Market snapshot

Equities - India	Close	Chg .%	CY25.%
Sensex	84,274	0.2	9.1
Nifty-50	25,935	0.3	10.5
Nifty-M 100	60,736	0.5	5.7
Equities-Global	**Close**	**Chg .%**	**CY25.%**
S&P 500	6,942	-0.3	16.4
Nasdaq	23,102	-0.6	20.4
FTSE 100	10,354	-0.3	21.5
DAX	24,988	-0.1	23.0
Hang Seng	9,243	0.8	22.3
Nikkei 225	57,651	2.3	26.2
Commodities	**Close**	**Chg .%**	**CY25.%**
Brent (US$/Bbl)	72	0.0	-15.7
Gold ($/OZ)	5,025	-0.6	64.6
Cu (US$/MT)	13,032	-0.5	43.9
Almn (US$/MT)	3,059	-1.3	17.5
Currency	**Close**	**Chg .%**	**CY25.%**
USD/INR	90.6	-0.2	5.0
USD/EUR	1.2	-0.2	13.4
USD/JPY	154.4	-1.0	-0.3
YIELD (%)	**Close**	**1MChg**	**CY25 chg**
10 Yrs G-Sec	6.7	-0.03	-0.2
10 Yrs AAA Corp	7.5	-0.03	0.1
Flows (USD b)	**10-Feb**	**MTD**	**CYTD**
FIIs	0.01	1.49	-18.8
DIIs	0.13	0.58	90.1
Volumes (INRb)	**10-Feb**	**MTD***	**CYTD***
Cash	1,272	1356	1306
F&O	5,99,413	3,30,769	3,12,903

Note: Flows, MTD includes provisional numbers. *Average

Today's top research idea

Premier Energies - Initiating Coverage: Integrated manufacturing driving growth

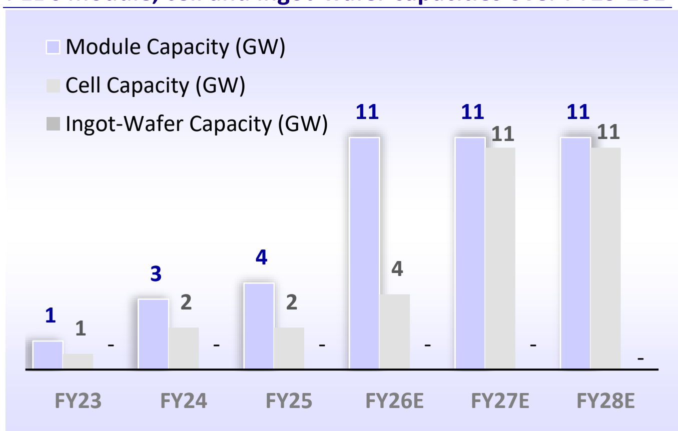
- We initiate coverage on Premier Energies Limited with a BUY rating and a TP of INR1,000. We like PEL for its strong capacity ramp-up, industry-leading backward integration and margins, and a robust order book.
- As of Jan'26, PEL had a module/cell manufacturing capacity of 5.4/3.6GW, which is set to scale to 11.1/10.6GW by end-FY27. PEL's superior backward integration (cell-to-module ratio of 67% at Jan'26-end) vs other listed players has been key to delivering an industry-leading EBITDA margin of over 30%.
- Clarity on a US-India trade deal could act as a key catalyst for PEL by: 1) accelerating export growth, 2) enabling the company to set up a manufacturing base overseas. At ~10x FY28 EV/EBITDA, we believe valuations are reasonable, given the 30% EBITDA CAGR over FY25-28

Research covered

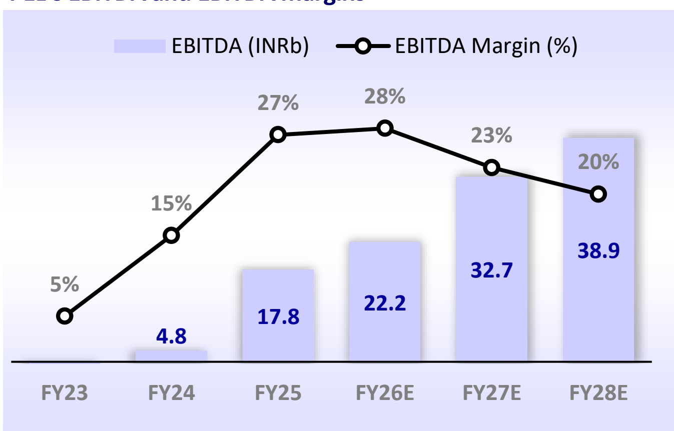
Cos/Sector	Key Highlights
Premier Energies	Initiating Coverage: Integrated manufacturing driving growth
Eicher Motors	RE margins improve on the back of festive growth
Power Finance Corporation	In-line quarter with controlled run-downs; asset quality improves
Other Updates	Samvardhana Motherson | REC | Zydus Lifesci | JSW Energy | Aurobindo Pharma | Escorts Kubota | Jubilant Food. | Amber Enterp. | Privi Speci. | Happy Forgings | Safari Inds. | Lemon Tree Hotel | P N Gadgil | Indostar Capital | GR Infra | The Corner Office (Bikaji) | Titan Company | Grasim Inds | Britannia Inds. | Apollo Hospitals | Oil India | United Breweries | Prince Pipes | Laxmi Dental

Chart of the Day: Premier Energies (Integrated manufacturing driving growth)

PEL's module, cell and ingot-wafer capacities over FY23-28E



PEL's EBITDA and EBITDA margins



Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

Vehicle registrations surge 17.6% YoY in January to 2.72 million units

Vehicle registrations rose sharply in January, reflecting a strong recovery in retail auto demand across segments.

2

FDI inflows into India's banking sector plunge sharply from $898 million in FY23 to $115 million in FY25

Foreign direct investment equity inflows into India's banking sector have fallen significantly, dropping from $898 million in FY23 to just $115 million in FY25, as informed to Parliament by the government.

3

Carlyle to acquire majority stake in Edelweiss' Nido Home Finance for ₹2,100 crore

Global private equity major Carlyle will invest ₹2,100 crore to acquire a majority stake in Nido Home Finance, the housing finance subsidiary of Edelweiss Financial Services.

4

Andhra Pradesh waives over ₹20 crore in stamp duty and registration fees for BPCL refinery project

The Andhra Pradesh government has granted an exemption of over ₹20 crore in stamp duty and registration charges to facilitate land transfer for BPCL's upcoming greenfield refinery and petrochemical complex in Nellore district.

5

Larsen & Toubro bags significant UAE transport infrastructure project worth ₹1,000–2,500 crore to upgrade Dubai's key road network

Larsen & Toubro has secured a significant transport infrastructure contract in Dubai under the first phase of a major road development initiative by UAE authorities.

6

Reliance Consumer Products acquires Tamil Nadu's Manna brand to strengthen health foods portfolio

Reliance Consumer Products has acquired Southern Health Foods, the parent company of the well-known Manna brand, marking a strategic push into the fast-growing health and nutrition foods segment.

7

AstraZeneca receives CDSCO approval for Imfinzi's additional cancer indication in India

AstraZeneca Pharma India has secured approval from the Central Drugs Standard Control Organisation (CDSCO) to market its cancer drug Imfinzi (durvalumab) for an additional indication in the country.

Premier Energies

BSE SENSEX	S&P CNX
84,274	25,935

CMP: INR824 **TP: INR1,000 (+21%)** **Buy**

Integrated manufacturing driving growth

Multi-decade opportunity in solar manufacturing

India's installed solar capacity stood at 136GW at Dec'25-end, against the government's 280GW target by 2030, implying a substantial growth runway. Beyond 2030, we expect annual solar module demand of 50-60GW, supported by rising power requirements and policy efforts to curb fossil fuel dependence. Upside to this estimate could arise from emerging applications such as green hydrogen (1MMT needs 20GW renewable energy (RE); India targets 5MMT by 2030), and data centers (1MW needs 4-5MW of RE power; potentially adding 50GW RE requirement by early 2030-32). Notably, the Union Budget FY26-27 has declared a tax holiday till 2047 for foreign companies setting up data centers in India. Strong domestic demand for solar cells and modules also creates an enabling environment for: 1) growing exports after global tariff conditions turn favorable, and 2) capacity expansion in allied sectors such as batteries and inverters.

Play on India's solar scale-up; indigenization of clean power generation

PEL encapsulat3es India's solar manufacturing story, underpinned by the government's focus on: 1) maximizing power generation from RE sources, and 2) indigenizing power generation by mandating the local manufacturing of solar modules and cells. A strong pickup in utility-scale bids (from 20GW in FY23 to 69GW in FY24) and accelerating demand from PM Kusum/Suryaghar Yojana will drive growth for PEL's bread-and-butter domestic module business in FY26-27.

Leading module manufacturer with best-in-class backward integration

We initiate coverage on PEL with a BUY rating and a TP of INR1,000. We like PEL for its strong capacity ramp-up, industry-leading backward integration and margins, and a robust order book. As of Jan'26, PEL had a module/cell manufacturing capacity of 5.4/3.6GW, which is set to scale to 11.1/10.6GW by end-FY27. PEL's superior backward integration (cell-to-module ratio of 67% at Jan'26-end) vs other listed players (e.g., Waaree Energies Limited (WEL): 24% and Emmvee: 29% at 3QFY26end) has been key to delivering an industry-leading EBITDA margin of over 30%. Clarity on a US-India trade deal could act as a key catalyst for PEL by: 1) accelerating export growth (export was 1% of revenue in 9MFY26), 2) enabling the company to set up a manufacturing base overseas. While commodity price volatility, particularly in silver, has raised some concerns, we are already building in for EBITDA margins to moderate to 20% by FY28 (FY26: 28%). At ~10x FY28 EV/EBITDA, we believe valuations are reasonable, given the 30% EBITDA CAGR over FY25-28.

Industry-leading operational and profit metrics

At 30% in 9MFY26, PEL's EBITDA margin was significantly ahead of peers, while ROE/ROCE also stood at 54%/32% in FY25, ahead of Waaree. The superior margin profile is a function of high utilization of both its cell/module capacities, coupled with its strong presence in the domestic cell segment, where limited capacity has kept profitability well above normalized levels. Going forward, PEL is expected to remain one of the most integrated module manufacturing players, with a projected cell-to-module capacity ratio of 95% (by FY27-end), which augurs well for sustaining high utilization and healthy margins.

Stock Info

Bloomberg	PREMIERE IN
Equity Shares (m)	453
M.Cap.(INRb)/(USDb)	373.2 / 4.1
52-Week Range (INR)	1164 / 660
1, 6, 12 Rel. Per (%)	14/-/-
12M Avg Val (INR M)	1550
Free float (%)	36.1

Financial Snapshot (INR b)

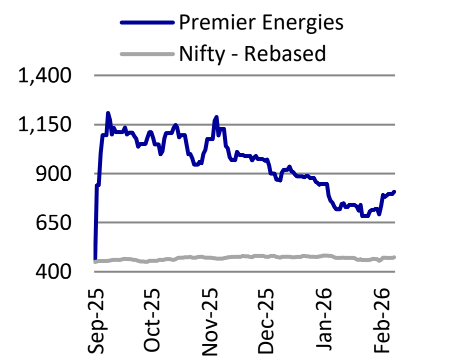
Y/E March	FY26E	FY27E	FY28E
Sales	79.1	139.8	192.9
Sales Gr. %	21.4	76.7	38.0
EBITDA	22.2	32.7	38.9
EBITDA margin %	28.1	23.4	20.2
Adj. PAT	14.0	16.8	20.5
EPS (INR)	30.8	37.1	45.4
EPS Gr. (%)	48.9	20.4	22.3
BV/Sh. (INR)	92.1	128.2	172.5
Ratios			
ND/Equity	(0.1)	0.4	0.7
ND/EBITDA	(0.1)	0.8	1.4
RoE (%)	39.9	33.7	30.2
RoIC (%)	65.2	43.6	31.2
Valuations			
P/E (x)	26.2	21.7	17.8
EV/EBITDA (x)	16.3	12.0	10.8

Shareholding pattern (%)

As on	Dec-25	Sep-25	Dec-24
Promoter	63.9	63.9	64.3
DII	12.7	13.3	8.0
FII	5.3	5.1	3.2
Others	18.1	17.7	24.6

Note: FII includes depository receipts

Stock performance (one-year)



Capacity expansion and new business scale-up to drive 30% EBITDA and APAT CAGR (FY25-28E)

We estimate both EBITDA/APAT to grow at 30% FY25-28 CAGR, driven by the ramp-up of its capacities, with the module manufacturing capacity slated to expand to 11.1GW by end-FY26 and the entire 10.6GW cell manufacturing capacity coming online by FY27. We expect consol. EBITDA margin to expand slightly from 27% in FY25 to 28% in FY26, before moderating to 20% in FY28. This reflects a higher EBITDA contribution from new, lower-margin, assembly-led businesses and moderation in cell and module manufacturing EBITDA margins (from ~29% in FY26 to 23% by FY28) amid rising competitive intensity. New businesses (BESS, inverters, transformers) are also expected to contribute meaningfully from FY27 onwards, accounting for 15%/23% of revenue in FY27/28.

Horizontal expansion into allied capital goods manufacturing verticals

PEL is set to diversify into allied verticals, such as BESS, inverters, and transformers. All these segments fall within the power capital goods space and benefit from similar industry tailwinds, including a strong policy push towards localized manufacturing and a multi-year demand runway. The company plans to set up a 12GWh cell-to-pack facility (6GWh coming online in Jun'26) in Pune. Through its recent majority investments in KSolare Energy and Transcon Industries, the company is venturing into residential inverters and transformers. The inverter facility currently has a manufacturing capacity of 0.5m inverters p.a., which is expected to double by Dec'26. Transcon Industries has a 2.5GVA capacity, which is guided to increase substantially to 16.75GVA by Jul'26.

Integrated capacity key amid backward integration push

A key investor concern has been the headline module manufacturing capacity additions in recent years. While module capacity has expanded sharply, integrated capacity is the true supply indicator, given the government's strong push for backward integration. Cell capacity continues to lag modules materially and is expected to reach only 90GW by FY28, with cell-line stabilization and ramp-up remaining technically complex. With continued policy support for backward integration, including the proposed wafer and ingot localization mandate from June'28, supply constraints could persist through 2030. However, a tight demand-supply scenario is not our base-case view, and we are building in consolidated EBITDA margins for Waaree Energies Limited (WEL) and PEL to moderate from 23%/28% in FY26 to 20%/20% in FY28.

Valuation and view

PEL's valuation has been derived using the sum-of-the-parts (SoTP) methodology. The domestic module business is valued at 13x FY28E EBITDA, representing a ~25% premium to global peers. The new business segment (~63% of its contribution from battery manufacturing) is valued at 10x FY28E EBITDA. The sum of these segment valuations (adjusting for net debt) results in a TP of INR1,000/share.

Upside risks: 1) Formalization of localization directives for wafers, ingots, and batteries (similar to ALCM), 2) Accelerated government measures to facilitate PPA signings and ensure transmission connectivity for IPPs.

Downside risks: 1) Intensifying competition from large domestic players, which could pressure pricing and margins; 2) Delays in the execution of cell, ingot-wafer, and battery facilities; 3) Slow execution and ramp-up of domestic cell facility, potentially prompting the government to postpone the implementation of ALMM-II.

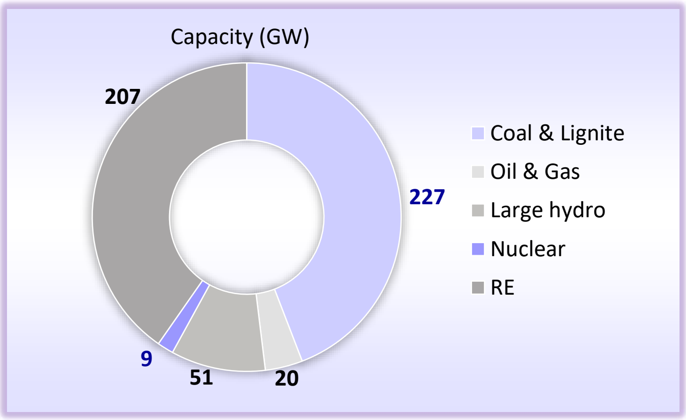
STORY IN CHARTS

Premier Energies: Investment argument

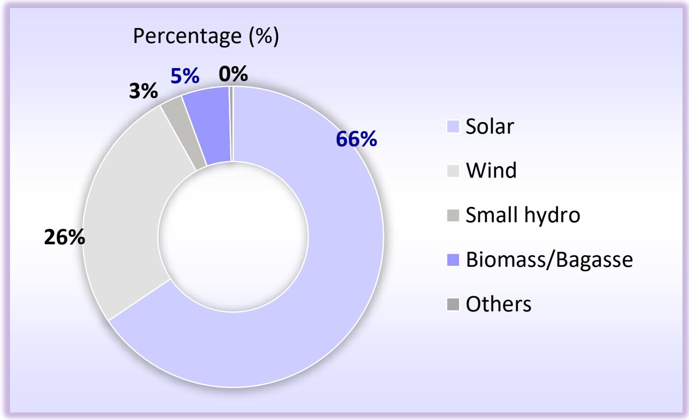
- Multi-decade opportunity in solar manufacturing through 2030 and beyond
- Play on India's solar scale-up; indigenization of clean power generation
- Leading cell/module manufacturer with best-in-class backward integration
- Industry-leading operational and profit metrics

- Capacity expansion and new business scale-up to drive 30% EBITDA/APAT CAGR
- Horizontal expansion into allied capital goods manufacturing verticals
- Integrated capacity key amid backward integration
- Valuation and view: Buy with a target price of INR1,000

India's total installed capacity – 514GW (Dec'25-end)



India's installed 207GW RE capacity (excl. large hydro) break-up



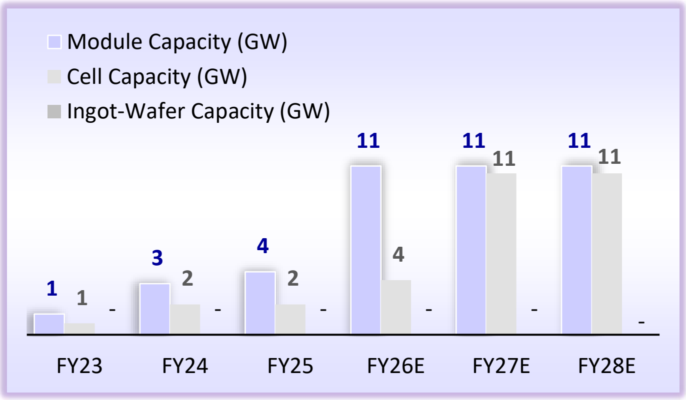
Solar market demand-supply dynamics in India (GW)

Particulars	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E	FY30E
Demand										
Installed Solar Capacity	**40**	**54**	**67**	**82**	**106**	**141**	**177**	**214**	**251**	**288**
Total Incremental Solar Capacity (a+b+c+d)		14	13	15	24	35	36	37	37	37
(a) Competitively Bid Ground-Mounted						20	21	22	22	22
(b) Rooftop						6	6	6	6	6
(c) Open Access Ground-Mounted						6	6	6	6	6
(d) Solar Pumps						3	3	3	3	3
Total Manufacturing Capacities										
Module	12	21	38	53	74	155	165	175	180	185
Cell	3	3	7	9	25	35	60	90	110	115
Ingot-Wafer	-	-	-	-	2	8	20	30	50	80
Polysilicon	-	-	-	-	-	-	5	10	25	30

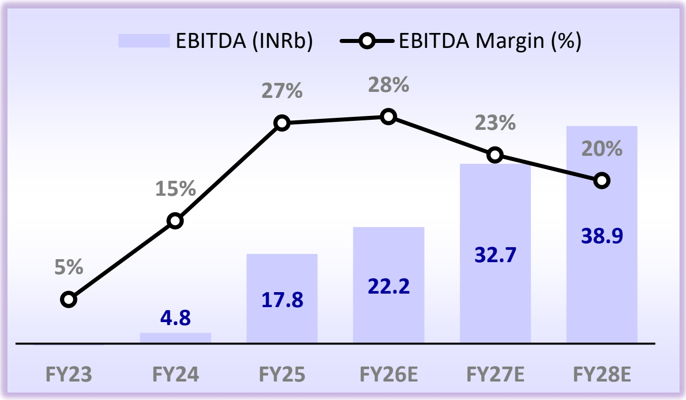
Cell manufacturing capacity of key industry peers (GW)

Company Name	Existing cell capacity	Additions Planned	Cumulative Cell Capacity
Saatvik Green Energy	-	4.8	**4.8**
Waaree Energies (Domestic)	5.4	10.0	**15.4**
Premier Energies	3.6	7.0	**10.6**
Goldi Solar	-	17.2	**17.2**
Emmvee Solar	2.9	6.0	**8.9**
Vikram Solar	-	12.0	**12.0**
ReNew Photovoltaics	2.5	4.0	**6.5**
Reliance	-	20.0	**20.0**
Adani	4.0	6.0	**10.0**
Tata Power	4.9	-	**4.9**
Total	**22.9**	**87.4**	**110.3**

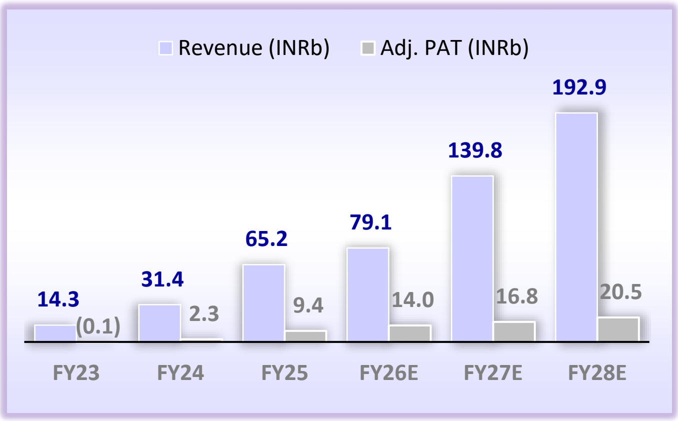
PEL's module, cell and ingot-wafer capacities over FY23-28E



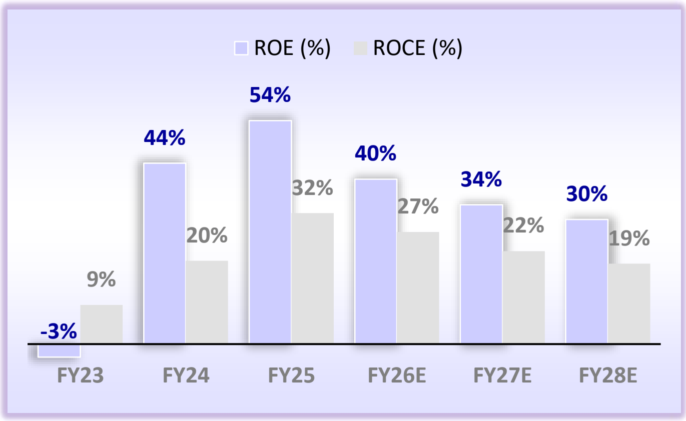
PEL's EBITDA and EBITDA margins



PEL's Revenue/APAT



PEL's RoE/RoCE (post-tax) over FY23-28E



SoTP-based valuations

Segment	Unit	EBITDA (FY28E)	Multiple	EV	Comments
Domestic Modules	INR m	33,451	13	449,586	❖ 25% premium to global peers
New businesses	INR m	5,495	10	57,442	❖ In line with domestic peers
Total EV	**INR m**			**507,009**	
Net debt	INR m			53,870	
Market Cap	**INR m**			**453,137**	
NOSH	Mn			453	
Target price	**INR**			**1,000**	
CMP	INR			824	
Upside / (Downside)	**%**			**21%**	

Source: Company, MOFSL

Eicher Motors

Estimate changes	⟷
TP change	⟷
Rating change	⟷

Bloomberg	EIM IN
Equity Shares (m)	274
M.Cap.(INRb)/(USDb)	2001.3 / 22.1
52-Week Range (INR)	7614 / 4644
1, 6, 12 Rel. Per (%)	-4/22/26
12M Avg Val (INR M)	3056

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	235.8	264.7	296.9
EBITDA	58.0	64.9	72.9
Adj. PAT	55.8	61.7	70.1
Adj EPS (INR)	203.4	225.1	255.5
EPS Gr (%)	17.8	10.7	13.5
BV/Sh (INR)	908	1,053	1,219
Ratios			
RoE (%)	24.1	23.0	22.5
RoCE (%)	23.5	22.4	22.1
Payout (%)	35.4	35.5	35.2
Valuations			
P/E (x)	35.9	32.4	28.6
P/BV (x)	8.0	6.9	6.0
Div. Yield (%)	1.0	1.1	1.2
FCF Yield (%)	2.2	2.5	2.8

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	49.1	49.1	49.1
DII	14.7	14.7	16.1
FII	27.0	27.0	25.5
Others	9.2	9.2	9.3

FII includes depository receipts

CMP: INR7,296 TP: INR6,313 (-13%) Sell

RE margins improve on the back of festive growth

VECV performance disappoints

- Eicher Motors' 3QFY26 consolidated PAT at INR14.3b was largely in line with our estimate. While RE performance was better than expected, VECV performance was below expectations.
- The robust domestic volume growth for RE in FY26 so far has largely been a function of GST rate cut benefits. However, demand seems to have now normalized after an initial surge in pent-up demand. Further, given that management would continue to focus on "growth over profitability," it would mean that margin upside is likely to be capped from hereon. We factor in RE to post a CAGR of 16%/16%/14% in revenue/EBITDA/PAT over FY25-28E. Given the expected slower earnings growth, we see no reason for the stock to trade at premium valuations. We reiterate our Sell rating with a TP of INR6,313. We value RE at 26x Dec'27E EPS and VECV at 11x EV EBITDA.

Earnings in line as RE outperforms, while VECV misses

- Eicher's **consolidated revenue grew 23% YoY to INR61.1b (in line), aided by strong volume growth from the RE and VECV businesses. RE realizations were flat YoY at INR182k, while VECV realization declined 3% YoY in 3Q.**
- **Consolidated EBITDA margin grew 130bp YoY to 25.5% (up 100bp QoQ) and was 100bp higher than our estimates.**
- Standalone margin improved 160bp YoY to 26.6%, led by operating leverage benefits and low marketing costs due to healthy festive demand.
- EBITDA margin at VECV improved 50bp YoY to 9.3% (estimate of 9.6%).
- **PAT share of VECV grew 12% YoY to INR1.8b, below our estimate of INR2.2b.**
- Recurring PAT grew 22% to INR14.2b on the back of strong revenue growth **(in line).**

Key highlights from the management commentary

- Management expects high single-digit growth for the industry in FY27 and expects to outperform industry growth.
- The company implemented a price hike on select models in January and plans to increase prices across the portfolio, though not significantly. The blended price increase across models was approximately 0.5%.
- Export growth has been impacted by weakness in end markets.
- The company plans to expand its capacity at the Cheyyar facility in Chennai, aiming to increase the current total capacity from 1.4 million to 2 million units, with an investment of INR9.6b over the next two years.
- At VECV, currently, there are no capacity constraints at existing volumes. However, if industry volumes continue to grow in FY27, the company will need to expand capacity at its Bhopal facility.

Valuation and view

The robust domestic volume growth for RE in FY26 so far has largely been a function of GST rate cut benefits. However, demand seems to have now normalized after an initial surge in pent-up demand. Further, given that management would continue to focus on “growth over profitability,” it would mean that margin upside is likely to be capped from hereon. We factor in RE to post a CAGR of 16%/16%/14% in revenue/ EBITDA/PAT over FY25-28E. Given the expected slower earnings growth, we see no reason for the stock to trade at premium valuations. We reiterate our Sell rating with a TP of INR6,313. We value RE at 26x Dec’27E EPS and VECV at 11x EV EBITDA.

Quarterly performance (Consolidated) (INR m)

INR m	FY25				FY26E				FY25	FY26E	3QE	VAR (%)
Y/E March	1Q	2Q	3Q	4QE	1Q	2Q	3Q	4QE				
Net Operating income	43,931	42,631	49,731	52,411	50,418	61,716	61,140	62,560	1,88,704	2,35,834	60,251	1
Growth (%)	10.2	3.6	19.0	23.1	14.8	44.8	22.9	19.4	14.1	42.6	21	
EBITDA	11,654	10,877	12,012	12,577	12,028	15,119	15,567	15,316	47,120	58,030	14,781	5
EBITDA Margins (%)	26.5	25.5	24.2	24.0	23.9	24.5	25.5	24.5	25.0	24.6	24.5	
PAT	9,269	9,866	10,070	11,142	10,481	12,345	12,377	12,116	40,346	47,873	11,677	6
Share of JV Loss/(PAT)/ Min. Int.	1,746	1,138	1,635	2,480	1,571	1,349	1,829	3,152	6,998	7,902	2,214	
Recurring PAT	11,015	11,003	11,705	13,622	12,052	13,695	14,289	15,268	47,344	55,775	13,891	3
Growth (%)	19.9	8.3	17.5	27.3	9.4	24.5	22.1	12.1	18.3	39.4	18.7	
Standalone (Royal Enfield)												
Royal Enfield ('000 units)	227	228	272	283	266	326	329	334	1,010	1,010	329	0
Growth (%)	-0.4	-0.6	19.4	24.2	17.0	43.2	20.9	18.2	10.6	10.6	20.9	
Net Realn (INR '000/unit)	186	185	180	181	185	181	182	182	183	182	181	0
Change - YoY (%)	8.8	7.7	1.4	-1.9	-0.9	-2.0	0.9	0.8	3.7	3.5	0.5	
Net operating income	42,313	42,054	49,081	51,066	49,084	59,021	59,878	60,858	1,84,515	2,28,841	59,634	0
Growth (%)	8.5	7.0	21.1	21.8	16.0	40.3	22.0	19.2	43.5	77.9	21.5	
EBITDA	11,786	11,049	12,237	12,609	12,313	14,687	15,899	15,338	47,680	58,237	14,955	6
EBITDA Margins (%)	27.9	26.3	24.9	24.7	25.1	24.9	26.6	25.2	25.8	25.4	25.1	
Recurring PAT	10,880	10,099	10,562	11,251	13,065	12,080	13,320	12,500	42,793	50,965	12,375	8
Growth (%)	19.1	7.6	15.6	14.4	20.1	19.6	26.1	11.1	14.1	35.9	17.2	
VECV												
Total CV Volumes	19,702	20,774	21,010	28,675	21,610	21,901	26,086	34,222	90,161	1,03,819	26,086	0
Growth (%)	0.7	6.3	1.5	11.4	9.7	5.4	24.2	19.3	5.4	21.3	24.2	
Net Realn (INR '000/unit)	2,573	2,666	2,761	2,490	2,624	2,788	2,678	2,528	2,612	2,644	2,678	0
Change - YoY (%)	1.1	1.7	4.3	2.0	2.0	4.6	-3.0	1.5	2.2	3.4	-3.0	
Net operating income	50,700	55,380	58,010	71,392	56,711	61,058	70,180	86,521	2,35,482	2,74,470	69,864	0
Growth (%)	1.8	8.0	5.8	13.7	11.9	10.3	21.0	21.2	34.6	56.9	20.4	
EBITDA	3,850	3,950	5,090	7,339	5,108	4,791	6,520	9,571	20,228	25,991	6,726	-3
EBITDA Margins (%)	7.6	7.1	8.8	10.3	9.0	7.8	9.3	11.1	8.6	9.5	9.6	
Recurring PAT	2,307	2,090	3,010	4,559	2,890	2,490	3,380	5,765	12,864	14,525	4,071	-17
Growth (%)	27.4	11.8	42.6	86.9	25.3	19.1	12.3	26.4	56.3	76.5	35.3	

Power Finance Corporation

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	POWF IN
Equity Shares (m)	3300
M.Cap.(INRb)/(USDb)	1363.8 / 15.1
52-Week Range (INR)	444 / 330
1, 6, 12 Rel. Per (%)	14/-4/-7
12M Avg Val (INR M)	2854

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	221	238	263
PPP	232	258	287
PAT	195	201	225
EPS (INR)	59.0	60.9	68.3
EPS Gr. (%)	12	3	12
BV/Sh. (INR)	317	359	407
ABV/Sh. (INR)	273	315	363
RoAA (%)	3.2	3.1	3.0
RoAE (%)	19.9	18.0	17.8
Div Payout (%)	30.1	30.0	30.0
Valuations			
P/E (x)	7.0	6.8	6.1
P/BV (x)	1.3	1.2	1.0
Core P/E (x)	5.1	5.0	4.4
Core P/BV (x)	1.1	0.9	0.8
Div. Yld (%)	4.3	4.4	4.9

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	56.0	56.0	56.0
DII	15.5	16.0	17.2
FII	18.3	18.8	18.0
Others	10.2	9.1	8.8

FII includes depository receipts

CMP: INR413 TP: INR500 (+21%) Buy

In-line quarter with controlled run-downs; asset quality improves

Loan book rises 13% YoY; merger of PFC and REC remains a key monitorable

- PFC's 3QFY26 PAT grew ~15% YoY to INR47.6b (in line). 3Q NII grew ~19% YoY to ~INR56.1b (~5% higher than est.). Other operating income grew ~14% YoY to ~INR6.8b (~16% higher than est.), which included dividend income of ~INR6.7b. PFC reported exchange losses of INR1.3b (PQ: loss of INR5b).
- Opex grew ~8% YoY to ~INR2b (inline). The cost-to-income ratio improved ~10bp QoQ to ~3.55%. The company stated that there is no material impact of the new labor code policy. PPoP grew ~16% YoY to INR59.6b.
- Provisions in 3QFY26 declined to INR52m (PQ: INR2.4b and PY: INR745m). This translated into insignificant credit costs in 3Q (PY: ~1bp and PQ: ~4bp).
- Yields (calc.) were broadly stable at ~10%, while reported CoB was also stable QoQ at ~7.4%, resulting in spreads (calc.) remaining stable QoQ at ~2.55%. Reported NIM for 3QFY26 rose ~5bp QoQ to ~3.65% (PQ: 3.6%).
- **We estimate a disbursement/advances/PAT CAGR of 11%/13%/8% over FY26-FY28, an RoA/RoE of 3%/18%, and a dividend yield of ~4.9% in FY28. We reiterate our BUY rating with an SoTP (Dec'27E)-based TP of INR500 (premised on a 1x target multiple for the PFC standalone business and INR144/share for PFC's stake in REC after a hold-co discount of 20%).**

Govt. of India announces the merger of PFC and REC

- On 1st Feb'26, the Hon'ble Finance Minister, in the Union Budget 2026-27, outlined a "Viksit Bharat" roadmap for Public Sector NBFCs, with explicit targets for credit growth and technology adoption. The GoI also proposed the restructuring of PFC and REC. Following the Budget announcement, PFC's Board considered the proposal and granted in-principle approval for a merger between PFC and REC, while affirming that the merged entity would continue to be classified as a "Government Company".
- While there remains uncertainty around the finer details of the merger, we believe the combination should deliver meaningful operating synergies through the rationalization of overlapping functions and stronger bargaining power with lenders. Competitive intensity, at least between PFC and REC, is also likely to ease, with the merged entity emerging as a dominant, government-backed power financier with greater scale and stability.

Disbursements rise ~15% YoY; loan book grows ~1.5% QoQ

- The loan book stood at INR5.7t and grew 13% YoY/1.5% QoQ. Repayments during the quarter stood at ~22% (PQ: 28% and PY: ~19%).
- Disbursements grew ~15% YoY to INR394b. Disbursements to the infrastructure sector formed ~3% of the total disbursements in 3QFY26. The renewables segment in the loan mix was stable at 16%.

Asset quality improves due to the resolution of TRN energy

- GS3 declined ~25bp QoQ to ~1.64%, while NS3 declined ~10bp QoQ to 0.26%. Asset quality improvement was attributable to the resolution of TRN Energy, with an outstanding exposure of INR11.4b.
- Standard assets (Stage 1 + 2) PCR rose ~3bp QoQ to 104bp (PQ: 101bp and PY: 83bp). PCR on Stage 3 improved ~4pp QoQ to 84%.
- PFC has ~21 projects that are classified as NPA. Resolutions in ~11 NPA projects is being pursued under NCLT, and the remaining ~10 NPA projects are being pursued outside NCLT.

Valuation and view

- PFC delivered a mixed quarter with earnings in line, while loan growth remained muted at <2% QoQ. Asset quality continued to improve, aided by the resolution of TRN Energy, which kept credit costs benign. Reported 9MFY26 NIM expanded by ~3bp (v/s that in 1HFY26).
- PFC (standalone) trades at 0.9x FY27E P/BV and ~5x FY27 P/E, which we view as attractive, and we therefore **reiterate our BUY rating** with an SoTP (Dec'27E)-based TP of INR500 (premised on a 1x target multiple for the PFC standalone business and INR144/sh for PFC's stake in REC after a hold-co discount of 20%).
- **Key risks:** 1) weaker loan growth driven by higher prepayments; 2) an increase in exposure to power projects without PPAs; 3) compression in spreads and margins due to an aggressive competitive landscape; and 4) any slowdown in the offtake of renewable energy projects.

PFC: SoTP - Dec'27

	Stake	Target Multiple	Value (INR B)	INR per share	% To Total	Rationale
PFC Standalone	100	1.0	1,171	356	71	❖ 1x Dec'27 PBV
REC Stake (Pre-holdCo)	53	1.0	596	181		❖ 1x Dec'27 PBV
Hold Co Discount (20%)			119			
REC Stake (Post Hold-CO)			**477**	**144**	**29**	
Target Value			**1,648**	**500**	**100**	

Quarterly Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	3Q	v/s
Particulars	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4QE**			**FY26E**	**Est.**
Interest Income	1,18,270	1,19,090	1,24,172	1,37,215	1,37,389	1,34,728	1,39,359	1,42,263	4,98,747	5,53,739	1,36,345	2
Interest Expenses	74,990	75,007	77,231	78,109	82,697	81,835	83,294	84,947	3,05,380	3,32,773	82,735	1
Net Interest Income	**43,280**	**44,083**	**46,942**	**59,106**	**54,692**	**52,893**	**56,065**	**57,316**	**1,93,367**	**2,20,966**	**53,609**	**5**
YoY Gr %	23.5	18.2	12.9	39.5	26.4	20.0	19.4	-3.0	23.7	14.3	14.2	
Other Income	**3,160**	**14,655**	**5,971**	**11,309**	**2,016**	**11,829**	**6,827**	**12,996**	35,096	**33,668**	**5,880**	**16**
Net Operational Income	**46,440**	**58,738**	**52,913**	**70,415**	**56,708**	**64,722**	**62,892**	**70,312**	**2,28,463**	**2,54,634**	**59,490**	**6**
YoY Gr %	41.1	19.4	11.5	42.1	22.1	10.2	18.9	-0.1	27.6	11.5	12.4	
Exchange gain/(loss)	589	-3,100	457	-2,614	-6,546	-4,972	-1,276	-1,406	-4,668	-14,200	-2,200	-42
Total Net Income	**47,029**	**55,639**	**53,370**	**67,801**	**50,162**	**59,750**	**61,616**	**68,907**	**2,23,795**	**2,40,434**	**57,290**	**8**
YoY Gr %	24.6	15.9	18.0	34.9	6.7	7.4	15.4	1.6	23.5	7.4	7.3	
Operating Expenses	1,016	2,355	1,832	2,341	1,848	1,932	1,991	2,470	7,500	8,241	**2,071**	**-4**
Operating Profit	**46,013**	**53,284**	**51,538**	**65,460**	**48,313**	**57,819**	**59,625**	**66,436**	**2,16,295**	**2,32,193**	**55,219**	**8**
YoY Gr %	25.3	13.7	16.8	39.8	5.0	8.5	15.7	1.5	23.9	7.4	7.1	
Provisions	620	-1,241	745	4,447	-6,818	2,420	52	-1,326	4,571	-5,672	-2,500	-102
PBT	**45,393**	**54,525**	**50,793**	**61,013**	**55,132**	**55,399**	**59,573**	**67,762**	**2,11,724**	**2,37,866**	**57,719**	**3**
Tax	8,214	10,821	9,244	9,924	10,117	10,780	11,940	10,455	38,202	43,292	10,389	15
Tax Rate %	18.1	19.8	18.2	16.3	18.3	19.5	20.0	15.4	18.0	18.2	18.0	
PAT	**37,179**	**43,704**	**41,549**	**51,090**	**45,015**	**44,619**	**47,633**	**57,306**	**1,73,522**	**1,94,574**	**47,330**	**1**
YoY Gr %	23.6	13.6	23.0	23.5	21.1	2.1	14.6	12.2	20.6	12.3	13.9	
Key Parameters (Calc., %)												
Yield on loans	9.9	9.8	10.0	10.7	10.3	9.9	10.0	9.9				
Cost of funds	7.4	7.3	7.4	7.0	7.1	7.0	7.0	6.9				
Spread	2.5	2.5	2.6	3.7	3.1	2.9	3.0	3.0				
NIM	3.56	3.57	3.76	4.51	3.93	3.73	3.89	3.84				
C/I ratio	2.3	5.34	3.90	4.0	3.38	3.65	3.55	4.3				
Credit cost	0.01	(0.03)	0.01	0.08	(0.12)	0.04	0.00	(0.02)				
Balance Sheet Parameters												
Disbursements (INR b)	195	467	342	680	362	498	394	631				
Growth YoY (%)	(15)	42	45	40	86	7	15	(7)				
AUM (INR b)	4,750	4,934	5,038	5,431	5,498	5,612	5,696	5,985				
Growth YoY (%)	10	10	10	13	16	14	13	10				
Asset Quality Parameters												
GS 3 (INR B)	161	134	135	105	105	105	93					
GS 3 (%)	3.4	2.71	2.68	1.9	1.92	1.87	1.64					
NS 3 (INR B)	41.1	35.3	35.9	20.9	20.8	20.8	14.7					
NS 3 (%)	0.9	0.7	0.7	0.4	0.4	0.4	0.3					
PCR (%)	74.4	73.6	73.4	80.1	80.3	80.2	84.2					

E: MOFSL Estimates

Samvardhana Motherson

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	MOTHERSO IN
Equity Shares (m)	10554
M.Cap.(INRb)/(USDb)	1366 / 15.1
52-Week Range (INR)	132 / 72
1, 6, 12 Rel. Per (%)	11/35/32
12M Avg Val (INR M)	2139

MOTHERSO: Financials & Valuations

INR Billion	2026E	2027E	2028E
Sales	1,250	1,387	1,550
EBITDA	113.4	135.2	158.0
Adj. PAT	38.8	54.6	70.2
EPS (Rs)	3.6	5.1	6.6
EPS Growth (%)	1.9	40.9	28.6
BV/Share (Rs)	35.1	38.6	43.2
Ratios			
Net D:E	-0.1	-0.2	-0.3
RoE (%)	10.7	13.9	16.1
RoCE (%)	8.8	11.4	13.1
Payout (%)	30.0	30.0	30.0
Valuations			
P/E (x)	35.7	25.3	19.7
P/BV (x)	3.7	3.4	3.0
Div. Yield (%)	0.8	1.2	1.5
FCF Yield (%)	6.6	5.4	6.7

Shareholding pattern (%)

As Of	Dec-25	Sep-25	Dec-24
Promoter	48.6	48.6	58.1
DII	21.6	21.0	19.3
FII	11.9	12.0	14.3
Others	17.9	18.4	8.3

FII includes depository receipts

CMP: INR129 TP: INR148 (+15%) Buy

Resilient performance in an adverse macro

Earnings beat led by Modules and Polymers performance

- Samvardhana Motherson's (SAMIL) 3QFY26 adjusted PAT at INR10.6b was above our estimate of INR10b, up 21% YoY. EBITDA margin was largely stable at 9.7% YoY and ahead of our estimate of 9%. Margin beat was driven by Modules and Polymers business, which saw 200bp margin expansion QoQ to 9.4%, and Integrated Assemblies (+300bp QoQ to 15.2%).
- Given the better-than-expected performance in 3Q despite adverse global macro, we raise our earnings estimates by 6%/1% for FY26/FY27. We expect SAMIL to continue to outperform global automobile sales, fueled by rising premiumization and EV transition, a robust order backlog in autos and non-autos, and successful integration of recent acquisitions. Given the long-term growth opportunities, **we reiterate our BUY rating on the stock** with a revised TP of INR148, based on 24x Dec'27E EPS.

Margins remain stable YoY despite adverse macro

- Consolidated revenue grew 13.5% YoY to INR314.1b (in line with our estimate of INR315.3b), aided by organic growth, M&A integration and favorable forex rates.
- EBITDA margin was largely stable YoY but improved 100bp QoQ to 9.7%, above our estimate of 9%.
- Margin beat was driven by Modules and Polymers business, which saw 200bp margin expansion QoQ to 9.4% (well ahead of our estimate of 7.5%) due to benefits of transformative measures. Even Integrated Assembly division saw strong margin improvement to 15.2% (+300bp QoQ), ahead of our estimate of 12%.
- The two segments that dragged down the overall performance were wiring harness (margin down 210bp YoY to 9.7% and below our est. of 10.3%) and emerging business (margin down 410bp to 9.3% and below our estimate of 10.5%). The wiring harness business was hit by cyclicality in the American CV market and copper price inflation, while the emerging business faced business mix issues.
- Overall, EBITDA grew 13.3% YoY to INR30.4b, ahead of estimate of INR28.2b.
- The company incurred an extraordinary expense of INR465m as provisions for changes in the labor code. Adjusted for this expense, PAT beat our estimates, growing 20.7% YoY to INR10.6b (ahead of estimate of INR10b).
- Net debt has increased to ~INR120b from INR116b QoQ due to increase in short-term debt and RCF rollover.
- Total capex during the quarter stood at INR15.9b, primarily allocated for upcoming Greenfields and maintenance.

Key highlights from the management commentary

- **Consumer electronics** continued to scale up rapidly (+75% QoQ), with facilities on track to reach annual run-rate of over 16m units by FY26 end. An additional plant is scheduled for 3QFY27, which will double capacity and enhance vertical integration.
- **Aerospace** business grew 41% YoY in 3Q with continued traction in order book. Additionally, product portfolio was further expanded to supply business jets and rotary wing aircrafts.
- SAMIL currently has 10 greenfield projects at various stages of completion spread across India, Poland, the UAE, and Morocco. Of these, eight are expected to commence production by 2QFY27.
- The acquisition of the Nexans AutoElectric wiring harness business is expected to create a scalable global platform for both PV and CV customers and is expected to close by 1HFY27.
- The earlier announced acquisition of Yutaka Giken is expected to close in the 1HFY27, with the tender offer for shareholding in Yutaka already commenced as of 9th of Feb.
- Effective net debt rose to ~INR120b (vs. INR116b QoQ) due to expanded working capital and sharp forex volatility. Leverage ratio stood at 1.1x (flat QoQ). Management expects the same to reduce further to 0.9x by end of FY26.
- Capex guidance is maintained at INR60b for FY26, with current quarter capex standing at INR15.9b, largely directed toward greenfield expansion and maintenance capex.

Valuation and view

Given the better-than-expected performance in 3Q despite adverse global macro, we raise our earnings estimates by 6%/1% for FY26/FY27. Management has alluded to its next five-year revenue growth aspiration, which now stands at a staggering USD108b. We expect SAMIL to continue to outperform global automobile sales, fueled by rising premiumization and EV transition, a robust order backlog in autos and non-autos, and successful integration of recent acquisitions. While the ongoing tariff issue may lead to some near-term slowdown in some of its key geographies, we expect SAMIL to be the least impacted by these tariffs as it has all its facilities close to its customers and can effectively realign supplies as per customer needs. Further, this is likely to lead to industry consolidation, with players like SAMIL likely to emerge as key beneficiaries in the long run. Given the long-term growth opportunities, **we reiterate our BUY rating** with a revised TP of INR148, based on 24x Dec'27E EPS.

Quarterly performance (Consol.) (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	**288,680**	**278,119**	**276,659**	**293,168**	**302,120**	**301,730**	**314,094**	**331,769**	**1,136,626**	**1,249,713**	**315,253**	-0.4
YoY Change (%)	28.5	18.2	7.9	9.1	4.7	8.5	13.5	13.2	15.4	9.9	13.9	
EBITDA	**27,753**	**24,479**	**26,858**	**26,429**	**24,583**	**26,107**	**30,431**	**32,249**	**105,519**	**113,370**	**28,244**	7.7
Margins (%)	9.6	8.8	9.7	9.0	8.1	8.7	9.7	9.7	9.3	9.1	9.0	
YoY Change (%)	44.2	23.1	16.0	-1.0	-11.4	6.6	13.3	22.0	17.0	7.4	5.2	
Depreciation	10,646	11,028	11,124	12,137	12,297	12,179	13,208	13,850	44,934	51,534	12,500	
Interest	4,445	5,462	4,661	4,256	4,250	3,865	3,411	3,403	18,824	14,930	3,700	
Other income	709	862	1,112	1,164	805	1,212	514	816	5,577	3,346	1,250	
PBT before EO expense	**13,371**	**8,852**	**12,185**	**11,200**	**8,841**	**11,275**	**14,325**	**15,811**	**47,338**	**50,253**	**13,294**	7.8
Extra-Ord expense	0	-1,730	0	1,730	1,365	362	465	0	0	2,191	0	
PBT after EO Expense	**13,371**	**10,582**	**12,185**	**9,470**	**7,476**	**10,914**	**13,861**	**15,811**	**47,338**	**48,061**	**13,294**	
Tax Rate (%)	26.0	33.2	27.7	12.2	30.1	34.7	31.7	27.0	23.6	30.6	29.0	
Min. Int & Share of profit	-51	-1,152	26	-672	-300	-1,270	-920	-1,085	-1,848	-3,575	-643	
Reported PAT	**9,942**	**8,797**	**8,786**	**8,775**	**5,118**	**8,270**	**10,237**	**12,631**	**38,030**	**36,257**	**10,081**	
Adj PAT	**9,942**	**7,470**	**8,790**	**10,030**	**6,047**	**8,516**	**10,553**	**12,631**	**38,030**	**37,747**	**10,081**	4.7
YoY Change (%)	65.5	65.7	62.2	9.4	-39.2	14.0	20.1	25.9	51.5	-0.7	14.7	

E: MOFSL Estimates

Key performance indicators (INR Million)

Y/E March	FY25				FY26E				FY25	FY26E	3QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
Business-wise Revenue (INR m)											
Wiring harness	83,260	81,110	78,290	85,940	86,400	85,496	90,826	94,129	328,610	356,851	90,522
Modules & Polymer products	151,930	146,400	146,140	153,590	150,080	153,738	157,753	166,091	598,060	627,662	157,844
Vision systems	49,970	48,070	47,290	49,720	51,370	50,838	52,471	58,576	195,060	213,255	52,299
Integrated assemblies	25,230	25,280	26,600	23,980	28,190	25,801	27,587	24,291	101,090	105,868	31,023
Emerging businesses	25,910	29,050	26,930	32,280	37,020	40,013	42,182	48,473	114,180	167,688	41,472
Less: Inter-segment	12,330	12,070	9,910	13,200	12,030	12,099	12,525	13,869	47,550	50,522	12,708
Less: Revenues of Associates/JVs	35,290	39,720	38,680	39,140	38,910	42,058	44,200	45,922	152,830	171,090	45,200
Net Revenues	**288,680**	**278,120**	**276,660**	**293,170**	**302,120**	**301,730**	**314,094**	**331,769**	**1,136,620**	**1,249,713**	**315,253**
Business-wise EBITDA Margins (%)											
Wiring harness	11.7	11.2	11.8	12.4	11.4	10.5	9.7	11.2	11.8	10.7	10.3
Modules & Polymer products	8.7	7.4	8.0	6.5	6.4	7.4	9.4	8.9	7.7	8.0	7.5
Vision systems	9.5	9.2	9.2	12.0	9.2	9.2	9.2	11.5	10.0	9.8	9.2
Integrated assemblies	10.1	11.9	13.3	10.6	11.4	12.2	15.2	12.8	11.5	12.9	12.0
Emerging businesses	12.2	13.3	13.4	12.1	8.3	9.5	9.3	9.2	12.7	9.1	10.5
Consol EBITDA Margins (%)	**9.6**	**8.8**	**9.7**	**9.0**	**8.1**	**8.7**	**9.7**	**9.7**	**9.6**	**9.2**	**9.0**

Note: Segmental EBITDA margins include part of other income; E: MOFSL Estimates

Rural Electrification Corp

Estimate change	⟷
TP change	↓
Rating change	⟷

Bloomberg	RECL IN
Equity Shares (m)	2633
M.Cap.(INRb)/(USDb)	936.9 / 10.3
52-Week Range (INR)	450 / 331
1, 6, 12 Rel. Per (%)	-3/-13/-27
12M Avg Val (INR M)	3098

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	219	233	260
PPP	206	235	263
PAT	167	179	200
EPS (INR)	63.4	68.1	75.8
EPS Gr. (%)	6	7	11
BV/Shr (INR)	340	388	443
ABV/Shr (INR)	339	388	442
RoAA (%)	2.7	2.7	2.6
RoE (%)	20.0	18.7	18.2
Div. Payout (%)	31.5	31.6	32.1
Valuation			
P/E (x)	5.6	5.2	4.7
P/BV (x)	1.0	0.9	0.8
Div. Yield (%)	5.6	6.0	6.8

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	52.6	52.6	52.6
DII	16.3	15.9	14.0
FII	16.5	18.0	21.7
Others	14.6	13.5	11.7

FII Includes depository receipts

CMP: INR356 **TP: INR430 (+21%)** **Buy**

PPoP in line but earnings miss; merger plans to take spotlight

Repayment rate remains elevated; NIM (calc.) moderates ~10bp QoQ

- Rural Electrification Corp's (RECL) 3QFY26 PAT was flat YoY at INR40.4b (~7% miss). NII grew ~3% YoY to ~INR52.8b (in line). Other income stood at INR1.7b (PY: INR2b). This included fee and commission income of INR3.9b (PQ: INR4.7b and PY: INR757m) and net loss on investments of INR2.6b (PQ: -INR587m and PY: INR835m).
- Opex declined ~31% YoY to ~INR2.2b and cost-income ratio stood at ~3.2% (PQ: 2.5% and PY: 5%). There was no material impact from the new labor codes. PPoP grew ~4% YoY to INR52.3b (in line).
- Provisions stood at INR1.1b (vs. est. provision write-backs of INR500m). This translated into annualized credit costs of 2bp (PY: -2bp and PQ: 2bp). RECL recovered INR154b in 9MFY26 from Kaleshwaram Irrigation Project (Stage-II Asset), including ~INR40b recovered in 3QFY26.
- RECL declared an interim dividend of ~INR4.6/share, and its CRAR stood at ~24% as of Dec'25.

Spreads narrow as yields dip and CoF rises

- Yields (calc.) declined ~5bp QoQ to ~9.9%, while CoB (calc.) rose ~15bp QoQ to ~7.35%, resulting in spreads (calc.) declining by ~20bp QoQ to ~2.55%.
- Reported NIM for 9MFY26 declined ~12bp to ~3.52% (1H: 3.64%). NIMs (calc.) declined ~10bp QoQ to 3.6% in 3QFY26. We expect REC to maintain NIMs of ~3.8% over FY27–28, supported by the declining CoF.

AUM growth momentum subdued amid elevated repayments

- Loan book stood at INR5.82t, up 3% YoY and flat QoQ. Disbursements declined ~9% YoY to INR500b. Repayments remained elevated at ~35% (PY: 26% and PQ: 40%).
- We expect RECL to deliver an AUM growth of ~12% over FY26-28.

Asset quality improves; Stage 3 PCR steady at 77%

- GS3 and NS3 declined ~20bp and 5bp to ~0.9% and ~0.2%, respectively. PCR on Stage 3 was broadly stable QoQ at ~77%. Standard asset (Stage 1 and 2) provisions rose ~4bp QoQ to 0.93% (PQ: 0.89%).
- The company has ~10 projects that are classified as NPA. Resolutions for eight NPA projects (PCR: 77%) are being pursued under NCLT, and resolutions for two projects (PCR: 27%) are being pursued outside NCLT.
- Following the approval of the resolution plan under IBC in Bhadreshwar Vidyut, where the company had an outstanding of ~INR9.9b, an amount of ~INR7.1b was written off, which led to the ECL reversal of ~INR595m in 3QFY26. We model RECL's credit costs to remain benign in the range of ~14-16bp for FY27-FY28E.

Government proposes REC-PFC merger to boost scale and efficiency

- In the Union Budget 2026-27, the Government of India announced its intent to restructure select public sector NBFCs to improve scale, efficiency, and credit delivery as part of its 'Viksit Bharat' vision. As an initial step, the restructuring of Power Finance Corporation (PFC) and REC was proposed.
- Subsequently, the Board of Directors of PFC granted in-principal approval for a merger of PFC and REC. The proposed restructuring is intended to retain the merged entity's status as a government company under the Companies Act, 2013, and other applicable laws.

Valuation and view

- RECL reported another muted quarter, with the loan book remaining largely flat sequentially amid weak disbursements and higher rundown and pre-payments. Asset quality improved, with GNPA declining to 0.9% as of Dec'25. However, NIM moderated on a sequential basis due to a rise in CoF and moderation in yields.
- RECL trades at 0.9x FY27E P/ABV, indicating attractive valuations. However, slower loan growth and thin margins remain key monitorables. We model a CAGR of 12%/12%/9% in disbursement /loans/PAT over FY26-28E. We estimate RoA/RoE of 2.6%/18% and a dividend yield of ~7% in FY28E. **Maintain BUY with a TP of INR430 (premised on 1.0x Dec'27E BVPS).**
- **Key risks**: 1) weak loan growth from pre-payments remaining high and business loss to peers from refinancing; 2) rising exposure to high-risk power projects without PPAs; and 3) contraction in spreads/margins amid high competition.

Quarterly Performance

INR m

Y/E March	FY25				FY26E				FY25	FY26E	3Q	v/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			FY26E	Est.
Interest Income	1,26,904	1,34,744	1,39,704	1,49,350	1,45,022	1,45,771	1,45,184	1,44,697	5,50,701	5,80,674	1,43,876	1
Interest Expenses	80,212	85,065	88,373	87,699	89,351	91,316	92,429	88,934	3,41,350	3,62,030	89,946	3
Net Interest Income	**46,692**	**49,678**	**51,331**	**61,651**	**55,671**	**54,455**	**52,755**	**55,763**	**2,09,351**	**2,18,644**	**53,930**	**-2**
YoY Gr (%)	28.3	22.9	19.6	37.4	19.2	9.6	2.8	-9.5	27	4	5.1	
Other Operational Income	469	483	757	2,228	1,442	4,738	3,925	0	8,410	(4,626)	2,500	
Net Operational Income	**47,161**	**50,161**	**52,088**	**63,879**	**57,113**	**59,192**	**56,680**	**55,763**	**2,15,680**	**2,12,019**	**56,430**	**0**
YoY Gr (%)	28.9	22.4	19.9	39.5	21.1	18.0	8.8	-12.7	27	(2)	8.3	
Other Income	2,998	731	1,266	163	-4,891	-149	-2,223	3,391	685	754	-100	-
Total Net Income	**50,159**	**50,892**	**53,354**	**64,042**	**52,222**	**59,043**	**54,457**	**59,154**	**2,16,365**	**2,12,772**	**56,330**	**-3**
YoY Gr (%)	28.1	20.0	22.7	34.9	4.1	16.0	2.1	-7.6	27	(2)	5.6	
Operating Expenses	**2,175**	**1,936**	**3,147**	**2,396**	**1,919**	**2,169**	**2,183**	**2,775**	**7,436**	**7,045**	**2,317**	**-6**
YoY Gr (%)	50.6	-0.1	78.2	-23.1	-11.8	12.0	-30.7	15.8	13	(5)	-26.4	
% to Income	4.3	3.8	5.9	3.7	3.7	3.7	4.0	4.7	3	3	4.1	
Operating Profit	**47,984**	**48,955**	**50,206**	**61,646**	**50,303**	**56,875**	**52,274**	**56,379**	**2,08,929**	**2,05,727**	**54,012**	**-3**
YoY Gr %	27.3	21.0	20.4	39.0	4.8	16.2	4.1	-8.5	27	(2)	7.6	
Provisions	4,726	-1,441	-890	7,800	-6,166	1,347	1,110	-2,206	10,194	(5,915)	-500	-
PBT	**43,258**	**50,396**	**51,097**	**53,847**	**56,469**	**55,528**	**51,164**	**58,585**	**1,98,734**	**2,11,642**	**54,512**	**-6**
YoY Gr (%)	16.5	4.8	24.2	4.6	30.5	10.2	0.1	8.8	12	6	6.7	
Tax	**8,834**	**10,342**	**10,806**	**11,485**	**11,959**	**11,269**	**10,733**	**10,695**	**41,466**	**44,656**	**11,175**	**-4**
Tax Rate (%)	20.4	20.5	21.1	21.3	21.2	20.3	21.0	18.3	21	21	20.5	
PAT	**34,425**	**40,055**	**40,291**	**42,362**	**44,510**	**44,259**	**40,431**	**47,890**	**1,57,269**	**1,66,986**	**43,337**	**-7**
YoY Gr (%)	16.3	6.2	23.2	5.5	29.3	10.5	0.3	13.0	12.2	6.2	7.6	
Key Parameters (Calc., %)												
Yield on loans	9.81	9.99	10.01	10.49	9.99	9.95	9.91	9.87				
Cost of funds	7.16	7.28	7.32	7.17	7.17	7.19	7.35	7.08				
Spread	2.7	2.7	2.69	3.3	2.8	2.8	2.56	2.8				
NIM	3.5	3.7	3.7	4.3	3.8	3.7	3.6	3.8				
C/I ratio	3.4	3.1	5.0	3.1	2.5	2.5	3.2	4.6				
Credit cost	0.09	-0.03	-0.02	0.14	-0.11	0.02	0.02	-0.04				
Balance Sheet Parameters												
Disbursements (INR b)	**437**	**473**	**547**	**455**	**595**	**560**	**500**	**554**				
Growth (%)	27.9	13.7	18.0	15.7	36.3	18.3	-8.6	21.6				
AUM (INR b)	**5,297**	**5,461**	**5,656**	**5,669**	**5,846**	**5,822**	**5,818**	**5,921**				
Growth (%)	16.6	15.1	13.7	11.3	10.4	6.6	2.9	4.5				
Asset Quality Parameters												
GS 3 (INR B)	138.1	138.2	110.5	76.5	61.5	61.5	51.2					
GS 3 (%)	2.61	2.53	1.95	1.35	1.05	1.06	0.88					
NS 3 (INR B)	43.5	48.2	42.11	21.6	14.1	14.1	11.80					
NS 3 (%)	0.82	0.88	0.74	0.38	0.24	0.24	0.20					
PCR (%)	68.5	65.1	61.88	71.7	77.1	77.1	76.96					

E: MOFSL Estimates

Zydus LifeSciences

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	ZYDUSLIF IN
Equity Shares (m)	1006
M.Cap.(INRb)/(USDb)	892.8 / 9.9
52-Week Range (INR)	1059 / 795
1, 6, 12 Rel. Per (%)	-2/-12/-19
12M Avg Val (INR M)	1003

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	266.0	272.8	296.8
EBITDA	69.4	70.4	77.5
Adj. PAT	44.2	44.9	49.3
EBIT Margin (%)	21.4	21.1	21.6
Cons. Adj. EPS (INR)	44.0	44.6	49.0
EPS Gr. (%)	NA	1.4	9.9
BV/Sh. (INR)	283.4	324.0	369.3
Ratios			
Net D:E	0.0	-0.2	-0.2
RoE (%)	16.9	14.7	14.1
RoCE (%)	15.6	14.4	13.9
Payout (%)	8.0	9.0	8.2
Valuations			
P/E (x)	20.2	19.9	18.1
EV/EBITDA (x)	12.8	11.8	10.4
Div. Yield (%)	0.4	0.5	0.5
FCF Yield (%)	2.4	8.0	3.6
EV/Sales (x)	3.3	3.0	2.7

Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	75.0	75.0	75.0
DII	11.1	10.9	10.7
FII	7.1	7.3	7.5
Others	6.9	6.8	6.8

FII Includes depository receipts

CMP: INR887 TP: INR940 (+6%) Neutral

Operational beat; DF/NA/international markets drive earnings

Scale-up underway in specialty, med-tech and consumer segments

- Zydus Lifesciences (ZYDUSLIF) posted a better-than-expected operational performance in 3QFY26, with 8%/5% beat on revenue/EBITDA. Higher depreciation, interest costs and tax rate led to in-line earnings in 3Q.
- The overall 3Q performance was driven by domestic formulation (DF), North America (NA), international markets and full-quarter effect of acquired businesses.
- The steady traction in innovative products and pillar brands, along with increased focus on chronic therapies, helped ZYDUSLIF outperform DF industry in 3Q.
- Robust demand and focused execution resulted in strong growth in emerging markets and Europe.
- Despite reduced sales from g-Revlimid, ZYDUSLIF tracked healthy 10% YoY growth in NA on CC basis, led by niche products. It continued to expand its specialty portfolio by launching its first oncology 505b2 product in NA.
- We largely maintain our estimates for FY26/FY27/FY28. We value ZYDUSLIF at 20x 12M forward earnings to arrive at a TP of INR940.
- After two years of strong earnings growth, we expect a decline in FY26. While the product pipeline remains promising across focus markets, initial operational costs related to new ventures and specialty-related marketing efforts would constrain earnings CAGR to 6% over FY26-28. Maintain Neutral on the stock.

Product mix benefits more than offset by lower operating leverage

- Sales grew 30.3% YoY to INR68.6b (our est. INR63.7b).
- Gross margin expanded 330bp YoY to 73.2%.
- EBITDA margin contracted 60bp YoY to 24.1% (our est. 24.8%) due to higher opex (other expenses up 520bp YoY as % of sales), partly offset by low R&D spend (down 70bp YoY) and employee expense (down 60bp YoY).
- EBITDA grew 27% YoY to INR16.5b (our est. INR15.8b).
- Forex gain stood at INR1.6b. There was an exceptional item of INR849m related to one-time employee expenses due to a change in the labor code.
- Adjusting for the same, PAT grew 3.8% YoY to INR9.8b (our est.: INR9.7b).
- For 9MFY26, revenue/EBITDA/PAT grew 17%/9.5%/5% to INR195.6b/ INR52.9b/INR34.2b.

Healthy organic growth aided by full-quarter effect of acquired businesses

- India sales (39% of sales), comprising DF and consumer businesses, grew 37% YoY to INR26.7b.
- Within India sales, branded formulations grew 14.1% YoY to INR17.1b.
- Consumer wellness grew 113.4% YoY to INR9.6b. Emerging market sales grew 43.1% YoY to INR7b (10% of sales).

- US sales rose 16.4% YoY (10.2% YoY in CC terms) to INR28b (USD314m; 41% of sales).
- API sales grew 25.8% YoY to INR2.1b (3% of sales).
- Excluding consumer wellness, sales grew 33.2% YoY to INR64b, EBITDA rose 23.8% YoY to INR15.9b, and EBITDA margin contracted 200bp YoY to 25%.

Highlights from the management commentary

- ZYDUSLIF expects 23%+ EBITDA margin in 4QFY26 despite minimal contribution from g-Revlimid.
- Keytruda partner is leading in terms of clinical development and regulatory guidance. This provides improved outlook for this product for ZYDULIF. The company is geared up for launching the product post patent expiry.
- Compared to market growth of 1% YoY, ZYDUSLIF delivered 11% YoY volume growth in 3Q. ZYDUSLIF remained poised for healthy growth in US generics business in the coming years.
- ZYDUSLIF has 4-5 limited competition product launches over the next 12-24 months in addition to ~40 products in the US segment. 505b2 products and biosimilars would further aid growth in US.

Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Chg.
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Revenues	**62,075**	**52,370**	**52,691**	**65,279**	**65,737**	**61,232**	**68,645**	**70,367**	**232,415**	**265,981**	**63,704**	**7.8**
YoY Change (%)	20.8	19.9	17.0	18.0	5.9	16.9	30.3	7.8	18.9	14.4	20.9	
Total Expenditure	40,983	38,210	39,691	43,630	45,423	45,215	52,125	53,831	162,514	196,594	47,906	
EBITDA	**21,092**	**14,160**	**13,000**	**21,649**	**20,314**	**16,017**	**16,520**	**16,536**	**69,901**	**69,387**	**15,799**	**4.6**
YoY Change (%)	37.6	33.1	20.2	33.2	-3.7	13.1	27.1	-23.6	31.8	-0.7	21.5	
Margins (%)	34.0	27.0	24.7	33.2	30.9	26.2	24.1	23.5	30.1	26.1	24.8	
Depreciation	2,153	2,336	2,290	2,379	2,381	3,019	3,596	3,603	9,158	12,599	3,130	
EBIT	**18,939**	**11,824**	**10,710**	**19,270**	**17,933**	**12,998**	**12,924**	**12,933**	**60,743**	**56,788**	**12,668**	
YoY Change (%)	40.0	34.4	20.7	35.7	-5.3	9.9	20.7	-32.9	33.8	-6.5	18.3	
Margins (%)	30.5	22.6	20.3	29.5	27.3	21.2	18.8	18.4	26.1	21.4	19.9	
Interest	322	251	320	766	847	1,013	1,299	1,310	1,659	4,469	830	
Other Income	632	682	575	806	1,549	1,090	1,114	1,250	2,695	5,003	1,440	
PBT before EO Income	**19,249**	**12,255**	**10,965**	**19,310**	**18,635**	**13,075**	**12,739**	**12,873**	**61,779**	**57,322**	**13,278**	
EO Exp/(Inc)	252	-454	-876	2,590	-571	-4,141	-795	0	1,512	-5,507	0	
PBT after EO Income	**18,997**	**12,709**	**11,841**	**16,720**	**19,206**	**17,216**	**13,534**	**12,873**	**60,267**	**62,829**	**13,278**	
Tax	4,361	3,731	1,795	4,232	4,340	4,540	3,883	3,669	14,119	16,432	3,253	
Rate (%)	23.0	29.4	15.2	25.3	22.6	26.4	28.7	28.5	23.4	26.2	24.5	
Min. Int/Adj on Consol	-437	131	192	-779	-198	252	770	800	-893	1,624	-350	
Reported PAT	**14,199**	**9,109**	**10,238**	**11,709**	**14,668**	**12,928**	**10,421**	**10,004**	**45,255**	**48,021**	**9,675**	
Adj PAT	**14,393**	**8,788**	**9,495**	**13,643**	**14,226**	**10,150**	**9,854**	**10,004**	**46,320**	**44,234**	**9,675**	**1.8**
YoY Change (%)	28.2	19.1	26.3	16.1	-1.2	15.5	3.8	-26.7	22.3	-4.5	1.9	
Margins (%)	23.2	16.8	18.0	20.9	21.6	16.6	14.4	14.2	19.9	16.6	15.2	

JSW Energy

BSE SENSEX	S&P CNX
84,274	25,935

CMP: INR484 **TP: INR590 (+22%)** **Buy**

Strong execution, lower merchant exposure key to sustaining momentum

We recently hosted a meeting with Mr. Sharad Mahendra, CEO & MD of JSW Energy (JSW), and key investors. Key takeaways from the meeting according to us are:

- **Curtailment risk significantly de-risked:** Management highlighted that over 80% of projects set for commissioning over the next two years are either state transmission utility (STU) connected or off-grid, significantly de-risking curtailment and execution.
- **Lower merchant exposure to increase earnings visibility:** Utkal (700MW thermal plant), which had 100% merchant exposure in FY26 and was impacted by weaker demand, will be largely contracted (400MW) from 1st April'26, reducing JSW's overall merchant exposure to ~5% of operational capacity.
- **RE capacity addition and connectivity mix:** Installed capacity is expected to reach 14.5–15GW by FY26-end. The target is to add 6–7GW of RE capacity over FY27–FY28, with 3GW planned for FY27 and a higher run-rate in FY28. The planned additions include 2GW with STU connectivity in Maharashtra, ~800–900MW of group captive capacity in FY27, 800–900MW of off-grid capacity in FY28, and the remaining 2GW under CTU connectivity.
- **Strong land and connectivity readiness:** JSW has already secured ~80% of land and 100% of transmission connectivity for projects planned over the next two years. In addition, O2 Power has surplus transmission connectivity of ~1.7GW beyond contracted PPAs, offering meaningful optionality for future capacity tie-ups.
- **Structural cost advantage vs industry:** JSW enjoys a 10–15% cost advantage vs the industry, driven by lower wind turbine costs under a fixed-price partnership with SANY, lower solar plant costs aided by regulatory exemptions for PPA projects, and the use of imported modules for group captive installations.
- **We have a BUY rating on JSW with a TP of INR590.**

Earnings recovery amid merchant exposure reduction

- Utkal (700MW thermal plant), which had 100% merchant exposure in FY26 and was impacted by weaker demand, will be largely contracted (400MW) from 1st April'26, reducing JSW's overall merchant exposure to ~5% of operational capacity.
- JSW expects a stronger operating and cash flow profile in 3QFY27 vs. 3QFY26, supported by Utkal (400MW) now being tied up and incremental solar capacity, offsetting the drag from ~5.8GW of hydro and wind underperformance.
- The company highlighted that Mytrah assets, given the older turbine technology, are operating at relatively lower PLFs. EBITDA expectations for Mytrah have been moderated to INR15–15.5b, compared to earlier assumptions of INR16.5b that had factored in carbon pricing.

Stock Info

Bloomberg	JSW IN
Equity Shares (m)	1748
M.Cap.(INRb)/(USDb)	845.4 / 9.3
52-Week Range (INR)	579 / 419
1, 6, 12 Rel. Per (%)	-2/-13/-9
12M Avg Val (INR M)	1828
Free float (%)	30.7

Financials Snapshot (INRb)

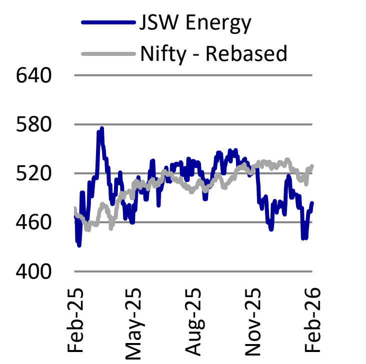
Y/E March	FY26E	FY27E	FY28E
Sales	209.5	243.8	292.0
EBITDA	101.4	126.1	166.9
Adj. PAT	12.8	24.5	41.8
EPS (INR)	7.4	14.0	24.0
EPS Gr.%	-31.1	90.8	70.9
BV/Sh. (INR)	167.6	189.5	220.2
Ratios			
Net D:E	2.2	2.3	2.2
RoE (%)	4.5	7.9	11.7
RoCE (%)	9.5	7.3	8.2
Payout (%)	40.8	25.0	18.8
Valuation			
P/E (x)	65.8	34.5	20.2
P/B (x)	2.9	2.6	2.2
EV/EBITDA (x)	14.6	12.6	10.1
Div. yield (%)	0.6	0.7	0.9

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	69.3	69.3	69.3
DII	14.4	11.6	10.0
FII	9.6	12.2	14.7
Others	6.7	7.0	5.9

FII Includes depository receipts

Stock performance (one-year)



- JSW reiterated its INR1.3t capex plan, encompassing RE, PSP, BESS, manufacturing, and thermal projects. Capex will be back-ended into FY27, with CWIP becoming a larger balance sheet component due to long-gestation projects. Funding is expected to be 75–80% debt, with equity front-loaded during CWIP stages.

~80% of upcoming capacity de-risked via STU/off-grid connectivity

- Grid curtailment remains a localized issue, primarily in Rajasthan and now emerging in Gujarat, affecting certain O2 Power assets. However, JSW has proactively mitigated this risk by transitioning from Temporary GNA (TGNA) to GNA connectivity. For the NTPC–O2 Power project (~370–380 MW PPA with Odisha), GNA is expected to commence by March–Apr'26, following the commissioning of the transmission line, post which curtailment impact should reduce materially.
- The company emphasized that STU-connected projects do not face curtailment issues, and over 80% of upcoming projects over the next two years are either STU-connected or off-grid, significantly de-risking execution.
- At an industry level, JSW expects a slowdown in solar commissioning over the next two years due to connectivity delays. However, the momentum is expected to pick up from FY28 onwards as new transmission capacity comes online.

Strong execution visibility: 80% land secured, 100% connectivity for next two years

- JSW reiterated its 30 GW installed capacity target by 2030, alongside a 40 GWh energy storage target, comprising 30 GWh of pumped storage projects (PSP) and 3 GWh of battery energy storage systems (BESS).
- Installed capacity is expected to reach 14.5–15 GW by FY26-end. 6–7 GW of RE capacity additions in FY27–FY28 (with ~3 GW targeted in FY27 and a higher run-rate of additions in FY28), comprising ~2 GW with STU connectivity in Maharashtra, ~800–900 MW of group captive capacity in FY27, ~800–900 MW of off-grid capacity in FY28, and the balance ~2 GW under CTU connectivity.
- Under the 6.2GW MoU with JSW Steel, ~1 GW is already commissioned, with 1–1.5 GW expected by FY27 and the balance by 2030.
- The company has already secured 80% of land and 100% of transmission connectivity for projects over the next two years. Additionally, O2 Power has surplus connectivity of ~1.7 GW over and above contracted PPAs, providing future optionality.
- Notably, the company has limited its participation in RE bids over the past few quarters, reflecting disciplined capital allocation amid changing market dynamics.

Cost structure advantages across wind and solar (10–15% below industry)

- JSW highlighted meaningful cost advantages across wind, solar, and thermal manufacturing:
  - The wind turbine blade manufacturing plant in Gujarat is expected to be commissioned in 1QFY27. Blade imports from China will gradually reduce, with zero imports targeted from FY28 onwards, representing a margin upside.

- Wind turbine prices for the industry are ~INR80m/MW, while JSW expects significantly lower costs, aided by the fixed-price SANY partnership, which insulates the company from currency fluctuations for the next two years.
- Local nacelle manufacturing is under development by SANY, with indigenization efforts ongoing for the past 1–1.5 years.
- Solar plant costs for JSW are ~10% lower than the industry average of INR50m/MW. For already signed PPA-based solar projects, domestic cells are not required, while group captive solar projects use imported modules due to the off-grid status.

Policy momentum and sector demand visibility

- Management cautioned that high-quality wind sites may get exhausted over the next 4–5 years, potentially leading to lower CUFs for new projects, especially in the absence of a clear repowering policy.
- On policy, management expressed confidence that the privatization of DISCOMs will gain momentum once the Draft NEP 2026 is finalized, noting strong government intent. Additionally, any changes to DSM regulations by CERC are not expected to be applied retrospectively.

Valuation and view

- Our valuation of JSW is based on SoTP:
- Thermal is valued at 9x Dec'27E EBITDA, and renewable energy at 12x FY28E EBITDA.
- Hydro is at 2x Dec'27E book value, and green hydrogen equity is at 2x.
- Additionally, the company's stake in JSW Steel is valued at a 25% discount to the current market price, acknowledging the strategic significance of this holding while incorporating a conservative valuation approach.
- By aggregating the values from these different components, the total equity value of JSW was determined, leading to a TP of INR590.

JSW's SoTP-based valuation

Particulars	Units	Metric	Metric type	Valuation multiple	Amount
Thermal	INR m	46,335	EBITDA – Dec'27	9	4,07,746
Hydro	INR m	63,231	BV - Dec'27	2	1,26,462
Renewables	INR m	1,06,393	EBITDA - FY28	12	12,66,077
Green Hydrogen	INR m	1,438	Equity	2	2,875
EV	**INR m**				**18,03,160**
Less: Net Debt	INR m		FY28		8,35,264
Market cap	**INR m**				**9,67,896**
JSW Steel stake*	INR m				61,249
Total Equity value	**INR m**				**10,29,144**
Target price	**INR/Share**				**590**
CMP	INR/share				484
Upside/(Downside)					***22%***

** At 25% discount*

Aurobindo Pharma

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	ARBP IN
Equity Shares (m)	581
M.Cap.(INRb)/(USDb)	652.9 / 7.2
52-Week Range (INR)	1279 / 994
1, 6, 12 Rel. Per (%)	-7/1/-15
12M Avg Val (INR M)	1433

Financials & Valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	334.8	368.4	410.4
EBITDA	68.9	78.5	88.2
Adj. PAT	36.1	44.4	51.5
EBIT Margin (%)	15.3	16.4	16.9
Cons. Adj. EPS (INR)	62.2	76.5	88.8
EPS Gr. (%)	2.0	22.9	16.0
BV/Sh. (INR)	620.9	693.4	776.2
Ratios			
Net D:E	-0.1	-0.1	-0.2
RoE (%)	10.5	11.6	12.1
RoCE (%)	9.2	10.7	11.3
Payout (%)	6.4	5.2	6.8
Valuations			
P/E (x)	18.2	14.8	12.8
EV/EBITDA (x)	9.3	7.7	6.5
Div. Yield (%)	0.4	0.4	0.5
FCF Yield (%)	3.2	5.7	4.4
EV/Sales (x)	1.9	1.6	1.4

Shareholding Pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	51.8	51.8	51.8
DII	27.7	27.6	25.2
FII	13.9	14.2	16.3
Others	6.6	6.4	6.7

FII includes depository receipts

CMP: INR1,124 TP: INR1,390 (+24%) Buy

EU + ARV drive earnings; gross margin boost sustains

PEN-G and Biosimilars offer medium-term upside

- Aurobindo Pharma (ARBP) posted better-than-expected revenue/EBITDA for the quarter, driven by healthy growth momentum in the EU and ARV segments and currency benefits. The higher tax rate led to in-line earnings.
- ARBP continued to build a product pipeline for the US generics with the maximum ANDA filings (879) among the India-listed peers. While ARBP is implementing efforts to resolve regulatory issues at Eugia III (injectable facility), it has invested at the Vizag facility to add cartridge and pre-filled syringe (PFS) capacity to broaden the injectable portfolio.
- On the biosimilar front, it is not only building the product portfolio but is also working on strategic collaborations across the EU/MENA to create better business prospects. It is also making inroads in the LATAM markets with the biosimilars portfolio.
- While ARBP retained industry-beating growth in its focus markets in the EU, a favorable currency movement further boosted growth in this segment.
- We slightly reduce our estimates by 2%/3% for FY27/FY28, factoring in 1) higher R&D spending on differentiated offerings and 2) a gradual pick-up in the approvals of injectables. We value ARBP at 16x 12M forward earnings to arrive at our TP target of INR1,390.
- Overall, we expect 19% earnings CAGR over FY26-28, led by a) scale-up of the PEN-G project, b) superior execution in the EU segment, and c) steady build-up of US business on the current base of USD1.7b. **Reiterate BUY.**

Europe drives beat; margins expand despite a one-off impact

- ARBP's 3QFY26 sales grew 8.4% YoY to INR86.5b (our estimate: INR80.7b), driven by strong Europe performance.
- GM expanded 130bp YoY to 59.7%, fueled by a better business mix.
- EBITDA margin expanded 10bp YoY to 20.5% (our estimate: 21%). EBITDA grew 9% YoY to INR17.7b (our estimate: INR16.9b).
- R&D expenditure was INR4b in 3QFY26 (~4.7% of sales), primarily towards biosimilars and specialty product development.
- Additionally, there was a one-time expense of INR653m due to the impact of new labor laws. Adjusted for the same, PAT grew 5.8% YoY to INR9.3b (our est.: INR9.3b).
- Revenue/EBITDA grew 6.2%/3.4% YoY, while PAT remained stable YoY in 9MFY26.

Formulations deliver double-digit growth; the US – flat in CC

- Overall formulation sales grew 10.2% YoY to INR74.7b.
- The US formulations revenue grew ~2% YoY to INR37.4b (CC: -3.4% YoY to USD420m; ~43% of sales). Europe formulation sales grew ~27% YoY to INR27.0b (11% YoY in CC terms; ~31% of sales). Growth market sales were stable YoY to INR8.7b (~10% of sales).

- ARV revenue grew ~23% YoY to INR3.8b (~4% of sales).
- API sales declined ~4% YoY to INR11.1b (~11% of sales).
- ARBP received final approval for seven ANDAs and launched nine products during 3QFY26.
- As of Dec’25, ARBP has filed 879 ANDAs with the USFDA and received 719 final approvals and 31 tentative approvals.
- DF sales stood at INR740m in 3QFY26 and INR2,260m in 9MFY26.

Highlights from the management commentary

- ARBP exhibited 17% YoY growth in injectables sales for 3QFY26
- ARBP reiterated the EBITDA margin target of 20-21% for FY26
- FY29 would be the inflection year for the biosimilar venture.
- ARBP expects to produce more than 10K MT of PEN-G over the next 12M. ARBP has not only been able to scale up production but also been able to improve yield, driving better operating efficiency.
- PLI income would be INR2.4b for 10KT production.
- Lannett update: ARBP expects the process of acquisition to be completed by 1QFY27.

Quarterly Performance (Consolidated)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	vs Est
Net Sales	**75,670**	**77,961**	**79,785**	**83,821**	**78,681**	**82,857**	**86,459**	**86,782**	**3,17,237**	**3,34,780**	**80,651**	**7.2%**
YoY Change (%)	10.5	8.0	8.5	10.6	4.0	6.3	8.4	3.5	9.4	5.5	1.1	
Total Expenditure	58,724	62,299	63,507	65,202	62,647	66,076	68,726	68,471	2,49,732	2,65,920	63,714	
EBITDA	**16,947**	**15,661**	**16,278**	**18,619**	**16,034**	**16,781**	**17,733**	**18,311**	**67,505**	**68,860**	**16,937**	**4.7%**
YoY Change (%)	47.2	11.6	1.7	10.4	-5.4	7.1	8.9	-1.7	15.5	2.0	4.0	
Margins (%)	22.4	20.1	20.4	22.2	20.4	20.3	20.5	21.1	21.3	20.6	21.0	
Depreciation	4,042	3,823	4,185	4,444	4,057	4,292	4,647	4,691	16,494	17,688	4,471	
EBIT	**12,905**	**11,839**	**12,093**	**14,175**	**11,977**	**12,489**	**13,086**	**13,620**	**51,011**	**51,172**	**12,466**	
YoY Change (%)	56.5	20.1	2.6	6.4	-7.2	5.5	8.2	-3.9	18.0	0.3	3.1	
Margins (%)	17.1	15.2	15.2	16.9	15.2	15.1	15.1	15.7	16.1	15.3	15.5	
Interest	1,110	1,127	1,185	1,150	978	952	928	906	4,572	3,764	942	
Other Income	1,199	1,360	1,573	1,232	1,053	1,156	1,541	1,400	5,364	5,151	1,380	
PBT before EO expense	**12,994**	**12,072**	**12,481**	**14,257**	**12,053**	**12,693**	**13,700**	**14,113**	**51,804**	**52,559**	**12,904**	**6.2%**
Forex loss/(gain)	-10	0	498	-116	4	-50	-335	0	372	-381	0	
Exceptional (expenses)/income	249	0	0	-700	0	0	-653	0	-451	-653	0	
PBT	**13,254**	**12,072**	**11,983**	**13,673**	**12,049**	**12,743**	**13,382**	**14,113**	**50,981**	**52,286**	**12,904**	**3.7%**
Tax	4,057	3,905	3,543	4,323	3,826	4,278	4,287	4,720	15,827	17,111	3,484	
Rate (%)	30.6	32.3	29.6	31.6	31.8	33.6	32.0	33.4	31.0	32.7	27.0	
Minority Interest	4	-7	-18	315	-25	-20	-9	111	294	58	105	
Reported PAT	**9,193**	**8,174**	**8,458**	**9,035**	**8,248**	**8,485**	**9,103**	**9,282**	**34,860**	**35,117**	**9,315**	**-2.3%**
Adj PAT	**9,013**	**8,174**	**8,809**	**9,434**	**8,250**	**8,451**	**9,319**	**10,125**	**35,430**	**36,146**	**9,315**	**0.0%**
YoY Change (%)	51.9	5.1	-2.4	-6.6	-8.5	3.4	5.8	7.3	7.9	2.0	5.7	
Margins (%)	11.9	10.5	11.0	11.3	10.5	10.2	10.8	11.7	11.2	10.8	11.5	
EPS	**15.4**	**14.0**	**15.1**	**16.1**	**14.1**	**14.4**	**15.9**	**17.3**	**61.0**	**62.2**	**15.9**	

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3QFY26 Results Update | Sector: Automobile

Escorts Kubota

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	ESCORTS IN
Equity Shares (m)	112
M.Cap.(INRb)/(USDb)	427.8 / 4.7
52-Week Range (INR)	4180 / 2776
1, 6, 12 Rel. Per (%)	-1/8/5
12M Avg Val (INR M)	556

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	116.3	127.2	138.6
EBITDA	15.3	16.2	17.6
EBITDA Margin (%)	11.0	10.6	10.5
Adj. PAT	14.0	15.3	17.3
EPS (INR)	114.1	125.2	140.9
EPS Gr. (%)	13.5	9.7	12.5
BV/Sh. (INR)	912	1,002	1,105
Ratios			
RoE (%)	13.0	13.1	13.4
RoCE (%)	17.4	17.4	17.8
Payout (%)	43.3	28.0	27.0
Valuations			
P/E (x)	33.4	30.5	27.1
P/BV (x)	4.2	3.8	3.5
EV/EBITDA (x)	23.5	22.2	20.3
Div. Yield (%)	1.3	0.9	1.0
FCF yield (%)	2.3	2.5	3.1

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	68.0	68.0	68.0
DII	12.2	11.8	10.2
FII	6.9	6.9	7.6
Others	12.9	13.2	14.2

FII includes depository receipts

CMP: INR3,824 TP: INR3,836 (+1%) Neutral

Market share loss remains the key concern

Exports momentum likely to sustain

- Escorts' 3QFY26 PAT at INR4b came in line with our estimates. Tractor segment margin improved 320bp YoY over a low base to 13.6% (in line), whereas the construction equipment segment's margin contracted 400bp YoY to 6.0% (in line).
- Synergies between Escorts and Kubota are significant, though they will likely materialize over the medium to long term. The stock is trading at ~30.5x/27.1x FY27E/28E EPS, which is at a significant premium to its 10-year average of ~20x, mainly due to the Kubota parentage. Given that most of the positives seem to have already been factored into valuations, we reiterate our Neutral rating on the stock with a TP of INR3,836, based on ~28x Dec'27E EPS.

Earnings in line with estimates

- Escorts' 3Q standalone revenue came in line at INR32.6b (est. ~INR32b), growing 11.1% YoY (+17.4% QoQ). This was led by a 13.5% YoY increase in tractor volumes.
- EBITDA margin improved 210bp YoY to 13.5% (+40bp QoQ), in line with our estimate of 13.6%.
- While the tractor segment margin improved 320bp YoY over a low base to 13.6% (in-line), the construction equipment segment's margin remained under pressure. It was down 400bp YoY to 6.0% (in line).
- Led by strong revenue growth and healthy margin improvement, EBITDA grew 31% YoY to INR4.4b (in line).
- Other income at INR1.5b was higher than our estimate.
- The company recorded a one-time exceptional expense of INR525m due to changes in the labor codes.
- Adjusted for this expense, PAT came in line with our estimate at INR4b, up 38.4% YoY over a low base.
- In 9MFY26, revenue/EBITDA/PAT rose 9.9%/27.3%/20.8% YoY to INR85.2b/INR11.3b/INR10.4b.

Highlights from the management commentary

- Management expects robust tractor demand to continue in 4QFY26 and 1QFY27, though it is cautious about FY27 outlook given the significantly high base of 2HFY26 and uncertainty around monsoon trends for FY27.
- Backed by new model launches, management expects to recoup lost market share from FY27 onward.
- Export volumes grew 54% YoY in 9MFY26. Despite the high base, management is confident in posting double-digit growth in exports in FY27.

- Management highlighted localization as a strategic priority to strengthen the Kubota brand's competitiveness and profitability in India. It plans to introduce an India-specific platform to reduce dependence on imported components, materially improve the cost structure, and enable more competitive pricing.
- The board declared a one-time special dividend of INR18 per share following the railway business divestment.

Valuation and view

- The outlook for the tractor industry has further improved after GST rate cuts, and we now expect the industry to post a healthy 20% volume growth in FY26E. However, market share loss for Escorts over the last several quarters remains a key concern.
- While synergies between Escorts and Kubota are significant, they will likely materialize over the medium to long term. The stock is trading at ~30.5x/27.1x FY27E/28E EPS, which is at a significant premium to its 10-year average of ~20x, mainly due to the Kubota parentage. Given that most of the positives seem to have already been factored into valuations, we reiterate our Neutral rating on the stock with a TP of INR3,836, based on ~28x Dec'27E EPS.

Standalone Quarterly Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	**25,563**	**22,649**	**29,354**	**24,303**	**24,834**	**27,774**	**32,614**	**31,055**	**101,870**	**116,276**	**31,984**	**2.0**
YoY Change (%)	9.8	-8.1	8.5	6.1	-2.9	22.6	11.1	27.8	4.1	18.8	9.0	
Total Expenditure	22,394	20,321	26,001	21,374	21,584	24,142	28,226	27,034	90,091	100,986	27,634	2.1
EBITDA	**3,169**	**2,328**	**3,353**	**2,929**	**3,250**	**3,632**	**4,387**	**4,021**	**11,778**	**15,290**	**4,350**	**0.9**
Margins (%)	12.4	10.3	11.4	12.1	13.1	13.1	13.5	12.9	11.6	13.2	13.6	
YoY Change (%)	-3.1	-12.7	3.5	0.7	2.6	56.0	30.9	37.3	-2.5	29.8	29.7	
Depreciation	590	610	612	615	591	615	637	651	2,426	2,494	630	
Interest	101	92	31	47	36	42	60	61	270	200	40	
Other Income	1,024	1,152	1,092	1,316	1,556	1,336	1,537	1,521	4,584	5,950	1,480	3.9
PBT	**3,502**	**2,778**	**3,802**	**3,313**	**4,939**	**4,311**	**4,702**	**4,830**	**13,395**	**18,311**	**5,160**	**-8.9**
Rate (%)	24.0	-8.9	23.6	24.3	24.5	25.5	22.9	25.1	17.1	25.1	25.0	
Adj. PAT	**2,662**	**3,027**	**2,905**	**2,710**	**3,153**	**3,212**	**4,019**	**3,619**	**11,465**	**14,346**	**3,870**	**3.9**
YoY Change (%)	-5.9	41.9	7.7	9.1	18.5	6.1	38.4	33.6	21.6	52.1	33.2	
Margins (%)	10.4	13.4	9.9	11.1	12.7	11.6	12.3	11.7	11.3	12.3	12.1	

E: MOFSL Estimates

Key Performance Indicators

	FY25				FY26E				FY25	FY26E	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE
Volumes ('000 units)	30,370	25,995	32,556	24,801	30,581	33,877	36,955	32,803	115,554	134,216	36,955
Change (%)	14.3	-0.9	16.7	6.0	0.7	30.3	13.5	32.3	1.0	17.3	13.5
Net Realn (INR '000/unit)	715.1	724.8	742.3	796.3	713.3	718.2	749.4	790.3	735.9	743.3	727.4
Change (%)	14.0	6.3	-6.2	4.9	-0.2	-0.9	1.0	-0.7	5.7	6.7	-2.0
Cost Break-up											
RM Cost (% of sales)	70.8	69.6	73.1	69.4	69.1	69.3	71.0	69.9	70.8	69.9	69.0
Staff Cost (% of sales)	6.8	8.2	6.8	8.2	7.4	7.3	6.4	7.1	7.4	7.0	7.2
Other Cost (% of sales)	10.1	11.9	8.8	10.4	10.4	10.4	9.1	10.1	10.2	10.0	10.2
Gross Margins (%)	29.2	30.4	26.9	30.6	30.9	30.7	29.0	30.1	48.4	30.1	31.0
EBITDA Margins (%)	12.4	10.3	11.4	12.1	13.1	13.1	13.5	12.9	11.6	13.2	13.6
EBIT Margins (%)	10.1	7.6	9.3	9.5	10.7	10.9	11.5	10.9	9.2	11.0	11.6
Segmental PBIT Margin (%)											
Agri Machinery	11.7	9.1	10.4	11.4	12.6	12.8	13.6	12.9	10.6	13.0	13.6
Construction Equipment	10.3	9.3	11.0	9.1	5.8	3.8	6.0	6.4	9.9	5.8	6.0

Jubilant FoodWorks

Estimate changes	↔
TP change	↓
Rating change	↔

Bloomberg	JUBI IN
Equity Shares (m)	660
M.Cap.(INRb)/(USDb)	365.9 / 4
52-Week Range (INR)	744 / 481
1, 6, 12 Rel. Per (%)	5/-18/-29
12M Avg Val (INR M)	1152

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	94.1	106.3	120.9
Sales Gr. (%)	15.5	13.0	13.8
EBITDA	18.8	21.6	25.1
EBITDA Margin (%)	20.0	20.3	20.8
Adj. PAT	3.7	5.5	7.0
Adj. EPS (INR)	5.6	8.3	10.7
EPS Gr. (%)	56.6	48.2	28.9
BV/Sh.(INR)	30.4	31.0	33.7
Ratios			
RoE (%)	18.4	26.7	31.7
RoCE (%)	11.2	13.1	15.1
Valuation			
P/E (x)	99.5	67.1	52.1
P/BV (x)	18.3	17.9	16.5
EV/EBITDA (x)	27.1	23.3	19.6
EV/Sales (x)	4.0	3.5	3.0

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	40.3	40.3	41.9
DII	35.0	33.3	30.4
FII	18.9	20.5	21.6
Others	5.8	6.0	6.1

FII Includes depository receipts

CMP: INR554 TP: INR625 (+13%) Neutral

Steady performance; all eyes on margin recovery

- Jubilant FoodWorks (JUBI) reported 12% YoY growth in standalone revenue to INR18b in 3QFY26 (in line). Domino's reported order growth of 10.7%, with LFL growth of 5% on a base of 12.5%. Delivery channel revenue grew 16.0% YoY, with channel share now at 75% in the mix. Domino's India added 75 new stores (+12% YoY) and entered 11 new cities in 3QFY26. Management remains confident of India Domino's sales growing ~15% YoY, with 5-7% LFL growth in FY26.
- Standalone gross margin contracted 20bp YoY but expanded 50bp QoQ to 74.9% (est. 75.3%). Cost inflation continues in dairy, oil, and flour, while GM was supported by calibrated price hikes, mix improvement, and operational efficiencies. EBITDA grew 18% YoY to INR3.7b (in line), while it expanded 110bp YoY and QoQ each to 20.5%. EBITDA margin (Pre–Ind AS) expanded 90bp YoY/120bp QoQ to 13.3% (-50bp in base), while EBITDA rose 20% YoY.
- International operations continued to perform well, with Domino's Turkey posting LFL growth of 6.3%, while Coffy LFL declined 6.4% (inflation-adjusted). PAT margin stood at 6.4% (vs 2.4% in base). JUBI stated that DPEU's finance cost reduced by 59% YoY on account of refinancing of debt from Turkish Lira to Euro. Domino's Sri Lanka and Bangladesh reported strong revenue growth of 66% and 27% YoY, respectively.
- JUBI's focus on customer acquisition and order frequency has been driving strong delivery growth. For dine-in, the company continues to take various steps, such as value offerings and product innovations, to drive channel growth. JUBI continued to outperform most peers in revenue growth and SSSG. We estimate standalone revenue CAGR of 14% over FY26-28 and pre-Ind-AS EBITDA margin of 12.5-13.5% over FY26-28E. While the stock has corrected 18% in the past year due to macro headwinds, with an improving consumption scenario across categories, we remain constructive on the business. We value the India business at 30x EV/EBITDA (pre-IND AS) and international business at 15x EV/EBITDA on Dec'27E. We reiterate our Neutral rating with a TP of INR625.

In-line EBITDA; LFL up 5%

- **LFL growth remains in the positive trajectory:** JUBI reported sales growth of 12% YoY to INR18.0b (est. INR18.4b). Domino's LFL grew 5% on a high base (est. 6.5%, 12.5% in 3QFY25).
- **Store addition pace remains robust**: In India, JUBI added 78 net stores, taking the total count to 2,528 stores. Domino's opened 75 new Domino's Pizza stores (total 2,396 stores). Popeyes opened five new stores, taking the count to 73 stores. Hong's Kitchen closed one store, taking the count to 32. Dunkin' Donuts closed one store, taking the count to 27 stores.

- **Steady operating margins:** Gross profit grew 12% YoY to INR13.4b (est. INR13.9b). Gross margin declined 20bp YoY and expanded 50bp QoQ to 74.9% (est. 75.3%). EBITDA grew 18% YoY to INR3.7b (est. INR3.7b). EBITDA margins expanded 110bp YoY and QoQ each to 20.5% (est. 20%). Pre-Ind AS EBITDA margin expanded 90bp YoY/120bp QoQ to 13.3% (est. 12.9%).
- **PBT margin expansion:** PBT (before exceptional) rose 37% YoY to INR1,083m (est. INR1,170m). PBT margin was at 6% (est. 6.3%) vs. 4.9% 3QFY25. Adj. PAT grew 33% YoY to INR794m (est. INR 876m).

International business

- Domino's Sri Lanka revenue rose 66% YoY at INR353m. Three stores were added in Sri Lanka.
- Domino's Bangladesh revenue rose 27% YoY to INR219m. There was no store addition in Bangladesh.

DPEU

- DPEU sales grew 15% YoY to INR5.8b.
- Domino's Turkey LFL growth was 6.3%, while COFFY LFL was down 6.4%.
- PAT grew 200% YoY to INR358m (vs INR121m in 3QFY25), while PAT margin stood at 6.2% (vs 2.4% in base).
- In DP Eurasia, the company opened 33 stores in 3QFY26, taking the total count to 973 stores.

Highlights from the management commentary

- During the quarter, JUBI undertook calibrated price increases on select products to strengthen margins.
- For FY26, the company expects India Domino's to grow ~15% YoY, with 5-7% growth from LFL.
- Management reiterated its guidance of 200bp EBITDA margin expansion (on FY24 margin) over the next three years.
- **Popeyes continues to see** high double-digit LFL growth and improving profitability. Management expects store count to scale from 73 currently to 100 by 1QFY27, with a medium-term ambition of ~250 stores, generating ~INR10b in sales.
- DPEU's entire interest obligation is being paid by the Turkey business, with no cash remittance from the India business since the last three quarters.

Valuation and view

- There are no material changes to our EBITDA estimates for FY26-FY28.
- JUBI is benefiting from strong delivery-led traffic growth, driving near-term outperformance versus peers. On the international front, DPEU's interest costs are fully funded by the Turkey business with no cash outflow from India.
- JUBI's focus on customer acquisition and order frequency has been driving strong delivery growth. For dine-in, the company continues to take various steps, such as value offerings and product innovations, to drive channel growth. JUBI outperformed peers in revenue growth and SSSG. We estimate a standalone revenue CAGR of 14% over FY26-28 and pre-Ind-AS EBITDA margin of 12.5-13.5% during FY26-28E. While the stock has corrected 18% in the past year due to macro headwinds, with an improving consumption scenario across categories, we remain constructive on the business. We value the India business at 30x EV/EBITDA (pre-IND AS) and the international business at 15x EV/EBITDA on Dec'27E. We reiterate our Neutral rating with a TP of INR625.

Quarterly Standalone Perf. (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
No of stores (Dominos)	**2,029**	**2,079**	**2,139**	**2,179**	**2,240**	**2,321**	**2,396**	**2,429**	**2,179**	**2,429**	**2,391**	
LFL growth (%)	**3.0**	**2.8**	**12.5**	**12.1**	**11.6**	**9.1**	**5.0**	**4.3**	**7.6**	**7.5**	**6.5**	
Net Sales	**14,396**	**14,669**	**16,111**	**15,872**	**17,016**	**16,987**	**18,015**	**17,698**	**61,047**	**69,715**	**18,447**	**-2.3%**
YoY change (%)	9.9	9.1	18.9	19.2	18.2	15.8	11.8	11.5	14.3	14.2	14.5	
Gross Profit	**10,955**	**11,157**	**12,092**	**11,828**	**12,610**	**12,634**	**13,492**	**13,272**	**46,032**	**52,008**	**13,890**	**-2.9%**
Gross margin (%)	76.1	76.1	75.1	74.5	74.1	74.4	74.9	75.0	75.4	74.6	75.3	
EBITDA (Pre Ind AS)	**1,670**	**1,716**	**1,998**	**1,873**	**2,046**	**2,055**	**2,396**	**2,291**	**7,257**	**8,788**	**2,387**	**0.4%**
EBITDA growth %	-4.8	-4.0	14.3	29.1	22.5	19.8	19.9	22.3	7.6	21.1	19.5	
Margins (%)	11.6	11.7	12.4	11.8	12.0	12.1	13.3	12.9	11.9	12.6	12.9	
EBITDA	**2,782**	**2,842**	**3,128**	**3,056**	**3,233**	**3,294**	**3,694**	**3,610**	**11,807**	**13,831**	**3,680**	**0.4%**
EBITDA growth %	0.6	1.3	10.6	20.2	16.2	15.9	18.1	18.1	7.9	17.1	17.7	
Margins (%)	19.3	19.4	19.4	19.3	19.0	19.4	20.5	20.4	19.3	19.8	20.0	
Depreciation	1,552	1,654	1,741	1,777	1,817	1,840	2,004	2,044	6,724	7,706	1,880	
Interest	619	640	682	667	657	672	696	721	2,609	2,746	720	
Other Income	73	150	83	66	125	73	89	99	371	386	90	
PBT	**683**	**698**	**788**	**677**	**883**	**856**	**1,083**	**944**	**2,846**	**3,766**	**1,170**	**-7.5%**
YoY Change (%)	-32.6	-27.5	-3.8	33.2	29.2	22.6	37.4	39.5	-13.9	32.3	**48.5**	
Tax	168	177	192	182	216	216	289	311	719	948	295	
Rate (%)	24.6	25.4	24.3	26.9	24.5	25.3	26.7	32.9	25.3	25.2	25.2	
Adjusted PAT	**515**	**521**	**596**	**495**	**667**	**639**	**794**	**634**	**2,126**	**2,314**	**876**	**-9.4%**
YoY change (%)	-31.5	-27.8	-2.2	43.3	29.5	22.8	33.1	28.1	-12.4	8.8	46.9	

E: MOFSL Estimates

Amber Enterprises

Estimate changes	↓
TP change	↑
Rating change	↔

Bloomberg	AMBER IN
Equity Shares (m)	35
M.Cap.(INRb)/(USDb)	264.2 / 2.9
52-Week Range (INR)	8626 / 5235
1, 6, 12 Rel. Per (%)	18/-4/-3
12M Avg Val (INR M)	2731

Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	118.2	144.2	175.6
EBITDA	9.1	12.2	16.4
EBITDA Margin (%)	7.7	8.4	9.4
PAT	2.7	4.8	7.1
EPS (INR)	77.6	137.7	201.9
EPS Growth (%)	7.7	77.6	46.6
BV/Share (INR)	1,014	1,152	1,354
Ratios			
Net D/E	0.1	0.1	-0.0
RoE (%)	9.3	12.7	16.1
RoCE (%)	8.9	12.8	15.9
Valuations			
P/E (x)	96.8	54.5	37.2
P/BV (x)	7.4	6.5	5.5
EV/EBITDA (x)	29.6	22.2	16.2

Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	38.2	38.2	39.7
DII	23.9	20.2	19.1
FII	27.0	30.6	28.6
Others	11.0	11.0	12.6

FII includes depository receipts

CMP: INR7,511 TP: INR8,700 (+16%) Buy

Pre-buying supported RAC growth

Amber Enterprises (AMBER)'s 3Q result was ahead of our estimates, driven by a better-than-expected performance in consumer durable and electronics segments. The RAC industry is witnessing demand revival sequentially, and the company is also expecting growth in the non-RAC segment. The electronics segment has benefited from the recent acquisitions, with nearly 12% share of electronics revenues coming from acquisitions for 9MFY26. Margins for this segment, too, reached double-digit levels. We expect full integration of these acquisitions to play out further in FY27. Commodity price increases, especially copper prices, remain a key concern as the pass-through to end users happens with a time lag of 1-2 months. This can hurt margins in the short term. We factor in higher margins for the electronics division; however, due to higher interest costs on increased debt, we cut our estimates by 5%/5%/6 for FY26/FY27/FY28. We roll forward to Mar'28 and raise our DCF-based TP to INR8,700, net of earnings revision.

Strong set of results

AMBER reported a strong set of results with a beat across revenue/EBITDA/PAT. Consolidated revenue grew 38% YoY to INR29.4b, 16% above our estimate. This was supported by growth seen across all the segments, as well as the integration of acquired companies. Gross margin expanded 100bp YoY to 19.7% vs. our estimate of 17.5%. Absolute EBITDA increased 55% YoY to INR2.5b (46% beat), while margin expanded 100bp YoY to 8.4% vs. our est. of 6.6%, supported by strong margins in consumer durables and electronics divisions. PAT jumped 112% YoY to INR759m vs. our estimate of INR618m (23% beat). The company incurred exceptional items worth INR1b including 1) INR93m related to changes in labor codes and 2) INR938m related to impairment in the carrying value of investment and loans in Shivaliks (a JV with Sidwal, a wholly owned subsidiary of Amber). For 9MFY26, revenue/EBITDA/PAT increased 29%/27%/15% YoY, while EBITDA margin contracted 10bp YoY.

Consumer durables supported by mix improvement and scale benefits

The consumer durables segment's revenue increased 27% YoY to INR19.7b, with EBITDA rising 22% YoY to INR1.4b, while its margin stood at 7.2%. The segment is expanding through steady capacity optimization, higher wallet share with existing customers, and a broader product mix. The transition to stricter BEE norms from Jan'26 led to temporary channel filling, but inventory levels have largely normalized, reducing near-term volatility. The current mix of around 60% finished goods and 40% components, with non-AC components now forming a meaningful share, highlights a structural diversification beyond RACs. In parallel, the scaling up of commercial AC offerings such as tower, cassette, and ductable systems supports growth in higher-tonnage applications. Growth will therefore increasingly be driven by share gains and product depth, although margins remain sensitive to copper, compressor prices, and currency movements, with cost increases typically passing through with a quarterly lag. We expect the segment's revenue to grow at a CAGR of 14% over FY25-28, with a margin of 8% over FY26-28.

Electronics segment scaling notably, with margins reaching double-digits

The electronics division outperformed our expectations, rising 79% YoY to INR8.5b, with margins reaching the targeted double digit at 10.5%. This was supported by a richer mix toward vertical PCBA, new additions of power electronics and automation electronics, and operating leverage from strong revenue growth, which more than offset temporary cost pressures in the bare-PCB segment, where commodity pass-through remains lagged. Inorganic growth contributed ~12% to 9M revenues. All the planned expansions are on track, while acquisitions such as Shogini and Unitronics continue to strengthen capabilities across PCBs, PCBA, and industrial electronics. In the near term, margins may remain exposed to elevated copper-clad laminate, gold, and other raw material prices in the bare-PCB business, with the pass-through lagging by 1.0/1.5 quarters. However, the shift toward integrated and higher-value solutions should support operating leverage as utilization improves. Management expects the current quarter's double-digit margin to be sustained throughout FY27. We expect the segment’s revenue to clock a CAGR of 39% over FY25-28, with the margin reaching double-digit levels going forward.

Railways segment benefiting from improved capacity utilization

The railways segment’s revenue increased 20% YoY, while the margin stood at 13.9%. The Sidwal greenfield plant for HVAC systems, doors, gangways, and pantries is in the machine installation stage, with trial production expected by Mar’26 and commercial production from Apr-May’26. The structure of the Yujin JV facility is ready and awaits RDSO approvals, after which trial production is expected in 2HFY27 and commercialization by 4QFY27. With a strong order book of ~INR26b with railways contributing about 46%, metros around 35%, and defense close to 10%, the incremental capacity is likely to be absorbed quickly, improving revenue visibility. The increase in capital allocation towards railways and metros, including high-speed corridors, can potentially benefit the company over the medium term. Input cost volatility has a relatively lower direct impact compared to other segments, as pricing in large railway and defense contracts is typically structured to absorb cost movements over the project life cycle. We expect revenue to post a 24% CAGR over FY25-28, with ~18.5% margin.

MEITY approvals to support expansion

AMBER has received approvals from MEITY under the ECMS scheme for two of its expansions, including 1) Ascent-K Circuit (JV with Korea Circuits) for HDI PCB application of INR32b and Shogini Technoarts for multi-layer PCB application of INR5b, and 2) for Ascent Circuits' multi-layer PCB application.

Financial outlook

We factor in higher margins for the electronics division. However, due to higher debt, we cut our PAT estimates by 5%/5%/6% each for FY26/27/28. We, thus, expect revenue/EBITDA/PAT CAGR of 21%/29%/43% over FY25-28 for AMBER with a margin of 7.7%/8.4%/9.4% over FY26/FY27/FY28.

Valuation and recommendation

The stock currently trades at 96.8x/54.5x/37.2x P/E on FY26/27E/28E earnings. We cut our estimates but roll forward our TP to Mar’28E earnings. **We reiterate our BUY rating** on the stock with a revised DCF-based TP of INR8,700.

Key risks and concerns

Key risks and concerns include lower-than-expected demand growth in the RAC industry; a change in BEE norms making products costlier; a change in the announced capex policy; and increased competition across the RAC, mobility, and electronics segments.

Consolidated - Quarterly Earnings Model (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
Gross Sales	**24,013**	**16,847**	**21,333**	**37,537**	**34,491**	**16,470**	**29,428**	**37,844**	**99,730**	**1,18,233**	**25,355**	**16**
YoY Change (%)	41.1	81.7	64.8	33.8	43.6	-2.2	37.9	0.8	48.2	18.6	18.9	
Total Expenditure	22,051	15,710	19,746	34,590	31,924	15,557	26,967	34,724	92,096	1,09,173	23,671	14
EBITDA	**1,962**	**1,137**	**1,587**	**2,947**	**2,567**	**913**	**2,461**	**3,120**	**7,634**	**9,061**	**1,685**	**46**
YoY Change (%)	48.7	90.9	102.2	32.8	30.8	-19.7	55.0	5.8	55.2	18.7	6.1	
Margins (%)	8.2	6.8	7.4	7.9	7.4	5.5	8.4	8.2	7.7	7.7	6.6	
Depreciation	549	566	588	580	618	702	912	906	2,283	3,139	647	41
Interest	518	486	537	546	634	769	794	596	2,087	2,792	250	217
Other Income	207	178	160	191	297	156	548	369	736	1,370	189	190
PBT before EO expense	**1,101**	**263**	**623**	**2,013**	**1,612**	**-403**	**1,303**	**1,987**	**3,999**	**4,499**	**977**	**33**
Extra-Ord expense	0	0	0	0	0	0	-1,031	0	0	-1,031	0	
PBT	**1,101**	**263**	**623**	**2,013**	**1,612**	**-403**	**272**	**1,987**	**3,999**	**3,468**	**977**	**-72**
Tax	298	26	162	702	484	-156	279	747	1,188	1,353	254	10
Rate (%)	27.0	10.1	26.1	34.9	30.0	38.8	102.6	37.6	29.7	39.0	26.0	
MI & P/L of Asso. Cos.	79	44	102	151	90	82	265	-13	376	425	104	154
Reported PAT	**724**	**192**	**359**	**1,160**	**1,039**	**-329**	**-272**	**1,253**	**2,436**	**1,690**	**618**	**-144**
Adj PAT	**724**	**192**	**359**	**1,160**	**1,039**	**-329**	**759**	**1,253**	**2,436**	**2,721**	**618**	**23**
YoY Change (%)	58.6	NM	NM	22.6	43.5	NM	111.5	8.0	83.3	11.7	72.3	
Margins (%)	3.0	1.1	1.7	3.1	3.0	-2.0	2.6	3.3	2.4	2.3	2.4	

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
Segmental revenue												
Consumer Durables Division	19,180	10,690	15,550	27,870	25,600	8,730	19,710	27,261	73,290	81,301	17,105	15
Electronics Division	3,880	4,920	4,720	8,420	7,660	6,420	8,450	9,283	21,940	31,813	7,080	19
Railway Sub-systems &	950	1,240	1,064	1,250	1,230	1,320	1,272	1,297	4,500	5,119	1,170	9
Total Revenues	**24,013**	**16,847**	**21,333**	**37,537**	**34,491**	**16,470**	**29,428**	**37,844**	**99,730**	**1,18,23**	**25,355**	**16**
Operating EBITDA												
Consumer Durables Division	1,500	620	1,160	2,340	1,920	370	1,412	1,989	5,620	5,691	1,026	38
Margin (%)	7.8	5.8	7.5	8.4	7.5	4.2	7.2	7.3	7.7	7.0	6.0	
Electronics Division	300	370	340	500	490	390	884	940	1,510	2,704	496	78
Margin (%)	7.7	7.5	7.2	5.9	6.4	6.1	10.5	10.1	6.9	8.5	7.0	
Railway Sub-systems &	200	210	120	300	220	210	177	212	830	819	207	-15
Margin (%)	21.1	16.9	11.2	24.0	17.9	15.9	13.9	16.3	18.4	16.0	17.7	
Total EBITDA (Pre ESOP and	**2,000**	**1,200**	**1,619**	**3,140**	**2,630**	**970**	**2,473**	**3,141**	**7,960**	**9,214**	**1,729**	**43**
Margin (%)	8.3	7.1	7.6	8.4	7.6	5.9	8.4	8.3	8.0	7.8	6.8	
ESOP/Other op exp	38	63	32	193	63	57	12	22	326	154	44	
Totla EBITDA	**1,962**	**1,137**	**1,587**	**2,947**	**2,567**	**913**	**2,461**	**3,120**	**7,634**	**9,061**	**1,685**	**46**
Margin (%)	8.2	6.8	7.4	7.9	7.4	5.5	8.4	8.2	7.7	7.7	6.6	

Privi Speciality Chemicals

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	PRIVISCL IN
Equity Shares (m)	39
M.Cap.(INRb)/(USDb)	107 / 1.2
52-Week Range (INR)	3441 / 1352
1, 6, 12 Rel. Per (%)	1/6/44
12M Avg Val (INR M)	381

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	25.2	31.1	41.8
EBITDA	6.4	7.8	10.6
PAT	3.3	4.0	5.8
EBITDA %	25.5	25.1	25.3
EPS (INR)	86.0	102.6	142.6
EPS Gr. (%)	79.7	19.2	39.1
BV/Sh.(INR)	368.5	471.0	700.6
Ratios			
Net D:E	0.8	0.8	0.3
RoE (%)	26.4	24.4	24.8
RoCE (%)	15.6	15.5	18.0
Valuations			
P/E (x)	31.9	26.8	19.2
P/BV (x)	7.4	5.8	3.9
EV/EBITDA (x)	18.4	15.6	11.5
FCF per share	12.9	(61.4)	48.2

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	60.6	69.9	74.1
DII	10.2	4.6	2.1
FII	1.6	1.3	0.5
Others	27.5	24.2	23.4

Note: FII includes depository receipts

CMP: INR2740 TP: INR3710 (+35%) Buy

Capacity expansion to drive next phase of growth

Operating performance in line

- PRIVI delivered a healthy performance in 3QFY26 as EBITDA grew 34% YoY to INR1.5b. EBITDA margins expanded 200bp YoY to 25.0% (est. 23.1%), led by lower power & fuel costs (down 50bp) and other expenses (down 400bp).
- The company's growth outlook remains positive, led by global tailwinds in the form of trade deals with the US and EU, capacity expansion in the new and existing products, and the China + 1 strategy.
- Further, PRIVI has maintained its guidance of achieving INR50b/INR10b in revenue/EBITDA over the next 3-4 years, representing more than 2x growth (with a margin guidance of ~20%).
- Factoring in a healthy performance in 3Q and lower-than-expected interest cost, we increase our FY26/FY27 EPS estimates by 13%/6%, while we largely maintain our FY28 estimates. We reiterate our BUY rating with a TP of INR3,710 (based on 26x FY28E EPS).

Strong earnings momentum driven by margin expansion

- Consolidated revenue grew 23% YoY to INR6.0b (est. INR6.5b).
- Gross margins contracted 40bp YoY to 50%.
- EBITDA margins expanded 200bp YoY to 25.0% (est. 23.1%), led by lower power & fuel costs (down 50bp) and other expenses (down 400bp). EBITDA grew 34% to INR1.5b (est. in line).
- Adj. PAT grew 76% YoY to INR780m (est. INR665m).
- For 9MFY26, revenue/EBITDA/adj. PAT grew 24%/47%/94% to INR18.4b/ INR4.7b/INR2.3b.

Highlights from the management commentary

- **Amalgamation:** The scheme of amalgamation of Privi Fine Sciences (PFSPL) and Privi Biotechnologies (PBPL) with Privi Speciality Chemicals is currently under process, with all required filings already submitted to both the stock exchanges, and the company expects the merger to be completed by Oct'26 or Dec'26 at the latest.
- **New products**: PRIVI is expected to become the first Indian manufacturer of maltol and the first one globally to produce cyclopentanone from a renewable source, with both products sharing furfural as a key raw material. Building on this common feedstock, the company plans to expand its portfolio of furfural-based products and move toward in-house production of furfural, a step that could potentially improve margins by around 50%.
- **Prigiv**: The company has approved an equity investment of INR500m in Prigiv Specialties, to be made in the existing 51:49 shareholding ratio. PRIVI will invest INR255m (51%), while JV partner Givaudan SA will contribute 49%. The capital infusion will fund growth initiatives, supporting higher revenue and improved profitability going forward.

Valuation and view

- Going ahead, the company's focus on improving yields, reducing utility consumption, and increasing the use of solar power is expected to support healthy margins over the medium term.
- PRIVI's growth story will be led by capacity expansion across existing and new products, backward integration, and the amalgamation with PFSPL and PBPL.
- **We build in a CAGR of 26%/33%/46% in revenue/EBITDA/adj. PAT over FY25-28E. We increase our FY26/FY27 earnings estimates by 13%/6%, while we largely maintain our FY28 estimates. We reiterate our BUY rating with a TP of INR3710 (based on 26x FY28E EPS).**

Consolidated - Quarterly Snapshot

(INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%
Gross Sales	**4,640**	**5,328**	**4,909**	**6,136**	**5,588**	**6,787**	**6,046**	**6,749**	**21,012**	**25,171**	**6,504**	**-7**
YoY Change (%)	14%	17%	22%	27%	20%	27%	23%	10%	20%	39%	0.0	
Total Expenditure	3,696	4,226	3,781	4,809	4,267	4,967	4,494	5,022	16,512	18,751	10,853	
Gross Margin (%)	43.8%	45.1%	51.5%	44.5%	50.7%	50.7%	50.1%	49.5%	46.1%	50.2%	49.5%	
EBITDA	**944**	**1,102**	**1,128**	**1,326**	**1,321**	**1,820**	**1,552**	**1,727**	**4,500**	**6,420**	**1,503**	**3**
Margin (%)	20.3	20.7	23.0	21.6	23.6	26.8	25.7	25.6	21.4	25.5	23.1	
Depreciation	321	324	323	349	362	356	355	355	1,318	1,428	400	
Interest	220	215	218	226	237	215	186	183	879	820	275	
Other Income	27	45	22	148	90	1	65	50	242	206	20	
PBT before EO expense	**429**	**608**	**609**	**899**	**812**	**1,251**	**1,077**	**1,239**	**2,545**	**4,378**	**848**	
Extra-Ord expense	0	0	0	0	0	0	39	0	0	39	0	
PBT	**429**	**608**	**609**	**899**	**812**	**1,251**	**1,038**	**1,239**	**2,545**	**4,339**	**848**	
Tax	115	159	164	260	236	349	289	248	698	1,122	184	
Rate (%)	26.7	26.2	27.0	28.9	29.1	27.9	27.9	20.0	27.4	25.9	21.7	
Minority Interest & Profit/Loss of Asso. Cos.	1	-1	0	-25	-44	-37	-31	-1	-25	-113	-1	
Reported PAT	**314**	**449**	**444**	**665**	**619**	**939**	**780**	**992**	**1,873**	**3,330**	**665**	
Adj. PAT	**314**	**449**	**444**	**665**	**619**	**939**	**809**	**992**	**1,873**	**3,360**	**665**	**22**
Margin (%)	6.8	8.4	9.1	10.8	11.1	13.8	13.4	14.7	8.9	13.3	10.2	
Growth (%)	579.3	47.2	54.5	114.4	97.4	109.1	82.1	49.1	97.3	79.4	49.6	

Happy Forgings

Estimate changes	⟷
TP change	⟷
Rating change	⟷

Bloomberg	HAPPYFOR IN
Equity Shares (m)	94
M.Cap.(INRb)/(USDb)	108.5 / 1.2
52-Week Range (INR)	1194 / 716
1, 6, 12 Rel. Per (%)	2/14/9
12M Avg Val (INR M)	40

Consol. Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	15.4	18.1	22.6
EBITDA	4.6	5.5	7.1
Adj. PAT	3.0	3.6	4.9
EPS (INR)	31.7	38.4	51.5
EPS growth %	11.6	21.0	34.3
BV/Sh. (INR)	224	257	302
Ratios			
RoE (%)	15.1	15.9	18.4
RoCE (%)	13.8	14.5	16.9
Payout (%)	12.6	13.0	13.6
Valuations			
P/E (x)	36.3	30.0	22.3
P/BV (x)	5.1	4.5	3.8
EV/EBITDA (x)	23.2	19.6	15.1
Div. Yield (%)	0.3	0.4	0.6

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	78.5	78.5	78.6
DII	16.7	17.0	17.1
FII	1.8	2.0	2.3
Others	2.9	2.5	2.1

CMP: INR1,150 TP: INR1,350 (+17%) Buy

Earnings beat led by better-than-expected margins

Demand outlook improves for core segments

- Happy Forgings' (HFL) 3QFY26 earnings at INR789m beat estimates by 7.5%, led by better-than-expected margin, even as revenue was in line with our estimates. EBITDA margin expanded 220bp YoY to 30.8% (vs an estimate of 29.2%). Margin beat was led by a reduction in steel prices, improved mix, and operating leverage benefit.
- Given its healthy new order wins and an improving mix, we expect HFL to post a 17%/21%/22% CAGR in revenue/EBITDA/PAT over FY25-28. HFL's superior financial track record compared to its peers serves as a testament to its inherent operational efficiencies and is likely to be a key competitive advantage going forward. **We reiterate our BUY rating on the stock with a TP of INR1,350 (based on 28x Dec'27E EPS).**

Earnings beat led by better-than-expected margins

- Revenue in 3QFY26 grew 10% YoY to INR3.9b (in line), and was driven by 13.8% YoY growth in volumes (16,323 MT). However, realizations were 3% lower YoY at INR240/kg due to benign steel prices. Volume growth was driven by domestic end-markets across CV, Farm, and PV, but was offset by weaker export conditions. While domestic revenue grew 16% YoY, export revenue declined 13%.
- EBITDA margins expanded 220bp YoY to 30.8% (vs est of 29.2%) and remained largely stable QoQ. As a result, EBITDA grew at a robust 18.7% YoY to INR1.2b (in line).
- The revenue mix during 9MFY26 (vs 9MFY25) was as follows: CV - 37% (38%), Farm Equipment - 33% (32%), Off-highway - 11% (12%), Industrials - 14% (14%), PV - 5% (4%).
- Management indicated that there is no impact of new labor codes on its financials, as the company is already in compliance with the same.
- Due to strong operating performance, PAT grew 22.4% YoY to INR789m (7.5% above estimates).
- For 9MFY26, revenue/EBITDA/PAT grew 6%/11%/9% YoY, respectively.
- OCF generation in 9MFY26 stood at INR3.15b, and capex for 9M stood at INR3b. Cash/cash equivalents stood at over INR4b as of Dec'25.

Key highlights from the management commentary

- HFL now has visibility on incremental business of INR8b at peak annual run-rate, which will help sustain a healthy revenue growth momentum. About 80-85% of this incremental business is likely to be materialized by FY28E. Order breakup: PV – 24%, CV – 27%, Industrials – 44%, and Farm – 4%.

- HFL expects an INR3-4/kg increase in the input sourcing of alloy steel, while the pass-through to the customer is expected to occur with a quarter lag.
- HFL has provided a margin guidance of 29-31% over the medium term, led by an improving mix and rising scrap prices.
- Capex for 9MFY26 stood at INR3b, with capex guidance for FY26 in the range of INR4-5b. Normal capex for FY27E is expected to be INR4b, which will increase to INR4.8b after factoring in the solar power project.
- Total capacity for HFL is expected to increase to 180k MT by FY29, and the machining capacity will rise to 92k MT.

Valuation and view

HFL's cost-competitive advantage is expected to help the company drive sustainable outperformance to the core. Given its healthy new order wins, we expect HFL to post a 17% standalone revenue CAGR over FY25-28. Further, we expect the company to post a 260bp margin expansion to 31.5% over FY25-28, led by an improved mix, operating leverage benefits, and the advantage of solar power generation in the coming years. We, thus, expect HFL to post a 22% earnings CAGR over FY25-28. The company's superior financial track record compared to its peers serves as a testament to its inherent operational efficiencies and is likely to be a key competitive advantage going forward. **We reiterate our BUY rating on the stock with a TP of INR1,350 (based on 28x Dec'27E EPS)**.

Quarterly (Standalone) **(INR M)**

	FY25				FY26E				FY25	FY26E		Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			3QE	(%)
Net operating income	**3,415**	**3,611**	**3,543**	**3,520**	**3,538**	**3,774**	**3,913**	**4,170**	**14,089**	**15,395**	**3,968**	**-1.4**
Change (%)	3.5	5.3	3.6	2.5	3.6	4.5	10.4	18.5	3.7	9.3	12.0	
RM/Sales (%)	43.5	41.2	42.0	41.3	42.1	39.7	41.1	41.8	42.0	41.2	41.8	
Staff Cost (%)	8.5	8.5	9.3	9.2	9.1	8.9	8.8	8.7	8.9	8.9	8.8	
Other Exp. (%)	19.4	21.2	20.1	20.4	20.3	20.7	19.3	19.2	20.3	19.9	20.2	
EBITDA	**976**	**1,054**	**1,015**	**1,023**	**1,012**	**1,158**	**1,204**	**1,259**	**4,067**	**4,633**	**1,159**	**3.9**
EBITDA Margins (%)	28.6	29.2	28.6	29.1	28.6	30.7	30.8	30.2	28.9	30.1	29.2	**160bp**
Change (%)	-2.6	12.4	6.6	5.3	3.6	9.9	18.7	23.1	4.9	13.9		
Non-Operating Income	77	83	66	101	104	63	82	97	376	345	75	
Interest	14	16	21	24	23	19	25	27	75	93	18	
Depreciation	180	197	191	203	206	216	224	246	771	891	228	
PBT after EO items	**859**	**973**	**868**	**897**	**886**	**986**	**1,037**	**1,084**	**3,597**	**3,993**	**988**	
Tax	220	259	223	219	230	252	247	278	921	1006	254	
Eff. Tax Rate (%)	25.6	26.6	25.7	24.4	25.9	25.5	23.9	25.6	25.6	25.2	25.7	
Adj. PAT	**639**	**666**	**645**	**678**	**657**	**734**	**789**	**806**	**2,676**	**2,987**	**734**	**7.6**
Change (%)	-0.3	20.6	11.4	3.0	2.9	10.2	22.4	19.0	10.1	11.6	13.8	

10 February 2026

3QFY26 Results Update | Sector: Consumer

Safari Industries

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	SII IN
Equity Shares (m)	49
M.Cap.(INRb)/(USDb)	105 / 1.2
52-Week Range (INR)	2507 / 1670
1, 6, 12 Rel. Per (%)	1/-2/-6
12M Avg Val (INR M)	94
Free float (%)	55.3

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	20.7	24.1	28.1
EBITDA	2.9	3.5	4.2
Adj. PAT	1.9	2.3	2.8
EPS (INR)	38.3	46.4	56.5
EPS Gr.%	31.2	21.2	21.6
BV/Sh. (INR)	229.4	271.1	321.8
Ratios			
Net D:E	-0.2	-0.3	-0.4
RoE (%)	18.1	18.6	19.1
RoCE (%)	14.1	14.4	14.9
Payout (%)	10.3	10.3	10.3
Valuations			
P/E (x)	55.8	46.0	37.9
P/B (x)	9.3	7.9	6.6
EV/EBITDA (x)	35.9	29.0	23.5
Div. yield (%)	0.2	0.2	0.3

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	44.7	44.9	45.4
DII	26.6	26.1	24.0
FII	12.3	12.3	12.3
Others	16.4	16.7	18.4

CMP: INR2,144 TP: INR2,600 (+21%) Buy

Consistent performance; volume rises ~20% YoY

Safari Industries' (SII) 3QFY26 print misses our estimate; revenue grew 15.7% to INR5.1b, supported by ~20% YoY volume growth. EBITDA/PAT grew 10.5%/5.6% YoY. Management indicated that heightened competition to chase volumes led to elevated discounting across both offline and online channels in 3Q. Though the offline channel delivered ~22% growth, e-commerce grew slower at ~12–15%. Management assumes the healthy volume momentum to continue in 4Q as well. We expect SII's revenue momentum to outpace the industry (+16% CAGR), driven by improving capacity utilization at the new Jaipur plant, while EBITDA margins are likely to be in the range of ~13.5–14.5% over the next two years.

Higher volumes drive industry-leading growth

SII's revenue grew 15.7% YoY to INR5.1b in 3QFY26, backed by solid ~20% YoY volume growth. Higher growth was driven by ~22% growth in the offline channel, while e-commerce grew ~12–15%. According to our channel checks and management commentary, January and February witnessed consistent growth of ~16% for the luggage industry in 4Q. We expect SII's revenue momentum to continue to outpace the industry, led by: 1) ~75% contribution from hard luggage, 2) rising consumer traction through NPD, 3) scaling of operations at the Jaipur unit (75%+ capacity utilization), and 4) rising contribution from Safari Select and Urban Jungle (premium brands), reaching INR2b by FY26E. As per our understanding, the Jaipur unit holds the potential to clock revenue of INR10b at full capacity utilization. With the addition of accessory manufacturing, such as wheels, at the Jaipur facility, management remains upbeat on the revenue momentum, guiding for volume growth of ~15-16% over the next 3-5 years.

Higher discounting weighs on margins; expect recovery in 4Q

In 3Q, gross margin expanded 107bp YoY and contracted 57bp to 46.5% YoY due to higher raw material prices. We note that with 3Q being heavily skewed toward offline sales (~50% of Q3 sales), discounting levels were higher to cater to wedding and festival demand. As a result, EBITDA grew 10.5% to INR557m, with EBITDA margin settling at 10.9% (-52bp YoY and -301bp QoQ). EBIT grew 6.4% to INR379m despite higher depreciation (+20.3%). PAT grew slower at 5.6% to INR329m on account of lower other income (-14.9%) and higher interest costs (+12.8%). Management expects EBITDA margins to settle in the ~13.5–14.5% range over the next two years.

Valuation and view: Reiterate BUY

We expect SII to deliver industry-leading growth and expand its market share by focusing on: 1) building the Urban Jungle brand along with SI-Select (premium positioning), 2) ramping up capacity utilization at Jaipur, 3) developing in-house manufacturing of ancillary components, and 4) adding 4-5 EBOs every month. Though we are confident about SII's growth story, we expect rising competitive intensity from VIP, Samsonite, and D2C players to impact SII's growth rates. Considering 9MFY26 performance, we have trimmed our earnings while reiterating our BUY rating with a DCF-based TP of INR2,600 (based on an implied P/E of 46x on FY28). Key risks: delayed capacity expansion and sudden rise/discounting by regional competition (refer to our IC note dated Sep'25).

Cons. Qtrly performance (INR m)

Y/E March	FY25				FY26				FY25	FY26E	3Q	v/s Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			FY26E	%
Net Sales	**4,500**	**4,578**	**4,427**	**4,211**	**5,278**	**5,336**	**5,124**	**4,970**	**17,716**	**20,708**	**5,336**	**-4%**
YoY Change (%)	5.5	23.7	14.0	15.2	17.3	16.5	15.7	18.0	14.3	16.9	20.5	
Gross Profit	**2,002**	**2,007**	**2,011**	**2,072**	**2,416**	**2,511**	**2,382**	**2,320**	**8,092**	**9,629**	**2,550**	
Total Expenditure	3,842	4,099	3,923	3,602	4,486	4,595	4,567	4,208	15,466	17,856	4,538	1%
EBITDA	**659**	**479**	**504**	**609**	**793**	**740**	**557**	**762**	**2,250**	**2,852**	**798**	**-30%**
Margin (%)	14.6	10.5	11.4	14.5	15.0	13.9	10.9	15.3	12.7	13.8	15.0	
Depreciation	142	147	147	154	174	176	177	160	591	688	176	
Interest	24	24	20	20	22	21	23	16	88	82	20	
Other Income	82	71	72	60	58	58	61	128	285	305	90	
PBT before EO items	**575**	**378**	**408**	**494**	**654**	**601**	**417**	**713**	**1,856**	**2,387**	**692**	
Extraordinary Inc / (Exp)	0	0	0	0	0	0	0	0	0	0	0	
PBT	**575**	**378**	**408**	**494**	**654**	**601**	**417**	**713**	**1,856**	**2,387**	**692**	**-40%**
Tax	131	82	97	118	150	133	89	142	428	513	159	
Rate (%)	22.8	21.6	23.7	24.0	22.8	22.1	21.2	19.9	23.0	21.5	23.0	
JV and Associates	0	0	0	0	0	0	0	0			0	
Reported PAT	**444**	**297**	**311**	**376**	**505**	**469**	**329**	**571**	**1,428**	**1,873**	**533**	**-38%**
Adj PAT	**444**	**297**	**311**	**376**	**505**	**469**	**329**	**571**	**1,428**	**1,873**	**533**	
YoY Change (%)	-11.1	-25.4	-28.9	-13.0	13.7	58.0	5.6	51.9	-18.8	31.2	71.1	
Margin (%)	9.9	6.5	7.0	8.9	9.6	8.8	6.4	11.5	8.1	9.0	10.0	

Exhibit 1: Changes to our estimates (INR m)

INR m	Old			New			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	20,538	23,774	27,584	20,708	24,133	28,139	0.8	1.5	2.0
EBITDA	3,154	3,694	4,353	2,852	3,468	4,186	-9.6	-6.1	-3.8
EBITDA margin %	*15.4*	*15.5*	*15.8*	*13.8*	*14.4*	*14.9*			
PAT	2,065	2,433	2,887	1,873	2,270	2,761	-9.3	-6.7	-4.4
EPS	42.2	49.8	59.1	38.3	46.4	56.5	-9.3	-6.7	-4.4

Source: MOFSL, Company

Lemon Tree Hotels

Estimate change	⟷
TP change	⟷
Rating change	⟷

Stock Info

Bloomberg	LEMONTRE IN
Equity Shares (m)	792
M.Cap.(INRb)/(USDb)	105.3 / 1.2
52-Week Range (INR)	181 / 111
1, 6, 12 Rel. Per (%)	-12/-14/-14
12M Avg Val (INR M)	534
Free float (%)	77.7

Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	14.5	16.7	17.9
EBITDA	7.0	8.5	9.3
PAT	2.66	3.42	4.05
EBITDA (%)	48.3	51.0	51.7
EPS (INR)	3.4	4.3	5.1
EBITDA Gr. (%)	35.1	28.7	18.5
BV/Sh. (INR)	17.7	22.1	27.2
Ratios			
Net D/E	1.0	0.5	0.2
RoE (%)	20.7	21.7	20.8
RoCE (%)	13.4	17.2	19.4
Valuations			
P/E (x)	39.6	30.8	26.0
EV/EBITDA (x)	17.9	14.4	12.9
FCF Yield (%)	4.7	6.1	6.4

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	22.3	22.3	22.8
DII	19.5	19.7	20.8
FII	21.6	21.5	20.1
Others	36.7	36.5	36.4

CMP: INR133 TP: INR200 (+51%) Buy

ARR growth offsets occupancy pressure

Operating performance in line with estimates

- Lemon Tree Hotels (LEMONTRE) reported healthy revenue growth of 14% YoY in 3QFY26, led by 34% YoY growth in FnB revenue and 7% YoY growth in room revenue. Average room rate (ARR) grew 11% YoY to INR7,487, while occupancy rate (OR) declined 80bp YoY to 73.4%.
- LEMONTRE maintained industry-leading EBITDA margins at 50.4%, which were, however, impacted by higher investments in renovations and technology and the GST impact, leading to a 150bp YoY contraction.
- The industry witnessed a muted start to 4QFY26 due to a soft January, while February registered strong demand, with March expected to sustain a similar momentum.
- We largely maintain our FY26/FY27/FY28 EBITDA estimates and reiterate our **BUY** rating on the stock with our SoTP-based **TP of INR200** for FY28.

Margin impacted by higher renovation opex and investment in technology

- Revenue grew 14% YoY to INR4b (in line). OR declined 82bp YoY to 74.2%. ARR increased 11% YoY to INR7,487. Management fees grew 24% YoY to INR229m.
- EBITDA grew 11% YoY to INR2b (est in line). EBITDA margin contracted 150bp YoY to 50.4% (est. 49.5%). Adj. PAT increased 38% YoY to INR862m (est. INR771m).
- During the quarter, LEMONTRE signed 17 new management and franchise contracts, which added 1,855 new rooms to its pipeline, and operationalized nine hotels, which added 816 rooms to its portfolio.
- As of 31st Dec'25, the total operational inventory comprised 130 hotels with 11,772 rooms, and the pipeline included 129 hotels with 10,170 rooms.
- In 9MFY26, revenue/EBITDA/adj. PAT grew 13%/11%/42% to INR10.3b/INR4.6b/INR1.6b.

Highlights from the management commentary

- **Aurika:** The company is strengthening the Aurika portfolio with planned launches across New Delhi, Shimla, and Varanasi. Design and approval work have been initiated for the Aurika project in Nehru Place, while two blocks of Aurika Shimla are scheduled to open by 2QCY26. The 47-room heritage Aurika hotel in Varanasi is expected to command an ARR nearly 3x that of other Aurika properties.
- **Key city performance:** Hyderabad delivered strong ARR growth (up 25% YoY), led by renovation and better demand. ARR in Pune grew 8% YoY, driven by renovation at Pimpri and improving conditions in Hinjewadi. Performance in Gurgaon remained subdued due to the absence of last year's large corporate blocks and weaker Red Fox performance, which led OR to decline to 69% from 74%. Mumbai/Delhi ARR grew 4%/10% YoY to INR9,391/INR8,748, and the OR grew 220bp/40bp to 79%/84%.
- **Fee income:** Fee income remained broadly stable during the year, despite the addition of 1,600 rooms in 9MFY26 (800 in 1H and 800 in 3Q). These additions are expected to start contributing meaningfully after roughly one year of operations.

Valuation and view

- LEMONTRE is expected to maintain a healthy growth momentum going forward, led by: 1) the improving ARR of Aurika Mumbai, 2) accelerated growth in management contracts (pipeline of ~9,364 rooms), 3) the timely completion of the portfolio's renovation (by mid of FY27), leading to an improved OR, ARR, and EBITDA margin for the company, 4) rebranding of existing hotels, and 5) expansion of the Aurika portfolio.
- We expect LEMONTRE to post a CAGR of 12%/13%/27% in revenue/EBITDA/adj. PAT over FY25-28, with RoCE improving to ~19.4% by FY28 from ~11.7% in FY25. We reiterate our BUY rating on the stock with our SoTP-based TP of INR200 for FY28.

Consolidated Quarterly Performance (INRm)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q	(%)
Gross Sales	**2,680**	**2,844**	**3,552**	**3,785**	**3,158**	**3,063**	**4,061**	**4,242**	**12,861**	**14,523**	**3,946**	**3**
YoY Change (%)	20.6	25.2	23.0	15.6	17.8	7.7	14.3	12.1	20.7	12.9	11.1	
Total Expenditure	1,530	1,536	1,710	1,744	1,753	1,756	2,014	1,990	6,520	7,512	1,992	
EBITDA	**1,151**	**1,307**	**1,842**	**2,041**	**1,405**	**1,307**	**2,047**	**2,252**	**6,341**	**7,011**	**1,954**	**5**
Margins (%)	42.9	46.0	51.9	53.9	44.5	42.7	50.4	53.1	49.3	48.3	49.5	
Depreciation	346	348	351	349	342	343	348	362	1,393	1,395	353	
Interest	518	513	503	472	447	423	414	362	2,007	1,647	400	
Other Income	4	5	6	9	16	17	17	11	23	61	14	
PBT before EO expense	**291**	**451**	**994**	**1,229**	**633**	**558**	**1,302**	**1,539**	**2,965**	**4,031**	**1,215**	
Extra-Ord expense	0	0	0	0	0	0	313	0	0	313	0	
PBT	**291**	**451**	**994**	**1,229**	**633**	**558**	**988**	**1,539**	**2,965**	**3,718**	**1,215**	
Tax	91	102	197	141	148	139	170	225	531	682	243	
Rate (%)	31.2	22.7	19.8	11.5	23.3	24.9	17.2	14.6	17.9	18.3	20.0	
MI & P/L of Asso. Cos.	2	52	173	241	102	73	191	249	468	615	201	
Reported PAT	**198**	**296**	**625**	**846**	**383**	**346**	**627**	**1,064**	**1,966**	**2,420**	**771**	
Adj PAT	**198**	**296**	**625**	**846**	**383**	**346**	**862**	**1,064**	**1,966**	**2,655**	**771**	**12**
YoY Change (%)	-15.6	30.9	76.5	26.3	93.5	16.7	37.9	25.7	32.4	35.1	23.3	
Margins (%)	7.4	10.4	17.6	22.4	12.1	11.3	21.2	25.1	15.3	18.3	19.5	

Key Performance Indicators

Y/E March	FY25				FY26				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Occupancy (%)	66.6	68.4	74.2	77.6	72.5	69.8	73.4	76.7	73.0	73.3
ARR (INR)	5,686	5,902	6,763	7,042	6,236	6,247	7,487	7,607	6,819	7,445
Change (%)	8.6	12.0	6.8	6.6	9.7	5.8	10.7	8.0	8.4	9.2
RevPAR (INR)	3,787	4,035	5,018	5,465	4,521	4,360	5,495	5,836	4,980	5,455
Change (%)	3.0	6.9	20.2	14.9	19.4	8.1	9.5	6.8		
Cost Break-up										
F&B Cost (% of sales)	6.1	6.0	5.5	6.1	6.3	6.5	5.7	6.0	5.9	6.1
Staff Cost (% of sales)	18.9	19.1	15.9	15.1	18.4	19.1	14.6	15.6	17.0	16.7
Power and fuel (% of sales)	8.7	8.0	6.0	5.3	6.9	7.4	5.0	6.3	6.8	6.3
Other Cost (% of sales)	23.3	20.9	20.7	19.6	23.9	24.3	24.3	19.0	21.0	22.7
Gross Margins (%)	93.9	94.0	94.5	93.9	93.7	93.5	94.3	94.0	94.1	93.9
EBITDA Margins (%)	42.9	46.0	51.9	53.9	44.5	42.7	50.4	53.1	49.3	48.3
EBIT Margins (%)	30.0	33.7	42.0	44.7	33.7	31.5	41.8	44.6	38.5	38.7

P N Gadgil Jewellers

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	PNGJL IN
Equity Shares (m)	136
M.Cap.(INRb)/(USDb)	81.1 / 0.9
52-Week Range (INR)	701 / 474
1, 6, 12 Rel. Per (%)	-3/1/-1
12M Avg Val (INR M)	180

Financials & Valuations (INR b)

Y/E March (INR b)	FY26E	FY27E	FY28E
Sales	94.0	112.8	130.7
Sales Growth (%)	22.2	20.0	15.8
EBITDA	6.0	6.7	7.7
Margins (%)	6.4	6.0	5.9
Adj. PAT	4.0	4.5	5.1
Adj. EPS (INR)	29.8	33.3	37.9
EPS Growth (%)	71.3	11.7	13.8
BV/Sh. (INR)	144.3	177.6	215.5
Ratios			
Debt/Equity	0.4	0.4	0.3
RoE (%)	23.0	20.7	19.3
RoIC (%)	22.6	21.8	21.0
Valuations			
P/E (x)	20.1	18.0	15.8
EV/EBITDA(x)	12.3	10.5	8.8

Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	83.1	83.1	83.1
DII	4.8	5.0	5.3
FII	0.8	0.9	1.9
Others	11.3	11.0	9.6

FII includes depository receipts

CMP: INR598 TP: INR850 (+42%) Buy

Profitability above our est.; store expansion on track

- PN Gadgil Jewellers (PNG) reported a 36% YoY rise in consolidated revenue to INR33.0b (est. INR32.5b) in 3QFY26. It was supported by a strong SSSG of 33%. Retail revenue rose 46% YoY, while e-commerce surged 138%; franchisee growth moderated at 12%, hit by a higher proportion of COCO store additions in FY26 (Exhibit 1).
- Festive sales during Diwali jumped 74% YoY to INR6.1b. Customer footfalls rose 33%, supported by a strong conversion rate of 94%. Management highlighted that healthy demand momentum has been sustained into the early part of 4QFY26 despite gold price volatility and expects the trend to continue going forward.
- PNG added three stores during the quarter, taking the total network to 66 stores (50 COCO, 16 FOCO), including five PNG Litestyle stores across 33 cities. The company targets 78–80 stores by FY26-end and plans to add ~25 stores in FY27, reinforcing its expansion strategy.
- GM expanded sharply 450bp YoY (post custom duty adjustment in base) to 14.4% (est. 11.9%). The expansion was driven by a product mix, rising Litestyle contribution (35–40% studded mix), and inventory gains from silver products (~3–4% revenue contribution). EBITDA margin improved 240bp YoY to 7.4% (est. 5.6%), an all-time high. Management guides for PAT margins of 3.75–4.0%, we model ~4% margin for FY27-FY28.
- We raise our EPS estimates by 8-12% for FY27 and FY28 due to a sharp expansion in margins. We model a CAGR of 19% in sales, 30% in EBITDA, and 30% in APAT over FY25-28E. Led by the successful execution of store rollouts, an effective gold hedging policy, and margin expansions, **we reiterate our BUY rating on the stock with a TP of INR850.**

In-line revenue; sharp beat on profitability

- **In-line sales:** PNG's consolidated sales rose 36% YoY to INR33.0b (est. INR32.5b) in 3QFY26, led by the wedding and the festive season. SSSG stood at 33%. The retail segment (83% of revenue) recorded a growth of 46.2% YoY to INR27b. E-commerce revenue (5% of revenue) jumped 138% YoY to INR1.7b. Franchisee operations rose 12% YoY to INR2.5b, contributing 8% to total revenue. Volumes rose 25% QoQ and were flat at single digits YoY.
- **Sharp expansion in margins:** Gross margin improved 450bp YoY to 14% (est. 12%; vs. 11.9% in 2QFY26). Employee expenses rose 26% YoY, and other expenses rose 124% YoY. EBITDA margin expanded 240bp YoY to 7.4% (est. 5.6%, 4.9% in 2QFY26).
- **Strong growth in profitability:** The EBITDA doubled YoY to INR2.4b (est. INR1.8b). APAT grew 99% YoY to INR1.7b (est. INR1.2b). APAT margin came in at 5.2% vs. 3.5% (est. 3.6%) in 3QFY25.
- In 9MFY26, PNG's net sales, EBITDA, and APAT grew 18%, 78%, and 83%, respectively.

Key takeaways from the management commentary

- Jewelry demand remained resilient in 3Q due to wedding and festive purchases, with ~40% of jewelry purchases through the old gold exchange scheme.
- Volume rose ~25% QoQ, while it grew in single digits or remained flat YoY in 3Q.
- The company added three new company-owned stores during the quarter at Moshi (Pimpri-Chinchwad), Patna (Bihar), and Viman Nagar under the LiteStyle format, taking the total retail footprint to 66 stores as of Dec'25.
- PNG LiteStyle currently contributes 5–6% of revenue, with a near-term target of 10% contribution.
- The company believes 13–14% gross margins, EBITDA margins of 7.0–7.25%, and PAT margins of 3.75–4.0% are sustainable.

Valuation and view

- We increase our EPS estimates by 8-12% for FY27 and FY28 due to a sharp expansion in margins.
- With a more favorable product mix, operating leverage, and improved sourcing, the company is well-positioned to expand its operating margin. We model an EBITDA margin of ~6% for FY27 and FY28. We will monitor the operating cost expansion driven by new store roll-outs.
- The company has strengthened its balance sheet by reducing debt, having repaid INR3b from IPO proceeds. It has also implemented a robust hedging strategy through Gold Metal Loans (GML), achieving 100% hedging coverage. This will lower interest costs and further boost profitability.
- We model a CAGR of 19% in sales, 30% in EBITDA, and 30% in APAT over FY25-28E. With the successful execution of store rollouts, an effective gold hedging policy, and margin expansions, **we reiterate our BUY rating on the stock with a TP of INR850 at 22x Dec'27E EPS**.

Consol. Quarterly Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	**16,682**	**20,013**	**24,358**	**15,882**	**17,146**	**21,776**	**33,026**	**22,093**	**76,935**	**94,040**	**32,543**	**1%**
YoY change (%)	32.7	45.9	23.5	5.0	2.8	8.8	35.6	39.1	25.9	22.2	33.6	
Gross Profit	**1,386**	**1,531**	**2,391**	**1,909**	**2,259**	**2,581**	**4,739**	**3,163**	**7,216**	**12,742**	**3,873**	**22%**
Margins (%)	8.3	7.6	9.8	12.0	13.2	11.9	14.4	14.3	9.4	13.5	11.9	
EBITDA	**643**	**721**	**1,228**	**941**	**1,100**	**1,071**	**2,443**	**1,364**	**3,538**	**5,978**	**1,810**	**35%**
Margins (%)	3.9	3.6	5.0	5.9	6.4	4.9	7.4	6.2	4.6	6.4	5.6	
YoY growth (%)	44.2	59.4	33.3	5.8	70.9	48.6	99.0	45.0	30.5	69.0	47.5	
Depreciation	63	72	84	130	112	139	152	152	348	556	145	
Finance Cost	123	129	63	115	189	198	251	251	430	889	205	
Other Income	19	118	70	149	129	358	274	139	351	900	90	
PBT	**477**	**638**	**1,150**	**846**	**927**	**1,092**	**2,315**	**1,100**	**3,111**	**5,434**	**1,550**	**49%**
YoY growth (%)	57.3	110.2	48.6	15.2	94.4	71.0	101.3	30.1	48.6	74.7	34.8	
APAT	**353**	**529**	**860**	**620**	**693**	**793**	**1,709**	**819**	**2,363**	**4,048**	**1,163**	**47%**
Margins (%)	2.1	2.6	3.5	3.9	4.0	3.6	5.2	3.7	3.1	4.3	3.6	
YoY change (%)	59.5	141.1	49.4	12.9	96.3	49.9	98.6	32.1	52.4	71.3	35.2	

E: MOFSL estimates

PNG added three stores in 3Q, taking the total count to 66 stores

Stores	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
No Of store	39	48	53	55	63	66
Added		9	5	2	8	3
COCO	28	37	41	41	47	50
FOCO	11	11	12	14	16	16

G R Infraprojects

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	GRINFRA IN
Equity Shares (m)	97
M.Cap.(INRb)/(USDb)	96.8 / 1.1
52-Week Range (INR)	1444 / 883
1, 6, 12 Rel. Per (%)	2/-24/-24
12M Avg Val (INR M)	90

Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	76.1	81.5	93.8
EBITDA	8.1	10.4	12.2
APAT	7.9	9.1	10.9
EBITDA (%)	10.6	12.8	13.0
EPS (INR)	81.4	94.2	113.0
EPS Gr. (%)	8.9	15.8	19.9
BV/Sh. (INR)	899.9	994.1	1107.2
Ratios			
Net D/E	0.0	-0.1	0.0
RoE (%)	9.5	10.0	10.8
RoCE (%)	9.4	9.9	10.7
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	12.3	10.6	8.8
P/BV (x)	1.1	1.0	0.9
EV/EBITDA (x)	11.6	8.7	7.5
Div Yield (%)	0.0	0.0	0.0
FCF Yield (%)	6.8	8.0	3.0

Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	74.7	74.7	74.7
DII	19.5	19.4	19.8
FII	2.7	2.9	2.6
Others	3.1	3.1	3.0

FII includes depository receipts

CMP: INR1,000 TP: INR1,250 (+25%) Buy

Healthy execution, but margins remain soft

Order pipeline remains strong

- G R Infraprojects (GRINFRA)'s 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 estimate).
- 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.
- The order book currently stands at ~INR202b (excl. L1), with road projects accounting for 62% of the order book. Expects revenue of INR30b in 4QFY26 to be driven by INR6b execution in the oil and gas sector.
- GRINFRA reported healthy execution in 3QFY26, supported by ~INR4b of execution in the oil & gas segment; however, margins remained under pressure. The order book remains robust, anchored by road projects and supported by increasing traction in new segments such as oil & gas, railways, power transmission, and tunneling. **We cut our EPS for FY27E/FY28E by 9.5%/2.6% due to a weaker EBITDA margin. We expect GRINFRA to clock a 13% revenue CAGR over FY25-28, with an EBITDA margin of ~11-13%. We reiterate our BUY rating with a revised SoTP-based TP of INR1,250.**

Robust order book, sector diversification, and strong financial discipline

- The order book stood at ~INR249b (incl. L1) as of Dec'25. The company holds L1 status in three road projects worth ~INR47.1b. The road segment continues to dominate (62% of the order book), but the company is steadily diversifying into oil and gas, railways, metros, power transmission, hydro, tunneling, and telecom.
- The company highlighted that the current project pipeline remains healthy across multiple infrastructure segments. The company expects bid opportunities worth ~INR200b, comprising ~INR160b in highways and ~INR40b across hydro and tunnel projects. It has also bid for ~INR200b of projects in the oil & gas segment and expects to secure orders of ~INR40-50b from this sector.
- The company repaid INR2.62b in debt during the quarter, improving standalone debt-equity to 0.03x—among the best in the sector. Working capital days improved to 93 (vs. 124 days as of Dec'24), driven primarily by better realization from debtors.

Key takeaways from the management commentary

- The company expects revenue of INR30b in 4QFY26 to be driven by INR6b execution in the oil and gas sector, with potential for 10%-15% growth in FY27 depending on execution ramp-up and order inflow.
- The company experienced a slowdown in tender awarding from the government during the quarter.
- Management indicated that the margin trajectory will be contingent upon the strength of order inflows. A higher quantum of project wins is expected to support margin expansion. The company has guided for order inflows of INR200b in FY27, subject to the materialization of the bidding pipeline.

Valuation and view

- While execution of fresh orders may only reflect meaningfully from FY27, the company's healthy order inflow guidance, improving bid environment (less competition, tighter prequalification norms), and balance sheet strength provide visibility for sustainable growth.
- We expect GRINFRA to clock a 13% revenue CAGR over FY25-28, with an EBITDA margin in the range of 11-13%. **Reiterate BUY with a revised SoTP-based TP of INR1,250.**

Quarterly Performance (Standalone) **(INR m)**

Y/E March (INR m)	FY25				FY26E				FY25	FY26E	FY26	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Variance
Net Sales	**18,965**	**11,281**	**14,628**	**19,429**	**18,261**	**12,337**	**20,395**	**25,151**	**64,304**	**76,144**	**16,341**	**25%**
YoY Change (%)	(11.9)	(28.3)	(19.0)	(9.9)	(3.7)	9.4	39.4	29.5	(16.4)	18.4	11.7	
EBITDA	**2,466**	**1,171**	**1,546**	**3,009**	**2,311**	**1,204**	**2,054**	**2,518**	**8,193**	**8,087**	**1,961**	**5%**
Margins (%)	13.0	10.4	10.6	15.5	12.7	9.8	10.1	10.0	12.7	10.6	12.0	
Depreciation	632	631	612	572	524	510	491	494	2,448	2,020	550	
Interest	281	214	207	155	119	113	101	161	857	493	130	
Other Income	1,081	1,311	1,222	1,389	1,163	1,184	1,276	1,330	5,003	4,952	1,080	
PBT before EO expense	**2,634**	**1,637**	**1,949**	**3,671**	**2,830**	**1,764**	**2,738**	**3,193**	**9,892**	**10,525**	**2,361**	
Extra-Ord expense	(494)	356	377	849	-	-	411	-	1,088	411	-	
PBT	**2,140**	**1,993**	**2,326**	**4,520**	**2,830**	**1,764**	**3,149**	**3,193**	**10,980**	**10,936**	**2,361**	
Tax	621	845	640	807	672	456	828	802	2,913	2,758	590	
Rate (%)	29.0	42.4	27.5	17.9	23.7	25.8	26.3	25.1	26.5	25.2	25.0	
Reported PAT	**1,520**	**1,148**	**1,686**	**3,712**	**2,158**	**1,308**	**2,322**	**2,391**	**8,066**	**8,179**	**1,771**	
Adj PAT	**1,890**	**1,161**	**1,309**	**2,864**	**2,158**	**1,308**	**2,013**	**2,391**	**7,224**	**7,870**	**1,771**	**14%**
YoY Change (%)	(9.1)	(5.8)	(12.2)	27.3	14.2	12.7	53.8	(16.5)	2.4	8.9	35.3	
Margins (%)	10.0	10.3	8.9	14.7	11.8	10.6	9.9	9.5	11.2	10.3	10.8	

Indostar Capital Finance

Bloomberg	INDOSTAR IN
Equity Shares (m)	137
M.Cap.(INRb)/(USDb)	36.7 / 0.4
52-Week Range (INR)	369 / 185
1, 6, 12 Rel. Per (%)	-2/-24/-21
12M Avg Val (INR M)	61

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	6.4	7.0	8.2
PPP	2.7	3.5	4.6
PAT	6.0	2.3	3.3
EPS (INR)	37.0	14.1	20.2
EPS Gr. (%)	856	-62	43
BV (INR)	262	276	296
Ratios			
NIM (%)	9.9	11.4	12.3
C/I ratio (%)	65.9	60.9	56.5
RoA (%)	5.5	2.0	2.5
RoE (%)	15.6	5.2	7.1
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	6.1	16.0	11.2
P/BV (x)	0.9	0.8	0.8
Div. Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	70.4	73.0	73.6
DII	2.1	2.5	1.9
FII	2.3	2.9	2.4
Others	25.3	21.7	22.1

FII Includes depository receipts

CMP: INR227 TP: INR270 (+19%) Buy

Operationally weak with muted AUM growth and AQ deterioration

GS3 rose ~1pp QoQ; AUM declined ~2% YoY

- IndoStar Capital Finance (INDOSTAR) reported a weak 3QFY26 performance, marked by subdued disbursements and sluggish AUM growth as the company continued to operate under tighter underwriting standards with a strong emphasis on asset quality. Asset quality deteriorated sequentially, with GS3 increasing by ~1pp. Management guided for a recovery in disbursement momentum over the coming quarters, driven by branch expansion and an increase in frontline sales staff, while asset quality is expected to stabilize as the newer, better-underwritten portfolio becomes a larger share of the book.
- **Key highlights**: 1) Disbursements declined 29% YoY and grew 20% QoQ to ~INR11.2b, and AUM declined 2% YoY and grew 2% QoQ to ~INR76.9b; 2) Asset quality deteriorated, leading to elevated credit costs during the quarter, 3) NIM (calc.) expanded ~150bp QoQ, driven by a decline in CoB, and 4) The company pared its stressed assets by selling a part of its CV loan book to Phoenix ARC, involving an outstanding pool of ~INR1.4b for a consideration of up to ~INR1.1b.

Financial highlights

- INDOSTAR's 3QFY26 consolidated PAT declined 70% YoY to INR83m. NII grew 49% YoY to INR1.8b. Other income stood at INR315m (PQ: INR396m).
- Opex grew ~2% YoY to INR1.2b, translating into a cost-to-income ratio of ~59% in 3QFY26 (PY: 67% and PQ: 64%). This included a one-time impact of provisions of INR48m made on account of the new labor codes. PPOP grew 44% YoY to INR852m (PQ: INR692m and PY: INR594m).
- Credit costs stood at ~INR769m (PQ: ~INR586m). This translated into annualized credit costs of ~4% in 3QFY26 (PQ: ~3.1% and PY: 2.5%).
- AUM declined 2% YoY and grew 2% QoQ to ~INR76.9b. VF AUM declined 2% YoY and grew 2% QoQ. Micro-LAP AUM grew ~27% QoQ to INR1.3b. Disbursements in micro-LAP grew ~11% QoQ to INR300m. LTV in this segment stood at 34.6% as of Dec'25.
- Reported CoF during the quarter declined ~10bp QoQ to 10.3% (PQ: 10.4% and PY: 10.8%). Incremental CoF stood at 9.1% in 3QFY26.
- Management expects disbursement momentum to pick up from 4QFY26, aided by branch expansion and a roughly 30% increase in frontline sales capacity. It sees this translating into a sustainable ~20% growth trajectory over the medium term as investments in distribution, underwriting capability, and product architecture begin to scale.
- The company also indicated that the Micro-LAP book is poised for strong expansion, with management targeting a doubling of AUM in FY27 through a calibrated and disciplined rollout.
- We estimate a CAGR of 17%/31% in AUM/PPOP over FY26-28, aided by improvements in NIM to 9.9%/11.4% in FY26E/FY27E. **Reiterate BUY with a TP of INR270 (premised on 0.9x Dec'27E BVPS).**

AUM declines ~2% YoY; VF disbursements grow ~21% QoQ

- Disbursements declined 29% YoY and grew 20% QoQ to ~INR11.2b. VF disbursements in 3QFY26 stood at ~INR10.9b, which declined ~14% YoY and grew 21% YoY.
- Disbursements yields in vehicle finance declined 60bp QoQ to 17% (PQ: 17.6% and PY: 18.5%).
- INDOSTAR shared that distribution has been strengthened through branch conversions and expansion into previously underpenetrated markets, while the addition of prime customer segments and the introduction of base pricing have improved risk-adjusted yields and enhanced overall portfolio quality.

Asset quality deteriorates; GS3 rises 1pp QoQ

- Asset quality exhibited deterioration, with standalone GNPA rising ~1pp QoQ to ~4.05% and standalone NNPA rising ~65bp QoQ to ~1.75%.
- Management guided that credit costs in the used vehicle finance portfolio are expected to moderate to ~2% as the higher-quality, post-Jan'25 originated loans become a larger part of the book. Meanwhile, overall asset quality is expected to improve meaningfully over the next two quarters as tighter underwriting and early warning systems begin to show results.
- Collection efficiency (including overdue) stood at ~95% (PQ: ~94%). CRAR was healthy at ~41.4%.

Key highlights from the management commentary

- Mr. Amandeep Singh Sandhu joined as COO for the vehicle finance business, bringing over 25 years of BFSI experience. He previously worked with Cholamandalam and HDFC Bank, strengthening leadership depth in the vehicle finance vertical.
- The borrower mix is steadily improving, with a rising share of lending to customers with stronger CIBIL profiles, reflecting the company's conscious decision to forego volumes in order to weed out weaker credit borrowers and build a higher-quality portfolio.

Valuation and View

- INDOSTAR reported a weak 3QFY26 performance, marked by sluggish AUM growth as the company continued to operate under tighter underwriting standards with a focus on asset quality. Despite the sale of ~INR1.4b of stressed assets to an ARC, asset quality deteriorated during the quarter with GS3 rising ~1pp QoQ, resulting in elevated credit costs.
- INDOSTAR has prioritized the expansion of its loan book in the used CV segment and micro-LAP. A reinforced management team, enhanced processes, opex rationalization, and expectations of an improvement in the economic climate will serve as catalysts for INDOSTAR. **Reiterate BUY rating on the stock with a TP of INR270 (premised on 0.9x Dec'27E BVPS).**

Quarterly Performance **(INR M)**

Y/E March	FY25				FY26			FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q		
Interest Income	2,703	2,956	3,125	3,184	3,146	3,172	3,151	11,965	12,693
Interest Expenses	1,668	1,878	1,930	1,933	1,855	1,667	1,371	7,408	6,295
Net Interest Income	**1,035**	**1,078**	**1,196**	**1,251**	**1,291**	**1,506**	**1,779**	**4,557**	**6,398**
YoY Growth (%)	*-12.2*	*40.5*	*47.9*	*44.6*	*24.7*	*39.7*	*48.8*	*36.6*	*40.4*
Other Income	387	565	611	566	291	396	315	2,159	1,419
Total Income	**1,422**	**1,643**	**1,806**	**1,817**	**1,582**	**1,902**	**2,094**	**6,716**	**7,817**
YoY Growth (%)	*-1.9*	*75.6*	*93.1*	*-21.7*	*11.3*	*15.7*	*15.9*	*23.4*	*16.4*
Operating Expenses	1,106	1,272	1,212	1,198	1,393	1,210	1,242	4,815	5,149
Operating Profit	**317**	**371**	**594**	**619**	**189**	**692**	**852**	**1,901**	**2,668**
YoY Growth (%)	*6.4*	*333.5*	*1,044.5*	*-49.1*	*-40.2*	*86.3*	*43.5*	*22.9*	*40.3*
Provisions & Loan Losses	210	193	479	494	4,904	586	769	1,375	6,875
Profit before Tax and exceptional item	**297**	**363**	**331**	**442**	**-4,579**	**105**	**83**	**526**	**-4,207**
Exceptional item (post-tax)	**0**	**0**	**0**	**0**	**11,760**	**0**	**0**	**0**	**10,070**
PBT (incl. exception gain/loss)	**297**	**363**	**331**	**442**	**7,181**	**105**	**83**	**526**	**5,863**
Tax Provisions	48	46	54	80	1,725	0	0	0	-100
Reported PAT	**249**	**317**	**277**	**362**	**5,456**	**105**	**83**	**526**	**5,963**
YoY Growth (%)	*-36.0*	*27.9*	*64.3*	*2.6*	*2,088.4*	*-66.9*	*-70.1*	*-26.6*	*1,033.9*
AUM Growth (%)	13.5	30.0	31.7	23.1	8.9	0.2	-2.1		
NIM (%)	6.1	5.9	6.2	6.3	6.6	7.8	9.3		
Cost to Income Ratio (%)	77.7	77.4	67.1	65.9	88.0	63.6	59.3		
Tax Rate (%)	16.1	12.8	16.4	18.2	24.0	0.2	0.1		
Key Operating Parameters (%)									
Yield on loans (Cal)	17.0	17.1	17.6	17.8	17.6	18.0	17.8		
Cost of funds (Cal)	10.9	11.2	10.9	11.2	10.8	10.6	10.1		
Spreads (Cal)	6.1	5.9	6.7	6.6	6.8	7.4	7.7		
NIMs (Cal)	6.1	5.9	6.2	6.3	6.6	7.8	9.3		
Credit Cost (Cal)	1.2	1.0	2.5	2.5	24.9	3.1	4.0		
Cost to Income Ratio	77.7	77.4	67.1	65.9	88.0	63.6	59.3		
Tax Rate	0.1	0.1	0.1	0.2	24.0	0.2	0.1		
Balance Sheet Parameters									
AUM (INR B)	71.5	75.5	78.6	79.6	77.8	75.6	76.9		
Change YoY (%)	13.5	30.0	31.7	23.1	8.9	0.2	-2.1		
AUM Mix (%)									
Vehicle	88.5	92.3	92.9	93.0	92.9	92.9	93.0		
Micro-LAP	0.0	0.0	0.0	0.7	1.0	0.0	0.0		
SME & Others	6.3	5.4	4.9	4.4	4.7	4.5	4.1		
Corporate	5.2	2.3	2.2	2.0	1.4	1.3	1.2		
Asset Quality Parameters (%)									
GS 3 (INR B)	3.5	3.7	3.6	3.4	3.0	2.2	3.0		
Gross Stage 3 (% on Assets)	4.2	5.0	4.9	4.5	4.0	3.0	4.1		
Net Stage 3 (% on Assets)	2.1	2.5	2.7	2.5	1.7	1.1	1.8		
PCR (%)	53.7	51.0	46.2	46.6	59.6	63.6	57.8		

E: MOFSL estimates

Scaling tradition; delivering growth!

Higher utilization leads to improved margin

We met with Mr. Manoj Verma (Chief Operating Officer) and Mr. Rishabh Jain (Chief Financial Officer) of Bikaji Foods ('BFL') to gain deeper insights into the company's medium-to-long-term strategic roadmap across categories. The discussion focused on growth ambitions, market share expansion, portfolio strategy, and execution levers. The following are the key takeaways from our discussion:

Category dynamics and industry structure

- The organized namkeen/snacks category has gained strong traction over the last 7–8 years, largely due to the unorganized market transitioning to branded players.
- The category was never small; growth acceleration came from formalization, distribution expansion, and brand trust, with Bikaji among the fastest to capitalize.
- Traditional namkeen is not over-indexed versus Western snacks, given its pantry-loading nature and higher consumption frequency.

Key growth drivers

- **Formalization tailwind:** Nearly 42% penetration opportunity remains from the unorganized to organized shift; this shift forms the largest growth lever.
- **Reach & assortment expansion:** Incremental growth driven by wider retail reach and deeper SKU variety across the namkeen and bhujia segments.

Recent developments

- **GST revision impact:** GST changes removed the pricing advantage of unorganized players, structurally favoring organized brands like Bikaji.
- **Inventory disruption phase:** Between the GST announcement and new pack launches, the industry faced weak offtake as trade deferred old inventory.
- **Festive shift impact:** Part of the 3QFY26 sweets revenue shifted to 2QFY26 due to the preponement of Diwali.

Product portfolio and consumer behavior

- Bikaji offers 8-9 varieties of bhujia and 65+ SKUs of namkeen, reinforcing category leadership.
- Traditional namkeen and western snacks are not comparable, as namkeen has pantry loading, while chips/wafers are impulse-led.
- Western snacks carry higher logistics costs, impacting relative margins.

Distribution and reach strategy

- Bikaji is present across all trade channels, including GT, MT, e-commerce, Q-commerce, and exclusive brand outlets.
- The company operates its own QSR stores, allowing margin capture without distributor/retailer cuts.
- It targets to reach 500k outlets directly by adding ~50k stores annually for the next 2-3 years.

Bikaji Foods

Mr. Manoj Verma, COO

Mr. Verma brings over 24 years of experience in sales and marketing and was previously associated with Colgate-Palmolive (India), Mrs. Bectors Food Specialties, and Mondelez India.

Mr. Rishabh Jain, CFO

Mr. Jain brings over 14 years of experience in finance, and he is a Chartered Accountant by qualification. He joined BFL in 2015. He has a strategic role in financial planning, budgeting, fundraising, risk management, and capital discipline

Our initiating coverage report dated 06th Jan'26

[Consumer - Processed Foods | Thematic: Bites of growth: India's packaged food uprising!]

Regional penetration insights

- **Rajasthan:** Servicing 50–55k outlets with an indirect reach of 0.3–0.35m – significant headroom remains.
- **Uttar Pradesh:** Servicing ~14k outlets with indirect reach of ~0.15m outlets.
- **Assam:** Bikaji holds ~55% market share vs. Haldiram's ~13%.
- **Bihar:** Bikaji is strong in North Bihar, while Haldiram dominates South Bihar.
- **South India:** Snacking preferences differ (murukku, banana chips, etc.), requiring localized offerings.

Growth outlook by regions and channels

- Core states are expected to grow by more than 12%, while focus states are likely to grow over 18%.
- Quick commerce is growing at 75%+ YoY, though currently small in absolute contribution.

Marketing and brand building

- The company has onboarded Pankaj Tripathi as a brand ambassador, with a strong focus on UP markets.
- Marketing strategy focuses on mass relatability and regional resonance.

Innovation and R&D

- Continuous R&D through product scouting, exhibitions, and trend analysis to identify fast-moving formats and flavors.
- Innovation focused on incremental variants rather than disruptive category shifts.

Supply chain and raw material sourcing

- Key raw materials include dal moth and 13 other pulses, largely sourced from Rajasthan.
- Proximity to sourcing regions reduces procurement costs and improves supply reliability.
- Harvesting season (Nov–Mar) is used to secure inventory for 6-7 months, supported by SOP-led supplier engagement.

Margin strategy and profitability

- The company is prioritizing higher gross margin SKUs, targeting ~50 bps EBITDA margin expansion annually.
- Margin improvement is driven by mix optimization rather than price hikes.

Acquisitions and inorganic growth

- **THF Acquisition:** Focused on premium sweets; currently 14 stores. Targeting INR2.5b topline over 2 years, with per-store throughput of INR70-80m and ~2-year payback and ~25% store-level EBITDA.
- **Ariba Foods:** Focused on frozen foods, expected to significantly boost export revenues.
- **Mr. Khaleel Brand:** Targeting INR1b revenue over the next two years, focusing on premium breads and cakes.
- **Nepal JV:** To overcome high import duties of 55%, enabling local production and leveraging CG Group's extensive distribution reach.

Healthier snacking strategy

- Healthier oils (e.g., cottonseed oil) are more expensive than palm oil, impacting pricing.
- The company is not currently reformulating core products; working on no-palm-oil variants with new packaging.
- Health-focused SKUs (millet bhujia, etc.) show lower repeat rates compared to traditional namkeen.

Valuation and view: Robust outlook maintained; reiterate BUY

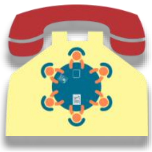
- We expect BFL to benefit from accelerating demand for branded snacks, shifting consumer preferences, and increasing traction within modern trade and ecommerce channels. The company is driving growth through expansion into newer categories, supported by distribution gains in both urban and rural markets.
- **The company is set to deliver industry-leading growth, with revenue, EBITDA, and PAT (excluding PLI) CAGRs of 15%, 29%, and 39% over FY25-28E. We reiterate our BUY rating with a DCF-based TP of INR900 (based on an implied P/E of 55x on FY28E).**

RESULTS FLASH

Titan

BSE SENSEX	S&P CNX
84,274	25,935

Conference Call Details



Date: **10th** Feb 2026
Time: **8**:00am IST
Dial-in details:
[Diamond Pass Registration]

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	778.7	907.6	1,045.1
Sales Gr. (%)	28.8	16.5	15.2
EBITDA	83.2	98.3	113.6
EBITDA Margin (%)	10.7	10.8	10.9
Adj. PAT	51.8	62.6	74.1
Adj. EPS (INR)	58.2	70.3	83.3
EPS Gr. (%)	37.6	20.9	18.4
BV/Sh.(INR)	171.3	220.6	278.9
Ratios			
RoE (%)	38.5	35.9	33.4
RoCE (%)	17.6	18.3	18.6
Payout (%)	30.0	30.0	30.0
Valuations			
P/E (x)	73.5	60.7	51.3
P/BV (x)	24.9	19.4	15.3
EV/EBITDA (x)	45.7	39.0	33.1
Div. Yield (%)	0.4	0.5	0.6

CMP: INR4,269 Buy

Stellar growth; beat on profitability

- TTAN's consolidated revenue grew by a strong 43% YoY to INR254.2b (est. INR250.2b) in 3QFY26.
- The growth was driven by festive collections, impactful brand campaigns, and effective exchange initiatives, underscoring strong festive demand despite high gold prices.
- Ad spends increased by 9% YoY, other expenses rose 20% YoY, and employee costs were up 16% YoY.
- Consolidated EBITDA grew 41% YoY to INR27.1b (est. INR26.1b).
- Consolidated EBITDA margin declined 20bp YoY to 10.7% (est. 10.4%), adjusted for custom duty in the base.
- PBT was up 44% YoY at INR23.8b (est. INR22.7b).
- Adj. PAT rose 44% YoY to INR18.0b (est. INR16.9b).
- In 9MFY26, net sales, EBITDA and APAT grew by 33%, 37% and 39%.

Segmental performance

Jewelry:

- **Standalone sales (ex-bullion) grew 40% to INR205.5b (est. INR205.8). Bullion sales stood at INR3.8b.**
- Tanishq's attractive exchange program (launched in Sep'25) drove sizeable consumer traction and was well supported by exhibitions/on-ground launches of high-value collections, delivering substantial growth for the portfolio.
- Overall buyer growth was flat in 3Q as the surge in gold prices affected the entry price bands; New buyer share was ~45%.
- Gold (plain) growth of ~37% YoY was led by wedding purchases and gold coins.
- Studded grew 26% YoY, driven by high-value segment purchases in Tanishq and Zoya, Mia expansions, and growth in solitaires.
- Caratlane revenue jumped 38% and EBIT margin expanded by 130bp to 13% (beat).
- Consolidated jewelry sales grew 46% YoY to INR234.9b (est. INR231.6b); excl. Bullion, sales rose 44% to INR230.2b.
- **EBIT**
- **Standalone EBIT (ex-bullion) was up 32% YoY (est. 30%) at INR21.9b and EBIT margin contracted 60bp YoY to 10.6% (est. 10.4%, 10.8% in 2QFY26), adjusted for custom duty in base.**
- Domestic business (Tanishq, Mia, Zoya) EBIT was up 34% YoY, adjusted for custom duty in base.
- **EBIT margin was hit by skewed product mix resulting from (a) high gold coin sales, (b) reduced studded margins on account of gold price jump, and (c) investments in exchange offers & campaigns to drive growth.**
- Consolidated EBIT margin contracted 30bp YoY to 10.5% (est. 10.1%).

Watches:

- Watch sales grew 14% YoY to INR13b (est. INR12.8b).
- EBIT margin was up 250bp YoY at 12% (est. 10.5%).

Eye Care:

- Eye Care sales grew 18% YoY to INR2.3b (est. INR2.3b).

EBIT margin was up 20bp YoY at 10.4% (est. 10%).

Consolidated quarterly performance (INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	**132.7**	**145.3**	**177.4**	**149.2**	**165.2**	**187.3**	**254.2**	**171.8**	**604.6**	**778.7**	**250.2**	1.6
YoY change (%)	11.5	16.0	25.2	19.4	24.6	28.8	43.3	15.2	18.3	28.8	41.0	
Gross Profit	**29.3**	**33.0**	**39.1**	**34.0**	**37.1**	**40.2**	**50.3**	**55.4**	**135.4**	**183.0**	**58.8**	
Margin (%)	22.1	22.7	22.0	22.8	22.5	21.4	19.8	32.3	22.4	23.5	23.5	
EBITDA	**12.5**	**15.3**	**19.3**	**15.4**	**18.3**	**18.8**	**27.1**	**19.0**	**62.4**	**83.2**	**26.1**	3.9
EBITDA growth %	10.8	8.2	23.1	29.1	46.8	22.9	40.8	23.7	17.9	33.4	35.5	
Margin (%)	9.4	10.5	10.9	10.3	11.1	10.0	10.7	11.1	10.3	10.7	10.4	
Depreciation	1.6	1.7	1.8	1.8	1.8	1.9	2.1	1.8	6.9	7.6	1.9	
Interest	2.3	2.4	2.3	2.5	2.7	2.8	2.8	2.4	9.5	10.7	2.6	
Other Income	1.2	1.2	1.3	1.2	1.1	1.1	1.5	0.8	4.9	4.5	1.1	
PBT	**9.7**	**12.4**	**16.5**	**12.2**	**14.8**	**15.2**	**23.8**	**15.7**	**50.8**	**69.5**	**22.7**	4.8
Tax	2.6	3.1	4.0	3.5	3.9	4.0	5.8	4.0	13.1	17.7	5.8	
Rate (%)	26.5	24.8	24.5	28.5	26.3	26.4	24.3	25.7	25.9	25.5	25.5	
Adjusted PAT	**7.2**	**9.3**	**12.5**	**8.7**	**10.9**	**11.2**	**18.0**	**11.7**	**37.6**	**51.8**	**16.9**	6.4
YoY change (%)	-5.4	1.7	18.3	13.0	52.6	20.2	44.3	34.1	7.6	37.6	35.6	
Extraordinary	0.0	2.3	2.0	0.0	0.0	0.0	1.1	0.0	4.3	1.1	0.0	0.0
Reported PAT	**7.2**	**7.0**	**10.5**	**8.7**	**10.9**	**11.2**	**16.8**	**11.7**	**33.4**	**50.6**	**16.9**	-0.3

E: MOSL Estimates

Consolidated (INR b)	**3QFY24**	**4QFY24**	**1QFY25**	**2QFY25**	**3QFY25**	**4QFY25**	**1QFY26**	**2QFY26**	**3QFY26**
Total Sales	**143.0**	**126.5**	**133.9**	**146.6**	**178.7**	**150.3**	**166.3**	**188.4**	**255.7**
Watches sales (INR b)	9.9	9.4	10.2	13.0	11.4	11.3	12.7	14.8	13.0
YoY Growth	22%	6%	12%	19%	15%	21%	24%	13%	14%
Jewelry sales (INR b)	127.4	110.1	118.1	127.7	161.3	132.5	146.5	165.2	234.9
YoY Growth	22%	21%	10%	15%	27%	20%	24%	29%	46%
Jewelry (excluding gold ingots)	125.6	98.2	108.1	117.8	159.9	122.7	129.9	143.3	230.2
YoY Growth	24%	22%	11%	27%	27%	25%	20%	22%	44%
Eyewear sales (INR b)	1.7	1.7	2.1	2.0	2.0	1.9	2.4	2.2	2.3
YoY Growth	-3%	1%	3%	7%	17%	16%	13%	9%	18%
Others	4.0	5.4	3.5	3.8	4.0	4.5	4.7	6.2	5.5
YoY Growth	51%	77%	73%	30%	-1%	-17%	36%	63%	37%
Total EBIT	**15.5**	**11.9**	**12.0**	**14.8**	**18.7**	**14.7**	**17.5**	**18.0**	**26.6**
Watches	0.6	0.8	1.1	2.0	1.1	1.3	2.9	2.4	1.6
YoY Growth	-32%	-28%	10%	23%	93%	75%	159%	21%	44%
EBIT Margin	5.7%	8.1%	10.9%	15.0%	9.5%	11.7%	22.5%	16.1%	12.0%
Jewelry EBIT (INR b)	14.8	10.9	11.0	12.6	17.4	13.3	14.1	15.1	24.8
YoY Growth	19%	9%	8%	4%	18%	22%	28%	19%	42%
EBIT Margin	11.6%	9.9%	9.3%	9.9%	10.8%	10.1%	9.6%	9.1%	10.5%
Eyewear EBIT (INR b)	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.2
YoY Growth	-59%	250%	-46%	-12%	54%	171%	5%	-45%	20%
EBIT Margin	7.7%	4.2%	9.0%	10.9%	10.2%	9.8%	8.4%	5.5%	10.4%
Others EBIT (INR b)	(0.0)	0.2	(0.3)	(0.0)	0.0	(0.2)	0.4	0.4	0.0

Standalone performance

Sales (Standalone) (INRb)	Q3FY24	Q4FY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Jewelry	118.3	101.3	107.9	116.5	147.0	121.0	130.0	147.4	209.3
-YoY growth (%)	20%	17%	8%	13%	24%	19%	21%	27%	42%
Bullion	1.2	11.3	9.1	8.8	0.0	8.6	14.8	19.6	3.8
-YoY growth (%)	-62%	7%	-3%	-50%		-23%	63%	122%	
% of Jewelry	1%	11%	8%	8%	0%	7%	11%	13%	2%
Jewelry (ex-bullion)	117.1	90.0	98.8	107.6	147.0	112.3	115.2	127.9	205.5
-YoY growth (%)	23%	19%	9%	26%	26%	25%	17%	19%	40%
Jewelry EBIT (INR m) (ex-bullion)	14.3	10.9	11.0	12.2	16.5	13.3	13.2	13.8	21.9
-YoY growth (%)	16%	9%	10%	1%	15%	22%	20%	13%	32%
EBIT margin (%)	**12.2%**	**12.1%**	**11.2%**	**11.4%**	**11.2%**	**11.9%**	**11.5%**	**10.8%**	**10.6%**
Caratlane									
Sales (INR m)	8.9	7.5	7.4	8.3	11.2	8.8	10.3	10.7	15.4
-YoY growth (%)	32%	29%	15%	28%	25%	18%	39%	29%	38%
EBIT (INR m)	0.8	0.5	0.4	0.6	1.3	0.7	0.7	1.1	2.0
EBIT margin (%)	9.2%	7.0%	5.7%	7.0%	11.7%	7.9%	6.6%	10.2%	13.0%

Jewelry	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Jewelry Secondary USP growth(%)									
LTL growth (%)			3	15	22	15	11	14	32
Sales growth			9	21	28	20	17	19	36
Tansihq									
LTL growth (%)	10	14	3	15	22	15	11	14	32
Sales growth	16	19	9	21	28	20	17	19	36
Caratlane									
LTL growth (%)	2	3	8	28	15	14	20	15	23
Sales growth	37	31	18	43	25	22	32	25	35

Stores

*include international Store	Q3FY24	Q4FY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Watches									
World of Titan	655	665	670	688	700	720	724	729	738
Fastrack	198	218	225	227	228	239	239	242	251
Helios	223	237	242	256	266	276	277	283	286
Helios Luxe							4	5	6
Jewelry									
Tanishq	466	479	491	502	515	522	526	533	545
Zoya	8	8	11	12	12	12	12	12	13
Mia	162	178	197	209	222	234	240	258	269
Carat Lane	262	272	275	286	306	323	332	342	366
beYon									1
Eye Wear									
Titan Eye+	913	902	905	908	905	897	878	878	859
Fastrack (Eyewer)	8	3	3	2	2	0	1	6	8
Others									
Taneira	62	73	77	81	82	81	81	79	79
IRTH					2	6	7	9	11
SKINN						1	1	1	1
Total	**2,957**	**3,035**	**3,096**	**3,171**	**3,240**	**3,311**	**3,322**	**3,377**	**3,433**

Grasim Industries

BSE Sensex	S&P CNX
84,274	25,935

Conference Call Details

Date: 11th Feb 2026
Time: 11:00 IST
Dial-in details:
+ 91 22 6280 1127
+ 91 22 7115 8028
Link for the call

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	386.7	442.0	497.1
EBITDA	15.9	25.7	34.2
Adj. PAT	5.0	13.4	22.1
EBITDA Margin (%)	4.1	5.8	6.9
S/A Adj. EPS (INR)	7.3	19.6	32.5
S/A EPS Gr. (%)	52.2	168.4	65.8
Consol EPS (INR)	82.9	100.5	121.5
BV/Sh. (INR)	834.5	864.3	889.8
Ratios			
Net D:E	0.1	0.1	0.1
RoE (%)	-4.3	-1.2	1.3
RoCE (%)	0.5	2.8	5.0
Valuations			
P/E (x)	88.8	33.1	19.9
P/BV (x)	-1.7	-1.7	-2.1
EV/EBITDA (x)	0.2	0.2	0.2
Div. Yield (%)	(1.0)	(0.5)	0.5
FCF Yield (%)	386.7	442.0	497.1

CMP: INR2,955 **Buy**

VSF performs better; strong traction in B2B segment

- Grasim Industries' 3QFY26 EBITDA grew 77% YoY to INR4.8b (~23% above estimates), and OPM surged 1.3pp YoY to 4.6% (est. 4.0%). The beat was driven by a robust performance in the VSF segment, where EBITDA grew ~48% YoY and came in 27% ahead of expectations. Loss before tax stood at INR1.9b vs. the estimated loss of INR1.7b, due to higher depreciation/interest expense and lower other income. Adjusted loss was at INR1.4b (in line) vs. a loss of INR1.7b in 3QFY25.
- VSF sales volume grew by 7% YoY, driven by higher exports and recovery of volumes lost due to temporary logistics challenges in the previous quarter. EBITDA grew ~48% YoY, led by operating efficiencies and lower key input costs (pulp & caustic).
- In the paints business, market share gains accelerated in 3Q with QoQ revenue growth of nearly 3x the Indian decorative paints industry growth rate (inclusive of Birla Opus). As per the company's internal estimates, the combined (Birla Opus and Birla Putty) revenue market share expanded by more than 300 bps YoY, strengthening its #3 position in the industry.
- We have a **BUY** rating on the stock. We will review our assumptions after the conference call.

EBITDA/kg in VSF stood at ~INR21; chemical margin under pressure

- Standalone revenue/EBITDA stood at INR104.3b/INR4.8b (+28%/+77% YoY and +7/+23% vs. our estimate) in 3QFY26. Adjusted loss was at INR1.4b as compared to a loss of INR1.7b in 3QFY25.
- Sales volume of the VSF segment rose 6% YoY (+5% vs. our estimate) and blended realization increased 3% YoY (-1% vs. estimate). EBITDA grew 48% YoY to INR4.9b (~27% above estimates). OPM surged 3.0pp YoY to 11.4%. EBITDA/kg was INR21 vs. INR15/INR16 in 3QFY25/2QFY26.
- Chemical segment volumes increased 3% YoY in 3Q, and realization was up ~2% YoY. EBITDA declined 4% YoY to INR3.2b (-6% vs. our estimates). OPM was at 13.4% (-1.3pp YoY) vs. the estimated 14.0%.
- As per our calculations, Paints revenue stood at ~INR12b; growth of ~51% YoY/11% QoQ. B2B segment's revenue increased 2.7x YoY and crossed an annual run-rate of INR85b. Loss from Paints and B2B business was at INR3.1b vs. loss of INR3.3b/INR3.2b in 3QFY25/2QFY26.

Highlights from the management commentary

- The China CSF market witnessed a seasonal recovery, with operating rates in 3QFY26 reaching their highest levels of 94% vs. 89% in 3QFY25. Moreover, inventory levels declined to their lowest of 12 days in 9MFY26, reflecting a healthier demand-supply scenario.
- Caustic soda international average spot prices (CFR-SEA) for 3QFY26 stood at 2-Yr low levels of USD443/ton, down by 14% YoY. However, domestic caustic realization was stable due to rupee depreciation. Higher negative chlorine realization hit ECU, which was INR32,079/ton, down by 6% YoY.
- Capex stood at INR13.1b in 9MFY26 vs. the planned capex of INR22.6b in FY26. Net debt stands at INR68.8b vs. INR68.6b in Sep'25.

Valuation and view

GRASIM's 3Q performance was above our estimates. The overall traction in the Paint business is better than our expectations. It has seen a steady improvement in revenue and market share over the last few quarters. Further, losses in the segment remained range-bound. We have a **BUY** rating on Grasim based on SoTP valuation. We will review our assumptions after the conference call on 11th Feb'26 (Link)

Standalone quarterly performance (INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	**68.9**	**76.2**	**81.2**	**89.3**	**92.2**	**96.1**	**104.3**	**101.0**	**315.6**	**386.7**	**97.4**	7
YoY Change (%)	10.5	18.3	26.9	31.9	33.8	26.1	28.5	13.1	22.1	22.5	19.9	
EBITDA	**3.3**	**3.3**	**2.7**	**2.2**	**3.8**	**3.7**	**4.8**	**4.5**	**11.4**	**15.9**	**3.9**	23
Margin (%)	4.7	4.3	3.3	2.5	4.2	3.8	4.6	4.4	3.6	4.1	4.0	59
Depreciation	3.5	4.1	4.2	5.0	4.8	5.0	5.4	5.1	16.8	20.3	5.2	4
Interest	1.4	1.6	1.8	2.0	2.1	2.0	2.4	1.8	6.8	8.3	2.1	16
Other Income	0.9	12.9	1.0	2.3	1.4	14.2	1.1	2.7	17.2	19.3	1.7	(37)
PBT before EO Items	**-0.7**	**10.5**	**-2.3**	**-2.5**	**-1.6**	**10.8**	**-1.9**	**-0.6**	**5.0**	**6.7**	**-1.7**	n/m
Extraordinary Inc./(Exp.)	-	(0.5)	-	(1.1)	-	-	(0.5)	-	(1.6)	(0.5)	-	
PBT after EO Items	**-0.7**	**10.0**	**-2.3**	**-3.7**	**-1.6**	**10.8**	**-2.4**	**-0.6**	**3.3**	**6.2**	**-1.7**	n/m
Tax	-0.2	2.8	-0.6	-0.8	-0.4	2.8	-0.7	0.0	1.2	1.7	-0.4	
Rate (%)	25.8	28.0	26.8	21.8	24.4	25.6	27.5	1.4	36.2	27.6	25.6	
Reported PAT	**-0.5**	**7.2**	**-1.7**	**-2.9**	**-1.2**	**8.0**	**-1.7**	**-0.6**	**2.1**	**4.5**	**-1.3**	n/m
Prior period tax/DTL reversal	-	-	-	-	-	-	-	-	-	-	-	
Adj. PAT	**-0.5**	**7.6**	**-1.7**	**-2.1**	**-1.2**	**8.0**	**-1.3**	**-0.6**	**3.3**	**5.0**	**-1.3**	n/m
Margin (%)	-0.8	9.9	-2.1	-2.4	-1.3	8.4	-1.2	-0.7	1.0	1.3	-1.3	
YoY Change (%)	n/m	(4.7)	n/m	n/m	n/m	6.2	n/m	n/m	(79.8)	52.2	n/m	

Segmental performance

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
VSF segment												
Sales Volume (KT)	222	230	216	218	219	220	230	224	886	881	219	5
YoY Change (%)	12.8	4.1	0.5	(0.3)	(1.1)	(4.2)	6.5	2.5	4.1	(0.5)	1.1	
Net Sales (INR b)	37.9	41.3	39.3	40.5	40.4	41.5	43.0	43.0	159.0	167.0	42.1	2
YoY Change (%)	5.7	6.1	5.9	7.7	6.8	0.6	9.2	6.1	6.3	5.1	7.0	
EBITDA (INR b)	4.0	4.9	3.3	2.9	3.2	3.5	4.9	4.2	15.2	14.8	3.9	27
EBITDA (%)	10.7	12.0	8.4	7.2	8.0	8.4	11.4	9.8	9.6	8.9	9.2	222
Chemical segment												
Sales Volume (KT)	282	295	303	290	303	294	313	303	1,170	1,209	309	1
YoY Change (%)	(3.4)	(3.6)	1.3	(5.8)	7.4	(0.3)	3.3	4.6	(2.9)	3.4	2.0	
Net Sales (INR b)	20.7	20.5	22.3	23.0	23.9	24.0	23.5	23.5	86.5	95.3	23.8	(2)
YoY Change (%)	(3.7)	3.3	11.5	10.5	15.7	16.8	5.3	2.2	5.3	10.2	7.1	
EBITDA (INR b)	3.1	2.7	3.3	3.0	4.2	3.7	3.2	3.4	12.1	14.6	3.3	(6)
EBITDA (%)	15.0	13.3	14.8	12.8	17.7	15.2	13.4	14.3	14.0	15.3	14.0	(57)

motilal oswal Financial Services | MORNING INDIA

RESULTS FLASH

10 February 2026
3QFY26 Results Flash | Sector: Consumer

Britannia Industries

BSE SENSEX	S&P CNX
84,274	25,935

CMP: INR5,874

Conference Call Details

Date: 11th Feb 2026
Time: 11:00 AM
Dial-in details:
+91 22 6280 1313 /
+91 22 7115 8214

[Diamond Pass Registration]

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	197.7	223.6	246.8
Sales Gr. (%)	10.2	13.1	10.4
EBITDA	36.6	42.6	47.5
EBITDA mrg. (%)	18.5	19.0	19.2
Adj. PAT	25.6	30.4	34.4
Adj. EPS (INR)	106.4	126.0	142.7
EPS Gr. (%)	15.8	18.5	13.2
BV/Sh.(INR)	209.7	256.3	317.5
Ratios			
RoE (%)	54.5	54.1	49.7
RoCE (%)	42.3	44.0	42.0
Payout (%)	72.4	62.7	56.8
Valuation			
P/E (x)	55.4	46.7	41.3
P/BV (x)	28.1	23.0	18.5
EV/EBITDA (x)	38.0	32.4	28.7
Div. Yield (%)	1.3	1.3	1.4

Revenue below our estimate; EBITDA above

- BRIT's consol. total revenue rose 8.2% YoY to INR49.7b (est. INR51.1b).
- BRIT indicated that the growth was driven by strong momentum across both the biscuits and adjacent categories.
- While the biscuit industry remains under stabilization for price points post the GST rate reduction. The business grew ~ 12% in Nov & Dec'25, driven by sustained investments in media and brand innovations.
- Consolidated gross margin improved 450bp YoY and 160bp QoQ to 43.3% (est. 41.7%, 2QFY26 41.7%), driven by relatively stable commodity prices.
- Employee expenses rose 57% YoY (adjusted for the new labor code) on an impacted base (3QFY25 had INR750m impact due to the stock appreciation rights).
- Other expenses were up by ~20% YoY.
- EBITDA margin expanded 230bp YoY/100bp QoQ to 20.7% (est. of 19.3%).
- EBITDA was up 22% YoY to INR10.3b (est. INR9.8b).
- PBT was up 18% to INR9.2b (est. INR9.3b).
- APAT was up 23% YoY to INR7.2b (est. INR6.9b).
- In 9MFY26, net sales/EBITDA/APAT grew 7%/15%/16% YoY.

Consol. Quarterly Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Base business volume growth (%)	8.0	8.0	6.0	3.0	2.0	-3.0	NA	22.0	6.3	4.5	8.0	
Net Revenue	41,299	45,662	44,633	43,756	45,349	47,522	48,852	52,233	1,75,350	1,93,956	50,212	(2.7)
YoY change (%)	4.0	4.5	6.5	9.0	9.8	4.1	9.5	19.4	6.0	10.6	12.5	
Other operating income	1,204	1,013	1,293	566	874	885	846	1,115	4,077	3,719	925	(8.6)
YoY change (%)	194.6	62.4	100.5	2.4	-27.4	-12.7	-34.6	97.0	82.8	-8.8	-28.5	
Total Revenue	42,503	46,676	45,926	44,322	46,222	48,406	49,698	53,348	1,79,427	1,97,675	51,137	(2.8)
YoY change (%)	6.0	5.3	7.9	8.9	8.8	3.7	8.2	20.4	7.0	10.2	11.3	
Gross Profit	18,449	19,381	17,784	17,773	18,631	20,177	21,500	21,331	73,386	81,640	21,324	0.8
Margins (%)	43.4	41.5	38.7	40.1	40.3	41.7	43.3	40.0	40.9	41.3	41.7	
EBITDA	7,537	7,834	8,449	8,052	7,571	9,545	10,286	9,208	31,872	36,609	9,874	4.2
Margins (%)	17.7	16.8	18.4	18.2	16.4	19.7	20.7	17.3	17.8	18.5	19.3	
YoY growth (%)	9.4	-10.2	2.9	2.3	0.4	21.8	21.7	14.4	0.5	14.9	16.9	
Depreciation	739	761	824	810	820	851	845	885	3,133	3,401	860	
Interest	290	346	446	307	262	347	333	432	1,388	1,373	375	
Other Income	556	460	625	630	570	521	595	719	2,271	2,405	620	
PBT	7,064	7,187	7,804	7,566	7,059	8,869	9,703	8,610	29,621	34,240	9,259	4.8
Tax	1,762	1,836	1,961	1,928	1,809	2,286	2,369	2,155	7,487	8,618	2,333	
Rate (%)	24.9	25.5	25.1	25.5	25.6	25.8	24.4	25.0	25.3	25.2	25.2	
Adjusted PAT	5,232	5,317	5,823	5,591	5,201	6,551	7,182	6,456	21,962	25,514	6,898	4.1
YoY change (%)	14.9	-9.4	4.4	4.2	-0.6	23.2	23.3	15.5	2.8	16.2	18.5	

E: MOFSL Estimates

Apollo Hospital

BSE SENSEX	S&P CNX
80,891	24,681

CMP: INR7,220

Conference Call Details

Date: 11th Feb 2026
Time: 2:00 pm IST
Dial-in details:
Zoom Link

Financials & Valuations (INRb)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	246.6	284.3	324.3
EBITDA	36.4	41.8	48.6
Adj. PAT	18.8	22.4	27.8
EBIT Margin (%)	14.8	14.7	15
Cons. Adj. EPS (INR)	130.8	155.6	193.1
EPS Gr. (%)	30	19	24.1
BV/Sh. (INR)	719.4	874.2	1,067.60
Ratios			
Net D:E	-0.1	-0.3	-0.4
RoE (%)	20.6	20.2	20.5
RoCE (%)	15.8	16.4	17.6
Payout (%)	4.5	3.8	3
Valuations			
P/E (x)	52.8	44.4	35.8
EV/EBITDA (x)	27.7	23.5	19.6
Div. Yield (%)	2.6	2.9	3.4
FCF Yield (%)	4.1	3.5	2.9
EV/Sales (x)	246.6	284.3	324.3

Better than expected performance

- Apollo Hospitals' (APHS) 3QFY26 revenue grew 17.2% YoY to INR64.8b (our est: INR61.3b).
- Healthcare services revenue rose 14.3% YoY to INR31.8b, driven by improvement in inpatient volume (+4%), price (+3%), and case mix (+7%).
- Healthco revenue increased by 20.2% YoY to INR28.3b.
- AHLL revenue grew 20% YoY to INR4.7b, primarily driven by growth in diagnostics.
- EBITDA margin expanded by 110bp YoY to 14.9% (in line with our est).
- EBITDA rose 26.8% YoY to INR9.7b (our est: INR9.1b).
- Adj. PAT was up 13.2% YoY at INR5.2b (our est: INR4.5b).
- There was an exceptional item of INR114m related to one-time employee expenses due to a change in the labor code.
- In 9MFY26, revenue/EBITDA/PAT grew 15%/22%/35% YoY to INR186b/ INR27.6b/INR14.3b.
- Revenue/EBITDA/PAT beat BBG estimates by 2%/3.3%/8.7% YoY.

Other key highlights

- **Hospital segment:**
  - Hospital EBITDA grew 18% YoY to INR7.9b.
  - Occupancy was 67% vs. 68% in 3QFY25.
  - Average revenue per in-patient increased by 11% YoY to INR180,917.
  - Inpatient ALOS decreased by 4.1% to 3.16 days.
  - Outpatient volume remained stable, while inpatient volume increased by 4.5% YoY.
- **HealthCo:**
  - Healthco achieved a superior EBITDA of INR1280m vs. INR570m YoY and INR1.1b QoQ. EBITDA margins stood at 4.5%.
  - Platform GMV grew 28% YoY to INR5.2b.
  - 185 new stores opened in 3Q, taking the total to 7,113 stores.
  - Average run rate increased by 14% YoY to 57k/day orders across pharma and diagnostics consultations (including IP/OP referrals) in 3QFY26.
- **AHLL:**
  - EBITDA grew by 39% YoY to INR480m.
  - Primary Care revenue/EBITDA rose 20%/19% YoY to INR1,280m/INR231m.
  - Specialty Care revenue/EBITDA grew 7% YoY to INR1,840m/INR196m.
  - Diagnostics revenue/EBITDA grew 46%/64% YoY to INR1,770/INR191m.

Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	vs Est
(INRm)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Gross Sales	**50,856**	**55,893**	**55,269**	**55,922**	**58,421**	**63,035**	**64,774**	**61,602**	**217,940**	**247,832**	**61,260**	**5.7%**
YoY Change (%)	15.1	15.3	13.9	13.1	14.9	12.8	17.2	10.2	14.3	13.7	10.8	
Total Expenditure	44,105	47,738	47,654	48,225	49,902	53,624	55,121	52,669	187,722	211,316	52,132	
EBITDA	**6,751**	**8,155**	**7,615**	**7,697**	**8,519**	**9,411**	**9,653**	**8,932**	**30,218**	**36,515**	**9,128**	**5.8%**
YoY Change (%)	32.6	30.0	24.1	20.2	26.2	15.4	26.8	16.0	26.4	20.8	19.9	
Margins (%)	13.3	14.6	13.8	13.8	14.6	14.9	14.9	14.5	13.9	14.7	14.9	
Depreciation	1,774	1,845	1,846	2,110	2,147	2,178	2,192	2,173	7,575	8,690	2,161	
Interest	1,164	1,175	1,098	1,148	1,083	1,096	1,126	1,161	4,585	4,466	1,120	
Other Income	372	382	638	611	402	547	528	790	2,003	2,267	560	
PBT	**4,185**	**5,517**	**5,309**	**5,050**	**5,691**	**6,684**	**6,671**	**6,387**	**20,061**	**25,625**	**6,407**	
Rate (%)	27.4	29.3	29.5	20.0	24.9	27.0	24.8	27.8	26.6	23.8	27.5	
Minority Interest & P/L of Asso. Cos.	-12	112	18	144	-54	105	-9	71	262	113	82	
Reported PAT	**3,052**	**3,788**	**3,723**	**3,896**	**4,328**	**4,772**	**5,023**	**4,541**	**14,459**	**19,404**	**4,563**	
Adj PAT	**3,052**	**3,788**	**3,723**	**3,896**	**4,328**	**4,772**	**5,167**	**4,541**	**14,459**	**18,212**	**4,563**	**13.2%**
YoY Change (%)	83.2	63.5	51.8	53.5	41.8	26.0	38.8	16.5	61.1	26.0	22.6	
Margins (%)	6.0	6.8	6.7	7.0	7.4	7.6	8.0	7.4	6.6	7.3	7.4	
EPS	**21.2**	**26.3**	**25.9**	**27.1**	**30.1**	**33.2**	**35.9**	**31.6**	**100.6**	**126.7**	**31.7**	

E: MOSL Estimates

RESULTS FLASH

Oil India

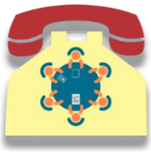
BSE SENSEX	S&P CNX
84,274	25,935

CMP: INR489 — Neutral

Miss on EBITDA due to higher-than-estimated other expenses

- OINL's revenue came in line with our estimate at INR49.2b.
  - Oil/gas sales came in 3%/1% below our estimate at 0.82mmt/0.66bcm.
  - Oil production was down 1% YoY at 858mmt. Gas production was down 3% YoY at 801bcm.
  - Oil realization was USD62.84/bbl (our estimate of USD62.1/bbl).
- EBITDA was 34% below our estimate at INR13.1b (-39% YoY).
  - The miss was primarily due to a significant rise in contract costs (including survey costs) to INR8.9b (INR5.2b in 2QFY26, INR5b in 3QFY25).
  - Exploration cost write-off/provisions/impairments for 3QFY26 stood at INR5b (INR4.6b/INR9.8b in 1QFY26/2QYF26). EBITDA adjusted for exploration cost write-off stood at INR18.1b, down 20%/36% YoY/QoQ.
- Reported PAT was 17% below our estimate at INR8.1b.
- **Numaligarh refinery's 3Q performance:**
  - PAT stood at INR8.7b (vs. PAT of INR3.9b during 3QFY25), as GRM stood at USD16.27/bbl.
  - Crude throughput stood at 752.4tmt (808.5 in 3QFY25), and distillate yield was at 86.8% (vs. 86.2% in 2QFY26).
- The Board has declared an interim dividend of INR7/share (FV: INR10/ share).

Conference Call



Date: 11 Feb'26
Time: 10:30am IST
Dial in: +91 22 6280 1342/ +91 22 7115 8243

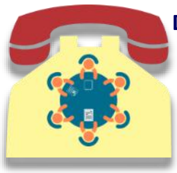
Standalone Quarterly Performance (INR m)

Y/E March	FY25				FY26E				3QE	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		(%)	(%)	(%)
Net Sales	**58,397**	**55,190**	**52,397**	**55,189**	**50,125**	**54,566**	**49,160**	**52,637**	**50,265**	**-2%**	**11%**	**-10%**
Change (%)	*25.7*	*-6.7*	*-9.9*	*-4.1*	*-14.2*	*-1.1*	*-6.2*	*-4.6*	*-4.1*			
EBITDA	**24,660**	**21,832**	**21,327**	**19,842**	**19,137**	**18,442**	**13,084**	**24,989**	**19,757**	**34%**	**39%**	**-29%**
% of Net Sales	*42.2*	*39.6*	*40.7*	*36.0*	*38.2*	*33.8*	*26.6*	*47.5*	*39.3*			
Change (%)	*5.9*	*-12.3*	*1.3*	*-15.0*	*-22.4*	*-15.5*	*-38.7*	*25.9*	*-7.4*			
EBITDAX	**25,422**	**24,756**	**22,621**	**21,324**	**23,715**	**28,276**	**18,088**				**20%**	**-36%**
D,D&A	4,558	5,036	5,268	4,325	5,315	5,777	6,409	4,075	5,751			
Interest	1,970	2,299	2,442	1,952	1,534	2,603	2,665	3,497	3,023			
OI (incl. Oper. other inc.)	1,617	8,556	1,886	6,639	1,761	8,307	5,467	3,356	1,965			
PBT before exceptional	**19,750**	**23,054**	**15,503**	**20,203**	**14,050**	**18,368**	**9,477**	**20,773**	**12,948**	**27%**	**39%**	**-48%**
Exceptional item	0	0	0	0	3,074	5,193	0	0	0			
PBT after exceptional	**19,750**	**23,054**	**15,503**	**20,203**	**10,976**	**13,176**	**9,477**	**20,773**	**12,948**	**27%**	**39%**	**-28%**
Tax	5,082	4,713	3,285	4,288	2,841	2,736	1,394	8,804	3,259			
Rate (%)	*25.7*	*20.4*	*21.2*	*21.2*	*20.2*	*14.9*	*14.7*	*42.4*	*25.2*			
PAT	**14,668**	**18,341**	**12,218**	**15,915**	**8,135**	**10,440**	**8,083**	**11,969**	**9,689**	**17%**	**34%**	**-23%**
Adj. PAT	**14,668**	**18,341**	**12,218**	**15,915**	**11,209**	**15,633**	**8,083**	**11,969**	**9,689**	**17%**	**34%**	**-48%**
Change (%)	*-9.1*	*-3.9*	*-22.9*	*-21.6*	*-23.6*	*-14.8*	*-33.8*	*-24.8*	*-20.7*			
Adj. EPS (INR)	**9.0**	**11.3**	**7.5**	**9.8**	**6.9**	**9.6**	**5.0**	**7.4**	**6.0**	**17%**	**34%**	**-48%**
Key Assumptions (USD/bbl)												
Gas Price Realization (USD/bbl)	6.5	6.5	6.5	6.5	6.7	6.8	6.7	6.5	6.5	3%	2%	-2%
Oil sales (mmt)	0.83	0.84	0.83	0.85	0.82	0.83	0.82	0.93	0.84	-3%	-1%	-1%
Gas sales (bcm)	0.68	0.65	0.68	0.67	0.70	0.66	0.66	0.67	0.67	-1%	-3%	0%
Net Oil Realization	**74.6**	**73.9**	**73.8**	**74.5**	**66.2**	**68.2**	**62.8**	**64.0**	**62.1**	**1%**	**-15%**	**-8%**

United Breweries

BSE SENSEX	S&P CNX
84,274	25,935

Conference Call Details



Date: 11th Feb 2026
Time: 3:00 PM
Dial-in details:
+91 22 6280 1234 /
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Diamond Pass Registration

Financials & Valuations (INR b)

Y/E MAR	FY26E	FY27E	FY28E
Net Sales	94.5	106.1	118.6
Sales Gr. (%)	6.1	12.3	11.8
EBITDA	7.8	10.8	13.7
Margin (%)	8.3	10.2	11.5
Adj. PAT	4.0	6.6	8.8
Adj. EPS (INR)	15.1	25.0	33.5
EPS Gr. (%)	-14.4	65.4	33.9
BV/Sh. (INR)	173.0	186.4	204.3
Ratios			
RoE (%)	8.9	13.9	17.1
RoCE (%)	9.7	14.1	17.3
Valuations			
P/E (x)	105.6	63.9	47.7
P/BV (x)	9.2	8.6	7.8
EV/EBITDA (x)	52.8	37.7	30.1

CMP: INR1,620

Slow growth continues; sharp margin beat

- UBBL's standalone net sales grew by 4% YoY to INR20.7b (est. INR20.2b) in 3QFY26.
- Overall volume declined by 1.3% (est. +1%). The decline was primarily driven by Telangana, Rajasthan, and Karnataka, partly offset by resilient growth in Andhra Pradesh and Maharashtra.
- Underlying price mix remained favorable, supported by price hikes in key states (including Telangana, Rajasthan, and Uttar Pradesh). However, this was partially offset by an adverse state mix and operating model mix.
- West region delivered strong 20% volume growth, while North, East, and South reported declines of 16%, 2%, and 2%, respectively.
- Gross margin expanded 220bp YoY and 250bp QoQ to 45.3% (est. 43%, 42.8% in 2QFY26), led by price mix.
- Employee expenses grew 8% YoY, while other expenses fell 4% YoY.
- EBITDA margin expanded 380bp YoY to 10.9% (est. 6%, 6.3% in 3QFY26). The margin trajectory has been volatile on a quarterly basis.
- EBITDA increased by 60% YoY to INR2.3b (est. INR1.2b).
- Interest cost rose ~427% YoY to 169m (est. INR110m).
- APAT grew 55% YoY to INR1.0b (est. INR0.5b).
- In 9MFY26, net sales/EBITDA grew 6%/2%, whereas APAT fell 11%.

Standalone Quarterly Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
Volume growth (%)	5	5	8	5	11	-3	-1	9	6	7	1	
Net Sales	24,730	21,147	19,984	23,214	28,624	20,511	20,714	24,641	89,074	94,489	20,183	2.6%
YoY Change (%)	8.8	12.0	9.6	8.9	15.7	-3.0	3.7	6.1	9.7	6.1	1.0	
Gross Profit	10,642	9,272	8,619	9,772	12,176	8,779	9,393	10,094	38,305	40,441	8,679	8.2%
Margin (%)	43.0	43.8	43.1	42.1	42.5	42.8	45.3	41.0	43.0	42.8	43.0	
EBITDA	2,847	2,268	1,411	1,862	3,105	1,301	2,255	1,153	8,390	7,814	1,211	86.2%
YoY Change (%)	27.8	22.9	-3.0	31.2	9.1	-42.6	59.8	-38.1	20.5	-6.9	-14.2	
Margins (%)	11.5	10.7	7.1	8.0	10.8	6.3	10.9	4.7	9.4	8.3	6.0	
Depreciation	577	571	613	567	628	640	689	616	2,327	2,573	645	
Interest	16	22	32	59	112	147	169	23	129	450	110	
Other Income	73	105	101	79	110	150	109	167	357	536	145	
PBT before EO expense	2,327	1,781	867	1,316	2,475	665	1,506	681	6,291	5,326	601	150.6%
Tax	595	458	227	342	638	196	510	-12	1,622	1,332	141	
Rate (%)	25.5	25.7	26.2	26.0	25.8	29.4	33.9	-1.8	26.9	25.0	23.5	
Reported PAT	1,733	1,322	383	974	1,837	469	808	692	4,412	3,995	460	
Adj PAT	1,733	1,322	640	974	1,837	469	996	692	4,669	3,995	460	116.5%
YoY Change (%)	27.3	22.9	-24.5	20.5	6.0	-64.5	55.5	-28.9	13.6	-14.4	-28.2	
Margins (%)	7.0	6.3	3.2	4.2	6.4	2.3	4.8	2.8	5.2	4.2	2.3	

E: MOSL Estimates

Volume growth (%)

Regional volume growth (%)	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
North	-1.0	3.0	7.0	12.0	16.0	3.0	8.0	-18.0	-16.0
East	22.0	10.0	2.0	-6.0	3.0	0.0	-1.0	-6.0	-2.0
West	9.0	0.0	6.0	12.0	4.0	11.0	13.0	16.0	20.0
South	10.0	21.0	6.0	1.0	8.0	5.0	16.0	4.0	-2.0

RESULTS FLASH

10 February 2026
Results Flash | Sector: Midcaps

Prince pipes

BSE SENSEX	S&P CNX
84,274	25,935

Conference Call Details

Date: 11th Feb 26

Time: 11 am IST

Dial-in details:

click here

CMP: INR259 **BUY**

Volatile PVC price scenario hurts margins

Earnings significantly misses estimates

- Consolidated revenue remained flat YoY and declined 3.6% QoQ to INR5.7b (est. INR6.1b).
- Total volume increased 3% YoY and remained flat QoQ at 42.6KMT.
- Realization for 3QFY26 stood at INR134.6/kg (-4% YoY, -3% QoQ).
- Consolidated EBITDA came at 9.4x YoY and declined 49.4% QoQ to INR279m (est. INR518m), with an EBITDA margin of 4.9% (est. 8.5%), which expanded 440bp YoY and declined 440bp QoQ.
- EBITDA/kg stood at INR6.6/kg (9.1x YoY/-49% QoQ).
- Adj. loss after tax stood at INR3m (v/s Adj. loss after tax of INR204m YoY, Adj. PAT of INR146m QoQ) (est. INR135m), adjusted for the impact of new labor code of INR20m.

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

Y/E March	FY25				FY26				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q	%
Gross Sales	**6,045**	**6,221**	**5,777**	**7,197**	**5,804**	**5,946**	**5,733**	**8,374**	**25,239**	**25,857**	**6,115**	**-6**
YoY Change (%)	9.2	-5.2	-6.6	-2.8	-4.0	-4.4	-0.8	16.4	-1.7	2.4	5.8	
Total Expenditure	5,462	5,764	5,748	6,648	5,408	5,395	5,454	7,389	23,621	23,646	5,596	
EBITDA	**583**	**457**	**30**	**548**	**396**	**551**	**279**	**985**	**1,618**	**2,211**	**518**	**-46**
Margins (%)	9.6	7.3	0.5	7.6	6.8	9.3	4.9	11.8	6.4	8.6	8.5	
Depreciation	257	276	264	273	307	325	336	330	1,070	1,298	328	
Interest	14	16	32	33	52	45	-38	35	97	94	40	
Other Income	26	39	15	57	27	16	19	30	137	93	30	
PBT before EO expense	**337**	**204**	**-252**	**299**	**64**	**198**	**0**	**651**	**588**	**913**	**180**	
Extra-Ord expense	0	0	0	0	0	0	20	0	0	20	0	
PBT	**337**	**204**	**-252**	**299**	**64**	**198**	**-20**	**651**	**588**	**892**	**180**	
Tax	90	57	-48	58	15	51	4	164	157	234	45	
Rate (%)	26.7	28.0	18.9	19.2	24.2	26.0	-18.2	25.2	26.7	26.3	25.2	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	**247**	**147**	**-204**	**242**	**48**	**146**	**-24**	**487**	**431**	**658**	**135**	
Adj PAT	**247**	**147**	**-204**	**242**	**48**	**146**	**-3**	**487**	**431**	**678**	**135**	
YoY Change (%)	25.8	-72.1	-154.3	-55.8	-80.5	-0.5	-98.4	101.4	-73.8	57	-8	
Margins (%)	4.1	2.4	-3.5	3.4	0.8	2.5	-0.1	5.8	1.7	2.6	2.2	

RESULTS FLASH

Laxmi Dental

BSE SENSEX	S&P CNX
84,404	25,878

CMP: INR227

Revenue in line; EBITDA/PAT below our estimates

- Revenue for 3QFY26 grew 7.1% YoY to INR660m (our est: INR678m).
- Laboratory business grew 9% YoY to INR414m.
- International lab business grew 27% YoY to INR202m.
- Domestic lab business declined 4.1% YoY to INR212m.
- Aligners business declined 20.5% YoY to INR163m.
- Vedia's business grew 10% YoY to INR76m.
- Bizdent declined 36% YoY to INR87m.
- Scanner sales zoomed 46% YoY to INR64m for the quarter.
- EBITDA margin came in at 10.5% (our est: 16%) and dipped 510bp YoY.
- EBITDA declined 27.6% YoY to INR70m (our est: INR105m).
- There was a one-time expense of INR57.8m due to the impact of new labor laws.
- Adj. PAT was stable YoY at INR47m (our est: INR75m).
- Revenue grew 14% YoY to INR2b, EBITDA declined 8% YoY to INR299m, and PAT remained steady YoY at INR212m in 9MFY26.
- Kidz-e-dental garnered revenue of INR59m/INR157m for 3QFY26/9MFY26.

Conference Call Details

Date: 11 February 2026
Time: 9:00 am IST
Dial-in details:
[Diamond Pass Link]

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	2,841	3,449	4,125
EBITDA	506	755	899
Adj. PAT	414	600	724
EBIT Margin (%)	12.3	16.0	16.0
Cons. Adj. EPS (INR)	7.5	10.9	13.2
EPS Gr. (%)	58.3	44.9	20.6
BV/Sh. (INR)	45.5	56.4	69.6
Ratios			
Net D:E	-0.4	-0.4	-0.5
RoE (%)	18.1	21.4	20.9
RoCE (%)	16.9	20.6	20.2
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	30.1	20.8	17.2
EV/EBITDA (x)	23.0	15.0	12.0
EV/Sales (x)	4.1	3.3	2.6
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	0.5	1.6	3.9

Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26E			FY25	FY26E	
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q		3QE	vs Est
Net Sales	**597**	**571**	**617**	**607**	**656**	**723**	**660**	**2,391**	**678**	**-2.6%**
YoY Change (%)	N/A	N/A	29.0	10.2	9.9	26.5	7.1	23.5	10	
Total Expenditure	457	484	520	511	537	612	591	1,972	573	
EBITDA	**140**	**87**	**96**	**95**	**119**	**110**	**70**	**419**	**105**	**-33.7%**
YoY Change (%)	N/A	N/A	144.7	-18.5	-15.0	26.3	-27.6	76.1	**9**	
Margins (%)	23.5	15.3	15.6	15.7	18.2	15.3	10.5	17.5	16	**-32.0%**
Depreciation	34	34	40	43	36	37	42	150	**39**	
EBIT	**106**	**53**	**57**	**52**	**83**	**73**	**28**	**269**	**66**	**-57.7%**
YoY Change (%)	N/A	N/A	728.8	-38.0	-21.7	36.6	-50.6	126.7	**17**	
Interest	14	12	15	13	5	2	3	54	2	
Other Income	4	7	6	16	17	24	21	33	22	
PBT before EO expense	**96**	**49**	**47**	**56**	**96**	**94**	**46**	**248**	**86**	**-47.2%**
Extra-Ord expense	-59	0	0	-4	0	0	58	-70	0	
PBT	**155**	**49**	**47**	**60**	**96**	**94**	**-12**	**318**	**86**	**-114.3%**
Tax	18	11	11	25	23	19	-22	65	20	
Rate (%)	11.4	23.3	22.7	41.2	23.8	19.8	175.6	20.3	24	
MI & P/L of Asso. Cos.	-20	-22	-12	-8	10	10	10	64	10	
Reported PAT	**157**	**59**	**48**	**43**	**83**	**85**	**19**	**318**	**75**	**-74.2%**
Adj PAT	**105**	**59**	**48**	**40**	**83**	**85**	**47**	**262**	**75**	**-37.8%**
YoY Change (%)	N/A	N/A	133.2	-51.0	-21.3	44.8	-2.3	4.9	57	
Margins (%)	17.6	10.3	7.8	6.7	12.6	11.8	7.1	10.9	11	

E: MOSL Estimates

DLF: Will Have Significant Disposable Cash From FY27-28; Ashok Kumar Tyagi, MD

- DLF turns gross debt-free for the first time post-IPO; ₹11,000cr cash, with meaningful free cash unlocking by FY27–28 as RERA funds release.
- Luxury Dahlias sales resume in Q4 after layout/RERA reset; double-digit bookings expected to reflect shortly.
- Management sees no slowdown for credible developers; flags undersupplied ₹2–3cr premium segment as a demand pocket.
- Confident on ₹20,000–22,000cr FY26 sales; first luxury senior-living project (~₹2,000cr) launching soon.

Read More

Chalet Hotels: Jan Was Weak, Feb Strong & March Appears Steady; Shwetank Singh, MD & CEO

- Q3FY26 revenue +27% YoY and EBITDA +29% YoY, driven by favorable demand–supply dynamics in hotels.
- Despite a soft January, Feb–Mar recovered well; management guides double-digit RevPAR growth over the next 2–3 years, led mainly by ADR upside.
- 900 keys planned under the Aiva portfolio (incl. revamped Taj Aravali, Lonavala), with a brand-agnostic, return-focused approach to ownership vs third-party flags.
- Net debt steady at ~₹2,000cr, fully serviceable via internal accruals, with headroom for acquisitions and expansion.

Read More

Poly Medicure: Should End The Year With 25-28% Growth In Renal Biz; Himanshu Baid, MD

- Q3 margins hit by one-offs (₹16.5cr total); management guides 25–27% margins in Q4 and ~20% H2 growth recovery.
- Private domestic business +22% YoY (90% of India revenue), guided to ~25% growth, while low-margin govt business is being pruned.
- Renal at 25–28% growth (vs 35–40% earlier) due to Chinese dumping via zero-duty routes; policy action being pursued.
- Tariff cut to ~15–18% reopens 10–15 stalled US pipelines, materially improving competitiveness vs China.

Read More

PNG Jeweller: Good Q3 for the co; Expect To Close FY26 With ₹10,000 Cr Revenue; Saurabh Gadgil, Chairman and MD

- SSSG +33% in Q3; 9M revenue +18% YoY with sharp QoQ growth in studded jewellery (~10% of sales incl. PI & kundal).
- Store count to reach 80 by FY26-end and 105 by FY27, with new UP/Bihar stores and the Lifestyle lightweight format performing well.
- EBITDA ~7–7.5% driven by higher studded mix and no low-margin refinery sales; PAT margin ~4% sustainable; silver volumes +50% in Q3.
- Gross debt ₹1,000–1,100cr by FY26-end but net debt limited to ₹450–500cr; gold fully hedged, small silver/platinum inventory upside.

Read More

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

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

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