

### Market snapshot



Equities - India	Close	Chg. %	CY25.%
Sensex	83,818	0.1	9.1
Nifty-50	25,776	0.2	10.5
Nifty-M 100	59,684	0.6	5.7
Equities-Global	Close	Chg. %	CY25.%
S&P 500	6,883	-0.5	16.4
Nasdaq	22,905	-1.5	20.4
FTSE 100	10,402	0.9	21.5
DAX	24,603	-0.7	23.0
Hang Seng	9,048	-0.1	22.3
Nikkei 225	54,293	-0.8	26.2
Commodities	Close	Chg. %	CY25.%
Brent (US\$/Bbl)	70	0.3	-15.7
Gold (\$/OZ)	4,965	0.4	64.6
Cu (US\$/MT)	12,963	-3.3	43.9
Almn (US\$/MT)	3,042	-1.4	17.5
Currency	Close	Chg. %	CY25.%
USD/INR	90.4	0.2	5.0
USD/EUR	1.2	-0.1	13.4
USD/JPY	156.9	0.7	-0.3
YIELD (%)	Close	1MChg	CY25 chg
10 Yrs G-Sec	6.7	-0.03	-0.2
10 Yrs AAA Corp	7.5	-0.03	0.1
Flows (USD b)	4-Feb	MTD	CYTD
FII	0.00	-2.63	-18.8
DII	0.03	8.88	90.1
Volumes (INRb)	4-Feb	MTD*	CYTD*
Cash	1,460	1489	1320
F&O	1,04,422	3,78,029	3,17,802

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



### Today's top research idea

## Technology: Palantir, Anthropic, and its impact on IT services

- ❖ Indian IT services stocks followed the global rout in technology/software/consulting and outsourcing stocks on 4th Feb'26. The key catalyst was the Palantir earnings call, which highlighted how the company is upending pay per seat software as well as third-party software with its own AI offerings. The company also shared a few examples of clients getting rid of third-party software. In addition, Palantir also mentioned that its AI platform was powering complex SAP migration work, compressing implementation timeline from years to weeks.
- ❖ While AI's threat to software coding hours was well known, Palantir's comments put ERP implementation into the spotlight, which so far could be considered less impacted from AI's productivity gains.
- ❖ In the next 3-6 months, we will continue to monitor AI-native partnerships, which will be a key driver in the next 12-14 months. We expect that this should lead to a pick-up in AI services deals in mid-2026 in the form of short-cycle deals.



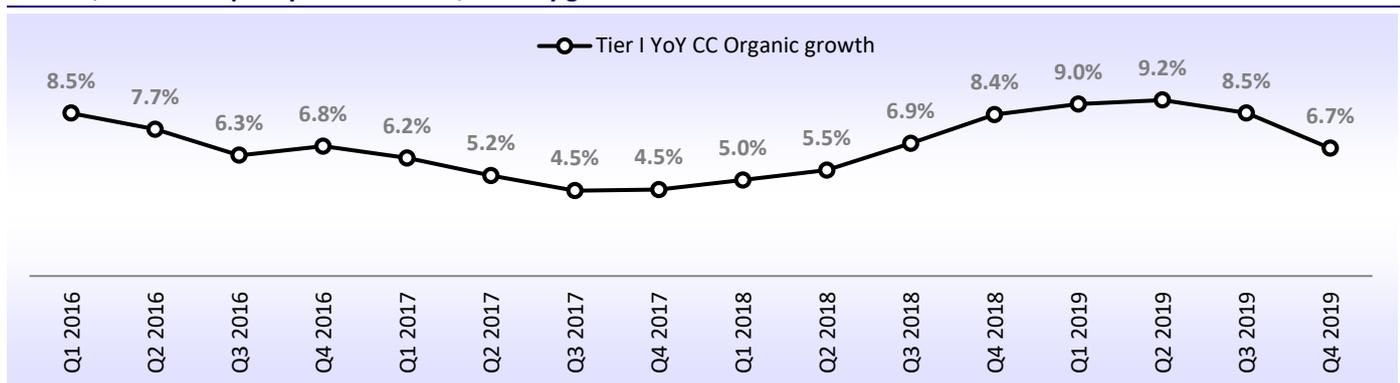
### Research covered

Cos/Sector	Key Highlights
<b>Technology</b>	<b>Palantir, Anthropic, and its impact on IT services</b>
<b>Other Updates</b>	ICICI Bank   Pidilite Inds.   Trent   Tata Power   Tube Investments   Emami   Castrol India   Triveni Turbine   Devyani Intl.   Dr Agarwal's   SignatureGlobal   Godrej Agrovet   JK Lakshmi Cement   Westlife Food   Team Lease Serv.   Technology   Angel One   Cummins India   Apollo Tyres   Global Health   Inventurus Knowl   Kalpataru Proj.   Century Plyboard   JSW Cement   Transport Corp.   Avalon Tech   Cera Sanitary.



### Chart of the Day: Technology: Palantir, Anthropic, and its impact on IT services

During the early cloud build-out phase (2016-17), hyperscaler capex expansion initially acted as a revenue headwind for Indian IT services; once the capex cycle normalized, industry growth re-accelerated



Source: MOFSL

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



Kindly click on textbox for the detailed news link

**1**

**Lupin launches topiramate extended-release capsules in US after FDA nod**

Lupin has launched topiramate extended-release capsules (25 mg, 50 mg, 100 mg, 200 mg) in the US after FDA ANDA approval.

**2**

**CCI orders probe into IndiGo over December flight cancellations, fare surge**

The Competition Commission of India (CCI) has ordered a detailed investigation into IndiGo over allegations that the airline abused its dominant position during large-scale flight disruptions in December 2025.

**3**

**Coal India approves ₹3,190-cr investment in BCGCL; ₹3,133-cr equity infusion in JV with DVC**

Coal India Ltd approved a ₹3,189.54-crore equity investment in its subsidiary Bharat Coal Gasification and Chemicals Ltd to fund a 0.66 MTPA ammonium nitrate project.

**4**

**Marico signs deal to buy majority stake in Cosmix Wellness for ₹225.67 cr**

Marico has signed definitive agreements to acquire a 60 per cent stake in Cosmix Wellness' paid-up share capital, which owns "Cosmix", for an aggregate consideration of ₹225.67 crore.

**5**

**Zydus Lifesciences gets US FDA approval for generic diabetes drug**

Zydus Lifesciences has received approval from the US health regulator to market a generic diabetes drug in the US market.

**6**

**BHEL secures ₹1,200-1,500 crore project from Hindalco Industries**

State-owned BHEL said it has secured an order in the range of Rs 1,200-1,500 crore from Hindalco Industries.

**7**

**U.S. FDA issues warning letter to Cohance's FDF facility in Hyderabad**

U.S. Food and Drug Administration has issued a warning letter to Cohance Lifesciences' (formerly Suven Pharmaceuticals) finished dosage formulations manufacturing facility (FDF Unit-I) in Hyderabad.



## Palantir, Anthropic, and its impact on IT services

### Accelerated AI deflation remains key focus

Indian IT services stocks followed the global rout in technology/software/consulting and outsourcing stocks on 4th Feb'26. The key catalyst was the Palantir earnings call, which highlighted how the company is upending pay per seat software (workday, ServiceNow, etc.) as well as third-party software with its own AI offerings. The company also shared a few examples of clients getting rid of third-party software. In addition, Palantir also mentioned that its AI platform was powering complex SAP migration work, compressing implementation timeline from **years to weeks**. In addition, Anthropic's entry into automating low-level legal services work and Gartner's muted guidance also had a bearing on sentiment.

While AI's threat to software coding hours was well known, Palantir's comments put ERP implementation into the spotlight, which so far could be considered less impacted from AI's productivity gains.

Where we stand in context of our IT services view (see our report dated 24<sup>th</sup> Nov'25: [Time to buy the next cycle](#)). We believe there are two key points of debate:

1. The extent and timing of AI deflation
2. The extent and timing of revenue-accretive opportunities from AI implementation

### The extent and timing of AI deflation, and which service lines are most exposed

- Before Palantir's comments on ERP, we estimated 30-40% of IT services revenues at risk from AI deflation, largely focused on app development, maintenance, and testing. Assuming a 30-50% productivity hit on low level work in these areas (Exhibit 1), we believe 9-12% of IT services revenue stands to be eliminated. We expect this to happen over 3-4 years, underscoring a ~2% hit on revenue growth each year.
- If ERP migration and third-party enterprise software (10-15% of industry revenues) come under the purview of AI, the hit from AI would be higher.
- **This is incrementally negative for the sector.**

### Extent and timing of revenue accretion from AI implementation

- AI will render much of legacy software and testing redundant. Just like hyperscalers were initially a significant headwind to infra management services (IMS), and BPO got disrupted in earlier cycle (2015).
- As shown in Exhibits 2 and 3, many legacy IMS and BPO roles do not exist anymore, but cloud migration over a five-year period proved accretive for the industry.
- Notably, during the early cloud build-out phase (2016-17), hyperscaler capex expansion initially acted as a revenue headwind for Indian IT services as enterprises paused traditional outsourcing in favor of direct cloud investments. Once the capex cycle normalized, industry growth re-accelerated sharply (Exhibit 4).
- AI implementation likewise requires modernizing the legacy tech stack of the enterprises, and we believe IT vendors have a role to play here.
- More importantly, AI-native firms will eventually leverage the enterprise relationships and context knowledge of IT vendors, who will turn out to be channel partners. **This is a crucial monitorable over the next one year.**
- Exhibit 11 shows the channel partner ecosystem of the last cycle, and Exhibit 5 shows evidence of the new ecosystem forming. Accenture is one of the key strategic partners to Palantir, for example.

### How to test our hypothesis and when to reverse course

- **We believe today's stock reaction again resets the negative sentiment for the sector.**
- In the next 3-6 months, we will continue to monitor AI-native partnerships, which will be a key driver in the next 12-14 months. We expect that this should lead to a pick-up in AI services deals in mid-2026 in the form of short-cycle deals.
- We are seeing an acceleration in AI partnerships, and hence maintain our view on the sector for now.

BSE SENSEX  
83,818

S&P CNX  
25,776

**CMP: INR 1,408 TP: INR1,750 (+24%)**

**Buy**



Bloomberg	ICICIBC IN
Equity Shares (m)	7144
M.Cap.(INRb)/(USDb)	10074.6 / 111.4
52-Week Range (INR)	1500 / 1200
1, 6, 12 Rel. Per (%)	6/-8/2
12M Avg Val (INR M)	15648
Free float (%)	100.0

### Financials Snapshot (INR b)

Y/E March	FY25	FY26E	FY27E
NII	812	876	1,020
OP	673	719	835
NP	472	497	570
NIM (%)	4.5	4.3	4.4
EPS (INR)	66.8	69.7	80.0
EPS Gr (%)	14.4	4.4	14.7
ABV/Sh (INR)	373	444	514
Cons. BV/Sh (INR)	438	514	603

### Ratios

RoA (%)	2.4	2.2	2.3
RoE (%)	18.0	16.1	16.1

### Valuations

P/BV (x) (Cons)	3.2	2.7	2.3
P/ABV (x)*	3.0	2.5	2.2
P/E (x)	20.8	20.0	17.4
Adj P/E (x)*	16.9	16.2	14.1

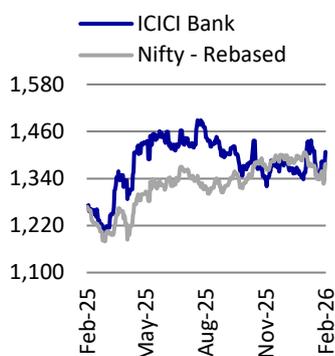
\* Adjusted for Investment in subsidiaries

### Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	0.0	0.0	0.0
DII	38.2	36.8	36.8
FII	54.4	55.8	55.8
Others	7.4	7.4	7.4

FII Includes depository receipts

### Stock Performance (1-year)



## Quality seldom comes at a bargain!

### Well poised to sustain superior growth and profitability

- ICICI Bank (ICICIBC) has made steady progress in building a resilient, scalable franchise geared up to deliver steady profitable growth. Strengthened tech capabilities and superior underwriting have enhanced the bank's ability to serve a wider set of customers while keeping strong control over asset quality.
- The bank reported ~11.5% YoY loan growth in 3QFY26 (4% QoQ growth), driven by steady traction in secured retail and BB. Corporate loans also picked up. With an improved outlook in unsecured retail and improving demand visibility, the bank expects the growth momentum to remain steady in the coming quarters.
- ICICIBC's asset quality remains best-in-class, underpinned by disciplined underwriting, robust monitoring and strong recoveries, while the bank carries a healthy contingency buffer (0.9% of loans). Credit cost is, thus, expected to stay contained, with GNPA/NNPA improving to ~1.4%/0.3% by FY28E.
- The board's recommendation to extend Mr. Sandeep Bakhshi's tenure for two years removes a key overhang and reinforces leadership stability. This will later allow a planned management transition, thereby ensuring stable performance of the bank and long-term resilience.
- We estimate ICICIBC to deliver a CAGR of 17.6%/16% in PPOP/PAT over FY26-28, leading to RoA/RoE of 2.3%/16.1% by FY27E. ICICIBC has delivered modest 6% returns in FY26YTD against average 21% returns over FY23/24/25. This has resulted in stock trading at cheaper valuations vs. average trading valuations over past three years. ICICIBC remains our top BUY in the sector with a TP of INR1,750 (premised on 2.7x Sep'27E ABV + INR263 for subs).

### Loan growth gaining traction; visible signs of a broad-based recovery

ICICIBC's credit growth has improved in recent quarters as the bank reported ~11.5% YoY growth in 3QFY26 (4% QoQ). The domestic portfolio expanded at a healthy pace, aided by better traction in secured retail segments and continued strength in BB. Corporate too witnessed healthy traction despite a competitive pricing environment. Management highlighted that demand in the ecosystem has held up well, with early signs of a more broad-based pick-up. The bank remains cautious in unsecured retail, where industry stress pockets have prompted tighter filters and sharper monitoring; however, credit card segment has started showing strong growth. That said, mortgages, CV/CE loans and other secured assets continue to see steady customer activity. With improving sentiment and loan growth picking up, ICICIBC expects to sustain the momentum in 4Q as well. We estimate a 16% CAGR over FY26-28, aided by growth recovery in unsecured retail and corporate segments.

### **Liability franchise robust; estimate ~15% deposit CAGR over FY26-28E**

The bank continues to strengthen its liability franchise through diversified acquisition engines, including corporate salary accounts, transaction banking, digital channels and an expanding physical network. While CASA accretion remains challenging industry-wide, ICICIBC focuses on building stability rather than chasing rate-sensitive deposits. Deposit growth in 3Q was 9% YoY, led by improvement in CA balances. The bank's liquidity position is robust, with LCR comfortably above regulatory thresholds, ensuring flexibility to support upcoming loan growth without compromising the balance sheet. Management reiterated that deposit pricing actions are calibrated to maintain competitive positioning while safeguarding margin stability. In the medium term, strong customer engagement, deep ecosystem partnerships and branch-led sourcing should help the bank sustain double-digit deposit CAGR. We expect deposit growth to be healthy at 15% CAGR over FY26-28E.

### **NIMs stable despite pressure; repricing cycle and repo rate movement to shape near-term trajectory**

NIMs have been largely stable in recent quarters, aided by a reduction in the cost of deposits, a steady loan mix, and disciplined pricing across retail and corporate books. Management expects NIMs to remain broadly flat, as the CRR cut and residual TD repricing largely offset the full transmission of the repo rate cut. The impact of the recent repo rate cut is expected to flow through in 4Q, keeping NIMs range-bound. Overall, ICICIBC's careful loan mix, strong risk filters and disciplined pricing approach should help manage margin pressures effectively in a falling rate environment. We expect NIMs at 4.3% in FY26E and stabilizing at 4.4-4.5% over FY27-28E.

### **Cost leadership to continue; C/I ratio to sustain at ~38-39% over FY27-28E**

ICICIBC continues to invest meaningfully in technology, customer delivery, analytics and talent while keeping cost ratios under control. In 3Q, the bank reported an impact of INR1.45b related to the new labor code, which resulted in C/I ratio inching up to 40.8%. The bank expects expense intensity to remain manageable as digital adoption scales further, distribution productivity improves, and operating processes become increasingly simplified. Management reiterated that investments will remain aligned to long-term priorities and calibrated to revenue visibility. While the bank has executed well on cost control, we estimate the C/I ratio to stabilize at 38-39% over FY27-28E.

### **Leadership overhang addressed; planned transition to ensure operating continuity!**

ICICIBC board has recommended a further two-year term for Mr. Bakhshi to the RBI, which has addressed a key overhang for the stock. Under Mr. Bakhshi's leadership, the bank has undergone a radical transformation, shifting emphasis from individual to team performance. This strategic shift has enabled the bank to consistently deliver stronger outcomes, thus moving away from a culture that previously incentivized individual stardom. The 'One Bank, One team' approach has encouraged employees to collectively work toward the greater organizational goals, thus helping achieve superior results. The bank's strong focus on core PPop growth while fostering a cohesive organizational culture underpins its position as a resilient

and successful institution. The bank distinguishes itself with a strong leadership bench and a commitment to structured processes, which will enable continued delivery over the long term.

#### **Asset quality robust; credit cost to sustain at 45-50bp over FY27-28E**

The bank's asset quality remains among the best in the industry, supported by strong underwriting, due diligence and adherence to processes and healthy recoveries, backed by robust monitoring systems. Provision buffer remains strong, with contingency reserves of INR131b (0.9% of loans), providing adequate insulation against macro stress. During 3Q, the bank created INR12.8b of provisions as certain agricultural exposures (estimated at INR200-250b) were identified as not fully compliant with PSL norms; however, management expects credit costs to remain under control. Overall, we estimate GNPA/NNPA to further improve to ~1.4%/0.3% by FY28E and credit cost to remain at 45-50bp over FY27-28E.

#### **Valuation and view: Reiterate Buy with TP of INR1,750**

ICICIB has entered a phase where its operating variables exhibit far less volatility and the bank appears well poised to sustain this leadership over coming years. The bank remains firmly on track to deliver RoA of ~2.2% in FY26E (despite one-off provisions in 3Q) and RoE of ~16% over FY26-27. The bank's approach is measured and deliberate, avoiding aggressive expansion while capturing market share in segments where risk-adjusted returns are favorable. With the expansion of Mr. Bakhshi's term, the bank is well positioned to continue its journey of delivering best-in-class growth and profitability and remains one of the most dependable large-bank stories in the sector. We thus estimate ICICI Bank to deliver a CAGR of 17.6%/16% in PPOP/PAT over FY26-28E, leading to RoA/RoE of 2.3%/16.1% by FY27E. **ICICIB remains our top BUY in the sector with a TP of INR1,750 (premised on 2.7x Sep'27E ABV + INR263 for subs).**

# Pidilite Industries

Estimate changes	↔
TP change	↔
Rating change	↔

**CMP: INR1,460      TP: INR1,550 (+6%)      Neutral**

## Growth trajectory sustains; rich valuation limits upside

Bloomberg	PIDI IN
Equity Shares (m)	1018
M.Cap.(INRb)/(USDb)	1486.2 / 16.4
52-Week Range (INR)	1575 / 1306
1, 6, 12 Rel. Per (%)	1/-5/-9
12M Avg Val (INR M)	976

### Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	145.5	165.0	187.1
Sales Gr. (%)	10.7	13.4	13.4
EBITDA	34.7	39.8	45.3
EBITDA Margin (%)	23.8	24.1	24.2
Adj. PAT	24.4	28.3	32.3
Adj. EPS (INR)	24.0	27.8	31.8
EPS Gr. (%)	16.0	16.0	14.3
BV/Sh.(INR)	108.2	122.4	138.8

### Ratios

RoE (%)	23.5	24.1	24.3
RoCE (%)	21.9	22.6	22.9
Payout (%)	48.9	48.6	48.5

### Valuations

P/E (x)	61.0	52.6	46.0
P/BV (x)	13.5	11.9	10.5
EV/EBITDA (x)	41.7	36.1	31.5
Div. Yield (%)	0.8	0.9	1.1

### Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	69.3	69.3	69.6
DII	9.3	9.1	9.2
FII	12.0	12.2	11.8
Others	9.4	9.4	9.5

FII includes depository receipts

- Pidilite Industries (PIDI) reported consolidated revenue growth of 10% YoY (in line) in 3QFY26. Standalone revenue grew 11% YoY, led by 9% underlying volume growth (UVG) (vs est. 12%). Ex-exports, growth was at ~12%, as exports declined 13% due to the US tariff impact.
- In the C&B business, value/volume growth stood at 12%/10% YoY, supported by mix and premiumization. The B2B segment saw 3% value growth and 7% volume growth, impacted by export headwinds, though domestic B2B grew in the mid-teens. The domestic business (C&B + B2B) delivered ~11% UVG. Price growth was driven by selective price laddering, premium mix, and tactical pricing in select categories, with management targeting a ~100–150bp price–volume gap on a sustained basis.
- Gross margin (GM) expanded 220bp YoY to 56.5%, at an all-time high on benign RM prices and better mix (higher B-C mix). VAM dipped to ~USD830/t in 3QFY26 from USD884/t in 3QFY25. GM is expected to remain stable, with no major volatility in VAM prices. PIDI continues to prioritize reinvestment in brand building and customer acquisition. EBITDA margin expanded 180bp YoY to 25.5% (adjusted to one-time impact of INR523m for the labor codes). EBITDA grew 19% YoY (est. 13%).
- Consolidated EBIT growth for the consumer business was healthy at 21% YoY (17% in 9MFY26, 10% in FY25). B2B business EBIT declined 2% (9% in 9MFY26, 53% in FY25).
- The company aspires to sustain double-digit volume growth. PIDI's volume growth trajectory remains encouraging, especially amid a challenging demand environment. Operating margins remain elevated (>24% EBITDA margin), and it will be crucial to monitor whether the company can sustain these levels. We model a 13% revenue and 14% EBITDA CAGR over the medium term. Given the rich valuations, we reiterate our Neutral rating on the stock with a TP of INR1,550 (50x Dec'27E EPS).

## Steady performance; volume up 9%

- **Steady volume growth sustains:** 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.
- **Healthy growth in C&B:** Consumer & Bazaar (C&B) segment revenue increased 11% YoY to INR29.7b (est. INR29.7), with segmental EBIT growing 21% YoY to INR9.5b (est. INR8.9b). It is adjusted by INR415m, reflecting the impact of labor code implementation. Segmental EBIT margins expanded 260bp YoY to 32%.
- **Muted B2B performance:** 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 by INR108m, reflecting the impact of the labor code implementation. Segmental EBIT margins contracted 80bp YoY to 16.8%.

- **Improvement in margins** - Gross margins expanded ~220bp YoY to 56.5% (est. 55%), at an all-time high. The cost impact of INR523m arising from the implementation of the new labor codes has been treated as an exceptional item. Employee expenses rose 9% YoY (adjusted INR523m due to new labor codes), and other expenses rose 13% YoY. EBITDA margin expanded 180bp YoY to 25.5% in 3QFY26 (est. 23.8%). We also adjusted segmental EBIT by allocating the cost proportionately to segment revenue.
- **Double-digit growth in profitability:** EBITDA grew 19% YoY (est. 13%) after adjusting for an INR523m impact of labor codes. 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%.
- **Subsidiary performance:** Domestic subsidiaries' C&B revenue grew 13% YoY and EBITDA grew 27%. Domestic B2B revenue declined 8% YoY and EBITDA declined 52%. Middle East and Africa revenue grew 3% and EBITDA rose 2%. Asia revenue grew 9% and EBITDA grew 26%.

### Highlights from the management commentary

- The domestic B2B segment delivered mid-teen growth, and management plans to bring the overall B2B business back to at least mid-teen growth levels. Exports form a relatively small part of the business. However, the pigments segment, which has direct exposure to the US, along with allied B2B segments such as footwear, leather, and textiles, faced pressure through 3Q, though management believes the worst impact is largely behind.
- The company expects to sustain double-digit volume growth, driven by an improving performance of growth brands and a robust pipeline of pioneering innovations, premium products.
- Price growth is driven by selective price laddering, mix/premiumization, and tactical pricing in a few categories, with management aiming to sustain a ~100–150bp price–volume gap over time, though not necessarily on a consistent QoQ basis.
- The growth in Roff will continue, given the growth in tile markets. Tile adhesive is a higher-value substitute for cement, and while overall tile demand in India is growing at ~8–10%, the real growth driver is the rapid increase in tile-adhesive penetration in tile fixing (high double-digit growth).

### Valuations and view

- We maintain our EPS estimates for FY27 and FY28.
- PIDI's core categories still enjoy a GDP multiplier. The advantage of penetration and distribution can help PIDI deliver healthy volume-led growth in the medium term. EBITDA margin is already high (>24% in 9MFY26). We do not estimate much expansion as growth drivers (consumer acquisition, distribution expansion, and brand investments) will require high opex. We build in a CAGR of 13%/14%/15% in revenue/EBITDA/PAT during FY26-28E.
- PIDI stands out for its market-leading position in the adhesives market, along with a strong brand and a solid balance sheet. However, we believe the current valuation limits the upside potential. As a result, we **reiterate our Neutral rating** on the stock with a **TP of INR1,550 (premised on 50x Dec'27E EPS)**.

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

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Volume growth (%)</b>	<b>9.6</b>	<b>8.0</b>	<b>9.7</b>	<b>9.8</b>	<b>9.9</b>	<b>10.3</b>	<b>9.3</b>	<b>12.0</b>	<b>9.3</b>	<b>10.4</b>	<b>12.0</b>	
<b>Net Sales</b>	<b>33,954</b>	<b>32,349</b>	<b>33,689</b>	<b>31,411</b>	<b>37,531</b>	<b>35,544</b>	<b>37,099</b>	<b>35,362</b>	<b>1,31,403</b>	<b>1,45,495</b>	<b>37,783</b>	<b>-1.8</b>
YoY change (%)	3.7	5.2	7.6	8.2	10.5	9.9	10.1	12.6	6.1	10.7	12.2	
<b>Gross Profit</b>	<b>18,268</b>	<b>17,583</b>	<b>18,301</b>	<b>17,288</b>	<b>20,314</b>	<b>19,563</b>	<b>20,961</b>	<b>19,964</b>	<b>71,440</b>	<b>80,801</b>	<b>20,781</b>	<b>0.9</b>
Margin (%)	53.8	54.4	54.3	55.0	54.1	55.0	56.5	56.5	54.4	55.5	55.0	
<b>EBITDA</b>	<b>8,127</b>	<b>7,688</b>	<b>7,984</b>	<b>6,326</b>	<b>9,410</b>	<b>8,507</b>	<b>9,468</b>	<b>7,348</b>	<b>30,125</b>	<b>34,664</b>	<b>8,984</b>	<b>5.4</b>
YoY change (%)	15.0	13.1	7.5	9.6	15.8	10.7	18.6	16.2	11.3	15.1	12.5	
Margins (%)	23.9	23.8	23.7	20.1	25.1	23.9	25.5	20.8	22.9	23.8	23.8	
Depreciation	844	879	895	967	967	1,000	1,010	1,012	3,585	3,988	1,000	
Interest	118	117	125	144	138	133	133	128	504	531	135	
Other Income	539	571	558	804	857	502	655	753	2,472	2,767	725	
<b>PBT</b>	<b>7,704</b>	<b>7,263</b>	<b>7,522</b>	<b>6,019</b>	<b>9,162</b>	<b>7,877</b>	<b>8,980</b>	<b>6,961</b>	<b>28,509</b>	<b>32,911</b>	<b>8,574</b>	<b>4.7</b>
Tax	1,984	1,848	1,947	1,487	2,383	2,027	2,159	1,741	7,265	8,310	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	
<b>Reported PAT</b>	<b>5,669</b>	<b>5,346</b>	<b>5,524</b>	<b>4,223</b>	<b>6,724</b>	<b>5,792</b>	<b>6,180</b>	<b>5,172</b>	<b>20,762</b>	<b>24,380</b>	<b>6,375</b>	<b>-3.1</b>
<b>Adj PAT</b>	<b>5,669</b>	<b>5,346</b>	<b>5,524</b>	<b>4,473</b>	<b>6,724</b>	<b>5,792</b>	<b>6,761</b>	<b>5,172</b>	<b>21,012</b>	<b>24,380</b>	<b>6,375</b>	<b>6.0</b>
YoY change (%)	21.1	18.7	8.2	20.2	18.6	8.4	22.4	15.6	16.7	16.0	15.4	
Margins (%)	16.7	16.5	16.4	14.2	17.9	16.3	18.2	14.6	16.0	16.8	16.9	

E: MOFSL Estimates

**Consolidated segmental performance**

Consol. revenue (INR m)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
<b>Consumer &amp; Bazaar</b>	<b>26,609</b>	<b>25,083</b>	<b>25,413</b>	<b>22,472</b>	<b>27,408</b>	<b>25,805</b>	<b>26,726</b>	<b>23,976</b>	<b>30,067</b>	<b>28,365</b>	<b>29,742</b>
% YoY	9%	3%	5%	6%	3%	3%	5%	7%	10%	10%	11%
C&B volume growth (%)	12%	8%	10%	13%	8%	6%	7%	8%	9%	10%	10%
<b>Business to business</b>	<b>6,780</b>	<b>6,153</b>	<b>6,373</b>	<b>7,079</b>	<b>7,256</b>	<b>7,036</b>	<b>7,572</b>	<b>8,089</b>	<b>8,066</b>	<b>7,613</b>	<b>7,777</b>
% YoY	-6%	-1%	6%	12%	7%	14%	19%	14%	11%	8%	3%
B2B volume growth (%)	0%	20%	20%	25%	18%	21%	22%	16%	13%	10%	7%
<b>Consol. EBIT (INR m)</b>											
Consumer & Bazaar	7,078	6,935	7,704	5,448	8,039	7,710	7,865	6,178	9,458	8,575	9,520
% margin	26.6%	27.6%	30.3%	24.2%	29.3%	29.9%	29.4%	25.8%	31.5%	30.2%	32.0%
% YoY	32%	32%	43%	19%	14%	11%	2%	13%	18%	11%	21%
Business to business	917	685	757	835	1,103	1,040	1,335	1,415	1,329	1,158	1,308
% margin	13.5%	11.1%	11.9%	11.8%	15.2%	14.8%	17.6%	17.5%	16.5%	15.2%	16.8%
% YoY	22%	38%	93%	18%	20%	52%	76%	69%	20%	11%	-2%

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR4,013      TP: INR5,200 (+30%)      Buy**

## Strong cost control continues; revenue growth recovery vital for re-rating

Bloomberg	TRENT IN
Equity Shares (m)	355
M.Cap.(INRb)/(USDb)	1426.4 / 15.8
52-Week Range (INR)	6261 / 3644
1, 6, 12 Rel. Per (%)	-7/-28/-39
12M Avg Val (INR M)	6153

### Financials & Valuations Consol (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	200.3	235.5	274.0
EBITDA	36.1	43.1	50.8
NP	16.7	19.4	22.6
EBITDA Margin (%)	18.0	18.3	18.5
Adj. EPS (INR)	46.9	54.5	63.5
EPS Gr. (%)	8.6	16.3	16.5
BV/Sh. (INR)	208.0	260.0	321.0

### Ratios

Net D:E	0.0	-0.1	-0.3
RoE (%)	26.9	24.9	23.4
RoCE (%)	18.9	17.4	16.4
Payout (%)	11.9	11.0	10.2

### Valuations

P/E (x)	85.6	73.6	63.2
EV/EBITDA (x)	39.5	32.8	27.5
EV/Sales (x)	7.2	6.1	5.1
Div. Yield (%)	0.1	0.1	0.2

### Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	37.0	37.0	37.0
DII	21.5	20.0	15.3
FII	15.6	16.8	21.7
Others	25.9	26.2	26.0

FII includes depository receipts

- Trent's revenue growth deceleration continued with **16% YoY** growth in 3Q (vs. 39% YoY area addition), due to **marginally negative LFL**, reflecting the impact of the festive shift, subdued consumer sentiment, and lower initial productivity of newly added stores.
- However, **strong cost discipline, especially RFID-led manpower optimization and variable cost structure, drove ~90bp expansion in pre-Ind AS EBITDA margin to 15.6%, driving ~23% YoY pre-IND AS EBITDA growth.**
- Management indicated that consumer sentiment remained muted in 3QFY26, though the trends are gradually improving and the medium-term outlook remains positive.
- However, the bulk of manpower cost efficiencies have now been realized and investments in technology, logistics and warehousing would be key for driving optimal productivity and profitability.
- Star business continued to struggle with modest revenue growth of ~1% YoY as several stores were closed for upgrades. Management acknowledged the pace of store additions has been weaker than initial expectations and it is looking to accelerate the same.
- We marginally cut our FY27-28E pre-IND AS EBITDA by ~2% each. We build in a CAGR of 17%/18%/15% in standalone revenue/pre-IND AS EBITDA/adj. PAT over FY25-28E, driven mainly by retail footprint additions.
- **Reiterate BUY on Trent with an unchanged TP of INR5,200**, premised on 50x FY28E EV/pre-IND AS EBITDA for the standalone (Westside and Zudio) business, 2.5x EV/sales for Star JV, and ~1.5x EV/EBITDA for Zara JV.
- After correction (-30% in last 12 months), the stock currently trades at ~57x FY28E standalone P/E, excluding the contribution from Star and Zara JV.

## Strong margin performance continues; 3Q pre-INDAS EBITDA up 23% YoY

- Standalone revenue at INR52.6b grew **16% YoY** (disclosed earlier), driven by ~39% YoY net area additions as revenue per sqft declined ~18% YoY.
- Trent's LFL growth for fashion portfolio was **marginally negative** in 3QFY26, due to a festive shift. For 9MFY26, it was in low single digits.
- Gross profit grew **17% YoY** to INR23.7b (in line) as gross margin expanded ~30bp YoY to 45% (~50bp ahead).
- Despite ~39% YoY net store additions, employee costs grew by a modest ~3% YoY, while SG&A and other costs rose ~11% YoY.
- Trent's occupancy cost (rentals above EBITDA) grew ~4% YoY, while lease rentals (below EBITDA) rose ~48% YoY, resulting in **overall rental growth of ~18% YoY.**
- Standalone pre-INDAS EBITDA **grew 23% YoY** in 3QFY26 to INR8.22b (also 23% YoY in 9M), with pre-INDAS EBITDA margin of 15.6% (**up ~90bp YoY**).
- Reported EBITDA grew 28% YoY to INR10.7b (3% above our est.), with reported EBITDA margins expanding ~195bp YoY to 20.4% (~65bp ahead).

- Standalone pre-Ind AS EBIT margin stood at 13.8% (up ~60bp YoY).
- Depreciation (+48% YoY) and interest costs (+17% YoY) jumped, while other income surged 2.7x YoY to INR1.53b, likely on proceeds from Zara India share buyback.
- Trent provided ~INR258m toward labor code provisions. Adjusted for the same, PAT grew 42% YoY to INR6.7b (~20% beat), driven by higher EBITDA, other income and lower tax rate.

#### Relatively muted consolidated performance

- Consolidated revenue grew 15% YoY to INR53.5b.
- Reported EBITDA grew 28% YoY to INR10.8b with ~310bp YoY margin improvement to 20.2%.
- Operating (pre-IND AS) EBITDA **grew ~20% YoY** to INR8.4b, with margin **expanding ~70bp YoY to 15.7%**.
- Adjusted PAT stood at INR5.3b (up ~7% YoY), as higher EBITDA was partly offset by higher D&A (up 50% YoY) and finance costs (+18% YoY).

#### The pace of store additions continued, especially in Westside

- The pace of store additions remained robust with 63 net store additions, bringing the total fashion format store count to 1,164 (**up 28% YoY**).
- Westside recorded yet another highest quarterly net store addition at 17 (13 in 2Q), taking the total store count to 278 (+17% YoY).
- Zudio witnessed 48 net store openings in 3QFY26 (89 in 9MFY26 vs. 90 in 9MFY25), to reach 854 stores (+34% YoY).
- Trent's other fashion format store count declined by 2 QoQ to 32 (-6% YoY).
- We note that store additions typically pick up pace in 4Q and all eyes would be on further scale-up of Trent's fashion footprint as it remains the biggest growth driver amid weakening SSSG.

#### Star business: Muted performance with dip in revenue

- Revenue (ex-GST) inched up 1% YoY as several stores underwent upgrades in 3Q and 9MFY26.
- Star added 2 net stores in 3QFY26 to reach 79 stores (3 openings, 1 closure).
- Calc. annualized revenue per sqft **declined ~9% YoY** to INR26.9k (vs. flat YoY for DMart at INR38.9k) and annualized revenue per store declined ~4% YoY to INR459m (vs. -1% YoY for DMart at INR1.6b).
- The share of own brands now stands at ~74% of Star's revenue (stable YoY).
- Management acknowledged that the pace of store additions has been slower (vs. expectations) and is looking to accelerate in coming periods.

#### Highlights from the management commentary

- **Demand:** 3Q was impacted by a partial shift in festive (to 2Q) and relatively muted consumer sentiment. However, the company is witnessing a gradual improvement and expects GST rationalization benefits to flow through for lifestyle categories over the medium term.

- **LFL growth** in 3Q was marginally negative due to calendar effects. Trent is facing certain supply-chain related challenges due to geopolitical disturbances. However, LFL was in low single digits for 9MFY26.
- **Growth strategy:** The company's intent is to expand its reach and grow its revenue share through increased density across key markets. The approach is delivering encouraging initial outcomes, though new markets are likely to become more relevant over a two-to-three-year period.
- **Competitive intensity** remains elevated, but Trent's own-brand, direct-to-consumer model provides tighter control over pricing, inventory and product differentiation, supporting gradual premiumization and a defensible competitive position.

### Valuation and view

- Trent's growth rate has decelerated materially over the last few quarters due to weak LFL amid a subdued demand environment and self-cannibalization of existing stores to gather higher revenue in select micro-markets.
- However, the company continues to display strong cost controls (especially tech-led reduction in employee costs) to report healthy EBITDA growth.
- We continue to like Trent for its robust footprint additions, retail formats with robust store economics, long runway for growth in Star (presence in just 11 cities), and potential scale-up of emerging categories (Beauty, Innerwear and Footwear). However, revenue growth acceleration remains a key trigger.
- Our FY26E pre-IND AS EBITDA is unchanged, while we cut FY27-28E pre-IND AS EBITDA by ~2% each, driven primarily by higher lease rental costs.
- We build in a CAGR of 17%/18%/15% in standalone revenue/pre-IND AS EBITDA/adj. PAT over FY25-28E, driven mainly by retail footprint additions (~20% CAGR). Our pre-IND AS EBITDA margin is stable at ~13% over FY26-28E.
- **Reiterate BUY on Trent with an unchanged TP of INR5,200**, premised on 50x FY28E EV/pre-IND AS EBITDA for the standalone (Westside and Zudio) business, 2.5x EV/sales for Star JV, and ~1.5x EV/EBITDA for Zara JV.
- After correction (-30% in last 12 months), the stock currently trades at ~57x FY28E standalone P/E, excluding the contribution from Star and Zara JV.

### Standalone - Quarterly earnings summary

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E 3QE	Est. Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue	39,917	40,356	45,347	41,061	47,813	47,241	52,595	48,656	166,681	196,304	52,875	-0.5
YoY Change (%)	57.4	39.6	36.9	28.8	19.8	17.1	16.0	18.5	39.8	17.8		
Total Expenditure	33,805	33,922	36,917	34,497	39,435	39,108	41,861	40,025	139,141	160,429	42,432	-1.3
<b>EBITDA</b>	<b>6,112</b>	<b>6,434</b>	<b>8,430</b>	<b>6,564</b>	<b>8,377</b>	<b>8,132</b>	<b>10,734</b>	<b>8,631</b>	<b>27,540</b>	<b>35,875</b>	<b>10,443</b>	<b>2.8</b>
EBITDA Margin (%)	15.3	15.9	18.6	16.0	17.5	17.2	20.4	17.7	16.5	18.3	19.8	3.3
Depreciation	1,759	1,915	2,393	2,631	2,839	3,153	3,545	3,734	8,699	13,271	3,311	7.1
Interest	312	324	363	371	395	413	424	394	1,369	1,626	454	-6.6
Other Income	455	1,360	509	970	409	1,192	1,533	489	3,294	3,623	592	159.1
<b>PBT before EO expense</b>	<b>4,496</b>	<b>5,554</b>	<b>6,184</b>	<b>4,533</b>	<b>5,552</b>	<b>5,759</b>	<b>8,298</b>	<b>4,993</b>	<b>20,766</b>	<b>24,601</b>	<b>7,270</b>	<b>14.1</b>
Extra-Ord expense	-	-	-	-	-	-	(258)	-	-	(258)	-	
<b>PBT</b>	<b>4,496</b>	<b>5,554</b>	<b>6,184</b>	<b>4,533</b>	<b>5,552</b>	<b>5,759</b>	<b>8,040</b>	<b>4,993</b>	<b>20,766</b>	<b>24,343</b>	<b>7,270</b>	<b>10.6</b>
Tax	1,074	1,320	1,490	1,033	1,326	1,251	1,643	1,257	4,918	5,477	1,745	-5.8
<b>Reported PAT</b>	<b>3,422</b>	<b>4,234</b>	<b>4,693</b>	<b>3,499</b>	<b>4,226</b>	<b>4,508</b>	<b>6,397</b>	<b>3,735</b>	<b>15,848</b>	<b>18,866</b>	<b>5,525</b>	<b>15.8</b>
YoY Change (%)	130.8	46.2	36.6	41.3	23.5	6.5	40.7	6.8	54.0	20.3		

E: MOFSL Estimates

# Tata Power

Estimate change	↔
TP change	↓
Rating change	↔

**CMP: INR371      TP: INR455 (+22%)      Buy**

## Mundra SPPA and RE execution key drivers in FY27

Bloomberg	TPWR IN
Equity Shares (m)	3195
M.Cap.(INRb)/(USDb)	1187.2 / 13.1
52-Week Range (INR)	417 / 326
1, 6, 12 Rel. Per (%)	-3/-8/-6
12M Avg Val (INR M)	2237

### Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	650.9	821.3	956.4
EBITDA	133.2	178.8	220.6
Adj. PAT	38.5	53.5	63.4
Adj. EPS (INR)	12.0	16.7	19.9
EPS Gr. (%)	-1.7	38.9	18.7
BV/Sh. (INR)	118.6	128.4	140.2

### Ratios

Net D:E	1.3	1.5	1.6
RoE (%)	10.4	13.5	14.8
RoCE (%)	7.2	8.4	8.8
Payout (%)	20.8	19.4	18.9

### Valuations

P/E (x)	30.8	22.2	18.7
P/BV (x)	3.1	2.9	2.6
EV/EBITDA (x)	14.1	11.2	9.8
Div. Yield (%)	0.7	0.9	1.0

### Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	46.9	46.9	46.9
DII	17.5	16.7	16.0
FII	10.0	10.2	9.5
Others	25.6	26.3	27.6

FII includes depository receipts

- **Weak 3Q amid Mundra shutdown:** Tata Power (TPWR) reported a 3QFY26 APAT of INR7.7b, indicating a 20% miss vs. our est. The weaker-than-expected performance was primarily attributable to the standalone business, which reported a PAT loss of INR1.6b during the quarter due to the Mundra plant remaining shut. In contrast, profitability at TPDDL improved sharply, supported by the receipt of INR3.4b towards past-period tariff recoveries. Reported EBITDA was INR30.5b, which was 4% below our est.
- **Key things we liked about the result:** 1) the Odisha distribution business continues to report a stellar improvement in profitability on a YoY basis driven by lower ECL charges and improved cash collections; 2) management guided that the company is close to finalizing the Mundra SPPA with the Gujarat government, and the plant could potentially restart by the end of FY26; 3) cell and module assets continue to operate at industry-leading scale with a yield of ~95%; and 4) rooftop earnings momentum remains strong, with 9MFY26 EBITDA up 2.7x YoY.
- **Key monitorables:** Finalization of the Mundra SPPA and restart of the plant by the end of FY26. While its own RE commissioning was weak at 559MW in 9mFY26 (FY26 target: 1.1GW), this should pick up in FY27 as third-party installation will significantly decline.
- **Key changes to our earnings estimates:** We cut our FY26E/FY27E PAT by 4%/3% to account for the potential closure of the Mundra plant in 4QFY26 and a slower-than-expected pace of its own RE commissioning. We cut our EV/EBITDA multiple for the renewable business to 12x (vs. 14x earlier).
- **Valuation and view:** The valuation of TPWR is segmented across various business units. The regulated business is valued using a 2.5x multiple on regulated equity; the coal segment is valued at 1x book value; the renewables segment is valued at 12x FY28E EBITDA; the pumped storage segment and other segments are valued at 1x PB; and for cash and investments, we add INR37/share. The sum of these contributions results in a TP of INR455/share.

## Result below our estimates; Mundra shutdown affects performance

### Financial Performance

- TPWR reported revenue at INR139.5b (-9% YoY, -10% QoQ), missing our estimates by 23%. The miss was attributed mainly to the continued shutdown of the Mundra plant.
- TPWR posted an EBITDA of INR30.5b (-9% YoY, -7% QoQ), which missed our estimates by 4.3%. The EBITDA margin was 21.9% vs. the projected 17.6%.
- APAT was INR7.7b (-25% YoY, 16% QoQ), missing our estimates by 19.7%.

### Operational Performance

- TPWR commissioned 919MW RE capacity, including 357MW own projects and 562MW of third-party EPC.
- It installed ~0.57m smart meters and added 372MWp rooftop capacity in 3Q.
- The company's total portfolio now stands at 26.3GW, with 16.3GW operational and 10.0GW under construction.
- TPWR's module manufacturing arm produced 990MW and 962MW of solar modules and cells, respectively.
- TPWR has an order book of INR11.7b for their rooftop EPC and a utility scale order book of INR9.2b.

### Highlights of the 3QFY26 performance

- During 3QFY26, new businesses scaled up well, with the Cell & Module manufacturing segment reporting a sharp improvement in profitability and rooftop solar execution rising to 372MW vs. 173MW in 3QFY25; rooftop solar PAT increased to INR1.1b from INR0.6b YoY.
- The Odisha discom business delivered a strong turnaround, with PAT increasing to INR2.26b from INR0.8b last year.
- Delhi distribution performance improved, with higher EBITDA aided by a one-off FY23 tariff true-up, contributing ~INR3.44b to PAT in 3QFY26.
- Losses from the Mundra plant shutdown, estimated at ~INR8b over nine months due to foregone capacity charges, were partly offset by stronger performance in Delhi distribution and rooftop solar; a similar regulatory impact was seen in the same quarter last year.
- The Mundra power plant did not operate in 3QFY26; however, SPPA discussions with the Gujarat government are nearing completion, and the plant is expected to restart ahead of summer demand, with similar arrangements planned with other states.
- The renewable energy pipeline stands at 5.2GW, with 2.5-3.0GW targeted for commissioning next year (around 50% solar); an additional 400-500 MW is nearing completion this quarter (9MFY26: 559 MW), and third-party EPC activity is largely tapering off.
- In solar manufacturing, module sales totaled 960 MW (including 168 MW under ALMM), with increasing use of in-house cells.

### Valuations

- The valuation of TPWR is segmented across various business units, leading to a TP of INR455/share.
- Regulated business is valued using a 2.5x multiple on regulated equity.
- The coal segment is valued at 1x book value.
- The renewables segment is valued at 12x FY28E EBITDA.
- The pumped storage segment and other segments are valued at 1x PB. For cash and investments, we add INR37/share.
- The sum of these contributions results in a TP of INR455/share, reflecting the comprehensive valuation of TPWR's diverse business segments.

**Consolidated performance**
**(INRb)**

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var. %	YoY %	QoQ %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE						
<b>Net Sales</b>	<b>172.9</b>	<b>157.0</b>	<b>153.9</b>	<b>171.0</b>	<b>180.4</b>	<b>155.4</b>	<b>139.5</b>	<b>175.6</b>	<b>654.8</b>	<b>650.9</b>	181.9	-23.3	-9.4	-10.3
YoY Change (%)	13.7	-0.3	5.1	7.9	4.3	-1.0	-9.4	2.7			18.2			
<b>EBITDA</b>	<b>35.9</b>	<b>37.5</b>	<b>33.5</b>	<b>32.5</b>	<b>41.4</b>	<b>33.0</b>	<b>30.5</b>	<b>28.2</b>	<b>139.3</b>	<b>133.2</b>	31.9	-4.3	-8.9	-7.5
EBITDA Margin	20.7%	23.9%	21.8%	19.0%	22.9%	21.2%	21.9%	16.1%	21.3%	20.5%	17.6%			
Depreciation	9.7	9.9	10.4	11.2	11.6	11.6	12.1	11.2	41.2	46.5	10.6	14.1	16.0	3.9
Interest	11.8	11.4	11.7	12.1	12.8	13.2	13.6	11.2	47.0	50.9	12.9	5.7	16.6	3.4
Other Income	2.5	5.1	4.0	3.5	3.6	5.1	3.2	6.6	15.1	18.4	5.9	-45.5	-20.3	-36.6
Rate regulated activity	-6.9	-6.7	-2.7	1.7	-5.7	2.2	5.4	0.0	-14.7	1.9	0.0			
<b>PBT before EO expense</b>	<b>10.0</b>	<b>14.5</b>	<b>12.7</b>	<b>14.3</b>	<b>14.9</b>	<b>15.5</b>	<b>13.4</b>	<b>12.3</b>	<b>51.5</b>	<b>56.1</b>	14.3	-6.3	5.5	-13.5
Extraord items	2.0	-2.2	0.0	0.8	0.0	0.0	0.0	0.0	0.7	0.0	0.0			
<b>PBT</b>	<b>12.0</b>	<b>12.4</b>	<b>12.7</b>	<b>15.2</b>	<b>14.9</b>	<b>15.5</b>	<b>13.4</b>	<b>12.3</b>	<b>52.3</b>	<b>56.1</b>	14.3	-6.3	5.5	-13.5
Tax	3.0	3.8	2.7	2.9	3.6	4.3	3.5	1.9	12.4	13.3	3.7			
Rate (%)	25.1	30.7	21.2	19.4	24.0	28.0	25.8	15.3	23.8	23.6	25.7			
Share of associates and JV	2.9	2.4	1.9	0.8	1.3	1.3	2.0	0.9	7.9	5.5	1.3			
Minority Interest	2.2	1.7	1.6	2.6	2.0	3.3	4.2	0.3	8.0	9.9	2.3			
<b>Reported PAT</b>	<b>9.7</b>	<b>9.3</b>	<b>10.3</b>	<b>10.4</b>	<b>10.6</b>	<b>9.2</b>	<b>7.7</b>	<b>11.0</b>	<b>39.7</b>	<b>38.5</b>	9.6	-19.7	-25.1	-16.0
<b>Adj PAT</b>	<b>8.2</b>	<b>10.8</b>	<b>10.3</b>	<b>9.7</b>	<b>10.6</b>	<b>9.2</b>	<b>7.7</b>	<b>11.0</b>	<b>39.2</b>	<b>38.5</b>	9.6	-19.7	-25.1	-16.0

**TPWR – SoTP valuation**

Segment	Metric type	Metric value	Multiple	Value (INR/sh.)
Regulated business	Regulated equity	132,737	2.5	105
Coal	Equity		1x BV	9
Renewables	FY28 EBITDA	103,693	12	269
Pumped storage	Equity	37,650	1x PB	13
Others	Equity		1x PB	22
Cash and investments				37
<b>Target price</b>				<b>455</b>
CMP				371
Upside / (Downside)				22%

# Tube Investments of India

Estimate changes	↔
TP change	↔
Rating change	↔

Bloomberg	TIINDIA IN
Equity Shares (m)	193
M.Cap.(INRb)/(USDb)	510.4 / 5.6
52-Week Range (INR)	3420 / 2165
1, 6, 12 Rel. Per (%)	4/-13/-23
12M Avg Val (INR M)	1120

## Consol. Financials & Valuations (INR b)

INR b	FY26E	FY27E	FY28E
Sales	84.1	91.6	100.0
EBITDA	11.0	12.1	13.2
Adj. PAT	8.6	9.3	10.2
EPS (INR)	44.3	48.2	52.7
EPS Gr. (%)	14.7	9.0	9.2
BV/Sh. (INR)	308.6	351.3	398.0

## Ratios

RoE (%)	15.3	14.6	14.1
RoCE (%)	19.7	18.9	18.2
Payout (%)	11.1	11.4	11.4

## Valuations

P/E (x)	9.0	8.2	7.5
P/BV (x)	1.3	1.1	1.0
Div. Yield (%)	1.3	1.4	1.5
FCF Yield (%)	0.8	0.9	1.1

## Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	44.1	44.1	44.1
DII	20.1	18.2	15.5
FII	23.1	25.4	28.2
Others	12.7	12.3	12.2

FII includes depository receipts

**CMP: INR2,637      TP: INR3,315 (+26%)      Buy**

## Earnings beat, led by the engineering business

### GST rate cuts and ramp-up of new plants to drive growth

- Tube Investments (TIINDIA)'s 3Q adj. PAT at INR2b came in 9% ahead of our est. due to a margin beat in the engineering business at 13.6% (est. of 12%).
- TIINDIA offers diversified revenue streams, with healthy growth in the core business (~11% S/A PAT CAGR over FY25E-28E), in CG Power, as well as the optionality of new businesses incubated under the TI-2 strategy. Adjusted for stakes in CG Power and Shanti Gears, the standalone business is attractively valued at 8.2x / 7.5x FY27E/FY28E EPS. **We reiterate our BUY rating with a TP of ~INR3,315 (premised on Dec'27E SoTP; our valuation is based on a 24x PER for the standalone business, valuing the listed subsidiaries at a 30% HoldCo discount).**

### Earnings above est., led by a margin beat in the engineering segment

- TIINDIA's standalone revenues grew ~13% YoY to INR21.5b (in line)
- EBITDA margins expanded 170bp YoY to 14.4% (150bp ahead of our est.), led by better-than-expected performance by the Engineering division.
- Segmental performance:
  - Mobility business revenues grew 29% YoY to INR1.8b (3% ahead of our est), EBIT margins improved 280bp YoY to 2.2% vs. our est. of 2.4%.
  - Engineering business revenue grew 18.6% YoY to INR14.3b (3% above our est), EBIT margin improved 70bp YoY to **13.6% and beat our est. of 12.0%**.
  - Metal-formed business revenue grew 2% YoY to INR4b (in line). The EBIT margin improved 20bp YoY to 11.3% vs. our est. of 11%.
  - Other business revenues declined 15.3% YoY to INR2.1b (9% below our est), EBIT margins improved 440bp YoY to 8.9% vs. our est. of 8%.
- EBITDA grew 27.3% YoY to INR3b (13% ahead of est.).
- The company incurred a one-time expense of INR150mn on account of changes in the labor code.
- Adjusted for this, PAT stood at INR2b, up 25% YoY (9% above our estimate).
- FCF for the standalone business in 3Q stood at INR2.5b, and annualized RoIC stood at 49%.

### Highlights from the management commentary

- The railway order, which was expected to be commissioned by 4QFY26, is experiencing a delay of about one quarter due to a lack of readiness among other suppliers.
- TIINDIA may look to invest about INR5.0-7.5b in TICMPL from the standalone cash flows.
- Its target would be to achieve a break-even in e-3W and HCV segments over the next 12-18 months and then look at break-even in the other two segments.

- Its two key focus areas in this business include: 1) focus on reducing the BOM cost, which will aid TII to position its products more competitively, and 2) expand channel and network presence pan-India.
- Management confirmed that it would focus on the current TI-2 projects and not look at any further incremental avenues. It may consider TI3 opportunities if the same fits their requirements.

### Valuation and view

- TIINDIA offers diversified revenue streams, with healthy growth in the core business (~11% S/A PAT CAGR over FY25E-28E), growth in CG Power, and the optionality of new businesses incubated under the TI-2 strategy. Adjusted for stakes in CG Power and Shanti Gears, the standalone business is attractively valued at 8.2x / 7.5x FY27E/FY28E EPS. **We reiterate our BUY rating with a TP of ~INR3,315 (based on Dec'27E SoTP; our valuation is based on 24x PER for the standalone business, valuing the listed subsidiaries at a 30% HoldCo discount).**

### Quarterly performance (S/A)

Y/E March	(INR M)											
	FY25				FY26E				FY25	FY26E	3Q	VAV.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				(%)
<b>Net Sales</b>	<b>19,603</b>	<b>20,648</b>	<b>19,102</b>	<b>19,573</b>	<b>20,066</b>	<b>21,190</b>	<b>21,522</b>	<b>21,344</b>	<b>78,925</b>	<b>84,122</b>	<b>21,216</b>	<b>1.4</b>
YoY Change (%)	10.1	4.8	0.6	-0.3	2.4	2.6	12.7	9.1	3.7	6.6	11.1	
<b>EBITDA</b>	<b>2,400</b>	<b>2,460</b>	<b>2,431</b>	<b>2,280</b>	<b>2,474</b>	<b>2,765</b>	<b>3,094</b>	<b>2,705</b>	<b>9,606</b>	<b>11,038</b>	<b>2,732</b>	<b>13.2</b>
YoY Change (%)	11.1	-2.1	1.5	5.0	3.1	12.4	27.3	18.6	4.0	14.9		
Margins (%)	12.2	11.9	12.7	11.6	12.3	13.1	14.4	12.7	12.2	13.1	12.9	150bp
Depreciation	386	407	432	463	450	474	477	484	1,688	1,885	485	
Interest	72	69	54	52	37	16	14	23	247	90	20	
Other Income	137	261	175	1,502	234	229	78	1,595	2,075	2,136	200	-61.1
<b>PBT before EO expense</b>	<b>2,079</b>	<b>2,245</b>	<b>2,120</b>	<b>3,267</b>	<b>2,221</b>	<b>2,504</b>	<b>2,681</b>	<b>3,793</b>	<b>9,745</b>	<b>11,199</b>	<b>2,427</b>	<b>10.4</b>
Tax	534	567	512	664	540	637	641	849	2,277	2,667	583	
Tax Rate (%)	25.7	25.3	24.2	20.3	24.3	25.4	25.3	22.4	23.4	23.8	24.0	
<b>Adj PAT</b>	<b>1,545</b>	<b>1,678</b>	<b>1,607</b>	<b>2,603</b>	<b>1,681</b>	<b>1,868</b>	<b>2,004</b>	<b>2,943</b>	<b>7,468</b>	<b>8,496</b>	<b>1,844</b>	<b>8.7</b>
YoY Change (%)	4.6	-7.5	2.1	5.0	8.8	11.3	24.7	13.1	1.7	13.8	14.7	

### Segmental Mix (INR m)

	(INR M)											
	FY25				FY26E				FY25	FY26E	3Q	VAV.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				(%)
<b>Mobility business</b>	<b>1,807</b>	<b>1,675</b>	<b>1,418</b>	<b>1,808</b>	<b>1,984</b>	<b>1,938</b>	<b>1,831</b>	<b>2,073</b>	<b>6,708</b>	<b>7,825</b>	<b>1,772</b>	<b>3.3</b>
Growth (%)	(3.2)	(5.1)	(3.8)	17.5	9.8	15.7	29.1	14.7	1.0	16.7	25.0	
PBIT margin (%)	0.9	(0.2)	(0.6)	2.4	3.5	2.2	2.2	2.4	0.7	2.6	2.4	
Contribution (%)	9.2	8.1	7.4	9.2	9.9	9.1	8.5	9.7	8.5	9.3	8.4	
<b>Engineering business</b>	<b>12,652</b>	<b>13,231</b>	<b>12,118</b>	<b>12,287</b>	<b>12,982</b>	<b>13,816</b>	<b>14,375</b>	<b>13,910</b>	<b>49,997</b>	<b>55,084</b>	<b>13,935</b>	<b>3.2</b>
Growth (%)	10.8	3.8	(1.4)	(3.7)	2.6	4.4	18.6	13.2	1.0	10.2	15.0	
PBIT margin (%)	12.4	12.3	12.9	11.5	11.8	11.9	13.6	12.8	12.3	12.6	12.0	
Contribution (%)	64.5	64.1	63.4	62.8	64.7	65.2	66.8	65.2	63.3	65.5	65.7	
<b>Metal formed business</b>	<b>3,576</b>	<b>4,044</b>	<b>3,997</b>	<b>4,031</b>	<b>3,658</b>	<b>4,079</b>	<b>4,084</b>	<b>4,014</b>	<b>15,938</b>	<b>15,834</b>	<b>4,156</b>	<b>-1.7</b>
Growth (%)	4.6	1.2	2.0	4.5	2.3	0.9	2.2	(0.4)	4.9	(0.7)	4.0	
PBIT margin (%)	10.0	11.3	10.1	9.8	10.0	10.9	11.3	11.0	10.1	10.8	11.0	
Contribution (%)	18.2	19.6	20.9	20.6	18.2	19.2	19.0	18.8	20.2	18.8	19.6	
<b>Other business</b>	<b>2,469</b>	<b>2,433</b>	<b>2,524</b>	<b>2,441</b>	<b>2,363</b>	<b>2,269</b>	<b>2,137</b>	<b>2,282</b>	<b>9,866</b>	<b>9,051</b>	<b>2,347</b>	<b>-9.0</b>
Growth (%)	39.1	17.6	15.0	6.0	(4.3)	(6.7)	(15.3)	(6.5)	22.7	(8.3)	(7.0)	
PBIT margin (%)	6.1	3.6	4.5	5.2	7.2	8.1	8.9	8.6	4.8	8.2	8.0	
Contribution (%)	12.6	11.8	13.2	12.5	11.8	10.7	9.9	10.7	12.5	10.8	11.1	
<b>Total Revenue (post inter segment)</b>	<b>19,603</b>	<b>20,648</b>	<b>19,102</b>	<b>19,573</b>	<b>20,066</b>	<b>21,190</b>	<b>21,522</b>	<b>21,344</b>	<b>78,925</b>	<b>84,122</b>	<b>21,216</b>	
Growth (%)	10.1	4.8	0.6	(0.3)	2.4	2.6	12.7	9.1	3.7	6.6	11.1	

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	HMN IN
Equity Shares (m)	439
M.Cap.(INRb)/(USD\$)	213.6 / 2.4
52-Week Range (INR)	653 / 470
1, 6, 12 Rel. Per (%)	-4/-24/-25
12M Avg Val (INR M)	356

#### Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	39.2	42.6	45.8
Sales Gr. (%)	2.9	8.7	7.5
EBITDA	10.3	11.5	12.5
EBITDA Margin (%)	26.3	27.0	27.4
Adj. PAT	9.0	9.2	9.9
Adj. EPS (INR)	20.7	21.0	22.6
EPS Gr. (%)	2.0	1.4	7.8
BV/Sh.(INR)	69.0	75.3	81.7

#### Ratios

RoE (%)	31.7	29.1	28.8
RoCE (%)	35.3	32.1	31.6
Payout (%)	55.6	61.9	64.1

#### Valuation

P/E (x)	23.6	23.3	21.6
P/BV (x)	10.5	9.7	8.9
EV/EBITDA (x)	29.7	26.3	23.9
Div. Yield (%)	2.4	2.7	3.0

#### Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	54.8	54.8	54.8
DII	26.7	25.0	21.7
FII	9.0	10.9	14.1
Others	9.4	9.2	9.4

FII Includes depository receipts

**CMP: INR489**      **TP: INR650 (+33%)**      **Buy**

### Steady show; positive commentary on growth recovery

- Emami's consolidated revenue grew 10% YoY in 3QFY26 (in line), backed by a favorable winter season. Emami saw a sequential improvement following the GST 2.0-related trade disruptions in the early part of 3Q. Domestic business grew by 11% YoY with 9% volume growth. International business revenue rose 9% YoY, led by steady performance in the SAARC and CIS regions. Management expects its summer portfolio channel loading to start by Feb end. Emami aims to achieve high-single-digit to low-double-digit revenue growth in the near term.
- While GM saw a marginal expansion of 40bp to 70.6% (in line), EBITDA margin expanded 110bp YoY to 33.4% (in line). We expect ~26.5% EBITDA margin for FY26 and FY27.
- Given a resilient performance in rural markets and Emami's own initiatives related to distribution, new launches, and marketing spends, it is expected to sustain revenue growth. Emami plans to prioritize rural markets with more focus on LUP mix in FY27. We believe a healthy season and a broad-based consumption recovery, coupled with comfortable valuation, bode well for Emami. **We reiterate our BUY rating with a TP of INR650 (based on 30x Dec'27E EPS).**

### In-line performance; volume up 9%

- Double-digit sales growth:** Consol. net sales rose 10% YoY to INR11.5b (est. INR11.6b). Domestic business revenue grew 11% YoY, backed by 9% volume growth. A favourable winter season supported stronger offtake across the winter portfolio and health supplements. All brands registered healthy performance during the quarter. International business revenue grew 9% YoY, led by steady performance in the SAARC and CIS regions.
- Healthy growth across brands:** All major brands saw healthy performance during the quarter. Backed by strong growth in the winter portfolio, BoroPlus grew 16% YoY (on a base of 20%). Pain management grew 8% and healthcare range grew 7%. Following a revamp, Kesh King grew 10% after nine quarter of declining growth trajectory. Strategic subsidiaries delivered robust growth of 31% in 3QFY26 and management expects to sustain the growth momentum going ahead.
- EBITDA margin in line with estimates:** Gross margin expanded marginally by 30bp YoY to 70.6% (est. 70.4%). Employee expenses/ad spending rose 8%/9%, while other expenses grew 5% YoY. EBITDA margin expanded 110bp YoY to 33.4% (est. 33.1%).
- Healthy PAT growth of 13% YoY:** EBITDA rose 13% YoY to INR3.8b (est. INR3.85b). PBT (before exceptional) grew 16% YoY to INR3.5b (est. INR3.5b). PBT (adjusted for new labour code impact) grew 13% YoY to INR3.4b. APAT rose 13% YoY to INR3.4b (est. INR3.3b).

- In 9MFY26, revenue was flat, while EBITDA/PAT dipped 4%/1%.
- Emami has declared an interim dividend of INR6/share with 10<sup>th</sup> Feb'26 as the record date.

### Key highlights from the management commentary

- All major brands registered healthy performance in 3QFY26. Post GST 2.0, the blended price cut for Emami at portfolio level is ~8%.
- Summer product portfolio channel loading will start from Feb end.
- **Given a strong performance in rural markets, Emami will increase its focus on smaller SKUs in FY27, with more focus on shampoo sachets, Smart and Handsome, and other small SKUs.**

### Valuation and view

- Given an increase in ETR guidance, we cut our EPS estimates by 4% for FY27-28.
- Emami's core categories are niche, which have been facing slow user addition over the last five years. That said, Emami is focusing on rebranding its portfolio to reduce the seasonal dependence. Moreover, Emami continues to strengthen its distribution reach predominantly in alternate channels (MT, e-com, and QC). Emami will prioritize rural markets with more focus on LUP mix in FY27.
- **We reiterate our BUY rating with a TP of INR650 (based on 30x Dec'27E EPS).**

### Consol. Quarterly performance

Y/E MARCH	FY25				FY26E				FY25	FY26E	FY26E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE		
Domestic volume growth (%)	8.7	1.7	4.0	5.0	-3.0	-16.0	9.0	20.0	4.9	2.5	13.0	
<b>Net Sales</b>	<b>9,061</b>	<b>8,906</b>	<b>10,495</b>	<b>9,631</b>	<b>9,041</b>	<b>7,985</b>	<b>11,518</b>	<b>10,653</b>	<b>38,092</b>	<b>39,197</b>	<b>11,623</b>	<b>-0.9%</b>
YoY change (%)	9.7	3.0	5.3	8.1	-0.2	-10.3	9.8	10.6	6.5	2.9	10.8	
<b>Gross Profit</b>	<b>6,131</b>	<b>6,296</b>	<b>7,377</b>	<b>6,346</b>	<b>6,276</b>	<b>5,671</b>	<b>8,136</b>	<b>7,041</b>	<b>26,150</b>	<b>27,124</b>	<b>8,177</b>	<b>-0.5%</b>
Gross margin (%)	67.7	70.7	70.3	65.9	69.4	71.0	70.6	66.1	68.6	69.2	70.4	
<b>EBITDA</b>	<b>2,165</b>	<b>2,505</b>	<b>3,387</b>	<b>2,194</b>	<b>2,142</b>	<b>1,785</b>	<b>3,842</b>	<b>2,537</b>	<b>10,251</b>	<b>10,307</b>	<b>3,852</b>	<b>-0.2%</b>
Margins (%)	23.9	28.1	32.3	22.8	23.7	22.4	33.4	23.8	26.9	26.3	33.1	
YoY change	13.9	7.2	7.6	4.0	-1.1	-28.7	13.4	15.6	8.0	0.5	13.7	
Depreciation	444	447	456	435	445	453	453	457	1,782	1,808	452	
Interest	21	23	22	28	24	26	29	10	93	90	23	
Other Income	105	216	149	212	216	214	190	192	681	812	175	
<b>PBT</b>	<b>1,805</b>	<b>2,251</b>	<b>3,059</b>	<b>1,943</b>	<b>1,889</b>	<b>1,520</b>	<b>3,549</b>	<b>2,262</b>	<b>9,057</b>	<b>9,220</b>	<b>3,552</b>	<b>-0.1%</b>
Tax	278	94	224	315	225	18	256	423	911	922	426	
Rate (%)	15.4	4.2	7.3	16.2	11.9	1.2	7.2	18.7	10.1	10.0	12.0	
<b>Adj. PAT</b>	<b>1,702</b>	<b>2,333</b>	<b>3,006</b>	<b>1,812</b>	<b>1,843</b>	<b>1,711</b>	<b>3,408</b>	<b>1,971</b>	<b>8,853</b>	<b>9,034</b>	<b>3,306</b>	<b>3.1%</b>
YoY change (%)	20.5	18.6	6.3	8.6	8.3	-26.7	13.4	8.8	12.4	2.0	10.0	
<b>Reported PAT</b>	<b>1,506</b>	<b>2,110</b>	<b>2,790</b>	<b>1,622</b>	<b>1,643</b>	<b>1,484</b>	<b>3,195</b>	<b>1,779</b>	<b>8,027</b>	<b>8,201</b>	<b>3,103</b>	<b>2.9%</b>
YoY change (%)	10.1	17.2	7.0	10.5	9.1	-29.7	14.5	9.7	10.9	2.2	11.2	

E: MOFSL Estimates

# Castrol (India)

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR187** **TP: INR250 (+33%)** **Buy**

Bloomberg	CSTRL IN
Equity Shares (m)	989
M.Cap.(INRb)/(USDb)	185.4 / 2
52-Week Range (INR)	247 / 180
1, 6, 12 Rel. Per (%)	0/-19/-9
12M Avg Val (INR M)	842

## Financials & Valuations (INR b)

Y/E Dec	CY25	CY26E	CY27E
Sales	57.2	60.0	64.1
EBITDA	13.5	13.5	14.6
PAT	9.7	9.5	10.3
EPS (INR)	9.8	9.6	10.4
EPS Gr. (%)	4.2	-1.5	8.1
BV/Sh.(INR)	19.2	20.1	21.0

## Ratios

Net D:E	-0.6	-0.6	-0.6
RoE (%)	46.3	49.0	50.7
RoCE (%)	46.6	49.4	51.0
Payout (%)	91.1	91.1	91.1

## Valuations

P/E (x)	19.2	19.5	18.1
P/BV (x)	9.8	9.4	9.0
EV/EBITDA (x)	13.0	12.8	11.9
Div. Yield (%)	4.7	4.7	5.0
FCF Yield (%)	5.3	5.2	5.7

## Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	51.0	51.0	51.0
DII	14.6	15.0	14.5
FII	9.7	10.3	9.5
Others	24.7	23.8	25.0

FII includes depository receipts

## Volume growth remains robust

- Castrol's 4QCY25 EBITDA/reported PAT missed our estimates by 10%/17%. Volume grew 8% YoY to 63.7m lit and EBITDA margin contracted 230bp YoY. The company recognized incremental obligations of INR225m related to new labor codes. Adjusted PAT was 12% below our estimate at INR2.6b.
- Management highlighted that it continues to focus on brand building, widening the distribution network, and launching new products, all of which we believe will drive volume growth and market share expansion. Management has maintained its volume growth guidance of 1.5x-2x market volume growth, with EBITDA margin guidance of 21-24%.
- Castrol has always enjoyed a strong brand legacy, and we are confident in its ability to maintain profitability through an improved product mix, stringent cost-control measures, and the launch of advanced products that command better realization. **We reiterate our BUY rating with a TP of INR250.**

## EBITDA misses estimate in 4Q

- 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 related to new labor codes. Adjusted PAT was 12% below estimate at INR2.6b.
- Other income came in above our estimate.

## Other key highlights:

### Castrol 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 has been scaled up to 750+ Castrol Auto Service centers, ~33,000 independent bike workshops, and ~11,500 multi-brand workshops.
- Rural distribution has expanded to ~40,000 outlets and ~500 Rural Service Express, delivering stable double-digit growth.
- Castrol signed strategic agreements with Triumph Motorcycles (Castrol POWER1) and VinFast Auto India to support EV aftersales through select Castrol Auto Service workshops.

### Castrol is building momentum through new launches and localization:

- In CY25, Castrol launched and localized ~20 products across automotive, industrial, and speciality 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.

### Valuation and view

- Our EBITDA margin assumptions are already within the company's guided range of 21-24%. Further, we build in a 6% CAGR in volumes over CY25-27, primarily driven by strong growth in industrial and rural segments. The stock currently trades at 18.1x CY27E EPS with 5% dividend yield and ~50% RoE/RoCE over CY26-27.
- We value the stock at 24x Dec'27E EPS to arrive at our TP of INR250. **We reiterate our BUY rating.**

### Quarterly Performance

Y/E December	CY24				CY25				CY24	CY25	CY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE		
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	
<b>Operational Details (INR/lit)</b>												
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

Estimate changes 

TP change 

Rating change 

Bloomberg	TRIV IN
Equity Shares (m)	318
M.Cap.(INRb)/(USDb)	161.8 / 1.8
52-Week Range (INR)	675 / 454
1, 6, 12 Rel. Per (%)	-4/-18/-20
12M Avg Val (INR M)	773

## Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Net Sales	21.7	23.7	27.6
EBITDA	4.7	5.1	5.9
PAT	3.8	4.2	4.9
EPS (INR)	12.0	13.4	15.4
GR. (%)	7.9	9.7	15.2
BV/Sh (INR)	46.4	56.1	67.1

## Ratios

ROE (%)	28.7	26.1	25.0
RoCE (%)	28.9	26.2	25.1

## Valuations

P/E (X)	41.8	38.1	33.1
P/BV (X)	11.0	9.1	7.6
EV/EBITDA (X)	33.4	30.5	26.1
Div Yield (%)	0.7	0.7	0.8

## Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	55.8	55.8	55.8
DII	14.6	13.9	10.9
FII	22.4	23.6	28.3
Others	7.2	6.7	4.9

FII includes depository receipts

**CMP: INR509**

**TP: INR615 (+21%)**

**Buy**

## Export inflows yet to recover

Triveni Turbine (TRIV)'s 3QFY26 result reflected a beat on revenue, fueled by higher export execution, while PAT was in line. Domestic inquiries are improving with new products, too, gaining traction in terms of inquiries. Export order inflows are still weak but are expected to recover by 4QFY26. The 9MFY26 order inflows dipped 9% YoY, which can result in revenue volatility for FY27. We expect profitability to be dependent on the revenue mix going forward. TRIV is also working on new products and initiatives, which will start yielding benefits in 1-2 years. To factor in lower inflows seen in 9MFY26, we cut our estimates by 5%/8% for FY27/28 and arrive at our revised TP of INR615, premised on 40x Mar'28 estimates. We reiterate our BUY rating as we believe the company can ramp up sharply whenever demand revives.

## Beat on revenue and EBITDA; PAT in line

TRIV's 3QFY26 revenue and EBITDA were above our estimates, while PAT was in line. 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 declined 26% YoY to INR4b due to weak export ordering. This led to an order book of INR20b as of Dec'25 (+9% YoY). With reference to the new labor code, TRIV recognized a one-time impact of INR157m. For 9MFY26, its revenue and EBITDA increased 2% each YoY, but PAT declined 2% YoY. TRIV's EBITDA margin was flat YoY at 21.5% for the period.

## Domestic inquiry conversion visibility improves

TRIV reported domestic order inflows of INR2b in 3QFY26 (broadly flat YoY), while domestic revenues declined 6% YoY to INR2b, reflecting continued delays in dispatches and customer readiness. The domestic order book increased sharply by 64% YoY to INR10b. The domestic inquiry pipeline remains strong across food processing, chemicals, sugar distilleries, steel, and cement. The company also expects incremental orders similar to heat pumps that it is executing for NTPC and from mechanical vapor recompression (MVR). Thus, the domestic market outlook remains strong in both the medium and long term. We bake in 15%/18% YoY growth in domestic inflows for FY27/28, resulting in similar growth in domestic revenue for the same period.

## Export order inflows likely to recover by 4QFY26

TRIV reported strong export revenues in 3QFY26, up 54% YoY to INR4b, reflecting the execution of prior orders, even as export order inflow declined 40% YoY to INR2b. The export order book also declined 20% YoY to INR9b, driven by delays in finalizations. With easing trade-related uncertainty, management highlighted improving traction in newer applications such as geothermal and waste-to-energy. TRIV expects inflows to come from product, aftermarket, and refurbishment. We expect export inflows to grow 20%/22% in FY27/FY28.

### South Africa provides an incremental growth opportunity from FY27

TRIV has consolidated its South African operations to create a unified platform for addressing refurbishment and aftermarket opportunities across Sub-Saharan Africa. Management highlighted a growing opportunity pipeline in utility refurbishment, leveraging prior execution experience to pursue similar projects in neighboring markets. The focus remains on services-led growth rather than large new-build orders, which should support steadier execution. While near-term revenue contribution is modest, the South Africa platform provides incremental growth optionality from FY27 onwards.

### The US business expected to approach breakeven in FY27

TRIV continued to report losses in its US operations, with the subsidiary incurring a loss of ~INR210m in 9MFY26 as the company invests to build market presence. The inquiry momentum has improved across data centers, SMRs, industrial applications, and refurbishment opportunities. The recent reduction in US import duties is expected to support faster inquiry-to-order conversion. While near-term revenue contribution remains limited, the US business is likely to move towards breakeven in FY27, with operating leverage becoming more visible from FY28 onwards.

### New products to scale gradually

New product initiatives continued to gain commercial traction, though revenue contribution remains modest in the near term. CO<sub>2</sub>-based heat pumps have crossed 100+ inquiries with the first order secured, while MVR systems have seen 7-8 orders under execution, validating customer acceptance. The company is also progressing in geothermal applications, drives, and energy storage solutions. Management positioned FY27 as a validation and execution phase, with meaningful revenue and margin contribution expected from FY28 as these platforms scale.

### Financial Outlook

We broadly maintain our estimates for FY26 and cut our estimates by 5%/8% for FY27/28 to bake in the impact on revenue from lower order booking in FY26. We expect TRIV's revenue/EBITDA/PAT to clock a CAGR of 11%/11%/11% over FY25-28. Backed by a comfortable negative working capital cycle, strong margins, and low capex requirements, we expect its OCF and FCF to report a CAGR of 44% and 49% over the same period, respectively.

### Valuation and view

The stock is currently trading at 41.8x/38.1x/33.1x on FY26E/27E/28E earnings. We roll forward our TP to INR615, based on 40x Mar'28E earnings. We maintain our BUY rating. However, in the near term, we expect performance to remain impacted by weakness in order conversions.

### Key risks and concerns

Slowdown in capex initiatives; intensified competition; technology disruption; inability to innovate and launch new products; and geopolitical headwinds resulting in a sharp slowdown in exports and aftermarket segments.

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

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	<b>4,633</b>	<b>5,011</b>	<b>5,034</b>	<b>5,380</b>	<b>3,713</b>	<b>5,062</b>	<b>6,240</b>	<b>6,692</b>	<b>20,058</b>	<b>21,707</b>	<b>5,603</b>	<b>11</b>
YoY Change (%)	23.1	29.2	16.6	17.5	-19.9	1.0	24.0	24.4	21.3	8.2	11.3	
Total Expenditure	3,677	3,897	3,941	4,176	2,977	3,916	4,899	5,259	15,691	17,051	4,415	
<b>EBITDA</b>	<b>956</b>	<b>1,114</b>	<b>1,093</b>	<b>1,204</b>	<b>736</b>	<b>1,146</b>	<b>1,341</b>	<b>1,433</b>	<b>4,367</b>	<b>4,656</b>	<b>1,188</b>	<b>13</b>
YoY Change (%)	34.8	49.8	30.6	34.0	-23.0	2.9	22.7	19.0	37.0	6.6	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	14	29	33	8	-10
Other Income	194	196	221	199	222	184	195	295	810	896	248	-21
<b>PBT before EO expense</b>	<b>1,078</b>	<b>1,241</b>	<b>1,245</b>	<b>1,321</b>	<b>873</b>	<b>1,246</b>	<b>1,435</b>	<b>1,661</b>	<b>4,885</b>	<b>5,215</b>	<b>1,352</b>	<b>6</b>
Extra-Ord expense	0	0	0	0	0	0	157	0	0	157	0	
<b>PBT</b>	<b>1,078</b>	<b>1,241</b>	<b>1,245</b>	<b>1,321</b>	<b>873</b>	<b>1,246</b>	<b>1,278</b>	<b>1,661</b>	<b>4,885</b>	<b>5,058</b>	<b>1,352</b>	<b>-5</b>
Tax	274	331	320	375	228	332	352	475	1,300	1,387	360	
Rate (%)	25.4	26.7	25.7	28.4	26.1	26.6	27.5	28.6	26.6	27.4	26.6	
MI & P/L of Asso. Cos.	0	0	1	0	-1	0	-9	10	1	0	0	
<b>Reported PAT</b>	<b>804</b>	<b>910</b>	<b>926</b>	<b>946</b>	<b>644</b>	<b>914</b>	<b>917</b>	<b>1,195</b>	<b>3,586</b>	<b>3,670</b>	<b>992</b>	<b>-8</b>
<b>Adj PAT</b>	<b>804</b>	<b>910</b>	<b>926</b>	<b>946</b>	<b>644</b>	<b>914</b>	<b>1,031</b>	<b>1,195</b>	<b>3,586</b>	<b>3,784</b>	<b>992</b>	<b>4</b>
YoY Change (%)	31.8	41.4	35.0	25.9	-19.9	0.4	11.3	26.4	33.3	5.5	7.2	
Margins (%)	17.4	18.2	18.4	17.6	17.3	18.1	16.5	17.9	17.9	17.4	17.7	

# Devyani International

Estimate changes	↔
TP change	↔
Rating change	↔

**CMP: INR123**

**TP: INR180 (+46%)**

**Buy**

## Unchanged print; positive start to 2026

Bloomberg	DEVYANI IN
Equity Shares (m)	1232
M.Cap.(INRb)/(USDb)	152 / 1.7
52-Week Range (INR)	191 / 110
1, 6, 12 Rel. Per (%)	-15/-29/-41
12M Avg Val (INR M)	460

### Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	55.9	63.1	70.1
Sales Gr. (%)	12.8	12.9	11.2
EBITDA	8.3	10.7	13.2
Margins (%)	14.9	17.0	18.8
Adj. PAT	-0.1	1.3	2.6
Adj. EPS (INR)	-0.1	1.1	2.1
EPS Gr. (%)	PL	LP	92.8
BV/Sh.(INR)	5.1	3.8	3.4
<b>Ratios</b>			
RoE (%)	-1.0	24.9	59.0
RoCE (%)	4.0	7.5	10.5
<b>Valuation</b>			
P/E (x)	N/M	112.8	58.5
P/BV (x)	24.7	32.6	36.6
EV/Sales (x)	2.9	2.5	2.6
EV/EBITDA (x)*	34.7	23.7	17.5

\* Pre-Ind AS

### Shareholding Pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	61.4	61.4	62.7
DII	19.4	19.8	15.5
FII	5.8	6.6	11.2
Others	13.4	12.3	10.6

FII includes depository receipts

- Devyani International's (DEVYANI) consolidated revenue grew 11% YoY in 3QFY26. India revenue was up 12% YoY, led by the Skygate acquisition and 13% YoY store expansion. KFC/PH saw same-store sales decline in 3Q, but the company reported SSSG in Jan'26 across brands, except PH.
- KFC revenue grew 6% YoY, aided by 14% store expansion, which was offset by a 2.9% decline in same-store sales. Pizza Hut (PH) revenue declined 6% YoY. Same-store sales declined 9.1% YoY. Franchisees brands' (Costa Coffe, NYF, tealive, SK) revenue grew 9% YoY, with 1% YoY store additions. Vaango revenue rose 3%. Sky gate revenue was INR115m with 13 store addition.
- India ROM was up 5% YoY at INR1.3b, and margin contracted by 80bp YoY to 13.1%, owing to operating deleverage. KFC's ROM contracted 40bp YoY to 16.8%, and PH's ROM contracted 130bp YoY to 0.8%.
- International revenue grew 10% YoY to INR4.7b with ROM at INR810m (vs. INR714m in 3QFY25), and margin expanded 50bp YoY to 17.1%.
- Consolidated GP margin rose 20bp YoY and 110bp QoQ to 68.9 (est. 68.5%). EBITDA (pre-Ind-AS) margin was down 150bp YoY/up 180bp QoQ at 8.6%. Consol. RoM margin contracted 20bp YoY and 110bp QoQ to 68.9 (est. 68.5%).
- The weak unit economics is a big concern for QSR players, given fast store expansion. With expectation of urban demand recovery, we need to see if January trends are sustaining. Devyani-Sapphire merger is expected to unlock scale benefits and strengthen execution across brands and geographies ([refer to our detailed merger note](#)). The merger is expected to deliver recurring annual synergies of ~INR2.2b (mostly from FY29 onward), driven by lower PH operating costs, reduction in overall corporate overheads, and other operational efficiencies.
- We reiterate our BUY rating and value the entity at 25x Dec'27E EV/EBITDA (pre-Ind AS), implying a TP of INR180 per share.

## Weak SSSG; change in key leadership

- **Soft underlying growth trend continues:** Consolidated sales grew 11% YoY to INR14.4b (est. INR 15.0b). India revenue was up by 12% YoY at INR9.8b (est. INR10.1b), supported by the Sky Gate acquisition and store addition. KFC sales grew 6% YoY to INR6.0b, while same-store sales declined 2.9% (est. -1.0%). PH sales declined 6% YoY to INR1.8b (est. INR1.9b). Same-store sales declined 9.1% (est. -2.5%). ADS of KFC was down 6% YoY at INR90k, and PH ADS dipped 11% YoY to INR31k.
- **Network expansion by 95 stores:** It added a total of 95 stores in 3QFY26 to reach 2,279 stores. The store additions or closures in KFC/PH/CC/own brands/International are 54/18/-13/17/20, taking the total store count for KFC/PH/CC/own brands/International to 788/639/211/218/402.

- **Pressure on margins continues:** Gross profit grew 12% YoY to INR9.9b (est. 10.3b). Gross margins rose 20bp YoY and 110bp QoQ to 68.9 (est. 68.5%). Reported EBITDA increased by 3% YoY to INR2.3b (est. INR2.4b). Consol. EBITDA margins were down 120bp YoY/up 160bp QoQ at 15.7% (est. 15.7%). Consol. ROM was up 8% YoY at INR2.0b. Margin contracted 40bp YoY while rose 220bp QoQ to 13.9%. Pre Ind-AS EBITDA declined 5% YoY to INR1.2b. Margin fell 150bp YoY to 8.6%. There is an exceptional item of INR215mn related to the one-time impact of labor codes.
- APAT stood at INR27m vs. a loss of INR9m in 3QFY25.

### Key leadership changes

- Devyani has announced the appointment of **Mr. Manish Dawar as President & CEO**, effective 1st Apr'26. Mr. Dawar is currently the CFO and Whole-Time Director of the company and has over 30 years of experience across leading companies such as HUL, Vodafone India, Vedanta, Reckitt Benckiser, and Reebok. At Devyani, he has played a key role in the company's growth, including the successful IPO, Thailand business acquisition, acquisition and turnaround of Sky Gate Hospitality (Biryani by Kilo, Goila Butter Chicken), and the proposed merger with Sapphire Foods. Subject to approvals, Mr. Dawar will also lead the merged entity of Devyani and Sapphire as President & CEO.
- **Mr. Virag Joshi, current President & CEO**, will continue on the Board as a Non-Executive Director and will support the company with his strategic guidance.
- The company has also appointed **Mr. Anupam Kumar as CFO**. He was earlier EVP – Finance and has over 20 years of experience, including stints at Vedanta and Walker Chandiok & Co LLP.
- **Mr. Neeraj Tiwari has been appointed as CTO**. He brings in 19 years of experience in building digital platforms and has earlier worked with Americana Group, Jubilant FoodWorks, and Zee Entertainment.

### Highlights from the management commentary

- Devyani reported positive SSSG across all brands in January, except Pizza Hut, where losses continue to moderate. Management indicated that steady momentum through the quarter could provide a strong base for medium-term growth.
- The company has initiated the turnaround of Pizza Hut by rationalizing loss-making stores. New store openings will largely be limited to offset closures, enabling better utilization of existing assets and lowering capex intensity.
- The Biryani by Kilo brand achieved EBITDA breakeven ahead of management guidance, indicating improving unit economics.
- For the Devyani-Sapphire merger, applications for stock exchange approvals have been submitted, and the CCI filing is expected shortly. Management reiterated that it does not expect any material deviation from the previously guided 12–15-month merger timeline.

### Valuation and view

- We largely maintain our EBITDA estimates for FY27 and FY28.
- Management remains committed to improving ADS and profitability across the existing network across brands and will adopt a more cautious approach to future store openings for PH.
- The merger of Devyani and Sapphire is expected to unlock meaningful scale benefits, improve unit economics through operating leverage and revised commercial terms, and enhance execution across brands and geographies.
- The merger is expected to deliver recurring annual synergies of ~INR2.2b, driven by lower Pizza Hut operating costs, reduction in overall corporate overheads, and other operational efficiencies. As per the company, ~60% of synergies (~INR1.1b) will be realized in the first year after the merger and the full benefits (INR2-2.25b) from the second year onward. We estimate an EBITDA gain of ~INR500m in FY28, considering weak QSR industry performance and any delay in occurring synergy benefits.
- We value the entity at 25x EV/EBITDA (pre-IND AS) on Dec'27E and arrive at a TP of INR180. Maintain BUY.

### Quarterly Performance

Y/E March	(INR m)											
	FY25				FY26E				FY25	FY26E	FY26E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE		
KFC - No. of stores	617	645	689	696	704	734	788	791	696	791	764	
PH - No. of stores	570	593	644	630	618	621	639	628	630	628	625	
KFC - SSSG (%)	-7.0	-7.0	-4.4	-6.1	-0.7	-4.2	-2.9	2.8	-6.4	-1.3	-1.0	
PH - SSSG (%)	-8.6	-5.7	-0.8	1.0	-4.2	-4.1	-9.1	1.4	-3.8	-4.0	-2.5	
<b>Net Sales</b>	<b>12,219</b>	<b>12,222</b>	<b>12,944</b>	<b>12,126</b>	<b>13,570</b>	<b>13,768</b>	<b>14,409</b>	<b>14,110</b>	<b>49,511</b>	<b>55,856</b>	<b>15,017</b>	-4%
YoY change (%)	44.3	49.1	53.5	15.8	11.1	12.6	11.3	16.4	39.2	12.8	16.0	
<b>Gross Profit</b>	<b>8,450</b>	<b>8,474</b>	<b>8,892</b>	<b>8,306</b>	<b>9,252</b>	<b>9,329</b>	<b>9,928</b>	<b>9,794</b>	<b>34,122</b>	<b>38,303</b>	<b>10,287</b>	-3%
Margin (%)	69.2	69.3	68.7	68.5	68.2	67.8	68.9	69.4	68.9	68.6	68.5	
<b>EBITDA</b>	<b>2,234</b>	<b>1,987</b>	<b>2,192</b>	<b>2,008</b>	<b>2,049</b>	<b>1,943</b>	<b>2,267</b>	<b>2,040</b>	<b>8,422</b>	<b>8,299</b>	<b>2,351</b>	-4%
EBITDA growth %	28.8	25.2	49.9	15.5	-8.3	-2.2	3.4	1.6	29.1	-1.5	7.2	
Margin (%)	18.3	16.3	16.9	16.6	15.1	14.1	15.7	14.5	17.0	14.9	15.7	
Depreciation	1,322	1,391	1,557	1,653	1,497	1,603	1,656	1,675	6,332	6,430	1,620	
Interest	630	653	670	695	668	688	700	632	2,648	2,689	690	
Other Income	99	48	91	132	135	51	123	122	370	431	60	
<b>PBT</b>	<b>381</b>	<b>-9</b>	<b>56</b>	<b>-208</b>	<b>19</b>	<b>-297</b>	<b>35</b>	<b>-145</b>	<b>-188</b>	<b>-388</b>	<b>101</b>	-66%
Tax	81	10	162	-56	5	-52	-49	18	197	-78	20	
Rate (%)	21.2	-113.1	286.8	26.8	27.0	17.5	-142.2	-12.7	-104.7	20.0	20.0	
<b>Adjusted PAT</b>	<b>281</b>	<b>-27</b>	<b>-9</b>	<b>-20</b>	<b>17</b>	<b>-186</b>	<b>27</b>	<b>21</b>	<b>226</b>	<b>-86</b>	<b>135</b>	-80%
Margin (%)	2.3	-0.2	-0.1	-0.2	0.1	-1.4	0.2	0.1	0.5	-0.2	0.9	
YoY change (%)	-17.2	NM	NM	-161.2	-94.0	NM	NM	NM	-75.7	-138.0	NM	

E: MOFSL Estimates

# Dr. Agarwal's Health Care

Estimate change 

TP change 

Rating change 

**CMP: INR450**

**TP: INR565 (+25%)**

**Buy**

## Multi-region scale-up keeps growth intact

### High-end surgeries, facility maturity and patient growth drive upside

	AGARWALE IN
Equity Shares (m)	316
M.Cap.(INRb)/(USDb)	142.7 / 1.6
52-Week Range (INR)	568 / 327
1, 6, 12 Rel. Per (%)	-8/-5/4
12M Avg Val (INR M)	239

### Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	20.6	25.2	30.3
EBITDA	5.5	6.8	8.4
Adjusted PAT	1.3	1.7	2.5
EBIT Margin (%)	13.6	15.2	16.5
Cons. Adj EPS (INR)	4.0	5.3	8.0
EPS Growth (%)	50.9	33.4	50.2
BV/Share (INR)	63.5	68.9	76.9

### Ratios

Net D-E	-0.1	-0.2	-0.2
RoE (%)	6.5	8.1	11.0
RoCE (%)	8.3	10.1	12.7
Payout (%)	0.0	0.0	1.0

### Valuations

P/E (x)	112.8	84.5	56.3
EV/EBITDA (x)	26.0	20.9	16.9
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	-6.3	4.8	2.7
EV/Sales (x)	7.0	5.6	4.7

### Shareholding Pattern (%)

As On	Dec-25	Sep-25
Promoter	32.4	32.4
DII	27.9	28.0
FII	38.0	38.0
Others	1.8	1.5

FII includes depository receipts

- Dr. Agarwal's Health Care (DAHL) delivered better-than-estimated earnings in 3QFY26. While revenue was largely in line, EBITDA/PAT came in 8% above our estimates. Growth was driven by an increased share of high-end surgical procedures, robust product sales, and facility additions.
- DAHL reported 24% YoY growth in the number of patients served for eye care. Interestingly, the share of high-end cataract surgeries increased to 26% of total cataract surgeries (vs. 20% YoY), driving better realizations.
- The south and west regions saw 15-16% YoY growth in the number of surgeries performed in 3Q. The north and east regions also saw a pickup.
- Mature facilities (operationalized till FY22) posted 14% YoY revenue growth in YTD FY26. About nine facilities have been shifted from emerging to mature given the time since those facilities in operations.
- We raise our earnings estimates by 7%/4%/2% for FY26/FY27/FY28, factoring in enhanced efforts for high-end surgeries, healthy scale-up in north region facilities and robust growth in patients served in west/east regions. We value DAHL on an SoTP basis (25x EV/EBITDA for the surgery business, 15x EV/EBITDA for the opticals business, 13x EV/EBITDA for the pharmacy business, adj for a stake in Dr. Agarwal Eye Hospital/Thind hospital) and arrive at a TP of INR565.
- We expect a CAGR of 21%/23%/42% in revenue/EBITDA/PAT over FY26-28. We believe DAHL is well positioned for stable growth momentum on the back of increased market share and facility additions. Maintain BUY.

### Margin expansion drives robust earnings growth

- 3Q revenue grew 23% YoY to INR5.3b (in line).
- EBITDA margin expanded 180bp YoY to 27.2% (our estimate: 26%), driven primarily by lower raw material costs (down 40bp YoY as % of sales), employee expenses (down 10bp YoY, and other expenses (down 130bp YoY).
- Consequently, EBITDA grew 31.5% YoY to INR1.4b (our estimate: INR1.3b).
- PAT after minority interest came in at INR337m, up from INR187m in 3QFY25.
- For 9MFY26, revenue/EBITDA/PAT grew 21%/27%/97% YoY, driven by facility expansion and operational efficiencies.

### Network expansion and higher surgical volumes drive growth

- Geography-wise, India business rose 23.1% YoY to INR4.8b (91% of total revenue), while international revenue grew 22.4% YoY to INR499m (9% of total revenue).
- Mature facilities reported 37.8% YoY growth to INR4.1b (76% of revenue), partly due to a shift of nine facilities to the mature category, all added to the surgical sub-category.
- Vintage facilities (up to FY22) grew 14.2% YoY in 9MFY26.

- DAHL added 38/14 new centers during 9MFY26/3QFY26, expanding its network to 272 facilities. The number of surgeries performed in 9MFY26 increased 11.6% YoY to 238,283.
- Service sales accounted for 78.8% of total revenue, whereas product sales contributed 21.2% in 9MFY26.

### Highlights from the management commentary

- Management highlighted steady growth in patient footfalls, with daily walk-ins increasing to nearly 10k patients (vs. 8k YoY), supported by a stronger brand recall and a wider geographic reach.
- The company expanded its network to 253 facilities across 148 cities, with 14 new greenfield facilities commissioned during the quarter, and a total of 38 facilities added in 9MFY26.
- High-end cataract surgeries accounted for 26% of total cataract procedures in 9MFY26 (vs. 20% YoY), with robotic (femto) cataract surgeries recording strong YoY growth after the addition of new robotic systems.
- Management has reiterated its continued focus on premiumization through a higher adoption of advanced cataract, refractive (SMILE), retinal, and corneal procedures, supported by ongoing investments in advanced surgical technologies.
- Same-store sales growth remained healthy, supported by a combination of patient volume growth, improved conversion rates, and increasing contribution from premium procedures rather than price-led growth.

### Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E	FY26	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	vs Est
<b>Net Sales</b>	<b>4,035</b>	<b>4,166</b>	<b>4,307</b>	<b>4,602</b>	<b>4,874</b>	<b>4,987</b>	<b>5,299</b>	<b>5,437</b>	<b>17,110</b>	<b>20,597</b>	<b>5,169</b>	<b>2.5%</b>
YoY Change (%)			29.5	31.9	20.8	19.7	23.0	18.1	28.4	20.4	20.0	
Total Expenditure	2,998	3,096	3,211	3,272	3,596	3,626	3,858	3,998	12,578	15,077	3,830	
<b>EBITDA</b>	<b>1,037</b>	<b>1,070</b>	<b>1,096</b>	<b>1,330</b>	<b>1,279</b>	<b>1,361</b>	<b>1,441</b>	<b>1,439</b>	<b>4,532</b>	<b>5,520</b>	<b>1,339</b>	<b>7.6%</b>
YoY Change (%)			23.2	24.2	23.3	27.3	31.5	8.2	25.1	21.8	22.1	
Margins (%)	25.7	25.7	25.4	28.9	26.2	27.3	27.2	26.5	26.5	26.8	25.9	
Depreciation	555	572	582	604	630	679	688	713	2,313	2,709	690	
<b>EBIT</b>	<b>482</b>	<b>498</b>	<b>514</b>	<b>726</b>	<b>649</b>	<b>683</b>	<b>754</b>	<b>725</b>	<b>2,220</b>	<b>8,229</b>	<b>649</b>	<b>16.2%</b>
YoY Change (%)			10.7	18.4	34.7	37.2	46.6	-0.1	15.7	270.7	26.2	
Interest	270	284	284	250	247	226	211	213	1,088	897	230	
Other Income	60	119	127	154	134	79	105	93	460	412	131	
<b>PBT before EO expense</b>	<b>272</b>	<b>333</b>	<b>358</b>	<b>630</b>	<b>536</b>	<b>537</b>	<b>648</b>	<b>606</b>	<b>1,592</b>	<b>2,326</b>	<b>550</b>	<b>17.8%</b>
Extra-Ord expense	0	0	-52	45	0	0	0	0	7	0	0	
<b>PBT</b>	<b>272</b>	<b>333</b>	<b>409</b>	<b>585</b>	<b>536</b>	<b>537</b>	<b>648</b>	<b>606</b>	<b>1,599</b>	<b>2,326</b>	<b>550</b>	<b>17.8%</b>
Tax	89	119	128	160	155	172	211	183	495	721	162	
Rate (%)	32.6	35.9	31.2	27.3	29.0	32.0	32.6	30.2	31.0	31.0	29.4	
MI & P/L of Asso. Cos.	62	48	59	100	80	68	99	102	269	349	75	
<b>Reported PAT</b>	<b>121</b>	<b>165</b>	<b>223</b>	<b>326</b>	<b>301</b>	<b>297</b>	<b>337</b>	<b>321</b>	<b>835</b>	<b>1,256</b>	<b>313</b>	<b>7.8%</b>
<b>Adj PAT</b>	<b>121</b>	<b>165</b>	<b>187</b>	<b>358</b>	<b>301</b>	<b>297</b>	<b>337</b>	<b>321</b>	<b>832</b>	<b>1,256</b>	<b>313</b>	<b>7.8%</b>
YoY Change (%)			-5.6	-7.4	148.3	79.5	80.3	-10.5	0.2	50.9	67.3	
Margins (%)	3.0	4.0	4.3	7.8	6.2	6.0	6.4	5.9	4.9	6.1	6.1	
<b>EPS</b>	<b>0.4</b>	<b>0.5</b>	<b>0.6</b>	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	<b>1.1</b>	<b>1.0</b>	<b>2.7</b>	<b>4.0</b>	<b>1.0</b>	<b>7.9%</b>

Estimate change	 
TP change	
Rating change	

**CMP: INR882**

**TP: INR1,023 (+16%)**

**Buy**

## Muted market conditions lead to a miss on guidance

Bloomberg	SIGNATUR IN
Equity Shares (m)	141
M.Cap.(INRb)/(USDb)	124 / 1.4
52-Week Range (INR)	1340 / 774
1, 6, 12 Rel. Per (%)	-20/-28/-40
12M Avg Val (INR M)	496

### 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)	-693.5	8.3	7.2
P/BV (x)	17.5	5.6	3.2
EV/EBITDA (x)	-249.5	9.0	7.2
Div Yield (%)	0.0	0.0	0.0

### Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	69.6	69.6	69.6
DII	5.2	5.5	4.8
FII	10.1	10.6	12.0
Others	15.1	14.3	13.5

- Signature Global (SIGNATUR)'s presales of INR20.2b declined 27% YoY/were flat QoQ (42% below our estimate) for 3QFY26. It achieved presales of INR67b (down 23% YoY) for 9MFY26.
- Management cited the soft market environment as the primary reason for the miss on its INR127b guidance. However, the company is now prioritizing efforts to recover and meet its FY25 presales target. SIGNATUR launched two projects in 9MFY26: 1) Cloverdale (Jun'26) and Sarvam (Dec'26).
- Area sold during the quarter was 1.4msf, down 42% YoY/up 7% QoQ (38% below our estimates). In 9MFY26, volumes were 4msf, down 36% YoY.
- Average sales realization stood at INR14,028/sqft, up 28% YoY/down 6% QoQ (6% below our est.). In 9MFY26, realizations were INR15,182/sqft, up 21% YoY.
- Total units sold in the quarter were ~408, down 73% YoY and 27% QoQ. In 9MFY26, units sold were 1,746, down 51% YoY.
- Collections were higher by 14% YoY and 31% QoQ to INR12.3b for 3QFY26 (31% below our estimate). However, collections at INR31b were flat YoY for 9MFY26.
- In 9MFY26, the company acquired a total of 2.3msf of land in Sohna.
- Debt mounted to INR10.2b in 3QFY26 from INR9.7b in 2QFY26. It increased by INR1.4b from FY25. However, management is confident to be back on the growth path guided by the good collections in the future.
- SIGNATUR's project pipeline remains strong, comprising 21msf of recently launched projects, 20.7 msf 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, down 66%/16% YoY/QoQ (77% below estimate). In 9MFY26, revenue was at INR14.9b, down 25% YoY.
- SIGNATUR's operating loss stood at INR632m vs. a profit of INR135m YoY. In 9MFY26, operating loss was INR1.0b vs. a profit of INR7m YoY.
- Adj. loss after tax in 3QFY26 was INR453m vs. a profit of INR291m YoY. In 9MFY26, loss after tax stood at INR578m vs. a profit of INR400m YoY.

### Key highlights from the management commentary

- In 9MFY26, presales stood at INR67b, driven by sales of 4.4msf across 1,746 units with an average realization of INR15,182/sft and a ticket size of INR38m. The 3QFY26 presales were INR20b, down 27% YoY, and guidance was revised to match FY25 vs. the INR127b target earlier.
- Collections reached INR31b in 9MFY26 (~50% of guidance), fueled by ongoing projects, while 3QFY26 collections were strong at INR12.3b, up 32% QoQ and 14% YoY, with acceleration expected in 4QFY26.
- The company launched 6.8msf worth INR106b across Cloverdale (Sector 71) and Sarvam (Sector 37D), with Sarvam selling 318 of 800 units (~40%) since Dec-2025.
- An additional 2–3 msf worth INR45–50b is planned for launch before year-end, taking the total FY26 launch value above INR150b vs earlier guidance of INR170b.
- Over the last 24 months, 21msf worth INR330b has been launched, with another 21msf pipeline valued at INR350–400b planned over the next 8–10 quarters.

- Operating surplus of INR8.6b in 9MFY26 was utilized towards INR6.7b in land, INR2.7b in debt servicing, and INR0.6b in approvals. These activities led to a rise in net debt of INR1.4b.
- Total debt rose to INR10.2b in 3QFY26, with management targeting FY26 net debt below 0.5x projected surplus.
- The company continues to focus on middle-income and premium housing, with Dwarka Expressway, SPR, and Sohna seeing sustained traction from HNIs and premium buyers.

#### Valuation and view

- We cut our estimates based on weak operational and financial performance. Further, management has also hinted at the miss on its FY26 presales guidance of INR127b. It is working to meet its FY25 presales number of ~INR102.9b.
- However, SIGNATUR is preparing for multiple premium project launches, which we expect to support a 19% bookings CAGR over FY25-28E, aiding a gradual recovery in growth.
- We have valued the current residential portfolio by discounting the cash flows from all projects and accounting for the recent BD as well as potential land investments.
- We reiterate our **BUY** rating with a revised TP of INR1,023 (earlier INR1,385), indicating a 16% upside potential.

#### Quarterly performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Gross 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	
<b>EBITDA</b>	<b>-13</b>	<b>-116</b>	<b>135</b>	<b>439</b>	<b>332</b>	<b>-743</b>	<b>-632</b>	<b>517</b>	<b>446</b>	<b>-526</b>	<b>2,220</b>	<b>NA</b>
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	
<b>PBT before EO expense</b>	<b>135</b>	<b>-71</b>	<b>263</b>	<b>730</b>	<b>458</b>	<b>-615</b>	<b>-598</b>	<b>570</b>	<b>1,057</b>	<b>-184</b>	<b>2,375</b>	
Extra-Ord expense	2	0	0	3	1	1	0	0	6	2	0	
<b>PBT</b>	<b>133</b>	<b>-72</b>	<b>263</b>	<b>727</b>	<b>457</b>	<b>-616</b>	<b>-598</b>	<b>570</b>	<b>1,051</b>	<b>-186</b>	<b>2,375</b>	
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	
<b>Reported PAT</b>	<b>68</b>	<b>41</b>	<b>291</b>	<b>611</b>	<b>344</b>	<b>-469</b>	<b>-453</b>	<b>397</b>	<b>1,011</b>	<b>-180</b>	<b>2,287</b>	<b>NA</b>
<b>Adj PAT</b>	<b>68</b>	<b>41</b>	<b>291</b>	<b>611</b>	<b>344</b>	<b>-469</b>	<b>-453</b>	<b>397</b>	<b>1,011</b>	<b>-180</b>	<b>2,287</b>	<b>NA</b>
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	

E: MOFSL Estimates

#### Operational Performance

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%
Booking Value (INRb)	31.2	27.8	27.7	16.2	26.5	20.1	20.2	16.4	102.9	83.2	35	-42%
Avg rate/sf (INR)	15,369	11,681	11,124	11,912	16,358	15,000	14,028	18,690	12,457	15,767	15,000	-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%

# Godrej Agrovet

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	GOAGRO IN
Equity Shares (m)	192
M.Cap.(INRb)/(USD\$b)	107.4 / 1.2
52-Week Range (INR)	876 / 506
1, 6, 12 Rel. Per (%)	-1/-35/-37
12M Avg Val (INR M)	227

## Financials & Valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	103.1	113.2	122.3
EBITDA	9.0	11.3	12.4
Adj. PAT	4.9	6.4	7.4
EBITDA Margin (%)	8.8	10.0	10.1
Cons. Adj. EPS (INR)	25.4	33.4	38.3
EPS Gr. (%)	13.4	31.8	14.6
BV/Sh. (INR)	89	112	140

## Ratios

Net D:E	1.2	0.8	0.5
RoE (%)	23.8	33.2	30.4
RoCE (%)	13.7	17.6	18.6
Payout (%)	43.4	31.4	27.4

## Valuations

P/E (x)	22.0	16.7	14.6
EV/EBITDA (x)	14.4	11.2	9.8
Div. Yield (%)	1.9	1.9	1.9
FCF Yield (%)	3.9	4.9	6.1

## Shareholding pattern (%)

	Dec-25	Sep-25	Dec-24
Promoter	67.7	67.5	67.6
DII	5.4	7.7	10.4
FII	6.3	4.7	2.9
Others	20.7	20.1	19.1

Note: FII includes depository receipts

**CMP: INR558 TP: INR700 (+25%) Buy**

## Strong palm oil margins and recovery in CP drive performance

### In-line operating performance

- Godrej Agrovet (GOAGRO) reported a healthy operating performance (EBIT up 13.7% YoY) in 3QFY26, primarily led by continued strong growth in the palm oil business (EBIT up 25%). The crop protection (CP) business witnessed a 67.5% YoY rise in EBIT, led by a recovery in Astec (both CDMO and enterprise performed well). The poultry business also witnessed an increase in EBIT by 94.5% in 3Q. The Animal Feed (AF) business posted a marginal EBIT growth of 5% YoY, while the Dairy business's EBIT declined 49% YoY.
- The growth trajectory is expected to remain healthy across key segments. Cattle feed volumes remain strong, driven by premiumization, while palm oil FFB growth is expected to remain healthy over the long term, supported by improving OER and the ramp-up of downstream value addition. The outlook for the crop protection business also remains positive, led by new product launches in standalone crop protection and a steady recovery in Astec (broad-based).
- Hence, we broadly retain our FY26/FY27/FY28 EBITDA estimates. **We reiterate our BUY rating on the stock with an SOTP-based TP of INR700.**

### Healthy quarter led by broad-based revenue growth

- Consolidated revenue stood at INR27.2b, up 11% YoY (est. in line). EBITDA margin contracted 10bp YoY to 8.9% (est. 9.5%), led by an increase in employee costs (stood at 6.1% vs 5.7% in 3QFY25) and other expenses (stood at 11.0% vs 10.9% in 3QFY25). Meanwhile, gross margins expanded 40bp YoY to 26.0%. EBITDA stood at INR2.4b, up 9.8% YoY (est. in line). Adjusted PAT grew ~24% YoY to INR1.4b (est. of INR1.6b).
- AF:** Revenue inched up 1.9% YoY to INR13b, while margins expanded 20bp to 6.2%. Volumes grew ~12% YoY, which was partially offset by a 9% dip in realizations (product mix change).
- Palm Oil:** Revenue grew ~29% YoY to INR6.3b, led by higher realizations in palm kernel oil (PKO, up ~24%), while realizations for crude palm oil (CPO) declined ~7%. FFB arrivals rose 16% YoY. However, EBIT margin contracted 60pp YoY to 23.1%. EBIT grew ~25% YoY to INR1.4b. The OER improved to 21% in 3QFY26 vs 19.5% in 2QFY26 and 20.7% in 3QFY25.
- CP:** Consolidated CP revenue grew 34% YoY to ~INR2.6b, with standalone CP revenue/Astec growing 37%/33% YoY. Astec's revenue grew on account of robust volume growth in both the enterprise & CDMO categories. Consolidated CP EBIT grew 67.5% YoY to INR200m, with standalone CP EBIT declining 3.3% YoY to INR260m. Growth was led by a strong reduction in Astec's operating loss to INR61m vs. INR151m in 3QFY25.

- The **Dairy** business revenue grew 2.7% YoY to INR3.8b, while EBIT declined ~49% YoY to INR47m, on account of higher milk procurement prices and a deficit in revenue. The **Poultry and Processed Food** business's revenue stood at INR2.1b (flat YoY), while EBIT was INR127m (up 94% YoY), standing at 6% in 3QFY26 compared to 3% YoY to 3QFY25.
- For 9MFY26, GOAGRO's revenue/EBITDA/adj. PAT grew 9%/8%/9% to INR79b/INR7.2b/INR3.9b.

### Highlights from the management commentary

- **Guidance/Outlook:** GOAGRO's near-term outlook remains strong. Management has guided for mid-teen growth in cattle feed, palm oil FFB growth of 12–15% supported by improving OER and downstream ramp-up, and crop protection margins sustaining at 28–30%. Astec targets EBITDA breakeven in FY26 and 15–20% revenue growth in FY27, while poultry and dairy continue to shift toward higher-margin branded value-added products.
- **Astec:** Triazole chemistry has normalized, with margins and volumes recovering as excess inventory has cleared amid improving demand. The company is undertaking strategic initiatives, such as obtaining its own registrations. Three approvals have already been secured in Europe and two in Brazil, with additional registrations expected over the next 12-18 months.
- **Palm oil:** Coconut prices have risen sharply due to supply constraints and now trade at a substantial premium to PKO. With strong demand and limited scope to increase coconut oil production, elevated PKO prices are expected to persist.

### Valuation and view

- GOAGRO's near- to mid-term outlook remains constructive, led by strong momentum in branded cattle feed, steady palm oil volume growth with improving OER, rising value-added poultry and dairy mix, and an expected recovery in crop protection and Astec from 4Q.
- We have built in revenue/EBITDA/Adj. PAT CAGR of 9%/15%/20%. We broadly retain our FY26/FY27/FY28 EBITDA estimates and reiterate our **BUY rating on the stock with an SOTP-based TP of INR700.**

**Consolidated - Quarterly Earning Model**

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Gross Sales</b>	<b>23,508</b>	<b>24,488</b>	<b>24,496</b>	<b>21,336</b>	<b>26,143</b>	<b>25,674</b>	<b>27,183</b>	<b>24,066</b>	<b>93,828</b>	<b>1,03,066</b>	<b>26,562</b>	<b>2</b>
YoY Change (%)	-6.4	-4.8	4.5	0.0	11.2	4.8	11.0	12.8	-1.9	9.8	8.4	
Total Expenditure	21,246	22,254	22,296	19,870	23,446	23,540	24,768	22,285	85,666	94,038	24,045	
<b>EBITDA</b>	<b>2,261</b>	<b>2,234</b>	<b>2,200</b>	<b>1,467</b>	<b>2,697</b>	<b>2,134</b>	<b>2,416</b>	<b>1,781</b>	<b>8,162</b>	<b>9,028</b>	<b>2,517</b>	<b>-4</b>
Margins (%)	9.6	9.1	9.0	6.9	10.3	8.3	8.9	7.4	8.7	8.8	9.5	
Depreciation	546	583	567	565	579	571	559	600	2,261	2,308	610	
Interest	302	398	345	289	355	396	347	360	1,334	1,457	385	
Other Income	92	126	87	130	119	78	183	136	435	516	130	
<b>PBT before EO expense</b>	<b>1,506</b>	<b>1,379</b>	<b>1,376</b>	<b>742</b>	<b>1,882</b>	<b>1,246</b>	<b>1,693</b>	<b>957</b>	<b>5,002</b>	<b>5,778</b>	<b>1,652</b>	
Extra-Ord expense	0	0	0	0	0	0	304	0	0	304	0	
<b>PBT</b>	<b>1,506</b>	<b>1,379</b>	<b>1,376</b>	<b>742</b>	<b>1,882</b>	<b>1,246</b>	<b>1,389</b>	<b>957</b>	<b>5,002</b>	<b>5,474</b>	<b>1,652</b>	
Tax	345	541	414	204	517	507	367	170	1,504	1,561	297	
Rate (%)	22.9	39.3	30.1	27.5	27.5	40.7	26.5	17.8	30.1	28.5	18.0	
Minority Interest & Profit/Loss of Asso. Cos.	-190	-286	-153	-170	-240	-187	-127	-178	-799	-732	-200	
<b>Reported PAT</b>	<b>1,352</b>	<b>1,123</b>	<b>1,115</b>	<b>708</b>	<b>1,605</b>	<b>926</b>	<b>1,148</b>	<b>965</b>	<b>4,297</b>	<b>4,644</b>	<b>1,554</b>	
<b>Adj PAT</b>	<b>1,352</b>	<b>1,123</b>	<b>1,115</b>	<b>708</b>	<b>1,605</b>	<b>926</b>	<b>1,377</b>	<b>965</b>	<b>4,297</b>	<b>4,872</b>	<b>1,554</b>	<b>-11</b>
YoY Change (%)	28.3	6.7	21.4	23.9	18.8	-17.6	23.5	36.3	19.5	13.4	39.4	
Margins (%)	5.7	4.6	4.6	3.3	6.1	3.6	5.1	4.0	4.6	4.7	5.9	

**Key Performance Indicators**

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Segment Revenue Gr. (%)</b>										
Animal Feed (AF)	-10.1	-3.0	-1.3	-3.6	0.1	1.0	1.9	8.0	(4.5)	2.7
Palm Oil	12.4	-1.5	37.6	30.1	91.7	45.3	28.5	26.0	17.3	44.7
Crop Protection	-4.6	-21.7	-13.1	6.4	10.4	-28.3	34.4	21.7	(9.1)	7.1
Dairy	1.0	3.2	1.0	-2.0	-2.7	-2.4	2.7	3.0	0.8	0.0
<b>Segment EBIT Margin (%)</b>										
Animal Feed	6.8	5.9	6.0	5.7	5.6	5.8	6.2	6.2	6.1	6.0
Palm Oil	9.2	16.7	23.7	7.5	17.4	21.6	23.1	19.0	16.2	20.7
Crop Protection	23.8	18.6	6.2	16.9	28.9	7.7	7.7	10.2	17.7	15.5
Dairy	4.3	2.1	2.5	1.7	1.0	2.3	1.2	2.0	2.7	1.6
<b>AF Volumes (000'MT)</b>	<b>346</b>	<b>362</b>	<b>397</b>	<b>370</b>	<b>375</b>	<b>400</b>	<b>445</b>	<b>416</b>	<b>1,013</b>	<b>1,361</b>
<b>AF Realization (INR/kg)</b>	<b>33.4</b>	<b>33.3</b>	<b>32.1</b>	<b>31.0</b>	<b>23.3</b>	<b>24.5</b>	<b>28.6</b>	<b>27.4</b>	<b>32.4</b>	<b>30.0</b>
<b>Cost Break-up</b>										
RM Cost (% of sales)	73.2	74.4	74.4	74.1	72.4	73.4	74.0	73.1	<b>74.0</b>	<b>73.2</b>
Staff Cost (% of sales)	6.0	5.0	5.7	6.1	6.1	6.4	6.1	7.1	<b>5.7</b>	<b>6.4</b>
Other Cost (% of sales)	11.2	11.5	10.9	12.9	11.1	11.9	11.0	12.4	<b>11.6</b>	<b>11.6</b>
Gross Margins (%)	26.8	25.6	25.6	25.9	27.6	26.6	26.0	26.9	<b>26.0</b>	<b>26.8</b>
EBITDA Margins (%)	9.6	9.1	9.0	6.9	10.3	8.3	8.9	7.4	<b>8.7</b>	<b>8.8</b>
EBIT Margins (%)	7.3	6.7	6.7	4.2	8.1	6.1	6.8	4.9	<b>6.3</b>	<b>6.5</b>

# JK Lakshmi Cement

Estimate change	↓
TP change	↔
Rating change	↔

**CMP: INR761      TP: INR900 (+18%)      Buy**

## Weak performance; next phase of expansion remains slow

### Trade volumes rebound; pricing upside ahead

Bloomberg	JKLC IN
Equity Shares (m)	124
M.Cap.(INRb)/(USD\$)	94.5 / 1
52-Week Range (INR)	1021 / 661
1, 6, 12 Rel. Per (%)	-2/-24/-13
12M Avg Val (INR M)	164

#### Financial Snapshot (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	67.9	72.1	79.6
EBITDA	10.5	11.8	13.1
Adj. PAT	4.7	5.5	5.4
EBITDA Margin (%)	15.4	16.4	16.4
Adj. EPS (INR)	37.5	44.2	43.2
EPS Gr. (%)	46.8	17.9	-2.4
BV/Sh. (INR)	311	350	387

#### Ratios

Net D:E	0.5	0.5	0.6
RoE (%)	12.7	13.4	11.7
RoCE (%)	9.9	9.6	8.8
Payout (%)	17.4	16.0	18.7

#### Valuations

P/E (x)	20.3	17.2	17.6
P/BV (x)	2.4	2.2	2.0
EV/EBITDA(x)	10.2	10.0	8.7
EV/ton (USD)	65	64	55
Div. Yield (%)	0.8	0.8	0.8
FCF Yield (%)	0.3	-0.5	0.2

#### Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	45.1	45.1	46.3
DII	23.2	22.8	25.2
FII	12.4	12.6	11.9
Others	19.4	19.5	16.5

FII Includes depository receipts

- JK Lakshmi Cement's (JKLC) 3QFY26 EBITDA was up marginally ~2% YoY to INR2.1b (~20% miss due to lower-than-estimated realization/t). 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. our estimate).
- Management indicated that trade sales declined during the period, primarily due to higher volumes in Gujarat following the commissioning of Surat GU. Further, non-trade prices were under significant pressure due to temporary disruptions from GST-related pass-through, extended monsoons, elections in Bihar, and labor shortages. However, it is seeing a pick-up in trade demand in Dec'25-Jan'26 as well as price increases in non-trade across markets in late-Dec'25. It estimates industry volume growth in double digits in 4QFY26, and aims to grow in line with the industry.
- We cut our EBITDA estimates ~7% for FY26 and ~3% for FY27E-FY28 (each) to factor in 3Q underperformance and lower volume growth in FY27. The stock is trading reasonably at 10x/9x FY27/FY28E EV/EBITDA. We value the stock at 10x FY28E EV/EBITDA to arrive at our TP of INR900. **Reiterate BUY.**

### Volume up ~8% YoY; realization/t declines ~2% YoY (down 10% QoQ)

- Consol. revenue/EBITDA/adj. PAT stood at INR15.9b/INR2.1b/INR714m (+6%/+2%/-5% YoY and down ~6%/20%/34% vs. our estimates). Volume grew ~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 was up ~2% YoY to INR5,144, while EBITDA/t grew ~27% YoY to INR767.

### Highlights from the management commentary

- Industry demand grew ~7% YoY in 3Q. Overall demand outlook is positive, which is also expected to lead to price increases in the trade segment.
- Its trade volume share declined to 49% vs. 57%/53% in 3QFY25/2QFY26. The blended cement share was ~62% v/s ~65%/62% in 3QFY25/2QFY26.
- Capex stood at INR3.5b in 9MFY26, including INR2.5-2.6b towards the Durg expansion. Capex to be incurred is estimated at INR4.0b in 4QFY26. Capex is pegged at INR16.b-17.0b in FY27.

## Valuation and view

- JKLC reported a weak set of results in 3Q, with realization/t below estimates due to declining prices in Gujarat markets, where it has higher exposure. Meanwhile, the company's opex/t remained under control. It expects prices to improve following the continued strong demand momentum. Further, its clinker capacity is operating at an optimum level, and the next clinker line at Durg is expected in end-FY27/FY28. Hence, we estimate it has a limited volume growth opportunity in the near term.
- We estimate a CAGR of ~8%/12%/7% in revenue/EBITDA/PAT over FY26-28 and project an EBITDA/t of INR851/INR870 in FY27/FY28E vs. INR790 in FY26E. We further estimate its net debt to rise to INR26.7b in FY28 from INR19.7b in FY26. The net debt-to-EBITDA ratio is estimated to be range-bound at 2.0x over FY26-28. The stock is trading reasonably at 10x/9x FY27E/FY28E EV/EBITDA. We value the stock at 10x FY28E EV/EBITDA to arrive at our TP of INR900. **Reiterate BUY.**

## Quarterly performance (consolidated)

(INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Sales Volumes (mt)	3.02	2.48	3.03	3.60	3.33	2.84	3.28	3.80	12.13	13.25	3.21	2
YoY Change (%)	(0.4)	(9.3)	2.4	10.3	10.0	14.8	8.3	5.6	1.2	9.2	6.0	
<b>Net Sales</b>	<b>15.6</b>	<b>12.3</b>	<b>15.0</b>	<b>19.0</b>	<b>17.4</b>	<b>15.3</b>	<b>15.9</b>	<b>19.2</b>	<b>61.9</b>	<b>67.9</b>	<b>17.0</b>	<b>(6)</b>
YoY Change (%)	(9.6)	(21.6)	(12.1)	6.6	11.3	24.1	6.1	1.4	(8.8)	9.6	13.5	
<b>EBITDA</b>	<b>2.2</b>	<b>0.9</b>	<b>2.0</b>	<b>3.5</b>	<b>3.1</b>	<b>2.1</b>	<b>2.1</b>	<b>3.2</b>	<b>8.6</b>	<b>10.5</b>	<b>2.6</b>	<b>(20)</b>
YoY Change (%)	13.3	(58.9)	(33.2)	4.4	39.9	133.3	1.7	(8.5)	(17.8)	21.0	27.5	
Margin (%)	14.2	7.2	13.5	18.5	17.9	13.6	12.9	16.7	14.0	15.4	15.1	(223)
Depreciation	0.7	0.7	0.8	0.8	0.8	0.8	0.9	0.8	3.0	3.2	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	0.3	0.5	1.0	0.2	32
<b>PBT before EO expense</b>	<b>1.2</b>	<b>(0.2)</b>	<b>0.9</b>	<b>2.5</b>	<b>2.0</b>	<b>1.0</b>	<b>0.9</b>	<b>2.2</b>	<b>4.3</b>	<b>6.2</b>	<b>1.5</b>	<b>(37)</b>
Extra-Ord. expense	0.4	-	-	-	-	-	0.2	-	0.4	0.2	-	
<b>PBT</b>	<b>0.8</b>	<b>(0.2)</b>	<b>0.9</b>	<b>2.5</b>	<b>2.0</b>	<b>1.0</b>	<b>0.8</b>	<b>2.2</b>	<b>3.9</b>	<b>6.0</b>	<b>1.5</b>	<b>(50)</b>
Tax	0.3	0.0	0.1	0.8	0.5	0.2	0.2	0.6	1.2	1.5	0.4	
Prior period tax adj.	-	-	-	-	-	-	-	-	-	-	-	
Rate (%)	32.3	(10.6)	13.8	31.7	26.5	21.5	24.2	25.5	30.0	25.0	26.5	
<b>Reported PAT</b>	<b>0.5</b>	<b>(0.2)</b>	<b>0.8</b>	<b>1.7</b>	<b>1.5</b>	<b>0.8</b>	<b>0.6</b>	<b>1.6</b>	<b>2.8</b>	<b>4.5</b>	<b>1.1</b>	<b>(48)</b>
Minority Interest	(0.0)	0.1	0.0	(0.1)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.0)	0.0	
<b>Adj. PAT</b>	<b>0.9</b>	<b>(0.3)</b>	<b>0.7</b>	<b>1.8</b>	<b>1.5</b>	<b>0.8</b>	<b>0.7</b>	<b>1.6</b>	<b>3.1</b>	<b>4.7</b>	<b>1.1</b>	<b>(34)</b>
YoY Change (%)	17.7	(133.1)	NA	11.9	62.6	NM	(4.7)	(6.9)	(33.0)	49.2	NM	
<b>Per ton analysis (INR)</b>												
<b>Net realization</b>	<b>5,172</b>	<b>4,983</b>	<b>4,940</b>	<b>5,274</b>	<b>5,234</b>	<b>5,388</b>	<b>4,841</b>	<b>5,064</b>	<b>5,106</b>	<b>5,121</b>	<b>5,288</b>	<b>(8)</b>
RM Cost	1,274	987	907	971	922	942	952	1,005	1,018	957	940	1
Employee Expenses	335	444	377	316	374	457	352	301	362	366	408	(14)
Power, Oil, and Fuel	1,132	1,295	1,157	1,086	1,137	1,295	1,131	1,133	1,158	1,168	1,200	(6)
Freight and Handling Outward	1,042	1,137	1,147	1,222	1,194	1,235	1,119	1,121	1,155	1,163	1,195	(6)
Other Expenses	653	759	686	703	672	725	662	657	699	677	744	(11)
<b>Total Expenses</b>	<b>4,436</b>	<b>4,623</b>	<b>4,274</b>	<b>4,298</b>	<b>4,299</b>	<b>4,655</b>	<b>4,216</b>	<b>4,218</b>	<b>4,393</b>	<b>4,332</b>	<b>4,487</b>	<b>(6)</b>
<b>EBITDA</b>	<b>735</b>	<b>360</b>	<b>666</b>	<b>976</b>	<b>936</b>	<b>733</b>	<b>625</b>	<b>846</b>	<b>713</b>	<b>790</b>	<b>801</b>	<b>(22)</b>

Source: Company, MOFSL

# Westlife Foodworld

Estimate change	↔
TP change	↓
Rating change	↔

**CMP: INR477      TP: INR535 (+12%)      Neutral**

## Weak print; positive start to 2026

Bloomberg	WESTLIFE IN
Equity Shares (m)	156
M.Cap.(INRb)/(USDb)	74.3 / 0.8
52-Week Range (INR)	893 / 464
1, 6, 12 Rel. Per (%)	-10/-37/-54
12M Avg Val (INR M)	112

### Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	26.3	29.6	33.3
Sales growth (%)	5.5	12.7	12.5
EBITDA	3.4	4.1	4.9
Margins (%)	13.0	13.8	14.6
Adj. PAT	0.0	0.3	0.9
Adj. EPS (INR)	0.0	2.1	5.5
EPS Growth (%)	NA	NA	160.2
BV/Sh.(INR)	39.9	42.1	47.6

### Ratios

RoE (%)	0.0	5.2	12.3
RoCE (%)	4.6	6.0	7.9

### Valuations

P/E (x)	NA	227.9	87.6
P/BV (x)	12.1	11.5	10.2
EV/Sales (x)	2.9	2.5	2.2
EV/EBITDA (x)	37.8	29.8	23.5

### Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	56.3	56.3	56.3
DII	24.8	24.0	21.3
FII	10.8	11.6	14.1
Others	8.2	8.1	8.4

FII Includes depository receipts

- Westlife Foodworld (WESTLIFE) reported revenue growth of 3% YoY (slowest among peers) to INR6.7b in 3QFY26 (below). Same-store sales growth (SSSG) declined 3.2% YoY (est. flat) on a soft base of +3%, given the ongoing challenging operating environment. Average sales per store declined 4% YoY to INR60m (annually) in 3QFY26. On-premise business grew 6% YoY, while the delivery business declined slightly due to volatility in third-party aggregators business.
- The company highlighted a healthy footfall growth in the West, while demand in the South remained soft. Footfalls improved from November onwards, with November–December reporting flat-to-positive YoY footfalls. This momentum extended into January, with positive SSSG driven by a mid-single-digit growth in footfalls.
- The company added net eight new stores (+9% YoY) in 3Q, with 27 stores added 9MFY26. It plans to open 20-25 stores in 4QFY26 and aims to grow its network to 580-630 restaurants by 2027.
- Reported GM contracted 260bp YoY to 67.5%. However, like-for-like GM was broadly stable QoQ. The reported GM reflects a one-off optical impact of 400–500bp in 3QFY26 due to the reclassification of processing charges from opex to COGS. EBITDA margin expanded 70bp YoY to 14.7%. (est. 14.3%) on account of lower royalty payment, while EBITDA margin (pre IND AS) was flattish YoY at 9.2%. ROM pre IND AS was up 90bp YoY to 16.6%.
- WESTLIFE continues to face demand headwind in the Southern region, but has been taking various initiatives to address the same. We believe regional demand will see a gradual improvement and, therefore, expect a gradual ADS recovery in the near future. **We reiterate our Neutral rating with a TP of INR535, based on 28x Dec'27E EV/EBITDA (pre-IND AS).**

## Muted performance; same store sales down 3%

- Same store revenue down 3%:** Sales grew 3% YoY to INR6.7b (est. INR7b), led by store additions of 9% YoY. SSSG declined 3.2% YoY in 3QFY26 (est. flat, -3% in 2QFY26, +2.8% in 3QFY25). WESTLIFE opened net eight stores (opened 10 stores, closed two stores), bringing the total count to 458 stores in 73 cities. Average sales per store declined 4% YoY to INR60m (annually) in 3QFY26.
- EBITDA (pre IND AS) up 4% YoY:** GM contracted by 260bp YoY to 67.5% (est. 72%). However, like-for-like GM remained broadly stable QoQ, driven by supply chain efficiencies, partly offset by menu price adjustments following the GST rate change. The reported GM reflects a one-off optical impact of 400–500bp in 3QFY26 due to the reclassification of processing charges from opex to COGS. Reported EBITDA rose 8% YoY to INR987m (est. INR1,000m). EBITDA margin expanded 70bp YoY to 14.7% (est. 14.3%), led by lower royalty payment. EBITDA margin (pre IND AS) was up marginally by 10bp YoY to 9.2%, EBITDA (pre IND AS) up 4% YoY. ROM post Ind As was up 150bp YoY to 22.1% (est. 21.2%). ROM pre IND AS was up 90bp YoY to 16.6% (est. 16.1%).

### Key takeaways from the management commentary

- Amid an ongoing challenging operating environment, the company prioritized driving affordability through its value platform while maintaining strict execution discipline.
- In December (every year), WESTLIFE receives additional accrued incentives from its parent company for its strong performance (e.g. store count, etc.)
- GM contracted 260bp YoY to 67.5%. However, like-for-like gross margin remained broadly stable on a sequential basis, driven by supply chain efficiencies, partly offset by menu price adjustment following the GST rate change.
- WESTLIFE plans to open 20-25 stores in 4QFY26. The company remains on track to achieve its target of 580–630 restaurants by 2027.

### Valuation and view

- We largely maintain our estimates for FY27 and FY28.
- Demand continued to remain impacted in 3Q, with SSSG declining YoY. However, the positive momentum of December has carried over into January, with positive SSSG driven by a mid-single-digit rise in footfalls. WESTLIFE has been aggressive in store additions, which was not the case historically. However, the performance in South India remains a challenge. Therefore, the benefits of its various initiatives may be gradual.
- Soft underlying growth, coupled with rising costs related to strategic initiatives, could weigh on the operating margins. We remain watchful of the same.
- **We reiterate our Neutral rating with a TP of INR535, based on 28x Dec'27E EV/EBITDA (pre-IND AS).**

### Consolidated quarterly performance

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE		(%)
SSSG %	(6.7)	(6.5)	2.8	0.7	0.5	(2.8)	(3.2)	2.5	-2.9	-0.8	0.0	
No. of McDonald's restaurants	403	408	421	438	444	450	458	478	438	478	465	
<b>Net Sales</b>	<b>6,163</b>	<b>6,180</b>	<b>6,537</b>	<b>6,031</b>	<b>6,576</b>	<b>6,419</b>	<b>6,707</b>	<b>6,588</b>	<b>24,912</b>	<b>26,290</b>	<b>7,015</b>	<b>-4.4</b>
YoY Change (%)	0.3	0.5	8.9	7.3	6.7	3.9	2.6	9.2	4.2	5.5	7.3	
<b>Gross profit</b>	<b>4,351</b>	<b>4,306</b>	<b>4,581</b>	<b>4,221</b>	<b>4,709</b>	<b>4,649</b>	<b>4,525</b>	<b>4,520</b>	<b>17,459</b>	<b>18,403</b>	<b>5,051</b>	<b>-10.4</b>
Margin (%)	70.6	69.7	70.1	70.0	71.6	72.4	67.5	68.6	70.1	70.0	72.0	
<b>EBITDA</b>	<b>799</b>	<b>786</b>	<b>914</b>	<b>794</b>	<b>855</b>	<b>759</b>	<b>987</b>	<b>812</b>	<b>3,293</b>	<b>3,413</b>	<b>1,004</b>	<b>-1.7</b>
YoY Change (%)	-24.1	-21.1	-4.8	3.0	6.9	-3.4	8.0	2.3	-12.9	3.6	9.9	
Margins (%)	13.0	12.7	14.0	13.2	13.0	11.8	14.7	12.3	13.2	13.0	14.3	
Depreciation	506	528	549	550	553	574	562	570	2,133	2,354	580	
Interest	298	316	330	328	354	363	370	328	1,272	1,415	360	
Other Income	51	65	29	98	68	107	74	108	242	357	50	
<b>PBT</b>	<b>45</b>	<b>7</b>	<b>65</b>	<b>13</b>	<b>16</b>	<b>-71</b>	<b>129</b>	<b>21</b>	<b>131</b>	<b>1</b>	<b>114</b>	<b>12.6</b>
Extra-Ord expense	0	0	0	0	0	-455	108	0	0	0	0	
<b>PBT after EO expense</b>	<b>45</b>	<b>7</b>	<b>65</b>	<b>13</b>	<b>16</b>	<b>384</b>	<b>21</b>	<b>21</b>	<b>131</b>	<b>1</b>	<b>114</b>	
Tax	13	3	-5	-2	4	92	10	-107	9	0	29	
Rate (%)	27.9	48.1	-8.0	-13.9	27.4	-130.9	7.7	-496.9	6.9	25.0	25.0	
<b>Reported PAT</b>	<b>33</b>	<b>4</b>	<b>71</b>	<b>15</b>	<b>11</b>	<b>292</b>	<b>11</b>	<b>128</b>	<b>122</b>	<b>0</b>	<b>86</b>	
<b>Adj PAT</b>	<b>33</b>	<b>4</b>	<b>71</b>	<b>15</b>	<b>11</b>	<b>-163</b>	<b>119</b>	<b>128</b>	<b>122</b>	<b>0</b>	<b>86</b>	<b>38.5</b>
YoY Change (%)	-88.7	-98.3	-59.1	96.5	-64.8	NA	68.4	740.5	-82.4	-99.6	21.5	
Margins (%)	0.5	0.1	1.1	0.3	0.2	-2.5	1.8	1.9	0.5	0.0	1.2	

E: MOSL Estimates

# TeamLease

Estimate change	↓
TP change	↔
Rating change	↔

**CMP: INR1,491      TP: INR1,850 (+24%)      Buy**

## A messy quarter; selective strength

### Operating leverage and HR seasonality to aid 4Q margins

■ **TeamLease's (TEAM) 3QFY26 revenue growth of 4% YoY was below our estimate of 12% YoY growth. General Staffing (GS) declined by 1.0% QoQ, while Specialized Staffing grew 2% QoQ.** EBITDA margin of 1.4% was in line with our expectation (1.4%). **EBITDA improved by 11% QoQ. Adj. PAT at INR480m was up 69% YoY/73% QoQ, excluding a one-time impact due to costs related to changes in labor codes of INR57. In 9MFY26, revenue/EBITDA/adj. PAT grew 7.6%/22.7%/38.9% YoY. In 4QFY26, we expect revenue/EBITDA/adj. PAT to grow 10.8%/7.3%/15.1% YoY. We reiterate our BUY rating with a TP of INR1,850.**

### Our view: BFSI pain largely done

- **3QFY26 was impacted by BFSI insourcing.** The quarter saw a sharp ~27k net headcount decline, largely due to one large NBFC and other BFSI clients moving associates in-house to manage costs. In our view, this was a one-time adjustment rather than a demand shock. Management indicated that the full impact has been absorbed in 3Q, with headcount trends expected to normalize from 4QFY26 onwards. Early stabilization is visible in frontline sales, collections, and service roles, especially across Tier-2 and Tier-3 markets.
- **General Staffing demand remains selective, with the mix working against near-term growth.** Revenue growth stayed below historical trends as incremental hiring is skewed toward non-metro locations, where salary levels are meaningfully lower. That said, logo additions remain healthy (22 new clients in 3Q, over half on variable mark-up), and PAPM continued to inch up YoY. We believe improving rural liquidity, regulatory clarity in BFSI, and steady consumer-linked hiring should support a gradual pickup over the next few quarters. We expect 8%/11% YoY growth in FY26E/FY27E.
- **Specialized Staffing continues to be anchored by GCCs, despite flat IT hiring.** While volume-led hiring from IT services has not yet returned, demand remains steady in niche skills such as AI, data, cloud, and cybersecurity. GCCs now contribute over 65% of segment revenue, with additions continuing across sectors. In our view, lower volumes but higher rate cards should help protect margins, even if headline growth remains measured in the near term. We estimate 6.8% EBITDA margin for 4QFY26.
- **HR Services momentum improves on seasonality and cost discipline.** With most RegTech investments already expensed and HR Tech investments tapering, we believe margin expansion here is sustainable, with 4Q likely to be stronger than 3Q.
- **Margins hold up despite revenue headwinds.** EBITDA stood at 1.4%, supported by productivity gains, digitization, and tight cost control, despite fewer billable days. We believe profit growth should continue to outpace revenue growth as volumes stabilize. We expect EBITDA margins to expand gradually to ~1.5% by FY27.

Bloomberg	TEAM IN
Equity Shares (m)	17
M.Cap.(INRb)/(USD\$b)	25 / 0.3
52-Week Range (INR)	2499 / 1355
1, 6, 12 Rel. Per (%)	-3/-23/-46
12M Avg Val (INR M)	120

### Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	121.0	133.9	150.0
EBIT Margin (%)	0.9	1.1	1.2
Adj. PAT	1.4	1.7	2.0
EPS (INR)	86.9	100.6	116.5
EPS Gr. (%)	34.0	15.7	15.9
BV/Sh. (INR)	624.4	723.0	837.3
<b>Ratios</b>			
RoE (%)	14.5	14.6	14.7
RoCE (%)	12.9	13.2	13.5
Payout (%)	0.0	0.0	0.0
<b>Valuations</b>			
P/E (x)	17.2	14.8	12.8
P/BV (x)	2.4	2.1	1.8
EV/EBITDA (x)	16.0	12.0	9.4
Div Yield (%)	0.0	0.0	0.0

### Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	31.1	31.1	31.6
DII	49.8	50.7	37.1
FII	6.4	6.7	21.9
Others	12.7	11.5	9.4

FII Includes depository receipts

### Valuation and revisions to our estimates

- We remain positive on the medium- to long-term opportunities owing to gains from the formalization of the labor market. We slightly cut our estimates for FY26/27. **We reiterate our BUY rating with a TP of INR1,850 (16x FY28E EPS vs. Consensus 2-yr FWD P/E of 13x).**

### Miss on revenue and margins in line; 107 new logos secured

- Revenue growth of 4% YoY was below our estimate of 12% YoY.
- General Staffing declined by 1.0% QoQ, while specialized staffing grew 2% QoQ. HR services grew 9% QoQ.
- General Staffing associate additions declined 7% QoQ to ~282k. Specialized Staffing's headcount increased 2% QoQ. At the group level, the net impact was a reduction of ~27k employees.
- EBITDA margin of 1.4% was in line with our expectation of 1.4%. EBITDA grew 11% QoQ.
- 107 new logos were added during the quarter.
- Adj. PAT at INR480m was up 69% YoY/73% QoQ. This excludes a one-time impact on account of costs related to labor codes amounting to INR57m.

### Key highlights from the management commentary

- Lost ~27k headcount during the quarter, largely impacting the BFSI segment across General Staffing and Degree Apprenticeship businesses.
- The full impact was absorbed in 3Q, with growth expected to correct in 4Q.
- Management will provide clarity on headcount recovery between 4QFY26 and 1QFY27.
- The company continued to see a gradual structural recovery in the staffing ecosystem. While the pace remains uneven across sectors and geographies, fiscal and monetary actions over recent quarters have begun to support consumption and business sentiment. Customers, however, remain selective with hiring.
- Over the next 3–9 months, demand is expected to broaden gradually, with BFSI stabilizing further. Steady momentum is visible in consumer-linked roles, along with benefits from technology-led productivity initiatives.
- Over the next 3–9 months, demand is expected to broaden gradually, with BFSI stabilizing further. Steady momentum is visible in consumer-linked roles, along with benefits from technology-led productivity initiatives.
- Consumer demand remains mixed, with subdued urban consumption but relative resilience in semi-urban and rural markets.
- Demand is rising sharply in AI/ML coding, data security, data engineering, cloud, and cybersecurity roles. While volumes are lower than conventional tech hiring, higher rate cards support revenue and margins.
- Any incremental regulatory cost is contractually passed through to clients, resulting in no P&L impact from gratuity-related changes.

### Valuation and view

- As both the central and state governments look to liberalize and formalize the labor market, TEAM should be one of the biggest direct beneficiaries in the medium term.
- Healthy growth and expected margin recovery should help TEAM deliver a CAGR of 10%/20% in revenue/earnings over FY25-28. **We reiterate our BUY rating with a TP of INR1,850 (16x FY28E EPS vs. Consensus 2-yr FWD P/E of 13x).**

**Consolidated Quarterly Performance**
**(INR M)**

	FY25				FY26E				FY25	FY26E	Est. 3QFY26	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Revenue</b>	<b>25,799</b>	<b>27,968</b>	<b>29,213</b>	<b>28,579</b>	<b>28,914</b>	<b>30,321</b>	<b>30,130</b>	<b>31,676</b>	<b>1,11,559</b>	<b>1,21,041</b>	<b>32,701</b>	<b>-8%</b>
YoY Change (%)	19%	23%	19%	18%	12%	8%	3%	11%	20%	8%	12%	
Total Expenditure	25,576	27,634	28,864	28,104	28,608	29,938	29,706	31,167	1,10,178	1,19,419	32,247	-8%
<b>Reported EBITDA</b>	<b>223</b>	<b>335</b>	<b>349</b>	<b>475</b>	<b>307</b>	<b>383</b>	<b>423</b>	<b>509</b>	<b>1,381</b>	<b>1,622</b>	<b>454</b>	<b>-7%</b>
Margins (%)	0.9%	1.2%	1.2%	1.7%	1.1%	1.3%	1.4%	1.6%	1.2%	1.3%	1.4%	2bp
<b>Reported EBIT</b>	<b>91</b>	<b>196</b>	<b>216</b>	<b>341</b>	<b>171</b>	<b>242</b>	<b>286</b>	<b>379</b>	<b>844</b>	<b>1,077</b>	<b>329</b>	<b>-13%</b>
Margins (%)	0.4%	0.7%	0.7%	1.2%	0.6%	0.8%	0.9%	1.2%	0.8%	0.9%	1.0%	-6bp
Interest	30	44	32	42	37	40	34	30	148	142	30	14%
Other Income	141	107	102	97	126	87	237	100	447	550	150	58%
<b>PBT before EO expense</b>	<b>202</b>	<b>259</b>	<b>286</b>	<b>397</b>	<b>260</b>	<b>289</b>	<b>489</b>	<b>449</b>	<b>1,144</b>	<b>1,486</b>	<b>449</b>	<b>9%</b>
Extra-Ord expense	0	0	0	0	0	0	56	0	0	56	0	
<b>Reported PBT</b>	<b>202</b>	<b>259</b>	<b>286</b>	<b>397</b>	<b>260</b>	<b>289</b>	<b>433</b>	<b>449</b>	<b>1,144</b>	<b>1,431</b>	<b>449</b>	<b>-4%</b>
Tax	8	11	2	20	13	12	10	18	40	53	18	
Rate (%)	4%	4%	1%	5%	5%	4%	2%	4%	4%	4%	4%	-166bp
<b>Adjusted PAT</b>	<b>194</b>	<b>249</b>	<b>284</b>	<b>379</b>	<b>250</b>	<b>278</b>	<b>480</b>	<b>436</b>	<b>1,105</b>	<b>1,445</b>	<b>436</b>	<b>10%</b>
YoY Change (%)	-25%	-10%	3%	38%	29%	12%	69%	15%	2%	31%	54%	1576bp
Margins (%)	0.8%	0.9%	1.0%	1.3%	0.9%	0.9%	1.6%	1.4%	1.0%	1.2%	1.3%	26bp
<b>Reported PAT</b>	<b>194</b>	<b>249</b>	<b>284</b>	<b>379</b>	<b>250</b>	<b>278</b>	<b>425</b>	<b>436</b>	<b>1,105</b>	<b>1,389</b>	<b>436</b>	<b>-3%</b>
YoY Change (%)	-25%	-10%	-8%	38%	29%	12%	50%	15%	-1%	26%	54%	-384bp
Margins (%)	0.8%	0.9%	1.0%	1.3%	0.9%	0.9%	1.4%	1.4%	1.0%	1.1%	1.3%	8bp

**Key Perfor. Indicators**

Y/E March	FY25				FY26			FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
<b>Headcount</b>								
General staffing associates	2,82,450	2,98,300	2,99,600	2,92,150	2,95,270	3,03,350	2,82,000	2,92,150
Apprentices	42,350	45,270	47,200	47,300	49,000	51,600	46,000	47,300
Specialised staffing	6,900	6,670	6,700	6,620	6,730	7,050	7,165	6,620
<b>Revenue</b>								
General staffing	24,139	26,094	27,207	26,230	26,693	27,834	27,554	1,03,669
Specialised staffing	1,446	1,425	1,472	1,581	1,770	1,912	1,951	5,924
Other HR Services	214	450	533	768	451	574	625	1,965
<b>Operating Margins</b>								
General staffing	0.9	0.9	1.0	1.0	0.9	0.9	1.0	1.0
Specialised staffing	6.0	7.5	7.4	7.0	5.9	6.5	6.3	7.0
Other HR Services	(44.8)	(1.8)	(2.9)	19.0	(23.5)	(6.5)	1.4	1.3

# Angel One

**BSE SENSEX**  
83,739

**S&P CNX**  
25,728

**CMP: INR2,678**

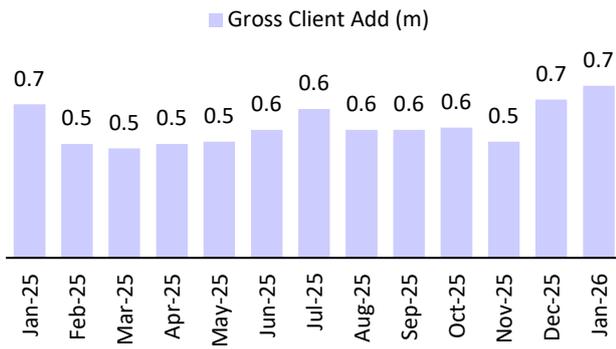
## Order run-rate at pre-regulation levels; MTF book at an all-time high

**Angel One (ANGELONE) released its key business numbers for Nov'25. Here are the key takeaways:**

- ANGELONE's gross client acquisition at 0.74m grew 9% MoM in Jan'26 (+13% YoY), taking the total client base to ~36.4m.
- The average MTF book grew 5% MoM to an all-time high of ~INR61.2b (+46% YoY) in Jan'26.
- The number of orders rose 14% MoM to 146.7m for Jan'26 (up 16% YoY; highest since Nov'24), backed by 25% MoM growth in order run-rate to 7.3m (+34% YoY).
- The overall ADTO grew 20% MoM, led by 21% MoM growth in F&O ADTO and 19% MoM growth in cash ADTO. However, the commodity ADTO declined 12% MoM. The overall premium ADTO declined 9% MoM, while the F&O premium ADTO grew 29% MoM.
- Based on the option premium turnover, the overall market share and the F&O premium market share rose 20bp and 40bp MoM to 20.6% and 22.4%, respectively. Market share for the cash segment declined 30bp MoM to 17.6%, and for the commodity segment it was down 340bp MoM to 48.5%.
- The number of registered unique MF SIPs rose 13% MoM to ~0.87m in Jan'26 (up 14% YoY).

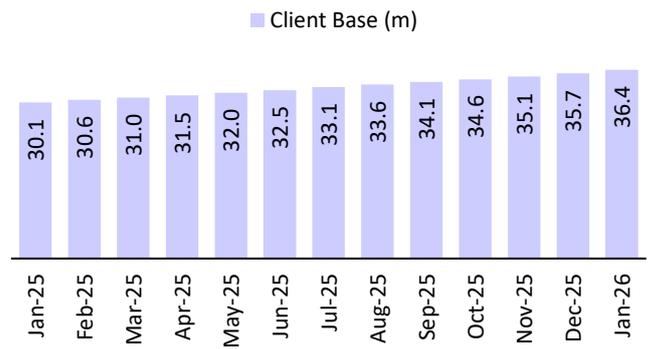
Key Metrics	Jan-25	Mar-25	May-25	Jul-25	Sep-25	Nov-25	Dec-25	Jan-26	% YoY	% MoM
No of Days	23	19	21	23	22	19	22	20		
Client Base (m)	30.1	31.0	32.0	33.1	34.1	35.1	35.7	36.4	20.8	1.9
Gross Client Add (m)	0.66	0.47	0.50	0.64	0.55	0.50	0.68	0.74	12.1	8.8
Avg MTF book (INR b)	42.0	38.5	40.1	50.8	55.5	59.5	58.4	61.2	45.7	4.8
Orders (m)	126.0	102.1	121.6	123.0	127.6	117.3	129.0	146.7	16.4	13.7
Per day orders (m)	5.5	5.4	5.8	5.4	5.8	6.2	5.9	7.3	33.8	25.1
Unique MF SIPs registered (ln m)	0.77	0.56	0.63	0.89	0.79	0.74	0.77	0.87	13.5	13.0
<b>Angel's ADTO (INR b)</b>										
Overall	30,824	36,383	35,815	41,502	48,183	53,486	53,374	64,075	107.9	20.0
F&O	30,104	35,644	34,983	40,501	46,712	51,752	51,542	62,451	107.5	21.2
Cash	65	65	86	75	76	73	67	80	23.1	19.4
Commodity	655	673	745	926	1,395	1,661	1,765	1,545	135.9	-12.5
<b>Angel's Premium T/O (INR b)</b>										
Overall	850	860	975	1,115	1,594	1,874	1,959	1,790	110.6	-8.6
F&O	130	122	144	114	123	140	128	165	26.9	28.9
<b>Retail T/o Market Share</b>										
									<b>bps YoY bps MoM</b>	
Overall Equity - based on option premium T/O	19.7	19.5	20.0	20.1	20.6	20.3	20.4	20.6	90	20
F&O - based on option premium T/O	21.8	21.0	21.4	21.2	21.8	21.5	22.0	22.4	60	40
Cash	16.6	17.2	18.0	18.6	19.0	18.3	17.9	17.6	100	-30
Commodity	61.2	56.9	56.5	63.7	64.3	52.5	51.9	48.5	-1,270	-340

**Client addition run-rate grew MoM in Jan'26**



Source: MOFSL, Company

**Total client base reached 36.4m in Jan'26**



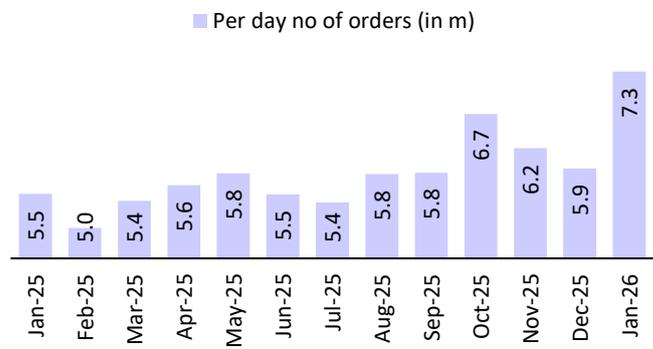
Source: MOFSL, Company

**No. of orders grew MoM in Jan'26**



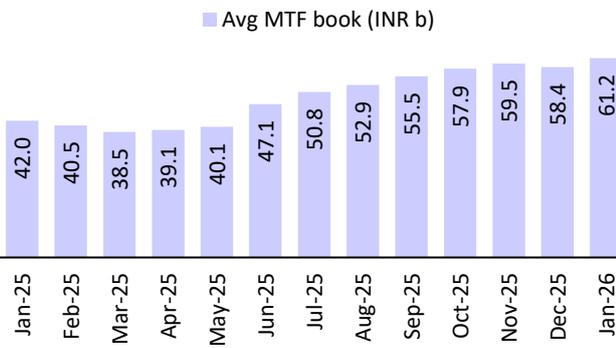
Source: MOFSL, Company

**Order run-rate grows significantly to 7m+ in jan'26**



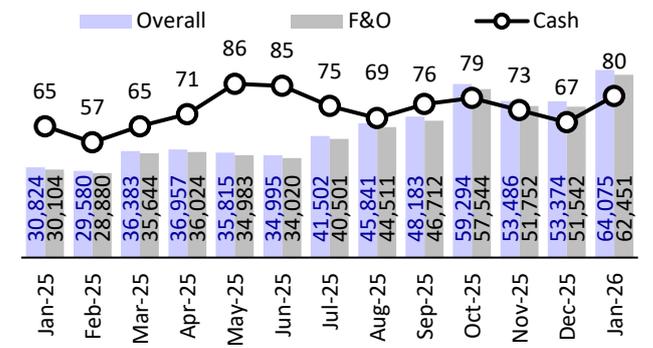
Source: MOFSL, Company

**Client funding book at highest ever – crossing INR60b**



Source: MOFSL, Company

**ADTO trends (INR b)**



Source: MOFSL, Company

# Cummins India

**BSE SENSEX** 83,818  
**S&P CNX** 25,776

**CMP: INR4,201**

**Buy**

## Conference Call Details



**Date:** 5<sup>th</sup> February 2026

**Time:** 10:00am IST

**Dial-in details:**

[Diamond pass](#)

### Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	119.5	139.6	162.1
EBITDA	25.3	27.9	32.5
Adj. PAT	24.3	27.3	31.9
Adj. EPS (INR)	87.6	98.5	114.9
EPS Gr. (%)	22.2	12.5	16.7
BV/Sh.(INR)	289.1	327.7	373.0
<b>Ratios</b>			
RoE (%)	32.3	31.9	32.8
RoCE (%)	30.9	30.4	31.3
<b>Valuations</b>			
P/E (x)	48.0	42.6	36.6
P/BV (x)	14.5	12.8	11.3
EV/EBITDA (x)	44.9	40.5	34.6
Div. Yield (%)	1.2	1.3	1.5

## Broadly in-line performance

- Cummins India's results were broadly in line with our estimates on revenue and PAT, while EBITDA beat our estimates.
- Revenue declined 1% YoY to INR30.6b, 4% above our estimate of INR29.4b.
- Domestic sales declined 2% YoY to INR25.4b (6% above our estimates), while export sales increased 2% YoY to INR4.7b (9% below our estimates).
- Gross margin at 37.9% saw a 310bp YoY expansion. This led to an EBITDA margin expanding 140bp YoY to 20.8%. This was slightly higher than our expectation of 20.4%.
- Absolute EBITDA rose 6% YoY to INR6.3b, 6% ahead of our estimate.
- Adj. PAT increased 7% YoY to INR5.5b (in line with our estimates).
- The company has identified the impact of changes in labor codes and presented the same under exception items amounting to ~INR1.3b.
- For 9MFY26, its revenue/EBITDA/PAT grew 16%/26%/26% YoY, while its margin expanded 180bp YoY to 21.4%.

### Standalone - Quarterly Earnings Model

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	<b>23,042</b>	<b>24,923</b>	<b>30,860</b>	<b>24,569</b>	<b>29,068</b>	<b>31,703</b>	<b>30,549</b>	<b>28,151</b>	<b>1,03,394</b>	<b>1,19,471</b>	<b>29,431</b>	<b>4</b>
YoY Change (%)	4.3	31.2	21.8	6.1	26.2	27.2	-1.0	14.6	15.4	15.5	-4.6	
Total Expenditure	18,369	20,113	24,860	19,372	22,833	24,755	24,205	22,370	82,714	94,163	23,427	
<b>EBITDA</b>	<b>4,673</b>	<b>4,810</b>	<b>6,000</b>	<b>5,197</b>	<b>6,235</b>	<b>6,948</b>	<b>6,345</b>	<b>5,780</b>	<b>20,680</b>	<b>25,308</b>	<b>6,004</b>	<b>6</b>
YoY Change (%)	37.2	42.1	11.5	-4.5	33.4	44.4	5.7	11.2	17.4	22.4	0.1	
Margins (%)	20.3	19.3	19.4	21.2	21.4	21.9	20.8	20.5	20.0	21.2	20.4	
Depreciation	439	452	481	457	479	492	504	481	1,829	1,955	492	2
Interest	48	26	27	52	27	26	48	67	151	166	54	-12
Other Income	1,322	1,611	1,209	2,119	1,529	1,964	1,397	2,234	6,261	7,124	1,816	-23
<b>PBT before EO expense</b>	<b>5,509</b>	<b>5,944</b>	<b>6,702</b>	<b>6,807</b>	<b>7,258</b>	<b>8,394</b>	<b>7,191</b>	<b>7,467</b>	<b>24,961</b>	<b>30,310</b>	<b>7,273</b>	<b>-1</b>
Extra-Ord expense					-442	0	1,265	-1,265	0	-442	0	
<b>PBT</b>	<b>5,509</b>	<b>5,944</b>	<b>6,702</b>	<b>6,807</b>	<b>7,700</b>	<b>8,394</b>	<b>5,925</b>	<b>8,732</b>	<b>24,961</b>	<b>30,751</b>	<b>7,273</b>	<b>-19</b>
Tax	1,311	1,438	1,562	1,593	1,807	2,017	1,394	2,071	5,904	7,289	1,745	
Rate (%)	23.8	24.2	23.3	23.4	23.5	24.0	23.5	23.7	23.7	23.7	24.0	
<b>Reported PAT</b>	<b>4,198</b>	<b>4,506</b>	<b>5,140</b>	<b>5,214</b>	<b>5,893</b>	<b>6,377</b>	<b>4,531</b>	<b>6,662</b>	<b>19,058</b>	<b>23,463</b>	<b>5,527</b>	<b>-18</b>
<b>Adj PAT</b>	<b>4,198</b>	<b>4,506</b>	<b>5,140</b>	<b>5,214</b>	<b>5,555</b>	<b>6,377</b>	<b>5,499</b>	<b>5,695</b>	<b>19,058</b>	<b>23,126</b>	<b>5,527</b>	<b>-1</b>
YoY Change (%)	33.0	37.2	12.7	-7.2	32.3	41.5	7.0	9.2	14.7	21.3	7.5	
Margins (%)	18.2	18.1	16.7	21.2	19.1	20.1	18.0	20.2	18.4	19.4	18.8	

# Apollo Tyres

BSE SENSEX  
83,818

S&P CNX  
25,776

**CMP: INR512**

**Buy**

## Conference Call Details



**Date:** 05<sup>th</sup> Feb 2026

**Time:** 4PM IST

**Dial-in details:** [Zoom webinar link](#)

## Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	279.2	301.5	323.7
EBITDA	40.4	43.4	49.1
Adj. PAT	14.6	17.7	21.6
EPS (Rs)	23.0	27.9	34.0
EPS Growth (%)	17.5	21.3	21.6
BV/Share (Rs)	302.4	326.7	358.4
<b>Ratios</b>			
RoE (%)	9.7	11.1	12.4
RoCE (%)	13.6	14.9	17.2
Payout (%)	41.4	30.4	25.0
P/E (x)	22.3	18.3	15.1
P/BV (x)	1.7	1.6	1.4
Div. Yield (%)	1.4	1.7	1.7
FCF Yield (%)	6.4	5.8	7.1

## Earnings in line with estimates

- 3QFY26 consolidated revenue grew 11.8% YoY to INR77.4b (in line with estimate of INR75b).
- Gross margins grew 350bp YoY (-30bp QoQ) to 45% (in line with estimates), primarily due to cooling rubber prices.
- Consequently, margins also came in line at 15.3%, up ~170bp YoY.
- EBITDA grew 25.2% YoY to INR11.9b, in line with our estimate of INR11.6b.
- The company incurred a one-time expense of INR271m as estimated costs due to the change in labor codes.
- Adjusted for this expense, PAT came in line with our estimate at INR4.9b (up 44% YoY).
- S/A business revenue at INR51.4b was ahead of our estimate of INR 49b, growing 13.2% YoY (+9% QoQ). EBITDA margin improved ~350bp YoY to 14.5% (in line). PAT came in above our estimates because of higher than expected other income, which was due to dividends received from subsidiary companies.
- Derived EU revenue grew 9% YoY in INR terms, partly aided by favorable currency translation. EBITDA margins (derived) contracted 170bp YoY to 16.9%. We await details for the EU operations.
- Valuation:** The stock trades at 18x/15x FY27E/FY28E consolidated EPS.

## Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E	FY26	VAR
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Revenues</b>	<b>63,349</b>	<b>64,370</b>	<b>69,280</b>	<b>64,236</b>	<b>65,608</b>	<b>68,311</b>	<b>77,431</b>	<b>67,861</b>	<b>261,234</b>	<b>279,210</b>	<b>75,078</b>	<b>3</b>
YoY Change (%)	1.4	2.5	5.0	2.6	3.6	6.1	11.8	5.6	2.9	10.0	8.4	
<b>EBITDA</b>	<b>9,093</b>	<b>8,779</b>	<b>9,470</b>	<b>8,374</b>	<b>8,677</b>	<b>10,207</b>	<b>11,859</b>	<b>9,678</b>	<b>35,715</b>	<b>40,422</b>	<b>11,569</b>	<b>3</b>
Margins (%)	14.4	13.6	13.7	13.0	13.2	14.9	15.3	14.3	13.7	14.5	15.4	
Depreciation	3,695	3,759	3,759	3,771	3,776	3,834	3,853	4,155	14,984	15,618	3,910	
Interest	1,070	1,197	1,105	1,094	1,006	1,010	1,001	1,078	4,466	4,095	1,020	
Other Income	308	217	81	275	189	297	496	34	881	1,015	155	
<b>PBT before EO expense</b>	<b>4,636</b>	<b>4,040</b>	<b>4,686</b>	<b>3,785</b>	<b>4,085</b>	<b>5,660</b>	<b>7,501</b>	<b>4,479</b>	<b>17,146</b>	<b>21,725</b>	<b>6,794</b>	<b>10</b>
Extra-Ord expense	404	52	42	1,188	3,702	1,800	271	0	1,687	5,774	0	
<b>PBT</b>	<b>4,232</b>	<b>3,988</b>	<b>4,644</b>	<b>2,596</b>	<b>383</b>	<b>3,860</b>	<b>7,229</b>	<b>4,479</b>	<b>15,460</b>	<b>15,951</b>	<b>6,794</b>	<b>6</b>
Tax Rate (%)	28.6	25.4	27.4	29.0	66.5	33.2	34.9	26.0	27.5	32.8	31.0	
Minority Interest & Profit/Loss of Asso. Cos.	0	-1	-2	-3	-1	-1	-2	-1	-7	-4	-1	
<b>Reported PAT</b>	<b>3,020</b>	<b>2,975</b>	<b>3,372</b>	<b>1,846</b>	<b>129</b>	<b>2,580</b>	<b>4,705</b>	<b>3,316</b>	<b>11,213</b>	<b>10,731</b>	<b>4,689</b>	<b>0</b>
<b>Adj PAT</b>	<b>3,313</b>	<b>3,012</b>	<b>3,403</b>	<b>2,708</b>	<b>2,618</b>	<b>3,791</b>	<b>4,888</b>	<b>3,316</b>	<b>12,436</b>	<b>14,614</b>	<b>4,689</b>	<b>4</b>
YoY Change (%)	-18.4	-37.6	-32.9	-41.8	-21.0	25.9	43.6	22.5	-33.2	17.5	37.8	
Margins (%)	5.2	4.7	4.9	4.2	4.0	5.5	6.3	4.9	4.8	5.2	6.2	

E: MOFSL Estimates

## Standalone (India)

<b>Net Revenues</b>	<b>45,916</b>	<b>44,617</b>	<b>45,398</b>	<b>45,805</b>	<b>47,254</b>	<b>47,149</b>	<b>51,390</b>	<b>46,918</b>	<b>181,736</b>	<b>192,711</b>	<b>49,030</b>	<b>5</b>
YoY Change (%)	4.0	1.2	4.8	4.4	2.9	5.7	13.2	2.4	3.6	6.0	8.0	
<b>EBITDA</b>	<b>6,331</b>	<b>5,389</b>	<b>5,035</b>	<b>5,152</b>	<b>6,447</b>	<b>7,206</b>	<b>7,466</b>	<b>6,988</b>	<b>21,907</b>	<b>28,107</b>	<b>7,158</b>	<b>4</b>
Margins (%)	13.8	12.1	11.1	11.2	13.6	15.3	14.5	14.9	12.1	14.6	14.6	
<b>Adj PAT</b>	<b>2,264</b>	<b>1,675</b>	<b>1,251</b>	<b>1,438</b>	<b>2,233</b>	<b>2,795</b>	<b>4,668</b>	<b>346</b>	<b>6,657</b>	<b>10,755</b>	<b>2,797</b>	<b>67</b>
YoY Change (%)	-27.0	-52.2	-59.2	13.9	-1.4	66.9	273.1	-75.9	-39.1	61.6	123.6	

**RESULTS  
FLASH**

**Global Health**

**BSE SENSEX** 83,818      **S&P CNX** 25,776

**CMP: INR1,121**

**Conference Call Details**



**Date:** 5th Feb 2026  
**Time:** 2:00 pm IST  
**Dial-in details:** [Link](#)

**Financials & Valuations (INR b)**

Y/E MARCH	FY26E	FY27E	FY28E
Sales	41.7	47.1	53.2
EBITDA	9.0	12.1	14.0
Adj. PAT	5.7	7.9	9.5
EBIT Margin (%)	16.7	21.1	22.1
Cons. Adj. EPS (INR)	21.2	29.5	35.4
EPS Gr. (%)	9.4	39.3	20.2
BV/Sh. (INR)	143.9	168.2	197.4

**Ratios**

Net D:E	0.1	0.0	(0.0)
RoE (%)	15.7	18.9	19.4
RoCE (%)	14.1	16.6	17.5
Payout (%)	18.0	17.6	17.6

**Valuations**

P/E (x)	63.5	45.6	37.9
EV/EBITDA (x)	40.4	29.8	25.6
EV/Sales (x)	8.7	7.7	6.7
Div. Yield (%)	0.2	0.3	0.4
FCF Yield (%)	0.6	1.0	1.0

**In-line revenue; Noida opex leads to a miss on EBITDA/PAT**

- In 3QFY26, sales grew 18.8% YoY to INR11.2b (vs. our est: INR10.7b).
- EBITDA margin dipped 620bp YoY to 19.4% YoY (our est: 22.4%), due to increased opex (partly on account of the commencement of Noida hospital). Employee costs/other expenses rose 330bp/440bp YoY as % of revenue.
- Medanta's EBITDA declined 9.9% YoY to INR2.2b (vs our est: INR2.4b).
- Medanta had a one-time expense of INR366m on account of the incremental charge relating to gratuity and compensated absences due to the new labor code.
- Adjusted for the same, PAT dipped 13.2% YoY to INR1.2b (vs. our est: INR1.5b).
- Its 9MFY26 revenue/EBITDA/PAT grew 18%/1%/9% YoY.

**Key operating metrics**

- Mature hospitals' revenue (66% of total revenue) grew 8.6% YoY to INR7b. EBITDA stood at INR1.7b for the quarter, and margin contracted 110bp YoY to 23.9%.
- Developing hospitals' revenue (34% of total revenue) grew 21.5% YoY to INR3.7b. EBITDA stood at INR1.2b for the quarter, with margins contracting 210bp YoY to 31.7%.
- Noida hospital had revenue of INR343m with an opex loss of INR320m in 3QFY26.
- ARPOB grew by 10% YoY to INR67,361 in 3QFY26. The matured hospitals segment witnessed a YoY ARPOB growth of 13.5%. The developing hospitals segment witnessed a YoY ARPOB growth of 8.3% for 3QFY26.
- Both IPD/OPD volumes rose 14%/19.6% YoY for the quarter.
- Occupancy levels were 59% (vs. 63.6% in 3QFY25) and 63.7% in 2QFY26.
- ALOS stood at 3.02 days (vs. 3.23/3.06 days in 3QFY25/2QFY26).
- OPD Pharmacy revenue increased 30.3% YoY to INR465m.
- International Patients revenue increased 30% YoY to INR703m.
- Heart/cancer/digestive/neuro/urology contributed ~65.8% of the revenue in 3QFY26.

**Capex plans**

- Medanta incurred INR6.2b of capex in 9MFY26.
- Maintenance capex is estimated at INR4.5b to be incurred over the next three years.
- Total project capex estimated at INR 34.5b for the next five years will be funded by a combination of debt funding and internal accruals.
- Medanta has added 537 beds in 9MFY26 and plans to add 496 more beds by the end of FY27.

### Consolidated - Quarterly Earnings Model

Y/E March	FY25				FY26			FY25	FY26E	FY26E	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q				
<b>INRm</b>											
<b>Gross Sales</b>	<b>8,611</b>	<b>9,566</b>	<b>9,434</b>	<b>9,312</b>	<b>10,308</b>	<b>10,992</b>	<b>11,210</b>	<b>36,923</b>	<b>41,733</b>	<b>10,684</b>	5%
YoY Change (%)	11.4	13.3	12.8	15.2	19.7	14.9	18.8	12.7	13.0	13.2	
Total Expenditure	6,699	7,222	7,023	7,066	8,038	8,683	9,038	28,008	32,712	8,291	
<b>EBITDA</b>	<b>1,912</b>	<b>2,344</b>	<b>2,412</b>	<b>2,247</b>	<b>2,270</b>	<b>2,309</b>	<b>2,173</b>	<b>8,915</b>	<b>9,021</b>	<b>2,393</b>	-9%
YoY Change (%)	3.7	7.3	8.9	17.6	18.7	-1.5	-9.9	7.6	1.2	-0.8	
Margins (%)	22.2	24.5	25.6	24.1	22.0	21.0	19.4	24.1	21.6	22.4	
Depreciation	515	555	519	493	451	497	612	2,082	2,043	559	
Interest	180	160	163	150	138	171	215	653	634	160	
Other Income	219	182	160	229	205	197	218	791	918	252	
<b>PBT before EO expense</b>	<b>1,437</b>	<b>1,811</b>	<b>1,891</b>	<b>1,833</b>	<b>1,886</b>	<b>1,838</b>	<b>1,564</b>	<b>6,972</b>	<b>7,262</b>	<b>1,926</b>	-19%
Extra-Ord expense/(Income)	0	0	0	-499	196	160	-366	-499	-10	0	
<b>PBT</b>	<b>1,437</b>	<b>1,811</b>	<b>1,891</b>	<b>1,334</b>	<b>2,081</b>	<b>1,998</b>	<b>1,198</b>	<b>6,473</b>	<b>7,252</b>	<b>1,926</b>	-38%
Tax	374	503	462	321	492	414	248	1,659	1,578	405	
Rate (%)	26.0	27.8	24.4	24.0	23.6	20.7	20.7	25.6	21.8	21.0	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>1,063</b>	<b>1,308</b>	<b>1,429</b>	<b>1,014</b>	<b>1,590</b>	<b>1,584</b>	<b>950</b>	<b>4,813</b>	<b>5,674</b>	<b>1,522</b>	-38%
<b>Adj PAT</b>	<b>1,063</b>	<b>1,308</b>	<b>1,429</b>	<b>1,393</b>	<b>1,440</b>	<b>1,458</b>	<b>1,241</b>	<b>5,193</b>	<b>5,682</b>	<b>1,522</b>	-18%
YoY Change (%)	4.2	4.5	15.6	9.4	35.6	11.4	-13.2	8.6	9.4	6.5	
Margins (%)	12.3	13.7	15.1	15.0	14.0	13.3	11.1	14.1	13.6	14.2	

# Inventus Knowledge Solutions

BSE Sensex  
83,818

S&P CNX  
25,776

**CMP: INR 1,629**

**Buy**

## Conference Call Details



**Date:** 05<sup>th</sup> February 2026

**Time:** 08:30 AM IST

[Diamond Pass](#)

[Registration](#)

### Financials Snapshot (INR m)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	31,705	37,267	44,863
Sales Gr. (%)	19.0	17.5	20.4
EBITDA	10,748	12,671	15,478
EBITDA (%)	33.9	34.0	34.5
PAT	7,173	8,686	11,041
EPS (Rs)	41.9	51.2	65.0
EPS Gr. (%)	46.4	22.1	27.1
BV/Share	148	199	265
<b>Ratios</b>			
RoE	33.2	29.6	28.2
RoCE	31.6	31.5	30.3
RoIC	32.1	40.3	56.2
<b>Valuations</b>			
EV/Sales	8.7	7.4	6.2
EV/EBITDA	25.7	21.8	17.9
P/E (X)	38.6	31.6	24.9
P/BV (X)	10.9	8.1	6.1

## Broadly in-line performance

- 3Q USD revenue at INR92.5m was up 18.7% YoY and 2.5% QoQ.
- INR revenue at INR8.2b was up 24% YoY, in line with our est. of INR8.2b.
- EBITDA grew 55.2% YoY to INR2.8b (est. INR2.8b) with EBITDA margin of 34.6% (+700bp YoY, -20bp QoQ).
- PAT rose 41.4% YoY to INR1.8b (est. INR1.9b).
- Over 90% of its revenue came from repeat customers.
- Top-5 and Top-10 clients have average vintage of more than five years.
- Client organizations at 600 vs. 700 in 3QFY25, reduction as per plan.
- Top-10 clients accounted for 48% of revenue.

### Key Deal wins:

1. VitalMD and Femwell group expanded partnerships with IKS to include the ambient solutions that are part of the Scribble Suite in a long-term deal.
2. Texas-based StrideCare partnered with IKS for middle and back-office RCM.
3. Expanded the existing RCM and value-based care partnership with one of the Top-5 health systems to encompass additional regions and states within the scope of IKS.
4. New partnership with a risk-bearing enablement behavioral health system to ensure adequate capture of behavioral health population disease complexity.

## Valuation and view

We believe IKS Health is uniquely positioned to benefit from long-term structural tailwinds in US healthcare technology, supported by its strong financial profile, differentiated tech-first platform, and expanding market opportunity. Its deep client stickiness and effective land-and-expand model, reinforced by ongoing R&D and capability-enhancing acquisitions, strengthen its competitive edge. Currently, we have a BUY rating on IKS with a TP of INR2,107, valuing it at 32x FY28E EPS.

**Quarterly Performance (Consolidated)**
**(INR Mn)**

Y/E March	FY25				FY26E				FY25	FY26E	Est. 3QFY26	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Revenue (USD m)	77.0	76.9	78.2	84.0	86.7	90.2	92.5	94.8	316	364	94	-1.3
QoQ (%)	3.2	-0.1	1.7	7.4	3.2	4.0	2.5	2.5	45.5	15.2		
Revenue (INR m)	6,401	6,428	6,572	7,240	7,401	7,811	8,150	8,344	26,640	31,705	8,246	-1.2
YoY (%)			15.9	16.8	15.6	21.5	24.0	15.2	46.5	19.0		
GPM (%)	43.6	43.4	41.7	46.6	46.5	47.9	50.2	47.0	43.9	47.9	47.0	
SGA (%)	16.6	14.0	14.0	15.4	14.4	13.1	15.6	13.0	15.0	14.0	13.0	
EBITDA	1,730	1,891	1,815	2,262	2,378	2,718	2,816	2,837	7,697	10,748	2,804	0.4
EBITDA Margin (%)	27.0	29.4	27.6	31.2	32.1	34.8	34.6	34.0	28.9	33.9	34.0	60bp
EBIT	1,447	1,608	1,537	1,979	2,098	2,416	2,496	2,545	6,571	9,555	2,515	-0.8
EBIT Margin (%)	22.6	25.0	23.4	27.3	28.4	30.9	30.6	30.5	24.7	30.1	30.5	10bp
Finance cost	260	222	205	210	181	161	233	142	898	819	140	
Other Income	36	52	270	33	31	37	56	42	390	385	41	
ETR (%)	22.0	21.4	19.0	17.9	22.2	20.6	20.1	21.5	19.8	21.0	21.5	
PAT	955	1,130	1,297	1,478	1,515	1,807	1,833	1,919	4,860	7,113	1,897	-3.3
QoQ (%)	50.2	18.3	14.8	14.0	2.5	19.3	1.4	4.7				
YoY (%)			27.7	132.5	58.7	59.9	41.4	29.8				
EPS (INR)	5.7	6.7	7.6	8.7	8.9	10.6	10.7	11.2	28.6	41.9	11.3	-5.4

# Kalpataru Projects

**BSE SENSEX** 83,818  
**S&P CNX** 25,776

**CMP: INR1,135**

**Buy**

## Conference Call Details



**Date:** 5<sup>th</sup> February 2026

**Time:** 08:30am IST

**Dial-in details:**

[Diamond Pass](#)

### Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	228.8	269.4	304.7
EBITDA	19.4	24.8	28.0
Adj. PAT	9.0	12.6	14.6
Adj. EPS (INR)	52.7	73.5	85.6
EPS Gr. (%)	33.9	39.6	16.4
BV/Sh.(INR)	466.7	533.5	612.4
<b>Ratios</b>			
RoE (%)	11.9	14.7	14.9
RoCE (%)	10.9	13.1	13.5
<b>Valuations</b>			
P/E (x)	21.4	15.3	13.1
P/BV (x)	2.4	2.1	1.8
EV/EBITDA (x)	10.6	8.3	7.2
Div. Yield (%)	0.6	0.6	0.6

### In-line revenue/EBITDA, beat on PAT

- KPIL reported in-line revenue and EBITDA, while PAT was above our estimates in 3QFY26.
- Revenue at INR58b grew 20% YoY, driven by strong execution in T&D, B&F, Oil and Gas, and Urban Infra business. T&D/B&F revenue grew 14%/17% YoY, while O&G/Urban Infra saw strong growth of 56%/79% YoY. Railways grew by 31% YoY, while Water segment continued to witness challenges, declining 26% YoY.
- Absolute EBITDA grew 20% YoY to INR5b (in line), while EBITDA margin at 8.3% was slightly below our estimate of 8.5%. EBITDA margin expansion was constrained due to the completion of legacy projects in Fasttel (Brazil), lower revenue in Water business and a decline in income from Road BOOT assets after the termination of Wainganga Expressway.
- A lower-than-expected tax rate drove strong 48% YoY growth in adj. PAT to INR2.3b, above our estimate of INR2.2b.
- YTD order inflow stood at INR195b, leading to an order book of INR633b (+3% YoY).
- NWC days were at a comfortable level of 97 vs. 112 in 3QFY25.
- Net debt was flat YoY at INR18b in 3QFY26.
- With reference to the new labor code, the company has recognized a one-time impact of INR295m – reported as an exceptional item.
- For 9MFY26, revenue/EBITDA/PAT stood at INR162b/INR14b/INR6b, up 28%/28%/56%, while margins were flat YoY at 8.4%.
- The company completed the sale of Vindhychal Road Asset (VEPL) in Jan'26 for an enterprise value of ~INR8b (post-closing adjustments). The company has received cash flows of INR6b. Investment in VEPL stood at ~INR4b as of 31st Dec'25.

### Standalone - Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E	(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			FY26 3QE	Est Var (%)
<b>Net Sales</b>	<b>37,219</b>	<b>41,361</b>	<b>48,257</b>	<b>62,042</b>	<b>50,397</b>	<b>54,188</b>	<b>57,876</b>	<b>66,381</b>	<b>1,88,879</b>	<b>2,28,842</b>	<b>56,461</b>	<b>3</b>
YoY Change (%)	2.8	7.6	16.4	20.5	35.4	31.0	19.9	7.0	12.7	21.2	17.0	
Total Expenditure	34,085	37,877	44,239	56,810	46,114	49,716	53,063	60,520	1,73,009	2,09,412	51,662	
<b>EBITDA</b>	<b>3,135</b>	<b>3,485</b>	<b>4,019</b>	<b>5,232</b>	<b>4,284</b>	<b>4,472</b>	<b>4,813</b>	<b>5,862</b>	<b>15,870</b>	<b>19,430</b>	<b>4,799</b>	<b>0</b>
YoY Change (%)	-0.2	13.1	16.8	30.8	36.7	28.3	19.8	12.0	16.2	22.4	19.4	
Margins (%)	8.4	8.4	8.3	8.4	8.5	8.3	8.3	8.8	8.4	8.5	8.5	
Depreciation	929	914	956	949	936	966	1,005	1,208	3,749	4,116	1,029	-2
Interest	861	998	1,071	877	840	1,025	926	1,160	3,807	3,951	1,043	-11
Other Income	295	264	185	235	234	242	255	350	979	1,081	288	-11
<b>PBT before EO expense</b>	<b>1,640</b>	<b>1,836</b>	<b>2,177</b>	<b>3,641</b>	<b>2,742</b>	<b>2,723</b>	<b>3,138</b>	<b>3,843</b>	<b>9,294</b>	<b>12,444</b>	<b>3,015</b>	<b>4</b>
Extra-Ord expense	-	-	-	330	-	-	295	-295	330	-	-	
<b>PBT</b>	<b>1,640</b>	<b>1,836</b>	<b>2,177</b>	<b>3,311</b>	<b>2,742</b>	<b>2,723</b>	<b>2,843</b>	<b>4,137</b>	<b>8,964</b>	<b>12,444</b>	<b>3,015</b>	<b>-6</b>
Tax	474	513	604	894	734	724	730	1,264	2,485	3,451	836	
Rate (%)	28.9	27.9	27.7	27.0	26.8	26.6	25.7	30.5	27.7	27.7	27.7	
<b>Reported PAT</b>	<b>1,166</b>	<b>1,323</b>	<b>1,574</b>	<b>2,416</b>	<b>2,008</b>	<b>1,999</b>	<b>2,112</b>	<b>2,874</b>	<b>6,479</b>	<b>8,993</b>	<b>2,179</b>	<b>-3</b>
<b>Adj PAT</b>	<b>1,166</b>	<b>1,323</b>	<b>1,574</b>	<b>2,657</b>	<b>2,008</b>	<b>1,999</b>	<b>2,331</b>	<b>2,655</b>	<b>6,718</b>	<b>8,993</b>	<b>2,179</b>	<b>7</b>
YoY Change (%)	-7.4	17.1	9.3	51.8	72.1	51.1	48.2	-0.1	20.3	33.9	38.5	
Margins (%)	3.1	3.2	3.3	4.3	4.0	3.7	4.0	4.0	3.6	3.9	3.9	

# Century Plyboards

BSE Sensex  
83,818

S&P CNX  
25,776

**CMP: INR793**

**Buy**

## Conference Call Details



**Date:** 5 February 2026

**Time:** 15:00 IST

[Diamond pass link](#)

## In-line result; large capex announced in plywood and MDF

- Revenue/EBITDA/adj. PAT grew 18%/31%/22% YoY (in line).
- EBITDA margin at 12.6% expanded 125bp YoY.
- Plywood/Laminate/MDF/PB revenue grew 17%/7%/18%/84% YoY.
- The company approved the setup of a new unit in Uttar Pradesh for manufacturing plywood and MDF.

## Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E	FY26E 3Q Est.	(INRm) Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Sales	10,054	11,836	11,405	11,983	11,694	13,855	13,501	14,366	45,278	53,415	13,284	2
YoY Change (%)	12.8	18.7	21.7	13.0	16.3	17.1	18.4	19.9	16.5	18.0	16.5	
Total Expenditure	8,942	10,723	10,110	10,638	10,412	12,109	11,798	12,323	40,413	46,642	11,533	
EBITDA	1,112	1,113	1,295	1,346	1,282	1,746	1,702	2,043	4,866	6,773	1,751	-3
Margins (%)	11.1	9.4	11.4	11.2	11.0	12.6	12.6	14.2	10.7	12.7	13.2	
Depreciation	336	336	340	360	367	476	483	493	1,372	1,819	486	
Interest	150	172	179	190	222	311	313	303	690	1,148	301	
Other Income	84	-25	23	20	19	19	17	22	103	77	24	
PBT before EO expense	710	580	799	817	712	979	924	1,269	2,906	3,883	989	
Extra-Ord expense	-133	0	0	0	0	0	-76	0	-133	-76	0	
PBT	577	580	799	817	712	979	848	1,269	2,773	3,807	989	-14
Tax	235	181	211	285	182	269	197	330	912	952	257	
Rate (%)	40.8	31.1	26.4	34.9	25.6	27.5	23.3	26.0	32.9	25.0	26.0	
Minority Interest	3	0	-4	-7	-11	-20	-12	-20	8	63	-20	
Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	344	400	585	525	519	689	639	919	1,853	2,792	712	-10
Adj PAT	478	400	585	525	519	689	715	919	1,987	2,868	712	0
YoY Change (%)	-45.0	-58.7	-7.3	-42.1	8.6	72.4	22.3	75.2	-41.1	44.4	21.7	
Margins (%)	4.8	3.4	5.1	4.4	4.4	5.0	5.3	6.4	4.4	5.4	5.4	

## Operating metrics

Y/E March	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	% YoY	% QoQ
<b>Segment Volumes</b>								
Plywood (CBM)	1,12,589	1,05,831	1,11,884	1,09,690	1,31,501	1,24,564	18	(5)
Laminate (m sheets)	1.9	1.8	1.9	1.9	2.0	1.7	(7)	(15)
MDF Board (CBM)	94,126	98,104	87,549	84,099	1,13,748	1,11,153	13	(2)
Particle Board (CBM)	19,811	16,788	14,970	16,302	18,858	36,158	115	92
<b>Segment Revenues (INR m)</b>								
Plywood	6,487	6,062	6,529	6,371	7,545	7,064	17	(6)
Laminate	1,615	1,654	1,641	1,691	1,870	1,766	7	(6)
MDF	2,677	2,736	2,672	2,558	3,400	3,234	18	(5)
Particle Board	395	349	318	333	321	642	84	100
<b>Avg. Realisation per unit</b>								
Plywood (/ CBM)	57,618	57,277	58,358	58,077	57,378	56,711	(1)	(1)
Laminate (/ sheet)	838	917	875	889	955	1,058	15	11
MDF Board (/ CBM)	28,438	27,887	30,521	30,419	29,887	29,095	4	(3)
Particle Board (/ CBM)	19,913	20,801	21,222	20,396	17,033	17,755	(15)	4
<b>Adj. EBITDA Margin (%)</b>								
Plywood	15.0	11.6	15.4	13.8	15.0	15.1		
Laminate	4.8	4.4	1.6	5.9	9.5	7.7		
MDF Board	6.9	10.7	13.2	14.3	13.6	12.1		
Particle Board	11.0	4.8	5.6	1.5	(10.1)	0.4		
<b>EBITDA per unit</b>								
Plywood (/CBM)	8,750	6,777	9,129	8,159	8,737	8,588		
Laminate (/ sheet)	40	53	9	56	92	99		
MDF Board (/CBM)	720	4,553	3,730	4,650	5,020	3,441		
Particle Board (/CBM)	1,428	786	1,142	18				

# JSW Cement

BSE Sensex  
83,818

S&P CNX  
25,776

**CMP: INR116**

**Neutral**

## Conference Call Details



**Date:** 5<sup>th</sup> February 2026

**Time:** 10:00 IST

**Dial-in details:**

+ 91 22 6280 1366

+ 91 22 7115 8267

[Link for the call](#)

### Consol. Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	64.3	79.0	91.3
EBITDA	11.9	15.2	18.4
Adj. PAT	3.4	4.3	5.3
EBITDA Margin (%)	18.5	19.3	20.1
Adj. EPS (INR)	2.1	2.7	3.5
EPS Gr. (%)	n/m	29.6	28.2
BV/Sh. (INR)	44.9	48.4	52.4

### Ratios

Net D:E	0.7	0.8	0.8
RoE (%)	6.7	5.8	6.9
RoCE (%)	6.8	6.9	7.5
Payout (%)	10.0	15.0	20.0

### Valuations

P/E (x)	2.1	2.7	3.5
P/BV (x)	2.6	2.4	2.2
EV/EBITDA(x)	16.9	14.0	11.8
EV/ton (USD)	107	88	78
Div. Yield (%)	0.2	0.4	0.6
FCF Yield (%)	-8.8	-4.8	1.9

## Beat estimates; EBITDA/t at INR801 (est. INR719)

- JSW Cement's (JSWC) 3QFY26 performance was above our estimates, driven by higher-than-estimated volume/realization and lower-than-estimated opex/t. EBITDA increased ~33% YoY to INR2.9b (~16% above our estimates). OPM expanded 2.7pp YoY to ~18% (est. ~16%). EBITDA/t increased ~17% YoY to INR801 (est. INR719). Adj. PAT stood at INR1.3b vs. loss of INR199 in 3QFY25 (beat our est. of INR380, led by lower interest cost and higher other income).
- The company is setting up a cement GU of 1.65mtpa in Fujairah, UAE, at a capex of USD39m (INR3.5b at USD = INR90.5). Work on the greenfield expansion in Nagaur, Rajasthan, is nearing completion, with commissioning expected in 4QFY26. Additionally, it commissioned 4.8MW and 3.0MW solar plants at its Nandyal and Vijayanagar plants, respectively, during 3QFY26.

## Sales volume up 14% YoY; blended realization/t down 1% YoY

- Consolidated revenue/EBITDA stood at INR16.2b/INR2.9b (up 13%/ 33% YoY and up ~6%/16% vs. estimates). Net profit stood at INR1.3b (3.4x above estimates) vs. a loss of INR199m in 3QFY25. Sales volume increased 14% YoY to 3.6mt (+5% vs. our estimates). Of this, cement volume stood at 1.9mt (up 7% YoY) and GGBS was at 1.5mt (17% YoY). Blended realization/t was down 1% YoY/QoQ at INR4,554/t (in line).
- Opex/t declined 4% YoY (~1% below estimate), led by a ~8%/7%/5% YoY decline in other expenses/staff cost/freight cost per ton. Variable cost/t declined ~1% YoY. EBITDA/t increased ~17% YoY to INR801.
- In 9MFY26, revenue/EBITDA stood at INR46.2b/INR8.8b (up ~13%/44% YoY). Adj. PAT stood at INR3.3b vs. net loss of INR475m in 9MFY25. Realization/t remained flat YoY to INR4,627. EBITDA/t grew ~28% YoY to INR877.

## Highlights from the management commentary

- Variable cost increased marginally due to product mix shifts, higher blended fuel consumption, and increased inter-plant expenses. Fuel consumption cost stood at INR1.49/kcal vs. INR1.42/INR1.5 in 3QFY25/2QFY26. Lead distance declined to 273km from 281km in 3QFY25.
- Green power share increased to ~25% in 3QFY26 vs. ~21% in 2QFY26.
- Net debt increased to INR35.6b vs. INR32.3b as of Sept'25. Net/debt to EBITDA (TTM) ratio stood at 2.9x vs. 2.8x as of Sept'25.

## Valuation and view

- JSWC delivered a strong earnings beat, supported by robust volume growth and lower costs. However, net debt rose sharply on a QoQ basis. During the conference call, we will seek management's guidance on the sustainability of its profitability. We have a **Neutral** rating on the stock. However, we will review our assumptions after the conference call on 5<sup>th</sup> Feb'26 ([Concall Link](#)).

**Quarterly performance (consolidated)**
**(INR b)**

Y/E March	FY25				FY26E				FY25	FY26E	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Sales Volumes (mt)	3.1	2.7	3.1	3.7	3.3	3.1	3.6	3.9	12.6	13.9	3.4	5
YoY Change (%)					7.8	14.8	14.1	5.9	0.8	10.3	9.1	
<b>Net Sales</b>	<b>14.5</b>	<b>12.2</b>	<b>14.3</b>	<b>17.1</b>	<b>15.6</b>	14.4	16.2	18.2	<b>58.1</b>	<b>64.3</b>	<b>15.3</b>	<b>6</b>
YoY Change (%)	-	-	-	-	7.8	17.4	13.2	6.3	0.0	10.7	7.0	
<b>EBITDA</b>	<b>2.3</b>	<b>1.6</b>	<b>2.1</b>	<b>2.5</b>	<b>3.2</b>	<b>2.7</b>	<b>2.9</b>	<b>3.2</b>	<b>8.6</b>	<b>11.9</b>	<b>2.4</b>	<b>16</b>
YoY Change (%)					38.8	65.2	33.4	26.3	-20.1	38.8		
Margin (%)	16.1	13.2	14.9	14.6	20.7	18.6	17.6	17.4	14.8	18.5	16.0	162
Depreciation	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.9	3.1	3.3	0.8	-0
Interest	1.1	1.1	1.2	1.1	1.0	1.0	0.9	1.6	4.5	4.5	1.2	-28
Other Income	0.2	0.3	0.3	0.2	0.2	0.2	0.3	0.3	1.0	1.1	0.2	32
<b>PBT before EO expense</b>	<b>0.7</b>	<b>0.0</b>	<b>0.4</b>	<b>0.8</b>	<b>1.6</b>	<b>1.1</b>	<b>1.5</b>	<b>1.0</b>	<b>2.0</b>	<b>5.2</b>	<b>0.7</b>	<b>121</b>
Extra-Ord. expense	0.3	0.4	0.7	0.1	14.7	-	-0.2	-	1.4	14.5	-	-
<b>PBT after EO expense</b>	<b>0.4</b>	<b>-0.3</b>	<b>-0.2</b>	<b>0.7</b>	<b>-13.0</b>	<b>1.1</b>	<b>1.7</b>	<b>1.0</b>	<b>0.5</b>	<b>-9.2</b>	<b>0.7</b>	<b>151</b>
Tax	0.3	0.0	0.3	0.6	0.6	0.5	0.5	-0.3	1.2	1.4	0.1	
Prior period tax adj.	-	-	-	-	-	-	-	-	-	-	-	-
Rate (%)	80.4	-3.9	-134.0	86.4	-5.0	41.2	31.6	-29.4	0.0	-	12.0	
<b>Reported PAT</b>	<b>0.1</b>	<b>-0.3</b>	<b>-0.5</b>	<b>0.1</b>	<b>-13.7</b>	<b>0.7</b>	<b>1.2</b>	<b>1.3</b>	<b>-0.7</b>	<b>-10.6</b>	<b>0.6</b>	<b>95</b>
Share of loss/(profit) from JV	0.3	0.4	0.3	-0.1	-0.0	-0.1	-0.1	1.3	1.0	1.0	0.2	NA
Minority Interest	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	-0.2	-0.5	-0.5	-0.1	NA
<b>Adj. PAT</b>	<b>0.1</b>	<b>-0.4</b>	<b>-0.2</b>	<b>0.4</b>	<b>1.1</b>	<b>0.9</b>	<b>1.3</b>	<b>0.2</b>	<b>-0.1</b>	<b>3.4</b>	<b>0.4</b>	<b>240</b>
YoY Change (%)	NA	NA	NA	NA	1,087.9	NA	NA	-53.2	NA	NA	NA	
<b>Per ton analysis (INR)</b>												
<b>Net realization</b>	<b>4,714</b>	<b>4,516</b>	<b>4,592</b>	<b>4,583</b>	<b>4,712</b>	<b>4,619</b>	<b>4,554</b>	<b>4,601</b>	<b>4,603</b>	<b>4,619</b>	<b>4,503</b>	<b>1</b>
RM Cost	1,089	1,217	1,179	1,209	1,206	1,024	1,164	881	1,174	1,062	1,019	14
Employee Expenses	326	327	273	257	245	271	254	274	293	262	272	-6
Power, Oil, and Fuel	744	623	677	639	642	726	664	717	671	688	706	-6
Freight and Handling Outward	1,168	1,070	1,109	1,076	1,098	1,056	1,053	1,140	1,105	1,089	1,106	-5
Other Expenses	631	681	669	731	547	682	618	788	681	664	681	-9
<b>Total Expenses</b>	<b>3,957</b>	<b>3,918</b>	<b>3,907</b>	<b>3,912</b>	<b>3,738</b>	<b>3,759</b>	<b>3,753</b>	<b>3,801</b>	<b>3,923</b>	<b>3,764</b>	<b>3,784</b>	<b>-1</b>
<b>EBITDA</b>	<b>757</b>	<b>597</b>	<b>685</b>	<b>671</b>	<b>975</b>	<b>860</b>	<b>801</b>	<b>800</b>	<b>679</b>	<b>855</b>	<b>719</b>	<b>11</b>

# Transport Corporation of India

**BSE SENSEX**  
83,818

**S&P CNX**  
25,776

**CMP: INR1089**

**Buy**

## Conference Call Details



**Date:** 05<sup>th</sup> February 2025

**Time:** 04:00 PM IST

[Link](#)

### Financials & Valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	49.8	58.2	67.9
EBITDA	5.3	6.4	7.7
Adj. PAT	4.6	5.0	5.9
EBITDA Margin (%)	10.7	11.0	11.3
Adj. EPS (INR)	59.1	64.3	76.6
EPS Gr. (%)	10.5	8.7	19.1
BV/Sh. (INR)	330.6	386.9	455.4
<b>Ratios</b>			
Net D:E	0.0	0.0	-0.1
RoE (%)	19.1	17.7	18.0
RoCE (%)	18.3	17.0	17.4
Payout (%)	13.5	12.4	10.4
<b>Valuations</b>			
P/E (x)	18.4	16.9	14.2
P/BV (x)	3.3	2.8	2.4
EV/EBITDA(x)	14.9	12.5	10.2
Div. Yield (%)	0.7	0.7	0.7
FCF Yield (%)	0.3	-0.8	1.2

## Largely in-line performance

### Earnings snapshot: 3QFY26

- Revenue grew ~9% YoY to ~INR12.5b in 3QFY26 (in line).
- EBITDA margin came in at 10.2% in 3QFY26 (-10bp YoY and -30bp QoQ), against our estimate of 10.8%.
- EBITDA grew ~7% YoY to INR1.27b (7% below our estimate), while APAT grew ~14% YoY to ~INR1.14b (in line).
- Supply Chain revenue grew ~25% YoY, while the Freight and Seaways divisions reported ~3% and 9% YoY growth, respectively.
- EBIT margin for the Freight/Supply Chain/Seaways divisions stood at 1.9%/5.2%/40.6%, respectively, in 3QFY26. EBIT margin for the Freight and Supply Chain businesses contracted 50bp and 90bp YoY, while EBIT margin for the Seaways business expanded ~790bp on a YoY basis.
- The company declared its first interim dividend of INR9.
- In 9MFY26, revenue grew ~8%, whereas EBITDA and PAT grew ~10% and ~12%, respectively.

### Quarterly snapshot

Y/E March (INR m)	FY25				FY26			FY25	FY26E	FY26	Var. vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q				
<b>Net Sales</b>	<b>10,451</b>	<b>11,208</b>	<b>11,471</b>	<b>11,788</b>	<b>11,393</b>	<b>12,049</b>	<b>12,488</b>	<b>44,918</b>	<b>49,781</b>	<b>12,659</b>	<b>(1)</b>
YoY Change (%)	10.0	12.8	14.5	9.3	9.0	7.5	8.9	11.6	10.8	10.4	
<b>EBITDA</b>	<b>1,038</b>	<b>1,171</b>	<b>1,185</b>	<b>1,217</b>	<b>1,210</b>	<b>1,267</b>	<b>1,270</b>	<b>4,611</b>	<b>5,344</b>	<b>1,367</b>	<b>(7)</b>
Margins (%)	9.9	10.4	10.3	10.3	10.6	10.5	10.2	10.3	10.7	10.8	
YoY Change (%)	3.0	16.6	18.6	11.2	16.6	8.2	7.2	12.3	15.9	15.4	
Depreciation	290	291	305	292	288	305	322	1,178	1,263	320	
Interest	42	46	59	55	54	59	57	202	183	44	
Other Income	109	106	68	184	113	125	121	467	514	130	
<b>PBT before EO expense</b>	<b>815</b>	<b>940</b>	<b>889</b>	<b>1,054</b>	<b>981</b>	<b>1,028</b>	<b>1,012</b>	<b>3,698</b>	<b>4,411</b>	<b>1,133</b>	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>815</b>	<b>940</b>	<b>889</b>	<b>1,054</b>	<b>981</b>	<b>1,028</b>	<b>1,012</b>	<b>3,698</b>	<b>4,411</b>	<b>1,133</b>	
Tax	110	109	93	121	106	125	79	433	588	159	
Rate (%)	13.5	11.6	10.5	11.5	10.8	12.2	7.8	11.7	13.3	14.0	
Minority Interest	-6.0	-9.0	-12.0	-9.0	-7.0	-9.0	-11.0	-36.0	-30.0	-7.6	
Profit/Loss of Asso. Cos	211	242	225	218	197	232	225	896	765	190	
<b>Reported PAT</b>	<b>910</b>	<b>1,064</b>	<b>1,009</b>	<b>1,142</b>	<b>1,065</b>	<b>1,126</b>	<b>1,147</b>	<b>4,125</b>	<b>4,559</b>	<b>1,157</b>	
<b>Adj PAT</b>	<b>910</b>	<b>1,064</b>	<b>1,009</b>	<b>1,142</b>	<b>1,065</b>	<b>1,126</b>	<b>1,147</b>	<b>4,125</b>	<b>4,559</b>	<b>1,157</b>	<b>(1)</b>
YoY Change (%)	10.6	22.3	27.1	9.3	17.0	5.8	13.7	16.8	10.5	14.7	
Margins (%)	8.7	9.5	8.8	9.7	9.3	9.3	9.2	9.2	9.2	9.1	

# Avalon Technologies

**BSE SENSEX** 83,818  
**S&P CNX** 25,776

**CMP: INR1030**

**Buy**

## Conference Call Details



**Date:** 5<sup>th</sup> Feb, 2026  
**Time:** 3:30pm IST  
**Dial-in details:**  
[Click Here](#)

## Operating performance beats estimates

- Consolidated revenue grew 49% YoY to INR4.2b (est. INR3.5b).
- EBITDA margin contracted 80bp to 11.5% (est. 11.7%), largely due to a contraction in gross margins (of 320bp to 34.2% in 3QFY26), which was partially offset by a reduction in employee (down 80bp) and other expenses (down 150bp). EBITDA grew 39% YoY to INR480m (est. INR406m).
- The segment mix for Clean Energy/Mobility and Transportation/Industrials/Communication/Medical and Others stood at 21%/27%/37%/7%/8% in 3QFY26 compared to 20%/27%/30%/8%/15% in FY25.
- Adj. PAT stood grew 36% to INR326m (est. INR257m).
- Gross debt stood at INR1.4b as of Dec'25 vs. INR1.4b as of Mar'25.

## Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY25				FY26				FY25	FY26	FY26E	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Gross Sales</b>	<b>1,995</b>	<b>2,750</b>	<b>2,809</b>	<b>3,428</b>	<b>3,233</b>	<b>3,825</b>	<b>4,175</b>	<b>4,216</b>	<b>10,981</b>	<b>15,449</b>	<b>3,454</b>	<b>21</b>
YoY Change (%)	-15.2	36.8	31.1	58.1	62.1	39.1	48.7	23.0	26.6	40.7	23.0	
Total Expenditure	1,951	2,449	2,462	3,014	2,934	3,438	3,696	3,681	9,876	13,750	3,049	
<b>EBITDA</b>	<b>44</b>	<b>301</b>	<b>346</b>	<b>414</b>	<b>299</b>	<b>386</b>	<b>480</b>	<b>535</b>	<b>1,105</b>	<b>1,700</b>	<b>406</b>	<b>18</b>
Margins (%)	2.2	11.0	12.3	12.1	9.2	10.1	11.5	12.7	10.1	11.0	11.7	
Depreciation	66	69	74	77	85	89	79	93	286	346	91	
Interest	42	37	45	42	38	41	30	19	167	127	30	
Other Income	44	39	100	32	17	79	74	65	215	235	60	
<b>PBT before EO expense</b>	<b>-20</b>	<b>234</b>	<b>327</b>	<b>326</b>	<b>193</b>	<b>336</b>	<b>445</b>	<b>488</b>	<b>867</b>	<b>1,462</b>	<b>345</b>	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>-20</b>	<b>234</b>	<b>327</b>	<b>326</b>	<b>193</b>	<b>336</b>	<b>445</b>	<b>488</b>	<b>867</b>	<b>1,462</b>	<b>345</b>	
Tax	3	60	87	83	51	86	119	124	233	380	88	
Rate (%)	-14.5	25.4	26.7	25.5	26.4	25.6	26.7	25.5	26.8	26.0	25.5	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>-23</b>	<b>175</b>	<b>240</b>	<b>243</b>	<b>142</b>	<b>250</b>	<b>326</b>	<b>363</b>	<b>634</b>	<b>1,081</b>	<b>257</b>	
<b>Adj PAT</b>	<b>-23</b>	<b>175</b>	<b>240</b>	<b>243</b>	<b>142</b>	<b>250</b>	<b>326</b>	<b>363</b>	<b>634</b>	<b>1,081</b>	<b>257</b>	<b>27</b>
YoY Change (%)	NA	140.1	264.7	243.8	NA	42.9	35.9	49.7	126.7	70.5	7.1	
Margins (%)	-1.2	6.4	8.5	7.1	4.4	6.5	7.8	8.6	5.8	7.0	7.4	

# Cera Sanitaryware

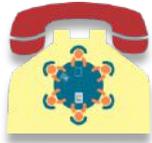
BSE Sensex  
83,818

S&P CNX  
25,776

**CMP: INR5,184**

**Neutral**

## Conference Call Details



**Date:** 5 February 2026

**Time:** 10:30 IST

[Diamond pass link](#)

### Decent revenue, weak margins

- Revenue grew 11% YoY, driven by 18.2% growth in faucetware (40% of the revenue mix) and 6.4% growth in sanitaryware (48% of the mix).
- Elevated brass prices and inadequate price hikes continue to hurt gross margin and thus EBITDA margin (10.2%, down 299bps YoY, 353bps QoQ)
- Extraordinary items of INR185m were on account of provisions for the new labor code.
- Consequently, reported PAT slid 48% YoY and adj. PAT dipped 8% YoY.
- Project-led business (38% revenue mix) remained a key support pillar.
- The retail segment has started showing early signs of improvement across both faucetware and sanitaryware.
- Evaluating calibrated price hikes in the coming months to protect margins.
- Both the Senator and Polipluz brands remain in a focused build-out phase.

### Quarterly Performance

(INRm)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E 3Q Est.	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	<b>4,007</b>	<b>4,926</b>	<b>4,523</b>	<b>5,805</b>	<b>4,222</b>	<b>4,879</b>	<b>4,990</b>	<b>6,253</b>	<b>19,262</b>	<b>20,411</b>	<b>4,725</b>	<b>6</b>
YoY Change (%)	-6.6	6.4	3.1	5.8	5.4	-0.9	10.3	7.7	2.5	6.0	4.5	
Total Expenditure	3,427	4,205	3,908	4,724	3,671	4,208	4,479	5,298	16,263	17,656	4,036	
<b>EBITDA</b>	<b>581</b>	<b>721</b>	<b>615</b>	<b>1,081</b>	<b>551</b>	<b>671</b>	<b>511</b>	<b>955</b>	<b>2,998</b>	<b>2,755</b>	<b>689</b>	<b>-26</b>
Margins (%)	14.5	14.6	13.6	18.6	13.0	13.8	10.2	15.3	15.6	13.5	14.6	
Depreciation	90	107	104	106	95	98	98	99	407	390	99	
Interest	13	26	19	17	15	16	20	20	75	71	16	
Other Income	159	178	117	151	181	166	114	114	605	575	166	
<b>PBT before EO expense</b>	<b>637</b>	<b>765</b>	<b>610</b>	<b>1,110</b>	<b>622</b>	<b>722</b>	<b>507</b>	<b>951</b>	<b>3,122</b>	<b>2,869</b>	<b>739</b>	
Extra-Ord expense	0	0	0	-15	0	0	-185	0	-15	-185	0	
<b>PBT</b>	<b>637</b>	<b>765</b>	<b>610</b>	<b>1,095</b>	<b>622</b>	<b>722</b>	<b>322</b>	<b>951</b>	<b>3,107</b>	<b>2,685</b>	<b>739</b>	<b>-56</b>
Tax	163	79	146	232	151	156	86	233	620	626	181	
Rate (%)	25.5	10.3	24.0	21.2	24.3	21.6	26.6	24.5	20.0	23.3	24.5	
Minority Interest	4	6	6	6	5	0	0	0	22	5	0	
Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>471</b>	<b>680</b>	<b>458</b>	<b>856</b>	<b>466</b>	<b>566</b>	<b>237</b>	<b>718</b>	<b>2,465</b>	<b>2,054</b>	<b>558</b>	<b>-58</b>
<b>Adj PAT</b>	<b>471</b>	<b>680</b>	<b>458</b>	<b>871</b>	<b>466</b>	<b>566</b>	<b>421</b>	<b>718</b>	<b>2,480</b>	<b>2,238</b>	<b>558</b>	<b>-25</b>
YoY Change (%)	-16.4	16.3	-10.0	16.3	-1.1	-16.7	-8.0	-17.6	3.1	-9.7	21.8	
Margins (%)	11.7	13.8	10.1	15.0	11.0	11.6	8.4	11.5	12.9	11.0	11.8	

### Operating Metrics

Y/E March	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
<b>Standalone Revenue (INR m)</b>						
Sanitaryware	2,254	2,246	2,790	2,087	2,293	2,395
Faucetware	2,009	1,662	2,300	1,619	1,952	1,996
Tiles and Wellness	637	584	690	489	634	599
<b>Total</b>	<b>4,900</b>	<b>4,493</b>	<b>5,780</b>	<b>4,194</b>	<b>4,879</b>	<b>4,990</b>
<b>% YoY</b>						
Sanitaryware	(4.1)	(0.9)	0.4	(0.3)	1.7	6.6
Faucetware	22.6	4.3	11.1	13.4	(2.9)	20.1
Tiles and Wellness	1.5	15.3	11.9	6.1	(0.4)	2.5
<b>Total</b>	<b>6.1</b>	<b>2.9</b>	<b>5.7</b>	<b>5.4</b>	<b>(0.4)</b>	<b>11.1</b>



### **Hyundai India : Expect Q4 to be much better, momentum seems to be very strong; Tarun Garg, MD & CEO**

- Company expected to outperform industry growth of 5-6% in FY27
- Export continues to be a strong pillar of growth
- Open to exploring opportunities in the EU, especially following the recent FTA

[➔ Read More](#)

### **Pidilite Industries : Will Continue To Push Growth Above 10% Going Forward; Sudhanshu Vats, MD**

- Q4 Recovery: January 7-12% growth (volume-led); Chyavanprash tertiary +11%, double-digit across channels.
- FY27 Aspiration: Mid-single-digit volumes + 2-3% pricing for high-single/low double-digit value growth.
- Key Drivers: Distribution revamp (e-comm/modern trade), digital comms for new brands, urban premiumisation.
- Demand Trends: Urban/rural normalizing post-GST; no share loss; org structure tweak for India focus.

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### **Welspun Corp : Sintex Could Be A Turnaround Story in FY27; Vipul Mathur, MD & CEO**

- Strong demand visibility driven by growing energy demand from AI data centres
- Orderbook included line pipes, ductile iron pipes, stainless steel bars and pipes
- All EPC contracts are in place but it was calibrated recently due to funds shortage
- Funds have started coming in so expect things to normalise

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### **ACME Solar Holdings: Plan To Operationalise 1.5 GW Of Capacity Next Year; Nikhil Dhingra, CEO**

- Q4 Expectations: Best FY26 growth quarter with positive organic revenue; margins to improve vs Q3
- Industry Context: Mobility sector revenues down 10-15%, profits 50%; KPIT holding margins amid churn
- Strategic Shift: Moving from linear services to AI-infused solutions (50% nonlinear) for efficiency
- Recovery Signs: US stabilizing (trucks growth); Asia program adjustments; FY27 stronger overall

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### **Mahindra Lifespaces : Have Launches Worth ₹7,000-8,000 Cr Towards End Of Q4FY26 & Q1FY27; Amit Kumar Sinha, MD & CEO**

- Company will be able to surpass last years bookings
- Expects majority of the growth to be led by new launches
- There are some signs of moderation in some micro markets
- NCR is seeing significant slowdown, luxury segment is seeing a slowdown

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

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

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