

**Market snapshot**

Equities - India	Close	Chg. %	CY25.%
Sensex	83,580	0.3	9.1
Nifty-50	25,694	0.2	10.5
Nifty-M 100	59,503	0.0	5.7
Equities-Global	Close	Chg. %	CY25.%
S&P 500	6,932	2.0	16.4
Nasdaq	23,031	2.2	20.4
FTSE 100	10,370	0.6	21.5
DAX	24,721	0.9	23.0
Hang Seng	9,031	-0.7	22.3
Nikkei 225	54,254	0.8	26.2
Commodities	Close	Chg. %	CY25.%
Brent (US\$/Bbl)	71	2.0	-15.7
Gold (\$/OZ)	4,964	3.9	64.6
Cu (US\$/MT)	12,923	0.8	43.9
Almn (US\$/MT)	3,063	2.0	17.5
Currency	Close	Chg. %	CY25.%
USD/INR	90.7	0.3	5.0
USD/EUR	1.2	0.3	13.4
USD/JPY	157.2	0.1	-0.3
YIELD (%)	Close	1MChg	CY25 chg
10 Yrs G-Sec	6.7	0.09	-0.2
10 Yrs AAA Corp	7.5	0.07	0.1
Flows (USD b)	6-Feb	MTD	CYTD
FII	0.22	-2.42	-18.8
DII	-0.14	8.71	90.1
Volumes (INRb)	6-Feb	MTD*	CYTD*
Cash	1,162	1391	1310
F&O	2,16,490	3,03,903	3,05,329

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

**Today's top research idea**

## State Bank of India: Splendid showstopper to 3Q earnings season

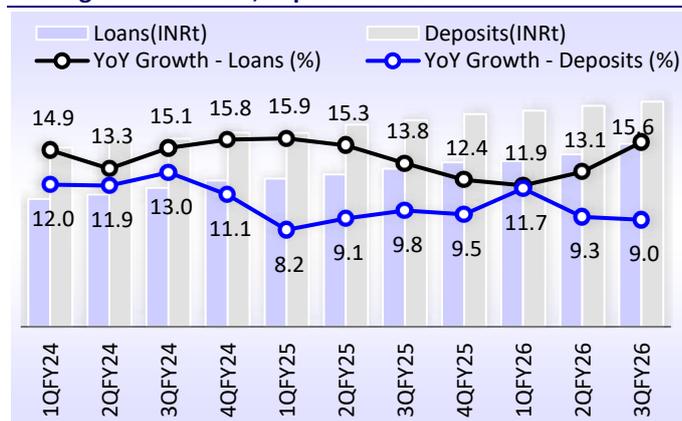
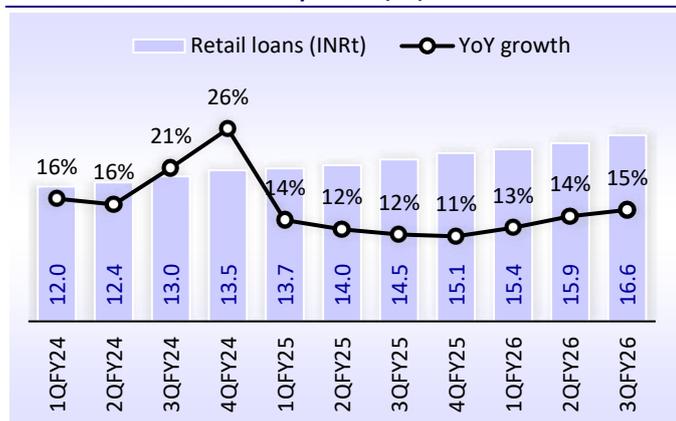
- ❖ State Bank of India (SBIN) reported 3QFY26 PAT of INR210.3b (25% YoY growth, 18% beat) due to higher other income and lower-than-expected provisions. The bank received dividend income of INR22b (SBIMF); despite netting off the one-off, performance remained strong across all fronts.
- ❖ NII grew 9% YoY/5% QoQ to INR451.9b (in line). NIM stood at 2.99% (2bp QoQ improvement), with domestic NIMs improving 3bp QoQ to 3.12%.
- ❖ Loan book grew 15.6% YoY/6.1% QoQ, while deposits grew 9% YoY/2% QoQ. CASA ratio moderated 50bp QoQ to 39.1%.
- ❖ Fresh slippages stood at INR44.58b (vs. INR47.54b in 2QFY26). GNPA/NNPA ratios improved by 16bp/3bp QoQ to 1.57%/0.39%. PCR ratio moderated to 75.5%.
- ❖ We increase our earnings estimates by 3%/4.3% for FY27/28E and estimate FY27E RoA/RoE at 1.1%/15.9%. Reiterate BUY with a revised TP of INR1,300 (1.4x FY28E ABV + INR354 for subs).


**Research covered**
**Cos/Sector Key Highlights**
**State Bank of India Splendid showstopper to 3Q earnings season**

Bharti Hexacom | Bharti Airtel | SBI | Tata Steel | Siemens | Hero Motocorp | Max Healthcare | Shree Cement | MRF | Kalyan Jewellers | Kaynes Tech | IIFL Finance | Sun TV Network | Crompton Gr. Con | Aditya Bir. Fas. | Data Patterns | Va Tech Wabag | Sapphire Foods | VRL Logistics | KNR Construct. | Repco Home Fin | Prataap Snacks | Updater Services | Bosch | Mahanagar Gas | G R Infraproject | Fusion Finance

**Other Updates**


## Chart of the Day: State Bank of India (Splendid showstopper to 3Q earnings season)

**Loans grew 15.6% YoY; deposits rose 9% YoY**

**Retail loans rose ~15% YoY/4.4% QoQ**

**Research Team (Gautam.Duggad@MotilalOswal.com)**
**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

**India Inc rev-up gets loan books ticking as corporate credit demand rises**

Indian banks are seeing a strong revival in corporate lending, driven by higher capex demand from sectors like oil & gas, infrastructure, and metals.

2

**CreditAccess looks for partner to enable investor exit in CreditAccess Grameen**

CreditAccess India BV is exploring strategic or financial partners to provide an exit route for long-term shareholders in listed microfinance lender CreditAccess Grameen.

3

**Radiance Renewables raises \$100 million to expand clean energy portfolio**

Renewables firm Radiance has secured \$100 million from a Danish fund to accelerate solar and hybrid power projects.

4

**RBI move to allow bank lending may unlock fresh growth for REITs**

The Reserve Bank of India's decision to permit banks to lend directly to REITs is expected to lower borrowing costs and strengthen balance sheets of listed real estate trusts.

5

**India-US trade framework to boost aerospace sourcing and exports**

A new trade framework between India and the US is expected to increase aerospace sourcing from India, benefiting suppliers and aviation-linked companies.

6

**Calibrated market opening under India-US trade pact seen as macro growth catalyst**

India has agreed to a carefully phased opening of markets under the bilateral trade framework with the US, aimed at boosting exports, investment and jobs.

7

**Italian firm Bonfiglioli plans to list Indian subsidiary, eyeing \$250 million raise**

Bonfiglioli S.p.A. is planning to list its Indian arm through an offer for sale, targeting around \$250 million.

# State Bank of India

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	SBIN IN
Equity Shares (m)	9231
M.Cap.(INRb)/(USDb)	9843.5 / 108.6
52-Week Range (INR)	1090 / 680
1, 6, 12 Rel. Per (%)	7/28/33
12M Avg Val (INR M)	9315

## Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	1,670	1,767	2,044
OP	1,106	1,231	1,392
NP	709	815	859
NIM (%)	2.9	2.8	2.9
EPS (INR)	79.4	89.8	93.0
EPS Gr. (%)	16.1	13.0	3.6
ABV (INR)	437	523	598
Cons. BV (INR)	529	615	722

## Ratios

RoA (%)	1.1	1.2	1.1
RoE (%)	18.6	17.8	15.9

## Valuations

P/BV (x) (Cons.)	2.0	1.7	1.5
P/ABV (x)*	1.7	1.4	1.2
P/E (x)	12.3	10.7	9.9
P/E (x)*	9.3	8.2	7.9

\*Adjusted for subsidiaries

## Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	55.0	55.0	56.9
DII	27.0	27.6	24.7
FII	11.1	10.3	11.1
Others	6.9	7.1	7.3

FII includes depository receipts

**CMP: INR1066 TP: INR1,300 (+22%) Buy**

## Splendid showstopper to 3Q earnings season

### Credit growth guidance raised to 13-15%; RoA outlook steady

- State Bank of India (SBIN) reported 3QFY26 PAT of INR210.3b (25% YoY growth, 18% beat) due to higher other income and lower-than-expected provisions. The bank received dividend income of INR22b (SBIMF); despite netting off the one-off, performance remained strong across all fronts.
- SBIN beat in PAT estimate in 3QFY26 is higher than the combined profits of all private banks under our coverage universe, excluding the top four large private banks.
- NII grew 9% YoY/5% QoQ to INR451.9b (in line). NIM stood at 2.99% (2bp QoQ improvement), with domestic NIMs improving 3bp QoQ to 3.12%.
- Loan book grew 15.6% YoY/6.1% QoQ, while deposits grew 9% YoY/2% QoQ. CASA ratio moderated 50bp QoQ to 39.1%.
- Fresh slippages stood at INR44.58b (vs. INR47.54b in 2QFY26). GNPA/NNPA ratios improved by 16bp/3bp QoQ to 1.57%/0.39%. PCR ratio moderated to 75.5%.
- We increase our earnings estimates by 3%/4.3% for FY27/28E and estimate FY27E RoA/RoE at 1.1%/15.9%. Reiterate BUY with a revised TP of INR1,300 (1.4x FY28E ABV + INR354 for subs).**

### Robust growth in advances; asset quality improves further

- SBIN reported 3QFY26 PAT of INR210.3b (25% YoY growth, 18% beat) due to higher other income and lower-than-expected provisions.
- NII grew 9% YoY/5% QoQ to INR451.9b (in line). NIM stood at 2.99% (2bp QoQ improvement). SBIN expects to sustain domestic NIMs at >3% in FY26 and in the long term.
- Other income grew 66% YoY/20% QoQ to INR183.5b (17% beat) as treasury gain stood at INR32.8b vs. INR28.8b in 2QFY26 (excl. stake sale). The bank also received dividend income of INR22b from SBIMF. Total revenue, thus, grew 21% YoY to INR635.5b.
- Opex grew 6% YoY/fell 1% QoQ to INR306.9b (3% lower than est.). PPOp grew 39.5% YoY/20.3% QoQ to INR328.6b (13% beat). C/I ratio stood at 48.3% and the bank expects to maintain this at ~50% levels.
- Advances grew by a healthy 15.6% YoY/6.1% QoQ. Retail grew 15% YoY/4.4% QoQ, agri grew 17% YoY/6.5% QoQ, and SME grew 21% YoY/11% QoQ. Corporate growth was 13.4% YoY/7.6% QoQ. Xpress credit grew 3.7% QoQ; the bank expects the segment to improve going forward.
- Provisions stood at INR45.1b (down 16.5% QoQ, 15% below our estimate). Deposits grew 9% YoY/2% QoQ. CASA ratio moderated 50bp QoQ to 39.1%. CD ratio increased to 81.2% vs. 78% in 2QFY26.
- Fresh slippages stood at INR44.58b (vs. INR47.54b in 2QFY26). GNPA/NNPA ratios improved by 16bp/3bp QoQ to 1.57%/0.39%. PCR ratio moderated to 75.5%. Credit cost moderated to 0.29%, while SMA book stood at 8bp of loans (9bp in 2QFY26).
- Subsidiaries:** SBICARD clocked a PAT of INR5.6b (up 45% YoY/25% QoQ). SBILIFE's PAT grew 4.7% YoY/17% QoQ to INR5.77b. PAT of the AMC business grew 52% YoY/11.5% QoQ to INR8.3b.

### Highlights from the management commentary

- SBIN revised its credit growth guidance for 4QFY26 to 13-15% from 12-14%.
- Labor code Impact: ~INR0.16b related to gratuity.
- Corporate book saw traction, up 13% YoY. SBIN had earlier guided for double-digit credit growth in corporate segments and maintains the same for 4Q.
- Cost of funds: The focus is expected to remain on retail deposits and less on wholesale deposits. It expects CoF to remain at the current levels in 4Q. SBIN would wait for credit growth to play out before providing further guidance. It maintains capital buffers and adequate liquidity to support credit growth.
- Out of total book, ~50% of the loan book consists of MCLR-linked and fixed-rate loans, with the latter pertaining to EBLR and other benchmarks. Overall, 45-48% of the book is linked to floating rates.

### Valuation and view

SBIN reported a strong all-round performance, led by robust business growth, margin expansion and healthy asset quality. NIM expanded 2bp QoQ to 2.99% and domestic NIMs stood at 3.12%. SBIN expects NIM at 3%+ in FY26 and in the long term. PAT was driven by fee-based income. C/I ratio is expected to remain around ~50%. Credit growth was healthy at 15.6% YoY, while a robust credit pipeline is expected to support a healthy outlook going forward. Management raised FY26 credit growth guidance to 13-15% (vs. 12-14% earlier). Asset quality improved further, with slippages moderating and credit cost staying benign at 29bp. The bank sounded confident about the overall credit environment. **We increase our earnings estimates by 3%/4.3% for FY27/28E and estimate FY27E RoA/RoE at 1.1%/15.9%. Reiterate BUY with a revised TP of INR1,300 (1.4x FY28E ABV + INR354 for subs).**

### Quarterly performance (INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	V/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Interest Income</b>	<b>411.3</b>	<b>416.2</b>	<b>414.5</b>	<b>427.7</b>	<b>410.7</b>	<b>429.8</b>	<b>451.9</b>	<b>474.3</b>	<b>1,669.7</b>	<b>1,766.8</b>	<b>448.0</b>	<b>1%</b>
% Change (YoY)	5.7	5.4	4.1	2.7	-0.1	3.3	9.0	10.9	4.4	5.8	8.1	
Other Income	111.6	152.7	110.4	242.1	173.5	153.3	183.6	205.2	616.8	715.5	157.5	17%
<b>Total Income</b>	<b>522.9</b>	<b>568.9</b>	<b>524.9</b>	<b>669.8</b>	<b>584.2</b>	<b>583.1</b>	<b>635.5</b>	<b>679.6</b>	<b>2,286.5</b>	<b>2,482.3</b>	<b>605.5</b>	<b>5%</b>
Operating Expenses	258.4	276.0	289.4	357.0	278.7	310.0	306.9	355.6	1,180.7	1,251.2	315.6	-3%
<b>Operating Profit</b>	<b>264.5</b>	<b>292.9</b>	<b>235.5</b>	<b>312.9</b>	<b>305.4</b>	<b>273.1</b>	<b>328.6</b>	<b>324.0</b>	<b>1,105.8</b>	<b>1,231.2</b>	<b>289.9</b>	<b>13%</b>
% Change (YoY)	4.6	50.9	15.8	8.8	15.5	-6.8	39.5	3.6	27.5	11.3	23.1	
Provisions	34.5	45.1	9.1	64.4	47.6	54.0	45.1	45.2	153.1	191.9	53.1	-15%
Exceptional items (exp)	0.0	0.0	0.0	0.0	0.0	45.9	0.0	0.0	0.0	45.9	0.0	
<b>Profit before Tax</b>	<b>230.0</b>	<b>247.9</b>	<b>226.4</b>	<b>248.4</b>	<b>257.9</b>	<b>265.0</b>	<b>283.6</b>	<b>278.7</b>	<b>952.7</b>	<b>1,085.2</b>	<b>236.8</b>	<b>20%</b>
Tax Provisions	59.6	64.6	57.5	62.0	66.2	63.4	73.3	67.2	243.7	270.2	59.2	24%
<b>Net Profit</b>	<b>170.4</b>	<b>183.3</b>	<b>168.9</b>	<b>186.4</b>	<b>191.6</b>	<b>201.6</b>	<b>210.3</b>	<b>211.5</b>	<b>709.0</b>	<b>815.0</b>	<b>177.6</b>	<b>18%</b>
% Change (YoY)	0.9	27.9	84.3	-9.9	12.5	10.0	24.5	13.5	16.1	14.9	5.1	
Adj. Net profit	170.4	183.3	168.9	186.4	191.6	167.7	210.3	211.5	664.6	781.1	177.6	18%
<b>Operating Parameters</b>												
Deposits (INR t)	49.0	51.2	52.3	53.8	54.7	55.9	57.0	59.4	53.8	59.4	57.6	-1.0%
Loans (INR t)	37.5	38.6	40.0	41.6	42.0	43.6	46.3	47.5	41.6	47.5	45.2	2.5%
Deposit Growth (%)	8.2	9.1	9.8	9.5	11.7	9.3	9.0	10.4	9.5	10.4	10.1	
Loan Growth (%)	15.9	15.3	13.8	12.4	11.9	13.1	15.6	14.2	12.4	14.2	12.8	
<b>Asset Quality</b>												
Gross NPA (%)	2.2	2.1	2.1	1.8	1.8	1.7	1.6	1.5	1.8	1.5	1.7	
Net NPA (%)	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.5	0.4	0.4	
PCR (%)	74.4	75.7	74.7	74.4	74.5	75.8	75.5	75.8	74.2	75.8	75.4	

E: MOFSL Estimates

# Bharti Hexacom

Estimate change	
TP change	
Rating change	

**CMP: INR1,700 TP: INR2,000 (+18%) Upgrade to Buy**

## Risk-reward turns favorable

Bloomberg	BHARTIHE IN
Equity Shares (m)	500
M.Cap.(INRb)/(USDb)	849.8 / 9.4
52-Week Range (INR)	2053 / 1225
1, 6, 12 Rel. Per (%)	-3/-10/21
12M Avg Val (INR M)	592

### Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Net Sales	93.3	104.8	116.8
EBITDA	49.0	58.1	67.8
Adj. PAT	17.5	24.3	31.7
Adj. EPS (INR)	34.9	48.5	63.5
EPS Gr. (%)	36.3%	38.9%	30.9%
BV/Sh. (INR)	143.4	170.9	204.4
<b>Ratios</b>			
RoE (%)	26.7	30.9	33.8
RoCE (%)	16.3	22.6	30.2
<b>Valuations</b>			
P/E (x)	48.5	34.9	26.7
P/BV (x)	11.8	9.9	8.3
EV/EBITDA (x)	18.3	15.1	12.6
Div. Yield (%)	1.2	1.8	2.4

### Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	70.0	70.0	70.0
DII	10.2	9.8	8.9
FII	3.9	4.3	5.1
Others	15.8	15.9	16.1

FII Includes depository receipts

- Bharti Hexacom (BHL) reported a steady 3Q, with ~1.5-2% YoY growth in wireless revenue and EBITDA, which remained slightly weaker vs. BHARTI, despite seasonality benefits.
- Acceleration in Home Broadband (HBB) with 13%/10%/17.5% QoQ growth in subscriber base/revenue/EBITDA drove 4% QoQ growth in overall EBITDA vs. ~2% QoQ EBITDA growth for BHARTI India (excluding Indus).
- With moderation in capex (-7% QoQ), BHL's FCF generation improved to INR6.6b QoQ (from INR4.4b in 2Q). Net debt (excl. leases) declined by a similar quantum QoQ to INR21.6b (with leverage at modest 0.48x).
- BHL provides a pure-play exposure to BHARTI's fast-growing wireless and HBB segments in circles with lower data and HBB penetration.
- Further, there are lower capital misallocation concerns with BHL (vs. BHARTI), which along with better return ratio, drives BHL to trade at an implied premium to BHARTI's India business, in our view.
- Since our downgrade in Jun'25, BHL has **underperformed BHARTI by ~17.5%** (BHL: -10%, BHARTI +8%). As a result, BHL's implied one-year forward EV/EBITDA premium to BHARTI's India business has shrunk to ~28% (from ~45% at the time of our downgrade) and ~20% on FY28 basis.
- We ascribe a DCF-based FY28E EV/EBITDA of 14.4x to BHL (which is at ~10% premium to our multiple for BHARTI's India wireless business). After the recent correction, **we upgrade BHL to BUY** from Neutral, **with a revised TP of INR2,000** (earlier INR2,060). Long-term risk-reward has turned favorable (bull case: INR2,400; bear case: INR1,535).

## Steady 3Q with robust FCF generation and net debt reduction

- Overall 3Q revenue at INR23.6b grew 1.8% QoQ (+5% YoY), with customer revenue rising ~1.6% QoQ to INR22.4b.
- BHL's underlying sequential wireless revenue growth at 1.3% was weaker (vs. ~2%/3% QoQ for Airtel's India wireless and RJio, including FTTH).
- Robust growth in HBB drove ~4% QoQ growth in overall EBITDA to INR12.5b (+9% YoY, 2% below), with margin expanding ~100bp QoQ to 53.2% (+200bp YoY, 50bp miss).
- Reported EBITDAaL grew 2.4% QoQ to INR11.2b, with pre-IND AS EBITDA margin rising ~20bp QoQ to 47.6%. Incremental pre-IND AS EBITDA margin improved to ~62% (vs. ~35% in 2Q).
- PAT at INR4.8b rose 14% QoQ (up 31% YoY) and was 4% above our estimate due primarily to a lower tax rate (16.5%, PBT was ~7% below our est.).
- Overall capex dipped 7% QoQ to INR3.4b (still up 20% YoY). As a result, free cash flow (after leases and interest payments) improved QoQ to INR6.6b (vs. INR4.4b QoQ) due to favorable working capital changes and lower interest payments (~INR1.1b lower QoQ).
- Net debt (ex-leases) declined to ~INR21.6b, with leverage ratio declining to 0.48x (vs. 0.64x QoQ and 1.13x for Bharti India).
- For 9MFY26, BHL's revenue/EBITDA/adj. PAT grew 11%/20%/59% YoY.

### Wireless: Steady quarter with recovery in subscriber net adds

- Wireless ARPU grew 0.8% QoQ (vs. 1.1% QoQ for Airtel) to INR253 (+5% YoY, in line), driven by a better subscriber mix.
- After a decline in 2Q, paying subscriber base grew by 368k (vs. our est. +160k) in 3Q. However, management indicated that externalities have adversely impacted BHL's customer experience in Rajasthan circle, leading to weaker trends.
- Reported wireless revenue grew 1.5% QoQ to INR22.7b (+4% YoY, vs. our est. INR22.9b). Underlying customer revenue grew by a modest ~1.3% QoQ (+8% YoY, lower vs. ~2% QoQ for RJio/Bharti).
- Wireless EBITDA at INR12.5b (+6% YoY, 3% below) was up ~1.7% QoQ (+3%/~2% QoQ RJio, including FTTH/Airtel).
- Wireless EBITDA margin improved by ~10bp QoQ to 54.9% (+135bp YoY), but were weaker than ~20bp QoQ uptick for Airtel's India wireless business (60.5%).
- Incremental wireless EBITDA margin was ~62% (vs. ~52%/71% for RJio/Bharti).

### Key takeaways from the management interaction

- **Weaker growth vs. Airtel:** The underperformance was attributed to a drag from the continuation of certain external challenges (interference from BSNL's network in RJ in our view).
- **Capital allocation:** BHL's robust balance sheet (<0.5x leverage) and rising free cash flow generation provide the company with significant resources to invest in growth. Increasing 5G coverage (in line with handset penetration growth) and ramp-up of FWA services (given lower fiber availability and difficult terrain) remain key focus areas for capex deployment.
- **Potential addressable market for HBB:** Compared to a nationwide potential of ~33-40% household penetration (100m out of ~250-300m households), the penetration in BHL's circles could be a tad lower. However, FWA could be a big play in driving the adoption of HBB in BHL's circles. Further, management noted that while the share of HBB in BHL's revenue mix has improved from ~2.5% to ~4% in past few years, it still remains below ~6.5% share for BHARTI India.

### Valuation and view

- BHL provides a pure-play exposure to BHARTI's fast-growing wireless and HBB segments in circles with lower data and HBB penetration.
- Further, there are lower capital misallocation concerns with BHL (vs. BHARTI), which along with better return ratio, drives BHL to trade at an implied premium to BHARTI's India business, in our view.
- Our FY26-28E EBITDA and EPS are broadly unchanged. We model ~11%/17% CAGR in BHL's overall revenue/EBITDA over FY25-28E, driven by a potential ~15% tariff hike in Jul'26, ramp-up of FWA offerings and continued market share gains.
- Since our downgrade in Jun'25, BHL has **underperformed BHARTI by ~17.5%** (BHL: -10%, BHARTI +8%). As a result, BHL's implied one-year forward EV/EBITDA premium to BHARTI's India business has shrunk to ~28% (from ~45% at the time of our downgrade) and ~20% on FY28 basis.
- We ascribe a DCF-based FY28E EV/EBITDA of 14.4x to BHL (which is at ~10% premium to our multiple for Bharti's India wireless business). After the recent correction, **we upgrade BHL to BUY** from Neutral, **with a revised TP of INR2,000** (earlier INR2,060). Long-term risk-reward has turned favorable (bull case: INR2,400; bear case: INR1,535).

**Consolidated - Quarterly earnings summary**
**(INR m)**

Y/E March	FY25				FY26E				FY25	FY26	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Revenue</b>	<b>19,106</b>	<b>20,976</b>	<b>22,507</b>	<b>22,890</b>	<b>22,630</b>	<b>23,173</b>	<b>23,598</b>	<b>23,941</b>	<b>85,479</b>	<b>93,342</b>	<b>23,724</b>	<b>-0.5</b>
YoY Change (%)	13.6	20.7	25.0	22.5	18.4	10.5%	4.8%	4.6%	20.6%	9.2%		
Total Expenditure	10,348	10,957	10,990	11,212	11,023	11,092	11,054	11,217	43,507	44,386	10,994	<b>0.5</b>
<b>EBITDA</b>	<b>8,758</b>	<b>10,019</b>	<b>11,517</b>	<b>11,678</b>	<b>11,607</b>	<b>12,081</b>	<b>12,544</b>	<b>12,724</b>	<b>41,972</b>	<b>48,956</b>	<b>12,730</b>	<b>-1.5</b>
YoY Change (%)	5.5	21.3	39.2	33.0	32.5	20.6%	8.9%	9.0%	49.1	52.4		
Depreciation	4,957	5,361	5,315	5,312	5,273	5,543	5,668	5,692	20,945	22,176	5,598	<b>1.2</b>
Net Finance cost	1,615	1,754	1,802	1,712	1,541	1,509	1,470	1,426	6,883	5,946	1,479	<b>-0.6</b>
Other Income	399	491	450	478	475	612	375	388	1,818	1,850	550	<b>-31.8</b>
<b>PBT before EO expense</b>	<b>2,585</b>	<b>3,395</b>	<b>4,850</b>	<b>5,132</b>	<b>5,268</b>	<b>5,641</b>	<b>5,781</b>	<b>5,994</b>	<b>15,962</b>	<b>22,684</b>	<b>6,203</b>	<b>-6.8</b>
Extra-Ord expense	-3,183	0	1,057	0	0	0	91	0	-2,126	91	0	
<b>PBT</b>	<b>5,768</b>	<b>3,395</b>	<b>3,793</b>	<b>5,132</b>	<b>5,268</b>	<b>5,641</b>	<b>5,690</b>	<b>5,994</b>	<b>18,088</b>	<b>22,593</b>	<b>6,203</b>	<b>-8.3</b>
Tax	656.0	864.0	1,184.0	448.0	1,352.0	1,429.0	953.0	1,462.4	3,152.0	5,196.4	1,561.3	<b>-39.0</b>
Rate (%)	11.4	25.4	31.2	8.7	25.7	25.3%	16.7%	24.4%	17.4%	23.0%		
<b>Reported PAT</b>	<b>5,112</b>	<b>2,531</b>	<b>2,609</b>	<b>4,684</b>	<b>3,916</b>	<b>4,212</b>	<b>4,737</b>	<b>4,532</b>	<b>14,936</b>	<b>17,397</b>	<b>4,642</b>	<b>2.1</b>
<b>Adj PAT</b>	<b>1,929</b>	<b>2,531</b>	<b>3,666</b>	<b>3,802</b>	<b>3,916</b>	<b>4,212</b>	<b>4,805</b>	<b>4,532</b>	<b>12,810</b>	<b>17,465</b>	<b>4,642</b>	<b>3.5</b>
YoY Change (%)	-23.8	112.8	72.4	70.8	103.0	66.4	31.1	19.2	58.7	36.3		

E: MOFSL Estimates

# Bharti Airtel

 Estimate change 

 TP change 

 Rating change 

Bloomberg	BHARTI IN
Equity Shares (m)	5702
M.Cap.(INRb)/(USDb)	12402.7 / 136.8
52-Week Range (INR)	2175 / 1560
1, 6, 12 Rel. Per (%)	-1/1/17
12M Avg Val (INR M)	13933

## Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Net Sales	2,096	2,400	2,692
EBITDA	1,188	1,385	1,560
Adj. PAT	272	390	505
EBITDA Margin (%)	56.7	57.7	58.0
Adj. EPS (INR)	44.9	63.9	82.8
EPS Gr. (%)	48	42	30
BV/Sh. (INR)	263	302	355

## Ratios

Net D:E	1.1	0.5	0.1
RoE (%)	20.9	24.7	27.5
RoCE (%)	14.8	18.2	21.2
Div. Payout (%)	60.8	53.2	54.4

## Valuations

EV/EBITDA (x)	11.6	9.6	8.1
P/E (x)	45.3	31.6	24.4
P/BV (x)	7.7	6.7	5.7
Div. Yield (%)	1.3	1.7	2.2

## Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	48.9	50.3	53.1
DII	19.7	19.5	19.6
FII	28.8	27.5	24.3
Others	2.7	2.7	2.9

FII Includes depository receipts

**CMP: INR2,038 TP: INR2,355 (+16%)**
**Buy**

## Steady 3Q; robust FCF generation aids deleveraging

- Bharti Airtel (BHARTI) reported a steady performance in 3QFY26, with consolidated EBITDA rising 4% QoQ. India performance (EBITDA +2% QoQ) was broadly in line, while Airtel Africa (+11% QoQ, 4% ahead) continued to benefit from Nigeria tariff hikes and favorable currency movements.
- India wireless revenue and EBITDA grew ~2% QoQ, driven by recovery in subscriber net adds (after two muted quarters), 1% QoQ ARPU uptick led by continued premiumization focus, and ~20bp QoQ margin expansion.
- Consolidated capex rose ~4% QoQ to INR118b (+29% YoY), largely due to higher capex in Africa. India segmental capex (excluding Indus) at INR73b rose ~3% QoQ (+7% YoY), with 9MFY26 capex down 1% YoY at INR198b.
- Consolidated FCF improved further to INR169b (vs. ~INR146b in 2Q), driven by better operational performance and WC release. For 9MFY26, Bharti's consolidated FCF stood at INR458b (vs. INR389b generated in FY25).
- Robust FCF led to ~INR141b QoQ decline in consolidated net debt (ex-leases) to INR1.125t. With pending rights issue money (~INR157b) and robust FCF generation, Bharti's India business is likely to turn net debt zero (excluding leases and long-dated Gol repayments).
- Deferral of tariff hike (vs. our initial expectations of Dec'25) is disappointing, and with several key state elections over next 2-3 months, a potential tariff hike is likely to get pushed to Jun-Jul'26.
- However, we remain structurally positive on the case for tariff hikes, given inadequate returns generated by Indian telcos amid massive investments to meet the rising data consumption. We continue to build in a ~15% tariff hike in Jul'26.
- We raise our FY27-28E EBITDA by ~2% each, driven by higher growth in AAF and slightly higher India wireless ARPU and margin estimates.
- We model a CAGR of 16%/19% in Bharti's consolidated revenue/EBITDA over FY25-28E, driven by 1) benefits of a potential ~15% tariff hike in India wireless in Jul'26, 2) continued acceleration in Home broadband net adds, and 3) strong double-digit CC growth in Africa.

**We reiterate our BUY rating with an SoTP-based revised TP of INR2,355.**

We value the India wireless and homes business on DCF (implies ~13x Mar'28E EV/EBITDA), DTH/Enterprise at 5x/10x Mar'28 EBITDA, and Bharti's stake in Indus Towers and Airtel Africa at a 25% discount to our TP/CMP.

## Homes and Airtel Africa continue to shine; steady show in wireless

- Bharti's consolidated revenue grew 3.5% QoQ (+25% YoY) to INR540b, led by robust growth in AAF (+10% QoQ) and the Homes business (+7% QoQ).
- Consolidated EBITDA rose 4% QoQ to INR308b (up 6% YoY, 1% above), driven by robust performance in Airtel Africa (+11% QoQ, 4% above), Home Broadband (+8% QoQ), and India Wireless (+2.2% QoQ, 1% above).
- Consolidated EBITDAaL grew 4% QoQ to INR277b, with India EBITDAaL rising 2% QoQ to INR217b (margin up ~40bp QoQ).

- India wireless revenue and EBITDA grew ~2% QoQ (in line, though weaker than ~3% QoQ growth reported by Rjio in 3Q), driven by ~1% QoQ ARPU uptick to INR259 (our est. of INR258) and 71% incremental margins.
- Homes continued to benefit from acceleration in subscriber additions (record high ~1.16m net adds drive ~7-8% QoQ revenue and EBITDA growth). Enterprise (B2B) revenue grew in double digits (excluding the impact of rationalization of commodity business), while EBITDA margin expanded ~35bp QoQ to 41.9%
- Africa continued to deliver robust double-digit YoY CC revenue and EBITDA growth, driven by the tariff hikes in Nigeria and favorable FX movements.
- Reported PBT (before share of JVs) at INR124b (+2% QoQ, +1.62x YoY) was 8% below our estimate, due to higher depreciation (+15% YoY) and increased net finance costs (+19% QoQ, 28% above).
- Adjusted for exceptional items, attributable PAT at INR69.2b grew ~2% QoQ (+25% YoY), though it came in ~19% below our estimate due to higher net finance cost and higher tax rate (31%, rising share of Africa in profit pool).

### Key highlights from the earnings webinar

- **AGR issue:** BHARTI has written to DoT seeking parity in treatment (with Vi) on AGR dues, highlighting errors of commission, omission and computation. Management is awaiting DoT's response and will then decide on the next steps.
- **Capital structure & FCF deployment:** BHARTI is now among the least leveraged telcos globally with a consolidated net debt-to-EBITDA ratio of ~1x. While dividends would be progressively stepped up, management's preference is to invest in long-term growth (core business, DC, cloud and financial services etc.) rather than returning capital to shareholders.
- **Capex:** Management sees room for step-up in 5G and transport capex, given ~90% of new smartphone shipments are 5G enabled (vs. BHARTI's ~74% current 5G population coverage).
- **Home broadband (HBB):** BHARTI added ~2m home passes (~6m in 9MFY26), while FWA subs base scaled to 3m+. Management reiterated that total addressable market for HBB could be ~100m over the medium term and the company has stepped up investments in HBB amid the ongoing land grab mode.
- **Data center (DC):** Management reiterated its unhappiness with current presence (~12% DC market share) and its ambition to scale DC capacity to ~1GW over the next 3-4 years, targeting ~25% share in a rapidly expanding market. Investments in DC will be stepped up meaningfully over the next few years.

### Valuation and view

- Deferral of tariff hike (vs. our initial expectations of Dec'25) is disappointing, and with several key state elections over next 2-3 months, a potential tariff hike is likely to get pushed to Jun-Jul'26.
- However, we remain structurally positive on the case for tariff hikes, given inadequate returns generated by Indian telcos amid massive investments to meet the rising data consumption. We build in 15% tariff hike in Jul'26.
- We continue to like Bharti's superior execution on the premiumization agenda. Further, with likely stable capex trends and a potential tariff hike, Bharti could deliver ~INR650b+ FCF in FY27 and could turn net cash by FY29.

- We model a CAGR of 16%/19% in Bharti's consolidated revenue/EBITDA over FY25-28E, driven by 1) benefits of a potential ~15% tariff hike in India wireless from Jul'26, 2) continued acceleration in Home broadband net adds, and 3) strong double-digit CC growth in Africa.
- We reiterate our BUY rating with an SoTP-based revised TP of INR2,355 (earlier INR2,285). We value the India wireless and homes business on DCF (implies ~13x Mar'28E EV/EBITDA), DTH/Enterprise at 5x/10x Mar'28 EBITDA, and Bharti's stake in Indus Towers and Airtel Africa at a 25% discount to our TP/CMP.
- Impending tariff hike, upcoming JPL IPO and a favorable resolution of AGR matter remain the key near-term triggers, while long-term risk-reward remains attractive (bull case: INR2,875; bear case: INR1,810).

**Consolidated - Quarterly earnings Summary**

(INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est 3QE	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q					
<b>Revenue</b>	<b>385</b>	<b>415</b>	<b>451</b>	<b>479</b>	<b>495</b>	<b>521</b>	<b>540</b>	<b>540</b>	<b>1,730</b>	<b>2,096</b>	<b>536</b>	0.6	
YoY Change (%)	2.8	12.0	19.1	27.3	28.5	25.7	19.6	12.9	15.3	21.2			
Total Expenditure	188	196	205	209	216	226	232	234	798	908	231	0.4	
<b>EBITDA</b>	<b>197</b>	<b>218</b>	<b>246</b>	<b>270</b>	<b>278</b>	<b>296</b>	<b>308</b>	<b>306</b>	<b>932</b>	<b>1,188</b>	<b>305</b>	0.9	
YoY Change (%)	0.6	12.0	24.1	39.5	41.3	35.3	25.2	13.4	19.0	27.5			
Depreciation	105	110	117	123	125	132	134	133	456	524	131	2.5	
Net Finance cost	52	54	57	55	55	49	56	43	218	202	44	26.6	
Other Income and JV share	13	13	21	5	6	8	8	8	53	30	7	18.9	
<b>PBT before EO expense</b>	<b>53</b>	<b>68</b>	<b>93</b>	<b>97</b>	<b>105</b>	<b>123</b>	<b>126</b>	<b>138</b>	<b>311</b>	<b>492</b>	<b>137</b>	-8.2	
Extra-Ord expense	-7	9	-75	1	0	0	3	0	-73	3	0		
<b>PBT</b>	<b>60</b>	<b>59</b>	<b>169</b>	<b>96</b>	<b>105</b>	<b>123</b>	<b>123</b>	<b>138</b>	<b>384</b>	<b>490</b>	<b>137</b>	-10.1	
Tax	13	17	8	-29	31	37	38	41	9	147	34	10.8	
Rate (%)	21.7	29.6	4.5	-30.2	29.3	29.8	30.9	29.6	2.4	29.9			
Minority Interest	6	6	14	15	15	19	19	21	39	73	17		
<b>Reported PAT</b>	<b>42</b>	<b>36</b>	<b>148</b>	<b>110</b>	<b>59</b>	<b>68</b>	<b>66</b>	<b>77</b>	<b>336</b>	<b>271</b>	<b>85</b>	-22.3	
<b>Adj PAT</b>	<b>29</b>	<b>39</b>	<b>55</b>	<b>52</b>	<b>59</b>	<b>68</b>	<b>69</b>	<b>77</b>	<b>176</b>	<b>273</b>	<b>85</b>	-19.0	
YoY Change (%)	0.8	32.2	121.3	76.9	103.3	73.6	25.5	47.1	55.4	55.6			

E: MOFSL Estimates

**Exhibit 1: Our SoTP-based TP for Bharti stands at INR2,355**

SoTP-based on Mar'28	Valuation base (INR b)		Multiple (x)		Valuation	
	EBITDA	Other	EBITDA	Other	(INRb)	(INR/share)
<b>India business</b>						
<b>India wireless (including Hexacom)</b>	<b>897</b>		<b>13.0</b>	<b>DCF implied</b>	<b>11,633</b>	<b>1,909</b>
Less: Hexacom minority (30% minority)	68		15.0	At our FV	305	50
Homes	71		13.0	DCF implied	925	152
<b>India homes + wireless attributable value</b>					<b>12,253</b>	<b>2,011</b>
DTH	14		5.0		68	11
Enterprise	105		10.0		1,051	172
<b>Indus Towers attributable value</b>	<b>194</b>	<b>572</b>	<b>5.8</b>	<b>0.75</b>	<b>429</b>	<b>70</b>
Other investments (Nextra, APB)		154		1.0	154	25
<b>India business enterprise value</b>	<b>1,189</b>		<b>11.7</b>	<b>Implied</b>	<b>13,954</b>	<b>2,290</b>
India business net debt (including leases)					<b>445</b>	<b>73</b>
Network IZI perps					43	7
<b>India business equity value (a)</b>					<b>13,466</b>	<b>2,210</b>
<b>International business</b>						
Airtel Africa	394		4.8	At CMP	1,885	328
Airtel Africa net debt					408	71
<b>Airtel Africa attributable value</b>		<b>927</b>		<b>0.75</b>	<b>695</b>	<b>114</b>
Robi Axiata + Dialog SL attributable value		36		0.75	27	4
<b>International business equity value (b)</b>					<b>722</b>	<b>118</b>
<b>Dividends (c)</b>					<b>165</b>	<b>27</b>
<b>Bharti Airtel TP (d) = (a) + (b) + (c)</b>					<b>14,353</b>	<b>2,355</b>

Source: Company, MOFSL

Estimate change 

TP change 

Rating change 
**CMP: INR197**
**TP: INR240 (+22%)**
**BUY**

## Earnings broadly in line; outlook bright due to the recent rise in steel prices

Bloomberg	TATA IN
Equity Shares (m)	12484
M.Cap.(INRb)/(USDb)	2460.1 / 27.1
52-Week Range (INR)	203 / 124
1, 6, 12 Rel. Per (%)	8/20/40
12M Avg Val (INR M)	4919
Free float (%)	66.8

### Financials & Valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	2,316	2,619	2,704
EBITDA	345	436	471
Adj. PAT	117	179	197
EBITDA Margin (%)	14.9	16.7	17.4
Adj. EPS (INR)	9.4	14.3	15.8
BV/Sh. (INR)	80.3	92.6	106.4

### Ratios

Net D:E	0.8	0.7	0.5
RoE (%)	12.2	16.6	15.9
RoCE (%)	11.9	15.3	15.4
Payout (%)	21.4	14.0	12.7

### Valuations

P/E (x)	21.0	13.7	12.5
P/BV (x)	2.5	2.1	1.9
EV/EBITDA(x)	9.6	7.4	6.6
Div. Yield (%)	1.0	1.0	1.0

### Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	33.2	33.2	33.2
DII	27.2	27.1	23.7
FII	18.0	17.8	19.0
Others	21.7	21.9	24.1

FII includes depository receipts

### Standalone performance in-line

- Tata Steel (TATA)'s standalone revenue stood at INR356b (+9% YoY and +3% QoQ), which came in line. The growth was led by a rise in domestic deliveries, which was partly offset by weak NSR.
- Steel production stood at 6.1mt (+12% YoY and QoQ), primarily aided by higher output at the Jamshedpur and Kalinganagar facilities. The improved production led deliveries to 6.04mt (in line with our est.), up 14% YoY and 9% QoQ, led by strong sales in the domestic market during 3QFY26.
- ASP remained subdued at INR58,905/t in 3QFY26, and fell 5% YoY/6% QoQ. This was led by lower domestic steel prices owing to the delay in the implementation of the safeguard duty.
- The EBITDA stood in line at INR77.3b (+3% YoY/-5% QoQ). This translated into an EBITDA/t of INR12,800/t vs. our estimate of INR13,112/t.
- APAT for the quarter stood at INR41.7b (+4% YoY and -7% QoQ) against our estimate of INR39.3b.

### Europe's combined EBITDA marginally negative in 3Q

- Europe's combined revenue stood at INR195b (flat YoY), down 10% QoQ on account of lower volume and NSR during the quarter.
- Europe's combined business reported an operating loss of INR1.7b in 3Q. This loss was primarily on account of the muted profitability of the Netherlands' operations, while the UK's operating loss remained flat QoQ.
- The EBITDA/t loss came in at USD10/t in 3QFY26 vs. an EBITDA/t loss of USD42/t in 3QFY25 (vs. an EBITDA of USD8/t in 2QFY26).

### Consolidated performance: Operating performance in line

- Consolidated revenue was INR570b (+6% YoY/-3% QoQ) and was in line.
- Sales volume stood at 8.21mt (+6% YoY and +4% QoQ), which got offset by a muted ASP of INR69,430/t (flat YoY and -6% QoQ) in 3QFY26.
- Consolidated EBITDA was INR82b (+15 YoY/-8% QoQ), in line with our est. of INR80.8b, translating into an EBITDA/t of INR9,987 (our est.: INR9,862/t) in 3Q.
- NINL posted an EBITDA of INR3.5b in 3QFY26 (+35% QoQ), with 22% a margin.
- APAT stood at INR27.4b (+271% YoY/-16% QoQ) against our estimate of INR24.1b. The beat was largely attributed to lower tax outgo in 3QFY26.

### Key highlights from the management commentary

- Management indicated Q3FY26 likely marks the bottom for domestic steel prices, particularly for flat products, with 4QFY26 likely to see a sequential improvement in prices and EBITDA/t.
- Expects INR2,300/t QoQ improvement in India realizations in 4Q as spot steel prices in India have improved meaningfully since Dec'25. Coking coal costs on a consumption basis are expected to be higher by USD15/t in 4Q.

- India steel volumes in 4QFY26 are expected to be ~0.5mt higher vs. 3QFY26.
- NSR for the Netherlands operations to dip ~EUR30-33/t QoQ in 4QFY26 due to product-mix dilution. Despite lower NSR, the EBITDA of the Netherlands operation is expected to improve in 4Q on account of cost takeouts and higher volumes by ~0.4mt QoQ.
- The UK steel prices remained depressed at GBP500–510/t, down materially from historical levels of +GBP900/t, reflecting excess imports. Management expects the loss to reduce in 4Q and the UK government to implement measures by mid-2026 to safeguard local steel players.

#### Valuation and view: Long-term outlook remains healthy

- Overall, TATA posted a decent performance in 3QFY26 as anticipated, primarily driven by healthy volume, offset by muted NSR in India. The combined EBITDA in Europe weakened due to muted earnings at the Netherlands operation, while the UK operating loss remained flat QoQ.
- EBITDA performance in European operations is expected to improve in the coming quarters on account of its cost-restructuring measures. The capacity ramp-up in the Netherlands and lower fixed costs should also support the overall EBITDA performance going forward.
- Though there are near-term uncertainties related to price volatility due to trade barriers (CABM, tariffs, and import quota reduction), the long-term outlook remains strong for TATA. We raise our FY26E earnings (EBITDA by over 2% and PAT by over 3%), fueled by the better volume and NSR outlook. We also marginally raise our EBITDA for FY27E by 2% to reflect the improved outlook on pricing and costs.
- **At CMP, TATA is trading at 7.4x FY27E EV/EBITDA. We reiterate our BUY rating with a revised SoTP-based TP of INR240 on Sep'27E.**

#### Standalone quarterly performance (INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY25E 3QE	Vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Deliveries (kt)</b>	<b>4,940</b>	<b>5,110</b>	<b>5,290</b>	<b>5,600</b>	<b>4,750</b>	<b>5,550</b>	<b>6,040</b>	<b>6,510</b>	<b>20,940</b>	<b>22,850</b>	<b>6,019</b>	<b>0.4</b>
Change (YoY %)	3.1	6.0	8.4	3.3	(3.8)	8.6	14.2	16.2	5.2	9.1		
Change (QoQ %)	(8.9)	3.4	3.5	5.9	(15.2)	16.8	8.8	7.8				
<b>Blended ASP (INR/t)</b>	<b>66,716</b>	<b>63,404</b>	<b>61,929</b>	<b>61,427</b>	<b>65,293</b>	<b>62,486</b>	<b>58,905</b>	<b>61,319</b>	<b>63,284</b>	<b>61,790</b>	<b>60,820</b>	<b>(3.1)</b>
Change (YoY %)	(9.9)	(10.6)	(12.9)	(8.9)	(2.1)	(1.4)	(4.9)	(0.2)	(10.6)	(2.4)		
Change (QoQ %)	(1.0)	(5.0)	(2.3)	(0.8)	6.3	(4.3)	(5.7)	4.1				
<b>Net Sales</b>	<b>329.6</b>	<b>324.0</b>	<b>327.6</b>	<b>344.0</b>	<b>310.1</b>	<b>346.8</b>	<b>355.8</b>	<b>399.2</b>	<b>1,325.2</b>	<b>1,411.9</b>	<b>366.1</b>	<b>(2.8)</b>
Change (YoY %)	(7.1)	(5.3)	(5.6)	(5.9)	(5.9)	7.0	8.6	16.0	(6.0)	6.5		
Change (QoQ %)	(9.8)	(1.7)	1.1	5.0	(9.8)	11.8	2.6	12.2				
<b>EBITDA</b>	<b>67.8</b>	<b>66.1</b>	<b>75.0</b>	<b>69.8</b>	<b>71.2</b>	<b>81.5</b>	<b>77.3</b>	<b>95.4</b>	<b>278.7</b>	<b>325.4</b>	<b>78.9</b>	<b>(2.0)</b>
Change (YoY %)	1.0	(4.3)	(9.6)	(13.6)	5.1	23.3	3.1	36.7	(7.1)	16.8		
Change (QoQ %)	(16.1)	(2.5)	13.5	(6.9)	2.0	14.4	(5.1)	23.4				
EBITDA Margin %	20.6	20.4	22.9	20.3	23.0	23.5	21.7	23.9	21.0	23.0		
EBITDA(INR/t)	13,716	12,935	14,179	12,463	14,988	14,681	12,800	14,654	13,307	14,240	13,112	
Interest	9.2	11.3	10.8	11.0	12.7	12.4	12.9	13.1	42.4	51.0		
Depreciation	15.2	15.6	15.6	16.2	16.3	17.2	18.3	19.1	62.5	70.8		
Other Income	3.7	8.5	4.6	5.6	5.6	6.1	7.8	7.4	22.5	26.8		
<b>PBT (before EO Inc.)</b>	<b>47.0</b>	<b>47.7</b>	<b>53.2</b>	<b>48.3</b>	<b>47.8</b>	<b>58.0</b>	<b>53.9</b>	<b>70.6</b>	<b>196.2</b>	<b>230.4</b>	<b>53.2</b>	
EO Income(exp)	(2.4)	0.1	(1.5)	(5.3)	(2.2)	(4.0)	(3.5)	-	(9.0)	(9.7)		
<b>PBT (after EO Inc.)</b>	<b>44.7</b>	<b>47.9</b>	<b>51.7</b>	<b>42.9</b>	<b>45.6</b>	<b>54.0</b>	<b>50.5</b>	<b>70.6</b>	<b>187.2</b>	<b>220.7</b>	<b>53.2</b>	
<b>Total Tax</b>	<b>11.3</b>	<b>11.9</b>	<b>13.0</b>	<b>11.2</b>	<b>10.3</b>	<b>13.4</b>	<b>12.2</b>	<b>20.9</b>	<b>47.5</b>	<b>56.9</b>		
% Tax	25.4	25.0	25.0	26.2	22.7	24.9	24.3	29.6	25.4	25.8		
<b>Reported PAT</b>	<b>33.3</b>	<b>35.9</b>	<b>38.8</b>	<b>31.7</b>	<b>35.2</b>	<b>40.6</b>	<b>38.2</b>	<b>49.7</b>	<b>139.7</b>	<b>163.8</b>		
<b>Adjusted PAT</b>	<b>35.7</b>	<b>35.8</b>	<b>40.2</b>	<b>37.0</b>	<b>37.4</b>	<b>44.6</b>	<b>41.7</b>	<b>49.7</b>	<b>148.7</b>	<b>173.4</b>	<b>39.3</b>	<b>6.0</b>
Change (YoY %)	(31.7)	(20.5)	(14.2)	(21.8)	4.9	24.7	3.6	34.3	(22.3)	16.6		
Change (QoQ %)	(24.6)	0.3	12.5	(8.0)	1.1	19.2	(6.5)	19.2				

Source: MOFSL, Company

**Consolidated quarterly performance (INR b)**

Y/E March	FY25				FY26				FY25	FY26E	FY25E	Vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Sales (k tons)</b>	<b>7,390</b>	<b>7,520</b>	<b>7,720</b>	<b>8,330</b>	<b>7,120</b>	<b>7,910</b>	<b>8,210</b>	<b>8,735</b>	<b>30,960</b>	<b>31,975</b>	<b>8,189</b>	<b>0.3</b>
Change (YoY %)	2.6	6.4	8.0	4.4	(3.7)	5.2	6.3	4.9	5.3	3.3		
Change (QoQ %)	(7.4)	1.8	2.7	7.9	(14.5)	11.1	3.8	6.4				
<b>Avg Realization (INR/t)</b>	<b>74,116</b>	<b>71,682</b>	<b>69,493</b>	<b>67,489</b>	<b>74,688</b>	<b>74,196</b>	<b>69,430</b>	<b>71,835</b>	<b>70,589</b>	<b>72,437</b>	<b>71,767</b>	<b>(3.3)</b>
Change (YoY %)	(10.3)	(9.0)	(10.2)	(8.2)	0.8	3.5	(0.1)	6.4	(9.5)	2.6		
Change (QoQ %)	0.8	(3.3)	(3.1)	(2.9)	10.7	(0.7)	(6.4)	3.5				
<b>Net Sales</b>	<b>547.7</b>	<b>539.0</b>	<b>536.5</b>	<b>562.2</b>	<b>531.8</b>	<b>586.9</b>	<b>570.0</b>	<b>627.5</b>	<b>2,185.4</b>	<b>2,316.2</b>	<b>587.7</b>	<b>(3.0)</b>
Change (YoY %)	(7.9)	(3.2)	(3.0)	(4.2)	(2.9)	8.9	6.3	11.6	(4.6)	6.0		
Change (QoQ %)	(6.7)	(1.6)	(0.5)	4.8	(5.4)	10.4	(2.9)	10.1				
<b>EBITDA</b>	<b>66.9</b>	<b>55.2</b>	<b>71.5</b>	<b>65.6</b>	<b>74.3</b>	<b>89.0</b>	<b>82.0</b>	<b>100.2</b>	<b>259.3</b>	<b>345.5</b>	<b>80.8</b>	<b>1.5</b>
Change (YoY %)	29.4	29.4	14.2	(0.6)	11.0	61.1	14.6	52.8	16.3	33.2		
Change (QoQ %)	1.4	(17.5)	29.6	(8.3)	13.2	19.8	(7.8)	22.2				
EBITDA Margin %	12.2	10.2	13.3	11.7	14.0	15.2	14.4	16.0	11.9	14.9		
<b>EBITDA (INR/t)</b>	<b>9,059</b>	<b>7,343</b>	<b>9,268</b>	<b>7,874</b>	<b>10,432</b>	<b>11,247</b>	<b>9,987</b>	<b>11,473</b>	<b>8,376</b>	<b>10,804</b>	<b>9,862</b>	<b>1.3</b>
Interest	17.8	19.7	18.0	17.9	18.5	17.7	17.5	17.8	73.4	71.5		
Depreciation	25.4	26.0	25.7	27.2	27.4	28.9	30.5	30.1	104.2	117.0		
Other Income	2.6	6.0	2.2	4.6	2.9	3.6	5.0	4.7	15.4	16.2		
<b>PBT (before EO Inc.)</b>	<b>26.4</b>	<b>15.5</b>	<b>30.0</b>	<b>25.1</b>	<b>31.2</b>	<b>45.9</b>	<b>39.0</b>	<b>57.0</b>	<b>97.1</b>	<b>173.1</b>	<b>37.1</b>	
Share of asso. PAT	0.9	(0.3)	0.5	0.8	0.8	0.5	1.0	-	1.9	2.3		
EO Income(exp)	(3.6)	6.4	(13.8)	(3.9)	(1.3)	(4.2)	(1.4)	-	(14.9)	(6.9)		
<b>PBT (after EO Inc.)</b>	<b>23.8</b>	<b>21.6</b>	<b>16.7</b>	<b>22.0</b>	<b>30.7</b>	<b>42.2</b>	<b>38.7</b>	<b>57.0</b>	<b>84.1</b>	<b>168.5</b>	<b>37.1</b>	
Total Tax	14.6	14.1	13.8	10.0	10.6	10.4	11.4	21.6	52.4	53.9		
% Tax	61.4	64.9	82.3	45.4	34.6	24.6	29.4	37.8	62.3	32.0		
<b>PAT before MI</b>	<b>9.2</b>	<b>7.6</b>	<b>3.0</b>	<b>12.0</b>	<b>20.1</b>	<b>31.8</b>	<b>27.3</b>	<b>35.4</b>	<b>31.7</b>	<b>114.6</b>	<b>24.1</b>	
Minority Interests	(0.4)	(0.7)	(0.3)	(1.0)	(0.7)	0.8	0.4	-	(2.5)	0.5		
<b>Reported PAT (after MI)</b>	<b>9.6</b>	<b>8.3</b>	<b>3.3</b>	<b>13.0</b>	<b>20.8</b>	<b>31.0</b>	<b>26.9</b>	<b>35.4</b>	<b>34.2</b>	<b>114.1</b>		
<b>Adj. PAT (after MI)</b>	<b>13.2</b>	<b>4.5</b>	<b>7.4</b>	<b>16.9</b>	<b>21.3</b>	<b>32.7</b>	<b>27.4</b>	<b>35.4</b>	<b>42.0</b>	<b>116.9</b>	<b>24.1</b>	<b>13.9</b>
Change (YoY %)	112.3	(35.8)	68.2	40.1	61.7	625.0	270.9	109.6	41.4	178.4		
Change (QoQ %)	9.3	(65.8)	64.1	128.3	26.1	53.5	(16.1)	29.0				

Estimate changes	↓
TP change	↓
Rating change	↔

**CMP: INR3,176      TP: INR3,150 (-1%)      Neutral**

## Forex fluctuation and execution miss

Siemens (SIEM) posted weak results in 5QFY26 as revenue (including LVM) came in below our estimates due to weaker-than-expected performance in the smart infra and digital industries segment. Overall margin was impacted by currency fluctuations and forex loss. Order inflow moved up 19% YoY. We expect smart infra segment performance to remain strong and locomotive deliveries to aid mobility revenue. Digital industries segment performance is likely to remain weak due to exposure to low-growth industries. We cut our estimates by 7%/6%/5% for 18MFY26/FY27/FY28 to factor in 5QFY26 performance and divestment of LV motors and now expect a CAGR of 9%/11%/6% in revenue/EBITDA/PAT over FY24 (Sep-ending)-FY28 (Mar-ending). The stock is currently trading at 54.6x/45.4x P/E on FY27/28E earnings. We reiterate our Neutral rating on the stock with a revised TP of INR3,150 (from INR3,250 earlier), based on 45x Mar'28E earnings. A broad-based capex revival and margin improvement will be the key drivers for earnings and valuation re-rating.

Bloomberg	SIEM IN
Equity Shares (m)	356
M.Cap.(INRb)/(USD\$)	1131.1 / 12.5
52-Week Range (INR)	3412 / 2270
1, 6, 12 Rel. Per (%)	3/-2/4
12M Avg Val (INR M)	1882

### Financials Snapshot (INR b)

Y/E MAR	18M26E	12M27E	12M28E
Net Sales	255.6	192.2	218.8
EBITDA	29.4	25.5	30.3
PAT	24.5	20.7	24.9
EPS (INR)	68.7	58.2	69.9
GR. (%)	21.1	-15.3	20.1
BV/Sh (INR)	498.0	556.2	626.1
<b>Ratios</b>			
ROE (%)	13.8	10.5	11.2
RoCE (%)	14.1	10.7	11.3
<b>Valuations</b>			
P/E (X)	46.2	54.6	45.4
P/BV (X)	6.4	5.7	5.1
EV/EBITDA (X)	36.7	40.7	33.8

### Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	75.0	75.0	75.0
DII	8.4	8.0	6.8
FII	6.9	7.0	8.8
Others	9.8	10.0	9.5

FII includes depository receipts

### Weak set of results

SIEM reported a weak set of results as revenue (including LVM) and PAT came in below expectations. YoY growth is not comparable as the current quarter excludes the LVM business. Revenue (including LVM) grew 14% YoY to INR41b, which was 8% below our estimate of INR44b, driven by growth across Smart Infrastructure, Mobility and Digital Industries. Absolute EBITDA stood at INR4.2b with margins of 11%. PAT declined 5% YoY to INR4b, 20% below our estimate, impacted by a combined effect of commodity gains, forex losses and the one-time impact of INR743m related to the new labor code. Order inflow rose 19% YoY to INR48b, leading to a 7% increase in the order book to INR430b, with strong momentum driven by the Digital Industries and Smart Infrastructure businesses.

### Segmental performance was lower than expectations

A weaker-than-expected performance was seen for Smart Infra and Digital Industries segments. Smart infrastructure revenue grew 9% YoY to INR21b, while EBIT margin expanded 240bp YoY to 14.4%, aided by temporary commodity gain. This was above our estimate of 13%. Mobility revenue grew 28% YoY to INR8b, with margins contracting 380bp YoY to 4.3%, due to forex losses. We expect mobility segment revenue to improve further once locomotive delivery commences. Digital Industries grew 14% YoY to INR9b, with management noting that the business is now reflecting normalized operations; however, margins remained weak at ~1%, impacted by higher material costs from sharp Euro appreciation. In the last quarter also, management had guided for lower margins in this segment due to weak demand.

### Outlook across segments

We expect the **Smart infra** segment to benefit from sustained investments in power T&D, data centers, commercial buildings and ports, supported by continued localization, capacity expansion and potential M&A. Further localization and increased traction of C&S in export markets can help to improve margins going forward. We expect the **Mobility** segment to ramp up from FY27,

driven by locomotive deliveries post prototype approval and a pickup in rail and metro ordering, supported by a 10% YoY increase in railway capex in the Union budget FY26-27. Margins are expected to improve with operating leverage as deliveries scale up. We expect the **Digital Industries** performance to remain subdued, as private sector capex remains selective. While management noted that operations have normalized, growth is expected to be gradual and dependent on a broader recovery in private investment cycles.

### Financial outlook

We cut our estimates by 7%/6%/5% for 18MFY26/FY27/FY28 to factor in 5QFY26 performance and divestment of LV motors and now expect a CAGR of 9%/11%/6% in revenue/EBITDA/PAT over FY24 (Sep-ending)-FY28 (Mar-ending). Overall, we expect the smart infrastructure segment to maintain its growth trajectory, and we expect a gradual improvement in digital industries and mobility. EBIT margins of both these divisions are lower than Smart Infrastructure's margins.

### Valuation and view

The stock is currently trading at 54.6x/45.4x P/E on FY27/28E earnings. We reiterate our Neutral rating on the stock with a revised TP of INR3,150 (from INR3,250 earlier), based on 45x Mar'28E earnings. A broad-based capex revival and margin improvement will be the key drivers for earnings and valuation re-rating.

### Key risks and concerns

Key risks: 1) slowdown in order inflows from key government-focused segments, 2) aggression in bids to procure large-sized projects would adversely impact margins, and 3) related-party transactions with parent group entities at lower-than-market valuations to weigh on the stock performance.

### Quarterly performance (Consol)

(INR m)

Income Statement	12FY24 (Y/E Sep)				18FY26E (Y/E Mar)						12M24	18M26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	5Q	6QE				
<b>Net Sales</b>	<b>37,095</b>	<b>41,524</b>	<b>37,626</b>	<b>44,572</b>	<b>35,872</b>	<b>42,590</b>	<b>43,468</b>	<b>51,712</b>	<b>38,307</b>	<b>43,636</b>	<b>1,60,817</b>	<b>2,55,585</b>	<b>44,364</b>	<b>(14)</b>
Change (%)					-3.3	2.6	15.5	16.0	6.8	2.5		58.9	23.7	
Expenses	32,565	35,155	32,773	39,122	31,863	37,915	38,254	45,541	34,088	38,515	1,39,615	2,26,176	39,053	(13)
<b>EBITDA</b>	<b>4,530</b>	<b>6,369</b>	<b>4,853</b>	<b>5,450</b>	<b>4,009</b>	<b>4,675</b>	<b>5,214</b>	<b>6,171</b>	<b>4,219</b>	<b>5,120</b>	<b>21,202</b>	<b>29,408</b>	<b>5,311</b>	<b>(21)</b>
Change (%)					-11.5	-26.6	7.4	13.2	5.2	9.5		38.7	32.5	
As of % Sales	12.2	15.3	12.9	12.2	11.2	11.0	12.0	11.9	11.0	11.7	13.2	11.5	12	
Depreciation	605	629	697	625	689	686	711	716	714	716	2,556	4,232	698	2
Interest	28	212	46	154	34	23	49	45	56	34	440	241	33	68
Other Income	1,618	3,253	1,569	2,331	1,723	1,515	1,241	1,224	843	1,149	8,771	7,695	1,294	(35)
<b>PBT pre EO items</b>	<b>5,515</b>	<b>8,781</b>	<b>5,679</b>	<b>7,002</b>	<b>5,009</b>	<b>5,481</b>	<b>5,695</b>	<b>6,634</b>	<b>4,292</b>	<b>5,519</b>	<b>26,977</b>	<b>32,630</b>	<b>5,874</b>	<b>(27)</b>
Extra-ordinary Items	0	0	0	0	0	0	0	0	-743	0	0	-743	0	
<b>PBT</b>	<b>5,515</b>	<b>8,781</b>	<b>5,679</b>	<b>7,002</b>	<b>5,009</b>	<b>5,481</b>	<b>5,695</b>	<b>6,634</b>	<b>3,549</b>	<b>5,519</b>	<b>26,977</b>	<b>31,887</b>	<b>5,874</b>	<b>(40)</b>
Tax	1,399	2,289	1,309	1,776	1,288	1,402	1,461	1,780	861	1,368	6,773	8,160	1,480	(42)
Effective Tax Rate (%)	25.4	26.1	23.0	25.4	25.7	25.6	25.7	26.8	24.3	24.8	25.1	25.6	25	
Disc. Operations	0	0	0	0	0	0	0	0	90	-90	0	0	0	
<b>Reported PAT</b>	<b>4,116</b>	<b>6,492</b>	<b>4,370</b>	<b>5,226</b>	<b>3,721</b>	<b>4,079</b>	<b>4,234</b>	<b>4,854</b>	<b>2,778</b>	<b>4,061</b>	<b>20,204</b>	<b>23,727</b>	<b>4,394</b>	<b>(37)</b>
<b>Adj PAT</b>	<b>4,116</b>	<b>6,492</b>	<b>4,370</b>	<b>5,226</b>	<b>3,721</b>	<b>4,079</b>	<b>4,234</b>	<b>4,854</b>	<b>3,521</b>	<b>4,061</b>	<b>20,204</b>	<b>24,470</b>	<b>4,394</b>	<b>(20)</b>
Margin (%)	11.1	15.6	11.6	11.7	10.4	9.6	9.7	9.4	9.2	9.3	12.6	9.6	9.9	
Change (%)	NA	NA	NA	NA	-9.6	-37.2	-3.1	-7.1	-5.4	-0.4		21.1	18.1	

YoY growth is not comparable as the current quarter excludes the LVM business

INR m	12FY24 (Y/E Sep)				18FY26E (Y/E Mar)						12M24	18M26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	5Q	6QE		
<b>Segmental revenue</b>												
Smart infrastructure	18,523	21,655	19,700	22,701	19,549	22,718	23,790	27,247	21,230	25,080	82,579	1,39,614
Mobility	6,597	7,573	6,168	8,823	6,364	7,309	8,273	11,352	8,154	8,791	29,161	50,243
Digital industry	10,379	10,419	9,644	10,519	7,901	10,253	9,156	10,655	9,024	9,841	40,961	56,830
Low Voltage Motors	2,219	2,171	2,370	2,606	2,290	2,380	2,395	2,731	0	0	9,366	9,796
Others	161	275	215	385	239	459	460	563	451	454	1,036	2,626
Less : Intersegmental	-784	-569	-471	-462	-471	-529	-606	-836	-552	-530	-2,286	-3,524
<b>Total Revenues</b>	<b>37,095</b>	<b>41,524</b>	<b>37,626</b>	<b>44,572</b>	<b>35,872</b>	<b>42,590</b>	<b>43,468</b>	<b>51,712</b>	<b>38,307</b>	<b>43,636</b>	<b>1,60,817</b>	<b>2,55,585</b>
<b>Segmental EBIT</b>												
Smart infrastructure	1,964	3,097	2,772	3,046	2,351	3,444	3,194	3,557	3,065	3,386	10,879	18,997
Margin %	10.6	14.3	14.1	13.4	12.0	15.2	13.4	13.1	14.4	13.5	13.2	13.6
Mobility	492	698	160	723	513	458	319	1,264	348	659	2,073	3,561
Margin %	7.5	9.2	2.6	8.2	8.1	6.3	3.9	11.1	4.3	7.5	7.1	7.1
Digital industry	1,313	1,721	908	988	484	468	988	751	87	295	4,930	3,073
Margin %	12.7	16.5	9.4	9.4	6.1	4.6	10.8	7.0	1.0	3.0	12.0	5.4
Low Voltage Motors	142	214	278	151	109	191	6	48	0	0	785	354
Margin %	6.4	9.9	11.7	5.8	4.8	8.0	0.3	1.8			8.4	3.6
Others	14	10	38	27	11	54	32	36	33	36	89	202
Less- Demerger related expenses	0	0	0	-110	-148	-626	-36	-201	-28	28	-110	-1,011
<b>Total EBIT</b>	<b>3,925</b>	<b>5,740</b>	<b>4,156</b>	<b>4,825</b>	<b>3,320</b>	<b>3,989</b>	<b>4,503</b>	<b>5,455</b>	<b>3,505</b>	<b>4,405</b>	<b>18,646</b>	<b>25,177</b>
Margin %	10.6	13.8	11.0	10.8	9.3	9.4	10.4	10.5	9.1	10.1	11.6	9.9

2024 data is for 12 months Sep Y/E; 2026 data is for 18 months Mar Y/E

# Hero MotoCorp

Estimate change	↑
TP change	↑
Rating change	↔

**CMP: INR5,754**      **TP: INR6,804 (+18%)**      **Buy**

## Steady quarter

### Pickup in rural demand bodes well for HMCL

- Hero MotoCorp's (HMCL) 3QFY26 PAT at INR14.4b came in slightly above our est. of INR13.6b, largely due to higher other income. Margins remained stable YoY despite the ramp-up in its EV business.
- We expect HMCL to deliver a volume CAGR of ~7% over FY25-28, driven by new launches and a ramp-up in exports. HMCL will also benefit from a gradual rural recovery, given strong brand equity in the economy and executive segments. We project a CAGR of ~10%/11%/12% in revenue/EBITDA/PAT over FY25-28. At ~19.7x/17.9x FY27E/28E EPS, the stock appears attractively valued. We reiterate our BUY rating with a TP of INR6,804 (based on 20x Dec'27E EPS + INR91/423 for Hero FinCorp/Ather after 20% holdco discount).

Bloomberg	HMCL IN
Equity Shares (m)	200
M.Cap.(INRb)/(USDb)	1151.2 / 12.7
52-Week Range (INR)	6390 / 3323
1, 6, 12 Rel. Per (%)	-2/24/27
12M Avg Val (INR M)	3645

### Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	462.9	504.5	547.8
EBITDA	68.0	74.5	80.9
Adj. PAT	53.2	58.6	64.5
Adj. EPS (INR)	265.7	292.8	321.9
EPS Gr. (%)	15.4	10.2	10.0
BV/Sh. (INR)	1,065	1,148	1,240

### Ratios

RoE (%)	25.9	26.5	27.0
RoCE (%)	25.3	25.9	26.5
Payout (%)	71.5	71.7	71.4

### Valuations

P/E (x)	21.7	19.7	17.9
P/BV (x)	5.4	5.0	4.6
Div. Yield (%)	3.3	3.6	4.0
FCF Yield (%)	5.1	5.1	5.6

### Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	34.7	34.7	34.7
DII	26.4	26.4	27.7
FII	29.4	28.8	28.0
Others	9.5	10.1	9.6

FII includes depository receipts

### Earnings in line with estimates

- Net revenue grew ~21% YoY (in line with estimates) to INR123.3b.
- Net realization rose 4.2% YoY/1.3% QoQ to ~INR72.6k. Volumes were up 16% YoY and 24% QoQ, primarily aided by a strong festive season on the back of GST rate cuts and new model launches across all categories.
- Gross margins were down 160bp YoY at 32.6% (est. 33.2%). RM costs were high mainly due to high commodity inflation.
- EBITDA grew 22.6% YoY to INR18.1b, broadly in line with our estimate. EBITDA margins were marginally up 20bp YoY at 14.7% (in line).
- The company incurred a one-time exceptional expense of INR1.2b related to changes in the labor code.
- Adjusted for this expense, PAT came in at INR14.4b (up 19.6% YoY), slightly above our estimate of INR13.6b.

### Highlights from the management commentary

- Demand trends in 3Q remain broad-based across urban and rural markets and across all segments within motorcycles
- Management continues to project industry growth in double digits in 4QFY26 and in high single digits in FY27. HMCL aims to outperform the industry.
- VIDA achieved over 20% market share in 28 towns, over 10% share in 79 towns, and ranks among the top two EV players in 37 towns.
- Global business volumes grew 41% YoY in 3Q, with international market share improving by 100bp to 7.5%.
- ICE EBITDA margin expanded by 100bp YoY to 17%, while overall EBITDA margin improved to 14.7%, despite continued investments in growth initiatives.

### Valuation and view

- We expect HMCL to deliver a volume CAGR of ~7% over FY25-28, driven by new launches and a ramp-up in exports. HMCL will also benefit from a gradual rural recovery, given strong brand equity in the economy and executive segments.
- We project a CAGR of ~10%/11%/12% in revenue/EBITDA/PAT over FY25-28. At ~19.7x/17.9x FY27E/28E EPS, the stock appears attractively valued. We reiterate our BUY rating with a TP of INR6,804 (based on 20x Dec'27E EPS + INR91/423 for Hero FinCorp/Ather post-20% Holdco discount).

Qty performance (S/A)										(INR b)		
Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Total Volumes ('000 nos)	1,535	1,520	1,464	1,381	1,367	1,691	1,697	1,677	5,899	6,432	1,697	
Growth YoY (%)	13.5	7.3	0.3	-0.9	-10.9	11.3	15.9	21.5	4.9	14.4		
Net Realization	66,076	68,851	69,755	71,991	70,069	71,724	72,658	73,072	69,088	71,970	71,848	
Growth YoY (%)	1.9	3.3	4.7	5.3	6.0	4.2	4.2	1.5	3.7	8.0		
<b>Net Op Revenues</b>	<b>1,01,437</b>	<b>1,04,632</b>	<b>1,02,108</b>	<b>99,387</b>	<b>95,789</b>	<b>121,264</b>	<b>123,284</b>	<b>122,540</b>	<b>407,564</b>	<b>462,877</b>	<b>118,403</b>	<b>4.1</b>
Growth YoY (%)	15.7	10.8	5.0	4.4	-5.6	15.9	20.7	23.3	8.8	23.6	16.0	
RM Cost (% sales)	67.7	66.7	65.8	65.5	66.7	66.7	67.4	67.4	66.4	67.1	66.8	
Staff Cost (% sales)	6.0	6.2	6.5	6.8	6.5	5.8	5.7	5.7	6.4	5.9	5.9	
Other Exp (% sales)	11.9	12.6	13.3	13.5	12.3	12.5	12.2	12.2	12.8	12.3	12.6	
<b>EBITDA</b>	<b>14,598</b>	<b>15,159</b>	<b>14,765</b>	<b>14,156</b>	<b>13,817</b>	<b>18,234</b>	<b>18,101</b>	<b>17,893</b>	<b>58,677</b>	<b>68,045</b>	<b>17,371</b>	<b>4.2</b>
EBITDA Margins (%)	14.4	14.5	14.5	14.2	14.4	15.0	14.7	14.6	14.4	14.7	14.7	
Other Income	2,317	2,830	3,175	2,237	3,037	2,328	2,959	2,463	10,559	10,787	2,750	
Interest	48	49	55	47	56	57	60	68	199	240	60	
Depreciation	1,932	1,937	1,969	1,921	1,928	1,970	2,044	2,067	7,759	8,008	2,000	
<b>PBT before EO Exp/(Inc)</b>	<b>14,935</b>	<b>16,003</b>	<b>15,916</b>	<b>14,425</b>	<b>14,870</b>	<b>18,537</b>	<b>18,955</b>	<b>18,222</b>	<b>61,278</b>	<b>70,584</b>	<b>18,061</b>	
Effective Tax Rate (%)	24.8	24.8	24.4	25.1	24.3	24.9	24.1	25.3	24.8	24.7	24.5	
<b>Adj. PAT</b>	<b>11,226</b>	<b>12,035</b>	<b>12,028</b>	<b>10,809</b>	<b>11,257</b>	<b>13,928</b>	<b>14,382</b>	<b>13,616</b>	<b>46,100</b>	<b>53,184</b>	<b>13,629</b>	<b>5.5</b>
Growth (%)	18.7	14.2	12.1	6.4	0.3	15.7	19.6	26.0	12.7	30.1	13.3	

# Max Healthcare

Estimate change



TP change

Rating change



**CMP: INR1,040**

**TP: INR1,270 (+22%)**

**Buy**

## Temporary margin pause, expansion story continues

### Pune entry and brownfield additions to support volume growth ahead

- Max Healthcare (MAXH) reported a largely in-line financial performance in 3QFY26. After several quarters of strong YoY growth in EBITDA, MAXH posted a modest 2% YoY growth in 3Q.
- MAXH faced challenges on margins, such as a) lower seasonality and high base of past year, b) temporary dispute on cashless reimbursement with certain insurance companies, c) GST reduction on medicines, and d) certain pre-commissioning expenses related to new beds.
- The company has resolved insurance-related issues to avoid any further recurrence of such issues.
- MAXH is progressing well on its bed capacity expansion on a brownfield basis. As part of its plan to expand its presence in western India, the company has signed a share purchase agreement to develop a 450-bed hospital in Pune.
- In the lab business, there has been a steady rise in average realization per bill, along with the addition of collection centers, pickup points and test processing labs.
- We reduce our estimate for FY27 by 7%, factoring in pre-commissioning opex related to Gurgaon hospital and on-boarding of doctors and paramedical resources for new hospitals.
- We value MAXH on an SoTP basis (premised on 35x 12M forward EV/EBITDA for the hospital business, 30x 12M forward EV/EBITDA for Max@lab, and 11x EV/sales for Max@home) to arrive at our TP of INR1,270.
- While its existing hospitals enjoy high occupancy, MAXH is making efforts to optimize case-mix/payor mix to drive growth in these hospitals. It is also in the process of adding beds through brownfield/greenfield routes to support volume growth over the next 5-7 years. Maintain BUY.

### A brief pause in EBITDA growth in 3QFY26

- In 3Q, Max network revenue (including the trust business) grew 8.8% YoY to INR24.7b (our est. INR23.7b).
- EBITDA margin contracted by 160bp YoY to 25.6% (our est. 26.6%).
- EBITDA was stable YoY at INR6.3b (our est. INR 6.3b).
- 3Q included a one-time expense of INR550m related to the impact of the labor code and provisions for stamp duty payable on the amalgamation of CRL with JHL.
- Accordingly, adj. PAT would be INR4.0b (our est: INR3.9b).
- EBITDA per bed (annualized) stood at INR7.1m for the quarter.
- In 9MFY26, revenue/EBITDA/PAT grew 19%/15%/11% YoY to INR75b/INR19b/INR12b.

Bloomberg	MAXHEALT IN
Equity Shares (m)	972
M.Cap.(INRb)/(USDb)	1011.8 / 11.2
52-Week Range (INR)	1314 / 934
1, 6, 12 Rel. Per (%)	1/-23/-16
12M Avg Val (INR M)	3138

### Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	101.4	123.0	138.2
EBITDA	26.0	31.0	35.4
Adj. PAT	16.1	21.1	24.4
EBIT Margin (%)	20.9	21.1	21.8
Cons. Adj. EPS (INR)	16.7	21.7	25.2
EPS Gr. (%)	10.1	30.6	15.8
BV/Sh. (INR)	123.8	143.5	168.7

### Ratios

Net D:E	0.1	0.0	(0.1)
RoE (%)	14.3	16.3	16.1
RoCE (%)	13.9	14.5	14.5
Payout (%)	11.7	9.2	0.0

### Valuations

P/E (x)	62.4	47.8	41.3
EV/EBITDA (x)	39.3	32.7	28.2
Div. Yield (%)	0.2	0.2	0.0
FCF Yield (%)	0.3	1.1	1.7
EV/Sales (x)	10.1	8.3	7.2

### Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	23.7	23.7	23.7
DII	21.2	20.0	15.6
FII	50.6	51.8	56.9
Others	4.5	4.4	3.8

FII Includes depository receipts

### Highlights from the management commentary

- Management highlighted that 3Q revenue and EBITDA were sequentially impacted by a temporary shift toward institutional patients following disruption in cashless services. Standalone health insurers and services were fully restored by 3Q end.
- Oncology revenue mix moderated due to the discontinuation of select high-value patented chemotherapy drugs for CGHS/institutional patients after revised pricing guidelines made supply unviable (sale below cost). Management continues discussions with CGHS.
- Jaypee Hospital clock over 30% YoY revenue growth in 3Q (post-acquisition). Adjusting for the initial revenue dip following the acquisition, when referral streams were rationalized, the underlying growth trajectory would be ~40%. EBITDA improved in line with revenue recovery, though margins remained ~3-4% below overall network margins.
- 63 brownfield beds were commissioned at Nanavati Max (45 currently occupied).
- At Mohali, 53 beds were commissioned in 2Q (46 currently occupied).
- Remaining beds at both locations will be commissioned in 4QFY26. Incremental capacity is EBITDA and margin accretive.
- Max-Smart infrastructure for ~400 beds (including OTs and OPDs) is ready; the commissioning is pending occupancy certificate, expected by Feb'26 end.
- The company has plans for expansion into Western India with a planned 450-bed greenfield hospital in Pune, targeted for completion by 2030.

### Consolidated - Quarterly earnings model

Y/E March	FY25				FY26E				FY25	FY26E	FY26	% var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>INRm</b>												
<b>Net Sales</b>	19,310	21,190	22,690	23,020	24,510	25,720	24,680	26,520	86,210	1,01,430	23,658	4.3
YoY Change (%)	19.1	23.3	34.9	28.5	26.9	21.4	8.8	15.2	26.5	17.7	4.3	
Total Expenditure	14,370	15,520	16,520	16,950	18,340	18,850	18,360	19,837	63,360	75,387	17,365	
<b>EBITDA</b>	4,940	5,670	6,170	6,070	6,170	6,870	6,320	6,683	22,850	26,043	6,293	0.4
Margins (%)	25.6	26.8	27.2	26.4	25.2	26.7	25.6	25.2	26.5	25.7	26.6	
Depreciation	900	970	1,060	1,140	1,170	1,220	1,230	1,265	4,070	4,885	1,141	
Interest	80	50	350	360	340	410	410	443	840	1,603	427	
Other Income	40	60	110	240	80	80	160	130	450	450	120	
<b>PBT before EO expense</b>	4,000	4,710	4,870	4,810	4,740	5,320	4,840	5,105	18,390	20,005	4,845	-0.1
Extra-Ord expense	190	270	1,000	180	330	180	700	0	1,640	1,210	0	
<b>PBT</b>	3,810	4,440	3,870	4,630	4,410	5,140	4,140	5,105	16,750	18,795	4,845	-14.6
Tax	870	950	710	870	960	-410	690	955	3,400	2,195	896	
Rate (%)	22.8	21.4	18.3	18.8	21.8	-8.0	16.7	18.7	20.3	11.7	18.5	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	2,940	3,490	3,160	3,760	3,450	5,550	3,450	4,151	13,350	16,601	3,949	
<b>Adj PAT</b>	3,087	3,702	3,977	3,906	3,708	4,254	4,033	4,151	14,672	16,146	3,949	2.1
YoY Change (%)	1.0	4.9	16.5	17.7	20.1	14.9	1.4	6.3	10.2	10.1	-0.7	
Margins (%)	16.0	17.5	17.5	17.0	15.1	16.5	16.3	15.7	17.0	15.9	16.7	
<b>EPS</b>	3.2	3.8	4.1	4.0	3.8	4.4	4.2	4.3	15.1	16.7	4.1	2.1

E: MOFSL Estimates

# Shree Cement

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	SRCM IN
Equity Shares (m)	36
M.Cap.(INRb)/(USD\$b)	986.8 / 10.9
52-Week Range (INR)	32508 / 25360
1, 6, 12 Rel. Per (%)	1/-15/-11
12M Avg Val (INR M)	1030

## Financial Snapshot (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	189.7	206.9	224.0
EBITDA	42.6	49.5	55.3
Adj. PAT	17.7	21.2	24.2
EBITDA Margin (%)	22.5	23.9	24.7
Cons. Adj. EPS (INR)	491	588	671
EPS Gr. (%)	45.4	19.6	14.2
BV/Sh. (INR)	6,200	6,598	7,070

## Ratios

Net D:E	-0.2	-0.3	-0.4
RoE (%)	8.1	9.2	9.8
RoCE (%)	8.5	9.6	10.2
Payout (%)	35.8	32.3	29.8

## Valuations

P/E (x)	53.9	45.1	39.5
P/BV (x)	4.3	4.0	3.7
EV/EBITDA(x)	20.7	17.4	15.1
EV/ton (USD)	145	136	126
Div. Yield (%)	0.6	0.7	0.8
FCF Yield (%)	0.7	3.4	3.4

## Shareholding pattern (%)

As of	Sep-25	Jun-25	Sep-24
Promoter	62.6	62.6	62.6
DII	14.7	14.9	14.5
FII	10.3	10.1	10.4
Others	12.5	12.5	12.6

FII includes depository receipts

**CMP: INR27,350 TP: INR28,000 (+2%) Neutral**

**Performance below our est.; volume growth to catch up**

**Expect volume growth of ~7% YoY in 4QFY26**

- Shree Cement's (SRCM) 3QFY26 EBITDA at INR9.2b dipped 3% YoY and was ~9% below our estimate, mainly due to lower-than-estimated volume and realization/t. This was, however, partly offset by lower opex/t. EBITDA/t at INR1,049 declined 4% YoY (est. INR1,077). OPM contracted 1.6pp YoY to ~21%. Adj. PAT grew ~41% YoY to INR3.2b (~7% miss).
- Management highlighted its strategic shift toward **value over volumes** since Oct'24 to restore pricing discipline and narrow the realization gap vs. peers, which has helped to reduce the differential to ~INR15/bag vs. INR30/bag.
- Volumes have recovered sequentially, and management expects this momentum to be sustained. Capacity utilization is expected to improve in 4Q and volume growth is expected to be ~7% YoY. SRCM expects the company's total cement capacity (domestic) to increase to ~72mtpa by Mar'26, and no capacity addition is likely in FY27.
- We cut our EBITDA by ~3% for FY26E to factor in the 3Q underperformance while broadly maintaining our FY27/FY28 estimates. SRCM trades fairly at 17x/15x FY27E/FY28E EV/EBITDA. **We reiterate our Neutral rating with a TP of INR28,000 (based on 16x FY28E EV/EBITDA).**

**Volumes inch up ~1% YoY; EBITDA/t declines ~4% YoY**

- Standalone revenue/adj. EBITDA/PAT stood at INR44.2b/INR9.2b/INR3.2b (+4%/-3%/+41% YoY and -9%/-9%/-7% vs. our estimates) in 3QFY26. Sales volumes inched up ~1% YoY to 8.7mt (-6% vs. estimate). Blended realization was up 3% YoY (down ~7% QoQ) to INR5,053/t.
- Opex/t increased ~6% YoY (-3% vs. our estimate), led by variable/freight/other expenses per ton, which increased ~8%/2%/1% YoY. OPM contracted 1.6pp YoY to ~21%, and EBITDA/t declined ~4% YoY to INR1,049. Depreciation declined 22% YoY. Other income increased 10% YoY.
- In 9MFY26, standalone revenue/EBITDA/PAT stood at INR136.7b/30.2b/12.4b (up 7%/23%/93% YoY). OPM expanded 2.9pp YoY to ~22%. EBITDA/t grew ~24% YoY to INR1,180.

**Highlights from the management commentary**

- Due to a higher demand from the large infrastructure projects, the non-trade share has increased, and it is expected to again revert to a 75:25 trade-non-trade mix vs. 65:35 currently.
- Fuel costs increased to INR1.66/Kcal vs. INR1.59 in 1QFY26. Green power share stood at ~63% in 1HFY26.
- SRCM is aggressively expanding RMC capacity, with plans to scale up from 19 plants currently to ~45 plants by Sep'26.

**Valuation and View**

- SRCM's 3Q operating performance was below our est. due to lower volume and realizations. However, management indicated that volume improved in Dec'25, and the momentum was sustained in Jan'26.

- Further, prices were better in Dec'25. In addition, it expects capacity utilization to improve as SRCM intensifies its focus on RMC plants, which will enhance geographical reach, optimize logistics costs, and support incremental volume growth.
- We estimate a CAGR of 9%/14%/17% in revenue/EBITDA/PAT over FY26-28E. We estimate a volume CAGR of ~8% over FY26-28E (vs. muted volume CAGR over FY24-26). We estimate EBITDA/t of INR1,269/INR1,313 in FY27/FY28 vs. INR1,180 in FY26E.
- SRCM trades at fair valuations of 17x/15x FY27E/FY28E EV/EBITDA. **We reiterate our Neutral rating with a TP of INR28,000, based on 16x FY28E EV/EBITDA.**

#### Standalone quarterly performance

(INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26 2QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	<b>48.3</b>	<b>37.3</b>	<b>42.4</b>	<b>52.4</b>	<b>49.5</b>	<b>43.0</b>	<b>44.2</b>	<b>53.0</b>	<b>180.4</b>	<b>189.7</b>	<b>48.8</b>	<b>2</b>
YoY Change (%)	-2.7	-18.3	-13.6	3.3	2.3	15.5	4.3	1.2	-7.5	5.2	15.1	
Total Expenditure	39.2	31.3	32.9	38.3	37.2	34.3	35.0	40.6	141.7	147.1	38.7	5
<b>EBITDA</b>	<b>9.2</b>	<b>5.9</b>	<b>9.5</b>	<b>14.1</b>	<b>12.3</b>	<b>8.8</b>	<b>9.2</b>	<b>12.4</b>	<b>38.7</b>	<b>42.6</b>	<b>10.1</b>	<b>-9</b>
YoY Change (%)	-1.7	-31.9	-23.3	6.4	34.1	47.7	-3.2	-11.9	-11.4	10.3	6.2	
Margin (%)	19.0	15.9	22.3	26.9	24.8	20.3	20.8	23.5	21.4	22.5	20.6	-242
Depreciation	6.4	6.7	7.5	7.5	5.5	5.5	5.9	6.6	28.1	23.5	6.3	-27
Interest	0.6	0.6	0.5	0.4	0.4	0.5	0.6	0.5	2.1	2.0	0.5	-1
Other Income	1.3	1.8	1.1	1.5	2.0	1.6	1.3	1.9	5.8	6.8	1.5	16
<b>PBT before EO Exp.</b>	<b>3.5</b>	<b>0.4</b>	<b>2.6</b>	<b>7.7</b>	<b>8.3</b>	<b>4.3</b>	<b>4.0</b>	<b>7.3</b>	<b>14.3</b>	<b>23.9</b>	<b>4.7</b>	<b>47</b>
Extra-Ord. Expense	0.0	0.0	0.0	0.3	0.0	0.2	0.6	0.0	-0.3	0.8	0.0	
<b>PBT</b>	<b>3.5</b>	<b>0.4</b>	<b>2.6</b>	<b>7.4</b>	<b>8.3</b>	<b>4.0</b>	<b>3.4</b>	<b>7.3</b>	<b>14.0</b>	<b>23.1</b>	<b>4.7</b>	<b>39</b>
Tax	0.3	-0.5	0.3	1.9	2.1	1.3	0.6	1.9	2.0	6.0	1.2	
Rate (%)	9.4	-108.1	11.4	25.1	25.8	31.2	18.7	26.4	14.4	25.9	25.5	
<b>Reported PAT</b>	<b>3.2</b>	<b>0.9</b>	<b>2.3</b>	<b>5.6</b>	<b>6.2</b>	<b>2.8</b>	<b>2.8</b>	<b>5.4</b>	<b>12.0</b>	<b>17.1</b>	<b>3.5</b>	<b>29</b>
Tax adjustment prior period	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Adj. PAT</b>	<b>3.2</b>	<b>0.9</b>	<b>2.3</b>	<b>5.8</b>	<b>6.2</b>	<b>2.9</b>	<b>3.2</b>	<b>5.4</b>	<b>12.2</b>	<b>17.7</b>	<b>3.5</b>	<b>36</b>
YoY Change (%)	-45.3	-81.0	-68.8	-12.5	94.7	215.1	41.3	-7.3	-50.6	45.4	51.7	

#### Quarterly performance

<b>Sales Dispat. (mt)</b>	<b>9.6</b>	<b>7.6</b>	<b>8.7</b>	<b>9.8</b>	<b>9.0</b>	<b>7.9</b>	<b>8.7</b>	<b>10.5</b>	<b>35.7</b>	<b>36.1</b>	<b>9.3</b>	<b>-6</b>
YoY Change (%)	8.1	-7.9	-2.5	3.2	-7.2	4.8	0.8	7.1	0.5	1.2	6.4	
<b>Realization</b>	<b>5,015</b>	<b>4,936</b>	<b>4,885</b>	<b>5,325</b>	<b>5,528</b>	<b>5,440</b>	<b>5,053</b>	<b>5,035</b>	<b>5,052</b>	<b>5,250</b>	<b>5,224</b>	<b>-3</b>
YoY Change (%)	-10.0	-11.3	-11.3	0.1	10.2	10.2	3.4	-5.5	-7.9	3.9	8.2	
<b>Expenditure</b>												
RM Cost	530	543	623	569	626	682	709	504	566	623	650	9
Staff Cost	254	331	273	240	284	325	316	244	271	289	282	12
Power and Fuel	1,458	1,326	1,054	1,172	1,281	1,314	1,103	1,267	1,253	1,241	1,380	-20
Freight	1,157	1,181	1,144	1,175	1,211	1,191	1,172	1,172	1,164	1,186	1,160	1
Other Expenses	667	771	699	735	753	821	704	667	715	731	674	4
<b>Total Op. cost</b>	<b>4,065</b>	<b>4,152</b>	<b>3,793</b>	<b>3,890</b>	<b>4,155</b>	<b>4,334</b>	<b>4,004</b>	<b>3,854</b>	<b>3,969</b>	<b>4,070</b>	<b>4,146</b>	<b>-3</b>
<b>EBITDA</b>	<b>951</b>	<b>785</b>	<b>1,092</b>	<b>1,435</b>	<b>1,373</b>	<b>1,106</b>	<b>1,049</b>	<b>1,181</b>	<b>1,083</b>	<b>1,180</b>	<b>1,077</b>	<b>-3</b>

Estimate change 

 TP change 

 Rating change 

Bloomberg	MRF IN
Equity Shares (m)	4
M.Cap.(INRb)/(USD)	621.1 / 6.9
52-Week Range	163600 / 100500
1, 6, 12 Rel. Per (%)	-1/-5/19
12M Avg Val (INR)	1048

**Financials & valuations (INR b)**

INR b	FY26E	FY27E	FY28E
Sales	311.6	341.3	371.9
EBITDA	48.9	51.2	56.2
Adj. PAT	24.2	25.1	28.2
EPS (INR)	5,701	5,911	6,640
EPS Growth (%)	29.3	3.7	12.3
BV/Share (INR)	49,006	54,567	60,857

**Ratios**

RoE (%)	12.3	11.4	11.5
RoCE (%)	11.6	11.0	11.2
Payout (%)	5.3	5.9	5.3

**Valuations**

P/E (x)	25.7	24.8	22.1
P/BV (x)	3.0	2.7	2.4
Div. Yield (%)	0.2	0.2	0.2
FCF yield (%)	5.6	4.1	4.6

**Shareholding pattern (%)**

As On	Dec-25	Sep-25	Dec-24
Promoter	27.7	27.8	27.8
DII	12.5	12.4	12.0
FII	18.2	18.3	18.2
Others	41.6	41.6	42.0

FII includes depository receipts

**CMP: INR146,455**
**TP: INR129,151 (-12%)**
**Sell**
**Strong performance**
**Demand momentum to sustain in 4Q**

- MRF's 3QFY26 Adj PAT at INR7.3b was well ahead of our estimates of INR5.5b. This was largely attributed to strong operating performance, with EBITDA margins expanding 550bp YoY to 17.2% (vs. our estimate of 15.3%).
- We expect MRF to post a 15% earnings CAGR over FY25-28E. However, its RoCE has declined from a recent peak of 13% in FY24 to 10% in FY25 and is likely to improve to 11% by FY28E. Given its sub-par returns, valuations at 24.8x / 22.1x FY27E / FY28E appear expensive. Hence, we **reiterate our Sell rating** on the stock with a TP of INR129,151 (valuing it at 20x Dec'27E EPS).

**Strong PAT beat**

- The company's standalone revenue grew 15% YoY (+9% QoQ) to INR79.3b, largely in line with our estimate of INR76.4b.
- Sales in 3QFY26 were strong in both the OEM and replacement segments. The OEM volumes surged in double digits on account of a pent-up demand for the GST cut in Sep'25, as well as festive season demand. The momentum is likely to continue in 4Q, and OEM volumes are anticipated to be strong due to channel filling. Further, an increase in infrastructure spending augurs well for CV tyre demand, and the US/EU trade agreement opens up opportunities for exports in the future.
- MRF's gross margin at 37.9% (+480bp YoY and +150bp QoQ) was above our estimate of 36.2%. Gross margin improved QoQ, led by cooling rubber prices.
- This in turn led to a higher-than-estimated EBITDA margin at 17.2%, up 560bp YoY (vs. our estimate of 15.3%). MRF's EBITDA grew 70% YoY and 25% QoQ to INR13.6b (vs. our estimate of INR 11.7b).
- The company recorded an exceptional charge of INR772m on account of changes in the labor code.
- Adjusted for this, PAT rose 140% YoY to INR7.3b (vs. our est. of INR5.5b).
- The Board declared an interim dividend of INR3 per share.

**Valuation and view**

On the back of a pickup in auto demand, we expect MRF to post 10% revenue CAGR over FY25-28E. Overall, we expect MRF to post 15% earnings CAGR over FY25-28E. However, its RoCE has declined from a recent peak of 13% in FY24 to 10% in FY25 and is likely to improve to 11% by FY28E. Given its sub-par returns, valuations at 24.8x / 22.1x FY27E / FY28E appear expensive. **Reiterate Sell with a TP of INR 129,151, valued at 20x Dec27E EPS.**

**Standalone - Quarterly Earnings Model**

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	3QE	VAR(%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	<b>70,778</b>	<b>67,604</b>	<b>68,832</b>	<b>69,438</b>	<b>75,603</b>	<b>72,497</b>	<b>79,337</b>	<b>78,769</b>	<b>2,76,652</b>	<b>3,06,206</b>	<b>76,403</b>	<b>4</b>
YoY Change (%)	11.9	11.1	13.8	11.7	6.8	7.2	15.3	13.4	12.1	10.7	11.0	
Total Expenditure	59,400	57,869	60,814	59,011	65,259	61,599	65,693	65,568	2,37,094	2,58,119	64,713	
<b>EBITDA</b>	<b>11,378</b>	<b>9,734</b>	<b>8,018</b>	<b>10,428</b>	<b>10,343</b>	<b>10,898</b>	<b>13,644</b>	<b>13,201</b>	<b>39,559</b>	<b>48,086</b>	<b>11,690</b>	<b>17</b>
Margins (%)	16.1	14.4	11.6	15.0	13.7	15.0	17.2	16.8	14.3	15.7	15.3	190bp
Depreciation	3,943	4,079	4,143	4,310	4,270	4,433	4,362	4,683	16,474	17,747	4,470	
Interest	754	667	711	782	822	708	736	746	2,914	3,011	760	
Other Income	827	1,121	966	1,115	1,255	1,067	1,231	1,088	4,029	4,641	1,050	
<b>PBT before EO expense</b>	<b>7,509</b>	<b>6,109</b>	<b>4,130</b>	<b>6,451</b>	<b>6,507</b>	<b>6,824</b>	<b>9,777</b>	<b>8,861</b>	<b>24,199</b>	<b>31,969</b>	<b>7,510</b>	
Extra-Ord expense	0	0	0	0	0	0	772	0	0	772	0	
<b>PBT</b>	<b>7,509</b>	<b>6,109</b>	<b>4,130</b>	<b>6,451</b>	<b>6,507</b>	<b>6,824</b>	<b>9,005</b>	<b>8,861</b>	<b>24,199</b>	<b>31,197</b>	<b>7,510</b>	
Tax	1,883	1,555	1,063	1,472	1,665	1,708	2,214	2,087	5,974	7,674	1,937	
Rate (%)	25.1	25.4	25.7	22.8	25.6	25.0	24.6	23.6	24.7	24.6	25.8	
<b>Reported PAT</b>	<b>5,625</b>	<b>4,554</b>	<b>3,067</b>	<b>4,978</b>	<b>4,842</b>	<b>5,116</b>	<b>6,791</b>	<b>6,773</b>	<b>18,225</b>	<b>23,523</b>	<b>5,572</b>	
<b>Adj PAT</b>	<b>5,625</b>	<b>4,554</b>	<b>3,067</b>	<b>4,978</b>	<b>4,842</b>	<b>5,116</b>	<b>7,373</b>	<b>6,773</b>	<b>18,225</b>	<b>24,105</b>	<b>5,572</b>	<b>32</b>
YoY Change (%)	-3.3	-20.4	-39.6	6.1	-13.9	12.3	140.4	36.1	-14.4	32.3	81.7	
Margins (%)	7.9	6.7	4.5	7.2	6.4	7.1	8.6	8.6	6.6	7.9	7.3	

Key Performance Indicators	FY25				FY26E				FY25	FY26E	3QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
RM Costs (% of sales)	62.7	63.5	66.9	63.9	65.7	63.6	62.1	62.4	64.3	63.4	63.8
Staff Costs (% of sales)	6.3	6.9	6.6	6.6	6.1	6.6	6.4	6.4	6.6	6.4	6.3
Other costs (% of sales)	14.9	15.2	14.9	14.4	14.5	14.7	14.3	14.5	14.9	14.5	14.6
Gross margin (%)	37.3	36.5	33.1	36.1	34.3	36.4	37.9	37.6	35.7	36.6	36.2
EBITDA margin (%)	16.1	14.4	11.6	15.0	13.7	15.0	17.2	16.8	14.3	15.7	15.3

# Kalyan Jewellers

Estimate change 

TP change 

Rating change 

Bloomberg	KALYANKJ IN
Equity Shares (m)	1033
M.Cap.(INRb)/(USDb)	392.7 / 4.3
52-Week Range (INR)	618 / 348
1, 6, 12 Rel. Per (%)	-22/-40/-39
12M Avg Val (INR M)	3231

## Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	335.1	415.3	491.7
EBITDA	22.5	26.9	31.4
Margins (%)	6.7	6.5	6.4
Adj. PAT	12.5	15.5	18.6
Adj. EPS (INR)	12.1	15.0	18.0
EPS Growth (%)	55.0	24.0	19.7
BV/Sh.(INR)	55.7	65.7	76.7

## Ratios

RoE (%)	23.7	24.8	25.3
RoIC (%)	16.2	17.6	19.2

## Valuations

P/E (x)	31.3	25.3	21.1
P/BV (x)	6.8	5.8	5.0
EV/Sales (x)	1.2	0.9	0.8
EV/EBITDA(x)	17.5	14.0	11.9

## Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	62.8	62.8	62.9
DII	15.2	14.6	13.6
FII	14.1	14.1	16.4
Others	7.9	8.5	7.2

FII includes depository receipts

**CMP: INR380**

**TP: INR600 (+58%)**

**Buy**

## All-round beat; growth momentum continues

- Kalyan Jewellers' (KALYANKJ) consolidated revenue reported stellar 42% YoY growth to INR103.4b (est. INR97.9b). The Indian business achieved 42% YoY growth, driven by store additions (added a net of 18 Kalyan Indian stores and 14 Candere stores) and robust 27% SSSG (25% in the South, 29% in the non-South).
- Management indicated that on-ground demand momentum remained healthy in 3QFY26. During the 30 days leading up to Diwali, the company reported LFL growth of over 30%, reflecting strong festive traction. Demand in Jan'26 also remained robust, supported by healthy consumer footfalls despite volatility in gold prices.
- Studded share remained stable at 31% in 3QFY26 vs 30% in 3QFY25. Studded revenue surged 50% YoY. The company is witnessing strong adoption of 18 carat jewelry, leading it to planned launches in the 14 carat and 9 carat studded segments.
- In the India business, adjusting for the customs duty impact in the base, GM was flat YoY at 12.7%. Despite a higher franchise mix, flat GM indicates an improvement in underlying GM. This was driven by a favorable product mix, procurement efficiencies, and inventory gains from silver and platinum products (contribution of ~2-3% to Indian revenue). EBITDA margin expanded 60bp YoY to 7.2% (est. 6.5%). PBT margin expanded 100bp YoY to 6.4% (all-time high). PBT jumped 68% YoY.
- The Middle East business delivered 28% revenue growth, driven by 24% SSSG. Studded share was 18%. There was one new store addition in the UK in 3QFY26.
- With the successful scale-up of franchise businesses (>50% revenue contribution) and stable success in non-Southern markets, the company has established itself as a leading brand in the industry. Consistent success on customer acquisition, improving operating margin, and deleveraging balance sheet remain the key rationale for our constructive view on the business. We model a 21%/18%/22% revenue/EBITDA/PAT CAGR during FY26-28E. **We reiterate our BUY rating with a TP of INR600 (based on 35x Dec'27 P/E).**

## India +65% PBT growth; Middle East also shines

### India business

- **Strong revenue growth with 27% SSSG:** India revenue grew 42% YoY to INR90.5b (est. INR88.1b). Same-store sales increased 27% YoY in 3QFY26, South SSSG was at 25%, and Non-South was at 29%. South revenue growth was 34%, and non-South was at 47%. Studded share remained stable at 31% in 3QFY26 vs 30% in 3QFY25. Studded revenue rose 50%.
- **Rapid store expansion:** The company added a net of 18 Kalyan stores in India, reaching a total of 318 stores. Candere added 14 stores, reaching a total of 110 stores. Total stores in India stood at 428. The company plans to launch a new regional jewelry brand in 4QFY26 with an initial investment of INR3b, primarily towards inventory. It will begin with five pilot COCO stores, with further expansion to be franchisee-led. We look forward to further clarity on this initiative and remain watchful of its progress.

- **Stellar growth in profitability** - Gross margin was flat YoY at 12.7% (adjusting the base with custom duty). EBITDA margin expanded 60bp YoY to 7.2% (adjusting the base with custom duty). EBITDA grew 54% YoY to INR6.5b. There was an exceptional item of INR415m due to the implementation of the labor code. PBT grew 68% YoY to INR5.8b, and APAT grew 67% YoY to INR4.3b.
- In 9MFY26, revenue/EBITDA/PAT grew 35%/42%/60%, respectively.

#### International business

- Sales grew 28% YoY to INR10.7b, driven by SSSG of 24%.
- Gross margin contracted 50bp YoY to 14.3%, and EBITDA margin contracted 70bp YoY to 7.0%. EBITDA grew 17% YoY to INR756m. PAT grew 54% YoY to INR236m.
- There were no new store additions during the quarter. The studied share stood at 18% vs 19%.
- The company opened one store in the UK during the quarter.
- In 9MFY26, its revenue/EBITDA/PAT grew 21%/13%/27%.

#### Consolidated performance

- The consolidated revenue registered 42% YoY growth to INR103.4b (est. INR97.9). Gross margin was flat YoY at 13.1% (est. 12.3%), adjusting the base with custom duty impact in India.
- EBITDA margin expanded 50bp YoY to 7.3%. (est. 6.5%), adjusting the base with custom duty impact in India. EBITDA saw a sharp 52% YoY growth to INR7.5b (est. INR6.4b).
- There was an exceptional item of INR415m due to the implementation of the labor code. PBT grew 73% YoY to INR6.0b, and APAT grew 72% YoY to INR4.5b.
- In 9MFY26, revenue/EBITDA/PAT grew 35%/39%/57%, respectively.

#### Key takeaways from the management commentary

- The on-ground momentum remained robust through most of 3QFY26, with the festive period delivering stronger growth than anticipated. During the 30 days leading up to Diwali, KALYANKJ reported LFL growth of over 30%, reflecting sustained festive demand.
- The gold saving scheme gained strong traction, aiding customer acquisition, while the gold exchange program also saw improved participation during the quarter (typically ~30% of sales, slightly higher in 3QFY26).
- The company repaid INR1,300m in 2QFY26, reducing non-GML debt to INR5,500m as of Sep'25. No debt was repaid in 3QFY26; however, management plans to repay ~INR1,500m in 4QFY26, targeting INR4,000m debt by Mar'26 and a debt-free status by FY27.
- KALYANKJ plans to add 80–90 stores over the medium term in India and 6–7 overseas stores annually over the medium term.

### Valuation and view

- We raise our EPS estimates by 3-4% for FY27 and FY28 due to EBITDA margin expansion in 3QFY26.
- KALYANKJ repaid INR1.3b of non-GML debt in 1HFY26, reducing debt to INR5.5b. While no repayment was made in 3QFY26, the company plans to reduce non-GML debt by ~INR1.5b in 4QFY26, targeting ~INR4b by Mar'26, with the aim to become debt-free by FY27.
- With the successful scale-up of its new franchise businesses (>45% revenue contribution) and continued success in non-Southern markets, the company has established itself as a leading brand in the industry. Its non-South expansion has improved the studded jewelry mix, while the asset-light expansion supports healthy cash flow generation for debt repayment and enhances profitability by reducing interest costs. It is also gaining momentum in the Middle East and the US.
- We model 21%/18%/22% revenue/EBITDA/PAT CAGR during FY26-28E. **We reiterate our BUY rating with a TP of INR600 (based on 35x Dec'27 P/E).**

### Consolidated Quarterly Performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Stores</b>	<b>277</b>	<b>303</b>	<b>349</b>	<b>388</b>	<b>406</b>	<b>436</b>	<b>469</b>	<b>556</b>	<b>388</b>	<b>556</b>	<b>483</b>	
<b>Net Sales</b>	<b>55,355</b>	<b>60,655</b>	<b>72,869</b>	<b>61,815</b>	<b>72,685</b>	<b>78,560</b>	<b>1,03,434</b>	<b>80,447</b>	<b>2,50,451</b>	<b>3,35,126</b>	<b>97,874</b>	<b>5.7%</b>
Change (%)	26.5	37.4	39.5	36.6	31.3	29.5	41.9	30.1	35.0	33.8	34.3	
Raw Material/PM	47,419	52,313	63,323	53,314	62,603	68,395	89,857	70,273	2,16,370	2,91,128	85,814	
<b>Gross Profit</b>	<b>7,935</b>	<b>8,342</b>	<b>9,546</b>	<b>8,501</b>	<b>10,081</b>	<b>10,166</b>	<b>13,577</b>	<b>10,174</b>	<b>34,081</b>	<b>43,998</b>	<b>12,060</b>	<b>12.6%</b>
Gross Margin (%)	14.3	13.8	13.1	13.8	13.9	12.9	13.1	12.6	13.6	13.1	12.3	
Operating Expenses	4,175	4,379	4,609	4,507	5,001	5,196	6,073	5,226	17,671	21,495	5,664	
% of Sales	7.5	7.2	6.3	7.3	6.9	6.6	5.9	6.5	7.1	6.4	5.8	
<b>EBITDA</b>	<b>3,760</b>	<b>3,962</b>	<b>4,936</b>	<b>3,994</b>	<b>5,080</b>	<b>4,970</b>	<b>7,505</b>	<b>4,948</b>	<b>16,410</b>	<b>22,503</b>	<b>6,396</b>	<b>17.3%</b>
Margin (%)	6.8	6.5	6.8	6.5	7.0	6.3	7.3	6.2	6.6	6.7	6.5	
Change (%)	16.4	26.3	33.5	34.8	35.1	25.4	52.0	23.9	25.0	37.1	29.6	
Interest	852	903	876	962	1,036	949	1,043	854	3,595	3,883	876	
Depreciation	755	850	890	933	977	1,032	1,089	1,057	3,427	4,155	1,042	
Other Income	222	260	313	408	463	514	642	705	1,446	2,323	454	
<b>PBT</b>	<b>2,375</b>	<b>2,469</b>	<b>3,484</b>	<b>2,507</b>	<b>3,530</b>	<b>3,503</b>	<b>6,014</b>	<b>3,742</b>	<b>10,834</b>	<b>16,788</b>	<b>4,931</b>	<b>22.0%</b>
Tax	599	649	886	630	889	898	1,436	1,060	2,764	4,283	1,257	
Effective Tax Rate (%)	25.2	26.3	25.4	25.1	25.2	25.6	23.9	28.3	25.5	25.5	25.5	
<b>Adjusted PAT</b>	<b>1,776</b>	<b>1,821</b>	<b>2,598</b>	<b>1,877</b>	<b>2,641</b>	<b>2,605</b>	<b>4,479</b>	<b>2,682</b>	<b>8,070</b>	<b>12,506</b>	<b>3,674</b>	<b>21.9%</b>
Change (%)	23.4	34.6	43.8	36.4	48.7	43.1	72.4	42.9	35.1	55.0	41.4	
<b>Reported PAT</b>	<b>1,776</b>	<b>1,303</b>	<b>2,187</b>	<b>1,877</b>	<b>2,641</b>	<b>2,605</b>	<b>4,163</b>	<b>2,682</b>	<b>7,142</b>	<b>12,506</b>	<b>3,674</b>	

E: MOFSL Estimates

# Kaynes Technologies

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	KAYNES IN
Equity Shares (m)	67
M.Cap.(INRb)/(USDb)	248 / 2.7
52-Week Range (INR)	7705 / 3295
1, 6, 12 Rel. Per (%)	-1/-43/-23
12M Avg Val (INR M)	5481

## Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	39.9	61.1	84.7
EBITDA	6.3	9.8	14.4
Adj. PAT	4.6	7.8	11.1
EBITDA Margin (%)	15.9	16.1	17.0
Cons. Adj. EPS (INR)	68.7	116.4	165.8
EPS Gr. (%)	56.8	69.3	42.5
BV/Sh. (INR)	731.6	848.0	1,013.8

## Ratios

Net D:E	-0.2	-0.4	-0.4
RoE (%)	11.9	14.7	17.8
RoCE (%)	12.0	14.6	17.8

## Valuations

P/E (x)	54	32	22
EV/EBITDA (x)	37	23	15

## Shareholding pattern (%)

As on	Dec-25	Sep-25	Dec-24
Promoter	53.5	53.5	57.8
DII	16.7	23.7	15.0
FII	8.9	10.7	14.8
Others	20.9	12.2	12.4

Note: FII includes depository receipts

**CMP: INR3,700 TP: INR5,000 (+35%) Buy**

## Lower execution and sales deferrals lead to guidance cut for FY26

### Big miss on operating performance

- Kaynes Technologies (KAYNES) reported a lower-than-expected operating performance in 3QFY26, with EBITDA growth of 27% YoY (est 56%). This was largely led by the deferral of certain orders (including Kavach) and delays in execution, as product offtake did not align with customers' projects.
- The company has reduced its FY26 revenue guidance to INR41b (from INR45b) due to the deferral of the Railway's Kavach order worth INR3b. Even after this revision, the FY26 guidance implies ~74% YoY growth in 4Q. Working capital remained elevated in 9MFY26, led by higher receivables and inventory levels. However, the company is evaluating multiple initiatives to optimize working capital, guiding for a positive CFO by the end of FY26.
- Barring quarterly execution volatility, we expect the growth trajectory to remain healthy going forward, with newer segments such as OSAT, PCB, and Kavach to start contributing from FY27.
- Factoring in lower-than-estimated earnings in 3Q, along with a guidance cut, we reduce our FY26/FY27/FY28 earnings estimate by 11%/5%/8% and **reiterate our BUY rating on the stock with a TP of INR5,000 (premised on 30x FY28E EPS).**

### Strong order inflows offset weaker-than-expected 3Q

- Consolidated revenue grew 22% YoY to INR8.0b (est. INR9.3b) in 3QFY26, while EBITDA grew 27% YoY to INR1.2b (est. INR1.5b). EBITDA margin expanded 60bp YoY to 14.8% (est. 16%), led by an expansion in gross margin (up 370bps YoY), which was partly offset by higher employee costs (up 210bp YoY) and other expenses (up 100bp). Adj. PAT grew 18% YoY to INR785m (est. INR1.2b).
- Order inflows remained strong at INR17.7b in 3Q, boosting the order book by 50% YoY/12% QoQ to ~INR90.7b.
- For 9MFY26, Revenue/EBITDA/adj. PAT grew 37%/56%/55% to INR23.8b/INR3.8b/INR2.7b. For 4QFY26, the implied revenue/EBITDA/PAT growth is ~63%/51%/60%.
- For 9MFY26, net working capital days increased to 139 from 107 days in 9MFY25. Receivable days rose 66 days YoY, which are expected to normalize going forward. Net debt stood at ~INR6.6b vs. INR5.9.9b as of Dec'24.

### Highlights from the management commentary

- **Order book:** The order book is firm and non-cancellable, representing ~1.5 years of backlog on a rolling basis, with execution delays only in cases where customers defer purchases until full project alignment or where regulatory approvals are pending. It is largely driven by EMS orders and is expected to grow faster than sales, as the company begins to capture orders with lead times exceeding 1.5 years.
- **OSAT business:** The OSAT facility at Sanand is operational and ramping up steadily, **with FSA approval now in place**. This provides clear visibility for the company to receive subsidies of 50% from the central government and 20% from the state government.
- **PCB:** The new Chennai facility will focus on high-end, complex, and multi-layered PCBs catering to defense, aerospace, and advanced industrial segments. This will enable closer collaboration with customers from the early design and development stages and open up an estimated business opportunity of ~INR150b in PCB manufacturing.

### Valuation and view

- KAYNES' growth momentum slowed down in 3QFY26 due to deferrals. However, with a robust order book of ~INR91b as of Dec'25, the company is well positioned to recover and deliver healthy revenue growth momentum going forward.
- We estimate a revenue/EBITDA/adj. PAT CAGR of 46%/52%/56% over FY25-FY28. **Reiterate BUY with a TP of INR5,000 (premised on 30x FY28E EPS).**

### Consolidated - Quarterly Earning

Y/E March	(INR m)											
	FY25				FY26E				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE	%	
<b>Gross Sales</b>	<b>5,040</b>	<b>5,721</b>	<b>6,612</b>	<b>9,845</b>	<b>6,735</b>	<b>9,062</b>	<b>8,040</b>	<b>16,047</b>	<b>27,218</b>	<b>39,884</b>	<b>9,256</b>	<b>-13%</b>
YoY Change (%)	69.6	58.5	29.8	54.5	33.6	58.4	21.6	63.0	50.8	46.5	40.0	
Total Expenditure	4,371	4,900	5,671	8,166	5,604	7,582	6,847	13,509	23,108	33,543	7,775	
<b>EBITDA</b>	<b>669</b>	<b>821</b>	<b>940</b>	<b>1,679</b>	<b>1,130</b>	<b>1,480</b>	<b>1,193</b>	<b>2,538</b>	<b>4,109</b>	<b>6,342</b>	<b>1,481</b>	<b>-19%</b>
Margins (%)	13.3	14.4	14.2	17.1	16.8	16.3	14.8	15.8	15.1	15.9	16.0	
Depreciation	84	86	108	169	156	166	204	230	447	757	166	
Interest	227	221	270	295	284	228	249	280	1,013	1,041	150	
Other Income	283	336	246	205	271	431	448	450	1,070	1,600	350	
<b>PBT before EO expense</b>	<b>641</b>	<b>849</b>	<b>808</b>	<b>1,419</b>	<b>961</b>	<b>1,517</b>	<b>1,189</b>	<b>2,478</b>	<b>3,718</b>	<b>6,144</b>	<b>1,515</b>	
Extra-Ord expense	0	0	0	0	0	0	25	0	0	25	0	
<b>PBT</b>	<b>641</b>	<b>849</b>	<b>808</b>	<b>1,419</b>	<b>961</b>	<b>1,517</b>	<b>1,163</b>	<b>2,478</b>	<b>3,718</b>	<b>6,119</b>	<b>1,515</b>	
Tax	133	247	144	257	215	303	397	622	782	1,537	333	
Rate (%)	20.8	29.1	17.8	18.1	22.3	20.0	34.1	25.1	21.0	25.1	22.0	
<b>Reported PAT</b>	<b>508</b>	<b>602</b>	<b>665</b>	<b>1,162</b>	<b>746</b>	<b>1,214</b>	<b>766</b>	<b>1,856</b>	<b>2,936</b>	<b>4,582</b>	<b>1,182</b>	
<b>Adj PAT</b>	<b>508</b>	<b>602</b>	<b>665</b>	<b>1,162</b>	<b>746</b>	<b>1,214</b>	<b>785</b>	<b>1,856</b>	<b>2,936</b>	<b>4,601</b>	<b>1,182</b>	<b>-34%</b>
YoY Change (%)	106.0	86.4	47.1	43.0	46.9	101.7	18.2	59.7	60.1	56.7	77.8	
Margins (%)	10.1	10.5	10.1	11.8	11.1	13.4	9.8	11.6	10.8	11.5	12.8	

# IIFL Finance

BSE SENSEX 83,580 S&P CNX 25,694

CMP: INR516

TP: INR720 (+40%)

Buy



Bloomberg	IIFL IN
Equity Shares (m)	425
M.Cap.(INRb)/(USDb)	219.4 / 2.4
52-Week Range (INR)	675 / 280
1, 6, 12 Rel. Per (%)	-21/10/35
12M Avg Val (INR M)	1014

## Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	58.7	77.0	93.4
Total Income	76.9	94.5	113.1
PPoP	41.3	50.5	61.2
PAT (pre-NCI)	17.6	23.7	30.2
PAT (post-NCI)	16.1	21.9	28.2
EPS (INR)	37.9	51.7	66.4
EPS Gr. (%)	324	37	28
BV (INR)	326	373	433

## Ratios (%)

NIM	6.3	6.5	6.6
C/I ratio	46.3	46.5	45.9
Credit cost	2.7	2.3	2.2
RoA	2.2	2.4	2.6
RoE	12.2	14.8	16.5

## Valuations

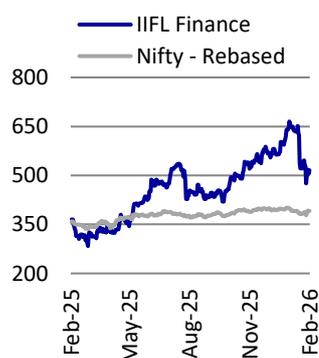
P/E (x)	13.6	10.0	7.8
P/BV (x)	1.6	1.4	1.2

## Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	24.9	24.9	24.9
DII	9.2	9.1	4.5
FII	27.8	26.8	27.8
Others	38.2	39.2	42.8

FII Includes depository receipts

## Stock's performance (one-year)



## Re-architecting for stability and scalable retail growth

### Gold loans and affordable housing to emerge as core growth engines

We hosted the IIFL Finance (IIFL) Investor Day, during which the management articulated its long-term strategy and purpose across its three core businesses —gold loans, mortgages, and microfinance—with governance and compliance positioned firmly at the center of the operating model.

- IIFL has undertaken a fundamental repositioning of its business, consciously moving away from a high-beta, unsecured, and fintech-led lending franchise toward a secured retail platform complemented with co-lending partnerships. The balance sheet is now anchored around three scalable engines: gold loans, affordable housing finance, and a largely stabilized microfinance business, while unsecured MSME, digital personal loans, micro-LAP, and fintech partnership-led portfolios have largely been exited.
- Management will prioritize balance sheet resilience, predictability of earnings, and capital efficiency over short-term growth. The company aims to build a steady, capital-efficient retail lending platform focused on secured, cash-flow-based products, scaling through co-lending partnerships by leveraging technology to drive efficiency and credit discipline, while utilizing its branch network and field force to deepen customer engagement and strengthen collections.
- The company shared that the special income tax audit (which could span 60 days from the time of commencement) involves the appointment of an independent auditor to assist with data verification, and the report will serve only as an input to the assessment process.
- Management reiterated that there has been no tax evasion and no risk to the company's business operations, growth, or financial position. Revised returns have already been filed and are currently under verification by the tax authorities. For large businesses, such audits are considered normal procedure, and any final tax demand, if issued, may also be contested by the company.
- CRAR for IIFL (standalone) stood at ~19% as of Dec'25. Given the strong growth in gold loans, the listed entity might need fresh equity capital in FY27. However, management shared that it will raise equity at an appropriate time and, until then, will manage capital adequacy through a higher share of direct assignments and co-lending.
- Risk management, collections, and compliance are now tightly integrated through technology-led, verticalized control systems, replacing the company's earlier branch-driven discretion. IIFL trades at 1.4x FY27E P/BV and ~10x P/E. We model a consolidated AUM/PAT CAGR of ~20%/~32% over FY26-FY28, implying an RoA/RoE of ~2.6%/~16.5% by FY28. **Reiterate our BUY rating with an unchanged TP of INR720, based on SoTP valuation.**

### Gold loans to anchor profitability, capital efficiency, and growth

- Gold loans have emerged as the fulcrum of IIFL's strategic reset, reflecting a conscious pivot away from unsecured and fintech-led credit toward short-tenor, fully collateralized retail lending. The segment now anchors both earnings and risk, delivering high and stable returns while generating strong cash flows that will support growth in housing and MSME without compromising balance sheet strength.
- Following the lifting of the regulatory embargo, gold loan AUM has grown threefold over the past year to INR430b, aided by higher gold prices and a sharp rebound in branch productivity. Operating leverage has started to kick in, as the company had retained its entire branch and manpower base during the embargo period.
- The portfolio continues to exhibit best-in-class asset quality and profitability, with yields of 18–19%, GNPA of ~0.4–0.5%, and portfolio LTV of ~61%, offering significant protection against gold price volatility. Small ticket size ensures high granularity, while the sharp rise in gold prices has further strengthened collateral coverage. With branch and employee costs largely fixed, incremental AUM growth is translating into strong operating leverage, making gold loans the single largest contributor to consolidated profits and positioning the segment for further ROA expansion through FY27.
- Gold loans also form the backbone of IIFL's capital-light growth architecture. Given their low risk, high liquidity, and strong collateral cover, banks are increasingly willing to acquire or co-lend gold loan pools under the RBI's co-lending framework.
- Backed by a network of over 2,800 branches and 15,000+ employees, IIFL has built meaningful execution and cost advantages. This distribution network is also being leveraged to cross-sell MSME, LAP, and housing loans. Gold loans now function as the group's cash-flow and risk stabilizer, supporting growth across businesses and helping improve the overall funding profile.

### Affordable and emerging segments to power the mortgage engine

- IIFL's housing business is deliberately positioned in the middle of India's increasingly polarized mortgage market. While prime housing is dominated by banks and structurally low-margin, and affordable housing entails higher execution and credit complexity, IIFL has built a diversified portfolio spanning affordable, emerging, prime, and selective construction finance.
- Growth will be led by affordable and emerging housing, with a calibrated presence in prime housing and construction finance retained to support developer relationships, sourcing continuity, and overall portfolio stability. With Housing and Mortgage AUM nearing ~INR400b across 315 branches, IIFL Home Finance has built a retail housing platform in T2, T3, and smaller towns, catering to formal and informal income households that remain underserved by banks.
- The current portfolio is skewed toward higher-yielding retail housing, with affordable and emerging segments forming the core of the book, while prime housing remains complementary. Over the medium term, management intends to further increase exposure to the affordable segment, driven by deeper penetration, higher pricing power, and superior long-term growth potential. This

mix shift will support margin expansion through sharper borrower profiling, a greater focus on self-employed and informal income customers, and increased reliance on branch-led and digitally enabled sourcing.

- Management guided for ~20% CAGR in home loan AUM over FY26–FY29, with blended portfolio yields expected to improve from 11.7% to 12.4%. Affordable housing is targeted to expand at ~25% CAGR, followed by emerging housing at ~15%, while prime housing is expected to grow at a modest ~6%, reflecting a deliberate pivot toward higher-yielding retail segments.
- Management shared that it may consider a demerger of IIFL Home Finance and will present the proposal to the Boards of both the parent and the subsidiary.

### **IIFL Samasta: Stabilization phase sets the stage for re-growth**

- IIFL Samasta plays a strategically important but tightly controlled role within the company, enabling early access to underbanked borrowers and the creation of a graduation pipeline into MSME, LAP, and housing loans. Management has reset the business away from high-growth, high-leverage expansion toward a disciplined, cash-generative, and risk-controlled franchise focused on borrower quality, underwriting, and collections.
- Management shared that the portfolio has now entered a visible stabilization phase, with ~65% of the MFI book covered by CGFMU guarantees, significantly lower exposure to weaker states, and collection efficiency in several regions now approaching 99.8%. The company expects collections to normalize fully by end-FY26, paving the way for a return to growth with lower credit costs.
- A rebuilt, technology-led collections and risk framework underpins this recovery. Samasta now operates a bucket-wise recovery model with dedicated teams for early delinquency, SMA, and NPA pools, supported by analytics-driven early-warning systems. New disbursements are tightly controlled through bureau-based screening and geographic rebalancing, while high-quality MFI customers are being graduated into higher-ticket MSME, LAP, and housing products.
- Samasta is increasingly becoming a controlled yield enhancer and feeder platform for secured lending rather than contributing to balance-sheet volatility, with management guiding a return to FY24 scale by FY27 through better productivity and credit quality.

### **Regulatory engagement and governance strengthening**

- Governance has been significantly strengthened with a 20-member compliance team, a head of internal audit with prior RBI and PSU bank experience, automated rule-based compliance across all 4,800 branches, and independent board committees for audit, risk, nominations, and CSR.
- Following the IT department tax search last year, the company has conducted special audits and data verification, disclosed the findings, and paid INR14m, which management considers immaterial and **not** indicative of any tax evasion or contingent liability.

### Valuation and view

- IIFL has made meaningful progress in repositioning its business toward a more secured, retail-led, and capital-efficient model, with gold loans and housing now accounting for the bulk of AUM and unsecured/volatile portfolios largely exited. The gold loan franchise is recovering well post the embargo, housing will now start scaling up in affordable and emerging segments, and microfinance risks are being contained through tighter controls and CGFMU guarantee coverage.
- IIFL trades at 1.4x FY27E P/BV and ~10x P/E. We model a consolidated AUM/PAT CAGR of ~20%/~32% over FY26–FY28 for an estimated RoA/RoE of 2.6%/16.5% in FY28. We have a BUY rating on the stock with an unchanged TP of INR720 (based on SoTP valuation; refer to the table below).

#### IIFL Finance: SOTP - Dec 2027

Particulars	Stake	Value (INR B)	Value (USD B)	INR per share	% To Total	Target Multiple(x)	Basis
IIFL Finance (Standalone)	100	187	2.2	441	61	2.0	PBV
IIFL Home Finance (HFC)	80	102	1.2	241	33	1.5	PBV
IIFL Samasta Finance (MFI)	100	16	0.2	38	5	0.8	PBV
<b>Target Value</b>		<b>305</b>	<b>3.6</b>	<b>720</b>	<b>100</b>		

# Sun TV Network

Estimate change	↔
TP change	↓
Rating change	↔

**CMP: INR537**      **TP: INR580 (+8%)**      **Neutral**

## Steady 3Q; ad revenue continues to decline

Bloomberg	SUNTV IN
Equity Shares (m)	394
M.Cap.(INRb)/(USD\$)	211.5 / 2.3
52-Week Range (INR)	691 / 480
1, 6, 12 Rel. Per (%)	-5/-8/-25
12M Avg Val (INR M)	215

### Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	41.9	43.6	45.3
EBITDA	22.0	22.7	23.2
Adj. PAT	15.8	16.6	17.4
EBITDA Margin (%)	52.5	52.0	51.2
Adj. EPS (INR)	40.2	42.2	44.2
EPS Gr. (%)	-7.4	4.9	4.7
BV/Sh. (INR)	315.5	343.2	372.4

### Ratios

Net D:E	-0.8	-0.8	-0.9
RoE (%)	12.7	12.3	11.9
RoCE (%)	13.3	12.9	12.4
Payout (%)	34.7	34.4	34.0

### Valuations

P/E (x)	13.4	12.7	12.2
P/B (x)	1.7	1.6	1.4
EV/EBITDA (x)	6.0	8.5	7.7
Div. Yield (%)	2.6	2.7	2.8
FCF Yield (%)	4.7	5.3	5.5

### Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	75.0	75.0	75.0
DII	10.6	10.2	10.2
FII	6.5	6.7	7.1
Others	7.9	8.1	7.7

FII includes depository receipts

- SUNTV reported yet another weak quarter, with ad revenue declining 12% YoY (vs. -10% for Zee) amid weak consumer sentiment and cutbacks in ad spends on linear TV from the FMCG players.
- Reported revenue benefitted from the shift in SA T20 by one week into 3Q. However, profitability remained under pressure as EBITDA/adj. PAT declined 5%/8% YoY due to margin contraction of ~495bp YoY and lower other income.
- The shift in FMCG's ad spends to digital remains a structural headwind for linear TV broadcasters such as SUNTV over the medium term. A sustained recovery in ad revenue remains key to any re-rating.
- A potential transaction at a premium for Royal Challengers Bangalore (RCB) could be a sentimental positive in the near to medium term. However, we believe IPL teams' valuations are due for a correction (vs. our ascribed 9x FY28E EV/sales), with lesser competition for media rights renewal.
- We fine-tune our FY25-28 EBITDA and EPS estimates and expect a CAGR of 5%/3%/1% in SUNTV's revenue/EBITDA/adj. PAT over FY25-28E as weaker ad revenue continues to weigh on core business margins.
- At ~13.3x one-year forward P/E, valuations are ~15% below historical averages, but improvement in ad revenue for core business remains key to re-rating.
- We value SUNTV on an SoTP basis: 9x FY28 EV/sales for cricket franchises (SRH), ~4x EV/EBITDA for the core TV business, 0.5x investments for Northern Superchargers, and 1x for cash/dividends (~INR81b or INR206/sh) for our revised **TP of INR580** (implies ~13x FY28E P/E). We maintain our **Neutral rating**.

## Continued ad revenue decline offset by higher subscription revenue

- Overall revenue **grew 4% YoY** to INR8.2b (~5% ahead of our estimates).
  - Domestic advertising revenue at INR2.9b (5% miss) **declined 12% YoY** (vs. **-10% YoY** for Zee).
  - Domestic subscription revenue at INR4.7b (5% beat) **grew 9% YoY** (vs. **+7% YoY** for Zee).
  - Other revenue came in at INR367m vs. est of INR98m, largely due to preponement of SA T20 tournament (1 week of tournament in 3QFY26).
- Operating expenses grew 16% YoY to INR4.2b, led by 9% YoY growth in programming costs and a 54% surge in other expenses.
- EBITDA at INR4.1b (4% ahead) declined 5% YoY, as margins contracted to 49.5% (vs. 54.5% in 3QFY25).
- Depreciation & amortization was flat YoY at IN1.1b (10% below est).
- As a result, EBIT **declined ~7% YoY** to INR3b (**10% beat** on our estimates).
- However, adjusted net profit **declined 8% YoY** to INR3.2b (in line) due to weaker core profitability and lower other income (-3% YoY, 14% below).

- Sun TV declared an interim dividend of INR2.5/share (9MFY26 dividend at INR11.25/share vs. INR12.5/share YoY).
- For 9MFY26, Sun TV's revenue grew 10% YoY, driven by Coolie, while EBIT/PAT declined by ~7% YoY due to weaker ad revenue and operating leverage.

### Valuation and view

- The shift in FMCG's ad spends to digital remains a structural headwind for linear TV broadcasters such as SUNTV over the medium term. A sustained recovery in ad revenue remains key to any re-rating.
- Further, we continue to believe that the Star-Viacom merger is a double whammy for SUNTV due to: 1) higher competition from deep-pocketed players for ad revenue in the core business amid a structural shift from linear to digital, and 2) a potential downward revision in IPL media rights in the next renewal cycle (from FY29), which would significantly impact the valuation for SUN's IPL franchise (SRH).
- A potential transaction at a premium for Royal Challengers Bangalore (RCB) could be a sentimental positive in the near to medium term. However, we believe IPL teams' valuations are due for a correction (vs. our ascribed 9x FY28E EV/sales) with lesser competition for media rights renewal.
- We fine-tune our FY25-28 EBITDA and EPS estimates and expect a CAGR of 5%/3%/1% in SUNTV's revenue/EBITDA/adj. PAT over FY25-28E as weaker ad revenue continues to weigh on core business margins.
- At ~13.3x one-year forward P/E, valuations are ~15% below historical averages, but improvement in ad revenue for core business remains key to re-rating.
- We value SUNTV on an SoTP basis: 9x FY28 EV/sales for cricket franchises (SRH), ~4x EV/EBITDA for the core TV business, 0.5x investments for Northern Superchargers, and 1x for cash/dividends (~INR 81b or INR206/sh), for our revised **TP of INR580** (implies ~13x FY28E P/E). We maintain our **Neutral rating**.

### Qtrly performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E 3QE	Est Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Revenue</b>	<b>12,761</b>	<b>9,002</b>	<b>7,936</b>	<b>9,090</b>	<b>12,568</b>	<b>11,690</b>	<b>8,279</b>	<b>9,318</b>	<b>38,789</b>	<b>41,855</b>	<b>7,914</b>	<b>5</b>
YoY Change (%)	-3.2	-11.6	-10.4	-2.0	-1.5	29.9	4.3	2.5	-6.5	7.9		
Total Expenditure	5,697	3,712	3,615	4,822	6,396	4,191	4,181	5,127	17,845	19,894	3,977	<b>5</b>
<b>EBITDA</b>	<b>7,064</b>	<b>5,290</b>	<b>4,321</b>	<b>4,269</b>	<b>6,172</b>	<b>7,499</b>	<b>4,098</b>	<b>4,191</b>	<b>20,944</b>	<b>21,961</b>	<b>3,937</b>	<b>4</b>
YoY Change (%)	-10.2	-26.1	-24.7	-16.1	-12.6	41.8	-5.2	-1.8	-19.0	4.9		
Depreciation	1,089	1,914	1,089	1,125	1,029	3,992	1,083	1,145	5,217	7,250	1,198	-10
Interest	14	32	27	26	25	24	23	27	98	99	27	-15
Other Income	1,402	1,640	1,341	2,269	1,805	1,314	1,305	2,127	6,651	6,551	1,522	-14
<b>PBT Before EO expense</b>	<b>7,363</b>	<b>4,984</b>	<b>4,546</b>	<b>5,386</b>	<b>6,923</b>	<b>4,797</b>	<b>4,297</b>	<b>5,147</b>	<b>22,280</b>	<b>21,163</b>	<b>4,234</b>	<b>1</b>
Extra-Ord expense		0	0	-735		-274	-42		-735	-317		
<b>PBT</b>	<b>7,363</b>	<b>4,984</b>	<b>4,546</b>	<b>4,651</b>	<b>6,923</b>	<b>4,522</b>	<b>4,254</b>	<b>5,147</b>	<b>21,545</b>	<b>20,846</b>	<b>4,234</b>	<b>0</b>
Tax	1,894	1,002	1,074	1,029	1,636	1,225	1,090	1,296	5,000	5,247	1,065	
Rate (%)	25.7	20.1	23.6	22.1	23.6	27.1	25.6	25.2	23.2	25.2	25.2	
<b>Reported PAT</b>	<b>5,469</b>	<b>3,982</b>	<b>3,472</b>	<b>4,357</b>	<b>5,287</b>	<b>3,298</b>	<b>3,164</b>	<b>3,850</b>	<b>16,545</b>	<b>15,599</b>	<b>3,169</b>	<b>0</b>
<b>Adj PAT</b>	<b>5,469</b>	<b>3,982</b>	<b>3,472</b>	<b>4,194</b>	<b>5,287</b>	<b>3,503</b>	<b>3,196</b>	<b>3,850</b>	<b>17,109</b>	<b>15,836</b>	<b>3,169</b>	<b>1</b>
YoY Change (%)	-6.2	-12.7	-20.6	5.2	-3.3	-12.0	-7.9	-8.2	-8.8	-7.4		

# Crompton Greaves Consumer Electriclas

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR245      TP: INR350 (+43%)      Buy**

## Performance above our estimates; ECD outperforms

### Enters residential wires segment; launch in six weeks in select markets

Bloomberg	CROMPTON IN
Equity Shares (m)	644
M.Cap.(INRb)/(USDb)	157.8 / 1.7
52-Week Range (INR)	369 / 217
1, 6, 12 Rel. Per (%)	-4/-28/-41
12M Avg Val (INR M)	863
Free float (%)	100.0

### Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	80.5	87.0	94.5
EBITDA	8.2	9.0	10.6
Adj. PAT	4.9	5.5	6.8
EBITDA Margin (%)	10.2	10.4	11.2
Cons. Adj. EPS (INR)	7.7	8.5	10.5
EPS Gr. (%)	-11.1	10.8	23.7
BV/Sh. (INR)	64.2	69.4	76.2

### Ratios

Net D:E	-0.1	-0.2	-0.3
RoE (%)	12.0	12.3	13.8
RoCE (%)	13.1	13.1	14.6
Payout (%)	39.1	41.1	38.0

### Valuations

P/E (x)	31.9	28.8	23.3
P/BV (x)	3.8	3.5	3.2
EV/EBITDA (x)	18.8	16.7	13.7
Div Yield (%)	1.2	1.4	1.6
FCF Yield (%)	2.6	4.0	4.7

### Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	0.0	0.0	0.0
DII	65.8	61.3	53.0
FII	20.6	25.6	34.4
Others	13.7	13.2	12.5

FII includes depository receipts

- Crompton Greaves Consumer Electricals (CROMPTON)'s 3QFY26 earnings were above our estimate, driven by better-than-estimated performance in the ECD segment. EBITDA increased ~4% YoY to INR1.9b (~14% beat). OPM contracted 30bp YoY to 10.3% (vs. est. 9.3%). Adj. PAT after MI increased ~3% YoY to INR1.1b (~19% beat).
- Management indicated CROMPTON's disciplined strategy of entering adjacencies where it can build leadership through scale, distribution, and brand strength. The company has a proven track record across fans, pumps, lighting, appliances, kitchens, and solar. It has currently announced the launch of residential wires, a large market with strong adjacency, and is leveraging its pan-India distribution and dealer network. The products would be rolled out in select markets over the next 6-7 weeks. It has also executed a seamless BEE-2 transition in ceiling fans, effective Jan'26. Financial performance has seen a recovery QoQ in 3Q, driven by volume and margin improvement in ECD and sustained strength in lighting.
- We recently initiated coverage on CROMPTON with a **BUY rating (Initiating Coverage)**. We raise our EPS by ~5% for FY26E, while retaining it for FY27E/ FY28E. We value CROMPTON at 33x FY28E EPS to arrive at our TP of INR350. **Reiterate BUY.**

### ECD revenue and margin better than our estimates

- CROMPTON's consol. revenue/EBITDA/ Adj. PAT stood at INR19.5b/INR2.0b/ INR1.1b (+7%/+4%/+3% YoY and +3%/+14%/+19% vs. our estimate). Gross margin dipped 1.1pp YoY to ~32%. OPM declined 35bp YoY to ~10.3%.
- Segmental highlights: **1) ECD:** Revenue surged ~8% YoY to INR13.8b, while EBIT declined ~8% YoY to INR1.8b (~13% beat). EBIT margin declined 2.2pp YoY to ~13% (est. ~12%); **2) Lighting:** revenue grew by ~7% YoY to INR2.8b. EBIT increased ~20% YoY to INR333m. EBIT margin increased 1.3pp YoY to ~12%; and **c) Butterfly:** revenue increased by ~7% YoY to INR2.4b. EBIT increased ~14% YoY to INR140m. EBIT margin expanded 40bp YoY to ~6%.
- In 9MFY26, CROMPTON's revenue/EBITDA/PAT stood at INR58.1b/INR5.5b/ INR3.2b (flat/-12%/-17% YoY). OPM dipped 1.2pp YoY to ~9%. The ECD revenue declined ~1% YoY to INR43.4b, and EBIT declined ~19% to INR5.4b. The ECD margin contracted 2.6pp to ~12%.

### Key highlights from the management commentary

- It continues to gain market share across categories, with particularly strong momentum in BLDC fans. CROMPTON also emerged as the second-largest water heater brand.
- ECD performance was led by strong solar pump execution, volume growth in LDA, and continued improvement in SDA. Lighting growth was supported by ceiling lights and accessories, together with new product launches.
- Commodity cost inflation persisted during the quarter, prompting pricing actions, with further calibrated increases expected to offset cost pressures.

### Valuation and view

- CROMPTON's 3QFY26 performance exceeded our estimates, driven by better-than-expected performance in the ECD segment and sequential margin improvement. It has announced its entry into the C&W segment, with outsourced manufacturing and product rollout expected in the coming weeks. The execution and performance of this segment will remain a key monitorable going forward.
- We expect CROMPTON to report a revenue/EBITDA/PAT CAGR of 8%/14%/17% over FY26-28. We estimate its OPM to expand to ~11% by FY28E from ~10% in FY26. The company's RoIC is expected to improve to ~22% by FY28 from ~16% in FY26. Its RoE is likely to be ~14% in FY28 vs. ~12% in FY26E. CROMPTON trades at 29x/23x FY27E/FY28E EPS. **We reiterate our BUY rating with a TP of INR350, based on 33x FY28E EPS.**

### Quarterly Performance (Consolidated)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
<b>Sales</b>	<b>21,377</b>	<b>18,960</b>	<b>17,692</b>	<b>20,606</b>	<b>19,983</b>	<b>19,156</b>	<b>18,983</b>	<b>22,334</b>	<b>78,636</b>	<b>80,456</b>	<b>18,400</b>	3%
Change (%)	13.9	6.4	4.5	5.1	-6.5	1.0	7.3	8.4	7.5	2.3	4.0	
<b>Adj EBITDA</b>	<b>2,324</b>	<b>2,034</b>	<b>1,880</b>	<b>2,644</b>	<b>1,917</b>	<b>1,649</b>	<b>1,953</b>	<b>2,715</b>	<b>8,882</b>	<b>8,233</b>	<b>1,720</b>	14%
Change (%)	25.1	16.6	25.5	29.9	-17.5	-19.0	3.9	2.7	24.5	-7.3	-8.5	
Adj EBITDA margin (%)	10.9	10.7	10.6	12.8	9.6	8.6	10.3	12.2	11.3	10.2	9.3	94
Depreciation	372	382	379	396	395	440	436	474	1,528	1,745	450	-3%
Interest	155	120	105	100	98	116	84	87	480	385	62	36%
Other Income	238	175	116	159	237	134	128	167	688	666	114	12%
<b>PBT</b>	<b>2,035</b>	<b>1,707</b>	<b>1,512</b>	<b>2,308</b>	<b>1,661</b>	<b>1,226</b>	<b>1,561</b>	<b>2,321</b>	<b>7,562</b>	<b>6,769</b>	<b>1,322</b>	18%
Extra-ordinary items	-	-	-	-	-	204	200	-	-	404	-	
Tax	511	427	393	591	422	268	350	562	1,921	1,602	346	
Effective Tax Rate (%)	25.1	25.0	26.0	25.6	25.4	21.8	22.4	24.2	25.4	23.7	26	
<b>Reported PAT</b>	<b>1,524</b>	<b>1,281</b>	<b>1,119</b>	<b>1,717</b>	<b>1,239</b>	<b>754</b>	<b>1,010</b>	<b>1,759</b>	<b>5,641</b>	<b>4,763</b>	<b>976</b>	4%
Change (%)	24.8	27.0	31.0	28.7	(18.7)	(41.1)	(9.8)	2.4	27.7	(15.6)	-13	
Minority Interest	6.3	31.7	20.8	22.6	16.1	42.5	26.9	33.3	81.4	118.8	25	
<b>Adj PAT</b>	<b>1,517</b>	<b>1,249</b>	<b>1,098</b>	<b>1,695</b>	<b>1,223</b>	<b>863</b>	<b>1,132</b>	<b>1,726</b>	<b>5,559</b>	<b>4,944</b>	<b>951</b>	19%
Change (%)	28.2	28.5	27.7	22.5	(19.4)	(30.9)	3.1	1.8	26.4	(11.1)	-13	

### Segmental Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
<b>Sales</b>												
ECD	17,266	13,927	12,878	16,029	15,863	13,712	13,850	17,429	60,100	60,854	13,264	4%
Lighting Products	2,333	2,531	2,577	2,761	2,330	2,611	2,750	2,921	10,203	10,611	2,675	3%
Butterfly	1,777	2,502	2,237	1,817	1,791	2,834	2,383	1,983	8,333	8,991	2,461	-3%
<b>EBIT</b>												
ECD	2,587	2,064	1,957	2,675	2,116	1,450	1,800	2,667	9,283	8,033	1,592	13%
Lighting Products	209	271	278	440	296	405	333	454	1,196	1,489	361	-8%
Butterfly	41	177	123	123	76	221	140	158	464	594	197	-29%
<b>EBIT Margin (%)</b>												
ECD	15.0	14.8	15.2	16.7	13.3	10.6	13.0	15.3	15.4	13.2	12	100
Lighting Products	8.9	10.7	10.8	15.9	12.7	15.5	12.1	15.6	11.7	14.0	13.5	-139
Butterfly	2.3	7.1	5.5	6.7	4.2	7.8	5.9	7.9	5.6	6.6	8.0	-212

# Data Patterns (India)

Estimate change	
TP change	
Rating change	

**CMP: INR2,724      TP: INR3,000 (+10%)      Neutral**

**Strong 3Q performance; FY26 marching toward a record year**

## Operating performance beats estimates

Bloomberg	DATAPATT IN
Equity Shares (m)	56
M.Cap.(INRb)/(USDb)	152.5 / 1.7
52-Week Range (INR)	3269 / 1351
1, 6, 12 Rel. Per (%)	4/0/30
12M Avg Val (INR M)	2201

- Data Patterns (DATAPATT) reported a strong quarter, with revenue surging 48% YoY. This growth was fueled by a high contribution from the Production segment (up 2.3x YoY) due to higher execution in 3Q. EBITDA margin expanded 40bp YoY to 46.5% due to a favorable execution mix. Further, the Service segment grew 2.2x, while the Development segment declined 84% YoY.
- The closing order book as of Dec'25 dipped 32% YoY to INR7.4b. However, management highlighted higher negotiated orders (~INR1.1b) and additional near-term conversion potential of ~INR0.5-0.6b. Based on this, the company maintains growth guidance of 20-25% over the medium term.
- Factoring in the strong beat in 3Q performance, we raise our FY26/FY27 earnings estimates by 8%/5%, while largely maintaining FY28 estimates. **We reiterate our Neutral rating with a TP of INR3,000 (premised on 35x FY28E EPS).**

## Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	10.0	12.2	15.1
EBITDA	3.7	4.7	5.9
Adj. PAT	2.8	3.8	4.8
EBITDA Margin (%)	37.1	38.5	39.1
Cons. Adj. EPS (INR)	49.8	67.6	85.4
EPS Gr. (%)	25.6	35.8	26.4
BV/Sh. (INR)	318.6	385.2	469.6

## Ratios

Net D:E	-0.3	-0.3	-0.3
RoE (%)	16.9	19.2	20.0
RoCE (%)	17.7	19.6	20.3

## Valuations

P/E (x)	55	40	32
EV/EBITDA (x)	40	31	24

## Shareholding Pattern (%)

As on	Dec-25	Sep-25	Dec-24
Promoter	42.4	42.4	42.4
DII	10.3	9.8	8.8
FII	11.6	11.4	14.1
Others	35.8	36.4	34.7

Note: FII includes depository receipts

## Sharp revenue acceleration led by accumulated execution in 3Q

- DATAPATT's consolidated revenue jumped 48% YoY to INR1.7b (est. of INR1.2b) in 3QFY26. Revenue from Development declined 84% to INR69m, while Service/Production grew 2.2x/2.3x YoY to INR104m/INR1.5b.
- In terms of products, Radar/Avionics accounted for the largest revenue mix at ~31.1%/28.8%. In terms of customers, BEL played a significant role this quarter, accounting for ~31.2% of the mix.
- DATAPATT's gross margin contracted 290bp YoY to 77.4%. Employee/other expenses contracted 220bp/100bp YoY to 22.7%/8.2% in 3QFY26.
- Accordingly, EBITDA margin expanded 40bp YoY to 46.5% (est. ~39.1%). EBITDA surged 49% YoY to INR806m (est. INR480m). Adj. PAT increased 36% YoY to INR606m (est. of INR415m) after adjusting INR30m of one-time labor code adjustment.
- The order book stood at ~INR7.4b as of Dec'25 vs. INR6.7b/INR10.9b in Sep'25/Dec'24. Development/Production/Service accounted for 31%/36%/33% of the total order book.
- In 9MFY26, the company's revenue/EBITDA/Adj. PAT jumped 86%/44%/26% to INR5.8b/INR1.8b/INR1.4b. For 4QFY26, implied revenue/EBITDA/PAT growth translated into 5%/26%/30%.
- The company's WC days decreased by 5 days to 340 vs 345 days as of Sep'25. The company remains net debt-free as of Dec'25.

### Key highlights from the management commentary

- **Outlook:** FY26 is on track to be the largest year ever. Over the medium term, management reiterated guidance of ~20-25% revenue growth, 35-40% EBITDA margins, and a net debt-free balance sheet, alongside a roadmap to normalize working capital to ~270-300 days over the next 3-5 years from the current 340 days.
- **Execution:** The company continues to execute large EW production and development orders from ECIL and MoD, while progressing its strategic shift from a sub-system supplier to a platform-agnostic full systems and solutions provider.
- **Exports:** The export order book remains healthy at around INR630m, with exports as a key long-term growth pillar amid rising opportunities in Europe and the US. These opportunities are driven by geopolitics and easing trade structures, underpinned by lower development costs vs Europe, higher in-house content, faster delivery timelines, and the ability to co-invest using internal cash flows. Management expects exports to scale meaningfully over the next ~3 years.

### Valuation and view

- DATAPATT reported a strong quarter, driven by improved execution, higher production deliveries from earlier programs, and a favorable high-IP execution mix supporting both growth and margins.
- Further, long-term tailwinds, such as: 1) strong order book visibility, 2) differentiated product building competencies, 3) long-term relationships with clients, and 4) a strong pipeline of products, will drive sustainable growth. We remain confident of a ~25% revenue growth over the next 2-3 years.
- We estimate a revenue/EBITDA/adj. PAT CAGR of 29%/29%/29% over FY25-28. **We reiterate our Neutral rating with a TP of INR3,000 (premised on 35x FY28E EPS).**

### Consolidated - Quarterly Earnings Model

(INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26E 3QE	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Gross Sales</b>	<b>1,041</b>	<b>910</b>	<b>1,170</b>	<b>3,962</b>	<b>993</b>	<b>3,075</b>	<b>1,731</b>	<b>4,160</b>	<b>7,084</b>	<b>9,959</b>	<b>1,229</b>	<b>41</b>
YoY Change (%)	16.0	-16.0	-16.1	117.4	-4.6	237.8	47.9	5.0	36.3	40.6	5.0	
Total Expenditure	669	567	630	2,467	673	2,390	925	2,355	4,334	6,343	749	
<b>EBITDA</b>	<b>372</b>	<b>343</b>	<b>540</b>	<b>1,495</b>	<b>321</b>	<b>685</b>	<b>806</b>	<b>1,805</b>	<b>2,750</b>	<b>3,616</b>	<b>480</b>	<b>68</b>
Margins (%)	35.7	37.7	46.2	37.7	32.3	22.3	46.5	43.4	38.8	36.3	39.1	
Depreciation	31	35	35	39	55	57	59	60	139	231	58	
Interest	30	28	32	31	32	24	22	18	121	96	20	
Other Income	123	120	114	106	106	59	58	170	463	393	150	
<b>PBT before EO expense</b>	<b>435</b>	<b>400</b>	<b>588</b>	<b>1,531</b>	<b>340</b>	<b>664</b>	<b>783</b>	<b>1,897</b>	<b>2,953</b>	<b>3,683</b>	<b>552</b>	
Extra-Ord expense	0	0	0	0	0	0	30	0	0	30	0	
<b>PBT</b>									<b>2,953</b>			
Tax	<b>435</b>	<b>400</b>	<b>588</b>	<b>1,531</b>	<b>340</b>	<b>664</b>	<b>753</b>	<b>1,897</b>	735	<b>3,653</b>	<b>552</b>	
Rate (%)	107	98	141	390	85	172	170	472	24.9	898	137	
<b>Reported PAT</b>	<b>328</b>	<b>303</b>	<b>447</b>	<b>1,141</b>	<b>255</b>	<b>492</b>	<b>583</b>	<b>1,425</b>	<b>2,218</b>	<b>2,755</b>	<b>415</b>	
<b>Adj PAT</b>	<b>328</b>	<b>303</b>	<b>447</b>	<b>1,141</b>	<b>255</b>	<b>492</b>	<b>606</b>	<b>1,425</b>	<b>2,218</b>	<b>2,777</b>	<b>415</b>	<b>46</b>
YoY Change (%)	26.9	-10.4	-12.4	60.5	-22.2	62.5	35.8	24.9	22.1	25.2	-7.1	
Margins (%)	31.5	33.3	38.2	28.8	25.7	16.0	35.0	34.2	31.3	27.9	33.7	

# Aditya Birla Fashion and Retail

Estimate changes



TP change



Rating change



Bloomberg	ABFRL IN
Equity Shares (m)	1220
M.Cap.(INRb)/(USDb)	84.7 / 0.9
52-Week Range (INR)	108 / 60
1, 6, 12 Rel. Per (%)	-9/-15/-41
12M Avg Val (INR M)	828

## Financials & Valuations (INR b)

INRb	FY26E	FY27E	FY28E
Sales	80.7	94.0	105.5
EBITDA	6.6	8.5	11.2
Adj. PAT	(8.5)	(8.0)	(7.5)
EBITDA Margin (%)	8.2	9.0	10.6
Adj. EPS (INR)	(6.9)	(6.5)	(6.1)
BV/Sh. (INR)	58.6	50.7	43.4

## Ratios

Net D:E	0.3	0.3	0.3
RoE (%)	(13.3)	(14.3)	(15.6)
RoCE (%)	(3.5)	(3.8)	(3.3)

## Valuations

P/E (x)	(9.9)	(10.6)	(11.3)
EV/EBITDA (x)	16.5	13.3	10.0
EV/Sales (x)	1.4	1.2	1.1

## Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	52.0	51.9	55.5
DII	14.5	14.8	16.9
FII	20.4	20.0	14.7
Others	13.1	13.4	13.0

FII includes depository receipts

**CMP: INR69**

**TP: INR75 (+9%)**

**Neutral**

## Strong performance of Ethnics offset by weak Pantaloons

- **Aditya Birla Fashion and Retail (ABFRL)'s 3QFY26 performance was a mixed bag.** Ethnic & luxury retail delivered strong results, which were offset by the adverse impact of festive calendar shifts in Pantaloons.
- **Pantaloons'** revenue dipped ~2% YoY, and margin contracted ~105bp YoY to 18.3% due to operating deleverage from the festive shift and OWND losses.
- **Ethnic portfolio revenue** grew 20% YoY, despite a muted category environment, with margins expanding ~355bp YoY. This was led by a strong showing from designer brands and a sharp reduction in TCNS losses (profitability up ~500bp YoY, breakeven targeted in FY27).
- TMRW revenue grew 27% YoY, with losses peaking at ~INR570m. Ex-TMRW, ABFRL achieved EBITDA breakeven on a pre-Ind AS basis.
- Luxury Retail revenue grew 27% YoY, driven by the strong performance of The Collective & Mono Brands. ABFRL opened its first flagship store for Galeries Lafayette in Mumbai.
- Revenue growth recovery and steady margin expansion in Pantaloons with the refreshed brand identity, along with loss reduction in TCNS and scale-up of TASVA/OWND, remain key long-term triggers for ABFRL. However, higher investments in scaling up TASVA/OWND/TMRW could drag the near-term profitability.
- We raise our FY26-27E EBITDA by 5-7%, driven by higher margins in Ethnics (strong designer brand profitability and TCNS nearing breakeven) and peaking losses in TMRW.
- We build in a CAGR of 13%/18% in revenue/EBITDA over FY25-28E; however, we expect ABFRL to remain in losses over FY25-28E.
- We value ABFRL on an SOTP basis. We assign an EV/EBITDA multiple of 8x to Pantaloons (inc. OWND!) and 13x to the designer-led ethnic portfolio. We ascribe EV/sales multiples of 1x/0.9x/1.5x to ABFRL's attributable stake in the premium ethnic/TMRW/Luxury Retail portfolio to arrive at our **revised TP of INR75. Reiterate Neutral.**

## 3QFY26 – a mixed bag

- Revenue **grew 8% YoY** to INR23.8b (**in line**), driven by strong growth in Ethnic (up 11% YoY), Luxury retail (+13% YoY), and TMRW (up 27% YoY).
  - Pantaloons' revenue declined 2% YoY, owing to a shift in festive and EoSS, while OWND revenue rose 54% YoY (43% in 2Q).
  - Ethnic revenue grew 20% YoY with strong performance across brands; TMRW grew 29%, and Luxury/others grew 27% YoY.
- Gross profit grew 12% YoY to INR14b (4% ahead) as **gross margin expanded ~200bp YoY** to 58.8% (~180bp beat) on account of a voluntary shift in EOSS to 4Q and higher contribution from Ethnics and Luxury Retail.

- Rentals (up 15% YoY) and other expenses (up 19% YoY) continue to grow ahead of revenues (up 8% YoY).
- EBITDA at ~INR3.1b (**22% ahead**) **inched up 2% YoY**. EBITDA margin contracted ~70bp YoY to 13% (though better than our est. of 10.7%).
- Pantaloon's EBITDA margin declined ~105bp YoY to ~18.3%, due to operating deleverage from the festive shift and OWND losses.
- Ethnics' profitability improved ~355bp YoY to 22.8%, driven by improvement in TCNS profitability and strong performance from the designer-led brands.
- TMRW's operating losses declined 8% YoY to INR570m with ~960bp improvement in margins. Management indicated that TMRW losses have now peaked.
- Other segments (including Luxury retail) saw a sharp improvement in profitability, despite the launch of the Galeries Lafayette store.
- Adjusted losses after tax rose ~14% YoY to ~INR1.16b (vs. our est. INR1.06b) as higher EBITDA and other income (+95% YoY) were offset by an increase in depreciation (up 18% YoY).

### Key highlights from the earnings call

- **Pantaloon's** delivered ~3% LFL growth after adjusting for a festive shift and deferral of EOSS to 4Q. Sell-through rates improved materially following merchandising resets, with women's western wear and non-apparel outperforming. Management believes the store rationalization is now complete and plans to add larger-sized ~20 stores annually and is targeting mid-to-high single-digit LTL with double-digit revenue growth.
- **Profitability:** Ex TMRW, the core business is EBITDA breakeven to marginally positive for 9M on a pre-Ind AS basis. TCNS losses have reduced sharply and were close to break-even in 3Q. With TCNS likely breaking even in FY27 and newer businesses maturing, profitability is expected to inflect, with pre-Ind AS profits targeted from FY27E.
- **Liquidity:** Standalone gross cash was ~INR16b (vs. ~INR21b in FY25), with most of the cash burn occurring in 1H and no cash burn in 3Q. Standalone long-term debt is ~INR8b, largely via debentures. After adjusting for subsidiary-level cash and borrowings, net cash is ~INR6b, providing adequate liquidity and balance-sheet flexibility.

### Valuation and view

- ABFRL (demerged) provides a diversified play across several high-growth segments in apparel retail. However, over the last few years, ABFRL's profitability and valuations have been hurt by investments in several new businesses, which are currently in the build-out phase and are loss-making.
- Revenue growth recovery and steady margin expansion in Pantaloon's with the refreshed brand identity, along with loss reduction in TCNS and scale-up of TASVA/OWND, remain key long-term triggers for ABFRL. However, higher investments in scaling up TASVA/OWND/TMRW could drag the near-term profitability.
- We raise our FY26-27E EBITDA by 5-7%, driven by higher margins in Ethnics (strong designer brand profitability and TCNS nearing break-even) and peaking losses in TMRW.
- We build in a CAGR of 13%/18% in revenue/EBITDA over FY25-28E; however, we expect ABFRL to remain in losses over FY25-28E.

■ We value ABFRL on an SOTP basis. We assign an EV/EBITDA multiple of 8x to Pantaloons (inc. OWND!) and 13x to the designer-led ethnic portfolio. We ascribe EV/sales multiples of 1x/0.9x/1.5x to ABFRL's attributable stake in the premium ethnic/TMRW/Luxury Retail portfolio to arrive at our **revised TP of INR75 (earlier INR80). Reiterate Neutral.**

### Consolidated - Quarterly Earnings Summary

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
<b>Revenue</b>	<b>16,742</b>	<b>17,605</b>	<b>22,005</b>	<b>17,195</b>	<b>18,315</b>	<b>19,817</b>	<b>23,737</b>	<b>18,828</b>	<b>73,547</b>	<b>80,696</b>	<b>23,486</b>	<b>1.1</b>
YoY Change (%)				9.2	9.4	12.6	7.9	9.5	14.2	9.7		
Total Expenditure	15,847	16,802	18,989	15,146	17,198	19,129	20,649	17,099	66,783	74,074	20,964	-1.5
<b>EBITDA</b>	<b>896</b>	<b>803</b>	<b>3,017</b>	<b>2,049</b>	<b>1,117</b>	<b>688</b>	<b>3,087</b>	<b>1,730</b>	<b>6,764</b>	<b>6,622</b>	<b>2,522</b>	<b>22.4</b>
Change, YoY (%)				486.6	24.7	-14.3	2.3	-15.6	82.8	-2.1		
Depreciation	2,736	2,862	2,964	3,016	3,156	3,252	3,495	3,661	11,664	13,564	3,284	
Interest	1,321	1,412	1,507	1,434	1,134	1,242	1,325	1,215	5,674	4,915	1,235	
Other Income	337	312	349	959	635	545	680	507	1,957	2,367	657	
<b>PBT before EO expense</b>	<b>-2,824</b>	<b>-3,159</b>	<b>-1,105</b>	<b>-1,442</b>	<b>-2,538</b>	<b>-3,260</b>	<b>-1,053</b>	<b>-2,639</b>	<b>-8,616</b>	<b>-9,490</b>	<b>-1,340</b>	<b>21.5</b>
Extra-Ord expense	0	1,612	0	0	0	0	-285	0	1,612	-285	0	
Share in JV	-3	-32	-89	-54	-58	-70	-71	-51	-179	-250	-60	
<b>PBT</b>	<b>-2,827</b>	<b>-1,580</b>	<b>-1,194</b>	<b>-1,496</b>	<b>-2,595</b>	<b>-3,331</b>	<b>-1,409</b>	<b>-2,691</b>	<b>-7,184</b>	<b>-10,025</b>	<b>-1,400</b>	<b>-0.6</b>
Tax	-449	-418	-167	113	-258	-380	-36	-665	-942	-1,338	-338	
Rate (%)	15.9	26.4	14.0	-7.6	9.9	11.4	2.5	24.7	13.1	13.3	24.1	
<b>Reported PAT</b>	<b>-2,379</b>	<b>-1,162</b>	<b>-1,027</b>	<b>-1,609</b>	<b>-2,337</b>	<b>-2,951</b>	<b>-1,373</b>	<b>-2,025</b>	<b>-6,242</b>	<b>-8,687</b>	<b>-1,063</b>	<b>-29.2</b>
<b>Adj PAT</b>	<b>-2,379</b>	<b>-2,774</b>	<b>-1,027</b>	<b>-1,609</b>	<b>-2,337</b>	<b>-2,951</b>	<b>-1,160</b>	<b>-2,025</b>	<b>-7,853</b>	<b>-8,473</b>	<b>-1,063</b>	<b>-9.2</b>
YoY Change (%)					-1.7	6.4	13.0	25.9	-14.6	7.9		

E: MOFSL Estimates

### Valuation – We ascribe a TP of INR75/share to ABFRL

Dec'27	Revenue (INR b)	EBITDA (INR b)	EV/sales (x)	EV/EBITDA (x)	Valuation (INR b)	INR/share
<b>Pantaloons and OWND!</b>		<b>8.2</b>	<b>-</b>	<b>8.0</b>	<b>66</b>	<b>54</b>
<b>Ethnics</b>		<b>5.0</b>	<b>-</b>	<b>8.3</b>	<b>41</b>	<b>34</b>
Designer (attributable)		4.2	-	13.0	28	23
Premium (attributable)	14.7	-	1.0	-	14	11
<b>TMRW (attributable)</b>	<b>16.5</b>	<b>-</b>	<b>0.9</b>	<b>-</b>	<b>14</b>	<b>12</b>
<b>Luxury</b>	<b>9.3</b>	<b>-</b>	<b>1.5</b>	<b>-</b>	<b>14</b>	<b>11</b>
<b>EV (INR b)</b>					<b>135</b>	<b>111</b>
Net debt / (cash)					44	36
<b>Equity Value</b>					<b>91</b>	<b>75</b>
No. of shares (in m)					1,220	
<b>Target Price (INR)</b>					<b>75</b>	

# VA Tech Wabag

Estimate change	
TP change	
Rating change	

**CMP: INR1,215 TP: INR1,900 (+56%) Buy**

## Healthy 3Q; robust outlook and cash flows to drive re-rating

- **Revenue/adj. EBITDA/adj. PAT grow 19%/25%/37% YoY in 3QFY26**
- VA Tech Wabag (VATW) reported a healthy in-line result in 3QFY26 as its revenue/adj. EBITDA/adj. PAT grew 19%/25%/37% YoY.
- Adj. EBITDA margin expanded 67bp YoY to 13.6%, within the guided range of 13-15%. VATW treats forex gains/losses as part of its core operations. Hence, analyzing adjusted margins is more meaningful.
- Net cash stood at INR8.9b (over INR10b excluding HAM projects).
- RoW revenue surged 76% YoY, with EBIT margin of 26.6% (up 47bp YoY).
- India revenue declined 16% YoY, with EBIT margin of 20.2% (up 176bp YoY).
- EPC revenue (83% mix) grew 21% YoY, whereas O&M revenue rose 9% YoY.
- Municipal contributed 84% to revenue while Industrial at 16% of mix.
- In 9M, revenue/adj. EBITDA/adj. PAT grew 18%/17%/26% YoY.

Bloomberg	VATW IN
Equity Shares (m)	62
M.Cap.(INRb)/(USD\$)	75.7 / 0.8
52-Week Range (INR)	1680 / 1033
1, 6, 12 Rel. Per (%)	2/-24/-22
12M Avg Val (INR M)	532

### Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	38.8	45.0	52.4
EBITDA	4.9	6.4	7.6
Adj. PAT	4.0	4.5	5.5
Adj. EPS (INR)	64.3	73.1	88.0
EPS Gr. (%)	35.1	13.6	20.4
BV/Sh. (INR)	404.2	469.3	547.3

### Ratios

RoE (%)	15.9	15.6	16.1
RoCE (%)	22.2	22.4	23.3
Payout (%)	9.2	10.9	11.4

### Valuations

P/E (x)	18.9	16.6	13.8
P/BV (x)	3.0	2.6	2.2
EV/EBITDA (x)	13.7	10.2	8.1
Div. Yield (%)	0.5	0.7	0.8

### Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	19.1	19.1	19.1
DII	4.3	4.5	2.0
FII	19.0	18.4	18.9
Others	57.6	58.0	60.0

### Key highlights from the management commentary

- All major projects are progressing well in line with the execution timeline.
- Focus remains on profitable growth and overseas markets. Middle East remains at the top, followed by CIS and African markets. Indian market is also gaining momentum, with tenders in advanced stages of finalization.
- Middle East and other overseas projects are relatively better in terms of working capital cycle and cash flows compared to Indian projects.
- The company secured fresh orders of INR47b+ during 9MFY26. Moreover, it is a preferred bidder in projects worth over INR30b.
- It secured break-through orders in the future energy solutions sector for CBG plant in Uttar Pradesh and UPW, ETP, and ZLD for Renewsys in Hyderabad.
- The current order book of over INR160b (~5x FY25 revenue) supports 15-20% revenue CAGR guidance for the next 3-4 years.
- While the current order book is more inclined toward EPC projects having high volumes and relatively lower margins, VATW's focus remains on profitable growth by selective bidding in high-margin EPC and O&M jobs.

### Valuation and view: Reiterate BUY

- We broadly maintain our earnings estimates after healthy in-line 3QFY26 results. After delivering a CAGR of 4%/18%/28% in revenue/EBITDA/PAT over FY21-25, we estimate a CAGR of 17%/22%/23% over FY25-28.
- VATW's current order book of over INR160b (~5x FY25 revenue), preferred-bidder status in orders worth INR30b, and a strong bid pipeline of INR150-200b provide strong 15-20% revenue growth visibility for the next 3-4 years.
- A greater focus on executing large-scale projects and high-margin segments such as EP, Industrial, and O&M augurs well for margins.
- The outlook for strong FCF generation, an INR10b+ net cash status, and expansion in return ratios makes VATW's scrip attractive at ~17x FY27E P/E.
- We, thus, reiterate our BUY rating and a TP of INR1,900, based on 26x FY27E P/E. ([our IC note dated Jul'25](#)).

**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>6,265</b>	<b>7,003</b>	<b>8,110</b>	<b>11,562</b>	<b>7,340</b>	<b>8,345</b>	<b>9,613</b>	<b>13,545</b>	<b>32,940</b>	<b>38,843</b>	<b>9,428</b>	<b>2</b>
YoY Change (%)	13.3	5.3	15.1	23.8	17.2	19.2	18.5	17.2	15.3	17.9	16.2	
Total Expenditure	5,452	6,067	7,106	10,154	6,384	7,452	8,398	11,679	28,717	33,913	8,177	
<b>EBITDA - reported</b>	<b>813</b>	<b>936</b>	<b>1,004</b>	<b>1,408</b>	<b>956</b>	<b>893</b>	<b>1,215</b>	<b>1,866</b>	<b>4,223</b>	<b>4,930</b>	<b>1,251</b>	<b>-3</b>
Margins (%)	13.0	13.4	12.4	12.2	13.0	10.7	12.6	13.8	12.8	12.7	13.3	
<b>EBITDA - adjusted to forex gain</b>	<b>759</b>	<b>1,030</b>	<b>1,051</b>	<b>1,400</b>	<b>820</b>	<b>1,205</b>	<b>1,310</b>	<b>1,916</b>	<b>4,240</b>	<b>5,251</b>	<b>1,301</b>	<b>1</b>
Margins (%)	12.1	14.7	13.0	12.1	11.2	14.4	13.6	14.1	12.9	13.5	13.8	
Depreciation	19	13	13	14	14	17	16	15	59	62	15	
Interest	180	190	203	215	188	196	179	174	788	737	201	
Other Income	108	138	148	114	113	416	232	300	446	1,061	150	
<b>PBT before EO expense</b>	<b>722</b>	<b>871</b>	<b>936</b>	<b>1,293</b>	<b>867</b>	<b>1,096</b>	<b>1,252</b>	<b>1,977</b>	<b>3,822</b>	<b>5,192</b>	<b>1,185</b>	
Extra-Ord expense	0	0	0	0	0	0	-47	0	0	-47	0	
<b>PBT</b>	<b>722</b>	<b>871</b>	<b>936</b>	<b>1,293</b>	<b>867</b>	<b>1,096</b>	<b>1,299</b>	<b>1,977</b>	<b>3,822</b>	<b>5,239</b>	<b>1,185</b>	
Tax	152	221	207	316	209	260	300	465	896	1,234	278	
Rate (%)	21.1	25.4	22.1	24.4	24.1	23.7	23.1	23.5	23.4	23.5	23.5	
Minority Interest	-2	-3	0	0	0	0	-4	0	-5	-4	0	
Profit/Loss of Asso. Cos.	-22	53	-27	18	0	12	8	6	22	26	6	
<b>Reported PAT</b>	<b>550</b>	<b>706</b>	<b>702</b>	<b>995</b>	<b>658</b>	<b>848</b>	<b>1,011</b>	<b>1,518</b>	<b>2,953</b>	<b>4,035</b>	<b>912</b>	
<b>Adj PAT</b>	<b>550</b>	<b>706</b>	<b>702</b>	<b>995</b>	<b>658</b>	<b>848</b>	<b>964</b>	<b>1,518</b>	<b>2,953</b>	<b>3,988</b>	<b>912</b>	<b>6</b>
YoY Change (%)	10.0	17.3	11.6	37.4	19.6	20.1	37.3	52.6	20.2	36.7	29.9	
Margins (%)	8.8	10.1	8.7	8.6	9.0	10.2	10.0	11.2	9.0	10.3	9.7	

E: MOFSL Estimates

**Operating Metrics**

Y/E March	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	% YoY	% QoQ
<b>Segment-wise revenue break-up (INR m)</b>							
<b>EPC</b>	<b>6,512</b>	<b>9,612</b>	<b>5,717</b>	<b>6,853</b>	<b>7,855</b>	<b>21</b>	<b>15</b>
Municipal	4,601	8,219	4,182	5,381	6,549	42	22
Industrial	1,911	1,393	1,535	1,472	1,306	(32)	(11)
<b>O&amp;M</b>	<b>1,525</b>	<b>1,895</b>	<b>1,488</b>	<b>1,431</b>	<b>1,665</b>	<b>9</b>	<b>16</b>
Municipal	1,341	1,624	1,235	1,155	1,423	6	23
Industrial	184	271	253	276	242	32	(12)
<b>Total revenue</b>	<b>8,037</b>	<b>11,507</b>	<b>7,205</b>	<b>8,284</b>	<b>9,520</b>	<b>18</b>	<b>15</b>
% YoY	15	24	17	19	19		
O&M mix	19	16	21	17	17		
Industrial mix	26	14	25	21	16		
International mix	40	44	44	52	58		
<b>Geography-wise revenue break-up (INR m)</b>							
India	5,011	6,620	4,185	4,044	4,196	(16)	4
RoW	3,141	5,118	3,155	4,313	5,521	76	28
<b>EBIT margin (%)</b>						<b>YoY (bp)</b>	<b>QoQ (bp)</b>
India	18.4	19.2	25.2	17.3	20.2	176	285
RoW	26.2	14.3	29.3	26.2	26.6	47	40
<b>Order book (INR b)</b>						<b>15</b>	<b>2</b>
Book-to-bill ratio (x, TTM basis)	4.7	4.2	4.7	4.6	4.5		
<b>Order book break-up (INR b)</b>							
<b>EPC</b>	<b>76.3</b>	<b>71.1</b>	<b>92.4</b>	<b>92.1</b>	<b>96.6</b>	<b>27</b>	<b>5</b>
Municipal	65.7	57.9	80.4	80.5	80.1	22	(1)
Industrial	10.6	13.3	11.9	11.6	16.5	56	43
<b>O&amp;M</b>	<b>54.7</b>	<b>53.7</b>	<b>53.1</b>	<b>55.5</b>	<b>54.2</b>	<b>(1)</b>	<b>(2)</b>
Municipal	43.9	42.4	42.0	44.7	43.6	(1)	(3)
Industrial	10.8	11.3	11.1	10.8	10.6	(2)	(2)
<b>Framework</b>	<b>11.6</b>	<b>11.8</b>	<b>12.3</b>	<b>12.6</b>	<b>12.6</b>	<b>9</b>	<b>1</b>

# Sapphire Foods

Estimate changes	↔
TP change	↔
Rating change	↔

**CMP: INR215**

**TP: INR300 (+39%)**

**Buy**

## KFC print improves, all eyes on recovery trend

Bloomberg	SAPPHIRE IN
Equity Shares (m)	321
M.Cap.(INRb)/(USDb)	69.1 / 0.8
52-Week Range (INR)	368 / 179
1, 6, 12 Rel. Per (%)	-4/-34/-41
12M Avg Val (INR M)	230

### Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	31.4	35.4	39.7
Sales Gr. (%)	9.1	12.5	12.4
EBITDA	4.7	5.7	6.5
Margins (%)	14.8	16.1	16.5
Adj. PAT	0.0	0.5	0.9
Adj. EPS (INR)	-0.1	1.6	2.7
EPS Gr. (%)	NA	L/P	67.2
BV/Sh.(INR)	43.5	45.1	47.7

### Ratios

RoE (%)	-0.2	3.6	5.8
RoCE (%)	3.3	5.4	6.6

### Valuations

P/E (x)	NA	132.9	79.5
P/BV (x)	4.9	4.7	4.5
EV/Sales (x)	2.1	1.8	1.6
Pre Ind-AS EV/EBITDA (x)	28.2	20.9	17.2

### Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	26.1	26.1	26.1
DII	37.6	37.3	38.3
FII	29.2	31.3	30.7
Others	7.2	5.4	4.9

FII includes depository receipts

Sapphire Foods India (SAPPHIRE) reported revenue growth of 8% YoY (in line) in 3QFY26, backed by a 7% YoY increase in store count. KFC sales growth was at 11% YoY, with SSSG returning to positive after eight quarters at +1% (est. flat; Devyani at -2.9%). The Pizza Hut (PH) franchise remained weak, with revenue declining 11% YoY as same-store sales declined 12% (est. -10%; Devyani -9.1%). Sri Lanka posted healthy revenue growth of 16% YoY (+15% in LKR), driven by 11% LKR SSSG and 6% store growth.

KFC's ROM saw a sharp recovery, rising 60bp YoY and 500bp QoQ to 18.8% (est. 17.5%), supported by better gross margin (GM) (reduced discounts and rationalized value offer construct). PH's ROM contracted 780bp YoY to -3.1% (est. -1.5%, -1.8% in 2QFY26). Despite healthy growth in Sri Lanka, ROM contracted 110bp YoY to 16.7%, impacted by minimum wage hikes and cyclone-related costs. At the company level, EBITDA (Pre-Ind-AS) declined 5% YoY to INR774m, with a 120bp contraction in margin to 9.5% (in line).

Weak unit economics have been a big concern for QSR players over the last two years, given the fast store expansion. With expectations of an urban demand recovery, we need to monitor whether positive January trends are sustaining. The Devyani-Sapphire merger is expected to unlock scale benefits and strengthen execution across brands and geographies ([refer to our detailed merger note](#)). SAPPHIRE expects the merger to be completed in 12 months, with CCI approvals coming in the next 3-6 months. We reiterate **our BUY rating on the stock with a TP of INR300 (25x Dec'27 pre-IND-AS EV/EBITDA)**.

### In-line performance; beat in KFC SSSG and margin

**KFC shines; PH remains a drag:** Consolidated sales grew 8% YoY to INR8.1b (est: INR8.2b). KFC revenue grew 11% YoY (in line) to INR5.5b, with same-store sales rising 1%, including the Navratri benefit. KFC ADS declined to INR112K, down 3% YoY. PH revenue declined 11% YoY (est. -10%) to INR1.3b, with same-store sales declining 12%. PH ADS decreased 15% YoY to INR41k. PH in Tamil Nadu continued to grow in double digits, backed by mass media advertising. Management alluded that the limited marketing budget has adversely been impacting PH recovery. Sri Lanka sales grew 16% YoY (+15% in LKR terms) to INR1.3b, and SSSG was 11% in LKR terms. ADS grew 11% YoY to INR114k.

**Store additions on expected lines:** Store count grew 7% YoY to 1,028 in 3Q. The company added net 31 stores during the quarter (27 KFC, 1 PH, and 3 in Sri Lanka).

- **KFC improves operating margins:** Consolidated gross profit grew 8% YoY to INR5.6b (in line). GM expanded marginally by 10bp YoY to 68.7%. Reported EBITDA was flat YoY to INR1.3b (in line), while margins contracted 130bp YoY and expanded 270bp QoQ to 16.5% (in line). Consolidated ROM (Pre-Ind-AS) contracted 50bp YoY to 15%. Consolidated EBITDA Pre-Ind AS contracted 120bp YoY, while it increased 340bp QoQ to 9.5% (in line). EBITDA (Pre-Ind-AS) declined 5% YoY to INR774m (in line). Exceptional items include a one-time impact of INR80m on account of labor code changes and INR31m towards merger-related costs. APAT declined ~70% YoY to INR36m (est. INR48m; INR127m in 3QFY25).

#### Highlights from the management commentary

- Similar to other QSR companies, SAPPHIRE also witnessed a demand uptick in January vs 3QFY26. The gap between dine-in and delivery has narrowed for KFC, while delivery continues to lead.
- The decline in dine-in revenue for PH was lower than the decline in delivery. Management alluded that the limited marketing budget for PH is adversely impacting its recovery.
- The merger is expected to take ~12 months; until completion, both entities will operate independently, with strategic planning to commence post-CCI approval (3-6 months).

#### Valuation and view

- We maintain our EBITDA estimates for FY26-FY28.
- Weak unit economics have been a big concern for QSR players over the last two years, given the fast store expansion. With expectations of an urban demand recovery, we need to monitor whether positive January trends are sustaining.
- The Devyani–Sapphire merger is expected to unlock scale benefits and strengthen execution across brands and geographies. SAPPHIRE expects the merger to be completed in 12 months, with CCI approvals coming in the next 3-6 months.
- We reiterate **our BUY rating on the stock with a TP of INR300 (25x Dec'27 pre-IND-AS EV/EBITDA).**

#### Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
KFC - No. of stores	442	461	496	502	510	529	556	572	502	572	553	
PH - No. of stores	320	323	339	334	336	338	339	344	334	344	338	
KFC - SSSG (%)	-6.0	-8.0	-3.0	-1.0	0.0	-3.0	1.0	2.6	-4.0	0.2	0.0	
PH - SSSG (%)	-7.0	-3.0	5.0	1.0	-8.0	-8.0	-12.0	-4.0	-1.0	-8.0	-10.0	
<b>Net Sales</b>	<b>7,183</b>	<b>6,957</b>	<b>7,565</b>	<b>7,113</b>	<b>7,768</b>	<b>7,424</b>	<b>8,138</b>	<b>8,106</b>	<b>28,819</b>	<b>31,437</b>	<b>8,228</b>	-1.1
YoY change (%)	9.8	8.3	13.7	12.6	8.1	6.7	7.6	14.0	11.1	9.1	8.8	
<b>Gross Profit</b>	<b>4,927</b>	<b>4,786</b>	<b>5,189</b>	<b>4,848</b>	<b>5,235</b>	<b>5,031</b>	<b>5,589</b>	<b>5,430</b>	<b>19,750</b>	<b>21,346</b>	<b>5,642</b>	-1.0
Margin (%)	68.6	68.8	68.6	68.2	67.4	67.8	68.7	67.0	68.5	67.9	68.6	
<b>EBITDA</b>	<b>1,242</b>	<b>1,120</b>	<b>1,343</b>	<b>1,062</b>	<b>1,129</b>	<b>1,021</b>	<b>1,342</b>	<b>1,162</b>	<b>4,768</b>	<b>4,653</b>	<b>1,348</b>	-0.4
EBITDA growth %	2.3	-2.7	10.3	3.2	-9.1	-8.9	-0.1	9.4	3.4	-2.4	0.3	
Margin (%)	17.3	16.1	17.8	14.9	14.5	13.8	16.5	14.3	16.5	14.8	16.4	
<b>EBITDA Pre-IND AS</b>	<b>707</b>	<b>590</b>	<b>811</b>	<b>508</b>	<b>548</b>	<b>450</b>	<b>774</b>	<b>611</b>	<b>2,616</b>	<b>2,383</b>	<b>773</b>	0.1
EBITDA growth %	-8.4	-13.0	12.3	-6.6	-22.5	-23.7	-4.6	20.3	-3.7	-8.9	-4.7	
Margin (%)	9.8	8.5	10.7	7.1	7.1	6.1	9.5	7.5	9.1	7.6	9.4	
Depreciation	904	881	1,005	850	920	972	1,020	1,117	3,639	4,029	1,105	
Interest	273	271	275	298	295	307	315	287	1,116	1,204	303	
Other Income	53	85	105	130	68	92	71	319	372	550	125	
<b>PBT</b>	<b>118</b>	<b>53</b>	<b>168</b>	<b>45</b>	<b>-18</b>	<b>-166</b>	<b>78</b>	<b>76</b>	<b>384</b>	<b>-30</b>	<b>65</b>	20.9
Tax	36	1	41	-14	-1	-38	15	17	64	-7	16	
Rate (%)	30.8	2.2	24.3	-31.7	5.7	22.9	18.6	22.2	16.7	25.2	25.2	
<b>Adjusted PAT</b>	<b>82</b>	<b>23</b>	<b>127</b>	<b>49</b>	<b>-17</b>	<b>-128</b>	<b>36</b>	<b>59</b>	<b>320</b>	<b>-22</b>	<b>48</b>	-26.2
YoY change (%)	-67.1	-84.7	29.5	141.8	-121.2	-649.5	-72.0	20.6	-38.4	-106.9	-62.0	

E: MOFSL Estimates

# VRL Logistics

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR285**      **TP: INR350 (+23%)**      **Buy**

## Stable 3QFY26 performance; volume recovery from FY27 to drive earnings growth

Bloomberg	VRL IN
Equity Shares (m)	175
M.Cap.(INRb)/(USD\$b)	49.9 / 0.6
52-Week Range (INR)	325 / 216
1, 6, 12 Rel. Per (%)	10/-3/1
12M Avg Val (INR M)	85

### Financial Snapshot (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	32.2	35.7	38.9
EBITDA	6.4	7.0	7.6
Adj. PAT	2.3	2.7	2.9
EBITDA Margin (%)	19.9	19.7	19.5
Adj. EPS (INR)	13.1	15.2	16.6
EPS Gr. (%)	24.9	16.2	9.5
BV/Sh. (INR)	70.1	75.2	80.3

### Ratios

Net D:E	0.2	0.1	0.0
RoE (%)	19.8	20.9	21.4
RoCE (%)	18.2	20.1	21.3
Payout (%)	38.3	65.9	69.2

### Valuations

P/E (x)	21.8	18.8	17.2
P/BV (x)	4.1	3.8	3.5
EV/EBITDA(x)	8.2	7.2	6.5
Div. Yield (%)	1.8	3.5	4.0
FCF Yield (%)	6.7	7.7	6.5

### Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	60.2	60.2	60.2
DII	23.5	24.3	25.6
FII	3.8	4.0	3.6
Others	12.5	11.5	10.6

FII includes depository receipts

### Healthy margins amid volume weakness

- VRL Logistics' (VRL) revenue was flat YoY at INR8.3b (+4% QoQ), in line with our estimate.
- EBITDA margins stood at 20.6% (+40bp YoY and +160bp QoQ) vs our estimate of 18.9%. EBITDA margin continued to remain robust despite volume pressure, driven by cost rationalization efforts. EBITDA grew ~2% YoY to INR 1.7b in 3QFY26 (vs our estimate of INR1.6b).
- Lower interest expense and lower tax outgo led to APAT growth of 9% YoY to INR648m in 3QFY26 (12% above our estimate).
- In 9MFY26, revenue growth was flat, while EBITDA and APAT rose ~22% and ~51%, respectively.
- The company declared an interim dividend of INR5 per share.
- Volume dipped 9% YoY to 1m tons, while realization grew 10% YoY to INR 8,117/ton, driven by a price hike. The volume drop was mainly due to contract restructuring and the voluntary exit from certain low-margin contracts. However, volumes rose 3% sequentially on the back of a strong festive season and customer recovery from the new branch addition.
- Fuel costs stood at ~24.8% (vs. 26.4% in 3QFY25) of total income in 3QFY26. Lorry charges fell to 4.9% from ~5.1% of total income YoY.
- In 3QFY26, VRL delivered a stable performance, aided by disciplined pricing and a profitability-led strategy, even as volumes declined due to the exit from low-margin contracts. Going forward, the company's focus would be on growing tonnage as realizations would remain largely stable. We broadly retain our FY26/FY27/FY28 estimates. We expect volumes to recover from FY27, supported by management's continued focus on driving volume growth and maintaining current realization. **We expect VRL to clock 8% volumes and a revenue/EBITDA/PAT CAGR of 10%/9%/13% over FY26-28. Reiterate BUY with a TP of INR350 (based on 22x FY28E EPS).**

### Highlights from the management commentary

- Volume is expected to grow ~4% QoQ in 4QFY26, with current realizations sustaining.
- Management expects volume growth to recover, driven by increasing tonnage from existing customers and the onboarding of new clients. Over the next couple of years, realizations are expected to remain largely stable at current levels.
- Management has ordered 500 vehicles, entailing capex of ~INR1.6–1.7b. Total capex for FY27 is expected at ~INR3.5b, including vehicle procurement and land & building. Capex is being aligned with tonnage trends, with additional branch and hub expansion as planned.
- The company expects no incremental impact from the compliance with new labor codes.

### Valuation and view

- VRL expects to focus on generating volumes as realizations have increased and stabilized now. It expects margins to sustain at 20% levels going ahead. The truck addition capex is expected to be largely linked to tonnage growth.
- We broadly retain our FY26/FY27/FY28 estimates. We expect volumes to recover from FY27, supported by management's continued focus on driving volume growth with stable realizations. **We expect VRL to clock 8% volumes and a revenue/EBITDA/PAT CAGR of 10%/9%/13% over FY26-28. Reiterate BUY with a TP of INR350 (based on 22x FY28E EPS).**

### Quarterly performance

Y/E March (INR m)	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	<b>7,272</b>	<b>7,995</b>	<b>8,252</b>	<b>8,090</b>	<b>7,443</b>	<b>7,970</b>	<b>8,270</b>	<b>8,480</b>	<b>31,609</b>	<b>32,163</b>	<b>8,448</b>	<b>(2)</b>
YoY Change (%)	7.9	12.7	12.0	5.3	2.4	-0.3	0.2	4.8	9.4	1.8	2.4	
<b>EBITDA</b>	<b>869</b>	<b>1,331</b>	<b>1,664</b>	<b>1,866</b>	<b>1,516</b>	<b>1,511</b>	<b>1,700</b>	<b>1,659</b>	<b>5,730</b>	<b>6,386</b>	<b>1,597</b>	<b>6</b>
Margins (%)	11.9	16.6	20.2	23.1	20.4	19.0	20.6	19.6	18.1	19.9	18.9	
YoY Change (%)	-14.7	44.9	76.3	77.1	74.5	13.6	2.1	-11.1	45.6	11.5	-4.1	
Depreciation	615	638	646	638	647	648	681	697	2,536	2,672	675	
Interest	226	224	241	258	262	242	219	196	948	920	220	
Other Income	148	25	57	25	65	70	38	87	255	260	72	
<b>PBT before EO expense</b>	<b>176</b>	<b>493</b>	<b>835</b>	<b>996</b>	<b>672</b>	<b>691</b>	<b>838</b>	<b>852</b>	<b>2,500</b>	<b>3,054</b>	<b>774</b>	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>176</b>	<b>493</b>	<b>835</b>	<b>996</b>	<b>672</b>	<b>691</b>	<b>838</b>	<b>852</b>	<b>2,500</b>	<b>3,054</b>	<b>774</b>	
Tax	42	135	240	253	172	192	191	215	670	770	195	
Rate (%)	23.6	27.3	28.8	25.4	25.6	27.8	22.8	25.2	26.8	25.2	25.2	
<b>Reported PAT</b>	<b>134</b>	<b>358</b>	<b>594</b>	<b>743</b>	<b>500</b>	<b>499</b>	<b>648</b>	<b>638</b>	<b>1,829</b>	<b>2,284</b>	<b>579</b>	
<b>Adj PAT</b>	<b>134</b>	<b>358</b>	<b>594</b>	<b>743</b>	<b>500</b>	<b>499</b>	<b>648</b>	<b>638</b>	<b>1,829</b>	<b>2,284</b>	<b>579</b>	<b>12</b>
YoY Change (%)	-60.4	84.4	333.9	244.6	272.4	39.2	9.0	-14.1	106.5	24.9	-2.6	
Margins (%)	1.8	4.5	7.2	9.2	6.7	6.3	7.8	7.5	5.8	7.1	6.9	

# KNR Constructions

Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR152      TP: INR160 (+5%)      Neutral**

## Thin executable order book cripples execution; margins hit

Bloomberg	KNRC IN
Equity Shares (m)	281
M.Cap.(INRb)/(USD\$b)	42.8 / 0.5
52-Week Range (INR)	301 / 130
1, 6, 12 Rel. Per (%)	2/-32/-57
12M Avg Val (INR M)	373

### Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	20.2	24.6	41.2
EBITDA	1.9	3.0	5.8
PAT	1.1	1.8	3.9
EBITDA (%)	9.5	12.0	14.0
EPS (INR)	3.9	6.3	13.7
EPS Gr. (%)	-72.2	63.3	117.5
BV/Sh. (INR)	143.9	149.7	162.9

### Ratios

Net D/E	0.0	0.0	0.0
RoE (%)	2.7	4.3	8.8
RoCE (%)	3.0	4.5	9.0
Payout (%)	12.1	7.9	3.6

### Valuations

P/E (x)	39.1	23.9	11.0
P/BV (x)	1.0	1.0	0.9
EV/EBITDA (x)	21.1	13.7	7.1
Div Yield (%)	0.3	0.3	0.3
FCF Yield (%)	4.9	2.6	1.6

### Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	48.8	48.8	48.8
DII	20.0	21.5	29.7
FII	7.4	7.5	7.0
Others	23.8	22.2	14.5

FII includes depository receipts

- KNR Constructions (KNRC)'s revenue declined ~17% YoY to ~INR5.8b during 3QFY26 (14% above our estimate).
- EBITDA margin contracted 1,140bp YoY to 5.2% (vs. our estimate of 12.5%) in 3QFY26. The margin was hit by a spike in subcontracting expenses. EBITDA dipped ~74% YoY to INR306 (against our estimate of INR644m)
- In line with weak operating performance, APAT decreased ~81% YoY to INR INR176m (against our estimate of INR 550m).
- In 9MFY26, its revenue/EBITDA/APAT declined ~35%/~63%/~72% YoY.
- The company's current order book stands at ~INR88.5b, including INR35.5b from the mining project.
- KNRC delivered a disappointing performance yet again in 3QFY26, missing estimates by a wide margin as execution slowed sharply and revenue declined due to a very thin executable order book and a slowdown in the project awarding by the government.
- Given the subdued execution in 3QFY26 and a thin executable order book, we now expect a tepid revenue CAGR of 8% over FY25–28E. EBITDA margin assumptions are also revised downward to 12-14% (from 14-15% earlier), in line with the weak outlook. Due to a bleak execution outlook in the near term, we cut our revenue estimates for FY27/FY28 by ~27%/3% and EBITDA estimates for FY26/FY27/FY28 by ~24%/~38%/~9. **We reiterate our Neutral rating on the stock with a revised SoTP-based TP of INR160. We value KNRC's EPC business at a P/E of 9x on FY28E EPS and its BOT assets at 1x investment value.**

### Key takeaways from the management commentary

- EBITDA margins during the quarter were impacted by higher subcontracting expenses in an outsourced water pipeline project, leading to margin suppression. Management also indicated that some executable orders are in the final stages of execution, which typically carry lower margins.
- Of the revised INR9.6b equity requirement for HAM projects, INR7.3b has been infused to date, with the balance INR2.4b to be invested in the future.
- Management expects INR4.5b of revenue in the 4QFY26, implying ~INR20b of revenue in FY26.
- EBITDA margin guidance has been revised to 9–10% in the near term based on the current executable order book, compared with the earlier guidance of 13–14%.
- Based on the currently thin executable order book, management expects FY27 revenue growth to be muted.

### Valuation and view

- Factoring in the subdued execution in 3QFY26 and a thin executable order book, we now expect a tepid revenue CAGR of 8% over FY25–28E. EBITDA margin assumptions are also revised downward to 12-14% (from 14-15% earlier), in line with the weak outlook. Due to a bleak execution outlook in the near term, we cut our revenue estimates for FY27/FY28 by ~27%/3% and EBITDA estimates for FY26/FY27/FY28 by ~24%/~38%/~9.
- **We reiterate our Neutral rating on the stock with a revised SoTP-based TP of INR160. We value KNRC's EPC business at a P/E of 9x on FY28E EPS and its BOT assets at 1x investment value.**

### Quarterly performance – Standalone

Y/E March	FY25				FY26E				FY25	FY26E	MOFSL	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	3QE	3QE		
<b>Net Sales</b>	<b>8,193</b>	<b>8,561</b>	<b>7,079</b>	<b>8,512</b>	<b>4,792</b>	<b>4,930</b>	<b>5,851</b>	<b>4,635</b>	<b>32,344</b>	<b>20,207</b>	<b>5,153</b>	<b>14</b>
YoY Change (%)	-11.9	-9.1	-21.8	-27.8	-41.5	-42.4	-17.4	-45.6	-18.2	-37.5	-27.2	
<b>EBITDA</b>	<b>1,356</b>	<b>1,380</b>	<b>1,173</b>	<b>1,175</b>	<b>617</b>	<b>536</b>	<b>306</b>	<b>460</b>	<b>5,084</b>	<b>1,920</b>	<b>644</b>	<b>-52</b>
Margins (%)	16.6	16.1	16.6	13.8	12.9	10.9	5.2	9.9	15.7	9.5	12.5	
Depreciation	225	226	229	223	150	147	146	303	903	745	200	
Interest	41	20	31	38	34	46	31	9	129	121	30	
Other Income	51	575	130	185	150	39	94	122	941	404	120	
<b>PBT before EO expense</b>	<b>1,141</b>	<b>1,709</b>	<b>1,044</b>	<b>1,099</b>	<b>583</b>	<b>382</b>	<b>223</b>	<b>270</b>	<b>4,993</b>	<b>1,457</b>	<b>534</b>	
Extra-Ord expense	531	1,867	919	0	80	0	0	0	3,317	80	0	
Tax	334	344	253	348	150	103	46	73	1,279	372	134	
Rate (%)	29.2	20.1	24.3	31.6	25.7	26.9	20.8	27.0	25.6	25.5	25.2	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>1,339</b>	<b>3,344</b>	<b>1,822</b>	<b>752</b>	<b>513</b>	<b>279</b>	<b>176</b>	<b>197</b>	<b>7,257</b>	<b>1,166</b>	<b>400</b>	
<b>Adj PAT</b>	<b>807</b>	<b>1,477</b>	<b>903</b>	<b>752</b>	<b>433</b>	<b>279</b>	<b>176</b>	<b>197</b>	<b>3,939</b>	<b>1,086</b>	<b>400</b>	<b>-56</b>
YoY Change (%)	-26.8	47.9	5.6	-43.4	-46.4	-81.1	-80.5	-73.8	-8.1	-72.4	-55.7	
Margins (%)	9.9	17.3	12.8	8.8	9.0	5.7	3.0	4.3	12.2	5.4	7.8	

# Repc Home Finance

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR404      TP: INR450 (+11%)      Neutral**

## Disbursements accelerate; legacy run-off delays loan growth

### Elevated opex weighs on profitability; asset quality comfort improves

Bloomberg	REPCO IN
Equity Shares (m)	63
M.Cap.(INRb)/(USDb)	25.3 / 0.3
52-Week Range (INR)	464 / 308
1, 6, 12 Rel. Per (%)	-2/-3/-7
12M Avg Val (INR M)	88
Free float (%)	62.9

- Repco Home Finance's (Repc) 3QFY26 PAT grew 2% YoY to INR1.1b (in line). NII grew ~10% YoY to ~INR2b (in line). Other income declined ~40% YoY to INR118m (vs est. of INR150m).
- Opex rose ~40% YoY to INR748m (~27% higher than est.). This included a one-time impact of provisions of ~INR48m made on account of the new labor codes.
- PPop declined ~8% YoY to INR1.3b (~10% miss). Provision write-backs stood at ~INR156m, translating into annualized credit costs of -41bp (PY: 1bp and PQ: -4bp).
- Repco's AUM growth will remain muted in the near term due to higher legacy run-off, though underlying disbursement trends remain healthy. Growth has been supported by investments in sales verticals, sourcing channels, and realignment of incentive structures, which have strengthened the company's competitive positioning.
- Disbursement traction has improved across key states of Maharashtra, Rajasthan, and Madhya Pradesh. Karnataka remains temporarily impacted by the E-Khata issue, which is expected to be resolved by Mar'26. Over time, geographic diversification into eastern and western markets, along with a gradual reduction in concentration in Tamil Nadu, is expected to mitigate risk and support a geographically diversified loan mix.
- Management attributed the rise in Repco's operational expenses in 3Q to: 1) higher sourcing costs, legal fees, and valuation expenses due to increased disbursement activities, 2) employee-related provisions under the new labor code (~INR48m), 3) upgrades in insurance policies (~INR16m), and 4) silver jubilee reward for long-serving employees.
- Repco's asset quality continued to improve, with Stage 2 and Stage 3 assets on a consistent improving trajectory over the past 10 quarters. In 3Q, the company recovered ~INR250m from NPAs, contributing to an absolute decline in GNPA and a reduction of Stage 2 assets by ~INR1b. Management targets to reduce GNPA to ~2.5% and Stage 2 assets to ~7.5% by FY26, supported by strengthened credit appraisal and recovery processes.
- We believe that steady AUM growth in line with management guidance, combined with continued discipline in managing run-off, will be key to improving investor confidence and driving a meaningful re-rating over the medium term. Our earnings estimates are largely unchanged and we model a CAGR of ~13%/9% in loan/PAT over FY26-FY28E with RoA/RoE of 2.7%/12% in FY28E. **We reiterate our Neutral rating** on the stock with a revised TP of INR450 (based on 0.6x Dec'27E BVPS).

### Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	7.7	8.5	9.5
PPP	5.7	6.4	7.3
PAT	4.4	4.7	5.2
EPS (INR)	70.1	74.5	83.7
EPS Gr. (%)	0	6	12
BV/Sh. (INR)	594	663	742

### Ratios

NIM (%)	5.1	5.0	5.0
C/I ratio (%)	31.0	30.1	28.7
RoAA (%)	2.8	2.7	2.7
RoE (%)	12.5	11.9	11.9
Payout (%)	8.5	6.7	6.5

### Valuation

P/E (x)	5.7	5.4	4.8
P/BV (x)	0.7	0.6	0.5
P/ABV (x)	0.7	0.6	0.6
Div. Yield (%)	1.5	1.2	1.4

### Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	37.1	37.1	37.1
DII	23.8	22.7	20.6
FII	12.7	11.9	12.5
Others	26.4	28.3	29.8

FII Includes depository receipts

### Disbursements powered by sales ramp-up and higher DSA sourcing

- Disbursements grew ~40% YoY and declined ~1% QoQ to INR10.6b in 3QFY26. Loan book grew ~9% YoY to ~INR154b. Repayment rate declined ~1pp QoQ to ~18.7% (PY: ~16.3% and PQ: 19.8%).
- As of Dec'25, loans to the non-salaried segment accounted for 53% of the outstanding loan book and loans for salaried segment made up 47%. Housing loans accounted for 71% of the loans, while Home Equity accounted for 29% of loan book.

- Sourcing mix is now evenly split between DSA and the in-house sales team (50% each), compared to ~35% DSA contribution last year, and growth in disbursements was attributed largely to the investments in the sales vertical.
- Management has guided for disbursements of ~INR50b in FY27. We expect Repco to achieve a CAGR of ~13%/12% in loan/disbursement over FY26-28E.

#### Yields improved ~20bp QoQ; diversification of liabilities to optimize CoB

- Reported yields improved ~20bp QoQ to ~12.3%, whereas CoB declined 10bp QoQ to ~8.5%. This led to spreads improving ~30bp QoQ to ~3.8%. Reported NIM improved ~10bp QoQ to 5.6%.
- Capital adequacy ratio stood at ~37% as of Dec'25. We expect Repco to sustain NIMs of ~5% over FY27-28E, supported by a decline in CoF and continued diversification of its funding sources.

#### Asset quality stable with improvement in delinquencies

- GS3 declined ~25bp QoQ to ~2.9% while NS3 declined ~12bp QoQ to ~1.4%. PCR on S3 loans was broadly stable QoQ at ~52.7%. For the book originated from Apr'22 onwards, GS2 stood at 4.5% (v/s 8% for the overall book) and GS3 stood at 1.1% (vs. 2.9% for the overall book).
- Stage 2 assets declined ~80bp QoQ to 8% as of Dec'25 (PQ: 8.8% and PY: 10.6%).
- Management shared that it is seeing a continued improvement in delinquency trends, supported by strengthened recovery and credit appraisal framework. The company has guided for provision write-backs to continue in 4Q, and we expect Repco's credit costs to remain benign at ~10bp/17bp in FY27/FY28E.

#### Key highlights from the management commentary

- The company primarily serves blue-collar customers, where physical presence and relationship-based engagement remain critical.
- Repco has diversified its liability profile by raising ~INR930m through PTCs and is in discussions for an NCD issuance of INR1-1.25b.

#### Valuation and view

- Repco's outlook hinges on management's ability to deliver steady disbursement-led AUM growth while continuing to improve asset quality. Ongoing recoveries from NPAs and the written-off pool are expected to keep credit costs benign in FY27, while disciplined management of legacy book run-down remains critical.
- The company currently trades at ~0.6x P/B. While the risk-reward remains favorable, we would continue to monitor Repco's ability to deliver sustained loan growth and execution consistency. **Reiterate our Neutral rating** on the stock with a revised TP of INR450 (based on 0.6x Dec'27E BVPS).

**Quarterly performance**

(INR M)

Y/E March	FY25				FY26E				FY25	FY26	3QFY26 E	Act v/s est(%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	4,007	4,051	4,258	4,166	4,257	4,334	4,453	4,554	16,482	17,599	4,434	0
Interest Expenses	2,330	2,396	2,475	2,458	2,441	2,444	2,489	2,561	9,659	9,935	2,510	-1
<b>Net Income</b>	<b>1,677</b>	<b>1,656</b>	<b>1,783</b>	<b>1,708</b>	<b>1,816</b>	<b>1,890</b>	<b>1,964</b>	<b>1,993</b>	<b>6,823</b>	<b>7,663</b>	<b>1,924</b>	<b>2</b>
YoY Growth (%)	8.5	-2.3	9.0	4.9	8.3	14.2	10.2	16.7	4.9	12.3	7.9	
Other income	155	229	196	184	150	123	118	159	764	550	150	-21
<b>Total Income</b>	<b>1,833</b>	<b>1,884</b>	<b>1,978</b>	<b>1,892</b>	<b>1,966</b>	<b>2,013</b>	<b>2,082</b>	<b>2,152</b>	<b>7,587</b>	<b>8,213</b>	<b>2,074</b>	<b>0</b>
YoY Growth (%)	11.8	6.8	11.2	6.9	7.3	6.8	5.3	13.7	9.1	8.3	4.9	
Operating Expenses	452	517	535	584	530	603	748	669	2,088	2,550	591	27
YoY Growth (%)	15.4	21.2	30.5	21.0	17.2	16.7	39.9	14.6	22.1	22.1	10.6	
<b>Operating Profits</b>	<b>1,380</b>	<b>1,367</b>	<b>1,443</b>	<b>1,308</b>	<b>1,436</b>	<b>1,410</b>	<b>1,334</b>	<b>1,483</b>	<b>5,499</b>	<b>5,663</b>	<b>1,483</b>	<b>-10</b>
YoY Growth (%)	10.7	2.2	5.4	1.6	4.1	3.1	-7.6	13.4	4.9	3.0	2.7	
Provisions	14	-160	3	-233	-27	-15	-156	-21	-376	-219	-10	1,457
<b>Profit before Tax</b>	<b>1,366</b>	<b>1,528</b>	<b>1,440</b>	<b>1,541</b>	<b>1,463</b>	<b>1,424</b>	<b>1,490</b>	<b>1,504</b>	<b>5,875</b>	<b>5,882</b>	<b>1,493</b>	<b>0</b>
Tax Provisions	312	403	375	392	384	355	402	353	1,481	1,494	388	4
<b>Profit after tax</b>	<b>1,054</b>	<b>1,125</b>	<b>1,066</b>	<b>1,149</b>	<b>1,080</b>	<b>1,069</b>	<b>1,088</b>	<b>1,151</b>	<b>4,394</b>	<b>4,388</b>	<b>1,105</b>	<b>-2</b>
YoY Growth (%)	18.4	14.7	7.2	6.4	2.4	-5.0	2.1	0.1	11.3	-0.2	3.7	
Loan growth (%)	8.3	8.1	7.4	7.2	7.2	7.7	8.8	9.9	8.2	11.2	9.0	
Cost to Income Ratio (%)	24.7	27.4	27.0	30.9	26.9	30.0	35.9	31.1	27.5	31.0	28.5	
Tax Rate (%)	22.8	26.3	26.0	25.4	26.2	24.9	27.0	23.5	25.2	25.4	26.0	
<b>Key Parameters (%)</b>												
Yield on loans (Cal)	11.8	11.7	12.1	11.6	11.7	11.7	11.7	11.6	12.1	11.8		
Cost of funds (Cal)	8.6	8.6	8.8	8.8	8.8	8.7	8.6	8.5	8.8	8.5		
Spreads (Cal)	3.2	3.1	3.3	2.8	2.9	3.0	3.1	3.1	3.3	3.4		
NIMs (Reported)	5.1	5.1	5.7	5.2	5.4	5.5	5.6	0.0	5.0	5.1		
Credit Cost	0.04	-0.46	0.01	-0.65	-0.07	-0.04	-0.41	-0.05	-0.3	-0.1		
Cost to Income Ratio	24.7	27.4	27.0	30.9	26.9	30.0	35.9	31.1	27.5	31.0		
Tax Rate	22.8	26.3	26.0	25.4	26.2	24.9	27.0	23.5	25.2	25.4		
<b>Balance Sheet</b>												
AUM (INR B)	137.0	139.6	141.6	144.9	146.9	150.3	153.9	159.2	144.9	159.2		
Change YoY (%)	8.3	8.1	7.4	7.2	7.2	7.7	8.8	9.9	7.2	9.9		
AUM Mix (%)												
Non-Salaried	51.6	51.8	52.1	52.2	52.3	53.0	53.0		51.0	51.3		
Salaried	48.4	48.2	47.9	47.8	47.7	47.0	47.0		49.0	48.7		
AUM Mix (%)												
Home loans	74.3	73.8	74.0	73.0	72.4	71.0	71.0		73.0	72.0		
LAP	25.7	26.2	26.0	27.0	27.6	29.0	29.0		27.0	28.0		
Disbursements (INR B)												
Change YoY (%)	6.8	8.7	7.6	9.8	8.3	10.7	10.6	12.7	32.8	42.4		
Borrowings (INR B)	109.1	114.6	110.8	111.5	110.7	115.0	117.7	123.6	111.4	123.6		
Change YoY (%)	10.2	14.1	6.9	4.2	1.5	0.3	6.2	10.9	4.1	11.0		
Loans/Borrowings (%)												
Loans/Borrowings (%)	125.5	121.8	127.8	130.0	132.6	130.8	130.8	128.8	130.1	128.8		
Borrowings Mix (%)												
Banks	79.8	81.4	82.2	82.9	82.1	84.8	84.1		75.6	77.7		
NHB	10.6	9.5	8.5	7.9	8.4	7.0	7.0		13.1	12.0		
Repc Bank	9.6	9.1	9.3	9.2	8.2	7.0	6.9		11.4	10.3		
NCD	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0		
CP	0.0	0.0	0.0	0.0	1.3	1.2	1.2		0.0	0.0		
<b>Asset Quality</b>												
GS 3 (INR B)	5.8	5.5	5.5	4.7	4.9	4.8	4.5		4.7	4.4		
Gross Stage 3 (% on Assets)	4.25	3.96	3.86	3.26	3.30	3.16	2.92		3.3	2.8		
NS 3 (INR B)	2.23	2.17	2.09	1.91	1.72	2.25	2.13		1.9	2.1		
Net Stage 3 (% on Assets)	1.69	1.61	1.5	1.36	1.20	1.54	1.4		1.4	1.3		
PCR (%)	61.8	60.7	61.8	59.6	64.7	52.5	52.7		59.6	53.0		
<b>Return Ratios (%)</b>												
ROA (Rep)	3.1	3.3	3.1	3.3	2.9	2.9	2.9		3.1	2.8		
ROE (Rep)	16.3	16.0	14.6	15.1	14.0	13.5	13.3		14.2	12.5		

E: MOFSL Estimates

# Prataap Snacks

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	DIAMOND IN
Equity Shares (m)	24
M.Cap.(INRb)/(USD\$b)	26.2 / 0.3
52-Week Range (INR)	1296 / 863
1, 6, 12 Rel. Per (%)	-6/14/-11
12M Avg Val (INR M)	95
Free float (%)	45.2

## Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	17.7	20.2	23.1
EBITDA	0.9	1.4	1.9
EBITDA (%)	5.1	6.7	8.0
Adj. PAT	0.1	0.4	0.8
EPS (INR)	5.7	18.4	33.0
EPS Gr.%	-253.8	222.0	79.3
BV/Sh. (INR)	295.4	313.8	346.8

## Ratios

Net D/E	0.1	0.1	0.0
RoE (%)	2.0	6.0	10.0
RoCE (%)	1.3	4.8	8.3
Payout (%)	0.0	0.0	0.0

## Valuations

P/E (x)	192.3	59.7	33.3
P/B (x)	3.7	3.5	3.2
EV/EBITDA (x)	30.3	20.0	14.0
Div. yield (%)	0.0	0.0	0.0

## Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	54.8	54.9	59.5
DII	7.2	7.2	4.1
FII	5.0	5.6	7.4
Others	33.0	32.3	29.0

**CMP: INR1,098**
**TP: INR1,500 (+37%)**
**Buy**

## Highest-ever quarterly revenue; margin likely to improve

Prataap Snacks (PSL)'s revenue grew 3.8% YoY to INR4.6b in 3QFY26, supported by 4.0% volume growth. EBITDA/APAT grew 492.2%/255.9% YoY. Namkeen, Extruded and Chips continued to drive growth, while Snack Pellets & Rings declined. PSL is witnessing early signs of improving customer sentiment across markets and regions, supported by expanded retail reach and sharper execution across 'Growth' products and 'Expand' markets. Management has spent INR90m on alternate channels to strengthen its presence in modern trade and e-commerce, supporting its multi-channel growth strategy. Higher costs affected operating margins, which contracted 90bp QoQ. We expect margins to improve to around 5.5% by 4QFY26 end. We expect PSL's revenue growth to continue at ~10-12%, led by 1) a shift from a three-tier distribution to a two-tier model, 2) consolidating plants into one automated facility by FY28, 3) transition from third-party to owned plants in North India, and 4) the addition of new lines for snacks in east India, which helps to reduce freight costs.

## Early signs of improving consumer sentiment are visible

PSL's revenue grew 3.8% YoY to INR4.6b in 3QFY26, backed by 4.0% volume growth. Dec'25 saw a strong pickup on the back of high contribution from new distribution channels and operating leverage, which further resulted in EBITDA of INR208m (up 492.2% YoY) with EBITDA margin of 4.5% (+569bp YoY). Further, the board has approved setting up a new state-of-the-art manufacturing facility near Indore with an installed capacity of 60k MT, involving an investment of up to INR4.3b. The proposed facility will enhance overall production capacity and feature a higher level of automation, leading to improved process efficiency, streamlined operations, and lower overhead costs.

## Margin down QoQ due to rise in RM cost; expect improvement in 4Q

In 3Q, gross margin improved 523bp to 28.3% YoY but declined QoQ due to higher raw material prices. EBITDA grew by 492.2% to INR208m, with EBITDA margin at 4.5% (+569bp YoY), despite an increase in other expenses (+2.7% YoY). Operating margin impacted QoQ by higher input prices, along with investments in alternate channel to strengthen its multi-channel growth strategy. APAT grew by 255.9% to INR56m on account of lower interest expense (-17.6%) and higher other income (+5.5%). We expect margin would improve in 4QFY26.

## Valuation and view: Reiterate BUY

We believe PSL will drive a turnaround in performance by 1) enhancing cost efficiency through plant consolidation and automation, and 2) optimizing channel margins and market reach through strategic improvements in the distribution model. PSL experienced a period of underperformance despite favorable industry conditions; however, we believe the company is likely to deliver strong financial performance ahead. We estimate a CAGR of 11% in revenue and 57% in EBITDA over FY25-28, driven by volume growth and significant margin improvement. We reiterate our BUY rating with a DCF-based TP of INR1,500 (based on an implied P/E of 45x on Mar'28E). Key risks: potential supply chain disruptions impacting production and distribution/execution risks related to plant consolidation (refer to [our IC note dated Sep'25](#)).

**Qtrly performance**
**(INR m)**

Y/E March	FY25				FY26				FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	
<b>Net Sales</b>	<b>4,214</b>	<b>4,411</b>	<b>4,446</b>	<b>4,006</b>	<b>4,110</b>	<b>4,319</b>	<b>4,616</b>	<b>4,613</b>	<b>17,077</b>
<i>YoY Change (%)</i>	8.7	1.7	8.9	3.2	-2.5	-2.1	3.8	15.2	5.6
<b>Gross Profit</b>	1,316	1,283	1,025	1,023	1,174	1,288	1,306	1,361	4,663
Total Expenditure	3,914	4,218	4,499	3,956	3,930	4,086	4,408	4,359	16,590
<b>EBITDA</b>	<b>300</b>	<b>193</b>	<b>-53</b>	<b>49</b>	<b>180</b>	<b>233</b>	<b>208</b>	<b>254</b>	<b>487</b>
<i>Margin (%)</i>	7.1	4.4	-1.2	1.2	4.4	5.4	4.5	5.5	2.9
Depreciation	176	177	176	164	171	170	168	175	692
Interest	19	16	15	19	22	18	13	20	68
Other Income	22	25	27	23	24	19	28	11	97
<b>PBT before EO items</b>	<b>128</b>	<b>25</b>	<b>-218</b>	<b>-110</b>	<b>10</b>	<b>64</b>	<b>55</b>	<b>70</b>	<b>-176</b>
Extraordinary Inc / (Exp)	0	-89	343	0	0	-8	24	0	-254
<b>PBT</b>	<b>128</b>	<b>114</b>	<b>-561</b>	<b>-110</b>	<b>10</b>	<b>72</b>	<b>31</b>	<b>70</b>	<b>-431</b>
Tax	34	51	-182	9	3	26	-1	18	-88
<i>Rate (%)</i>	26.4	45.1	32.4	-8.3	33.6	35.5	-3.8	25.4	20.4
JV and Associates	0	0	0	0	0	0	0	0	0
<b>Reported PAT</b>	<b>94</b>	<b>63</b>	<b>-379</b>	<b>-119</b>	<b>7</b>	<b>46</b>	<b>32</b>	<b>52</b>	<b>-343</b>
<b>Adj PAT</b>	<b>94</b>	<b>-27</b>	<b>-36</b>	<b>-119</b>	<b>7</b>	<b>39</b>	<b>56</b>	<b>52</b>	<b>-89</b>
<i>YoY Change (%)</i>									-116.4
<i>Margin (%)</i>	2.2	-0.6	-0.8	-3.0	0.2	0.9	1.2	1.1	-0.5

# Updater Services

Estimate change



TP change



Rating change



Bloomberg	UDS IN
Equity Shares (m)	67
M.Cap.(INRb)/(USD\$b)	10.4 / 0.1
52-Week Range (INR)	368 / 146
1, 6, 12 Rel. Per (%)	-14/-47/-65
12M Avg Val (INR M)	65

## Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	29.9	33.3	37.3
EBIT	1.0	1.1	1.2
PAT	0.8	1.2	1.3
Adj PAT	1.1	1.2	1.3
EPS (INR)	12.5	17.6	19.3
EPS growth (%)	-10%	10%	10%
BV/Sh (INR)	159.8	177.4	196.7

## Ratios

RoE (%)	10.5	10.5	10.3
RoCE (%)	9.4	9.5	9.4

## Valuations

P/E (x)	9.7	8.8	8.0
P/BV (x)	1.0	0.9	0.8

## Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	59.1	58.9	58.9
DII	13.0	13.1	15.0
FII	3.3	3.6	3.1
Others	24.5	24.4	23.0

**CMP: INR156**

**TP: INR170 (+9%)**

**Neutral**

## Divergent trends continue

### IFM growth encouraging, but BSS uncertainty limits near-term re-rating

- Updater Services (UDS) reported a 3QFY26 revenue growth of 10% YoY to INR7.7b, above our estimate of ~INR7.6b. Core EBITDA margin was 5.3% (est. 4.5%), up 70bp QoQ. Consolidated adj. PAT stood at INR283m (down 8.2% YoY), in line with our estimate of INR282m. This excludes the one-time impact of costs related to changes in labor codes amounting to INR53m.
- UDS's 9MFY26 revenue grew 8.4% YoY, while EBITDA dipped 13.1% YoY. For 4QFY26, we expect its revenue to grow 12%, while EBITDA to dip 6.6% YoY.
- Given the continuing challenges in the BSS segment, we reiterate our Neutral rating on the stock with a TP of INR170, implying 10% potential upside.

## Our view: BSS outlook still cautious

- **UDS reported decent growth in 3QFY26**, anchored by a revival of growth in IFM (up 14% YoY), while BSS remains in flux. Strategic contracts continued to ramp up in the IFM business. The company reiterated that these strategic contracts reflect a shift towards more technical and higher-value contracts over time. Recent changes in the labor codes are seen as a positive move, as greater formalization in the industry is expected to follow. We expect the IFM segment to deliver low double-digit growth in the near term, driven by contract ramp-ups and new logo additions.
- **The BSS segment has been a point of stress for the company** for the past few quarters and continues to remain so. This quarter saw muted performance from the Denave and Athena businesses, as technological changes are driving uncertainty in client decision-making. This has also weighed on margins, as low-margin businesses such as field operations performed relatively well, reflecting a change in the sales mix.
- **EBGC saw sluggishness during the quarter**, led by a seasonally weak quarter for IT hiring, whereas audit and assurance remained healthy amid client additions. Fixed asset verification is emerging as an important area within this sub-segment. Collection issues persisted in the Avon business, resulting in additional provisions that impacted margins. Given the ongoing challenges in the Athena, Avon, and Denave businesses, we anticipate limited visibility for a growth revival in the BSS segment and maintain a cautious outlook.
- **Margins:** We expect margins to remain under pressure as muted performance in BSS continues. Margins at Athena and Denave have declined from historical levels. Further, mid-market and top-market technology spending (inherently high-margin businesses) remains on hold, while low-margin businesses are anchoring performance. While margins may not see a material decline as stabilization is expected to be underway, we remain watchful for any near-term fluctuations due to changes in the sales mix.

### Valuation and changes to our estimates

- We cut our earnings estimates by ~6-9% for FY27E/FY28E to factor in slower recovery expectations in the BSS segment and continued margin pressure from adverse business mix and provisioning impact.
- While IFM remains the key growth anchor with improving contract quality and ramp-ups, ongoing challenges across Denave, Athena, and Avon limit near-term visibility on a broad-based recovery.
- Given persistent execution risks in BSS and subdued margin outlook, we maintain our Neutral rating with a TP of INR170, implying 10% potential upside.

### Revenue in line, with a beat on margins; 28 new logos added

- Revenue grew 10% YoY/5.2% QoQ to INR7.7b, in line with our est. of ~INR7.6b.
- Revenue growth was aided by a 14% YoY growth in IFM, whereas BSS reported a growth of 3% YoY.
- Adj. EBITDA margin stood at 5.3%, up 70bps QoQ (vs. est. 4.5%). IFM PBT margin declined 130bps QoQ to 3.2%. BSS reported a PBT loss with a -3.9% margin, compared to a 3.2% PBT profit margin in 2Q. The company recognized a one-time receivables provision related to Avon of INR201mn in Q3FY26 (INR222mn in 9MFY26), taken as a prudent and conservative measure.
- Consolidated adj. PAT stood at INR283m (down 8.2% YoY), in line with our estimates of INR282m.
- RoCE stood at 13% on an annualized basis in Dec'25.
- Long-standing relationships with customers having 95% retention over a five-year window in both businesses.

### Key highlights from the management commentary

- Changes in labor codes are structurally favorable for organized players. The company has ensured the pass-through of labor code-related changes. It added 13 new logos in IFM during the quarter.
- IFM revenue is back on the growth track. IFM EBITDA stood at INR241m in 3Q. The current strategic contracts continue to remain in the ramp-up phase, aiding a shift towards more technical and higher-value contracts over time. Expects IFM margins to normalize. It is actively pursuing margin-accretive opportunities within IFM.
- Audit and assurance business reported healthy growth during the quarter due to client additions, including the commencement of work with a well-known QC company. FA verification is emerging as an important area, and margin expansion is expected due to improved contract pricing.
- Athena continues to face revenue-side pressure, though revenues have largely stabilized. Athena margins have declined but remain the best within the portfolio. Margins are expected to stabilize, though technological uncertainty persists in the business. Voice bot models are evolving, but no enterprise-grade model has emerged yet. BFSI continues to contribute ~70% of the mix.

### Valuation and view

- We cut our earnings by ~6-9% for FY27E/FY28E to factor in slower recovery expectations in the BSS segment and continued margin pressure from adverse business mix and provisioning impact.
- While IFM remains the key growth anchor with improving contract quality and ramp-ups, ongoing challenges across Denave, Athena, and Avon limit near-term visibility on a broad-based recovery.
- Given persistent execution risks in BSS and subdued margin outlook, we maintain our Neutral rating with a TP of INR170, implying 10% potential upside.

### Consolidated - Quarterly Earnings

Y/E March	FY25				FY26E				FY25	FY26E	Est.	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Gross Sales</b>	<b>6,522</b>	<b>6,800</b>	<b>6,949</b>	<b>7,090</b>	<b>7,002</b>	<b>7,293</b>	<b>7,671</b>	<b>7,939</b>	<b>27,361</b>	<b>29,906</b>	<b>7,626</b>	<b>0.6</b>
YoY Change (%)	13.1	13.3	9.3	12.2	7.4	7.3	10.4	12.0	11.9	9.3	9.7	60bp
Total Expenditure	6,112	6,363	6,487	6,733	6,609	6,957	7,263	7,606	25,695	28,435	7,283	-0.3
<b>Core EBITDA</b>	<b>409</b>	<b>437</b>	<b>462</b>	<b>357</b>	<b>393</b>	<b>337</b>	<b>408</b>	<b>333</b>	<b>1,665</b>	<b>1,471</b>	<b>343</b>	<b>18.9</b>
Margins (%)	6.3	6.4	6.7	5.0	5.6	4.6	5.3	4.2	6.1	4.9	4.5	80bp
<b>EBITDA</b>	<b>409</b>	<b>437</b>	<b>462</b>	<b>357</b>	<b>393</b>	<b>337</b>	<b>408</b>	<b>333</b>	<b>1,665</b>	<b>1,471</b>	<b>343</b>	<b>18.9</b>
Margins (%)	6.3	6.4	6.7	5.0	5.6	4.6	5.3	4.2	6.1	4.9	4.5	80bp
Depreciation	115	123	121	113	112	119	120	119	471.3	470.2	114	4.9
Interest	34	29	20	20	21	16	15	20	103.5	71.4	19	-23.9
Other Income, net	65	69	57	166	51	55	34	143	357	282	114	-70.5
<b>PBT</b>	<b>326</b>	<b>354</b>	<b>378</b>	<b>390</b>	<b>311</b>	<b>257</b>	<b>307</b>	<b>337</b>	<b>1,447</b>	<b>1,212</b>	<b>324</b>	<b>-5.3</b>
Tax	69	74	67	48	21	41	49	51	257.5	161.2	42	16.6
Rate (%)	21.3	20.8	17.7	12.3	6.6	15.9	16.0	15.0	17.8	13.3	13.0	300bp
MI & Profit/Loss of Asso. Cos.	3	-1	3	-3	4	-1	-25	0	2	-22	0	
<b>Adjusted PAT</b>	<b>254</b>	<b>281</b>	<b>309</b>	<b>344</b>	<b>286</b>	<b>217</b>	<b>283</b>	<b>287</b>	<b>1,188</b>	<b>1,073</b>	<b>282</b>	<b>0.5</b>
YoY Change (%)	25.8	42.4	12.5	77.4	12.7	-23.0	-8.2	-16.7	34.3	-9.7	-9.5	
Margins (%)	3.9	4.1	4.4	4.9	4.1	3.0	3.7	3.6	4.3	3.6	3.7	0bp

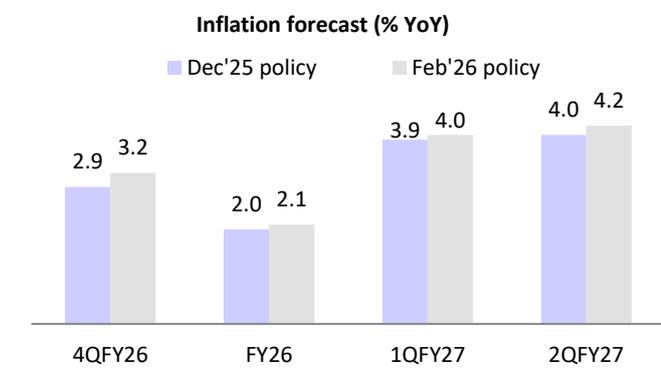
### Key Performance Indicators

Y/E March	FY25			FY26			FY25
	1Q	2Q	3Q	4Q	1Q	2Q	
<b>Segment Revenue (INR m)</b>							
Integrated Facility Management Services	4,363	4,594	4,669	4,958	4,768	5,120	18,585
Business Support Services	2,343	2,387	2,441	2,365	2,376	2,424	9,535
<b>PBT Margin (%)</b>							
Integrated Facility Management Services	4.2	5.2	5.3	10.3	4.5	4.5	6.3
Business Support Services	6.6	5.8	6.2	5.6	4.8	3.2	6.0

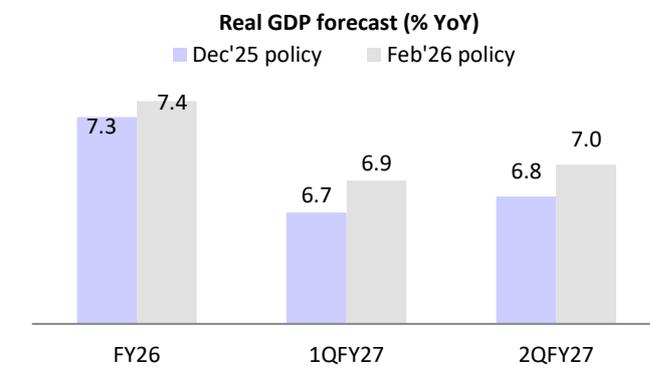
## RBI policy: End of India's easing cycle

- The Monetary Policy Committee (MPC) kept the repo rate unchanged at 5.25%, signaling that the policy rate has likely reached its terminal level after a cumulative 125bp easing cycle, while retaining the neutral stance.
- The RBI marginally revised FY26 inflation upward to 2.1% from 2%, with 1QFY27 and 2QFY27 projected at 4.0% (3.9% earlier) and 4.2% (4% earlier), respectively; the upward adjustment is largely attributed to unfavorable base effects and higher precious metal prices rather than broad-based demand pressures. The Governor mentioned that underlying inflation remains subdued, supported by favorable food supply conditions, suggesting limited near-term risks to the disinflation trajectory.
- Real GDP growth is estimated at 7.4% for FY26, while projections for 1QFY27 and 2QFY27 have been upgraded to 6.9% (6.7% earlier) and 7.0 (6.8% earlier).
- *With inflation broadly stable and growth improving relative to earlier expectations, the RBI Governor underscored that the macroeconomic backdrop remains supportive for sustaining the ongoing expansion.*
- However, the MPC highlighted external risks, including geopolitical tensions, financial market volatility, and evolving trade dynamics, which could weigh on the growth outlook.
- **Our view:** The combination of low inflation, resilient domestic growth, and strong financial sector balance sheets suggests that the policy is now appropriately calibrated. We believe that the easing cycle has concluded, with the terminal repo rate at 5.25%. We expect the MPC to maintain a pause for FY27 unless the growth outlook materially derails. The focus now shifts towards pre-emptively managing liquidity and monitoring the evolving macro environment. The key to the next policy move is now dependent on the revision to the CPI and GDP series.

**Exhibit 1: RBI increased its FY26 inflation forecast to 2.1% in Feb'26 policy from 2% in the Dec'25 policy**



**Exhibit 2: RBI increased its FY26 real GDP growth forecast to 7.4% in Feb'26 policy from 7.3% in the Dec'25 policy**



Source: RBI, MOFSL

### MPC Highlights

#### ■ Policy pause marks the terminal rate at 5.25%

As widely expected, the RBI's MPC unanimously voted to keep the benchmark repo rate unchanged at 5.25%, following the cumulative 125bp easing delivered during CY25, as it assessed that the current policy rate remains appropriate amid a favorable inflation-growth balance. The stance was retained at neutral, highlighting the RBI's preference to remain data-dependent while preserving policy flexibility. (Exhibit 3).

# Expert Speak

## Palantir, Anthropic, and the Impact on IT Services

We hosted an expert session with Mr. Ashutosh Sharma, VP & Research Director, Forrester, to understand the impact of recent developments in Palantir and Anthropic's new plugins.

Here are the key takeaways:

### Nerves will settle down, but reality is more complex.

- The impact of AI can be broadly classified into three levels:
- 1) Direct disruption in areas such as search, legal workflows, and education; 2) first-order impact where AI changes how work gets done (e.g., contract review, marketing functions), driving significant efficiency gains; and 3) indirect or second-order effects where enterprises rethink broader technology decisions, such as software development approaches or ERP implementations.
- Nerves will settle down, but reality is more complex. For IT services, AI may reduce certain types of work, but custom AI development and integration can create new demand. As technology becomes easier, companies may actually do more technology work overall.
- Legal documentation and similar workflows are seeing direct AI impact, but replacing IT services fully is complex due to integration, compliance, governance, and traceability requirements.
- The ecosystem is likely to evolve rather than shrink materially.
- Looking at past technology cycles, some legacy roles may be reduced, but new areas of demand emerge. Enterprises may prefer AI extensions on existing core systems rather than full replacements.

### SaaS vendors likely to experience margin pressure

- Software development becomes easier with AI, enabling fewer people to deliver more output.
- However, development is only one part of the lifecycle – maintenance, testing, compliance, and governance remain ongoing workstreams.
- SaaS vendors may face margin pressure over time. For them, revenue growth has often come from price per seat rather than user growth; if fewer people are required, license volumes and pricing could come under pressure.
- As software becomes easier to build, tech density across enterprises may increase. Automation will expand across infra and applications, and work like testing and ADM is unlikely to disappear meaningfully.

### Deflation may be non-linear, likely to be an S-Curve

- Over the next 2-3 years, productivity gains could reduce workforce needs by ~15–20%, but total technology work may still grow.
- ERP implementation and enterprise transformation are unlikely to slow down immediately. SAP S/4HANA migrations (targeted around 2027) shall continue to aid demand, although AI-based migration tools are emerging.
- A potential 15–20% of revenue may be at risk from AI-driven deflation. Impact could be non-linear, potentially following an S-curve where change accelerates after an initial phase.
- Enterprise tech spending is unlikely to decline structurally; instead, the mix may shift toward more technology and fewer people.



**Mr. Ashutosh Sharma, VP & Research Director, Forrester.**

Mr. Sharma leads a team of analysts across the Digital Business Strategy, Customer Experience, Technology Executive, and Technology Architecture Delivery services. He is also a global lead for Forrester's partners practice and advises customers on how best to work with their technology and business services partner. Most recently, he was with Infosys, working with the aerospace and automotive industry practice in the US.

BSE SENSEX 83,580 S&P CNX 25,694

**CMP: INR36,361**

**Neutral**

**Conference Call Details**



**Date:** 09<sup>th</sup> Feb 202

**Time:** 12.30pm IST

**Dial-in details:**

[\[Webex link\]](#)

**Financials & Valuations (INR b)**

INR b	FY26E	FY27E	FY28E
Sales	198.9	220.8	240.1
EBITDA	26.7	29.8	33.1
Adj. PAT	24.6	27.2	30.4
EPS (INR)	832.9	921.3	1,030.0
EPS Gr. (%)	22.1	10.6	11.8
BV/Sh. (INR)	5,238	5,659	6,229
<b>Ratios</b>			
RoE (%)	16.8	16.9	17.3
RoCE (%)	21.9	22.2	22.7
Payout (%)	43.5	54.3	44.7
<b>Valuations</b>			
P/E (x)	43.7	39.5	35.3
P/BV (x)	6.9	6.4	5.8
Div. Yield (%)	1.2	1.4	1.3
FCF Yield (%)	3.2	1.4	1.5

**Margins stable QoQ**

- Net revenues came broadly in line with estimates, growing ~9.4% YoY to INR48.9b (vs est. INR50b), led by strong performance in the automotive segment, particularly in Power Solutions and 2-Wheelers. The Mobility business grew 18.5% YoY, driven by 19.5% growth in Power Solutions, while Mobility Aftermarket rose 5.3% YoY, and the 2-Wheelers segment grew 58.3% YoY. The Consumer Goods segment underperformed, declining 3.1% YoY.
- The Power Solutions segment growth was broad-based and boosted by robust demand in tractors and CVs. In the 2W segment, Bosch solutions were incorporated into the new TVS Apache RTX 300 and Harley X440T.
- Gross margins contracted 160bp YoY to 36.8%.
- Based on a preliminary assessment, management has provided INR206m toward the new labor code impact, which has been included as part of employee costs.
- Adjusted for this, EBITDA margins came in below our estimates at 13%, flat YoY (estimated 13.5%).
- EBITDA grew 9% YoY to INR6.3b (+2.6% QoQ), missing our estimate of INR6.8b.**
- PAT also missed our estimates, having grown 11% YoY to INR5.5b (estimated INR5.8b).
- Valuation & view:** The stock trades at ~40x/~35x FY27E/FY28E EPS.

**Quarterly performance (S/A)**

Y/E March	FY25				FY26E				FY25	FY26E	FY26E 3QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	<b>43,168</b>	<b>43,943</b>	<b>44,657</b>	<b>49,106</b>	<b>47,886</b>	<b>47,948</b>	<b>48,856</b>	<b>54,224</b>	<b>54,224</b>	<b>1,98,914</b>	<b>50,016</b>	<b>-2.3</b>
YoY Change (%)	3.8	6.4	6.2	16.0	10.9	9.1	9.4	10.4	10.4	10.0	12.0	
RM Cost (% of sales)	64.6	65.1	61.6	62.4	62.3	64.6	63.2	62.8	62.8	63.2	63.0	<b>20bps</b>
Staff Cost (% of sales)	7.8	7.8	8.8	8.6	7.1	7.6	7.7	9.0	9.0	7.9	8.4	<b>-70bps</b>
Other Expenses (% of sales)	15.7	14.3	16.5	15.8	17.2	14.9	16.1	13.8	13.8	15.5	15.1	<b>100bps</b>
<b>EBITDA</b>	<b>5,197</b>	<b>5,605</b>	<b>5,826</b>	<b>6,469</b>	<b>6,393</b>	<b>6,171</b>	<b>6,330</b>	<b>7,808</b>	<b>7,808</b>	<b>26,702</b>	<b>6,752</b>	<b>-6.3</b>
Margins (%)	12.0	12.8	13.0	13.2	13.4	12.9	13.0	14.4	14.4	13.4	13.5	<b>-50bps</b>
Depreciation	856	900	1,008	992	850	925	987	1,039	1,039	3,801	1,020	
Interest	26	22	62	61	45	42	43	45	45	175	44	
Other Income	1,793	2,089	1,891	2,369	2,881	2,099	1,999	2,404	2,404	9,383	2,000	
<b>PBT before EO expense</b>	<b>6,108</b>	<b>6,772</b>	<b>6,647</b>	<b>7,785</b>	<b>8,379</b>	<b>7,303</b>	<b>7,299</b>	<b>9,128</b>	<b>9,128</b>	<b>32,109</b>	<b>7,688</b>	<b>-5.1</b>
Extra-Ord expense	0	-485	471	0	5,560	0	206	0	-412	5,354	0	
<b>PBT after EO Expense</b>	<b>6,108</b>	<b>7,257</b>	<b>6,176</b>	<b>7,785</b>	<b>13,939</b>	<b>7,303</b>	<b>7,093</b>	<b>9,128</b>	<b>9,540</b>	<b>37,463</b>	<b>7,688</b>	<b>-7.7</b>
Tax	1,453	1,898	1,594	2,248	2,785	1,761	1,772	2,534	2,534	8,852	1,922	
Tax Rate (%)	23.8	26.2	25.8	28.9	20.0	24.1	25.0	27.8	26.6	23.6	25.0	<b>0bps</b>
<b>Reported PAT</b>	<b>4,655</b>	<b>5,359</b>	<b>4,582</b>	<b>5,537</b>	<b>11,154</b>	<b>5,542</b>	<b>5,321</b>	<b>6,594</b>	<b>7,006</b>	<b>28,611</b>	<b>5,766</b>	<b>-7.7</b>
<b>Adj PAT</b>	<b>4,655</b>	<b>5,002</b>	<b>4,929</b>	<b>5,537</b>	<b>6,705</b>	<b>5,542</b>	<b>5,478</b>	<b>6,594</b>	<b>6,703</b>	<b>24,522</b>	<b>5,766</b>	<b>-5.0</b>
YoY Change (%)	13.8	30.2	4.4	-1.9	44.0	10.8	11.1	19.1	21.1	21.9	17.0	

E: MOFSL Estimates

**Segmental Mix (INR m)**

	FY25				FY26E		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
<b>Auto</b>	37,418	37,594	38,929	41,548	42,463	42,704	44,157
Growth (%)	3.3	5.3	6.6	18.3	13.5	13.6	13.4
PBIT margin (%)	13.8	13.9	14.6	15.3	14.5	14.9	12.7
Contribution (%)	86.7	85.6	87.2	84.6	88.7	89.1	90.4
<b>Non-Auto</b>	5,814	6,420	5,937	7,566	5,454	5,342	4,896
Growth (%)	7.2	14.0	3.0	4.3	(6.2)	(16.8)	(17.5)
PBIT margin (%)	7.9	11.1	9.0	9.4	12.0	6.5	13.7
Contribution (%)	13.5	14.6	13.3	15.4	11.4	11.1	10.0
a) Consumer goods	3,939	4,290	3,617	5,405	4,308	4,368	3,505
Growth (%)	4.9	10.1	8.4	3.2	9.4	1.8	(3.1)
PBIT margin (%)	3.1	9.3	4.7	8.1	8.5	2.9	6.3
b) Others	1,875	2,130	2,320	2,161	1,146	974	1,391
Growth (%)	12.3	22.6	(4.4)	7.0	(38.9)	(54.3)	(40.0)
PBIT margin (%)	18.0	14.7	15.8	12.8	24.9	22.5	32.4
<b>Total Revenue (post inter segment)</b>	<b>43,168</b>	<b>43,943</b>	<b>44,657</b>	<b>49,106</b>	<b>47,886</b>	<b>47,948</b>	<b>48,856</b>
Growth (%)	3.8	6.4	6.2	16.0	10.9	9.1	9.4

# Mahanagar Gas

BSE SENSEX  
83,580

S&P CNX  
25,694

**CMP: INR1,153**

**Buy**

## Conference Call Details



**Date:** 09 Feb'26  
**Time:** 4:00pm IST  
**Dial-in details:**  
+91 22 6280 1297  
+91 22 7115 8198

## Strong EBITDA margin drives beat

- Total volumes were in line with our estimate at 4.6mmscmd (+7% YoY).
- CNG/D-PNG/I&C PNG volumes clocked 6%/9%/12% YoY growth.
- EBITDA/scm came in 14% above our estimate at INR8.3.
- On a QoQ basis, EBITDA/scm improved by INR0.3 as gas cost declined by INR0.4/scm QoQ.
- Reported EBITDA came in 14% above our est. at INR3.5b (+8% YoY).
- PAT also came in 10% above our est. at INR2.7b (flat YoY).
- Depreciation and interest costs stood above our est., while other income came in below our est.

## Standalone - Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	<b>16,658</b>	<b>17,863</b>	<b>18,467</b>	<b>19,625</b>	<b>20,814</b>	<b>20,493</b>	<b>20,583</b>	<b>18,768</b>	<b>72,613</b>	<b>80,658</b>	<b>20,043</b>	<b>3%</b>
YoY Change (%)	8.3	13.7	17.7	25.2	25.0	14.7	11.5	-4.4	16.3	11.1	14.0	
<b>EBITDA</b>	<b>4,368</b>	<b>4,135</b>	<b>3,248</b>	<b>3,950</b>	<b>5,007</b>	<b>3,380</b>	<b>3,521</b>	<b>2,924</b>	<b>15,701</b>	<b>14,831</b>	<b>3,086</b>	<b>14%</b>
EBITDA/SCM	11.6	10.7	8.2	8.1	12.4	8.0	8.3	7.0	9.5	8.9	7.3	14%
Margins (%)	26.2	23.1	17.6	20.1	24.1	16.5	17.1	15.6	21.6	18.4	15.4	
Depreciation	823	842	900	951	959	1,038	1,034	968	3,517	3,999	948	
Interest	32	31	34	41	45	50	63	28	138	186	47	
Other Income	355	468	419	418	319	289	294	544	1,660	1,446	372	
<b>PBT</b>	<b>3,869</b>	<b>3,729</b>	<b>2,733</b>	<b>3,376</b>	<b>4,322</b>	<b>2,580</b>	<b>2,718</b>	<b>2,471</b>	<b>13,706</b>	<b>12,091</b>	<b>2,464</b>	<b>10%</b>
Tax	977	861	503	953	1,127	646	698	572	3,294	3,043	620	
Rate (%)	25.2	23.1	18.4	28.2	26.1	25.1	25.7	23.1	24.0	25.2	25.2	
<b>Reported PAT</b>	<b>2,892</b>	<b>2,868</b>	<b>2,230</b>	<b>2,423</b>	<b>3,196</b>	<b>1,934</b>	<b>2,020</b>	<b>1,899</b>	<b>10,413</b>	<b>9,048</b>	<b>1,844</b>	<b>10%</b>
YoY Change (%)	-21.5	-15.3	-29.7	-8.6	10.5	-32.6	-9.4	-21.6	-19.2	-13.1	-18.2	
Margins (%)	17.4	16.1	12.1	12.3	15.4	9.4	9.8	10.1	14.3	11.2	9.2	
<b>Sales Volumes (mmscmd)</b>												
CNG			3.1		3.2	3.3	3.3	3.2	3.2	3.2	3.3	1%
PNG - Domestic			0.6		0.6	0.6	0.6	0.6	0.6	0.6	0.6	3%
PNG - Industrial/ Commercial			0.7		0.7	0.8	0.7	0.8	0.7	0.7	0.8	-3%
PNG - Total			1.2		1.3	1.3	1.3	1.4	1.3	1.3	1.3	0%
<b>Total Volumes</b>			<b>4.3</b>		<b>4.5</b>	<b>4.6</b>	<b>4.6</b>	<b>4.6</b>	<b>4.5</b>	<b>4.6</b>	<b>4.6</b>	<b>0%</b>

**BSE SENSEX**  
83,580

**S&P CNX**  
25,694

**Not Rated**

### Conference Call Details



**Date:** 09<sup>th</sup> February 2026

**Time:** 04:00pm IST

[Link for the call](#)

#### Financials (INR b)

Y/E March	FY23	FY24	FY25
Revenue	118.6	147.8	171.4
EBITDA	96.3	116.1	135.5
PAT	73.7	83.1	111.1
EPS (INR)	29.8	33.6	44.9
EPS Gr.%	42.0	12.7	33.8
RoE (x)	41.1	37.4	42.9

### Sequential growth in F&O activity drives revenue/PAT QoQ

- NSE reported operating revenue of INR39.2b, reflecting a decline of 10% YoY/ growth of 7% QoQ. For 9MFY26, revenue declined 13% YoY.
- Revenue mix was dominated by transaction charges (77% of operating revenue), which grew 9% QoQ (down 12% YoY), driven by 3%/8%/15% sequential growth in cash/futures/option premium ADTO.
- Cash charges were flattish QoQ at INR3.65b, equity futures charges grew 4% QoQ to INR3.3b, and equity options charges grew 11% QoQ to INR23.1b.
- Data center charges (8% of revenue) were largely flat QoQ, data feed & terminal services (3% of revenue) grew 5% QoQ, while listing services (3% of revenue) grew 26% QoQ.
- Total expenditure rose 7% YoY at INR9.5b. Within this, employee expenses grew 18% YoY to INR1.9b, while regulatory expenses dipped 12% YoY to INR2.1b.
- EBITDA stood at INR29.8b, declining 14% YoY/up 7% QoQ, reflecting an EBITDA margin of 75.9% (79.7% in 3QFY25).
- PAT for the quarter came in at INR24.1b, down 37% YoY/ up 15% QoQ. Adjusting for the one-time labor code impact of INR1.3b, PAT would have been ~INR25b. For 9MFY26, PAT declined 22% YoY to INR74b.

**Quarterly Performance**
**(INR b)**

Y/E March	FY25			FY26			FY24	FY25	YoY (%)	QoQ (%)	
	1Q	2Q	3Q	4Q	1Q	2Q					3Q
<b>Gross Sales</b>	<b>45.1</b>	<b>45.1</b>	<b>43.5</b>	<b>37.7</b>	<b>40.3</b>	<b>36.8</b>	<b>39.2</b>	<b>148</b>	<b>171</b>	<b>-10%</b>	<b>7%</b>
YoY Change (%)	51.0	23.5	23.7	-18.4	-10.6	-18.5	-9.8	24.7	16.0		
Employee Expense	1.5	1.9	1.6	1.7	2.0	1.9	1.9	5	6.7	18%	3%
Other Expenses	6.7	7.3	7.2	8.0	7.0	7.1	7.5	27	29.2	5%	6%
Total Expenditure	8.2	9.2	8.8	9.7	9.0	8.9	9.5	32	36	7%	6%
<b>EBITDA</b>	<b>36.9</b>	<b>35.9</b>	<b>34.7</b>	<b>28.0</b>	<b>31.3</b>	<b>27.8</b>	<b>29.8</b>	<b>116</b>	<b>136</b>	<b>-14%</b>	<b>7%</b>
Margins (%)	81.9	79.5	79.7	74.3	77.6	75.7	75.9	78.6	79.1		
Depreciation	1.3	1.4	1.3	1.5	1.5	1.6	1.6	4	5	21%	0%
Other Income	4.4	5.1	4.6	6.3	7.7	4.8	4.7	17	20	3%	-3%
<b>PBT before EO expense</b>	<b>40.1</b>	<b>39.6</b>	<b>37.9</b>	<b>32.8</b>	<b>37.5</b>	<b>31.0</b>	<b>32.9</b>	<b>128</b>	<b>150</b>	<b>-13%</b>	<b>6%</b>
Contribution to SGF	-5.9	4.3	-0.7	0.0	0.0	0.0	0.0	0	0		
<b>PBT</b>	<b>34.2</b>	<b>43.9</b>	<b>37.2</b>	<b>32.7</b>	<b>37.5</b>	<b>31.0</b>	<b>32.9</b>	<b>128</b>	<b>150</b>	<b>-12%</b>	<b>6%</b>
Tax	8.5	10.2	11.0	9.0	9.6	9.4	7.8	28	39		
Rate (%)	21	31	22	27	26	31	24	22	26		
Exceptional Item	0.0	-6.7	-11.5	-0.5	0.0	-1.0	-1.3	0.0	12.1		
Minority Interest & P/L of Asso. Cos.	0.2	0.3	0.4	0.4	0.3	0.3	0.3	1	1		
<b>PAT</b>	<b>26.0</b>	<b>27.3</b>	<b>15.1</b>	<b>23.6</b>	<b>28.1</b>	<b>21.0</b>	<b>24.1</b>	<b>101</b>	<b>125</b>	<b>60%</b>	<b>15%</b>
YoY Change (%)	30.9	-12.9	-51.8	-35.4	8.3	-23.2	60.0	31.7	23.3		
Margins (%)	57.6	60.5	34.6	62.5	69.7	57.0	61.4	68.7	73.0		
<b>Reported PAT (ex-discontinued operations and SGF)</b>	<b>25.7</b>	<b>31.4</b>	<b>38.3</b>	<b>26.5</b>	<b>29.2</b>	<b>21.0</b>	<b>24.1</b>	<b>83</b>	<b>111</b>	<b>-37%</b>	<b>15%</b>
YoY Change (%)	39.2	57.0	94.1	6.5	13.9	-33.1	-37.2	12.7	33.8		
Margins (%)	56.9	69.6	88.1	70.3	72.5	57.1	61.4	56.2	64.8		
<b>Revenue break-up (INR m)</b>											
Trading Services	41	41	40	34	36	33	36			<b>-11%</b>	<b>8%</b>
Clearing Services	7	8	6	4	5	4	4			<b>-36%</b>	<b>0%</b>
Other Segments	5	1	2	1	1	2	2			<b>8%</b>	<b>4%</b>
<b>Revenue mix</b>											
Trading Services	77%	82%	83%	86%	86%	85%	86%				
Clearing Services	13%	15%	13%	11%	11%	11%	10%				
Other Segments	10%	2%	3%	4%	4%	4%	4%				

**BSE SENSEX** 83,580  
**S&P CNX** 25,694

**CMP: INR993**

**Buy**

## Conference Call Details



**Date:** 10<sup>th</sup> February 2025

**Time:** 04:00 PM IST

[Link](#)

### Financials & Valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	68.1	81.4	89.0
EBITDA	8.3	11.2	12.3
Adj. PAT	7.5	10.1	11.2
EBITDA Margin (%)	12.2	13.8	13.8
Adj. EPS (INR)	77.6	104.1	116.0
EPS Gr. (%)	3.9	34.1	11.4
BV/Sh. (INR)	893.0	997.1	1113.1

### Ratios

Net D:E	-0.1	-0.1	-0.1
RoE (%)	9.1	11.0	11.0
RoCE (%)	9.0	10.9	10.9
Payout (%)	0.0	0.0	0.0

### Valuations

P/E (x)	12.8	9.5	8.6
P/BV (x)	1.1	1.0	0.9
EV/EBITDA(x)	11.0	8.0	7.2
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	9.2	6.4	4.1

## Performance above our estimates

### Earnings snapshot: 3QFY26

- Revenue rose ~39% YoY to ~INR20.4b during 3Q FY26 (vs. our estimate of INR16.3b).
- EBITDA margin stood at 10.1% in 3Q FY26 (-50 bps YoY) vs. our estimate of 12%. EBITDA rose by 33% YoY to INR2b and was 5% above our estimate.
- APAT grew ~54% YoY to ~INR2b (14% above our estimates).
- During 3QFY26, the company sold its subsidiary GR Bahadurganj Araria Highway Private Limited to Indus Infra Trust for a sale consideration of INR501m, resulting in an exceptional gain of INR411m.
- Its order book stood at ~INR195b as of Dec'25.

### Quarterly Performance (Standalone)

(INR m)

Y/E March (INR m)	FY25				FY26			FY25	FY26E	FY26	Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3Q				
<b>Net Sales</b>	<b>18,965</b>	<b>11,281</b>	<b>14,628</b>	<b>19,429</b>	<b>18,261</b>	<b>12,337</b>	<b>20,395</b>	<b>64,304</b>	<b>68,089</b>	<b>16,341</b>	<b>25%</b>
YoY Change (%)	(11.9)	(28.3)	(19.0)	(9.9)	(3.7)	9.4	39.4	(16.4)	5.9	11.7	
<b>EBITDA</b>	<b>2,466</b>	<b>1,171</b>	<b>1,546</b>	<b>3,009</b>	<b>2,311</b>	<b>1,204</b>	<b>2,054</b>	<b>8,193</b>	<b>8,307</b>	<b>1,961</b>	<b>5%</b>
Margins (%)	13.0	10.4	10.6	15.5	12.7	9.8	10.1	12.7	12.2	12.0	
Depreciation	632	631	612	572	524	510	491	2,448	2,164	550	
Interest	281	214	207	155	119	113	101	857	526	130	
Other Income	1,081	1,311	1,222	1,389	1,163	1,184	1,276	5,003	4,367	1,080	
<b>PBT before EO expense</b>	<b>2,634</b>	<b>1,637</b>	<b>1,949</b>	<b>3,671</b>	<b>2,830</b>	<b>1,764</b>	<b>2,738</b>	<b>9,892</b>	<b>9,984</b>	<b>2,361</b>	
Extra-Ord expense	(494)	356	377	849	-	-	411	1,088	-	-	
<b>PBT</b>	<b>2,140</b>	<b>1,993</b>	<b>2,326</b>	<b>4,520</b>	<b>2,830</b>	<b>1,764</b>	<b>3,149</b>	<b>10,980</b>	<b>9,984</b>	<b>2,361</b>	
Tax	621	845	640	807	672	456	828	2,913	2,474	590	
Rate (%)	29.0	42.4	27.5	17.9	23.7	25.8	26.3	26.5	24.8	25.0	
<b>Reported PAT</b>	<b>1,520</b>	<b>1,148</b>	<b>1,686</b>	<b>3,712</b>	<b>2,158</b>	<b>1,308</b>	<b>2,322</b>	<b>8,066</b>	<b>7,510</b>	<b>1,771</b>	
<b>Adj PAT</b>	<b>1,890</b>	<b>1,161</b>	<b>1,309</b>	<b>2,864</b>	<b>2,158</b>	<b>1,308</b>	<b>2,013</b>	<b>7,224</b>	<b>7,510</b>	<b>1,771</b>	<b>14%</b>
YoY Change (%)	(9.1)	(5.8)	(12.2)	27.3	14.2	12.7	53.8	2.4	4.0	35.3	
Margins (%)	10.0	10.3	8.9	14.7	11.8	10.6	9.9	11.2	11.0	10.8	

# Fusion Microfinance

## Conference Call Details



**Date:** 09<sup>th</sup> February 2026

**Time:** 9:30 AM IST

**Dial-in details:**

+91 22 7115 8807 /

+91 22 6280 1273

[Link for the call](#)

### Financials & Valuation (INR b)

Y/E March	FY26E	FY27E	FY28E
Total Income	12.1	13.2	16.2
PPP	3.8	5.4	7.7
PAT	-0.3	2.9	4.0
EPS (INR)	-2.08	17.9	25
EPS Gr. (%)	-	-	38
BV (INR)	149	167	192
<b>Valuations</b>			
NIM (%)	13.8	14.8	14.8
C/I ratio (%)	68.2	59.5	52.4
RoAA (%)	-0.4	3.7	4.2
RoE (%)	-1.7	11.3	13.8
<b>Valuations</b>			
P/E (x)	-	10.6	7.7
P/BV (x)	1.3	1.1	1.0

**CMP: INR190**

**Buy**

## Collections improve and credit costs moderate further

### Sequential improvement in disbursements; GS3 improved ~20bp QoQ

- Fusion reported a net profit of ~INR141m in 3QFY26 (est. INR70m). NII rose ~7% YoY to ~INR2.4b (in line).
- Opex was flat YoY at INR2.1b (in line). This included a one-time impact of provisions of ~INR70m made on account of the new labor codes. Cost-income ratio declined ~130bp QoQ to ~69% (PQ: ~70% and PY: ~76%). PPop rose ~44% YoY to ~INR936m (in line).
- Net credit costs declined sequentially to ~INR795m (vs. est. of ~INR878m). Annualized credit costs in 3Q stood at ~5% (PY: ~23% and PQ: ~6.6%).
- Disbursements grew 36% YoY and 23% QoQ to ~INR15.9b. AUM declined ~35% YoY and 2% QoQ to ~INR68.8b.

### Reported NIMs up ~50bp QoQ; calc. yields up ~80bp QoQ

- Yields (calc.) rose ~80bp QoQ to ~23.5%, while CoF (calc.) declined ~75bp QoQ to ~9.8%, which led to spreads rising ~155bp QoQ to ~13.7%. Reported NIMs rose ~50bp QoQ to ~11.3%.
- Share of public sector banks in the borrowing mix declined ~2pp to ~20% (PQ: 22%) as of Dec'25.

### Write-off declines QoQ; current bucket CE at 99.1%

- GS3 declined ~20bp QoQ to ~4.4%, while NS3 rose ~25bp QoQ to 0.6%. Stage 3 PCR stood at 86%.
- Stage 2 declined ~50bp QoQ to 1.7% and S2 PCR declined ~365bp QoQ to ~66.3%. ECL/EAD (incl. management overlay of ~INR295m) declined to ~5.9% (PQ: ~7%). Write-offs for the quarter stood at ~INR1.7b (PQ: INR2.5b). Current portfolio collection efficiency stood at ~99.1%.
- **New book contributed ~79% to the portfolio and had collection efficiency of ~99.6%. Current bucket net flow stood at ~0.25%, down from 0.6% in 2QFY26.**

### Decline in borrower base, along with Fusion + >=3 borrowers

- Borrower base declined to 2.34m as of Dec'25 (from 2.6m as on Sep'25). Fusion + >=3 borrowers declined to 9.9% (vs. ~13.9% in 2QFY26).
- CRAR rose to ~38.8% as of Dec'25, driven by the recently completed Rights Issue.

### Valuation and view

- Fusion returned to profitability in 3QFY26 after six quarters, supported by a moderation in credit costs. Disbursements picked up and the company continued to scale up lending while maintaining prudent underwriting, reflected in stable PAR accretion and healthy collection efficiency. Margins also improved during the quarter, supported by higher yields owing to lower interest income reversals.
- It will be interesting to hear from management regarding its credit cost guidance, and by when it expects disbursements and AUM growth to start trending toward normalization. We may revise our estimates and TP after the earnings call on 9th Feb'26.

**Fusion: Quarterly Performance**
**(INR M)**

Y/E March	FY25				FY26E				FY25	FY26E	3QFY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	6,213	6,261	4,382	4,487	4,219	3,808	3,629	3,712	21,342	15,367	3,675	-1
Interest Expenses	2,234	2,274	2,137	1,794	1,489	1,343	1,235	1,300	8,439	5,366	1,296	-5
<b>Net Interest Income</b>	<b>3,979</b>	<b>3,987</b>	<b>2,245</b>	<b>2,693</b>	<b>2,730</b>	<b>2,465</b>	<b>2,394</b>	<b>2,412</b>	<b>12,904</b>	<b>10,001</b>	<b>2,379</b>	<b>1</b>
YoY Growth (%)	34.6	30.4	-33.7	-25.4	-31.4	-38.2	6.6	-10.4	-0.8	-22.5	6	
Other Income	854	776	443	273	237	519	612	715	2,347	2,083	616	-1
<b>Total Income</b>	<b>4,833</b>	<b>4,764</b>	<b>2,688</b>	<b>2,966</b>	<b>2,967</b>	<b>2,984</b>	<b>3,006</b>	<b>3,127</b>	<b>15,250</b>	<b>12,084</b>	<b>2,995</b>	<b>0</b>
YoY Growth (%)	30.9	25.3	-34.7	-35.6	-38.6	-37.4	11.8	5.4	-6.0	-20.8	11	
Operating Expenses	1,855	1,925	2,041	2,065	2,101	2,094	2,071	1,979	7,886	8,245	2,043	1
<b>Operating Profit</b>	<b>2,978</b>	<b>2,838</b>	<b>648</b>	<b>901</b>	<b>866</b>	<b>890</b>	<b>936</b>	<b>1,148</b>	<b>7,365</b>	<b>3,840</b>	<b>951</b>	<b>-2</b>
YoY Growth (%)	26.5	17.4	-75.1	-69.0	-70.9	-68.6	44.5	27.3	-28.4	-47.9	47	
Provisions & Loan Losses	3,485	6,941	5,723	2,547	1,789	1,112	795	540	18,695	4,236	878	-9
<b>Profit before Tax</b>	<b>-507</b>	<b>-4,102</b>	<b>-5,075</b>	<b>-1,646</b>	<b>-923</b>	<b>-221</b>	<b>141</b>	<b>607</b>	<b>-11,330</b>	<b>-396</b>	<b>73</b>	<b>92</b>
Tax Provisions	-151	-1,052	2,118	0	0	0	0	-59	915	-59	4	-100
<b>Net Profit</b>	<b>-356</b>	<b>-3,050</b>	<b>-7,193</b>	<b>-1,646</b>	<b>-923</b>	<b>-221</b>	<b>141</b>	<b>667</b>	<b>-12,245</b>	<b>-337</b>	<b>70</b>	<b>102</b>
YoY Growth (%)	-130	-343	-669	-224	159	-93	-102	-141	-342	-97.2	-101	
<b>Key Parameters (%)</b>												
Yield on loans	21.7	21.5	19.1	19.1	20.6	21.2	21.6					
Cost of funds	10.1	10.1	10.3	10.5	10.3	10.4	10.3					
Spread	11.6	11.4	8.8	8.6	10.3	10.9	11.3					
NIM	11.6	11.5	8.9	8.6	10.3	10.9	11.3					
Credit cost	3.28	6.55	5.70	2.80	2.30	1.50	1.00					
Cost to Income Ratio (%)	38.4	40.4	75.9	69.6	70.8	70.2	68.9					
Tax Rate (%)	29.8	25.6	-41.7	0.0	0.0	0.0	0.0					
<b>Performance ratios (%)</b>												
Avg o/s per borrower (INR '000)	30	29	27	26	25	25	27					
AUM/ RO (INR m)	1.2	1.1	1.1	0.9	0.8	0.8	0.9					
AUM/ Branch (INR m)	9	8	7	6	5	4	4					
Borrower/ Branch (INR m)	3,017	2,805	2,590	2,175	1,932	1,759	1,602					
<b>Balance Sheet Parameters</b>												
<b>AUM (INR B)</b>	<b>121.9</b>	<b>115.7</b>	<b>106.0</b>	<b>89.8</b>	<b>76.9</b>	<b>70.4</b>	<b>68.8</b>	<b>74.0</b>				
Change YoY (%)	25.5	15.4	-0.9	-21.8	-36.9	-39.2	-35.1	-17.5				
<b>Disbursements (INR B)</b>	<b>29.9</b>	<b>16.6</b>	<b>11.7</b>	<b>11.6</b>	<b>9.5</b>	<b>13.0</b>	<b>15.9</b>	<b>18.7</b>				
Change YoY (%)	30.7	-29.1	-56.9	-60.9	-68.2	-21.9	36.5	62.2				
<b>Borrowings (INR B)</b>	<b>91.2</b>	<b>86.4</b>	<b>73.1</b>	<b>64.0</b>	<b>52.7</b>	<b>49.3</b>	<b>51.8</b>	<b>0.0</b>				
Change YoY (%)	26.9	14.8	-8.9	-25.7	-42.3	-42.9	-29.2	-100.0				
Borrowings/Loans (%)	89.0	94.6	92.3	88.2	81.4	83.1	91.8	72.6				
Debt/Equity (x)	3.2	3.4	4.0	3.9	2.7	2.6	2.2	1.8				
<b>Asset Quality (%)</b>												
<b>GS 3 (INR M)</b>	<b>5,952</b>	<b>9,672</b>	<b>11,920</b>	<b>6,457</b>	<b>3,830</b>	<b>2,940</b>	<b>2,620</b>					
G3 %	5.5	9.4	12.6	7.9	5.4	4.6	4.4					
NS 3 (INR M)	1,301	2,302	1,450	224	130	230	360					
NS3 %	1.27	2.52	1.83	0.31	0.20	0.39	0.64					
<b>PCR (%)</b>	<b>78.1</b>	<b>76.2</b>	<b>87.8</b>	<b>96.5</b>	<b>96.6</b>	<b>92.2</b>	<b>86.3</b>					
ECL (%)	5.9	11.1	16.4	10.9	8.2	7.0	5.9					
<b>Return Ratios - YTD (%)</b>												
ROA (Rep)	-1.2	-10.3	-27.6	-7.4	-4.7	-1.2	0.8					
ROE (Rep)	-5.0	-45.7	-132.9	-38.2	-20.6	-4.6	2.6					

E: MOSL Estimates



### **Hitachi Energy : Will Be Able To Manage The Runaway Commodity Inflation, Says Co; N Venu, MD & CEO**

- Maintaining double-digit operational EBITDA guidance
- 70% of contracts have price escalation clauses, so RM cost price increase is not a concern
- Data centre is a big opportunity especially AI ready data centres
- Will be able to manage the runaway commodity inflation as 70% of our orders are on flexible pricing

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### **Godrej Properties : Mumbai Worli Project Has A Potential Of ₹10,000 Cr Which Will Reflect In Coming Years; Gaurav Pandey, MD & CEO**

- On track to beat guidance of INR32000 crore booking value for FY26
- Saw strong performance across geographies
- Around half of the bookings have been from sustenance Sales
- Saw a good response to all its launches and demand is strong

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### **Astral : Expect Realisations To Pick Up From Q4 Onwards; Executive Director & CFO**

- Expect Q4 to be much better than Q3
- Polymer prices have bottomed out & are seeing an upward move
- Expect the volumes to further inch up from here on
- Expect Realisations To Pick Up From Q4 Onwards

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### **Kaynes Technology : FY26 Revenue guidance cut to INR4100 crore, says co; Jairam Sampath, CFO**

- Revenue guidance for Q4 at Rs 1,700 cr & FY26 revenue guidance cut to Rs 4,100 cr
- Will turn cash flow positive on consolidated basis by end of FY26
- Business poised is at its best at this point of time sticking to EBITDA margin level of 16%

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### **PVR Inox : Movies Like 'Dhurandhar 2' & 'Toxic' Likely To Support Q4, Says Company; Ajay Bijli, MD**

- FY26 ad revenue to be higher than FY25
- Utilising 4700BC proceeds for debt reduction and expansion
- 29% of box office collections in Q3 came from Dhurandhar alone Diali was subdued but Dhurandhar made up for that

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
<b>Automobiles</b>																
Amara Raja Ener.	Neutral	866	934	8	44.7	50.6	58.0	-7.2	13.2	14.6	19.4	17.1	1.9	1.8	10.5	10.9
Apollo Tyres	Buy	504	597	18	24.0	29.7	34.3	22.5	23.9	15.6	21.0	17.0	1.7	1.5	10.0	11.6
Ashok Ley.	Buy	202	218	8	6.4	7.8	9.5	15.9	22.6	21.2	31.7	25.9	8.9	7.6	30.1	31.7
Bajaj Auto	Neutral	9519	9416	-1	339.6	373.1	412.0	13.4	9.9	10.4	28.0	25.5	7.5	6.9	28.1	28.1
Balkrishna Inds	Neutral	2708	2229	-18	68.7	91.3	104.6	-19.7	32.9	14.5	39.4	29.6	4.6	4.1	12.2	14.6
Bharat Forge	Neutral	1557	1342	-14	25.5	35.8	44.0	19.2	40.4	22.8	61.0	43.5	7.4	6.6	12.6	16.0
Bosch	Neutral	36361	-		832.9	921.3	1,030.0	22.1	10.6	11.8	43.7	39.5	6.9	6.4	16.8	16.9
CEAT	Buy	3922	4579	17	179.1	212.8	250.4	46.7	18.8	17.7	21.9	18.4	3.2	2.9	15.7	16.5
Craftsman Auto	Neutral	7826	7096	-9	163.2	231.5	301.3	77.1	41.8	30.2	48.0	33.8	5.8	5.0	12.8	15.9
Eicher Mot.	Sell	7176	6285	-12	202.5	227.2	255.6	17.3	12.2	12.5	35.4	31.6	7.9	6.8	24.1	23.2
Endurance Tech.	Buy	2444	2980	22	65.9	78.2	87.5	12.1	18.7	11.8	37.1	31.2	5.3	4.7	15.2	15.9
Escorts Kubota	Neutral	3760	3788	1	111.8	126.7	138.1	11.1	13.3	9.0	33.6	29.7	4.0	3.7	12.6	12.9
Exide Ind	Neutral	333	341	3	12.8	14.5	16.5	0.9	13.4	13.6	26.0	22.9	1.8	1.7	7.1	7.5
Happy Forgings	Buy	1096	1366	25	30.8	38.3	52.3	8.4	24.5	36.4	35.6	28.6	4.9	4.3	14.7	16.0
Hero Moto	Buy	5756	6804	18	265.7	292.8	321.9	15.4	10.2	9.9	21.7	19.7	5.4	5.0	25.9	26.5
Hyundai Motor	Buy	2185	2567	17	71.0	84.7	98.5	2.2	19.3	16.3	30.8	25.8	8.7	7.0	31.4	30.0
M&M	Buy	3578	4521	26	123.7	150.4	175.0	25.3	21.6	16.4	28.9	23.8	5.9	4.9	22.0	22.4
CIE Automotive	Buy	427	499	17	21.9	23.7	24.9	0.7	8.5	5.2	19.5	18.0	2.2	2.1	12.0	11.9
Maruti Suzuki	Buy	15001	18197	21	496.1	591.1	701.6	9.1	19.2	18.7	30.2	25.4	4.5	4.0	14.8	15.6
MRF	Sell	146495	129151	-12	5,701.0	5,911.0	6,640.0	29.3	3.7	12.3	25.7	24.8	3.0	2.7	12.3	11.4
Samvardh. Motherson	Buy	118	140	19	3.4	5.1	6.1	-4.1	47.9	20.9	34.6	23.4	3.4	3.1	10.1	13.8
Motherson Wiring	Buy	43	52	21	1.0	1.3	1.5	8.5	27.6	17.9	43.4	34.0	14.4	11.8	35.7	38.1
Sona BLW Precis.	Neutral	514	488	-5	10.8	12.8	14.3	9.6	18.2	12.0	47.4	40.1	5.3	4.9	11.5	12.7
Tata Motors PV	Sell	370	323	-13	3.9	29.1	39.4	-92.6	656.1	35.3	96.0	12.7	1.2	1.1	1.3	8.8
Tata Motors CV	Neutral	458	431	-6	17.6	19.5	21.5	5.5	10.8	10.5	26.1	23.5	11.9	8.2	57.0	41.4
TVS Motor	Buy	3763	4461	19	76.7	96.6	121.3	34.5	25.9	25.6	49.0	39.0	13.8	10.7	31.9	31.0
Tube Investments	Buy	2313	3315	43	44.3	48.2	52.7	14.7	9.0	9.2	52.2	47.9	7.5	6.6	15.3	14.6
<b>Aggregate</b>								<b>-7.4</b>	<b>28.5</b>	<b>17.5</b>	<b>32.6</b>	<b>25.4</b>	<b>4.9</b>	<b>4.3</b>	<b>14.9</b>	<b>16.9</b>
<b>Banks - Private</b>																
AU Small Finance	Buy	991	1250	26	35.3	48.9	63.7	18.3	39	30.4	28.1	20.3	3.8	3.2	14.4	17.1
Axis Bank	Neutral	1342	1400	4	79.6	99.2	118.2	-6.6	24.6	19.1	16.8	13.5	2.1	1.8	13.0	14.4
Bandhan Bank	Buy	159	175	10	8.0	17.5	23.3	-53.3	120	32.9	20.0	9.1	1.0	1.0	5.2	11.0
DCB Bank	Buy	192	220	14	23.4	31.1	39.1	19.5	32.9	25.9	8.2	6.2	1.0	0.9	13.1	15.3
Equitas Small Fin.	Buy	65	80	23	0.4	5.7	8.6	-68.2	1,277.5	50.8	157.8	11.5	1.2	1.2	0.8	10.5
Federal Bank	Buy	287	310	8	16.2	20.1	24.5	-2.4	24.0	22.3	17.7	14.3	1.9	1.6	11.3	12.2
HDFC Bank	Buy	941	1175	25	48.6	55.4	65.0	10.5	14.0	17.4	19.4	17.0	2.6	2.3	14.1	14.5
ICICI Bank	Buy	1407	1750	24	69.7	80.0	93.8	4.4	14.7	17.3	20.2	17.6	3.0	2.6	16.1	16.1
IDFC First Bk	Neutral	85	90	6	2.7	5.0	7.4	26.2	86.5	49.1	31.8	17.1	1.5	1.4	5.0	8.8
IndusInd	Neutral	904	930	3	6.2	43.5	66.3	-81.3	603.2	52.7	146.2	20.8	1.1	1.1	0.7	5.2
Kotak Mah. Bk	Buy	422	500	18	20.8	24.9	30.3	-6.4	19.3	22.0	20.3	17.0	2.4	2.1	11.5	12.5
RBL Bank	Buy	302	370	23	14.6	16.4	24.7	28.0	11.8	50.5	20.6	18.4	1.1	1.1	5.7	8.8
<b>Aggregate</b>								<b>2.3</b>	<b>21.7</b>	<b>20.5</b>	<b>19.7</b>	<b>16.2</b>	<b>2.5</b>	<b>2.2</b>	<b>12.7</b>	<b>13.4</b>
<b>Banks - PSU</b>																
BOB	Neutral	289	320	11	37.6	41.4	46.4	-0.5	10.0	12.1	7.7	7.0	1.1	0.9	14.7	14.8
Canara Bank	Buy	147	175	19	21.2	21.8	24.8	12.9	2.9	13.8	6.9	6.7	1.2	1.1	19.3	17.8
Indian Bank	Buy	871	1025	18	92.5	101.5	113.4	14.1	9.8	11.7	9.4	8.6	1.6	1.4	18.5	17.8
Punjab Natl.Bank	Buy	123	145	18	14.3	18.5	22.2	-3.0	29.3	19.5	8.6	6.6	1.0	0.9	13.1	15.1
SBI	Buy	1066	1300	22	100.1	107.2	126.0	15.2	7	17.5	8.2	7.9	1.7	1.5	17.8	15.9
Union Bank (I)	Neutral	178	180	1	23.1	23.9	27.0	-1.8	3	13.0	7.7	7.4	1.1	1.0	15.5	14.3
<b>Aggregate</b>								<b>7.8</b>	<b>11</b>	<b>15</b>	<b>10</b>	<b>8.8</b>	<b>1.5</b>	<b>1.3</b>	<b>15.2</b>	<b>15.1</b>
<b>NBFCs</b>																
AAVAS Financiers	Neutral	1302	1500	15	83.0	97.3	115.9	14.5	17.2	19.1	15.7	13.4	2.1	1.8	14.0	14.3
Aditya Birla Cap	Buy	348	415	19	15.3	19.9	25.3	19.5	30.0	27.5	22.8	17.5	2.7	2.4	12.4	14.4
Bajaj Fin.	Neutral	982	1075	10	31.3	41.0	51.5	16.1	30.6	25.7	31.3	24.0	5.3	4.5	18.5	20.4



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Bajaj Housing	Neutral	91	100	10	3.1	3.9	4.7	20.6	23.3	23.0	29.1	23.6	3.4	3.0	12.3	13.3
Can Fin Homes	Neutral	928	1015	9	77.3	80.7	93.5	20.1	4.4	15.9	12.0	11.5	2.1	1.8	18.7	16.9
Cholaman.Inv.&Fn	Buy	1742	2000	15	60.2	76.9	97.3	18.9	27.8	26.5	29.0	22.7	5.0	4.0	19.1	19.7
CreditAccess	Buy	1289	1580	23	49.0	87.2	108.9	47.4	78.0	24.9	26.3	14.8	2.7	2.3	10.7	16.5
Fusion Finance	Buy	190	-	-	-2.1	17.9	24.8	-98.3	LP	38.4	NM	10.6	1.3	1.1	-1.7	11.3
Five-Star Business	Buy	450	590	31	37.8	42.8	49.8	3.7	13.2	16.3	11.9	10.5	1.8	1.5	16.3	15.8
IIFL Finance	Buy	515	720	40	37.9	51.7	66.4	324.2	36.6	28.3	13.6	10.0	1.6	1.4	12.2	14.8
HDB Financial	Neutral	723	815	13	30.8	38.4	46.6	12.6	24.6	21.5	23.5	18.8	2.9	2.5	13.9	14.2
Home First Finan	Buy	1177	1370	16	52.8	63.2	75.4	24.4	19.7	19.4	22.3	18.6	2.8	2.5	16.0	14.2
IndoStar	Buy	217	285	31	39.2	13.9	20.9	914.7	-64.4	50.1	5.5	15.6	0.8	0.8	16.5	5.1
L&T Finance	Buy	285	370	30	11.7	15.9	20.3	10.4	35.9	28.0	24.4	17.9	2.6	2.3	10.9	13.5
LIC Hsg Fin	Neutral	519	550	6	99.5	102.3	109.6	0.9	2.8	7.1	5.2	5.1	0.7	0.6	14.3	13.2
Manappuram Fin.	Neutral	300	330	10	10.3	21.3	29.9	-27.7	107.6	40.0	29.2	14.1	1.8	1.6	6.8	12.6
MAS Financial	Buy	324	395	22	20.0	25.0	30.2	18.5	24.9	21.0	16.2	13.0	2.0	1.8	13.4	14.7
M&M Fin.	Buy	380	450	18	20.1	24.1	28.4	5.8	19.9	17.8	18.9	15.8	2.1	1.9	12.5	12.9
Muthoot Fin	Neutral	3704	4200	13	218.8	260.7	294.9	68.9	19.1	13.1	16.9	14.2	4.2	3.3	27.4	26.1
Piramal Finance	Buy	1688	2040	21	71.4	107.2	183.9	231.7	50.2	71.6	23.7	15.7	1.3	1.2	5.8	8.2
PNB Housing	Buy	849	1200	41	84.7	90.4	109.4	13.8	6.7	21.0	10.0	9.4	1.2	1.0	12.3	11.8
Poonawalla Fincorp	Buy	431	610	41	6.7	18.3	31.4	-624.8	174.8	71.2	64.6	23.5	3.4	2.3	5.9	12.4
PFC	Buy	419	445	6	57.6	59.6	67.7	9.5	3.6	13.5	7.3	7.0	1.3	1.2	19.5	17.7
REC	Buy	373	440	18	64.9	66.9	74.3	8.7	3.0	11.1	5.7	5.6	1.1	1.0	20.4	18.3
Repco Home Fin	Neutral	403	465	15	70.4	75.2	84.8	0.2	6.8	12.9	5.7	5.4	0.7	0.6	12.5	11.9
Spandana Sphoorty	Neutral	248	260	5	-87.3	18.9	42.2	-39.9	LP	123.1	NM	13.1	1.0	0.9	-29.3	7.2
Shriram Finance	Buy	1002	1200	20	52.4	55.3	70.1	19.1	5.6	26.7	19.1	18.1	2.9	2.1	16.3	14.5
<b>Aggregate</b>								<b>21.8</b>	<b>21.2</b>	<b>21.7</b>	<b>17.2</b>	<b>14.2</b>	<b>2.6</b>	<b>2.1</b>	<b>14.9</b>	<b>14.9</b>
<b>NBFC-Non Lending</b>																
360 ONE WAM	Buy	1116	1400	25	30.7	36.0	43.1	18.7	17.4	19.9	36.4	31.0	4.6	4.0	14.8	14.2
Aditya Birla AMC	Buy	813	1020	25	36.0	40.4	45.4	11.3	12.4	12.3	22.6	20.1	5.6	5.1	26.2	26.4
Anand Rathi Wealth	Neutral	2953	3100	5	47.4	60.3	73.0	31.1	27.1	21.1	62.3	49.0	25.0	17.6	47.5	42.1
Angel One	Buy	2639	3400	29	96.1	132.9	162.1	-26.0	38.3	22.0	27.4	19.9	3.5	3.1	14.7	18.3
Billionbrains	Buy	169	190	12	3.2	5.0	6.6	9.8	53.8	31.8	52.1	33.9	10.6	8.1	27.2	27.0
BSE	Neutral	2897	2950	2	59.1	68.0	79.2	82.1	15.1	16.4	49.0	42.6	18.8	14.0	38.3	32.9
Cams Services	Buy	723	840	16	19.1	22.4	26.1	1.9	17.2	16.7	37.8	32.3	13.7	11.7	39.0	39.1
CDSL	Neutral	1331	1410	6	23.8	27.5	32.1	-4.9	15.6	16.6	55.9	48.3	13.9	12.4	26.5	27.2
HDFC AMC	Buy	2720	3200	18	68.3	77.0	88.8	18.7	12.7	15.3	39.8	35.3	13.0	11.9	34.2	35.1
KFin Technologies	Neutral	969	1210	25	21.8	26.4	31.6	12.0	21.0	19.8	44.4	36.7	11.5	10.0	27.4	29.2
MCX	Neutral	2380	2750	16	47.8	66.5	72.9	117.5	39.2	9.6	49.8	35.8	28.5	24.6	60.7	73.8
NSDL	Neutral	969	1100	13	20.0	22.9	26.1	17.6	14.2	13.9	48.4	42.4	8.1	6.9	18.3	17.6
Nippon Life AMC	Buy	919	1060	15	24.8	29.0	32.9	21.6	16.9	13.4	37.0	31.7	13.5	13.2	36.8	42.1
Nuvama Wealth	Buy	1354	1750	29	59.4	70.5	84.1	7.2	18.7	19.4	22.8	19.2	6.1	5.3	28.4	29.7
Prudent Corp.	Neutral	2568	2550	-1	54.5	66.3	79.9	15.2	21.7	20.6	47.2	38.8	12.2	9.6	29.4	27.8
PB Fintech	Neutral	1503	1750	16	13.5	21.7	29.1	76.8	60.5	33.9	111.2	69.2	9.8	8.6	9.2	13.2
UTI AMC	Buy	1063	1400	32	54.4	72.8	82.7	-14.8	33.6	13.6	19.5	14.6	2.5	2.4	13.2	16.8
<b>Aggregate</b>								<b>20.9</b>	<b>25.4</b>	<b>18.9</b>	<b>43.5</b>	<b>34.7</b>	<b>10.2</b>	<b>8.6</b>	<b>23.4</b>	<b>24.9</b>
<b>Insurance</b>																
Canara HSBC	Buy	145	180	24	1.1	1.3	1.6	-7.8	15.3	20.5	127.6	110.6	1.9	1.6	17.5	17.8
HDFC Life Insur.	Buy	704	930	32	8.9	9.6	10.3	6.7	7.3	7.9	78.7	73.4	2.4	2.0	15.4	16.4
ICICI Lombard	Buy	1861	2260	21	60.9	70.1	80.3	19.6	15.2	14.6	30.6	26.5	5.6	4.8	19.5	19.4
ICICI Pru Life	Buy	651	800	23	9.9	11.1	12.7	21.2	11.6	14.1	65.5	58.7	1.8	1.6	11.7	13.0
Life Insurance Corp.	Buy	902	1100	22	87.3	94.8	103.1	14.7	8.5	8.8	10.3	9.5	0.7	0.6	11.9	11.7
Max Financial	Buy	1700	2100	24	4.9	11.3	12.4	-48.3	130.9	10.2	348.9	151.1	2.5	2.1	18.3	19.7
Niva Bupa Health	Buy	78	92	19	-0.1	1.2	2.5	-112.5	LP	116.5	NM	66.2	3.8	3.6	-0.7	5.6
SBI Life Insurance	Buy	1997	2570	29	22.2	24.3	27.9	-8.1	9.4	14.8	90.0	82.3	2.4	2.0	18.4	18.6
Star Health Insu	Buy	459	560	22	9.5	15.3	19.7	-13.9	62.2	28.6	48.6	29.9	3.6	3.2	7.6	11.2
<b>Chemicals</b>																



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)		
					FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	
Alkyl Amines	Neutral	1532	1730	13	36.2	41.7	45.6	-0.4	15.1	9.5	42.3	36.8	5.1	4.6	12.6	13.2	
Atul	Buy	6478	7500	16	237.0	262.4	299.4	40.0	10.7	14.1	27.3	24.7	3.1	2.8	11.9	11.9	
Clean Science	Neutral	797	840	5	21.2	27.9	32.4	-14.8	31.6	16.2	37.6	28.6	5.3	4.6	14.9	17.1	
Deepak Nitrite	Sell	1616	1440	-11	43.8	58.0	59.9	-14.3	32.3	3.4	36.9	27.9	3.7	3.4	10.6	12.7	
Ellenbarrie Industrial	Buy	255	350	38	7.9	11.3	14.7	33.6	42.6	30.6	32.2	22.6	3.6	3.1	14.9	14.6	
Fine Organic	Sell	4418	3710	-16	136.9	138.8	159.4	7.7	1.4	14.8	32.3	31.8	5.2	4.5	17.4	15.2	
Galaxy Surfact.	Buy	1829	2550	39	78.6	93.5	107.1	-8.5	18.9	14.6	23.3	19.6	2.5	2.3	11.3	12.3	
Navin Fluorine	Neutral	6419	5490	-14	106.4	131.5	153.7	82.8	23.6	16.9	60.3	48.8	8.6	7.6	16.9	16.5	
PI Inds.	Buy	3129	4033	29	94.6	104.6	119.5	-13.4	10.7	14.2	33.1	29.9	4.2	3.7	13.4	13.2	
Privi Speciality	Buy	2761	3810	38	76.0	96.3	141.3	58.8	26.8	46.6	36.3	28.7	7.7	6.1	23.7	23.7	
SRF	Buy	2903	3660	26	71.6	92.2	105.4	55.4	28.9	14.2	40.6	31.5	6.1	5.3	15.9	18.0	
Tata Chemicals	Neutral	704	760	8	15.0	37.8	56.2	-9.0	151.9	48.7	46.9	18.6	0.8	0.8	1.8	4.4	
Vinati Organics	Buy	1524	1950	28	47.4	56.3	65.7	18.4	18.7	16.7	32.2	27.1	4.9	4.3	16.3	16.9	
<b>Aggregate</b>									<b>12.8</b>	<b>19.6</b>	<b>13.1</b>	<b>36.9</b>	<b>30.9</b>	<b>4.5</b>	<b>4.0</b>	<b>12.2</b>	<b>13.0</b>
<b>Capital Goods</b>																	
ABB India	Buy	5812	5800	0	79.1	89.3	104.4	-10.6	12.9	16.8	73.4	65.1	15.9	14.6	22.6	23.4	
Astra Microwave	Buy	902	1100	22	16.4	23.7	30.3	0.8	44.5	27.7	54.9	38.0	6.8	5.8	13.2	16.4	
Bharat Electronics	Buy	430	520	21	8.2	9.8	11.4	13.7	18.6	17.2	52.2	44.0	12.5	10.0	24.0	22.8	
Bharat Dynamics	Buy	1269	1800	42	22.3	31.4	44.9	48.5	41.1	42.8	57.0	40.4	10.1	8.5	17.7	20.9	
Cummins India	Buy	4364	4950	13	87.2	97.8	114.0	21.6	12.2	16.6	50.1	44.6	15.3	13.5	32.4	32.2	
Hind.Aeronautics	Buy	4068	5800	43	142.9	161.0	197.8	14.3	12.7	22.9	28.5	25.3	6.5	5.5	22.8	21.7	
Hitachi Energy	Sell	21938	18400	-16	210.3	254.9	307.3	171.6	21.2	20.6	104.3	86.1	18.2	14.9	18.3	18.2	
Kalpataru Proj.	Buy	1092	1500	37	52.7	67.8	82.8	33.9	28.6	22.3	20.7	16.1	2.3	2.1	11.9	13.7	
KEC International	Buy	615	890	45	26.5	37.0	46.8	23.5	39.8	26.3	23.2	16.6	2.8	2.5	12.6	15.8	
Kirloskar Oil	Buy	1174	1400	19	35.5	44.6	52.3	23.5	25.5	17.3	33.0	26.3	5.0	4.4	16.2	17.7	
Larsen & Toubro	Buy	4068	4600	13	129.7	156.4	183.5	21.4	20.6	17.3	31.4	26.0	5.1	4.5	17.2	18.4	
Siemens	Neutral	3177	3150	-1	68.7	58.2	69.9	21.1	-15.3	20.1	46.2	54.6	6.4	5.7	13.8	10.5	
Siemens Energy	Buy	2740	3400	24	30.9	39.4	58.2	57.7	27.6	47.7	88.7	69.5	22.3	16.9	25.1	24.3	
Thermax	Sell	2871	2900	1	62.6	67.1	81.6	12.4	7.3	21.5	45.9	42.8	5.9	5.3	13.5	13.0	
Triveni Turbine	Buy	503	615	22	11.9	13.4	15.4	5.5	12.2	15.2	42.3	37.7	10.8	9.0	28.1	26.1	
Zen Technologies	Neutral	1325	1400	6	20.6	36.9	48.2	-29.1	78.7	30.9	64.2	35.9	6.4	5.4	10.5	16.3	
<b>Aggregate</b>									<b>19.7</b>	<b>17.0</b>	<b>20.2</b>	<b>39.8</b>	<b>34.0</b>	<b>7.4</b>	<b>6.4</b>	<b>18.5</b>	<b>18.7</b>
<b>Cement</b>																	
Ambuja Cem.	Buy	530	600	13	8.5	11.4	13.4	3.2	34.0	17.7	62.2	46.4	2.3	2.2	3.8	4.9	
ACC	Neutral	1667	1900	14	85.9	115.5	133.5	20.6	34.5	15.6	19.4	14.4	1.5	1.4	8.3	10.0	
Birla Corp.	Buy	1078	1300	21	61.8	76.2	88.5	46.3	23.4	16.1	17.4	14.1	1.1	1.1	6.6	7.7	
Dalmia Bhar.	Buy	2119	2570	21	61.3	64.9	73.3	65.3	6.0	12.8	34.6	32.6	2.2	2.1	6.4	6.5	
Grasim Inds.	Buy	2836	3600	27	81.9	102.2	123.4	10.5	24.8	20.7	34.6	27.7	3.4	3.3	-4.3	-1.2	
India Cem	Sell	452	370	-18	0.8	5.6	11.7	-103.2	627.7	108.6	588.3	80.8	1.5	1.4	0.2	1.8	
JSW Cement	Neutral	121	140	15	2.8	2.9	3.6	-597.8	5.2	23.4	43.4	41.2	2.7	2.5	9.0	6.3	
J K Cements	Buy	5726	6685	17	135.1	155.1	189.1	30.5	14.8	21.9	42.4	36.9	6.3	5.5	16.0	16.0	
JK Lakshmi Ce	Buy	728	900	24	37.5	44.2	43.2	46.8	17.9	-2.4	19.4	16.5	2.3	2.1	12.7	13.4	
Ramco Cem	Neutral	1160	1000	-14	15.2	23.6	31.2	287.4	55.5	32.0	76.5	49.2	3.5	3.3	4.7	7.0	
Shree Cem	Neutral	27346	28000	2	491.0	588.0	671.0	45.3	19.8	14.1	53.9	45.1	4.3	4.0	8.1	9.2	
Ultratech	Buy	12726	14200	12	270.5	331.4	402.7	30.3	22.5	21.5	47.0	38.4	5.0	4.6	10.9	12.4	
<b>Aggregate</b>									<b>33.5</b>	<b>23.9</b>	<b>19.8</b>	<b>43.0</b>	<b>34.7</b>	<b>3.4</b>	<b>3.2</b>	<b>7.8</b>	<b>9.1</b>
<b>Consumer</b>																	
Asian Paints	Neutral	2403	2950	23	46.0	53.0	60.3	8.4	15.1	13.8	52.2	45.4	11.7	11.1	22.5	25.0	
Bikaji Foods	Buy	650	900	39	9.2	12.0	16.2	53.0	30.7	35.2	70.9	54.2	10.1	8.6	15.3	17.2	
Britannia	Buy	5905	7150	21	106.4	126.0	142.7	15.8	18.5	13.2	55.5	46.9	28.2	23.0	54.5	54.1	
Colgate	Buy	2135	2450	15	50.2	55.3	60.8	-2.4	10.3	9.8	42.6	38.6	36.6	36.4	83.9	94.5	
Dabur	Neutral	508	535	5	10.8	12.2	13.2	6.0	12.8	8.9	47.2	41.8	7.8	7.6	17.1	18.4	
Emami	Buy	505	650	29	20.7	21.0	22.6	2.0	1.4	7.8	24.4	24.1	7.3	6.7	31.7	29.1	
Godrej Cons.	Buy	1181	1450	23	21.0	25.7	29.9	13.4	22.1	16.4	56.2	46.0	9.7	9.4	17.5	20.7	
Gopal Snacks	Buy	300	400	33	4.6	6.9	10.1	-12.9	50.0	45.5	64.8	43.2	8.3	7.2	13.5	17.9	



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
HUL	Buy	2424	2800	16	43.4	48.0	52.8	-2.1	10.7	9.8	55.9	50.5	11.5	11.3	20.6	22.5
Indigo Paints	Buy	1010	1450	44	33.3	39.4	46.3	11.9	18.0	17.6	30.3	25.7	4.2	3.6	14.5	15.0
ITC	Neutral	326	365	12	16.6	16.5	17.8	4.9	-0.4	7.6	19.7	19.7	5.7	5.6	29.2	28.4
Jyothy Lab	Neutral	244	325	33	10.1	11.5	12.9	-1.1	14.4	11.7	24.2	21.1	4.3	3.9	17.9	19.4
L T Foods	Buy	401	500	25	19.0	25.3	30.3	8.8	33.4	19.5	21.1	15.8	3.2	2.8	16.1	18.7
Marico	Buy	752	875	16	13.7	16.6	18.2	10.6	21.4	9.6	54.9	45.2	23.5	21.4	43.6	49.5
Mrs Bectors	Neutral	222	280	26	5.0	6.5	8.2	6.7	31.1	25.8	44.6	34.0	5.3	4.8	12.5	14.8
Nestle	Neutral	1302	1400	7	17.0	20.4	23.2	6.7	20.3	13.4	76.7	63.7	55.4	51.0	76.7	83.3
P&G Hygiene	Neutral	11897	13000	9	270.1	298.5	326.0	37.9	10.5	9.2	44.0	39.9	42.3	34.9	106.4	96.1
Page Inds	Buy	35518	44000	24	706.3	792.0	884.9	8.2	12.1	11.7	50.3	44.8	23.4	19.7	46.6	44.0
Pidilite Ind.	Neutral	1488	1550	4	24.0	27.8	31.8	16.0	16.0	14.3	62.1	53.5	13.8	12.2	23.5	24.1
Prataap Snacks	Buy	1104	1500	36	5.7	18.4	33.0	-253.5	222.8	79.3	192.3	59.7	3.7	3.5	2.0	6.0
Radico Khaitan	Buy	2728	3550	30	44.9	55.4	68.5	74.1	23.3	23.7	60.7	49.3	11.5	9.7	18.9	19.7
Tata Consumer	Buy	1159	1450	25	15.9	19.4	21.9	22.4	22.6	12.4	73.1	59.6	5.1	4.8	7.7	8.9
United Brew	Neutral	1525	1700	11	15.1	25.0	33.5	-14.4	65.4	33.9	100.9	61.0	8.8	8.2	8.9	13.9
United Spirits	Neutral	1377	1500	9	22.8	25.6	28.4	15.4	12.6	11.0	60.5	53.7	10.5	8.8	17.3	16.3
Varun Beverages	Buy	439	570	30	9.0	10.4	12.6	17.4	15.4	21.1	48.7	42.3	7.6	6.7	16.8	16.8
Zydu Wellness	Buy	388	575	48	11.5	16.9	18.8	6.7	47.7	11.3	33.8	22.9	2.1	2.0	6.3	9.0
<b>Aggregate</b>								<b>7.1</b>	<b>10.7</b>	<b>11.7</b>	<b>42.8</b>	<b>38.7</b>	<b>9.8</b>	<b>9.3</b>	<b>23.0</b>	<b>24.0</b>
<b>Consumer Durables</b>																
Blue Star	Neutral	1881	2000	6	27.2	36.6	45.4	-4.0	34.8	24.0	69.3	51.4	11.4	9.8	16.5	19.0
CG Consumer Elect.	Buy	245	350	43	7.7	8.5	10.5	-10.8	10.4	23.5	31.9	28.8	3.8	3.5	12.0	12.3
Havells India	Neutral	1354	1590	17	23.4	29.7	35.4	-0.2	26.8	19.2	57.9	45.7	9.2	8.1	15.9	17.8
KEI Industries	Buy	4462	5120	15	93.9	107.5	128.0	28.8	14.5	19.1	47.5	41.5	6.4	5.6	14.5	14.4
LG Electronics	Buy	1502	1770	18	27.0	33.5	39.2	-16.9	24.1	17.3	55.7	44.9	14.2	11.8	27.9	28.8
Polycab India	Buy	7630	9600	26	172.9	201.5	239.7	28.8	16.5	18.9	44.1	37.9	9.6	8.1	21.9	21.4
R R Kabel	Neutral	1465	1530	4	40.5	45.9	55.6	46.9	13.3	21.1	36.2	31.9	6.6	5.6	19.6	19.0
Voltas	Neutral	1436	1410	-2	17.0	29.0	36.1	-33.3	70.9	24.5	84.7	49.5	6.9	6.2	8.2	12.5
<b>Aggregate</b>								<b>1.9</b>	<b>24.0</b>	<b>19.9</b>	<b>52.2</b>	<b>42.1</b>	<b>8.9</b>	<b>7.7</b>	<b>17.1</b>	<b>18.3</b>
<b>EMS</b>																
Amber Enterp.	Buy	6641	8000	20	81.3	144.4	214.7	13.0	77.5	48.7	81.6	46.0	6.5	5.7	9.7	13.2
Avalon Tech	Buy	1030	1300	26	16.8	25.7	35.3	75.1	53.1	37.2	61.3	40.1	9.4	7.6	16.7	21.1
Cyient DLM	Buy	346	510	47	9.2	15.2	21.3	-1.3	65.7	39.6	37.6	22.7	2.6	2.4	7.3	11.0
Data Pattern	Neutral	2723	3000	10	49.8	67.6	85.4	25.7	35.7	26.3	54.7	40.3	8.5	7.1	16.9	19.2
Dixon Tech.	Buy	11503	16700	45	148.3	189.5	292.2	26.5	27.8	54.2	77.6	60.7	18.7	14.5	26.6	26.9
Kaynes Tech	Buy	3699	5000	35	68.7	116.4	165.8	56.8	69.4	42.4	53.8	31.8	5.1	4.4	11.9	14.7
Syrma SGS Tech.	Buy	868	1000	15	17.6	24.6	31.6	81.8	40.4	28.3	49.5	35.2	5.1	4.4	14.0	14.5
<b>Aggregate</b>								<b>40.2</b>	<b>44.8</b>	<b>44.4</b>	<b>62.5</b>	<b>43.2</b>	<b>8.3</b>	<b>7.0</b>	<b>13.2</b>	<b>16.1</b>
<b>Healthcare</b>																
Alembic Phar	Neutral	799	860	8	35.1	43.5	52.9	20.4	24.1	21.6	22.8	18.4	2.7	2.4	12.6	13.9
Alkem Lab	Neutral	5685	5500	-3	197.0	185.8	207.3	8.8	-5.7	11.6	28.8	30.6	5.0	4.5	18.4	15.5
Ajanta Pharma	Buy	2852	3400	19	84.5	100.5	113.2	13.0	18.9	12.7	33.8	28.4	7.8	6.5	25.3	25.0
Apollo Hospitals	Buy	7156	9015	26	130.8	155.6	193.1	30.0	19.0	24.1	54.7	46.0	9.9	8.2	20.6	20.2
Aurobindo	Buy	1191	1430	20	61.9	77.7	90.6	1.5	25.4	16.6	19.2	15.3	1.9	1.7	10.5	11.8
Biocon	Buy	365	460	26	3.0	7.1	9.4	97.4	139.4	32.4	123.3	51.5	2.0	1.9	2.2	5.1
Blue Jet Health	Buy	411	700	70	19.7	23.3	28.5	12.1	18.0	22.4	20.8	17.7	4.9	3.9	26.5	24.6
Cipla	Neutral	1331	1310	-2	54.0	53.6	61.6	-14.0	-0.7	14.9	24.7	24.8	3.1	2.8	12.4	11.1
Divis Lab	Neutral	6025	6930	15	91.1	114.9	137.0	12.2	26.1	19.3	66.1	52.4	9.6	8.5	15.3	17.2
Dr Reddy's	Neutral	1241	1220	-2	66.2	66.1	68.5	-1.7	-0.1	3.7	18.8	18.8	2.7	2.4	15.2	13.4
Dr Agarwal's Hea	Buy	450	565	25	4.0	5.3	8.0	50.9	33.4	50.2	112.5	84.3	7.1	6.5	6.5	8.1
ERIS Lifescience	Neutral	1432	1530	7	36.0	50.8	61.1	40.4	41.3	20.2	39.8	28.2	6.0	5.1	16.1	19.5
Gland Pharma	Buy	1852	2050	11	57.5	71.4	83.3	35.7	24.1	16.6	32.2	25.9	3.0	2.7	9.9	11.0
Glenmark	Buy	1934	2240	16	20.2	75.9	87.1	-57.7	275.8	14.8	95.8	25.5	5.9	4.8	6.3	20.7
GSK Pharma	Neutral	2486	2560	3	61.3	70.6	79.8	13.7	15.1	13.1	40.5	35.2	16.7	13.0	41.2	36.8
Global Health	Buy	1142	1375	20	20.0	28.3	34.6	3.5	41.3	22.3	57.1	40.4	8.0	6.9	14.9	18.3



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Granules India	Buy	564	670	19	23.9	32.0	39.0	23.8	34.2	21.7	23.6	17.6	3.3	2.8	14.8	17.1
IPCA Labs	Buy	1424	1645	15	42.8	52.0	61.6	19.1	21.4	18.5	33.3	27.4	4.6	4.0	14.7	15.7
Laxmi Dental	Buy	203	340	67	7.5	10.9	13.2	58.3	44.9	20.6	27.0	18.6	4.5	3.6	18.1	21.4
Laurus Labs	Buy	951	1230	29	15.9	17.8	21.3	174.1	11.9	19.8	59.8	53.4	9.6	8.4	17.3	16.8
Lupin	Neutral	2168	2125	-2	102.9	100.1	102.6	43.0	-2.7	2.5	21.1	21.7	4.3	3.6	23.4	18.3
Mankind Pharma	Buy	2060	2505	22	46.1	64.1	74.0	-1.0	39.3	15.4	44.7	32.1	5.4	4.8	12.6	15.9
Max Healthcare	Buy	1040	1270	22	16.7	21.7	25.2	10.3	29.9	16.1	62.4	47.8	8.4	7.2	14.3	16.3
Piramal Pharma	Buy	159	190	20	-1.1	1.3	3.3	-258.5	LP	142.7	NM	118.1	2.4	2.3	-1.8	2.2
Rubicon Research	Buy	785	850	8	14.4	19.0	25.3	76.3	31.8	33.4	54.5	41.3	10.6	8.6	26.9	23.0
Sun Pharma	Buy	1695	1940	14	48.4	56.1	65.1	2.8	15.9	16.1	35.0	30.2	5.0	4.5	15.2	15.6
Torrent Pharma	Neutral	3940	3930	0	69.4	83.8	103.2	20.2	20.7	23.2	56.7	47.0	7.3	6.1	28.2	28.4
Zydus Lifesciences	Neutral	888	975	10	44.6	44.7	48.9	-3.0	0.0	9.4	19.9	19.9	3.1	2.8	17.1	14.8
<b>Aggregate</b>								<b>6.3</b>	<b>17.6</b>	<b>15.0</b>	<b>35.4</b>	<b>30.1</b>	<b>4.8</b>	<b>4.2</b>	<b>13.6</b>	<b>14.1</b>
<b>Infrastructure</b>																
G R Infraproject	Buy	993	-		77.6	104.1	116.0	3.9	34.1	11.4	12.8	9.5	1.1	1.0	9.1	11.0
IRB Infra	Buy	43	52	21	1.4	2.2	3.8	23.2	62.6	69.3	31.2	19.2	1.3	1.2	4.1	6.5
KNR Constructions	Neutral	151	160	6	3.9	6.3	13.7	-72.2	61.5	117.5	39.1	23.9	1.0	1.0	2.7	4.3
<b>Aggregate</b>											<b>22.5</b>	<b>14.6</b>	<b>1.2</b>	<b>1.1</b>	<b>5.3</b>	<b>7.5</b>
<b>Logistics</b>																
Adani Ports	Buy	1550	1820	17	58.6	70.0	78.9	16.8	19.6	12.6	26.5	22.1	4.9	4.1	19.9	20.1
Blue Dart Express	Buy	5851	7900	35	137.3	194.3	204.9	33.2	41.5	5.4	42.6	30.1	7.3	6.1	18.5	22.1
Concor	Buy	509	580	14	17.1	20.7	24.1	0.7	20.6	16.5	29.7	24.6	2.9	2.8	10.2	11.6
Delhivery	Buy	436	580	33	2.8	6.6	8.1	24.9	133.9	23.9	155.4	66.5	3.4	3.2	2.2	4.9
JSW Infra	Buy	260	360	39	7.2	8.4	14.6	2.9	17.2	73.5	36.2	30.9	5.0	4.4	14.7	15.1
Mahindra Logistics	Neutral	363	350	-4	-0.4	17.0	20.6	-91.5	LP	21.0	NM	21.3	3.1	2.8	-0.3	13.6
Transport Corp.	Buy	1062	1340	26	59.9	65.3	76.5	11.9	9.0	17.1	17.7	16.3	3.2	2.7	19.3	17.9
TCI Express	Neutral	579	600	4	24.7	30.4	33.1	10.5	22.8	9.1	23.4	19.1	2.7	2.4	11.9	13.4
VRL Logistics	Buy	285	350	23	13.1	15.2	16.6	25.3	16.0	9.2	21.8	18.8	4.1	3.8	19.8	20.9
<b>Aggregate</b>											<b>29.7</b>	<b>24.4</b>	<b>4.6</b>	<b>3.9</b>	<b>15.4</b>	<b>16.2</b>
<b>Media</b>																
PVR Inox	Neutral	1007	1115	11	22.7	34.2	43.9	-247.0	50.6	28.5	44.3	29.5	1.4	1.3	3.1	4.5
Sun TV	Neutral	537	580	8	40.2	42.2	44.2	-7.4	5.0	4.7	13.4	12.7	1.7	1.6	12.7	12.3
Zee Ent.	Neutral	89	90	1	5.5	6.5	7.6	-33.2	19.7	15.5	16.3	13.7	0.7	0.7	4.5	5.2
<b>Aggregate</b>								<b>0.3</b>	<b>13.6</b>	<b>11.7</b>	<b>16.6</b>	<b>14.7</b>	<b>1.2</b>	<b>1.2</b>	<b>7.5</b>	<b>8.0</b>
<b>Metals</b>																
Coal India	Buy	433	500	16	44.8	57.1	58.5	-21.8	27.3	2.4	9.7	7.6	2.4	2.1	24.6	27.1
Hindalco	Buy	942	1070	14	76.7	74.5	78.6	2.4	-2.8	5.5	12.3	12.6	1.9	1.6	16.3	13.8
Hind. Zinc	Neutral	609	720	18	30.7	37.1	42.6	24.4	20.8	14.7	19.8	16.4	12.1	8.1	75.1	59.1
JSPL	Buy	1190	1290	8	28.7	78.8	96.3	-30.8	174.6	22.3	41.5	15.1	2.4	2.1	6.1	15.1
JSW Steel	Buy	1236	1350	9	33.7	72.2	90.8	114.4	114.5	25.8	36.7	17.1	3.4	2.9	9.8	18.4
Jindal Stainless	Buy	785	990	26	39.4	44.9	51.3	29.3	14.0	14.1	19.9	17.5	3.3	2.8	16.5	16.1
Midwest	Buy	1548	2000	29	47.0	70.3	101.7	64.4	49.7	44.6	33.0	22.0	5.5	4.4	16.4	19.7
Nalco	Neutral	354	350	-1	32.8	25.6	26.8	14.5	-22.2	4.8	10.8	13.9	2.9	2.5	30.1	19.3
NMDC	Buy	84	100	19	8.3	9.8	10.6	11.2	19.0	7.2	10.2	8.5	2.1	1.8	22.7	23.0
SAIL	Buy	160	175	9	6.1	13.6	14.3	87.2	124	5.2	26.4	11.8	1.1	1.0	4.2	8.9
Tata Steel	Buy	197	240	22	9.4	14.3	15.8	179.3	52	10.5	21.0	13.7	2.5	2.1	12.2	16.6
Vedanta	Neutral	671	810	21	57.8	57.9	65.1	66.4	0	12.4	11.6	11.6	4.9	3.9	47.6	37.2
<b>Aggregate</b>								<b>17.2</b>	<b>27.8</b>	<b>11.1</b>	<b>15.8</b>	<b>12.4</b>	<b>2.8</b>	<b>2.4</b>	<b>17.4</b>	<b>19.1</b>
<b>Oil &amp; Gas</b>																
Aegis Logistics	Neutral	690	750	9	22.8	24.4	27.4	20.7	7.1	12.2	30.3	28.3	4.7	4.2	16.4	15.8
BPCL	Neutral	386	395	2	58.1	41.6	35.7	82.5	-28.5	-14.2	6.6	9.3	1.7	1.5	27.9	17.3
Castrol India	Buy	185	250	35	9.8	9.6	10.4	4.2	-1.5	8.1	19.0	19.2	9.6	9.2	46.3	49.0
GAIL	Buy	163	190	17	11.4	14.7	16.2	-20.9	29.6	9.7	14.3	11.1	1.4	1.3	10.3	12.6
Gujarat Gas	Buy	426	485	14	16.3	18.7	20.7	-2.0	14.8	10.7	26.2	22.8	3.2	2.9	12.7	13.4
Gujarat St. Pet.	Neutral	306	313	2	13.2	13.3	14.3	-7.6	0.9	7.4	23.1	22.9	1.5	1.5	6.8	6.5



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
HPCL	Buy	463	600	30	82.1	70.3	54.3	159.3	-14.4	-22.7	5.6	6.6	1.6	1.3	30.5	21.9
IOC	Neutral	175	165	-6	25.1	17.1	13.5	223.8	-32.1	-20.6	7.0	10.3	1.1	1.1	17.3	10.6
IGL	Buy	176	245	39	10.5	12.2	13.2	0.1	16.6	8.0	16.8	14.4	2.4	2.2	15.1	16.0
Mahanagar Gas	Buy	1153	-		91.7	101.1	112.5	-13.6	10.2	11.3	12.6	11.4	1.8	1.6	14.7	14.8
Oil India	Neutral	497	390	-22	28.4	23.6	25.0	-24.5	-16.7	5.8	17.5	21.1	1.7	1.6	9.8	7.7
ONGC	Neutral	269	240	-11	33.1	30.3	30.3	8.5	-8.4	-0.1	8.1	8.9	0.9	0.9	11.7	10.0
PLNG	Buy	296	390	32	22.4	31.7	26.4	-14.5	41.5	-16.6	13.2	9.3	2.1	1.8	16.4	20.7
Reliance Ind.	Buy	1451	1750	21	53.8	57.9	63.8	4.5	7.6	10.2	27.0	25.0	2.2	2.0	8.3	8.3
<b>Aggregate</b>								<b>29.4</b>	<b>-7.2</b>	<b>-1.0</b>	<b>14.8</b>	<b>15.9</b>	<b>1.7</b>	<b>1.6</b>	<b>11.5</b>	<b>9.9</b>
<b>Real Estate</b>																
A B Real Estate	Buy	1352	1988	47	-26.5	24.8	81.9	83.7	LP	230.3	NM	54.5	4.4	4.1	-8.2	7.8
Anant Raj	Buy	546	663	21	16.2	9.4	31.4	30.3	-41.8	234.6	33.8	58.1	3.4	3.2	10.0	5.5
Brigade Enterpr.	Buy	762	1169	53	29.7	54.1	56.3	5.8	82.0	4.2	25.6	14.1	2.9	2.5	12.1	19.0
DLF	Buy	664	974	47	16.6	18.3	18.2	-5.8	10.2	-0.6	39.9	36.2	2.6	2.4	9.3	9.5
Godrej Propert.	Buy	1700	2219	31	60.1	108.9	160.2	30.2	81.4	47.1	28.3	15.6	2.7	2.3	9.9	15.8
Kolte Patil Dev.	Buy	367	428	17	-0.4	44.1	60.6	-102.9	LP	37.6	NM	8.3	2.7	2.1	-0.3	28.2
Oberoi Realty	Neutral	1533	1723	12	63.9	87.5	105.4	4.3	37.0	20.4	24.0	17.5	3.1	2.7	13.9	16.6
Lodha Developers	Buy	1055	1335	27	34.4	37.8	39.7	24.3	9.9	5.1	30.7	27.9	4.5	4.0	15.8	15.2
Mahindra Lifespace	Neutral	370	433	17	10.8	12.7	16.2	173.8	17.0	27.7	34.2	29.2	2.2	2.1	8.4	7.3
SignatureGlobal	Buy	891	1023	15	-1.3	106.3	122.1	-117.7	LP	14.9	NM	8.4	17.7	5.7	-2.5	102.6
Sri Lotus	Buy	147	250	71	6.1	12.0	15.8	30.5	97.7	31.6	24.1	12.2	3.6	2.8	20.5	26.0
Sunteck Realty	Buy	408	567	39	19.1	24.5	40.7	8.2	28.1	66.2	21.3	16.7	1.0	1.0	4.9	5.9
Sobha	Buy	1515	1825	20	13.3	49.2	73.1	50.1	270.6	48.4	114.0	30.8	3.5	3.1	3.1	10.7
Prestige Estates	Buy	1556	2285	47	28.4	30.7	40.8	122.7	8.1	33.2	54.9	50.7	3.8	3.5	7.1	7.2
Phoenix Mills	Buy	1733	2045	18	31.4	42.4	63.3	14.1	35.1	49.3	55.2	40.8	5.4	4.8	10.3	12.5
<b>Aggregate</b>								<b>13.1</b>	<b>45.5</b>	<b>26.3</b>	<b>38.6</b>	<b>26.5</b>	<b>3.7</b>	<b>3.3</b>	<b>9.5</b>	<b>12.3</b>
<b>Retail</b>																
Aditya Birla Fashion	Neutral	69	75	9	-6.9	-6.5	-6.1	12.5	Loss	Loss	NM	NM	1.2	1.4	-13.3	-14.3
Aditya Birla Lifestyle	Neutral	111	130	17	1.6	2.4	2.6	49.5	47.0	9.8	68.2	46.4	9.4	7.8	14.6	18.4
Arvind Fashions	Buy	484	700	45	7.6	13.9	17.9	-384.1	83.3	29.0	63.9	34.8	5.1	4.7	8.3	14.0
Avenue Supermarts	Buy	3890	4600	18	44.4	51.6	58.0	6.8	16.2	12.3	87.6	75.4	10.4	9.1	12.6	12.9
United Foodbrands	Neutral	250	215	-14	-10.8	-9.6	-8.4	55.9	Loss	Loss	NM	NM	3.1	3.5	-13.2	-13.3
Bata India	Neutral	848	875	3	14.4	18.4	23.0	-26.1	28.5	24.5	59.1	46.0	6.6	6.1	11.4	13.8
Campus Activewe.	Buy	274	320	17	4.8	5.9	7.1	22.2	21.3	21.1	56.7	46.7	9.6	8.2	16.9	17.6
Devyani Intl.	Buy	130	180	38	-0.1	1.1	2.1	-138.0	LP	92.8	NM	117.6	25.8	34.0	-1.0	24.9
Go Fashion (I)	Buy	385	465	21	13.3	17.1	20.2	-25.0	28.4	18.4	29.0	22.6	3.0	2.7	9.7	11.2
Jubilant Food.	Neutral	544	635	17	5.3	8.1	10.7	48.3	53.2	31.4	102.8	67.1	17.9	17.7	17.4	26.4
Kalyan Jewellers	Buy	380	600	58	12.1	15.0	18.0	54.6	24.0	20.0	31.3	25.3	6.8	5.8	23.7	24.8
Metro Brands	Buy	1033	1315	27	15.0	17.7	20.3	7.3	18.4	14.3	69.1	58.3	13.9	12.0	22.2	22.7
P N Gadgil Jewellers	Buy	550	825	50	25.2	29.8	35.1	44.8	18.0	17.8	21.8	18.5	3.9	3.2	19.8	19.2
Raymond Lifestyle	Buy	992	1425	44	33.3	54.4	66.5	101.9	63.2	22.3	29.8	18.3	0.6	0.6	4.6	7.1
Restaurant Brand	Buy	64	120	87	-3.2	-1.7	-0.6	-19.7	Loss	Loss	NM	NM	5.3	6.1	-23.4	-14.9
Relaxo Footwear	Sell	369	330	-11	6.5	8.1	9.4	-5.6	24.6	16.9	57.1	45.9	4.1	3.9	7.4	8.7
Sapphire Foods	Buy	215	300	39	-0.1	1.6	2.7	-112.6	LP	68.8	NM	132.9	4.9	4.7	-0.2	3.6
Senco Gold	Neutral	333	365	10	17.6	18.3	22.4	42.3	3.8	22.9	18.9	18.2	2.4	2.2	13.7	12.7
Shoppers Stop	Neutral	395	345	-13	-1.5	-3.0	-6.0	-340.8	Loss	Loss	NM	NM	10.2	11.4	-4.9	-10.8
Titan Company	Buy	4142	5000	21	58.2	70.3	83.3	37.6	20.9	18.4	71.2	58.9	24.2	18.8	38.5	35.9
Trent	Buy	4119	5200	26	46.9	54.5	63.5	8.6	16.3	16.5	87.8	75.5	19.8	15.8	26.9	24.9
Vedant Fashions	Neutral	471	600	27	16.0	16.4	17.2	0.1	2.6	4.8	29.4	28.7	6.0	5.4	19.6	18.3
Vishal Mega Mart	Buy	122	170	39	1.8	2.3	2.9	33.6	25.1	24.8	66.5	53.2	7.8	6.8	12.5	13.6
V-Mart Retail	Buy	590	1000	70	15.8	20.6	27.1	507.3	30.6	31.8	37.4	28.7	5.0	4.3	14.3	16.1
Westlife Foodworld	Neutral	542	535	-1	0.0	2.1	5.5	-99.6	#####	160.2	#####	255.9	13.6	12.9	0.0	5.2
<b>Aggregate</b>								<b>28.9</b>	<b>25.1</b>	<b>20.4</b>	<b>75.8</b>	<b>61.6</b>	<b>10.6</b>	<b>9.5</b>	<b>14.0</b>	<b>15.5</b>
<b>Technology</b>																
Cyient	Sell	1065	1000	-6	55.9	75.1	96.1	1.0	34.3	27.9	19.0	14.2	2.1	2.0	10.5	13.4



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
HCL Tech.	Buy	1594	2200	38	65.7	75.3	82.9	2.8	14.6	10.1	24.3	21.2	6.3	6.4	25.7	29.9
Hexaware Tech.	Buy	614	770	25	23.1	24.4	28.3	19.6	5.6	16.1	26.6	25.2	5.9	5.3	23.5	22.5
Infosys	Buy	1507	2200	46	68.7	76.3	84.6	7.6	11.1	10.9	21.9	19.7	8.0	7.9	33.8	40.2
KPIT Technologies	Buy	959	1350	41	26.9	34.7	40.9	-7.3	28.9	18.0	35.6	27.6	7.4	6.3	21.5	24.9
LTI Mindtree	Buy	5557	7900	42	185.0	215.3	244.6	19.1	16.4	13.6	30.0	25.8	6.5	5.6	20.9	23.2
L&T Technology	Neutral	3860	4500	17	123.8	147.0	170.3	4.0	18.8	15.8	31.2	26.3	5.9	5.2	19.7	21.0
Mphasis	Buy	2610	3900	49	99.3	115.2	134.2	11.2	16.0	16.5	26.3	22.7	4.8	4.4	19.0	20.3
Coforge	Buy	1546	2500	62	41.9	60.3	76.7	66.4	43.8	27.2	36.9	25.6	7.2	6.5	16.4	21.8
Persistent Sys	Buy	5846	8500	45	123.0	151.5	188.8	36.3	23.1	24.7	47.5	38.6	12.3	10.3	28.0	29.2
TCS	Buy	2941	4400	50	144.9	154.9	167.4	8.0	6.9	8.0	20.3	19.0	10.8	10.4	54.2	55.7
Tata Elxsi	Sell	5198	4700	-10	96.0	135.7	156.6	-23.8	41.4	15.4	54.2	38.3	10.6	9.4	20.2	26.0
Tata Technologies	Sell	618	550	-11	16.0	19.4	22.0	-3.6	21.7	13.0	38.6	31.8	6.1	5.8	13.5	18.7
Tech Mah	Buy	1619	2350	45	59.5	81.8	90.6	24.1	37.5	10.8	27.2	19.8	5.1	4.9	19.0	25.3
Wipro	Neutral	231	275	19	12.6	13.0	13.7	0.7	3.0	5.3	18.3	17.8	2.9	2.8	15.8	16.0
Zensar Tech	Buy	629	1000	59	32.5	35.1	39.3	14.5	8.1	11.8	19.4	17.9	3.2	3.0	17.6	17.5
<b>Aggregate</b>								<b>8.2</b>	<b>10.7</b>	<b>10.1</b>	<b>23.0</b>	<b>20.8</b>	<b>7.0</b>	<b>6.8</b>	<b>30.5</b>	<b>32.5</b>
<b>Telecom</b>																
Bharti Airtel	Buy	2038	2355	16	44.7	63.9	82.8	47.5	43.0	29.6	45.3	31.6	7.7	6.7	20.9	24.7
Bharti Hexacom	Buy	1702	2000	18	34.9	48.5	63.5	36.2	39.0	30.9	48.5	34.9	11.8	9.9	26.7	30.9
Indus Towers	Neutral	443	425	-4	26.4	27.9	29.0	13.6	5.7	4.2	16.8	15.9	3.0	2.9	19.3	18.1
Vodafone Idea	Neutral	11	10	-10	-2.2	-1.8	-1.5	-43.9	Loss	Loss	NM	NM	-0.4	-0.3	NM	NM
Tata Comm	Neutral	1551	1790	15	41.8	55.1	69.7	45.4	31.8	26.4	37.1	28.2	13.0	10.1	37.2	40
<b>Aggregate</b>								<b>LP</b>	<b>101.8</b>	<b>47.2</b>	<b>94</b>	<b>47</b>	<b>17.1</b>	<b>13.4</b>	<b>18.2</b>	<b>28.7</b>
<b>Utilities</b>																
Acme Solar	Buy	222	350	58	8.2	10.6	24.5	82.4	28.7	131.0	26.9	20.9	2.7	2.4	10.5	12.1
Indian Energy Exchange	Neutral	121	142	17	5.2	5.4	5.7	12.6	3.0	6.5	23.1	22.4	8.4	7.3	39.2	34.8
Inox Wind	Buy	106	187	76	3.6	6.6	7.7	2.4	83.4	17.0	29.7	16.2	3.2	2.7	11.6	18.2
JSW Energy	Buy	473	590	25	7.4	14.0	24.0	-31.1	90.8	70.9	64.4	33.7	2.8	2.5	4.5	7.9
NTPC	Neutral	365	393	8	22.6	26.7	29.2	8.5	18.5	9.2	16.2	13.7	1.8	1.6	11.4	12.3
Power Grid Corpn	Neutral	293	302	3	18.0	19.1	20.3	8.1	5.9	6.3	16.2	15.3	2.7	2.5	17.4	17.1
Suzlon Energy	Buy	48	74	54	1.4	2.2	2.5	33.1	50.9	13.6	33.5	22.2	7.5	5.6	26.4	28.8
Tata Power Co.	Buy	366	455	24	12.0	16.7	19.9	-1.7	38.9	18.7	30.4	21.9	3.1	2.8	10.4	13.5
Waaree Energies	Buy	3087	3514	14	134.7	160.9	174.4	106.8	19.5	8.4	22.9	19.2	6.9	5.2	34.6	30.7
<b>Aggregate</b>								<b>11.4</b>	<b>19.8</b>	<b>13.2</b>	<b>20</b>	<b>17</b>	<b>2.5</b>	<b>2.3</b>	<b>12.7</b>	<b>13.8</b>
<b>Others</b>																
APL Apollo Tubes	Buy	2198	2350	7	43.3	56.7	66.8	58.6	31.0	17.9	50.8	38.8	11.6	9.2	25.4	26.5
Astral	Buy	1473	1850	26	20.5	28.1	35.7	5.5	36.9	26.8	71.7	52.4	7.4	6.4	14.5	17.5
Cello World	Buy	504	680	35	16.0	21.9	25.0	4.0	37.1	14.2	31.6	23.1	4.3	3.7	14.1	17.7
Century Plyboard	Buy	799	927	16	12.4	21.7	29.8	39.2	74.9	37.1	64.3	36.7	6.8	5.8	10.6	15.9
Cera Sanitary.	Neutral	5165	5607	9	166.9	209.0	239.6	-13.2	25.2	14.7	30.9	24.7	4.5	4.1	14.7	16.4
Coromandel Intl	Buy	2269	2800	23	72.0	99.1	112.0	17.5	37.6	13.1	31.5	22.9	5.2	4.4	17.7	20.8
Sagility	Buy	48	66	37	2.1	2.5	3.0	81.8	17.9	20.2	22.7	19.2	2.4	2.2	11.3	12.1
Inventus Knowl	Buy	1678	2109	26	42.0	51.1	65.9	46.8	21.8	28.8	39.9	32.8	11.4	8.5	33.2	29.6
Indegene	Neutral	492	550	12	18.0	21.2	27.6	5.6	17.7	30.5	27.3	23.2	4.0	3.5	15.5	16.0
FSN E-Commerce	Neutral	277	290	5	0.7	1.6	2.5	176.6	126.9	58.9	397.4	175.1	51.4	39.7	13.9	25.6
EPL	Buy	213	260	22	13.2	16.5	19.2	16.7	24.8	16.6	16.1	12.9	2.6	2.3	17.0	18.8
Eternal	Buy	283	360	27	0.4	1.8	3.6	-37.1	379.0	105.7	766.8	160.1	8.3	7.9	1.1	5.1
Godrej Agrovet	Buy	554	700	26	25.4	33.4	38.3	13.4	31.8	14.6	21.8	16.6	6.2	4.9	23.8	33.2
Gravita India	Buy	1644	2030	23	54.1	66.8	81.2	27.8	23.5	21.5	30.4	24.6	4.9	4.1	17.6	18.2
Indiamart Inter.	Buy	2237	2750	23	84.5	94.8	112.1	-7.9	12.2	18.3	26.5	23.6	5.1	4.5	21.6	20.3
Indian Hotels	Buy	683	850	25	13.1	16.6	18.9	10.7	27.1	13.9	52.2	41.1	7.5	6.4	15.4	16.8
Info Edge	Neutral	1129	1250	11	16.1	18.5	19.5	34.8	15.1	5.3	70.2	61.0	2.5	2.5	3.7	4.1
Interglobe	Buy	4912	6100	24	95.4	208.0	248.5	-49.3	118.1	19.5	51.5	23.6	16.3	9.8	35.3	52.3
Kajaria Ceramics	Buy	939	1057	13	32.5	37.5	43.8	75.8	15.6	16.6	28.9	25.0	4.9	4.4	17.1	17.6



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Lemon Tree Hotel	Buy	126	-		3.3	4.3	5.0	33.3	28.7	18.0	38.1	29.6	7.0	5.7	20.2	21.1
MTAR Tech	Buy	3255	3900	20	33.8	62.7	96.7	96.6	85.6	54.2	96.3	51.9	12.1	9.8	13.3	20.8
One 97	Neutral	1187	1275	7	11.8	13.3	25.6	-150.6	13.0	91.8	100.6	89.1	5.0	5.0	5.0	5.7
Prince Pipes	Buy	264	360	37	7.4	14.1	19.8	89.3	89.6	40.7	35.5	18.7	0.7	0.7	5.1	9.1
Qess Corp	Neutral	210	230	10	14.9	16.0	18.2	-1.6	7.6	13.1	14.1	13.1	2.5	2.9	21.9	27.3
Safari Inds.	Buy	2124	2700	27	42.2	49.8	59.1	44.6	17.8	18.7	50.3	42.7	9.1	7.7	19.7	19.5
SBI Cards	Neutral	757	875	16	22.4	32.0	41.0	11.2	42.7	28.1	33.8	23.7	4.6	3.9	14.5	17.9
SIS	Buy	341	400	17	28.1	34.1	40.0	27.4	21.5	17.3	12.2	10.0	0.8	0.7	15.3	15.8
Supreme Inds.	Buy	3678	4200	14	67.9	102.5	124.9	-10.2	50.9	21.8	54.2	35.9	7.6	6.7	14.7	19.9
Swiggy	Buy	320	440	38	-17.1	-10.2	-1.6	40.1	Loss	Loss	NM	NM	4.8	5.4	-32.2	-16.3
Team Lease Serv.	Buy	1421	1850	30	86.9	100.6	116.5	34.0	15.7	15.9	16.4	14.1	2.3	2.0	14.5	14.6
Time Technoplast	Buy	190	280	48	10.2	12.7	15.5	19.6	24.5	21.7	18.6	14.9	2.6	2.3	14.1	15.3
Updater Services	Neutral	155	170	9	16.0	17.6	19.3	-9.8	10.0	9.7	9.7	8.8	1.0	0.9	10.5	10.5
UPL	Neutral	741	730	-1	37.9	51.5	59.1	51.6	35.8	14.7	19.5	14.4	1.2	1.1	9.5	12.8
VA Tech Wabag	Buy	1214	1900	56	64.3	73.1	88.0	35.0	13.7	20.4	18.9	16.6	3.0	2.6	15.9	15.6
Ventive Hospitality	Buy	778	1000	29	16.0	20.9	34.0	194.9	31.2	62.5	48.7	37.1	3.5	3.2	7.5	9.0
VIP Inds.	Buy	385	490	27	-4.6	7.8	11.9	-11.9	LP	53.0	NM	49.5	9.9	8.2	-11.3	18.2



Index	1 Day (%)	1M (%)	12M (%)
<b>Sensex</b>	<b>0.3</b>	<b>-1.7</b>	<b>7.1</b>
<b>Nifty-50</b>	<b>0.2</b>	<b>-1.9</b>	<b>8.9</b>
<b>Nifty Next 50</b>	<b>0.1</b>	<b>-2.2</b>	<b>8.7</b>
<b>Nifty 100</b>	<b>0.2</b>	<b>-1.9</b>	<b>8.8</b>
<b>Nifty 200</b>	<b>0.1</b>	<b>-2.1</b>	<b>9.2</b>
Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>	<b>-0.5</b>	<b>-4.9</b>	<b>18.1</b>
Amara Raja Ener.	-1.1	-5.9	-20.4
Apollo Tyres	-0.7	-2.9	21.1
Ashok Leyland	0.2	8.4	92.4
Bajaj Auto	-1.3	-1.5	7.6
Balkrishna Inds	0.6	13.3	-2.1
Bharat Forge	-1.0	5.6	36.9
Bosch	0.2	-6.7	29.1
CEAT	1.2	4.2	33.9
Craftsman Auto	0.0	-2.3	89.0
Eicher Motors	-0.4	-4.6	34.4
Endurance Tech.	-0.2	-4.8	22.1
Escorts Kubota	1.3	-4.7	14.9
Exide Inds.	-1.2	-8.6	-12.0
Happy Forgings	-1.9	-5.9	8.5
Hero Motocorp	-0.2	-4.1	36.0
Hyundai Motor	1.0	-5.2	19.7
M & M	0.2	-5.5	14.0
CIE Automotive	-0.8	1.3	-10.2
Maruti Suzuki	-0.4	-13.3	14.7
MRF	8.5	-2.5	28.3
Sona BLW Precis.	-2.1	7.8	-3.7
Motherson Sumi	-2.4	-2.3	29.6
Motherson Wiring	-3.7	-16.1	14.7
Tata Motors PV	-1.2	0.2	-14.0
Tata Motors CV	0.5	5.9	
TVS Motor Co.	1.2	-2.8	45.0
Tube Investments	-2.9	-9.2	-22.0
<b>Banks-Private</b>	<b>0.6</b>	<b>0.2</b>	<b>16.2</b>
AU Small Fin. Bank	0.3	-2.0	68.7
Axis Bank	0.8	3.7	31.4
Bandhan Bank	0.8	7.7	4.4
DCB Bank	0.7	5.3	56.7
Equitas Sma. Fin	-1.7	-2.5	-9.1
Federal Bank	-0.3	11.7	56.2
HDFC Bank	-0.9	-2.2	7.9
ICICI Bank	0.7	-0.4	10.5
IDFC First Bank	-0.4	0.4	33.5
IndusInd Bank	-1.2	-1.2	-15.2
Kotak Mah. Bank	3.3	-1.6	10.2
RBL Bank	-0.8	-5.7	79.5
SBI Cards	0.9	-16.1	-6.7
<b>Banks-PSU</b>	<b>-0.5</b>	<b>1.0</b>	<b>41.3</b>
BOB	-0.4	-5.2	31.6
Canara Bank	-0.7	-4.3	55.3
Indian Bank	-0.9	1.1	59.0
Punjab Natl.Bank	-1.0	-2.1	23.2

Index	1 Day (%)	1M (%)	12M (%)
<b>Nifty 500</b>	<b>0.1</b>	<b>-2.4</b>	<b>8.1</b>
<b>Nifty Midcap 100</b>	<b>0.0</b>	<b>-2.7</b>	<b>11.2</b>
<b>Nifty Smallcap 100</b>	<b>-0.3</b>	<b>-5.3</b>	<b>-0.7</b>
<b>Nifty Midcap 150</b>	<b>0.0</b>	<b>-2.6</b>	<b>10.8</b>
<b>Nifty Smallcap 250</b>	<b>-0.3</b>	<b>-5.5</b>	<b>-1.5</b>
St Bk of India	-0.7	4.7	41.8
Union Bank (I)	0.1	7.5	49.2
<b>NBFCs</b>	<b>0.4</b>	<b>-0.5</b>	<b>17.5</b>
Aditya Birla Capital Ltd	0.9	-3.6	105.5
AAVAS Financiers	-5.5	-11.0	-24.5
Bajaj Fin.	1.8	0.4	15.4
Bajaj Housing	0.0	-5.8	-23.0
Cholaman.Inv.&Fn	1.2	-3.5	26.1
Can Fin Homes	-0.7	-2.0	39.5
CreditAcc. Gram.	-0.1	-2.8	19.8
Fusion Microfin.	1.1	8.0	2.4
Five-Star Bus.Fi	0.6	-15.9	-40.8
HDB FINANC SER	3.2	-6.1	
Home First Finan	1.2	9.8	15.6
Indostar Capital	-0.5	-12.8	-20.5
IIFL Finance	2.2	-22.4	43.5
L&T Finance	0.7	-10.7	89.2
LIC Housing Fin.	0.5	-4.0	-10.1
MCX	-1.2	6.0	97.6
M & M Fin. Serv.	1.4	1.6	31.6
Muthoot Finance	3.5	-6.0	65.8
Manappuram Fin.	2.1	-2.4	46.0
MAS Financial Serv.	3.7	-3.9	26.0
Piramal Finance	0.0	-6.7	
PNB Housing	0.3	-15.7	-6.4
Power Fin.Corpn.	1.0	11.4	3.4
REC Ltd	-2.5	-2.7	-14.2
Repco Home Fin	-0.5	-4.3	1.6
Shriram Finance	1.1	0.0	77.0
Spandana Sphoort	-0.7	-4.8	-25.0
Nippon Life Ind.	-0.6	3.3	52.0
UTI AMC	-0.4	-6.1	0.9
Nuvama Wealth	-1.9	-8.4	14.6
Prudent Corp.	1.2	-1.4	3.2
<b>NBFC-Non Lending</b>			
360 One	-2.4	-6.2	10.3
Aditya AMC	0.4	-4.3	15.7
Anand Rathi Wea.	-0.2	-6.7	55.9
Angel One	-0.1	9.6	8.3
Billionbrains	-0.5	9.0	
BSE	0.2	7.0	56.1
C D S L	-2.3	-8.6	0.3
Cams Services	-1.2	-3.6	-1.4
HDFC AMC	-1.5	3.7	38.2
KFin Technolog.	-2.5	-10.0	-17.3
MCX	-1.2	6.0	97.6
N S D L	-1.0	-8.8	
Nippon Life Ind.	-0.6	3.3	52.0



Company	1 Day (%)	1M (%)	12M (%)
Nuvama Wealth	-1.9	-8.4	14.6
Prudent Corp.	1.2	-1.4	3.2
UTI AMC	-0.4	-6.1	0.9
<b>Insurance</b>			
Canara HSBC	-0.1	-2.8	
HDFC Life Insur.	-2.4	-9.6	11.3
ICICI Pru Life	-0.7	-5.5	8.4
ICICI Lombard	-0.7	-7.4	1.8
Life Insurance	7.4	6.1	8.8
Max Financial	0.1	-1.6	53.7
Niva Bupa Health	0.4	3.7	-4.2
SBI Life Insuran	-1.0	-4.7	36.3
Star Health Insu	-1.3	1.5	5.3
<b>Chemicals</b>			
Alkyl Amines	-1.3	-1.0	-15.6
Atul	3.3	4.5	4.5
Clean Science	-1.5	-7.9	-45.4
Deepak Nitrite	0.2	-1.0	-32.4
Ellen.Indl.Gas	0.3	-20.7	
Fine Organic	-1.5	3.3	2.3
Galaxy Surfact.	-0.2	-8.3	-25.4
Navin Fluor.Intl.	2.3	11.6	51.1
P I Inds.	-0.4	-4.5	-14.1
Privi Speci.	-2.3	4.3	55.7
SRF	-0.2	-5.0	0.2
Tata Chemicals	-0.8	-6.8	-24.8
Vinati Organics	-0.6	-5.7	-12.5
<b>Capital Goods</b>	<b>0.4</b>	<b>0.3</b>	<b>10.1</b>
A B B	0.8	11.3	2.4
Astra Microwave	-3.7	-9.4	28.1
Bharat Dynamics	-0.4	-17.8	4.6
Bharat Electron	-0.8	4.0	53.6
Cummins India	-0.5	5.8	47.3
Hind.Aeronautics	0.8	-9.9	7.8
Hitachi Energy	13.9	16.0	78.0
K E C Intl.	0.9	-15.4	-24.4
Kalpataru Proj.	-1.5	-8.6	3.8
Kirloskar Oil	-2.3	-6.1	39.4
Larsen & Toubro	0.1	-1.8	21.3
Siemens	-3.8	1.5	13.3
Siemens Ener	5.5	4.5	
Thermax	-1.2	-7.0	-13.4
Triveni Turbine	0.6	-6.7	-11.6
Zen Technologies	-0.5	-1.8	-19.2
<b>Cement</b>			
Ambuja Cem.	-0.7	-6.1	3.0
ACC	-0.2	-4.5	-16.1
Birla Corp.	-0.5	-0.3	-9.7
Dalmia Bharat	-1.7	0.1	13.4
Grasim Inds.	-0.7	-0.7	13.8
India Cem	0.1	-0.8	60.8
JSW Cement	-1.8	-1.1	
J K Cements	0.2	-0.2	17.2

Company	1 Day (%)	1M (%)	12M (%)
JK Lakshmi Cem.	-1.8	-7.6	-13.0
The Ramco Cement	-0.1	7.9	30.4
Shree Cement	0.5	-1.2	-1.7
UltraTech Cem.	-0.4	4.2	10.8
<b>Consumer</b>	<b>2.3</b>	<b>-3.1</b>	<b>-7.1</b>
Asian Paints	-1.3	-15.6	6.1
Bikaji Foods	-0.6	-8.7	-11.4
Britannia Inds.	0.7	-3.6	19.3
Colgate-Palm.	0.9	2.1	-20.0
Dabur India	0.8	-2.3	-3.4
Emami	0.2	-3.3	-12.4
Godrej Consumer	1.0	-5.8	5.6
Gopal Snacks	0.0	-6.7	-11.8
Hind. Unilever	3.0	0.0	3.8
Indigo Paints	-0.3	-15.3	-20.9
ITC	5.0	-4.9	-26.1
Jyothy Lab.	0.1	-13.3	-38.9
L T Foods	1.0	5.8	-0.1
Marico	0.6	-3.4	13.8
Mrs Bectors	-0.4	-7.6	-24.2
Nestle India	0.0	-1.3	16.4
P & G Hygiene	0.6	-7.9	-17.6
Page Industries	-0.2	0.6	-19.2
Pidilite Inds.	1.3	-1.1	2.7
Prataap Snacks	-0.4	-8.1	-1.9
Radico Khaitan	-1.4	-12.8	20.7
Tata Consumer	0.3	-4.2	13.3
United Breweries	2.8	-4.1	-26.4
United Spirits	1.3	0.0	-2.7
Varun Beverages	0.4	-12.0	-22.8
Zydu Wellnes	-1.0	-18.8	8.7
<b>Consumer Durables</b>	<b>0.4</b>	<b>-6.2</b>	<b>-1.1</b>
Blue Star	1.0	3.1	-5.1
Crompton Gr. Con	-0.6	-5.7	-32.4
Havells	0.4	-9.8	-15.5
KEI Industries	0.4	-1.4	13.8
LG Electronics	-1.0	0.5	
Polycab India	1.2	-2.2	30.1
R R Kabel	-0.5	-4.8	20.8
Voltas	0.6	-3.4	6.2
<b>EMS</b>			
Amber Enterp.	3.8	-1.0	-4.5
Avalon Tech	0.8	11.3	40.4
Cyient DLM	-3.4	-16.0	-24.4
Data Pattern	7.9	1.7	38.7
Dixon Technolog.	1.1	-1.9	-21.5
Kaynes Tech	2.3	-2.4	-13.8
Syrma SGS Tech.	0.9	15.7	61.7
<b>Healthcare</b>	<b>-0.7</b>	<b>-5.0</b>	<b>-0.2</b>
Ajanta Pharma	1.3	0.3	5.7
Alembic Pharma	-1.6	-3.4	-10.9
Alkem Lab	0.4	0.5	8.1
Apollo Hospitals	0.4	-2.7	4.0



Company	1 Day (%)	1M (%)	12M (%)
Aurobindo	0.8	-3.3	-0.1
<b>Oil &amp; Gas</b>	<b>0.4</b>	<b>3.3</b>	<b>15.5</b>
Aegis Logistics	0.5	-7.4	-14.9
BPCL	1.1	4.2	47.2
Castrol India	-0.2	-2.7	-11.8
Biocon	-0.7	-5.1	-7.9
Blue Jet Health	1.2	-21.8	-50.5
Cipla	-0.2	-13.1	-9.6
Divis Lab	-1.9	-9.3	-1.6
Dr Agarwals Health	-1.4	-12.4	11.3
Dr Reddy's	-0.3	-1.2	0.4
ERIS Lifescience	1.2	-7.8	-1.6
Gland Pharma	0.1	9.3	22.0
Glenmark	-1.8	-6.7	29.0
Global Health	3.2	-5.5	-2.2
Granules	-2.8	-7.9	-2.6
GSK Pharma	1.6	0.0	9.9
IPCA Labs	-1.8	-3.6	-6.5
Laurus Labs	-1.4	-14.8	49.3
Laxmi Dental	-2.1	-21.8	-57.8
Lupin	-2.0	1.1	-0.5
Mankind Pharma	-1.0	-8.1	-16.9
Max Healthcare	-0.1	-1.1	-7.6
Piramal Pharma	0.1	-11.8	-30.9
Rubicon Research	-0.7	18.1	
Sun Pharma	-0.4	-3.7	-2.7
Torrent Pharma	-0.9	0.1	24.6
Zydus Lifesci.	-1.9	-4.6	-11.9
<b>Infrastructure</b>	<b>0.4</b>	<b>-0.7</b>	<b>15.7</b>
G R Infraproject	-0.7	0.0	-18.2
IRB Infra.Devl.	2.1	3.0	-20.1
KNR Construct.	2.3	-0.3	-48.0
<b>Logistics</b>			
Adani Ports	-1.2	5.3	33.2
Blue Dart Exp.	-0.6	5.2	-10.5
Delhivery	-1.8	5.3	35.5
Container Corpn.	-2.4	-3.9	-12.8
JSW Infrast	-1.3	-6.5	0.6
Mahindra Logis.	-0.2	15.1	7.5
Transport Corp.	0.2	-0.1	-2.8
TCI Express	-0.5	0.2	-27.5
VRL Logistics	2.1	7.9	9.7
<b>Media</b>	<b>-0.2</b>	<b>-4.5</b>	<b>-15.1</b>
PVR INOX	2.0	-2.1	-10.3
Sun TV	-0.7	-7.3	-16.0
Zee Ent.	4.0	-2.5	-17.6
<b>Metals</b>	<b>0.2</b>	<b>3.6</b>	<b>42.8</b>
Hindalco	0.8	0.0	58.3
Hind. Zinc	-0.3	-5.3	37.5
JSPL	1.0	10.2	47.0
JSW Steel	-0.3	5.1	30.3
Jindal Stainless	1.0	-8.8	23.4
Midwest	1.1	-12.8	

Company	1 Day (%)	1M (%)	12M (%)
Nalco	-2.5	2.3	80.1
NMDC	-0.6	0.3	29.1
SAIL	1.3	9.6	48.7
Tata Steel	-0.4	5.8	48.7
Vedanta	2.4	7.9	51.2
GAIL	1.8	-3.8	-8.6
Gujarat Gas	1.0	-2.8	-9.5
Gujarat St. Pet.	2.1	-4.1	-8.7
HPCL	0.9	-4.0	35.0
IOCL	-0.3	6.8	39.0
IGL	1.6	-7.6	-13.0
Mahanagar Gas	7.6	7.3	-14.1
Oil India	-0.3	16.8	17.0
ONGC	-0.1	11.2	5.0
PLNG	-1.0	0.2	-4.7
Reliance Ind.	0.5	-3.8	13.2
<b>Real Estate</b>	<b>0.6</b>	<b>-9.8</b>	<b>-10.0</b>
A B Real Estate	3.7	-19.0	-40.8
Anant Raj	0.0	-6.4	-8.1
Brigade Enterpr.	-1.1	-14.4	-34.0
DLF	0.4	-6.0	-13.1
Godrej Propert.	0.6	-20.1	-24.5
Kolte Patil Dev.	0.9	-6.5	19.5
Mahindra Life.	-1.5	-6.5	1.5
Macrotech Devel.	0.6	-5.1	-12.0
Oberoi Realty Ltd	-1.1	-11.2	-14.7
SignatureGlobal	-1.0	-21.6	-30.2
Sri Lotus	0.1	-8.7	
Sobha	1.5	-2.2	15.5
Sunteck Realty	-0.3	-3.3	-17.5
Phoenix Mills	1.5	-11.1	7.4
Prestige Estates	1.9	-5.9	13.9
<b>Retail</b>			
A B Lifestyle	-2.4	-7.2	
Aditya Bir. Fas.	-2.9	-11.1	-32.2
Arvind Fashions	-1.2	-2.1	1.6
Avenue Super.	-1.1	6.2	3.8
Bata India	-0.4	-10.3	-37.5
Campus Activewe.	1.6	4.8	-0.1
Devyani Intl.	-1.5	-6.1	-27.9
Go Fashion (I)	-0.7	-15.9	-58.4
Jubilant Food	-0.2	-0.4	-21.6
Kalyan Jewellers	1.1	-24.0	-29.9
Metro Brands	0.0	-11.6	-18.5
P N Gadgil Jewe.	-0.8	-9.8	-2.4
Raymond Lifestyl	-0.5	-1.3	-25.8
Relaxo Footwear	-0.9	-8.7	-31.3
Restaurant Brand	0.0	-4.4	-18.2
Sapphire Foods	-1.1	-5.6	-32.3
Senco Gold	6.3	2.9	-33.7
Shoppers St.	0.8	3.7	-34.0
Titan Co.	1.1	0.7	21.4
Trent	-0.4	1.6	-22.0



Company	1 Day (%)	1M (%)	12M (%)
United Foodbrands	3.8	15.8	-18.1
Vedant Fashions	0.2	-16.5	-50.7
Vishal Mega Mart	-0.7	-7.0	5.2
V-Mart Retail	-1.3	-15.2	-33.6
Westlife Food	-1.4	-1.3	-39.3
<b>Technology</b>	<b>-1.5</b>	<b>-6.2</b>	<b>-17.2</b>
Cyient	-3.2	-6.5	-28.7
HCL Tech.	-1.0	-1.4	-7.5
Hexaware Tech.	-4.4	-16.7	
Infosys	-0.9	-6.5	-21.3
KPIT Technologi.	-0.1	-15.9	-33.2
LTIMindtree	-2.1	-7.0	-6.4
L&T Technology	1.2	-10.4	-30.3
Mphasis	-1.4	-7.3	-7.6
Coforge	-3.4	-6.7	-9.3
Persistent Sys	-2.1	-6.4	-6.0
TCS	-1.7	-9.7	-28.0
Tata Technolog.	-3.9	-4.9	-21.3
Tata Elxsi	-3.8	-2.7	-19.1
Tech Mah	-1.6	1.1	-3.0
Wipro	-1.1	-13.1	-27.4
Zensar Tech	-1.8	-10.3	-31.6
<b>Telecom</b>	<b>0.9</b>	<b>-3.7</b>	<b>11.1</b>
Bharti Airtel	2.3	-3.2	25.8
Indus Towers	0.2	2.6	24.5
Idea Cellular	-1.1	-4.1	20.0
Tata Comm	0.2	-14.0	-2.2
<b>Utilities</b>	<b>0.6</b>	<b>1.8</b>	<b>8.3</b>
ACME Solar Hold.	-2.4	-4.0	-8.4
Coal India	0.2	1.3	14.0
Indian Energy Ex	-3.1	-18.7	-33.9
Inox Wind	-0.6	-13.2	-36.7
JSW Energy	-0.2	-8.1	-4.3
NTPC	-0.5	4.1	16.7
Power Grid Corpn	1.2	9.0	4.1
Suzlon Energy	0.4	-10.1	-12.5
Tata Power Co.	0.4	-5.3	0.2
Waaree Energies	0.5	17.2	32.6
<b>Others</b>			
APL Apollo Tubes	0.7	12.8	54.7
Astral	-2.1	-1.0	-0.4
Cello World	-0.7	-6.2	-23.2
Century Plyboard	1.5	-2.3	-7.3
Cera Sanitary.	2.2	-0.2	-25.2
Coromandel Intl	0.9	-1.8	21.7
EPL Ltd	0.7	1.0	-10.9
Eternal Ltd	-1.2	1.6	23.8
FSN E-Commerce	7.2	3.0	59.4
Godrej Agrovet	0.0	-2.2	-27.6
Gravita India	-1.5	-9.8	-19.9
Havells	0.4	-9.8	-15.5
Indiamart Inter.	-1.1	4.1	3.4
Indian Hotels	-0.9	-5.9	-13.5

Company	1 Day (%)	1M (%)	12M (%)
Info Edge	-3.1	-15.4	-29.8
Interglobe	-0.5	-1.9	11.7
Kajaria Ceramics	2.3	-6.3	-3.4
Lemon Tree Hotel	-2.4	-15.0	-13.6
MTAR Tech	-0.4	29.0	107.8
One 97	-2.0	-10.9	48.8
Prince Pipes	0.9	3.8	-29.9
Qess Corp	-4.2	-4.0	-34.4
Safari Inds.	0.7	-1.6	-7.4
SIS	-2.7	0.9	-1.2
Supreme Inds.	-1.7	1.1	-7.3
Swiggy	-0.5	-11.4	-17.7
Team Lease Serv.	-1.6	-10.9	-38.6
Time Technoplast	-0.3	1.4	-6.4
Updater Services	-4.1	-16.2	-56.3
UPL	-0.8	-7.3	15.0
Ventive Hospitality	-0.9	0.4	1.8
V I P Inds.	-0.1	1.0	-1.9
Va Tech Wabag	2.5	0.2	-12.8
Voltas	0.6	-3.4	6.2
Inventurus Knowl	-1.5	0.5	-1.6
Sagility	1.4	-6.7	-8.5
Indegene	1.8	-6.4	-21.6

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

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Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

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Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: [na@motilaloswal.com](mailto:na@motilaloswal.com), Contact No.: 022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	<a href="mailto:query@motilaloswal.com">query@motilaloswal.com</a>
Ms. Kumud Upadhyay	022 40548082	<a href="mailto:servicehead@motilaloswal.com">servicehead@motilaloswal.com</a>
Mr. Ajay Menon	022 40548083	<a href="mailto:am@motilaloswal.com">am@motilaloswal.com</a>
Mr. Neeraj Agarwal	022 40548085	<a href="mailto:na@motilaloswal.com">na@motilaloswal.com</a>
Mr. Siddhartha Khemka	022 50362452	<a href="mailto:po.research@motilaloswal.com">po.research@motilaloswal.com</a>

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