motilal oswal
Financial Services

1 February 2026

MORNING INDIA

Market snapshot

Equities - India	Close	Chg .%	CY25.%
Sensex	82,270	-0.4	9.1
Nifty-50	25,321	-0.4	10.5
Nifty-M 100	58,432	-0.2	5.7
Equities-Global	**Close**	**Chg .%**	**CY25.%**
S&P 500	6,939	-0.4	16.4
Nasdaq	23,462	-0.9	20.4
FTSE 100	10,224	0.5	21.5
DAX	24,539	0.9	23.0
Hang Seng	9,317	-2.5	22.3
Nikkei 225	53,323	-0.1	26.2
Commodities	**Close**	**Chg .%**	**CY25.%**
Brent (US$/Bbl)	73	0.5	-15.7
Gold ($/OZ)	4,894	-8.9	64.6
Cu (US$/MT)	13,068	-3.4	43.9
Almn (US$/MT)	3,117	-2.4	17.5
Currency	**Close**	**Chg .%**	**CY25.%**
USD/INR	92.0	0.0	5.0
USD/EUR	1.2	-1.0	13.4
USD/JPY	154.8	1.1	-0.3
YIELD (%)	**Close**	**1MChg**	**CY25 chg**
10 Yrs G-Sec	6.7	0.00	-0.2
10 Yrs AAA Corp	7.4	-0.01	0.1
Flows (USD b)	**30-Jan**	**MTD**	**CYTD**
FIIs	0.24	-2.39	-18.8
DIIs	-0.07	8.78	90.1
Volumes (INRb)	**30-Jan**	**MTD***	**CYTD***
Cash	1,842	1286	1286
F&O	1,37,502	3,05,756	3,05,756

Note: Flows, MTD includes provisional numbers. *Average

Today's top research idea

Nestlé India: Strong show; GST benefits visible for packaged food

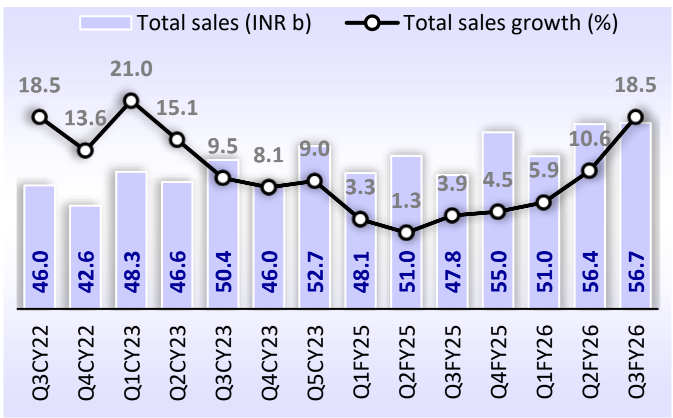
- Nestle India (Nestle) reported an 18.5% YoY (11% two-year CAGR) revenue growth in 3QFY26, ahead of our expectations. We highlighted in our sector note (link) and 3QFY26 preview that packaged food companies are expected to benefit the most from the GST transition with minimum trade disruption. Nestle's 3Q performance is a testament to the same, with robust growth across categories and channels. Domestic revenue growth stood at 18.3%, better than our estimates of 12%, driven primarily by underlying volume growth.
- We model revenue/EBITDA/APAT CAGR of 12%/15%/17% over FY26-28E. The stock is trading at 65x/58x FY27/FY28 EPS. **We expect a similar growth trajectory to be sustained in the coming quarters, led by a soft base and macro tailwinds. However, given its expensive valuation, we reiterate our Neutral rating with a revised TP of INR1,400 (based on 60x P/E Dec'27E).**

Research covered

Cos/Sector	Key Highlights
Nestlé India	Strong show; GST benefits visible for packaged food
Other Updates	Sun Pharma.Inds. | NTPC | Bajaj Auto | Bank of Baroda | Ambuja Cements | Jindal Steel |Natl. Aluminium | One 97 | IDFC First Bank | Prestige Estates | Bharat Dynamics | P & G Hygiene | Container Corpn. | Blue Star | Ajanta Pharma | Delhivery | KPIT Technology | Motherson Wiring | Aegis Logistics | KEC International | Vinati Organics | Kajaria Ceramics | Syrma SGS Tech. | ACME Solar Hold. | Indian Energy Ex | Indegene | Relaxo Footwear | Clean Science | L T Foods | MTAR Technologies | Birla Corpn. | Equitas Sma. Fin | SIS | United Foodbrands | Airtel Africa | Automobiles | Banking | Power Grid Corpn | Cholaman.Inv.&Fn | GAIL (India) | SAIL | Glenmark Pharma | LIC Housing Fin. | CDSL | Exide Inds. | Brigade Enterpr. | R R Kabel | Blue Dart Express | Zen Technologies | Ellen.Indl.Gas

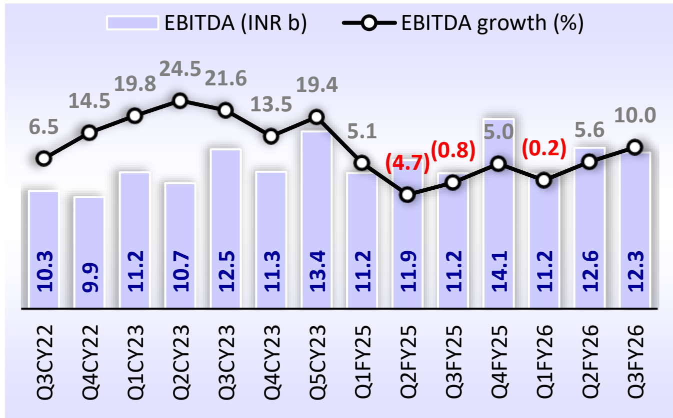
Chart of the Day: Nestlé India (Strong show; GST benefits visible for packaged food)

Total sales up 18.5% YoY to INR56.7b



Sources: Company reports, MOFSL

EBITDA grew 10% YoY to INR12.3b



Source: Company reports, MOFSL

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In the news today

Kindly click on textbox for the detailed news link

1

Centre to bring new seed, pesticide laws to protect farmers from substandard products: Chouhan

Union Agriculture Minister Shivraj Singh Chouhan on Saturday said the Centre will soon introduce new laws related to seeds and pesticides to protect farmers' interest and curb the supply of spurious agricultural inputs.

2

US SEC fraud case against Adani to proceed after procedural issue resolved

The US Securities and Exchange Commission has arranged to serve Gautam Adani with a civil fraud lawsuit, allowing the regulator's case against India's second-richest person to proceed.

3

Central Bank of India ties up with HSBC AMC to distribute mutual fund products

Central Bank of India has entered into a distributorship agreement with HSBC Asset Management (India) Pvt Ltd to offer the latter's mutual fund products to its customers, expanding its range of investment solutions.

4

February 2026 auto launches: SUVs and EVs to dominate India market; BMW, Audi, Tata line-up

February 2026 is shaping up to be a busy month for the automotive market. Several manufacturers are lining up launches across petrol, hybrid and electric segments, with SUVs and EVs taking the lead.

5

Steel Ministry gives in-principle nod to MOIL-MP mining JV, final clearance awaited

State-owned MOIL said it has received a letter from the Ministry of Steel conveying in-principle approval for the joint venture agreement and formation of a joint venture company with Madhya Pradesh State Mining Corporation Limited (MPSMCL)

6

India, World Bank team up on $8-10 billion-a-year plan to boost jobs and growth

India and the World Bank Group (WBG) have launched a five-year Country Partnership Framework aimed at accelerating growth and creating jobs.

7

India Power Corporation Limited to develop 70 MW solar project in Bhutan

India Power Corporation Limited (IPCL) said it has entered into a strategic partnership with Bhutan's Green Energy Power Private Limited to develop a 70 MW solar power project in the neighbouring country's Paro district.

Nestlé India

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	NEST IN
Equity Shares (m)	1928
M.Cap.(INRb)/(USDb)	2569.3 / 27.9
52-Week Range (INR)	1340 / 1055
1, 6, 12 Rel. Per (%)	7/18/11
12M Avg Val (INR M)	1832

Financials & Valuations (INR b)

Y/E Dec	FY26E	FY27E	FY28E
Sales	229.3	259.9	286.0
Sales Gr. (%)	13.5	13.3	10.1
EBITDA	52.6	62.2	70.0
Margin (%)	22.9	24.0	24.5
Adj. PAT	32.8	39.4	44.7
Adj. EPS (INR)	17.0	20.4	23.2
EPS Gr. (%)	6.7	20.3	13.4
BV/Sh.(INR)	23.5	25.6	27.9
Ratios			
RoE (%)	76.7	83.3	86.8
RoCE (%)	68.2	74.6	77.7
Payout (%)	90.0	90.0	90.0
Valuations			
P/E (x)	78.4	65.2	57.5
P/BV (x)	56.6	52.1	47.8
EV/EBITDA (x)	48.7	41.1	36.5
Div. Yield (%)	1.1	1.4	1.6

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	62.8	62.8	62.8
DII	12.1	11.8	10.8
FII	9.8	9.8	10.3
Others	15.3	15.7	16.2

FII includes depository receipts

CMP: INR1,332 TP: INR1,400 (+5%) Neutral

Strong show; GST benefits visible for packaged food

- Nestle India (Nestle) reported an 18.5% YoY (11% two-year CAGR) revenue growth in 3QFY26, ahead of our expectations. We highlighted in our sector note (link) and 3QFY26 preview that packaged food companies are expected to benefit the most from the GST transition with minimum trade disruption. Nestle's 3Q performance is a testament to the same, with robust growth across categories and channels. Domestic revenue growth stood at 18.3%, better than our estimates of 12%, driven primarily by underlying volume growth. While most categories delivered strong volume-led double-digit growth, the growth in Confectionery and the recovery in Milk Products and Nutrition were encouraging. Export revenue grew 23% YoY for 3Q.
- Given the inflation in key commodities, GM contracted 70bp YoY to 55.7% (est. 55.2%). Management indicated that milk and edible oil prices are expected to remain elevated, while coffee prices are expected to remain range-bound. EBITDA margin contracted 170bp YoY to 21.7% (below) on account of higher operating expenses. We model an EBITDA margin of 24% for FY27E and 24.5% for FY28E.
- Following a weaker FY25, Nestle is delivering strong performance (from 2QFY26 onwards) backed by its investments behind brands, strengthening distribution, and increasing capacity. This has been supported by a broader market recovery following GST 2.0, as ~85% of NEST's portfolio has benefited from it. On the margin front, the company experienced gross margin pressure for four quarters on account of RM inflation. That said, Nestle remains committed to prioritizing growth over margins. We remain constructive on the overall macro demand environment and anticipate growth acceleration for FMCG companies. We model revenue/EBITDA/APAT CAGR of 12%/15%/17% over FY26-28E. The stock is trading at 65x/58x FY27/FY28 EPS. **We expect a similar growth trajectory to be sustained in the coming quarters, led by a soft base and macro tailwinds. However, given its expensive valuation, we reiterate our Neutral rating with a revised TP of INR1,400 (based on 60x P/E Dec'27E).**

Beat on revenue; strong volumes across products

- **Strong double-digit revenue growth:** Nestle's net sales rose 18.5% YoY to INR56.4b (est. INR53.3b) in 3QFY26. Domestic sales grew 18.3% YoY to INR54b. We expect 12-13% volume growth in 3QFY26, the strongest volume growth in almost the last five years. Export grew 23% YoY to INR2.4b.
- **Volume-led growth across most segments:** The Confectionery grew the fastest in 3Q with robust double-digit growth due to strong underlying volume. The prepared dishes and cooking aids product group registered strong double-digit value growth, aided by accelerated volume growth. The powdered and liquid beverages category recorded strong double-digit growth (18 quarters in a row). The Milk Products and Nutrition product group showed improved performance with mid-single-digit growth. Certain segments demonstrated promising growth, while others exhibited muted performance. The pet food business posted strong double-digit growth.

- **Commodity prices remained elevated**: The company's gross margin contracted 70bp YoY to 55.7% (est. 55.2%), given elevated RM prices. Management indicated that milk prices have not softened despite the flush season, driven by robust demand. Edible oil prices remain elevated and are expected to trade sideways in 1HCY26. Coffee prices have stabilized at lower levels than last year due to favorable crop yields in both Vietnam and India. They remain optimistic about the upcoming wheat harvest in Apr'26.
- **Higher opex weighed on EBITDA**: Employee expenses grew 20% YoY, and other expenses were up ~24% YoY. Higher operating expenses led to EBITDA margin contraction of 170bp YoY to 21.7% (est. 23.1%, 22.2% in 2QFY25). EBITDA grew 10% YoY to INR12.3b (est. INR 12.4b). PBT grew 11% YoY to INR10.4b (est. INR10.3b), while Adj. PAT grew 12% YoY to INR7.7b (est. INR7.6b).
- There is an exceptional item of INR3,120m benefit related to the write-off of earlier tax provisions, INR350m for restructuring cost, and INR104m for the one-time impact (cost) of the labor code.
- In 9MFY26, Nestle's revenue and EBITDA grew 12% and 5%, respectively, while APAT declined 2% YoY.

Valuation and view

- We raise our EPS estimates for FY26-FY28 by 2-4%.
- GST 2.0 is expected to stimulate consumption, drive affordability, and contribute to the overall growth of the FMCG sector and the economy; Nestle is likely to benefit from the same. About 85% of the company's portfolio has benefited from the GST rate cuts.
- About 85% of the company's portfolio has benefited from the GST 2.0, leading to strong volumes across LUPs and larger packs. Apart from macro tailwinds, Nestle's own initiatives, such as its investments behind brands, strengthening distribution, and increasing capacity, are cumulatively aiding in a strong performance delivery.
- The company's focus on its RURBAN strategy has driven stronger growth in RURBAN markets, with most categories benefiting from improved distribution penetration. Packaged food adoption has increased in tier-2 and rural markets. The company continues to enhance its portfolio through ongoing innovation and premiumization initiatives.
- We model revenue/EBITDA/APAT CAGR of 12%/15%/17% over FY26-28E. The stock is trading at 65x/58x FY27/FY28 EPS. **We expect a similar growth trajectory to be sustained in the coming quarters, led by a soft base and macro tailwinds. However, given its expensive valuation, we reiterate our Neutral rating with a revised TP of INR1,400 (based on 60x P/E Dec'27E).**

Quarterly performance (INR b)

Y/E December	FY25				FY26E				FY25	FY26E	FY26E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
Domestic Sales	**46.1**	**48.8**	**45.7**	**52.3**	**48.6**	**54.1**	**54.0**	**62.3**	**192.9**	**219.1**	**51.1**	**5.6%**
YoY Change (%)	4.2	1.2	3.3	4.2	5.5	10.8	18.3	19.1	3.5	13.5	12.0	
Exports	**1.8**	**1.9**	**2.0**	**2.1**	**2.1**	**2.2**	**2.4**	**2.2**	**7.8**	**8.9**	**2.2**	**9.7%**
YoY Change (%)	(7.2)	3.1	21.2	(8.7)	16.0	14.4	22.9	3.7	-19.5	14.0	12.0	
Sale of Products	**47.9**	**50.7**	**47.6**	**54.5**	**50.7**	**56.3**	**56.4**	**64.5**	**200.8**	**228.0**	**53.3**	**5.8%**
YoY Change (%)	3.8	1.3	3.9	3.7	5.9	10.9	18.5	18.5	-17.3	13.6	12.0	
Other Operating Income	0.2	0.3	0.2	0.6	0.2	0.1	0.2	0.7	1.2	1.3	0	
Net Sales	**48.1**	**51.0**	**47.8**	**55.0**	**51.0**	**56.4**	**56.7**	**65.2**	**202.0**	**229.3**	**53.5**	**5.8%**
YoY Change (%)	3.3	1.3	3.9	4.5	5.9	10.6	18.6	18.5	3.5	13.5	12.0	
Gross Profit	**27.8**	**28.9**	**27.0**	**30.9**	**28.1**	**30.7**	**31.6**	**36.1**	**114.5**	**126.4**	**29.6**	
Margin (%)	57.6	56.6	56.4	56.2	55.2	54.3	55.7	55.3	56.7	55.2	55.2	
EBITDA	**11.2**	**11.9**	**11.2**	**14.1**	**11.2**	**12.6**	**12.3**	**16.5**	**48.5**	**52.6**	**12.4**	**-0.5%**
Margins (%)	23.3	23.3	23.5	25.7	21.9	22.2	21.7	25.4	24.0	22.9	23.1	
YoY Growth (%)	5.4	(4.4)	(0.6)	5.2	(0.5)	5.3	9.7	17.1	2.6	8.4	10.2	
Depreciation	1.1	1.2	1.5	1.6	1.6	1.6	1.7	1.8	5.4	6.7	1.7	
Interest	0.3	0.3	0.3	0.4	0.5	0.5	0.3	0.3	1.4	1.5	0.4	
Other income	0.4	0.1	0.0	0.1	0.0	0.0	0.1	0.2	0.6	0.3	0.1	
PBT	**10.2**	**10.4**	**9.4**	**12.3**	**9.2**	**10.5**	**10.4**	**14.7**	**42.3**	**44.7**	**10.3**	**0.6%**
Tax	2.6	3.0	2.3	3.2	2.4	2.8	2.6	3.7	11.1	11.5	2.6	
Rate (%)	25.8	28.8	24.0	26.0	26.3	26.3	25.0	25.3	26.2	25.7	25.2	
Adjusted PAT	**7.5**	**7.8**	**6.9**	**8.7**	**6.5**	**7.4**	**7.7**	**11.1**	**30.7**	**32.8**	**7.6**	**1.4%**
YoY Change (%)	6.4	(3.3)	(11.9)	(4.5)	(13.4)	(4.5)	12.2	27.5	-3.1	6.7	11.4	

E: MOFSL Estimates

Sun Pharma

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	SUNP IN
Equity Shares (m)	2399
M.Cap.(INRb)/(USDb)	3827.6 / 41.6
52-Week Range (INR)	1851 / 1547
1, 6, 12 Rel. Per (%)	-5/-10/-17
12M Avg Val (INR M)	4189

Financials & valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	573.9	631.4	698.6
EBITDA	161.1	183.1	206.8
Adj. PAT	116.2	134.7	156.3
EBIT Margin (%)	23.1	24.5	25.4
Adj. EPS (INR)	48.4	56.1	65.1
EPS Gr. (%)	2.8	15.9	16.1
BV/Sh. (INR)	336.8	380.6	433.4
Ratios			
Net D:E	-0.4	-0.5	-0.5
RoE (%)	15.2	15.6	16.0
RoCE (%)	15.2	15.6	16.0
Payout (%)	25.6	22.0	18.9
Valuations			
P/E (x)	32.9	28.4	24.5
EV/EBITDA (x)	22.7	19.5	16.7
Div. Yield (%)	0.7	0.7	0.7
FCF Yield (%)	2.0	2.3	2.7
EV/Sales (x)	6.4	5.7	5.0

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	54.5	54.5	54.5
DII	20.8	20.2	18.6
FII	16.1	16.6	18.1
Others	8.6	8.7	8.9

FII includes depository receipts

CMP: INR1,595 TP: INR1,940 (+22%) Buy

Innovation momentum supports growth

Strong DF execution, USD1b+ innovative sales cushion US pressure

- Sun Pharma (SUNP) posted in-line revenue (adj. for milestone income) and 6% better-than-estimated EBITDA in 3QFY26. Adj. PAT was in line with expectation. The superior execution in domestic formulation (DF) and innovative medicines segments was offset to some extent by inferior show in US generics.
- SUNP enhanced its innovative medicines offerings by launching Unloxcvyt recently. In 9MFY26, innovative medicine sales stood at USD1b+ (ex-milestone income).
- DF segment has been delivering robust double-digit YoY growth for past 10 quarters and has consistently outperformed the industry.
- US generics business remains impacted by regulatory issues at some sites.
- We largely maintain our estimates for FY26/FY27/FY28. We value SUNP at 32x 12M forward earnings to arrive at a TP of INR1,940.
- We remain positive on SUNP considering a) robust traction in innovative medicines, b) new launches and market share gain in existing products in DF, and c) steady execution in ROW/EM markets. Maintain BUY.

Healthy revenue growth/margin expansion; 19% YoY EBITDA growth

- SUNP sales grew 14.7% YoY to INR149.8b (vs our est: INR146.5b), adjusted for one-time milestone payment of USD55m.
- Gross margin expanded 130bp YoY to 80.3% for the quarter, driven by favorable product mix.
- EBITDA margin expanded 100bp to 28.4% (vs our est: 27.3%). EBITDA grew at 19% YoY to INR43.0b for the quarter (vs our est: INR39.7b).
- Adj. PAT was INR30.4b (our est: INR30.1b), up 4.7% YoY.
- For 9MFY26, revenue/EBITDA/PAT grew 11%/13%/5% YoY.

Branded segments drive revenue growth

- DF sales grew 16.2% YoY to INR50.0b (32% of sales).
- ROW sales rose 20.8% YoY to INR26.3b (17% of sales), including milestone income of USD55m. Excl. milestone, ROW sales grew 19.1% to INR21.5b.
- EM sales increased by 28.3% YoY to INR30.0b (19% of sales).
- US sales grew 6.2% YoY to INR42.5b (stable at USD337m in CC terms; 28% of sales).
- R&D spending was 5.8% of sales for the quarter (INR8.9b). Innovative R&D pipeline includes five novel entities in clinical stage.

Highlights from the management commentary

- Innovative medicine sales grew 23% YoY, adj. for milestone payment in 3QFY26/3QFY25 as well as a high base (~USD25m) in 3QFY25.
- Generics business was subdued YoY due to competition in some products. Compliance at sites is vital for recovery in this segment.
- GL0034 phase-IIb study would take 12-18 months.
- Leqselvi requires genetic testing. Such guideline is for all JAK inhibitors. Currently, SUNP facilitates these tests for the patient pool.
- SUNP would add field force for the launch of Semaglutide in India.

Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26	FY26	Var
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%
Net Sales	**1,25,245**	**1,32,642**	**1,30,569**	**1,28,156**	**1,37,861**	**1,44,052**	**1,49,790**	**1,42,219**	**5,16,612**	**5,73,921**	**1,46,486**	**2.3**
YoY Change (%)	6.3	10.5	7.4	8.5	10.1	8.6	14.7	11.0	8.2	11.1	12.2	
EBITDA	**35,298**	**37,837**	**35,738**	**32,816**	**40,073**	**40,235**	**42,530**	**38,257**	**1,41,689**	**1,61,095**	**39,991**	**6.3**
Margins (%)	28.2	28.5	27.4	25.6	29.1	27.9	28.4	26.9	27.4	28.1	27.3	
Depreciation	6,551	6,259	6,306	6,638	7,006	7,295	7,323	6,841	25,754	28,465	6,703	
EBIT	**28,747**	**31,578**	**29,433**	**26,178**	**33,067**	**32,940**	**35,207**	**31,415**	**1,15,936**	**1,32,629**	**33,288**	
Interest	615	692	515	491	748	999	784	702	2,314	3,232	439	
Other Income	6,608	3,811	7,041	7,561	5,298	5,430	6,303	6,383	25,022	23,414	7,487	
PBT before EO expense	**34,740**	**34,697**	**35,959**	**33,248**	**37,617**	**37,371**	**40,726**	**37,097**	**1,38,644**	**1,52,812**	**40,337**	
Extra-Ord expense	505	-1,281	1,195	705	5,890	-4,305	-1,545	0	1,123	39	0.0	
PBT	**34,235**	**35,978**	**34,764**	**32,543**	**31,728**	**41,676**	**42,272**	**37,097**	**1,37,520**	**1,52,772**	**40,337**	
Tax	5,523	5,672	5,589	10,937	8,702	10,305	8,261	9,089	27,720	36,356	**10,084**	
Rate (%)	16.1	15.8	16.1	33.6	27.4	24.7	19.5	24.5	20.2	23.8	25	
MI & Profit/Loss of Asso. Cos.	356	-95	142	108	240	191	323	133	511	887	130	
Reported PAT	**28,356**	**30,401**	**29,034**	**21,498**	**22,786**	**31,180**	**33,688**	**27,875**	**1,09,289**	**1,15,529**	**30,122**	**11.8**
Adj PAT	**27,494**	**29,052**	**27,637**	**28,891**	**29,961**	**27,939**	**30,425**	**27,875**	**1,13,075**	**1,16,201**	**30,123**	**1.0**
YoY Change (%)	20.4	20.8	11.6	3.0	9.0	-3.8	4.7	0.9	13.4	2.8	3.7	
Margins (%)	22.0	21.9	21.2	22.5	21.7	19.4	20.3	19.6	21.9	20.2	20.6	

E: MOSL Estimates

Consolidated -KPIs

INRm	FY25				FY26				FY25	FY26		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3QE	Var
Domestic formulations	41,445	42,652	43,004	42,129	47,211	47,348	49,986	47,816	1,69,229	1,92,361	48,680	2.7
YoY Change (%)	16.4	11.0	13.8	13.6	13.9	11.0	16.2	13.5	13.7	13.7	13.2	
US sales	38,894	43,274	40,030	40,204	40,452	43,288	42,505	41,175	1,62,403	1,67,420	43,051	-1.3
YoY Change (%)	0.5	21.9	0.7	1.7	4.0	0.0	6.2	2.4	5.8	3.1	7.5	
ROW+EM	39,509	41,152	41,424	39,901	44,267	48,782	51,488	46,684	1,61,986	1,91,222	48,159	6.9
YoY Change (%)	5.4	1.7	6.9	8.9	12.0	18.5	24.3	17.0	5.7	18.0	16.3	
APIs	4,946	5,338	5,678	5,330	5,404	4,299	5,412	5,970	21,292	21,084	6,132	-11.8
YoY Change (%)	-8.3	7.4	21.8	28.2	9.3	-19.5	-4.7	12.0	11.0	-1.0	8.0	
Cost Break-up												
RM Cost (% of Sales)	21.4	20.3	21.0	20.6	20.4	20.7	19.7	20.8	20.8	20.4	20.7	
Staff Cost (% of Sales)	19.6	18.7	19.5	19.4	20.3	19.2	19.3	20.4	19.3	19.8	20.3	
R&D Expenses(% of Sales)	6.3	6.0	6.5	6.4	5.6	5.4	6.0	5.8	6.3	5.7	5.9	
Other Cost (% of Sales)	24.5	26.5	25.6	28.0	24.6	26.7	26.7	26.1	26.2	26.1	25.8	
Gross Margins(%)	78.6	79.7	79.0	79.4	79.6	79.3	80.3	79.2	79.2	79.6	79.3	
EBITDA Margins(%)	28.2	28.5	27.4	25.6	29.1	27.9	28.4	26.9	27.4	28.1	27.3	
EBIT Margins(%)	23.0	23.8	22.5	20.4	24.0	22.9	23.5	22.1	22.4	23.1	22.7	

NTPC

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	NTPC IN
Equity Shares (m)	9697
M.Cap.(INRb)/(USDb)	3452 / 37.5
52-Week Range (INR)	371 / 293
1, 6, 12 Rel. Per (%)	12/3/1
12M Avg Val (INR M)	4131

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	1,896	2,155	2,278
EBITDA	533	615	693
Adj. PAT	219	259	283
Adj. EPS (INR)	23	27	29
EPS Gr. (%)	8	19	9
BV/Sh.(INR)	208	226	246
Ratios			
Net D:E	1.2	1.2	1.1
RoE (%)	11.4	12.3	12.4
RoCE (%)	6.8	7.2	7.3
Payout (%)	38.7	31.9	31.4
Valuations			
P/E (x)	15.8	13.3	12.2
P/BV (x)	1.7	1.6	1.4
EV/EBITDA (x)	11.3	10.1	9.1
Div. Yield (%)	2.5	2.4	2.6
FCF Yield (%)	-0.2	0.4	2.6

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	51.1	51.1	51.1
DII	29.3	29.1	26.9
FII	16.2	16.4	18.2
Others	3.3	3.4	3.8

FII Includes depository receipts

CMP: INR356 TP: INR393 (+10%) Neutral

NGEL commissioning; profitability key drivers in FY27

- **Standalone reported PAT in 3Q was in line with our estimates, favored by lower-than-expected finance costs and higher-than-expected other income. However, Adj. PAT came in 6% below our estimates. EBITDA missed our estimates mainly due to weak power demand leading to soft generation trends.**
- **Key factors we liked about the result: 1) Thermal capacity target for FY26 has been achieved, while targets for FY27 and FY28 are maintained, 2) strong recovery in power demand in Dec'25 and Jan'26 should support strong PLFs in 4QFY26, 3) NGEL curtailment is expected to reduce to nearly zero following the commissioning of the Narela Khetri line, and 4) the company has declared a total interim dividend of INR5.5/share in FY26.**
- **Key investor concerns: 1) Standalone regulated equity growth remains weak with only 6.5GW of commissioning slated for FY26-FY28, 2) NGEL commissioned only ~2.1GW in 9MFY26 vs. the target of 5GW for FY26, and 3) profitability at NGEL was down sharply by 73% YoY, mainly due to PAT loss at the JV level.**
- **Valuation and view: We have a Neutral rating on NTPC with a TP of INR393. Our TP is based on a valuation of INR213 for the standalone, coal, and other businesses at Dec'27E P/B of 2x; INR21 for other subsidiaries, and INR45 for JV/associates at Dec'27E P/B of 2x; and the stake in NGEL is valued at a 25% discount to the current market price.**

EBITDA miss on weak generation

3QFY26 performance:

- NTPC reported a standalone revenue of INR406b (-2% YoY, +4% QoQ) in 3QFY26, missing our estimate by 9% on account of lower generation due to low power demand.
- EBITDA came in 7% below our estimate at INR120b (flat YoY, +20% QoQ).
- Reported PAT of INR50b (+6% YoY, +7% QoQ) was in line with our estimates, favored by lower-than-expected finance costs and higher-than-expected other income. Adj. PAT came in at INR46.5b (+1% YoY, +3% QoQ).
- NTPC Green reported a consolidated revenue and EBITDA of INR6.5b and INR5.7b, respectively, in 3QFY26, reflecting a 29% and 35% YoY growth, respectively. Reported adjusted profit after tax (APAT) declined 74% YoY to INR0.1b.

Operational and other highlights:

- NTPC Group's total installed capacity now stands at 85.6GW (Standalone: 60.8GW).
- The company's gross power generation for the quarter came at 87BUs, down 4.4% YoY.
- NTPC Group added a capacity of 1,744MW in 3QFY26 (800MW added via Patratu Thermal project, 694MW Renewable, 250MW THDC PSP).
- NGEL added 2,108MW of RE capacity in 9MFY26 (vs. the target of 5GW for FY26).
- NTPC's standalone 9MFY26 generation was 261Bus vs 277Bus in 9MFY25.
- Plant availability for coal plants stood at 90.8% in 3QFY26 (3QFY25: 89.58%).

- Coal plant PLF declined to 71.03% in 3QFY26, down by 495bp YoY, primarily due to poor demand during the quarter.
- Hydro plant PLF improved to 27.21% (vs. 22.1% in 3QFY25), while gas plant PLF was reported at 4.5%.
- Average tariff was INR4.89/unit in 9MFY26 vs INR4.68/unit in 9MFY25.
- The company has declared the second interim dividend of INR2.75/share for FY26.

Highlights of 3QFY26 performance

- **Generation & Operating Performance**
  - NTPC Group generation increased 8.82% YoY in Dec'25 and ~4% YoY in Jan'26.
  - 9MFY26 Group generation: 320 BUs vs 327 BUs YoY; Standalone: 261 BUs vs 277 BUs YoY.
  - Coal PLF for NTPC stations stood at 70.69%, above the national average of 60.79%.
  - Captive coal mine dispatch rose 4.34% YoY.
  - RE curtailment impact in 9MFY26 was ~420 MUs (including 212 MUs at NREL).
- **Capacity Addition & Expansion Pipeline**
  - NTPC Group added 1,744 MW in 3QFY26.
  - An additional 468 MW RE capacity was commissioned in Jan'26, taking 10MFY26 total additions to 6,615 MW.
  - Thermal additions: 2,780 MW commissioned in FY26 to date; no further additions expected in FY26. Targets stand at 1,600 MW (FY27) and 2,120 MW (FY28).
  - NGEL added 2,108 MW RE capacity in FY26YTD, with a total operational RE capacity at 8,010 MW as of Dec'25.
  - FY26 RE addition target of 5 GW, with ~2.6 GW already added; 2.3–2.4 GW expected over the next two months across Khavda, Bhadla, Kalasar, Gujarat wind, and Ayana projects.
  - Forward RE capacity targets remain 8 GW each in FY27 and FY28.
- **Capex, Fuel, and Cost Recovery**
  - Group CapEx (9MFY26): INR334b. Standalone CapEx (9MFY26): INR194b.
  - Coal stock stood at 15mt, sufficient for ~18 days at 85% PLF.
  - Fixed cost under-recovery till Dec'25 was INR4.5b.
- **PPA Tie-ups & Nuclear Outlook**
  - PPA tie-ups: FY26 – 82%, FY27 – 83%, FY28 – 60%; ~74% PPA secured for the ~20 GW three-year pipeline.
  - The Shanti Nuclear Act positions nuclear as a core long-term baseload source aligned with Viksit Bharat 2047 and Net Zero 2070 goals, providing NTPC a clearer pathway for future nuclear capacity additions.

Valuation and view

Our TP of INR393 for NTPC is based on:

- Value of INR213 for the standalone, coal, and other businesses at Dec'27E P/B of 2x.
- Value of INR21 for other subsidiaries and INR45 for JV/associates at Dec'27E P/B of 2x.
- The stake in NGEL is valued at a 25% discount to the current market price.

Standalone performance (INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%	%	%
Net Sales	**444**	**403**	**414**	**439**	**426**	**392**	**406**	**439**	**1,700**	**1,663**	**448**	**-9%**	**-2%**	**4%**
YoY Change (%)	13.5	-1.3	4.8	3.2	-4.2	-2.9	-1.7	0.0	5.0	-2.2	8			
EBITDA	**124**	**97**	**120**	**113**	**103**	**100**	**120**	**110**	**458**	**433**	**130**	**-7%**	**0%**	**20%**
Margin (%)	28.0	24.0	28.9	25.6	24.2	25.6	29.5	25.2	26.9	26.1	29			
Depreciation	37	36	37	40	39	40	41	39	151	159	41	1%	11%	3%
Interest	26	31	22	31	28	27	23	24	111	102	29	-23%	3%	-15%
Other Income	6	9	10	19	8	15	10	17	44	50	9	20%	8%	-32%
PBT incl. Regulatory items	62	61	66	81	63	63	71	64	274	261	68			
Extra-Ord inc/(exp)	-	-	-	-	-	-	-	-	-	-	-			
PBT	**62**	**61**	**66**	**81**	**63**	**63**	**71**	**64**	**269**	**261**	**68**	**4%**	**7%**	**13%**
Tax	17	14	19	23	15	16	21	13	73	65	18	15%	10%	28%
Rate (%)	26.9	23.2	28.9	28.7	23.7	26.1	29.7	20.0	27.1	25.0	27.0			
Reported PAT	**45**	**46**	**47**	**58**	**48**	**47**	**50**	**52**	**196**	**196**	**50**	**0%**	**6%**	**7%**
Adj PAT	**42**	**42**	**46**	**50**	**44**	**45**	**47**	**52**	**180**	**187**	**50**	**-6%**	**1%**	**3%**
YoY Change (%)	13.9	28.9	6.0	0.4	5.2	7.5	0.7	3.1	9.8	4.0	7			
Margin (%)	9.4	10.4	11.2	11.4	10.4	11.5	11.4	11.7	10.6	11.3	11			

NTPC SoTP valuation

Segment	Regulated Equity (Dec-27E)	P/B	Value/Sh. (INR)
Standalone + Coal + Others	1,086,502	2	213
Other subsidiaries	100,953	2	21
JV & Associates	291,688	2	45
NGEL Stake*			55
Cash and equivalents			59
Target price			**393**
CMP			356
Upside/(Downside)			**10%**

**At 25% Discount*

Source: MOFSL

31 January 2026

3QFY26 Results Update | Sector: Automobiles

Bajaj Auto

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	BJAUT IN
Equity Shares (m)	279
M.Cap.(INRb)/(USDb)	2682.5 / 29.2
52-Week Range (INR)	9888 / 7088
1, 6, 12 Rel. Per (%)	6/17/1
12M Avg Val (INR M)	3454

Financials & Valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	570	635	705
EBITDA	116.4	128.2	142.5
EBITDA (%)	20.4	20.2	20.2
Adj. PAT	94.8	104.2	115.1
EPS (INR)	340	373	412
EPS Gr. (%)	13.4	9.9	10.4
BV/Sh. (INR)	1,266	1,389	1,521
Ratios			
RoE (%)	28.1	28.1	28.3
RoCE (%)	26.6	26.5	26.7
Payout (%)	66.3	67.0	68.0
Valuation			
P/E (x)	28.3	25.7	23.3
P/BV (x)	7.6	6.9	6.3
Div. Yield (%)	2.3	2.6	2.9
FCF Yield (%)	2.5	3.1	3.5

Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	55.0	55.0	55.0
DII	14.1	12.8	10.1
FII	8.9	9.7	12.5
Others	22.0	22.5	22.5

FII includes depository receipts

CMP: INR9,598 TP: INR9,416 (-2%) Neutral

Favorable currency helps offset cost inflation

Pulsar ramp-up post-recent refreshes to be the key monitorable

- Bajaj Auto (BJAUT)'s 3QFY26 earnings at INR25.5b were in line with our estimate. Favorable currency and improved mix helped offset cost headwinds and improve margins to 20.8% (in line).
- While a recovery in exports and a healthy ramp-up of Chetak and 3Ws are key positives, market share loss in domestic motorcycles, particularly in the crucial 125cc+ segment, remains the key concern. While BJAUT has acquired a controlling stake in KTM under a lucrative deal, its effectiveness depends on how quickly it can turn around its operations, which will remain the key monitorable going forward. At ~25.7x/23.3x FY27E/28E EPS, BJAUT appears fairly valued. **We reiterate our Neutral rating** with a TP of INR9,416, based on 24x Dec'27E core EPS.

Performance in line

- Revenue in 3Q grew 19% YoY to INR152b (in-line), on the back of volume growth of 9.5% to 1.3m units and ASP growth of 8.5% to INR113,479 (in-line) on account of a richer mix and strong sales in spares.
- EBITDA margins grew 60bp YoY to 20.8% (in-line) as PLI benefits and favorable currency made up for the commodity cost inflation (50bp impact) and record high sales of EVs during the quarter. EBITDA grew in line at 22.5% YoY to INR31.b.
- The company recorded a n exceptional cost of INR613.2m on account of a revision in labor codes. Adjusted PAT grew 21% YoY to INR25.5b (in-line).
- Surplus cash stood at INR150b as of Dec'25, as the company added INR52b (+70% YoY) of FCF over 9MFY26.

Highlights from the management commentary

- The motorcycle industry is expected to grow by 12-15% over the next few months, with the 125cc+ segment seeing faster growth.
- Seven Pulsar variants have already been launched since November, with eight more planned for the next four months. With this, the entire Pulsar portfolio will be refreshed, which will help revive its market share in this segment. They would also look to launch a new brand in the 125cc segment. BJAUT is also working on launching an off-road bike.
- In exports, BJAUT expects to clock 600k unit sales in 4QFY26 as well, and this momentum is expected to be sustained in the coming quarters.
- With the new Chetak C-25 launched last month, BJAUT expects to improve its market share in EV scooters.
- For 4Q, a 50-60bp impact from commodity cost inflation is expected. BJAUT has taken a price hike that would help partially offset this impact. Further, favorable currency movement in Q4 would help offset part of this impact.
- At the newly acquired KTM, the CY26 goal would be to turn around its operating performance by resetting its cost base, simplifying the organization team, establishing a new management team, and working on synergies between the two companies.

Valuation and view

While a recovery in exports and a healthy ramp-up of Chetak and 3Ws are key positives, market share loss in domestic motorcycles, particularly in the crucial 125cc+ segment, remains the key concern. While BJAUT has acquired a controlling stake in KTM under a lucrative deal, its effectiveness depends on how quickly it can turn around its operations, which will remain the key monitorable going forward. At ~25.7x/23.3x FY27E/28E EPS, BJAUT appears fairly valued. **We reiterate our Neutral rating with a TP of INR9,416, based on 24x Dec27E core EPS.**

Quarterly Performance | **INR m**

	FY25				FY26E				FY25	FY26E	3Q	Var.
	1Q	2Q	3Q	4QE	1Q	2Q	3Q	4QE				(%)
Volumes ('000 units)	1,102	1,222	1,224	1,103	1,111	1,294	1,341	1,252	4,651	4,999	1,341	0.0
Growth YoY (%)	7.3	15.9	2.0	3.2	0.8	5.9	9.5	13.6	6.9	7.5	9.5	
Realization (INR/unit)	1,08,234	1,07,470	1,04,591	1,10,142	1,13,247	1,15,307	1,13,479	1,14,085	1,07,527	1,14,052	1,13,481	0.0
Growth YoY (%)	7.9	5.1	3.7	2.5	4.6	7.3	8.5	3.6	4.7	6.1	8.5	
Net Sales	**1,19,280**	**1,31,275**	**1,28,069**	**1,21,480**	**1,25,845**	**1,49,221**	**1,52,203**	**1,42,890**	**5,00,103**	**5,70,159**	**1,52,207**	**0.0**
Change (%)	15.7	21.8	5.7	5.8	5.5	13.7	18.8	17.6	11.9	14.0	18.8	
EBITDA	**24,154**	**26,522**	**25,807**	**24,505**	**24,818**	**30,517**	**31,605**	**29,422**	**1,00,988**	**1,16,362**	**31,844**	**-0.7**
Growth YoY (%)	23.6	24.3	6.2	6.3	2.7	15.1	22.5	20.1	14.5	15.2	-51.4	
EBITDA Margins (%)	20.2	20.2	20.2	20.2	19.7	20.5	20.8	20.6	20.2	20.4	20.9	-20bp
Other Income	3,209	3,845	3,347	3,808	4,308	3,692	3,420	3,581	14,209	15,000	3,900	-12.3
Interest	207	159	143	168	141	144	26	39	677	350	146	-82.5
Depreciation	937	956	997	1,111	1,109	1,117	1,119	1,176	4,001	4,521	1,130	-0.9
PBT after EO	**26,219**	**27,139**	**28,015**	**27,033**	**27,875**	**32,948**	**33,266**	**31,788**	**1,08,406**	**1,25,877**	**34,468**	**-3.5**
Effective Tax Rate (%)	24.2	26.1	24.7	24.2	24.8	24.7	24.8	24.4	24.8	15.5	24.8	
Adj. PAT	**19,884**	**22,160**	**21,087**	**20,492**	**20,960**	**24,797**	**25,490**	**24,040**	**83,103**	**95,287**	**25,919**	**-1.7**
Change (%)	19.4	20.7	3.3	5.8	5.4	11.9	20.9	17.3	11.1	14.7	22.9	

Bank of Baroda

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	BOB IN
Equity Shares (m)	5171
M.Cap.(INRb)/(USDb)	1548.3 / 16.8
52-Week Range (INR)	313 / 191
1, 6, 12 Rel. Per (%)	5/23/26
12M Avg Val (INR M)	2605

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	456.6	473.6	545.5
OP	324.3	316.2	369.4
NP	195.8	194.9	214.5
NIM (%)	2.8	2.6	2.7
EPS (INR)	37.8	37.6	41.4
EPS Gr. (%)	10.1	-0.5	10.0
BV/Sh. (INR)	254	274	304
ABV/Sh. (INR)	235	254	283
Ratios			
RoA (%)	1.2	1.0	1.0
RoE (%)	16.7	14.7	14.8
Valuations			
P/E(X)	7.9	8.0	7.2
P/BV (X)	1.2	1.1	1.0
P/ABV (X)	1.3	1.2	1.1

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	64.0	64.0	64.0
DII	18.8	19.0	18.1
FII	9.8	8.7	8.9
Others	7.4	8.3	9.0

CMP: INR300 TP: INR320 (+7%) Neutral

NII misses estimate; lower provisions drive PAT beat

Business growth steady

- Bank of Baroda (BOB) reported 3QFY26 PAT of INR50.5b (up 4.5% YoY/5.1% QoQ, 4% beat), aided by lower-than-expected provisions.
- NII was up 3.4% YoY/down 1.3% QoQ at INR118b (5% miss). Reported NIMs fell by 17bp QoQ to 2.79%. After adjusting IT refunds in 2Q and 3Q, NIMs declined to 2.74% in 3QFY26 from 2.79% in 2QFY26.
- Business growth was robust, with advances growth of 15.1% YoY/5.3% QoQ, led by faster growth in RAM segment. Deposits grew by 10% YoY/3.1% QoQ. As a result, CD ratio increased to 85.7% (up 178bp QoQ, domestic CD ratio at 83.9%).
- The bank holds floating provision of INR10b for ECL and expects 0.6-0.7% of impact on the CRAR due to transition. Slippages declined to INR29.8b from INR30.6b in 2QFY26. GNPA/NNPA ratios were down 12bp/flat QoQ at 2.04%/0.57%. PCR moderated to 72.2% vs. 74% in 2QFY26.
- **We increase our FY27/FY28 estimates by 4.3%/2.8% and we project FY27E RoA/RoE of 1.04%/14.8%. Reiterate Neutral with a TP of INR320 (1.1x Sep'27E ABV).**

ECL impact lower at 0.6-0.7% of CRAR; credit cost declines to 17bp

- BOB reported 3Q PAT of INR50.5b (up 4.5% YoY/5.1% QoQ, 4% beat). NII was up 3.4% YoY/down 1.3% QoQ at INR118b (5% miss). Reported NIMs fell 17bp QoQ to 2.79%. After adjusting IT refunds in 2Q and 3Q, NIMs declined to 2.74% in 3QFY26 from 2.79% in 2QFY26.
- Other income was down 4.5% YoY/up 2.4% QoQ at INR36b (4% miss), due to lower fee income, partly offset by healthy recovery from NPAs. Total income was thus up 1.4% YoY/flat QoQ at INR154b (4% miss).
- Opex grew 6.7% YoY/1.7% QoQ (in line). PPoP declined 4% YoY/3% QoQ to INR73.8b (8% miss). Provisions plunged 26% YoY/35% QoQ to INR7.9b (48% lower than est.).
- Advances grew by a robust 15% YoY/ 5.3% QoQ. Among segments, retail book grew by 17.4% YoY/4.6% QoQ. In retail, growth was broad-based across segments, barring PL. Corporate book grew by 8% YoY/4.6% QoQ. The bank expects more than 13% YoY growth going ahead.
- Deposits grew by 10.3% YoY/3.1% QoQ, while domestic CASA grew by 8.6% YoY/2.8% QoQ. As a result, domestic CASA ratio was largely flat at 38.5% (38.4% in 2QFY26).
- Slippages improved slightly to INR29.8b from INR30.6b. Steady recovery/upgrades and accelerated write-offs led to 12bp QoQ decline in GNPA ratio to 2.04%, while NNPA ratio was flat QoQ at 0.57%.
- SMA 1&2 declined to 0.36% from 0.39% in 2QFY26.

Highlights from the management commentary

- ECL guidelines are still in draft form; the combined impact of ECL and changes in risk weights on CRAR is estimated at 0.6-0.7% at most. ECL implementation could increase annual credit costs by up to 18bp.
- Full-year NIMs are expected to remain steady, supported by lower dependence on bulk deposits; the bank is comfortable with NIM range of 2.85-3.0%.
- Interest income from IT refunds had a limited impact of 5-6bp in the quarter; core NIMs stood at 2.72-2.74%, excluding this impact.
- BOB is operating at a CD ratio above 80% and is comfortable with 82-84% domestically and 86-88% for international operations.

Valuation and view: Reiterate Neutral with TP of INR320

BOB reported weak revenue due to NIM pressure, although PAT was better than estimated amid lower provisions. Reported NIMs declined by 17bp QoQ to 2.79% (adj NIMs declined by 5bp to 2.74%). Growth momentum picked up in 2Q and 3Q, and the bank expects growth to remain healthy at over 13%. ECL transition impact for the bank is expected at 0.6-0.7% of CRAR, while the bank continues to hold floating provisions of INR10b. With slippages under control, the credit cost trajectory is improving, and we expect credit cost of 40bp in FY26E before inching toward 60bp over FY27-28E amid ECL transition. **We increase our loan growth estimates but slightly trim our NIM projections, resulting in 4.3%/2.8% increase in earnings estimates for FY27/FY28. We estimate BOB to deliver FY27E RoA/RoE of 1.04%/14.8%. We retain Neutral rating with a TP of INR320 (1.1x Sep'27E ABV).**

Quarterly Performance (INR b)

	FY25				FY26E				FY25	FY26E	FY26E	V/s
	1Q	2Q	3Q	4Q	1Q	2Q	3QA	4QE			3QE	Est
Net Interest Income	116.0	116.2	114.2	114.9	114.3	119.5	118.0	121.7	456.6	473.6	123.8	-5%
% Change (YoY)	5.5	7.3	2.8	-2.5	-1.4	2.9	3.4	5.8	2.1	3.7	8.4	
Other Income	24.9	51.8	37.7	47.4	46.7	35.1	36.0	46.9	166.5	164.8	37.4	-4%
Total Income	140.9	168.0	151.9	162.3	161.1	154.7	154.0	168.6	623.1	638.4	161.1	-4%
Operating Expenses	69.3	73.3	75.2	81.0	78.7	78.9	80.2	84.3	298.7	322.2	80.7	-1%
Operating Profit	71.6	94.8	76.6	81.3	82.4	75.8	73.8	84.3	324.3	316.2	80.5	-8%
% Change (YoY)	-8.5	18.2	9.3	0.3	15.0	-20.1	-3.7	3.7	4.7	-2.5	5.0	
Provisions	10.1	23.4	10.8	15.5	19.7	12.3	8.0	15.7	59.8	55.6	15.4	-48%
Profit before Tax	61.5	71.4	65.8	65.8	62.7	63.4	65.8	68.6	264.5	260.6	65.1	1%
Tax	16.9	19.0	17.4	15.3	17.3	15.3	15.2	17.8	68.7	65.7	16.4	-7%
Net Profit	44.6	52.4	48.4	50.5	45.4	48.1	50.5	50.8	195.8	194.9	48.7	4%
% Change (YoY)	9.5	23.2	5.6	3.3	1.9	-8.2	4.5	0.7	10.1	-0.5	0.6	
Operating Parameters												
Deposit (INR b)	13,156	13,726	14,029	14,720	14,356	15,000	15,467	16,207	14,720	16,207	15,326	1%
Loan (INR b)	10,479	11,212	11,513	12,096	11,866	12,583	13,251	13,595	12,096	13,595	12,965	2%
Deposit Growth (%)	9.6	9.8	12.7	10.9	9.1	9.3	10.3	10.1	10.3	10.1	10.1	
Loan Growth (%)	8.8	12.3	12.4	13.5	13.2	12.2	15.1	12.4	13.5	12.4	12.6	
Asset Quality												
Gross NPA (%)	2.9	2.5	2.4	2.3	2.3	2.2	2.0	2.0	2.3	2.0	2.1	
Net NPA (%)	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.5	0.5	
PCR (%)	76.6	76.3	76.0	74.9	74.0	74.1	72.2	73.1	73.1	73.1	74.5	

E: MOFSL Estimates

Ambuja Cements

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	ACEM IN
Equity Shares (m)	2472
M.Cap.(INRb)/(USDb)	1261 / 13.7
52-Week Range (INR)	625 / 455
1, 6, 12 Rel. Per (%)	-5/-19/-9
12M Avg Val (INR M)	1476
Free float (%)	32.4

Consol. Financial Snapshot (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	409.4	463.9	505.9
EBITDA	73.1	86.3	99.5
Adj. PAT	21.0	28.2	33.2
EBITDA Margin (%)	17.8	18.6	19.7
Adj. EPS (INR)	8.5	11.4	13.4
EPS Gr. (%)	3.2	34.0	17.7
BV/Sh. (INR)	229	238	249
Ratios			
Net D:E	0.1	0.2	0.2
RoE (%)	3.8	4.9	5.5
RoCE (%)	7.4	5.3	5.7
Payout (%)	23.5	21.9	18.6
Valuations			
P/E (x)	52.4	39.1	33.2
P/BV (x)	2.0	1.9	1.8
EV/EBITDA(x)	18.7	16.2	14.3
EV/ton (USD)	130	120	114
Div. Yield (%)	0.4	0.5	0.5
FCF Yield (%)	-3.1	-3.0	-2.1

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	67.6	67.6	67.5
DII	19.9	19.6	16.6
FII	5.8	6.0	9.2
Others	6.7	6.8	6.7

FII includes depository receipts

CMP: INR510 TP: INR600 (+18%) Buy

Miss on estimates; favorable demand-pricing drives recovery

3Q cost spike from one-offs; exit-Dec'25 cost normalizes

- Ambuja Cements' (ACEM) 3QFY26 operating performance was below our estimates, impacted by elevated opex/t, including one-off costs. Its consol. EBITDA was up ~53% YoY to INR13.5b (~24% miss). EBITDA/t grew ~33% YoY to INR716 (vs. est. INR953). OPM expanded 2.9pp to ~13% (vs. est. ~18%). Adj. PAT declined ~76% YoY at INR1.1b (81% miss due to lower EBITDA, other income, and higher depreciation).
- Management indicated that the 3QFY26 cost level was an aberration due to some one-off expenses. Meanwhile, exit-Dec'25 opex/t run-rate is already below INR4,000/t vs. average INR4,500/t in 3Q. Currently, the operating environment is favorable with strong demand and improving pricing. Moreover, operational performance at acquired assets has improved, with utilization rising to ~58% in 3Q and ~65% by exit-Dec'25. The proposed amalgamation of ACC and Orient Cement with ACEM is expected to enhance scale, EBITDA, and efficiency over the next 24-36 months, with regulatory approvals progressing as planned.
- We cut our EBITDA estimates by 6% for FY26 and 5% for FY27/28 (each) to factor in the 3Q underperformance and our expectation of higher opex/t. We value the stock at 17x FY28E EV/EBITDA to arrive at our TP of INR600. **Reiterate BUY.**

Consol. volume up 15% YoY; blended realization/t up 5% YoY (flat QoQ)

- Consol. revenue/EBITDA/adj. PAT stood at INR102.8b/INR13.5b/INR1.1b (+20%/+53%/-76% YoY, and +3%/-24%/-81% vs. our estimates) in 3QFY26. Consol. volume increased ~15% YoY to 18.9mt (+2% vs. estimates). Blended realization/t increased ~5% YoY (flat QoQ; ~2% above estimates).
- Opex/t was up ~1% YoY/8% QoQ (~7% above estimates), led by an increase in variable cost/freight cost/other expenses per ton, which rose ~2%/1%/3% YoY. EBITDA/t grew ~33% YoY to INR716, and OPM expanded 2.9pp YoY to ~13%. Depreciation increased ~58% YoY, led by inorganic expansions. Other income declined ~64% YoY. ETR stood at 35.9% vs. 22.4% in 3QFY25.
- In 9MFY26, revenue/EBITDA/PAT stood at INR297.4b/INR50.7b/INR14.5b (+22%/+62%/-9% YoY). OPM expanded 4.2pp YoY to ~17%. Realization/t was up ~3% YoY to INR5,447 and EBITDA/t grew ~36% YoY to INR929.

Highlights from the management commentary

- Management indicated that industry demand remained strong during 3QFY26, supported by sustained infrastructure spending, steady housing demand, and a recovery in rural construction after a favorable monsoon.
- Premium cement volumes accounted for ~35% of trade sales and increased 31% YoY. Key brands such as Ambuja Kawach and ACC Gold continued to drive value growth, aided by GST reduction and rising preference for high-performance products.
- Capex was pegged at INR100b (annually for the next two years), comprising INR80b for growth initiatives and INR20b for efficiency and modernization.

Valuation and view

- ACEM's 3Q performance was significantly below our as well as consensus estimates, partly due to a few one-time expenses. Management clarified that the opex/t run rate has been normalized by exit-Dec'25 and expects profitability to improve in 4Q. It reiterated its cost reduction target of INR3,650/t and capacity target of 155mtpa by FY28E. Meanwhile, 3QFY26 cost/t was an aberration, and we expect cost reductions in 4QFY26. A sustainable improvement in cost/t remains a key monitorable.
- We estimate a CAGR of ~11%/17%/26% in consol. revenue/EBITDA/PAT over FY26-28, led by volume growth of ~10% and profitability improvement. We estimate its EBITDA/t to increase to INR1,048/INR1,105 in FY27/FY28 vs. INR976 in FY26E. ACEM (consol.) trades reasonably at 16x/14x FY27E/FY28E EV/EBITDA and USD120/USD114 EV/t. We value the stock at 17x FY28E EV/EBITDA to arrive at our TP of INR600. **Reiterate BUY.**

Consolidated quarterly performance (INR b)

	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	**83.9**	**73.8**	**85.8**	**99.8**	**102.9**	**91.7**	**102.8**	**112.0**	**343.4**	**409.4**	**99.4**	**2**
YoY Change (%)	-3.7	-0.6	5.6	12.2	22.6	24.3	19.7	12.2	10.2	19.2	16.9	
EBITDA	**12.8**	**9.7**	**8.9**	**18.7**	**19.6**	**17.6**	**13.5**	**22.3**	**50.1**	**73.1**	**17.7**	**(24)**
YoY Change (%)	-23.2	-25.2	-48.9	9.9	53.2	80.9	52.8	19.4	73.0	45.9	53.2	
Margins (%)	15.3	13.2	10.3	18.7	19.1	19.2	13.2	19.9	14.6	17.8	17.8	(465)
Depreciation	4.8	5.2	6.1	7.9	8.0	8.9	9.6	9.7	23.9	36.2	8.9	8
Interest	0.7	0.7	0.7	0.1	0.7	0.8	0.6	0.6	2.2	2.6	0.8	(26)
Other Income	3.5	3.7	2.4	2.7	2.6	2.6	0.9	2.1	12.4	8.1	2.5	(65)
PBT before EO Item	**10.9**	**7.6**	**4.5**	**13.4**	**13.5**	**10.6**	**4.2**	**14.1**	**36.4**	**42.4**	**10.5**	**(60)**
Share of profit of JVs	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.0	-
Extraordinary Inc/(Exp)	0.0	-0.2	19.4	4.4	0.4	-2.2	-0.2	0.0	23.5	-2.0	0.0	
PBT after EO Exp/(Inc)	**10.9**	**7.4**	**23.9**	**17.8**	**14.0**	**8.4**	**4.1**	**14.2**	**60.1**	**40.6**	**10.6**	**(61)**
Tax	3.1	2.5	5.4	4.6	4.0	2.5	1.5	3.9	15.6	11.9	2.7	
Prior period tax adj.	0.0	0.0	-8.1	0.4	-0.3	-17.1	-1.0	0.0	-7.7	-18.4	0.0	
Rate (%)	28.4	33.3	22.4	26.0	29.0	29.3	35.9	27.9	25.9	-15.9	25.8	
Reported Profit	**7.8**	**5.0**	**26.6**	**12.8**	**10.2**	**23.0**	**3.7**	**10.2**	**52.2**	**47.1**	**7.8**	**(53)**
Adj PAT (before MI)	**7.8**	**5.1**	**3.4**	**7.3**	**9.6**	**7.6**	**2.7**	**10.2**	**42.3**	**34.6**	**7.8**	**(65)**
Minority Interest	1.4	0.2	5.0	3.3	1.8	5.4	1.6	3.7	9.9	12.5	2.0	-
Adj PAT (after MI)	**6.4**	**4.9**	**4.6**	**4.4**	**7.8**	**5.6**	**1.1**	**6.5**	**20.3**	**21.0**	**5.8**	**(81)**
YoY Change (%)	(29.3)	(38.0)	(44.5)	(17.0)	22.0	13.6	(75.7)	47.8	(28.0)	3.6	40.2	

Note: Adj. PAT (after MI) of 2QFY26 is also adjusted for ACC's tax reversal impact

Per ton analysis

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Volume	15.3	14.2	16.5	18.2	18.8	16.9	18.9	20.2	64.2	74.8	18.6	2
Change (YoY %)	(1)	9	17	10	23	19	15	11	16	16	13	
Blended Realization	**5,485**	**5,181**	**5,203**	**5,484**	**5,473**	**5,429**	**5,437**	**5,538**	**5,345**	**5,471**	**5,349**	**2**
Change (YoY %)	-3.1	-8.6	-9.7	2.2	-0.2	4.8	4.5	1.0	-5.1	2.4	3.8	
Raw Material	963	997	1,094	1,004	811	774	1,008	860	1,016	866	810	24
Staff Cost	207	245	232	195	222	240	203	208	218	218	221	(8)
Power and fuel	1,419	1,276	1,250	1,263	1,337	1,349	1,380	1,349	1,300	1,354	1,339	3
Freight	1,370	1,282	1,239	1,284	1,289	1,221	1,250	1,284	1,352	1,262	1,255	(0)
Other expenditure	689	697	852	712	771	803	880	734	739	796	770	14
Total cost	**4,649**	**4,498**	**4,666**	**4,458**	**4,430**	**4,387**	**4,721**	**4,435**	**4,626**	**4,495**	**4,396**	**7**
EBITDA	**836**	**684**	**537**	**1,026**	**1,043**	**1,042**	**716**	**1,103**	**719**	**976**	**953**	**(25)**
Change (YoY %)	(23)	(31)	(56)	0	25	52	33	7	(3)	36	78	

Jindal Steel

Estimate change	⟷
TP change	↑
Rating change	⟷

Bloomberg	JINDALST IN
Equity Shares (m)	1020
M.Cap.(INRb)/(USDb)	1154.7 / 12.6
52-Week Range (INR)	1170 / 723
1, 6, 12 Rel. Per (%)	13/13/26
12M Avg Val (INR M)	1822
Free float (%)	37.3

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	521	666	779
EBITDA	89	156	182
APAT	29	81	99
Adj. EPS (INR)	28.7	78.8	96.3
EPS Gr. (%)	(30.8)	174.6	22.3
BV/Sh. (INR)	488	557	642
Ratios			
Net D:E	0.3	0.2	0.2
RoE (%)	6.1	15.1	16.1
RoCE (%)	8.1	16.1	17.5
Payout (%)	10.0	10.0	10.0
Valuations			
P/E (x)	39.2	14.3	11.7
P/BV (x)	2.3	2.0	1.8
EV/EBITDA(x)	14.7	8.3	6.9
Div. Yield (%)	0.3	0.7	0.9
FCF Yield (%)	(2.3)	3.7	5.7

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	62.7	62.4	61.2
DII	19.1	18.7	17.3
FII	9.3	9.7	11.8
Others	8.9	9.2	9.8

FII includes depository receipts

CMP: INR1,132 TP: INR1,290 (+14%) Buy

Weak NSR/start-up costs related to new capacity led to a miss on earnings

Outlook remains strong

- Jindal Steel's (JINDALST) revenue stood at INR130b (+11% YoY/+12% QoQ), largely in line with our estimate of INR135b in 3QFY26. The growth was primarily attributed to strong volumes offset by muted NSR in 3Q.
- Production stood at 2.51mt (+26% YoY/QoQ), mainly led by the newly added Angul capacity. The sales volume was 2.28MT (+20% YoY/+22% QoQ). The share of exports declined to 6% in 3QFY26 from 10% in 2QFY26.
- Net realization dipped 8% YoY/9% QoQ to INR57,134/t on account of weak steel prices. Adj. EBITDA (ex-FX gain of INR410m) stood at INR15.9b, down by 25% YoY and 15% QoQ. The dip was mainly due to the muted NSR and higher input costs, led by the higher coke rate at Angul BF2 commissioning.
- The Adj. EBITDA missed against our est. of INR19b, particularly due to the startup cost of INR3.5b related to new capacity incurred during 3QFY26. Adj. EBITDA/t stood at INR6,986 (-38% YoY and -30% QoQ) vs. our estimate of INR8,630/t in 3QFY26. After excluding the impact from start-up costs, the EBITDA would have been at INR8,520/t.
- APAT for the quarter stood at INR2b (-78% YoY and -53% QoQ) against our est. of INR6b. The miss was attributed to lower operating profit and a higher effective tax rate due to losses in overseas subsidiaries.
- In 9MFY26, revenue and EBITDA came in at INR370b (+1% YoY) and INR64b (-11% YoY), while Adj. PAT fell 34% YoY to INR20b. Sales volume for 9MFY26 grew by 4% YoY to 6mt, while NSR declined 2% YoY to INR61,170/t. The muted NSR led to 11% YoY decline in 9MFY26 EBITDA/t to INR10,574/t.
- Net debt stood at INR154b as on Dec'25, translating to net debt/EBITDA to 1.72x in 3QFY26 vs. 1.48x in 2QFY26.

Key highlights from the management commentary

- The company has successfully ramped up the new Angul capacity in 3QFY26, and management reiterated its volume guidance of 8.5-9.0mt for FY26.
- NSR decline was higher than peers during 3Q due to adverse product mix due to capacity ramp-up, coupled with lower sales of by-product (pellets), which were consumed internally.
- Management highlighted that the steel prices for JINDALST have improved by INR3,000-3,500/t until now in 4Q vs. the end-3QFY26 levels.
- The company will continue to consume the by-product internally to cater to the metallic requirements of the newly added capacity.
- Coking coal costs were USD2/t higher in 3QFY26 (vs. guidance of USD3-5/t) and are expected to increase by USD18-23/t in 4QFY26 on a consumption basis. Management further guided the overall cost (ex-coking coal) to remain flat QoQ in 4QFY26.

Valuation and view – reiterate BUY

- JINDALST's 3QFY26 performance was muted on account of weak NSR and missed our estimate, particularly due to the start-up costs of INR3.5b related to the new capacity. We expect earnings to improve in 4Q, aided by steel price recovery and volume from capacity ramp-up, which could be partially offset by an increase in coking coal costs.
- We expect the long-term outlook to remain positive for the company. The completion of phase II of the Angul expansion will increase its crude steel capacity to 15.9mtpa and finished steel to 13.8mtpa, providing significant headroom for earnings growth. With the safeguard duty in place, we expect the steel prices to remain steady at healthy levels and support margins.
- A large proportion of capex has already been incurred (INR329.4b until Dec'25) out of the announced capex (INR470.4b), and the rest would be funded through internal accruals, keeping net debt/EBITDA below the threshold level of 1.5x. Currently, the net debt stood at INR154b as on Dec'25, translating to a net debt/EBITDA of 1.72x in 3QFY26 as compared to 1.48x in 2QFY26.
- We cut our EBITDA estimates for FY26/27 by 8%/6% to incorporate the 3Q earnings miss and certain start-up costs. We largely maintain our FY28 estimates. **At CMP, the stock trades at 8.3x EV/EBITDA on FY27E. We reiterate our BUY rating with a TP of INR1,290, based on 8.5x EV/EBITDA on the Sep'27 estimate.**

Consolidated quarterly performance (INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Sales (kt)	**2,090**	**1,850**	**1,900**	**2,130**	**1,900**	**1,870**	**2,280**	**2,491**	**7,970**	**8,541**	**2,208**	**3.3**
Change (YoY %)	13.6	(8.0)	5.0	6.0	(9.1)	1.1	20.0	17.0	3.9	7.2		
ASP	**65,157**	**60,612**	**61,846**	**61,893**	**64,708**	**62,491**	**57,134**	**60,591**	**62,440**	**61,000**	**61,091**	**(6.5)**
Net Sales	**136.2**	**112.1**	**117.5**	**131.8**	**122.9**	**116.9**	**130.3**	**150.9**	**497.6**	**521.0**	**134.9**	**(3.4)**
Change (YoY %)	8.2	(8.5)	0.4	(2.3)	(9.7)	4.2	10.9	14.5	(0.5)	4.7		
Change (QoQ %)	1.0	(17.7)	4.8	12.2	(6.7)	(5.0)	11.5	15.9				
Total Expenditure	107.8	90.3	96.2	107.0	93.6	98.1	114.3	125.6	400.6	431.7	115.8	
EBITDA	**28.4**	**21.8**	**21.3**	**24.8**	**29.3**	**18.8**	**15.9**	**25.3**	**97.1**	**89.3**	**19.1**	**(16.4)**
Change (YoY %)	8.0	(4.7)	(25.0)	1.5	3.2	(14.0)	(25.3)	2.1	(4.9)	(8.0)		
Change (QoQ %)	16.2	(23.2)	(2.1)	16.3	18.1	(36.0)	(15.1)	59.1				
EBITDA/t	**13,585**	**11,780**	**11,226**	**11,647**	**15,419**	**10,027**	**6,986**	**10,171**	**12,177**	**10,457**	**8,628**	**(19.0)**
Interest	3.3	3.3	3.1	3.4	3.0	3.7	4.1	4.2	13.1	14.9		
Depreciation	6.8	7.0	7.0	6.9	7.2	7.5	8.4	8.7	27.7	31.7		
Other Income	0.3	0.3	0.3	0.7	0.3	0.2	0.1	0.2	1.7	0.9		
PBT (before EO item)	**18.6**	**11.9**	**11.5**	**15.2**	**19.4**	**7.8**	**3.6**	**12.7**	**57.9**	**43.5**		
Extra-ordinary Income	-	0.2	0.5	(14.4)	0.8	2.1	(0.1)	-	(13.7)	2.7		
PBT (after EO item)	**18.6**	**12.1**	**12.0**	**0.8**	**20.2**	**9.8**	**3.4**	**12.7**	**44.3**	**46.2**		
Total Tax	5.2	3.5	2.5	3.8	5.2	3.5	1.5	3.7	15.0	13.9		
% Tax	28.0	29.1	20.7	463.7	25.9	35.3	43.7	29.2	33.8	30.1		
PAT (before MI/Sh. Asso.)	13.4	8.6	9.5	(2.9)	15.0	6.4	1.9	9.0	29.3	32.2		
MI - Loss/(Profit)	(0.0)	(0.0)	(0.0)	0.4	0.0	0.0	0.0	-	0.3	0.1		
Associate	(0.0)	-	0.0	(0.1)	(0.0)	(0.0)	(0.0)	-	(0.1)	(0.0)		
PAT (after MI and Sh. of Asso.)	**13.4**	**8.6**	**9.5**	**(3.4)**	**14.9**	**6.3**	**1.9**	**9.0**	**28.9**	**32.1**		
Adjusted PAT	**13.4**	**8.4**	**9.0**	**11.0**	**14.2**	**4.3**	**2.0**	**9.0**	**42.5**	**29.4**	**6.1**	**(67.1)**
Change (YoY %)	(20.6)	(39.5)	(53.3)	17.6	5.8	(49.3)	(77.8)	(18.2)	(28.4)	(30.8)		
Change (QoQ %)	43.3	(37.3)	7.2	22.2	28.9	(70.0)	(53.0)	349.4				

NALCO

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	NACL IN
Equity Shares (m)	1837
M.Cap.(INRb)/(USDb)	707.9 / 7.7
52-Week Range (INR)	432 / 138
1, 6, 12 Rel. Per (%)	24/104/91
12M Avg Val (INR M)	2815

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	179	175	186
EBITDA	85	70	74
Adj. PAT	60	47	49
EBITDA Margin (%)	47	40	40
Cons. Adj. EPS (INR)	32.8	25.6	26.8
EPS Gr. (%)	14	-22	5
BV/Sh. (INR)	121	144	167
Ratios			
Net D:E	-0.4	-0.4	-0.5
RoE (%)	30	19	17
RoCE (%)	40	26	23
Payout (%)	26	16	15
Valuations			
P/E (x)	11.7	15.1	14.4
P/BV (x)	3.2	2.7	2.3
EV/EBITDA(x)	7.3	8.5	7.5
Div. Yield (%)	2.2	1.0	1.0
FCF Yield (%)	6.1	5.5	5.5

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	51.3	51.3	51.3
DII	12.4	15.4	18.0
FII	19.7	16.2	14.1
Others	16.7	17.1	16.6

FII includes depository receipts

CMP: INR385 TP: INR350 (-9%) Neutral

Strong alumina volumes and favorable aluminum prices drive earnings beat

- NALCO's (NACL) 3QFY26 revenue came in line with our estimate at INR47.3b (+2% YoY and +10% QoQ), primarily driven by favorable aluminum prices.
- EBITDA stood at INR21.8b (-6% YoY and +13% QoQ) vs. our est. of INR23.3b. EBITDA margin was 46.1% vs. 44.9% in 2QFY26 and 49.9% in 3QFY25.
- Adj. PAT stood at INR15.9b (+2% YoY and +12% QoQ), in line with our est. of INR16.6b, supported by strong operating performance.
- In 9MFY26, revenue stood at INR128b (+11% YoY), EBITDA at INR56b (+16% YoY) and APAT at INR40.7b (+27% YoY).
- The board approved a second interim dividend of INR4.5 per share in 3Q.

Aluminum business

- Revenue from the aluminum business stood at INR34.7b, up 20% YoY and 33% QoQ, aided by favorable LME prices.
- Metal production stood at 120kt (+4% YoY and +1% QoQ), while sales volume was at 126kt (+19% YoY and +13% QoQ).
- ASP for aluminum stood at USD3,077/t (+6% YoY and +4% QoQ), mainly driven by favorable LME prices.
- EBIT for the vertical was INR15.8b, up 67% YoY and 33% QoQ.

Chemical (Alumina) business

- Revenue from the chemical business declined 34% YoY and 10% QoQ to INR16.6b, mainly due to correction in global alumina prices.
- Alumina hydrate production stood at 574kt, up 4% YoY and flat QoQ, while sales volume grew by 7% YoY and 2% QoQ to 403kt.
- ASP for alumina hydrate stood at USD352/t (-46% YoY and -13% QoQ) due to sharp correction alumina prices from ~USD580/t to ~USD300/t over 9M.
- EBIT came in at INR5.1b, down 60% YoY and 18% QoQ in 3QFY26.

Key highlights from the management commentary

- Management expects alumina realizations to remain at USD310-320/t in 4Q (broadly in line with current levels).
- Current LME aluminum price is USD3,200/t vs. earlier expectations of USD2,900-3,000/t. The price surge is attributed to supply-side constraints, incl. smelter closures and China's capacity cap.
- For the near term, management expects LME aluminum prices to sustain at USD3,000/t. Looking ahead, for FY27, LME prices are likely to be in the range of USD2,800-3,000/t.
- The cost of production for 4Q is expected to be at INR150,000-160,000/t, with the current average trending at INR153,000-156,000/t. For 4Q, the costs are expected to inch up QoQ, primarily due to higher caustic soda prices, which could be offset by operational efficiencies.

- Caustic soda prices surged from ~USD39/kg to USD45/kg, resulting in a cost impact of ~INR820m, but offset by savings from reduced specific consumption (~INR1,290m) from ~121 kg/t last year to ~99 kg/t.
- NACL witnessed a temporary export disruption in the Middle East during Jan'26 due to regional tensions. It expects to recover volumes in Feb-Mar'26. NACL also reiterated the alumina sales target of ~1,250-1,300kt (~1.25-1.30mt aluminum sales target) for FY26, with a possible upside depending on 4Q execution.

Valuation and view

- NACL posted a strong performance during 3Q, led by favorable aluminum prices and strong volume, which helped to offset the muted alumina price impact during the quarter. With limited production room at the smelter, LME prices become a vital factor for near-term operating performance.
- NACL plans to significantly expand its capacity in the long run (total outlay INR300b). However, with the completion timeline of FY30, execution risks and cost escalations remain key concerns.
- Despite strong fundamentals, zero debt, favorable LME prices and a robust demand outlook for aluminum in India, the near-term upside is capped by limited production headroom, trade tension, on-time execution challenges, and regulatory risks.
- We raise our EBITDA/PAT estimates by 3%/7% for FY27/FY28, incorporating the favorable LME price benefits. **At CMP, NACL trades at 8.5x on EV/EBITDA and 2.7x on P/B. We reiterate our Neutral rating on the stock with a revised TP of INR350, valuing the stock at 7x EV/EBITDA on Sep'27 estimates.**

Consolidated quarterly performance (INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Vs
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Est %
Net Sales	**28,561**	**40,015**	**46,622**	**52,678**	**38,069**	**42,923**	**47,310**	**50,779**	**1,67,876**	**1,79,081**	**47,842**	**-1.1**
Change (YoY %)	(10.1)	31.5	39.3	47.2	33.3	7.3	1.5	(3.6)	27.7	6.7		
Change (QoQ %)	(20.2)	40.1	16.5	13.0	(27.7)	12.8	10.2	7.3				
Total Expenditure	19,219	24,525	23,347	25,140	23,148	23,665	25,517	21,953	92,230	94,283		
EBITDA	**9,342**	**15,490**	**23,275**	**27,539**	**14,921**	**19,259**	**21,793**	**28,826**	**75,646**	**84,799**	**23,249**	**-6.3**
Change (YoY %)	57.2	290.7	201.1	148.7	59.7	24.3	(6.4)	4.7	163.4	12.1		
Change (QoQ %)	(15.6)	65.8	50.3	18.3	(45.8)	29.1	13.2	32.3				
Interest	34	44	191	321	80	84	596	84	590	844		
Depreciation	1,743	1,798	2,857	878	1,783	1,738	1,821	1,867	7,276	7,209		
Other Income	605	718	991	1,256	1,235	1,515	1,941	1,110	3,570	5,800		
PBT (after EO)	**8,170**	**14,366**	**21,219**	**27,596**	**14,293**	**18,952**	**21,316**	**27,985**	**71,351**	**82,546**		
Total Tax	2,158	3,744	5,390	6,813	3,654	4,621	5,306	8,294	18,104	21,875		
% Tax	26.4	26.1	25.4	24.7	25.6	24.4	24.9	29.6	25.4	26.5		
PAT before MI and Asso.	**6,012**	**10,622**	**15,829**	**20,784**	**10,639**	**14,332**	**16,010**	**19,691**	**53,247**	**60,671**		
Sh. of Associate	(128)	(162)	(166)	(111)	(144)	(32)	(59)	(123)	(567)	(358)		
Reported PAT after MI/Asso.	**5,884**	**10,460**	**15,663**	**20,672**	**10,495**	**14,299**	**15,952**	**19,568**	**52,679**	**60,313**		
Adjusted PAT	**5,884**	**10,460**	**15,663**	**20,672**	**10,495**	**14,299**	**15,952**	**19,568**	**52,679**	**60,313**	**16,600**	**-3.9**
Change (YoY %)	76.3	458.3	232.8	205.5	78.4	36.7	1.8	(5.3)	164.9	14.5		
Change (QoQ %)	(13.0)	77.8	49.7	32.0	(49.2)	36.3	11.6	22.7				

E: MOFSL Estimates

One 97 Communications

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	PAYTM IN
Equity Shares (m)	639
M.Cap.(INRb)/(USDb)	727.7 / 7.9
52-Week Range (INR)	1382 / 652
1, 6, 12 Rel. Per (%)	-10/5/38
12M Avg Val (INR M)	5643

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Revenue from Op	69.0	84.4	94.4
Contribution Profit	36.8	48.8	54.2
Adjusted EBITDA	(6.9)	5.7	6.7
EBITDA	(15.1)	5.0	6.7
PAT	(6.7)	5.6	8.9
EPS (INR)	(23.3)	11.8	13.3
EPS Gr. (%)	NM	NM	13.0
Ratios			
Contribution Margin (%)	53.3	57.8	57.4
EBITDA Margin (%)	(21.9)	6.0	7.1
Adj. EBITDA Margin (%)	(10.0)	6.7	7.1
RoE (%)	(10.5)	5.0	5.7
RoA (%)	(7.7)	3.3	3.5
Valuations			
P/E(X)	NA	95.8	84.8
P/BV (X)	4.8	4.8	4.8
P/Sales (X)	10.5	8.7	8.0

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	0.0	0.0	0.0
DII	20.3	20.0	11.9
FII	51.8	51.7	56.2
Others	27.9	28.4	31.9

FII includes depository receipts

CMP: INR1138 TP: INR1,275 (+12%) Neutral

In-line performance; contribution margin contracts amid higher direct costs

PIDF scheme withdrawal to impact profitability

- One 97 Communications (PAYTM) reported in-line operational performance, with net profit of INR2.2b (in line with our estimate of INR2.3b).
- Revenue grew 20% YoY/6% QoQ to INR21.94b (in line), led by healthy payments GMV, an increase in merchant subscriptions, and growth in the distribution of financial services.
- Payment revenue increased 19% YoY and 4% QoQ to INR11.9b, driven by steady GMV growth (up 23% YoY and 9% QoQ). The company also gained mkt share in Consumer UPI to 6.2%, alongside continued device deployments.
- Financial services revenue grew 34% YoY/10% QoQ, aided by momentum in merchant loans along with lending partnerships.
- Net payment margin expanded 3% QoQ (up 25% YoY) to INR6.1b/10bp of GMV vs. 10bp in 2QFY26. Meanwhile, the payment processing margin (PPM) expanded to 4bp and is guided to trend at the same levels over the coming quarters.
- Contribution margin contracted to ~57% (vs est of 59.6%) amid an increase in direct expenses (led by higher promotion and other expenses).
- We cut our contribution margin assumptions by 5% amid a decline in payments revenue due to the discontinuation of the PIDF scheme and an increase in direct expenses. We project PAT at INR8.9b in FY27E and INR17.4b in FY28E. **We value PAYTM at INR1,275, based on 22x FY30E EBITDA discounted to FY27E, translating into 8.0x FY27E sales. We reiterate our Neutral rating on the stock.**

GMV growth healthy; merchant expansion on track

- PAYTM reported net profit of INR2.25b (in line with our est.), aided by healthy GMV and better subscription + MDR revenue. GMV increased 23% YoY/9% QoQ to INR6.2t.
- Revenue grew 20% YoY/ 6% QoQ to INR21.94b (in line), led by payments and financial services (up 24% YoY/6% QoQ), while financial services revenue grew 34% YoY/ 10% QoQ. Subscription revenue (calc) grew 23% YoY/ 5% QoQ, while MDR revenue (calc) grew 21% YoY/ 5% QoQ.
- Revenue from marketing services grew 4% QoQ to INR2.4b, while MTU rose 1% QoQ.
- PPM stood at 4bp, expanding from 3bp in 2QFY26. PAYTM continues to see an improvement in the PPM amid higher growth of credit cards on UPI and expansion of offerings such as EMI. Net payment margin expanded 25% YoY/3% QoQ to INR6.1b/10bp vs. 10bp in 2Q.
- While the cost was elevated in 3Q, management expects it to remain broadly flat over the next 3 to 4 quarters, due to AI-led efficiency.
- Direct expenses grew 9% YoY/11% QoQ, led by other expenses as well as higher payment processing charges. As a result, contribution profit grew 3% QoQ (while the contribution margin contracted to 56.9% vs MOFSLe of 59.6%).

- PAYTM received INR2.16b under the PIDF incentive during 9MFY26. With the scheme largely not extended beyond 31st December 2025, the company expects to offset around INR180m (about 30% of the impact in 4Q). At the current run rate, this translates into roughly INR2b on an annualized basis, which can be further mitigated through higher subscription revenues.

Highlights from the management commentary

- Approximately 30-40% of the impact from PIDF-related losses is expected to be offset through subscription revenues. In 4Q alone, the company offset ~INR180m, representing ~30-40% of the impact, with merchant monetization expected to improve over time.
- PPM expanded to ~4bp vs ~3bp in earlier quarters. Management indicated comfort in sustaining margins above 4bp, aided by higher contribution from RuPay credit cards on UPI.
- Consumer UPI market share increased to 6.2%. Management views this as a strategic priority and believes PAYTM is well-positioned to address market share concentration issues.
- Device rental economics are driven by: 1) higher merchant engagement enabling better pricing, 2) declining soundbox costs, and 3) lending cross-sell potential impacting payback.

Valuation and view: Reiterate Neutral with a TP of INR1,275

- PAYTM delivered a decent quarter, broadly in line with our estimates, driven by strong revenue growth and disciplined cost management, translating into healthy PAT growth.
- The company continues to make steady progress toward sustainable profitability, with improving operating leverage, while GMV growth remained healthy and robust.
- Contribution margin stood at 56.9%, and momentum in the financial services segment is expected to stay strong, supported by improving tailwinds in the unsecured segment.
- Recent developments around the PIDF scheme could weigh on the near-term profitability trajectory; the company is estimated to face an annual impact of ~INR2b in FY27E, of which only 30–40% is likely to be absorbed.
- We cut our contribution margin assumptions by 5% amid a decline in payments revenue due to the discontinuation of the PIDF scheme and an increase in direct expenses. We project PAT at INR8.9b in FY27E and INR17.4b in FY28E. **We value PAYTM at INR1,275, based on 22x FY30E EBITDA discounted to FY27E, translating into 8.0x FY27E sales. We reiterate our Neutral rating on the stock.**

Quarterly Performance (INR b)

	FY25				FY26E				FY25	FY26E	FY26E	V/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Est
Payment Services to Consumers	0.8	0.9	0.9	1.0	1.0	1.1	1.1	1.1	3.6	4.3	1.5	-25%
Payment Services to Merchants	8.0	8.6	9.1	9.5	9.5	10.4	10.8	10.8	35.2	41.4	10.6	2%
Financial Services and Others	2.8	3.8	5.0	5.5	5.6	6.1	6.7	7.2	17.0	25.7	6.4	5%
Payment and Financial Services	**11.6**	**13.2**	**15.1**	**15.9**	**16.1**	**17.6**	**18.6**	**19.1**	**55.8**	**71.3**	**18.4**	**1%**
% Change (Y-o-Y)	-39.3	-36.2	-34.2	-14.4	37.9	32.9	23.9	19.8	-31.3	27.8	22.5	
Commerce and Cloud Services	**3.2**	**3.0**	**2.7**	**2.7**	**2.5**	**2.3**	**2.4**	**2.6**	**11.6**	**9.7**	**2.4**	**1%**
Revenue from Operations	**15.0**	**16.6**	**18.3**	**19.1**	**19.2**	**20.6**	**21.9**	**22.6**	**69.0**	**84.4**	**21.3**	**3%**
% Change (Y-o-Y)	-35.9	-34.1	-35.9	-15.7	27.7	24.2	20.0	18.3	-30.9	22.3	16.6	
Direct Expenses	7.5	7.7	8.7	8.4	7.7	8.6	9.5	9.9	32.2	35.6	8.6	10%
Contribution Profit	**7.5**	**8.9**	**9.6**	**10.7**	**11.5**	**12.1**	**12.5**	**12.7**	**36.8**	**48.8**	**12.7**	**-2%**
% Change (Y-o-Y)	-42.1	-37.3	-36.9	-16.7	52.5	35.0	30.2	18.2	-33.6	32.7	32.4	
Indirect Expenses	13.0	10.8	10.0	9.9	10.5	10.3	10.9	11.4	43.7	43.1	10.6	3%
Adjusted EBITDA	**-5.5**	**-1.9**	**-0.4**	**0.8**	**1.0**	**1.8**	**1.6**	**1.3**	**-6.9**	**5.7**	**2.0**	**-24%**
EBITDA	**-7.9**	**-4.0**	**-2.2**	**-0.9**	**0.7**	**1.4**	**1.6**	**1.3**	**-15.1**	**5.0**	**1.7**	
Adj. PAT	**-8.4**	**-4.2**	**-2.1**	**-0.2**	**1.4**	**2.1**	**2.3**	**1.9**	**-14.9**	**7.7**	**2.4**	-5%
% Change (Y-o-Y)	134.7	45.5	-5.5	-96.1	-116.6	-150.7	-208.2	-978.7	25.1	-151.5	-213.4	
PAT	**-8.4**	**9.3**	**-2.1**	**-5.4**	**1.2**	**0.2**	**2.3**	**1.9**	**-6.7**	**5.6**	**2.4**	-5%
Profitability												
Contribution Margin (%)	50.3	53.9	52.5	56.1	60.1	58.5	56.9	56.1	53.3	57.8	59.6	
Adjusted EBITDA Margin (%)	-36.4	-11.2	-2.2	4.2	5.3	8.6	7.1	5.7	-10.0	6.7	9.6	
EBITDA Margin (%)	-52.8	-24.3	-12.2	-4.6	3.7	6.9	7.1	5.7	-21.9	6.0	7.8	

E: MOFSL Estimates

IDFC First Bank

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	IDFCFB IN
Equity Shares (m)	7339
M.Cap.(INRb)/(USDb)	718.5 / 7.8
52-Week Range (INR)	87 / 52
1, 6, 12 Rel. Per (%)	1/19/28
12M Avg Val (INR M)	2193

Financial and Valuation (INR b)

Y/E March	FY25	FY26E	FY27E
NII	192.9	213.7	259.8
OP	74.1	85.6	115.4
NP	15.2	21.3	42.7
NIM (%)	6.0	5.6	5.7
EPS (INR)	2.1	2.7	5.0
BV/Sh. (INR)	52	55	59
ABV/Sh. (INR)	50	53	57
Ratios			
RoE (%)	0.5	0.6	0.9
RoA (%)	4.4	5.0	8.8
Valuations			
P/E(X)	39.4	31.2	16.7
P/BV (X)	1.6	1.5	1.4
P/ABV (X)	1.7	1.6	1.5

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	0.0	0.0	0.0
DII	30.2	33.5	25.3
FII	36.8	24.6	27.1
Others	33.1	41.9	47.6

CMP: INR84 TP: INR90 (+8%) Neutral

In-line quarter; asset quality outlook improving

Business growth remains robust

- IDFC First Bank (IDFCFB) reported 3QFY26 PAT of INR5b (up 48% YoY/up 43% QoQ, in line), as NII and PPoP both stood in line.
- NII grew 12% YoY/7.4% QoQ to INR54.9b (in line). NIMs expanded 17bp QoQ to 5.76%, with the outlook improving amid a better asset mix and benefits from the recent cut in SA rates.
- Business growth remains robust, with advances growth at 21% YoY/5% QoQ. Deposits growth also stood healthy at 23% YoY/5.2% QoQ, with the CASA mix further improving to 51.6% (up 150bp QoQ).
- The bank has reversed the excess provision of INR750m in the MFI segment but still holds a provision of INR1.65b. The GNPA ratio improved 17bp to 1.69%, while the NNPA ratio stood largely flat QoQ at 0.53%.
- **We marginally raise our FY26/27/28E estimates by 1-2% and estimate an RoA/RoE of 0.9%/8.8% for FY27. Reiterate Neutral with a TP of INR90 (1.4x Sep'27E ABV).**

NIMs expand 17bp QoQ; asset quality outlook getting better

- IDFCFB reported 3QFY26 PAT of INR5b (up 48% YoY/ 43% QoQ; in line).
- NII grew 12% YoY/7.4% QoQ to INR54.9b (in line). NIMs expanded 17bp QoQ to 5.76%, amid a 12bp reduction in CoF, 2-3bp benefit from the CRR reduction, and partly due to the recent capital infusion.
- Other income stood healthy at 19.4% YoY/12.3% QoQ to INR21.3b (7% beat), as fee income continues to gain traction, led by an increased business momentum.
- Opex grew 13.4% YoY/9% QoQ to INR55.8b (in line). C/I ratio, thus, remained elevated at 73.3% vs 73.2% in 2QFY26. Bank has taken an impact of INR653.6m for new labor code; adjusting for same, C/I ratio declined by 71bp QoQ to 72.4%. PPoP grew 16% YoY/8% QoQ to INR20.3b (in line).
- Business growth remains robust, with net advances growing 21% YoY/5% QoQ, led by broad-based growth in retail (up 21.6% YoY/5% QoQ). Within Retail, VF and Consumer grew faster at 6%/7% QoQ, respectively. Wholesale grew 7% QoQ, while BB grew 8% QoQ. The share of consumer & rural finance was ~67.2% as of 3QFY26.
- Deposit grew healthy at 23% YoY/5.2% QoQ, with the CASA mix further improving to 51.6% (up 150bp QoQ). CD ratio stood flat QoQ at ~93%.
- GNPA ratio improved 17bp to 1.69%, while NNPA ratio stood largely flat QoQ at 0.53%. PCR ratio declined to 69%. Gross slippages declined to INR20.9b vs. INR22.6b in 2QFY26. SMA book declined to 0.88%.
- With unsecured segments showing a recovery, the credit cost outlook is improving. The bank does not expect any material impact from ECL on implementation, though the credit cost can slightly increase post the ECL transition.

Highlights from the management commentary

- NIMs expanded 17bp QoQ. Of this, ~12bp was driven by the cost of funds reduction, ~2–3bp by CRR-related benefits, and the remainder was partly due to capital infusion during mid-quarter.
- For 4QFY26, management expects NIMs to trend towards ~5.85%, reflecting the full impact of savings rate reductions.
- ECL implementation is expected to be marginally positive overall, although it may result in some increase in reported credit costs going forward.
- INR750m of excess MFI provisions were written back as they were no longer required, while the bank continues to maintain a contingency buffer of INR1,650m for the MFI portfolio.

Valuation and view: Reiterate Neutral with a TP of INR90

IDFCFB reported a largely in-line quarter, led by steady business growth, expanding margins, and a stable asset quality trajectory. The bank has witnessed a 17bp QoQ expansion in NIMs, led by the CoF reduction and CRR benefit. Moreover, it expects NIMs to expand to 5.85% in 4QFY26. Loan growth in unsecured segments is showing positive signs, and the bank can see better yields alongside controlled credit costs. We expect the C/I ratio to moderate from 71.3% in FY26E to 67.7% in FY27E, as revenue growth gains pace and operating leverage begins to play out. **We broadly maintain our earnings and estimate a PAT CAGR of 73% over FY26-28, leading to an RoA/RoE of 0.9%/8.8% for FY27E. Reiterate Neutral with a TP of INR90, based on 1.4x Sep'27E ABV.**

Quarterly performance (INRb)

	FY25				FY26E				FY25	FY26E	FY26E	V/s
	1Q	2Q	3Q	4Q	1Q	2Q	3QA	4QE			3QE	Est
Net Interest Income	**46.9**	**47.9**	**49.0**	**49.1**	**49.3**	**51.1**	**54.9**	**58.3**	**192.9**	**213.7**	**54.5**	**1%**
% Change (Y-o-Y)	25.4	21.2	14.4	9.8	5.1	6.8	12.0	18.9	17.3	10.8	11.1	
Other Income	16.2	17.3	17.8	19.0	22.3	18.9	21.2	21.8	70.2	84.3	19.8	7%
Total Income	**63.1**	**65.2**	**66.8**	**68.0**	**71.6**	**70.0**	**76.2**	**80.2**	**263.1**	**298.0**	**74.3**	**3%**
Operating Expenses	44.3	45.5	49.2	49.9	49.2	51.2	55.8	56.0	189.0	212.3	54.0	3%
Operating Profit	**18.8**	**19.6**	**17.6**	**18.1**	**22.4**	**18.8**	**20.3**	**24.1**	**74.1**	**85.6**	**20.2**	**1%**
% Change (Y-o-Y)	25.5	29.9	12.6	8.9	19.0	-4.2	15.6	33.1	18.9	15.5	15.0	
Provisions	9.9	17.3	13.4	14.5	16.6	14.5	14.0	13.5	55.1	58.6	13.6	3%
Profit before Tax	**8.9**	**2.3**	**4.2**	**3.6**	**5.8**	**4.3**	**6.4**	**10.6**	**19.0**	**27.0**	**6.6**	**-4%**
Tax	2.1	0.3	0.8	0.6	1.2	0.8	1.3	2.5	3.8	5.8	1.6	-16%
Net Profit	**6.8**	**2.0**	**3.4**	**3.0**	**4.6**	**3.5**	**5.0**	**8.1**	**15.2**	**21.3**	**5.0**	**0%**
% Change (Y-o-Y)	-11.0	-73.3	-52.6	-58.0	-32.0	75.5	48.1	165.8	-48.4	39.4	47.7	
Operating Parameters												
Deposit (INR b)	2,097	2,236	2,369	2,521	2,650	2,768	2,911	3,070	2,521	3,070	2,934	-1%
Deposit Growth (%)	35.8	30.6	29.8	25.7	26.4	23.8	22.9	21.8	25.7	21.8	23.8	
Loan (INR b)	2,026	2,151	2,231	2,331	2,437	2,571	2,700	2,837	2,331	2,793	2,696	0%
Loan Growth (%)	21.0	20.7	20.3	19.8	20.3	19.5	21.0	21.7	19.8	19.8	20.9	
Asset Quality												
Gross NPA (%)	1.9	1.9	1.9	1.9	2.0	1.9	1.7	1.6	1.9	1.7	1.8	
Net NPA (%)	0.6	0.5	0.5	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.5	
PCR (%)	69.4	75.3	73.6	72.3	72.3	72.2	69.1	70.3	72.3	70.3	72.0	

Source: MOFSL, Company

Prestige Estates Projects

Estimate change	↑
TP change	↓
Rating change	↔

Bloomberg	PEPL IN
Equity Shares (m)	431
M.Cap.(INRb)/(USDb)	629.5 / 6.8
52-Week Range (INR)	1814 / 1048
1, 6, 12 Rel. Per (%)	-5/-12/0
12M Avg Val (INR M)	1291

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	114.3	140.7	167.0
EBITDA	35.2	33.5	39.8
EBITDA (%)	30.8	23.8	23.8
Adj. PAT	11.4	12.3	16.4
EPS (INR)	28.4	30.7	40.8
EPS Gr. (%)	138.1	152.5	112.2
BV/Sh. (INR)	411.5	440.5	479.7
Ratios			
Net D/E	0.7	0.7	0.2
RoE (%)	7.1	7.2	8.9
RoCE (%)	8.9	8.6	9.3
Payout (%)	5.7	5.3	3.9
Valuations			
P/E (x)	51.6	47.7	35.8
P/BV (x)	3.6	3.3	3.0
EV/EBITDA (x)	19.0	20.2	17.0
Div Yield (%)	0.1	0.1	0.1

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	60.9	60.9	60.9
DII	21.0	20.7	16.7
FII	15.7	15.8	19.3
Others	2.4	2.6	3.0

CMP: INR1,462 TP: INR2,285 (+56%) Buy

Robust 9M performance; annuity base expanding

Stellar business development of INR399b in 9M

- **Presales:** In 3QFY26, presales were up 39% YoY/down 30% QoQ at INR41.8b (10% below our estimate) as only one residential project was launched in the quarter. In 9MFY26, presales grew 122% YoY to INR223b.
- **Area sold:** Total area sold in the quarter was at 3msf, up 34% YoY/down 32% QoQ (32% below our estimates). In 9MFY26, total area sold was at 17msf, up 110% YoY.
- **Total unit sales** stood at 1,811 in 3Q and 8,598 in in 9MFY26.
- **Geographical contribution of presales:** In 3Q, BGLR/NCR/MMR/HYD/CHEN/ Others contributed 25%/16%/36%/16%/5%/2% to presales. In 9MFY26, these regions contributed 27%/40%/20%/9%/4%/1%, respectively.
- **Realization:** The realization stood at INR13,992psf, up 4% YoY/3% QoQ (32% higher than our estimates). In 9MFY26, it was at INR13,165psf, up 6% YoY.
- **Launches:** Prestige launched one residential project and two retail projects in 3Q, totaling 5.02msf with residential GDV of INR20.3b during the quarter. Accordingly, 9MFY26 launches stood at 23.8msf with residential area of 20.9msf and GDV of INR196.2b.
- **Collections:** PEPL's collections rose 40% YoY/8% QoQ to INR45.5b in 3QFY26. In 9MFY26, it stood at INR132.8b, up 49% YoY.
- **Net debt:** Net debt increased to INR87.7b (vs. INR73.2b in 2QFY26), with a net debt-to-equity ratio of 0.53x and a reduced borrowing cost of 9.47%.
- **Business development:** In 9MFY26, PEPL acquired 16 projects (11 projects as JDA and 5 owned) across Hyderabad, Bengaluru, Chennai and Mumbai, Mysore and Chikkamagaluru, with a total area of 351 acres comprising GDV of INR399.2b.
- **Completions:** The company successfully completed three residential projects in 3QFY26 spanning a total of 4.72msf. Overall, in 9MFY26, the company completed 12.71msf of projects.
- **Pipeline:** GDV of upcoming launches stands at INR264.8b. For under-construction and upcoming office projects, pending capex amounts to INR101.4b, while retail projects have pending capex of INR49.1b.
- **Office:** Total area leased in 3Q was 0.56msf. Occupancy remained robust at 95%. Exit rentals for the quarter amounted to INR8.3b. Upon completion of the ongoing construction pipeline, office annuity income is projected to reach INR40b by FY30, enhancing PEPL’s long-term recurring income visibility. The company has recently completed Prestige Lakeshore Drive and Prestige Capital Square, premium office developments aggregating 3.7msf in Bengaluru; with leasing largely concluded, these assets are expected to meaningfully add to steady cash flows and annuity income.
- **Retail:** Gross turnover (GTO) across malls was recorded at INR7b, up 14% YoY. Occupancy remained strong at 99%. Exit rentals for FY26 stood at INR2.8b. With 13 malls in the development pipeline, exit rentals are projected to grow to INR10.9b by FY30, significantly scaling PEPL's retail annuity platform.
- **P&L:** Revenue grew 134% YoY/59% QoQ to INR38.7b (37% above estimates) in 3QFY26. In 9MFY26, it stood at INR86.1b, up 48% YoY.

- EBITDA came in at INR8.6b, +46% YoY/-5% QoQ (28% above our estimates), with EBITDA margin of 22.2%. In 9MFY26, it stood at INR26.6b, up 32% YoY with margin of 30.9%.
- Adjusted PAT of INR2.2b was up multifold on a YoY basis, yet 12% below estimates due to lower than anticipated other income. PAT margin was 5.7%. In 9MFY26, PAT stood at INR9.5b, up 114% YoY with margin of 11%.

Valuation and view

- As the company advances its growth trajectory in both residential and commercial segments and unlocks value from its hospitality segment, we believe the stock is set for further re-rating. **Reiterate BUY** with a revised TP of INR2,285 (earlier INR2,295), indicating a 56% upside potential.

Quarterly performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2Q	
Net Sales	**18,621**	**23,044**	**16,545**	**15,284**	**23,073**	**24,317**	**38,726**	**28,197**	**73,494**	**1,14,313**	**28,215**	**37**
YoY Change (%)	10.8	3.0	-7.9	-29.4	23.9	5.5	134.1	84.5	-6.7	55.5	70.5	
Total Expenditure	10,658	16,731	10,644	9,873	14,135	15,219	30,126	19,602	47,906	79,082	20,648	
EBITDA	**7,963**	**6,313**	**5,901**	**5,411**	**8,938**	**9,098**	**8,600**	**8,595**	**25,588**	**35,231**	**7,567**	**14**
Margins (%)	42.8	27.4	35.7	35.4	38.7	37.4	22.2	30.5	34.8	30.8	26.8	-461.2
Depreciation	1,905	2,004	2,047	2,167	2,162	2,186	2,335	2,826	8,123	9,509	2,347	
Interest	3,461	3,565	3,451	2,861	3,839	3,851	3,838	3,312	13,338	14,840	3,663	
Other Income	1,624	1,194	434	609	1,614	2,661	129	1,312	3,861	5,716	1,975	
PBT before EO expense	**4,221**	**1,938**	**837**	**992**	**4,551**	**5,722**	**2,556**	**3,768**	**7,988**	**16,597**	**3,532**	**-28**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**4,221**	**1,938**	**837**	**992**	**4,551**	**5,722**	**2,556**	**3,768**	**7,988**	**16,597**	**3,532**	**-28**
Tax	1,023	-519	445	440	1,271	1,266	336	1,309	1,389	4,182	614	
Rate (%)	24.2	-26.8	53.2	44.4	27.9	22.1	13.1	34.8	17.4	25.2	17.4	
Minority Interest & Profit/Loss of Asso. Cos.	872	535	215	302	355	153	-6	544	1,924	1,046	387	
Reported PAT	**2,326**	**1,922**	**177**	**250**	**2,925**	**4,303**	**2,226**	**1,915**	**4,675**	**11,369**	**2,531**	
Adj PAT	**2,326**	**1,922**	**177**	**250**	**2,925**	**4,303**	**2,226**	**1,915**	**4,675**	**11,369**	**2,531**	**-12**
YoY Change (%)	-12.9	3.6	-84.8	-82.1	25.8	123.9	1,157.6	665.9	-34.0	143.2	1,329.8	
Margins (%)	12.5	8.3	1.1	1.6	12.7	17.7	5.7	6.8	6.4	9.9	9.0	
Key metrics												
Sale Volume (msf)	2.9	3.0	2.2	4.5	9.6	4.4	3.0	6.3	12.6	23.3	4	-32
Sale Value (INR b)	30.3	40.2	30.1	69.6	121.3	60.2	41.8	63.9	170.2	287.1	47	-10
Collections - PEPL share (INR b)	27.0	25.5	30.6	30.1	42.3	38.9	41.7	48.8	113.2	171.7	41	2
Realization (INR/sft)	10,593	13,409	13,513	15,495	12,698	13,614	13,992	10,112	13,532	12,336	10,612	32

Bharat Dynamics

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	BDL IN
Equity Shares (m)	367
M.Cap.(INRb)/(USDb)	563.8 / 6.1
52-Week Range (INR)	2097 / 907
1, 6, 12 Rel. Per (%)	8/-7/12
12M Avg Val (INR M)	3659

Financials Snapshot (INR b)(INR b)

Y/E March	2026E	2027E	2028E
Sales	44.0	61.4	81.7
EBITDA	8.0	12.1	17.6
Adj. PAT	8.2	11.5	16.4
Adj. EPS (INR)	22.3	31.4	44.9
EPS Gr. (%)	48.5	41.1	42.8
BV/Sh.(INR)	125.6	150.1	186.9
Ratios			
RoE (%)	17.7	20.9	24.0
RoCE (%)	18.3	21.5	24.5
Payout (%)	27.1	22.1	17.8
Valuations			
P/E (x)	69.1	48.9	34.3
P/BV (x)	12.2	10.2	8.2
EV/EBITDA (x)	63.3	40.5	26.7
Div. Yield (%)	0.4	0.5	0.5

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter (%)	74.9	74.9	74.9
DII (%)	11.0	11.3	8.7
FII (%)	2.3	2.4	3.1
Others (%)	11.8	11.3	13.3

FII Includes depository receipts

CMP: INR1,538 TP: INR1,800 (+17%) Buy

Weak performance

Bharat Dynamics (BDL)'s 3QFY26 performance was weaker than our expectations. Execution was impacted due to delays in component integration from other vendors, while margin was hit by lower revenue and a higher share of bought-out components for Akash and Astra Mk-1. However, order inflows remained healthy for BDL during 9MFY26 at ~INR54b and the company is expecting additional INR40b-50b worth of orders in 4QFY26. Further, the near-to-medium-term prospects also remains strong. We believe that the higher share of bought-out components will continue to weigh on its overall margins. Hence, we cut our estimates by 21%/17%/14% for FY26/FY27/FY28. We thus expect a revenue/EBITDA/PAT CAGR of 35%/55%/44% over FY25-28 and arrive at a revised TP of INR1,800 (vs. INR2,000 earlier), based on 42x two-year forward earnings. Maintain BUY.

Weak set of results

BDL's results were weaker than our expectations, as some portion of revenue was front-ended in 2QFY26. Defense PSUs' quarterly performance is generally lumpy during the first three quarters. Revenue declined 32% YoY to INR5.7b in 3QFY26. Gross margin continued to remain impacted during the quarter, contracting 1,410bp YoY to 41.5% in 3QFY26. Absolute EBITDA declined 80% YoY to INR260m. Lower gross margin led to a dip in EBITDA margin to 4.6%. Slower execution and margin contraction led to PAT declining 50% YoY to INR729m. For 9MFY26, revenue/PAT increased 25%/11% YoY to INR19.6b/ INR3.1b. However, EBITDA declined 3% YoY to INR1.7b, while margins contracted 250bp YoY to 8.6%. The company has assessed the financial impact of changes in labor law, which has resulted in an additional liability of ~INR45m.

Performance hit by higher bought-out components

BDL received orders worth INR54b during 3QFY26, primarily related to ATGMs and SAMs, taking the total order book to ~INR255b as of 31 Dec'25. During 3QFY26, revenues were impacted by delays in component integration from external vendors. Management indicated that approvals are being sought to enable booking of BDL's share of revenue, which could result in bunching of revenue in 4QFY26. Margins during the quarter were lower due to 1) subdued execution and 2) higher bought-out components for Astra Mk-1 and Akash ground support systems, which weighed on gross and EBITDA margins. Projects such as Konkur, ATGMs, and non-ground support elements of Astra and Akash carry relatively higher margins. Hence, the medium-term margin trajectory will remain dependent on the evolving project mix.

Defense sector tailwinds

Over the past one year, MoD has approved acquisition proposals worth INR3.8t, with INR1.8t worth of contracts already signed for the modernization of the Armed Forces. Of this, ~INR1.2t worth of contracts were signed in FY26, indicating ~80% of defense budget utilization as of Dec'25-end. Some notable AoNs where BDL is a potential beneficiary include QRSAM, IADWS, Ballistic Missile System, Long Range Air to Surface Supersonic Cruise Missile (LRASSCM), Astra Mk-II, ATGM NAG Mk-2, Advanced Lightweight Torpedo, and Processor-based Moored Mine – next generation (PBMM NG).

Successful user trials strengthen BDL's prospects

BDL has a strong order pipeline of ~INR500b for the next five years. The company is targeting ~INR200b worth of orders to come in within the next 18 months of which ~INR40b-50b is expected in 4QFY26. User evaluation trials for several systems where BDL can be a key participant have either been completed or are in the final stages. These include the Surface-to-Surface Missile 'Pralay', the Surface-to-Air Missile Akash NG, the Advanced Lightweight Torpedo, the Extended Range Anti-Submarine Rocket (ER-ASR), the Man Portable Anti-tank Guided Missile (MPATGM), the Very Short-Range Air Defence System (VSHORADS), the Vertical Launch Short Range Surface-to-Air Missile, the Long Range Land Attack Cruise Missile, the UAV Launched Precision Guided Missile (ULPGM)-V3, etc. Successful user trials enhance order visibility and reduce execution risk, supporting a stronger revenue ramp-up once contracts are awarded.

Capacity readiness for execution of future inflows

BDL's order book spans a diversified portfolio of weapon systems, including anti-tank, surface-to-air, and air-to-air missiles, Akash systems, torpedoes, and other platforms, providing execution visibility across multiple programs. BDL's current capacity utilization is ~60%, which indicates sufficient headroom to absorb any incremental orders without constraints. To support the medium-term growth, the company is in the process of commissioning two new manufacturing facilities at Jhansi and near Hyderabad by mid-FY27, while also evaluating additional land acquisition for longer-term expansion. Management has guided for a cumulative capex of ~INR25b-30b over the next three to five years, primarily towards infrastructure and capacity augmentation.

Financial outlook

We believe the share of Akash and Astra Mk-1 in overall execution will remain elevated over the next few months, which implies continued higher reliance on bought-out components. This is likely to exert pressure on overall EBITDA margins in the near to medium term. Accordingly, we have reduced our margin estimates and thus expect a revenue/EBITDA/PAT CAGR of 35%/55%/44% over FY25-28.

Valuation and view

The stock currently trades at 69.1x/48.9x/34.3x P/E on FY26/FY27/FY28 estimates. **We maintain our BUY rating on the stock with a revised TP to INR1,800 (INR2,000 earlier), based on 42x two-year forward earnings.**

Key risks and concerns

Key risks for the company include a decline or reprioritization of the Indian defense budget, termination of existing contracts or failure to succeed in tendering projects, changes in procurement rules and regulations of the MoD and the government, and supply-chain-related issues.

Standalone - Quarterly Snapshot **(INR m)**

Income Statement	FY25				FY26E				FY25	FY26E		Var.
Y/E March	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Vs Est
Net revenue	**1,912**	**5,448**	**8,321**	**17,770**	**2,479**	**11,470**	**5,666**	**24,355**	**33,451**	**43,971**	**11,453**	**-51**
Change (%)	-35.8	-11.5	38.3	108.0	29.7	110.6	-31.9	37.1	41.2	31.4	37.6	
Expenses	2,435	4,459	7,053	14,780	2,933	9,595	5,406	18,014	28,727	35,949	9,391	
EBITDA	**-523**	**988**	**1,269**	**2,990**	**-454**	**1,875**	**260**	**6,341**	**4,724**	**8,022**	**2,062**	**-87**
Change (%)	NA	-26.3	6.8	-5.5	NA	89.7	-79.5	112.1	-12.0	69.8	62.5	
As of % Sales	-27.4	18.1	15.2	16.8	-18.3	16.3	4.6	26.0	14.1	18.2	18.0	
Depreciation	157	177	177	197	177	191	193	216	707	776	195	-1
Interest	12	7	7	7	7	13	7	6	33	33	8	-17
Other Income	804	860	844	996	869	1,206	972	861	3,504	3,907	933	4
PBT	**112**	**1,665**	**1,929**	**3,782**	**231**	**2,876**	**1,032**	**6,980**	**7,488**	**11,120**	**2,792**	**-63**
Tax	40	439	458	1,054	48	717	303	1,889	1,991	2,957	726	
Effective Tax Rate (%)	35.8	26.4	23.7	27.9	20.7	24.9	29.3	27.1	26.6	26.6	26.0	
Extra-ordinary Items	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	**72**	**1,225**	**1,471**	**2,728**	**183**	**2,159**	**729**	**5,091**	**5,496**	**8,163**	**2,066**	**-65**
Adj PAT	**72**	**1,225**	**1,471**	**2,728**	**183**	**2,159**	**729**	**5,091**	**5,496**	**8,163**	**2,066**	**-65**
Change (%)	-82.7	-16.7	9.0	-5.5	154.3	76.2	-50.4	86.6	-10.3	48.5	40.4	
As of % Sales	3.8	22.5	17.7	15.4	7.4	18.8	12.9	20.9	16.4	18.6	18.0	

P&G Hygiene and Healthcare

Estimate changes	↔
TP change	↓
Rating change	↔

Bloomberg	PG IN
Equity Shares (m)	32
M.Cap.(INRb)/(USDb)	381.9 / 4.2
52-Week Range (INR)	14824 / 11612
1, 6, 12 Rel. Per (%)	-6/-17/-27
12M Avg Val (INR M)	141

Financials & valuations (INR b)

Y/E June	FY26E	FY27E	FY28E
Sales	43.8	47.2	50.7
Sales Gr. (%)	29.9	7.8	7.3
EBITDA	11.8	12.9	14.1
Margin (%)	26.9	27.3	27.8
Adj. PAT	8.8	9.7	10.6
Adj. EPS (INR)	270.1	298.5	326.0
EPS Gr. (%)	37.9	10.5	9.2
BV/Sh.(INR)	281.1	340.9	406.2
Ratios			
RoE (%)	106.4	96.1	87.4
RoCE (%)	120.3	107.2	96.6
Valuations			
P/E (x)	43.6	39.5	36.1
P/BV (x)	41.9	34.6	29.0
EV/EBITDA (x)	32.0	29.0	26.4
Div. Yield (%)	1.8	2.0	2.2

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	70.6	70.6	70.6
DII	16.0	16.1	15.4
FII	1.1	1.1	1.4
Others	12.3	12.2	12.6

FII Includes depository receipts

CMP: INR11,766 TP: INR13,000 (+10%) Neutral

Muted revenue growth continues; beat on margins

- P&G Hygiene and Healthcare's (PGHH) 3QFY26 revenue growth was below our expectations, but was a beat on profitability. PGHH margins have been highly volatile, and such anomalies have been observed in the past quarters as well. Revenue grew 1% YoY to INR12.6b (below) in 3QFY26. The revenue growth trajectory has been flattish over four consecutive quarters now.
- Gross margin expanded 180bp YoY and 530bp QoQ to 66.6% (beat), reflecting the usual volatility between quarters. Employee costs declined 7% YoY, and A&P was down 8% YoY, while other expenses rose 8% YoY. EBITDA grew 8% YoY to INR4b (beat), as EBITDA margin expanded 210bp YoY and 710bp QoQ to 31.8% (beat) on account of lower COGS and operating costs.
- PGHH exhibits significant volatility on a quarterly basis, but its annual performance remains stable. We model a 27-27.8% EBITDA margin during FY26-28E.
- We model Revenue/EBITDA/PAT CAGR of 8%/9%/10% over FY26-28E. Given the volatility in margins, we find other consumer names relatively better than PGHH for growth at the valuation it offers. **We reiterate Neutral with a revised TP of INR13,000 (based on 40x Dec'27E EPS).**

Flat revenue YoY; strong GM expansion aids profitability

- **Flattish revenue trajectory continues:** PGHH registered 1% YoY revenue growth to INR12.6b (est. IN13b). Revenue growth continues to remain weak, as seen over the last few quarters.
- **Beat on margin:** Gross margin expanded 180bp YoY and 530bp QoQ to 66.6% (est. 63.5%). GM volatility between quarters continues to remain high. Employee costs declined 7% YoY, and A&P dipped 8% YoY, while other expenses rose 8% YoY. EBITDA margin expanded 210bp YoY and 710bp QoQ to 31.8% (est. 28.5%).
- **Strong margins aid profitability:** EBITDA grew 8% YoY to INR4b (est. INR3.7b). PBT grew 10% YoY and Adj. PAT rose 12% YoY to INR3b. (est. INR2.8b).

Valuation and view

- We broadly retain our EPS estimates for FY26-28.
- Two factors make PGHH an attractive long-term core holding: 1) high growth potential for the feminine hygiene segment (65-68% mix of FY24 sales), coupled with the potential for market share gains and strategic initiatives, including the strengthening of its competitive advantages; and 2) the potential to sustain high operating margins from the long-term premiumization trend in the feminine hygiene segment.
- With a portfolio of essentials and healthcare, PGHH remains focused on product innovation-led customer acquisition. While the penetration play will continue, it is expected to proceed at a stable pace despite the high scope of user additions. Further, we do not see any medium-term upside trigger.
- We model Revenue/EBITDA/PAT CAGR of 8%/9%/10% over FY26-28E. Given the volatility in margins, we find other consumer names relatively better than PGHH for growth at the valuation it offers. **We reiterate Neutral with a revised TP of INR13,000 (based on 40x Dec'27E EPS).**

Standalone - Quarterly Earnings (INR m)

Y/E June	FY25*			FY26E				FY25*	FY26E	FY26E	Var.
	1Q	2Q	3Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	**11,352**	**12,476**	**9,916**	**9,370**	**11,502**	**12,619**	**10,334**	**33,744**	**43,825**	**12,975**	**-2.7%**
YoY Change (%)	-0.3	10.1	-1.1	0.6	1.3	1.1	4.2	-19.8	29.9	4.0	
Gross profit	**7,139**	**8,085**	**5,969**	**5,959**	**7,050**	**8,399**	**6,290**	**21,193**	**27,697**	8,239	**1.9%**
Margin (%)	62.9	64.8	60.2	63.6	61.3	66.6	60.9	62.8	63.2	63.5	
EBITDA	**2,905**	**3,709**	**2,097**	**2,662**	**2,848**	**4,018**	**2,240**	**8,711**	**11,767**	**3,698**	**8.7%**
Growth	2.0	19.8	-18.5	102.7	-2.0	8.3	6.8	-11.4	35.1	-0.3	
Margins (%)	25.6	29.7	21.1	28.4	24.8	31.8	21.7	25.8	26.9	28.5	
Depreciation	117	99	104	91	93	95	108	319	386	98	
Interest	19	66	58	1	36	27	72	143	135	40	
Other Income	85	97	191	77	99	124	189	373	489	125	
PBT	**2,854**	**3,641**	**2,127**	**2,647**	**2,818**	**4,020**	**2,249**	**8,622**	**11,735**	**3,685**	**9.1%**
PBT after EO expense	**2,854**	**3,641**	**2,127**	**2,647**	**2,818**	**4,020**	**2,249**	**8,622**	**11,735**	**3,685**	**9.1%**
Tax	735	955	566	726	719	1,006	506	2,256	2,957	929	
Rate (%)	25.7	26.2	26.6	27.4	25.5	25.0	22.5	26.2	25.2	25.2	
Adj PAT	**2,119**	**2,686**	**1,561**	**1,921**	**2,099**	**3,015**	**1,744**	**6,366**	**8,777**	**2,756**	**9.4%**
YoY Change (%)	0.6	17.3	-15.8	111.4	-1.0	12.2	11.7	-11.1	37.9	2.6	
Margins (%)	18.7	21.5	15.7	20.5	18.2	23.9	16.9	18.9	20.0	21.2	

E: MOFSL Estimates; *FY25 has only 9M as the company changed its year-end from Jun to Mar

Container Corporation

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	CCRI IN
Equity Shares (m)	762
M.Cap.(INRb)/(USDb)	382.5 / 4.2
52-Week Range (INR)	653 / 473
1, 6, 12 Rel. Per (%)	-1/-16/-26
12M Avg Val (INR M)	1006

Financial Snapshot (INR b)

Y/E MARCH	2026	2027E	2028E
Sales	92.1	105.7	121.6
EBITDA	20.4	24.2	28.1
Adj. PAT	13.1	15.7	18.4
EBITDA Margin (%)	22.2	22.9	23.1
Adj. EPS (INR)	17.1	20.7	24.1
EPS Gr. (%)	0.7	20.6	16.5
BV/Sh. (INR)	172.9	184.6	198.4
Ratios			
Net D:E	(0.3)	(0.4)	(0.4)
RoE (%)	10.2	11.6	12.6
RoCE (%)	10.6	11.9	12.9
Payout (%)	43.0	43.1	43.1
Valuations			
P/E (x)	29.3	24.3	20.9
P/BV (x)	2.9	2.7	2.5
EV/EBITDA(x)	16.0	13.1	10.9
Div. Yield (%)	1.5	1.8	2.1
FCF Yield (%)	2.4	3.5	4.4

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	54.8	54.8	54.8
DII	28.7	25.8	25.8
FII	9.1	12.4	13.5
Others	7.5	7.0	5.9

FII includes depository receipts

CMP: INR502 TP: INR580 (+15%) Buy

Stable 3Q; realizations remain under pressure

- Container Corporation (CCRI)'s revenue grew 4.5% YoY to INR23b in 3QFY26 (in line). Total volumes grew 11% YoY to 1.4m TEUs with EXIM/domestic volumes at 0.107m/0.35m TEUs (+10%/+13% YoY). Blended realization dipped 6% YoY to INR16,172/TEU. EXIM/domestic realization stood at INR14,300/INR21,888 per TEU (flat/-17% YoY).
- EBITDA margins came in at 22% (v/s our estimate of 22.8%). EBITDA grew by 10.4% YoY and was 6% below our estimate. In line with the operating performance, APAT declined 4.2% YoY to INR3.3b (6% below our estimate).
- For 9MFY26, CCRI's revenue and EBITDA grew by ~3% each.
- The land License fee for 9MFY26 stood at INR3.27b.
- The Board has declared a third interim dividend of INR3.4 per equity share, amounting to INR2.59b.
- CCRI delivered a stable operational performance in 3QFY26, supported by healthy volume growth; however, realizations in both EXIM and domestic segments remained under pressure. Growth was impacted by heightened competitive intensity, while the company continued to avoid low-margin business, leading to lower realizations.
- We cut our estimates for FY26/FY27/FY28, factoring in lower realization in EXIM/domestic business amid heightened competition intensity. We expect its revenue/EBITDA to clock a CAGR of 11%/14% over FY25-FY28. **We reiterate our BUY rating on the stock with a revised TP of INR580 (based on 14x EV/EBITDA on FY28E).**

Key highlights from the management commentary

- Management has guided to strong revenue growth, targeting ~INR150bn revenues in FY29. This would be driven by robust traction in both EXIM and domestic segments. EXIM business is expected to grow at ~15% CAGR through FY29, supported by WDFC commissioning, ramp-up in double-stack volumes from Ahmedabad and Jodhpur, and throughput from new terminals at Mandalgarh, Jajpur, and Kadakola. The domestic segment is guided to clock ~20% CAGR through FY29, aided by incremental volumes from cement tank container contracts with UltraTech, JK Cement, and Adani Cement.
- For FY26, CCRI has maintained its guidance of 13% growth in total volumes, with 10%/20% growth in EXIM/domestic volumes.
- The originating volume for EXIM/Domestic stood at 0.56m/0.12m TEUs during the quarter.
- CCRI's LLF stood at INR3.27b in 9MFY26. The company continues to evaluate and surrender underutilized land parcels to rationalize LLF, which is expected to remain at FY25 levels during FY26.
- Delays in the delivery of specialized tank containers persisted in 3QFY26, which impacted domestic volumes.

Valuation and view

- CCRI strengthened its logistics ecosystem by expanding double-stack rail operations, shipping operations in the Middle East, utilizing the Dedicated Freight Corridor to drive efficiency, and advancing its integrated logistics network. The company remains focused on scaling its rail freight services and infrastructure, supported by a higher capex allocation toward new terminal commissioning, fleet augmentation, and enhanced multimodal connectivity.
- However, we cut our estimates for FY26/FY27/FY28, factoring in lower realization in EXIM/domestic business amid heightened competition intensity. **We expect its revenue/ EBITDA to clock a CAGR of 11%/14% over FY25-FY28. We reiterate our BUY rating with a revised TP of INR580 (based on 14x EV/EBITDA on FY28E).**

Standalone quarterly snapshot (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
Net Sales	20,971	22,830	22,019	22,814	21,495	23,514	23,017	24,121	88,634	92,147	23,629	(3)
YoY Change (%)	9.3	4.2	-0.1	-1.6	2.5	3.0	4.5	5.7	2.7	4.0	7.3	
EBITDA	4,319	5,750	4,583	4,335	4,265	5,688	5,059	5,403	18,986	20,415	5,388	(6)
Margins (%)	20.6	25.2	20.8	19.0	19.8	24.2	22.0	22.4	21.4	22.2	22.8	
YoY Change (%)	10.3	7.0	-10.4	-11.4	-1.3	-1.1	10.4	24.7	-1.6	7.5	17.6	
Depreciation	1,649	1,617	810	1,552	1,570	1,427	1,490	1,521	5,628	6,008	1,595	
Interest	181	177	171	166	164	177	196	163	695	700	168	
Other Income	924	1,301	995	1,432	935	959	953	875	4,652	3,721	1,050	
PBT before EO expense	3,413	5,257	4,596	4,049	3,465	5,043	4,325	4,595	17,314	17,428	4,675	
Extra-Ord expense	0	333	0	0	0	0	0	0	-333	0	0	
PBT	3,413	4,923	4,596	4,049	3,465	5,043	4,325	4,595	16,981	17,428	4,675	
Tax	859	1,213	1,162	1,027	888	1,275	1,034	1,174	4,261	4,372	1,176	
Rate (%)	25.2	24.6	25.3	25.4	25.6	25.3	23.9	25.5	25.1	25.1	25.2	
Reported PAT	2,554	3,711	3,434	3,021	2,577	3,768	3,291	3,421	12,720	13,057	3,499	(6)
Adj PAT	2,554	3,960	3,434	3,021	2,577	3,768	3,291	3,421	12,970	13,057	3,499	(6)
YoY Change (%)	4.6	10.7	2.7	0.7	0.9	-4.9	-4.2	13.2	4.9	0.7	1.9	
Margins (%)	12.2	17.3	15.6	13.2	12.0	16.0	14.3	14.2	14.6	14.2	14.8	

Blue Star

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	BLSTR IN
Equity Shares (m)	206
M.Cap.(INRb)/(USDb)	373.6 / 4.1
52-Week Range (INR)	2270 / 1521
1, 6, 12 Rel. Per (%)	9/2/-8
12M Avg Val (INR M)	1245
Free float (%)	63.5

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	128.1	148.6	173.2
EBITDA	9.4	11.8	14.1
Adj. PAT	5.6	7.5	9.3
EBITA Margin (%)	7.4	7.9	8.1
Cons. Adj. EPS (INR)	27.2	36.6	45.4
EPS Gr. (%)	-4.0	34.8	24.0
BV/Sh. (INR)	164.9	192.6	227.0
Ratios			
Net D:E	0.1	-0.0	-0.1
RoE (%)	16.5	19.0	20.0
RoCE (%)	15.8	18.3	19.3
Payout (%)	33.1	30.0	27.5
Valuations			
P/E (x)	66.9	49.6	40.0
P/BV (x)	11.0	9.4	8.0
EV/EBITDA (x)	40.0	31.5	26.1
Div Yield (%)	0.5	0.6	0.7
FCF Yield (%)	-1.2	2.1	1.5

Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	36.5	36.5	36.5
DII	26.8	25.3	22.2
FII	14.7	16.1	18.5
Others	22.1	22.1	22.9

FII includes depository receipts

CMP: INR1,817 TP: INR2,000 (+10%) Neutral

Earnings in line; stronger UCP margin with a modest share gain

RAC demand improves; resilient margin anticipated

- Blue Star's (BLSTR) 3QFY26 revenue grew ~4% YoY to INR29.3b (~5% miss), led by ~9% YoY growth in EMPS, while PES/UCP revenue declined ~7%/1% YoY. EBITDA grew ~5% YoY to INR2.2b (in line). OPM was flat YoY at 7.5% (in line). Adj. PAT was up ~4% YoY to INR1.3b (in line).
- Management indicated that RAC demand is back on the growth path. BLSTR expects a stronger 4Q and a robust upcoming summer season. It expects RAC to clock an 18-20% CAGR. Management did not provide any discount to push volumes, and the company experienced a modest growth in market share. It's initial target is to achieve ~15% market share in RAC (vs. the current 14%+). Channel inventory remained comfortable at 5-6 weeks, lower than the industry average of 8-10 weeks. It guided a UCP margin of 8.5% in 4QFY26/FY27, with a potential to achieve ~9% margin with a strong summer.
- We cut our EBITDA estimates by ~2-4% for FY26-FY28 due to cost pressure. The stock currently trades at 50x/40x FY27/FY28E EPS. We reiterate our Neutral rating on the stock with a TP of INR2,000 (based on SoTP).

UCP – revenue declines ~1% YoY; margin at 8.5% (vs. est. of 6.8%)

- BLSTR's consolidated revenue/EBITDA/PAT stood at INR29.3b/INR2.2b/ INR1.3b (up 4%/5%/4% YoY and down 5%/3%/1% vs. our est.) in 3QFY26. Depreciation/ interest costs rose ~31%/39% YoY, while 'other income' was up ~40% YoY.
- Segmental highlights: a) **UCP** – revenue declined 1% YoY to INR11.5b in 3QFY26. EBIT inched up ~3% YoY to INR977m, and EBIT margin expanded 30bp YoY to 8.5%. b) **EMPS** – revenue increased ~9% YoY to INR17.0b. EBIT declined ~3% YoY to INR1.1b, and EBIT margin contracted 80bp YoY to 6.8%. c) **PES** – revenue declined ~7% YoY to INR749m, while EBIT increased ~10% YoY to INR68m. EBIT margins expanded 1.4pp YoY to 9.1%.
- In 9MFY26, revenue/EBITDA/Adj. PAT stood at INR83.3b/INR6.0b/INR3.5b (+5%/+1%/-10% YoY). The PES/UCP segment's revenue declined 19%/9% YoY to INR2.1b/INR33.5b, whereas the EMPS segment's revenue increased ~18% YoY to INR47.7b. UCP/EMPS EBIT was +10%/-26% YoY to INR2.3b/ INR3.7b, while EBIT margin contracted 1.6pp/65bp YoY to 6.8%/7.8%.

Key highlights from the management commentary

- The average price increase following BEE rating changes is expected to be ~7%-8%. In addition, commodity inflation and rupee depreciation could drive cumulative price hikes to ~10%. However, after factoring in the ~10% benefit from the GST rate cut, the net price rise should be ~10% YoY.
- Commercial refrigeration demand remained subdued, with all product categories except storage water coolers registering a decline. FMCG-led demand failed to revive as expected post-GST rate reduction on processed food. It expects ~12–15% CAGR over the medium term in this business.
- In the EMPS business, order inflow dipped ~17% YoY to INR14.6b. It is selective in taking new orders, and the focus is on effective capital deployment.

Valuation and view

- BLSTR's 3QFY26 performance was in line with our estimates. While in UCP margin was better than estimated, the EMPS margin disappointed. Management anticipates 4Q to be strong for RAC, commercial air conditioning, and refrigeration products. It is targeting 8.5% margin in the UCP segment and a 7-7.5% margin in project business in FY27.
- We estimate BLSTR's revenue/EBITDA/PAT CAGR at 16%/22%/29% over FY26-28E. We estimate the UCP revenue CAGR at 18% over FY26-FY28. Estimate UCP margin to improve to 8.5%/8.7% in FY27/FY28 vs. 7.5% in FY26E. We believe that the stock is fairly valued at the current levels. We maintain our Neutral rating and arrive at an SoTP-based TP of INR2,000 (valued at 50x FY28E EPS for UCP, 40x FY28E EPS for MEP & CAC, and 25x FY28E EPS for PEIS).

Quarterly performance (Consolidated) (INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
Sales	**28,654**	**22,760**	**28,074**	**40,190**	**29,823**	**24,224**	**29,253**	**44,822**	**1,19,677**	**1,28,121**	**30,802**	**-5**
Change (%)	28.7	20.4	25.3	20.8	4.1	6.4	4.2	11.5	23.6	7.1	9.7	
EBITDA	**2,378**	**1,493**	**2,094**	**2,794**	**2,000**	**1,834**	**2,207**	**3,398**	**8,759**	**9,439**	**2,269**	**-3**
Change (%)	64.0	21.7	34.8	15.5	-15.9	22.8	5.4	21.6	31.7	7.8	8.4	
As of % Sales	8.3	6.6	7.5	7.0	6.7	7.6	7.5	7.6	7.3	7.4	7.4	18
Depreciation	280	300	350	354	414	434	459	469	1,284	1,775	440	**4**
Interest	76	65	159	188	101	169	221	234	488	725	205	**8**
Other Income/JV share	239	182	80	236	147	90	112	257	737	606	88	**27**
PBT	**2,260**	**1,311**	**1,665**	**2,488**	**1,632**	**1,322**	**1,640**	**2,951**	**7,724**	**7,545**	**1,711**	**-4**
Tax	573	350	465	548	424	334	271	838	1,937	1,867	431	**-37**
Effective Tax Rate (%)	25.3	26.7	27.9	22.0	26.0	25.3	16.5	28.4	25.1	24.7	25.2	
Extra-ordinary Items	0	0	125	0	0	0	-564	0	125	-564	0	
MI/Share of profit from JV	1	1	1	-4	1	2	1	-7	0	-2	1	
Reported PAT	**1,688**	**962**	**1,326**	**1,936**	**1,210**	**990**	**807**	**2,106**	**5,912**	**5,113**	**1,281**	**-37**
Change (%)	102.6	36.1	32.1	20.6	-28.4	2.9	-39.2	8.8	42.5	-13.5	-3.4	
Adj PAT	**1,688**	**962**	**1,232**	**1,936**	**1,210**	**990**	**1,277**	**2,106**	**5,818**	**5,583**	**1,296**	**-1**
Change (%)	102.6	36.1	22.7	20.6	-28.4	2.9	3.7	8.8	40.2	-4.0	5.2	

Segment wise details (INR M)

Description	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY25	FY26E	3QE	Var
EMP & Services	10,390	14,284	15,624	19,682	14,125	16,642	16,962	22,279	59,980	70,008	17,968	-6
Engineering products and services	969	805	806	906	704	644	749	866	3,486	2,963	725	3
Unitary cooling business	17,295	7,670	11,644	19,602	14,994	6,938	11,542	21,676	56,211	55,150	12,109	-5
Total	**28,654**	**22,760**	**28,074**	**40,190**	**29,823**	**24,224**	**29,253**	**44,822**	**1,19,677**	**1,28,121**	**30,802**	**-5**
PBIT												
EMP & Services	1,030	1,192	1,187	1,499	1,116	1,471	1,147	1,726	4,909	5,461	1,473	-22
Engineering products and services	96	52	62	88	76	62	68	90	297	296	73	-6
Unitary cooling business	1,580	539	948	1,645	875	427	977	1,858	4,713	4,136	823	19
Total PBIT	**2,707**	**1,783**	**2,197**	**3,232**	**2,067**	**1,960**	**2,191**	**3,674**	**9,919**	**9,893**	**2,369**	**-8**
Segment PBIT (%)												
EMP & Services (%)	9.9	8.3	7.6	7.6	7.9	8.8	6.8	7.7	8.2	7.8	8.2	-144
Engineering products and services (%)	9.9	6.4	7.7	9.7	10.8	9.6	9.1	10.4	8.5	10.0	10.0	-88
Unitary cooling business (%)	9.1	7.0	8.1	8.4	5.8	6.2	8.5	8.6	8.4	7.5	6.8	166
Total PBIT (%)	**9.4**	**7.8**	**7.8**	**8.0**	**6.9**	**8.1**	**7.5**	**8.2**	**8.3**	**7.7**	**7.7**	**-20**

Ajanta Pharma

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	AJP IN
Equity Shares (m)	125
M.Cap.(INRb)/(USDb)	347.6 / 3.8
52-Week Range (INR)	3080 / 2022
1, 6, 12 Rel. Per (%)	4/-3/-5
12M Avg Val (INR M)	359

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	53.9	61.2	68.8
EBITDA	15.1	18.3	20.3
Adj. PAT	10.6	12.6	14.2
EBIT Margin (%)	24.8	26.9	26.7
Cons. Adj. EPS (INR)	84.5	100.5	113.2
EPS Gr. (%)	13.0	18.9	12.7
BV/Sh. (INR)	364.4	439.2	523.6
Ratios			
Net D:E	-0.1	-0.2	-0.3
RoE (%)	25.3	25.0	23.5
RoCE (%)	25.7	25.4	23.8
Payout (%)	25.8	25.5	25.5
Valuations			
P/E (x)	32.9	27.7	24.6
EV/EBITDA (x)	23.2	18.8	16.5
Div. Yield (%)	0.8	0.9	1.0
FCF Yield (%)	0.7	2.8	3.3
EV/Sales (x)	6.5	5.6	4.9

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	66.3	66.3	66.3
DII	18.6	17.9	17.0
FII	8.0	8.5	9.3
Others	7.2	7.3	7.5

FII includes depository receipts

CMP: INR2,782 TP: INR3,400 (+22%) Buy

Execution drives earnings beat

US momentum stable; Africa turns around; DF outperforms industry

- Ajanta Pharma (AJP) posted a better-than-expected financial performance in 3QFY26, with 5%/7%/5% beat on revenue/EBITDA/PAT. AJP saw superior execution in Africa, US and domestic formulation (DF), which was offset to some extent by subdued performance in Asia.
- 3QFY26 was the fourth consecutive quarter of strong YoY growth in US generics, driven by new launches, market share gain and currency benefit.
- Interestingly, after four quarters of YoY decline, AJP posted strong growth in Africa in branded as well as institutional anti-malaria segments.
- AJP continued to deliver industry-beating YoY growth in DF, driven by new launches, addition of MRs, and scale-up of new therapies.
- We raise our earnings estimates for FY27/FY28 by 4% each, factoring in a) a healthy product pipeline for US market, b) improved visibility for execution in new therapies in DF, and c) expansion in Asia/Africa. We value AJP at 30x 12M forward earnings to arrive at a TP of INR3,400.
- AJP remains well-poised for sustainable earnings growth in branded generics markets of India, Asia, and Africa. In fact, it is steadily adding new markets and deepening its presence in Asia/Africa markets. The company's focus on chronic therapies further supports off-take of medicines. **Maintain BUY**.

Strong revenue growth intact with stable EBITDA margin YoY

- 3Q revenue grew by 20%YoY to INR13.7b (our est: INR13.2b).
- Gross margin expanded 170bp YoY to 79.2%.
- EBITDA margin expanded ~30bp YoY to 28.3% (our est. 27.7%). Lower RM cost (down 167bp as % of sales) was offset by high employee expense/other expenses (up 40bp/100bp as % of sales).
- EBITDA grew 21.3% YoY to INR3.9b (our est. INR3.6b).
- Adjusting for the net forex gain of INR86m and one-time employee expenses on account of change in labor code amounting to INR70m, PAT grew 24.2% YoY to INR2.7b (our est. INR2.6b).
- In 9MFY26, revenue/EBITDA/PAT grew 16%/11%/12% YoY to INR40.3b/ INR11.3b/INR8b.

Robust India/US/Africa growth offsets Asia branded generics decline

- India sales rose 18.6% YoY to INR4.1b (30% of sales). US generic sales grew 52% YoY to INR4b (29% of sales). Africa branded generic sales grew 33% YoY to INR2.3b (17% of sales). Branded generics Asia sales fell 9% YoY to INR2.9b, (21% of sales). Africa institutional sales rose 24% YoY to INR410m (3% of sales).
- In 3QFY26, R&D expenses stood at INR630m (4.6% of revenue).

Highlights from the management commentary

- In FY26, AJP expects mid-teens YoY growth in total revenue, gross margin of 78% (+/-1%) and EBITDA margin of 27% (+/-1%).
- Semaglutide: With only 4-6 players in Asia/Africa, competition would be less aggressive compared to India with 15-20 players.
- Since AJP has established marketing presence and doctor relationships in Asia/Africa, there would not be additional MR costs to market Semaglutide.
- AJP added 150 MRs across therapy areas, taking total MR addition to 300 in 9MFY26. Total MR strength was 3,750 at the end of 9MFY26.
- Traction was low in certain countries of Asia, which are expected to see growth revival from 4QFY26 onward.

Consol- Quarterly perf.

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	**11,449**	**11,866**	**11,461**	**11,704**	**13,027**	**13,537**	**13,748**	**13,548**	**46,481**	**53,860**	**13,155**	**4.5**
YoY Change (%)	12.1	15.4	3.7	11.0	13.8	14.1	20.0	15.8	10.4	15.9	14.8	
Total Expenditure	7,846	8,498	8,253	8,733	9,262	9,850	9,856	9,822	33,330	38,789	9,511	
EBITDA	**3,604**	**3,368**	**3,208**	**2,972**	**3,765**	**3,688**	**3,892**	**3,726**	**13,152**	**15,071**	**3,644**	**6.8**
YoY Change (%)	28.1	15.9	-0.3	6.8	4.5	9.5	21.3	25.4	12.2	14.6	13.6	
Margins (%)	31.5	28.4	28.0	25.4	28.9	27.2	28.3	27.5	28.3	28.0	27.7	
Depreciation	340	344	360	398	413	430	435	454	1,441	1,731	375	
EBIT	**3,264**	**3,024**	**2,849**	**2,574**	**3,352**	**3,258**	**3,457**	**3,272**	**11,710**	**13,340**	**3,269**	
YoY Change (%)	31.5	17.7	-0.9	5.4	2.7	7.7	21.4	27.1	13.0	13.9	14.8	
Margins (%)	28.5	25.5	24.9	22.0	25.7	24.1	25.1	24.2	25.2	24.8	24.9	
Interest	7	60	79	61	53	34	51	66	207	203	66	
Other Income	182	195	129	111	170	197	164	178	616	709	165	
PBT before EO expense	**3,439**	**3,159**	**2,898**	**2,624**	**3,469**	**3,421**	**3,571**	**3,385**	**12,119**	**13,846**	**3,368**	
Extra-Ord expense	-217	-257	176	71	-158	-13	16	0	-227	-155	0	
PBT	**3,221**	**2,902**	**3,074**	**2,694**	**3,311**	**3,408**	**3,586**	**3,385**	**11,892**	**13,690**	**3,368**	
Tax	764	738	745	442	758	806	848	806	2,688	3,218	775	
Effective Rate (%)	23.7	25.4	24.2	16.4	22.9	23.7	23.7	23.8	22.6	23.5	23.0	
Reported PAT	**2,458**	**2,165**	**2,329**	**2,253**	**2,553**	**2,602**	**2,738**	**2,579**	**9,204**	**10,472**	**2,594**	**5.6**
Adj PAT	**2,624**	**2,356**	**2,196**	**2,194**	**2,675**	**2,612**	**2,726**	**2,579**	**9,369**	**10,591**	**2,594**	**5.1**
YoY Change (%)	30.8	26.5	3.3	16.4	2.0	10.9	24.2	17.6	18.9	13.0	18.1	
Margins (%)	22.6	19.5	18.9	18.6	20.3	19.0	19.6	18.8	19.9	19.4	19.5	

Key performance Indicators

Y/E March	FY25				FY26E				FY25	FY26E	FY26E
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE
Domestic formulations	3,530	3,860	3,450	3,700	4,100	4,320	4,090	4,212	14,540	16,722	4,011
YoY Change (%)	10.7	8.7	12.0	13.5	16.1	11.9	18.6	13.8	11.2	15.0	16.2
Asia	2,770	2,960	3,160	3,030	3,040	3,100	2,880	3,363	11,944	12,383	3,350
YoY Change (%)	9.1	28.7	8.2	7.8	9.7	4.7	(8.9)	11.0	13.0	3.9	6.0
Africa (branded + Insti)	2,720	2,560	2,060	1,610	2,660	2,530	2,710	2,153	8,902	10,053	2,443
YoY Change (%)	21.4	31.5	(14.5)	(7.5)	(2.2)	(1.2)	31.6	33.7	6.7	12.3	18.6
US	2,280	2,320	2,630	3,250	3,100	3,440	3,990	3,738	10,205	14,268	3,235
YoY Change (%)	7.0	(2.1)	4.4	24.5	36.0	48.3	51.7	15.0	5.9	36.1	23.0
Cost Break-up											
RM Cost (% of Sales)	23.4	22.1	22.5	24.2	21.2	23.4	20.8	22.0	23.0	21.9	21.9
Staff Cost (% of Sales)	22.2	22.0	23.1	23.9	23.3	23.4	23.5	24.1	22.8	23.6	23.9
Other Cost (% of Sales)	18.5	22.8	21.8	21.1	22.4	21.3	22.8	22.2	21.1	22.2	22.1
Gross Margins(%)	76.6	77.9	77.5	75.8	78.8	76.6	79.2	78.0	77.0	78.1	78.1
EBITDA Margins(%)	31.5	28.4	28.0	25.4	28.9	27.2	28.3	27.5	28.3	28.0	27.7
EBIT Margins(%)	28.5	25.5	24.9	22.0	25.7	24.1	25.1	24.2	25.2	24.8	24.9
PBT Margins(%)	29.6	26.2	25.0	22.2	26.3	24.9	25.7	24.7	25.7	25.4	25.3
PAT Margins(%)	22.6	19.5	18.9	18.6	20.3	19.0	19.6	18.8	19.9	19.4	19.5

Delhivery

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	DELHIVER IN
Equity Shares (m)	747
M.Cap.(INRb)/(USDb)	316.5 / 3.4
52-Week Range (INR)	490 / 237
1, 6, 12 Rel. Per (%)	8/1/22
12M Avg Val (INR M)	1315

Financial Snapshot (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	104.8	118.1	133.5
EBITDA	6.4	9.8	11.3
Adj. PAT	2.1	4.9	6.1
EBITDA Margin (%)	6.1	8.3	8.5
Adj. EPS (INR)	2.8	6.6	8.1
EPS Gr. (%)	24.9	133.9	23.9
BV/Sh. (INR)	129.3	135.9	144.0
Ratios			
Net D:E	-0.4	-0.5	-0.5
RoE (%)	2.2	4.9	5.8
RoCE (%)	3.8	5.9	6.6
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	150.9	64.5	52.1
P/BV (x)	3.3	3.1	2.9
EV/EBITDA(x)	48.6	31.0	25.9
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	-2.9	5.4	6.3

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

CMP: INR423 TP: INR580 (+37%) Buy

Strong beat on all fronts; margins set to improve further

Strong Express and PTL momentum and margin gain support earnings

- Delhivery posted revenue growth of 18% YoY to INR28b in 3QFY26 (in line). Reported EBITDA doubled YoY to ~INR2.1b (est. INR1.6b). EBITDA margins stood at 7.4% (+310bp YoY and +470bp QoQ) against our estimate of 5.8%.
- APAT stood at INR670m (9% above estimates). After adjusting costs related to E-com Express integration, APAT stood at INR1.1b
- Core transportation segment, comprising Express Parcel and Part Truckload (PTL) segments, saw robust volume growth (Express Parcel: +43% YoY and PTL: +23% YoY) despite a high base of 3QFY25. This was driven by record festive season sales and network efficiency. Revenue in Express Parcel/PTL grew by 24%/25% YoY.
- Service EBITDA margins for Express Parcel/PTL stood at 18.1%/11% (vs. 15.3%/8.5% in 2Q).
- Performance in the Supply Chain Services (SCS) and Cross-Border businesses was mixed. SCS reported an improvement in service EBITDA margin to 13%, driven by strategic contract renegotiations with clients, while the Cross-Border business remained muted.
- Delhivery delivered a strong 3QFY26 performance, aided by robust festive season demand, GST rate cut-led consumption, integration of Ecom Express, and market share gains driven by industry consolidation. Management expects to sustain the strong momentum in express business and PTL going forward. New services such as Delhivery Direct and Rapid are scaling up well. We raise our FY26/**FY27/FY28 EBITDA estimates by ~3%/~13%/~7%**, factoring in strong growth in the transportation segment supported by healthy service EBITDA margins. **We expect Delhivery to deliver a CAGR of 14%/44%/54% in revenue/EBITDA/APAT over FY25-28. We reiterate our BUY rating with a DCF-based TP of INR580.**

Strong core transportation businesses drive profit-accretive growth

- The Express Parcel and PTL segments remain the key drivers of Delhivery's core growth and profitability. Express Parcel revenue grew 24% YoY to INR18.4b, with shipments growing 43% YoY to 295m after the integration of Ecom Express. The segment reported healthy service EBITDA margin of 18.1%, up 250bp YoY and 280bp QoQ.
- PTL revenue grew ~25% YoY to INR5.8b, with tonnage increasing 23% YoY to 0.507MT. Service EBITDA margin stood at 11%, up 250bp QoQ and 720bp YoY, supported by improved yields and a favorable client mix.
- The combined transportation business (Express + PTL) reported a healthy service EBITDA margin of 16.4% in 3Q, supported by strong volume-led operating leverage, improved route optimization, and steady investments in a high-capacity fleet and integrated gateways.
- The company expects volume growth of ~15-20% annually over the next few years across segments.

Strengthened strategic position through asset optimization and acquisition

- The company has completed major capex investments during FY22-25, i.e., expanding its trucking fleet from 299 to 1,741 vehicles and building mega-gateways in Tauru, Bhiwandi, and Hoskote. As a result, capital intensity has declined from 6.8% of revenue in FY22 to 5.1% as of 1HFY26, with expectations of further moderation to ~4% of revenue by FY28.
- Delhivery has completed the acquisition of Ecom Express, bolstering its network footprint and consolidating the marketplace with fewer players, thus providing a competitive advantage. Moreover, access to Ecom Express's advanced automation equipment and high-quality infrastructure adds further synergies.

Highlights from the management commentary

- In 3Q, volumes saw a boost from the strong festive season demand, GST rate cut-led consumption, the integration of Ecom Express and market share gain driven by industry consolidation. Management expects to sustain the strong momentum going forward.
- Management expects to gain further market share in the near term as competitors face structural headwinds, including low or negative margins, weak incremental profitability, rising cost pressures, and limited operating leverage.
- Express Parcel and PTL segments continue to deliver strong service EBITDA margins, and the company is targeting 16-18% steady-state margins across both businesses in the next two years.
- Delhivery is selectively exiting unprofitable contracts and targeting INR18-20b in supply chain revenue. It achieved a service EBITDA margin of 13% this quarter, and management expects to maintain this and achieve RoCE of 20% in three years. This will be driven by a growing enterprise pipeline and white-labeled "Prime" offerings.
- Delhivery is building long-term optionality through targeted investments in new service lines like **Delhivery Direct** (on-demand intra-city and inter-city logistics) and **Rapid** (dark store-led same-day fulfillment). Delhivery Direct is launched in five major cities—Mumbai, Hyderabad, Ahmedabad, Delhi NCR, and Bengaluru. It also signed its first B2B client in this segment in Oct'25 and plans to take the store count to 25 by FY26.

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 strong 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 Delhivery to deliver a CAGR of 14%/44%/54% in revenue/EBITDA/ APAT over FY25-28. We reiterate our BUY rating with a revised DCF-based TP of INR580.**

Quarterly performance INR m

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	vs Est
Net Sales	**21,723**	**21,897**	**23,783**	**21,916**	**22,940**	**25,593**	**28,050**	**28,264**	**89,319**	**1,04,847**	**27,155**	**3**
YoY Change (%)	12.6	12.8	8.4	5.6	5.6	16.9	17.9	29.0	9.7	17.4	14.2	
EBITDA	**971**	**573**	**1,024**	**1,191**	**1,488**	**682**	**2,088**	**2,157**	**3,758**	**6,414**	**1,579**	**32**
Margins (%)	4.5	2.6	4.3	5.4	6.5	2.7	7.4	7.6	4.2	6.1	5.8	
YoY Change (%)	LP	LP	-6.3	159.5	53.3	19.0	103.8	81.1	196.9	70.7	54.2	
Depreciation	1,194	1,313	1,417	1,425	1,475	1,781	1,866	1,869	5,349	6,990	1,700	
Interest	282	305	333	337	340	389	372	386	1,258	1,487	380	
Other Income	1,099	1,196	987	1,119	1,299	922	771	1,202	4,401	4,194	1,200	
PBT before EO expense	**593**	**151**	**260**	**548**	**973**	**-566**	**621**	**1,103**	**1,552**	**2,131**	**699**	
Extra-Ord expense	51	0	0	0	0	0	-274	0	-51	0	0	
PBT	**542**	**151**	**260**	**548**	**973**	**-566**	**348**	**1,103**	**1,501**	**2,131**	**699**	
Tax	-14	-16	-12	-8	-14	-27	-29	70	-50	0	84	
Rate (%)	-2.6	-10.5	-4.5	-1.5	-1.4	4.8	-8.4	6.4	-3.3	0.0	12.0	
Reported PAT	**543**	**102**	**250**	**726**	**911**	**-504**	**396**	**1,033**	**1,621**	**2,090**	**615**	
Adj PAT	**595**	**102**	**250**	**726**	**911**	**-504**	**670**	**1,033**	**1,672**	**2,090**	**615**	**9**
YoY Change (%)	LP	LP	5.8	LP	53.1	-593.9	168.0	42.4	LP	25.0	146.3	
Margins (%)	2.7	0.5	1.1	3.3	4.0	-2.0	2.4	3.7	1.9	2.0	2.3	

Y/E March	FY24				FY25				FY26		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Express Parcel (mn)	182	181	201	176	183	185	206	177	208	246	295
Change YoY	20%	12%	18.2%	-2.2%	1%	2%	2.5%	0.6%	14%	33%	43%
Realization (INR/shipment)	66.0	66.9	72.0	69.1	69.7	70.2	72.2	71.0	67	65	62
Change YoY	0%	0%	0%	0%	6%	5%	0%	3%	-3%	-1%	-14%
PTL (000'ton)	343	348	354	384	399	427	412	458	458	477	507
Change YoY	43.5%	21.7%	37.2%	20.8%	16.3%	22.7%	16.4%	19.3%	15%	12%	23%
Realization (INR/000't)	10,117	10,718	10,706	10,859	10,902	11,101	11,214	11,288	11,092	11,447	11,400
Change YoY	0.0%	0.0%	0.0%	0.0%	7.8%	3.6%	4.7%	3.9%	4%	3%	2%

KPIT

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	KPITTECH IN
Equity Shares (m)	274
M.Cap.(INRb)/(USDb)	285.6 / 3.1
52-Week Range (INR)	1479 / 1018
1, 6, 12 Rel. Per (%)	-8/-20/-36
12M Avg Val (INR M)	1352
Free float (%)	60.6

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	64.0	71.0	81.3
EBIT Margin (%)	16.2	17.0	17.4
PAT	6.9	9.5	11.2
EPS (INR)	26.9	34.7	40.9
EPS Gr. (%)	(7.3)	28.9	18.0
BV/Sh. (INR)	129.3	152.0	178.8
Ratios			
RoE (%)	21.5	24.9	24.9
RoCE (%)	22.0	25.0	28.4
Payout (%)	35.0	35.0	35.0
Valuations			
P/E (x)	38.9	30.2	25.6
P/BV (x)	8.1	6.9	5.9
EV/EBITDA (x)	19.6	16.9	14.1
Div Yield (%)	0.9	1.2	1.4

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	39.4	39.4	39.5
DII	25.4	23.9	20.4
FII	14.3	15.1	18.3
Others	20.9	21.6	21.8

FII Includes depository receipts

CMP: INR1,042 TP: INR1,350 (+30%) Buy

Pivot underway, growth visibility still mixed

FY26 a consolidation year; gradual improvement expected in FY27

- KPIT Technologies (KPIT) reported revenue of USD181m in 3QFY26, up 1.5% QoQ in CC terms vs. our estimate of 2.8% growth. Growth was led by the commercial vehicles segment, up 10.5% QoQ, while the passenger car segment declined 1.2% QoQ. EBIT margin was 15.6% (down 80bp QoQ), below our estimate of 16.1%. Adj. PAT was up 6.6% QoQ/down 3.5% YoY to INR1,804m (below our est. of INR2,109mn). This excludes the one-time impact of INR469m on account of changes in labor laws.
- For 9MFY26, revenue/EBIT grew 10.0%/5.3% and adj. PAT declined 12.4% YoY in INR terms. We expect revenue/EBIT/adj. PAT to grow 8.4%/remain flat/8.2% YoY in 4QFY26. We reiterate our BUY rating with a TP of INR 1,350 (29% upside), valuing the stock at 33x FY28E EPS.

Our view: Europe supportive, margins to expand in 4Q

- **Pivot to solutions-led business underway; near-term outlook remains soft:** KPIT reported an organic revenue decline of 1% in 3QFY26, below our expectation of flat growth. The company continues to push its transition from an engineering-led model to a solutions-led approach, as clients increasingly look for end-to-end offerings with faster time-to-market. **Management expects a meaningful part of revenue to move to this model over the next 12–18 months**. While we view this as a strategically positive move, it is largely long-term in nature. In the near term, client spending remains cautious amid program reprioritization, leading to a slower pace of adoption. In our view, near-term growth will, therefore, be supported more by adjacencies such as off-highway and commercial vehicles.
- Despite a softer macro environment, the company continues to see opportunities in digital cockpit and powertrain for ICE vehicles. **We expect 4QFY26 to be slightly better, with ~1.7% QoQ cc growth**. We think the early quarters of FY27 will be important to assess whether demand recovery in ER&D is gaining traction. In our view, FY27 should see a gradual acceleration as solution-led revenues scale, SDV programs mature, and regional contributions from Europe, India, and China broaden.
- **We believe FY26 will remain a year of consolidation**, with muted revenue growth but resilient margins as KPIT absorbs the operating model shift and integrates CareSoft. We expect 9.3% YoY CC growth in FY27.
- **Regional trends mixed: The US remains patchy, with OEMs delaying vehicle programs and focusing on solutions that compress time to production; the region declined 2% QoQ in 3Q. Europe continues to benefit from supply-chain realignment and offshore delivery shifts, driving ~5% QoQ growth. Asia remains a drag following the ramp-down of a large Japanese OEM program and declined 7% QoQ, after a 10% fall in 2Q. We expect some volatility here, with recovery only after a couple of quarters.**
- **Margins to rebound in 4Q despite partial wage hikes:** EBITDA margin stood at 20.6% in 3Q, slightly below our estimate due to partial wage hikes. Management expects margins to expand in 4Q despite continued wage pressure. We see margins holding near ~21% in FY26, with an upside potential in FY27 as utilization improves, large deals scale, and CareSoft synergies flow through.

Valuations and changes to our estimates

- KPIT stands to benefit from OEMs' transformation programs toward SDVs, driven by its strong software engineering capabilities. However, near-term demand remains uneven as clients continue to reprioritize programs and delay platform-level decisions, which we believe will limit growth visibility in the next few quarters.
- The company's transition from an engineering-led to a solutions-led model should support competitiveness over time, while the integration of CareSoft adds to medium-term recovery potential. That said, we think the benefits of this shift will accrue gradually, with FY26 likely to remain a consolidation year.
- Accounting for a miss on organic growth in 3Q, softer near-term growth, and slightly higher depreciation linked to CareSoft, we have cut our estimates by ~4%. Nonetheless, we expect an EPS CAGR of ~12% over FY25–28, supported by the mix improvement and operating leverage. We reiterate our BUY rating with a TP of INR 1,350 (29% upside), valuing the stock at 33x FY28E EPS.

Miss on organic revenue and margins; deal TCV down 14% YoY

- USD revenue came in at USD181m; up 1.5% QoQ in CC terms vs. our estimate of 2.8% growth. Organic revenue declined 1.3% vs our estimate of flat growth.
- Growth was led by the commercial vehicles segment, up 10.5% QoQ, while the passenger car segment declined 1.2% QoQ.
- In terms of geographies, the US and Asia were down 2.1% and 6.9% QoQ in USD terms, respectively, while Europe was up 4.9%.
- EBIT margin was 15.6% (down 80bp QoQ), below our estimate of 16.1%.
- Deal TCV stood at USD202m, down 14% YoY.
- Adj. PAT was up 6.6% QoQ/down 3.5% YoY to INR1804m (below our est. of INR2,109m). This excludes the one-time impact of INR469m on account of changes in labor laws.
- DSO at the end of 3QFY26 stood at 40 days.
- The net headcount was down 1.2% QoQ to 12,724 in 3QFY26.

Key highlights from the management commentary

- Business models and OEM priorities are changing, and the company aims to move towards solution-based transformation.
- Fixed-price revenue increased to 66% from 59% last year. Revenue per employee has also improved. The company invested USD3.8m during the quarter.
- Management sees several positives from the quarter and the past six months. Clients increasingly prefer solutions that are ready ahead of time and can be delivered to end customers faster, with full ownership to avoid client-side delays. A large part of the business is expected to convert to this model over the next 12–18 months.
- OEMs have accepted this as a way of life and are prioritizing select technologies. Japan is impacted by uncertainty, as many OEMs have exposure to the US.
- The company expects growth next year to be higher than this year and believes it is well-positioned to deliver this.
- Profitability is expected to improve in 4Q compared to 3Q, despite continued investments.

Valuation and view

- KPIT remains well-placed to benefit from OEMs' shift toward SDVs, supported by strong software engineering capabilities. We trim our estimates by ~4%, accounting for a miss on organic growth in 3Q, softer near-term growth, and slightly higher depreciation linked to CareSoft. With an expected EPS CAGR of 12% over FY25-28 and continued leadership in automotive software, we reiterate **BUY** with a TP of INR 1,350 (29% upside; 33x FY28E EPS).

Quarterly Performance

Y/E March	FY25				FY26				FY25	FY26E	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QFY26	(% / bp)
Revenue (USD m)	**165**	**173**	**176**	**177**	**178**	**181**	**181**	**185**	**691**	**724**	**185**	**-2.2**
QoQ (%)	3.8	4.8	1.7	0.6	0.5	1.8	0.0	2.0			2.2	-225bp
Revenue (INR m)	**13,646**	**14,714**	**14,780**	**15,283**	**15,388**	**15,877**	**16,175**	**16,564**	**58,423**	**64,003**	**16,477**	**-1.8**
YoY (%)	24.3	22.7	17.6	16.0	12.8	7.9	9.4	8.4	19.9	9.6	11.5	-205bp
GPM (%)	**35.3**	**34.8**	**36.6**	**36.1**	**35.2**	**37.3**	**36.8**	**36.5**	**35.7**	**36.5**	**36.0**	**78bp**
SGA (%)	14.2	14.3	15.5	15.0	14.2	16.2	16.2	15.5	14.8	15.5	15.0	116bp
EBITDA	**2,882**	**3,018**	**3,122**	**3,230**	**3,239**	**3,351**	**3,334**	**3,478**	**12,251**	**13,402**	**3,460**	**-3.7**
EBITDA Margin (%)	**21.1**	**20.5**	**21.1**	**21.1**	**21.0**	**21.1**	**20.6**	**21.0**	**21.0**	**20.9**	**21.0**	**-39bp**
EBIT	**2,356**	**2,457**	**2,538**	**2,651**	**2,610**	**2,604**	**2,524**	**2,650**	**10,002**	**10,388**	**2,653**	**-4.9**
EBIT Margin (%)	**17.3**	**16.7**	**17.2**	**17.3**	**17.0**	**16.4**	**15.6**	**16.0**	**17.1**	**16.2**	**16.1**	**-50bp**
Other income	417	417	92	-81	39	73	108	248	845	-418	198	-45.4
ETR (%)	26.2	28.0	27.1	26.4	27.1	26.7	25.1	25.5	26.9	26.0	26.0	-91bp
PAT	**2,042**	**2,037**	**1,870**	**2,447**	**1,719**	**1,691**	**1,334**	**2,159**	**8,395**	**6,903**	**2,109**	**-36.8**
QoQ (%)	24.2	-0.2	-8.2	30.9	-29.7	-1.6	-21.1	61.9			24.8	
YoY (%)	52.4	44.6	20.4	48.9	-15.8	-17.0	-28.6	-11.7	40.3	-17.8	12.8	
Exceptional items	0	0	0	-450	0	0	469	0	-450.0	469.4	0.0	
Adj. PAT	**2,042**	**2,037**	**1,870**	**1,997**	**1,719**	**1,691**	**1,804**	**2,159**	**7,945**	**7,373**	**2,109**	**-14.5**
EPS (INR)	7.5	7.5	6.8	8.9	6.3	6.2	4.9	7.9	29.0	26.9	7.7	-36.8

Key Performance Indicators

Y/E March	FY25				FY26			FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
Revenue (QoQ CC %)	4.7	4.7	2.0	3.0	-3.2	0.3	1.5	
Margins (%)								
Gross Margin	35.3	34.8	36.6	36.1	35.2	37.3	36.8	35.7
EBIT Margin	17.3	16.7	17.2	17.3	17.0	16.4	15.6	17.1
Net Margin	15.0	13.8	12.7	13.1	11.2	10.6	11.2	13.6
Operating metrics								
Headcount	13,253	13,087	12,795	12,873	12,545	12,879	12,724	12,873
DSO	46	45	42	44	45	49	40	44.0
Key Geographies (YoY %)								
US	3.5	7.8	4.2	4.0	11.6	4.2	4.6	4.8
Europe	24.8	10.6	5.5	-6.4	-7.2	5.4	12.3	7.9

Motherson Wiring

Estimate change	⟷
TP change	↓
Rating change	↓

Bloomberg	MSUMI IN
Equity Shares (m)	6632
M.Cap.(INRb)/(USDb)	286.2 / 3.1
52-Week Range (INR)	54 / 31
1, 6, 12 Rel. Per (%)	-9/12/10
12M Avg Val (INR M)	350

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	111.8	126.4	142.8
EBITDA	11.1	13.7	16.0
Adj. PAT	6.6	8.4	9.9
EPS (Rs)	1.0	1.3	1.5
EPS Growth (%)	8.5	27.6	17.9
BV/Share (Rs)	3.0	3.7	4.4
Ratios			
Net D:E	0.0	0.0	0.0
RoE (%)	35.7	38.1	37.1
RoCE (%)	41.6	45.1	44.6
Payout (%)	60.5	59.3	60.4
Valuations			
P/E (x)	43.4	34.0	28.9
P/BV (x)	14.4	11.8	9.8
Div. Yield (%)	1.4	1.7	2.1
FCF Yield (%)	1.9	2.7	3.2

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	61.7	61.7	61.7
DII	17.2	16.6	16.7
FII	10.1	10.3	9.9
Others	10.9	11.4	11.7

FII Includes depository receipts

CMP:INR43 TP: INR52 (+20%) Buy

Sharp surge in copper hurts performance

Slower-than-expected ramp-up of greenfields impacts margins

- Motherson Wiring's (MSUMI) PAT came below our estimates at INR1.5b (+6.8% YoY), primarily due to higher copper inflation as well as the slower-than-expected ramp-up of its greenfields. Revenue grew 25.5% YoY to INR28.9b, aided by the commencement of new greenfield plants, which contributed to INR2.5b.
- Considering a pickup in auto demand after GST rate cuts and the ramp-up of its new greenfield plants, we estimate MSUMI to post a CAGR of 15%/17%/18% in revenue/EBITDA/PAT over FY25-28E. The company's premium valuations at 34x/28.9x FY27E/FY28E EPS seem justified, given its strong competitive positioning, top-decile capital efficiency, and benefits of EVs and other mega-trends in autos. **Reiterate our BUY rating with a TP of INR52 (based on 36x Dec'27E EPS).**

3Q PAT below estimates, led by sustained margin pressure

- Revenue grew 25.5% YoY to INR28.9b, aided by the commencement of new greenfield plants, which contributed to INR2.5b. Excluding these plants, revenue was up ~19% YoY, in line with the YoY PV industry growth for 3QFY26. The EV revenue share is now 5.8% in 3QFY26, up from 4% at the end of FY25.
- Copper inflation was steep, rising ~15% QoQ, with prices averaging INR1067/kg in 3Q. INR depreciated to 89.1 against USD in 3Q.
- Due to startup costs and high copper inflation, EBITDA margins missed our estimates, coming in at 9.1% (estimated 10.6%). EBITDA grew 10.4% YoY to INR2.6b, coming in lower than our estimate of INR3.2b.
- Greenfield plants posted a combined EBITDA loss of INR367m in 3Q. The loss will start reducing in the coming quarters as these plants ramp up. Excluding the Greenfield plants, EBITDA margins were better at 11.3%.
- Other income was much lower than expected at INR10m in 3Q (estimated INR24m).
- As a result, PAT came in below our estimate at INR1.5b, growing 6.8% YoY (estimated INR1.9b). Adjusting for the greenfield investments, PAT grew ~6% to INR1.8b.
- MSUMI remains net debt-free despite near-term margin pressures from the greenfield plants.

Highlights from the management commentary

- Copper cost inflation translated into an impact of approximately 190–200bp in 3Q. Depending on the contract terms, cost pass-through occurs with either a one-quarter lag or a six-month lag.

- The ramp-up at greenfield facilities has been slower than initially anticipated, primarily due to the deferment of certain customer orders. Despite this, volumes continue to trend upward. Management expects a meaningful improvement in utilization over the next two to three quarters, at which point operations are expected to reach optimal levels and achieve EBITDA breakeven.
- The Kharkhoda greenfield facility is already operating at ~80% utilization, while the Gujarat plant is progressing steadily and is expected to reach similar utilization levels in the coming quarters. The Pune plant has seen some volume softness in the near term, but management expects volumes to normalize and reach optimal utilization over the next few quarters.
- The company has a planned capex of INR2.2b for the current year, of which approximately INR1.5b has already been incurred.
- The impact of the revised labor code on the company's cost structure was not material during the current quarter.

Valuation and view

- Considering a pickup in auto demand after GST rate cuts and the ramp-up of its new greenfield plants, we estimate MSUMI to post a CAGR of 15%/17%/18% in revenue/EBITDA/PAT over FY25-28E. Accordingly, RoCE is expected to improve to 44.6% in FY28E from 41.4% in FY25.
- The stock trades at 34x/28.9x FY27E/FY28E EPS. We believe MSUMI deserves rich valuations, given its strong competitive positioning, top-decile capital efficiency, and benefits of EVs and other mega-trends in autos. **Reiterate our BUY rating with a TP of INR52 (based on 36x Dec'27E EPS).**

MSUMI: Quarterly performance (INR M)

Y/E March	FY25				FY26E				FY25E	FY26E	3QE	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				(%)
Net Sales	**21,848**	**23,256**	**23,003**	**25,095**	**24,940**	**27,619**	**28,871**	**30,414**	**93,203**	**111,843**	**29,904**	**-3**
YoY Change (%)	16.7	10.5	8.8	12.4	14.2	18.8	25.5	21.2	11.9	20.0	30.0	
RM Cost (% of sales)	65.1	64.9	64.9	65.7	64.7	66.2	67.5	66.5	65.2	66.3	66.2	
Staff Cost (% of sales)	17.2	17.3	17.9	16.5	19.1	17.4	17.3	16.5	17.2	17.5	17.1	
Other Expenses (% of sales)	6.7	7.1	6.8	7.0	6.4	6.3	6.1	6.3	6.9	6.3	6.1	
EBITDA	**2,388**	**2,496**	**2,376**	**2,712**	**2,443**	**2,797**	**2,623**	**3,241**	**9,972**	**11,104**	**3,183**	**-18**
Margins (%)	10.9	10.7	10.3	10.8	9.8	10.1	9.1	10.7	10.7	9.9	10.6	
Change (%)	15.3	0.6	-9.3	-6.9	2.3	12.1	10.4	19.5	-1.6	11.3	34.0	
Depreciation	399	444	470	476	492	531	565	567	1,789	2,155	545	**4**
Interest	55	72	66	55	63	64	72	59	248	258	64	**13**
Other Income	50	48	6	16	9	8	10	24	119	50	24	**-60**
PBT before EO expense	**1,984**	**2,027**	**1,846**	**2,197**	**1,896**	**2,210**	**1,995**	**2,640**	**8,055**	**8,741**	**2,598**	
PBT after EO Expense	**1,984**	**2,027**	**1,846**	**2,197**	**1,896**	**2,210**	**1,995**	**2,640**	**8,055**	**8,741**	**2,598**	**-23**
Tax Rate (%)	25	25	24	25	25	25	25	24	25	25	25	
Reported PAT	**1,489**	**1,521**	**1,400**	**1,649**	**1,431**	**1,653**	**1,494**	**1,995**	**6,060**	**6,573**	**1,954**	
Adj PAT	**1,489**	**1,521**	**1,400**	**1,649**	**1,431**	**1,653**	**1,494**	**1,995**	**6,060**	**6,573**	**1,954**	**-24**
YoY Change (%)	20.9	-2.4	-16.6	-13.8	-3.9	8.7	6.8	20.9	-5.1	8.5	39.6	

E: MOFSL Estimates

31 January 2026

3QFY26 Result Update | Sector: Oil & Gas

Aegis Logistics

ESTIMATE CHANGE	⟷
TP change	⟷
Rating change	⟷

CMP: INR731 | **TP: INR750 (+3%)** | **Neutral**

Stable 3Q performance

- In 3QFY26, Aegis Logistics (AEGIS) reported an EBITDA of INR3b, in line with our estimates. Normalized EBITDA of the gas division came in 5% above our estimates, while that of the liquid division stood in line with our estimates.
- The company boasts robust upcoming capacities, including 64,000 kl of liquid storage at Mumbai Port, 318,100 kl of liquid storage and 77,000 mt of LPG at JNPT, 36,000 mt of ammonia at Pipavav, and 64,000 kl of liquid storage at Kandla Port. The company plans to incur a cumulative capex of USD5b by FY30 with USD1.2b capex to be incurred till FY27.
- The stock currently trades at 30x FY27E P/E. We reiterate our Neutral rating on the stock with a TP of INR750, as we value the company at 28x Dec'27E EPS of INR26.7.

In-line operational performance

- 3QFY26 revenue came in below our expectations at INR17.3b, while EBITDA came in line with our estimates at INR3b.
- **EBITDA** margin stood at 17.2% (3QFY25 margins: 13.6%).
- **APAT** also came in at INR1.8b, in line with our estimate.
- **In 3QFY26, standalone** revenue stood at INR9.1b (+36% YoY).
- **Standalone PAT** came in at INR1.8b (2.8x YoY).

Segmental performance

- The Liquids division revenue was INR1.6b (+19% YoY), and EBIT was INR1b (+36% YoY).
- The Gas division revenue stood at INR15.6b (flat YoY), and EBIT was INR1.7b (+24% YoY).

Valuation and view: Reiterate Neutral

- AEGIS has reiterated its ambitious capex plan for: 1) the commissioning of 64,000kl liquid capacity at Mumbai port by 1QFY27 (INR1.25b); 2) additional liquid, LPG, and LPG bottling capacity at JNPA (INR16.8b); 3) 94cbm LPG capacity at Kandla in FY27; and 4) 36,000 mt of ammonia capacity at Pipavav by 1QFY27.
- While we estimate a 13% CAGR in PAT over FY25-28E, we believe that the current valuations at 30x FY27E EPS already factor in the strong expansion in capacity and earnings. We value the stock at 28x Dec'27E EPS of INR26.7 to arrive at our TP of INR750. **We reiterate our Neutral rating on the stock**.

Stock Info

Bloomberg	AEGISLOG IN
Equity Shares (m)	351
M.Cap.(INRb)/(USDb)	256.4 / 2.8
52-Week Range (INR)	947 / 639
1, 6, 12 Rel. Per (%)	6/-1/-4
12M Avg Val (INR M)	850
Free float (%)	41.9

Financials Snapshot (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	78.8	92.8	107.1
EBITDA	13.6	14.8	16.5
Adj. PAT	8.0	8.6	9.6
Adj. EPS (INR)	22.8	24.4	27.4
EPS Gr.%	20.7	7.1	12.2
BV/Sh.INR	146.8	162.6	180.4
Ratios			
Net D:E	-0.1	-0.1	-0.2
RoE (%)	16.4	15.8	16.0
RoCE (%)	15.2	15.3	15.5
Payout (%)	35.0	35.0	35.0
Valuation			
P/E (x)	32.0	29.9	26.6
P/BV (x)	5.0	4.5	4.0
EV/EBITDA (x)	17.6	15.9	14.0
Div. Yld (%)	1.1	1.2	1.4
FCF Yld (%)	2.1	2.6	3.1

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	58.1	58.1	58.1
DII	5.4	6.3	6.7
FII	17.9	16.9	18.2
Others	18.6	18.8	17.0

FII Includes depository receipts

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY25				FY26				FY25	FY26	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	**16,013**	**17,504**	**17,070**	**17,050**	**17,194**	**22,940**	**17,254**	**21,372**	**67,638**	**78,760**	**23,344**	**-26%**
YoY Change (%)	-23.8	41.8	-8.9	-7.2	7.4	31.1	1.1	25.3	-4.0	16.4	36.8	
EBITDA	**2,323**	**2,239**	**2,329**	**4,088**	**2,399**	**2,907**	**2,971**	**5,325**	**10,980**	**13,602**	**3,005**	**-1%**
Margin (%)	14.5	12.8	13.6	24.0	14.0	12.7	17.2	24.9	16.2	17.3	12.9	0.3
Depreciation	368	374	373	407	417	522	528	532	1,522	1,998	528	
Interest	313	300	514	525	328	243	257	236	1,653	1,064	245	
Other Income	435	395	600	654	625	960	807	758	2,084	3,150	991	
PBT	**2,077**	**1,960**	**2,041**	**3,810**	**2,279**	**3,102**	**2,994**	**5,315**	**9,888**	**13,690**	**3,223**	**-7%**
Tax	496	440	446	632	525	662	668	1,349	2,014	3,203	812	
Rate (%)	23.9	22.4	21.8	16.6	23.1	21.3	22.3	25.4	20.4	23.4	25.2	
MI & P/L of Asso. Cos.	266	261	353	361	440	644	558	839	1,240	2,481	644	-13%
Reported PAT	**1,315**	**1,260**	**1,243**	**2,817**	**1,313**	**1,796**	**1,768**	**3,128**	**6,634**	**8,006**	**1,767**	**0%**
YoY Change (%)	13.5	-0.8	-4.5	43.5	-0.1	42.6	42.3	11.0	16.5	20.7	42.2	
Margin (%)	8.2	7.2	7.3	16.5	7.6	7.8	10.2	14.6	9.8	10.2	7.6	0.4

Segmental Highlights	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	YoY (%)	QoQ (%)
LPG logistics volumes ('000 MT)	881	1,020	1,097	1,017	1,013	1,064	1,221	1,225	1,161	1,407	1,361	11.5	-3.3
YoY change (%)	38.3	22.4	11.0	16.1	15.0	4.3	11.3	20.5	14.6	32.2	11.5		
LPG distribution volumes ('000 MT)	159	131	144	126	129	129	127	136	145	192	183	44.1	-4.7
YoY change (%)	86.4	12.7	(7.8)	(7.5)	(18.9)	(1.5)	(11.8)	7.9	12.4	48.8	44.1		
LPG sourcing volumes ('000 MT)	226	174	179	220	124	194	140	139	119	208	151	7.9	-27.4
YoY change (%)	(1.7)	(23.7)	(10.5)	(7.2)	(45.1)	11.5	(21.8)	(36.8)	(4.0)	7.2	7.9		
Gas division EBITDA (INR m)	1,340	1,510	1,470	1,810	1,420	1,440	1,560	2,310	1,500	2,310	2,020	29.5	-12.6
YoY change (%)	22.9	32.5	(9.8)	24.0	6.0	(4.6)	6.1	27.6	5.6	60.4	29.5		
Liquids division EBITDA (INR m)	780	800	850	1,530	1,080	930	950	2,030	1,060	1,160	1,240	30.5	6.9
YoY change (%)	41.8	15.9	10.4	118.6	38.5	16.3	11.8	32.7	(1.9)	24.7	30.5		

KEC International

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	KECI IN
Equity Shares (m)	266
M.Cap.(INRb)/(USDb)	177.6 / 1.9
52-Week Range (INR)	947 / 605
1, 6, 12 Rel. Per (%)	-7/-25/-27
12M Avg Val (INR M)	1085

Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Net Sales	249.8	297.3	350.2
EBITDA	18.1	22.6	26.7
PAT	7.2	9.9	12.4
EPS (INR)	27.1	37.0	46.8
GR. (%)	23.5	39.8	26.3
BV/Sh (INR)	219.2	248.8	287.5
Ratios			
ROE (%)	12.9	15.8	17.4
RoCE (%)	12.8	14.4	15.1
Valuations			
P/E (X)	25.2	18.0	14.3
P/BV (X)	3.0	2.7	2.3
EV/EBITDA (X)	11.9	9.8	8.5
Div Yield (%)	1.0	1.1	1.2

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	50.1	50.1	50.1
DII	25.5	22.5	24.9
FII	11.8	15.9	15.2
Others	12.7	11.4	9.8

FII Includes depository receipts

CMP: INR667 TP: INR890 (+33%) Buy

Pipeline remains strong

KEC posted in-line results in 3QFY26. The performance could have been better, but it was impacted by labor constraints and lower margins in select segments. Order inflow for 9MFY26 remained strong at INR193b, resulting in OB of INR367b. Going ahead, we expect KEC to continue to benefit from strong addressable market across segments. We expect T&D and cable to continue to lead the growth vs. other segments. Margin performance, however, could be impacted by delays in claim settlements. We thus reduce our margin estimates and cut our estimates by 15%/8%/8% for FY26/27/28. The stock is currently trading at attractive valuations of 18x/14.3x P/E on FY27/28 estimates. We maintain BUY with a revised TP of INR890, based on 20x P/E Dec'27E earnings.

In-line results

KEC's revenue/EBITDA/PAT were in line with our estimates. Revenue grew 12% YoY to INR60b vs. our estimate of INR61b. Growth was led largely by T&D and cable divisions, which grew 31% and 37% YoY, respectively. Revenue growth was impacted by labor constraints and slow release of funds from water projects. EBITDA grew 15% YoY to INR4.3b vs. our estimate of INR4.5b, while margin at 7.2% was up 20bp YoY/10bp QoQ. EBITDA was impacted by lower margins in water and metro segments and delays in claim settlement. PAT increased by 35% YoY to INR1.7b, in line with our estimate of INR1.8b. Order inflow stood at INR32b in 3QFY26, taking the closing order book (OB) to INR367b. T&D/non-T&D mix stood at 64%/36%. OB + L1 position stood at INR410b. Under the new labor codes, the company has recognized incremental estimated employee benefit obligations of INR588m as an exceptional item. For 9MFY26, revenue/EBITDA/PAT increased by 14%/25%/52% to INR171b/INR12b/INR5b and EBITDA margin expanded by 70bp YoY to 7.1%. Net debt, including acceptances, stood at INR68b vs. INR56b as of 31st Dec'24.

T&D remains the key growth driver

T&D remains the key growth driver, delivering 3Q revenue of INR42b (+31% YoY) and strong order intake of over INR13.5b, led by India and international markets. The company is executing five HVDC projects plus one for a private developer and sees additional upside from two upcoming HVDC lines in India and one in Saudi Arabia (~INR750b combined), with the overall tender pipeline at over INR1.8t, of which T&D accounts for ~INR400-500b. In India, intrastate transmission has shifted decisively to TBCB, with private players share rising to ~75% from 45% last year, and KEC's success with large private developers mitigating the impact of the temporary PGCIL exclusion. Internationally, SAE posted 70% YoY revenue growth in 3Q on strong demand from North America and Brazil, taking T&D (including SAE) order book plus L1 to over INR260b. KEC has a healthy pipeline across the Middle East, Africa, CIS and the Americas; on this base, we expect T&D order inflows and revenue to grow at a CAGR of 21% and 17%, respectively, over FY25-28E.

Non-T&D: Near-term pressure, gradual recovery visible

Among non-T&D segments, the cable business grew 37% YoY to INR6b, aided by a better product mix, full copper hedging and improving profitability. Civil segment revenue declined 16% YoY to INR9b due to labor shortages, delayed work fronts and slow water payments, though the >INR100b order book plus L1 (60-65% in buildings & factories) supports a gradual recovery. Railway revenue fell 23% YoY to INR3b as the company consciously scaled down legacy metro/rail to focus on higher-margin projects such as Kavach/TCAS, PSI, ABS and selective MENA projects. O&G delivered INR1b in 3Q and secured a third international Middle East pipeline order. Water remains a drag and is expected to be fully exited over the next 12–15 months. Overall, we are building in a marginal recovery in civil segment revenue going forward, while we expect the railway segment to remain largely flat. We expect T&D/non-T&D mix to remain around 67%/33% by FY27.

Margin trajectory improving, with a near-term reset

EBITDA margin improved marginally by 20bp YoY to 7.2% in 3Q, with FY26 margin guidance lowered to 7-7.5% from ~8%. The reset reflects slow progress and muted payments in high-margin water projects, closure and maintenance costs on delayed metro/rail jobs, slower-than-expected resolution of legacy disputes and under-recovery of civil overheads due to lower-than-planned revenue. The core T&D business is already at double-digit margins and the order book remains reasonably profitable with an improving mix, which should support margin improvement in FY27 and FY28 from FY26 levels after legacy clean-up.

Comfortable net working capital

Working capital and net debt increased in 3Q, driven by strong execution, higher strategic inventory (on benign commodity prices) and delayed collections, especially in water and some large international projects. Net debt, including acceptances, stood at INR68b as of Dec'25 (INR56b as of Dec'24), with NWC at 135 days (vs. 129 days as of Dec'24). Debt has already fallen by ~INR3b in Jan'26. While NWC is currently high, we expect it to remain comfortable and improve gradually. Despite higher borrowings, interest cost has declined by 30bp to 2.9% of 3Q revenue.

Financial outlook

We cut our estimates by 15%/8%/8% for FY26/27/28 to factor in lower margins. We expect a CAGR of 17%/21%/30% in revenue/EBITDA/PAT over FY25-28. This will be driven by 1) order inflow growth of 21% on a strong prospect pipeline; 2) a gradual recovery in EBITDA margin to 7.2% in FY26 and 7.6% by FY27/FY28; and 3) stable NWC. With the expected improvement in execution and margins, we expect its RoE and RoCE to improve to 17.4% and 15.1%, respectively, by FY28.

Valuation and recommendation

KEC is currently trading at 25.2x/18x/14.3x on FY26E/27E/28E EPS. Our estimates bake in a revenue CAGR of ~17% and an EBITDA margin of 7.2% for FY26E and 7.6% for FY27E/28E. **We maintain BUY with a revised TP of INR890 (from INR920 earlier)** based on 20x Dec'27E EPS.

Key risks and concerns

A slowdown in order inflows, higher commodity prices, an increase in receivables and working capital, and heightened competition are some of the key risks that could potentially affect our estimates.

Consolidated - Quarterly Earning Model (INR m)

Y/E March - INR m	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
Net Sales	**45,119**	**51,133**	**53,494**	**68,721**	**50,229**	**60,916**	**60,014**	**78,622**	**2,18,467**	**2,49,779**	**61,335**	**(2)**
YoY Change (%)	6.3	13.7	6.8	11.5	11.3	19.1	12.2	14.4	9.7	14.3	14.7	
Total Expenditure	42,415	47,931	49,749	63,333	46,728	56,612	55,714	72,621	2,03,428	2,31,674	56,796	(2)
EBITDA	**2,704**	**3,202**	**3,745**	**5,388**	**3,501**	**4,304**	**4,300**	**6,000**	**15,039**	**18,105**	**4,539**	**(5)**
YoY Change (%)	10.6	16.7	21.6	38.9	29.5	34.4	14.8	11.4	23.8	20.4	21.2	
Margins (%)	6.0	6.3	7.0	7.8	7.0	7.1	7.2	7.6	6.9	7.2	7.4	
Depreciation	465	453	453	465	459	506	504	584	1,837	2,052	521	(3)
Interest	1,550	1,681	1,702	1,703	1,511	1,715	1,711	1,744	6,636	6,682	1,713	(0)
Other Income	431	66	9	202	54	46	102	112	709	315	73	40
PBT before EO expense	**1,120**	**1,135**	**1,598**	**3,422**	**1,585**	**2,130**	**2,187**	**3,784**	**7,275**	**9,686**	**2,377**	**(8)**
Extra-Ord expense							588	0		588		
PBT	**1,120**	**1,135**	**1,598**	**3,422**	**1,585**	**2,130**	**1,599**	**3,784**	**7,275**	**9,098**	**2,377**	**(33)**
Tax	245	281	303	740	339	522	325	1,294	1,568	2,480	609	
Rate (%)	21.8	24.7	18.9	21.6	21.4	24.5	20.3	34.2	21.5	27.3	25.6	
Reported PAT	**876**	**854**	**1,296**	**2,682**	**1,246**	**1,608**	**1,275**	**2,491**	**5,707**	**6,619**	**1,769**	**(28)**
Adj PAT	**876**	**854**	**1,296**	**2,682**	**1,246**	**1,608**	**1,743**	**2,450**	**5,707**	**7,046**	**1,769**	**(1)**
YoY Change (%)	106.9	53.1	33.7	76.7	42.3	88.2	34.5	(8.7)	64.6	23.5	36.5	
Margins (%)	1.9	1.7	2.4	3.9	2.5	2.6	2.9	3.1	2.6	2.8	2.9	

INR m	FY25				FY26			FY25	FY26E	YoY (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q			
Segmental revenue										
T&D (domestic + SAE)	24,990	28,310	31,750	43,280	31,570	40,800	41,610	1,28,330	1,69,005	31.1
Cables	3,630	4,410	4,060	5,940	3,830	5,240	5,560	18,040	21,440	36.9
Railways	4,710	5,030	4,560	6,810	4,710	4,250	3,490	21,110	17,763	(23.5)
Civil	12,580	14,250	14,160	16,020	11,360	12,100	11,220	57,010	48,466	(20.8)
Less intersegmental	(790)	(870)	(1,040)	(3,330)	(1,240)	(1,470)	(1,870)	(6,030)	(6,894)	79.8
Grand total	**45,120**	**51,130**	**53,490**	**68,720**	**50,230**	**60,920**	**60,010**	**2,18,460**	**2,49,779**	12.2

Vinati Organics

Estimate changes	↓
TP change	⟷
Rating change	⟷

Bloomberg	VO IN
Equity Shares (m)	104
M.Cap.(INRb)/(USDb)	158.1 / 1.7
52-Week Range (INR)	2040 / 1413
1, 6, 12 Rel. Per (%)	-2/-20/-16
12M Avg Val (INR M)	107

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	22.8	26.8	31.0
EBITDA	7.1	8.5	9.9
PAT	5.0	5.8	6.8
EPS (INR)	48.0	56.4	65.8
EPS Gr. (%)	19.8	17.5	16.7
BV/Sh.(INR)	309.6	355.4	408.9
Ratios			
Net D:E	-0.0	-0.0	-0.1
RoE (%)	16.5	16.9	17.2
RoCE (%)	15.4	16.0	16.3
Payout (%)	18.7	18.7	18.7
Valuations			
P/E (x)	31.8	27.0	23.2
P/BV (x)	4.9	4.3	3.7
EV/EBITDA (x)	22.0	18.5	15.7
Div. Yield (%)	0.6	0.7	0.8
FCF Yield (%)	1.4	1.5	1.9

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	74.3	74.3	74.3
DII	9.8	9.5	7.6
FII	3.8	3.8	5.3
Others	12.1	12.4	12.8

FII Includes depository receipts

CMP: INR1,525 TP: INR1,950 (+28%) Buy

Capacity ramp-up across segments to drive earnings in FY27

Operating performance misses estimates

- Vinati Organics (VO) reported lower-than-expected operating performance in 3QFY26, with EBITDA growth of 13% YoY to INR1.6b (est. INR1.8b). Gross margin expanded to 55.2% from 49.0% in 3QFY25, while it declined 130bp QoQ. EBITDAM expanded 300bp YoY to 30.4% (down 230bp QoQ). PAT grew 14% YoY to INR1.1b (down 16% QoQ).
- For FY27, VO expects revenue growth across ATBS, Butyl Phenols (BP), and Anti-Oxidants (AO) segments, supported by favorable demand trends and capacity additions. VO has completed the phase 1 expansion of its Acrylamide Tertiary-Butyl Sulfonic Acid (ATBS) production capacity by 10,000mtpa to cater to the growing global demand and reduce order backlogs.
- Factoring in the modest 3Q performance, we cut our FY26/FY27/FY28 EPS estimates by 6%/5%/5%. We value VO at 30x FY28E EPS to arrive at a TP of INR1,950. **Reiterate BUY rating on VO.**

Modest revenue growth results in subdued performance

- Revenue came in at INR5.3b (est. of INR5.8b), up 1% YoY but down 3% QoQ.
- Gross margin stood at 55.2% (compared to 49.0% in 3QFY25 and 56.5% in 2QFY26).
- EBITDAM came in at 30.4% (up 300bp YoY, down 230bp QoQ).
- EBITDA stood at ~INR1.6b (est. of INR1.8b), up 13% YoY, down 10% QoQ.
- Adjusted PAT stood at INR1.1b (est. of INR1.3b), up 14% YoY, down 16% QoQ.

Valuation and view

- Veeral organics (subsidiary) has commissioned a plant for MEHQ and Guaiacol, along with other products (Anisole, 4-MAP, Iso Amylene, etc.) in FY26. We expect them to be the key growth drivers for VO going forward.
- VO continues to be one of the largest producers of AOs in India. While Chinese competitors continue to pose a threat to the supply, the long-term outlook for the segment remains positive on the back of a novel AO for lubricant additives, further strengthening of the portfolio.
- We expect growth to be driven by capacity expansion of ATBS by 10,000mtpa, enabling VO to cater to growing global demand and reduce order backlogs.
- We broadly cut our FY26/FY27/FY28 EPS estimates by 6%/5%/5% and expect a CAGR of 11%/19%/18% in revenue/EBITDA/PAT over FY25-28. The stock trades at ~23x FY28E EPS of INR66 and ~16x FY27E EV/EBITDA. We value the stock at 30x FY28E EPS to arrive at a TP of INR1,950. **Reiterate BUY.**

Standalone - Quarterly Earning Model **(INR m)**

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Gross Sales	**5,247**	**5,533**	**5,217**	**6,485**	**5,423**	**5,463**	**5,291**	**6,614**	**22,481**	**22,791**	**5,738**	**-8%**
YoY Change (%)	19.6	19.5	16.4	17.8	3.3	-1.3	1.4	2.0	18.3	1.4	10.0	
Total Expenditure	3,996	4,193	3,789	4,649	3,764	3,677	3,683	4,570	16,626	15,694	3,954	
Gross Margin (%)	44.9%	45.8%	49.0%	47.4%	52.0%	56.5%	55.2%	51.9%	46.8%	46.7%	52.0%	
EBITDA	**1,251**	**1,340**	**1,428**	**1,836**	**1,658**	**1,786**	**1,608**	**2,045**	**5,855**	**7,097**	**1,784**	**-10%**
Margin (%)	23.8	24.2	27.4	28.3	30.6	32.7	30.4	30.9	26.0	31.1	31.1	
Depreciation	196	205	205	202	213	215	243	255	808	926	240	
Interest	4	1	1	2	4	0	0	0	8	4	2	
Other Income	93	222	67	61	73	159	88	80	443	401	100	
PBT before EO expense	**1,144**	**1,357**	**1,289**	**1,694**	**1,515**	**1,730**	**1,454**	**1,869**	**5,482**	**6,568**	**1,642**	
PBT	**1,144**	**1,357**	**1,289**	**1,694**	**1,515**	**1,730**	**1,454**	**1,869**	**5,482**	**6,568**	**1,642**	
Tax	284	295	333	418	387	440	369	457	1,330	1,653	413	
Rate (%)	24.8	21.8	25.8	24.7	25.5	25.4	25.4	24.5	24.3	25.2	25.2	
Reported PAT	**860**	**1,061**	**956**	**1,276**	**1,128**	**1,290**	**1,085**	**1,412**	**4,152**	**4,915**	**1,229**	**-12%**
Adj PAT	**860**	**1,061**	**956**	**1,276**	**1,128**	**1,290**	**1,085**	**1,412**	**4,152**	**4,915**	**1,229**	**-12%**
YoY Change (%)	23.9	46.4	24.1	22.1	31.1	21.6	13.5	10.7	28.4	18.4	28.6	
Margin (%)	16.4	19.2	18.3	19.7	20.8	23.6	20.5	21.3	18.5	21.6	21.4	

Kajaria Ceramics

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	KJC IN
Equity Shares (m)	159
M.Cap.(INRb)/(USDb)	143.7 / 1.6
52-Week Range (INR)	1322 / 745
1, 6, 12 Rel. Per (%)	-4/-25/-18
12M Avg Val (INR M)	466
Free float (%)	52.3

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	47.8	52.9	59.6
EBITDA	8.4	9.3	10.5
Adj. PAT	5.2	6.0	7.0
Adj. EPS (INR)	32.5	37.5	43.8
EPS Gr. (%)	75.8	15.6	16.6
BV/Sh. (INR)	190	214	242
Ratios			
RoE (%)	17.1	17.6	18.1
RoCE (%)	22.9	23.9	24.8
Payout (%)	40.0	37.3	36.6
Valuations			
P/E (x)	27.5	23.8	20.4
P/BV (x)	4.7	4.2	3.7
EV/EBITDA (x)	16.2	14.2	12.2
Div. Yield (%)	1.3	1.6	1.8

Shareholding pattern (%)

As On	Dec'25	Sep'25	Jun'25
Promoter	47.7	47.6	47.5
DII	26.3	26.0	27.4
FII	11.7	11.6	12.6
Others	14.3	14.8	12.6

CMP: INR902 TP: INR1,057 (+17%) Buy

Weakness persists; gradual revival in volume likely

Tile-volume/revenue/EBITDA/PAT grew 0%/1%/31%/13% YoY in 3Q

- Kajaria Ceramics (KJC) reported another soft quarter, with flat tile volume and revenue owing to weak demand conditions and intense competition.
- Bathware and Adhesives revenue grew 9% and 72% YoY, respectively.
- EBITDA margin slid 78bp QoQ to 17.2% (up 395bp YoY) on low volumes and liquidation of slow-moving SKUs in ceramic tiles.
- Reported PAT (up 13% YoY) was impacted by INR396m of extra-ordinary items on account of provision for the new labour code (~INR200m) and the financial fraud (~INR200m).

Key highlights from the management commentary

- Weakness continued in 3Q (tile volume flat YoY; EBITDA margin at 17.2%).
- Tile volume and realization were impacted by liquidation of some slow-moving SKUs in ceramic tiles.
- Management remains optimistic about a revival in volume after healthy traction seen in Jan'26.
- EBITDA margin should remain in the 17-18% range.
- The company will appoint a consultant to strengthen systems and processes to avoid any wrongdoings by any employees in the future.
- It has also appointed a consultant to drive market share gains through the rationalization of dealerships and channel expansion.
- Key focus areas: (1) driving cross-selling across channels, and (2) scaling up private B2B and government sales, supported by an established sales team.
- Price hikes: Faucets by 8-12% from Jan'26; sanitaryware to follow soon

Valuation and view

- We cut our earnings estimates by 2-3% after a soft 3Q result. In line with weak demand and a healthy 17-18% EBITDA margin guidance, we expect a CAGR of 8%/9%/19%/33% in tile-volume/revenue/EBITDA/PAT over FY25-28 (FY19-25: 6%/8%/6%/4%). We also project ~18% RoE, ~25% RoCE, ~35% RoIC, and more than INR5b annual FCF for the company.
- Despite operational challenges in the near term, structural drivers are intact in the medium to long term.
- **While we expect a gradual recovery in volume, KJC's stock price looks attractive at ~24x/20x FY27E/28E P/E after over 30% correction in the last six months. We retain a BUY rating on KJC with a TP of INR1,057**, based on 26x Sep'27E EPS (~20% discount to 10-year mean on low volume growth).
- Recovery in tile volume and sustaining high EBITDA margin (17%+) remain the key near-term monitorables.
- **Key risks:** slowdown in the economy and construction activities; high volatility in gas prices; intensified competition from Morbi based players.

Consolidated quarterly performance

(INR m)

	FY25				FY26E				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q Est.	%
Net Sales	**10,958**	**11,618**	**11,556**	**12,219**	**11,027**	**11,860**	**11,683**	**13,245**	**46,351**	**47,836**	**12,588**	**-7**
YoY Change (%)	3.0	3.6	0.3	1.1	0.6	2.1	1.1	8.4	3.6	3.2	8.9	
Total Expenditure	9,248	9,983	10,023	10,835	9,159	9,726	9,671	10,931	40,089	39,486	10,380	
EBITDA	**1,710**	**1,635**	**1,533**	**1,384**	**1,869**	**2,135**	**2,012**	**2,314**	**6,262**	**8,350**	**2,208**	**-9**
Margins (%)	15.6	14.1	13.3	11.3	16.9	18.0	17.2	17.5	13.5	17.5	17.5	
Depreciation	419	404	397	434	436	419	415	420	1,654	1,690	424	
Interest	33	34	74	60	52	58	59	59	200	229	58	
Other Income	101	99	103	125	132	155	117	127	427	530	160	
PBT before EO expense	**1,359**	**1,296**	**1,166**	**1,014**	**1,513**	**1,813**	**1,654**	**1,961**	**4,835**	**6,962**	**1,886**	
Extra-Ord expense	0	0	0	0	0	0	-396	0	0	-396	0	
PBT	**1,359**	**1,296**	**1,166**	**1,014**	**1,513**	**1,813**	**1,258**	**1,961**	**4,835**	**6,565**	**1,886**	**-33**
Tax	358	350	307	344	396	472	386	520	1,360	1,773	490	
Rate (%)	26.3	27.0	26.4	33.9	26.2	26.0	30.7	26.5	28.1	27.0	26.0	
Minority Interest	-25	-13	-12	-7	-13	-10	16	10	57	-2	-10	
Profit/(Loss) - Associates	-78	-91	-69	-238	-14	-1	-11	10	-475	-15	10	
Reported PAT	**898**	**843**	**777**	**425**	**1,090**	**1,330**	**877**	**1,461**	**2,944**	**4,779**	**1,396**	**-37**
Adj PAT	**898**	**843**	**777**	**425**	**1,090**	**1,330**	**1,274**	**1,461**	**2,944**	**5,176**	**1,396**	**-9**
YoY Change (%)	-16.5	-21.9	-25.4	-58.5	21.3	57.8	63.8	243.6	-30.3	75.8	79.5	
Margins (%)	8.2	7.3	6.7	3.5	9.9	11.2	10.9	11.0	6.4	10.8	11.1	

E: MOFSL Estimates

Quarterly operating metrics

Y/E March	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	% YoY	% QoQ
Segment Revenues (INR m)								
Own Manuf. (tiles)	5,873	5,688	5,855	5,439	5,797	5,635	(0.9)	(2.8)
Subsidiaries (tiles)	1,945	2,067	2,273	2,044	2,215	2,289	10.7	3.3
Outsourcing/Import (tiles)	2,717	2,651	2,755	2,381	2,502	2,375	(10.4)	(5.1)
Tiles - total revenue	**10,535**	**10,407**	**10,884**	**9,864**	**10,515**	**10,299**	**(1.0)**	**(2.0)**
Sanitaryware / Faucets	901	945	1,105	915	1,024	1,032	9.2	0.8
Plywood	175	81	47	16	6	-		
Adhesives	182	205	230	249	322	352	71.8	9.3
Total revenue	**11,793**	**11,637**	**12,266**	**11,043**	**11,866**	**11,683**	**0.4**	**(1.5)**
Tiles sales volume (msm)								
Own Manufacturing	15.6	15.4	15.8	14.8	15.7	15.4	-	(1.4)
Subs/JV's	5.4	5.9	6.5	5.7	6.3	7.0	18.9	10.8
Outsourcing/Imports	7.6	7.6	7.9	6.7	6.9	6.6	(13.7)	(5.2)
Total tile sales volume (msm)	**28.7**	**28.9**	**30.1**	**27.2**	**28.9**	**29.0**	**0.2**	**0.3**
Tiles NSR (INR /sq mtr)								
Own Manufacturing	376	368	371	369	370	365	(0.9)	(1.4)
Subs/JV's	358	352	352	356	352	328	(6.9)	(6.7)
Outsourcing/Imports	356	349	351	356	362	363	3.8	0.1
Blended NSR	**367**	**360**	**361**	**363**	**364**	**356**	**(1.3)**	**(2.4)**
Segment EBIT %								
Tiles	12.0	10.7	8.3	13.7	15.4	14.4		
Others (S/w, Faucets, Ply)	(6.5)	1.6	2.8	4.7	7.5	8.3		
Blended EBIT	**10.6**	**9.8**	**7.8**	**13.0**	**14.5**	**13.7**		
Unallocated income as % revenue	0.8	0.9	1.0	1.2	1.3	1.0		
Net WC Cycle (Days)	**59**	**59**	**51**	**58**	**56**	**64**		
Net cash (INR m)	**3,370**	**2,980**	**4,240**	**5,150**	**5,930**	**4,720**		

Syrma SGS Technology

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	SYRMA IN
Equity Shares (m)	192
M.Cap.(INRb)/(USDb)	146.7 / 1.6
52-Week Range (INR)	910 / 355
1, 6, 12 Rel. Per (%)	8/-2/33
12M Avg Val (INR M)	1078

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	49.4	65.2	83.3
EBITDA	5.5	7.2	9.2
Adj. PAT	3.4	4.7	6.1
EBITDA Margin (%)	11.1	11.1	11.1
Cons. Adj. EPS (INR)	17.6	24.6	31.6
EPS Gr. (%)	81.8	40.4	28.3
BV/Sh. (INR)	171.6	196.6	229.2
Ratios			
Net D:E	-0.2	-0.2	-0.2
RoE (%)	14.0	14.5	16.0
RoCE (%)	13.6	14.9	17.1
Valuations			
P/E (x)	43	31	24
EV/EBITDA (x)	25	19	15

Shareholding Pattern (%)

As on	Dec-25	Sep-25	Dec-24
Promoter	42.7	43.0	46.6
DII	15.9	16.4	7.5
FII	6.6	7.1	8.6
Others	34.8	33.5	37.4

Note: FII includes depository receipts

CMP: INR755 TP: INR1,000 (+32%) Buy

Robust performance across all segments

Operating performance beats our estimates

- Syrma SGS Technology (SYRMA) continued its strong operating performance, with EBITDA up ~2x YoY in 3QFY26. EBITDA margin expanded 350bp YoY due to a favorable business mix and operating leverage. Revenue grew 45%, largely led by a strong jump in IT/Railways revenue (up 65%), followed by Healthcare/Industrial/Auto/Consumer (up 47%/45%/44%/43% YoY).
- The order book continued to improve to INR64b as of Dec'25 (up ~21%/10% YoY/QoQ). Moreover, with a strong 9MFY26, management has revised its guidance upwards with more than INR5b of EBITDA in FY26, **with revenue guidance of ~INR1.6b in 4QFY26**. Further, the **company has guided for a 30% growth in revenue/EBITDA for FY27 (with EBITDA margins of 10%).**
- Factoring in the strong operating performance, we raise our EPS estimate by 19% for FY26, while largely maintaining our FY27/FY28 estimate. We reiterate our **BUY** rating on the stock with a **TP of INR1,000 (32x FY28E EPS).**

Business mix and operating leverage underpin margin expansion

- Consolidated revenue grew 45.4% YoY to INR12.6b (est. INR12b), led by growth across all segments. IT and Railways grew the highest (up 65%), followed by Healthcare/Industrial/Auto/Consumer (up 47%/45%/44%/43% YoY).
- EBITDA margins expanded 350bp YoY to 12.6% (est. 9.6%), led by a decrease in the share of employees and other expenses. EBITDA grew ~2x YoY to INR1.6b (est. INR1.1b). Adj. PAT grew ~2x YoY to INR1.1b (est. INR713m). The company had a labor code impact of INR33.8m (reported in exceptional items).
- The order book stood at INR64b in Dec'25 vs INR58b as of Sep'25. The order book mix comprised Auto/Consumer/Industrial at 31%/25%/27%, with the balance attributed to Healthcare, IT, and Railway as of Dec'25.
- Gross debt stood at INR5.3b as of Dec'25 vs. INR6.1b as of Mar'25. Net working capital days stood at 76 days as of Dec'25, with management targeting to reduce it by another 3-5 days over the next 2-3 quarters.

Highlights from the management commentary

- **Export:** The company reported strong export growth of 65%/45% in 3QFY26/9MFY26, with export revenue rising to INR3.4b/INR8.4b. Exports accounted for 25% of the business mix in 9MFY26 (vs 21% in 9MFY25). During 3QFY26, exports of INR1b/INR1.8b were reported in the healthcare/industrial segment. The company has further guided for export revenue of INR11b in FY27.
- **Elcome:** SYRMA completed the acquisition of a 60% stake in Dec'25 for INR2.4b, with financials consolidated for the relevant period of Dec'25 (around 15–16 days). On a standalone basis, Elcome is expected to generate revenue of INR 2.8–3.0b in FY26 (not fully consolidated), with margins in the range of 20–25%. The company expects this revenue to grow 10–15% in FY27.
- **PCB manufacturing:** A capital infusion and equity allotment of ~INR450m in the ratio of 75% (Syrma SGS)/25% (Shinhyup, Korea) has been completed during the quarter. The company expects to spend a capex of INR3.6-4b for the first phase (to be completed by Dec'26). This would entail a capacity of 720,000 square meters of multi-layer line and 480,000 square meters of single-layer PCBs.

Valuation and view

- SYRMA continued its earnings momentum, driven by a favorable shift in the business mix and operating leverage in 3QFY26. We expect this trend to continue through 4Q/FY27, led by strong growth in higher-margin segments, such as automotive and industrial.
- We believe that the company's long-term trajectory will continue to remain strong, backed by: 1) its focus on low-volume, high-margin business; 2) an increase in exports; 3) increasing share of revenue in the industrial and automotive segments; 4) a foray into bare PCB manufacturing through its JV; and 5) inorganic expansion into new verticals, such as defense and solar invertors.
- We estimate a revenue/EBITDA/adj. PAT CAGR of 30%/45%/52% over FY25-28, driven by strong revenue growth and margin expansion. We reiterate our BUY rating on the stock with a **TP of INR1,000 (premised on 32x FY28E EPS).**

Consolidated - Quarterly Earning

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%
Gross Sales	**11,599**	**8,327**	**8,692**	**9,244**	**9,440**	**11,459**	**12,642**	**15,899**	**37,862**	**49,439**	**12,000**	**5**
YoY Change (%)	92.9	17.0	23.0	-18.5	-18.6	37.6	45.4	72.0	20.1	30.6	38.1	
Total Expenditure	11,153	7,618	7,901	8,169	8,574	10,307	11,048	14,180	34,841	44,107	10,853	
EBITDA	**446**	**710**	**791**	**1,075**	**866**	**1,152**	**1,594**	**1,719**	**3,021**	**5,332**	**1,147**	**39**
Margins (%)	3.8	8.5	9.1	11.6	9.2	10.1	12.6	10.8	8.0	10.8	9.6	
Depreciation	174	167	202	208	206	218	203	225	751	852	220	
Interest	130	136	154	156	149	126	77	75	577	427	95	
Other Income	153	100	223	223	160	87	103	100	699	451	200	
PBT before EO expense	**295**	**507**	**657**	**934**	**672**	**895**	**1,417**	**1,519**	**2,392**	**4,503**	**1,032**	
Extra-Ord expense	0	0	21	0	0	0	34	0	21	34	0	
PBT	**295**	**507**	**635**	**934**	**672**	**895**	**1,383**	**1,519**	**2,371**	**4,469**	**1,032**	
Tax	91	110	105	219	172	232	280	365	526	1,049	260	
Rate (%)	31.0	21.8	16.6	23.5	25.7	25.9	20.3	24.0	22.2	23.5	25.2	
MI & Profit/Loss of Asso. Cos.	10	34	42	60	2	23	75	84	147	184	59	
Reported PAT	**193**	**362**	**488**	**654**	**497**	**641**	**1,028**	**1,071**	**1,698**	**3,237**	**713**	
Adj PAT	**193**	**362**	**509**	**654**	**497**	**641**	**1,055**	**1,071**	**1,719**	**3,263**	**713**	**48**
YoY Change (%)	-32.3	22.0	228.2	87.3	157.8	76.8	107.1	63.6	58.2	89.8	40.0	
Margins (%)	1.7	4.4	5.9	7.1	5.3	5.6	8.3	6.7	4.5	6.6	5.9	

ACME Solar Holdings

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	ACMESOLA IN
Equity Shares (m)	605
M.Cap.(INRb)/(USDb)	136.8 / 1.5
52-Week Range (INR)	324 / 172
1, 6, 12 Rel. Per (%)	-1/-21/-2
12M Avg Val (INR M)	362

Financials Snapshot (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	20.9	39.3	73.0
EBITDA	18.3	34.8	64.9
Adj. PAT	5.0	6.4	14.8
EPS Gr. (%)	82.4	28.7	131.0
BV/Sh. (INR)	82.6	93.2	117.6
Ratios			
ND/Equity	4.0	6.4	5.8
ND/EBITDA	11.0	10.4	6.3
RoE (%)	10.5	12.1	23.2
RoIC (%)	5.1	5.8	7.9
Valuations			
P/E (x)	27.4	21.3	9.2
EV/EBITDA (x)	19.1	14.6	8.6

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	83.3	83.4	83.4
DII	6.9	6.4	7.0
FII	4.2	5.6	5.5
Others	5.7	4.6	4.1

CMP: INR226 TP: INR350 (+55%) Buy

Commissioning on track, battery upside in FY27

- **In-line 3Q:** ACME Solar Holdings (ACME) reported an in-line performance in 3QFY26, with revenue of INR5b (3% beat) and an in-line EBITDA of INR4.4b with an EBITDA margin of 89%. Adj. PAT of INR1.1b was 10% above our estimate, supported by higher-than-expected other income.
- **Key things we liked about the result:** 1) FY26 capacity commissioning is on track with 422MW operationalized in FY26YTD vs. guidance of 450MW, 2) PPA secured for ~55% of total pipeline of ~4.8GW providing capacity addition visibility up to FY28, 3) Multiple catalysts in FY27 with 770MW of PPA signing being in advanced stage with land and connectivity in place, and 4) BESS commissioning target upgraded to 2GWh by end-FY26 vs. 1GWh guided earlier; this is a potential source of earnings upside to our estimates.
- **Some areas of concern:** 1) FY27 installation target moderated to 1.5GW; the overall commissioning guidance is 2.6GW by the end of FY28, though it is largely in line with our assumptions, and 2) rising commodity costs can create uncertainty around project IRRs; however, management highlighted that the bulk (~50%) of the module and battery pipeline capex is already locked in.
- **Valuation and view:** We moderate our EV/EBITDA based target to INR 350 as we now value the stock at 9.5x FY28E EBITDA (vs 10x earlier; in line with NTPC Green). The cut in our valuation multiple largely reflects lower valuation multiples across power/renewable stocks recently. We continue to believe that the stock is oversold at current prices, and steady capacity commissioning in FY27 and improvement of sentiment around smaller market capitalization stocks can lead to a strong re-rating.

EBITDA in line; APAT beat driven by higher other income

Financial Highlights

- ACME's consolidated revenue came in at INR5b (+42% YoY, +6% QoQ), missing our est. by 3%.
- EBITDA was in line with our estimate at INR4.4b (+45% YoY, +11% QoQ), with an EBITDA margin of 89%.
- Adj PAT beat our est. by 10% at INR1.1b (-4%% YoY, +3% QoQ), driven by higher-than-expected other income.
- The Board declared an interim dividend of INR0.2/share for FY26 with a record date of 6th Feb'26.

Operational Highlights

- In 3QFY26, ACME generated 1,567 MUs (+49% YoY, +2%QoQ).
- CUF for 3QFY26 stood at 24.3% vs 22.7% in 3QFY25, while plant availability stood at 99.6%.
- Commissioned 72MW (out of the 100MW Acme Eco Clean wind project), taking the cumulative YTD capacity commissioned to 422MW and total operational capacity to 2,962MW.
- The weighted average cost of debt for ACME dipped 150bp YoY to 8.45%.
- ACME signed PPAs for 450MW of projects during the quarter, with PPA signing of a further 770MW of projects expected in the near-term.
- The total portfolio now stands at 7,770MW, including 16GWh of BESS.

- Connectivity is available for all under-construction projects of 4.8GW, with a ~7.5GW secured/applied connectivity inventory for future capacity.
- 10,000+ acres stand acquired for under-construction PPA-signed projects, with most land for FY27 commissioning projects already secured.

Highlights of the 3QFY26 performance

- In 3QFY26, ACME commissioned 72MW of wind capacity, taking the total operational capacity to 2,962MW.
- Generation for the quarter stood at 1,567MUs, up 49%YoY/2% QoQ.
- Capex target was guided at ~INR120b/INR100b in FY27/FY28.
- ACME has targeted capacity additions of 1.5GW in FY27 and 10GWh of BESS by CY27, with 2GWh coming in 4QFY26 and another 2GWh coming in 1QFY27.
- Loss due to curtailment is expected to have less than 1% impact on annual revenue; rising grid-scale battery additions are expected to mitigate curtailment risk going forward.
- The weighted average cost of debt for the company fell 150bp YoY to 8.45%.
- ACME signed PPAs for 450MW of projects during the quarter, with PPA signing of a further 770MW of projects expected in the near term.
- China's VAT export rebate withdrawal (effective Apr'26) is expected to have a marginal impact, as ACME has already procured about 50% of its modules and most BESS supplies.
- DSM regulations (from Apr'26) and withdrawal of ISTS waivers should accelerate PPA signings in the next 2–3 quarters, with minimal impact on ACME's battery-backed Rajasthan portfolio.

Valuation and view

- We moderate our EV/EBITDA based target to INR 350 as we now value the stock at 9.5x FY28E EBITDA (vs 10x earlier; in line with NTPC Green). The cut in our valuation multiple largely reflects lower valuation multiples across power/renewable stocks recently.

Consolidated performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%	(%)	(%)
Net Sales	**3,096**	**2,596**	**3,490**	**4,869**	**5,110**	**4,677**	**4,968**	**6,180**	**14,051**	**20,935**	**5,113**	**-3%**	**42%**	**6%**
YoY Change (%)	-0.2	-0.2	5%	65%	65%	80%	42%	27%	7%	49%	46%			
EBITDA	**2,717**	**2,208**	**3,072**	**4,357**	**4,578**	**4,002**	**4,445**	**5,284**	**12,354**	**18,309**	**4,412**	**1%**	**45%**	**11%**
Margin (%)	88%	85%	88%	89%	90%	86%	89%	86%	88%	87%	86%			
Depreciation	556	599	697	1,022	1,076	1,174	1,202	1,274	2,873	4,725	1,181	2%	73%	2%
Interest	1,963	1,783	1,791	2,055	2,330	2,645	2,880	2,816	7,592	10,671	2,563	12%	61%	9%
Other Income	304	356	518	524	730	1,336	1,200	458	1,701	3,725	697	72%	132%	-10%
PBT before EO expense	**503**	**181**	**1,103**	**1,803**	**1,903**	**1,519**	**1,563**	**1,653**	**3,590**	**6,638**	**1,364**			
Extra-Ord income/(exp.)	0	0	-69	-141	-159	42	0	0	-210	-117	-			
PBT	**503**	**181**	**1,034**	**1,663**	**1,744**	**1,562**	**1,563**	**1,653**	**3,380**	**6,521**	**1,364**	**15%**	**51%**	**0%**
Tax	489	28	-87	442	436	411	426	384	872	1,656	334	27%	-590%	4%
Tax rate	97%	16%	-8%	27%	25%	26%	27%	23%	26%	25%	25%			
Minority Interest	0.0	0.0	0.0	-12.9	-0.1	-0.1	-0.1	0.0	-12.9	-0.2	-			
Reported PAT	**14**	**153**	**1,121**	**1,234**	**1,308**	**1,151**	**1,137**	**1,269**	**2,521**	**4,865**	**1,030**	**10%**	**1%**	**-1%**
Adj PAT	**14**	**153**	**1,190**	**1,374**	**1,467**	**1,108**	**1,137**	**1,269**	**2,731**	**4,982**	**1,030**	**10%**	**-4%**	**3%**
YoY Change (%)	-1.0	LP	206%	LP	10465%	624%	-4%	-8%	LP	82%	-13%			
Margin (%)	0%	6%	34%	28%	29%	24%	23%	21%	19%	24%	20%			

Indian Energy Exchange

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	IEX IN
Equity Shares (m)	892
M.Cap.(INRb)/(USDb)	113.1 / 1.2
52-Week Range (INR)	215 / 125
1, 6, 12 Rel. Per (%)	-2/-9/-37
12M Avg Val (INR M)	1932

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	6.1	6.2	6.6
EBITDA	5.1	5.2	5.4
Adj. PAT	4.7	4.8	5.1
EPS (INR)	5.2	5.4	5.7
EPS Gr.%	12.6	3.0	6.5
BV/Sh. (INR)	14.4	16.6	18.9
Ratios			
Net D:E	(0.2)	(0.3)	(0.4)
RoE (%)	39.2	34.8	32.4
RoCE (%)	38.2	34.1	31.9
Payout (%)	60.0	60.0	60.0
Valuation			
P/E (x)	24.2	23.5	22.1
P/B (x)	8.8	7.6	6.7
EV/EBITDA (x)	21.4	20.9	19.4
Div. yield (%)	2.5	2.6	2.7

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	0.0	0.0	0.0
DII	35.0	36.4	32.8
FII	11.7	13.5	16.5
Others	53.4	50.1	50.7

FII includes depository receipts

CMP: INR127 TP: INR142 (+12%) Neutral

In-line 3Q; volume growth guidance robust

- **In-line 3Q:** Indian Energy Exchange (IEX) reported 3QFY26 standalone revenue of INR1.4b and EBITDA of INR1.2b, both in line with estimates, supported by traded electricity volumes of 34.1BUs, which were also in line with estimates. Standalone PAT was 5% above our est. at INR1.2b, primarily due to higher other income. IEX's electricity volumes increased 11.7% YoY, while renewable energy certificate (REC) volumes saw a dip of 30%.
- **Earnings upside risk if market coupling implementation delayed further:** Following CERC's announcement of phased market coupling, beginning with the Day-Ahead Market (~38% of IEX's 9mFY26 volumes) from Jan'26, we had lowered our earnings estimates, factoring in a 30% volume decline and a 10% fall in transaction fee in the DAM segment. We are building in volume CAGR of only 7% (ex-REC) over FY26-28. Delayed implementation of market coupling and lower-than-anticipated market share loss could lead to upside risks to our earnings estimates.
- **Key things we liked about the result:** 1) IEX maintained its market share at 83% in electricity volumes in 9MFY26 (88% in FY23, 84%in FY24/25). 2) IEX has guided for volume growth of 15-20% YoY. 3) The implementation of market coupling for the DAM segment, earlier targeted for Jan'26, has not yet been implemented, which indicates that its eventual rollout could take time due to subsequent steps, including the issuance of draft regulations, stakeholder consultations, and industry feedback.
- **Key monitorables:** 1) practical challenges in operationalizing market coupling in DAM, 2) roadmap for market coupling implementation in the RTM segment, and 3) near-term stock performance may remain under pressure as competitive dynamics (fight for market share, re-defining of transaction fee) unfold in the sector.
- **Valuation:** We value IEX at a 25x Dec'27E EPS and reiterate our Neutral rating on the stock with a TP of INR142.

Performance in line with estimates

Financial Performance

- Standalone 3Q revenue came in line with our est. at INR1.4b, up 9.6% YoY and down 5.5% QoQ.
- EBITDA came in at INR1.2b (+6.7% YoY, -8.8% QoQ), missing our estimate by 3%. EBITDA margin fell 230bp YoY to 83.6%, mainly on account of a 48% YoY uptick in other expenses.
- Standalone PAT was INR1.2b (up 11% YoY), beating our estimate by 5%, mainly on account of higher-than-expected other income.
- The board has approved an interim dividend of INR1.5/share with a record date of 4th Feb'26.

Operational performance:

- Electricity volumes rose 11.7% YoY to 34.1BUs in 3QFY26.
- Term-Ahead and Real-time market segments continued to witness improved volumes, up 29% and 36% YoY, respectively.
- The Day-Ahead-Market segment witnessed a slight 3% YoY dip in volumes, while Green Market volumes saw a modest 5% YoY growth.
- Volumes in the REC market fell 30% YoY to 1.9m certificates.
- Average DAM/RTM prices stood at INR3.22/INR3.26 per unit, lower by 13.2%/11.6% YoY.

Highlights of IEX's 3QFY26 performance

- IEX reported an 83% market share in electricity volumes in 9MFY26, and a 50% share in REC market, with 3Q electricity/REC volumes at 34.1BUs/1.9m.
- CERC had ordered DAM market coupling by Jan'26, and IEX has filed an appeal with APTEL; hearings have concluded and an order is expected in a month.
- Battery storage arbitrage, FDRE, VPPAs, and electricity derivatives are set to be key volume drivers for the company, with management guiding for 15-20% growth in electricity volumes.
- IEX is seeking approval for three new products: 1) Long-duration TAM contracts, 2) Green Market RTM and 3) Peak power DAM and RTM instruments.
- IEX plans to list IGX in CY26.

Valuation and view

- Our TP of INR142 for IEX is based on the following:
- We value the business at 25x Dec'27E EPS of INR5.7, slightly lower than long-term average P/E of 28x.
- We have not assumed any value for IGX's stake in our valuation.

Standalone Qtrly performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%	%	%
Net Sales	1,236	1,392	1,313	1,413	1,400	1,522	1,439	1,707	5,354	6,068	1,456	-1.2	9.6	-5.5
YoY Change (%)	18.8	28.3	13.9	16.5	13.3	9.3	9.6	20.8	19.2	13.3	10.9			
EBITDA	1,000	1,203	1,128	1,220	1,139	1,320	1,203	1,472	4,551	5,134	1,242	-3.1	6.7	-8.8
Margin (%)	81.0	86.4	85.9	86.3	81.4	86.7	83.6	86.2	85.0	84.6	85.3			
Depreciation	52	53	54	53	54	57	60	58	212	229	58	4.6	12.0	6.2
Interest	7	7	7	6	6	5	5	10	26	26	7	-22.3	-22.3	-2.2
Other Income	308	286	285	310	425	345	374	172	1,189	1,316	284	31.6	31.1	8.5
PBT before EO items	1,249	1,429	1,353	1,471	1,504	1,603	1,512	1,576	5,502	6,195	1,461			
Extraordinary Inc / (Exp)	0	0	0	0	0	0	0	0	0	0	0			
PBT	1,249	1,429	1,353	1,471	1,504	1,603	1,512	1,576	5,502	6,195	1,461	3.5	11.7	-5.7
Tax	315	368	322	351	374	387	361	405	1,356	1,526	360	0.3	12.3	-6.6
Rate (%)	25.2	25.8	23.8	23.8	24.8	24.1	23.9	25.7	24.6	24.6	24.6			
Reported PAT	934	1,061	1,031	1,120	1,130	1,216	1,151	1,171	4,146	4,669	1,101	4.5	11.6	-5.4
Adj PAT	934	1,061	1,031	1,120	1,130	1,216	1,151	1,171	4,146	4,669	1,101	4.5	11.6	-5.4
YoY Change (%)	26.0	28.0	15.5	17.8	21.0	14.6	11.6	4.6	21.4	12.6	6.8			
Margin (%)	75.6	76.2	78.6	79.3	80.8	79.9	80.0	68.6	77.5	76.9	75.6			

Indegene

Estimate changes	↑
TP change	↓
Rating change	↔

Bloomberg	INDGN IN
Equity Shares (m)	240
M.Cap.(INRb)/(USDb)	116.3 / 1.3
52-Week Range (INR)	640 / 456
1, 6, 12 Rel. Per (%)	-5/-13/-28
12M Avg Val (INR M)	370

Financials Snapshot (INR m)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	35,097	41,428	47,077
Sales Gr. (%)	23.6	18.0	13.6
EBITDA	6,248	7,413	9,249
EBITDA Margin (%)	17.8	17.9	19.6
PAT	4,342	5,112	6,672
EPS (Rs)	18.0	21.2	27.5
EPS Gr. (%)	5.6	17.7	30.5
BV/Share	123.6	141.6	165.1
Ratios			
RoE	15.5	16.0	18.0
RoCE	17.2	18.4	21.0
Payout (%)	15.0	15.0	15.0
Valuations			
EV/Sales	2.7	2.2	1.8
EV/EBITDA	15.3	12.3	9.3
P/E (X)	26.1	22.2	17.0
P/BV (X)	3.8	3.3	2.8

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
FII	0.0	0.0	0.0
DII	8.1	7.0	4.0
Others	11.5	11.3	5.0

CMP: INR 482 TP: INR 550 (+14%) Neutral

Acquisition drives growth with steady organic performance

- Indegene's 3QFY26 USD revenue rose 15.1% QoQ, aided by the BioPharm acquisition, while organic USD revenue growth stood at 4% QoQ (below our estimate). Consequently, EBITDA margin contracted 60bp QoQ to 16.9% (below our estimate of 18.5%) and EBIT margin stood at 12.7% on account of the acquisition-related impact.
- PAT was up 0.9% QoQ and down 6.5% YoY at INR1.0b (below our estimate of INR1.2b), as operating profit was low due to one-time expenses and higher non-cash amortization.
- For 9MFY26, revenue/EBIT/PAT grew 20.3%/13.3%/11.1% YoY in INR terms. In FY26, we expect its revenue/EBIT/PAT to grow 23.6%/ 11.4%/6.8% YoY. We expect mid-teen CC revenue growth and gradual margin expansion from 1QFY27. We value the stock at 20x FY28E EPS to arrive at a TP of INR552. **We reiterate our Neutral rating on the stock.**

Our view: Lifescience and pharma opex outsourcing a key tailwind

- **Acquisition-led 3Q growth:** Indegene posted USD growth of 24.4% YoY in 3Q (12.8% excl. BioPharm). EBIT margin contracted 280bp YoY to 12.7% due to the acquisition-related impact. Management emphasized that enterprise segments will remain the primary growth engine, benefiting from scale, stickiness, and increasing centralization within pharma organizations.
- Several breakthrough wins were secured, with clients partnering to combine proven execution strength with AI to transform operations and unlock differentiated, measurable outcomes.
- Despite policy-related headlines around pricing, tariffs, and visas, demand remains resilient with a minimal near-term impact.
- Indegene is making progress in scaling up its 'agency-less' delivery model, wherein AI-led modular solutions replace fragmented agency structures across commercial and medical operations.
- EBITDA margins are expected to remain broadly stable in the near term and gradually start to improve from 1QFY27 onward, supported by operating leverage, normalization of deal-related setup costs, and realization of integration-led synergies, with margins trending back toward ~20% over the next 6-8 quarters.

Valuation and View:

We raise our earnings estimates considering the acquisition impact and the possibility of increased work outsourcing from the global pharma and lifescience companies amid expanding drug pipelines, rising clinical trial activity, and increasing regulatory complexity for lifescience companies. We expect Indegene to deliver a CAGR of 18%/21%/18% in revenue/EBIT/PAT over FY25-28. **We reiterate our Neutral rating** with a TP of INR550 (based on 20x FY28E EPS).

Quarterly Performance

(INR M)

Y/E March	FY25				FY26E				FY25	FY26E	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(% / bp)
Revenue (USD m)	**81**	**82**	**85**	**87**	**89**	**92**	**106**	**111**	**336**	**399**	**97**	**8.8**
QoQ (%)	0.0	1.1	3.9	2.6	1.7	3.7	15.1	5.0	7.3	18.7	5.7	930bp
Revenue (INR m)	**6,765**	**6,868**	**7,204**	**7,556**	**7,608**	**8,042**	**9,421**	**10,026**	**28,393**	**35,097**	**8,822**	**6.8**
YoY (%)	11.4	8.0	7.0	12.3	12.5	17.1	30.8	32.7	9.6	23.6	22.5	830bp
GPM (%)	**34.3**	**35.6**	**38.4**	**35.8**	**36.7**	**35.9**	**39.7**	**39.7**	**36.1**	**38.2**	**36.5**	
SGA (%)	**15.3**	**17.3**	**20.1**	**16.3**	**16.3**	**18.4**	**22.8**	**22.8**	**17.3**	**20.4**	**18.0**	480bp
EBITDA	**1,289**	**1,261**	**1,318**	**1,475**	**1,553**	**1,406**	**1,595**	**1,694**	**5,343**	**6,248**	**1,632**	**-2.3**
EBITDA Margin (%)	**19.1**	**18.4**	**18.3**	**19.5**	**20.4**	**17.5**	**16.9**	**16.9**	**18.8**	**17.8**	**18.5**	-160bp
EBIT	**1,088**	**1,067**	**1,118**	**1,268**	**1,337**	**1,172**	**1,199**	**1,351**	**4,541**	**5,059**	**1,367**	**-12.3**
EBIT Margin (%)	**16.1**	**15.5**	**15.5**	**16.8**	**17.6**	**14.6**	**12.7**	**13.5**	**16.0**	**14.4**	**15.5**	-280bp
Finance cost	117	40	32	31	37	38	46	46	220	167	38	
Other Income	225	214	377	256	221	196	194	201	1072	812	221	
ETR (%)	26.7	26.1	25.0	21.2	23.5	23.3	23.6	25.0	23.9	25.0	25.0	
PAT	**877**	**917**	**1,097**	**1,176**	**1,164**	**1,020**	**1,029**	**1,129**	**4,067**	**4,342**	**1,162**	**-11.5**
QoQ (%)	-5.1	4.6	19.6	7.2	-1.0	-12.4	0.9	9.7				
YoY (%)	28.2	22.8	11.0	27.3	32.7	11.2	-6.2	-4.0				
EPS (INR)	3.8	3.8	**4.6**	4.9	4.8	4.2	**4.3**	4.7	17.0	18.0	4.8	-11.2

Summary of revised estimates

	Revised			Earlier			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
INR/USD	87.9	90.0	90.0	88.5	90.5	90.5	-0.6%	-0.6%	-0.6%
Revenue (USD m)	399	460	523	381	447	515	4.6%	3.0%	1.6%
Revenue (INR m)	35,097	41,428	47,077	33,735	40,430	46,610	4.0%	2.5%	1.0%
EBIT (INR m)	5,059	6,148	8,095	5,312	6,348	7,633	-4.8%	-3.2%	6.1%
EBIT margin(%)	14.4	14.8	17.2	15.7	15.7	16.4			
PAT (INR m)	4,342	5,112	6,672	4,568	5,333	6,398	-5.0%	-4.1%	4.3%
EPS (Rs)	18.0	21.2	27.6	18.9	22.1	26.5	-5.0%	-4.1%	4.3%

Relaxo Footwears

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	RLXF IN
Equity Shares (m)	249
M.Cap.(INRb)/(USDb)	97.4 / 1.1
52-Week Range (INR)	599 / 354
1, 6, 12 Rel. Per (%)	0/-21/-37
12M Avg Val (INR M)	144

Financials & Valuations (INR b)

INRb	FY26E	FY27E	FY28E
Net Sales	26.4	28.0	29.7
Gross Profit	15.5	16.5	17.5
EBITDA	3.4	4.1	4.6
Adj. PAT	1.6	2.0	2.3
Gross Margin (%)	58.7	58.7	58.8
EBITDA Margin (%)	13.0	14.5	15.6
Adj. EPS (INR)	6.5	8.1	9.4
EPS Gr. (%)	-5.6	24.6	16.9
BV/Sh. (INR)	89.2	95.2	102.3
Ratios			
Net D:E	-0.1	-0.2	-0.2
RoE (%)	7.4	8.7	9.5
RoCE (%)	7.4	8.5	9.2
RoIC (%)	7.6	9.4	11.1
Valuations			
P/E (x)	60.8	48.8	41.7
EV/EBITDA (x)	27.7	23.1	20.0
EV/Sales (X)	3.6	3.4	3.1
Div. Yield (%)	0.4	0.5	0.6

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	71.3	71.3	71.3
DII	9.9	9.9	10.5
FII	3.0	3.0	3.3
Others	15.9	15.8	14.9

FII includes depository receipts

CMP: INR391 TP: INR330 (-16%) Sell

Revenue stabilizes, but demand remains weak

- Relaxo Footwears' (RLXF) 3QFY26 performance was impacted by GST-related transition effects; however, revenue was flat YoY, arresting a five-quarter streak of decline.
- Demand remained subdued amid cautious consumer behavior and persistent competitive pressure from unorganized players.
- To protect volumes and support distributors, the company stepped up sales promotions, resulting in near-term margin pressure. EBITDA margin declined 125bp YoY to 11.2%.
- We cut our FY27 EBITDA/PAT estimates by 5% each and keep FY28 estimates unchanged. Over FY25-28, we now estimate a CAGR of 2%/7%/11% in revenue/EBITDA/PAT. We see downside risks from prolonged demand weakness.
- Despite recent stock correction, valuations remain stretched at ~50x FY27E EPS. **Reiterate Sell with a revised TP of INR330, based on 35x FY28E EPS.**

3Q revenue muted due to GST transition

- Revenue was flat YoY at INR6.7b (in line), owing to the channel inventory transition after the GST implementation.
- **Volume** were also flat YoY at 40m pairs, while ASP fell 1% YoY to INR164.
- Gross profit stood at INR3.8b (in line). Gross margins expanded 45bp YoY to 57.5% (~40bp beat).
- Employee costs increased sharply by 9% (14% ahead of est), while other costs were largely flat.
- EBITDA at INR759m fell ~10% YoY (13% miss). EBITDA margin contracted ~125bp YoY to 11.2% (~190bp miss), due to incremental trade promotions.
- Other income grew 60% YoY to INR110m (7% below our est).
- Impact of labor codes was INR57.2m.
- As a result, PBT at INR416m declined ~7% YoY. Adj PAT at INR323m fell 2% YoY.
- Reported PAT at INR265m declined ~20% YoY (18% miss).

9MFY26 performance remains weak

- Revenue declined 7% YoY to INR19.5b, owing to subdued demand, heightened competition and GST-related operational disruptions.
- Volume fell ~7% YoY to 124m pairs, while ASP was stable YoY at INR157.
- Gross profit stood at INR11.7b. Gross margin was flat YoY at 60.1%.
- Employee costs were flat, while other costs declined 10% YoY.
- EBITDA at INR2.5b declined ~7% YoY. EBITDA margin contracted ~10bp YoY to 12.8% due to incremental trade promotions.
- Other income grew 83% YoY to INR345m, aiding the profitability.
- As a result, PBT at INR1.5b declined by ~3% YoY.
- Reported PAT at INR1.1b declined by a modest ~2% YoY, with margins expanding ~30bp YoY to 5.7%.

Key highlights from the management commentary

- Management highlighted a stabilization in revenue after multiple quarters of sequential decline, led by sales transformation initiatives and strong performance in organised retail, e-commerce, and large-format stores, alongside improving momentum in general trade.
- Operating conditions remained subdued with cautious consumer demand; incremental trade promotions and a one-time labour code cost weighed on margins during the quarter.
- Going ahead, management has reiterated its focus on backend process strengthening, supply-chain and operational efficiencies, deeper distributor/retailer engagement, and a calibrated approach to balancing growth and margins amid a competitive environment.

Valuation and view

- RLXF's operating performance remained subdued due to weak demand in the mass and mid-market segments and transient impact of GST implementation, particularly in general trade.
- However, over the medium term, GST rationalization should improve RLXF's competitiveness vs. the unorganized players. Further, the company's steady focus on backend efficiencies and cost optimization should support operating margin improvement going forward.
- While the company is focused on improving its product mix (higher share of closed footwear) to boost growth in the near term, the volume revival in open footwear is equally crucial for growth and profitability.
- We cut our FY27 EBITDA/PAT estimates by ~5% each and keep FY28 estimates unchanged. We now model a CAGR of 2%/7%/11% in revenue/EBITDA/PAT over FY25-28E. We note downside risks from prolonged demand weakness.
- Despite recent stock correction, valuations remain stretched at ~50x FY27E EPS. **Reiterate Sell with a revised TP of INR330, based on 35x FY28E EPS.**

Consolidated - Quarterly earnings summary (INR m)

Y/E March	FY25				FY26E				FY25	FY26	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3QE	Var (%)
Gross Sales	**7,482**	**6,794**	**6,669**	**6,952**	**6,545**	**6,285**	**6,680**	**6,930**	**27,896**	**26,441**	**6,532**	**2**
YoY Change (%)	1.3	-5.0	-6.4	-7.0	-12.5	-7.5	0.2	-0.3	-4.3	-5.2	-2.1	
Total RM Cost	2,847	2,648	2,861	3,134	2,498	2,450	2,837	3,149	11,489	10,933	2,799	1
Gross Profit	**4,635**	**4,146**	**3,808**	**3,818**	**4,047**	**3,835**	**3,844**	**3,781**	**16,407**	**15,508**	**3,733**	**3**
Margins (%)	62.0	61.0	57.1	54.9	61.8	61.0	57.5	54.6	58.8	58.7	57.2	1 bps
Total Expenditure	6,493	5,917	5,835	5,831	5,550	5,474	5,929	6,050	24,076	23,003	5,673	5
EBITDA	**989**	**877**	**834**	**1,121**	**995**	**812**	**751**	**880**	**3,820**	**3,437**	**859**	**-13**
Margins (%)	13.2	12.9	12.5	16.1	15.2	12.9	11.2	12.7	13.7	13.0	13.2	-14 bps
Depreciation	391	398	402	394	397	394	391	389	1,584	1,571	401	-3
Interest	49	50	54	54	52	52	53	51	207	207	52	2
Other Income	54	66	68	81	113	123	110	126	270	472	118	-7
PBT before EO expense	**603**	**496**	**446**	**754**	**659**	**488**	**416**	**566**	**2,299**	**2,131**	**523**	**-20**
Exceptional	**-**	**-**	**-**	**-**	**-**	**-**	**57**	**-**	**-**	**57**		
PBT	**603**	**496**	**446**	**754**	**659**	**488**	**359**	**566**	**2,299**	**2,074**	**523**	**-31**
Tax	160	128	116	192	170	127	94	132	596	523	132	-29
Rate (%)	26.5	25.9	26.0	25.4	25.8	26.0	26.1	23.3	25.9	25.2	25.2	3.6
Reported PAT	**444**	**367**	**330**	**562**	**489**	**362**	**265**	**434**	**1,703**	**1,551**	**391**	**-32**
YoY Change (%)	-21.2	-16.9	-14.4	-8.4	10.2	-1.6	-2.3	-22.7	-15.0	-8.9	18.6	
Margins (%)	5.9	5.4	4.9	8.1	7.5	5.8	4.8	6.3	6.1	6.1	6.0	-19 bps

E: MOFSL Estimates

Clean Science & Technology

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	CLEAN IN
Equity Shares (m)	106
M.Cap.(INRb)/(USDb)	91.5 / 1
52-Week Range (INR)	1600 / 834
1, 6, 12 Rel. Per (%)	0/-33/-46
12M Avg Val (INR M)	693

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	9.6	11.9	13.7
EBITDA	3.5	4.4	5.1
PAT	2.3	3.0	3.4
EPS (INR)	21.2	27.9	32.4
EPS Gr. (%)	-14.8	31.6	16.2
BV/Sh. (INR)	151.0	174.4	201.6
Ratios			
Net D:E	-0.0	-0.1	-0.1
RoE (%)	14.9	17.1	17.2
RoCE (%)	14.6	16.8	17.0
Payout (%)	16.0	16.1	16.1
Valuations			
P/E (x)	40.7	30.9	26.6
P/BV (x)	5.7	4.9	4.3
EV/EBITDA (x)	26.3	20.6	17.5
Div. Yield (%)	0.4	0.5	0.6
FCF Yield (%)	0.4	1.4	2.4

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	51.0	51.0	75.0
DII	19.8	19.0	5.5
FII	10.0	11.1	6.0
Others	19.3	18.9	13.6

FII includes depository receipts

CMP: INR861 TP: INR840 (-2%) Neutral

Soft 3Q performance amid persistent pricing pressure

Operating performance below our estimates

- Clean Science (CLEAN) reported an EBITDA of INR725m, down 27% YoY and below our est. of INR859m. This was because gross margin dipped to 60.7% (vs. 63.5% in 3QFY25) and EBITDAM contracted to 33% (vs. ~41% in 3QFY25).
- The domestic and international markets witnessed demand softness in 3QFY26. We expect this trend to persist in the short term due to the evolving market dynamics in China, continued deferred procurement by key customers, and demand uncertainty across end-user industries following the imposition of US tariffs.
- Factoring in the weak operating performance in 9MFY26 and the prevailing macroeconomic headwinds, we cut our earnings estimates for FY26/FY27/FY28 by 11%/8%/10% and value the stock at 30x FY27E EPS to arrive at our TP of INR840. **Reiterate Neutral**.

Pharma intermediates and FMCG chemicals offset growth in performance chemicals

- The company reported revenue of INR2.2b, down 9% YoY (est. INR2.4b), while Performance Chemicals' revenue grew ~3% YoY to INR1.7b. Revenue for Pharma & Agro Intermediates/FMCG Chemicals declined ~3%/~79% YoY to INR422m/INR56m.
- Gross margin stood at 60.7% (compared to 63.5% in 3QFY25), while EBITDA margin stood at 33% (compared to 41% in 3QFY25).
- EBITDA declined 26% YoY to INR725m, below our estimate of INR859m.
- Adj. PAT stood at INR461m (down 30% YoY) in 3QFY26, below our estimate of INR589m.
- In 9MFY26, revenue grew 1% YoY to INR7.1b, while EBITDA/Adj. PAT dipped 8%/10% to INR2.6b/INR1.7b.

Highlights from the management commentary

- **Macro environment:** The operating environment remained challenging in 3QFY26, with muted demand, pricing pressure, and new Chinese capacities weighing on performance. The quarter also witnessed tariff-related uncertainty in the US and Europe, leading to a ~15-16% decline in international volumes, while domestic weakness was primarily due to postponed customer campaigns rather than structural volume loss.
- **New projects:** The company commercialized its hydroquinone and catechol plant in Dec'25, with trials in progress, and expects immediate margin benefits in downstream products. Performance Chemical-1 revenue expectations have been revised to INR2.6b (vs. the earlier guidance of INR3.2b). Performance Chemical-2 remains on track for FY27 commercialization, with revenue expected from 4QFY27.

- **Performance Chemicals**: The segment was hit by significant volume declines in MEHQ, BHA, and BCHA due to tariff-related uncertainties and year-end customer destocking. Despite the soft demand environment, no new domestic competition has emerged in these products.

Valuation and view

- We expect the macro headwinds to continue, with volumes likely to be affected by global demand softness and continued uncertainty in end markets, affecting customer purchasing behavior.
- The ramp-up of the advanced grade HALS and the Performance Chemical 1, along with the commercialization of the Performance Chemical 2, is expected to be a key mid-term growth driver.
- Factoring in the weak operating performance in 9MFY26 and the prevailing macro-environmental headwinds, we cut our earnings estimates for FY26/FY27/FY28 by 11%/8%/10% and expect a CAGR of 12%/9%/9% in revenue/EBITDA/PAT over FY25-28. We value the stock at 30x FY27E EPS to arrive at our TP of INR840. **Reiterate Neutral.**

Consolidated - Quarterly Snapshot **(INR m)**

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Gross Sales	**2,240**	**2,381**	**2,408**	**2,637**	**2,429**	**2,446**	**2,197**	**2,516**	**9,666**	**9,587**	**2,420**	**-9%**
YoY Change (%)	*19.1*	*31.5*	*23.7*	*15.9*	*8.4*	*2.7*	*-8.8*	*-4.6*	*22.1*	*-0.8*	*0.5*	
Total Expenditure	*1,294*	*1,485*	*1,423*	*1,589*	*1,430*	*1,575*	*1,472*	*1,636*	*5,790*	*6,113*	*1,561*	
Gross Margin (%)	*65.4%*	*62.4%*	*63.5%*	*63.7%*	*65.5%*	*60.7%*	*60.7%*	*61.7%*	*63.7%*	*62.2%*	*61.5%*	
EBITDA	**947**	**897**	**985**	**1,048**	**999**	**871**	**725**	**880**	**3,876**	**3,474**	**859**	**-16%**
Margin (%)	*42.3*	*37.7*	*40.9*	*39.7*	*41.1*	*35.6*	*33.0*	*35.0*	*40.1*	*36.2*	*35.5*	
Depreciation	158	175	183	174	187	188	193	205	691	773	195	
Other Income	99	111	52	124	134	67	98	101	386	400	102	
PBT before EO expense	**887**	**832**	**853**	**996**	**946**	**749**	**628**	**775**	**3,567**	**3,097**	**765**	
PBT	**887**	**832**	**853**	**996**	**946**	**749**	**626**	**775**	**3,567**	**3,094**	**765**	
Tax	228	245	196	255	245	194	167	245	923	851	176	
Rate (%)	*25.7*	*29.4*	*23.0*	*25.6*	*25.9*	*26.0*	*26.7*	*31.6*	*25.9*	*27.5*	*23.0*	
Reported PAT	**659**	**587**	**656**	**741**	**701**	**554**	**459**	**530**	**2,644**	**2,244**	**589**	**-22%**
Adj. PAT	**659**	**587**	**656**	**741**	**701**	**554**	**461**	**530**	**2,644**	**2,246**	**589**	**-22%**
YoY Change (%)	*11.9*	*12.6*	*4.8*	*5.4*	*6.3*	*-5.6*	*-29.8*	*-28.4*	*8.3*	*-15.1*	*-10.2*	
Margin (%)	*29.4*	*24.7*	*27.3*	*28.1*	*28.8*	*22.7*	*21.0*	*21.1*	*27.4*	*23.4*	*24.3*	

LT Foods

Estimate change	⟷
TP change	↓
Rating change	⟷

Bloomberg	LTFOODS IN
Equity Shares (m)	347
M.Cap.(INRb)/(USDb)	129.5 / 1.4
52-Week Range (INR)	519 / 288
1, 6, 12 Rel. Per (%)	0/-27/-8
12M Avg Val (INR M)	385

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	109.3	122.8	135.7
EBITDA	12.0	14.2	16.0
Adj. PAT	6.6	8.8	10.5
EBITDA Margin (%)	11.0	11.5	11.8
Cons. Adj. EPS (INR)	19.0	25.3	30.3
EPS Gr. (%)	8.8	33.4	19.5
BV/Sh. (INR)	124.9	145.3	170.5
Ratios			
Net D:E	0.1	0.0	-0.1
RoE (%)	16.1	18.7	19.2
RoCE (%)	15.1	17.7	18.7
Valuations			
P/E (x)	20	15	12
EV/EBITDA (x)	11	9	8

Shareholding pattern (%)

As on	Dec-25	Sep-25	Dec-24
Promoter	51.0	51.0	51.0
DII	9.6	8.3	5.9
FII	8.9	10.1	9.3
Others	30.4	30.5	33.8

Note: FII includes depository receipts

CMP: INR373 TP: INR500 (+34%) Buy

Robust revenue growth driven by volumes, Golden Star integration and tariff-led price hikes

Operating performance in line; PAT miss due to higher finance cost

- LT Foods (LTFOODS) reported a healthy quarter with revenue growth of 23.5% in 3QFY26, led by 35% YoY growth in Basmati and Other Specialty Rice (branded business volume up 15% YoY). Normalized growth was ~12%, excluding the Golden Star integration and US tariff-related price hikes, while volumes grew ~15% YoY. Meanwhile, Organic and RTC segments remained muted, declining 7% and remaining flat YoY in 3QFY26, respectively.
- Management expects stable performance with double-digit revenue growth intact for FY26, though margins may remain under pressure due to full-quarter US tariffs, higher basmati paddy prices, and brand investments. Demand has shown mild softness in Jan'26, especially in the US, but no structural slowdown is evident.
- We largely retain our FY26E/FY27E/FY28E earnings and **reiterate our BUY rating on the stock with a TP of INR500 (premised on 17x FY28E EPS).**

US tariff price hikes and higher input costs to weigh on margins in 4Q

- In 3QFY26, LTFOODS's consolidated revenue stood at INR28b (+23% YoY, +2% QoQ) (est. inline). EBITDA grew 26% YoY /2% QoQ to INR3.1b (est. in line). EBITDA margin expanded 20bp YoY and remained flat QoQ at 11.2% (est. 11%), led by a gross margin expansion of 70bp YoY, partially offset by a 30bp/20bp YoY increase in employee expense/other expenses. Adj. PAT grew 10% YoY, while declining 4% QoQ to INR1.6b (est. INR1.7b) for the quarter.
- **The Basmati & Other Specialty Rice segment's** revenue grew 35% YoY (including the Golden Star acquisition and US tariff related price hikes), led by strong demand in Europe. Gross margin expanded 430bp YoY to 36.7%, and EBITDA margin expanded 20bp YoY to 12%, while volumes grew ~15%. India business grew 36% YoY, while the International business grew 34% YoY.
- **Organic Foods'** revenue declined 7% YoY, led by seasonality and crop switching. Gross/EBITDA margins contracted 1220bp/840bp YoY to 30.4%/3.4% due to the higher initial cost of commissioning a new plant in Europe. The **RTC segment's** revenue remained flat YoY, while gross margin contracted 70bp to 40.4%, and operating loss stood at INR29m.
- In 9MFY26, its revenue/EBITDA/Adj. PAT grew 25%/23%/10% YoY to INR80.3b/INR8.9b/INR4.9b. Region-wise, India/North America/EU grew 10%/50%/35%, while the Middle East declined 11% for 9MFY26.

Highlights from the management commentary

- **Industry and domestic scenario**: The crop production outlook for CY25 has been revised downward due to lower-than-expected yields across key producing states, mainly impacted by weather disruptions during critical crop stages. Production was lower than estimates despite stable acreage, which led to an increase in paddy prices by 7-8% YoY.

- **International business:** The increase in Jasmine rice prices impacted margins, while demand remains robust. New RTH/RTC capacity in North America of 15m pouches annually is expected to be commissioned in FY27, which can translate to revenue of USD20m.
- **US Tariff:** Management indicated that the majority of the US import tariff impact has already been passed on to consumers, translating into price hikes of around 20–25%. Any further increases will be calibrated carefully, with pricing decisions taken selectively across geographies to balance demand and margins.

Valuation and view

- Management's commentary indicates a cautiously optimistic near-term outlook with transient margin pressures due to higher input costs (paddy prices increased 7-8%, US tariffs, and continued investments in brand and digital investments), while the mid-term outlook remains firmly positive, anchored in brand strength, global scale-up, and improving operating leverage.
- We expect longer term growth momentum to remain healthy, led by: 1) strong demand in the Indian market, led by a continued shift from the unorganized to organized players and increased consumption of basmati rice, 2) increasing demand in global markets, 3) new plants and partnerships with the top four retail chains in the EU, and 4) the rising global adoption of basmati rice.
- We estimate a revenue/EBITDA/adj. PAT CAGR of 16%/18%/20% over FY25-28. **We reiterate our BUY rating** with a TP of INR500 (based on 17x FY28E EPS).

Consolidated - Quarterly Earning 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**	**28,918**	**86,815**	**1,09,307**	**27,564**	**2%**
YoY Change (%)	16.4	6.6	17.2	7.4	19.0	31.2	23.5	29.8	11.7	25.9	21.2	
Total Expenditure	18,296	18,785	20,250	19,701	21,985	24,563	24,949	25,793	77,032	97,289	24,523	
EBITDA	**2,409**	**2,293**	**2,498**	**2,583**	**2,654**	**3,094**	**3,143**	**3,125**	**9,783**	**12,017**	**3,041**	**3%**
Margins (%)	11.6	10.9	11.0	11.6	10.8	11.2	11.2	10.8	11.3	11.0	11.0	
Depreciation	420	448	458	531	523	599	629	640	1,857	2,391	610	
Interest	187	196	236	257	280	280	349	280	877	1,190	280	
Other Income	175	263	134	313	371	67	28	80	885	546	110	
PBT before EO expense	**1,977**	**1,911**	**1,938**	**2,107**	**2,221**	**2,283**	**2,193**	**2,285**	**7,934**	**8,982**	**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**	**2,285**	**7,934**	**8,982**	**2,261**	
Tax	530	494	525	554	598	653	630	594	2,102	2,475	588	
Rate (%)	26.8	25.8	27.1	26.3	26.9	28.6	28.7	26.0	26.5	27.6	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**	**1,691**	**6,053**	**6,588**	**1,673**	
Adj PAT	**1,532**	**1,484**	**1,433**	**1,605**	**1,685**	**1,639**	**1,574**	**1,691**	**6,053**	**6,588**	**1,673**	**-6%**
YoY Change (%)	11.4	-7.2	-5.2	7.9	10.0	10.4	9.8	5.4	1.3	8.8	16.8	
Margins (%)	7.4	7.0	6.3	7.2	6.8	5.9	5.6	5.8	7.0	6.0	6.1	

MTAR Technologies

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	MTARTECH IN
Equity Shares (m)	31
M.Cap.(INRb)/(USDb)	90.2 / 1
52-Week Range (INR)	3078 / 1152
1, 6, 12 Rel. Per (%)	26/95/83
12M Avg Val (INR M)	694

Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	9.0	13.4	18.6
EBITDA	1.9	3.1	4.5
Adj. PAT	1.0	1.9	3.0
EBITDA Margin (%)	21.3	23.5	24.3
Cons. Adj. EPS (INR)	33.8	62.7	96.7
EPS Gr. (%)	96.6	85.6	54.2
BV/Sh. (INR)	269.9	332.6	429.3
Ratios			
Net D:E	0.3	0.3	0.2
RoE (%)	13.3	20.8	25.4
RoCE (%)	12.2	17.8	22.1
Valuations			
P/E (x)	86.7	46.7	30.3
EV/EBITDA (x)	48.2	29.5	20.5

Shareholding pattern (%)

As on	Dec-25	Sep-25	Dec-24
Promoter	30.6	31.4	31.4
DII	30.0	24.8	23.2
FII	12.2	9.2	7.0
Others	27.2	34.6	38.4

Note: FII includes depository receipts

CMP: INR2,932 TP: INR3,900 (+33%) Buy

Strong quarter with robust medium-term growth visibility

Operating performance in line

- MTAR Technologies (MTARTECH) reported a robust 3Q performance, with revenue/EBITDA increasing 59%/93% YoY, driven by strong performance across all business verticals. The order book jumped 2.3x YoY/85% QoQ to INR23.95b with strong inflows (~INR13.7b) in the nuclear (~INR5b inflow), fuel cells (~INR4.6b), and products (~INR1.4b) segments.
- With strong growth visibility (~INR28b closing order book) over the next few years, the management has increased its FY26 revenue growth guidance to 30–35% (over INR9b revenue) and maintained its EBITDA margin outlook at around 21% (±100 bps). Further, for FY27, MTARTECH is targeting ~50% revenue growth, with further margin expansion YoY.
- Consequently, we raise our FY27E/FY28E earnings by 7%/14%, led by strong growth visibility and improving margins. We retain our FY26E earnings for MTARTECH and reiterate our BUY rating on the stock with a TP of INR3,900 (40x FY28 EPS translating into a 0.7x PEG ratio).

Operational performance improves, aided by operating leverage

- MTARTECH's consolidated revenue grew 59% YoY to INR2.8b (est. in line). EBITDA grew ~93% YoY to INR640m (in line). EBITDA margin expanded 400bp YoY to 23% (est. 23%). Gross margin was 46.1% (-360bp YoY) due to product mix change, while employee costs/other expenses as a % of sales stood at 14.5%/8.6% (-350bp /-410bp YoY), indicating operating leverage.
- Adj. PAT stood at INR375m (est. INR383m), 2.4x YoY, adjusted for the impact of labor codes of ~INR38m.
- Revenue from Clean Energy – Nuclear/Clean Energy – Fuel Cell/Aerospace & Defense (A&D)/Product & Others grew 121%/70%/70%/17% YoY to INR62m/INR1.9b/INR309m/INR453m.
- The order book as of Dec'25 stood at INR23.9b, with inflows of ~INR5b in 3QFY26. The order book mix was ~49%/27%/14%/9.9% for Clean Energy – Fuel Cell/Clean Energy - Nuclear/A&D/Product & Others.
- NWC days at 266 as of Dec'25 were down from 277 in Sep'25, due to a dip in inventory days to 210 (vs. 282). In contrast, receivable days increased to 134 (from 87), led by higher revenue booking during the quarter. Payable days came in at 106 (vs. 128).
- For 9MFY26, MTARTECH's revenue/EBITDA/PAT grew 16%/26%/34% to INR5.7b/INR1.1b/INR526m.

Highlights from the management commentary

- **Clean energy:** Aided by strong order visibility from Bloom Energy (BE), MTARTECH is expanding its capacity to 30,000 units by FY28 in three phases, i.e., 12k/20k/30k units by Mar'26/Mar'27/Mar'28. Capex outlay for each phase would be INR350-400m/INR500-600m/INR400-500m for each phase.

- **Nuclear:** The company has secured over INR 5b for Kaiga Unit 5 & 6 nuclear reactor orders in 3Q. Further, management expects ~INR180-200b PLI announcement in the upcoming Union Budget for independent nuclear reactors, boosting India's nuclear power installation by FY30. If announced, MTAR will be the key beneficiary with a four-decade-old association and a major assemblies supplier for the sector.
- **Working capital:** Management indicated a short-term impact on WC due to higher receivables, while inventory days declined due to higher dispatches. The company is targeting NWC days of 235 for FY26 (vs. 229 days in FY25). They expect this to decline to 210-200 in FY27 on the back of increased advances from customers (in advance discussion stage) and inventory management.

Valuation and view

- With a strong order book of ~INR24b as of Dec'25, driven by a healthy pipeline across the Clean Energy (fuel cells), A&D, nuclear sectors, products & others. Also, completion of the first articles and shift to volume production for new customers across all segments will drive further growth. We anticipate this to translate into strong growth and margin expansion led by operating leverage.
- Working capital would be a concern for the near term, leading to negative operating cash flow. However, management indicated ongoing measures to reduce it to normalized levels.
- We estimate a CAGR of 40%/55%/78% in revenue/EBITDA/adj. PAT over FY25-FY28. **We reiterate our BUY rating on the stock** with a TP of INR3,900 (40x FY28E EPS translating into a 0.7x PEG).

Consolidated - Quarterly Earnings **(INR m)**

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%
Gross Sales	**1,283**	**1,902**	**1,745**	**1,831**	**1,566**	**1,356**	**2,780**	**3,332**	**6,760**	**9,034**	**2,791**	**0%**
YoY Change (%)	-15.9	14.0	47.4	28.1	22.1	-28.7	59.3	82.0	16.4	33.6	60.0	
Total Expenditure	1,117	1,534	1,412	1,489	1,282	1,186	2,139	2,503	5,552	7,110	2,149	
EBITDA	**166**	**368**	**333**	**341**	**284**	**170**	**640**	**830**	**1,208**	**1,924**	**642**	**0%**
Margins (%)	12.9	19.4	19.1	18.7	18.1	12.5	23.0	24.9	17.9	21.3	23.0	
Depreciation	61	78	87	96	84	88	88	98	322	358	90	
Interest	48	52	63	59	58	62	77	60	222	257	60	
Other Income	5	14	31	0	6	37	24	15	52	82	20	
PBT before EO expense	**62**	**253**	**214**	**186**	**148**	**57**	**499**	**687**	**716**	**1,390**	**512**	
Extra-Ord expense	0	0	0	0	0	0	38	0	0	38	0	
PBT	**62**	**253**	**214**	**186**	**148**	**57**	**461**	**687**	**716**	**1,353**	**512**	
Tax	18	65	55	49	40	14	114	173	187	341	129	
Rate (%)	28.6	25.8	25.5	26.3	27.0	25.2	24.8	25.2	26.1	25.2	25.2	
Reported PAT	**44**	**188**	**160**	**137**	**108**	**42**	**347**	**514**	**529**	**1,011**	**383**	
Adj PAT	**44**	**188**	**160**	**137**	**108**	**42**	**375**	**514**	**529**	**1,040**	**383**	**-2%**
YoY Change (%)	-78.2	-8.2	52.8	181.7	144.2	-77.4	135.0	274.4	-5.8	96.5	140.0	
Margins (%)	3.5	9.9	9.2	7.5	6.9	3.1	13.5	15.4	7.8	11.5	13.7	

Birla Corporation

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	BCORP IN
Equity Shares (m)	77
M.Cap.(INRb)/(USDb)	81.3 / 0.9
52-Week Range (INR)	1537 / 902
1, 6, 12 Rel. Per (%)	2/-26/-18
12M Avg Val (INR M)	144

Financial Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	95.8	100.7	107.4
EBITDA	13.7	15.6	18.1
Adj. PAT	4.8	5.9	6.8
EBITDA Margin (%)	14.3	15.5	16.8
Adj. EPS (INR)	61.8	76.2	88.5
EPS Gr. (%)	46.3	23.4	16.1
BV/Sh. (INR)	960	1,026	1,105
Ratios			
Net D:E	0.4	0.4	0.5
RoE (%)	6.6	7.7	8.3
RoCE (%)	5.7	6.3	6.8
Payout (%)	17	13	11
Valuations			
P/E (x)	17.1	13.9	12.0
P/BV (x)	1.1	1.0	1.0
EV/EBITDA(x)	7.4	6.8	6.4
EV/ton (USD)	49	47	50
Div. Yield (%)	0.9	0.9	0.9

Shareholding Pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	62.9	62.9	62.9
DII	15.5	15.8	16.3
FII	6.5	6.7	5.6
Others	15.1	14.6	15.3

FII includes depository receipts

CMP: INR1,056 TP: INR1,300 (+23%) Buy

Miss on estimates; capacity constraints limit volume growth

Strategic focus on the trade segment and blended cement

- Birla Corporation (BCORP)'s 3QFY26 performance was below our estimates, due to lower-than-estimated sales volume. EBITDA increased ~18% YoY to INR2.9b (~8% miss). OPM surged 2.6pp YoY to ~14% (est. ~13%). EBITDA/t grew ~25% YoY to INR692 (vs. est. INR668). Adj. PAT increased 2.4x YoY to INR754m (~31% miss, due to lower other income and higher ETR).
- Management highlighted that, given capacity constraints, it focused on maximizing capacity utilization. The Mukutban plant has stabilized well, delivering its highest-ever monthly dispatch recently, reflecting a successful ramp-up. It continues to prioritize the trade sales for superior brand visibility and realizations. BCORP maintained its medium-term capacity expansion target of 24.2mtpa/27.6mtpa by FY28E/FY29E vs. 20mtpa currently.
- We cut our EBITDA estimates by ~2-3% for FY26-27 due to lower volume growth estimates, while we maintain our FY28E. We value the stock at 7x FY28E EV/EBITDA to arrive at our TP of INR1,300. **Reiterate BUY.**

Volumes dip 6% YoY; EBITDA/t up 25% YoY to INR692

- Consol. revenue/EBITDA/PAT stood at INR21.6b/INR2.9b/INR754m (-4%/ +18%/2.4x YoY and -11%/-8%/-31% vs. our estimates) in 3QFY26. Volumes declined ~6% YoY to 4.2mt (~11% below our estimate). Cement realization/t was flat YoY (-2% QoQ) to INR4,791 (-1% vs. our estimate).
- Opex/t declined ~2% YoY (in line), led by ~8% YoY dip in variable costs (-6% vs. estimate). Other expenses/freight costs per ton increased ~3%/1% YoY. EBITDA/t rose ~25% YoY to INR692. Depreciation/interest costs dipped 5%/21% YoY, whereas other income rose 24% YoY. ETR was 33.8% vs. 24.6% in 3QFY25.
- For 9MFY26, revenue/EBITDA/Adj. PAT stood at INR68.2b/INR9.4b/INR2.9b (up ~7%/38%/7.4x YoY). OPM expanded 3.2pp to ~14%. Realization/t grew ~3% YoY to INR5,143, while EBITDA/t increased ~34% YoY to INR712.

Highlights from the management commentary

- Cement demand is seeing improvement in 4Q, led by higher infrastructure and housing expenditure. It expects overall volume growth at ~5% in FY26, in line with the industry.
- Premium products contributed ~63% of trade volumes vs. ~59%/60% in 3QFY25/2QFY26. Sales of Perfect Plus grew ~19% YoY, while Unique Plus rose ~29% on a low base.
- Cost reduction and efficiency initiatives remain ongoing, supported by optimized lead distances, a sharper go-to-market strategy, and improved distribution efficiency.

Valuation and view

- BCORP's 3QFY26 operating performance was below our estimates due to lower-than-estimated volume. We estimate a moderate volume growth for the company at ~3% YoY in FY26, given the capacity constraints.

- The company's expansion plans are estimated to continue at a slow pace, which is likely to drive a subdued volume growth in the medium term (at ~5% CAGR over FY26-28E).
- We estimate BCORP's revenue/EBITDA/PAT CAGR of ~6%/15%/20% over FY26-28. Estimate EBITDA/t at INR804/INR880 in FY27/FY28E vs. INR735 in FY26E. BCORP trades inexpensively at 7x/6x FY27E/FY28E EV/EBITDA and EV/t of USD47/USD50. We value the stock at 7x FY28E EV/EBITDA to arrive at our TP of INR1,300. **Reiterate BUY.**

Consolidated performance (INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Cement Sales (MT)	4.4	4.0	4.5	5.2	4.8	4.3	4.2	5.4	18.1	18.6	4.8	(11)
YoY Change (%)	(0.7)	(5.0)	6.7	7.2	9.1	7.1	(5.6)	3.5	2.5	3.0	6.0	
Cement Realization	4,843	4,722	4,812	5,177	4,899	4,878	4,791	4,886	4,886	4,866	4,828	(1)
YoY Change (%)	(7.4)	(9.4)	(9.5)	(0.8)	1.2	3.3	(0.4)	(5.6)	(6.7)	(0.4)	0.8	
QoQ Change (%)	(7.2)	(2.5)	1.9	7.6	(5.4)	(0.4)	(1.8)	2.0			(1.0)	
Net Sales	**21.9**	**19.5**	**22.6**	**28.1**	**24.5**	**22.1**	**21.6**	**27.6**	**92.1**	**95.8**	**24.1**	**(11)**
YoY Change (%)	(9.1)	(14.6)	(2.4)	6.0	12.0	13.0	(4.3)	(1.8)	(4.6)	4.0	6.8	
Total Expenditure	19.3	17.8	20.1	22.8	21.1	19.0	18.7	23.4	80.0	82.1	21.4	(11)
EBITDA	**2.6**	**1.8**	**2.5**	**5.3**	**3.5**	**3.0**	**2.9**	**4.3**	**12.2**	**13.7**	**2.7**	**(8)**
Margin (%)	11.8	9.1	11.0	19.0	14.1	13.8	13.6	15.4	13.2	14.3	11.3	38
YoY Change (%)	-13.3	-38.7	-34.5	13.0	34.3	72.1	18.0	-20.0	-15.3	12.6	9.6	
Depreciation	1.5	1.5	1.4	1.4	1.3	1.3	1.3	1.4	5.7	5.4	1.4	(2)
Interest	0.9	0.9	0.8	0.7	0.7	0.7	0.7	0.6	3.3	2.7	0.7	(8)
Other Income	0.2	0.2	0.2	0.5	0.3	0.3	0.2	0.3	1.0	1.1	0.3	(23)
Profit before Tax	**0.4**	**-0.4**	**0.4**	**3.7**	**1.8**	**1.3**	**1.1**	**2.5**	**4.2**	**6.8**	**0.9**	**(17)**
EO (Income)/Expense	-	-	-	0.4	-	-	0.3	-	0.4	0.3	-	
Profit before Tax after EO	**0.4**	**-0.4**	**0.4**	**3.3**	**1.8**	**1.3**	**0.8**	**2.5**	**3.8**	**6.4**	**0.9**	**(42)**
Tax	0.1	-0.1	0.1	0.7	0.6	0.4	0.3	0.6	0.8	1.9	0.2	
Rate (%)	25.9	29.4	24.6	21.8	32.6	30.9	33.8	25.2	21.9	29.5	21.0	
Reported PAT	**0.3**	**-0.3**	**0.3**	**2.6**	**1.2**	**0.9**	**0.5**	**1.9**	**3.0**	**4.5**	**0.7**	**(52)**
Adj. PAT	**0.3**	**-0.3**	**0.3**	**2.9**	**1.2**	**0.9**	**0.8**	**1.9**	**3.3**	**4.8**	**0.7**	**(31)**
Margin (%)	1.5	-1.3	1.4	10.2	4.9	4.1	3.5	6.9	3.5	5.0	3.0	
YoY Change (%)	(45.4)	NM	(71.4)	52.2	266.6	NM	141.6	(33.6)	(21.8)	46.3	130.0	
Per tonne analysis (INR)												
Blended Realization	**5,001**	**4,918**	**5,037**	**5,413**	**5,134**	**5,192**	**5,103**	**5,136**	**5,091**	**5,141**	**5,076**	**1**
YoY Change (%)	(8.4)	(10.1)	(8.5)	(1.2)	2.7	5.6	1.3	(5.1)	(7.0)	1.0	1.2	
Raw Material	666	719	752	905	965	649	591	776	765	753	749	(21)
Staff Cost	337	354	321	254	318	357	350	277	312	322	314	11
Power and Fuel	1,004	1,025	1,029	892	825	1,052	1,049	1,006	979	980	1,000	5
Transport and Forwarding	1,322	1,249	1,325	1,337	1,348	1,299	1,336	1,334	1,306	1,330	1,330	0
Other Exp.	1,082	1,126	1,056	999	953	1,119	1,086	950	1,065	1,020	1,014	7
Total Expenditure	**4,411**	**4,472**	**4,484**	**4,387**	**4,409**	**4,474**	**4,412**	**4,344**	**4,426**	**4,406**	**4,407**	**0**
EBITDA	**590**	**446**	**553**	**1,027**	**725**	**717**	**692**	**793**	**672**	**735**	**668**	**3**

Source: Company, MOFSL Estimates

31 January 2026

3QFY26 Results Update | Sector: Financials

Equitas Small Finance Bank

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	EQUITASB IN
Equity Shares (m)	1141
M.Cap.(INRb)/(USDb)	80 / 0.9
52-Week Range (INR)	73 / 50
1, 6, 12 Rel. Per (%)	17/15/-3
12M Avg Val (INR M)	281

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	32.5	33.4	40.1
OP	13.3	12.2	16.8
NP	1.5	0.5	6.5
NIM (%)	7.5	6.7	6.9
EPS (INR)	1.3	0.4	5.7
BV/Sh. (INR)	53	52	56
ABV/Sh. (INR)	50	50	55
Ratios			
RoA (%)	0.3	0.1	1.0
RoE (%)	2.4	0.8	10.5
Valuations			
P/E(X)	53.4	167.6	12.2
P/BV (X)	1.3	1.3	1.2
P/ABV (X)	1.4	1.4	1.3

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	0.0	0.0	0.0
DII	50.0	48.2	42.6
FII	14.6	15.7	15.4
Others	35.4	36.1	42.0

FII includes depository receipts

CMP: INR70 **TP: INR80 (+14%)** **Buy**

Healthy revenue growth drives earnings beat

NIM expands 43bp QoQ; asset quality ratios improve

- Equitas SFB (EQUITASB) reported a 3QFY26 PAT of ~INR900m (36% YoY, 27% beat) amid healthy NII and higher other income. During 3QFY26, the bank sold its NPA assets amounting to INR548.5mn to an ARC.
- NII grew 4.1% YoY/10.1% QoQ to INR8.5b (4% beat). NIM expanded 43bp QoQ to 6.72% in 3QFY26. Cost of funds declined from 7.35% in 2QFY26 to 7.13% in 3QFY26.
- Advances grew 12.6% YoY/9.6% QoQ. The MFI portfolio (ex-DA) rose 12% QoQ/dipped 29% YoY, which now stands at ~8.8% of the portfolio. It is likely to be ~10% going forward. Deposits grew 7.2% YoY, but were down 1% QoQ.
- Slippages stood at INR5.2b vs. INR6b in 2QFY26. The GNPA/NNPA ratio improved 17bp/6bp QoQ to 2.75%/0.92%. PCR increased to 67.1% in 3Q.
- We tweak our earnings and estimate an RoA/RoE of 1.0%/10.5% by FY27E. **Reiterate BUY with a TP of INR80 (premised on 1.4x Sep'27E ABV).**

Advances gaining traction; credit costs guided at 1.5-1.7% for FY27

- EQUITASB reported a 3QFY26 PAT of ~INR900m (36% YoY, 27% beat) amid healthy NII and higher other income.
- NII grew 4.1% YoY/ 10.1% QoQ to INR8.5b (4% beat). NIM expanded 43bp QoQ to 6.72% in 3QFY26. Cost of funds declined from 7.35% in 2QFY26 to 7.13% in 3QFY26.
- Other income grew 21% YoY/26.4% QoQ to INR 2.9b (19% beat). Treasury income stood at INR340mn in 2QFY26. Total revenues thus grew 8% YoY/ 13.8% QoQ to INR11.4b (7% beat).
- Opex grew 15% YoY/9.4% QoQ at INR8.3b (5% higher than MOFSLe) due to the labor code impact of INR295m. Provisions declined 20% YoY and 6.6% QoQ to INR1.9b (9% higher than MOFSLe). PPoP thus stood at INR3.1b (down 7.7% YoY and up 27.7% QoQ, 13% beat).
- Advances jumped 12.6% YoY/9.6% QoQ to INR398b. MFI (ex DA) grew 12% QoQ/dipped 29% YoY. HF posted healthy growth, rising 5.8% QoQ. VF loans grew 9.2% YoY/3.2% QoQ amid growth in used CV at 6% QoQ. Deposits grew 7.2% YoY/down 1% QoQ. CASA ratio moderated 138bp QoQ to 29.5%. The CD ratio rose to 91.2%. Disbursements grew to INR65.6b in 3QFY26 (up 28% YoY and 22% QoQ).
- On the asset quality front, slippages stood at INR5.2b vs. INR6b in 2QFY26. The GNPA/NNPA ratio improved 17bp/6bp QoQ to 2.75%/0.92%. The PCR stood broadly stable at 67.1%. Credit costs significantly improved from 2.16% in 2QFY26 to 1.88% in 3QFY26.

Key highlights from the management commentary

- Management guided advances growth of about 15% YoY (excluding DA book) for FY26. Beyond FY26, the bank expects to sustain a steady-state trajectory of around 20% growth, driven by diversified portfolios and making all asset products available in existing asset branches.
- Microfinance & Micro Loans Advances include the purchase of Agri assets from other Regulated Entities under Direct Assignment (DA) of INR13.43b. Excluding this DA, overall bank advances grew 12% YoY and 7% QoQ.
- EQUITASB continues to guide for 1% exit RoA in 4QFY26 and 1.5% for exit FY27E.

Valuation and view: Reiterate BUY with TP of INR80

- EQUITASB reported a steady quarter with earnings beat led by healthy revenue. Margins expanded 43bp QoQ as the cost of funds declined and MFI book resumed growth. This is expected to remain in a similar range with a slight uptick going forward. Excluding the one-time incremental provision due to the implementation of the new labor code, the C/I ratio stood at 70.37%. The bank expects this to come down to ~65% by the exit of FY27. Advances growth was healthy, with the MFI book (ex-DA) rising 12% QoQ. EQUITASB expects advances to grow ~20% post-FY26, with deposits expected to grow faster than advances. On the asset quality front, GNPA/ NNPA ratios improved. Credit costs are likely to taper down further by 4QFY26, aided by improved collection efficiencies. Management expects that with sustained improvement in DPD metrics and disbursements, MFI would move towards normal profitability by 4QFY26. We fine-tune our earnings and estimate an RoA/RoE of 1.0%/10.5% by FY27E. **Reiterate BUY with a TP of INR80 (1.4x Sep'27E ABV).**

Quarterly Performance **INR b**

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	v/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Est
Net Interest Income	**8.0**	**8.0**	**8.2**	**8.3**	**7.9**	**7.7**	**8.5**	**9.3**	**32.5**	**33.4**	**8.2**	**4%**
% Change (YoY)	7.9	4.8	4.2	5.5	-2.0	-3.6	4.1	11.7	5.6	2.6	0.3	
Other Income	2.1	2.4	2.4	2.3	2.9	2.3	2.9	2.7	9.1	10.8	2.4	19%
Total Income	**10.1**	**10.4**	**10.6**	**10.5**	**10.8**	**10.0**	**11.4**	**11.9**	**41.6**	**44.1**	**10.6**	**7%**
Operating Expenses	6.7	6.9	7.2	7.4	7.6	7.6	8.3	8.4	28.3	32.0	7.9	5%
Operating Profit	**3.4**	**3.5**	**3.3**	**3.1**	**3.1**	**2.4**	**3.1**	**3.5**	**13.3**	**12.2**	**2.7**	**13%**
% Change (YoY)	9.1	5.9	-7.6	-16.9	-7.5	-31.2	-7.7	13.5	-3.1	-8.9	-18.3	
Provisions	3.0	3.3	2.4	2.6	6.1	2.1	1.9	1.4	10.9	11.6	1.8	9%
Profit before Tax	**0.4**	**0.2**	**0.9**	**0.5**	**-3.0**	**0.3**	**1.1**	**2.1**	**2.4**	**0.6**	**0.9**	**20%**
Tax	0.1	0.1	0.2	0.1	-0.7	0.1	0.2	0.5	0.9	0.1	0.2	-1%
Net Profit	**0.3**	**0.1**	**0.7**	**0.4**	**-2.2**	**0.2**	**0.9**	**1.6**	**1.5**	**0.5**	**0.7**	**27%**
% Change (YoY)	-86.5	-93.5	-67.2	-79.7	-968.7	87.4	35.8	271.9	-81.6	-68.1	6.8	
Operating Parameters												
Deposits	375	399	407	431	444	441	437	467	431	467	470	-7%
Loans	319	340	354	362	347	364	398	420	362	420	389	2%
Deposit Growth (%)	35.4	29.2	25.8	19.3	18.3	10.6	7.2	8.4	19.3	8.4	15.5	
Loan Growth (%)	16.0	18.1	21.1	16.9	8.8	7.0	12.6	16.0	16.9	16.0	10.0	
Asset Quality												
Gross NPA (%)	2.73	2.95	2.97	2.89	2.92	2.92	2.75	2.65	2.91	2.65	2.29	
Net NPA (%)	0.83	0.97	0.96	0.98	0.98	0.98	0.92	0.84	1.48	0.84	0.73	
PCR (%)	70.3	67.7	68.3	66.8	67.0	66.9	67.1	68.8	50.0	68.8	68.8	

E: MOFSL Estimates

- -

SIS

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	SECIS IN
Equity Shares (m)	141
M.Cap.(INRb)/(USDb)	47.5 / 0.5
52-Week Range (INR)	402 / 288
1, 6, 12 Rel. Per (%)	3/-14/-7
12M Avg Val (INR M)	41

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	155.9	178.3	197.0
EBITDA Margin	4.5	4.6	4.9
Adj. PAT	4.0	4.8	5.6
Adj. EPS (INR)	28.1	34.1	40.0
EPS Gr. (%)	27.4	21.5	17.3
BV/Sh. (INR)	410.6	481.0	563.5
Ratios			
RoE (%)	15.3	15.8	15.8
RoCE (%)	12.8	13.0	13.2
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	12.0	9.9	8.4
P/BV (x)	0.8	0.7	0.6
EV/EBITDA (x)	7.5	5.5	4.1
EV/Sales (x)	0.3	0.3	0.2

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	72.0	72.1	72.1
DII	7.1	5.9	5.3
FII	11.8	13.2	13.2
Others	9.1	8.9	9.5

FII includes depository receipts

CMP: INR336 TP: INR400 (+19%) Buy

3Q performance drives FY26 recovery

APS acquisition to drive India Security momentum

- SIS's (SECIS) 3QFY26 revenue was up 24.5% YoY/11.4% QoQ at INR41.8b vs. our estimate of INR40.3b. Revenue growth was aided by ~23% growth in India Security, whereas International Security/Facilities Management posted a growth of 1.5%(CC)/1.0% QoQ. EBITDA margin came in at 4.7%, flat YoY (vs. est. 4.5%). Margin for India Security was 5.5% (excluding APS acquisition-related costs), while the same for International Business was 3.8%, flat QoQ.
- **Consolidated adj. PAT stood at INR1,008m (up 8.4% QoQ**) vs. our estimates of INR1,158m. This excludes the one-time impact of costs related to changes in labor codes, amounting to INR 2,320m, and acquisition-related costs of INR70m.
- Net debt reached INR8.4b from INR6.6b in 2QFY26. Net debt/EBITDA stood at 1.25x vs. 1.03x in 2QFY26. For 9MFY26, revenue/EBITDA/adj. PAT grew 17.7%/16.1%/16.7% YoY. We expect revenue/EBITDA/adj. PAT to grow 20%/15%/51% YoY in 4QFY26. **We reiterate our BUY rating on the stock with a TP of INR400, implying a 19% upside potential.**

Our view: Margin synergies from the acquisition yet to emerge

- **Growth momentum led by India; organic trends steady:** SIS reported a stronger-than-expected 3QFY26, with consolidated revenue growth of 24.5% YoY and 11.4% QoQ, ahead of our estimates. Growth was largely driven by the India Security business, which grew ~23% QoQ, supported by the full-quarter consolidation of APS. Ex-APS, we believe underlying organic growth in India Security remained healthy at ~11% YoY, indicating stable demand.
- **Order inflows support near-term visibility:** From an organic growth perspective, we think order momentum remains intact across India businesses. India Security added ~INR 320m of monthly revenue during the quarter, with wins across e-commerce, education, media, and entertainment. Facilities Management added over INR 270m of monthly revenue, driven by BFSI, automotive, real estate, and oil & gas. In our view, these wins provide reasonable revenue visibility into FY27, with Facilities Management likely to sustain low double-digit growth vs. management's 12.5–15% guidance.
- **APS integration key to margin trajectory:** On the inorganic side, we believe APS is now fully reflected in reported numbers, contributing meaningfully to India Security growth but weighing on margins in the near term. India Security's EBITDA margin contracted to 5.2% due to the APS consolidation; however, excluding APS-related costs, margins stood at ~5.5%, broadly stable QoQ. In our opinion, the stated roadmap around SG&A rationalization and operational integration should help lift APS margins (~4%) closer to SIS levels over time, supporting consolidated margin expansion.

- **International business stabilizing, but cost pressures persist:** International Security continued to grow steadily, supported by new wins in steel and aviation. That said, persistent labor shortages and elevated wage costs in Australia and New Zealand remain structural challenges. In our view, pricing actions and tighter cost controls should drive a gradual margin recovery through FY26, with sustainable growth of ~7–8% over the medium term.
- **Margins stable; improvement path intact: SIS reported adjusted EBITDA margins of 4.7% in 3QFY26, broadly in line with our expectations. Management remains focused on margin expansion through contract repricing** and **SG&A rationalization. While APS-related synergies are yet to fully flow through, we believe the integration roadmap supports gradual margin expansion. We expect EBITDA margins to expand steadily, reaching ~4.5%/4.6% in FY26/FY27**.

Valuation and changes to our estimates

- We broadly retain our estimates. SECIS has delivered relatively better growth than its peers, and we believe it shall continue the momentum, further aided by the APS acquisition.
- We value SECIS at INR400 (19% potential upside), assigning a 7x forward EV/EBITDA multiple to its international business and DCF to its Indian business. **Reiterate BUY.**

Beat on revenue and margins; India business grows 23% QoQ, driven by APS acquisition

- SECIS's revenue grew 24.5% YoY/11.4% QoQ at ~INR41.8b vs. our est. of INR40.3b.
- Revenue growth was aided by ~23% growth in India Security, whereas International Security/Facilities Management posted a growth of 1.5%(CC)/1.0% QoQ.
- Adj. EBITDA margin came in at 4.7%, flat YoY (vs. est. 4.5%). Margin for India Security was 5.5% (excluding APS acquisition-related cost), while the same for International Business was 3.8%, flat QoQ. Reported EBITDA margin was 4.5%, which includes one-time APS acq. related cost.
- Consolidated adj. PAT stood at INR1,008m (up 8.4% QoQ) vs. our estimates of INR1,158m. This excludes the one-time impact of costs related to changes in labor codes, amounting to INR 2,320m, and acquisition-related costs of INR70m.
- Net debt reached INR8.4b from INR6.6b in 2QFY26. Net debt/EBITDA stood at 1.25x vs. 1.03x in 2QFY26.
- OCF/EBITDA on a consolidated basis was 140.5% for the quarter due to a two-day reduction in DSO.

Key highlights from the management commentary

- FY26 is a year of rebound, with 3Q being a milestone quarter marked by execution across all segments. SIS remains a predominantly organically driven company.
- Revenue growth was aided by ~23% growth in India Security, while International Security/Facilities Management posted growth of 1.5% (CC) / 1.0% QoQ.
- The company has taken full provisions for labor codes and will begin educating clients to recover incremental pass-through costs.

- The gratuity charge shown relates to one-off exceptional items from prior periods. The company chose a conservative approach by taking the charge upfront and subsequently raising claims with customers.
- SIS intends to raise claims for gratuity and leave liabilities, which are the responsibility of the principal employer, and expects client compliance with regulations.
- APS operates at ~4% EBITDA margin, with a clear roadmap for integration, SG&A rationalization, and margin uplift to SIS levels over time. APS has been consolidated for a full quarter.
- Management remains focused on margin expansion through customer contract actions and SG&A rationalization.
- Balance sheet cleanup efforts are resulting in improved return on capital.
- Continued labor shortages due to record-low unemployment of 4.3% in Australia have led to higher labor costs, which are expected to persist in the medium term. Similar trends are observed in other geographies.

Valuation and view

- With the liberalization and formalization of labor markets and laws, SECIS should be among the biggest direct beneficiaries. It has managed to gain market share during the last few years, and the trend is expected to continue.
- We value SECIS using SOTP: 1) DCF for the India Security business (INR216), 2) an EV/EBITDA multiple of 7x (INR139) for the International Security business, and 3) DCF for the FM business (INR107) less net debt (INR60). **Consequently, we arrive at our TP of INR400. We reiterate our BUY rating on the stock.**

Consolidated - Quarterly Earning Model (INR M)

Y/E March	FY25				FY26E				FY25	FY26E	Est.	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QFY26	(%/bp)
Gross Sales	**31,299**	**32,688**	**33,625**	**34,279**	**35,485**	**37,585**	**41,852**	**41,025**	**1,31,891**	**1,55,947**	**40,398**	**3.6**
YoY Change (%)	5.1	6.3	9.4	9.3	13.4	15.0	24.5	19.7	7.6	18.2	20.1	**430bp**
Total Expenditure	29,925	31,241	32,057	32,631	33,964	35,903	39,960	39,137	1,25,853	1,48,964	38,578	3.6
EBITDA	**1,374**	**1,447**	**1,568**	**1,648**	**1,521**	**1,683**	**1,892**	**1,887**	**6,037**	**6,983**	**1,820**	**4.0**
Margins (%)	4.4	4.4	4.7	4.8	4.3	4.5	4.5	4.6	4.6	4.5	4.5	0bp
Depreciation	427	420	407	384	416	476	559	570	1,638	2,021	495	12.8
Interest	422	404	405	376	409	368	484	409	1,606	1,669	229	111.8
Other Income	118	76	321	166	185	115	69	331	681	700	100	-31.2
PBT	**643**	**699**	**1,076**	**1,055**	**881**	**954**	**918**	**1,240**	**3,474**	**3,993**	**1,196**	**-23.2**
Tax	70	72	122	291	27	228	-16	62	556	301	108	-114.8
Rate (%)	10.9	10.3	11.3	27.6	3.1	23.9	-1.7	5.0	16.0	7.5	9.0	-1,070bp
Minority Interest & Profit/Loss of Asso. Cos.	69	61	67	62	76	81	74	70	258	300	69	7
Adj PAT	**642**	**688**	**1,021**	**825**	**929**	**807**	**1,008**	**1,248**	**3,176**	**3,993**	**1,158**	**-12.9**
YoY Change (%)	-28.3	-8.6	176.5	NA	44.7	17.4	-1.3	51.3	67.2	25.7	13.4	
Margins (%)	2.1	2.1	3.0	2.4	2.6	2.1	2.4	3.0	2.4	2.6	2.9	-50bp
Exceptional items	0	0	0	3,058	0	0	2,392	0	3,058	2,392		
Reported PAT	**642**	**688**	**1,021**	**-2,233**	**929**	**807**	**-1,384**	**1,248**	**118**	**1,601**	**1,158**	**-219.6**

31 January 2026

3QFY26 Results Update | Sector: Retail

United Foodbrands

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	UFBL IN
Equity Shares (m)	39.09
M.Cap.(INRb)/(USDb)	7.1 / 0.1
52-Week Range (INR)	356 / 171
1, 6, 12 Rel. Per (%)	-9/-40/-52
12M Avg Val (INR M)	52

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	13.1	14.4	15.6
Sales Gr. (%)	6.6	9.8	8.3
EBITDA	2.1	2.4	2.7
Margins (%)	16.1	16.8	17.1
Adj. PAT	-0.4	-0.4	-0.3
Adj. EPS (INR)	-10.8	-9.6	-8.4
EPS Gr. (%)	N/M	N/M	N/M
BV/Sh. (INR)	82.0	72.4	64.0
Ratios			
RoE (%)	-13.2	-13.3	-13.2
RoCE (%)	2.8	4.8	5.5
Valuation			
P/E (x)	N/M	N/M	N/M
EV/EBITDA (x)	3.7	3.1	2.7
Pre-IND AS EV/ EBITDA (x)	10.7	7.8	6.3

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	34.6	33.7	33.6
DII	16.8	18.6	25.9
FII	9.3	9.7	12.8
Others	39.3	38.0	27.7

FII includes depository receipts

CMP: INR183 TP: INR215 (+18%) Neutral

Growth returns after a long pause; sustainability to be monitored

- United Foodbrands (BBQ India)'s consolidated revenue grew 14% YoY to INR3.8b (beat). The same-store sales grew 8.2% in 3QFY26 (est. flat), marking a growth after six quarters. Demand improved sequentially with 5% SSSG in Oct'25, moderate improvement in Nov, and stronger momentum in Dec, which has continued into Jan'26. Dine-in revenue grew 15% YoY to INR3.2b (+25% volume), and delivery revenue increased 14% YoY to INR0.6b (+29% transaction growth).
- BBQ India's revenue rose 10% YoY to INR2.9b, led by SSSG of 8.3% and store expansion (5% YoY). GP margin compressed 250bp YoY to 64.2%, impacted by consumer-led initiatives. GP was up 6% YoY. RoM (Pre-Ind AS) margin contracted 20bp YoY to 14.6%, partly offset by operating leverage. RoM was up 8% YoY. BBQ India added four stores, taking the total count to 199 in 3Q.
- BBQ International's revenue rose 47% YoY to INR372m, supported by SSSG of 5.8% and store addition (50% YoY). GP margin expanded 20bp YoY to 74.5%. GP was up 47% YoY. RoM (Pre-Ind AS) margin contracted 300bp YoY to 23.1%. RoM improved 30% YoY. Mature stores delivered over 27% margins. No new stores were added during the quarter, and the total store count stood at **12**.
- Premium **Casual Dining Restaurant's** (CDR) revenue was up 20% YoY to INR517m, led by store additions (36% YoY) and SSSG of 9.4%. GP margin contracted 190bp YoY to 73.1%. GP rose 17% YoY. RoM (Pre-Ind AS) margin contracted 510bp YoY to 15.1%, hit by new restaurant additions. RoM declined 10% YoY to INR78m. The matured portfolio (restaurants older than two years) delivered 21.7% Pre-IND AS RoM.
- Consolidated GM dipped 190bp YoY to 66.4%. EBITDA margin contracted by 60bp YoY to 18.1% (est. 18%). EBITDA Pre-Ind AS margin dipped 70bp YoY to 9.6%. RoM (Pre-Ind AS) contracted 80bp YoY to 15.7%.
- The company plans to add 9–12 stores per quarter, targeting 265 stores by FY26 and 300 by FY27. While demand trends improved notably in 3Q, we will monitor their sustainability. **Reiterate Neutral** with a TP of INR215, based on 8x Dec'27E Pre-Ind AS EV/EBITDA, reflecting a weak RoCE profile.

Performance above our estimates; SSSG up 8%

- **Growth surges:** Consolidated sales grew 14% YoY to INR3.8b (est. INR 3.4b) in 3QFY26. Same-store sales rose 8.2% in 3Q (est. flat), marking a growth after six quarters. The dine-in channel (84% of sales) grew 15% YoY to INR3.2b. Delivery channel (16% of sales) rose 14% YoY to INR0.6b.
- **Digital KPIs:** Cumulative app downloads were 8.8m in 3QFY26 vs 7.2m in 3QFY25. Own digital asset contribution was at 53.3% vs. 31.7% in 3QFY25

- **Store additions continue:** The company added eight stores, leading to a store count of 249. Out of 249 stores, BBQN has 199 stores, 12 international BBQN stores, and 38 Toscano and salt stores. Total metro and tier-1 accounted for 197 stores, and tier 2/3 accounted for 52 stores in 3QFY26.
- **Margins contract:** Gross margin dipped 190bp YoY to 66.4%. (est. 67.1%). EBITDA grew 11% YoY to INR682m (est. INR619m). EBITDA margin contracted 60bp YoY to 18.1% (est. 18.0%). Pre-Ind AS EBITDA increased 6% YoY to INR361m in 3QFY26, and the margin contracted 70bp YoY to 9.6%. RoM Pre-Ind AS was up 9% YoY, and margin contracted 80p YoY to 15.7%. We treated the cost impact of INR134m arising from the implementation of the new labor codes as an exceptional item. Employee expenses grew 6% YoY (adjusted INR134m due to new labor codes), and other expenses were also up 16% YoY.
- Loss before tax came in at INR10m as compared to our expectation of INR30m loss. The reported loss was INR77m. Adjusting for a one-time employee cost (INR134m), APAT was INR57m.

Highlights from the management commentary

- The company delivered 8% SSSG in 3QFY26. Management indicated that the positive momentum witnessed in 3Q has continued into Jan'26. SSSG trends improved MoM, with ~5% growth in Oct, some more improvement in Nov, and stronger acceleration in Dec'25.
- The company has witnessed strong transaction growth driven by improved customer experience, value-led campaigns, and higher engagement across its app and digital platforms. These initiatives have led to higher repeat behavior, increased digital-led transactions, and positive consumer feedback.
- No price hikes were taken in the quarter, with growth aided by higher throughput and volumes. The company currently has no plan to take any price hike.
- The total store count is likely to reach ~265 by the end of 4Q. The company remains on track to cross 300 restaurants by FY27 and 400 stores by FY30.

Valuation and view

- We raise our EBITDA estimates by 5-6% for FY27 and FY28 on better delivery of revenue in 3QFY26.
- BBQ India's current valuations at 8x FY27E and 6x FY28E pre-Ind AS EV/EBITDA are comfortably positioned. The company plans to add 9–12 stores per quarter, targeting 265 stores by FY26 and 300 stores by FY27. While demand trends improved meaningfully in 3Q, we remain watchful of sustainability.
- **We reiterate our Neutral rating with a TP of INR215, based on 8x Dec'27E Pre-Ind AS EV/EBITDA, reflecting a weak RoCE profile.**

Cons. Quarterly Performance **(INR m)**

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
SSSG (%)	**-7.4**	**-2.5**	**-2.0**	**-2.0**	**-3.4**	**-2.2**	**8.2**	**8.4**	**-3.8**	**2.8**	**0.0**	
No. of stores	**219**	**222**	**226**	**230**	**236**	**241**	**249**	**260**	**230**	**260**	**253**	
Net Sales	**3,057**	**3,057**	**3,289**	**2,928**	**2,970**	**3,048**	**3,766**	**3,367**	**12,330**	**13,150**	**3,437**	**9.5**
YoY change (%)	-5.6	1.3	-0.6	-1.8	-2.8	-0.3	14.5	15.0	-1.7	6.6	4.5	
Gross Profit	**2,081**	**2,081**	**2,244**	**2,006**	**2,010**	**2,019**	**2,499**	**2,256**	**8,412**	**8,784**	**2,307**	**8.3**
Margin (%)	68.1	68.1	68.2	68.5	67.7	66.2	66.4	67.0	68.2	66.8	67.1	
EBITDA	**509**	**456**	**615**	**533**	**460**	**377**	**682**	**598**	**2,113**	**2,117**	**619**	**10.2**
EBITDA growth %	8.8	2.7	-7.2	-2.6	-9.6	-17.2	10.9	12.1	-0.4	0.2	0.6	
Margin (%)	16.6	14.9	18.7	18.2	15.5	12.4	18.1	17.7	17.1	16.1	18.0	
Depreciation	405	409	428	523	449	483	482	488	1,765	1,902	490	
Interest	186	189	195	209	200	207	227	232	779	866	210	
Other Income	27	43	55	34	19	81	17	33	158	150	50	
PBT	**-55**	**-100**	**47**	**-165**	**-170**	**-232**	**-10**	**-90**	**-272**	**-501**	**-31**	
Tax	-11	-28	-3	42	-3	-7	-67	-2	-1	-78	-2	
Rate (%)	20.9	28.4	-6.5	-25.2	1.8	2.8	692.6	2.0	0.5	15.7	5.0	
Adjusted PAT	**-43**	**-71**	**51**	**-207**	**-167**	**-225**	**57**	**-88**	**-271**	**-422**	**-30**	
YoY change (%)	N/M	N/M	N/M	N/M	N/M	N/M	13.4	N/M	N/M	N/M	N/M	

E: MOFSL Estimates

Airtel Africa

BSE SENSEX	S&P CNX
82,270	25,321

Strong performance continues; reported revenue and EBITDA 3-4% ahead of estimates

Strong double-digit growth continues across segments and geographies

- Airtel Africa (AAF) constant currency (cc) revenue at USD1.6b continued to grow in healthy double digits (+25% YoY, vs. 24% YoY in 2Q), driven by sustained double-digit revenue growth across Data (+36% YoY), Mobile Money (+28% YoY), and Voice (+14% YoY).
- AAF's reported revenue came in at USD1.69b (+7.5% QoQ), ~3% ahead of our estimate, driven by favorable FX movement and better performance in Nigeria (6% beat) and Francophone Africa (3% ahead).
- AAF's EBITDA in cc at USD783m also continued to deliver double-digit growth (+31% YoY vs. 31% YoY in 2Q). Reported EBITDA at USD827m (+9% QoQ, +40% YoY) came in ~4% ahead of our estimate.
- Reported EBITDA margin expanded ~60bp QoQ to 49.1% (+260bp YoY) and was 35bp above our estimate, driven by margin expansions in Nigeria and Francophone Africa.
- Capex surged ~45% QoQ (+2x YoY) to USD285m, as AAF rolled out new sites and expanded fiber network to enhance both coverage and capacity.
- Despite a sharp increase in capex, 3QFY26 cc operating FCF improved 9% YoY to USD499m (9MFY26 operating FCF up ~31% YoY to USD1.59b).
- Net debt inched up to USD5.65b (vs. USD5.4b QoQ). Excluding leases, net debt declined to USD1.59b (vs. USD1.7b QoQ). Reported leverage moderated to 1.9x (vs. 2.3x QoQ). Excluding leases, net debt to EBITDAaL stood at ~0.7x (vs. 0.8x QoQ).
- With AAF's reported revenue and EBITDA coming in ~3-4% ahead of our aggressive estimates and the continued benefit of INR depreciation, there **could be a beat on our 3QFY26 consolidated EBITDA estimate for Bharti.** However, **higher capex (even though flagged off earlier) could weigh on FCF generation.**
- AAF has continued to deliver double-digit cc revenue and EBITDA growth for the past several years. **Driven by a 2.2x run-up in the last 12 months, AAF now trades at ~5.3X FY28E EV/EBITDA**.
- We ascribe a modest ~**INR116/share** valuation to Bharti's stake in Airtel Africa in our TP of INR2,285 (based on 25% holdco discount to CMP).
- We believe with continued strong performance and long runway for growth, there could be a case for further re-rating of AAF, which, in turn, should benefit Bharti Airtel shareholders.

Robust double-digit cc YoY growth across Data, Voice, and Mobile Money

- Mobile services revenue at USD1.4b (+7% QoQ) continued to report cc double-digit YoY growth (+24% YoY, vs. 22% YoY in 2Q), with robust growth across both voice (+14% YoY) and data (+36% YoY).

- Mobile services EBITDA at USD688m (+8% QoQ) was up 32% YoY (vs. 31% YoY in 2Q), in cc, as margins expanded 30bp QoQ to 49.2%.
- Mobile money revenue at USD362m (+9% QoQ) was up 28% cc YoY (vs. 30% YoY in 2Q), driven by 17% YoY subscriber growth and ~8% YoY CC ARPU increase.
- Mobile Money EBITDA at USD182m (+7% QoQ) grew +21% cc YoY (vs. 26% YoY in 2Q) as EBITDA margin contracted 70bp QoQ to 50.2%.

Geographical performance: Robust performance across geographies, further amplified by favorable FX movements across geographies

- **Nigeria**: Nigeria cc revenue growth accelerated to 53% YoY (vs. 50% YoY in 2Q), driven by the flow-through of tariff hikes. Data revenue grew 70% YoY (vs. 64% YoY in 2Q), voice revenue growth accelerated to ~38% YoY (from ~33% YoY in 2Q). Reported revenue grew 71% YoY (6% ahead). CC EBITDA was up 82% YoY as margin expanded 130bp QoQ to 57.8% (up 930bp YoY, ~125bp ahead).
- **East Africa**: East Africa cc revenue growth slightly moderated to ~16% YoY (vs. 19% YoY in 2Q) on account of a resilient 15% YoY growth in data and ~25% YoY growth in Mobile Money. Reported revenue grew 23% YoY (largely in line). CC EBITDA was up ~15% YoY as margin contracted ~60bp QoQ to 53.5% (+7bp YoY, 60bp below).
- **Francophone Africa**: Growth further accelerated in Francophone Africa with cc revenue up 19% YoY (vs. 16% YoY in 2Q), driven by resilient 34% YoY cc data revenue growth (+36% YoY in 2Q) and a pick-up in Mobile Money (+38% YoY vs 29% YoY in 2Q). Reported revenue grew 24% YoY (3% ahead). CC EBITDA was up 22% YoY (vs ~17% YoY increase in 2Q) as margins expanded ~40bp QoQ to 44.3% (up 105bp YoY, 35bp ahead).

Operating performance remains robust, underpinned by strong ARPU growth, data consumption, and acceleration in net adds

- Subs base grew by 5.6m QoQ (vs. 4.4m net adds in 2Q) to 179.4m (+10% YoY).
- Data subs rose 3.7m QoQ (vs. 2.5m net adds in 2Q) to 81.8m (+15% YoY, 45.6% of subs now opting for data). Mobile money subs inched up by 2.2m QoQ (vs. 4m in 2Q) to 52m (17% YoY).
- Blended ARPU was up 4% QoQ at USD2.6 (+12% YoY cc growth), driven by a robust ~16% YoY cc growth in Data ARPU and ~8% YoY cc growth in Mobile Money ARPU.
- Data usage per sub grew ~8% QoQ to 9.3GB/month (up ~26% YoY vs. 7.4GB/month YoY). Voice usage per customer further declined ~1% QoQ to 288min/month (-7% YoY vs. 310 min YoY).

Consistent performance and long runway for growth to drive further re-rating

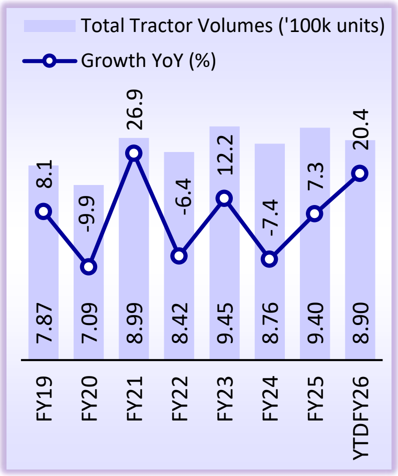
- AAF has continued to deliver double-digit cc revenue and EBITDA growth for the past several years. **Driven by a 2.2x run-up in the last 12 months, AAF now trades at ~5.3X FY28E EV/EBITDA**. We ascribe a modest ~**INR116/share** valuation to Bharti's stake in AAF in our TP of INR2,285 (based on 25% holdco discount to CMP). We believe that with continued strong performance and a long runway for growth, there could be a case for further re-rating of AAF, which, in turn, should benefit Bharti Airtel shareholders.

Automobiles

Tractor momentum accelerates post-GST rate cuts

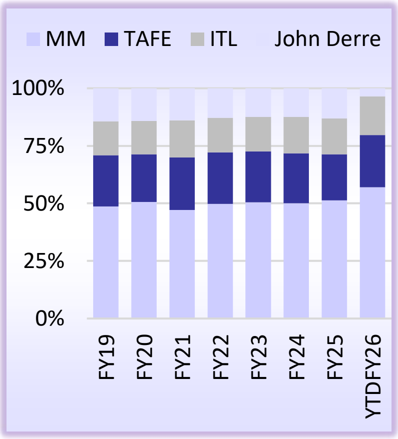
MM, TAFE, and John Deere are the key outperformers this fiscal

Tractor volumes and trend



- The Indian tractor industry recorded 23.2% YoY volume growth in 3QFY26 to 329k units**.** For 9MFY26, growth stands at 20.4% YoY**.** The GST rate rationalization, which improved the affordability of tractors, was one of the key drivers for strong tractor demand, in addition to a good monsoon season, healthy reservoir levels, and a good harvest season.
- Growth during this quarter was fueled by strong demand primarily in the <30HP segment, which posted a 52.1% YoY increase. The 41-50HP segment grew 26.3% YoY. The 41-50HP segment now contributes to 66.3% of the industry for 9MFY26.
- The other segments also saw a growth in volumes, but at a pace below the industry average – 31-40 HP segment grew at ~7% YoY and the > 51HP segment grew 18.4% YoY.
- West and North India's contribution to the tractor industry has increased over the years, and together, they now account for 75% of the industry.
- MM has marginally outperformed the industry, posting ~21% YoY growth on a YTD basis. Its market share has marginally improved to 44.1% for 9MFY26.
- On the other hand, Escorts Kubota has lost 75bp share to 10.9% for 9MFY26.
- TAFE and John Deere (JD) are other peers that have outperformed the industry with 23%/24% growth, respectively, in 9MFY26.

Top players' market share

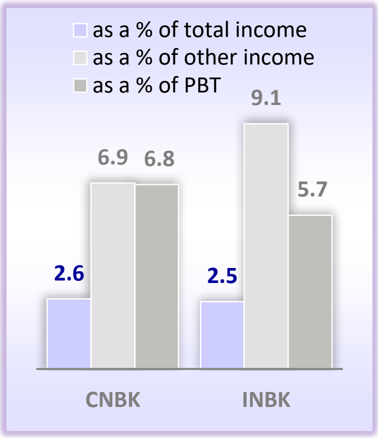


Tractor industry growth accelerates in Q3

- The Indian tractor industry recorded a 23.2% YoY volume growth in Q3FY26, delivering 329k units. As of 9MFY26, overall tractor sales were up 20.4% YoY to ~890k units. Growth during this quarter was fueled by strong demand mainly in the <30HP segment, which grew 52.1% YoY. The 41-50HP segment grew 26.3% YoY.
- The >51HP segment also saw healthy growth of 18% YoY; however, this segment still remains a niche and makes up only ~2% of total tractor sales on a YTD basis.
- In contrast, the 31-40HP segment underperformed, growing by only ~7% YoY in 3Q and 5% YoY for FY26YTD, reflecting a shift in preference toward higher horsepower tractors. As of 9MFY26, this segment makes up ~23% of total sales (-330bp YoY).
- On the other hand, the 41-50HP segment's share grew ~250bp YoY in YTDFY26 to make up 66.3% of the industry for 9MFY26.
- **MM** has slightly outperformed the industry, posting ~21% YoY growth YTD. Its market share remained stable, up by ~20bp YoY to 44.1% on a YTD basis**.**
- **TAFE and John Deere** were key outperformers this fiscal, having grown 23.1% and 24.3% YoY, respectively, for 9MFY26. TAFE continued to maintain its position as the second largest player by market share at 17.5% (+40bp YoY) while JD continues to enjoy a fairly stable market share of 8.5% (+30bp YoY).
- **ITL** is the third-largest player in the industry and has held a fairly stable market share of around 13% over the years (-20bp YoY). It has slightly underperformed the industry, growing by 18.6% YoY on a YTD basis.
- **Escorts Kubota** underperformed peers, posting ~13% growth in volumes YoY for 9MFY26. Consequently, they lost ~75bp market share to 11.6% this fiscal.

Financials: Banks

Income from sale of PSLC contributes ~7%/6% of PBT for CBK/INBK



Assessing the progress on priority sector lending

Private banks making healthy progress; GNPA trends mixed amid MFI stress

- **The priority sector lending (PSL) portfolio of large private banks has grown notably faster than their total loan book, reducing their reliance on PSL certificate (PSLC) purchases and Rural Infrastructure Development Fund (RIDF) deposits. In contrast, PSL growth among public sector banks (PSBs) has lagged, with SBI relying heavily on PSLC buys.**
- **Most banks meet overall PSL norms but rely on PSLCs for sub-targets. Canara Bank, Indian Bank and HDFC Bank are the top sellers, while Bandhan Bank is a major buyer of PSLCs (as of FY25).**
- **Banks are increasingly using PSLCs as a flexible compliance and revenue tool, with shortfall banks like Axis Bank incurring premium costs and surplus lenders such as Indian Bank/Canara Bank earning 5.7%/6.8% of PBT as fee income from the sale of surplus PSLCs.**
- **GNPA/NNPA ratios on PSL books have broadly improved for PSBs, strengthening the comfort levels. Meanwhile, private banks saw mixed trends, affected by stress in the MFI segment.**
- **Banks that embed PSL compliance into their core lending strategy can avoid costly PSLC and RIDF leakages while unlocking new profit levers. This is critical in the current revenue crunch environment (margin, fee pressure), underscoring the idea of "a penny saved is a penny earned." Top Buys: ICICI, HDFCB, SBIN and AUBANK.**

Growing PSL portfolio with diversified and more balanced mix

Priority sector advances are bifurcated under four broad categories: a) agriculture and allied activities, b) advances to industries under PSL ambit (MSMEs engaged in the production of a wide range of specified items), c) services, and d) personal loans. A close assessment of banks under our coverage indicates that the combined PSL loan book increased at ~15% CAGR during FY22-25. Agriculture and allied activities remain the largest PSL segment for PSBs, whereas large private banks (HDFCB, AXSB) have a more balanced PSL mix.

HDFCB sold ~INR 2.5t of PSLCs in FY25

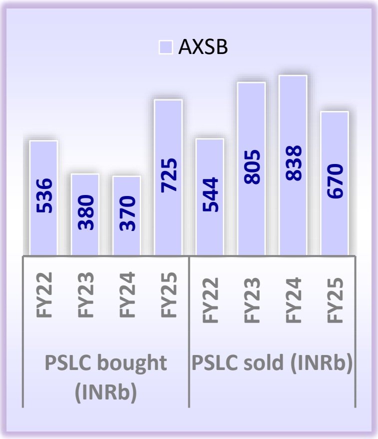
PSL growth tracking higher than overall loan growth for large private banks

Over FY21-25, a clear divergence has emerged between overall loan growth and PSL growth across banks, with large private banks expanding their PSL portfolios faster than total advances, led by HDFCB (+1,200bp), ICICIBC (+660bp) and AXSB (+610bp), reflecting a deliberate strategy of deepening on-balance-sheet PSL assets and reducing reliance on PSLCs. This has been aided by relatively slower large-corporate loan growth. In contrast, PSBs have seen PSL growth trailing overall advances, with SBIN increasingly bridging gaps via PSLC purchases. Among mid-sized banks, Federal Bank stands out with stronger PSL expansion, while Bandhan Bank's shift away from MFI toward secured retail lending has resulted in a largely stagnant PSL book, highlighting how private banks are using PSL growth as both a compliance and profitability lever, even as PSBs' PSL expansion remains controlled.

PSLC income forms 6.8%/5.7% of PBT for Canara, Indian Bank

PSLCs have emerged as a key compliance and earnings management tool for banks amid persistent sub-segment shortfalls under the RBI's PSL framework. The framework allows gaps to be bridged without transferring underlying assets or credit risk, with purchases booked as expenses and sales under other income. This

AXSB was a net buyer of PSLC in FY25



has enabled surplus banks such as Canara Bank/Indian Bank to monetize excess PSL, contributing ~6.8%/~5.7% of PBT. Canara Bank earned ~INR15.5b/INR12b/INR9b in FY25/1QFY26/2QFY26, while deficit banks incurred a quasi-regulatory cost, e.g., Axis Bank's PSLC purchase expense of INR14.9b against sales income of INR1.9b in FY25 and INR9.5b in FY26YTD, and PNB's cost of ~INR8.5b in 1QFY26.

PSL compliance: AXSB has witnessed sharp decline in RIDF deposits

The RBI's PSL framework permits banks to meet their PSL shortfall by deploying money in RIDF and allied fund deposits with NABARD/NHB/SIDBI/MUDRA. However, these deposits—carrying long tenors of up to seven years and sub-market yields—act as an implicit penalty by locking capital at low returns and compressing margins. This opportunity cost is evident in PNB, which carried ~INR214b of RIDF deposits in FY25, weighing on profitability. AXSB has gradually improved its PSL mix, reducing reliance on RIDF deposits from INR416b in FY22 to INR100b in 3QFY26. Most large banks now prefer PSLCs as a more cost-efficient compliance route vs. blocking capital under RIDF deposits, with ICICIBC and HDFCB having relatively lower RIDF exposure compared to AXSB, Bandhan, IIB and RBL.

PSLCs: Who's buying and who's selling?

PSLC activity intensified in FY25 as sub-segment shortfalls persisted, with a clear divergence across banks. HDFCB emerged as the largest private-sector net seller despite selective SMF purchases, followed by KMB, reflecting structurally strong PSL origination. In contrast, AXSB turned a net buyer, indicating higher reliance on certificates. Among mid-sized banks, Bandhan reverted to being a net buyer and RBK remained consistently dependent on PSLCs. Among PSBs, SBIN continued as the largest buyer (over INR2t PSLC purchases in FY25), alongside BOB (INR675b), PNB (INR584b), and Union Bank (INR860b) in FY25. Canara Bank and Indian Bank stood out as steady net sellers.

A penny saved is a penny earned

PSL compliance has evolved from a regulatory obligation into a strategic lever for earnings management. While banks like SBI still incur significant costs to meet PSL requirements, others such as Canara, Indian, and HDFCB have turned PSL compliance into a steady income stream. Differences in asset quality show that not all PSL exposure is equal—PSBs' agri-heavy books carry higher risk, whereas private banks' diversified retail portfolios offer greater stability. Going forward, the banks that internalize PSL as part of their core lending strategy will avoid costly PSLC or RIDF outflows and unlock additional profit levers.

Indian Bank has been active in selling PSLCs, thus generating a strong fee income (INR m)

PSL loans: Asset quality ratios improve for PSBs; mixed for private banks

A clear divergence persists in PSL asset quality across banks, with PSBs continuing to report steady improvement, driven by tighter underwriting, stronger recoveries and enhanced monitoring, while private banks showed a mixed trend. Among large private banks, HDFCB and AXSB saw an uptick in PSL GNPA due to stress in select sub-segments, while ICICIBC recorded stable improvement and KMB maintained stability. Within mid-sized banks, RBL and Bandhan witnessed a sharp rise in PSL GNPA, largely reflecting stress in unsecured MFI-linked exposures, underscoring higher volatility of such portfolios vs. secured retail or granular MSME-led PSL. In contrast, most PSBs, including SBI, Canara Bank, and Indian Bank, have delivered consistent improvement in PSL asset quality.

RESULTS FLASH

31 January 2026

Results Flash | Sector: Utilities

Power Grid

BSE SENSEX	S&P CNX
83,311	25,510

Financials & Valuations (INRb)

Y/E March	FY26E	FY27E	FY28E
Sales	486.0	518.0	541.9
EBITDA	412.6	434.3	447.4
Adj. PAT	159.6	175.2	183.2
Adj. EPS (INR)	17.2	18.8	19.7
EPS Gr. (%)	2.8	9.7	4.6
BV/Sh.(INR)	106.9	114.8	123.4
Ratios			
Net D:E	1.3	1.2	1.1
RoE (%)	16.6	17.0	16.5
RoCE (%)	9.5	9.8	9.9
Payout (%)	55.9	53.1	50.8
Valuations			
P/E (x)	14.9	13.6	13.0
P/BV (x)	2.4	2.2	2.1
EV/EBITDA (x)	8.5	7.8	7.3
Div. Yield (%)	3.8	3.9	3.9
FCF Yield (%)	11.6	12.7	12.0

CMP: INR257 — Neutral

Performance in line with estimates

- **Standalone (SA) Performance:**
  - Power Grid (PWGR) reported SA revenue in line with our estimate, coming in at INR110b (+9% YoY,+10% QoQ). EBITDA was reported at INR94b, in line with our estimate, rising 11% YoY and 18% QoQ.
  - Reported PAT came in 3% above our estimate at INR41.6b (+7% YoY, +17% QoQ), supported by higher than expected other income, partially offset by a higher tax rate. There was positive net movement in regulatory deferral account balances of INR2.6b.
  - Adj. PAT was broadly in line, reported at INR39.6b (+3% YoY, +27% QoQ).
- **Consolidated Performance:**
  - Consolidated operating revenue came in at INR126.5b, improving 12% YoY, while reported PAT grew ~8% YoY to INR41.9b.
  - The transmission segment remained the primary revenue driver, contributing 94% of total revenue (INR118b). The telecom segment reported a 106% YoY growth with contribution to revenue at INR5b. In 3QFY26, its JVs reported a loss of INR0.4b.
- **Other Matters:**
  - The Board of Directors approved the payment of the second interim dividend of INR3.25/share.

Standalone Quarterly Performance (INRb)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%	%	%
Sales	100.7	102.6	101.2	109.8	99.3	100.0	110.1	114.1	414.3	423.5	105.5	4%	9%	10%
YoY Change (%)	-1.7	5.3	-5.2	-0.6	-1.4	-2.5	8.7	3.9	-0.9	2.2	4.2			
EBITDA	87.4	87.9	85.2	92.2	81.2	80.1	94.2	106.0	352.8	361.5	94.2	0%	11%	18%
YoY Change (%)	-2.9	3.0	-9.3	0.9	-7.2	-8.8	10.5	15.0	-2.5	2.5	10.6			
As of % Sales	86.8	85.6	84.2	84.0	81.8	80.1	85.6	92.9	85.1	85.4	89.3			
Depreciation	30.7	31.6	30.7	30.4	29.7	30.6	32.1	34.5	123.5	126.9	32.2	0%	4%	5%
Interest	21.6	26.0	21.3	25.9	23.0	25.6	25.7	21.0	94.8	95.3	23.5	9%	21%	1%
Other Income	7.8	11.2	14.9	15.0	13.3	13.5	14.3	5.5	48.9	46.6	10.6	35%	-4%	6%
Regulatory/Extraordinary items	-0.6	2.5	0.4	0.5	2.1	5.2	2.6	0.0	2.8	9.9	0.0			
PBT	42.3	43.9	48.5	51.4	43.9	42.6	53.3	56.1	186.2	195.9	49.1	8%	10%	25%
Tax	8.2	6.8	9.6	8.1	7.3	7.1	11.7	7.5	32.7	33.7	8.9	31%	22%	65%
Effective Tax Rate (%)	19.4	15.5	19.8	15.7	16.7	16.6	21.9	13.5	17.5	17.2	18.1			
Reported PAT	34.1	37.1	38.9	43.4	36.5	35.5	41.6	48.5	153.5	162.2	40.2	3%	7%	17%
YoY Change (%)	-3.7	-3.2	-1.9	5.0	7.1	-4.2	6.8	11.9	-0.8	5.7	3.3			
Adjusted PAT	34.6	35.0	38.6	42.9	34.7	31.2	39.6	48.5	151.2	154.1	40.2	-2%	3%	27%
YoY Change (%)	-8.7	4.8	-0.4	0.5	0.4	-10.9	2.5	13.0	-1.1	1.9	4.3			

Cholamandalam Inv. & Finance

BSE SENSEX	S&P CNX
83,311	25,510

Conference Call Details

Date: 02nd Feb'26
Time: 10:00 AM IST
Dial-in details:
Link for the call

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Total Income	170.4	206.6	249.9
PPP	104.4	127.8	156.7
PAT	51.7	67.7	85.1
EPS (INR)	60.2	78.9	99.1
EPS Gr. (%)	19	31	26
BV (INR)	357	433	530
Ratios			
NIM (%)	7.0	7.2	7.2
C/I ratio (%)	38.7	38.1	37.3
RoAA (%)	2.4	2.6	2.7
RoE (%)	19.1	20.0	20.6
Payout (%)	3.3	3.2	2.5
Valuations			
P/E (x)	27.1	20.7	16.5
P/BV (x)	4.6	3.8	3.1
Div. Yield (%)	0.1	0.2	0.2

CMP: INR1,631 Buy

Earnings in line; stable S3 but S2 improves 20bp QoQ

Business AUM up ~21% YoY; credit costs and write-offs remain elevated

- CIFC's 3QFY26 PAT grew ~19% YoY to INR12.9b (in line). NII rose ~24% YoY to ~INR35.8b (in line). Other income increased by ~17% YoY to~INR7.6b, primarily driven by higher fee income of INR5.3b (PY: INR4.2b) and higher assignment income of ~INR1b (PY: INR650m).
- Opex rose ~20% YoY to ~INR17b (in line) and cost-income ratio declined ~55bp QoQ to ~39% (PQ and PY: ~40%). This included a one-time impact of provisions of INR495m made on account of the new labor codes. PPoP grew ~24% YoY to INR26.4b (in line).
- Yields (calc.) rose ~5bp QoQ to ~14.5%, while CoF (calc.) declined ~7bp QoQ to ~7.55%. NIM (Calc.) expanded ~10bp QoQ to ~7%.
- Credit costs in 3Q remained elevated at ~INR9.1b (~vs. est. INR8.7b). This translated into annualized credit costs of 177bp (PY: 157bp and PQ: 183bp).

AUM up 21% YoY; healthy pickup in disbursement growth

- Business AUM grew 21% YoY/5.8% QoQ to INR2.11t, with new businesses now forming ~13% of the AUM mix.
- Total disbursements grew ~16% YoY and ~23% QoQ to ~INR300b, driven by GST cut and festive season. New lines of businesses contributed 20% to the disbursement mix (PQ: 19% and PY: 21%). VF disbursements grew 17% YoY.

Stage 2 improves 20bp QoQ; slippages and write-offs remain elevated

- GS3/NS3 were broadly stable QoQ at 3.36%/1.9%, while PCR on S3 declined ~20bp QoQ to ~43%. ECL/EAD declined ~2bp QoQ to 2.02% (PQ: ~2.04%). GS3 in new businesses declined ~5bp QoQ to ~2.75% (PQ: 2.8% and PY: 1.95%).
- VF GS3 rose to ~4.2% (PQ: 4.1%), SME GS3 grew to 3.25% (PQ: 3.1%), SBPL GS3 rose to 4.7% (PQ: 4.3%) and CSEL GS3 declined to 2.2% (PQ: 2.4%).
- **Stage 2 declined ~20bp QoQ to ~2.9%. GNPA and NNPA (RBI IRAC) rose ~5bp each QoQ to ~4.63% and 3.13%, respectively. In 3QFY26, write-offs stood at ~INR7.3b, representing ~1.7% of TTM AUM (PY: ~1.3% and PQ: ~1.5%).**
- Net slippages were high at ~INR11.2b, amounting to 2.3% (PY: 2.1% and PQ: 2.65%).
- CRAR stood at ~19.2% (Tier 1: ~14.2%) as of Dec'25. CCDs worth ~INR3.1b were converted in Oct'25 and CCDs worth ~INR10.6b were converted in Jan'26, both resulting in the allotment of equity shares. CCDs worth ~INR6.3b are available for conversion, which will improve Tier 1 capital in Mar'26.

Valuation and view

- CIFC delivered a mixed operating performance, with a healthy pickup in disbursements driven by GST cuts and festive season, leading to AUM growth of 21% YoY. Credit costs were high due to higher write-offs and slippages despite GS3 remaining stable. However, improvement in Stage 2 was positive and should translate into improvement in Stage 3 in 4Q. Additionally, margins expanded by ~10bp QoQ, driven by improvement in yields and decline in CoF.
- Key monitorables: 1) demand outlook for VF segment, 2) asset quality outlook in key segments, including VF, SBPL and SME; and 3) guidance on credit costs for FY27. We will revisit our estimates after the earnings call on 2nd Feb'26.

Quarterly Performance (INR M)

Y/E March	FY25				FY26E				FY25	FY26	3QFY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	53,695	57,680	61,587	64,180	66,501	68,942	72,238	74,919	2,37,200	2,82,600	71,700	1
Interest Expenses	27,957	30,551	32,718	33,623	34,663	35,155	36,430	36,356	1,24,849	1,42,604	35,929	1
Net Interest Income	**25,738**	**27,128**	**28,869**	**30,557**	**31,838**	**33,787**	**35,808**	**38,563**	**1,12,351**	**1,39,996**	**35,771**	0
YoY Growth (%)	*39.7*	*34.6*	*32.98*	*29.8*	*23.7*	*24.5*	*24.03*	*26.2*	*34.0*	*24.6*	*23.9*	
Other Income	4,595	5,248	6,537	7,027	6,807	6,959	7,616	8,978	23,348	30,360	7,611	0
Total Income	**30,333**	**32,376**	**35,406**	**37,584**	**38,645**	**40,746**	**43,423**	**47,541**	**1,35,699**	**1,70,356**	**43,383**	0
YoY Growth (%)	*42.6*	*36.8*	*37.2*	*29.0*	*27.4*	*25.9*	*22.6*	*26.5*	*35.9*	*25.5*	*22.5*	
Operating Expenses	11,834	13,155	14,130	14,269	14,528	16,169	16,991	18,264	53,388	65,952	17,168	-1
Operating Profit	**18,499**	**19,221**	**21,276**	**23,315**	**24,117**	**24,578**	**26,432**	**29,276**	**82,311**	**1,04,403**	**26,215**	1
YoY Growth (%)	*38.1*	*35.3*	*40.4*	*43.2*	*30.4*	*27.9*	*24.2*	*25.6*	*39.4*	*26.8*	*23.2*	
Provisions & Loan Losses	5,814	6,235	6,640	6,253	8,821	8,970	9,103	7,856	24,943	34,750	8,650	5
Profit before Tax	**12,685**	**12,986**	**14,636**	**17,062**	**15,296**	**15,608**	**17,329**	**21,420**	**57,369**	**69,653**	**17,565**	-1
Tax Provisions	3,263	3,355	3,771	4,395	3,937	4,054	4,452	5,505	14,783	17,949	4,532	-2
Net Profit	**9,422**	**9,631**	**10,865**	**12,667**	**11,359**	**11,553**	**12,877**	**15,915**	**42,585**	**51,704**	**13,033**	-1
YoY Growth (%)	*29.8*	*26.3*	*24.0*	*19.7*	*20.6*	*20.0*	*18.5*	*25.6*	*24.4*	*21.4*	*20.0*	
Key Parameters (Calc., %)												
Yield on loans	14.4	14.5	14.65	14.5	14.4	14.5	14.49	14.2	14.5	14.2		
Cost of funds	7.86	7.94	8.06	7.86	7.78	7.63	7.56	7.31	8.1	7.6		
Spread	6.5	6.6	6.6	6.6	6.6	6.8	6.9	6.9	6.5	6.6		
NIM	6.84	6.78	6.81	6.80	6.76	6.91	6.99	7.12	6.9	7.0		
C/I ratio	39.0	40.6	39.9	38.0	37.6	39.7	39.1	38.4	39.3	38.7		
Credit cost	1.55	1.56	1.57	1.39	1.87	1.83	1.78	1.45	1.5	1.7		
Tax rate	25.7	25.8	25.8	25.8	25.7	26.0	25.7	25.7	25.8	25.8		
Balance Sheet Parameters												
Disbursements (INR b)	**243**	**243**	**258**	**264**	**243**	**244**	**300**	**302**	**1,009**	**1,089**		
Growth (%)	21.6	12.9	15.3	6.6	0.0	0.5	16.1	14.1	13.7	7.9		
AUM (INR b)	**1,554**	**1,646**	**1,746**	**1,847**	**1,921**	**1,992**	**2,107**	**2,228**	**1,847**	**2,228**		
Growth (%)	35.4	32.5	30.5	26.9	23.6	21.0	20.7	20.6	26.9	20.6		
AUM mix (%)												
Vehicle finance	57.0	55.9	55.4	54.8	54.5	54.0	53.6	53.0	54.8	53.0		
Home Equity	20.7	21.2	21.5	22.4	22.9	23.2	23.3	24.5	22.4	24.5		
Home loans & Others	22.3	23.0	23.1	22.8	22.6	22.7	23.1	22.5	12.8	12.0		
Borrowings (INR b)	**1,499**	**1,578**	**1,671**	**1,749**	**1,813**	**1,875**	**1,978**	**1,998**	**1,749**	**1,998**		
Growth (%)	38.6	32.1	35.7	30.1	20.9	18.8	18.4	14.2	30.1	14.2		
Asset Quality Parameters												
GS 3 (INR B)	41.2	47.1	51.3	52.1	60.4	66.3	70.1		52.1	66.7		
GS 3 (%)	2.6	2.8	2.91	2.8	3.2	3.4	3.36		2.8	3.0		
NS 3 (INR B)	22.5	26.1	28.7	28.5	34.0	37.6	40.0		28.5	37.3		
NS 3 (%)	1.5	1.6	1.66	1.6	1.8	1.9	1.95		1.5	1.7		
PCR (%)	45.5	44.5	44.1	45.3	43.7	43.2	43.0		45.3	44.0		
Vehicle finance AUM mix (%)												
LCV	19.8	19.8	19.2	19.0	19.2	19.3	18.7		19.8	19.8		
Cars & MUV	22.8	23.1	23.7	24.1	24.5	24.8	25.3		22.8	23.1		
3W & SCV	3.6	3.6	3.6	3.5	3.5	3.5	3.5		3.6	3.6		
Used CV	27.4	27.6	27.6	27.7	27.6	27.6	27.2		27.4	27.6		
Tractor	6.5	6.2	6.0	5.6	5.3	5.1	5.0		6.5	6.2		
HCV	6.7	6.6	6.6	6.8	6.7	6.7	6.9		6.7	6.6		
CE	6.5	6.3	6.4	6.4	6.3	6.1	6.2		6.5	6.3		
Two wheeler	6.8	6.7	6.8	6.8	6.8	6.9	7.3		6.8	6.7		

E: MOFSL estimates

Gail (India)

BSE SENSEX	S&P CNX
82,270	25,321

Conference Call Details

Date: 2 February 2026

Time: 11:00 hrs IST

CMP: INR167 — Buy

Weak 3Q amid multiple challenges

- In 3QFY26, GAIL's standalone EBITDA came in 9% below our estimate at INR26.6b. The weakness in results was largely attributable to poor performance in marketing, petchem, and LPG segments.
- Gas transmission EBIT missed our estimate by 4%, while the marketing EBIT was 19% below our estimate. The 9MFY26 EBIT formed ~72% of the guidance of INR45b. Poorer marketing EBIT was likely attributable to higher Henry Hub prices during the quarter.
- Operating loss at the Petchem segment widened QoQ amid weak realizations QoQ and higher input costs.
- LPG EBIT declined ~90% y-y amid weaker production following the APM gas de-allocation recently.
- Reported PAT came in 19% below our estimate at INR16b, as other income was below our estimates.
- The Board declared an interim dividend of INR5/sh (face value of INR10/sh).

Operational performance:

- Natural gas transmission volume came in line with our estimate at 125.5mmscmd.
- NG marketing volume came in above our estimate at 104mmscmd.
- Petchem sales were above our estimate at 218tmt, while the petchem segment reported an EBIT loss of INR4.8b.

Standalone quarterly performance **(INR m)**

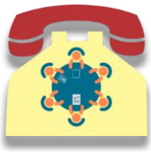
Y/E March	FY25				FY26E					Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	3QE	(%)	(%)	(%)
Net Sales	**3,36,738**	**3,29,117**	**3,49,371**	**3,56,852**	**3,47,689**	**3,50,081**	**3,40,515**	**2,41,975**	**3,13,943**	**8**	**-3**	**-3**
Change (%)	3.9	3.4	2.0	10.4	3.3	6.4	-2.5	-32.2	-10.14			
Finished GDS Purchase	2,52,388	2,43,360	2,80,239	2,89,439	2,63,614	2,70,495	2,62,904	1,81,747	1,55,928			
Raw Materials Cons	14,300	19,554	19,862	19,018	17,540	21,238	21,808	-5,804	12,848			
Employee Costs	5,191	5,209	5,287	4,718	5,290	5,372	4,004	7,780	5,551			
Other Exp (incl Stock Adj)	19,578	23,545	15,605	11,513	27,910	21,070	25,248	22,092	1,10,417			
EBITDA	**45,281**	**37,450**	**28,378**	**32,164**	**33,337**	**31,906**	**26,552**	**36,160**	**29,199**	**-9**	**-6**	**-17**
% of Net Sales	13.4	11.4	8.1	9.0	9.6	9.1	7.8	14.9	9.3			
Depreciation	10,489	8,153	8,322	9,034	8,828	9,302	10,543	8,348	9,371			
Interest	2,092	1,901	1,666	1,783	2,094	2,298	2,504	1,473	2,013			
Other Income	3,716	7,135	7,497	5,664	2,919	7,926	6,795	7,934	7,984			
Extraordinary item	0	0	24,400	0	0	0	0	0	0			
PBT	**36,416**	**34,531**	**50,288**	**27,011**	**25,334**	**28,232**	**20,300**	**34,274**	**25,799**	**21**	**-60**	**-28**
Tax	9,176	7,812	11,614	6,520	6,471	6,060	4,274	8,284	5,985			
Rate (%)	25.2	22.6	23.1	24.1	25.5	21.5	21.1	24.2	23.2			
PAT	**27,240**	**26,719**	**38,674**	**20,490**	**18,863**	**22,172**	**16,026**	**25,990**	**19,814**	**19**	**-59**	**-28**
Change (%)	71.1	11.1	36.0	-5.9	-30.8	-17.0	-58.6	26.8	-48.8			
Adj PAT	**27,240**	**26,719**	**14,274**	**20,490**	**18,863**	**22,172**	**16,026**	**25,990**	**19,814**	**19**	**12**	**-28**
Change (%)	71.1	11.1	-49.8	-5.9	-30.8	-17.0	12.3	26.8	38.8			
EPS (INR)	**4.1**	**4.1**	**2.2**	**3.1**	**2.9**	**3.4**	**2.4**	**4.0**	**3.0**	**19**	**12**	**-28**
Operational details												
Gas Trans. volume (mmsmd)	131.8	130.6	125.9	120.8	120.6	123.6	125.5	115.7	121.3	3	0	2
Petchem sales ('000MT)	169.0	226.0	221.0	229.0	177.0	209.0	218.0	195.3	206.0	6	-1	4
Segmental EBIT Breakup (INR m)												
Gas Transmission	14,469	14,028	13,703	12,684	15,576	14,139	13,761	15,308	14,286	-4	0	-3
LPG Transmission	808	855	1,400	1,152	1,203	1,288	1,304	574	1,147	14	-7	1
Natural Gas Marketing	20,328	13,288	4,410	12,037	10,716	13,041	8,532	10,689	10,552	19	93	-35
Petrochemicals	-415	1,575	47	-1,580	-2,486	-2,992	-4,826	3,496	-2,288	Loss	PL	Loss
LPG & Liq.HC (pre-subsidy)	2,299	2,489	3,785	2,920	2,050	1,118	286	2,777	1,365	79	-92	-74
Unallocated; GAILTEL	1,675	1,460	864	1,158	1,912	1,467	887	377	2,751	68	3	-40
Total	**39,163**	**33,695**	**24,207**	**28,370**	**28,970**	**28,060**	**19,943**	**33,220**	**27,812**	**28**	**-18**	**-29**

SAIL

BSE SENSEX	S&P CNX
82,270	25,321

CMP: INR155 | **Neutral**

Conference Call Details



Date: 2 February 2026
Time: 12:30 pm IST
Registration:
Diamond Pass
Dial in:
+91 22 6280 1123
+91 22 7115 8024

In-line operational performance; APAT miss over lower other income

- SAIL reported in-line revenue of INR274b (+12% YoY and +3% QoQ) driven by healthy volume growth, despite weak NSR.
- EBITDA stood at INR22.9b (+13% YoY and -9% QoQ) in-line our estimate of INR22.2b during the quarter.
- EBITDA/t stood at INR4,455/t (in-line with our est.), down by 3% YoY and 14% QoQ led by weak NSR and higher operating cost.
- Adj PAT came in at INR3.7b (vs our est. INR4.5b), down 44% QoQ in 3QFY26 as compared to INR1.1b in 3QFY25. APAT was impacted by lower other income and higher depreciation.
- Crude steel production stood at 4.9mt (+5% YoY and +4% QoQ), while sales volume stood at 5.15mt (+16% YoY and +5% QoQ). This was in-line with our est. of 5mt during the quarter.
- ASP for the quarter came INR53,148/t as expected, down -3% YoY and -2% QoQ due to weak steel prices during the quarter.

SAIL Consolidated Quarterly Performance (INR b)

Y/E March	FY25				FY26			FY25	FY26E	FY26	Vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q			2QE	(%)
Sales (m tons)	**4.0**	**4.1**	**4.4**	**5.3**	**4.6**	**4.9**	**5.2**	**17.9**	**19.4**	**5.0**	**3.7**
Change (YoY %)	3.4	(14.6)	16.6	16.9	13.5	19.8	16.3	4.9	8.7		
Realization (INR per ton)	**59,845**	**56,191**	**55,282**	**55,002**	**56,590**	**54,387**	**53,148**	**56,431**	**55,753**	**53,587**	**(0.8)**
Change (YoY %)	(4.7)	(3.5)	(10.0)	(4.4)	(5.4)	(3.2)	(3.9)	(5.6)	(1.2)		
Net Sales	**240.0**	**230.4**	**244.9**	**293.2**	**257.5**	**267.0**	**273.7**	**1,008.4**	**1,082.7**	**266.0**	**2.9**
Change (YoY %)	(1.5)	(17.6)	4.9	11.7	7.3	15.9	11.8	(1.1)	7.4		
Change (QoQ %)	(8.6)	(4.0)	6.3	19.7	(12.2)	3.7	2.5				
Total Expenditure	**217.8**	**217.6**	**224.6**	**258.3**	**231.5**	**241.8**	**250.8**	**918.3**	**979.5**		
EBITDA	**22.2**	**12.8**	**20.3**	**34.8**	**26.0**	**25.3**	**22.9**	**90.1**	**103.2**	**22.2**	**3.3**
Change (YoY %)	34.6	(40.0)	(5.3)	97.0	16.9	98.2	13.0	17.2	14.6		
Change (QoQ %)	25.5	(42.5)	59.1	71.6	(25.5)	(2.6)	(9.3)				
EBITDA per ton (INR)	**5,536**	**3,111**	**4,582**	**6,536**	**5,704**	**5,149**	**4,455**	**5,042**	**5,316**	**4,473**	**(0.4)**
Interest	6.9	7.6	6.8	6.6	5.9	4.8	5.5	27.9	22.2		
Depreciation	14.0	13.0	14.2	15.2	14.4	14.5	15.2	56.5	59.4		
Other Income	1.8	1.7	2.3	3.0	1.6	2.1	1.7	8.8	8.8		
Share of Asso/JV/investments	1.1	1.6	1.3	0.9	0.7	1.0	0.7	4.9	6.0		
PBT (before EO Inc.)	**4.1**	**(4.6)**	**2.9**	**16.9**	**7.9**	**8.9**	**4.8**	**19.3**	**36.4**		
EO Income(exp)	(3.1)	16.4	0.3	(0.3)	1.7	(3.4)	-	13.2	(1.6)		
PBT (after EO Inc.)	**1.0**	**11.7**	**3.2**	**16.6**	**9.7**	**5.6**	**4.8**	**32.5**	**34.7**		
Total Tax	0.2	2.8	1.8	4.1	2.2	1.4	1.1	8.8	8.4		
% Tax	16.6	23.5	56.1	24.5	23.1	24.7	22.0	27.1	24.2		
Reported PAT	**0.8**	**9.0**	**1.4**	**12.5**	**7.4**	**4.2**	**3.7**	**23.7**	**26.3**		
Adjusted PAT	**3.2**	**(3.8)**	**1.1**	**12.8**	**5.7**	**6.7**	**3.7**	**13.4**	**27.1**	**4.5**	**(17.3)**
Change (YoY %)	52.9	(219.3)	(69.1)	609.1	75.7	(277.1)	229.9	24.3	102.5		
Change (QoQ %)	80.0	(216.9)	(129.9)	1,029.5	(55.4)	17.8	(44.4)				

RESULTS FLASH

31 January 2026

Results Flash | Sector: Healthcare

Glenmark Pharmaceuticals

BSE SENSEX	S&P CNX
82,270	25,321

Conference Call Details

Date: 2 February 2026

Time: **8**:30 am IST

Dial-in details:

Diamond Pass Link

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	133.9	153.7	169.6
EBITDA	14.8	34.5	38.3
Adjusted PAT	5.7	22.0	24.9
EBIT Margin (%)	6.9	18.8	19.1
Cons. Adj EPS (INR)	20.2	78.1	88.1
EPS Growth (%)	-57.7	286.7	12.8
BV/Share (INR)	330.2	404.1	487.9
Ratios			
Net D-E	0.0	-0.1	-0.2
RoE (%)	6.3	21.3	19.8
RoCE (%)	8.4	21.0	20.4
Payout (%)	6.2	5.4	4.8
Valuations			
P/E (x)	102.3	26.5	23.4
EV/EBITDA (x)	35.5	14.9	12.9
Div. Yield (%)	0.1	0.2	0.2
FCF Yield (%)	3.1	3.0	4.2
EV/Sales (x)	3.9	3.3	2.9

CMP: INR2,017

A broad-based growth strategy leads to a recovery

- GNP's sales grew 15.1% YoY to INR39.0b (our est. INR37.7b).
- Domestic formulation sales grew 22.1% YoY to INR13.0b (28% of revenue). NA sales grew 24.2% YoY to INR9.7b (24% of revenue). Emerging Markets sales rose 8.4% YoY to INR8.1b (23% of revenue). Europe sales grew 9.1% YoY to INR8.0b Mn (21% of revenue).
- Gross margin contracted 120bp YoY to 66.8%.
- EBITDA margin expanded 460bp YoY to 22.3% (our est. 22.5%), due to lower operating expense (employee expense down 170bp YoY). EBITDA increased 44.9% YoY to INR8.7b (our est. INR8.5b)
- GNP had exceptional items amounting to INR1.8b for the quarter. Adjusting for the same, PAT stood at INR5.4b up 55.9% YoY (our est. INR5.3b).
- For 9MFY26, revenue/EBITDA/PAT declined 5%/68%/102% YoY, mainly due to the impact of weak operational performance in 2QFY26.

Other key highlights

- In 3QFY26, GCC (Consumer Care) recorded primary sales growth of 21.5% YoY, driven by CANDID, SCALPE, and BONTRESS portfolio, among others.
- During the quarter, GNP announced the launch of NEBZMART GFB Smartules and Glenmark AIRZ FB Smartules, the world's first nebulized fixed-dose triple therapy for the treatment of Chronic Obstructive Pulmonary Disease (COPD).
- Four products were launched in North America: 8.4% Sodium Bicarbonate Injection USP, Ropivacaine Hydrochloride Injection USP, Epinephrine Injection USP (30 mL vials), and Leucovorin Calcium for Injection USP (350 mg). A total of 53 applications are pending with the USFDA across various stages of approval, including 25 Paragraph IV filings.
- Marketing Authorization approval was received for WINLEVI® in the EU, with plans to commence commercial launch across licensed EU territories by 1QFY27.

Quarterly performance

Y/E March	FY25				FY26E				FY25	FY26E	Estimate	
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	% Var
Net Revenues (Core)	**32,442**	**34,338**	**33,876**	**32,562**	**32,644**	**23,769**	**39,006**	**38,522**	**1,33,217**	**1,33,941**	**37,704**	**3.5**
YoY Change (%)	6.9	7.1	35.1	6.3	0.6	-30.8	15.1	18.3	12.8	0.5	11.3	
EBITDA	**6,102**	**6,019**	**6,002**	**5,610**	**5,805**	**-8,704**	**8,697**	**9,053**	**23,734**	**14,851**	**8,483**	**2.5**
YoY Change (%)	39.5	19.1	-515.5	11.2	-4.9	-244.6	44.9	61.4	82.2	-37.4	41.3	
Margins (%)	18.8	17.5	17.7	17.2	17.8	-36.6	22.3	23.5	17.8	11.1	22.5	
Depreciation	1,178	1,203	1,227	1,252	1,299	1,412	1,544	1,371	4,860	5,627	1,328	
EBIT	**4,924**	**4,816**	**4,775**	**4,358**	**4,506**	**-10,116**	**7,153**	**7,682**	**18,874**	**9,224**	**7,156**	
YoY Change (%)	66.7	32.4	-263.8	23.5	-8.5	-310.0	49.8	76.3	161.9	-51.1	49.9	
Margins (%)	15.2	14.0	14.1	13.4	13.8	-42.6	18.3	19.9	14.2	6.9	19.0	
Interest	396	485	523	667	582	665	414	-110	2,071	1,551	250	
Other Income	315	324	311	117	264	2,006	445	140	1,067	2,855	135	
PBT before EO Exp.	**4,843**	**4,656**	**4,563**	**3,808**	**4,188**	**-8,775**	**7,183**	**7,932**	**17,870**	**10,528**	**7,041**	**2.0**
One-off loss/(gain)	220	-70	0	3,728	3,232	-18,449	1,843	0	3,878	-13,373	0	
PBT after EO Exp.	**4,623**	**4,726**	**4,563**	**80**	**956**	**9,674**	**5,340**	**7,932**	**13,992**	**23,901**	**7,041**	**-24.2**
Tax	1,221	1,181	1,083	36	486	3,570	1,308	2,023	3,521	7,386	1,760	
Rate (%)	26.4	25.0	23.7	45.0	50.9	36.9	24.5	25.5	25.2	30.9	25.0	
Reported PAT	**3,402**	**3,545**	**3,480**	**44**	**470**	**6,104**	**4,032**	**5,909**	**10,471**	**16,515**	**5,281**	**-23.6**
Minority Interest	0	3	1	-3	1	1	0	-2	0	0	0	
Reported PAT after Minority Int.	**3,403**	**3,542**	**3,480**	**47**	**469**	**6,104**	**4,032**	**5,911**	**10,471**	**16,515**	**5,281**	
Adj PAT	**3,565**	**3,490**	**3,480**	**2,932**	**3,140**	**-8,776**	**5,424**	**5,911**	**13,466**	**5,699**	**5,281**	**2.7**
YoY Change (%)	220.9	149.8	-199.8	74.6	-11.9	NA	55.9	101.6	1,821.0	-57.7	51.8	
Margins (%)	11.0	10.2	10.3	9.0	9.6	-36.9	13.9	15.3	10.1	4.3	14.0	
Overall Adj. PAT	**3,565**	**3,490**	**3,480**	**2932**	**3,140**	**(8,776)**	**5,424**	**5,911**	**13,466**	**5,699**	**5,281**	**2.7**

RESULTS FLASH

30 January 2026

3QFY26 Results Flash | Sector: Financials

LIC Housing Finance

BSE SENSEX	S&P CNX
82,270	25,321

Conference Call Details

Date: 2nd February, 2026

Time: 11:30 AM IST

Dial-in details:

+91 22 6280 1145/

+91 22 7115 8046

Link for call

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	81.8	88.4	96.1
PPP	74.3	79.5	85.7
PAT	54.1	56.2	60.6
EPS (INR)	98.3	102.1	110.1
EPS Gr. (%)	-0.3	3.9	7.8
BV/Sh (INR)	736	817	905
Ratios			
NIM (%)	2.6	2.7	2.7
C/I ratio (%)	14.8	15.1	15.2
RoAA (%)	1.7	1.6	1.6
RoE (%)	14.1	13.1	12.8
Payout (%)	10.8	10.4	10.5
Valuations			
P/E (x)	5.3	5.2	4.8
P/BV (x)	0.7	0.6	0.6
Div. Yield (%)	2.0	2.0	2.2

CMP: INR526 **Neutral**

Earnings inline; disbursements and loan growth remain sluggish

NIMs rose ~7bp QoQ; Minor improvement in asset quality

- LICHF's 3QFY26 PAT declined ~3% YoY to ~INR13.8b (inline). NII in 3QFY26 grew ~5% YoY to ~INR21b (inline). Fee and other income grew 35% YoY to INR1.4b.
- Opex declined ~2% YoY to INR3.5b (~5% higher than MOSLe) and cost-income ratio rose ~160bp YoY to ~15.5% (PY: ~17% and PQ: ~14%). The company stated that there is no material impact of the new Labour codes on employee expenses. PPoP grew ~8% YoY to ~INR19b (inline).
- Credit costs declined QoQ to ~INR1.5b (~11% higher than MOSLe) and translated into annualized credit costs of 20bp (PY: -6bp and PQ: 22bp).

Sluggish loan growth amid weak disbursements and high repayments

- Loan disbursements in individual home loans (IHL) grew ~7% YoY while non-housing individual disbursements rose 10% YoY. The non-housing commercial disbursements declined ~23% YoY. Builder/ project loan disbursements declined ~41% YoY. Total disbursements grew ~4% YoY and declined 1% QoQ to ~INR161b.
- Loan growth was sluggish driven by weak disbursements and higher repayments. Overall loan-book grew ~5% YoY and ~1% QoQ to INR3.14t. Home loans grew ~4% YoY and non-housing individual book grew ~12% YoY.

Margins improve sequentially driven by lower CoB

- NIM in 3QFY26 improved ~7bp QoQ to ~2.7%.
- Reported yields for 9MFY26 declined ~7bp QoQ and stood at ~9.3% while CoB for 9MFY26 declined ~15bp QoQ to ~7.3%. This resulted in spreads improving ~7bp QoQ to ~2.1%.

Minor improvement in asset quality; Stage 2 PCR declined

- GS3/NS3 declined ~5bp each QoQ to ~2.5%/1.1% respectively.
- Stage 3 PCR improved ~140bp QoQ to ~54.5% (PQ: ~53%) and Stage 2 PCR declined ~70bp QoQ to ~3.2% (PQ: 3.9%)

Valuation and view

- LICHF reported an operationally subdued quarter, marked by continued weakness in loan growth and disbursements. Asset quality saw marginal sequential improvement, reflected in a decline in GS3 and GS2 levels. Margins inched up, largely driven by a sharper reduction in the CoF compared to the moderation in yields.
- Key monitorables include management's commentary on mortgage demand trends, the intensity of competition from banks, and guidance on loan growth. Additionally, outlook on NIMs in a declining interest rate environment and credit cost guidance for FY27 will remain critical. We will review our estimates after the earnings call on 2nd February'26.

Quarterly Performance

(INR M)

Y/E March	FY25				FY26				FY25	FY26	3QFY26E	Act. v/s est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	67,391	68,534	69,516	71,173	71,131	70,335	70,439	71,500	2,76,615	2,83,404	70,617	0
Interest Expenses	47,501	48,796	49,515	49,508	50,473	49,951	49,421	51,732	1,95,320	2,01,577	50,251	-2
Net Interest Income	**19,891**	**19,739**	**20,001**	**21,664**	**20,658**	**20,385**	**21,017**	**19,768**	**81,295**	**81,827**	**20,366**	3
YoY Growth (%)	-10.0	-6.3	-4.6	-3.2	3.9	3.3	5.1	-8.8	-6.0	0.7	1.8	
Fees and other income	446	784	1,057	1,661	1,201	1,362	1,431	1,398	3,948	5,392	1,480	-3
Net Income	**20,337**	**20,522**	**21,059**	**23,326**	**21,859**	**21,747**	**22,449**	**21,165**	**85,243**	**87,219**	**21,847**	3
YoY Growth (%)	-9.7	-4.9	-1.9	2.0	7.5	6.0	6.6	-9.3	-3.6	2.3	3.7	
Operating Expenses	2,621	3,105	3,564	4,536	2,938	3,018	3,488	3,502	13,826	12,946	3,315	5
Operating Profit	**17,715**	**17,417**	**17,495**	**18,790**	**18,920**	**18,729**	**18,961**	**17,663**	**71,416**	**74,273**	**18,532**	2
YoY Growth (%)	-11.9	-8.3	-7.2	-1.3	6.8	7.5	8.4	-6.0	-7.2	4.0	5.9	
Provisions and Cont.	1,431	773	-440	1,094	1,929	1,682	1,536	616	2,858	5,762	1,379	11
Profit before Tax	**16,285**	**16,644**	**17,934**	**17,696**	**16,992**	**17,047**	**17,425**	**17,047**	**68,558**	**68,511**	**17,153**	2
Tax Provisions	3,282	3,355	3,615	4,016	3,392	3,508	3,586	3,901	14,268	14,387	3,551	1
Net Profit	**13,002**	**13,289**	**14,320**	**13,680**	**13,599**	**13,539**	**13,840**	**13,146**	**54,290**	**54,124**	**13,602**	2
YoY Growth (%)	-2	12	23	25	5	2	-3	-4	14	0	-5	
Key Operating Parameters (%)												
Yield on loans (Cal)	9.37	9.40	9.37	9.38	9.22	9.06	9.00		9.5	9.1		
Cost of funds (Cal)	7.50	7.64	7.62	7.43	7.46	7.35	7.26		7.5	7.3		
Spreads (Cal)	1.87	1.76	1.75	1.95	1.76	1.70	1.74		2.0	1.8		
Margins (Cal)	2.76	2.71	2.69	2.86	2.68	2.62	2.69		2.7	2.6		
Credit Cost (Cal)	0.20	0.11	-0.06	0.14	0.25	0.22	0.20		0.1	0.2		
Cost to Income Ratio	12.9	15.1	16.9	19.4	13.4	13.9	15.5		16.2	14.8		
Tax Rate	20.2	20.2	20.2	22.7	20.0	20.6	20.6		20.8	21.0		
Balance Sheet Parameters												
Loans (INR B)	2,887	2,946	2,991	3,077	3,096	3,118	3,143		3028	3201		
Change YoY (%)	4.4	6.0	6.4	7.3	7.2	5.8	5.1		7.9	5.7		
Indiv. Disb. (INR B)	124	151	145	183	130	159	155		602	639		
Change YoY (%)	16.9	6.0	-2.1	9.3	4.6	5.7	7.0		6.9	6.0		
Borrowings (INR B)	2,537	2,574	2,626	2,706	2,709	2,725	2,721		2706	2843		
Change YoY (%)	5.1	5.7	7.1	7.0	6.8	5.8	3.6		7.2	5.1		
Loans/Borrowings (%)	113.8	114.4	113.9	113.7	114.3	114.4	115.5		111.9	112.6		
Asset Quality Parameters												
GS 3 (INR B)	95.3	90.1	82.3	76.0	81.1	78.3			76.0	71.5		
Gross Stage 3 (% on Assets)	3.30	3.06	2.75	2.47	2.62	2.51			2.5	2.2		
NS 3 (INR B)	48.0	45.7	43.2	37.1	39.9	36.7			37.1	35.0		
Net Stage 3 (% on Assets)	1.69	1.58	1.47	1.22	1.31	1.20			1.2	1.1		
PCR (%)	49.6	49.3	47.5	51.2	50.8	53.1			51.2	51.0		
ECL (%)	1.96	1.85	1.66	1.59	1.63	1.63						
Loan Mix (%)												
Home loans	85.3	85.2	85.1	85.0	84.8	84.7						
LAP	12.7	12.9	13.2	13.3	13.6	13.7						
Non Individual loans	2.0	1.9	1.7	1.7	1.6	1.6						
Borrowing Mix (%)												
Banks	34.0	34.0	33.0	32.0	31.0	35.0						
NCD	54.0	54.0	54.0	55.0	55.0	53.0						
Sub Debt	1.0	1.0	1.0	1.0	0.0	0.0						
Deposits	3.0	3.0	3.0	3.0	4.0	4.0						
NHB	4.0	4.0	5.0	4.0	5.0	4.0						
CP	4.0	4.0	4.0	5.0	5.0	4.0						

E: MOFSL Estimates

CDSL

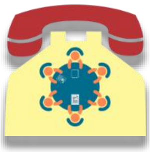
BSE SENSEX	S&P CNX
82,270	25,321

CMP: INR1,320 — Neutral

Revenue in line; higher other expenses lead to EBITDA miss

- CDSL's operating revenue rose 9% YoY but declined 5% QoQ to INR3b (in line). For 9MFY26, revenue grew 3% YoY to INR8.8b.
- EBITDA remained flat YoY but declined 9% QoQ to INR1.6b, resulting in EBITDA margin of 52.9% (vs. 57.8% in 3QFY25 and 55.7% in 2QFY26). For 9MFY26, EBITDA declined 9% YoY to INR4.7b.
- Operating expenses grew 22% YoY/ flat QoQ to INR1.4b, driven by a 25%/21% YoY increase in employee costs/other expenses.
- Other income increased 46% YoY and 30% QoQ to INR292m.
- Tax provisions were 23% lower than estimates at INR390m, leading to a lower tax rate of 22.5% in 3QFY26 vs 23% in 3QFY25 and 23.2% in 2QFY26.
- PAT for the quarter grew 2% YoY but declined 5% QoQ to ~INR1.3b (in line due to lower-than-expected tax provisions). PAT margins came in at 43.7% vs 46.7% in 3QFY25 and 43.9% in 2QFY26. For 9MFY26, PAT declined 12% YoY to INR3.8b.

Conference Call Details



Date: 2nd February, 2026
Time: 4.00PM IST
Dial-in details:
Link for the call

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Revenue	12.0	13.8	15.9
EBITDA	6.4	7.5	8.8
EBITDA Margin (%)	53.6	54.4	55.3
PAT	5.3	6.1	7.2
PAT Margin (%)	43.8	44.4	45.2
EPS	25.2	29.4	34.4
EPS Grw. (%)	0.5	16.6	17.2
BVPS	96.9	110.3	128.7
RoE (%)	27.8	28.4	28.8
Div. Payout (%)	49.6	54.5	46.5
Valuations			
P/E (x)	52.4	44.9	38.4
P/BV (x)	13.6	12.0	10.3
Div. Yield (%)	0.9	1.2	1.2

Valuation and view

- Continued investments in human resources and technology for future growth could restrict gains from operating leverage.
- We estimate a CAGR of 14%/12%/11% in revenue/EBIDTA/PAT for CDSL over FY25-28. We reiterate our Neutral rating on CDSL with a one-year TP of INR1,550 (based on a P/E multiple of 45x FY28E).

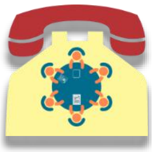
Quarterly Performance (INR m)

Y/E March	FY25				FY26			FY25	FY26E	3Q FY26E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q						
Revenue from Operations	2,574	3,223	2,781	2,244	2,588	3,189	3,044	10,822	12,036	3,133	-2.9	9%	-5%
Change YoY (%)	72.0	55.4	29.7	-6.8	0.6	-1.0	9.4	33.2	11.2	12.7			
Employee expenses	267	314	323	315	390	414	403	1,219	1,658	422	-4.5	25%	-3%
Other Expenses	762	910	852	836	894	999	1,030	3,360	3,923	1,004	2.6	21%	3%
Total Operating Expenses	1,029	1,225	1,175	1,151	1,284	1,413	1,433	4,580	5,581	1,427	0.5	22%	1%
Change YoY (%)	49	57	41	24	25	15	22	42	22	21			
EBITDA	**1,544**	**1,998**	**1,606**	**1,094**	**1,305**	**1,776**	**1,610**	**6,242**	**6,455**	**1,706**	**-5.6**	0%	-9%
Other Income	295	362	200	313	364	225	292	1,171	1,216	315	-7.1	46%	30%
Depreciation	98	119	130	143	152	161	171	490	642	164	4.0	32%	6%
PBT	**1,741**	**2,241**	**1,676**	**1,264**	**1,516**	**1,840**	**1,732**	**6,923**	**7,030**	**1,857**	-6.7	3%	-6%
Change YoY (%)	76	54	15	-24	-13	-18	3	24	2	11			
Tax Provisions	405	627	386	268	488	427	390	1,686	1,754	508	**-23.3**	1%	-9%
P&L from associate	5	6	7	8	-4	-13	-12	26	-29	0			
Net Profit	**1,342**	**1,620**	**1,298**	**1,004**	**1,025**	**1,400**	**1,329**	**5,264**	**5,247**	**1,349**	**-1.5**	2%	-5%
Change YoY (%)	82	49	21	-22	-24	-14	2	25	0	4			
Key Operating Parameters (%)													
Cost to Operating Income Ratio	40.0	38.0	42.2	51.3	49.6	44.3	47.1	42.3	46.4	45.5	156 bps	485bps	279bps
EBITDA Margin	60.0	62.0	57.8	48.7	50.4	55.7	52.9	57.7	53.6	54.5	-156 bps	-485bps	-279bps
PBT Margin	67.7	69.5	60.3	56.3	58.6	57.7	56.9	64.0	58.4	59.3	-237 bps	-338bps	-80bps
Tax Rate	23.2	28.0	23.0	21.2	32.2	23.2	22.5	24.3	25.0	27.4	-487 bps	-50bps	-71bps
PAT Margin	52.1	50.3	46.7	44.8	39.6	43.9	43.7	48.6	43.6	43.0	61 bps	-301bps	-23bps

Exide

BSE SENSEX	S&P CNX
82,270	25,321

Conference Call Details



Date: 3 February 2026
Time: 2.30pm IST
Dial-in details:[Diamond pass link]
+91 22 6280 1245/
+91 22 7115 8146

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Net Sales	176.7	193.2	207.8
EBITDA	20.0	23.0	25.3
Adj. PAT	11.4	13.3	14.6
Adj. EPS (INR)	13.4	15.6	17.2
EPS Gr. (%)	6.2	16.0	10.0
BV/Sh. (INR)	180.8	193.4	207.3
Ratio			
RoE (%)	7.4	8.1	8.3
RoCE (%)	7.7	8.3	8.6
Payout (%)	18.6	19.2	18.9
Valuations			
P/E (x)	23.9	20.6	18.7
P/BV (x)	1.8	1.7	1.6
Div Yield (%)	0.8	0.9	1.0
FCF Yield (%)	3.3	4.2	5.0

CMP: INR322

PAT below estimate in 3Q due to export headwinds

- Exide's 3QFY26 revenues missed our estimates, having grown 4.7% YoY to INR40.3b (vs. estimated INR 44.3b). Overall, domestic business (ex-telecom) grew 10% YoY, led by the GST rate cut boost. However, exports dipped due to significant headwinds related to tariff-related issues.
- The auto OEM business grew more than 25% YoY, leading to higher market share across multiple segments. 2W/4W replacement business depicted double-digit growth on a YoY basis.
- Industrial Infra business (ex-telecom) also grew in double digits as order inflow and order execution picked up in sectors such as railways and traction, et al. Inverters and Solar businesses are back on the growth path after a monsoon-led slowdown. Their outlook remains positive ahead of the peak season.
- EBITDA margin came in at 11.7%, largely in line with our estimate of 11.5%. Despite commodity inflation, Exide was able to maintain margins YoY due to improved product mix and realization.
- Given a lower-than-expected revenue growth, EBITDA missed our estimates, growing 4.7% YoY to INR4.7b.
- The company incurred a one-time exceptional expense of INR90.4m due to changes in the labor code.
- Adjusting for this expense, PAT came in at INR2.6b, up 7.9% YoY (below our estimate of INR2.8b).
- Exide's lithium-ion battery manufacturing plant is witnessing steady progress. So far in this quarter, they have invested INR3.2b and a further INR500m in Jan'26 towards this plant. The total investment made to date stands at INR42.5b. Product validation is ongoing, with efforts to enter into collaboration with OEMs already underway.
- **Valuation view**: The stock currently trades at 23.9x/20.6x FY26E/FY27E EPS.

S/A Quarterly Performance **(INR M)**

Y/E March	FY25				FY26E				FY25	FY26E	FY26	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q	Var (%)
Net Sales	**43,128**	**42,673**	**38,486**	**41,594**	**45,098**	**41,783**	**40,297**	**49,546**	**165,881**	**176,724**	**44,259**	**-9.0**
Growth YoY (%)	5.9	3.9	0.2	3.7	4.6	-2.1	4.7	19.1	3.5	6.5	15.0	
RM cost (%)	69.3	68.5	68.0	68.8	69.2	70.2	68.4	70.8	68.7	69.7	70.0	
Employee cost (%)	6.1	6.3	6.8	6.3	3.4	0.3	0.7	11.7	6.4	6.2	1.4	
Other Exp(%)	13.1	13.9	13.5	13.7	12.6	14.0	13.4	11.4	13.6	12.8	12.5	
EBITDA	**4,943**	**4,836**	**4,486**	**4,667**	**5,482**	**3,947**	**4,696**	**5,910**	**18,931**	**20,035**	**5,090**	**-7.7**
EBITDA Margin(%)	11.5	11.3	11.7	11.2	12.2	9.4	11.7	11.9	11.4	11.3	11.5	
Change (%)	14.4	0.1	2.0	-9.6	10.9	-18.4	4.7	26.6	1.2	6.6	13	
Non-Operating Income	142	528	132	161	182	424	183	131	962	919	144	
Interest	87	103	120	130	91	89	85	108	439	373	95	
Depreciation	1,257	1,270	1,244	1,268	1,276	1,306	1,270	1,384	5,039	5,236	1,320	
PBT before EO Exp	**3,741**	**3,991**	**3,253**	**3,430**	**4,297**	**2,976**	**3,524**	**4,548**	**14,415**		**3,819**	-45.9
EO Exp/(Inc)	0	0	0	0	0	0	90	0	0			
PBT after EO Exp	**3,741**	**3,991**	**3,253**	**3,430**	**4,297**	**2,976**	**3,434**	**4,548**	**14,415**	**15,255**	**3,819**	**-10.1**
Tax	945	1,014	803	884	1,093	768	857	1,172			974	
Effective Tax Rate (%)	25.3	25.4	24.7	25.8	25.4	25.8	25.0	25.8	0.0	25.5	25.5	
Adj. PAT	**2,796**	**2,978**	**2,450**	**2,546**	**3,205**	**2,207**	**2,644**	**3,376**	**10,769**	**11,432**	**2,845**	**-7.1**
Change (%)	15.6	3.8	2.0	-10.3	14.6	-25.9	7.9	32.6	2.3	6.2	16.1	

RESULTS FLASH

Brigade Enterprises

BSE SENSEX	S&P CNX
82,270	25,321

Conference Call Details

Date: 2 Feb 2026
Time: 14:30 IST
Dial-in details:
+91-22 6280 1209 /
+91-22 7115 8110

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	59.9	90.5	94.4
EBITDA	14.8	22.3	22.9
EBITDA (%)	24.7	24.6	24.2
PAT	7.3	13.2	13.8
EPS (INR)	29.7	54.1	56.3
EPS Gr. (%)	5.8	82.0	4.2
BV/Sh. (INR)	258.4	310.5	364.8
Ratios			
RoE (%)	12.1	19.0	16.7
RoCE (%)	9.3	13.5	12.7
Payout (%)	6.7	3.7	3.6
Valuations			
P/E (x)	25	14	13
P/BV (x)	2.9	2.4	2.1
EV/EBITDA (x)	13.4	8.5	7.7
Div yld (%)	0.3	0.3	0.3

CMP: INR752 — Buy

Lack of material launches weakens presales

12msf of residential launch pipeline provides near-term growth visibility

Operating performance

- In 3QFY26, BRGD's presales declined 30% YoY/14% QoQ to INR17.5b (31% below our estimates). Volumes stood at 1.3msf, down 39% YoY/30% QoQ and 44% below our estimate. In 9MFY26, presales were down 9% YoY at INR49b, while volumes were down 17% YoY at 4.2msf.
- Consolidated collections fell 1% YoY/12% QoQ to INR17.6b (31% below estimates).
- BRGD launched one residential project with TDA of 1.19msf in 3Q in Hyderabad. Overall, in 9MFY26, it launched four residential projects and one plotted project with TDA of 4.3msf across Bengaluru, Hyderabad and Chennai.
- BRGD plans to launch ~12.45msf in the next four quarters across Bangalore, Chennai, Hyderabad, and Mysuru.
- In 9MFY26, Brigade Group acquired two projects in Chennai with GDV of INR26b – 1) a prime land parcel on Velachery Road for premium residential development with total potential of 0.8msf resulting in GDV of INR16b; BRGD acquired this land at a cost of INR4.4b; 2) JDA in west Chennai for 6.6-acre land with GDV of INR10b.
- Gross debt was INR45.0b, while net debt was INR18.9b. Its net debt-to-equity stood at 0.23x by 3Q end (vs 0.22x in 2QFY26); the cost of debt declined to 7.61%.
- **Leasing:** Leasing revenue grew 19% YoY to INR3.3b and EBITDA rose 60% YoY to INR1.9b with margin of 56%. In 9MFY26, leasing revenue grew 17% YoY to INR9.7b and EBITDA stood at INR5.5b with margin of 56%.
- Portfolio occupancy stood at 93% with an overall leasing of 8.61msf out of 9.29msf.
- 4.21msf of area is to be launched in the next four quarters.
- **Hospitality:** BHVL reported revenue growth of 12% YoY to of INR1.7b, while EBITDA stood at INR580m, up 10% YoY.
- BHVL currently has 1,604 keys. Nine hotels with total 1,700 keys are under the planning stage, of which six hotels with 940 keys are in agreement with Marriott International.

Financial performance

- In 3Q, revenue increased 8% YoY/14% QoQ to INR15.8b (30% above our estimate). In 9MFY26, revenue rose 17% YoY to INR42.4b.
- EBITDA stood at INR4.1b, -1% YoY/+25% QoQ (7% below estimates due to lower than estimated margins). EBITDA margin came in at 26.1%. In 9MFY26, EBITDA increased 6% YoY to INR10.6b with margins at 25.1%.
- Adj. PAT was at INR1.9b, -21% YoY/+15% QoQ (24% below estimate), clocking a margin of 11.8%. In 9MFY26, PAT grew 14% YoY to INR4.9b with margins at 11.8%.

Quarterly performance

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3Q	
Gross Sales	**10,777**	**10,722**	**14,639**	**14,604**	**12,811**	**13,834**	**15,751**	**17,539**	**50,742**	**59,935**	**12,081**	**30%**
YoY Change (%)	64.8	-21.5	24.7	-14.2	18.9	29.0	7.6	20.1	3.6	18.1	-17.5	
Total Expenditure	7,851	7,802	10,502	10,444	9,575	10,553	11,642	13,345	36,600	45,115	7,664	
EBITDA	**2,926**	**2,919**	**4,137**	**4,160**	**3,237**	**3,281**	**4,109**	**4,194**	**14,142**	**14,820**	**4,418**	**-7%**
Margins (%)	27.1	27.2	28.3	28.5	25.3	23.7	26.1	23.9	27.9	24.7	36.6	*-1048bps*
Depreciation	679	689	763	756	756	765	801	843	2,888	3,165	760	
Interest	1,519	1,226	1,143	1,066	1,056	1,023	899	1,142	4,955	4,120	1,154	
Other Income	357	660	657	719	517	465	481	691	2,393	2,154	603	
PBT before EO expense	**1,084**	**1,664**	**2,888**	**3,057**	**1,941**	**1,958**	**2,890**	**2,900**	**8,693**	**9,690**	**3,107**	**-7%**
Extra-Ord expense	0	0	0	0	0	0	191	0	0	191	0	
PBT	**1,084**	**1,664**	**2,888**	**3,057**	**1,941**	**1,958**	**2,699**	**2,900**	**8,693**	**9,499**	**3,107**	**-13%**
Tax	279	513	533	563	359	253	638	1,142	1,888	2,391	675	
Rate (%)	25.7	30.8	18.5	18.4	18.5	12.9	23.6	39.4	21.6	18.0	21.7	
MI & Profit/Loss of Asso. Cos.	-32	-39	-7	25	84	80	196	-510	-53	-150	-36	
Reported PAT	**837**	**1,190**	**2,362**	**2,468**	**1,499**	**1,625**	**1,865**	**2,269**	**6,858**	**7,258**	**2,468**	**-24%**
Adj PAT	**837**	**1,190**	**2,362**	**2,468**	**1,499**	**1,625**	**1,865**	**2,269**	**6,858**	**7,258**	**2,468**	**-24%**
YoY Change (%)	117.3	-10.9	221.5	19.8	79.0	36.6	-21.0	-8.1	51.9	5.8	4.5	
Margins (%)	7.8	11.1	16.1	16.9	11.7	11.7	11.8	12.9	13.5	12.1	20.4	

E: MOFSL Estimates

Operational Performance												
Pre Sales (msf)	1.2	1.7	2.2	2.0	1.0	1.9	1.3	2.0	7.0	6.1	2.4	-44%
Booking Value (INRb)	10.9	18.2	24.9	24.5	11.2	20.3	17.5	24.1	78.5	73.2	25	-31%
Avg rate/sf (INR)	9,442	10,838	11,364	12,083	11,768	10,705	13,158	12,305	11132	11912	10705	23%
Collections (INRb)	16.1	19.4	17.8	19.3	17.3	20.0	17.6	23.7	72.5	78.6	25	-31%

Source: MOFSL, Company **Note: We will revisit our estimates after the concall**

R R Kabel

BSE SENSEX	S&P CNX
82,270	25,321

Conference Call Details

Date: 2nd February 2026
Time: 13:00 IST
Dial-in details:
+ 91 22 6280 1550
+ 91 22 7115 8378
Link for the call

Consol. Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	89.8	103.0	118.5
EBITDA	7.1	8.7	10.6
PAT	4.5	5.2	6.3
EBITDA Margin (%)	7.9	8.4	8.9
Adj. EPS (INR)	39.9	46.2	56.1
EPS Gr. (%)	44.8	15.7	21.5
BV/Sh. (INR)	223.3	262.5	310.6
Ratios			
Net D:E	0.1	0.1	0.1
RoE (%)	19.3	19.0	19.6
RoCE (%)	17.9	17.4	18.0
Payout (%)	17.5	15.2	14.2
Valuations			
P/E (x)	37.9	32.7	26.9
P/BV (x)	6.8	5.8	4.9
EV/EBITDA(x)	24.6	20.1	16.4
Div. Yield (%)	0.5	0.5	0.5
FCF Yield (%)	(2.0)	0.9	1.6

CMP: INR1,373 **Neutral**

Earnings above estimate; OPM expands 1.8pp YoY to ~8%

- RRKABEL's 3QFY26 earnings were above our estimate. Consolidated revenue grew ~42% YoY to INR25.4b (~14% above estimates). EBITDA increased ~85% YoY to INR2.0b (~15% above estimates). OPM expanded 1.8pp YoY to ~8% (in line). Adj PAT increased ~93% YoY to INR1.3b (18% above our estimate).
- Revenue contribution from the domestic market was ~74% in 3QFY26 vs. 73% in 3QFY25/2QFY26 (each). Net working capital days stood at 56 days as of Dec'25 vs. 57 days as of Sep'25.
- **We have a Neutral rating on the stock.** However, we will review our assumptions following the conference call on 2nd Feb'26.

Revenue up 42% YoY; C&W margins up 1.7pp YoY

- Consol. revenue/EBITDA/Adj PAT stood at INR25.4b/INR2.0b/INR1.3b (up 42%/85%/93% YoY and +14/+15%/+18% vs estimates). Gross margin declined 35bp YoY to ~18%. Employee cost increased 9% YoY (stood at 3.9% of revenue vs. 5.1% in 3QFY25). Other expenses increased 21% YoY (stood at 6.0% of revenue vs. 7.0% in 3QFY25). Depreciation/interest cost increased ~34%/17% YoY, whereas other income increased ~6% YoY.
- Segmental highlights: a) Cables and Wires: Revenue increased ~49% YoY to INR22.9b, and EBIT increased ~85% YoY to INR2.0b. EBIT margin expanded 1.7pp YoY to ~9%. b) FMEG business: Revenue increased marginally by ~2% YoY at INR2.4b. The company reported a segment loss of INR49m vs. INR44m/INR117m in 3QFY25/2QFY26.
- In 9MFY26, Revenue/EBITDA/PAT stood at INR67.6b/INR5.2b/INR3.4b, which was +25%/+79%/+85% YoY. OPM expanded 2.3pp YoY to ~8%.

Highlights from the management commentary

- The C&W segment reported revenue growth in both domestic and export markets, supported by higher commodity prices, improved operating leverage, and cost efficiencies.
- The FMEG segment reduced losses, driven by operational efficiencies and cost rationalization.

Valuation and view

- The company's performance was above our estimates, driven by higher revenue growth and improved margins in the C&W segment.
- **We have a Neutral rating on the stock.** However, we will review our assumptions following the conference call on 2nd Feb'25 (Concall Link).

Quarterly Performance (INR m)

Y/E March	FY25 1Q	FY25 2Q	FY25 3Q	FY25 4Q	FY26E 1Q	FY26E 2Q	FY26E 3Q	FY26E 4QE	FY25	FY26E	MOSL 3QE	Var. (%)
Sales	**18,081**	**18,101**	**17,822**	**22,178**	**20,586**	**21,638**	**25,359**	**22,217**	**76,182**	**89,799**	**22,329**	**14**
YoY Change (%)	13.2	12.5	9.1	26.4	13.9	19.5	42.3	0.2	15.5	17.9	**25.3**	
EBITDA	**949**	**858**	**1,105**	**1,944**	**1,421**	**1,758**	**2,043**	**1,861**	**4,856**	**7,082**	**1,784**	**15**
YoY Change (%)	(15.9)	(29.1)	(1.8)	68.6	49.6	104.9	84.8	3.0	5.2	45.8	**61.4**	
Adj EBITDA margin (%)	5.3	4.7	6.2	8.8	6.9	8.1	8.1	8.4	6.4	7.9	**8.0**	**7**
Depreciation	162	175	178	190	203	219	239	236	705	897	**229**	**4**
Interest	116	156	162	155	151	162	189	166	589	669	**175**	**8**
Other Income	185	72	134	119	124	169	142	102	511	537	**120**	**19**
PBT	**857**	**599**	**900**	**1,718**	**1,190**	**1,546**	**1,757**	**1,561**	**4,074**	**6,053**	**1,500**	**17**
Tax	218	101	219	441	303	386	405	455	978	1,550	**384**	
Effective Tax Rate (%)	25.4	16.9	24.3	25.6	25.4	25.0	23.1	29.2	24.0	25.6	**25.6**	
Extra-ordinary Items							190					
JV share	5	(2)	4	14	10	3	21	(24)	21	10	**8**	
Reported PAT	**644**	**495**	**686**	**1,291**	**898**	**1,163**	**1,182**	**1,081**	**3,116**	**4,514**	**1,124**	**5**
Change (%)	(13.4)	(33.2)	(3.4)	64.0	39.4	134.7	138.7	(0.8)	4.5	601.1	**127**	
Adj PAT	**644**	**495**	**686**	**1,291**	**898**	**1,163**	**1,324**	**1,081**	**3,116**	**4,514**	**1,124**	**18**
YoY Change (%)	(13.4)	(33.2)	(3.4)	64.0	39.4	134.7	93.1	(0.8)	4.5	601.1	**63.9**	
Margins (%)	3.6	2.7	3.8	5.8	4.4	5.4	5.2	4.9	4.1	5.0	**5.0**	

Segmental Performance (INR m)

Y/E March	FY25 1Q	FY25 2Q	FY25 3Q	FY25 4Q	FY26E 1Q	FY26E 2Q	FY26E 3Q	FY26E 4QE	FY25	FY26E	MOFSL 3QE	Var. (%)
Sales												
Cables & Wires	15,782	16,118	15,425	19,562	18,335	19,712	22,926	19,599	66,888	80,572	20,053	14.3
FMEG	2,300	1,984	2,396	2,616	2,251	1,926	2,432	2,618	9,296	9,228	2,276	6.9
EBIT												
Cables & Wires	1,130	818	1,075	1,941	1,391	1,804	1,988	1,829	4,965	7,012	1,765	12.6
FMEG	(207)	(117)	(44)	(91)	(71)	(117)	(49)	(159)	(459)	(397)	(114)	(56.7)
EBIT Margin (%)												
Cables & Wires	7.2	5.1	7.0	9.9	7.6	9.2	8.7	9.3	7.4	8.7	8.8	(13)
FMEG	(9.0)	(5.9)	(1.8)	(3.5)	(3.2)	(6.1)	(2.0)	(6.1)	(4.9)	(4.3)	(5.0)	297

Bluedart Express

BSE SENSEX	S&P CNX
82,270	25,321

CMP: INR5515 — Buy

Strong beat on earnings

3QFY26 earnings snapshot

- Revenue grew by ~7% YoY to INR16.1b (in line with our estimate).
- EBITDA margin came in at 11.8% (up 210bp YoY and 170bp QoQ) against our estimate of 10%. EBITDA grew by ~30% YoY to INR1.9b (16% above our estimate).
- Adjusted profit stood at INR1b vs. INR791m in 3QFY25 (16% above our estimate).
- In 9MFY26, revenue/EBITDA/APAT grew by 7%/19%/20%.

Financials & Valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	63.0	72.1	80.6
EBITDA	6.0	8.0	8.7
Adj. PAT	3.3	4.6	4.9
EBITDA Margin (%)	9.5	11.1	10.7
Adj. EPS (INR)	137.3	194.3	204.9
EPS Gr. (%)	33.2	41.5	5.4
BV/Sh. (INR)	796.4	965.7	1145.6
Ratios			
Net D:E	-0.1	-0.1	-0.2
RoE (%)	18.5	22.1	19.4
RoCE (%)	20.4	23.6	20.6
Payout (%)	18.2	12.9	12.2
Valuations			
P/E (x)	40.2	28.4	26.9
P/BV (x)	6.9	5.7	4.8
EV/EBITDA(x)	20.6	14.9	13.4
Div. Yield (%)	0.5	0.5	0.5
FCF Yield (%)	1.3	2.3	2.8

Quarterly snapshot - Standalone INR m

Y/E March (INR m)	FY25				FY26			FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q			3QE	vs Est
Net Sales	**13,427**	**14,485**	**15,117**	**14,173**	**14,419**	**15,493**	**16,162**	**57,202**	**63,014**	**16,326**	**(1)**
YoY Change (%)	8.5	9.4	9.3	7.1	7.4	7.0	6.9	8.6	10.2	8.0	
EBITDA	**1,094**	**1,219**	**1,462**	**1,181**	**1,002**	**1,572**	**1,901**	**4,956**	**5,959**	**1,633**	**16**
Margins (%)	8.1	8.4	9.7	8.3	6.9	10.1	11.8	8.7	9.5	10.0	
YoY Change (%)	-3.4	-6.6	8.9	-15.3	-8.5	29.0	30.0	-4.2	20.2	11.7	
Depreciation	523	519	522	529	505	594	710	2,092	2,132	550	
Interest	70	70	73	75	72	105	126	288	328	105	
Other Income	191	190	196	206	207	194	189	783	861	215	
PBT before EO expense	**693**	**819**	**1,064**	**782**	**632**	**1,066**	**1,253**	**3,359**	**4,360**	**1,193**	
Extra-Ord expense	0	0	0	0	0	0	442	0	0	0	
PBT	**693**	**819**	**1,064**	**782**	**632**	**1,066**	**810**	**3,359**	**4,360**	**1,193**	
Tax	178	212	273	250	163	271	110	912	1,102	301	
Rate (%)	25.7	25.9	25.6	32.0	25.7	25.4	13.6	27.2	25.3	25.2	
Reported PAT	**515**	**608**	**791**	**532**	**469**	**795**	**700**	**2,446**	**3,258**	**892**	
Adj PAT	**515**	**608**	**791**	**532**	**469**	**795**	**1,032**	**2,446**	**3,258**	**892**	**16**
YoY Change (%)	-13.8	-14.8	-3.0	-30.0	-8.9	30.8	30.5	-15.2	33.2	12.8	
Margins (%)	3.8	4.2	5.2	3.8	3.3	5.1	6.4	4.3	5.2	5.5	

Zen Technologies

BSE SENSEX	S&P CNX
82,270	25,321

Conference Call Details

Date: 2nd February 2026
Time: 4:00pm IST
Dial-in details:
Diamond pass

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	5.8	11.1	15.4
EBITDA	2.0	4.1	5.7
EBITDA Margin (%)	35.0	37.0	37.0
PAT	1.9	3.7	4.8
EPS (INR)	21.6	40.5	53.3
EPS Growth (%)	-26.0	87.6	31.8
BV/Share (INR)	208.6	249.1	302.4
Ratios			
Net D/E	-0.7	-0.6	-0.6
RoE (%)	10.9	17.7	19.3
RoCE (%)	10.8	17.7	19.3
Valuations			
P/E (x)	65.6	35.0	26.5
P/BV (x)	6.8	5.7	4.7
EV/EBITDA (x)	57.3	28.3	20.0

CMP: INR1,415 — Neutral

Miss on revenue, profitability in line

- The company's revenue missed our estimates; however, EBITDA and PAT were in line due to a higher-than-expected margin.
- Revenue decreased 18% YoY to INR1.2b, missing our estimate by 16%.
- Gross margin surged to 72.9% during the quarter vs. our estimate of 55%. This was largely due to a higher share of simulators in overall execution, where the margins are relatively much better.
- Higher-than-expected gross margin offset the execution weakness, leading to absolute EBITDA increasing 43% YoY to INR526m, broadly in line with our estimate of INR508m. EBITDA margin at 45.3% expanded 1,930bp YoY vs. our estimate of 36.5%.
- Higher margins and a lower-than-expected tax rate led to in-line PAT of INR478m (+24% YoY).
- The standalone order book as of Dec'25 is ~INR8.9b.
- For 9MFY26, revenue/EBITDA/PAT declined 45%/40%/26% YoY, while EBITDA margin contracted 320bp YoY to 37.6%.
- The company has assessed the financial impact of changes in labor law, which has resulted in an additional gratuity liability of ~INR5.6m. This has been reported under employee expenses during the quarter.
- On 5th Nov'25, the company acquired a 76% stake in Anawave Systems & Solutions Private Limited (ASSPL) for a consideration of INR70m.

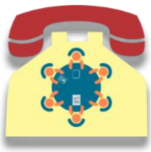
Standalone - Quarterly Earnings Model (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
Net Sales	**2,540**	**2,417**	**1,415**	**2,935**	**1,111**	**1,247**	**1,162**	**2,276**	**9,307**	**5,794**	**1,391**	**(16)**
YoY Change (%)	91.7	277.4	44.3	116.3	(56.3)	(48.4)	(17.9)	(22.5)	116.3	(37.7)	(1.7)	
Total Expenditure	1,508	1,623	1,048	1,991	730	829	636	1,572	6,169	3,766	883	(28)
EBITDA	**1,032**	**794**	**367**	**944**	**380**	**418**	**526**	**704**	**3,137**	**2,028**	**508**	**4**
YoY Change (%)	56.0	264.9	(17.0)	109.4	(63.1)	(47.4)	43.2	(25.4)	77.0	(35.4)	38.2	
Margins (%)	40.6	32.9	26.0	32.2	34.3	33.5	45.3	30.9	33.7	35.0	36.5	
Depreciation	22	23	26	29	31	33	36	30	101	130	32	10
Interest	10	21	27	36	14	4	10	(6)	94	22	2	401
Other Income	30	84	220	244	199	230	143	168	578	740	185	(23)
PBT	**1,030**	**835**	**534**	**1,122**	**535**	**610**	**624**	**848**	**3,520**	**2,617**	**658**	**(5)**
Tax	288	182	147	273	164	149	145	212	890	670	169	(14)
Rate (%)	28.0	21.8	27.6	24.3	30.6	24.4	23.3	25.0	25.3	25.6	25.6	
Reported PAT	**742**	**652**	**386**	**849**	**371**	**462**	**478**	**636**	**2,630**	**1,947**	**490**	**(2)**
Adj PAT	**742**	**652**	**386**	**849**	**371**	**462**	**478**	**636**	**2,630**	**1,947**	**490**	**(2)**
YoY Change (%)	57.4	276.1	21.9	177.3	(50.0)	(29.2)	23.8	(25.1)	107.3	(26.0)	26.8	
Margins (%)	29.2	27.0	27.3	28.9	33.4	37.0	41.2	27.9	28.3	33.6	35.2	

Ellenbarrie Industrial Gases

BSE SENSEX	S&P CNX
82,270	25,321

Conference Call Details



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CMP: INR271 Buy

EBITDA below our est.; adj. PAT in line due to higher-than-expected other income

- Consol. revenue grew by 20% YoY to INR813m (in line).
- EBITDA margin stood at 30.6% (est. 35.3%) compared to 39.7% in 3QFY25.
- EBITDA declined 8% YoY to INR249m (est. INR293m), led by 54% YoY growth in other expenses.
- Adj. PAT grew 36% YoY to INR261m (est. INR248m) due to higher other income (up 71% YoY).
- For 9MFY26, revenue/EBITDA/adj. PAT grew 10%/5%/25% to INR2.5b/ INR890m/INR815m.
- The Board announced the commencement of operations at the new plant, Uluberia–II, in West Bengal, with a capacity of 220TPD.

Segmental performance

- Revenue for gases, related products, and services grew 17% YoY to INR792m, while EBIT was INR274m (+24% YoY). EBIT margin was 35% (vs 33% in 3QFY25).
- Revenue for Project Engineering grew 3.8% YoY to INR22m. EBIT stood at INR2m (+11% YoY). EBIT margin stood at 11% (vs. 37% in 3QFY25).

Ellenbarrie Industrial Gases Ltd (INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%
Gross Sales	**673**	**947**	**680**	**825**	**836**	**892**	**813**	**1,011**	**3,125**	**3,561**	**831**	**-2%**
YoY Change (%)	NA	NA	NA	NA	24.3	-5.8	19.6	22.6	16.0	14.0	22.1	
Total Expenditure	454	585	410	579	529	557	565	616	2,027	2,235	537	
Gross Margin (%)	88.6%	85.9%	96.1%	85.4%	88.8%	90.6%	87.4%	89.1%	88.6%	89.2%	88.4%	
EBITDA	**219**	**362**	**270**	**246**	**307**	**335**	**249**	**395**	**1,097**	**1,326**	**293**	**-15%**
Margin (%)	32.5	38.2	39.7	29.8	36.7	37.5	30.6	39.1	35.1	37.2	35.3	
Depreciation	49	48	46	65	51	51	52	70	207	234	62	
Interest	39	42	37	54	46	11	15	10	171	77	10	
Other Income	79	72	94	114	68	126	161	120	359	424	110	
PBT before EO expense	**211**	**345**	**282**	**241**	**278**	**400**	**342**	**435**	**1,078**	**1,441**	**331**	
PBT	**211**	**345**	**282**	**241**	**278**	**400**	**342**	**435**	**1,078**	**1,441**	**331**	
Tax	49	48	90	59	91	32	81	110	245	316	83	
Rate (%)	23.2	14.0	31.8	24.3	32.8	8.1	23.8	25.2	22.8	21.9	25.2	
Reported PAT	**162**	**297**	**192**	**183**	**187**	**367**	**261**	**326**				
Adj. PAT	**162**	**297**	**192**	**183**	**187**	**367**	**261**	**326**	**833**	**1,125**	**248**	**5%**
YoY Change (%)	NA	NA	NA	NA	15.6	23.8	35.9	-11.3		35.1	29.2	
Margin (%)	24.1	31.3	28.2	22.2	22.4	41.2	32.1	32.2	26.7	31.6	29.9	

Dabur India : Aspire for high single digit value growth going forward; Mohit Malhotra, CEO

- Q4 Momentum: January at 7-12% growth (volume-led); Chyavanprash up 11% tertiary, double-digit in Q4 across channels.
- FY27 Outlook: Mid-single-digit volume + 2-3% pricing for high-single/low double-digit value growth.
- Growth Pillars: Distribution revamp (e-comm/modern trade focus), digital comms, premiumisation in urban markets.
- Demand View: Urban/rural dip from GST transition normalizing; no branded share loss seen, org structure tweaks underway.

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Container Corporation : Will see good domestic loading in Q4FY26 due to bulk cement business; Sanjay Swarup, CMD

- Q3 Progress: EXIM at 10% growth (on track); domestic 13% (slightly short); overall 11% vs initial 13% FY26 guidance.
- Q4 Outlook: Strong domestic loading from delayed bulk cement tanks; EXIM to hit record ₹6,000 Cr revenue.
- FY27+ Growth: 15%+ EXIM, 20%+ domestic for next 3 years; targeting 10M TEUs, ₹15,000 Cr revenue by FY29.
- Capex Boost: Up 23% to ₹1,060 Cr for FY26 (more rolling stock/containers); no price cuts, focus on cost-sharing.

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KPIT Tech : See stabilization & green shoots in the mobility industry; Sachin Tikekar, Joint MD

- Q4 Outlook: Best growth quarter of FY26 with positive organic revenue and margin uptick vs Q3.
- FY27 Guidance: Stronger than FY26; stabilization and green shoots in mobility amid industry churn (revenues down 10-15%, profits 50%).
- Business Shift: Transitioning from linear services to AI-infused solutions (50% nonlinear); ~$65M revenue impact from deprioritization/cannibalization persists.
- Geo/Verticals: US stabilizing (trucks/off-highway growth); Asia churn from program ends, recovery in FY27; focus on digital cockpit, cybersecurity, propulsion.

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Indegene: Excluding Biopharma, growth was 18.3% YoY; Suhas Prabhu, CFO

- Record Q3 Revenue: First $1M+ quarter with 30% YoY, 17% QoQ growth; ex-Biopharma, 18.3% YoY organic rise.
- Geo Split: North America up 19% QoQ (Biopharma boost); India down 34% QoQ amid enterprise shift to US/Europe.
- Deal Momentum: 3 clients with 7+ $1M contracts each, some aggregating $10M; strong pipeline in GenAI/transformations.
- Growth Drivers: Organic sustained via enterprise engagements; acquisitions add capabilities, not bulk (Cake small, closing Q4)

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N O T E S

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

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