Market snapshot

Equities - India	Close	Chg .%	CY25.%
Sensex	84,234	0.0	9.1
Nifty-50	25,954	0.1	10.5
Nifty-M 100	60,755	0.0	5.7
Equities-Global	**Close**	**Chg .%**	**CY25.%**
S&P 500	6,941	0.0	16.4
Nasdaq	23,066	-0.2	20.4
FTSE 100	10,472	1.1	21.5
DAX	24,856	-0.5	23.0
Hang Seng	9,268	0.3	22.3
Nikkei 225	57,651	0.0	26.2
Commodities	**Close**	**Chg .%**	**CY25.%**
Brent (US$/Bbl)	73	1.5	-15.7
Gold ($/OZ)	5,084	1.2	64.6
Cu (US$/MT)	13,090	0.4	43.9
Almn (US$/MT)	3,071	0.4	17.5
Currency	**Close**	**Chg .%**	**CY25.%**
USD/INR	90.7	0.1	5.0
USD/EUR	1.2	-0.2	13.4
USD/JPY	153.3	-0.7	-0.3
YIELD (%)	**Close**	**1MChg**	**CY25 chg**
10 Yrs G-Sec	6.7	-0.02	-0.2
10 Yrs AAA Corp	7.5	-0.01	0.1
Flows (USD b)	**11-Feb**	**MTD**	**CYTD**
FIIs	0.10	1.59	-18.8
DIIs	-0.01	0.43	90.1
Volumes (INRb)	**11-Feb**	**MTD***	**CYTD***
Cash	1,220	1341	1303
F&O	98,877	3,05,003	3,05,523

Note: Flows, MTD includes provisional numbers. *Average

Today's top research idea

Titan Company: Blockbuster quarter; momentum sustaining

- Titan (TTAN) delivered a strong 3QFY26, with 43% YoY growth in consolidated revenue. Standalone jewelry sales (ex-bullion) rose 40% YoY, driven by festive demand, attractive collections, strong brand campaigns, and effective exchange offers.
- We increase our EPS estimates by 3-5% for FY27 and FY28 given better revenue and margin delivery in 3QFY26.
- TTAN, with its superior competitive positioning (in sourcing, studded ratio, youth-centric focus, and reinvestment strategy), continues to outperform other branded players. Its brand recall and business moat are not easily replicable; therefore, Tanishq's competitive edge will remain strong in the category.
- We remain constructive on jewelry industry growth for top players, and we believe Titan, with its exchange program and other initiatives, remains competitive. We model a CAGR of 23% in sales, 25% in EBITDA, and 27% in APAT over FY25-28E. We reiterate our BUY rating on the stock with a TP of INR5,000 at 60x Dec'27E EPS.

Research covered

Cos/Sector	Key Highlights
Titan Company	Blockbuster quarter; momentum sustaining
Mahindra & Mahindra	Strong performance
Other Updates	Grasim Inds | Divi's Lab. | Britannia Inds. | Ashok Leyland | Apollo Hospitals | Oil India | United Breweries | Bandhan Bank | Prince Pipes | Laxmi Dental | Capital Market Monthly | Novelis (Hindalco Inds.) | LG Electronics | Max Financial | Amara Raja Ener. | Kirloskar Oil | Lenskart | Mrs. Bectors Foods

Chart of the Day: Titan Company (Blockbuster quarter; momentum sustaining)

Standalone Jewelry and CaratLane – Sales and EBIT margins

Sales (Standalone) (INRb)	Q3FY24	Q4FY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Jewellery	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 Jewellery	1%	11%	8%	8%	0%	7%	11%	13%	2%
Jewellery (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%
Jewellery 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%

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In the news today

Kindly click on textbox for the detailed news link

1

Piramal Finance raises $400 million through ECB from global and domestic lenders

Piramal Finance has raised $400 million through an external commercial borrowing (ECB) facility from a consortium of global and domestic lenders, including Deutsche Bank and SMBC.

2

Pollution violations force shutdown of two units at state-run Parli Thermal Power Station in Maharashtra

The Central Pollution Control Board has directed authorities to immediately halt operations at units 6 and 8 of the Parli Thermal Power Station in Maharashtra's Beed district

3

India urges refiners to increase purchases of US and Venezuelan crude following trade deal push

India has asked state-run refiners to consider buying more crude from the US and Venezuela as part of a broader strategy linked to an evolving trade framework and energy security priorities.

4

Jupiter International commissions third solar cell plant in Himachal Pradesh

Jupiter International has commissioned its third solar cell manufacturing unit in Baddi, Himachal Pradesh, adding 1 GW of mono PERC capacity and taking its total installed production to nearly 2 GW.

5

Supreme Court allows Zydus Life to sell cancer biosimilar, directs Bristol Myers to map patent claims, boosting access to affordable life-saving oncology treatment in India

The Supreme Court has permitted Zydus Lifesciences to continue manufacturing and selling its biosimilar version of nivolumab, a critical cancer therapy originally marketed by Bristol Myers Squibb.

6

Maharashtra directed to pay ₹691 crore to IDRCL after arbitration in tollway dispute

Maharashtra directed to pay ₹691 crore to IDRCL after arbitration in tollway dispute, marking major recovery for bad bank from Sion–Panvel project debt acquisition

7

JioStar appoints Google veteran Bhaskar Ramesh as Head of Digital Entertainment Sales

JioStar has named former Google executive Bhaskar Ramesh as Head of Entertainment Sales, Digital, signalling a stronger push into modern, data-led advertising solutions for its streaming business.

Titan Company

Estimate changes	↑
TP change	⟷
Rating change	⟷

Bloomberg	TTAN IN
Equity Shares (m)	888
M.Cap.(INRb)/(USDb)	3772.3 / 41.6
52-Week Range (INR)	4380 / 2925
1, 6, 12 Rel. Per (%)	0/17/17
12M Avg Val (INR M)	3417

Financials &Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	805.7	969.9	1,122.1
Sales Gr. (%)	33.3	20.4	15.7
EBITDA	85.7	103.1	120.6
EBITDA Margin (%)	10.6	10.6	10.8
Adj. PAT	53.7	64.6	77.5
Adj. EPS (INR)	60.3	72.6	87.1
EPS Gr. (%)	42.7	20.4	19.9
BV/Sh.(INR)	172.8	223.6	284.6
Ratios			
RoE (%)	39.8	36.6	34.3
RoCE (%)	18.1	18.5	19.0
Payout (%)	30.0	30.0	30.0
Valuation			
P/E (x)	70.9	58.8	49.1
P/BV (x)	24.7	19.1	15.0
EV/EBITDA (x)	44.7	37.6	31.4
Div. Yield (%)	0.4	0.5	0.6

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	52.9	52.9	52.9
DII	15.0	14.2	11.6
FII	15.6	16.2	18.2
Others	16.5	16.8	17.4

FII Includes depository receipts

CMP: INR4,249 TP: INR5,000 (+18%) Buy

Blockbuster quarter; momentum sustaining

- Titan (TTAN) delivered a strong 3QFY26, with 43% YoY growth in consolidated revenue. Standalone jewelry sales (ex-bullion) rose 40% YoY, driven by festive demand, attractive collections, strong brand campaigns, and effective exchange offers.
- Studded jewelry sales grew 26% YoY, although its mix moderated to 26% (28% in 3QFY25, 34% in 2QFY26). Domestic jewelry (Tanishq, Mia and Zoya) posted 32% LFL growth, and CaratLane reported 23% LFL growth. Buyer growth remained flat (new buyers at 45%), as noted in our management meet note, where the company indicated that customer addition was affected by high gold prices. However, initiatives such as the gold exchange program (launched in Sep'25) and increased availability of <22-carat jewelry are driving affordability and footfalls. Demand was resilient in January despite gold price volatility.
- Standalone jewelry EBIT margin (excl. bullion, adjusted to custom duty in base) contracted 60bp YoY to 10.6% (est. 10.4%), due to lower studded growth, higher gold coins mix and step-up marketing spend. Standalone EBIT grew 32% YoY (34% for domestic brands) vs. our est. of 30%. CaratLane's EBIT margin expanded 130bp to 13%.
- Watch division reported revenue growth of 14% YoY (in line) and EBIT growth of 44% (12% margin). Eye care revenue rose 18% YoY (11% in 1HFY26) and EBIT increased by 20% (10% margin).
- We remain constructive on jewelry industry growth for top players, and we believe TTAN, with its exchange program and other initiatives, remains competitive. Considering strong revenue and margin delivery, we raise our EPS estimates by 3-5% for FY27 and FY28. We model a CAGR of 23% in sales, 25% in EBITDA, and 27% in APAT over FY25-28E. We reiterate our BUY rating on the stock with a TP of INR5,000, based on 60x Dec'27E EPS.

Stellar growth; beat on profitability

- **Growth metrics improving:** TTAN's consolidated revenue grew by a strong 43% YoY to INR254.2b (est. INR250.2b). Consolidated jewelry sales rose 46% YoY to INR234.9b (est. 231.6b); excl. Bullion, sales grew 44% to INR230.2b. Watch business reported revenue growth of 14% YoY (in line), while Eye Care revenue was up 18% YoY (11% in 1HFY26).
- **Robust LFL of +30%+**: Standalone sales (ex-bullion) grew 40% to INR205.5b (est. INR205.8). Domestic jewelry (Tanishq, Mia and Zoya) posted 32% LFL growth, and CaratLane reported 23% LFL growth. Growth was led by festive collections, impactful brand campaigns and powerful exchange initiatives. CaratLane's revenue jumped 38%. Total jewelry store addition was 49 (139 last 12 months), totaling 1,194 stores. In 3Q, Tanishq saw 12 store addition, Caratlane 24, Mia 11, and Zoya 1. TTAN also added 1 store of beYon (LGD showroom) during the quarter.

- **Mix impact on GM:** Adjusted to customs duty in base, gross margins contracted 230bp YoY to 19.8%, impacted by increased gold coin sales, lower studded jewelry margins (due to higher gold content value), and jewelry's increased dominance in the overall portfolio mix. Ad spends increased by 9% YoY, other expense rose 20% YoY, and employee costs were up 16% YoY. Consolidated EBITDA margin declined 20bp YoY to 10.7% (est. 10.4%).
- **Standalone jewelry EBIT (ex-bullion) growth at 32%:** Standalone EBIT (excl. 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). CaratLane's EBIT margin expanded 130bp YoY to 13%. Watches' margin expanded 250bp to 12% (est. 10.5%). Eye Care's margin was up 20bp YoY at 10.4% (est. 10%).
- **Strong growth in profitability**: Consolidated EBITDA grew 41% YoY to INR27.1b (INR 26.1b). PBT was up 44% YoY at INR23.8b (est. INR22.7b). Adj. PAT rose 44% YoY to INR18.0b (est. INR16.9b). There was an exceptional cost of INR1.5b related to the implementation of the new labor code.
- In 9MFY26, net sales, EBITDA and APAT grew by 33%, 37% and 39%., respectively.

Highlights from the management commentary

- Buyer growth in studded share was high, while gold saw higher growth in ticket size, backed by the steep rise in gold prices. The overall ticket size stood at INR190k in 3Q. The studded ticket size grew by 15%, while the plain gold ticket size rose 44% YoY.
- Gold exchange programs and Tanishq exchange program continue to grow, with ~50% of TTAN sales coming from exchange. TTAN stated that Golden Harvest contributed ~20-25% of business.
- Management expects persistent margin pressure from rising gold prices, though it aims to maintain EBIT/PBT levels through operating leverage from revenue growth. TTAN remains focused on driving the absolute PBT growth.

Valuation and view

- We increase our EPS estimates by 3-5% for FY27 and FY28 given better revenue and margin delivery in 3QFY26.
- TTAN, with its superior competitive positioning (in sourcing, studded ratio, youth-centric focus, and reinvestment strategy), continues to outperform other branded players. Its brand recall and business moat are not easily replicable; therefore, Tanishq's competitive edge will remain strong in the category.
- The store count reached 3,433 as of Dec'25, and the expansion story remains intact. The non-jewelry business is also scaling up well and will contribute to growth in the medium term.
- We remain constructive on jewelry industry growth for top players, and we believe Titan, with its exchange program and other initiatives, remains competitive. We model a CAGR of 23% in sales, 25% in EBITDA, and 27% in APAT over FY25-28E. We reiterate our BUY rating on the stock with a TP of INR5,000 at 60x Dec'27E EPS.

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**	**199.2**	**604.6**	**805.7**	**250.2**	**1.6**
YoY change (%)	11.5	16.0	25.2	19.4	24.6	28.8	43.3	33.6	18.3	33.3	41.0	
Gross Profit	**29.3**	**33.0**	**39.1**	**34.0**	**37.1**	**40.2**	**50.3**	**43.6**	**135.4**	**171.2**	**58.8**	
Margin (%)	22.1	22.7	22.0	22.8	22.5	21.4	19.8	21.9	22.4	21.3	23.5	
EBITDA	**12.5**	**15.3**	**19.3**	**15.4**	**18.3**	**18.8**	**27.1**	**21.5**	**62.4**	**85.7**	**26.1**	**3.9**
EBITDA growth %	10.8	8.2	23.1	29.1	46.8	22.9	40.8	40.0	17.9	37.4	35.5	
Margin (%)	9.4	10.5	10.9	10.3	11.1	10.0	10.7	10.8	10.3	10.6	10.4	
Depreciation	1.6	1.7	1.8	1.8	1.8	1.9	2.1	2.1	6.9	7.9	1.9	
Interest	2.3	2.4	2.3	2.5	2.7	2.8	2.8	2.5	9.5	10.8	2.6	
Other Income	1.2	1.2	1.3	1.2	1.1	1.1	1.5	1.4	4.9	5.1	1.1	
PBT	**9.7**	**12.4**	**16.5**	**12.2**	**14.8**	**15.2**	**23.8**	**18.3**	**50.8**	**72.0**	**22.7**	**4.8**
Tax	2.6	3.1	4.0	3.5	3.9	4.0	5.8	4.7	13.1	18.4	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**	**13.6**	**37.6**	**53.7**	**16.9**	**6.4**
YoY change (%)	-5.4	1.7	18.3	13.0	52.6	20.2	44.3	56.0	7.6	42.7	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	
Reported PAT	**7.2**	**7.0**	**10.5**	**8.7**	**10.9**	**11.2**	**16.8**	**13.6**	**33.4**	**52.5**	**16.9**	**-0.3**

E: MOFSL Estimates

Key exhibits

Exhibit 1: Consolidated segmental snapshot

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%
Jewellery 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%
Jewellery (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%
Jewellery 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

Source: Company, MOFSL

Mahindra & Mahindra

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	MM IN
Equity Shares (m)	1244
M.Cap.(INRb)/(USDb)	4569.8 / 50.4
52-Week Range (INR)	3840 / 2360
1, 6, 12 Rel. Per (%)	-1/10/7
12M Avg Val (INR m)	8809

Financials & Valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	1,452	1,677	1,933
EBITDA	211.6	244.5	279.6
Adj. PAT	152.7	179.1	206.6
Adj. EPS (INR)	127.2	149.2	172.1
EPS Gr. (%)	28.8	17.3	15.4
BV/Sh. (INR)	614	733	871
Ratios			
RoE (%)	22.6	22.2	21.5
RoCE (%)	21.8	21.5	20.9
Payout (%)	20.4	20.0	19.7
Valuations			
P/E (x)	28.9	24.6	21.4
P/BV (x)	6.0	5.0	4.2
Div. Yield (%)	0.8	1.0	1.1
FCF Yield (%)	2.0	3.6	4.3

Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	18.1	18.1	18.1
DII	30.0	29.6	28.8
FII	42.0	42.5	43.6
Others	9.9	9.8	9.5

FII includes depository receipts

CMP: INR3,675 TP: INR4,378 (+19%) Buy

Strong performance

Outlook remains upbeat across key segments

- Mahindra & Mahindra's (MM) 3QFY26 PAT at INR40b was in line with our estimate. While the FES segment margin expanded 210bp YoY to 20.2%, the auto segment's margin was flat YoY at 9.5% (despite EV ramp-up).
- We estimate MM to post a CAGR of ~18%/18%/20% in revenue/EBITDA/PAT over FY25-28. While MM has outperformed its own targets of earnings growth and RoE of 18%, it remains committed to delivering 15-20% EPS growth and 18% RoE, ensuring sustained profitability and shareholder value. **Reiterate BUY** with a TP of INR4,378 (based on Dec27E SoTP).

Earnings in line with estimates

- MM's revenue grew 26.1% YoY to INR385b, slightly below our estimate of INR403b, due to lower-than-expected ASP growth in the Auto segment.
- EBITDA margin expanded 100bp YoY to 14.7% and was slightly ahead of our estimate of 14.5%.
- EBITDA grew ~27% YoY to INR56.7b and was broadly in line with our estimates.
- Tractor EBIT stood at 20.2%, up 210bp YoY/50bp QoQ vs our estimates of 20.0%, while overall Auto margins came in at 9.5% (-20bp YoY and +30bp QoQ) vs our estimate of 9.4%.
- The company incurred a one-time extraordinary expense of INR982m due to changes in the labor code.
- Higher dividend income from its subsidiaries led to strong growth in other income, which came in higher than our estimate at INR7.5b (est. of INR4.1b). This was largely offset by the higher-than-expected tax rate.
- Adjusted PAT grew 35% YoY to INR40b for 3QFY26, and was largely in line with our estimates.
- MM's RoE for 9MFY26 stood at 20.1%, well ahead of its target of 18%.

Highlights from the management commentary

- MM remains the #1 SUV player, with a revenue market share of 24.1%, up 90bp YoY.
- In the LCV <3.5T segment, MM volumes grew 20% YoY to 81k units, with the market share rising 10bp to 51.9%.
- In terms of new launches, MM has already launched the new XUV7XO in Jan'26. Apart from this, it plans to launch two new refreshes in the ICE segment in 2026. In EVs, the company has already launched the XEV 9S. There are no new EV launches scheduled for this CY. In LCVs, MM plans to launch two LCV variants in CY26.
- XUV7x0 continues to witness robust demand with a strong order pipeline. Management highlighted that ~70% of bookings are skewed toward top-end variants; the company is currently facing supply constraints for the same.

- The tractor market share declined 20bp YoY to ~44% due to engine supply constraints at Swaraj. Management indicated that this was temporary, and the planned expansion has been advanced from June to March to normalize supply.
- MM targets to launch the LMM IPO next year.
- Commodity inflation persists across precious group metals, copper, and aluminum. While aluminum and copper are expected to soften, precious metals remain volatile. Hedging has cushioned the near-term impact, aided further by a 1% price hike taken in January.

Valuation and view

- We believe MM is well placed to outperform across its core businesses, led by a healthy recovery in rural areas and new product launches in both UVs and tractors. We estimate MM to post a CAGR of ~18%/18%/20% in revenue/EBITDA/PAT over FY25-28.
- While MM has outperformed its own targets of earnings growth and RoE of 18%, it remains committed to delivering 15-20% EPS growth and 18% RoE, ensuring sustained profitability and shareholder value. **Reiterate BUY** with a TP of INR4,378 (based on Dec27E SoTP)

Quarterly Performance (INR b)

Y/E March	FY25				FY26				FY25	FY26	3QE	Var.
INR b	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				(%)
Total Volumes ('000 units)	**315**	**301**	**344**	**319**	**361**	**350**	**423**	**394**	**1,280**	**1,532**	**423**	
Growth YoY (%)	4.7	-0.5	17.8	15.3	14.4	16.0	23.1	23.3	14.0	19.7	23.1	
Net Realization (INR '000/unit)	**857**	**914**	**889**	**981**	**945**	**955**	**911**	**994**	**910**	**948**	**953**	**-4.4**
Growth YoY (%)	7.0	13.5	2.2	8.0	10.2	4.5	2.5	1.3	3.1	4.2	7.2	
Net Op. Income	**270.4**	**275.5**	**305.4**	**313.5**	**340.8**	**334.2**	**385.2**	**391.6**	**1,165**	**1,452**	**402.9**	**-4.4**
Growth YoY (%)	12.0	12.9	20.3	24.5	26.1	21.3	26.1	24.9	17.5	24.6	31.9	
RM Cost (% of sales)	73.7	74.2	74.4	74.1	74.5	75.6	76.2	75.9	74.1	76.0	75.0	120bp
Staff (% of sales)	4.3	4.2	4.2	4.0	3.8	3.9	3.6	3.5	4.2	3.7	3.5	10bp
Oth. Exp. (% of Sales)	7.0	7.3	6.7	6.9	5.8	5.9	5.5	5.9	7.0	5.8	6.9	-150bp
EBITDA	**40.2**	**39.5**	**44.7**	**46.8**	**48.8**	**48.6**	**56.7**	**57.4**	**171.2**	**212**	**58.6**	**-3.3**
EBITDA Margins (%)	14.9	14.3	14.6	14.9	14.3	14.5	14.7	14.7	14.7	14.6	14.5	20bp
Growth YoY (%)	22.4	26.4	35.6	42.0		21.4	26.8	22.6	30.3	23.6	31.2	
Other income	3.5	20.0	6.1	0.5	6.4	23.1	7.5	0.6	30.0	37.6	4.1	
Interest	0.5	0.6	0.6	0.8	0.6	0.6	0.6	0.6	2.5	2.4	0.6	
Depreciation	9.1	9.6	10.5	13.1	10.0	10.4	10.5	13.5	42.3	44.5	11.2	
PBT after EO	**34.1**	**49.3**	**39.7**	**33.5**	**44.7**	**60.7**	**52.0**	**43.9**	**156.5**	**201.3**	**51.0**	**2.1**
Tax	7.9	10.9	10.0	9.1	10.2	15.5	12.7	11.2	38.0	49.3	12.0	
Effective Tax Rate (%)	23.3	22.1	25.3	27.1	22.8	25.5	24.4	25.4	24.3	24.5	23.5	
Reported PAT	**26.1**	**38.4**	**29.6**	**24.4**	**34.5**	**45.2**	**39.3**	**33.0**	**118.5**	**151.9**	**39.0**	
Adj PAT	**26.1**	**38.4**	**29.6**	**24.4**	**34.5**	**45.2**	**40.1**	**33.0**	**118.5**	**152.7**	**39.0**	**2.7**
Change (%)	23.2	13.2	19.1	21.9	32.0	17.7	35.1	35.3	11.4	28.8	31.5	

Segmental Performance

Y/E March	FY25				FY26				FY25	FY26E	4QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
Realizations (INR '000/unit)											
Auto	977	1,015	1,010	1,079	1,101	1,099	1,037	1,104	1,022	1080	1,101
Farm Equipment	670	696	671	730	685	695	682	737	689	698	684
Blended	**857**	**914**	**889**	**981**	**945**	**955**	**911**	**994**	**910**	**950**	**911**
Segment PBIT Margins (%)											
Auto	9.5	9.5	9.7	9.2	8.9	9.2	9.5	9.4	9.5	9.2	9.4
Farm Equipment	18.5	17.5	18.1	19.4	19.8	19.7	20.2	19.6	18.4	19.9	20.0

Grasim

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	GRASIM IN
Equity Shares (m)	681
M.Cap.(INRb)/(USDb)	1995.7 / 22
52-Week Range (INR)	2980 / 2301
1, 6, 12 Rel. Per (%)	5/1/5
12M Avg Val (INR M)	1781

Financial Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	399.8	459.6	510.0
EBITDA	16.9	26.3	34.2
Adj. PAT	4.4	13.1	21.6
EBITDA Margin (%)	4.2	5.7	6.7
S/A Adj. EPS (INR)	6.5	19.2	31.7
S/A EPS Gr. (%)	35.1	195.8	65.3
Consol EPS (INR)	82.3	100.0	120.6
BV/Sh. (INR)	833.9	863.2	887.9
Ratios			
Net D:E	0.1	0.1	0.1
RoE (%)	-4.2	-0.9	1.6
RoCE (%)	0.7	3.0	5.1
Valuations			
P/E (x)	107.5	33.4	20.2
EV/EBITDA (x)	-1.9	-1.8	-2.2
Div. Yield (%)	0.2	0.2	0.2
FCF Yield (%)	(1.1)	(0.6)	0.6

Shareholding Pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	43.2	43.1	43.1
DII	17.2	17.5	17.9
FII	17.2	16.9	15.9
Others	22.4	22.5	23.1

FII includes depository receipts

CMP: INR2,933 TP: INR3,700 (+26%) Buy

Strong performance; high-growth businesses in traction

Birla Opus sees rapid scale-up; VSF margin expansion drives OPM

- GRASIM's 3QFY26 EBITDA was above our estimate, led by better performance in VSF and higher growth in the B2B segment. EBITDA grew ~77% YoY to INR4.8b (~23% beat). OPM expanded 1.3pp YoY to 4.6% (est. 4.0%). Loss before tax stood at INR1.9b vs. the estimated loss of INR1.7b, due to higher depreciation/interest and lower other income. Adj. loss was at INR1.4b (in line) vs. a loss of INR1.7b in 3QFY25.
- Management indicated that Birla Opus posted a strong 3QFY26 performance with ~70% YoY volume growth, surpassing 500m liters in cumulative sales, reaching over 6m households within 18 months of the launch. It has expanded its presence to +10,400 towns across 35 states and Union Territories. It now covers all population centers with over 50,000 residents and more than 75% of centers in the 10,000–50,000 population bracket. It has taken ~2-6% price increase across product ranges in Jan-Feb'26 to test channel and consumer response. Strong VSF performance was led by improved realization, higher export, and lower input costs (pulp and caustic).
- We cut our EPS estimates by ~11% for FY26 due to higher depreciation and interest costs, but we retain the estimates for FY27 and FY28. **We reiterate our BUY rating** with a TP of INR3,700 (based on an SoTP valuation).

VSF margin expands 3.0pp YoY; chemical margin contracts 1.3pp YoY

- GRASIM's standalone revenue/EBITDA was at INR104.3b/INR4.8b (up 28%/ 77% YoY and up 7%/23% vs. our estimates) in 3QFY26. **VSF segment**: sales volume/realization grew ~6%/3% YoY. EBITDA surged ~48% YoY (+40% QoQ) to INR4.9b. OPM expanded 3.0pp YoY/QoQ to 11%. EBITDA/kg was at INR21 vs. INR15/INR16 in 3QFY25/2QFY26. **Chemical segment**: volume/realization inched up ~3%/2% YoY. However, EBITDA declined ~4% YoY to INR3.2b due to cost pressure. Its OPM contracted 1.3pp YoY to ~13%. According to our calculations, **Paints** revenue grew ~51%/11% YoY/QoQ to ~INR12b, and **B2B revenue** surged 2.7x YoY to INR21.5b. Losses in these high-growth businesses stood at INR3.1b vs. losses of INR3.3b/INR3.2b in 3QFY25/2QFY26.
- In 9MFY26, revenue/EBITDA/Adj PAT stood at INR292.7b/INR12.3b/INR5.5b (+29%/+34%/+2% YoY). OPM remained flat YoY at ~4%. VSF's margin dipped 1.1pp YoY to ~9%, while Chemicals' margin improved ~1.1pp to ~15%.

Highlights from the management commentary

- Based on the results of the four listed Paints players, decorative paints (excl. Birla Opus) revenue grew ~1-2% YoY and volume ~7-8% YoY in 3QFY26. However, including Birla Opus' performance, industry revenue grew to ~5-6%, and volume growth was at ~11-12% YoY.
- Over 0.75m contractors and painters have registered on its digital platform. Also, under "Opus Assurance," an enhanced guarantee beyond the standard warranty clause, including repainting with labor coverage, if required, over 60,000 consumer sites have been registered through ~30,000 contractors.

- The Phase 1 capacity expansion of 55 KTPA (proposed capacity of 110 KTPA) of Lyocell is progressing well, and commissioning is targeted by mid-FY27. 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 profitability was above our estimates, fueled by better-than-expected performance in the VSF segment and strong growth in the Paints and B2B e-commerce businesses. In our recent note, we highlighted that GRASIM's VSF business is seeing margin recovery in 2H, supported by better pricing, lower input costs, and improved utilizations. Further, the overall traction in the Paints business is better than our expectations. It has seen a steady improvement in revenue and market share over the last few quarters. It has recently taken a price hike of ~2-6% to test the channel and consumer response.
- **We reiterate our BUY rating with a TP of INR3,700** as we value its: 1) holding in listed subsidiaries by assigning a discount of 35% on our TP for coverage companies, 2) standalone business at 6x FY28 EV/EBITDA, 3) paint business at 2x of investments, 4) B2B e-commerce at 1.5x of FY28E revenue, and 5) renewable business at 10x EV/EBITDA.

Quarterly performance (S/A) (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**	**107.1**	**315.6**	**399.8**	**97.4**	7
YoY Change (%)	10.5	18.3	26.9	31.9	33.8	26.1	28.5	20.0	22.1	26.7	19.9	
EBITDA	**3.3**	**3.3**	**2.7**	**2.2**	**3.8**	**3.7**	**4.8**	**4.6**	**11.4**	**16.9**	**3.9**	23
YoY Change (%)	(51.7)	(45.2)	(48.2)	(58.1)	(50.7)	18.3	12.6	77.1	(50.7)	18.3	35.3	
Margins (%)	4.7	4.3	3.3	2.5	4.2	3.8	4.6	4.3	3.6	4.2	4.0	59
Depreciation	3.5	4.1	4.2	5.0	4.8	5.0	5.4	5.4	16.8	20.6	5.2	4
Interest	1.4	1.6	1.8	2.0	2.1	2.0	2.4	2.4	6.8	8.9	2.1	16
Other Income	0.9	12.9	1.0	2.3	1.4	14.2	1.1	1.9	17.2	18.6	1.7	(37)
PBT before EO Items	**-0.7**	**10.5**	**-2.3**	**-2.5**	**-1.6**	**10.8**	**-1.9**	**-1.4**	**5.0**	**6.0**	**-1.7**	NM
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**	**-1.4**	**3.3**	**5.5**	**-1.7**	NM
Tax	-0.2	2.8	-0.6	-0.8	-0.4	2.8	-0.7	-0.3	1.2	1.4	-0.4	
Rate (%)	25.8	28.0	26.8	21.8	24.4	25.6	27.5	21.4	36.2	26.1	25.6	
Reported PAT	**-0.5**	**7.2**	**-1.7**	**-2.9**	**-1.2**	**8.0**	**-1.7**	**-1.1**	**2.1**	**4.1**	**-1.3**	NM
Prior period tax/DTL reversal	-	-	-	-	-	-	-	-	-	-	-	
Adj. PAT	**-0.5**	**7.6**	**-1.7**	**-2.1**	**-1.2**	**8.0**	**-1.4**	**-1.1**	**3.3**	**4.4**	**-1.3**	NM
Margins (%)	-0.8	9.9	-2.1	-2.4	-1.3	8.4	-1.3	-1.0	1.0	1.1	-1.3	
YoY Change (%)	(114.7)	(4.7)	(171.4)	(191.6)	NM	6.2	NM	NM	(79.8)	35.1	NM	

Segmental performance (INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
VSF Segment												
Sales Volume (ton)	222	230	216	218	219	220	230	229	886	898	219	5
YoY Change (%)	12.8	4.1	0.5	(0.3)	(1.1)	(4.2)	6.5	4.8	4.1	1.4	1.1	
Blended realization (INR/kg)	171	179	182	186	185	188	187	183	179	186	193	(3)
Net Sales (INR m)	37.9	41.3	39.3	40.5	40.4	41.5	43.0	41.8	159.0	166.7	42.1	2
YoY Change (%)	5.7	6.1	5.9	7.7	6.8	0.6	9.2	3.2	6.3	4.9	7.0	
EBITDA (INR m)	4.0	4.9	3.3	2.9	3.2	3.5	4.9	4.4	15.2	16.0	3.9	27
EBITDA (%)	10.7	12.0	8.4	7.2	8.0	8.4	11.4	10.6	9.6	9.6	9.2	222
EBITDA/kg (INR)	18.3	21.5	15.3	13.4	14.7	15.9	21.3	19.3	17.2	17.9	17.7	20
Chemical Segment												
Sales Volume (ton)	282	295	303	290	303	294	313	284	1,170	1,194	309	1
YoY Change (%)	(3.4)	(3.6)	1.3	(5.8)	7.4	(0.3)	3.3	(2.0)	(2.9)	2.1	2.0	
Blended realization (INR/kg)	73	70	73	79	79	82	75	86	73	80	77	(3)
Net Sales (INR m)	20.7	20.5	22.3	23.0	23.9	24.0	23.5	24.5	86.5	95.8	23.8	(2)
YoY Change (%)	(3.7)	3.3	11.5	10.5	15.7	16.8	5.3	6.3	5.3	10.8	7.1	
EBITDA (INR m)	3.1	2.7	3.3	3.0	4.2	3.7	3.2	3.1	12.1	14.2	3.3	(6)
EBITDA (%)	15.0	13.3	14.8	12.8	17.7	15.2	13.4	12.8	14.0	14.8	14.0	(57)

Divi's Laboratories

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	DIVI IN
Equity Shares (m)	265
M.Cap.(INRb)/(USDb)	1695.4 / 18.7
52-Week Range (INR)	7078 / 4942
1, 6, 12 Rel. Per (%)	-4/1/-5
12M Avg Val (INR M)	2661

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	104.2	123.8	144.9
EBITDA	34.2	41.2	48.8
Adj. PAT	24.4	29.9	35.5
EBIT Margin (%)	28.4	29.5	30.2
Cons. Adj. EPS (INR)	91.8	112.5	133.9
EPS Gr. (%)	13.0	22.6	19.0
BV/Sh. (INR)	628.6	706.7	799.9
Ratios			
Net D:E	-0.2	-0.2	-0.2
RoE (%)	15.4	16.8	17.8
RoCE (%)	15.5	16.8	17.8
Payout (%)	30.6	30.5	30.4
Valuations			
P/E (x)	70.6	57.6	48.4
EV/EBITDA (x)	49.3	40.9	34.4
Div. Yield (%)	0.4	0.4	0.5
FCF Yield (%)	0.2	0.4	1.0
EV/Sales (x)	16.2	13.6	11.6

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	51.9	51.9	51.9
DII	19.3	19.8	20.5
FII	20.1	19.4	18.0
Others	8.8	9.0	9.6

FII includes depository receipts

CMP: INR6,387 TP: INR6,925 (+8%) Neutral

Robust CS traction and currency movement drive earnings

Volume gain/backward integration offset by pricing pressure in generics

- Divi's Laboratories (DIVI) posted largely in-line financial performance in 3QFY26. Basis the generics and custom synthesis (CS) share provided by management, it implies that the overall revenue growth for the quarter was driven by CS business.
- DIVI delivered its highest quarterly gross margin (63.7%) in the past five years, led by a better product mix and currency benefits.
- CS segment remained on a robust growth path, with increased requests for proposals (RFPs) from customers. Multiple CS projects are at various stages of validation – constructing a commercial facility and scaling up production.
- With increased backward integration, DIVI is not only able to gain volume but also maintain its profitability in this segment. Pricing pressure is offsetting a part of this benefit for DIVI.
- We largely maintain our estimates for FY26/FY27/FY28. We value DIVI at 55x 12-month forward earnings to arrive at a TP of INR6,925.
- DIVI continues to strengthen its relationships with customers in CS on the back of increasing capacity and enhancing its technological offerings. Its knowledge base in peptide space has not only enabled its better association with innovators but also gained contracts from them. We estimate a CAGR of 18%/20%/21% in revenue/EBITDA/PAT for FY26-28. Considering limited upside from current levels, we maintain Neutral on the stock.

Product mix and currency movement powers Divis Labs' performance

- Revenue grew 12.3% YoY to INR26.0b (our est: INR26.8b).
- Gross margin expanded 350bp YoY to 63.7%.
- EBITDA margin expanded 220bp YoY to 34.2% (our est: 31.5%), majorly driven by growth in gross margin.
- As a result, EBITDA grew 20% YoY to INR8.9b (our est: INR8.4b).
- Adjusted for INR740m one-time expense due to new labor code impact and INR190m in forex gains, PAT grew 7% YoY to INR6.2b (our est: INR6.1b).

Highlights from the management commentary

- CC YoY growth for 9MFY26 stood at 8.6%.
- Product mix in revenue: 43% generics and 57% CS.
- Nutraceutical segment contributed INR2.1b/INR7.1b in 3QFY26/9MFY26.
- China's withdrawal of export tax rebates on select products may create selective pricing pressures.
- GLP capacity build-out progress: Completion of a pilot plant and a commercial block comprising large-scale systems designed for a specific customer; pilot phase completed and validations currently underway.

- In the CS segment, a few molecules are expected to move to commercial volumes over the next one year. Validation batches for certain molecules are done and it is in process for some molecules. Subsequently, the customer would complete its process of regulatory submission.
- Dedicated capex projects (three blocks) remain under investment, with commercialization expected by 3QCY27/4QCY27, subject to product approvals for its customer.
- RM prices were stable during the quarter and the same scenario is likely to continue over the near term. Freight rates are also largely stable.
- While new molecules and market share gains in existing molecules have enabled volume growth in generics segment. However, competitive pricing has kept YoY growth in generics segment in check.
- DIVI has capitalized assets worth INR3.1b/INR7.7b for 3Q/9MFY26.
- Management indicated ~78% of procurement is now sourced domestically, reflecting diversification away from China and improving supply resilience.
- The overall capex for FY26 is higher than historical run-rate considering the customer-specific capex.
- DIVI continues to advance backward integration at Kakinada Unit-3, with operational blocks supporting intermediates, expansion progressing as planned, and a successful USFDA cGMP inspection at Unit-1.

Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.
(INRm)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	**21,180**	**23,380**	**23,190**	**25,850**	**24,100**	**27,150**	**26,040**	**26,865**	**93,600**	**1,04,155**	**26,788**	**-2.8**
YoY Change (%)	19.1	22.5	25.0	12.2	13.8	16.1	12.3	3.9	19.3	11.3	15.5	
Total Expenditure	14,960	16,220	15,760	16,990	16,810	18,270	17,140	17,784	63,930	70,004	18,350	
EBITDA	**6,220**	**7,160**	**7,430**	**8,860**	**7,290**	**8,880**	**8,900**	**9,080**	**29,670**	**34,150**	**8,438**	**5.5**
YoY Change (%)	23.4	43.5	51.9	21.2	17.2	24.0	19.8	2.5	33.5	15.1	13.6	
Margins (%)	29.4	30.6	32.0	34.3	30.2	32.7	34.2	33.8	31.7	32.8	31.5	
Depreciation	970	990	990	1,070	1,120	1,130	1,180	1,153	4,020	4,583	1,128	
EBIT	**5,250**	**6,170**	**6,440**	**7,790**	**6,170**	**7,750**	**7,720**	**7,927**	**25,650**	**29,567**	**7,310**	**5.6**
YoY Change (%)	27.7	52.7	63.5	22.5	17.5	25.6	19.9	1.8	39.0	15.3	13.5	
Interest	0	0	0	10	30	80	60	0	10	170	0	
Other Income	780	770	720	760	800	820	690	795	3,030	3,105	833	
PBT before EO Income	**6,030**	**6,940**	**7,160**	**8,540**	**6,940**	**8,490**	**8,350**	**8,722**	**28,670**	**32,502**	**8,143**	**2.5**
EO and Forex Gain/(Loss)	10	290	100	100	390	630	-550	0	500	470	0	
PBT	**6,040**	**7,230**	**7,260**	**8,640**	**7,330**	**9,120**	**7,800**	**8,722**	**29,170**	**32,972**	**8,143**	**-4.2**
Tax	1,740	2,120	1,370	2,020	1,880	2,230	1,970	2,181	7,250	8,261	1,995	
Rate (%)	28.8	29.3	18.9	23.4	25.6	24.5	25.3	25.0	24.9	25.1	24.5	
PAT	**4,300**	**5,110**	**5,890**	**6,620**	**5,450**	**6,890**	**5,830**	**6,542**	**21,920**	**24,712**	**6,148**	**-5.2**
Adj. PAT	**4,293**	**4,905**	**5,809**	**6,543**	**5,160**	**6,414**	**6,241**	**6,542**	**21,550**	**24,357**	**6,148**	**1.5**
YoY Change (%)	20.3	38.3	68.5	22.0	20.2	30.8	7.4	0.0	35.3	13.0	5.8	
Margins (%)	20.3	21.9	25.4	25.6	22.6	25.4	22.4	24.4	23.4	23.7	23.0	
Adj. EPS	**16.2**	**18.5**	**21.9**	**24.7**	**19.4**	**24.2**	**23.5**	**24.6**	**81.2**	**91.8**	**23.2**	

11 February 2026

3QFY26 Results Update | Sector: Consumer

Britannia Industries

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	BRIT IN
Equity Shares (m)	241
M.Cap.(INRb)/(USDb)	1449.8 / 16
52-Week Range (INR)	6337 / 4506
1, 6, 12 Rel. Per (%)	0/6/10
12M Avg Val (INR M)	2038

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	195.2	220.6	243.2
Sales Gr. (%)	8.8	13.0	10.2
EBITDA	37.5	43.4	48.6
EBITDA mrg. (%)	19.2	19.7	20.0
Adj. PAT	26.2	30.9	35.2
Adj. EPS (INR)	108.8	128.4	145.9
EPS Gr. (%)	18.4	18.1	13.6
BV/Sh.(INR)	212.2	261.2	325.6
Ratios			
RoE (%)	55.4	54.3	49.7
RoCE (%)	43.2	44.3	42.2
Payout (%)	70.8	61.5	55.5
Valuation			
P/E (x)	55.3	46.8	41.2
P/BV (x)	28.4	23.0	18.5
EV/EBITDA (x)	37.9	32.5	28.7
Div. Yield (%)	1.3	1.3	1.3

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	50.6	50.6	50.6
DII	19.6	19.4	17.6
FII	14.9	15.0	16.5
Others	15.0	15.0	15.4

FII includes depository receipts

CMP: INR6,019 TP: INR7,150 (+19%) Buy

Focus on strengthening brand equity; levers in place

- Britannia Industries (BRIT) posted consolidated net revenue growth of 9.5% YoY in 3QFY26 (est. 12.5%, 2QFY26 4%). GST-led trade disruptions weighed on performance in October. However, demand normalized thereafter, with the company reporting ~12% sales growth in Nov–Dec, supported by healthy volume growth. The growth was driven by momentum across both biscuits and adjacent categories. A few pan-India players have been transitioning to the revised LUP packs under the new GST slabs. This has led to dual price points (INR4.5/INR5 and INR9/INR10) in the trade, with retailers capitalizing on the situation and preferring brands where prices have not yet normalized to INR5/INR10. It is likely to stabilize shortly, post which BRIT is likely to deliver superior revenue growth. We model 13% and 10% revenue growth for FY27 and FY28.
- GM expanded sharply by 450bp YoY/160bp QoQ to 43.3% (beat), driven by relatively stable commodity prices. The wheat crop season will start from March, and the company expects overall commodity inflation to be benign. EBITDA margin expanded 230bp YoY and 100bp QoQ to 20.7% (beat). We model EBITDA margin of ~20% for FY27-28.
- With 60–65% of its portfolio in LUPs (INR5/INR10), BRIT is well-placed to benefit from the GST rate revision. The company remains focused on strengthening distribution and brand equity to counter competition. We expect the earnings growth trend to improve going forward, given: 1) improving macro drivers for consumption, 2) continued focus on distribution expansion, 3) product innovation serving as a key impetus, 4) continued investment in the brands, as well as the appointment of a new CMO, and 5) stable key raw material prices. We model a 12% and 14% revenue and PAT CAGR for FY26-28E. **We reiterate our BUY rating on BRIT with a TP of INR7,150 (premised on 50x Dec'27E EPS).**

Beat in profitability; expect further revenue growth

- **Revenue growth at 9.5%:** BRIT's consolidated net revenue registered 9.5% YoY growth to INR48.8b (est. INR50.2b), which was balanced across both biscuits and adjacent categories. Revenue growth saw a pickup in November and December, reporting ~12% YoY growth. Other operating income declined 35% YoY to INR846m. Following the state GST rate cut in Sept'25, BRIT's fiscal incentive entitlement from Bihar was reduced, leading to an INR650m decline in 3QFY26, with a continued impact expected going forward. Total revenue rose 8% YoY to INR49.7b.
- **Stable RM prices support margins:** Consolidated gross margin expanded 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 an INR750m impact due to stock appreciation rights). Other expenses rose ~20% YoY. EBITDA margin expanded 230bp YoY and 100bp QoQ to 20.7% (est. of 19.3%).
- **Double-digit APAT growth continues**: EBITDA increased 22% YoY to INR10.3b (est. INR9.8b). PBT rose 18% to INR9.2b (est. INR9.3b). APAT grew 23% YoY to INR7.2b (est. INR6.9b).
- In 9MFY26, net sales/EBITDA/APAT grew 8%/15%/16% YoY, respectively.

Highlights from the management commentary

- BRIT's sales grew ~12% in November & December, and ~50% of the growth was from volumes. Oct'25 witnessed a dip due to GST-led trade disruption; however, BRIT saw normalization from November onwards.
- A few pan-India players have not transitioned to the revised LUP packs under the new GST slabs, which has led to dual price points (INR4.5/INR5 and INR9/INR10) in the trade, a situation likely to reset in the near term. Meanwhile, BRIT is focused on strengthening distribution and brand equity.
- Currently, BRIT's salience in E-com/QC stands in high single digits, and the company expects this to increase to teens by FY27. Going forward, BRIT plans to launch more digital-first brands, which are also expected to be margin accretive.
- The Cake, Rusk, Croissant, and Wafers categories grew double-digit during the quarter. Management stated that the contribution from the E-Comm channel to these businesses is ~3x higher than that of biscuits.
- The new CEO will aim to focus on strengthening the Britannia brand (the company has also hired a new CMO) and building the functional foods category (similar to NutriChoice).

Valuation and view

- We raise our EPS estimates by 2-3% for FY26-28.
- BRIT remains focused on strengthening distribution and brand equity to counter competition. We expect the earnings growth trend to improve going forward, given: 1) improving macro drivers for consumption, 2) continued focus on distribution expansion, 3) product innovation serving as a key impetus, 4) continued investment in brands, as well as the appointment of the new CMO, and 5) stable key raw material costs.
- We model a 12% and 14% revenue and PAT CAGR for FY26-28E. **We reiterate our BUY rating on BRIT with a TP of INR7,150 (premised on 50x Dec'27E EPS).**

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**	**6.0**	**13.0**	**6.3**	**4.5**	**8.0**	
Net Revenue	**41,299**	**45,662**	**44,633**	**43,756**	**45,349**	**47,522**	**48,852**	**50,164**	**1,75,350**	**1,91,887**	**50,212**	**(2.7)**
YoY change (%)	4.0	4.5	6.5	9.0	9.8	4.1	9.5	14.6	6.0	9.4	12.5	
Other operating income	1,204	1,013	1,293	566	874	885	846	753	4,077	3,357	925	(8.6)
YoY change (%)	194.6	62.4	100.5	2.4	-27.4	-12.7	-34.6	32.9	82.8	-17.7	-28.5	
Total Revenue	**42,503**	**46,676**	**45,926**	**44,322**	**46,222**	**48,406**	**49,698**	**50,917**	**1,79,427**	**1,95,244**	**51,137**	**(2.8)**
YoY change (%)	6.0	5.3	7.9	8.9	8.8	3.7	8.2	14.9	7.0	8.8	11.3	
Gross Profit	**18,449**	**19,381**	**17,784**	**17,773**	**18,631**	**20,177**	**21,500**	**21,694**	**73,386**	**82,002**	**21,324**	**0.8**
Margins (%)	43.4	41.5	38.7	40.1	40.3	41.7	43.3	42.6	40.9	42.0	41.7	
EBITDA	**7,537**	**7,834**	**8,449**	**8,052**	**7,571**	**9,545**	**10,286**	**10,086**	**31,872**	**37,487**	**9,874**	**4.2**
Margins (%)	17.7	16.8	18.4	18.2	16.4	19.7	20.7	19.8	17.8	19.2	19.3	
YoY growth (%)	9.4	-10.2	2.9	2.3	0.4	21.8	21.7	25.3	0.5	17.6	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	627	2,271	2,313	620	
PBT	**7,064**	**7,187**	**7,804**	**7,566**	**7,059**	**8,869**	**9,703**	**9,395**	**29,621**	**35,025**	**9,259**	**4.8**
Tax	1,762	1,836	1,961	1,928	1,809	2,286	2,369	2,352	7,487	8,816	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**	**7,043**	**21,962**	**26,101**	**6,898**	**4.1**
YoY change (%)	14.9	-9.4	4.4	4.2	-0.6	23.2	23.3	26.0	2.8	18.8	18.5	

E: MOFSL Estimates

Ashok Leyland

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	AL IN
Equity Shares (m)	5873
M.Cap.(INRb)/(USDb)	1212.1 / 13.4
52-Week Range (INR)	215 / 95
1, 6, 12 Rel. Per (%)	9/66/90
12M Avg Val (INR M)	2209

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	438.5	501.8	568.2
EBITDA	58.3	69.4	82.4
Adj. PAT	39.1	47.7	57.5
Adj. EPS (INR)	6.7	8.1	9.8
EPS Gr. (%)	21.3	21.9	20.6
BV/Sh. (INR)	22.2	25.8	30.1
Ratios			
RoE (%)	31.9	33.8	35.0
ROCE (%)	26.6	28.5	29.7
Payout (%)	54.4	55.4	56.2
Valuations			
P/E (x)	31.0	25.4	21.1
P/BV (x)	9.3	8.0	6.8
EV/EBITDA (x)	20.0	16.7	13.9
Div. Yield (%)	1.8	2.2	2.7

Shareholding Pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	51.1	51.1	51.1
DII	13.7	13.6	13.0
FII	25.0	24.9	24.7
Others	10.2	10.4	11.2

FII includes depository receipts

CMP: INR206 TP: INR238 (+15%) Buy

Earnings beat, led by better margins & other income

Multiple growth drivers in place for a CV cycle revival

- Ashok Leyland (AL)'s 3QFY26 PAT of INR 10.3b was ahead of our estimate of INR9.6b, led by better-than-expected margins and higher other income. EBITDA margin improved 50bp YoY to 13.3% despite input cost pressure, and it was primarily driven by the operating leverage benefit.
- AL is expected to emerge as a major beneficiary of a pickup in CV demand. Over the years, AL has effectively reduced its business cyclicality by focusing on non-truck segments. Its continued emphasis on margin expansion and prudent control of capex is expected to help improve returns in the long run. Further, a net cash position will enable AL to invest in growth avenues in the coming years. **We reiterate our BUY rating with a TP of INR238 (based on 15x Dec27E EV/EBITDA + ~INR12/sh for NBFC).**

Earnings beat on better margins and higher other income

- AL's revenue grew 22% YoY to INR115b (in line), led by volume growth of 24% YoY to 57.6k units, while realizations fell 2% YoY to INR2m (in line).
- Gross margins were impacted by 50bp due to RM inflation and inferior mix in the trucks segment, with a higher contribution from ICVs.
- EBITDA margins expanded 120bp QoQ (+50bp YoY) to 13.3%, which was higher than our estimate of 13%. This was supported by operating leverage despite the input cost pressure.
- Hence, EBITDA grew 27% YoY to INR15.3b (slightly ahead of our estimate).
- Overall, Adj PAT (adjusted for labor code provision of INR3b) grew 35% YoY to INR 10.3b – above our estimate of INR 9.6b, led by higher other income.
- Net cash increased to INR26.2b in 3QFY26 from INR9.6b in 3QFY25.

Highlights from the management commentary

- The company has recently launched several new products in the tractor-trailer and tipper segment, including the HIPPO and TAURUS models, which feature industry-leading power and torque, delivering 320 HP and 360 HP. Additionally, the company has introduced a multi-axle vehicle equipped with a 280 HP engine.
- In North India, AL's market share in the MHCV goods segment has grown to 25% from 15% over the past 4-5 years, with an overall share of 30-31%.
- CV demand has been strong in January across segments, and the momentum is holding up well for February as well, and hence management expects to end the year on a strong note.
- The company's capex stood at INR1.87b for 3Q and INR8.44b for 9MFY26. Investments in subsidiaries amounted to just INR160m in 9MFY26.
- In 9MFY26, Switch India sold 850 e-buses and 1,200 e-LCVs and is positive at EBITDA and PAT levels. The current order book stands at 1,050 units, and management expects Switch India to be FCF positive in FY27.

Valuation and view

- AL is likely to emerge as a major beneficiary of a pickup in CV demand. Over the years, AL has effectively reduced its business cyclicality by focusing on non-truck segments. Its continued emphasis on margin expansion and prudent control of capex is likely to help improve returns in the long run. Further, a net cash position will enable AL to invest in growth avenues in the coming years. **We reiterate our BUY rating with a TP of INR238 (based on 15x Dec27E EV/EBITDA + ~INR12/sh for NBFC).**

Quarterly Performance (S/A) (INR m)

	FY25				FY26E				FY25	FY26E		Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3QE	(%)
Total Volumes (nos)	43,893	45,624	46,404	59,176	44,238	49,116	57,625	70,680	1,95,097	2,21,659	57,625	0.0
Growth %	6.2	-8.5	-1.4	5.1	0.8	7.7	24.2	19.4	0.3	13.9	24.2	
Realizations (INR '000)	1,959	1,922	2,043	2,012	1,972	1,952	2,002	1,981	1,986	1,978	1,961	2.1
Change (%)	-1.1	-0.6	3.7	0.6	0.7	1.6	-2.0	-1.6	0.7	0.3	-4.0	
Net operating revenues	**85,985**	**87,688**	**94,787**	**1,19,067**	**87,245**	**95,882**	**1,15,339**	**1,40,004**	**3,87,527**	**4,38,469**	**1,12,999**	2.1
Change (%)	5.0	-9.0	2.2	5.7	1.5	9.3	21.7	17.6	1.0	14.3	**19.2**	
RM/sales %	72.2	71.2	71.5	70.6	70.6	71.2	72.2	71.4	71.3	71.4	71.5	
Staff/sales %	6.4	6.8	6.4	5.5	7.0	6.8	5.4	4.8	6.2	5.8	6.0	
Other exp/sales %	10.9	10.4	9.4	8.9	11.2	10.0	9.1	8.4	9.8	9.5	9.5	
Total Cost	76,877	77,515	82,672	1,01,158	77,550	84,260	99,988	1,18,409	3,38,222	3,80,207	98,309	
EBITDA	**9,109**	**10,173**	**12,114**	**17,910**	**9,696**	**11,622**	**15,350**	**21,594**	**49,306**	**58,262**	**14,690**	4.5
Change (%)	11.0	-5.8	8.8	12.5	6.4	14.2	26.7	20.6	7.0	18.2		
EBITDA Margins(%)	10.6	11.6	12.8	15.0	11.1	12.1	13.3	15.4	12.7	13.3	13.0	30bp
Interest	591	607	501	471	419	420	439	351	2,169	1,628	400	
Other Income	223	973	247	1,059	529	1,348	593	541	2,503	3,010	300	97.5
Depreciation	1,727	1,754	1,923	1,789	1,828	1,723	1,775	1,802	7,193	7,127	1,750	
PBT after EO	**7,014**	**9,958**	**9,938**	**16,573**	**7,977**	**10,427**	**10,645**	**19,983**	**43,483**	**49,031**	**12,840**	
Effective Tax Rate (%)	25.1	22.7	23.3	24.8	25.6	26.0	25.2	25.3	24.0	25.5	25.0	
Adj PAT	**5,256**	**6,933**	**7,617**	**12,562**	**5,937**	**8,009**	**10,258**	**14,921**	**32,245**	**39,125**	**9,630**	6.5
Change (%)	-8.9	20.2	31.2	32.4	13.0	15.5	34.7	18.8	20.2	21.3	26.4	

Key Performance Indicators

Y/E March	FY25				FY26E				FY25	FY26E	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3Q
M&HCV	27,885	28,180	30,058	39,908	28,071	30,718	37,376	30,082	1,26,031	1,43,271	28755
Dom. M&HCV Mkt sh (%)	30.7	31.1	29.6	31.3	30.7	30.2	30.2		30.7		
LCV	16,008	17,444	16,346	19,268	16,167	18,398	20,249	14,599	69,066	78,387	15483
Dom. LCV Mkt sh (%)	11.1	12.0	10.4	11.2	11.2	11.8	10.7		11.2		
Total Volumes (nos)	**43,893**	**45,624**	**46,404**	**59,176**	**44,238**	**49,116**	**57,625**	**70,680**	**1,95,097**	**2,21,659**	**57625**
Realizations (INR '000)	1,959	1,922	2,043	2,012	1,972	1,952	2,002	1,981	1,986	1,978	1961
Growth %	-1.1	-0.6	3.7	0.6	0.7	1.6	-2.0	-1.6	42.4	41.8	-4
Cost Break-up											
RM Cost (% of sales)	72.2	71.2	71.5	70.6	70.6	71.2	72.2	71.4	71.3	71.4	71.5
Staff Cost (% of sales)	6.4	6.8	6.4	5.5	7.0	6.8	5.4	4.8	6.2	5.8	6.0
Other Cost (% of sales)	10.9	10.4	9.4	8.9	11.2	10.0	9.1	8.4	9.8	9.5	9.5
Gross Margin (%)	**27.8**	**28.8**	**28.5**	**29.4**	**29.4**	**28.8**	**27.8**	**28.6**	**28.7**	**28.6**	**28.5**
EBITDA Margins (%)	**10.6**	**11.6**	**12.8**	**15.0**	**11.1**	**12.1**	**13.3**	**15.4**	**12.7**	**13.3**	**13.0**
EBIT Margins (%)	8.6	9.6	10.8	13.5	9.0	10.3	11.8	14.1	10.9	11.7	11.5

Apollo Hospitals

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	APHS IN
Equity Shares (m)	144
M.Cap.(INRb)/(USDb)	1079.4 / 11.9
52-Week Range (INR)	8100 / 6001
1, 6, 12 Rel. Per (%)	2/-2/6
12M Avg Val (INR M)	2981

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	247.8	284.3	324.3
EBITDA	36.5	41.8	48.6
Adj. PAT	18.8	22.5	27.9
EBITDA Margin (%)	14.7	14.7	15.0
Cons. Adj. EPS (INR)	130.9	156.3	193.8
EPS Gr. (%)	30.1	19.4	24.0
BV/Sh. (INR)	718.5	873.9	1,068.1
Ratios			
Net D:E	-0.1	-0.3	-0.4
RoE (%)	20.7	20.3	20.6
RoCE (%)	15.7	16.4	17.6
Payout (%)	4.5	3.7	3.0
Valuations			
P/E (x)	57.3	48.0	38.7
EV/EBITDA (x)	30.0	25.6	21.4
Div. Yield (%)	0.1	0.1	0.1
FCF Yield (%)	2.3	2.7	3.1
EV/Sales (x)	4.4	3.8	3.2

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	28.0	28.0	29.3
DII	21.7	21.4	20.2
FII	43.5	44.2	45.3
Others	6.7	6.4	5.2

FII includes depository receipts

CMP: INR7,507 TP: INR9,015 (+20%) Buy

Hospital optimization, HealthCo traction drive beat

Work-in-progress to add beds/stores and improve GMV

- Apollo Hospitals Enterprises (APHS) delivered a strong beat on revenue/EBITDA/PAT (6%/6%/13%) in 3QFY26. The performance was largely driven by both hospitals and Healthco (digital health and offline pharmacy).
- APHS reported improved profitable growth in hospital segment, driven by case mix optimization and a tariff hike. APHS continues to work on optimizing the average length of stay (ALOS), which was down 5% YoY in 9MFY26.
- Healthy YoY growth in Healthco was driven by store additions, better same-sales growth, a higher share of private labels, increasing online transactions, and expanding offerings.
- Diagnostics segment within AHLL posted robust revenue growth due to the addition of centers, increased footfalls and increased realization.
- We largely maintain our estimates for FY26/FY27/FY28. We expect 22% earnings CAGR over FY26-28, led by a) addition of beds and optimization of operations at existing hospitals, b) a better outlook in online and offline pharmacy, and c) better operating leverage.
- We value APHS on an SoTP basis (30x EV/EBITDA for the hospital business, 20x EV/EBITDA for retained pharmacy, 25x EV/EBITDA for AHLL, 23x EV/EBITDA for front-end pharmacy, and 2x EV/sales for Apollo 24/7) to arrive at our TP of INR9,015. Maintain BUY.

Highest YoY revenue growth in last 24 months

- APHS 3QFY26 revenue grew 17.2% YoY to INR64.8b (our est: INR61.3b).
- 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.

Double-digit growth continues across all vertical

- 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.

Highlights from the management commentary

- APHS expects 100bp expansion in base hospital EBITDA margins in FY27.
- The company aims to sustain organic growth, targeting 12-14% YoY revenue growth in base hospitals, with ~50% contribution from volume and the rest from case mix and pricing.
- It expects ~3-4% incremental revenue contribution from new beds in FY27.
- Cash EBITDA breakeven for Apollo 24/7, initially expected by 4QFY26, is now pushed by one quarter to 1QFY27 due to a change in revenue recognition for insurance business. Earlier, insurance commissions were recognized upfront when policies were sold. After GST rule changes, commissions are now recognized over 12 months.
- Reported GMV growth was 28% YoY. After adjusting the GST reduction on pharmacy products and the exit from the Amazon e-commerce channel, which resulted in a combined GMV impact of ~ INR750m, GMV growth was 30% YoY.

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	801	2,003	2,278	560	
PBT before EO expense	**4,185**	**5,517**	**5,309**	**5,050**	**5,691**	**6,684**	**6,863**	**6,398**	**20,061**	**25,636**	**6,407**	
Extra-Ord expense/(Income)	0	0	0	0	0	0	192	0	0	192	0	
PBT	**4,185**	**5,517**	**5,309**	**5,050**	**5,691**	**6,684**	**6,671**	**6,398**	**20,061**	**25,444**	**6,407**	
Tax	1,145	1,617	1,568	1,010	1,417	1,807	1,657	1,779	5,340	6,660	1,762	
Rate (%)	27.4	29.3	29.5	20.0	24.9	27.0	24.8	27.8	26.6	26.2	27.5	
Minority Interest & Profit/Loss of Asso.	-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**	**4,549**	**14,459**	**18,672**	**4,563**	
Adj PAT	**3,052**	**3,788**	**3,723**	**3,896**	**4,328**	**4,772**	**5,167**	**4,549**	**14,459**	**18,816**	**4,563**	**13.2%**
YoY Change (%)	83.2	63.5	51.8	53.5	41.8	26.0	38.8	16.7	61.1	30.1	22.6	
Margins (%)	6.0	6.8	6.7	7.0	7.4	7.6	8.0	7.4	6.6	7.6	7.4	
EPS	**21.2**	**26.3**	**25.9**	**27.1**	**30.1**	**33.2**	**35.9**	**31.6**	**100.6**	**130.9**	**31.7**	

E: MOFSL Estimates

Key performance Indicators

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	vs Est
Hospital Revenue (INRm)	**26,373**	**29,032**	**27,850**	**28,220**	**29,351**	**31,690**	**31,830**	**33,584**	**111,475**	**126,455**	**30,500**	**4.4%**
YoY Growth (%)	15.0	14.0	13.0	10.3	11.3	9.2	14.3	19.0	13.0	13.4	9.5	
EBITDA margin (%)	23.6	24.9	24.1	24.3	24.5	24.6	24.8	22.1			24	
Healthco (INRm)	**20,821**	**22,822**	**23,524**	**23,763**	**24,718**	**26,606**	**28,270**	**24,136**	**90,930**	**103,730**	**26,465**	**6.8%**
YoY Growth (%)	15.3	17.3	14.8	17.2	18.7	16.6	20.2	1.6	16.2	14.1	12.5	
EBITDA margin (%)	1.1	2.3	2.4	1.5	3.8	4.1	4.5	5.3			4	
AHLL Revenue (INRm)	**3,661**	**4,039**	**3,895**	**3,940**	**4,351**	**4,739**	**4,670**	**3,882**	**15,535**	**17,642**	**4,295**	**8.7%**
YoY Growth (%)	14.9	14.0	15.3	11.1	18.8	17.3	19.9	-1.5	13.8	13.6	10.3	
Cost Break-up												
Gross Margin (%)	48.4	48.9	47.5	47.6	47.8	48.5	47.8	49.0	48.1	48.3	48.7	
EBITDA Margin (%)	13.3	14.6	13.8	13.8	14.6	14.9	14.9	14.5	13.9	87.8	14.9	
PAT Margin (%)	6.0	6.8	6.7	7.0	7.4	7.6	8.0	7.4	6.6	78.6	7.4	

Oil India

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	OINL IN
Equity Shares (m)	1627
M.Cap.(INRb)/(USDb)	779.6 / 8.6
52-Week Range (INR)	524 / 322
1, 6, 12 Rel. Per (%)	13/8/4
12M Avg Val (INR M)	1412

Financials & Valuations (INR b)

Y/E march	FY26E	FY27E	FY28E
Sales	205.6	197.4	209.4
EBITDA	68.0	67.0	72.8
Adj. PAT	46.7	43.3	47.1
Adj. EPS (INR)	28.7	26.6	29.0
EPS Gr. (%)	-23.6	-7.4	8.9
BV/Sh.(INR)	299.3	317.7	337.8
Ratios			
Net D:E	0.2	0.2	0.2
RoE (%)	9.9	8.6	8.8
RoCE (%)	5.9	5.2	5.5
Payout (%)	30.6	30.6	30.6
Valuations			
P/E (x)	16.7	18.0	16.5
P/BV (x)	1.6	1.5	1.4
EV/EBITDA (x)	12.9	13.2	12.2
Div. Yield (%)	1.8	1.7	1.8
FCF Yield (%)	0.8	2.2	2.4

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	56.7	56.7	56.7
DII	29.3	29.1	27.1
FII	7.5	7.6	9.4
Others	6.5	6.7	6.8

FII includes depository receipts

CMP: INR479 TP: INR430 (-10%) Neutral

Elevated other expenses dent 3Q performance

- **Oil India's (OINL) 3QFY26 revenue came in line with our estimate at INR49.2b. However, oil/gas sales came in 3%/1% below our estimate at 0.82mmt/0.66bcm. Oil realization was USD62.84/bbl (our estimate of USD62.1/bbl). EBITDA was 34% below estimate at INR13.1b (-39% YoY). The miss was primarily due to a significant rise in contract cost (including survey cost). EBITDA adjusted for exploration cost write-offs stood at INR18.1b, down 20%/36% YoY/QoQ. Reported PAT was 17% below our estimate at INR8.1b.**
- **Key things we liked about the result: 1) Well drilling intensity remains high with 19 new wells dug in 3QFY26 (51 wells in 9MFY26). The company aims to drill 75/100 wells in FY26/FY27. 2) NRL reported strong performance in 3Q, with a PAT of INR8.7b (vs. PAT of INR3.9b during 3QFY25), as GRM stood at USD16.27/bbl.**
- **Key investor concerns: 1) Contract cost (including survey cost) rose significantly to INR8.9b in 3Q (INR5.2b in 2QFY26, INR5b in 3QFY25). Further, exploration cost write-offs/provisions/impairments for the quarter stood at INR5b (INR4.6b/INR9.8b in 1QFY26/2QYF26). Elevated other expenses over the last two quarters have dented OINL's performance. 2) Production volumes continue to remain soft as oil/gas production was down 1%/3% YoY at 858mmt/801bcm in 3Q. However, management has guided that the natural decline from existing fields has now been arrested, and strong production growth is expected going forward, with total volumes projected to reach 7.5/8.5mmtoe in FY27/28.**
- **Key changes to estimates: While we maintain our EBITDA estimates for FY27/28, we increase our PAT estimates as we factor in: 1) the normalization of exploration cost write-offs, and 2) an increase in our other income estimate.**
- **Valuation and view: We reiterate our Neutral rating on the stock and arrive at our SoTP-based TP of INR430 as we model a CAGR of 2%/3.8% in oil/gas production volume over FY25-28.**

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 reduced 1% YoY at 858mmt. Gas production declined 3% YoY at 801bcm.
  - Oil realization was USD62.84/bbl (our estimate of USD62.1/bbl).
- EBITDA was 34% below estimate at INR13.1b (-39% YoY).
  - The miss was primarily due to a significant rise in the contract cost (including survey cost) to INR8.9b (INR5.2b in 2QFY26, INR5b in 3QFY25).
  - Exploration cost write-offs/provisions/impairments for 3QFY26 stood at INR5b (INR4.6b/INR9.8b in 1QFY26/2QYF26). EBITDA adjusted for exploration cost write-offs 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).

Valuation and view

- In the past few quarters, OINL has struggled to raise production/sales with limited production/sales growth YoY. Further, while we like the increased exploration intensity (which is key to building a robust development pipeline), we believe this will likely be accompanied by higher dry well write-offs, which will weigh on earnings. Moreover, the benefits of increased new well gas proportion for OINL will be mostly offset by subdued gas realization amid a weaker crude oil price outlook.
- The company aims to drill 75+ wells by FY26-end (of which, 51 have already been drilled). The target for FY27 is 100 wells. These will be the highest number of wells drilled annually in the history of OINL. The NRL refinery segment is expected to achieve 50% capacity utilization by FY27-end, which will gradually ramp up to 100% by 2QFY28-end.
- We revise our SoTP-based TP to INR430 as we model a 2%/3.8% production volume growth CAGR for oil and gas production over FY25-28.

Quarterly Performance (INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	**58.4**	**55.2**	**52.4**	**55.2**	**50.1**	**54.6**	**49.2**	**51.7**	**221.2**	**205.6**	**50.3**	**-2%**
Change (%)	*25.7*	*-6.7*	*-9.9*	*-4.1*	*-14.2*	*-1.1*	*-6.2*	*-6.3*	*-0.1*	*-7.0*	*-4.1*	
EBITDA	**24.7**	**21.8**	**21.3**	**19.8**	**19.1**	**18.4**	**13.1**	**17.3**	**87.7**	**68.0**	**19.8**	**-34%**
% of Net Sales	*42.2*	*39.6*	*40.7*	*36.0*	*38.2*	*33.8*	*26.6*	*33.4*	*39.6*	*33.1*	*39.3*	
Change (%)	*5.9*	*-12.3*	*1.3*	*-15.0*	*-22.4*	*-15.5*	*-38.7*	*-12.8*	*-5.3*	*-22.5*	*-7.4*	
D,D&A	4.6	5.0	5.3	4.3	5.3	5.8	6.4	5.0	19.2	22.5	5.8	
Interest	2.0	2.3	2.4	2.0	1.5	2.6	2.7	2.9	8.7	9.7	3.0	
OI (incl. Oper. other inc)	1.6	8.6	1.9	6.6	1.8	8.3	5.5	5.7	18.7	21.2	2.0	
PBT before exceptional	**19.7**	**23.1**	**15.5**	**20.2**	**14.0**	**18.4**	**9.5**	**15.1**	**78.5**	**57.0**	**12.9**	**-27%**
Exceptional item	**0.0**	**0.0**	**0.0**	**0.0**	**3.1**	**5.2**	**0.0**	**0.0**	**0.0**	**8.3**	**0.0**	
PBT after exceptional	**19.7**	**23.1**	**15.5**	**20.2**	**11.0**	**13.2**	**9.5**	**15.1**	**78.5**	**48.7**	**12.9**	**-27%**
Tax	5.1	4.7	3.3	4.3	2.8	2.7	1.4	3.3	17.4	10.3	3.3	
Rate (%)	*25.7*	*20.4*	*21.2*	*21.2*	*20.2*	*14.9*	*14.7*	*21.8*	*22.1*	*18.0*	*25.2*	
PAT	**14.7**	**18.3**	**12.2**	**15.9**	**8.1**	**10.4**	**8.1**	**11.8**	**61.1**	**38.5**	**9.7**	**-17%**
Change (%)	*-9.1*	*463.8*	*-22.9*	*-21.6*	*-44.5*	*-43.1*	*-33.8*	*-25.8*	*29.4*	*-37.1*	*-20.7*	
Adj. PAT	**14.7**	**18.3**	**12.2**	**15.9**	**11.2**	**15.6**	**8.1**	**11.8**	**61.1**	**46.7**	**9.7**	**-17%**
Key Assumptions												
Oil sales (mmt)	0.83	0.84	0.83	0.85	0.82	0.83	0.82	0.93	3.35	3.39	0.84	-3%
Gas sales (bcm)	0.68	0.65	0.68	0.67	0.70	0.66	0.66	0.67	2.67	2.69	0.67	-1%
Net Oil Realization (USD/bbl)	**74.6**	**73.9**	**73.8**	**74.5**	**66.2**	**68.2**	**62.8**	**64.0**	**74.2**	**72.1**	**62.1**	**1%**

Exhibit 1: Major assumptions for OINL

Particulars	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Exchange Rate (INR/USD)	64.5	74.3	74.5	80.4	82.8	84.6	87.5	88.2	90.0
Gas Price Realization (USD/mmbtu)	3.8	2.2	2.6	7.3	6.5	6.5	6.7	6.2	6.4
Brent Crude Price (USD/bbl)	61.2	44.4	80.5	96.1	83.0	78.6	66.1	60.0	60.0
Production Details									
Oil (mmt)	3.13	2.96	3.01	3.18	3.36	3.46	3.46	3.56	3.67
Gas (bcm)	2.77	2.48	2.89	3.18	3.18	3.25	3.30	3.47	3.64
Total (mmtoe)	**5.90**	**5.44**	**5.90**	**6.36**	**6.54**	**6.71**	**6.76**	**7.03**	**7.31**
Subsidy Sharing (INRb)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Oil Price Realization (USD/bbl)									
Net	**60.8**	**44.3**	**78.8**	**85.2**	**75.7**	**74.2**	**65.0**	**60.0**	**60.0**
Change (%)	*-11%*	*-27%*	*78%*	*8%*	*-11%*	*-2%*	*-12%*	*-8%*	*0%*
EPS (INR/sh.)	**15.9**	**13.5**	**23.9**	**41.9**	**48.7**	**37.6**	**28.7**	**26.6**	**29.0**

United Breweries

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	UBBL IN
Equity Shares (m)	264
M.Cap.(INRb)/(USDb)	429.7 / 4.7
52-Week Range (INR)	2295 / 1401
1, 6, 12 Rel. Per (%)	4/-21/-32
12M Avg Val (INR M)	347

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Net Sales	94.8	105.4	117.8
Sales Gr. (%)	6.4	11.2	11.8
EBITDA	8.6	11.4	14.2
Margin (%)	9.1	10.8	12.1
Adj. PAT	4.4	6.5	8.7
Adj. EPS (INR)	16.5	24.7	33.1
EPS Gr. (%)	-6.6	49.7	33.8
BV/Sh. (INR)	173.7	187.0	204.7
Ratios			
RoE (%)	9.7	13.7	16.9
RoCE (%)	10.8	14.5	17.5
Valuations			
P/E (x)	98.5	65.8	49.1
P/BV (x)	9.4	8.7	7.9
EV/EBITDA (x)	48.7	36.4	29.4

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	70.8	70.8	70.8
DII	18.6	17.8	17.7
FII	5.5	6.3	6.4
Others	5.1	5.1	5.1

FII includes depository receipts

CMP: INR1,625 TP: INR1,700 (+5%) Neutral

All eyes on seasonal pickup; annual margins to expand steadily

- United Breweries (UBBL) reported a 4% YoY revenue growth in 3QFY26 (est. +1%). However, volumes dipped 1% YoY (est. -1%; +8% in 3QFY25) due to higher excise duties in some states, affordability pressures, and an early winter. The 5% realization gain was from price hikes (Telangana, Rajasthan, and UP) and better product/state mix (Maharashtra, Karnataka).
- The Western region performed strongly, with 20% volume growth, while North, East, and South declined 16%, 2%, and 2%, respectively. Volumes dropped sharply in states like Karnataka (-17%) and Rajasthan (-5%), with double-digit declines in Telangana and West Bengal, mainly due to pricing-related affordability issues. According to management, industry growth improved to ~5% in January, indicating early signs of recovery.
- Gross margin expanded sharply 220bp YoY to 45.3% (vs. est. 43%). EBITDA margin expanded 380bp YoY to 10.9% (est. 6%, 6.3% in 3QFY26). Margin expansion was supported by higher bottle return rates, localized sourcing, favorable state mix, and multiple operational efficiency initiatives. We have generally noted high margin volatility on a quarterly basis. We expect margins to improve steadily, driven by operating leverage, cost initiatives, and pricing actions. We model EBITDA margins of 10.8% for FY27 and 12.1% for FY28 (pre-pandemic margin of more than 15%).
- We expect 11% revenue, 28% EBITDA, and 42% APAT CAGR over FY26–28, supported by a low base and gradual volume recovery, despite near-term demand pressures and a delayed recovery. Given the rich valuations and lingering regulatory headwinds, we reiterate our Neutral stance on the stock with a TP of INR1,700 (55x Dec'27E EPS).

Slow growth continues; sharp margin beat

- **Marginal decline in volume:** UBBL's standalone net sales grew 4% YoY to INR20.7b (est. INR20.2b). Overall volume declined 1.3% (est. +1%). The decline was primarily driven by Telangana, Rajasthan, and Karnataka, partly offset by resilient growth in Andhra Pradesh and Maharashtra.
- **Regional performance:** The Western region delivered a strong 20% volume growth, while North, East, and South reported declines of 16%, 2%, and 2%, respectively.
- **Big beat on margins:** 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 declined 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. There was a miss on margins in 2QFY26.
- **Strong growth in profitability:** EBITDA increased 60% YoY to INR2.3b (est. INR1.2b). Interest costs rose ~427% YoY to INR169m (est. INR110m). APAT rose 55% YoY to INR1.0b (est. INR0.5b).
- In 9MFY26, net sales and EBITDA grew 6% and 2%, while APAT declined 11%.

Highlights from the management commentary

- Category volumes declined sharply in several key states, including Karnataka (-17%), Rajasthan (-5%), and double-digit declines in Telangana and West Bengal, reflecting the impact of pricing and affordability constraints.
- The company expects high single-digit inflation in barley prices, primarily driven by increases in minimum support prices (MSP).
- Management indicated that approximately 50% of the 220bp margin expansion is structural, suggesting sustainability in profitability going forward.
- The company launched Kingfisher Strong Smooth in Jan'26, targeting younger consumers seeking less bitter beer, and expects the product to drive category growth, improve profitability relative to Kingfisher Strong, and attract new consumers.

Valuation and view

- We largely maintain our EPS estimates for FY27 and FY28.
- UBBL continues to face multiple headwinds, including prolonged monsoon-led disruptions, high excise duties, and affordability pressures in key markets such as Karnataka, Telangana, and Odisha, which have weighed on category growth. Management is focusing on portfolio premiumization, cost discipline, and proactive engagement with state authorities to drive recovery.
- We expect 11% revenue, 28% EBITDA, and 42% APAT CAGR over FY26–28, supported by a low base and gradual volume recovery, despite near-term demand pressures and a delayed recovery. Given the rich valuations and lingering regulatory headwinds, we reiterate our Neutral stance on the stock with a TP of INR1,700 (55x Dec'27E EPS).

Standalone Quarterly Performance (INRm)

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	5	6	7	1	
Net Sales	24,730	21,147	19,984	23,214	28,624	20,511	20,714	24,924	89,074	94,772	20,183	2.6%
YoY Change (%)	8.8	12.0	9.6	8.9	15.7	-3.0	3.7	7.4	9.7	6.4	1.0	
Gross Profit	10,642	9,272	8,619	9,772	12,176	8,779	9,393	10,594	38,305	40,942	8,679	8.2%
Margin (%)	43.0	43.8	43.1	42.1	42.5	42.8	45.3	42.5	43.0	43.2	43.0	
EBITDA	2,847	2,268	1,411	1,862	3,105	1,301	2,255	1,956	8,390	8,617	1,211	86.2%
YoY Change (%)	27.8	22.9	-3.0	31.2	9.1	-42.6	59.8	5.0	20.5	2.7	-14.2	
Margins (%)	11.5	10.7	7.1	8.0	10.8	6.3	10.9	7.8	9.4	9.1	6.0	
Depreciation	577	571	613	567	628	640	689	693	2,327	2,650	645	
Interest	16	22	32	59	112	147	169	173	129	600	110	
Other Income	73	105	101	79	110	150	109	82	357	450	145	
PBT before EO expense	2,327	1,781	867	1,316	2,475	665	1,506	1,172	6,291	5,817	601	150.6%
Tax	595	458	227	342	638	196	510	111	1,622	1,454	141	
Rate (%)	25.5	25.7	26.2	26.0	25.8	29.4	33.9	9.5	26.9	25.0	23.5	
Reported PAT	1,733	1,322	383	974	1,837	469	808	1,061	4,412	4,363	460	
Adj PAT	1,733	1,322	640	974	1,837	469	996	1,061	4,669	4,363	460	116.5%
YoY Change (%)	27.3	22.9	-24.5	20.5	6.0	-64.5	55.5	8.9	13.6	-6.6	-28.2	
Margins (%)	7.0	6.3	3.2	4.2	6.4	2.3	4.8	4.3	5.2	4.6	2.3	

E: MOFSL Estimates

Bandhan Bank

BSE SENSEX	S&P CNX
84,234	25,954

CMP: INR168 TP: INR190 (+13%) Buy

Long-awaited turnaround in sight!

Asset quality outlook improving; estimate RoA to recover to ~1.5% by FY28

We met with the top management of Bandhan Bank (Bandhan), represented by Mr. Rajinder Kumar Babbar (ED & CBO), Mr. Ratan Kumar Kesh (ED & COO), Mr. Rajeev Mantri (CFO), and Vikash Mundhra (Head IR).

- **Bandhan has endured a long and painful asset quality cycle over the past many years. After delivering a stellar ~4% average RoA over FY17-20, the profitability has declined sharply, with the average RoA shrinking to 1% over the past five years.**
- **Balance-sheet clean-up after persistent MFI stress, aided by ARC sale, stabilization in the EEB portfolio, rapid scaling-up of secured lending, and improving liability mix collectively mark a structural reset of the franchise. The trajectory of improving margins, declining credit costs, and operating leverage provides a clear runway for RoA/RoE recovery over the medium term.**
- **We thus estimate Bandhan to deliver strong earnings recovery over FY26–28, with RoA/RoE improving to ~1.5%/13% as credit costs normalize and growth accelerates.**
- **Valuations remain undemanding given the improving fundamentals and reduced balance-sheet risk. We upgraded the stock to BUY during 3QFY26 results and view this as a high-beta turnaround play among mid-sized private banks. The collection efficiency in the MFI business and the West Bengal/Assam elections to remain the key monitorables. We revise our TP to INR190 (based on 1.1x Sep'27E ABV).**

B/S clean-up largely behind; EEB book stabilizing after a prolonged stress

- Bandhan has made gradual progress in addressing the asset quality issues that it faced in the core EEB portfolio over the past many years. In 3QFY26, the bank reported a moderation in slippage run-rate alongside a large ARC transaction (sale of ~INR31.65b of NPAs) besides ~INR37.07b of write-offs from the EEB and ABG (Aspiring Business Group) portfolios. This has led to an improvement in asset quality ratios, with the Net NPA ratio declining to <1%.
- The collections in the EEB portfolio have now stabilized, improving to ~98%+ levels, and early delinquency indicators (SMA 0–90 DPD) show sequential moderation. Adjusting for the ARC sale, the EEB book would have posted ~2% QoQ growth, signaling that the multi-quarter decline phase is largely behind.
- Forward-flow indicators continue to improve, driven by tighter field controls, digital collection initiatives, enhanced customer communication, and calibrated product tweaks (longer tenures, flexible repayment cycles).
- We believe this marks a durable recovery in the EEB business rather than a transient improvement.

Secured portfolio scaling up well; asset mix de-risking gaining momentum

- Bandhan's diversification strategy continues to deliver results, with the secured portfolio now accounting for ~60% of advances, up sharply YoY, driven by strong growth in housing, retail secured (gold, CV/CE, auto), and wholesale banking. Non-EEB advances grew ~25% YoY in 3QFY26, materially outpacing system growth.

Stock Info

Bloomberg	BANDHAN IN
Equity Shares (m)	1611
M.Cap.(INRb)/(USDb)	271.1 / 3
52-Week Range (INR)	192 / 128
1, 6, 12 Rel. Per (%)	16/-4/4
12M Avg Val (INR M)	1388
Free float (%)	60.3

Financials Snapshot (INR b)

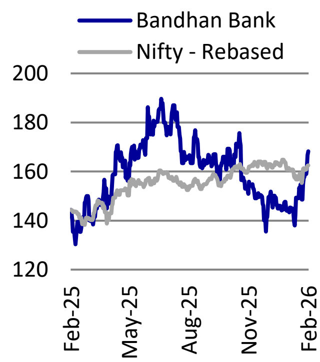
Y/E March	FY25	FY26E	FY27E
NII	114.9	109.0	128.5
OP	73.9	61.8	75.1
NP	27.5	12.8	28.2
NIM (%)	6.7	5.7	5.9
EPS (INR)	17.0	8.0	17.5
EPS Gr. (%)	22.8	-53.3	120.1
BV/Sh. (INR)	151	153	165
ABV/Sh. (INR)	144	147	159
Ratios			
RoA (%)	1.5	0.6	1.3
RoE (%)	12.0	5.2	11.0
Valuations			
P/E(X)	9.8	21.0	9.5
P/BV (X)	1.1	1.1	1.0
P/ABV (X)	1.2	1.1	1.1

Shareholding pattern (%)

	Dec-25	Sep-25	Dec-24
Promoter (%)	39.7	40.3	40.0
DII (%)	18.8	17.9	15.5
FII (%)	22.3	23.4	23.2
Others (%)	19.1	18.4	21.3

FII includes depository receipts

Stock Performance (1-year)



- The bank's loan mix has become meaningfully more balanced, with EEB+SBAL now at ~34.5% of advances (vs. >55%, three years ago), wholesale banking at ~31%, housing at ~23%, and retail loans nearing ~10%. This rebalancing has helped lower portfolio volatility, improve LGD characteristics, and support more stable through-cycle earnings. Management reiterated its medium-term focus on further strengthening secured lending while maintaining disciplined growth in EEB, implying a structurally lower risk profile vs. the pre-Covid period.

Margin trajectory improving as CoF eases further

- NIM showed an early sign of revival, with Bandhan reporting 3QFY26 NIM at ~5.9%, a 6bp sequential improvement. This occurred despite the rising share of lower-yielding secured assets and was aided by ~20bp QoQ reduction in CoF, reflecting the ongoing shift away from high-cost bulk deposits and repricing of liabilities. While headline CASA declined to ~27.3%, the outflows were largely from high-value, rate-sensitive balances following savings rate cuts. Encouragingly, core granular CASA balances continue to grow, indicating an improving quality of the liability franchise.
- With bulk deposit mix steadily declining, down 6% QoQ, and retail term deposits growing at a healthy run rate, we expect further moderation in funding costs. The bank has aligned its SA rates and has brought them closer to peer banks. With more cuts flowing in, the bank will see a further reduction in its CoF (aided by both a reduction in SA and TD rates as well). Bandhan guided NIMs to sustain at ~5.8-6.0% over FY26-28E, notwithstanding the continued asset mix diversification and residual loan repricing.

Loan growth to gain traction; MFI growth to recover over FY27E

- With 2H being seasonally strong, the advances growth of ~10% YoY in 3Q will likely witness further traction in the coming quarter. The bank continues to maintain strong traction across non-EEB segments, which, coupled with growth recovery in the core EEB business, will enable better portfolio growth for the next fiscal.
- We currently estimate the bank to deliver ~15% CAGR growth over FY26–28E, driven primarily by expansion in the secured asset mix, while unsecured assets are expected to grow in absolute terms but at a relatively slower pace compared with the rest of the loan book.

Deposit franchise healthy; granularity and retail mix improving steadily

- Deposits posted a healthy growth of 11% YoY in 3QFY26, reflecting a conscious strategy to rebuild funding stability. CASA+ Retail TD now forms ~72% of total deposits, emphasizing improved granularity and franchise stickiness.
- While CASA ratios remain under pressure (industry-wide), Bandhan's branch expansion, deeper customer engagement, and digital onboarding initiatives should gradually support stabilization in CASA over the medium term. We expect deposit growth to broadly track loan growth over FY26–28E, both likely to post a 15% CAGR.

CD, LCR, and CRAR metrics appear balanced

- Despite persistent asset quality stress and muted profitability ratios, the bank's capitalization remains healthy with CAR comfortable at ~17.8% (Tier-1 ~16.5%). Bandhan has adequate balance-sheet headroom to support mid-teens loan growth (~15% loan CAGR estimate over FY26-28E) without near-term capital constraints.
- The CD ratio of the bank is expected to remain at the levels of 88-89% (vs. 97-98% over FY22-23), and we expect both loans and deposits to clock a ~15% CAGR over FY26-28. The LCR ratio continues to remain at a healthy 161% and supports growth recovery.

AQ turning around after prolonged stress; credit costs to trend lower

- Moderation in slippage run-rate, improving collection efficiency, and declining SMA pools indicate that Bandhan is moving into an improved credit environment. During 3QFY26, the bank reported a moderation in credit cost, and we estimate this to further trend lower in the coming quarters as the EEB book stabilizes and wholesale stress remains minimal.
- Management reiterated its guidance to normalize credit cost towards ~1.6–1.7% by 4QFY27 (2/3rd of the portfolio is secured with credit costs of 1%, and 1/3rd of the portfolio will have 3% credit costs), driven by lower incremental stress, improved recoveries, and a structurally safer portfolio mix.
- We believe the worst of the asset-quality cycle is behind us, with residual volatility reducing notably from FY27 onwards. We are currently conservatively factoring in a credit cost of 2.3%/2.0% for FY27/28E vs. 3.1% in FY26E.

Valuations and view

- Bandhan has endured a long and painful asset quality cycle over the past several years. After delivering a stellar ~4% average RoA over FY17-20, the profitability has declined sharply, with average RoA shrinking to 1% over the past five years. Balance-sheet clean-up after persistent MFI stress, aided by ARC sale, stabilization in the EEB portfolio, rapid scaling-up of secured lending, and improving liability mix collectively mark a structural reset of the franchise. The trajectory of improving margins, declining credit costs, and operating leverage provides a clear runway for RoA/RoE recovery over the medium term.
- We thus estimate Bandhan to deliver strong earnings recovery over FY26–28E, with RoA/RoE improving to ~1.5%/13% as credit costs normalize and growth re-accelerates. Valuations remain undemanding given the improving fundamentals and reduced balance-sheet risk.
- We recently upgraded Bandhan stock to BUY during the 3QFY26 results and view this as a high-beta turnaround play among mid-sized private banks. **Key monitorables:** Collection efficiency in the MFI business and West Bengal/Assam elections. **We revise our TP to INR190 (premised on 1.1x Sep'27E ABV).**

Prince Pipes and Fittings

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	PRINCPIP IN
Equity Shares (m)	111
M.Cap.(INRb)/(USDb)	30 / 0.3
52-Week Range (INR)	388 / 210
1, 6, 12 Rel. Per (%)	11/-13/-33
12M Avg Val (INR M)	109

Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	26.2	31.4	36.7
EBITDA	2.2	3.4	4.2
PAT	0.6	1.6	2.2
EBITDA (%)	8.3	10.7	11.4
EPS (INR)	5.8	14.1	19.6
EPS Gr. (%)	49.1	142.0	38.2
BV/Sh. (INR)	359.3	389.0	431.8
Ratios			
Net D/E	0.1	0.0	-0.1
RoE (%)	4.0	9.2	11.6
RoCE (%)	3.8	8.5	11.2
Payout (%)	35.2	14.2	10.3
Valuations			
P/E (x)	46.5	19.2	13.9
EV/EBITDA (x)	14.5	9.1	6.8
Div Yield (%)	0.7	0.7	0.7
FCF Yield (%)	0.9	3.5	7.6

Shareholding Pattern (%)

As on	Dec-25	Sep-25	Dec-24
Promoter	60.9	60.9	60.9
DII	15.6	16.0	16.5
FII	3.5	3.7	6.1
Others	19.9	19.4	16.6

Note: FII includes depository receipts

CMP: INR272 TP: INR390 (+44%) Buy

Weak quarter on all fronts; turnaround likely in 4Q

Big miss on earnings

- Prince Pipes and Fittings (PRINCPIP) posted a weak quarter amid the ongoing challenges of volatile PVC pricing and a sluggish demand environment. The company reported a flattish revenue YoY (4% dip QoQ), with volume growth of only 3% YoY/flat QoQ to 42.6k MT. EBITDA/kg stood at INR6.6 vs. INR0.7 in 3QFY25 and INR12.9 in 2QFY26. EBITDA growth YoY seems higher due to lower inventory loss this quarter at INR180-200m vs INR300m in 3QFY25.
- We are witnessing a healthy recovery in the PVC pipes industry, led by a spurt in PVC prices (by INR11-12/kg) in the last one month, with a strong double-digit volume growth observed in Jan'26. Management also retained its earlier guidance of a high single-digit volume growth in FY26 despite 2% growth in 9MFY26, implying a strong 4Q YoY growth of 25-30% with recovery in margins.
- Factoring in a weak 3Q performance, we cut our FY26E earnings by 29%. However, considering robust recovery in demand and pricing going ahead, we largely retain our FY27E/FY28E earnings and value the stock at 20x FY28E EPS to arrive at our TP of INR390. **Reiterate BUY.**

Lower volumes and volatile PVC pricing hurt margins

- Consolidated revenue remained flat YoY and declined 3.6% QoQ to INR5.7b (est. INR6.1b), while volumes increased 3% YoY and remained flat QoQ at 42.6KMT. Realization continued to decline (down 4% YoY/3% QoQ to INR134.6/Kg) amid volatile PVC pricing.
- Consolidated EBITDA grew by 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 (vs. Adj. loss after tax of INR204m YoY, Adj. PAT of INR146m QoQ; est. INR135m), adjusted for the impact of the new labor code of INR20m.
- In 9MFY26/3QFY26, revenue from the Bathware business stood at INR350m/INR130m, with a consolidated loss of INR180m/INR80m
- Net working capital days further improved to 66 for 9MFY26 vs. 98 as of Mar'25. This was largely led by lower inventory (down 22 days), receivables (down 12 days), and higher payable days (up 8 days).
- For 9MFY26, revenue dipped 3% YoY to INR17.5b, while volume/EBITDA/Adj. PAT increased 2%/ 15%/1% YoY to 129.1k MT/ INR1.2b/INR191m. **Our implied 4Q volume/revenue/EBITDA/PAT YoY growth is 14%/14%/74%/89%.**

Highlights from the management commentary

- **CPVC:** PRINCPIP launched its own CPVC brand, 'SMARTFIT PLUS', which is being made by in-house compounding (moving away from Lubrizol tie-up). This will have cost savings of ~6-7%, which will be passed on. CPVC delivered a high double-digit growth this quarter.
- **Guidance and Outlook:** For FY26, PRINCPIP **maintained its volume growth guidance of high-single-digit** due to improved channel sentiments. 4QFY26 is expected to be a strong quarter due to agriculture and plumbing boosts, aided by restocking. For FY27, the company has anticipated double-digit volume growth with EBITDA margin at 10-12% (excluding the Bathware segment loss).
- **Capex:** PRINCPIP spent INR1.6b in 9MFY26 and plans to incur an expenditure of INR600m in 4Q (mostly towards Aquel (~INR450m) and balance maintenance). Further, going ahead, capex will only be towards maintenance and new product (~INR700-750m) launches, as mostly the capacities are in place and management is focusing on improving their utilization before further expansion.

Valuation and view

- With the sharp rebound in PVC prices, an improving demand outlook, the ramp-up of the new Begusarai plant and geographical expansion of the bathware segment into the Southern and Eastern markets, the company is well-positioned for a turnaround in 4Q with healthy growth in FY27.
- The PVC segment is expected to deliver healthy double-digit volume growth in FY27 with margin improvement. Further, the Bathware segment is expected to break even by 3QFY27 at a quarterly revenue run rate of ~INR250-300m.
- We expect PRINCPIP to clock a 13%/37%/71% CAGR in revenue/EBITDA/PAT over FY25-28. We value the stock at 20x FY28 EPS to arrive at our TP of INR390. **Reiterate BUY.**

Consolidated – Quarterly Earnings 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**	**8,204**	**25,239**	**25,687**	**6,115**	**-6**
YoY Change (%)	9.2	-5.2	-6.6	-2.8	-4.0	-4.4	-0.8	14.0	-1.7	1.8	5.8	
Total Expenditure	5,462	5,764	5,748	6,648	5,408	5,395	5,454	7,248	23,621	23,505	5,596	
EBITDA	**583**	**457**	**30**	**548**	**396**	**551**	**279**	**956**	**1,618**	**2,181**	**518**	**-46**
Margins (%)	9.6	7.3	0.5	7.6	6.8	9.3	4.9	11.6	6.4	8.5	8.5	
Depreciation	257	276	264	273	307	325	336	340	1,070	1,308	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**	**611**	**588**	**873**	**180**	
Extra-Ord expense	0	0	0	0	0	0	20	0	0	20	0	
PBT	**337**	**204**	**-252**	**299**	**64**	**198**	**-20**	**611**	**588**	**852**	**180**	
Tax	90	57	-48	58	15	51	4	154	157	224	45	
Rate (%)	26.7	28.0	18.9	19.2	24.2	26.0	-18.2	25.2	26.7	26.3	25.2	
Reported PAT	**247**	**147**	**-204**	**242**	**48**	**146**	**-24**	**457**	**431**	**628**	**135**	
Adj PAT	**247**	**147**	**-204**	**242**	**48**	**146**	**-8**	**457**	**431**	**643**	**135**	
YoY Change (%)	25.8	-72.1	-154.3	-55.8	-80.5	-0.5	-95.9	89.1	-73.8	49	-8	
Margins (%)	4.1	2.4	-3.5	3.4	0.8	2.5	-0.1	5.6	1.7	2.5	2.2	

Laxmi Dental

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	LAXMIDEN IN
Equity Shares (m)	55
M.Cap.(INRb)/(USDb)	11.3 / 0.1
52-Week Range (INR)	510 / 180
1, 6, 12 Rel. Per (%)	-18/-53/-65
12M Avg Val (INR M)	138

Financials & Valuations (INRm)

Y/E March	FY26E	FY27E	FY28E
Sales	2,751	3,326	3,976
EBITDA	407	662	811
Adjusted PAT	302	496	620
EBITDA Margin (%)	14.8	19.9	20.4
Cons. Adj EPS (INR)	5.5	9.0	11.3
EPS Growth (%)	15.6	64.1	24.9
BV/Share (INR)	43.0	52.0	63.3
Ratios			
Net D-E	-0.4	-0.4	-0.4
RoE (%)	13.6	19.0	19.6
RoCE (%)	13.9	18.5	19.1
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	37.4	22.8	18.3
EV/EBITDA (x)	26.0	15.7	12.2
EV/Sales (x)	3.8	3.1	2.5
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	-0.4	0.9	3.5

Shareholding Pattern (%)

As On	Dec-25	Sep-25
Promoter	41.7	41.7
DII	10.8	11.9
FII	32.5	32.4
Others	15.0	14.1

FII includes depository receipts

CMP: INR206 TP: INR260 (+26%) Buy

Tariff uncertainty and Bizdent competition weigh on earnings

Growth pauses; long-term story intact

- Laxmi Dental (LAXMIDEN) reported in-line revenue in 3QFY26. However, EBITDA/PAT came in 34%/38% below expectations. The weakness in domestic lab business and biz-dent revenue impacted the performance for the quarter. While gross profit margin was better QoQ, EBITDA margin was impacted by lower operating leverage.
- LAXMIDEN continued to face challenges in US markets due to uncertainty on tariffs for the past six months. However, there is now clarity on the tariffs from the respective governments.
- The aligners business, comprising biz-dent, was impacted by competition in 3Q as well. Having said this, LAXMIDEN has revised its strategy to boost its growth prospects going forward.
- LAXMIDEN has exhibited steady sales of scanners QoQ. However, it is yet to reflect in improved sales in domestic lab offerings.
- We cut our estimates by 35%/20%/18% for FY26/FY27/FY28, factoring in a) a gradual recovery in business as global uncertainties have eased, b) a gestation period for laboratory business after the implementation of scanners. We value LAXMIDEN at 26x 12-month forward earnings to arrive at a TP of INR260.
- FY26 has been a challenging year for LAXMIDEN amid global policy issues and increased competition in biz-dent business. LAXMIDEN is implementing strategic initiatives, including promoting digital dentistry. A revival in revenue growth remains key to driving better earnings prospects going forward. Maintain BUY.

Earnings miss on lower margins and one-off expense

- 3Q revenue grew 7.1% YoY to INR660m (our est: INR678m).
- EBITDA margin came in at 10.5% (our est: 16%), down 510bp YoY. EBITDA declined 27.6% YoY to INR70m (our est: INR105m).
- There was a one-time expense of INR57.8m due to impact of new labor laws.
- Adj. PAT was stable YoY at INR47m (our est: INR75m).
- In 9MFY6, revenue grew 14% YoY to INR2b, EBITDA declined 8% YoY to INR299m, and PAT remained steady YoY at INR212m.

International lab and scanner growth offset by aligner weakness

- Laboratory business grew 9% YoY to INR414m. International lab business grew 27% YoY to INR202m. Domestic lab business declined 4.1% YoY to INR212m.
- Scanner sales zoomed 46% YoY to INR64m for the quarter.
- Aligner business declined 20.5% YoY to INR163m. Vedia business grew 10% YoY to INR76m. Bizdent declined 36% YoY to INR87m.
- Kidz-e-dental garnered revenue of INR59m/INR157m for 3QFY26/9MFY26.

Highlights from the management commentary

- Management expects a recovery from 4QFY26 onward, aided by easing global policy headwinds and course corrections done by the company in various segments.
- With US tariffs on products reduced from 50% to 25%, it would not only make LAXMIDEN cost competitive but also provide better certainty of business from the US.
- The company estimated ~150bp impact on EBITDA due to US tariffs in 3Q.
- Management expects 20-25% near-term growth in the international business, supported by improving trade dynamics and a better pricing environment.
- Overall, management guided for 20%+ YoY growth in revenue for FY27, subject to limited geopolitical disruption.

Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	vs Est
Net Sales	**597**	**571**	**617**	**607**	**656**	**723**	**660**	**712**	**2,391**	**2,751**	**678**	**-2.6%**
YoY Change (%)	N/A	N/A	29.0	10.2	9.9	26.5	7.1	17.4	23.5	15.1	10	
Total Expenditure	457	484	520	511	537	612	591	604	1,972	2,344	573	
EBITDA	**140**	**87**	**96**	**95**	**119**	**110**	**70**	**108**	**419**	**407**	**105**	**-33.7%**
YoY Change (%)	N/A	N/A	144.7	-18.5	-15.0	26.3	-27.6	13.7	76.1	-2.8	**9**	
Margins (%)	23.5	15.3	15.6	15.7	18.2	15.3	10.5	15.2	17.5	14.8	16	**-32.0%**
Depreciation	34	34	40	43	36	37	42	42	150	156	**39**	
EBIT	**106**	**53**	**57**	**52**	**83**	**73**	**28**	**67**	**269**	**251**	**66**	**-57.7%**
YoY Change (%)	N/A	N/A	728.8	-38.0	-21.7	36.6	-50.6	27.7	126.7	-6.6	**17**	
Interest	14	12	15	13	5	2	3	0	54	10	2	
Other Income	4	7	6	16	17	24	21	14	33	76	22	
PBT before EO expense	**96**	**49**	**47**	**56**	**96**	**94**	**46**	**80**	**248**	**316**	**86**	**-47.2%**
Extra-Ord expense	-59	0	0	-4	0	0	58	0	-70	58	0	
PBT	**155**	**49**	**47**	**60**	**96**	**94**	**-12**	**80**	**318**	**258**	**86**	**-114.3%**
Tax	18	11	11	25	23	19	-22	19	65	39	20	
Rate (%)	11.4	23.3	22.7	41.2	23.8	19.8	175.6	23.4	20.3	15.0	24	
MI & P/L of Asso. Cos.	-20	-22	-12	-8	10	10	10	25	64	55	10	
Reported PAT	**157**	**59**	**48**	**43**	**83**	**85**	**19**	**86**	**318**	**274**	**75**	**-74.2%**
Adj PAT	**105**	**59**	**48**	**40**	**83**	**85**	**47**	**86**	**262**	**302**	**75**	**-37.8%**
YoY Change (%)	N/A	N/A	133.2	-51.0	-21.3	44.8	-2.3	114.0	4.9	15.6	57	
Margins (%)	17.6	10.3	7.8	6.7	12.6	11.8	7.1	12.1	10.9	11.0	11	

Capital Market

Capital Market Monthly

Key statistics

Parameter	Jan'26	YoY (%)	MoM (%)
Demat A/c (m)	220	16.7	1.7
CDSL mkt sh (%)	80.1	80bp	10bp
Not. F&O ADTO (INRt)	591	99.0	25.5
BSE notional mkt sh	48.5	1270bp	590bp
Op. Prem. ADTO (INRb)	952.3	46.4	40.3
BSE Prem. mkt sh	30.2	1250bp	255bp
Cash ADTO (INR b)	1,286	26.3	26.6
MF MAAUM (INRt)	82.0	20.5	0.0
Equity MF MAAUM (INRt)	35.3	18.2	-0.8
SIP (INRb)	310	17.4	0.0

Source: MOFSL, NSE, BSE, CDSL, NSDL, AMFI, SEBI

Healthy growth in market activity

MAAUM and SIP flows remain flat MoM

- **In Jan'26, total ADTO rose 25% MoM to INR594t, driven by growth across segments. Options premium ADTO rose 40% MoM, and Cash segment ADTO was up 27% MoM.**
- **Retail participation witnessed a healthy MoM growth in activities across segments, with retail cash ADTO up 21% MoM to INR451b and retail futures and options premium ADTO up 27% MoM to INR739b.**
- **Commodity market volumes cooled off from recent highs, declining 19% MoM in Jan'26 to INR144.1t, largely driven by a sharp 27% MoM drop in options volumes. Despite this, the premium-to-notional turnover ratio improved sequentially, rising to ~2% from ~1.1% in Dec'25.**
- **Demat additions rose MoM to 3.6m in Jan'26 (3.2m in Dec'25). IPO activity slowed down during the month with only 3 IPO offerings, recording INR48b in Jan'26.**
- **MF MAAUM growth remained flattish MoM in Jan'26 at INR82t (up 21% YoY), with equity AUM at INR35.3t (flat MoM). SIP flows were flat MoM at INR310b.**
- **The industry posted a robust growth of 25% MoM in total ADTO, broadly led by growth across segments. MF AAUM was flat MoM, led by flat growth in Equity AAUM. Volumes in the commodities segment declined from peaks, led by lower options volumes. We expect that a stable growth trajectory for volumes and rising retail participation should support the performance of market intermediaries. Stable MF flows and a strong SIP trajectory will bode well for AMCs.**

Equity: Activity increases sequentially across segments

- Total ADTO rose 25% MoM in Jan'26 to INR594t, led by growth across segments (25%/29%/27% in optional notional/futures/cash ADTOs, respectively).
- Option premium ADTO rose 40% MoM to INR952b, with the share of BSE rising to ~30% from ~28% in Dec'25.
- Retail futures and premium ADTO witnessed a rise of 27% MoM in Jan'26 to INR739b, with retail cash ADTO up 21% MoM to INR451b.
- In the cash segment, NSE maintains its leadership position, holding a market share of 93% in Jan'26.
- In the Options notional segment, the share of BSE trends upwards to 48.5% from 42.6% in Dec'25.

Commodities: Volumes decline sequentially due to lower option volumes

- Total volumes on MCX declined 19% MoM to INR144.1t in Jan'26 (2.5x YoY), led by a 27% MoM decline in options volume, with an ADTO of INR6.9t (INR8.1t in Dec'25 vs INR2.5t in Jan'25).
- Option volumes declined 27% MoM to INR115.7t, while futures volumes rose 37% MoM to INR28.4t.
- A decline in options ADTO (23% MoM) was led by 45% MoM dip in Bullion ADTO. In contrast, Energy/Base metals ADTOs increased 23%/111% MoM. Option premium ADTO rose 31% MoM to INR2.3t, with a premium-to-notional turnover ratio of ~2% vs ~1.1% in Dec'25.
- In commodity futures, ADTO rose 44% MoM, aided by a 51%/8%/31% MoM rise in bullion/energy/base metals futures ADTO.

Hindalco

BSE SENSEX	S&P CNX
84,234	25,954

CMP: INR966 **Buy**

Novelis 3QFY26: Earnings largely in line; Oswego disruption to hinder earning outlook

- Revenue came largely in line at USD4.2b, up +3% YoY, led by healthy NSR, but declined 12% QoQ over muted shipments.
- NSR stood at USD5,174/t (+15% YoY and +3% QoQ), supported by favorable aluminum prices.
- The total rolled product shipments stood at 809kt, down 11% YoY and 14% QoQ, due to shipment disruption of 72kt at Oswego due to a fire incident (guided ~75kt earlier). The shipments (excl. fire impact) declined by 3% YoY, largely due to underlying muted demand.
- Adj. EBITDA fell 5% YoY and 18% QoQ to USD348m (our est. USD320m) due to adverse shipment impact of USD54m caused by Oswego fire and tariff impact of USD34m. The beat on adj. EBITDA was mainly driven by lower-than-anticipated impact from Oswego fire and tariff of USD100m.
- Adjusted EBITDA/t stood at USD430 (our est. USD380), up 6% YoY/down 4% QoQ. Adjusted EBITDA/t (excl. tariffs and Oswego fire-led shipment impact) stood at USD495.
- The company reported a net loss of USD160m, which included an exceptional item of USD286m. The exceptional item consisted of USD327m related to Oswego fire losses/net recoveries and USD86m related to others, partially offset by metal price lag of USD127.
- Adj. PAT stood largely in line with our estimate at USD69m, down 45% YoY and 53% QoQ.

Quarterly Performance (Novelis) USD m

Y/E March	FY25				FY26			FY25	FY26E	FY26	Vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q			3QE	(%)
Sales (000 tons)	**951**	**945**	**904**	**957**	**963**	**941**	**809**	**3,757**	**3,656**	**841**	**(3.8)**
Change (YoY %)	8.2	1.3	(0.7)	0.6	1.3	(0.4)	(10.5)	2.3	(2.7)		
Change (QoQ %)	-	(0.6)	(4.3)	5.9	0.6	(2.3)	(14.0)	-	-		
Net Sales	**4,187**	**4,295**	**4,080**	**4,587**	**4,717**	**4,744**	**4,186**	**17,149**	**18,824**	**4,396**	**(4.8)**
Change (YoY %)	2.3	4.6	3.7	12.5	12.7	10.5	2.6	5.8	9.8		
Change (QoQ %)	2.7	2.6	(5.0)	12.4	2.8	0.6	(11.8)	-	-		
EBITDA (adjusted)	**500.0**	**462.0**	**367.0**	**473.0**	**416.0**	**422.0**	**348.0**	**1,802.0**	**1,570.1**	**319.6**	**8.9**
Change (YoY %)	18.8	(4.5)	(19.2)	(8.0)	(16.8)	(8.7)	(5.2)	(3.8)	(12.9)		
Change (QoQ %)	(2.7)	(7.6)	(20.6)	28.9	(12.1)	1.4	(17.5)	-	-		
EBITDA per ton (USD)	**525.8**	**488.9**	**406.0**	**494.3**	**432.0**	**448.5**	**430.2**	**479.6**	**429.4**	**380.0**	**13.2**
Interest	64.0	67.0	61.0	60.0	62.0	63.0	62.0	252.0	313.4		
Depreciation	140.0	141.0	142.0	152.0	148.0	152.0	155.0	575.0	582.3		
PBT (before EO item)	**296.0**	**254.0**	**164.0**	**261.0**	**206.0**	**207.0**	**131.0**	**975.0**	**674.4**		
Extra-ordinary Income	(86.0)	(74.0)	(15.0)	42.0	(60.0)	17.0	(286.0)	(133.0)	-		
PBT (after EO item)	**210.0**	**180.0**	**149.0**	**303.0**	**146.0**	**224.0**	**(155.0)**	**842.0**	**674.4**		
Total Tax	60.0	51.0	39.0	9.0	50.0	61.0	4.0	159.0	182.1		
% Tax	28.6	28.3	26.2	3.0	34.2	27.2	(2.6)	18.9	27.0		
Reported PAT (after MI)	**151.0**	**128.0**	**110.0**	**294.0**	**96.0**	**163.0**	**(160.0)**	**683.0**	**492.3**		
Change (YoY %)	(3.2)	(18.5)	(9.1)	77.1	(36.4)	27.3	(245.5)	13.8	(27.9)		
Adjusted PAT	**237.0**	**202.0**	**125.0**	**252.0**	**156.0**	**146.0**	**68.8**	**816.0**	**492.3**	**71.7**	**(4.1)**
Change (YoY %)	42.8	(9.4)	(35.6)	3.7	(34.2)	(27.7)	(45.0)	(1.2)	(39.7)		
Change (QoQ %)	(2.5)	(14.8)	(38.1)	101.6	(38.1)	(6.4)	(52.9)				

Key highlights from the management commentary

Operating performance guidance and outlook

- FY26-exit savings guidance has been raised to USD150m from USD75m, and the company maintains a multi-year structural cost reduction target of USD300m.
- North America volumes remained temporarily constrained due to Oswego fire incidents; a gradual restart is expected in **late 2QCY26,** with phased ramp-up.
- Beverage packaging demand remains stable and structurally resilient. Auto demand was stable in North America, softer in Europe and Aerospace demand was showing early signs of improvement.
- Scrap pricing remains a key driver of EBITDA/t, influencing metal spreads and margin performance.
- Higher aluminum prices have increased working capital requirements due to elevated scrap inventory values.

Oswego Fire

- Novelis faced two separate fire incidents at the Oswego facility in Sep'25 and Nov'25. The Sep'25 fire incident largely affected the roof, while the Nov'25 incident affected floor-level machinery and cabling. This is materially extending the restoration costs and restart timeline.
- The Oswego hot mill is expected to restart late in 2QCY26 (vs. Dec'25 earlier), followed by a gradual ramp-up and customer requalification process.
- Total estimated free cash flow impact is USD1.3-1.6b, reflecting restoration capex, working capital strain, and operational disruption. The company recorded USD327m of Oswego fire-related exceptional costs in 3Q, which included repairs, cleanup, idle costs, and customer fulfillment expenses.
- Full-year EBITDA impact is estimated at USD150-200m, primarily from lost contribution and unabsorbed fixed costs.
- Insurance coverage is expected to recover 70-80% of total fire-related losses, significantly mitigating long-term economic impact. The company has already received USD50m in insurance proceeds, with further recoveries expected over 15-18 months.

Capital allocation update

- For FY26, the total capex guidance remains unchanged at USD1.9-2.2b (incl. USD300m maintenance-related capex), committed toward the expansion roadmap, despite Oswego disruption.
- Capital allocation priorities: (i) maintain liquidity, (ii) complete Bay Minette, (iii) execute structural cost savings, and (iv) normalize leverage.
- Total capex for Bay Minette has been further revised to USD5b (vs. USD4.1b earlier). The company has already invested USD2.7b and remaining ~USD2b will be spent in FY27.
- The 600kt Bay Minette facility remains on schedule for commissioning in 2HCY26 with expected full capacity ramp-up over **18–24 months**.
- Management indicated that there will be no meaningful EBITDA contribution in FY27 and will follow with the gradual volume ramp-up.
- The company received an equity infusion of USD750m from its parent (HNDL), with potential additional ~USD200m under discussion.
- Net leverage stands at 3.7x, which is expected to temporarily peak in the high-4x range before normalizing. Management said no unplanned long-term debt issuance is expected beyond the previously planned ~USD500m.

LG Electronics India

BSE SENSEX	S&P CNX
84,234	25,954

Conference Call Details

Date: 12th February 2026
Time: 16:00 pm
Dial-in details:
+91 22 6280 1145
+91 22 7115 8046
Link for the call

Consol. Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	247.3	272.3	299.9
EBITDA	25.6	31.4	37.0
Adj. PAT	18.3	22.7	26.6
EBITDA Margin (%)	10.3	11.5	12.3
Adj. EPS (INR)	27.0	33.5	39.2
EPS Gr. (%)	(16.9)	24.1	17.3
BV/Sh. (INR)	105.5	127.2	152.7
Ratios			
Net D:E	(0.6)	(0.6)	(0.5)
RoE (%)	27.9	28.8	28.0
RoCE (%)	29.2	29.9	29.0
Payout (%)	35.0	35.0	35.0
Valuations			
P/E (x)	56.3	45.4	38.7
P/BV (x)	14.4	11.9	9.9
EV/EBITDA(x)	38.5	31.2	26.4
Div. Yield (%)	0.6	0.8	0.9
FCF Yield (%)	1.2	0.7	1.1

CMP: INR1,518 **Buy**

Weak performance in home appliances leads to a miss on earnings

- LGEIL's EBITDA declined ~39% YoY to INR2.1b (~23% miss). OPM contracted 2.7pp YoY to 5.1% (vs. est. of 6.5%). Adj. PAT declined 50% YoY to INR1.2b (~37% miss).
- Management indicated that LGEIL has maintained the number 1 position across key B2C segments, despite a subdued 3QFY26. This was due to external factors. It has guided a positive outlook for 4QFY26 with healthy demand across both affordable and premium categories with compressor-based products. The introduction of the new 2026 BEE ratings portfolio is seeing a positive response and consumer preference. It remained focused on continuous product innovation & cost discipline, which aids profitability.
- **We have a BUY rating on the stock.** However, we will review our assumptions after the conference call on 12th Feb'26.

Revenue declined ~6% YoY; OPM contracted 2.7pp to 5.1% (est. 6.5%)

- LGEIL's consol. revenue/EBITDA/Adj. PAT stood at INR41.1b/INR2.1b/ INR1.2b (-6%/-39%/-50% YoY; -2%/-23%/-37% QoQ). OPM contracted 2.7pp YoY to 5.1% (vs. est. 6.5%) in 3QFY26. Depreciation and interest costs rose 23%/9% YoY, while other income declined ~4% YoY.
- Segmental highlights: **a) Home Appliances & Air Solutions** (**H&A) segment** – revenue declined 10% YoY to INR27.9b (~5% miss), and EBIT declined 49% YoY to INR1.1b (42% miss). Segment margin dipped 3.1pp YoY to 4.0% (vs. est. 6.5%), due to elevated raw material prices and forex volatility. The home appliances segment's demand softened post-Diwali; **b) Home Entertainment (HE)** – revenue inched up ~2% YoY to INR13.3b (+7% vs. estimate). However, EBIT declined 28% YoY to INR1.3b (in line). Segment margin contracted 3.9pp YoY to 9.6% (~40bp below estimates).
- In 9MFY26, LGEIL's revenue/EBITDA/Adj. PAT stood at INR165.5b/INR14.7b/ INR10.2b, which dipped 2%/28%/30% YoY. OPM contracted 3.3pp YoY and stood at 8.9% for the period.

Management commentary

- In home appliances, it strategically avoided price cuts to protect long-term profitability, while it continued its focus on fundamentals & premium positioning, supported overall higher ASP. Further, it continued to boost its leadership position through gains in the offline television market share.
- The company is focusing on a two-track strategy by expanding the premium portfolio and strengthening LGEIL's essential line up, aided by new product launches across categories. Moreover, it is expanding its export footprint by capitalizing on the global market opportunities. It is scaling up high-profit Non-Hardware (AMC) recurring business to drive service-led growth and build long-term customer relationships.
- It will continue to strengthen the B2B business by leveraging opportunities in India's expanding infrastructure. It is expanding new production capacities to meet future domestic and overseas demand.

Valuation and view

- LGEIL reported a weak set of results due to weak performance in the home appliances business, which has seen demand softness post-Diwali. Elevated raw material prices and forex volatility hit margins. Management guides a positive outlook for 4Q, with recovery in demand and an improved export environment.
- **We have a BUY rating on the stock.** However, we will review our assumptions following the conference call on 12th Feb'26 (Concall Link).

Quarterly Performance (Consolidated)

	FY25				FY26E				MOFSL	Var.	YoY	QoQ
Y/E March	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	3QE			
Sales	**64,088**	**61,139**	**43,955**	**74,484**	**62,629**	**61,740**	**41,144**	**81,812**	**41,772**	**-2%**	**-6%**	**-33%**
Change (%)	-	-			-2.3	1.0	-6.4	9.8	-5			
Adj EBITDA	**9,581**	**7,570**	**3,404**	**10,547**	**7,163**	**5,476**	**2,085**	**10,951**	**2,708**	**-23%**	**-39%**	**-62%**
Change (%)	-	-			-25.2	-27.7	-38.7	3.8	-23			
Adj EBITDA margin (%)	14.9	12.4	7.7	14.2	11.4	8.9	5.1	13.4	6.5	(141)	(267)	(380)
Depreciation	967	973	898	965	902	935	1,107	810	954	16%	23%	18%
Interest	69	65	85	86	85	90	93	90	88	6%	9%	4%
Other Income	580	668	786	606	744	798	757	879	810	-7%	-4%	-5%
PBT	**9,124**	**7,199**	**3,206**	**10,102**	**6,920**	**5,249**	**1,641**	**10,930**	**2,476**	**-34%**	**-49%**	**-69%**
Tax	2,328	1,842	872	2,556	1,787	1,354	620	2,550	631			
Effective Tax Rate (%)	25.5	25.6	27.2	25.3	25.8	25.8	37.8	23.3	26			
Extra-ordinary items	-	-	-	-	-	-	(125)	-	0			
Reported PAT	**6,796**	**5,357**	**2,335**	**7,545**	**5,133**	**3,894**	**897**	**8,380**	**1,845**	**-51%**	**-62%**	**-77%**
Change (%)	-	-			(24.5)	(27.3)	(61.6)	11.1	-23			
Adj PAT	**6,796**	**5,357**	**2,333**	**7,545**	**5,133**	**3,894**	**1,161**	**8,380**	**1,845**	**-37%**	**-50%**	**-70%**
Change (%)	-	-			(24.5)	(27.3)	(50.3)	11.1	-23			

Segmental Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Sales												
Home Appliance and Air Solution division	50,609	39,537	30,908	61,624	49,086	39,481	27,885	68,678	29,374	-5%	-10%	-29%
Home entertainment division	13,479	21,607	13,046	12,856	13,547	22,262	13,264	13,134	12,398	7%	2%	-40%
EBIT												
Home Appliance and Air Solution division	7,571	4,807	2,179	8,877	5,643	3,245	1,108	9,443	1,909	-42%	-49%	-66%
Home entertainment division	2,337	3,121	1,760	2,091	2,125	2,810	1,273	1,879	1,240	3%	-28%	-55%
EBIT Margin (%)												
Home Appliance and Air Solution division	15.0	12.2	7.1	14.4	11.5	8.2	4.0	13.7	6.5	(253)	(308)	(425)
Home entertainment division	17.3	14.4	13.5	16.3	15.7	12.6	9.6	14.3	10.0	(40)	(390)	(302)

Max Financial Services

BSE SENSEX	S&P CNX
84,234	25,954

Conference Call Details

Date: 12th Feb'26
Time: 9:00am IST
Dial-in details:
Link for the call

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Gross Premium	386.8	450.6	525.1
PAT	2.1	4.9	5.3
APE	102.3	121.7	144.9
VNB margin (%)	25.0	26.0	26.5
Op. RoEV (%)	17.4	18.9	19.1
AUM (INRb)	1,968	2,217	2,505
VNB(INRb)	25.6	31.6	38.4
EV Per Share	691	828	991
Valuations			
P/EV (x)	2.5	2.1	1.7
P/EVOP (x)	17.1	13.2	11.0

CMP: INR1,734 — Buy

Product mix shifting to traditional; VNB margin in line

- Axis Max Life Insurance's (MAXLIFE) gross premium income grew 18% YoY to INR97b (in line). Renewal premium grew 16% YoY to INR60.5b (in line).
- Total new business APE grew 30% YoY to INR27.3b (11% beat due to better-than-expected APE for Dec'25). For 9MFY26, APE grew 21% YoY to INR69.1b.
- VNB grew 35% YoY to INR6.6b (12% beat), resulting in a VNB margin of 24.1% (MOFSLe of 24%) vs 23.2% in 3QFY25. For 9MFY26, VNB grew 30% YoY to INR16.3b, reflecting a VNB margin of 23.6% (21.9% in 9MFY25).
- Solvency ratio stood at 201% in 9MFY26 vs 196% in 9MFY25.
- EV of INR281.1b reflected operating RoEV of 16.9% (17.3% in 9MFY25).
- AUM grew 12% YoY to INR1.93t.
- The company reported PAT of INR0.5b (INR0.7b in 3QFY25).
- **Valuation and view:** MAXLIFE maintains a better-than-industry APE growth trajectory. VNB margin continues to witness YoY expansion, supported by strong APE growth and increased contribution of protection and non-par segments during 3QFY26. The proprietary channel continues to drive growth across offline (+43% YoY) and online channels (+75% YoY), while the bancassurance channel posted strong growth in non-axis partnerships (+47% YoY). Persistency trends improved across almost all cohorts. We will review our estimates and TP after the earnings call scheduled for 12th Jan'26.

Policy holder's A/c (INR b)

	FY25				FY26			FY25	FY26E	FY26E	A v/s E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q			3QE	
First year premium	12.6	20.5	20.4	29.8	15.5	23.4	25.1	82.0	97.8	23.5	7%
Growth (%)	27.1%	33.6%	16.1%	17.3%	23.3%	14.1%	22.6%	19.0%	19.2%	14.8%	
Renewal premium	33.2	47.2	52.2	77.8	38.7	56.3	60.5	210.5	244.0	59.8	1%
Growth (%)	10.3%	12.4%	13.3%	16.4%	16.6%	19.2%	15.8%	13.7%	15.9%	14.4%	
Single premium	8.2	9.7	9.6	11.1	9.7	11.3	11.5	39.7	45.1	10.8	6%
Growth (%)	-5.7%	8.4%	3.0%	-27.0%	19.0%	16.5%	20.4%	-3.9%	13.5%	13.1%	
Gross premium income	**54.0**	**77.4**	**82.2**	**118.6**	**64.0**	**90.9**	**97.1**	332.2	386.8	**94.1**	**3%**
Growth (%)	10.8%	16.8%	12.7%	10.5%	18.5%	17.5%	18.0%	12.5%	16.4%	14.4%	
PAT	**1.6**	**1.4**	**0.7**	**0.4**	**0.9**	**0.1**	**0.5**	4.1	2.1	**0.0**	**NA**
Growth (%)	51.4%	-11.2%	-53.8%	-174.5%	-44.9%	-95.7%	-35.5%	13.0%	-48.3%	-100.0%	
Key metrics (INRb)											
New Business APE	14.5	21.7	21.1	30.4	16.7	25.1	27.3	87.7	102.3	24.5	11%
Growth (%)	30.5%	31.3%	17.4%	5.8%	14.8%	15.5%	29.6%	20.9%	16.6%	0.2	
VNB	2.5	5.1	4.9	8.5	3.4	6.4	6.6	21.1	25.6	5.9	12%
Growth (%)	2.8%	23.1%	0.0%	3.8%	31.9%	24.8%	34.8%	6.8%	21.3%	0.2	
AUM	1,611.5	1,701.4	1,717.1	1,750.0	1,832.1	1,853.4	1,926.9	1,750.7	1,967.8	1,909	1%
Growth (%)	24.8%	26.8%	20.4%	16.0%	13.7%	8.9%	12.2%	16.1%	12.4%	0.1	
Key Ratios (%)											
VNB Margin (%)	17.5	23.6	23.2	28.0	20.1	25.5	24.1	24.0	25.0	24.0	

Amara Raja

BSE SENSEX	S&P CNX
84,234	25,954

CMP: INR911

Conference Call Details

Date: 12th Feb 2026
Time: **4:30**PM IST
Dial-in details: Diamond Pass Registration

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	136.4	148.2	160.9
EBITDA	16.3	18.5	20.9
Adj. PAT	8.2	9.3	10.6
EPS (INR)	44.7	50.6	58.0
EPS Gr. (%)	-7.2	13.2	14.6
BV/Sh. (INR)	445	486	534
Ratios			
RoE (%)	10.5	10.9	11.4
RoCE (%)	10.4	10.7	11.1
Payout (%)	16.1	17.8	18.1
Valuations			
P/E (x)	20.4	18.0	15.7
P/BV (x)	2.0	1.9	1.7
Div. Yield (%)	0.9	1.1	1.2
FCF yield (%)	4.2	5.6	6.9

Margins continue to be under pressure

- AMRJ's revenue grew ~6% YoY to INR33.5b, coming in below our estimate of INR35.1b. The new energy business revenues doubled YoY to INR1.2b due to robust demand for Li-ion telecom battery packs, while revenue from lead acid and allied products was flat YoY at INR31.7b.
- The Industrial battery business delivered steady performance in the UPS segment, while Telecom customers migrated to advanced Li-ion battery solutions. Exports saw a decline during the period, primarily due to ongoing geopolitical tensions impacting global trade flows
- EBITDA margin fell ~200bp YoY to 11.2%, coming in below our estimated 12.2%. Other expenses were much higher than expected and led to the margin miss.
- EBITDA declined ~10% YoY to INR3.7b.
- During the quarter, AMRJ faced a one-time extraordinary expense of INR438m as provisions against changes made to the labour code.
- However, adjusted for this, PAT declined 20.1% YoY to INR1.8b (well below our estimate INR2.1b).
- The board has approved interim dividend of INR5.4 per equity share for this quarter.
- **Valuation view:** The stock trades at 18x/15.7x FY27E/FY28E EPS.

Quarterly Performance

(INR M)

Y/E March (INR m)	FY25				FY26E				FY25	FY26E		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	VAR (%)
Net Sales	**31,312**	**31,358**	**31,640**	**29,739**	**33,499**	**33,882**	**33,508**	**35,551**	**124,049**	**136,441**	**35,121**	**-4.6**
YoY Change (%)	13.0	11.6	9.8	6.3	7.0	8.0	5.9	19.5	10.2	10.0	11.0	
RM Cost (% of sales)	68.9	67.6	66.9	67.7	70.5	67.2	68.2	68.2	67.8	68.6	68.2	0bp
Staff Cost (% of sales)	5.9	6.1	6.0	6.1	5.9	6.6	6.1	6.6	6.0	6.3	6.4	-30bp
Other Exp (% of sales)	11.5	12.2	13.9	14.7	12.0	14.2	14.5	12.1	13.1	13.2	13.2	130bp
EBITDA	**4,304**	**4,407**	**4,158**	**3,422**	**3,867**	**4,059**	**3,745**	**4,634**	**16,291**	**16,305**	**4,285**	**-12.6**
Margins (%)	13.7	14.1	13.1	11.5	11.5	12.0	11.2	13.0	13.1	12.0	12.2	-100bp
Depreciation	1,183	1,220	1,233	1,284	1,292	1,380	1,409	1,546	4,921	5,627	1,450	**-2.8**
Interest	90	131	107	95	104	83	87	77	422	350	80	**8.6**
Other Income	256	185	293	200	139	241	263	56	933	700	180	**46.3**
PBT before EO expense	**3,287**	**3,240**	**3,111**	**2,244**	**2,610**	**2,838**	**2,513**	**3,067**	**11,881**	**11,027**	**2,935**	**-14.4**
Extra-Ord expense	0	0	-1,111	0	0	-1,218	438	0	-1,111	-780	0	
PBT after EO	**3,287**	**3,240**	**4,222**	**2,244**	**2,610**	**4,056**	**2,075**	**3,067**	**12,992**	**11,807**	**2,935**	**-29.3**
Tax	841	833	1,103	576	670	1,032	558	787	3,353	3,046	763	
Tax Rate (%)	25.6	25.7	26.1	25.7	25.7	25.4	26.9	25.7	25.8	25.8	26.0	
Adj PAT	**2,446**	**2,407**	**2,298**	**1,668**	**1,940**	**2,120**	**1,842**	**2,280**	**8,815**	**8,182**	**2,172**	**-15.2**
YoY Change (%)	23.1	6.3	-9.1	-26.8	-20.7	-11.9	-19.8	36.7	-2.7	-7.2	-5.5	

E: MOFSL Estimates

RESULTS FLASH

Kirloskar Oil Engine

BSE SENSEX	S&P CNX
84,234	25,954

Conference Call Details

Date: 12th February, 2026
Time: 03:30pm IST
Dial-in details:
Diamond Pass

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	59.9	70.1	81.5
EBITDA	8.0	9.8	11.4
Adj. PAT	5.1	6.5	7.6
Adj. EPS (INR)	35.5	44.6	52.3
EPS Gr. (%)	23.5	25.5	17.3
BV/Sh.(INR)	233.9	269.5	311.3
Ratios			
RoE (%)	16.2	17.7	18.0
RoCE (%)	15.8	17.4	17.8
Valuations			
P/E (x)	37.2	29.7	25.3
P/BV (x)	5.7	4.9	4.2
EV/EBITDA (x)	23.5	18.7	15.8
Div. Yield (%)	0.5	0.7	0.8

CMP: INR1,325 — Buy

Strong performance for B2B

- The company completed the transfer of its B2C segment through a slump sale to its wholly owned subsidiary, KOEL Fluid Dynamics. As a result, YoY growth rates are not comparable in 3QFY26.
- On restated financials, company has grown its revenues by 35% YoY to INR13.8b as it is entirely B2B revenues now. We were expecting B2B revenues of INR12.7b so revenues have come ~10% ahead of our estimates.
- **Segmental performance:** Powergen segment revenues grew by 44% YoY; industrial segment revenue grew by 41% YoY, distribution by 14% YoY and exports by 26% YoY. Powergen and industrials segments outperformed our expectations.
- **Powergen:** The domestic Power Generation business growth was largely driven by the LHP (Low Horsepower) segment, supported by incentive schemes. The HHP (High Horsepower) segment also delivered strong performance, registering 235% YoY growth.
- **Industrial:** Growth was led by strong execution in the defense, marine segments, while the construction & mining segment remained relatively subdued.
- **Margins:** Gross margin has come down by 40bps YoY as well as 50bps QoQ on restated financials of 3QFY25 and 2QFY26. EBITDA margin stood at 12.2% for 3QFY26 vs 10.3% for 3QFY25 (restated financials) and 14% for 2QFY26 restated financials. This sequential decline is due to continued high other expenses. We would aim to get details on this in the conference call tomorrow.
- Overall Adjusted PAT came at INR1011m vs our estimate of INR1227m. It would have come in-line with our estimates had this exceptional item related to labor code for INR201m and adjusted for loss of INR10m for discontinued operations.
- For 9MFY26, revenue/EBITDA/PAT increased by 20%/20%/17% to INR44b/INR6b/INR4b, while margins stood at 12.9%.
- For 9MFY26, net cash stood at INR3b.
- The board has declared an interim dividend of INR2.5 per share.

Standalone - Quarterly Earning Model

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
Net Sales	**13,429**	**11,944**	**11,636**	**14,125**	**14,447**	**16,045**	**13,806**	**15,596**	**51,133**	**59,894**	**14,319**	**(4)**
YoY Change (%)	6.2	12.8	2.5	1.5	7.6	34.3	18.6	10.4	5.4	17.1	23.1	
Total Expenditure	11,452	10,294	10,466	12,384	12,545	13,901	12,118	13,364	44,596	51,928	12,415	
EBITDA	**1,977**	**1,650**	**1,170**	**1,741**	**1,902**	**2,144**	**1,688**	**2,232**	**6,537**	**7,966**	**1,904**	**(11)**
YoY Change (%)	28.0	67.3	(12.0)	(2.3)	(3.8)	30.0	44.3	28.2	15.9	21.9	62.8	
Margins (%)	14.7	13.8	10.1	12.3	13.2	13.4	12.2	14.3	12.8	13.3	13.3	
Depreciation	247	266	320	337	340	357	361	316	1,170	1,373	343	5
Interest	27	26	31	37	32	29	22	7	121	90	15	45
Other Income	108	118	68	52	123	119	80	81	344	403	101	(21)
PBT before EO expense	**1,810**	**1,476**	**887**	**1,419**	**1,653**	**1,878**	**1,385**	**1,990**	**5,590**	**6,906**	**1,647**	**(16)**
Extra-Ord expense				(209)	-	-	201	(201)	(209)	-	-	
PBT	**1,810**	**1,476**	**887**	**1,628**	**1,653**	**1,878**	**1,184**	**2,191**	**5,799**	**6,906**	**1,647**	**(28)**
Tax	462	365	236	416	425	470	311	557	1,480	1,763	420	
Rate (%)	25.5	24.7	26.7	25.6	25.7	25.0	26.2	25.4	25.5	25.5	25.5	
Profit/Loss from Disc. Operations							11	(11)				
Reported PAT	**1,347**	**1,111**	**650**	**1,211**	**1,228**	**1,408**	**863**	**1,644**	**4,319**	**5,144**	**1,227**	**(30)**
Adj PAT	**1,347**	**1,111**	**650**	**1,056**	**1,228**	**1,408**	**1,011**	**1,496**	**4,164**	**5,144**	**1,227**	**(18)**
YoY Change (%)	30.5	89.6	(20.9)	(10.2)	(8.8)	26.8	55.5	41.7	15.1	23.5	88.7	
Margins (%)	10.0	9.3	5.6	7.5	8.5	8.8	7.3	9.6	8.1	8.6	8.6	

INR m	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
Segmental revenue												
Powergen	5,280	4,810	4,180	5,430	6,090	6,780	6,030	5,122	19,690	24,022	5,434	11
Industrial	3,370	2,670	2,770	3,000	3,100	3,730	3,900	2,866	11,810	13,596	3,323	17
Distribution & After Market	1,980	2,020	2,080	2,350	2,230	2,270	2,380	2,646	8,430	9,526	2,392	(1)
Exports	1,060	1,230	1,120	1,470	1,200	1,710	1,400	1,644	4,880	5,954	1,512	(7)
Total B2B	**11,690**	**10,730**	**10,150**	**12,250**	**12,620**	**14,490**	**13,710**	**12,277**	**44,810**	**53,097**	**12,661**	**8**

Lenskart Solutions

BSE SENSEX	S&P CNX
84,234	25,954

CMP: INR468 **NA**

Strong quarter; proforma revenue rises 37% YoY; pre-INDAS EBITDA jumps 3.4x YoY, led by ~680bp YoY margin expansion

For a like-for-like comparison, we have used Lenskart's proforma financials, which include the consolidation of Dealskart, Meller, and GeoIQ in the base quarters.

Proforma consolidated financials: Revenue rises 37% YoY, pre-INDAS margin expands ~680bp YoY

- Revenue grew 37% YoY (vs. 24% YoY in 2Q) to INR23.1b (+7.5% QoQ).
  - Volume grew 30% YoY to 8.9m (+20% YoY in 2Q), while implied ASP rose ~6% YoY to INR2,578 (vs. ~3% YoY in 2Q).
  - The company added 195 net new stores (India: 169, International:26) during the quarter (up 22% YoY), bringing the total store count to 3,144.
- Gross profit rose 39% YoY to INR15.9b (vs. ~26% YoY in 2Q), as product margin expanded ~70bp YoY to 68.9%.
- Employee/other expenses grew ~25% YoY each.
- Reported proforma EBITDA jumped 90% YoY to INR4.6b (+9% QoQ), with margin expanding ~555bp YoY to 20.1% (up ~20bp QoQ).
- Lease rentals grew 20% YoY.
- As a result, **Pre-IND AS EBITDA jumped ~3.4x YoY to INR2.65b**, with margin expanding ~680bp YoY to 11.5% (+40bp QoQ).
- Depreciation grew 23% YoY, while interest costs rose 31% YoY. Other Income rose 21% YoY.
- Reported PBT surged 9.3x YoY to INR1.8b (+11% YoY), while adjusted PAT grew 3.5x YoY to INR1.4b (+22% QoQ).

India (Proforma): Revenue rises 40% YoY; pre-INDAS EBITDA margin expands ~490bp YoY

- Revenue grew 40% YoY to INR13.9b (+12% QoQ).
  - Volume grew 32% YoY to 7.4m (+21% YoY in 2Q), while implied ASP rose ~7% YoY to INR1,881 (+1% YoY in 2Q).
  - The company added 169 net stores during 3Q to reach 2,439 stores (up 26% YoY).
- Gross profit grew 41% YoY to INR8.8b (+13% QoQ) as product margin expanded ~10bp YoY to 63.7% (+30bp QoQ).
- Reported proforma EBITDA rose 79% YoY to INR2.9b (+20% QoQ) as margin expanded ~445bp YoY to 20.8% (+125bp QoQ).
- Lease rentals grew ~31% YoY, resulting in **pre-INDAS EBITDA growth of ~2.1X YoY to INR2.1b**, with margin expanding ~490bp YoY to 14.9% (+150bp QoQ).

International (Proforma): Revenue rises 33% YoY, pre-INDAS EBITDA margin expands ~305bp YoY

- Revenue grew 33% YoY to INR9.36b (+1% QoQ).
  - Volume grew 21% YoY to 1.5m (+14% YoY in 2Q), while implied ASP rose ~9% YoY to INR6,424 (+10% YoY in 2Q).
  - The company added 26 net stores during 3Q, reaching 705 stores (up 9% YoY).

- Gross profit grew 36% YoY to INR7.1b (+1% QoQ), as product margin expanded 205bp YoY to 75.8% (+30bp QoQ).
- Reported proforma EBITDA rose 2.3X YoY to INR1.76b (-3% QoQ), as margin expanded ~790bp YoY to 18.8% (-70bp QoQ).
- Lease rentals grew ~14% YoY, resulting in **pre-INDAS EBITDA of INR595m** (vs. INR253m loss YoY, INR680m in 2Q), with margin at 6.4% (vs. -3.6% YoY, 7.3% QoQ).

9MFY26 results summary: Revenue grows 29% YoY; pre-INDAS EBITDA grows 96% YoY as margin expands 360bp YoY

- Revenue grew ~29% YoY to INR65b.
  - India revenue grew 30% YoY, while international revenue grew ~28% YoY.
  - Overall volume grew 25% YoY to 25.6m, while blended ASP rose ~5% YoY.
- Gross profit rose 30% YoY to INR44.7b, as product margin expanded ~40bp YoY to 68.9%.
  - Margin expansion was largely driven by international business (+120bp YoY), while India's product margin expanded by modest ~10bp YoY.
- Employee/other expenses grew ~25%/21% YoY, leading to operating leverage.
- As a result, reported proforma EBITDA jumped ~53% YoY to INR12.6b, with EBITDA margin expanding ~295bp YoY to 19.4%.
  - India's EBITDA margin expanded 380bp YoY to 19.9%, while international's margin expanded ~270bp YoY to 18.4%.
- Lease rental increased ~21% YoY. Resultantly, **Pre-INDAS EBITDA grew 96% YoY to INR6.9b, with margin expanding ~360bp YoY to 10.6**%.
  - Pre-INDAS EBITDA margin for the Indian business expanded ~390bp YoY to 13.9%, while the international business witnessed ~410bp YoY margin expansion to 6.1%.
- Depreciation rose 18% YoY, finance cost increased ~26% YoY, while other income declined ~15% YoY.
- Reported PBT jumped 2.2X YoY to INR4.7b, while adjusted PAT surged 2.5X YoY to INR3.4b.

Proforma P&L (INR m)	3QFY25	2QFY26	3QFY26	YoY%	QoQ%	9MFY25	9MFY26	YoY%
Revenue	**16,791**	**21,466**	**23,077**	**37**	**8**	**50,132**	**64,866**	**29**
Raw Material cost	5,338	6,615	7,170	34	8	15,773	20,147	28
Gross Profit	**11,453**	**14,851**	**15,907**	**39**	**7**	**34,359**	**44,719**	**30**
Gross Margin (%)	**68.2**	**69.2**	**68.9**	**72.1**	**-25.4**	**68.5**	**68.9**	**40.4**
Employee Costs	4,209	5,064	5,278	25	4	12,090	15,065	25
Other Expenses	4,802	5,518	5,988	25	9	14,047	17,101	22
Total Expenses	**9,010**	**10,582**	**11,266**	**25**	**6**	**26,136**	**32,166**	**23**
EBITDA	**2,443**	**4,269**	**4,641**	**90**	**9**	**8,223**	**12,553**	**53**
EBITDA margin (%)	**14.5**	**19.9**	**20.1**	**556.5**	**22.5**	**16.4**	**19.4**	**295.1**
Lease Costs	1,658	1,896	1,992	20	5	4,714	3,781	-20
Pre-IND AS EBITDA	**785**	**2,373**	**2,649**	**237**	**12**	**3,509**	**6,870**	**96**
EBITDA margin (%)	**4.7**	**11.1**	**11.5**	**680.4**	**42.4**	**7.0**	**10.6**	**359.2**
Depreciation and amortization	2,195	2,539	2,703	23	6	6,474	7,623	18
EBIT	247	1,730	1,938	683	12	1,748	4,930	182
EBIT margin (%)	1	8	8	692	34	3	8	411
Finance Costs	373	446	487	31	9	1,075	1,349	26
Other income	334	334	404	21	21	1,479	1,255	-15
Share of JV's	-16	-11	-17	5	55	-26	-21	-19
Exceptional item	0	0	53	0	0	0	157	0
Profit before Tax	**192**	**1,607**	**1,784**	**828**	**11**	**2,126**	**4,657**	**119**
Tax	-200	476	457	**-328**	**-4**	755	1,392	84
Tax rate (%)	-104	30	26			35	30	
Profit after Tax	**393**	**1,131**	**1,327**	**238**	**17**	**1,372**	**3,265**	**138**
Adj PAT	393	1,131	1,380	251	22	1,372	3,422	149

India	3QFY25	2QFY26	3QFY26	YoY%	QoQ%	9MFY25	9MFY26	YoY%
Revenue	**9,866**	**12,329**	**13,853**	**40**	**12**	**29,155**	**37,897**	**30**
Volume	5.60	6.82	7.37	31.5	7.9	16.54	20.90	26.3
ASP	1,762	1,808	1,881	7	4	1,763	1,813	3
Gross Profit	**6,275**	**7,822**	**8,828**	**41**	**13**	**18,487**	**24,076**	**30**
GM %	63.6	63.4	63.7	12.3	28.2	63.4	63.5	12.0
EBITDA	**1,607**	**2,406**	**2,875**	**79**	**19**	**4,688**	**7,559**	**61**
Margin %	16.3	19.5	20.8	446.6	123.9	16.1	19.9	386.7
Lease Costs	616	752	808	31	7	1,765	2,277	29
Pre-IND AS EBITDA	**991**	**1,654**	**2,067**	**109**	**25**	**2,923**	**5,282**	**81**
Margin %	10.0	13.4	14.9	487.7	150.6	10.0	13.9	391.2
EoP stores	1,936	2,270	2,439	26	7	1,936	2,439	26
International	**3QFY25**	**2QFY26**	**3QFY26**	**YoY%**	**QoQ%**	**9MFY25**	**9MFY26**	**YoY%**
Revenue	**7,055**	**9,278**	**9,359**	**33**	**1**	**21,324**	**27,356**	**28**
Volume	1.20	1.60	1.46	21.4	-8.9	4.00	4.76	18.9
ASP	5,879	5,799	6,424	9	11	5,331	5,751	8
Gross Profit	**5,201**	**7,002**	**7,091**	**36**	**1**	**15,876**	**20,714**	**30**
GM %	73.7	75.5	75.8	204.5	29.6	74.5	75.7	126.8
EBITDA	**772**	**1,811**	**1,762**	**128**	**-3**	**3,339**	**5,046**	**51**
Margin %	10.9	19.5	18.8	788.4	-69.3	15.7	18.4	278.7
Lease Costs	1,025	1,131	1,167	14	3	2,922	3,382	16
Pre-IND AS EBITDA	**-253**	**680**	**595**	**-335**	**-13**	**417**	**1,664**	**299**
Margin %	-3.6	7.3	6.4	994.3	-97.2	2.0	6.1	412.7
EoP stores	646	679	705	9	4	646	705	9
Consolidated	**3QFY25**	**2QFY26**	**3QFY26**	**YoY%**	**QoQ%**	**9MFY25**	**9MFY26**	**YoY%**
Nos of Units Sold (mn)	6.9	8.3	9.0	29.7	7.2	20.6	25.7	24.6
ASP	2,433	2,572	2,578	6.0	0.2	2,431	2,525	3.9
Annual Transacting Customer (mn)	4.1	5.6	6.3	53.5	12.0	11.4	17.0	48.8
India	3.9	4.9	5.5	41.0	12.2	9.5	14.7	55.2
International	0.7	0.7	0.8	14.3	14.3	1.9	2.2	16.9
Store Count	2,582	2,949	3,144	21.8	6.6	2,582	3,144	21.8

Mrs. Bectors Foods

BSE Sensex	S&P CNX
84,234	25,954

Conference Call Details

Date: 13 February 2026
Time: 16:00 IST
Diamond pass link

CMP: INR219 | **Neutral**

Revenue growth led by high international business growth, muted performance by domestic business

- Consolidated revenue grew 8.4% YoY to INR5.3b (BBG est. INR5.4b) in 3QFY26, which was below our estimates. We expect low-single-digit volume growth for domestic biscuits, high-single digit growth for international biscuits, and low-double digit growth for domestic bakery.
- Gross margin stood at 45% (-6bp YoY/+83bp QoQ).
- EBITDA grew 11.4% YoY to INR684m (BBG est. INR705m).
- EBITDA margin stood at 12.8% (+35bp YoY/+26bp QoQ), which was below our estimate, primarily due to an increase in other expenses (+5.2% YoY) and employee expenses (+9.4% YoY).
- APAT grew 10.1% YoY to INR381m (BBG est. INR388m).
- The board has declared an interim dividend of INR0.60/share.

Consolidated Qtrly performance (INR m)

Y/E March	FY25				FY26				FY25
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4QE	
Net Sales	**4,394**	**4,963**	**4,921**	**4,461**	**4,730**	**5,514**	**5,333**	**5,098**	**18,739**
YoY Change (%)	17.4	19.7	14.8	9.8	7.6	11.1	8.4	14.3	15.4
Total Expenditure	3,754	4,258	4,307	3,905	4,147	4,821	4,649	4,384	16,224
EBITDA	**640**	**705**	**614**	**556**	**582**	**693**	**684**	**714**	**2,515**
Margin (%)	14.6	14.2	12.5	12.5	12.3	12.6	12.8	14.0	13.4
Depreciation	173	193	194	198	213	237	226	212	759
Interest	42	43	25	19	31	33	23	15	129
Other Income	50	56	70	113	74	66	69	95	290
PBT before EO items	**475**	**525**	**465**	**452**	**413**	**489**	**505**	**582**	**1,917**
Extraordinary Inc / (Exp)	0	0	0	0	0	0	0	0	0
PBT	**475**	**525**	**465**	**452**	**413**	**489**	**505**	**582**	**1,917**
Tax	121	136	119	110	105	123	124	151	485
Rate (%)	25.5	25.9	25.6	24.3	25.3	25.2	24.6	25.9	25.3
JV and Associates	0	0	0	0	0	0	0	0	1
Reported PAT	**354**	**389**	**346**	**343**	**309**	**365**	**381**	**431**	**1,432**
Adj PAT	**354**	**389**	**346**	**343**	**309**	**365**	**381**	**431**	**1,431**
YoY Change (%)	1.6	4.4	-0.1	2.0	-12.9	-6.1	10.1	25.8	2.0
Margin (%)	8.1	7.8	7.0	7.7	6.5	6.6	7.1	8.5	7.6

Samvardhana Motherson: Intergrated Assemblies Seeing Healthy Growth; Pankaj Mital, Whole Time Director and President

- Record revenues; margins >9.5% for 2 straight quarters — management calls gains structural, led by modules & polymer transformation.
- Emerging biz (CE + aerospace) up 57%; CE capacity to >2x with Plant 3, non-auto at 5% but set for sharp ramp-up.
- Nexans + Yachiyo to add $2bn+ revenue; 10/12 greenfields to be completed by FY27.
- 1% Q3 margin hit from copper; 100% pass-through expected next quarter; NA CV cycle seen rebounding on EPA27 pre-buy demand.

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Apollo Hospitals: Expect Volume To Improve In The Hospital Biz; Suneeta Reddy, MD

- Insurance mix rose to 48% (from 43%), resolving rate issues and driving volume growth.
- ARPOB up 11% to ₹1.8 lakh; future growth to normalize at 5–6%, with profitability aided by occupancy nearing 70%.
- Apollo 24/7 at 9.2 lakh DAUs, diagnostics +24%; losses at lowest ever, profitability targeted in ~6 months.
- 1,325 beds coming in 6 months; 1,500 more by FY28-29; HealthCo demerger listing on track for Q4 FY27–Q1 FY28.

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Jain Resource Recycling: New Copper Products To See Better Margin; Kamlesh Jain, Managing Director

- Targeting 40–50% CAGR into FY27; lead utilization >90%, copper ~60%, with 4 new facilities (incl. copper cathodes, antimony recycling) to fuel expansion.
- Current margins ~7%; +200 bps expansion from FY27 driven by shift to value-added copper (wire rods, busbars, cathodes).
- EBITDA/ton guided to jump above ₹55,000 (vs ~₹48,000) as cathode production starts next month.
- Temporary inventory-led spike; management expects ₹300cr debt reduction in 3 months as copper stocks unwind.

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Gravita India: Set To Acquire Rashtriya Metal Industries For Rs 565 Cr; Suneeta Reddy, MD

- Expands into copper recycling; funded via internal accruals + QIP surplus; closure by Mar'26.
- Revenue ramp plan: RMIL FY25 revenue ~₹900cr → target ₹1,200cr by FY27, via utilization jump from 50% to ~70% + future 50,000 MTPA capacity.
- ROIC uplift play: Improve RMIL ROIC from ~14% toward Gravita's 25% target, driven by scrap optimization, integration & marketing synergies.
- Vision 2029 intact: Targeting 25% revenue CAGR, 30–35% PAT CAGR; path toward ₹1,000cr annual EBITDA by FY29-30.

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

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

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