460	531,600	681,228	910,419	1,200,648
Net total income	38,920	25,718	24,342	37,762	55,333
PPOP	26,930	13,426	8,612	18,349	28,473
PAT	-18,070	-71,446	12,068	13,091	17,188
EPS (in INR)	-26.7	-87.8	10.1	9.7	11.7

Nos. in INR Mn
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Sovereign promoter, liability re-rating under way:
Abu Dhabi's IHC is now the promoter, having injected INR 56,500 Mn at INR 139/share, with a further INR 32,000 Mn due on warrants. CRISIL, ICRA and CARE all moved Sammaan to AA+ within ~50 days, and stock cost of funds has fallen 90 bps in three quarters to 10.0% as lenders reprice. The AA+ roll-down alone takes it to ~8.2% by FY30E; a AAA rating, the next lever, would add INR 4,400 Mn (+19%) to FY30E PAT and is not in our TP.

Clean slate, recoveries running ahead of plan:
FY26 took the legacy pain in one go: INR 149,500 Mn of non-core exposures were reclassified or sold to ARCs, GNPA/NNPA was reset to nil and an INR 18,500 Mn management overlay was retained as a buffer. The residual legacy pool is now a source of cash: Q1FY27 recoveries and FV gains of INR 9,150 Mn imply a ~INR 36,600 Mn annual run-rate, well ahead of our deliberately conservative Base FY27E of INR 27,000 Mn, and management expects recoveries to beat internal projections.

Growth engine restarting, and going multi-product:
Provisional Q2FY27 disbursals rose ~55% QoQ to ~INR 60,000 Mn, taking AUM above INR 590,000 Mn, with 30,700 new customers added in the quarter. Non-housing already formed 83% of Q1FY27 disbursals, led by LAP. Digital personal loans, micro-LAP and rural home loans launch in H2FY27, followed by gold, two-wheeler and BNPL loans in FY28. Asset-light models (DA, co-lending, credit funds) let AUM outgrow capital; we model AUM of INR 1,200,000 Mn by FY29E.

Outlook & Valuation:
Legacy recoveries carry FY27-28E profits while the hiring and branch build-out front-loads opex; PPOP rises from INR 8,600 Mn in FY27E to INR 28,500 Mn in FY29E. It trades 19% below IHC's INR 139 entry price, and 2.0x assumes delivery on AAA funding, non-housing scale and opex leverage. At the CMP of INR 113, the stock trades at 0.69x FY29E adjusted book; we recommend BUY (High Risk) with a TP of INR 330 (2.0x FY29E adjusted book of INR 164.2), an upside of 192%.

HFCL Ltd

Financial Summary

Particulars (INR mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	41,030	49,490	89,400	109,350	171,180
EBITDA	4,870	7,620	21,490	28,150	46,110
EBITDA margin (%)	11.9%	15.4%	24.0%	25.7%	26.9%
PAT	2,110	3,290	13,170	18,050	31,840
EPS (INR)	1.2	2.0	8.5	11.2	19.8

Nos. in INR Mn
Arihant Capital Markets Ltd

Order book of INR 289,000 Mn, led by hyperscalers:
Fresh inflows of ~INR 55,000 Mn against ~INR 25,000 Mn of deliveries lifted the order book to INR 289,100 Mn. OFC and data-centre interconnect form ~INR 185,000 Mn, ~70% hyperscaler-linked, and data centres now contribute ~65-75% of telecom revenue. Capacity is being doubled ahead of demand: cable from ~34 to ~63 mn fkm and fibre from ~28 to ~43 mn fkm by 2028.

Best-ever quarter, well ahead of our estimates:
HFCL reported Q2FY27 revenue of INR 25,420 Mn (up 143.6% YoY, 32.7% QoQ) against our estimate of INR 17,210 Mn, driven by expanded capacity, ~20% higher fibre realisations and a data-centre-heavy mix. EBITDA rose 231.3% YoY to INR 6,310 Mn with margin up 656 bps YoY to 24.8%, while PAT rose 448.1% YoY to INR 3,940 Mn (our estimate: INR 2,160 Mn).

Defence scaling, EPC drag fading:
Defence revenue is guided at INR 5,000-6,000 Mn in FY27E, at least INR 20,000 Mn in FY28E and INR 50,000 Mn within three years, aided by the aerospace acquisition closing in Q3FY27E with an executed order book of ~INR 16,000-18,000 Mn. The INR 1,210 Mn EPC loss is largely timing-related; losses are capped at INR 750-1,000 Mn over the next two quarters, with profitability from Q1FY28E.

Outlook & Valuation:
Management upgraded FY27 guidance to at least ~80% YoY growth, with the INR 100,000 Mn revenue aspiration now expected well before FY29. We estimate Revenue/EBITDA/PAT CAGR of 51.2%/82.3%/113% over FY26-29E and RoE rising from 7.3% to 32.0%. At the CMP of INR 249, the stock trades at about 22.2x FY28E EPS, and we maintain our BUY rating with an SOTP-based TP of INR 495, an upside of 98.8%.

Sheela Foam Ltd

Financial Summary

Particulars	FY25	FY26	FY27E	FY28E
Revenue*	34,390	38,210	43,700	50,420
EBITDA*	2,450	3,930	5,060	6,520
EBITDA margin	7.1%	10.3%	11.6%	12.9%
PAT*	600	1,530	2,680	4,110
EPS (in INR)	8.2	14.8	25.2	37.8

*Nos. in INR Mn; PAT is adjusted net profit
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Kurlon integration is done, and synergies are now flowing to profit: The Kurlon acquisition, which weighed on earnings for two years, has moved from cost to earnings driver. Operational integration with Kurlon is currently 96% to 97% complete, and by Q4 FY26 the company had realized about INR 2,000 Mn in synergies, with an additional INR 400 Mn expected. The effect is already visible: in Q1 FY27, EBITDA grew 44.3% YoY to INR 1,089 Mn, and EBITDA margin expanded 137 bps YoY to 10.55%, the integration expected to show fully in H2 FY27 numbers.

Market leadership in a category that is still shifting from unorganized to branded: Sheela Foam holds roughly 30% of India's branded mattress market, through a network of over 10,000 dealers. The bigger opportunity is the unbranded share of the market, and the company has built a dedicated channel for it: its unorganized-to-organized (U2O) business expanded to 10,000 dealers, driving 81% value growth and 19% volume growth YoY. With two brands covering premium (Sleepwell) and value (Kurlon, strong in South and now North India), it can compete at every price point. Retail expansion continues too, with 41 net new showrooms launched in Q1 FY27.

Multiple growth engines beyond the core Indian mattress business: Growth is not dependent on one channel. Online is scaling quickly: e-commerce sales grew 69% on brand.com and 19% on platforms in Q1 FY27, and the long-term goal is a 30% share of the organized e-commerce market. The international business adds geographic diversification and is profitable, with EBITDA margins of 12.8% in Australia and 14.7% in Spain. The foam business (comfort and technical foam for automotive, soundproofing and aviation) adds an industrial leg. Overall, management guides for 15% revenue growth over FY27–28.

Outlook & Valuation:
We forecast FY26-28E revenue/EBITDA/PAT CAGR of 15%/29%/64% on synergies, operating leverage and lower interest costs. At the CMP of INR 565, the stock trades at about 15x FY28E EPS. We recommend BUY with a target price of INR 1,527 (20x FY29E EV/EBITDA), an upside of about 170%.

Raymond Realty Ltd

Financial Summary

Particulars	FY25	FY26	FY27E	FY28E
Revenue*	23,200	29,910	35,890	43,070
EBITDA*	4,060	4,470	5,950	7,570
EBITDA margin	18%	15%	17%	18%
PAT*	2,740	3,050	4,020	4,890
EPS (in INR)	41.1	45.8	60.4	73.4

*Nos. in INR Mn
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Asset-light pivot ahead of plan, best-ever Q1:
Raymond Realty reported record Q1FY27 pre-sales of INR 7,000 Mn (up 129% YoY) and collections of INR 5,500 Mn (up 47%), with total income of INR 5,360 Mn (up 37%) and EBITDA of INR 700 Mn (up 70%, margin 13.1%). JDAs now contribute 52% of total GDV and 64% of Q1 pre-sales, ahead of the earlier target of 50% of pre-sales by FY28.

GDV pipeline of INR 520,000 Mn:
Total GDV has scaled to INR 520,000 Mn after the Parel JDA (INR 85,000 Mn GDV), the company's maiden entry into South Bombay premium housing. The JDA portfolio is INR 270,000 Mn across 8 projects, with four launched (Bandra East, BKC, Wadala, Sion). Mahim-1 (INR 25,000 Mn GDV) launches in late Q3FY27 and Mahim-2 (INR 20,000-22,000 Mn) in Q4FY27. Unsold launched and unlaunched GDV of about INR 397,000 Mn gives 7-8 years of work in hand.

Capital-light growth, comfortable balance sheet:
Net debt is INR 8,240 Mn (net D/E 0.7x, within the 1.0x ceiling) with a blended cost of debt of 9.6%. JDA land deposits are only 10-15% of land value, so a typical INR 20,000 Mn GDV JDA needs just INR 3,000-3,500 Mn of capital, and the FY27 pipeline is fully funded.

Outlook & Valuation:
Management reiterated FY27 guidance of 20%+ pre-sales and revenue growth, 17-19% EBITDA margin and 20%+ ROCE, with margin normalisation in H2 as launched projects cross revenue-recognition thresholds. No demand softness was seen across micro-markets. At the CMP of INR 598, the stock trades at about 10x FY27E EPS, and we maintain our BUY rating.

GMM Pfaudler Ltd

Financial Summary

Particulars	FY25	FY26	FY27E	FY28E
Revenue*	31,987	35,239	39,353	43,526
EBITDA*	3,611	4,026	4,448	5,174
EBITDA margin	11.3%	11.4%	11.3%	11.9%
PAT*	492	518	1,284	1,844
EPS (in INR)	11.8	11.5	28.6	41.0

*Nos. in INR Mn
Source: Company, analyst estimates
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Global leader in process technology:
GMM Pfaudler is a leader in glass-lined equipment and has grown into a diversified global process technology platform. It runs four technology divisions: Corrosion Resistant, Process Performance, Heavy Engineering and Process Systems, serving pharma, chemicals, food & beverage, energy and defence customers. A recurring aftermarket business, global Centers of Excellence and integrated multi-technology solutions should raise customer wallet share and reduce dependence on any single end market.

Record order book, diversified demand:
Order intake was INR 10,070 Mn and the backlog reached a record INR 22,890 Mn, with a large share executable within 10-12 months. Pharma demand is recovering, led by Indian CDMOs and peptides, and Middle East oil & gas orders are picking up. Defence, nuclear, semiconductor and energy add further growth levers, alongside a recurring aftermarket business.

Technology-led reset to lift margins:
With the acquisition phase largely complete, the focus has shifted to integration, cross-selling and synergy extraction. Management targets an EBITDA margin of at least 15% over the medium term, helped by cost rationalization and fixes in underperforming units. Debt reduction and legal-entity simplification should improve EBIT-to-PAT conversion; we see debt/equity falling from 0.68x in FY26 to 0.30x by FY28E.

Outlook & Valuation:
We build in FY26-28E revenue/EBITDA/PAT CAGR of 11%/13%/89%, as restructuring benefits, lower interest costs and operating leverage flow through. At the CMP of INR 1,254, the stock trades at about 31x FY28E EPS. We recommend BUY with a target price of INR 1,813 (about 44x FY28E EPS), an upside of about 45%.

Inox Wind Ltd

Financial Summary

Particulars	FY26	FY27E	FY28E	FY29E
Revenue*	43,975	70,000	88,000	95,000
EBITDA*	8,914	14,363	19,847	22,444
EBITDA margin	20.3%	20.5%	22.6%	23.6%
PAT*	4,050	7,030	9,742	11,736
EPS (in INR)	2.65	4.07	5.64	6.79

*Nos. in INR Mn
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Turnaround complete, earnings quality improving:
Revenue grew ~6x from INR 7,370 Mn in FY23 to INR 43,975 Mn in FY26, and EBITDA swung from a INR 2,638 Mn loss to INR 8,914 Mn (20.3% margin), led by the 3.3 MW DF 3000/145 turbine. FY25 was the first meaningful profit in seven years. LC-backed equipment supply has risen to 59% of the order book (nil in Q1FY24), which cuts land and grid risk and speeds up collections.

~4.5 GW order book in a record wind market:
The order book reached ~4.5 GW by Sep 2026 (firm ~3.5 GW), over 6x FY25 execution of 705 MW, anchored by the 1.5 GW CESC and Inox Clean frameworks and repeat PSU orders from NLC India and IOCL. India added a record 6.06 GW of wind in FY26, and FDRE/RTC tenders and ALMM local-content rules favour domestic OEMs such as IWL.

Integrated model with a growing O&M annuity:
IWL offers land, evacuation, turbines and O&M under one roof, backed by ~2.5 GW of annual capacity and 5,000+ MW of ready project sites, an edge that is hard to copy where site readiness limits the market. Inox Green (~13.3 GWp, plus ~4.5 GW from Wind World) earns ~50% EBITDA margins in wind O&M, and O&M should rise to 18-20% of revenue from ~10%. The 4.45 MW 4X turbine, due by end-CY26, opens up large IPP tenders.

Outlook & Valuation:
We expect revenue to more than double from INR 43,975 Mn in FY26 to INR 95,000 Mn by FY29E and EBITDA to reach INR 22,444 Mn (23.6% margin), lifting PAT to INR 11,736 Mn and EPS to INR 6.79 from INR 2.65. At the CMP of INR 58.4, the stock trades at 5.0x FY29E EV/EBITDA and 8.6x FY29E P/E. We recommend a BUY rating with a target price of INR 152, valuing IWL at 17x FY29E EV/EBITDA, an upside of 160.3%.

C.E. Info Systems Ltd

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Financial Summary

Particulars	FY25	FY26	FY27E	FY28E
Revenue*	4,630	4,740	5,780	7,170
EBITDA*	1,800	1,760	2,250	2,870
EBITDA margin	38.8%	37.0%	39.0%	40.0%
PAT*	1,480	1,340	1,620	2,040
EPS (in INR)	27.2	24.7	29.9	37.7

*Nos. in INR Mn; EBITDA is core EBITDA
Source: Company, analyst estimates
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Proprietary Mapping Moat and Policy Tailwinds: MapmyIndia's 30-year proprietary mapping database, spanning 0.75 Mn+ villages and 7,500+ towns, creates significant entry barriers. Favourable geospatial policies reinforce its competitive positioning, supporting pricing power and EBITDA margins of ~45–50%+. We project ~17.8% revenue CAGR to INR 7,800 Mn by FY31E.

IoT/Telematics – Key Growth Engine: Gtropy's hardware-led customer acquisition strategy drives recurring, high-margin SaaS revenue, contributing ~two-thirds of IoT revenue. The INR 1,100 Mn IOCL contract covering ~23,000 tankers strengthens revenue visibility. We forecast ~29.4% CAGR to INR 4,710 Mn by FY31E, with revenue contribution rising from ~27% to ~38%.

FY26 Reset; Growth Recovery Underway: FY26 revenue growth of ~2% reflected order deferrals and automotive softness. Q4FY26 recovery, with revenue/EBITDA/PAT up 54.8%/141%/171% QoQ, alongside an INR 17,500 Mn order book and ~25% FY27 growth guidance, strengthens earnings visibility.

Diversified Revenue and Sticky Client Base: Diversified exposure across automotive, government, defence, logistics and BFSI supports growth resilience. Low client concentration (largest ~6.3%; top five ~25.5%) and a broad API customer base (~58.9%) mitigate concentration risk.

Strong Cash Generation and Earnings Upside: Net-cash balance sheet and robust cash generation support dividends and treasury growth from INR 7,110 Mn to INR 17,820 Mn by FY31E. Improving return ratios and ~51% promoter ownership underpin our earnings-led BUY thesis, without reliance on multiple expansion.

Outlook & Valuation:
We forecast FY26–FY31 revenue / EBITDA / PAT CAGRs of 21.4% / 24.5% / 23.3%, with EBITDA margin rebuilding from 37% to 42% and ROE expanding toward 20.9%.At the CMP of INR 831, We value C.E. Info Systems Ltd at a PE ratio of 34x its FY29E EPS INR 47.2. We recommend BUY with a target price of INR 1,604, an upside of about 93.0%.

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SAMVAT 2083

KPIT Technologies Ltd

Financial Summary

Particulars	FY25	FY26	FY27E	FY28E
Revenue*	58,420	64,550	67,450	74,120
EBITDA*	12,300	13,460	12,180	14,460
EBITDA margin	21%	20.8%	18.1%	19.5%
PAT*	8,400	6,370	6,000	8,140
EPS (in INR)	30.63	23.3	21.5	29.9

*Nos. in INR Mn; revenue is total income
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257 Million Deal Wins Provide Pipeline Visibility
The win book was broad-based across geographies and verticals, led by connected cars, autonomous systems and after-sales. KPIT added new OEM logos in Korea, Japan, Europe and the US, and is now engaged with seven new OEMs in off-highway and trucks. That vertical is structurally attractive, as leading off-highway players now have larger market caps than many passenger OEMs.

Product and Solutions as the Margin Lever
Management reaffirmed its 22–24% EBITDA aspiration by FY29. The path runs through the Beacon platform, built with Microsoft, which powers validation, iDART and autonomous development. The N-Dream in-vehicle gaming platform is already live with Tata Motors. Caresoft is being leveraged for OEM cost-reduction programs targeting 30–40% cost takeout. A shift to fixed-price and outcome-based contracts, combined with AI-led productivity, should expand margins structurally.

Europe: Temporary Reset, Not Structural Break
European OEMs face pressure from Chinese competition and tariff headwinds. KPIT is repositioning from a development partner to a cost-reduction partner, which is a stickier and higher-value role. Client conversations now centre on cutting product cost by 30–40%, cutting production cost by 20–30% and speeding up time-to-market. Revenue conversion will take time, but the relationships deepen.

Margin Trajectory
Margin recovery hinges on revenue acceleration and improving product mix, led by Beacon, iDART, N-Dream and autonomous offerings. Qorix losses may persist for another 1–2 quarters, while staggered wage hikes should limit near-term pressure. Operating leverage is expected to drive EBITDA margins towards 20%+.

Outlook & Valuation:
With weakness pre-announced in June, USD 257 Mn deal wins reinforce demand visibility despite near-term delays. KPIT's transition towards a platform-led model, anchored by Beacon, alongside off-highway diversification, should drive FY28–29 margin expansion. We believe current valuations largely reflect near-term automotive headwinds, offering an attractive entry ahead of the H2 earnings recovery. At the CMP of INR 536.55, we recommend BUY with a target price of INR 700, an upside of about 30%.

Raymond Lifestyle Ltd

Financial Summary

Particulars	FY25	FY26	FY27E	FY28E
Revenue*	61,767	68,880	76,201	84,837
EBITDA*	4,678	6,584	7,154	8,433
EBITDA margin	7.6%	9.6%	9.4%	9.9%
PAT*	1,005	1,747	1,376	2,248
EPS (in INR)	16.5	28.7	22.6	36.9

*Nos. in INR Mn; ex-other income; adj. PAT
Source: Company, Arihant Research
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Garmenting Export tailwind - Long-Term Visibility Backed by Vertical Integration: The garmenting business is the company's key structural growth driver, with capacity fully booked through December 2026, providing strong revenue visibility. Fabric-to-garment vertical integration gives it a clear edge in winning bulk orders from top-tier global brands such as Tommy Hilfiger, Calvin Klein and Next, while also expanding the B2B fabric business. US-India tariff rationalization and upcoming FTAs with the UK and EU open new export markets and reduce dependence on any single geography.

Branded Retail: Productivity-Led Network with Casualization and Premiumization Tailwinds: The company is reshaping its retail network toward high-yielding stores in aspirational territories, with fast-growing e-commerce and Large Format Store channels capturing a younger consumer base. The portfolio pivot toward casualization (ColorPlus and Parx) and premiumization (higher wool and linen mix) supports ASP growth and insulates the business from mid-market stagnation. Strong brand equity provides pricing power, with planned 5–9% price hikes from Q2FY27 to protect margins, while shifting festive and wedding dates into winter favors the premium suit and formal-wear portfolio.

Net-Cash Balance Sheet and Professionalized Leadership Set Up the Next Growth Phase: A structurally debt-free, net-cash balance sheet gives the company the flexibility to invest through its consolidation year without financial strain. A new CEO, CFO, and CMO with strong FMCG and retail backgrounds, along with a global consultancy building a three-year strategic roadmap, mark a clear shift toward institutionalized, data-driven governance and more disciplined execution.

Outlook & Valuation:
FY27 is a year of consolidation as Q2 margin contracted 173 bps YoY on wool, cotton and flax inflation, freight and higher brand spends; price pass-through should aid H2. The goal is to double turnover in 3–5 years with mid-to-high teen EBITDA margins. We forecast FY26–29E revenue/EBITDA/PAT CAGR of 11%/15%/23%. The stock is down about 58% over the past year. At the CMP of INR 500, it trades at 13.5x FY28E EPS. We recommend BUY with a target price of INR 983 (SOTP, 14x/11x/12x/10x FY29E EV/EBITDA), an upside of about 97%.

Texmaco Rail & Engineering Ltd

Financial Summary

Particulars (INR mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	51,066	43,773	36,035	57,886	75,623
EBITDA	4,673	3,904	3,265	5,835	8,530
EBITDA margin (%)	9.2%	8.9%	9.1%	10.1%	11.3%
PAT	2,489	1,936	1,909	3,380	4,958
EPS (INR)	6.2	4.8	4.7	8.3	12.2

Nos. in INR Mn
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Margin-led Q1, finance costs down 18% YoY:
Texmaco reported Q1FY27 standalone revenue of INR 7,529 Mn (down 17.3% YoY) on 1,054 wagon deliveries, as the wheelset shortage capped freight-car output. EBITDA was INR 811 Mn with margin up 161 bps YoY to 10.8%, helped by Infra-Electrical (Bright Power) revenue rising 76.8% YoY to INR 1,747 Mn. PAT rose 85.9% YoY to INR 517 Mn, aided by a deferred tax credit, while PBT grew 4.8%.

Order book of INR 99,000 Mn, Indian Railways under 4%:
Q1 order wins of over INR 52,000 Mn across freight rolling stock, signalling, electrification and transmission lifted the order book to INR 99,200 Mn (INR 111,300 Mn by Sep-26). Private and export orders form 96.4% of the freight-car backlog, anchored by the INR 41,000 Mn South Africa contract (wagons plus 15-year O&M), and Texmaco holds ~60% of private wagon orders.

Texmaco 2.0, building higher-margin adjacencies:
Under Vision 2030, the company is scaling Kavach signalling, propulsion (Skoda MoU), wagon leasing with Trinity Rail via the Touax Texmaco platform, and defence through a 70%-owned subsidiary developing anti-collision systems for the Army's 4,800-tank fleet. Defence, at ~30% EBITDA margin, is expected to scale from INR 4,000-5,000 Mn in FY28E to INR 20,000 Mn by FY31E.

Outlook & Valuation:
FY27E should stay soft at INR 36,000 Mn revenue before a sharp FY28E recovery (up 60.6% to INR 57,900 Mn) as export and private orders execute. We expect a 20% revenue CAGR over FY26-29E, with EBITDA margin improving from 8.9% to 11.3%. At the CMP of INR 98.85, the stock trades at about 11.9x FY28E EPS, and we maintain our BUY rating with an SOTP-based TP of INR 242, an upside of 144.8%

Nuvoco Vistas Corporation Ltd

Financial Summary

Particulars	FY25	FY26	FY27E	FY28E
Revenue*	103,570	113,380	129,990	143,410
EBITDA*	13,720	18,570	22,790	25,150
EBITDA margin	13%	16%	18%	18%
PAT*	220	4,560	6,350	6,950
EPS (in INR)	0.7	12.8	17.8	19.5

*Nos. in INR Mn
Arihant Capital Markets Ltd

Premiumization and brand strength:
Nuvoco's mix keeps moving towards premium and blended cement, with Duraguard Microfiber and Concreto Uno each now a 1 MnT brand. A richer mix supports realizations and margins and reduces dependence on commodity cement pricing.

Gujarat expansion gathers pace:
The 2 MTPA Surat grinding unit was commissioned in September and Gujarat annualized volumes are about 1.5 MnT, targeted at 2 MnT by Q4FY27 with Surat utilization at 50-60%. Kutch clinker is expected from December, and Surat also frees about 1 MnT of Rajasthan capacity for the North from Q4. Vadraj assets are expected to match Nuvoco's blended EBITDA/ton by year 3.

Fuel spike manageable, pricing actions under way:
Fuel cost rose to INR 1.59/Mcal in Q2 and is guided at about INR 1.8/Mcal in Q3, with pet coke needs already covered by inventory. Net Q3 cost inflation of INR 100-120/ton should be offset by October price hikes of about INR 20/bag and fixed-cost leverage. Net debt crossed INR 50,000 Mn on pet coke stocking and front-loaded capex, and is expected to ease towards the March level by year-end.

Outlook & Valuation:
Management expects about 8% industry growth and 8-9% company volume growth in H2FY27, aided by the Gujarat ramp-up. We forecast revenue/EBITDA growth of 13%/16% over FY26-29E, driven by volume expansion, premiumization and cost discipline. At the CMP of INR 340, we maintain our BUY rating with a target price of INR 539, an upside of about 59%.

Sudarshan Chemical Industries Ltd

Financial Summary

Particulars	FY25	FY26	FY27E	FY28E
Revenue*	33,460	97,870	103,170	110,470
EBITDA*	3,810	5,900	8,050	9,940
EBITDA margin	11%	6%	8%	9%
PAT*	1,610	410	2,820	4,280
EPS (in INR)	20.5	5.2	36.0	54.6

*Nos. in INR Mn. FY26 onwards includes Heubach
Arihant Capital Markets Ltd

Beat-and-hold quarter, earnings momentum building:
Sudarshan's Q1FY27 consolidated (One Sudarshan) revenue was INR 26,420 Mn (up 5.4% YoY), while Business EBITDA jumped 63% YoY to INR 2,470 Mn, lifting margin to 9.4% from 6.0%. Annualised revenue of about INR 106,000 Mn is already above the top end of FY27 guidance (INR 98,000-102,000 Mn) and EBITDA is tracking ahead of the roughly INR 8,000 Mn guide, yet management held guidance pending a review after Q2.

Legacy strength, Acquired Group turnaround:
Legacy Sudarshan grew revenue 22.3% YoY to INR 7,680 Mn with margin up 140 bps to 15.3%. The Acquired Group (ex-Heubach) nearly doubled Business EBITDA (up 97.6%) to INR 1,280 Mn, with margin up 310 bps to 6.5%, validating the EUR 35 Mn FY27 and EUR 90-100 Mn FY28-29 EBITDA roadmap. RIECO was the weak spot, with revenue down 25% YoY.

Balance sheet deleveraging ahead of plan:
Net debt fell to INR 5,310 Mn from a peak of INR 9,220 Mn, taking net debt/equity to 0.2x. Annualised ROCE more than doubled to 22.7% from 10.8% in FY26, and gross margin reached about 54%, driven by structural cost efficiencies rather than one-offs.

Outlook & Valuation:
FY29 targets of INR 120,000-140,000 Mn revenue and INR 14,000-15,000 Mn EBITDA with a net cash-positive position remain unchanged. Key monitorables are the Q2 guidance review, an unquantified European restructuring charge and RIECO's turnaround. At the CMP of INR 1,029, the stock trades at about 19x FY28E EPS and 8.5x FY28E EV/EBITDA, and we maintain our BUY rating.

HEG Advanced Materials Ltd

Financial Summary

Particulars	FY26	FY27E	FY28E	FY29E
Revenue*	9,097	23,602	35,833	49,408
EBITDA*	5,691	4,181	6,677	9,646
EBITDA margin	53.0%	17.3%	18.4%	19.3%
PAT*	2,432	1,589	266	2,421
Revenue growth	57.5%	159.5%	51.8%	37.9%

*Nos. in INR Mn
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Anode plant to make TACC a rare non-China supplier:
The 20 ktpa synthetic graphite anode plant is ~85% procured, with production from Q1FY28 and a path to 30 ktpa (Phase 2) by FY30E. Samples are qualified with global cell makers, and offtake talks (40k+ tons at MoU stage) are a multiple of Phase I. Realisations of ~USD 6,000-7,000/t carry a 6-10% non-China premium and 30-35% EBITDA margins, helped by power at ~INR 5/unit in MP.

REPlus scales six-fold on India's BESS build-out:
REPlus (74% held) is lifting battery capacity from 1 GWh to 6 GWh for only ~INR 2,500 Mn of capex, and each GWh supports ~INR 10,000 Mn of revenue. It has ~1,500 MWh under execution and a ~5,000 MWh pipeline across India, Saudi Arabia and Africa. We model BESS/EV revenue rising from INR 3,034 Mn in FY26 to INR 25,980 Mn in FY28E.

Debt-free hydro funds the build-out:
The 292 MW Malana, Allain Duhangan and wind portfolio is debt-free and REC-eligible, and its peaking capability earns ~INR 5.5/unit. It generates ~INR 3,000-3,500 Mn of EBITDA a year to support the ~INR 55,000 Mn platform capex (~25-27% equity funded). Graphene adds a low-capex option: 150 tpa next year at a ~40% EBITDA margin.

Outlook & Valuation:
We expect revenue to rise ~4x from INR 9,097 Mn in FY26 to INR 35,833 Mn by FY28E, led by REPlus and the anode plant, and EBITDA (excl. other income) to grow from INR 6,197 Mn in FY28E to INR 9,136 Mn in FY29E as TACC reaches 80% utilisation. At the CMP of INR 205, the stock trades at 8.3x FY29E EV/EBITDA. We recommend a BUY rating with an SOTP-based target price of INR 394 (power at 10x, REPlus at 15x and TACC at 25x FY29E EV/EBITDA, net of FY28E debt), an upside of 92.4%.

Vindhya Telelinks Ltd

Financial Summary

Particulars (INR mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	40,540	35,930	36,790	43,410	50,360
EBITDA	2,590	2,210	3,130	4,120	5,040
EBITDA margin (%)	6.4%	6.2%	8.5%	9.5%	10.0%
PAT	2,030	2,200	3,410	4,480	5,510
EPS (in INR)	171.2	185.8	287.8	378.1	465.0

Nos. in INR Mn
Arihant Capital Markets Ltd

Holding-company value offers a margin of safety:
Part of the MP Birla Group, VTL holds strategic stakes in group companies such as Universal Cables and Birla Cable, valued at over INR 30,000 Mn as of Mar'26, roughly equal to VTL's current market cap. Associates contributed INR 605 Mn to Q1FY27 profit (up 20% YoY). At 0.74x P/B on a book value of ~INR 3,548/share, investors get the operating cable and EPC business at a deep discount.

Cable business riding the optical connectivity upcycle:
Management sees the global optical connectivity industry entering a multi-year investment cycle, driven by hyperscale data centres and AI, while domestic OFC demand revives from FY27 on 5G, BharatNet Phase III and FTTH. Cable EBITDA jumped 169% YoY to INR 429 Mn in Q1FY27, lifting consolidated EBITDA margin to 11.8% from 6.7%, a mix shift we expect to sustain.

EPC execution to normalise; merger adds scale:
The order book stands at ~INR 48,500 Mn (excl. O&M), ~1.35x FY26 revenue, led by energy (~56%) and water (~31%), with a fresh INR 4,750 Mn smart street-lighting order from Andhra Pradesh. UP-JJM receivables fell from ~INR 9,600 Mn in Dec'25 to INR 7,300 Mn in Jun'26 as funds flow, easing working capital and interest costs. The proposed Birla Cable amalgamation (10:115 share swap) will consolidate the group's cable manufacturing under VTL.

Outlook & Valuation:
We project Revenue/EBITDA/PAT CAGR of 11.9%/31.6%/35.8% over FY26-29E, with EBITDA margin expanding from 6.2% to 10.0% on a richer cable mix, and lower interest costs as receivables unwind. At the CMP of INR 2,623, the stock trades at 5.6x FY29E EPS and 0.74x P/B; we recommend BUY with a TP of INR 3,720 (8x FY29E EPS), an upside of 41.8%.

Exide Industries Ltd

Financial Summary

Particulars	FY25	FY26	FY27E	FY28E
Revenue*	165,880	172,690	195,940	215,530
EBITDA*	18,930	19,430	23,460	26,730
EBITDA margin	11.4%	11.3%	12.0%	12.4%
PAT*	10,770	11,110	12,790	15,090
EPS (in INR)	12.7	13.1	15.0	17.8

*Nos. in INR Mn
Arihant Capital Markets Ltd

Lithium-ion gigafactory opens a new growth leg:
Exide's 6 GWh Bengaluru gigafactory has moved from construction to customer sampling, with commercial revenue expected in FY27 and Phase II offering capex efficiencies. With India's Li-ion demand projected at 150–160 GWh by 2030, customer homologation, OEM wins and the manufacturing ramp-up will be key. Subsidiary Exide Energy Solutions Ltd (EESL) has a multi-year technical collaboration with SVOLT Energy Technology covering technology transfer, plant setup, stabilisation and supply-chain development. The cost gap with China has narrowed from 15–20% to about 10%, with further gains expected from localisation and better yields.

Diversified adjacencies add incremental growth:
Exide is diversifying beyond its core replacement business into solar, railway batteries, industrial UPS, data centres, EV auxiliary batteries and exports. Solar revenue exceeded INR 10,000 Mn in FY26, while data centres and lithium-ion offer longer-term growth potential.

Lead-acid franchise with replacement-led visibility:
Exide's 120,000+ channel partners, presence across 18,000+ villages and over 50% share of the organised 4W aftermarket reinforce its competitive moat. Nearly two-thirds of automotive sales come from the higher-margin replacement channel, and a strong OEM cycle and available capacity support medium-term growth, although demand may moderate from Q3FY27.

Outlook & Valuation:
Steady cash generation from the established lead-acid business funds the move into lithium-ion cells, where the 6 GWh ramp-up could drive growth as EV and BESS demand expands, subject to utilisation and customer approvals. We estimate Revenue/EBITDA/PAT CAGR of 11.7%/17.3%/16.5% over FY26-28E. At the CMP of INR 338, we recommend BUY with an SOTP-based target price of INR 440, an upside of 30%.

Kirloskar Pneumatic Company Ltd

Financial Summary

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Revenue	16,402	17,868	20,120	23,515	28,033
EBITDA	2,919	3,572	3,728	4,534	5,615
EBITDA margin (%)	17.8%	20.0%	18.5%	19.3%	20.0%
PAT	2,113	2,543	2,833	3,285	4,097
EPS (INR)	16.3	19.6	21.8	25.3	31.6

Nos. in INR Mn
Arihant Capital Markets Ltd

H2 recovery as delayed dispatches resume:
Q2FY27 revenue fell 15.6% YoY to INR 3,263 Mn on delayed Middle East package shipments and slow Precision Engineering Division (PED) execution. Both drags are easing: the PED issue is resolved, with most of the order to be executed in Q3-Q4FY27, and large domestic package dispatches resume in H2. Management guides for strong double-digit revenue growth and 18-20% EBITDA margins in FY27, backed by an INR 20,400 Mn order book (up 10.1% QoQ).

Structural margin story intact:
Gross margin expanded 728 bps YoY to 54.9% on a richer equipment mix and backward integration. As the mix normalises toward ~60% equipment and ~40% packages, new products (Khione, Hydrino, Zephyros) are targeted at ~15% of sales, while the INR 3,200 Mn PLI outlay is phased with demand.

Diversified across process gas, refrigeration and air:
Process gas (~30-40% of business) is set for a strong year on CNG compressor demand; refrigeration (~30-40%) is benefiting from food-processing and cold-storage demand, with traction in ammonia compressors; and air compressors (~15-20%) are growing in diesel portables, PET bottling, CO2 and cement.

Growth levers across CNG, hydrogen and exports:
KPCL manages over 1,060 CNG stations under O&M and dispatched India's first 1,000 bar hydrogen refuelling station. Exports nearly doubled to ~INR 640 Mn in H1FY27, and the Kobe tie-up opens large API 617/618 compressors for petrochemicals, green ammonia and steel.

Cheapest in its peer group, with a debt-free balance sheet:
Despite growth similar to Elgi Equipments, Ingersoll-Rand and Atlas Copco, KPCL trades at the lowest FY29E P/E (~17x vs ~22-28x) and EV/EBITDA (~12x vs ~14-22x) in the group. It is debt-free, with ~21-22% RoE and FCF rising to INR 2,500 Mn by FY29E.

Outlook & Valuation:
We estimate Revenue/EBITDA/PAT CAGR of 16.2%/16.3%/17.2% over FY26-29E, with EBITDA margin reaching 20.0% by FY29E. At the CMP of INR 536, the stock trades at 17.0x FY29E EPS; we maintain BUY with a TP of INR 852 (27x FY29E EPS), an upside of 59%.

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