Market snapshot

Equities - India	Close	Chg .%	CY25.%
Sensex	81,666	1.2	9.1
Nifty-50	25,088	1.1	10.5
Nifty-M 100	57,668	1.0	5.7
Equities-Global	**Close**	**Chg .%**	**CY25.%**
S&P 500	6,976	0.5	16.4
Nasdaq	23,592	0.6	20.4
FTSE 100	10,342	1.2	21.5
DAX	24,798	1.1	23.0
Hang Seng	9,080	-2.5	22.3
Nikkei 225	52,655	-1.3	26.2
Commodities	**Close**	**Chg .%**	**CY25.%**
Brent (US$/Bbl)	69	-5.6	-15.7
Gold ($/OZ)	4,661	-4.8	64.6
Cu (US$/MT)	12,832	-1.8	43.9
Almn (US$/MT)	3,034	-2.7	17.5
Currency	**Close**	**Chg .%**	**CY25.%**
USD/INR	91.5	-0.5	5.0
USD/EUR	1.2	-0.5	13.4
USD/JPY	155.6	0.5	-0.3
YIELD (%)	**Close**	**1MChg**	**CY25 chg**
10 Yrs G-Sec	6.8	0.07	-0.2
10 Yrs AAA Corp	7.5	0.07	0.1
Flows (USD b)	**2-Feb**	**MTD**	**CYTD**
FIIs	-0.20	-2.83	-18.8
DIIs	0.27	9.12	90.1
Volumes (INRb)	**2-Feb**	**MTD***	**CYTD***
Cash	1,372	1318	1289
F&O	3,67,802	3,49,553	3,09,738

Note: Flows, MTD includes provisional numbers. *Average

Today's top research idea

SAIL: In-line performance; high steel prices and cost control improve outlook; Upgrade to Buy

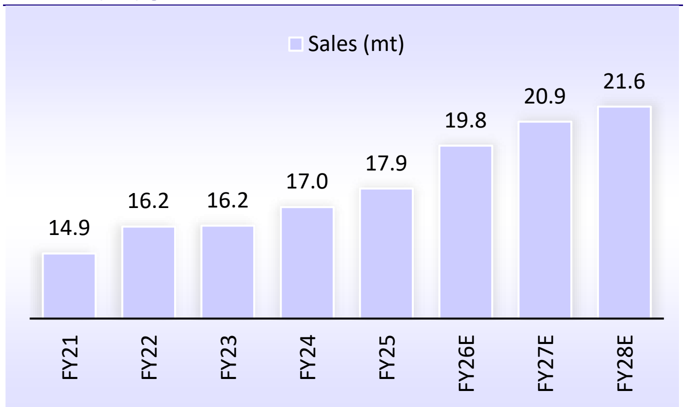
- Despite muted NSR, SAIL reported a decent 3QFY26 earnings led by healthy volumes. This earnings trend is expected to improve further in 4Q led by steel price recovery and better volumes backed by inventory liquidation.
- Management guided FY26 crude steel volume of 20.5mt and sales volumes of ~19.5mt (14.6mt in 9MFY26; ex-NSL 18.2-18.5mt), supported by inventory liquidation and trading volume from NMDC steel. SAIL plans to increase its capacity to 35mtpa vs 20mtpa currently, which is in the initial tendering phase. Any notable development is expected to be visible only after FY27.
- We increase our FY27 EBITDA estimates by 2% to reflect the improving steel prices and cost efficiency with higher volumes of finished steel. For FY28, we keep our estimates largely unchanged. Considering strong improvement in steel prices, improved margin outlook and the recent correction in stock price.

Research covered

Cos/Sector	Key Highlights
SAIL	In-line performance; high steel prices and cost control improve outlook; Upgrade to Buy
Power Grid Corporation of India	Healthy capitalization; sustaining momentum is the key
Other Updates	Hyundai Motor | Cholaman.Inv.&Fn | GAIL (India) | Bajaj Housing | PB Fintech. | Coromandel Inter | UPL | Glenmark Pharma | LIC Housing Fin. | CDSL | Tata Chemicals | Brigade Enterpr. | R R Kabel | Zen Tech. | Mahindra Life | Campus Activewear | Indus Towers | Thermax | A B Lifestyle

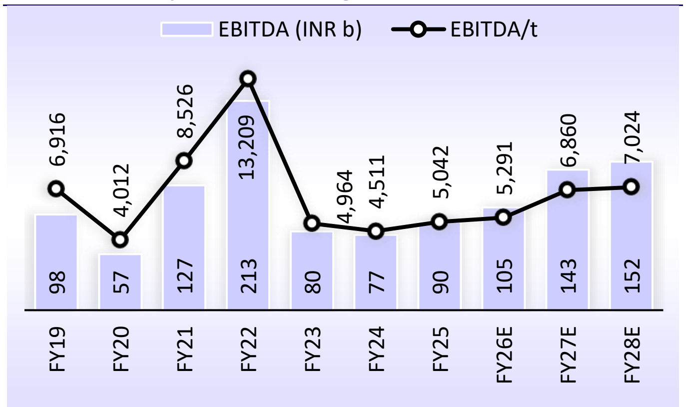
Chart of the Day: SAIL (In-line performance; Upgrade to Buy)

Volume (mt) growth to remain modest



Source: MOFSL, Company

EBITDA/t to improve in the long run



Source: MOFSL, Company

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In the news today

Kindly click on textbox for the detailed news link

1

India-US trade deal announced; Tariff on exports drops to 18% from 50%

India and the US have announced a historic trade deal on Monday, February 2, after months and multiple rounds of negotiations between the two parties.

2

Food subsidy may exceed FY27 BE by Rs 25,000 crore

The government may have to hike food subsidy allocation by Rs 25,000 crore in the next fiscal year from the budget estimate of Rs 2.27 lakh crore, if the Food Corporation of India (FCI) continues to hold surplus grains stock far exceeding the buffer, officials said.

3

IRB Infra transfers Gandeva Ena HAM project to InvIT, cuts debt by ₹700 crore

IRB Infrastructure Developers Ltd said it has completed the transfer of its Gandeva Ena (VM7) hybrid annuity model (HAM) project to the IRB InvIT Fund, receiving a cash consideration of ₹513 crore towards its equity investment in the project's special purpose vehicle.

4

Yamaha enters India EV market with EC-06, claims 169 km range

India Yamaha Motor Pvt. Ltd., launched its first electric scooter, the EC-06, at ₹1,67,600 (ex-showroom, Delhi). The scooter comes in Bluish White and will be sold in select cities through Yamaha's Blue Square showrooms.

5

Apple hits record 28% value share as India's smartphone market goes premium

Tech giant Apple has recorded its highest-ever value share of 28 per cent in the Indian smartphone market, driven by a surging "premiumisation" trend where consumers are increasingly opting for high-end devices, according to a report by Counterpoint Research.

6

Godrej Properties sells homes worth ₹2,000 crore in Worli project

Godrej Properties, said that it has sold homes worth over Rs 2,000 crore in the first phase of its project Godrej Trilogy in Mumbai's Worli, since its launch in November 2025.

7

Oracle plans 20,000-30,000 job cuts to fund data centre expansion

US technology giant Oracle is considering massive job cuts as it struggles to fund its artificial intelligence (AI) data centre expansion, CIO reported, citing investment bank TD Cowen.

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2 February 2026

3QFY26 Results Update | Sector: Metals

SAIL

Estimate change	↑
TP change	↑
Rating change	↑

Bloomberg	SAIL IN
Equity Shares (m)	4130
M.Cap.(INRb)/(USDb)	614 / 6.7
52-Week Range (INR)	160 / 99
1, 6, 12 Rel. Per (%)	6/22/33
12M Avg Val (INR M)	2434
Free float (%)	35.0

Financials & Valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	1,090	1,208	1,284
EBITDA	105	143	152
APAT	25	56	59
EBITDA Margin (%)	10	12	12
Cons. Adj. EPS (INR)	6	14	14
EPS Gr. (%)	87	124	5
BV/Sh. (INR)	148	158	170
Ratios			
Net D:E	0.5	0.5	0.5
RoE (%)	4.2	8.9	8.7
RoCE (%)	5.1	8.5	8.7
Payout (%)	15.0	20.0	20.0
Valuations			
P/E (x)	24.5	10.9	10.4
P/BV (x)	1.0	0.9	0.9
EV/EBITDA(x)	8.7	6.5	6.3
Div. Yield (%)	0.6	1.8	1.9
FCF Yield (%)	13.1	0.0	2.5

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	65.0	65.0	65.0
DII	17.9	18.1	15.9
FII	4.5	3.8	2.6
Others	12.6	13.2	16.6

FII Includes depository receipts

CMP: INR149 TP: INR175 (+18%) Upgrade to Buy

In-line performance; high steel prices and cost control improve outlook

- SAIL reported in-line revenue of INR274b (+12% YoY and +3% QoQ) in 3QFY26, driven by healthy volume growth, despite weak NSR.
- EBITDA stood at INR22.9b (+13% YoY and -9% QoQ), in line with our est. of INR22.2b. EBITDA/t was INR4,455 (in line with est.), down 3% YoY and 14% QoQ, due to weak NSR and higher operating cost.
- Adj. PAT came in at INR3.7b (vs. our est. INR4.5b), down 44% QoQ and down from INR1.1b in 3QFY25. APAT was dragged down 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; in line with our est.), driven by aggressive inventory liquidation and improved market outreach.
- ASP for the quarter came in at INR53,148/t as expected, down 3% YoY/2% QoQ, due to weak steel prices.
- 9MFY26 volume stood at 14.6mt (+17% YoY), slightly offset by NSR decline of 4% (INR54,640/t), resulting in revenue of INR798b (+12% YoY). NMDC steel (NSL) contributed ~1mt to sales in 9MFY26 and 0.37mt in 3QFY26.
- On account of strong volume growth, EBITDA for 9MFY26 stood at INR74b (+34% YoY; INR5,077/t) and Adj. PAT was INR16.2b (+15% YoY).

Highlights from the management commentary

- SAIL targets FY26 crude steel volume of 20.5mt and sales volumes of ~19.5mt (14.6mt in 9MFY26; ex-NSL 18.2-18.5mt), supported by inventory liquidation and trading volume from NMDC steel.
- Finished and in-process inventory declined to 2.4mt (1.5mt + 0.9mt, respectively) from 2.7mt in FY25 end, enabling significant working capital release. For 4Q, management expects inventory reduction of ~0.6mt.
- SAIL took price hikes in Jan'26, with long up INR2,000-2,500/t and flat up INR3,300-3,500/t. Management indicated that the full benefit of price hikes will reflect in Feb'26 realizations, supporting 4Q margins.
- Further pricing upside is expected in 4QFY26, driven by rising coking coal costs and improving domestic demand conditions.
- Average blended coking coal cost stood at INR18,351/t in 3QFY26, largely stable QoQ due to inventory benefit. Coking coal consumption cost is expected to rise by INR1,500/t QoQ in 4Q, reflecting the recent rise in coal prices (USD250/t).
- Capex guidance for FY26 is INR75-100b, with INR54.3b already spent in 9MFY26. In FY27, management anticipates capex of INR150b, led by the ramp-up of ISP modernization-related spending.

Valuation and view

- Despite muted NSR, SAIL reported decent earnings in 3QFY26, aided by healthy volumes. This earnings trend is expected to improve further in 4Q, supported by steel price recovery and better volumes backed by inventory liquidation.
- We increase our FY27 EBITDA estimates by 2% to reflect the improving steel prices and cost efficiency with higher volumes of finished steel. For FY28, we keep our estimates largely unchanged. **Considering a strong improvement in steel prices, an improved margin outlook and the recent correction in stock price, we upgrade our rating on SAIL to BUY with a TP of INR175 (premised on 7x EV/EBITDA on Sep'27 estimate).**

Quarterly performance (INR b)

Y/E March	FY25				FY26				FY25	FY26	FY26	Vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			2QE	(%)
Sales (m tons)	**4.0**	**4.1**	**4.4**	**5.3**	**4.6**	**4.9**	**5.2**	**5.2**	**17.9**	**19.8**	**5.0**	**3.7**
Change (YoY %)	3.4	(14.6)	16.6	16.9	13.5	19.8	16.3	(2.4)	4.9	10.9		
Realization (INR per ton)	**59,845**	**56,191**	**55,282**	**55,002**	**56,590**	**54,387**	**53,148**	**56,031**	**56,431**	**55,003**	**53,587**	**(0.8)**
Change (YoY %)	(4.7)	(3.5)	(10.0)	(4.4)	(5.4)	(3.2)	(3.9)	1.9	(5.6)	(2.5)		
Net Sales	**240.0**	**230.4**	**244.9**	**293.2**	**257.5**	**267.0**	**273.7**	**291.4**	**1,008.4**	**1,089.6**	**266.0**	**2.9**
Change (YoY %)	(1.5)	(17.6)	4.9	11.7	7.3	15.9	11.8	(0.6)	(1.1)	8.1		
Change (QoQ %)	(8.6)	(4.0)	6.3	19.7	(12.2)	3.7	2.5	6.4				
Total Expenditure	**217.8**	**217.6**	**224.6**	**258.3**	**231.5**	**241.8**	**250.8**	**260.7**	**918.3**	**984.8**		
EBITDA	**22.2**	**12.8**	**20.3**	**34.8**	**26.0**	**25.3**	**22.9**	**30.6**	**90.1**	**104.8**	**22.2**	**3.3**
Change (YoY %)	34.6	(40.0)	(5.3)	97.0	16.9	98.2	13.0	(12.1)	17.2	16.3		
Change (QoQ %)	25.5	(42.5)	59.1	71.6	(25.5)	(2.6)	(9.3)	33.5				
EBITDA per ton (INR)	**5,536**	**3,111**	**4,582**	**6,536**	**5,704**	**5,149**	**4,455**	**5,892**	**5,042**	**5,291**	**4,473**	**(0.4)**
Interest	6.9	7.6	6.8	6.6	5.9	4.8	5.5	5.9	27.9	22.2		
Depreciation	14.0	13.0	14.2	15.2	14.4	14.5	15.2	15.3	56.5	59.4		
Other Income	1.8	1.7	2.3	3.0	1.6	2.1	1.7	1.8	8.8	7.3		
Share of Asso/JVs	1.1	1.6	1.3	0.9	0.7	1.0	0.7	0.7	4.9	3.2		
PBT (before EO Inc.)	**4.1**	**(4.6)**	**2.9**	**16.9**	**7.9**	**8.9**	**4.8**	**12.0**	**19.3**	**33.7**		
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**	**12.0**	**32.5**	**32.0**		
Total Tax	0.2	2.8	1.8	4.1	2.2	1.4	1.1	3.1	8.8	7.7		
% Tax	16.6	23.5	56.1	24.5	23.1	24.7	22.0	25.7	27.1	24.2		
Reported PAT	**0.8**	**9.0**	**1.4**	**12.5**	**7.4**	**4.2**	**3.7**	**8.9**	**23.7**	**24.3**		
Adjusted PAT	**3.2**	**(3.8)**	**1.1**	**12.8**	**5.7**	**6.7**	**3.7**	**8.9**	**13.4**	**25.1**	**4.5**	**(17.3)**
Change (YoY %)	52.9	(219.3)	(69.1)	609.1	75.7	(277.1)	229.9	(30.6)	24.3	87.2		
Change (QoQ %)	80.0	(216.9)	(129.9)	1,029.5	(55.4)	17.8	(44.4)	137.6				

Source: MOFSL, Company

Power Grid Corporation of India

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	PWGR IN
Equity Shares (m)	9301
M.Cap.(INRb)/(USDb)	2514.9 / 27.5
52-Week Range (INR)	322 / 247
1, 6, 12 Rel. Per (%)	5/-9/-14
12M Avg Val (INR M)	3704

Financials & Valuations (INRb)

Y/E March	FY26E	FY27E	FY28E
Sales	492.1	527.1	563.0
EBITDA	418.4	442.8	467.1
Adj. PAT	167.7	177.6	188.7
Adj. EPS (INR)	18.0	19.1	20.3
EPS Gr. (%)	8.1	5.9	6.3
BV/Sh.(INR)	107.4	115.6	125.0
Ratios			
Net D:E	1.4	1.3	1.2
RoE (%)	17.4	17.1	16.9
RoCE (%)	9.6	9.5	9.6
Payout (%)	53.2	52.4	54.2
Valuations			
P/E (x)	15.0	14.1	13.3
P/BV (x)	2.5	2.3	2.2
EV/EBITDA (x)	8.9	8.3	7.7
Div. Yield (%)	3.6	3.7	4.1
FCF Yield (%)	8.0	8.8	10.3

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	51.3	51.3	51.3
DII	19.4	18.6	16.9
FII	25.7	26.5	28.3
Others	3.6	3.6	3.5

FII Includes depository receipts

CMP: INR270 TP: INR302 (+12%) Neutral

Healthy capitalization; sustaining momentum is the key

- **In 3QFY26, Power Grid Corporation (PWGR) reported a standalone revenue in line with our estimate at INR110b. EBITDA was also in line with our estimate at INR94b. Reported PAT came in 3% above our estimate at INR41.6b, aided by higher-than-expected other income, partially offset by a higher tax rate and a positive net movement in regulatory deferral account balances of INR2.6b. Adj. PAT was broadly in line at INR39.6b.**
- **Key things we liked about the result: 1) management raised its capitalization guidance for FY26/FY27/FY28 to INR220b/INR300b/INR350b (vs. INR200b/ INR250b/INR280b earlier) with INR187b already capitalized in 10MFY26, 2) bidding pipeline remains attractive, with projects worth ~INR3,600b expected to be bid out over the next four years (~INR900b per annum), 3) the company highlighted supply-chain constraints related to transformers and reactors have eased significantly, and 4) PWGR has entered the BESS segment, winning its first project of 150MW/300MWh under the TBCB route with VGF support, and is actively participating in upcoming BESS bids.**
- **Key monitorables: 1) Entry into a new geography through the Kenya Transmission PPP project, 2) while the capex guidance was largely maintained for FY27/28 and capitalization guidance has been raised, the sustainability of capitalization momentum remains a key monitorable over the coming quarters.**
- **Valuation and view: Following the analyst meet, we raise our FY26-28 PAT estimates by 3-4%. We derive our TP of INR302 for PWGR based on Dec'27 BVPS and a P/B multiple of 2.5x (unchanged).**

Performance in line

- **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 a 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 a contribution to revenue of INR5b. In 3QFY26, its JVs reported a loss of INR0.4b.
- **Others:**
  - The Board of Directors approved the payment of a second interim dividend of INR3.25/share.

Highlights of the 3QFY26 performance

Financial Performance (9MFY26)

- Standalone total income rose 4% YoY to INR350b, with PAT up 3% YoY to INR113b.
- Consolidated total income grew 2% YoY to INR357b, while PAT remained flat at INR113b due to a one-time income in the base year.

Operational Performance

- Added ~2,120 ckm of transmission lines and 16.5 GVA of transformation capacity during Nov'25–Jan'26.
- Transmission system availability stood at 99.84%, with tripping at 0.21 per line per year.
- Achieved 3,300 ckm of transmission lines and 42,000 MVA of transformer commissioning in YTDFY26.

Capex, Capitalization & Order Book

- Capex for 3QFY26/9MFY26/10MFY26 stood at INR113.8b/INR267.6b/INR292b; FY26/27 targets revised up to INR320b/INR370b, with FY28 retained at INR450b.
- Capitalization for 3QFY26/9MFY26/10MFY26 was INR90.3b/INR129b/INR187b; FY26/27/28 targets were revised to INR220b/300b/350b, with 80–90% via TBCB.
- Work-in-hand remains strong at INR1.46t.

Growth Pipeline & New Segments

- Entered BESS with a 150MW/300MWh TBCB project (BOO model) in Andhra Pradesh with VGF support; project cost ~INR2.5b and annual tariff ~INR295m.
- Projects worth ~INR550b are under bidding, with ~INR150b awaiting approval. The total transmission pipeline is INR6.6t until 2032, with INR3t already bid out and the remaining INR3.6t to be bid over the next four years (~INR900b annually).
- Total transmission pipeline stands at INR6.6t up to 2032; PWGR retains ~50–60% market share in new TBCB tenders.

Valuation and view

Following the analyst meet, we raise our FY26-28 PAT estimates by 3-4%. We derive our TP of INR302 for PWGR based on Dec'27 BVPS and a P/B multiple of 2.5x (unchanged).

Standalone Quarterly Performance (INR b)

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**	**113.5**	**414.3**	**422.8**	**105.5**	**4%**	**9%**	**10%**
YoY Change (%)	-1.7	5.3	-5.2	-0.6	-1.4	-2.5	8.7	3.3	-0.9	2.1	4.2			
EBITDA	**87.4**	**87.9**	**85.2**	**92.2**	**81.2**	**80.1**	**94.2**	**105.1**	**352.8**	**360.6**	**94.2**	**0%**	**11%**	**18%**
YoY Change (%)	-2.9	3.0	-9.3	0.9	-7.2	-8.8	10.5	14.0	-2.5	2.2	10.6			
As of % Sales	86.8	85.6	84.2	84.0	81.8	80.1	85.6	92.6	85.1	85.3	89.3			
Depreciation	30.7	31.6	30.7	30.4	29.7	30.6	32.1	35.4	123.5	127.7	32.2	0%	4%	5%
Interest	21.6	26.0	21.3	25.9	23.0	25.6	25.7	20.9	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	10.5	48.9	51.6	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**	**59.3**	**186.2**	**199.1**	**49.1**	**8%**	**10%**	**25%**
Tax	8.2	6.8	9.6	8.1	7.3	7.1	11.7	8.6	32.7	34.7	8.9	31%	22%	65%
Effective Tax Rate (%)	19.4	15.5	19.8	15.7	16.7	16.6	21.9	14.4	17.5	17.4	18.1			
Reported PAT	**34.1**	**37.1**	**38.9**	**43.4**	**36.5**	**35.5**	**41.6**	**50.8**	**153.5**	**164.4**	**40.2**	**3%**	**7%**	**17%**
YoY Change (%)	-3.7	-3.2	-1.9	5.0	7.1	-4.2	6.8	17.1	-0.8	7.1	3.3			
Adjusted PAT	**34.6**	**35.0**	**38.6**	**42.9**	**34.7**	**31.2**	**39.6**	**50.8**	**151.2**	**156.3**	**40.2**	**-2%**	**3%**	**27%**
YoY Change (%)	-8.7	4.8	-0.4	0.5	0.4	-10.9	2.5	18.2	-1.1	3.4	4.3			

Hyundai Motor

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	HYUNDAI IN
Equity Shares (m)	813
M.Cap.(INRb)/(USDb)	1794.7 / 19.6
52-Week Range (INR)	2890 / 1542
1, 6, 12 Rel. Per (%)	2/-1/19
12M Avg Val (INR M)	2288

Financials & valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	718	797	891
EBITDA	92	107	121
Adj. PAT	58	69	80
EPS (INR)	71	85	99
EPS Gr. (%)	2	19	16
BV/Sh. (INR)	252	313	385
Ratios			
RoE (%)	31.4	30.0	28.2
RoCE (%)	28.4	26.9	24.9
RoIC (%)	25.3	22.2	20.0
Valuations			
P/E (x)	30.9	25.9	22.3
P/BV (x)	8.7	7.0	5.7
EV/EBITDA (x)	19.0	16.3	14.3
Div. Yield (%)	0.9	1.0	1.2

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	82.5	82.5	82.5
DII	8.6	7.7	7.1
FII	6.4	7.4	6.7
Others	2.5	2.4	3.7

FII Includes depository receipts

CMP: INR2,209 TP: INR2,567 (+16%) Buy

Weak 3Q

Margins to expand as utilization across plants improves

- Hyundai Motor India's (HMIL) PAT at INR12.3b was below our estimate of INR13.8b, largely due to lower-than-expected gross margins. Gross margins contracted 130bp QoQ due to higher input costs and an adverse mix.
- Considering its launch pipeline, we now factor in a ~7% volume CAGR over FY25-28E, which is largely back-ended. This is likely to be boosted by a 19% volume CAGR in exports. We expect start-up costs for the new Pune plant to impact earnings in the near-to-medium term. Overall, HMIL is expected to deliver a 12% earnings CAGR over FY25-28. We believe the company remains well-positioned to benefit from the premiumization trend in India, given its mix is in favor of SUVs. **Reiterate BUY with a TP of INR2,567, valued at 27x Dec'27E EPS.**

Earnings miss estimates due to commodity inflation and adverse mix

- Hyundai's revenue increased 8% YoY to INR179b, in line with our estimates. Revenue growth was driven by a 5% YoY growth in volumes and 3% growth in blended average realization.
- While domestic sales were flat YoY at 146.5k units, exports grew ~21% to 48.9k units.
- Gross margins contracted 130bp QoQ (+170bp YoY) to 28.6%, below our estimate, due to higher input costs and a relatively adverse mix.
- EBITDA margin contracted 270bp QoQ to 11.2% and was below our estimate of 12.8%, largely due to lower-than-expected gross margins, as we had anticipated the impact of start-up costs of the new Pune plant in our estimate.
- 3Q EBITDA margin was impacted by: 1) higher input costs (40 bp); 2) introductory pricing and launch-related costs for the new Venue; 3) start-up costs of the Pune plant (60-70bp); 4) adverse mix – lower exports mix QoQ and a lower SUV mix (down to 70% from 71% QoQ). These factors were partially offset by lower discounts QoQ (2.6% of ASP from 3.2% QoQ).
- Management clarified that the company has already been compliant with the new labor code; therefore, there was no exceptional impact in this quarter.
- EBITDA grew 7.6% YoY to INR20.2b and missed our estimate by 12%.
- While other income was higher than our estimate, depreciation came in below our estimate.
- Given the margin pressure, PAT at INR12.3b was below our estimate of INR13.8b.

Highlights from the management commentary

- Channel inventory reduced to 2-3 weeks at the end of December, but rose to less than 4 weeks by January end—still below the typical 5-week level for this period.
- The new Hyundai Venue has received an overwhelming customer response with ~80,000 bookings since launch.
- Hyundai entered the commercial mobility segment on 1st January with the launch of the Prime Taxi range receiving strong initial traction, particularly benefiting models such as the Aura. Led by this initiative, the Aura clocked 7,900 units in January'26
- India will be the sole supplier of the new Venue to global markets for the parent. The current exports momentum is likely to sustain going forward, according to management
- HMIL has taken a 60bp price hike in Jan26 largely on the Venue

Valuation and view

- Considering its launch pipeline, we now factor in a ~7% volume CAGR over FY25-28E, which is largely back-ended. This is likely to be boosted by a 19% volume CAGR in exports. We expect start-up costs for the new Pune plant to impact earnings in the near-to-medium term. Overall, HMIL is expected to deliver a 12% earnings CAGR over FY25-28. We believe HMIL remains well-positioned to benefit from the premiumization trend in India, given its mix is in favor of SUVs. **Reiterate BUY with a TP of INR2,567, valued at 27x Dec'27E EPS.**

Consol Quarterly Performance **(INRm)**

Y/E March	FY25				FY26				FY25	FY26E	3QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
Volumes ('000 units)	192.1	191.9	186.4	191.6	180.4	190.9	195.4	212.0	762.1	778.8	195.4
Change (%)	4.7	-8.5	-2.4	-1.1	-6.1	-0.5	4.8	10.6		2.2	4.8
Realizations (INR/car)	903,087	899,264	893,094	936,101	909,810	914,557	919,661	939,011	907,982	921,395	918,101
Change (%)	-0.4	1.1	1.1	2.6	0.7	1.7	3.0	0.3		1.5	3
Net operating revenues	**173,442**	**172,604**	**166,480**	**179,403**	**164,129**	**174,608**	**179,735**	**199,065**	**691,929**	**717,536**	**179,430**
Change (%)	4.3	-7.5	-1.3	1.5	-5.4	1.2	8.0	11.0		3.7	7.8
RM Cost (% of sales)	71.9	72.5	73.1	71.2	70.7	70.1	71.4	70.2	72.2	70.6	69.8
Staff Cost (% of sales)	3.2	3.2	3.6	3.4	3.8	3.5	3.9	3.6	3.3	3.7	4.0
Other Cost (% of sales)	11.5	11.5	12.0	11.3	12.2	12.4	13.5	13.4	11.5	12.9	13.4
EBITDA	**23,403**	**22,053**	**18,755**	**25,327**	**21,852**	**24,289**	**20,183**	**25,519**	**89,538**	**91,845**	**22,980**
EBITDA Margins (%)	13.5	12.8	11.3	14.1	13.3	13.9	11.2	12.8	12.9	12.8	12.8
Change (%)	17.2	-9.6	-13.7	0.4	-6.6	10.1	7.6	0.8		2.6	22.5
Depreciation	5,290	5,185	5,274	5,304	5,281	5,175	5,688	6,096	21,053	22,240	6,350
EBIT	**18,113**	**16,868**	**13,482**	**20,023**	**16,571**	**19,114**	**14,496**	**19,423**	**68,485**	**69,605**	**16,630**
EBIT Margins (%)	10.4	9.8	8.1	11.2	10.1	10.9	8.1	9.8	9.9	9.7	9.3
Interest	316	292	299	365	247	167	272	249	1,272	935	250
Non-Operating Income	2,238	1,923	2,445	2,096	2,148	2,312	2,437	2,256	8,700	9,153	2,350
PBT	**20,034**	**18,498**	**15,627**	**21,754**	**18,472**	**21,260**	**16,660**	**21,430**	**75,913**	**77,822**	**18,730**
Tax	5,137	4,744	4,020	5,611	4,780	5,537	4,316	5,523	19,511	20,156	4,851
Effective Tax Rate (%)	25.6	25.6	25.7	25.8	25.9	26.0	25.9	25.8	25.7	25.9	25.9
PAT	**14,897**	**13,755**	**11,607**	**16,143**	**13,692**	**15,723**	**12,344**	**15,907**	**56,402**	**57,666**	**13,879**
Adjusted PAT	**14,897**	**13,755**	**11,607**	**16,143**	**13,692**	**15,723**	**12,344**	**15,907**	**56,402**	**57,666**	**13,879**
Change (%)	12.1	-15.5	-18.6	-3.7	-8.1	14.3	6.3	-1.5		2.2	19.6

Cholamandalam Inv. & Finance

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	CIFC IN
Equity Shares (m)	841
M.Cap.(INRb)/(USDb)	1345.6 / 14.7
52-Week Range (INR)	1832 / 1239
1, 6, 12 Rel. Per (%)	-6/10/19
12M Avg Val (INR M)	2827

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Total Income	170.2	205.9	249.4
PPP	104.4	127.2	156.3
PAT	51.2	65.8	83.2
EPS (INR)	60.2	76.9	97.3
EPS Gr. (%)	19	28	27
BV (INR)	352	432	527
Valuations			
NIM (%)	7.0	7.1	7.1
C/I ratio (%)	38.7	38.2	37.3
RoAA (%)	2.4	2.6	2.7
RoE (%)	19.1	19.7	20.3
Payout (%)	3.3	3.3	2.6
Ratios			
P/E (x)	26.5	20.8	16.4
P/BV (x)	4.5	3.7	3.0
Div. Yield (%)	0.1	0.2	0.2

Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	49.7	49.9	49.9
DII	17.6	17.3	16.1
FII	26.6	26.9	27.4
Others	6.2	6.0	6.5

FII Includes depository receipts

CMP: INR1,594 TP: INR2,000 (+25%) Buy

Business momentum strengthens; early signs of AQ recovery

Lower stress formation results in stable GS3 and improvement in S2

- Cholamandalam Inv. & Finance's (CIFC) 3QFY26 PAT grew ~19% YoY to INR12.9b (in line). NII rose ~24% YoY to ~INR35.8b (in line). Other income grew ~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%. Management guided for a further 5-10bp decline in CoF in 4QFY26, which should support a modest improvement in NIMs. The company expects NIMs+fees (as a % of avg. assets) to rise to around 8-8.1% in 4QFY26 and remain at similar levels through FY27. We expect NIM+fees to expand to ~8% each in FY27/FY28, (compared to ~7.8% in FY26E).
- CIFC shared that sequential momentum remains strong, driven by broad-based growth across all products, with 4Q disbursements likely to improve QoQ as demand remained healthy in Jan'26. The company maintained its AUM growth guidance of 20-22% in FY26. We model AUM growth of ~21% each in FY26E/FY27E.
- The company expects vehicle finance credit costs to decline from 4Q onward as early delinquencies ease and collection efficiency improves, with similar trends observed in Jan'26 as well. Credit costs in CSEL and SBPL are also expected to moderate, driven by the exit from partnership CSEL and run-down of this book and stabilization in the SBPL portfolio. We estimate credit costs (as a % of avg. assets) of ~1.6%/1.5% in FY26/FY27.
- We cut our FY27E/28E EPS by 2-3% to factor in slightly higher credit costs. We model a CAGR of 16%/21%/25% in disbursement /AUM/PAT over FY25-28E. We estimate RoA/RoE of ~2.7%/20% in FY28. **We reiterate our BUY rating with a TP of INR2,000 (premised on 4x Dec'27E BVPS).**

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.
- Gold loan disbursements in 3QFY26 stood at ~INR7.8b across 118 branches concentrated in southern and eastern India.

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%. In 3QFY26, write-offs stood at ~INR7.3b, representing ~1.7% of TTM AUM (PY: ~1.3% and PQ: ~1.5%).
- CIFC's 3QFY26 credit costs remained elevated at ~INR9.1b and translated into annualized credit costs of 177bp (PY: 157bp and PQ: 183bp).
- CRAR stood at ~19.2% (Tier 1: ~14.2%) as of Dec'25. CCDs worth ~INR3.1b were converted in Oct'25 and C ~INR10.6b 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 further in FY27.

Key highlights from the management commentary

- The company gained market share across key OEMs, including Tata Motors, Ashok Leyland, Volvo and Maruti, and two-wheelers, such as Hero, Honda and Royal Enfield.
- CV demand began improving from Dec'26 and strengthened further in Jan'26, with haulage, tippers and secondary markets showing good traction.
- Management said that after Covid, the company introduced a small-ticket LAP product at higher interest rates as a deliberate shift in its business mix to protect margins. This segment has now gained traction, with growing volumes and higher yields helping to support overall LAP yields.

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.
- The stock trades at 3.7x FY27E P/BV. In order to sustain this premium valuation multiple, CIFC needs to meet its AUM growth guidance and show a clear improvement in asset quality going forward. Further, it might have to fully leverage its diversified product suite to deliver its medium-term AUM growth guidance of 20-25%. We estimate a CAGR of ~21%/25% in AUM/PAT over FY25-28 for RoA/RoE of 2.7%/20% in FY28E. **We reiterate our BUY rating with a TP of INR2,000 (premised on 4x Dec'27E BVPS).**
- **Key risks:** 1) weak macros translating into weaker vehicle demand and sustained lower capacity utilization; 2) higher business volumes, following the festive season and GST cuts, rebounding to previous normalized levels, and 3) deterioration in asset quality, particularly in the new businesses and vehicle finance, which could keep the credit costs high for longer than estimated.

Quarterly Performance

(INR M)

Y/E March	FY25				FY26E				FY25	FY26	3Q	v/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			FY26E	Est.
Interest Income	53,695	57,680	61,587	64,180	66,501	68,942	72,238	75,993	2,37,200	2,83,674	71,700	1
Interest Expenses	27,957	30,551	32,718	33,623	34,663	35,155	36,430	37,324	1,24,849	1,43,572	35,929	1
Net Interest Income	**25,738**	**27,128**	**28,869**	**30,557**	**31,838**	**33,787**	**35,808**	**38,669**	**1,12,351**	**1,40,102**	**35,771**	**0**
YoY Growth (%)	39.7	34.6	32.98	29.8	23.7	24.5	24.03	26.5	34.0	24.7	23.9	
Other Income	4,595	5,248	6,537	7,027	6,807	6,959	7,616	8,725	23,348	30,107	7,611	0
Total Income	**30,333**	**32,376**	**35,406**	**37,584**	**38,645**	**40,746**	**43,423**	**47,394**	**1,35,699**	**1,70,209**	**43,383**	**0**
YoY Growth (%)	42.6	36.8	37.2	29.0	27.4	25.9	22.6	26.1	35.9	25.4	22.5	
Operating Expenses	11,834	13,155	14,130	14,269	14,528	16,169	16,991	18,155	53,388	65,843	17,168	-1
Operating Profit	**18,499**	**19,221**	**21,276**	**23,315**	**24,117**	**24,578**	**26,432**	**29,238**	**82,311**	**1,04,365**	**26,215**	**1**
YoY Growth (%)	38.1	35.3	40.4	43.2	30.4	27.9	24.2	25.4	39.4	26.8	23.2	
Provisions & Loan Losses	5,814	6,235	6,640	6,253	8,821	8,970	9,103	8,471	24,943	35,365	8,650	5
Profit before Tax	**12,685**	**12,986**	**14,636**	**17,062**	**15,296**	**15,608**	**17,329**	**20,768**	**57,369**	**69,000**	**17,565**	**-1**
Tax Provisions	3,263	3,355	3,771	4,395	3,937	4,054	4,452	5,337	14,783	17,781	4,532	-2
Net Profit	**9,422**	**9,631**	**10,865**	**12,667**	**11,359**	**11,553**	**12,877**	**15,430**	**42,585**	**51,220**	**13,033**	**-1**
YoY Growth (%)	29.8	26.3	24.0	19.7	20.6	20.0	18.5	21.8	24.4	20.3	20.0	
Key Parameters (Calc., %)												
Yield on loans	14.4	14.5	14.65	14.5	14.4	14.45	14.49	14.4	14.5	14.2		
Cost of funds	7.86	7.94	8.06	7.86	7.78	7.63	7.56	7.50	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	38.3	39.3	38.7		
Credit cost	1.55	1.56	1.57	1.39	1.87	1.83	1.78	1.56	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**	**317**	**1,009**	**1,104**		
Growth (%)	21.6	12.9	15.3	6.6	0.0	0.5	16.1	19.9	13.7	9.4		
AUM (INR b)	**1,554**	**1,646**	**1,746**	**1,847**	**1,921**	**1,992**	**2,107**	**2,235**	**1,847**	**2,235**		
Growth (%)	35.4	32.5	30.5	26.9	23.6	21.0	20.7	21.0	26.9	21.0		
AUM mix (%)												
Vehicle finance	57.0	55.9	55.4	54.8	54.5	54.0	53.6	53.1	54.8	53.1		
Home Equity	20.7	21.2	21.5	22.4	22.9	23.2	23.3	24.1	22.4	24.1		
Home loans & Others	22.3	23.0	23.1	22.8	22.6	22.7	23.1	22.8	12.8	12.4		
Borrowings (INR b)	**1,499**	**1,578**	**1,671**	**1,749**	**1,813**	**1,875**	**1,978**	**2,005**	**1,749**	**2,005**		
Growth (%)	38.6	32.1	35.7	30.1	20.9	18.8	18.4	14.6	30.1	14.6		
Asset Quality Parameters												
GS 3 (INR B)	41.2	47.1	51.3	52.1	60.4	66.3	70.1		52.1	69.9		
GS 3 (%)	2.6	2.8	2.91	2.8	3.2	3.4	3.36		2.8	3.1		
NS 3 (INR B)	22.5	26.1	28.7	28.5	34.0	37.6	40.0		28.5	39.9		
NS 3 (%)	1.5	1.6	1.66	1.6	1.8	1.9	1.95		1.5	1.8		
PCR (%)	45.5	44.5	44.1	45.3	43.7	43.2	43.0		45.3	43.0		
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

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	GAIL IN
Equity Shares (m)	6575
M.Cap.(INRb)/(USDb)	1054.6 / 11.5
52-Week Range (INR)	203 / 151
1, 6, 12 Rel. Per (%)	-4/-10/-16
12M Avg Val (INR M)	2096

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	1,291.0	1,362.3	1,441.2
EBITDA	120.6	148.7	159.0
Adj. PAT	74.7	96.8	106.2
Adj. EPS (INR)	11.4	14.7	16.2
EPS Gr. (%)	-20.9	29.6	9.7
BV/Sh.(INR)	116.9	125.1	134.2
Ratios			
Net D:E	0.2	0.2	0.1
RoE (%)	10.3	12.6	12.9
RoCE (%)	8.8	10.5	11.0
Payout (%)	52.5	44.0	44.0
Valuations			
P/E (x)	14.1	10.9	9.9
P/BV (x)	1.4	1.3	1.2
EV/EBITDA (x)	7.0	5.7	5.2
Div. Yield (%)	3.8	4.1	4.4
FCF Yield (%)	1.8	5.8	6.7

Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	51.2	51.5	51.5
DII	27.0	27.3	25.0
FII	15.3	14.3	16.7
Others	6.6	6.9	6.8

FII includes depository receipts

CMP: INR160 | TP: INR190 (+18%) | Buy

Valuations at bottom as challenges persist

- **Weak marketing, petchem, and LPG segments drag 3Q performance: In 3QFY26, GAIL's standalone EBITDA came in 9% below our estimate at INR26.6b. The weakness in results was largely driven by the poor performance of the marketing, petchem, and LPG segments. Gas transmission EBIT missed our estimate by 4%, while marketing EBIT was 19% below our estimate. 9MFY26 EBIT forms ~72% of the earlier guidance of INR45b. The weaker marketing EBIT was likely attributable to higher Henry Hub (HH) prices during the quarter. Reported PAT came in 19% below our estimate at INR16b, as other income was below our estimates.**
- **Key factors we liked about the result: 1) Natural gas transmission volumes stood 3% above our estimate at 125.5mmscmd in 3Q. According to management, the sequential rise in volumes was driven by a recovery in the fertilizer, refinery, and CGD sectors. 2) Management has reiterated its guidance of average gas transmission volumes of 124-125mmscmd in FY26, followed by a ~10mmscmd YoY increase in FY27 to 134-135mmscmd. Incremental volume growth is expected to be driven by CGD (~4 mmscmd), power (~2 mmscmd), refineries (~3 mmscmd), and other segments (~1 mmscmd). Conservatively, we are building in transmission volumes to average 128/132mmscmd in FY27/28.**
- **Key investor concerns: 1) The petchem segment continues to disappoint, reporting an EBIT loss of INR4.8b amid soft realizations and elevated input gas costs, with HH monthly contract prices rising as high as USD7/mmbtu. We believe that 4QFY26 is also likely to remain weak, as current HH prices remain elevated amid colder-than-expected winter in the US. 2) The marketing segment's profitability was also hit in 3Q (EBIT: INR8.5b, down 35% YoY). Management has now guided for a INR40b PBT in FY26/27. 3) The LPG and LHC segments' production volumes and profitability continue to remain weak following APM de-allocation since 4QFY25.**
- **Key monitorables: 1) Updates w.r.t two planned fertilizer plants located along GAIL's Mumbai-Nagpur-Jharsuguda natural gas pipeline corridor, entailing a capex of INR210b. 2) The commissioning of a 60ktpa petchem plant at Pata, the 1,250ktpa PTA plant, and the 500ktpa PDH-PP project. 3) Any update on the petition filed by the company seeking an INR15/mmbtu upward tariff revision, as it could act as a trigger for the stock.**
- **Key changes in earnings estimates: We cut our EBITDA/PAT estimates by 6%/10% for FY26 as we cut margins for the petchem, LPG, and LHC segments. We also increase the dividend payout ratio for FY26, accounting for actual dividend declared by the company.**
- **Valuation and view: GAIL's valuations have corrected sharply from their Sep'24 highs, and the stock now trades close to its historical averages at ~1x one-year forward core P/B (ex-investment value), offering a limited downside, driven by attractive dividend yield and robust FCF outlook. Reiterate BUY with a TP of INR190.**

Key highlights from the management commentary

- **Update on ongoing petchem projects**: The 1,250ktpa PTA plant should get commissioned in 4QFY26 and the 500ktpa PDH-PP project is scheduled for commissioning in CY26, while the 60ktpa plant at Pata is at an advanced stage and may be commissioned imminently.
- **Marketing margin guidance:** FY26/27: INR40b+ PBT (INR22b PBT for 1HFY26). Gas marketing volumes should grow at 5-6% YoY. The Dabhol terminal is now fully all-weather capable, though utilization remains constrained pending heating system commissioning by FY27.
- **LPG & LHC production:** Current gas allocation: 1.12mmscmd APM allocation and 0.2mmscmd NW gas. Hence, production in 4Q would be in line with 3Q volumes.
- **Details w.r.t LNG contracts:** Of the existing **16.5mmtpa** of LNG contracts, **6.55mmtpa** is HH linked, comprising **5.8mmtpa from the US** and **0.75mmtpa from the Middle East**. The balance is largely crude-linked, including **4.5mmtpa from Ras Gas**, **~3.0mmtpa from a marketing company**, **2mmtpa via PLL**, **0.4mmtpa from another supplier**, **1.0mmtpa recently contracted with Vitol**, and an additional **0.53mmtpa** under crude-linked arrangements.

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 attributed to poor performance of the marketing, petchem, and LPG segments.
- Gas transmission EBIT missed our estimate by 4%, while marketing EBIT was 19% below our estimate. 9MFY26 EBIT forms ~72% of the INR45b guidance. Poorer marketing EBIT was likely attributable to higher HH prices during the quarter.
- Operating loss at the petchem segment widened QoQ amid weak realizations QoQ and higher input costs.
- LPG EBIT declined ~90% YoY amid weaker production following the recent APM gas de-allocation.
- Reported PAT came in 19% below our estimate at INR16b, as other income was below our estimates.
- The Board has declared an interim dividend of INR5/sh (Face value 10/sh).
- **Operational performance:**
  - Natural gas transmission volume came in line with our estimate at 125.5mmscmd.
  - NG marketing volume came above our estimate at 104mmscmd.
  - Petchem sales were above our estimate at 218tmt, while the petchem segment reported an EBIT loss of INR4.8b.

Valuation and view

- **We reiterate our BUY rating on GAIL with our SoTP-based TP of INR190**. Over FY26-28, we estimate a 19% CAGR in PAT, driven by:
  - an increase in natural gas transmission volumes to 132mmscmd in FY28 from 123mmscmd in FY26;
  - substantial improvement in the petchem segment's performance over FY27-28, as the new petchem capacity will be operational and spreads are bottoming out;
  - healthy profitability in the trading segment, with guided PBT of at least INR40b in FY26/FY27.
- We expect RoE to stabilize at ~12.5%+ in FY27/28, with a healthy FCF generation of INR150b over FY26-28, which we believe can support its valuations.

Our SoTP-based valuation for GAIL

Business	EBITDA (INR b)	Target multiple (x)	Value (INR b)
Gas transmission	85	8.0	685
Gas trading	47	5.5	258
LPG transmission	5	7.5	37
Petrochemicals	10	6.5	64
LPG	11	6.5	71
Investments			278
Enterprise value			**1,393**
Net Debt			142
Implied Equity value			**1,251**
Value (INR/sh)			**190**

Standalone quarterly performance (INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	**336.7**	**329.1**	**349.4**	**356.9**	**347.7**	**350.1**	**340.5**	**252.7**	**1,372.1**	**1,291.0**	**313.9**	**8%**
Change (%)	3.9	3.4	2.0	10.4	3.3	6.4	-2.5	-29.2	4.9	-5.9	-10.1	
EBITDA	**45.3**	**37.4**	**28.4**	**32.2**	**33.3**	**31.9**	**26.6**	**28.8**	**143.3**	**120.6**	**29.2**	**-9%**
% of Net Sales	13.4	11.4	8.1	9.0	9.6	9.1	7.8	11.4	10.4	9.3	9.3	
Depreciation	10.5	8.2	8.3	9.0	8.8	9.3	10.5	11.2	36.0	39.9	9.4	
Interest	2.1	1.9	1.7	1.8	2.1	2.3	2.5	2.1	7.4	9.0	2.0	
Other Income	3.7	7.1	7.5	5.7	2.9	7.9	6.8	7.9	24.0	25.6	8.0	
Extraordinary item	0.0	0.0	24.4	0.0	0.0	0.0	0.0	0.0	24.4	0.0	0.0	
PBT	**36.4**	**34.5**	**50.3**	**27.0**	**25.3**	**28.2**	**20.3**	**23.4**	**148.2**	**97.3**	**25.8**	**-21%**
Rate (%)	25.2	22.6	23.1	24.1	25.5	21.5	21.1	24.6	23.7	23.2	23.2	
PAT	**27.2**	**26.7**	**38.7**	**20.5**	**18.9**	**22.2**	**16.0**	**17.7**	**113.1**	**74.7**	**19.8**	
Change (%)	71.1	11.1	36.0	-5.9	-30.8	-17.0	-58.6	-13.8	25.5	-33.9	-48.8	
Extraord.: Tax Prov. Write Back	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Adj PAT	**27.2**	**26.7**	**14.3**	**20.5**	**18.9**	**22.2**	**16.0**	**17.7**	**88.7**	**80.3**	**19.8**	**-19%**
Change (%)	71.1	11.1	-49.8	-5.9	-30.8	-17.0	12.3	-13.8	-1.6	-9.4	38.8	
Key Assumptions												
Gas Trans. volume (mmscmd)	131.8	130.6	125.9	120.8	120.6	123.6	125.5	120.7	127.3	122.6	124.2	3%
Petchem sales ('000MT)	169.0	226.0	221.0	229.0	177.0	209.0	218.0	195.3	211.3	199.8	145.3	0%

Bajaj Housing Finance

Estimate changes	↔
TP change	↓
Rating change	↔

Bloomberg	BAJAJHFL IN
Equity Shares (m)	8332
M.Cap.(INRb)/(USDb)	747.4 / 8.2
52-Week Range (INR)	137 / 87
1, 6, 12 Rel. Per (%)	-2/-23/-29
12M Avg Val (INR M)	1122

Financials Snapshot (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	38.3	46.3	56.3
PPP	35.4	43.5	53.6
PAT	26.1	32.2	39.5
EPS (INR)	3.1	3.9	4.7
EPS Gr. (%)	21	23	23
BV/Sh. (INR)	27	31	36
Ratios (%)			
NIM	3.4	3.3	3.3
C/I ratio	20.2	19.1	18.0
RoA	2.3	2.3	2.3
RoE	12.3	13.3	14.2
Valuation			
P/E (x)	28.6	23.2	18.9
P/BV (x)	3.3	2.9	2.5
Div. Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	86.7	88.7	88.8
DII	1.4	0.6	0.8
FII	1.0	0.9	1.1
Others	10.9	9.8	9.3

FII Includes depository receipts

CMP: INR90 TP: INR100 (+11%) Neutral

In-line quarter; focuses on scaling up non-prime portfolio

AUM grows 23% YoY; Reported NIM stable QoQ

- BHFL's 3QFY26 PAT grew 21% YoY to ~INR6.6b (in line). NII grew 20% YoY to ~INR9.6b (in line). Other income grew 49% YoY to ~INR1.9b (24% beat). NTI grew ~24% YoY to INR11.5b (in line).
- Opex rose ~26% YoY to INR2.3b (in line). This included a one-time impact of provisions of INR130m made on account of the new labor codes. PPoP grew 23% YoY to INR9.2b (in line).
- AUM grew 23% YoY to ~INR1.3t, while 3QFY26 disbursements grew ~32% YoY to ~INR165b. Total on-book loans grew ~23% YoY/4% QoQ to ~INR1.17t.
- Management highlighted that pricing pressure in the prime and super-prime segments remains high, which may continue going forward. In the near-prime and affordable segments, while pricing pressure is relatively lower, the number of players looking to enter and expand in these segments remains high.
- BHFL shared that its medium-term loan growth guidance remains unchanged, even though near-term growth has moderated due to higher balance transfers following rate cuts. As attrition stabilizes, the company expects growth to revert to its medium-term guidance. We model AUM growth of 23%/24% in FY26/FY27.
- We continue to believe in management's ability to improve profitability, supported by a healthy AUM CAGR of 23% over FY25-28E, broadly steady NIMs, and benign credit costs. We expect BHFL to deliver strong AUM growth, but rising competition from PSU banks and higher BT-OUTs may push BHFL to cut its lending rates, which could exert pressure on NTI. We expect BHFL to post a CAGR of 23%/22% in AUM/PAT over FY25-28E and RoA/RoE of ~2.3%/14.2% in FY28E. **Maintain Neutral with a TP of INR100 (based on 2.8x Dec'27E BVPS).**

Sambhav Housing catering to near-prime & affordable segment will expand customer Segment & support yields

- BHFL shared that its Sambhav division currently disburses INR3.25-3.5b per month and is targeting monthly disbursements of INR6b+ within the next 12-15 months.
- Management shared that its Sambhav Business operates across two segments, near-prime and affordable housing. Near-prime loans typically have ticket sizes of INR4-6m with yields of 9-11%, while affordable housing loans have ticket sizes of INR1.5-3.5m with yields of 11-13% and are focused on deeper pockets of the top-36 markets as well as tier-4 and rural locations.
- The company shared that ~35-40% of Sambhav's total disbursements currently come from the affordable segment and the rest from near-prime. Over the next 6-12 months, the affordable mix is expected to remain broadly stable, while over the longer term, a larger share of disbursement growth will come from affordable housing.

Reported NIMs stable at ~4% QoQ; minor decline in spreads

- Reported yields declined ~20bp QoQ to ~9.1% and CoB declined ~10bp QoQ to ~7.3%, leading to ~10bp QoQ decline in spreads to ~1.8%. Reported NIM was stable QoQ at ~4.0%.
- Spreads expanded to 1.9% in 2QFY26 from 1.8% in 1QFY26 and 4QFY25 due to faster transmission of lower cost of funds. In 3QFY26, spreads normalized as portfolio yield transmission caught up, while part of the benefit from lower funding costs had already been captured.

Asset quality stable; credit costs remain benign

- Net credit costs rose sequentially to INR564m (inline). This translated into annualized credit cost of ~20bp (PQ: ~18bp and PY: ~15bp). Asset quality was largely stable with GS3/NS3 at 0.3%/0.1%. PCR rose ~3pp QoQ to ~58.8%. (PQ: ~55.6%).
- Reported RoA/RoE in 3QFY26 stood at ~2.3%/12.3% (2QFY26: RoA/RoE: 2.3%/12.2%). Leverage stood at 5.5x and CRAR stood at ~23.15% as of Dec'25.
- BHFL's strategic framework will continue to be anchored in prime housing as the low-risk stability base, while non-prime and affordable segments will be used to enhance returns without increasing the overall portfolio risk.

Highlights from the management commentary

- Management said that after the RBI's Nov'25 circular removed the earlier illustration on tranche-based provisioning, the company has conservatively started providing capital on the entire undisbursed portion of under-construction home loans and construction finance, instead of only up to the next tranche. This has led to a sharper decline in Tier-1 in the quarter.
- BHFL shared that portfolio attrition was ~20%, driven mainly by BT-OUTs, which account for 60-70% of run-off, natural attrition is about 4-5% and the remainder comes from customer prepayments.

Valuation and view

- BHFL delivered a healthy performance in 3QFY26 with healthy AUM and disbursement growth across products, despite heightened competition. The company was successful in maintaining its margins, despite a declining interest rate environment, while maintaining pristine asset quality.
- BHFL is a strong franchise, well-positioned to handle rising competition and a declining interest rate environment while maintaining healthy growth and profitability. However, the current valuation of 2.9x FY27E already reflects its medium-term growth potential and profitability. Hence, we maintain Neutral rating on the stock with a TP of INR100 (based on 2.8x Dec'27E BVPS).
- Key risks: a) slowdown in the overall growth and demand environment, b) inability to drive NIM expansion amid competitive pricing, c) deterioration in the asset quality while scaling up the non-prime segments.

Quarterly performance INR m

Particulars	FY25				FY26E				FY25	FY26E	3QFY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	20,635	22,269	23,220	23,737	24,926	26,144	26,973	28,084	89,862	1,06,127	27,347	-1
Interest expense	13,988	15,137	15,159	15,509	16,060	16,580	17,335	17,859	59,793	67,834	17,342	0
Net interest income	**6,648**	**7,133**	**8,060**	**8,228**	**8,866**	**9,565**	**9,638**	**10,225**	**30,069**	**38,294**	**10,005**	**-4**
Growth YoY (%)	9.7	13.0	24.9	30.9	33.4	34.1	19.6	24.3	19.7	27.4	24.1	
Other operating income	1,452	1,833	1,270	1,343	1,259	1,406	1,887	1,458	5,898	6,010	1,518	24
Net total income	**8,100**	**8,966**	**9,331**	**9,571**	**10,125**	**10,970**	**11,525**	**11,683**	**35,967**	**44,303**	**11,523**	**0**
Growth YoY (%)	15.3	17.9	25.1	33.4	25.0	22.4	23.5	22.1	23.0	23.2	23.5	
Operating expenses	1,701	1,840	1,846	2,078	2,145	2,147	2,316	2,331	7,464	8,939	2,238	3
Operating profits	**6,399**	**7,126**	**7,485**	**7,493**	**7,980**	**8,823**	**9,209**	**9,352**	**28,503**	**35,365**	**9,285**	**-1**
Growth YoY (%)	20.1	20.1	30.8	43.1	24.7	23.8	23.0	24.8	28.3	24.1	24.0	
Provisions	100	50	355	296	411	497	564	531	801	2,002	553	2
Profit before tax	**6,299**	**7,076**	**7,130**	**7,198**	**7,569**	**8,327**	**8,645**	**8,821**	**27,702**	**33,363**	**8,732**	**-1**
Tax expenses	1,473	1,620	1,650	1,331	1,736	1,897	1,997	1,643	6,073	7,273	1,965	2
Net profit	**4,826**	**5,456**	**5,480**	**5,867**	**5,833**	**6,430**	**6,649**	**7,178**	**21,629**	**26,090**	**6,767**	**-2**
Growth YoY (%)	4.5	20.9	25.4	53.8	20.9	17.8	21.3	22.4	24.9	20.6	23.5	
Key Parameters (%)												
Reported Yields	9.8	9.9	9.8	9.70	9.50	9.3	9.1	0.00				
Reported Cost of funds	7.9	7.9	7.9	7.90	7.70	7.4	7.3	0.00				
Spread	1.9	1.9	1.9	1.80	1.80	1.9	1.8	0.00				
Reported NIMs	3.9	4.1	4.0	4.0	4.0	4.0	4.0	0.0				
Credit cost on loans	0.0	0.0	0.15	0.12	0.16	0.18	0.20	0.17				
Cost to Income Ratio (%)	21.0	20.5	19.8	21.7	21.2	19.6	20.1	19.9				
Tax Rate (%)	23.4	22.9	23.1	18.5	22.9	22.8	23.1	18.6				
Balance Sheet Parameters												
AUM (INR B)	**971**	**1,026**	**1,083**	**1,147**	**1,204**	**1,267**	**1,334**	**1,410**				
Change YoY (%)	31.0	26.3	26.1	25.5	24.1	23.6	23.2	23.0				
Loans (INR B)	**853**	**899**	**956**	**995**	**1,059**	**1,131**	**1,173**	**1,272**				
% of AUM	87.9	87.6	88.2	86.8	88.0	89.2	87.9	0.0				
Disbursements (INR B)	**120**	**120**	**126**	**143**	**147**	**159**	**165**	**182**				
Change YoY (%)	15.6	-1.2	17.2	25.1	22.1	32.5	31.6	27.9				
Borrowings (INR B)	**733**	**745**	**792**	**820**	**885**	**941**	**983**	**1,038**				
Change YoY (%)	25.3	19.3	24.3	18.6	20.7	26.4	24.1	26.6				
Asset Quality (%)												
GS 3 (INR M)	**2,360**	**2,580**	**2,810**	**2,870**	**3,150**	**2,980**	**3,190**	**0**				
G3 %	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.0				
NS 3 (INR M)	**960**	**1,090**	1,250	**1,140**	**1,380**	**1,320**	1,870	**0**				
NS3 %	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0				
PCR (%)	59.3	57.8	**55.5**	60.3	56.2	55.6	**58.8**	0.0				
ECL (%)	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.0				
Return Ratios - YTD (%)												
ROA (Rep)	2.3	2.5	2.4	2.4	2.3	2.3	2.3	0.0				
ROE (Rep)	14.3	13.0	11.5	12.1	11.6	12.2	12.3	0.0				

E: MOFSL Estimates

PB Fintech

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	POLICYBZ IN
Equity Shares (m)	459
M.Cap.(INRb)/(USDb)	723.3 / 7.9
52-Week Range (INR)	1978 / 1311
1, 6, 12 Rel. Per (%)	-8/-14/-16
12M Avg Val (INR M)	2701
Free float (%)	100.0

Financial & Valuation (INR m)

Y/E March	2026E	2027E	2028E
Revenue	66,809	90,092	1,16,198
YoY growth %	34.2	34.8	29.0
Opex	62,080	80,041	1,00,596
Adj EBITDA	6,730	12,050	17,602
PAT	6,211	9,971	13,350
YoY growth %	75.9	60.5	33.9
EPS (INR)	13.5	21.7	29.1
BVPS (INR)	154	175	204
Ratios (%)			
EBITDA Margin	7.1	11.2	13.4
PAT Margin	9.3	11.1	11.5
RoE	9.2	13.2	15.3
Valuations			
P/E (x)	114.2	71.2	53.1
P/B (x)	10.1	8.8	7.6
EV/ EBITDA (x)	138.2	65.0	41.9

Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	0.0	0.0	0.0
DII	29.5	26.6	20.6
FII	40.9	43.9	48.1
Others	29.6	29.5	31.4

FII includes depository receipts

CMP: INR1,563 TP: INR1,750 (+12%) Neutral

GST boost to premiums; cost efficiency drives PAT beat

- PB Fintech (POLICYBZ) reported revenue of INR17.7b (5% miss) in 3QFY26, up 37% YoY, driven by 35% growth in core online revenue to INR10.4b (in line) and 41% growth in new initiatives revenue to INR7.3b (12% miss). For 9MFY26, revenue grew 37% YoY to INR47.3b.
- Adj. EBITDA was at INR2b (14% beat; INR0.8b in 3QFY25) and adj. EBITDA margin at 11.3% (est. 9.4%). Adj. EBITDA margin of core online business was at 21.6% and for new initiatives, it was near the breakeven at -3.3%. POLICYBZ's EBITDA grew to INR1.6b (35% beat) from INR0.3b in 3QFY25.
- Lower-than-expected ESOP cost, along with robust operational efficiency, resulted in 24% PAT beat, which came in at INR1.9b, up 163% YoY. For 9MFY26, PAT grew 124% YoY to INR4.1b.
- The board is expected to discuss a potential QIP in a few days, possibly to fund the expansion into profitable international markets, which is expected to be EPS-accretive. Additionally, the management does not intend of becoming an insurance provider.
- We have cut our revenue estimates considering the impact of GST exemption on premiums. However, this has been offset by improved cost efficiency, keeping PAT estimates intact. Considering the potential risk on commission caps, we have revised our TP to INR1,750 (based on DCF valuation), implying FY28E EV/EBITDA of 47x**. Reiterate Neutral.**

Strong growth in health and term; take rates improve

- Core online premium grew 30% YoY to INR53.6b (7% miss), while new initiative premium grew 29% YoY to INR26b (15% miss). Lending disbursal for the quarter was at INR99.9b (8% beat), out of which core online lending at INR24.7b continued to recover sequentially (+8% QoQ).
- The core online insurance take rate improved to 17.2% (15.8% in 3QFY25), resulting in core insurance revenue growth of 42% YoY to INR9.2b. Core online lending revenue fell 3% YoY (+8% QoQ) to INR1.1b.
- New initiatives revenue grew 40% YoY to INR7.3b, driven by 29% YoY growth in new initiative insurance premium, stable insurance take rates, and continued expansion in secured lending disbursals to INR75.2b (INR25.7b in 3QFY25).
- Insurance renewal revenue annualized run-rate, based on 3Q performance, was INR8.6b, providing visibility for continued revenue growth and margin expansion.
- Contribution profit of INR5.1b (6% beat) grew 53% YoY with contribution margin of 28.5% (vs. our est. of 25.4%). Core online contribution margin was 44.6% and new initiatives contribution margin was 5.7%.
- ESOP expenses for 3Q were INR410m. Other income was at INR850m.
- Policy bazaar platform's registered customer base grew to 132.1m (96.8m in 3QFY25), with transacting customers at 24.6m (19.4m in 3QFY25). The platform has sold 62.9m policies till date.

- Paisa bazaar platform witnessed 7.1m transacting customers (6m in 3QFY25), with 56.8m credit scores accessed and 10.5m transactions till date. 75,000 credit cards were issued during the quarter.

Highlights from the management commentary

- Term and health together account for ~50% of overall premiums. New protection premium grew 68% YoY, while health insurance grew 79% YoY, driven largely by strong customer additions.
- Reliable customer disclosures, better claims outcomes and strong investments in insurance awareness and branding have supported steady market share gains as well as insurer trust for Policy Bazaar. The platform accounted for **~40% of the ~4m new lives added in FY25 in retail health insurance**.
- The GST exemption provided a meaningful near-term boost to growth, though management does not expect the current pace to fully sustain in 4QFY26. The take-rate negotiations with insurers have concluded on a win-win basis.

Valuation and view

- PB Fintech delivered strong volume growth in 3QFY26, driven by GST exemption-led boost in term and health insurance. Strong momentum in term insurance and operational efficiency resulted in profitability improvement. We believe PB Fintech holds a strong position in two of India's most under-penetrated financial services segments, complemented by embedded optionality from new initiatives that offer further long-term convexity. Over FY25-28, we expect PB Fintech to post a strong CAGR of 33%/155%/56% in revenue/EBITDA/PAT, factoring in a strengthening position in the under-penetrated credit and insurance industries.
- We have cut our revenue estimates considering the impact of GST exemption on premiums. However, this has been offset by improved cost efficiency, keeping PAT estimates intact. Considering the potential risk of commission caps, we have revised our TP to INR1,750 (based on DCF valuation), implying FY28E EV/EBITDA of 47x**. Reiterate Neutral.**

Quarterly Performance (INR b)

Y/E March	FY25				FY26				FY25	FY26E	3Q FY26E	act v/s Est. (%)	YoY (%)	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE						
Revenue	**10.0**	**11.7**	**12.9**	**15.1**	**13.5**	**16.1**	**17.7**	**19.5**	**50**	**67**	**18.7**	-5.3	37.2	9.8
Change YoY (%)	50.6	43.8	48.2	38.6	34.4	38.1	37.2	29.2	44.8	34.2	44.9			
Core Online Business	6.6	7.7	7.7	8.8	8.3	9.6	10.4	11.4	30.7	39.7	10.4	-0.2	34.9	8.5
New initiatives	3.5	4.0	5.2	6.3	5.1	6.6	7.3	8.1	19.0	27.1	8.3	-11.7	40.5	11.8
Direct costs	**7.2**	**8.5**	**9.6**	**10.8**	**9.8**	**11.5**	**12.7**	**13.9**	**36.1**	**47.8**	**13.9**	-9.2	31.7	10.2
Core Online Business	3.7	4.5	4.6	4.7	4.9	5.3	5.8	6.3	17.5	22.3	6.1	-4.8	26.6	8.7
New initiatives	3.5	4.0	5.1	6.0	4.9	6.2	6.9	7.6	18.6	25.6	7.9	-12.6	36.4	11.5
Contribution profit	**2.8**	**3.2**	**3.3**	**4.3**	**3.7**	**4.6**	**5.1**	**5.6**	**14**	**19**	**4.8**	6.2	53.0	8.8
Change YoY (%)	29.7	29.1	27.4	43.4	30.6	45.5	53.0	29.0	33.0	39.0	44.2			
Core Online Business	2.9	3.2	3.2	4.1	3.4	4.3	4.6	5.1	13.3	17.4	4.4	6.2	47.0	8.2
New initiatives	0.0	0.0	0.2	0.3	0.3	0.4	0.4	0.5	0.4	1.5	0.4	5.7	180.0	16.7
Adjusted EBITDA	**0.5**	**0.6**	**0.8**	**1.5**	**0.9**	**1.6**	**2.0**	**2.3**	**3.3**	**6.7**	**1.8**	13.6	153.2	28.2
Core Online Business	0.9	1.0	1.1	1.9	1.2	1.8	2.2	2.5	5.0	7.8	2.0	12.7	96.5	22.4
New initiatives	-0.4	-0.5	-0.4	-0.4	-0.3	-0.3	-0.2	-0.3	-1.7	-1.1	-0.2	5.4	-31.4	-11.1
EBITDA	**-0.4**	**-0.1**	**0.3**	**1.1**	**0.3**	**1.0**	**1.6**	**1.8**	**1.2**	**4.7**	**1.2**	34.7	467.9	62.2
Other Income	1.0	1.1	1.0	1.0	1.0	0.9	0.9	0.9	4.1	3.6	1.0	-15.0	-15.3	0.0
PBT	0.7	0.6	0.9	1.7	0.9	1.4	2.0	2.3	3.9	6.6	1.7	16.2	135.8	41.1
Tax	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.3	0.4	0.2	-42.3	-11.6	71.4
PAT	**0.6**	**0.5**	**0.7**	**1.7**	**0.8**	**1.4**	**1.9**	**2.1**	**3.5**	**6.2**	**1.5**	24.2	163.7	39.5
Profitability Ratios (%)												**bp**		
Contribution margin	28.3	27.3	25.6	28.7	27.5	28.8	28.5	28.7	27.4	28.4	25.4	308	295	-25
Adjusted EBITDA margin	4.9	4.8	6.1	9.9	6.6	9.7	11.3	11.7	6.7	10.1	9.4	188	517	162
Operational Highlights (INRb)														
Premiums	**48.7**	**54.5**	**61.4**	**70.3**	**66.2**	**76.1**	**79.7**	**88.7**	**234.9**	**310.5**	**88.0**	-9.5	29.8	4.7
Core Online Business	33.6	39.2	41.1	47.5	45.3	52.6	53.6	59.9	161.4	211.5	57.6	-6.9	30.4	1.9
New initiatives	15.1	15.3	20.2	22.8	20.8	23.4	26.0	28.8	73.4	99.1	30.4	-14.5	28.7	11.1
Lending Disbursal	**31.0**	**41.3**	**54.4**	**76.5**	**70.0**	**85.7**	**99.9**	**112.6**	**204.7**	**368.1**	**92.8**	7.6	83.7	16.5

Coromandel International

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	CRIN IN
Equity Shares (m)	295
M.Cap.(INRb)/(USDb)	653.6 / 7.1
52-Week Range (INR)	2720 / 1588
1, 6, 12 Rel. Per (%)	2/-17/17
12M Avg Val (INR M)	1338

Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	314.7	349.8	374.6
EBITDA	32.6	41.7	45.9
PAT	21.2	29.2	33.0
EBITDA (%)	10.4	11.9	12.3
EPS (INR)	72.0	99.1	112.0
EPS Gr. (%)	17.5	37.6	13.1
BV/Sh. (INR)	434.6	519.7	617.7
Ratios			
Net D/E	-0.2	-0.3	-0.4
RoE (%)	17.7	20.8	19.7
RoCE (%)	19.4	21.7	20.6
Payout (%)	19.4	14.1	12.5
Valuations			
P/E (x)	30.9	22.4	19.8
EV/EBITDA (x)	19.4	14.4	12.6
Div Yield (%)	0.6	0.6	0.6
FCF Yield (%)	-0.9	4.6	4.0

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	56.9	56.9	57.0
DII	16.7	15.9	21.0
FII	13.9	14.6	8.3
Others	12.6	12.7	13.7

CMP: INR2,216 TP: INR2,800 (+26%) Buy

Operational efficiencies cushion weather-related disruptions

Operating performance misses estimates

- Coromandel International (CRIN) continued to deliver healthy operating performance in 3QFY26 (EBITDA up 11% YoY), supported by continued traction in crop protection (EBIT up 47% YoY).
- We expect sulphur prices to normalize, while benefits from backward integration are likely to cushion fertilizer margins.
- Crop protection growth is expected to be led by sustained demand for key fungicide molecules (including Mancozeb), continued new product launches, and expansion in domestic formulations. Meanwhile, NACL integration is expected to support medium-term growth and margin expansion from FY27 onwards.
- We cut our FY26 earnings estimate by 7% due to lower-than-expected earnings in 3QFY26, while maintaining our estimates for FY27 and FY28. We value the company at ~25x FY28E EPS to arrive at a **TP of INR2,800. Reiterate BUY.**

Higher trading volumes lead to a decline in profitability

- CRIN reported revenue of INR87.8b (est. INR83.1b) in 3QFY26, up 27% YoY. Total manufacturing fertilizer volumes (NPK+DAP) declined marginally by 2% YoY to 892kmt, and total phosphate fertilizer manufacturing volumes (including SSP) rose marginally 1% YoY to 1.1mmt. Overall phosphatic volumes (NPK + DAP) declined marginally by 2% to 1.12mmt.
- Nutrient & other allied business revenue rose 22% YoY to INR77.6b, while crop protection business revenue grew 73% YoY to INR11b. Standalone crop protection (i.e. ex NACL) business grew 24% to INR7.9b.
- EBITDA grew 11% YoY to INR8b (est. in line). According to our calculations, manufacturing EBITDA/mt (including SSP) stood at INR4,571 (flat YoY), while EBITDA/mt for phosphate fertilizers (DAP and NPK) stood at INR5,353 (flat YoY).
- EBIT margin for the nutrient & other allied business contracted 200bp YoY to 7.8% due to a sharp increase in key raw material prices, while EBIT margin for the crop protection business contracted 210bp YoY to 12.2% (due to the consolidation of NACL). However, standalone EBIT margins expanded 570bp YoY to 20.2% due to a favorable product mix, improved realizations in key fungicide molecules, and operating leverage.
- Adjusted PAT stood at IN5.1b (est. INR6b), declining marginally by 1% YoY.
- CRIN's 9MFY26 revenue/EBITDA/Adj. PAT grew 33%/24%/22% to INR255b/INR27.3b/INR18.2b. Total manufactured fertilizer volume (NPK + DAP) grew 2% YoY to ~2.9mmt, and total phosphate fertilizer manufacturing volumes (including SSP) grew 3% YoY to 3.5mmt.

Highlights from the management commentary

- **Backward Integration and capex:** CRIN's sulphuric acid and phosphoric acid backward integration projects at Kakinada are progressing as planned, with a combined capex of ~INR2b and expected annual value addition of ~INR4b. In addition, the granulation expansion project is scheduled for commissioning in 3QFY27, with management guiding for full utilization from inception.
- **EBITDA/MT improvement:** CRIN indicated that normalized EBITDA of ~INR5,500/ton is expected to improve to ~INR6,500/ton on an annualized basis post backward integration, driven by captive acid sourcing and integrated power benefits.
- **Subsidy:** During the quarter, CRIN received INR25.71b/INR72.08b in subsidy claims for 3Q/1HFY26, compared to INR20.36b in 3QFY25. As of Dec'25, outstanding subsidies stood at ~INR37.85b compared to INR20.95b as of Dec'24.
- **Crop protection:** Crop protection revenue grew ~30% YoY in exports and ~36% YoY in domestic B2B, driven by volume growth and higher realizations in key technical molecules, while domestic B2C formulations saw low single-digit growth due to adverse weather. New products contributed ~25% of YTD revenue, and channel expansion added ~1,000 dealers, strengthening market reach and portfolio depth.

Valuation and view

- We believe the company is well-positioned to sustain its growth momentum in FY27, supported by favorable market dynamics, increasing shift toward NPK fertilizers for balanced nutrition, and strong growth in crop protection led by synergy benefits of the NACL consolidation.
- CRIN's medium-term outlook remains strong, backed by: 1) expansion into new geographies, 2) development of new molecules across fertilizers and crop protection segments, 3) backward integration for the fertilizer business, 4) acquisition of NACL, and 5) the scale-up of BMCC.
- We cut our FY26 earnings estimate by 7% due to lower-than-expected earnings in 3QFY26 while maintaining our estimates % for FY26/FY27/FY28. We value the company at ~25x FY28E EPS to arrive at a **TP of INR2,800. Reiterate BUY.**

Quarterly Performance (INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var
Consolidated	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%
Net Sales	**47,288**	**74,328**	**69,352**	**49,884**	**70,423**	**96,541**	**87,795**	**59,975**	**2,40,852**	**3,14,734**	**83,128**	**6**
YoY Change (%)	-16.9	6.4	26.9	27.5	48.9	29.9	26.6	20.2	9.2	30.7	19.9	
Total Expenditure	42,231	64,581	62,134	45,624	62,602	85,076	79,798	54,678	2,14,569	2,82,154	74,730	
EBITDA	**5,058**	**9,748**	**7,218**	**4,260**	**7,821**	**11,465**	**7,996**	**5,297**	**26,283**	**32,580**	**8,399**	**-5**
Margins (%)	10.7	13.1	10.4	8.5	11.1	11.9	9.1	8.8	10.9	10.4	10.1	
Depreciation	653	690	708	854	1,206	1,018	1,466	1,490	2,904	5,179	1,215	
Interest	574	661	731	659	680	1,018	835	750	2,624	3,283	550	
Other Income	541	650	1,137	1,260	837	1,165	832	1,200	3,587	4,034	1,307	
PBT before EO expense	**4,372**	**9,047**	**6,916**	**4,007**	**6,773**	**10,595**	**6,528**	**4,257**	**24,342**	**28,152**	**7,941**	
Extra-Ord expense	0	0	0	-3,468	0	0	0	0	-3,468	0	0	
PBT	**4,372**	**9,047**	**6,916**	**7,475**	**6,773**	**10,595**	**6,528**	**4,257**	**27,810**	**28,152**	**7,941**	
Tax	1,125	2,328	1,752	1,524	1,757	2,660	1,643	1,075	6,728	7,135	1,999	
Rate (%)	25.7	25.7	25.3	20.4	25.9	25.1	25.2	25.3	24.2	25.3	25.2	
Minority Interest & P/L of Asso. Cos.	137	79	46	154	-34	-119	-174	152	417	-175	-36	
Reported PAT	**3,110**	**6,641**	**5,118**	**5,797**	**5,050**	**8,053**	**5,059**	**3,031**	**20,665**	**21,193**	**5,978**	
Adj PAT	**3,110**	**6,641**	**5,118**	**3,036**	**5,050**	**8,053**	**5,059**	**3,031**	**18,036**	**21,193**	**5,978**	**-15**
YoY Change (%)	-37.1	-12.3	121.6	89.4	62.4	21.3	-1.2	-0.2	9.8	17.5	16.8	
Margins (%)	6.6	8.9	7.4	6.1	7.2	8.3	5.8	5.1	7.5	6.7	7.2	

UPL

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	UPLL IN
Equity Shares (m)	843
M.Cap.(INRb)/(USDb)	589.6 / 6.4
52-Week Range (INR)	812 / 580
1, 6, 12 Rel. Per (%)	-8/3/9
12M Avg Val (INR M)	1829

Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	504.5	539.2	580.6
EBITDA	94.5	105.1	113.2
PAT	29.0	43.4	49.7
EBITDA (%)	18.7	19.5	19.5
EPS (INR)	37.9	51.5	59.1
EPS Gr. (%)	51.6	35.8	14.7
BV/Sh. (INR)	637	700	777
Ratios			
Net D/E	0.5	0.4	0.2
RoE (%)	9.5	12.8	13.3
RoCE (%)	10.4	12.5	13.0
Payout (%)	47.2	25.7	22.4
Valuations			
P/E (x)	18.4	13.6	11.8
EV/EBITDA (x)	8.0	6.9	6.1
Div Yield (%)	1.9	1.9	1.9
FCF Yield (%)	0.4	10.9	11.0

Shareholding Pattern (%)

	Dec-25	Sep-25	Dec-24
Promoter	33.5	33.5	33.5
DII	16.7	17.2	18.9
FII	41.0	39.9	35.5
Others	8.8	9.5	12.1

Note: FII includes depository receipts

CMP: INR699 TP: INR730 (+5%) Neutral

Stable 3QFY26; industry headwinds keep outlook cautious

Operating performance above our estimates

- UPL Ltd (UPLL) posted a steady 3Q operating performance, with EBITDA growing 12% YoY to INR24.3. This was led by a broad-based EBITDA growth across platforms, higher capacity utilization, and lower COGS (gross margin up 120bp YoY). Revenue grew 12% to INR122.7b (led by 8% YoY volume growth).
- While the global agrochemical markets continue to face headwinds from geopolitical uncertainties, shifting trade dynamics, continued tariff-driven volatility, pricing pressure, and softer commodity prices, UPLL's diversified geographical and product portfolio provides a hedge. The company expects to sustain its EBITDA growth guidance of 12-16% for FY26.
- We broadly maintain our FY26/FY27/FY28 estimates. **We reiterate our Neutral rating on the stock with a TP of INR730.**

Volume-led growth offsets pricing pressure

- UPLL reported revenue of INR122.7b (est. INR115.5b) in 3QFY26, up 12.5% YoY **(volume growth: 8%, price down: 3%, forex up: 7%).** EBITDA stood at INR24.3b (est INR22.7b), up 12.5% YoY. EBITDA margin stood at 19.8% (flat YoY. Adj PAT came at INR6.3b (est. INR5b) in 3QFY26, down 37% YoY (adj. PAT is adjusted for exchange difference, extraordinary expenses, and the impact of labor law of around INR590m).
- For 9MFY26, the company's revenue/EBITDA /adj. PAT grew 8%/22%/93% to INR335b/INR59.4b/INR14b.
- Net debt stood at INR233b in 3QFY26 vs INR258b/ INR238b in 3QFY25/2QFY26.
- **The India** revenue rose 4% YoY to INR11.5b, led by a strong performance in the seeds business, further supported by the crop protection business. **North America**'s revenue grew 3% YoY to INR16.2b, despite continued tariff-related uncertainties. **LATAM's** revenue grew 7% to INR51.4b, led by herbicides and corn in Argentina. **The European** business grew 21% YoY to INR15.5b, driven largely by herbicide volumes, while the ROW business grew 32% to INR28b.
- **Advanta's** revenue increased 22% YoY to INR15.7b, driven by strong demand for corn (India, Argentina, other Latin American countries, Indonesia) and sunflower (Argentina). The company also reported a robust 3Q and 9M performance in its post-harvest business. **UPL SAS's** revenue grew 4% YoY in 3QFY26, driven by volumes and lower sales returns. **SUPERFORM's** revenue declined 11% YoY to INR27b.
- Net working capital days stood at 116 vs. 118 days in 2QFY26.

Key highlights from the management commentary

- **Advanta**: Its planned IPO will be executed as an OFS, with KKR divesting 2.2% of its stake and UPL selling 7.8%. The proceeds received by UPL will be applied toward **deleveraging the group's balance sheet.**
- **Industry outlook:** While volumes are seeing a gradual uptick, persistent price pressure and structural overcapacity in China continue to limit value growth and margin recovery, delaying a stronger market rebound.
- **Debt repayment**: Net debt fell by USD427m YoY to USD2.59b. The net debt-to-EBITDA improved to 2.5x (from 3.8x) and net debt-to-equity to 0.6x (from 0.8x).
- **New product:** The company continues to strengthen the new product pipeline and is on track to exceed our USD130m revenue target for new product launches this year.

Valuation and view

- UPLL has demonstrated a stable performance in 3QFY26 despite continued macro headwinds. While the global crop protection industry is expected to experience a slow recovery with volumes showing modest growth, we anticipate the recovery to be limited, led by the geopolitical uncertainties shifting trade dynamics, continued tariff-driven volatility, pricing pressure, and softer commodity prices.
- We broadly retain our FY26/FY27/FY28 estimates and expect a revenue/EBITDA/ Adj. PAT CAGR of 8%/12%/37% over FY25-28. **We reiterate our Neutral rating on the stock with a TP of INR730.**

Cons.: Quarterly Earnings Model **(INRb)**

Y/E March	FY25				FY26			FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q			3Q	%
Net Sales	**90.7**	**110.9**	**109.1**	**155.7**	**92.2**	**120.2**	**122.7**	**466.4**	**504.5**	**115.5**	**6%**
YoY Change (%)	1.2	9.0	10.3	10.6	1.6	8.4	12.5	8.2	8.2	5.9	
Total Expenditure	79.2	95.2	87.5	123.4	79.1	98.1	98.4	385.2	410.0	92.8	
EBITDA	**11.5**	**15.8**	**21.6**	**32.4**	**13.0**	**22.1**	**24.3**	**81.2**	**94.5**	**22.7**	**7%**
Margins (%)	12.6	14.2	19.8	20.8	14.1	18.3	19.8	17.4	18.7	19.6	
Depreciation	6.6	7.0	6.9	7.1	7.3	7.7	8.3	27.5	31.7	7.8	
Interest	9.1	10.7	7.3	9.1	10.1	7.8	7.7	36.3	32.7	6.5	
Other Income	1.0	1.1	1.7	1.1	1.4	2.5	0.9	4.9	5.9	1.2	
Exch. difference on trade rec./payable	0.5	2.2	2.1	0.5	-0.9	2.0	1.2	5.2	2.3	0.0	
PBT before EO expense	**-3.7**	**-3.0**	**7.1**	**16.8**	**-2.0**	**7.0**	**8.1**	**17.1**	**33.7**	**9.6**	
Extra-Ord expense	0.5	0.1	0.8	2.8	0.1	-1.4	0.6	4.1	-0.8	0.0	
PBT	**-4.2**	**-3.1**	**6.3**	**14.0**	**-2.1**	**8.4**	**7.5**	**13.0**	**34.5**	**9.6**	
Tax	0.7	1.4	-5.0	3.0	-0.1	1.7	1.8	0.1	5.9	1.6	
Rate (%)	-17.0	-44.2	-79.0	21.2	6.7	20.5	24.1	0.7	17.0	17.0	
MI & P/L of Asso. Cos.	-1.1	-0.1	3.0	2.1	-1.1	1.1	1.8	4.0	5.1	2.9	
Reported PAT	**-3.8**	**-4.4**	**8.3**	**9.0**	**-0.9**	**5.5**	**4.0**	**9.0**	**23.6**	**5.0**	
Adj PAT	**-2.0**	**-0.6**	**9.9**	**11.9**	**1.0**	**6.8**	**6.3**	**19.1**	**29.0**	**5.0**	**25%**
YoY Change (%)	-155.2	-159.3	-267.9	225.5	-147.6	-1,181.7	-36.8	672.6	51.6	-49.4	
Margins (%)	-2.2	-0.6	9.1	7.6	1.0	5.7	5.1	4.1	5.8	4.4	

Glenmark Pharma

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	GNP IN
Equity Shares (m)	282
M.Cap.(INRb)/(USDb)	541.9 / 5.9
52-Week Range (INR)	2286 / 1275
1, 6, 12 Rel. Per (%)	-2/-9/27
12M Avg Val (INR M)	1676

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	133.8	153.9	169.7
EBITDA	14.7	34.5	38.3
Adj. PAT	5.7	21.4	24.6
EBIT Margin (%)	6.7	18.6	18.9
Adj EPS (INR)	20.2	75.9	87.1
EPS Gr. (%)	-57.7	275.8	14.8
BV/Sh. (INR)	330.2	401.8	484.7
Ratios			
Net D-E	0.0	-0.1	-0.2
RoE (%)	6.3	20.7	19.6
RoCE (%)	8.6	20.5	20.3
Payout (%)	6.2	5.6	4.8
Valuations			
P/E (x)	93.9	25.0	21.8
EV/EBITDA (x)	35.9	14.9	12.8
Div. Yield (%)	0.2	0.2	0.2
FCF Yield (%)	3.2	2.9	4.2
EV/Sales (x)	3.9	3.3	2.9

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	46.7	46.7	46.7
DII	20.1	18.7	13.9
FII	19.2	20.7	23.5
Others	14.0	14.0	16.0

FII includes depository receipts

CMP: INR1,920 TP: INR2,240 (+17%) Buy

Mixed quarter; domestic strengthens

DF recovery/EM momentum offset by challenges in the EU/US

- Glenmark Pharma (GNP) posted largely in-line financial performance in 3QFY26. The quarterly performance was driven by a healthy revival in the domestic formulation (DF) business, out-licensing income related to ISB2001, and better performance in emerging markets. This was dragged down by inferior show in the EU/US (ex-milestone income) for the quarter.
- GNP delivered better-than-industry growth in the DF segment, led by differentiated product launches in key therapies such as cardiac and respiratory. GNP continues to enhance its portfolio through in-licensing deals as well in the DF segment.
- Even the consumer health segment performed well for the quarter.
- While the EU business faced challenges in YoY growth in 3QFY26, the respiratory portfolio grew due to the onset of the winter season.
- For the NA business, the compliance at the Monroe site would enable restarting commercial manufacturing at a gradual pace.
- We cut our FY26 estimate by 4%, factoring in: a) delay in potential approvals for the US market, and b) temporary slowdown in the EU business. We value GNP at 23x 12M forward earnings to arrive at our TP of INR2,240.
- After the strategic reset, GNP is gradually reviving its sales performance in the DF segment. It continues to build a niche product pipeline for the US market. The company is working on innovative products to improve the scope for potential deals. **Reiterate BUY.**

Healthy performance for the first time after strategic reset

- GNP's sales grew 15.1% YoY to INR39.0b (our est. INR37.7b).
- Gross margin contracted 120bp YoY to 66.8%.
- EBITDA margin expanded 460bp YoY to 22.3% (our est. 22.5%), due to lower operating expenses (employee expenses down 170bp YoY). EBITDA increased 44.9% YoY to INR8.7b (our est. INR8.5b).
- The company had exceptional items amounting to INR1.8b for the quarter.
- Adjusted for the same, PAT rose 55.9% YoY to INR5.4b (our est.: INR5.3b).
- For 9MFY26, revenue/EBITDA/PAT declined 5%/68%/102% YoY, primarily due to the weak operational performance in 2QFY26.

DF & EM drive, while US (ex-milestone income) & EU drag YoY revenue

- 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 grew 8.4% YoY to INR8.1b (23% of revenue).
- Europe sales grew by 9.1% YoY to INR8.0b Mn (21% of revenue).
- GCC (Consumer Care) recorded primary sales growth of 21.5% YoY, driven by CANDID, SCALPE, and BONTRESS portfolio, among others.

Key highlights from the management commentary

- With respect to ISB2001, it is executing a phase 1 study and continues to rapidly enroll patients.
- ISB2301 has entered the IND enabling stage.
- Ryaltris is expected to achieve USD100m in FY26, driven by improved business in the EU, Russia, Australia, and many other geographies.
- GNP awaits approval for two nasal sprays. GNP also awaits approval for 44mcg g-Flovent. It filed 110mcg in Dec'25.
- While CC growth for the EU business was weak, management remains confident of superior growth prospects over the medium to long term.

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**	**38,424**	**1,33,217**	**1,33,844**	**37,704**	**3.5**
YoY Change (%)	6.9	7.1	35.1	6.3	0.6	-30.8	15.1	18.0	12.8	0.5	11.3	
EBITDA	**6,102**	**6,019**	**6,002**	**5,610**	**5,805**	**-8,704**	**8,697**	**8,876**	**23,734**	**14,674**	**8,483**	**2.5**
YoY Change (%)	39.5	19.1	-515.5	11.2	-4.9	-244.6	44.9	58.2	82.2	-38.2	41.3	
Margins (%)	18.8	17.5	17.7	17.2	17.8	-36.6	22.3	23.1	17.8	11.0	22.5	
Depreciation	1,178	1,203	1,227	1,252	1,299	1,412	1,544	1,413	4,860	5,669	1,328	
EBIT	**4,924**	**4,816**	**4,775**	**4,358**	**4,506**	**-10,116**	**7,153**	**7,463**	**18,874**	**9,005**	**7,156**	
YoY Change (%)	66.7	32.4	-263.8	23.5	-8.5	-310.0	49.8	71.2	161.9	-52.3	49.9	
Margins (%)	15.2	14.0	14.1	13.4	13.8	-42.6	18.3	19.4	14.2	6.7	19.0	
Interest	396	485	523	667	582	665	414	208	2,071	1,869	250	
Other Income	315	324	311	117	264	2,006	445	465	1,067	3,180	135	
PBT before EO Exp.	**4,843**	**4,656**	**4,563**	**3,808**	**4,188**	**-8,775**	**7,183**	**7,720**	**17,870**	**10,317**	**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**	**7,720**	**13,992**	**23,690**	**7,041**	**-24.2**
Tax	1,221	1,181	1,083	36	486	3,570	1,308	1,814	3,521	7,178	1,760	
Rate (%)	26.4	25.0	23.7	45.0	50.9	36.9	24.5	23.5	25.2	30.3	25.0	
Rep. PAT	**3,402**	**3,545**	**3,480**	**44**	**470**	**6,104**	**4,032**	**5,906**	**10,471**	**16,512**	**5,281**	**-23.6**
Minority Interest	0	3	1	-3	1	1	0	-2	0	0	0	
Rep. PAT after Minority Int.	**3,403**	**3,542**	**3,480**	**47**	**469**	**6,104**	**4,032**	**5,908**	**10,471**	**16,512**	**5,281**	
Adj PAT	**3,565**	**3,490**	**3,480**	**2,932**	**3,140**	**-8,776**	**5,424**	**5,908**	**13,466**	**5,696**	**5,281**	**2.7**
YoY Change (%)	220.9	149.8	-199.8	74.6	-11.9	NA	55.9	101.5	1,821.0	-57.7	51.8	
Margins (%)	11.0	10.2	10.3	9.0	9.6	-36.9	13.9	15.4	10.1	4.3	14.0	
Overall Adj. PAT	**3,565**	**3,490**	**3,480**	**2932**	**3,140**	**(8,776)**	**5,424**	**5,908**	**13,466**	**5,696**	**5,281**	**2.7**

KPIs

Y/E March	FY25				FY26E				FY25	FY26E	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE
India formulations	11,962	12,817	10,637	9,430	12,399	1,650	12,986	10,769	44,846	37,804	11,541
YoY Change (%)	11.9	13.9	300.2	0.4	3.7	-87.1	22.1	14.2	31.9	-15.7	8.5
US	7,808	7,405	7,813	7,146	7,780	7,956	9,706	10,170	30,172	35,612	8,131
YoY Change (%)	-4.6	-1.2	1.4	-5.4	-0.4	7.4	24.2	42.3	-2.5	18.0	4.1
ROW+LatAm	5,708	7,041	7,491	7,898	5,721	6,585	8,119	8,767	28,138	29,192	8,165
YoY Change (%)	3.3	-4.1	3.0	4.9	0.2	-6.5	8.4	11.0	1.7	3.7	9.0
Europe	6,957	6,874	7,297	7,335	6,678	7,460	7,963	8,069	28,463	30,170	8,392
YoY Change (%)	21.4	14.6	14.8	19.9	-4.0	8.5	9.1	10.0	17.6	6.0	15.0
Cost Break-up											
RM Cost (% of Sales)	34.2	31.2	32.0	33.4	31.1	53.2	33.2	32.6	32.7	36.1	30.0
Staff Cost (% of Sales)	21.9	22.9	23.3	22.6	23.4	37.3	21.6	21.3	22.7	24.7	21.4
R&D Expenses(% of Sales)	7.4	7.2	6.6	7.3	7.1	7.2	7.4	7.2	7.1	7.9	7.0
Other Cost (% of Sales)	17.6	21.2	20.4	19.4	20.6	35.2	15.5	15.8	19.7	20.3	19.1
Gross Margins(%)	65.8	68.8	68.0	66.6	68.9	46.8	66.8	67.4	67.3	63.9	70.0
EBITDA Margins(%)	18.8	17.5	17.7	17.2	17.8	-36.6	22.3	23.1	17.8	11.0	22.5
EBIT Margins(%)	15.2	14.0	14.1	13.4	13.8	-42.6	18.3	19.4	14.2	6.7	19.0

E: MOFSL Estimates

LIC Housing Finance

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	LICHF IN
Equity Shares (m)	550
M.Cap.(INRb)/(USDb)	273 / 3
52-Week Range (INR)	647 / 484
1, 6, 12 Rel. Per (%)	-4/-15/-22
12M Avg Val (INR M)	935

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	83.3	88.3	95.5
PPP	75.8	79.5	85.1
PAT	54.8	56.3	60.3
EPS (INR)	99.5	102.3	109.6
EPS Gr. (%)	0.9	2.8	7.1
BV/Sh (INR)	738	818	906
Ratios			
NIM (%)	2.7	2.7	2.7
C/I ratio (%)	14.6	15.1	15.3
RoAA (%)	1.7	1.7	1.7
RoE (%)	14.3	13.2	12.7
Payout (%)	10.8	10.4	10.5
Valuations			
P/E (x)	5.0	4.9	4.5
P/BV (x)	0.7	0.6	0.5
Div. Yield (%)	2.2	2.1	2.3

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	45.2	45.2	45.2
DII	21.8	22.2	21.5
FII	20.4	20.2	21.2
Others	12.6	12.5	12.1

FII Includes depository receipts

CMP: INR496 TP: INR550 (+11%) Neutral

Heightened competition constrains loan growth visibility

NIM protection prioritized over growth; slight improvement in asset quality

- LIC Housing Finance's (LICHF) 3QFY26 PAT declined ~3% YoY to ~INR13.8b (in line). NII grew ~5% YoY to ~INR21b (in line). Fee and other income rose 35% YoY to INR1.4b.
- Opex declined ~2% YoY to INR3.5b (~5% higher than est.) and cost-income ratio rose ~160bp YoY to ~15.5% (PY: ~17% and PQ: ~14%). The company stated that there was no material impact of the new Labor codes. PPoP grew ~8% YoY to ~INR19b (in line).
- Credit costs declined QoQ to ~INR1.5b (~11% higher than est.), translating into annualized credit costs of 20bp (PY: -6bp and PQ: 22bp).
- **LICHF,** primarily catering to salaried customers in the IHL segment, witnessed softer disbursements amid intensified competition from banks. Management remained focused on margin protection, adopting a calibrated approach to growth rather than pursuing volume-driven expansion.
- Going forward, the company expects growth to be driven by the affordable housing segment and self-employed borrowers, and has been gradually expanding its presence in affordable housing. Internally, **LICHF** is reviewing its organizational and marketing structures, engaging leading consulting firms to benchmark peer practices and identify structural enhancements to support sustainable growth.
- Management remains confident of sustaining NIMs at ~2.7%. The share of higher-yielding products, such as LAP and LRD (offering ~150bp higher yields than IHL), is expected to rise to ~18–20% of the portfolio over the next few years and will provide margin support. Further, the company is gradually transitioning toward floating-rate borrowings to capitalize on potential rate cuts while preserving a diversified borrowing profile.
- **LICHF's** performance remained subdued during the quarter, impacted by weak disbursements and muted loan growth in a competitive environment. However, management expects seasonally strong trends in 4QFY26 to support a recovery in disbursements. Focus on NIM sustainability and profitability remains intact, while stable asset quality with marginal improvement offers comfort on downside risks. We estimate a CAGR of ~7%/5% in advances/PAT over FY26-28 and RoA/RoE of 1.7%/13% by FY28. With no near-term catalyst, **we reiterate our NEUTRAL rating on the stock with a TP of INR550 (based on 0.6x Dec'27E P/BV).**

Disbursements remain muted; rate reduction expected to drive traction

- Loan disbursements in individual home loans (IHL) grew ~7% YoY, while non-housing individual disbursements rose 10% YoY. Non-housing commercial disbursements declined ~23% YoY. Builder/project loan disbursements fell ~41% YoY. Total disbursements rose ~4% YoY and declined 1% QoQ at ~INR161b.

- Loan growth was sluggish due to weak disbursements and high repayments. Total loan book grew ~5% YoY and ~1% QoQ to INR3.14t. Home loans grew ~4% YoY, and non-housing individual book grew ~12% YoY.
- Management highlighted that home loan customers, particularly prime borrowers, remain highly rate-sensitive, and the company's recent reduction in home loan rates (on new loans) to ~7.15% has begun to show traction. We expect LICHF to deliver a loan growth of ~7% over FY26-28.

NIM and spreads expand QoQ, driven by a decline in the CoB

- 3Q NIM expanded ~7bp QoQ to ~2.7%. Reported yields for 9MFY26 declined ~7bp QoQ to ~9.3%, and CoB declined ~15bp QoQ to ~7.3%, resulting in spreads improving ~7bp QoQ to ~2.1%.
- Given that the company has prioritized NIM protection over growth, we expect LICHF to sustain margins and model NIMs of ~2.7% for FY27–28.

Stage 3 assets decline QoQ; PCR shows improvement

- GS3/NS3 declined ~5bp each QoQ to ~2.5%/1.1%. Stage 3 PCR improved ~140bp QoQ to ~54.5% (PQ: ~53%) and Stage 2 PCR declined ~70bp QoQ to ~3.2% (PQ: 3.9%).
- We estimate LICHF to deliver a sustained improvement in asset quality, reaching GNPA/NNPA of 2%/1% by FY28E.

Highlights from the management commentary

- Engagement with LIC is underway to better leverage LIC branches and agents for home loan distribution. LIC agents are expected to actively market home loans, supporting loan growth in FY27. LICHF is, however, facing the challenge that LIC managers are concerned employees might neglect their insurance sales if they start distributing home loans.
- There is no material update on NCLT cases, as large corporate borrowers continue to delay proceedings. However, meaningful progress has been made on several large accounts. Management expects 2-3 large resolutions, potentially in 4Q or early FY27, though timelines remain uncertain.

Valuation and view

- We believe that the declining interest rate environment, along with heightened competition from banks in the home loan segment, is likely to constrain LICHF's loan growth. Additionally, while consultant-led recommendations aim to improve efficiency, the implementation is typically prolonged and outcomes remain uncertain.
- LICHF's valuation of ~0.6x FY27E P/BV reflects the inability of the franchise to deliver a respectable, stronger loan growth. **We estimate a CAGR of ~7%/5% in advances/PAT over FY26-28 and RoA/RoE of 1.7%/13% by FY28. With no near-term catalyst, we reiterate our Neutral rating on the stock with a TP of INR550 (based on 0.6x Dec'27E P/BV).**

Quarterly Performance

(INR M)

Y/E March	FY25				FY26				FY25	FY26	3Q FY26E	Act. v/s est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Interest Income	67,391	68,534	69,516	71,173	71,131	70,335	70,439	70,632	2,76,615	2,82,537	70,617	0
Interest Expenses	47,501	48,796	49,515	49,508	50,473	49,951	49,421	49,405	1,95,320	1,99,250	50,251	-2
Net Interest Income	**19,891**	**19,739**	**20,001**	**21,664**	**20,658**	**20,385**	**21,017**	**21,228**	**81,295**	**83,287**	**20,366**	**3**
YoY Growth (%)	-10.0	-6.3	-4.6	-3.2	3.9	3.3	5.1	-2.0	-6.0	2.5	1.8	
Fees and other income	446	784	1,057	1,661	1,201	1,362	1,431	1,534	3,948	5,528	1,480	-3
Net Income	**20,337**	**20,522**	**21,059**	**23,326**	**21,859**	**21,747**	**22,449**	**22,762**	**85,243**	**88,815**	**21,847**	**3**
YoY Growth (%)	-9.7	-4.9	-1.9	2.0	7.5	6.0	6.6	-2.4	-3.6	4.2	3.7	
Operating Expenses	2,621	3,105	3,564	4,536	2,938	3,018	3,488	3,535	13,826	12,979	3,315	5
Operating Profit	**17,715**	**17,417**	**17,495**	**18,790**	**18,920**	**18,729**	**18,961**	**19,227**	**71,416**	**75,836**	**18,532**	**2**
YoY Growth (%)	-11.9	-8.3	-7.2	-1.3	6.8	7.5	8.4	2.3	-7.2	6.2	5.9	
Provisions and Cont.	1,431	773	-440	1,094	1,929	1,682	1,536	1,350	2,858	6,496	1,379	11
Profit before Tax	**16,285**	**16,644**	**17,934**	**17,696**	**16,992**	**17,047**	**17,425**	**17,877**	**68,558**	**69,340**	**17,153**	**2**
Tax Provisions	3,282	3,355	3,615	4,016	3,392	3,508	3,586	4,075	14,268	14,561	3,551	1
Net Profit	**13,002**	**13,289**	**14,320**	**13,680**	**13,599**	**13,539**	**13,840**	**13,801**	**54,290**	**54,779**	**13,602**	**2**
YoY Growth (%)	-2	12	23	25	5	2	-3	1	14	1	-5	
Key Operating Parameters (%)												
Yield on loans (Cal)	9.37	9.40	9.37	9.38	9.22	9.06	9.00	8.90	9.5	9.1		
Cost of funds (Cal)	7.50	7.64	7.62	7.43	7.46	7.35	7.26	7.16	7.5	7.2		
Spreads (Cal)	1.87	1.76	1.75	1.95	1.76	1.70	1.74	1.74	2.0	1.9		
Margins (Cal)	2.76	2.71	2.69	2.86	2.68	2.62	2.69	2.68	2.7	2.6		
Credit Cost (Cal)	0.20	0.11	-0.06	0.14	0.25	0.22	0.20	0.17	0.1	0.2		
Cost to Income Ratio	12.9	15.1	16.9	19.4	13.4	13.9	15.5	15.5	16.2	14.6		
Tax Rate	20.2	20.2	20.2	22.7	20.0	20.6	20.6	22.8	20.8	21.0		
Balance Sheet Parameters												
Loans (INR B)	2,887	2,946	2,991	3,077	3,096	3,118	3,143	3,206	3028	3158		
Change YoY (%)	4.4	6.0	6.4	7.3	7.2	5.8	5.1	4.2	7.9	4.3		
Indiv. Disb. (INR B)	124	151	145	183	130	159	155	185	602	630		
Change YoY (%)	16.9	6.0	-2.1	9.3	4.6	5.7	7.0	1.5	6.9	4.5		
Borrowings (INR B)	2,537	2,574	2,626	2,706	2,709	2,725	2,721	2,798	2706	2798		
Change YoY (%)	5.1	5.7	7.1	7.0	6.8	5.8	3.6	3.4	7.2	3.4		
Loans/Borrowings (%)	113.8	114.4	113.9	113.7	114.3	114.4	115.5	114.6	111.9	112.9		
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

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	CDSL IN
Equity Shares (m)	209
M.Cap.(INRb)/(USDb)	258.6 / 2.8
52-Week Range (INR)	1829 / 1047
1, 6, 12 Rel. Per (%)	-11/-18/-12
12M Avg Val (INR M)	4780

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Revenue	11.7	13.5	15.5
EBITDA	6.1	7.1	8.3
EBITDA Margin (%)	52.3	53.0	53.8
PAT	5.0	5.8	6.7
PAT Margin (%)	42.4	42.8	43.4
EPS	23.8	27.5	32.1
EPS Grw. (%)	-4.9	15.6	16.6
BVPS	95.6	107.1	123.2
RoE (%)	26.5	27.2	27.9
Div. Payout (%)	52.5	58.1	49.8
Valuations			
P/E (x)	51.9	44.9	38.5
P/BV (x)	12.9	11.6	10.0
Div. Yield (%)	1.0	1.3	1.3

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	15.0	15.0	15.0
DII	15.1	14.2	19.1
FII	12.4	11.5	17.1
Others	57.5	59.3	48.7

FII includes depository receipts

CMP: INR1,237 TP: INR1,410 (14%) Neutral

Overall, a weak quarter

- **CDSL's operating revenue rose 9% YoY but declined 5% QoQ to INR3.0b (in line). The sequential decline was due to a 2%/5% drop in annual issuer charges and IPO & corporate action charges to INR1.1b and INR590m, respectively. For 9MFY26, the company's operating revenue grew 3% YoY to INR8.8b.**
- **EBITDA remained flat YoY, but declined 9% QoQ to INR1.6b, resulting in an 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 25%/21% YoY increase in employee costs/other expenses.**
- **PAT for the quarter grew 2% YoY; however, it dipped 5% QoQ to ~INR1.3b (in line due to lower-than-expected tax provisions). PAT margin came in at 43.7% vs. 46.7% in 3QFY25 and 43.9% in 2QFY26. For 9MFY26, PAT declined 12% YoY to INR3.8b.**
- **CDSL operates as an infrastructure utility and will continue to invest across the application layer, hardware, network, and cybersecurity. Technology investments are capacity-led rather than volume-linked, with infrastructure built ahead of demand to ensure scalability. Future outlook on tech costs includes AI adoption, application security upgrades, and regulatory-driven tech changes.**
- **We cut our earnings estimates by 5%/6%/7% for FY26/FY27/FY28 to factor in lower CVL and IPO-related corporate action revenues, along with higher-than-expected technology costs. We expect CDSL to post a revenue/EBITDA/PAT CAGR of 13%/10%/9% over FY25-28. We reiterate our Neutral rating on the stock with a one-year TP of INR1,410 (premised on a P/E multiple of 44x on FY28E earnings).**

Issuer charges and IPO & corporate actions lead to a sequential dip in revenue growth

- On the revenue front, transaction revenue rose 2% each YoY/QoQ to INR600m. Within transaction revenue, pledge income stood at INR 54.2m in 3QFY26 vs. INR 50.9m in 2QFY26.
- Annual issuer charges rose 40% YoY to INR 1.1b, driven by a sharp increase in the number of unlisted companies issued and rising folios. However, it declined 2% sequentially on account of a slowdown in the number of unlisted companies issued during the quarter.
- The total issuer charges include a one-time application fee of INR31.7m and unlisted issuer charges of INR26.6m.
- Revenue from IPOs and corporate actions grew 2% YoY but declined 5% QoQ on account of a reduction in corporate actions during the quarter.
- Online data charges declined 4% YoY but grew 7% QoQ.
- During 9MFY26, the revenue from operations of its subsidiary, CVL, declined to INR1.3b from INR1.9b, while total expenses were at INR900m vs INR830. PAT declined to INR420m vs INR910m.
- Under the insurance segment, revenue growth was stable during the quarter, in line with overall insurance industry growth. Policy growth in the industry has been muted, but CDSL aims to gain market share within a slow-growing market. Currently partners with 49 life/health and general insurers.
- Total expenses surged 22% YoY but were flat QoQ to INR1.4b, led by a 25%/21% YoY increase in employee and other expenses. CIR stood at 47.1% vs 42.2% in 3QFY25 and 44.3% in 2QFY26.

- Impairment costs for the quarter stood at INR40m vs INR50.7m in 2QFY26.
- Other operating income rose 46% YoY/30% QoQ to INR292m. It comprised E-CAS/E-Voting income of INR127.8m/ INR52.3m, respectively, for the quarter.
- The total number of issuers and ISINs grew 47%/31% YoY and 5%/6% QoQ to 46.3k/0.1m, respectively.
- Demat account additions during the quarter stood at 7.6m in 3QFY26 vs. 9.2m in 3QFY25 and 6.5m in 2QFY26. Assets Under Custody (AUC) at INR84.8t, progressing from INR70.5t recorded in FY25.

Key takeaways from the management commentary

- Tech cost largely includes: software licenses; security systems; network & infra opex. The hardware costs are largely capitalized, not expensed.
- Regarding the recent STT hike, management guided zero impact on the business.
- Future outlook on tech costs includes AI adoption, application security upgrades, and regulatory-driven tech changes.

Valuation and view

- Though core business drivers such as steady demat account additions (7.6m in Q3FY26), healthy unlisted company admissions, and growing KYC fetch activity continue to support recurring revenue visibility, continued investments in human resources and technology for future growth could restrict gains from operating leverage.
- We cut our earnings estimates by 5%/6%/7% for FY26/FY27/FY28 to factor in lower CVL and IPO-related corporate action revenues, along with higher-than-expected technology costs. We expect CDSL to post a revenue/EBITDA/PAT CAGR of 13%/10%/9% over FY25-28.
- **We reiterate our Neutral rating on the stock with a one-year TP of INR1,410 (premised on a P/E multiple of 44x on FY28E earnings).**

Quarterly Performance (INR m)

Y/E March	FY25				FY26				FY25	FY26E	3QFY26E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE						
Revenue from Operations	2,574	3,223	2,781	2,244	2,588	3,189	3,044	2,937	10,822	11,757	3,133	-2.9	9%	-5%
Change YoY (%)	72.0	55.4	29.7	-6.8	0.6	-1.0	9.4	30.8	33.2	8.6	12.7			
Employee expenses	267	314	323	315	390	414	403	427	1,219	1,634	422	-4.5	25%	-3%
Other Expenses	762	910	852	836	894	999	1,030	1,046	3,360	3,969	1,004	2.6	21%	3%
Total Operating Expenses	1,029	1,225	1,175	1,151	1,284	1,413	1,433	1,473	4,580	5,603	1,427	0.5	22%	1%
Change YoY (%)	49	57	41	24	25	15	22	28	42	22	21			
EBITDA	**1,544**	**1,998**	**1,606**	**1,094**	**1,305**	**1,776**	**1,610**	**1,464**	**6,242**	**6,155**	**1,706**	**-5.6**	0%	-9%
Other Income	295	362	200	313	364	225	292	260	1,171	1,140	315	-7.1	46%	30%
Depreciation	98	119	130	143	152	161	171	158	490	642	164	4.0	32%	6%
PBT	**1,741**	**2,241**	**1,676**	**1,264**	**1,516**	**1,840**	**1,732**	**1,566**	**6,923**	**6,653**	**1,857**	-6.7	3%	-6%
Change YoY (%)	76	54	15	-24	-13	-18	3	24	24	-4	11			
Tax Provisions	405	627	386	268	488	427	390	355	1,686	1,660	508	**-23.3**	1%	-9%
P&L from associate	5	6	7	8	-4	-13	-12	0	26	-29	0			
Net Profit	**1,342**	**1,620**	**1,298**	**1,004**	**1,025**	**1,400**	**1,329**	**1,210**	**5,264**	**4,964**	**1,349**	**-1.5**	2%	-5%
Change YoY (%)	82	49	21	-22	-24	-14	2	20	25	-6	4			
Key Operating Parameters (%)														
Cost to Operating Income Ratio	40.0	38.0	42.2	51.3	49.6	44.3	47.1	50.2	42.3	47.7	45.5	156 bps	485bps	279bps
EBITDA Margin	60.0	62.0	57.8	48.7	50.4	55.7	52.9	49.8	57.7	52.3	54.5	-156 bps	-485bps	-279bps
PBT Margin	67.7	69.5	60.3	56.3	58.6	57.7	56.9	53.3	64.0	56.6	59.3	-237 bps	-338bps	-80bps
Tax Rate	23.2	28.0	23.0	21.2	32.2	23.2	22.5	22.7	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	41.2	48.6	42.2	43.0	61 bps	-301bps	-23bps

Tata Chemicals

Estimate change	↓
TP change	↓
Rating change	⟷

Bloomberg	TTCH IN
Equity Shares (m)	255
M.Cap.(INRb)/(USDb)	185.1 / 2
52-Week Range (INR)	1027 / 692
1, 6, 12 Rel. Per (%)	1/-26/-31
12M Avg Val (INR M)	631

Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	146.2	159.7	172.8
EBITDA	19.7	25.7	31.6
PAT	3.8	9.6	14.3
EBITDA (%)	13.5	16.1	18.3
EPS (INR)	15.0	37.8	56.2
EPS Gr. (%)	(9.0)	151.9	48.7
BV/Sh. (INR)	846	869	910
Ratios			
Net D/E	0.2	0.1	0.0
RoE (%)	1.8	4.4	6.3
RoCE (%)	2.9	4.6	6.4
Valuations			
P/E (x)	48.4	19.2	12.9
EV/EBITDA (x)	12.2	8.9	6.7
Div Yield (%)	1.7	2.1	2.1
FCF Yield (%)	5.3	10.1	11.9

Shareholding Pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	38.0	38.0	38.0
DII	22.4	22.2	21.7
FII	12.3	13.7	13.6
Others	27.3	26.1	26.7

CMP: INR727 TP: INR760 (+5%) Neutral

Industry headwinds hurt operating performance; muted near-term outlook

Operating performance significantly below our estimates

- Tata Chemicals (TTCH) reported weak performance in 3QFY26, with consolidated EBITDA declining 21% YoY. The slowdown was largely driven by subdued performance in America (TCNA), with EBITDA turning into a loss of INR70m (vs INR1.5b EBITDA in 3QFY25), impacted by low realizations (down 8% YoY and higher fixed costs). Africa (TCAHL)/Europe (TCEHL) delivered a healthy performance, with EBITDA rising 68%/1.4x YoY, while India operations were stable (up 9% YoY).
- The unfavorable demand-supply scenario of soda ash has led to lower prices globally. The Indian market is witnessing a better demand scenario. However, imports are putting pressure on margins. The US domestic market is witnessing a stable demand scenario, while US exports to South Asian countries are under pressure due to oversupply and tariff uncertainties.
- Factoring in a weak 3Q performance and near-term macro environment, we cut our FY26/FY27/FY28 EBITDA estimates by 17%/10%/6%. We **reiterate our Neutral rating with an SoTP-based TP of INR760.**

Earnings decline due to lower realizations across regions

- TTCH reported total revenue of INR35.5b (est. INR35.7b) in 3QFY26, down 1% YoY, due to a decline in soda ash realizations. EBITDA margin contracted 240bp YoY to 9.7% (est. ~15.2%), primarily due to an increase of 860bp/360bp YoY in raw material costs/freight costs, which was partially offset by a decline of 670bp YoY in power and fuel costs. EBITDA stood at INR3.5b (est. INR5.4b), declining 21% YoY
- It posted an Adj. net loss of INR525m vs. Adj. net loss of ~INR5m in 3QFY25 (est. ~INR1.3b), adjusted for the impact of labor laws at INR540m.
- **The Basic Chemistry Products** business declined 5% YoY to INR28.9b. EBIT is INR710m (down 49% YoY). EBIT margin stood at 2.5%
- **The Specialty Products business** grew 19% YoY to INR6.7b. Loss before interest and taxes is INR210m (EBIT of INR10m in 3QFY25).
- The Indian standalone revenue rose ~3% YoY to INR12b, while TCNA/TCEHL dipped 1%/35% YoY to INR12.6b/INR3.5b. TCAHL/Rallis increased 24%/19% YoY to INR1.7b/INR6.2b.
- EBITDA for India standalone/TCEHL/TCAHL/Rallis grew 9%/140%/68%/31% to INR2.3b/INR240m/INR370m/590m. EBITDA of TCNA stood at a loss of INR70m (vs INR1.5b YoY).
- EBITDA/MT of TCNA stood at a loss of USD1.3 (v/s USD30.9 YoY). EBITDA/MT of TCAHL increased 15% YoY to USD49. EBITDA margin for India standalone expanded 100bp YoY to 18.9%.
- For 9MFY26, Revenue/EBITDA/Adj. PAT declined 2%/6%/1% to INR111.5b/INR15.3b/INR3.3b.

Highlights from the management commentary

- **Demand-supply scenario:** Soda ash continues to remain oversupplied, with high inventory levels across most regions. Prices softened further during 3QFY26, reflecting adverse demand-supply dynamics. The near-term outlook for the soda ash market remains subdued and uncertain, with limited visibility on any immediate improvement.
- **North America:** In 3QFY26, volumes grew ~8% YoY, which was offset by ~8% YoY decline in realizations. Volumes are expected to be lower in the coming quarters as the company will stop exporting to South Asian markets below a specific price (lower than USD150/MT). However, the domestic market is doing comparatively better, with only a USD5/MT drop in EBITDA YoY.
- **Acquisition of Novabey Pte.:** The acquisition transaction is expected to be completed in 4QFY26. The acquiree is in the business of premium-grade value-added bi-carb catering to the food and pharma application; TTCH will gain exposure from the UK to the European, Indian, and Asian markets. The current capacity stands at ~60KTPA, which can be doubled.

Valuation and view

- Global demand for soda ash is expected to be muted in the near term as the soda ash market is currently oversupplied with high inventory levels, particularly in China. This is putting pressure on soda ash prices.
- However, the soda ash demand supply scenario is likely to be favorable in the medium term due to better demand from solar glass and electric vehicles. The company is in a good position to capitalize on the demand with capacity expansion in India.
- **We expect TTCH to record a revenue/EBITDA/adj. PAT CAGR of 5%/15%/51% over FY25-28. Reiterate Neutral with an SoTP-based TP of INR760.**

Consolidated - Quarterly Earning Model (INRm)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q	%
Net Sales	**37,890**	**39,990**	**35,900**	**35,090**	**37,190**	**38,770**	**35,500**	**34,758**	**1,48,870**	**1,46,218**	**35,749**	**-1**
YoY Change (%)	-10.2	0.0	-3.8	1.0	-1.8	-3.1	-1.1	-0.9	-3.5	-1.8	-10.6	
Total Expenditure	32,150	33,810	31,560	31,820	30,700	33,400	32,050	30,384	1,29,340	1,26,534	30,319	
EBITDA	**5,740**	**6,180**	**4,340**	**3,270**	**6,490**	**5,370**	**3,450**	**4,374**	**19,530**	**19,684**	**5,430**	**-36**
Margins (%)	15.1	15.5	12.1	9.3	17.5	13.9	9.7	12.6	13.1	13.5	15.2	
Depreciation	2,730	2,770	2,800	2,930	2,800	2,850	2,930	3,050	11,230	11,630	2,950	
Interest	1,330	1,450	1,480	1,370	1,470	1,440	1,460	1,200	5,630	5,570	1,150	
Other Income	470	1,080	280	420	960	1,380	380	550	2,250	3,270	350	
PBT before EO expense	**2,150**	**3,040**	**340**	**-610**	**3,180**	**2,460**	**-560**	**674**	**4,920**	**5,754**	**1,680**	
Extra-Ord expense	0	0	700	550	0	650	540	0	1,250	1,190	0	
PBT	**2,150**	**3,040**	**-360**	**-1,160**	**3,180**	**1,810**	**-1,100**	**674**	**3,670**	**4,564**	**1,680**	
Tax	940	810	170	-250	440	820	-40	167	1,670	1,387	412	
Rate (%)	43.7	26.6	-47.2	21.6	13.8	45.3	3.6	24.7	45.5	30.4	24.5	
MI & Profit/Loss of Asso. Cos.	-140	290	0	-170	220	220	-130	-64	-20	246	0	
Reported PAT	**1,350**	**1,940**	**-530**	**-740**	**2,520**	**770**	**-930**	**571**	**2,020**	**2,931**	**1,269**	
Adj PAT	**1,350**	**1,940**	**-5**	**-328**	**2,520**	**1,258**	**-525**	**571**	**2,958**	**3,824**	**1,269**	**NA**
YoY Change (%)	-73.8	-44.8	-100.3	-68.7	86.7	-35.2	NA	NA	-67.9	29.3	NA	
Margins (%)	3.6	4.9	0.0	-0.9	6.8	3.2	-1.5	1.6	2.0	2.6	3.5	

Brigade Enterprises

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	BRGD IN
Equity Shares (m)	244
M.Cap.(INRb)/(USDb)	180.5 / 2
52-Week Range (INR)	1332 / 711
1, 6, 12 Rel. Per (%)	-12/-27/-43
12M Avg Val (INR M)	401

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			
Net D/E	0.2	0.1	(0.1)
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	2.0
EV/EBITDA (x)	13.2	8.4	7.6
Div Yield (%)	0.3	0.3	0.3

Shareholding Pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	41.1	41.1	41.4
DII	23.5	23.3	22.9
FII	18.1	18.7	20.2
Others	17.2	16.9	15.5

CMP: INR738 TP:INR1,169 (+58%) Buy

Presales impacted by lack of material launches

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

- 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. In 9MFY26, it launched four residential projects and one plotted project with TDA of 4.3msf across Bengaluru, Hyderabad and Chennai.
- The company 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 INR1.7b, while EBITDA stood at INR580m, up 10% YoY.
- BHVL currently has 1,604 keys. Nine hotels with total 1,700 keys are in the planning stage, of which six hotels with 940 keys are in agreement with Marriott International.

P&L 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%.

Valuation and view

- BRGD's bookings declined 30% YoY/14% QoQ in 3QFY26 due to the lack of material launches in the quarter. However, collections were up 16% YoY and 23% QoQ, which led to an increase in revenue recognition. Accordingly, we reduce our presales estimates for FY26. However, revenue recognition increased with collection growth.
- The company also has a strong residential launch pipeline of ~12msf, which should enable it to sustain the growth traction going forward.
- Management intends to keep assessing growth opportunities in the residential segment and expects to spend more on business development over the next two years. This will provide growth visibility in the residential segment and lead to a further re-rating.
- **We reiterate our BUY rating with a revised TP of INR1,169 (vs. INR1,344), implying a 58% potential upside.**

Quarterly Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
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 & P/L 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: Company, MOFSL Estimates

R R Kabel

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	RRKABEL IN
Equity Shares (m)	113
M.Cap.(INRb)/(USDb)	153.3 / 1.7
52-Week Range (INR)	1563 / 751
1, 6, 12 Rel. Per (%)	-6/-1/-3
12M Avg Val (INR M)	429
Free float (%)	38.3

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	92.7	106.0	122.2
EBITDA	7.2	8.6	10.2
Adj. PAT	4.6	5.2	6.3
EBITDA Margin (%)	7.7	8.1	8.4
Cons. Adj. EPS (INR)	40.5	45.9	55.6
EPS Gr. (%)	46.9	13.3	21.1
BV/Sh. (INR)	222.6	261.4	309.0
Ratios			
Net D:E	0.2	0.1	0.1
RoE (%)	19.6	19.0	19.5
RoCE (%)	18.4	17.2	17.6
Payout (%)	17.3	15.3	14.4
Valuations			
P/E (x)	33.5	29.6	24.4
P/BV (x)	6.1	5.2	4.4
EV/EBITDA (x)	21.9	18.4	15.3
Div Yield (%)	0.5	0.5	0.6
FCF Yield (%)	(2.4)	1.0	1.6

Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	61.7	61.8	61.8
DII	13.9	13.9	14.3
FII	8.4	8.2	7.8
Others	16.0	16.2	16.0

FII includes depository receipts

CMP: INR1,356 TP: INR1,530 (+13%) Neutral

Beat estimates; C&W delivers strong volume growth

Positive medium-term outlook; margin expansion journey on track

- RR Kabel's (RRKABEL) 3QFY26 performance was above our estimate, led by higher-than-estimated revenue growth in both C&W and FMEG. Consol. revenue increased ~42% YoY to INR25.4b (~14% beat). EBITDA increased ~85% YoY to INR2.0b (~15% beat). OPM expanded 1.9pp YoY to ~8% (in line). Adj. PAT surged ~94% YoY to INR1.3b (~18% above our estimate).
- Management highlighted that the C&W segment delivered robust performance with overall ~30% YoY volume growth. It achieved ~17-18% volume growth in 9MFY26, in line with its target. It expects industry growth to be ~14-15% in the medium term. Further, OPM expansion was led by positive operating leverage, better cost absorption, and continued focus on procurement and execution efficiency. It reiterated a steady margin expansion plan, guiding for ~100bp annual improvement and targeting 10.5% EBIT margins in the wires and cables business by FY28 vs. 7.7% in 9MFY26.
- We largely maintain our EPS estimates for FY26-28E. The stock is trading fairly at 30x/24x FY27E/FY28E EPS. We value RRKABEL at 28x FY28E EPS to arrive at our TP of INR1,530. **Reiterate Neutral.**

C&W revenue rises ~49% YoY and margin expands 1.7pp YoY to 8.7%

- Consol. revenue/EBITDA/Adj. PAT stood at INR25.4b/INR2.0b/INR1.3b (up 42%/85%/94% YoY and +14/+15%/+18% vs estimates). Gross margin expanded 40bp YoY to ~18%. Employee costs 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) C&W:** 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:** 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%/+86% YoY. OPM expanded 2.3pp YoY to 7.7%. The C&W segment revenue grew ~29% YoY to INR61b, while EBIT grew ~71% to INR5.2b. C&W EBIT margin expanded 2.1pp YoY to 8.5%

Key highlights from the management commentary

- Management remains cautiously optimistic, expecting sustained growth in C&W and gradual margin expansion, driven by scale benefits and structural tailwinds from infrastructure, housing, and the formalization of the electrical industry.
- FMCG continued to face a challenging demand environment. However, losses narrowed through cost rationalization, portfolio simplification, and efficiency measures.
- Capex remains on track at INR12b over three years, largely focused on cables, supporting ~18% volume growth. Net working capital stood at 56 days vs. 56 in Mar'25 and 64/75 days in Mar'24/Mar'23.

Valuation and view

- RRKABEL's 3QFY26 earnings were above estimates, driven by robust growth in the C&W segment. Management remains confident of sustaining growth and expects industry growth of ~14-15%, while targeting ~17-18% volume growth. It expects the FMEG segment to expand at ~25% CAGR over the next three years, aided by a low base. With EBIT breakeven targeted in 4QFY26, it expects the business to achieve EBIT margins of ~5-6% by FY28.
- We estimate RRKABEL's revenue/EBITDA/PAT CAGR at 15%/19%/19% over FY26-28. We project the company's C&W segment margin at 8.7%/8.9% in FY27/FY28 vs. 8.5%/7.4% in FY26E/FY25. The stock is trading fairly at 30x/24x FY27E/28E EPS. We value RRKABEL at 28x FY28E EPS to arrive at a TP of INR1,530. **Reiterate Neutral.**

Quarterly performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	MOFSL	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Sales	**18,081**	**18,101**	**17,822**	**22,178**	**20,586**	**21,638**	**25,359**	**25,093**	**76,182**	**92,676**	**22,329**	**14**
YoY Change (%)	13.2	12.5	9.1	26.4	13.9	19.5	42.3	13.1	15.5	21.6	25.3	
EBITDA	**949**	**858**	**1,105**	**1,944**	**1,421**	**1,758**	**2,043**	**1,956**	**4,856**	**7,178**	**1,784**	**15**
YoY Change (%)	(15.9)	(29.1)	(1.8)	68.6	49.6	104.9	84.8	8.3	5.2	47.8	61.4	
Adj EBITDA margin (%)	5.3	4.7	6.2	8.8	6.9	8.1	8.1	7.8	6.4	7.7	8.0	7
Depreciation	162	175	178	190	203	219	239	277	705	938	229	4
Interest	116	156	162	155	151	162	189	227	589	730	175	8
Other Income	185	72	134	119	124	169	142	127	511	562	120	19
PBT	**857**	**599**	**900**	**1,718**	**1,190**	**1,546**	**1,757**	**1,580**	**4,074**	**6,072**	**1,500**	**17**
Tax	218	101	219	441	303	386	405	393	978	1,488	384	
Effective Tax Rate (%)	25.4	16.9	24.3	25.6	25.4	25.0	23.1	24.9	24.0	24.5	25.6	
Extra-ordinary Items							190			190		
JV share	5	(2)	4	14	10	3	21	4	21	38	**8**	
Reported PAT	**644**	**495**	**686**	**1,291**	**898**	**1,163**	**1,182**	**1,190**	**3,116**	**4,433**	**1,124**	**5**
Change (%)	(13.4)	(33.2)	(3.4)	64.0	39.4	134.7	138.7	4.5	4.5	588.5	127	
Adj PAT	**644**	**495**	**686**	**1,291**	**898**	**1,163**	**1,329**	**1,190**	**3,116**	**4,579**	**1,124**	**18**
YoY Change (%)	(13.4)	(33.2)	(3.4)	64.0	39.4	134.7	93.8	4.5	4.5	611.2	63.9	
Margins (%)	3.6	2.7	3.8	5.8	4.4	5.4	5.2	4.7	4.1	4.9	5.0	

Segmental performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	MOFSL	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Sales												
Cables & Wires	15,782	16,118	15,425	19,562	18,335	19,712	22,926	22,375	66,888	83,348	20,053	14.3
FMEG	2,300	1,984	2,396	2,616	2,251	1,926	2,432	2,719	9,296	9,328	2,276	6.9
Growth YoY (%)												
Cables & Wires	10.9	11.1	7.6	28.4	16.2	22.3	48.6	14.4	14.7	24.6	30.0	
FMEG	24.2	24.1	19.5	13.3	(2.1)	(2.9)	1.5	3.9	19.7	0.3	(5.0)	
EBIT												
Cables & Wires	1,130	818	1,075	1,941	1,391	1,804	1,988	1,824	4,965	7,007	1,765	12.6
FMEG	(207)	(117)	(44)	(91)	(71)	(117)	(49)	(89)	(459)	(326)	(114)	(56.7)
EBIT Margin (%)												
Cables & Wires	7.2	5.1	7.0	9.9	7.6	9.2	8.7	8.1	7.4	8.4	8.8	(13)
FMEG	(9.0)	(5.9)	(1.8)	(3.5)	(3.2)	(6.1)	(2.0)	(3.3)	(4.9)	(3.5)	(5.0)	297

Zen Technologies

Estimate change	↓
TP change	⟷
Rating change	⟷

Bloomberg	ZEN IN
Equity Shares (m)	90
M.Cap.(INRb)/(USDb)	121.5 / 1.3
52-Week Range (INR)	2268 / 945
1, 6, 12 Rel. Per (%)	3/-14/-32
12M Avg Val (INR M)	941

Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	5.2	9.9	13.7
EBITDA	1.9	3.7	5.1
EBITDA Margin (%)	37.3	37.0	37.0
PAT	1.9	3.3	4.4
EPS (INR)	20.6	36.9	48.2
EPS Growth (%)	-29.1	78.7	30.9
BV/Share (INR)	207.7	244.6	292.8
Ratios			
Net D/E	-0.8	-0.6	-0.6
RoE (%)	10.5	16.3	18.0
RoCE (%)	10.4	16.3	18.0
Valuations			
P/E (x)	65.2	36.5	27.9
P/BV (x)	6.5	5.5	4.6
EV/EBITDA (x)	56.9	30.0	21.3

Shareholding pattern (%)

As Of	Dec-25	Sep-25	Dec-24
Promoter	48.5	48.5	49.1
DII	7.9	7.9	9.0
FII	6.0	6.4	8.8
Others	37.7	37.2	33.2

FII includes depository receipts

CMP: INR1,346 TP: INR1,400 (+4%) Neutral

Inflows have started to pick up

Zen Technologies (ZEN)'s revenue missed our estimates; however, its EBITDA and PAT were in line due to a better-than-expected margin. Margin expanded during the quarter due to a higher share of simulators in overall revenue, which carry higher margins. Inflows have started picking up for ZEN with ~INR6b at the consolidated level received in 3Q and an additional INR3.5b received in Jan'26. The company is yet to receive the INR6b simulator order from the GoI, which can potentially increase the order book from the current INR14b to INR20b. Delays in order inflows were the main overhang for the stock, which is gradually being addressed. ZEN is expecting inflows to remain strong in 4QFY26 too, and hence we expect revenue execution to scale up from FY27. To factor in 9MFY26 performance, we cut our estimates by 4%/9%/10% for FY26/27/28E and roll forward our TP to Mar'28. Focus would now be on both execution and order inflow ramp-up for ZEN going forward. Reiterate Neutral with a TP of INR1,400 (based on 30x Mar'28E earnings).

Miss on revenue, profitability in line

Revenue decreased 18% YoY to INR1.2b, missing our estimate by 16%. Gross margin moved up sharply to 72.9% vs. our estimate of 55% due to a higher share of simulators in overall execution. Better-than-expected gross margin offset the execution weakness, leading to absolute EBITDA increasing 43% YoY to INR526m, broadly in line with our estimate. 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.

The order book position has improved

The order book position of the company as of Dec'25-end stood at INR8.9b on a standalone basis and INR10.8b on a consolidated basis. During Jan'26, the company received additional orders worth ~INR3.5, taking the consolidated order book to INR14.3b. Equipment orders account for the majority of the backlog (~INR11b), with simulators and anti-drone systems accounting for ~50% each. Within products, AMC formed a smaller but longer-duration component. The order book remains skewed towards domestic customers (93%), with exports forming a relatively modest share (7%). The company expects the consolidated order book to move up to INR20b once the ~INR6b simulator order flows in.

Margin improves due to a higher share of the simulator in revenue

Simulator-led revenues continue to underpin margin strength due to their structurally higher profitability, while anti-drone margins remain lower at present, given the segment's early stage and competitive intensity, with scope for improvement as capabilities scale up. At the consolidated level, margins may see some near-term pressure, but full integration of ARI by FY27 is expected to align subsidiary margins closer to historical levels and ease the current mild dilution in profitability.

Order inflows announced since 3QFY26

In 3QFY26, ZEN recorded order inflows of ~INR4.7b on a standalone basis and ~INR6b on a consolidated basis. Additionally, ~INR3.5b of orders were received post-quarter-end, taking the cumulative inflows over the last four months to ~INR9.5b. Consolidated order inflows were led by contracts for anti-drone systems, combat training solutions, and simulator-based platforms, largely from domestic defense customers. This included an order for Combat Training Node (CTN), which ZEN highlighted as a strategic breakthrough, representing a shift towards integrated and networked training solutions with the potential to scale meaningfully over time. A similar integrated naval training center is under development, using Anawave's (newly acquired subsidiary) tactical trainer and submarine simulators, which is seeing interest in overseas markets.

Export opportunity and contribution

Export is a strategic priority to reduce dependence on domestic order timing and smooth revenue volatility. The company is in active discussions across regions such as the Middle East, Africa, and Southeast Asia. Post the India-EU FTA announcement, ZEN is exploring an EU base for NATO markets and engaging with consultants and potential EU partners to scale up exports to EU nations, supported by growing acceptance of India as an IP-owning defense supplier. Export contribution is expected to scale up gradually, though near-term execution is likely to remain domestically driven.

Guidance moderated

ZEN has reduced its earlier cumulative revenue guidance of INR60b over FY26-28 and now plans to book a cumulative ~INR40b of execution over FY27-28. Management expects the revenue growth to be back-ended, with a stronger contribution in FY27 and FY28 as order inflows convert into execution.

Financial outlook

We cut our estimates by 4%/9%/10% for FY26/27/28 to factor in ZEN's 9MFY26 performance. We expect a CAGR of 14%/17%/18% in revenue/EBITDA/PAT during FY25-28. This will be supported by 1) finalization of orders across simulators and anti-drones; 2) EBITDA margin of ~37% for FY26-28; and 3) control over working capital due to improved collections.

Valuation and view

The stock currently trades at 36.5x/27.9x P/E on FY27/28E earnings. While we remain positive about the company and its ability to capitalize on the upcoming demand for simulators and anti-drones, we cut our estimates to factor in a slowdown in overall execution. **We maintain our Neutral rating on the stock with an unchanged TP of INR1,400, based on 30x two-year forward earnings.**

Key risks and concerns

Any slowdown in procurement from the defense industry, especially for simulators, can expose the company to the risk of reduced order inflows and hinder its growth. ZEN is also exposed to foreign currency risks for its export revenue.

Standalone: Quarterly Earnings Model (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			3QE	Var (%)
Net Sales	**2,540**	**2,417**	**1,415**	**2,935**	**1,111**	**1,247**	**1,162**	**1,649**	**9,307**	**5,168**	**1,391**	**(16)**
YoY Change (%)	91.7	277.4	44.3	116.3	(56.3)	(48.4)	(17.9)	(43.8)	116.3	(44.5)	(1.7)	
Total Expenditure	1,508	1,623	1,048	1,991	730	829	636	1,046	6,169	3,240	883	(28)
EBITDA	**1,032**	**794**	**367**	**944**	**380**	**418**	**526**	**603**	**3,137**	**1,928**	**508**	**4**
YoY Change (%)	56.0	264.9	(17.0)	109.4	(63.1)	(47.4)	43.2	(36.1)	77.0	(38.6)	38.2	
Margins (%)	40.6	32.9	26.0	32.2	34.3	33.5	45.3	36.6	33.7	37.3	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	34	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**	**736**	**3,520**	**2,504**	**658**	**(5)**
Tax	288	182	147	273	164	149	145	183	890	641	169	(14)
Rate (%)	28.0	21.8	27.6	24.3	30.6	24.4	23.3	24.9	25.3	25.6	25.6	
Reported PAT	**742**	**652**	**386**	**849**	**371**	**462**	**478**	**552**	**2,630**	**1,863**	**490**	**(2)**
Adj PAT	**742**	**652**	**386**	**849**	**371**	**462**	**478**	**552**	**2,630**	**1,863**	**490**	**(2)**
YoY Change (%)	57.4	276.1	21.9	177.3	(50.0)	(29.2)	23.8	(35.0)	107.3	(29.1)	26.8	
Margins (%)	29.2	27.0	27.3	28.9	33.4	37.0	41.2	33.5	28.3	36.1	35.2	

Mahindra Lifespaces

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	MAHLIFE IN
Equity Shares (m)	213
M.Cap.(INRb)/(USDb)	81.5 / 0.9
52-Week Range (INR)	428 / 254
1, 6, 12 Rel. Per (%)	1/2/-4
12M Avg Val (INR M)	126

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	5.6	7.5	10.7
EBITDA	-0.7	-0.3	0.5
EBITDA (%)	NM	NM	NM
Net profit	2.3	2.7	3.4
EPS (INR)	10.8	12.7	16.2
EPS Growth (%)	173.8	17.0	27.7
BV/Share (INR)	168.3	178.2	191.6
Ratios			
Net D/E	-0.2	-0.4	-0.3
RoE (%)	8.4	7.3	8.7
RoCE (%)	-1.4	-0.8	1.2
Payout (%)	23.1	22.1	17.3
Valuations			
P/E (x)	35.4	30.3	23.7
P/BV (x)	2.3	2.2	2.0
EV/EBITDA (x)	NM	NM	NM
Div Yield (%)	0.7	0.7	0.7

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	52.4	52.4	51.2
DII	22.8	22.5	20.7
FII	7.8	8.1	10.0
Others	16.9	17.0	18.2

CMP: INR382 TP: INR433 (+13%) Neutral

Strong completions drive revenue growth

Completes 0.87msf during 9MFY26

- Mahindra Lifespaces (MLDL) achieved bookings of INR5.7b, +71% YoY / -24% QoQ (46% below estimates due to lack of material launches). In 9MFY26, presales stood at INR17.7b, up 1% YoY.
- Sales volume in 3QFY26 stood at 0.6msf, +33%/-49% YoY/QoQ. In 9MFY26, the booking area stood at 2.4msf, up 9% YoY.
- Blended realization in 3QFY26 was up 28% YoY and 48% QoQ to ~INR9,533psf. In 9MFY26, realizations were at INR7,545psf, down 7% YoY.
- The company achieved quarterly collections of INR3.9b, up 5% YoY, while it was down 32% QoQ. In 9MFY26, collections were INR14.7b, up 8% YoY.
- In 3QFY26, MLDL added projects with INR53.1b GDV. In 9MFY26, the company added projects with INR105.1b GDV.
- Revenue from the IC&IC business stood at INR1.3b, up 91% YoY. Total leased area in the quarter stood at 17.9 acres. In 9MFY26, revenue from IC&IC business stood at INR3.5b, up 23.9% YoY. Total leased area in the quarter stood at 53.5 acres.
- The company is net cash, and the net cash to equity ratio stands at 0.12x. The cost of debt stood at 6.7%.
- **P&L performance:** MLDL's revenue came in at INR4.6b, +2.7x YoY (3.4x above estimate). This was due to three completions (Lakewoods, Meridian, and Green estates) in the quarter, following two prior quarters with nil completions. In 9MFY26, revenue came in at INR5.1b, up 40% YoY.
- For 3QFY26, MLDL posted an operating profit for the first time in the last 15 quarters to INR298m with a margin of 6.5% vs. a loss of INR254m for 3QFY25. In 9MFY26, operating loss came in at INR777m vs. a loss of INR1.1b YoY.
- PAT stood at INR1.1b (2.6x above our estimate) vs. a loss of INR225m YoY. In 9MFY26, PAT came in at INR2.1b vs. a loss of INR238m YoY.

Key highlights from the management commentary

- Approval delays in luxury projects are affecting launch timing due to regulatory scrutiny and site complexities, not weak demand.
- In FY26 so far, MLDL launched New Haven (Bengaluru), Citadel (Pune), Marina64 (MMR), Lakewoods (Chennai), and Hopefarm Phase 1 (Bengaluru), with strong initial absorption.
- Upcoming launches include Mahalaxmi, Bhandup Phase 1, Citadel Phase 3, Mahalunge, and the Saibaba Nagar redevelopment, supporting a presales target of INR45–50b in FY27.
- Business development remained robust with seven additions in 9MFY26 totaling ~INR105b GDV, taking the pipeline to ~INR468b as of Dec'25.
- Of the GDV pipeline, ~INR200b was from Bhandup/Thane, ~INR145b from redevelopment, ~INR35b from Rajasthan/Murud, and ~INR88b from outright acquisitions.

- The Bhandup project (~6.4msf) is nearing approvals, with Phase 1 launch expected in 4QFY26 and long-term sales potential of ~INR120b.
- OCs were received towards quarter end, with collections expected to pick up in 4QFY26; five more project completions are lined up.
- The company remains net cash positive with healthy operating cash flows and balance sheet capacity to fund future growth.

Valuation and view

- MLDL posted weak bookings as it launched projects in the fag end of the quarter. However, revenues were exceptional due to completions in the quarter. Hence, we have increased the revenue estimates.
- We value the residential business on a DCF basis, with a WACC of ~14%, translating into INR63b. The valuation reflects recent BD additions and cash deployment toward land.
- We reiterate our **Neutral** rating on the stock with a revised TP of INR433, reflecting a 13% upside.

Quarterly performance (INRm)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	3QE Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q Est.	(%/bp)
Income from Operations	**1,881**	**76**	**1,673**	**92**	**320**	**176**	**4,592**	**539**	**3,723**	**5,626**	**1,360**	**238**
YoY Change (%)	91.9	-57.2	104.0	-35.3	-83.0	130.7	174.5	482.9	75.5	51.1	-18.7	
Total Expenditure	2,297	554	1,927	644	870	700	4,294	479	5,422	6,343	1,617	
EBITDA	**-416**	**-478**	**-254**	**-552**	**-550**	**-525**	**298**	**59**	**-1,699**	**-718**	**-258**	**N/A**
Margins (%)	-22.1	-627.5	-15.2	-597.2	-172.1	-298.8	6.5	11.0	-45.6	-12.8	-18.9	
Depreciation	43	40	40	55	61	65	57	56	178	239	63	
Interest	60	70	42	21	40	19	18	52	194	128	50	
Other Income	186	84	185	462	86	155	99	109	916	450	136	
PBT before EO expense	**-334**	**-504**	**-151**	**-166**	**-564**	**-453**	**323**	**60**	**-1,155**	**-634**	**-235**	**N/A**
Extra-Ord expense	0	0	0	0	0	0	-258	0	0	-258	0	
PBT	**-334**	**-504**	**-151**	**-166**	**-564**	**-453**	**581**	**60**	**-1,155**	**-376**	**-235**	**N/A**
Tax	-97	0	173	15	-97	28	205	-107	92	30	19	
Rate (%)	28.9	0.0	-114.6	-8.9	17.1	-6.2	35.3	-177.3	-7.9	-7.9	-7.9	
Minority Interest & Profit/Loss of Asso. Cos.	365	364	99	1,032	980	961	713	338	1,859	2,992	678	
Reported PAT	**127**	**-141**	**-225**	**851**	**512**	**479**	**1,089**	**506**	**613**	**2,586**	**425**	**157**
Adj PAT	**127**	**-141**	**-225**	**851**	**512**	**479**	**1,089**	**506**	**613**	**2,586**	**425**	**157**
YoY Change (%)	NM	NM	NM	19.0	NM	NM	NM	-40.6	-37.6	322.1	NM	
Margins (%)	6.8	-184.6	-13.4	920.8	160.3	272.8	23.7	93.9	16.5	46.0	31.2	
Operational Performance												
Area sold (msf)	1.2	0.5	0.5	1.0	0.6	1.2	0.6	0.9	**3.2**	**3.2**	0.7	**-14**
Booking value (INR b)	10.2	4.0	3.3	10.5	4.5	7.5	5.7	16.2	**28**	**34**	10.5	**-46**
Avg Realization (INR)	8718	7491	7422	10223	7741	6427	9533	18802	**8,818**	**10,566**	15000	**-36**

Campus Activewear

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	CAMPUS IN
Equity Shares (m)	305
M.Cap.(INRb)/(USDb)	83.2 / 0.9
52-Week Range (INR)	304 / 210
1, 6, 12 Rel. Per (%)	9/0/-14
12M Avg Val (INR M)	162

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	17.7	19.6	21.9
EBITDA	2.9	3.4	4.0
Adj. PAT	1.5	1.8	2.2
EBITDA Margin (%)	16.5	17.5	18.5
Adj. EPS (INR)	4.8	5.9	7.1
EPS Gr. (%)	22.2	21.3	21.1
BV/Sh. (INR)	28.5	33.4	39.5
Ratios			
Net D:E	0.3	0.1	0.0
RoE (%)	16.9	17.6	18.0
RoCE (%)	15.9	16.1	16.6
Payout (%)	20.7	17.1	14.1
Valuations			
P/E (x)	55.9	46.1	38.0
EV/EBITDA (x)	29.3	24.4	20.5
EV/Sales (X)	4.8	4.3	3.8
Div. Yield (%)	0.4	0.4	0.4
FCF Yield (%)	1.4	2.7	2.7

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	72.1	72.1	73.8
DII	11.7	11.8	11.4
FII	6.2	6.0	5.4
Others	10.0	10.1	9.4

FII includes depository receipts

CMP: INR272 TP: INR320 (+18%) Buy

Premiumization driving growth and margin expansion

- Campus Activewear (Campus) sustained its robust performance, with ~14% YoY revenue growth. This was driven by continued premiumization (ASP +5% YoY, sneakers sales doubled YoY) and rising contribution from the women's category (led by new ad campaigns).
- Profitability strengthened materially, with EBITDA rising 34% YoY to INR1.1b and margin expanding ~280bp YoY to 18.7%, supported by improved product mix and operating leverage.
- Premiumization traction remains strong, with sneaker volumes doubling YoY, reinforcing the brand's rising customer affinity. Recent celebrity-led campaigns and new product development have also gained strong traction in the women's category, leading to Campus's outperformance vs. the industry.
- We raise our FY26-27E EBITDA by 7%/3%, driven by strong growth and margin improvement in 9MFY26. We model an 11%/18%/21% CAGR in revenue/EBITDA/PAT over FY25-28E, with the EBITDA margin improving to ~18.5% by FY28 (from 15.3%/15.9% in FY25/9MFY26).
- **Reiterate BUY rating with a revised TP of INR320**, based on 45x FY28E EPS.

Strong revenue growth; higher lease costs dent profitability

- Revenue at INR5.9b grew **14% YoY** (vs. our est. of 10% YoY, 16% YoY in 2Q).
  - Volume at 8.9m grew ~9% YoY, while ASP rose ~5% YoY to INR711/pair, driven by rising premiumization (sneaker sales surged 2x YoY).
  - After two weak quarters, growth recovered in D2C Online (+18% YoY), while growth was sustained in offline (+25% YoY) and trade distribution (9% YoY).
- Gross profit was up **18% YoY** to INR3.1b (**6% ahead**).
  - Gross Margin (GM) **expanded ~175bp YoY** to 52.6% (~130bp ahead).
- Employee costs rose 20% YoY (10% higher than our estimate), while other expenses were up 9% YoY (in line).
- As a result, EBITDA **grew 34% YoY** to INR1.1b (**15% beat**), led by operating leverage and higher gross margin.
  - EBITDA margin **expanded ~275bp** YoY to 18.7% (**180bp beat**).
- Depreciation (+18% YoY) and finance cost (+70% YoY) surged YoY, likely due to the lease accounting.
- Resultantly, PAT grew **37% YoY** to INR637m (**16% beat**) with PAT margin at 10.8% (up 180bp YoY, ~120p beat).

Double-digit growth in 9MFY26, despite a weak start to FY26

- Revenue grew ~11% YoY to INR13.2b, driven by 2% YoY volume growth and ~9% YoY increase in ASP to INR689/pair
  - Growth was primarily led by D2C offline (+18% YoY) and trade distribution (+12% YoY), while online remained subdued at 8% YoY due to weak 1HFY26.
  - Region-wise: North (up 23%), South (up 13%) outperformed, while East/Central grew by 8%-9. West reported a sales decline of 8% YoY in 9M.
- Campus's gross profit rose 14% YoY to INR7b as gross margin expanded ~150bp YoY to 53.3%.
- EBITDA at ~INR2.1b rose 22% YoY as margin expanded ~140bp YoY to 15.9%.
- Reported PAT grew 23% YoY to INR1.1b, led by EBITDA growth, with part offset from higher depreciation (+22% YoY) and finance costs (+48% YoY).

Growth momentum sustains across channels

- **Online:** Revenue grew ~18% YoY to INR2.4b (up 8% in 9MFY25).
- **D2C (offline):** Revenue grew ~25% YoY to INR606m. (up 18% in 9MFY25).
- **Trade distribution:** Revenue grew ~9% YoY to INR2.9b (up 12% in 9MFY25).

Key takeaways from the management commentary

- **Growth drivers:** Wider distribution, stronger product mix with rising traction in sneakers and women's category, drove Campus's outperformance. The benefits of GST rationalization have not played out as per the industry's expectations yet.
- **Premiumization** remains a key focus area, with sneaker volumes doubling YoY (ASPs of INR900+ vs. blended company-level ASP of ~INR700). Higher salience of premium SKUs, refreshed collections, and rising exposure to sneakers and women's footwear have cushioned demand softness for Campus. The share of the Women's and Kids category improved to 22% (vs. 18.7% YoY).
- **Apparel:** Campus has ventured into athleisure apparel in Jan'26, with pilots across ~60 EBOs, brand.com, and online marketplaces. The value proposition is fashion-forward, everyday apparel at accessible price points, leveraging existing brand equity in comfort and durability. Early response is encouraging, with the category likely to expand Campus' addressable market and improve store economics.
- **Gross margin** expanded ~175bp YoY to 52.6%, driven by rising premiumization, and is influenced by favorable seasonality. While there would be quarterly variations, the overall trajectory remains upwards in line with the business plan.

Valuation and view

- Campus' innovative designs, color combinations, and attractive price points make it a market leader in the fast-growing Sports and Athleisure (S&A) category.
- The GST rate cut acts as a structural demand catalyst, improving affordability and fueling growth. Alongside expanding distribution and new sneaker-focused capacity, Campus is well poised to sustain double-digit revenue growth.
- We raise our FY26-27E EBITDA by 7%/3%, driven by strong growth and margin improvement in 9MFY26.
- We model an 11%/18%/21% CAGR in revenue/EBITDA/PAT over FY25-28E, with the EBITDA margin improving to ~18.5% by FY28 (from 15.3%/15.9% in FY25/9MFY26).
- **We reiterate our BUY rating with a revised TP of INR320** (earlier INR305), based on 45x FY28E EPS (earlier Dec'27 EPS).

Consolidated Quarterly Earnings (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3QE	Var (%)
Revenue	**3,392**	**3,333**	**5,148**	**4,057**	**3,433**	**3,866**	**5,886**	**4,466**	**15,930**	**17,651**	**5,680**	**3.6**
YoY Change (%)	-4.1	28.9	9.1	11.5	1.2	16.0	14.3	10.1	10.0	10.8		
Gross Profit	**1,797**	**1,745**	**2,617**	**2,098**	**1,875**	**2,062**	**3,097**	**2,321**	**8,257**	**9,355**	**2,914**	**6.3**
Gross margin	53.0	52.4	50.8	51.7	54.6	53.3	52.6	52.0	51.8	53.0	51.3	3
Total Expenditure	2,874	2,951	4,326	3,343	2,940	3,367	4,784	3,648	13,494	14,739	4,720	1.3
EBITDA	**517**	**382**	**822**	**715**	**493**	**499**	**1,103**	**818**	**2,435**	**2,912**	**960**	**14.9**
EBITDA margins (%)	15.3	11.5	16.0	17.6	14.4	12.9	18.7	18.3	15.3	16.5	16.9	
Depreciation	162	176	189	228	201	219	224	250	755	894	221	1.2
Interest	37	45	43	64	49	62	73	77	188	261	62	17.9
Other Income	23	34	37	53	61	52	55	53	147	221	54	1.7
PBT	**341**	**196**	**626**	**476**	**304**	**270**	**861**	**544**	**1,639**	**1,978**	**731**	**17.8**
Tax	87	53	162	126	82	69	224	124	428	498	184	21.7
Rate (%)	25.6	27.0	25.8	26.4	26.9	25.5	26.0	22.7	26.1	25.2	25.2	
Reported PAT	**254**	**143**	**465**	**350**	**222**	**201**	**637**	**421**	**1,212**	**1,480**	**547**	**16.4**
Adj PAT	**254**	**143**	**465**	**350**	**222**	**201**	**637**	**421**	**1,212**	**1,480**	**547**	**16.4**
YoY Change (%)	-19	4,369	87	7	-13	40	37	20	35.5	22.2		

E: MOFSL Estimates

Valuation based on FY28E P/E

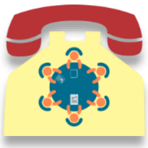
Particulars	INR/Share
EPS	7.1
Target PE (x)	45
Equity value/share (INR)	**320**
CMP (INR)	269
Upside/(Downside) (%)	19%

Source: MOFSL, Company

Indus Towers

BSE SENSEX	S&P CNX
81,666	25,088

Conference Call Details



Date: 3rd February 2026
Time: 02:30pm IST

Financials & Valuations (INR b)

INR b	FY26E	FY27E	FY28E
Net Sales	328.9	345.3	361.5
EBITDA	178.9	185.2	192.9
Adj. PAT	69.0	72.8	75.5
EBITDA Margin (%)	54.4%	53.6%	53.4%
Adj. EPS (INR)	26.2	27.6	28.6
EPS Gr. (%)	12.7	5.5	3.7
BV/Sh. (INR)	147.0	156.4	164.8
Ratios			
Net D:E	-0.1	-0.1	-0.2
RoE (%)	19.1	17.8	17.4
RoCE (%)	22.2	20.6	20.4
Valuations			
EV/EBITDA (x)	6.1	5.9	5.5
P/E (x)	16.5	15.7	15.1
P/BV (x)	2.9	2.8	2.6
Div. Yield (%)	4.2	4.6	5.1

CMP: INR432 — Neutral

Broadly in line; capex moderates QoQ, but FCF generation muted in 9M due to high capex and increase in receivables

- Indus' 3QFY26 results were broadly in line with our estimates, with recurring EBITDA (excl. provision reversals in base quarters) rising 2% QoQ to INR44.7b.
- Operationally, tenancy additions picked up QoQ (after a subdued 2Q), driven by acceleration in Vi's rollouts during 3Q.
- Capex moderated ~23% QoQ (on a high base), which led to a slight pick-up in FCF generation to ~INR8b. However, 9MFY26 FCF remained relatively modest at ~INR26.5b (vs. INR98.5b in FY25) due to elevated capex and higher receivables.

In-line results; recurring EBITDA up 2% QoQ

- Consolidated reported revenue moderated 0.5% QoQ to INR81.5b (+8% YoY, 2% lower vs. our est. of INR83b).
  - Service revenue at INR52.7b (+0.6% QoQ, +9.5% YoY) was broadly line with our estimate as higher tenancy addition was offset by slightly lower average revenue per tenant (ARPT -1% QoQ).
  - Energy reimbursement at INR28.7b (-3% QoQ, +5% YoY) was 4% below our estimate.
- Consolidated reported EBITDA declined ~2% QoQ to INR44.8b (-36% YoY, one-off in base) and was in line with our estimates.
  - Adjusted service EBITDA at INR45.5b (+1% QoQ, +13% YoY) came in line with our estimates.
  - Energy under-recovery came in at INR0.83b (vs. INR0.94b YoY and our estimate of INR0.75b).
  - Indus reversed bad debt provision of INR13m (vs. INR0.9b QoQ and INR10.8b YoY). We did not build in any bad debt provision reversal for 3QFY26.
- Adjusted for bad-debt provision reversals, recurring EBITDA at INR44.7b (+2% QoQ, +14% YoY) was in line with our estimate.
- Reported PAT at INR17.8b declined 4% QoQ (-56% YoY), primarily due to prior-period provision reversals in base quarters.
- Adjusted PAT at INR17.9b (+6% QoQ, +3% YoY) was broadly in line with our estimates.

Tenancy additions pick up pace led by Vi's accelerated rollouts; ARPT slightly weaker

- Net macro tower adds moderated to 3,548 (vs. 4,301 QoQ and broadly in line with our estimate of 3,500); EoP macro tower count stood at ~259.6k.
- Indus added modest 26 net leaner towers QoQ (vs. 28 QoQ in 2Q), taking the overall leaner tower count to ~13.99k.

- For seventh successive quarter, net macro tenancy additions at 6,105 were higher than tower adds (significantly above our estimate of 3,750; and 4,505 QoQ in 2Q), driven by pick-up in Vi's rollouts. Indus' total macro tenants count increase to ~421.8k.
- Since 2QFY25, Vi has added ~20k towers, while Indus' incremental macro tenancies have risen by ~15.3k/13.2k on gross/net basis, indicating Indus' market share in Vi's rollouts has remained in ~70% range.
- The end-period tenancy ratio was stable QoQ at 1.62x, with incremental tenancy ratio higher at 1.72x.
- Reported ARPT declined ~1% QoQ to INR41.4k (flat YoY, our est. INR41.7k).

Other highlights: Receivables increase further QoQ, capex moderates QoQ; 9MFY26 FCF muted at ~INR26.5b due to higher capex

- Indus' receivables increased further by ~INR4.5b QoQ to INR53b (had inched up by ~INR5b in 2Q as well).
- Capex declined ~23% QoQ to INR19.8b, with 9MFY26 capex at INR65b (up 40% YoY).
- Reported adjusted fund from operations (EBITDA net of lease payment and maintenance capex) at INR29.5b declined 3% QoQ.
- Net debt, including lease liabilities, was broadly stable QoQ at INR164b (vs. ~INR180b as of end-FY25). Excluding lease liabilities, the company's net cash increased to ~INR34.3b (vs. ~INR29.6b net cash QoQ).
- Indus' **reported 3Q FCF improved to ~INR7.9b** (vs. INR3b in 2Q), primarily due to lower capex QoQ.
- For 9MFY26, **FCF remained muted at INR26.5b** (vs. INR98.5b in FY25, due to collection of Vi's past dues), due to higher capex and increase in receivables.

Indus Towers - quarterly results (INR m)

	3QFY25	2QFY26	3QFY26	QoQ	YoY	3QFY26E	vs est
Service revenues	**48,165**	**52,417**	**52,735**	**0.6**	**9.5**	**52,991**	**(0.5)**
Energy reimbursements	27,309	29,453	28,689	*(2.6)*	*5.1*	29,966	*(4.3)*
Exit / one-off revenue	-	12	39			-	
Reported revenue	**75,474**	**81,882**	**81,463**	**(0.5)**	**7.9**	**82,957**	**(1.8)**
Power and fuel	(28,253)	(30,869)	(29,517)	*(4.4)*	*4.5*	(30,716)	*(3.9)*
Employee expenses	(2,167)	(2,051)	(2,220)	*8.2*	*2.4*	(2,319)	*(4.3)*
Other costs	(5,714)	(5,186)	(4,989)	*(3.8)*	*(12.7)*	(5,226)	*(4.5)*
Bad debt provision reversals	**30,241**	**1,952**	**13**	**(99.3)**		**-**	
Total operating costs	(5,893)	(36,154)	(36,713)	*1.5*	*523.0*	(38,261)	*(4.0)*
EBITDA	**69,581**	**45,728**	**44,750**	**(2.1)**	**(35.7)**	**44,696**	**0.1**
Service EBITDA	**40,284**	**45,180**	**45,526**	**0.8**	**13.0**	**45,446**	**0.2**
Energy EBITDA	(944)	(1,416)	(828)	*(41.5)*	*(12.3)*	(750)	*10.4*
One-offs (Exit revenue/ provision write-offs)	**30,241**	**1,964**	**52**			**0**	
D&A	(15,685)	(18,008)	(17,979)	*(0.2)*	*14.6*	(17,912)	*0.4*
EBIT	**53,896**	**27,720**	**26,771**	**(3.4)**	**(50.3)**	**26,783**	**(0.0)**
Net finance costs and other income	(1,708)	(2,929)	(2,497)	*(14.7)*	*46.2*	(3,081)	*(19.0)*
PBT	**52,188**	**24,791**	**24,274**	**(2.1)**	**(53.5)**	**23,703**	**2.4**
Provision for taxes	(12,156)	(6,391)	(6,444)			(5,966)	
Recurring PAT	**17,403**	**16,939**	**17,873**	**5.5**	**2.7**	**17,737**	**0.8**
EO items	30,241	1,952	(58)			-	
Reported PAT	**40,032**	**18,400**	**17,759**	**(3.5)**	**(55.6)**	**17,737**	**0.1**
Recurring EPS (INR/share)	**6.6**	**6.4**	**6.8**	**5.5**	**2.7**	**6.7**	**0.8**

Core operational performance analysis	3QFY25	2QFY26	3QFY26	QoQ	YoY	3QFY26E	vs est
Revenue	**75,474**	**81,870**	**81,424**	**(0.5)**	**7.9**	**82,957**	**(1.8)**
EBITDA	**39,340**	**43,764**	**44,698**	**2.1**	**13.6**	**44,696**	**0.0**
EBIT	23,655	25,756	26,719	*3.7*	*13.0*	26,783	*(0.2)*
PBT	21,947	22,827	24,222	*6.1*	*10.4*	23,703	*2.2*
PAT	**17,403**	**16,928**	**17,781**	**5.0**	**2.2**	**17,737**	**0.3**
Key operating metrics	**3QFY25**	**2QFY26**	**3QFY26**	**QoQ**	**YoY**	**3QFY26E**	**vs est**
Total towers (#)	**2,34,643**	**2,56,074**	**2,59,622**	**1.4**	**10.6**	**2,59,574**	**0.0**
Total tenants (#)	**3,86,819**	**4,15,717**	**4,21,822**	**1.5**	**9.0**	**4,19,467**	**0.6**
Tenancy ratio (end-period)	1.65	1.62	1.62			1.62	
Sharing revenue per operator (INR/month)	**41,426**	**41,714**	**41,429**	**(0.7)**	**0.0**	**41,754**	**(0.8)**
Sharing revenue per tower (INR/month)	68,349	67,924	67,285	*(0.9)*	*(1.6)*	69,419	*(3.1)*
Margins (%)							
Overall EBITDA	**92.2**	**55.8**	**54.9**	**(91)bp**	**(3,726)bp**	**53.9**	**105 bp**
Service EBITDA (inc. one-offs)	**83.6**	**86.2**	**86.4**	**19 bp**	**277 bp**	**85.8**	**64 bp**
EBIT	71.4	33.9	32.9	(99)bp	(3,855)bp	32.3	58 bp
PAT	23.1	20.7	21.9	125 bp	(112)bp	21.4	56 bp
Effective tax rate	23.3	25.8	26.5			25.2	

motilal oswal Financial Services | MORNING INDIA

RESULTS FLASH

02 February 2026

3QFY26 Results Flash | Sector: Capital Goods

Thermax

BSE SENSEX	S&P CNX
81,666	25,088

CMP:INR2,830 — Sell

Conference Call Details

Date: 05th February 2026

Time: 14:30pm IST

Dial-in details:

Diamond pass

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	108.5	122.3	139.4
EBITDA	10.8	12.8	15.4
Adj. PAT	7.0	8.1	9.7
Adj. EPS (INR)	62.2	72.2	86.5
EPS Gr. (%)	11.7	16.1	19.8
BV/Sh.(INR)	485.6	542.7	614.2
Ratios			
RoE (%)	13.5	14.0	14.9
RoCE (%)	11.5	12.0	12.8
Valuations			
P/E (x)	45.5	39.2	32.7
P/BV (x)	5.8	5.2	4.6
EV/EBITDA (x)	29.8	25.0	20.5
Div. Yield (%)	0.5	0.5	0.5

In-line revenue/PAT; miss on margins

- Thermax posted in-line revenue/PAT, while margins were below our est.
- The company's revenue increased 5% YoY to INR26b vs our estimate of INR27b. This was mainly due to an increase in Industrial products and chemicals revenue, which grew 19%/5% YoY.
- Gross margin expanded ~380bp/~90bp YoY/QoQ to 48%. Industrial Infra margin strength lifted EBITDA margin by ~220bp YoY to 9.7%, though EBITDA of INR3b (+34% YoY) missed our estimate by 9%.
- On higher margins in the Industrial Infra segment, driven by improved operational efficiency and higher other income, adj. PAT rose 44% YoY to INR 1.6b, in line with our estimates, while PAT margin expanded 170bp YoY to 6.2%.
- Segment-wise, EBIT margin in the Industrial Product segment declined to 9.3% in 3QFY26 (vs 11.3% in 3QFY25), due to adverse product mix. Margins in the Industrial Infra segment improved sharply to 6.3% in 3QFY26 vs 0.1% in 3QFY25, led by enhanced operational efficiency.
- Chemical segment EBIT margins weakened to 4.6% (vs. 13.8% YoY), due to fixed costs of the new plant and a change in product mix. Green Solutions' profitability is not comparable as it now reports the segment's PBT instead of EBIT. On the PBT level, Green Solutions' PBT margin has improved to 5.2% in 3QFY26 vs -1% in 3QFY25, due to operational efficiency. Further, one of its subsidiaries received insurance claim proceeds.
- Order inflows for the quarter stood at INR31b and rose 34% YoY, primarily driven by large orders for utility boiler and associated systems from Dangote Industries (INR6b), data center orders of INR2b from customers in North America and India, and INR1b increase in the order book due to a change in reporting structure by TOESL (subsidiary). Excluding these, base ordering was down 5% YoY. The overall order book stood at INR 126b, up 11% YoY.
- For 9MFY26, revenue declined 1% to INR73b, while EBITDA/PAT rose 7%/3% to INR7b/4b, while margins expanded 70bp YoY to 9%.
- The company has incurred an exceptional cost of INR588m in 3QFY26, of which INR506m is related to the reversal of provision for litigation, INR292m is related to interest on deposit, and -INR210m is the statutory impact of new labor codes.
- The board has approved incorporation of a wholly owned step-down subsidiary of the company in Dubai, through Thermax Engineering Singapore Pte Ltd., a wholly owned subsidiary of the company.

Consolidated - Quarterly Earnings Model

(INR m)

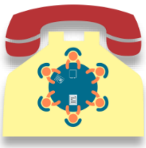
Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
Net Sales	**21,844**	**26,116**	**25,078**	**30,849**	**21,502**	**24,739**	**26,347**	**35,906**	**1,03,887**	**1,08,494**	**27,144**	**-3**
YoY Change (%)	13.0	13.4	7.9	11.6	-1.6	-5.3	5.1	16.4	11.4	4.4	8.2	
Total Expenditure	20,433	23,336	23,188	27,853	19,251	23,019	23,799	31,605	94,809	97,673	24,329	
EBITDA	**1,412**	**2,780**	**1,890**	**2,997**	**2,251**	**1,720**	**2,548**	**4,301**	**9,078**	**10,821**	**2,815**	**-9**
YoY Change (%)	6.8	35.8	0.8	9.7	59.5	-38.1	34.8	43.5	13.8	19.2	49.0	
Margins (%)	6.5	10.6	7.5	9.7	10.5	7.0	9.7	12.0	8.7	10.0	10.4	
Depreciation	360	421	351	453	489	515	533	377	1,585	1,913	467	14
Interest	275	294	287	313	302	322	342	429	1,168	1,395	358	-4
Other Income	841	598	315	769	656	854	627	69	2,522	2,207	332	89
PBT before EO expense	**1,617**	**2,663**	**1,568**	**3,000**	**2,117**	**1,738**	**2,300**	**3,565**	**8,847**	**9,720**	**2,322**	**-1**
Extra-Ord expense							-588	588		0		
PBT	**1,617**	**2,663**	**1,568**	**3,000**	**2,117**	**1,738**	**2,888**	**2,977**	**8,847**	**9,720**	**2,322**	**24**
Tax	519	683	425	951	600	543	837	742	2,578	2,722	627	
Rate (%)	32.1	25.6	27.1	31.7	28.4	31.2	29.0	24.9	29.1	28.0	27.0	
Minority Interest & Profit/Loss of Asso. Cos.	4	0	5	-7	2	1	1	-4	2		0	
Reported PAT	**1,094**	**1,980**	**1,137**	**2,056**	**1,515**	**1,194**	**2,050**	**2,240**	**6,268**	**6,998**	**1,695**	**21**
Adj PAT	**1,094**	**1,980**	**1,137**	**2,056**	**1,515**	**1,194**	**1,633**	**2,657**	**6,268**	**6,998**	**1,695**	**-4**
YoY Change (%)	17.4	24.9	-19.0	5.3	38.4	-39.7	43.6	29.2	6.7	11.7	49.1	
Margins (%)	5.0	7.6	4.5	6.7	7.0	4.8	6.2	7.4	6.0	6.5	6.2	

	FY25				FY26E				FY25	FY26E	FY26E	Est
INR m	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4QE**			**3QE**	**Var (%)**
Segmental revenue												
Industrial Products	9,608	10,576	10,801	14,304	9,544	11,888	12,898	18,455	45,290	52,785	13,502	-4
Industrial Infra	9,251	12,426	11,317	14,152	8,904	9,487	10,326	12,862	47,146	41,578	9,980	3
Green Solutions	1,737	1,751	1,892	1,519	1,732	1,917	1,636	3,018	6,899	8,303	2,277	-28
Chemical	1,708	1,903	1,916	2,101	1,732	1,910	2,002	3,361	7,628	9,005	2,262	-11
Less: Intersegmental	-460	-541	-849	-1,226	-410	-463	-516	-1,789	-3,076	-3,177	-877	-41
Total revenues	**21,844**	**26,116**	**25,078**	**30,849**	**21,502**	**24,739**	**26,347**	**35,906**	**1,03,887**	**1,08,494**	**27,144**	**-3**
Segmental EBIT												
Industrial Products	867	1,145	1,215	2,063	777	1,173	1,194	2,927	5,290	6,070	1,539	-22
Margin (%)	9.0	10.8	11.3	14.4	8.1	9.9	9.3	15.9	11.7	11.5	11.4	
Industrial Infra	-184	882	13	389	710	-148	655	31	1,101	1,247	200	228
Margin (%)	-2.0	7.1	0.1	2.8	8.0	-1.6	6.3	0.2	2.3	3.0	2.0	
Green Solutions	230	216	180	148	332	362	321	480	774	1,494	387	-17
Margin (%)	13.2	12.3	9.5	9.8	19.2	18.9	19.6	15.9	11.2	18.0	17.0	
Chemical	304	306	264	349	161	187	92	550	1,223	991	226	-59
Margin (%)	17.8	16.1	13.8	16.6	9.3	9.8	4.6	16.4	16.0	11.0	10.0	

Aditya Birla Lifestyle Brands

BSE SENSEX	S&P CNX
81,666	25,088

Conference Call Details



Date: 3rd Feb 2026
Time: 04:00Pm IST

Financials & Valuations (INR b)

INR million	FY26E	FY27E	FY28E
Sales	83.2	90.9	99.1
EBITDA	13.1	14.7	16.3
NP	2.3	2.9	3.3
EBITDA Margin (%)	15.8	16.2	16.5
Adj. EPS (INR)	1.9	2.4	2.7
BV/Sh. (INR)	12.3	14.7	17.4
Ratios			
Net D:E	1.7	1.3	0.9
RoE (%)	16.4	17.5	16.8
RoCE (%)	12.9	13.8	13.8
Valuations			
P/E (x)	55.0	43.6	38.3
EV/EBITDA (x)	11.6	10.2	9.0
EV/Sales (x)	1.8	1.6	1.5

CMP: INR103 — Neutral

Growth recovers; better profitability in emerging brands drive 5% beat on EBITDA

- Revenue at INR23.4b **grew 10% YoY** (in line, though weaker vs. ~15% YoY for Arvind Fashions).
  - Lifestyle Brands grew 9% YoY, driven by robust growth in the wholesale channel, while emerging brands delivered 13% growth.
  - Reported growth was adversely impacted by ~80bp YoY due to the closure of Forever21.
- Gross profit rose ~9% YoY to INR13.7b (2% below) as gross margin contracted ~25bp YoY to 58.6% (~135bp miss).
- Other expenses increased ~9% YoY, while employee (+2% YoY) and rental expenses (down 4% YoY) were soft during the quarter.
- Reported EBITDA at INR4.1b grew ~24% YoY (5% beat) as EBITDA margin expanded ~200bp YoY to 17.6% (~85bp beat).
  - Lifestyle delivered ~14% YoY EBITDA growth, while profitability sharply improved in Emerging brands (no drag from Forever21).
- Depreciation jumped ~16% YoY, while interest cost and other income declined ~1% YoY and ~14% YoY, respectively.
- The company also booked ~INR413m provision towards the new labor code implementation.
- Resultantly, adjusted PAT at INR1b grew ~67% YoY (vs. our est. INR1.04b).
- For 9MFY26, ABLBL's revenue grew 6% YoY, with EBITDA rising ~10% YoY, driven by ~65bp margin expansion (largely gross margin led).

Segmental performance

Lifestyle brands

- Revenue at INR20.2b **grew 9% YoY** (vs. our est. INR19.7b).
  - **Wholesale** delivered 21% YoY growth, with robust secondary LTL growth in departmental stores.
  - **Retail** grew ~6% YoY, driven by 5% LFL as network expansion and strong wedding performance offset the adverse impact from the festive shift.
  - **E-commerce** delivered ~20% YoY growth with improved profitability.
  - The company added over 70 gross store additions in 3QFY26.
- **EBITDA** came in line with our estimate at INR4.1b (up 14% YoY).
  - **EBITDA margin** at 20.6% expanded 90bp YoY, aided by robust cost controls.
- For 9MFY26, Lifestyle reported 7% revenue growth and ~30bp margin expansion, driving ~9% EBITDA growth

Emerging brands

- Revenue grew 13% YoY to INR3.6b. The growth would have been ~19% YoY, normalizing for the closure of Forever 21 in the base.
  - Retail LTL was healthy at ~16%, with all emerging brands delivering double-digit LTL growth.
- EBITDA stood at INR250m (vs. a loss of INR20m, likely on account of the Forever21 closure).
- **American Eagle**: Double-digit profitable growth momentum with six new store additions.
- **Reebok:** Grew robust 20% YoY; 10 new stores in 3Q (35 in 9M) to reach over 200 stores.
- **Van Heusen Innerwear:** Double-digit growth, led by strong retail and E-com performance.
- For 9MFY26, emerging brands revenue declined ~3% YoY (~4% YoY growth excluding Forever 21 in the base), with EBITDA at INR350m (vs INR 20m YoY).

P&L (INR m)

ABLBL (INR m)	3QFY25	2QFY26	3QFY26	YoY%	QoQ%	3QFY26E	vs. est
Revenue	**21,384**	**20,379**	**23,432**	**9.6**	**15.0**	**23,382**	**0.2**
Raw Material cost	8,790	8,612	9,694	10.3	12.6	9,353	3.6
Gross Profit	**12,594**	**11,767**	**13,738**	**9.1**	**16.7**	**14,029**	**-2.1**
Gross margin (%)	**58.9**	**57.7**	**58.6**	**-26bps**	**89bps**	**60.0**	**-137bps**
Employee Costs	2,417	2,203	2,462	1.9	11.7	2,666	-7.6
Rent	2,360	1,500	2,270	-3.8	51.3	2,502	-9.3
SGA Expenses	4,485	4,896	4,888	9.0	-0.2	4,949	-1.2
Total	**9,262**	**8,600**	**9,620**	**3.9**	**11.9**	**10,116**	**-4.9**
EBITDA	**3,332**	**3,167**	**4,118**	**23.6**	**30.0**	**3,913**	**5.2**
EBITDA margin (%)	**15.6**	**15.5**	**17.6**	199bps	203bps	**16.7**	84bps
Depreciation and amortization	1,759	2,090	2,037	15.8	-2.5	1,935	5.3
EBIT	1,574	1,078	2,081	32.3	93.1	1,979	5.2
EBIT margin (%)	7.4	5.3	8.9	152bps	359bps	8.5	42bps
Finance Costs	964	978	954	-1.0	-2.5	814	17.1
Other income	221	211	191	-13.9	-9.8	223	-14.7
Exceptional item	0	0	-413				
Profit before Tax	**831**	**311**	**905**	**8.9**	**191.3**	**1,388**	**-34.8**
Tax	228	76	215	**-5.8**		349	**-38.4**
Tax rate (%)	27.5	24.6	23.8			25.2	
Profit after Tax	**603**	**234**	**690**	**14.4**	**194.4**	**1,038**	**-33.5**
Adj Profit after Tax	**603**	**234**	**1,005**	**66.7**	**328.8**	**1,038**	**-3.2**

Segments	3QFY25	2QFY26	3QFY26	YoY%	QoQ%	3QFY26E	vs. est
Lifestyle Brands							
Revenue	**18,340**	**17,540**	**20,020**	**9.2**	**14.1**	**19,715**	**1.5**
Wholesale	2,920	4,190	3,530	20.9	-15.8	3,033	16.4
Retail	13,340	10,030	14,100	5.7	40.6	13,977	0.9
Others	2,080	3,320	2,390	14.9	-28.0	2,705	-11.6
EBITDA	**3,620**	**3,380**	**4,130**	**14.1**	**22.2**	**4,042**	**2.2**
% Margin	19.7	19.3	20.6	89bps	136bps	20.5	-13bps
Others (Reebok, AE, VH innerwear)							
Revenue	3,130	2,920	3,550	13.4	21.6	3,746	-5.2
EBITDA	-20	40	250	-1350.0	525.0	135	85.4
% Margin	-0.6	1.4	7.0	768bps	567bps	3.6	-344bps

Sun Pharma : Biopharma Shakti Scheme is a welcome move; Jayashree Satagopan, CFO

- Budget Welcome: ₹10,000 Cr Biopharma Shakti Scheme boosts R&D, clinical trials, infrastructure for biologics competitiveness.
- FY26 On Track: Q3 revenue +13%, margins expanded; expect higher end of mid-to-high single-digit guidance.
- Specialty Strength: Innovative medicines at $380M (beat $365-367M est.); steady US/emerging market growth focus.
- Key Updates: Semaglutide approvals filed in Canada (no timeline), India launch imminent; M&A opportunistic, US priority; plants Halol/Basa remediation ongoing.

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Motherson Sumi Wiring : Commodity price increase are passed on to customers with a one quarter lag; Anurag Gahlot, COO

- Q3 Performance: Record revenue +25% YoY driven by 19% industry growth + higher vehicle content; EBITDA margins down sequentially due to copper price surge.
- Commodity Pass-Through: Copper/forex increases passed to customers with 1-quarter lag (major clients) or 6 months; Q3 impact to normalize in Q4/Q1 FY27.
- ROCE Target: >40% on track (achieved past 3 years, 9M FY26 intact); greenfield plants ramping (80% util. soon at Karada, 50% Pune).
- Growth Drivers: EV ~6% revenue (all segments); flexible plants backed by OEM orders; focus on automation for cost efficiency amid SUV/feature-led wiring demand

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Brigade Enterprises : Growth guidance of 15-20% for FY26 will depend on Q4 launches; Pavitra Shankar, MD

- Q3 Bookings: Declined QoQ due to launch delays; realizations up with 5-10% price hikes absorbed well; 9M bookings down 15% but demand stable in premium housing.
- FY26 Guidance: 15-20% bookings growth hinges on Q4 launches (4-5M sq ft planned, bulk in Q4); 50/50 split from existing projects/new launches.
- Office Expansion: 9 projects with ₹1,600 Cr capex; current leasing ₹1,500 Cr, targeting ₹2,000 Cr annuity; REIT unlock post build-out/lease-up.
- Market Focus: Strong traction in Bangalore/Chennai/Hyderabad; construction costs up to ₹2,300 Cr (9M) on higher project volume, revenues lag per Ind AS

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Arvind : the importance is to grow the textile eco system in India; Punit Lalbhai, Vice Chairman

- Budget Boost: ₹1,500 Cr for mega textile parks, skilling, and National Fiber Scheme to grow India's garment ecosystem.
- FTAs Key: UK/Europe deals (8-9% of turnover) to double; 6-8% net margin benefit expected post-ratification.
- Q3 Strength: 14% revenue growth to ₹1,800 Cr (EBITDA +15%); advanced materials +30% QoQ, garments +22%.
- Outlook Positive: Cautious optimism despite tariffs; cost savings, rupee tailwinds, diversification sustain 11.5% margins

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N O T E S

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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

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