29 January 2026

MORNING INDIA

Market snapshot

Equities - India	Close	Chg .%	CY25.%
Sensex	82,345	0.6	9.1
Nifty-50	25,343	0.7	10.5
Nifty-M 100	58,439	1.7	5.7
Equities-Global	**Close**	**Chg .%**	**CY25.%**
S&P 500	6,978	0.0	16.4
Nasdaq	23,857	0.2	20.4
FTSE 100	10,154	-0.5	21.5
DAX	24,823	-0.3	23.0
Hang Seng	9,512	2.9	22.3
Nikkei 225	53,359	0.0	26.2
Commodities	**Close**	**Chg .%**	**CY25.%**
Brent (US$/Bbl)	69	0.0	-15.7
Gold ($/OZ)	5,270	1.7	64.6
Cu (US$/MT)	12,913	0.0	43.9
Almn (US$/MT)	3,201	0.0	17.5
Currency	**Close**	**Chg .%**	**CY25.%**
USD/INR	91.8	0.1	5.0
USD/EUR	1.2	-0.5	13.4
USD/JPY	152.7	0.3	-0.3
YIELD (%)	**Close**	**1MChg**	**CY25 chg**
10 Yrs G-Sec	6.7	-0.02	-0.2
10 Yrs AAA Corp	7.4	0.00	0.1
Flows (USD b)	**28-Jan**	**MTD**	**CYTD**
FIIs	0.05	-2.58	-18.8
DIIs	0.37	9.22	90.1
Volumes (INRb)	**28-Jan**	**MTD***	**CYTD***
Cash	1,498	1234	1234
F&O	89,209	3,27,334	3,27,334

Note: Flows, MTD includes provisional numbers. *Average

Today's top research idea

Bharat Electronics: Continued outperformance!

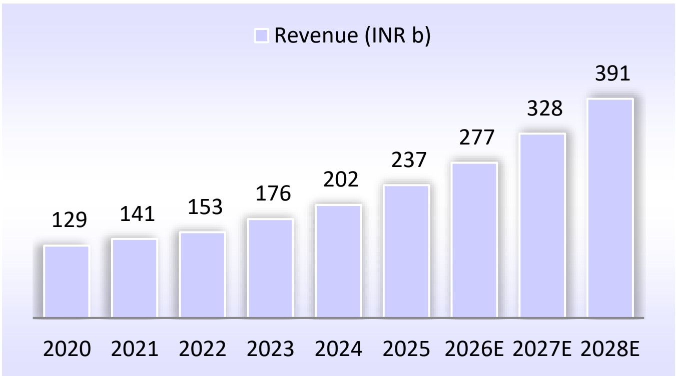
- Bharat Electronics' (BHE) 3QFY26 revenue/EBITDA/PAT exceeded our estimates, driven by strong execution and better-than-expected margins. Revenue growth was led by a strong order book, which stood at INR730b. Order inflows stood at INR181b during 9MFY26.
- BHE continues to remain a key beneficiary of large platform orders across Army, Navy, Airforce as it stands to benefit from large orders like QRSAM, Next generation corvettes, Akash-NG along with the base orders. Strong addressable market can continue to sustain >15% revenue growth over next few years. BHE has managed the supply chain well and is not impacted much by semiconductor shortage or commodity prices. With improved indigenization levels and operating leverage benefits, we expect strong margin performance of BHE to continue.
- We expect revenue/PAT to grow at 18%/16% CAGR over FY25-28 and roll forward our valuation to Mar'28E EPS. Maintain BUY with a revised TP of INR520 based on 45x Mar'28E EPS.

Research covered

Cos/Sector	Key Highlights
Bharat Electronics	Continued outperformance!
India Strategy	India-EU FTA: Breaking walls
Other Updates	Larsen & Toubro | Maruti Suzuki | SBI Life Insuran | TVS Motor Co. | Vodafone Idea | SBI Cards | Vishal Mega Mart | M & M Fin. Serv. | ACC | Delhivery | Metro Brands | Gland Pharma | Sagility | Bikaji Foods | Prudent Corp. | Sunteck Realty | Gopal Snacks | Mahindra Logistics | EcoScope | Lodha Developers | Phoenix Mills | Star Health | Balkrishna Industries | Piramal Pharma | NSDL | Craftsman Auto | Five-Star Bus.Fi |A B Real Estate | L T Foods | Arvind Fashions | MAS FINANC SER

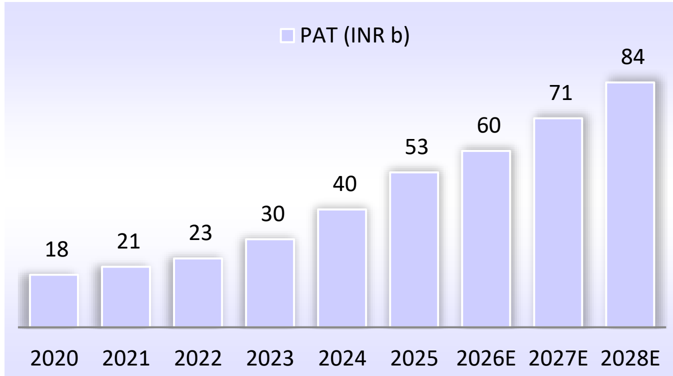
Chart of the Day: Bharat Electronics (Continued outperformance!)

We expect revenue to clock a CAGR of 18% over FY25-28



Source: MOFSL, Company

We expect a CAGR of 16% in PAT over FY25-28



Source: MOFSL, Company

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In the news today

Kindly click on textbox for the detailed news link

1

BYD weighs India expansion as hundreds of car orders pile up

BYD Co. is weighing options to expand in India, including local assembly to meet surging demand for the Chinese automaker's electric vehicles.

2

ONGC, RIL to share resources for deepwater operations on East Coast

State-owned explorer Oil and Natural Gas Corporation (ONGC) and Reliance Industries (RIL) on Wednesday signed an agreement to share resources for deepwater offshore operations on India's East Coast, the companies said in a joint statement.

3

Axis Max Life, Max Financial boards give in-principle nod to amalgamation

The boards of Axis Max Life Insurance (AMLI) and Max Financial Services Ltd (MFSL), the holding company of the insurer, on Wednesday granted in-principle approval for the amalgamation of the two entities.

4

IndiGo to add one plane weekly for 10 years, target 40% intl capacity: CEO

IndiGo plans to add one aircraft every week for the next decade and expects international operations to account for around 40 per cent of its total capacity by 2030.

5

RVNL-GPT JV bags ₹1,201 crore Ganga rail-road bridge project in Varanasi

RVNL-GPT JV has emerged as the lowest bidder (L1) for a major infrastructure project awarded by Northern Railway for the design and construction of a new rail-cum-road bridge over the river Ganga in Varanasi, Uttar Pradesh.

6

Chartered Speed, EKA Mobility to deploy 1,750 electric buses in Bengaluru

Chartered Speed Limited and EKA Mobility on Wednesday secured a Letter of Confirmation of Quantity for the deployment of 1,750 electric buses here.

7

Jio-BP unveils additive petrol for better mileage at no extra cost, targets leadership in low-carbon mobility by 2035

Jio-BP, the fuel retail joint venture between Reliance Industries and BP, is sharpening its pitch to Indian consumers with the rollout of its new "Active Technology" additive petrol.

Bharat Electronics

Estimate change	⟷
TP change	↑
Rating change	⟷

Bloomberg	BHE IN
Equity Shares (m)	7310
M.Cap.(INRb)/(USDb)	3311.3 / 36.1
52-Week Range (INR)	458 / 240
1, 6, 12 Rel. Per (%)	16/14/65
12M Avg Val (INR M)	7574

Financials Snapshot (INR b)

Y/E March	2026E	2027E	2028E
Sales	276.7	328.5	391.1
Sales Gr. (%)	17.0	18.7	19.0
EBITDA	78.9	93.7	109.5
EBITDA Margin	28.5	28.5	28.0
Adj. PAT	60.1	71.3	83.5
Adj. EPS (INR)	8.2	9.8	11.4
EPS Gr. (%)	13.7	18.6	17.2
BV/Sh.(INR)	34.2	42.8	52.8
Ratios			
RoE (%)	24.0	22.8	21.7
RoCE (%)	26.9	25.4	23.9
Payout (%)	12.4	12.4	12.4
Valuations			
P/E (x)	55.1	46.5	39.7
P/BV (x)	13.2	10.6	8.6
EV/EBITDA (x)	40.2	33.4	28.0
Div. Yield (%)	0.2	0.3	0.3

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	51.1	51.1	51.1
DII	20.5	20.9	20.9
FII	18.5	18.2	17.4
Others	9.9	9.8	10.6

FII includes depository receipts

CMP: INR453 TP: INR520 (+15%) Buy

Continued outperformance!

Bharat Electronics (BHE)'s 3QFY26 revenue/EBITDA/PAT exceeded our estimates, driven by strong execution and better-than-expected margins. Revenue growth was fueled by a strong order book, which stood at INR730b. Order inflows were INR181b during 9MFY26. BHE continues to remain a key beneficiary of large platform orders across the Army, Navy, and Air Force, as it stands to benefit from large orders such as QRSAM, next-generation corvettes, and Akash-NG, along with the base orders. A strong addressable market can continue to sustain >15% revenue growth over the next few years. BHE has managed the supply chain well and is not impacted much by the semiconductor shortage or commodity prices. With improved indigenization levels and operating leverage benefits, we expect the strong margin performance of BHE to continue. We expect BHE's revenue/PAT to clock an 18%/16% CAGR over FY25-28; we roll forward our valuation to Mar'28E EPS. We reiterate our BUY rating with a revised TP of INR520, based on 45x Mar'28E EPS.

Beat across all parameters

BHE posted a strong set of results with a beat across revenue, EBITDA, and PAT. Revenue grew 24% YoY to INR71.2b, surpassing our estimate by 5%. Gross margin contracted 150bp YoY. However, cost optimization supported EBITDA margin expansion. Absolute EBITDA stood at INR21.2b (+28%YoY), while margin improved 100bp YoY to 29.7% vs. our estimate of 28.2%. Strong revenue and margin performance resulted in a 7% beat to our PAT estimates. BHE's PAT was INR15.9b, up 21% YoY vs. our estimate of INR14.8b. The order book was INR730b as of 31st Dec'25, with an order inflow of ~INR57b during 3Q. For 9MFY26, BHE's revenue/EBITDA/PAT grew 19%/27%/21% YoY, while margin expanded 180bp YoY to 29.2%. The company assessed the financial impact of changes in the labor law, which resulted in a rise in gratuity liability by ~INR166m.

Sustained execution momentum

Execution during 3QFY26 remained strong and diversified, with LRSAM, Him-Shakti, battlefield surveillance systems, Akash missile systems for the Army, LCA Mk-1A LRUs, and Shakti-EW systems contributing over INR50b, reflecting broad-based delivery across missile, EW, avionics, and surveillance platforms. This reduces dependence on any single program and supports revenue stability. Looking ahead, 4QFY26 execution is expected from 6-7 major programs, including BMP-2 upgrade, LCA Mk-1A LRUs, Akash Army, LRSAM, Arudhra radar, and D29 EW systems, with revenues guided at INR40-50b from these platforms. Management indicated higher execution from BMP-2 upgrades, LCA LRUs, and D29 EW, pointing to a strong year-end execution push.

Strong multi-year order pipeline with near-to-long-term visibility

BHE's prospect pipeline remains strong with clear visibility across both near-term base orders and large strategic programs. Key near-term opportunities include LCA Mk-1A orders of ~INR24b, Shatrughat EW of ~INR30b, NGC orders of ~INR20-30b in FY26 (with the balance ~INR100b-120b by 1HFY27), and a few additional large programs of ~INR20b, providing strong support to FY26 order inflows. On larger strategic programs, QRSAM (~INR300b) is expected in 4QFY26 or early FY27, Akash NG (~INR25–30b) is likely by FY28, Project Kusha (indigenous S-400) is targeted around FY29, and AMCA remains an optional upside with RFP issuance expected by mid-Feb'26 and workshare currently envisaged at 50:50 between BHE and L&T. Management also highlighted a list of 30+ programs, each with INR10b+ potential, providing medium- to long-term order inflow sustainability.

Non-defence growth opportunities

BHE expects export opportunities to expand gradually, aided by the evolving India-EU defense cooperation, which could open new markets and joint development avenues over time. The company is targeting exports to reach ~10% of revenues in the long term, up from the current low single-digit contribution. In the near term, management expects export orders in 4QFY26 related to satellite communication equipment, TR modules, data link projects, and coastal surveillance systems. These opportunities are expected to materialize incrementally, supporting diversification of revenues beyond the domestic defense market.

Non-defense growth opportunities

BHE is also focused to scale non-defence revenues, which currently contribute around 6-7% of overall turnover, with a clear target to cross 10% in the near to medium term. Key opportunity areas include railways and metros, where BEL has received good leads from the Kavach program and platform screen door systems, alongside increasing traction in airport authority projects related to radars and air traffic management systems. Space was identified as a mixed opportunity, contributing to both defense and non-defense revenues over time. In addition, cybersecurity and data center solutions are emerging as meaningful non-defense growth avenues, supported by increasing engagement with central and state government customers.

Supply chain & semiconductor readiness

BHE remains well secured on both supply chain management and semiconductor availability, with close monitoring at multiple levels across the organization. Supply chain conditions have improved meaningfully on a YoY basis and are expected to strengthen further, with management targeting ~95% on-time delivery of items in FY26 and 100% by next year. While some challenges persist in specific components such as semiconductors and rotary joints, these are being identified early and mitigated proactively to avoid execution disruptions. Semiconductors typically account for ~20-30% of the bill of materials, with the balance comprising assembly, testing, and other components, limiting overall risk to execution. The company is currently not facing any impact from semiconductor shortages, aided by more generic and flexible designs.

Financial outlook

Our estimates already factor in large-sized order inflows from QRSAM and next-generation corvettes to materialize between FY26 and FY27. We also bake in a longer gestation period for these orders and expect a sales/EBITDA/PAT CAGR of

18%/17%/16% over FY25-28. We expect OCF/FCF to remain strong over FY26-28, led by control over working capital.

Valuation and view

BHE is currently trading at 55.1x/46.5x/39.7x on FY26E/FY27E/FY28E EPS. We broadly maintain our estimates and **roll forward our TP to INR520, based on 45x Mar'28E earnings. We reiterate our BUY rating on BHE**.

Key risks and concerns

A slowdown in order inflows from the defense and non-defense segments, intensified competition, further delays in the finalization of large tenders, a sharp rise in commodity prices, and delays in payments from the MoD can adversely impact our estimates on revenue, margins, and cash flows.

Standalone Quarterly Performance **(INR m)**

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			3QE	Var (%)
Net Sales	**41,988**	**45,834**	**57,561**	**91,197**	**44,168**	**57,637**	**71,220**	**1,03,713**	**2,36,580**	**2,76,738**	**67,801**	**5**
Change (%)	19.6	14.8	39.1	6.9	5.2	25.8	23.7	13.7	17.3	17.0	17.8	
EBITDA	**9,367**	**13,885**	**16,533**	**27,890**	**12,399**	**16,953**	**21,176**	**28,375**	**67,676**	**78,904**	**19,120**	**11**
Change (%)	41.0	38.2	57.5	22.3	32.4	22.1	28.1	1.7	35.4	16.6	15.6	
As of % Sales	22.3	30.3	28.7	30.6	28.1	29.4	29.7	27.4	28.6	28.5	28.2	
Depreciation	997	1,032	1,029	1,298	1,129	1,185	1,275	1,380	4,356	4,968	1,242	3
Interest	12	13	13	58	14	17	20	45	96	96	13	55
Other Income	2,015	1,668	2,051	1,942	1,636	1,591	1,595	1,969	7,676	6,791	2,076	-23
PBT	**10,373**	**14,509**	**17,542**	**28,476**	**12,892**	**17,343**	**21,477**	**28,919**	**70,900**	**80,631**	**19,940**	**8**
Tax	2,612	3,596	4,381	7,428	3,201	4,482	5,576	7,231	18,017	20,490	5,067	
Effective Tax Rate (%)	25.2	24.8	25.0	26.1	24.8	25.8	26.0	25.0	25.4	25.4	25.4	
Reported PAT	**7,761**	**10,913**	**13,161**	**21,048**	**9,691**	**12,861**	**15,901**	**21,688**	**52,883**	**60,141**	**14,873**	**7**
Change (%)	46.2	34.3	47.3	18.0	24.9	17.9	20.8	3.0	31.5	13.7	13.0	
Adj PAT	**7,761**	**10,913**	**13,161**	**21,048**	**9,691**	**12,861**	**15,901**	**21,688**	**52,883**	**60,141**	**14,873**	**7**
Change (%)	46.2	34.3	47.3	18.0	24.9	17.9	20.8	3.0	31.5	13.7	13.0	

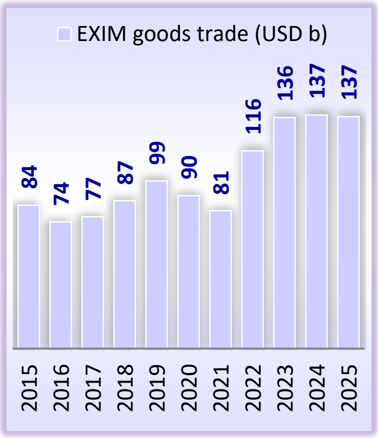
BSE Sensex: 81,857 | **Nifty-50: 25,175**

India-EU FTA: Breaking walls

Potential to be more than an economic deal

India and the European Union (EU) finally announced their years-in-works, multi-layered free trade agreement (FTA), touted as a “mother of all deals”. While this opens up markets mutually for both economies from 2027 (post ratification and legal works), the full effects of the proposed deal will take a few years to fructify. Importantly, the deal marks a defining moment for bilateral/plurilateral cooperation in an increasingly multipolar world, with India emerging as one of the key parties owing to its scale, growth promise and strategic relevance. Given the sheer size of the two economies (~2b population, ~25% global GDP and >30% of global trade: ~USD137b in FY25 goods trade and ~USD83b in 2024 services trade), the deal will likely create a shift in the currently strained geopolitical environment, and a gradual mellowing of the prevalent harsh rhetoric cannot be ruled out.

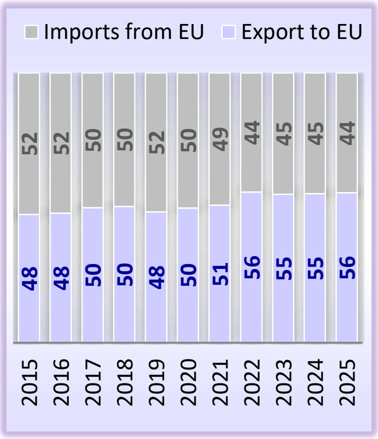
Trend in Indo-EU goods trade



India has been running surplus balance with EU

(i) Europe accounted for 22% of India’s exports in FY25 and 13% of India’s imports; owing to a surplus balance, India will likely accrue net benefits. (ii) Goods trade between India and EU has been stagnant at ~USD136-137b since 2023, which should rise materially after the FTA is implemented. (iii) India gains preferential access across 97% of tariff lines and 99.5% of trade value – of which ~70%/91% will have an immediate effect after deal ratification. (iv) 92% of EU tariff lines with 97.5% of export value will get preferential access to India – of which ~50% of tariff lines come with an immediate effect after ratification. (v) India gets predictable access to EU’s 144 service sub-sectors, benefiting labor/skill-heavy sectors.

Rising share of exports to the EU



Reasonable complementarity should drive better gains

There is a c-ertain degree of complementarity, as a good chunk of EU exports to India are in highvalue items, where the competition from Indian companies is not as high. For Indian companies exporting to EU, the deal spells better competitiveness in EU for sectors like capital goods, auto OEMs metals, IT Services, etc. While for some domestic-focused companies, the competition from EU-origin products will go up, such sectors/segments are limited due to high-value imports from EU, e.g., high-end luxury cars, premium liquor, etc. India’s service exporters benefit well owing to inherent labor cost arbitrage and now better access. Beyond trade in goods and services, the deal also lays stress on easier labor mobility.

Key beneficiaries: Cap Goods, IT, OEMs, Defense, Metals, smaller sectors

Based on our analysts’ views, the following sectors emerge as key beneficiaries: (i) **IT Services** – more stable EU demand access and diversification beyond the US, bigger advantage for ER&D companies; (ii) **Metals** – reduced or no tariffs for India’s steel exports; (iii) **Capital Goods** – preferential EU access from 22% tariff to nil, preferential imports lower input costs; (iv) **Defense** – cheaper aircraft from EU, lowers US dependence; (v) **Auto OEMs** – better EU competitiveness; Also smaller sectors like agriculture, textiles, agro-chemicals, leather, gems & jewelry, chemicals etc. stand to gain. Key stock beneficiaries: Jindal Stainless, SAIL, JSW Steel, LTTS, KPIT, TTL, TELX, PI Ind, Godrej Agrovet, UPL, Coromandel International, auto OEMs, capital goods and defense names.

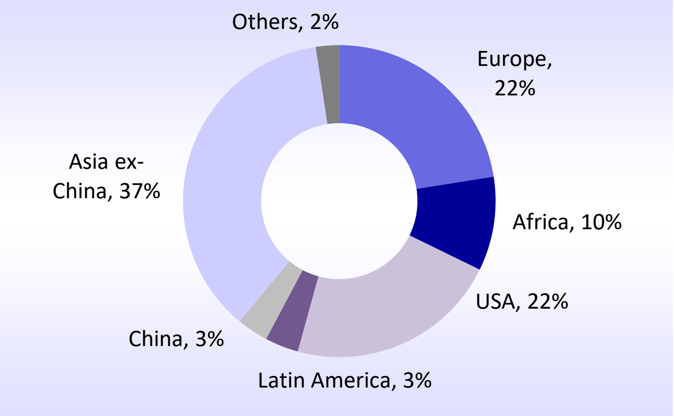
Sector-wise impact

Sector	Key announcement(s) / Observations	Status before the deal	Status after the deal	Impact on sector and Key stocks
Automobiles	☑ Import: Import duty on European cars to be reduced to 40% from current 70-110% on vehicles priced above EUR15k; gradually to reduce to 10%; No EVs included here; limit on import set at 200k units p.a. ☑ Exports: Opens up export opportunity to Europe; possibility of reduction in current export duty	70-110% duty on CBUs for vehicles priced above EUR15k 10% export duty	Reduced to 40% now; to gradually reduce to 10% Possibility of reduction to Nil	☑ No major impact on current listed OEMs, as the on-road price of vehicles after FTA is likely to be ~INR2.7m, which is well above avg Indian consumers' budget ☑ Positive for Indian exporters; Positive for all auto OEMs
Metals and Mining	☑ Unlocks opportunities in mines and minerals - Zero duty across 100% of tariff lines breaks cost barriers, ensuring India exports quality, reliable, and value-added minerals to the EU. The FTA unlocks opportunities to scale India's presence in Europe's high-value markets. In the long term, predictable access fuels partnerships with European manufacturers in steel, electronics, automotive, and renewable energy. ☑ While this would be positive, the Carbon Border Adjustment Mechanism (CBAM) is in effect, which is impacting exports to EU. CBAM has not been changed under FTA and exports would therefore be restricted.	Had to pay tariffs based on type of products and higher tariffs if it exceeded the set quota limits	Reduced or Nil tariffs for most Indian steel exports, thereby improving competitiveness	☑ Positive ☑ Stocks: Jindal Steel, SAIL, JSW Steel
FMCG (liquor)	☑ Limited brand presence in liquor segment; negligible market impact	Tariff declining from 110%-150% to 20%-50% across wine, spirits and beer	No major change	☑ Neutral
IT services	☑ Structurally the FTA supports steady EU growth and reduces over-dependence on the US market	Higher client concentration in US market	Positive	☑ Large IT services players like TCS, Infosys, HCLT, Wipro and TechM benefit from more stable EU demand access and diversification beyond the US. ☑ The bigger relative upside is for ER&D-focused companies, given their higher exposure to European OEMs and engineering-led clients ☑ Stocks: LTTS, KPIT, TTL, TELX
Capital goods	☑ Reduction in tariffs for both exports and imports. ☑ The impact on exports is limited though, as exports to EU is generally small part of overall revenues	Indian engineering exports to the EU (~INR1.44t) faced tariffs of up to 22%, limiting market share, while EU high-technology imports lacked FTA benefits, keeping input costs high and constraining value-chain integration.	Indian engineering goods gain preferential/zero-duty access to the EU, boosting exports and market share, while preferential imports of EU's high-technology goods lower input costs and enable deeper integration into EU/global supply chains.	☑ Positive from both lower cost of import and better opportunities for export ☑ Stocks: ABB, Siemens, Hitachi Energy, Cummins, ENRIN, Triveni Turbine
Pharma	☑ Reduction in import tariff and preferential access; The overall import from EU is about USD1.1b over past 12M. The exports to EU is USD6b. Given the import is not more than 4-5% of IPM, the impact is minimal on the sector	11% tariff on Imports from EU	Reduction to zero duty	☑ Neutral

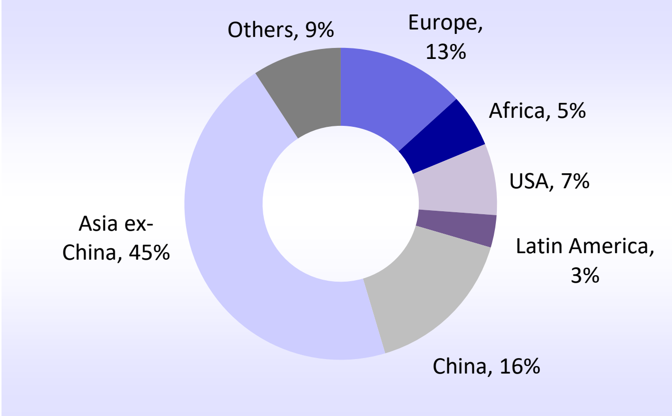
Sector	Key announcement(s) / Observations	Status before the deal	Status after the deal	Impact on sector and Key stocks
Consumer Durables	☑ India exports ~22% of its total cable & wire production and out of that, ~20% is exported to Europe. In Jun'24' Europe had imposed ATD (of 8.7-11.4%) on many optical fibre cable manufactures (exports from HFCL and its subsidiary HTL exempted). Additional duties of 3.7-8.1% had also been imposed on optical fibre cables due to unfair subsidies.	Not much trade of white/brown goods; export of cable & wires happens	Status Quo; doesn't seem to be any announcement particularly related to the sector	☑ Neutral
Defense	☑ Reduction in exports and imports tariff ☑ The impact on exports is limited though, as exports to EU is generally small part of overall revenues, although a new market opens up on longer term	Aircraft and spacecraft exports from the EU to India stood at about EUR6.4b in 2024 and faced duties up to 11%.	Aircraft and spacecraft equipment will be cheaper and will reduce dependence on US	☑ Positive ☑ Stocks: BEL, BDL, HAL

Source: MOFSL

India's exports composition in FY25



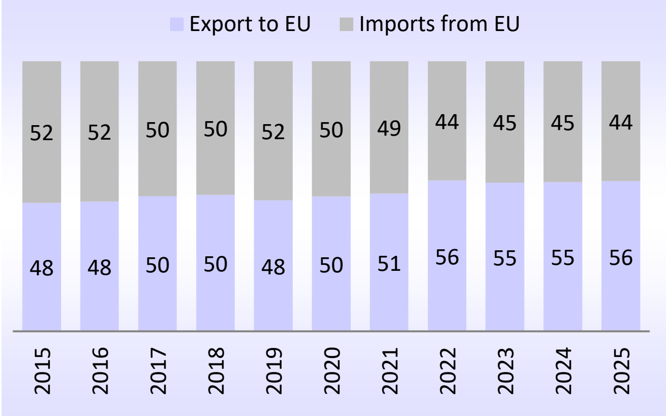
India's imports composition in FY25



Source: Ministry of commerce and Industry, MOFSL

India-EU goods trade flat in past 3 year

Rising share of exports to the EU



Source: CEIC , MOFSL

Larsen & Toubro

Estimate changes	⟷
TP change	↑
Rating change	⟷

Bloomberg	LT IN
Equity Shares (m)	1376
M.Cap.(INRb)/(USDb)	5219 / 56.9
52-Week Range (INR)	4195 / 2965
1, 6, 12 Rel. Per (%)	-4/8/1
12M Avg Val (INR M)	7175

Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Net Sales	2,931.6	3,378.0	3,869.6
EBITDA	306.1	353.7	402.9
PAT	178.2	215.0	252.2
EPS (INR)	129.7	156.4	183.5
GR. (%)	21.4	20.6	17.3
BV/Sh (INR)	794.9	902.7	1,029.1
Ratios			
ROE (%)	17.2	18.4	19.0
RoCE (%)	9.7	10.7	11.3
Payout	31.1	31.1	31.1
Valuations			
P/E (X)	29.3	24.3	20.7
P/BV (X)	4.8	4.2	3.7
EV/EBITDA (X)	17.0	14.7	12.9
Div Yield (%)	1.0	1.3	1.5

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	0.0	0.0	0.0
DII	42.8	43.1	41.5
FII	20.9	20.3	21.8
Others	36.3	36.5	36.8

FII Includes depository receipts

CMP: INR3,794 TP: INR4,600 (+21%) Buy

Execution pace was weak, eyeing improvement from 4QFY26

LT's consolidated 3QFY26 earnings were slightly below our estimates due to weaker-than-expected execution for core E&C. Revenue growth for core E&C, which has remained weak for the last two quarters, is expected to ramp up from 4QFY26. On the positive side, order inflows remained strong at INR1.2t, driven by large order wins in domestic and international markets, providing healthy visibility for revenue. An improved prospect pipeline of INR5.9t (up 7% YoY), further reduction in NWC and healthy RoE give comfort in an environment where domestic execution and margin performance in select segments were weak. We tweak our estimates to factor in 9MFY26 performance and arrive at a revised SoTP-based TP of INR4,600 (INR4,500 earlier), based on 27x two-year forward earnings for core business and a 25% holding company discount to subsidiaries. We reduce our target multiple a notch to bake in slightly lower growth in execution and margin. Retain BUY.

Results slightly weaker than expectations

LT reported consolidated revenue/EBITDA/PAT of INR714b/INR74b/INR41b, up 11%/19%/22% YoY. Consolidated revenue/EBITDA/PAT missed our estimates by 5%/4%/5%, while EBITDA margin was broadly in line with our estimate at 10.4%. For the core E&C business, order inflows came in 55% above our estimate at INR1.2t, up 18% YoY, even on a high base of last year. Domestic/international order inflows increased 28%/8% YoY for the quarter. Domestic and international mix was healthy in overall inflows due to large order wins in hydrocarbon and power sectors. This resulted in the core order book increasing 30% YoY to INR7.3t. Core E&C revenue came in at INR529b (up 11% YoY), 6% below our estimate, mainly due to slightly weaker execution in domestic markets and in the infrastructure segment as execution of water projects remains slow. Overall core E&C international execution increased 22% YoY. For 3QFY26, core E&C EBITDA margin improved 50bp YoY to 8.1% for the core business.

Segmental margins were weak in energy segment

For 3QFY26, core E&C EBITDA margin improved 50bp YoY to 8.1% for the core business, in line with our estimates as weak performance in energy segment was offset by better performance in 'Others' segment.

- **Infrastructure segment** margin stood at 6.1%, up 60bp YoY, driven by enhanced operational efficiency and focused cost management.
- **Energy segment** margin stood at 5.9% vs. 8.3% in 3QFY25. The margin decline was due to cost pressure in select onshore Hydrocarbon projects, along with new orders in CarbonLite Solutions business being at an early stage of execution, where margin recognition has not yet commenced.
- **Hi-tech manufacturing** margin stood at 18.3% vs. 18.2% in 3QFY25.
- **Others segment** EBITDA margin improved significantly to 32.8% from 27.5% in the previous year, aided by the Realty business.

Execution pace to ramp up from 4QFY26

Execution performance for core E&C has remained weak for the last two quarters despite a strong order book. This was impacted by weak execution across domestic water projects, resulting in the company slowing down execution in line with receivable collections. Along with this, certain projects in energy division are yet to reach revenue recognition levels. The company has maintained full-year revenue growth guidance of 15% YoY, thereby reflecting a strong ramp-up in 4QFY26.

Prospect pipeline remains strong

LT's prospect pipeline for 4QFY25 stands at INR5.9t, up 7% YoY, spread across infra at INR4.02t (vs. INR4t last year), hydrocarbon at INR1.26t (vs. INR1.44t), carbon at INR0.4t (vs. INR0.01t), Hi-tech at INR0.42t (vs. INR0.07t last year). This pipeline is strong despite volatile oil prices as LT remains focused on urban development, infrastructure, gas, renewables, AI and data centre in the international markets and B&F, thermal power, power T&D, urban infra, metals and minerals in the domestic markets. LT aims to add nearly 4-5GW of thermal power projects over the next two years out of the total opportunity of 10-15GW ordering in the sector. It is also eyeing opportunities in nuclear EPC projects. We factor in order inflows to grow at 13% CAGR over FY25-28 for core E&C segment.

Well hedged for commodity and currency fluctuations

LT's order book comprises 55% of fixed-price contracts and 45% variable-pricing contracts. It has well hedged its exposure across currencies and commodities and is currently not impacted by higher commodity prices or currency fluctuations. Impact on the margins in select segments such as infrastructure and energy is primarily coming from certain legacy projects executed at lower margins. These projects are expected to get over in 2-3 quarters. To bake in the impact of these projects, we slightly reduce our margin estimates and expect core E&C margins at 8.5%/8.6%/8.6% for FY26/27/28.

Guidance maintained

LT has maintained its guidance of 15% YoY revenue growth and 8.5% EBITDA margin, while it has increased its guidance on overall order inflow growth far exceeding the initial estimate of 10% YoY. NWC guidance is further improved to 10% of sales vs. 12% of sales earlier.

Valuations and view

At the current price, for core E&C, LT is trading at 27x/23x/19x P/E on FY26/27/28E earnings. We tweak our estimates to factor in 9M performance for the core business as well as the IT companies. We thus expect core E&C revenue/EBITDA/PAT to grow at a CAGR of 16%/18%/22%. We reduce our core business valuation multiple by a notch to bake in weak execution and slightly lower margin for select segments. We **maintain BUY with a revised two-year forward TP of INR4,600** (INR4,500 earlier). Our SOTP revision takes into account the revised valuations of subsidiaries.

Key risks and concerns

A slowdown in order inflows, delays in the completion of mega and ultra-mega projects, a sharp rise in commodity prices, an increase in working capital, and increased competition are a few downside risks to our estimates.

Consolidated - Quarterly earnings model (INR b)

Y/E March - INR b	FY25				FY26E				FY25	FY26E	FY25E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
Net Sales	**551**	**616**	**647**	**744**	**637**	**680**	**714**	**900**	**2,557**	**2,932**	**751**	**-5**
YoY Change (%)	15.1	20.6	17.3	10.9	15.5	10.4	10.5	21.0	15.7	14.6	16.1	
Total Expenditure	**495**	**552**	**584**	**662**	**574**	**612**	**640**	**800**	**2,293**	**2,626**	**673**	
EBITDA	**56**	**64**	**63**	**82**	**63**	**68**	**74**	**101**	**264**	**306**	**77**	**-4**
YoY Change (%)	15.3	13.0	8.6	13.4	12.5	7.0	18.6	22.7	12.5	15.8	23.6	
Margins (%)	10.2	10.3	9.7	11.0	9.9	10.0	10.4	11.2	10.3	10.4	10.3	
Depreciation	10	10	10	11	10	11	11	11	41	43	12	-12
Interest	9	9	8	7	8	8	6	8	33	30	9	-32
Other Income	9	11	10	11	14	14	14	9	41	50	11	35
PBT before EO expense	**47**	**56**	**53**	**75**	**59**	**63**	**72**	**90**	**231**	**284**	**67**	**8**
Extra-Ord expense	-	-	-	-5	-	-	13	-	-5	13	-	
PBT	**47**	**56**	**53**	**80**	**59**	**63**	**58**	**90**	**236**	**270**	**67**	**-13**
Tax	12	14	13	19	15	16	20	23	59	75	17	
Rate (%)	26.4	26.0	25.0	23.5	26.2	26.0	34.2	26.0	25.0	27.8	26.0	
MI & P/L of Asso. Cos.	7	7	6	6	7	8	6	6	27	26	6	
Reported PAT	**28**	**34**	**34**	**55**	**36**	**39**	**32**	**61**	**150**	**169**	**43**	**-25**
Adj PAT	**28**	**34**	**34**	**51**	**36**	**39**	**41**	**61**	**147**	**178**	**43**	**-5**
YoY Change (%)	11.7	5.4	14.0	18.8	29.8	15.6	22.1	18.7	13.0	21.4	27.9	
Margins (%)	5.1	5.5	5.2	6.9	5.7	5.8	5.7	6.8	5.7	6.1	5.7	

Y/E March - INR b	FY25				FY26E				FY25	FY26E	YoY (%)	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q	3QE	Var
Segmental revenue													
Consolidated (ex-services)	**386**	**445**	**473**	**569**	**458**	**490**	**523**	**702**	**1,873**	**2,174**	**10.6**	**555**	**-6**
Infrastructure Projects	269	320	321	389	288	318	337	474	1,354	1,416	4.9	367	-8
Energy Projects	85	89	111	122	125	131	127	162	399	544	15.2	136	-7
Hi-Tech Manufacturing	18	21	24	34	32	28	33	39	96	132	34.3	33	0
Others	14	16	17	24	14	14	26	27	72	81	55.0	19	33
IT & Technology Services	115	118	121	125	126	133	135	136	479	530	12.1	135	0
Financial Services	37	38	39	38	40	42	45	44	155	170	15.4	45	0
Development Projects	13	14	14	12	12	15	12	19	56	58	-19.2	16	-27
Total Revenues	**551**	**616**	**647**	**744**	**637**	**680**	**714**	**900**	**2,611**	**2,932**	**10.5**	**751**	**-5**
Net reported revenue	**551**	**616**	**647**	**744**	**637**	**680**	**714**	**900**	**2,557**	**2,932**	**10.5**	**751**	**-5**
Segmental EBITDA													
Consolidated (ex-services)	**29**	**34**	**36**	**56**	**35**	**38**	**43**	**68**	**155**	**184**	**18.6**	**45**	**-6**
Infrastructure Projects	16	19	18	31	16	20	21	39	84	96	16.3	24	-14
Energy Projects	7	8	9	10	9	10	8	12	34	38	-18.1	11	-31
Hi-Tech Manufacturing	3	3	4	7	5	4	6	9	17	23	35.0	6	-1
Others	3	4	5	9	5	4	9	8	21	26	84.8	4	99
IT & Technology Services	23	25	23	23	25	27	27	28	93	106	18.1	27	-2
Financial Services	9	10	9	8	10	10	11	10	36	41	25.2	11	1
Development Projects	2	2	2	4	2	2	2	5	11	12	5.4	3	-16
Total EBITDA	**64**	**70**	**69**	**91**	**72**	**77**	**82**	**111**	**295**	**342**	**18.8**	**86**	**-4**
Less: Implied eliminations	-8	-7	-7	-9	-8	-9	-8	-10	-31	-36		-9	
Net reported EBITDA	**56**	**64**	**63**	**82**	**63**	**68**	**74**	**101**	**264**	**306**	**18.6**	**77**	**-4**
EBITDA margin (%)													
Consolidated (ex-services)	**7.6**	**7.6**	**7.6**	**9.9**	**7.6**	**7.8**	**8.1**	**9.7**	**8.3**	**8.5**	**60bp**	**8.1**	**2 bp**
Infrastructure Projects	5.8	6.0	5.5	8.0	5.7	6.3	6.1	8.3	6.2	6.8	60bp	6.5	-40 bp
Energy Projects	8.7	8.8	8.3	8.1	7.3	7.3	5.9	7.4	8.6	7.0	-240bp	8.0	-210
Hi-Tech Manufacturing	17.4	12.8	18.2	19.5	15.1	14.7	18.3	21.8	17.4	17.8	10bp	18.5	-20 bp
Others	23.4	25.1	27.5	36.7	32.9	31.3	32.8	31.1	28.8	32.0	530bp	22.0	1080
IT & Technology Services	20.0	21.0	18.7	18.2	19.5	20.2	19.7	20.6	19.4	20.0	100bp	20.2	-50 bp
Financial Services	25.9	25.4	22.2	22.2	24.8	25.0	24.1	21.8	23.5	23.9	190bp	24.0	10 bp
Development Projects	17.0	15.5	15.8	32.9	17.8	10.9	20.6	28.3	19.0	19.9	480bp	18.0	260 bp
Total EBITDA margin (%)	11.6	11.4	10.7	12.3	11.2	11.3	11.5	12.3	11.3	11.7	80bp	11.4	9 bp
Net reported EBITDA margin	**10.2**	**10.3**	**9.7**	**11.0**	**9.9**	**10.0**	**10.4**	**11.2**	**10.3**	**10.4**	**70bp**	**10.3**	**8 bp**
Order inflow	544	630	987	721	766	968	1,164	522	2,882	3,420	18.0	749	29
Order book	4,944	5,140	5,642	5,792	6,129	6,672	7,333	7,039	5,792	7,039	30.0	6,865	-3

Maruti Suzuki

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	MSIL IN
Equity Shares (m)	314
M.Cap.(INRb)/(USDb)	4677.4 / 51
52-Week Range (INR)	17372 / 11059
1, 6, 12 Rel. Per (%)	-8/18/12
12M Avg Val (INR M)	5580

Financials & valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	1,822	2,105	2,419
EBITDA	223	263	308
Adj. PAT	156	186	221
EPS (INR)	496	591	702
EPS Gr. (%)	9.1	19.2	18.7
BV/Sh. (INR)	3,352	3,793	4,305
Ratios			
RoE (%)	14.8	15.6	16.3
RoCE (%)	19.2	20.2	21.1
Payout (%)	30.2	32.1	31.4
Valuations			
P/E (x)	30.0	25.2	21.2
P/BV (x)	4.4	3.9	3.5
EV/EBITDA (x)	18.3	15.1	12.5
Div. Yield (%)	1.0	1.3	1.5

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	58.3	58.3	58.3
DII	22.9	22.6	23.0
FII	15.8	15.8	15.5
Others	3.0	3.3	3.3

FII includes depository receipts

CMP: INR14,877 TP: INR18,197 (+22%) Buy

Margin miss led by cost pressure

New launches to help drive outperformance

- Maruti Suzuki's (MSIL) 3Q adj PAT grew 16% YoY to INR42.5b, below our estimate of INR44bn. Adjusted EBIT was 7% below estimate. Despite a 21% QoQ increase in volumes, EBITDA margin expanded just 40bp and was impacted by multiple cost headwinds.
- The benefits from GST rate cut, along with a healthy new-launch pipeline, are likely to help drive market share gains for MSIL. Market share recovery is expected to, in turn, drive a re-rating for the stock. Exports is likely to remain the other key growth driver. However, given the weaker-than-expected performance in 3Q, we have lowered our estimates by 4%/7% over FY26E/FY27E. Overall, we expect MSIL to deliver a 16% earnings CAGR over FY25-28. **Reiterate BUY with a TP of INR18,197, valued at 27x Dec'27E EPS.**

SMG amalgamated with core from 3Q

- MSIL amalgamated SMG on 1st Dec'25, with an effective date of 1st Apr'25, and has restated financials for prior periods. Given that there is no material impact from this at the EBIT level, the same is comparable with estimates from EBIT onwards.
- MSIL's revenue grew 29% YoY to INR499b (in-line) on account of volume growth of 18% to 667.8k units and ASP growth of 9% YoY.
- While **domestic volumes were** up 21% (to 564k units), led by GST rate cuts during the festive season, **exports grew 4%** to **103k units.**
- Adjusted for the INR6b impact on account of the new labor code, EBITDA margins contracted 70bp YoY to 12.4% (+40bp QoQ). Despite a 21% QoQ volume increase, margins expanded just 40bp QoQ and were below our estimate. On a QoQ basis, margins were impacted by higher input costs (60bp), lack of availability of rare earth magnet (20bp), sharp inventory depletion (50bp), forex impact (15bp), and higher than GST price reduction in some models (70bp). These factors were offset by benefits from operating leverage (+190bp) and lower discounts with a favorable mix (120bp).
- EBIT margin expanded 90bp QoQ to 8.9% vs our estimate of 9.5%. Absolute EBIT was 7% lower than our estimates.
- Adjusted for the labor code impact, PAT grew 16% YoY to INR42.5b, below our estimate of INR44b.

Key highlights from the management commentary

- GST 2.0 helped revive PV industry fortunes. While the industry saw a decline of 0.4% in 1HFY26, it recovered and posted a strong 20.5% YoY growth in 3Q. For MSIL as well, 3Q volumes grew 22% vs a 5.8% decline in 1HFY26.
- Demand has remained robust across segments, with MSIL clocking 683k retail sales in 3Q. As a result, the network inventory stood at just 3-4 days as of 3Q-end, with a healthy order book of 175k units.

- The company is currently facing challenges in meeting market demand due to capacity constraints. Phase 2 of the Kharkhoda facility is expected to become operational by Apr'26, and a few months after that, the fourth line at the SMG plant will be commissioned. Both will have a capacity of 250k units pa each. MSIL has already firmed up plans to set up a new greenfield facility in Gujarat.
- 3Q export volumes faced a slight setback in growth rates due to a missed shipment caused by logistical issues, but the company is confident of reaching its 400k exports target for FY26.
- There have been some headwinds in commodities, particularly with platinum, palladium, rhodium, aluminum, and copper. Despite the pricing pressure, MSIL has refrained from taking a price hike on its models as it would look to take advantage of the current demand momentum.

Valuation and view

The GST rate cut has helped revive small car demand as vehicles are now much more affordable for price-conscious consumers. This, coupled with the launch of the new Victoris as well as the e-Vitara, is likely to help drive market share gains for MSIL from here on. Market share recovery would, in turn, drive a re-rating for the stock. Additionally, exports are likely to remain a key growth driver for MSIL going forward. However, given the weaker-than-expected performance in 3Q, we have lowered our estimates by 4%/7% over FY26E/FY27E. Overall, we expect MSIL to deliver a 16% earnings CAGR over FY25-28, driven by new launches and strong export growth. **Reiterate BUY with a TP of INR18,197, valued at 27x Dec'27E EPS.**

S/A Quarterly Performance (INR b)

Y/E March	FY25				FY26E				FY25*	FY26E*	3QE	Var
	1Q	2Q	3Q*	4Q	1Q*	2Q*	3Q*	4QE*				(%)
Financial Performance												
Volumes ('000 units)	521.9	541.6	566.2	604.6	527.9	550.9	667.8	680.5	2,234.3	2,427.0	667.8	0.0
Change (%)	4.8	-1.9	13.0	3.5	1.1	1.7	17.9	12.5	4.9	14.0	17.9	
ASP (INR '000/car)	680.9	687.0	684.4	672.7	731.1	768.5	747.1	754.6	684.2	750.6	754.6	-1.0
Change (%)	4.9	2.3	3.0	2.8	7.4	11.9	9.2	12.2	3.4	13.4	11.0	
Net operating revenues	**355.3**	**372.0**	**387.5**	**406.7**	**385.9**	**423.3**	**498.9**	**513.5**	**1,529**	**1,822**	**503.9**	**-1.0**
Change (%)	9.9	0.4	16.3	6.4	8.6	13.8	28.7	26.3	8.5	19.2	30.9	
RM Cost (% of sales)	70.2	71.9	70.5	71.9	70.9	71.9	72.7	73.0	70.3	72.2	73.0	
Staff Cost (% of sales)	4.4	3.9	4.6	3.9	5.3	4.8	4.2	4.1	4.6	4.6	3.8	
Other Cost (% of sales)	12.8	12.3	11.9	13.8	11.8	11.2	10.7	10.5	11.9	11.0	11.6	
EBITDA	**45.0**	**44.2**	**50.6**	**42.6**	**46.2**	**50.8**	**61.7**	**63.9**	**201**	**223**	**58.3**	
EBITDA Margins (%)	12.7	11.9	13.1	10.5	12.0	12.0	12.4	12.4	13.2	12.2	11.6	
Depreciation	7.3	7.5	14.3	8.7	15.6	17.0	17.3	17.6	56.1	67.5	10.7	
EBIT	**37.7**	**36.7**	**36.4**	**33.9**	**30.6**	**33.8**	**44.3**	**46.3**	**145**	**155**	**47.7**	**-7.0**
EBIT Margins (%)	10.6	9.9	9.4	8.3	7.9	8.0	8.9	9.0	9.5	8.5	9.5	
Interest	0.6	0.4	0.5	0.5	0.5	0.6	0.6	0.6	1.9	2.2	0.5	
Non-Operating Income	9.8	14.8	10.7	14.5	18.9	9.7	10.5	10.6	50.6	49.7	10.2	
PBT	**46.9**	**51.0**	**46.6**	**47.9**	**49.1**	**42.9**	**48.3**	**56.3**	**194.1**	**196.6**	**57.4**	
Effective Tax Rate (%)	22.2	39.8	21.4	22.6	23.4	23.0	21.4	26.4	26.3	23.7	23.0	
Adjusted PAT	**36.5**	**30.7**	**36.6**	**37.1**	**37.6**	**33.0**	**42.5**	**41.5**	**143.0**	**154.6**	**44.2**	**-3.9**
Change (%)	46.9	-17.4	16.9	-4.3	3.0	7.6	16.1	11.7	8.2	8.1	25.3	

*restated financials

SBI Life Insurance

Estimate change	⟷
TP change	↑
Rating change	⟷

Bloomberg	SBILIFE IN
Equity Shares (m)	1003
M.Cap.(INRb)/(USDb)	2059 / 22.4
52-Week Range (INR)	2116 / 1373
1, 6, 12 Rel. Per (%)	4/8/34
12M Avg Val (INR M)	1906

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Net Premiums	990	1,146	1,324
Surplus / Deficit	28.2	32.7	38.3
Sh.PAT	22.2	24.3	27.9
NBP gr- APE (%)	15.4	15.2	14.6
Premium gr (%)	17.8	15.7	15.6
VNB margin (%)	27.5	28.0	28.5
RoE (%)	12.4	12.2	12.5
RoIC (%)	12.5	12.2	12.6
RoEV (%)	18.4	18.6	18.3
Total AUMs (INRt)	5.4	6.4	7.5
VNB	68.0	79.7	93.0
EV per share	832	987	1,167
Valuations			
P/EV (x)	2.5	2.1	1.8
P/EVOP (x)	15.9	13.2	11.3

*VNB, VNB margins based on ETR

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	55.3	55.4	55.4
DII	18.7	18.7	17.9
FII	21.9	21.9	22.5
Others	4.1	4.1	4.2

FII includes depository receipts

CMP: INR2,053 TP: INR2,570 (+25%) Buy

Strong growth in term; 110bp GST impact on VNB margin

- SBI Life Insurance (SBILIFE) reported a 24% YoY growth in new business APE to INR86b (6% beat) for 3QFY26. For 9MFY26, APE grew 16% YoY to INR185.2b.
- Absolute VNB grew 22% YoY to INR22.9b (in line), reflecting a VNB margin of 26.6% for the quarter vs 26.9% in 3QFY25 (vs our est. of 27.5%). For 9MFY26, VNB grew 17% YoY to INR50.4b, reflecting a VNB margin of 27.2% (+30bp YoY), including a 110bp impact due to GST exemption.
- The company reported a 5% YoY growth in shareholder PAT to INR5.8b (10% beat). For 9MFY26, PAT grew 4% YoY to INR16.7b. Excluding the one-time impact of labor code and the GST impact, PAT would have grown 34% YoY to INR21.5b.
- Management maintains its APE growth guidance of 13-14%, with the expectation of a sustained growth trajectory in FY27. The GST impact is expected to be offset by a product mix shift and improved operational efficiency, with net impact at ~30-40bp. Accordingly, management has maintained its FY26 VNB margin guidance of 26-28%.
- We have largely maintained our APE/VNB estimates, factoring in an FY25-28 CAGR of 15%/16%, with an operating RoEV of over 18%. **We reiterate our BUY rating with a revised TP of INR2,570 (based on 2.2x FY28E P/EV).**

Protection momentum continues; broad-based channel growth

- SBILIFE reported a gross premium of INR304.5b (in line), reflecting growth of 22% YoY, driven by 21% YoY growth in renewal premium, 23% YoY growth in first year premium, and 24% YoY growth in single premium.
- The total cost ratio was at 11.6% vs. 8.7% in 3QFY25, and management expects the ratio to be in a similar range going forward. The commission ratio increased to 5.3% from 4.1% in 3QFY25. The operating expense ratio stood at 6.3% vs 4.6% in 3QFY25.
- On the product front, ULIP APE grew 16% YoY, but contribution declined to 66% of total APE (71% in 3QFY25). Strong traction in smart money-back product drove ~7x YoY growth in par, raising its APE contribution to 9% (1.6% in 3QFY25). Non-par savings growth was tepid at 6% YoY, while individual protection witnessed growth of 29% YoY. The annuity segment witnessed growth of 43% YoY. In the group segment, group savings witnessed 33% YoY growth, while the group protection business grew 3% YoY.
- On the distribution front, the agency channel witnessed a 25% YoY growth, driven by 350%/18% YoY growth in par/ULIP segments, while non-par declined 2% YoY due to a shift in focus toward new par products. Individual APE in the bancassurance channel grew 25% YoY, driven by 11x YoY growth in the par segment, 21% YoY growth in non-par, and 15% YoY growth in ULIP. Other channel partners (brokers, digital, etc.) witnessed 39% YoY growth in individual APE, driven by 6x YoY growth in the par segment and 25% YoY growth in non-par, while ULIP declined 14% YoY.

- The company witnessed improvement in the 13th-month persistency (based on premium) in 3QFY26 at 84% (82.7% in 3QFY25), while the 61st-month persistency declined to 55.1% (62.3% in 3QFY25).
- AUM grew 16% YoY to INR5.1t (in line). Solvency ratio remained stable at 1.91x.
- EV at the end of 9MFY26 was at INR801.3b.

Highlights from the management commentary

- Rider penetration remains strong, with riders contributing ~30% of individual sum assured and 35–40% attachment on a policy count basis. Renewal rider attachment has also been introduced, further supporting protection economics.
- SBI branch productivity remains healthy at INR6.4m on an individual APE basis. Agency productivity improved to INR300,000 per agent, despite an expanding agent base, reflecting improving quality and effectiveness of the agency channel.
- The decline in 61M persistency is attributed to the COVID cohort, while marginal softness in 25M and 37M cohorts is expected to normalize in 4Q. Overall, persistency metrics are expected to stabilize as growth moderates and the post-COVID book seasons.

Valuation and view

- SBILIFE's VNB margin in 3QFY26 witnessed the impact of GST, which was offset, to some extent, by a strong traction toward protection products, rising rider attachment rates, and a shift in the product mix toward traditional products. Going forward, sustained traction in non-linked products and further improvement in rider attachment are expected to drive VNB margin expansion.
- Continued investments in agency and digital channels are expected to drive overall growth, supported by a recovery in the bancassurance channel.
- We have largely maintained our APE/VNB estimates, factoring in FY25-28 CAGR of 15%/16% with an operating RoEV of 18%+. **We reiterate our BUY rating with a revised TP of INR2,570 (based on 2.2x FY28E P/EV).**

Quarterly Performance

Policy holder's A/c (INRb)	**FY25**				**FY26**				**FY25**	**FY26E**	**FY26E**	**V/s est**
	1Q	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4QE**			**3QE**	
First year premium	31.5	49.2	64.5	48.6	35.4	52.9	79.2	55.2	193.7	222.7	74.8	5.8
Growth (%)	19%	6%	14%	7%	12%	8%	23%	14%	11%	15%	16%	
Renewal premium	85.4	117.2	144.7	146.8	105.5	140.0	174.7	162.7	494.1	582.9	169.0	3.4
Growth (%)	16%	16%	14%	13%	24%	19%	21%	11%	14%	18%	17%	
Single premium	38.9	37.8	40.8	44.6	37.3	57.9	50.6	49.4	162.1	195.2	47.2	7.2
Growth (%)	9%	-30%	0%	-42%	-4%	53%	24%	11%	-22%	20%	16%	
Gross premium income	**155.7**	**204.1**	**250.0**	**240.0**	**178.1**	**250.8**	**304.5**	**267.3**	**849.8**	**1,000.8**	**291.1**	**4.6**
Growth (%)	15%	1%	11%	-5%	14%	23%	22%	11%	4%	18%	16%	
PAT	**5.2**	**5.3**	**5.5**	**8.1**	**5.9**	**4.9**	**5.8**	**7.5**	**24.1**	**22.2**	**5.2**	**10.1**
Growth (%)	36%	39%	71%	0%	14%	-7%	5%	-8%	27%	-8%	-5%	
Key metrics (INRb)												
New Business APE	36.4	53.9	69.4	54.5	39.7	59.5	86.0	61.9	214.2	247.1	81.2	6.0
Growth (%)	20%	3%	13%	2%	9%	10%	24%	14%	8%	15%	17%	
VNB	9.7	14.5	18.7	16.6	10.9	16.6	22.9	17.6	59.5	68.0	22.3	2.6
Growth (%)	11%	-3%	11%	10%	12%	14%	22%	6%	7%	14%	19%	
AUM	4,148	4,390	4,417	4,480	4,758	4,815	5,117	5,378	4,480	5,378	5,007	2.2
Growth (%)	26%	27%	19%	15%	15%	10%	16%	20%	15%	20%	13%	
Key Ratios (%)												
VNB margin (%)	26.8	26.9	26.9	30.5	27.4	27.9	26.6	28.4	27.8	27.5	27.5	(87)

TVS Motor Company

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	TVSL IN
Equity Shares (m)	475
M.Cap.(INRb)/(USDb)	1771.3 / 19.3
52-Week Range (INR)	3909 / 2191
1, 6, 12 Rel. Per (%)	5/31/49
12M Avg Val (INR M)	2530

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	465.3	548.8	646.3
EBITDA	59.7	72.4	89.2
Adj. PAT	36.5	45.9	57.6
EPS (INR)	76.7	96.6	121.3
EPS Gr. (%)	34.5	25.9	25.6
BV/Sh (INR)	271.9	351.0	450.3
Ratios			
RoE (%)	31.9	31.0	30.3
RoCE (%)	38.4	38.1	38.2
Payout (%)	18.2	18.1	18.1
Valuations			
P/E (x)	48.5	38.5	30.7
P/BV (x)	13.7	10.6	8.3
Div. Yield (%)	0.4	0.5	0.6
FCF Yield (%)	1.9	2.3	3.0

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	50.3	50.3	50.3
DII	18.3	18.4	20.0
FII	23.1	22.9	21.3
Others	8.3	8.5	8.5

FII includes depository receipts

CMP: INR3,728 TP:INR4,461 (+20%) Buy

Margins continue to improve gradually

Continued outperformance to support premium valuation

- TVS Motor Company (TVS)'s 3QFY26 PAT stood at INR9.7b, in line with our estimate of INR10b. EBITDA margin expanded 120bp YoY to 13.1% (slightly above our estimate of 12.9%). TVS remains confident of outperforming industry growth in the coming quarters as well.
- We factor in a revenue/EBITDA/PAT CAGR of 21%/26%/29% over FY25-28E. TVS's consistent market share gains across key domestic and export segments, along with a gradual improvement in margins, have driven healthy returns over the years. This strong track record is likely to help sustain its premium valuations in the long run. **We reiterate our BUY rating** and value the stock at 36x Dec'27 EPS to arrive at our TP of INR4,461.

Earnings in line

- TVS's 3Q PAT came in at INR9.7b, in line with our estimate of INR10b.
- TVS posted its highest-ever quarterly sales of 1.54m units this quarter, up 27.4% YoY. Motorcycle volumes were up 31% YoY, Scooters rose 25%, and 3W volumes doubled. Despite rare earth magnet supply constraints, the EV business reached its best-ever quarter with 106k units sold, recording a 40% YoY growth.
- Revenues came in line at INR124.8b, up 37% YoY.
- Realizations were up ~8% YoY at INR80.8k per unit.
- EBITDA margin expanded 120bp YoY to 13.1% (slightly above our estimate of 12.9%). This was despite incurring higher marketing spend (INR 600m) in 3Q on account of the festive season.
- EBITDA grew 51.1% YoY to INR16.3b, broadly in line with our estimate.
- Other income was below our estimate, as it included a loss on the fair valuation of an investment of INR320m made by TVS. Additionally, TVS recognized INR413.7m as an exceptional item to provide for the prior period impact of the new labor code.
- Adjusted for this, PAT came in line at INR9.7b, up 57% YoY.
- TVS's 9MFY26 revenue/EBITDA/Adj PAT stood at INR344.6b/44.1b/26.6b. Its 9MFY26 revenue grew 29% YoY, while PBT rose 43%, and EBITDA margin improved 100bp to 12.7%.

Key takeaways from the management commentary

- Demand across the urban and rural markets was balanced, with urban growing 21% YoY and rural growing 19%. Management remains optimistic that the industry will post 15% YoY growth in 4Q, with full-year industry growth expected at 9% (despite a weak 1HFY26). Also, given the strong momentum, management has indicated that growth is likely to remain healthy in H1FY27, also aided by a low base.

- The African market has been gradually picking up QoQ. The Latin American market continues to see healthy demand. Further, TVS has established a strong presence in several key Asian markets, particularly in Sri Lanka and Nepal, with both showing a sharp rebound. TVS remains confident of sustaining its outperformance in export markets in the coming quarters.
- The EV business is currently gross margin positive. EBITDA breakeven is expected as volumes scale up further.
- Input prices rose by 0.4% overall this quarter due to the increase in prices of precious metals such as platinum, palladium, and rhodium. There is a risk of raw material cost inflation in 4QFY26.
- TVS Credit's total book stood at INR296.8b, with a customer base of ~23m, having added 4.1m new customers this fiscal. PBT for 3Q stood at INR3.9b, up 21% YoY. TVS has invested INR2b in TVS Credit in 3Q.
- Capex guidance for FY26E stands at INR 17b. They would also invest INR 29b in subsidiaries and associates in FY26E.

Valuation and view

Overall, we factor in a revenue/EBITDA/PAT CAGR of 21%/26%/29% over FY25-28E. TVS's consistent market share gains across key domestic and export segments, along with a gradual improvement in margins, have driven healthy returns over the years. This strong track record is likely to help sustain its premium valuations in the long run. **We reiterate our BUY rating** and value the stock at 36x Dec'27 EPS to arrive at our TP of INR4,461.

S/A Quarterly Performance

Y/E March (INR m)	FY25				FY26E				FY25	FY26E	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE
Vols ('000 units)	**1,087.2**	**1,228.2**	**1,212.0**	**1,216.3**	**1,277.0**	**1,507.0**	**1,544.5**	**1,496.3**	**4,744**	**5,825**	**1,544.5**
Growth (%)	14.1	14.3	10.1	14.2	17.5	22.7	27.4	23.0	13.2	39.0	27.4
Realn (INR '000/unit)	**77.0**	**75.1**	**75.1**	**78.5**	**78.9**	**79.0**	**80.8**	**80.6**	**76.4**	**79.9**	**79.1**
Growth (%)	1.7	(0.9)	0.2	2.4	2.5	5.1	7.6	2.7	0.8	5.4	5.4
Net Sales	**83,756**	**92,282**	**90,971**	**95,504**	**100,810**	**119,054**	**124,763**	**120,671**	**362,513**	**465,298**	**122,189**
Growth (%)	16.0	13.3	10.3	16.9	20.4	29.0	37.1	26.4	14.1	46.4	34.3
Total RM Cost	**59,804**	**66,018**	**65,112**	**66,672**	**71,754**	**84,604**	**88,828**	**85,455**	**257,607**	**330,641**	**86,754**
RM (% of sales)	71.4	71.5	71.6	69.8	71.2	71.1	71.2	70.8	71.1	71.1	71.0
Emp cost (% of sales)	5.7	5.4	5.5	5.2	5.8	5.1	5.0	5.2	5.4	5.2	5.1
Other exp (% of sales)	11.4	11.4	11.1	11.0	10.5	11.2	10.7	11.1	11.2	10.9	11.0
EBITDA	**9,602**	**10,798**	**10,815**	**13,326**	**12,630**	**15,086**	**16,341**	**15,594**	**44,540**	**59,651**	**15,762**
EBITDA Margin(%)	11.5	11.7	11.9	14.0	12.5	12.7	13.1	12.9	12.3	12.8	12.9
Interest	372	319	338	358	403	466	579	516	1,387	1,963	455
Depreciation	1,763	1,806	1,883	1,994	2,039	2,144	2,335	2,485	7,446	9,004	2,165
Other Income	363	299	-227	145	343	-213	-280	271	580	120	250
PBT before EO Exp	**7,829**	**8,972**	**8,367**	**11,120**	**10,531**	**12,263**	**13,147**	**12,864**	**36,288**	**48,804**	**13,392**
EO Exp	0	0	0	1,617	0	0	414	0		414	0
PBT after EO Exp	**7,829**	**8,972**	**8,367**	**12,737**	**10,531**	**12,263**	**12,733**	**12,864**	**36,288**	**48,390**	**13,392**
Tax	2,056	2,346	2,182	2,599	2,745	3,202	3,329	3,071	9,183	12,347	3,124
Total Tax	**2056**	**2346**	**2182**	**2599**	**2745**	**3202**	**3329**	**3071**	**9183**	**12347**	**3124**
Tax rate (%)	26.3	26.1	26.1	20.4	26.1	26.1	26.1	23.9	25.3	25.5	25.0
Reported PAT	**5,773**	**6,626**	**6,185**	**10,139**	**7,786**	**9,061**	**9,404**	**9,792**	**27,105**	**36,043**	**10,269**
Adjusted PAT	**5,773**	**6,626**	**6,185**	**8,521**	**7,786**	**9,061**	**9,712**	**9,792**	**27,105**	**36,351**	**10,044**
Growth (%)	23.4	23.5	4.2	75.5	34.9	36.7	57.0	14.9	30.1	34.5	62.4

Vodafone Idea

Estimate changes	↑
TP change	↓
Rating change	↔

Bloomberg	IDEA IN
Equity Shares (m)	108343
M.Cap.(INRb)/(USDb)	1078 / 11.7
52-Week Range (INR)	13 / 6
1, 6, 12 Rel. Per (%)	-14/37/0
12M Avg Val (INR M)	6885

Financials & Valuations (INR b)

INR b	FY26E	FY27E	FY28E
Net Sales	448	478	512
EBITDA	188	207	225
Adj. PAT	-233	-190	-164
EBITDA Margin (%)	42.0	43.4	44.0
Adj. EPS (INR)	-2.2	-1.8	-1.5
BV/Sh. (INR)	-28.8	-34.7	-39.8
Ratios			
Net D:E	-2.3	-2.1	-1.9
RoE (%)	NM	NM	NM
RoCE (%)	NM	NM	1.1
Valuations			
EV/EBITDA (x)	14.3	13.9	13.3
P/E (x)	NM	NM	NM
P/B (x)	-0.4	-0.3	-0.3

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	25.6	25.6	38.8
DII	54.6	53.8	26.8
FII	6.0	6.0	9.9
Others	13.8	14.7	24.5

FII includes depository receipts

CMP: INR10 TP: INR10 (+1%) Neutral

Lofty goals but long road ahead

- Vodafone Idea's (Vi) management laid out ambitious goals of double-digit revenue growth and increasing cash EBITDA to 3x over FY26-29 (from ~INR90b in FY26), with heavy lifting done by improved subscriber trends.
- The company has earmarked a capex plan of ~INR450b over FY26-29 to reach parity with peers on 4G network coverage in 17 priority circles and roll out seamless 5G across urban markets to drive consistent subscriber additions, with ~70% of the capex likely on radio/tower addition.
- We appreciate management's ambitions to turn things around. However, we believe Vi's revival hinges on: 1) closure of debt raise, 2) continued tariff hikes, 3) stable subscriber trends, 4) more rational competition on subscriber acquisition, and 5) continuation of a benign regulatory regime with likely relief on spectrum repayments.
- We note that not all of these variables are in management's control, and if Vi were to start becoming a competitive third player, we would expect peers to raise the competitive intensity.
- Given peers' superior FCF generation and offerings, we believe retaining its current subscriber market share itself would prove to be a tall ask for Vi.
- We raise our FY27-28E revenue by ~4%, driven by ~6% higher ARPU (driven by subscriber mix improvements). As a result, we raise our pre-INDAS EBITDA to INR104b/INR117b for FY27/FY28 (though significantly below management's ambitions).
- We reiterate our Neutral rating on Vi with a revised TP of INR10 (earlier INR11), based on DCF implied ~13x FY28E EV/EBITDA, implies ~21.5x FY28E pre-IND AS EBITDA, which is at a significant premium to Vi's larger peers.

3Q operationally ahead driven by 3% QoQ ARPU uptick

- Vi's overall subscriber base at 192.9m declined 3.8m QoQ (vs. 1m net declines in 2QFY26 and higher vs. our estimate of 1.5m net decline), driven by tactical call to not target lower quality gross additions.
- However, wireless ARPU rose 3% QoQ to INR172 (+7% YoY, vs. +1% QoQ for RJio, and our est. of INR168), driven largely by subscriber mix improvements.
- Monthly churn inched up QoQ to 4.4% (vs. 4.3% QoQ and 2% for Rjio) and remains a key monitorable.
- Wireless revenue grew ~2% QoQ to INR100.5b (+2% YoY, 2% ahead of our estimate) as higher ARPU growth offset subscriber base declines.
- Pre-Ind-AS 116 EBITDA at INR23.6b rose ~5% QoQ (-4% YoY), and was 5% above our estimates. Pre-Ind-AS 116 EBITDA margin expanded ~75bp QoQ to 20.8% (-120bp YoY, ~80bp above our estimate).
- Reported EBITDA at INR48.2b (+2.8% QoQ, +2% YoY, vs. ~2.7% QoQ for RJio) was ~2% above our estimate, driven by higher revenue.
- Reported EBITDA margin expanded ~70bp QoQ to 42.5% (+15bp YoY, -5bp QoQ for RJio) and was ~50bp above our estimate.

- Losses widened to INR63.6b (vs. INR55.6b QoQ and slightly lower v/s our estimate of INR67b), primarily due to higher interest cost (up 20% QoQ, 2Q had one-off benefit).
- Net debt (excluding leases but including interest accrued) increased INR30b QoQ to INR2.03t. Vi still owes ~INR2.05t to GoI for the deferred spectrum and AGR dues. External/banking debt increased to ~INR44b (vs. INR15.4b QoQ) as Vi raised ~INR33b via NCDs.
- Capex rose to INR22.5b (vs. INR 17.5b in 2QFY26).

Key highlights from the management meet

- **Ambitions:** Management has set the following targets for itself over the next three years: 1) continued subscriber additions, 2) **deliver double-digit revenue growth**, 3) **improve cash EBITDA to 3x**.
- **Capex guidance:** Management has laid out **investment plans of INR450b over the next three years** for aggressive network rollout to a) regain coverage parity in its 17 priority circles, b) deliver 100% coverage on national highways, key state highways, airports and places of interest in the remaining five circles, c) provide seamless 5G experience in urban markets, and d) tap into adjacencies such as FWA and leverage satcom to expand remote and rural coverage.
- **Getting to positive subscriber additions:** Management noted that Vi's market share in gross adds remains significantly higher than its overall subscriber market share; however, retaining the subscriber base has been a challenge. With potential parity on network coverage with peers over the next few years, management is hopeful of getting back to positive subscriber additions.
- **Construct for double-digit revenue growth:** Management indicated that 60% of the revenue growth would be driven by subscriber additions and premiumization of subscriber mix, while the remaining ~40% would be driven by ARPU improvement (tariff hike, upgradation to higher price points). Further, it noted that the translation of tariff hike to ARPU has been broadly in line with peers; however, subscriber base declines have resulted in weaker translation to revenue, which should not be the case going ahead.
- **Capex deployment:** The capex deployment would be higher in FY27 and FY28, with targets of i) reaching 90% population coverage on 4G within the next 12-15 months, and ii) rolling out seamless 5G across urban markets. Management noted that ~70% of the capex would be for radio and the remaining ~30% for the access layer.

Valuation and view

- Vi management's ambitions of achieving double-digit revenue growth and increasing cash EBITDA to 3x over FY26-29 remain a tall ask and would require several things: such as 1) closure of debt raise, 2) continued tariff hikes, 3) stable subscriber trends, 4) more rational competition on subscriber acquisition, and 5) continuation of a benign regulatory regime with likely relief on spectrum repayments.
- We note that not all of these variables are in management's control, and if Vi were to start becoming a competitive third player, we would expect peers to raise the competitive intensity.

- Given peers' superior FCF generation and offerings, we believe retaining its current subscriber market share itself would prove to be challenging for Vi.
- We raise our FY27-28E revenue by ~4%, driven by ~6% higher ARPU (driven by subscriber mix improvements). As a result, we raise our pre-INDAS EBITDA to INR104b/INR117b for FY27/FY28 (though significantly below management's ambitions).
- We **reiterate our Neutral rating on Vi with a revised TP of INR10 (earlier INR11)**, based on DCF implied ~13x FY28E EV/EBITDA, implies ~21.5x FY28E pre-IND AS EBITDA, which is at a significant premium to Vi's larger peers.

Consolidated - Quarterly earnings summary (INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Revenue	**105**	**109**	**111**	**110**	**110**	**112**	**113**	**112**	**436**	**448**	**112**	**0.9**
YoY Change (%)	-1.4	2.0	4.2	3.8	4.9	2.4	1.9	2.0	2.2	2.8		
Total Expenditure	63	64	64	64	64	65	65	65	254	260	65	0.0
EBITDA	**42**	**45**	**47**	**47**	**46**	**47**	**48**	**47**	**181**	**188**	**47**	**2.2**
YoY Change (%)	1.1	6.2	8.3	7.5	9.7	3.0	2.2	0.7	5.8	3.7		
Depreciation	54	54	56	56	55	56	56	55	220	221	56	0.0
Net Finance Costs	53	63	57	63	58	47	56	39	235	200	58	-3.6
PBT before EO expense	**-64**	**-72**	**-66**	**-72**	**-66**	**-56**	**-64**	**-48**	**-274**	**-233**	**-67**	**4.7**
PBT	**-64**	**-72**	**-66**	**-72**	**-66**	**-56**	**-64**	**-48**	**-274**	**-222**	**-67**	**4.7**
Tax	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.2	-0.1	0.0	
Rate (%)	-0.1	-0.1	0.0	0.0	0.0	0.1	0.1	0.0	-0.1	0.0	0.0	
Reported PAT	**-64**	**-72**	**-66**	**-72**	**-66**	**-56**	**-64**	**-48**	**-274**	**-222**	**-67**	**4.7**
YoY Change (%)	-18.0	-17.9	-14.6	-6.6	2.7	-22.5	-3.7	-33.4	-14.4	-23.0		

SBI Cards

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	SBICARD IN
Equity Shares (m)	952
M.Cap.(INRb)/(USDb)	744.5 / 8.1
52-Week Range (INR)	1027 / 712
1, 6, 12 Rel. Per (%)	-7/-9/-7
12M Avg Val (INR M)	1181

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
NII	58.9	68.3	76.3
OP	74.5	79.1	89.1
NP	19.2	21.3	30.4
NIM (%)	11.0	11.8	11.9
EPS (INR)	20.1	22.4	32.0
EPS Gr. (%)	(20.6)	11.2	42.7
BV/Sh. (INR)	145	164	194
ABV/Sh. (INR)	139	159	188
Ratios			
RoA (%)	3.1	3.1	3.8
RoE (%)	14.8	14.5	17.9
Valuations			
P/E(X)	39.0	35.0	24.6
P/BV (X)	5.4	4.8	4.1
P/ABV (X)	5.6	4.9	4.2

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	68.6	68.6	68.6
DII	17.9	17.8	16.5
FII	10.2	10.1	9.5
Others	3.4	3.6	5.4

FII includes depository receipts

CMP: INR782 TP: INR875 (+12%) Neutral

In-line quarter; credit costs show signs of easing

NIMs contract 20bp QoQ

- SBI Cards (SBICARD) reported a 3QFY26 PAT of INR5.6b (up 45% YoY/ 25% QoQ, in line).
- NIMs contracted 20bp QoQ to 11%, as most of the benefit from the lower cost of funds has already been realized, while yields carry a mild near-term downside bias, which could keep margins under check.
- Opex grew 23% YoY/5% QoQ (3% higher than MOFSLe), amid the labor code impact of INR120m.
- Credit cost stood at 8.3% (there was a write-back of INR1.21b, which was not realized in P&L; otherwise, this would have reduced credit costs by an additional 50-60bp on a calculated basis).
- Spends growth stood healthy at 33% YoY/7% QoQ, led by robust growth in corporate spends (up 329% YoY/30% QoQ). Retail spends rose 14% YoY/2.6% QoQ. The company expects corporate : retail spends to be at 20% : 80%.
- GNPA ratio increased 1bp QoQ to 2.86%, while NNPA ratio declined 1bp QoQ to 1.28%. ECL declined 6bp QoQ to 3.3%, while PCR rose 64bp QoQ to 56.1%.
- **We reduce our earnings estimates by 4%/6.5% for FY26/FY27, considering a contraction in margins and a decline in receivables, while credit costs are likely to witness a modest decline. We expect SBICARD to post an RoA/RoE of 3.85%/17.9% by FY27. Reiterate Neutral with a revised TP of INR875 (24x Sep'27E EPS).**

Loan growth tepid; revolver mix to remain subdued

- 3Q PAT was up 45% YoY/up 25% QoQ at INR5.6b (in line), aided by in-line NII as well as in-line provisions.
- NII grew 11.5% YoY/1.2% QoQ to INR17.5b (in line). NIMs contracted 20bp QoQ at 11% and are expected to remain curtailed, led by a steady CoF and slight negative bias in yields.
- The transactor mix stood stable at 44% (amid higher transactor volume), while revolve mix remained at 23% (management expects the revolve rate to remain under check). The EMI mix stood stable at 34%.
- Other income grew 19% YoY/6.4% QoQ, and the bank witnessed a PIDF reversal of INR510m, while INR190m was adjusted against opex. C/I ratio, thus, stood flat QoQ at 56.8%.
- CIF grew 8% YoY/1.4% QoQ to 21.8m. New card sourcing stood at 864k, although lower vs the aspiration of 0.9-1m. About 56% of the sourcing was from the open market in 3QFY26.
- Spends witnessed strong growth of 33% YoY/7% QoQ, led by corporate spends (up 329% YoY/30% QoQ), while retail spends grew slower at 14% YoY/3% QoQ. Amid higher transactors, spends grew healthy while receivables declined 4%.
- GNPA ratio increased 1bp QoQ to 2.86%, while NNPA ratio declined 1bp QoQ to 1.28%. ECL declined 6bp QoQ to 3.3%, while PCR rose 64bp QoQ to 56.1%.

Highlights from the management commentary

- The company witnessed a reversal of provisions of INR1.21b; however, the same has not been written back in P&L in 3QFY26.
- C/I ratio is guided to remain within the 55–57% range, supported by higher spend levels in the current year. Next year, opex may rise moderately as the card base expands.
- NIMs are influenced by two factors: 1) yields, which are witnessing a gradual decline due to a lower share of revolving balances, and 2) cost of funds, which is expected to remain stable in the absence of rate cuts.
- Corporate spends accounted for 20% of total spends and are expected to maintain a similar mix going forward.

Valuation and view

SBICARD reported a mixed performance in 3Q, marked by lower provisions and an improving credit cost outlook, even as receivables declined due to a higher transactor mix. Credit costs stood at 8.3% (which would have been lower by ~50–60bp had the INR1.21b write-back been realized in P&L), with the trajectory turning more favorable going forward. NIMs are expected to remain under pressure as yields carry a negative bias, while the cost of funds is likely to stay range-bound. Corporate spends, which supported growth during the quarter, are expected to be maintained at around 20% of the overall mix. Asset quality is anticipated to improve further, aided by lower forward flows and a supportive macro environment. **We reduce our earnings estimates by 4%/6.5% for FY26/FY27, considering a contraction in margins and a decline in receivables, while credit costs are likely to witness a modest decline. We expect SBICARD to post an RoA/RoE of 3.85%/17.9% by FY27E. Reiterate Neutral with a revised TP of INR875 (24x Sep'27E EPS).**

Quarterly performance (INR b)

	FY25				FY26E				FY25	FY26E	FY26E	V/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3QA	4QE			3QE	Est
Net Interest Income	**14.8**	**15.0**	**15.7**	**16.2**	**16.8**	**17.3**	**17.5**	**16.7**	**58.9**	**68.3**	**17.9**	**-2%**
% Change (Y-o-Y)	19.7	15.8	13.2	14.5	13.8	15.2	11.5	3.1	14.4	16.0	13.7	
Other Income	22.4	22.7	23.7	24.2	25.4	26.5	28.2	28.6	95.7	108.7	27.2	4%
Total Income	**37.2**	**37.7**	**39.4**	**40.4**	**42.2**	**43.8**	**45.7**	**45.3**	**154.6**	**177.0**	**45.0**	**1%**
Operating Expenses	18.2	20.1	21.1	20.7	21.2	24.8	26.0	25.9	80.1	97.9	25.2	3%
Operating Profit	**19.0**	**17.6**	**18.3**	**19.6**	**21.0**	**18.9**	**19.7**	**19.4**	**74.5**	**79.1**	**19.9**	**-1%**
% Change (Y-o-Y)	25.4	13.3	13.0	7.2	10.5	7.7	7.7	-1.0	14.3	6.1	8.6	
Provisions	11.0	12.1	13.1	12.5	13.5	12.9	12.2	11.7	48.7	50.4	12.6	-3%
Profit before Tax	**8.0**	**5.5**	**5.2**	**7.2**	**7.5**	**6.0**	**7.5**	**7.7**	**25.8**	**28.7**	**7.3**	**3%**
Tax	2.0	1.4	1.3	1.8	1.9	1.6	1.9	2.0	6.6	7.4	1.9	4%
Net Profit	**5.9**	**4.0**	**3.8**	**5.3**	**5.6**	**4.4**	**5.6**	**5.7**	**19.2**	**21.3**	**5.4**	**3%**
% Change (Y-o-Y)	0.2	-32.9	-30.2	-19.4	-6.5	10.0	45.2	7.4	-20.4	11.2	41.0	
Operating Parameters												
Loan (INRb)	508.1	536.0	528.1	539.3	546.3	578.6	552.2	579.8	539.3	579.8	569.6	
Loan Growth (%)	21.5	23.0	12.0	9.9	7.5	7.9	4.6	7.5	9.9	7.5	7.9	
Borrowings (INRb)	408.7	432.2	439.1	449.5	461.8	492.3	462.2	484.1	449.5	484.1	468.5	
Borrowing Growth (%)	24.0	26.8	15.5	12.7	13.0	13.9	5.3	7.7	12.7	7.7	7	
Asset Quality												
Gross NPA (%)	3.1	3.3	3.2	3.1	3.1	2.9	2.9	2.8	3.1	2.7	3.1	
Net NPA (%)	1.1	1.2	1.2	1.5	1.4	1.3	1.3	1.2	1.4	1.2	1.3	
PCR (%)	64.4	64.4	64.4	53.5	54.3	55.4	56.1	57.0	53.5	57.0	56.3	

Source: Company, MOFSL

Vishal Mega Mart

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	VMM IN
Equity Shares (m)	4671
M.Cap.(INRb)/(USDb)	560.1 / 6.1
52-Week Range (INR)	158 / 96
1, 6, 12 Rel. Per (%)	-9/-12/7
12M Avg Val (INR M)	3039

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	128.7	153.5	181.8
EBITDA	19.0	23.1	27.8
NP	8.6	10.7	13.4
EBITDA Margin (%)	14.8	15.0	15.3
Adj. EPS (INR)	1.8	2.3	2.9
EPS Gr. (%)	33.6	25.1	24.8
BV/Sh. (INR)	15.7	18.0	20.9
Ratios			
Net D:E	0.0	0.0	-0.1
RoE (%)	12.5	13.6	14.8
RoCE (%)	10.5	11.2	11.9
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	65.4	52.2	41.9
EV/EBITDA (x)	29.8	24.3	19.9
EV/Sales (x)	4.4	3.7	3.0

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	54.1	54.1	76.0
DII	25.5	25.4	9.9
FII	15.5	15.4	6.6
Others	4.9	5.1	7.5

FII Includes depository receipts

CMP: INR120 TP: INR170 (+42%) Buy

Resilient quarter despite the shift in festive period

- Vishal Mega Mart (VMM) delivered a resilient performance amid a partial shift in festive (to 2Q) with ~17% YoY revenue growth, led by 29 net store additions (+15% YoY) and **~7.5% adj. SSSG** (vs. 12.8% in 2Q, ~210bp adverse impact due to festive shift to 2Q).
- VMM's EBITDA and pre-Ind AS EBITDA margins expanded ~40bp and ~20bp YoY, respectively, led by operating leverage and robust cost controls.
- Management guided that 1) the company will exit FY26 at the higher end of 80-100 store additions (75 net additions in 9M), and 2) the underlying demand (barring the festive impact) remained robust, driving confidence in the sustenance of double-digit SSSG annually over a fairly long period.
- For 9MFY26, VMM's performance remains robust with ~20%/28%/30% YoY growth in revenue/pre-IND AS EBITDA.
- We cut our FY27-28E EBITDA by 1-2% and PAT by ~1-3%, due to a slightly lower SSSG assumption (~75-100bp cut). We model a CAGR of 19%/22%/ 28% in revenue/EBITDA/PAT over FY25-28E, driven by ~13% CAGR in store additions and consistent ~10%+ SSSG.
- We reiterate our **BUY rating on the stock with an unchanged TP of INR170.** Our TP is premised on DCF-implied ~40x FY28E pre-IND AS 116 EV/EBITDA (implying ~28x FY28E reported EBITDA and ~60x FY28E EPS).

Broadly in-line quarter; festive shift hurts SSSG

- VMM's 3QFY26 consolidated revenue at INR36.7b grew **17% YoY** (slightly lower than our est. of +20% YoY). The consol. revenue was **led by ~7.5% adj. SSSG** (vs. 12.8% in 2Q; ~210bp adverse impact due to the festive shift to 2Q).
  - Among key categories, general merchandise (GM) revenue grew 18% YoY, followed by 17%/16% YoY growth in Apparel/FMCG.
  - VMM's own brands contributed ~74.2% to revenue in 3Q (vs. ~73.5% in 2Q).
  - Despite a shift in Pujo to 3Q, East continued to outperform with a revenue contribution of ~28% (vs. 25% contribution to VMM's store count), while North revenue contribution jumped to ~42% (vs. 39% contribution to stores). VMM's performance in South remained relatively weaker with 21% revenue contribution (vs. ~27% contribution to 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 stores across 517 cities (24/57 cities added in 3Q/9H) with total retail areas of ~13.2m sqft (up ~11% YoY).
  - The company added 12 stores in the South, seven each in the West/North, and three in the 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), while lease rental per sqft rose ~6% YoY to INR39 (on our estimate).
- Reported EBITDA grew ~**20% YoY** to INR6.05b (**in line**) as reported EBITDA margin expanded ~40bp YoY to 16.5%, driven by robust cost controls.
- Pre-IND AS 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 mainly by higher EBITDA.

VMM's 9MFY26 performance: 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% (up 100bp YoY).
  - 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 inched up ~5bp YoY to 28.6%, likely driven by higher 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-IND AS 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).

Key highlights from the management commentary

- **Demand trends:** SSSG in 3QFY26 was adversely impacted by ~210bp due to the shift in Pujo to 2QFY26 (vs. 3QFY25). However, adj. SSSG in 9MFY26 remained robust at ~10.3%. Management indicated that growth trends were broadly consistent across regions and city tiers. Winter merchandise also delivered double-digit SSSG despite a delayed onset of winter.
- **Demand outlook:** Management reiterated confidence in the medium-term consumption outlook, supported by policy measures such as GST 2.0, direct tax reforms, and broader structural drivers to boost disposable income. However, the benefits of GST rationalization have been camouflaged to a large extent by shifts in the festive period, adverse weather conditions, etc.
- **Store additions:** VMM added 29 stores in 3Q (75 net in 9M). Management expects to end FY26 at the upper end of its 80-100 store guidance in FY26. The execution capabilities have been beefed up to continue the accelerated store expansions. The store addition guidance for FY27 has been retained in the 80-100 band, including the small store formats, to avoid long-term detrimental decisions that can compromise store quality and profitability.
- **SSSG drivers:** VMM has managed to drive double-digit SSSG for the past several years (excluding COVID and the initial years after the acquisition). The key drivers for VMM's strong SSSG trajectory are 1) higher footfalls driven by market share gain from competition and customers upgrading from mom & pop stores (transactions driving ~70% of growth), 2) increase in ABV (~30% contribution to growth) and ASP

for existing VMM customers (premium price points growing faster), and 3) relevant customer proposition around making aspirations affordable.

Valuation and view

- VMM remains the most consistent retailer within our coverage. We believe its diversified category mix, ownership of opening price points, significant contribution from its own brands, and lean cost structure provide it with a strong moat against intense competition from both offline and online value retailers.
- We lower our FY27-28E EBITDA by 1-2% and PAT by ~1-3%, driven by slightly lower SSSG assumptions (~75-100bp cut). We model a CAGR of 19%/22%/28% in revenue/EBITDA/PAT over FY25-28E, driven by ~13% CAGR in store additions and consistent ~10%+ SSSG.
- We reiterate our **BUY rating on the stock with an unchanged TP of INR170.** Our TP is premised on DCF-implied ~40x FY28E pre-IND AS 116 EV/EBITDA (implying ~28x FY28E reported EBITDA and ~60x FY28E EPS).

Consolidated – Quarterly earnings

	FY25				FY26E				FY25	FY26E	3QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue	**25,963**	**24,362**	**31,359**	**25,479**	**31,403**	**29,815**	**36,704**	**30,789**	**1,07,163**	**1,28,711**	**37,654**	**-2.5**
YoY Change (%)	0.0	19.3	19.5	23.2	21.0	22.4	17.0	20.8	20.2	20.1	21.0	
Gross Profit	**7,331**	**6,872**	**9,123**	**7,201**	**8,913**	**8,431**	**10,665**	**8,734**	**30,527**	**36,743**	**10,920**	-2.3
Gross margin	28.2	28.2	29.1	28.3	28.4	28.3	29.1	28.4	28.5	28.5	29.0	6
Total Expenditure	22,307	21,338	26,309	21,908	26,811	25,869	30,653	26,332	91,862	1,09,666	31,593	-3.0
EBITDA	**3,656**	**3,025**	**5,050**	**3,571**	**4,592**	**3,946**	**6,051**	**4,456**	**15,302**	**19,045**	**6,061**	**-0.2**
EBITDA margins (%)	14.1	12.4	16.1	14.0	14.6	13.2	16.5	14.5	14.3	14.8	16.1	2
Depreciation	1,383	1,405	1,407	1,707	1,591	1,691	1,676	1,791	5,902	6,749	1,758	-4.7
Interest	342	342	315	493	411	412	427	429	1,492	1,679	421	1.5
Other Income	77	132	190	186	170	202	246	261	586	880	250	-1.6
PBT before EO expense	**2,008**	**1,409**	**3,519**	**1,557**	**2,760**	**2,044**	**4,194**	**2,497**	**8,493**	**11,496**	**4,132**	**1.5**
PBT	**2,008**	**1,409**	**3,519**	**1,557**	**2,760**	**2,044**	**4,194**	**2,497**	**8,493**	**11,496**	**4,132**	**1.5**
Tax	506	369	892	406	699	521	1,065	636	2,173	2,920	1,040	2.4
Rate (%)	25.2	26.2	25.3	26.1	25.3	25.5	25.4	25.5	25.6	25.4	25.2	0.9
Reported PAT	**1,501**	**1,040**	**2,627**	**1,151**	**2,061**	**1,523**	**3,129**	**1,862**	**6,320**	**8,576**	**3,092**	**1.2**
Adj PAT	**1,501**	**1,040**	**2,627**	**1,151**	**2,061**	**1,523**	**3,129**	**1,862**	**6,320**	**8,576**	**3,092**	**1.2**
YoY Change (%)	0	0	28	88	37	46	19	62	37	35.7	18	

Mahindra & Mahindra Financial

Estimate change	↓
TP change	⟷
Rating change	⟷

Bloomberg	MMFS IN
Equity Shares (m)	1390
M.Cap.(INRb)/(USDb)	515.7 / 5.6
52-Week Range (INR)	412 / 232
1, 6, 12 Rel. Per (%)	-3/46/30
12M Avg Val (INR M)	902

Financials & valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	101.5	116.2	133.2
PPP	61.2	69.8	80.8
PAT	27.9	33.5	39.5
EPS (INR)	20.1	24.1	28.4
EPS Gr. (%)	6	20	18
BV/Sh.(INR)	179	195	216
Ratios			
NIM (%)	6.9	7.0	6.9
C/I ratio (%)	39.7	39.9	39.4
RoA (%)	2.0	2.1	2.2
RoE (%)	12.5	12.9	13.8
Payout (%)	35.8	32.1	29.3
Valuations			
P/E (x)	18.4	15.3	13.0
P/BV (x)	2.1	1.9	1.7
Div. Yield (%)	1.9	2.1	2.2

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	52.5	52.5	52.2
DII	32.4	32.3	31.2
FII	9.2	9.6	10.5
Others	6.0	5.6	6.1

FII Includes depository receipts

CMP: INR371 TP: INR450 (+21%) Buy

Diversification to anchor the next phase of growth

Earnings beat driven by low credit costs; GS2+GS3 improve ~50bp QoQ

- Mahindra & Mahindra Financial's (MMFS) 3QFY26 PAT grew 42% QoQ to ~INR8.1b (~9% beat). NII was up ~21% YoY at INR23b (in line). Other income rose ~90% YoY to ~INR3.6b, driven by healthy fee income and dividend income of INR464m from MIBL (PQ: INR536m).
- Opex stood at ~INR11.2b (up ~28% YoY) and the cost-income ratio stood at ~42% (PQ: ~38% and PY: ~42%). This included the one-time impact of ~INR1.2b on account of the new labor codes.
- Credit costs stood at ~INR4.7b (~23% lower than est.). Annualized credit costs stood at ~1.5% (PQ: ~2.4%). During the quarter, MMFS conducted its annual review and refresh of the ECL model in line with the board-approved ECL policy. However, the company did not take any benefit of the ECL release and created a management overlay of INR6.35b. Collection efficiency in 3Q stood at ~95% (PQ: 96%).
- Management shared that since the bulk of capability building undertaken over the last few years has now been completed, the company will be pivoting toward growth and is targeting mid-teen to high-teen loan book CAGR over the medium term.
- Net slippages into Stage 3 stood at INR5.3b (PY: INR6.6b and PQ: INR7.3b). The company shared that Stage 2 has declined meaningfully, which has reduced forward flows and contributed to lower net slippages during the quarter. Further, asset quality has not exhibited volatility over the last eight quarters. The company has guided for cross-cycle credit costs of 1.5-1.7%, and we model credit costs of 1.6% (as a % of avg. assets) for FY27/FY28E each.
- We cut our FY27/FY28 PAT estimates by 2%/4% to factor in slightly higher operating expenses due to investments in the mortgage business. We estimate a ~19% PAT CAGR over FY25-FY28E, with FY28E RoA/RoE of 2.2%/14%. **Reiterate BUY with an unchanged TP of INR450 (based on 2.1x Dec'27E BVPS).**
- **Key risks:** a) yield compression due to higher competitive intensity from banks, b) strong auto demand (post the GST rate cut) fizzling out in the coming quarters, potentially leading to muted loan growth, and 3) any compression in NIM from the scale-up in the mortgage business.

NIM expands ~40bp QoQ; yields (calc.) rise ~35bp QoQ

- Yields (calc.) rose ~35bp QoQ to ~14.2%, while CoF (calc.) declined ~5bp QoQ to 7.3%, leading to spreads expanding by ~40bp QoQ to 6.9%. NIM (calc.) expanded ~40bp QoQ to ~7.2%. The expansion in yields and margins was due to the conversion of trade advances into interest-earning customer loans and interest-income writebacks from improvement in Stage 3 loans.
- Management shared that while some benefits may be passed on in a declining interest rate environment, margins are expected to remain resilient, supported by structural tailwinds of improvement in portfolio mix and an increasing share of tractor financing. We model NIMs of 6.4% (as a % of avg. assets) in FY27/FY28E each (vs. 6.2% for FY26E).

Key takeaways from the management commentary

- The board has granted in-principle approval to evaluate a consolidation proposal, including a scheme of merger by absorption of Mahindra Rural Housing Finance (MRHFL) into the parent company.
- The company targets to reduce the share of Wheels in its portfolio from ~88% to ~70% by FY30 while increasing the contribution of other asset categories, including housing and SME, from ~12% to ~30% of the loan book.

Valuation and view

- MMFS reported an operationally healthy quarter, with disbursements reaching an all-time high, driven by momentum in tractors and PV amid healthy festive demand, GST cuts, and pent-up demand from Aug/Sep'25. Asset quality also improved, with 30+ dpd declining by 50bp, resulting in lower net slippages. Additionally, NIMs expanded during the quarter, supported by strong fee income and an improvement in the yields.
- MMFS currently trades at 1.9x FY27E P/BV. With a projected PAT CAGR of ~19% over FY25-28E and RoA/RoE of 2.2%/14% in FY28E, **we reiterate our BUY rating with an unchanged TP of INR450 (based on 2.1x Dec'27E BV).**

Quarterly Performance (INR M)

Y/E March	FY25				FY26E				FY25	FY26E	3Q FY26E	v/s est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Interest income	36,122	37,448	39,572	40,172	41,646	41,779	44,071	45,042	1,53,314	1,72,538	43,617	1
Interest Expenses	18,286	19,343	20,459	20,896	21,524	20,663	21,026	21,258	78,983	84,471	21,138	-1
NII	**17,836**	**18,106**	**19,113**	**19,276**	**20,122**	**21,116**	**23,045**	**23,784**	**74,331**	**88,067**	**22,479**	3
YoY Growth (%)	12.6	14.1	12.5	6.4	12.8	16.6	20.6	23.4	11.2	18.5	17.6	
Other income	1,480	1,802	1,872	2,279	2,732	3,113	3,561	4,047	7,433	13,453	3,491	2
Net Total Income	**19,316**	**19,908**	**20,985**	**21,555**	**22,853**	**24,230**	**26,606**	**27,831**	**81,764**	**1,01,520**	**25,970**	2
YoY Growth (%)	15.3	18.9	15.6	9.4	18.3	21.7	26.8	29.1	14.6	24.2	23.8	
Operating Expenses	7,970	7,947	8,768	9,427	9,323	9,240	11,203	10,538	34,113	40,304	9,820	14
Operating Profit	**11,345**	**11,961**	**12,217**	**12,128**	**13,530**	**14,989**	**15,403**	**17,294**	**47,651**	**61,216**	**16,150**	-4.6
YoY Growth (%)	13.5	26.9	15.0	3.4	19.3	25.3	26.1	42.6	14.0	28.5	32.2	
Provisions	4,482	7,035	91	4,571	6,597	7,514	4,699	5,179	16,179	23,988	6,120	-23
Profit before Tax	**6,864**	**4,927**	**12,126**	**7,557**	**6,933**	**7,475**	**10,704**	**12,115**	**31,473**	**37,228**	**10,031**	7
Tax Provisions	1,734	1,232	3,131	1,925	1,638	1,782	2,600	3,287	8,022	9,307	2,568	1
Net Profit	**5,130**	**3,695**	**8,995**	**5,631**	**5,295**	**5,693**	**8,104**	**8,828**	**23,450**	**27,921**	**7,463**	9
YoY Growth (%)	45.5	57.1	62.7	-9.0	3.2	54.1	-9.9	56.8	33.3	19.1	-17.0	
Key Operating Parameters (%)												
Yield on loans (Cal)	14.3	14.2	14.4	14.1	14.2	13.8	14.2	14.1	14.2	14.0		
Cost of funds (Cal)	7.8	7.8	7.9	7.7	7.7	7.3	7.3	7.2	8.0	8.0		
Spreads (Cal)	6.5	6.4	6.5	6.4	6.5	6.5	6.9	6.9	6.2	6.0		
Credit Cost (Cal)	1.72	2.57	0.03	1.56	2.18	2.41	1.5	1.58	1.5	1.9		
Cost to Income Ratio	41.3	39.9	41.78	43.7	40.8	38.1	42.1	37.9	41.7	39.7		
Tax Rate	25.3	25.0	25.8	25.5	23.6	23.8	24.3	27.1	25.5	25.0		
Balance Sheet Parameters												
Loans (INR B)	1028	1085	1116	1162	1183	1232	1251	1299	1162	1299		
Change YoY (%)	30.4	20.6	19.5	17.2	15.1	13.5	12.1	11.8	17.2	11.8		
Borrowings (INR B)	953	1032	1046	1129	1109	1148	1160	1192	1129	1192		
Change YoY (%)	30.7	21.6	21.0	22.4	16.3	11.2	11.0	5.6	20.1	5.6		
Loans/Borrowings (%)	107.8	105.1	106.7	103.0	106.7	107.3	107.8	109.0	103	109		
Debt/Equity (x)	5.1	5.6	5.5	5.7	4.7	5.0	4.9		5.7	4.8		
Asset Quality Parameters (%)												
GS 3 (INR B)	37.9	43.1	45.3	44.1	47.0	50.1	49.1		44.1	49.8		
Gross Stage 3 (% on Assets)	3.6	3.8	3.9	3.7	3.9	3.9	3.8		3.7	3.7		
NS 3 (INR B)	15.2	17.5	22.6	21.6	22.8	23.5	23.0		21.6	23.4		
Net Stage 3 (% on Assets)	1.5	1.6	2.0	1.8	1.9	1.9	1.8		1.8	1.8		
PCR (%)	73.5	59.5	50.1	51.2	51.4	53.0	53.0		51.2	53.0		
ECL (%)	3.3	3.5	3.0	2.9	3.0	3.2	3.0		3.2	3.2		
Return Ratios (%)												
ROAA	1.8	1.2	2.8	1.7	1.6	1.6	2.3		1.9	2.0		
ROAE	11.1	8.0	19.2	11.6	9.8	9.8	13.8		12.4	12.5		

E: MOFSL estimates

ACC

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	ACC IN
Equity Shares (m)	188
M.Cap.(INRb)/(USDb)	316.3 / 3.4
52-Week Range (INR)	2123 / 1664
1, 6, 12 Rel. Per (%)	0/-10/-26
12M Avg Val (INR M)	628

Financials & Valuations (INR b)

Y/E Dec	FY26E	FY27E	FY28E
Sales	257.1	288.6	320.4
EBITDA	32.6	39.6	45.1
Adj. PAT	16.1	21.7	25.1
EBITDA Margin (%)	12.7	13.7	14.1
Adj. EPS (INR)	85.9	115.5	133.5
EPS Gr. (%)	20.6	34.5	15.6
BV/Sh. (INR)	1,103	1,211	1,335
Ratios			
Net D:E	-0.1	-0.1	-0.2
RoE (%)	8.3	10.0	10.5
RoCE (%)	11.8	10.1	10.6
Payout (%)	5.8	7.8	6.7
Valuations			
P/E (x)	19.6	14.6	12.6
P/BV (x)	1.5	1.4	1.3
EV/EBITDA(x)	8.6	6.8	5.9
EV/ton (USD)	71	67	58
Div. Yield (%)	0.5	0.5	0.5
FCF Yield (%)	-3.8	5.5	3.6

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	56.7	56.7	56.7
DII	21.5	22.7	24.8
FII	6.0	5.1	5.1
Others	15.8	15.6	13.4

FII includes depository receipts

CMP: INR1,684 TP: INR1,900 (+13%) Neutral

Below estimates; merger with ACEM to be completed by FY27

Focuses on increasing share of green power and efficiency

- ACC's 3QFY26 EBITDA grew ~45% YoY to INR6.9b (~8% below our estimate due to lower-than-estimated realization/t). EBITDA/t increased ~22% YoY to INR541 (vs. our estimate of INR626). OPM surged 1.7pp YoY to ~11% (vs. our estimate of ~12%). Adj. PAT rose ~48% YoY to INR3.3b (~17% miss).
- Management indicated that industry growth momentum is expected to remain intact. The demand recovery seen in 3Q has continued in 4Q, and industry growth is now expected at ~8% YoY in FY26. Grinding capacity expansions at Salai Banwa (2.4mtpa) and Kalamboli (1.0mtpa) are now expected to be completed in 4Q (vs. earlier estimated in 3Q). Further, the proposed merger of ACC and ACEM is expected to be completed by FY27. Integration into the 'One Cement Platform' is expected to unlock synergies and accelerate efficiency and growth.
- We maintain our earnings estimates for FY26-28. The stock is trading at 7x/6x FY27E/FY28E EV/EBITDA and USD67/USD58 EV/t. We value the stock at 7x FY28E EV/EBITDA to arrive at our TP of INR1,900. **Reiterate Neutral.**

Sales volume up ~19% YoY; EBITDA/t at INR541 (est. INR626)

- 3Q revenue/EBITDA/PAT stood at INR64.6b/INR6.9b/INR3.3b (+22%/+45%/+48% YoY and +4%/-8%/-17% vs. estimates). Sales volume was up ~19% YoY at 12.7mt (+6% vs. est.). Cement realization increased ~1% YoY (~1% below est.) to INR4,698/t. Blended realization rose ~3% YoY (~1% below est.). RMC revenue grew ~43% YoY to INR4.9b.
- Opex/t increased ~1% YoY to INR4,545 (flat QoQ; in line with our estimate), led by an increase in variable/freight cost per ton by ~2% YoY (each) and other expenses/t by ~1%. EBITDA/t grew ~22% YoY to INR541. Depreciation grew ~15% YoY, whereas finance cost declined ~10%. Other income fell ~49% YoY. The effective tax rate was 22.5% vs. 26.2% in 3QFY25.
- In 9MFY26, revenue/EBITDA/PAT grew 22%/44%/26% YoY to INR184.5b/INR22.8b/INR10.4b. Blended realization/t rose ~4% YoY to INR5,219 and EBITDA/t was up ~23% YoY at INR645. OPM expanded 2pp YoY to ~12%.

Key highlights from the management commentary

- Fuel cost stood at INR1.68 vs. INR1.66/INR1.56 in 3QFY25/2QFY26. WHRS share was up 3pp YoY (flat QoQ) at ~17%. Overall green power share surged to 31.3% from 18.7%/30.3% in 3QFY25/2QFY26.
- Primary lead distance reduced by 9km YoY to 262km and the direct dispatch increased by 3pp YoY to 52%. Premium products as a % of trade sales stood at ~43% (up ~33% YoY).
- The company expanded its concrete business footprint with the addition of 14 plants YoY, taking the total network to 117 plants across 45 cities. This expansion drove strong volume growth of 36% YoY during the quarter.

Valuation and view

- ACC's operating performance in 3QFY26 was below our estimates as well as peers' (so far results has been announced). Volume growth was above our estimate, led by higher MSA volume. However, realization/t was below our estimate, leading to EBITDA miss. The benefits of the company's initiatives about sustainable cost reductions, product premiumization, and group-level synergies are yet to reflect in the profitability.
- We estimate a CAGR of 12%/18%/25% in revenue/EBITDA/PAT over FY26-28. We estimate a volume CAGR of ~10% over FY26-28 and EBITDA/t at INR727/INR753 in FY27/FY28 vs. INR660 in FY26E.We value the stock at 7x FY28E EV/EBITDA to arrive at our TP of INR1,900. **Reiterate Neutral.**

Standalone quarterly performance (INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Cement Sales (mt)	10.20	9.30	10.70	11.90	11.45	11.20	12.70	14.12	42.1	49.5	12.0	6
Change (YoY %)	8.5	14.8	20.5	14.0	12.3	20.4	18.7	18.6	36.4	17.5	12.0	
Net Sales	**52.0**	**46.3**	**53.0**	**60.6**	**60.7**	**59.3**	**64.6**	**72.6**	**211.0**	**257.1**	**61.9**	**4**
Change (YoY %)	(0.0)	4.4	7.8	12.2	16.7	28.0	21.8	19.8	(5.0)	21.9	17.6	
EBITDA	**6.8**	**4.3**	**4.7**	**8.0**	**7.7**	**8.2**	**6.9**	**9.8**	**22.9**	**32.6**	**7.5**	(8)
Margin (%)	13.0	9.3	8.9	13.2	12.7	13.8	10.6	13.6	10.8	12.7	12.1	(150)
Change (YoY %)	(11.9)	(21.7)	(47.7)	(4.4)	14.1	90.9	45.4	23.0	140.5	42.8	58.8	
Depreciation	2.2	2.3	2.5	2.5	2.4	2.6	2.9	2.9	9.6	10.7	2.6	10
Interest	0.3	0.3	0.3	0.1	0.3	0.3	0.3	0.2	1.1	1.1	0.3	(9)
Other Income	0.7	1.5	1.1	0.6	0.7	0.2	0.6	0.5	4.0	2.0	0.5	14
PBT before EO Item	**4.9**	**3.2**	**3.1**	**6.0**	**5.7**	**5.5**	**4.3**	**7.3**	**16.2**	**22.9**	**5.1**	**(16)**
EO Income/(Expense)	0.0	0.0	11.7	2.6	0.0	2.1	1.6	0.0	14.3	3.7	0.0	
PBT after EO Item	**4.9**	**3.2**	**14.8**	**8.6**	**5.7**	**7.6**	**6.0**	**7.3**	**30.5**	**26.6**	**5.1**	**16**
Tax	1.3	0.8	3.9	1.2	1.9	-3.6	0.5	1.6	7.2	0.5	1.1	
Rate (%)	25.6	26.5	26.2	14.4	33.0	(47.0)	9.1	21.6	23.6	1.7	21.0	
Reported PAT	**3.7**	**2.3**	**10.9**	**7.4**	**3.8**	**11.1**	**5.4**	**5.7**	**23.3**	**26.1**	**4.0**	**34**
Adjusted PAT	**3.7**	**2.3**	**2.3**	**5.1**	**3.8**	**3.2**	**3.3**	**5.7**	**13.4**	**16.1**	**4.0**	**(17)**
Margin (%)	7.0	5.1	4.2	8.5	6.3	5.4	5.2	7.9	6.3	6.3	6.5	
Change (YoY %)	(21.1)	(39.1)	(57.3)	4.5	5.0	37.3	48.5	11.8	35.3	20.6	79.6	

Source: MOSFL, Company

Per ton analysis, including RMC (INR/t)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Blended Realization	**5,098**	**4,977**	**4,957**	**5,090**	**5,298**	**5,291**	**5,086**	**5,139**	**5,011**	**5,196**	**5,161**	**(1)**
Change (YoY %)	(7.9)	(9.1)	(10.5)	(1.6)	3.9	6.3	2.6	1.0	(12.9)	3.7	5.0	
Raw Material	1,730	1,942	2,043	2,095	2,149	2,183	2,151	2,063	1,960	2,133	2,150	0
Staff Cost	157	192	182	145	177	158	140	126	168	149	149	(6)
Power and fuel	970	830	786	720	740	795	730	847	822	781	790	(8)
Freight	1,075	1,020	971	970	1,012	958	986	955	1,007	977	970	2
Other expenditure	501	531	532	487	545	465	537	451	474	498	476	13
Total Expenditure	**4,434**	**4,516**	**4,515**	**4,417**	**4,623**	**4,559**	**4,545**	**4,442**	**4,430**	**4,537**	**4,535**	**0**
EBITDA	**664**	**462**	**442**	**673**	**675**	**732**	**541**	**698**	**581**	**660**	**626**	**(14)**

Source: MOSFL, Company

Delhivery

BSE SENSEX	S&P CNX
82,345	25,343

DELHIVERY

Stock Info

Bloomberg	DELHIVER IN
Equity Shares (m)	747
M.Cap.(INRb)/(USDb)	304.5 / 3.3
52-Week Range (INR)	490 / 237
1, 6, 12 Rel. Per (%)	2/-8/20
12M Avg Val (INR M)	1310
Free float (%)	100.0

Financials Snapshot (INR b)

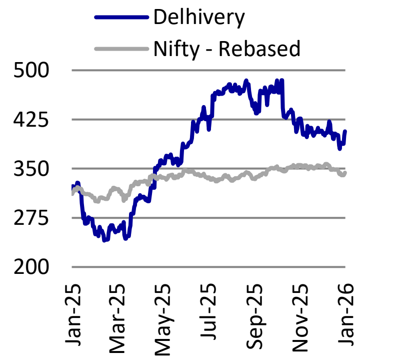
Y/E MARCH	2026E	2027E	2028E
Sales	105.2	120.4	137.2
EBITDA	6.2	8.6	10.6
Adj. PAT	2.5	4.4	5.9
EBITDA (%)	5.9	7.2	7.7
Adj. EPS (INR)	3.3	5.9	7.9
BV/Sh. (INR)	48.9	75.2	34.6
Ratios			
Net D:E	-0.4	-0.5	-0.5
RoE (%)	2.6	4.4	5.6
RoCE (%)	4.0	5.4	6.4
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	121.7	69.5	51.6
P/BV (x)	3.1	3.0	2.8
EV/EBITDA(x)	48.1	33.9	26.8
Div. Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	0.0	0.0	0.0
DII	35.0	32.1	29.0
FII	48.6	51.7	53.8
Others	16.4	16.3	17.3

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR407 TP:INR570 (+40%) Buy

Structurally best placed in e-commerce logistics consolidation

- India's e-commerce logistics landscape is divided between captive in-house platforms and independent 3PL players, with materially different economic outcomes. Captive platforms such as Instakart and ATS have achieved scale rapidly, but their financial profiles underscore structural margin dilution, as operations are designed primarily to enable parent ecosystems rather than generate standalone profitability. Sustained losses, high capital consumption, and continued dependence on parent-funded equity highlight the inherent limitations of these players.
- Among independent players, Xpressbees and Shadowfax continue to face profitability and sustainability challenges. Despite strong revenue growth, Xpressbees remains structurally loss-making with persistent cash burn, while Shadowfax's high customer concentration, particularly its dependence on Meesho and Flipkart, creates elevated revenue risk as marketplaces increasingly insource logistics. Both players remain reliant on external capital to fund growth, constraining long-term financial flexibility.
- In contrast, Delhivery has emerged as the structurally strongest and most scalable platform in the sector. The company has combined rapid volume-led growth with improving profitability, turning APAT positive in FY25 and generating consistently positive FCFF despite heavy capex investment. The acquisition of Ecom Express further strengthens Delhivery's scale advantage, lifting market share to an estimated 20–23% while enhancing network density and operating leverage.
- Importantly, Delhivery's competitive pricing, high service ratings, and strong seller satisfaction position it well to benefit from ongoing industry consolidation and potential pricing rationalization. With a majority of 3PL peers remaining loss-making, Delhivery is better placed to lead industry-wide price resets, sustain volume accretion, and fund growth internally—reinforcing its leadership and long-term competitiveness in India's express logistics ecosystem.

Strategic expansion through the Ecom Express acquisition

- The INR14b acquisition of Ecom Express (completed in Jul'25) consolidates Delhivery's leadership in express parcel logistics and adds a complementary rural network, strengthening its reach and customer base. This integration is likely to drive network density gains, footprint rationalization, and cost synergies.
- With rural and Tier 2-4 cities forming a substantial share of e-commerce volumes, the acquisition deepens Delhivery's competitive moat against key rivals like Blue Dart Express and XpressBees. The combined entity is positioned to gain share as 3PL players benefit from rising cost pressures on captive logistics arms and industry-wide pricing normalization.

PTL and supply chain services remain high-growth, underpenetrated segments

- The PTL segment remains a fragmented market with less than 25% of volumes handled by organized players. Following the Spoton integration, Delhivery has demonstrated consistent outperformance through wide geographic coverage, faster turnaround times, and tech-driven process optimization. We project a **16% CAGR in PTL revenue over FY25–28**, underpinned by SME and retail segment expansion, yield improvement, and the adoption of value-added services.
- The Supply Chain Services (SCS) segment is scaling profitably, benefiting from the increasing formalization of warehousing, GST-led network redesign, and demand for integrated multi-location solutions like the 'Prime' service. We expect SCS revenue to clock a 22% CAGR over FY25-28.

Margin expansion in the core business drives capital efficiency

- Delhivery's EBITDA margin is projected to expand **to 7.3% in FY28** from **4.2% i**n FY25, supported by operating leverage, improved asset utilization, and technology integration across the value chain. Management expects PTL's EBITDA margin to reach 16–18% in the next 2-3 years (from ~8% in 2QFY26), while the express parcel service's EBITDA margin is likely to expand to 16–18% (~15% in 2QFY26) by Mar'26.
- Capital intensity is moderating, with major network buildout completed and steady-state capex expected to fall to ~4-5% of revenue by FY28. A strong balance sheet with negligible debt offers significant headroom for strategic capex and acquisitions.

Valuation and view

- Delhivery is well-positioned for future growth, supported by strong momentum in its core transportation businesses and a clear focus on profitability. With Express Parcel and PTL segments delivering consistent volume growth and healthy service EBITDA margins, the company expects to sustain 16-18% margins over the next two years.
- The integration of Ecom Express is set to enhance network efficiency and reduce capital intensity, while new services like Delhivery Direct and Rapid offer long-term growth potential in on-demand and time-sensitive logistics.
- **We expect the company to report a CAGR of 15%/41%/52% in sales/EBITDA/APAT over FY25-28. Reiterate BUY with a TP of INR570 (based on DCF valuation).**

Gland Pharma

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	GLAND IN
Equity Shares (m)	165
M.Cap.(INRb)/(USDb)	278.4 / 3
52-Week Range (INR)	2131 / 1200
1, 6, 12 Rel. Per (%)	5/-20/3
12M Avg Val (INR M)	444

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	63.5	72.5	81.7
EBITDA	15.4	18.2	20.8
Adj. PAT	9.5	11.8	13.7
EBITDA Margin (%)	24.2	25.1	25.4
Adj. EPS (INR)*	57.5	71.4	83.3
EPS Gr. (%)	35.7	24.1	16.6
BV/Sh. (INR)	611.9	683.2	766.5
Ratios			
Net D:E	(0.2)	(0.3)	(0.3)
RoE (%)	9.9	11.0	11.5
RoCE (%)	9.7	10.8	11.3
Payout (%)	-	-	-
Valuations			
P/E (x)	29.4	23.7	20.3
EV/EBITDA (x)	16.7	13.6	11.4
Div. Yield (%)	-	-	-
FCF Yield (%)	(1.3)	2.2	3.0
EV/Sales (x)	4.0	3.4	2.9

* Cons.

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	51.8	51.8	51.8
DII	33.0	32.6	34.8
FII	7.6	7.9	5.0
Others	7.6	7.6	8.3

FII Includes depository receipts

CMP: INR1,690 TP: INR2,050 (+21%) Buy

Cenexi break-even/US uptrend drives earnings beat

Improving operating leverage and currency tailwinds lead to an earnings upgrade

- Gland Pharma (GLAND) delivered better-than-expected 3QFY26 financial performance with a 6%/14%/19% beat on revenue/EBITDA/PAT. The EBITDA break-even at Cenexi, volume growth in the base business, and favorable currency movement led to an improved show for the quarter.
- US revenue growth has been on an uptrend for the past three quarters, supported by product launches, higher off-take of base molecules, and currency depreciation.
- While GLAND's partner is yet to receive approval for g-Dalbavancin in the US market, traction has started following regulatory approval in the EU market. Further, scale-up in certain products from the Cenexi portfolio has led to healthy growth in the EU segment.
- Comprehensive initiatives enabled Cenexi to deliver superior performance for the quarter.
- We raise our earnings estimate by 3%/4%/3% for FY26/FY27/FY28, factoring in: a) improved traction across the US/EU/ROW markets, b) better operating leverage, and c) currency benefit. We value GLAND at 28x 12M forward earnings to arrive at a TP of INR2,050.
- GLAND is implementing efforts toward: a) enhancing its complex product pipeline (including own as well as partnered), b) improving the CDMO outlook through newer contracts and building capacities to cater to the same, c) building synergy through the Gland-Cenexi integration. Accordingly, we estimate a 13%/16%/20% CAGR in revenue/EBITDA/PAT over FY26-28. Reiterate BUY.

Healthy revenue growth drives EBITDA/PAT for the quarter

- GLAND's 3QFY26 revenue grew 22.5% YoY to INR17b (our estimate: INR16.1b).
- Gross margin (GM) contracted 60bp YoY to 66%.
- EBITDA margin contracted 30bp YoY to 25.7% (our estimate: 23.7%). On ex-Cenexi basis, EBITDA margin was 35.6% (down 300bp YoY).
- EBITDA grew 20.8% YoY to INR4.3b (our estimate: INR3.8b).
- Adj. PAT grew 36.3% YoY to INR2.8b (our estimate: INR2.3b).
- For 9MFY26, revenue/EBITDA/PAT grew 12%/21%/33% YoY to INR47b/INR11b/INR7b.

Base execution steady; Cenexi achieves EBITDA break-even in 3Q

- The base business (ex-Cenexi) grew 16.5% YoY to INR11.8b. Core markets increased 16% YoY to INR9.2b (54% of sales), RoW grew 12% to INR1.9b (11%), while India surged 32% YoY to INR744m (4%).

- On an ex-Cenexi basis, EBITDA increased 36% YoY to INR4.0b. Gross margin contracted 220bp YoY to 61%. R&D spend was INR650m, representing 5.4% of sales.
- Cenexi reported revenue of INR5.2b (31% of sales) in 3QFY26, up 39% YoY, driven by higher volumes from capacity expansion and new product ramp-ups. Gross margin stood at 78%, with EBITDA turning positive at INR148m (vs. loss in 2QFY26).
- Regulatory pipeline: 9 ANDAs filed and 4 approvals received during the quarter, taking cumulative US filings to 384 ANDAs (331 approved; 53 pending).

Highlights from the management commentary

- GLAND remains confident in its FY26 performance, targeting mid-teen YoY growth in revenue (+-2%).
- The goal date for USFDA approval of Dalbavancin for GLAND's partner has been postponed to Feb'26.
- GLAND indicated that additional demand from the EU market could help offset the delay in business from g-Dalbavancin approval.
- GLAND highlighted CC growth of ~7%/5% YoY for 3QFY26/9MFY26.
- The milestone income/profit share for the quarter was 7%/9%, as a % of sales.

Consolidated - Quarterly Earnings Model

Y/E March	FY25				FY26				FY25	FY26E	FY26E	
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
Net Sales	**14,017**	**14,058**	**13,841**	**14,249**	**15,056**	**14,869**	**16,954**	**16,605**	**56,165**	**63,484**	**16,065**	5.5
YoY Change (%)	16.0	2.4	-10.4	-7.3	7.4	5.8	22.5	16.5	-0.9	13.0	16.1	
Total Expenditure	11,373	11,088	10,241	10,774	11,378	11,730	12,605	12,404	43,476	48,117	12,258	
EBITDA	**2,644**	**2,970**	**3,600**	**3,475**	**3,678**	**3,139**	**4,349**	**4,201**	**12,689**	**15,367**	**3,807**	14.2
YoY Change (%)	-10.1	-8.3	-3.8	-3.1	39.1	5.7	20.8	20.9	-6.1	21.1	5.8	
Margins (%)	18.9	21.1	26.0	24.4	24.4	21.1	25.7	25.3	22.6	24.2	23.7	
Depreciation	920	938	963	958	1,011	1,063	1,076	1,036	3,779	4,186	1,009	
Interest	56	61	228	75	115	78	39	59	420	291	68	
Other Income	514	597	585	440	575	842	632	647	2,136	2,696	623	
PBT before EO expense	**2,182**	**2,567**	**2,993**	**2,883**	**3,128**	**2,839**	**3,865**	**3,753**	**10,626**	**13,585**	**3,353**	15.2
One-off income/(expense)	0	0	0	0	0	0	243	0	0	243	0	
PBT	**2,182**	**2,567**	**2,993**	**2,883**	**3,128**	**2,839**	**3,621**	**3,753**	**10,626**	**13,342**	**3,353**	8.0
Tax	745	932	946	1,018	973	1,002	1,007	1,058	3,641	4,040	1,006	
Rate (%)	34.1	36.3	31.6	35.3	31.1	35.3	27.8	28.2	34.3	30.3	30.0	
Reported PAT	**1,438**	**1,635**	**2,047**	**1,865**	**2,155**	**1,837**	**2,615**	**2,695**	**6,985**	**9,302**	**2,347**	11.4
Adj PAT	**1,438**	**1,635**	**2,047**	**1,865**	**2,155**	**1,837**	**2,791**	**2,695**	**6,985**	**9,477**	**2,347**	18.9
YoY Change (%)	-25.9	-15.8	0.4	-2.7	49.9	12.3	36.3	44.5	-10.9	35.7	14.7	
Margins (%)	10.3	11.6	14.8	13.1	14.3	12.4	16.5	16.2	12.4	14.9	14.6	
EPS	**8.7**	**9.9**	**12.4**	**11.3**	**13.1**	**11.2**	**16.9**	**16.4**	**42.4**	**57.5**	**13**	

Consolidated - KPIs

Y/E March	FY25				FY26				FY25	FY26E	FY26E	
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			2QE	Var (%)
Core Markets	10,641	10,521	10,398	11,320	11,484	11,614	13,210	11,989	42,880	48,297	11,077	19.3
YoY Growth (%)	24.3	3.2	-13.4	-6.0	7.9	10.4	27.0	5.9	0	13	6.5	
India	527	874	562	525	594	665	744	656	2,488	2,659	635	17.2
YoY Growth (%)	-18.5	-0.2	-26.1	-0.2	12.7	-23.9	32.4	25.0	-11	7	13.0	
Rest of the world	2,734	2,663	2,881	2,404	2,978	2,590	3,000	3,960	10,682	12,528	4,353	-31.1
YoY Growth (%)	-4.9	0.1	1.4	-14.2	8.9	-2.7	4.1	64.7	-5	17	51.1	
Cenexi	3884	3399	3718	3917	4647	4102	5163	4740	14918	18652	4647.5	
YoY Growth (%)	20.8	-5.3	-16.2	7.7	19.6	20.7	38.9	21.0	0	25	25.0	

Metro Brands

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	METROBRA IN
Equity Shares (m)	272
M.Cap.(INRb)/(USDb)	279.7 / 3
52-Week Range (INR)	1340 / 890
1, 6, 12 Rel. Per (%)	-8/-18/-23
12M Avg Val (INR M)	111

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	28.5	33.3	38.4
EBITDA	8.7	10.3	11.9
Adj. PAT	4.0	4.8	5.5
EBITDA Margin (%)	30.5	30.9	31.0
Adj. EPS (INR)	15.0	17.7	20.3
EPS Gr. (%)	7.3	18.4	14.3
BV/Sh. (INR)	74.1	85.8	99.3
Ratios			
Net D:E	0.3	0.2	0.2
RoE (%)	22.2	22.7	22.4
RoCE (%)	15.2	15.2	15.0
Payout (%)	36.1	34.8	34.8
Valuations			
P/E (x)	72.2	61.0	53.3
EV/EBITDA (x)	35.2	29.6	25.5
EV/Sales (X)	10.7	9.2	7.9
Div. Yield (%)	0.5	0.6	0.6

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	71.8	71.9	71.9
DII	7.5	7.4	7.2
FII	3.8	3.9	3.4
Others	16.8	16.9	17.5

FII includes depository receipts

CMP: INR1,026 TP: INR1,315 (+28%) Buy

Growth accelerates in 3Q; consistent double-digit growth remains key

- Metro Brands (MBL) delivered robust 15% YoY revenue growth (vs. our est. ~12% YoY) in 3QFY26, driven by an improvement in in-store sales (+11% YoY vs. 4%/10% YoY in 1Q/2Q) on the back of acceleration in area additions (+11% YoY) and robust growth in e-commerce (+24% YoY).
- MBL continued its pace of store addition, with ~24 net store additions in 3Q, driven by a scale-up of the value format Walkway (+7 stores) and the launch of multi-brand sports performance format MetroActiv (+3 stores).
- EBITDA grew 19% YoY (7% beat) as margin expanded ~110bp YoY, supported by 45bp YoY gross margin expansion and operating leverage.
- MBL has delivered double-digit growth on average over the past five quarters with acceleration in store additions. With the government's recent measures aimed at boosting consumption, management remains upbeat on sustaining the growth trajectory and targets ~15% revenue CAGR over the medium term while maintaining industry-leading margins.
- We raise our FY26-28E EBITDA by 2-4%, driven by slightly higher growth assumptions. However, we cut our FY26-28E PAT by 1-2% primarily due to lower other income. Over FY25-28E, we build in a CAGR of 15%/16%/13% in revenue/EBITDA/PAT.
- We **reiterate our BUY rating on MBL** with a revised **TP of INR1,315**, premised on 65x FY28E EPS.

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

- **3Q consolidated revenue grew ~15% YoY to INR8.1b, driven by ~11% YoY area additions, as revenue/sqft was stable YoY at INR5,150.**
  - In-store sales picked up, posting ~11% YoY growth (vs. ~4%/10% YoY in 1Q/2Q), driven mainly by 11% YoY store additions.
  - E-commerce continued its robust traction, with revenue growth of ~24% YoY to INR950m in 3Q. Its revenue share rose to 12% (vs. 11.1% YoY).
  - MBL 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, three stores each in Crocs and the new format, MetroActiv, two in New Era, and one Foot Locker.
  - Combined 2QFY26 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 improved product mix.**
- **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).**
- **For 9MFY26, MBL's revenue/EBITDA/adj. PAT grew 12%/13%/6% YoY.**

Key takeaways from the management commentary

- **Demand:** MBL delivered ~15% YoY growth despite the softness in discretionary demand and festive shift to 2Q. Recent GST rate rationalization and acceleration in store additions supported the growth. Stable SPSF despite store additions (new stores at lesser throughput) indicates strong performance of older stores on LFL basis. Further, MBL's SPSF is based on closing store area, which masks the actual performance in the quarters with accelerated store additions.
- **Store rollout:** The company opened 35/100 gross stores in 3Q/9MFY26 and would remain focused on opening profitable stores using internal accruals. The closures were higher in 3Q (11), but are expected to remain within the 2% store closure range annually.
- **Guidance:** Management has reiterated its guidance of ~15% revenue CAGR over the medium term, driven by mid-to-high single-digit SSSG and store additions. Management has stuck to its medium-term guidance of 55-58% gross margin, ~30%+ EBITDA margin, and ~15% PAT margin.
- **Margins:** New formats carry lower gross margins due to third-party mix and create temporary EBITDA drag during the gestation period, though the impact on overall margins is currently miniscule. Pre-Ind AS PAT margin gap stays at ~1.2-1.3%, widening only in quarters with large-store opening (such as opening of four Foot Locker stores in 2QFY26).

Valuation and view

- MBL's revenue growth has picked up since 2HFY25, driven by rising traction in e-commerce and acceleration in store additions.
- While BIS-related challenges persist for S&A category (Foot Locker, FILA), MBL has increased its focus on value category (Walkway), signed strategic partnerships (New Era, Clarks) and launched new sports performance format (MetroActiv), which should help MBL sustain double-digit growth over the medium term.
- We remain positive on MBL's long-term outlook, given a) its superior store economics, with industry-leading store productivity and strong cost controls; b) strategic tie-ups with leading brands; and c) a long runway for growth in its core-formats, largely funded through internal accruals.
- We raise our FY26-28E EBITDA by 2-4%, driven by slightly higher growth assumptions. However, we cut our FY26-28E PAT by 1-2% primarily due to lower other income.
- Given the strong runway for growth in the Metro, Mochi, and Walkway formats, along with significant growth opportunities in FILA/Foot Locker/Clarks, we build in a CAGR of 15%/16%/13% in revenue/EBITDA/PAT over FY25-28E.
- We roll forward our valuation base to Mar'28 (from Dec'27) and assign a 65x P/E multiple (earlier ~70x). We **reiterate our BUY rating on MBL with a revised TP of INR1,315** (earlier INR1,400). Consistent double-digit growth and ramp-up of newer formats, such as FILA, Foot Locker, and Clarks, remain the key re-rating triggers for the stock.

Consolidated - Quarterly earnings summary												(INR m)
Y/E March	**FY25**				**FY26E**				**FY25**	**FY26E**	**FY26E**	**Est**
	1Q	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**			**3QE**	**Var (%)**
Revenue	**5,761**	**5,855**	**7,031**	**6,428**	**6,282**	**6,511**	**8,113**	**7,563**	**25,074**	**28,469**	**7,855**	**3.3**
YoY Change (%)	-1.1	5.4	10.6	10.3	9.1	11.2	15.4	17.7	6.4	13.5	-41.5	
Total Expenditure	3,957	4,306	4,781	4,456	4,343	4,804	5,429	5,202	17,500	19,779	5,338	1.7
EBITDA	**1,804**	**1,548**	**2,250**	**1,972**	**1,939**	**1,707**	**2,684**	**2,360**	**7,574**	**8,690**	**2,517**	**6.6**
EBITDA Margin (%)	31.3	26.4	32.0	30.7	30.9	26.2	33.1	31.2	30.2	30.5	32.0	104 bp
Depreciation	600	624	655	701	688	784	799	808	2,580	3,080	792	1.0
Interest	208	218	235	244	237	294	288	303	905	1,122	300	-4.1
Other Income	234	234	232	231	286	282	161	220	930	948	261	-38.3
PBT	**1,230**	**939**	**1,593**	**1,258**	**1,300**	**911**	**1,723**	**1,469**	**5,019**	**5,402**	**1,686**	**2.2**
Tax	309	225	649	309	320	221	423	395	1,491	1,360	424	-0.2
Rate (%)	25.1	23.9	40.7	24.5	24.6	24.3	24.6	26.9	29.7	25.2	25.2	
MI & Profit/Loss of Asso. Cos.	2	3	7	4	9	9	4	9	16	30	8	
PAT before MI	**921**	**715**	**944**	**949**	**979**	**689**	**1,300**	**1,074**	**3,528**	**4,042**	**1,261**	**3.0**
Adj PAT post MI	**923**	**718**	**1,201**	**953**	**988**	**698**	**1,338**	**1,083**	**3,795**	**4,107**	**1,270**	**5.4**
YoY Change (%)	-1	6	22	10	7	-3	11	14	9.5	8.2	77	

E: MOFSL Estimates

Sagility

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	SAGILITY IN
Equity Shares (m)	4681
M.Cap.(INRM)/(USDM)	242 / 2.6
52-Week Range (INR)	58 / 38
1, 6, 12 Rel. Per (%)	1/20/9
12M Avg Val (INR M)	1637

Financials Snapshot (INR m)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	73,265	87,928	100,996
Sales Gr. (%)	31.5	20.0	14.9
EBITDA	18,097	21,445	24,670
EBITDA Margin (%)	25	24	24
Reported PAT	9,956	11,741	14,115
EPS (Rs)	2.13	2.51	3.02
EPS Gr. (%)	81.8	17.9	20.2
BV/Share	19.7	21.7	23.5
Ratios			
RoE	11.3	12.1	13.3
RoCE	13.0	14.7	16.4
RoIC	11.0	12.3	14.1
Valuations			
EV/Sales	3.4	2.8	2.4
EV/EBITDA	13.8	11.3	9.7
P/E (X)	24.4	20.7	17.2
P/BV (X)	2.6	2.4	2.2

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	51.0	67.4	82.4
FII	21.4	14.9	7.2
DII	10.3	5.6	3.8
Others	17.4	12.2	6.6

CMP: INR52 TP: INR66 (+27%) Buy

A stronger FY26 exit in sight; raises revenue growth guidance

- Sagility's 3QFY26 revenue rose 29.1% YoY in Constant Currency (CC), higher than our estimate of 21% YoY CC. EBIT margin stood at 19.7%, and adj. PAT came in at INR3.2b (up 7.3% QoQ and 23.0% YoY), well above our estimate of INR2.8b. This excluded a one-time effect of INR328m towards the impact of the change in labor laws.
- For 9MFY26, Sagility's revenue/EBIT/adj. PAT grew 29.2%/62.7%/44.3% YoY in INR terms. We expect its revenue/EBIT/adj. PAT to grow 37.6%/ 39.0%/62.0% YoY in 4QFY26. Management raised its FY26 CC revenue growth guidance to 22.5% (incl. 13.8% organic growth), while retaining its adjusted EBITDA margin guidance of 25%. We value the stock at 22x FY28E EPS to arrive at our TP of INR66. **We reiterate our BUY rating on the stock.**

Our view: the US healthcare cost pressure remains a structural tailwind

- **Healthy 3Q growth; stronger FY26 exit likely:** Sagility posted a 29.1% YoY CC growth in 3Q, continued expansion within existing clients, and increasing contribution from new clients acquired in FY26.
- Management expects momentum to sustain in 4QFY26, aided by the 2H seasonality. While the direction is encouraging, we believe revenue conversion from the strong deal wins over the past few quarters and cross-sell could have been better. We build in ~7% QoQ CC growth in 4QFY26 and ~22% YoY CC growth for FY26, with a stronger exit setting the base for FY27.
- **Margin to remain stable:** EBITDA margin at 25.9% was within the guided range. Focusing on outcome-based engagements helps de-link revenue from transaction- or headcount-based pricing, thus improving margin resilience. However, we do not expect any meaningful margin expansion in the near term, given the pricing and cost pressure faced by the US-based health insurance companies. Overall, we expect margins to remain range-bound and model a ~24–25% EBITDA margin for FY26-28, considering likely margin risk.

Valuation and View:

We raise our earnings estimates considering the upgrade in revenue growth guidance and the possibility of increased work outsourcing from the US health insurance companies, aided by likely government healthcare spending cuts in CY27. We believe the new logo addition, cross-selling, and synergy from Broadpath will drive its revenue/EBIT/PAT CAGR of 21%/30%/24% over FY25-28. Consequently, **we reiterate our BUY rating** on the stock with a TP of INR66 (based on 22x on FY28E EPS).

Quarterly Performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	Est.	Var. (% /
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QFY26	bp)
Revenue (USD m)	**148**	**158**	**172**	**182**	**180**	**189**	**222**	**240**	**659**	**832**	**205**	**8.0**
QoQ (%)	-4.4	7.0	8.9	5.7	-0.8	5.0	17.2	8.0	15.1	26.1	8.5	870bp
Revenue (INR m)	**12,233**	**13,250**	**14,531**	**15,685**	**15,389**	**16,585**	**19,712**	**21,578**	**55,699**	**73,265**	**18,392**	**7.2**
YoY (%)	9.6	21.1	15.3	22.2	25.8	25.2	35.7	37.6	17.2	31.5	26.6	910bp
GPM (%)	**30.5**	**38.7**	**40.7**	**37.9**	**35.9**	**38.1**	**38.2**	**38.2**	**37.2**	**37.7**	**37.6**	**6bp**
SGA (%)	**14.6**	**14.1**	**13.7**	**13.3**	**13.4**	**13.0**	**12.2**	**13.3**	**13.9**	**13.0**	**13.5**	-130bp
EBITDA	**1,939**	**3,252**	**3,922**	**3,865**	**3,461**	**4,151**	**5,112**	**5,373**	**12,979**	**18,097**	**4,433**	**15.3**
EBITDA Margin (%)	**15.9**	**24.5**	**27.0**	**24.6**	**22.5**	**25.0**	**25.9**	**24.9**	**23.3**	**24.7**	**24.1**	**180bp**
EBIT	**840**	**1,989**	**2,761**	**2,722**	**2,279**	**2,936**	**3,876**	**3,970**	**8,310**	**13,062**	**3,053**	**27.0**
EBIT Margin (%)	**6.9**	**15.0**	**19.0**	**17.4**	**14.8**	**17.7**	**19.7**	**18.4**	**14.9**	**17.8**	**16.6**	**310bp**
Finance cost	374	297	302	298	274	250	247	217	1271	987	220	12.1
Other Income	244	-88	440	-34	99	582	84	216	562	981	184	-54.2
ETR (%)	68.6	26.9	25.2	23.6	29.4	23.2	20.9	25.5	29.1	23.7	25.5	
Adj.PAT	**1,447**	**1,636**	**2,626**	**2,398**	**1,997**	**3,010**	**3,230**	**3,496**	**8,106**	**11,815**	**2,750**	**17.5**
QoQ (%)	-12.4	13.1	60.5	-8.7	-16.7	50.8	7.3	8.2			-8.7	
YoY (%)	1.6	30.5	67.6	45.2	38.0	84.0	23.0	45.8	37.5	45.8	4.7	
Reported PAT	**223**	**1,173**	**2,169**	**1,826**	**1,486**	**2,508**	**2,677**	**2,957**	**5,391**	**9,956**	**2,248**	19.1
Adj. EPS (INR)	0.3	0.3	0.6	0.5	0.4	0.6	0.7	0.7	1.8	2.5	0.6	17.5

Bikaji Foods International

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	BIKAJI IN
Equity Shares (m)	251
M.Cap.(INRb)/(USDb)	165.8 / 1.8
52-Week Range (INR)	821 / 520
1, 6, 12 Rel. Per (%)	-9/-14/-8
12M Avg Val (INR M)	243
Free float (%)	26.1

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	29.8	34.7	40.1
EBITDA	3.8	4.6	5.8
EBITDA (%)	12.9	13.5	14.4
Adj. PAT	2.3	3.0	4.1
EPS (INR)	9.2	12.0	16.2
EPS Gr.%	53.0	30.7	35.2
BV/Sh. (INR)	64.4	75.3	87.4
Ratios			
Net D:E	0.0	0.0	0.0
RoE (%)	15.3	17.2	19.9
RoCE (%)	12.8	14.1	14.4
Payout (%)	17.6	22.6	25.0
Valuations			
P/E (x)	72.2	55.2	40.8
P/B (x)	10.3	8.8	7.6
EV/EBITDA (x)	38.6	32.3	28.6
Div. yield (%)	0.2	0.4	0.6

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	73.9	73.9	75.0
DII	16.6	14.8	12.0
FII	4.9	6.3	7.7
Others	4.6	5.0	5.4

CMP: INR662 TP: INR900 (+36%) Buy

Double-digit growth across categories (Ex-sweets)

Bikaji Foods (BFL) revenue grew 10.5% to INR7.9b, led by ~8.4% YoY volume growth. Its EBITDA/APAT grew 77.3%/ 123.8% YoY. Western Snacks grew the fastest at over 22.6% YoY, followed by Papad at over 14.6% YoY, and Ethnic Snacks at over 13.3% YoY. However, Packaged Sweets declined due to weak seasonality. BFL's portfolio remains skewed toward family packs (~62%), where price cuts were implemented, while the remaining ~38% saw a grammage increase. Management alluded to ~2.0% volume uptick led by GST reduction and expects double-digit volume growth to continue over the next 2-3 years. Management mentioned that core market would grow ~12% vs the focus market at ~15%. Total direct coverage stands at 334k outlets; the company added ~46k outlets YTD, largely in non-core markets. Management expects to add ~50k outlets/year over the next 2-3 years.

Volume-led growth in the Ethnic category due to GST cut

BFL's 3Q performance was driven by strong traction in core snacks, which grew ~14% YoY, led by Ethnic (13.3%) and Western (22.6%), while overall volumes increased ~8.4%, aided by the Ethnic category growth due to GST rate cut. The Bhujia category benefited from focused brand campaigns, partially offsetting the softness in sweets and gifting due to early Diwali. The company launched two new campaigns: 'Bhujia Ho Toh Bikaji' (which has shown positive traction) and 'Kya Baat Hai Ji' (still early to assess the impact). Management mentioned that Mr. Bachchan would continue as the national brand ambassador, while regional campaigns will continue for focus markets. Direct coverage stands at 334k outlets, and management expects to add ~50k outlets/year over the next 2-3 years, majorly in non-core markets, including Bihar and Assam.

Operating margin (Ex-PLI) to reach 14.4% by FY28

EBITDA grew 77.3% YoY to INR984m, with an EBITDA margin of 12.5% (+469bp YoY; -299bp QoQ). Excluding PLI, operating margin came at 10.8% (300bp lower QoQ) due to higher A&P spends during the Diwali/festival period. Gross margins remained stable despite the slower offtake for sweets, supported by higher growth in Bikaner Bhujia, which delivered better margins.Management expects operating margins to expand ~50bp in FY27.

Valuation and view: Reiterate BUY

We expect BFL to benefit from accelerating demand for branded snacks, shifting consumer preferences, and increasing traction within modern trade and ecommerce channels. The company is driving growth through expansion into newer categories, such as western snacks, cookies, and frozen foods, supported by distribution gains in both urban and rural markets. BFL is set to deliver industry-leading growth, with revenue, EBITDA, and PAT (excluding PLI) CAGRs of 15%, 29%, and 39% over FY25-28. We trim our FY26E/FY27E earnings by 1.8%/2.0% and reiterate our BUY rating with a DCF-based TP of INR900 (based on an implied P/E of 55x on FY28E). Key risks: geographical concentration risk due to heavy reliance on core markets and the potential entry of new competitors in Rajasthan (refer to our IC note dated Sep'25).

Consolidated Quarterly Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**5,722**	**7,212**	**7,149**	**6,136**	**6,527**	**8,303**	**7,900**	**7,024**	**26,219**	**29,780**
YoY Change (%)	*18.7*	*18.5*	*14.5*	*-0.1*	*14.1*	*15.1*	*10.5*	*14.5*	*12.6*	*13.6*
Total Expenditure	4,806	6,144	6,594	5,393	5,564	7,021	6,917	5,669	22,936	25,488
EBITDA	**916**	**1,067**	**555**	**743**	**963**	**1,282**	**984**	**1,103**	**3,282**	**4,292**
Margin (%)	*16.0*	*14.8*	*7.8*	*12.1*	*14.8*	*15.4*	*12.5*	*15.7*	*12.5*	*14.4*
Depreciation	179	186	205	245	230	237	240	222	815	929
Interest	28	30	43	50	47	51	41	29	151	168
Other Income	73	79	79	100	100	123	113	58	329	395
PBT before EO items	**781**	**931**	**385**	**548**	**786**	**1,117**	**816**	**910**	**2,645**	**3,590**
Extraordinary Inc / (Exp)	0	0	0	0	0	0	0	0	0	0
PBT	**781**	**931**	**385**	**548**	**786**	**1,117**	**816**	**910**	**2,645**	**3,590**
Tax	200	245	107	149	200	296	194	217	701	897
Rate (%)	*25.6*	*26.3*	*27.9*	*27.1*	*25.5*	*26.5*	*23.8*	*23.8*	*26.5*	*25.0*
JV and Associates	0	0	0	0	0	0	0	0		
Reported PAT	**581**	**686**	**278**	**399**	**585**	**820**	**622**	**693**	**1,943**	**2,692**
Adj PAT	**581**	**686**	**278**	**399**	**585**	**820**	**622**	**693**	**1,500**	**2,295**
YoY Change (%)	*40.3*	*14.7*	*-39.6*	*-65.7*	*0.8*	*19.6*	*123.8*	*73.7*	*-43.1*	*53.0*
Margin (%)	*10.1*	*9.5*	*3.9*	*6.5*	*9.0*	*9.9*	*7.9*	*9.9*	*5.7*	*7.7*

Exhibit 1: Changes to our estimates (INR m)

INR m	Old			New			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	29,849	34,834	40,077	29,780	34,729	40,074	-0.2	-0.3	0.0
EBITDA	4,347	5,212	5,801	4,292	5,131	5,778	-1.3	-1.6	-0.4
EBITDA margin %	*14.6*	*15.0*	*14.5*	*14.4*	*14.8*	*14.4*			
PAT	2,336	3,061	4,062	2,295	3,000	4,056	-1.8	-2.0	-0.2
EPS	9.3	12.2	16.2	9.2	12.0	16.2	-1.4	-1.8	0.0

Source: MOFSL, Company

Prudent Corporate Advisory

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	PRUDENT IN
Equity Shares (m)	41
M.Cap.(INRb)/(USDb)	94.2 / 1
52-Week Range (INR)	3098 / 1570
1, 6, 12 Rel. Per (%)	-10/-25/4
12M Avg Val (INR M)	148

Financials & Valuations (INRm)

Y/E March	2026E	2027E	2028E
Revenues	13,186	15,779	18,787
Opex	10,181	12,208	14,538
PBT	3,031	3,688	4,447
PAT	2,255	2,744	3,308
EPS (INR)	54.5	66.3	79.9
EPS Gr. (%)	15.2	21.7	20.6
BV/Sh. (INR)	209.7	267.0	337.9
Ratios (%)			
EBITDA Margin	22.8	22.6	22.6
PAT margin	17.1	17.4	17.6
RoE	29.4	27.8	26.4
Div. Payout	11.0	13.6	11.3
Valuations			
P/E (x)	41.8	34.3	28.5
P/BV (x)	10.8	8.5	6.7
Div. Yield (%)	0.3	0.4	0.4

Shareholding Pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	55.3	55.3	55.7
DII	22.1	21.5	23.6
FII	16.3	16.9	14.8
Others	6.2	6.4	5.9

FII includes depository receipts

CMP: INR2,275 TP: INR2,550 (+12%) Neutral

Flows momentum strong; TER cut pass through a risk

- **Prudent Corporate Advisory (Prudent)'s operating revenue grew 20% YoY/7% QoQ to INR3.4b (in line) in 3QFY26, fueled by a 21% YoY surge in commission and fees income. For 9MFY26, its revenue grew 17% YoY to INR9.6b.**
- **Operating expenses grew 21% YoY/7% QoQ to INR2.7b (in line); fees and commission expenses rose 20% YoY, employee expenses grew 28% YoY, and other expenses up 20% YoY. EBITDA grew 18% YoY to INR778m (in line), reflecting an EBITDA margin of 22.7% (vs. 23.1% in 3QFY25 and our est. of 22.3%).**
- **Steady operating performance and higher other income led to a 20% YoY increase in PAT (in line). For 9MFY26, PAT grew 13% YoY to INR1.6b**
- **The company believes that AMCs will pass on the impact of the 5bp cut in TER, due to the removal of the exit load, to distributors. Consequently, Prudent will also be able to pass this impact on to its distributors.**
- **We retain our FY26E earnings while reducing our FY27/FY28 estimates by 4%/7% to reflect lower yield assumptions, as we expect that AMCs will pass on the TER cut. We anticipate Prudent to deliver a revenue/EBITDA/PAT CAGR of 19%/17%/ 19% over FY25-28. We reiterate our Neutral rating with a TP of INR2,550 (based on 32x EPS FY28E).**

QAAUM growth led by robust equity flows

- Prudent's QAAUM grew 21%/7% YoY/QoQ to INR1.3t, with Equity AUM rising 22% YoY, led by record high net sales during the quarter. Monthly SIP flow grew to ~INR11.4b (guidance to be at ~INR12 per month by Mar'26) from INR9.4b in 3QFY25, reflecting a stable market share of ~3.5%.
- Total insurance premium for the quarter came in at INR1.9b (+27% YoY), of which life insurance premium stood at INR1.4b (+25% YoY) and general insurance premium stood at INR501m (+35% YoY).
- Commission and fees income rose 21% YoY to ~INR3.4b, of which INR2.9b (+21% YoY) was contributed by the distribution of MF products, while the contribution from insurance products grew 17% YoY to INR336m.
- Mutual fund revenue, up 8.2% QoQ to INR2.9b, grew faster than the MF QAUM growth of 7.2%. This was led by the INR14m one-off income related to the release of withheld brokerage pertaining to customers whose KYC was pending.
- Revenue from insurance sales grew only 4% QoQ, despite 12% QoQ growth in overall fresh premiums. This was due to the 18% reduction in health insurance commission rates post-GST to nil (effective Oct'25).
- Revenue from the stockbroking segment declined 10% YoY but remained flat QoQ at INR44m. Revenue from other financial and non-financial products rose 21% YoY to INR86m.
- Other income was up 44% YoY/16% QoQ, led by MTM gains on equity-oriented investments and ~7% rise in the Nifty during the quarter.
- Commission & fee expenses grew 20% YoY/6% QoQ to INR2b.

- Employee costs rose 28% YoY to INR383m (included an INR14.9m one-time labor code impact). ESOP expenses stood at INR16.1m in 3QFY26, and are expected to remain at similar levels over the next three quarters; total annual ESOP charge estimated at INR72m.
- Other expenses were up 20% YoY to INR248m. The CIR came in at 18.4% vs 17.8% in 3QFY25 and 17.9% in 2QFY26.

Key takeaways from the management commentary

- Management reiterated its confidence in retail momentum, guiding towards INR12b of monthly SIP inflows by Mar'26 (current monthly run-rate at 11.4b).
- Management indicated that no formal discussions with AMCs have taken place yet with regard to passing on the TER cut. Clarity is expected by mid-March, with conversations likely to begin by mid-Feb'26.
- Management remains very optimistic on SIF, which is expected to emerge as a large product category and act as a long-term growth driver.

Valuation and view

- Prudent continues to deliver strong growth in its mutual fund distribution business, supported by healthy SIP inflows, steady yields, an expanding MFD network, and incremental contributions anticipated from the Indus Capital MF acquisition.
- However, regulatory headwinds remain a near-term concern — including the draft proposals on TER rationalization for AMCs and potential GST exemption implications on insurance, wherein life insurers have been able to pass on only 10% impact, while health insurers have passed on ~100% of the impact. While these factors may exert some short-term pressure on earnings, Prudent is expected to partially pass on the impact to distributors on a proportionate basis.
- **We retain our FY26E earnings while reducing our FY27/FY28 estimates by 4%/7% to reflect lower yield assumptions, as we expect that AMCs will pass on the TER cut. We anticipate Prudent to deliver a revenue/EBITDA/PAT CAGR of 19%/17%/ 19% over FY25-28. We reiterate our Neutral rating with a TP of INR2,550 (based on 32x EPS FY28E).**

Quarterly performance (INR m)

Y/E March	FY25				FY26				FY25	FY26E	3QFY26E	Act x/t Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE						
Commission and Fees Income	2,477	2,845	2,827	2,809	2,910	3,168	3,407	3,589	10,960	13,072	3,341	2.0	21%	8%
Other Operating revenue	17	15	23	20	28	30	25	32	76	114	28	-11.6	6%	-17%
Revenue from Operations	**2,494**	**2,861**	**2,850**	**2,829**	**2,938**	**3,198**	**3,432**	**3,621**	**11,036**	**13,186**	**3,369**	1.9	20%	7%
Change YoY (%)	50.8	50.5	35.8	18.0	17.8	11.8	20.4	28.0	37.1	19.5	18.2			
Operating Expenses	1,904	2,174	2,191	2,143	2,265	2,476	2,654	2,786	8,412	10,181	2,618	1.4	21%	7%
Change YoY (%)	50.8	48.0	37.0	19.8	18.9	13.9	21.1	30.0	37.5	21.0	19.5			
EBIDTA	**590**	**687**	**659**	**686**	**673**	**722**	**778**	**834**	**2,624**	**3,004**	**751**	**3.6**	18%	8%
Depreciation	62.9	67.2	73.7	74.8	72.5	76.8	80.2	79.7	279	309	77	4.2	9%	4%
Finance Cost	4.9	5.7	6.4	6.7	6.9	7.3	16.9	6.8	24	38	7	142.0	166%	132%
Other Income	70	78	66	85	103	82	95	95	299	374	110	-13.5	44%	16%
PBT	**592**	**693**	**645**	**690**	**696**	**719**	**776**	**843**	**2,621**	**3,031**	**777**	**-0.1**	20%	8%
Change YoY (%)	57.9	70.6	34.7	15.4	17.5	3.8	20.3	22.2	41.1	15.7	20.5			
Tax Provisions	149.9	177.9	163.1	173.5	178.1	184.0	199.7	214.3	664	776	199	0.4	22%	9%
Net Profit	**442**	**515**	**482**	**516**	**518**	**535**	**576**	**628**	**1,957**	**2,255**	**578**	**-0.3**	20%	8%
Change YoY (%)	58.3	69.2	35.0	15.9	17.1	4.0	19.6	21.7	41.0	15.3	20.0			
Key Operating Parameters (%)														
EBIDTA Margin	23.6	24.0	23.1	24.3	22.9	22.6	22.7	23.0	23.8	22.8	22.3	38bp	-46bp	10bp
Cost to Income Ratio (Ex-sharing)	19.5	18.9	17.8	17.6	18.2	17.9	18.4	17.9	18.4	18.1	18.5	-15bp	61bp	48bp
PBT Margin	23.7	24.2	22.6	24.4	23.7	22.5	22.6	23.3	23.7	23.0	23.1	-45bp	-2bp	11bp
Tax Rate	25.3	25.7	25.3	25.2	25.6	25.6	25.7	25.4	25.3	25.6	25.6	13bp	44bp	16bp
PAT Margins	17.7	18.0	16.9	18.2	17.6	16.7	16.8	17.4	17.7	17.1	17.2	-37bp	-11bp	5bp
MF revenue / QAAUM (bps)	91.9	91.8	91.8	90.3	90.3	91.3	92.2	92.0	91.3	91.4	91.0	116bp		
Revenue from Operations (INR Mn)														
Commission and Fees Income														
Distribution of MF Products-Trail Revenue	2,052	2,343	2,421	2,297	2,489	2,716	2,940	2,974	9,113	11,119	2,842	3.4	21%	8%
Distribution of Insurance Products	261	339	286	402	291	324	336	472	1,288	1,423	358	-6.0	17%	4%
Stock Broking and Allied Services	77	73	49	41	50	44	44	50	240	188	46	-4.3	-10%	0%
Other Financial and Non-Financial Products	87	90	71	69	80	83	86	93	317	342	95	-9.5	21%	4%
Revenue from Operations Mix (%)														
As % of Commission and Fees Income														
Distribution of MF Products-Trail Revenue	82.3	81.9	84.9	81.2	84.7	84.9	85.7	82.1	82.6	84.3	84.4	130bp	73bp	74bp
Distribution of Insurance Products	10.5	11.9	10.0	14.2	9.9	10.1	9.8	13.0	11.7	10.8	10.6	-82bp	-24bp	-34bp
Stock Broking and Allied Services	3.1	2.6	1.7	1.4	1.7	1.4	1.3	1.4	2.2	1.4	1.4	-8bp	-44bp	-9bp
Other Financial and Non-Financial Products	3.5	3.1	2.5	2.4	2.7	2.6	2.5	2.6	2.9	2.6	2.8	-31bp	1bp	-9bp
Opex Mix (%)														
Fees and commission	74.4	75.1	76.9	76.8	76.4	76.9	76.2	0.0	75.8	76.6			-65bp	-65bp
Employees expenses	14.2	13.6	13.7	11.3	13.9	13.3	14.4	0.0	13.2	13.7			74bp	111bp
Other expenses	11.3	11.3	9.5	11.9	9.7	9.8	9.4	0.0	11.0	9.7			-9bp	-46bp

Sunteck Realty

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	SRIN IN
Equity Shares (m)	146
M.Cap.(INRb)/(USDb)	54.8 / 0.6
52-Week Range (INR)	509 / 347
1, 6, 12 Rel. Per (%)	-5/-10/-31
12M Avg Val (INR M)	143

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 (%)	25.0	20.2	24.2
PAT	1.6	2.1	3.5
EPS (INR)	19.1	24.5	40.7
EPS Gr. (%)	8.2	28.1	66.2
BV/Sh. (INR)	401.2	424.2	463.4
Ratios			
Net D/E	-0.1	-0.2	-0.1
RoE (%)	4.9	5.9	9.2
RoCE (%)	5.4	6.1	9.0
Payout (%)	7.8	6.1	3.7
Valuations			
P/E (x)	19.6	15.3	9.2
P/BV (x)	0.9	0.9	0.8
EV/EBITDA (x)	10.3	8.1	5.9
Div Yield (%)	0.4	0.4	0.4

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	63.3	63.3	63.2
DII	6.0	6.4	8.3
FII	19.7	19.4	19.8
Others	11.0	10.9	8.7

CMP: INR374 TP: INR567 (+52%) Buy

Miss on collections offset by strong financial performance

Uber-luxury and premium segment drives 84% of sales in 3Q

- Sunteck Realty (SRIN) posted pre-sales of INR7.3b in 3QFY26, up 16%/5% YoY/QoQ (18% below our est.). In 9MFY26, pre-sales were INR20.9b, up 26% YoY.
- Collections were down 5% YoY / 4% QoQ to INR3.2b for 3QFY26 (54% below estimates). In 9MFY26, collections stood at INR10.0b, up 6% YoY.
- The net debt-to-equity ratio rose 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.
- SRIN 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 performance:** 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.

Key highlights from the management commentary

- **Guidance on pre-sales and collection**: SRIN is confident of achieving the FY26 guidance of INR30b in pre-sales. The collection trajectory will go up once the construction of the Nepean Sea project begins.
- **Strong BD:** The company invested INR6.8b in 9MFY26 in BD compared to INR1.8b in full-year FY25.
- Operating cash flows stood at INR3.5b, up 12% YoY.
- **Launch pipeline**: One tower in Naigaon (INR4-5b) was launched in 3QFY26, while 4QFY26 saw the launch of the 5th Avenue ODC, where the company has started receiving EOIs. Other upcoming launches include:
  - Two towers in Sunteck Beach Residences, Vasai, with a GDV of ~INR5-6b in 4QFY26
  - One tower in Sunteck Skypark in Mira Road with a GDV of ~INR10b in 4Q
  - The project in Bandra West with a GDV of INR10b in FY27
  - Sunteck World, Naigaon (2-3 towers), with a GDV of INR5-10b in 4QFY26 or FY27
  - Newly added Andheri redevelopment in Western Express Highway with a GDV of INR11b in 4QFY26
  - Remaining from Nepean Sea Road with a GDV of INR54b in FY27
- **Nepean Sea project:** Groundwork for the project has commenced. Demolishing is done on a land parcel close to 1 acre. Construction is anticipated to commence very soon.

Valuation and view

- We expect SRIN to deliver a healthy 21% presales CAGR over FY25-28E, fueled by a ramp-up in launches from both new and existing projects. Further, its sound balance sheet and strong cash flows would spur project additions and drive sustainable growth.
- However, we have cut collections for FY26, as construction milestones for Nepean Sea and other projects are expected to spill over to future quarters.
- We value its residential segment based on the NPV of existing pipelines and its commercial segment based on an 8% cap rate on FY26E EBITDA.
- **We reiterate our BUY rating on the stock with a revised TP of INR567, implying a 52% upside potential.**

Quarterly performance

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q	(%)
Net Sales	**3,163**	**1,690**	**1,618**	**2,060**	**1,883**	**2,524**	**3,441**	**3,415**	**8,531**	**11,263**	**3,379**	**2**
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	
EBITDA	**314**	**374**	**484**	**687**	**477**	**778**	**815**	**749**	**1,858**	**2,820**	**846**	**-4**
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	
PBT before EO expense	**295**	**368**	**495**	**658**	**426**	**646**	**780**	**613**	**1,816**	**2,466**	**740**	**5**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**295**	**368**	**495**	**658**	**426**	**646**	**780**	**613**	**1,816**	**2,466**	**740**	**5**
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	
Reported PAT	**228**	**346**	**425**	**504**	**334**	**490**	**582**	**220**	**1,503**	**1,627**	**488**	**19**
Adj PAT	**228**	**346**	**425**	**504**	**334**	**490**	**582**	**220**	**1,503**	**1,627**	**488**	**19**
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	
Operational metrics												
Presales	5,020	5,240	6,350	8,700	6,570	7,020	7,340	8,956	25,310	29,886	8,966	**-18**
Collections	3,420	2,670	3,360	3,100	3,510	3,310	3,190	8,261	12,550	18,271	6,978	**-54**

Source: Company, MOFSL

Gopal Snacks

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	GOPAL IN
Equity Shares (m)	125
M.Cap.(INRb)/(USDb)	38.3 / 0.4
52-Week Range (INR)	398 / 253
1, 6, 12 Rel. Per (%)	2/-12/-16
12M Avg Val (INR M)	50
Free float (%)	18.5

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	15.1	18.0	20.8
Adj. EBITDA	1.1	1.5	2.0
Adj. EBITDA (%)	7.3	8.3	9.5
Adj. PAT	0.6	0.9	1.3
Adj. EPS (INR)	4.6	6.9	10.1
Adj. EPS Gr. (%)	-12.9	50.0	45.5
BV/Sh. (INR)	36.2	41.4	48.9
Ratios			
Net D:E	0.0	-0.1	-0.2
RoE (%)	13.5	17.9	22.3
RoCE (%)	10.9	14.7	18.2
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	66.4	44.3	30.4
P/B (x)	8.5	7.4	6.3
EV/EBITDA (x)	34.8	25.4	18.8
Div. yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	81.5	81.5	81.5
DII	6.3	6.7	6.5
FII	0.8	0.9	1.6
Others	11.4	10.9	10.4

CMP: INR307 **TP: INR400 (+30%)** **Buy**

Modasa plant scale-up to drive demand growth in 2-3 years

Gopal Snacks (GSL)'s revenue grew 1.8% to INR4.0b, led by 9.1% YoY growth in Gathiya and followed by 3.5% YoY growth in Snack Pellets & Extruded Snacks. In contrast, the Wafers segment dipped 19.6% YoY due to intensified competition. Its EBITDA/APAT surged 95.8%/189.8% YoY, leading to an EBITDA margin of 7.6% (+364bp). The Modasa plant was successfully operationalized to service the full product basket in the core Gujarat market, while the Rajkot plant (40% of earlier production) is likely to become operational in 1QFY27. During 3Q, GSL added ~34k retail touchpoints, taking the total to 375k. It targets to add 300 distributors over the next year, reaching 1,100+ distributors by FY27. GSL guided a revenue of INR18-19b with an operating margin of 8-9%, supported by distribution expansion, ramp-up of the Modasa facility, and the upcoming Rajkot facility.

Growth moderates after the fire incident at Rajkot; no major overhang on the supply chain

GSL experienced growth after negative growth in the last few quarters due to a fire accident at the Rajkot plant. During 3Q, its revenue growth was driven by Gathiya, which rose 9.1% YoY, followed by Snack Pellets & Extruded Snacks, which grew 3.5% YoY. The wafers segment declined by 19.6% YoY. Distribution reach expanded on account of the addition of newer distributors (a total of 881 and 93 micro distributors). Core markets and focus markets grew at a modest 2.2% and 2.1%, respectively, while other markets surged 28.7%. The Modasa plant, with a capacity of 63,085 MT, commenced operations catering to Gujarat (excluding Saurashtra and Kutch), Rajasthan, West Madhya Pradesh, and parts of Maharashtra (Mumbai). Management guided for revenue to reach INR18-19b with an operating margin of 8-9%, supported by distribution expansion, ramp-up of the Modasa facility, and the upcoming Rajkot facility.

Operating margin to improve, led by operational excellence

Gross margin increased to 27.6%, up 621bp YoY, led by the withdrawal of trade promotions from mid-Nov, the discontinuation of lower-margin products, and a 0.5% reduction in dealer margins. The company is also reducing dependence on slower-revenue and lower-margin products while adding higher-margin product categories. EBITDA came at INR304m (+95.8% YoY), settling EBITDA margin at 7.6% (+364bp YoY), despite higher other expenses. (+21.6% YoY) and higher employee cost (+10.0% YoY). Management targets FY26 gross margin to settle at 27%, and the EBITDA margin is expected to remain at similar levels of 7-8%. The FY27 margins are expected to inch up to 8–9%.

Valuation and view: Reiterate BUY

We expect GSL to benefit from distribution expansion in non-core markets, ramp-up of the Modasa facility, and the upcoming Rajkot facility. The company is driving growth through expansion into non-core states and a renewed focus on achieving operational efficiencies. We upgrade our FY26E/FY27E earnings by 2.5%/6.7% and maintain our BUY rating with a DCF-based TP of INR400 (based on an implied P/E of 40x on FY28E). Key risks: geographical concentration risk due to heavy reliance on Gujarat and potential supply chain disruptions, which could affect its market share and margins (refer to our IC note dated Sep'25).

Consol. Qtrly performance (INR m)

Y/E March	FY25				FY26				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	**3,543**	**4,026**	**3,936**	**3,175**	**3,222**	**3,757**	**4,008**	**4,064**	**14,680**	**15,074**
YoY Change (%)	11.2	12.6	7.1	-11.5	-9.1	-6.7	1.8	28.0	4.7	2.7
Total Expenditure	3,134	3,559	3,781	3,155	3,070	3,515	3,704	3,664	13,628	13,974
EBITDA	**409**	**468**	**155**	**20**	**152**	**241**	**304**	**399**	**1,052**	**1,100**
Margin (%)	11.5	11.6	3.9	0.6	4.7	6.4	7.6	9.8	7.2	7.3
Depreciation	81	83	85	83	82	90	104	119	332	368
Interest	16	8	2	7	20	19	11	22	34	38
Other Income	18	12	7	18	3	2	1	2	56	64
PBT before EO items	**330**	**388**	**75**	**-51**	**53**	**134**	**190**	**260**	**742**	**758**
Extraordinary Inc / (Exp)	0	0	0	-472	2	215	1	0	-472	0
PBT	**330**	**388**	**75**	**-523**	**55**	**350**	**191**	**260**	**270**	**758**
Tax	87	99	22	-128	30	93	36	91	80	182
Rate (%)	26.4	25.6	29.2	24.5	54.2	26.5	18.8	35.0	29.7	24.0
Reported PAT	**243**	**289**	**53**	**-395**	**25**	**257**	**155**	**169**	**190**	**576**
Adj PAT	**243**	**289**	**53**	**77**	**23**	**42**	**154**	**169**	**662**	**576**
YoY Change (%)	-14.3	6.2	-70.3	-70.6	-90.5	-85.6	189.8	120.5	-33.5	-12.9
Margin (%)	6.9	7.2	1.4	2.4	0.7	1.1	3.8	4.2	4.5	3.8

Changes to our estimates (INR m)

INR m	Old			New			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	15,457	17,683	20,425	15,074	18,018	20,824	-2.5	1.9	2.0
EBITDA	1,082	1,415	1,940	1,100	1,496	1,978	1.7	5.7	2.0
EBITDA margin %	*7.0*	*8.0*	*9.5*	*7.3*	*8.3*	*9.5*	4.3	3.8	0.0
PAT	562	814	1,245	576	864	1,257	2.5	6.2	1.0
EPS	4.5	6.5	10.0	4.6	6.9	10.1	2.8	6.7	0.9

Source: MOFSL, Company

Mahindra Logistics

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	MAHLOG IN
Equity Shares (m)	99
M.Cap.(INRb)/(USDb)	33.7 / 0.4
52-Week Range (INR)	383 / 217
1, 6, 12 Rel. Per (%)	8/-7/-5
12M Avg Val (INR M)	58

Financial Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	71.3	86.4	99.9
EBITDA	3.7	4.9	5.6
Adj. PAT	0.0	1.7	2.0
EBITDA Margin (%)	5.1	5.7	5.6
Adj. EPS (INR)	-0.4	17.0	20.6
EPS Gr. (%)	NA	LP	21.0
BV/Sh. (INR)	116.2	130.7	148.8
Ratios			
Net D:E	-0.4	-0.4	-0.5
RoE (%)	-0.3	13.6	14.6
RoCE (%)	1.1	13.1	13.8
Payout (%)	-255.6	14.7	12.1
Valuations			
P/E (x)	NA	20.0	16.5
P/BV (x)	2.9	2.6	2.3
EV/EBITDA(x)	8.0	5.7	4.7
Div. Yield (%)	0.7	0.7	0.7
FCF Yield (%)	3.9	6.9	7.5

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	59.6	59.6	58.0
DII	12.3	13.7	15.9
FII	4.4	3.9	5.0
Others	23.7	22.9	21.0

FII Includes depository receipts

CMP: INR340 TP: INR350 (+3%) Neutral

Turns profitable after 11 consecutive quarters of loss

- Mahindra Logistics' (MLL) revenue grew ~19% YoY to ~INR19b in 3QFY26 (9% above our estimate). EBITDA margin came in at 5.4% in 3QFY26 (up 80bp YoY and 40bp QoQ) against our estimate of 4.9% margins. EBITDA grew ~40% YoY to INR1028m (21% above estimate). Gross margin expanded 20bp YoY but contracted 60bp QoQ on higher expenses.
- 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 INR10m loss). The company reported positive PAT after 11 consecutive quarters of loss. In 9MFY26, revenue/EBITDA grew 15%/28%, respectively.
- MLL reported strong revenue growth in 3QFY26, driven by broad-based growth across the 3PL, Freight Forwarding, Mobility, and Express segments. However, earnings were impacted by continued losses in the Express business. We largely maintain our estimates for FY26/FY27/FY28. We forecast a revenue and EBITDA CAGR of 18% and 25%, respectively, over FY25-28, and reiterate our **Neutral** rating with a revised TP of **INR350** (premised on 17x FY28E EPS).

Improved execution and margins drive earnings

- MLL reported a 19% YoY growth in consolidated revenue in 3QFY26, driven by a 20% YoY increase in the Contract Logistics segment, 30% YoY growth in the Express segment, 33% growth in the Cross Border segment, and a 38% YoY rise in the Mobility business.
- Management stated that volume growth is driven by improved execution and customer engagement and is sustainable in nature, with GST cuts and festive demand providing tailwinds in 3QFY26.
- Improved gross margins (excluding the last-mile delivery segment) were driven by higher volumes, selective fleet deployment, stronger client engagement, and better fleet utilization.
- The Express business reported its second consecutive quarter of positive gross margin at INR27m. However, it continued to report losses at the EBITDA level.
- MLL remains focused on optimizing its existing capacity before pursuing further expansion.

Highlights from the management commentary

- MLL recorded strong growth across most business segments, with the exception of last-mile delivery, which was impacted by competitive pricing pressure. The company reported PAT after 11 consecutive quarters of losses, driven by strong momentum across the 3PL, Freight Forwarding, Mobility, and Express segments.

- MLL has recorded a one-time expense of INR74m due to the implementation of new labor codes.
- The growth was aided by festive-season demand and GST rate cut-led consumption, providing a seasonal tailwind to volumes.
- Management expects an incremental volume ramp-up from SML Mahindra, with commercial negotiations already underway.
- The auto business contributed ~62% to revenue, while the Mahindra Group contributed ~58%.
- MLL rights issue proceeds were utilized to significantly reduce borrowings, with standalone operations now debt-free, while consolidated gross debt stands at INR640m. Savings in interest costs following the repayment of debt also aided in profitability.

Valuation and view

- MLL reported strong revenue growth in 3QFY26, driven by broad-based growth across the 3PL, Freight Forwarding, Mobility, and Express segments. Going forward, the company remains focused on strengthening execution, enhancing yields, optimizing existing capacity, and improving the Express business.
- We largely maintain our estimates for FY26/FY27/FY28. We forecast a revenue and EBITDA CAGR of 18% and 25%, respectively, over FY25-28, and reiterate our **Neutral** rating with a revised TP of **INR350** (premised on 17x FY28E EPS).

Quarterly snapshot INR m

Y/E March (INR m)	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	vs Est
Net Sales	**14,200**	**15,211**	**15,942**	**15,695**	**16,246**	**16,853**	**18,980**	**19,230**	**61,048**	**71,309**	**17,363**	**9**
YoY Change (%)	9.8	11.5	14.1	8.2	14.4	10.8	19.1	22.5	10.9	16.8	8.9	
EBITDA	**663**	**664**	**737**	**777**	**763**	**851**	**1,028**	**1,031**	**2,841**	**3,672**	**851**	**21**
Margins (%)	4.7	4.4	4.6	5.0	4.7	5.0	5.4	5.4	4.7	5.1	4.9	
YoY Change (%)	-0.5	23.9	41.1	37.3	15.0	28.2	39.5	32.7	24.0	29.3	15.5	
Depreciation	550	540	590	584	646	717	717	721	2,263	2,800	700	
Interest	195	191	221	206	225	217	165	269	812	877	205	
Other Income	57	17	63	22	51	29	53	73	158	206	40	
PBT before EO Items	**-25**	**-50**	**-11**	**9**	**-58**	**-54**	**198**	**114**	**-77**	**201**	**-14**	
Extra-Ord expense	0	0	0	0	0	0	74	0	0	74	0	
PBT	**-25**	**-50**	**-11**	**9**	**-58**	**-54**	**125**	**114**	**-77**	**127**	**-14**	
Tax	53	46	61	62	36	30	64	31	223	161	-3	
Rate (%)	NA	NA	NA	NA	NA	-54.9	51.5	27.0	NA	126.2	18.0	
PAT before MI, Associates	**-78**	**-96**	**-72**	**-53**	**-94**	**-83**	**60**	**83**	-300	-33	-11.7	
Share of associates/ Minority Interest	-15	-11	-18	-14	-14	-20	-28	-1	-59	-64	2	
Reported PAT	**-93**	**-107**	**-90**	**-68**	**-108**	**-104**	**32**	**82**	**-359**	**-97**	**-10**	
Adj PAT	**-93**	**-107**	**-90**	**-68**	**-108**	**-104**	**88**	**82**	**-359**	**-42**	**-10**	**NA**
YoY Change (%)	NA	NA	NA	NA	NA	NA	NA	LP	NA	LP	NA	
Margins (%)	-0.7	-0.7	-0.6	-0.4	-0.7	-0.6	0.5	0.4	-0.6	-0.1	-0.1	

Dec'25 IIP: Broad-based growth

- Industrial output strengthened further to 7.8% YoY in Dec'25, up from 7.2% in Nov'25 and 0.5% in Oct'25, marking a clear and sustained recovery in industrial activity.
- The upturn was broad-based across manufacturing, mining, and electricity, with electricity output turning positive after two consecutive months of contraction.
- Manufacturing remained the primary growth driver, supported by continued traction across both consumer-linked and investment-oriented industries. Manufacturing breadth improved meaningfully, with only ~28% of sub-sectors contracting, indicating a broad-based recovery across industries.
- Among manufacturing segments, 20 out of 23 industry groups recorded an increase in output, with strong growth led by basic metals, motor vehicles & trailers, pharmaceuticals, and machinery, pointing to strength across both consumer-linked and investment-related segments.
- As per the use-based classification, capital goods and infrastructure/construction goods continued to lead, underscoring the durability of the capex cycle. Consumer demand improved further, though urban outperformance over rural demand persisted.
- Domestic passenger car sales rose 36.6% YoY in Dec'25, accelerating sharply from Nov'25, largely aided by favorable base effects after prolonged weakness in FY25. This aligns with strong growth in IIP consumer durables and manufacturing output, suggesting improving urban discretionary demand.
- Industrial activity is expected to remain stable to positive in the near term, supported by robust public capex execution, easing inflation, and improving monetary transmission. Investment- and infrastructure-linked sectors should continue to anchor growth, while consumer demand recovery is likely to remain uneven, led by urban segments. The turnaround in electricity output is a positive development, though global trade uncertainties and rural demand softness may continue to limit the pace of a broad-based acceleration.

Exhibit 1: IIP growth at 7.8% in Dec'25…

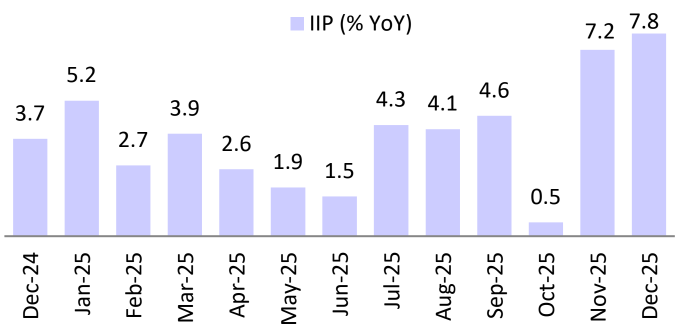


Exhibit 2: …driven by broad-based growth across all sectors

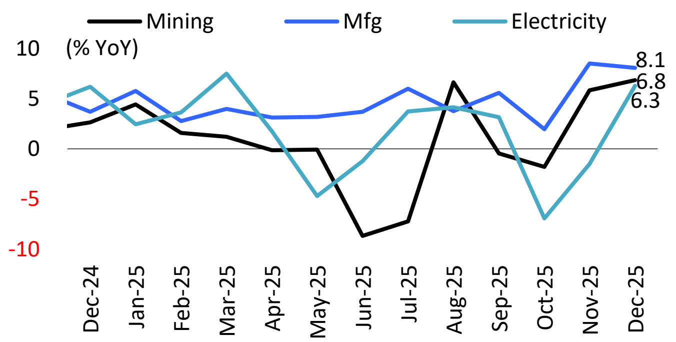


Exhibit 3: Share of mfg. sub-sectors contracting declined further in Dec'25

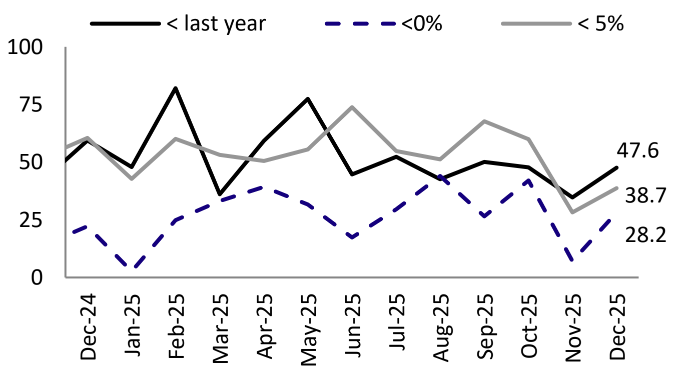
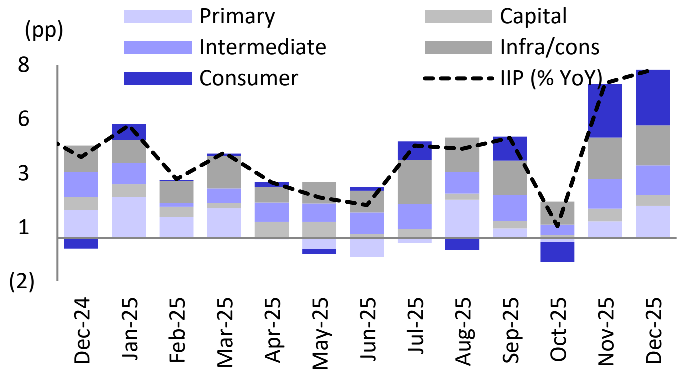


Exhibit 4: Investment and infrastructure goods led the recovery; consumer goods improved



Source: CSO, MOFSL

RESULTS
FLASH

28 January 2026
Results Flash | Sector: Real Estate

Lodha Developers

BSE SENSEX	S&P CNX
82,345	25,343

Conference Call Details

Date: 29 January 2025
Time: 13:00 IST
Dial-in details:
+91-22 22 6280 1197/ +91 22 7115 8098

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	174.2	192.2	194.9
EBITDA	49.6	54.8	55.6
EBITDA Margin (%)	28.5	28.5	28.5
PAT	34.3	37.7	39.6
EPS (INR)	34.4	37.8	39.7
EPS Gr. (%)	24.3	9.9	5.1
BV/Sh. (INR)	232.4	266.0	301.5
Ratios			
RoE (%)	15.8	15.2	14.0
RoCE (%)	14.0	13.8	13.1
Payout (%)	12.4	11.2	10.7
Valuations			
P/E (x)	27.0	24.6	23.4
P/BV (x)	4.0	3.5	3.1
EV/EBITDA (x)	19.5	17.1	16.5
Div yld (%)	0.5	0.5	0.5

CMP: INR929 Buy

Accelerated BD activity in 9M; launches set to gain pace in 4QFY26

Operating performance

- In 3QFY26, LODHA's presales were up 25%/23% YoY/QoQ to INR56.2b (9% below estimates). In 9MFY26, they were up 14% YoY to INR146.4b.
- LODHA launched 1.9msf of area with INR96b of GDV worth of projects.
- Collections were down 17% YoY to INR35.6b (33% below estimates) due to one-off inflows from large land and office sales, which had come in the same period last year, while collections were up 2% sequentially. In 9MFY26, collections were down 1% YoY to INR99.3b.
- The company has initiated its pilot entry into the NCR through two JDA projects in Gurugram with a combined GDV of INR36b, reflecting a risk-calibrated capital deployment strategy. The move marks entry into India's second-largest housing market, which remains fragmented with limited presence of trusted developers, and enables LODHA to address nearly 80% of housing demand across the top seven cities.
- Five new projects in MMR, NCR, and Bengaluru with a GDV of INR338b were added in 3QFY26. This led to a total of INR588b of GDV (11 projects) acquired by the company in 9M, thus surpassing the guidance by 2.4x.
- Net debt increased ~INR8b to INR61.7b in 3QFY26, yet below the ceiling of 0.5x net debt/equity.
-

Financial performance

- In 3QFY26, presales were up 25%/23% YoY/QoQ to INR56.2b (9% below estimates). In 9MFY26, they were up 14% YoY to INR146.4b.
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- The company has initiated its pilot entry into the NCR through two JDA projects in Gurugram with a combined GDV of INR36b, reflecting a risk-calibrated capital deployment strategy. The move marks entry into India's second-largest housing market, which remains fragmented with a limited presence of trusted developers, and enables LODHA to address nearly 80% of housing demand across the top seven cities.
- 5 new projects in MMR, NCR, and Bengaluru with a GDV of INR338b were added in 3QFY26. This led to a total of INR588b of GDV (11 projects) acquired by the company in 9MFY26, thus surpassing guidance by 2.4x.
- Net debt increased by ~INR8b to INR61.7b in 3QFY26, still below the ceiling of 0.5x net debt/equity.

Quarterly performance

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	3QE Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q Est.	(%/bp)
Gross Sales	**28,465**	**26,257**	**40,830**	**42,243**	**34,917**	**37,985**	**46,725**	**54,547**	**1,37,795**	**1,74,174**	**50,707**	**-8**
YoY Change (%)	76	50	39	5	23	45	14	29	33.6	26.4	24.2	
Total Expenditure	20,897	19,211	27,771	30,036	25,073	26,897	32,574	39,990	97,915	1,24,534	36,256	
EBITDA	**7,568**	**7,046**	**13,059**	**12,207**	**9,844**	**11,088**	**14,151**	**14,556**	**39,880**	**49,639**	**14,452**	**-2**
Margins (%)	26.6	26.8	32.0	28.9	28.2	29.2	30.3	26.7	28.9	28.5	28.5	
Adj. EBITDA (as per co.)	**9,600**	**9,600**	**15,900**	**14,600**	**12,000**	**13,100**	**14,900**	**9,639**	**49,700**	**52,100**	**14,452**	**3**
Margins (%)	33.7	36.6	38.9	34.6	34.4	34.5	31.9	17.7	36.1	29.9	28.5	
Depreciation	604	665	672	778	659	714	975	868	2,719	3,216	901	
Interest	1,172	1,365	1,441	1,517	1,478	1,565	1,850	1,701	5,495	6,594	1,581	
Other Income	718	589	636	1,960	1,330	804	1,029	1,148	3,903	4,311	1,196	
PBT before EO expense	**6,510**	**5,605**	**11,582**	**11,872**	**9,037**	**9,613**	**12,355**	**13,135**	**35,569**	**44,140**	**13,167**	**-6**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**6,510**	**5,605**	**11,582**	**11,872**	**9,037**	**9,613**	**12,355**	**13,135**	**35,569**	**44,140**	**13,167**	**-6**
Tax	1,747	1,368	2,137	2,637	2,284	1,710	2,854	2,942	7,889	9,790	2,920	
Rate (%)	26.8	24.4	18.5	22.2	25.3	17.8	23.1	22.4	0.2	0.2	22.2	
Minority Interest & Profit/Loss of Asso. Cos.	10	8	1	18	6	16	-68	83	37	37	10	
Reported PAT	**4,753**	**4,229**	**9,444**	**9,217**	**6,747**	**7,887**	**9,569**	**10,110**	**27,643**	**34,313**	**10,236**	**-7**
Adj PAT (as per co.)	**4,800**	**4,200**	**9,400**	**9,200**	**6,800**	**7,900**	**9,600**	**10,013**	**27,600**	**34,313**	**10,236**	**-6**
YoY Change (%)	182	100	65	37	42	88	2	9	70.4	24.3	8.9	
Margins (%)	16.9	16.0	23.0	21.8	19.5	20.8	20.5	18.4	20.0	19.7	20.2	**36bp**

E: MOFSL Estimates

Key operational performance

Key metrics	FY25				FY26E				FY25	FY26E	FY26E	3QE Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q Est.	(%/bp)
Sale Volume (msf)	2.4	2.4	3.0	3.4	3.3	3.5	2.0	6.1	11	15	4	**-53.8**
Sale Value (INRb)	40.3	42.9	45.1	48.1	44.5	45.7	56.2	66.9	176	213	62	**-8.6**
Collections (INRb)	26.9	30.7	42.9	44.4	28.8	34.8	35.6	58.0	145	157	53	**-32.5**
Realization (INR/sft)	14,708	17,716	15,011	13,971	13,390	12,920	28,163	10,900	15,654	14,226	14,226	**98.0**

The Phoenix Mills

BSE Sensex	S&P CNX
82,345	25,343

Conference Call Details

Date: 29 January 2026
Time: 11:00 IST
Dial-in details:
+91-22 6280 1341 / 7115 8242

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	43.6	50.2	62.2
EBITDA	25.7	30.0	38.4
EBITDA (%)	58.8	59.7	61.7
PAT	11.2	15.2	22.6
EPS (INR)	31.4	42.4	63.3
EPS Gr. (%)	14.1	35.1	49.3
BV/Sh. (INR)	320.7	360.1	420.4
Ratios			
Net D/E	0.5	0.4	0.2
RoE (%)	10.3	12.5	16.2
RoCE (%)	11.3	12.6	15.6
Payout (%)	9.5	7.1	4.7
Valuations			
P/E (x)	54.9	40.7	27.2
P/BV (x)	5.4	4.8	4.1
EV/EBITDA (x)	26.1	22.1	16.8
Div Yield (%)	0.2	0.2	0.2

CMP: INR1,726 — Buy

Robust consumption and leasing; strong residential sales; higher hotel occupancy

Financial Performance

- The company reported revenue of INR11.2b, +15%/+1% YoY/QoQ (9% below estimates), while EBITDA came in at INR6.6b, +19%/-2% YoY/QoQ (7% below estimates). Margin stood at 58.5%, +184bp/-126bp YoY/QoQ (84bp above our estimate). In 9MFY26, revenue stood at INR31.9b, +14% YoY, while EBITDA came in at INR18.9b, up 18% YoY. Margin stood at 57.2%, up 192bp YoY.
- Adj. PAT stood at INR2.8b, +4%/-9% YoY/QoQ (36% below estimate due to higher share of associate profits). PAT margin stood at 24.6%. In 9MFY26, Adj. PAT stood at INR8.2b, up 15% YoY, with margins at 25.7%.

Retail Business

- In 3QFY26, consumption increased 20% YoY to INR48b, while it grew 15% YoY to INR121b in 9MFY26. Newer malls - Phoenix Mall of the Millennium (Pune) and Phoenix Mall of Asia (Bengaluru) continued to scale up well.
- Consumption growth in 3QFY26 remained robust, underscoring resilient demand, even as select assets continued to undergo planned revamp and premiumization initiatives, aimed at enhancing portfolio performance over the medium term.
- The company has initiated the pilot of the Gourmet Village concept at Phoenix Palladium and is now set to scale across other centers.
- The company reported rental income of INR5.7b, up 13% YoY. In 9MFY26, rental income stood at INR16.1b, up 10% YoY.
- Retail EBITDA stood at INR5.9b in 3QFY26, up 16% YoY. In 9MFY26, it stood at INR16.7b, up 10% YoY.

Office Portfolio

- Gross leasing of ~1.2msf was completed as of 9MFY26 for assets at Mumbai, Pune, Bengaluru, and Chennai.
- In 3QFY26, occupancy for operational assets in Mumbai and Pune was up 10% vs 4QFY25 and flat vs QoQ to 77%.
- Millennium Towers 1 and 2 in Pune received Occupation Certificates in 3QFY26, while Millennium Tower 3 had received its Occupation Certificate earlier in March 2025.
- Excluding Millennium Towers 1 and 2, leased occupancy across new developments in Pune, Bengaluru, and Chennai stands at 41%, with advanced-stage leasing discussions offering strong visibility on further ramp-up.
- Income from commercial offices in 3QFY26 stood at INR560m, +5% YoY, and EBITDA came in at INR360m, +6% YoY. Margins stood at 63%. In 9MFY26, income stood at INR1.6b, up 3% YoY, and EBITDA came in at INR1.0m, +5% YoY. EBITDA margin stood at 64%.

Hospitality

- **St. Regis:** For 3QFY26, occupancy stood at 86% vs 85% in 2QFY26. In 9MFY26, it stood at 85%.
- For 3QFY26, ARR stood at INR24,131, up 8% YoY, and RevPAR stood at INR20,772, up 10% YoY. In 9MFY26, ARR stood at INR20,168, up 8% YoY, and RevPAR stood at INR17,082, up 8% YoY.
- Total income in 3QFY26 for St. Regis was INR1.6b, up 7% YoY. EBITDA stood at INR800m, up 11% YoY, with margins of 50%. In 9MFY26, total income stood at INR3.9b, up 4% YoY. EBITDA stood at INR1.9b, up 10% YoY, with margins of 48%.
- **Marriott, Agra:** For 3QFY26, occupancy stood at 87% vs 60% QoQ. In 9MFY26, it stood at 73%.
- For the quarter, ARR stood at INR7,180, down 4% YoY, while RevPAR was up 1% YoY to INR6,249. In 9MFY26, ARR stood at INR5,502, down 2% YoY, and RevPAR stood at INR3,991, up 1% YoY.
- Total income in 3QFY26 for Marriott was INR194m, down 1% YoY. EBITDA stood at INR77m, up 5% YoY, with margins of 40%. In 9MFY26, total income stood at INR392m, up 2% YoY. EBITDA stood at INR97m, up 2% YoY, with margins of 25%.

Residential Segment

- Due to robust demand from premium residential spaces, the company achieved gross residential sales of INR1.4b for 3QFY26, up 2.4x YoY. In 9MFY26, the company achieved gross residential sales of INR4.1b, up 3x YoY.
- The company recorded collections of INR1b in 3QFY26, up ~2.6x YoY. In 9MFY26, collections were at INR3.2b, up ~2x YoY.

Debt and Cash Flow

- Operating free cash flow (after interest and taxes) in 3QFY26 was INR5.3b, up 29% YoY. Excluding the residential business, it stood at INR4.8b, up 26% YoY. In 9MFY26, operating free cash flow (after interest and taxes) was INR15.1b, up 24% YoY. Excluding the residential business, it stood at INR13.3b, up 14% YoY.
- Consolidated net debt stood at INR27.1b (vs INR22.03b in 2QFY26).

Financial Performance

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var. %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3Q	
Gross Sales	**9,041**	**9,180**	**9,751**	**10,163**	**9,530**	**11,154**	**11,212**	**11,753**	**38,136**	**43,649**	**12,290**	**-9%**
YoY Change (%)	11.5	4.9	-1.1	-22.2	5.4	21.5	15.0	15.6	-4.1	14.5	26.0	
Total Expenditure	3,731	4,003	4,223	4,567	3,887	4,485	4,649	4,945	16,524	17,966	5,199	
EBITDA	**5,310**	**5,177**	**5,528**	**5,597**	**5,643**	**6,669**	**6,563**	**6,808**	**21,612**	**25,683**	**7,091**	**-7%**
Margins (%)	58.7	56.4	56.7	55.1	59.2	59.8	58.5	57.9	56.7	58.8	57.7	84bps
Depreciation	775	775	813	902	934	912	863	821	3,265	3,531	918	
Interest	1,031	1,031	1,029	941	951	919	1,023	1,591	4,032	4,485	1,166	
Other Income	383	371	304	451	315	308	473	229	1,509	1,325	360	
PBT before EO expense	**3,887**	**3,741**	**3,991**	**4,204**	**4,072**	**5,145**	**5,149**	**4,625**	**15,824**	**18,992**	**5,367**	**-4%**
Extra-Ord expense	-5	0	160	-27	0	0	-250	0	127	-250	0	
PBT	**3,882**	**3,741**	**4,151**	**4,177**	**4,072**	**5,145**	**4,900**	**4,625**	**15,951**	**18,742**	**5,367**	**-9%**
Tax	747	835	641	712	873	1,317	1,218	715	2,936	4,123	988	
Rate (%)	19.3	22.3	15.4	16.9	21.4	25.6	24.9	15.5	18.4	22.0	18.4	
MI & P/L of Asso. Cos.	809	725	862	777	792	788	923	882	3,173	3,386	95	
Reported PAT	**2,326**	**2,181**	**2,648**	**2,688**	**2,407**	**3,040**	**2,758**	**3,028**	**9,842**	**11,233**	**4,284**	**-36%**
Adj PAT	**2,326**	**2,181**	**2,648**	**2,693**	**2,407**	**3,040**	**2,758**	**3,028**	**9,842**	**11,233**	**4,284**	**-36%**
YoY Change (%)	-3.3	-13.7	-5.2	-17.6	3.5	39.4	4.2	12.5	-10.5	14.1	61.8	
Margins (%)	25.7	23.8	27.2	26.5	25.3	27.3	24.6	25.8	25.8	25.7	34.9	-1026bps

Source: Company, MOFSL

Star Health

BSE SENSEX	S&P CNX
82,345	25,343

Conference Call Details

Date: 29th January 2026
Time: 08:30am IST
[Link for the call]

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
NEP	167.5	194.7	223.5
U/W Profit	-4.6	-1.9	-0.5
PBT	7.6	12.1	15.4
PAT	5.7	9.0	11.6
Ratios (%)			
Claims	69.8	69.0	69.0
Commission	16.0	16.0	16.0
Expense	14.9	14.0	13.4
Combined	100.7	99.0	98.4
RoE	7.8	11.2	12.7
EPS (INR)	9.6	15.4	19.7
Valuations			
P/E (x)	45.7	28.7	22.4
P/BV (x)	3.4	3.1	2.7

CMP: INR441 **Buy**

In-line performance; 10% PAT beat excluding labor code impact

- Gross written premium at INR46.2b grew 22% YoY (in line), driven by a 23% YoY growth in retail health premium and offset by a 19% YoY decline in group health premium. For 9MFY26, GWP grew 9% YoY to INR127b.
- Net earned premium grew 12% YoY to INR42.5b (in line). For 9MFY26, NEP grew 11% YoY to INR123b.
- Claims ratio at 68.5% (vs our estimate of 70.5%) improved 290bp YoY, while net claims incurred grew 7% YoY to INR29.1b.
- Commission ratio at 15.6% (vs our est. of 16.3%) grew 150bp YoY, while net commission grew 36% YoY to INR6.8b (in line)
- Expense ratio at 17.9% (vs our est. of 15.6%) grew 20bp YoY, with employee expenses growing 27% YoY, while other expenses grew 18% YoY.
- Better-than-expected claims and commission ratios, offset by a higher-than-expected expense ratio, led to a slightly better-than-expected combined ratio of 102.1% (our estimate of 102.4%), improving 120bp YoY. Excluding the impact of labor code (INR165m), the combined ratio would have been 101.7%, 70bp better than our estimates.
- While underwriting loss at INR1.2b was lower than our estimates, a slight miss in investment income at INR3.2b led to an in-line PAT of INR1.3b (-40% YoY). For 9MFY26, PAT declined 31% YoY to INR4b. PAT, excluding the one-time labor code impact, would have been at INR1.4b (-35% YoY), reflecting a 10% beat on our estimates.
- Solvency ratio was stable at 2.1x.

Valuation and view

Premium growth in 3QFY26 has been strong at over 20%, driven by GST exemption and the resetting of base post impact of 1/n. We remain optimistic about the overall prospects for Star Health, backed by: a) consistent growth in retail health, given its under-penetration and GST exemption, b) a strong push from the banca channel, and c) steady growth in specialized products and deepening presence. We believe that Star Health can deliver long-term growth with the investments made in profitable channels and products. We may review our estimates and TP after the concall on 29th Jan'26.

Quarterly Performance **(INR b)**

Y/E March	FY25				FY26			FY25	FY26E	3Q FY26E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q						
Gross premium	34.8	43.7	38.0	51.4	36.1	44.2	46.2	167.8	186.7	45.2	2.4	22%	5%
Net written premium	31.7	39.8	35.6	48.2	34.6	42.3	43.6	155.3	178.8	43.3	0.8	22%	3%
Net earned premium	35.2	37.0	38.0	38.0	39.4	40.8	42.5	148.2	167.5	41.5	2.3	12%	4%
Investment Income	1.7	2.1	2.0	1.9	1.8	1.8	1.9	7.7	7.8	2.1	-6.1	-4%	5%
Total Income	**36.9**	**39.1**	**40.0**	**39.9**	**41.2**	**42.7**	**44.4**	**155.9**	**175.8**	**43.6**	**1.9**	11%	4%
Change YoY (%)	15.7	16.6	15.8	11.5	11.5	9.0	11.1	14.8	12.7	9.0			
Incurred claims	23.8	27.0	27.1	26.3	27.4	29.2	29.1	104.2	116.9	29.3	-0.5	7%	0%
Net commission	4.3	5.5	5.0	7.6	5.1	6.9	6.8	22.4	28.6	7.1	-3.3	36%	-1%
Employee expense	3.7	4.5	4.1	4.6	3.9	4.4	5.2	16.9	17.3	4.4	17.5	27%	18%
Other expenses	2.0	2.0	2.2	2.3	2.3	2.4	2.6	8.5	9.3	2.3	11.8	18%	11%
Total Operating Expenses	33.8	39.0	38.5	40.7	38.7	42.8	43.8	152.0	172.1	43.1	1.6	14%	2%
Change YoY (%)	16.6	18.7	21.1	16.8	14.4	9.9	13.7	18.3	13.2	11.9			
Underwriting profit	1.4	-1.9	-0.5	-2.8	0.7	-2.0	-1.2	-3.8	-4.6	-1.5	-19.3	155%	-39%
Operating profit	3.1	0.2	1.5	-0.9	2.5	-0.2	0.7	3.9	3.6	0.5	33.5	-55%	-460%
Shareholder's P/L													
Transfer from Policyholder's	3.1	0.2	1.5	-0.9	2.5	-0.2	0.7	3.9	3.6	0.5	33.5	-55%	-460%
Investment income	1.3	1.5	1.5	1.0	1.2	1.2	1.2	5.2	5.0	1.3	-8.1	-16%	7%
Total Income	4.4	1.6	3.0	0.1	3.7	1.0	1.9	9.1	8.7	1.9	3.5	-36%	101%
Provisions other than taxation	0.0	0.0	-	0.0	-	-	0.0	0.0	-	-			
Other expenses	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.5	0.7	0.2	23.3	60%	5%
Total Expenses	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.5	0.7	0.2	23.9	61%	5%
PBT	**4.3**	**1.5**	**2.9**	**-0.0**	**3.5**	**0.8**	**1.7**	**8.6**	**8.0**	**1.7**	**1.6**	-40%	123%
Change YoY (%)	10.9	-11.0	-26.0	.	-17.4	-47.8	-39.6	-23.7	-6.9	-40.5			
Tax Provisions	1.1	0.4	0.7	-0.0	0.9	0.2	0.5	2.2	1.9	0.4	5.9	-37%	98%
Net Profit	**3.2**	**1.1**	**2.2**	**0.0**	**2.6**	**0.5**	**1.3**	**6.5**	**6.1**	**1.3**	**0.2**	-40%	134%
Change YoY (%)	10.8	-11.2	-25.7	-99.6	-17.7	-50.7	-40.4	-24%	-5%	-40.5			
Key Parameters (%)													
Share in GWP													
Health-Retail	89.2	90.0	93.0	94.4	93.9	95.7	95.2	92.2	95.0	95.0		2.2	-0.5
Health-Group	9.5	8.0	5.7	4.0	4.8	4.2	3.8	6.6	4.0	3.9		-1.9	-0.4
Overseas Medical	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0		0.0	0.0
PA	1.3	2.0	1.3	1.6	1.0	0.9	1.0	1.1	1.0	1.1		-0.3	0.0
Claims ratio	67.6	72.8	71.4	69.2	69.5	71.5	68.5	70.3	69.8	70.5	-195bp	-290bp	-295bp
Commission ratio	13.5	13.8	14.1	15.8	14.7	16.3	15.6	14.4	16.0	16.3	-66bp	151bp	-68bp
Expense ratio	18.1	16.4	17.7	14.2	17.9	16.0	17.9	16.4	14.9	15.6	228bp	16bp	191bp
Combined ratio	99.2	103.0	103.3	99.2	102.2	103.8	102.1	101.1	100.7	102.4	-33bp	-123bp	-173bp
Solvency	2.3	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.2	-			

Balkrishna Industries

BSE SENSEX	S&P CNX
82, 345	25,343

Conference Call Details

Date: 28th Jan 2025
Time: 11 AM IST
Dial-in details: [Link]
+91 22 6280 1317/ +91 22 7115 8218

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	104.7	117.1	128.8
EBITDA	23.8	28.1	31.4
Adj. PAT	14.4	17.6	19.6
EPS (Rs)	74.6	91.2	101.2
EPS Growth (%)	-22.6	22.1	11.1
BV/Share (Rs)	596.0	669.2	750.4
Ratios			
RoE (%)	13.2	14.4	14.3
RoCE (%)	11.7	11.9	11.9
Payout (%)	21.4	19.7	19.8
Valuations			
P/E (x)	32.3	26.4	23.8
P/BV (x)	4.0	3.6	3.2
Div. yield (%)	0.7	0.7	0.8
FCF yield (%)	-0.4	0.5	0.9

CMP: INR2410 — Neutral

Margins remain under pressure despite volume revival

- BKT's 3Q earnings at INR3.75b were above our estimates of INR2.8b, largely led by higher other income and unrealized forex gains.
- **Volume grew 5.6% YoY** to **80,620 MT (+15% QoQ)**, ahead of our estimate of 74,816 MT.
- However, blended ASPs were down 1.2% YoY to ~INR333k per ton and below our estimate of INR 337 per MT.
- Overall, revenue grew 4.3% YoY to INR 26.8b (ahead of our estimate of INR25.2b), primarily due to better volume growth.
- Gross profit margin was hit by a lower share of exports (India mix now at 36% of total volumes).
- EBITDA dipped 4% YoY to INR6.1b (above our estimate of INR5.8b). Consequently, EBITDA margin contracted 200bp YoY (+140bp QoQ) to 22.9% (slightly below our estimate of 23.1%). Apart from the adverse mix, the margin was hit by the impact of tariffs on sales to the US (Americas now at 14% of the mix).
- As part of its employee costs, the company has recognized INR832m as provisions for costs from the new labor codes.
- The MTM gain of INR360m in 3QFY26 boosted profitability.
- PAT dipped 15% YoY to INR3.8b, above our estimate of INR2.8b, mainly due to MTM gains and higher-than-expected other income.
- The Board declared an INR4/share interim dividend, maintaining the payout despite a dip in PAT.
- Outlook:
  - BKT retains its ambitious growth plans with a revenue target of ~INR230b by FY30, implying a 17% CAGR over five years
  - The company is leveraging brand investments, manufacturing integration, and deep distribution to gain share in global OHT and Indian PCR/CV segments. The vision includes achieving 8% global OHT share in the medium term, with a longer-term aspiration of 10%
  - Entry into new domestic tyre categories (CV radial by 4QFY26, PCR by 3QFY27) would unlock ~20% of incremental revenue by FY30.
- **Valuation view:** The stock currently trades at 26.4x FY27E and at 23.8x FY28E.

Quarterly Earnings Model (S/A) **(INR M)**

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	VAR
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Volumes (Ton)	**83,570**	**73,298**	**76,343**	**82,062**	**80,664**	**70,252**	**80,620**	**78,497**	**3,15,273**	**3,10,033**	**74,816**	**7.8**
YoY Change (%)	24.3	3.8	4.9	0.0	-3.5	-4.2	5.6	-4.3	7.7	-1.7	-2.0	
Realizations (INR '000/ton)	**328.1**	**336.3**	**336.8**	**345.8**	**342.1**	**330.3**	**332.8**	**340.8**	**336.7**	**336.7**	**336.8**	**-1.2**
YoY Change (%)	4.2	5.6	5.8	5.2	4.3	-1.8	-1.2	-1.4	5.1	0.0	0.0	
Net Revenues	**27,415**	**24,648**	**25,716**	**28,376**	**27,594**	**23,207**	**26,827**	**26,750**	**1,06,150**	**1,04,378**	**25,201**	**6.5**
YoY Change (%)	29.6	9.7	11.0	5.2	0.7	-5.8	4.3	-5.7	13.2	-1.7	-2.0	
EBITDA	**7,137**	**6,185**	**6,391**	**7,035**	**6,560**	**4,999**	**6,134**	**6,358**	**26,813**	**24,051**	**5,814**	**5.5**
Margins (%)	26.0	25.1	24.9	24.8	23.8	21.5	22.9	23.8	25.3	23.0	23.1	**-20bp**
Depreciation	1,617	1,647	1,708	1,760	1,862	1,901	1,921	2,088	6,735	7,772	2,000	
Interest	143	404	150	490	290	319	420	266	1,252	1,296	340	
Forex loss/(gain)	-60	530	-1,120	580	1,540	10	-360	360	-68	1,550	0	
Other Income	830	1,048	240	550	1,042	709	768	144	2,668	144	280	
PBT before EI	**6,267**	**4,653**	**5,894**	**4,755**	**3,910**	**3,478**	**4,920**	**3,788**	**21,562**	**16,096**	**3,754**	**31.1**
PBT	**6,267**	**4,653**	**5,894**	**4,755**	**3,910**	**3,478**	**4,837**	**3,788**	**21,562**	**16,096**	**3,754**	**28.9**
Rate (%)	23.8	24.9	25.4	23.8	26.6	23.7	22.4	28.3	24.5	22.0	24.5	
Adj PAT	**4,773**	**3,496**	**4,398**	**3,622**	**2,869**	**2,652**	**3,818**	**2,715**	**16,283**	**12,072**	**2,834**	**34.7**
YoY Change (%)	52.7	4.3	42.6	-25.8	-39.9	-24.1	-13.2	-25.1	12.6	-25.9	-35.6	

E: MOFSL Estimates

Piramal Pharma

BSE SENSEX	S&P CNX
80,891	24,681

Conference Call Details

Date: 29th Jan 2025

Time: 9:30 am IST

Dial-in details:

Zoom Link

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	89.1	103.8	117.2
EBITDA	9.2	12.4	15.0
Adj. PAT	(2.0)	1.4	3.7
EBIT Margin (%)	1.1	3.9	5.2
Cons. Adj. EPS (INR)	(1.5)	1.0	2.8
EPS Gr. (%)	NA	NA	169.6
BV/Sh. (INR)	66.3	67.4	70.5
Ratios			
Net D:E	0.5	0.5	0.4
RoE (%)	(2.5)	1.7	4.5
RoCE (%)	(23.4)	1.7	4.0
Payout (%)	-	17.6	17.6
Valuations			
P/E (x)	NA	147.8	54.8
EV/EBITDA (x)	26.6	19.9	16.3
Div. Yield (%)	-	0.1	0.3
FCF Yield (%)	0.0	0.0	0.0
EV/Sales (x)	2.7	2.4	2.1

CMP: INR154

Misses estimates

- 3QFY26 revenue declined 3% YoY to INR21.4b (our est. INR23b).
- CDMO segment (54.5% of total sales) revenue fell 9% YoY to INR12b.
- Complex hospital generics segment (CHG; 31% of total sales) revenue grew 2% YoY to INR6.7b.
- India consumer healthcare segment (ICH; 14% of total sales) revenue rose 20% YoY to INR3.3b.
- Gross margin contracted 20bp YoY to 63.3%.
- EBITDA margin contracted at a higher rate of 620bp YoY to 9.1%, largely due to lower operating leverage (employee cost/other expense up 280/320bp as a % of sales).
- EBITDA declined 42% YoY to INR2b (our est. INR3b).
- 3Q included an exceptional item of INR411m related to (a) one-time employee expenses of INR269m on account of the labor code change, and (b) one-time settlement of INR146m to close a prior development proposal term sheet with a customer.
- Adj. loss came in at INR950m vs. PAT of INR37m in 3QFY25.
- For 9MFY26, revenue/EBITDA fell 4%/48% YoY to INR61.2b/INR4.6b.

Other highlights

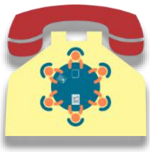
- **CDMO:**
  - Biopharma funding in 2HCY25 showed early signs of recovery, with funding nearly doubling vs. 1HCY25. However, on a full-year basis, CY25 funding remained broadly flat vs. CY24.
  - PIRPHARM witnessed significant improvement in RFPs, along with an uptick in order inflow since Oct'25. Growth in orders from both large pharma and mid-size biotech companies.
  - Healthy RFP/RFI trends for overseas facilities with differentiated capabilities.
  - USD90m capex to expand the Lexington/Riverview facilities remains on track, with strong customer interest in North America sites from clients seeking onshoring solutions.
- **CHG:**
  - Piramal Critical Care, a step-down wholly owned subsidiary of PIRPHARM, has entered into agreements to acquire the Kenalog brand and related trademarks from Bristol-Myers Squibb (BMS). The acquisition involves an upfront payment of USD35m and contingent consideration of up to USD65m based on specified operational and financial milestones, subject to customary closing conditions. Kenalog is an injectable corticosteroid (Triamcinolone Acetonide) used to treat inflammatory conditions and is currently marketed by BMS in 15 countries under various brand names.
  - Supply impacted in intrathecal therapy has been normalized in 3Q.
  - PIRPHARM has initiated Sevoflurane supplies from lower-cost Digwal facility in RoW markets. However, an initial pick-up is lower than expected due to regulatory delays.
- **ICH:**
  - Launched 31 new products/SKUs in 9MFY26.
  - PIRPHARM had 12% of ICH spent on media and promotional activities in 9MFY26.

PPL income statement (INRm)	FY25				FY26E				FY25	FY26E	FY26E	% var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q	
Revenues	**19,511**	**22,418**	**22,042**	**27,541**	**19,337**	**20,437**	**21,399**	**27,921**	**91,511**	**89,094**	**22,961**	**-7%**
growth YoY(%)	11.6	17.3	12.5	7.9	-0.9	-8.8	-2.9	1.4	12.0	-2.6	4.2	
CDMO	10,570	13,240	12,780	17,880	9,970	10,440	11,660	17,344	54,470	49,414	13,036	
CHG	6,310	6,430	6,540	7,050	6,370	6,440	6,680	7,508	26,330	26,998	6,867	
ICH	2,640	2,770	2,780	2,740	3,020	3,190	3,340	3,069	10,930	12,619	3,058	
EBITDA*	**2,044**	**3,416**	**3,377**	**5,610**	**1,067**	**1,587**	**1,957**	**4,579**	**14,447**	**9,190**	**3,008**	**-35%**
margin (%)	10.5	15.2	15.3	20.4	5.5	7.8	9.1	16.4	15.8	10.3	13.1	
growth YoY(%)	54.5	28.6	25.8	5.9	-47.8	-53.5	-42.0	-18.4	20.8	-36.4	-10.9	
Depreciation	1,846	1,922	1,968	2,428	1,973	2,028	2,127	2,100	8,163	8,229	2,089	
EBIT	**198**	**1,494**	**1,409**	**3,182**	**-906**	**-441**	**-170**	**2,479**	**6,284**	**962**	**919**	
Other income	195	611	121	420	584	656	432	590	1,348	2,262	555	
Interest expense	1,070	1,076	1,033	1,037	862	824	892	855	4,216	3,433	860	
Share from Asso. Co	224	173	171	162	186	148	103	210	729	646	195	
PBT	**-452**	**1,201**	**668**	**2,728**	**-998**	**-462**	**-527**	**2,424**	**4,145**	**437**	**809**	
EO Expenses/(gain)	-	-	-	-	(207)	-	411	-	-	204	-	
Taxes	**436**	**975**	**631**	**1,193**	**27**	**530**	**423**	**1,430**	**3,235**	**2,411**	**493**	
Tax Rate (%)	-96.4	81.2	94.5	43.7	-3.4	-114.9	-45.1	59.0	78.0	1,032.9	61.0	
Reported PAT	**-888**	**226**	**37**	**1,535**	**-817**	**-992**	**-1,362**	**994**	**910**	**-2,177**	**315**	**NA**
Adj. PAT	**-888**	**226**	**37**	**1,535**	**-1,031**	**-992**	**-950**	**994**	**910**	**-1,980**	**315**	**NA**
Change (%)	NA	348.2	-89.5	34.0	NA	NA	NA	-35.3	62.5	-317.5	757.2	

NSDL

BSE SENSEX	S&P CNX
80,891	24,681

Conference Call Details



Date: 29th Jan 2025
Time: 11:00 am IST
Dial-in details:

Zoom Link for the call

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Revenue	15.2	16.8	18.7
EBITDA	4.4	5.2	6.2
EBITDA Margin (%)	28.9	31.1	33.2
PAT	4.0	4.8	5.6
PAT Margin (%)	26.3	28.3	30.2
EPS	20.0	23.8	28.2
EPS Grw. (%)	17.3	19.1	18.4
BVPS	119.1	141.9	168.9
RoE (%)	18.2	18.2	18.1
Div. Payout (%)	5.0	4.2	4.3
Valuations			
P/E (x)	49.6	41.6	35.2
P/BV (x)	8.3	7.0	5.9
Div. Yield (%)	0.1	0.1	0.1

CMP: INR1,012 Neutral

Miss on revenue; higher tax provisions lead to PAT miss

- NSDL's operating revenue remained flat YoY but declined 10% QoQ to INR3.6b (8% miss). For 9MFY26, revenue was flat YoY at INR10.7b.
- Depository revenue (47% of mix) rose 14% YoY but declined 17% QoQ, while the banking services segment (48% of mix) declined 12% YoY/3% QoQ.
- EBITDA rose 18% YoY but declined 16% QoQ to INR1.1b (in line), resulting in an EBITDA margin of 29.9% (vs. 25.1% in 3QFY25 and 32% in 2QFY26). For 9MFY26, EBITDA grew 16% YoY to INR3.3b.
- Operating expenses declined 7% each YoY/QoQ to INR2.5b. Employee costs increased 46% YoY to INR501m (including 19.5m one-time labor code impact), while other expenses declined 15% YoY.
- Other income rose 21%/8% YoY/QoQ to INR347m.
- PAT for the quarter rose 5% YoY but declined 19% QoQ to ~INR897m (6% miss due to higher tax provisions). PAT margins came in at 24.9% vs 23.7% in 3QFY25 and 27.6% in 2QFY26. For 9MFY26, PAT grew 11% YoY to INR2.9b.

Valuation and view

- NSDL continues to deliver healthy growth across its depository and banking segments, driven by steady expansion in issuer and demat account onboarding, growing DLT adoption, customer onboarding, and increasing traction with fintech partnerships. Sustained momentum in demat account additions and the successful onboarding of new fintech partners will remain key monitorables for future growth.
- We estimate a CAGR of 10%/18%/18% in revenue/EBIDTA/PAT for NSDL over FY25-28E. **We reiterate our Neutral rating on NSDL with a one-year TP of INR1,200** (based on a P/E multiple of 42x FY28E).

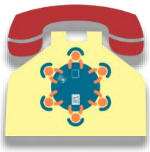
Quarterly Performance (INRm)

Y/E March	FY25				FY26			FY25	FY26E	3Q FY26E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q						
Revenue from Operations	3,373	3,567	3,626	3,636	3,120	4,000	3,596	14,201	15,172	3,910	-8.0	-1%	-10%
Change YoY (%)	13.5	10.4	15.6	8.8	-7.5	12.2	-0.8	12.0	6.8	8			
Employee expenses	318	354	343	369	383	446	501	1,385	1,810	482	3.8	46%	12%
Other Expenses	2,250	2,084	2,373	2,355	1,785	2,275	2,022	9,061	8,970	2,376	-14.9	-15%	-11%
Total Operating Expenses	2,567	2,438	2,716	2,724	2,168	2,721	2,523	10,446	10,780	2,858	-11.7	-7%	-7%
Change YoY (%)	5	0	10	10	-16	12	-7	6.2	3.2	5			
EBITDA	**806**	**1,129**	**909**	**912**	**952**	**1,279**	**1,074**	**3,755**	**4,392**	**1,052**	**2**	**18%**	**-16%**
Other Income	276	286	287	302	348	322	347	1150	1400	350	-0.8	21%	8%
Depreciation	78	81	93	102	96	111	134	354	443	120	11.8	44%	21%
Interest	7	8	13	12	16	15	19	41	58	13			
PBT	**996**	**1,326**	**1,090**	**1,100**	**1,188**	**1,475**	**1,268**	**4,510**	**5,292**	**1,269**	**-0.1**	**16%**	**-14%**
Change YoY (%)	37	33	32	9	19	11	16	25.9	17.3	17			
Tax Provisions	222	369	238	275	287	358	358	1,103	1,294	308	16.2	50%	0%
Net Profit	**779**	**962**	**858**	**833**	**896**	**1,104**	**897**	**3,431**	**3,957**	**951**	**-6**	**5%**	**-19%**
Change YoY (%)	33	31	28	7	15	15	5	23.0	15.3	11			
Key Operating Parameters (%)													
Cost to Operating Income Ratio	76.1	68.4	74.9	74.9	69.5	68.0	70.1	73.6	71.1	73.1		-4.8	2.13
EBITDA Margin	23.9	31.6	25.1	25.1	30.5	32.0	29.9	26.4	28.9	26.9		4.8	-2.13
PBT Margin	29.5	37.2	30.1	30.2	38.1	36.9	35.2	31.8	34.9	32.5		5.2	-1.64
Tax Rate	22.2	27.8	21.9	25.0	24.2	24.3	28.2	24.5	24.5	24.3			
PAT Margin	23.1	27.0	23.7	22.9	28.7	27.6	24.9	24.2	26.1	24.3		1.3	-2.66

Craftsman Automation

BSE SENSEX	S&P CNX
82,345	25,343

Conference Call Details



Date: 29th Jan'26
Time: 4PM IST
Dial-in-details:
https://tinyurl.com/5atmr2v7

+91 22 6280 1568 /
+91 22 7115 8391

Financials & Valuations (INR b)

INR b	FY26E	FY27E	FY28E
Sales	80.6	91.5	103.3
EBITDA	12.3	15.1	17.5
Adj. PAT	3.6	5.6	7.4
EPS (INR)	152.3	235.1	311.0
EPS Gr. (%)	65.3	54.4	32.3
BV/Sh. (INR)	1,336	1,556	1,843
Ratios			
RoE (%)	12.0	16.3	18.3
RoCE (%)	10.3	11.9	13.6
Payout (%)	6.6	6.4	7.7
Valuations			
P/E (x)	51.1	33.1	25.0
P/BV (x)	5.8	5.0	4.2
Div. Yield (%)	0.1	0.2	0.3
FCF Yield (%)	-3.5	4.0	3.8

CMP:INR7780 **Neutral**

Margins in line, PAT beat led by higher other income

- 3QFY26 consolidated revenue grew 30.5% YoY/3% QoQ to INR20.5b (in line). Standalone revenue was also largely in line with our estimate.
- Consolidated margin at 15.2% was largely in line with our estimate.
- Led by strong revenue growth, EBITDA grew 57% YoY/3.5% QoQ to INR3.1b (in line). YoY growth for the consolidated entity is not comparable due to the integration of the Sunbeam acquisition in the numbers from this fiscal.
- **Segmental performance:**
  - **Powertrain:** Revenue at INR5.4b, up 17.3% YoY (6.5% **miss**). EBIT margins at 16.8%, up 680bp YoY (220bp **beat**).
  - **Aluminum:** Revenue at INR12b, up 31% YoY (3.5% **miss**). EBIT margins at 9.2%, up 140bp YoY (250bp **miss**).
  - **Industrial:** Revenue at INR3.2b, up 57% YoY (15% **beat**). EBIT margins at 6.7%, up 660bp YoY (530bp **beat**).
- The company posted an exceptional expense of INR36.8m in 3Q on account of labor code impact.
- After adjusting it, PAT grew 353% YoY on a low base to INR1.1b (est. INR965m), led by higher-than-expected other income at INR277m (est. INR45m).
- During the quarter, DR Axion acquired a 100% stake in Suprarsh Developers and its wholly owned sub, Srikara Technologies, for a total consideration of INR1.45b.
- The board has also approved the proposal for setting up a new plant in Ludhiana, Punjab, in the powertrain segment given that the company has reached 75% capacity utilization in this segment. This expansion would be done over the next 9-12 months at an investment of INR600m and would add 5% to total powertrain capacity. About 90% of this capex is expected to be funded with debt and the balance via internal accruals.
- **Valuation:** The stock trades at 33.1x/25x FY26E/FY27E EPS.

Quarterly (Consol) **(INR M)**

	FY25				FY26E				FY25	FY26E	3QE	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				(%)
Net operating income	**11,512**	**12,140**	**15,761**	**17,493**	**17,840**	**20,016**	**20,573**	**22,177**	**56,905**	**80,605**	**20,968**	**-1.9**
Change (%)	10.9	3.0	39.5	58.3	55.0	64.9	30.5	26.8	27.8	41.6	33.0	
RM/Sales (%)	56.3	55.6	52.7	54.2	53.9	54.7	55.0	53.8	54.5	54.4	54.5	50bp
Staff Cost (% of Sales)	6.4	6.9	8.5	8.3	8.1	7.2	7.3	7.9	7.7	7.6	7.5	-20bp
Other Exp. (% of Sales)	20.1	21.6	26.2	23.6	23.2	23.0	22.6	22.3	23.2	22.8	22.6	0bp
EBITDA	**1,973**	**1,928**	**1,990**	**2,436**	**2,649**	**3,019**	**3,122**	**3,542**	**8,327**	**12,333**	**3,229**	**-3.3**
EBITDA Margins (%)	17.1	15.9	12.6	13.9	14.9	15.1	15.2	16.0	14.6	15.3	15.4	-20bp
Non-Operating Income	48	64	86	52	50	96	277	-184	251	238	45	
Interest	492	413	583	679	663	770	794	871	2166	3098	820	
Depreciation	725	762	1035	949	1019	1090	1149	1258	3470	4516	1138	
Minority Int/Share of Profit	61	-4	-2	-2	-2	-4	-3	-6	-10	-14	-4	
PBT after EO items	**744**	**821**	**313**	**755**	**937**	**1,253**	**1,422**	**1,235**	**2,951**	**4,847**	**1,320**	**7.7**
Eff. Tax Rate (%)	28.5	24.9	58.6	11.6	25.7	27.5	24.7	29.8	23.3	26.9	26.9	
Rep. PAT	**532**	**617**	**129**	**668**	**696**	**909**	**1,071**	**867**	**2,263**	**3,542**	**965**	**11.0**
Change (%)	-28.6	-34.7	-82.3	7.1	30.9	47.3	728.4	29.8	-25.7	56.5	646.3	
Adj. PAT	**532**	**617**	**242**	**750**	**756**	**912**	**1,098**	**867**	**2,263**	**3,633**	**965**	**13.8**
Change (%)	-28.6	-34.7	-66.9	20.3	42.2	47.9	353.0	15.6	-25.7	60.5	298.1	

Five-Star Business Finance

BSE Sensex	S&P CNX
82,345	25,343

Conference Call Details

Date: 29th January 2026
Time: 10 AM IST
Dial-in details:
Link for the call
Number:+91 22 6280 1148/ +91 22 7115 8049

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	23.7	26.9	31.3
PPoP	16.9	18.8	21.6
PAT	11.0	12.4	14.5
EPS (INR)	37.5	42.2	49
EPS Growth (%)	3	13	16
BVPS (INR)	250	290	336
Ratios (%)			
NIM	18.9	18.3	17.6
C/I ratio	32.2	33.6	34.1
Credit Costs	1.7	1.5	1.3
RoAA	7.2	7.0	6.7
RoAE	16.2	15.7	15.7
Dividend Payout	5.3	5.9	5.1
Valuation			
P/E (x)	13.4	11.9	10.2
P/BV (x)	2.0	1.7	1.5
Div. Yield (%)	0.4	0.5	0.5

CMP: INR501 Buy

Sharp deterioration in asset quality; AUM growth at ~16% YoY

Credit costs continue to rise, but early delinquencies have stabilized

- Five-Star Business Finance's (FIVESTAR) 3QFY26 PAT grew 1% YoY to INR2.8b (in line). NII grew ~12% YoY to INR6.1b (in line). Other income rose ~33% YoY to INR264m (vs. MOFSLe of INR370m). The quarterly decline in the other income was primarily due to a dip in the treasury income.
- Opex grew 21% YoY to INR2.1b (in line). The company made provisions of ~INR21m toward employee benefits on account of the new labor codes. PPoP rose ~10% YoY to INR4.3b (in line). Credit costs stood at INR571m (in line). Annualized credit cost stood at 1.5% (PQ: 1.35% and PY: 0.7%).
- 3QFY26 RoA/RoE stood at 7%/15.8%, respectively.

AUM grows ~16% YoY; reported NIM contracts ~35bp QoQ

- Disbursements grew ~4% YoY and declined ~18% QoQ to ~INR9.8b. AUM grew 16% YoY/1% QoQ to ~INR130b.
- Reported yields declined ~20bp QoQ to 23% while CoB declined ~15bp QoQ to 9.1%. Spreads declined ~5bp QoQ to 13.9%, and NIM contracted ~35bp QoQ to ~16%.
- Incremental CoF declined ~35bp QoQ to ~8.2%.

Asset quality continues to deteriorate; early delinquencies in control

- GS3/NS3 rose ~50bp QoQ each to ~3.2% and 1.9%, respectively. **Stage 3 PCR declined ~5pp QoQ to ~40%. Stage 1 and Stage 2 PCR also declined ~5bp QoQ and ~1pp QoQ, respectively.**
- **30+ dpd rose ~65bp QoQ to 12.8% while 1+dpd improved ~10bp QoQ to 18.2%. This suggests that early delinquencies are now getting contained, but forward flows of delinquent customers into higher buckets have continued.**
- Overall collection efficiency and unique customer collection efficiency for the quarter stood at 96.6% and 95.1%, respectively. Cash proportion in collections declined to ~17% (PQ: ~18% and PY: ~24%).
- Capital adequacy stood at ~52% as of Dec'25.

Valuation and view

- FIVESTAR reported a subdued performance during the quarter, marked by muted disbursements and AUM growth. Asset quality weakened, with an increase in both GNPA and NNPA, while credit costs inched up. NIM contracted ~35bp QoQ, primarily driven by the moderation in yields.
- The stock currently trades at 1.7x P/BV and ~12x P/E FY27E. We will closely monitor management commentary on measures to improve asset quality, as well as its guidance on disbursements and AUM growth. We may revise our estimates following the earnings call scheduled on 29th Jan'26.

Quarterly Performance **(INR M)**

Y/E March	FY25				FY26E				FY25	FY26E	3QFY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	6,411	6,793	7,112	7,347	7,647	7,731	7,959	7,768	27,663	31,105	7,809	2
Interest Expenses	1,582	1,631	1,714	1,753	1,873	1,800	1,885	1,822	6,680	7,380	1,847	2
Net Interest Income	**4,829**	**5,161**	**5,399**	**5,594**	**5,774**	**5,931**	**6,073**	**5,946**	**20,983**	**23,724**	**5,962**	**2**
YoY Growth (%)	*31.4*	*29.6*	*28.3*	*21.2*	*19.6*	*14.9*	*12.5*	*6.3*	*27.3*	*13.1*	*10.4*	
Other Income	283	266	198	250	265	334	264	418	997	1,280	370	-29
Total Income	**5,112**	**5,427**	**5,597**	**5,844**	**6,039**	**6,265**	**6,337**	**6,363**	**21,980**	**25,005**	**6,332**	**0**
YoY Growth (%)	*32.0*	*30.3*	*26.8*	*21.4*	*18.1*	*15.4*	*13.2*	*8.9*	*27.3*	*13.8*	*13.1*	
Operating Expenses	1,565	1,627	1,713	1,880	2,012	1,936	2,078	2,034	6,785	8,059	2,029	2
Operating Profit	**3,547**	**3,800**	**3,884**	**3,964**	**4,027**	**4,330**	**4,259**	**4,330**	**15,196**	**16,946**	**4,304**	**-1**
YoY Growth (%)	*35.9*	*36.9*	*29.4*	*19.2*	*13.5*	*13.9*	*9.7*	*9.2*	*29.7*	*11.5*	*10.8*	
Provisions & Loan Losses	185	218	233	254	478	510	571	663	890	2,222	572	0
Profit before Tax	**3,362**	**3,582**	**3,651**	**3,711**	**3,550**	**3,819**	**3,688**	**3,667**	**14,306**	**14,724**	**3,732**	**-1**
Tax Provisions	846	903	913	919	886	958	918	934	3,581	3,696	937	-2
Net Profit	**2,516**	**2,679**	**2,739**	**2,791**	**2,663**	**2,861**	**2,770**	**2,733**	**10,725**	**11,028**	**2,795**	**-1**
YoY Growth (%)	37	34	26	18	6	7	1	-2	*28.3*	*2.8*	*2.1*	
Key Parameters (%)												
Yield on loans	25.7	25.5	25.7	25.5	25.1	24.4	24.7					
Cost of funds	9.7	9.6	9.6	9.2	9.5	8.9	9.1					
Spread	16.0	16.0	16.1	16.3	15.7	15.6	15.6					
NIM	19.33	19.41	19.54	19.41	18.98	18.75	18.82					
Credit cost	0.74	0.69	0.71	0.73	1.31	1.35	1.48					
Cost to Income Ratio (%)	30.6	30.0	30.6	32.2	33.3	30.9	32.8					
Tax Rate (%)	25.2	25.2	25.0	24.8	25.0	25.1	24.9					
Performance ratios (%)												
AUM/Branch (INR m)	189.1	165.6	153	158.8	162.4	160.6						
Balance Sheet Parameters												
AUM (INR B)	103.4	109.3	111.8	118.8	124.6	128.5	129.6					
Change YoY (%)	36.4	32.2	25.2	23.2	20.4	17.6	16.0					
Disbursements (INR B)	**13.2**	**12.5**	**9.4**	**14.6**	**12.9**	**12.0**	**9.8**					
Change YoY (%)	16.5	3.9	-22.2	9.2	-2.1	-4.4	3.8					
Borrowings (INR B)	67.2	68.8	73.6	79.2	78.7	83.8	82.0					
Change YoY (%)	55.8	42.8	27.1	25.4	17.1	21.8	11.4					
Borrowings/Loans (%)	65.0	63.0	65.9	66.7	63.2	65.2	63.2					
Debt/Equity (x)	1.1	1.1	1.1	1.1	1.1	1.1	1.0					
Asset Quality (%)												
GS 3 (INR M)	**1,454**	**1,604**	**1,808**	**2,123**	**3,070**	**3,388**						
G3 %	**1.4**	**1.5**	**1.62**	**1.8**	**2.5**	**2.6**						
NS 3 (INR M)	**697**	**773**	**901**	**1,034**	**1,534**	**1,857**						
NS3 %	**0.7**	**0.7**	**0.8**	**0.9**	**1.3**	**1.5**						
PCR (%)	**52.1**	**51.8**	**50.2**	**51.3**	**50.0**	**45.2**						
ECL (%)	**1.6**	**1.6**	**1.7**	**1.6**	**1.9**	**1.9**						
Return Ratios (%)												
ROA (Rep)	8.2	8.4	8.1	8.0	7.2	7.5						
ROE (Rep)	19.0	19.0	18.49	18.4	16.6	16.9						

E: MOFSL Estimates

Aditya Birla Real Estate

BSE SENSEX	S&P CNX
82,345	25,343

Conference Call Details

Date: 29th Jan 2026
Time: 11:00 IST
Dial-in details:
+91-22 6280 1222 /
+91-22 7115 8123

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	8.9	23.4	62.5
EBITDA	0.2	3.1	10.8
EBITDA Margin (%)	2.4	13.3	17.2
PAT	0.1	2.5	9.7
EPS (INR)	0.7	22.6	86.9
EPS Gr. (%)	-105.2	2919.5	285.2
BV/Sh. (INR)	332.9	353.5	438.4
Ratios			
RoE (%)	0.2	6.6	21.9
RoCE (%)	0.0	2.9	10.6
Payout (%)	-22.5	8.9	2.3
Valuations			
P/E (x)	1753.9	58.1	15.1
P/BV (x)	3.9	3.7	3.0
EV/EBITDA (x)	809.2	58.6	12.1
Div yld (%)	0.2	0.2	0.2

CMP: INR1,310 — Buy

Fewer launches weigh on presales; revenue hit by completion spillovers

Collection efficiency stood at 51%

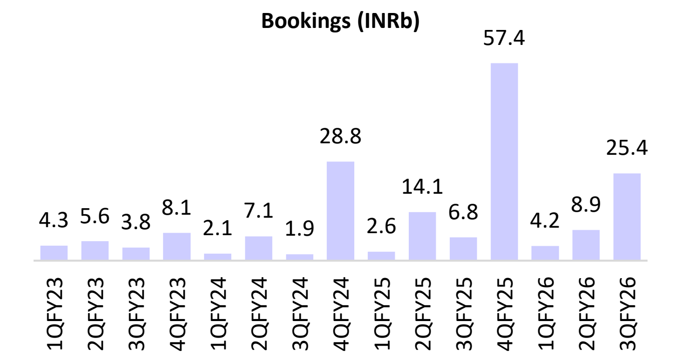
Operational performance

- ABREL reported presales of INR25.4b in 3QFY26, up 276% YoY/185% QoQ (29% below estimates). In 9MFY26, presales were at INR38b, up 64% YoY.
- Only two projects out of four initially guided have been launched in 3Q with GDV of INR26.2b. Overall FY26 launch guidance has been reduced from INR139b to INR88b, with Birla Niyaara Tower C and Birla Navya to be spilled over to FY27.
- Collections were up 157% YoY/152% QoQ to INR12.9b in 3Q (in line with estimates). In 9MFY26, collections were at INR23b, up 44% YoY.
- Net debt declined to INR35.1b from INR42.3b in 2Q.

P&L highlights

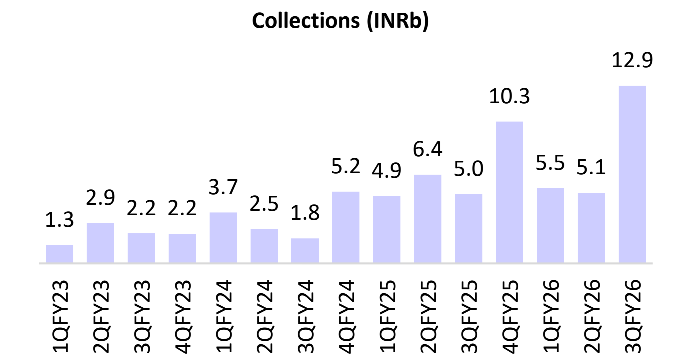
- In 3Q, revenue was down 60% YoY/17% QoQ at INR812m (82% below our estimates). In 9MFY26, revenue was down 61% YoY at INR3.2b.
- The company reported EBITDA loss of INR891m vs. loss of INR180m YoY. In 9MFY26, EBITDA loss was at INR2.0b vs. EBITDA profit of INR546m YoY.
- 3Q adj. PAT loss stood at INR729m vs. loss of INR406m YoY. In 9MFY26, PAT loss stood at INR1.1b vs. loss of INR303m YoY.
-

Presales increased 276% YoY to INR25.4b



Source: Company, MOFSL

Collections increased 157% YoY to INR12.9b



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	
Net Sales	**3,533**	**2,664**	**2,044**	**3,948**	**1,456**	**978**	**812**	**5,608**	**12,189**	**8,853**	**4,391**	**-82%**
YoY Change (%)	-60.7	-115.8	-80.9	-51.5	-58.8	-63.3	-60.3	42.1	-53.4	-78.6	114.8	
Total Expenditure	3,078	2,393	2,224	4,198	1,855	1,679	1,702	3,402	11,893	8,638	3,928	
EBITDA	**455**	**271**	**-180**	**-250**	**-399**	**-701**	**-891**	**2,206**	**296**	**215**	**463**	**NA**
Margins (%)	12.9	10.2	-8.8	-6.3	-27.4	-71.6	-109.7	39.3	2.4	2.4	10.5	
Depreciation	161	157	161	158	155	157	178	175	638	665	199	
Interest	110	155	78	115	71	177	190	141	458	579	174	
Other Income	120	93	42	130	119	154	92	123	385	487	251	
PBT before EO expense	**304**	**51**	**-376**	**-393**	**-506**	**-882**	**-1,167**	**2,013**	**-415**	**-542**	**340**	**NA**
Extra-Ord expense	0	0	0	1,240	0	0	223	0	1,240	223	0	
PBT	**304**	**51**	**-376**	**-1,633**	**-506**	**-882**	**-1,390**	**2,013**	**-1,655**	**-765**	**340**	**NA**
Tax	125	66	-74	-419	-58	-187	-332	437	-303	-140	62	
Rate (%)	41.1	129.3	19.7	25.7	11.5	21.2	23.9	21.7	18.3	18.3	18.3	
Minority Interest & Profit/Loss of Asso. Cos.	175	2	-18	14	9	16	-9	351	174	367	3	
Reported PAT	**4**	**-17**	**-284**	**-1,228**	**-457**	**-710**	**-1,049**	**1,224**	**-1,526**	**-992**	**275**	**NA**
Adj PAT	**78**	**25**	**-406**	**-1,310**	**-255**	**-157**	**-729**	**1,224**	**-1,613**	**83**	**275**	**NA**
YoY Change (%)	-103.5	-98.6	-148.7	-3,520.6	-427.4	-719.7	79.5	-193.4	429.8	-95.0	-167.7	
Margins (%)	2.2	1.0	-19.9	-33.2	-17.5	-16.1	-89.7	21.8	-13.2	0.9	6.3	
Operational metrics												
Pre Sales (msf)	0.1	1.3	0.4	3.3	0.3	0.5	1.7	3.8	5.1	6.3	2.0	-14%
Booking Value (INRb)	2.6	14.1	6.8	57.4	4.2	8.9	25.4	49.4	80.9	87.8	35	-29%
Avg rate/sf (INR)	37,429	10,779	18,243	17,283	14,083	17,790	14,918	13,095	15,951	14,011	17968	-17%
Collections (INRb)	4.9	6.4	5.0	10.3	5.5	5.1	12.9	18.3	26.6	41.8	12	3%

Source: MOFSL, Company

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

LT Foods

BSE SENSEX	S&P CNX
82,345	25,343

CMP: INR358 — Buy

Conference Call Details

Date: 30th Jan 2026
Time: 16:00 hrs IST
Concall link:
Click here

Operating performance in line

- LT Foods reported revenue of INR28.1b (+23% YoY, +2% QoQ; in line).
- Consolidated EBITDA was INR 3.1b (+26% YoY, +2% QoQ; in line).
- Consolidated EBITDA margin stood at 11.2% (+20bp YoY, flat QoQ; our est. 11%), led by a gross margin expansion of 70bp YoY, partially offset by a 30bp/20bp increase in employee expense/other expenses.
- Adjusted PAT stood at INR1.5b (+10% YoY, -4% QoQ; our est. INR1.7b).

Segmental performance in 3QFY26

- The Basmati & Other Specialty Rice segment's revenue grew 35% YoY to INR26.1b (including the Golden Star acquisition), and EBITDA stood at INR3.1b (up 37%). Gross/EBITDA margin stood at 37%/12%, rising 430bp/20bp YoY, while volumes grew 15% YoY.
- The Organic Foods segment's revenue declined 7% YoY to INR2.2b, and EBITDA stood at INR77m. Gross/EBITDA margins contracted 1,220bp/840bp YoY to 31%/3.4% due to the higher initial cost of commissioning a new plant in Europe.
- The Convenience & Health segment's revenue remained flat YoY at INR430m. Gross margin contracted 70bp to 40%, and operating loss stood at INR29m.
- Region-wise, India/North America/EU grew 10%/50%/35%, while the Middle East declined 11% for 9MFY26.

Consolidated - Quarterly Earnings Model (INRm)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
Gross Sales	**20,705**	**21,078**	**22,748**	**22,284**	**24,639**	**27,657**	**28,092**	**28,051**	**86,815**	**1,08,440**	**27,564**	**2%**
YoY Change (%)	16.4	6.6	17.2	7.4	19.0	31.2	23.5	25.9	11.7	24.9	21.2	
Total Expenditure	18,296	18,785	20,250	19,701	21,985	24,563	24,949	24,690	77,032	96,187	24,523	
EBITDA	**2,409**	**2,293**	**2,498**	**2,583**	**2,654**	**3,094**	**3,143**	**3,361**	**9,783**	**12,253**	**3,041**	**3%**
Margins (%)	11.6	10.9	11.0	11.6	10.8	11.2	11.2	12.0	11.3	11.3	11.0	
Depreciation	420	448	458	531	523	599	629	630	1,857	2,381	610	
Interest	187	196	236	257	280	280	349	200	877	1,110	280	
Other Income	175	263	134	313	371	67	28	130	885	596	110	
PBT before EO expense	**1,977**	**1,911**	**1,938**	**2,107**	**2,221**	**2,283**	**2,193**	**2,661**	**7,934**	**9,358**	**2,261**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**1,977**	**1,911**	**1,938**	**2,107**	**2,221**	**2,283**	**2,193**	**2,661**	**7,934**	**9,358**	**2,261**	
Tax	530	494	525	554	598	653	630	692	2,102	2,573	588	
Rate (%)	26.8	25.8	27.1	26.3	26.9	28.6	28.7	26.0	26.5	27.5	26.0	
Minority Interest & Profit/Loss of Asso. Cos.	-84	-66	-19	-52	-62	-8	-11	0	-222	-81	0	
Reported PAT	**1,532**	**1,484**	**1,433**	**1,605**	**1,685**	**1,639**	**1,574**	**1,969**	**6,053**	**6,866**	**1,673**	
Adj PAT	**1,532**	**1,484**	**1,433**	**1,605**	**1,685**	**1,639**	**1,574**	**1,969**	**6,053**	**6,866**	**1,673**	**-6%**
YoY Change (%)	11.4	-7.2	-5.2	7.9	10.0	10.4	9.8	22.7	1.3	13.4	16.8	
Margins (%)	7.4	7.0	6.3	7.2	6.8	5.9	5.6	7.0	7.0	6.3	6.1	

Arvind Fashions

BSE SENSEX	S&P CNX
82,345	25,343

Conference Call Details

Date: 29th Jan 2026
Time: 12:30pm IST

Valuation snapshot

Y/E March	FY26E	FY27E	FY28E
Sales	51.6	59.1	65.8
EBITDA	6.9	8.7	9.8
Adj. PAT	1.6	2.2	2.8
EBITDA Margin (%)	13.3	14.7	14.9
Adj. EPS (INR)	12.2	16.4	21.0
EPS Gr. (%)	98.3	108.8	125.0
BV/Sh. (INR)	1.6	2.2	2.8
Ratios	13.3	14.7	14.9
Net D:E	0.1	0.0	-0.1
RoE (%)	13.2	15.9	18.0
RoCE (%)	22.7	30.3	32.1
Payout (%)			
Valuations	36.8	27.4	21.3
P/E (x)	8.9	6.9	5.9
EV/EBITDA (x)	1.2	1.0	0.9
EV/Sales (X)	0.8	1.1	1.4

CMP: INR449 — Buy

Strong momentum continues

- **Arvind Fashions (AFL) reported revenue growth of 15% YoY (3% beat) to INR13.8b in 3QFY26, reflecting consistent traction across channels.**
  - Retail channel led the performance, with SSSG of 8.2% and revenue growth of 12% YoY, driven by continued investments in brand building and store productivity.
  - The company added 24 net new stores (43 gross additions), taking the total EBO count to 1,022 and 1.3m sq.ft (up 14% YoY).
  - **Online B2C sales** accelerated further by ~50% YoY to INR2.3b, now accounting for ~17% of total revenue, underscoring the success of AFL's digital-first strategy.
  - Online B2B, however, declined by 10% YoY.
  - **Wholesale and B2B channels** delivered a strong growth of 19% YoY.
- **Margin expansion driven by channel and pricing mix:**
  - A richer mix from own channels (retail and online) and disciplined discounting led to a **50bp YoY expansion in** gross margin to 55.4% (~10bp below est).
  - **EBITDA grew 18% YoY** to INR1.9b (in line with est.), with margins of 14.2% (up 40bp).
  - Depreciation/finance costs grew by 15%/8% YoY.
  - Other Income was down 32% at INR59m.
- **Sharp profit recovery:**
  - AFL has booked a one-time exceptional item of INR290, owing to the implementation of labor codes.
  - Adj for this, PAT stood at INR654m, up 37% YoY. Reported PAT stood at INR364m, down 22% YoY.
  - **PAT** attributable to owners **stood at INR258m,** down 3% YoY.
  - **PVH Arvind JV** contributed **INR105m in minority interest**, down 47% YoY.
- **WC and inventory:**
  - WC built up to 99 days (vs. 89 days YoY) due to early inwards of merchandise. NWC was, however, largely flat at 63 days (vs. 59 days).

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

- Revenue at INR39b grew by 14% YoY, led by strong performance in Retail (up 14% YoY) and Online B2C (up 50% YoY).
- GM expanded by 110bp to 54.5% on better discounting and richer product mix.
- EBITDA margin expanded by 30bp to 13.2%, as high A&P spends were partly offset by GM expansion. EBITDA at INR5.1b grew 16% YoY.
- PBT grew 32% YoY to INR2.1b.
- Adj PAT stood at INR1.5b, up 38% YoY.
- Profit grew 32% to INR764m, while minority interest declined 13% YoY to INR417m.

Consolidated Quarterly	3QFY25	2QFY26	3QFY26	YoY%	QoQ%	3QFY26E	v/s est (%)	9MFY25	9MFY26	YoY%
Revenue	**12,028**	**14,175**	**13,766**	**14.5**	**-2.9**	**13,388**	**2.8**	**34,308**	**39,014**	**13.7**
Raw Material cost	5,418	6,734	6,134	13.2	-8.9	5,951	3.1	16,011	17,757	10.9
Gross Profit	**6,609**	**7,441**	**7,632**	**15.5**	**2.6**	**7,437**	**2.6**	**18,297**	**21,257**	**16.2**
Gross Margin (%)	**55.0**	**52.5**	**55.4**	**49bps**	**295bps**	**55.6**	**-11bps**	**53.3**	**54.5**	**116bps**
Employee Costs	665	856	819	23.3	-4.3	820	-0.1	1,992	2,397	20.3
Other Expenses	4,290	4,712	4,865	13.4	3.2	4,727	2.9	11,871	13,705	15.5
Total Expenses	**4,954**	**5,568**	**5,684**	**14.7**	**2.1**	**5,547**	2.5	**13,863**	**16,102**	**16.2**
EBITDA	**1,655**	**1,873**	**1,948**	**17.7**	**4.0**	**1,890**	**3.1**	**4,433**	**5,155**	**16.3**
Margin (%)	**13.8**	**13.2**	**14.2**	**39bps**	**94bps**	**14.1**	**4bps**	**12.9**	**13.2**	**29bps**
Depreciation	654	713	748	14.5	5.0	669	11.8	1,909	2,146	12.4
EBIT	1,002	1,160	1,200	19.8	3.4	1,221	-1.7	2,524	3,009	19.2
EBIT margin (%)	8.3	8.2	8.7	39bps	53bps	9.1	-40bps	7.4	7.7	35bps
Finance Costs	403	416	434	7.7	4.2	428	1.3	1,170	1,255	7.3
Other income	87	130	59	-32.1	-54.7	132	-55.3	233	335	43.5
Exceptional item	-11		-290					-11	-290	
Profit before Tax	**686**	**874**	**825**	**20.4**	**-5.6**	**925**	-10.7	**1,588**	**2,088**	**31.5**
Tax	209	308	172	**-18.0**	**-44.3**	233	-26.4	522	617	**18.2**
Tax rate (%)	30.5	35.2	20.8	-973bps	-1447bps	25.2	-442bps	32.9	29.5	-333bps
Adj PAT	**477**	**566**	**654**	**37.2**	**15.5**	**692**	**-5.5**	**1,066**	**1,471**	**38.1**
Adj PAT margin (%)	4.0	4.0	4.8	79bps	76bps	5.2	-42bps	3.1	3.8	66bps
Attributable PAT	**267**	**377**	**258**	**-3.1**	**-31.5**	**475**	**-45.6**	**575**	**764**	**32.7**
Adj PAT margin (%)	2.2	2.7	1.9	-34bps	-78bps	3.5	-167bps	1.7	2.0	28bps

Key Operating Metrics

Channel Mix	3QFY25	2QFY26	3QFY26	*YoY%*	*QoQ%*	9MFY25	9MFY26	*YoY%*
Retail	5,653	5,387	6,332	*12.0*	*17.6*	14,565	16,591	*13.9*
Wholesale	3,127	4,253	3,717	*18.9*	*-12.6*	9,620	10,516	*9.3*
Online B2B	1,684	2,835	1,514	*-10.1*	*-46.6*	6,299	6,342	*0.7*
Online B2C	1,564	1,701	2,340	*49.7*	*37.6*	3,823	5,702	*49.1*

MAS Financial Services

BSE Sensex	S&P CNX
82,345	25,343

Conference Call Details

Date: **29th** January 2026
Time: **3**:30 PM IST
Dial-in details:
Link for the call
Number:+91 22 6280 1149/ +91 22 7115 8050

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Total income	10.1	12.6	15.2
PPP	6.5	8.2	9.9
PAT	3.7	4.6	5.6
EPS (INR)	20.3	25.2	30.7
EPS Gr. (%)	20.6	24.1	21.9
BVPS (INR)	158	181	210
Ratios (%)			
NIM	6.6	6.6	6.8
C/I ratio	35.7	35.2	34.8
RoA	2.8	2.9	3.0
RoE	13.6	14.8	15.7
Payout	9.2	9.0	8.5
Valuations			
P/E (x)	16	12.6	10.3
P/BV (x)	2.0	1.7	1.5
Div. yield (%)	0.6	0.7	0.8

CMP: INR317 **Buy**

Earnings in line; growth momentum picking up

AUM grew ~18% YoY; NIM rose ~10bp QoQ and asset quality broadly stable

- MASFIN's 3QFY26 PAT grew ~16% YoY to INR903m (in line). Net total Income was up 28% YoY at INR2.6b (in line). Opex grew ~49% YoY to INR1b (7% higher than est.). This included provisions of ~INR42m for employee benefits on account of the new Labor codes.
- PPoP grew 17% YoY to INR1.62b (in line). Credit costs stood at INR393m (in line), translating into annualized credit cost of 1.2% (PQ: 1.2%).
- RoAUM was largely stable QoQ at ~2.9%.

Standalone AUM rises ~18% YoY; MSME segment up ~19% YoY

- Standalone AUM rose ~18% YoY/6% QoQ to ~INR138b. AUM of Micro-enterprise/ SME/2W/CV loans grew 19%/15%/26%/9% YoY. Salaried PL grew ~29% YoY to ~INR11.9b.
- Around ~34% of the underlying assets in standalone AUM came through partner NBFCs. MSME segment contributed ~73% in the incremental YoY AUM growth, and other segments also contributed meaningfully.
- Yields (calc.) declined ~20bp QoQ to 14.35%, while CoF (calc.) remained largely stable QoQ at ~9.2%. This resulted in ~20bp QoQ contraction in spreads to ~5.2%.

Other highlights

- NIM (calc.) expanded ~10bp QoQ to ~7.8%.
- GNPA (basis AUM) rose ~5bp QoQ to 2.6%, while NNPA was stable at 1.7%.
- CRAR declined ~170bp to ~22.8%, with Tier 1 of ~21.5%.
- Avg. ticket size of micro-enterprise loans declined to ~INR82k (PQ: ~INR88k), while SME loans increased to ~INR3.1m (PQ: ~INR2.6m).

MAS Rural Housing and Mortgage Finance (HFC Subsidiary)

- MAS Housing reported AUM of ~INR8.6b, up ~22% YoY.
- Its GNPA/NNPA ratios remained stable QoQ at 0.97%/0.67%.

Valuation and view

- MASFIN reported in-line earnings for 3QFY26, supported by healthy AUM growth of ~18% YoY. Asset quality remained largely stable, with credit costs steady on a sequential basis. The company benefits from niche expertise in the SME segment, and its asset quality remains among the best in the (M)SME lending space.
- The stock trades at 1.7x FY27E P/BV. We will monitor management's strategy to accelerate growth above ~20% while increasing the share of direct lending to ~75%. We will look to revise our estimates following the earnings call on 29th Jan'26.

Quarterly Performance (INR M)

Y/E March	FY25				FY26E				FY25	FY26E	3Q	Act. v/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			FY26E	Est. (%)
Revenue from Operations	**3,465**	**3,670**	**3,901**	**4,169**	**4,438**	**4,586**	**4,816**	**5,199**	**15,205**	**19,039**	**4,816**	**0**
Interest Income	2,952	3,078	3,332	3,535	3,687	3,760	3,892	4,188	12,896	15,527	3,930	-1
Gain on assignments	304	375	356	396	430	534	597	628	1,431	2,189	587	2
Other operating Income	210	217	213	239	320	292	327	383	877	1,323	299	9
Interest expenses	1,714	1,754	1,845	1,910	2,062	2,116	2,191	2,521	7,224	8,889	2,243	-2
Total income	**1,751**	**1,916**	**2,056**	**2,259**	**2,376**	**2,471**	**2,625**	**2,678**	**7,981**	**10,150**	**2,573**	2
Growth Y-o-Y (%)	*27*	*26*	*31*	*34*	*36*	*29*	*28*	*19*	*31*	*27*	*25*	
Operating Expenses	567	632	673	744	827	897	1,002	902	2,615	3,628	933	7
Operating Profits	**1,183**	**1,284**	**1,383**	**1,516**	**1,549**	**1,574**	**1,623**	**1,777**	**5,366**	**6,522**	**1,641**	**-1**
Growth Y-o-Y (%)	*25*	*24*	*25*	*35*	*31*	*23*	*17*	*17*	*27*	*22*	*19*	
Provisions	239	263	332	427	424	371	393	402	1,261	1,591	383	3
Profit before tax	**944**	**1,021**	**1,051**	**1,089**	**1,124**	**1,202**	**1,230**	**1,374**	**4,104**	**4,931**	**1,258**	**-2**
Growth Y-o-Y (%)	*25*	*28*	*24*	*20*	*19*	*18*	*17*	*26*	*24*	*20*	*20*	
Tax Provisions	240	255	270	281	285	305	327	325	1,045	1,243	315	4
Net Profit	**704**	**766**	**781**	**808**	**839**	**897**	**903**	**1,049**	**3,059**	**3,689**	**944**	**-4**
Growth Y-o-Y (%)	*23*	*28*	*25*	*19*	*19*	*17*	*16*	*30*	*23*	*21*	*21*	
Key Operating Parameters (%)												
Yield on loans (Cal)	14.76	14.66	14.77	14.82	14.85	14.56	14.35					
Cost of funds (Cal)	9.61	9.37	9.31	9.12	9.32	9.18	9.20					
Spreads (Cal)	5.1	5.3	5.5	5.7	5.5	5.4	5.2					
NIM on AUM (Cal)	6.83	7.16	7.25	7.60	7.73	7.75	7.84					
Credit Cost (%)	0.9	1.0	1.2	1.4	1.4	1.2	1.2					
Cost to Income Ratio	32.4	33.0	32.7	32.9	34.8	36.3	38.2					
Tax Rate	25.4	25.0	25.0	25.8	25.4	25.4	26.6					
Balance Sheet Parameters												
Standalone AUM (INR B)	**103.8**	**110.2**	**116.8**	**121.0**	**125.0**	**130.0**	**137.8**					
Change YoY (%)	23.4	21.8	20.7	19.5	20.4	18.0	18.0					
Disbursements (INR B)	**27.3**	**30.2**	**31.6**	**30.9**	**31.9**	**32.0**	**36.0**					
Change YoY (%)	19.5	21.0	18.6	10.7	17.1	5.8	13.9					
Borrowings (INR B)	**71.9**	**77.9**	**80.6**	**87.0**	**89.9**	**94.5**	**96.1**					
Change YoY (%)	20.1	16.1	18.6	22.9	25.1	21.3	19.3					
Debt/Equity (x)												
Asset liability Mix												
AUM Mix (%)												
Micro Enterprises	43.6	43.1	40.3	39.6	40.1	40.1	40.6					
SME loans	36.4	36.1	36.6	37.2	36.2	35.6	35.7					
2W loans	6.4	6.5	6.9	6.5	7.0	7.1	7.4					
CV loans	7.9	8.2	8.3	8.1	7.7	8.1	7.7					
Borrowings Mix (%)												
Direct Assignment	24.4	22.9	22.1	21.3	21.2	22.0	22.0					
Cash Credit	11.3	14.6	13.2	11.6	10.1	9.9	9.7					
Term Loan	52.9	50.6	50.4	51.1	51.6	50.5	49.3					
NCD	8.1	8.9	11.3	13.3	14.4	15.1	16.1					
Sub Debt	3.3	3.1	3.0	2.8	2.7	2.6	2.5					
Asset Quality Parameters (%)												
GS 3 (INR m)	2,043	2,235	2,423	2,480	2,620	2,663	2,891					
GS 3 (%)	2.29	2.36	2.41	2.44	2.49	2.53	2.56					
NS 3 (INR m)	1,243	1,361	1,505	1,483	1,541	1,563	1,736					
NS 3 (%)	1.52	1.57	1.62	1.62	1.63	1.69	1.72					
PCR (%)	39.1	39.1	37.9	40.2	41.2	41.3	39.9					
Return Ratios (%)	*0.2*				*1.0*							
ROA	3.0	3.0	2.9	2.9	2.8	2.9	2.9					
Tier I ratio	25.4	23.8	23.1	22.6	23.2	22.7	21.5					

E: MOFSL estimates

Asian Paints : Will maintain value -volume gap at 500 bps; Amit Syngle, MD & CEO

- Demand in October was subdued due to extended monsoon and shorter festive window
- value volume gap narrowed due to good performance of Industrial business
- Expect volume growth between 8-10%
- Expect to maintain margin between 18-20%

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Tata Consumer Products : International margin expected to improve following recent price hikes; Sunil D'souza, MD & CEO

- Topline growth was led by volumes in Q3FY26
- Have taken price increase in international markets which will offset high coffee prices
- On track to achieve the margin guidance of around 15% at the end of FY26
- Saw some pressure in capital foods and organic india largely because of some tariff uncertainty

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Marico : Will aspire for double digit revenue growth & high single digit volume growth; Saugata Gupta, MD & CEO

- Target improvement in margin, given reduction in copra prices from the peak
- Value added hairoils will continue double digit growth
- Aspire mid teens earnings growth next year
- Expect 100-150 bps improvement in margin structurally

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CG Power : Data center will be a key vertical for the company in coming years; Amar Kaul, MD & CEO

- Exports orders are up 50% YoY for 9MFY26 for Power systems
- Semiconductor investments will continue in the near term
- Data center will be a key vertical for the company In the coming years
- Order inflows remained flat while margins contracted amid commodity pressures

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Dodla Dairy : Revenue guidance still in the 14-15% range, EBITDA in the 8-9% band; Dodla Sunil Reddy, MD

- OSAM Biz acquired this year, is currently generating relatively lower margin
- Procurement price rise was unusual this year, there was no dairy surplus this season
- Margins will remain in the range of 8-10%
- OSAMs full quarter revenue is Rs 80 crore, with full year revenue target of Rs 300 crore.

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SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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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.

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