

Market snapshot

Equities - India	Close	Chg .%	CY25.%
Sensex	83,739	2.5	9.1
Nifty-50	25,728	2.5	10.5
Nifty-M 100	59,307	2.8	5.7
Equities-Global	Close	Chg .%	CY25.%
S&P 500	6,918	-0.8	16.4
Nasdaq	23,255	-1.4	20.4
FTSE 100	10,315	-0.3	21.5
DAX	24,781	-0.1	23.0
Hang Seng	9,053	-0.3	22.3
Nikkei 225	54,721	3.9	26.2
Commodities	Close	Chg .%	CY25.%
Brent (US\$/Bbl)	70	1.5	-15.7
Gold (\$/OZ)	4,947	6.1	64.6
Cu (US\$/MT)	13,409	4.5	43.9
Almn (US\$/MT)	3,084	1.6	17.5
Currency	Close	Chg .%	CY25.%
USD/INR	90.3	-1.4	5.0
USD/EUR	1.2	0.2	13.4
USD/JPY	155.8	0.1	-0.3
YIELD (%)	Close	1MChg	CY25 chg
10 Yrs G-Sec	6.7	-0.04	-0.2
10 Yrs AAA Corp	7.5	0.07	0.1
Flows (USD b)	3-Feb	MTD	CYTD
FII	0.58	-2.05	-18.8
DII	0.11	8.96	90.1
Volumes (INRb)	3-Feb	MTD*	CYTD*
Cash	1,859	1498	1314
F&O	7,08,587	4,69,231	3,27,079

Note: Flows, MTD includes provisional numbers. *Average

Today's top research idea

Ventive Hospitality | Initiating coverage: Strategic evolution into scaled luxury hospitality

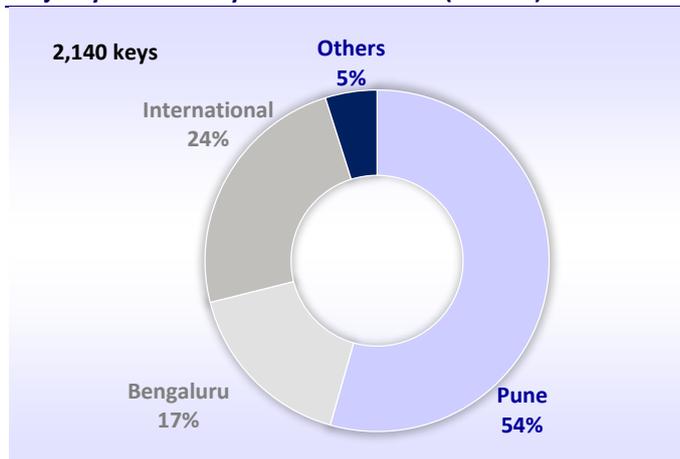
- ❖ Ventive Hospitality (VENTIVE) operates marquee luxury assets in the hospitality (77%) and annuity (23%) segments. From a single 415-key JW Marriott Pune in CY24, the company has expanded inorganically to a 2,140-key portfolio by 1HFY26 with the addition of 11 hotels, and has a robust pipeline of over 1,500 keys, supported by strong hospitality demand.
- ❖ In its hospitality segment, international operations account for 54% of segment revenue, while India operations make up 46%.
- ❖ VENTIVE is expected to deliver a 21% revenue/EBITDA CAGR over FY25–28, driven by multi-city expansion, Soho House diversification, strong Maldives-led international growth, and favorable demand–supply. Adj. PAT to double. Initiate BUY with INR1,000 SOTP TP.

Research covered

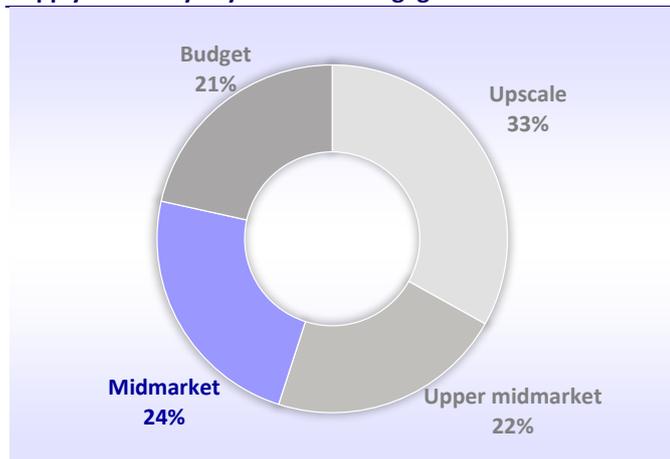
Cos/Sector	Key Highlights
Ventive Hospitality	Initiating coverage: Strategic evolution into scaled luxury hospitality
India Strategy	Interim review – 3Q on track; Commodities shine! Indo-US trade deal – expect a positive chain reaction
Other Updates	Bajaj Finance Adani Ports Varun Beverages Indus Towers Aditya Birla Cap Mankind Pharma NMDC Dixon Technologies Exide Zydus Wellness A B Lifestyle Rubicon Research Mahanagar Gas Alkyl Amines Ellen.Indl.Gas TCI Express Expert Speak (a. Union Budget FY27; b. India's textile sector) Pidilite Inds. Castrol India Triveni Turbine Dr Agarwal's Godrej Agrovet JK Lakshmi Cem. SignatureGlobal

Chart of the Day: Ventive Hospitality (Strategic evolution into scaled luxury hospitality)

Majority of inventory is located in Pune (1HFY26)



Supply for luxury keys in Pune is negligible from FY26 to FY30



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

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



Kindly click on textbox for the detailed news link

1

Advent to invest Rs 2,750 crore in Aditya Birla Housing Finance, to acquire 14.3% stake

Aditya Birla Housing Finance (ABHFL), a wholly owned subsidiary of Aditya Birla Capital (ABC) will receive a primary capital infusion of Rs 2,750 crore from Indriya, an entity of Advent International.

2

Adani Defence, Italian firm to set up military chopper facility in India

Adani Defence & Aerospace and Italian aerospace company Leonardo on Tuesday signed an agreement to set up an integrated helicopter manufacturing ecosystem in India.

3

Spot power prices cool sharply in January even as demand climbs

At a time when rising electricity demand would typically push prices higher, India's spot power market moved the other way in January 2026, with prices falling sharply even as consumption increased — signalling a marked improvement in supply availability and grid resilience.

4

Over a third of India's chemical exports will gain from tariff relief after US, EU deals

Around 35–40% of India's chemical exports are now set to benefit directly from the recent trade agreements with the United States and the European Union, creating one of the most favourable operating environments the sector has seen in years.

5

Raymond expects US revenue to rise to ₹1,000–1,200 crore after tariff reset

The company expects growth across both lifestyle and aerospace businesses due to improved tariff competitiveness and expects US revenue to rise to about ₹1,000–₹1,200 crore over the next few years from around ₹500 crore now. European business could also expand after trade agreements and tariff improvements.

6

DLF to sell Kolkata SEZ asset, land parcel to Srijan Group for ₹670 crore

DLF has signed definitive agreements to sell its Kolkata IT/ITeS SEZ asset, DLF TechPark II, along with about 8.15 acres of land for ₹409.86 crore, and a separate 17.75-acre vacant land parcel for ₹260 crore to Srijan Group entities.

7

Varroc Engineering bags \$48 million deal to make electric vehicle chargers for global car maker

Varroc Engineering Ltd, announced a strategic contract win with a leading global electric vehicle (EV) original equipment manufacturer (OEM) for the supply of AC bi-directional wall chargers for electric vehicles.



Ventive Hospitality

BSE SENSEX
83,739

S&P CNX
25,728



Stock Info

	VENTIVE IN
Bloomberg	VENTIVE IN
Equity Shares (m)	234
M.Cap.(INRb)/(USD\$)	179.6 / 2
52-Week Range (INR)	845 / 523
1, 6, 12 Rel. Per (%)	5/-4/-6
12M Avg Val (INR M)	131

Financials Snapshot (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	24.8	29.1	36.7
EBITDA	11.5	13.4	16.8
PAT	3.7	4.9	8.0
EBITDA %	46.3	46.2	45.8
EPS (INR)	16.0	20.9	34.0
EPS Gr. (%)	194.9	31.2	62.5
BV/Sh.(INR)	221.8	242.7	276.8

Ratios

Net D:E	0.2	0.1	(0.1)
RoE (%)	7.5	9.0	13.1
RoCE (%)	8.6	10.2	14.0

Valuations

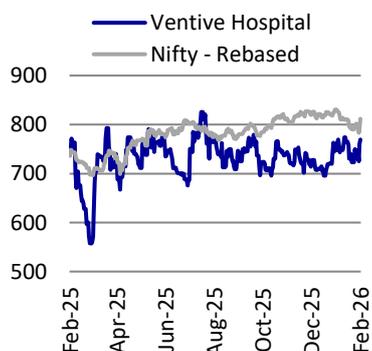
P/E (x)	48.2	36.7	22.6
P/BV (x)	3.5	3.2	2.8
EV/EBITDA (x)	17.7	14.9	11.2
FCF per share	28.9	25.0	57.6

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	89.0	89.0	89.0
DII	5.2	5.2	3.8
FII	1.6	1.7	3.3
Others	4.2	4.1	3.9

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR769

TP: INR1,000 (+30%)

Buy

Strategic evolution into scaled luxury hospitality

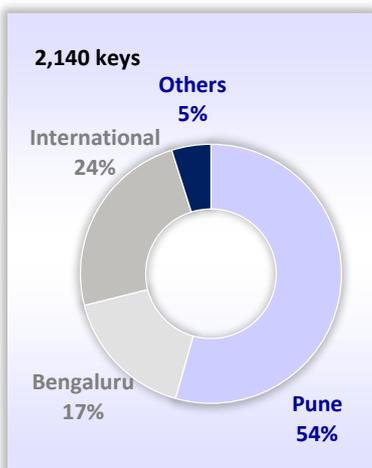
Ventive Hospitality (VENTIVE) operates marquee luxury assets in the hospitality (77%) and annuity (23%) segments. From a single 415-key JW Marriott Pune in CY24, the company has expanded inorganically to a 2,140-key portfolio by 1HFY26 with the addition of 11 hotels, and has a robust pipeline of over 1,500 keys, supported by strong hospitality demand. In its hospitality segment, international operations account for 54% of segment revenue, while India operations make up 46%.

- VENTIVE's luxury asset portfolio included Pune's largest luxury hotel (JW Marriott) and Ritz-Carlton. About 54% of its keys are concentrated in Pune, a market supported by major infrastructure upgrades and limited room supply growth. Thereby, the company plans to expand its Pune presence with the Right of First Offer (ROFO, developed by promoter group) additions of 464 keys by FY30 at an expected capex of INR3b over FY27-29.
- The company is expanding its presence beyond Pune to high-growth cities like Bengaluru and Navi Mumbai, reducing concentration risk. Alongside a Soho House partnership (membership-based revenue), these expansions support stronger occupancy, revenue, and medium-term earnings visibility.
- Its international portfolio drives 54% of hospitality revenue despite accounting for 25% of keys, supported by strong average daily rates (ADRs), a diversified customer base, and limited new supply. The company is further expanding in Sri Lanka with a 73-key Ritz-Carlton Reserve. Overall, its international business is expected to deliver 21% revenue CAGR and 27% EBITDA CAGR over FY25-28, supported by new developments, rising luxury demand, and improved connectivity.
- VENTIVE's 3.4msf annuity portfolio, including Grade A offices and a retail mall in Pune, delivers ~98% occupancy and premium rentals. Contributing ~23% of revenue and ~45-50% of EBITDA, it provides a stable earnings base and strong cash flow, supported by synergies with its hospitality business.
- Over FY25-28, we expect VENTIVE to deliver a CAGR of 21%/21% in revenue/EBITDA driven by rapid multi city expansion, diversification into membership-led hospitality through Soho House, infrastructure-led demand and limited supply in Pune, and strong international performance led by high-ADR Maldives assets and expansion into Sri Lanka. Adj. PAT is expected to double thanks to operating leverage, lower interest cost and lower tax. We initiate coverage on VENTIVE with a BUY rating and SOTP-based TP of INR1,000.

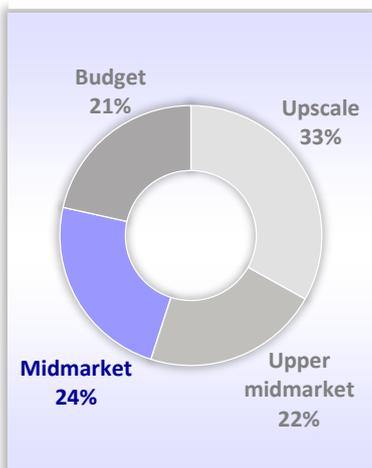
Favorable demand-supply dynamics underpin growth in core market

- VENTIVE owns the largest luxury hotel in Pune (JW Marriott) and one of the only two Ritz-Carlton hotels in India. The company's high dependence on the Pune market (~54% of its keys) is attributed to an improvement in the city's commercial infrastructure and road connectivity, growth in the IT sector, and job creation.
- Pune residential area has increased from ~119msf in CY20 to 215msf by 2QCY25 (13% CAGR over FY20 to FY25). Additionally, Pune's commercial property inventory is expected to grow from 74msf in CY20 to 105msf in CY25, reflecting a CAGR of 7%.

Majority of inventory is located in Pune (1HFY26)



Supply for luxury keys in Pune is negligible from FY26 to FY30

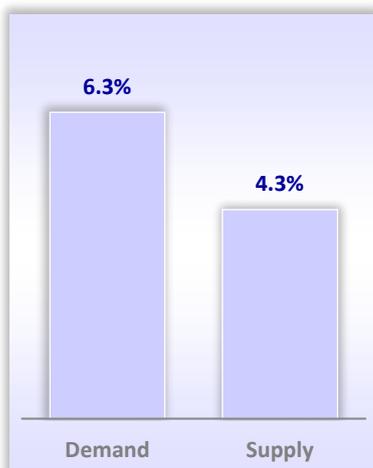


- Further growth in the Pune hospitality market is expected to be driven by upcoming infrastructure developments, including the proposed Purandar International Airport, the Navi Mumbai International Airport, the Pune Ring Road, the Mumbai–Pune Expressway enhancements and the Messe Global Arena (Pune's first purpose-built live event venue launched in Oct'25 near Kharadi).
- Room supply in the Pune market across segments has grown at 1% CAGR over FY16-25. Supply growth during FY25-30 is expected to be limited at only 3% CAGR to ~1,147 keys (6,837 keys as of FY25). **The modest supply growth should improve hotel occupancy and ADRs, as the city continues to expand and strengthen its business standing in the services and manufacturing sectors.**
- The supply of luxury hotels in India is expected to remain constrained due to several high entry barriers, including limited land availability, extensive regulation, restrictive zoning, high capital costs, and long gestation periods.
- **The limited supply of luxury hotel keys in Pune is a positive factor for VENTIVE since 70% of its Pune portfolio is positioned in the luxury and upper-upscale segments.** VENTIVE has the largest share of luxury hotel key inventory in Pune (as of Mar'24).
- For VENTIVE, the average room rate (ARR) in India (largely in Pune) compounded at ~20% over FY22-25. With its portfolio occupancy at ~65.5% (largely Pune) vs. Pune's ~72.5%, there is headroom for growth, **supported by infrastructure upgrades, growing corporate activity and rising event activity.**
- **Accordingly, the company plans to further deepen its presence in the Pune market through planned ROFO additions, including Moxy Pune Wakad (264 keys) and Moxy Pune Kharadi (200 keys) by FY30 with a capex of INR3b over FY27-29.**
- **With occupancy below the market average and a visible expansion pipeline, the company remains well positioned to drive further improvement in operating performance over the medium term.**

Geographic diversification and demand-led expansion of India portfolio

- VENTIVE is expanding its presence to Bengaluru, Varanasi, Navi Mumbai, and Mundra to reduce its dependence on the Pune hospitality market.
- Bengaluru's booming IT sector is driving hospitality demand through corporate and MICE travel and domestic leisure travel, leading to higher occupancy and ARR. Thereby, demand growth (6.30%) has outpaced supply growth (4.30%) in the city.
- **Given the favorable demand-supply dynamics in Bengaluru, VENTIVE is undertaking a brownfield expansion of its Marriott Aloft Whitefield property, increasing the room count from 166 keys to 200 keys by FY27. Additionally, the hotel will be rebranded as AC by Marriott.**
- VENTIVE is also expanding into other Indian cities beyond Pune and Bengaluru, with the share of Pune/Bengaluru expected to decline from 77%/23% (in the Indian business) in FY25 to 51%/12% by FY30E. **In India, its total room inventory is expected to increase from 1,521 keys in FY25 to 3,197 keys by FY30.**
- Room inventory in other cities is expected to expand from 104 keys in FY26E to 1,178 keys by FY30E, implying a strong CAGR of 83% over FY26-30, primarily driven by ROFO asset additions in Navi Mumbai. **The company plans to add ~650 keys in Navi Mumbai by FY30 through JW Marriott (456 keys) and Moxy**

Bengaluru's demand growth has outpaced supply growth



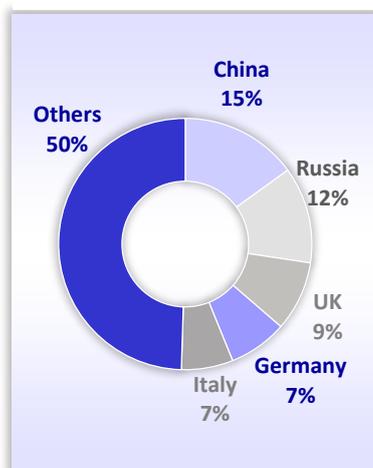
(200 keys), driven by the inauguration of the Navi Mumbai International Airport.

- The company is also diversifying its revenue stream by entering into a partnership with Soho House for a membership-led hospitality portfolio. Soho House India operates Soho House Mumbai in Juhu, offering members-only social, dining, and lifestyle experiences with boutique accommodation and curated events.
- **VENTIVE plans to acquire 50% stake in Soboho Pvt Ltd through Finevest (currently holds ~50% in Finevest, an associate) for ~INR300m, making it a subsidiary and securing exclusive rights to develop and operate Soho House in India.**
- **Overall, its expansion into high-growth cities, demand-led capacity additions, and entry into membership-led hospitality reduce concentration risk and enhance medium-term growth and earnings visibility.**

Annuity business forms a solid bedrock

- In addition to its hospitality portfolio, VENTIVE has an annuity asset portfolio comprising 3.4msf of leasable area and 98% of committed occupancy (as of FY25).
- VENTIVE's strategy of monetizing land banks through commercial real estate has delivered strong results, with three Grade A office assets and a retail mall in Pune achieving ~98% committed occupancy as of FY25.
- Its office assets commanded a premium of 29% over the average rental for Pune as of FY24 as the company's assets are generally of superior quality compared to the average in the market.
- The retail space in the ICC Convention Centre, part of ICC Pavilion, Pune, benefits from incremental footfalls and tenant sales due to captive demand from guests at JW Marriott and office tenants from ICC Offices.
- The annuity segment accounts for ~23% of total revenue, yet contributes around 45-50% of EBITDA, driven by the structurally strong margins in this business.
- **Overall, its annuity assets provide a stable earnings base, with high occupancy, premium rentals, and strong hospitality synergies supporting cash flow visibility.**

Globally diversified customer profile



International business scaling up on the back of luxury assets

- International keys accounted for **25%/54%** of hospitality inventory/revenue in FY25, with 515 keys across Anantara, Conrad, and Raaya in the Maldives. The Maldives' 'one island, one resort' model underpins its luxury positioning, with tourism contributing **~25% to GDP**. The region's hospitality market is expected to grow from USD0.66b in FY25 to USD1.03b by FY30 at a 9% CAGR (Source: Mordor Intelligence).
- The island region commands significantly higher ADRs than Mauritius, Bali, and Phuket, driven by strong luxury demand. Its CY23 ADR was USD582, comparable only to Seychelles, which has far lower luxury inventory and connectivity.
- **Maldives' foreign tourist arrivals have meaningfully surpassed pre-Covid levels at a ~4% CAGR during CY19-25 to reach 2.2m visitors. Additionally, a geographically diversified customer mix helps to mitigate demand volatility.**
- The visible pipeline remains limited, with 16 resorts (2,112 keys) scheduled for completion by CY26 end, while additional projects are likely to come on stream gradually, as only 132 hotels/resorts opened between CY01 and CY24.

VENTIVE currently trades at an EV/EBITDA of 18x/15x/11x for FY26E/FY27E/FY28E with ROE/ROCE of 13%/14% in FY28E. We initiate coverage on VENTIVE with a BUY rating and SOTP-based TP of INR1000.

- In 4QFY25, VENTIVE acquired control of KIRPL (Raaya by Atmosphere), consolidating it as a subsidiary from Jan'25. Raaya achieved EBITDA breakeven within four months of full operations and delivered strong 4QFY25 performance, with occupancy of 71%, revenue of INR620m, and EBITDA margin of 50%.
- Despite contributing just 25% of keys in FY25, the international business accounted for 54% of VENTIVE's hospitality segment revenue and ~51% of EBITDA in FY25. Margins are expected to expand further, supported by cluster-level cost efficiencies across procurement, fuel, F&B, and seaplane operations.
- VENTIVE is expanding in Sri Lanka through a major Marriott partnership, developing a 73-key ultra-luxury Ritz-Carlton Reserve near Yala East National Park, marking the brand's debut and strengthening its presence in South Asia's luxury market.
- **Accordingly, we expect the international business to deliver a revenue CAGR of 19% over FY25-28, driven by improved connectivity and resort development, rising luxury and experiential travel demand, diversification of source markets, and expanding room inventory. EBITDA is expected to clock a 27% CAGR over FY25-28.**

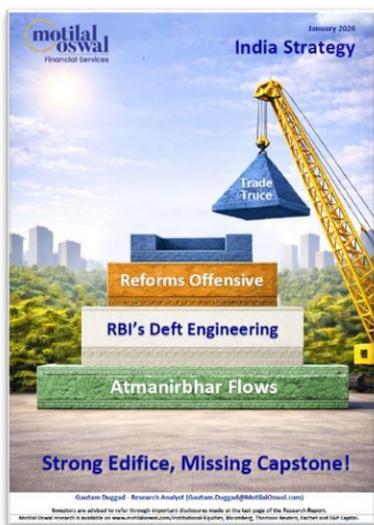
Valuation and view: Initiate coverage with BUY and TP of INR1000

- VENTIVE is scaling up its operations in Pune and expanding into other high-potential markets such as Bengaluru, Varanasi, Navi Mumbai, and Mundra. The company plans to significantly scale up in other cities (excluding Bengaluru), with keys estimated to rise from 104 in FY26E to 1,178 by FY30E (83% CAGR), driven mainly by ROFO additions in Navi Mumbai. It is also diversifying revenue by partnering with Soho House, marking its entry into membership-led hospitality.
- VENTIVE's strong foothold in Pune is perfectly timed to benefit from major infrastructure upgrades, including the Navi Mumbai and upcoming Purandar International Airports, the Pune Ring Road, the second Mumbai-Pune Expressway, and the Messe Global Arena (Pune's first purpose-built live event venue, launched in Oct'25 near Kharadi), coupled with limited room supply. Thereby, the company plans to expand its Pune presence with ROFO additions (464 keys) by FY30 at an expected capex of INR3b over FY27-29.
- The international business is expected to see strong performance, driven primarily by the company's Maldives portfolio. Key catalysts include the Maldives' superior ADRs vs. peers such as Bali and Mauritius, robust and geographically diversified foreign tourist demand, a limited new supply pipeline, and expansion into Sri Lanka through a 73-key Ritz-Carlton Reserve.
- As per pro forma financials, the company delivered a CAGR of 22%/27% in revenue/EBITDA over FY22-25 and reported adjusted PAT of INR483m vs. a loss of INR1.5b in FY22. We expect VENTIVE to achieve a CAGR of 21%/21% in revenue/EBITDA and more than double its adjusted PAT over FY25-28.
- VENTIVE currently trades at an EV/EBITDA of 18x/15x/11x for FY26E/FY27E/FY28E with RoE/RoCE of 13%/14% in FY28E. The average FY28E EV/EBITDA multiple of major listed hotels (in the last 3 years) is 14x, compared with VENTIVE's implied target EV/EBITDA of 14x (at par with industry peers). We initiate coverage on VENTIVE with a BUY rating and SOTP-based TP of INR1,000.

BSE Sensex: 83,739

Nifty-50: 25,728

Refer to our Quarterly Preview

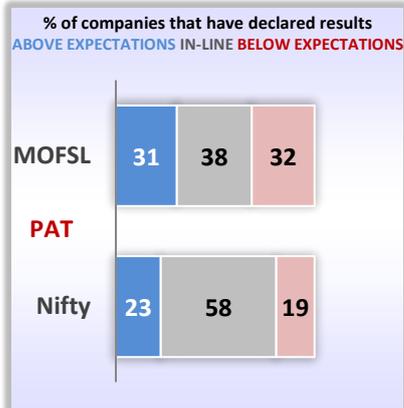


Interim review – 3Q on track; Commodities shine!

Nifty sees marginal EPS downgrades | Indo-US reset adds a structural tailwind

- In this report, we present our interim review of the 3QFY26 earnings season.
- As of 2nd Feb'26, 199/31 companies within the MOFSL Universe/Nifty have announced their 3QFY26 results. These companies constituted i) 64% and 66% of the estimated PAT for the MOFSL and Nifty Universe, respectively; ii) 47% of India's market capitalization; and iii) 72% weightage in the Nifty.
- The earnings of the aforesaid 199 MOFSL Universe companies grew 14% YoY (in line with our estimate of 13% YoY) in 3QFY26. Overall earnings growth was driven by Metals, which grew 59% YoY; Oil & Gas rose 15% YoY; BFSI grew 8% YoY; Technology rose 12% YoY, and Automobiles increased 18% YoY. These five sectors contributed 80% of the incremental YoY accretion in earnings so far.
- **Barring global commodities** (i.e., Metals and O&G), the MOFSL Universe posted a 10% YoY earnings growth (in-line with our estimate of 10%). In contrast, **ex-Financials**, MOFSL Universe earnings grew 17% YoY (vs. an est. of +18% YoY).
- **Earnings of the 31 Nifty companies** that have declared results so far have grown 7% YoY (vs. our est. of +8% YoY), driven by HDFC Bank, TCS, Infosys, L&T, and Maruti. These five companies contributed 65% to the incremental YoY accretion in earnings. Conversely, Cipla, ICICI Bank, and Interglobe Aviation dragged Nifty earnings lower. Six companies within the Nifty reported lower-than-expected profits, while seven recorded a beat, and eighteen registered in-line results.
- **Large-caps and small-caps deliver in-line results, while mid-cap performance misses our estimates:** Within our MOFSL Universe, large-caps (50 companies) posted an earnings growth of 13% YoY – similar to the overall universe. Mid-caps (63 companies) have shown weakness and delivered earnings growth of 14% YoY (vs. our est. of 22%). Multiple mid-cap sectors, such as Private Banks, Metals, Logistics, and Automobiles, dragged down overall performance. Conversely, sectors that clocked impressive earnings growth were Oil & Gas, Lending and Non-Lending NBFCs, Utilities, Healthcare, and Technology. These sectors contributed ~87% of the incremental YoY accretion in earnings. In contrast, small-caps (86 companies) delivered in-line performance, with earnings rising 24% YoY (our est. of +30%). Within small-caps, 64% of the coverage universe exceeded/met our estimates. Conversely, within the large-cap/mid-cap universes, 76%/68% of the companies exceeded/met our estimates.
- **The upgrade-to-downgrade ratio at 0.7x:** Until now, 40/55 companies within the MOFSL Coverage Universe have reported an upgrade/downgrade of more than 3% each, leading to an adverse upgrade-to-downgrade ratio for FY27E. The EBITDA margin of the MOFSL Universe (ex-Financials) expanded 20bp YoY to 17.7%, owing to margin expansion in Metals, Utilities, Cements, Capital Goods, and Chemicals. However, the margin saw a contraction in the Telecom, Real Estate, and Healthcare sectors.
- **Nifty EPS cut marginally for FY26E/FY27E:** The Nifty EPS for FY26E was cut by 0.3% to INR1,081 (from INR1,084) due to downgrades in ICICI Bank, Interglobe Aviation, JSW Steel, Maruti Suzuki, and Cipla. The FY27E EPS was cut by 0.4% to INR1,262 (from INR1,267) – led by Maruti Suzuki, HDFC Bank, ICICI Bank, NTPC, and Reliance Industries.

Expectations vs. delivery: 3QFY26



PAT growth YoY in 3QFY26 (%)



- MOFSL PAT experienced an upgrade of 0.8% for FY27:** Earnings of the MOFSL Universe witnessed a rise of 0.8% for FY27, fueled by Technology, Oil & Gas, Telecom, PSU Banks, and Metals. In contrast, the MOFSL Large-cap and small-cap universe experienced a marginal downgrade of 0.1% for FY27, while the MOFSL mid-cap universe stood out with a 5.4% earnings upgrade for FY27.

Key result highlights: 3QFY26

- As of 2nd Feb'26, **31 Nifty stocks** reported a sales/EBITDA/PBT/PAT growth of 12%/8%/7%/7% YoY (vs. est. of +11%/9%/8%/8%). Of these, 7/6 companies surpassed/missed our PAT estimates, each by more than 5%. On the EBITDA front, 7/2 companies exceeded/missed our estimates during the quarter.
- For the **199 companies within our MOFSL Universe**, sales/EBITDA/PBT/PAT were +11%/10%/10%/14% YoY (vs. est. of +7%/+11%/+12%/13%). Excluding Metals and O&G, the MOFSL Universe companies recorded a sales/EBITDA/PBT/PAT growth of 13%/9%/8%/10% YoY (vs. est. of +13%/9%/9%/10%) in 3QFY26 so far.
- Summary of the 3QFY26 performance thus far:**
 - 1) Banks:** 3QFY26 has witnessed broadly stable NIMs across private banks, alongside healthy loan growth and continued improvement in asset quality, with credit costs remaining well controlled.
 - 2) NBFCs – Lending:** NBFCs delivered a mixed performance in 3Q across loan growth, with signs of demand revival visible in vehicle finance and unsecured lending; in contrast, housing financiers continued to see muted loan growth due to intense pricing competition from banks.
 - 3) Consumer:** Staple companies clocked a partial recovery in 3Q, particularly after the stability from the GST transition. Rural has been resilient, while urban demand has also started showing a positive trend.
 - 4) Metals:** During 3QFY26, ferrous companies across the board reported in-line operating performance, where EBITDA/t declined INR1000-1500/t QoQ mainly over weak NSR. Ferrous companies across the board saw healthy volume growth of 12% YoY and 6% QoQ, which partially offset the muted NSR.
 - 5) Oil & Gas:** The results indicate mixed performance so far. OMCs continued to post stable results, whereas weakness persisted in the gas space. Reliance Industries posted a soft 3Q, hurt by a weaker performance of Reliance Retail (RRVL).
 - 6) Technology:** The IT services companies (within the MOFSL Universe), despite seasonally weak conditions in 3QFY26, reported better-than-anticipated earnings; the sector witnessed a median revenue growth of 1.7% QoQ CC (+1.5%/-1.1%/-0.6%/+1.7% in 2QFY26/1QFY26/ 4QFY25/3QFY25).
- View:** In a swift reversal of events, the long-awaited Indo-US trade deal has been announced. This is a high-impact development and will have a multi-layered effect on the economy, prevailing market sentiments, and several sectors exporting to the US, which will benefit from improved competitiveness. The Indo-US trade announcement comes on top of the Indo-EU FTA, which was inked last week, and together they will help assuage the growing concerns over India's geopolitical seclusion. Further, the Union Budget was broadly in line with our modest expectations but shorn of high-impact immediate measures, signaling more continuity in the fiscal approach of the past five years. The earnings for 3Q to date have been in line. We expect ~12% earnings growth for Nifty over FY25-27E. Valuations for Nifty at ~20x remain marginally below its LPA at 20.9x 12m forward earnings, while they remain stretched for broader markets. We are OW on Auto, Diversified Financials, Technology, Discretionary, and EMS, which are our key preferred investment themes. We remain Neutral on PSBs, Healthcare, Cap Goods, Infra, and Cement, while maintaining our UW stance on Pvt. Banks, Staples, O&G, Utilities, and Metals in our [model portfolio](#).

- **Top five Nifty-50 ideas:** SBI, Titan, M&M, Infosys, and Eternal; **Top five Non-Nifty-50 ideas:** Dixon Tech, Indian Hotels, Groww, TVS Motor, and Radico Khaitan.

In-line performance, anchored by Metals

- **Aggregate performance of the MOFSL Universe:** sales/EBITDA/PBT/PAT were +11%/10%/10%/14% YoY (vs. est. of +7%/+11%/+12%/13%). Excluding Metals and O&G, the MOFSL Universe companies recorded a sales/EBITDA/PBT/PAT growth of 13%/9%/8%/10% YoY (vs. est. of +13%/9%/9%/10%) in 3QFY26 so far.
- **Nifty-50 companies that surpassed/missed our estimates:** TCS, Axis Bank, Ultratech Cement, Bharat Electronics, Dr. Reddy's Labs, Eternal, and SBI Life Insurance exceeded our profit estimates. Conversely, ICICI Bank, NTPC, Interglobe Aviation, Tech Mahindra, JSW Steel, and Cipla missed our profit estimates for 3QFY26.
- **Top FY27E upgrades:** Dr. Reddy's Labs (5.6%), Ultratech Cement (4.9%), Titan Company (4.6%), Nestle (3%), and Tech Mahindra (2.2%).
- **Top FY27E downgrades:** Eternal (-14.3%), Cipla (-13.2%), Maruti Suzuki (-7.5%), Tata Consumer (-4.2%), and NTPC (-3.5%).

Sector-wise 3QFY26 performance of the MOFSL Universe companies (INR b)

Sector (no of companies)	Sales				EBIDTA				PBT				PAT			
	Dec-25	Chg. % QoQ	Chg. % YoY	Var. over Exp. %	Dec-25	Chg. % QoQ	Chg. % YoY	Var. over Exp. %	Dec-25	Chg. % QoQ	Chg. % YoY	Var. over Exp. %	Dec-25	Chg. % QoQ	Chg. % YoY	Var. over Exp. %
Automobiles (11)	1,330	11.1	22.2	-0.6	181	10.3	23.1	-0.4	148	6.3	19.5	-10.0	119	10.9	17.7	-4.7
Capital Goods (6)	879	5.2	10.9	-4.4	103	10.3	19.3	-3.2	99	12.7	29.7	4.8	61	6.8	20.5	-3.7
Cement (7)	488	9.7	19.1	2.8	74	3.4	40.2	-4.1	38	-3.9	48.8	-14.3	26	1.9	28.4	-15.4
Chemicals (6)	97	-2.8	3.6	-2.4	17	-10.3	8.3	-9.8	10	-24.1	19.3	-15.7	9	-7.4	45.8	-1.6
Consumer (12)	617	4.1	9.8	-0.9	149	6.4	10.1	0.8	141	6.1	9.5	-0.4	106	6.9	12.2	0.3
Consumer Durables (6)	247	18.1	21.8	6.1	24	14.6	27.3	1.7	22	10.1	27.2	-1.6	16	11.4	30.3	-0.9
EMS (3)	122	-25.0	4.0	-0.6	6	-14.6	19.6	8.3	6	-45.2	52.3	38.5	3	-6.7	26.5	20.9
Financials (55)	2,600	4.6	7.9	-1.1	1,392	2.1	5.4	0.1	1,126	4.9	6.3	0.6	863	5.5	7.7	1.5
Banks-Private (12)	973	3.7	5.5	-0.5	709	1.0	2.3	-0.9	563	3.2	1.8	-2.6	429	4.0	2.1	-1.7
Banks-PSU (5)	478	1.9	1.2	-1.1	359	2.6	4.6	3.2	304	6.0	6.6	9.3	234	7.5	11.9	11.2
Insurance (6)	729	7.4	12.3	-2.4	31	16.5	4.4	-5.6	24	-0.1	-8.0	-8.1	21	0.3	-7.1	-4.7
NBFC-Lending (18)	328	4.6	13.3	0.2	248	1.4	13.7	-1.6	188	5.4	19.1	-2.6	144	5.4	18.8	-2.7
NBFC-Non Lend. (14)	92	7.4	20.3	-1.8	43	15.1	23.2	5.1	46	20.4	27.2	5.7	35	15.3	24.5	3.9
Healthcare (9)	431	5.0	10.3	2.7	102	17.4	3.4	3.4	89	15.3	3.5	-0.2	66	21.3	3.4	0.1
Healthcare - BPO (2)	29	18.3	34.0	7.1	7	20.7	28.0	10.6	5	10.1	16.0	10.8	4	5.7	14.4	8.9
Logistics (5)	100	5.9	12.4	1.9	17	10.9	20.8	5.0	11	8.1	7.3	-2.4	9	16.1	0.4	1.0
Media (1)	23	15.8	15.2	-0.6	2	64.3	-24.5	-15.3	2	83.1	-24.2	-12.6	2	114.6	-32.8	-9.2
Metals (7)	1,593	8.2	13.8	3.4	353	12.5	23.0	2.6	225	22.6	42.8	2.4	161	41.4	58.6	11.7
Oil & Gas (7)	5,386	7.4	6.7	12.7	687	1.1	11.8	-4.7	480	2.7	7.9	-5.4	324	2.9	15.3	-4.6
Ex OMCs (5)	3,046	2.9	8.4	3.7	496	-0.8	4.5	-4.3	325	-1.6	-5.3	-4.2	208	-2.0	1.7	-2.7
Plastic Pipes (1)	27	12.2	7.1	-2.8	3	10.7	6.6	-8.4	2	4.6	-5.1	-20.2	2	2.4	-9.7	-23.2
Real Estate (11)	172	18.3	28.5	-1.4	48	6.3	11.5	-16.7	41	-3.3	21.3	-16.2	37	-5.0	14.7	-11.1
Retail (12)	324	11.3	12.1	-0.3	39	31.1	17.1	5.1	23	52.7	12.7	0.5	18	63.7	17.7	5.2
Staffing (2)	81	6.9	9.9	1.4	3	9.8	22.6	3.6	1	-2.1	-3.9	-16.4	2	22.9	8.5	-3.9
Technology (15)	2,173	3.1	8.4	0.8	498	4.2	9.3	1.9	449	1.2	5.2	-1.9	351	5.9	11.6	3.7
Telecom (3)	257	0.7	5.0	-0.5	105	0.9	-18.0	0.6	-34	Loss	Loss	Loss	-41	Loss	Loss	Loss
Utilities (6)	639	4.8	10.5	-5.0	259	12.9	15.1	-2.7	144	10.2	14.5	5.1	99	4.7	5.4	-5.8
Others (12)	796	11.9	30.8	2.8	118	78.4	11.1	0.5	46	LP	9.6	-9.0	38	LP	-2.2	-4.0
MOFSL Universe (199)	18,410	6.5	10.9	3.5	4,188	6.3	10.1	-0.7	3,074	7.3	10.1	-1.5	2,275	10.2	13.6	0.3
Ex Financials (144)	15,810	6.8	11.4	4.2	2,796	8.5	12.7	-1.1	1,948	8.7	12.5	-2.6	1,411	13.3	17.5	-0.4
Ex Metals & Oil (185)	11,431	5.9	12.6	-0.4	3,148	6.8	8.5	-0.2	2,368	6.9	8.3	-1.0	1,790	9.4	10.5	0.3
Ex OMCs (197)	16,069	5.5	11.9	0.7	3,997	6.3	9.1	-0.5	2,919	7.0	8.6	-1.1	2,158	10.0	12.1	0.8
Nifty (31)	9,552	5.6	11.6	0.6	2,340	5.7	7.9	-1.2	1,804	5.5	6.6	-1.5	1,327	7.8	7.1	-0.6
Sensex (20)	7,878	5.8	11.4	0.4	2,060	7.1	7.8	-1.2	1,611	7.4	6.1	-1.5	1,184	10.4	6.9	-0.1

Note: LP: Loss to Profit; PL: Profit to Loss



Indo-US trade deal – expect a positive chain reaction

The Indian ‘leverage’ re-emerges

In a swift reversal of events, the long-awaited Indo-US trade deal has been announced, with the US agreeing to lower the reciprocal tariff on Indian imports from 25% to 18% and completely removing the 25% punitive tariff related to Indo-Russian oil trade. This resulted in a 32 percentage point reduction in the applicable tariff, not only making Indian exports more competitive in the US markets but also triggering a chain reaction of positive developments that could enhance the performance of Indian markets. This is a high-impact development and will have a multi-layered positive effect on the Indian economy, prevailing market sentiments, and sectors exporting to the US, which will benefit from better competitiveness.

Key sectoral beneficiaries include Auto Ancillaries, Defense, Consumer, Textiles, EMS, Consumer Durables, IT Services, Financials (second-order beneficiary), and Utility companies (for detailed information and specific stocks, refer to Exhibit 1).

Multi-layered benefits to accrue for the Indian markets and economy

The Indo-US deal has been in abeyance for several months now and was a key reason for negative sentiments surrounding India in the past one year or so. With the fog of uncertainty now being lifted, we believe that multiple positives will accrue in the form of 1) reversal of FII outflows, 2) INR recovering its lost ground, 3) general improvement in sentiments towards Indian equities, 4) return of confidence for FDI, and 5) retracement of India’s underperformance vs. EM peers, etc.

Most of the market participants are likely to be surprised by the timing of the deal announcement. In most of our recent investor interactions, we sensed that the majority expected the deal discussions to be protracted, with completion around 2HCY26, ahead of the US midterm elections.

The event carries a positive allocation effect over a long time horizon

Not only will the market respond very positively to the deal announcement in the near term, but this deal will also reset the base for India’s strong performance over a longer time horizon, as we see this event imbued with a structurally “positive allocation effect”. The Indo-US trade relations have been strained since Apr’24, which has soured the FIIs’ outlook, as India was seen to have limited leverage with the US. Consequently, India has significantly underperformed its peers by ~40% over the past year, as FIIs withdrew USD22b from the Indian equities since Jan’25. Additionally, the INR depreciated by ~6% against the USD, especially as the dollar index slid. We believe many of these adverse trends are now likely to reverse.

India’s exports to the US get their competitiveness back

This one announcement has singularly swung attractiveness of India’s goods US market appreciably from being the most tariffed imports to among the lowest tariffed ones as the composite tariff on India reduces from 50% to 18%. Among key economies, Switzerland, the EU, the UK, Japan, and South Korea will have lower tariffs compared to India. However, competition from these economies will be

limited, given the different stages of the value chain these economies occupy leading to lower overlap. Importantly, most of the nations that India competes with in the US market will have higher tariffs ranging from 19% to 40%, with large emerging market exporters such as China, Vietnam, Brazil, Thailand, and South Africa – all now being levied higher tariffs than India.

Indo-US deal crowns the recent trade deal overdrive of India

The Indo-US trade announcement comes on top of the Indo-EU FTA, which was inked last week, and together they will help assuage the growing concerns over India's geopolitical seclusion. Before these two, India had struck trade agreements with several other countries and regions, such as the UK, EFTA, Oman and NZL and underscores India's growing importance in a world marked by bilateral/plurilateral cooperation, given India's size, growth promise, and strategic relevance.

India's positives should receive due weightage now

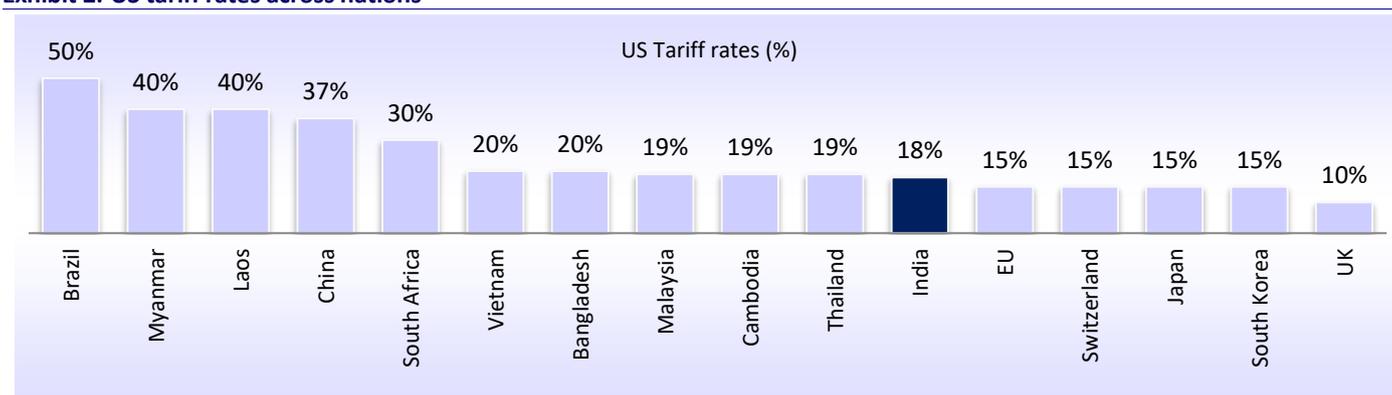
With this deal announcement, we believe that the market will now begin to accord correct weightage to the improving trajectory of corporate earnings growth, which has shown successive improvement over the quarters with an improving earnings revision trend. We had expected a 16% YoY growth in MOFSL PAT at the start of 3QFY26, and the results to date have been in line with our estimates. We expect ~12% earnings growth for Nifty over FY25-27E. Valuations for Nifty at 20.4x remain palatable (below the 10-year average of 20.8x), and with the latest turn of events, it has the potential to expand appreciably. This expansion will be duly supported by earnings expectations of 12% for Nifty and 15% for the MOFSL universe.

Exhibit 1: Key beneficiaries post the Indo-US trade deal

Sectors	Key Beneficiaries	Benefits
Automobiles	Bharat Forge	☑ The non-auto exports to be benefited that do not fall under the section 232 tariffs of 25%
	Balkrishna Tyres	☑ 14% revenue share to get benefited due to reduction in US tariffs
	Raymond Lifestyle	☑ Bring back competitiveness (vs countries such as Bangladesh, Vietnam etc)
Textile/Retail	Indo Count	☑ The textile sector would be one of the biggest beneficiaries. The mentioned companies' high revenue share from the US market (65-90% of revenue)
	Welspun Living	
	Gokaldas	
	Kitex	☑ Would be a key beneficiary with 90% revenue share to the US, which will revive with large underutilized capacity
Consumer	LT Foods	☑ 41% of revenue share from the US would lead to an improvement in margins (100-200bps), impacted by the tariff
Consumer Durables	Bluestar	☑ Support market share expansion
Cables and Wires	Polycab, KEI	☑ Support market share expansion and increase revenue share (from the current 1.5-2.0%). Also, to benefit from expansion in order from data centres in India, with project business consisting of 25-30% of orders from data centres
EMS	Avalon	☑ 57% of sales in FY25 to the US, with 20% manufacturing base in the country to benefit
	Dixon	☑ Potential export opportunities will open up for mobiles
Technology/IT	All IT companies	☑ Sentiment revival that had seen setbacks due to Visa issues, Negative press around outsourcing. Deal momentum from the US clients to improve
Defense	US focussed exporters	☑ Current exposure of defense companies to US and EU is much lower, but these deals will open up export opportunities for defense component manufacturers in future.
Financials	Banks - ICICIB, HDFCB, and select South banks	☑ No direct impact, but concerns on SME lending, credit growth outlook, partly due to tariff overhang, will ease and aid sector performance.
	SBI, Federal, Bandhan Bank	☑ Second-order beneficiaries, as there will be a lot of asset quality ease at SME and credit growth
Housing Finance	Home First, Aptus Housing and Aavas Financiers	☑ Their customers who had been impacted by tariffs, leading to asset quality issues, would see a revival.
Utility	Waree Energies	☑ Exports, mainly to the US, which form 15-20% of revenue, are likely to benefit

Source: MOFSL

Exhibit 2: US tariff rates across nations



Source: MOFSL, Media

Bajaj Finance

Estimate change	↓
TP change	↔
Rating change	↔

CMP: INR964

TP: INR1,075 (+11%)

Neutral

Core healthy; proactive provisioning clouds near-term optics

Steady AUM growth and improving AQ vintages support medium-term outlook

Bloomberg	BAF IN
Equity Shares (m)	6222
M.Cap.(INRb)/(USDb)	6001 / 66.5
52-Week Range (INR)	1103 / 787
1, 6, 12 Rel. Per (%)	0/5/4
12M Avg Val (INR M)	8729

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Net Income	540	653	795
PPP	362	440	543
PAT	195	254	320
EPS (INR)	31	41	51
EPS Gr. (%)	16	31	26
BV/Sh. (INR)	184	219	262

Ratios

NIM (%)	9.7	9.6	9.6
C/I ratio (%)	33.1	32.5	31.8
RoA (%)	3.8	4.1	4.2
RoE (%)	18.5	20.4	21.4
Payout (%)	16.0	15.1	15.1

Valuations

P/E (x)	30.8	23.6	18.8
P/BV (x)	5.3	4.4	3.7
Div. Yield (%)	0.5	0.6	0.8

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	54.7	54.7	54.7
DII	14.9	14.5	15.2
FII	21.6	22.1	20.8
Others	8.8	8.8	9.3

FII includes depository receipts

- Bajaj Finance's (BAF) reported 3QFY26 PAT declined ~6% YoY to ~INR40.7b. PAT (excl. accelerated provisions and provisions on the new labor codes) grew 23% YoY to ~INR53.2b (in line).
- NII in 3QFY26 grew 21% YoY to ~INR113.2b (in line). Non-interest income stood at ~INR25.6b (up 12% YoY). Opex grew ~25% YoY to ~INR48b (~7% higher than MOFSLe). The company made provisions of INR2.65b on account of the new labor codes. PPop stood at INR90.5b (in line) and grew 16% YoY.
- Credit costs rose to ~INR36.3b (including accelerated ECL provisions of INR14.1b). Annualized credit costs stood at ~3.1% (at ~1.9%, excl. accelerated ECL provisions) (PQ: ~2.05%). 3QFY26 RoA/RoE stood at 4.3%/18.5% (adjusted for the accelerated ECL and provisions on the new labor codes).
- The company undertook accelerated ECL provisions of ~INR14b voluntarily to strengthen its balance sheet resilience in the face of a volatile global macroeconomic environment. This was done by implementing a minimum LGD floor across all its businesses, reflecting a more conservative risk framework. This led to an increase in PCR across all of S1/S2/S3 loans, and management guided that it expects an additional provisioning of ~INR3b-4b in FY27 from this higher PCR across S1/S2/S3.
- Despite the permanent increase in PCRs, BAF guided for credit costs between ~165-175bp in FY27 (which is inclusive of additional provisions required to maintain a higher PCR). This guidance was underpinned by expectations of a more stable operating environment, the wind-down of the captive 2W/3W business, and a reduction in stress in the MSME segment.
- BAF's market share remains relatively small across most segments, indicating substantial headroom for expansion. However, management emphasized that growth will be pursued selectively, with each business scaled only when returns are economically sustainable, maintaining a strong focus on segment-level RoA and RoE. Going forward, management expects growth across business segments to be in the range of ~20- 30%, while gold loans could exhibit higher growth if gold prices were to remain elevated.
- We cut our FY26 EPS estimates by ~4% to factor in the impact of accelerated ECL provisions. We have also factored in the INR14.2b gain from the BHFL stake sale in our estimates, directly into the balance sheet.
- The stock trades at 4.4x FY27E P/BV and ~24x P/E. Despite a strong PAT CAGR of ~28% over FY26-FY28E and an RoA/RoE of 4.2%/21% in FY28E, we see limited upside catalysts given the rich valuations and a lack of near-term valuation re-rating triggers. **Reiterate our Neutral rating on the stock with a TP of INR1,075 (premised on 4.3x Dec'27E BVPS).**

Stable AUM growth despite rising competitive intensity

- Total customer franchise rose to ~115.4m (up 19% YoY/4% QoQ), and new loans booked rose 15% YoY to ~13.9m. Total AUM grew 22% YoY and ~4.8% QoQ to INR4.84t. QoQ AUM growth was driven by Gold Loans (+20%), LAS (+7%), B2B Sales Finance (+8%), and Car Loans (+7%).
- Management highlighted that competition has intensified nearly threefold across segments, including personal loans, urban, and rural B2C, with PSU banks foraying into untapped markets.
- NIM in 3QFY26 was broadly stable QoQ at ~9.56%.
- We expect BAF to achieve loan growth of ~24% over FY26–28, driven by the completion of the captive 2W/3W business wind-down, a rebound in the MSME segment in 2HFY27, and a healthy contribution from other businesses.

Improving vintage performance expected to drive lower credit costs

- Asset quality improved marginally with GNPA at ~1.2%, while NNPA declined ~13bp QoQ to ~0.47%. PCR rose across all three stages. PCR on S3 rose ~9pp QoQ to ~61%, Stage 2 PCR rose ~6pp QoQ to 36.6%, and Stage 1 PCR rose ~25bp QoQ to 98bp.
- Vintage credit performance at 3MOB, 6MOB, and 9MOB has improved significantly, which suggests that the core credit costs in FY27 would be lower. We expect credit costs to trend down from ~1.9% (excluding accelerated provisions) in FY26 to ~1.8%/ 1.7% in FY27/FY28E.

Highlights from the management commentary

- Gain on stake sale in BHFL stood at INR14b (pre-tax). This is reported below the P&L in the consolidated financials and directly accretes to reserves and surplus.
- The cost of funds in 3QFY26 stood at 7.45%, improving ~7bp over 2QFY26, with FY26 CoB guidance at ~7.55–760%. Management highlighted that there is limited scope for downward repricing in its CoF.

Valuation and view

- BAF reported broadly in-line performance, excluding the impact of accelerated ECL provisions and provisions related to the new labor codes. AUM growth moderated to 22% YoY, reflecting business volumes calibration in the MSME segment and the ongoing wind-down of the captive 2W/3W business. NIMs are expected to remain largely stable. Asset quality in the MSME segment will continue to be a monitorable, and management's execution on its credit cost guidance of ~165–175bp in FY27 will also be closely tracked.
- The stock trades at 4.4x FY27E P/BV and ~24x FY27E P/E. Despite a healthy PAT CAGR of ~24% over FY26-FY28E and an RoA/RoE of 4.2%/21% in FY28E, we see limited upside catalysts given the rich valuations and lack of near-term valuation re-rating triggers. **Reiterate our Neutral rating on the stock with a TP of INR1,075 (premised on 4.3x Dec'27E BVPS).**

Quarterly Performance
(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	3Q FY26E	Act V/s Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	1,40,492	1,49,870	1,57,682	1,63,591	1,71,447	1,77,960	1,86,565	1,95,185	6,11,636	7,31,156	1,85,879	0
Interest expenses	56,839	61,493	63,856	65,520	69,177	70,113	73,387	77,129	2,47,708	2,89,806	73,198	0
Net Interest Income	83,653	88,377	93,826	98,072	1,02,270	1,07,847	1,13,178	1,18,056	3,63,928	4,41,351	1,12,681	0
YoY Growth (%)	24.5	22.8	22.6	22.4	22.3	22.0	20.6	20.4	23.0	21.3	20.1	
Other Operating Income	20,531	21,084	22,901	21,096	23,831	23,848	25,581	25,602	85,612	98,862	25,151	2
Net Income	1,04,185	1,09,461	1,16,727	1,19,168	1,26,101	1,31,695	1,38,759	1,43,658	4,49,540	5,40,212	1,37,832	1
YoY Growth (%)	24.1	23.8	25.5	22.7	21.0	20.3	18.9	20.6	24.0	20.2	18.1	
Operating Expenses	34,709	36,390	38,670	39,493	41,230	42,959	48,215	46,258	1,49,261	1,78,662	45,021	7
Operating Profit	69,475	73,071	78,057	79,675	84,871	88,736	90,543	97,400	3,00,279	3,61,550	92,811	-2
YoY Growth (%)	25.3	25.2	27.1	24.3	22.2	21.4	16.0	22.2	25.5	20.4	18.9	
Provisions and Cont.	16,847	19,091	20,433	23,289	21,202	22,688	36,255	21,231	79,660	1,01,375	22,997	58
Profit before Tax	52,654	54,015	57,624	56,474	63,676	66,081	54,311	76,169	2,20,796	2,60,175	69,814	-22
Tax Provisions	13,534	13,877	14,572	11,018	16,023	16,604	13,651	19,287	53,002	65,564	18,082	-25
Net Profit	39,120	40,137	43,052	45,456	47,653	49,478	40,660	56,883	1,67,795	1,94,611	51,732	-21
YoY Growth (%)	13.8	13.0	18.3	18.9	21.8	23.3	-5.6	25.1	16.0	16.1	20.2	
Key Operating Parameters (%)												
Fees to Net Income Ratio	19.7	19.3	19.6	17.7	18.9	18.1	18.4	17.8				
Credit Cost	1.99	2.13	2.16	2.33	2.02	2.05	3.12	1.74				
Cost to Income Ratio	33.3	33.2	33.1	33.1	32.7	32.6	34.7	32.2				
Tax Rate	25.7	25.7	25.3	19.5	25.2	25.1	25.1	25.3				
Balance Sheet Parameters												
AUM (INR B)	3,542	3,739	3,980	4,167	4,415	4,623	4,845	5,092				
Change YoY (%)	31.1	28.8	28.0	26.0	24.6	23.6	21.7	22.2				
Loans (INR B)	3,497	3,675	3,902	4,078	4,325	4,525	4,756	5,004				
Change YoY (%)	31.8	28.6	27.4	25.0	23.7	23.1	21.9	22.7				
Borrowings (INR B)	3,048	3,192	3,349	3,573	3,718	3,952	4,157	4,399				
Change YoY (%)	29.6	25.5	26.9	23.4	22.0	23.8	24.1	23.1				
Loans/Borrowings (%)	114.7	115.1	116.5	114.1	116.3	114.5	114.4	113.8				
Asset Quality Parameters (%)												
GS 3 (INR B)	30.5	39.5	44.6	39.7	45.2	56.9	58.8					
Gross Stage 3 (% on Assets)	0.86	1.06	1.12	0.96	1.03	1.24	1.21					
NS 3 (INR B)	13.4	17.0	19.1	18.4	21.7	27.4	22.7					
Net Stage 3 (% on Assets)	0.38	0.46	0.48	0.44	0.50	0.60	0.47					
PCR (%)	85.5	57.1	57.2	53.7	51.9	51.8	61.3					
Return Ratios (%)												
ROAA (Rep)	4.63	4.48	4.5	4.6	4.5	4.5	4.5					
ROAE (Rep)	19.86	19.08	19.1	19.1	19	19.1	19.1					

E: MOFSL Estimates

Adani Ports & SEZ

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR1,531 **TP: INR1,820 (+19%)** **Buy**

Strong container-led volume growth; FY26 EBITDA guidance raised due to improved outlook

Bloomberg	ADSEZ IN
Equity Shares (m)	2304
M.Cap.(INRb)/(USDb)	3526.9 / 39.1
52-Week Range (INR)	1549 / 1036
1, 6, 12 Rel. Per (%)	5/9/31
12M Avg Val (INR M)	3331

Financial Snapshot (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	379	427	474
EBITDA	227	257	285
Adj. PAT	135	161	182
EBITDA Margin (%)	59.9	60.2	60.2
Adj. EPS (INR)	59	70	79
EPS Gr. (%)	16.8	19.6	12.6
BV/Sh. (INR)	318	377	445

Ratios

Net D:E	0.5	0.4	0.3
RoE (%)	19.9	20.1	19.2
RoCE (%)	13.7	14.6	14.7
Payout (%)	12.0	10.0	8.9

Valuations

P/E (x)	26.2	21.9	19.4
P/BV (x)	4.8	4.1	3.4
EV/EBITDA(x)	17.1	15.0	13.4
Div. Yield (%)	0.5	0.5	0.5
FCF Yield (%)	2.0	2.1	2.0

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	68.0	65.9	65.9
DII	13.9	15.0	14.2
FII	13.1	13.6	13.9
Others	5.0	5.5	6.0

FII includes depository receipts

- Adani Ports & SEZ (APSEZ) reported revenue growth of ~22% YoY to INR97b in 3QFY26 (in line). Cargo volumes grew 9% YoY to 123.1mmt. The growth was primarily led by containers.
- EBITDA margin came in at 59.6% in 3QFY26 vs. our estimate of 60% (-70bp YoY; -90bp QoQ). EBITDA grew ~21% YoY to INR58b (in line), while APAT increased ~23% YoY to INR33b (in line).
- The all-India cargo market's share stood at 26.4% (vs 27% in 3QFY25). The container segment market share stood at 45.8% (vs. 45.4% in 3QFY25).
- Logistics revenue/EBITDA stood at INR11.2b (+62% YoY)/ INR2b (26% YoY).
- During 9MFY26, its revenue/EBITDA/APAT grew 27%/25%/29% YoY.
- The company completed the acquisition of NQXT Australia, leading to an INR8b upward revision in FY26 EBITDA guidance (INR5b from incremental organic growth + INR3b from consolidation of NQXT). It now expects to close FY26 with an EBITDA of INR228b (earlier guidance of INR210-220b).
- APSEZ reported robust performance in 3QFY26, supported by strong growth in international port operations and marine business. Its logistics business emerged as a key growth driver, with significant improvement in network scale and last-mile connectivity, further complementing port operations. Overall, with continued market share gains, capacity additions, and expansion in value-added segments like logistics, APSEZ is well-positioned to grow faster than the broader industry.
- We broadly retain our estimates for FY26/27/FY28. We expect APSEZ to post an 8% growth in cargo volumes over FY25-28. This would drive a CAGR of 16%/ 16%/19% in revenue/EBITDA/PAT over FY25-28E. **We reiterate our BUY rating with a TP of INR1,820 (premised on 16x FY28E EV/EBITDA).**

Performance led by strong growth in container cargo

- APSEZ handled 123.1 MMT of cargo in 3QFY26, up 9% YoY, driven by growth in container volumes. Mundra Port contributed 39%/42% to total volume/domestic volume in 3QFY26 (vs. 43%/46% in 3QFY25), as overall volume was weighed down due to lower coal volume.
- Domestic cargo volume increased 6% YoY from 106.5MMT to 112.6MMT, while international cargo volume rose 75% YoY from 6MMT to 10.5MMT, driven by the commencement of operations in Colombo terminals.
- Revenue from domestic ports grew 15% YoY to INR67b, and EBITDA margins stood at 72.8% (vs. 73.1% in 3QFY25). Revenue from international ports rose ~20% YoY to INR10.7b, and EBITDA grew 104%, led by the commencement of operations in Colombo Port.

Logistics and marine businesses gain momentum

- Logistics revenue rose 62% YoY to INR11.2b. The strong growth was supported by higher container volumes, along with ongoing network expansion. It handled 0.17m TEUs of container rail volume (+4% YoY) and ~5.2 MMT GPWIS volume (-6% YoY). APSEZ received approval to commence EXIM operations at Virochannagar (Gujarat), Kishangarh (Rajasthan), and Malur (Karnataka) ICDs.
- The marine segment's revenue jumped 91% YoY to INR7.7b, driven by a significant increase in vessel count from 76 (Jun'24) to 129 (Dec'25). The ramp-up reflects APSEZ's aggressive expansion and consolidation in marine services.
- As of Dec'25, APSEZ strengthened its integrated logistics network with a total rake count of 132. It operates 12 multi-modal logistics parks (MMLPs) and has expanded its warehousing capacity to 3.1m sq. ft. Agri silo capacity rose to 1.4MMT, with a target of 10MMT by FY29.
- In the marine business, APSEZ has significantly increased marine vessels to 129 as of Dec'25 and aims to double its revenue in FY26 from INR11.4b in FY25 (achieved INR19.6b in 9MFY26).

Key highlights from the management commentary

- Mundra Port volumes grew at an average of ~4% over the past 12 quarters, while revenues increased ~17%. This was due to take-or-pay coal contracts and the diversification of cargo towards high-value container cargo.
- APSEZ maintained its target to handle ~1b MT cargo by FY30.
- The company continued to deepen its international presence by commencing operations at the Colombo West International Terminal and completing the acquisition of NQXT Port in Australia, positioning itself for future growth in global trade corridors.
- Logistics revenue rose 62% YoY to INR11.2b, driven by the recently launched asset-light Trucking and International Freight Network service (representing 52% of 3QFY26 logistics revenue vs. 17% in 3QFY25).
- The integration of its marine services business (which includes Ocean Sparkle, Astro, and TAHID) has been progressing well. APSEZ achieved INR19.6b in 9MFY26 from the marine business revenue vs. 2x the target from INR11.4b in FY25.
- Management maintained its guidance to handle 505-515MMT of cargo in FY26, with containers being the primary growth driver, and also revised its EBITDA guidance upward by INR8b.

Valuation and view

- With strong cash flows, a healthy cash balance of INR118b, and net debt-to-EBITDA at 1.9x, APSEZ is well-positioned for further expansion. Capacity enhancements at key ports, ongoing infrastructure projects, and global port acquisitions provide visibility for sustained growth in FY26 and beyond.
- **We broadly maintain our estimates for FY26/27/FY28. Accordingly, we expect APSEZ to post 8% growth in cargo volume over FY25-28. This would drive a CAGR of 16%/16%/19% in revenue/EBITDA/PAT over FY25-28E. We reiterate our BUY rating with a revised TP of INR1,820 (premised on 16x FY28E EV/EBITDA).**

Quarterly Snapshot - Consolidated
(INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var. vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Sales	70	71	80	85	91	92	97	99	305	379	93	4
YoY Change (%)	11.3	6.3	15.1	23.1	31.2	29.7	21.9	16.5	14.1	24.3	16.8	
EBITDA	42	44	48	50	55	56	58	58	184	227	56	4
Margins (%)	61.0	61.8	60.3	59.0	60.2	60.5	59.6	59.1	60.4	59.9	60.0	
Depreciation	10	11	11	12	13	13	14	14	44	53	13	
Interest	7	7	8	7	8	8	8	7	28	31	8	
Other Income	5	3	2	3	3	8	2	3	13	16	3	
PBT before EO expense	31	29	32	34	38	43	38	41	126	159	38	-1
Extra-Ord expense	-6	0	2	1	1	4	3	0	-3	7	0	
PBT	37	29	30	34	37	39	35	41	129	152	38	
Tax	5	5	5	5	5	6	6	6	20	23	6	
Rate (%)	13.2	16.4	16.9	15.1	14.6	14.6	16.2	14.8	15.3	15.0	15.2	
MI and Associates	1	0	-1	-2	-2	2	-1	0	-2	0	0	
Reported PAT	31	24	25	30	33	31	31	34	111	129	33	
Adj PAT	26	25	27	31	34	34	33	34	108	135	33	1
YoY Change (%)	28.7	10.9	13.6	33.7	27.7	38.7	22.9	11.8	21.6	24.5	21.7	

Varun Beverages

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR451 **TP: INR570 (+26%)** **Buy**

Steady 4QCY25 performance; healthy outlook for CY26

In-line operating performance

Bloomberg	VBL IN
Equity Shares (m)	3382
M.Cap.(INRb)/(USDb)	1525.6 / 16.9
52-Week Range (INR)	593 / 419
1, 6, 12 Rel. Per (%)	-6/-17/-33
12M Avg Val (INR M)	3750

- Varun Beverages (VBL) reported a healthy revenue growth of ~14% YoY in 4QCY25, led by 10% YoY consolidated volume growth (India/International volumes rose ~10.5%/10% YoY). EBITDA per case was up 2% YoY at INR27, while gross profit per case increased to INR98 from INR96 in 4QCY24.
- We expect sales volume growth to be in double digits for CY26, while margins are expected to be sustained at the current levels of 22-23%. VBL's performance is expected to be fueled by better demand in the domestic market with portfolio and channel expansion and normal weather conditions. The international market is likely to grow at a healthy pace with rising capacity, backward integration, and increasing retail touchpoints.
- We broadly maintain our CY26/CY27 earnings estimates and **reiterate our BUY rating on the stock with a TP of INR570 (premised on 45x CY27E EPS).**

Financials & Valuations (INR b)

Y/E Dec	2025	2026E	2027E
Sales	216.9	245.6	283.3
EBITDA	50.6	57.0	66.3
Adj. PAT	30.5	35.1	42.5
EBITDA (%)	23.3	23.2	23.4
EPS (INR)	9.0	10.4	12.6
EPS Gr. (%)	17.4	15.4	21.1
BV/Sh. (INR)	57.9	65.8	75.9

Ratios

Net D/E	0.0	-0.1	-0.2
RoE (%)	16.8	16.8	17.8
RoCE (%)	15.8	15.9	17.4
Payout (%)	27.9	24.1	19.9

Valuations

P/E (x)	50.1	43.4	35.9
EV/EBITDA (x)	30.2	26.4	22.2
Div Yield (%)	0.6	0.6	0.6
FCF Yield (%)	0.5	2.4	2.7

Healthy volume growth across regions with stable margins YoY

- Revenue grew 14% YoY to ~INR42b (est. INR39.4b), driven by a 10% YoY growth in volumes to 237m cases. Realization stood at INR177.3/case vs. INR171.6/case in 4QCY24.
- EBITDA margins contracted 20bp YoY to 15.5% (est. 16%), while EBITDA per case rose 2% YoY to INR27.6. EBITDA grew 13% YoY to ~INR6.5b (est. INR6.3b). Its margins were hit by elevated fixed cost absorption from newly commissioned plants, as capacity additions in CY25 remained underutilized during a weak season.
- Adj. PAT, after adjusting for one-time labor costs of INR140m, grew 42% YoY to INR2.6b (in line).
- Standalone (India business) revenue grew 6% YoY to INR21.4b, led by the India volume growth of ~10.5%, while realization declined ~4% YoY due to higher discounting to clear channel inventories and pack upsizing. The INR20 pack volume increased to 400ml from 250ml, to enhance value per pack.
- The subsidiary (consolidated minus standalone) revenue/EBITDA grew 24%/28% YoY to INR22b/INR3.3b in 4Q, and adj. PAT was INR48m vs. a loss of INR235 in 4QCY24.
- In CY25, VBL's consolidated volume/revenue/EBITDA/Adj. PAT grew 8%/8%/7%/17% to 1,213m cases/INR217b/INR50.6b/INR30.5b. As of Dec'25, its net debt stood at INR256m vs. a net cash surplus of INR858m in CY24. The working capital days increased to 47 from 38 days in CY24. Its CFO stood at INR39.4b during the year vs. INR34.4b last year.

Shareholding pattern (%)

	Dec-25	Sep-25	Dec-24
Promoter	59.4	59.4	60.2
DII	13.6	11.8	7.0
FII	20.3	21.9	25.3
Others	6.7	6.8	7.5

Note: FII includes depository receipts

Key highlights from the management commentary

- **Upsizing strategy:** Pack upsizing (250 ml to 400 ml) for INR20 packs was largely completed by 4Q (one of the reasons for lower realizations in 4Q). Overall, 250 ml packs were made up of about 10-12% of the base mix, and hence, the impact of upsizing on costs will be limited in CY26. This is because of higher volume expectations on account of increased capacities.

- **International expansion:** The Twizza acquisition in South Africa (to be completed by Jun'26, post-regulatory approval) will add significant manufacturing capacity with backward integration, thereby expanding VBL's production scale and route-to-market capabilities in Africa's largest soft drink market, i.e., South Africa. Post-acquisition, South African capacity is set to rise by around 70–80%, supporting combined organic and inorganic growth in this region.
- **Capex:** In CY25, the company capitalized ~INR45b of capex, driven mainly by greenfield projects in India, selective brownfield expansions, and ~INR13b of international investments across Africa. As of Dec'25, CWIP stood at ~INR5.5b. For CY26, management does not plan any major capex in India due to adequate capacity, while overseas spending is expected to be limited to small brownfield additions, mainly in South Africa.

Valuation and view

- CY25 has been a challenging year for VBL, despite capacity additions, due to weather-related demand disruptions. However, going forward, we expect VBL to improve its earnings momentum, aided by: 1) a scale-up in the international market (mainly in South Africa), 2) scale-up of the snacking business from CY26, backed by the operationalization of Morocco and Zimbabwe, and 3) an expanding product portfolio.
- Further, VBL has completed significant capacity addition in the last two years (40-45% increase in capacity), which remained underutilized in CY25 (due to disruptions). We expect that with normal weather conditions and higher capacity, VBL can deliver healthy volume growth in the coming years.
- We expect a CAGR of 14%/14%/18% in revenue/EBITDA/PAT over CY25-27. **We value the stock at 45x CY27E EPS to arrive at our TP of INR570. We reiterate our BUY rating on the stock.**

Consolidated - Quarterly Earnings Model

Y/E December	(INRm)											
	CY24				CY25				CY24	CY25E	CY25E Var	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q	%
Net Sales	43,173	71,969	48,047	36,888	55,669	70,174	48,967	42,044	2,00,077	2,16,854	39,391	7
YoY Change (%)	10.9	28.3	24.1	38.3	28.9	-2.5	1.9	14.0	24.7	8.4	6.8	
Total Expenditure	33,286	52,056	36,536	31,088	43,030	50,186	37,493	35,512	1,52,966	1,66,220	33,104	
EBITDA	9,888	19,912	11,511	5,800	12,640	19,988	11,474	6,533	47,111	50,634	6,287	4
Margins (%)	22.9	27.7	24.0	15.7	22.7	28.5	23.4	15.5	23.5	23.3	16.0	
Depreciation	1,875	2,425	2,566	2,608	2,725	3,062	3,076	3,302	9,474	12,165	3,164	
Interest	937	1,292	1,185	1,090	411	365	452	467	4,504	1,696	400	
Other Income	84	440	243	446	281	772	1,464	991	1,213	3,507	700	
PBT	7,159	16,636	8,002	2,548	9,784	17,332	9,410	3,615	34,346	40,141	3,423	6
Tax	1,678	4,012	1,713	585	2,465	4,066	1,957	989	7,988	9,476	722	
Rate (%)	23.4	24.1	21.4	23.0	25.2	23.5	20.8	27.4	23.3	23.6	21	
Minority Interest & Profit/Loss of Asso. Cos.	109	98	93	112	54	97	57	108	411	316	115	
Reported PAT	5,373	12,526	6,196	1,851	7,265	13,170	7,396	2,518	25,946	30,349	2,586	
Adj PAT	5,373	12,526	6,196	1,851	7,265	13,170	7,396	2,658	25,946	30,489	2,586	3
YoY Change (%)	25.2	26.0	23.6	40.5	35.2	5.1	19.4	43.6	26.2	17.5	39.7	
Margins (%)	12.4	17.4	12.9	5.0	13.1	18.8	15.1	6.3	13.0	14.1	6.6	

Indus Towers

Estimate changes	↔
TP change	↔
Rating change	↔

CMP: INR439 **TP: INR425(-3%)** **Neutral**

In-line 3Q; tenancy additions pick-up key monitorable

Bloomberg	INDUSTOW IN
Equity Shares (m)	2638
M.Cap.(INRb)/(USD\$)	1157 / 12.8
52-Week Range (INR)	455 / 313
1, 6, 12 Rel. Per (%)	1/22/15
12M Avg Val (INR M)	2859

Financials & Valuations (INR b)

INR b	FY26E	FY27E	FY28E
Net Sales	326.4	341.0	357.0
EBITDA	179.5	186.5	194.2
Adj. PAT	69.6	73.6	76.6
EBITDA Margin (%)	55.0%	54.7%	54.4%
Adj. EPS (INR)	26.4	27.9	29.0
EPS Gr. (%)	13.6	5.7	4.2
BV/Sh. (INR)	147.2	154.9	162.8

Ratios

Net D:E	-0.1	-0.1	-0.1
RoE (%)	19.3	18.1	17.9
RoCE (%)	22.4	21.0	21.1

Valuations

EV/EBITDA (x)	6.2	6.0	5.6
P/E (x)	16.7	15.8	15.1
P/BV (x)	3.0	2.8	2.7
Div. Yield (%)	4.5	4.8	5.0

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	51.0	51.0	50.0
DII	19.0	18.3	17.8
FII	26.0	26.2	26.2
Others	4.1	4.5	6.0

FII includes depository receipts

- Indus Towers' (Indus) 3QFY26 was broadly in line with our estimates, with recurring EBITDA (excl. provision reversals) 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.
- While, optically Indus' share of Vi's new tenancy additions appears lower in 3Q, management indicated that certain new towers were also built for Vi and that Indus continues to garner a high share in its key customers' rollouts. On our estimates, Indus has gained ~70% share of Vi's rollouts since 2QFY25.
- Capex declined ~23% QoQ to INR20b (still elevated), while receivables inched up further ~INR4.5b, which led to modest FCF generation of ~INR8b in 3Q (and ~INR27b in 9MFY26 vs. ~INR98.5b in FY25).
- AGR relief for Vi and its updated capex plans (~INR450b over FY26-29) are positive for Indus. However, Vi's capex plans remain contingent on expedited debt raise, frequent tariff hikes and relief on spectrum dues.
- Our FY26-28 estimates remain broadly unchanged. We continue to build in ~35k tenancies and ~50k 5G loadings from Vi over FY25-28. Further, we build in modest ~5k tenancy exits from RJio (~10% of the overall portfolio coming up for renewal in FY27-28), which could have downside risks.
- We reiterate our **Neutral rating** with a revised **DCF-based TP of INR425**, premised on 6.5x FY28E pre-IND AS EBITDA. The risk-reward appears fairly balanced at CMP (bull case: INR490; bear case: INR395).

In-line 3Q; recurring EBITDA +2% QoQ with pick-up in tenancy additions

- Tower additions moderated to 3.5k (vs. 4.3k QoQ, in line), while tenancy additions improved to ~6.1k (vs. 4.5k QoQ and our est. of 3.75k), driven by a pick-up in Vi's rollouts (added ~5.1k/6.6k overall/MBB towers QoQ).
- Reported average revenue per tenant (ARPT) at INR41.4k (flat YoY, our est. INR41.7k) declined ~1% QoQ (2Q had ~0.8% one-off boost).
- Consolidated revenue grew ~0.5% QoQ to INR81.5b (+8% YoY, 2% below), as modest ~0.6% QoQ service revenue growth was offset by 3% decline in energy reimbursements (+5% YoY).
- Consolidated reported EBITDA declined 2% QoQ to INR44.8b (-36% YoY, one-off in base quarters) and was in line with our estimates.
 - Adjusted service EBITDA at INR45.5b (+1% QoQ, +13% YoY) was in line.
 - Energy under-recovery was INR0.8b (vs. INR0.9b YoY, our est. INR0.75b).
- Adjusted for provision reversals (INR13m in 3Q vs. INR1.95b QoQ and INR30.2b YoY), recurring EBITDA at INR44.7b grew 2% QoQ/14% YoY and was in line.
- Reported PAT at INR17.8b declined 4% QoQ (-56% YoY), primarily due to prior-period provision reversals in base quarters.
- Adjusted for prior-period provisions, PAT at INR17.9b (+6% QoQ, +3% YoY) was broadly in line with our estimate.

Capex moderation partly offset by higher receivables; 9MFY26 FCF at ~INR27b

- Capex moderated ~23% QoQ (on a high base) to ~INR20b, which led to a slight pick-up in reported FCF to ~INR8b.
- However, 9MFY26 FCF remained relatively modest at ~INR26.5b (vs. INR98.5b in FY25) due to elevated capex (+40% YoY).
- Receivables increased further ~INR4.5b QoQ to ~INR53b (were up INR5b QoQ in 2Q), largely on account of timing mismatch.
- Net cash (excluding leases) improved to ~INR34.3b (vs. ~INR29.6b QoQ).

Key highlights from the management interaction

- **Order book:** Indus continues to garner a high share in its key customers' rollouts. Management indicated that the order book remains healthy; however, the company is yet to receive detailed rollout plans from Vi, based on its recent revisions to capex guidance. Indus has also been gaining share from other tower cos through migration by key customers, driven by its superior cost efficiency and network uptime track-record.
- **Higher tenancy exits in 3Q:** Indus reported 611 tenancy exits in 3Q (vs. ~300 quarterly rate). Management indicated that some of these tenancy exits were due to the relocation of towers and did not pertain to one single customer.
- **Africa foray:** The company has made progress, with the establishment of a holdco in the UAE and operating companies in each geography. It is currently working on securing the licensing and regulatory approvals and is looking to demonstrate differentiation in overall capital and operating costs to create value for shareholders. Overall, the capex outlay is yet to be firmed up. The company currently focuses on greenfield expansion in Africa.
- **High capex:** The capex remains elevated owing to tower additions, investments in energy efficiency initiatives, creation of additional infrastructure to support second tenants on existing towers, and continued maintenance capex for strengthening the aging tower portfolio and battery replacements.
- **Reinstatement of dividends:** Management has reiterated the stance of considering shareholder returns with its 4QFY26 results, and remains committed to distributing surplus cash. The modalities of which would be evaluated holistically in light of recent changes in buyback taxation.

Valuation and view

- AGR relief for Vi and its updated capex plans (~INR450b over FY26-29) are positive for Indus. However, Vi's capex plans remain contingent on expedited debt raise, frequent tariff hikes and further relief on spectrum dues.
- Our FY26-28 estimates remain broadly unchanged. We continue to build in ~35k tenancies and ~50k 5G loadings from Vi over FY25-28.
- Further, we build in modest ~5k tenancy exits from RJio (~10% of the overall portfolio coming up for renewal in FY27-28), which could have downside risks.
- We reiterate our **Neutral rating** with a revised **DCF-based TP of INR425** (earlier INR400), premised on 6.5x FY28E pre-IND AS EBITDA. The risk-reward appears fairly balanced at CMP (bull case: INR490; bear case: INR395).
- At CMP, the implied FY27E FCF yield is ~4.4%, which could have downside risks from Indus' capex plans in Africa.

Quarterly Performance
(INR b)

Y/E March (Consolidated)	FY25				FY26				FY25	FY26E	FY26E 3QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue from operations	73.8	74.7	75.5	77.3	80.6	81.9	81.5	82.4	301.2	326.4	83.0	-1.8
YoY Change (%)	4.3	4.7	4.8	7.4	9.1	9.7	7.9	6.7	5.3	8.3		
Total Expenditure	28.8	26.0	5.9	34.0	37.1	36.2	36.7	37.0	94.7	147.0	38.3	-4.0
Provisions / (reversals)	-7.6	-10.8	-30.2	-2.3	-0.9	-2.0	0.0	0.0	-50.9	-2.8	0.0	
Recurring EBITDA	37.4	37.9	39.3	41.0	42.6	43.8	44.7	45.4	155.6	176.6	44.7	0.1
EBITDA	45.0	48.6	69.6	43.2	43.5	45.7	44.8	45.4	206.5	179.4	44.7	0.1
YoY Change (%)	29.4	42.2	94.1	6.2	-3.4	-6.0	-35.7	5.1	41.9	-13.1		
Depreciation	15.6	15.8	15.7	16.9	17.0	18.0	18.0	18.4	64.0	71.4	17.9	0.4
Interest	4.1	4.2	2.5	3.6	4.0	3.8	4.0	4.0	14.4	15.8	3.9	4.0
Other Income	0.6	1.1	0.8	0.9	0.9	0.8	1.5	1.2	3.5	4.4	0.8	92.3
PBT before EO expense	25.9	29.8	52.2	23.6	23.3	24.8	24.3	24.3	131.5	96.7	23.7	2.4
Extra-Ord expense	-7.6	-10.8	-30.2	-2.3	-0.9	-2.0	0.0	0.0	-50.9	-2.8	0.0	
PBT	18.3	19.0	21.9	21.4	22.5	22.8	24.3	24.3	80.7	93.8	23.7	2.4
Tax	6.7	7.6	12.2	5.8	6.0	6.4	6.4	6.1	32.2	24.9	6.0	
Rate (%)	25.7	25.4	23.3	24.7	25.6	25.8	26.5	25.2	24.5	25.8	25.2	
Reported PAT	19.3	22.2	40.0	17.8	17.4	18.4	17.8	18.2	99.3	71.8	17.7	0.5
Adj PAT	13.6	14.2	17.4	16.1	16.7	16.9	17.8	18.2	61.3	69.6	17.7	0.5
YoY Change (%)	-3.9	1.7	9.6	1.7	23.1	19.4	2.4	12.9	2.4	13.7		

E: MOFSL Estimates

Aditya Birla Capital

Bloomberg	ABCAP IN
Equity Shares (m)	2612
M.Cap.(INRb)/(USD\$)	904.2 / 10
52-Week Range (INR)	369 / 149
1, 6, 12 Rel. Per (%)	-2/33/90
12M Avg Val (INR M)	1499

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
PBT Break-up			
NBFC	40.7	51.6	64.8
Housing	8.4	14.2	20.2
AMC	13.6	15.4	17.7
Life Insurance	1.8	2.0	2.3
Health Insurance	0.8	1.5	1.5
Other businesses	2.0	1.7	1.8
Consolidation adjustments	1.6	1.7	1.8
Consol PBT	68.8	88.2	110.1
Consol PAT Post MI and others	39.6	51.5	65.7
Growth (%)	18.9	30.0	27.5
RoE (%)	12.4	14.4	16.2
Con PE	22.6	17.4	13.6
Cons. PBV	2.7	2.4	2.1

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	68.6	68.7	68.9
DII	14.7	12.8	9.5
FII	5.8	6.8	9.2
Others	10.9	11.7	12.4

FII Includes depository receipts

CMP: INR345

TP: INR415 (+20%)

Buy

Strong growth with improving asset quality and profitability

Lending (HFC+NBFC) book grew ~30% YoY; NBFC GS2+G3 down ~20bp QoQ

- Aditya Birla Capital's (ABCAP) 3QFY26 consolidated revenue grew 30% YoY to ~INR142b and consolidated PAT (excl. one off items) grew ~41% YoY to ~INR9.8b.
- Overall lending book (NBFC and Housing) grew 30% YoY/7% QoQ to ~INR1.90t. Total AUM (AMC, life insurance and health insurance) grew ~19% YoY to INR5.98t. Mutual fund quarterly average AUM grew 15% YoY to INR4.43t.
- Life Insurance individual FYP grew by ~19% YoY to INR30.1b in 9MFY26 and Health Insurance GWP grew ~39% YoY to INR46.5b in 9MFY26.
- Aditya Birla Housing Finance (ABHL) raised ~INR27.5b of growth equity capital from Advent International at a valuation of INR192.5b (on a post money basis) to sustain growth momentum and increase its market share. Upon completion of the transaction, ABCL will hold ~85.7% and Advent will hold ~14.3% stake in ABHFL.

NBFC: AUM up ~24% YoY; NIM expands ~5bp QoQ

- NBFC Loan book grew ~24% YoY and 6% QoQ to ~INR1.48t. Disbursements grew ~41% YoY and declined ~3% QoQ to ~INR214b. NIM rose ~5bp QoQ to 6.12%.
- PBT grew ~29% YoY and ~8% QoQ to INR10b. 3Q RoA stood at ~2.25%.
- The company reported a sequential improvement in asset quality, with GS2 + GS3 assets declining ~20bp QoQ to ~2.8%.
- Management shared that its asset quality remains strong, with continued improvement across products, including unsecured business loans and the P&C segment. Credit costs stood at ~1.23% (PQ: 1.16%) in 3QFY26. Management guided for FY26 credit costs of 1.2-1.3%.
- The company indicated that with the credit environment stabilizing, disbursements in the P&C segment are picking up, driving strong AUM growth. As the share of P&C rises within the overall portfolio, yields are expected to improve over the next couple of quarters, which should support NIM expansion. The company guided for RoA in the NBFC business to improve to ~2.5% (vs. ~2.25% currently) over the next 4-5 quarters.

HFC: Robust growth in HFC AUM; asset quality improves

- HFC AUM grew 58% YoY to ~INR422b. 3QFY26 disbursements grew 30% YoY/7% QoQ to ~INR62b. NIM rose ~10bp QoQ to ~4.1%.
- PBT grew ~109% YoY and 18% QoQ to INR2.3b. 3QFY26 RoA stood at 1.96%. Asset quality improved, with GS2+ GS3 declining ~15bp QoQ to ~0.95%. S3 PCR was broadly stable at ~57.5%.
- Management highlighted that over the past two years, ABHFL has built a full-stack housing finance franchise spanning affordable, prime and construction finance. Supported by one of the strongest distribution platforms in the sector, the company now enjoys deep market penetration, positioning it among the fastest-growing HFCs in India.

Asset Management: QAAUM rose ~15% YoY; Equity QAAUM grew 11% YoY

- Quarterly average MF AUM (QAAUM) rose 15% YoY to INR4.43t. Monthly average individual AUM grew 7% YoY to INR2.12t as of Dec'25.
- The equity mix stood at ~45% (PQ: ~45.3%). Equity QAAUM grew ~11% YoY to INR1.90t. PBT grew by 19% YoY to INR3.6b.

Life Insurance: Individual FYP grew ~19% YoY; 13M persistency at 84%

- Individual FYP grew 19% YoY to ~INR30.1b, while renewal premium grew 18% YoY to INR77.2b in 9MFY26.
- Value of new business (VNB) grew 52% YoY to INR4.8b in 9MFY26 and Net VNB margin rose 380bp YoY and stood at ~14.6% in Dec'25. 13M persistency stood at 84% in 3QFY26. Market share in individual FYP rose 20bp YoY to ~4.7%.
- Management guided for a ~20-22% CAGR in individual FYP over the next three years, with a continued focus on expanding the VNB margin to >18%.

Health Insurance: GWP grew 39% YoY; market share stood at 13.6%

- GWP in the Health insurance segment grew 39% YoY to ~INR46.5b and combined ratio stood at 111% in 9MFY26.
- ABHI's market share among standalone health insurers (SAHI) stood at 14.2% in 3QFY26.

Highlights from the management commentary

- Management shared that the Boards of ABCL and ABHFL have approved the equity infusion from Advent in ABHFL and CCI clearance is expected in ~45 days (by end-Mar'26), following which the transaction is likely to be completed.
- ABHFL migrated to the ABC Stellar platform, a next-generation onboarding and partner engagement system, which will further improve turnaround time, scalability and partner experience.

Valuation and view

- ABCAP's operational metrics continued to improve during the quarter. Loan growth remained healthy in both HFC and NBFC segments, accompanied by a further improvement in asset quality across all products, including unsecured segments. NIMs have started improving in the NBFC business and management expects further improvement in NIM, aided by an increase in the share of unsecured loans.
- We expect a consolidated PAT CAGR of ~26% over FY25-28. The thrust on cross-selling, investments in digital, and leveraging 'One ABC' should drive healthy profitability, resulting in RoE of ~16% by FY28E. **Reiterate BUY with an SoTP (Mar'28E)-based TP of INR415.**

ABCL: SOTP – Mar'28

	Stake	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
NBFC	100	557	6.2	215	52	1.8x PBV
HFC	86	184	2.0	71	17	2.0x PBV
AMC	45	131	1.5	51	12	22x Earnings
LI	51	154	1.7	59	14	1.3x EV
Health Ins	46	44	0.5	17	4	1.0x GWP
Others		6	0.1	2	1	
Target Value		1,076	12.0	415	100	

Quarterly Performance
(INR M)

Y/E March	FY25				FY26E			FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q		
ABFSL - NBFC arm									
Net Income	17,089	17,114	17,339	17,854	18,585	19,942	21,277	69,396	70,892
Opex	5,080	5,310	5,410	5,560	5,340	6,590	6,690	21,360	21,620
Cost to Income Ratio (%)	29.7	31.0	31.2	31.1	28.7	33.0	31.4	30.8	30.5
Operating Profits	12,009	11,804	11,929	12,294	13,245	13,352	14,587	48,036	49,272
Provisions	3,680	3,360	3,880	3,520	3,990	3,790	4,230	14,440	14,750
Profit Before Tax	8,329	8,444	8,049	8,774	9,255	9,562	10,357	33,596	34,522
Change YoY (%)	20.6	14.7	5.0	10.6	11.1	13.2	28.7	12.5	2.8
Consolidated Earnings									
Cons PBT Before JV Interest	12,437	16,057	11,840	16,807	14,061	13,824	15,163	54,746	59,135
Growth YoY %	23.1	51.3	9.8	22.4	13.1	-13.9	28.1	18.7	8.0
Lending	9,177	9,482	9,147	9,985	10,796	11,502	12,650	37,791	39,410
NBFC	8,329	8,444	8,049	8,774	9,255	9,562	10,357	33,600	40,677
HFC	848	1,038	1,098	1,211	1,541	1,940	2,294	4,194	8,441
AMC	3,045	3,351	2,999	3,050	3,723	3,156	3,583	12,450	13,576
Life Insurance	215	443	432	495	386	669	477	1,580	1,817
Health Insurance	-540	-653	-835	2,089	-372	-676	-793	60	800
Others*	540	3,434	97	1,188	-473	-828	-754	2,865	3,532
Taxes	2,930	3,560	3,040	4,750	3,280	3,290	3,560	14,280	14,630
Tax rate %	23.6	22.2	25.7	28.3	23.3	23.8	23.5	26.1	24.7
Profit After Tax	7,650	8,540	7,150	8,860	8,500	8,820	10,330	32,200	33,050
MI and Others	200	200	160	210	160	270	210	770	730
PAT post MI and other adjustments	7,450	8,340	6,990	8,650	8,340	8,550	10,120	31,430	32,320
Growth YoY %	15	18	-5	7	12	3	45	8	3
Gain on Sale of stake in Subs/associate (net of tax)	140	1,660	90	0	0	0	0	1,890	-20
Reported PAT	7,590	10,000	7,080	8,650	8,340	8,550	10,120	33,320	32,300
Growth YoY %	16.9	41.8	-3.7	6.5	9.9	-14.5	42.9	-0.1	-3.1
Details on lending business									
Loans (INR B)	1277	1379	1462	1574	1658	1779	1904		
Change YoY (%)	27.2	26.6	26.9	26.9	29.9	28.9	30.3		
NBFC	1073	1147	1194	1264	1312	1396	1482		
Change YoY (%)	24.9	22.7	21.1	19.6	22.3	21.7	24.1		
HFC	204	232	267	311	346	383	422		
Change YoY (%)	40.6	50.5	61.5	68.6	69.6	64.7	58.0		
Net Interest Margins									
NBFC	6.56	6.29	5.99	6.07	5.97	6.06	6.13		
HFC	4.24	4.22	4.06	4.07	4.16	4.02	4.13		
GNPA %									
NBFC	2.51	2.50	2.27	2.30	2.20	1.68	1.51		
HFC	1.60	1.30	0.99	0.66	0.62	0.61	0.54		
Details on Other business									
AMC Business									
QAAUM (INR B)	3,676	4,004	4,009	4,056	4,433	4,608	4,814		
Change YoY (%)	19.2	23.8	23.5	17.3	20.6	15.1	20.1		
Life Ins - 13th Mt persistency	88.0	88.0	87.0	88.0	87.0	86.0	84.0		

* Others include Health Ins, PE, AB Money and inter group adjustment; Numbers may vary from actual reporting due to difference in reporting

Mankind Pharma

Estimate change	↔
TP change	↓
Rating change	↔

CMP: INR2,163 TP: INR2,505 (+16%) Buy

In-line quarter; reset strategy in motion

Chronic momentum intact; acute recovery and BSV synergy - key monitorables

Bloomberg	MANKIND IN
Equity Shares (m)	413
M.Cap.(INRb)/(USD\$b)	892.7 / 9.9
52-Week Range (INR)	2727 / 2047
1, 6, 12 Rel. Per (%)	0/-20/-26
12M Avg Val (INR M)	1260

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	142.2	160.5	180.0
EBITDA	35.4	41.2	47.5
Adj. PAT	19.0	26.5	30.5
EBITDA Margin (%)	24.9	25.7	26.4
Cons. Adj. EPS (INR)	46.1	64.1	74.0
EPS Gr. (%)	-1.0	39.3	15.4
BV/Sh. (INR)	381.5	427.0	482.2

Ratios

Net D:E	0.2	0.0	-0.1
RoE (%)	12.6	15.9	16.3
RoCE (%)	11.2	13.0	15.5
Payout (%)	19.1	18.4	19.3

Valuations

P/E (x)	46.8	33.6	29.1
EV/EBITDA (x)	27.4	22.8	19.2
Div. Yield (%)	0.4	0.5	0.7
FCF Yield (%)	6.2	5.6	5.9
EV/Sales (x)	6.8	5.9	5.1

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	72.7	72.7	74.9
DII	11.9	11.5	9.9
FII	12.8	13.1	12.4
Others	2.6	2.8	2.9

FII Includes depository receipts

- Mankind Pharma delivered in-line revenue/EBITDA/PAT in 3QFY26. Steady performance in chronic therapies in domestic formulation (DF) and addition of BSV portfolio were offset to some extent by moderate performance in acute therapies, consumer health and export business.
- Mankind not only increased the chronic share (+200bp YoY as % of overall DF sales) but also grew in line with industry in chronic therapies (excluding GLP1 launches).
- However, total secondary sales growth was muted due to an inferior show in acute therapies as the company implemented coarse corrective measures.
- Mankind had undertaken considerable measures to revive growth prospects in DF segment. During the course, attrition as well as aligning new recruits with the Mankind philosophy has taken prolonged period of time. Management is witnessing some green shoots from this process.
- Mankind's effort to improve growth of BSV is gradually showing results, with 3Q exhibiting 20% YoY growth on like-to-like basis.
- We largely maintain our estimates for FY26/FY27/FY28. We value Mankind at 35x 12M forward earnings to arrive at a TP of INR2,505.
- Mankind is working on multiple fronts: a) gaining market share in chronic therapies, b) reviving growth in acute therapies, c) integrating and building synergy from BSV acquisition, and d) revising business policy for consumer health business. The pick-up in growth from these corrective actions remains the key monitorable. Maintain BUY.

Profitability on a YoY basis rebounds after four-quarter drag

- Sales grew 11.5% YoY to INR35.7b for the quarter (vs est. INR35.7b).
- Gross margin expanded by 170bp to 72.6%. EBITDA margin expanded 40bp YoY to 25.9%. Low RM cost (down 170bp YoY) was offset by high employee cost (+105bp YoY) and others expenses (+30bp YoY) as % of revenue.
- Accordingly, EBITDA grew at 13% YoY to INR9.2b (vs. our est. of INR8.9b).
- Exceptional Item amounting to INR1b pertains to (a) provisions related to labor code (INR741m), (b) stamp duty INR190m, and (c) impairment loss related to suspension of the Hyderabad project (INR134m).
- PAT grew 35% YoY to INR5b (our est: INR5b).
- In 9MFY26, revenue/EBITDA grew ~18%/13% YoY to ~INR108b/INR27b, whereas PAT declined ~9.7%YoY to INR14.4b.

Revenue growth YoY moderates to low teens; slowest pace in last 12m

- Domestic business (85% of sales) grew 10% YoY to INR30.5b for the quarter, driven by growth in base business and aided by BSV consolidation
- Prescription business (Rx) (93% of domestic sales) grew 17.7% YoY to INR28.4b.
- Consumer business (7% of domestic sales) grew 5.2% YoY to INR2b.
- Exports (15% of sales) grew 76% YoY to INR5.2b, primarily driven by healthy growth in BSV international business.

Highlights from the management commentary

- On organic basis in DF Rx segment, Mankind grew 9.1%/8.2% YoY for 3QFY26/9MFY26.
- Mankind continues to focus on prescription generation basis strategic reset. While it has taken more time to revive the business, management indicated growth is coming back on track.
- OTC revenue grew 5.2% YoY in 3Q and 5.6% YoY in 9MFY26 despite some softness in trade channel segment.
- Modern trade/e-commerce channel registered 40% YoY growth, increasing the contribution to 13% of OTC sales. This, along with reduction in stockiest, has led to a higher gap between secondary and primary sales growth.
- While the overall respiratory portfolio underperformed IPM, Inhaler portfolio, including Symbicort/Combihale, grew 30% YoY, delivering 1.3x IPM growth.

Consolidated - Quarterly Earning Model

Y/E March (INR m)	FY25				FY26E				FY25	FY26E	FY26	Var %
	1Q	2Q	3Q	4Q	1QE	2Q	3Q	4QE				
Gross Sales	28,934	30,765	31,988	30,794	35,704	36,972	35,672	33,863	122,481	142,210	35,711	-0.1
YoY Change (%)	12.2	13.6	22.7	26.1	23.4	20.2	11.5	10.0	18.5	16.1	11.6	
Total Expenditure	21,697	22,265	23,828	23,712	27,236	27,758	26,442	25,398	91,698	106,834	26,784	
EBITDA	7,238	8,500	8,160	7,082	8,468	9,213	9,230	8,466	30,783	35,377	8,928	3.4
YoY growth %	10.5	24.5	34.5	19.8	17.0	8.4	13.1	19.5	21.4	14.9	9.4	
Margins (%)	25.0	27.6	25.5	23.0	23.7	24.9	25.9	25.0	25.1	24.9	25.0	
Depreciation	1,077	1,056	1,872	2,309	2,187	2,218	2,226	2,294	6,212	8,925	2,197	
Interest	109	71	2,209	1,905	1,707	1,697	1,572	1,350	4,294	6,325	1,447	
Other Income	1,006	1,094	770	1,013	799	919	728	797	5,368	3,242	839	
PBT before EO expense	7,057	8,468	4,849	3,881	5,373	6,217	6,160	5,619	25,645	23,369	6,124	0.6
Extra-Ord expense	420	0	0	-1,250	0	0	1,066	0	-830	1,066	0	
PBT	6,637	8,468	4,849	5,131	5,373	6,217	5,094	5,619	26,475	22,303	6,124	
Tax	1,246	1,904	1,105	864	958	1,038	951	1,000	5,097	3,948	1,053	
Rate (%)	18.8	22.5	22.8	16.8	17.8	16.7	18.7	17.8	19.3	17.7	17.2	
Minority Interest & Profit/Loss of Asso. Cos.	26.7	28.4	8.5	15.6	94.7	109.9	-32.1	46.6	79.2	219.1	30.0	
Reported PAT	5,365	6,535	3,736	4,251	4,320	5,069	4,175	4,572	21,298	18,136	5,040	
Adj PAT	5,706	6,535	3,736	3,212	4,320	5,069	5,042	4,572	19,188	19,002	5,040	0.0
YoY Change (%)	17.2	30.4	-17.7	-31.8	-24.3	-22.4	35.0	42.4	0.3	-1.0	34.9	
Margins (%)	19.7	21.2	11.7	10.4	12.1	13.7	14.1	13.5	15.7	13.4	14.1	
EPS	14.2	16.3	9.3	8.0	10.8	12.7	12.6	11.4	46.5	46.1	12.6	

E: MOSL Estimates

Estimate changes	↔
TP change	↔
Rating change	↔

Bloomberg	NMDC IN
Equity Shares (m)	8792
M.Cap.(INRb)/(USD\$b)	717.9 / 8
52-Week Range (INR)	87 / 60
1, 6, 12 Rel. Per (%)	-1/11/21
12M Avg Val (INR M)	1708

Financials & Valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	289	302	318
Adj EBITDA	90	114	123
Adj. PAT	73	87	93
EBITDA Margin (%)	31	38	39
Cons. Adj. EPS (INR)	8	10	11
EPS Gr. (%)	11	19	7
BV/Sh. (INR)	39	46	54

Ratios

Net D:E	-0.3	-0.3	-0.3
RoE (%)	22.7	23.1	21.1
RoCE (%)	26.4	28.3	26.3
Payout (%)	34.4	28.8	26.8

Valuations

P/E (x)	9.9	8.3	7.8
P/BV (x)	2.1	1.8	1.5
EV/EBITDA(x)	6.9	5.3	4.6
Div. Yield (%)	3.5	3.5	3.5

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	60.8	60.8	60.8
DII	14.1	14.4	14.5
FII	13.5	13.0	12.1
Others	11.7	11.8	12.6

FII Includes depository receipts

CMP: INR82
TP: INR100 (+22%)
Buy
In-line performance; outlook bright
Consolidated result highlights

- 3QFY26 revenue stood at INR76.1b (vs. our est. of INR71.1b), rising 16% YoY and 19% QoQ, primarily driven by improved volumes and better NSR.
- Iron ore production stood at 14.7mt (+11% YoY and +44% QoQ), while sales came in at 12.7mt (+6% YoY and +19% QoQ).
- ASP stood at INR5,993/t (+9% YoY and +1% QoQ).
- EBITDA stood at INR21.4b (-10% YoY and +8% QoQ) and was in line with our estimate. EBITDA/t came in at INR1,688/t (-15% YoY and -9% QoQ), against our est. of INR1,766/t.
- APAT stood at INR17.6b (-7% YoY and +3% QoQ), against our estimate of INR17.4b.
- During 9MFY26, revenue/EBITDA grew 23%/9% YoY to INR207.3b/INR66.2b, primarily supported by volume growth and healthy realization. 9MFY26 adj. PAT increased 7% YoY to INR54.2b. In 9MFY26, sales volume rose 10% YoY to 34.9mt and ASP increased 11% YoY to INR5,934/t.

Valuation and view

- NMDC reported decent earnings during the quarter, supported by healthy volume and NSR. Going forward, we expect volumes to pick up steadily to ~51mt in FY27 and 54mt in FY28, fueled by an increasing EC limit. We largely maintain our estimates for FY27/28 and expect volumes and prices to remain elevated, in line with strong demand from steel makers.
- NMDC has planned capex of over INR700b for various evacuation and capacity enhancement projects, aimed at improving the product mix and increasing production capacity to ~100mt by FY29-30.
- Additionally, NMDC is expected to generate strong OCF over FY26-28. This will support its capex plan without overleveraging.
- **At CMP, the stock trades at 5.3x EV/EBITDA and 1.8x on P/BV on FY27 estimate. We reiterate our BUY rating on NMDC with a TP of INR100 (based on 6.5x EV/EBITDA on Sep'27 estimate).**
- **Key risks** – a) rising competition from captive iron ore mining, b) Karnataka mineral tax demand, which could impact earnings if ruled against NMDC, and c) delay in acquiring the target EC limits.

Consolidated Quarterly Performance

(INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26 vs Est	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Iron ore Production (mt)	9.2	8.3	13.3	13.3	12.0	10.2	14.7	15.2	44.1	52.1	14.7	
Iron ore Sales (mt)	10.1	9.7	11.9	12.7	11.5	10.7	12.7	13.6	44.4	48.6	12.7	
Avg NSR (INR/t)	5,375	5,057	5,503	5,529	5,851	5,952	5,993	5,992	5,384	5,950		
Net Sales	54.1	49.2	65.7	70.0	67.4	63.8	76.1	81.8	239.1	289.1	71.1	7.0
Change (YoY %)	0.4	22.5	21.4	7.9	24.5	29.7	15.9	16.7	55.5	11.3		
Change (QoQ %)	(16.6)	(9.1)	33.5	6.6	(3.8)	(5.4)	19.3	7.4				
EBITDA	23.4	13.9	23.7	20.5	24.8	19.9	21.4	24.0	81.5	90.1	22.4	(4.3)
Change (YoY %)	17.3	16.4	18.2	(2.4)	6.0	43.9	(9.6)	16.8	11.7	10.6		
Change (QoQ %)	11.3	(40.8)	71.2	(13.5)	20.8	(19.6)	7.6	11.7				
EBITDA per ton (INR/t)	2,322	1,425	1,987	1,619	2,152	1,860	1,688	1,755	1,835	1,855.0	1,766	(4.4)
Interest	0.2	0.3	0.6	0.6	0.3	0.1	0.3	0.4	1.8	1.1		
Depreciation	0.7	1.0	1.0	1.4	1.1	1.1	1.1	1.3	4.2	4.6		
Other Income	3.6	3.6	3.8	4.9	3.0	3.8	3.7	3.0	15.9	13.5		
PBT (before EO Item)	26.1	16.1	25.8	23.4	26.4	22.6	23.7	25.2	91.4	97.9	24.2	(1.9)
Extra-ordinary item	-	-	-	-	-	-	-	-	-	-		
PBT (after EO Item)	26.1	16.1	25.8	23.4	26.4	22.6	23.7	25.2	91.4	97.9		
Total Tax	6.4	4.2	6.9	8.5	6.8	5.8	6.3	6.7	26.0	25.5		
% Tax	24.7	25.9	26.6	36.6	25.6	25.5	26.4	26.5	28.5	26.0		
PAT after MI and Sh. of Asso.	19.7	12.1	18.8	14.8	19.7	17.0	17.6	18.5	65.4	72.7		
Adjusted PAT	19.7	12.1	18.8	14.8	19.7	17.0	17.6	18.5	65.4	72.7	17.4	1.0
Change (YoY %)	19.2	18.1	13.3	3.1	(0.1)	40.2	(6.6)	25.2	13.3	11.2		
Change (QoQ %)	37.4	(38.5)	55.3	(21.4)	33.2	(13.7)	3.4	5.3				

Dixon Technologies

BSE SENSEX 83,739 S&P CNX 25,728

CMP: INR11,031 TP: INR16,700 (+51%) Buy



Stock Info

Bloomberg	DIXON IN
Equity Shares (m)	61
M.Cap.(INRb)/(USDb)	669.4 / 7.4
52-Week Range (INR)	18472 / 9828
1, 6, 12 Rel. Per (%)	-7/-39/-34
12M Avg Val (INR M)	6390

Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Net Sales	498.7	759.6	877.1
EBITDA	19.3	26.8	37.5
Margin (%)	3.9	3.5	4.3
PAT	8.9	11.4	17.6
EPS (INR)	148.3	189.5	292.2
GR. (%)	26.5	27.8	54.2
BV/Sh (INR)	614.5	794.0	1,075.3

Ratios

Net D/E	-0.2	-0.2	-0.4
ROE (%)	26.6	26.9	31.3
RoCE (%)	34.5	38.2	42.1
Payout (%)	7.3	5.3	3.8

Valuations

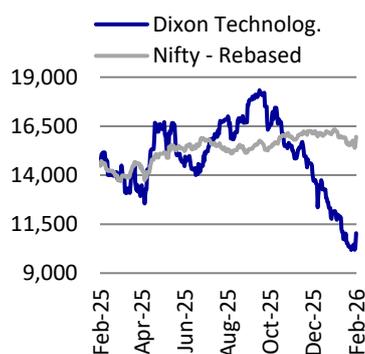
P/E (X)	74.4	58.2	37.7
P/BV (X)	18.0	13.9	10.3
EV/EBITDA (X)	34.4	24.7	17.2
Div Yield (%)	0.1	0.1	0.1

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	28.8	28.9	32.4
DII	29.1	28.9	22.6
FII	18.7	20.7	23.2
Others	23.4	21.5	21.7

FII Includes depository receipts

Stock performance (one-year)



What is CMP factoring in?

Long-term thesis intact despite near-term weakness

Amid concerns of memory price hikes impacting mobile volumes, delays in Vivo JV approval and possibility of low exports, our reverse calculation indicates that the current stock price is already factoring in continued delays in Vivo JV approval, weak base smartphone volumes, and only limited mobile client addition over FY26-28, which may not be the case in future. The stock has already corrected by ~40% from the high to 38x P/E from 45x P/E (in Sep'25) on FY28E EPS, indicating 15% valuation multiple correction and 25-30% earnings cut for FY27/FY28. This is reflecting the bear case scenario, though we continue to believe that the underlying thesis is still intact. We maintain our long-term positive stance on Dixon despite the near-term impact seen on volumes due to recent memory price hikes and weak demand. As per industry reports, global memory prices may remain high for the next 2-3 quarters. We believe that this is a demand slowdown issue, not a demand destruction issue, and can result in mobile OEMs devising new growth strategies. Beyond this too, we expect Dixon to benefit from new client additions, backward integration, and further approvals for ECMS application for other components. We maintain our DCF-based TP of INR16,700, implying 55x P/E multiple on Dec'27E EPS.

Our sensitivity analysis indicates that worst is priced in

Our sensitivity analysis on Dixon's smartphone volumes for FY27/28 suggests that the current stock price is factoring in the worst-case scenario of weak smartphone volume growth as well as limited client additions over FY26-28. We believe that this worst-case scenario may not play out. In an uncertain market where memory prices are currently impacting smartphone mobile demand, we evaluated three scenarios – 1) **base case scenario** of existing smartphone volumes remaining flat in FY27/28, Vivo JV approval by Mar'26 and new client additions, resulting in a TP of INR16,700; 2) **second scenario** considers Vivo JV approval and continued high memory prices impacting overall smartphone volumes, resulting in a TP of INR13,700; and 3) **bear case scenario** considers further delays in Vivo approval till FY28, resulting in a TP of INR10,200. This indicates that the worst-case scenario has already played out in the current market price, suggesting bottoming out. We do believe that in the near term, volumes may remain impacted but our long-term thesis remains intact.

Smartphone market volume growth may remain weak for few quarters

Smartphone volumes in India grew 1% YoY in CY25. Smartphone shipments were around 151-153m units in CY24 and 154m units in CY25. In Indian market, Vivo remained the market leader, followed by Oppo (+ Realme), Samsung, Xiaomi, Apple and Motorola. Vivo, Apple, and Motorola saw strong growth in this period, driven by premium phone sales. As per industry estimates, in CY26, India's smartphone market can see a single-digit volume fall as rising memory and component costs weigh on demand. In high-end phones category, Dixon is associated with Motorola and is waiting for government approvals for a JV with Vivo. In the low- to mid-priced range, Dixon primarily caters to Xiaomi, Smartu, Realme, etc. We believe that nearly 60% of the smartphone volumes of Dixon for FY26 are exposed to low to mid-range phones.

Memory price hike is slowing demand in low-end mobile phones

A steep increase in the memory prices over the last few quarters has started impacting BoM for mobile phones and PCs, leading to demand slowdown, especially in low- to mid-range smartphones. Memory prices (mainly LPDDR3 and LPDDR4) have tripled over the last six months due to a shift in focus of vendors to memories, primarily used for AI and data centers. This has resulted in increasing the overall cost of smartphones, which is easier to pass on in high-end smartphones than the price-sensitive low- and mid-range smartphones. As per industry sources, this is likely to continue for 2-3 more quarters before supply starts to ease. This will also result in mobile OEMs changing their strategies over time to shift toward premium phones as well as devising easier financing schemes.

Exposure to low- to mid-range mobiles impacting near-term volumes

Dixon's smartphone volumes in 3QFY26 were impacted by low volumes from price-sensitive low- to mid-priced smartphones from its key clients particularly Xiaomi and Ismartu. We expect the impact of high memory prices to remain for the next 2-3 quarters. Thereafter, we expect smartphone volume recovery to be led by new client addition. We bake in smartphone volume of 36m/58m/65m for FY26/27/28, taking into account incremental addition from Vivo volumes from FY27 onward.

Beyond mobile, initiatives on backward integration are intact

Dixon has already been working on backward integration across segments. Its display facility with HKC will commence trial production from 1HFY27 and we can see production from 2HFY27. Moreover, it is also expanding in Q-tech, which caters to camera modules. It will enter precision components through its 74:26 JV with Chongqing Yuhai Precision Manufacturing. These initiatives pave way for margin expansion in future. Shift of customers to Dixon's display or camera or precision components will be driven by duty arbitrage and component PLI scheme.

Receives ECMS approval for two entities and waiting for more

The company had filed for component PLI with an investment commitment of INR30b over three years for displays, camera modules, lithium-ion batteries, SFPs, mechanical enclosures, etc. With this, it would remain focused on backward integration. It has already received ECMS approval for camera module and optical transceiver (SFP) and further approvals for display application and optical transceiver and more approvals are awaited in upcoming tranches of ECMS approvals.

Valuation and view

The stock is currently trading at 58x/38x P/E on FY27/28E EPS. Our sensitivity analysis indicates that the current market price is already factoring in the worst-case scenario of continued weakness in base smartphone volumes, only one client addition in mobile where discussions are underway, and no volume addition from Vivo over FY26-28. We believe that the current demand slowdown is transient for next few quarters and is not a demand destruction issue. Over time, players will also find ways to tide over higher prices and devise new financing strategies while increasing phone prices. We, thus, expect Dixon's near-term performance to be impacted, while our long-term thesis is intact for volume growth and margin expansion over time. **Retain BUY with an unchanged TP of INR16,700, based on DCF methodology, implying ~55x P/E on two-year forward earnings.**

Exide Industries

CMP: INR328 **TP: INR341(+4%)** **Neutral**

Estimate changes

TP change

Rating change



Bloomberg	EXID IN
Equity Shares (m)	850
M.Cap.(INRb)/(USD\$)	278.8 / 3.1
52-Week Range (INR)	431 / 308
1, 6, 12 Rel. Per (%)	-9/-18/-22
12M Avg Val (INR M)	900

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Net Sales	170.9	186.9	201.2
EBITDA	19.1	21.2	23.7
Adj. PAT	10.9	12.3	14.0
Adj. EPS (INR)	12.8	14.5	16.5
EPS Gr. (%)	0.9	13.4	13.6
BV/Sh. (INR)	180.6	192.9	206.6

Ratio

RoE (%)	7.1	7.5	8.0
RoCE (%)	7.3	7.8	8.2
Payout (%)	15.6	15.5	16.7

Valuations

P/E (x)	25.6	22.6	19.9
P/BV (x)	1.8	1.7	1.6
Div Yield (%)	0.6	0.7	0.8
FCF Yield (%)	4.1	4.1	4.3

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	46.0	46.0	46.0
DII	18.7	18.5	17.6
FII	10.9	10.9	11.7
Others	24.4	24.7	24.6

FII Includes depository receipts

Weak 3Q due to headwinds in exports and telecom

Exports likely to pick up in coming quarters

- Exide's 3QFY26 PAT at INR2.6b came in below our estimate of INR2.8b due to lower-than-expected revenue growth even as margins were largely in line with our estimates. Despite the boost in auto sector demand after GST rate cuts, Exide's revenue grew just 5% YoY, mainly due to weak exports and a continued decline in the telecom segment.
 - Given the underperformance in 3Q, we have lowered our earnings estimates by 5%/7% for FY26/FY27. The outlook for lead acid is positive for the auto segment and the industrial business (excl. telecom). However, we remain cautious about the long-term returns from the lithium-ion business. Besides, the stock at ~22.6x/19.9x FY27/28E EPS appears fairly valued.
- Reiterate Neutral with an SoTP-based TP of INR341. We value the core (lead acid) business at 15x Dec'27E EPS (in line with Amara). We add INR59 per share value for the EV business (based on book) and INR52 per share for its stake in HDFC Life.**

PAT below estimate in 3Q due to export headwinds

- Exide's 3QFY26 revenues missed our estimates, growing 4.7% YoY to INR40.3b (vs. estimated INR44.3b). Overall, domestic business (ex-telecom) grew 10% YoY, led by the GST rate cut boost. However, exports dipped due to significant tariff-related headwinds.
- The auto OEM business grew more than 25% YoY, leading to higher market share across multiple segments. 2W/4W replacement business grew in double-digit on a YoY basis.
- Industrial infra business (ex-telecom) also grew in double digits as order inflow and order execution picked up in railways, traction and other sectors. Inverters and solar businesses are back on the growth path after a monsoon-led slowdown. Their outlook remains positive ahead of the peak season.
- EBITDA margin came in at 11.7%, largely in line with our estimate of 11.5%.
- Given a lower-than-expected revenue growth, EBITDA missed our estimates, growing 4.7% YoY to INR4.7b (estimate of INR5.1b).
- The company incurred a one-time exceptional expense of INR90.4m due to changes in the labor code.
- Adjusting for this expense, PAT came in at INR2.6b, up 7.9% YoY (below our estimate of INR2.8b).
- In the lithium-ion battery subsidiary, Exide has invested INR3.2b in 3Q and an additional INR500m in Jan'26. The total investment made to date stands at INR42.5b. Product validation is ongoing, with efforts to enter into collaboration with OEMs already underway.

Highlights from management call

- Exide has secured 100% share of business for key OEM programs, including Tata Sierra petrol (launched in Dec'25) and Kia Seltos facelift (4Q).
- Management indicated that export performance has largely bottomed out, with a recovery expected in FY27, supported by new channel partners, entry into newer geographies, and a favorable base effect.
- While the company did not increase prices in 3Q, it has taken a ~2% price hike in Jan to pass on the input cost pressure.
- Lithium-ion margins are expected to be superior to lead-acid, supported by indexed pricing, yield improvement, and local manufacturing advantages.
- Launched four new products in Feb: EL Ultra (premium automotive), Powerbox (mass segment), AGM batteries (premium PVs), and Solar Grid-Tie Inverters.
- Exide Energy has received cumulative equity infusion of ~INR42.5b, with the board approving an additional INR14b for FY27, ensuring adequate funding for capex, validation, and scale-up.

Valuation and view

- Given the underperformance in 3Q, we have lowered our earnings estimates by 5%/7% for FY26/FY27. The outlook for lead acid is positive for auto segment and industrial business (excl. telecom). However, we remain cautious about the long-term returns from the lithium-ion business. Besides, the stock at ~22.6x/19.9x FY27/28E EPS appears fairly valued. **Reiterate Neutral with an SOTP-based TP of INR341. We value the core (lead acid) business at 15x Dec'27E EPS (in line with Amara). We add INR59 per share value for the EV business (based on book) and INR52 per share for its stake in HDFC Life.**

S/A Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E	2QE	(INR M) Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Sales	43,128	42,673	38,486	41,594	45,098	41,783	40,297	43,716	165,881	170,894	44,259	-9.0
Growth YoY (%)	5.9	3.9	0.2	3.7	4.6	-2.1	4.7	5.1	3.5	3.0	15.0	
RM cost (%)	69.3	68.5	68.0	68.8	69.2	70.1	68.4	69.0	68.7	69.2	70.0	
Employee cost (%)	6.1	6.3	6.8	6.3	6.1	0.3	6.5	6.3	6.4	6.3	6.0	
Other Exp(%)	13.1	13.9	13.5	13.7	12.6	14.0	13.4	13.3	13.6	13.3	12.5	
EBITDA	4,943	4,836	4,486	4,667	5,482	3,960	4,696	4,971	18,931	19,095	5,090	-7.7
EBITDA Margin (%)	11.5	11.3	11.7	11.2	12.2	9.5	11.7	11.4	11.4	11.2	11.5	
Change (%)	14.4	0.1	2.0	-9.6	10.9	-18.1	4.7	6.5	1.2	3.3	13	
Non-Operating Income	142	528	132	161	182	424	183	221	962	1,010	144	
Interest	87	103	120	130	91	89	85	87	439	351	95	
Depreciation	1,257	1,270	1,244	1,268	1,276	1,306	1,270	1,312	5,039	5,163	1,320	
PBT after EO Exp	3,741	3,991	3,253	3,430	4,297	2,990	3,434	3,794	14,415	14,500	3,819	-10.1
Effective Tax Rate (%)	25.3	25.4	24.7	25.8	25.4	25.7	25.0	25.8	25.3	25.5	25.5	
Adj. PAT	2,796	2,978	2,450	2,546	3,205	2,221	2,644	2,814	10,769	10,870	2,845	-7.1
Change (%)	15.6	3.8	2.0	-10.3	14.6	-25.4	7.9	10.5	2.3	0.9	16.1	

Key performance indicators

Cost Break-up

RM(%)	69.3	68.5	68.0	68.8	69.2	70.2	68.4	69.0	68.7	69.2	70.0	-160bp
Employee cost (%)	6.1	6.3	6.8	6.3	6.1	6.4	6.5	6.3	6.4	6.3	6.0	50bp
Other Exp(%)	13.1	13.9	13.5	13.7	12.6	14.0	13.4	13.3	13.6	13.3	12.5	90bp
Gross Margin (%)	30.7	31.5	32.0	31.2	30.8	29.8	31.6	31.0	31.3	30.8	30.0	160bp
EBITDA Margin(%)	11.5	11.3	11.7	11.2	12.2	9.4	11.7	11.4	11.4	11.2	11.5	20bp
EBIT Margin(%)	8.5	8.4	8.4	8.2	9.7	7.3	9.0	8.9	8.4	8.7	8.8	10bp

Zydu Wellness

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR419 **TP: INR575 (+37%)** **Buy**

Higher acquisition costs weigh on unseasonal quarter

Bloomberg	ZYWL IN
Equity Shares (m)	318
M.Cap.(INRb)/(USDb)	133.3 / 1.5
52-Week Range (INR)	531 / 299
1, 6, 12 Rel. Per (%)	-9/-3/3
12M Avg Val (INR M)	169

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	39.1	54.0	61.7
Sales Gr. (%)	44	38	14
EBITDA	5.3	7.9	9.6
Margins (%)	13.6	14.5	15.6
Adj. PAT	3.6	5.4	6.0
Adj. EPS (INR)	11.5	16.9	18.8
EPS Gr. (%)	7	48	11
BV/Sh. (INR)	183.8	189.9	202.2

Ratios

RoE (%)	6.3	9.0	9.6
RoCE (%)	6.0	4.9	7.6
Payout (%)	14.8	13.0	13.0

Valuation

P/E (x)	36.6	24.8	22.3
P/BV (x)	2.3	2.2	2.1
EV/EBITDA (x)	30.3	20.1	16.0

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	69.6	69.6	69.6
DII	18.6	18.8	20.1
FII	3.3	3.4	3.4
Others	8.5	8.2	6.9

FII includes depository receipts

- Zydu Wellness' (Zydu) consol. sales grew 109% YoY to INR9.6b (in line) in 3QFY26. Volumes, excluding the newly acquired Comfort Click (CC) business, grew in double digits. Sales for YTD FY26 (excl. CC business and seasonal brands) have seen strong growth in the high teens, supported by mid-teen volume growth. It is reflecting strong underlying growth for the non-seasonal portfolio, which can double the growth engines once seasonal portfolio sees traction. Management said that demand is steady, aided by a strong revival in rural demand, which continues to outpace urban demand.
- Consolidated EBITDA rose to INR610m (est. INR623m) from INR148m in 3QFY25. However, higher-than-expected depreciation and interest costs (acquisitions related), coupled with seasonally weak organic quarter, led to a reported loss of INR399m (est. loss of INR310m). Zydu guides for organic EBITDA margin of 16-17% (our est. 15%/16% for FY27/FY28). CC EBITDA margin is expected to remain at 14-15%; we model a similar margin.
- RiteBite Max Protein continued to deliver strong volume and value growth. Its EBITDA is now nearing double digits (from breakeven at the time of acquisition), supported by synergies, scale and margin efficiencies. CC is also doing well, in line with the company's internal expectations. Nycil, Glucon-D and Complian remained impacted over 9MFY26 given unfavorable weather conditions and category headwinds.
- The stock is at 20x FY27 and 16x FY28 EV/EBITDA, a 30%-35% discount to other FMCG peers. We model ~11% organic revenue CAGR and ~20% EBITDA CAGR over FY26-28E. On a consolidated basis, we model ~26% revenue CAGR and 35% EBITDA CAGR. Based on SoTP, we value the India business at 27x FY28E EV/EBITDA and International (Comfort Click) at 15x FY28E EV/EBITDA to arrive at a TP of INR575 (implied consolidated 22x EV/EBITDA and 30x P/E at FY28). Maintain BUY.

Operationally in line with double-digit volume growth (excl. CC)

- **Volumes (ex-CC) grow in double digits:** Consol. sales grew 109% YoY to INR9.6b, in line with our est. of INR9.5b. Volumes (exc. CC) grew in double digits. Personal care business was down 1.4%, while RiteBite business doubled. Sales for YTD FY26 (excl. CC business and seasonal brands) saw strong double-digit growth, supported by mid-teen volume growth.
- **Acquisition leads to strong GM gain:** Gross margins expanded from 49% to 63% (est. 60%), led by high GM CC acquisition and margin gain in organic business (most brands expanded margin). EBITDA margin improved 310bp YoY to 6.3% (est. 6.5%).
- **High acquisition costs dent profitability:** Employee expenses rose 41% YoY and other expenses doubled largely because of acquisition. EBITDA grew from INR148m in 3QFY25 to INR610m (est. INR623m). Owing to seasonally weak organic quarter and higher acquisition costs (higher depreciation and interest), Zydu reported loss of INR399m (est. loss of INR310m). Adj. PAT (ex-amortization impact) rose 52% YoY to INR97m (est. INR120m).

Highlights from the management commentary

- Personal care performance (revenue down 1.4% YoY) was impacted primarily by Nycil, with some softness in Everyuth; however, Everyuth delivered double-digit growth in FY26 YTD.
- Zydus guides for consol. GM of 66-67% and organic EBITDA margin of 16-18%.
- CC continues to perform in line with expectations. Management guided double-digit revenue growth and ~14% EBITDA margins. The acquisition is cash EPS-accretive, excluding one-time acquisition-related costs, and is expected to become EPS-accretive from next year.
- GM of RiteBite is in line with the core business (~50-52%). Repeat purchase rates are improving across both organized trade and general trade, with strong growth in existing outlets and continued expansion into new outlets.

Valuation and view

- We broadly maintain our EPS estimates for FY27 and FY28.
- The valuation multiple is currently low given its low earnings delivery in the past decade (10-year CAGR of 7-8%). With stability in the core business (took initial period for stabilizing sizable acquisition) and exciting new growth engines, we expect Zydus to deliver superior earnings growth than it delivered in the past.
- We model ~11% organic revenue CAGR and ~20% EBITDA CAGR over FY26-28E. The company guides organic EBITDA margin of 16-17% (our est. 15%/16% for FY27/FY28). CC EBITDA margin is expected to remain at 14-15%; we model a similar margin. On a consolidated basis, we model ~26% revenue CAGR and 35% EBITDA CAGR.
- The stock is trading at 20x and 16x EV/EBITDA FY27 and FY28, a 30%-35% discount to other FMCG peers. Based on SoTP, we value the India business at 27x EV/EBITDA FY28E and International (Comfort Click) at 15x EV/EBITDA FY28E to arrive at a TP of INR575 (implied consolidated 22x EV/EBITDA and 30x P/E at FY28). We maintain BUY on Zydus Wellness.

Quarterly Performance (Consolidated)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE		
Total revenues	8,410	4,929	4,619	9,131	8,609	6,505	9,649	14,340	27,089	39,103	9,522	1.3%
YoY change (%)	19.8	12.0	14.6	16.7	2.4	32.0	108.9	57.0	16.4	44.3	106.2	
Gross Profit	4,677	2,354	2,263	5,014	4,731	3,442	6,118	9,369	14,308	23,660	5,713	7.1%
Margin (%)	55.6	47.8	49.0	54.9	55.0	52.9	63.4	65.3	52.8	60.5	60.0	
EBITDA	1,553	196	148	1,900	1,556	230	610	2,908	3,798	5,304	623	-2.0%
Margins (%)	18.5	4.0	3.2	20.8	18.1	3.5	6.3	20.3	14.0	13.6	6.5	
EBITDA growth (%)	51.8	16.7	16.5	17.1	0.2	17.3	312.2	53.0	23.2	39.6	320.7	
Depreciation	51	49	52	132	108	114	125	126	284	473	115	
Amortisation						137	430	458		1,025	430	
Interest	36	9	33	42	25	157	412	410	120	1,004	369	
Other income	50	40	38	8	30	14	8	3	136	55	6	
PBT	1,516	178	101	1,734	1,453	-164	-349	1,917	3,530	2,857	-285	
Tax	39	28	37	15	174	22	-16	60	119	240	25	
Rate (%)	2.6	15.7	36.6	0.9	12.0	-13.4	4.6	3.1	3.4	8.4	-8.8	
Adj. PAT	1,477	150	64	1,719	1,279	-49	97	2,381	3,413	3,642	120	
YoY change (%)	18.5	154.2	2,033.3	14.4	-13.4	-132.9	51.6	38.5	21.3	6.7	86.9	
Extraordinary inc/(Exp)	0	-59	0	0	0	479	496	458	-57	1,367	430	
Reported PAT	1,477	209	64	1,719	1,279	-528	-399	1,923	3,470	2,275	-310.4	

E: MOFSL Estimate

Aditya Birla Lifestyle Brands

Estimate changes



TP change



Rating change



CMP: INR113

TP: INR130 (+15%)

Neutral

	ABLBL IN
Bloomberg Equity Shares (m)	1220
M.Cap.(INRb)/(USDb)	137.9 / 1.5
52-Week Range (INR)	176 / 101
1, 6, 12 Rel. Per (%)	-7/-23/-
12M Avg Val (INR M)	329

Financials & Valuations (INR b)

INRb	FY26E	FY27E	FY28E
Sales	ss	90.5	97.9
EBITDA	13.4	14.9	16.3
Adj. PAT	2.0	2.9	3.2
EBITDA Margin (%)	16.1	16.5	16.7
Adj. EPS (INR)	1.6	2.4	2.6
BV/Sh. (INR)	11.8	14.2	16.9

Ratios

Net D:E	1.8	1.4	1.0
RoE (%)	14.6	18.4	16.9
RoCE (%)	13.0	14.4	14.0

Valuations

P/E (x)	69.3	47.1	42.9
EV/EBITDA (x)	12.3	11.0	9.8
EV/Sales (x)	2.0	1.8	1.6
Div. Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Dec-25	Sep-25
Promoter	46.6	46.6
DII	17.1	11.5
FII	16.8	21.9
Others	19.6	20.0

FII Includes depository receipts

Decent 3Q; sustained profitable growth key to re-rating

- Aditya Birla Lifestyle Brands (ABLBL) reported 10% YoY revenue growth (vs. ~15% for Arvind Fashion), supported by healthy LTL. Operating leverage drove ~24% EBITDA growth, with margins expanding ~200bp YoY to 17.6%.
- Lifestyle brands grew 9% YoY, driven by 5% retail LTL and strong rebound in wholesale channel. The profitability improved ~90bp YoY driven by operating leverage and controlled discounting.
- Emerging brands delivered ~13% YoY growth with strong improvement in profitability led by healthy double-digit growth across categories and lower losses in VH Innerwear.
- Management is targeting ~12% revenue CAGR over the medium term, driven by high-single-digit LTL growth and ~200 annual net store additions (~5-6% YoY). Further, it expects emerging brands to contribute ~25% of the total turnover in the next few years (implying ~23% revenue CAGR).
- However, given the widespread presence of Lifestyle brands across channels and rising D2C competition, sustained double-digit growth could prove challenging.
- We fine-tune our estimates for FY26-28E EBITDA and build in a CAGR of 8%/11%/34% in Revenue/EBITDA/adj. PAT over FY25-28E.
- Following a sharp correction (-18% in the last six months), the stock trades at ~17x FY28E pre-IND AS EV/EBITDA. However, re-rating remains contingent on the sustenance of double-digit growth and improved profitability.
- We reiterate Neutral with a revised TP of INR130 (earlier INR140)**, premised on ~20x FY28E pre-Ind AS EV/EBITDA.

Growth recovers; profitability improves in emerging brands

- 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 margin contracted ~25bp YoY to 58.6% (~135bp miss) due to the mix change, leading to ~9% growth in gross profit to INR13.7b.
- 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. of INR1.04b).
- For 9MFY26, ABLBL's revenue grew 6% YoY, with EBITDA rising ~10% YoY, driven by ~65bp margin expansion (largely gross margin-led).

Key highlights from the management interaction

- **Demand trends:** The company witnessed strong growth in Oct-Nov. However, growth was muted in Dec'25 due to a lack of weddings. Small towns delivered ~13-14% LTL growth in 9MFY26, outperforming urban centers. Management indicated that secondary sales remained robust in departmental stores, leading to an uptick in primary sales. The demand environment picked up in the second half of Jan'26, and management expects momentum to sustain.
- **Guidance:** The company is targeting ~12% revenue CAGR over the medium term, with 6-7% driven by LTL and the remaining from network expansion. The company targets pre-IND AS margin of ~11-12%, driven by an improved channel mix, lower discounting, and operating leverage benefits.
- **Store additions:** ABLBL added 50+ net stores in 3QFY26 and expects to open 90 stores in 4Q. The company also has ~120 stores in the pipeline for FY27 and expects to add ~200 stores annually (on the current base of ~3,300 stores).
- **Lifestyle brands** delivered steady, execution-led growth. Revenue grew ~9% YoY with ~5% LTL, marking the sixth consecutive quarter of positive LTL performance. Occasion-led categories and improved store execution drove demand, while retail grew despite December headwinds.
- **Emerging brands** outperformed the core portfolio, delivering ~13% YoY growth, which would have been stronger after adjusting for the Forever21 closure. Profitability improved sharply for the portfolio, driven by lower losses in innerwear and the absence of drag from Forever21. The company's intent is to scale revenue contribution to ~25% over the next 3-5 years (vs. ~16% currently).

Valuation and view

- ABLBL's Lifestyle brands have achieved scale along with healthy profitability. The company is now focused on scaling its emerging brands, such as American Eagle (denim), Reebok (footwear), and Van Heusen Innerwear (inner wear and athleisure), providing a compelling retail play with a balanced growth and profitability profile, supported by strong cash generation and robust return ratios.
- Management is targeting to double revenue (~12% CAGR) over FY24-30, through sustained high-single-digit like-for-like growth and an accelerated store rollout (~200 annually on a base of ~3,300 stores).
- However, we believe that given the widespread presence of Lifestyle brands across EBOs, MBOs, LFS, and online channels and rising D2C competition, sustained double-digit growth could prove challenging.
- We fine-tune our FY26-28 estimates and build in a CAGR of 8%/11%/34% in Revenue/EBITDA/adj. PAT over FY25-28E.
- Following a sharp correction (-18% in the last six months), the stock now trades at ~17x FY28E pre-IND AS EV/EBITDA. However, re-rating remains contingent on the sustenance of double-digit growth and improved profitability.
- **We reiterate Neutral with a revised TP of INR130 (earlier INR140)**, premised on ~20x FY28E pre-Ind AS EV/EBITDA. We prefer [Arvind Fashions](#) over ABLBL for its superior growth profile and improving profitability.

Quarterly earnings summary

Y/E March	FY25				FY26E				FY25	FY26	FY26 3QE	Est Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue	17,845	18,525	21,042	18,775	18,406	20,379	23,432	20,829	76,186	83,045	23,382	0.2
YoY Change (%)	-44.2	-42.6	-49.5	2.5	3.1	10.0	11.4	10.9	0.6	6.1		
Total Expenditure	15,157	15,715	17,709	15,688	15,775	17,212	19,314	17,360	64,269	69,660	19,469	-0.8
EBITDA	2,688	2,810	3,332	3,087	2,631	3,167	4,118	3,469	11,918	13,385	3,913	5.2
Change, YoY (%)					-2.1	12.7	23.6	12.4	10.1	12.3		
Depreciation	1,623	1,705	1,716	2,014	1,725	2,090	2,037	2,079	7,057	7,931	1,935	
Interest	874	1,088	964	894	850	978	954	910	3,820	3,691	814	
Other Income	141	204	221	211	225	211	191	212	777	839	223	
PBT before EO expense	332	221	875	390	282	311	1,318	692	1,817	2,603	1,388	-5.0
Extra-Ord expense	3	-199	89	-877	0	0	-413	0	-983	-413	0	
PBT	335	22	964	-487	282	311	905	692	834	2,190	1,388	-34.8
Tax	102	-218	228	126	41	76	215	176	238	508	349	
Rate (%)	30.5	-990.9	23.7	-25.8	14.6	24.6	23.8	25.4	28.5	23.2	25.2	
Reported PAT	232	240	736	-612	241	234	690	517	596	1,682	1,038	-33.5
Adj PAT	230	389	669	44	241	234	999	517	1,332	1,991	1,038	-3.8
YoY Change (%)					4.6	-39.7	49.4	1,072.6	-7.5	6.5		

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	RUBICON IN
Equity Shares (m)	165
M.Cap.(INRb)/(USD\$b)	119.4 / 1.3
52-Week Range (INR)	888 / 571
1, 6, 12 Rel. Per (%)	12/-/-
12M Avg Val (INR M)	521

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	17.3	22.8	28.7
EBITDA	3.9	4.8	6.2
Adjusted PAT	2.4	3.1	4.2
EBITDA Margin (%)	22.4	21.3	21.6
Cons. Adj EPS (INR)	14.4	19.0	25.3
EPS Growth (%)	76.3	31.8	33.4
BV/Share (INR)	74.2	90.9	113.3

Ratios

Net D-E	0.0	0.0	-0.1
RoE (%)	26.9	23.0	24.8
RoCE (%)	25.9	24.8	26.6
Payout (%)	11.8	11.8	11.8

Valuations

P/E (x)	50.2	38.1	28.6
EV/EBITDA (x)	30.5	24.5	19.1
Div. Yield (%)	0.2	0.3	0.4
FCF Yield (%)	-0.7	0.4	1.1
EV/Sales (x)	6.8	5.2	4.1

Shareholding Pattern (%)

As On	Dec-25	Sep-25
Promoter	60.0	60.0
DII	9.5	10.5
FII	8.0	9.4
Others	22.6	20.1

FII includes depository receipts

CMP: INR725 **TP: INR850 (+17%)** **Buy**

Another earnings beat with improving return ratios

High R&D conversion, scalable assets, and robust balance sheet

- Rubicon Research (RUBICON) delivered yet another quarter of better-than-expected performance (4%/7%/16% beat on revenue/EBITDA/PAT). The pre-tax ROCE was 34% for 9MFY26 vs 30% for FY25.
- RUBICON is on a strong growth trajectory (34%/47%/73% YoY in revenue/EBITDA/PAT) for YTD FY26, supported by product launches and steady execution in the existing portfolio.
- Compared to the conventional approach of indicating R&D as a % of sales for a financial year, **RUBICON has highlighted R&D productivity by considering incremental revenue against lagging total R&D spend (typical timeline for R&D spend to translate into revenue). Even if R&D productivity is maintained at 5.7x, the cumulative R&D spend of INR5b over FY26/FY27/1QFY28 provides strong visibility into future revenues.**
- In addition to product development activities, it has expanded its capacity through the Pithampur plant acquisition to meet its manufacturing requirements.
- Despite a second consecutive quarter of earnings beat, we raise our earnings estimate conservatively by 6%/4%/3% for FY26/FY27/FY28. We intend to gain greater confidence in the consistency of a strong earnings growth trajectory going forward. We value RUBICON at 35x 12M forward earnings to arrive at a TP of INR850.
- RUBICON stands out across various parameters, such as a differentiated business model, superior R&D productivity, robust earnings growth, and phenomenal return ratios. Reiterate BUY.

Operating leverage outweighs outsourcing impact for the quarter

- 3QFY26 revenue grew 51.7% YoY to INR4.8b (up 46% YoY in CC terms; our est: INR4.6b).
- Gross margin contracted 150bp YoY to 66.8% due to higher outsourcing.
- However, EBITDA margin expanded 40bp YoY to 22.7% (our est: 22%) due to better operating leverage (employee expenses declined 320bp YoY as a % of sales).
- Interestingly, R&D expenses increased 270bp YoY as a % of sales to 11% for the quarter (INR523m on an absolute basis).
- EBITDA grew 55% YoY to INR1.1b (our est: INR1b).
- PAT grew 91% YoY to INR728m (our estimate: INR627m).
- Revenue/EBITDA/PAT grew 34%/47%/73% YoY to INR12.4b/INR2.8b/INR1.7b in 9MFY26.

Highlights from the management commentary

- RUBICON reiterated its guidance of 22-23% operating margin and 10-11% of sales as R&D spend. In fact, R&D as a % of sales is expected to remain consistent at 10-11% for the next several years.

- R&D productivity has improved from 3.3x for incremental revenue over FY22-FY24 to 4.1x for incremental revenue over FY22-25. It has been further enhanced to 5.7x for incremental revenue over FY23 to annualized YTD FY26 revenue.
- The cumulative R&D spend over FY26/FY27/1QFY28 is expected to be INR5b, aiding better visibility for revenue in FY29/FY30 and beyond.
- Higher-than-expected demand led to increased outsourcing, which dragged gross margins for the quarter.
- Cash generated from operations (pre-tax/post-working capital requirement) was INR810m against EBITDA of INR1.1b for the quarter.
- Inventory was INR7b at the end of 3QFY26. About 30% of the Inventory is toward recent/upcoming launches. Despite this, the current ROCE is 34% vs 30% in FY25.

Consolidated - Quarterly Earning Model

Y/E March	FY25			FY26				FY25	FY26	FY26	
	1Q	2Q	3Q	1Q	2Q	3Q	4QE			3QE	vs Est.
Gross Sales	3,167	2,960	3,134	3,525	4,120	4,755	4,933	12,843	17,333	4,580	4%
YoY Change (%)				11.3	39.2	51.7	37.7	50.4	35.0	NA	
Total Expenditure	2,565	2,343	2,435	2,734	3,177	3,674	3,865	10,200	13,451	3,572	
EBITDA	602	617	699	791	943	1,081	1,067	2,643	3,883	1,008	7%
YoY Change (%)				31.4	52.9	54.7	47.3		46.9	NA	
Margins (%)	19.0	20.8	22.3	22.4	22.9	22.7	21.6	20.6	22.4	22.0	
Depreciation	94	81	94	96	119	116	136	366	466	135	
EBIT	509	535	605	695	824	966	931	2,277	3,417	873	
YoY Change (%)				36.7	54.0	59.7	48	NA	NA	NA	
Margins (%)	16.1	18.1	19.3	19.7	20.0	20.3	18.9	18	20	19	
Interest	101	70	78	106	114	98	30	368	348	10	
Other Income	4	27	5	6	7	38	18	36	69	8	
PBT before EO expense	412	492	532	596	717	906	920	1,945	3,138	871	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	
PBT	412	492	532	596	717	906	920	1,945	3,138	871	
Tax	156	147	151	163	179	178	250	602	769	244	
Rate (%)	37.9	29.9	28.4	27.3	24.9	19.6	27.2	30.9	24.5	28.0	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	
Reported PAT	256	345	381	433	539	728	670	1,344	2,369	627	
Adj PAT	256	345	381	433	539	728	670	1,344	2,369	627	16%
YoY Change (%)	NA	NA	NA	69.4	56.2	91.2	84.8	47.6	76.3	NA	
Margins (%)	8.1	11.6	12.1	12.3	13.1	15.3	13.6	10.5	13.7	13.7	
EPS (INR)	1.6	2.1	2.3	2.6	3.3	4.4	4.1	8.2	14.4	3.8	16%

E: MOFSL Estimates

Key Performance Indicators

Cost Break-up	FY25			FY26				FY25	FY26
	1Q	2Q	3Q	1Q	2Q	3QE	4QE		
RM Cost (% of Sales)	27.1	26.7	31.5	29.2	30.7	33.1	33.0	29.2	31.7
Staff Cost (% of Sales)	15.6	17.3	17.2	16.5	15.4	14.0	14.3	16.4	14.9
Other Cost (% of Sales)	38.3	35.1	29.0	31.8	31.0	30.2	31.1	33.8	31.0
Gross Margins(%)	72.9	73.3	68.5	70.8	69.3	66.9	67.0	70.8	68.3
EBITDA Margins(%)	19.0	20.8	0.2	22.4	22.9	22.7	21.6	20.6	22.4
PBT Margins(%)	13.0	16.6	17.0	16.9	17.4	19.0	18.6	15.1	18.1
PAT Margins(%)	8.1	11.6	12.1	12.3	13.1	15.3	13.6	10.5	13.7

Mahanagar Gas

BSE SENSEX 83,739 S&P CNX 25,728



Stock Info

Bloomberg	MAHGL IN
Equity Shares (m)	99
M.Cap.(INRb)/(USDb)	104.1 / 1.2
52-Week Range (INR)	1587 / 1019
1, 6, 12 Rel. Per (%)	-5/-26/-30
12M Avg Val (INR M)	591
Free float (%)	67.5

Financials Snapshot (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	80.6	88.1	98.7
EBITDA	14.8	16.0	17.6
PAT	9.1	10.0	11.1
EPS (INR)	91.8	101.1	112.5
EPS Gr. (%)	-13.6	10.2	11.3
BV/Sh.(INR)	651.3	711.9	779.4

Ratios

Net D:E	0.0	0.0	-0.1
RoE (%)	14.7	14.8	15.1
RoCE (%)	14.9	14.9	15.2
Payout (%)	40.0	40.0	40.0

Valuations

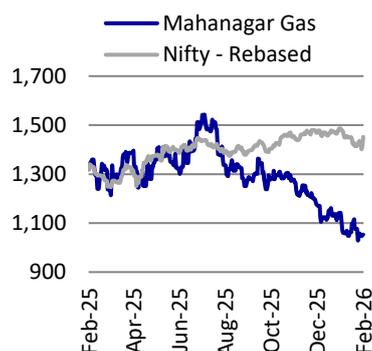
P/E (x)	11.5	10.4	9.4
P/BV (x)	1.6	1.5	1.4
EV/EBITDA (x)	6.8	6.3	5.7
Div. Yield (%)	3.5	3.8	4.3
FCF Yield (%)	2.4	2.2	3.7

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	32.5	32.5	32.5
DII	30.8	32.9	31.1
FII	24.9	23.6	25.8
Others	11.8	11.0	10.6

FII Includes depository receipts

Stock performance (one-year)



CMP: INR1053 TP: INR1535 (+46%) Buy

Cost pressure easing; valuations attractive

MAHGL's stock has corrected 21% in the last six months primarily due to the increased cost of Henry Hub (HH)-linked gas (Oct'25-Jan'26 average: USD4.6/mmbtu vs 1HFY26 average: USD3.1/mmbtu), rupee depreciation (6% YoY in 3QFY26), and the increase in Zone-1 tariff (est. impact of INR0.3/scm), which compressed margins. With HH prices having corrected from the recent peak of ~USD30/mmbtu to ~USD4.4/mmbtu currently, a benign crude price outlook (FY27E/28E: USD60/bbl), the rupee expected to stabilize following the India-US trade deal, a strong volume growth trajectory (10% CAGR over FY26–28E), and headroom for CNG price hikes, we believe downside risks from the current level are limited. At ~10.4x FY27E EPS (near mean -1 S.D.), valuations appear attractive, offering scope for re-rating as cost pressure eases.

HH price normalization to ease margin pressure

- HH prices spiked to ~USD30/mmbtu recently (Oct'25-Jan'26 average: USD4.6/mmbtu) due to colder-than-usual winters in the US, significantly above the 1HFY26 average of ~USD3.1/mmbtu, leading to a sharp increase in blended gas costs. However, HH prices have corrected meaningfully averaging ~USD4.4/mmbtu currently. Further, the US EIA now forecasts HH prices to average ~USD3.5/mmbtu in CY26, revised down from its earlier estimate of ~USD4/mmbtu, reinforcing that the recent uptick in HH price is not structural in nature.
- Based on our estimates, every USD1/mmbtu change in HH prices impacts MAHGL's blended gas cost by ~INR1.2/scm (~34% of total gas requirement met by HH linked R-LNG).

Zero-APM scenario implies INR4/kg CNG price hike requirement

- We estimate that if APM allocation declines to zero and is entirely replaced by spot LNG prices at USD8/mmbtu, MAHGL would require INR4/kg CNG price hike to maintain EBITDA/scm margin (assuming crude price of USD60/bbl and exchange rate of INR90/USD).
- With CNG price in Mumbai currently 40%/13% cheaper than petrol/diesel prices, we believe that an INR4/kg price hike would not result in significant pressure on new CNG car registrations. **We build in MAHGL to maintain EBITDA/scm margin at INR8.7-8.9 over FY26-28.**

Aggressive CNG station rollout and rising vehicle base to drive volumes

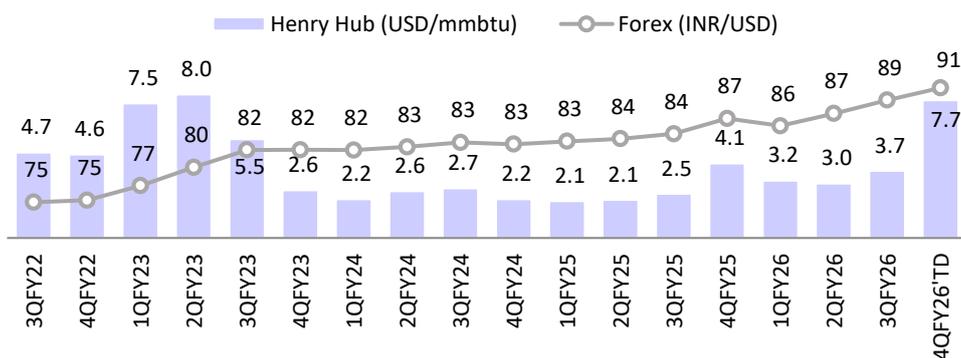
- **CNG station additions surged 2.7x over FY21-25:** MAHGL has been accelerating its CNG station rollout, which remains the cornerstone of its future volume growth strategy. On a standalone basis, the company has increased annual CNG station additions from 15 in FY21 to 40 in FY25 and targets to add ~50 stations in FY26. Under UEPL, the company plans to add another ~30 stations in FY26 (26 additions in FY25). Looking ahead, management has outlined an aggressive plan to add 250 CNG stations by FY30, alongside upgrading existing infrastructure to enhance efficiency.

- **CNG car registration grew ~10% over FY25 in 1HFY26:** CNG volumes remain a key growth driver, supported by strong vehicle registrations in the Mumbai-Thane region. According to MAHGL, more than 1.2m+ vehicles are registered in its geographical areas as of 30th Sep'25 (~1.1m+ as on 31 Mar'25).
- **We forecast CNG volume growth of 10% CAGR over FY26-28, driven by favorable fuel economics and improved network density.**

Valuations attractive at mean -1 S.D.

- MAHGL currently trades at ~10.6x 1-year fwd. P/E, ~1 S.D. below its long-term average multiple of ~13.9x P/E. This discount persists despite healthy return ratios (FY27 RoCE ~14.8%) and a strong balance sheet with negligible debt.
- While MAHGL would likely need price hikes to offset the impact of: 1) higher HH-linked gas cost (est. impact of INR0.3-0.4/scm); 2) rupee depreciation (est. impact of INR0.7-0.8/scm); and 3) increase in Zone-1 tariff (est. impact of INR0.3/scm), we believe current valuations reflect peak cost pressures and do not fully price in margin normalization and sustained volume growth.
- MAHGL currently trades at 9.4x FY28E SA EPS. We value MAHGL at 14x Dec'27E EPS, resulting in a TP of INR1,535. We have a BUY rating.

Rupee depreciated 6% YoY in 3Q; HH prices averaged USD7.7/mmbtu in Jan'26



Source: Bloomberg, MOFSL

MAHGL has the highest exposure to HH-linked gas, followed by IGL (%)

2QFY26 gas sourcing split (%)	MAHGL	IGL	GUJGA
APM	39	41	23
New Well Gas	8	13	5
HP-HT	12	10	0
IGX	8	0	0
HH linked	34	12	2
Brent linked	0	25	37
Spot LNG	0	0	33

Source: Company, MOFSL

Alkyl Amines Chemicals

Estimate changes	↔
TP change	↓
Rating change	↔

CMP: INR1,619

TP: INR1,730 (+7%)

Neutral

	AACL IN
Bloomberg Equity Shares (m)	51
M.Cap.(INRb)/(USDb)	82.8 / 0.9
52-Week Range (INR)	2449 / 1507
1, 6, 12 Rel. Per (%)	3/-36/-17
12M Avg Val (INR M)	144

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	15.5	17.0	18.4
EBITDA	2.9	3.3	3.6
PAT	1.9	2.1	2.3
EPS (INR)	36.2	41.7	45.6
EPS Gr. (%)	-0.4	15.1	9.5
BV/Sh.(INR)	300.2	330.4	363.5

Ratios

Net D:E	-0.2	-0.3	-0.3
RoE (%)	12.6	13.2	13.2
RoCE (%)	11.9	12.6	12.6
Payout (%)	27.5	27.5	27.5

Valuations

P/E (x)	44.6	38.8	35.4
P/BV (x)	5.4	4.9	4.4
EV/EBITDA (x)	27.3	23.8	21.5
Div. Yield (%)	0.6	0.7	0.8
FCF Yield (%)	2.0	2.3	3.1

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	72.0	72.0	72.0
DII	3.0	2.9	1.8
FII	3.5	3.4	3.2
Others	21.5	21.7	23.0

FII includes depository receipts

Muted performance amid demand and cost pressures

Earnings in line

- Alkyl Amines Chemicals (AACL) reported a muted operating performance in 3QFY26 as EBITDA declined 6% YoY. Further, higher raw material costs (gross margin contracted 50bp YoY) resulted in a marginal 20bp YoY contraction in EBITDA margins to 19%.
- The momentum is expected to remain muted in the near term due to prevailing demand softness across key end-user industries and heightened competitive intensity from Chinese manufacturers.
- We broadly maintain our earnings estimates and value the stock at 38x FY28E EPS to arrive at a TP of INR1,730. **Reiterate Neutral.**

Muted operating performance

- In 3QFY26, revenue came in at INR3.5b (est. of INR3.7b), down 5%/9% YoY/QoQ, while gross margin stood at 48%, down 50bpsYoY and up 60bp QoQ.
- In 3QFY26, EBITDA margin stood at 19%, contracting 20bp YoY but expanding 90bp QoQ.
- EBITDA stood at INR672m (est. in line), declining 6% YoY and 4% QoQ.
- Adjusted PAT stood at INR423m (est. in line), declining 3% YoY and 2% QoQ.
- In 9MFY26, Revenue/EBITDA/Adj. PAT declined 3%/4%/4% YoY at INR11.5b/INR2.1b/INR1.3b.

Valuation and view

- We expect short-term headwinds to persist, with volumes likely to be affected by global demand softness and weakness across key end-user industries, along with continued pricing pressure due to heightened competition from Chinese manufacturers.
- However, the long-term outlook remains positive, supported by AAAL's strengthening global presence through the development of efficient, cost-effective processes for high-grade and ultra-pure specialty products. The planned commercialization of a new product at the Kurkumbh facility, along with additional products in the R&D pipeline, should drive the next phase of growth.
- We estimate a CAGR of 5%/7%/8% in revenue/EBITDA/PAT over FY25-28 and maintain our earnings estimates. We value the stock at 38x FY28E EPS to arrive at a TP of INR1,730. **Reiterate Neutral.**

Standalone - Quarterly Snapshot

(INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26 3QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Gross Sales	3,997	4,149	3,712	3,861	4,055	3,894	3,540	3,976	15,718	15,466	3,749	-6%
<i>YoY Change (%)</i>	-2.5	17.8	15.3	8.3	1.5	-6.1	-4.6	3.0	9.1	-1.6	1.0	
Total Expenditure	3,206	3,414	3,000	3,182	3,290	3,192	2,868	3,205	12,807	12,555	3,073	
<i>Gross Margin (%)</i>	47.0%	45.4%	48.4%	45.9%	45.8%	47.3%	47.9%	49.0%	46.6%	47.5%	48.0%	
EBITDA	791	735	712	678	766	702	672	771	2,911	2,910	676	-1%
<i>Margin (%)</i>	19.8	17.7	19.2	17.6	18.9	18.0	19.0	19.4	18.5	18.8	18.0	
Depreciation	177	180	179	176	179	182	177	185	712	723	185	
Interest	2	4	9	2	3	3	2	2	10	11	3	
Other Income	47	92	66	93	80	74	80	95	298	329	91	
PBT before EO expense	659	643	591	594	663	591	572	679	2,486	2,506	579	
PBT	659	643	591	594	663	591	572	679	2,486	2,506	579	
Tax	170	169	153	133	169	162	150	171	625	651	146	
<i>Rate (%)</i>	25.9	26.2	25.9	22.5	25.5	27.4	26.2	25.2	25.1	26.0	25.2	
Adj PAT	489	475	438	460	494	429	423	508	1,861	1,855	433	-2%
<i>YoY Change (%)</i>	-1.8	74.2	30.9	19.7	1.2	-9.5	-3.4	10.4	25.0	-0.4	-1.0	
<i>Margin (%)</i>	12.2	11.4	11.8	11.9	12.2	11.0	11.9	12.8	11.8	12.0	11.6	

Ellenbarrie Industrial Gases

Estimate change	↓
TP change	↓
Rating change	↔

CMP: INR255 TP: INR350 (+37%) Buy

Near-term challenges, but structural growth drivers intact

EBITDA below our est., while adj. PAT in line due to higher other income

- Ellenbarrie (ELLEN) delivered a weak performance in 3QFY26 as its EBITDA declined 8% YoY to INR249m. The dip was mainly due to the price declines of key industrial gases – argon, oxygen, and nitrogen – led by muted demand in the steel industry.
- We expect the growth momentum to accelerate, driven by the ramp-up of the Uluberia-II (220 TPD) facility and the commissioning of the East India Onsite Plant (320 TPD) in 1QFY27. It will also be supported by margin expansion as the company intensifies its focus on power-cost optimization.
- Though we retain our FY26E earnings, we cut our FY27E/FY28E earnings by 8%/9% due to slower-than-expected recovery in the prices of key industrial gases and the weak operating performance in 3QFY26.

Revenue growth offset by EBITDA weakness

- ELLEN reported a total revenue of INR813m (in line) in 3QFY26, up ~20% YoY. EBITDA margin stood at 30.6% (est. 35.3%) vs. 39.7% in 3QFY25. EBITDA declined 8% YoY to INR249m (est. INR293m). Adj. PAT grew 36% YoY to INR261m (est. INR248m), led by higher other income (up 71% YoY).
- **Gases, related products & services** revenue grew 17% YoY to INR792m, EBIT grew 24% YoY to INR274m, and EBIT margin was 35% (vs. 33% in 3QFY25).
- **Project engineering** revenue stood at INR22m (up 3.8X YoY), EBIT stood at INR2.3m (up 11% YoY), and EBIT margin was 11% (vs. 37% in 3QFY25).
- For 9MFY26, revenue/EBITDA/adj. PAT grew 10%/5%/25% to INR2.5b/INR890m/INR815m.

Highlights from the management commentary

- **Expansion plans:** ELLEN is on track to expand pan-India, with the Uluberia-2 merchant plant now operational, and the North India bulk plant (220 TPD) is targeted for commissioning in 2HFY27. However, the East India onsite plant (320 TPD) is now slated for commissioning in 1QFY27 (vs. 4QFY26).
- **New-age industries:** The solar cell segment is witnessing strong traction, while competitors already hold some legacy contracts in the solar space. ELLEN is in key discussions for the same. As the domestic solar cell capacity scales up, the opportunity pool is expected to expand for all industry participants.
- **Outlook:** The company has reiterated its long-term EBITDA margin guidance of ~40%, led by the ramp-up of cost-efficient plants and normalization of argon prices. The revenue CAGR guidance remains unchanged at 20-25%.

Bloomberg	ELLEN IN
Equity Shares (m)	141
M.Cap.(INRb)/(USDb)	36 / 0.4
52-Week Range (INR)	638 / 245
1, 6, 12 Rel. Per (%)	-23/-59/-
12M Avg Val (INR M)	345

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	3.5	5.2	6.7
EBITDA	1.2	2.0	2.7
PAT	1.1	1.6	2.1
EPS (INR)	7.9	11.3	14.7
EPS Growth (%)	33.6	42.6	30.6
BV/Share (INR)	71.3	82.6	97.3
P/E (x)	32.3	22.6	17.3
P/BV (x)	3.6	3.1	2.6
EV/EBITDA (x)	29.5	17.9	12.8
EV/Sales (x)	10.4	6.8	5.1
RoE (%)	14.9	14.6	16.4
RoCE (%)	12.5	13.9	15.9

Shareholding Pattern (%)

As On	Dec-25	Sep-25
Promoter	77.2	77.2
DII	15.4	14.4
FII	0.8	1.2
Others	6.6	7.3

Note: FII includes depository receipts

Valuation and view

- Going forward, the company's strategic efforts towards power-cost optimization, along with higher contributions from argon, green energy initiatives, and capacity ramp-up, will lead to operating leverage of the newly commercialized plants.
- ELLEN's growth story will be led by 1) capacity expansion across India, 2) normalization of argon prices, 3) increasing traction in the solar cell segment, 4) the growing semiconductor value chain, 5) stable demand from well-diversified core industries, and 6) recovery in the steel sector.
- We build in a CAGR of 29%/34%/36% in revenue/EBITDA/adj. PAT over FY25-28E. We maintain our FY26 earnings estimates and reduce our FY27/FY28 earnings estimates by 8%/9% due to slower than expected recovery in prices of key industrial gases and the weak operating performance in 3QFY26, and reiterate our BUY rating with a TP of INR350 (based on 27Sep'27E EPS).

ELLEN Quarterly Performance

Y/E March	FY25			FY26				FY25	FY26E	FY26 3QE	Var %	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q					4QE
Gross Sales	673	947	680	825	836	892	813	940	3,125	3,481	831	-2%
YoY Change (%)	NA	NA	NA	NA	24.3	-5.8	19.6	14.0	16.0	11.4	22.1	
Total Expenditure	454	585	410	579	529	557	565	602	2,027	2,253	537	
Gross Margin (%)	88.6%	85.9%	96.1%	85.4%	88.8%	90.6%	87.4%	88.0%	88.6%	88.7%	88.4%	
EBITDA	219	362	270	246	307	335	249	338	1,097	1,228	293	-15%
Margin (%)	32.5	38.2	39.7	29.8	36.7	37.5	30.6	36.0	35.1	35.3	35.3	
Depreciation	49	48	46	65	51	51	52	60	207	214	62	
Interest	39	42	37	54	46	11	15	10	171	82	10	
Other Income	79	72	94	114	68	126	161	130	359	485	110	
PBT before EO expense	211	345	282	241	278	400	342	398	1,078	1,418	331	
Extra-Ord. expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	211	345	282	241	278	400	342	398	1,078	1,418	331	
Tax	49	48	90	59	91	32	81	100	245	305	83	
Rate (%)	23.2	14.0	31.8	24.3	32.8	8.1	23.8	25.2	22.8	21.5	25.2	
Reported PAT	162	297	192	183	187	367	261	298				
Adj. PAT	162	297	192	183	187	367	261	298	833	1,113	248	5%
YoY Change (%)	NA	NA	NA	NA	15.6	23.8	35.9	-18.9		33.6	29.2	
Margin (%)	24.1	31.3	28.2	22.2	22.4	41.2	32.1	31.7	26.7	32.0	29.9	

Estimate change	↔
TP change	↓
Rating change	↔

CMP: INR537 TP: INR600 (+12%) Neutral

Stock Info

Bloomberg	TCIEXP IN
Equity Shares (m)	38
M.Cap.(INRb)/(USD\$b)	20.6 / 0.2
52-Week Range (INR)	870 / 478
1, 6, 12 Rel. Per (%)	-7/-29/-41
12M Avg Val (INR M)	20

Financials Snapshot (INR b)

Y/E March	2026E	2027E	2028E
Net Sales	12.4	14.0	15.1
EBITDA	1.4	1.6	1.8
Adj. PAT	0.9	1.2	1.3
EBITDA Margin (%)	11.0	11.8	12.0
Adj. EPS (INR)	24.7	30.4	33.1
EPS Gr. (%)	10.5	22.8	9.1
BV/Sh. (INR)	216	239	264

Ratios

Net D/E (x)	0.0	0.0	0.0
RoE (%)	11.9	13.4	13.2
RoCE (%)	11.7	13.1	13.0
Payout (%)	32.3	26.3	24.1

Valuations

P/E (x)	21.7	17.7	16.2
P/BV (x)	2.5	2.3	2.0
EV/EBITDA (x)	15.0	12.5	11.3
Div. Yield (%)	1.5	1.5	1.5
FCF Yield (%)	0.9	0.4	1.1

Shareholding Pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	69.5	69.5	69.5
DII	9.4	9.4	9.7
FII	0.8	0.9	0.9
Others	20.3	20.3	19.8

FII includes depository receipts

Steady 3Q; volume growth likely to improve as demand from the SME segment picks up

- TCI Express's (TCIE) 3QFY26 revenue grew 6% YoY to INR3.1b (+2% QoQ) and was in line with our estimate. Volume grew 2% YoY.
- EBITDA stood at INR336m (+16% YoY/-5% QoQ), 4% above our estimate.
- EBITDA margin came in at 10.7% in 3QFY26 vs. our estimate of 11.2%.
- APAT rose ~19% YoY to INR229m (-9% QoQ) vs. our estimate of INR246m.
- For 9MFY26, TCIE's revenue/EBITDA/APAT stood at +1%/-1%/+2% YoY.
- Management expects volume growth to improve going forward, supported by a recovery in SME demand. A favorable mix driven by domestic consumption underpins a steady demand outlook across segments, while ongoing contract renewals are expected to support margins.
- In 3QFY26, volumes grew just 2% YoY with subdued logistics activity in November and increased competition. The outlook is better ahead as demand from the SME segment is showing signs of revival post GST rate cut. We broadly retain our estimates for FY26/FY27/FY28. We expect TCIE to clock an 6%/8%/13% volume/revenue/EBITDA CAGR over FY25-28. **We reiterate our Neutral rating with a TP of INR600 (based on 18x FY28 EPS).**

Key highlights from the management commentary

- TCIE's 3QFY26 volume stood at 0.25m tons (+2% YoY). Capacity utilization during 3QFY26 remained steady at 83.25%.
- Management highlighted a favorable mix trend driven by domestic consumption, supporting a steady demand outlook across segments. Moreover, contract renewals are currently underway, which are expected to support margins going forward.
- The company continues to maintain very low customer concentration, balancing SME and large institutional clients while prioritizing profitable growth over pure volume-led growth.
- For FY27, management guided to 15% volume growth along with a ~2% price hike, implying ~17% revenue growth.
- EBITDA margin is expected to improve through cost optimization, higher automation benefits, and price increases.

Valuation and view

- TCIE's 3Q was broadly in line. We believe the volume growth is set to improve ahead with demand improving from the SME segment, GST rate cut benefits flowing through, and the rising contribution of the multimodal logistics segment.
- We largely maintain our estimates for FY26/FY27/FY28. We expect TCIE to clock a 6%/8%/13% volume/revenue/EBITDA CAGR over FY25-28. **We reiterate our Neutral rating with a revised TP of INR600 (based on 18x FY28 EPS).**

Quarterly snapshot
INR m

	FY25				FY26E				FY25	FY26E	FY26	INR m
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var. vs Est
Net Sales	2,930	3,115	2,965	3,073	2,868	3,085	3,141	3,293	12,083	12,386	3,115	1
YoY Change (%)	-3.9	-2.6	-4.9	-3.1	-2.1	-1.0	5.9	7.2	-3.6	2.5	5.1	
EBITDA	327	368	289	263	281	354	336	395	1,247	1,366	349	(4)
Margins (%)	11.2	11.8	9.8	8.5	9.8	11.5	10.7	12.0	10.3	11.0	11.2	
YoY Change (%)	-29.4	-27.1	-36.6	-41.4	-14.3	-3.7	16.3	50.4	-33.4	9.6	20.7	
Depreciation	51	53	53	59	53	53	60	63	216	228	51	
Interest	3	3	3	5	3	3	3	3	13	12	2	
Other Income	23	25	26	61	38	35	31	41	134	144	34	
PBT before EO expense	297	336	259	260	263	332	305	370	1,152	1,270	330	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	297	336	259	260	263	332	305	370	1,152	1,270	330	
Tax	74	87	67	66	68	80	76	97	294	322	84	
Rate (%)	24.8	25.8	26.0	25.5	25.9	24.2	24.9	26.3	25.5	25.4	25.5	
Reported PAT	223	249	192	194	195	252	229	273	858	948	246	(7)
Adj PAT	223	249	192	194	195	252	229	273	858	948	246	(7)
YoY Change (%)	-31.0	-29.9	-40.4	-38.7	-12.7	0.9	19.2	40.9	-34.8	10.5	28.2	
Margins (%)	7.6	8.0	6.5	6.3	6.8	8.2	7.3	8.3	7.1	7.7	7.9	

Expert Speak

Expert speak: Decoding the Union Budget FY27 and the US-India trade deal implications

Dr. Anantha Nageswaran, Chief Economic Advisor (Government of India)

To understand the implications of the US–India trade deal and the Union Budget FY27 on India’s growth outlook, fiscal position, and financial markets, we hosted an expert interaction with Dr. V. Anantha Nageswaran, Chief Economic Adviser (CEA) to the Government of India. Given below are his key insights and takeaways from the discussion:

India-US Trade Deal: Upside risk to growth

- The CEA mentioned that **the India–US trade deal represents a key upside risk to India’s growth outlook**, primarily by reducing policy and trade-related uncertainty that had weighed on capital flows and private investment sentiment. According to the CEA, capital flows had been relatively weak in the recent period due to heightened uncertainty, and trade agreements are expected to meaningfully improve visibility and investor confidence.
- The CEA mentioned that **real GDP growth is seen in the 6.8–7.2% range**, with risks tilted to the upside (**the CEA flagged the potential of > 7.2% pending details**). In addition, forthcoming changes to the GDP and CPI series could also provide a statistical upside to growth and nominal aggregates. **Upside risks to nominal GDP remain, which could be in the 10-11% band** (emphasizing higher rather than lower nominal GDP in the band).
- **On the investment cycle**, the CEA mentioned that private capex was strong in FY25 and is expected to be weaker in FY26. However, the outlook for FY27 is positive as trade-related uncertainties ease and investment planning improves.
- **On the external front**, the CEA mentioned that India plans to increase imports from the US to USD 500 billion over the next five years, which should support external stability, improve capital flow dynamics, and provide strong downside support to the INR.
- The CEA noted that **oil prices are not seen as a major risk** in the current environment, partly due to the US trade dynamics.
- However, he cautioned that volatility in global financial and commodity markets could create spillovers through credit-related stresses, posing some downside risks.
- **INR to be stable**: The one-sided directional moves in the INR are unlikely, with strong downside support for the currency.



Dr. Anantha Nageswaran, Chief Economic Advisor (Government of India)

Dr. V. Anantha Nageswaran is the Chief Economic Adviser (CEA) to the Government of India. He previously served as a part-time member of the Economic Advisory Council to the Prime Minister of India from 2019 to 2021. He is also an Honorary Senior Advisor to the International Financial Services Authority of India (IFSCA).

Dr. Nageswaran has over 17 years of experience in senior roles at leading global financial institutions, including UBS, Credit Suisse, and Julius Baer, bringing deep expertise in macroeconomics, finance, and global markets.

He holds a PhD from the University of Massachusetts, Amherst, and a PGDM from IIM Ahmedabad. In addition to his public policy and academic credentials, Dr. Nageswaran has served as an Independent Director on the boards of several prominent corporates, including TVS Supply Chain Solutions, Sundaram Fasteners, TVS Tyres, and Delphi-TVS.

Highlights from the Union Budget FY27

- The CEA mentioned that the government remains firmly **committed to fiscal prudence**, with conservative revenue assumptions in the FY27 budget, including tax buoyancy of around 0.8 and nominal GDP growth assumptions of about 10%.
- **The CEA acknowledged that gross market borrowings in FY27 are budgeted higher than market expectations.** However, he clarified that this is largely a consequence of cautious revenue assumptions, rather than any deterioration in fiscal discipline. He expressed confidence that non-tax revenues could exceed budgeted levels, aided by dividends from public sector enterprises and the central bank, as well as improved profitability across parts of the public sector.

- Importantly, the CEA was very confident **of achieving the divestment target of INR800b**, noting that the government's asset monetization and strategic divestment pipeline is stronger than in recent years.
- According to him, there is **no concern about a sharp rise in G-sec yields**, supported by confidence in **non-tax receipts and divestment**.
- The recent **STT hike limited to F&O** is unlikely to have long-term implications for market participation, with emphasis placed on better mobilization of household savings towards **productive capital formation rather than speculation**.

Focus areas | growth drivers

- The CEA mentioned that the **services sector** will continue to be a key growth engine, led by **IT-enabled services and Global Capability Centers (GCCs)**. He also highlighted the growing policy emphasis on **nuclear energy-linked capital goods, bio-pharma, and data centers**, reflecting India's longer-term industrial and technological priorities.
- Urbanization was highlighted by the CEA as a **major structural theme**, with cities increasingly viewed as integrated **economic systems**, supported by an expanding **care economy ecosystem**. In terms of employment, the CEA mentioned that job creation is being actively targeted through the **orange economy, care services, tourism, and allied activities**, including tourist guides.
- On the trade and manufacturing side, the CEA mentioned continued **customs duty rationalization** and targeted policy support for **textiles and other labor-intensive sectors** underscore the government's focus on **manufacturing expansion and export competitiveness**. He added that **MSME support remains a priority**, alongside a broader push to strengthen **strategic resilience** in the economy.

Expert Speak

India's textile sector: Preparing for demand boom due to tariff relaxation

We hosted an expert session to understand the implications of the recent US tariff relaxations on the Indian textile market and to gain insights into the scope of policy changes. This session highlighted the following:

- The US Government has reduced tariffs on Indian goods from 50% to 18% with immediate effect, providing significant relief to the Indian textile industry. This came as a highly favorable announcement, as the home textile market declined 4% and small players were nearing shutdown.
- The tariff reduction marks a 'golden moment' for the Indian textile industry, with FTAs across the US, UK, and EU potentially making ~70–75% of textile exports duty-free over time, significantly improving global competitiveness.
- Man-made Fibers (MMF) are gaining prominence as they are replacing cotton in the domestic market. The tariff reduction has unfolded opportunities for India despite China and Vietnam currently dominating the MMF sector.
- Cotton remains a strategic advantage for India, forming ~62% of exports. Cotton blends are expected to grow, with India and Bangladesh emerging as key competitors. With tariff relaxation, the cotton market is expected to experience growth.
- Exports, employment, and investments are expected to rise, with many companies planning additional factories under the Make-in-India framework. It is estimated that a textile player with one existing factory will require an additional facility to meet the potential increase in demand.
- Textile and clothing exports currently form 8% of India's total exports (vs 21% in 2004). Going forward, the share is expected increase to ~10-12%.
- The industry is on track to grow exports from USD36b to USD45-50b over the next three years, progressing toward the long-term target of USD100b. The Indian textile industry is also diversifying export markets, reducing over-dependence on any single geography.

Following are the key takeaways from the expert session:

Margin pressure from tariffs comes to an end

- The US government has reduced tariffs on Indian goods from 50% to 18% with immediate effect, providing significant relief to the Indian textile industry. Formal notifications are expected within the next 2–3 days.
- The US is India's largest textile consumption market, accounting for ~28–29% of India's textile exports. Historically, the US has not extended FTA benefits and used tariffs as a trade policy tool.
- The announcement came directly from the US, with no prior discussion in the Indian Parliament, indicating a sudden shift in international trade dynamics.
- The global trade order is undergoing a change, with countries increasingly recognizing the benefits of globalization after recent protectionist phases.
- India itself maintains tariffs of ~18% on major textile categories to protect its domestic market.
- In addition to facing US tariffs, the textile sector has been under severe pressure from regulatory changes, R&D costs, sustainability mandates, and brand compliance. As a result, the home textiles market declined ~4% and small players were nearing shutdown.
- Textile and clothing exports currently form 8% of India's total exports (vs 21% in 2004). Going forward, the share is expected increase to ~10-12%.
- Budget 2026-27 is expected to be structurally beneficial in the long term, with industry impact becoming robust over the next 2–3 years.
- EU FTA is currently in the legislative process, with implementation expected by Feb'27.

Expert Background



Dr. Siddhartha Rajagopal,
ED, TEXPROCIL

The Cotton Textiles Export Promotion Council (TEXPROCIL) is the first council established in 1954 by the Government of India after independence. It is an autonomous, non-profit body dedicated to the promotion of exports. The council connects international buyers with appropriate suppliers and facilitates interactions that enable them to source their specific needs. It also provides information on India's competitive advantages, its export environment, and its updated position in the global marketplace.

Evolving textile market to attract investments: Home textile - A key beneficiary of US tariff reduction

- The tariff reduction marks a 'golden moment' for the Indian textile industry, with FTAs across the US, UK, and EU potentially making ~70–75% of textile exports duty-free over time, significantly improving global competitiveness.
- Home textiles are expected to be the primary growth driver, especially in the US, Japan, Switzerland, UK, and EU, with private capex and investments outpacing garments.
- Domestic fabric demand is expected to rise, supported by export growth and forward integration across the value chain.
- Yarn manufacturers are moving toward forward integration, while fiber manufacturers will benefit from PLI schemes, necessitating faster capacity expansion in fabrics and weaving.
- Weaving base improvements will be critical to meeting rising domestic and export demand.
- Technical textiles (non-wearable) are emerging as a high-growth segment.
- Demand for advanced machinery and specialty chemicals (excluding carcinogenic dyes) is expected to rise due to a surge in the textile industry.
- MMFs are gaining prominence as they are replacing cotton in the domestic market. Tariff reduction has unfolded opportunities for India despite China and Vietnam currently dominating the sector.
- Cotton remains a strategic advantage for India, forming ~62% of exports. India is one of the few countries growing cotton. Cotton blends are expected to grow, with India and Bangladesh emerging as key competitors. With tariff relaxation, the cotton market is expected to experience growth.
- Production expansion timelines are estimated at 12–18 months, with capacities expected to scale post tariff normalization.
- Exports, employment, and investments are expected to rise, with many companies planning additional factories under the Make-in-India framework. It is estimated that a textile player with one existing factory will require an additional facility to meet the potential increase in demand.
- The domestic market is growing faster than exports, with leading players such as Trident, Welspun, Indo Count, and Himatsingka strengthening their focus on local markets. Companies are prioritizing the domestic market before targeting exports.
- New textile parks focusing on fiber investments (Arvind and peers) are expected to accelerate industry modernization.
- The garments segment requires product diversification and quality upgrades to boost demand.
- The industry is on track to grow exports from USD36b to USD45-50b over the next three years, progressing toward the long-term target of USD100b.

Evolving competitive landscape

- India is well-recognized in the US and EU markets, particularly in home textiles, with strong buyer trust and established supplier relationships.
- Despite tariff challenges, India's towels market accounts for ~34% share, reflecting buyer stickiness and product preference (vs ~37% pre-higher tariffs).
- China is gradually withdrawing from international markets. At present, ~34-35% tariffs are levied by the US on China.
- India holds a larger global share in sheeting and towels than China, positioning the country to absorb market share being vacated by China.
- India enjoys a relative advantage over Pakistan and Bangladesh due to political instability in those countries, as well as higher US tariffs on Pakistan (19%) and Bangladesh (~20%) compared to India.
- Vietnam is under 20% US tariffs, which are higher than in India.
- The US has imposed a 10% tariff on Turkey's textiles; however, the Indian textile industry does not view this negatively, given the current economic stress in Turkey.
- The vertically-integrated textile market of India is well-positioned to capitalize on this tariff reduction.
- The Indian textile industry is also diversifying its export markets, reducing over-dependence on any single geography.
- SMEs have a strong and resilient presence across the textile value chain.
- Rising costs are expected but will be absorbed and stabilized through scale, investments, and efficiency improvements.

BSE SENSEX
83,739

S&P CNX
25,728

CMP: INR1,428

Neutral

Conference Call Details



Date: 04th Feb 2026

Time: 4:00pm IST

Dial-in details:

[Diamond Pass Registration](#)

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	147.0	166.8	189.1
Sales Gr. (%)	11.8	13.5	13.4
EBITDA	34.2	38.7	44.0
EBITDA Margin (%)	23.3	23.2	23.3
Adj. PAT	24.2	28.1	32.1
Adj. EPS (INR)	23.8	27.6	31.6
EPS Gr. (%)	15.3	15.9	14.3
BV/Sh.(INR)	108.0	122.0	138.1
Ratios			
RoE (%)	23.4	24.0	24.3
RoCE (%)	21.8	22.5	22.8
Payout (%)	49.4	49.1	49.0
Valuations			
P/E (x)	62.0	53.5	46.8
P/BV (x)	13.7	12.1	10.7
EV/EBITDA (x)	42.8	37.5	32.8
Div. Yield (%)	0.8	0.9	1.0

Steady performance; volume up 9% YoY

Consolidated performance

- Consol. sales grew 10% YoY to INR37.1b (est. INR37.8b).
- Underlying volume growth remained strong at 9% (est. 12%, 10.3% in 2QFY26). UVG was 10% for C&B businesses and 7% for B2B businesses.
- Gross margins expanded by ~220bp YoY to 56.5% (est. 55%).
- The cost impact of INR 523m arising from the implementation of the new labor codes, we treat it as an exceptional item.
- Employee expenses were up 9% YoY (adjusted INR523mn due to the new labor codes), and other expenses also rose 13% YoY.
- EBITDA margin expanded by 180bp YoY to 25.5% in 3QFY26 (est. 23.8%). EBITDA grew by 19% YoY (est. 13%) after adjusting for the INR523m impact due to the labor codes.
- The cost impact of INR 523m arising from the implementation of the new labor codes, we treat it as an exceptional item. We also adjusted the segmental EBIT by cost, divided proportionally to segment revenue.
- Consumer & Bazaar (C&B) segment revenues were up 11% YoY to INR29.7b (est. INR29.7), with segmental EBIT growing 21% YoY to INR9.5b (est. INR8.9b). It is adjusted to INR415m arising from the implementation of the labor code. Segmental EBIT margins expanded 260bp YoY to 32%.
- B2B segment revenue rose 3% YoY to INR7.8b (est. INR8.5b). The segmental EBIT decreased 2% to INR1.3b (est. INR1.4b). It is adjusted to INR108m arising from the implementation of the labor code. Segmental EBIT margins contracted 80bp YoY to 16.8%.
- PBT grew 19% YoY to INR9.0b (est. INR8.6b).
- Adj. PAT increased 22% YoY to INR6.8b (est. INR6.4b).
- In 9MFY26, net sales, EBITDA, and APAT grew 10%, 15%, and 17%, respectively.

International business

- C&B revenue of domestic subsidiaries grew 13% YoY, and EBITDA grew 27%. Domestic B2B revenue dipped 8% YoY, and EBITDA declined 52% YoY.
- The Middle East and Africa revenue grew 3%, and EBITDA was up 2% YoY. Asia revenue grew 9% YoY, and EBITDA grew 26% YoY.

Consolidated - Quarterly Earnings Model
(INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26 3QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Volume growth (%)	9.6	8.0	9.7	9.8	9.9	10.3	9.3	12.0	9.3	10.4	12.0	
Net Sales	33,954	32,349	33,689	31,411	37,531	35,544	37,099	36,831	1,31,403	1,46,964	37,783	-1.8
YoY change (%)	3.7	5.2	7.6	8.2	10.5	9.9	10.1	17.3	6.1	11.8	12.2	
Gross Profit	18,268	17,583	18,301	17,288	20,314	19,563	20,961	19,729	71,440	80,566	20,781	0.9
Margin (%)	53.8	54.4	54.3	55.0	54.1	55.0	56.5	53.6	54.4	54.8	55.0	
EBITDA	8,127	7,688	7,984	6,326	9,410	8,507	9,468	6,878	30,125	34,193	8,984	5.4
YoY change (%)	15.0	13.1	7.5	9.6	15.8	10.7	18.6	8.7	11.3	13.5	12.5	
Margins (%)	23.9	23.8	23.7	20.1	25.1	23.9	25.5	18.7	22.9	23.3	23.8	
Depreciation	844	879	895	967	967	1,000	1,010	1,028	3,585	4,004	1,000	
Interest	118	117	125	144	138	133	133	128	504	532	135	
Other Income	539	571	558	804	857	502	655	1,047	2,472	3,061	725	
PBT	7,704	7,263	7,522	6,019	9,162	7,877	8,980	6,768	28,509	32,718	8,574	4.7
Tax	1,984	1,848	1,947	1,487	2,383	2,027	2,159	1,692	7,265	8,261	2,143	
Rate (%)	25.7	25.4	25.9	24.7	26.0	25.7	24.0	25.0	25.7	25.3	25.0	
Reported PAT	5,669	5,346	5,524	4,223	6,724	5,792	6,180	5,028	20,762	24,236	6,375	-3.1
Adj PAT	5,669	5,346	5,524	4,473	6,724	5,792	6,761	5,028	21,012	24,236	6,375	6.0
YoY change (%)	21.1	18.7	8.2	20.2	18.6	8.4	22.4	12.4	16.7	15.3	15.4	
Margins (%)	16.7	16.5	16.4	14.2	17.9	16.3	18.2	13.7	16.0	16.5	16.9	

E: MOFSL Estimates

Consolidated segmental performance

Consol. revenue (INR m)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Consumer & Bazaar	27,408	25,805	26,726	23,976	30,067	28,365	29,742
% YoY	3%	3%	5%	7%	10%	10%	11%
C&B volume growth (%)	8%	6%	7%	8%	9%	10%	10%
Business to business	7,256	7,036	7,572	8,089	8,066	7,613	7,777
% YoY	7%	14%	19%	14%	11%	8%	3%
B2B volume growth (%)	18%	21%	22%	16%	13%	10%	7%
Consol. EBIT (INR m)							
Consumer & Bazaar	8,039	7,710	7,865	6,178	9,458	8,575	9,520
% margin	29.3%	29.9%	29.4%	25.8%	31.5%	30.2%	32.0%
% YoY	14%	11%	2%	13%	18%	11%	21%
Business to business	1,103	1,040	1,335	1,415	1,329	1,158	1,308
% margin	15.2%	14.8%	17.6%	17.5%	16.5%	15.2%	16.8%
% YoY	20%	52%	76%	69%	20%	11%	-2%

Castrol India

BSE SENSEX
83,739

S&P CNX
25,728

CMP: INR185

Buy

Conference Call Details



Date: 04 Feb'26
Time: 1200 hours IST
Dial-in details:
 +91 22 7195 0000

EBITDA misses our estimate; volume growth remains robust

- CSTR's 4QCY25 revenue came in at ~INR14.4b (in line, up 6% YoY).
- Volume grew 8% YoY to 63.7m lit (in-line).
- EBITDA came in 10% below our estimate at INR3.7b (down 2% YoY).
- EBITDA margin contracted 230bp YoY.
- Reported PAT came in 17% below our estimate at INR2.4b.
- The company recognized incremental obligations of INR225m w.r.t the new labor codes. Adjusted PAT stood 12% below our estimate at INR2.6b.
- Other income came in above our estimate.
- **Key takeaways from the Press Release**
- **Expanded its footprint and strengthened market presence:**
 - National distribution increased to ~150,000 outlets, with the Auto Care portfolio available across e-commerce, modern trade, and 67,000+ physical outlets.
- The service network scaled to 750+ Castrol Auto Service centers, ~33,000 independent bike workshops, and ~11,500 multi-brand workshops.
- Rural distribution expanded to ~40,000 outlets and ~500 Rural Service Express, delivering sustained double-digit growth.
- Castrol signed strategic agreements with Triumph Motorcycles (Castrol POWER1) and VinFast Auto India to support EV after-sales through select Castrol Auto Service workshops.
- **Building momentum through new launches and localization:**
 - In CY25, Castrol launched and localized ~20 products across automotive, industrial, and specialty segments.
 - New launches across automotive and industrial segments included Hysol SL 20 XBB, Alusol SL 41 XBB/5505, Spheerol 40K/SM 00, Radicool, and Transmax.
 - Castrol MAGNATEC was upgraded to the latest API SQ specifications.
 - The Auto Care portfolio was expanded with mechanic care solutions, an All-in-One Helmet Cleaner, and an Aesthetic Care range.

Quarterly Performance
(INR m)

Y/E December	CY24				CY25				CY24	CY25	CY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Volume (m litres)	58.0	61.0	55.0	59.0	63.0	66.0	59.0	63.7	233.0	251.7	62.5	2%
Realization	228	229	234	229	226	227	231	226	230	227	228	-1%
Net Sales	13,252	13,975	12,882	13,539	14,220	14,968	13,628	14,399	53,649	57,215	14,280	1%
YoY Change (%)	2.4	4.8	8.9	7.1	7.3	7.1	5.8	6.4	5.7	6.6	5.5	
EBITDA	2,937	3,224	2,861	3,759	3,074	3,495	3,228	3,678	12,782	13,475	4,074	-10%
YoY Change (%)	-0.4	4.1	6.5	14.2	4.6	8.4	12.8	-2.1	6.3	5.4	8.4	
Margin (%)	22.2	23.1	22.2	27.8	21.6	23.4	23.7	25.5	23.8	23.6	28.5	-10%
Depreciation	237	261	245	254	246	266	252	245	998	1,008	260	
Interest	21	26	20	27	23	26	21	23	94	93	28	
Other Income	241	204	209	232	322	93	123	136	886	674	106	
PBT before EO expense	2,921	3,142	2,805	3,709	3,127	3,295	3,079	3,547	12,576	13,048	3,891	-9%
Extra-Ord expense	0	0	0	0	0	0	0	225	0	225	0	
PBT	2,921	3,142	2,805	3,709	3,127	3,295	3,079	3,322	12,576	12,823	3,891	-15%
Tax	758	820	730	995	793	855	801	875	3,304	3,324	927	
PAT	2,162	2,322	2,074	2,714	2,335	2,440	2,278	2,447	9,272	9,499	2,964	-17%
Adj PAT	2,162	2,322	2,074	2,714	2,335	2,440	2,278	2,613	9,272	9,666	2,964	-12%
YoY Change (%)	6.8	3.1	6.7	12.2	8.0	5.1	9.8	-3.7	7.3	4.2	9.2	
Operational Details (INR/lit)												
Volume (m litres)	58.0	61.0	55.0	59.0	63.0	66.0	59.0	63.7	233.0	251.7	62.5	2%
Realization	228.5	229.1	234.2	229.5	225.7	226.8	231.0	226.0	230.3	227.3	228.3	-1%
Gross margin	109.4	111.3	111.9	120.0	108.5	109.9	115.1	112.2	113.2	111.3	118.7	-6%
EBITDA	50.6	52.9	52.0	63.7	48.8	53.0	54.7	57.7	54.9	53.5	65.2	-11%
PAT	37.3	38.1	37.7	46.0	37.1	37.0	38.6	41.0	39.8	38.4	47.4	-14%

Triveni Turbine

BSE SENSEX
83,739

S&P CNX
25,728

CMP: INR548

Buy

Conference Call Details



Date: 04th February 2026

Time: 12:30pm IST

Dial-in details:

[Diamond pass](#)

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	21.1	24.9	30.1
EBITDA	4.5	5.4	6.4
Adj. PAT	3.7	4.5	5.3
Adj. EPS (INR)	11.8	14.0	16.8
EPS Gr. (%)	4.4	19.0	19.8
BV/Sh.(INR)	46.7	56.8	68.9
Ratios			
RoE (%)	27.7	27.1	26.7
RoCE (%)	27.9	27.2	26.9
Valuations			
P/E (x)	46.5	39.1	32.6
P/BV (x)	11.7	9.6	8.0
EV/EBITDA (x)	37.0	31.3	25.8
Div. Yield (%)	0.6	0.7	0.9

Beat on revenue and EBITDA; PAT in line

- Triveni Turbine reported a revenue and EBITDA beat, while PAT was in line with our estimate.
- Revenue was above our estimates and increased 24% YoY to INR6b. Domestic sales were down 6% YoY to INR2.4b, while export sales increased 54% YoY to INR3.9b.
- Gross margin dipped 270bp YoY to 46.8%, leading to an EBITDA margin contraction of 20bp/110bp YoY/QoQ to 21.5%, though this was ahead of our expectation of 21.2%.
- Absolute EBITDA rose 23%/17% YoY/QoQ to INR1.3b, representing a 13% beat versus our estimate.
- Lower other income and a higher-than-expected tax rate resulted in an in-line PAT, which increased 11% YoY to INR1b.
- Order inflows decreased 26% YoY to INR4b due to weak export ordering.
- Export order booking declined by 40% YoY to INR2.1b, impacted by global trade uncertainties and delays in contract closures. Domestic order bookings grew marginally YoY to INR1.8b and contributed 47% of overall order bookings in 3Q.
- On the product side, order inflows declined 42% YoY to INR2.3b, whereas the aftermarket segment's order inflows rose 23% to INR1.6b.
- The total consolidated order book stood at INR20b as of Dec'25 (+9% YoY); of this, the domestic order book stood at INR10.4b (+64% YoY) and the export order book stood at INR9.5b (-20% YoY), contributing to 48% of the closing order book.
- On the product side, the consolidated order book rose 4% YoY to INR17b, whereas the aftermarket segment's order book rose 41% to INR3b.
- With reference to the new labor code, the company has recognized a one-time impact of INR157m relating to changes in employee benefit obligations and has presented this amount as an exceptional item.
- For 9MFY26, revenue/EBITDA increased 2%/2% to INR15b/3b and PAT declined 2% YoY to INR3b, whereas EBITDA margin was flat YoY at 21.5%
- The board of directors of the company has approved the payment of an interim dividend of INR2.25 per share.
- The company approved the re-appointment of Mr. Nikhil Sawhney as the Managing Director (designated as Vice Chairman and Managing Director) and a Key Managerial Personnel of the company for a period of five years with effect from 10th May'26.

Consolidated - Quarterly Earning Model
(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Sales	4,633	5,011	5,034	5,380	3,713	5,062	6,240	6,129	20,058	21,144	5,603	11
YoY Change (%)	23.1	29.2	16.6	17.5	-19.9	1.0	24.0	13.9	21.3	5.4	11.3	
Total Expenditure	3,677	3,897	3,941	4,176	2,977	3,916	4,899	4,817	15,691	16,609	4,415	
EBITDA	956	1,114	1,093	1,204	736	1,146	1,341	1,312	4,367	4,535	1,188	13
YoY Change (%)	34.8	49.8	30.6	34.0	-23.0	2.9	22.7	9.0	37.0	3.9	8.7	
Margins (%)	20.6	22.2	21.7	22.4	19.8	22.6	21.5	21.4	21.8	21.5	21.2	
Depreciation	62	61	65	75	77	80	94	54	263	305	76	23
Interest	10	8	4	7	8	4	7	13	29	32	8	-10
Other Income	194	196	221	199	222	184	195	301	810	902	248	-21
PBT before EO expense	1,078	1,241	1,245	1,321	873	1,246	1,435	1,547	4,885	5,101	1,352	6
Extra-Ord expense	0	0	0	0	0	0	157	-157	0	0	0	
PBT	1,078	1,241	1,245	1,321	873	1,246	1,278	1,704	4,885	5,101	1,352	-5
Tax	274	331	320	375	228	332	352	445	1,300	1,357	360	
Rate (%)	25.4	26.7	25.7	28.4	26.1	26.6	27.5	26.1	26.6	26.6	26.6	
MI & P/L of Asso. Cos.	0	0	1	0	-1	0	-9	10	1	0	0	
Reported PAT	804	910	926	946	644	914	917	1,269	3,586	3,744	992	-8
Adj PAT	804	910	926	946	644	914	1,031	1,155	3,586	3,744	992	4
YoY Change (%)	31.8	41.4	35.0	25.9	-19.9	0.4	11.3	22.1	33.3	4.4	7.2	
Margins (%)	17.4	18.2	18.4	17.6	17.3	18.1	16.5	18.8	17.9	17.7	17.7	

Dr. Agarwal's Health Care

BSE SENSEX
83,739

S&P CNX
25,728

CMP: INR445

Conference Call Details



Date: 4 Feb 2025

Time: 11:30 am IST

Dial-in details:

[Link](#)

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	20.5	24.7	29.7
EBITDA	5.4	6.6	8.1
Adj. PAT	1.3	1.6	2.5
EBIT Margin (%)	13.0	15.3	16.4
Cons. Adj. EPS (INR)	4.0	5.2	7.9
EPS Gr. (%)	50.5	31.1	50.4
BV/Sh. (INR)	63.5	68.7	76.6

Ratios

Net D:E	-0.1	-0.1	-0.1
RoE (%)	6.5	7.9	10.8
RoCE (%)	8.4	9.9	12.5
Payout (%)	0.0	0.0	1.0

Valuations

P/E (x)	111.5	85.1	56.6
EV/EBITDA (x)	26.4	21.2	17.3
EV/Sales (x)	0.0	0.0	0.0
Div. Yield (%)	-6.5	4.3	2.1
FCF Yield (%)	6.9	5.7	4.7

Revenue in line; operationally better than expected performance

- DAHL's 3QFY26 revenue grew 23% YoY to INR 5.3b (in line with our estimate of INR 5.2b).
- Geography-wise, the India business rose 23.1% YoY to INR 4.8b, contributing 91% of total revenue, while international revenue grew 22.4% YoY to INR499m (9% of total revenue) during the quarter.
- Mature facilities reported 37.8% YoY growth to INR4.1b (76% of revenue), partly due to shift of 9 facilities to mature category. All the facilities got added in surgical sub-category within mature facilities.
- Vintage facilities (upto FY22) grew 14.2% YoY for 9MFY26.
- EBITDA margin expanded 180bpYoY to 27.2% (our estimate: 26%), driven primarily by lower raw material cost (down 40bp YoY as % of sales)/employee expenses (down 10bp YoY as % of sales)/other expenses (down 130bp YoY as % of sales).
- Consequently, EBITDA grew 31.5% YoY to INR 1.4b (our estimate: INR 1.3b).
- PAT after minority interest came in at INR337m in 3QFY26, up from INR 187m in 3QFY25.
- For 9MFY26, Revenue/EBITDA/PAT grew 21%/27%/97% YoY, driven by facility expansion and operational efficiencies.
- The company added 38/14 new centers during 9MFY26/3QFY26, expanding its network to 272 facilities, while surgeries increased 11.6% YoY to 238,283 during the same period.
- Service sales accounted for 78.8% of total revenue, whereas product sales contributed 21.2% in 9MFY26.

Y/E March	FY25				FY26E				FY25	FY26E	FY26	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	vs Est
Net Sales	4,035	4,166	4,307	4,602	4,874	4,987	5,299	5,315	17,110	20,475	5,169	2.5%
YoY Change (%)			29.5	31.9	20.8	19.7	23.0	15.5	28.4	19.7	20.0	
Total Expenditure	2,998	3,096	3,211	3,272	3,596	3,626	3,858	4,032	12,578	15,111	3,830	
EBITDA	1,037	1,070	1,096	1,330	1,279	1,361	1,441	1,283	4,532	5,364	1,339	7.6%
YoY Change (%)			23.2	24.2	23.3	27.3	31.5	-3.5	25.1	18.4	22.1	
Margins (%)	25.7	25.7	25.4	28.9	26.2	27.3	27.2	24.1	26.5	26.2	25.9	
Depreciation	555	572	582	604	630	679	688	708	2,313	2,703	690	
EBIT	482	498	514	726	649	683	754	576	2,220	8,068	649	16.2%
YoY Change (%)			10.7	18.4	34.7	37.2	46.6	-20.7	15.7	263.5	26.2	
Interest	270	284	284	250	247	226	211	289	1,088	972	230	
Other Income	60	119	127	154	134	79	105	173	460	491	131	
PBT before EO expense	272	333	358	630	536	537	648	460	1,592	2,180	550	17.8%
Extra-Ord expense	0	0	-52	45	0	0	0	0	7	0	0	
PBT	272	333	409	585	536	537	648	460	1,599	2,180	550	17.8%
Tax	89	119	128	160	155	172	211	94	495	632	162	
Rate (%)	32.6	35.9	31.2	27.3	29.0	32.0	32.6	20.4	31.0	29.0	29.4	
MI & P/L of Asso. Cos.	62	48	59	100	80	68	99	49	269	296	75	
Reported PAT	121	165	223	326	301	297	337	318	835	1,252	313	7.8%
Adj PAT	121	165	187	358	301	297	337	318	832	1,252	313	7.8%
YoY Change (%)			-5.6	-7.4	148.3	79.5	80.3	-11.4	0.2	50.5	67.3	
Margins (%)	3.0	4.0	4.3	7.8	6.2	6.0	6.4	6.0	4.9	6.1	6.1	
EPS	0.4	0.5	0.6	1.1	1.0	0.9	1.1	1.0	2.7	4.0	1.0	7.8%

Godrej Agrovet

BSE SENSEX
83,739

S&P CNX
25,728

CMP: INR550

BUY

Conference Call Details



Date: 4th Feb 26

Time: 3:30pm IST

Dial-in details:

[click here](#)

Operating performance in line

Adj. PAT missed our estimate due to lower other income and share of profit from associates

- Consol. revenue stood at INR27.2b, up 11% YoY (est. in line).
- EBITDA margins contracted 10bp to 8.9% (est. 9.5%), while gross margins expanded 40bp YoY to 26%. EBITDA improved 9.8% YoY to INR2.4b (est. in line).
- Adj. PAT improved 24% YoY to INR1.4b (est. INR1.6b), adjusted for the INR304m impact of the new labor law.

Segmental performance

- Animal feed (AF) business revenue grew 1.9% YoY to INR13b. EBIT margin expanded 20bp YoY to 6.2%. EBIT stood at INR807m (+5% YoY).
- Palm oil business revenue grew ~29% YoY to INR6.3b. EBIT margin contracted 60bp YoY to 23.1%. EBIT stood at INR1.4b, up 25% YoY.
- Crop protection (CP) business revenue improved ~34% YoY to ~INR2.6b. EBIT margin expanded 150bp YoY to 7.7%. EBIT stood at INR200m, up 68% YoY.
- Dairy business revenue increased ~3% YoY to INR3.8b. EBIT margin contracted 130bp YoY to 1.2%. EBIT stood at INR47m, down 49% YoY.
- Poultry and processed food business remained flat YoY to INR2.2b. EBIT margin expanded by 290bp to 5.9%. EBIT stood at INR127m, rising 95% YoY.

Consolidated - Quarterly Earnings Model

Y/E March	(INR m)											
	FY25				FY26E				FY25	FY26E	FY26	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Gross Sales	23,508	24,488	24,496	21,336	26,143	25,674	27,183	25,182	93,828	1,04,183	26,562	2
YoY Change (%)	-6.4	-4.8	4.5	0.0	11.2	4.8	11.0	18.0	-1.9	11.0	8.4	
Total Expenditure	21,246	22,254	22,296	19,870	23,446	23,540	24,768	23,269	85,666	95,023	24,045	
EBITDA	2,261	2,234	2,200	1,467	2,697	2,134	2,416	1,913	8,162	9,159	2,517	-4
Margins (%)	9.6	9.1	9.0	6.9	10.3	8.3	8.9	7.6	8.7	8.8	9.5	
Depreciation	546	583	567	565	579	571	559	645	2,261	2,353	610	
Interest	302	398	345	289	355	396	347	370	1,334	1,467	385	
Other Income	92	126	87	130	119	78	183	136	435	516	130	
PBT before EO expense	1,506	1,379	1,376	742	1,882	1,246	1,693	1,034	5,002	5,855	1,652	
Extra-Ord expense	0	0	0	0	0	0	304	0	0	304	0	
PBT	1,506	1,379	1,376	742	1,882	1,246	1,389	1,034	5,002	5,551	1,652	
Tax	345	541	414	204	517	507	367	184	1,504	1,575	297	
Rate (%)	22.9	39.3	30.1	27.5	27.5	40.7	26.5	17.8	30.1	28.4	18.0	
Minority Interest & P/Lof Asso. Cos.	-190	-286	-153	-170	-240	-187	-127	-219	-799	-773	-200	
Reported PAT	1,352	1,123	1,115	708	1,605	926	1,148	1,070	4,297	4,749	1,554	
Adj PAT	1,352	1,123	1,115	708	1,605	926	1,377	1,070	4,297	4,749	1,554	-11
YoY Change (%)	28.3	6.7	21.4	23.9	18.8	-17.6	23.5	51.1	19.5	10.5	39.4	
Margins (%)	5.7	4.6	4.6	3.3	6.1	3.6	5.1	4.2	4.6	4.6	5.9	

JK Lakshmi Cement

BSE Sensex
83,739

S&P CNX
25,728

CMP: INR762

Buy

Conference Call Details



Date: 4th February 2026

Time: 16:00 IST

Dial-in details:

+ 91 22 6280 1143

+ 91 22 7115 8044

[Link for the call](#)

Consol. Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	69.4	73.2	80.0
EBITDA	11.3	12.2	13.5
Adj. PAT	5.1	5.5	5.3
EBITDA Margin (%)	16.2	16.7	16.9
Adj. EPS (INR)	41.1	44.0	42.7
EPS Gr. (%)	60.4	7.1	-3.1
BV/Sh. (INR)	315	353	390
Ratios			
Net D:E	0.5	0.6	0.6
RoE (%)	13.8	13.2	11.5
RoCE (%)	10.3	9.6	8.7
Payout (%)	15.2	15.4	17.5
Valuations			
P/E (x)	19.4	18.1	18.7
P/BV (x)	2.5	2.3	2.0
EV/EBITDA(x)	9.9	9.6	9.0
EV/ton (USD)	68	64	60
Div. Yield (%)	0.8	0.8	0.8
FCF Yield (%)	-0.3	-3.4	2.2

Earnings below estimate; EBITDA/t at INR625 (est. INR801)

- JK Lakshmi Cement's (JKLC) operating performance was significantly below our estimates due to a sharp decline in realization/t on a QoQ basis (declined ~10% QoQ; ~8% below our estimates), which was partly offset by lower-than-estimated opex/t (~6% below estimates). EBITDA inched up ~2% YoY to INR2.1b (~20% miss). Sales volume increased ~8% YoY to 3.3mt (in line). EBITDA/t declined ~6% YoY to INR625 (est. INR801). OPM contracted 60bp YoY to ~13% (est. ~15%). Adj. PAT declined ~5% YoY to INR714m (-34% vs. estimate).
- JKLC's total cement capacity is 18mtpa, and the company aims to reach 30mtpa by 2030. The first phase of the railway siding at the Durg plant (capex: INR3.25b) has been completed. The Durg expansion (2.3mtpa clinker and 1.2mtpa integrated grinding capacity), along with three split GUs of 3.4mtpa aggregate capacity at a capex of INR30b, will be completed in phases by Mar'28.
- We have a **BUY** rating on the stock. We will review our assumptions following the conference call with the management.

Sales volume up 8% YoY; realization/t declines 2% YoY

- Consolidated revenue/EBITDA/adj. PAT stood at INR15.9b/INR2.1b/INR714m (+6%/+2%/-5% YoY and down ~6%/20%/34% vs. estimates). Sales volume increased 8% YoY to 3.3mt (in line). Realization/t was down 2%/10% YoY/QoQ at INR4,841/t (~8% below estimates).
- Opex/t declined 1% YoY (~6% below estimates), led by a ~7%/3%/2% YoY decline in employee expenses/other expenses/freight expenses per ton. However, Variable cost/t increased ~1% YoY. OPM contracted 60bp YoY to ~13%, and EBITDA/t declined ~6% YoY to INR625 in 3QFY26. Depreciation/finance costs were up ~12%/21% YoY. Other income was up 3.2x YoY.
- In 9MFY26, revenue/EBITDA/Adj. PAT stood at INR48.6b/INR7.2b/INR3.1b (up ~13%/41%/2.2x YoY). OPM expanded 3.0pp YoY to ~15%. Realization/t stood at INR5,144 (up ~2% YoY), while EBITDA/t stood at INR767 (up ~27% YoY).

Highlights from the management commentary

- The share of green power stood at ~48% in 3QFY26 vs. 46% in 2QFY26. The company is implementing a project to increase the TSR share to 16% from 4% at its Sirohi plant in a phased manner.
- The outlook for India's cement sector in FY26 remains better YoY, with volume growth expected at ~6%, driven by sustained infrastructure activity and steady housing demand.

Valuation and view

Realization declined sharply on a YoY basis and was below our estimates, likely driven by a higher mix of non-trade sales. We seek management clarity on the sharp decline in realizations and higher profitability volatility versus peers. We have a **BUY** rating on the stock. However, we will review our assumptions after the conference call on 04th Feb'26 ([Concall Link](#)).

Quarterly performance (consolidated)

(INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Sales Volumes (mt)	3.02	2.48	3.03	3.60	3.33	2.84	3.28	3.66	12.13	13.11	3.21	2
YoY Change (%)	(0.4)	(9.3)	2.4	10.3	10.0	14.8	8.3	1.9	1.2	8.1	6.0	
Net Sales	15.6	12.3	15.0	19.0	17.4	15.3	15.9	20.8	61.9	69.4	17.0	(6)
YoY Change (%)	(9.6)	(21.6)	(12.1)	6.6	11.3	24.1	6.1	9.7	(8.8)	12.1	13.5	
EBITDA	2.2	0.9	2.0	3.5	3.1	2.1	2.1	4.0	8.6	11.3	2.6	(20)
YoY Change (%)	13.3	(58.9)	(33.2)	4.4	39.9	133.3	1.7	14.6	(17.8)	30.4	27.5	
Margin (%)	14.2	7.2	13.5	18.5	17.9	13.6	12.9	19.3	14.0	16.2	15.1	(223)
Depreciation	0.7	0.7	0.8	0.8	0.8	0.8	0.9	0.7	3.0	3.1	0.8	9
Interest	0.5	0.4	0.5	0.4	0.5	0.5	0.5	0.5	1.8	2.1	0.5	6
Other Income	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.1	0.5	0.9	0.2	32
PBT before EO expense	1.2	(0.2)	0.9	2.5	2.0	1.0	0.9	2.9	4.3	7.0	1.5	(37)
Extra-Ord. expense	0.4	-	-	-	-	-	0.2	-	0.4	0.2	-	
PBT	0.8	(0.2)	0.9	2.5	2.0	1.0	0.8	2.9	3.9	6.8	1.5	(50)
Tax	0.3	0.0	0.1	0.8	0.5	0.2	0.2	0.9	1.2	1.8	0.4	
Prior period tax adj.	-	-	-	-	-	-	-	-	-	-	-	
Rate (%)	32.3	(10.6)	13.8	31.7	26.5	21.5	24.2	30.5	30.0	27.2	26.5	
Reported PAT	0.5	(0.2)	0.8	1.7	1.5	0.8	0.6	2.0	2.8	4.9	1.1	(48)
Minority Interest	(0.0)	0.1	0.0	(0.1)	(0.0)	(0.0)	0.0	0.0	(0.0)	0.0	0.0	
Adj. PAT	0.9	(0.3)	0.7	1.8	1.5	0.8	0.7	2.0	3.1	5.1	1.1	(34)
YoY Change (%)	17.7	(133.1)	NA	11.9	62.6	NM	(4.7)	15.7	(33.0)	61.9	NM	
Per ton analysis (INR)												
Net realization	5,172	4,983	4,940	5,274	5,234	5,388	4,841	5,683	5,106	5,295	5,288	(8)
RM Cost	1,274	987	907	971	922	942	952	1,100	1,018	983	940	1
Employee Expenses	335	444	377	316	374	457	352	380	362	388	408	(14)
Power, Oil, and Fuel	1,132	1,295	1,157	1,086	1,137	1,295	1,131	1,086	1,158	1,155	1,200	(6)
Freight and Handling Outward	1,042	1,137	1,147	1,222	1,194	1,235	1,119	1,254	1,155	1,201	1,195	(6)
Other Expenses	653	759	686	703	672	725	662	765	699	707	744	(11)
Total Expenses	4,436	4,623	4,274	4,298	4,299	4,655	4,216	4,584	4,393	4,435	4,487	(6)
EBITDA	735	360	666	976	936	733	625	1,098	713	859	801	(22)

Signature Global

BSE Sensex
83,739

S&P CNX
25,728

CMP: INR876

Buy

Conference Call Details



Date: 04th Feb 2026

Time: 11:00 IST

Dial-in details:

+91 22 6280 1144 /

+91 22 7115 8045

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	23.9	59.7	71.5
EBITDA	-0.5	15.1	17.1
EBITDA (%)	-2.2	25.3	23.9
Adj. PAT	-0.2	14.9	17.2
EPS (INR)	-1.3	106.3	122.1
EPS Gr. (%)	-117.7	-8457.1	14.9
BV/Sh. (INR)	50.4	156.7	278.8

Ratios

Net D/E	1.0	0.6	0.0
RoE (%)	-2.5	102.6	56.1
RoCE (%)	1.3	43.2	35.1
Payout (%)	0.0	0.0	0.0

Valuations

P/E (x)	-688.8	8.2	7.2
P/BV (x)	17.4	5.6	3.1
EV/EBITDA (x)	-247.9	9.0	7.2
Div Yield (%)	0.0	0.0	0.0

Muted market conditions lead to guidance miss

Operating performance

- Signature Global (SIGNATUR) achieved presales of INR20.2b in 3QFY26, declining 27% YoY but remaining flat QoQ (42% below our estimate). In 9MFY26, it achieved presales of INR67b (declining 23% YoY).
- Citing a soft market environment, the company missed its INR127b guidance. However, it is now prioritizing efforts to recover and meet FY25 presales targets.
- The company launched two projects in 9MFY26 - Cloverdale (June 2026) and Sarvam (December 2026).
- Area sold in the quarter stood at 1.4msf, declining 42% YoY but rising 7% QoQ (38% below our estimates). In 9MFY26, volumes were at 4msf, declining 36% YoY.
- Average sales realization stood at INR14,028/sqft, rising 28% YoY and declining 6% QoQ (6% below our estimates). In 9MFY26, realizations were at INR15,182/sqft, rising 21% YoY.
- Total units sold in the quarter were ~408, declining 73% YoY and 27% QoQ. In 9MFY26, units sold were 1,746, declining 51% YoY.
- Collections rose 14% YoY and 31% QoQ to INR12.3b for 3QFY26 (31% below our estimate), while they stood at INR31b for 9MFY26, remaining flat YoY.
- In 9MFY26, the company acquired total land of 2.3msf in Sohna.
- Debt increased to INR10.2b in 3QFY26 from INR9.7b in 2QFY26, and increased by INR1.4b from FY25. Management is confident of resuming growth, guided by good collections in the future.
- Its project pipeline remains strong, comprising 21msf of recently launched projects, 20.7msf of upcoming developments, and 13.8msf under ongoing construction, all scheduled for execution over the next 2–3 years.
- P&L performance:** In 3QFY26, the company reported revenue of INR2.8b, declining 66%/16% YoY/QoQ (77% below estimate). In 9MFY26, revenue was at INR14.9b, declining 25% YoY.
- EBITDA loss stood at INR632m vs a profit of INR135m YoY. In 9MFY26, EBITDA loss stood at INR1.0b vs a profit of INR7m YoY.
- Adj. PAT loss in 3QFY26 was at INR453m vs a profit of INR291m YoY. In 9MFY26, PAT loss stood at INR578m vs a profit of INR400m YoY.

Quarterly performance
(INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3Q	
Net Sales	4,006	7,493	8,277	5,204	8,657	3,385	2,844	9,025	24,980	23,911	12,208	-77%
YoY Change (%)	141.5	660.5	193.7	-25.0	116.1	-54.8	-65.6	73.4	101.4	-4.3	47.5	
Total Expenditure	4,019	7,609	8,142	4,766	8,324	4,128	3,477	8,509	24,535	24,437	9,989	
EBITDA	-13	-116	135	439	332	-743	-632	517	446	-526	2,220	NA
Margins (%)	-0.3	-1.5	1.6	8.4	3.8	-21.9	-22.2	5.7	1.8	-2.2	18.2	NA
Depreciation	52	68	75	79	76	78	79	82	274	315	88	
Interest	75	169	142	130	126	135	169	173	515	603	227	
Other Income	274	281	345	500	327	340	283	309	1,400	1,260	470	
PBT before EO expense	135	-71	263	730	458	-615	-598	570	1,057	-184	2,375	
Extra-Ord expense	2	0	0	3	1	1	0	0	6	2	0	
PBT	133	-72	263	727	457	-616	-598	570	1,051	-186	2,375	
Tax	65	-113	-29	116	113	-147	-144	172	39	-7	87	
Rate (%)	48.8	157.9	-11.0	15.9	24.7	23.9	24.1	30.1	-3.9	62.6	3.7	
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	1	1	1	0	
Reported PAT	68	41	291	611	344	-469	-453	397	1,011	-180	2,287	NA
Adj PAT	68	41	291	611	344	-469	-453	397	1,011	-180	2,287	NA
YoY Change (%)	-199.4	-121.3	1,195.2	46.4	408.8	-1,241.0	-255.7	-35.0	452.8	-117.9	685.4	
Margins (%)	1.7	0.5	3.5	11.7	4.0	-13.8	-15.9	4.4	4.0	-0.8	18.7	
Key metrics												
Pre Sales (msf)	2.0	2.4	2.5	1.4	1.6	1.3	1.4	0.9	8.3	5.3	2.3	-38%
Presales (INRb)	31.2	27.8	27.7	16.2	26.5	20.1	20.2	16.4	102.9	83.2	35	-42%
ASP (INR/sqft)	15,369	11,681	11,124	11,912	16,358	15,000	14,028	18,690	12457	15767	15000	-6%
Collections (INRb)	12.1	9.2	10.8	11.7	9.3	9.4	12.3	15.1	43.8	46.1	18	-31%



Bajaj Auto: Expect to continue gaining market share, especially in 150cc+ segment; Rakesh Sharma, Executive Director

- Q3 Volumes: +10% YoY driven by strong exports (>6L units, >2L/month); revenue +19%, EBITDA margins 20.8% (vs 20.2%).
- Export Outlook: Highest-ever FY26 topline in \$ terms; Q4 sustains ~2L/month avg (15-18% growth), FY27 tempo to inch higher.
- Margins Stable: Noble metals inflation offset by flattish steel/rubber; rupee at ₹90+ tailwind; 20%+ baseline to sustain.
- Market Share Gains: EV two-wheeler +500bps (Chetak C25 launch); e3W #1 at 38%; 150cc+ leadership; Q4 industry 12-15%, outpace in 125cc+.

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Pg Electroplast: Q3 room AC growth around 80% boosted by channel filling ahead of energy rating changes; Vikas Gupta, MD

- Q3 Performance: Revenue +19%, EBITDA margins steady at 20.8% (up from 20.2%), volumes +10% YoY led by exports exceeding 6L units.
- Export Strength: Highest-ever FY26 topline in \$ terms; Q4 avg >2L units/month at 15-18% growth; FY27 tempo to sustain/inch up.
- Margin Comfort: Noble metals inflation offset by stable steel/rubber; ₹90+ rupee tailwind; 20%+ baseline sustainable.
- Market Share Push: EV 2W +500bps (Chetak C25 launch), e3W #1 at 38%; sustained gains in 150cc+; outpace Q4 industry growth (12-15%) in 125cc+.

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Aarti Industries: We were paying full tariff on 40% of our US exports & 18% of our revenue; Suyog Kotecha, CEO & Executive Director

- US Tariff Relief: Aarti Industries welcomes India-US deal cutting tariffs from 50%+ to 18% on chemicals; US is 20% of sector exports, 17-18% of company revenue.
- Export Impact: Paid full tariffs on 40% of US volumes; deal provides certainty, aids investments stalled for 9 months.
- Competitive Edge: Gains advantage over China (50%+ tariffs); at par with Europe despite cost edge.
- Outlook: Sticks to mid-term guidance amid margin pressures; capex up to ₹1100 Cr for energy/polymer debottlenecking; EU deal supports long-term growth

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Jupiter Lifeline Hospital : ARPOB in Pune & and Thane hospitals is growing in line with inflation; Rajiv Rajgopal, Joint MD & CEO

- Medical Tourism: India has huge potential to attract global tourists beyond Africa/Middle East, including via Indian medicine.
- PPP Stance: Welcomes budget push but awaits details; prefers fully private model.
- Q3 Volumes: Up 2% due to seasonal dip; flat rest of year.
- ARPOB & Expansion: Up 10%, Pune/Thane at inflation; Indore higher; Dombivli 500 beds ahead, short-term margin drag.

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UNDER REVIEW	Rating may undergo a change
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