Market snapshot

Equities - India	Close	Chg .%	CY25.%
Sensex	81,910	-0.3	9.1
Nifty-50	25,158	-0.3	10.5
Nifty-M 100	57,424	-1.1	5.7
Equities-Global	**Close**	**Chg .%**	**CY25.%**
S&P 500	6,876	1.2	16.4
Nasdaq	23,225	1.2	20.4
FTSE 100	10,138	0.1	21.5
DAX	24,561	-0.6	23.0
Hang Seng	9,123	0.3	22.3
Nikkei 225	52,775	-0.4	26.2
Commodities	**Close**	**Chg .%**	**CY25.%**
Brent (US$/Bbl)	68	-0.5	-15.7
Gold ($/OZ)	4,827	1.3	64.6
Cu (US$/MT)	12,855	0.0	43.9
Almn (US$/MT)	3,095	0.0	17.5
Currency	**Close**	**Chg .%**	**CY25.%**
USD/INR	91.7	0.8	5.0
USD/EUR	1.2	-0.3	13.4
USD/JPY	158.3	0.1	-0.3
YIELD (%)	**Close**	**1MChg**	**CY25 chg**
10 Yrs G-Sec	6.7	-0.02	-0.2
10 Yrs AAA Corp	7.4	-0.02	0.1
Flows (USD b)	**21-Jan**	**MTD**	**CYTD**
FIIs	-0.19	-2.83	-18.8
DIIs	0.49	9.34	90.1
Volumes (INRb)	**21-Jan**	**MTD***	**CYTD***
Cash	1,436	1177	1177
F&O	2,04,643	3,21,092	3,21,092

Note: Flows, MTD includes provisional numbers. *Average

Today's top research idea

Indian Hotels: Tradition, transformation, and tomorrow: The IHCL story

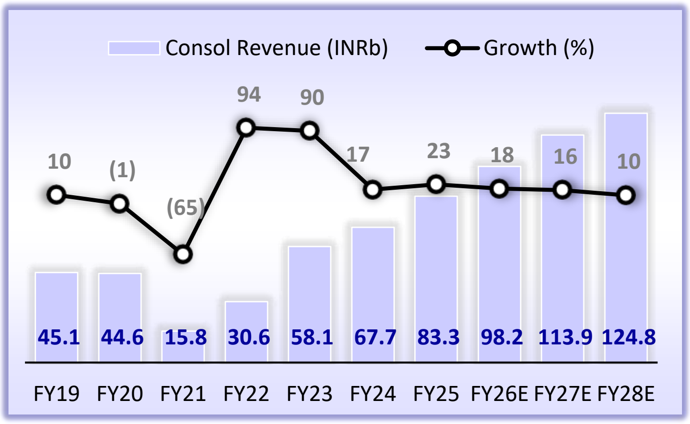
- Indian Hotels (IHCL) is India's largest hospitality company, serving as an industry pioneer for over 120 years. Through a well-diversified brand ecosystem, it has expanded its presence across four continents, 14 countries, and 175+ locations, including over 50 spiritual, 45 mountainous, and 30 coastal regions.
- The company has evolved from a single-branded house into a diversified house of brands, with each brand targeting distinct customer cohorts and price points across luxury, upscale, mid-scale, and niche experiential segments, enabling sharper differentiation and targeted engagement. IHCLs outlook remains healthy, led by continued traction in the core as well as new and reimagined businesses.
- This is further supported by a favourable macroeconomic environment, with demand growth (~9-11%) outpacing supply (~6-7%). Going ahead, we expect IHCL to post a 14%/18%/17% CAGR in revenue/EBITDA/adj. PAT over FY25-28, with ROIC improving to 23.9% by FY28 vs 17.5% in FY25.

Research covered

Cos/Sector	Key Highlights
Indian Hotels	Tradition, transformation, and tomorrow: The IHCL story
Eternal	Bracing for a dogfight
Apollo Hospital	Hospital engine strong; HealthCo inflection in sight
Other Updates	Dr Reddy's Labs | United Spirits | Tata Comm | Supreme Inds. | Dalmia Bharat | Gujarat Gas | UTI AMC | Canara HSBC | Shoppers Stop | HPCL | Waaree Energies | Jindal Stain. | KEI Industries | PNB Housing | Anant Raj | Gravita India

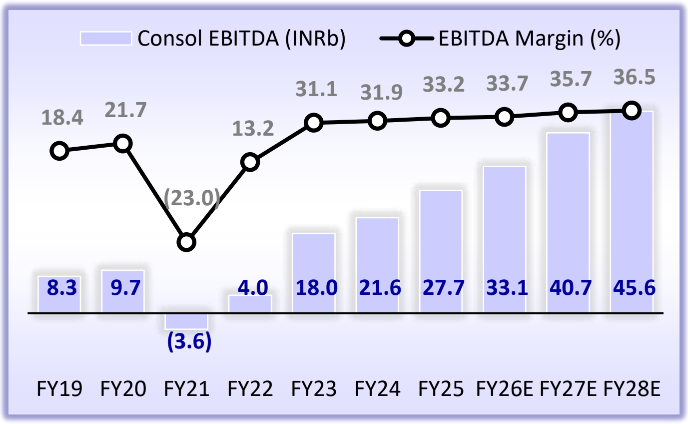
Chart of the Day: Indian Hotels (Tradition, transformation, and tomorrow: The IHCL story)

Revenue trend



Source: Company, MOFSL

EBITDA trend



Source: Company, MOFSL

In the news today

Kindly click on textbox for the detailed news link

1

DGCA issued record 1,628 commercial pilot licenses in 2024: Govt

The Directorate General of Civil Aviation (DGCA) issued a record 1,628 commercial pilot licenses in 2024, more than 2.5 times the number from eight years prior.

2

Maharashtra in talks to set up India's first thorium-based power plants

Maharashtra is set to become the first state to host thorium-based power plants. The state government is in advanced talks with the Department of Atomic Energy and NPCIL. Two units, a 1,540 MW plant and a 440 MW unit, are planned.

3

IDBI Bank's renaming on radar ahead of divestment

Potential suitors for IDBI Bank's disinvestment face uncertainty regarding renaming the lender post-acquisition. The RBI previously rejected a rebranding proposal when LIC invested, citing IDBI's reclassification as a private sector bank.

4

PSU banks counting on QR-based payments to breach a fintech fort

Public sector banks are now actively pursuing QR-code led merchant payments. This move challenges established fintech players like BharatPe, PhonePe, and Paytm. Banks aim to capture revenue and data opportunities in this growing digital payment ecosystem.

5

Actis puts on block Indian green energy unit Athena

UK-based Actis is reportedly looking to exit its Indian renewable energy platform, Athena Renewable Energy, for an enterprise value of around ₹3,000 crore. The firm has appointed Kotak Mahindra Capital as its financial advisor and has approached several potential buyers for the 550 MW solar platform.

6

Draft National Electricity Policy bets on tech & skills to drive energy goals

India's draft National Electricity Policy prioritizes technology deployment and skill development for energy security.

7

Niti Aayog suggests ₹6,000 cr VGF, PM-Suryaghar-like scheme for MSMEs

Niti Aayog has proposed a PM-Suryaghar-style capital subsidy scheme and a ₹6,000-crore viability gap funding mechanism to help MSMEs cut energy costs, adopt green power and stay competitive globally

Indian Hotels

BSE SENSEX	S&P CNX
83,246	25,586

IHCL

Bloomberg	IH IN
Equity Shares (m)	1423
M.Cap.(INRb)/(USDb)	930.4 / 10.1
52-Week Range (INR)	859 / 638
1, 6, 12 Rel. Per (%)	-7/-16/-23
12M Avg Val (INR M)	2560

Financial snapshot

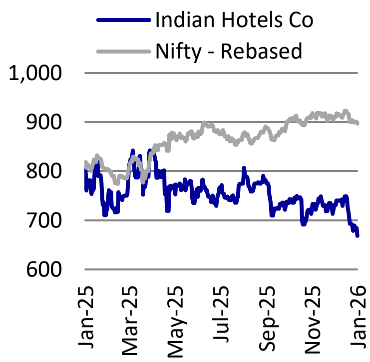
Y/E Mar	2026E	2027E	2028E
Sales	98.2	113.9	124.8
EBITDA	33.1	40.7	45.6
PAT	18.6	23.6	26.9
EBITDA (%)	33.7	35.7	36.5
EPS (INR)	13.1	16.6	18.9
EPS Gr. (%)	10.7	27.1	13.9
BV/Sh. (INR)	90.9	106.7	124.8
Ratios			
Net D/E	(0.4)	(0.4)	(0.5)
RoE (%)	15.4	16.8	16.4
RoCE (%)	16.5	17.7	17.0
Payout (%)	6.1	4.8	4.2
Valuations			
P/E (x)	50.0	39.3	34.5
EV/EBITDA (x)	27.0	21.5	18.6
Div Yield (%)	0.1	0.1	0.1
FCF Yield (%)	1.5	2.2	3.0

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	38.1	38.1	38.1
DII	19.6	18.5	18.8
FII	26.1	27.2	27.4
Others	16.2	16.2	15.6

FII Includes depository receipts

Stock Performance (one-year)



CMP: INR654 TP: INR850 (+30%) Buy

Tradition, transformation, and tomorrow: The IHCL story

- **Indian Hotels (IHCL) is India's largest hospitality company, serving as an industry pioneer for over 120 years. Through a well-diversified brand ecosystem, it has expanded its presence across four continents, 14 countries, and 175+ locations, including over 50 spiritual, 45 mountainous, and 30 coastal regions.**
- **IHCL has evolved from a single-branded house into a diversified house of brands, with each brand targeting distinct customer cohorts and price points across luxury, upscale, mid-scale, and niche experiential segments, enabling sharper differentiation and targeted engagement.**
- **This trend is reinforced by IHCL's continued shift toward an asset-light growth model, with managed keys posting ~17.4% CAGR over FY20-25 vs ~3.6% CAGR for owned keys, driving meaningful margins and profitability.**
- **Further, marquee greenfield projects such as Taj Bandstand, Taj Lakshadweep, Taj Shiroda, Taj Ranchi, Gateway Aguada Plateau, Ginger Goa MOPA, and Taj Pushpabanta Palace are expected to strengthen IHCL's presence in the luxury, lifestyle, and leisure segments. Based on our ARR and occupancy estimates at peak operations, these properties are expected to contribute 13% of FY28 consolidated revenue and 16% of consolidated EBITDA.**
- **Following the re-imagination of the Ginger brand in FY18-19, Roots reported a revenue CAGR of ~18% over FY20-25, along with a significant jump in margins from ~22.9% in FY20 to ~43% in FY25. Ginger is expected to solidify its market leadership in the mid-scale segment, led by strategic additions of new locations and the rebranding of ANK and Pride Hotels into the Ginger brand.**
- **Further, IHCL is pursuing international expansion through a balanced asset-light model across the Middle East, Southeast Asia, and Europe. The strategy prioritizes key gateway cities such as New York, London, and Paris, with Taj Frankfurt (~130 keys) expected to be operational by Mar'26.**
- **IHCL's strong balance sheet and robust cash flows position it well to pursue selective acquisitions that enhance brand visibility, broaden its portfolio, and support long-term growth.**
- **IHCL's outlook remains healthy, led by continued traction in the core as well as new and reimagined businesses. This is further supported by a favourable macroeconomic environment, with demand growth (~9-11%) outpacing supply (~6-7%). Going ahead, we expect IHCL to post a 14%/18%/17% CAGR in revenue/EBITDA/adj. PAT over FY25-28, with ROIC improving to 23.9% by FY28 vs 17.5% in FY25. We reiterate BUY with our FY28 SoTP-based TP of INR850.**

From tradition to transformation: Redefining hospitality in India

- The hospitality industry has transitioned from a purely service-led model to a more structured and business-oriented framework, while retaining its core focus on guest experience. IHCL has been at the forefront of this shift, successfully integrating service excellence with disciplined management practices and a structured growth strategy.
- The company has evolved from a single-branded house to a house of brands, enabling sharper brand differentiation and targeted customer engagement across segments, with each brand having its own identity.
- The company has undergone a sustained transformation with a strategic shift toward an asset-light model, delivering record financial performance through a balanced mix of capital-light and capital-intensive growth, resulting in a strong balance sheet and robust free cash flow generation.
- IHCL reported a consolidated revenue/EBITDA/Adj. PAT CAGR of 13%/23%/39% over FY20-25, while EBITDA margins expanded from 21.7% in FY20 to 33.2%/28.1% in FY25/1HFY26. ROE/ROCE improved from 7.4%/6.8% in FY20 to 16.3%/15.8%. ROIC improved from 7.1% in FY20 to 17.5% in FY25.
- The robust improvement in profitability ratios and margin expansion was led by the company's focus on rapidly scaling new concepts through innovative business models, capital-light expansion strategies, and partnerships.
- Further, IHCL expanded its portfolio by strategically increasing the share of keys under management from 35% of total keys in FY19 to 53% in FY25, leading to margin expansion. Keys under management posted a robust ~17.4% CAGR over FY20-25, significantly outpacing the modest ~3.6% CAGR in owned keys over the same period.
- Selections has the highest share of managed rooms at 78%, followed by Vivanta at 67%. Brands such as Gateway/Taj/Tree of Life/Claridges/Ginger have 57%/48%/42%/32%/21% of managed rooms.
- Going ahead, IHCL's pipeline of 167 hotels (~22,000 keys) is expected to be predominantly asset-light, with ~78% of hotels and ~82% of keys under capital-light formats, supporting margin expansion.
- **We expect consolidated margins to further expand to 33.7%/35.7%/36.5% in FY26/FY27 /FY28 from 33.2% in FY25. Moreover, we project revenue from management fees to post a 23% CAGR over FY25-28, with management fees contributing ~9% of consolidated revenue in FY28, compared to 7% in FY25.**

Mid-scale expansion with strong margins and capital efficiency

- IHCL continues to strengthen its domestic footprint with a focused strategy to expand the mid-scale Ginger portfolio, enabling deeper penetration across Tier-1, Tier-2, and Tier-3 cities while capitalizing on the structural growth in domestic business and leisure travel.
- Ginger has solidified its leadership in the mid-scale segment, driven by the brand's re-imagination to align with evolving customer preferences and changing travel behavior. Its repositioning in the lean-luxe segment has enabled it to command a significant rate premium compared to other mid-scale hotels in India.

- Following the re-imagination of the Ginger brand in FY18-19, Roots reported a revenue CAGR of ~18% over FY20-25**, with a significant jump in margins from ~22.9% in FY20 to ~34% in FY25. Further, we expect Roots to deliver a revenue CAGR of 20% over FY25-28, with margins expanding to ~45.2% in FY28.**
- Ginger Enterprise witnessed a robust FY25, reporting revenue of INR6.75b (+39% YoY), led by its flagship Ginger Mumbai property, which operated at an OR of ~88% and generated revenue of INR970m with EBITDAR margins of ~55%.
- With strategic additions like Ginger Chanakyapuri in Delhi, Ginger Candolim in Goa, and new locations in Nagpur and Diu, along with the rebranding of ANK and Pride Hotel (Clarks) under the Ginger brand, the company aims to scale up to ~250 Ginger hotels over the next 12-18 months from ~108 hotels as of Sep'25 (74 operational and 34 pipeline).
- IHCL's integration of its food-led lifestyle brand, Qmin, into Ginger Hotels has transformed F&B from a support function into a key growth and profitability driver, driving a sharp rise in Ginger Enterprise F&B revenue from ~INR30m in FY18 to ~INR1.3b in FY25.

Strategic inorganic expansion to drive long-term growth

- **IHCL has adopted a disciplined and calibrated inorganic growth strategy, selectively pursuing strategically aligned opportunities that expand scale, strengthen the brand portfolio, enable entry into adjacent segments, and deliver clear operational synergies in line with its long-term growth objectives.**
- Over the last two years, IHCL has been on an acquisition spree to enhance its room offerings and brand diversity.
- In **Nov'24, IHCL acquired ~55% stake in Rajscape Hotels Private Limited for a cash consideration of INR176.6m**. The company operates 18 hotels under the 'Tree of Life Resorts & Hotels' brand across offbeat destinations in India. The acquisition strengthens IHCL's presence in the **experiential leisure hospitality segment.**
- In Aug'25, IHCL acquired a 51% stake in ANK Hotels and Pride Hospitality (operating under the Clark Hotels and Resorts brand) for a total investment of **INR2.04b.** This acquisition adds a sizable midscale portfolio of 135 hotels with 6,800 keys (80 hotels/3,100 rooms are operational with 8 hotels and 365 keys owned) across 100+ locations, with majority of the hotels acquired through this transaction to be rebranded under the Ginger brand. In addition, IHCL signed a sales and distribution agreement with Brij.
- ANK and Pride reported a revenue of INR330m in FY25 and an EBITDA of INR30m. Going ahead, we expect ANK and Pride to report a revenue CAGR of ~33%, with margins expanding to ~50%.
- In Jan'26, IHCL announced the acquisition of a 51% stake in Brij Hospitality Pvt Ltd, with a total investment of INR2.25b to be made in one or more tranches (primary investment of INR1-1.4b with secondary investment of INR850m).
- Along with other inorganic expansions, IHCL announced its entry into the luxury wellness segment in Nov'25 through a strategic partnership and the acquisition of a 51% stake in Atmantan Wellness Resort (Mulshi, Pune) for a cash consideration of INR2.4b.

- Atmantan is a leading luxury wellness resort in India with strong brand credentials and awards, featuring 97 keys (can be expanded to 106 keys) and delivering ~25% revenue CAGR (FY19-25) and industry-leading EBITDA margins (~50%).
- Atmantan reported revenue of INR770m/INR350m in FY26/1HFY26, with an EBITDA of INR370m/INR150m in FY25/1HFY26.We expect the company to post a revenue CAGR of ~19% over FY25-28.
- **Going ahead, IHCL's strong balance sheet and robust cash flows will position the company in a sweet spot to pursue selective acquisitions that enhance brand visibility, broaden its portfolio, and support sustained long-term growth.**
- Further, IHCL is pursuing an international expansion strategy across the Middle East, Southeast Asia, and Europe, with a focus on key gateway cities such as New York, London, and Paris. The company already operates in New York (~189 keys), San Francisco (~110 keys), London (~329 keys), Cape Town (~159 keys), and two hotels in Dubai (~496 keys).
- A notable addition to the portfolio is the new Taj hotel in Frankfurt, expected to commence operations by Mar'26. Strategically located near the Indian Consulate, the property reinforces the brand's focus on key global hubs.

Valuation and view

- IHCL's outlook remains healthy, led by continued traction in both the core business and new & reimagined businesses, supported by a favorable macro-economic environment where demand growth (~9-11%) continues to outpace supply growth (~6-7%).
- IHCL continues to expand its portfolio, with ~82% of keys under capital-light models, alongside a strategic focus on inorganic acquisitions backed by healthy cash flows and a robust balance sheet.
- Ginger remains well-positioned to sustain its leadership in the mid-scale segment, with the majority of ~135 ANK Hotels and Pride properties slated for rebranding under the Ginger brand. Nearly 70% of these properties are in new markets across India, complemented by strategic additions in key destinations such as Delhi and Goa, along with entry into new locations such as Nagpur and Diu.
- We expect consolidated margins to expand to 33.7%/35.7%/36.5% in FY26/FY27/FY28, driven by operational efficiencies and management's goal to enhance resource allocation and maximize profitability across the portfolio.
- Further, we expect IHCL to post a CAGR of 14%/18%/17% in revenue/EBITDA/adj. PAT over FY25-28, with the return profile (RoCE/ROIC) improving to 17%/23.9% by FY28 vs 15.8/17.5% in FY25. We reiterate BUY with our FY28 SoTP-based TP of INR850.

Eternal

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	ETERNAL IN
Equity Shares (m)	9650
M.Cap.(INRb)/(USDb)	2735.9 / 29.8
52-Week Range (INR)	368 / 190
1, 6, 12 Rel. Per (%)	2/4/23
12M Avg Val (INR M)	14840

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
GOV	460.3	545.2	646.9
Net Sales	543.2	1002.8	1653.1
Change (%)	168.4	84.6	64.9
EBITDA	10.6	28.0	59.0
EBITDA margin (%)	1.9	2.8	3.6
Adj. PAT	3.3	15.9	32.7
PAT margin (%)	0.6	1.6	2.0
RoE (%)	1.09	5.05	9.64
RoCE (%)	-0.76	3.06	7.53
EPS	0.37	1.77	3.64
EV/ Sales	4.7	2.5	1.5
Price/ Book	8.3	7.9	7.2

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	0.0	0.0	0.0
DII	32.7	30.1	20.5
FII	41.8	44.8	53.4
Others	25.5	25.1	26.1

FII Includes depository receipts

CMP: INR284 TP: INR360 (+27%) Buy

Bracing for a dogfight

Expect high volatility in short term as competition heats up

- Eternal reported 3QFY26 net revenue of INR163b, up 20.7% QoQ, above our estimate of 11.8% QoQ growth.
- Food delivery (FD) NOV came in at INR98.4b, above our est. of INR94.2b. Blinkit NOV came in at INR133b (up 120% YoY) vs. our est. of INR133.6b. For FD, adjusted EBITDA as a % of NOV margin was up 10bp QoQ at 5.4% vs. our estimate of 5.3%.
- Blinkit reported a contribution margin of 5.5% (4.6% in 2Q). Adj. EBITDA margin was at breakeven, above our expectation of -1.3%.
- Mr. Albinder Dhindsa, the current CEO of Blinkit, is set to become CEO of Eternal, effective 1st Feb'26, replacing Mr. Deepinder Goyal, who will continue to remain on the board.
- **Our TP of INR360 implies a 27% upside from current levels.** While FD growth is recovering, the pace of normalization remains gradual, and we expect the EBITDA respite in Blinkit to be short-lived as competitive intensity in quick commerce (QC) re-accelerates. **We reiterate our BUY rating**, supported by Eternal's market leadership in both QC and FD and the long-term optionality in Blinkit as a generational opportunity in grocery and retail disruption. However, potential elevated discounting/investments in both QC and the going-out business are anticipated to constrain profitability in the short term.

Our view: EBITDA respite short-lived, more pain ahead

- **EBITDA breakeven in Blinkit, but expect another period of competitive intensity:** Blinkit achieved EBITDA breakeven on the back of a better assortment mix and supply chain efficiencies. However, we expect some volatility and no meaningful improvement in metrics in the near term, as competitive intensity heats up.
- **Bracing for a dogfight?:** We note that our view (see our note dated 3rd Nov'25: Eternal & Swiggy: Deja Vu?) of lower competitive intensity and cost focus in the industry has not played out. Contrary to earlier expectations, the risk is that the market leader could be drawn into a dogfight too, with lower minimum order values and higher discounts. We also note that Eternal has stopped reporting GOV and has moved to NOV reporting, which means that going forward we will not be able to ascertain the extent of discounting at Blinkit; this could point to slightly higher discounting intensity. We believe this will delay the path to profitability for Blinkit. As a result, we reduce our adjusted EBITDA assumptions by ~15% for FY27/28E, and accordingly lower our TP to INR360 (INR420 earlier).

- **Other businesses: Hyperpure turns profitable; Going-out in investment phase:** In our view, Hyperpure turning adj. EBITDA positive is encouraging. While still smaller within Eternal, management sees a path to ~USD1b in revenue with 4-5% margins over the next three years, alongside ecosystem benefits across FD and Blinkit by helping restaurants run leaner and improving sourcing economics. That said, we believe Going-out business remains in an investment phase with high losses due to upfront investment in live IPs and District Pass. Management expects losses to narrow sequentially; accordingly, we have built in ~INR1,000m loss in 4Q (vs. INR1,210m loss in 3Q), with breakeven targeted in the next 4-6 quarters.
- **FD growth recovering:** FD growth continued its steady recovery, with NOV growing 16.6% YoY, driven by a modestly improving demand environment that led to higher-than-expected order volumes, a reduction in MOV for free delivery on Gold orders, and strong MTC additions during the quarter. Management expects growth to gradually trend toward ~20% YoY as market share gains continue. We have built in a gradual convergence, with NOV growth of 15.3%/18.0%/18.7% in FY26/27/28E.
- **Leadership transition introduces some uncertainty:** The CEO transition appears orderly, but the division of responsibilities between management and the board remains unclear as of now. While we believe day-to-day execution is unlikely to be disrupted, the change does introduce some uncertainty to the business.

Valuation and changes to our estimates

- Eternal's FD business is stable, and Blinkit offers a generational opportunity to participate in the disruption of industries such as retail, grocery, and e-commerce. We reduce our FY27/FY28 estimates by ~15%, factoring in intense competition, continued dark store expansion, and branding and marketing investments in QC. Eternal should report a PAT margin of 1.6%/2.0% in FY27/28E. Our TP of INR360 implies a 27% upside from the current level. **We reiterate our BUY rating on the stock.**

Blinkit hits EBITDA breakeven ahead of Street estimates

- 3Q net revenue was INR163b, up 20.7% QoQ vs. our estimate of +11.8% QoQ.
- FD NOV came in at INR98.4b, above our estimate of INR94.2b. Blinkit NOV came in at INR133b (up 120% YoY) vs. our estimate of INR133.6b.
- FD adj. EBITDA as % of NOV margin was up 10bp QoQ at 5.4% (vs. est. 5.5%).
- Blinkit reported contribution margin of 5.5% (4.6% in 2Q). Adj. EBITDA margin is at breakeven, above our expectation of -1.3%.
- FD revenue grew 8% QoQ/29% YoY (est. 19% YoY) and contribution margin was flat QoQ at 10.4%.
- Consol. reported EBITDA came in at INR3,680m (2.3% reported EBITDA margin vs. 1.8% in 2Q).
- PAT stood at INR1020m, up 72% YoY (est. INR841m).

Key highlights from the management commentary

- **FD:** YoY growth is expected to gradually inch toward ~20% over time. Growth was driven by three key factors: 1) A modest improvement in the demand environment, particularly in the second half of the quarter, leading to higher app engagement and higher-than-expected order volume; 2) Full-quarter impact of the reduction in minimum order value for free delivery on gold orders (to INR99 from INR199), which increased ordering frequency among more budget-conscious customers; 3) Continued investments in customer activation across cohorts, reflected in 21% YoY growth in average MTC during the quarter.

- **Blinkit:** The business continues to grow at a robust pace, and the ceiling of the QC market in India is not yet visible. Mature cities such as Delhi NCR are still growing at ~55% YoY. The next seven metros are growing at over 100% YoY. Current guidance of 3,000 stores by Mar'27 assumes continued irrational competitive intensity. If competition moderates, the company would aim for 3,500-4,000 stores by Mar'27, supporting NOV growth of over 100% YoY.
- Competitive intensity increased during the last quarter as several competitors moved to zero minimum order values and zero delivery fees, alongside increased discounting across the market.
- 211 net new stores were added during the quarter, taking the total store count to 2,027, about 70 stores short of the guidance of 2,100.
- Capex per store is expected to increase due to warehousing infrastructure expansion, increased automation, and marginally larger store sizes. This is expected to drive higher productivity per store. Net working capital is expected to remain below 18 days, with RoCE outcomes north of 40%.

Consolidated - Quarterly Earning Model (INR M)

Y/E march	FY25				FY26E				FY25	FY26E	Estimate	Var. (%
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QFY26	/ bp)
Revenue (net of delivery)	**42,060**	**47,990**	**54,050**	**58,330**	**71,670**	**1,35,900**	**1,63,150**	**1,72,528**	**2,02,430**	**5,43,248**	**1,51,896**	**7.4**
YoY Change (%)	74.1	68.5	64.4	63.8	70.4	183.2	201.9	195.8	67.1	168.4	181.0	2080bp
Inventory of traded goods	10,990	13,340	15,000	16,320	22,840	77,420	98,010	1,19,729	55,650	3,17,999	1,02,278	-4.2
Employee Expenses	5,290	5,900	6,890	7,500	8,300	8,650	9,140	10,054	25,580	36,144	9,515	-3.9
Delivery expenses	13,280	13,980	14,500	15,520	18,690	22,130	23,760	23,868	57,280	88,448	22,260	6.7
Gross Profit	**12,500**	**14,770**	**17,660**	**18,990**	**21,840**	**27,700**	**32,240**	**18,878**	**63,920**	**1,00,658**	**17,843**	**80.7**
Margins (%)	29.7	30.8	32.7	32.6	30.5	20.4	19.8	10.9	31.6	18.5	12	800bp
Advertisement and sales promotion	3,960	4,210	5,210	6,340	6,710	8,060	9,370	8,896	19,720	33,036	7,900	18.6
Others	6,770	8,300	10,830	11,930	13,980	17,250	19,190	6,869	37,830	57,289	6,881	178.9
EBITDA	**1,770**	**2,260**	**1,620**	**720**	**1,150**	**2,390**	**3,680**	**3,112**	**6,370**	**10,332**	**3,062**	**20.2**
Margins (%)	4.2	4.7	3.0	1.2	1.6	1.8	2.3	1.8	3.1	1.9	2.0	20bp
Depreciation	1,490	1,800	2,470	2,870	3,140	3,760	4,390	3,451	8,630	14,741	3,797	15.6
Interest	250	300	430	560	670	860	1,070	700	1,540	3,300	700	52.9
Other Income	2,360	2,210	2,520	3,680	3,540	3,520	3,480	2,500	10,770	13,040	2,500	39.2
PBT before EO expense	**2,390**	**2,370**	**1,240**	**970**	**880**	**1,290**	**1,700**	**1,461**	**6,970**	**5,331**	**1,065**	**59.6**
PBT	**2,390**	**2,370**	**1,240**	**970**	**880**	**1,290**	**1,700**	**1,461**	**6,970**	**5,331**	**1,065**	**59.6**
Tax	-140	610	650	580	630	640	680	307	1,700	2,257	224	204.1
Rate (%)	-5.9	25.7	52.4	59.8	71.6	49.6	40.0	21.0	NA	NA	21.0	1900bp
Reported PAT	**2,530**	**1,760**	**590**	**390**	**250**	**650**	**1,020**	**1,154**	**5,270**	**3,074**	**841**	**21.2**
Adj PAT	**2,530**	**1,760**	**590**	**390**	**250**	**650**	**1,020**	**1,154**	**5,270**	**3,074**	**841**	**21.2**
YoY Change (%)	12,550.0	389	-57.2	-77.7	-90.1	-63.1	72.9	196.0	50.1	-41.7	42.6	NA
Margins (%)	6.0	3.7	1.1	0.7	0.3	0.5	0.6	0.7	2.6	0.6	0.6	NA

Apollo Hospital

BSE SENSEX	S&P CNX
81,910	25,158

Stock Info

Bloomberg	APHS IN
Equity Shares (m)	144
M.Cap.(INRb)/(USDb)	981.5 / 10.7
52-Week Range (INR)	8100 / 6001
1, 6, 12 Rel. Per (%)	0/-6/-11
12M Avg Val (INR M)	2904
Free float (%)	72.0

Financials Snapshot (INR b)

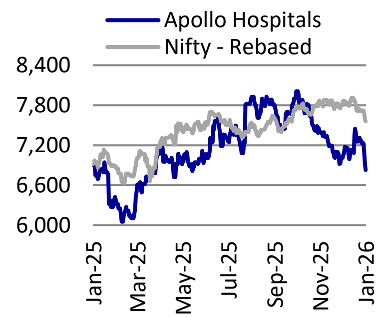
Y/E MARCH	FY26E	FY27E	FY28E
Sales	246.6	284.3	324.3
EBITDA	36.4	41.8	48.6
Adj. PAT	18.8	22.4	27.8
EBITDA Margin (%)	14.8	14.7	15.0
Cons. Adj. EPS (INR)	130.8	155.6	193.1
EPS Gr. (%)	30.0	19.0	24.1
BV/Sh. (INR)	719.4	874.2	1,067.6
Ratios			
Net D:E	-0.1	-0.3	-0.4
RoE (%)	20.6	20.2	20.5
RoCE (%)	15.8	16.4	17.6
Payout (%)	4.5	3.8	3.0
Valuations			
P/E (x)	52.4	44.0	35.5
EV/EBITDA (x)	27.5	23.3	19.4
Div. Yield (%)	0.1	0.1	0.1
FCF Yield (%)	2.6	2.9	3.4
EV/Sales (x)	4.1	3.4	2.9

Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	28.0	28.0	29.3
DII	21.7	21.4	20.2
FII	43.5	44.2	45.3
Others	6.7	6.4	5.2

FII includes depository receipts

Stock performance (one-year)



CMP: INR6,827 TP: INR9,015 (+32%) Buy

Hospital engine strong; HealthCo inflection in sight

We recently met with the management of Apollo Hospital (APHS) to gain deeper insights into the company's business prospects. The key takeaways are as follows:

- **APHS has implemented efforts to gear up for the next phase of growth in the hospital segment through: a) a sustained shift toward higher-complex case mix and b) a disciplined greenfield/brownfield expansion plan, with 45% (~3,660) beds to be added over the next five years in a phased manner.**
- **In HealthCo, APHS is progressing well on: a) expanding offerings on its online platform, b) optimizing costs, c) adding physical stores, and d) improving store-level productivity. Notably, it is on track to achieve EBITDA break-even in Apollo 24/7 by 4QFY26.**
- **The AHLL segment is transitioning into a diagnostics-led growth platform, with specialty and day-care integration expected to drive sustained high-teen revenue growth and mid-teen EBITDA margins beyond FY27.**
- **Overall, we remain positive on APHS, expecting a 14%/17%/24% CAGR in revenue/EBITDA/PAT over FY25-28. We value APHS on an SoTP basis (30x EV/EBITDA for the hospital business, 20x EV/EBITDA for retained pharmacy, 23x EV/EBITDA for AHLL, 25x EV/EBITDA for front-end pharmacy, and 2x EV/sales for Apollo 24/7) to arrive at a TP of INR9,015. Reiterate BUY.**

Hospital: Case mix upgrade/capacity addition to drive growth

- Hospital remains a key contributor, accounting for ~50%/83% of revenue/EBITDA; the segment delivered a strong 10% YoY revenue growth in 1HFY26 with EBITDA margin expansion of ~24.6% YoY.
- While the current occupancy level is at ~65-67%, the company indicated that it is focusing on optimizing the case mix/ALOS to further strengthen EBITDA.
- Specifically, day care services for local patients across certain indications are enabling the company to reduce ALOS and treat a higher number of patients.
- Compared to a 13-14% oncology share in the case mix three years ago, APHS's efforts have increased it to 17% currently. Likewise, management indicated an enhanced focus on CNS indications. APHS's objective is to further increase the share of CONGO (cardiology, oncology, neuroscience, gastro, orthopedics) to drive profitable revenue growth in the hospital segment.
- Over the last three years, the company has onboarded ~180 doctors across new and existing hospitals, strengthening specialty depth and supporting complex case additions.
- Management indicated temporary headwinds in the Eastern cluster due to the transfer of a doctor team from the Bhubaneshwar hospital. APHS has since revived team strength and, accordingly, expects performance to improve going forward.

- In the North cluster, growth remains constrained by bed capacity. APHS is in the process of resolving this through greenfield expansions in Gurgaon, Lucknow, and Varanasi.
- Limited bed capacity in Indore has restricted the addition of doctors.
- Overall, APHS has outlined a plan to add 3,660 beds over the next five years at a total project cost of ~INR83b, of which INR58b remains to be spent.
- Considering: a) improving efficiency in existing hospitals and b) the addition of new hospitals, the hospital business has the potential to deliver 10-15% YoY EBITDA growth in FY27. Opex losses from new hospitals would be INR500m/INR1.5b in 2HFY26/FY27, according to management.

HealthCo: Increased online offerings/store addition to support strong EBITDA growth

- While the HealthCo segment's contribution is limited (42%/11% of revenue/EBITDA), it is the highest EBITDA-growing segment for APHS.
- Management emphasized that HealthCo is transitioning from a predominantly pharmacy-led revenue model to a multi-vertical healthcare services platform. The strategic play includes: 1) locking in recurring interactions and higher lifetime value through condition-management programs (diabetes, cardiac, and neuro), 2) capturing growth in preventive health-check spend, and 3) expanding home-care and doctor-led outreach to deepen engagement and stickiness.
- The current business is pharmacy-heavy, with ~65% of revenue derived from pharma and the balance from consulting and IP/OP services. Management is actively focused on diversifying revenue through the monetization of consulting services, OPD offerings, and insurance commissions, thereby diversifying and adding new growth drivers.
- APHS has guided for 15% YoY GMV growth, backed by 16-17% YoY growth in the pharmacy segment and the scale-up of new offerings.
- The focus is on significantly improving growth prospects in online pharmacy, while continuing efforts on cost optimization.
- Even on the offline pharmacy side, APHS is on track to: a) add 400-500 stores, b) improve revenue per store.
- Management showcased confidence in achieving EBITDA break-even in its online pharmacy and distribution businesses in 4QFY26.
- Subsequently, the FY27 outlook remains promising, with an 18-20% YoY growth expected in the offline pharmacy business and EBITDA contribution from the online pharmacy business.

Diagnostics/speciality integration to drive growth engine

- The AHLL segment remains a small but improving contributor, accounting for ~7.5% of consolidated revenue; the segment delivered a strong 18% YoY revenue growth, with EBITDA margins gradually expanding to ~10% YoY in 1HFY26.
- APHS is working on two main aspects in this segment: a) scale up the diagnostics business and b) integrate day-surgery centers with APHS Group hospitals.
- APHS intends to add three reference labs over the next 12-18M, in addition to expanding its collection centers in the diagnostics space.

- APHS appointed a new CEO to strengthen growth prospects in the diagnostics segment.
- Integrating day-surgery centers is expected to enhance EBITDA margins of specialty care within AHLL from 11% (currently) to ~20% over the next 12-18M.
- Recently, the Competition Commission of India has accorded its approval for AHPS's acquisition of 30.58% equity stake in AHLL from International Finance Corporation, Washington (IFC) and IFC EAF Apollo Investment Company (IFC EAF), for a purchase consideration of **INR12.5b**.

Valuation and view

- We value APHS on an SoTP basis (30x EV/EBITDA for the hospital business, 20x EV/EBITDA for retained pharmacy, 23x EV/EBITDA for AHLL, 25x EV/EBITDA for front-end pharmacy, and 2x EV/sales for Apollo 24/7) to arrive at a TP of INR9,015.
- APHS continues to build comprehensive healthcare services through hospitals, pharmacies (offline/online), diagnostics, and specialty clinics.
- While APHS remains the largest healthcare service provider on a national level, it is implementing efforts to expand across focus areas of super-specialty hospitals and improve the revenue/operating profit prospects of HealthCo.
- Reiterate BUY.

Dr Reddy's Labs

Estimate change	↑
TP change	↓
Rating change	↔

Bloomberg	DRRD IN
Equity Shares (m)	835
M.Cap.(INRb)/(USDb)	965.8 / 10.5
52-Week Range (INR)	1380 / 1020
1, 6, 12 Rel. Per (%)	-6/-8/-19
12M Avg Val (INR M)	2409

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	345.9	393.9	411.3
EBITDA	81.3	88.6	92.1
Adj. PAT	55.1	55.1	57.1
EBITDA Margin (%)	23.5	22.5	22.4
Adj. EPS (INR)	66.2	66.1	68.5
EPS Gr. (%)	-1.7	-0.1	3.7
BV/Sh. (INR)	463	524	588
Ratios			
Net D:E	-0.3	-0.6	-0.7
RoE (%)	15.2	13.4	12.3
RoCE (%)	11.6	10.6	10.1
Payout (%)	7.9	7.6	7.3
Valuations			
P/E (x)	17.5	17.5	16.9
EV/EBITDA (x)	11.1	9.4	8.5
Div. Yield (%)	0.4	0.4	0.4
FCF Yield (%)	4.2	7.1	5.7
EV/Sales (x)	2.6	2.1	1.9

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	26.6	26.6	26.6
DII	30.4	28.0	22.9
FII	33.5	35.8	40.2
Others	9.5	9.6	10.2

FII includes depository receipts

CMP: INR1,157 TP: INR1,220 (5%) Neutral

Ex g-Revlimid resilience; India/EU/Russia drive earnings beat

Work-in-progress to strengthen growth outlook

- Dr Reddy's Labs (DRRD) posted better-than-expected financial performance in 3QFY26. Superior execution in India, Europe and Russia and favorable currency movement more than offset the impact of lower g-Revlimid business for the quarter, driving a beat on earnings.
- DRRD's India business outperformed the industry, aided by its focus on portfolio innovation and the addition of its acquired portfolio (Stugeron).
- In Russia, the highest-ever quarterly sales were driven by product launches and better traction in existing products, supported by forex benefits.
- In Europe, Germany/France and NRT portfolio led growth, partly offset by YoY decline in UK sales.
- DRRD is geared up for the launch of semaglutide in Canada, India and many others through its own as well as partnered launches.
- We reduce our estimates for FY26 by 4% to factor in a delay in semaglutide launch in Canada and raise our estimate for FY27 by 6% to factor in better growth prospects in India/EU/Russia. We value DRRD at 18x 12M forward earnings to arrive at a TP of INR1,220.
- While DRRD is implementing efforts to improve growth across key markets, the overall earnings would be stable over FY26-28 due to anticipated competition in g-Revlimid and some gestation period for certain niche opportunities (Semaglutide/Abatacept) to provide commercial benefits. Maintain Neutral.

Geographic mix shifts drive YoY growth, margin compression persists

- 3Q revenue grew 6.0% YoY to INR87.3b (vs. est. of INR80.9b).
- NA sales fell 12% YoY to INR29.6b (~USD329; 34% of sales) due to lower lenalidomide sales and higher price erosion in certain key products. Europe sales rose 20% YoY to INR14.5b (17% of sales), driven by growth in NRT portfolio and favorable forex movement, partly offset by pricing pressure in generics.
- India sales grew 19% YoY to INR16.0b (18% of Sales). Emerging market sales rose 32% YoY to INR19.0b (22% of sales), majorly driven by Russia (up 51% YoY to INR10.6b).
- Pharmaceutical Services and Active Ingredients (PSAI) segment revenue declined 2% YoY to INR8.0b (9% of sales).
- Gross margin (GM) contracted 440bp YoY to 53.6% largely due to lower margins in PSAI (down 870bp YoY) and Global Generics (down 390bp YoY).
- EBITDA margin contracted 330bp YoY to 23.1% (est. 21.3%). EBITDA fell 7.4% YoY to INR20.1b (est. INR17.2b). 3Q included a one-time expense of INR1.2b related to the new labor code.
- PAT remained stable YoY at INR13.2b.
- For 9MFY26, revenue/PAT grew 9%/5% YoY to INR260b/INR43b, whereas EBITDA declined 3% YoY to INR63b.

Highlights from the management commentary

- On Ex-Revlimid basis, DRRD indicated gross margin to be in the range of 52-55% going forward.
- Organic growth in India was ~17%+ YoY. DRRD expects to sustain 15%+ growth on the back of innovative products and better traction in existing products.
- DRRD has filed for IV version of Abatacept with USFDA. The sub-cutaneous version is expected to be filed in Jul'26 with USFDA. DRRD expects to file both version for EU market in Jul'26.
- DRRD exhibited NRT portfolio YoY growth of 8% in CC terms. ~85% of the operational aspect is now controlled by DRRD. DRRD expects growth to improve going forward, supported by higher business from markets like Brazil.

Consolidated Quarterly Performance (INRm)

Y/E March	FY25				FY26				FY25	FY26E	Estimates	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			3QE	% Var
Sales	**76,727**	**80,162**	**82,320**	**85,060**	**85,452**	**88,051**	**87,268**	**85,132**	**3,24,269**	**3,45,903**	**80,851**	**7.9**
YoY Change (%)	13.9	16.5	14.1	20.1	11.4	9.8	6.0	0.1	16.2	6.7	-1.8	
Total Expenditure	55,452	58,134	60,590	64,555	63,951	66,798	67,144	66,744	2,38,731	2,64,637	63,630	
EBITDA	**21,275**	**22,028**	**21,730**	**20,505**	**21,501**	**21,253**	**20,124**	**18,389**	**85,538**	**81,267**	**17,221**	**16.9**
YoY Change (%)	4.0	10.3	7.1	16.1	1.1	-3.5	-7.4	-10.3	9.1	-5.0	-20.7	
Margins (%)	27.7	27.5	26.4	24.1	25.2	24.1	23.1	21.6	26.4	23.5	21.3	**8.3**
Amortization	3,815	3,975	4,719	4,555	4,765	5,051	5,215	5,050	17,064	20,081	4,400	
EBIT	**17,460**	**18,053**	**17,011**	**15,950**	**16,736**	**16,202**	**14,909**	**13,339**	**68,474**	**61,186**	**12,821**	
YoY Change (%)	3.5	11.9	3.7	12.9	-4.1	-10.3	-12.4	-16.4	7.8	-10.6	-24.6	
Other Income	1,366	2,600	461	3,374	2,311	3,510	1,961	2,334	7,801	10,116	2,350	
PBT before EO expenses	**18,826**	**20,653**	**17,472**	**19,324**	**19,047**	**19,712**	**16,870**	**15,673**	**76,275**	**71,302**	**15,171**	**11.2**
One-off income/(expense)	-5	-1,486	1,270	730	0	-1,362	-1,441	0	509	-2,803	0	
Profit before Tax	**18,821**	**19,167**	**18,742**	**20,054**	**19,047**	**18,350**	**15,429**	**15,673**	**76,784**	**68,499**	**15,171**	**1.7**
Tax	4,901	5,752	4,704	4,181	4,951	4,082	3,533	3,636	19,538	16,202	3,793	
Rate (%)	26.0	30.0	25.1	20.8	26.0	22.2	22.9	23.2	25.4	23.7	25.0	
PAT	**13,920**	**13,415**	**14,038**	**15,873**	**14,096**	**14,268**	**11,896**	**12,037**	**57,246**	**52,297**	**11,378**	**4.5**
Minority Interest	0	862	-95	-66	-82	-104	-202	-250	701	-638	-95	
Reported Profit	**13,920**	**12,553**	**14,133**	**15,939**	**14,178**	**14,372**	**12,098**	**12,287**	**56,545**	**52,935**	**11,473**	**5.4**
Adjusted PAT	**13,924**	**13,593**	**13,182**	**15,361**	**14,178**	**15,431**	**13,209**	**12,287**	**56,060**	**55,105**	**11,473**	**15.1**
YoY Change (%)	2.0	2.4	-4.3	26.7	1.8	13.5	0.2	-20.0	6.1	-1.7	-13.0	
Margins (%)	18.1	17.0	16.0	18.1	16.6	17.5	15.1	14.4	17.3	15.9	14.2	

E - MOFSL Estimates

United Spirits

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	UNITDSPR IN
Equity Shares (m)	727
M.Cap.(INRb)/(USDb)	960.1 / 10.5
52-Week Range (INR)	1645 / 1271
1, 6, 12 Rel. Per (%)	-3/-4/-17
12M Avg Val (INR M)	1424

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	126.1	139.5	151.0
Sales Gr. (%)	8.9	10.6	8.3
EBITDA	23.2	26.3	28.7
Margin (%)	18.4	18.8	19.0
PAT	16.5	18.6	20.7
EPS (INR)	22.8	25.6	28.4
EPS Gr. (%)	15.4	12.6	11.0
BV/Sh.(INR)	131.2	156.7	186.5
Ratios			
RoE (%)	17.3	16.3	15.2
RoCE (%)	20.3	18.9	17.5
Payout (%)	52.7	62.5	63.3
Valuations			
P/E (x)	58.0	51.5	46.4
P/BV (x)	10.1	8.4	7.1
EV/EBITDA (x)	39.4	34.4	31.0

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	56.7	56.7	56.7
DII	15.4	14.9	13.6
FII	14.1	14.4	15.9
Others	13.8	14.0	13.8

FII includes depository receipts

CMP: INR1,320 TP: INR1,500 (+14%) Neutral

Soft volume performance; heavy A&P spending dents margin

- United Spirits' (UNSP) revenue grew 7% YoY (in line) in 3QFY26. Total volume declined 3% YoY (vs. est. +2% | +8% in 2QFY26). We expected a volume decline given the policy change impact in Maharashtra and heavy base due to AP (6% additional growth in base quarter). The Prestige & Above (P&A) segment volume fell 2% YoY (est. +2.5%), while value growth stood at 8% YoY. Popular segment reported a decline of 9%/5% in volume/revenue YoY.
- Gross margin expanded by 220bp YoY to 46.9% (est. 45.8%), supported by headline pricing, product mix and relatively stable input costs. High A&P spends (+36% YoY) dented profitability, resulting in a 30bp YoY contraction in EBITDA margin to 16.8% (miss). Management has reiterated confidence in sustaining its historical price mix range of 6-8%, which should help keep GM broadly stable despite inflationary pressure in bulk Scotch prices.
- The evolving trends in Maharashtra due to Maharashtra-made liquor (MML) will be a key monitorable as it is denting the growth pickup in other states. Gross margin has been expanding, aided by strong realization growth. We believe overall EBITDA margin will remain around 18.5-19.0%. Management is seeing early signs of consumption recovery but remains cautiously optimistic in the coming quarters. We broadly maintain our estimates for FY26-FY28E. We value UNSP at 45x Dec'27E standalone EPS and an additional INR250/share for RCB and other non-core assets to derive a TP of INR1,500. Maintain Neutral rating.

Weak volume growth; miss in EBITDA margins

- **In-line sales, volume below expectation:** Standalone net sales rose 7% YoY to INR36.8b (est. INR36.7b) in 3QFY26. P&A revenue (90% revenue mix) was up 8% YoY, while popular revenue fell by 5% YoY. The top half of the portfolio delivered a solid performance, which was partly offset by policy-led headwinds in Maharashtra and the impact of one-time retail pipeline fill in AP in the base (15% growth in 3QFY25). Total volume declined by 3% YoY (est. +2% YoY, 8% in 2QFY26), with P&A volume down 2% YoY (est. +2.5% YoY, 8% in 2QFY26) to 14.6m cases. Excl. AP, P&A volume growth was flat YoY. Excl. Maharashtra, P&A volume grew by 6%, implying healthy growth in the rest of India. P&A revenue growth (excl. AP) stood at ~10% and excl. Maharashtra, it was 14%. Popular volume fell 9% YoY (est. +2% YoY, 6% in 2QFY26) to 2.9m cases due to MML impact.
- **Taking initiatives to counter MML**: MML achieved full distribution from Nov'25 onward, with availability steadily improving across brands. Management noted that the first brand to market has seen stronger consumer acceptance, while subsequent entrants have faced lower traction. Consumers continue to choose MML due to attractive pricing and value advantage. To counter MML, UNSP has doubled down on McDowell's and Royal Challenge through improved packaging, sharper pricing, and the rollout of pocket packs.

- **Higher A&P spends dent margins:** Gross margin continued to expand by 220bp YoY to 46.9% (est. 45.8%, 47.1% in 2Q). Headline pricing, product mix and benign RM inflation have been supporting margin expansion. UNSP stated that bulk scotch prices started rising in Nov'25 and are expected to remain in inflationary mode for the next couple of quarters. Bulk Scotch is sourced from Diageo on a cost-plus model. A&P spends rose 36%, other expenses were up 7%, and employee expenses were flat YoY. Owing to high A&P spending, EBITDA margin was down by 30bp YoY at 16.8% (est. 17.8%). EBITDA was up 5% YoY at INR6.2b (est. INR6.5b).
- **Flat PBT performance:** Other income in standalone was INR1,440m, out of which INR510m was recurring (showing in consolidated P&L) and the rest was one-time dividend from subsidiary. We are considering only INR510m for PBT and the rest is in an exceptional item. PBT was flat YoY at INR5.7b (est. INR6.3b). A lower tax rate (22% vs. 26% last year) resulted in 11% YoY growth in APAT to INR4.7b (est. INR4.6b).
- In 9MFY26, net sales, EBITDA and APAT grew by 9%, 10% and 19%.

Highlights from the management commentary

- At a macro level, the company is witnessing consumption green shoots, with the top end of the portfolio delivering strong performance in 3Q.
- **However, citing concerns about the job market and geopolitical volatility, management remains cautiously optimistic about the upcoming wedding season and the next couple of quarters.**
- Launch of MML at attractive price points and gradual distribution increase remain a competitive challenge in Maharashtra, especially for the popular and lower-prestige segment (lower end of the portfolio).
- The India-UK FTA will be tabled in the British Parliament in Mar'26 or Apr'26. In India, the cabinet approval will be required. **UNSP expects the implementation of FTA in 2QFY27.**
- Key input costs remained benign, while bulk Scotch remained structurally inflationary (Nov'25 onward). UNSP expects bulk Scotch to remain inflationary for the next couple of quarters.

Valuation and view

- We broadly maintain our estimates for FY26-FY28E.
- While Maharashtra and AP weighed on 3Q performance, UNSP delivered healthy performance in the rest of India. Maharashtra contributes a mid- to high-teen share of the company's total revenue. USNP is taking various initiatives such as improved packaging, pocket packs, and aggressive pricing to counter MML brands. In the coming quarters, we will closely monitor the MML category and developments in the space. On the margin front, a higher price mix range (6-8%) is expected to negate the adverse impact of inflationary bulk Scotch prices and higher ad spends.
- We value 45x Dec'27E standalone EPS and an additional INR250/share for its RCB and other non-core assets to derive a TP of INR1,500. Maintain Neutral rating.

Quarterly Performance (INR m)

Y/E March (Standalone)	FY25 1Q	FY25 2Q	FY25 3Q	FY25 4Q	FY26E 1Q	FY26E 2Q	FY26E 3Q	FY26E 4QE	FY25	FY26E	FY26 3QE	Var. (%)
Volume growth %	**3.5**	**-4.4**	**10.2**	**6.9**	**9.4**	**7.7**	**-3.2**	**-1.0**	**4.1**	**2.7**	**2.4**	
Total revenues	**23,520**	**28,430**	**34,320**	**29,460**	**25,490**	**31,700**	**36,830**	**32,052**	**1,15,730**	**1,26,072**	**36,677**	**0.4%**
YoY change (%)	8.3	-0.8	14.8	10.5	8.4	11.5	7.3	8.8	8.2	8.9	6.9	
Gross Profit	**10,460**	**12,850**	**15,350**	**13,100**	**11,210**	**14,930**	**17,280**	**14,825**	**51,760**	**58,245**	16,798	2.9%
Margin (%)	*44.5*	*45.2*	*44.7*	*44.5*	*44.0*	*47.1*	*46.9*	*46.3*	*44.7*	*46.2*	*45.8*	
Total Exp	18,940	23,360	28,440	24,410	21,340	24,980	30,650	25,867	95,150	1,02,837	30,148	
EBITDA	**4,580**	**5,070**	**5,880**	**5,050**	**4,150**	**6,720**	**6,180**	**6,185**	**20,580**	**23,235**	**6,528**	**-5.3%**
Margins (%)	*19.5*	*17.8*	*17.1*	*17.1*	*16.3*	*21.2*	*16.8*	*19.3*	*17.8*	*18.4*	*17.8*	
EBITDA growth (%)	*18.9*	*7.8*	*19.7*	*39.5*	*-9.4*	*32.5*	*5.1*	*22.5*	*20.5*	*12.9*	*11.0*	
Depreciation	650	690	720	680	680	650	790	780	2,740	2,900	670	
Interest	220	250	200	220	490	210	190	200	890	1,090	240	
Other income	320	340	720	750	610	760	510	870	2,130	2,750	650	
PBT	**4,030**	**4,470**	**5,680**	**4,900**	**3,590**	**6,620**	**5,710**	**6,075**	**19,080**	**21,995**	**6,268**	**-8.9%**
Tax	1,040	1,120	1,480	1,340	900	1,600	1,250	1,749	4,980	5,499	1,661	
Rate (%)	25.8	25.1	26.1	27.3	25.1	24.2	21.9	28.8	26.1	25.0	26.5	
Adj. PAT	**2,990**	**3,350**	**4,203**	**3,750**	**2,963**	**4,945**	**4,668**	**4,327**	**14,293**	**16,497**	**4,607**	**1.3%**
YoY change (%)	24.8	5.3	20.7	60.3	-0.9	47.6	11.0	15.4	25.4	15.4	9.6	

E: MOFSL Estimate

Key Performance Indicators

Y/E March (Standalone)	FY25 1Q	FY25 2Q	FY25 3Q	FY25 4Q	FY26 1Q	FY26 2Q	FY26 3Q
Key Metrics							
Sales Volume (m Cases)	13.7	15.4	18.2	16.7	15.0	16.6	17.6
Volume Growth %	3.5	-4.4	10.2	6.9	9.4	7.7	-3.2
Realisation/case (INR)	1,717	1,844	1,890	1,767	1,701	1,909	2,096
Realisation growth %	4.7	3.9	4.2	3.4	-0.9	3.5	10.9
EBIDTA/Case (INR)	334.3	328.9	323.9	303.0	277.0	404.7	351.8
Segmental performance							
P&A Volumes (m Cases)	11.5	12.9	14.9	13.6	12.6	13.9	14.6
Popular Volumes (m Cases)	2.2	2.5	3.2	3.1	2.4	2.7	2.9
P&A Volumes Growth (%)	5.1	-3.7	11.2	9.2	9.0	8.0	-2.0
Popular Volumes Growth (%)	-4.6	-7.9	5.9	-2.2	11.6	6.1	-9.0
P&A Sales Growth (%)	10.1	0.3	16.1	13.2	9.0	12.4	8.3
Popular Sales Growth (%)	-2.7	-6.9	9.5	1.0	13.6	9.0	-4.8
Average growth for the last two years (%)							
Volume	4.6	-1.7	4.2	5.3	6.4	1.6	3.5
Sales	3.6	-1.1	11.1	8.7	8.3	5.4	11.1
EBITDA	30.6	7.1	26.6	23.3	4.8	20.2	12.4
PAT	16.4	13.0	40.9	35.2	11.9	26.4	15.9
As a % of Sales							
COGS	55.5	54.8	55.3	55.5	56.0	52.9	53.1
Operating expenses	25.0	27.4	27.6	27.3	27.7	25.9	30.1
Depreciation	2.8	2.4	2.1	2.3	2.7	2.1	2.1
YoY change (%)							
COGS	6.7	-3.9	12.2	8.3	9.3	7.6	3.1
Operating expenses	4.6	0.6	17.4	1.5	20.1	5.5	17.2
Other Income	53.1	-12.4	56.2	50.0	90.6	123.5	-29.2
EBIT	22.8	8.2	20.4	50.2	-11.7	38.6	4.5

E: MOFSL Estimates

Tata Communications

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	TCOM IN
Equity Shares (m)	285
M.Cap.(INRb)/(USDb)	461.4 / 5
52-Week Range (INR)	2004 / 1291
1, 6, 12 Rel. Per (%)	-8/-9/-14
12M Avg Val (INR M)	952

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Net Sales	246.2	265.5	285.8
EBITDA	48.0	54.5	60.0
Adj. PAT	11.9	15.7	19.9
EBITDA Margin (%)	19.5	20.5	21.0
Adj. EPS (INR)	41.8	55.1	69.7
EPS Gr. (%)	45.4	31.8	26.4
BV/Sh. (INR)	119.0	153.5	199.8
Ratios			
Net D:E	2.9	1.9	1.2
RoE (%)	37.2	40.5	39.5
RoCE (%)	12.5	14.7	17.4
Payout (%)	47.8	40.8	39.5
Valuations			
EV/EBITDA (x)	11.7	10.0	8.8
P/E (x)	38.8	29.4	23.3
P/BV (x)	13.6	10.6	8.1
Div. Yield (%)	1.2	1.4	1.7
FCF Yield (%)	1.4	2.7	3.6

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	58.9	58.9	58.9
DII	19.0	14.8	13.5
FII	13.6	17.2	18.1
Others	8.5	9.1	9.6

FII includes depository receipts

CMP: INR1,619 TP: INR1,790 (+11%) Neutral

Steady 3Q, albeit slightly weaker than our expectations

- Tata Communications (TCOM) delivered a steady 3Q, with 9% YoY (~3.5% QoQ, in line) data revenue growth, driven by a recovery in core connectivity (+4% YoY) and sustained growth in the Digital portfolio (+15% YoY). However, adjusted for FX, the consolidated revenue growth was muted at 2.2% YoY.
- TCOM's consolidated EBITDA grew 7% YoY (5% QoQ), but came in ~3% below our estimate as margin expanded 60bp QoQ to 19.8% (35bp miss), as growth recovery in higher-margin core connectivity and seasonal strength in Kaleyra were offset by lower contribution from Voice and TCTS.
- The order book remains strong with healthy double-digit growth YoY (and QoQ), driven by large deal wins in core connectivity. The funnel remains robust with digital portfolio contribution at ~70%.
- TCOM announced Mr. Ganesh Lakshminarayanan (ex-CEO, Airtel Business – India) as the MD and CEO designate. He will assume the role of MD and CEO after the current MD's retirement in Apr'26.
- We model ~9% data revenue CAGR over FY25-28E, with data revenue reaching INR249b by FY28. We believe **the ambition of doubling data revenue (INR280b by FY28) remains a tall ask without further acquisitions**.
- We cut our FY26-28E EBITDA by 2-4%, driven by slower-than-expected margin recovery. We build in ~10% EBITDA CAGR over FY25-28, with margin expanding to ~21% by FY28 (lower than management guidance of 23-25%).
- We value TCOM's data business at 9.5x FY28E EV/EBITDA and the voice and other businesses at 5x EV/EBITDA to arrive at our revised **TP of INR1,790**. **We reiterate our Neutral rating.** Acceleration in data revenue growth, along with margin expansion, remains the key for re-rating.

Core-connectivity growth recovers; data margin continues to improve

- Consolidated gross revenue grew ~1.5% QoQ (7% YoY on a like-for-like basis) to INR61.9b (1.5% below our est. INR62.8b). However, adjusted for FX benefits, the growth was modest at ~0.5% QoQ (+2.2% YoY).
- Data revenue at INR53.6b (in line) grew 9% YoY (+3.5% QoQ), driven by ~15% YoY (~4% QoQ) growth in the digital portfolio and recovery in the core-connectivity revenue growth to ~4% YoY/(+2.5% QoQ).
- Consolidated net revenue (a proxy for gross margin) at INR34.8b continued to grow at a slower pace, rising ~4% YoY (+2% QoQ) due to continued weakness in net revenue growth for the digital portfolio (down 4% YoY vs. 15% YoY gross revenue growth).
- Consolidated adjusted EBITDA grew 5% QoQ (+7% YoY on a like-for-like basis) to INR12.3b (3% below our est. of INR12.7b) due to higher network costs (+4.5% QoQ, +13% YoY) and weaker performance in Voice and TCTS segments.
- Consolidated adjusted EBITDA margin expanded 60bp QoQ (though down ~15bp YoY on an LFL basis) to 19.8% (35bp) miss driven by growth recovery in higher-margin core connectivity and a seasonally strong quarter for Kaleyra.
- Reported consolidated PAT was 10% above our estimate at INR3.6b (-46% YoY, -2.1X QoQ), largely due to higher other income (INR2.6b, up 9x YoY, tax refunds).
- Net debt declined INR12b QoQ to INR101b with net debt to EBITDA moderating to 2.2x (vs. 2.1x in Mar'25).

- Committed capex surged to ~INR8b in 3Q (vs. INR6b in 2QFY26), while cash capex rose ~14% QoQ to INR5.8b (up ~18% YoY).
- Reported FCF improved to INR10.5b (vs. INR2.2b QoQ, INR8.2b YoY).
- Reported RoCE (annualized) dips further to 14.4% from 15.1% in 2QFY26.
- For 9MFY26, TCOM's revenue grew 7%, while EBITDA grew ~6% YoY as the margin contracted ~20bp YoY.

Key takeaways from the management commentary

- **Leadership transition:** The Board has approved the appointment of Mr. Ganesh Lakshminarayanan as CEO and MD designate, following the retirement of the current MD & CEO in Apr'26.
- **Order book and funnel:** The order book remains strong with healthy double-digit growth QoQ and YoY. The company won a large deal in core connectivity from one of the world's largest OTT content providers for a multi-continent subsea connectivity project. The funnel remains robust, with ~70% contribution from the digital portfolio.
- **Normalized revenue growth:** Adjusted for INR depreciation, the revenue growth was **muted at 0.5% QoQ (+2.2% YoY).**
- **Net revenue decline in the digital portfolio** was attributed to a couple of onerous deals in the CIS portfolio. The company took the hit in 3QFY26 and expects the trends to improve going ahead with a focus on growing the salience of higher margin non-SMS channels and AI integration with Kaleyra.
- **Margin** improvement was led by a recovery in core-connectivity growth and lower losses in digital. Management remains committed to 23-25% margin guidance over the medium term. The incremental margin drivers would be operating leverage, strategic bets (new product launches, more like SAAS), and moving away from SMS to channels such as Voice, RCS, etc. in CIS. Among the digital portfolio, management expects breakeven to be first hit in the CIS and Media verticals.

Valuation and view

- We currently model ~15% CAGR in digital revenue over FY25-28 and expect digital to account for ~54% of TCOM's data revenue by FY28 (vs. ~50% currently). Acceleration in digital revenue remains key for re-rating.
- We cut our FY26-28 revenue estimates by ~1% each and believe TCOM's ambition of doubling data revenue by FY28 remains a tall ask without further acquisitions. Overall, we build in ~9% data revenue CAGR over FY25-28, with data revenue reaching INR249b by FY28 (vs. TCOM's ambition of INR280b).
- We cut our FY26-28 EBITDA estimates by 2-4% due to slower-than-expected margin recovery. We believe that margin expansion to 23-25% by FY28 could be challenging, given the rising share of inherently lower-margin businesses in TCOM's mix. We expect margins to reach ~21% by FY28 (vs. ~19.4% in 9MFY26).
- We continue to ascribe 9.5X FY28E EV/EBITDA to the data business and 5X EV/EBITDA to voice and other businesses. We ascribe an INR39b (or INR136/share) valuation to TCOM's 26% stake in STT data centers to arrive at our revised **TP of INR1,790 (earlier INR1,830)**.
- After a significant time correction (**no return since the 2023 analyst meet in Jun**), the stock now trades at ~10.5x one-year forward EV/EBITDA (on par with its long-term average).
- We **reiterate our Neutral rating** as we await sustained acceleration in data revenue growth and margin expansion before turning more constructive on TCOM.

Cons. quarterly earnings summary (INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3QE	Var (%)
Revenue	**55.9**	**56.4**	**57.7**	**59.9**	**59.6**	**61.0**	**61.9**	**63.7**	**229.9**	**246.2**	**62.8**	**-2**
YoY Change (%)	17.2	15.8	2.4	5.2	6.6	8.1	7.3	6.3	9.7	7.1		
Total Expenditure	44.6	46.0	46.2	48.7	48.2	49.3	49.6	51.1	185.4	198.2	50.2	-1
EBITDA	**11.4**	**10.4**	**11.5**	**11.2**	**11.4**	**11.7**	**12.3**	**12.6**	**44.5**	**48.0**	**12.7**	**-3**
YoY Change (%)	11.0	2.7	1.6	6.2	0.0	12.5	6.6	12.5	5.3	7.8		
EBITDA Margin (%)	20.3	18.5	20.0	18.7	19.1	19.2	19.8	19.8	19.4	19.5	20.2	
Depreciation	6.3	6.5	6.4	6.7	6.7	6.8	7.5	6.7	25.9	27.7	6.9	9
Interest	1.7	1.9	1.9	1.8	1.8	2.0	2.0	2.0	7.3	7.8	1.9	6
Other Income	0.2	0.1	0.3	0.7	0.2	-0.2	2.6	0.3	1.3	2.9	0.3	764
PBT Before EO Expense	**3.5**	**2.2**	**3.6**	**3.4**	**3.1**	**2.8**	**5.3**	**4.2**	**12.6**	**15.4**	**4.2**	**27**
Exceptional (gain)/loss	-0.9	-1.3	-0.1	-5.8	0.2	0.2	0.8	0.0	-8.1	1.2	0.0	
PBT	**4.4**	**3.4**	**3.7**	**9.1**	**2.9**	**2.5**	**4.6**	**4.2**	**20.7**	**14.3**	**4.2**	**8**
Tax	0.9	1.0	1.3	1.8	0.7	0.8	1.0	1.0	4.9	3.4	0.9	
Rate (%)	19.7	28.3	34.0	19.2	22.5	32.3	22.0	22.5	23.5	24.1	22.5	
MI & P/L of Asso. Cos.	0.2	0.2	0.1	-3.0	0.4	-0.1	-0.1	-0.1	-2.5	0.1	-0.1	
Reported PAT	**3.3**	**2.3**	**2.4**	**10.4**	**1.9**	**1.8**	**3.7**	**3.3**	**18.4**	**10.7**	**3.3**	**10**
Adj PAT	**2.5**	**1.0**	**2.2**	**4.6**	**2.1**	**2.0**	**4.4**	**3.3**	**10.3**	**11.9**	**3.3**	**33**
YoY Change (%)	-34.9	-55.8	-3.5	23.9	-14.9	108.5	98.8	-27.6	-14.5	15.7		

E: MOFSL Estimates

Supreme Industries

Estimate change	↓
TP change	⟷
Rating change	⟷

Bloomberg	SI IN
Equity Shares (m)	127
M.Cap.(INRb)/(USDb)	425.4 / 4.6
52-Week Range (INR)	4740 / 3020
1, 6, 12 Rel. Per (%)	3/-21/-25
12M Avg Val (INR M)	1029

Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	112.6	130.4	147.9
EBITDA	14.7	19.8	23.6
PAT	8.6	13.0	15.9
EBITDA (%)	13.0	15.2	16.0
EPS (INR)	67.9	102.5	124.9
EPS Gr. (%)	(10.2)	50.9	21.8
BV/Sh. (INR)	481.0	549.5	640.3
Ratios			
Net D/E	-0.3	-0.3	-0.4
RoE (%)	14.7	19.9	21.0
RoCE (%)	13.7	18.7	19.8
Payout (%)	50.7	33.2	27.2
Valuations			
P/E (x)	49.3	32.7	26.8
EV/EBITDA (x)	28.6	20.9	17.1
Div Yield (%)	1.0	1.0	1.0
FCF Yield (%)	0.6	2.0	2.7

Shareholding Pattern (%)

As on	Dec-25	Sep-25	Dec-24
Promoter	49.0	48.9	48.9
DII	17.2	16.1	12.0
FII	19.2	20.7	24.7
Others	14.6	14.4	14.5

Note: FII includes depository receipts

CMP: INR3,349 TP: INR4,200 (+25%) Buy

Healthy volume growth with an improving industry outlook

Operating performance below our estimates

- Despite lower-than-expected performance, Supreme Industries (SI) saw an improvement in its quarterly result, with an EBITDA growth of ~7% in 3QFY26 (vs. a dip in the last five quarters). The improvement was mainly driven by high overall volume growth of 13% YoY. Margins were flat YoY due to volatile PVC pricing in 3Q, offset by a better product mix. Plastic pipe volume rose ~16% YoY, with volume growth guidance maintained at ~15-17% for FY26. **This implies a 20-24% YoY volume growth in 4Q**.
- However, management cut its full-year margin guidance to 13.5-14.0% from 14.5-15.0% due to continuous PVC price erosion until Dec'25. Normal margins of 14.5-15.0% are expected to return once price volatility stabilizes and volumes scale up (expected in 4Q).
- Factoring in lower 3Q numbers (hit by muted margins, higher finance costs, lower other income, and reduced share of profits from JV), we cut our FY26E earnings by 9% while broadly retaining our FY27/FY28 estimates. We **reiterate our BUY rating**, valuing the stock at 34x FY28E EPS to arrive at our TP of INR4,200 (on par with its last 10-year average P/E valuation).

Margins under pressure amid pricing volatility

- Consolidated revenue grew 7% YoY to INR26.7b (in line), led by growth in volume (up 13% YoY) to 183.8k MT, which was offset by a decline in realization (down 5% YoY to INR146/kg).
- Consolidated **adj. EBITDA** rose 7% YoY to INR3.3b (est. INR3.6b), with an EBITDA margin of 12.3% (est. 13%), which remained flat YoY. EBITDA/kg for the quarter was INR17.9/kg (-6% YoY). EBITDA was adjusted for a one-time provision related to the new labor law, amounting to ~INR154m.
- Adj. PAT declined 12% YoY to INR1.6b (est. INR2.2b).
- Plastic piping products reported a volume of ~147k MT (+16% YoY). Revenue stood at INR18b (+10% YoY), and EBIT was INR1.4b (-2% YoY), resulting in an EBIT margin of 7.4% (-90bp YoY). Realization came in at INR124/kg (-6% YoY), while EBIT per kg stood at INR9.2/kg (-16% YoY).
- For industrial products, revenue was INR3.4b (flat YoY), EBIT was INR270m (-1% YoY), and EBIT margin stood at 8% (-10bp YoY). For packaging products, revenue was INR3.9b (-2% YoY), EBIT was INR334m (-24% YoY), and EBIT margin stood at 8.6% (-250bp YoY). For consumer products, revenue came in at INR1.1b (+5% YoY), EBIT was INR172m (+1% YoY), and EBIT margin stood at 15.3% (-60bp YoY).
- For 9MFY26, volume/revenue grew 10%/4% YoY to 522k MT/INR76.9b, while EBITDA/Adj PAT declined 7%/20% YoY to INR9.5b/INR5.4b. For 9MFY26, the company faced an inventory loss of INR1.0-1.2b.

Key highlights from the management commentary

- **Valued Added products (VAP):** VAP revenue grew 16% YoY to INR11.2b in 3Q, which boosted margins. The CPVC segment witnessed strong volume growth of 30% in 9MFY26.

- **Plastic pipes:** Plastic piping business growth is coming back to normalcy as the continuous downward price trend scenario has been arrested, and restocking has been started by channel partners. Polymer prices have moved up in CY26 (currently at ~USD650 vs. a low of USD580), broadly aided by an improvement in demand in the market. China's export restrictions starting from Apr'26 are expected to further drive prices up.
- **Capex and expansion plans:** Plastic piping segment capacity to reach 1mMT by the end of FY26, with 70% utilization expected in FY27. SI is spending capex of INR12b in FY26, including the Wavin acquisition. It is also planning to set up two more greenfield plants for plastic piping in Bihar and Alampur (combined capacity of ~100kTPA). This will be operational by FY28.

Valuation and view

- Macro headwinds affecting the PVC industry are largely behind, evidenced by PVC prices increasing from CY26 onwards and demand recovery resulting in double-digit volume growth for SI over the last two quarters and strong 4Q guidance. Margins are expected to improve, led by the omission of inventory losses, stable to improving PVC price expectations, an improving mix of VAP, and higher growth in the high-margin CPVC segment.
- We expect SI to clock 12%/18%/18% CAGR in revenue/EBITDA/PAT over FY25-28. We value the stock at 34x FY28 EPS to arrive at a TP of INR4,200 (on par with its last 10-year average P/E valuation). **Reiterate BUY.**
- The one-year forward P/E valuations are at their 10-year historical average, and with an improving business performance and a healthy industry outlook over the next few quarters, we expect SI to provide a decent risk-reward.

Consolidated - Quarterly Earnings Model (INRm)

Y/E March	FY25				FY26				FY25	FY26E	FY26E	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q	Var
Gross Sales	**26,364**	**22,730**	**25,099**	**30,271**	**26,092**	**23,939**	**26,869**	**35,749**	**1,04,463**	**1,12,649**	**27,647**	**-3**
YoY Change (%)	11.3	-1.5	2.5	0.6	-1.0	5.3	7.1	18.1	3.1	7.8	10.2	
Total Expenditure	22,490	19,537	22,011	26,108	22,903	20,965	23,578	30,515	90,146	97,961	24,055	
EBITDA	**3,873**	**3,192**	**3,088**	**4,163**	**3,189**	**2,974**	**3,292**	**5,233**	**14,317**	**14,688**	**3,593**	**-8**
Margins (%)	14.7	14.0	12.3	13.8	12.2	12.4	12.3	14.6	13.7	13.0	13.0	
Depreciation	860	899	913	914	930	1,044	1,095	1,110	3,586	4,179	1,070	
Interest	33	26	30	30	28	58	114	90	119	290	45	
Other Income	214	151	89	125	169	155	38	40	578	402	180	
PBT before EO expense	**3,194**	**2,417**	**2,235**	**3,344**	**2,400**	**2,028**	**2,120**	**4,073**	**11,190**	**10,621**	**2,658**	
Extra-Ord expense	0	0	0	0	0	0	154	0	0	154	0	
PBT	**3,194**	**2,417**	**2,235**	**3,344**	**2,400**	**2,028**	**1,967**	**4,073**	**11,190**	**10,468**	**2,658**	
Tax	836	629	584	732	629	529	527	1,024	2,782	2,709	670	
Rate (%)	26.2	26.0	26.2	21.9	26.2	26.1	26.8	25.1	24.9	25.9	25.2	
Minority Interest & Profit/Loss of Asso. Cos.	375	278	220	328	252	149	94	260	1,201	755	210	
Reported PAT	**2,734**	**2,066**	**1,870**	**2,939**	**2,023**	**1,647**	**1,534**	**3,310**	**9,609**	**8,514**	**2,198**	
Adj PAT	**2,734**	**2,066**	**1,870**	**2,939**	**2,023**	**1,647**	**1,688**	**3,310**	**9,609**	**8,667**	**2,198**	**-23**
YoY Change (%)	26.8	-15.0	-27.0	-17.2	-26.0	-20.3	-9.7	12.6	-10.2	-9.8	17.6	
Margins (%)	10.4	9.1	7.4	9.7	7.8	6.9	6.3	9.3	9.2	7.7	8.0	

Dalmia Bharat

Estimate change	↓
TP change	⟷
Rating change	⟷

Bloomberg	DALBHARA IN
Equity Shares (m)	188
M.Cap.(INRb)/(USDb)	418.7 / 4.6
52-Week Range (INR)	2496 / 1601
1, 6, 12 Rel. Per (%)	14/-2/17
12M Avg Val (INR M)	774
Free float (%)	44.2

Financial Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	150.2	162.2	176.9
EBITDA	31.0	34.9	39.9
Adj. PAT	11.5	12.2	13.7
EBITDA Margin (%)	20.6	21.5	22.6
Adj. EPS (INR)	61.3	64.9	73.3
EPS Gr. (%)	65.3	6.0	12.8
BV/Sh. (INR)	976	1,026	1,084
Ratios			
Net D:E	0.1	0.1	0.2
RoE (%)	6.4	6.5	6.9
RoCE (%)	6.5	6.6	6.9
Payout (%)	19.6	23.1	20.5
Valuations			
P/E (x)	36.4	34.3	30.4
P/BV (x)	2.3	2.2	2.1
EV/EBITDA(x)	13.5	12.3	11.2
EV/ton (USD)	93	85	80
Div. Yield (%)	0.5	0.7	0.7
FCF Yield (%)	-1.2	-1.8	-0.7

Shareholding Pattern (%)

As of	Sep-25	Jun-25	Sep-24
Promoter	55.8	55.8	55.8
DII	18.0	17.5	14.7
FII	8.8	8.2	8.9
Others	17.5	18.4	20.5

FII includes depository receipts

CMP: INR2,232 TP: INR2,570 (+15%) Buy

Strong volume growth; adjusted EBITDA below estimates

Volume growth momentum continues; pricing volatility in the near-term

- Dalmia Bharat (DALBHARA)'s 3QFY26 earnings were below our estimates. EBITDA (adjusted for prior years' incentive of INR370m) grew ~11% YoY to INR5.7b (~8% miss). Adjusted EBITDA/t came at INR774 (up ~1% YoY; ~9% below our estimates). OPM inched up 20bp YoY to ~16% (1.4pp below our est.). PAT (adjusted for labor code impact) grew ~100% YoY to INR1.2b (~31% below our est., due to lower-than-estimated EBITDA and other income).
- Management indicated that industry volumes grew ~7-8% YoY in 3QFY26, and the momentum is sustaining in 4Q. Pricing was healthy at the start of FY26 but softened in 3Q across its key markets, with declines exceeding the GST-rate cut, also reflecting regional volatility. While near-term pricing is difficult to predict, it remains cautiously optimistic on medium-term price increases, aided by consolidation, rising entry barriers, and steady capacity utilization. It reiterated the cost reduction target of INR150–200/t, with INR45–50/t being achieved in the past six quarters. This will further reduce costs in the coming quarters.
- We cut our EBITDA estimates by ~3% for FY26-FY28 (each) due to lower-than-estimated profitability in 3Q. Our EPS estimates reduced by ~5-6% for FY26-28 (each). We value the stock at 13x FY28E EV/EBITDA to arrive at our TP of INR2,570. **Reiterate BUY.**

Volume rises ~10% YoY; realization/t flat YoY (down ~4% QoQ)

- DALBHARA's consol. revenue/EBITDA/PAT (adj.) stood at INR34.7b/INR5.7b/INR1.2b (+9%/+11%/+100% YoY and in line/-8%/-31% vs. our estimates) in 3QFY26. Sales volume increased ~10% YoY to 7.3mt (in line). Realization was flat YoY (declined 4% QoQ) to INR4,752/t (~1% below estimates).
- Opex/t declined ~1% YoY (+1% vs. our estimates). Employee costs/freight costs/other expenses per tonne declined 8%/6%/1% YoY, while variable cost/t grew ~3%. OPM expanded 20bp YoY to ~16%, and EBITDA/t increased ~1% YoY to INR774. Depreciation declined ~7% YoY, whereas interest cost increased ~17% YoY. Other income surged ~68% YoY.
- In 9MFY26, revenue/EBITDA/PAT stood at INR105.2b/INR21.4/INR7.3b up ~6%/33%/115% YoY. Volume increased ~2% YoY. Realization/t grew ~4% YoY and EBITDA/t was up ~30% YoY to INR1,011.

Highlights from the management commentary

- It posted strong volume growth of ~10% YoY in 3QFY26, driven by improved demand, deeper channel engagement, and focused sales execution. Its trade share stood at 62%, while premium product share was at 23% in 3QFY26.
- Blended fuel consumption cost was at INR1.36/kcal vs. INR1.31/INR1.38/kcal in 3QFY25/2QFY26. While blended fuel cost is likely to increase in the coming quarters due to higher petcoke prices, it is looking to mitigate this impact by increasing the blend of domestic coal, which is cheaper.
- Management maintained its medium-term capacity guidance of achieving ~75 mtpa by FY28E. The Jaisalmer greenfield expansion remains a key priority. While other project-related work is going as per the plans, it is likely to firm up its plan for the Jaisalmer plant in the coming months.

Valuation and view

- DALBHARA's 3QFY26 operating performance (adjusted for one-offs) was below our estimates. Price pressure in the company's key markets and higher variable costs have led to a decline in EBITDA/t. Cement demand increased in Nov-Dec'26, which led to strong volume growth. The management is confident of a strong demand momentum in the coming quarter, with higher government capex. However, it is cautious on the near-term pricing trend. We believe the company should benefit from expansions in its core market (the South region) in the medium to long term.
- We estimate a revenue/EBITDA/PAT CAGR of 9%/14%/9% over FY26-28. We estimate a volume CAGR of ~7% over FY26-28E and an EBITDA/t of INR1,179/ INR1,142 in FY27/FY28E vs. INR1,019 in FY26E (avg. EBITDA/t of INR1,013 over FY21-25). At CMP, the stock is trading attractively at 12x/11x FY27E/FY28E EV/EBITDA and USD85/USD80 EV/t. We value DALBHARA at 13x FY28E EV/EBITDA to arrive at our TP of INR2,570. **Reiterate BUY.**

Quarterly Performance (Consolidated) (INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	**36.2**	**30.9**	**31.8**	**40.9**	**36.4**	**34.2**	**34.7**	**44.9**	**139.8**	**150.2**	**34.6**	**0**
YoY Change (%)	-0.3	-2.0	-11.7	-5.0	0.4	10.7	9.1	9.9	-4.8	7.4	8.9	
Total Expenditure	29.5	26.5	26.7	33.0	27.5	27.2	29.0	35.4	115.7	119.2	28.5	2
EBITDA	**6.7**	**4.3**	**5.1**	**7.9**	**8.8**	**7.0**	**5.7**	**9.5**	**24.1**	**31.0**	**6.1**	**-8**
Margins (%)	18.5	14.1	16.1	19.4	24.3	20.4	16.3	21.2	17.2	20.6	17.7	-144
YoY Change (%)	8.4	-26.3	-34.4	21.3	32.0	60.4	10.6	20.3	-8.8	28.7	20.2	
Depreciation	3.2	3.4	3.6	3.1	3.2	3.2	3.4	3.5	13.3	13.3	3.3	2
Interest	1.0	1.0	1.0	1.1	1.1	1.2	1.2	1.2	4.0	4.7	1.2	1
Other Income	0.5	0.7	0.4	0.9	0.5	0.7	0.6	0.9	2.5	2.7	0.7	-11
PBT before EO Expense	**3.1**	**0.7**	**0.8**	**4.7**	**5.0**	**3.2**	**1.7**	**5.7**	**9.3**	**15.6**	**2.3**	**-28**
Extra-Ord expense	1.1	0.0	0.0	0.0	-0.2	0.0	-0.1	0.0	1.1	-0.2	0.0	
PBT after EO Expense	**1.9**	**0.7**	**0.8**	**4.7**	**5.2**	**3.2**	**1.7**	**5.7**	**8.2**	**15.8**	**2.3**	**-25**
Tax	0.5	0.2	0.2	0.3	1.2	0.8	0.5	1.5	1.2	4.0	0.6	
Prior Period Tax Adjustment	0.0	0.1	0.0	-0.8	0.0	0.0	0.0	0.0	-0.7	0.0	0.0	
Rate (%)	16.0	20.5	22.9	22.9	24.5	24.8	26.0	26.0	5.6	25.2	25.6	
Reported PAT (Pre Minority)	**1.5**	**0.5**	**0.7**	**4.4**	**4.0**	**2.4**	**1.3**	**4.2**	**7.0**	**11.9**	**1.7**	**-26**
Minority + Associate	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.2	0.1	0.0	
Adj. PAT	**2.3**	**0.6**	**0.6**	**3.6**	**3.7**	**2.4**	**1.2**	**4.2**	**7.0**	**11.5**	**1.7**	**-31**
YoY Change (%)	82.9	-53.8	-78.1	40.7	65.8	329.1	100.4	18.4	-9.0	65.3	188.9	
Per Ton Analysis (Blended) INR/t												
Sales Dispatches (m ton)	**7.4**	**6.7**	**6.7**	**8.6**	**7.0**	**6.9**	**7.3**	**9.2**	**29.4**	**30.4**	**7.2**	1
YoY Change (%)	6.2	8.1	-2.0	-2.3	-5.4	3.0	9.5	7.0	2.0	3.5	8.7	
Net Realization	**4,893**	**4,607**	**4,773**	**4,757**	**5,194**	**4,952**	**4,752**	**4,886**	**4,760**	**4,940**	**4,782**	**-1**
YoY Change (%)	-6.1	-9.3	-9.9	-2.8	6.2	7.5	-0.4	2.7	-6.7	3.8	0.2	
RM Cost	818	664	768	891	667	732	800	824	793	761	800	-
Employee Expenses	308	327	335	250	324	328	307	255	301	300	315	-2
Power, Oil & Fuel	1,023	1,055	999	899	1,036	1,039	1,019	1,004	988	1,023	970	5
Freight and Handling Outward	1,122	1,099	1,122	1,130	1,136	1,055	1,059	1,072	1,119	1,080	1,070	-1
Other Expenses	719	815	782	665	770	790	793	694	739	757	780	2
Total Expenses	**3,989**	**3,960**	**4,006**	**3,835**	**3,933**	**3,943**	**3,978**	**3,850**	**3,940**	**3,921**	**3,935**	**1**
EBITDA	**904**	**648**	**767**	**922**	**1,261**	**1,009**	**774**	**1,037**	**820**	**1,019**	**848**	**-9**

Source: Company, MOFSL Estimates

Gujarat Gas

Estimate changes	↓
TP change	⟷
Rating change	⟷

Bloomberg	GUJGA IN
Equity Shares (m)	688
M.Cap.(INRb)/(USDb)	274.9 / 3
52-Week Range (INR)	509 / 360
1, 6, 12 Rel. Per (%)	4/-15/-29
12M Avg Val (INR M)	209

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	150.9	161.4	178.4
EBITDA	18.4	20.7	22.5
PAT	11.2	12.8	14.2
EPS (INR)	16.3	18.7	20.6
EPS Gr. (%)	-2.1	14.6	10.5
BV/Sh.(INR)	133.6	145.9	159.5
Ratios			
Net D:E	-0.1	-0.1	-0.2
RoE (%)	12.7	13.4	13.5
RoCE (%)	17.5	18.2	18.3
Payout (%)	34.0	34.0	34.0
Valuations			
P/E (x)	24.5	21.4	19.3
P/BV (x)	3.0	2.7	2.5
EV/EBITDA (x)	14.6	12.8	11.5
Div. Yield (%)	1.4	1.6	1.8
FCF Yield (%)	1.2	2.7	3.5

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	60.9	60.9	60.9
DII	22.1	22.0	21.2
FII	3.8	3.7	4.5
Others	13.2	13.4	13.4

FII Includes depository receipts

CMP: INR399 TP: INR485 (+21%) Buy

Volume recovery expected in Morbi

- **Gujarat Gas' (GUJGA) 3Q volumes came in line with our estimate at 8.4mmscmd, down 12% YoY. I&C-PNG volumes dipped 27% YoY, while CNG/D-PNG volumes grew 11%/12% YoY. Morbi volumes declined ~0.4mmscmd QoQ to ~1.7mmscmd, primarily due to customers shifting toward cheaper alternate fuels. EBITDA/scm was 7% below our est. at INR5.8 as realization, gas costs, and opex were flat QoQ.**
- **Industrial volumes are expected to recover in 4Q as propane prices increase and spot LNG prices soften. After an INR4.5/scm I&C-PNG price cut taken by GUJGA in Jan'26, propane is INR2.4/scm cheaper vs piped natural gas in Morbi. The current volume run rate in Morbi has improved to ~2.2mmscmd (vs. 1.7mmscmd in 3Q) and is guided to reach ~2.6-2.7mmscmd by the end of Jan'26. Feb/Mar'26 volumes are likely to average ~3-3.2mmscmd.**
- **With respect to the propane marketing business, the company plans to own propane infrastructure and is in discussion with port authorities for storage and unloading facilities. While we have not factored in any earnings contribution from the recently announced initiative to sell propane in Morbi and other industrial areas, this remains a key upside risk to our current volume estimates.**
- **GUJGA currently trades at 23.2x 1-year forward P/E, below its long-term average of 24.9x. While near-term performance may remain subdued given the uncertain volume growth outlook, the merger of GUJGA, GUJS, and GSPC remains a key near-term catalyst for the stock. Shareholder approval has been obtained, and filings have been submitted to the MCA. Final approval is expected by the end of Feb'26.**
- **We maintain our EBITDA/scm assumption of INR6 over FY27-28 and value the stock on 24x Dec'27E EPS of INR20.1, arriving at our TP of INR485.**

Key takeaways from the management commentary

- **Gas sourcing (3QFY26):** 24% APM (down QoQ), 4% NG gas, 39% long-term LNG, 33% short-term (IGX + spot).
- **Zonal tariff change impact:** Neutral at current volumes and up to an incremental 2-3mmscmd CNG volumes. However, every 1mmscmd rise in I&C-PNG could reduce margins by ~INR1/scm.
- **CNG stations**: 833 operational as of now, and the company targets to exceed 1,000 stations over the next 2-3 years.
- GUJGA has guided an EBITDA margin (including other income) of INR5.5-6.5/scm for FY26-28, with CNG and PNG volumes likely to grow at 10-12%.

Miss led by lower-than-estimated EBITDA/scm margin; I&C-PNG volumes disappoint

- GUJGA's total volumes came in line at 8.4mmscmd (down 12% YoY).
  - I&C-PNG volumes were down 27% YoY, while CNG/D-PNG volumes grew 11%/12% YoY.
- EBITDA/scm came in 7% below our estimate at INR5.8.
  - Realization, gas costs, and opex were flat sequentially.
- Resultant EBITDA stood 8% below our estimate at INR4.5b (up 18% YoY).
- PAT also came in 11% below our estimate. at INR2.7b (up 20% YoY).

- **GUJGA — press release KTAs:**
  - CNG volumes rose **11% YoY**, supported by **833 operational stations**.
  - Shareholders have approved the Composite Scheme of Amalgamation and Arrangement with a majority on 17 Oct'25. **Filings have been submitted to the MCA (no progress in 3Q).**
  - The company has added over **38,600 new domestic customers** during the quarter, taking total connections to ~2.4m households.
- The pipeline network has expanded to 44,540 inch-km cumulatively.

Valuation and view

- The company's long-term volume growth prospects remain robust, with the addition of new industrial units and the expansion of existing units. It is aggressively investing in infrastructure to push industrial gas adoption in Thane rural, Ahmedabad rural, and newly acquired areas in Rajasthan.
- The stock is trading at a P/E of 21.4x FY27E and EV/EBITDA of 12.8x for FY27E. **We reiterate our BUY rating on the stock with a TP of INR485, valuing it at 24x Dec'27E EPS.**

Standalone - Quarterly Earnings Model

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	**44,503**	**37,818**	**41,529**	**41,020**	**38,709**	**37,804**	**36,584**	**37,714**	**1,64,870**	**1,50,855**	**36,273**	**1%**
YoY Change (%)	17.7	-1.7	5.7	-0.8	-13.0	0.0	-11.9	-8.1	5.1	-8.5	-12.7	
EBITDA	**5,356**	**5,142**	**3,805**	**4,495**	**5,199**	**4,473**	**4,473**	**4,296**	**18,798**	**18,445**	**4,862**	**-8%**
Margin (%)	12.0	13.6	9.2	11.0	13.4	11.8	12.2	11.4	11.4	12.2	13.4	
Depreciation	1,231	1,295	1,294	1,286	1,314	1,343	1,352	1,343	5,106	5,353	1,348	
Interest	78	80	93	74	79	81	87	87	325	335	86	
Other Income	386	386	585	744	594	731	546	439	2,100	2,310	542	
PBT	**4,433**	**4,152**	**3,002**	**3,878**	**4,399**	**3,779**	**3,580**	**3,305**	**15,466**	**15,068**	**3,971**	**-10%**
Tax	1,135	1,083	786	1,007	1,131	969	924	832	4,011	3,856	1,001	
Rate (%)	25.6%	26.1%	26.2%	26.0%	25.7%	25.6%	25.8%	25.2%	25.9%	25.6%	25.2	
Reported PAT	**3,298**	**3,069**	**2,216**	**2,872**	**3,268**	**2,810**	**2,656**	**2,473**	**11,455**	**11,212**	**2,970**	**-11%**
YoY Change (%)	53.3	3.1	0.6	-22.0	-0.9	-8.4	19.8	-13.9	-9.7	-2.1	34.0	
Total volume (mmscmd)	**11.0**	**8.8**	**9.5**	**9.3**	**8.9**	**8.7**	**8.4**	**9.0**	**9.6**	**9.1**	**8.5**	**-1%**
CNG	3.0	2.9	3.1	3.2	3.3	3.3	3.5	3.5	3.1	3.2	3.4	1%
PNG – Industrial/Commercial	7.4	5.1	5.6	5.2	4.9	4.5	4.1	4.5	5.8	5.2	4.3	-4%
PNG – Households	0.6	0.8	0.7	0.9	0.7	0.8	0.8	1.0	0.8	0.8	0.8	4%
EBITDA (INR/scm)	**5.4**	**6.4**	**4.4**	**5.4**	**6.4**	**5.6**	**5.8**	**5.3**	**5.4**	**5.6**	**6.2**	**-7%**

UTI AMC

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	UTIAM IN
Equity Shares (m)	128
M.Cap.(INRb)/(USDb)	132.9 / 1.4
52-Week Range (INR)	1472 / 891
1, 6, 12 Rel. Per (%)	-6/-30/-24
12M Avg Val (INR M)	250

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
AAUM	3,858	4,442	5,115
MF Yield (bp)	32.9	31.9	30.9
Rev from Ops	15.8	17.7	19.8
Core PAT	4.9	6.4	7.5
PAT	8.0	9.3	10.5
PAT (bp as AAUM)	21	21	21
Core EPS	38	51	59
EPS	63	73	83
EPS Grw. (%)	-1	16	14
BVPS	424	446	471
RoE (%)	15	17	18
Div. Payout (%)	70	70	70
Valuations			
Mcap/AUM (%)	3.4	3.0	2.6
P/E (x)	16.4	14.2	12.5
P/BV (x)	2.4	2.3	2.2
Div. Yield (%)	4.2	4.9	5.6

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	0.0	0.0	0.0
DII	59.7	59.5	60.2
FII	7.6	7.7	7.2
Others	32.7	32.8	32.6

FII includes depository receipts

CMP: INR1,034 TP: INR1,400 (+35%) Buy

Higher other income and lower employee costs lead to PAT beat

- UTI AMC's 3QFY26 operating revenue came in at INR3.9b (in line), reflecting a growth of 5% YoY/flat QoQ. Yield on management fees came in at 40.1bp in 3QFY26 vs 42.6bp in 3QFY25 and 41.2bp in 2QFY26. For 9MFY26, operating revenue grew 7% YoY to INR11.6b.
- Total opex came in at INR2.1b, registering a growth of 16% YoY but a decline of 11% QoQ. EBITDA came at INR1.8b (18% beat) in 3QFY26 (declining 6% YoY but rising 21% QoQ), and EBITDA margins stood at 45.6% in 3QFY26 vs 50.8% in 3QFY25.
- Higher other income and lower employee costs resulted in a 17% beat in PAT, which stood at INR1.4b in 3QFY26 (declining 21% YoY but rising 4% QoQ). For 9MFY26, it declined 26% YoY to INR5.2b.
- In our preview, we had included the impact of INR857m related to VRS and labor costs within overall employee expenses, resulting in total costs of INR2.5b. This has now been segregated and presented as an exceptional item to align with the company's reporting.
- Considering a gradual improvement in flow momentum and adjusting for VRS as well as higher taxation, we expect UTI to report a CAGR of 15%/11%/15% in AUM/revenue/core PAT over FY25-28E. **We reiterate our BUY rating with a one-year TP of INR1,400 (based on 17x FY28E EPS).**

MF yields continue to dip

Overall MF QAAUM grew 12% YoY/4% QoQ to INR3.9t. Equity/ETFs/ Index/Debt funds saw a YoY growth of 4%/16%/23%/10%.

- Equity QAAUM contributed 26% to the mix in 3QFY26 vs. 28% in 3QFY25. Debt/liquid schemes contributed 6%/14% to the mix in 2QFY26 (7%/15% in 3QFY25), while hybrid schemes contributed 7% to the mix (6% in 3QFY25). ETFs contributed 33% to the mix (32% in 3QFY25).
- The MF segment yield dipped to 32bp (34bp in 3QFY25), as the contribution in equity declined. Overall net inflows for UTI were INR58.6b vs. INR102.1b in 3QFY25 and INR57b in 2QFY26. Equity/Liquid outflows for the quarter were INR2.2b/INR7.4b, while Income/ETFs & Index schemes garnered inflows of INR3b/INR65b.
- Gross inflows mobilized through SIPs stood at INR23.9b in 3QFY26, with the SIP AUM increasing to INR447.5b (+17% YoY). Live folios increased slightly to 13.8m as of the end of Dec'25.
- The overall MF AAUM market share declined to 4.9% from 5.1% in Dec'24. UTI AMC's market share in Passive/NPS AUM was largely stable at 13%/24%. The market share in Equity/Hybrid/Cash & Arbitrage/Debt Funds stood at 3%/ 4%/4%/3% in Dec'25.
- The distribution mix in QAAUM remained largely stable in 3Q, with the direct channel dominating the mix with a 72% share, followed by MFDs at 20% and BND at 8%. However, with respect to equity AUM, MFDs contributed 53% to the distribution mix.

- As bp of QAAUM, the cost declined QoQ to 21.8bp in 3QFY26 (vs. 25.5bp in 2QFY26), and the cost-to-income ratio declined sequentially to 54.4% (from 61.9% in 2QFY26). Employee costs/other expenses grew 18%/14% YoY to INR1.3b/INR811m.
- In our preview, we had included the impact of INR857m related to VRS and labor costs within overall employee expenses, resulting in total costs of INR2.5b. This has now been segregated and presented as an exceptional item to align with the company's reporting. Overall impact was INR1.1b, with additional impact from gratuity and pension payments pertaining to VRS.
- Other income at INR1.2b (23% beat) witnessed a growth of 173% YoY/292% QoQ. Total investments as of Dec'25 rose sequentially to INR39.9b (INR38.6b in 2QFY26), with 70%/15%/7%/8% being segregated into MFs/Offshore/Venture Funds/G-Sec/Bonds.
- The number of digital transactions during the quarter grew 6% YoY to 5.4m, while online gross sales were at ~89%.

Yields improve in the UTI International and UTI Capital segments

- Total Group AUM stood at INR23.1t, up 11% YoY, of which MF AUM stood at INR3.9t, up 12% YoY. Non-MF AUM grew 11% YoY to INR19.2t, with PMS AUM growing 10% YoY to INR14.9t. UTI Capital grew 15% YoY to INR31b, and UTI Pension AUM grew 19% YoY to INR4.1t. UTI International AUM declined 30% YoY to INR205b.
- Yields on PMS/Pension businesses largely remained stable YoY, while yields improved YoY for International/Capital businesses to 64bp each.

Valuation and view

- UTI AMC continues to deliver a steady and broad-based performance across its mutual fund, pension, and international businesses. The core AMC operations have seen consistent growth in AUM, supported by a diversified product mix, with a strong tilt toward equity, healthy SIP inflows, and robust retail traction.
- Going forward, improving the performance of equity schemes will be key for a rise in contributions from equity schemes, resulting in yield improvement. While earnings of FY26 will be impacted by VRS implementation, the same will result in cost savings from FY27 onwards on the employee expense front.
- Considering gradual improvement in flow momentum and adjusting for VRS as well as higher taxation, we expect UTI to report a CAGR of 15%/11%/15% in AUM/revenue/core PAT over FY25-28E. **We reiterate our BUY rating with a one-year TP of INR1,400 (based on 17x FY28E EPS).**

Quarterly Performance

(INR m)

Y/E March	FY25				FY26				FY25	FY26E	3Q FY26E	Act vs. Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE						
Revenue from Operations	3,368	3,730	3,754	3,602	3,793	3,900	3,947	4,126	14,453	15,767	4,040	-2.3	5.2	1.2
Change YoY (%)	19.1	27.9	29.4	13.4	12.6	4.6	5.2	14.6	22.3	9.1	7.6			
Fees & Commission	6	6	7	8	8	8	10	13	26	39	10	0.0	51.5	29.9
Employee Expenses	1,137	1,153	1,128	1,162	1,292	1,588	1,327	1,380	4,580	5,587	1,643	-19.2	17.7	-16.4
Other expenses	638	742	714	899	770	817	811	838	2,992	3,236	858	-5.5	13.6	-0.8
Total Operating Expenses	1,781	1,901	1,848	2,068	2,069	2,413	2,148	2,231	7,598	8,862	2,511	-14.5	16.3	-11.0
Change YoY (%)	6.0	10.2	4.9	10.2	16.2	26.9	16.3	7.9	7.9	16.6				
EBITDA	**1,587**	**1,829**	**1,906**	**1,534**	**1,724**	**1,487**	**1,799**	**1,895**	**6,856**	**6,905**	**1,529**	**17.7**	**-5.6**	**21.0**
EBITDA margin (%)	47.1	49.0	50.8	42.6	45.4	38.1	45.6	45.9	47.4	43.8	38	774 bp	-520 bp	745 bp
Other Income	1,970	1,671	451	158	1,693	314	1,232	779	4,249	4,019	1,000	23.2	173.3	292.2
Depreciation	112	112	113	118	123	127	127	134	455	510	128	-1.0	12.1	-0.2
Finance Cost	32	31	32	33	34	33	33	35	127	135	33	0.6	4.1	0.6
PBT	**3,413**	**3,357**	**2,212**	**1,540**	**3,260**	**1,641**	**2,871**	**2,506**	**10,522**	**10,279**	**2,368**	**21.3**	**29.8**	**75.0**
Exceptional item (VRS and labour costs)							**1,089**							
Tax Provisions	670	726	476	520	722	319	405	816	2,392	2,261	332	21.7	-15.0	26.8
Net Profit	**2,743**	**2,631**	**1,736**	**1,020**	**2,539**	**1,322**	**1,378**	**1,690**	**8,130**	**8,017**	**1,178**	**16.9**	**-20.6**	**4.2**
Change YoY (%)	17.0	43.9	-14.6	-43.8	-7.5	-49.7	-20.6	65.7	1.4	-1.4	-32.1			

Key Operating Parameters (%)	1Q FY25	2Q FY25	3Q FY25	4Q FY25	1Q FY26	2Q FY26	3Q FY26	4Q FY26	FY25	FY26E	3Q FY26E	Act vs. Est. (%)	YoY	QoQ
Revenue / AUM (bp)	43.4	43.6	42.6	42.4	42.0	41.2	40.1	40.3	46.5	43.7	41	115 bp	-251 bp	-113 bp
Opex / AUM (bp)	22.9	22.2	21.0	24.3	22.9	25.5	21.8	21.8	24.5	24.6	34	-1115 bp	85 bp	-369 bp
PAT / AUM (bp)	35.3	30.7	19.7	12.0	28.1	14.0	14.0	16.5	26.2	22.2	12	1621 bp	-571 bp	2 bp
Cost to Operating Income Ratio	52.9	51.0	49.2	57.4	54.6	61.9	54.4	54.1	52.6	56.2	83.4	-2881 bp	520 bp	-745 bp
EBITDA Margin	47.1	49.0	50.8	42.6	45.4	38.1	45.6	45.9	47.4	43.8	16.6	2881 bp	-520 bp	745 bp
Tax Rate	19.6	21.6	21.5	33.8	22.1	19.4	14.1	32.6	22.7	22.0	22.0	13 bp	-743 bp	-535 bp
PAT Margin	81.4	70.5	46.2	28.3	66.9	33.9	34.9	41.0	56.2	50.8	29.2	3776 bp	-1133 bp	102 bp
Core PAT Margin	34.4	35.4	36.8	25.4	32.2	27.4	8.1	28.2	33.1	23.9	9.9	2231 bp	-2872 bp	-1931 bp

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3QFY26 Results Update | Sector: Financials

Canara HSBC Life Insurance

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	CANHLIFE IN
Equity Shares (m)	950
M.Cap.(INRb)/(USDb)	129.7 / 1.4
52-Week Range (INR)	158 / 106
1, 6, 12 Rel. Per (%)	10/-/-
12M Avg Val (INR M)	414

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Net Premiums	100.3	117.4	137.7
Sh.PAT	1.1	1.2	1.5
APE	28.8	34.4	41.1
APE growth (%)	22.9	19.5	19.7
VNB	5.7	7.0	8.6
VNB margin (%)	19.8	20.5	21.0
RoE (%)	6.9	7.5	8.4
RoEV (%)	17.5	17.8	18.2
AUM	475.5	533.2	597.9
EV per share	75	88	105
Valuations			
P/EV (x)	1.8	1.5	1.3
P/EVOP (x)	12.2	10.3	8.5

CMP: INR137 TP: INR180 (+32%) Buy

Industry-leading growth; robust VNB margin expansion

- Canara HSBC Life Insurance (CANHLIFE) witnessed 37% YoY growth, with APE crossing the INR10b mark in 3QFY26. For 9MFY26, APE grew 22% YoY to ~INR21b.
- VNB at INR2b grew 60% YoY, resulting in a VNB margin of 19.8% (17% in 3QFY25), supported by the rising share of protection as well as improving attachment rates. For 9MFY26, VNB grew 37% YoY to INR4.1b, with VNB margin expanding 210bp YoY to 19.7%.
- PAT declined 7% YoY to INR277m. For 9MFY26, PAT grew 7% YoY to INR919m (17% YoY excluding the labor code impact of INR87m). EV at the end of 9MFY26 was at INR68.7b, with operating RoEV at 18.2%.
- The GST impact on VNB margin is estimated at ~185bp for FY26 post renewal commission adjustments, with further mitigation possible via expense rationalization. While initial margin strain is expected as the agency channel scales up, this is expected to be offset through a higher protection mix, sustained annuity momentum, improved operating efficiency, and higher rider attachment within ULIPs.
- We have slightly increased our APE estimates by ~3% each and VNB margin estimates by 30bp/50bp/50bp, considering the strong performance in 3QFY26. **We reiterate our BUY rating, maintaining a TP of INR180 (based on 1.7x FY28E EV).**

Protection share rising; rider attachments improve ULIP margins

- For 3QFY26, CANHLIFE's gross premium grew 42% YoY to INR28.9b, driven by 43% YoY growth in renewal premium and 28% YoY growth in first-year premium.
- APE growth of 22% YoY for 9MFY26 was driven by a 22%/33%/114% YoY growth in the ULIP/Annuity/Protection business. The non-par business declined 6% YoY, while the par business was largely flat YoY. Individual APE witnessed a 20% YoY growth for 9MFY26.
- The contribution of ULIP in total APE was stable YoY at 61% in 9MFY26. The share of protection in the mix improved from 4% in 9MFY25 to 7% in 9MFY26, with individual protection rising 3x sequentially in 3QFY26, backed by GST-led demand and credit life growth of 53% YoY for 3QFY26. Management aims to reach double-digit contribution from the protection segment on the back of: 1) GST exemption boosting individual protection and 2) the company's continued focus on credit life protection.
- The channel mix based on individual APE was at 93%/7% from banca/non-banca channels. Moreover, in the banca channel, 75% contribution was from Canara Bank, 12% contribution from HSBC Bank, and ~5% from regional rural banks.
- CANHLIFE's persistency ratios have improved YoY across all cohorts in 3QFY26, with 13M persistency at 84.7% (78% in 3QFY25) and 61M persistency at 57% (53.8% in 3QFY25), backed by continued efforts to improve retention.

- The total expense ratio stood at 18.3% in 3QFY26, improving from 19.2% in 3QFY25, reflecting a continued focus on operational efficiency, while commission ratios were largely stable. The ramp-up of the agency channel may lead to an increase in the expense ratio. However, expense rationalization measures are expected to offset this to a certain extent.
- AUM at the end of 9MFY26 was at INR469b (+17% YoY). Solvency was at 191% vs 209% in 9MFY25.

Highlights from the management commentary

- The company reiterated its intent to continue investing in technology, which might exert some near-term pressure on profitability but is expected to enhance operational efficiency and scalability over the medium to long term.
- Customer preference continues to favour linked products, resulting in steady ULIP growth. Demand in the quarter was similar to last year, with ULIP contribution expected to normalise in 4Q, resulting in a ~55% ULIP mix for the full year.
- Within HSBC, four new branches have been opened, with 3–4 additional branches planned in the coming months. The bank is also deploying additional relationship managers to deepen penetration in the premier and UHNI segments. Growth is also expected from new customer acquisitions via the employee banking solutions segment.

Valuation and view

- CANHLIFE continues to deliver industry-leading growth in 3QFY26, along with VNB margin expansion, supported by a pickup in protection contribution, increasing rider attachments, and expense rationalization.
- The company offers a rare multi-year compounding opportunity anchored in a structurally improving banca engine, rising contribution from premiumized HSBC flows, and disciplined agency expansion. With one of the most under-penetrated PSU-bank funnels and clear visibility on branch activation, product mix upgrades, and operating leverage, we expect the company to deliver over **17% operating RoEV going forward,** despite near-term ITC and agency drag.
- We have slightly increased our APE estimates by ~3% each and VNB margin estimates by 30bp/50bp/50bp, considering the strong performance in 3QFY26. **We reiterate our BUY rating, maintaining a TP of INR180 (based on 1.7x FY28E EV).**

Quarterly Performance INRm

Policy holder's A/c	FY25				FY26				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
First year premium	3,455	5,092	7,323	5,867	3,979	5,751	9,380	7,452.0	21,737	26,561
Growth (%)	74%	70%	69%	-11%	15%	13%	28%	27%	28%	22%
Renewal premium	6,757	11,365	11,661	19,276	9,137	14,198	16,684	22,775.8	49,059	62,795
Growth (%)	13%	15%	17%	17%	35%	25%	43%	18%	16%	28%
Single premium	3,671	2,033	1,297	2,476	4,356	3,000	2,829	3,070.6	9,478	13,256
Growth (%)	-11%	-46%	-33%	9%	19%	48%	118%	24%	-21%	40%
Gross premium income	**13,883**	**18,491**	**20,281**	**27,620**	**17,472**	**22,949**	**28,893**	**33,298**	**80,274**	**1,02,612**
Growth (%)	15%	11%	25%	9%	26%	24%	42%	21%	13%	28%
PAT	**187**	**369**	**293**	**321**	**234**	**408**	**277**	**364**	**1,170**	**1,079**
Growth (%)	-144%	-304%	-79%	-11%	25%	11%	-6%	13%	3%	-8%
Key metrics										
New Business APE	4,720	5,120	7,309	6,261	4,928	5,995	10,027	7,809	23,394	28,759
Growth (%)					4%	17%	37%	25%	24%	23%
VNB	-	-	1,242	1,442	960	1,183	1,986	1,565	4,461	5,694
Growth (%)							60%	9%	18%	28%
AUM (INRb)	379	396	400	412	436	441	469	475	412	475
Growth (%)					15%	11%	17%	15%	-100%	15%
Key Ratios (%)										
VNB margin (%)	0.0	0.0	17.0	23.0	19.5	19.7	19.8	20.0	19.1	19.8

Our revised estimates (INR b)

	New Estimates			Old Estimates			Change in Estimates (%)		
Y/E MARCH	**FY26E**	**FY27E**	**FY28E**	**FY26E**	**FY27E**	**FY28E**	**FY26E**	**FY27E**	**FY28E**
Net Premiums	100.3	117.4	137.7	96.0	112.3	131.7	4.6	4.6	4.5
Sh.PAT	1.1	1.2	1.5	1.4	1.6	1.9	-20.2	-20.2	-19.5
APE	28.8	34.4	41.1	28.0	33.5	40.1	2.8	2.7	2.6
APE growth (%)	22.9	19.5	19.7	19.6	19.6	19.8			
VNB	5.7	7.0	8.6	5.5	6.7	8.2	4.4	5.3	5.1
VNB margin (%)	19.8	20.5	21.0	19.5	20.0	20.5			
RoE (%)	6.9	7.5	8.4	8.6	9.2	10.0			
RoEV (%)	17.5	17.8	18.2	17.1	17.3	17.8			
AUM	475.5	533.2	597.9	475.5	533.2	597.9	-	-	-
EV per share	75	88	105	75	88	103	0.3	0.7	1.1

Shoppers Stop

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	SHOP IN
Equity Shares (m)	110
M.Cap.(INRb)/(USDb)	37.6 / 0.4
52-Week Range (INR)	640 / 319
1, 6, 12 Rel. Per (%)	-21/-38/-54
12M Avg Val (INR M)	42

Financials & Valuations Stand (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	46.6	49.3	52.5
EBITDA	7.2	8.0	8.5
Adj. PAT	-0.2	-0.3	-0.7
EBITDA Margin (%)	15.4	16.1	16.3
Adj. EPS (INR)	-1.5	-3.0	-6.0
EPS Gr. (%)	-340.8	103.4	99.2
BV/Sh. (INR)	38.7	34.8	26.9
Ratios			
Net D:E	8.7	10.0	13.8
RoE (%)	-4.9	-10.8	-25.5
RoCE (%)	5.3	5.8	5.4
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	-230.7	-113.4	-56.9
EV/EBITDA (x)	9.3	8.4	8.1
EV/Sales (x)	1.4	1.4	1.3
Div. Yield (%)	0.0	0.0	0.0

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	65.7	65.5	65.6
DII	25.4	25.6	25.3
FII	2.8	2.9	3.3
Others	6.1	6.0	5.8

FII includes depository receipts

CMP: INR342 TP: INR345 (+1%) Neutral

Weak 3Q; profitability to remain under pressure

- Shoppers Stop (SHOP) reported a weak 3Q, with performance impacted by weaker-than-anticipated discretionary demand amid an early festive shift, resulting in operating deleverage.
- Store expansion remained muted, with two net store closures as portfolio rationalization continued. INTUNE's ramp-up slowed materially, with only 3/14 store additions in 3Q/9MFY26, as focus shifted from scaling to fixing the supply chain and inventory execution.
- Gross margins contracted ~127bp, driven by earlier EOSS and inventory provisioning, while negative operating leverage amplified the impact, leading to a sharp profitability decline. Pre-Ind AS EBITDA fell ~50% YoY to INR461m.
- Premiumization initiatives continued to deliver, with improved premium mix and footfall trends supported by enhanced in-store experience.
- **Nevertheless, profitability constraints persist**, with **low core segment margins, elevated losses in new ventures,** and **muted store expansion** constraining the pace of earnings recovery.
- We tweak our FY26-28E, while EBITDA remains broadly unchanged, as a slower ramp-up in INTUNE was partly offset by improved performance in departmental. We build in FY25-28E revenue/EBITDA CAGR of 6%/7%.
- We value SHOP at 20x FY28E pre-INDAS EBITDA to arrive at our revised TP of INR345. **Reiterate Neutral**.

Weak performance impacted by a shift in festive and operating deleverage

- SHOP's standalone revenue was flat YoY at INR13.2b (vs our est of 5% growth), owing to the shift in the festive season (2Q+3Q revenue was up 5% YoY).
  - Departmental store revenue remained flat; however, the format continued to witness strong LFL footfall growth of 5%, marking the second consecutive quarter of growth.
  - Premiumization continues to drive growth, with the premium mix growing 6% (LFL 6% vs. 14%/9% in 2Q/1Q). Top categories include Beauty (14%), Handbags (13%), and Watches (12%).
  - The Beauty segment's (ex-distribution) revenue grew 2% YoY, while including distribution, revenue grew 19% YoY.
  - Revenue from INTUNE stood at INR770m (vs. INR700m QoQ, up 22% YoY), with presence expanding to 81 stores (vs. 78 QoQ).
  - Store additions remained muted, with the company reporting two net store closures (seven opened and nine closed).
  - Respective store count stood at **Departmental**: 110 (three opened, four closed), **Beauty**: 79 (five closed), **INTUNE**: 81 (three opened), and **Home Stop**: 11 (one addition), with the total store count at 301.
- Gross profit declined 2% YoY to INR5.2b (7% below estimates), as gross margins contracted ~112bp YoY to 39.4%.

- Employee costs/other expenses increased 4%/7% YoY.
- EBITDA declined 13% YoY to INR2.1b (15% below), with margins at 15.9% (contracting ~240bp YoY, 210bp miss), owing to operating deleverage.
  - **Pre Ind-AS operating profit** stood at INR461m (vs. profit of INR877m in 3QFY25), with margins at 3.5% (vs 6.7% in 3QFY25).
  - YTD Pre-IND AS EBITDA stood at INR756m (vs INR1.1b YoY), with margins at 2.1% vs 3.2%.
- Depreciation and interest costs rose 1%/9% YoY.
- The company recognized a **one-time exceptional charge of INR175m** in 3Q/9MFY26 arising from the New Labor Codes.
- Reported PAT stood at INR126m (vs INR488m in 3QFY25). Adj for this, provision PAT stood at INR301m.

Segment performance

- **The core segment** reported INR15.2b revenue (flat YoY), with Pre-IND AS EBITDA at INR900m (down 24% YoY) and margins of 5.9% (down ~190bp on account of operating deleverage).
- **New ventures** reported sales of INR830m (up 30% YoY), with Pre-IND AS EBITDA loss of (-) INR200m (loss doubled YoY).
- **Segment-level EBITDA includes other income.**

INTUNE: Scale-up remains challenging

- INTUNE delivered weak growth, with revenue at INR770m (+22% YoY vs 70% in 2Q), driven by legacy inventory, lower freshness, and heavy discounting in a competitive value-fashion market.
- Expansion has been deliberately curtailed, with only ~14 stores added in 9MFY26 vs initial guidance of 30–40, as focus has shifted from scaling to fixing supply chain and inventory.
- Inventory clean-up is ongoing with Inventory down from ~INR1.0bn to ~INR0.6bn, led by higher provisioning and early EOSS (GMs impacted by ~50bp), with a full store refresh targeted by 4Q to support FY27 recovery.
- Losses remain elevated but have likely peaked, with FY26 losses guided at ~INR0.6bn, declining to INR200–250m in FY27, and subsequently breaking even in FY28.

Highlights from the management commentary

- **Demand trends:** SHOP has seen weaker-than-anticipated discretionary demand in 3Q, impacted by early Diwali, post-festive demand taper, and pollution-led footfall disruptions, particularly in North India. While customer entry remained resilient, momentum was uneven through the quarter, resulting in flat LFL performance despite continued traction in premium categories.
- **Store additions:** SHOP undertook net store rationalisation in 3Q, with two net closures as the company prioritized portfolio clean-up and productivity over footprint expansion. Store additions remain calibrated, with near-term focus on replacing sub-scale stores with larger, more productive formats rather than accelerating net adds.
- **INTUNE** performance weakened sequentially, with growth moderating sharply due to legacy inventory overhang, lower freshness, and aggressive discounting. Store additions remained well below earlier guidance, as SHOP shifted focus

decisively toward fixing supply chain, inventory quality, and in-store execution, with a full refresh targeted by end-4Q to support recovery in FY27.

Valuation and view

- SHOP stands to benefit from the recent measures taken by the government to boost consumption, which has led to improved footfalls in malls during the ongoing festive season.
- However, for sustained growth, SHOP would require: 1) profitability improvement in the Departmental format; 2) sustained high-growth in the margin-accretive Beauty segment; and 3) profitable ramp-up in INTUNE, which has so far proven challenging.
- We tweak our FY26-28E, while EBITDA remains broadly unchanged, as the slower ramp-up in INTUNE was partly offset by improved performance in departmental. We build in FY25-28E revenue/EBITDA CAGR of 6%/7%.
- We value SHOP at 20x Dec'27E Pre-IND AS EV/EBITDA to arrive at our revised TP of INR345. **Reiterate Neutral.**

Standalone - Quarterly earnings summary (INR m)

Y/E March	FY25				FY26E				FY25	FY26	FY26	Est. Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3QE	(%)
Total Revenue from Operations	**10,337**	**10,681**	**13,115**	**10,224**	**10,942**	**11,753**	**13,209**	**10,668**	**44,356**	**46,572**	**13,788**	**-4**
YoY Change (%)	5.3	4.2	8.7	2.3	5.9	10.0	0.7	4.3	5.3	5.0	26.0	
Total Expenditure	8,916	9,213	10,715	8,530	9,280	10,113	11,111	8,916	37,374	39,421	11,306	-2
EBITDA	**1,421**	**1,468**	**2,399**	**1,694**	**1,662**	**1,640**	**2,097**	**1,752**	**6,982**	**7,151**	**2,482**	**-15**
EBITDA Margin (%)	13.7	13.7	18.3	16.6	15.2	14.0	15.9	16.4	15.7	15.4	18.0	(212)
Depreciation	1,167	1,214	1,293	1,243	1,282	1,326	1,310	1,289	4,916	5,208	1,358	-4
Interest	604	638	647	691	718	710	702	688	2,579	2,819	683	3
Other Income	35	97	223	174	100	95	239	149	530	582	234	2
PBT before EO expense	**-314**	**-286**	**682**	**-66**	**-238**	**-302**	**324**	**-77**	**16**	**-293**	**676**	**52**
Extra-Ord expense	0	-21	0	21	0	0	-175	0	0	-175	0	
PBT	**-314**	**-307**	**682**	**-45**	**-238**	**-302**	**149**	**-77**	**16**	**-468**	**676**	**26**
Tax	-89	-87	195	-70	-59	-75	23	-19	-52	-131	170	
Rate (%)	28.4	28.3	28.5	154.5	24.9	24.9	15.5	25.2	-328.7	28.0	25.2	
Reported PAT	**-225**	**-220**	**488**	**25**	**-179**	**-227**	**126**	**-57**	**67**	**-337**	**505**	**6**
Adj PAT	**-225**	**-199**	**488**	**4**	**-179**	**-227**	**301**	**-57**	**67**	**-162**	**505**	**40**
YoY Change (%)	-250.7	-482.6	37.2	-91.2	-20.5	13.7	-38.3	-1,468.8	-88.9	-340.6	-382.5	

E: MOFSL Estimates

Valuation based on FY28E EV/EBITDA

	Methodology	Pre-IND AS EBITDA	Multiple	Fair Value (INR b)	Value/sh (INR)
Enterprise Value	EV/EBITDA	2.0	20	40	362
Less Net debt				2	17
Equity Value				**38**	**345**
Shares o/s (m)				110	
CMP (INR)					340
Upside (%)					**1.4**

Source: MOFSL, Company

HPCL

BSE SENSEX	S&P CNX
81,910	25,158

Conference Call Details

Date: **22 Jan'26**

Time: 11:00 a.m. IST

Dial-in details:

+91 22 6280 1342

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CMP: INR429 **Buy**

Beat driven by higher-than-estimated GRM

- HPCL's EBITDA came in 17% below our estimate at INR72.6b, due to a weaker-than-estimated refining/marketing performance.
  - Reported GRM stood 7% below our estimate at USD8.9/bbl.
  - Gross marketing margin (including inv.) stood at ~INR5.4/lit (est. INR6/lit).
  - Refining throughput was in line at 6.4mmt. Marketing volumes also came in line at 13.3mmt.
  - LPG under-recovery stood at INR5b (vs INR12.4b in 2Q).
- **PAT came in 20% below our estimate at INR40.7b.**
  - Other income & depreciation were above our estimates, while finance costs were below our estimates. Forex loss stood at INR2.4b.
- As of Dec'25, HPCL had a cumulative negative net buffer of INR134.2b due to the under-recovery on LPG cylinders (INR142.4b as of Sep'25).
- The MoP&NG, through letters dated 3/24 Oct'25, approved a compensation of INR79.2b to the Company for under-recoveries on the sale of domestic LPG up to 31 Mar'25, and those expected up to 31 Mar'26. The amount would be released in 12 equal monthly installments, with accruals recognized monthly beginning Nov'25. Accordingly, two equal monthly installments have been recognized.

Press release KTAs

- In 3QFY26, two additional crude oil grades were processed, bringing the total new grades handled in 9MFY26 to seven.
- **Update on ongoing projects:**
- HPCL Rajasthan Refinery Limited (HRRL) has achieved more than 90% overall physical progress. Crude oil has been received in refinery tanks. Crude-in in CDU is expected by Jan'26-end.
- HP Aviation launched its refueling facility at the Navi Mumbai International Airport, increasing the total ASF count to 59.
- Commissioned the Residue Upgradation Facility (RUF) at Visakh Refinery, featuring the world's first and largest LC-Max unit. With a capacity of 3.55mmtpa, the facility enables ~93% conversion of bottom-of-the-barrel residues into high-value distillates.
- **Network expansion:**
- A total of 321 retail outlets were commissioned in 3QFY26 (total 24,572 outlets).
- 12,457 D-PNG connections were added (total 145,867)
- **Retail Energy Transition:**
- CNG Infrastructure: 65 new CNG outlets commissioned, expanding the network to a total of 2,178.
- Solar Adoption: 248 additional retail outlets solarized, bringing the total to 22,995 – now covering 94% of the network with renewable energy.
- **Project Samriddhi:** Accruals under the company's EBITDA improvement program stood at INR12.7b in 9MFY26, translating to a benefit of ~USD0.54/bbl.
- **Capex:** HPCL incurred capex of INR49.8b in 3QFY26 (INR110.9b in 9mFY26).

Standalone - Quarterly Earnings Model (INR b)

Y/E March	FY25				FY26E					Var	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	3QE	(%)	(%)	(%)
Net Sales	**1,138.0**	**999.3**	**1,105.1**	**1,094.9**	**1,107.7**	**1,007.8**	**1,150.5**	**879.8**	**915.8**	**26%**	**4%**	**14%**
YoY Change (%)	1.6	4.4	-0.7	-4.4	-2.7	0.9	4.1	-19.6	-17.1			
EBITDA	**20.8**	**27.7**	**64.5**	**57.6**	**76.7**	**76.2**	**72.6**	**73.1**	**87.0**	**-17%**	**13%**	**-5%**
Margin (%)	1.8	2.8	5.8	5.3	6.9	7.6	6.3	8.3	9.5			
Depreciation	14.8	15.2	15.1	15.8	15.5	15.6	16.2	15.8	15.6			
Forex loss	-0.3	0.4	4.8	-0.5	0.7	7.3	2.4	0.0	0.0			
Interest	7.3	9.4	9.3	7.1	7.5	7.6	6.7	9.3	7.9			
Other Income	5.7	5.7	4.8	7.9	5.2	5.5	6.9	7.7	4.8			
PBT	**4.7**	**8.4**	**40.1**	**43.0**	**58.3**	**51.2**	**54.1**	**55.7**	**68.3**	**-21%**	**35%**	**6%**
Rate (%)	24.5	24.4	24.6	22.1	25.0	25.2	24.8	25.2	25.2			
Reported PAT	**3.6**	**6.3**	**30.2**	**33.5**	**43.7**	**38.3**	**40.7**	**41.7**	**51.1**	**-20%**	**35%**	**6%**
YoY Change (%)	-94.3	-87.7	471.4	18.0	1,128.5	506.9	34.7	24.3	69.1			
Margin (%)	0.3	0.6	2.7	3.1	3.9	3.8	3.5	4.7	5.6			
Key Assumptions												
Refining throughput (mmt)	5.8	6.3	6.5	6.7	6.7	6.6	6.4	6.7	6.4	0%	-1%	-3%
Reported GRM (USD/bbl)	5.0	3.1	6.0	8.5	3.1	8.9	8.9	6.5	9.5	-7%	47%	0%
Marketing sales volume incl exports (mmt)	12.6	11.6	12.9	12.7	13.0	12.1	13.3	13.4	13.4	0%	4%	11%

RESULTS FLASH

21 January 2026
Results Flash | Sector: Utilities

Waaree Energies

BSE SENSEX	S&P CNX
81,910	25,158

CMP: INR2,419 — Buy

Beat on revenue; robust EBITDA margin

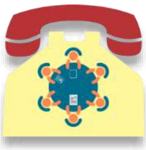
Financial highlights

- WEL reported 3QFY26 consol. revenue of INR75.7b (+119% YoY, +25% QoQ), beating our estimates by 16%.
- EBITDA came in at INR19.3b, up 167% YoY and 37% QoQ, beating our estimate by 26% on account of higher-than-expected EBITDA margin of 25%.
- Adj PAT was 24% higher than est. at INR12.8b (+161% YoY, +52% QoQ).
- WEL recorded an exceptional expense of INR2.9b pertaining to a provision made in respect of liabilities towards the ongoing investigation by the US CBP.

Operational highlights

- Module production stood at 3.51GW for 3QFY26, improving 35% QoQ, while cell production for the quarter stood at 0.75GW.
- During 3QFY26, WEL added 5.1GW of module capacity and 3GW of pilot solar inverter facility.
- Installed module/cell capacity stands at 23.8/5.4GW as of 3QFY26 end.

Conference Call Details



Date: 22 Jan 2026
Time: 03:30 HRS IST
Dial in:
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+91 22 7115 8378

Financial Snapshot (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	247.6	340.5	387.9
Sales Gr. %	71.4	37.5	13.9
EBITDA	55.1	71.7	78.4
EBITDA margin %	22.3	21.0	20.2
Adj. PAT	37.3	46.1	49.5
EPS (INR)	129.7	160.6	172.2
EPS Gr. (%)	99.3	23.7	7.3
BV/Sh. (INR)	444.5	596.3	758.6
Ratios			
ND/Equity	(0.4)	(0.0)	(0.0)
ND/EBITDA	(0.9)	(0.0)	(0.1)
RoE (%)	33.4	30.5	25.0
RoIC (%)	127.2	56.5	34.7
Valuations			
P/E (x)	18.7	15.1	14.0
EV/EBITDA (x)	11.7	9.7	8.8

Consolidated performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)	(%)	(%)
Net Sales	34,089	35,744	34,573	40,039	44,258	60,656	75,651	66,992	1,44,445	2,47,557	65,488	16	119	25
YoY Change (%)	2%	1%	117%	36%	30%	70%	119%	67%	27%	71%	89%			
Total Expenditure	28,564	30,495	27,356	30,814	34,285	46,592	56,369	55,177	1,17,229	1,92,423	50,157	12	106	21
EBITDA	5,525	5,249	7,217	9,226	9,973	14,064	19,282	11,815	27,216	55,134	15,331	26	167	37
Margin (%)	16%	15%	21%	23%	23%	23%	25%	18%	19%	22%	23%			
Depreciation	758	843	891	1,534	1,821	2,398	2,673	2,387	4,025	9,277	2,463	8	200	11
Interest	337	308	309	567	433	961	933	608	1,521	2,934	714	31	202	-3
Other Income	875	891	880	1,370	1,714	1,609	1,962	2,142	4,016	7,427	1,790	10	123	22
PBT before EO expense	5,305	4,988	6,898	8,495	9,434	12,315	17,638	10,963	25,687	50,349	13,944			
Extra-Ord income/(exp.)	0	0	0	-40	0	0	-2,948	0	-40	-2,948	0			
PBT	5,305	4,988	6,898	8,455	9,434	12,315	14,690	10,963	25,646	47,402	13,944	5	113	19
Tax	1,294	1,232	1,829	2,010	1,705	3,533	3,622	2,517	6,365	11,376	3,346			
Rate (%)	24%	25%	27%	24%	18%	29%	25%	23%	25%	24%	24%			
Share of JV & associates	0	0	0	0	0	0	0	0	0	0	0			
Minority Interest	70	140	142	256	277	357	443	-85	607	991	232			
Reported PAT	3,941	3,617	4,927	6,189	7,452	8,426	10,625	8,532	18,674	35,034	10,597	0	116	26
Adj PAT	3,941	3,617	4,927	6,220	7,452	8,426	12,846	8,532	18,704	37,255	10,366	24	161	52
YoY Change (%)	17%	15%	467%	148%	89%	133%	161%	37%	90%	99%	110%			
Margin (%)	11.6	10.1	14.3	15.5	16.8	13.9	17.0	12.7	12.9	15.0	15.8			

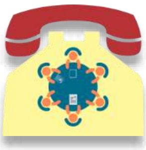
*Extraordinary expense pertains to provision created w.r.t. ongoing U.S. CBP investigation

Jindal Stainless

BSE SENSEX	S&P CNX
81,910	25,158

CMP: INR750 **Buy**

Conference Call Details



Date: 22 January 2026
Time: 4:30 pm IST
Registration:
Diamond Pass
Dial in:
+91 22 6280 1360
+91 22 7115 8261

Largely in line with estimates; strong volume and lower cost support earnings

- Revenue stood at INR105b (+6% YoY and -3% QoQ), against our estimate of INR113b in 3QFY26, where strong volume was partially offset by muted ASP.
- Sales volume stood in line at 650KT, registering an 11% YoY growth (flat QoQ), while ASP declined 4% YoY and QoQ to INR161,850/t, mainly due to a decline in exports.
- Exports share declined to 5% in 3QFY26 vs 9% in 2QFY26 and 3QFY25.
- Adj. EBITDA stood in line at INR14b, up 17% YoY and 1% QoQ, led by better volume and muted cost in 3QFY26. EBITDA/t stood at INR21,665 (+6% YoY and +1% QoQ), supported by muted costs during the quarter.
- APAT for the quarter stood at INR8.6b (+31% YoY and +9% QoQ) against our est. of INR8b, led by lower tax outgo.
- During 9MFY26, revenue/EBITDA/APAT grew 9%/14%/23%, respectively. Volume grew 11% YoY to 1924kt, while ASP dipped 2% YoY in 9MFY26.
- EBITDA/t improved 2% YoY to INR21,337/t in 9MFY26 over muted cost.
- Consolidated net debt stood at INR34.5b, translating into net debt/equity of 0.18x as of 3QFY26.
- The Board has approved an interim dividend of INR1/share, with a face value of INR2 each, for FY26.

Jindal Stainless' Consolidated Quarterly Performance (INR b)

Y/E March	FY25				FY26			FY25	FY26E	FY26	Vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q			3QE	(%)
Sales (kt)	**578**	**565**	**588**	**643**	**626**	**648**	**650**	**2,374**	**2,595**	**653**	**-0.4**
Change (YoY %)	5.3	3.9	14.8	12.8	8.3	14.7	10.5	9.1	9.3		
Change (QoQ %)	1.4	(2.2)	4.1	9.4	(2.6)	3.5	0.3				
Net Realization/t	**1,63,145**	**1,73,041**	**1,68,491**	**1,58,605**	**1,62,988**	**1,68,085**	**1,61,844**	**1,65,595**	**1,70,811**	**1,73,085**	**-6.5**
Net Sales	**94.3**	**97.8**	**99.1**	**102.0**	**102.1**	**108.9**	**105.2**	**393.1**	**443.3**	**112.9**	**-6.9**
Change (YoY %)	(7.4)	(0.2)	8.5	7.9	8.2	11.4	6.2	1.9	12.8		
Change (QoQ %)	(0.3)	3.7	1.3	2.9	0.1	6.7	(3.4)				
EBITDA	**12.1**	**11.9**	**12.1**	**10.6**	**13.1**	**13.9**	**14.1**	**46.7**	**55.9**	**14.1**	**0.1**
Change (YoY %)	1.6	(3.6)	(3.1)	2.5	8.1	17.0	16.6	(0.8)	19.8		
Change (QoQ %)	17.1	(2.1)	1.8	(12.1)	23.5	6.0	1.4				
EBITDA (INR per ton)	**20,964**	**21,000**	**20,536**	**16,499**	**20,915**	**21,416**	**21,665**	**19,657**	**21,552**	**21,549**	**0.5**
Interest	1.4	1.6	1.6	1.5	1.4	1.4	1.3	6.1	6.0		
Depreciation	2.3	2.4	2.4	2.4	2.5	2.6	2.7	9.6	10.4		
Other Income	0.5	0.5	1.0	0.9	0.7	0.9	1.0	2.9	3.1		
PBT (before EO Item)	**8.9**	**8.3**	**9.0**	**7.6**	**9.8**	**10.7**	**11.1**	**33.9**	**42.7**		
EO Items	-	-	-	0.1	-	(0.2)	0.3	0.1	0.1		
PBT (after EO Item)	**8.9**	**8.3**	**9.0**	**7.6**	**9.8**	**10.9**	**10.8**	**33.8**	**42.6**		
Total Tax	2.4	2.2	2.4	1.4	2.5	2.7	2.5	8.4	10.9		
% Tax	27.1	27.0	26.5	19.0	26.3	25.1	23.5	25.1	25.8		
PAT before MI and Asso.	**6.5**	**6.1**	**6.7**	**6.2**	**7.3**	**8.2**	**8.2**	**25.4**	**31.6**		
MI (Profit)/Loss	(0.0)	(0.0)	(0.0)	(0.0)	0.0	0.0	(0.0)	(0.1)	0.0		
Share of P/(L) of Ass.	(0.0)	0.0	(0.1)	(0.3)	(0.1)	(0.1)	0.1	(0.4)	(0.2)		
Reported PAT after MI and Asso.	**6.5**	**6.1**	**6.5**	**5.9**	**7.1**	**8.1**	**8.3**	**25.1**	**31.4**		
Adj. PAT (after MI & Asso)	**6.5**	**6.1**	**6.5**	**6.0**	**7.1**	**7.9**	**8.6**	**25.1**	**31.5**	**8.0**	**8.0**
Change (YoY %)	(13.1)	(9.2)	(5.4)	19.0	10.2	29.2	31.2	(3.9)	25.5		
Change (QoQ %)	29.0	(5.7)	7.1	(8.7)	19.4	10.6	8.8				

Source: MOSL, Company

KEI Industries

BSE SENSEX	S&P CNX
81,910	25,158

Conference Call Details

Date: 22 January 2026

Time: 12:00 IST

Dial-in details:

+91 22 6280 1123

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Link for the call

Consol. Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	118.0	138.2	162.2
EBITDA	12.3	14.9	17.9
PAT	9.0	10.6	12.6
EBITDA Margin (%)	10.4	10.8	11.0
Adj. EPS (INR)	93.9	110.5	131.4
EPS Gr. (%)	28.9	17.7	18.9
BV/Sh. (INR)	693	798	923
Ratios			
Net D:E	(0.3)	(0.2)	(0.2)
RoE (%)	14.5	14.8	15.3
RoCE (%)	14.7	15.3	15.8
Payout (%)	6.4	5.4	4.6
Valuations			
P/E (x)	43.1	36.6	30.8
P/BV (x)	5.8	5.1	4.4
EV/EBITDA(x)	30.1	24.6	20.4
Div. Yield (%)	0.1	0.1	0.1
FCF Yield (%)	0.1	0.2	0.5

CMP: INR3,940 **Buy**

EBITDA beat; OPM expands 1.1pp YoY

- KEI Industries' (KEII) 3QFY26 revenue grew ~19% YoY to INR29.5b (in line). EBITDA increased ~32% YoY to INR3.3b (~6% above estimates). OPM expanded 1.1pp YoY at ~11% (80bp above estimates). PAT grew ~48% YoY to INR2.4b (~7% above estimates). C&W revenue was up ~20% YoY to INR28.2b (-2% vs estimates). C&W's EBIT increased ~42% YoY to INR3.4b (~6% above estimates). EBIT margin expanded 1.9pp YoY to ~12% (est. ~11%).
- Revenue mix of different cables in overall cables revenue: LT/HT/EHV cables stood at ~68%/23%/9% vs. ~61%/34%/5% in 3QFY25 and ~71%/19%/10% in 2QFY26. Exports contributed ~18% to total revenue vs. ~11%/15% in 3QFY25/2QFY26. The order book stood at INR3.9b.
- C&W sales through dealers rose ~29% YoY during the quarter (~55% of total revenue vs. ~54% in 2QFY26). Further, its active working dealer count increased to 2,114 vs. 2,060/2,100 in 3QFY25/2QFY26.

C&W revenue rises ~20% YoY and EBIT margin expands 1.9pp YoY to 12%

- KEII's revenue/EBITDA/Adj. PAT stood at INR29.5b/INR3.3b/INR2.4b (+19%/ +32%/+48% YoY and -2%/+6%/+7% vs. estimates) in 3QFY26. OPM expanded 1.1pp YoY to ~11%. Depreciation/interest cost increased ~19%/16% YoY. Other income increased ~725% YoY on a low base.
- Segmental highlights: a) **C&W** revenue was up ~20% YoY at INR28.2b, EBIT rose ~42% YoY to INR3.4b, and EBIT margin increased 1.9pp YoY to 12.0%. b) **EPC business** revenue increased ~81% YoY to INR1.4b, EBIT declined 10% YoY to INR17m, and EBIT margin expanded 1.2pp YoY to ~1.2%. c) **Stainless steel wires (SSW)** revenue declined ~1% YoY to INR545m, EBIT increased 15% YoY to INR35m, and EBIT margin increased 90bp YoY at 6.4%.
- In 9MFY26, revenue/EBITDA/PAT grew 21%/25%/37% YoY. EBITDA margin stood at 10.4% (up 30bp YoY). C&W revenue/EBIT was up 24%/33% YoY, and EBIT margin expanded 75bp YoY at 11.2% in 9MFY26.
- The company's gross debt stood at INR1.5b vs. INR1.8b as of Sept'25. Cash & bank balance (incl. unutilized QIP proceeds of INR6.2b) stood at INR14.2b vs. INR15.6b as of Sept'25. Net cash balance (ex-acceptances) stood at INR5.5b vs. INR7.3b in Sept'25 and INR10.5b in Jun'25.

Valuation and view

- KEII's 2QFY26 performance was above our estimates. The C&W and EPC segment delivered strong revenue growth, while the performance in SSW was muted, with revenue declining YoY. We are structurally positive on the C&W sector, given strong growth drivers.
- **We have a BUY rating on the stock.** However, we will review our assumptions after the concall on 22nd Jan'26 (Concall Link).

Quarterly Performance (INR m)

Y/E March	FY25				FY26				FY25	FY26E	MOSL	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
Sales	**20,605**	**22,838**	**24,768**	**29,148**	**25,903**	**27,263**	**29,547**	**35,307**	**97,359**	**1,18,021**	**30,017**	**(2)**
Change (%)	15.6	17.3	20.3	25.7	25.7	19.4	19.3	21.1	20.1	21.2	**21.2**	
Adj EBITDA	**2,146**	**2,248**	**2,504**	**3,013**	**2,580**	**2,693**	**3,317**	**3,668**	**9,910**	**12,258**	**3,131**	**6**
Change (%)	20.4	10.3	16.7	23.2	20.3	19.8	32.5	21.7	18.3	23.7	**25.0**	
Adj EBITDA margin (%)	10.4	9.8	10.1	10.3	10.0	9.9	11.2	10.4	10.2	10.4	**10.4**	**80**
Depreciation	155	163	190	193	199	202	226	508	701	1,135	**312**	**(28)**
Interest	142	133	143	139	145	142	166	155	556	608	**150**	**11**
Other Income	178	128	41	371	396	423	338	403	718	1,560	**393**	**(14)**
Extra-ordinary Items	-	-	-	-	-	-	(116)	-	-	(116)	**-**	
PBT	**2,027**	**2,079**	**2,212**	**3,052**	**2,632**	**2,773**	**3,263**	**3,407**	**9,370**	**12,075**	**3,062**	**7**
Tax	525	531	564	786	675	738	798	890	2,406	3,100	**787**	
Effective Tax Rate (%)	25.9	25.5	25.5	25.8	25.6	26.6	24.5	26.1	25.7	25.7	**25.7**	
Reported PAT	**1,502**	**1,548**	**1,648**	**2,265**	**1,957**	**2,035**	**2,349**	**2,518**	**6,964**	**8,859**	**2,275**	**3**
Change (%)	23.8	10.4	9.4	34.4	30.3	31.5	42.5	11.1	19.9	27.2	**38.0**	
Adj PAT	**1,502**	**1,548**	**1,648**	**2,265**	**1,957**	**2,035**	**2,436**	**2,518**	**6,964**	**8,946**	**2,275**	**7**
Change (%)	23.8	10.4	9.4	34.2	30.3	31.5	47.8	11.1	19.9	28.5	**38.0**	

Segmental Performance (INR m)

Y/E March	FY25				FY26				FY26	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	3QE	
Sales										
Cables (Power + HW)	18,757	21,440	23,517	27,968	24,771	26,256	28,208	34,035	28,926	(2)
Stainless steel wires	538	602	551	462	521	539	545	515	578	(6)
EPC Business	2,261	1,309	759	2,234	994	1,014	1,374	1,868	1,063	29
Growth (% YoY)										
Cables (Power + HW)	16.4	20.8	26.0	35.2	32.1	22.5	19.9	21.7	23.0	
Stainless steel wires	(8.9)	2.0	19.4	(19.3)	(3.0)	(10.6)	(1.1)	11.7	5.0	
EPC Business	22.4	(58.2)	(79.9)	(34.4)	(56.0)	(22.6)	81.1	(16.4)	40.0	
EBIT										
Cables (Power + HW)	2,067	2,241	2,372	3,069	2,665	2,871	3,373	3,494	3,182	6
Stainless steel wires	10	29	30	25	42	44	35	48	46	(24)
EPC Business	298	121	19	170	79	51	17	194	64	(73)
EBIT Margin (%)										
Cables (Power + HW)	11.0	10.5	10.1	11.0	10.8	10.9	12.0	10.3	11.0	96bps
Stainless steel wires	1.9	4.8	5.5	5.4	8.1	8.2	6.4	9.3	8.0	(157bps)
EPC Business	13.2	9.2	2.5	7.6	8.0	5.1	1.2	10.4	6.0	(477bps)

RESULTS FLASH

21 January 2026

3QFY26 Results Flash | Sector: Financials

PNB Housing Finance

BSE SENSEX	S&P CNX
81,910	25,158

Conference Call Details

Date: 22/01/2026

Link for the call

Time: 08:00 am IST

Dial in: +91 22 6280 1128/ +91 22 7115 8029

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	30.4	36.9	43.9
PPP	26.1	32.7	40.0
PAT	22.4	24.4	29.5
EPS (INR)	86	94	114
EPS Gr. (%)	16	9	21
BV/Sh. (INR)	730	814	917
Ratios			
NIM (%)	3.8	3.9	3.9
C/I ratio (%)	25.8	24.1	22.9
RoAA (%)	2.5	2.4	2.4
RoE (%)	12.5	12.2	13.1
Valuations			
P/E (x)	10.8	9.9	8.2
P/BV (x)	1.3	1.1	1.0
Div. Yield (%)	1.0	1.2	1.3

CMP: INR931 **Buy**

Earnings miss due to high opex; NIM down ~4bp QoQ

Elevated repayments led to slightly weaker loan growth

- 3QFY26 PAT grew 8% YoY to ~INR5.2b (5% miss). NII rose ~11% YoY to ~INR7.7b (in line). Other income declined ~10% QoQ to ~INR1b, owing to lower fee income and investment income.
- Opex rose ~17% YoY to ~INR2.4b (up 10% QoQ) (~7% higher than est.). **This included one-time provision on gratuity of INR60m on account of the new labor code.**
- PPOP grew ~8% YoY to INR6.3b (5% miss), largely attributable to higher employee expenses and lower non-interest income. Credit costs (net of recoveries) resulted in provision write-back of ~INR405m (in line). This resulted in net credit costs of -20bp (PQ: -57bp and PY: -20bp).

Total loan book grew ~14% YoY; competitive pressure persists

- Total loan book grew ~14% YoY/3% QoQ to ~INR822b. Retail loans grew ~16% YoY/3% QoQ to INR819b as of Dec'25. Affordable and emerging segments form ~39% of retail loans. As of Dec'25, the affordable book grew to ~INR71.4b (PQ: ~INR65.3b), up ~86% YoY.
- 3QFY26 retail disbursements grew 16% YoY to ~INR62.2b. Corporate disbursements were NIL during the quarter. Affordable and emerging market segment contributed ~50% to the retail disbursements.
- Disbursements in affordable segment declined ~15% YoY/4% QoQ. In the affordable segment, volumes remained flat, while the value drop was due to ticket size capping in select geographies.
- **Repayments (annualized) were high at ~19% (PY: ~17%) primarily because of high competitive intensity from banks.**

Yields moderated; reported NIM down ~4bp QoQ

- Reported NIM in 3QFY26 declined ~4bp QoQ to 3.63%.
- Yields declined ~23bp QoQ to 9.72%, due to a decline in corporate book and a change in PLR rate. Portfolio CoB declined ~20bp QoQ to 7.5% and incremental CoF declined to ~7.2% (PQ: 7.4%).
- CRAR stood at 29.5% (Tier 1: 28.9%) as of Dec'25.

Asset quality stable; credit costs remained benign, driven by recoveries

- Total GNPA/NNPA ratios stood at ~1.04%/0.68%, largely stable QoQ. Retail GNPA was also broadly stable QoQ at 1.04%, while Corporate GNPA was NIL (like last few quarters).
- Recoveries from the retail written-off pool stood at INR220m and Corporate written-off pool stood at INR270m in 3QFY26. Total recoveries from the written-off pool were INR490m.

Valuation and View

- PNBHF currently trades at 1.1x FY27E P/BV. The company reported a mixed operating performance in 3QFY26, with earnings supported by higher provision write-backs, partly offset by elevated operating expenses and weaker non-interest income. NIM declined ~4bp QoQ to 3.63%, driven by a higher moderation in yields relative to the benefit in its portfolio CoB.
- The company has maintained stable asset quality, with credit costs remaining benign, supported by steady recoveries from the written-off pool. Commentary on the NIM trajectory and guidance on disbursements/ loan growth will be a key monitorable. We may revise our estimates and TP after the earnings call scheduled on 22nd Jan'26.

Quarterly performance (INR M)

	FY25				FY26E				FY25	FY26E	3QFY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	17,391	17,803	18,484	19,059	19,804	20,175	20,194	21,762	72,737	81,934	20,578	-2
Interest Expenses	10,969	11,185	11,579	11,781	12,344	12,670	12,528	13,984	45,514	51,525	12,974	-3
Net Interest Income	**6,421**	**6,618**	**6,905**	**7,279**	**7,460**	**7,505**	**7,666**	**7,778**	**27,223**	**30,409**	**7,604**	**1**
YoY Growth (%)	3.7	2.5	16.47	16.8	16.2	13.4	11.0	6.9	9.7	11.7	10.1	
Other income	930	994	947	1,309	1,015	1,132	1,013	1,638	4,179	4,798	1,222	-17
Total Income	**7,352**	**7,612**	**7,852**	**8,587**	**8,475**	**8,636**	**8,678**	**9,417**	**31,402**	**35,207**	**8,826**	**-2**
YoY Growth (%)	11.3	5.4	17.3	15.4	15.3	13.5	10.5	9.7	12.3	12.1	12.4	
Operating Expenses	1,929	2,020	2,057	2,124	2,158	2,172	2,399	2,355	8,130	9,084	2,237	7
YoY Growth (%)	26.1	18.7	21.0	19.4	11.9	7.5	16.7	10.9	21.2	11.7	8.8	
Operating Profits	**5,422**	**5,591**	**5,795**	**6,464**	**6,317**	**6,465**	**6,279**	**7,062**	**23,272**	**26,123**	**6,589**	**-5**
YoY Growth (%)	6.9	1.3	16.0	14.1	16.5	15.6	8.4	9.3	9.5	12.2	13.7	
Provisions	-120	-456	-361	-648	-562	-1,132	-405	-489	-1,585	-2,588	-396	2
Profit before Tax	**5,542**	**6,047**	**6,157**	**7,112**	**6,879**	**7,596**	**6,684**	**7,551**	**24,858**	**28,711**	**6,986**	**-4**
Tax Provisions	1,214	1,351	1,324	1,608	1,544	1,781	1,481	1,511	5,496	6,317	1,537	-4
Profit after tax	**4,328**	**4,697**	**4,833**	**5,504**	**5,335**	**5,816**	**5,204**	**6,041**	**19,361**	**22,395**	**5,449**	**-5**
YoY Growth (%)	24.6	22.6	42.8	25.3	23.3	23.8	7.7	9.8	28.4	15.7	12.7	
Key Operating Parameters (%)												
Rep. Yield on loans	10.03	10.05	10.12	10.03	9.99	9.95	9.72					
Rep. Cost of funds	7.92	7.84	7.83	7.84	7.76	7.69	7.50					
Spreads	2.11	2.21	2.29	2.19	2.23	2.26	2.22					
Net Interest Margins	3.65	3.68	3.70	3.75	3.74	3.67	3.63					
Cost to Income Ratio	26.2	26.5	26.2	24.7	25.5	25.1	27.6					
Credit Cost	-0.07	-0.27	-0.20	-0.35	-0.29	-0.57	-0.20					
Tax Rate	21.9	22.3	21.5	22.6	22.4	23.4	22.2					
Balance Sheet Parameters												
Loans (INR B)	670	695	719	758	777	798	822					
Change YoY (%)	15.1	14.2	15.4	15.9	16.0	14.8	14.3					
AUM (INR B)	725	747	768	804	821	839	860					
Change YoY (%)	11.0	10.8	12.1	12.8	13.2	12.3	12.0					
Borrowings (Ex Assgn.) (INR B)	557	570	599	623	648	652	671					
Change YoY (%)	8.2	6.5	12.8	13.2	16.3	14.3	12.0					
Loans /Borrowings (%)	120.2	121.9	120.1	121.6	119.9	122.4	122.5					
Off BS loans/AUM (%)	10.7	7.0	6.4	5.8	5.3	4.9	4.5					
Debt/Equity (x)	3.6	3.6	3.7	3.7	3.7	3.6	3.6					
Asset Quality Parameters (%)												
GS 3 (INR Mn)	9,060	8,650	8,570	8,160	8,250	8,300	8,550					
Gross Stage 3 (% on loans)	1.35	1.24	1.19	1.08	1.06	1.04	1.04					
NS 3 (INR Mn)	6,120	5,820	5,720	5,220	5,330	5,460	5,580					
Net Stage 3 (% on loans)	0.92	0.84	0.80	0.69	0.69	0.69	0.68					
PCR (%)	32.5	32.7	33.26	36.0	35.4	34.2	34.74					

E: MOFSL Estimates

motilal oswal Financial Services | MORNING INDIA

RESULTS FLASH

21 January 2025
Results Flash | Sector: Real Estate

Anant Raj

BSE SENSEX	S&P CNX
81,910	25,158

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	24.4	26.4	49.2
EBITDA	7.1	5.0	16.0
EBITDA Margin (%)	29.2	18.8	32.6
PAT	5.8	3.4	11.3
EPS (INR)	16.2	9.4	31.4
EPS Gr. (%)	30.3	-41.8	234.6
BV/Sh. (INR)	161.8	170.7	201.7
Ratios			
RoE (%)	10.0	5.5	15.6
RoCE (%)	10.1	4.4	10.7
Payout (%)	3.1	5.3	1.6
Valuations			
P/E (x)	32.3	55.6	16.6
P/BV (x)	3.2	3.1	2.6
EV/EBITDA (x)	26.0	41.6	14.7
Div yld (%)	0.1	0.1	0.1

CMP: INR522 Buy

Financial strength fueled by growth in real estate and data centers

Operational highlights

- **Real Estate:** The company is on track to launch its high-rise residential project, The Estate One, located on Golf Course Extension Road, Sector-63A, Gurugram, in 4QFY26. The project spans 5.1 acres with a total development area of ~1.1msf.
- Approvals for an additional 9.12 acres under Phase V of Anant Raj Estate, the luxury residential township on the same location, are expected in 4QFY26, which will further augment the overall development potential of the township.
- Project Navya is expected to begin Phase-2 deliveries in 4QFY26. OC has already been received, while deliveries at Ashok Estate, comprising 1.34msf, are nearing completion.
- **Data Centers:** The expansion of Ashok Cloud, including Infrastructure-as-a-Service (IaaS) capacity at Manesar and additional cloud services at Panchkula, is at an advanced stage of operationalization and is expected to become operational as scheduled in 4QFY26.
- Anant Raj Cloud has signed an MoU with the Government of Andhra Pradesh to set up additional data center capacity of 50 MW IT load, strengthening its presence in South India. With this addition, total planned data center capacity will reach 357 MW IT load across colocation and cloud services, of which 117 MW IT load is expected to commence operations by FY28.

Financial Highlights

- In 3QFY26, revenue came in at INR6.4b, up 20% YoY/2% QoQ (11% above estimate). In 9MFY26, revenue stood at INR18.6b, up 23% YoY.
- EBITDA was INR1.7b, up 27% YoY/1% QoQ (11% above estimate). EBITDA margin stood at 26.5%, up 1.6pp YoY. In 9MFY26, EBITDA was INR4.9b, up 40% YoY, and EBITDA margin stood at 26.2%, up 3.2pp YoY.
- Adj PAT was INR1.4b, up 31% YoY/4% QoQ (98% above estimate due to higher depreciation for the quarter). PAT margin was 22.5%, up 1.8pp YoY. In 9MFY26, adj PAT was INR4.0b, up 33% YoY, and PAT margin was 21.9%, up 1.7pp YoY.

We currently have a **BUY** rating on Anant Raj.

Quarterly performance

Y/E March	FY25				FY26E				FY25	FY26	FY26E	3QE Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3Q Est.	(%/bp)
Net Sales	**4,718**	**5,129**	**5,346**	**5,407**	**5,924**	**6,308**	**6,416**	**5,718**	**20,600**	**24,366**	**5,800**	11%
YoY Change (%)	49.2	54.3	36.3	22.2	25.6	23.0	20.0	5.8	38.9	18.3	8.5	
Total Expenditure	3,689	4,001	4,011	3,983	4,418	4,630	4,718	3,488	15,683	17,254	4,274	
EBITDA	**1,030**	**1,128**	**1,336**	**1,424**	**1,507**	**1,678**	**1,698**	**2,230**	**4,917**	**7,113**	**1,526**	11%
Margins (%)	21.8	22.0	25.0	26.3	25.4	26.6	26.5	39.0	23.9	29.2	26.3	15bp
Depreciation	55	81	82	87	79	106	135	210	305	530	547	
Interest	36	15	29	30	24	29	33	40	110	125	51	
Other Income	98	109	93	103	100	101	188	176	403	564	113	
PBT before EO expense	**1,037**	**1,141**	**1,318**	**1,409**	**1,504**	**1,644**	**1,718**	**2,156**	**4,905**	**7,022**	**1,041**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**1,037**	**1,141**	**1,318**	**1,409**	**1,504**	**1,644**	**1,718**	**2,156**	**4,905**	**7,022**	**1,041**	65%
Tax	142	97	223	228	257	275	296	381	690	1,209	311	
Rate (%)	13.7	8.5	16.9	16.2	17.1	16.7	17.2	17.7	14.1	17.2	29.9	
Minority Interest & Profit/Loss of Asso. Cos.	15	11	10	5	12	12	20	-45	41	0	0	
Reported PAT	**895**	**1,044**	**1,094**	**1,181**	**1,247**	**1,369**	**1,422**	**1,775**	**4,215**	**5,813**	**729**	
Adj PAT	**910**	**1,056**	**1,104**	**1,186**	**1,259**	**1,381**	**1,443**	**1,731**	**4,257**	**5,813**	**729**	98%
YoY Change (%)	79.7	75.7	53.7	38.2	38.3	30.8	30.6	45.9	60.1	36.6	-34.0	
Margins (%)	19.3	20.6	20.7	21.9	21.2	21.9	22.5	30.3	20.7	23.9	12.6	991bp

Source: Company, MOFSL

RESULTS FLASH

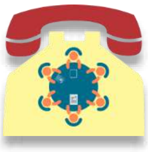
21 January 2026

Results Flash | Sector: Recycling

Gravita India

BSE SENSEX	S&P CNX
81,910	25,158

Conference Call Details



Date: 23rd Jan'26

Time: 12:00 Pm IST

Dial-in details:

click here

CMP: INR1,554 **BUY**

Operating performance in line with estimates

- Consol. revenue grew 2% YoY to INR10.1b (est. in line).
- Gross margins expanded 580bp YoY to 22%.
- Adjusted EBITDA grew 13.5% YoY to INR1.2b (est. in line).
- Adjusted EBITDA margins expanded ~110bp YoY to 11.4% (est. 10.7%).
- Adj. PAT grew 25% YoY to INR977m (est. in line).
- For 9MFY26, Revenue/Adj. EBITDA/Adj. PAT grew 9%/15%/32% to INR28.3b/INR3b/INR2.2b.
- The company has been impacted by the new labor law; however, the amount has not been disclosed.

Segmental performance

- Lead business revenue grew 9% YoY to INR9.1b, led by a 5% YoY volume growth. Volume stood at 46.3KMT in 3QFY26. EBITDA/MT stood at INR23,035 (up 21% YoY) for the quarter.
- Aluminum business revenue declined 33% YoY to INR826m. Volumes stood at 3.5KMT, down 43% YoY, while EBITDA/MT declined 32% YoY to INR14,215.
- Plastic business revenue declined 39% YoY to INR155m, and its volume dipped 4% YoY to 3.1KMT. EBITDA/MT grew 1% YoY to INR10,462.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY25E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%
Sales	9,079	9,274	9,964	10,371	10,399	10,355	10,171	12,348	38,688	43,274	10,441	-3
YoY Change (%)	29.1	10.9	31.5	20.1	14.5	11.7	2.1	19.1	22.4	11.9	4.8	
Total Expenditure	8,166	8,259	8,942	9,286	9,282	9,237	9,010	11,093	34,652	38,622	9,321	
Adjusted EBITDA	912	1,015	1,023	1,085	1,117	1,118	1,161	1,255	4,036	4,651	1,120	4
Margins (%)	10.1	10.9	10.3	10.5	10.7	10.8	11.4	10.2	10.4	10.7	10.7	
Depreciation	65	72	76	78	87	92	98	122	291	400	110	
Interest	130	120	128	56	61	78	65	60	434	264	65	
Other Income	33	23	73	194	190	165	154	150	324	659	160	
PBT before EO expense	751	847	891	1,146	1,159	1,113	1,151	1,223	3,635	4,647	1,105	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	751	847	891	1,146	1,159	1,113	1,151	1,223	3,635	4,647	1,105	
Tax	71	128	111	197	229	153	176	129	506	687	166	
Rate (%)	9.4	15.1	12.4	17.2	19.7	13.8	15.3	10.6	13.9	14.8	15.0	
Minority Interest & Profit/Loss of Asso. Cos.	7	-1	1	-2	-2	0	-2	2	5	-2	1	
Reported PAT	673	720	779	951	933	960	977	1,092	3,124	3,961	938	
Adj PAT	673	720	779	951	933	960	977	1,092	3,124	3,961	938	4
YoY Change (%)	29.3	24.4	29.3	37.9	38.5	33.3	25.3	14.8	30.6	26.8	20.4	
Margins (%)	7.4	7.8	7.8	9.2	9.0	9.3	9.6	8.8	8.1	9.2	9.0	

IndiaMART InterMESH: Gross Additions May Be Subdued For The Next 2 Quarters; Dinesh Agarwal, CEO

- Q3 beat expectations; collections grew 17% YoY, margins improved after multiple soft quarters
- Subscriber decline due to Silver price hike; net adds to normalize to ~2,000/quarter from Q1 FY27
- Silver churn remains elevated, but Gold/Platinum seeing better retention, upsell, and collections
- ARPU rising ~6–8% consistently; no near-term plan for transaction-based pricing
- Strong balance sheet (~₹3,551cr cash); capital allocation split between dividends and selective B2B SaaS M&A

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Amagi Media : In A Very Early Phase Of Transformation Of The Market; Baskar Subramanian, Co-Founder, MD & CEO

- 30%+ revenue CAGR sustained alongside improving operating leverage
- H1 margins at ~8%, with long-term SaaS steady-state margins seen at 20–25%
- Strong global tailwinds from media cloud migration; large untapped TAM
- AI-led platform strategy positions Amagi for next phase of media tech growth

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Engineers India: Saw An Upward Swig In Margin In H1FY26; Vartika Shukla, Chairman & MD

- Bagged record $360m Nigeria order to expand Dangote refinery to 1.2 mbpd; execution over ~3 years
- Order book at all-time high ~₹15,800cr, with ~40% international exposure
- FY26 order inflows ~₹7,600cr so far; international share ~65% of inflows
- FY26 revenue guidance of ~25% growth intact; Nigeria order meaningful from FY27 onward
- Rising international & consulting mix supports margin expansion; consulting margins 25–28%, overall margins trending up

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J&K Bank Reports : Will Still Hold Onto 12-15% Loan Growth Guidance; Amitava Chatterjee,MD

- QIP deferred to H1 FY27; no immediate capital need despite board approval
- Capital position strong (~15% CAR); ₹3,000cr RIDF maturities ease pressure
- Loan growth guidance maintained at 12–15% despite 18% YoY growth
- Balanced mix across retail/corporate and geographies
- ROE outlook positive with benign credit costs and earnings momentum

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NOTES

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BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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