

## Market snapshot

Equities - India	Close	Chg. %	CY25. %
Sensex	81,857	0.4	9.1
Nifty-50	25,175	0.5	10.5
Nifty-M 100	57,484	0.6	5.7
Equities-Global	Close	Chg. %	CY25. %
S&P 500	6,979	0.4	16.4
Nasdaq	23,817	0.9	20.4
FTSE 100	10,208	0.6	21.5
DAX	24,894	-0.2	23.0
Hang Seng	9,245	1.1	22.3
Nikkei 225	53,334	0.8	26.2
Commodities	Close	Chg. %	CY25. %
Brent (US\$/Bbl)	69	1.6	-15.7
Gold (\$/OZ)	5,180	3.9	64.6
Cu (US\$/MT)	12,913	-1.0	43.9
Almn (US\$/MT)	3,201	1.1	17.5
Currency	Close	Chg. %	CY25. %
USD/INR	91.7	-0.3	5.0
USD/EUR	1.2	1.8	13.4
USD/JPY	152.2	-2.2	-0.3
YIELD (%)	Close	1MChg	CY25 chg
10 Yrs G-Sec	6.7	0.06	-0.2
10 Yrs AAA Corp	7.4	0.04	0.1
Flows (USD b)	27-Jan	MTD	CYTD
FII	-0.33	-2.97	-18.8
DII	0.98	9.83	90.1
Volumes (INRb)	27-Jan	MTD*	CYTD*
Cash	1,578	1219	1219
F&O	8,26,028	3,41,341	3,41,341

Note: Flows, MTD includes provisional numbers. \*Average

## Today's top research theme

### India Strategy: Union Budget FY27: Not-so-high expectations

- ❖ The forthcoming FY27 Union Budget has to strike a deft balance of sustaining growth momentum and maintaining fiscal consolidation, even as it also needs to address near-term challenges emanating from unprecedented geopolitical flux. In our discussions, we sensed that investors do not expect large substantive measures as the FM grapples to address multiple variables – thus setting the base lower for some positive surprise. The scope of influence of the budget has become relatively narrower over the years, owing to a flurry of extra-budgetary steps – hence, equity markets will be assessing it for targeted, selective measures to drive growth in certain sectors and to assuage investor sentiments.
- ❖ In this note, we showcase expectations of our analysts for key sectors. By parsing aggregated views, we infer that there is likely to be focus on the following areas: 1) higher capex across sectors such as defense, infrastructure, affordable housing, power, capital goods, etc.; 2) few capital market measures aimed to assuage investor sentiments, 3) measures aimed to aid flows into smaller lending segments such as MFIs, MSME loans, etc.; 4) FM may announce several procedural reform measures as well, continuing with the Gol's endeavors to improve the ease of living and ease of doing business. Key stocks/sectors likely to benefit if expectations play out: L&T, ABB, Siemens, Hitachi, Siemens Energy, KEC, Bharat Electronics, Bharat Dynamics, HAL, Ultratech, JK Cement, Polycab, KEI, Crompton, Titan, PN Gadgil, Niva Bupa, AMCs, RTAs, most HFCs, MFIs, Infra players, IGL, Mahanagr Gas, Gujarat Gas, Petronet LNG, GAIL, Waaree, Premier, NTPC, Tata Power, Acme, NTPC Green, Brigade, Prestige, Sobha, Lodha, Godrej Properties.

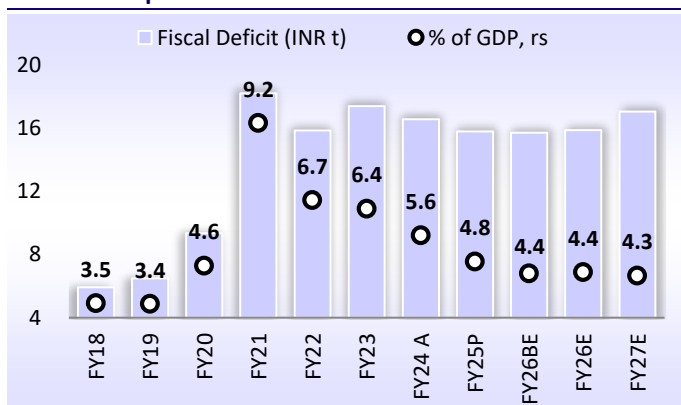
## Research covered

Cos/Sector	Key Highlights
India Strategy	Union Budget FY27: Not-so-high expectations
Other Updates	Asian Paints   Tata Consumer   Marico   MCX   Nuvama Wealth   Raymond Lifestyle   Spandana Sphoort   Vodafone Idea   Vishal Mega Mart   Metro Brands   Bikaji Foods   Sunteck Realty   Gopal Snacks   Mahindra Logis.

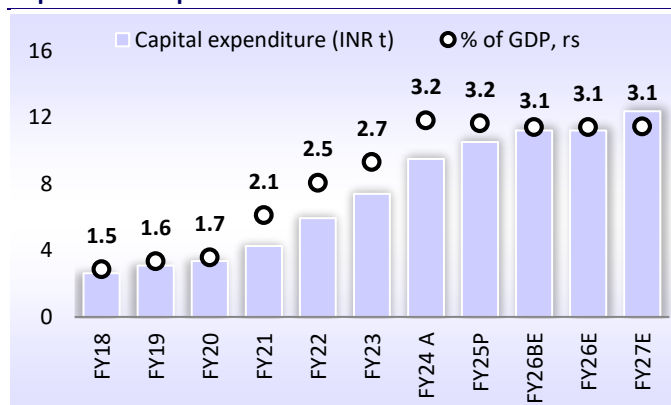


## Chart of the Day: India Strategy (Union Budget FY27: Not-so-high expectations)

Fiscal deficit path to be more calibrated



Capex to inch up to INR12.4t



Source: CEIC, MOFSL; Estimates are of the Economics team

Research Team (Gautam.Duggad@MotilalOswal.com)

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](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on textbox for the detailed news link

**1**

**India-EU FTA to boost autos, MSMEs as zero tariffs unlock Europe market**

Industry leaders say the India-EU free trade agreement could unlock a major export opportunity for Indian manufacturing by giving zero-duty access to Europe's \$3-trillion import market, while boosting MSMEs, auto components and capital goods.

**2**

**India-EU FTA to boost marine exports with tariff cuts of up to 26%**

India's marine products exports, facing rough weather from punitive US tariffs, are expected to get a big boost following the reduction of tariffs of up to 26 per cent as part of the India-EU Free Trade Agreement, but concerns over non-tariff barriers.

**3**

**Adani, Embraer sign MoU to establish aircraft making facility**

Brazilian regional aircraft maker Embraer and Adani Defence & Aerospace signed a memorandum of understanding to establish an aircraft manufacturing facility along with other parts of the aviation ecosystem in India.

**4**

**ONGC JV signs shipbuilding contracts with Samsung for two Indian-flag ethane carriers**

ONGC, through its JV companies with Japan's MOL, has signed shipbuilding contracts with Samsung Heavy Industries for two Indian-flag Very Large Ethane Carriers (VLECs).

**5**

**Titagarh Rail, ABB India partner on 25kV driverless metro propulsion, tech transfer**

Titagarh Rail Systems and ABB India have partnered to develop propulsion systems and transfer TCMS technology for 25kV driverless metro projects in India.

**6**

**Hindalco Industries to invest ₹21,000 crore in Odisha smelter expansion**

Hindalco Industries announced a ₹21,000-crore expansion of its Aditya Aluminium smelter in Odisha and commissioned new flat rolled products and battery-grade aluminium foil facilities

**7**

**RVNL bags ₹242.5-crore South Central Railway upgrade project**

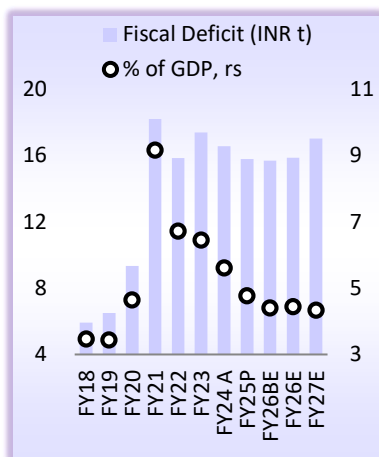
Rail Vikas Nigam Ltd (RVNL) has emerged as the lowest bidder (L1) for a key overhead electrification (OHE) upgrade project under South Central Railway.

# India Strategy

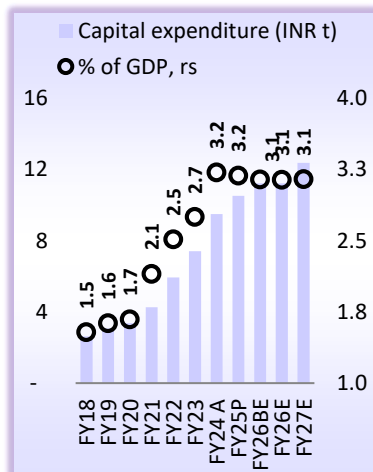
BSE Sensex: 81,857

Nifty-50: 25,175

Fiscal deficit target at 4.3% in FY27E



Capex to inch up to INR12.4t



## Union Budget FY27: Not-so-high expectations

### Limited expectations set the stage for some positive surprise

The forthcoming FY27 Union Budget has to strike a deft balance of sustaining growth momentum and maintaining fiscal consolidation, even as it also needs to address near-term challenges emanating from unprecedented geopolitical flux. In our discussions, we sensed that investors do not expect large, path-breaking measures as the FM grapples to address multiple variables - setting a lower base for some positive surprise. The scope of influence of the budget has become relatively narrower over the years, owing to a flurry of extra-budgetary steps – hence, equity markets will be assessing it for targeted, selective measures to drive growth in certain sectors and to assuage investor sentiments.

### Fiscal consolidation approach to be largely maintained

The government has been steadfast on the path of fiscal consolidation, with the fiscal deficit easing from Covid induced high of 9.2% to 4.4% for FY26E. We believe that government will largely maintain its fiscal rectitude and do not expect major deviation from this path. However, given that FY27 will mark a transition to debt/GDP as a targeted fiscal marker and that overall consumption is yet to recover fully and sentiment is improving unevenly, a scenario of minor pragmatic fiscal stretch is not completely ruled out. Equity market will likely support such move, especially if it is well-targeted towards productive capex or consumption boost, rather than low multiplier-laden transfer payments or administrative expenses.

### Expect greater focus on capex

Given that the FY26 Union Budget was more tilted towards stimulating middle-class consumption (through personal income tax forbearance of INR1t), and its full effects are yet to play out, we believe that the FY27 Union Budget's approach to stimulating consumption will be selective. Consequently, the budget is likely to focus more on capital expenditure, especially in sectors deemed to be strategically important owing to prevailing geopolitical compulsions. We expect that greater emphasis will be placed on sectors like defense, critical minerals, power, electronics, infra and higher growth in affordable housing.

### Bottom-up analyst expectations

In this note, we showcase expectations of our analysts for key sectors. By parsing aggregated views, we infer that there is likely to be focus on the following areas: 1) higher capex across sectors such as defense, infrastructure, affordable housing, power, capital goods, etc.; 2) few capital market measures aimed to assuage investor sentiments, 3) measures aimed to aid flows into smaller lending segments such as MFIs, MSME loans, etc.; 4) FM may announce several procedural reform measures as well, continuing with the Gol's endeavors to improve the ease of living and ease of doing business. Key stocks/sectors likely to benefit if expectations play out: L&T, ABB, Siemens, Hitachi, Siemens Energy, KEC, Bharat Electronics, Bharat Dynamics, HAL, Ultratech, JK Cement, Polycab, KEI, Crompton, Titan, PN Gadgil, Niva Bupa, AMCs, RTAs, most HFCs, MFIs, Infra players, IGL, Mahanagr Gas, Gujarat Gas, Petronet LNG, GAIL, Waaree, Premier, NTPC, Tata Power, Acme, NTPC Green, Brigade, Prestige, Sobha, Lodha, Godrej Properties.

## Sectorwise summary of key expectations from Union Budget FY27

Sector	Key Expectations	Likely beneficiaries / impacted names
Automobiles	No material expectations as the government already provided several boosters in CY25 in form of GST and personal income tax cuts	NA
Capital Goods	<ul style="list-style-type: none"> <li>Higher and strong capex allocation</li> <li>Revamped National Infra Pipeline 2.0 (~INR1.5t)</li> <li>Greater focus on defense capex</li> <li>Procedural reforms - lower compliance burden, faster approvals etc.</li> </ul>	L&T, ABB, Siemens, Hitachi, Siemens Energy, KEC, KPI, BEL, HAL, BDL
Cement	<ul style="list-style-type: none"> <li>Increase in government capex</li> <li>Higher allocation to PMAY scheme</li> </ul>	UTCEM, JKCEM, DALBHARA
Consumer	<ul style="list-style-type: none"> <li>Lower GST on gold and silver from 3% to 1.25% or 1.5%</li> <li>Measures to stimulate lower end consumption (not big change though)</li> <li>Higher allocations to schemes like MGNREGA, PM KISAN, PMAY</li> <li>Clarity on continuation of NCCD on cigarettes</li> </ul>	Titan, Kalyan, PN Gadgil, ITC
Consumer Durables	<ul style="list-style-type: none"> <li>Increase in government capex</li> <li>Extension of PM-KUSUM scheme</li> </ul>	Polycab, KEI, Crompton
Financials - Insurance	<ul style="list-style-type: none"> <li>Higher deduction limit for senior citizen's health insurance premium</li> </ul>	Niva Bupa, Star Health
Financials- Banks	<p>No significant announcements but some incremental ones:</p> <ul style="list-style-type: none"> <li>Higher PSL limits for on-lending to MSME focussed NBFCs</li> <li>Credit guarantee scheme for MFIs and NBFCs</li> <li>Enhanced tax incentives for deposits</li> <li>Resolve operational bottlenecks in co-lending and fintech regulations</li> </ul>	Moderate impact on sector
Financials: NBFCs- Non Lending	<ul style="list-style-type: none"> <li>Reduction of LTCG</li> <li>Reintroduction of Indexation benefit for Debt MF</li> <li>No further increase in STT</li> <li>Further tax slab widening and higher std deduction (low likelihood)</li> </ul>	AMCs, RTAs, Wealth Managers
Financials: NBFCs-Lending	<ul style="list-style-type: none"> <li>Increase in PMAY outlay</li> <li>Credit guarantee scheme for MSME lending</li> <li>Credit guarantee scheme for MFIs</li> </ul>	Aadhar Housing, Home First, Aptus, Aavas, India Shelter, Can Fin Homes, and PNBHF, CREDAG, Fusion, Spandana
Healthcare	No material expectations	na
Infra and Construction	<ul style="list-style-type: none"> <li>Higher railways capex (8-10% YoY)</li> <li>Higher road capex (8-10% YoY)</li> </ul>	HG Infra, PNC Infra, IRB Infra, GR Infra
IT Services	No material expectations	na
Metals	No material expectations	na
Oil & Gas	<ul style="list-style-type: none"> <li>GAS: Zero duty on LNG imports - currently 2.5% customs duty levied</li> <li>UPSTREAM: Cut in crude oil cess, tax holiday for new blocks; GST exemption for exploration activities</li> <li>GST rate reduction on oilfield equipment and services</li> <li>Petrol and diesel excise duty hike</li> </ul>	IGL, MAHGL, GUJGA, PLNG, GAIL, ONGC, OIL India
Real Estate	<ul style="list-style-type: none"> <li>Raising threshold definition of affordable housing from INR4.5m to INR7m</li> <li>Higher PMAY allocation</li> <li>Higher incentives for GCCs</li> </ul>	BRGD, PEPL, SOBHA, KPDL, MLDL, GPL, SRIN, LODHA  Likely losers: DLF, OBER
Retail	<ul style="list-style-type: none"> <li>No material targeted measure expected</li> </ul>	na
Telecom	<ul style="list-style-type: none"> <li>No material expectations</li> </ul>	na
Utilities	<ul style="list-style-type: none"> <li>Expansion of PM Surya Ghar Yojana and PM KUSUM</li> <li>Extending PLI scheme to upstream solar manufacturing</li> <li>Reduction in dividend tax from renewable energy SPV</li> <li>Cut in BCD and IGST on capital equipment for solar glass, ingots wafers etc.</li> <li>Refinancing legacy DISCOM debt</li> </ul>	Waaree, Premier, Saatvik Green, Tata Power, ACME, JSW Energy, NTPC Green, NTPC

Source: MOFSL

# Asian Paints

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	APNT IN
Equity Shares (m)	959
M.Cap.(INRb)/(USDb)	2515.8 / 27.4
52-Week Range (INR)	2986 / 2125
1, 6, 12 Rel. Per (%)	-1/11/6
12M Avg Val (INR M)	3127

## Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	352.2	384.5	425.3
Sales Gr. (%)	3.9	9.2	10.6
EBITDA	65.3	73.8	82.9
EBIT Margin (%)	18.6	19.2	19.5
Adj. PAT	44.2	50.8	57.8
Adj. EPS (INR)	46.0	53.0	60.3
EPS Gr. (%)	8.4	15.1	13.8
BV/Sh. (INR)	206.2	216.9	234.7

## Ratios

RoE (%)	22.5	25.0	26.7
RoCE (%)	19.2	21.0	22.1
Payout (%)	89.1	77.4	68.0

## Valuation

P/E (x)	57.0	49.5	43.6
P/BV (x)	12.7	12.1	11.2
EV/EBITDA (x)	37.7	33.3	29.5
Div. Yield (%)	1.6	1.6	1.6

## Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	52.6	52.6	52.6
DII	21.1	21.6	14.1
FII	12.8	11.7	13.7
Others	13.4	14.1	19.7

FII includes depository receipts

**CMP: INR2,623 TP: INR2,950 (+12%) Neutral**

## Lackluster performance; industry demand more critical to track

- Asian Paints (APNT) reported a 4% YoY growth in consolidated revenue (base -6%), with standalone sales rising 3% YoY. Despite a favorable base and multiple initiatives, growth delivery remained soft. Domestic decorative volumes rose 8% YoY (est. 12%). A shorter festive period and an extended monsoon did weigh on 3Q performance and further delay demand recovery. The international business rose 6.3% YoY (+4.2% in constant currency terms).
- However, gross margin sustained its expansion and registered 200bp YoY to 44.4% (est. 43.8%), driven by lower raw material costs. EBITDA margin improved 90bp YoY to 20.1% (est. 19.8%), resulting in a 9% YoY growth in EBITDA to INR17.8b (est. INR18b).
- The management commentary on demand recovery was uninspiring, especially after the constructive commentary post-2QFY26. APNT expects volumes to be in the 8-10% range and value growth of ~5% in the near term. That said, management maintained its EBITDA margin guidance of 18-20%, aided by formulation and sourcing efficiencies. We model 10% revenue CAGR over FY26-28E along with ~19% EBITDA margin for FY27/FY28E.
- Given slower demand recovery and competitive pressure, the near-term growth outlook looks muted. However, as the paint category enjoys pent-up demand, we will be watchful if the recovery pace picks up faster in the coming seasonal quarters. The company is focusing on product innovation, brand salience, regionalization, and execution excellence to negate competitive pressure. We cut our EPS estimates by 1%-3% over FY26-28E. We value the company at 50x Dec'27E EPS to arrive at our TP of INR2,950. We reiterate our Neutral rating on the stock.

## Muted performance; revenue below our estimate

- Sales inch up 4% on a low base: Consol. net sales growth of 4% YoY at INR88.7b. (est. INR91b), on a favorable base of -6%. Decorative business (India) clocked volume growth of 8% (est. 12%, 11% in 2QFY26) and revenue growth of 3% YoY, partially impacted by shorter festive period and extended monsoon. The industrial segment clocked mid-teen growth (+17% YoY) aided by overall coatings performance, with volume growth of 8.3% and value growth of 4.4%. The bath business declined 4%, while the kitchen business revenue grew 2.6%. White Teak business revenue grew 12%, while Weather Seal revenue was up 59%.
- International business experienced steady growth: International business registered a value growth of 6.3% (4.2% growth in CC terms) backed by steady performance in key markets of the UAE, Sri Lanka, and Ethiopia.



- **Better margin delivery:** Gross margin improved 200bp YoY to 44.4% (est. 43.8%). GP grew 9% YoY at INR39.4b (est. INR39.8b). Employee expenses increased 12% YoY, and other expenses rose 6% YoY. EBITDA margin expanded 90bp YoY to 20.1% (est. 19.8%). EBITDA grew 9% YoY (on -20% in 3QFY25) to INR17.8b (est. INR18b). PBT grew 8% YoY (on -24% in 3QFY25) to INR15.8b (est. INR16.3b). Adj. PAT grew of 9% YoY (on -24% in 3QFY25) to INR12.3b (est. INR12.5b).
- Exceptional items of INR1,576m included a one-time expense of INR637m towards an increase in the gratuity liability by INR529m and an increase in the liability towards compensated absences by INR108m (impact of the Labor Code). There was also an impairment loss of INR939m recognized on the acquisition of Obgenix Software Private Limited ('White Teak').
- For 9MFY26, net sales, EBITDA, and APAT grew 3%, 9%, and 6%, respectively.

### Key highlights from the management commentary

- The demand in Oct was muted due to the curtailed festive period and extended monsoon. However, marginal demand recovery was noted during Nov and Dec'25. The exit of the quarter was slightly better.
- Growth in rural markets was slightly ahead of the urban markets on the back of favorable monsoons.
- In 3QFY26, the value and the volume gap were ~5% vs. the earlier gap of 6-8%. APNT expects this 5% gap to continue in the near term. The company expects volume growth to be in the 8-10% range going forward.
- The management expects current demand trends to continue over the next couple of quarters. **In the near term, the management expects competitive intensity to remain elevated.**
- Management aims to maintain its EBITDA margin guidance at 18–20%, aided by efficiency measures and product mix improvement, even as marketing and technology investments remain high amid elevated competitive intensity.

### Valuation and view

- We cut our EPS estimates by 1-3% over FY26-28, given the prolonged softness in demand and elevated competitive intensity.
- **APNT expects competitive intensity to stay elevated with a gradual demand improvement and is focusing on innovation, brand salience, regionalization, and execution excellence to drive consistent growth.** The company has maintained its EBITDA margin guidance at 18–20%, despite **benign** RM prices and formulation efficiencies, as it will continue to invest in marketing and strengthen brand equity amid elevated competitive intensity. We model 10% revenue CAGR over FY26-28E along with ~19% EBITDA margin for FY27/FY28E, **factoring in a favorable base.**
- **We value the company at 50x Dec'27E EPS to arrive at our TP of INR2,950. We reiterate our Neutral rating on the stock.**

## Quarterly Performance (Consol.)

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
<b>Est. Dom. Deco. Vol. growth (%)</b>	<b>7.0</b>	<b>-0.5</b>	<b>1.6</b>	<b>1.8</b>	<b>3.9</b>	<b>10.9</b>	<b>7.9</b>	<b>9.3</b>	<b>2.5</b>	<b>8.0</b>	<b>12.0</b>	
<b>Net Sales</b>	<b>89,697</b>	<b>80,275</b>	<b>85,494</b>	<b>83,589</b>	<b>89,386</b>	<b>85,313</b>	<b>88,670</b>	<b>88,789</b>	<b>3,39,056</b>	<b>3,52,158</b>	<b>91,052</b>	<b>-2.6%</b>
Change (%)	-2.3	-5.3	-6.1	-4.3	-0.3	6.3	3.7	6.2	-4.5	3.9	6.5	
<b>Gross Profit</b>	<b>38,152</b>	<b>32,732</b>	<b>36,291</b>	<b>36,724</b>	<b>38,155</b>	<b>36,849</b>	<b>39,382</b>	<b>39,530</b>	<b>1,43,898</b>	<b>1,53,916</b>	<b>39,881</b>	
Gross Margin (%)	42.5	40.8	42.4	43.9	42.7	43.2	44.4	44.5	42.4	43.7	43.8	
<b>EBITDA</b>	<b>16,938</b>	<b>12,395</b>	<b>16,367</b>	<b>14,362</b>	<b>16,250</b>	<b>15,034</b>	<b>17,810</b>	<b>16,250</b>	<b>60,062</b>	<b>65,343</b>	<b>18,050</b>	<b>-1.3%</b>
Margin (%)	18.9	15.4	19.1	17.2	18.2	17.6	20.1	18.3	17.7	18.6	19.8	
Change (%)	-20.2	-27.8	-20.4	-15.1	-4.1	21.3	8.8	13.1	-20.8	8.8	10.3	
Interest	554	630	558	528	445	439	479	497	2,270	1,860	455	
Depreciation	2,277	2,420	2,556	3,011	3,009	3,049	3,131	3,164	10,263	12,353	3,100	
Other Income	1,562	1,736	1,430	999	1,928	1,986	1,610	1,232	5,726	6,757	1,800	
<b>PBT</b>	<b>15,669</b>	<b>11,081</b>	<b>14,683</b>	<b>11,822</b>	<b>14,724</b>	<b>13,532</b>	<b>15,810</b>	<b>13,821</b>	<b>53,255</b>	<b>57,887</b>	<b>16,295</b>	<b>-3.0%</b>
Tax	4,168	2,654	3,897	3,214	3,917	3,733	4,152	2,960	13,934	14,761	3,992	
Effective Tax Rate (%)	26.6	23.9	26.5	27.2	26.6	27.6	26.3	21.4	26.2	25.5	24.5	
<b>Adjusted PAT</b>	<b>11,868</b>	<b>8,738</b>	<b>11,284</b>	<b>8,838</b>	<b>11,171</b>	<b>10,182</b>	<b>12,315</b>	<b>10,491</b>	<b>40,728</b>	<b>44,159</b>	<b>12,502</b>	<b>-1.5%</b>
Change (%)	-24.6	-29.1	-23.5	-30.7	-5.9	16.5	9.1	18.7	-26.7	8.4	10.8	

E: MOFSL Estimates

# Tata Consumer Products

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR1,187      TP: INR1,450 (+22%)      Buy**

## Broad-based growth across segments

### Operating performance in line

- Tata Consumer Products (TATACONS) reported ~35% YoY growth in EBIT in 3QFY26, led by strong 90% YoY growth in India branded business EBIT, which was supported by improved gross margins (up 170bp YoY). International beverages business EBIT grew 3% YoY, while non-branded business EBIT declined 30% YoY. Core India business posted revenue growth of 14%/3% in salt/tea, with volumes up 15%/3%.
- Margin expansion, in the near term, is expected to be driven by easing tea prices and volume recovery. Over the medium term, it is expected to be supported by portfolio premiumization, new product launches, and a scale-up in growth businesses, including RTD, Tata Sampann, Capital Foods and Organic India, which together contributed ~30% of revenue in 3Q.
- We maintain our FY26/FY27/FY28 earnings estimates and **reiterate BUY with an SoTP-based TP of INR1,450.**

### Performance driven by traction in the branded and growth portfolios

- TATACONS reported revenue of INR51b (est. in line), up 15% YoY. EBITDA margin expanded 140bp YoY to 14.1% (est. 14.1%), led by gross margin expansion of 170bp to 42.8% (vs. 41.1% in 3QFY25). EBITDA grew 28% YoY to INR7.2b (est. in line). Adj. PAT rose 41% to INR4b (est. in-line), aided by a decrease in finance costs by 45% YoY.
- Indian branded business grew by 13% YoY to INR32b, led by revenue growth of 7%/20% YoY in Indian branded beverage business/India Food business to INR16.2b/INR15.8b. EBIT grew by 90% YoY to INR4b.
- RTD segment (NourishCo) revenue rose ~26% YoY to ~INR2b, while volumes recorded a moderate growth of 27%. Growth businesses (including RTD, Capital Foods, and Organic India) reported strong growth of 29% YoY, led by robust growth in RTD (up 26%). Organic India and Capital Foods grew 15% YoY on a combined basis.
- International branded beverages revenue grew 17% YoY to ~INR13.9b, EBIT grew 3% YoY to INR1.7b, and EBIT margins contracted 170bp YoY to 12.3%. Non-branded business revenue increased 23% YoY to ~INR5.5b, while EBIT declined 30% YoY to INR655m.
- The company recorded a labor code impact of INR229m (exceptional item).
- For 9MFY26, revenue/EBITDA/adj. PAT grew 14%/8%/17% to ~INR149b/~INR20b/~INR11b.

Bloomberg	TATACONS IN
Equity Shares (m)	990
M.Cap.(INRb)/(USDb)	1175 / 12.8
52-Week Range (INR)	1221 / 930
1, 6, 12 Rel. Per (%)	4/11/13
12M Avg Val (INR M)	1536
Free float (%)	66.2

### Financials & valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	200	215	233
EBITDA	28	33	35
Adj. PAT	16	19	22
EBITDA Margin (%)	14	15	15
Cons. Adj. EPS (INR)	16	19	22
EPS Gr. (%)	22	23	12
BV/Sh. (INR)	227	241	258

### Ratios

Net D:E	0	0	0
RoE (%)	8	9	9
RoCE (%)	10	11	12
Payout (%)	41	33	30

### Valuations

P/E (x)	75	61	54
EV/EBITDA (x)	39	32	29
Div. Yield (%)	1	1	1
FCF Yield (%)	1	2	2

### Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	33.8	33.8	33.8
DII	23.5	22.2	19.5
FII	21.2	22.1	23.2
Others	21.5	21.9	23.5

Note: FII includes depository receipts



## Highlights from the management commentary

- **Channel mix:** The company piloted a go-to-market (GTM) transformation in eight cities to strengthen its focus on growth categories in tea and salt markets. The company is now rolling it out nationally in phases with minimal disruption. About 270 distributors have transitioned to the GTM model, i.e., focusing on growth business (80% of the target); 160 additional distributors have been added in priority markets. Efficiency has been achieved through optimized routes, systems alignment, and sales hierarchy realignment.
- **India Foods:** Tata Sampann has seen broad-based growth. The dry fruits business is achieving an annual revenue rate of INR2.5-3b. The company maintains 30% revenue growth guidance for Tata Sampann. For Soulful, its market share has reached near double digits in most categories it operates in.
- **Innovation to sales:** The company's innovation pipeline continues to be robust, with 55 product launches in 9MFY26. The innovation-to-sales ratio stands at 4.8, and management aims to exceed 5 going forward.
- **RTD:** The company has launched a new energy drink within the segment (Zip Zap), expecting demand to pick up from February onward. Distribution has been ramped up, positioning the company well for the upcoming season. Additionally, management plans new launches over the next 60 days.

## Valuation and view

- We expect growth in TATACONS to be driven by effective GTM execution (enabling faster expansion of high-growth businesses). This, combined with portfolio premiumization, a higher innovation-to-sales ratio, and improving operating leverage, is expected to support sustainable revenue growth and gradually enhance profitability over the medium term.
- We expect TATACONS to clock a CAGR of 10%/13%/19% in revenue/EBITDA/PAT during FY25-28. **Reiterate BUY with an SoTP-based TP of INR1,450.**

## Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26				FY25	FY26E	FY26E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q	
<b>Gross Sales</b>	<b>43,521</b>	<b>42,145</b>	<b>44,436</b>	<b>46,082</b>	<b>47,789</b>	<b>49,659</b>	<b>51,120</b>	<b>51,071</b>	<b>1,76,183</b>	<b>1,99,639</b>	<b>49,766</b>	<b>3</b>
YoY Change (%)	16.3	12.9	16.8	17.3	9.8	17.8	15.0	10.8	15.9	13.3	12.0	
Total Expenditure	36,847	35,882	38,788	39,873	41,720	42,941	43,913	43,234	1,51,390	1,71,808	42,746	
<b>EBITDA</b>	<b>6,674</b>	<b>6,263</b>	<b>5,647</b>	<b>6,210</b>	<b>6,069</b>	<b>6,718</b>	<b>7,207</b>	<b>7,838</b>	<b>24,794</b>	<b>27,831</b>	<b>7,021</b>	<b>3</b>
Margins (%)	15.3	14.9	12.7	13.5	12.7	13.5	14.1	15.3	14.1	13.9	14.1	
Depreciation	1,480	1,493	1,503	1,531	1,489	1,533	1,593	1,600	6,007	6,215	1,540	
Interest	936	987	579	400	338	332	316	310	2,902	1,296	345	
Other Income	392	460	516	565	412	380	330	550	1,933	1,672	450	
<b>PBT before EO expense</b>	<b>4,650</b>	<b>4,242</b>	<b>4,081</b>	<b>4,844</b>	<b>4,654</b>	<b>5,233</b>	<b>5,628</b>	<b>6,478</b>	<b>17,817</b>	<b>21,992</b>	<b>5,586</b>	
Extra-Ord expense	-171	-272	-62	453	0	0	-229	0	-51	-229	0	
<b>PBT</b>	<b>4,479</b>	<b>3,971</b>	<b>4,019</b>	<b>5,297</b>	<b>4,654</b>	<b>5,233</b>	<b>5,399</b>	<b>6,478</b>	<b>17,766</b>	<b>21,764</b>	<b>5,586</b>	
Tax	1,337	377	1,022	1,226	1,190	1,262	1,371	1,613	3,962	5,436	1,406	
Rate (%)	29.9	9.5	25.4	23.2	25.6	24.1	25.4	24.9	22.3	25.0	25.2	
Minority Interest	-11	28	30	39	-24	21	-1	43	86	38	33.4	
Profit/Loss of Asso. Cos.	-249	79	-178	-584	-147	95	-183	-530	-932	-765	-150	
<b>Reported PAT</b>	<b>2,903</b>	<b>3,644</b>	<b>2,789</b>	<b>3,449</b>	<b>3,342</b>	<b>4,045</b>	<b>3,846</b>	<b>4,292</b>	<b>12,785</b>	<b>15,524</b>	<b>3,996</b>	
<b>Adj PAT</b>	<b>3,031</b>	<b>3,848</b>	<b>2,835</b>	<b>3,109</b>	<b>3,342</b>	<b>4,045</b>	<b>4,018</b>	<b>4,292</b>	<b>12,823</b>	<b>15,696</b>	<b>3,996</b>	<b>1</b>
YoY Change (%)	-5.4	10.2	-18.4	-17.9	10.2	5.1	41.7	38.1	-8.1	22.4	41.0	
Margins (%)	7.0	9.1	6.4	6.7	7.0	8.1	7.9	8.4	7.3	7.9	8.0	

Estimate changes	↔
TP change	↔
Rating change	↔

**CMP: INR746      TP: INR875 (+17%)      Buy**

## Steady show; growth orientation continues

Bloomberg	MRCO IN
Equity Shares (m)	1298
M.Cap.(INRb)/(USD\$)	968.1 / 10.6
52-Week Range (INR)	780 / 578
1, 6, 12 Rel. Per (%)	4/6/3
12M Avg Val (INR M)	1422

### Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	136.8	156.4	170.9
Sales Gr. (%)	26.3	14.3	9.3
EBITDA	23.5	29.7	32.6
EBITDA Margin. %	17.1	19.0	19.1
Adj. PAT	17.7	21.5	23.5
Adj. EPS (INR)	13.7	16.6	18.2
EPS Gr. (%)	10.6	21.4	9.6
BV/Sh.(INR)	32.0	35.1	38.9

### Ratios

RoE (%)	43.6	49.5	49.2
RoCE (%)	39.3	44.6	44.6
Payout (%)	91.2	81.2	79.6

### Valuations

P/E (x)	54.4	44.9	40.9
P/BV (x)	23.3	21.2	19.2
EV/EBITDA (x)	40.5	31.9	28.9
Div. Yield (%)	1.7	1.8	1.9

### Shareholding Pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	58.9	58.9	59.1
DII	12.4	12.0	12.9
FII	24.2	24.5	23.4
Others	4.5	4.6	4.6

FII includes depository receipts

- Marico (MRCO) reported a consolidated revenue growth of 27% YoY (in line) in 3QFY26. Domestic revenue growth was 28% YoY, with volume growth of 8%. International revenue growth was 24% YoY (+21% CC). Parachute coconut oil (PCNO) posted a 50% YoY value growth with a 1% volume decline, primarily driven by price hikes. Copra prices have already corrected by about 30% from the peak levels, and management expects a more meaningful softening from Apr'26 onward.
- Value-added Hair Oils (VAHO) continued its growth recovery, with revenue rising 29%. Excluding the Amla segment, where the company continues to face intense competition, VAHO recorded **high-teen (19%) volume growth**. Saffola oil clocked a marginal decline in volumes, with revenue growth remaining flat as the impact of prior price hikes normalized during the quarter. Foods delivered 5% YoY growth, impacted by SKU rationalization (mayo, peanut butter). Premium Personal Care continues its healthy growth trajectory.
- Gross margin contracted 600bp YoY to 43.5% (est. 43.2%), while rising 90bp sequentially, driven by the recent correction in copra prices. EBITDA margin contracted 220bp YoY to 16.9%. EBITDA grew 12% (est. 12%). Management expects to deliver mid-teen EBITDA growth and anticipates a 150-200bp margin expansion in FY27 as RM prices start to ease.
- The company is on track to deliver ~25% consolidated revenue growth in FY26, driven by pricing, expanded direct reach, and strong momentum across core categories as well as newer growth engines, such as foods and premium personal care.
- The company aims to deliver a double-digit PAT CAGR over the next two years, and we model a 14% PAT CAGR over FY25–28E. Given the sustained growth trajectory, we believe the stock's premium valuation is likely to be sustained. **We reiterate our BUY rating on the stock with a TP of INR875 (based on 50x Dec'27E EPS).**

## In-line performance; volume growth at 8%

- **Sustaining strong revenue growth:** Consolidated net sales grew 27% YoY to INR35.4b (est: INR35.7b) in 3QFY26. Domestic sales rose 28% YoY, while domestic volumes grew 8% YoY (est. 8%). The international business delivered 21% CC growth, led by Bangladesh/MENA/Vietnam/ South Africa, which posted 29%/17%/22%/16% CC growth.
- **Contraction in margins:** Consolidated gross margin contracted 600bp YoY to 43.5% (est. 43.2%), while it improved 90bp QoQ, owing to the recent correction in copra prices. The cost impact of INR60m arising from the implementation of the new labor codes is treated as an exceptional item. Employee expenses rose 14% YoY (adjusted INR60m due to new labor codes), ad spends increased 15% YoY, and other expenses rose 6% YoY. EBITDA margin contracted 220bp YoY to 16.9% in 3QFY26 (est. 16.7%).

- **Double-digit growth in profitability:** EBITDA grew 12% YoY (est. 12%) after adjusting for the INR60m impact of labor codes. PBT/PAT grew 11%/13% YoY to INR5.7b/INR4.5b/ (est. INR5.9b/INR4.4b).
- In 9MFY26, net sales, EBITDA, and APAT grew 27%/8%/10%.

### Highlights from the management commentary

- The company witnessed resilient demand conditions in India and remained optimistic about a gradual recovery in consumption over the coming quarters. Improvement will be supported by benign inflation, improved affordability following the recent GST rate rationalization, higher MSPs, and a strong rabi sowing season.
- The company remains on track to deliver over 25% consolidated revenue growth in FY26, supported by strong volume growth in India even as pricing growth moderates.
- Management expects EBITDA growth in mid-teens, along with an EBITDA margin expansion of 150–200bp.
- Copra prices have corrected ~30% from peak levels and are expected to further trend downward, supported by the upcoming flush season from Apr'26.

### Valuation and view

- We largely maintain our EPS estimates for FY27 and FY28.
- The company is on track to deliver ~25% consolidated revenue growth in FY26, driven by pricing, expanded direct reach, and strong momentum across core categories as well as newer growth engines, such as foods and premium personal care.
- To improve its distribution reach, MRCO has also started Project SETU, which helps drive growth in GT through a transformative expansion of its direct reach.
- We model a 16%/15% revenue and EBITDA CAGR during FY25-28E and **reiterate our BUY rating on the stock with a TP of INR875 (based on 50x Dec'27E EPS).**

### Quarterly Performance

	(INR m)											
Y/E March	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Domestic volume growth (%)	4.0	5.0	6.0	7.0	9.0	7.0	8.0	12.0	5.5	9.0	8.0	
<b>Net Sales</b>	<b>26,430</b>	<b>26,640</b>	<b>27,940</b>	<b>27,300</b>	<b>32,590</b>	<b>34,820</b>	<b>35,370</b>	<b>33,979</b>	<b>1,08,310</b>	<b>1,36,759</b>	<b>35,689</b>	-0.9%
YoY Change (%)	6.7	7.6	15.4	19.8	23.3	30.7	26.6	24.5	12.2	26.3	27.7	
<b>Gross Profit</b>	<b>13,810</b>	<b>13,530</b>	<b>13,830</b>	<b>13,260</b>	<b>15,290</b>	<b>14,850</b>	<b>15,400</b>	<b>14,907</b>	<b>54,430</b>	<b>60,447</b>	<b>15,400</b>	0.0%
Gross margin (%)	52.3	50.8	49.5	48.6	46.9	42.6	43.5	43.9	50.3	44.2	43.2	
<b>EBITDA</b>	<b>6,260</b>	<b>5,220</b>	<b>5,330</b>	<b>4,580</b>	<b>6,550</b>	<b>5,600</b>	<b>5,980</b>	<b>5,323</b>	<b>21,390</b>	<b>23,453</b>	<b>5,971</b>	0.2%
Margins (%)	23.7	19.6	19.1	16.8	20.1	16.1	16.9	15.7	19.7	17.1	16.7	
YoY Change (%)	9.1	5.0	3.9	3.6	4.6	7.3	12.2	16.2	5.6	9.6	12.0	
Depreciation	410	410	440	520	450	470	500	547	1,780	1,967	485	
Interest	170	110	130	120	100	120	140	117	530	477	125	
Other Income	370	400	420	470	560	490	390	439	1,660	1,879	500	
<b>PBT</b>	<b>6,050</b>	<b>5,100</b>	<b>5,180</b>	<b>4,410</b>	<b>6,560</b>	<b>5,500</b>	<b>5,730</b>	<b>5,098</b>	<b>20,740</b>	<b>22,888</b>	<b>5,861</b>	-2.2%
Tax	1,310	1,190	1,120	960	1,430	1,180	1,070	1,096	4,580	4,776	1,319	
Rate (%)	21.7	23.3	21.6	21.8	21.8	21.5	18.7	21.5	22.1	20.9	22.5	
<b>Adjusted PAT</b>	<b>4,640</b>	<b>3,915</b>	<b>3,990</b>	<b>3,430</b>	<b>5,040</b>	<b>4,200</b>	<b>4,515</b>	<b>3,965</b>	<b>15,975</b>	<b>17,675</b>	<b>4,448</b>	1.5%
YoY Change (%)	8.7	10.9	4.2	7.9	8.6	7.3	13.2	15.6	7.9	10.6	11.5	
<b>Reported PAT</b>	<b>4,640</b>	<b>4,230</b>	<b>3,990</b>	<b>3,430</b>	<b>5,040</b>	<b>4,200</b>	<b>4,470</b>	<b>3,965</b>	<b>16,290</b>	<b>17,675</b>	<b>4,448</b>	

E: MOFSL Estimates

Estimate change



TP change



Rating change



Bloomberg	MCX IN
Equity Shares (m)	255
M.Cap.(INRb)/(USD\$)	616.6 / 6.7
52-Week Range (INR)	2499 / 882
1, 6, 12 Rel. Per (%)	13/49/106
12M Avg Val (INR M)	4689
Free float (%)	100.0

## Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	21.1	28.8	31.8
EBIT Margin (%)	67.1	70.9	70.3
PAT	12.2	17.0	18.6
EPS (INR)	47.8	66.5	72.9
EPS Gr. (%)	117.5	39.2	9.6
BV/Sh. (INR)	83.5	96.8	111.3

## Ratios

RoE (%)	60.7	73.8	70.1
---------	------	------	------

## Valuations

P/E (x)	50.7	36.4	33.2
P/BV (x)	29.0	25.0	21.8
Div Yield (%)	0.3	0.3	0.3

## Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	0.0	0.0	0.0
DII	59.2	60.5	56.3
FII	20.8	19.2	23.3
Others	20.0	20.3	20.4

FII includes depository receipts

**CMP: INR2,418**
**TP: INR2,750 (+14%)**
**Neutral**

## Volumes and earnings continue to reach new highs

- 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.
- Total expenses jumped 58% YoY to INR1.7b, with staff costs up 34% YoY and other expenses up 68% YoY. EBITDA stood at ~INR5b, up 2.5x YoY in 3QFY26 (7% miss due to higher other expenses). For 9MFY26, EBITDA almost doubled YoY to INR9.8b.
- The company reported PAT of ~INR4b, up 2.5x YoY (in line). For 9MFY26, PAT rose 89% to INR8b.
- MCX recently launched monthly options contracts on the MCX iCOMDEX Bullion Index (MCX BULLDEX), covering both gold and silver, effective Oct'25. Management indicated that while the product pipeline remains healthy, the near-term focus is on stabilizing recently launched contracts, with future launches to be timed based on internal readiness, market appetite, and regulatory processes.
- We have raised our EPS estimates for FY26/FY27/FY28 by 9%/22%/24%, respectively, to factor in strong volume growth. **We reiterate a Neutral rating on the stock with a one-year TP of INR2,750 (premised on 38x FY28E EPS).**

## Volumes achieve an all-time high

- The transaction fee for 3QFY26 stood at ~INR6.1b, up 129% YoY/80% QoQ, comprising options and futures in the ratio of 63:37 (vs. 3QFY25 at INR2.7b in the ratio of 72:28).
- Overall ADT was up 3.3x YoY to INR7.9t, largely driven by 221%/207% YoY growth in Options Notional ADT/Futures ADT to INR6.7t/INR886b.
- Options notional ADT surged 221% YoY to INR6.7t, largely supported by 987% YoY/30% YoY growth in bullion/energy contracts. Options premium ADT rose 97% YoY to ~INR71b, with a 959%/23% YoY rise in bullion and energy contracts.
- Futures ADT rose 207% YoY to INR886b, fueled by 297%/45%/62% YoY growth in bullion/energy/base metal contracts.
- MCX continues to dominate the commodity futures market with a share of over 99% as of 3QFY26, with 79%/15%/6% share in precious metals/energy/base metal commodities.
- Other income at INR315m grew 37% YoY and 19% QoQ.
- Total expenses jumped 58% YoY/31% QoQ to INR1.7b, with a CIR of 25.6% vs 35.9% in 3QFY25 and 34.9% in 2QFY26. Staff costs rose 34% YoY to INR444m, while other expenses increased 68% YoY to INR1.3b, mainly driven by software charges/computer tech costs/contribution to SGF/other expenses, which rose 54%/23%/8%/37% YoY to INR297m/INR247m/INR483m/INR234m.
- Client participation increased 7% YoY with 580 members as of Dec'25. Traded clients stood at 0.9m in the options segment and 0.4m in futures (participation mix being futures: options at 51%:39%).
- The number of UCCs at the end of 3QFY26 stood at 40m compared to 31.3m in 3QFY25 and 36.7m in 2QFY26.

### Key takeaways from the management commentary

- Sequential increase in UCCs (~10%) driven by: better alignment of user experience across equity and commodity platforms; adoption of common ledger/front-end experience by members; and onboarding of new members. Management expects momentum to continue in the near term.
- Base metals volumes rose 156% QoQ and 77% YoY, driven by the consolidation of warehouses (e.g., copper was moved to a single delivery center), simplification of contract structure, market engagement on GST-related delivery processes, and increased participation as members set up commodity desks. The company is continuing warehouse rationalization across base metals.
- SGF contributions are made in accordance with SEBI-prescribed norms. A strong SGF provides flexibility in managing margins and enhances settlement safety. Management has reaffirmed the adequacy of the current framework.

### Valuation and view

- While bullion contributed a meaningful share of incremental volumes in 3Q, base metals in futures and natural gas in options have also seen a meaningful jump in the past few months. Considering the recent spurt in price volatility, we expect commodity volumes to normalize, assuming flat volumes in Jan'26, followed by a 20% decline in Feb'26. Thereafter, we build in a gradual recovery with ~3% MoM growth in Mar'26 and ~1% MoM thereafter. We do not assume any material contribution from electricity or index contracts.
- We have raised our EPS estimates for FY26/FY27/FY28 by 9%/22%/24%, respectively, to factor in strong volume growth. **We reiterate a Neutral rating on the stock with a one-year TP of INR2,750 (premised on 38x FY28E EPS).**

### Quarterly Performance

	FY25				FY26				FY25		FY26E		Est. 3QFY26	Var. (%/bp)	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE								
<b>Sales</b>	<b>2,344</b>	<b>2,856</b>	<b>3,014</b>	<b>2,913</b>	<b>3,732</b>	<b>3,742</b>	<b>6,656</b>	<b>6,978</b>	<b>11,127</b>	<b>21,109</b>	<b>6,943</b>	<b>(4.1)</b>	<b>120.9</b>	<b>77.9</b>		
YoY Gr. (%)	60.8	73.0	57.4	60.9	59.2	31.0	120.9	139.5	62.8	89.7	130.4					
Staff Costs	321	327	332	463	448	448	444	463	1,443	1,803	465	(4.5)	33.6	(0.8)		
Other expenses	697	735	750	849	867	858	1,260	1,343	3,031	4,328	1,150	9.6	68.0	46.9		
<b>EBITDA</b>	<b>1,326</b>	<b>1,794</b>	<b>1,931</b>	<b>1,602</b>	<b>2,417</b>	<b>2,436</b>	<b>4,952</b>	<b>5,173</b>	<b>6,653</b>	<b>14,977</b>	<b>5,328</b>	<b>(7.1)</b>	<b>156.4</b>	<b>103.2</b>		
Margins (%)	56.6	62.8	64.1	55.0	64.8	65.1	74.4	74.1	59.8	71.0	76.7					
Depreciation	134	140	146	217	173	198	219	226	638	816	203	7.7	50.1	10.9		
<b>EBIT</b>	<b>1,191</b>	<b>1,654</b>	<b>1,785</b>	<b>1,385</b>	<b>2,244</b>	<b>2,239</b>	<b>4,733</b>	<b>4,947</b>	<b>6,016</b>	<b>14,162</b>	<b>5,125</b>	<b>(7.7)</b>	<b>165.1</b>	<b>111.4</b>		
Interest Costs	1	1	2	1	1	1	0	3	5	5	1	(70.0)	(82.4)	(50.0)		
Other Income	188	252	230	292	326	266	315	322	962	1,229	274	15.1	37.0	18.6		
<b>PBT bef. Exceptional items</b>	<b>1,379</b>	<b>1,906</b>	<b>2,013</b>	<b>1,675</b>	<b>2,569</b>	<b>2,504</b>	<b>5,047</b>	<b>5,266</b>	<b>6,973</b>	<b>15,386</b>	<b>5,397</b>	<b>(6.5)</b>	<b>150.7</b>	<b>101.6</b>		
Tax	273	374	418	328	532	514	1,021	1,087	1,394	3,154	1,187	(14.0)	144.2	98.7		
Rate (%)	19.8	19.6	20.8	19.6	20.7	20.5	20.2	20.6	20.0	20.5	22.0					
Profit from associate	4	4	5	8	-5	-15	-15	-15	21	50	0.0					
<b>PAT</b>	<b>1,109</b>	<b>1,536</b>	<b>1,600</b>	<b>1,355</b>	<b>2,032</b>	<b>1,975</b>	<b>4,011</b>	<b>4,164</b>	<b>5,600</b>	<b>12,232</b>	<b>4,210</b>	<b>(4.7)</b>	<b>150.6</b>	<b>103.1</b>		
Y-o-Y Gr. (%)	464.2	NA	NA	54.2	83.2	28.5	150.6	207.4	574.2	118.4	163					
<b>EPS (INR)</b>	<b>4.3</b>	<b>6.0</b>	<b>6.3</b>	<b>5.3</b>	<b>8.0</b>	<b>7.7</b>	<b>15.7</b>	<b>16.3</b>	<b>109.8</b>	<b>48.0</b>	<b>16.6</b>	<b>(5.0)</b>	<b>150.6</b>	<b>103.1</b>		
<b>Total volumes (INR t)</b>	<b>112.3</b>	<b>143.2</b>	<b>148.4</b>	<b>160.2</b>	<b>198.9</b>	<b>267.3</b>	<b>480.1</b>	<b>572.1</b>	<b>564.0</b>	<b>1,496.5</b>	<b>480.1</b>	<b>(0.0)</b>	<b>223.6</b>	<b>79.6</b>		
Q-o-Q Gr. (%)	35.8	27.5	3.6	8.0	24.1	34.4	79.6	19.2			79.6					
Y-o-Y Gr. (%)	116.8	113.8	101.7	93.8	77.1	86.7	223.6	257.1	105.1	165.3	223.6					

E: MOFSL Estimates



# Nuvama Wealth

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	NUVAMA IN
Equity Shares (m)	177
M.Cap.(INRb)/(USDb)	230.1 / 2.5
52-Week Range (INR)	1702 / 914
1, 6, 12 Rel. Per (%)	-12/-84/-86
12M Avg Val (INR M)	938

## Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Revenues	30.8	36.1	42.5
Opex	16.8	19.6	22.7
PBT	14.0	16.6	19.8
PAT	10.6	12.5	14.9
EPS (INR)	59	70	84
EPS Gr. (%)	7	19	19
BV/Sh. (INR)	224	255	299

## Ratios (%)

C/I ratio	54.6	54.1	53.4
PAT margin	34.3	34.7	35.1
RoE	28.4	29.7	30.6
Div. Payout	60.1	59.2	49.6

## Valuations

P/E (x)	21.6	18.2	15.2
P/BV (x)	5.7	5.0	4.3
Div. Yield (%)	2.8	3.3	3.3

## Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	54.2	54.6	54.9
DII	8.4	7.6	4.7
FII	16.4	16.3	15.5
Others	21.0	21.5	24.9

FII includes depository receipts

**CMP: INR1,265 TP: INR1,750 (+38%) Buy**

## In-line performance; asset services base to reset in 4Q

- Nuvama Wealth's (NUVAMA) 3QFY26 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). For 9MFY26, revenue grew 8% YoY to INR23b.
- 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). Including the one-time labor code impact of INR110m, PAT would have remained flat sequentially. PAT margin came in at 34.6% in 3QFY26 vs 34.8% in 3QFY25. For 9MFY26, PAT grew 7% YoY to INR7.8b.
- Opex growth guidance of 10-12% remains intact, with nearly 50% of incremental opex allocated towards business expansion (new branches, teams), while 4-5% reflects inflation. People costs grew 7% YoY in 9MFY26 and could trend slightly higher by year-end. Medium-term earnings growth aspiration remains intact at 20-25%.
- We have reduced our revenue estimates by 4%/5%/5% and improved the C/I ratio by 110-130bp for FY26E/FY27E/FY28E, considering the performance in 3QFY26. **Reiterate a BUY rating on the stock with a revised TP of INR1,750 (based on SOTP valuations), implying FY28E P/E of 21x.**

## Wealth business largely stable; asset services flattish YoY

### Nuvama Wealth (33% of total revenue)

- Revenue was up 18% YoY to INR2.5b (in-line), driven by 29% YoY growth in interest income and 22% YoY growth in Managed Products and Investment Solutions (MPIS), while brokerage income declined 7% YoY. MPIS revenue contribution increased YoY to 59% (57% in 3QFY25).
- Average client assets grew 10% YoY to ~INR1.1t, driven by robust net new money of INR32b and MTM gains of INR3b. In 9MFY26, MPIS contributed net flows of INR65.5b (+28% YoY) out of total net flows of INR99.1b.
- The segment has ~1.3m clients serviced by an RM base of ~1.1k and ~7k external wealth managers (27% of revenue by external wealth managers).
- CIR for the quarter improved YoY to 64.9% from 67.1% in 3QFY25 (vs our est. of 64.6%), resulting in an operating PBT of INR869m (+26% YoY; in-line).
- Retention improved YoY to 89bp from 83bp in 3QFY25.



### **Nuvama Private (24% of total revenue)**

- Revenue grew 19% YoY to ~INR1.8b (5% miss), driven by 45% YoY growth in ARR to INR1.2b (6% beat), while transactional revenue declined 10% YoY to INR639m (21% miss).
- The average client assets rose 5% YoY, with 24% YoY growth in ARR assets to INR521b and 2% YoY growth in transactional assets to INR1.4t. Net new money flowing into ARR assets stood at INR15.8b (INR18.7b in 3QFY25).
- The segment services 4,700+ families with 145+ RMs.
- CIR was largely stable YoY at 63.6% (vs our est. of 66.5%), resulting in 20% YoY growth in operating PBT to INR662m (in line).
- Retention on ARR assets improved YoY to 90bp from 77bp in 3QFY25.

### **Nuvama AMC (2% of total revenue)**

- Revenue grew 8% YoY to INR148m (6% beat), largely driven by a 16% YoY growth in the listed equities management fee, while the private markets management fee declined 37% YoY. Real estate management fee continues to grow sequentially and was at INR67m.
- Fee-paying AUM represents 93% of closing AUM. Average fee-paying AUM grew 38% YoY to INR115b. Net new money of INR4.3b was largely driven by the real estate JV (INR5.6b), as private market flows were low at INR0.1b and listed equities witnessed an outflow of INR1.4b.
- Retention for private markets declined YoY to 53bp, while for listed equities, it improved YoY to 62bp. Real estate retention stood at 99bp for 3QFY26 (77bp in 2QFY26).
- Operating loss for this segment increased to INR86m. Including the PBT contribution from the real estate JV, operating loss was at INR68m.

### **Nuvama Asset Services and Capital Markets (41% of revenue)**

- Asset services revenue was flattish YoY at INR1.7b (in line), impacted by Jane Street exit in Jul'25, which was offset by improvement in retention to 2.9bp (1.7bp in 3QFY25). Management expects 4QFY26 revenue to be a new base post the large client exit impact.
- The average assets under clearing declined 42% YoY to INR239b. The client count has crossed 275+ (250 in 2QFY26).
- The capital markets revenue declined 21% YoY to INR1.4b (19% miss), largely due to the deferment of ECM billing into the next quarter.
- CIR for the segment stood at ~34%, improving from 38% in 3QFY25 (vs our est. of 40%). This is attributed to the revision of variable costs, resulting in an operating PBT of INR2.1b (4% YoY decline; in line).

### **Highlights from the management commentary**

- The loan book expanded to INR43b from INR28b at the start of FY26, supporting higher NII. Management targets 20–30% loan book growth in FY27, and MPIS revenue growth of 20–30%.
- Retention in Nuvama Private is expected to be sustainable in the range of 80–90bp, while transactional income is expected to grow ~20%, with INR700–800m seen as a steady quarterly run rate.
- Client flows in the asset services business have shown meaningful improvement, with 4QFY26 earnings expected to be at par with 1QFY26, helping establish a new base post large client exit in Jul'25.

## Valuation and view

- NUVAMA has reported decent performance in 3Q, with the impact of large client exit largely offset by strong flows across the wealth management business and incremental client additions in the asset services business. With the expectation of asset services business recovering to pre-client loss levels from 4QFY26, sustained revenue momentum in wealth management, and improving cost trajectory, we expect 14%/15% revenue/PAT CAGR for FY25-28.
- We have reduced our revenue estimates by 4%/5%/5% and improved the C/I ratio by 110-130bp for FY26E/FY27E/FY28E, considering the performance in 3QFY26. **Reiterate a BUY rating on the stock with a revised TP of INR1,750 (based on SOTP valuations), implying FY28E P/E of 21x.**

## Quarterly Performance

(INR m)

Y/E March	FY25				FY26				FY25	FY26E	3Q FY26E	Actual vs Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE						
Revenue from Operations	6,675	7,397	7,229	7,712	7,701	7,718	7,549	7,828	29,013	30,779	8,037	-6.1	4.4	(2.2)
Change YoY (%)	60.2	50.2	29.5	29.5	15.4	4.3	4.4	1.5	40.7	6.1	11.2			
Employee expenses	2,793	2,983	2,946	3,082	3,156	3,220	2,963	2,594	11,804	11,932	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	4,185	15,904	16,805	4,489	-10.1	3.7	(7.6)
Change YoY (%)	27.9	30.0	18.8	21.6	12.5	11.5	3.7	-3.8	24.3	5.7	15.3			
<b>PBT before share of profit from associates</b>	<b>2,934</b>	<b>3,477</b>	<b>3,335</b>	<b>3,363</b>	<b>3,492</b>	<b>3,346</b>	<b>3,511</b>	<b>3,643</b>	<b>13,109</b>	<b>13,974</b>	<b>3,548</b>	<b>-1.0</b>	5.3	4.9
Change YoY (%)	136.2	82.2	44.7	41.3	19.0	-3.8	5.3	8.3	67.3	6.6	6.4			
Tax Provisions	760	902	824	848	868	853	890	882	3,334	3,494	887	0.4	8.1	4.4
<b>PAT before share of profit from associates</b>	<b>2,174</b>	<b>2,575</b>	<b>2,511</b>	<b>2,515</b>	<b>2,623</b>	<b>2,494</b>	<b>2,621</b>	<b>2,761</b>	<b>9,776</b>	<b>10,481</b>	<b>2,661</b>	<b>-1.5</b>	4.4	5.1
Change YoY (%)	135.0	78.3	42.8	38.5	20.7	-3.2	4.4	9.7	64.4	7.2	6.0			
Share of profit of associates (net of taxes)	37	0	6	37	15	46	-6	35	80	90	20	-128.7	(198.8)	(112.5)
<b>Net Profit</b>	<b>2,210</b>	<b>2,575</b>	<b>2,517</b>	<b>2,553</b>	<b>2,639</b>	<b>2,540</b>	<b>2,615</b>	<b>2,795</b>	<b>9,855</b>	<b>10,571</b>	<b>2,681</b>	<b>-2.5</b>	3.9	3.0
Change YoY (%)	133.5	77.6	42.9	41.3	19.4	-1.4	3.9	9.5	65.2	7.3	6.5			
<b>Key Operating Parameters (%)</b>	bp													
Cost to Income Ratio	56.0	53.0	53.9	56.4	54.7	56.6	53.5	53.5	54.8	54.6	55.9	-237	-38	-316
PBT Margin	44.0	47.0	46.1	43.6	45.3	43.4	46.5	46.5	45.2	45.4	44.1	237	38	316
PAT Margin	33.1	34.8	34.8	33.1	34.3	32.9	34.6	35.7	34.0	34.3	33.4	129	-17	174
<b>Avg AUM (INR b)</b>														
<b>Wealth Management</b>	<b>2,376</b>	<b>2,654</b>	<b>2,818</b>	<b>2,700</b>	<b>2,835</b>	<b>2,986</b>	<b>3,051</b>	<b>3,195</b>	<b>2,637</b>	<b>3,039</b>	<b>3,203</b>	<b>-4.7</b>	8.3	2.2
Nuvama Wealth	829	948	1,004	947	997	1,063	1,104	1,143	932	1,100	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	2,052	1,705	1,939	2,085	-6.6	7.4	1.3
<b>Asset Management</b>	<b>58</b>	<b>70</b>	<b>84</b>	<b>101</b>	<b>107</b>	<b>110</b>	<b>115</b>	<b>121</b>	<b>78</b>	<b>113</b>	<b>112</b>	<b>2.7</b>	37.9	5.2

## Changes to our estimates

INR b Y/E March	New estimates			Old estimates			Change in estimates		
	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Revenues	30.8	36.1	42.5	32.1	38.2	44.9	-4.1%	-5.3%	-5.2%
Opex	16.8	19.6	22.7	17.9	21.1	24.5	-6.1%	-7.5%	-7.4%
PBT	14.0	16.6	19.8	14.2	17.0	20.3	-1.6%	-2.7%	-2.6%
PAT	10.6	12.5	14.9	10.7	12.9	15.3	-1.6%	-2.7%	-2.6%
EPS (INR)	59	70	84	60	72	86	-1.6%	-2.7%	-2.6%
EPS Gr. (%)	7	19	19	9.0	20.0	19.3			
BV/Sh. (INR)	224	255	299	225	258	305	-0.4%	-1.1%	-1.7%
<b>Ratios (%)</b>									
C/I ratio	54.6	54.1	53.4	55.7	55.4	54.7	-115 bps	-125 bps	-124 bps
PAT margin	34.3	34.7	35.1	33.5	33.7	34.2	87 bps	95 bps	94 bps
RoE	28.4	29.7	30.6	28.8	30.2	30.9	-40 bps	-56 bps	-36 bps
Div. Payout	60.1	59.2	49.6	59.2	57.6	48.3	96 bps	157 bps	128 bps

# Raymond Lifestyle

Estimate change	↔
TP change	↑
Rating change	↔

**CMP: INR936** **TP: INR1,425 (+52%)** **Buy**

## Profitability rebounds due to the mix & operating leverage

- Raymond Lifestyle (RLL) reported robust profitability growth, with EBITDA at INR2.4b (+32% YoY; 11% beat), driven by sharp margin expansion in core branded textiles.
- Gross margins expanded 240bp, and EBITDA margins improved 260bp YoY to 12.8%, supported by favourable segmental mix and operating leverage.
- Working capital remained elevated at 94 days (vs. 89 days YoY), reflecting higher inventory holding for the US shipments and an increased mix of domestic and apparel businesses.
- RLL has staged a meaningful recovery in FY26YTD, with revenue/EBITDA up 9%/19% YoY after a subdued FY25, led by domestic strength, while exports remain pressured by tariff uncertainty.
- We assume sustained momentum in the domestic business and a gradual recovery in export markets, driving ~8% revenue CAGR over FY25–28E with EBITDA margins expanding to 12.4% by FY28 (vs. 10.6% in 9MFY26), translating into ~28% EBITDA CAGR.
- We value RLL at 21x FY28E P/E to arrive at our revised TP of INR1,425 (earlier INR1,400). **We reiterate our BUY rating on RLL, primarily due to reasonable valuations (based on 17x FY27 P/E and 0.8x FY27 EV/sales).**

## Recovery continues, driven by a robust show in domestic business

- RLL's consolidated revenue rose 5% YoY to INR18.5b (vs. our estimate of 7% YoY growth).
- Revenue growth was mainly driven by an acceleration in domestic demand, driving improved performance in Branded Textile (up 11% YoY).
- RLL added 12 stores in 3Q (13 net closures in 9M), bringing the total retail store network to 1,675.
- Gross profit grew 11% YoY to INR8.3b (in line), led by gross margin, which expanded ~240bp YoY to 44.9% (220bp beat).
- EBITDA grew **32% YoY** to INR2.4b (**11% beat**) due to improved segmental mix and operating leverage in the Branded Textile segment.
- EBITDA margin expanded ~260bp YoY to 12.8% (150bp beat), due largely to better than expected performance in Branded Textile and Apparel.
- Depreciation and amortization jumped 16% YoY (in line), while finance costs rose 11% YoY (19% above).
- RLL posted an exceptional expense of INR568m owing to the new labor code impact. Adjusted for this, its PAT at INR1b rose 54% YoY (~21% beat).

Bloomberg	RAYMONDL IN
Equity Shares (m)	61
M.Cap.(INRb)/(USDb)	57 / 0.6
52-Week Range (INR)	1820 / 860
1, 6, 12 Rel. Per (%)	-4/-16/-55
12M Avg Val (INR M)	288

### Financials & valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	66.5	72.5	78.3
EBITDA	6.6	8.5	9.7
Adj. PAT	2.2	3.3	4.1
EPS (INR)	35.6	54.4	66.5
EPS Gr. (%)	116.0%	52.5%	22.3%

### Ratios

BV/Sh. (INR)	1,600	1,654	1,721
RoE (%)	4.9	7.1	8.1
RoCE (%)	7.9	10.5	11.5

### Valuations

P/E (x)	26.3	17.2	14.1
P/BV (x)	0.6	0.6	0.5
EV/EBITDA (x)	9.3	7.2	6.4

### Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	58.2	57.2	54.7
DII	6.2	7.5	7.9
FII	8.7	9.0	12.4
Others	26.9	26.4	25.0

FII includes depository receipts

### Highlights from the management commentary

- **Demand:** RLL's 3QFY26 demand strengthened meaningfully, driven by tax-led discretionary uplift and a strong festive and wedding season. Consumption recovery was most visible in tier-2/3 markets. A large part of the earnings growth was volume-led, supported by a richer mix and premiumization. ASPs increased ~INR26/m, aiding margin expansion despite continued investments in brand building, advertising, and future capabilities.
- **Branded Apparel** delivered healthy growth, led by strong momentum in owned channels, with EBOs recording mid-double-digit LFL growth and LFS posting low-double-digit LFL growth. MBOs continue to provide scalable reach without incremental capital intensity. Expansion remains calibrated and asset-light, focused on return-led store additions. Store rationalization to continue for another couple of quarters.
- **Working capital** remained elevated due to higher inventory holding for US shipments and an increased mix toward domestic and apparel businesses, which carry longer cycles. Management guided for visible working capital reduction by March as corrective measures take effect.

### Valuation and view

- With domestic demand momentum intact, calibrated expansion and working capital expected to normalize, RLL appears well positioned for a steadier growth–profitability trajectory, even as export recovery remains gradual and not entirely in company's control.
- RLL is expected to surpass FY24 revenue levels by FY26; however, EBITDA normalization is likely to lag until FY28E, reflecting continued investments in domestic apparel brand building.
- We build in ~8% revenue CAGR over FY25–28E with EBITDA margins expanding to 12.4% by FY28 (vs. 10.6% in 9MFY26), translating into ~28% EBITDA CAGR.
- We value RLL at 21x FY28E P/E to arrive at our revised TP of INR1,425 (earlier INR1,400). **We reiterate our BUY rating on RLL, primarily due to reasonable valuations (based on 17x FY27 P/E and 0.8x FY27 EV/sales).**

### Consolidated - Quarterly Earnings

(INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			2QE	Var (%)
Revenue	12,201	17,083	17,542	14,942	14,304	18,324	18,487	15,425	61,767	66,540	18,811	-1.7%
YoY Change (%)	-8%	-5%	2%	-11%	17%	7%	5%	3%	-5%	8%	7%	
Total Expenditure	11,604	14,935	15,745	14,806	13,534	16,064	16,118	14,192	57,090	59,908	16,683	-3.4%
EBITDA	597	2,148	1,797	136	770	2,260	2,369	1,233	4,678	6,632	2,128	11.3%
EBITDA Margin	4.9%	12.6%	10.2%	0.9%	5.4%	12.3%	12.8%	8.0%	7.6%	10.0%	11.3%	
Change YoY (%)	-59%	-17%	-0.4	-0.9	29%	5%	32%	810%	-50%	42%	0.2	
Depreciation	746	763	794	911	888	914	923	963	3,214	3,689	944	-2.2%
Interest	463	532	544	534	575	600	603	387	2,074	2,165	509	18.6%
Other Income	294	270	413	856	445	330	341	795	1,832	1,911	429	-20.6%
PBT	-323	528	867	-473	-248	1,029	615	677	600	2,074	1,105	-44.3%
Tax	-91	106	226	-23	-50	277	187	104	218	518	278	-32.9%
Rate (%)	28.1%	20.1%	26.0%	4.9%	20.0%	27.0%	30.3%	15.3%	36.4%	25.0%	25.2%	
Reported PAT	-232	422	642	-450	-198	752	429	573	382	1,555	827	-48.2%
Adj PAT	-227	1,016	645	-430	-198	799	997	573	1,005	2,170	827	20.5%
YoY Change (%)	-139.5%	-27.1%	-60%	-134.7%	-13%	-21.4%	54.4%	nm	-79.4%	116.0%	0.3	

# Spandana Sphoorty

Estimate change	↔
TP change	↓
Rating change	↔

**CMP: INR237      TP: INR260 (+10%)      Neutral**

## Losses narrow, but near-term challenges persist

**NIM expands 270bp QoQ along with collection efficiency; PAT break-even in 4Q**

Bloomberg	SPANDANA IN
Equity Shares (m)	71
M.Cap.(INRb)/(USDb)	18.9 / 0.2
52-Week Range (INR)	343 / 184
1, 6, 12 Rel. Per (%)	-10/-15/-29
12M Avg Val (INR M)	111

### Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	4.8	7.1	10.0
Total Income	5.7	10.1	13.2
PPoP	-2.3	3.4	6.1
PAT	-7.0	1.7	3.7
EPS (INR)	-87	19	42
EPS Gr. (%)	-	-	123
BV (INR)	241	282	324

### Ratios (%)

NIM	10.0	14.7	15.2
C/I ratio	140.6	66.4	53.4
Credit cost	14.5	3.6	3.7
RoA	-9.6	2.4	4.2
RoE	-29.3	7.2	13.9

### Valuations

P/E (x)	-	12.5	5.6
P/BV (x)	1.0	0.8	0.7

### Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	48.2	48.2	48.1
DII	5.8	6.1	6.3
FIIFII	20.4	20.3	21.7
Others	25.7	25.5	23.9

FII includes depository receipts

- Spandana Sphoorty's (SPANDANA) 3QFY26 loss stood at ~INR950m (inline). NII declined 58% YoY to ~INR1.16b (12% beat).
- Opex dipped ~23% YoY to ~INR2.04b (7% higher than our est). Operating loss was INR670m (PQ: operating loss of INR690m). Credit costs declined to ~INR584m, resulting in annualized credit costs of ~7% (PQ: ~27%).
- SPANDANA is expected to witness a gradual turnaround and resumption of growth, targeting disbursements of ~INR15b in 4QFY26. In the near term, management plans to stabilize monthly disbursements at ~INR5b before scaling up to INR5.5-6b per month. The company targets to drive growth in its top six States following a disciplined approach with a focus on CE and optimizing its cost of borrowings.
- Management expects NIMs to improve further as the FY26-originated book is expected to contribute ~90% to the total AUM by Mar'26. Blended yield on the new book currently stands at ~25.3%, and the weighted average portfolio yields are expected to improve to ~24-25% as the new book becomes dominant. On the liability front, bank loans account for ~42% of total borrowings, primarily from private and foreign banks. Increased share of borrowings from PSU banks could raise the share of bank funding to ~60%, supporting a gradual improvement in the CoF.
- **The company has appointed Mr. Venkatesh Krishnan as Managing Director & CEO, effective 27 Nov'25. He brings over ~34 years of experience across leading institutions and diverse functions. In his previous role, he headed the MFI division (Retail and Wholesale) at HDFC Bank.**
- SPANDANA is focused on calibrated growth while maintaining asset quality and improving operational efficiency. With the FY26-originated portfolio gaining dominance and the leadership transition to the new MD/CEO, the company aims to scale certain product segments, including MFI and LAP, while optimizing collections and CoF.
- Strategic initiatives such as branch rationalization, Loan Origination System (LOS) migration, and potential merger with Criss Financial are expected to enhance productivity and unlock synergies. However, we will closely monitor a) scale-up in disbursements, b) merger progress and its impact on opex, and c) asset quality trends, as the company now starts the process of rebuilding the franchise. Owing to these factors, **we reiterate our Neutral rating** on the stock with a TP of INR260 (based on 0.8x Dec'27E BV).

## AUM declines ~56% YoY; disbursements dip ~18% YoY

- AUM declined ~56% YoY and ~3% QoQ to ~INR39b. Disbursement declined ~18% YoY to INR11.9b. Total borrower count declined ~17% QoQ to 1.3m.
- Loan Officers (net) declined by ~900 during the quarter, and Spandana currently employs ~7,106 loan officers.



- Management targets an AUM growth of ~25-30%, with AUM likely to reach ~INR90-95b by FY28. We expect SPANDANA to deliver an AUM growth of ~37% over FY26–28, aided by disbursement growth of ~39% during the same period.

#### Reported NIM expands ~270bp QoQ; yields rise ~280bp QoQ

- Reported yields improved ~280bp QoQ to ~22.4%, while CoF rose ~40bp QoQ to ~12.6%, resulting in a ~240bp QoQ improvement in spreads to 9.8%.
- Reported NIM expanded ~270bp QoQ to ~11.1%.
- Management expects margins to improve as the FY26-originated portfolio becomes dominant. We expect Spandana to report a NIM of ~10% in FY26, which we estimate to jump to ~14.7%/15.2% in FY27/FY28. Part of the NIM expansion will be led by lower interest income reversals from next year onwards.

#### GNPA declines to 4.2%; X-bucket CE improves to ~99.5%

- GNPA/NNPA declined ~140bp/30bp QoQ to ~4.2%/1.0%. S3 PCR declined ~60bp QoQ to ~78.6%. Gross Stage 2 declined ~220bp QoQ to ~1.8%.
- Gross Collection Efficiency (including arrears) improved to 94.5% (PQ: 92.9%), and net Collection Efficiency improved to 93.9% (PQ: 92.4%). X-bucket Collection Efficiency stood at 99.5% in Dec'25 vs. 98.8% in Sep'25.
- Management shared that CE showed improvement in Jan'26 compared to Dec'25. To strengthen asset quality, the company has enhanced its recovery operations, with a dedicated team managing 90dpd. Recovery associates have increased to 1,077 as of Dec'25 (from 672 in Sep'25), and the recovery team is expected to expand to ~1,500 over the next 2 quarters.
- SPANDANA guided for gross credit costs of ~2.5–3.0% in FY27. We expect the gross credit costs to normalize significantly over the medium term, declining from ~14.5% in FY26 to ~3.7% by FY28E.

#### Highlights from the management commentary

- The company is evaluating the merger of Criss Financial Ltd with the parent to unlock operational and cost synergies. The merger is expected to be completed in 6–9 months.
- The company plans to pilot an unsecured individual loan product in select clusters (with tighter underwriting than vanilla JLG loans). This is expected to be launched post LOS migration.

#### Valuation and view

- Spandana appears to be at an inflection point, though the pace of recovery will hinge on the execution under the new management. While the company is pursuing calibrated growth and initiatives such as branch rationalization, LOS migration, and the potential Criss Financial merger, these could improve efficiency, but disbursements, asset quality, and opex will be the key monitorables.
- **We reiterate our Neutral rating** on the stock with a TP of INR260 (based on 0.8x Dec'27E BV).



**SPANDANA: Quarterly Performance**

(InR m)

Y/E March	FY25				FY26E				FY25	FY26E	3Q FY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	6,935	6,071	5,029	3,907	2,837	2,246	2,252	2,491	21,943	9,826	2,134	6
Interest Expenses	2,594	2,584	2,290	1,855	1,538	1,199	1,087	1,158	9,323	4,981	1,091	0
<b>Net Interest Income</b>	<b>4,342</b>	<b>3,487</b>	<b>2,739</b>	<b>2,052</b>	<b>1,300</b>	<b>1,048</b>	<b>1,164</b>	<b>1,334</b>	<b>12,621</b>	<b>4,845</b>	<b>1,043</b>	<b>12</b>
YoY Growth (%)	48.0	10.4	-13.4	-46.8	-70.1	-70.0	-57.5	-35.0	-3.8	-61.6	-61.9	
Other Income	435	994	697	282	204	149	204	298	2,298	855	391	-48
<b>Total Income</b>	<b>4,776</b>	<b>4,481</b>	<b>3,436</b>	<b>2,335</b>	<b>1,504</b>	<b>1,196</b>	<b>1,368</b>	<b>1,632</b>	<b>14,918</b>	<b>5,700</b>	<b>1,434</b>	<b>-5</b>
YoY Growth (%)	45.7	8.6	-15.5	-49.3	-68.5	-73.3	-60.2	-30.1	-5.8	-61.8	-58.3	
Operating Expenses	1,908	2,203	2,651	2,083	2,091	1,886	2,038	1,997	8,843	8,012	1,901	7
<b>Operating Profit</b>	<b>2,869</b>	<b>2,278</b>	<b>784</b>	<b>251</b>	<b>-587</b>	<b>-690</b>	<b>-670</b>	<b>-365</b>	<b>6,075</b>	<b>-2,312</b>	<b>-466</b>	<b>44</b>
YoY Growth (%)	51.7	-11.6	-67.4	-90.5	-120.5	-130.3	-185.4	-245.2	-34.7	-138.1	-159.5	
Provisions & Loan Losses	2,118	5,164	6,661	6,028	4,222	2,582	584	-375	19,863	7,012	700	-17
<b>Profit before Tax</b>	<b>751</b>	<b>-2,886</b>	<b>-5,876</b>	<b>-5,776</b>	<b>-4,809</b>	<b>-3,271</b>	<b>-1,255</b>	<b>10</b>	<b>-13,788</b>	<b>-9,325</b>	<b>-1,166</b>	<b>8</b>
Tax Provisions	193	-723	-1,474	-1,433	-1,207	-780	-305	-50	-3,436	-2,340	-292	4
<b>Net Profit</b>	<b>557</b>	<b>-2,163</b>	<b>-4,402</b>	<b>-4,343</b>	<b>-3,602</b>	<b>-2,492</b>	<b>-950</b>	<b>60</b>	<b>-10,352</b>	<b>-6,984</b>	<b>-875</b>	<b>-9</b>
YoY Growth (%)	-53	-273	-446	-438	-747	15	-78	-101	-307	-33	-80	
<b>Key Parameters (%)</b>												
Yield on loans	25.4	24.4	24.0	23.4	23.0	23.2	25.4	25.9				
Cost of funds	11.4	12.4	12.6	12.0	12.3	12.6	12.3	12.4				
Spread	14.1	12.0	11.5	11.5	10.6	10.6	13.1	13.4				
NIM	15.9	14.0	13.1	12.3	10.5	10.8	13.1	13.9				
Credit cost	7.8	20.7	31.8	36.2	34.2	26.7	6.6	-3.9				
Cost to Income Ratio (%)	39.9	49.2	77.2	89.2	139.1	157.6	149.0	122.4				
Tax Rate (%)	25.8	25.0	25.1	24.8	25.1	23.8	24.3	-489.9				
<b>Performance ratios (%)</b>												
AUM/Branch (INR m)	0	69	54	38	29	24	24					
AUM/Loan Officer (INR m)	11.9	9.5	7.1	5.7	5.6	5.1						
Borrowers/Branch	2,048	2,022	1,669	1,380	1,186	910	774					
Borrowers/Loan Officer	219	191	149	135	131	116						
<b>Balance Sheet Parameters</b>												
		-10.1										
<b>AUM (INR B)</b>	<b>117.2</b>	<b>105.4</b>	<b>89.4</b>	<b>68.2</b>	<b>49.6</b>	<b>40.9</b>	<b>39.5</b>					
Change YoY (%)	32.5	7.7	-14.1	-43.0	-57.7	-61.2	-55.8					
<b>Disbursements (INR B)</b>	<b>22.8</b>	<b>15.1</b>	<b>14.4</b>	<b>3.7</b>	<b>2.8</b>	<b>9.3</b>	<b>11.9</b>					
Change YoY (%)	37.2	-39.8	-43.3	-90.8	-87.7	-38.3	-17.7					
<b>Borrowings (INR B)</b>	<b>90.4</b>	<b>78.5</b>	<b>67.5</b>	<b>56.6</b>	<b>43.1</b>	<b>32.9</b>	<b>37.9</b>					
Change YoY (%)	42.6	1.1	-15.3	-40.0	-52.4	-58.1	-43.9					
Borrowings/Loans (%)	77.1	74.5	75.5	82.9	86.8	80.5	95.9					
Debt/Equity (x)	2.4	2.2	2.2	2.1	1.9	1.5						
<b>Asset Quality (%)</b>												
<b>GS 3 (INR M)</b>	<b>2,920</b>	<b>4,770</b>	<b>4,000</b>	<b>3,540</b>	<b>2,510</b>	<b>2,170</b>	<b>1,590</b>					
G3 %	2.6	4.9	4.8	5.6	5.5	5.6	4.2					
<b>NS 3 (INR M)</b>	<b>590</b>	<b>970</b>	<b>810</b>	<b>750</b>	<b>530</b>	<b>450</b>	<b>340</b>					
NS3 %	0.5	1.1	1.1	1.3	1.3	1.3	1.0					
<b>PCR (%)</b>	<b>79.8</b>	<b>79.7</b>	<b>79.8</b>	<b>78.8</b>	<b>78.9</b>	<b>79.3</b>	<b>78.6</b>					
ECL (%)	4.4	7.5	8.5	9.6	9.0	7.5	5.4					
<b>Return Ratios - YTD (%)</b>												
ROA (Rep)	1.7	-7.1	-16.3	-18.7	-18.9	-16.1	-6.4					
ROE (Rep)	6.1	-24.0	-53.5	-60.8	-58.6	-44.1	-17.5					

E: MOFSL Estimates

# Vodafone Idea

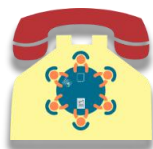
BSE SENSEX

81,857

S&P CNX

25,175

## Conference Call Details



**Date:** 28<sup>th</sup> January 2026

**Time:** 04:30pm IST

### Financials & Valuations (INR b)

INR b	FY26E	FY27E	FY28E
Net Sales	445	462	494
EBITDA	186	195	218
Adj. PAT	-245	-212	-139
EBITDA Margin (%)	41.8	42.1	44.2
Adj. EPS (INR)	-2.3	-2.0	-1.3
BV/Sh. (INR)	-29.5	-36.1	-40.4

### Ratios

Net D:E	-2.3	-2.1	-1.9
RoE (%)	NM	NM	NM
RoCE (%)	-2.6	-1.5	1.1
Payout (%)	0.0	0.0	0.0

### Valuations

EV/EBITDA (x)	14.4	15.0	13.8
P/E (x)	-4.4	-5.1	-7.7
P/B (x)	-0.3	-0.3	-0.2
Div. Yield (%)	0.0	0.0	0.0

**CMP: INR10**

**Neutral**

## 3Q beat driven by robust cost controls and improved ARPU despite heightened net subscriber decline

- Vodafone Idea's (VI) overall 3QFY26 revenue came in at INR113b (+1.1% QoQ, +2% YoY, 1% higher vs. our est. INR112.2b).
- Reported EBITDA at INR48.2b (+2.8% QoQ, +2% YoY, vs. 2.7% QoQ for RJio) was ~2% above our estimate on account of ~1% higher revenue.
- Reported EBITDA margin expanded ~70bp QoQ to 42.5% (+15bp YoY, -5bp QoQ for RJio) and was ~50bp above our estimate.
- Pre-Ind-AS 116 EBITDA at INR23.6b rose ~5% QoQ (-4% YoY) and was 5% above our estimate. Pre-Ind-AS 116 EBITDA margin expanded ~75bp QoQ to 20.8% (-120bp YoY, ~80bp above our estimate).
- Net exceptional items stood at ~INR10.8b in 3Q (provision write-backs of INR12.3b offset by INR1.6b impact of labor code).
- Adjusted for the same, Vi's losses widened to INR63.6b (vs. INR55.6b QoQ, but slightly lower than our estimate of INR67b), primarily due to higher interest costs (up 20% QoQ, 2Q had one-off benefit).
- Reported net debt (excluding leases, but including interest accrued and not due) increased by INR30b QoQ to INR2.03t. Vi still owes ~INR2.05t to GoI for deferred spectrum and AGR dues. External/banking debt increased to INR44b (vs. INR15.4b QoQ) as Vi raised ~INR33b via NCDs.
- Capex rose ~29% QoQ to INR22.5b (vs. INR17.5b in 2QFY26).

## Wireless: ARPU uptick partially offset by steep net subscriber decline

- Reported wireless ARPU was up ~3% QoQ at INR172 (+7% YoY, vs. +1% QoQ for RJio, vs. our est. INR168), driven primarily by subscriber mix improvements.
- Vi indicated that customer ARPU (excluding M2M) was up ~3.3% QoQ at INR186.
- Total subscriber base at 192.9m declined by 3.8m QoQ (vs. 1m net declines in 2QFY26, and higher vs. our estimate of 1.5m net decline).
- Monthly churn inched up QoQ to 4.4% (vs. 4.3% QoQ and ~2% for RJio), which remains a key monitorable.
- Postpaid subscriber base (including M2M) further improved QoQ by ~0.9m QoQ to 28.8m.
- 4G/5G subscriber base inched up ~0.7m QoQ, while data subs rose ~0.2m QoQ. Wireless revenue at INR100.5b (~2% YoY, ~2% ahead) was up 1.7% QoQ (vs. 2.8% QoQ increase for RJio) as ARPU improvement was partially offset by higher subscriber base decline.

### Other highlights: Customer engagement remains well below peers

- Enterprise revenue at INR12.6b (-3% QoQ, +4% YoY) was ~3.5% below our estimate.
- Data volume grew ~4% QoQ (+8% QoQ in 2QFY26), driven by 5G launch, and was weaker than ~7% QoQ growth for RJio including FTTH, on a much lower base.
- Data usage per data subscriber increased to 18.7GB/month (from 18GB QoQ) but remained significantly below peers (RJio 40.7GB including FTTH contribution).
- Voice usage on Vi network remained flat QoQ (vs. -1% QoQ in 2QFY26, vs. 2% QoQ for RJio).
- Implied minute of usage per subscriber improved to 592min/month (vs. 585min QoQ), but remained significantly below 998mins for RJio.
- Vi's trade payables remained stable QoQ at INR90b (vs. INR107.5b as of Mar'25).

### 5G services expanded to 43 cities; network rollout picks up with NCD raise

- Vi's network rollout accelerated to ~5.1k towers (~6.6k MBB towers vs. 1.3k QoQ) and ~21k net broadband sites in 3Q (vs. 10.8k QoQ).
- Its 4G population coverage stood at 85.5% by Dec'25 (vs. 77% in Mar'24, 84% in Sep'25).
- Management had earlier indicated that 4G population coverage would be further ramped up to ~1.2b (or 90% of overall population).
- Vi has expanded its 5G services to 43 cities (29 as of Sep'25) across all 17 priority circles. Vi's 5G services are now available in all districts of its leadership circle, Kerala.

Vodafone Idea (INR m)	3QFY25	2QFY26	3QFY26	YoY	QoQ	3QFY26E	vs. est
<b>Revenue</b>	<b>1,11,173</b>	<b>1,11,947</b>	<b>1,13,230</b>	<b>1.9</b>	<b>1.1</b>	<b>1,12,186</b>	<b>0.9</b>
Interconnection costs	11,808	11,357	11,600	(2)	2	11,857	(2.2)
License fee and spectrum charges	9,443	9,595	9,700	3	1	9,536	1.7
Network operating costs	23,635	23,625	23,610	(0)	(0)	23,640	(0.1)
Employee costs	5,493	6,072	6,030	10	(1)	5,658	6.6
SG&A expenses	13,670	14,447	14,120	3	(2)	14,354	(1.6)
Total costs	64,049	65,096	65,060	2	(0)	65,044	0.0
<b>EBITDA</b>	<b>47,124</b>	<b>46,851</b>	<b>48,170</b>	<b>2.2</b>	<b>2.8</b>	<b>47,142</b>	<b>2.2</b>
EBITDA margin (%)	42.4	41.9	42.5	15	69	42.0	52
<b>Pre-INDA AS EBITDA</b>	<b>24,497</b>	<b>22,459</b>	<b>23,590</b>	<b>(3.7)</b>	<b>5.0</b>	<b>22,492</b>	<b>4.9</b>
Pre Ind-AS EBITDA margin (%)	22.0	20.1	20.8	(120)	77	20.0	78
D&A	56,288	55,675	55,500	(1.4)	(0.3)	55,501	(0.0)
<b>EBIT</b>	<b>(9,164)</b>	<b>(8,824)</b>	<b>(7,330)</b>	<b>20.0</b>	<b>16.9</b>	<b>(8,359)</b>	<b>12.3</b>
Net interest income/(expense)	56,904	46,825	56,350	(1.0)	20.3	58,431	(3.6)
PBT	(66,068)	(55,649)	(63,680)	3.6	(14.4)	(66,789)	4.7
Taxes	(25)	31	40			—	
MI and share of associates	-	-	-			—	
<b>PAT</b>	<b>(66,093)</b>	<b>(55,618)</b>	<b>(63,640)</b>	<b>3.7</b>	<b>(14.4)</b>	<b>(66,789)</b>	<b>4.7</b>
Extraordinaries	-	376	10,780			—	
<b>Reported net income</b>	<b>(66,093)</b>	<b>(55,242)</b>	<b>(52,860)</b>	<b>20.0</b>	<b>4.3</b>	<b>(66,789)</b>	<b>20.9</b>
<b>Key performance indicators</b>							
<b>Subscriber base (EoP) (m)</b>	<b>199.8</b>	<b>196.7</b>	<b>192.9</b>	<b>(3.5)</b>	<b>(1.9)</b>	<b>195.2</b>	<b>(1.2)</b>
Net adds/(declines) (m)	(5.2)	(1.0)	(3.8)			(1.5)	
Data subscribers(EoP) (m)	134.2	134.7	134.9	0.5	0.1	135.0	(0.0)
<b>Reported ARPU (INR/month)</b>	<b>163</b>	<b>167</b>	<b>172</b>	<b>5.5</b>	<b>3.0</b>	<b>168</b>	<b>2.2</b>
Total minutes of use (b)	360	346	345	(4.2)	(0.3)	344	0.2
Average MoU (min/month)	593	585	592	(0.2)	1.2	586	1.1
Data volume (Petabyte)	5,859	7,275	7,559	29.0	3.9	7,202	5.0
Implied data usage (GB/month)	14.5	18.0	18.7	28.8	3.9	17.8	5.0
<b>Wireless revenue</b>	<b>98,974</b>	<b>98,797</b>	<b>1,00,517</b>	<b>1.6</b>	<b>1.7</b>	<b>98,925</b>	<b>1.6</b>
Enterprise revenue	12,030	12,882	12,553	4.3	(2.6)	13,011	(3.5)
Other operating revenue	169	268	160	(5.3)	(40.3)	250	(36.0)
<b>Debt and capex (INRb)</b>							
Gross debt	2,297	2,030	2,098	(8.6)	3.4		
<b>Gol debt</b>	<b>2,273</b>	<b>2,014</b>	<b>2,054</b>	<b>(9.7)</b>	<b>2.0</b>		
Spectrum debt	1,570	1,224	1,249				
AGR dues	703	790	805				
<b>External debt</b>	<b>23</b>	<b>15</b>	<b>44</b>	<b>88.6</b>	<b>186.9</b>		
Cash and equivalents	120.9	30.8	69.6	(42)	126.1		
<b>Net debt</b>	<b>2,176</b>	<b>1,999</b>	<b>2,028</b>	<b>(6.8)</b>	<b>1.5</b>		
<b>Capex</b>	<b>32.1</b>	<b>17.5</b>	<b>22.5</b>	<b>(29.8)</b>	<b>28.7</b>	<b>16.8</b>	<b>33.8</b>

# Vishal Mega Mart

BSE SENSEX

81,857

S&P CNX

25,175

## Conference Call Details



**Date:** 28<sup>th</sup> Jan 2026

**Time:** 12:00pm IST

Y/E March	FY26E	FY27E	FY28E
Sales	129.7	155.9	186.5
EBITDA	19.1	23.3	28.3
Adj. PAT	8.4	10.8	13.9
EBITDA Margin (%)	14.7	14.9	15.2
Adj. EPS (INR)	1.8	2.3	3.0
EPS Gr. (%)	31.2	28.6	28.0
BV/Sh. (INR)	15.7	18.0	21.0
<b>Ratios</b>			
Net D:E	0.0	0.0	-0.1
RoE (%)	12.3	13.8	15.2
RoCE (%)	10.4	11.2	12.1
Payout (%)	0.0	0.0	0.0
<b>Valuations</b>			
P/E (x)	69.3	53.9	42.1
EV/EBITDA (x)	31.0	25.1	20.3
EV/Sales (X)	4.6	3.8	3.1

**CMP: INR125**

**Buy**

## Largely in-line results; festive shift hurts SSSG

- 3QFY26 consolidated revenue at INR36.7b grew **17% YoY** (slightly weaker than our est. 20% YoY), **driven by ~7.5% adj. SSSG** (vs. 12.8% in 2Q, ~210bp adverse impact due to festive shift to 2Q).
- Among key categories, general merchandize (GM) revenue grew 18% YoY, followed by 17%/16% YoY growth in Apparel/FMCG.
- VMM's own brands contributed ~74.2% to revenue in 3QFY26 (vs. ~73.5% in 2Q).
- Despite a shift in Pujo to 3Q, East continued to outperform, with revenue contribution of ~28% (vs. 25% of VMM's store count), while North revenue contribution jumped to ~42% (vs. 39% of stores). VMM's performance in South remained relatively weaker, with 21% revenue contribution (vs. ~27% of store count, likely due to newer stores).
- Combined 2Q+3Q revenue grew ~19% YoY, driven by 11% area additions and robust double-digit adj. SSSG.
- VMM added **29 net new stores** (29 openings, 0 closures) in 3Q, bringing the total store count to 771 across 517 cities (24/57 cities added in 3Q/9M) with total retail area of ~13.2m sqft (up ~11% YoY).
- The company added 12 stores in South, seven each in West/North and three in East.
- Gross profit at INR10.7b grew ~17% YoY as gross margin remained broadly stable YoY at 29.1% (in line).
- Employee and other expenses increased 12%/14% YoY (both 5% below estimates).
- Reported EBITDA rose ~**20% YoY** to INR6.05b (**in line**) as reported EBITDA margin expanded ~40bp YoY to 16.5%, driven by robust cost controls.
- Pre-INDAS 116 EBITDA (post-ESOP charges) **grew ~19% YoY** to INR4.7b, with **EBITDA margin expanding ~20bp YoY to 12.8%**.
- Reported PAT at INR3.1b (**in line**) rose ~19% YoY, driven primarily by EBITDA growth.
- Adjusted PAT (pre-ESOP charges) came in at INR3.2b (up 18% YoY), with margin stable YoY at 8.8%

## 9MFY26 results: Healthy ~20% growth with margin expansion

- Consolidated revenue at INR97.9b **grew ~20% YoY**, driven by ~**10.3% adj. SSSG** and ~**11% store area additions**.
- Revenue from own brands stood at 74.5% (vs. ~73% in FY25).
- Among key categories, GM revenue grew ~21% YoY, followed by 20%/18% growth for Apparel/ FMCG.
- VMM added 75 net new stores (80 opened, 5 closures) in 9MFY26.
- Gross profit at INR28b grew ~20% YoY as gross margin expanded by a modest ~5bp YoY to 28.6%, likely driven by high contribution from own brands.

- Reported EBITDA at INR14.6b **rose ~24% YoY** as margin expanded ~55bp YoY to 14.9%, driven by operating leverage.
- Pre-INDAS 116 EBITDA (post-ESOP charges) grew ~28% YoY to INR10.1b, with EBITDA margin expanding ~70bp YoY to 10.3%.
- Reported PAT at INR6.7b surged 30% YoY, driven by robust EBITDA growth and higher other income (up 55% YoY).
- Adjusted PAT (pre-ESOP charges) came in at INR7.1b (up ~28% YoY), with margins expanding ~50bp YoY to 7.2%.

Consol P&L (INR m)	3QFY25	2QFY26	3QFY26	YoY%	QoQ%	3QFY26E	vs. est (%)
<b>Total Revenue</b>	<b>31,359</b>	<b>29,815</b>	<b>36,704</b>	<b>17.0%</b>	<b>23.1%</b>	<b>37,654</b>	<b>-2.5%</b>
Raw Material cost	22,237	21,384	26,039	17.1%	21.8%	26,734	-2.6%
<b>Gross Profit</b>	<b>9,123</b>	<b>8,431</b>	<b>10,665</b>	<b>16.9%</b>	<b>26.5%</b>	<b>10,920</b>	<b>-2.3%</b>
<b>Gross margin (%)</b>	<b>29.1%</b>	<b>28.3%</b>	<b>29.1%</b>	<b>-4 bp</b>	<b>78 bp</b>	<b>29.0%</b>	<b>6 bp</b>
Employee Costs	1,709	1,761	1,921	12.4%	9.1%	2,022	-5.0%
Other expenses	2,364	2,724	2,692	13.9%	-1.2%	2,837	-5.1%
<b>EBITDA</b>	<b>5,050</b>	<b>3,946</b>	<b>6,051</b>	<b>19.8%</b>	<b>53.4%</b>	<b>6,061</b>	<b>-0.2%</b>
<b>EBITDA margin (%)</b>	<b>16.1%</b>	<b>13.2%</b>	<b>16.5%</b>	<b>38 bp</b>	<b>325 bp</b>	<b>16.1%</b>	<b>39 bp</b>
Depreciation and amortization	1,407	1,691	1,676	19.2%	-0.9%	1,758	-4.7%
EBIT	3,644	2,254	4,375	20.1%	94.1%	4,303	1.7%
EBIT margin (%)	11.6%	7.6%	11.9%	30	436	11.4%	49
Finance Costs	315	412	427	35.6%	3.6%	421	1.5%
Other income	190	202	246	29.3%	21.9%	250	-1.6%
<b>Profit before Tax</b>	<b>3,519</b>	<b>2,044</b>	<b>4,194</b>	<b>19.2%</b>	<b>105.2%</b>	<b>4,132</b>	<b>1.5%</b>
Tax	892	521	1,065	19.4%	104.5%	1,040	2.4%
Tax rate (%)	25.3%	25.5%	25.4%			25.2%	
<b>Profit after Tax</b>	<b>2,627</b>	<b>1,523</b>	<b>3,129</b>	<b>19.1%</b>	<b>105.4%</b>	<b>3,092</b>	<b>1.2%</b>
<b>Adj Profit after Tax</b>	<b>2,627</b>	<b>1,523</b>	<b>3,129</b>	<b>19.1%</b>	<b>105.4%</b>	<b>3,092</b>	<b>1.2%</b>

#### Key Operating Metrics

	3QFY25	2QFY26	3QFY26	YoY%	QoQ
<b>SSSG (%)</b>	<b>10.8</b>	<b>12.8</b>	<b>7.5</b>		
Store Count	668	742	771	15.4%	3.9%
<b>Retail Space (mn sq ft)</b>	<b>11.8</b>	<b>12.8</b>	<b>13.2</b>	<b>11.4%</b>	<b>3.1%</b>
<b>Pre-IND AS EBITDA (INR m)</b>	<b>3,942</b>	<b>2,529</b>	<b>4,684</b>	<b>18.8%</b>	<b>85.3%</b>
<b>% Margin</b>	<b>12.6</b>	<b>8.5</b>	<b>12.8</b>	<b>19</b>	<b>428</b>
<b>Revenue (INR b)</b>	<b>3QFY25</b>	<b>2QFY26</b>	<b>3QFY26</b>	<b>YoY%</b>	<b>QoQ%</b>
Apparel	14,032	12,569	16,367	16.6%	30.2%
General Merchandize	8,876	8,674	10,476	18.0%	20.8%
FMCG	8,431	8,548	9,739	15.5%	13.9%
<b>Mix (%)</b>					
Apparel	44.7	42.2	44.6	-15	244
General Merchandize	28.3	29.1	28.5	24	-55
FMCG	26.9	28.7	26.5	-35	-214
<b>Revenue (INR b)</b>					
Own Brands		21,926	27,222		24.2%
Third-Party		7,889	9,482		20.2%
<b>Mix (%)</b>					
Own Brands		73.5	74.2		63
Third-Party		26.5	25.8		-63



# Metro Brands

BSE SENSEX

81,857

S&amp;P CNX

25,175

## Conference Call Details


**Date:** 28<sup>th</sup> Jan 2026

**Time:** 03:30PM IST

### Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	28.1	32.6	37.2
EBITDA	8.5	10.0	11.5
Adj. PAT	4.1	4.9	5.6
EBITDA Margin (%)	30.3	30.7	30.9
Adj. EPS (INR)	15.0	18.0	20.7
EPS Gr. (%)	7.9	20.0	14.7
BV/Sh. (INR)	74.2	86.2	99.9
<b>Ratios</b>			
Net D:E	0.3	0.2	0.1
RoE (%)	22.3	23.1	22.8
RoCE (%)	15.3	15.5	15.3
Payout (%)	35.8	34.8	34.8
<b>Valuations</b>			
P/E (x)	71.1	59.3	51.7
EV/EBITDA (x)	35.6	30.1	26.1
EV/Sales (x)	10.8	9.2	8.1
Div. Yield (%)	0.5	0.6	0.7

**CMP: INR1,070**
**Buy**

### Strong 3Q with ~15% YoY revenue growth; margins expands

- Consolidated revenue grew ~15% YoY to INR8.1b (vs. our est. of ~12% YoY), driven by ~11% YoY area additions, as revenue/sqft was stable YoY at INR5,150.
- In-store sales continued to pick up, posting ~11% YoY growth (vs. ~4%/10% YoY in 1Q/2Q), driven mainly by 11% YoY store additions.
- The company added 35 new stores and closed 11 stores, taking the count to 990 stores. Format-wise, MBL added seven stores in Walkway, four each in Metro and Mochi, 3 stores each in Crocs and the new format, MetroActiv, two in New Era, and one Foot Locker.
- E-commerce continued its robust traction, with ~24% YoY growth to reach INR950m in revenue in 3Q. The revenue share rose to 12% (vs. 11.1% YoY).
- Combined 2Q and 3QFY26 revenue grew 13.5% YoY, driven by acceleration in store additions and robust growth in the e-commerce channel.
- Gross profit grew 16% YoY to INR4.8b (4% above) as margins expanded ~45bp YoY to 59.1% (~55bp beat), likely led by improvement in product mix (57% product sales upwards of INR3,000, vs. 56% YoY).
- Employee costs surged 16% YoY (4% ahead), and other expenses rose 11% YoY (in line).
- Hence, EBITDA at INR2.7b rose 19% YoY and was ~7% above our estimate.
- EBITDA margin expanded ~110bp YoY to 33.1% (~105bp beat).
- Depreciation jumped 22% YoY (in line), and finance costs increased 23% YoY (4% below), while other income declined 31% YoY (38% below).
- Resultantly, adjusted PAT (prior period taxes in base quarter and new labor code impact of ~INR35m) at INR1.3b grew 11% YoY (5% above our estimate).

### Update on new business formats

- **MetroActiv:** The company launched a multi-brand sports performance retail concept in Indore, Dehradun, and Jodhpur, alongside the launch of its e-commerce platform.
- **Foot Locker:** During 3QFY26, the company added one new store to take the overall Foot Locker store count to six. However, new store additions are being moderated due to BIS-related supply challenges faced by external brands:
- **Fila:** FILA footwear manufacturing has been localized in India, with 2-3 EBOs planned in 4QFY26.
- **New Era:** The company now operates 4 stores and 5 kiosks across India.
- **The Clarks partnership:** It introduced Clark's Cloudstepper ladies' range in ~200 MBOs and observed encouraging customer response. Expects to get a supply of the complete product range by 2QFY27 from Clarks and plans to launch EBOs by 3QFY27.

Consol P&L (INR m)	3QFY25	2QFY26	3QFY26	YoY%	QoQ%	3QFY26E	Vs. Est (%)
<b>Total Revenue</b>	<b>7,031</b>	<b>6,511</b>	<b>8,113</b>	<b>15</b>	<b>25</b>	<b>7,855</b>	<b>3</b>
Raw Material cost	2,908	2,914	3,319	14	14	3,257	2
<b>Gross Profit</b>	<b>4,123</b>	<b>3,598</b>	<b>4,794</b>	<b>16</b>	<b>33</b>	<b>4,598</b>	<b>4</b>
<b>Gross margin (%)</b>	<b>58.6</b>	<b>55.3</b>	<b>59.1</b>	<b>45</b>	<b>384</b>	<b>58.5</b>	<b>55</b>
Employee Costs	634	662	736	16	11	707	4
SGA Expenses	1,239	1,229	1,374	11	12	1,375	0
<b>EBITDA</b>	<b>2,250</b>	<b>1,707</b>	<b>2,684</b>	<b>19</b>	<b>57</b>	<b>2,517</b>	<b>7</b>
<b>EBITDA margin (%)</b>	<b>32.0</b>	<b>26.2</b>	<b>33.1</b>	<b>108</b>	<b>686</b>	<b>32.0</b>	<b>104.2</b>
Depreciation and amortization	655	784	799	22	2	792	1
EBIT	1,595	923	1,885	18	104	1,725	9
<b>EBIT margin (%)</b>	<b>22.7</b>	<b>14.2</b>	<b>23.2</b>	<b>54</b>	<b>905</b>	<b>22.0</b>	<b>127</b>
Finance Costs	235	294	288	23	-2	300	-4
Other income	232	282	161	-31	-43	261	-38
Exceptional item	0	0	35	NM	NM	0	NM
<b>Profit before Tax</b>	<b>1,593</b>	<b>911</b>	<b>1,758</b>	<b>10</b>	<b>93</b>	<b>1,686</b>	<b>4</b>
Tax	649	221	423	-35	91	424	0
<b>Tax rate (%)</b>	<b>40.7</b>	<b>24.3</b>	<b>24.1</b>	<b>-1664</b>	<b>-22</b>	<b>25.2</b>	<b>NM</b>
<b>Profit after Tax</b>	<b>944</b>	<b>689</b>	<b>1,300</b>	<b>38</b>	<b>89</b>	<b>1,261</b>	<b>3</b>
<b>Adj Profit after Tax</b>	<b>1,201</b>	<b>698</b>	<b>1,338</b>	<b>11</b>	<b>92</b>	<b>1,270</b>	<b>5</b>
<b>PAT margin (%)</b>	<b>17.1</b>	<b>10.7</b>	<b>16.5</b>	<b>-59</b>	<b>578</b>	<b>16.2</b>	<b>33</b>

# Bikaji Foods International

BSE Sensex  
81,857

S&P CNX  
25,175

**CMP: INR650**
**BUY**

## Conference Call Details


**Date:** 28 January 2026

**Time:** 12:00 IST

[Diamond pass link](#)

### Revenue growth led by double-digit growth in most categories

- Net revenue grew 10.5% YoY to INR7.9b (BBG est. INR7.9b) in 3QFY26, led by 8.4% volume growth.
- Western Snacks saw the highest growth of +22.6% YoY, followed by Papad at +14.6% YoY and Ethnic Snacks at +13.3%. However, Packaged Sweets declined due to weak seasonality.
- Gross margin stood at 34.7% (+573bp YoY/-32bp QoQ). Excl. PLI, gross margin was 33.5% (flat QoQ), led by favorable raw material prices.
- EBITDA grew 77.3% YoY to INR984m (BBG est. INR962m) with EBITDA margin of 12.5% (+469bp YoY/-299bp QoQ); Excl. PLI, operating margin came in at 10.8% (300bp lower QoQ) due to higher A&P spending during Diwali. Management has also stepped up regional brand investments through a new marketing campaign featuring Pankaj Tripathi for the UP market.
- Adj. PAT grew 123.8% YoY to INR622m (BBG estimate INR576m).
- Bikaji Foods and Mr. Khaleel entered into a joint venture cum shareholders agreement for undertaking the frozen and bakery business in India through Bikaji Bakes Private Limited (70:30 JV).
- Bikaji has also granted a loan of INR50m to Petunt Food Processors, a subsidiary, and INR80m to Dadiji Snacks, a contract manufacturing unit of Bikaji, for a maximum period of 60 months at 8% per annum.

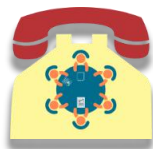
### Consolidated Qtrly performance

Y/E March	FY25				FY26E				FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	
<b>Net Sales</b>	<b>5,722</b>	<b>7,212</b>	<b>7,149</b>	<b>6,136</b>	<b>6,527</b>	<b>8,303</b>	<b>7,900</b>	<b>6,995</b>	<b>26,219</b>
YoY Change (%)	18.7	18.5	14.5	-0.1	14.1	15.1	10.5	14.0	12.6
Total Expenditure	4,806	6,144	6,594	5,393	5,564	7,021	6,917	5,655	22,936
<b>EBITDA</b>	<b>916</b>	<b>1,067</b>	<b>555</b>	<b>743</b>	<b>963</b>	<b>1,282</b>	<b>984</b>	<b>1,074</b>	<b>3,282</b>
Margin (%)	16.0	14.8	7.8	12.1	14.8	15.4	12.5	15.4	12.5
Depreciation	179	186	205	245	230	237	240	260	815
Interest	28	30	43	50	47	51	41	55	151
Other Income	73	79	79	100	100	123	113	100	329
<b>PBT before EO items</b>	<b>781</b>	<b>931</b>	<b>385</b>	<b>548</b>	<b>786</b>	<b>1,117</b>	<b>816</b>	<b>859</b>	<b>2,645</b>
Extraordinary Inc / (Exp)	0	0	0	0	0	0	0	0	0
<b>PBT</b>	<b>781</b>	<b>931</b>	<b>385</b>	<b>548</b>	<b>786</b>	<b>1,117</b>	<b>816</b>	<b>859</b>	<b>2,645</b>
Tax	200	245	107	149	200	296	194	215	701
Rate (%)	25.6	26.3	27.9	27.1	25.5	26.5	23.8	25.0	26.5
<b>Reported PAT</b>	<b>581</b>	<b>686</b>	<b>278</b>	<b>399</b>	<b>585</b>	<b>820</b>	<b>622</b>	<b>644</b>	<b>1,943</b>
<b>Adj PAT</b>	<b>581</b>	<b>686</b>	<b>278</b>	<b>399</b>	<b>585</b>	<b>820</b>	<b>622</b>	<b>644</b>	<b>1,943</b>
YoY Change (%)	40.3	14.7	-39.6	-65.7	0.8	19.6	123.8	61.3	-26.2
Margin (%)	10.1	9.5	3.9	6.5	9.0	9.9	7.9	9.2	7.4

# Sunteck Realty

**BSE SENSEX** 81,857  
**S&P CNX** 25,175

## Conference Call Details



**Date:** 28<sup>th</sup> Jan 2026

**Time:** 16:00 IST

**Dial-in details:**

+91-22 6280 1289 / +91-22 7115 8190

## Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	11.3	14.8	19.9
EBITDA	2.8	3.0	4.8
EBITDA Margin (%)	25.0	20.2	24.2
PAT	1.6	2.1	3.5
EPS (INR)	11.1	14.2	23.6
EPS Gr. (%)	8.2	28.1	66.2
BV/Sh. (INR)	232.2	244.9	267.0

## Ratios

RoE (%)	4.9	6.0	9.2
RoCE (%)	5.4	6.2	9.0
Payout (%)	13.5	10.5	6.3

## Valuations

P/E (x)	33.3	26.0	15.6
P/BV (x)	1.6	1.5	1.4
EV/EBITDA (x)	18.2	15.7	10.5
Div yld (%)	0.4	0.4	0.4

**CMP: INR370**

**Buy**

## Collections miss offset by strong financial performance

### Collection efficiency at 43%

### Operating performance

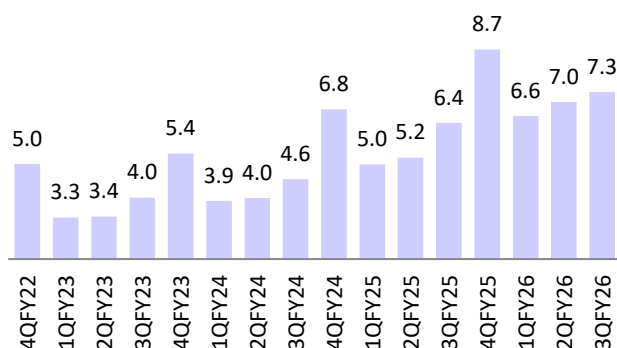
- SRIN reported pre-sales of INR7.3b in 3QFY26, up 16%/5% YoY/QoQ (18% below estimates). In 9MFY26, presales were at INR20.9b, up 26% YoY.
- Collections were down 5% YoY / 4% QoQ to INR3.2b for 3QFY26 (54% below estimates). In 9MFY26, collections were at INR10.0b, up 6% YoY.
- The net debt-to-equity ratio increased to 0.07x in the quarter from 0.04x QoQ.
- In 3QFY26, SRIN acquired a strategic 1.75-acre land parcel in Andheri, Mumbai, near the International Airport, with a GDV potential of ~INR25b. Overall, in 9MFY26, it added three projects with a GDV of INR50b.
- The company achieved a stellar score of 99 out of 100 in the 2025 Global Real Estate Sustainability Benchmark (GRESB), earning the prestigious Green 5-star rating.

### P&L highlights

- In 3QFY26, revenue was up 2x/36% YoY/QoQ to INR3.4b, which was in line with our estimates. In 9MFY26, revenue was up 21% YoY to INR7.8b.
- The company reported EBITDA of INR815m, up 68%/5% YoY/QoQ (in line with our estimates). EBITDA margin was down 622bp/715bp YoY/QoQ and came in at 24%. In 9MFY26, EBITDA was at INR2.1b, up 77% YoY. Margin in 9MFY26 stood at 26%.
- For 3QFY26, Adj. PAT stood at INR582m, up 37%/19% YoY/QoQ and was 19% above our estimates. PAT margin was at 17%. In 9MFY26, PAT stood at INR1.4b, up 41% YoY.

### Pre-sales increased 16% YoY to INR7.3b

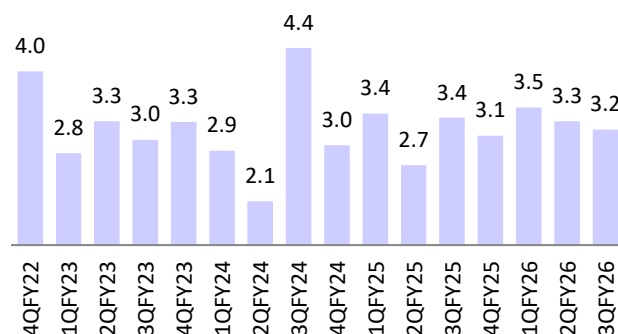
Pre-sales (INRb)



Source: Company, MOFSL

### Collections declined 5% YoY to INR3.2b

Collections (INRb)



Source: Company, MOFSL

## Quarterly performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
<b>Net Sales</b>	<b>3,163</b>	<b>1,690</b>	<b>1,618</b>	<b>2,060</b>	<b>1,883</b>	<b>2,524</b>	<b>3,441</b>	<b>3,415</b>	<b>8,531</b>	<b>11,263</b>	<b>3,379</b>	<b>2</b>
YoY Change (%)	348.2	577.3	281.1	-51.7	-40.5	49.3	112.7	65.7			108.9	
Total Expenditure	2,849	1,317	1,134	1,374	1,406	1,745	2,626	2,666	6,673	8,443	2,533	
<b>EBITDA</b>	<b>314</b>	<b>374</b>	<b>484</b>	<b>687</b>	<b>477</b>	<b>778</b>	<b>815</b>	<b>749</b>	<b>1,858</b>	<b>2,820</b>	<b>846</b>	<b>-4</b>
Margins (%)	9.9	22.1	29.9	33.3	25.4	30.8	23.7	21.9	21.8	25.0	25.0	-134.7
Depreciation	34	36	31	28	34	36	37	59	129	167	48	
Interest	103	99	87	119	149	194	117	232	409	693	194	
Other Income	117	130	130	118	132	98	119	156	495	505	136	
<b>PBT before EO expense</b>	<b>295</b>	<b>368</b>	<b>495</b>	<b>658</b>	<b>426</b>	<b>646</b>	<b>780</b>	<b>613</b>	<b>1,816</b>	<b>2,466</b>	<b>740</b>	<b>5</b>
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>295</b>	<b>368</b>	<b>495</b>	<b>658</b>	<b>426</b>	<b>646</b>	<b>780</b>	<b>613</b>	<b>1,816</b>	<b>2,466</b>	<b>740</b>	<b>5</b>
Tax	70	22	69	170	92	159	212	395	331	857	257	
Rate (%)	23.9	5.9	13.9	25.9	21.6	24.5	27.1	64.4	18.2	34.8	34.8	
Minority Interest & Profit/Loss of Asso. Cos.	-3	1	1	-17	0	-2	-13	-2	-18	-18	-6	
<b>Reported PAT</b>	<b>228</b>	<b>346</b>	<b>425</b>	<b>504</b>	<b>334</b>	<b>490</b>	<b>582</b>	<b>220</b>	<b>1,503</b>	<b>1,627</b>	<b>488</b>	<b>19</b>
<b>Adj PAT</b>	<b>228</b>	<b>346</b>	<b>425</b>	<b>504</b>	<b>334</b>	<b>490</b>	<b>582</b>	<b>220</b>	<b>1,503</b>	<b>1,627</b>	<b>488</b>	<b>19</b>
YoY Change (%)	-438.0	-349.6	-537.1	-50.3	46.6	41.4	36.9	-56.3	111.9	8.2	14.8	
Margins (%)	7.2	20.5	26.3	24.5	17.8	19.4	16.9	6.5	17.6	14.4	14.4	
<b>Operational metrics</b>												
Pre-sales	5,020	5,240	6,350	8,700	6,570	7,020	7,340	8,956	25,310	29,886	8,966	<b>-18</b>
Collections	3,420	2,670	3,360	3,100	3,510	3,310	3,190	10,417	12,550	20,427	6,978	<b>-54</b>

Source: MOFSL, Company

Note: Estimates are under review since we will revise them after the earnings call.



# Gopal Snacks

BSE Sensex  
CNX  
81,857  
25,175

S&P

## Conference Call Details



**Date:** 28 January 2026

**Time:** 15:00 IST

[Diamond pass link](#)

**CMP: INR295**

**BUY**

### Overall decent performance, EBITDA margin up 364bp

- 3QFY26 consolidated revenue grew 1.8% YoY to INR4.0b, led by Gathiya (+9.1% YoY), followed by Snacks Pellets & Extruded Snacks (+3.5% YoY). Wafers segment declined 19.6% YoY due to intensified competition.
- During 3Q, Modasa plant was successfully scaled up with a focus on Gathiya & Namkeen production. We expect Rajkot plant (40% of earlier production) to become operational in 1QFY27.
- Gross margin increased by 621bp YoY to 27.6%, supported by a favorable raw material mix and improved operational efficiency.
- EBITDA came in at INR304m (+95.8% YoY). EBITDA margin expanded 364bp YoY to 7.6%, despite higher other exp. (+21.6% YoY) and higher employee costs (+10.0% YoY).
- The company added ~34k retail touch points during 3Q, taking the total to 375k. The company expects to add 300 distributors in the next year, reaching 1,100+ distributors by FY27.
- APAT grew 189.8% to INR154m despite higher interest expense (+446.4% YoY), higher depreciation (+21.5% YoY) and lower other income (-85.9% YoY).
- The board has declared a second interim dividend of INR0.35/share, taking the total dividend to INR0.60/share.

### Con. Quarterly performance

Y/E March	FY25				FY26				FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	
<b>Net Sales</b>	<b>3,543</b>	<b>4,026</b>	<b>3,936</b>	<b>3,175</b>	<b>3,222</b>	<b>3,757</b>	<b>4,008</b>	<b>4,349</b>	<b>14,680</b>
YoY Change (%)	11.2	12.6	7.1	-11.5	-9.1	-6.7	1.8	37.0	4.7
Total Expenditure	3,134	3,559	3,781	3,155	3,070	3,515	3,704	3,946	13,628
<b>EBITDA</b>	<b>409</b>	<b>468</b>	<b>155</b>	<b>20</b>	<b>152</b>	<b>241</b>	<b>304</b>	<b>404</b>	<b>1,052</b>
Margin (%)	11.5	11.6	3.9	0.6	4.7	6.4	7.6	9.3	7.2
Depreciation	81	83	85	83	82	90	104	119	332
Interest	16	8	2	7	20	19	11	22	34
Other Income	18	12	7	18	3	2	1	2	56
<b>PBT before EO items</b>	<b>330</b>	<b>388</b>	<b>75</b>	<b>-51</b>	<b>53</b>	<b>134</b>	<b>190</b>	<b>265</b>	<b>742</b>
Extraordinary Inc / (Exp)	0	0	0	-472	2	215	1	0	-472
<b>PBT</b>	<b>330</b>	<b>388</b>	<b>75</b>	<b>-523</b>	<b>55</b>	<b>350</b>	<b>191</b>	<b>265</b>	<b>270</b>
Tax	87	99	22	-128	30	93	36	93	80
Rate (%)	26.4	25.6	29.2	24.5	54.2	26.5	18.8	35.0	29.7
<b>Reported PAT</b>	<b>243</b>	<b>289</b>	<b>53</b>	<b>-395</b>	<b>25</b>	<b>257</b>	<b>155</b>	<b>172</b>	<b>190</b>
<b>Adj PAT</b>	<b>243</b>	<b>289</b>	<b>53</b>	<b>77</b>	<b>23</b>	<b>42</b>	<b>154</b>	<b>172</b>	<b>662</b>
YoY Change (%)	-14.3	6.2	-70.3	-70.6	-90.5	-85.6	189.8	124.3	-33.5
Margin (%)	6.9	7.2	1.4	2.4	0.7	1.1	3.8	4.0	4.5

# Mahindra Logistics

BSE SENSEX

81,857

S&amp;P CNX

25,175

## Conference Call Details


**Date:** 28<sup>th</sup> Jan 2026

**Time:** 3:30 pm IST

**Conference call details:**
[Link](#)

### Financials & Valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	68.9	84.6	97.8
EBITDA	3.4	4.7	5.3
Adj. PAT	-0.1	1.7	2.0
EBITDA Margin (%)	4.9	5.6	5.4
Adj. EPS (INR)	-0.7	16.7	19.9
EPS Gr. (%)	NA	LP	19.0
BV/Sh. (INR)	116.8	131.0	148.4

### Ratios

Net D:E	-0.4	-0.4	-0.5
RoE (%)	-0.5	13.3	14.1
RoCE (%)	-11.2	12.9	13.4
Payout (%)	-356.8	14.9	12.6

### Valuations

P/E (x)	NA	18.9	15.9
P/BV (x)	2.7	2.4	2.1
EV/EBITDA(x)	7.9	5.4	4.4
Div. Yield (%)	0.8	0.8	0.8
FCF Yield (%)	3.6	6.9	7.3

**CMP: INR294**
**Buy**

## Performance above our estimates

### Earnings summary: 3QFY26

- Revenue grew ~19% YoY to ~INR19b in 3QFY26 (9% above our estimate).
- EBITDA margin came in at 5.4% in 3QFY26 (up 80bp YoY/40bp QoQ) vs. our estimate of 4.9%. EBITDA grew ~40% YoY to INR1,028m (21% above estimate).
- Supply chain management recorded revenue of INR17.9b (+18% YoY) and EBIT of ~INR112m. Enterprise Mobility Services (EMS) reported revenue of INR1.1b (+42% YoY) and EBIT of INR12.9m.
- APAT stood at INR88m in 3QFY26 vs. adjusted net loss of INR90m in 3QFY25 (our estimate of INR 10m loss).
- In 9MFY26, Revenue/EBITDA grew 15%/28% YoY.

### Quarterly snapshot

#### Y/E March (INR m)

	FY25				FY26			FY25	FY26E	FY26 3QE	INR m Var. vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q				
<b>Net Sales</b>	<b>14,200</b>	<b>15,211</b>	<b>15,942</b>	<b>15,695</b>	<b>16,246</b>	<b>16,853</b>	<b>18,980</b>	<b>61,048</b>	<b>68,937</b>	<b>17,363</b>	<b>9</b>
YoY Change (%)	9.8	11.5	14.1	8.2	14.4	10.8	19.1	10.9	12.9	8.9	
<b>EBITDA</b>	<b>663</b>	<b>664</b>	<b>737</b>	<b>777</b>	<b>763</b>	<b>851</b>	<b>1,028</b>	<b>2,841</b>	<b>3,385</b>	<b>851</b>	<b>21</b>
Margins (%)	4.7	4.4	4.6	5.0	4.7	5.0	5.4	4.7	4.9	4.9	
YoY Change (%)	-0.5	23.9	41.1	37.3	15.0	28.2	39.5	24.0	19.2	15.5	
Depreciation	550	540	590	584	646	717	717	2,263	2,800	700	
Interest	195	191	221	206	225	217	165	812	877	205	
Other Income	57	17	63	22	51	29	53	158	332	40	
<b>PBT before EO Items</b>	<b>-25</b>	<b>-50</b>	<b>-11</b>	<b>9</b>	<b>-58</b>	<b>-54</b>	<b>198</b>	<b>-77</b>	<b>41</b>	<b>-14</b>	
Extra-Ord expense	0	0	0	0	0	0	-74	0	0	0	
<b>PBT</b>	<b>-25</b>	<b>-50</b>	<b>-11</b>	<b>9</b>	<b>-58</b>	<b>-54</b>	<b>272</b>	<b>-77</b>	<b>41</b>	<b>-14</b>	
Tax	53	46	61	62	36	30	64	223	101	-3	
Rate (%)	NA	NA	NA	NA	NA	-54.9	23.6	NA	250.0	18.0	
<b>PAT before MI, Associates</b>	<b>-78</b>	<b>-96</b>	<b>-72</b>	<b>-53</b>	<b>-94</b>	<b>-83</b>	<b>60</b>	<b>-300</b>	<b>-61</b>	<b>-11.7</b>	
Share of associates/ Minority Interest	-15	-11	-18	-14	-14	-20	-28	-59	-9	2	
<b>Reported PAT</b>	<b>-93</b>	<b>-107</b>	<b>-90</b>	<b>-68</b>	<b>-108</b>	<b>-104</b>	<b>32</b>	<b>-359</b>	<b>-69</b>	<b>-10</b>	
<b>Adj PAT</b>	<b>-93</b>	<b>-107</b>	<b>-90</b>	<b>-68</b>	<b>-108</b>	<b>-104</b>	<b>88</b>	<b>-359</b>	<b>-69</b>	<b>-10</b>	<b>NA</b>
YoY Change (%)	NA	NA	NA	NA	NA	NA	NA	NA	LP	NA	
Margins (%)	-0.7	-0.7	-0.6	-0.4	-0.7	-0.6	0.5	-0.6	-0.1	-0.1	



### **JSW Energy : December Power Demand Growth Was 5.6%; Sharad Mahendra, Joint MD & CEO**

- Q3 profits aided by one-time tax credit
- Power demand flat in Q3 due to weather; December–January demand up ~6%.
- EBITDA nearly doubled YoY; seasonally weak wind, hydro impacted margins.
- Capacity, funding plans intact; management confident of stronger Q4.

[➔ Read More](#)

### **Shriram Finance: Slowed Down In Certain Segments Of MSME Due To Tariff Uncertainty; Umesh Revankar, Executive Vice Chairman**

- Margins, asset quality improved
- AUM grew ~14.6% YoY; CV, PV strong, CE and MSME saw temporary slowdown.
- Infra-led demand, budget support to aid CV/CE growth; FY26–27 AUM target 18–20% intact.
- MUFG deal on track by FY-end; lower cost of funds to support NIM, ROA improvement.

[➔ Read More](#)

### **WeWork India: Maintain Margin In The 20-21% Range Despite Growth Acceleration; Karan Virwani MD & CEO**

- Revenue-to-rent ratio strong at ~2.8x; center-level margins ~28%.
- Capex of INR300–400cr planned; largely funded via internal accruals.
- Net debt reduced sharply QoQ; targeting zero net debt by FY-end.
- Pricing escalations of ~6–7% baked into contracts; demand skewed to premium Grade A spaces.

[➔ Read More](#)

### **Karur Vysya Bank : PAT Has Increased 20x Over The Last Five Years; B Ramesh Babu, MD& CEO**

- FY26 RoA can be maintained at 1.85%
- Net NPA at 0.19% is among the lowest for the bank
- Won't need additional capital for next 2 years
- Gold loans capped below 35% of book; remains core DNA with controlled risk.
- Corporate book selective, yield improved to ~9.2–9.3%; growth driven by chosen sectors.
- Credit cards, fee income in pilot phase; clearer guidance post Q4 results.

[➔ Read More](#)

**Investment in securities market are subject to market risks. Read all the related documents carefully before investing**

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

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

#### Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

MOFSL, its associates, Research Analyst or their relatives may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst or their relatives may have actual beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance, however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

In the past 12 months, MOFSL or any of its associates may have:

- received any compensation/other benefits from the subject company of this report
- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

MOFSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.

Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.

Research Analyst may have served as director/officer/employee in the subject company.

MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:

- a) a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.
- (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures. To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report.

#### Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

#### Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

#### Disclosure of Interest Statement

Analyst ownership of the stock No

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

#### For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Financial Services Limited (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

#### For U.S.

MOTILAL Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and

under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.raiani@motilaloswal.com](mailto:nainesh.raiani@motilaloswal.com)

Contact: (+65) 8328 0276

Disclaimer:

This report is intended for distribution to Retail Investors.

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; [www.motilaloswal.com](http://www.motilaloswal.com).

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai - 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: [na@motilaloswal.com](mailto:na@motilaloswal.com), Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	<a href="mailto:query@motilaloswal.com">query@motilaloswal.com</a>
Ms. Kumud Upadhyay	022 40548082	<a href="mailto:servicehead@motilaloswal.com">servicehead@motilaloswal.com</a>
Mr. Ajay Menon	022 40548083	<a href="mailto:am@motilaloswal.com">am@motilaloswal.com</a>
Mr. Neeraj Agarwal	022 40548085	<a href="mailto:na@motilaloswal.com">na@motilaloswal.com</a>
Mr. Siddhartha Khemka	022 50362452	<a href="mailto:po.research@motilaloswal.com">po.research@motilaloswal.com</a>

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to [query@motilaloswal.com](mailto:query@motilaloswal.com). In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com), for DP to [dp grievances@motilaloswal.com](mailto:dp grievances@motilaloswal.com).