

Market snapshot

Equities - India	Close	Chg. %	CY25.%
Sensex	83,295	0.6	9.1
Nifty-50	25,713	0.6	10.5
Nifty-M 100	59,256	-0.4	5.7
Equities-Global	Close	Chg. %	CY25.%
S&P 500	6,838	-1.0	16.4
Nasdaq	22,627	-1.1	20.4
FTSE 100	10,685	0.0	21.5
DAX	24,992	-1.1	23.0
Hang Seng	9,197	2.7	22.3
Nikkei 225	56,826	0.0	26.2
Commodities	Close	Chg. %	CY25.%
Brent (US\$/Bbl)	73	1.0	-15.7
Gold (\$/OZ)	5,227	2.3	64.6
Cu (US\$/MT)	12,785	-0.7	43.9
Almn (US\$/MT)	3,062	-0.6	17.5
Currency	Close	Chg. %	CY25.%
USD/INR	90.9	-0.1	5.0
USD/EUR	1.2	0.0	13.4
USD/JPY	154.7	-0.3	-0.3
YIELD (%)	Close	1MChg	CY25 chg
10 Yrs G-Sec	6.7	-0.02	-0.2
10 Yrs AAA Corp	7.5	-0.03	0.1
Flows (USD b)	23-Feb	MTD	CYTD
FII	0.38	2.02	-18.8
DII	-0.14	1.41	90.1
Volumes (INRb)	23-Feb	MTD*	CYTD*
Cash	1,084	1223	1257
F&O	3,12,254	2,84,687	2,96,076

Note: Flows, MTD includes provisional numbers. *Average

Today's top research idea

Northern Arc Capital | Initiating Coverage: Building a scalable tech-driven credit ecosystem

- Northern Arc Capital (NACL) has created a differentiated financial services ecosystem addressing underserved retail credit across MSME, consumer, and rural segments. NACL has pivoted from an intermediate retail (IR) heavy portfolio to a retail, granular D2C mix, with structurally improving yields, margins, and RoA.
- Proprietary technology platforms and growing fee income diversify revenues, enhance operating leverage, and drive incremental revenue growth without adding credit risk.
- We model lending AUM and PAT CAGR of ~20% and ~34%, respectively, over FY26-28E, driven by D2C scale-up, stable IR lending, and rising fee income from fund management and placements.
- RoA/RoE will expand to ~3.2%/15% by FY28E. NACL trades at ~0.9x FY27E P/B and ~7x FY27E P/E. We initiate coverage with a BUY rating and a TP of INR360, based on 1.2x FY28E P/BV, offering an attractive medium-term compounding opportunity.

Research covered

Cos/Sector	Key Highlights
Northern Arc Capital	Initiating Coverage: Building a scalable tech-driven credit ecosystem
Economy Fuel or Engines	FY27 PSUs + States + Centre capex = INR28.4t/7.1% of GDP/11% YoY
ABB India	Benefiting from improved base order and large order inflows
IDFC First Bank	Uncovers malafide transactions at Chandigarh branch
Mphasis	Core execution steady amid AI uncertainty
Value fashion retail	Demand outlook remains robust, prompting acceleration in store additions

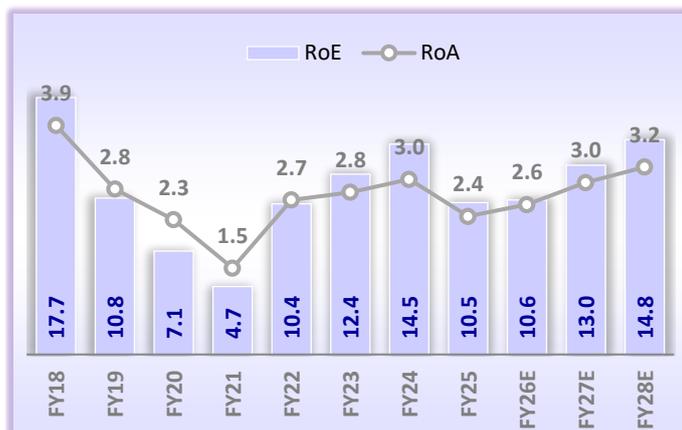


Chart of the Day: Northern Arc Capital (Building a scalable tech-driven credit ecosystem)

Lending AUM CAGR of ~20% over FY26-FY28E



RoA/RoE of ~3.2%/15% in FY28E (%)



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

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



Kindly click on textbox for the detailed news link

1

RBI monitoring IDFC First Bank fraud, sees no systemic risk: Sanjay Malhotra

The Reserve Bank of India is closely monitoring a ₹590 crore fraud case linked to IDFC First Bank, with Governor Sanjay Malhotra stressing that it does not pose a systemic risk to the banking sector.

2

Aster DM Healthcare plans to invest Rs 2,300 cr to grow India footprint: Chairman Moopen

Aster DM Healthcare is set for major expansion in India. The company plans to invest heavily, adding thousands of beds through new projects and acquisitions.

3

Bharti Airtel to invest ₹20,000 cr for scaling up newly formed NBFC arm

Bharti Airtel is injecting ₹20,000 crore into its new NBFC, Airtel Money, to fuel its next growth phase.

4

Waaree Energies bags 500 MW solar module supply order from IPP

The order is a one-time contract for the financial year 2026-27. The company will supply the entire 500 MW of solar modules within the period specified under the contract.

5

Tata Steel's Rs 3,200-crore Ludhiana plant to begin operations in March

Tata Steel's new manufacturing plant in Ludhiana will begin operations in March. This significant project represents a major boost for Punjab's industrial growth.

6

Nexus Select, Runwal Enterprises JV to develop 730k sq ft mall near Mumbai

Nexus Select Trust, India's first listed retail REIT, is partnering with Runwal Enterprises. They will jointly develop a new 730,000 sq ft retail mall in Dombivli near Mumbai.

7

BPCL receives ₹1,816.65 crore excise demand order, to appeal before CESTAT

BPCL has received an excise duty demand of Rs 1,816.65 crore, including interest, from the Kochi Central Excise Commissioner over valuation disputes linked to its Kochi refinery.

Northern Arc Capital

BSE Sensex 82,815 S&P CNX 25,571

CMP: INR246

TP: INR360 (+46%)

Buy



Stock Info

Bloomberg	NORTHARC IN
Equity Shares (m)	162
M.Cap.(INRb)/(USD\$b)	40.5 / 0.4
52-Week Range (INR)	290 / 141
1, 6, 12 Rel. Per (%)	-6/-3/33
12M Avg Val (INR M)	332
Free float (%)	100.0

Financial Snapshot (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	15.2	18.6	22.8
PPP	9.6	12.1	15.1
PAT	3.9	5.3	7.0
EPS (INR)	23.9	33.1	43.1
EPS Gr. (%)	28	38	30
BV/Sh. (INR)	237	270	313

Ratios (%)

NIM	10.7	10.9	11.0
C/I ratio	47.3	45.5	44.2
RoA	2.6	3.0	3.2
RoE	10.6	13.0	14.8

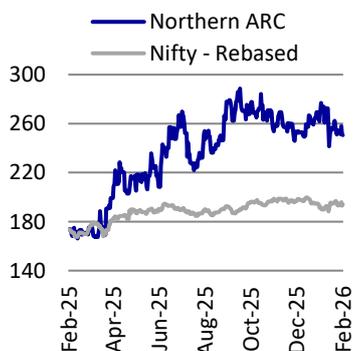
Valuation

P/E (x)	10.3	7.4	5.7
P/BV (x)	1.0	0.9	0.8

Shareholding pattern (%)

As On	Dec-25
Promoter	0.0
DII	8.0
FII	57.0
Others	35.0

Stock performance (one-year)



Building a scalable tech-driven credit ecosystem

D2C transition, diversified fee income, and risk management to aid RoA expansion

Northern Arc Capital (NACL) has created a technology-driven, diversified financial services ecosystem catering to the credit needs of underserved households and businesses across India. Since its inception in 2009, NACL has facilitated ~INR2t of financing and built a strong pan-India presence with 368 branches, 55 digital partners, 357 originator partners, and 1,400+ investor relationships. NACL's lending AUM was ~INR151b as of Dec'25. With deep expertise across its core segments, NACL has developed end-to-end in-house capabilities, creating a holistic ecosystem for borrowers, originators, and investors.

- Structural pivot towards D2C lending:** A key inflection in NACL's evolution has been its calibrated yet decisive transition from an Intermediate Retail (IR)-heavy model to a Direct-to-Customer (D2C)-led lending franchise. The D2C portfolio has scaled to ~INR85b by Dec'25 from ~INR10b in FY21, translating into ~57% CAGR over FY21-9MFY26. Consequently, D2C now accounts for ~56% of lending AUM (vs. ~19% in FY21), with the company targeting to raise it to ~70% by Mar'28. This portfolio rebalancing has structurally lifted yields and improved profitability while expanding customer reach.
- Balanced business model with earnings stability:** While D2C will drive growth and NIM expansion, the IR lending business continues to provide stability through diversified, well-collateralized exposures to originator partners across sectors. In addition, NACL's fund management (with AUM of ~INR32b) and placement businesses (~INR1.2t credit placement to date) contribute recurring, largely risk-free fee income, enhancing earnings diversity and reducing dependence on interest income across cycles.
- Robust risk architecture supports asset quality:** NACL's risk framework, anchored in proprietary analytics, disciplined underwriting, and portfolio diversification, has consistently delivered resilient asset quality. Credit costs in the IR business have remained below ~40bp over the last 15 years. While rural finance exhibited sectoral stress in FY25, management responded with calibrated growth, tighter MFIN guardrails, higher CGFMU coverage, and enhanced collection intensity. With improving rural consumption trends and normalization underway, asset quality is expected to strengthen gradually, supporting sustainable earnings recovery.
- Diversified funding and technology-led scalability:** A well-diversified funding base will provide balance sheet flexibility. Proprietary technology platforms such as Nimbus, nPOS, Altifi, and NuScore enable end-to-end credit processing, data-driven risk assessment, and operating leverage, reinforcing NACL as an integrated credit solutions ecosystem.
- Attractive valuation with strong earnings visibility:** NACL currently trades at ~0.9x FY27E P/BV and ~7x FY27E P/E, which we view as attractive given the company's improving business mix, strong AUM and PAT growth visibility, and diversified earnings profile. We model an AUM/PAT CAGR of ~20%/34% over FY26-28E, with RoA/RoE expanding to ~3.2%/15% by FY28E.

- **We initiate coverage on Northern Arc Capital with a BUY rating and a TP of INR360, based on 1.2x FY28E P/BV.** This reflects confidence in the sustainability of its D2C-led growth, improving profitability, and disciplined risk management.

Scaling the D2C segment; driving calibrated and sustainable growth

- NACL's diversified business model and scalable distribution ecosystem position it well to capitalize on structural growth across lending and fee-based businesses. Historically anchored in Intermediate Retail (IR) lending (~81% of the portfolio in FY21), the company has steadily rebalanced toward higher-growth Direct-to-Consumer (D2C) segments, leveraging its deep sectoral expertise.
- The D2C portfolio, across MSME, consumer finance, and rural finance, has grown at a robust ~57% CAGR over FY21-9MFY26, significantly outpacing IR growth of ~10%. As a result, D2C's share has increased from ~19% in Mar'21 to ~56% by Dec'25, with management targeting ~70% by FY28.
- Beyond lending, the placements and fund management businesses are expected to drive steady growth in fee income through new fund launches and rising placement volumes. Supported by a wide distribution network and an expanding customer base, the lending portfolio is projected to clock a ~20% CAGR over FY26-28, with D2C as the primary growth engine and IR providing balance and stability.

Stable funding profile; D2C mix to drive margin expansion

- NACL's strategic pivot toward higher-yielding D2C segments has been a key driver of margin expansion. The rising contribution of D2C, from ~19% in FY21 to ~56% by 3QFY26, has structurally lifted portfolio yields and supported steady improvement in profitability, highlighting the benefits of portfolio rebalancing.
- Within D2C, MSME lending delivers robust yields, with secured LAP products earning ~16-24% and retail partner-led lending generating net yields of ~15-16%. Consumer finance, the fastest-growing segment, operates at similar yield levels, while rural finance remains the highest-yielding segment at ~24-25%. Recent yield moderation reflects lower rural disbursements amid MFI stress; however, yields are expected to recover as the segment stabilizes.
- On the funding side, NACL benefits from a diversified liability mix and easing cost of funds, supported by strong lender relationships and AA- (Stable) credit rating. As D2C scales toward ~70% of the portfolio, we expect NIMs to improve to ~10.9-11%, underpinning healthy margins over FY27-28E.

Proprietary tech ecosystem powering scale and risk management

- NACL has built a differentiated, proprietary technology stack supporting both balance sheet lending and fee-based businesses. **Nimbus**, the core integrated debt platform, enables end-to-end credit intermediation across origination, underwriting, execution, and monitoring, improving transparency, turnaround time, and scalability.
- **nPOS**, a cloud-based, API-enabled co-lending platform, facilitates straight-through processing with banks, NBFCs, and originator partners. The platform supports high-volume underwriting (15k-20k loans/day) and has processed ~INR300-350b of loans to date.
- **AltiFi** and **NuScore** extend capabilities into digital wealth distribution and data-driven risk assessment, enhancing operating leverage, diversifying revenues, and reinforcing NACL's integrated credit platform positioning.

Robust risk framework underpins portfolio resilience

- NACL has maintained resilient asset quality over multiple credit cycles, aided by disciplined underwriting, proprietary data analytics, and proactive portfolio monitoring, enabling early identification and mitigation of stress across segments.
- In the IR business, stringent originator onboarding, board-approved sector limits, and continuous monitoring by a ~100-member risk team underpin stability. While MSME saw stress in 3QFY26, mainly in small-ticket LAP and unsecured loans, improving bounce rates and collections indicate gradual stabilization, with credit costs expected to moderate over the next 2-3 quarters.
- Risk mitigation is further strengthened by ~5% FLDG coverage in partnership lending and rising CGFMU coverage in rural finance. With wider MFIN guardrails and guaranteed coverage, overall credit costs are expected to normalize at ~2.7-2.8% over FY27-28E, supporting earnings sustainability.

Valuation and view: Initiate coverage with a BUY and a TP of INR360

- NACL has structurally transitioned from an IR-led portfolio (~81% in FY21) to a higher-yielding D2C mix (~56% currently; ~70% targeted over 2-3 years), driving improvement in yields and profitability. Disciplined risk management, supported by field-level oversight, FLDG structures, CGFMU guarantees, and stringent partner onboarding, should keep credit costs contained as rural finance normalizes.
- Proprietary technology enhances sourcing, underwriting, and collections, enabling scalable growth while preserving asset quality. Fee income from fund management and placements further diversifies revenues, improving earnings stability and return metrics.
- NACL trades at 0.9x FY27E P/BV and ~7x FY27E P/E, which we view as attractive given the improving business mix and strong earnings visibility. We model an AUM/ PAT CAGR of ~20%/34% over FY26-28E, with an RoA/RoE of ~3.2%/15% in FY28E. **We initiate coverage with a BUY rating and a TP of INR360, based on 1.2x FY28E P/BV.**

FY27 PSUs + States + Centre capex = INR28.4t/7.1% of GDP/11% YoY

Public capex is improving across the Center, states and PSUs, and so is growth visibility across infrastructure, CVs, logistics, certain capital goods, cement demand, and metals.

- **FYTD26 state capex:** The quality of state expenditure has improved, with capital expenditure (capex) materially outperforming revenue expenditure (revex). States' capex grew 14.4% YoY in 9MFY26, a sharp turnaround from the 0.6% contraction in 9MFY25. In 3QFY26 alone, capex surged 23.9% YoY, significantly outpacing revex growth. Capex utilization has reached 49% of BEs, consistent with historical patterns that see a strong 4Q push. Despite revenue headwinds, states are prioritizing asset creation, which is a positive signal for infrastructure, construction, and investment-linked sectors.
- **FY27 capex projections:** Based on the historical execution trends, we estimate FY26 states' capex at INR10.3t (97.5% of BEs). Looking ahead, FY27 budgets from MP, TN, AP, and UP indicate steady expansion, with combined capex up 13.5% YoY in FY27BE vs. FY26RE. We project total states' capex at INR11.3t in FY27BE (+10% YoY), reinforcing the state-led capex cycle.
- **FY27 Center + states + PSU capex:** With the Centre budgeting INR12.2t (3.1% of GDP) in FY27BE and states' capex projected at INR11.5t, combined general government (GG) capex is estimated at INR23.5t, or 5.9% of GDP. Adding PSU capex of INR4.8t, total public sector capex stands at INR28.4t in FY27, equivalent to 7.1% of GDP, implying growth of ~11% YoY (vs. 4.6% YoY in FY26). This scale of public investment keeps India's capex intensity structurally elevated, sustains infrastructure momentum across sectors, strengthens the crowding-in effect on private investment, and supports medium-term growth even as fiscal consolidation gradually progresses.

Recap of 9MFY26 state finances:

- States' fiscal position in 9MFY26 reflects slower revenue growth but stronger capital spending momentum. Aggregate receipts of 27 states grew 7.2% YoY in 9MFY26 (vs. 10.3% last year), reaching 65% of BEs, led by weaker SGST growth and a continued contraction in grants. At the same time, total spending rose 8.5% YoY, with the fiscal deficit at INR6.5t (2.5% of GDP), or 44% of BEs — the highest utilization in four years.
- Slowing revenue growth and a likely year-end surge in capex may challenge states' FY26 fiscal deficit target of ~3.3% of GSDP. States have already raised INR7.5t via market borrowings in Apr-Dec'25, and election-related DBT expansion could further lift borrowing needs. The VB-G RAM G Bill, with its 60:40 cost-sharing model and expanded 125-day guarantee, will also increase states' committed expenditure, reducing fiscal flexibility. For FY27, the deficit is seen near 3.3% of GSDP, with net borrowings of INR9.7t and gross SDL issuances of INR13.2t.
- The combined GG fiscal deficit stood at 5.7% of GDP in 9MFY26, lower than 6.1% in 9MFY25, with 45.2% of the full-year target already utilized, indicating gradual fiscal consolidation.

Strong capex expansion visible in FY27 state budgets

The FY27 budgets presented by the four large states—MP, TN, AP and UP—indicate a continued and deliberate push toward higher capex, reinforcing the broader public investment cycle at the state level. Combined capex for these states rises from INR2,058b in FY23 to INR3,802b in FY27BE (INR3,349b in FY26RE; 13.5% YoY growth for FY27BE), up nearly 85%.

UP remains the largest capital spender, with capex scaling to INR1,864b in FY27BE (INR1,693b; 10.1% YoY), while MP also demonstrates steady and consistent expansion. Notably, AP records the sharpest acceleration, with capex rising six-fold compared to FY23, signaling an aggressive asset creation and infrastructure build-out phase. Even TN, despite a relatively moderate growth trajectory, shows a clear upward bias in FY27BE allocations.

AP has allocated a sizable portion toward capital outlay on irrigation, roads, urban infrastructure and industrial corridors while continuing welfare commitments. UP's record-sized budget emphasizes transport infrastructure (expressways, metro expansion), energy, rural development and housing, alongside higher allocations for

agriculture and social sector schemes. MP has focused on roads, urban development, water resources and women-centric welfare programs, reflecting a balanced push between asset creation and social inclusion. TN’s interim budget maintains strong allocations for transport, energy transition, urban infrastructure and industrial development while safeguarding spending on education, healthcare and social protection (*Exhibit 19*).

Strong capex expansion visible in FY27 state budgets - Capital spending (INR b)

States	FY23	FY24	FY25	FY26BE	FY26RE	FY26RE/BE (%)	FY27BE	FY27BE (% YoY)
MP	468	573	706	851	747	88	803	7.5
TN	468	493	471	661	514	78	596	15.8
AP	90	241	212	468	395	84	539	36.5
UP	1,032	1,186	1,223	1,742	1,693	97	1,864	10.1
Total	2,058	2,493	2,612	3,721	3,349	90	3,802	13.5

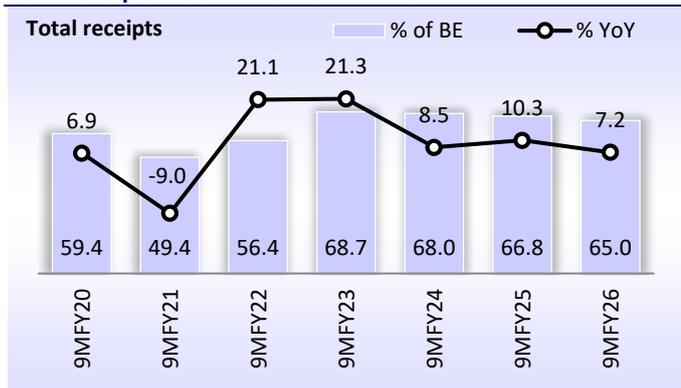
9MFY26 state finances

States’ fiscal deficit at 44% of BEs in 9MFY26: Based on the provisional data of 27 states, total receipts of all the states grew at a five-year low pace of 7.2% YoY in 9MFY26 (vs. +10.3% in 9MFY25), achieving 65% of BEs, lower than 67% in the same period last year (*Exhibit 2*).

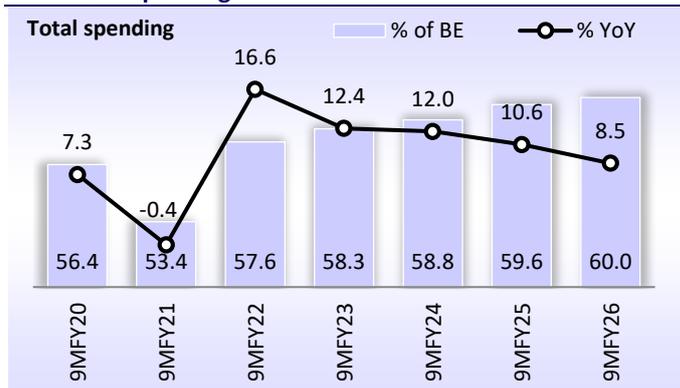
States’ fiscal deficit was 44% of BEs in 9MFY26, highest in four years

At the same time, their total spending grew 8.5% YoY in 9MFY26 (vs. +10.6% in 9MFY25), achieving 60% of BEs, the highest in at least a decade (*Exhibit 3*). Consequently, the states’ aggregate fiscal deficit stood at INR6.5t (or 2.5% of GDP) in 9MFY26, compared to INR5.7t (or 2.3% of GDP) in 9MFY25. States have achieved 44.4% of their full-year target in 9MFY26, higher than 39.1% of BEs in 9MFY25 and the highest in four years (*Exhibits 4, 5*).

Total receipts stood at 65% of BEs in 9MFY26...



...and total spending was at 60% of BEs



Data of 27 states

Note: Data for all states is based on 27 states, for which monthly data up to Dec’25 is available. These states account for >95% of all states’ Budget. The states/UT covered in this report are Andhra Pradesh (AP), Assam (AS), Bihar (BH), Chhattisgarh (CT), Gujarat (GJ), Haryana (HR), Himachal Pradesh (HP), Jammu & Kashmir (JK), Jharkhand (JH), Karnataka (KA), Kerala (KL), Madhya Pradesh (MP), Maharashtra (MH), Odisha (OD), Punjab (PB), Rajasthan (RJ), Tamil Nadu (TN), Telangana (TS), Uttarakhand (UK), Uttar Pradesh (UP), West Bengal (WB), Arunachal Pradesh (AR), Meghalaya (MG), Nagaland (NG), Mizoram (MZ), Sikkim (SK), and Tripura (TR)

ABB India

Estimate changes TP change Rating change 

Bloomberg	ABB IN
Equity Shares (m)	212
M.Cap.(INRb)/(USDb)	1254 / 13.8
52-Week Range (INR)	6300 / 4590
1, 6, 12 Rel. Per (%)	23/13/-1
12M Avg Val (INR M)	1799

Financials Snapshot (INR b)

Y/E DEC	CY25	CY26E	CY27E
Net Sales	132.0	152.2	173.8
EBITDA	21.1	25.3	29.6
PAT	17.2	20.7	24.2
EPS (INR)	81.1	97.8	114.1
GR. (%)	-8.3	20.5	16.7
BV/Sh (INR)	369.8	426.0	490.2

Ratios

ROE (%)	23.1	24.6	24.9
RoCE (%)	23.3	24.7	25.0

Valuations

P/E (X)	72.9	60.5	51.9
P/BV (X)	16.0	13.9	12.1
EV/EBITDA (X)	58.7	48.4	41.1
Div Yield (%)	0.5	0.6	0.7

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	75.0	75.0	75.0
DII	9.2	8.3	5.7
FII	7.7	8.3	11.9
Others	8.2	8.4	7.5

FII Includes depository receipts

CMP: INR5,918

TP: INR6,600 (+12%)

Buy

Benefiting from improved base order and large order inflows

ABB's 4QCY25 reported PAT came ahead of our estimates. The positive surprise was 52% YoY growth in order inflows, with 27% YoY growth in base inflows and large order inflows. With the traction seen in emerging areas like renewables, data centers and electronics, the company expects to maintain a similar run rate in inflows from these industries. EBITDA margin, adjusted for effects of labor code and forex fluctuation, stood in line with our estimates. We expect that the impact of QCO-related cost can be seen for just few more quarters, and margins can improve from there on. In the last one year, two reasons that resulted in de-rating of the stock were weak margins-led earnings cuts and muted order inflows. We believe that the earnings cut cycle seems to be over for ABB and order inflows have started reviving. From hereon, a further re-rating in the valuation would be driven by the continuity of strong order inflows and margin improvement going forward. We raise our estimates by 9% each for CY26/27 to bake in better margins and roll forward our valuation to Mar'28 estimates. We arrive at a revised TP of INR6,600 based on DCF, implying 55x P/E on Mar'28 estimates.

4QCY25 results: Positive surprise came from inflows

Revenue growth stood at 6% YoY for 4QCY25, largely in line with estimates. EBITDA margin, adjusted with amount related to labor code as well as currency fluctuations, stood at 15.5% (vs. est 15.4%). EBITDA margin was down YoY mainly due to lower gross margins. PAT declined 9% YoY to INR5b due to higher material costs, forex, and QCO-related imported material usage, which was partly offset through commodity hedging and efficiency gains. Order inflows were up 52% YoY to INR41b, led by strong growth in base orders followed by large orders from data centers, automotive, buildings & infra, railways, and metals, which lifted the overall order book to INR105b (+12% YoY). For CY25, revenue was up 8% YoY and EBITDA/PAT declined 9%/8% YoY, while EBITDA margin contracted 290bp YoY to 16%. OCF/FCF declined 8%/12% YoY to INR12b/INR10b and capex stood at INR2b.

Improving outlook on domestic and export order inflows

Current order book stands at INR104b with a split of nearly 65:35 towards short-cycle base orders and large orders. The company is witnessing an improved enquiry pipeline across base industries and has also seen faster finalization of large orders. Among high-growth segments, data centers continue to see strong traction, along with healthy growth in infrastructure and transport segments. For data centers, the company can cater to complete bandwidth of data centers from low-voltage solutions to high-voltage solutions, along with solutions for UPS. A good mix of orders from metals, chemicals, and oil and gas has also started coming in from core industries, which form 52% of volumes and were muted in past. ABB is optimistic about opportunities that can emerge after the India-EU trade agreement and the company is in active discussions with players to capitalize on these opportunities. With faster finalization of large orders across railways, data centers and process industries, along with base industries, we expect order inflows to grow at a CAGR of 15% over CY25-27.

EBITDA margin outlook

EBITDA margin for 4QCY25, adjusted with amount for labor code, stood at 17.2%. For the full year, EBITDA margin stood at 16%. During the year, RM cost has moved up due to 1) QCO compliance and large share of imported materials, 2) forex and commodity volatility, and 3) revenue mix between projects and products. Going ahead, the impact of QCO will remain for a few more quarters and margins will start improving on 1) improved volumes, 2) select price hikes to pass on RM cost pressure, and 3) focus on localization and premiumization of products. We increase our margin estimates and expect EBITDA margin of 16.6%/17% for CY26/27E.

Electrification segment to benefit from data center-related inflows

Electrification segment revenue grew 6% YoY for 4QCY25 and EBIT margins stood at 21.4%, both ahead of our estimates. Weakness in electrification segment inflows over past two quarters seems to have reversed now and order inflows for the segment were up 43% YoY. Inflows came from data centers, smart power and distribution solutions. ABB has been able to increase the share of data centers in overall order book to 10-11% now and expects similar traction to continue going forward. We thus expect the segment's revenue/orders to clock a CAGR of 13%/15% over CY25-27, with PBIT margin of 20% for CY26/27E.

Motion and Robotics impacted by unfavorable revenue mix

Motion segment revenues grew 7% YoY for 4QCY25 and EBIT margins stood at 16.5%, both ahead of our estimates. Order inflows for the motion segment were up 25% YoY and came from drives and motors as well as large order for propulsion system from Indian Railways. Motion segment has been benefitting from improved demand since 2QCY25. However, margins are down YoY due to impact of forex as well as unfavorable material mix. Robotics segment witnessed a sharp jump in inflows mainly from automotive segments. We expect this to scale up revenue growth sharply in the coming quarters. EBIT margin for robotics segment improved too on favorable revenue mix and operational efficiencies. The company has identified Robotics division for divestment, in line with the parent entity's strategy, and is waiting for shareholder approvals regarding the same. We revise our estimates to factor in improved inflows for Motion and Robotics segment and expect the segment's revenue/orders to clock a CAGR of 19%/14% over CY25-27, with PBIT margin of 16.1%/16.2% for CY26/27E.

Process automation witnessing improved demand

Process automation segment revenues were up 4% YoY and came ahead of our estimates, while EBIT margins declined sharply by 500bp to 14.4% for the quarter due to adverse revenue mix and material cost impact. Momentum is building up from power generation and refining, and the company expects few large orders from metals, minerals and mining to materialize during CY26. We revise our estimates and expect this segments' revenue/orders to grow at a CAGR of 5%/15% over CY25-27 with PBIT margin of 15%/16% for CY26/27E.

Financial outlook

We revise our estimates to bake in slightly better margins. We expect that the impact of QCO-related cost can be seen for just few more quarters and margins can improve from there on. We revise our estimates upwards by 9% each for CY26/27 to bake in better margins. We thus expect revenue/EBITDA/PAT CAGR of 15%/18%/19% over CY25-27.

Valuation and recommendation

The stock is currently trading at 60.5x/51.9x P/E on CY26/27E. We believe that the earnings cut cycle seems to be over for ABB. From hereon, re-rating in the valuation would be driven by continuity of order inflows and margin improvement going forward. After the earnings revision and roll forward, we arrive at a revised TP of INR6,600 based on DCF, implying 55x P/E on Mar'28 estimates. (INR5,800 earlier)

Key risks and concerns

Slowdown in order inflows, pricing pressure across segments, increased competition, supply chain issues, and geopolitical risks could affect our estimates and valuations.

Standalone - Quarterly Earning Model

(INR m)

Y/E December	CY24				CY25				CY24	CY25	CY25E 4QE	Est Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	30,804	28,309	29,122	33,649	31,596	31,754	33,107	35,570	1,21,883	1,32,027	34,026	5
YoY Change (%)	27.8	12.8	5.2	22.0	2.6	12.2	13.7	5.7	16.7	8.3	1.1	
Total Expenditure	25,152	22,884	23,719	27,076	25,773	27,614	28,103	29,448	98,831	1,10,938	28,710	
EBITDA	5,652	5,425	5,402	6,573	5,823	4,141	5,004	6,122	23,052	21,089	5,317	15
YoY Change (%)	98.1	55.6	23.2	57.6	3.0	-23.7	-7.4	-6.9	54.7	-8.5	-19.1	
Margins (%)	18.3	19.2	18.6	19.5	18.4	13.0	15.1	17.2	18.9	16.0	15.6	
Depreciation	314	310	328	337	338	355	366	396	1,289	1,455	306	
Interest	38	45	30	51	47	42	56	54	165	199	41	
Other Income	871	868	929	866	923	998	840	763	3,534	3,523	925	
PBT before EO expense	6,171	5,938	5,973	7,051	6,361	4,741	5,421	6,435	25,133	22,959	5,894	9
Extra-Ord expense								659		659		
PBT	6,171	5,938	5,973	7,051	6,361	4,741	5,421	5,776	25,133	22,299	5,894	-2
Tax	1,575	1,511	1,568	1,732	1,620	1,220	1,332	1,433	6,387	5,605	1,476	
Rate (%)	25.5	25.5	26.3	24.6	25.5	25.7	24.6	24.8	25.4	25.1	25.0	
Reported PAT	4,596	4,426	4,405	5,319	4,741	3,521	4,089	4,343	18,746	16,694	4,418	-2
Adj PAT	4,596	4,426	4,405	5,319	4,741	3,521	4,089	4,839	18,746	17,187	4,418	10
YoY Change (%)	87.4	49.6	21.7	54.1	3.2	-20.5	-7.2	-9.0	50.2	-8.3	-16.9	
Margins (%)	14.9	15.6	15.1	15.8	15.0	11.1	12.4	13.6	15.4	13.0	13.0	

IDFC First Bank

BSE SENSEX 83,295 S&P CNX 25,713



Stock Info

Bloomberg	IDFCFB IN
Equity Shares (m)	7339
M.Cap.(INRb)/(USD\$)	602.3 / 6.6
52-Week Range (INR)	87 / 52
1, 6, 12 Rel. Per (%)	-18/-3/3
12M Avg Val (INR M)	2222
Free float (%)	100.0

Financials Snapshot (INR b)

Y/E March	FY25	FY26E	FY27E
NII	192.9	213.7	259.8
OP	74.1	85.6	115.4
NP	15.2	21.3	42.7
NIM (%)	6.0	5.6	5.7
EPS (INR)	2.1	2.7	5.0
BV/Sh. (INR)	52	55	59
ABV/Sh. (INR)	50	53	57

Ratios

RoA (%)	0.5	0.6	0.9
RoE (%)	4.4	5.0	8.8

Valuations

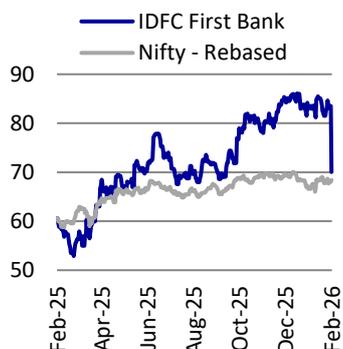
P/E(X)	33.0	26.2	14.0
P/BV (X)	1.4	1.3	1.2
P/ABV (X)	1.4	1.3	1.2

Shareholding pattern (%)

As on	Dec-25	Sep-25	Dec-24
Promoter (%)	0.0	0.0	0.0
DII (%)	30.2	33.5	25.3
FII (%)	36.8	24.6	27.1
Others (%)	33.1	41.9	47.6

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR70 TP: INR80 (+14%) Neutral

Uncovers malafide transactions at Chandigarh branch

INR5.9b deposits at risk; could potentially dent 4QFY26 PBT by 56%

- IDFC First Bank (IDFCB) has reported certain fraudulent transactions in respect to unauthorized withdrawal of deposits amounting to INR5.9b from its branch in Chandigarh, Haryana.
- The bank mentioned that the fraud is confined to a single branch and pertains to a defined set of Haryana state government accounts. There appears to be a prima facie evidence of employee collusion, and this incident is not a reflection of systemic failure, the bank said.
- Government deposits (state + Central) account for ~8-10% of total deposits for IDFCB, while Haryana state government's balance stands at ~0.5% of total deposits.
- The bank has appointed KPMG as an auditor and the investigations are underway. Basis findings and following the due procedures, the bank will look to make necessary provisions in the coming quarter. We believe that in a worst-case scenario assuming negligible recovery, the provisioning requirement will impact 4QFY26 PBT by 56%.
- We look forward to get more clarity on these developments and potential recovery that may possibly happen as the authorities investigate the matter. We will review our numbers during the 4Q preview and in the interim, we maintain our Neutral rating on the stock with a revised PT of INR80 (1.3x Sep'27E ABV).

Bank reports fraudulent transactions amounting to INR5.9b

IDFCB has reported certain fraudulent transactions in respect to unauthorized and fraudulent activity at a single Chandigarh branch, involving a defined set of Haryana government-linked accounts. Based on a preliminary assessment, the aggregate amount under reconciliation is approximately INR5.9b, comprising INR4.9b identified initially and an additional ~INR1b conservatively recognized. The issue is confined to this branch and does not extend to other customers or branches, with prima facie evidence pointing to employee collusion with external parties, not a system failure.

Haryana state government dis-empanels IDFCB and AU Bank; State accounts for 0.5% of overall deposits

- Haryana state government has dis-empaneled IDFCB and AU Bank for government business.
- Government deposits (state + Central) account for ~8-10% of total deposits for IDFCB, while Haryana state government's balance stands at ~0.5% of total deposits.
- The post-incident outflow of approximately INR2bn is manageable and has not triggered broader stress across wholesale deposits.

Bank has made strong deposit franchise led by digital and branch strategy

- IDFCB has built a robust and granular liability franchise, with retail deposits now contributing ~79% of customer deposits, up sharply from ~27% at the time of merger. This has been supported by healthy deposit growth of ~24% YoY and a steadily improving CASA mix of ~51.6%, compared with 46.5% in 1QFY24.
- The bank continues to prioritize branch-led and digital deposit mobilization over bulk deposits, with deposits per branch rising to INR2.7b in 3QFY26 from INR1.5b in FY21. Consequently, the share of retail deposits qualifying as LCR has increased from 12% to ~63% over the past five years.
- Despite a CD ratio of ~93%, the bank remains well positioned to scale deposits, aided by a competitive rate strategy and ongoing network expansion. We expect IDFCB to sustain a ~22% deposit CAGR over FY26-28E, comfortably supporting loan growth.

Operating performance (NIMs, credit cost, C/I) recovering gradually

- IDFCB's operating performance is recovering gradually, with key profitability metrics turning supportive.
- NIMs, which faced near-term pressure from repo pass-through, MFI run-down and a higher wholesale mix, are close to a trough, with management guiding for margins to stabilize and exit FY26 at ~5.8% (3QFY26 NIMs at 5.76%), aided by improving asset mix and reduction in cost of funds.
- Credit costs are trending lower, supported by stabilization in unsecured portfolios, reduction in the MFI stress, improving collections and declining SMA levels, pointing to normalization over the medium term.
- While the C/I ratio remains elevated due to branch expansion and technology investments, early operating leverage is visible. We estimate C/I ratio to gradually recover to 64.4% by FY28E, driven by scale benefits, expansion of revenue due to better NIMs, and efficiency gains.

Looking forward to further clarity; worst case impact of 56% on 4Q PBT

With INR5.9b of deposits at risk, the actual financial impact will hinge on the quantum and timing of recoveries as determined by the findings of the ongoing forensic audit and subsequent legal recovery process. IDFCB has appointed KPMG as an auditor and the investigations are underway. Basis findings and following the due procedures, the bank will look to make necessary provisions in the coming quarter.

We believe that in a worst-case scenario assuming negligible recovery, the provisioning requirement will impact 4QFY26 PBT by 56%.

Valuation and view

IDFCB disclosed unauthorized withdrawals of INR5.9b from a single Chandigarh branch, involving a defined set of Haryana state government accounts, with prima facie evidence of employee collusion and no systemic failure. Government deposits form ~8-10% of total deposits, while Haryana balances make up only ~0.5%, limiting the balance sheet risk. KPMG has been appointed to conduct a forensic audit. In a worst-case scenario of negligible recoveries, provisioning could impact 4QFY26E PBT by ~56%. **We look forward to get more clarity on these developments and a potential recovery that may possibly happen as the authorities investigate the matter. We will review our numbers during the 4Q preview, and in the interim, we maintain our Neutral rating with a revised PT of INR80 (1.3x Sep'27E ABV).**

Mphasis

BSE SENSEX 83,295
S&P CNX 25,713

CMP: INR2,310 TP: INR3,400 (+47%) Buy



Stock Info

Bloomberg	MPHL IN
Equity Shares (m)	190
M.Cap.(INRb)/(USDb)	440.4 / 4.8
52-Week Range (INR)	3037 / 2025
1, 6, 12 Rel. Per (%)	-19/-22/-23
12M Avg Val (INR M)	1723
Free float (%)	69.4

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	157.6	179.1	208.8
EBIT Margin	15.3	15.3	15.5
Adj. PAT	18.9	21.6	25.2
Adj. EPS (INR)	99.2	113.2	132.2
EPS Gr. (%)	11.2	14.1	16.8
BV/Sh. (INR)	545.5	590.4	643.2

Ratios

RoE (%)	18.9	19.9	21.4
RoCE (%)	16.6	17.6	19.3
Payout (%)	60.1	60.0	60.0

Valuations

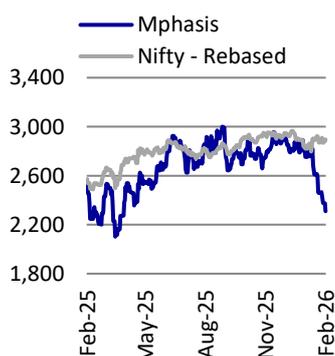
P/E (x)	23.3	20.4	17.5
P/BV (x)	4.2	3.9	3.6
EV/EBITDA (x)	14.1	12.2	10.2
Div Yield (%)	2.6	2.9	3.4

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	30.6	40.1	40.2
DII	45.3	37.1	34.6
FII	19.8	18.5	20.8
Others	4.4	4.3	4.4

FII Includes depository receipts

Stock performance (one-year)



Core execution steady amid AI uncertainty

We met with the CFO of Mphasis to discuss AI, demand trends, large deals, and the balance sheet. Management's key message was that the current AI debate is running ahead of business reality. While AI is expected to change service delivery over time, it could also create new opportunities across enterprise IT services. We believe scaling AI in large enterprises typically requires cleaning up legacy systems, simplifying architectures, and improving data readiness. The company highlighted that demand conditions remain stable, supported by continued large-deal activity. Over the last four quarters, it has secured ~USD2bn of TCV wins, with recent deal conversions expected to support near-term growth. That said, concerns around terminal value and AI-led disruption may restrict near-term multiple re-rating. We value the stock at 26x FY28E EPS, arriving at a TP of INR3,400. We reiterate our BUY rating on the stock.

Brownfield realities may temper AI's immediate impact

- Management differentiated between AI success in consumer/AI-native environments and practical constraints in brownfield enterprises. While model capabilities continue to improve, **enterprise deployment cycles are elongated** by integration with legacy systems, governance layers, regulatory controls, and strict security policies.
- In many large client environments, vendor AI tools cannot be independently deployed, with clients preferring **sandboxed, internally governed AI instances**. Consequently, AI today is largely **augmentative**, improving developer productivity, testing efficiency, incident management, and analytics rather than driving immediate substitution-led revenue pressure.
- Management drew parallels with the cloud transition (post-2008), where initial disruption fears ultimately expanded service demand via migration, modernization, security, and hybrid architecture workstreams.

Demand environment and growth context

- Management described demand as stable, with spending supported by cost optimization, selective transformation programs, and vendor consolidation. For the current fiscal year, the company is tracking ~15% growth, excluding a one-off vertical headwind in logistics.
- Recent large-deal wins are expected to contribute to revenue ramps over the coming quarters. That said, management noted that the pace of transformation-led spending remains gradual, reflecting elongated decision cycles in large enterprises.

Large-deal momentum and replenishment needs

- The company highlighted ~USD2b TCV wins over the last four quarters, a strong outcome relative to scale. Accounting for the logistics ramp down, the revenue conversion from deal TCV is actually ahead of historical averages.
- Management emphasized that large deals typically provide an initial revenue uplift, followed by normalization as delivery stabilizes. Sustaining growth, therefore, depends on consistent deal replenishment rather than isolated mega-deal spikes.

- At the current size, management suggested that maintaining ~USD2b TTM TCV would be required to support double-digit growth, while USD2.5b+ TTM TCV would be necessary for high-teen growth on a sustained basis.

Execution as a key differentiator for mid-tier

- Management emphasized that competitive advantage for mid-tier firms stems from **execution agility and senior leadership involvement** in large pursuits. Leadership engagement in **USD200–500m deal cycles** allows flexibility in solution design and commercial structuring.
- This contrasts with the more institutionalized, process-driven approaches typical of large-cap peers. While this model may enhance win probability in complex situations, management implicitly acknowledged **replicability/bandwidth constraints** if deal volumes accelerate materially, as leadership-driven intensity is harder to scale.

AI opens the door for app modernization work

- Historically, the company's revenue skewed toward application development, with maintenance/run work forming ~**40–50% of revenue** (management referenced a ~50-50/60-40 range). Maintenance is defined primarily as production support of built applications, rather than standalone AMS dominance.
- AI capabilities are enabling entry into larger run/maintenance deals that were previously cost-intensive, potentially improving revenue stability and annuity characteristics over time.
- At the same time, scaling AI in large enterprises typically requires cleaning up legacy systems, simplifying architectures, and improving data readiness, which naturally creates incremental modernization demand alongside maintenance work. However, margin outcomes will depend on delivery efficiency and automation capture vs pricing resets.

Balance sheet and structured deal optics

- Investor questions centered on rising **contract liabilities and working capital movements** associated with structured large deals. Management characterized these arrangements as a **measured strategy** to secure long-duration revenue streams.
- The CFO referenced historical industry precedents where similar approaches produced attractive returns. Management argued that balance sheet assessment should focus on **cash flow resilience and return metrics**, rather than absolute leverage levels in isolation.

Valuations and view

- We are positive on the BFSI exposure as it remains relatively resilient amid current uncertainties. With strong TCV growth in 9MFY26 and large client issues now normalized, we see improving visibility on revenue growth over the next few quarters.
- That said, concerns around terminal value and AI-led disruption may restrict near-term multiple re-rating. Over FY25-28, we forecast a USD revenue CAGR of ~10.8% and an INR PAT CAGR of ~14%. We value the stock at 26x FY28E EPS, arriving at a TP of INR3,400. We reiterate our BUY rating on the stock.

Value fashion retail

Please refer our report on V-MART



Demand outlook remains robust, prompting acceleration in store additions

- Given high salience toward East India, value fashion retailers were adversely impacted by the partial shift of the festive season to 2Q (vs. 3Q in FY25).
- However, the underlying growth remained robust, driven by the continued shift from unorganized to organized in tier 2+ towns amid a rising store footprint of value fashion retailers.
- Robust underlying demand also led to broad-based upgrades in store addition guidance by value fashion retailers.
- Consumption-supportive policies such as GST rationalization, income tax cuts, free food schemes, cash handouts in certain states and reduction in interest rates, along with strong rural cash flow from a good monsoon, should support robust growth trends for value fashion retailers over the medium term.
- We reiterate our BUY ratings on V-Mart (TP: INR1,000) and VMM (TP: INR170).

Growth momentum sustains; profitability improves further

- During 3QFY26, value fashion retailers sustained their outperformance, with the four listed value fashion retailers delivering a combined **20% YoY revenue growth, aided largely by ~20% retail area addition.**
- SSSG was adversely impacted by the shift in the festive period. After normalizing the shift, SSSG remained robust.
- Vishal Mega Mart (VMM) stood out with 7.5% SSSG, while Unlimited and V2REL reported a modest 2% SSSG. BSR was severely impacted by the festive shift and geopolitical disruptions in its core eastern markets.
- Adjusted for the festive shift, aggregate revenue from listed value fashion retailers grew ~24% YoY, driven by ~20% retail area additions and improvement in overall store productivity, despite aggressive store expansions.
- Operating deleverage from the festive shift was largely offset by improvement in gross margins from winter merchandise, better inventory management and tight control over costs, leading to ~22% YoY growth in **aggregate pre-IND AS EBITDA and margin expansion of ~25bp YoY to 12.4%.**
- VMM remained most consistent with steady margin expansion (+35bp YoY), while V-Mart (+140bp) benefitted from lower inventory provisioning and curtailed losses in LimeRoad. V2 Retail (-20bp) and BSR (down 340bp) witnessed margin compression due to operating deleverage from the festive shift.
- For 9MFY26, aggregate pre-IND AS EBITDA for listed value fashion retailers jumped ~38% YoY, driven by robust ~90bp YoY margin expansion.
- V-Mart continued to witness robust margin expansion, with further ~170bp YoY improvement to ~7.2% (though still below peers), while V2REL witnessed ~145bp YoY margin expansion, despite aggressive store rollouts.
- Despite broadly stable GM in 9MFY26, VMM witnessed steady ~70bp YoY pre-IND AS EBITDA margin expansion, driven by operating leverage and robust cost controls. BSR witnessed further ~45bp margin contraction in 9MFY26.
- **Aggregate adjusted PAT** grew 22% YoY to INR5.1b, driven by resilient revenue growth, tighter control over costs, and lower finance costs.

Broad-based acceleration in store additions

- Value fashion retailers are scaling up rapidly as the demand outlook remains robust, driven by the shift from unorganized-to-organized retail in tier 2+ towns.
- During 3QFY26, the four listed value fashion retailers added 87 net stores (9M: 275), with aggregate store count rising 23.5% YoY and aggregate retail area increasing ~20% YoY to 23.5m sqft.
- Backed by recent fundraise, V2 and BSR are pursuing aggressive pan-India scale, while expansions for VMM and V-Mart remain calibrated, yet they are positioned to close FY26 at the upper end of the guidance.
- Retailers are targeting white spaces in the South (59 net additions in 9MFY26) and West (36) and deepening penetration in core markets (North: 91; East:89).
- Despite aggressive expansion plans, retailers remain disciplined on unit economics and focused on faster ramp-up of new stores, improved inventory turns, and capital efficiency.

Growth momentum likely to sustain; operating leverage to boost margins

- Driven by a robust growth outlook and tailwinds from unorganized to organized shift in tier 2+ towns, value fashion retailers have stepped up their targets for store additions, which should help to sustain growth momentum.
- Rising salience of private labels, increasing full-price sale-throughs, robust inventory controls, and better supply chain efficiencies should help value retailers sharpen their value proposition.
- Operating leverage on fixed costs – warehouse, corporate expenses and A&P spends, along with improvement in store productivity for recently opened stores, should help to drive margin expansion.

Valuation and view

- Value fashion retailers continued to outperform the premium and branded apparel retailers, underpinned by structural tailwinds: (i) rising aspirations in Tier 2/3/4 cities, (ii) an accelerating shift from unorganized to organized channels, (iii) deeper private label penetration driving assortment depth, and (iv) aggressive network expansion.
- We remain bullish on the growth prospects of value fashion retailers, driven by the massive opportunity from the unorganized-to-organized shift and rising preference for shopping from one-stop family shops in Tier 2 and beyond cities.
- We reiterate our **BUY rating on VMM with a TP of INR170**. Please refer to our [IC note](#) for our detailed thesis on the name.
- V-Mart is among the [preferred picks](#) in apparel and footwear retail coverage as it provides a mix of high-teen growth and margin expansion, along with attractive valuations (~12.5x FY28E EV/pre-INDAS EBITDA). Reiterate our BUY with a TP of INR1,000.



Aadhar Housing Finance: Eyeing 30% Of Loans From Non-housing Finance In 3 Years; Rishi Anand, MD & CEO

- Aiming for 20–22% AUM growth and 20% profit growth, with a goal to double the book to ₹50,000 crore within 3 years.
- Focused on the "lowest strata" (drivers, shopkeepers, etc.) with an average ticket size of ₹8–9 lakhs.
- Benefiting from RBI rate cuts with a 47-bps reduction in borrowing costs; passing ~15 bps of this to customers.
- Maintaining strong NIMs at 9.4%, with a firm floor set at 9%.

[➔ Read More](#)

Narayana Health: Entirely Focused On Centralising Our Core Functions; Viren Shetty, Executive Vice Chairman

- Acquired a 3.3-acre Bengaluru site to set up a GCC to centralize core functions across India, UK, and Cayman Island operations.
- The "Aditi" insurance arm is focusing on SMEs and plans to expand from core hubs to all operational cities within 2–3 years.
- Shifting from a surgery-only focus to a diversified "prevention-to-cure" model, aiming to make healthcare more affordable through high operational efficiency.
- Current net debt is approx ₹3,500 crore following the recent sizable acquisition in the UK.

[➔ Read More](#)

Motherson Group: Building India's Largest Consumer Electronics Components Business; Vivek Chaand Sehgal, Chairman

- Target of \$108 billion in revenue by 2030, driven by the company's "lucky" number 9 sequence.
- Pivoting into aerospace and consumer electronics to avoid hitting growth ceilings in the automotive sector.
- Leveraging their core platform—Design, Engineering, Manufacturing, and Operations—across all new industries.
- Less than 10% of business is from India; the rest is produced and sold globally.
- Already launched their first health and medical devices factory to further diversify the portfolio.

[➔ Read More](#)

Quality Power: Expect Over ₹900 Cr Revenue In FY26 With Margin Of Over 22%; Bharanidharan Pandyan, Jt MD

- Raised FY26 revenue target to ₹900+ crore (up from ₹700–800 cr) after a strong Q3.
- Maintaining 22%+ margins overall; core high-voltage business is delivering nearly 30%.
- New facility with ₹1,500 crore potential starts trial production in June; full revenue impact by December.
- Targeting 20% growth for FY27 and actively seeking new acquisitions with available cash.
- Stockpiling critical components to bypass global insulator shortages, despite a temporary hit to working capital.

[➔ Read More](#)

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

NOTES

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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