

Market snapshot

Equities - India	Close	Chg .%	CY25.%
Sensex	81,538	-0.9	9.1
Nifty-50	25,049	-1.0	10.5
Nifty-M 100	57,146	-1.8	5.7
Equities-Global	Close	Chg .%	CY25.%
S&P 500	6,950	0.5	16.4
Nasdaq	23,601	0.4	20.4
FTSE 100	10,149	0.1	21.5
DAX	24,933	0.1	23.0
Hang Seng	9,147	-0.1	22.3
Nikkei 225	52,885	-1.8	26.2
Commodities	Close	Chg .%	CY25.%
Brent (US\$/Bbl)	68	2.8	-15.7
Gold (\$/OZ)	4,987	1.0	64.6
Cu (US\$/MT)	13,049	3.0	43.9
Almn (US\$/MT)	3,165	1.7	17.5
Currency	Close	Chg .%	CY25.%
USD/INR	92.0	0.4	5.0
USD/EUR	1.2	0.6	13.4
USD/JPY	155.7	-1.7	-0.3
YIELD (%)	Close	1MChg	CY25 chg
10 Yrs G-Sec	6.7	0.03	-0.2
10 Yrs AAA Corp	7.4	0.03	0.1
Flows (USD b)	23-Jan	MTD	CYTD
FII's	-0.45	-3.08	-18.8
DII's	0.45	9.30	90.1
Volumes (INRb)	23-Jan	MTD*	CYTD*
Cash	1,280	1196	1196
F&O	2,99,048	3,11,048	3,11,048

Note: Flows, MTD includes provisional numbers. *Average



Today's top research idea

Shriram Finance: Healthy quarter driven by NIM expansion and lower slippages

- ❖ Shriram Finance's (SHFL) 3QFY26 PAT rose ~21% YoY to ~INR25.2b (in line). NII grew ~18% YoY to INR65.7b (inline). Other income declined ~2% YoY to INR3.6b (14% lower than est.).
- ❖ SHFL continues to demonstrate strong business momentum, supported by healthy NIM, improving asset quality, and robust growth drivers across CV, PV finance, MSME, and gold loans. The moderation in credit costs and disciplined balance sheet management positions the company well for sustained earnings growth. Its diversified AUM mix, improved access to lower-cost funding from the credit rating upgrade, and strategic partnership with MUFG add further strength to the franchise.
- ❖ The stock is currently trading at 2.1x FY27E P/B. We expect SHFL to deliver a ~19%/~29% AUM/PAT CAGR over FY26-28E, along with an RoA/RoE of ~3.9%/13.6% by FY28. We reiterate our BUY rating with a TP of INR1,200 (premised on 2.2x FY28E BVPS).



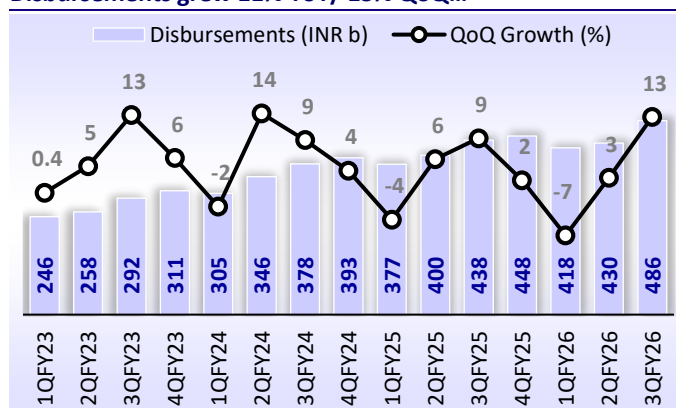
Research covered

Cos/Sector	Key Highlights
Shriram Finance	Healthy quarter driven by NIM expansion and lower slippages
Other Updates	Kotak Mahindra Bank Axis Bank UltraTech Cement JSW Steel BPCL DLF Godrej Consumer Cipla JSW Energy Siemens Energy IndusInd Bank Coforge Laurus Labs Piramal Finance. Radico Khaitan Sona BLW Precip. Atul Cams Services Zensar India Cements Granules India Home First Finan Gravita India DCB Bank V-Mart Retail Multi Comm. Exc. Nuvama Wealth



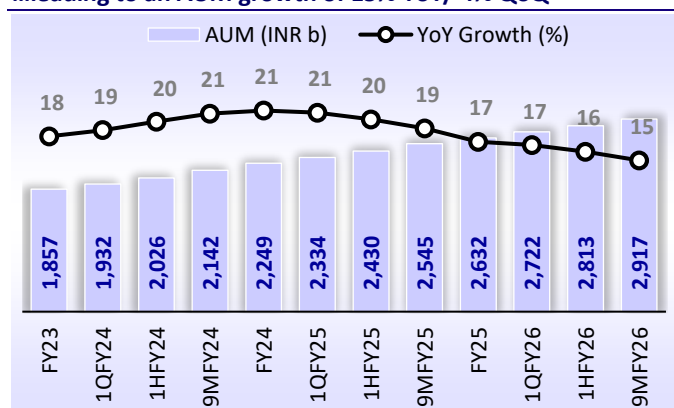
Chart of the Day: Shriram Finance (Healthy quarter driven by NIM expansion and lower slippages)

Disbursements grew 11% YoY/ 13% QoQ...



Source: MOFSL, Company

...leading to an AUM growth of 15% YoY/ 4% QoQ



Source: MOFSL, Company

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on textbox for the detailed news link

1

Marico to buy majority stake in 4700BC from PVR INOX for ₹226.8 cr

Marico has entered into a definitive agreement with PVR INOX to buy its 93.27 per cent stake in Zea Maize Private Limited (ZMPL), which owns the gourmet popcorn brand 4700BC, in an all-cash transaction worth ₹226.8 crore.

2

Waaree Renewable to buy 55% in Associated Power Structures for ₹1,225 crore

Waaree Renewable Technologies Ltd has approved the ASPL for an estimated consideration of ₹1,225 crore, as the solar EPC player sharpens its play in the power transmission and distribution segment.

3

SaaS major Zoho launches ERP platform to tap SME market in India

SaaS major Zoho has launched a new enterprise resource planning (ERP) platform aimed at addressing the large and underserved market among India's small and medium enterprises (SMEs).

4

Shriram Finance redraws biz plan, steps up focus on new vehicle finance

Shriram Finance Ltd (SFL), one of the largest retail non-banking financial companies (NBFCs) in India, is set to redraw its business plan by coming out with a new strategic outlook in 2026-27 (FY27)

5

Nhai plans to reduce its debt to below ₹2 trillion by March 2026

State-owned NHAI is planning to reduce its debt to below Rs 2 lakh crore in the current financial year ending March. NHAI's debt liability had peaked at Rs 3.5 lakh crore in 2021-22.

6

Global firms drive India's office demand, account for 58% of total leasing in 2025: JLL

Global companies remained a major demand driver for office space in India during 2025 as they leased nearly 60% of office spaces in India's seven major cities to expand their businesses, according to JLL India.

7

Pine Labs partners Wio Bank to build acquiring infrastructure

Pine Labs has announced a strategic partnership with Wio Bank to build a modern acquiring infrastructure for the Middle East-based digital bank.

Shriram Finance

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR1004 TP: INR1,200 (+20%) Buy

Healthy quarter driven by NIM expansion and lower slippages

Earnings in line; stable asset quality with an improvement bias

- Shriram Finance's (SHFL) 3QFY26 PAT rose ~21% YoY to ~INR25.2b (in line). NII grew ~18% YoY to INR65.7b (inline). Other income declined ~2% YoY to INR3.6b (14% lower than est.).
- Opex rose ~21% YoY to INR22.6b (8% higher than our estimate), which included one-time provisions of ~INR2b made on account of the new Labor codes and incentives paid to employees towards festive period schemes. PPOP grew 14% YoY to ~INR46.7b (inline).
- Credit costs stood at ~INR13.1b (~8% lower than MOFSLe), translating into annualized credit costs of ~1.8% (PQ: 1.9% and PY: 2.1%).
- As of Dec'25, SHFL's AUM stood at INR2.92t, with management expecting broad-based growth across segments. Growth in CV will be led by LCV and SCV. LCV growth will be supported by industrial hubs and rural markets, while SCV will benefit from e-commerce expansion in smaller towns. HCV demand, linked to infrastructure activity, has slowed but may see a boost from measures that could be announced in the Union Budget.
- Sectors such as leather, textile, fisheries, and prawns, which were likely to be impacted by the US tariffs, have performed well as customers in these segments have identified alternative export markets. With tariff concerns now limited, SHFL plans to accelerate growth in the MSME segment.
- Aided by a credit rating upgrade and the benefits of a declining interest rate cycle, the management expects CoF to decline by ~1pp over the next 2–3 years. Beyond its focus on new CV loans, gold loans will remain a strong growth driver, supported by branch expansion. Additionally, SHFL sees a significant growth opportunity in the tractor segment, and tractor loans are expected to increase to ~5% of AUM (from ~2.3% now).
- Management shared that the rise in Stage 3 in certain segments, such as MSME and PL, was largely due to temporary delays rather than underlying business stress. SHFL's interactions with its customers indicate that borrowers' businesses remain operational, suggesting limited credit risk.
- SHFL is well positioned to leverage its diversified AUM mix, improved access to liabilities, and enhanced cross-selling opportunities. The equity infusion of MUFG is expected to further accelerate growth and enable the company's entry into adjacent product segments like new CV financing and secured MSME. We expect SHFL to deliver a ~19%/~29% AUM/PAT CAGR over FY26-28E, along with an RoA/RoE of ~3.9%/13.6% by FY28. **We reiterate our BUY rating with a TP of INR1,200 (premised on 2.2x FY28E BVPS).**

NIM spikes owing to the rationalization of excess liquidity

- Reported NIM improved ~40bp QoQ to ~8.6%. This was primarily driven by rationalization of excess liquidity on the B/S towards the end of Sep'25.
- Yields (calc.) dipped ~15bp QoQ to 16.5%, while CoB declined ~60bp QoQ to 8.7%, resulting in spreads (calc.) improving ~40bp QoQ to ~7.8%.

Bloomberg	SHFL IN
Equity Shares (m)	1881
M.Cap.(INRb)/(USD\$)	1888.2 / 20.5
52-Week Range (INR)	1026 / 508
1, 6, 12 Rel. Per (%)	9/54/81
12M Avg Val (INR M)	5099

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Total Income	268	333	403
PPOP	186	239	297
PAT	98.5	130.1	164.9
EPS (INR)	52.4	55.3	70.1
EPS Gr. (%)	19	6	27
Standalone BV (INR)	344	487	546

Metrics

NIM on assets (%)	8.2	8.9	9.1
C/I ratio (%)	30.8	28.3	26.5
RoAA (%)	3.2	3.7	3.9
RoE (%)	16.3	14.5	13.6
Div. Payout (%)	22.2	22.9	20.3

Valuations

P/E (x)	19.1	18.1	14.3
P/BV (x)	2.9	2.1	1.8
Div. Yield (%)	1.2	1.3	1.4

Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	25.4	25.4	25.4
DII	21.3	18.7	16.0
FII	47.2	49.6	53.1
Others	6.1	6.3	5.6

FII includes depository receipts

- Management has guided for NIMs between 8.5-9.0% in the near term. We expect SHFL to deliver a NIM of 8.2% for FY26. We also project a sharp improvement in NIM to 8.9%/9.1% for FY27/FY28.

Stable asset quality; slippages and credit costs trend lower

- GS3 was broadly stable at 4.5%, while NS3 improved ~10bp QoQ to 2.4%. Net slippages improved to 1.3% (PY: 2.1% and PQ: 1.6%). Stage 2 assets improved ~15bp QoQ to 6.8%. (PQ: 6.9% and PY: 6.7%).
- PCR on Stage 3 rose ~2pp QoQ to ~49% (PQ: ~47% and PY: ~52%). PCR on stage 1 and stage 2 was broadly stable QoQ at ~3.5%/8.3%, respectively.
- The company guided for credit costs at ~2% in the near term, which could further moderate to ~1.8% over the long term. We model credit costs of ~1.9% (as a % of the AUM) for SHFL in FY27/FY28.

Highlights from the management commentary

- Gold loans will be a strong growth driver for SHFL, and the company plans to add more gold loan branches, with a detailed plan expected by Mar'26. The management wants to further evaluate which operating model in gold loans works best before scaling up further.
- SHFL targets to expand into secured MSME lending to relatively larger enterprises. By leveraging property-backed security and cash flow-based assessment, the company can cater to higher-ticket MSME loans.

Valuation and view

- SHFL continues to demonstrate strong business momentum, supported by healthy NIM, improving asset quality, and robust growth drivers across CV, PV finance, MSME, and gold loans. The moderation in credit costs and disciplined balance sheet management positions the company well for sustained earnings growth. Its diversified AUM mix, improved access to lower-cost funding from the credit rating upgrade, and strategic partnership with MUFG add further strength to the franchise.
- The stock is currently trading at 2.1x FY27E P/B. We expect SHFL to deliver a ~19%/~29% AUM/PAT CAGR over FY26-28E, along with an RoA/RoE of ~3.9%/13.6% by FY28. **We reiterate our BUY rating with a TP of INR1,200 (premised on 2.2x FY28E BVPS).**

Quarterly Performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26	3Q FY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	93,628	98,145	1,03,408	1,07,895	1,11,732	1,15,506	1,18,331	1,22,964	4,03,076	4,68,534	1,19,491	-1
Interest Expenses	41,289	43,504	47,513	52,240	54,008	55,248	52,591	54,295	1,84,546	2,16,141	54,143	-3
Net Interest Income	52,339	54,641	55,896	55,655	57,725	60,258	65,740	68,670	2,18,531	2,52,392	65,348	1
YoY Growth (%)	24.6	18.9	13.8	9.4	10.3	10.3	17.6	23.4	16.3	15.5	16.9	
Other Income	2,343	2,805	3,646	6,707	3,685	3,643	3,584	5,007	15,518	15,920	4,150	-14
Total Income	54,682	57,446	59,542	62,363	61,410	63,901	69,325	73,676	2,34,049	2,68,312	69,498	0
YoY Growth (%)	21.1	16.2	14.1	13.2	12.3	11.2	16.4	18.1	15.9	14.6	16.7	
Operating Expenses	16,140	17,597	18,692	19,010	19,486	19,486	22,620	20,956	71,440	82,547	21,029	8
Operating Profit	38,541	39,848	40,850	43,353	41,924	44,415	46,705	52,720	1,62,609	1,85,765	48,469	-4
YoY Growth (%)	23.3	14.5	10.7	11.0	8.8	11.5	14.3	21.6	14.5	14.2	18.7	
Provisions & Loan Losses	11,876	12,350	13,258	15,633	12,857	13,333	13,103	14,783	53,117	54,077	14,228	-8
Profit before Tax	26,666	27,498	27,592	27,720	29,067	31,082	33,602	37,937	1,09,493	1,31,688	34,241	-2
Tax Provisions	6,860	6,803	6,788	6,326	7,510	8,028	8,385	9,262	26,776	33,185	8,560	-2
Net Profit	19,806	20,696	20,804	21,394	21,557	23,053	25,217	28,675	82,716	98,503	25,681	-2
YoY Growth (%)	18.2	18.2	14.4	9.9	8.8	11.4	21.2	34.0	15.0	19.1	23.4	
Exceptional gain (Post tax)			14,894						14,894	0		
PAT (incl. except. gains/loss)			35,698						97,610	98,503		
Key Parameters (Calc., %)												
Yield on loans	16.3	16.5	16.6	16.7	16.7	16.7	16.5					
Cost of funds	8.7	8.7	8.8	9.1	9.1	9.3	8.7					
Spread	7.6	7.8	7.8	7.5	7.6	7.4	7.9					
NIM	9.14	9.17	9.0	8.60	8.62	8.71	9.2					
C/I ratio	29.5	30.6	31.4	30.5	31.7	30.5	32.6					
Credit cost	2.1	2.1	2.1	2.4	1.9	1.9	1.8					
Tax rate	25.7	24.7	24.6	22.8	25.8	25.8	25.0					
Balance Sheet Parameters												
Disbursements (INR b)	377	400	438	448	418	430	486					
Growth (%)	23.8	15.5	15.8	14.0	10.9	7.6	11.1					
AUM (INR b)	2,334	2,430	2,545	2,632	2,722	2,813	2,917					
Growth (%)	20.8	19.9	18.8	17.0	16.6	15.7	14.6					
Borrowings (INR b)	1,917	2,078	2,235	2,342	2,429	2,343	2,517					
Growth (%)	18.4	25.7	25.9	26.0	26.7	12.7	12.7					
Asset Quality Parameters												
GS 3 (INR B)	124.1	127.6	135.2	118.4	122.0	127.4	131.2					
GS 3 (%)	5.39	5.32	5.38	4.55	4.53	4.57	4.54					
NS 3 (INR B)	60.62	61.66	65.4	67.14	67.93	67.88	67.2					
NS 3 (%)	2.71	2.64	2.68	2.64	2.57	2.49	2.38					
PCR (%)	51.15	51.70	51.6	43.28	44.31	46.70	48.8					

E: MOFSL estimates

Kotak Mahindra Bank

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	KMB IN
Equity Shares (m)	9941
M.Cap.(INRb)/(USD\$)	4205 / 45.7
52-Week Range (INR)	460 / 372
1, 6, 12 Rel. Per (%)	2/-2/4
12M Avg Val (INR M)	7863

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
NII	283.4	301.9	348.8
OP	245.3	224.7	261.0
NP	164.5	140.4	165.6
Cons. NP	221.3	209.0	248.8
NIM (%)	4.8	4.5	4.5
EPS (INR)	16.5	14.1	16.7
EPS Gr. (%)	19.3	(14.7)	18.0
ABV. (INR)	114	120	135
Cons. BV. (INR)	158	174	199

Ratios

RoA (%)	2.5	1.9	2.0
RoE (%)	15.4	11.7	12.6
Cons. RoE (%)	14.1	12.1	12.6

Valuations

P/BV (X) (Cons.)	2.7	2.4	2.1
P/ABV (X) (Adj)	2.3	2.2	1.9
P/E(X) (Adj)	15.6	18.2	15.5

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	25.9	25.9	25.9
DII	32.9	32.0	30.4
FII	29.4	29.8	30.8
Others	11.9	12.4	12.9

FII Includes depository receipts

CMP: INR423 TP: INR500 (+18%) Buy

In-line earnings; healthy, broad-based growth

NIMs flat QoQ

- Kotak Mahindra Bank (KMB) posted a standalone 3QFY26 PAT of ~INR34.5b (in line; up 4.3% YoY/5.9% QoQ). Consol PAT stood at INR49.2b (up 5% YoY/10% QoQ).
- NII grew 5.1% YoY/3.5% QoQ to INR75.6b (in line). NIMs stood flat QoQ at 4.54% (4bp impact due to short-term fund deployed in treasuries).
- Advances growth was robust at 16.1% YoY/3.9% QoQ to INR4.81t, aided by broad-based growth in HL, BB, SME and corporate advances. Credit card declined 1% QoQ. Deposits grew by 14.6% YoY/ 2.6% QoQ, while CA book declined by 4% QoQ. Thus, CASA ratio declined by 100bp QoQ to 41.3%.
- Slippages declined marginally by 1.5% QoQ to INR16.1b (INR18.1b in 1QFY26/INR16.3b in 2QFY26). Credit cost has been declining, and the bank expects it to improve in 4QFY26 and 1QFY27. GNPA ratio declined 9bp QoQ to 1.3%, while NNPA declined 1bp QoQ to 0.31%.
- We maintain our earnings estimates and expect RoA/RoE of 2%/12.5% by FY27. Reiterate BUY with a TP of INR500 (2.3x Sep'27E ABV).**

Slippages largely flat QoQ; NIMs to improve in 4Q and stabilize in 1Q

- KMB reported a standalone PAT of INR34.5b (up 4.3% YoY/5.9% QoQ) as NII and other income stood largely in line with our estimates. The bank reported slightly higher opex (INR955.3m related to new labor code). Consol PAT stood at INR49.2b (up 5% YoY/10% QoQ).
- NII grew 5.1% YoY/3.5% QoQ to INR75.6b (in line). NIMs were stable QoQ at 4.54%, with 4bp impact due to short-term fund deployed in treasuries.
- Other income grew 8.2% YoY/9.6% QoQ (in line), owing to the absence of treasury income in 3QFY26.
- Opex rose 8.3% YoY/8.4% QoQ to INR50.2b (3% above est.; INR955.3m related to new labor code). PPOp grew by 3.8% YoY/2.1% QoQ to INR53.8b (4% miss).
- Loan growth was robust at 16.1% YoY/3.9% QoQ to INR4.8t, driven by healthy growth in HL (5% QoQ), BB (5% QoQ), Corporate (3% QoQ), and SME (7% QoQ). MFI was flat QoQ and CC book fell 1% QoQ.
- Deposits grew by 14.6% YoY/2.6% QoQ. CASA deposits were flat QoQ. As a result, CASA ratio declined to 41.3% (down 1% QoQ). TD witnessed a faster growth at 16.6% YoY/4.4% QoQ.
- Fresh slippages declined marginally to INR16.1b (down 3% YoY/1.5% QoQ) as stress eased in the unsecured segment. GNPA ratio declined 9bp QoQ to 1.3%, and NNPA ratio declined 1bp QoQ to 0.31%. PCR was largely stable at 76%. KMB remains cautious in the Retail CV segment. SMA-2 loans stood at INR2.8b/6bp of loans. CAR/CET-1 ratios stood at 21.5%/22.6%.
- Performance of subsidiaries:** Kotak Prime's net earnings grew 15% YoY/ 1.6% QoQ, while Kotak Life's PAT jumped 231% QoQ to INR1.6b. For Kotak Securities, reported PAT grew 25% QoQ to INR4.3b. Kotak AMC reported a 22% QoQ decline in PAT to INR3.2b.

Highlights from the management commentary

- Going forward, a 25bp rate cut will pass through fully in 4Q, while TD repricing will continue in 4Q at a slower pace. A CRR cut will provide a full-quarter benefit in 4Q. Assuming no further rate cuts, the bank expects moderate improvement and stability in NIMs from 1QFY27 onward.
- Yields were impacted by the 50bp rate cut in Jun'25; however, this was largely offset by the CRR reduction and deposit repricing during the quarter.
- KMB witnessed inflows of IPO-related short-term funds, which were temporarily deployed in treasury instruments, resulting in a drag on reported NIMs. On an adjusted basis, excluding this impact, NIMs would have been 4.58%.
- Unsecured lending showed gradual growth, in line with management's stated approach, while the bank remained cautious on the retail CV book.

Valuation and view: Reiterate BUY with a revised TP of INR500

KMB reported an in-line quarter, with NII and PAT largely meeting expectations. Operating expenses came in higher than anticipated, while provisions were lower than estimates. Slippages declined marginally on a QoQ basis, and PCR remained broadly stable at 76%. NIMs were flat QoQ, affected by a ~4bp drag from the deployment of excess liquidity into treasury instruments. Management expects NIMs to improve going forward, supported by ongoing deposit repricing. The decline in the unsecured portfolio has now been arrested, and the bank has reiterated its guidance for stronger growth in the coming quarters, which should also support margins. Overall loan growth is guided at 1.5-2.0x nominal GDP, driven by stable momentum in retail and unsecured segments. Given the continued growth traction, we believe the bank is well positioned to deliver a healthy ~16% loan CAGR over FY26-28E. **We maintain our earnings estimates and expect RoA/RoE of 2%/12.5% by FY27. Reiterate BUY with a TP of INR500 (2.3x Sep'27E ABV).**

Quarterly performance

(INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	V/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			2QE	Our Est
Net Interest Income	68.4	70.2	72.0	72.8	72.6	73.1	76.1	79.5	283.4	301.3	73.1	0%
% Change (Y-o-Y)	9.8	11.5	9.8	5.4	6.1	4.1	5.7	9.2	9.0	6.3	4.2	
Other Income	29.3	26.8	26.2	31.8	30.8	25.9	29.6	34.9	149.6	121.2	30.1	-14%
Total Income	97.7	97.0	98.2	104.7	103.4	99.0	105.6	114.4	433.0	422.5	103.2	-4%
Operating Expenses	45.2	46.0	46.4	49.9	47.8	46.3	49.1	53.3	187.8	196.5	49.9	-7%
Operating Profit	52.5	51.0	51.8	54.7	55.6	52.7	56.5	61.1	245.3	226.0	53.3	-1%
% Change (Y-o-Y)	6.2	10.6	13.5	0.2	5.9	3.3	9.1	11.7	25.2	-7.9	4.5	
Provisions	5.8	6.6	7.9	9.1	12.1	9.5	8.9	9.0	29.4	39.5	9.9	-5%
Profit before Tax	46.8	44.4	43.9	45.6	43.6	43.2	47.6	52.2	215.8	186.5	43.3	0%
Tax	11.6	11.0	10.8	10.1	10.7	10.7	11.7	12.8	51.3	45.9	10.7	0%
Net Profit	35.2	33.4	33.0	35.5	32.8	32.5	35.9	39.4	164.5	140.6	32.7	0%
% Change (Y-o-Y)	2.0	4.8	10.0	-14.1	-6.8	-2.7	8.6	10.9	19.4	-14.5	-2.3	
Exceptional item	27.3				0.0				27.3	0.0		
PAT including exceptionals	62.5	33.4	33.0	35.5	32.8	32.5	35.9	39.4	164.5	140.6	33	
% Change (Y-o-Y)	2.0	4.8	10.0	-14.1	-6.8	-2.7	8.6	10.9	19.4	-14.5	-2.3	
Deposits (INRb)	4,474	4,615	4,735	4,991	5,128	5,288	5,473	5,679	4,991	5,679	5,280	
Loans (INRb)	3,900	3,995	4,138	4,269	4,448	4,627	4,755	4,944	4,269	4,944	4,579	
Deposit growth (%)	15.8	15.1	15.9	11.2	14.6	14.6	15.6	13.8	11.2	13.8	14.4	
Loan growth (%)	18.7	14.7	15.1	13.5	14.1	15.8	14.9	15.8	13.5	15.8	14.6	
Asset Quality												
Gross NPA (%)	1.39	1.49	1.50	1.42	1.48	1.39	1.37	1.35	1.42	1.35	1.43	
Net NPA (%)	0.35	0.43	0.41	0.31	0.34	0.32	0.32	0.29	0.31	0.29	0.34	
PCR (%)	74.9	71.4	73.2	78.1	76.9	77.0	76.7	78.6	78.1	78.6	76.2	

Axis Bank

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	AXSB IN
Equity Shares (m)	3103
M.Cap.(INRb)/(USD\$)	3906.5 / 42.5
52-Week Range (INR)	1327 / 934
1, 6, 12 Rel. Per (%)	7/15/24
12M Avg Val (INR M)	8025

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	543.5	562.0	660.9
OP	421.0	445.1	528.7
NP	263.7	246.6	307.4
NIM (%)	3.7	3.5	3.6
EPS (INR)	85.3	79.6	99.2
EPS Gr. (%)	5.7	-6.6	24.6
BV/Sh. (INR)	577	646	733
ABV/Sh. (INR)	547	624	710

Ratios

RoA (%)	1.7	1.4	1.6
RoE (%)	15.9	13.0	14.4

Valuations

P/E(X)	14.7	15.7	12.6
P/E(X)*	12.9	13.9	11.1
P/BV (X)	1.9	1.7	1.5
P/ABV (X)*	2.0	1.8	1.6

* adjusted for subs

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	7.9	7.9	7.9
DII	41.3	41.5	36.0
FII	44.4	43.8	49.4
Others	6.4	6.8	6.7

FII Includes depository receipts

CMP: INR1,258 TP: INR1,400 (+11%) Neutral

In-line margins; controlled opex drives earnings

Asset quality gradually gaining stability

- Axis Bank (AXSB) reported 3QFY26 net profit of INR64.9b (up 28% QoQ, 11% beat), aided by lower provisions and controlled opex.
- NII grew 5% YoY/3.9% QoQ to INR142.9b (in line). NIMs declined by 3.64% (down 9bp QoQ, in line), owing to an 8bp contraction in spread.
- Provisions were low at INR22.5b (13% lower than MOFSLe) as the bank benefitted from a minor reversal of standard asset provisions.
- Loan book grew by a healthy 14.2% YoY/3.8% QoQ, aided by broad-based growth in retail across HL, BB, and rural. Large/mid corp and SME maintained healthy traction.
- Fresh slippages stood at INR60b (vs. INR57b in 2QFY26 and INR82b in 1QFY26), due to the technical impact of INR17b. Net slippage stood at INR31b vs. INR28b in 2QFY26. Adj for technical slippage, gross slippage stood at INR43b vs. INR42b in 2Q. GNPA/NNPA ratios fell by 6bp/2bp QoQ to 1.4%/0.42%. PCR declined marginally by 48bp QoQ to 70%.
- **We fine-tune our earnings estimates and expect FY27E RoA/RoE of 1.6%/14.4%. Retain Neutral with a TP of INR1,400 (1.6x Sep'27E ABV).**

Business growth healthy; NIM contracts 9bp QoQ to 3.64% (in line)

- 3Q PAT stood at INR64.9b (up 28% QoQ, 11% beat). NII grew 3.9% QoQ (up 5% YoY) to INR142.9b (in line). NIMs fell 9bp QoQ to 3.64% (in line).
- Other income declined 6% QoQ to INR62.3b (5% miss), as treasury income stood at INR0.6b vs. INR4.9b in 2QFY26. Total revenue thus stood at INR205b (up 5% YoY/flat QoQ).
- Opex grew 6.5% YoY (down 3.2% QoQ), including INR254m related to the new labor code. PPOP grew 3% YoY/4% QoQ to INR108.7b (5% beat). C/I ratio thus decreased to 47% (down 190bp QoQ).
- Loan book grew by a healthy 14.2% YoY/3.8% QoQ, with retail loans growing by 6.4% YoY/1.4% QoQ, corporate book up 27.3% YoY/7.3% QoQ, and SME up 22% YoY/5.9% QoQ. Management expects advances to grow ~300bp faster than the industry over the medium term.
- Deposits grew by 15% YoY/4.8% QoQ. As a result, C/D ratio fell to 91.9% (down 65bp YoY/86bp QoQ). CASA mix declined marginally to 39%.
- Fresh slippages stood at INR60b, hit by a technical impact of INR17b. Net slippage stood at INR31b vs. INR28b in 2QFY26. Adj for technical slippage, gross slippage stood at INR43b vs. INR42b in 2Q. GNPA/NNPA ratios fell to 1.4%/0.42%. PCR declined marginally by 48bp QoQ to 70%.
- With industry trends pointing to declining delinquencies in the MFI segment and stabilization in the PL and credit card portfolios (CC book down 6% QoQ), the bank is well placed to benefit from healthy growth in high-yielding assets. Credit costs, currently at 1.02%, are likely to moderate further as operating conditions improve.

- CAR/CET-1 stood at 16.55%/14.5%. Average LCR was 116%. RWA increase was largely in line with the 3Q loan growth.

Highlights from the management commentary

- The bank has reiterated its through-cycle NIM guidance of 3.8%, independent of interest rate cycles.
- The 8bp decline in spreads during 3Q was largely due to faster growth in the corporate book and changes in CASA mix.
- AXSB aims to grow ~300bp faster than the industry while maintaining a RaRoC-led approach. Unsecured disbursements, which had seen a slowdown, are now recovering and gaining traction.
- Staff costs declined due to reversals of provisions that were no longer payable.

Valuation and view

AXSB delivered a steady quarter, driven by lower provisions and lower operating expenses. NIMs contracted 9bp QoQ, in line with expectations, and we continue to expect margins to bottom out over 4QFY26 and 1QFY27. With credit costs trending down, we believe there is further scope for moderation, supported by easing stress in the unsecured portfolio and improved growth traction. Business growth, which had been subdued earlier, has now picked up, aided by healthy deposit growth, leading to a decline in the CD ratio. The bank has reiterated its medium-term loan growth guidance of ~300bp above industry levels. Asset quality improved QoQ, with GNPA and NNPA ratios declining, although slippages were marginally higher due to seasonal stress in the agri/KCC segment. AXSB has also reiterated its through-cycle NIM guidance of ~3.8% while remaining cautious about potential repo rate cuts in the coming months. **We fine-tune our earnings estimates and expect FY27E RoA/RoE of 1.6%/14.4%. Retain Neutral with a TP of INR1,400 (1.6x Sep'27E ABV).**

Quarterly performance

(INR b)

	FY25				FY26E				FY25	FY26E	FY26E	V/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3QA	4QE			3QE	Est
Net Interest Income	134.5	134.8	136.1	138.1	135.6	137.4	142.9	146.1	543.5	562.0	142.3	0%
% Change (Y-o-Y)	12.5	9.5	8.6	5.5	0.8	1.9	5.0	5.8	8.9	3.4	4.6	
Other Income	57.8	67.2	59.7	67.8	72.6	66.2	62.3	73.0	252.6	274.0	65.6	-5%
Total Income	192.3	202.1	195.8	205.9	208.2	203.7	205.1	219.1	796.0	836.1	207.9	-1%
Operating Expenses	91.3	94.9	90.4	98.4	93.0	99.6	96.4	102.0	375.0	391.0	104.2	-8%
Operating Profit	101.1	107.1	105.3	107.5	115.2	104.1	108.8	117.1	421.0	445.1	103.7	5%
% Change (Y-o-Y)	14.7	24.1	15.2	2.1	13.9	-2.8	3.2	8.9	13.4	5.7	-1.6	
Provisions	20.4	22.0	21.6	13.6	39.5	35.5	22.5	19.7	77.6	117.2	25.7	-13%
Profit before Tax	80.7	85.1	83.8	93.9	75.7	68.7	86.3	97.3	343.5	328.0	78.0	11%
Tax	20.3	15.9	20.7	22.8	17.6	17.8	21.4	21.9	79.7	81.3	19.3	11%
Net Profits	60.3	69.2	63.0	71.2	58.1	50.9	64.9	75.5	263.7	246.6	58.7	
% Change (Y-o-Y)	4.1	18.0	3.8	-0.2	-3.8	-26.4	2.9	6.0	6.1	-6.5	-6.9	
Operating Parameters												
Deposit (INR t)	10.6	10.9	11.0	11.7	11.6	12.0	12.6	13.1	11.7	13.1	12.3	2%
Loan (INR t)	9.8	10.0	10.1	10.4	10.6	11.2	11.6	11.8	10.4	11.8	11.6	0%
Deposit Growth (%)	12.8	13.7	9.1	9.8	9.3	10.7	15.0	11.6	9.8	11.6	12.6	
Loan Growth (%)	14.2	11.4	8.8	7.8	8.1	11.7	14.2	13.6	7.8	13.6	14.1	
Asset Quality												
Gross NPA (%)	1.5	1.4	1.5	1.3	1.6	1.5	1.4	1.4	1.4	1.4	1.6	
Net NPA (%)	0.3	0.3	0.4	0.3	0.5	0.4	0.4	0.4	0.4	0.4	0.5	
PCR (%)	78.1	76.6	76.2	74.6	71.5	70.5	70.0	71.2	74.5	71.2	71.0	

UltraTech Cement

Estimate change



TP change



Rating change



Bloomberg	UTCEM IN
Equity Shares (m)	295
M.Cap.(INRb)/(USDb)	3644.9 / 39.6
52-Week Range (INR)	13102 / 10048
1, 6, 12 Rel. Per (%)	10/1/0
12M Avg Val (INR M)	3471

Financial Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	881	997	1,109
EBITDA	166	199	231
Adj. PAT	80	98	119
EBITDA Margin (%)	19	20	21
Adj. EPS (INR)	270	331	403
EPS Gr. (%)	30	23	22
BV/Sh. (INR)	2,570	2,784	3,059

Ratios

Net D:E	0.2	0.1	0.1
RoE (%)	10.9	12.4	13.8
RoCE (%)	9.8	11.1	12.2
Payout (%)	36.0	35.5	31.7

Valuations

P/E (x)	45.7	37.3	30.7
P/BV (x)	4.8	4.4	4.0
EV/EBITDA(x)	22.6	18.8	15.8
EV/ton (USD)	199	183	176
Div. Yield (%)	0.8	1.0	1.0
FCF Yield (%)	1.6	2.3	3.0

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	59.3	59.2	60.0
DII	17.5	16.7	15.2
FII	15.1	16.0	17.7
Others	8.1	8.1	7.1

FII includes depository receipts

CMP: INR12,369

TP: INR14,200 (+15%)

Buy

Strong earnings growth; outlook turns more constructive

Demand visibility improves significantly; balance sheet comfort intact

- UltraTech Cement's (UTCEM) 3QFY26 EBITDA was above our estimate, led by higher-than-estimated volume growth and lower-than-estimated opex/t. Consol. EBITDA grew ~35% YoY to INR39.2b (~6% beat). EBITDA/t increased ~6% YoY to INR1,007 (estimated INR1,009). OPM expanded 1.7pp YoY to ~18%. Adjusted PAT grew ~32% YoY to INR17.9b (~9% beat).
- Management indicated a positive demand outlook, highlighting a multi-year infrastructure pipeline across all regions, led by roads, metros, railways, ports, airports and housing segments. It expects to operate at +90% capacity utilization in 4QFY26. Further, it expects improvement in pricing, led by strong demand. Its Phase IV expansion is on schedule, and will be fully funded by internal accruals. It expects to achieve a net debt-to-EBITDA ratio of less than 1.0x by FY26 end (vs. 1.1x as of Dec'25 end). Integration of Kesoram and ICEM is progressing well, with rapid brand transition. Cost-improvement capex benefits are expected to reflect from 4QFY27.
- We largely maintain our FY26 EBITDA estimate and raise FY27/28 EBITDA estimates by 4% each, considering high volume growth vs. previous estimates. We increase our FY27/28 EPS estimates by ~5% each. We value UTCEM at 18x FY28E EV/EBITDA to arrive at a TP of INR14,200. **Reiterate BUY.**

Sales volume up ~15% YoY on like-to-like (vs. est. growth of ~13%)

- UTCEM's consol. revenue/EBITDA/adj. PAT stood at INR218.3b/INR39.2b/INR17.9b (+23%/+35%/+32% YoY and +3%/+6%/+9% vs. our estimate). Sales volume (on a like-to-like) grew ~15% YoY to 38.9mt (vs. estimated growth of ~13%). RMC/white cement revenue increased 26%/6% YoY (in line). Other operating income/t stood at INR83 vs. INR73/INR70 in 3QFY25/2QFY26.
- Blended realization declined ~4% YoY/3% QoQ (~2% below estimate). Grey cement realization was flat YoY (down ~3% QoQ; in line). Opex/t declined ~6% YoY/QoQ (~3% below estimate), with variable/other expenses/freight cost/t down ~3%/10%/8% YoY. EBITDA/t increased ~6% YoY to INR1,007. Depreciation/interest costs rose ~19%/8% YoY, while other income declined ~45% YoY. ETR stood at 24.2% vs. 19.4%/25.1% in 3QFY25/2QFY26.
- In 9MFY26, revenue/EBITDA/adj. PAT stood at INR627.1b/INR114.2b/INR52.8b (up 19%/44%/46% YoY). EBITDA/t grew ~23% YoY to INR1,042. OPM expanded 3.2pp YoY to ~18%.

Highlights from the management commentary

- Brand conversion has progressed faster than planned, with Kesoram reaching 69% by Dec'25 and moving further ahead. ICEM crossed ~58% brand conversion by Dec'25 end.
- Lead distance was 363km, down 13km YoY/3km QoQ. C:C ratio was at 1.49x vs. 1.45x/1.48 3QFY25/2QFY26. The Green Power mix stood at ~42.1% in 3QFY26 vs. 33.4%/41.6% in 3QFY25/2QFY26.
- The company's expansion plan is progressing on schedule. It has placed orders for major equipment for Phase IV expansion and construction work is underway. Capex is pegged at INR95b-100b for FY26, with INR72b incurred in 9MFY26 and INR20b-25b planned in 4QFY26.

Valuation and view

- UTCCEM's 3QFY26 earnings were above ours as well as consensus estimates. The company posted strong volume growth and cost reduction. It has shown structural efficiency gains from lead distance reduction, improved clinker factor and operating leverage benefit. UTCCEM's brand growth stood at ~22% vs. ~13% YoY in 2QFY26. We continue to believe UTCCEM is well positioned to leverage the strong demand uptrend given its large scale of operation and strong brand equity.
- We estimate a CAGR of 12%/18%/22% in consolidated revenue/EBITDA/PAT over FY26-FY28. We estimate its consolidated volume CAGR at ~10% and EBITDA/t of INR1,173/INR1,241 in FY27/FY28E vs. INR1,077 in FY26E. UTCCEM's improved earnings, return ratios, and low-cost expansions warrant a higher valuation multiple. The stock is currently trading at 19x/16x FY27E/FY28E EV/EBITDA. We value UTCCEM at 18x FY28E EV/EBITDA to arrive at a TP of INR14,200. **Reiterate BUY.**

Consolidated quarterly performance

(INR b)

	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net sales	188.2	162.9	177.8	230.6	212.8	196.1	218.3	254.2	759.6	881.3	211.1	3
YoY change (%)	6.1	1.8	6.2	13.0	13.1	20.3	22.8	10.2	7.1	16.0	18.7	
Total expenditure	158.0	142.7	148.8	184.4	168.7	165.1	179.1	202.5	634.0	715.5	174.0	3
EBITDA	30.2	20.3	28.9	46.2	44.1	30.9	39.2	51.7	125.6	165.9	37.0	6
YoY Change (%)	-1.1	-20.5	-11.1	12.3	46.2	52.6	35.3	11.8	-3.2	32.1	28.0	
Margins (%)	16.0	12.4	16.3	20.0	20.7	15.8	17.9	20.3	16.5	18.8	17.6	38
Depreciation	9.2	9.8	9.9	11.2	11.1	11.5	11.8	12.2	40.1	46.6	12.1	(2)
Interest	3.3	3.9	4.6	4.8	4.3	4.6	4.9	5.1	16.5	19.0	4.7	4
Other income	1.7	2.3	2.5	1.0	1.8	1.7	1.4	2.1	7.4	7.0	1.8	(24)
PBT before EO expense	19.4	8.8	16.9	31.2	30.5	16.6	23.8	36.4	76.4	107.3	22.0	8
Extra-ord expense	0.9	-	-	0.1	0.4	-	0.9	-	1.0	1.3	-	
PBT after EO Expense	18.5	8.8	16.9	31.1	30.1	16.6	22.9	36.4	75.4	106.0	22.0	4
Tax	3.6	1.7	3.3	6.3	7.9	4.2	5.5	9.6	14.9	27.1	5.6	
Prior period tax adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Rate (%)	19.6	19.5	19.4	20.1	26.1	25.1	24.2	26.3	19.7	25.6	25.3	
Reported PAT	14.9	7.1	13.6	24.9	22.3	12.4	17.3	26.9	60.5	78.9	16.4	6
Minority interest	0.0	0.1	0.1	0.0	0.0	0.1	0.1	-0.1	-0.1	0.0	0.0	
Adj. PAT	15.7	7.0	13.6	24.9	22.5	12.3	17.9	26.9	61.2	79.7	16.4	9
YoY change (%)	-7.3	-45.2	-23.5	7.8	44.0	75.2	31.9	8.1	-13.3	30.3	20.9	

Key operating parameters

	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Income Statement (INR/t)												
Volume (mt)	33.6	29.4	30.4	41.0	36.8	33.9	38.9	44.4	135.8	153.6	36.7	6
Change (YoY %)	12.0	10.0	11.2	16.9	9.7	15.3	28.0	8.3	14.1	13.1	20.9	
Realization (including RMC)	5,606	5,550	5,854	5,622	5,777	5,792	5,616	5,721	5,592	5,739	5,750	(2)
Change (YoY %)	-5.3	-7.5	-4.5	-3.4	3.0	4.4	-4.1	1.8	-6.1	2.6	-1.8	
RM cost	962	995	1,055	1,060	1,037	1,149	1,133	1,119	1,009	1,112	1,100	3
Power and fuel	1,426	1,404	1,411	1,273	1,320	1,313	1,254	1,313	1,356	1,303	1,360	(8)
Staff cost	232	325	293	239	264	314	268	240	265	270	281	(5)
Freight and forwarding	1,319	1,301	1,329	1,262	1,262	1,219	1,224	1,238	1,285	1,239	1,235	(1)
Other expenditure	767	835	813	662	696	882	730	648	752	734	765	(5)
Total expenditure	4,707	4,859	4,901	4,497	4,579	4,878	4,609	4,559	4,667	4,659	4,740	(3)
EBITDA	899	690	953	1,126	1,197	914	1,007	1,163	924	1,080	1,009	(0)
YoY change (%)	(11.7)	(27.8)	(20.0)	(4.0)	33.2	32.4	5.7	3.3	(15.1)	16.8	5.9	

Sources: Company reports, MOFSL estimates

JSW Steel

Estimate changes

TP change

Rating change

Bloomberg	JSTL IN
Equity Shares (m)	2445
M.Cap.(INRb)/(USDb)	2861.2 / 31.1
52-Week Range (INR)	1224 / 899
1, 6, 12 Rel. Per (%)	11/14/18
12M Avg Val (INR M)	1922

Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Net Sales	1,840	2,133	2,319
EBITDA	304	417	476
Adj.PAT	83	176	222
EPS (Gr %)	116.9	112.0	25.8
BV/Sh (INR)	359	427	515

Ratios

ROE (%)	10.0	18.4	19.3
RoCE (%)	8.6	12.0	13.3

Valuations

P/E (X)	32.1	16.1	12.8
P/BV (X)	3.2	2.7	2.3
EV/EBITDA (X)	12.1	8.6	7.3
Div Yield (%)	0.3	0.3	0.3

Shareholding pattern (%)

As Of	Dec-25	Sep-25	Dec-24
Promoter	45.3	45.3	44.9
DII	11.6	11.4	11.1
FII	25.6	25.7	25.8
Others	17.6	17.6	18.2

FII includes depository receipts

CMP: INR1,170 TP: INR1,350 (+15%)

Buy

Operational performance in line; outlook remains bright

Consolidated performance

- JSW Steel (JSTL) posted in-line consolidated revenue of INR460b (+11% YoY and +2% QoQ) in 3QFY26, mainly on account of strong volume, which was partially offset by muted NSR.
- Adj. EBITDA was largely in line with our estimate at INR66b (+19% YoY). It dipped 16% QoQ, mainly due to weak NSR and increased input costs. Adj. EBITDA/t for the quarter stood at INR8,665/t, rising 4% YoY and declining 19% QoQ (vs. our est. of INR9,050/t) in 3QFY26.
- JSTL realized an exceptional item of INR5.3b in 3QFY26 related to the impact of labor codes on employee benefits. It brought forward BPSL's unabsorbed depreciation of INR14.4b as deferred tax assets, transferring BPSL's steel business by way of slump sale. We have adjusted this in the APAT calculation for 3QFY26.
- Adj. PAT stood at INR11.9b (+52% YoY and -42% QoQ), against our est. of INR18.5b in 3QFY26. The miss was largely attributed to a higher minority interest of INR2.7b during the quarter. In 9MFY26, revenue, EBITDA, and PAT increased 8%, 34%, and 151% YoY, respectively.
- Consol. crude steel production grew 6% YoY to 7.5mt in 3QFY26, driven by the ramp-up of the JVML-Vijayanagar project, but declined 5% QoQ due to the BF3 upgrade shutdown at Vijayanagar from Sep'25-end, which is expected to be completed by 4QFY26-end.
- Steel sales volumes came in at 7.64mt (+14% YoY and +4% QoQ) on the back of healthy domestic demand, while ASP for the quarter stood at INR60,200/t (-2% YoY and QoQ).
- Domestic sales stood at 6.6mt, increasing 10% YoY, while exports rose 53% YoY and contributed 11% to sales from Indian operations.

India business performance – Strong volume drives earnings

- Crude steel production stood at 7.3mt, up 7% YoY (-5% QoQ) at 85% capacity utilization (vs ex-BF-3 stood 93%), supported by the JVML ramp-up.
- JVML production ramped up to 1.2mt in 3QFY26 vs 0.8mt in 2QFY26 and 0.1mt in 3QFY25, reaching rated capacity after the commissioning of all remaining facilities in 2QFY26.
- Steel sales stood at 7.4mt, up 14% YoY and 5% QoQ in 3QFY26, supported by ~0.3mt of inventories liquidation and the ramp-up of JVML capacity.
- Revenue from Indian operations stood at INR434b (+10% YoY and 3% QoQ), led by higher sales volume.
- Adj. EBITDA was INR65b, rising 19% YoY but declining 14% QoQ due to lower realizations and higher costs.

Highlights from the management commentary

- Steel prices have bottomed in 3QFY26, with average NSR declining INR1,400/t QoQ against the market price decline of INR2,200/t. This was aided by a higher valued-added product mix (ex-JVML ~67% in 3Q).
- Prices saw a cumulative recovery of ~INR3,500/t from late Dec'25 (INR1,500/t in Dec'25 and INR2,000/t in Jan'26), and management expects 4QFY26 margins to improve on higher realizations and seasonally strong demand.
- Production moderation and export licensing measures in China, coupled with safeguard duty in India, will support domestic prices.
- Coking coal costs are expected to rise USD15-20/t, while iron ore prices are likely to remain range-bound.
- Management remains constructive on domestic steel demand and guided demand growth of 7-9% for FY27, driven by infrastructure, construction, industrial capex, renewables, automotive, and consumer durables.
- Management outlined an INR1t capex pipeline over the next 4–5 years, with annual spend expected to be front-loaded in the near term. For FY26, capex guidance stands at INR150-160b, with INR100b already spent in 9MFY26.
- The Board approved a 5mtpa greenfield integrated steel plant at Jagatsinghpur, Odisha, with a capex of INR316b, and has targeted to commission by FY30, which can be expanded up to 13.2mtpa in future. The capacity will have port-based logistics (privately developed port), captive pellet plants (2x4mtpa by FY28), and an under-construction slurry pipeline (30mtpa by FY27).

Valuation and view

- JSTL reported a decent performance in 3QFY26, supported by volume growth, offsetting muted steel prices. We believe JSTL is well-placed with new capacities coming on-stream, strong domestic demand, and a rising share of value-added proportion in the sales mix. Its focus on increasing the captive share of iron ore and improving coal linkages will support earnings.
- Going forward, we estimate double-digit revenue growth over FY26-FY28, driven by the ramp-up of new capacity and price recovery led by safeguard duty. Further, as input costs are expected to remain steady, we believe EBITDA/t will rebound to ~INR13,500/t in FY27/28E on account of domestic steel price recovery, led by safeguard duty.
- Strong margins will enable JSTL to generate a strong CFO to fund the expansion plan of INR150-200b annually over FY26-29E. JSTL's net debt/EBITDA stood at 2.91x as of 3QFY26, which we expect to decline further by FY28, supported by robust operating performance.
- **At CMP, JSTL trades at 8.6x FY27E EV/EBITDA, and we broadly retain our FY27/28 earnings estimates. We reiterate our BUY rating on the stock with a TP of INR1,350 (premised on 9x EV/EBITDA on Sep'27 estimate).**

Consolidated financial performance (INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Sales (kt)	6,120	6,130	6,710	7,490	6,690	7,340	7,640	7,686	26,450	29,356	7,526	2%
Change (YoY %)	7.2	(3.3)	11.8	11.3	9.3	19.7	13.9	2.6	6.7	11.0		
Change (QoQ %)	(9.1)	0.2	9.5	11.6	(10.7)	9.7	4.1	0.6	-	-		
Net Realization/t	70,168	64,737	61,666	59,838	64,495	61,515	60,198	64,640	63,828	62,669	58,989	2%
Net Sales	429.4	396.8	413.8	448.2	431.5	451.5	459.9	496.8	1,688.2	1,839.7	444	4%
Change (YoY %)	1.7	(11.0)	(1.3)	(3.1)	0.5	13.8	11.1	10.9	(3.5)	9.0		
Change (QoQ %)	(7.2)	(7.6)	4.3	8.3	(3.7)	4.6	1.9	8.0				
EBITDA	54.2	56.4	54.1	64.9	78.9	78.5	66.2	80.1	229.6	303.7	68	-3%
Change (YoY %)	(23.1)	(28.4)	(24.6)	5.9	45.5	39.1	22.3	23.5	(18.7)	32.2		
Change (QoQ %)	(11.5)	4.2	(4.1)	19.8	21.6	(0.5)	(15.7)	21.0				
EBITDA (INR per ton)	8,855	9,207	8,069	8,661	11,788	10,693	8,665	10,423	8,682	10,344	9,050	-4%
Interest	20.7	21.3	21.2	20.9	22.2	24.1	23.0	23.3	84.1	92.6		
Depreciation	22.1	22.7	23.4	25.0	25.4	25.5	23.6	24.5	93.1	99.0		
Other Income	1.6	1.5	1.5	2.3	3.5	2.8	2.7	2.7	6.9	11.8		
PBT (before EO Item)	13.0	14.0	11.1	21.3	34.8	31.7	22.3	35.0	59.4	123.8	26	-14%
Share of P/(L) of Asso.	(0.1)	(0.6)	0.1	(2.4)	(1.0)	(0.9)	(1.2)	-	(3.1)	(3.1)		
EO Items	(0.9)	5.5	(0.6)	1.5	3.1	7.3	(7.9)	-	5.5	2.6		
PBT (after EO Item)	13.8	7.9	11.8	17.3	30.7	23.4	29.0	35.0	50.8	118.1		
Total Tax	5.1	3.9	4.6	2.3	8.6	7.0	4.9	9.1	15.9	29.5		
% Tax	37.2	48.8	39.0	13.2	28.1	29.8	16.8	25.9	31.2	25.0		
PAT before MI and Asso.	8.7	4.0	7.2	15.0	22.1	16.5	24.1	26.0	34.9	88.6		
MI (Profit)/Loss	0.2	(0.4)	0.0	(0.0)	0.3	0.2	2.7	-	(0.1)	3.2		
Reported PAT after MI/Asso.	8.4	4.4	7.2	15.0	21.8	16.2	21.4	26.0	35.0	85.4		
Adj. PAT after MI and Asso.	7.9	7.7	6.8	15.9	23.7	20.6	11.9	26.0	38.3	82.2	18	-36%
Change (YoY %)	(66.2)	(74.9)	(70.2)	22.8	199.8	168.5	75.0	62.8	(57.3)	114.4		
Change (QoQ %)	(39.2)	(2.8)	(11.5)	134.6	48.6	(12.9)	(42.3)	118.2				

Source: MOFSL, Company

Estimate change



TP change



Rating change



Bloomberg	BPCL IN
Equity Shares (m)	4339
M.Cap.(INRb)/(USDb)	1514.8 / 16.5
52-Week Range (INR)	388 / 234
1, 6, 12 Rel. Per (%)	-1/2/21
12M Avg Val (INR M)	2693

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	4,285	3,479	3,512
EBITDA	399	294	257
Adj. PAT	248	178	152
EPS (INR)	58	42	36
EPS Gr.%	82.5	-28.5	-14.2
BV/Sh. (INR)	226	253	276

Ratios

Net D:E	0.4	0.3	0.2
RoE (%)	27.9	17.3	13.5
RoCE (%)	19.0	12.8	10.7
Payout (%)	38.3	35.2	35.4

Valuation

P/E (x)	6.0	8.4	9.8
P/BV (x)	1.5	1.4	1.3
EV/EBITDA (x)	3.7	5.1	5.8
Div. yield (%)	6.4	4.2	3.6
FCF yield (%)	12.5	9.7	7.6

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	53.0	53.0	53.0
DII	20.0	22.3	23.2
FII	18.5	16.5	14.7
Others	8.6	8.3	9.1

FII Includes depository receipts

CMP: INR349
TP: INR395 (+13%)
Neutral

Strong refining offsets weaker marketing in 3Q

- **Strong 3Q performance driven by refining:** BPCL's reported GRM came in 27% above our est. at ~USD13.4/bbl (our est. USD10.5/bbl). However, marketing margin (including inv.) stood 5% below our est. at INR6.2/lit. Both refining throughput and marketing volumes came in line with our estimate at 10.5mmt/14.1mmt. Consequently, standalone EBITDA/PAT came in line with our estimate at INR118.4b/INR75.5b.
- **Key things we liked about the result:** 1) Excluding marketing inventory losses of ~INR4.9b and forex loss of INR1.7b, BPCL posted a 7% beat on our PAT estimate. 2) BPCL's gross debt declined significantly YoY/QoQ to INR53b (Dec'24: INR196b; Sep'25: INR123b). 3) BPCL recognized two equal monthly installments totaling INR12.7b w.r.t. LPG under-recovery compensation in 3Q. Another ~INR19b of LPG compensation will be recognized in 4QFY26, significantly boosting earnings.
- **Key investor concerns:** 1) While LPG under-recovery moderated to INR4.7b from INR11.5b in 2Q, this relief appears short-lived, with under-recoveries expected to revert to 2Q levels or even higher in 4Q amid rising Saudi propane prices. 2) Recent investor pushback on OMCs has been driven by concerns about potential adverse excise duty adjustments in the Union Budget 2026. However, we believe a minor INR1-1.5/lit duty adjustment is unlikely to trigger a sharp de-rating for OMCs, given the otherwise strong earnings momentum. Also, we do not see the possibility of earnings cuts as we build in MS/HSD marketing margin of INR4.5/lit vs. current margins of INR9+/lit.
- **Key changes in earnings estimates:** We raise our MS/HSD marketing margin assumptions for 4QFY26-FY28 slightly to INR4.5/lit (from INR3.5/lit earlier). As a result, we raise our FY26/27 EBITDA estimates by 10%/13%.
- **Valuation and view:** We continue to prefer HPCL over BPCL because of the following factors: 1) HPCL's leverage toward marketing segment, 2) high dividend yield, as HPCL's capex cycle is tapering off, while BPCL enters into a new capex cycle, and 3) start-up of HPCL's multiple mega-projects in the next 12 months providing a push to earnings.
- BPCL currently trades at 1.4x 1yr. fwd. P/B vs. 10-year average of 1.8x. We have a Neutral rating on BPCL.

In-line performance

- BPCL's reported GRM came in 27% above our est. at ~USD13.4/bbl (our est. USD10.5/bbl). However, marketing margin (including inv.) stood 5% below our est. at INR6.2/lit.
- Consequently, standalone EBITDA was in line with our estimate at INR118.4b, with marketing inventory loss amounting to INR4.9b and forex loss of INR1.7b.
- After adjusting forex and marketing inventory losses, PAT was 7% above our est. at INR80.4b.
- LPG under-recovery amounted to INR4.7b (INR11.5b in 2Q).
- Resulting standalone reported PAT came in line with our estimate at INR75.5b.

- Other income and interest costs came in below our estimates.
- The MoP&NG, through letters dated 3rd/24th Oct'25, approved a compensation of INR75.9b to BPCL for under-recoveries on the sale of domestic LPG up to 31st Mar'25, and those expected up to 31st Mar'26. The amount would be released in 12 equal monthly instalments, with accruals recognized on a monthly basis starting Nov'25. Accordingly, two equal monthly instalments totaling INR12.7b have been recognized.
- The board has declared a second interim dividend of INR10 (FV: INR10/sh).
- **Operational details:**
 - Refining throughput came in line with our estimate at 10.5mmt (+10% YoY).
 - Marketing volumes, excluding exports, were in line with our est. at 14.1mmt (+5% YoY).
 - As of Dec'25, BPCL had a cumulative negative net buffer of INR128.8b due to the under-recovery on LPG cylinders (INR136.7b as of Sep'25).
 - BPCL's debt has reduced significantly YoY/QoQ to INR53b (Dec'24: INR196b; Sep'25: INR123b).

Valuation and view

- BPCL's GRMs are higher than SG GRMs because of the continuous optimization of refinery production, product distribution, and crude procurement. The use of advanced processing capabilities of Bina and Kochi refineries allows BPCL to process 100% of high-sulfur crude and 50% of Russian crude.
- While valuation appears reasonable and the marketing performance remains strong, a muted medium-term refining outlook and the commencement of a new capex cycle emerge as key concerns. Hence, we reiterate our Neutral rating with an SoTP-based valuation of INR395/share.

SoTP-based valuation

Particulars	Amount/Particulars	Multiple	Amount
Dec'27E EBITDA (INR m)	2,64,027	6.5	17,08,253
FY28E CGD EBITDA (INR m)	2,512	15.0	37,681
(-) Dec'27E Net Debt (INR m)			2,81,927
Core business value (INR m)			14,64,007
(/) shares outstanding			4,273
Core business value (INR/share)			343
Add: Investments (INR/share)			
Listed investment (IGL, PLNG & OINL)	❖ @25% discount to CMP		24
Mozambique Upstream Area 1	❖ @40% discount to transaction value		15
Other upstream investments	❖ Reserve based valuation @USD7/boe		6
Unlisted CGD entities	❖ @15x FY24 P/E		11
Target price (INR/share)			395

Valuation of Mozambique Upstream Area 1

Particulars	Unit	Amount
Total Energy acquired 26.5% stake in Sep'19	USD m	3,900.0
(x) Exchange rate	INR/USD	71.0
Total Energy acquired 26.5% stake in Sep'19	INR m	276,900.0
Total Energy's stake (%)		26.5
BPRL's stake (%)		10.0
Transaction value for BPRL	INR m	104,490.6
Transaction value for BPRL	INR/share	24.5
Discount	%	0.4
Discounted transaction value for BPRL	INR/share	14.7

Standalone - Quarterly Earning Model

(INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	1,131.0	1,027.6	1,131.4	1,111.8	1,125.1	1,049.1	1,190.0	918.9	4,401.7	4,283.2	927.4	28%
YoY Change (%)	0.1	-0.2	-2.0	-4.6	-0.5	2.1	5.2	-17.3	-1.8	-2.7	-18.0	
EBITDA	56.5	45.1	75.8	78.1	96.6	103.4	118.4	81.2	255.6	399.6	115.3	3%
Margins (%)	5.0	4.4	6.7	7.0	8.6	9.9	10.0	8.8	5.8	9.3	12.4	
Forex loss	-0.2	0.4	2.7	0.5	-0.2	5.6	1.7	0.0	3.3	7.1	0.0	
Depreciation	16.8	17.7	18.0	19.7	18.8	19.5	19.7	20.8	72.3	78.9	20.1	
Interest	4.4	4.7	4.3	5.5	3.7	4.2	3.6	4.0	18.9	15.6	4.6	
Other Income	4.8	9.6	11.0	7.9	7.3	11.9	7.5	9.1	33.4	35.8	9.4	
PBT before EO expense	40.3	31.9	61.8	60.4	81.6	86.0	100.9	65.4	194.4	333.9	100.1	1%
Extra-Ord expense	0.0	0.0	0.0	17.7	0.0	0.0	0.0	0.0	17.7	0.0	0.0	
PBT	40.3	31.9	61.8	42.6	81.6	86.0	100.9	65.4	176.6	333.9	100.1	1%
Tax Rate (%)	25.2	24.9	24.7	24.6	24.9	25.0	25.2	25.2	24.8	25.1	25.2	
Adj PAT	30.1	24.0	46.5	45.5	61.2	64.4	75.5	49.0	146.1	250.1	74.9	1%
YoY Change (%)	-71.4	-71.8	36.9	-18.3	103.1	168.7	62.3	7.6	-47.8	71.1	61.1	
Key Assumptions												
Refining throughput (mmt)	10.1	10.3	9.5	10.6	10.4	9.8	10.5	9.8	40.5	40.6	10.2	3%
Reported GRM (USD/bbl)	7.9	4.4	5.6	9.2	4.9	10.8	13.4	7.0	6.8	9.0	10.5	27%
Marketing sales volume excld exports (mmt)	13.2	12.4	13.4	13.4	13.6	12.7	14.1	14.0	52.4	54.3	13.5	4%
Marketing GM incld inv (INR/litre)	4.8	5.8	7.4	6.0	8.3	7.2	6.2	6.1	6.0	7.0	6.5	-5%

Key assumptions

Y End: March 31	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Exchange Rate (INR/USD)	70.0	70.9	74.3	74.5	80.4	82.8	84.6	87.5	88.2	90.0
Crude cost (USD/bbl)	70.1	61.2	44.4	80.5	96.1	83.0	78.6	66.1	60.0	60.0
Domestic Market Sales (mmt)	43.1	43.1	38.7	42.5	48.9	51.0	52.4	54.3	56.4	58.7
YoY (%)	5%	0%	-10%	10%	15%	4%	3%	4%	4%	4%
Reported GRM (USD/bbl)	4.6	2.5	4.1	9.5	20.3	14.1	6.8	9.0	7.0	7.0
Singapore GRM (USD/bbl)	4.9	3.2	0.5	5.0	10.7	6.6	3.8	5.7	5.0	5.0
Prem/(disc) (USD/bbl)	(0.3)	(0.7)	3.6	4.5	9.6	7.6	3.0	3.3	2.0	2.0
Refinery throughput (mmt)	31.0	31.9	26.4	34.1	38.5	39.9	40.5	40.6	39.3	39.3
YoY (%)	9%	3%	-17%	29%	13%	4%	1%	0%	-3%	0%
Marketing Margin (INR/ltr)										
Blended gross marketing margin incld inventory	4.8	4.7	6.9	5.0	(1.4)	6.1	6.0	7.0	5.7	5.0
Consolidated EPS	20.0	11.7	31.0	25.5	4.6	63.3	31.8	58.1	41.6	35.7

Estimate change

TP change

Rating change



Bloomberg	DLFU IN
Equity Shares (m)	2475
M.Cap.(INRb)/(USDb)	1456.6 / 15.8
52-Week Range (INR)	888 / 587
1, 6, 12 Rel. Per (%)	-11/-29/-26
12M Avg Val (INR M)	2457

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	79.6	121.9	110.3
EBITDA	13.1	31.0	29.7
EBITDA (%)	16.5	25.4	26.9
PAT	41.1	45.3	45.0
EPS (INR)	16.6	18.3	18.2
EPS Gr. (%)	-5.8	10.2	-0.6
BV/Sh. (INR)	257.4	278.6	299.7

Ratios

Net D/E	-0.1	-0.1	-0.1
RoE (%)	9.3	9.5	8.7
RoCE (%)	5.1	5.7	5.0
Payout (%)	18.1	16.4	16.5

Valuations

P/E (x)	35.4	32.2	32.4
P/BV (x)	2.3	2.1	2.0
EV/EBITDA (x)	106.3	45.4	47.8
Div Yield (%)	0.5	0.5	0.5

Shareholding pattern (%)

As On	Dec-25	Mar-25	Dec-24
Promoter	74.1	74.1	74.1
DII	5.8	4.7	4.9
FII	14.8	16.3	16.4
Others	5.3	4.9	4.7

CMP: INR588
TP: INR974 (+65%)
Buy

Bookings soften amid Dahlias pause and launch drought

Robust medium-term pipeline

- In 3QFY26, DLF reported bookings of INR4b, down 97% YoY and 90% QoQ (90% below our estimate due to sales being halted at Dahlias for redesign). In 9MFY26, bookings were at INR161.8b, down 16% YoY.
- Collections were up 52% YoY/78% QoQ to INR48b (15% above estimates). Consequently, OCF increased 2.2x YoY/2.9x QoQ to INR40.2b. This resulted in zero gross debt achievement. Net cash stood at INR116.6b in the quarter vs. INR77.2b in 2QFY26.
- After the Westpark launch in 2Q, the medium-term launch pipeline stands at INR602b.
- **P&L performance:** In 3QFY26, DLF's revenue came in at INR20.2b, up 32%/23% YoY/QoQ (19% below estimates). In 9MFY26, revenue came in at INR43.6b, up 31% YoY.
- EBITDA was at -3%/+37% YoY/QoQ to INR3.9b (48% below estimates). EBITDA margin stood at 19.3%. In 9MFY26, EBITDA came in at INR10.4b, down 8% YoY.
- PAT stood at INR12.0b, up 14%/2% YoY/QoQ (16% above estimates), with margin at 59.6% due to a one-time receipt of interest recognized under other income and deferred tax reversals, respectively. In 9MFY26, PAT stood at INR31.5b, up 2% YoY, with a 49% margin.

DCCDL: Healthy growth; debt-to-GAV 20% (down 13% from FY21)

- The overall occupancy in DCCDL's office portfolio increased to 94% (98% - non-SEZ/88% - SEZ/97% Retail).
- Rental income increased 18% YoY to INR14.1b, driven by steady growth across the portfolio.
- Net debt reduced to INR170b from INR174b in 2QFY26, with a net debt-to-GAV of 0.18x. Cost-of-debt declined to 7.2% in the quarter from 7.3% in 2QFY26.

Key management commentary

- Residential demand in Gurugram remains strong, driven by sustained preference for high-quality housing across ownership and rental segments.
- 3QFY26 presales were largely from existing inventory, with no new launches; in 9MFY26, Privana North contributed 68%, Westpark Mumbai 14%, and Dahlias 13% of total presales.
- Bookings at Dahlias were temporarily paused in 3QFY26 due to design changes aligned with updated safety and building codes. Approvals were received in early January, following which sales resumed, while margins remain intact despite marginal cost increases.
- Collections improved sharply in 3QFY26, doubling YoY and enabling the company to achieve a gross debt-free position, with management guiding 10–15% YoY collection growth going forward.

- The launch pipeline remains healthy, with Arbour 2 (GDV ~INR20b) planned for 4QFY26 and Goa, Panchkula, Mumbai Phase 2 (~1.2msf), the next phase of Dahlias, and DLF City projects scheduled for FY27.
- The medium-term residential pipeline is estimated at ~INR602b, with FY26 presales guidance of INR200-220b largely achieved (~80%) in 9MFY26, supported by strong margins at Privana and Westpark.
- RERA escrow balances of ~INR104b are expected to decline over time as the cash-flow cycle from upcoming high-rise developments plays out.
- The commercial portfolio remains stable, with office and retail vacancies at 6% and 3%, respectively, supported by strong pre-leasing across key assets.
- Rental income is projected at ~INR64b in FY26, rising to INR74-75b in FY27, driven by contributions from Atrium Place and upcoming retail assets.

Valuation and view: Growth trajectory remains intact

- We have cut our estimates for DLF based on the absence of new launches in 3QFY26 and no incremental sales from Dahlias. However, the company guides to be in line with its annual presales guidance of INR200-220b.
- We assume a 12-13-year monetization timeline for its remaining 150msf of land bank, which adequately incorporates its growth visibility.
- DLF's business (Devco/DLF commercial) is valued at INR1,682b, wherein land contributes INR1,227b. DCCDL is valued at INR708b. GAV is at INR2,390b. After taking FY26E net cash of INR20b (incl. DCCDL) into consideration, revised NAV stands at INR2,410b. **We reiterate our BUY rating with a TP of INR974.**

Quarterly performance

Y/E March	FY25				FY26E				(INR m)			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY25	FY26	FY26E 3Q Est.	3QE Var (%/bp)
Gross Sales	13,624	19,750	15,287	31,276	27,167	16,430	20,202	15,821	79,937	79,621	24,993	-19
YoY Change (%)	-4.3	46.5	0.5	46.5	99.4	-16.8	32.2	-49.4	24.4	-0.4	63.5	
Total Expenditure	11,337	14,730	11,287	21,496	23,525	13,595	16,304	13,085	58,850	66,509	17,483	
EBITDA	2,286	5,020	4,000	9,780	3,642	2,836	3,899	2,736	21,086	13,112	7,510	-48
Margins (%)	16.8	25.4	26.2	31.3	13.4	17.3	19.3	17.3	26.4	16.5	30.0	-1075bps
Depreciation	373	377	387	369	345	295	302	648	1,507	1,589	390	
Interest	1,012	935	939	1,086	786	631	363	-418	3,972	1,361	789	
Other Income	3,675	2,058	2,088	2,202	2,642	6,188	4,593	4,094	10,022	17,517	1,958	
PBT before EO expense	4,576	5,766	4,761	10,527	5,153	8,097	7,828	6,601	25,630	27,678	8,289	-6
Extra-Ord expense	0	0	3,024	0	0	-2,352	602	0	3,024	-1,750	0	
PBT	4,576	5,766	1,737	10,527	5,153	10,449	7,226	6,601	22,606	29,428	8,289	-13
Tax	1,183	-4,668	-8,396	1,666	1,332	2,763	-74	1,276	-10,214	5,297	2,085	
Rate (%)	25.9	-81.0	-483.3	15.8	25.8	26.4	-1.0	19.3	-45.2	18.0	25.2	
Minority Interest & Profit/Loss of Asso. Cos.	3,054	3,378	6,183	4,108	3,806	4,116	4,733	4,350	16,723	17,004	4,172	
Reported PAT	6,447	13,812	16,316	12,969	7,627	11,801	12,034	9,674	49,544	41,135	10,375	16
Adj PAT	6,447	13,812	10,587	12,822	7,627	11,801	12,034	9,674	43,668	41,135	10,375	16
YoY Change (%)	22.5	122.1	61.5	39.4	18.3	-14.6	13.7	-24.6	60.3	-5.8	-2.0	
Margins (%)	47.3	69.9	69.3	41.0	28.1	71.8	59.6	61.1	54.6	51.7	41.5	1805bps
Operational Metrics												
Residential (INR b)												
Pre-sales	64	7	121	20	114	43	4	38	212	200	43	-90
Collections	30	24	31	33	28	27	48	43	118	146	41	15
Net Debt	-29	-28	-45	-68	-80	-77	-117	-65	-68	-65	0	

Source: Company, MOFSL

Godrej Consumer

Estimate changes	↔
TP change	↔
Rating change	↔

Bloomberg	GCPL IN
Equity Shares (m)	1023
M.Cap.(INRb)/(USD\$)	1269.2 / 13.8
52-Week Range (INR)	1309 / 980
1, 6, 12 Rel. Per (%)	8/1/0
12M Avg Val (INR M)	1583

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	158.7	177.2	195.6
Sales Gr. (%)	10.5	11.7	10.3
EBITDA	31.8	37.4	42.1
EBITDA mrg. (%)	20.0	21.1	21.5
Adj. PAT	21.5	26.2	30.6
Adj. EPS (INR)	21.1	25.7	29.9
EPS Gr. (%)	13.7	21.9	16.4
BV/Sh.(INR)	122.2	126.3	132.7

Ratios

RoE (%)	17.6	20.6	23.1
RoCE (%)	15.4	19.0	21.8
Payout (%)	104.5	93.5	87.0

Valuations

P/E (x)	58.9	48.3	41.5
P/BV (x)	10.1	9.8	9.3
EV/EBITDA (x)	40.4	34.1	30.1
Div. Yield (%)	1.8	1.9	2.1

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	53.1	53.1	53.0
DII	16.5	13.6	11.0
FII	15.4	18.2	20.7
Others	15.1	15.1	15.2

FII includes depository receipts

CMP: INR1,240 TP: INR1,450 (+17%) Buy

India's print improves; Indonesia set for recovery

- Godrej Consumer's (GCPL) consolidated revenue rose 9% YoY to INR40.8b (est. INR41.4b), while volume growth stood at 7%. EBITDA grew 16.5% YoY (est. 14%) on the back of better-than-expected India and Indonesia margins.
- India revenue rose 11%, with volume growth of 9%, and growth outperformance sustained over peers. Home Care delivered 12% revenue growth, while personal care sales rose 7% YoY. The company expects India volume growth to be ~6% in FY26, while over the next 18-24 months, volume growth is expected to sustain 7-8% growth.
- International revenue rose 5%, led by a 20% growth in GAUM. Indonesia and LATAM declined 3% and ~5%, respectively. Indonesia's performance was impacted by a change in distribution arrangement (-2%) and continued pricing pressure. That said, it is seeing early signs of stabilization.
- India's GM contracted 120bp YoY but expanded 200bp QoQ to 53.5%. EBITDA margin expanded 220bp YoY to 24.9% (est. 24.4%). EBITDA grew 22% YoY (est. 17%) to INR6.3b on the back of lower ad spends and other expenses. GCPL expects EBITDA margin to be in its guided range of 24-26% for the near term.
- The Indian business is witnessing an improvement, with personal wash showing a positive trajectory, led by improving affordability post-GST reduction and stable RM prices. HI portfolio is gaining market share across segments, and GCPL is taking various initiatives to reduce seasonality. With easing palm oil prices, supply chain savings, blending composition changes in soaps and detergents, and media savings, the company is well-positioned for a better **margin portfolio in FY27**, supporting overall profitability. This combination of improving volume and better margin strengthens earnings visibility. We model 11%/15% revenue and EBITDA CAGR for FY26-28E. Given the growth-centric focus, we remain constructive on GCPL and **reiterate our BUY rating with a TP of INR1,450 (based on 50x Dec'28E EPS).**

India UVG improving; beat on margins

- **Standalone performance:** Net sales (including OOI) grew 11% YoY to INR24.8b in 3QFY26. **The Indian business reported underlying volume growth of 9% YoY.** The Home Care business registered 12% revenue growth, while Personal Care posted a 7% growth. Gross margin contracted 120bp YoY to 53.5%, while GP rose 9%. EBITDA margin expanded 220bp YoY to 24.9% (est. 24.4%). EBITDA grew 22% YoY to INR6.3b on the back of lower ad spends and other expenses. Other income declined 50% YoY, resulting in a PAT of INR3.8b (est. 4.3b).

- **International performance:** Indonesia delivered a 5% UVG, led by Shampoo HC and Baby Care. Sales declined 3% (both Constant Currency and INR) due to competitive pricing pressure. Pricing pressures persist; however, GCPL is seeing early signs of stabilization. EBITDA growth of 2% was driven by strict cost discipline and controls. GCPL expects operating conditions to improve from FY27. GAUM revenue grew 19% in INR and 8% in constant currency terms YoY. The growth was led by Hair Fashion and the scale-up of Air Fresheners, along with continued profit improvement. GAUM continues to perform well and has delivered on its stated objectives of double-digit revenue and profit growth for the year. Consolidated net sales grew 9% YoY to INR40.8b (est. INR41.4b). Consolidated volume growth was 7%.
- **Efficiencies led to an EBITDA margin expansion:** Gross margins contracted 125bp YoY to 52.9% (est. 54%). EBITDA margin expanded 140bp YoY to 21.5% (est. 20.7%) on account of lower ad spends (-6%) and other expenses (-1%), while employee expenses rose 11%.
- **Low other income dented profitability:** EBITDA grew 16.5% YoY (on a weak base of -16.4%) to INR8.8bn (est. INR8.6b). Other income declined 33% YoY. PBT stood at INR7.9b (est. INR8.1b), growing 15% YoY on a weak base of a 20% decline. APAT grew 12% YoY to INR5.6b (est. INR6.1b).
- In 9MFY26, consolidated revenue/EBITDA/APAT grew 8%/3%/3%.

Highlights from the management commentary

- In the long run, GCPL expects 10% volume growth in India vs the current volume growth of ~6% in FY26 (with a subpar soaps performance). Over the next 18-24 months, GCPL expects Indian volumes to improve to 7-8%.
- Improving affordability due to GST reduction and stable commodity prices contributed to a positive trajectory for soaps, with management expecting this to sustain through 4QFY26.
- The Indian business is expected to deliver continued growth performance while maintaining normative EBITDA margins in the coming quarter, while the GAUM business is expected to deliver double-digit revenue and profit growth for the year. Indonesia's recovery is anticipated to start meaningfully from FY27 as market conditions normalize.
- For the full year, consolidated revenue growth is expected to be in high single digits.

Valuation and view

- We trim our EPS estimates by 2-3% over FY26-FY28E.
- Management remains committed to improving Indian business volumes and optimizing efficiencies across the value chain. The GAUM business is expected to continue delivering strong profitability growth. Indonesia's recovery is anticipated to start meaningfully from FY27 as market conditions normalize. Management is confident of sustained profitability momentum into FY27, despite temporary macroeconomic and pricing pressures in Indonesia and LATAM.
- The company is expanding its TAM by foraying into new, faster-growing categories, such as men's face wash and toilet cleaners, and continues to strengthen its core portfolio. Besides, the company has made consistent efforts to address gaps in profitability and growth across its international business. Given the growth-centric focus, we remain constructive on GCPL and **reiterate our BUY rating with a TP of INR1,450 (based on 50x Dec'27E EPS).**

Quarterly Performance (Consolidated)

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
Domestic volume Growth (%)	8	7	0	4	5	3	9	8	5	6	8	
Net Sales (including OOI)	33,316	36,663	37,684	35,980	37,025	39,251	40,991	41,479	1,43,643	1,58,746	41,602	-1.5
YoY change (%)	-3.4	1.8	3.0	6.3	11.1	7.1	8.8	15.3	1.9	10.5	10.4	
Gross Profit	18,608	20,381	20,402	18,890	19,005	19,931	21,673	21,357	78,282	81,966	22,466	-3.5
Margin (%)	55.9	55.6	54.1	52.5	51.3	50.8	52.9	51.5	54.5	51.6	54.0	
Other Operating Exp.	11,346	12,764	12,843	11,298	12,027	12,548	12,869	12,725	48,251	50,168	13,835	
EBITDA	7,262	7,617	7,559	7,592	6,978	7,383	8,804	8,632	30,031	31,798	8,631	2.0
Margins (%)	21.8	20.8	20.1	21.1	18.8	18.8	21.5	20.8	20.9	20.0	20.7	
YoY growth (%)	6.5	5.3	-16.4	-0.2	-3.9	-3.1	16.5	13.7	-2.2	5.9	14.2	
Depreciation	495	501	619	726	594	656	664	608	2,340	2,522	650	
Interest	878	831	897	896	865	759	789	768	3,501	3,181	755	
Other Income	751	843	831	737	845	629	559	588	3,161	2,620	900	
PBT	6,623	7,107	6,874	6,708	6,365	6,597	7,910	7,843	27,312	28,715	8,126	-2.7
Tax	1,933	2,154	1,834	2,275	1,613	1,657	2,021	1,889	8,196	7,179	2,032	
Rate (%)	29.2	30.3	26.7	33.9	25.3	25.1	25.5	24.1	30.0	25.0	25.0	
Adj PAT	4,649	4,953	5,025	4,321	4,669	4,811	5,626	5,955	18,948	21,536	6,095	-7.7
YoY change (%)	23.6	12.2	-14.3	-24.8	0.4	-2.9	12.0	37.8	-4.2	13.7	21.3	
Reported PAT	4,507	4,913	4,983	4,119	5,025	5,077	4,979	6,455	18,522	21,536	6,095	-18.3

E: MOFSL Estimate

Estimate change

TP change

Rating change


CMP: INR1,315
TP: INR1,310
Neutral

EBITDA/earnings decline YoY after 13 quarters

Revlimid tapers and Lanreotide disruption weigh on NA; upside limited

- CIPLA delivered an in-line revenue. However, it posted lower-than-expected EBITDA/PAT (21%/22% miss) for the quarter. After almost 13 quarters, CIPLA exhibited a YoY decline in EBITDA in 3QFY26.
- The NA sales are facing certain headwinds due to the reduced g-Revlimid business and compliance issues at the partner's site with respect to Lanreotide. A sharp reduction in sales of the high-margin g-Revlimid product hit CIPLA's overall performance for the quarter.
- CIPLA witnessed modest performance in the SAGA segment for the quarter. Having said this, CIPLA continued to outperform the industry in secondary sales in the prescription (Rx) sub-segment within SAGA.
- CIPLA delivered steady improvement in YoY growth in the India business, led by better-than-industry growth in respiratory, anti-diabetes, cardiac, anti-infectives, and urology within the prescription sub-segment (DF).
- We cut our estimates by 12%/13%/11% for FY26/FY27/FY28 to factor in 1) the temporary pause in Lanreotide sales in NA, b) the slowdown in SAGA sales, and c) a moderation in emerging market performance. We value CIPLA at 22x 12M forward earnings to arrive at our TP of INR1,310.
- After four years of robust earnings growth, we expect CIPLA's earnings to decline in FY26. Even though CIPLA has potential launches in the respiratory and peptide space for the NA market, the competitive intensity in g-Revlimid and regulatory concern with respect to Lanreotide, the overall NA sales would remain under check in FY27. Likewise, we expect its earnings to remain stable in FY27. We model 15% YoY earnings growth for FY28.
- The current valuations provide limited potential upside. Hence, **we reiterate our Neutral rating on the stock.**

Product mix and reduced operating leverage drag profitability YoY

- CIPLA's 3QFY26 revenues remained stable at INR70.7b.
- Gross margin contracted 520bp YoY to 62.8% (our est. of 65.5%).
- EBITDA margins contracted 1040bp YoY to 17.7% (our est. of 21.8%), largely due to higher R&D/employee expense (up 190/180bp as a % of sales).
- EBITDA declined 37% YoY to INR12.5b (our est. of INR15.9b).
- A one-time exceptional charge of INR2.8b was recognized towards higher gratuity/leave liabilities arising from a change in labor code provisions.
- CIPLA's PAT declined 35.6% YoY to INR8.8b (our est. of INR11.3b).
- For 9MFY26, CIPLA posted 4% YoY revenue growth to INR216b, while it recorded a 12%/8% YoY decline in EBITDA/PAT to INR49b/INR35b.

Superior DF show offset by subdued performance in the US/EU/SAGA

- DF sales (49% of sales) grew 10% YoY to INR34.6b. SAGA sales (14% of sales) grew 2.7% YoY to INR10b (down 2% YoY in CC terms). EM sales (13% of sales) grew 12.7% YoY to INR9.3b (+7% YoY in CC terms). US sales (21% of sales) declined 22% YoY to INR14.9b (USD167m, down 26.1% in CC terms).
- R&D expenses for the quarter stood at INR4.9b (7% of sales).

Bloomberg	CIPLA IN
Equity Shares (m)	808
M.Cap.(INRb)/(USDb)	1062.2 / 11.6
52-Week Range (INR)	1673 / 1303
1, 6, 12 Rel. Per (%)	-8/-10/-17
12M Avg Val (INR M)	2387

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	284.0	300.5	332.5
EBITDA	61.1	61.9	72.2
Adj. PAT	43.5	43.3	49.7
EBIT Margin (%)	17.6	16.2	17.2
Cons. Adj. EPS (INR)	54.0	53.6	61.6
EPS Gr. (%)	-14.0	-0.7	14.9
BV/Sh. (INR)	433.8	481.4	537.0

Ratios

Net D:E	-0.1	-0.1	-0.2
RoE (%)	12.4	11.1	11.5
RoCE (%)	13.4	11.8	12.2
Payout (%)	11.7	11.2	9.7

Valuations

P/E (x)	24.4	24.5	21.3
EV/EBITDA (x)	19.5	19.0	15.9
Div. Yield (%)	0.4	0.4	0.4
FCF Yield (%)	2.6	1.9	2.5
EV/Sales (x)	4.2	3.9	3.5

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	29.1	29.1	29.1
DII	30.6	30.2	27.7
FII	24.2	24.8	26.8
Others	16.1	15.9	16.4

FII includes depository receipts

Key highlights from the management commentary

- CIPLA reduced its EBITDA margin guidance to 21% from 22.7-24.0% for FY26.
- The USD66m QoQ reduction in NA sales is largely due to g-Revlimid and a small portion from Lanreotide for 3QFY26.
- Management guided two potential respiratory launches and g-Advair over the next 6M. It is likely to launch one peptide as well in the next 6M, garnering lower sales than respiratory launches.
- It is expected to launch two g-Symbicort peptides over the next 6-12M.
- One of the big respiratory launches would enable CIPLA to garner sales similar to the top 3 products (on-ex-Revlimid basis) over the next 12M after the launch.
- Lanreotide re-supply is anticipated in 1HFY27.

Quarterly Performance (Consolidated)

(INR b)

Y/E March	FY25				FY26				FY25	FY26	Est.	% Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
Net Revenues	66.9	70.5	70.7	67.3	69.6	75.9	70.7	67.8	275.5	284.0	72.8	-2.8
YoY Change (%)	5.8	5.6	7.1	9.2	3.9	7.6	0.0	0.8	6.9	3.1	3.0	
Total Expenditure	49.8	51.7	50.8	51.9	51.8	56.9	58.2	56.0	204.2	223.0	56.9	
EBITDA	17.2	18.9	19.9	15.4	17.8	18.9	12.6	11.8	71.3	61.1	15.9	-20.9
YoY Change (%)	14.9	8.8	13.8	16.9	3.6	0.5	-36.9	-23.2	13.3	-14.3	-20.2	
Margins (%)	25.6	26.7	28.1	22.8	25.6	25.0	17.7	17.4	25.9	21.5	21.8	
Depreciation	2.5	2.7	2.8	3.1	2.5	3.0	2.8	2.8	11.1	11.1	3.1	
EBIT	14.7	16.1	17.1	12.3	15.3	16.0	9.8	9.0	60.2	50.0	12.8	
YoY Change (%)	17.1	8.5	12.9	19.6	3.8	-1.0	-42.9	-26.9	14.0	-17.0	-25.4	
Margins (%)	21.9	22.9	24.2	18.3	21.9	21.1	13.8	13.3	21.9	17.6	17.5	
Interest	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.6	0.5	0.1	
Other Income	1.6	1.9	1.5	2.9	2.6	2.7	2.1	2.1	7.9	9.4	2.3	
Profit before Tax	16.1	17.9	18.5	15.0	17.7	18.5	11.7	11.0	67.5	58.9	14.9	
One-time (expense)/income	0.0	0.0	0.7	0.0	0.0	0.0	-2.8	0.0	0.7	-2.8	0.0	
PBT after EO expense	16.1	17.9	19.2	15.0	17.7	18.5	8.9	11.0	68.2	56.2	14.9	-40.2
Tax	4.4	4.8	3.3	2.8	4.8	5.0	2.2	2.7	15.3	14.7	3.7	
Rate (%)	27.0	27.0	18.0	18.6	27.0	27.0	18.7	25.0	22.7	25.0	25.0	
Minority Interest	0.0	0.0	0.1	0.0	-0.1	0.0	0.0	0.0	0.2	-0.1	-0.1	
Reported PAT	11.8	13.0	15.7	12.2	13.0	13.5	6.8	8.3	52.7	41.5	11.3	-40.0
Adj PAT	11.8	13.0	13.6	12.2	13.0	13.5	8.8	8.3	50.7	43.5	11.3	-22.1
YoY Change (%)	18.3	10.9	14.0	40.6	10.2	3.7	-35.6	-32.2	19.6	-14.0	-17.4	

JSW Energy

Estimate change

TP change

Rating change

CMP: INR478

TP: INR590 (+24%)

Buy

Focus on core performance and organic capacity addition in 4Q

Bloomberg	JSW IN
Equity Shares (m)	1748
M.Cap.(INRb)/(US	834.8 / 9.1
52-Week Range	579 / 419
1, 6, 12 Rel. Per	3/-10/-21
12M Avg Val (INR	1912

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	209.5	243.8	292.0
EBITDA	101.4	126.1	166.9
Adj. PAT	12.8	24.5	41.8
Adj. EPS (INR)	7.4	14.0	24.0
EPS Gr. (%)	-31.1	90.8	70.9
BV/Sh.(INR)	167.6	189.5	220.2

Ratios

Net D:E	2.2	2.3	2.2
RoE (%)	4.5	7.9	11.7
RoCE (%)	9.5	7.3	8.2
Payout (%)	40.8	25.0	18.8

Valuations

P/E (x)	65.6	34.4	20.1
P/BV (x)	2.9	2.5	2.2
EV/EBITDA (x)	14.6	12.6	10.0
Div. Yield (%)	0.6	0.7	0.9

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	69.3	69.3	69.3
DII	14.4	11.6	10.0
FII	9.6	12.2	14.7
Others	6.7	7.0	5.9

FII includes depository receipts

- JSW Energy (JSWE)'s 3QFY26 consolidated revenue at INR41b missed our est. by 13% primarily due to weaker than expected generation at Ratnagiri, Barmer and KSK Mahanadi plants. EBITDA stood at INR20b, 6% lower than our est. The company reported an adj. loss of INR2.6b (excluding deferred tax asset recognition and exceptional expenses pertaining to recent labor code changes) vs. our estimate of INR2.3b profit.
- Key things we liked about the result: 1) Power demand rebounded, with growth of ~6%YoY in Dec'25 and during the first 20 days of Jan'26; 2) JSWE signed a PPA for 400MW at Utkal thermal plant, which shall reduce the company's merchant exposure from ~8% (of total operational capacity of 13.3GW) currently to ~5% at start of FY27; 3) Kutehr hydro project has fully stabilized and is expected to contribute meaningfully in 1HFY27; 4) JSWE secured PPAs for both phases of the Salboni thermal project of 1,600MW each with the government of West Bengal.
- Key investor concerns: 1) RE bidding activity moderated, with only ~10.4GW bids in 9MFY26; 2) Standalone revenue declined ~30% YoY during the quarter; 3) JSWE commissioned only 125MW of RE capacity while maintaining 2HFY26 guidance of 1.5GW; 4) Earnings are expected to remain subdued in FY26-27 amid heavy capitalization of new assets.
- Key changes in earnings estimates: We cut our APAT est. for FY26 and FY27 to account for higher depreciation and interest run rates associated with ongoing asset capitalization. While our EBITDA est. remains broadly in line with consensus, we believe the Street's PATMi est. may see a ~20% downgrade in FY27.
- Valuation and view: Reiterate BUY with a TP of INR590, valuing the company's core renewable business at 12x FY28E EBITDA and its thermal business at 9x Dec'27E EBITDA.

Reports net loss amid weak operational performance

Financial performance

- Revenue of INR41b (+67% YoY) missed our estimate by 13%, mainly on account of weaker-than-expected generation at Ratnagiri, Barmer and KSK Mahanadi plants.
- EBITDA came in at INR20b (+122% YoY), missing our estimate of INR21.6b.
- JSWE has recognized a total deferred tax asset of INR7.5b during 3QFY26, with INR5.6b in Utkal and INR1.9b in KSK on account of estimation of recoverability of carry forward losses and unabsorbed depreciation.
- The company reported an adj. loss of INR2.6b (ex. deferred tax asset and exceptional expenses pertaining to recent changes in the labor codes) vs. our estimated profit of INR2.3b.

Operational performance

- Organic capacity addition in 3Q totaled 125MW vs. 2HFY26 guidance of 1.5GW.
- As Utkal, 400MW PPA is now signed. Merchant exposure after 1st Apr'26 will be 5% (vs. 8% at 2Q end) of total installed capacity of 13.3GW.
- Total generation rose 131% YoY to 12.1 BUs on account of new capacities added in preceding 12 months (KSK and Utkal). The generation fell 25% QoQ due to the high base effect in 2QFY26, which does well seasonally because of the effect of the Indian monsoon on JSWE's hydro and wind-heavy portfolio.
- In 3QFY26, JSWE commissioned its green hydrogen plant at Vijayanagar having a capacity of 3,800/30,000 TPA of Green Hydrogen/Oxygen.

- The company has received shareholder approval for an INR30b equity issue to the promoter group.
- Net debt at 3Q end stood at INR637b (INR619b at 2QFY26 end).
- Receivables at 3Q end stood at ~INR30b, translating to debtor days of 73, a sharp reduction from 96 at 3QFY25 end.

Highlights of JSWE's 3QFY26 performance

■ Operational and generation performance

- Net generation increased 65% YoY to 11.1 BUs, led by strong growth in both renewables (+96% YoY to 3.2 BUs, driven by wind additions and the O2 Power acquisition) and thermal (+55% YoY to 7.9 BUs), supported by Mahanadi, Utkal Unit-II and LT tie-ups at Vijayanagar).
- The Kutehr hydro project has fully stabilized.
- 125MW RE capacity was commissioned during the quarter.

■ Financial performance and accounting

- Standalone revenue declined ~30% YoY due to plant shutdowns (notably in UP); however, cash flows remained protected through fixed charge recovery mechanisms.
- Higher depreciation and interest expenses reflect ongoing capitalization of new assets, with elevated levels expected over the next 2-3 years.
- A deferred tax asset of INR7.5b was recognized in 3QFY26 (INR5.6b at Utkal and INR1.9b at KSK), reflecting improved visibility on utilization of carry-forward losses and unabsorbed depreciation.

■ Capacity, contracts and balance sheet

- Operational plus under-construction capacity stands at 27.5GW.
- The 400MW Utkal PPA with Karnataka DISCOMs (25 years, tariff of INR5.78/unit) will commence from 1st Apr'26, reducing open merchant exposure from ~8% to ~5%.
- Net debt increased to INR637.7b, while cost of debt declined 11bp QoQ to 8.68%. Liquidity remains strong, with cash balances exceeding INR71b, and receivables improved to INR30b (73 debtor days).

■ Strategic and corporate updates

- The Tidong acquisition is expected to close by end-Jan'26.
- Post quarter-end, NCLT approval was received for the Raigarh Champa Rail Infrastructure resolution plan.
- The acquisition of the GE boiler manufacturing plant at Durgapur is targeted for closure by Jun-Jul'26. It will support JSWE's captive thermal equipment requirements.

Valuation and view

- Our valuation of JSWE is based on SoTP:
- Thermal is valued at 9x Dec'27E EBITDA, and renewable energy at 12x FY28E EBITDA.
- Hydro is at 2x Dec'27E book value, and green hydrogen equity is at 2x.
- Additionally, the company's stake in JSW Steel is valued at a 25% discount to the current market price, acknowledging the strategic significance of this holding while incorporating a conservative valuation approach.
- By aggregating the values from these different components, the total equity value of JSWE was determined, leading to a TP of INR590.

Consolidated performance

(INRb)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%	(%)	(%)
Net Sales	28.8	32.4	24.4	31.9	51.4	51.8	40.8	65.4	117.5	209.5	46.9	-13%	67%	-21%
YoY Change (%)	-1.7	4.8	-4.1	15.7	78.6	59.9	67.4	105.1	3.8	78.3	92.3			
Total Expenditure	14.6	15.5	15.3	19.8	23.5	21.8	20.5	42.1	65.2	108.0	25.3			
EBITDA	14.2	16.8	9.1	12.0	27.9	30.0	20.3	23.3	52.2	101.4	21.6	-6%	122%	-32%
Margin (%)	49.2	52.0	37.5	37.8	54.2	57.9	49.7	35.6	44.4	48.4	46.1			
Depreciation	3.8	3.9	4.1	4.8	7.4	8.1	8.3	8.0	16.5	31.7	8.1	2%	104%	2%
Interest	5.1	5.2	5.6	6.8	13.1	14.2	14.8	14.9	22.7	57.0	13.3	12%	163%	5%
Other Income	1.6	2.2	2.0	2.1	2.7	1.8	1.7	2.0	7.9	8.2	2.8	-38%	-14%	-6%
PBT before EO expense	6.9	10.0	1.4	2.6	10.1	9.5	-1.1	2.4	20.9	20.9	3.0	-136%	-177%	-112%
Extra-Ord income/(exp.)	0.0	0.0	0.0	1.0	0.0	0.0	-0.7	0.0	1.0	-0.7	0.0			
PBT	6.9	10.0	1.4	3.6	10.1	9.5	-1.8	2.4	21.9	20.3	3.0	-158%	-222%	-119%
Tax	1.6	1.3	-0.1	-0.5	1.8	1.3	-7.0	0.5	2.3	-3.4	0.5			
Rate (%)	23.6	12.9	-5.1	-15.1	17.7	13.8	397.7	19.3	10.5	-17.0	18.0			
Minority Interest	0.1	0.2	-0.1	0.1	0.9	1.2	1.1	1.0	0.3	4.2	0.2			
Share of JV & associates	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.2	0.1	0.1			
Reported PAT	5.2	8.5	1.7	4.1	7.4	7.0	4.2	0.9	19.5	19.6	2.3	82%	150%	-40%
Adj PAT	5.2	8.5	1.7	2.9	7.4	7.0	-2.6	0.9	18.4	12.8	2.3	-212%	-255%	-137%
YoY Change (%)	80.0	19.0	-27.4	-16.6	42.4	-17.4	-254.6	-67.7	15.6	-30.1	37.8			
Margin (%)	18.1	26.4	6.9	9.2	14.4	13.6	-6.4	1.4	15.6	6.1	4.9			

JSWE's SoTP valuation

Particulars	Units	Metric	Metric type	Valuation multiple	Amount
Thermal	INR m	46,335	EBITDA – Dec'27	9	4,07,746
Hydro	INR m	63,231	BV - Dec'27	2	1,26,462
Renewables	INR m	1,06,393	EBITDA - FY28	12	12,66,077
Green Hydrogen	INR m	1,438	Equity	2	2,875
EV	INR m				18,03,160
Less: Net Debt	INR m		FY28		8,35,264
Market cap	INR m				9,67,896
JSW Steel stake*	INR m				61,249
Total Equity value	INR m				10,29,144
Target price	INR/Share				590
CMP	INR/share				482
Upside/(Downside)					22%

*at a 25% discount

Siemens Energy India

BSE Sensex
81,538

S&P CNX
25,049



Bloomberg	ENRIN IN
Equity Shares (m)	356
M.Cap.(INRb)/(USDb)	756.9 / 8.2
52-Week Range (INR)	3625 / 2105
1, 6, 12 Rel. Per (%)	-14/-29/-
12M Avg Val (INR M)	2717

Financials Snapshot (INR b)

Y/E SEP	FY26E	FY27E	FY28E
Net Sales	94.9	133.4	159.8
EBITDA	18.8	27.5	33.2
PAT	14.0	20.7	25.2
EPS (INR)	39.4	58.2	70.9
GR. (%)	27.6	47.7	21.8
BV/Sh (INR)	162.5	220.7	291.6

Ratios

ROE (%)	24.3	26.4	24.3
RoCE (%)	25.6	27.4	25.0

Valuations

P/E (X)	53.9	36.5	29.9
P/BV (X)	13.1	9.6	7.3
EV/EBITDA (X)	37.6	25.0	20.1

Shareholding pattern (%)

As On	Dec-25	Sep-25
Promoter	75.0	75.0
DII	6.7	8.0
FII	7.2	6.2
Others	11.1	10.8

FII Includes depository receipts

CMP: INR2,125

TP: INR3,400 (+60%)

Buy

Comfortable valuations

Siemens Energy (ENRIN) in its annual report 2025 highlighted strong growth prospects in transformation capacity by 2032 in domestic markets and a healthy outlook for export markets. The company is expanding its capacity in transformers and high-voltage switchgear, which will enable it to target broader market demand in both domestic and export markets. We expect its power transmission segment to continue to grow at a higher pace than the power generation segment. We believe that the recent uptrend in commodity prices can have a near- to medium-term impact on margins until it is passed through. In terms of easing curbs on Chinese players to bid for government contracts, our interactions with industry participants indicate that Chinese players may be required to set up capacities in India if these proposals are accepted. Moreover, it will take time to get approval and quality certifications; thus, this move may not impact the industry immediately. We cut our FY26/27/28 estimates by 4%/5%/5% to bake in the impact of high RM prices and competition by FY28. We maintain BUY with a revised TP of INR3,400, based on 55x Dec'27E EPS.

Strong opportunity pipeline to benefit power transmission segment

The company has highlighted a strong TAM of INR9.2t, driven by an expected increase in installed power generation capacity from 501GW in FY25 to 997GW by FY32, which would translate into almost doubling in transformation capacity from 1,382GVA to 2,412GVA at a CAGR of 10% over the same period. We expect this to benefit ENRIN's power transmission segment, which contributed 64%/54% of overall inflows/revenue in FY25. We expect a 13% CAGR in power transmission segment inflows over FY25-28. The power generation segment, contributing 46% of revenue, is growing at a relatively slower pace as growth in base industries remains weak. As highlighted earlier, management expects high-single-digit growth in the power generation business. We bake in a 10% CAGR in power generation segment inflows over FY25-28.

Margins to get support from operating leverage despite rising RM prices and competition

The company delivered healthy profitability in FY25, with EBITDA margin of ~19%. This was aided by a 26% share of service revenue, a focus on high-value products in transmission, and growing exports. ENRIN's spending on software licenses and other licenses stood around 2.8% of sales. EBIT margin in power transmission/power generation segments stood at 19.2%/16.7% in FY25. We expect stable margins in power generation segment and expect power transmission margins to benefit from 1) better pricing, 2) operating leverage benefits as new capacity is commissioned, and 3) improved share of exports. However, in the near term, higher copper prices can impact margins until it is passed through. Transformer companies' orders have price-variation contracts linked to the IEEMA index, and the cost escalation for utility contracts is passed through with a time lag. Increasing competition domestically or from Chinese players can dent margins in the long term.

Comfortable net working capital and healthy return ratios

ENRIN's net working capital cycle stood at 5 days in FY25, supported by receipt of pending receivables from Siemens Ltd. Operating cash flow stood at INR37b, and the company incurred a capex of INR2.2b. The company had a healthy closing cash balance of INR35b and generated RoE/RoCE of 25.1%/26.9% for FY25.

Expanding capacity to capture domestic and export demand

The company is investing INR7.4b of capex to expand key parts of its portfolio - the transformer factory at Kalwa and high-voltage switchgear capacity at Chhatrapati Sambhaji Nagar. We expect these capacities to be commissioned between 4QFY26 and 1QFY27. This will enable ENRIN to cater to demand from domestic and export markets. It has also opened a new steam turbine service center in Raipur and is adding to its engineering centers in Bengaluru and other cities.

Key order wins during the year

During FY25, the company reported several notable orders across its portfolio. In power transmission, key orders won include 1) large STATCOM contracts for grid stability, and 2) a major export order for 4×150 MVA, 345 kV transformers for a US semiconductor facility. On the power generation and industrial side, key order wins included 1) a 4.35MW waste-heat recovery project in the ferro-alloy segment, 2) fast-track restoration of a critical power plant, and 3) an electrical and automation package for electric propulsion ferries.

Clean energy products and sustainability focus

The company's product range is aligned with the move to cleaner and more reliable energy. It is investing in SF6-free "Blue" switchgear, more efficient turbines, digital grid solutions and PEM electrolyzers for green hydrogen, which are becoming more important for utilities and large industrial customers. It has set simple but clear goals for its own footprint: become climate-neutral in operations by 2030, use only green electricity and send no waste from its factories to landfill.

Financial outlook

We cut our FY26/27/28 estimates by 4%/5%/5% to bake in the impact of higher RM prices currently and competition by FY28. We expect a CAGR of 27%/30%/32% in revenue/EBITDA/PAT over FY25-28E. Power transmission segment growth will be supported by the commissioning of capacities by FY26-end/early FY27. We expect EBITDA margins of 19.8%/20.7%/20.8% for FY26E/FY27E/FY28E, aided by stable gross margin and operating leverage benefits as revenue scales up.

Valuation and view

At the current market price of INR2,123, the stock is trading at 53.9x/36.5x/29.9x P/E on FY26/27/FY28E EPS. Most stocks in the transformer industry have corrected after the recent news flow related to the easing of Chinese curbs on bids. As per our discussion with various industry players, if implemented, it will take 2-3 years for the impact to be visible in the domestic market. ENRIN is trading at nearly 25% discount to Hitachi Energy. We revise our TP to INR3,400 (from INR3,800) and maintain BUY on ENRIN.

Key risks and concerns

Key risks to our thesis could come from a slowdown in ordering and supply chain issues, thus impacting margin.

IndusInd Bank

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	IIB IN
Equity Shares (m)	779
M.Cap.(INRb)/(USDb)	695.3 / 7.6
52-Week Range (INR)	1087 / 605
1, 6, 12 Rel. Per (%)	9/6/-16
12M Avg Val (INR M)	6062

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
NII	190.3	179.0	194.7
OP	106.6	91.3	98.8
NP	25.8	4.8	33.9
NIM (%)	3.6	3.3	3.4
EPS (INR)	33.1	6.2	43.5
EPS Gr. (%)	-71.4	-81.3	603.2
BV/Sh. (INR)	830	827	860
ABV/Sh. (INR)	800	799	832

Ratios

RoA (%)	0.5	0.1	0.6
RoE (%)	4.0	0.7	5.2

Valuations

P/E (X)	27.2	145.3	20.7
P/BV (X)	1.1	1.1	1.0
P/ABV (X)	1.1	1.1	1.1

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	15.1	15.1	15.1
DII	33.7	30.5	39.7
FII	34.8	37.4	30.3
Others	16.4	17.1	15.0

FII includes depository receipts

CMP: INR892 **TP: INR930 (+4%)** **Neutral**

Earnings in line; operating performance to recover gradually

Adj NIMs expand 3bp QoQ

- IndusInd Bank (IIB) reported 3QFY26 PAT of INR1.3b (in line with our estimate of INR1.3b profit) amid better NII, offset by accelerated provisions.
- NII declined 13% YoY (up 3.5% QoQ) to INR45.6b (6% beat). Adj NIMs expanded 3bp QoQ to 3.35% (refund on IT aided reported NIMs by 20bp QoQ to 3.52%).
- Other income declined 27.5% YoY (up 3.4 % QoQ, in line). Opex stood flat YoY/ QoQ to INR39.9b (the bank has recognized an impact of INR2.3b for the new labor codes).
- Loan book declined 2.6% QoQ (down 13.5% YoY), while deposits grew 1.1% QoQ (down 3.8% YoY).
- Fresh slippages were flat QoQ at INR25.6b in 3QFY26. GNPA ratio improved 4bp QoQ to 3.56%, while NNPA ratio remained flat at 1.04%. PCR stood flat at 71.5%.
- **We largely maintain our earnings estimate for FY27/28E and project IIB's RoA/RoE at 0.6%/5.2% for FY27. Reiterate Neutral with a TP of INR930 (premised on 1.0x Sep'27E ABV).**

Business growth muted; PCR ratio stable

- IIB reported 3QFY26 PAT of ~INR1.3b (vs our estimate of INR1.3b profit) amid better NII, while provisions continue to stay elevated.
- NII stood better than estimates at INR45.6b (6% beat). Adj NIMs expanded marginally 3bp QoQ to 3.35% (while interest on IT refund aided reported NIMs by 20bp QoQ to 3.52%).
- Other income grew 3.4% QoQ (down 27.5% YoY) to INR17b (in line) amid flat treasury income. Opex stood flat YoY/QoQ at INR39.9b (INR2.3b pertaining to the new labor code impact). C/I ratio, thus, declined to 63.8% vs 66.2%. PPOp stood at INR22.7b (23% higher than MOFSLe).
- Provisions stood higher than our estimate at INR20.9b (down 20% QoQ/ up 20% YoY), as higher slippages and aggressive provisions in the MFI pool continue for the bank.
- The loan book declined 13.5% YoY and 2.6% QoQ to INR3.2t, driven by a run-down in the corporate book (down 40% YoY/9% QoQ), and in Inst & Govt banking (down 26% YoY and 8% QoQ), while retail declined 4% YoY/0.9% QoQ. Within retail, VF grew 2.7% YoY/2.1% QoQ, and consumer banking stood flat QoQ.
- Deposits book grew 1% QoQ (down 4% YoY), as the bank has de-bulked its large bulk deposits. CASA book stood largely flat QoQ (down 16.6% YoY). As a result, the CASA book declined marginally to 30.2%.
- Fresh slippages were largely flat QoQ at INR25.6b vs INR25.4b in 2QFY26, amid elevated slippages in MFI. Asset quality ratios improved marginally, with GNPA ratio reducing 4bp QoQ to 3.56% and NNPA remaining flat QoQ at 1.04%. PCR stood flat at 71.5%.

Highlights from the management commentary

- The bank aims to achieve a 1% ROA over the medium term, led by lower cost-to-assets, better productivity, and reduced funding costs through diversification. Management stated it is too early to define a timeline, as a three-year plan is still being developed.
- The bank aims for ~1.5% fee to avg assets over a period of time.
- Gross slippages: VF – INR6.94b, Corporate – INR640m, Other Retail – INR6.97b, MFI – INR10.83b.
- SMA levels improved to 26bp (vs. 33 bps YoY), while net SR declined to 17bp (vs. 31bp YoY).

Valuation and view

IIB reported a largely in-line PAT, while provisions remained elevated due to continued slippages in the MFI segment. Other income was broadly in line, with treasury income remaining flat, while opex stayed largely stable. Adjusted NIMs expanded 3bp QoQ, while reported NIMs expanded 20bp QoQ, supported by interest income from IT refunds. Business growth remained modest, driven by the continued de-bulking of corporate advances as well as bulk deposits. Deposit growth was, therefore, marginal at ~1% QoQ, leading to a decline in the CD ratio to 80.6%. Slippages continued to remain elevated, primarily due to higher stress in the MFI segment. The bank expects loan growth to broadly align with industry growth by the exit quarter of FY27, with growth likely to outpace the industry in FY28. **We largely maintain our earnings estimate for FY27/28E and project IIB's RoA/RoE at 0.6%/5.2% for FY27. Reiterate Neutral with a TP of INR930 (premised on 1.0x Sep'27E ABV).**

Quarterly performance

(INR b)

	FY25				FY26E				FY25	FY26E	FY26E	V/S our
	1Q	2Q	3Q	4Q	1Q	2Q	3QA	4QE			3QE	Est
Net Interest Income	54.1	53.5	52.3	30.5	46.4	44.1	45.6	42.9	190.3	179.0	42.9	6%
% Change (YoY)	11.1	5.3	-1.3	-43.3	-14.2	-17.5	-12.7	40.6	-7.7	-6.0	-18.0	
Other Income	24.4	21.8	23.6	7.1	21.6	16.5	17.1	18.3	76.9	73.4	17.1	0%
Total Income	78.5	75.3	75.8	37.6	68.0	60.6	62.7	61.1	267.2	252.4	59.9	5%
Operating Expenses	39.0	39.3	39.8	42.5	42.3	40.1	40.0	38.7	160.6	161.1	41.4	-3%
Operating Profit	39.5	36.0	36.0	-4.9	25.7	20.5	22.7	22.4	106.6	91.3	18.5	23%
% Change (YoY)	3.1	-7.9	-10.9	-112.0	-35.0	-43.1	-37.0	-556.8	-32.8	-14.4	-48.6	
Provisions	10.5	18.2	17.4	25.2	17.6	26.3	21.0	20.0	71.4	84.8	16.8	25%
Profit before Tax	29.0	17.8	18.6	-30.1	8.1	-5.8	1.7	2.5	35.3	6.4	1.8	-1%
Tax	7.3	4.5	4.5	-6.8	2.0	-1.5	0.5	0.6	9.5	1.6	0.4	4%
Net Profit	21.7	13.3	14.0	-23.3	6.0	-4.4	1.3	1.9	25.8	4.8	1.3	-2%
% Change (YoY)	2.2	-39.5	-39.1	NA	-72.2	NA	-90.9	NA	-71.3	-81.3	-90.6	
Operating Parameters												
Deposit (INR b)	3,985	4,124	4,094	4,109	3,971	3,896	3,938	4,018	4,109	4,018	3,825	
Loan (INR b)	3,479	3,572	3,669	3,450	3,337	3,259	3,175	3,278	3,450	3,278	3,185	
Deposit Growth (%)	14.8	14.7	11.0	6.8	-0.3	-5.5	-3.8	-2.2	6.8	-2.2	-6.6	
Loan Growth (%)	15.5	13.2	12.2	0.5	-4.1	-8.8	-13.5	-5.0	0.5	-5.0	-13.2	
Asset Quality												
Gross NPA (%)	2.0	2.1	2.3	3.1	3.6	3.6	3.6	3.4	3.1	3.4	3.3	
Net NPA (%)	0.6	0.6	0.7	1.0	1.1	1.0	1.0	0.9	1.0	0.9	1.0	
PCR (%)	70.6	70.1	70.2	70.2	70.2	71.8	71.5	72.6	69.6	72.6	69.0	

E: MOFSL Estimates

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	COFORGE IN
Equity Shares (m)	335
M.Cap.(INRb)/(USD\$)	548.3 / 6
52-Week Range (INR)	1994 / 1191
1, 6, 12 Rel. Per (%)	-4/-11/-19
12M Avg Val (INR M)	4159

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	164.3	206.4	259.4
EBIT Margin (%)	13.8	14.0	14.3
PAT	14.1	21.2	27.0
EPS (INR)	41.9	60.3	76.7
Adj. PAT	16.3	21.2	27.0
Adj. EPS (INR)	47.5	60.3	76.7
Adj. EPS Gr. (%)	88.6	26.9	27.2
BV/Sh. (INR)	214.8	238.9	277.2

Ratios

RoE (%)	16.4	21.8	24.7
RoCE (%)	16.9	18.2	20.4
Payout (%)	50.0	50.0	50.0

Valuations

P/E (x)	39.0	27.1	21.3
P/BV (x)	7.6	6.9	5.9
EV/EBITDA (x)	18.0	14.7	11.5
Div Yield (%)	1.3	1.8	2.3

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	0.0	0.0	0.0
DII	53.7	54.9	47.9
FII	34.5	34.1	42.6
Others	11.8	11.0	9.6

FII Includes depository receipts

CMP: INR1,636 **TP: INR2,500 (+53%)** **Buy**

A decent quarter

Margin set to improve in 4Q; pass-through-led growth mix a watch point

- COFORGE reported a strong 3Q revenue growth of 4.4% QoQ in CC terms, above our estimate of 3.3% QoQ CC. The company reported an order intake of USD593m (up 18% YoY) in 3Q with six large deals, resulting in a robust 12-month executable order book of USD1.7b. EBIT margin stood at 13.4%, in line with our estimate of 13.3%. Adj. PAT stood at INR3.6b (down 3% QoQ/up 63% YoY) vs. our estimates of INR3.7b. This excluded the one-time impact of costs related to changes in labor codes and legal expenses related to the acquisition, amounting to INR1,476m. The FCF to NI stood at 110%.
- The company's revenue/EBIT/adj. PAT grew 46%/63%/82% YoY in 9MFY26. We expect revenue/EBIT/adj. PAT to grow 33.9%/51.9%/73% YoY in 4QFY26.
- COFORGE's strong executable order book and resilient client spending across verticals bode well for its organic business. We value COFORGE at 32x FY28 EPS, arriving at a TP of INR2,500, implying 53% potential upside.

Our view: 16 large deals signed YTD keep FY26 execution on track

- Executable order book up; improved visibility into FY27:** A large portion of incremental growth in 3Q (94%) was driven by pass-through revenues, which management attributed to the seasonal nature. We remain watchful of any increase in the growth of this nature. That said, with strong order intake in 3Q, COFORGE's executable order book stands at USD 1.7bn (up 18% YoY), providing improved revenue visibility through FY27E.
- As shown in Exhibit 1, the historical average NTM revenue-to-order book multiple (~1.3x) implies potential NTM revenue growth of ~29% YoY. Taken together, revenue visibility over the next 12 months remains high, and we expect organic growth of 23% YoY CC in FY26.
- BFSI deceleration expected to reverse:** COFORGE's 3Q performance was led by Healthcare and Hi-Tech, while BFSI and Public Services declined sequentially. The outlook for Healthcare, Hi-Tech, and Transportation remains strong, and we expect the YoY deceleration in BFSI to reverse going forward.
- Strong deal wins; pipeline remains robust:** COFORGE reported another quarter of strong deal wins, with TCV intake of USD 593m (up 18% YoY), including six large deal signings during the quarter. Management indicated that large deal velocity remains intact and expects to close another notable large deal in 4Q within the public services segment. With these signings, COFORGE has already surpassed its FY25 large deal count (14 deals) within 9MFY26, reaching 16 deals. Management aims to close 20 large deals in FY26. We expect continued sales execution and cross-sell opportunities to sustain deal momentum.
- Margins to improve in 4Q; unbilled revenue growth to be monitored:** EBIT margin dipped 60bp QoQ to 13.4%, due to wage hikes, partially offset by lower ESOP expenses and cost optimization initiatives. We expect these headwinds to reverse in 4Q, leading to sequential margin improvement.

- Unbilled DSO days increased to 28 (up 2/4 days QoQ/YoY), while long-term unbilled revenues grew 22% QoQ and 127% YoY. Management attributed this increase to the nature of contracts signed and reiterated its guardrail of maintaining FCF-to-PAT conversion at 70–80%. Nonetheless, we remain watchful of the rise in unbilled revenues and will continue to monitor these metrics closely.
- **Bridge loan to be raised to retire Encora's debt:** Management has decided to raise USD 550m through a consortium of 4–5 banks to retire debt on Encora's books. The transaction is expected to be completed over the next couple of quarters.

Valuation and changes to our estimates

- We expect COFORGE to be the growth leader within our coverage universe and reiterate it as our top pick. We have kept our estimates largely unchanged, except for FY27, as we expect Cigniti to close by 4QFY26 and EPS to be accretive. COFORGE's strong executable order book and resilient client spending across verticals bode well for its organic business.
- We continue to view COFORGE as a structurally strong mid-tier player well-placed to benefit from vendor consolidation/cost-takeout deals and digital transformation. We value COFORGE at 32x FY28 EPS with a TP of INR2,500, **implying a 53% potential upside. We reiterate our BUY rating on the stock.**

Beat on revenue, but margins in line; deal TCV healthy with six large deal wins in 3Q

- COFORGE's revenue grew 4.4% QoQ CC (est. 3.0% CC). Reported USD growth was 3.5% QoQ.
- Growth was led by Healthcare & Hi-tech and Others, which grew 8.5%/18.3% QoQ, while BFS declined 2.3% QoQ.
- Order intake was USD593mn(up 18% YoY). Six large deals were signed during the quarter. The 12-month executable order book rose 30% YoY to USD1.7b. It added nine new logos during the quarter.
- EBIT margin for COFORGE was 13.4%, in line with our estimates of 13.3%.
- Utilization declined 60bp QoQ to 81.7%. Net employee addition stood at 445, up 1.3% QoQ. Attrition was down 50bp QoQ at 10.9%.
- Adj. PAT stood at INR 3.6b (down 3% QoQ/up 63% YoY) vs. our estimate of INR3.7b. This excludes the impact of costs related to labor codes, legal expenses related to the acquisition, and cybersecurity issues amounting to INR 1,476m.
- FCF to Adj. NI stood at 110% vs. 86% in 2QFY26. The Board declared an interim dividend of INR4/share.

Key highlights from the management commentary

- Two years ago, boards were asking how to implement AI; now they want a clear transformation path with measurable KPIs and enterprise-grade delivery. Witnessing a clear market inflection point.
- Enterprises are done managing fragmented vendor relationships and want partners that can move at start-up speed while managing enterprise risk.
- Management indicated that reported EBIT margins and the plan to report ~15% margins in 4Q imply an exit margin of ~14% for FY26.

- Large deal velocity and growth in key accounts remain reassuring for the growth outlook; six large deals were signed during the quarter.
- Given the current and expected large deal momentum, banking is likely to be the fastest-growing vertical next year.
- Post-Sabre, COFORGE is seeing USD20m airline opportunities that were not accessible earlier. Sabre is viewed not just as a client but as a partner, with significant cross-sell potential.
- The company is likely to close a large UK public services deal in 4Q.
- AI is being infused across every engagement, with delivery models restructured and a willingness to underwrite outcomes.

Exhibit 1: NTM revenue-to-order book multiple (~1.3x) implies potential NTM revenue growth of ~29% YoY

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Executable Order book over 12M	897	935	974	1,019	1,070	1,105	1,365	1,505	1,550	1,635	1,717
Next 12M Revenue	1,127	1,219	1,327	1,450	1,606	1,699	1,786	1,891	1,981	2,079	2,318
Revenue/order book	1.3	1.3	1.4	1.4	1.5	1.5	1.3	1.3	1.3	1.3	1.3
Implied YoY Growth											29 %
MOFSL Estimate											22 %

Source: Company, MOFSL

Quarterly Performance (IND-AS)

(INR m)

Y/E March (Consolidated)	FY25				FY26E				FY25	FY26E	Est. 3QFY26	Var. (%/bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Rev. (USD m)	286	369	391	404	442	462	478	509	1,445	1,891	474	0.9
QoQ (%)	2.0	29.0	5.7	3.3	9.6	4.5	3.5	6.4	31.5	30.9	2.5	97bp
Revenue (INR m)	23,751	30,623	32,581	34,099	36,886	39,857	41,881	45,648	1,20,507	1,64,272	42,176	-0.7
YoY (%)	6.9	34.5	40.2	47.1	55.3	30.2	28.5	33.9	33.8	36.3	29.5	-91bp
GPM (%)	32.2	32.4	33.4	34.1	33.7	34.0	32.9	34.0	33.6	33.7	33.0	-10bp
SGA (%)	13.4	15.9	15.8	15.4	15.0	14.3	14.4	14.2	15.6	14.5	14.5	-10bp
EBITDA (INRm)	4,275	4,840	5,050	5,761	6,308	7,294	7,302	8,673	19,960	29,577	7,381	-1.1
EBITDA Margin (%)	18.0	15.8	15.5	16.9	17.1	18.3	17.4	19.0	16.6	18.0	17.5	-6bp
EBIT (INRm)	3,558	3,597	3,885	4,507	4,716	5,575	5,594	6,847	15,684	22,732	5,609	-0.3
EBIT Margin (%)	15.0	11.7	11.9	13.2	12.8	14.0	13.4	15.0	13.0	13.8	13.3	6bp
Other income	-516	-173	-329	-300	383	18	-276	-320	-1,080	-195	-211	30.9
ETR (%)	34.4	25.5	25.6	22.2	18.2	23.7	22.8	24.0	25.7	22.5	24.0	-5.1
Minority Interest	-61.0	-314.0	-404.0	-461.0	-390.0	-496.0	-465.0	0.0	-1,240.0	-1,351.0	-400.0	16.3
Reported PAT	1,310	2,021	2,120	2,611	3,168	3,769	2,502	4,961	8,372	14,399	3,703	-32.4
QoQ (%)	-41.6	54.3	4.9	23.1	21.3	19.0	-33.6	98.3			-1.7	
YoY (%)	-21.4	11.7	-10.9	16.3	141.8	86.5	18.0	90.0	0.9	72.0	72.9	
Extra-ordinary items	953	290	162	261	749	0	1,139	0	1,666	2,601	0.0	
Adj. PAT	2,263	2,311	2,241	2,872	3,917	3,769	3,641	4,961	9,686	16,288	3,703	-1.7
EPS (INR)	4.2	6.0	6.2	7.7	9.4	11.1	7.4	14.1	25.2	41.9	11	-32.1

Laurus Labs

Estimate change



TP change



Rating change



Bloomberg	LAURUS IN
Equity Shares (m)	540
M.Cap.(INRb)/(USDb)	548.7 / 6
52-Week Range (INR)	1141 / 501
1, 6, 12 Rel. Per (%)	-1/24/66
12M Avg Val (INR M)	1866

Financials & valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	68.4	77.1	88.3
EBITDA	17.7	20.0	23.2
Adj. PAT	8.6	9.6	11.5
EBIT Margin (%)	18.7	19.0	19.3
Cons. Adj. EPS (INR)	15.9	17.8	21.3
EPS Gr. (%)	173.9	12.0	19.8
BV/Sh. (INR)	98.8	113.8	131.8

Ratios

Net D:E	0.4	0.4	0.3
RoE (%)	17.3	16.8	17.4
RoCE (%)	12.7	12.9	13.8
Payout (%)	15.6	15.6	15.6

Valuations

P/E (x)	64.0	57.1	47.7
EV/EBITDA (x)	32.5	28.8	24.7
Div. Yield (%)	0.2	0.2	0.3
FCF Yield (%)	1.0	0.8	1.7
EV/Sales (x)	8.4	7.5	6.5

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	27.5	27.6	27.6
DII	12.4	11.7	12.7
FII	26.5	26.2	25.6
Others	33.6	34.5	34.1

FII includes depository receipts

CMP: INR1,017
TP: INR1,230 (+21%)
Buy

Formulations surprise; ARV-API rebounds

Non-ARV momentum/CDMO scale-up to drive 16% two-year earnings CAGR

- Laurus Lab (LAURUS) delivered a 7%/25%/59% beat on revenue/EBITDA/PAT for 3QFY26. While CDMO sales were steady for the quarter, the formulation (FDF) and API sales surprised, driving better-than-expected EBITDA/PAT in 3QFY26. The operating leverage led to higher profitability in 3Q.
- The FDF traction was led by non-ARV formulation sales, while ARV formulations declined YoY in 3QFY26. Strong off-take of select molecules in developed markets led to higher non-ARV FDF sales for the quarter.
- ARV-API sales improved sharply YoY as well as QoQ, led by capacity expansion, driving higher volume off-take.
- The campaign timing at the innovator front affected Laurus' 3QFY26 performance in the CDMO segment. Having said this, Laurus continues to add complex capabilities to drive more business from existing customers and add newer customers.
- We raise our earnings by 18%/6%/9% for FY26E/FY27E/FY28E, factoring in: 1) an improved traction in non-ARV FDF, 2) a better outlook for ARV, 3) a continued momentum in CDMO projects, and 4) higher operating leverage.
- We value Laurus at 60x 12M forward earnings to arrive at our TP of INR1,230. With CDMO projects scaling in human and animal health, and capex on track for building capacity in the generics segment as well, we expect a 16% earnings CAGR over FY26-28. **Reiterate BUY.**

Revenue growth/operating leverage drive 71% YoY EBITDA growth

- Laurus 3QFY26 revenues grew 25.7% YoY to INR17.8b (our est. INR16.6b),
- The Gross Margin (GM) expanded by ~400bp YoY to 60.9%, due to a better divisional mix.
- EBITDA margin expanded by ~730bp YoY to 27.5% (our est: 23.4%), majorly driven by better gross margin and operating leverage (other expenses as a % of revenue (down 240bp YoY). EBITDA grew 71.3% YoY to INR4.9b (Our est. INR3.9b).
- Adj PAT scaled from INR923m YoY to INR2.6b (est: INR1.6b) for the quarter.
- There was a one-time charge (INR83m) due to a revision in the labor code.
- Revenue/EBITDA/PAT jumped 30%/101%/391% YoY to INR50b/INR13b/INR6b during 9MFY26.

Non-ARV FDF/ARV-API led overall revenue growth for the quarter

- FDF sales grew 39% YoY to INR6.1b (34% of sales). Within FDF, the non-ARF sub-segment surged 176% YoY to INR3.6b, while ARV FDF declined 20% YoY for 3QFY26.
- Synthesis business (23% of sales, small molecules) was up 2% YoY to INR4.1b.
- API sales (40.5% of sales) rose 36% YoY to INR7.2b. ARV-API grew 60% YoY to INR5b, while the non-ARV-API segment remained stable at INR2b for 3Q.
- The Bio division sales (2.5% of sales) dipped 10% YoY to INR430m.

Highlights from the management commentary

- Over the past 18 months, Laurus has commercialized and supplied three NCEs.
- 9MFY26 had a strong operating cash flow led by robust EBITDA growth, working capital optimization, and customer advances.
- ARV FDF/API sales were INR2.4b/INR5b for the quarter. This implies Non-ARV FDF was INR3.6b vs INR1.3b YoY/INR1.8b QoQ.
- Laurus noted that gross margin is expected to be sustained at 60%, supported by segment mix as well as product mix.
- Management indicated growth in 4QFY26 CDMO sales on a YoY basis. Effectively, FY27 is expected to further scale up in sales over FY26 performance.
- FY26 capex is guided at ~INR10b, with a similar level expected in FY27, while maintaining net debt broadly stable.

Consolidated- Quarterly Earnings Model

Consolidated Quarterly Earnings Model												
Y/E March	FY25				FY26E				FY25	FY26E	FY26 vs Est	
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q	(%)
Net Sales	11,949	12,237	14,151	17,203	15,696	16,535	17,783	18,393	55,540	68,407	16,611	7.1
YoY Change (%)	1.1	-0.1	18.4	19.5	31.4	35.1	25.7	6.9	10.2	23.2	17.4	
EBITDA	1,712	1,783	2,852	4,206	3,821	4,033	4,885	4,929	10,553	17,668	3,887	25.7
YoY Change (%)	2.7	-5.1	57.2	74.2	123.2	126.1	71.3	17.2	35.7	67.4	36.3	
Margins (%)	14.3	14.6	20.2	24.4	24.3	24.4	27.5	26.8	19.0	25.8	23.4	
Depreciation	1,061	1,075	1,061	1,104	1,168	1,205	1,206	1,271	4,301	4,850	1,232	
EBIT	651	708	1,791	3,102	2,653	2,828	3,679	3,659	6,252	12,818	2,655	
YoY Change (%)	-14.5	-25.1	115.7	122.8	307.3	299.3	105.5	18.0	59.1	105.0	48.3	
Margins (%)	5.5	5.8	12.7	18.0	16.9	17.1	20.7	19.9	11.3	18.7	16.0	
Interest	492	526	578	564	515	400	388	417	2,160	1,720	443	
Other Income	25	46	94	-3	104	270	58	54	163	485	56	
PBT before EO expense	185	228	1,307	2,535	2,242	2,697	3,349	3,295	4,254	11,583	2,268	
Extra-Ord expense	0	0	0	-589	0	0	83	0	-589	83	0	
PBT	185	228	1,307	3,123	2,242	2,697	3,266	3,295	4,843	11,500	2,268	
Tax	63	51	401	785	631	760	735	840	1,299	2,966	635	
Rate (%)	33.9	22.3	30.7	25.1	28.2	28.2	22.5	25.5	26.8	25.8	28.0	
MI & Profit/Loss of Asso. Cos.	-5	-21	-17	20	7	-3	10	16	8	31	15	
Reported PAT	127	198	923	2,319	1,603	1,940	2,521	2,439	3,536	8,504	1,618	55.8
Adj PAT	127	198	923	1,878	1,603	1,940	2,585	2,439	3,126	8,568	1,618	59.8
YoY Change (%)	-52.7	-46.3	298.9	148.4	1,164.5	877.9	180.1	29.9	92.4	174.1	75.3	
Margins (%)	1.1	1.6	6.5	10.9	10.2	11.7	14.5	13.3	5.6	12.5	9.7	

E: MOFSL Estimates

Key Performance Indicators (Consolidated)

Y/E March	FY25				FY26				FY25	FY26E	FY26	vs Est
INRb	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q	(%)
API	6.6	5.6	5.3	6.9	6.4	6.2	7.2	6.7	22.2	26.4	6.1	-0.2
YoY Change (%)	11.2	(11.4)	(7.5)	(7.9)	(4.1)	10.8	35.6	(3.0)	(12.6)	23.2	15.0	
Custom Synthesis	2.1	3.0	4.0	4.6	4.9	4.7	4.1	5.2	13.7	18.9	5.0	0.2
YoY Change (%)	(14.4)	33.5	88.7	95.3	130.4	57.5	2.0	12.0	49.0	37.4	25.0	
Formulation	2.7	3.3	4.4	5.4	4.1	5.2	6.1	6.1	15.8	21.5	5.0	-0.2
YoY Change (%)	(3.9)	(1.2)	18.8	26.5	50.0	57.9	39.2	12.1	11.9	35.6	15.0	
Cost Break-up												
RM Cost (% of Sales)	44.9	44.8	43.1	45.5	40.6	40.1	39.1	39.3	44.6	39.7	41.0	
Staff Cost (% of Sales)	14.6	14.6	13.4	10.3	13.7	13.0	12.4	12.5	13.0	12.9	13.0	
R&D Expenses(% of Sales)	5.4	5.5	4.2	3.8	4.1	3.9	3.9	3.5	3.1	2.5	3.9	
Other Cost (% of Sales)	26.2	26.0	23.4	19.7	21.4	22.5	21.0	21.4	23.4	21.6	22.6	
Gross Margins(%)	55.1	55.2	56.9	54.5	59.4	59.9	60.9	60.7	55.4	60.3	59.0	
EBITDA Margins(%)	14.3	14.6	20.2	24.4	24.3	24.4	27.5	26.8	19.0	25.8	23.4	
EBIT Margins(%)	5.5	5.8	12.7	18.0	16.9	17.1	20.7	19.9	11.3	18.7	16.0	

Piramal Finance

Bloomberg	PIRAMALF in
Equity Shares (m)	227
M.Cap.(INRb)/(USDb)	406.6 / 4.4
52-Week Range (INR)	1955 / 1235
1, 6, 12 Rel. Per (%)	15/-/-
12M Avg Val (INR M)	772

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
PPOP	20.1	38.4	58.8
PAT	16.1	24.2	41.5
PAT (ex-exceptional)	3.5	22.2	41.5
EPS	71	107	184
EPS Gr. (%)	232	50	72
BV/Sh. (INR)	1,262	1,353	1,511
RoA (%)	1.5	1.9	2.7
RoE (%)	5.8	8.2	12.8

Valuation

P/E (x)	25.1	16.7	9.7
P/BV (x)	1.4	1.3	1.2
Dividend yield (%)	1.0	1.4	2.1

Shareholding pattern (%)

As On	Dec-25
Promoter	46.2
DII	16.3
FII	16.0
Others	21.6

FII includes depository receipts

CMP: INR1,793 TP: INR2,040 (+14%) Buy

Healthy business growth with an improving profit trajectory

- **Sustained improvement in opex ratios; asset quality stable**
- Piramal Finance (Piramal) 3QFY26 PAT stood at ~INR4b (PQ: INR3.3b). NII rose 31% YoY to ~INR10.8b. PPOP declined ~29% YoY and grew 17% QoQ to ~INR5b (PY: INR7.1b and PQ: INR4.3b).
- The Opex-to-AUM ratio for retail business dipped to ~3.8% (PQ: 3.9%), which included a one-time provision of INR354m on account of the new labor codes. Consolidated NIM expanded ~20bp QoQ to 6.3% (PQ: 6.1%).
- Total AUM grew 23% YoY and ~6% QoQ to INR967b. Wholesale 2.0 AUM grew ~35% YoY to INR120b, while Wholesale 1.0 AUM declined ~49% YoY to INR52b. Growth to Legacy AUM mix improved to 95%:5% in Dec'25 from 34%:66% in Mar'22. The company reiterated that it would look to run down its legacy wholesale book to <INR35b by Mar'26.
- Piramal shared that following six quarters of pause in branch expansion, the company now plans to open ~100 branches in 4QFY26, comprising 25 full-service branches, 20 gold loan branches, and 55 MFI branches. The company further shared that it remains confident that operating leverage and productivity gains will ensure continued improvement in the opex-to-AUM ratio despite the expansion in branches.
- Management indicated that asset quality remained stable across all retail product segments, with unsecured segments (including MFI) witnessing an improvement in asset quality. The company reiterated that it remains confident of achieving its guidance on AUM growth, business mix, and consolidated profitability.
- **Piramal shared that Jagdeep Mallareddy (CEO – Retail Lending) and Sumit Madan (COO) have resigned to pursue opportunities outside the company. They will continue with the company until Mar'26. Going forward, Imtiaz Ahmed has been appointed as CBO (Retail) and will be driving growth and sales, while Vikas Arora has been appointed as the COO to oversee control and risk functions. This is in line with the earlier organizational structure.**
- Piramal is now more confident in its retail-focused strategy, and we believe that the phase of earnings volatility is now comfortably behind us and that there will be no negative surprises or volatile quarters going forward (except for some one-time gains from monetization of investments). With the legacy wholesale book expected to be largely addressed/run down by the end of FY26, Piramal's portfolio will increasingly shift toward a stable, retail-dominated AUM mix. Consequently, we now expect Piramal to exhibit a more predictable and consistent earnings trajectory.
- We estimate a total AUM CAGR of ~25% and a total PAT CAGR of 104% over FY25-FY28, with an RoA/RoE of 2.7%/12.8% in FY28. **We reiterate our BUY rating on the stock with a TP of INR2,040 (based on Dec'27E SoTP).**

Healthy retail loan growth of 34% YoY; retail mix stable QoQ

- Piramal's retail AUM grew ~34% YoY to INR794b, with its share in the loan book remaining stable QoQ at ~82%. Retail disbursements grew ~26% YoY to INR105b.
- Sequential moderation in disbursements was primarily driven by internal process-related cyclicity rather than any weakness in the underlying market environment. The growth momentum remains strong across all product categories, and Piramal guided for a strong rebound in retail disbursements in 4Q. We estimate a total AUM CAGR of ~25% and a ~28% CAGR in Retail AUM over FY25-FY28.

Asset quality stable; credit costs dip QoQ

- GS3 was stable at ~2.6%, while NS3 rose ~10bp QoQ to 1.9%. Stage 3 PCR declined ~150bp QoQ to ~28%. ECL/EAD was stable QoQ at ~2.1% of the AUM.
- Retail Business 90+ dpd remained steady at 0.8%. Growth business (Retail and Wholesale 2.0) gross credit costs declined ~10bp QoQ to 1.6%.
- Capital adequacy (CRAR) stood at ~20.3% as of Dec'25 (vs. ~20.7% in Sep'25).

Highlights from the management commentary

- Management indicated that cross-selling in unsecured disbursements remained between 25% and 30%, and the company aims to improve this further in the coming quarters. The cross-sell portfolio continues to exhibit lower operating costs and credit costs compared to open market sourcing of loans.
- The credit rating upgrade is expected to gradually reduce the company's cost of funds by around 50-80bp as existing higher-cost borrowings get refinanced.

Valuation and view

- Piramal reported a healthy operational performance during the quarter, led by strong growth in its retail loans and continued scaling down of the legacy wholesale book, which now accounts for <5% of total AUM. Asset quality remained broadly stable across key product segments, with unsecured segments witnessing improvement, leading to a sequential decline in credit costs. With rising retail traction and lower incremental CoB, NIM expanded further, reinforcing the shift toward a more stable and profitable lending model.
- Our earnings estimate for FY26 and FY27 factors in gains from the AIF exposures, deferred consideration from the sale of Piramal Imaging, and zero tax outgo in the foreseeable future. We estimate a total AUM CAGR of ~25%, a ~28% CAGR in Retail AUM, and a total PAT CAGR of 104% over FY25-FY28, with an RoA/RoE of 2.7%/12.8% in FY28. **We reiterate our BUY rating on the stock with a TP of INR2,040 (based on Dec'27E SoTP).**

Exhibit 2: SoTP valuation – Dec'27

	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
Lending Business	408	4.9	1,816	89	❖ 1.2x Dec'27E P/BV
Shriram Group	34	0.4	150	7	❖ Based on its stake in Shriram General Insurance Businesses
Life Insurance	8	0.1	34	2	
Alternatives	9	0.1	40	2	
Target Value	459	5.5	2,040	100	

Source: MOFSL, Company

Piramal: Quarterly Performance
(INR m)

Y/E March	FY25				FY26E			FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q		
Interest Income	19,285	20,804	21,888	22,636	23,934	25,852	27,303	89,090	1,07,399
Interest Expenses	12,047	13,050	13,640	14,167	14,917	15,669	16,464	53,174	65,133
Net Interest Income	7,238	7,754	8,248	8,469	9,017	10,183	10,839	35,916	42,266
YoY Growth (%)	6.3	6.5	1.5	18.9	24.6	31.3	31.4		
Other operating income	1,943	2,075	6,358	5,900	2,492	2,863	1,874	6,417	7,248
Other Income	226	870	536	1,791	509	287	574	3,623	3,877
Total Income	9,407	10,700	15,142	16,159	12,018	13,334	13,287	45,956	53,391
YoY Growth (%)	-49.9	-7.4	6.0	20.6	27.8	24.6	-12.3		
Operating Expenses	7,034	7,534	8,002	7,843	8,145	9,007	8,247	30,143	33,315
Operating Profit	2,373	3,166	7,140	8,317	3,873	4,326	5,041	15,814	20,076
YoY Growth (%)	-75.5	-35.5	-2.4	-887.2	63.2	36.6	-29.4		
Provisions & Loan Losses	1,007	2,376	6,278	8,058	1,646	1,653	2,150	10,740	18,100
Profit before Tax	1,366	790	862	258	2,227	2,673	2,890	5,074	1,976
Tax Provisions	664	272	521	136	247	-776	-731	1,594	0
PAT (before associate income)	702	518	340	122	1,980	3,449	3,622	3,479	1,976
Associate Income	76	343	45	903	784	631	389	1,370	1,507
PAT (before exceptional)	778	860	386	1,024	2,764	4,080	4,010	4,849	3,483
Exceptional items	1,037	769	0	0	0	-810	0	0	12,600
Profit from Discontinued operations								-	-
PAT (after exceptional)	1,815	1,630	386	1,024	2,764	3,270	4,010	4,849	16,083

Radico Khaitan

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	RDCK IN
Equity Shares (m)	134
M.Cap.(INRb)/(USDb)	396.6 / 4.3
52-Week Range (INR)	3695 / 1846
1, 6, 12 Rel. Per (%)	-5/8/25
12M Avg Val (INR M)	919

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	60.7	68.8	77.3
Sales Gr. (%)	25	13	12
EBITDA	10.0	11.7	13.9
Margin (%)	16.5	17.1	18.0
PAT	6.0	7.4	9.2
EPS (INR)	44.9	55.4	68.5
EPS Gr. (%)	74	23	24
BV/Sh.(INR)	237	281	336

Ratios

RoE (%)	18.9	19.7	20.4
RoCE (%)	19.5	21.5	24.1
Payout (%)	20.0	20.0	20.0

Valuations

P/E (x)	65.9	53.4	43.2
P/BV (x)	12.5	10.5	8.8
EV/EBITDA (x)	39.7	33.7	28.1

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	40.2	40.2	40.2
DII	24.0	25.5	25.6
FII	19.8	18.0	17.7
Others	16.0	16.3	16.5

FII includes depository receipts

CMP: INR2,962 TP: INR3,550 (+20%) Buy

Industry-leading P&A growth; beat on margin

- Radico Khaitan (RDCK) continued to deliver robust volume growth and strong operating performance in 3QFY26. Revenue growth was at 20% YoY to INR15.5b. The company continued to beat our expectations on the volume front, registering a strong 17% YoY growth (UNSP dipped 3% YoY). P&A volumes jumped 26% YoY to 4.6m cases (est: 4.3m). Regular portfolio volumes rose 33% YoY to ~5m cases, while Royalty cases were down 63% YoY to 0.4m cases. Non-IMFL revenue grew 1% due to lower bulk alcohol sales YoY.
- RDCK witnessed growth across regions, except in Maharashtra, where the industry declined ~20%, although Maharashtra Made Liquor (MML) is slowly gaining pace. Maharashtra's market size, previously ~2.4m cases per month, has declined to ~1.8m cases, with MML currently accounting for ~0.5m cases.
- Gross margin expanded 350bp YoY to 46.5% (highest in the last 18 quarters), backed by a benign raw material scenario (RM benefit +225bp YoY) and premiumization. Management expects ENA and grain prices to remain stable in the near term. EBITDA surged 45% YoY (est. 36%) and EBITDA margin expanded 310bp YoY to 17.3% (at a 20-quarter high). RDCK will continue to focus on premiumization and operating efficiencies, which, along with soft RM prices, are expected to support margin expansion going forward. We model EBITDA margins of 17% and 18% for FY27 and FY28, respectively.
- We continue to remain positive on RDCK, given its strong growth trajectory in the P&A segment and strategic expansion into premium and luxury portfolios. The luxury segment is seeing strong industry volumes, and RDCK expects to generate INR5b revenue from this segment. With a continued focus on premiumization, operating leverage, and broad-based geographic expansion, RDCK has delivered industry-leading growth. We believe the rich valuations are well justified by its continued strong performance. We reiterate a BUY rating with a TP of INR3,550.

Solid volume growth sustains in 3Q; EBITDA up 45%

- Double-digit sales growth continues:** Standalone net sales sustained robust growth, up 20% YoY to INR15.5b (est. INR15.3b) in 3QFY26. Total volume rose 17% YoY, with P&A volumes better than expected, growing 26% YoY to 4.6m cases (est: 4.3m). Regular portfolio volumes rose 33% YoY to ~5m cases, backed primarily by route-to-market changes in Andhra Pradesh. Royalty cases were down 63% YoY to 0.4m cases. Non-IMFL revenue grew 1% due to lower bulk alcohol sales YoY.

- **EBITDA rose by a solid 45% YoY:** Gross margin expanded 350bp YoY (+290bp QoQ) to 46.5% (the highest in the last 18 quarters), backed by a relatively benign raw material scenario and premiumization. Employee costs rose 11%, and other expenses grew 10% YoY. S&D grew 44%. Management alluded that in 3QFY26, A&SP was 6.9% of IMFL sales compared to 5.5% in the base. It expects to maintain the A&SP spending to around 6-8% of IMFL revenue. EBITDA surged 45% YoY, while EBITDA margin expanded 310bp YoY to 17.3% (at a 20-quarter high), benefiting from robust GM expansion.
- **Strong growth in profitability:** PBT/APAT grew 66%/72% YoY in 3QFY26.
- 3QFY26 included an exceptional charge of INR95.6m on account of changes related to the New Labor Code.
- Revenue/EBITDA/APAT grew 28%/49%/74% YoY in 9MFY26.
- The Board has accorded an in-principle approval for the incorporation of a wholly-owned subsidiary in Scotland, UK.

Highlights from the management commentary

- RDCK has witnessed growth across regions, except in Maharashtra. It has grown relatively faster in Andhra Pradesh, Uttar Pradesh, Telangana, Rajasthan, Madhya Pradesh, and Haryana.
- In Maharashtra, the industry declined ~20% in 3Q, but MML is slowly gaining pace. RDCK stated that its total market size in Maharashtra was ~2.4m cases per month, which has now declined to ~1.8m cases, with MML currently accounting for ~0.5m cases.
- Management is confident of achieving INR5b sales from the luxury portfolio in FY26 (vs 3.4b in FY25).
- RDCK remains on track to be debt-free by FY27.

Valuation and view

- We raise our EPS estimates by 3-5% for FY26-FY28 on the back of continued strong volume growth and beat on margins.
- RDCK's management remains committed to steadily reducing its debt, supported by healthy free cash flow generation. The company has reduced net debt by INR2.1b since Mar'25 and is on track to be debt-free by FY27.
- It remains focused on accelerating premium and luxury growth while driving greater efficiency across operations with disciplined capital allocation.
- RDCK's P&A sales were ~15% of UNSP's P&A sales in FY19; this share has now grown to ~30% (as of FY26E), and we expect it to further improve going forward. The valuation gap with UNSP has narrowed significantly, reflecting market recognition of RDCK's brand strength and execution.
- The company is currently trading at 53x/43x FY27E/FY28E P/E, with an RoE/RoIC of ~20%/21% in FY27E. We believe a ~24% EPS CAGR over FY26-28E provides adequate support for sustaining rich valuations. We value the company at 50x P/E on Mar'28E EPS to derive a TP of INR3,550.

Radico Khaitan (Standalone)

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
IMFL volume growth %	-4.1	-2.4	15.5	27.5	37.5	37.7	16.6	14.6	9.2	25.3	17.3	
P&A volume growth (%)	14.2	12.7	18.0	16.4	40.7	21.6	25.9	16.6	15.5	25.5	18.0	
Regular volume growth (%)	-14.0	-11.9	13.5	78.1	51.8	79.4	32.8	15.6	13.3	39.9	40.0	
Total revenues	11,365	11,163	12,942	13,041	15,060	14,939	15,467	15,264	48,512	60,730	15,297	1%
YoY change (%)	19.1	20.7	11.5	20.9	32.5	33.8	19.5	17.0	17.8	25.2	18.2	
Gross Profit	4,720	4,870	5,568	5,669	6,477	6,520	7,194	7,138	20,773	27,328	6,731	7%
Margin (%)	41.5	43.6	43.0	43.5	43.0	43.6	46.5	46.8	42.8	45.0	44.0	
EBITDA	1,490	1,632	1,840	1,776	2,322	2,376	2,672	2,663	6,737	10,033	2,493	7%
Margins (%)	13.1	14.6	14.2	13.6	15.4	15.9	17.3	17.4	13.9	16.5	16.3	
EBITDA growth (%)	24.7	34.6	28.8	45.0	55.8	45.6	45.2	49.9	33.1	48.9	35.6	
Depreciation	329	357	356	360	363	374	372	387	1,401	1,495	380	
Interest	185	167	195	215	159	163	164	153	738	639	145	
Other income	37	11	11	14	47	24	26	29	49	125	25	
PBT	1,014	1,118	1,299	1,215	1,846	1,863	2,162	2,152	4,646	8,023	1,993	8%
Tax	251	297	339	308	443	474	515	582	1,194	2,014	500	
Rate (%)	24.7	26.5	26.1	25.3	24.0	25.4	23.8	27.0	25.7	25.1	25.1	
Extraordinary inc/(Exp)	0	0	0	0	-70	0	-96	0	0	-166	0	
Reported PAT	763	822	960	907	1,473	1,390	1,742	1,570	3,452	6,175	1,493	17%
Adj.PAT	763	822	960	907	1,403	1,390	1,647	1,570	3,452	6,009	1,493	10%
YoY change (%)	20.7	32.8	30.0	59.7	83.9	69.1	71.6	73.1	35.0	74.1	55.6	

E: MOFSL Estimate

Key operational metrics

Revenue Split (Rs Mn)	Q3FY24	Q4FY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
P&A	5,197	5,035	4,995	5,780	6,479	6,148	7,132	7,184	8,383
Regular	1,997	1,715	2,363	1,766	2,294	3,440	3,499	3,228	2,952
Royalty	100	124	96	93	158	104	65	62	62
IMFL	7,294	6,874	7,454	7,639	8,931	9,692	10,696	10,474	11,397
Non IMFL	4,315	3,912	3,911	3,523	4,011	3,349	4,364	4,465	4,070
Total	11,609	10,786	11,365	11,162	12,942	13,041	15,060	14,939	15,467

Rev Growth YoY (%)

P&A	29%	16%	19%	18%	25%	22%	43%	24%	29%
Regular	-11%	-21%	-15%	-12%	15%	101%	48%	83%	29%
Royalty	39%	61%	25%	16%	58%	-16%	-32%	-33%	-61%
IMFL	15%	4%	6%	9%	22%	41%	43%	37%	28%
Non IMFL	174%	126%	57%	56%	-7%	-14%	12%	27%	1%
Total	47%	30%	19%	21%	11%	21%	33%	34%	20%

IMFL Volume details (Mn Cases)

Prestige & Above	3.11	2.92	2.73	3.2	3.67	3.4	3.84	3.89	4.62
Regular	3.12	2.97	3.57	2.81	3.54	5.29	5.42	5.04	4.7
Royalty	1.01	1.28	0.77	0.78	1.15	0.45	0.46	0.42	0.43
Total	7.24	7.17	7.07	6.79	8.36	9.14	9.72	9.35	9.75

Chg YoY (%)

Prestige & Above	20%	15%	14%	13%	18%	16%	41%	22%	26%
Regular	-12%	-22%	-14%	-12%	13%	78%	52%	79%	33%
Royalty	16%	44%	-7%	-16%	14%	-65%	-40%	-46%	-63%
Total	4%	-1%	-4%	-2%	15%	27%	37%	38%	17%

SONA BLW Precision Forging

Estimate change



TP change



Rating change



Bloomberg	SONACOMS IN
Equity Shares (m)	622
M.Cap.(INRb)/(USDb)	283.6 / 3.1
52-Week Range (INR)	560 / 380
1, 6, 12 Rel. Per (%)	-3/-6/-24
12M Avg Val (INR M)	1371

Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	44.7	51.9	57.5
EBITDA (%)	25.0	25.1	25.2
Adj. PAT	6.7	8.0	8.9
EPS (INR)	10.8	12.8	14.3
EPS Gr. (%)	9.6	18.2	12.0
BV/Sh. (INR)	96.8	104.8	113.9

Ratios

RoE (%)	11.5	12.7	13.1
RoCE (%)	11.2	12.3	12.7
Payout (%)	39.3	37.1	36.6

Valuations

P/E (x)			
P/BV (x)	42.3	35.8	32.0
EV/EBITDA (x)	4.7	4.4	4.0
Div. Yield (%)	23.7	20.1	17.9
FCF Yield (%)	0.9	1.0	1.1

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	28.0	28.0	28.0
DII	40.7	40.1	31.2
FII	23.9	23.5	33.3
Others	7.4	8.4	7.6

FII Includes depository receipts

CMP:INR456

TP: INR488 (+7%)

Neutral

Strong sequential pick-up in BEV drives earnings beat

Margins stable QoQ

- SONA BLW Precision Forging (SONACOMS)' consol. PAT at INR1.8b came in above our est. of INR 1.7b, led by a better-than-expected revenue growth. Revenue beat was led by a better-than-expected pick-up in BEV revenue in 3Q.
- Supported by better-than-expected revenue growth in 3Q, we raise our earnings by 6% each for FY27E/FY28E. The global auto demand slowdown and a slower-than-expected EV transition in key markets remain the key concerns for SONACOMS. While the BEV revenue did pick up in 3Q, over a low base, it was down 14% YoY for 9MFY26. The stock at 35.8x/32.0x FY27E/FY28E appears fairly valued. **We reiterate our Neutral rating with a TP of INR488, valued at 35x Dec'27E EPS.**

Healthy sequential pick-up in BEV drives earnings beat

- SONACOMS's 3Q revenue grew 39% YoY to INR12.1b (above our estimate of INR11.3b). While YoY growth was driven by the integration of the Railways business and strong growth in traction motors, the QoQ growth was driven by a strong pick-up in BEV revenue.
- Further, BEV revenue picked up QoQ despite a 45% dip in the BEV market in North America. BEV contribution improved to 38% in 3Q from 32% in 2QY26.
- The rise in employee costs in 3Q was due to the appraisal cycle in Oct'25.
- Its margin, although contracted 180bp YoY to 25.2%, was largely flat QoQ and ahead of our estimate of 24.6%.
- Overall, EBITDA grew 30% YoY to INR3b, ahead of our estimate of INR 2.8b.
- The company has provided for INR 401m as an exceptional expense towards the new labor code impact for the prior period. The recurring impact of the same is likely to be INR40m p.a., as per its current assessment.
- Adjusted for this, PAT rose 16% YoY to INR 1.8b (above our est. of INR1.7b).
- As of 9MFY26, SONACOMS has added six new EV programs, bringing the total number of awarded programs to 64, across 33 customers.
- For 9MFY26, its revenue/EBITDA/PAT grew 19%/8%/9%.

Highlights from the management commentary

- Management expects the traction motors division to be by far the fastest-growing segment for them over the next five years.
- A likely EU-India trade deal may help drive global revenues as well for SONACOMS.
- Customer engagement in the EU and with Tier 1 OEMs has increased significantly, partly due to challenges faced by other players in the EU. Few global players in the driveline business in Europe, with revenues aggregating to EUR400-500m, are likely to shut shop. This business is likely to be redistributed within the supply chain, with SONACOMS likely to emerge as one of the major beneficiaries of the same.

- The company has added two new products in the quarter – air springs for railway coaches and a hydraulic motor controller for off-highway applications. The air spring addition in the suspension portfolio will quadruple the addressable market in the suspension systems space for railways.
- The domestic CV industry is likely to adapt a few ADAS regulations in 2027. SONACOMS, with the help of Novelis, has developed ADAS-based systems for both in-cabin and outside sensing applications that will help OEMs adapt to this regulation. Given that it is one of the first OEMs to set up a localized assembly line in India, it is likely to be among the key beneficiaries of this regulation.

Valuation and view

- Supported by better-than-expected revenue growth in 3Q, we raise our earnings by 6% each for FY27E/FY28E. The global auto demand slowdown and a slower-than-expected EV transition in key markets remain the key concerns for SONACOMS. We now expect SONACOMS to deliver a 17%/14%/13% CAGR in revenue/EBITDA/PAT over FY25-28. However, the stock at 35.8x/32x FY27E/FY28E appears fairly valued. **We reiterate our Neutral rating with a TP of INR488, valued at 35x Dec'27E EPS.**

Consol. Quarterly Performance

Y/E March	FY25				FY26E				(INR m)			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY25	FY26E	3QE	Var (%)
Net operating revenues	8,930	9,251	8,680	8,494	8,509	11,435	12,085	12,634	35,545	43,706	11,310	6.8
Change (%)	22.0	17.0	11.8	-4.0	-4.7	23.6	39.2	48.7	11.6	23.0	30.3	
EBITDA	2,512	2,549	2,342	2,160	2,026	2,891	3,046	3,199	9,753	11,161	2,782	9.5
EBITDA Margins (%)	28.1	27.6	27.0	25.4	23.8	25.3	25.2	25.3	27.4	25.0	24.6	60bp
Depreciation	606	626	666	646	670	716	749	764	2,544	2,899	725	
EBIT	1,905	1,923	1,677	1,513	1,356	2,174	2,298	2,435	7,209	8,262	2,057	11.7
EBIT Margins (%)	21.3	20.8	19.3	17.8	15.9	19.0	19.0	19.3	20.3	18.5	18.2	
Interest	86	106	58	52	53	52	55	55	302	214	48	
Non-Operating Income	70	210	468	522	442	170	173	202	1,269	986	250	
PBT	1,889	1,918	2,030	2,147	1,652	2,276	2,014	2,582	8,173	9,034	2,259	
Effective Tax Rate (%)	25.0	25.1	25.8	23.8	26.3	25.1	25.4	25.4	24.2	0.3	25.2	
Adjusted PAT	1,417	1,546	1,564	1,473	1,309	1,717	1,801	1,927	6,200	6,730	1,690	6.6
Change (%)	24.0	20.2	17.1	-0.6	-7.6	13.0	16.1	27.4	27.3	8.6	9.0	

Estimate change



TP change



Rating change



Bloomberg	ATLP IN
Equity Shares (m)	29
M.Cap.(INRb)/(USD\$)	171.5 / 1.9
52-Week Range (INR)	7793 / 4752
1, 6, 12 Rel. Per (%)	0/-12/-22
12M Avg Val (INR M)	382
Free float (%)	54.8

Financials and Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	62.5	69.6	77.4
EBITDA	10.9	12.3	14.0
PAT	7.0	7.7	8.8
EPS (INR)	237.0	262.4	299.4
EPS Gr. (%)	40.0	10.7	14.1
BV/Sh.(INR)	2,091	2,314	2,570

Ratios

Net D:E	-0.0	-0.0	-0.1
RoE (%)	11.9	11.9	12.3
RoCE (%)	11.0	11.3	11.7
Payout (%)	14.8	14.8	14.8

Valuations

P/E (x)	24.7	22.3	19.6
P/BV (x)	2.8	2.5	2.3
EV/EBITDA (x)	15.7	13.8	12.0
Div. Yield (%)	0.6	0.7	0.8
FCF Yield (%)	2.3	1.8	2.3

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	45.2	45.2	45.2
DII	25.4	25.0	22.8
FII	7.5	8.3	11.2
Others	21.9	21.5	20.8

FII Includes depository receipts

CMP: INR5,827
TP: INR7,500 (+29%)
Buy

Growth momentum sustains with the performance segment at the core

- Atul (ATLP) reported in-line revenue of INR15.7b (+11% YoY) in 3QFY26. Revenue from the Performance & Other Chemicals segment increased 11% YoY, while the Life Science Chemical segment's revenue rose 9% YoY. EBITDA grew 29% YoY to INR2.9b and Adj. PAT increased 74% YoY to INR2b.
- We increase our FY26/FY27/FY28 earnings estimates by 9%/5%/11% on the back of better-than-expected earnings in 3QFY26—with EBITDA margins beating our estimates, higher other income, and lower interest cost.
- The stock is trading at ~22.3x/19.6x FY27E/FY28E EPS of INR262.4/INR299.4 and ~13.8x/12x FY27E/FY28E EV/EBITDA. We value the stock at 25x FY28E EPS to arrive at our TP of INR7,500. Reiterate BUY.

EBITDA in line; Adj. PAT beats our estimates due to higher other income and lower tax

- ATLP's revenue was INR15.7b (+11% YoY). Life Science Chemicals' revenue stood at INR4.5b (+9% YoY), while Performance Chemicals' revenue was INR11.5b (+11% YoY) during the quarter.
- Gross margin stood at 47.5% (vs. 50.5% in 3QFY25), and EBITDA margin expanded 250bp YoY to 18.3%. Life Science Chemicals' EBIT margin stood at 23% (flat YoY), while EBIT stood at INR1b. Performance Chemicals' EBIT margin stood at 7.6% (+40bp YoY), and EBIT came in at INR879m.
- Consolidated EBITDA grew 29% YoY to INR2.9b (in line with our est.), and Adj. PAT grew 68% YoY to INR2b (est. INR1.6b) (adjusted for the impact of New Labor Code of INR413.5m).
- In 9MFY26, consolidated revenue/EBITDA/adj. PAT grew ~11%/15%/39% to INR46b/INR7.9b/INR5.1b.
- The Life Science segment recorded revenue/EBIT growth of ~8%/10% YoY to INR13.4b/INR2.7b and EBIT margin expansion of ~40bp YoY to 20.4% in 9MFY26. The Performance segment recorded revenue/EBIT growth of ~12%/12% YoY to INR33.7b/INR2.9b, and EBIT margin remained flat YoY at 8.7% in 9M.

Valuation and view

- We expect ATLP to continue its healthy momentum, led by: 1) capacity expansion for its key products, 2) new projects, 3) debottlenecking its existing capacities, 4) capturing a higher market share, and 5) expanding its international presence.
- The stock is trading at ~22.3x/19.6x FY27E/FY28E EPS of INR262.4/INR299.4 and ~13.8x/12x FY27E/FY28E EV/EBITDA. We increase our FY26/FY27/FY28 earnings estimates by 9%/5%/11% on the back of better-than-expected earnings in 3QFY26—with EBITDA margins beating our estimates, higher other income, and lower interest cost. We value the stock at ~25x FY28E EPS to arrive at our TP of INR7,500.

Consolidated - Quarterly Snapshot

(INR m)

Y/E March	FY25				FY26				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	13,221	13,928	14,168	14,516	14,780	15,519	15,736	16,465	55,834	62,500
YoY Change (%)	11.8	16.7	24.5	19.8	11.8	11.4	11.1	13.4	18.1	11.9
Total Expenditure	10,988	11,501	11,928	12,287	12,425	12,844	12,852	13,439	46,704	51,560
Gross Margin (%)	50.0%	53.1%	50.5%	49.7%	48.7%	46.6%	47.5%	50.0%	50.8%	48.2%
EBITDA	2,232	2,427	2,241	2,229	2,355	2,675	2,884	3,026	9,130	10,940
Margin (%)	16.9	17.4	15.8	15.4	15.9	17.2	18.3	18.4	16.4	17.5
Depreciation	766	775	810	817	820	810	798	830	3,168	3,258
Interest	54	89	43	54	45	49	37	35	240	166
Other Income	130	315	158	487	262	485	386	379	1,090	1,512
PBT before EO expense	1,543	1,878	1,546	1,845	1,752	2,301	2,435	2,540	6,812	9,027
PBT	1,543	1,878	1,546	1,845	1,752	2,301	2,022	2,540	6,812	8,614
Tax	455	514	407	560	447	489	399	737	1,937	2,072
Rate (%)	29.5	27.4	26.4	30.3	25.5	21.3	19.8	29.0	28.4	24.1
Minority Interest and Profit/Loss of Asso. Cos.	33	31	33	16	19	12	13	17	113	61
Reported PAT	1,121	1,395	1,171	1,301	1,324	1,824	1,636	1,821	4,988	6,604
Adj PAT	1,121	1,395	1,171	1,301	1,324	1,824	1,967	1,821	4,988	6,918
YoY change (%)	9.8	52.9	62.5	121.3	18.1	30.7	68.0	39.9	53.9	38.7
Margin (%)	8.5	10.0	8.3	9.0	9.0	11.8	12.5	11.1	8.9	11.1
Segmental Revenue (INR mn)										
Life Science Chemicals	4,236	4,078	4,164	4,439	4,492	4,400	4,543	4,972	16,917	12,680
Performance & Other chemicals	9,386	10,237	10,412	10,547	10,669	11,451	11,554	12,024	40,582	31,196
Others	194	186	187	171	164	263	187	223	739	545
Segmental EBIT (INR mn)										
Life Science Chemicals	710	836	956	966	684	1,009	1,047	-	3,468	2,758
Performance & Other chemicals	852	990	752	855	1,000	1,038	879	-	3,449	2,597
Others	50	27	34	12	23	65	18	0	123	73
Segmental EBIT Margin (%)										
Life Science Chemicals	16.8%	20.5%	23.0%	21.8%	15.2%	22.9%	23.0%	0.0%	20.5%	21.7%
Performance & Other chemicals	9.1%	9.7%	7.2%	8.1%	9.4%	9.1%	7.6%	0.0%	8.5%	8.3%
Others	25.9%	14.3%	18.1%	7.1%	14.3%	24.6%	9.4%	0.0%	16.6%	13.3%

Revised estimates

Earnings change (INR m)	New			Old			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	62,500	69,645	77,415	63,212	70,748	78,634	-1%	-2%	-2%
EBITDA	10,940	12,328	13,964	10,644	12,084	13,450	3%	2%	4%
Adj. PAT	6,983	7,729	8,820	6,387	7,380	7,975	9%	5%	11%
Adj. EPS (INR)	237.0	262.4	299.4	216.8	250.5	270.7	9%	5%	11%

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	CAMS IN
Equity Shares (m)	248
M.Cap.(INRb)/(USDb)	168.4 / 1.8
52-Week Range (INR)	875 / 606
1, 6, 12 Rel. Per (%)	-6/-19/-26
12M Avg Val (INR M)	1721

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
AAUM (INR t)	53.0	61.1	70.5
Revenue	15.2	17.0	19.2
EBITDA	6.8	7.8	8.9
Margin (%)	45.0	45.7	46.5
PAT	4.7	5.5	6.5
PAT Margin (%)	31	33	34
EPS	19.3	22.6	26.4
EPS Grw. (%)	1.9	17.2	16.7
BVPS	53.4	62.4	73.0
Roe (%)	39.0	39.1	39.0
Div. Pay-out (%)	60.0	60.0	60.0

Valuations

P/E (x)	35.1	30.0	25.7
P/BV (x)	12.7	10.9	9.3
Div. Yield (%)	1.7	2.0	2.3

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	0.0	0.0	0.0
DII	22.0	20.8	17.3
FII	44.7	46.9	57.6
Others	33.3	32.3	25.0

FII includes depository receipts

CMP: INR679
TP: INR850 (+25%)
Buy

Performance in line; yields expected to remain stable

- CAMS reported operating revenue of INR3.9b in 3QFY26 (in line), driven by 3% YoY growth in MF revenue and 24% YoY growth in non-MF revenue. For 9MFY26, revenue came in at INR11.2b, growing 5% YoY.
- Total operating expenses grew 7% YoY to INR2.1b (in line). Employee expenses/other expenses grew 4%/12% YoY to ~INR1.2b/INR868m. EBITDA came in at INR1.8b, growing 4% YoY, reflecting an EBITDA margin of 45.9% (vs 46.7% in 3QFY25 and our est. of 45.4%). For 9MFY26, EBITDA grew 2% YoY to INR5b.
- PAT was flat YoY at INR1.2b (in line), with a PAT margin of 31.9% vs. 33.6% in 3QFY25. For 9MFY26, PAT dipped 2% YoY to INR3.5b.
- While a minor yield reset owing to recent TER regulations is possible (impact of INR200-250m on earnings, according to management), AMCs have not initiated discussions yet. The company maintains over 20% revenue growth guidance in the non-MF segment, with an aim to achieve 25-30% EBITDA margin over the next 2-3 years in this segment (over 13% in 3QFY26).
- We have largely kept our estimates intact. We expect revenue/EBITDA/PAT to post a CAGR of 10%/11%/12% over FY25-28. However, the possibility of yield resets arising from TER regulations remains a risk. We reiterate a BUY rating on the stock with a revised TP of INR850 (based on 32x FY28E P/E).

Strong momentum in the non-MF businesses

- CAMS' AAUM grew 18% YoY and 5% QoQ to INR54.7t in 3QFY26, with a market share of ~68%. Equity mix stood at 55.6% vs 55.3% in 3QFY25 and 55.1% in 2QFY26. Equity AUM rose 19% YoY to INR30.4t.
- The transaction volume grew 14% YoY and 5% QoQ to 272.8m in 3QFY26, with investor folios rose 18.5% YoY to 107.8m.
- **MF segment's revenue** grew 3% YoY to INR3.3b, contributing ~85.5% to total revenue. MF asset-based contributions accounted for ~86% of total MF revenue, while non-asset contributions made up ~14%.
- Non-MF revenue grew 24% YoY to INR566m, contributing 14.5% to total revenue. This was driven by 16%/59%/15%/6% YoY growth in CAMS Alternatives/CAMS Pay/CAMS Rep/CAMS KRA.
- **CAMS Alternatives** posted its highest-ever quarterly revenue in 3QFY26, backed by continued momentum in business acquisition, with 30 new mandates and overall AUM crossing INR3t. The Wealthserv platform crossed 250 mandates and continues to see widespread adoption.
- With a significant ramp-up in the recently launched payments gateway business and continued momentum in bases, **CAMSPay** posted a robust performance, signing 22 new deals in 3QFY26. UPI AutoPay mandate registration clocked 130,000 mandates/day in Oct'25, while mandate registration from the NBFC sector increased 12% YoY.
- **CAMSRep** added 0.7m policies and 0.55m eIA, commanding over 40% market share. Bima Central continues its strong momentum with 2m unique users and 173,000 transactions in 3QFY26. The recently launched Bima Central Administrator has witnessed a strong response from insurers and distributors.

- **CAMS KRA** witnessed sequential as well as YoY growth in revenue despite a decline in incremental demat accounts. The business crossed 21.5m unique users, maintaining the position of the second largest KRA. 25 new intermediaries partnered with CAMS KRA for onboarding, and the market positioning has improved following the successful migration of NSE KRA to CAMS KRA.
- With respect to other non-MF businesses, CAMS Finserv signed 38 new deals in 3QFY26. Think360's revenue grew 28% YoY. CAMS NPS achieved 80% YoY revenue growth, backed by two new bank sign-ups.
- Other income at INR129m declined 14% YoY/grew 6% QoQ and was in line with our estimates.
- The Board approved an interim dividend of INR3.5/share.

Key takeaways from the management commentary

- CAMS reported its highest-ever quarterly EBITDA, despite absorbing the INR280m labor code impact. While certain labor code rules are yet to be notified, the company has already taken the full gratuity impact, which is expected to be the largest component, hence limiting the likelihood of any meaningful incremental cost going forward.
- Headcount remained flat in CY25, despite significant business expansion, reflecting strong automation, tech interventions, and cloud migration. Revenue per employee continues to improve even as new AMCs are onboarded.
- Competitive intensity remains unchanged. In CY24, six mandates were won, with selective participation in price-sensitive bids, and management expects similar mandate wins this year as well (four AMCs won already). CAMS continues to prioritize profitable mandates and premium value positioning.

Valuation and view

- Following the yield correction in the MF RTA business due to a reset for one of the large customers, yields have remained largely stable. While we remain optimistic about future AUM growth, supported by strong SIP momentum across the industry, there is a possibility of yield pressure due to the new TER regulations. Despite this, profitability has started to improve, given scale benefits in the non-MF businesses, which are largely platform-led.
- We have largely kept our estimates intact. We expect revenue/EBITDA/PAT to post a CAGR of 10%/11%/12% over FY25-28. However, the possibility of yield resets owing to TER regulations remains a risk. **We reiterate a BUY rating on the stock with a revised TP of INR850 (based on 32x FY28E P/E).**

Quarterly Performance

(INR m)

Y/E March	FY25				FY26				FY25	FY26E	3Q FY26E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE						
Revenue from Operations	3,314	3,652	3,697	3,562	3,542	3,767	3,901	3,976	14,225	15,186	3,922	-0.5	5.5	3.6
Change YoY (%)	26.8	32.7	27.6	14.7	6.9	3.2	5.5	11.6	25.2	6.8	6.1			
Employee expenses	1,130	1,186	1,197	1,178	1,224	1,248	1,245	1,255	4,691	4,972	1,272.9	-2.2	4.0	(0.3)
Total Operating Expenses	1,816	1,950	1,969	1,968	1,999	2,091	2,112	2,156	7,703	8,358	2,142	-1.4	7.3	1.0
Change YoY (%)	20.1	27.5	22.8	17.8	10.1	7.3	7.3	9.5	21.9	8.5	8.8			
EBITDA	1,498	1,702	1,728	1,594	1,543	1,676	1,789	1,820	6,522	6,828	1,780	0.5	3.5	6.7
Other Income	117	126	149	134	131	122	129	142	526	525	130	-0.9	(13.8)	5.6
Depreciation	170	184	195	228	208	246	253	256	777	964	253	0.1	29.8	3.2
Finance Cost	21	22	21	20	19	18	17	22	85	77	18	-8.8	(21.8)	(8.8)
PBT	1,424	1,622	1,661	1,479	1,444	1,534	1,647	1,683	6,187	6,312	1,639	0.5	(0.8)	7.4
Change YoY (%)	40.7	44.4	39.9	9.9	1.4	-5.5	-0.8	13.8	32.5	2.0	-1.3			
Tax Provisions	354	414	420	351	363	394	401	419	1,540	1,578	418	-4.0	(4.5)	1.7
Net Profit	1,070	1,208	1,241	1,128	1,080	1,139	1,246	1,264	4,647	4,734	1,221	2.1	0.4	9.4
Change YoY (%)	41.3	44.2	40.2	9.5	1.0	-5.7	0.4	12.1	32.4	1.9	-1.6			

Key Operating Parameters (%)

Cost to Operating Income Ratio	54.8	53.4	53.3	55.3	56.4	55.5	54.1	54.2	54.1	55.0	54.6	-0.5	0.9	(1.4)
EBITDA Margin	45.2	46.6	46.7	44.7	43.6	44.5	45.9	45.8	45.9	45.0	45.4	0.5	(0.9)	1.4
PBT Margin	43.0	44.4	44.9	41.5	40.8	40.7	42.2	42.3	43.5	41.6	41.8	0.4	(2.7)	1.5
Tax Rate	24.9	25.5	25.3	23.7	25.2	25.7	24.4	24.9	24.9	25.0	25.5	-1.1	(0.9)	(1.4)
PAT Margin	32.3	33.1	33.6	31.7	30.5	30.2	31.9	31.8	32.7	31.2	31.1	0.8	(1.6)	1.7

Key Parameters

QAUM (INR t)	40.3	44.8	46.3	45.6	48.7	52.1	54.7	56.4	44.1	53.0	54.5	0.4	18.1	5.0
Share of Equity AUM (%)	53.3	55.4	55.3	54.4	54.8	55.1	55.6	55.6	54.9	55.3	55.3		0.3	0.5

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	ZENT IN
Equity Shares (m)	227
M.Cap.(INRb)/(USDb)	160.3 / 1.7
52-Week Range (INR)	985 / 536
1, 6, 12 Rel. Per (%)	0/-13/-24
12M Avg Val (INR M)	935

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	57.0	61.3	68.4
EBIT Margin (%)	14.3	14.4	14.5
Adj. PAT	7.5	8.1	9.0
Adj. EPS (INR)	32.5	35.1	39.3
EPS Gr. (%)	14.5	8.1	11.8
BV/Sh. (INR)	194.6	211.3	230.0

Ratios

RoE (%)	17.6	17.5	18.0
RoCE (%)	13.8	13.8	14.4
Payout (%)	45.9	45.9	45.9

Valuations

P/E (x)	21.7	20.1	17.9
P/BV (x)	3.6	3.3	3.1
EV/EBITDA (x)	15.2	13.6	11.7
Div Yield (%)	2.1	2.3	2.6

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	49.0	49.0	49.1
DII	23.1	22.2	19.8
FII	12.1	13.3	15.1
Others	15.7	15.4	16.0

FII Includes depository receipts

CMP: INR705 TP: INR1,000 (+42%) Buy

Revenue recovery still in progress

Mid-teens margin intact, TMT and seasonality weigh on growth

- Zensar (ZENT)'s 3QFY26 revenue declined 1.3% QoQ CC (vs. our est. of a 1.7% CC decline). MCS grew 3.4% QoQ CC, while TMT/HLS dipped 8.7%/2.3% QoQ CC. **Deal TCV:** Bookings came in at USD180m (up 14% QoQ/down 12% YoY), and the book-to-bill was 1.1x. EBIT margin was 16.0% (est. 14.3%), up 240bp QoQ. Adj. PAT of INR2,191m (up 20.3% QoQ/37.2% YoY) was above our estimate of INR1,798m. The adj. PAT excluded a one-time impact of costs related to labor codes amounting to INR254m.
- For 9MFY26, revenue/EBIT/adj. PAT grew 8.0%/16.3%/23.2% YoY. For 4QFY26, we expect revenue/EBIT to grow 7.9%/8.0% while adj. PAT is likely to decline 7.5% YoY. We reiterate our **BUY** rating on the stock with a TP of INR1,000, premised on 26x FY28E EPS.

Our view: Order intake healthy

- **Healthy margins, led by increased offshore mix; part of margin gains likely to normalize:** EBIT margin expanded to 16%, up ~240bp QoQ, driven by a higher offshore mix, favorable forex, leave utilization, and operational efficiencies. Offshore mix has improved by ~400bp YoY and, in our view, looks structural given the nature of work being won and higher offshore feasibility in AI-led engagements. That said, we believe benefits from leave utilization and select efficiencies could normalize, with part of the upside likely reinvested into AI capabilities and sales. Management reiterated mid-teens margin guidance. We build in a 15.6% margin for 4QFY26 and estimate EBITDA margins of 15.9%/16.2% for FY26E/FY27E.
- **Revenue softer on seasonality, but volume trends supportive:** ZENT reported a 1.3% QoQ CC decline in 3QFY26, better than our estimates, as furloughs and seasonality weighed on growth. Performance remained uneven across verticals, with MCS growing 3.4% QoQ CC, offset by weakness in TMT and a modest decline in HLS. Volumes were healthy, led by offshore delivery, with offshore volumes up 3.1% QoQ and overall volumes up 1.7%. We think higher working days in 4Q should help volumes translate better into revenue, and accordingly, we expect 1.3% QoQ CC growth in 4QFY26E.
- **Deal momentum steady:** Order intake rose 13.6% QoQ to USD180m, with a book-to-bill of 1.12x, indicating a stable pipeline despite a cautious macro. About 20% of the order book is AI-influenced, reflecting a focus on cost optimization. While management is comfortable with a BTB range of 0.9x–1.2x, we believe revenue conversion from these deals will remain an important monitor as discretionary spending remains muted.
- **Vertical outlook mixed; TMT continues to be a drag:** BFS delivered steady performance, particularly in Europe and Africa. Manufacturing & Consumer was seasonally weak, though early green shoots are visible in retail. Life sciences remained under pressure due to consolidation, but exposure is limited. TMT continues to face structural challenges from AI hardware-led capex shifts and pricing pressure. In our opinion, overall growth is likely to remain uneven.

Valuation and changes to our estimates

- ZENT's 3Q performance was supported more by margin execution than by a broad-based growth recovery. Improvement in offshore mix provides downside support to margins, even as some benefits normalize and part of the gains are reinvested. At the same time, revenue visibility remains mixed, with volume traction and a steady deal pipeline offset by uneven vertical performance and continued weakness in TMT.
- We slightly raise our estimates for FY26/FY27 numbers by 2.8%/1.5% to reflect stronger margin delivery in 3Q, while keeping growth assumptions largely unchanged. We expect EBITDA margins of 15.9%/16.2% for FY26/FY27, translating into a PAT CAGR of ~10% over FY26–28E. Our TP of INR 1,000 is premised on 26x FY28E EPS. We reiterate our **BUY** rating on the stock.

Beat on revenue and margins; offshore mix improves 400bp YoY

- ZENT revenue was USD160.5m, down 1.3% QoQ in CC terms, above our estimate of a 1.7% QoQ CC decline. Reported USD revenue was down 1.4% QoQ.
- MCS grew 3.4% QoQ CC, while TMT/HLS declined 8.7% /2.3% QoQ CC.
- EBIT margin was 16% (est. 14.3%), up 240bp QoQ.
- In 3Q, total headcount reached 10,732 (up 1.7% QoQ). LTM attrition stood at 9.5%, down 30bp QoQ. Utilization was down 130bp QoQ at 83.5%.
- The company's order book stood at USD180m, up 13.6% QoQ.
- Adj. PAT of INR2,191m (up 20.3% QoQ/37.2% YoY) above our estimate of INR1,798m. This excluded the one-time impact of costs related to labor codes amounting to INR254m.
- The Board declared an interim dividend of INR2.4/share for 3QFY26.

Key highlights from the management commentary

- The macro environment remains uncertain. Client budgets for CY26 reflect delayed spending decisions and a stronger push toward vendor consolidation.
- The IT industry is going through a structural shift, with accelerated AI adoption driven by economic uncertainty. Spending is increasingly focused on cost optimization and vendor consolidation over discretionary spending.
- Overall revenue stood at USD 160.5m, down 1.3% QoQ in constant currency. Seasonality and furloughs weighed on growth during the quarter.
- Growth was aided by healthy volume traction, largely driven by offshore delivery.
- Offshore volumes grew 3.1%, while overall volumes increased 1.7%. On-site volumes declined due to continued work migration offshore.
- Management maintained mid-teens margin guidance.
- Offshore mix improvement is viewed as structural and sustainable, while benefits from leave utilization and certain efficiencies may normalize in the coming quarters.
- Part of the margin expansion is expected to be reinvested into AI capabilities and sales to support long-term growth.
- **TMT:** The vertical remains under stress and has seen YoY decline for 11 consecutive quarters. Spending is shifting from services to capital investments, particularly AI hardware. A meaningful recovery is not expected; at best, revenues may remain flat. TMT now accounts for ~18% of total revenue. Competitive intensity remains high, with peers offering steep discounts of up to ~30% to retain clients.

Valuation and view

- ZENT's 3Q performance was supported more by margin execution than by a broad-based growth recovery. Improvement in offshore mix provides downside support to margins, even as some benefits normalize and part of the gains are reinvested. At the same time, revenue visibility remains mixed, with volume traction and a steady deal pipeline offset by uneven vertical performance and continued weakness in TMT.
- We slightly raise our estimates for FY26/FY27 numbers by 2.8%/1.5% to reflect stronger margin delivery in 3Q, while keeping growth assumptions largely unchanged. We expect EBITDA margins of 15.9%/16.2% for FY26/FY27, translating into a PAT CAGR of ~10% over FY26–28E. Our TP of INR 1,000 is premised on 26x FY28E EPS. We reiterate our **BUY** rating on the stock.

Quarterly performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QFY26	(% / bp)
Revenue (USD m)	154	156	157	157	162	163	161	163	624	649	160	0.3
QoQ (%)	4.3	1.2	0.5	-0.1	3.3	0.5	-1.4	1.9	5.4	3.9	-1.7	26bp
Revenue (INR m)	12,881	13,080	13,256	13,589	13,850	14,213	14,307	14,668	52,806	57,038	14,252	0.4
YoY (%)	5.0	5.4	10.1	10.5	7.5	8.7	7.9	7.9	7.7	8.0	7.5	41bp
GPM (%)	30.4	28.1	30.1	30.3	30.5	31.0	33.8	32.0	29.7	31.8	30.5	327bp
SGA (%)	15.2	12.7	14.5	14.7	15.3	15.6	16.3	16.4	14.3	15.9	14.5	181bp
EBITDA	1,961	2,011	2,069	2,125	2,106	2,199	2,499	2,288	8,166	9,092	2,280	9.6
EBITDA Margin (%)	15.2	15.4	15.6	15.6	15.2	15.5	17.5	15.6	15.5	15.9	16.0	147bp
EBIT	1,714	1,714	1,832	1,887	1,875	1,947	2,296	2,039	7,147	8,157	2,038	12.7
EBIT Margin (%)	13.3	13.1	13.8	13.9	13.5	13.7	16.0	13.9	13.5	14.3	14.3	175bp
Other income	383	366	270	411	531	454	607	131	1,430	1,723	327	85.5
ETR (%)	24.7	25.1	24.0	23.2	24.4	24.2	24.5	24.8	24.2	24.5	24.0	
Adj. PAT	1,579	1,558	1,597	1,764	1,820	1,821	2,191	1,632	6,498	7,464	1,798	21.9
QoQ (%)	-8.9	-1.3	2.5	10.5	3.2	0.1	20.3	-25.5			-1.3	
YoY (%)	1.1	-10.4	-1.2	1.8	15.3	16.9	37.2	-7.5	-2.3	14.9	12.6	
Exceptional Items	0.0	0.0	0.0	0.0	0.0	0.0	193.0	0.0	0	193		
Reported PAT	1,579	1,558	1,597	1,764	1,820	1,821	1,998	1,632	6,498	7,271	1,798	11.1
Adj. EPS (INR)	6.9	6.8	7.0	7.7	7.9	7.9	9.5	7.1	28.4	32.5	7.8	21.9

Key Performance Indicators

Y/E March	FY25				FY26			FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
Revenue (QoQ CC %)	4.3	0.3	0.7	0.9	1.9	0.0	(1.3)	
Margins								
Gross Margin	30.4	28.1	30.1	30.3	30.5	31.0	33.8	29.7
EBIT Margin	13.3	13.1	13.8	13.9	13.5	13.7	16.0	13.5
Net Margin	12.3	11.9	12.0	13.0	13.1	12.8	15.3	12.3
Operating metrics								
Headcount	10,396	10,240	10,517	10,702	10,620	10,550	10,732	10,702
LTM Attrition (%)	10.6	10.1	10.0	9.9	9.8	9.8	9.5	10
Offshore Rev	48.6	50.3	50.5	51.0	52.6	54.2	54.5	51.0
Key Geographies (YoY USD %)								
North America	2.4	6.4	10.6	8.1	4.3	2.7	(0.5)	6.8
UK	6.6	1.6	7.5	5.9	8.6	6.2	6.1	5.3
Africa	4.3	(4.5)	(0.2)	(3.8)	2.2	9.8	10.2	(1.2)

India Cements

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR432 TP: INR370 (-14%) Sell

EBITDA above estimate, led by strong volume growth

- India Cements (ICEM) reported EBITDA of INR795m (~35% beat) in 3QFY26 vs. an operating loss of INR1.9b in 3QFY25. EBITDA beat was led by higher volume and lower opex/t vs. our estimates. EBITDA/t stood at INR307 (vs. estimate of INR251). Adjusted PAT stood at INR1.0m (vs. estimated loss of INR277m) vs. a loss of INR2.6b in 3QFY25.
- ICEM is making significant investments in renewable energy (WHRS and other RE power sources). It aims to increase the share of RE power to ~80% by FY29 from ~5% currently. It plans to scale up WHRS capacity to ~30MW by FY28-29E from ~9MW currently and other RE power capacity to ~250MW by FY28-29E from ~20MW currently. It has committed a capex of INR20.0b over the next two years towards capacity expansion and efficiency improvement. The company's average capacity utilization stood at ~69% in 3QFY26 vs. ~65%/61% in 2Q/1QFY26. The trade mix improved to ~75% vs. ~68% in 2QFY26, and direct sales increased to ~77% from ~70% in 2QFY26.
- We raised our EBITDA estimate for FY26 by ~9% to factor in outperformance in 3QFY26, while maintaining it for FY27-28E. We value ICEM at 14x FY28E EV/EBITDA to arrive at our TP of INR370. Reiterate Sell.

Volume grows ~24% YoY; EBITDA/t at INR307 (est. INR251)

- ICEM's revenue increased ~23% YoY to INR11.1b (~6% above estimates) in 3QFY26. Volume increased ~24% YoY (up 6% QoQ) to 2.6mt. Realization/t declined ~1% YoY (down ~6% QoQ; ~4% below estimates).
- ICEM's opex/t dipped ~24%/6% YoY/QoQ (~6% below estimates), resulting from sustained cost-reduction initiatives across operational parameters. Variable cost/other expenses/freight cost per ton declined ~15%/20%/43% YoY. Employee costs declined 31% YoY. EBITDA/t stood at INR307 vs. a loss in 3QFY25. Depreciation increased ~35% YoY and interest cost declined ~59%. Other income was up 2.4x YoY to INR258m.
- In 9MFY26, ICEM's revenue grew ~13% YoY to INR32.6b. It posted EBITDA of INR2.4b vs. an operating loss of INR3.8b in 9MFY25. Adjusted net loss stood at INR206m vs. INR6.7b in 9MFY25. Sales volume grew ~14 YoY to 7.2mt. EBITDA/t stood at INR337. Net debt stood at INR11.6b vs. INR11.4b as of Mar'25.

Valuation and view

- ICEM is witnessing operational improvement under UTCCEM's leadership with recovery in margins, steady improvement in capacity utilization, and a surge in trade share/direct sales. We estimate the company's revenue CAGR at ~11% over FY25-28, led by a volume/realization CAGR of ~9%/2%. We estimate an EBITDA CAGR of ~54%, albeit on a low base, and an EBITDA/t of INR568/756 in FY27E/FY28E vs. INR382 in FY26E.
- We believe the current valuation at 16x EV/EBITDA on FY28E has priced in most of the operational improvements that are expected from this transition and, hence, limits the further scope of re-rating. We value ICEM at 14x FY28E EV/EBITDA to arrive at our TP of INR370. Reiterate Sell.

Bloomberg	ICEM IN
Equity Shares (m)	310
M.Cap.(INRb)/(USDb)	133.7 / 1.5
52-Week Range (INR)	490 / 239
1, 6, 12 Rel. Per (%)	2/17/30
12M Avg Val (INR M)	324

Financial Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	45.8	51.3	56.6
EBITDA	3.9	6.3	9.2
Adj. PAT	0.2	1.7	3.6
EBITDA Margin (%)	8.5	12.4	16.3
Adj. EPS (INR)	0.8	5.6	11.7
EPS Gr. (%)	n/m	n/m	108.6
BV/Sh. (INR)	311	316	326

Ratios

Net D:E	0.2	0.2	0.2
RoE (%)	0.2	1.8	3.6
RoCE (%)	1.1	2.6	4.2
Payout (%)	0.0	8.9	12.9

Valuations

P/E (x)	n/m	77.3	37.0
P/BV (x)	1.4	1.4	1.3
EV/EBITDA(x)	38.2	24.4	16.3
EV/ton (USD)	109	96	93
Div. Yield (%)	0.0	0.1	0.3

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	75.0	75.6	55.5
DII	12.8	12.3	6.7
FII	3.4	3.1	14.5
Others	8.8	9.0	23.3

FII Includes depository receipts

Standalone quarterly performance

(INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Sales Volumes (mt)	2.0	2.3	2.1	2.6	2.2	2.4	2.6	2.9	9.0	10.2	2.3	11
Change (YoY %)	(26.4)	(2.9)	5.0	8.4	11.2	6.0	24.3	11.6	(5.0)	13.0	12.4	
Realization (INR/ton)	4,954	4,416	4,333	4,535	4,700	4,578	4,302	4,498	4,549	4,511	4,488	(4)
Change (YoY %)	(5.2)	(14.4)	(20.5)	(11.3)	(5.1)	3.7	(0.7)	(0.8)	(13.0)	(0.8)	3.6	
Change (QoQ %)	(3.1)	(10.9)	(1.9)	4.6	3.7	(2.6)	(6.0)	4.6			(2.0)	
Net Sales	9.7	10.2	9.0	12.0	10.2	11.2	11.1	13.2	40.9	45.8	10.5	6
Change (YoY %)	(30.3)	(16.8)	(16.5)	(3.9)	5.5	9.9	23.4	10.7	(17.3)	12.0	16.4	
EBITDA	(0.3)	(1.6)	(1.9)	0.0	0.8	0.8	0.8	1.5	(3.8)	3.9	0.6	35
Change (YoY %)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	
Margin (%)	(3.2)	(16.1)	(20.9)	0.0	8.0	7.3	7.1	11.0	(9.4)	8.5	5.6	
Depreciation	0.6	0.5	0.6	0.7	0.7	0.7	0.7	0.8	2.4	3.0	0.8	(0)
Interest	0.8	0.7	0.7	0.5	0.3	0.3	0.3	0.4	2.8	1.3	0.3	(8)
Other Income	0.1	0.1	0.1	0.2	0.1	0.1	0.3	0.3	0.5	0.8	0.1	108
PBT before EO expense	(1.6)	(2.8)	(3.1)	(1.0)	(0.2)	(0.1)	0.0	0.6	(8.5)	0.3	(0.4)	NM
Extra-Ord. expense	(2.4)	(0.1)	1.9	0.0	-	-	0.1	-	(0.5)	0.1	-	
PBT	0.8	(2.7)	(5.0)	(1.0)	(0.2)	(0.1)	(0.1)	0.6	(7.9)	0.2	(0.4)	NM
Tax	0.0	(0.3)	(0.7)	(0.3)	(0.0)	(0.0)	(0.0)	0.1	(1.3)	0.1	(0.1)	
Rate (%)	1.7	12.6	13.7	25.2	15.3	39.4	25.2	25.1	16.0	25.0	25.0	
Reported PAT	0.8	(2.4)	(4.3)	(0.8)	(0.1)	(0.1)	(0.1)	0.4	(6.7)	0.2	(0.3)	NM
Tax	-	-	-	-	-	-	-	-	-	-	-	
Adj. PAT	(1.6)	(2.5)	(2.6)	(0.7)	(0.1)	(0.1)	0.0	0.4	(7.4)	0.2	(0.3)	NM
Change (YoY %)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	
Margin (%)	(16.4)	(24.2)	(29.3)	(6.2)	(1.3)	(0.6)	0.0	3.3	(18.2)	0.5	(2.6)	

Per ton analysis

(INR/t)

RM Cost	951	982	1,052	860	725	1,057	931	873	955	900	920	1
Employee Expenses	461	410	418	255	284	236	231	195	418	233	248	(7)
Power, Oil, and Fuel	1,826	1,843	1,916	1,801	1,741	1,504	1,597	1,687	1,844	1,632	1,610	(1)
Freight cost	1,067	1,060	1,041	922	915	812	589	585	1,017	712	840	(30)
Other Expenses	808	834	810	695	659	636	647	666	741	652	620	4
Total Expense	5,112	5,128	5,237	4,533	4,324	4,245	3,995	4,006	4,975	4,129	4,238	(6)
EBITDA	(158)	(712)	(904)	2	376	334	307	493	-426	382	251	23
YoY (%)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	

Granules India

Estimate change



TP change



Rating change



Bloomberg	GRAN IN
Equity Shares (m)	243
M.Cap.(INRb)/(USDb)	137.1 / 1.5
52-Week Range (INR)	627 / 412
1, 6, 12 Rel. Per (%)	-4/19/-14
12M Avg Val (INR M)	676

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	53.4	62.4	72.6
EBITDA	11.6	14.3	16.8
Adj. PAT	5.9	7.9	9.7
EBIT Margin (%)	16.4	17.9	18.4
Cons. Adj. EPS (INR)	23.9	32.0	39.0
EPS Gr. (%)	23.8	34.2	21.7
BV/Sh. (INR)	172.0	202.8	240.8

Ratios

Net D:E	0.3	0.3	0.2
RoE (%)	14.8	17.1	17.6
RoCE (%)	12.5	14.6	15.4
Payout (%)	5.1	3.7	3.0

Valuations

P/E (x)	23.7	17.6	14.5
EV/EBITDA (x)	15.3	12.3	10.3
Div. Yield (%)	0.2	0.2	0.2
FCF Yield (%)	-1.6	1.8	2.5
EV/Sales (x)	3.3	2.8	2.4

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	38.8	38.8	38.8
DII	17.5	17.9	19.6
FII	13.6	14.1	15.9
Others	30.2	29.2	25.7

FII includes depository receipts

CMP: INR565
TP: INR670 (+19%)
Buy

FDF-led mix shift drives the beat

Work in progress to resolve the Gagillapur issue and Peptide-CDMO/ADHD portfolio

- Granules India (GRAN) delivered higher-than-expected revenue/EBITDA/PAT (beat of 10%/11%/7%) for the quarter. Higher formulation (FDF) and intermediates (PFI) sales led to continued improvement in overall performance for the quarter.
- Geographically, Europe's sales scale-up was due to higher off-take from customers and the launch of new products.
- GRAN continued to optimize product offerings towards a higher share of FDF and PFI and used API for captive consumption and less for external sales.
- The complex generics revenue share has increased considerably from 27% YoY to 49% for 3QFY26. Accordingly, the integrated generics' share reduced from 68% of sales to 47% of sales in 3QFY26.
- We raise our earnings estimate by 2.5%/4% for FY26/FY27, factoring in 1) the scale-up, which is driving EBITDA of the Ascelis Peptide CDMO business, 2) the scale-up of the ADHD portfolio in the US, and 3) expanding product offerings across key markets (US/EU/ROW). We value GRAN at 19x 12M forward earnings to arrive at our TP of INR670. **Reiterate BUY.**

A shift towards complex generics improved profitability

- GRAN's 3QFY26 sales grew 22% YoY to INR13.9b (our est. of INR12.1b), with steady momentum in FDF sales and the addition of CDMO sales.
- FDF sales grew 22% YoY to INR10.5b (76% of sales). Intermediate (PFI) sales grew 13% YoY to INR1.5b (11% of sales). API sales grew 9% YoY to INR1.5b (11% of sales). CDMO sales grew 1% QoQ to INR1.5b (2% of sales).
- Gross margin (GM) expanded 220bp to 63.9% due to a better product mix in the FD segment and lower RM costs as a % of sales.
- The EBITDA margin expanded 200bp YoY to 22.2% (our est. of 22%) due to a higher gross profit. Higher employee cost (+150bp YoY as % of sales) was offset by lower other expenses (down 130bp as % of sales).
- EBITDA grew by 34% YoY to INR3.1b (our est. of INR2.8b) for the quarter.
- Adjusted PAT grew by 27.7% YoY to INR1.5b (our estimate: INR1.4b).
- For 9MFY26, the company's revenue/EBITDA/PAT grew 19%/20%/18% to INR39b/INR8.3b/INR4b.

Highlights from the management commentary

- GRAN is on track to achieve an EBITDA break-even in the Peptide/CDMO businesses.
- It met the USFDA with respect to the Gagillapur site. GRAN is likely to submit documents, based on the meeting outcome, to resolve the regulatory issues.
- In addition, as risk mitigation efforts, GRAN has filed select products from the US and GLS facilities.
- Overall, GRAN is expected to exhibit business scale-up and subsequent improvement in profitability going forward.

- The paracetamol-related inventory situation eased at the industry level in certain geographies. Accordingly, GRAN expects a revival in demand for the product.
- GRAN has 8-9 products in the controlled substance category as a part of its complex generics portfolio. It expects 3-4 launches over the medium term.
- Post-EU approvals at the site, GRAN is expected to scale up its business from the Genome site.

Consolidated - Quarterly Earnings Model

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	vs Est
Net Sales	11,799	9,666	11,377	11,974	12,101	12,970	13,879	14,469	44,816	53,419	12,611	10.1
YoY Change (%)	19.7	-18.7	-1.5	1.8	2.6	34.2	22.0	20.8	-0.5	19.2	10.9	
Total Expenditure	9,206	7,633	9,074	9,451	9,634	10,188	10,799	11,155	35,364	41,775	9,837	
EBITDA	2,593	2,033	2,303	2,524	2,467	2,782	3,081	3,313	9,452	11,644	2,775	11.0
YoY Change (%)	64.2	-4.5	-8.1	-1.3	-4.8	36.8	33.8	31.3	7.8	23.2	20.5	
Margins (%)	22.0	21.0	20.2	21.1	20.4	21.5	22.2	22.9	21.1	21.8	22.0	
Depreciation	529	525	566	635	688	720	735	740	2,255	2,884	715	
EBIT	2,064	1,508	1,737	1,889	1,779	2,062	2,346	2,573	7,197	8,759	2,060	13.9
YoY Change (%)	90.0	-6.0	-12.3	-6.7	-13.8	36.7	35.1	36.2	7.5	21.7	18.6	
Margins (%)	17.5	15.6	15.3	15.8	14.7	15.9	16.9	17.8	16.1	16.4	16.3	
Interest	270	257	266	240	238	292	287	283	1,032	1,100	283	
Other Income	21	32	57	19	163	-11	-36	36	129	152	32	
PBT before EO expense	1,814	1,284	1,528	1,668	1,704	1,759	2,022	2,326	6,294	7,812	1,808	11.8
Extra-Ord expense	0	0	0	-308	259	0	0	0	-308	259	0	
PBT	1,814	1,284	1,528	1,976	1,445	1,759	2,022	2,326	6,601	7,552	1,808	11.8
Tax	468	311	352	455	319	453	520	547	1,587	1,838	405	
Rate (%)	25.8	24.3	23.0	23.0	22.1	25.7	25.7	23.5	24.0	24.3	22.4	
(Profit)/Loss of JV/Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	1,346	972	1,176	1,520	1,126	1,306	1,502	1,780	5,015	5,714	1,403	7.0
Adjusted PAT	1,346	972	1,176	1,284	1,328	1,306	1,502	1,780	4,778	5,916	1,403	7.0
YoY Change (%)	112.7	-4.8	-6.4	-1.0	-1.4	34.3	27.7	38.6	13.6	23.8	19.3	
Margins (%)	11.4	10.1	10.3	10.7	11.0	10.1	10.8	12.3	10.7	11.1	11.1	

E: MOSL Estimates

Key performance Indicators (Consolidated)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q
FD	8,912	7,490	8,674	9,259	8,989	9,657	10,548	10,926	34,335	40,120	9,541
YoY Change (%)	64.4	1.6	13.7	7.1	0.9	28.9	21.6	18.0	18.0	16.8	10.0
PFI	997	756	1,309	1,232	1,194	1,331	1,481	1,441	4,294	5,447	1,178
YoY Change (%)	-32.6	-47.0	-24.5	-16.9	19.8	76.1	13.1	17.0	-29.7	26.9	-10.0
API	1,890	1,420	1,393	1,483	1,627	1,705	1,515	1,602	6,186	6,449	1,602
YoY Change (%)	-36.1	-52.2	-36.6	-9.2	-13.9	20.1	8.8	8.0	-37.0	4.2	15.0
Cost Break-up											
RM Cost (% of Sales)	41.1	38.0	38.3	36.6	35.1	34.3	36.1	35.8	61.5	64.6	34.5
Staff Cost (% of Sales)	13.9	16.5	14.7	14.1	16.8	16.9	16.3	15.5	14.7	16.3	16.2
Other Cost (% of Sales)	23.1	24.5	26.7	28.2	27.7	27.3	25.4	25.8	25.7	26.5	27.3
Gross Margins (%)	58.9	62.0	61.7	63.4	64.9	65.7	63.9	64.2	38.5	35.4	65.5
EBITDA Margins (%)	22.0	21.0	20.2	21.1	20.4	21.5	22.2	22.9	21.1	21.8	22.0
EBIT Margins (%)	17.5	15.6	15.3	15.8	14.7	15.9	16.9	17.8	16.1	16.4	16.3

E: MOSL Estimates

Home First Finance

Estimate change	↔
TP change	↔
Rating change	↔

Stock Info

Bloomberg	HOMEFIRS IN
Equity Shares (m)	104
M.Cap.(INRb)/(USDb)	115.6 / 1.3
52-Week Range (INR)	1519 / 839
1, 6, 12 Rel. Per (%)	3/-20/4
12M Avg Val (INR M)	458
Free float (%)	87.7

Financials Snapshot (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	8.8	10.9	13.1
PPoP	7.7	9.1	10.8
PAT	5.4	6.5	7.8
EPS (INR)	52.8	63.2	75.4
EPS Gr. (%)	24.4	19.7	19.4
BV/Sh. (INR)	415	473	544
ABV/Sh. (INR)	401	457	526

Ratios

NIM (%)	6.2	6.1	5.9
C/I ratio (%)	32.1	32.7	32.8
RoAA (%)	4.0	4.0	3.8
RoAE (%)	16.0	14.2	14.8

Valuations

P/E (x)	21.1	17.6	14.7
P/BV (x)	2.7	2.3	2.0
P/ABV (x)	2.8	2.4	2.1
Div. Yield (%)	0.4	0.4	0.4

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	12.4	12.4	14.3
DII	27.6	28.8	18.3
FII	40.8	40.0	37.9
Others	19.2	18.8	29.5

FII includes depository receipts

CMP: INR1,113 TP: INR1,370 (+23%) Buy

Stabilization in asset quality; business momentum to accelerate

Stage 3 inches up, but early delinquencies improve; BT-Out rates dip

- HomeFirst's 3QFY26 PAT grew 44% YoY to INR1.4b (in line). Excluding the provisions on the new labor codes, PAT growth was 47% YoY. NII grew 44% YoY to INR2.3b (5% beat). Other income grew 6% YoY to INR549m (vs. MOFSL of INR704m). The decline in other income was due to a dip in treasury income.
- Opex grew 23% YoY to INR926m (in line). The company made provisions of INR33m towards employee benefits on account of the new labor codes. PPoP rose ~41% YoY to INR2b (in line). Credit costs stood at INR142m (in line), translating into an annualized credit cost of ~46bp (PQ: ~53bp and PY: ~40bp).
- Manoj Viswanathan (MD & CEO) strongly reiterated that he does not have any plans to move out of HomeFirst and that he will be continuing in an executive role going forward as well.
- Management shared that the company is experiencing green shoots, and it is expecting renewed momentum in its origination and disbursement volumes in the coming quarters. The company guided for a ~25% AUM growth in FY27.
- Asset quality metrics remain healthy and largely range-bound, with improvement visible in early-stage delinquencies. Earlier in the year, the company had faced some asset quality pressures and elevated delinquencies, partly due to spillover from MFI-related stress. However, this stress is now easing, and management expects Stage 3 to also exhibit improvement from 4Q onwards. We model credit costs of 43bp/35bp in FY26/FY27.
- HOMEFIRST is a resilient franchise and has navigated the transitory headwinds well. Its execution track record has been consistently better than its peers, and we expect the company to emerge stronger from this transient stress in asset quality, with early warning indicators already showing signs of stabilization. We estimate a CAGR of ~24%/~27% in AUM/PAT over FY25-28E. **We reiterate our BUY rating with a TP of INR1,370 (based on 2.6x Dec'27E BV).**

AUM rises ~25% YoY; BT-Out rates dip

- Disbursements grew 11% YoY to ~INR13.2b, and this led to AUM growth of 25% YoY to ~INR149b.
- The BT-OUT rate (annualized) in 3Q FY26 dipped to 6.6% (PQ: ~7.6%/PY ~7.3%).

1+dpd declines ~20bp QoQ; bounce rates increase

- GS3 rose ~10bp QoQ to 2.0% and NS3 also rose ~10bp QoQ to 1.6%. PCR improved ~1pp QoQ to ~22%.
- 1+dpd declined ~20bp QoQ to 5.3%. Bounce rates increased ~40bp QoQ to ~16.7% in 3QFY26 (v/s ~16.3% in 2QFY26). Jan'26 bounce rates came in at 16.9%. Capital adequacy stood at 49% (Tier 1: 48.6%) as of Dec'25.

Yields remain stable QoQ; reported NIM expands ~60bp QoQ

- Reported yields and CoF remained stable at ~13.3% and 8.1%, respectively. Overall spreads were also stable QoQ at 5.2%. Management guided for spreads between ~5.0 and 5.2% and will pass on any further benefits on CoF to customers in line with fair practices.
- Incremental CoF and origination yield in 3QFY26 stood at 7.7% (PQ: 7.9%) and 13.1% (PQ: 13.3%), respectively. Reported NIM improved ~60bp QoQ to 6.0%.
- HomeFirst reduced its PLR by ~10bp, effective 1st Jan'26. Management shared that out of the cumulative 125bp repo rate cuts, the company has already benefited by ~40-50bp in its cost of borrowings, and with banks now starting to cut MCLR, management expects a further ~5-10bp benefit going forward. We model a NIM (calc.) of 6.2/6.1% in FY26/FY27 (FY25: 5.7%), which includes the benefit of the equity capital raise early in Apr'25.

Highlights from the management commentary

- The company added two branches during the quarter, one each in Karnataka and MP. Management also shared that it has 6-8 branches in the pipeline, which are expected to be operational in 4Q, with a few of these located in Northern India, including Uttarakhand and Delhi.
- Management reiterated that co-lending will remain an important growth lever, with a target of scaling co-lending to ~10% of overall disbursements over time.

Valuation and view

- HomeFirst delivered a mixed performance during the quarter. While AUM and disbursement growth were slightly lower than estimates, they remained healthy, reflecting effective management of BT-Outs. Asset quality exhibited minor deterioration, with GS3 rising ~10bp QoQ and bounce rates increasing ~40bp QoQ, resulting in slightly elevated credit costs. However, management exuded confidence in asset quality improvement and acceleration in business volumes in the coming quarters.
- HOMEFIRST has invested in building a franchise, positioning itself well to capitalize on the significant growth opportunity in affordable housing finance. We estimate the company to clock a ~24% AUM CAGR over FY25-FY28 and NIM (as % of average AUM) of 6.2/6.1% in FY26/FY27. **We reiterate our BUY rating on the stock with a TP of INR1,370 (premised on 2.6x Dec'27E BVPS).**
- **Key downside risks:** a) higher BT-outs, leading to lower AUM growth; and b) deterioration in asset quality in its LAP product and self-employed customer segments, resulting in higher credit costs.

Quarterly Performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	3Q FY26E	Act V/s Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	3,032	3,322	3,558	3,629	3,944	4,091	4,288	4,472	13,540	16,795	4,241	1
Interest expenses	1,568	1,756	1,926	1,903	2,003	2,026	1,941	2,035	7,153	8,005	2,010	-3
Net Interest Income	1,464	1,566	1,631	1,726	1,941	2,065	2,347	2,437	6,388	8,790	2,231	5
YoY Growth (%)	17.5	18.6	21.4	26.2	32.6	31.8	43.9	41.2	21.0	37.6	36.7	
Other Income	382	421	517	533	609	699	549	684	1,852	2,541	704	-22
Net Income	1,846	1,987	2,148	2,259	2,550	2,764	2,896	3,121	8,239	11,331	2,935	-1
YoY Growth (%)	20.6	23.4	25.8	31.4	38.2	39.1	34.8	38.2	25.5	37.5	36.6	
Operating Expenses	655	726	752	803	868	879	926	969	2,936	3,643	909	2
Operating Profit	1,191	1,261	1,396	1,456	1,682	1,885	1,970	2,152	5,304	7,689	2,026	-2.8
YoY Growth (%)	21.9	20.7	27.2	28.3	41.2	49.5	41.1	47.8	24.7	45.0	45.1	
Provisions and Cont.	56	57	98	77	117	152	142	111	288	522	140	1
Profit before Tax	1,135	1,204	1,298	1,379	1,565	1,732	1,828	2,041	5,016	7,167	1,886	-3
Tax Provisions	258	281	324	332	376	414	426	504	1,195	1,720	453	-6
Net Profit	878	922	974	1,047	1,189	1,318	1,402	1,537	3,821	5,447	1,434	-2
YoY Growth (%)	27.0	24.1	23.5	25.4	35.5	43.0	44.0	46.8	25.0	42.6	47.2	
Key Operating Parameters (%)												
Other income to Net Income Ratio	20.7	21.2	24.1	23.6	23.9	25.3	18.9					
Credit Cost	0.26	0.25	0.40	0.30	0.43	0.53	0.47					
Cost to Income Ratio	35.5	36.5	35.0	35.5	34.0	31.8	32.0					
Tax Rate	22.7	23.4	25.0	24.1	24.0	23.9	23.3					
Balance Sheet Parameters												
AUM (INR b)	104.8	112.3	119.5	127.1	134.8	141.8	149.2					
Change YoY (%)	34.7	34.2	32.6	31.1	28.6	26.3	24.9					
Loans (INR b)	87.9	94.5	100.6	106.5	112.5	118.1	123.5					
Change YoY (%)	34.9	34.5	33.3	30.8	27.9	25.0	22.7					
Borrowings (INR b)	95.1	105.9	110.4	115.6	118.5	119.7	124.5					
Change YoY (%)	39.4	45.4	33.8	31.4	24.6	13.1	12.8					
Loans/Borrowings (%)	92.5	89.2	91.2	92.1	95.0	98.6	99.2					
Asset Quality Parameters (%)												
GS 3 (INR m)	1,540	1,640	1,770	1,808	2,082	2,297	2,551					
Gross Stage 3 (% on Assets)	1.74	1.72	1.74	1.68	1.84	1.93	2.05					
NS 3 (INR m)	1,116	1,202	1,319	1,353	1,623	1,815	1,990					
Net Stage 3 (% on Assets)	1.26	1.26	1.30	1.26	1.43	1.53	1.60					
PCR (%)	27.5	26.7	25.5	25.2	22.0	21.0	22.0					
ECL (%)	0.83	0.80	0.80	0.77	0.77	0.77	0.81					
Return Ratios (%)												
ROAA (Rep)	3.6	3.4	3.4	3.5	3.7	3.8	4.0					
ROAE (Rep)	16.3	16.5	16.6	17.0	14.9	13.4	13.7					

E: MOFSL Estimates

Gravita India

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	GRAV IN
Equity Shares (m)	74
M.Cap.(INRb)/(USDb)	114.4 / 1.2
52-Week Range (INR)	2213 / 1380
1, 6, 12 Rel. Per (%)	-12/-9/-33
12M Avg Val (INR M)	659

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	43.3	54.2	67.1
Adj. EBITDA	4.7	6.0	7.6
Adj. EBITDA Margin (%)	10.8	11.1	11.3
Adj. PAT	4.0	4.9	6.0
Cons. Adj. EPS (INR)	54.1	66.8	81.2
EPS Gr. (%)	28	23	22
BV/Sh. (INR)	334	399	480

Ratios

Net D:E	-0.2	-0.1	-0.1
RoE (%)	17.6	18.2	18.5
RoCE (%)	16.9	17.6	18.0

Valuations

P/E (x)	28.6	23.2	19.1
EV/EBITDA (x)	24.5	18.3	14.9

Shareholding pattern (%)

As on	Dec-25	Sep-25	Dec-24
Promoter	55.9	55.9	59.3
DII	4.7	4.9	5.4
FII	17.1	16.0	15.5
Others	22.3	23.3	19.8

Note: FII includes depository receipts

CMP: INR1,550 **TP: INR2,030 (+31%)** **Buy**

Healthy margins underpin earnings growth

Operating performance in line

- Gravita India (GRAVITA) reported 2% YoY revenue growth in 3QFY26, as volumes declined 1% YoY to 53KMT. Volume was dragged down by a decline of 43%/4% YoY in aluminum/plastic volumes (7%/6% of total volumes), which was partially offset by 5% YoY volume growth in lead (87% of total volumes). Adjusted EBITDA grew 13.5% YoY to INR1.2b, owing to 14% YoY increase in overall EBITDA/kg.
- GRAVITA remains on track to achieve its 'Vision 2029' targets, aided by capacity expansion (700KTPA+ by FY28) initiatives for domestic and overseas markets. Future growth will be driven by its continued focus on increasing the share of value-added products (50%+ by FY29) and higher contribution (30%+) from non-lead business segments.
- We broadly maintain our FY26/FY27 EPS estimates, while we reduce our FY28 EPS estimate by 7%. We reiterate our BUY rating on the stock with a TP of INR2,030 (premised on 25x FY28E EPS).

Healthy operating performance despite lower volumes

- Consolidated revenue grew 2% YoY to INR10.1b (est. in line) in 3QFY26. Consolidated sales volume declined 1% YoY to 53KMT.
- 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.
- Lead business revenue grew 9% YoY to INR9.2b, led by 5% YoY volume growth. Volume stood at 46.3KMT in 3Q. EBITDA/kg was INR23 (+21% YoY).
- Aluminum business revenue declined 33% YoY to INR826m. Volumes declined 43% YoY to 3.5KMT, while EBITDA/kg fell 32% YoY to INR14.
- Plastic business revenue declined 39% YoY to INR155m, and its volume dipped 4% YoY to 3.2KMT. EBITDA/kg stood at INR10 (up 1% YoY).

Highlights from the management commentary

- **New capacity:** There has been a delay in the commissioning of the Mundra plant owing to pending approvals from government authorities. The company plans to initiate a capacity of 80k MT/45k MT in Mundra/Jaipur in 4QFY26.
- **Aluminum:** Aluminum volumes declined sequentially, largely due to elevated metal prices in the market. In such conditions, vendors tend to withhold materials in anticipation of further price increases. Additionally, the company has deliberately maintained lower aluminum volumes given the absence of a reliable hedging mechanism at present.
- **Labor code:** At present, the company does not see any major impact from the implementation of labor codes. The total impact is estimated at INR420m, of which INR350m pertains to the previous year, with the balance expected to be recognized in 9MFY26.

Valuation and view

- We expect the volume growth momentum to strengthen in 4QFY26 with new capacity additions in Mundra/Jaipur of 80k MT/45k MT.
- As a leading player in India's rapidly expanding recycling industry, GRAVITA is well-positioned to deliver strong earnings growth over the medium term, supported by: 1) strategic capacity expansion across verticals and geographies, 2) an increased focus on VAPs, and 3) increased domestic scrap availability, driven by favorable regulatory tailwinds.
- We expect a CAGR of 20%/23%/24% in revenue/adj. EBITDA/adj. PAT over FY25-28. We broadly maintain our FY26/FY27 EPS estimates, while we reduce our FY28 EPS estimate by 7%. We reiterate our BUY rating on the stock with a TP of INR2,030 (premised on 25x FY28E EPS).

Consolidated - Quarterly Earning

(INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26E	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	11,059	34,652	38,588	9,321	
Adjusted EBITDA	912	1,015	1,023	1,085	1,117	1,118	1,161	1,290	4,036	4,685	1,120	4
Margins (%)	10.1	10.9	10.3	10.5	10.7	10.8	11.4	10.4	10.4	10.8	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	1,258	3,635	4,681	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	1,258	3,635	4,681	1,105	
Tax	71	128	111	197	229	153	176	133	506	691	166	
Rate (%)	9.4	15.1	12.4	17.2	19.7	13.8	15.3	10.6	13.9	14.8	15.0	
MI & 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	1,123	3,124	3,992	938	
Adj PAT	673	720	779	951	933	960	977	1,123	3,124	3,992	938	4
YoY Change (%)	29.3	24.4	29.3	37.9	38.5	33.3	25.3	18.0	30.6	27.8	20.4	
Margins (%)	7.4	7.8	7.8	9.2	9.0	9.3	9.6	9.1	8.1	9.2	9.0	

DCB Bank

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	DCBB IN
Equity Shares (m)	315
M.Cap.(INRb)/(USDb)	58.8 / 0.6
52-Week Range (INR)	193 / 101
1, 6, 12 Rel. Per (%)	8/30/51
12M Avg Val (INR M)	349

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
NII	21.1	24.6	29.5
OP	10.4	13.4	17.2
NP	6.2	7.5	10.0
NIM (%)	3.3	3.2	3.2
EPS (INR)	19.6	23.4	31.1
EPS Gr. (%)	14.3	19.5	32.9
BV/Sh. (INR)	176	192	222
ABV/Sh. (INR)	163	179	208

Ratios

RoA (%)	0.9	0.9	1.0
RoE (%)	12.1	13.1	15.3

Valuations

P/E (x)	9.4	7.9	5.9
P/BV (x)	1.1	1.0	0.8
P/ABV (X)	1.1	1.0	0.9

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	16.2	14.7	14.7
DII	32.2	31.9	27.9
FII	11.9	10.5	10.9
Others	39.7	42.9	46.5

FII includes depository receipts

CMP: INR183 TP: INR220 (+20%) Buy

NII inline; Adjusted RoA improves to 1.01%

NIM expands 4bp QoQ

- DCB Bank (DCBB) reported 22% YoY growth in PAT to INR1.85b (broadly inline) driven by higher other income offset by higher opex and provisions.
- NII grew 15.1% YoY to INR6.2b (inline, up 4.8% QoQ). NIM expanded 4bp QoQ to 3.27% in 3QFY26.
- Opex grew 14.8% YoY/9.4% QoQ to INR5.2b (7% higher than MOSLe) due to recognition of INR268.7mn labour cost.
- Business growth was healthy with an advances growth of 18.5% YoY/6.8% QoQ to INR566b, whereas deposits grew 19.5% YoY/4.6% QoQ to INR677b. CASA mix stood at 22.8%. Cost to average assets stood at 2.59%.
- Fresh slippages stood stable at INR4b. The GNPA/ NNPA ratios improved 19bp/11bp QoQ to 2.72%/1.1%, respectively. PCR increased to 60.3%.
- We increase our earnings estimates for DCBB by 4%/5% for FY27/28 and project an RoA/RoE of 1.0%/ 15.3% for FY27. **Reiterate BUY with a TP of INR220 (based on 1.0x Sep'27E BV).**

Business growth healthy; Targets RoA of 1% or above in near term

- DCBB reported 22% YoY/0.5% QoQ growth in PAT to INR1.85b (broadly inline).
- NII grew 15.1% YoY to INR6.2b (inline, up 4.8% QoQ). NIM expanded 4bp QoQ to 3.27% in 3QFY26. Other income grew 20% YoY/19% QoQ to INR2.2b (12% beat) resulting in 16% YoY growth in total revenues (4% beat). Treasury gains stood at INR290m vs. INR230m in 2QFY26.
- Opex grew 14.8% YoY/9.4% QoQ to INR5.2b (7% higher than MOSLe) due to recognition of INR268.7mn labour cost. PPoP thus grew 19% YoY to INR3.2b (inline). Provisions grew 10% YoY/22% QoQ to INR741m (5% higher than MOSLe). The C/I ratio increased slightly to 61.8% in 3QFY26.
- Advances grew 18.5% YoY/6.8% QoQ, whereas deposits rose 19.5% YoY/4.6% QoQ. Gold loans grew 9.6% QoQ, AIB grew 4.6% QoQ, while corporate grew 5.2% QoQ. MSME dipped 3.3% QoQ. DCBB's CD ratio stood at 83.5%.
- Fresh slippages stood stable at INR4b. The GNPA/ NNPA ratios improved 19bp/11bp QoQ to 2.72%/1.1%, respectively. PCR increased to 60.3%. Credit costs stood at 37bp in 3QFY26.

Highlights from the management commentary

- Bank expects to close FY26-27 with RoE of 13.5% and close FY27-28 with RoE of 14.5% adjusted for potential capital raise.
- Fee income to avg asset is expected at ~1% consistently going forward.
- Growth in both deposits and loan is expected at 18-19% run-rate going forward.
- No of employees have reduced to ~10981 but was slightly higher than 2Q at 10700. Bank will be increasing staffing in some categories going forward.

Valuation and view

DCBB reported inline earnings amid higher other income offset by higher opex due to labour cost. Margin improved 4bp QoQ, and the bank expects it to improve further going forward if no further rate cut occurs. Business growth was healthy with increased focus on business loans and gold loans. Asset quality improved with slippages remaining broadly stable. Operating jaws are improving with income growth 16% YoY and opex growing 15% YoY despite one time labour cost impact and excluding this impact RoA would be ~1.01%. We increase our earnings estimates for DCBB by 4%/5% for FY27/28 and project an RoA/RoE of 1.0%/ 15.3% for FY27.

Reiterate BUY with a TP of INR220 (based on 1.0x Sep'27E BV).

Quarterly Performance

(INR b)

	FY25				FY26E				FY25	FY26E	FY26E	V/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Est
Net Interest Income	4.97	5.09	5.43	5.58	5.80	5.96	6.25	6.59	21.07	24.61	6.18	1%
% Change (Y-o-Y)	5.49	7.03	14.53	9.95	16.89	17.10	15.07	18.15	9.27	16.80	13.78	
Other Income	1.43	2.05	1.84	2.19	2.36	1.86	2.21	2.42	7.51	8.86	1.98	12%
Total Income	6.40	7.14	7.27	7.77	8.17	7.82	8.46	9.01	28.57	33.46	8.16	4%
Operating Expenses	4.34	4.59	4.56	4.71	4.90	4.78	5.23	5.20	18.20	20.11	4.90	7%
Operating Profit	2.05	2.55	2.71	3.05	3.27	3.04	3.23	3.81	10.37	13.35	3.26	-1%
% Change (Y-o-Y)	(1.58)	21.19	28.18	30.66	59.17	19.13	19.08	24.90	19.96	28.75	20.22	
Provisions	0.28	0.46	0.67	0.67	1.15	0.61	0.74	0.79	2.08	3.29	0.70	5%
Profit before Tax	1.77	2.10	2.04	2.38	2.12	2.43	2.49	3.02	8.29	10.06	2.56	-3%
Tax	0.46	0.54	0.52	0.61	0.54	0.59	0.64	0.79	2.13	2.57	0.66	-3%
Net Profit	1.31	1.55	1.51	1.77	1.57	1.84	1.85	2.23	6.15	7.49	1.90	-3%
% Change (Y-o-Y)	3.5	22.6	19.6	13.8	19.7	18.3	22.0	26.2	14.8	21.79	25.27	
Operating Parameters												
Deposit (INR b)	516.9	545.3	566.8	600.3	620.4	647.8	677.5	711.4	600.3	711.4	667.7	1%
Loan (INR b)	421.8	444.7	477.8	510.5	512.2	529.7	566.0	604.4	510.5	604.4	567.4	0%
Deposit Growth (%)	20.2	19.9	20.3	21.6	20.0	18.8	19.5	18.5	21.6	18.5	17.8	
Loan Growth (%)	18.9	19.3	22.7	24.7	21.4	19.1	18.5	18.4	24.7	18.4	18.8	
Asset Quality												
Gross NPA (%)	3.33	3.29	3.11	2.99	2.98	2.91	2.72	2.57	3.00	2.57	2.82	
Net NPA (%)	1.18	1.17	1.18	1.12	1.22	1.21	1.10	1.02	1.12	1.02	1.16	
PCR (%)	65.2	65.2	62.9	63.2	59.7	59.2	60.3	61.0	63.2	61.0	59.6	

E: MOFSL Estimates

V-Mart Retail

Estimate change



TP change



Rating change



Bloomberg	VMART IN
Equity Shares (m)	79
M.Cap.(INRb)/(USD\$)	45.6 / 0.5
52-Week Range (INR)	962 / 551
1, 6, 12 Rel. Per (%)	-18/-24/-31
12M Avg Val (INR M)	181

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	37.4	43.9	51.2
EBITDA	5.0	6.2	7.5
NP	1.3	1.6	2.2
EBITDA Margin (%)	13.5	14.1	14.7
Adj. EPS (INR)	15.8	20.6	27.1
BV/Sh. (INR)	117.6	138.2	165.3

Ratios

Net D:E	0.9	0.8	0.7
RoE (%)	14.4	16.1	17.9
RoCE (%)	10.9	11.7	13.1

Valuations

P/E (x)	36.8	28.2	21.4
EV/EBITDA (x)	10.8	8.9	7.3
EV/Sales (x)	1.3	1.1	0.9

Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	44.2	44.2	44.3
DII	32.5	32.1	32.5
FII	17.0	17.5	17.3
Others	6.4	6.3	5.9

FII includes depository receipts

CMP: INR574
TP: INR1,000 (+74%)
Buy

Margin expansion continues; valuations attractive

- VMART delivered a strong beat on profitability in 3QFY26, with pre-IND AS EBITDA rising 24% YoY to INR1.4b (23% beat). The beat was driven by higher gross margin (lower inventory provisions) and robust cost controls as pre-IND AS margin expanded 140bp YoY to 12.2% (9MFY26: up ~170bp YoY to 7.2%).
- 3Q revenue growth was weak at 10% YoY due to a shift in festivals and a delayed onset of winter. Combined 2Q+3Q revenue growth was robust at ~15% YoY, driven by ~14% net store additions and 5% SSSG.
- Management indicated that the demand environment remains stable, notwithstanding weather disruptions and festive shift impact. It expects 4Q to benefit from multiple festivals. Over the medium term, annual area addition guidance remains ~13-14% and SSSG target is 5-8%.
- We raise our FY26-27 pre-IND AS EBITDA estimates by 7-12%, driven by sustained margin improvement. We now model a CAGR of 16%/37% in revenue/pre-IND AS EBITDA over FY25-28E, supported by ~13% CAGR in store additions, mid-single-digit SSSG, and operating leverage.
- The stock has corrected ~17% YTD amid broader retail correction, despite no deterioration in business fundamentals, and is now trading below our bear-case valuations.
- V-Mart now trades at an undemanding valuation of ~16x FY27E EV/pre-IND AS EBITDA (vs. ~39x for VMM). We believe risk-reward is attractive with mid-to-high teens growth visibility and headroom for margin gain.
- We reiterate **BUY with a revised TP of INR1,000**, based on 22x FY28E EV/pre-IND AS EBITDA. VMART remains one of our top retail picks.

Strong beat on profitability, EBITDA (+22% YoY, 14% beat)

- Revenue grew 10% YoY (already disclosed) to INR11.2b, driven primarily by store additions (up ~13.5% YoY).
- Blended SSSG remained flat YoY (V-Mart: flat, Unlimited +2%), driven by the partial shift in the festive season to 2QFY26 (vs. 3QFY25).
- Revenue growth for 2HCY25 (2QFY26+3QFY26) came in at ~15% YoY, driven by ~14% net store additions and ~5% SSSG.
- V-Mart opened 23 new stores (21 in VMART and two in Unlimited) and closed two stores during 3Q, bringing the total store count to 554 (57 net additions in 9MFY26).
- Gross profit grew 11% YoY to INR4.1b (2% above), as gross margins (GM) expanded ~40bp YoY to 36.2% (~70bp beat), despite lower contribution from LR (100% GM), as GM in offline business expanded ~70bp YoY.
- Employee expenses grew 7% YoY to INR1b (5% below estimate).
- Other expenses declined ~4% YoY to INR960m (11% below our estimate), on account of: i) curtailed A&P spends (down ~40bp YoY in offline business) and ii) continued reduction in LR losses (-60% YoY).
- Resultantly, reported EBITDA stood at INR2.1b (+22% YoY, 14% beat), with margins expanding 191bp YoY to 18.6% (~230bp beat).

- Pre-IND AS EBITDA stood at INR1.4b (up 24% YoY), with margins expanding ~140bp YoY to 12.2% (vs. our estimate of 10%).
- Depreciation rose 25% YoY (+10% QoQ, 7% above estimate) due to a change in lease accounting, while interest cost declined ~52% YoY (14% above our est).
- V-Mart's reported PAT came in at INR880m (up 23% YoY), led by higher EBITDA. Excluding the one-off impact, adjusted PAT at INR901m **grew 26% YoY and came in ~24% ahead of our estimate.**
- Inventory remained healthy at 95 days (vs. 94 days YoY), driven by non-apparel inventory (102 vs. 102 days YoY), but partly offset by higher FMCG inventory (67 vs. 57 days YoY).
- For 9MFY26, revenue/EBITDA grew 14%/32% YoY and PAT was INR1.13b (vs. ~INR273m YoY). Pre-IND AS EBITDA grew 49% YoY and margin expanded to ~7.2% (vs. 5.5% YoY).
- Despite a ~40% increase in capex to INR1.2b, V-Mart generated FCF of ~INR630m during 9MFY26 (vs. INR574m YoY).

Unlimited's productivity improves; broad-based margin improvement

- **V-Mart (core):** 3Q revenue grew ~10% YoY to INR9.5b, driven by 20 net store additions (up 14% YoY). Reported monthly SPSF for 9MFY26 stood flat at INR758. 3Q EBITDA grew 16% YoY to INR1.8b, as margin expanded ~110bp YoY to 19%, driven by operating leverage and curtailed A&P spends (-35bp YoY).
- **Unlimited:** 3Q revenue grew 15% YoY to INR1.75b, driven by one net store addition in 3Q (up 13% YoY) and 2% SSSG. Reported monthly SPSF for 9MFY26 grew ~6% YoY to INR626. 3Q EBITDA grew 40% YoY to INR328m, as margin expanded ~335bp YoY to 18.7%, driven by higher gross margin (+200bp YoY), operating leverage, and curtailed A&P spends (-60bp YoY).
- **LimeRoad (LR):** Commission income declined ~41% YoY to INR62m, while operating loss reduced ~60% YoY to INR26m (vs. INR34m loss QoQ, INR65m loss YoY), driven by a further reduction in advertisement spends.

Key highlights from the management commentary

- **Demand trends:** Consumer sentiment was affected by uneven weather and festive shift, though underlying demand trends remained resilient, driven by lower inflation and good monsoons. Tier-2+ towns and rural-semi-urban markets continued to outperform, supported by the unorganized-to-organized shift and improved agri income.
- **Regional trends:** Eastern and Southern markets saw disruptions due to excess rainfall and political disturbances during the festive period. North India was impacted by a delay in the onset of winter (till ~late December), leading to a lull in post-festive demand. South India delivered a relatively better performance, supported by improved product acceptance and execution in Unlimited.
- **Demand outlook:** Policy decisions such as GST rationalization have not led to a material boost in consumption yet. However, consumer sentiment remains stable and 4Q should see a boost from festivals such as Holi, Eid, Pongal, etc. Management remains cautiously positive about the near-term demand environment.

- **Guidance:** Management has reiterated its guidance of opening ~75 stores in FY26, annual area additions of ~13-14% over the medium term, and SSSG target of 5-8%.

Valuation and view

- The improved productivity of VMART/Unlimited stores and lower losses in the online segment have led to an improvement in VMART's overall profitability. However, it still lags value fashion peers on profitability, which provides room for further margin expansion.
- VMART remains a key beneficiary of the unorganized-to-organized retail shift and the massive growth opportunity in value fashion.
- We raise our FY26-27 pre-INDAS EBITDA estimates by 7-12%, driven by sustained margin improvement. We now model 16%/37% CAGR in revenue/pre-IND AS EBITDA over FY25-28E, supported by ~13% CAGR in store additions, mid-single-digit SSSG, and operating leverage benefits.
- The stock has corrected ~17% YTD amid broader retail correction, despite no deterioration in business fundamentals, and is now trading below our bear-case valuations.
- V-Mart now trades at an undemanding valuation of ~16x FY27E EV/pre-IND AS EBITDA (vs. ~39x for VMM). We believe risk-reward remains attractive with mid-to-high teens growth visibility and headroom for margin expansion.
- We reiterate **BUY with a revised TP of INR1,000** (earlier 975), based on 22x FY28E EV/pre-IND AS EBITDA (~12x reported EBITDA). VMART remains one of our top picks in retail space ([link for our detailed thesis](#)).

Consol. Quarterly Earnings

Y/E March									(INR m)			
	FY25				FY26				FY25	FY26	FY26	Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3QE	Var (%)
Revenue	7,861	6,610	10,267	7,801	8,852	8,069	11,264	9,253	32,539	37,437	11,260	0
YoY Change (%)	15.9	20.3	15.5	16.7	12.6	22.1	9.7	18.6	16.8	15.1		
Total Expenditure	6,871	6,224	8,554	7,119	7,591	7,354	9,169	8,280	28,768	32,394	9,424	-3
EBITDA	990	386	1,714	681	1,262	715	2,095	973	3,771	5,044	1,836	14
EBITDA Margin (%)	12.6	5.8	16.7	8.7	14.3	8.9	18.6	10.5	11.6	13.5	16.3	
Depreciation	568	592	626	544	679	711	779	683	2,330	2,852	729	7
Interest	375	391	424	174	182	175	206	196	1,365	758	180	14
Other Income	46	18	34	23	29	34	40	47	121	150	44	-10
PBT	93	-580	697	229	429	-136	1,150	140	198	1,583	970	19
Exceptionals				242			-21					
Tax	-28	-15	-19	44	93	-47	249	33	-18	328	244	
Rate (%)	-30.3	2.6	-2.7	19.1	21.8	34.8	21.7	23.4	-9.2	21.0	25.2	
Reported PAT	121	-565	716	185	336	-89	880	127	458	1,234	726	21
Adj PAT	121	-565	716	-57	336	-89	901	127	216	1,256	726	24
YoY Change (%)	-155.3	-11.9	153.7	-85.4	176.8	-84.3	25.8	n/a	-122.3	481.7		

E: MOFSL Estimates

BSE SENSEX
81,538

S&P CNX
25,049

Conference Call Details



Date: 27th January 2026

Time: 04:00pm IST

Dial In : +91 22 7115 8184/
+91 22 6280 1385

[Link](#)

Financial snapshot

Year End	2026E	2027E	2028E
Sales	19.6	24.2	26.2
EBIT margin (%)	66.5	68.3	67.4
PAT	11.1	13.9	15.0
EPS (INR)	43.6	54.5	58.6
EPS Gr. (%)	98.7	25.0	7.5
BV/Sh. (INR)	82.6	93.5	105.3

Ratio

RoE (%)	55.8	61.9	59.0
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Valuations

P/E (x)	52.3	41.8	38.9
P/BV (x)	27.6	24.4	21.7
Div Yld (%)	0.3	0.3	0.3

CMP: INR2,282

Neutral

Revenue and PAT double YoY; performance in line

- MCX's operating revenue came in at INR6.7b (in line), reflecting growth of 121% YoY/78% QoQ. For 9MFY26, revenue rose 72% YoY to INR14.1b.
- Other income at INR315m grew 37% YoY/19% QoQ (15% higher than estimates).
- Staff cost grew 34% YoY to INR444m (in line). Other expenses grew 68% YoY to INR1.3b (10% higher than estimates).
- Higher-than-estimated other expenses led to a 7% EBITDA miss, which stood at ~INR5b, reflecting ~2.5x YoY growth and doubling QoQ. For 9MFY26, EBITDA almost doubled YoY to INR9.8b.
- Beat in other income offset the miss in EBITDA, resulting in PAT of ~INR4b, which was in line with our estimates, growing 2.5x YoY and doubling QoQ. For 9MFY26, PAT rose 89% YoY to INR8b.

Quarterly Performance

INRM

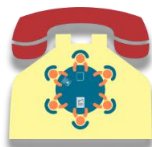
	FY25				FY26			FY25	FY26E	Est. 3QFY26	Var. (%/bp)	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q						
Sales	2,344	2,856	3,014	2,913	3,732	3,742	6,656	11,127	19,641	6,943	(4.1)	120.9	77.9
YoY Gr. (%)	60.8	73.0	57.4	60.9	59.2	31.0	120.9	62.8	76.5	130.4			
Staff Costs	321	327	332	463	448	448	444	1,443	1,846	465	(4.5)	33.6	(0.8)
Other expenses	697	735	750	849	867	858	1,260	3,031	3,943	1,150	9.6	68.0	46.9
EBITDA	1,326	1,794	1,931	1,602	2,417	2,436	4,952	6,653	13,852	5,328	(7.1)	156.4	103.2
Margins (%)	56.6	62.8	64.1	55.0	64.8	65.1	74.4	59.8	70.5	76.7			
Depreciation	134	140	146	217	173	198	219	638	783	203	7.7	50.1	10.9
EBIT	1,191	1,654	1,785	1,385	2,244	2,239	4,733	6,016	13,069	5,125	(7.7)	165.1	111.4
Interest Costs	1	1	2	1	1	1	0	5	5	1	(70.0)	(82.4)	(50.0)
Other Income	188	252	230	292	326	266	315	962	1,147	274	15.1	37.0	18.6
PBT bef. Exceptional items	1,379	1,906	2,013	1,675	2,569	2,504	5,047	6,973	14,212	5,397	(6.5)	150.7	101.6
Tax	273	374	418	328	532	514	1,021	1,394	3,084	1,187	(14.0)	144.2	98.7
Rate (%)	19.8	19.6	20.8	19.6	20.7	20.5	20.2	20.0	21.7	22.0			
Profit from associate	4	4	5	8	-5	-15	-15	21	0	0.0			
PAT	1,109	1,536	1,600	1,355	2,032	1,975	4,011	5,600	11,128	4,210	(4.7)	150.6	103.1
Y-o-Y Gr. (%)	464.2	NA	NA	54.2	83.2	28.5	150.6	574.2	98.7	163			
EPS (INR)	21.8	30.2	31.5	26.6	39.9	38.8	15.7	22.0	43.6	16.6	(5.0)	150.6	103.1
Total volumes (INR t)	112.3	143.2	148.4	160.2	198.9	267.3	480.1	564.0	1,490.7	480.1	(0.0)	223.6	79.6
Q-o-Q Gr. (%)	35.8	27.5	3.6	8.0	24.1	34.4	79.6		79.6	79.6			
Y-o-Y Gr. (%)	116.8	113.8	101.7	93.8	77.1	86.7	223.6	105.1	164.3	223.6			

Nuvama Wealth

BSE Sensex
81,538

S&P CNX
25,049

Conference Call Details


Date: 27th January 2026

Time: 11:00 AM IST

[Link for the call](#)

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Revenues	32.1	38.2	44.9
Opex	17.9	21.1	24.5
PBT	14.2	17.0	20.3
PAT	10.7	12.9	15.3
EPS (INR)	60	72	86
EPS Gr. (%)	9	20	19
BV/Sh. (INR)	225	258	305
Ratios (%)			
C/I ratio	55.7	55.4	54.7
PAT margin	33.5	33.7	34.2
RoE	28.8	30.2	30.9
Div. Payout	59.2	57.6	48.3
Valuations			
P/E (x)	22.5	18.8	15.7
P/BV (x)	6.0	5.3	4.5
Div. Yield (%)	2.6	3.1	3.1

CMP: INR1,359
Buy

In-line PAT despite revenue miss, driven by better-than-expected C/I ratio

- Operating revenue at INR7.5b grew 4% YoY (6% miss). The Wealth business grew 18% YoY (in line), Private grew 19% YoY (5% miss), AMC grew 9% YoY (6% beat), while the overall capital markets business declined 10% YoY (11% miss). Within the capital markets segment, revenue from asset services was flat YoY and IB/IE business declined 21% YoY.
- Total operating expenses grew 4% YoY to INR4b (10% better than estimates), with 1% YoY growth in employee expenses and 13% YoY growth in other opex. The cost-to-income ratio declined YoY to 53.5% in 3QFY26 vs. 53.9% in 3QFY25 (our est. of 55.9%).
- A better-than-expected cost-to-income ratio resulted in PAT being in line at INR2.6b (+4% YoY). PAT margin came in at 34.6% in 3QFY26 vs 34.8% in 3QFY25.
- In 3QFY26, the average AUM for the wealth business grew 8% YoY to ~INR3.1t, and for the asset management business, it grew 38% YoY to INR115b.
- The Board has approved investment of INR1b in Nuvama AMC.

Valuation and view

- The wealth management revenue was in line, and Nuvama reported a miss in capital market revenue against our estimates, potentially due to weak performance in the IB IE business. The cost-to-income ratio improved YoY and was also better than our estimates. The stock is currently trading at 16x FY28E P/E, and we will relook at our estimates post the earnings call on 27 Jan'27.

Quarterly Performance

(INR m)

Y/E March	FY25				FY26			FY25	FY26E	3QFY26E	Actual vs		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q				Est. (%)	YoY	QoQ
Revenue from Operations	6,675	7,397	7,229	7,712	7,701	7,718	7,549	29,013	32,097	8,037	-6.1	4.4	(2.2)
Change YoY (%)	60.2	50.2	29.5	29.5	15.4	4.3	4.4	40.7	10.6	11.2			
Employee expenses	2,793	2,983	2,946	3,082	3,156	3,220	2,963	11,804	12,704	3,142	-5.7	0.6	(8.0)
Total Operating Expenses	3,741	3,920	3,894	4,349	4,209	4,372	4,038	15,904	17,893	4,489	-10.1	3.7	(7.6)
Change YoY (%)	27.9	30.0	18.8	21.6	12.5	11.5	3.7	24.3	12.5	15.3			
PBT before share of profit from associates	2,934	3,477	3,335	3,363	3,492	3,346	3,511	13,109	14,204	3,548	-1.0	5.3	4.9
Change YoY (%)	136.2	82.2	44.7	41.3	19.0	-3.8	5.3	67.3	8.3	6.4			
Tax Provisions	760	902	824	848	868	853	890	3,334	3,551	887	0.4	8.1	4.4
PAT before share of profit from associates	2,174	2,575	2,511	2,515	2,623	2,494	2,621	9,776	10,653	2,661	-1.5	4.4	5.1
Change YoY (%)	135.0	78.3	42.8	38.5	20.7	-3.2	4.4	64.4	9.0	6.0			
Share of profit of associates (net of taxes)	37	0	6	37	15	46	-6	80	90	20	-128.7	(198.8)	(112.5)
Net Profit	2,210	2,575	2,517	2,553	2,639	2,540	2,615	9,855	10,743	2,681	-2.5	3.9	3.0
Change YoY (%)	133.5	77.6	42.9	41.3	19.4	-1.4	3.9	65.2	9.0	6.5			
Key Operating Parameters (%)	bp												
Cost to Income Ratio	56.0	53.0	53.9	56.4	54.7	56.6	53.5	54.8	55.7	55.9	-237	-38	-316
PBT Margin	44.0	47.0	46.1	43.6	45.3	43.4	46.5	45.2	44.3	44.1	237	38	316
PAT Margin	33.1	34.8	34.8	33.1	34.3	32.9	34.6	34.0	33.5	33.4	129	-17	174
Avg AUM (INR b)													
Wealth Management	2,376	2,654	2,818	2,700	2,835	2,986	3,051	2,637	3,124	3,203	-4.7	8.3	2.2
Nuvama Wealth	829	948	1,004	947	997	1,063	1,104	932	1,119	1,118	-1.2	10.0	3.9
Nuvama Private (excl. heldaway)	1,547	1,706	1,813	1,753	1,837	1,922	1,947	1,705	2,005	2,085	-6.6	7.4	1.3
Asset Management	58	70	84	101	107	110	115	78	113	112	2.7	37.9	5.2



Mphasis : Market dynamics & setup look very favourable at the current juncture; Nitin Rakesh, CEO & MD

- Strong TCV deal win to drive acceleration of growth in Q4
- Company managed to hold on to headwinds seen this year
- BFSI & Insurance are key growth drivers within the sectors
- Environment stable for banks

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CAMS : Top 10 MFs to be impacted by exit loads & change in expense ratios; Anuj Kumar, Managing Director

- Impact w.r.t Mutual Fund fee renegotiations could be Rs 20-25 cr
- Expect non-MF business to grow faster
- SEBI is making efforts to become more investor friendly
- We deliver value to mutual funds making us valuable to them

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Cyient : Mixed Q3 for Cyient ; Sukamal Banerjee, Executive Director & CEO

- Aspire to achieve high single-digit to early double-digit growth for FY26
- Expect semiconductor business to be EBIT-neutral In FY27
- DET margin expansion achieved despite headwinds from third tranche of wage hikes
- No formal guidance is being provided for the DET business

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Bluestone Jewellery : High Demand, Inventory Gain Aid Strong Quarter; Gaurav Singh Kushwaha, Founder and CEO

- Sharp rise in gold prices will aid inventory gains.
- To maintain same-store-sales growth of 15-20%, Hedged ratio for the company is 50%.
- To open 70-80 stores every year.
- Eventually margins could settle around mid-teens.

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V-Mart retail : Q2 & Q4 are typically lead period for the company; Anand Agarwal, CFO

- Plan to close FY26 with 15-18% revenue growth
- Should continue margin improvement momentum
- Added 23 new stores in Q3 & 63 stores in the year so far
- Same store sales growth at 2%, combined Q2-Q3 growth at 5%

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NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
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

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