



PL Capital
PRABHUDAS LILLADHER

CONNECT

Oct-Dec'25 Results



PAT beat estimates, NIFTY EPS cut 2.9% for FY26

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February 24, 2026

PAT beat estimates, NIFTY EPS cut 2.9% for FY26

- PL Universe in 3QFY26 reported Sales, EBITDA, PAT growth of 9.9%, 16.4%, and 16.7% YoY respectively. Ex-BFSI EBITDA increased 18.5% YoY. Ex-O&G EBITDA increased 14.6% YoY.
- PL Coverage universe posted 1.7% higher sales growth than estimates for 3Q26. EBIDTA/PAT beat estimates by 3.4% and 7.0%. Ex-BFSI EBIDTA and PAT beat was 3.0/6.9%. Ex- Oil & Gas EBIDTA and PAT beat were 2% and 5.2%.
- Auto, EMS, Renewables, NBFC, Hospitals, Cement, Durables, Telecom, logistics and Ports reported more than 15% sales growth. Capital Goods, Consumer, Metals and Pharma reported between 10-15% sales growth.
- Auto, Building Material, Capital Goods, NBFC, Oil & Gas and Telecom reported more than 20% EBIDTA growth. Cement, Logistics, EMS and Renewables had more than 30% EBIDTA growth. Chemicals, Media, Education and Travel were laggards.
- Logistics, Renewable Equipment, Metals & Mining and Oil & Gas reported more than 30% PAT growth. EMS, Auto, Ports and Capital Goods had PAT growth between 20-30%
- EMS, Renewable Equipment, Oil & Gas, Travel & Tourism, Ports, Consumer Durables and Pharma sectors reported sales ahead of estimates by 2.3%–9.7%, while Auto, Building Materials, Capital Goods and Metal & Mining lagged, missing estimates by 1.2%–2.2%.
- Renewable Equipment, Logistics and EMS posted double digit EBITDA beats versus estimates by 16.9-29.7%, while Education sector recorded double digit miss.
- Metals & Mining, Renewable Equipment and Logistics sector posted PAT beat of more than 75%, whereas sectors like Travel & Tourism, Cement and Education recorded double digit miss.

Note: Sectoral/stock growth and its variation with estimates are as per PL coverage universe.

Auto reported revenue growth of 26.5% YoY, while EBITDA increased 22.2% and PAT rose 21.4%. Actuals missed across metrics: revenue by 1.2%, EBITDA by 1.6%, and PAT by 4.0%.

Banks reported revenue growth of 5.4% YoY, EBITDA up 10.8%, and PAT rising 9.1%. Actuals exceeded estimates with revenue up 1.0%, EBITDA up 5.3%, and PAT up 10.4%.

Building Materials reported revenue up 6.8% YoY, EBITDA up 20.4%, and PAT up 3.1%. Actuals missed revenue estimates by 1.4%, EBITDA beat by 0.8%, while PAT missed by 13.7%.

Capital Goods posted revenue growth of 12.5% YoY, EBITDA up 20.1%, and PAT rising 29.7%. Actuals missed revenue estimates by 2.1%, but EBITDA beat by 0.7%, and PAT beat by 6.9%.

Cement revenue grew 18.2% YoY, EBITDA rose 30.3%, while PAT fell 20.6%. Actuals beat revenue estimates by 1.7%, but EBITDA missed by 9.2%, and PAT missed by 23.8%.

Chemicals reported muted YoY performance with revenue up 1.9%, EBITDA up 2.3%, and PAT up 0.8%. Actuals missed revenue by 0.5%, EBITDA by 3.7%, and PAT by 8.7%.

Consumer Durables revenue rose 15.4% YoY, EBITDA grew 11.3%, and PAT increased 8.2%. Actuals beat revenue estimates by 3.0%, but EBITDA missed by 1.4%, and PAT missed by 6.0%.

Consumer Staples revenue grew 13.4% YoY, EBITDA rose 11.3%, and PAT increased 11.9%. Actuals were in-line, with revenue beating by 0.1%, EBITDA missing by 0.5%, and PAT beating by 3.4%.

Education revenue rose 7.5% YoY, EBITDA declined 9.9%, and PAT fell sharply 88.0%. Actuals marginally missed revenue by 0.9%, EBITDA by 13.8%, and PAT by 90.4%.

EMS delivered strong YoY growth with revenue rising 30.6%, EBITDA up 52.8%, and PAT rising 21.2%. Actuals beat estimates with revenue up 9.7%, EBITDA up 29.7%, and PAT up 7.5%.

Financial Services reported revenue up 18.9% YoY, EBITDA up 19.0%, and PAT down 8.2%. Actuals missed estimates across metrics: revenue by 0.7%, EBITDA by 0.7%, and PAT by 11.5%.

Healthcare revenue rose 19.8% YoY, EBITDA increased 18.4%, while PAT declined 3.1%. Actuals were largely in line: revenue missed by 0.1%, EBITDA beat by 0.5%, but PAT missed by 16.4%.

IT revenue increased 8.1% YoY, EBITDA grew 10.2%, and PAT rose 12.9%. Actuals exceeded expectations across metrics: revenue by 0.7%, EBITDA by 2.6%, and PAT by 3.2%.

Logistics reported strong YoY growth with revenue up 17.5%, EBITDA rising 67.8%, and PAT surging 306.0% on a low base. Actuals were mixed, with revenue in-line, EBITDA beating by 26.0%, and PAT beating by 2.7%.

Media revenue grew 7.8% YoY, EBITDA rose 2.7%, while PAT declined 9.8%. Actuals were in-line on revenue (-0.2%), missed EBITDA by 2.0%, and missed PAT by 2.2%.

Metals & Mining reported YoY revenue growth of 10.4%, while EBITDA rose 17.0% and PAT increased 75.7%. Actuals missed revenue by 2.2%, missed EBITDA by 1.9%, but PAT beat estimates by 31.3%.

Oil & Gas revenue grew 5.7% YoY, EBITDA rose 22.6%, and PAT increased 37.6%. Actuals exceeded expectations with revenue up 4.7%, EBITDA up 8.2%, and PAT up 14.6%.

Pharma posted revenue growth of 12.3% YoY, EBITDA up 9.3%, and PAT marginally declined 0.9%. Actuals beat estimates with revenue up 2.3%, EBITDA up 3.1%, though PAT missed by 2.8%.

Ports reported revenue up 20.9% YoY, EBITDA up 19.3%, and PAT up 23.3%. Actuals beat revenue estimates by 3.2%, EBITDA by 1.9%, but PAT missed by 0.7%.

Renewable Equipment delivered very strong performance with revenue up 71.2% YoY, EBITDA rising 107.2%, and PAT increasing 142.7%. Actuals exceeded estimates across metrics: revenue by 8.2%, EBITDA by 16.9%, and PAT by 29.3%.

Telecom revenue grew 19.6% YoY, EBITDA rose 25.2%, and PAT declined 4.8%. Actuals were mixed: revenue missed by 0.4%, EBITDA beat by 2.4%, and PAT missed by 9.9%.

Travel & Tourism revenue was up 7.2% YoY, EBITDA declined 0.2%, and PAT fell 15.9%. Actuals beat revenue estimates by 4.4%, were flat on EBITDA (0.1%), and PAT beat strongly by 48.9%.

Exhibit 1: 3Q FY26 Results and Variation in Numbers

	Revenue					EBITDA					PAT				
	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.
Auto															
Bajaj Auto	1,52,335	1,52,203	-0.1%	1,28,069	18.8%	31,273	31,605	1.1%	25,807	22.5%	25,517	25,489	-0.1%	21,087	20.9%
Eicher Motors	59,677	61,140	2.5%	49,731	22.9%	14,619	15,567	6.5%	12,012	29.6%	13,743	14,632	6.5%	11,705	25.0%
Hero Motocorp	1,23,093	1,23,284	0.2%	1,02,108	20.7%	17,972	18,101	0.7%	14,765	22.6%	14,056	14,389	2.4%	12,028	19.6%
Mahindra & Mahindra	4,05,321	3,85,168	-5.0%	3,05,382	26.1%	59,582	56,676	-4.9%	44,681	26.8%	39,992	40,055	0.2%	29,643	35.1%
Maruti Suzuki	5,00,139	4,98,915	-0.2%	3,87,523	28.7%	58,016	55,717	-4.0%	50,646	10.0%	44,870	37,940	-15.4%	36,593	3.7%
TVS Motor Company	1,20,566	1,24,763	3.5%	90,971	37.1%	15,674	16,341	4.3%	10,815	51.1%	10,066	9,817	-2.5%	6,185	58.7%
Total	13,61,131	13,45,473	-1.2%	10,63,783	26.5%	1,97,135	1,94,007	-1.6%	1,58,726	22.2%	1,48,245	1,42,323	-4.0%	1,17,242	21.4%
Banks															
Axis Bank	1,38,607	1,42,866	3.1%	1,36,059	5.0%	1,04,749	1,08,757	3.8%	1,05,339	3.2%	62,812	64,896	3.3%	63,038	2.9%
Bank of Baroda	1,14,498	1,12,804	-1.5%	1,14,169	-1.2%	64,140	73,771	15.0%	76,642	-3.7%	35,126	50,546	43.9%	48,373	4.5%
Canara Bank	93,595	92,523	-1.1%	91,486	1.1%	90,081	91,195	1.2%	78,366	16.4%	46,373	51,551	11.2%	41,042	25.6%
City Union Bank	6,939	7,522	8.4%	5,877	28.0%	4,264	5,132	20.3%	4,360	17.7%	2,815	3,322	18.0%	2,860	16.1%
DCB Bank	6,162	6,247	1.4%	5,429	15.1%	2,979	3,228	8.4%	2,711	19.1%	1,675	1,847	10.3%	1,514	22.0%
Federal Bank	25,453	26,527	4.2%	24,313	9.1%	16,039	17,293	7.8%	15,695	10.2%	9,677	10,412	7.6%	9,554	9.0%
HDFC Bank	3,22,430	3,26,150	1.2%	3,06,533	6.4%	2,81,113	2,70,978	-3.6%	2,50,004	8.4%	1,87,042	1,86,538	-0.3%	1,67,355	11.5%
ICICI Bank	2,20,516	2,19,322	-0.5%	2,03,706	7.7%	1,77,599	1,73,560	-2.3%	1,68,866	2.8%	1,21,544	1,13,179	-6.9%	1,17,924	-4.0%
IndusInd bank	44,411	45,617	2.7%	52,281	-12.7%	21,178	23,068	8.9%	35,989	-35.9%	133	1,612	1108.3%	14,013	-88.5%
Kotak Mahindra Bank	74,758	75,646	1.2%	71,963	5.1%	54,899	53,798	-2.0%	51,810	3.8%	34,566	34,461	-0.3%	33,048	4.3%
State Bank of India	4,45,555	4,51,904	1.4%	4,14,455	9.0%	2,72,756	3,28,624	20.5%	2,35,508	39.5%	1,64,676	2,10,282	27.7%	1,68,914	24.5%
Union Bank Of India	90,913	93,279	2.6%	92,403	0.9%	67,764	69,416	2.4%	74,918	-7.3%	38,966	50,168	28.7%	46,036	9.0%
Total	15,83,836	16,00,406	1.0%	15,18,672	5.4%	11,57,560	12,18,819	5.3%	11,00,208	10.8%	7,05,405	7,78,813	10.4%	7,13,673	9.1%
Building Materials															
Astral Ltd.	15,631	15,631	0.0%	13,970	11.9%	2,392	2,392	0.0%	2,195	9.0%	1,231	1,231	0.0%	1,126	9.3%
Century Plyboard	13,179	13,501	2.4%	11,405	18.4%	1,583	1,702	7.6%	1,295	31.5%	709	650	-8.2%	588	10.6%
Cera Sanitaryware	4,769	4,769	0.0%	4,493	6.2%	658	658	0.0%	594	10.8%	540	540	0.0%	459	17.7%
Finolex Industries	9,758	8,977	-8.0%	10,012	-10.3%	936	1,231	31.6%	834	47.5%	1,001	1,161	16.0%	940	23.5%
Greenpanael Inds	3,779	4,163	10.1%	3,594	15.8%	455	411	-9.7%	173	136.6%	177	102	-42.1%	85	20.4%
Kajaria Ceramics	12,220	11,683	-4.4%	11,556	1.1%	2,200	2,012	-8.5%	1,533	31.2%	1,384	880	-36.4%	846	4.0%
Supreme Industries	27,444	26,869	-2.1%	25,099	7.1%	3,388	3,292	-2.8%	3,088	6.6%	2,024	1,534	-24.2%	1,870	-18.0%
Total	86,781	85,592	-1.4%	80,129	6.8%	11,611	11,698	0.8%	9,713	20.4%	7,066	6,098	-13.7%	5,914	3.1%

	Revenue					EBITDA					PAT				
	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.
Capital Goods															
ABB India	34,621	34,621	0.0%	33,649	2.9%	5,284	5,284	0.0%	6,573	-19.6%	4,325	4,325	0.0%	5,319	-18.7%
Apar Incls Ltd	49,288	54,797	11.2%	47,164	16.2%	3,573	4,444	24.4%	3,561	24.8%	1,734	2,339	34.9%	1,749	33.7%
BEML	10,622	10,833	2.0%	8,758	23.7%	1,009	894	-11.4%	604	48.1%	590	634	7.4%	244	159.8%
Bharat Electronics	65,519	71,220	8.7%	57,561	23.7%	18,083	21,176	17.1%	16,533	28.1%	14,324	15,901	11.0%	13,161	20.8%
BHEL	86,136	84,731	-1.6%	72,771	16.4%	6,891	5,453	-20.9%	3,042	79.2%	4,137	3,825	-7.5%	1,248	206.6%
Carborundum Universal	13,115	12,909	-1.6%	12,555	2.8%	1,600	1,614	0.9%	1,770	-8.8%	892	802	-10.1%	1,389	-42.2%
Elgi Equipments	9,061	10,034	10.7%	8,476	18.4%	1,268	1,439	13.4%	1,195	20.5%	836	1,062	27.1%	806	31.8%
Grindwell Norton	7,676	7,528	-1.9%	7,026	7.1%	1,405	1,399	-0.4%	1,234	13.3%	1,001	962	-3.9%	868	10.8%
Cummins India	32,851	30,549	-7.0%	30,860	-1.0%	6,702	6,845	2.1%	6,000	14.1%	5,955	5,881	-1.2%	5,140	14.4%
Engineers India	9,754	9,837	0.9%	7,646	28.7%	1,268	1,257	-0.9%	979	28.4%	1,358	1,745	28.5%	1,087	60.4%
GE T&D India	15,727	17,006	8.1%	10,737	58.4%	3,932	4,546	15.6%	1,797	153.0%	2,952	3,601	22.0%	1,427	152.4%
Harsha Engineering	3,657	4,093	11.9%	3,389	20.7%	475	633	33.1%	428	48.0%	314	396	25.9%	267	48.3%
Hindustan Aeronautics	76,183	76,988	1.1%	69,573	10.7%	17,895	18,710	4.6%	16,825	11.2%	16,039	18,667	16.4%	14,398	29.6%
Ingersoll Rand India	3,995	4,555	14.0%	3,815	19.4%	1,007	1,143	13.5%	1,024	11.6%	752	985	30.9%	777	26.8%
Kalpataru Power Transmi:	57,122	57,876	1.3%	48,257	19.9%	4,855	4,813	-0.9%	4,019	19.8%	2,254	2,331	3.4%	1,574	48.2%
KEC International	62,610	60,014	-4.1%	53,494	12.2%	5,009	4,300	-14.2%	3,745	14.8%	2,195	1,275	-41.9%	1,296	-1.6%
Kirloskar Pneumatic Co	4,568	4,069	-10.9%	3,426	18.8%	763	794	4.1%	494	60.7%	547	598	9.2%	368	62.6%
Larsen & Toubro	7,53,658	7,14,497	-5.2%	6,46,678	10.5%	77,210	74,168	-3.9%	62,549	18.6%	42,821	45,589	6.5%	33,588	35.7%
Praj Industries	8,193	8,415	2.7%	8,530	-1.4%	549	473	-13.8%	586	-19.2%	341	221	-35.2%	411	-46.3%
Siemens	37,580	38,307	1.9%	33,601	14.0%	4,660	4,247	-8.9%	4,014	5.8%	4,119	3,459	-16.0%	3,780	-8.5%
Siemens Energy India	19,004	19,109	0.6%	15,169	26.0%	3,136	3,915	24.9%	2,755	42.1%	2,252	2,955	31.2%	1,719	71.9%
Thermax	27,755	26,347	-5.1%	25,078	5.1%	2,304	2,548	10.6%	1,890	34.8%	1,589	1,516	-4.6%	1,159	30.8%
Triveni Turbine	6,120	6,240	2.0%	5,034	24.0%	1,377	1,341	-2.6%	1,093	22.7%	1,107	1,034	-6.6%	924	12.0%
Voltamp Transformers	5,314	6,303	18.6%	4,835	30.4%	1,026	1,129	10.1%	990	14.0%	853	1,043	22.3%	734	42.0%
Total	14,00,128	13,70,876	-2.1%	12,18,082	12.5%	1,71,281	1,72,565	0.7%	1,43,699	20.1%	1,13,286	1,21,145	6.9%	93,432	29.7%
Cement															
ACC	63,839	64,830	1.6%	52,905	22.5%	7,762	7,000	-9.8%	4,789	46.2%	4,730	3,759	-20.5%	2,289	64.3%
Ambuja Cement	1,00,569	1,02,767	2.2%	85,022	20.9%	16,931	13,531	-20.1%	8,855	52.8%	7,066	2,037	-71.2%	21,153	-90.4%
Dalmia Bharat	34,759	34,690	-0.2%	31,810	9.1%	6,500	5,650	-13.1%	5,110	10.6%	1,427	1,220	-14.5%	610	100.0%
JK Cement	33,189	34,631	4.3%	29,303	18.2%	5,568	5,575	0.1%	4,921	13.3%	2,243	2,692	20.0%	1,892	42.3%
JK Lakshmi Cement	17,279	15,884	-8.1%	14,968	6.1%	2,669	2,052	-23.1%	2,018	1.7%	931	714	-23.3%	712	0.2%
JSW Cement	17,771	16,212	-8.8%	14,327	13.2%	3,441	2,850	-17.2%	1,485	91.9%	1,548	1,421	-8.2%	(688)	-306.6%
Nuvoco Vistas Corporati:	27,922	27,013	-3.3%	24,094	12.1%	3,916	3,837	-2.0%	2,583	48.6%	351	397	13.2%	(587)	-167.7%
Shree Cement	49,156	44,164	-10.2%	42,355	4.3%	10,769	9,165	-14.9%	9,466	-3.2%	3,496	3,256	-6.8%	2,294	41.9%
Ultratech Cement	2,04,800	2,18,297	6.6%	1,77,788	22.8%	40,300	39,152	-2.8%	28,947	35.3%	21,309	17,335	-18.6%	13,675	26.8%
Total	5,49,285	5,58,487	1.7%	4,72,572	18.2%	97,857	88,813	-9.2%	68,173	30.3%	43,100	32,831	-23.8%	41,349	-20.6%

	Revenue					EBITDA					PAT				
	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.
Chemicals															
Aarti Industries	20,886	23,180	11.0%	18,430	25.8%	2,820	3,210	13.8%	2,360	36.0%	774	1,330	71.9%	470	183.0%
Clean Science	2,409	2,197	-8.8%	2,408	-8.8%	854	722	-15.5%	985	-26.7%	565	459	-18.8%	656	-30.1%
Deepak Nitrite	19,462	19,750	1.5%	19,034	3.8%	2,197	2,109	-4.0%	1,685	25.1%	1,285	1,093	-14.9%	981	11.4%
Fine Organic Inds	5,723	5,548	-3.1%	5,132	8.1%	1,206	944	-21.8%	990	-4.7%	1,024	739	-27.8%	827	-10.6%
Gujarat Fluorochemicals	11,980	11,360	-5.2%	11,480	-1.0%	3,392	2,750	-18.9%	2,940	-6.5%	1,707	1,190	-30.3%	1,260	-5.6%
Jubilant Ingrevia	10,536	10,510	-0.2%	10,568	-0.5%	1,132	1,266	11.8%	1,383	-8.5%	501	469	-6.4%	694	-32.4%
Laxmi Organic Inds	7,012	7,187	2.5%	7,863	-8.6%	348	499	43.3%	748	-33.2%	101	254	150.6%	293	-13.3%
Navin Fluorine	7,570	8,924	17.9%	6,062	47.2%	2,253	3,076	36.5%	1,473	108.8%	1,297	2,263	74.5%	836	170.7%
Nocil Ltd	3,155	3,158	0.1%	3,181	-0.7%	221	268	21.1%	240	11.6%	115	200	74.7%	129	55.3%
PCBL Chemicals	20,409	18,456	-9.6%	20,100	-8.2%	2,488	2,147	-13.7%	3,173	-32.4%	435	229	-47.4%	936	-75.6%
PI Inds Ltd	15,807	13,757	-13.0%	19,008	-27.6%	3,984	3,023	-24.1%	5,120	-41.0%	2,984	1,011	-66.1%	3,727	-72.9%
SRF	36,783	37,125	0.9%	34,913	6.3%	7,945	7,800	-1.8%	6,196	25.9%	4,052	4,327	6.8%	2,711	59.6%
Vinati Organics	5,537	5,308	-4.1%	5,217	1.7%	1,668	1,566	-6.1%	1,424	10.0%	1,113	1,008	-9.4%	937	7.6%
Total	1,67,269	1,66,460	-0.5%	1,63,397	1.9%	30,509	29,378	-3.7%	28,717	2.3%	15,954	14,573	-8.7%	14,457	0.8%
Consumer Durables															
Bajaj Electricals	13,309	10,509	-21.0%	12,897	-18.5%	759	129	-83.0%	874	-85.2%	311	(341)	N	334	-202.2%
Cello World	6,513	5,537	-15.0%	5,568	-0.6%	1,435	1,057	-26.4%	1,273	-17.0%	965	711	-26.4%	864	-17.7%
Crompton Greaves Const.	18,241	18,983	4.1%	17,692	7.3%	1,642	1,953	18.9%	1,880	3.9%	978	983	0.5%	1,098	-10.5%
Havells India	52,854	55,879	5.7%	48,890	14.3%	4,757	5,185	9.0%	4,265	21.6%	3,190	3,458	8.4%	2,783	24.3%
KEI Inds	30,879	29,547	-4.3%	24,723	19.5%	3,153	3,317	5.2%	2,456	35.1%	2,176	2,465	13.3%	1,645	49.8%
LG Electronics India	41,916	41,144	-1.8%	43,955	-6.4%	2,766	2,085	-24.6%	3,404	-38.7%	1,896	1,021	-46.1%	2,335	-56.3%
Polycab India	66,377	76,361	15.0%	52,261	46.1%	9,558	9,661	1.1%	7,199	34.2%	6,301	6,217	-1.3%	4,650	33.7%
RR Kabel	22,531	25,359	12.5%	17,822	42.3%	1,757	2,043	16.2%	1,105	84.8%	1,158	1,373	18.5%	686	100.2%
Voltas	32,741	30,708	-6.2%	31,051	-1.1%	1,765	1,773	0.5%	1,974	-10.2%	1,106	1,114	0.8%	1,321	-15.7%
Total	2,85,361	2,94,026	3.0%	2,54,859	15.4%	27,592	27,202	-1.4%	24,430	11.3%	18,081	17,001	-6.0%	15,716	8.2%
Consumer Staples															
Asian Paints	91,479	88,670	-3.07%	85,494	3.7%	18,021	17,810	-1.2%	16,367	8.8%	12,145	12,017	-1.1%	11,093	8.3%
Avenue Supermarts	1,81,049	1,81,009	-0.02%	1,59,726	13.3%	13,397	14,634	9.2%	12,172	20.2%	7,767	8,558	10.2%	7,236	18.3%
Britannia Industries	50,611	49,698	-1.80%	45,926	8.2%	9,414	9,800	4.1%	8,449	16.0%	6,719	6,848	1.9%	5,843	17.2%
Colgate Palmolive	14,655	14,861	1.41%	14,618	1.7%	4,431	4,420	-0.2%	4,544	-2.7%	3,069	3,323	8.3%	3,228	2.9%
Dabur India	35,633	35,587	-0.13%	33,553	6.1%	7,483	7,341	-1.9%	6,819	7.7%	5,567	5,687	2.1%	5,158	10.2%
Emami	11,670	11,518	-1.30%	10,495	9.8%	3,734	3,842	2.9%	3,387	13.4%	3,117	3,270	4.9%	2,789	17.2%
Hindustan Unilever	1,62,169	1,58,050	-2.54%	1,54,080	2.6%	37,461	37,530	0.2%	35,700	5.1%	25,961	25,988	0.1%	25,410	2.3%
ITC	1,79,055	1,80,171	0.62%	1,70,528	5.7%	62,848	59,697	-5.0%	58,284	2.4%	52,041	53,627	3.0%	51,225	4.7%
Jubilant FoodWorks	18,012	18,015	0.02%	16,111	11.8%	3,548	3,694	4.1%	3,128	18.1%	774	794	2.5%	658	20.6%
Kansai Nerolac Paints	19,380	19,074	-1.58%	18,422	3.5%	2,626	2,473	-5.8%	2,469	0.2%	1,805	1,645	-8.9%	1,699	-3.2%
Marico	35,763	35,370	-1.10%	27,940	26.6%	6,187	5,920	-4.3%	5,330	11.1%	4,675	4,600	-1.6%	4,060	13.3%
Metro Brands	7,945	8,113	2.11%	7,031	15.4%	2,503	2,649	5.9%	2,250	17.7%	1,208	1,284	6.2%	946	35.7%
Mold Tech Packaging	2,078	1,984	-4.53%	1,907	4.1%	391	395	1.1%	338	16.8%	149	154	3.3%	136	13.1%
Nestle India	53,533	56,670	5.86%	47,797	18.6%	12,152	12,021	-1.1%	11,027	9.0%	7,496	8,611	14.9%	7,139	20.6%
Pidlite Industries	37,563	37,099	-1.24%	33,689	10.1%	8,940	9,468	5.9%	7,984	18.6%	6,325	6,686	5.7%	5,571	20.0%
Restaurant Brands Asia	5,746	5,773	0.47%	4,954	16.5%	891	957	7.5%	776	23.3%	(154)	(48)	P	(186)	-74.3%
Titan Company	2,18,919	2,25,220	2.88%	1,60,970	39.9%	23,205	23,360	0.7%	15,100	54.7%	15,056	15,735	4.5%	9,900	58.9%
Westlife Development	6,799	6,707	-1.35%	6,537	2.6%	782	975	24.7%	881	10.6%	(92)	82	P	70	17.5%
Total	11,32,059	11,33,590	0.1%	9,99,777	13.4%	2,18,015	2,16,985	-0.5%	1,95,005	11.3%	1,53,629	1,58,859	3.4%	1,41,975	11.9%

	Revenue					EBITDA					PAT				
	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.
Education															
Doms Inds	5,918	5,922	0.1%	5,011	18.2%	1,030	1,034	0.4%	879	17.7%	586	579	-1.2%	507	14.1%
Navneet Education	2,582	2,500	-3.2%	2,820	-11.3%	77	(80)	N	180	-144.4%	(75)	(530)	N	(100)	430.0%
Total	8,500	8,422	-0.9%	7,831	7.5%	1,107	954	-13.8%	1,059	-9.9%	511	49	-90.4%	407	-88.0%
EMS															
Amber Enterprises India	24,908	29,428	18.1%	21,333	37.9%	1,454	2,461	69.3%	1,587	55.0%	261	(93)	N	370	-125.2%
Avalon Technologies	3,566	4,175	17.1%	2,809	48.7%	374	480	28.1%	346	38.5%	243	326	34.1%	240	35.9%
Cyient DLM	3,837	3,033	-20.9%	4,442	-31.7%	365	309	-15.2%	281	9.9%	151	112	-25.8%	110	2.2%
Kaynes Technology India	9,257	8,040	-13.1%	6,612	21.6%	1,426	1,193	-16.3%	940	26.9%	772	766	-0.7%	665	15.3%
Syrma SGS Technology	10,681	12,642	18.4%	8,697	45.4%	1,036	1,594	53.9%	796	100.3%	562	1,028	82.9%	380	170.5%
Total	52,250	57,319	9.7%	43,893	30.6%	4,654	6,037	29.7%	3,951	52.8%	1,989	2,139	7.5%	1,765	21.2%
Financial Services															
Aavas Financiers	3,301	2,993	-9.3%	2,530	18.3%	1,991	2,272	14.1%	1,942	17.0%	1,447	1,700	17.5%	1,461	16.4%
Bajaj Finance	1,11,710	1,13,178	1.3%	93,826	20.6%	92,474	93,218	0.8%	78,088	19.4%	52,466	40,660	-22.5%	43,082	-5.6%
Can Fin Homes	3,910	4,210	7.7%	3,447	22.1%	3,310	3,511	6.1%	2,913	20.6%	2,394	2,648	10.6%	2,121	24.8%
Cholamandalam Investme	36,703	35,808	-2.4%	28,869	24.0%	27,080	26,432	-2.4%	21,276	24.2%	14,737	12,877	-12.6%	10,865	18.5%
LIC Housing Finance	22,508	21,017	-6.6%	20,001	5.1%	20,552	18,961	-7.7%	17,494	8.4%	15,102	13,839	-8.4%	14,319	-3.4%
M&M Financial Services	22,277	23,045	3.4%	19,113	20.6%	15,109	16,576	9.7%	12,217	35.7%	7,789	9,278	19.1%	8,995	3.1%
Shriram Finance	67,641	65,740	-2.8%	55,896	17.6%	48,924	46,705	-4.5%	40,850	14.3%	26,436	25,217	-4.6%	35,698	-29.4%
Sundaram Finance	7,429	7,592	2.2%	6,402	18.6%	6,599	6,940	5.2%	5,586	24.3%	4,187	4,029	-3.8%	3,491	15.4%
Total	2,75,480	2,73,583	-0.7%	2,30,084	18.9%	2,16,037	2,14,615	-0.7%	1,80,365	19.0%	1,24,557	1,10,247	-11.5%	1,20,031	-8.2%
Healthcare															
Apollo Hospitals Enterpris	63,225	64,774	2.4%	55,269	17.2%	9,380	9,653	2.9%	7,615	26.8%	4,677	5,215	11.5%	3,723	40.1%
Aster DM Healthcare	11,813	11,858	0.4%	10,498	12.9%	2,314	2,136	-7.7%	1,938	10.2%	1,070	528	-50.7%	554	-4.7%
Fortis Healthcare	22,476	22,650	0.8%	19,283	17.5%	5,004	5,057	1.0%	3,752	34.8%	2,553	1,937	-24.1%	2,479	-21.9%
Global Health	10,765	11,210	4.1%	9,434	18.8%	2,250	2,173	-3.4%	2,378	-8.6%	1,307	950	-27.3%	1,429	-33.5%
HealthCare Global Enterp	6,287	6,331	0.7%	5,586	13.3%	1,125	1,096	-2.6%	884	24.0%	133	(94)	N	70	-235.1%
Jupiter Life Line	3,677	3,654	-0.6%	3,328	9.8%	841	834	-0.8%	763	9.3%	489	426	-13.0%	521	-18.3%
Krishna Institute of Medic	9,849	9,977	1.3%	7,724	29.2%	1,826	1,989	8.9%	1,872	6.3%	500	534	6.8%	887	-39.8%
Max Healthcare Institute	25,355	24,840	-2.0%	22,810	8.9%	6,846	6,480	-5.3%	6,220	4.2%	4,141	3,450	-16.7%	3,150	9.5%
Narayana Hrudayalaya	23,645	21,512	-9.0%	13,346	61.2%	4,157	4,429	6.6%	3,074	44.1%	2,333	1,281	-45.1%	1,936	-33.9%
Rainbow Medicare	4,323	4,454	3.0%	3,981	11.9%	1,409	1,470	4.3%	1,344	9.4%	684	725	6.1%	687	5.6%
Total	1,81,415	1,81,260	-0.1%	1,51,259	19.8%	35,153	35,316	0.5%	29,839	18.4%	17,886	14,951	-16.4%	15,436	-3.1%

	Revenue					EBITDA					PAT				
	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.
Information Technology															
Cyient	19.4	18.5	-4.7%	19.3	-4.0%	2.1	1.7	-17.8%	2.2	-20.3%	1.5	1.3	-16.5%	1.3	0.2%
HCL Technologies	333.5	338.7	1.6%	298.9	13.3%	61.8	65.6	6.1%	58.2	12.7%	50.7	63.0	24.1%	45.9	37.2%
Infosys	450.3	454.8	1.0%	417.6	8.9%	94.6	96.4	2.0%	89.1	8.2%	73.6	76.4	3.7%	68.4	11.7%
KPIT Technologies	16.0	16.2	1.1%	14.8	9.4%	2.5	2.5	-0.7%	2.5	-0.5%	1.9	1.3	-31.2%	1.9	-28.6%
LTIMindtree	108.0	107.8	-0.1%	96.6	11.6%	17.2	17.4	1.2%	13.3	30.7%	14.6	14.0	-3.8%	10.9	29.1%
Latent View	2.8	2.8	-0.8%	2.3	22.0%	0.5	0.6	8.5%	0.5	14.0%	0.5	0.5	1.8%	0.4	15.7%
L&T Technology Services	30.7	29.2	-4.9%	26.5	10.2%	4.2	4.3	2.3%	4.3	-0.6%	3.4	3.0	-9.9%	3.2	-6.1%
Mphasis	39.5	40.0	1.3%	35.6	12.4%	6.0	6.1	1.4%	5.5	11.6%	4.7	4.4	-6.8%	4.3	3.3%
Persistent Systems	37.3	37.8	1.3%	30.6	23.4%	5.6	6.3	12.9%	4.6	38.6%	4.5	5.3	17.2%	3.7	41.7%
Tata Consultancy Service	665.9	670.9	0.7%	639.7	4.9%	167.1	168.9	1.0%	156.6	7.9%	132.9	134.4	1.1%	123.8	8.5%
Tata Technologies	13.4	13.7	2.1%	13.2	3.7%	1.6	1.6	-2.2%	2.0	-23.0%	1.6	0.1	-95.8%	1.7	-96.1%
Tech Mahindra	141.7	143.9	1.6%	132.9	8.3%	17.8	18.9	6.0%	13.5	40.1%	13.6	13.9	2.8%	9.8	41.8%
Tata Elxsi	9.6	9.5	-0.5%	9.4	1.5%	1.9	2.0	6.7%	2.2	-9.6%	1.8	1.8	0.4%	2.0	-10.0%
Wipro	235.8	235.6	-0.1%	223.2	5.5%	39.9	41.4	3.8%	39.0	6.2%	34.6	31.6	-8.7%	33.5	-5.8%
Total	21,03,987	21,19,355	0.7%	19,60,576	8.1%	4,22,876	4,33,701	2.6%	3,93,454	10.2%	3,39,997	3,51,003	3.2%	3,10,809	12.9%
Logistics															
Delhivery	27,705	28,050	1.2%	23,783	17.9%	1,371	2,088	52.2%	1,024	103.8%	919	1,099	19.7%	250	340.0%
Mahindra Logistics	19,377	18,980	-2.0%	15,942	19.1%	1,008	1,028	2.0%	737	39.5%	231	106	-54.0%	(91)	-217.0%
TCI Express	3,103	3,141	1.2%	2,965	5.9%	351	325	-7.4%	289	12.3%	239	220	-7.8%	192	14.7%
Total	50,185	50,171	0.0%	42,690	17.5%	2,730	3,440	26.0%	2,050	67.8%	1,388	1,426	2.7%	351	306.0%
Media															
Imagicaa World	928	921	-0.7%	919	0.2%	329	222	-32.6%	296	-25.0%	69	(56)	N	29	-293.9%
Nazara Technologies	3,942	4,060	3.0%	5,347	-24.1%	607	678	11.7%	523	29.4%	232	110	-52.8%	460	-76.2%
PVR	18,618	18,798	1.0%	17,173	9.5%	6,000	6,223	3.7%	5,277	17.9%	1,001	1,404	40.3%	360	290.0%
Zee Entertainment	23,183	22,801	-1.6%	19,788	15.2%	2,782	2,405	-13.5%	3,184	-24.5%	1,713	1,491	-12.9%	2,422	-97.0%
Total	46,670	46,580	-0.2%	43,227	7.8%	9,718	9,527	-2.0%	9,281	2.7%	3,015	2,949	-2.2%	3,270	-9.8%
Metals & Mining															
Hindalco Industries	678	665	-1.9%	584	13.9%	81	80	-1.4%	76	5.4%	40	73	80.9%	38	90.6%
Jindal Stainless	113	105	-6.7%	99	6.2%	14	14	-1.8%	12	16.6%	8	8	-0.6%	7	26.6%
Jindal Steel & Power	127	130	2.0%	117	11.0%	18	16	-11.5%	21	-25.3%	4	2	-50.7%	10	-80.0%
JSW Steel	470	460	-2.2%	414	11.1%	68	66	-3.3%	56	18.7%	19	26	34.6%	8	228.3%
National Aluminium Co.	44	47	6.6%	47	1.5%	20	22	10.9%	23	-6.4%	13	16	26.3%	16	1.1%
NMDC	74	76	2.7%	66	15.9%	26	21	-17.5%	24	-9.6%	21	17	-14.8%	19	-7.9%
Steel Authority of India	277	274	-1.1%	245	11.8%	21	23	10.0%	20	13.5%	3	4	54.4%	1	251.1%
Tata Steel	597	570	-4.5%	536	6.3%	82	82	-0.2%	45	82.6%	25	28	10.3%	1	2045.4%
Total	23,80,800	23,27,307	-2.2%	21,07,430	10.4%	3,30,577	3,24,362	-1.9%	2,77,176	17.0%	1,33,175	1,74,868	31.3%	99,547	75.7%

	Revenue					EBITDA					PAT				
	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.
Oil & Gas															
Bharat Petroleum Corpor:	1,108	1,190	7.4%	1,131	5.2%	103	117	13.8%	76	54.0%	62	75	21.6%	46	62.3%
GAIL (India)	368	341	-7.5%	350	-2.5%	31	27	-14.2%	28	-6.4%	19	16	-17.5%	14	12.3%
Gujarat Gas	35	37	3.9%	42	-11.9%	4	4	1.8%	4	17.6%	3	3	5.0%	2	19.8%
Gujarat State Petronet	2	2	-2.8%	2	-7.3%	2	2	-3.3%	2	-14.0%	1	1	-9.3%	1	-15.7%
Hindustan Petroleum Cor:	1,296	1,151	-11.2%	1,105	4.1%	73	70	-3.7%	60	17.6%	41	41	-0.8%	30	34.7%
Indian Oil Corporation	1,750	2,044	16.8%	1,939	5.4%	137	213	55.2%	71	199.1%	71	126	77.8%	22	473.9%
Indraprastha Gas	41	41	-0.1%	38	8.2%	5	5	-0.7%	4	29.8%	4	4	0.2%	3	25.2%
Mahanagar Gas	20	21	0.5%	18	11.5%	4	4	0.0%	3	8.4%	2	2	-6.1%	2	-9.4%
Mangalore Refinery	218	247	13.5%	219	13.0%	18	28	50.8%	10	170.0%	8	14	78.1%	3	375.1%
Oil & Natural Gas Corpor:	310	315	1.8%	337	-6.4%	159	173	9.1%	190	-8.7%	72	84	15.5%	82	1.6%
Oil India	51	49	-3.3%	52	-6.2%	16	13	-17.8%	21	-38.7%	10	8	-20.5%	12	-33.8%
Petronet LNG	102	112	9.8%	122	-8.7%	13	12	-9.8%	12	-3.9%	9	8	-9.1%	9	-2.2%
Reliance Industries	2,528	2,649	4.8%	2,400	10.4%	478	460	-3.6%	438	5.1%	193	186	-3.4%	185	0.6%
Total	78,27,874	81,97,991	4.7%	77,55,335	5.7%	10,41,961	11,27,095	8.2%	9,19,360	22.6%	4,96,033	5,68,699	14.6%	4,13,333	37.6%
Pharma															
Aurobindo Pharma	84,739	86,459	2.0%	79,785	8.4%	17,333	17,733	2.3%	16,278	8.9%	9,306	10,409	11.9%	8,458	23.1%
Ajanta Pharma	13,169	13,748	4.4%	11,461	20.0%	3,577	3,822	6.9%	3,208	19.1%	2,482	2,698	8.7%	2,296	17.5%
Cipla	75,651	70,745	-6.5%	70,730	0.0%	18,208	12,551	-31.1%	19,889	-36.9%	12,769	6,758	-47.1%	15,705	-57.0%
Divis Lab	26,294	26,040	-1.0%	23,190	12.3%	8,664	8,900	2.7%	7,430	19.8%	6,172	5,830	-5.5%	5,890	-1.0%
Dr. Reddy's Laboratories	85,494	87,268	2.1%	83,586	4.4%	18,467	18,954	2.6%	22,996	-17.6%	11,766	11,896	1.1%	14,038	-15.3%
Eris Lifesciences	8,051	8,075	0.3%	7,275	11.0%	2,970	2,816	-5.2%	2,503	12.5%	1,332	1,341	0.7%	836	60.4%
Indoco Remedis	4,746	4,454	-6.2%	4,106	8.5%	342	315	-8.0%	120	161.9%	(158)	(230)	N	(314)	-26.9%
IPCA Labs	24,705	23,925	-3.2%	22,454	6.6%	5,143	5,299	3.0%	4,461	18.8%	3,063	3,086	0.8%	2,481	24.4%
JB Chem & Pharma	10,645	10,647	0.0%	9,635	10.5%	2,971	2,958	-0.4%	2,545	16.2%	1,980	1,979	0.0%	1,625	21.8%
Lupin	68,725	71,675	4.3%	57,678	24.3%	19,549	22,095	13.0%	13,659	61.8%	12,664	11,855	-6.4%	8,552	38.6%
Sun Pharmaceutical Indus	1,46,003	1,55,205	6.3%	1,36,755	13.5%	41,633	47,946	15.2%	41,924	14.4%	28,587	33,688	17.8%	29,034	16.0%
Torrent Pharma	32,439	33,030	1.8%	28,090	17.6%	10,579	10,880	2.8%	9,140	19.0%	6,100	6,450	5.7%	5,030	28.2%
Zydus Lifesciences	64,395	68,645	6.6%	52,691	30.3%	16,270	16,520	1.5%	12,050	37.1%	9,840	7,133	-27.5%	10,238	-30.3%
Total	6,45,055	6,59,916	2.3%	5,87,434	12.3%	1,65,706	1,70,789	3.1%	1,56,203	9.3%	1,05,902	1,02,894	-2.8%	1,03,869	-0.9%
Ports															
Adani Port & SEZ	92,935	97,046	4.4%	79,636	21.9%	56,672	57,860	2.1%	48,021	20.5%	31,611	31,761	0.5%	25,434	24.9%
JSW Infra	14,160	13,497	-4.7%	11,818	14.2%	6,443	6,437	-0.1%	5,861	9.8%	4,072	3,663	-10.0%	3,298	11.1%
Total	1,07,096	1,10,543	3.2%	91,454	20.9%	63,115	64,297	1.9%	53,881	19.3%	35,684	35,424	-0.7%	28,732	23.3%
Renewable Equipments															
Premier Energies	20,759	19,365	-6.7%	17,133	13.0%	5,709	5,932	3.9%	5,135	15.5%	3,164	3,918	23.8%	2,552	53.5%
Vikram Solar	11,671	11,060	-5.2%	10,260	7.8%	2,276	2,049	-10.0%	846	142.1%	1,272	1,038	-18.5%	190	447.4%
Waaree Energies	65,589	75,651	15.3%	34,573	118.8%	15,413	19,367	25.6%	7,217	168.3%	9,960	13,658	37.1%	4,927	177.2%
Total	98,019	1,06,075	8.2%	61,967	71.2%	23,398	27,348	16.9%	13,199	107.2%	14,396	18,613	29.3%	7,669	142.7%

	Revenue					EBITDA					PAT				
	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.	Q3FY26E	Q3FY26A	Var. (A vs E)	Q3FY25	YoY Gr.
Travel & Tourism															
Apeejay Surrendra Park I	2,028	2,001	-1.3%	1,775	12.7%	758	706	-6.9%	633	11.5%	388	256	-34.1%	322	-20.4%
Chalet Hotels	5,410	5,817	7.5%	4,578	27.1%	2,411	2,651	10.0%	2,047	29.5%	1,118	1,251	11.9%	965	29.6%
IRCTC Ltd	13,390	14,495	8.2%	12,247	18.4%	4,476	4,654	4.0%	4,166	11.7%	3,654	3,834	4.9%	3,411	12.4%
Interglobe Aviation	2,25,153	2,34,719	4.2%	2,21,107	6.2%	58,418	58,767	0.6%	59,371	-1.0%	19,121	31,306	63.7%	39,052	-19.8%
Lemon Tree Hotels	3,925	4,061	3.4%	3,552	14.3%	1,890	2,047	8.3%	1,842	11.1%	589	940	59.5%	625	50.4%
Safari Industries (India)	5,069	5,124	1.1%	4,427	15.7%	710	557	-21.6%	504	10.5%	451	329	-27.1%	311	5.6%
Samhi Hotels	3,401	3,378	-0.7%	2,921	15.6%	1,289	1,221	-5.3%	1,095	11.5%	423	407	-3.7%	228	78.7%
VIP Inds	4,259	4,541	6.6%	5,011	-9.4%	(179)	(768)	N	286	-368.5%	(457)	(662)	N	(124)	432.7%
Total	2,62,635	2,74,134	4.4%	2,55,617	7.2%	69,772	69,835	0.1%	69,944	-0.2%	25,288	37,662	48.9%	44,790	-15.9%
Telecom															
Bharti Airtel	5,41,715	5,39,816	-0.4%	4,51,293	19.6%	3,00,652	3,07,828	2.4%	2,45,966	25.2%	76,455	68,873	-9.9%	72,356	-4.8%
Total	5,41,715	5,39,816	-0.4%	4,51,293	19.6%	3,00,652	3,07,828	2.4%	2,45,966	25.2%	76,455	68,873	-9.9%	72,356	-4.8%
Aggregate So far	2,11,47,531	2,15,07,380	1.7%	1,95,61,361	9.9%	45,99,016	47,54,612	3.4%	40,84,397	16.4%	25,81,041	27,61,439	7.0%	23,66,124	16.7%

Source: Company, PL



Aarti Industries (ARTO IN)

Rating: ACCUMULATE | CMP: Rs430 | TP: Rs466

- Global operating environment remained challenging during Q3FY26.
- The India-EU FTA, anti-involution policy in China as well as the US tariff reduction are expected to boost business in near term.
- Export: Domestic mix stood at 65%:35%,
- MMA capacity is expected to increase from 290ktpa to 360ktpa by the end of Q4FY26.
- MMA volumes increased during the quarter and is expected to further improve going ahead.
- Tariff reduction will aid realization in MMA, which was impacted by the tariff until now.
- In the non-energy business, agrochemicals and dyes segments remained under pressure.
- PDA product chain continued to witness volume pressure due to dependency on the US; volumes are expected to increase in the next few months.
- DCB bottlenecking is likely to increase capacity to 140ktpa; it is used in manufacturing a PPS polymer used in EVs.
- Margin profile is expected to improve in the non-energy segment of the business.
- Capex for FY26 is expected to be Rs11bn vs. previous guidance of Rs10bn.
- Capex for FY27 is likely to be lower.
- Total capex for Zone IV is Rs16-18bn, most of which will be deployed by FY26 end; only Rs3-4bn will be carried over to next year.
- MPP is expected to be commissioned in Q4FY26, while the other Zone IV blocks will be gradually commissioned through CY26.
- Guidance of Rs18-22bn EBITDA by FY28 has been maintained.



AAVAS Financiers (AAVAS IN)

Rating: BUY | CMP: Rs1,380 | TP: Rs1,700

Growth

- Growth in H1FY26 was slow impacted by accounting changes in disbursement recognition, subdued performance in Karnataka owing to credit risk and E-Khata issues thereby following a risk calibrated approach
- Conversion efficiency improved with sanction-to-disbursement ratio above 80% and login-to-sanction ratio at 38-40%. TAT reduced to 6 days from 13 days
- Management expects to maintain the current AUM growth trend in FY26, with FY27 disbursements projected to grow ~25% and achieve AUM growth of 17-18%
- Digital channels (CSC/E-Mitra) are expected to contribute ~Rs5bn on a monthly average run-rate while branches opened in the last 24 months are expected to generate ~Rs2-3bn in business
- Management plans to add 20-25 branches in Q4, followed by an additional ~50 branches in FY27
- The company targets 20% growth in Rajasthan along with branch expansion plans in Uttar Pradesh
- It is focusing on self-employed customers while 15% of existing customers are new to credit and 90% are new to mortgage

Operating profitability

- The company raised Rs9.8bn in Q3 through NCD placements at competitive rate to fund MSME expansion and deeper EWS/LIG affordable housing penetration
- Management plans to pass on 15bps rate benefit to customers from Mar'26 impacting 70% of floating-rate borrowers
- Management expects spreads to remain at 5.20-5.25% for full year FY26 and highlighted the BT-out rate for Q3 was at 4.5%
- Company targets savings of 25bps in opex ratio in FY27
- Floating-rate borrowings account for 69% of the total, with ~35% linked to EBLR and ~34% to MCLR

Asset quality

- Asset quality remains healthy across emerging and vintage geographies, with 1+ DPD below 4% and GNPA below 1.25%
- Management maintains its guidance to keep credit costs below 25bps in the coming quarters



ABB India (ABB IN)

Rating: ACCUMULATE | CMP: Rs5,918 | TP: Rs6,319

- **Guidance:** The management has guided for **PAT margin of 12–15%** going forward, with material costs expected to stay elevated over the next 2 quarters due to higher cost import inventory. Revenue growth is targeted to be in **double digits**, subject to market conditions and order finalization.
- **Order book healthy at ~Rs104.7bn (0.8x TTM revenue):** The order book is supported by strong inflows across transport, renewables, data centers, process automation, and building & infra. Mix comprises **~70% base orders** (execution within 1 year) and **~30% large orders** (longer cycle).
- **Base orders:** Base orders are benefiting from broad-based recovery across multiple end markets. The company is seeing **good conversion of enquiries into orders** in the base business as customer decision-making improves post a muted first half.
- **Large orders:** Large orders tend to be **lumpy and timing-dependent**, with customer decision-making often getting deferred. The management noted that **some large project decisions were delayed**, which impacted order booking in certain quarters. Despite delays, the **large project pipeline remains strong**, especially in power generation & transmission, energy industries (oil & gas, chemicals, metals), data centers and infrastructure. Large orders are expected to **pick up as customer confidence improves and private capex revives**.
- **Electrification:** Strong order intake driven by demand across divisions, with robust momentum in smart power and distribution solutions. The company also secured large data center orders within this segment. Revenue growth was supported by broad-based divisional growth and higher export contribution. Margins contracted YoY due to QCO impact, elevated material costs, and forex volatility.
- **Motion:** Robust order intake was led by propulsion systems for the Indian Railways and strong uptake in drives and large motors. Revenue growth YoY was supported by execution across divisions, while margins were impacted by forex movement and unfavorable material costs.
- **Process Automation:** Order intake strengthened on the back of demand from energy and processing industries. Revenue grew ~4% YoY, driven by energy industries and measurement & analytics, partially offset by a decline in process industries. Margins were affected by higher material costs and adverse revenue mix.
- **Data centers:** The management indicated that **~11% of order backlog relates to data center orders**. Data centers remain a key growth driver, supported by a strong and expanding enquiry pipeline from hyperscale and colocation customers. ABB's participation across the full electrical and automation value chain positions the segment as a structural growth driver for CY26 and beyond.



Adani Port & SEZ (ADSEZ IN)

Rating: BUY | CMP: Rs1,531 | TP: Rs1,900

Overall Business

- International business scaling rapidly, now tracking Rs40–50bn annual revenue run-rate.
- Marine business (incl. astro) revenue grew 91% YoY to Rs7.7bn while EBITDA grew 135% YoY delivering 55% margins.
- Logistics growth driven by asset-heavy, asset-light and asset-zero models, maintaining capital discipline.
- FY26 guidance revised upward by Rs8bn reflecting strong operating momentum and including Q4 contribution from NQXT.

Operational

- Domestic NSR and EBITDA/t not fully representative due to take-or-pay charges in addition to routine pricing.
- International volumes in Q3FY26: 1) CWIT (Colombo): 5.4mmt, 2) Haifa: 2.1mmt and 3) Tanzania: 3.1mmt
- Mundra port performance remains strong: 2.2mmt container volumes in Q3FY26 and ~754kt containers handled in January
- Thermal coal volumes at Mundra declined ~2.7% YoY, due to sluggish power demand and dependence on imported coal.
- Management expects thermal coal volumes to remain broadly flat, while coastal coal volumes continue to rise, keeping overall coal volumes stable to positive.
- Gopalpur port EBITDA margins remain negative due to higher fixed costs; management confident of turnaround.
- ~380kt out of 12.5m TEU (3%) container volumes ADSEZ does to US.

Capex and Cash Flow

- Vizhinjam expansion capex of ~Rs160bn: 1) Capacity to increase to 5.7mn TEUs, 2) Includes breakwater extension, berths and equipment, 3) Capex till FY29; payments extend into FY30 and 4) Optionality for liquid terminal and ship-to-ship LNG bunkering as BPCL's Kochi plant is nearby.
- Vizhinjam capex over FY26-30 is expected to be USD90mn/USD350mn/USD700mn/USD550mn/USD63mn respectively.

Logistics

- ADSEZ continues to focus on the Ports-to-Factory model. DFCs won't have any negative impact on ADSEZ logistics, as it improves industry efficiency but does not alter competitive dynamics.
- Rail container volumes expected to improve, with logistics business targeting double-digit growth.
- GPWIS volumes impacted due to extended monsoon on the East coasts; no change in commodity mix.

International Ports & NQXT

- NQXT to be consolidated w.e.f. 1st January 2026. NQXT EBITDA margin ~65%, implying ~Rs3.5bn EBITDA and ~Rs5bn in Revenue in Q4FY26.
- NQXT's nameplate capacity is 50mtpa, while contracted is 40mtpa. Contract negotiations are few in FY27/28 and large portion in FY29. Contracted volumes will give definitive rev/t; extra volumes will give extra revenue.

Ajanta Pharma (AJP IN)

Rating: BUY | CMP: Rs2,768 | TP: Rs3,200

Branded generic biz: Contributed 68% of the overall sales

India: Contributes 30% of the overall revenues

- Therapies such as Derma, Gynaec and ophthal performed well.
- Chronic portfolio contributed 65% of the revenues.
- Trade generic contributed Rs 480Mn up 10% YoY
- 11% of the portfolio is covered under NLEM.
- Launched 16 new products in 9M FY26 with 1 first to market product.
- Top 10brands contributed 53% of the revenues.
- 300 MRs added in 9MFY26 (150 in Q3), taking total strength to 3,750
- PCPM 0.36Mn pa as on date
- Management reiterated confidence in high-teens India growth sustainability.

Africa:

- Contributes 17% of the overall revenues
- Growth of 33% YoY in Q3FY26 driven by product launches and deeper market penetration.



Asia:

- Branded Asia contributes 21% of the revenues.
- Spans 10 countries across Middle east, Southeast Asia and Central Asia.
- Asia branded business declined YoY due to timing of shipments; management guided for normalization from Q4FY26E as deferred supplies are executed.

US generics:

- It consists 29% of the overall sales.
- Growth driven by mkt share gain in existing products and seasonal flu demand.
- Guided to sustained double-digit growth trajectory in FY27E.

Biocon deal:

- AJP entered Semaglutide partnership with Biocon covering 26 emerging markets (23 exclusive and 3 semi exclusive) leveraging AJP's front end presence
- Biocon will supply finished formulations and regulatory dossiers, while Ajanta will manage country filings, branding, marketing, and commercialization.
- The partnership allows Ajanta to enter GLP-1 without R&D or capex risk, improving return profile.
- Revenue contribution expected from Q3/Q4FY27 onwards, with contingent on securing regulatory approvals across key markets

GLP – 1:

- Ajanta plans to launch semaglutide in India post patent expiry, leveraging its established cardio-diabetes sales infrastructure.
- Management highlighted no need for incremental salesforce, keeping operating costs contained.
- Management expects 15–20+ players in India, implying aggressive competition, but views India as a volume-led opportunity.
- In contrast, Asia and Africa are expected to see only 4–6 competitors, enabling better pricing and margins.
- GLP-1 is viewed as a medium-term growth lever, with meaningful contribution expected from FY27–FY28 rather than near term.

Other highlights:

- Margin: GMs at 78% whereas EBITDA in the range 26-28%.
- R&D spend stood at Rs 630mn, 4.7% of revenues. Guided for 5% levels.
- One-time provision of Rs 70Mn taken in Q3; no major incremental drag expected going forward



- Capex of Rs 2.3bn in 9M with FY26 guidance of Rs 3bn.
- Increasing thrust on acquisition.

Amber Enterprises India (AMBER IN)

Rating: BUY | CMP: Rs7,048 | TP: Rs8,617

- **Consumer Durable Segment (CD):** Despite a weak RAC industry, the Consumer Durable segment grew ~27% YoY in Q3FY26, driven by customer additions, higher wallet share, strong non-AC component traction, new products, and expansion in commercial AC, with rising contribution from refrigerator, washing machine, microwave, telecom, and energy meter components.
- In Q3FY26, RAC (finished goods) contributed ~60% of revenue, while components accounted for ~40%, split evenly with ~20% from RAC components and ~20% from non-RAC components.
- Management highlighted that the RAC industry declined 5–10% in Q1 and ~35% in Q2, with modest recovery in Q3 due to pre-buying ahead of new energy norms and expects the industry to remain flattish in FY26. However, the company remains confident of ~14–15% growth, outperforming the industry.
- Over the long term, management expects the RAC industry to grow 12–15% annually for the next 4–5 years, driven by rising income, electrification, and comfort-led demand, with potential to accelerate to 20–25%.
- **Electronic Segment:** Amber expects double-digit EBITDA margins in FY27, supported by a strong portfolio of margin-accretive products and its evolution into a full-stack EMS player spanning PCB, PCBA, and box-build solutions.
- In Q3FY26, Company has strengthened its Bare PCB vertical by acquiring an 80% stake in Shogini Technoarts Pvt. Ltd, a Pune-based Printed Circuit Board manufacturer with capabilities across single-sided, double-sided, multilayer, metal-clad, and flex PCBs.
- Management highlighted that Power-One and Unitronics are being scaled through multiple synergies within Amber's electronics ecosystem. For Unitronics, the strategy focuses on geographic expansion into India, new product development (HVAC-related PLC/HMI), purchase leverage, and backward integration by sourcing PCB, PCBA, and components.
- For Power-One, growth will be driven by component backward integration (boxes, injection molding, PCB/PCBA), purchase synergies, and geographic expansion, including a brownfield expansion in Noida to strengthen North India presence.
- Management indicated that execution across key electronics projects remains on track—the Hosur expansion is progressing as planned with trial production expected by Sep'26 and mass production by Jan'27, with ~Rs 7–8bn capex in FY26.

- For the Korea Circuit (KCC) JV, land allotment is completed with groundbreaking expected by Mar/Apr'26, followed by 15 months construction and 3 months trial, implying commercial production in ~18 months, with Phase-1 investment of ~Rs 12bn and initial capacity fully tied up through an offtake agreement. Additionally, the Pune expansion is nearing completion, with production expected to commence by May'26.
- AMBER has also secured land allotment at YEIDA, near the upcoming Jewar Airport in Uttar Pradesh, with 100 acres allotted to Amber Enterprises and 16 acres to Ascent-K Circuit for the development of new manufacturing facilities.
- The company plans to invest around Rs68bn over the next 4–5 years to develop two manufacturing facilities at YEIDA, supported by substantial incentives from both the central and Uttar Pradesh governments, which will significantly lower the effective net capex over the scheme period.
- The Korea circuit expansion, with a total planned capex of about Rs32bn, will be executed in multiple phases over 3–4 years, beginning with an initial phase of roughly Rs12bn. Alongside this, the Shogini project involves an approved outlay of Rs5bn to be deployed gradually over 4–5 years, with only about Rs 550–600mn of capex planned in the near term.
- **Railway & Defence segment:** The railway segment had an order book of Rs 26bn+ in 9MFY26, expects an additional Rs 4–5bn in H2FY26, and aims to double revenue over the next two years.
- Amber recognized a one-time impairment loss on its Shivalik investment linked to Titagarh Firema, while retaining ~Rs 7bn business visibility from its partnership with Titagarh across HVAC, doors, and gangways. The investment also aimed to create export opportunities for Sidwal through the Italy venture.
- Sidwal's greenfield facility is nearing completion, with trial production expected by Mar'26 and commercial production in Apr/May'26 for doors, gangways, pantries, and HVAC products, while the pantograph and braking systems (Eugene JV) is awaiting RDSO approvals, with trial production targeted in H2FY27 and commercial production likely by Q4FY27.
- **Other Highlights:** Finance cost increase QoQ due to higher inventory build-up ahead of energy rating changes, the acquisition payout for Shogini, and an increased stake in Unitronics. Management expects finance costs to moderate going forward.
- Management indicated that inventory levels have largely normalized, and a strong summer could support demand.
- The company expects FY26 capex of ~Rs 8bn and ~Rs 11–12bn in FY27, while confirming no further losses from Shivalik post the impairment, with focus shifting to core India operations.
- Management stated that data center cooling is a key emerging opportunity for Sidwal, with In-Row and In-Rack products already launched and liquid/immersive cooling expected within ~12 months. Initial orders have



begun, with meaningful traction likely by year three as data center investments in India scale up over the next 3–4 years..

Ambuja Cement (ACEM IN)

Rating: BUY | CMP: Rs510 | TP: Rs640

Demand, volumes & pricing

- Volumes grew ~2x of industry, supported by stronger market execution, improved availability across trade and non-trade channels, and higher base utilization.
- Demand was driven by infrastructure activity, sustained housing demand, and improvement in rural consumption post monsoon.
- Regional profitability remained mixed, with North/West delivering relatively better EBITDA/t, modest South margins, East remaining subdued during Q3 but improving in December, and Central continuing to be weak in Q3.
- The management reiterated double-digit volume growth outlook, while balancing volumes and value.
- Industry demand is expected to grow ~8% in FY26; Dec exit was strong and Jan demand trends remain encouraging, with momentum likely to continue with Q4FY26 demand expected to grow at ~8%.
- Non-trade price hikes were taken during Jan'26: South up Rs15–20/bag and North up Rs5–10/bag. Some improvement was also seen in trade pricing.
- Trade–non-trade price gap stood at ~Rs31/bag, with non-trade remaining more sensitive to infra execution and seasonality.

Costs & profitability

- Q3 cost inflation was largely due to one-off items, while Dec exit costs were already below Rs4,000/t. One-off cost impact of ~Rs150/t in Q3 included: 1) branding transition: ~Rs125/t, 2) higher freight (longer leads): Rs25–35/t, and 3) legal and other one-time costs.
- The management reiterated the cost reduction roadmap: <Rs4,000/t by FY26 exit; ~Rs3,850/t by FY27; and ~Rs3,650/t by FY28.
- Key cost levers highlighted were: 1) power: scope to reduce consumption by 10–12 units/t, implying Rs100–125/t near-term savings, with potential to reach up to Rs150/t over time, 2) fuel: ~Rs150/t savings expected from efficiency improvement and new assets, 3) logistics: ~Rs150/t targeted reduction through lead distance optimization and rail movement, and 4) RM: ~Rs100/t benefit expected, including fly ash source via group synergies.
- Trade mix continued to improve, with the management indicating a gradual shift from ~65:35 toward 70:30 trade:non-trade over time.

- Dec exit mix was ~67:33, while Jan has already moved closer to 70:30, supporting realizations.

Capex

- Total cement capacity stood at 109mtpa, post commissioning of the 2.4mtpa Marwar grinding unit.
- FY26 exit capacity has been revised to ~115mtpa (earlier 118mtpa) due to ~3-month delay in Warisaliganj commissioning, now expected in Q1FY27; additionally, Jamul and Sindri units are being mothballed, impacting net exit capacity. The 155mtpa capacity target to be achieved by Mar'28, remains intact.
- Capex guidance has been maintained at ~Rs80bn for expansion and ~Rs20bn for efficiency initiatives, implying annual capex of Rs90-100bn. 9MFY26 capex stood at ~Rs60bn, while FY26 capex is expected to be ~Rs90bn.
- Acquired assets' utilization improved to ~58% in Q3, with Dec exit at ~65%; the management targets ~80% utilization over time.
- **Sanghi:** Clinker utilization stood at ~80% and cement utilization, at ~65% (Dec exit).
- **Penna:** Utilization stood at 50–52% in Dec, with further ramp-up expected.
- **Clinker:** Penna clinker is targeted for commissioning in Q4FY26 (mid-Feb'26), Maratha clinker in Q1–Q2FY27, Bhatapara clinker has already been commissioned and is ramping up, while Assam clinker (greenfield) is planned with an estimated ~24-month timeline; Mundra is part of the medium-term clinker/processing roadmap, together supporting the pathway to 155mtpa cement capacity by Mar'28.

Apeejay Surrendra Park Hotels (PARKHOTE IN)

Rating: BUY | CMP: Rs126 | TP: Rs206

- For Park Pune, FSI has increased from 2.5 lakh sq. ft. to 6.7 lakh sq. ft. as the hotel is in proximity to a metro corridor enabling higher permissible area for construction. Alternative monetization mixed-use options are being evaluated including residential project + hotel or commercial/IT park + hotel. The latter option will further lift the FSI to 8.0 lakh sq. ft.
- Keys at EM Bypass, Kolkatta have been reduced to 218 (earlier 250) as higher area has been allocated to banqueting/conferencing. The count of residence apartments have also been lowered to 69 (earlier 100) as units are being reconfigured to a larger size (~4,000 sq. ft. apartments/duplexes).
- Typically, PARKHOTE IN renovates ~10% of inventory each year. In general, renovation capex is ~Rs2.5mn per key.
- Hotels at Delhi and Chennai are expected to see at least ~10% improvement in ARR due to renovation-led upgrades.



- The 2 heritage palace hotels Lotus Palace, Chettinad and Ran Baas - The Palace Patiala registered an ARR of ~Rs13,376 and ~Rs31,967, in 3QFY26.
- Malabar House/Purity, Lake Vembanad currently operates at an ARR of ~Rs15,000/~Rs14,000 respectively.
- The store count for Flurys is revised to ~120/150-160 for FY26E/FY27E respectively. The focus will be on opening more of caf es as compared to kiosks.
- The planning for Navi Mumbai hotel is being reassessed as FSI changes may allow the project to scale from 250 rooms to 300+ rooms.
- The Vizag hotel has received all approvals, and construction is expected to begin within the next month.
- PARKHOTE IN plans to renovate 28/30/20/60 keys in New Delhi/Chennai/Bangalore/Kolkata, respectively in FY27E..

Apar Industries (APR IN)

Rating: BUY | CMP: Rs7,695 | TP: Rs9,629



- **Conductors:** The conductors segment benefited from higher commodity prices, which provided some pricing tailwinds during the quarter; however, volumes were impacted due to delayed project clearances, including right-of-way (ROW) issues and slower transformer deliveries. Despite near-term execution challenges, management highlighted sustained focus on expanding the overseas customer base, with exports accounting for ~32% of the total order book of ~Rs74.0bn, supporting medium-term growth visibility. Higher EBITDA/MT is being driven by higher mix of premium products and AL-59 replacing ACSR. Conductors' order intake declined by 9.1% YoY to Rs28.0bn in Q3FY26. **Meanwhile, management remains confident of achieving 8-9% volume growth for full year FY26.**
- **Cables:** Cables revenue growth remained muted in Q3, primarily due to lower export execution and subdued contribution from the US market, as the company had not booked any export orders in Q2, resulting in weaker spillover execution in Q3. However, export order inflows recovered to ~Rs500cr in Q3, which are slated for execution in Q4, while EBITDA margins improved on account of a favorable product mix and some forex gains. Despite export pressures arising from tariffs, **management expect Cables business to grow 20%+ YoY in FY26** driven by domestic traction from industries such as renewable energy, data centers, railways, defence etc.
- **USA:** The US business continued to remain subdued during the quarter, impacted by tariff-related uncertainties, including the announcement of Section 232, under which ~400 additional product categories were included, covering a majority of the company's cables and conductors portfolio. This led to softer order inflows and execution during the period, contributing to overall export headwinds. Given the slight recovery of export order intake in the cables business in Q3FY26, largely from the USA, **management expect revenues from USA to be ~Rs5.0bn in Q4FY26.**



- **Impact of EU-India FTA:** The FTA is expected to be favorable for Apar’s cables and conductors segment. EU market is largely restricted given the preference of utilities to procure domestically however, with the FTA, better market access is anticipated. EU accounted for ~5% of Apar’s consolidated sales in FY25 while the earlier the EU tariffs largely hovered between 4-7.5% with additional duties on fibre optic cables.
- **New line of business – entry into Kavach turnkey:** The company highlighted its entry into the Kavach turnkey segment as a new line of business with securing the ~Rs1.6bn Kavach order, marking a strategic diversification beyond its core portfolio, with the intent to participate in end-to-end execution opportunities and enhance value capture across the project lifecycle.
- **Apar’s capex plans are on track** with nearly ~Rs5.0bn of capex incurred till date out of total ~Rs14.0bn planned capex. Large portion of the remaining capex is anticipated to be incurred by H1FY27 with factories expected to be operational by mid-FY28.

Apollo Hospitals Enterprise (APHS IN)

Rating: BUY | CMP: Rs7,507 | TP: Rs9,000

- **Bed expansion plan:** Management remains on track to commission four new hospitals in Hyderabad, Kolkata, Bengaluru and Gurugram over FY27. At Pune, 75 beds have already been operationalized, with a further ~100 beds expected to operationalize by Q1FY27. The Hyderabad unit (300 beds), Kolkata hospital (220 beds) and Bengaluru–Sarjapur facility (150 beds) are slated for phased commissioning, with ~50% of beds at Hyderabad and Kolkata and ~100 beds at Bengaluru expected to be operational by Q1FY27. The Gurugram facility (~200–250 beds) is likely to see a quarter delay, with commissioning now expected in Q2FY27 due to environmental clearance-related issues.
- Management plans to add ~1,500 incremental beds in a phased manner, with ~40–50% expected to be operationalized in FY27 and the remaining capacity slated for commissioning by early FY28.
- **New units’ losses:** The management reiterated that EBITDA losses from these new hospitals are expected to be at Rs1.5bn in FY27, with breakeven expected within 12–15 months of commissioning. Insurance negotiations for new hospitals are initiated well ahead of operationalization, mitigating payer onboarding risks.
- **Hospitals:** During the quarter, APHS booked Rs150mn losses from newly commissioned Apollo Athena (Delhi – dedicated women’s oncology centre) and the Pune unit and guided to be in a ramp-up phase for the next 2-3 quarters. ARPP witnessed ~11% YoY growth, primarily led by improved case mix, higher share of complex tertiary/quaternary procedures (including transplants and oncology), and calibrated pricing revisions across insurance contracts. Management reiterated its focus on quality of revenue and specialty-led growth rather than volume-led expansion.

- Hospital margins expected to be sustained despite ramp-up, supported by calibrated hiring and occupancy-led leverage.
- **Apollo HealthCo (Pharmacy & Digital):** Digital revenue moderation in Q3 largely attributable to GST rate reduction impact (~Rs350mn GMV impact) and exit from Amazon channel (~Rs750mn impact for comparability). Online pharmacy GMV grew ~32% YoY (adjusted for GST changes and Amazon channel discontinuation). Digital cash losses stood at Rs1.2bn for 9MFY26; down 55% YoY. Cash break-even for 24X7 is now expected in Q1FY27, primarily due to insurance revenue changes. Private labels and generics contributed 15.5% of pharmacy sales. Management reiterated a ~30% GMV growth trajectory for the digital platform.
- **AHLL:** Expansion in diagnostics included new labs, company-owned outlets and two new clinics (Chennai & Hyderabad). Mgmt focus remains on scaling diagnostics infrastructure within existing geographies for operating leverage.
- **HealthCo:** Reiterated medium-term target to reach ~Rs 250bn revenue run-rate (combined entity) with ~7% EBITDA margin at HealthCo level post restructuring by Q4FY27.
- Management indicated that insurance empanelment for upcoming greenfield hospitals is initiated well in advance of commissioning, with negotiations largely aligned to prevailing group-level tariff structures.
- Employee cost normalization in Q3 was aided by absence of Q2 one-offs (leave encashment and performance-linked pay provisions).
- Keimed merger/demerger process has received competition approval and is progressing at NCLT.

Ashoka Buildcon (ASBL IN)

Rating: BUY | CMP: Rs153 | TP: Rs183



- **Management guidance on revenue growth, margins and inflows:** The management has guided that FY26 revenue is likely to be 8–10% lower YoY owing to delayed project starts and slow execution. For FY27, revenue growth of ~15% YoY is expected, assuming normalization in execution and incremental order inflows. EBITDA margin is expected to remain ~9% in the near term, with gradual improvement toward 9.5–10.5% in FY27. Order inflows are guided at Rs80–85bn for FY26 and Rs110–120bn for FY27 across roads, power T&D, railways and buildings.
- **Status on court order related to banning issue:** The management clarified that the current legal matter related to banning remains under status quo, with a stay in place from the court. ASBL continues to bid for NHAI and other government projects without any operational restrictions. While the matter is under review by relevant committees, the management indicated that there is no immediate impact on business operations or order inflows.
- **Future monetization plans:** ASBL plans to monetize its remaining 6 HAM assets in phases. The management expects proceeds of ~Rs7.5 bn by Mar'26, followed by additional ~Rs4.0bn by Jun'26. In addition, contingent

consideration of up to ~Rs 5.0 bn is linked to toll concession extensions and is expected to materialize over the next 1–2 years, subject to approvals. Chennai ORR continues to be evaluated for monetization, while Jaora–Nayagaon is currently being retained due to strong cash flows.

- **Bid pipeline visibility:** The company highlighted a robust bidding environment, with the overall NHAI bid pipeline estimated at ~Rs650bn. Of this, Ashoka is selectively targeting opportunities worth ~Rs200bn, maintaining a disciplined approach focused on returns rather than aggressive volume growth. The management also indicated that the company is L1 in select projects, though details were not disclosed.
- **Equity investment in HAM projects and future infusion:** The balance equity commitment across ongoing HAM projects stands at ~Rs3.2bn, of which ~Rs2.2bn relates primarily to the Bowaichandi project and Tumkur–Shivamogga packages (TS-III & TS-IV). Equity infusion is planned at ~Rs1.8bn by Mar'26, followed by ~Rs0.7bn each in FY27 and FY28. The timing of these investments is linked to the receipt of appointed dates and progress on individual projects

Asian Paints (APNT IN)

Rating: REDUCE | CMP: Rs2,628 | TP: Rs2,464



- 3Q Volumes remained impacted due to shorter festive and extended rainfalls.
- Demand continues to remain muted despite favorable macro environment.
- October remained impacted by delayed monsoon; November–December saw recovery with Q4 growth expected to remain in line with Q3.
- Industrial business continues to see traction led by coating string demand from auto.
- Rural demand outperforms urban areas while premium and luxury segments aid margin improvement.
- Market share gains over the next 12–18 months expected to be driven by adjacencies such as waterproofing and home décor.
- B2B Projects business leading the retail business especially in the areas of Factories and Government.
- Launched WoodTech PU Gold with termite-repellent technology for long-term wood protection
- Competitive intensity continues to remain at elevated levels.
- APNT saw 1.1% deflation in Q3, it expects RM prices to remain stable while Geopolitical uncertainty/ exchange volatility may weigh on prices.
- New products now contribute ~16% of overall revenues.



- Value–volume gap to remain at ~4–5% vs 6–8% earlier
- EBITDA margin guidance maintained at 18–20%; volume growth guidance of 8–10% reiterated

Aster DM Healthcare (ASTERDM IN)

Rating: BUY | CMP: Rs558 | TP: Rs715

- **Bed expansion and capex:** ASTERDM added ~320 beds YoY, taking India capacity to 5,451 beds across 20 hospitals as of Q3; including newly added Kasargod unit in Q3FY26. Greenfield Kasargod hospital with 263 bed capacity (183 census beds) commissioned with Rs 31,000 per day ARPOB and losses at Rs130mn for Q3; management guides to break-even within 1-2 quarter. Overall, ~2,350 bed expansion plan (754 beds in FY27E, 650 beds in FY28E & 730 beds beyond FY28E), taking total capacity to ~7,800 beds over next 3 years, through a mix of brownfield expansions and select greenfield projects. ASTERDM incurred capex of Rs 4.1bn in 9MFY26.
- **New unit bed expansion timeline:** Hyderabad Women & Child hospital: Commissioning pushed to 2HFY27 due to design changes; contemplating >60% capacity allocated to women’s care. Trivandrum hospital expected to commission earlier than Hyderabad with strong network advantage due to existing QCIL presence. Losses from Trivandrum, Sarjapur Road and Hyderabad units largely pushed to FY28, given commissioning timelines.
- **QCIL expansion:** Capex plan of ~Rs 20bn to add ~1,700 beds over 3–4 years, of which ~1,300 beds in non-metro / Tier-2 markets. Total ~190 beds will be added in FY27, largely brownfield. New capacity additions are expected to be margin-neutral to accretive, given expansions in high-ROCE markets such as Bhubaneswar and Raipur, alongside oncology capacity additions (LINACs).
- **Kerala Cluster:** MVT revenues up 64% YoY, led by patient inflows from Maldives and Oman; management indicated sustainability as volumes normalize post earlier disruptions. Operating EBITDA margin at 25.4%, up ~190bps YoY, driven by operating leverage, lower ALOS and tight cost control. ARPP growth in Kerala guided at ~6–8% CAGR over the medium term. 25+ clinicians added in Kerala, largely across oncology and complex specialties. Oncology contribution continues to rise; cluster guided to remain well-placed to deliver best-in-class margins over the medium term.
- **Karnataka and Maharashtra Cluster:** IP volumes declined ~9% YoY due to state scheme discontinuation at Aster Aadhar and temporary clinician attrition. EBITDA improved by ~5% YoY, with margins at ~21.9%, despite higher oncology material costs. Whitefield hospital alone delivered ~14% YoY growth. Management confirmed replacement + incremental hiring, with some clinicians rejoining ASTER, supporting recovery in coming quarters. Also guided for sustainable ARPOB for mature Bengaluru hospitals (Rs70–75k per day), with further 6–7% upside potential from case-mix improvement.
- **AP & Telangana Cluster:** EBITDA margins was flat QoQ to 13.1%, despite higher manpower costs. Clinician attrition in Vijayawada, Guntur and Ongole has now been fully replaced; management guided for steady recovery ahead.

- **QCIL performance and guidance:** Revenue increased by ~17.3% YoY to Rs 11.8bn; post-Ind AS EBITDA improved ~32% YoY to Rs 2.8bn, margin expanded to ~23.7%. Mgmt cited, QCIL growth was driven by 8% YoY IP & OP volume growth, 60bps improvement in case-mix, and 100bps increase in cash/insurance mix to ~80%. ARPOB delivered growth of ~12% YoY to Rs47,000, aided by specialty mix and lower ALOS. QCIL operating EBITDA for 9MFY26 at ~Rs8bn, with ~20% minority interest.
- **QCIL** Mature units (~60% of QCIL revenue) delivered ~13% YoY revenue growth and ~19% YoY EBITDA growth. EBITDA margins expanded to ~32.8%, up ~160bps YoY, underpinned by procurement efficiencies, better payer mix and improved clinical productivity. Emerging units (~7% of revenue) turned EBITDA-positive (Rs100mn vs loss last year), with margins at ~13.3%, showing steady quarter-on-quarter improvement. Focus units (~29% of revenue) saw ~19% YoY revenue growth and ~68% YoY EBITDA growth, with margins expanding ~520bps YoY, reflecting successful turnaround initiatives. Management cited that underperforming assets are now showing visible operating traction.
- **QCIL merger update:** Merger completion timeline reaffirmed for Q1FY27, subject to shareholder and NCLT approvals. Management clarified no ASTERDM+QCIL synergy benefits are reflected yet in reported numbers. Guided synergy potential of ~10–15% of EBITDA over 2–3 years post-merger, driven by procurement, corporate overhead rationalization and clinical best-practice sharing.
- Oncology remains a key growth driver across both platforms; QCIL deploying 5 LINACs and 5 robotic surgery systems across Tier-2 markets.
- **Ancillary biz:** Aster Labs turnaround sustained, with EBITDA margins at ~12.2% YTD FY26 and ROCE ~27%. Mgmt cited low margin Wholesale pharmacy biz to remain steady whereas retail pharmacy expected to break even over 1–2 years.
- Management reiterated focus on capital-efficient growth, disciplined bed additions and maintaining healthy operating margins despite expansion.

Astral Ltd. (ASTRA IN)

Rating: BUY | CMP: Rs1,504 | TP: Rs1,794

- The management has maintained its double-digit volume growth guidance in the piping segment for FY26 with 16-18% EBITDA margin.
- Pipe industry volumes grew in single digits with market share gains for larger players, while weak JJM execution kept demand subdued, as FY26 spending was only Rs170bn out of Rs660bn allocation. In Union Budget 2026-27, Rs670bn has again been earmarked for JJM.
- The company highlighted that despite uncertainty in Q3FY26, polymer prices appear to have bottomed out with early signs of an uptrend from Jan–Feb'26 and ~Rs7/kg PVC price hike largely passed through, though sharp PVC (~Rs11/kg) and CPVC declines led to Rs200–250mn inventory losses and



margin pressure. However, in Q4FY26, the company expects inventory gain if prices are sustained.

- Domestic Adhesives segment revenue grew by 14% YoY to Rs31.9bn; ASTRA is expecting revenue to grow 15% in FY26. Further, ASTRA has guided for EBITDA margin of 14-16% in FY26 for the Paints & Adhesives segment.
- The UK adhesives business revenue grew by 16% YoY to Rs900mn, with EBITDA turning positive from flattish levels last year. ASTRA expects high single-digit revenue growth in FY27, with margins likely to improve to mid-high single digits over time.
- Paints expansion is progressing across Gujarat, Rajasthan and Maharashtra, while strengthening its presence in South India (Karnataka, Kerala, Tamil Nadu); the management reiterated 20%+ growth guidance, with margins expected to improve over the next 2-3 quarters driven by scale and manpower rationalization.
- ASTRA stated that CPVC backward integration is progressing well with machinery fully ordered, trial runs expected in Q3FY27 and commercial operations from Q4FY27 with Phase-1 capacity of 40k MT, and margins likely to be superior to peers due to absence of marketing and royalty costs.
- PEX-AI-PEX pipes are expected to be launched in Q4FY26, while the segment reported 36.5% YoY revenue growth in Q3 with improving order book and project traction, operating near breakeven EBITDA and likely to contribute meaningfully from FY27.
- ASTRA highlighted that after incurring Rs14-15bn capex over the past 3-4 years, it is witnessing strong traction in newer verticals such as water tanks, valves & fittings (including PTMT), fire sprinklers, OPVC pipes, electro-fusion fittings and low-noise plumbing systems, with FY26 capex planned at ~Rs3.5bn (Rs2.9bn spent in 9M).

Aurobindo Pharma (ARBP IN)

Rating: BUY | CMP: Rs1,124 | TP: Rs1,300

- **US:** Oral solids delivered stable performance. Injectables business was up 17% YoY (expects to deliver double digit growth). Launched 9 products during the quarter. Eugia 3 inspection received procedural observations with no production stoppage. Company remains confident of responding in 15 working days to USFDA. Commercial production from Dayton facility has begun with revenues expected from FY27E. Lannett's FTC process progressing well with closure expected in Q1FY27E.
- **Europe:** Strong growth across France, Germany, Portugal, Netherlands. Overall business in CC remains low double-digit. Confident on achieving >€1 bn Europe revenue by FY26 end. Mgmt cited there are multiple LoE and late-stage launches lined up.
- **Growth markets:** Growth witnessed across regions. ARV formulations up YoY on higher tender volumes. Focus remains on expanding in Canada.



- **Pen-G** plant ramp-up progressing well. Achieved annualized capacity of 9,000–10,000 MT achieved in Jan'26. Yields are improving with mostly internal consumption. Expects external sales to begin post stock clearance from market. Pen-G already break-even to slightly profitable. Losses earlier driven by predatory pricing in 6-APA. Pricing correction expected by Mar–Apr 2026 leading to meaningful margin impact from Q1 FY27. There is PLI benefit of Rs 2.4bn per 10,000 MT production.
- **Vizag:** File 3 products with 10 products under filing. Commercial ramp-up from different lines expected from FY27 will full benefit from FY28.
- **Biosimilars and Vaccines:** Approvals include 4 biosimilars in Europe. Canada received its 1st approval. Launched Bevacizumab biosimilar in UK, Trastuzumab biosimilar in Baltics region through a partner. Strong start in Mexico while making a foray in Brazil. Pipeline includes Omalizumab, Denosumab filings from mid-2026
- **Other highlights:** EBITDA margin targeted at upper end of 20–21% for FY26. Net capex at \$79mn for Q3. No major greenfield capex (except biologics/Theranym). Awaits board decision for buyback post more clarity from govt. Average finance cost at 4.9%.

Avalon Technologies (AVALON IN)

Rating: BUY | CMP: Rs1,021 | TP: Rs1,175



- Management upward their revenue growth guidance from 28-30% to 40% for FY26, while maintaining gross margin guidance at 33–35%.
- AVALON continued strengthening its customer base, with new client additions across power, industrial, and clean-energy segments, expected to scale meaningfully over the next few quarters.
- The railway and defence opportunities remain strong, with the Kavach ecosystem and other indigenous programs progressing steadily, supporting long-term growth visibility.
- Design-led manufacturing strategy continued to strengthen, supported by partnerships in power electronics, clean energy, and semiconductor equipment, with commercialization expected to scale gradually.
- Export momentum remained healthy, driven by the Chennai facility ramp-up under the dual-shore model, while localization and value-addition initiatives continue to support margin improvement over time.
- The company indicated annual capex will remain around Rs500mn over the next few years.
- ISM 2.0 aligns with its semiconductor equipment capabilities and recent wins, with progress alongside global partners on Industry 4.0 systems; the opportunity is largely export-focused, incentives may be evaluated once details are clear, initial production has begun, and the business could scale into a separate vertical over time, while tariff/duty benefits remain unquantified.



- Export expansion and new industrial, defense, aerospace, and cable opportunities support long-term growth, with ~99% tariff pass-through keeping absolute margins stable, while gross margin was ~100 bps lower, indicating limited leakage and no major margin headwind.
- Management highlighted that the US clean energy battery storage segment continues to grow strongly and is largely unaffected by subsidy rollbacks seen in wind/solar, driven by grid demand from data centers; however, local manufacturing in the US is required, with the company producing some subsystems in India and completing final assembly in the US.

Axis Bank (AXSB IN)

Rating: BUY | CMP: Rs1,258 | TP: Rs1,500

Balance Sheet:

- Management reiterated that loan growth for FY26 will be 300bps more than industry.
- Bank found right opportunities to grow in wholesale book in Q3FY26. It looks to rebalance the portfolio to retail at 58-60%, wholesale at 23-25% and balance SME.
- As per management, in 15-20 months deposit growth will pick up to be in line with credit growth.
- Bank has been undergoing transformation in execution and operating in branches. NTB and ETB growth has been encouraging for the bank. Bank has been seeing good momentum in salary and NRI book. CA balances grew well due to deepening of ETB customers.
- Bank intends to maintain same levels of LDR going forward.
- LCR has been ~115-120% during last 7 quarters. Bank expects neutral impact from new LCR guidelines.
- Bank does not require any further capital.

Profit & Loss:

- Cost of deposit is expected to decline in Q4 despite pressure due to rate cuts. Full impact of repo rate cut of 25bps will play through in Q4FY26.
- NIMs is guided to be maintained at 3.8%.
- Total retail fee growth was supported by small business banking, small enterprise group and cards businesses.
- Bank holds Rs4.34bn provisions related to Labour Code. Staff cost reduced QoQ on account of reduction in headcount which is permanent in nature due to implementation of customer-facing AI tools and reversal of accruals.



- Technology expenses formed 11% of total opex. Bank targets to open 400 branches for FY26.
- Cost to assets is expected to directionally improve.

Asset Quality:

- Bank has been seeing stabilization in retail asset quality.
- Standard assets provision declined due to reversal of provision made in certain sectors on which stress has been reducing.
- Axis Finance took an incremental standard asset provision in Q3FY26 to comply with upper-layer regulations impacting its profitability by Rs550mn.

Bajaj Auto (BJAUT IN)

Rating: HOLD | CMP: Rs9,500 | TP: Rs 9,500

- Motorcycle industry grew by 7% in FY25, but declined by 1% in Apr-Aug'25 (-3% YoY in Q2FY26). In Q3FY26, it grew by ~15% YoY. The momentum is expected to continue, with the industry growing 12-15% in the next few months and in double-digits in the immediate term with a caution on domestic inflation.
- In Q3, Chetak grew ~70% QoQ as supply chain constraints eased, scaling back its top positions among e-2Ws. Recently launched Chetak C25, designed for lighter mobility, is priced attractively at Rs91,399.
- Overall EV revenue was ~25% of domestic revenue, operating at the highest bracket of PLI. e-2W (which is also EBITDA positive) and e-3W segments each reached quarterly revenue of Rs10bn for the 1st time.
- Pro-biking (KTM + Triumph) grew ~50% YoY to 35k+ units. KTM was driven by the Adventure portfolio (~4x) and Duke portfolio (+30% YoY). The Street and Adventure segments are expected to continue to grow well. Triumph, even after being impacted by GST increase in 350cc+ segment, saw healthy sales momentum. A growth driver in the making is the more economical joint KTM-Triumph showroom.
- It decided to defer pricing actions in Jan'26 due to strong volumes and currency tailwind, taking a 50bps impact on margins.
- Noble metals, aluminum and copper are seeing further cost inflation in Q4, while steel is broadly stable. The management expected 50-60bps margin impact at the start of Q4, half of which has been offset through pricing actions.
- 200k+ units/month exports are expected to continue with share growing in the top 30 markets, but with a risk of emerging markets being prone to disruption.
- Bajaj Auto Credit Ltd in Q3FY26 added 0.35mn+ customers; its AUM crossed Rs160bn, PAT stood at Rs2bn, with ~45% penetration for the Bajaj business,

and capital risk adequacy ratio was 19.77%. For 9MFY26, it delivered industry-leading RoE of ~21%. BJAUT made investment of Rs3bn in Oct'25 (cumulative investment of ~Rs32bn) with no plans of further investments.

- Spares revenue was ~Rs18bn (+18% YoY), with growth tempo expected to continue.
- USD realization stood at Rs88.3/Rs87.1/Rs84.3 in Q3FY26/Q2FY26/Q3FY25.

Bajaj Electricals (BJE IN)

Rating: ACCUMULATE | CMP: Rs409 | TP: Rs449

- Switchgear launch saw a good response from trade partners; however, stock creation took longer than expected, with secondary sales starting from Jan'26.
- BJE has forayed into the wires business after evaluating outsourcing vs. in-house manufacturing options; it expects the outlook to remain positive.
- Consumer Lighting recorded single-digit growth with double digit growth in Professional Lighting and emphasis on volume plus value growth in focus categories.
- Summer products (fans and air coolers) typically contribute to 20-25% of total revenue, but till 9MFY26 the contribution was only ~12.5%, leading to higher inventory buildup.
- BJE has implemented a price hike of 2-5%, which will be effective from Feb'26, to offset commodity inflation.
- The management expects normalized performance and visible growth improvement from FY27.
- The company has launched 9 new products in CP, 69 in Professional Lighting, and 65 in Consumer Lighting.

Bajaj Finance (BAF IN)

Rating: BUY | CMP: Rs964 | TP: Rs1,125

Growth

- Customer addition for FY26 is expected to be 17- 18mn, with the overall franchise on track to exceed 120mn customers.
- Competitive intensity in urban B2C and rural B2C segments particularly personal loans has magnified significantly, with public sector banks like SBI being major participants
- MSME business is anticipated to return to 20% growth range in 2-3 quarters
- The company's long-term ambition is to build a 200mn customer base within the next 3-4 years.



- Gold loan business is expected to continue strong growth through sustained distribution expansion with new branches planned
- Vehicle finance business is expected to grow at ~20%, with new car finance growing in ~30% and used car growth improving in second half of FY27; CV and tractor segments are projected to grow 30-40%
- Management has guided AUM growth of 22-23% for FY26

Operating Profitability

- Fee income growth is expected to normalize to 17-20% YoY in FY27
- Reported CoF in Q3FY26 stood at 7.45% and management expects it to be in the range of 7.55%-7.6% by FY26
- The company incurred a one-time exceptional charge of Rs2.65bn in Q3FY26 due to impact of new labor code
- A 2% stake in BHFL was sold via block deal for MPS compliance reducing BFL's shareholding to 86.7% and resulting in a Rs14.2bn gain recognized as an exceptional item in standalone financials

Asset quality

- Credit cost is anticipated to be in the range of 165-175bps in FY27, including the impact of permanent provisioning changes
- Management proactively strengthened its provisioning framework by implementing a minimum LGD floor across all businesses, a permanent change to enhance balance sheet resilience
- Accelerated ECL provision of Rs14.1bn made in Q3 across stages

Other highlights

- 41% of quality check was automated through FINAI transformation while company recorded disbursements of Rs18.9bn through AI Voice & text BOTs
- Liquidity buffer stood at Rs150.8bn as of Q3FY26.

Bank of Baroda (BOB IN)

Rating: BUY | CMP: Rs299 | TP: Rs320

Balance Sheet

- Bank maintained loan growth guidance at 11-13% with upside risk. Deposit growth guidance was maintained at FY26 target of 10%. Loan growth for Q3FY26 was purely organic.
- In some quarters bank chose to rely on bulk deposits when rates were benign. Bank intends to fund balance sheet using low cost deposits on long term basis. Bulk deposits as percent of domestic deposits stood at 19%.
- Bank intends to maintain domestic LDR at 84%+.



- LCR ratio decreased to 116% in Q3FY26 as bank sold Rs280bn of investment book to capture treasury income opportunity. Targeted LCR is 120%.
- RoA guidance at >1%.

Profit & Loss

- 25% of term deposits are still left to be repriced. Rs400bn of bulk deposits are due for repricing.
- NII did not contain any one offs for Q3FY26. Impact of interest on income tax refund stood at 5-6bps on NIMs.
- NIM for Q4FY26 guided to range between 2.85-3% and for FY26 guidance stood at 2.85%. Majority of the impact of rate cuts will appear in Q4FY26.
- Impact from labour code stood at Rs80-90mn.

Asset Quality

- Normalized guidance for recoveries from written off account maintained at Rs7-7.5bn. Written off pool stood at Rs630bn.
- On a net basis impact from ECL and risk weight circular by RBI comes to 60bps for bank.
- Additional provisioning requirement on a sustainable basis due to ECL expected at 18bps on an incremental basis.
- Credit cost guidance revised to below 0.6% from below 0.75%. Slippage guidance at 1%-1.25%.
- Outstanding standard restructured book stood at Rs80bn.

BEML (BEML IN)

Rating: ACCUMULATE | CMP: Rs1,740 | TP: Rs1,922

- **Guidance:** Management reiterated aspiration to achieve 15-20% revenue growth for FY26, supported by strong Rail & Metro, Defence and Construction order inflows.
- **Order Book:** Current order book stands strong ~Rs163bn with 68% from R&M, 25% from Defence and 7% from Mining. Management has guided closing order book of Rs200bn order book for FY26.
- **Railways & Metros:** Rolling stock order book stands at ~1,400 cars in the current order book, with current capacity of 200-250 cars/year. BEML approved Rs15bn capex for a greenfield rolling stock plant at Bhopal (Rs9bn Cr Phase-1; Rs6bn Cr Phase-2), adding +300 cars/year in Phase-1 and scaling to ~800 cars/year post Phase-2. Multi-year pipeline includes MRVC Mumbai EMU (2,856 cars), metro rolling stock (~2,500 cars), high-speed rail corridors (~4,800 cars), RRTS corridors and incremental LHB coach tenders, translating into >15,000 cars opportunity over 5 years.



- **Defence:** Defence order book remains strong with pipeline across High Mobility Vehicles (~Rs10bn), combat engineering & bridging systems (Rs10bn–15bn), ARV (194 units RFP), ARV overhaul program, self-propelled mine breacher (order expected FY27), gun towing vehicle and light multipurpose vehicle (in trials). The defence revenue is expected to grow by ~80% YoY with mix is expected to improve
- **Mining & Construction:** Construction equipment expected to grow ~30% YoY. Mining order inflow has been weak due to rainfall disruptions and shift to MDO model, but management expects ordering from Coal India, SCCL, SAIL and NTPC to improve in FY27, along with export opportunities from GCC. Entry into continuous miners and surface miners via partnership with Tesmec (Italy) to strengthen mining portfolio.
- **Maritime & Port Equipment:** BEML is evaluating a greenfield facility for ship-to-shore cranes, RTG, RMG and Goliath cranes. At maturity, this business could deliver ~Rs50bn annual revenue, with meaningful contribution expected 3-4 years down the line.
- **Tunnel Boring Machines (TBM):** Development initiated for 6.5m diameter TBMs (metro applications). Clean-sheet design with 2–2.5 years gestation; India opportunity estimated at ~US\$5bn over 10 years.
- **Profitability & Working Capital:** Q3 profitability impacted by ~Rs800-850mn provision on a stalled metro project (FX-linked; potential reversal over 16–18 months). Management targets 20% reduction in inventory and continued improvement in working capital efficiency.
- **Supply Chain & Localization:** Supply constraints have largely eased (casting ~60–70% resolved; cabins ~80–90% resolved). Most critical aggregates are now domestically sourced with multiple vendors. Focus remains on adding suppliers for HVAC and brakes and developing in-house TCMS/propulsion capability to improve integration control and support higher Rail & Metro volumes.

Bharat Electronics (BHE IN)

Rating: REDUCE | CMP: Rs453 | TP: Rs411

- **Management retains its guidance:** Management continues to guide for ~15% YoY revenue growth with EBITDA margin of ~27%. Full year order intake is expected to surpass ~Rs270bn (vs Rs193bn YTD).
- Company's strong order book of Rs730.2bn includes electronic fuses (8 years execution remaining), LRSAM (1-1.5-year execution remaining), BMP 2 upgrade, Akash Missile – Army, Ashwini Radar and MPR Rudra radar.
- BEL executed LRSAM, Himshakti, Battlefield surveillance, Akash missile – Army, LRUs for LCA by HAL, Shakti EW systems in Q3FY26 together accounting for ~Rs50bn revenue. Meanwhile, portion of LRSAM, Akash Missile – Army, MPR Rudra radar, BMP 2 upgrades and LRUs for LCA by HAL is slated for execution accounting for ~Rs40-50bn revenue in Q4FY26.



- **Order pipeline for Q4FY26:** Q4FY26 order pipeline includes LRU supply order for LCA from HAL worth ~Rs24bn+, Next Generation Corvettes (NGC) worth ~Rs30-40bn, Shatrughat worth ~Rs30bn and 2-3 more orders worth Rs10bn+ each.
- **Mid-to-long term order pipeline:** BEL's mid-to-long term **order pipeline surpasses ~Rs250bn** (ex. of QRSAM) which includes notable programs such as Akash Next Generation (NG) missiles estimated to be worth ~Rs25-30bn expected in FY28, Samaghat expected by H1FY27 and project Kusha worth ~Rs300bn anticipated to be awarded in FY29.
- **Supply chain improvements:** Supply chain conditions have improved, though some headwinds persist in areas such as semiconductors and rotary heads; however, there are no major constraints from chip availability due to design changes. **The company plans to indigenize microwave semiconductor chips** and has invested in chip manufacturing, with **semiconductors accounting for ~20-30% of equipment cost**. Management expects ~95% of deliveries to be on time in the current year, improving to 100% on-time deliveries by FY27.
- **QRSAM:** QRSAM orders are expected in Q4FY26, with a small risk of slippage. The missile, the largest sub-system, will be supplied by BDL and is expected to account for ~30% of the total QRSAM order value, while the remaining ~70% will be executed by BEL along with other industry partners.
- **Non-defence mix aimed at ~10%:** Non-defence currently contributes ~6-7% of revenues, which management expects to scale to ~10% and ~15% over the long term. The opportunity pipeline spans railways, metros, airports/aviation, space technologies (partially non-defence), cybersecurity, and data centers. In data centers, the company is targeting orders worth a few thousand crore for end-to-end solutions covering AI, computing, and cybersecurity, with government data centers as the primary customers.
- R&D expenditure is expected to surpass ~Rs17bn in FY26 and ~Rs20bn in FY27 versus Rs14.7bn in FY25.
- RFP for AMCA program is expected by mid-February 2026.

Bharti Airtel (BHARTI IN)

Rating: ACCUMULATE | CMP: Rs2,038 | TP: Rs2,313

- Operational performance – Conso EBITDAaL at ~Rs277bn, up 4.2% QoQ due to improved operating efficiency, with margins up by ~30 bps QoQ to 51.3%, driven by premiumisation and tight cost controls. Quarterly Capex at Rs118bn. FCF at Rs15.9bn. Disciplined capital allocation and ongoing cost-rationalisation initiatives maintained. Conso net debt/EBITDAaL improved to 1.02x, while India net debt/EBITDAaL moderated to 1.38x.
- Network & Investment Strategy - Continued expansion of network footprint and site densification. Digital portfolio investments are ongoing. Synergies between India & Africa to drive portfolio premiumization, Digital acceleration and B2B growth.



- India Business - Mobile & 5G - Strong push on portfolio premiumization. 11,000 new 5G sites added in Q3FY26 covering 74% of the population with 5G. Co has 181mn 5G customers as of Dec'25. Share in 5G shipments is seeing sustained improvement. 5G handset penetration continues to grow, and over 90% of total smartphones today come in as 5G. International roaming business grew ~30% YoY and Co. sees this business as a large growth opportunity. No immediate tariff repair/increase expected, focus remains on ARPU uplift via premiumization & customer mix improvement.
- Broadband & FWA - Installed broadband base stood at ~13mn customers, adding 1.2mn customers. Fiber rollout of 11,000km fiber added, 2mn incremental home passes in Q3FY26. In FWA added ~3mn to customer base. Aim is to expand addressable market materially. Medium-term broadband opportunity is estimated at ~100mn households. Fiber deployment continues strongly. Most of the FWA customers across circles are now on 5G standalone network.
- Digital TV & Content - Net adds stood at ~73,000 customers in Q3FY26. DTH is currently facing macro headwinds. Strong traction in IPTV, aided by bundled regional and global content.
- Airtel Business (B2B) - Order book momentum remains strong. Multiple large connectivity deals has secured, including Airtel cloud, cybersecurity, and IoT business and continue to make investments across the same. Nxtra is seeing strong growth led by capacity augmentation and customer wins. Revenue split: - Core connectivity (45%): growing above industry average of 5%-6%, Digital (30%) - growing at about 20%, focus on scaling share, wholesale data and voice (25%) - growth is a bit challenged. Core connectivity and CPaaS segment remains a mature business growing at mid-single-digit rates (~5-6%).
- Supply, Distribution & Customer Experience - Rapid network rollout across ~1,500 cities. FWA expanded to ~300 additional cities over 2 years. Integrated distribution and content bundling strategy. Enhanced customer engagement via regional & global content. Integrating AI across all businesses. AI-led initiatives helped reduce anti-spam solutions to reduce nuisance calls.
- ARPU growth Outlook - Wireless revenue growth softened to ~6% vs double-digits earlier. Premiumization remains the primary ARPU lever which includes feature phone to smartphones, prepaid to postpaid data penetration and international roaming. Airtel is exploring creative monetization avenues, including differential 5G pricing to drive ARPU. Management reiterated that customers will need to pay more for data.
- Growth outlook/Capex - Incremental spending will be directed towards growth areas including acceleration in data centers and some pullback of 5G Capex. Airtel's data center market shares are quite low at 12% market share against a power capacity of 120-123mw. Over next 3-4 years, it aims to grow to ~1gw to capture 25% of the market share. Tax holidays expected to accelerate demand. Disciplined capital allocation: no formal guidance provided for capex. Deployment of funds from rights issue will be used for long term value creation. In capex priority, first area of focus will be on core



business, after which focus will be on data centers, cloud, lending and financial services.

- Capital Allocation & Balance Sheet - Progressive dividend policy; no special dividend planned. Rights issue funds deployment aimed at long-term value creation. Balance sheet remains strong with continued deleverage focus. AGR Dues - Awaiting clarity from DoT on reassessment and parity treatment. Next steps to be decided post official communication

Britannia Industries (BRIT IN)

Rating: BUY | CMP: Rs6,019 | TP: Rs6,972

- The sales growth of 9.5% (gross) was split equally between volume growth and GST benefits.
- October month was impacted by GST transition in the system, November and December witnessed a strong recovery with double digit sales growth, the GST transition impact is now over
- BRIT is currently facing competition from unlisted players and plans to increase investments to fight regional players and drive top line growth
- Key commodities like sugar, wheat (good sowing) have largely stable, thus RM is likely to remain steady in near term.
- BRIT anticipates E commerce revenue to reach early teens from high single digits by FY27.
- BRIT's competitors had cut prices of Rs5/10 packs to Rs4.5/9 while BRIT had increased grammage, this confusion led to loss of revenues but now industry is likely to fully migrate to Rs5/10 packs with higher grammage.
- BRIT focuses more on E-comm and Q-comm channel as it believes it has immense opportunity, particularly for indulgence and impulse categories.

Canara Bank (CBK IN)

Rating: HOLD | CMP: Rs150 | TP: Rs160

Balance Sheet

- Bank has maintained loan/deposit guidance at 12-13%/10% respectively.
- Deposits left for repricing stood at 15%. RBI observation led to reclassification of deposits from overseas branches to borrowings, resulting in a restatement across previous quarters; reduction was Rs330bn in December.
- Gold portfolio stood at Rs2,210bn out of which agri stood at Rs1,480bn and rest was non-agri (included in personal retail).
- Retail growth in Q3FY26 was purely organic.
- Bank is open to increase lending to NBFCs provided rates are competitive.



- Borrowings increased QoQ on account of i) refinancing by SIDBI and NABARD of existing loans at lower rates ii) excess SLR of 6% which is borrowed and taken advantage of when opportunity arises. Management believes that bank is at optimum levels of borrowings currently.

- LCR stood at 125%.

Profit & Loss

- Interest on written off recoveries stood at Rs3.7bn.
- Yield on gold loan portfolio stood at 9% and is expected to sustain. Yield on vehicle book stood at 8.5%.
- NIMs fell sequentially on account of immediate repo rate pass on 49% RPLR book. Bank guided for NIM of 2.45-2.50% even if further rate cuts happen.
- Bank has been earning PSLC fees only in Q1 since last 2 years. Seasonally Q3 does not provide opportunities for PSLC. Bank indicated that regulatory changes have transformed PSLC fees into a sustainable earning source, a shift from previous years where earnings were concentrated in the first quarter. Bank expects the PSLC fees momentum to continue at current pace for FY27.
- In Q3, bank generated Rs 20bn by offloading a 14.5% stake in Canara HSBC and a 13% stake in Canara Robeco. Bank earned Rs5bn out of cross selling for subsidiaries.
- Bank expects treasury to take upturn in cases of large OMO operations by RBI and expects surplus liquidity to sustain.
- Other opex surged QoQ due i) IPO charges Rs800mn and ii) Rs800mn on account of depreciation for replaceable furniture under employee benefit plans iii) Rs1bn on technology expenses.

Asset Quality

- ECL transition impact is expected to be Rs100bn over the next 4 years.
- Written off pool stood at Rs660bn.
- Breakup of slippages was: agri Rs7.9bn, MSME Rs7.4bn, retail Rs2.9bn, Rs0.35bn on gold loans and nil in corporate.
- Total SMA stood at Rs35.6bn vs Rs43.9bn in Q3FY25. SMA1 declined from Rs11.8bn in Q3FY25 to Rs10.5bn in Q3FY26. SMA2 declined from Rs21.2bn in Q3FY25 to Rs15.4bn in Q3FY26.
- Bank maintained recovery guidance of Rs20bn per year as it's been recovering Rs10bn on an average from retail pool.
- Rs800mn from standard assets provisioning was for DCCO extension whereas rest were routine in nature



Can Fin Homes (CANF IN)

Rating: ACCUMULATE | CMP: Rs938 | TP: Rs1,015

Growth

- AUM was impacted by higher prepayments and loan closures amounting to Rs16.9bn, resulting in a ~Rs4bn drag on AUM growth in Q3FY26
- Q4 disbursements are expected at Rs32-33bn; management guided of reaching Rs105bn of disbursements in FY26 with AUM projected at Rs420bn+ implying ~11% growth in FY26
- Management expects ~15% growth in AUM in FY27 with disbursements of ~Rs135bn. Prepayments and loan closures are estimated at Rs70bn resulting in a net loan book increase of Rs60bn
- The branch network is expected to reach ~300 branches by FY28 with around 25 branches planned to be added each year over the next two years
- Presently ~90 marketing executives generate ~Rs2.5bn of business per month. The marketing team is expected to scale to 150 executives by FY27 and 250 executives by FY28
- LOS/LMS implementation is scheduled for Q1FY27, hence, there will be no impact from IT migration in Q4; Management expects a downtime of ~3-4 days during implementation resulting in an estimated business impact of ~Rs2.5-3bn

Operating profitability

- The company has passed on a 10bps rate benefit in Q3 to existing and new home loan customers with an additional 15bps benefit passed in January 2026; a total benefit of 50bps passed on to customers in 9MFY26
- Management expects NIMs to stabilize at ~3.75-3.80% while spreads are guided at ~2.75-2.80% over the medium term
- Management indicated that the bank term loan rates remain below 7% with long-term borrowings at ~6.92% and short-term borrowings at ~6.45% leading to a blended cost of ~6.8%.
- NHB borrowings carry a blended rate of ~6.3% with Rs10bn of sanctioned limits expected to be availed in Q4FY26

Asset quality

- GNPA is expected to remain below 1% as per management guidance.
- Credit cost is guided at ~15 bps with no stress expected in the coming year
- Management expects continued improvement in SMA 1 and 2 buckets; No incremental NPA provisioning is anticipated with reversals likely in Q4



Carborundum Universal (CU IN)

Rating: HOLD | CMP: Rs788 | TP: Rs825

- **Guidance:** The management maintained their consolidated revenue growth guidance of 5.5-6.5% YoY while they reduced the PBIT margin guidance to 7-8% in FY26. Management expects consolidated Abrasives revenue to grow by 4-5% while PBIT margin may come between 4-4.5% in FY26. Similarly, Ceramics is expected to grow by 13-14% YoY with PBIT margins in the range of 21-22% in FY26. Electrominerals is anticipated to grow by 1-2% on consolidated basis with PBIT margin between 4.5-5.5% amid drag from VAW.
- **Abrasives:** Revenue growth of 8.1% YoY was primarily driven by broad based growth in standalone business aided by demand from retail, industrial and precision abrasives. Meanwhile, continued sluggishness in Awuko and Rhodius weighed on the standalone results.
- **Rhodius** reported Q3FY26 sales of EUR 14.8mn (-3% YoY) primarily due to Q3 being a seasonally slower quarter amid Christmas vacations. Loss after tax extended to EUR 0.84mn in Q3FY26 vs EUR 0.78mn YoY. Given the continued weakness in Rhodius, **management now anticipates a total sales of EUR 60mn in FY26 with a loss after tax of EUR 4.5mn** after write off of PPA of EUR 2.8mn for FY26.
- **Awuko** reported Q3FY26 sales at EUR 2.4mn vs EUR 2.3mn YoY. Q3FY26 loss before tax stood at EUR 2.7mn vs loss of EUR 1.4mn YoY. Losses extended this quarter primarily on account of loss of production for optimization of inventory. **Management expect Awuko to clock flattish YoY growth in FY26.** CUMI has suffered total losses to the extent of EUR 30mn in last 4 years in Awuko. **Given the continued losses, management expect to explore divestment opportunity in next one year.**
- **Ceramics:** Ceramics continue to face challenges in wear ceramics and project based fire refractories. Ceramics business in the USA is also sluggish due to project delays by customers on account of tariff uncertainty. **Management expects Q4FY26 to be strong for ceramics** given the current order backlog. **Standalone Ceramics are anticipated to growth by 9-11% YoY in FY26** while consolidated Ceramics are expected to clock 13-14% YoY.
- **Foskor Zirconia:** Q3FY26 sales stood at ZAR 101mn vs ZAR 106mn YoY. During 9MFY26, volumes went up by 28% YoY while realization fell by 13% YoY due to heightened Chinese competition. Foskor had a loss of ZAR 10mn in Q3FY26 on account of drop in price and depreciation of the currency. Currently, company is only producing Z-450 product and has stopped production of all other products. If Z-450 doesn't perform in Q4, and losses do not stop, management will explore divestment opportunities for Foskor Zirconia.
- **VAW** Q3FY26 sales declined 46% YoY to RUB 1.4bn.
- **India-EU FTA** is expected to be beneficial to CUMI. The tariffs are anticipated to be 4-5% lower for the categories in which CUMI operations in EU.



Cello World (CELLO IN)

Rating: BUY | CMP: Rs508 | TP: Rs621

- The Consumerware segment was impacted by insulated steel product stock-outs, leading to ~40% QoQ decline in steel revenues and margin pressure due to lower fixed-cost absorption; however, the new integrated steel bottle plant in Rajasthan is ramping up and should normalize revenues over the next few quarters.
- The new insulated steel plant currently has 2 lines operational (out of ~8–10 planned) with revenue potential of Rs 3bn, and capacity can be expanded further through brownfield additions.
- The glassware segment operated at ~55-60% utilization and remained at breakeven, scaling gradually despite Chinese dumping.
- At peak utilization, Opalware revenue potential is ~Rs4-4.1bn, while Steelware can reach Rs3bn (with scope for further expansion). Steel margins are currently slightly lower than Opalware, but may improve with scale.
- Management guided ~8–10% growth in the next couple of quarters, with margins expected to recover toward ~22% as steelware stabilizes, followed by stronger growth thereafter.
- Molded furniture segment revenue declined due to weak polymer prices and no government orders,
- The profitability was impacted by lower steel volumes and a one-time gratuity hit; margins are expected to normalize to ~22% over the next two quarters.
- Cello expects writing & stationery segment to contribute Rs 5bn+ to the topline in FY27, with scope to exceed this level. The recent Cello brand acquisition has begun contributing from this quarter (Q4FY26), and ongoing portfolio rationalization of loss-making products may cause minor near-term moderation but is expected to support stronger, scalable growth ahead.
- CELLO has planned capex of ~Rs1.5bn for FY26 and ~Rs750mn maintenance capex for FY27 with incremental investment in writing instruments; hence, overall capex is expected to remain at similar levels of ~Rs1.5bn in FY27.
- Management highlighted Glassware and Writing Instruments as key growth drivers, with glassware targeting ~85% utilization over the next year and strong long-term potential, to improve efficiency.
- The Wimplast merger is nearing completion and is expected to be finalized within ~2–3 months, likely by Q1FY27.



Century Plyboard (I) (CPBI IN)

Rating: ACCUMULATE | CMP: Rs798 | TP: Rs843

- Mgmt has maintained its sales growth guidance of 13%/25%/15-17%/40% for plywood/MDF/Laminate/Particleboard with EBITDA margin of 12-14%/15% for Plywood/MDF, for FY26 and long term target of Rs 120bn topline in coming years.
- The plywood industry is growing at an estimated 6–7%, with its market share rising from ~4–4.5% pre-COVID to ~8.5% currently, and the company aims to double its market share again over the medium term.
- CPBI highlighted that plywood capacity is being expanded through internal debottlenecking at Kandla, Guwahati, and Joka, with capacity expected to reach ~4.30k CBM by Q4FY26. The Hoshiarpur plant (60kCBM) and Chennai expansion (~1lakh CBM total capacity) are both expected to be operational by Q3FY27, while the company is also planning a plywood facility in Uttar Pradesh, with ~90kCBM capacity, which will be scalable over time.
- MDF margins got impacted by flood disruptions in North India and lower operating leverage. The company plans to add ~70,000 CBM MDF capacity via a line extension in Andhra Pradesh by Q1FY27, taking total capacity to ~6.25lakh CBM, and is also planning a 3lakh+ CBM greenfield MDF plant in Uttar Pradesh, expected to be operational in 2–2.5 years, while industry demand is projected to grow at ~20% CAGR.
- Laminate segment margins improved due to better cost absorption and a favorable product mix, with a higher export share of larger-size laminates supporting realizations, while domestic demand is expected to revive from Q4FY26.
- The Particle Board segment operated at EBITDA breakeven, with performance improving on the back of higher capacity utilization and volume ramp-up.
- The MDF capacity gap between FY25 and FY26 is due to the delayed ~70k CBM South plant expansion; the planned-UP plant targets strong raw material access and market opportunity, while higher plywood capex reflects new-plant infrastructure and scalability, and MDF margins are expected to improve with better utilization despite near-term forex and operating leverage impact.



Cera Sanitaryware (CRS IN)

Rating: BUY | CMP: Rs5,054 | TP: Rs6,800

- Mgmt has maintained its guidance of revenue growth of 7-8% growth for FY26 with the margin 14.5-15%. The company expects the Faucetware segment to grow by ~10% in FY26 and anticipates double-digit growth in Q4 FY26 and FY27.
- In Q3FY26, EBITDA margin got contracted due to higher trade discounts from increased project business contribution and rising brass costs (Rs 640/kg in 9MFY26 to Rs800/kg in Jan'26; up ~12% in Q3FY26), along with higher phased Advertisement spend, Q3 QSR activities, and continued investments in Senator and Polipluz. however, the dip is largely one-off, with margins expected to recover to ~13–14% from Q4 onwards.
- The company has taken price hikes of ~4% in sanitaryware and ~11% in faucetware segment.
- Tier1/Tier2/Tier3 Cities contributed 36%/23%/41% of total sales in Q3FY26.
- 44% of total sales came from premium category, 35% from mid-category and 21% from entry-level category in Q3FY26.
- Gas prices increased by 6.5% YoY to Rs 35.70/SCM, Gail: Sabarmati supply mix stood at the ratio of 69:31 in Q3FY26.
- Project sales contribution rose to 38% of sales vs 35% in Q3FY25 and expecting good project demand in future.
- Cera incurred around Rs 60mn spend on Senator and Polipluz for promotion and team setup, generating Rs70–80mn sales and expecting Rs80–90mn in Q4 FY26; it has revised H2FY26 revenue guidance to ~Rs200mn (vs Rs400–450mn earlier) and lowered its two-year outlook to Rs1,000–1,200mn from Rs1,500mn.
- The company's dealer loyalty program, covering over 28,000 retailers, is being upgraded to a fully automated system integrated with the Dealer Management System (DMS). Purchases through DMS-enabled dealers will be captured automatically and loyalty points credited without manual intervention, improving efficiency, accuracy, and providing better visibility into secondary sales and channel inventory.
- Advertising and marketing spend stood at Rs 172mn in Q3FY26 vs Rs 139mn in Q3FY25, and for 9MFY26 it was Rs 356mn in compared to Rs 409mn for 9MFY25.
- The company maintains a healthy cash balance of around Rs 7.5bn, with Rs 132mn capex incurred till Dec'25 mainly towards routine maintenance and strengthening brand presence.
- In faucetware, the company has expanded capacity from 3 lakh to 4 lakh units and completed civil work to scale up to 6 lakh units; the additional capacity can be operationalised within 3–4 months through installation of balancing



equipment, as the plant infrastructure is already in place, subject to sustained demand visibility.

- CRS has acquired land for a new sanitaryware plant but will decide on construction after Q4FY26 based on demand, while improved efficiency and product mix changes are enabling the existing facility to meet demand for the next few years.

Chalet Hotels (CHALET IN)

Rating: BUY | CMP: Rs896 | TP: Rs1,089

- Occupancy declined 2.3% YoY to 67.9% due to addition of 129 keys in Bengaluru, ramp-up of 100 keys at Khandala, renovation-related disruption at Vashi, and temporary crew business impact at Powai due to construction of commercial tower-2.
- The NCR resort has been rebranded to Aravali Marriott Resort & Spa, with upgrades including a clubhouse, pool bar, and enhanced meeting facilities.
- Additional 1,50,000 sq. ft. was leased at Powai during 3QFY26, taking occupancy above 80%. Occupancy is expected to exceed 90% in the near term.
- The annuity portfolio achieved a rental run rate of Rs250mn per month in Dec-25. The run-rate is expected to increase to Rs280-300mn over FY27E.
- Net debt stood at Rs20bn, while the average cost of borrowing declined by 14 bps QoQ to 7.48%.
- CWIP and assets pending business commencement totalled Rs7.2bn in 3QFY26.
- Capex of ~Rs25bn has been planned over FY27E–FY29E.
- Taj, Delhi has been delayed due to pollution-related stoppages, and a partial launch is expected by 4QFY27E with staggered commissioning thereafter.
- The Vashi Hotel will be rebranded as ATHIVA in 4QFY26E.
- The Koramangala residential project's Phase 2, comprising 168 units, is expected to be handed over in FY27E.
- CHALET IN had acquired land in Rishikesh for Rs600mn, which provides an optionality for future expansion, though any development will be evaluated after stabilization of the existing inventory, with early-stage plans indicating potential villa-led format.
- Construction at ATHIVA, Varca, South Goa is delayed given pending approvals.



Cholamandalam Investment and Finance Company (CIFIC IN)

Rating: BUY | CMP: Rs1,594 | TP: Rs1,850

Growth

- CV, PV and 2W segments led VF growth in both new and used markets across OEMs and geographies aided by the GST cut. The momentum is likely to continue in Q4.
- Commentary highlights CSEL book is expected to grow over 25% from Q1FY27.
- The management has guided for AUM growth of 20–22% for FY26.
- The VF segment has seen growth in market share across players like Tata, Volvo, Eicher, Leyland, Maruti, Hero, Honda and Royal Enfield.
- Cyclical demand is expected to normalize with sustained VF demand, while seasonality-related softness is likely to persist
- The company has tied up with 9 consumer durables partners covering mobile phones and plans to expand into home appliances.

Operating profitability

- CIFIC completed sale to ARC in the affordable housing segment of Rs650mn in Q3.
- NCDs, market borrowings and MCLR transmission from banks are likely to lower CoF by 5-10bps, supporting NIMs in Q4.
- The management guided reported NIM at ~8.1% in Q4 aided by higher other income; NIM may sustain into FY27 in the absence of macro-level headwinds.
- The management expects opex to be in the 1.7-1.8% range with PBT-ROTA reaching 3.5% in the medium term.

Asset quality

- Stage 2 has improved from 3.96% to 3.61% in VF and company expect credit cost to moderate in Q4.
- CSEL NCL decreased from 7% in Q2 to 6.4% in Q3 on the fintech business rundown; company expects it to trend below 5% by FY27.
- Write-offs for VF stood at Rs3.5bn in Q2 and increased to Rs4bn in Q3.
- Segment-wise GS3 ratio for VF/ LAP/ HL/ CSEL/ SME/ SBPL/ Gold Loans stood at 4.17%/ 2.43%/ 1.65%/ 2.16%/ 3.25%/ 4.73% / 0.12%.

Other highlights



- CCDs were converted in Oct'25 and Jan'26 and Tier 1 capital is expected to improve in Q4.
- The company has declared an interim dividend of Rs1.3 per share (65% of FV).

Cipla (CIPLA IN)

Rating: ACCUMULATE | CMP: Rs1,315 | TP: Rs1,440

- **Domestic formulation:** Growth led by chronic therapies (Urology +15%, Cardiac and Anti diabetes +13%, respiratory +11%). Chronic mix strengthened to 62.3%. Acquired perpetual rights of Galvus from Novartis for Rs11bn. Also entered into strategic agreement with Pfizer for marketing and distribution of its four brands. Launched 8 new products under trade generics.
- **Consumer health:** Sustained double-digit growth, led by strong performance of key brands including Nicotex, Omnigel and Cipladine, all of which continued to maintain category leadership. Expanding distribution reach and investing in media to strengthen brand visibility and scale. Cipla acquired 100% stake in Inzpera Healthsciences, adding a differentiated paediatric and wellness portfolio.
- **US business:** Lower gRevlimid sales, faced supply issues in Lanreotide and increased competition in new launches. gRevlimid had some contribution during the quarter. Base business ex-gRevlimid showed growth in double digit. Maintained Albuterol market share of 22% (IQVIA). Lanreotide supply to resume in H1FY27E. Guided for 4 major respiratory launches (incl. gAdvair) in FY27. Further four peptide launches, including Liraglutide expected by FY27E. Currently holds single-digit market share in gAbraxane.
- **EMs:** Growth led by strong execution in direct-to-market (DTM) model and B2B business. Fourth successive quarter of \$100mn in revenues.
- **One Africa:** Delivered strong secondary growth of 6.3% YoY. Primary market faced challenges due to inventory destocking. Normalisation expected from Q4FY26. Overall 4 new products launched in Q3FY26.
- **GLP-1 portfolio:** Cipla launched Tirzepatide (Mounjaro) in partnership with Eli Lilly.
- **Other highlights:** R&D spend to remain at 6% of revenues. Debt stood at Rs 4.89bn and Net cash balance Rs 102.3bn in Q3FY26. Margin guidance revised downwards to 21% from 22.8-24% earlier in FY26E. US sales guidance of \$1bn in FY27 to be lower downward given supply issues in Lanreotide.



City Union Bank (CUBK IN)

Rating: BUY | CMP: Rs285 | TP: Rs310

Balance Sheet

- Bank targets to loan growth at mid-high teens which is 2-3% above industry growth.
- Loans by benchmark: EBLR 48%, MCLR 17%, Fixed 32%.
- Agri gold loan decline QoQ was on account of harvesting. LTV on gold stood at 72% including interest. Tenure of agriculture gold loans was 18-24 months and of non-agriculture was 12 months.
- Rs107.8bn of deposits repricing is expected to happen in next 2 quarters.
- Comfortable CD ratio guided at 85-86% by the management.
- Daily average CASA increased by 3% QoQ and 19% YoY.
- No observations received from RBI post the audit.
- The MD & CEO retires on 30th April after 15 years. The Board has sent candidate names to the RBI, the bank will announce the successor after approval from the RBI.
- RoA guided at 1.5%+.

Profit & Loss

- Yield on MSME maintained at 9.5% since last few quarters. Yield on LAP/home loans stood at 9.4-9.5%/8.8-9% respectively.
- NIMs expected to stable for Q4FY26 with +/- 10bps due to CRR and repricing impact. Assuming no rate cut margins are expected to be stable/better for FY27. Repricing is fully done for EBLR portion.
- Labour code impact was Rs20mn for bank on account of gratuity.
- Staff cost increase QoQ was due to Diwali bonus. Other opex increased QoQ due to depreciation (Rs40-50mn) and GST expenses (Rs80-90mn).
- Cost-income ratio is guided at 48-50%.
- Tax rate at same levels will be maintained for next 4-5 quarters.

Asset Quality

- No incremental provision made for ECL in Q3FY26.
- Standard assets provision increase QoQ was due to increase in BS..



Clean Science and Technology (CLEAN IN)

Rating: HOLD | CMP: Rs861 | TP: Rs841

- Domestic and export mix: 38%:62%.
- Revenue mix: Performance: 78%, Pharma & Argo: 19%, FMCG: 3%.
- Revenue saw a hit due to 19% volume and 2% realization decline YoY.
- Top 5 products' share was 75% in Q3FY26 vs. 80% in Q2FY26 at the standalone level.
- HALS 944 is contributes to 20% of the HALS portfolio.
- Clean Fino reported EBITDA breakeven during the quarter.
- HALS segment is 30% export and 70% is domestic; going ahead, export share is expected to improve.
- Performance chemical 2 is likely to be commercialized in Q1FY27, with revenue to start from Q4FY27.
- Total investment of Rs1.5bn has been made in the Clean Fino Chem subsidiary in 9MFY26; total investments in the subsidiary stands at Rs7.5bn as of Q3FY26.
- Performance chemical 1 peak revenue guidance slash from Rs3.2bn to Rs2.6bn.

Coforge (COFORGE IN)

Rating: BUY | CMP: Rs1,636 | TP: Rs2,150



- Management highlighted that it expects to exit Q4 FY26 with an EBIT margin of ~15%, implying a sharp sequential recovery. The Q4 rebound will be driven by normalization of the wage hike impact, higher utilization, and ongoing cost optimization. For FY27, management expressed confidence in further margin expansion, supported by strong revenue growth, operating leverage, AI-led delivery productivity, and continued moderation in ESOP expenses.
- Management expressed strong confidence in FY27 growth, supported by a next 12-month executable order book that is up ~26% YoY, providing strong revenue visibility. Large-deal velocity has accelerated, with 16 large deals closed in 9MFY26 versus 14 in full FY25, reflecting improved sales execution. Key client momentum remains robust, with Top 5 and Top 10 clients growth, underpinning confidence in sustained growth and deal conversion into FY27.
- Management reiterated confidence in the core verticals of BFS, Insurance, and Travel as key growth drivers for FY27. BFS and Travel are expected to lead growth, supported by strong large-deal momentum, pipeline strength, and sustained client mining. Insurance is also expected to accelerate and follow, with management indicating FY27 growth to exceed FY26 levels, supported by improving deal flow and large deal wins, reinforcing strong growth visibility across the core portfolio.

- Management highlighted Healthcare and Hi-Tech as key incremental growth engines, with both segments having nearly doubled YoY and now contributing ~10.5% of revenues. The company expects these segments to continue scaling rapidly in FY27, supported by strong large-deal momentum and the upcoming Encora integration. In Government (outside India), management expects a pickup in Q4 and into FY27, supported by large deals in the pipeline, with primary focus on the U.K. and Australia public sector markets, while selectively avoiding the U.S. public sector. This diversification is expected to further strengthen medium-term growth visibility.
- Coforge signed six large deals in Q3, underscoring strong large-deal velocity despite a seasonally weak quarter. The deal mix included two deals in BFS, and one each in Travel, Insurance, Healthcare, and Government, reflecting broad-based demand across core and emerging verticals. Management highlighted a strong large-deal pipeline, with expectations of further large deal closures in Q4, including in Government and Healthcare, supporting sustained momentum and enhanced visibility into FY27.
- Management indicated that regulatory approvals for the Encora acquisition are expected between February and April, with consolidation likely to begin around March–April. The company is in advanced discussions to finalize a ~USD 550 mn, three-year term loan to retire Encora’s existing debt, which is expected to be priced at a mid-single-digit interest rate. Management has ruled out a QIP for this refinancing.
- Management indicated that the Cigniti merger is progressing as planned, with shareholder approval already received and NCLT hearings scheduled, with approval expected by March FY26. The effective date of the merger is April 1, 2025, and the company expects to restate FY26 numbers upon completion.
- Management indicated it is reviewing its hedging strategy and may reduce reliance on cash-flow hedging, which could lower reported EBIT volatility from hedge losses going forward.

Crompton Greaves Consumer Electricals (CROMPTON IN)

Rating: BUY | CMP: Rs 245 | TP: Rs346

- Company has expanded into residential wires and mobile accessories expanding their addressable TAM.
- Solar pumps recorded >2x revenue growth with Rs190mn of revenue booked in the quarter with strong order pipeline from AP and Telangana.
- In water heaters, company stood No. 2 brand position in general trade.
- Residential wires will be available into domestic market from end of Mar’26.
- Wires business will be outsourced initially with limited near-term capex commitment.
- SDA recorded high single digit growth driven by small kitchen appliances.





- After entering solar pumps and solar rooftops, company has entered new segment i.e. domestic wires, mobile accessories & power solutions which increased their TAM to Rs1,600bn-Rs1,700bn.
- Channel inventory of old BEE fans was largely liquidated, aiding smooth transition into new BEE rates fans

Cummins India (KKC IN)

Rating: HOLD | CMP: Rs4,391 | TP: Rs4,182

- **Guidance:** The management reiterated guidance of double-digit revenue growth for FY26, despite some sluggishness expected in exports due to the global uncertainty and slowdown in economic activity.
- **Domestic Powergen:** Revenue declined ~16% YoY to Rs10.7bn, due to a sharp drop in **HHP sales to Rs5.9bn (higher base of Rs8.9bn in Q3FY25)**. Core Powergen (ex-data center) is expected to remain **steady**, supported by healthy demand from residential & commercial real estate, manufacturing, and infrastructure segments. The management indicated that while **BESS can form part of the broader energy solutions mix**, it is **not a substitute for diesel gensets**, which continue to remain the primary backup power source. The company has recently launched **10- and 20-ft containerized BESS**, which has seen **healthy inquiry levels**, though conversions remain gradual as customers continue to evaluate BESS.
- **Data center (~25% of domestic Powergen in 9MFY26):** No data center orders were executed in Q3FY26; however, the **pipeline is expected to be healthy**, supported by recent tax incentives announced in budget and investments in data centers across private players. The management expects **order inflows over the next 2–3 years**, driven by hyperscale data centers and steady inquiries from colocation data centers. Data centers typically require **high horsepower (HHP) gensets**, and the company is strengthening its positioning in the **~2,500kVA** category.
- **Industrial:** Revenue declined **9% YoY to Rs4.7bn**, due to a slowdown in the construction segment (-26% YoY to Rs1.3bn) on account of lower road execution pace and monsoon-related disruptions. Railways witnessed a softer quarter (-28% YoY to Rs1bn) vs. past few quarters, though the management remains optimistic given the higher budgetary capex allocation. The **marine segment continues to perform well**, aided by government focus, new product introductions, and customized order wins. Mining activity has improved over the last 6 months, though tender conversion remains watchful.
- **Distribution:** Revenue grew **26% YoY to Rs9.4bn**, driven by broad-based growth across Powergen, Defence, Railways and Mining. Expansion in the **asset base** is improving service reach and customer coverage. The management expects incremental growth in the distribution of **CPCB IV+ engines**, once the warranty phase of CPCB II products tapers off, aided by higher electronic and after-treatment content in newer engines.
- **Exports:** Export markets remain **volatile and choppy**, with **Asia, Europe, Latin America, and the Middle East** showing relatively better traction, while other



regions remain muted. Growth was stronger in **HHP vs. LHP**. The company is evaluating the impact of **tariff reductions in the US** and is increasingly focusing on supplying **CPCB IV+ products for data center applications** in the US market. The management indicated **no clear near-term demand trend** across export markets.

Cyient DLM (CYIENTDL IN)

Rating: ACCUMULATE | CMP: Rs364 | TP: Rs418

- CYIENTDL is targeting a 30% CAGR in topline over the next 5 years, supported by double-digit margins and a healthy book-to-bill ratio of 1.5x in FY26. The company expects revenue momentum to accelerate from Q4FY26. CYIENTDL expects its revenue growth to be well diversified over the next 2–3 years, with contributions from the Aerospace, Industrial, Defense, and Automobile segments.
- In Q3FY26, customer concerns regarding elevated tariff (~50%) revenue was impacted. With the company working closely with customers and offering multiple mitigation options to reduce the effective tariff impact, product offtake should resume from Q4FY26.
- The company added 2 new logos: in the Medical segment, focused on battery management systems, and in the Industrial segment, supporting high-precision and electrical motor controls.
- In Q3FY26, margins were impacted by one-off items, including M&A-related expenditure for a transaction that was subsequently cancelled due to certain commercial/strategic terms not working out, as well as the impact of wage code implementation.
- The B2S segment continues to see strong traction, contributing meaningfully to revenue stability. In FY26, it is expected to contribute 6–7% to the topline, with double-digit contribution from FY27, which should further support margin expansion.
- Export:domestic ratio stood at 86:14 in Q3FY26 vs. 61:39 in Q3FY25.
- CYIENTDL continues to strengthen its growth platform by expanding and reinforcing its sales teams in India and overseas.
- The company is deepening its engagement with existing customers, increasingly participating earlier in the design cycle, with several customers showing interest in re-designs and new product launches.
- Additionally, several anchor customers are co-developing next-generation products, including 2 in Transportation and 1 each in Industrial and Defense, with revenue contribution expected to commence in the next 2 years, supported by higher volumes and healthy gross margins.



Dabur India (DABUR IN)

Rating: HOLD | CMP: Rs510 | TP: Rs525

- October and November sales impacted due to GST led disruptions, however December saw strong bounce back.
- Q4 performance is expected to improve sequentially over Q3, with high single-digit value growth and YoY margin expansion.
- FY27 is expected to outperform FY26, supported by a more favorable macro environment, with growth primarily driven by volume expansion.
- Dabur deferred price hikes despite rising RM costs, aided by the GST cut. However, the company intends to implement price increases in Q4
- Rural demand is growing faster than urban with gap of 330bps between them.
- Premium portfolio is doing better than mass thus mgmt. remains confident on increasing margins to normal level in medium to long term.
- Hair oil/Oral care category seeing acceleration in demand led by GST cut, as sentiment improves.
- Margin are likely to improve in FY27 as premium portfolio outperforms mass portfolio.
- Market share gain observed across key portfolio with hair oil seeing 193bps improvement in market share.
- Distribution reach including Urban and Rural has expanded by 50,000 outlets.
- US litigation costs structurally decline (down ~25% over 3 years) while recent spike due to insurance reimbursement remains no long-term concern



Dalmia Bharat (DALBHARA IN)

Rating: HOLD | CMP: Rs2,232 | TP: Rs2,302

Demand & pricing:

- Cement demand grew 7-8% YoY in Q3FY26, while FY26 demand growth is expected to be ~6% YoY (implying higher single digit number in Q4).
- Demand momentum is expected to sustain into Q4FY26, supported by infrastructure spending and housing activity. Demand visibility remains strong across infrastructure segments, including metro projects, bridges in the North-East and hydro projects.
- Cement prices weakened during Q3FY26, particularly in the East and South, with price correction exceeding the GST adjustment.
- Early signs of price recovery are visible in Jan, and the management expects some price uptick during the current quarter.

Outlook:

- Industry capacity utilization stands at ~70%, with capacity additions of 5–6% p.a. versus demand growth of 7–8% p.a.
- Overcapacity is expected to persist in the near term, leading to intermittent pricing volatility across regions.
- Rising entry barriers related to limestone availability, regulatory approvals and execution complexity should support pricing over the medium term.
- The company expects to outperform industry volume growth over the medium term.

Costs:

- The management reiterated its structural cost savings target of Rs150–200/t by FY27. Rs45–50/t of cost savings have already been achieved through operational efficiencies.
- Blended fuel costs are expected to rise in the near term due to higher pet coke prices. However, it is likely to be mitigated through higher usage of domestic coal and RE.

Capacity expansion & projects:

- Commercial production at the Umrangso clinker line supports 8mtpa of cement capacity in the North-East region.
- According to the management, there is a definite possibility of a split grinding unit coming up in the East or Bihar, given surplus clinker availability in the North-East.
- The Jaisalmer project is under development, with a final investment decision expected in the coming months. This could add 7-8mtpa of cement capacity, taking total capacity to ~70mtpa.

Capex & balance sheet:

- Capex stood at Rs1.3bn in Q3FY26, taking 9MFY26 capex to Rs17.03bn. FY26 capex is guided at ~Rs27bn, largely toward Umrangso, Belgaum, Kadapa and RE projects.
- Capex guided at ~Rs27/30bn for FY26/27; could be raised to Rs40-50bn once the new project at Jaisalmer is finalized.
- Net debt to EBITDA remains comfortable at ~0.6x, well below the management's stated comfort level of 2.0x.
- The management highlighted strong cash generation of ~Rs30bn even in a weak year, providing headroom for expansion.

Other operational items:



- Incentives accrued during Q3FY26 stood at Rs0.91bn, including Rs0.37bn related to prior years and Rs0.09bn for H1FY26. Incentive receipts during the quarter were Rs1.21bn, reducing outstanding incentives to Rs7.76bn. The management expects the incentive run-rate at ~Rs2bn annually going forward.
- Trade share is expected to normalize to the mid-to-high 60s range as demand improves.

Deepak Nitrite (DN IN)

Rating: HOLD | CMP: Rs1,634 | TP: Rs1,729

- Domestic and export revenue mix stood at 83%:17% in Q3FY26.
- In the Phenolics segment, volumes increased YoY, driven by improved plant utilization.
- India imports phenol from some Asian countries and China.
- Advanced Intermediates margins declined as pricing pressure continued due to dumping from China.
- Volumes increased across Advanced Intermediates segment during the quarter.
- MIBK/MIBC projects are expected to be commissioned in Q4FY26.
- MIBK/MIBC, Photo chlorination utilization to ramp up in Q1FY27.
- The US removed ADD on sodium nitrite exports in Jan'26.
- For the last few years, DN has been exporting 5ktpa of sodium nitrate to the US; going ahead, this volume is expected to increase.
- The company has pipeline of 15 products, which are currently at various stages from R&D to sample approval to customers.
- These products have applications in mining, flame retardants, personal care, and polymers.
- The management has guided capex of Rs25bn for FY26 and FY27.
- The polycarbonate plant in Stade, Germany, is being dismantled as part of its relocation to India, with the project progressing as scheduled.



Delhivery (DELHIVER IN)

Rating: BUY | CMP: Rs423 | TP: Rs516

- E-commerce volumes are expected to grow in the range of ~15-20% annually over the medium term.
- Delhivery Direct, the on-demand intra-city service, is currently live in 5 cities. It has achieved an annual revenue run-rate of ~Rs.400mn. Capex of ~Rs600-700mn is likely to be incurred in this segment over the next year.
- DELHIVER IN is evaluating to add a sixth mega-gateway in Noida.
- At an adjusted EBITDA margin of 6%, DELHIVER IN is expected to reach pre-tax free cash flow break-even.
- Current working capital has come down to 15 days.
- Corporate overheads are expected to normalize at ~6-7% of revenue over medium term.
- During the quarter, wages increased by 19.3% YoY to Rs1,360mn due to expansion of sales team and implementation of new labor code norms. Technology costs also rose 36.4% YoY to Rs600mn during the quarter driven by addition of server capacity to support higher volumes.
- One-time integration cost of ~Rs200-300mn pertaining to E-com's acquisition is expected to materialize in 4QFY26E. The overall integration cost is likely to settle at ~Rs1,550mn odd as compared to an initial guidance of Rs3,000mn odd.
- Capex for FY27E is expected to mirror FY25-FY26 levels, with a normalization expected at ~4.0% of revenue over time.



Divi's Laboratories (DIVI IN)

Rating: ACCUMULATE | CMP: Rs6,387 | TP: Rs6,850

- **Generic business:** Contributed 43% of the mix in Q3FY26. Pricing environment likely to stabilize over next few quarters. Volume growth steady; backward integration at Kakinada brings in stability for Generic business. There was successful USFDA cGMP inspection at nutraceutical unit. Segment is showing strong structural growth.
- **Custom synthesis:** Multiple projects in validation/development stages, with commercialization visibility over next 12-24 months. High RFP traction, customer audits, and site visits. Three large, dedicated projects under execution with commercial volumes expected in H2CY27. Portfolio approach across Phase 2/3/late lifecycle products with built-in replacement for off-patent molecules.
- **Peptides:** Strategic entry into innovator peptide supply chains (not generic GLP-1). One commercial peptide facility completed with large-scale SPPS reactors. Company has built capacities across SPPS and LPPs platforms. Focus remains on protected amino acids, fragments and custom peptide

manufacturing. Mgmt highlighted diversification beyond GLP-1 into Psoriasis, Anti-inflammatory and cardiac therapies.

- **Kakinada unit:** Current utilization at 70-80% range. Phase 2 expansion under evaluation (4 new blocks planned). Structural enabler for CDMO scale-up and margin protection.
- Six blocks completed, two more under construction. Backward integration freeing up capacity at older sites for new validations and filings. GMP qualification for API production to begin soon; regulatory filings planned in coming quarters. Large land bank (200-300 acres) available for future expansion.
- **Capex:** Capitalised Rs 3bn in Q3FY26. Capex to continue with historical run-rate trends (excluding project-specific dedicated capex).
- **Other:** Domestic procurement share at 78%. China export policy changes seen as long-term tailwind due to backward integration. Its export tax rebate withdrawal to have limited impact on API's but higher on basic chemicals and intermediates. Strong balance sheet with high cash reserves (Rs 36.8bn).

Dilip Buildcon (DBL IN)

Rating: ACCUMULATE | CMP: Rs454 | TP: Rs514



- DBL's order book stands at ~Rs293bn, the highest in its history. Importantly, the order book is well-diversified across roads, mining, renewables, transmission, irrigation, and urban infrastructure, reducing dependence on any single segment. This provides strong multi-year revenue visibility and supports execution ramp-up in FY27.
- The company has already secured ~Rs179bn of inflows in YTD FY26, exceeding its initial annual guidance. With additional bids opened and pipeline visibility improving, the management remains optimistic about further additions.
- FY26 revenue is expected to close at ~Rs70-75bn due to slower execution over the past 2 years. However, with mobilization underway on recent wins, the management has guided for ~Rs100bn revenue in FY27, implying 30-40% growth.
- EBITDA margin hover at 10-11%, impacted by lower operating leverage. With higher execution and better fixed-cost absorption, margins are guided to improve to 12-13% in FY27. Improved sector diversification and disciplined bidding are expected to aid profitability.
- Net debt stands at ~Rs21bn, higher than earlier expectations due to muted execution. The management targets ~Rs7-8bn reduction in FY27 and aspires to become net debt-free by FY28. Deleveraging will be driven by higher EBITDA and InvIT monetization inflows.
- Seven HAM assets have already been transferred to the InvIT platform. The remaining 11 assets are expected to be monetized by FY27, generating ~Rs17-18bn of additional InvIT units.

- Coal production is expected at ~30MMT in FY26, with a target of ~57MMT by FY29. Mining is increasingly positioned as a central EBITDA and cash flow engine for DBL.
- Standalone capex has been moderated to ~Rs1bn annually versus peak levels of ~Rs5bn in earlier years. Most growth capex for mining and HAM assets is already incurred by the company. This improves free cash flow visibility and supports deleveraging.
- The combined equity requirement for solar and transmission projects is ~Rs17bn. DBL plans to contribute only ~Rs2–3bn, with the balance funded through structured/mezz debt at the HoldCo level.
- For FY27, DBL is targeting ~Rs100–150bn of fresh order inflows on a selective basis. The focus remains on profitability, return ratios, and capital efficiency, rather than aggressive volume growth. The management reiterated its commitment to disciplined bidding, especially in the roads segment.

DOMS Industries (DOMS IN)

Rating: BUY | CMP: Rs2,356 | TP: Rs3,084



- Capex for FY26E/FY27E is pegged at Rs2.5bn/Rs2.25-2.5bn respectively.
- Stock-in-trade increased 127.5% YoY to ~Rs 631mn (3.7% of sales) in 9MFY26 as paper stationery and flat-style diapers were increasingly outsourced from third party vendors.
- Capacity expansion at Umbergaon will be undertaken in phases, beginning with wooden pencils, then writing instruments (pens, markers, and highlighters), followed by erasers and sharpeners, and lastly scholastic art materials.
- More than 90% of the hygiene revenue comes from sale of diapers.
- Initial investment in JV with Seven SpA will be to the tune of Rs150mn. Gross fixed asset turnover in the business is likely to be ~3-4x and production will happen at Umbergaon. Initially, the focus will be on export opportunities (supply products to FILA Group) with plans to serve Indian market at a later stage.
- Tips are currently outsourced. However, with commissioning of the new plant at Umbergaon, the plan is to commence captive production.
- Roughly, Rs20mn has been invested in SKIDO and revenue for 9MFY26 stood at ~Rs95mn.
- Due to levy of US tariffs exports of wooden pencils suffered. However, loss of revenue got compensated to a certain extent by launching mechanical & colored pencils.
- DOMS IN aims to increase the capacity of wooden pencils from ~5.5mn pieces per day to ~8mn pieces per day.



- Typically, it takes ~90 days to set up the P&M and commence production after the possession of building is received. After production begins, it takes ~6-7 months to stabilize and reach optimum utilization.
- DOMS IN has acquired land and building in Jammu spread over 2.5 acres for ~Rs160mn to expand wood processing capabilities to support pencil expansion.

Dr. Reddy's Laboratories (DRRD IN)

Rating: REDUCE | CMP: Rs1,157 | TP: Rs1,300

- **US business:** Revenue declined QoQ primarily due to lower Lenalidomide contribution and ongoing price erosion in base generics. Continued launch momentum with 6 new product launches during the quarter. gRevlimid contribution to taper off by Q4FY26. Management reiterated that base US business (ex-gRevlimid) continues to grow, but headline growth remains masked by Lenalidomide normalization.
- **Semaglutide: India** approval received, launch confirmed on 21st March 2026. **Canada:** Remain hopeful of approval expected anytime between Feb–May 2026 assuming no new CRL. Management preparing for launch readiness in Q4FY26 or early Q1FY27. **Other markets:** Key launches expected in Brazil and Turkey around July 2026. **Capacity:** Current cartridge capacity at 12 mn units, adequate for near-term.
- **Biosimilars: Denosumab:** EC and MHRA approvals received; launched in Germany, UK/other EU launches pending. USFDA CRL due to partner Alvotech's Reykjavik facility observations; timing uncertain, delay likely ≥6 months. **Rituximab:** One pending observation related to fill-finish line; response expected shortly. Likely re-inspection required, pushing US approval beyond next 6–12 months. No impact on gAbatacept as manufacturing lines are different. **gAbatacept:** US BLA for IV filed on schedule; approval expected towards end-CY26. Subcutaneous version targeted for early CY28. Europe filing planned July 2026, with expected launch around mid-2027. Addressable market: ~\$2bn+ in Europe, limited competition at launch.
- **EU:** Growth driven by NRT acquisition and new launches. EBITDA margins now above 25%, exceeding initial acquisition assumptions. Launched 10 new products during the quarter. Commercialised Denosumab in the market.
- **India:** Traction from innovation portfolio (~10-15% of India revenues). New brand launches, price hikes and volume growth were supported. 2 new brand launches during the quarter; Stugeron acquisition contributing incrementally. Management confident of mid-teens growth sustainability, driven by innovation-led strategy.
- **PSAI:** QoQ decline in Q3FY26 was on account of lower volume uptake in the API business. Margin pressure remained due to adverse product mix. Near-term outlook remains muted, with recovery dependent on CDMO scale-up and customer traction.



- **EM's and Russia:** Russia up 21% YoY (CC), aided by forex and new launches. EMs: QoQ growth was primarily on account of volume growth.
- **Others:** Net cash position of Rs 30.7bn. R&D investments to range between 7-8% of sales.

Eicher Motors (EIM IN)

Rating: HOLD | CMP: Rs7,771 | TP: Rs7,650

- Rural and semi-urban markets have been growing strongly, while urban markets, where growth was subdued, have seen a pickup in growth recently.
- Hunter model is seeing increased interest from younger customers post GST and income tax rate cuts.
- 650cc motorcycles' recovery has been better than that of 450cc post GST increase in the segment. To train riders, Gymkhana has been introduced, hoping to revive the 450cc segment growth.
- RE saw a gain in market share across segments, especially the mid-size segment, with 88.9% exit market share.
- It had its best ever festive sales of 2.49 lakh motorcycles during Sep-Oct'25.
- Parts business (Volvo + Eicher) grew by 14.4% YoY.
- Currently, RE is producing ~4.4k vehicles/day and VECV, 10k+ vehicles/month.
- EIM's growth in the Bus segment moderated this year due to the high base effect of last year and due to lower orders from institutional sales.
- If the CV industry continues to see sustained demand next year, VECV may increase the Bhopal plant capacity.
- Electric motorcycles Flying Flea C6 classic and S6 scrambler versions are expected to be launched in Q1FY27 and at EICMA 2026, respectively.
- While the finer details of the FTA with the EU and the US are awaited, the management feels it should be a good sign for growing their exports further



Elgi Equipments (ELEQ IN)

Rating: ACCUMULATE | CMP: Rs512 | TP: Rs565

- **Employee cost impact:** Employee costs increased due to global salary hikes and one-time restructuring expenses in Europe, along with spending on consultants, software and new talent to streamline operations. The management expects the benefits of these initiatives to accrue over the next few years, with no spillover of Europe restructuring costs into FY27, leading to gradual normalization of employee costs.
- **Domestic business:** Domestic performance remained healthy, driven by strong volume growth in the Indian market. The management remains cautiously optimistic, noting that current traction is consumption-led rather than investment-led, with a gradual recovery in investments expected over time. **It expects the Indian business to deliver low double-digit growth.** Industrial demand in the domestic market was broad-based with the textile industry anticipated to bounce back given the tariff reduction.
- **Exports:** ELEQ has appointed new leadership in SEA and expects an improvement in its regional presence. Europe remains challenging due to tariff-related pressures impacting Rotair, alongside ongoing cost restructuring efforts. Australia showed signs of stabilization and recovery, emerging as a growth market YoY, while the Middle East and Africa delivered strong growth, despite not being core strategic regions. The US performed better than last year, though distribution remains a key challenge, with multiple corrective strategies underway; the management expects the US business to improve in Q4 sequentially over Q3.
- **Tariff impacts:** In Q2, the company benefited from legacy inventory subject to lower tariffs, whereas Q3 reflected the full impact of 50% tariffs. Price increases of 6-7% in the US helped partially offset this impact. With tariffs now reduced, the management expects a meaningful YoY margin uplift in FY27. Some residual tariff impact will persist in Q4 due to the higher cost inventory, while Q1FY27 will see a mixed inventory effect, with the impact gradually tapering thereafter.
- **Inventory management:** The company aims to bring down its inventory duration to 3 months from current 6 months. Current inventory with higher costs is expected to be bled out by Q2FY27. Post this, the management plans to build inventory with lower costs, led by its current cost reduction measures.
- **New products:** The launch of the Tier-3 low-cost screw compressor is likely to be deferred to Q2FY27 from Q1FY27, with certifications, pricing and go-to-market strategies already in place. Priced 30-40% below standard ELGi compressors, the product is expected to enhance competitiveness. Additionally, the company has rebranded its stabilizer as "Demand=Match," with around 150 machines already deployed; customer response has been positive, citing 6-17% higher efficiency and strong reliability.
- **Chinese competition in domestic market:** Chinese players are expected to account for 20-25% of the Indian market by volume. The management



believes its new product launches will be price-competitive with Chinese offerings while maintaining superior quality.

Emami (HMN IN)

Rating: ACCUMULATE | CMP: Rs489 | TP: Rs571

- 3Q saw a revival in demand aided by GST rate cuts and favorable winter season.
- Management anticipates that brands previously growing 4-5% should now achieve 8-9% growth, driven by new customer additions and focus on rural market with small SKU's
- Reduction in GST rates to 5% for 88% of the portfolio is expected to drive growth and revive rural markets.
- Post Budget FY26-27, the applicable income tax rate for standalone entity to reduce to ~25% from 35%. This would lead to overall consolidated tax rate of ~20%, after adjusting for MAT credit.
- Management indicated to shift their focus on small SKU's like shampoo sachets and expect to be a significant growth driver.
- International markets like Bangladesh, SEA, Russia showed double digit growth while markets like MENA and North America are facing pressure.
- Post GST rate cut the trade inventory levels have normalized and there is no excess inventory in the system.
- Rural market is witnessing some green shoots and company is planning to shift focus on rural markets for next few quarters
- New digital communications which account for 50% of the overall media spends, Q-comm contributes 20% to overall E-comm business.
- Smart and Handsome brand has shown subdued growth despite best efforts, HMN plans to focus on small sachets to revive growth in this segment



Engineers India (ENGR IN)

Rating: BUY | CMP: Rs202 | TP: Rs261

- **Guidance:** Management is targeting to cross ~Rs40bn in revenue for FY26, with consultancy segment margin expected at ~25% and turnkey segment margins at ~7%. In addition, management expects to surpass order intake of ~Rs80bn in FY26, supported by a healthy domestic and international pipeline.
- **Healthy order book:** Company has secured orders worth ~Rs77bn with current order book stands at ~Rs156.7bn till date with order book comprises of ~Rs107bn from consultancy and Rs50bn from LSTK segment.
- **Domestic Consultancy Prospects:** With government's plan to expand crude refining capacity and increase natural gas share in the energy mix (from ~6% to ~15%) continues to provide a strong long-term project pipeline for EIL. In

addition, large capex plans announced by IOCL (~Rs327bn), ONGC (~Rs300bn) and BPCL (~Rs250bn) represent meaningful medium-term consultancy opportunities. Phase-2 of the Paradip refinery is likely to be awarded by IOCL, while feasibility work on the Andhra refinery is expected to translate into project awards from next financial year.

- **International Consultancy:** Overseas business remains entirely consultancy-led and focused on high-margin hydrocarbon assignments. While the company is maintaining its domestic focus, it has stepped up efforts in international markets, particularly Nigeria, Oman, Kuwait, South America and the Middle East. The company continues to leverage its execution track record in complex Indian refining and hydrocarbon projects to win overseas mandates.
- **Turnkey / LSTK & Infrastructure:** Infrastructure accounts for ~25–30% of the current order book, with recent wins across educational institutes (IITs/IIMs), ONGC conventional centres, townships from NTPC, airports (Leh, UP and Noida) and data centres. Strategy remains focused on engineering-intensive niche infrastructure projects while avoiding commoditized EPC segments. Near-term turnkey margins are expected at ~7% additionally, margin improvement during the quarter has been aided by reversal of provisions following change in contract price and timely completion of one turnkey project.
- **Ramagundam Fertilizer Plant:** The plant has now largely stabilized and is running at full capacity. Management expects higher profitability in Q4FY26, following resolution of earlier operational issues.
- **Carbon Capture & Energy Transition:** The company is actively pursuing carbon capture initiatives, undertaking internal studies and engaging with technology providers to build capabilities. An MOU has been signed with NTPC for collaboration on carbon capture and storage systems, which could open up a new long-term opportunity area.
- **One time impact (Provision Reversal):** During the quarter, the company reversed contractual provisions aggregating to ~Rs2.3bn at the revenue level and ~Rs2.1bn at the profit level pertaining to a turnkey project. As part of its conservative accounting policy, the company creates provisions when projects face delays and there is potential exposure to penalties or liquidated damages under contractual terms. However, management actively works toward completion within the extended timeline and subsequently seeks formal time extensions from clients. In most cases, such extensions are granted, eliminating the penalty risk. Upon receipt of the extension, the earlier provision is reversed, leading to a one-time positive impact on revenue and profitability for the quarter.



Eris Lifesciences (ERIS IN)

Rating: BUY | CMP: Rs1,414 | TP: Rs1,800

- Domestic branded formulation:** Insulin and Dermatology therapies continue to significantly outperform the market. OAD portfolio remains impacted by FTC bans on key SKUs; underperformance likely to persist for 2–3 more quarters before stabilizing. Preparing to launch Esaxerenone, a non-steroidal MRA, indicated for resistant hypertension. Discontinued Rs 600-700mn of tail-end brands (mainly general injectables and other non-core categories) due to low profitability and weak strategic fit; expected ~2% revenue impact FY27E. Further company has been winding down trade generic business
- Insulin:** It continues strong traction; RHI cartridge share up to ~26% (vs 8% at acquisition), with ~30% prescription share. RHI + Glargine share at 16% (vs 9% earlier); targeting 25% in 3 years. ~40% price gap vs innovator driving volumes; gradual price hikes possible. gAspart/gAspart Mix launch next year; Degludec under validation. Bhopal ramp-up ongoing; Rs 600–900Mn annual EBITDA drag to reduce with scale.
- GLP-1:** Partner with Natco Pharma for India launch. Natco has received approval for generic semaglutide. Launch to leverage existing metabolic/insulin teams; limited incremental hiring. Initial margins lower, but minimal impact on overall EBITDA.
- Exports:** EU CDMO order book at ~Rs 10bn annualized. Third injectable facility targeted for commissioning in FY28 to support regulated market and CDMO growth.
- Other highlights:** Q3 capex at ~Rs 800Mn; 9M capex ~Rs 2bn. FY26E guidance maintained at Rs 2-2.5bn, with Rs 7.5bn planned over FY26–28E. Capex front-loaded toward insulin, GLP-1, and injectables, slightly delaying debt reduction. Net debt at Rs 22.7bn; target net debt/EBITDA of 1.5x by end-CY26.



Federal Bank (FB IN)

Rating: BUY | CMP: Rs270 | TP: Rs275

Balance Sheet

- On balance sheet calibration, bank prefers to increase mid yielding segment at higher pace than higher yielding segment. Hence there has been no material change in composition of MFI/PL.
- Home loan pace is slowed as bank did not find risk reward attractive. Bank is increasing pace for LAP.
- Bank does not see any LTV pressure on gold loans. Gold loan book growth and yields are being maintained.
- Bank has consciously let go of certain AAA rated large assets shifting focus to mid corporate to reduce price extraction from the bank. Despite of this,

corporate growth at 6% QoQ led by i) higher pricing from bond markets ii) and increase in working capital requirement.

- Loan growth is guided at 16% YoY for FY27.
- Average CASA saw good traction during Q3FY26 led by i) better productivity from branches & ii) newer products.
- Quarter end LCR stood at 114% and average LCR stood at 123%. Bank expects ~5-6% negative impact from new RBI regulations
- Regarding the first tranche of capital from Blackstone, bank expects approval from RBI in Q4FY26.

Profit & Loss

- NIMs improved QoQ due to balance sheet management. In Q4FY26 NIM is guided to be stable (vs Q3'26). It takes 14 months post rate cut for entire TD repricing and 1.5 quarters are remaining for full repricing benefit to pass on.
- Bank hopes to sustain upward trends in margins as they i) change mix of liability profile ii) increase mid yielding segment.
- Bank has taken 1/3rd impact of rate cut in Q3FY26 and rest is expected in Q4FY26. Opportunity to cut TD rates is lower post RBI rate cut of 25bps.
- Distribution fee was lower QoQ due to i) seasonality ii) customer preference for ULIP products in buoyant markets where commission is lower. Bank is confident of upward trajectory in fees due to new wealth and card business.
- Branch opening is slowed down as bank is re-evaluating the branch model before increasing the count.
- Cost to income is expected to remain rangebound at 53-55% for next 2 years.

Asset Quality

- Credit costs for FY26 is expected to close ~52-53bps. MFI credit costs are expected to be lower in Q4FY26 than Q3FY26. Full recovery is yet to be seen in MFI hence growth has been selective.

Finolex Industries (FNXP IN)

Rating: ACCUMULATE | CMP: Rs175 | TP: Rs199

- FNXP has revised its FY26 pipes segment volume growth guidance from mid-single digit to flattish, with a EBITDA margins at ~12%.
- The ratio of Agri:Non-agri mix stood at 62:38 (vs. 68:32 in Q3FY25), and management aims to achieve a balanced 50:50 mix going forward to reduce seasonality and diversify growth.
- The PVC price stood at USD 641/MT vs USD 782/MT in Q3FY25, PVC-EDC spread stood at USD 449/MT vs USD 500/MT, PVC-VCM spread at USD 156/MT vs USD 167/MT.





- FNXP highlighted that its high backward integration (~65–70% in-house raw materials) lowers procurement costs versus market rates, supporting superior gross and EBITDA margins and a structural cost advantage over peers. Ongoing price restructuring on a net realisation basis further supports margin stability.
- A price hike in PVC resin of Rs7/tonne was implemented effective in Jan'26 and has been fully passed on to customers. Management expects pricing to sustain or move higher, aided by China's decision to eliminate VAT export rebates on Suspension PVC from Apr'26, which is likely to raise Chinese export costs by ~13% and reduce low-priced export competition. In Q3FY26, CPVC prices broadly tracked PVC price movements.
- The FM proposed reducing customs duty on PVC and other halogenated polymer resins from 10% to 7.5%; however, the company refrained from commenting and will review the fine print of budget.
- The company plans to invest Rs1–1.5 bn annually for new capacity additions, targeting an incremental 50–80 kt per annum depending on demand.

Fortis Healthcare (FORH IN)

Rating: BUY | CMP: Rs916 | TP: Rs1,050

- **Bed expansion:** FORH added ~750 operational beds in 9MFY26; of which ~250 beds were organic brownfield additions, while the balance ~500 beds were inorganic through acquisitions (Manesar, Jalandhar, Greater Noida and Faridabad). FORH acquired Bangalore's 125 bedded People Tree in Yeshwantpur. Management has guided ~430 beds addition in FY27, including 200 beds at FMRI and the balance across Manesar, Noida and other units. Most beds are expected to be operational in FY27, except ~100 beds at FMRI which may spill into FY28. At FMRI, ~100 beds are ready for commissioning in Q1FY27 and 60 beds in Noida are expected to be operationalized in Q4FY26/Q1FY27.
- **Gleneagles O&M hospitals:** Integration of Gleneagles O&M hospitals is underway. FORH recognized ~Rs50mn of O&M fees in Q3FY26. Revenue declined ~4% in 9MFY26 due to clinical attrition and management transition; however, management expects growth to resume from next year. Mgmt cited Hyderabad (two units) to see oncology expansion (LG Nagar), with plans to develop Hyderabad into a meaningful cluster over time. Chennai unit has execution problems; however, it is guided to stabilize next year. Bangalore has two units; the smaller facility requires operational turnaround.
- **Unit wise update:** **Manesar** unit operates at revenue run-rate of ~Rs150mn /month; EBITDA marginally positive in Q3. Oncology block under development. **Shalimar Bagh** operates at ~80% occupancy; approval received for additional beds, with construction to commence shortly. **Mulund** operates at ~65% occupancy while **BG Road** continues to face occupancy challenges. **Jaipur's** margins remain impacted by absence of oncology, however mgmt. plans to evaluate Oncology addition over the next 12–18 months. **Faridabad** unit received Oncology block approval last year. **Flagship units** (FMRI, Shalimar Bagh) continue to demonstrate strong traction. **Mulund** has

improved meaningfully and is operating at ~65%+ occupancy. Jalandhar and Greater Noida acquisitions contributed to revenue growth of ~4%, with majority of growth coming from existing units.

- **ARPOB** is expected to grow 4–5% YoY over the next two years, with an even mix of pricing and case-mix improvement.
- CGHS negotiations remain pending for super specialty category, with management indicating a likely positive outcome from FY27.
- **Growth guidance:** Management guided for margin expansion in FY27, driven by brownfield expansion, particularly premium bed additions at FMRI, ramp-up of acquired units and case-mix improvement led by oncology.
- **International business guidance:** Management highlighted a calibrated push on international patient revenues, with focused marketing efforts in newer geographies such as East Africa and Central Asia alongside expansion of direct outreach and information centres to drive inbound volumes.
- **Agilus business:** B2C:B2B mix stood at 52:48. Agilus conducted 9.94mn tests during the quarter; up by 4% YoY. Management indicated that the Agilus business continues to witness steady operational improvement, driven by focusing on cost rationalization, network optimization and enhancement in test mix.

GAIL (India) (GAIL IN)

Rating: BUY | CMP: Rs160 | TP: Rs190



- **Fertilizer plant project:** GAIL plans to set up 2 fertilizer plants along the MNJPL corridor at a proposed investment of Rs210.0bn; the projects have received in-principal approval and are currently under evaluation, with completion expected within ~3 years from board approval. No capital grants to be provided. Expect an equity IRR of ~12%.
- **Tariff appeal:** GAIL has filed a review petition with PNGRB on the recent tariff revision of Rs65.7/mmbtu from Rs58.6/mmbtu effective 1st Jan'26, seeking a further increase of Rs15/mmbtu (initial ask of Rs12/MMBtu revised upward due to approval delays, given the DCF-based tariff methodology). GAIL reiterated ~12% earnings benefit (Rs12.0bn pa) from the tariff revision, noting that zonal tariff outcomes could vary (11–14%), and hence, the impact is guided at an average level.
- **Renewable energy:** GAIL sees renewable energy as a strategic growth opportunity. Several projects are currently underway, including 170MW wind project in Maharashtra, solar projects of 100MW and 600MW in Uttar Pradesh, and 30–35MW captive use solar plants at various locations.
- **CBG plant expansion:** After successful commissioning of the 5ton/day CBG plant at Ranchi, GAIL has approved investment for establishing 6 CBG plants. GAIL aims to establish 25–30 CBG plants across India.
- **CGD expansion:** In the next 2 years, GAIL aims to add ~85 new CNG stations and ~1,15,000 new DPNG connections

- **Capex:** Capex stood at Rs21.9bn in Q3FY26: Rs8.0bn on pipelines, Rs4.6bn on operational capex, and Rs6.2bn on other spend. FY27 capex is guided at Rs90–100bn, including equity investments. Of this, Rs540bn is for doubling the capacity of Jamnagar-Loni pipeline, Rs20–30bn is for new energy, and the rest for ongoing projects, CGD projects, etc. ~Rs52.0bn of capex was capitalized in the quarter, with ~Rs25–30bn (excluding the Gurdaspur–Jammu pipeline) planned to be capitalized by Jun’26, including select Urja Ganga and Mumbai–Nagpur–Jabalpur sections.
- **Guidance:** The company expects transmission volume to reach 124–125mmscmd in FY26 and 134–135mmscmd in FY27 respectively, of which 4mmscmd will come from natural growth of CGD, 2mmscmd from power and 3mmscmd of new/old refining volumes. Further, it expects trading volume to increase by ~5% over the guidance of 105mmscmd in FY26 to 109–110mmscmd in FY27. GAIL expects marketing PBT of more than Rs40bn in FY27 (PBT in H1FY26: Rs22.3bn). Staff costs are expected to remain broadly stable in FY26 due to lower profitability, while they are projected to increase by ~Rs1.0bn in FY27 as profitability improves and incentives are reinstated.
- **Volume sourcing:** GAIL sources ~21mmscmd of gas from the US on a back-to-back basis/through swaps, while ~3mmscmd remains open, including certain take-or-pay contracts. The management aims to expand its gas sourcing portfolio by at least 6–7 mtpa from the current ~16.5mtpa to 23–24mtpa by 2030.
- **Current contracts source:** Out of 16.5mtpa, HH-linked contracts are from the US – 5.8mtpa and the Middle East – 0.8mtpa. The remaining contracts are Brent linked from RasGas – 4.5mtpa, ~3.0mtpa from a marketing company, PLL – 0.4mtpa, Vitol – 1.0mtpa, and ADNOC – 0.5mtpa.
- **Petchem:** Input gas costs increased to USD11.2/mmbtu in Q3FY26 (vs. USD10.5/9.5/mmbtu in Q2FY26/Q3FY25). Costs are expected to remain elevated in Q4FY26 due to higher HH prices following the Arctic blast/winter freeze (HH prices at ~USD7.5/mmbtu for Feb’26 supply vs. ~USD4.7/mmbtu for Jan’26). On the positive side, polymer prices have increased by ~Rs3,500/t, and the management plans to operate the plant at ~100% utilization. Gas costs account for 70–75% of total petchem costs, with the balance comprising R&M, employee expenses, stores & spares, and other costs.
- **Ethane sourcing:** GAIL plans to enhance ethane availability by extracting C2/C3 at Vijaipur and transporting it via the Vijaipur–Pata pipeline. In parallel, the company is evaluating ethane imports through its preferred Dabhol terminal, with flexibility to utilize other west coast terminals and connect the terminal pipeline to the plant.



GE Vernova T&D India (GVTD IN)

Rating: BUY | CMP: Rs2,911 | TP: Rs4,050

- **Guidance:** Management guided for **higher end of mid-20s EBITDA margin for FY26** given the strong performance in last 3 quarters further aided by strong volume, better pricing and high margin order backlog execution.
- **VSC HVDC Khavda – South olpad order:** The company secured a large VSC HVDC order from Adani during the quarter; however, the order was not booked in Q3FY26 as it is subject to achievement of specified contractual milestones, with the execution timeline expected to span ~4 years.
- **HVDC Prospects and Capacity:** Management indicated that the HVDC South Kalamb–Barmer project is expected to be finalized by Q2FY27, and with existing HVDC execution capacity, the company is well positioned to execute the Khavda–South Olpad order while retaining headroom to secure and execute additional HVDC
- **Order pipeline:** Management highlighted that the domestic order pipeline remains robust, driven by strong traction in TBCB opportunities across states, and expects domestic order inflows in FY27 to be stronger than FY26; in contrast, the export order pipeline remains soft due to slower demand in overseas markets, though the company is actively working to improve pipeline visibility and order intake. The export order which was in pipeline faced delayed from customer end which is same now expected in H2FY27.
- **Higher EBITDA on account of volume, price and productivity:** A strong growth of ~154% YoY to Rs4.5bn was driven by ~46% YoY growth in volumes along with better pricing and execution of higher margin order backlog and internal execution efficiencies leading to better productivity. New investments in existing facilities are also expected to give better operational leverage in absence of additional fixed costs.
- **Data Center:** Management highlighted active collaboration between global teams and Indian manufacturing units to address incremental capacity requirements for data centers and AI factories, noting significant global growth opportunities in this segment.
- **Capex:** The company has outlined a cumulative capex plan of ~Rs10bn through FY28, comprising ~Rs8.1bn toward capacity expansion in transformers, reactors and AIS/GIS, in addition to the previously announced ~Rs1.4bn capex.
- **Raw material cost pas through:** Management noted that increases in material costs are largely passed through to customers via variable pricing clauses, while for firm-price orders, appropriate cost provisions are built in based on global assessments and delivery timelines; additionally, the company is working closely with its supply chain to optimize costs and mitigate risks from raw material price volatility.



Greenpanel Industries (GREENP IN)

Rating: BUY | CMP: Rs229 | TP: Rs369

- Greenpanel (GREENP) has maintained its guidance of high teen digit volume growth in MDF segment with a EBITDA margin of high single/low double digit for FY26.
- MDF Imports remain muted despite some overseas players receiving BIS certification. Domestic pricing is currently competitive enough to limit the attractiveness of imports, except for a few niche applications such as thin panels used in laser cutting. The implementation of more stringent QCO standards is expected to further restrict imports going forward.
- The Plywood segment continued to remain weak with no meaningful recovery yet, though management indicated that strategic steps are underway to scale this business over the coming quarters.
- Timber costs, which had softened through early Nov'25 due to improved supply conditions, turned volatile thereafter because of severe winter conditions in North India and heavy rainfall in southern regions; however, prices have begun easing again from Jan'26 onwards.
- Chemical input costs also declined from their Q2FY26 peaks, aiding margin recovery. These benefits were partly offset by higher fuel and power costs due to seasonal factors and increased sales, and marketing expenses aimed at building brand salience and driving volumes.
- In Q3FY26, Greenpanel domestic MDF realizations were impacted due to heightened discounting as competitive intensity increased post Diwali, prompting the company to offer higher discounts, particularly to OEM customers where pricing remains critical.
- The reported operating performance also included recognition of Rs85mn of approved but previously unaccounted power subsidy related to the Andhra Pradesh plant, which was routed through other operating income.
- EPCG benefits stood at Rs80mn in Q3FY26 (Rs50/60mn in Q1/Q2FY26). About Rs320mn of EPCG benefit remains unrecognized & is expected to be recognized over the next 4–6 quarters, subject to export volumes.
- During Oct'25, the company also received Rs193mn from the Andhra Pradesh government toward previously sanctioned subsidies. Management clarified that out of the total Rs960mn subsidy approved for the older line, Rs680mn was capital subsidy and Rs280mn was revenue (power) subsidy. Of the remaining unaccounted capital subsidy of Rs540mn, the entire amount has now been adjusted against the carrying value of fixed assets, which will lower depreciation expenses going forward.
- Company announced a new foreign travel incentive scheme for channel partners and launched what it claims to be India's strongest, toughest, and heaviest boiling waterproof MDF, further strengthening its product portfolio. These initiatives, along with sustained ATL and BTL spends, are expected to



underpin a more durable and sustainable volume growth trajectory over the next three to five years.

Gujarat Fluorochemicals (FLUROCH IN)

Rating: HOLD | CMP: Rs3,360 | TP: Rs3,434

- Holiday season in Europe and the US led to flat performance in Fluoropolymers.
- Strong growth is expected in volumes post US tariff cuts, especially in the semicon segment.
- Debottlenecking initiatives have been taken for some grades of fluoropolymers; no capacity constraint as of now.
- In the Fluorochemicals segment, R125 export realizations were impacted due to US tariffs.
- R22 volumes were impacted due to quota reduction.
- Production of R32 commenced this month.
- R32 capacity is planned to be ramped up to 20,000mtpa by Q2FY27 (commissioning deferred due to a plant incident), with further possible expansion to 30,000mtpa by Dec'27 under Phase 2.
- In the Bulk Chemicals segment, revenue declined due to reduction in prices of chloromethanes and caustic soda.
- In Dec'25, IFC approved Rs4.3bn investment in GFL EV; another sovereign fund has approved USD82mn investment, for which documentation is in progress.
- The company is setting up a greenfield advanced battery materials project in Oman for Li-ion batteries, with investment of USD216mn.
- LFP (CAM) plant has stabilized, and samples have been sent to prospective customers.
- Electrolyte samples have been sent to Indian cell OEMs for evaluation and qualification, mostly domestic focused.
- LiPF₆ and some electrolytes and binders are expected to be ramped up in FY27; approval for the LFP (CAM) plant will take some time.
- Order book looks healthy for the Battery Chemicals segment, and FY27 and FY28 are expected to be growth years.
- The Battery Chemicals segment asset turn is expected to be 2x and EBITDAM, 25%..



Gujarat Gas (GUJGA IN)

Rating: ACCUMULATE | CMP: Rs399 | TP: Rs422

- **PNG Industrial** - Morbi volumes fell to 1.7mmscmd (from 2.1mmscmd QoQ/3.4mmscmd YoY), while non-Morbi volumes improved to 2.3mmscmd, up 7% YoY, despite Diwali festival during which majority of the non-Morbi market sees lower consumption.
- **Price cut in Morbi** - Lower spot RLNG and crude prices enabled the company to cut price for the ceramic industry by Rs4.5/scm effective 1st Jan 2026. Current price differential with propane stands at Rs2.4/scm; with propane prices expected to rise in Feb'25, GUJGA expects Morbi volumes to recover to 2.3–2.6mmscmd at least by end-Jan'26 and 3.0–3.5mmscmd by Feb-Mar'26 and Mar'26.
- **CNG** - CNG volumes grew 9% in Gujarat and 22% outside the state YoY, supported by a 14% YoY increase in the CNG consumer base to 16.9 lakh as of Dec'25; volume growth was driven by upgrades at existing stations. The management remains confident on sustained CNG volume growth, supported by CNG's cleaner-fuel advantage and the rising penetration of CNG vehicles. GUJGA plans to expand over **1,000 CNG stations over the next 2–3 years** through a mix of owned and FDODO outlets.
- **Capex** stood at Rs4.1bn in 9MFY26, incurred toward gas infrastructure, with **FY26 capex guided at Rs6.5-7.0bn**; spending in FY27-28 is expected to remain on similar lines.
- **EBITDA/scm** is expected to reach Rs5.5–6.5/scm in FY26 and remain unchanged in FY27–28; more clarity is expected in Q4FY26 concall.
- **Volume guidance** – FY27/28 is expected to see double-digit growth in CNG and PNG-D. Only problem is the industrial segment – more clarity should come by Mar'25.
- **Gas sourcing**– APM: 24%, NWG: 4%, term: 39%, short-term (IGX + spot): 33%, allocation of NWG at 0.3mmscmd vs. 0.4mmscmd QoQ.
- **Zonal gas transmission tariff** – As per the management, at current operating level of 8.4mmscmd, the company remains revenue neutral and expects this to continue up to an additional 0.3–0.4mmscmd volume increase. However, a 1mmscmd increase in PNG industrial volumes would lower realizations by ~Rs1/scm.
- **Shortfall** - 100% allocation in PNG-D, 64% shortfall in CNG, 51% overall, APM shortfall at 45-55%.
- **Amalgamation** – Filing with the Ministry of Corporate Affairs is complete. Queries have been addressed. Final hearing is expected in mid-Feb'26, and the scheme is likely to be completed by end-Apr, including relisting.



Harsha Engineers International (HARSHA IN)

Rating: HOLD | CMP: Rs396 | TP: Rs408

- **Guidance & Outlook:** Management reiterated confidence in achieving **double-digit consolidated revenue growth in FY26**. Q4FY26 is expected to **sustain the Q3 run-rate**, with **marginal improvement in margins**.
- **India Engineering:** Q3FY26 revenue grew **17.4% YoY**, driven primarily by **volume-led growth** across industrial, automotive and domestic segments, indicating a recovery in underlying industrial demand. Growth was supported by strong traction in outsourced cages, bushings and stampings, along with a return to **~10% YoY export growth**, which had been a drag over the past few quarters. Management highlighted that pricing contribution was minimal in Q3, and growth was largely driven by higher volumes and improving product mix.
- **Advantek:** Bhayla, commissioned in FY26 with the second building capitalized in Q3FY26, is currently operating at sub-optimal utilization, leading to higher depreciation/interest costs and a Rs37mn loss at Advantek in Q3FY26. Management expects a revenue ramp-up from Q4FY26, steady utilization improvement, ~2.0x asset turnover at maturity, and profitability around Q1FY27.
- **Romania:** Romania reported an operating loss in Q3 due to a **sharp increase in copper prices** and lag in contractual pass-through mechanisms. Management is executing a turnaround plan centered on **increasing the share of higher-margin cages**, reducing dependence on lower-margin semi-finished products, **diversifying the customer base**, and driving cost efficiencies. Order bookings for cages and finished products are improving, and management expects **sequential improvement in performance over the next few quarters**, although commodity price volatility remains a near-term risk.
- **Bushings:** The bushings business delivered **Rs920mn revenue in 9MFY26**. Management anticipates **~30%+ YoY growth**. Importantly, growth is now **largely replacement-driven**, rather than being dependent on new wind turbine installations, improving the stability and predictability of the business. Management reiterated expectations of bushings emerging as a **core structural growth driver**, aided by increasing wallet share with existing customers and broader adoption across industrial applications.
- **Stampings:** Stampings recorded **Rs410mn revenue in 9MFY26**. Several **new stamping components are under development** across automotive, railways and industrial applications and are expected to be commercialised over the coming quarters, supporting a gradual improvement in growth trajectory.
- **China Expansion:** The company has approved a **~US\$10mn brownfield expansion** at its existing China facility, primarily to add capacity for **industrial steel cage manufacturing**. The expansion is aimed at improving **localisation for global MNC customers** and increasing penetration with **domestic Chinese bearing manufacturers**. At full maturity, management expects the China operations to deliver **~2x current revenues**. The project will be funded largely



through **local borrowings (70–80%)**, with commissioning targeted **before end-FY28**

Havells India (HAVL IN)

Rating: ACCUMULATE | CMP: Rs1,447 | TP: Rs1,634

- ECD segment growth was supported by strong winter-led demand, while fans and cooling categories continues to face challenges.
- Lloyd Lloyd remained subdued due to a weak summer in recent quarters, though channel inventory is now normalizing ahead of the upcoming season.
- W&C segment delivered volume growth of ~ 20% in Q3FY26.
- Company maintained market share across key categories, while likely gaining share in lighting products.
- Company has planned capex Rs10bn for FY27 mainly for R&D facility and W&C segment.
- Solar products, i.e. modules & inverters, are currently delivering high single-digit to early double-digit margins.
- Capacity utilization in wires stands at ~65-70%, while for cables it stands at ~90-100%.
- Price hikes and GST benefits will largely be passed on to customers, but this will be offset by planned price hike of ~5-10% in Q4FY26
- Company remains primarily focused on the domestic market with the on-going capex for Lloyd at Sri City, while the company continues to evaluate export opportunities for RAC.

HCL Technologies (HCLT IN)

Rating: BUY | CMP: Rs1,667 | TP: Rs1,910

- Geography wise in reported terms US region grew by 1.9% QoQ while Europe declined by 0.5%. In CC terms on YoY basis, US grew by 1.5% while Europe, RoW & India grew by 4.6%, 22.1% & 15.8% respectively.
- Segment-wise, on a YoY CC basis, all segments except Retail and Life Sciences reported growth. On a reported QoQ basis, growth was led by Retail, Manufacturing, and Public Services, which grew by 4.9%, 4.5%, and 4%, respectively, while FS & Lifescience declined by 1.1% & 0.4% respectively.
- Management noted that the strong growth in Retail was driven by the ramp-up of previously won deals. The large multi-year deal of USD 473 mn did not contribute to Q3 revenues and is expected to begin ramping up in Q4. Manufacturing growth was supported by deal ramp-ups in the aerospace and defense sub-segment, along with stability in the mobility sub-segment. The weakness in the Life Sciences segment was attributable to softness in the US Life Sciences and healthcare market, given the segment's high exposure to the US region.



- Advanced AI revenue increased from USD 100 mn in Q2 to USD ~148 mn in Q3
- Demand environment remains largely unchanged with traditional discretionary demand remaining weak. However, management noted traction in AI led discretionary investments in the areas of data centers, hardware & modernization.
- Management highlighted continued momentum in AI-led solutions, reflected in strong growth in advanced AI revenues across GenAI, agentic AI, and physical AI offerings. The company is further strengthening its AI portfolio through the development of solutions and accelerators, along with the expansion of strategic partnerships.
- Management noted that over the next few years, AI-driven modernization and SDLC transformation will emerge as a significant opportunity as enterprise adoption scales up. They also highlighted strong potential in the IMS business as private data center modernization gains momentum for AI adoption.
- Deal wins remained strong, with new wins of USD 3.06 bn in the quarter, taking LTM deal wins to USD 10.4 bn compared with USD 8.6 bn in Q3FY25. Management emphasized that this momentum was achieved while avoiding margin-dilutive contracts and noted that the deal pipeline remains strong. They also mentioned that deal booking in Q3 was driven by strong traction in application services & ERD which together contributed 62% of bookings.
- A one-time provision of Rs. 9.6 bn arising from changes in labour laws impacted reported PAT; however, management indicated that the ongoing impact going forward will be minimal, at around 10–20 bps.
- Top 5/10/20 clients reported muted growth of 0.1%/0.7%/0.3% QoQ respectively.
-

HDFC BANK (HDFCB IN)

Rating: BUY | CMP: Rs931 | TP: Rs1,150

Balance Sheet

- Crop cycles have improved aided by water reservoir levels. Manufacturing PMI continues to be in expansion phase. Service sector did well on consumption side. Discretionary credit card spending has gone up by 21% YoY while non-discretionary was up by 13% YoY. In auto, 4W and tractor did well in Q3FY26.
- Bank has maintained its guidance of exceeding system loan growth for FY27. Management expects system growth to be between 12-13% for FY27 and banks expects 100-200bps points above system growth.
- On the deposit side bank witnessed mid-single digit growth in institutional deposits and at individual level it was a good double-digit growth.



- Glidepath to reduce LDR continues. Bank expects to bring down LDR to 90-96% for FY26 and between 85-90% for FY27. Bank reiterated that there is no regulatory requirement to reach a certain LDR.
- LCR was 116%. Bank does not expect major impact from new RBI regulations.
- Management looks at CC receivables as an enabler for on-boarding liabilities. Out of the total deposit basket, 20-25% is contributed by CC customers.

Profit & Loss

- Bank holds 6% share in country's branch network with 11% share in deposits, which suggests more potential to expand branches. Branch productivity increased from ~Rs2.3bn between FY19-23 to Rs3bn in Q3FY26. Branches in metro and urban areas typically break even in 22 months whereas rural and semi urban branches take ~27 months.
- Branch scales up by 3 times once it reaches the bucket of 5-10 years, 10 times once it reaches 10-15 years. Bank has 1,232 branches in 5-10 years bucket and 1,300 branches in 3-5 years bucket. New branches contribute 20% overall incremental business. Bank plans to add 500-700 branches on annual basis.

Asset Quality

- RBI regulatory inspection is complete and bank has taken an impact of Rs5bn related to PSL classification post the review in Q3FY26.
- Bank reiterated that they do not see any stress in any of the segments and asset quality continues to be pristine.
- Net of recoveries credit costs stood at 37bps.

HDFC Life Insurance Company (HDFCLIFE IN)

Rating: BUY | CMP: Rs761 | TP: Rs900

- Company launched new product during the quarter - Click 2 Protect Supreme which drove category expansion with a differentiated offering
- Rider attachment remained strong along with customers increasingly opting for higher sum assured in the ULIP segment leading to high growth in retail sum assured
- Company aims to lead the industry in retail protection while maintaining its VNB margin and expects steady momentum in protection and PAR in coming quarters
- Credit life in the MFI segment saw a pickup while the non-MFI segment delivered steady growth
- The implementation of the new labour code led to a one-time impact of Rs980mn which is fully reflected in EV
- Operating variance was negative primarily due to lower 13-month persistency in certain low-ticket segments



- Commentary suggests that commission-related negotiations with distributors due to ITC unavailability have been completed and are in advanced stage of revision
- Management aims to increase the agency/proprietary channel share targeting over 25% in-line with industry benchmarks
- Management highlighted the GST drag on margin has eased to 200bps in Q3 with another 100bps reduction targeted by next quarter
- VNB margin in 9MFY26 considers the adverse impact of GST norms (-1.1%), surrender regulations (-0.2%) and fixed cost absorption (-0.5%) which is offset by increase in new business (+1.1%)
- Solvency ratio stood comfortable at 180% with fresh subordinate debt of Rs7.5bn raised in Q3FY26; no additional further capital requirement envisaged
- Embedded value as of 9MFY26 stood at Rs615.7bn which includes the impact of GST disallowance of Rs2.6bn and new labour code of Rs1bn; Value of in-force business grew by 17% YoY to Rs438.9bn

Healthcare Global Enterprises (HCG IN)

Rating: BUY | CMP: Rs586 | TP: Rs850



- **Bed expansion plan** – Over the next 4–5 years, HCG aims to add ~1,000 beds, taking total capacity to ~3,500 beds, with occupancy improvement potential from the current ~60% levels. North Bangalore greenfield hospital (~120+ beds) is on track to commence operations by end-Q4FY26; clinician hiring is largely completed. The facility will be Bangalore’s first MR-LINAC-enabled oncology center, offering strong clinical differentiation. In addition, HCG will add ~20 beds at the Bangalore Centre of Excellence through reconfiguration, supporting profitable growth. Brownfield expansion of ~60 beds at Cuttack is planned, targeted for commissioning by end-FY27. Incremental beds will be added across 7–8 centers, including Bangalore (KR Road), Vizag, Kolkata, Cuttack, Ranchi, Ahmedabad, Bhavnagar and Borivali, with 20–60 beds per center; the largest share will come from Bangalore.
- **Capex**- HCG incurred CAPEX of Rs2.3bn for 9MFY26, primarily across the South region (Rs1.4bn), West region (Rs 637mn), East (Rs 104mn), and International & Milan (Rs 53mn). Guided to close at ~Rs 2.8bn for FY26 and FY27 capex is guided at ~10–12% higher YoY, largely towards greenfield projects (North Bangalore, Whitefield) and select brownfield expansions.
- **Cluster-wise Performance- South Cluster:** Revenues grew 9% YoY, driven by strong performance in Bangalore and Vizag, despite temporary disruptions in Andhra Pradesh related to the state-sponsored scheme. These issues were resolved within Q3, and volumes in AP grew 11% YoY. Lower scheme exposure supported ARPP stability. **West Cluster:** Delivered 17% YoY revenue growth, led by Gujarat and Maharashtra, supported by clinician additions, improved utilization and strong patient inflows. **East Cluster:** Revenues grew 12% YoY, with strong volume growth of 16% YoY, driven by Cuttack and Ranchi and

continued ramp-up in Kolkata. ARPP declined ~3% YoY due to Odisha scheme transition, largely offset by volume growth.

- **CGHS and GST Impact** – CGHS norm changes with respect to oncology drugs price cut has neutral impact. GST reduction on selected drugs had a marginal impact on both topline and margins, which management indicated has been offset through pricing and internal efficiency measures.
- Gross margins are improving, driven by higher contribution from medical oncology and better operating leverage as centres mature.
- **Guidance** - Reiterated revenue growth guidance of 15%+, driven by ~10% volume growth and ~5% ARPP growth. EBITDA margins are guided to expand to 23–24%+ over the next 3–4 years, supported by operating leverage, improving case mix and center maturity.
- **RoCE guidance** – RoCE, currently impacted by the maturity profile of centers, is expected to improve further as most centres are now 8–9 years old, with management targeting ~20%+ ROCE on a sustainable basis over the next few years.
- **Incremental growth contribution** is expected to be ~80% from existing centers, ~10-12% from brownfield expansions, and ~5–6% from greenfield projects.
- **The MVT business**, currently contributing ~3.5% of revenues, is targeted to increase to ~7% over the medium term, versus ~10% at leading peers.
- The Board of Directors of the Company is scheduled to be held on February 17, 2026, to consider **and** approve inter alia, the proposal of fund raise by way of issuance of equity shares through rights issue.

Hero MotoCorp (HMCL IN)

Rating: ACCUMULATE | CMP: Rs5,754 | TP: Rs6,575

- 2W industry grew +21% YoY in Jan'26 and the positive trend is expected to continue in Feb'26. Urban markets grew faster than the rural YTD FY26, but the latter has also picked up post GST 2.0 benefits and improved farm cashflows.
- HMCL saw growth in the entry and deluxe segments after many years fueled by GST 2.0 benefits. With growing income levels, the premium segments should also see good growth.
- Margin pressure in Q3 came from INR depreciation and from commodity inflation (40-50bps impact, mainly from aluminum and precious metals). This was mitigated via judicious pricing (fractional compared to GST 2.0 benefits), LEAP savings and operating leverage, which should further help in Q4. Weighted average price hike (ex-showroom) taken in YTD FY26 is Rs2,950.
- Q3 retail sales grew 19% YoY to 2.2mn units. HMCL gained market share in the 100-125cc segment led by Splendor, Glamour, Xtreme & HF Deluxe (motorcycles), and Xoom, Destini and Pleasure (scooters).



- Operating cash in 9MFY26 was Rs70.45bn.
- Parts, accessories and merchandise (PAM) revenue grew by 8% YoY to Rs16.73bn.
- Financing penetration was 62.5% (-200bps QoQ). 25.1% (+350bps QoQ) of this was financed by Hero FinCorp which has increased secured lending from 61% to 68% now, and plans to increase it further to mid-70s next year.
- Inventory was healthy at 4-5weeks (vs. 6-7 weeks in Q3FY25). It is being built up to prepare for the continued strong demand.
- Interim dividend of Rs110/share has been announced for FY26 with 11th Feb'26 as the record date.
- Current demand trends, which are broad based, are expected to continue in FY27, although H2FY27 should see some moderation due to a high base.
- Capex guidance for FY26E is Rs10-11bn (FY25/24 at Rs9bn/8bn).
- Additional approval for cash investment of Rs2.75bn (in 1 or more tranches) in associate Euler Motors (designs and manufactures e-3Ws/4Ws).

H.G. Infra Engineering (HGINFRA IN)

Rating: ACCUMULATE | CMP: Rs666 | TP: Rs724



- Order book at ~Rs136.2 bn: As of Q3 FY26, total order book stood at ~Rs136.2 bn, with ~64% from roads, 20% from railways, 15% from renewables and balance from other segments, reflecting gradual diversification beyond highways.
- 9MFY26 performance moderated: Standalone revenue stood at ~Rs43.1 bn with EBITDA margin of ~14.1% and PAT margin of ~6.7%, impacted by execution delays and higher tax provisioning.
- Q3 margins stable at mid-teens: Q3FY26 standalone EBITDA margin was ~15.5%, broadly in line with historical mid-teen operating performance.
- Revenue impacted by execution delays: Prolonged monsoon and delay in appointed date for Jharkhand Package 10 impacted FY26 revenue by ~Rs2-3 bn.
- FY27 revenue guidance ~Rs70 bn: Management expects ~10-12% YoY growth in FY27, with ~Rs55 bn from existing projects and ~Rs15 bn from new / to-be-commenced projects.
- Order inflow outlook positive: FY26 YTD inflow stands at ~Rs33 bn, and management is targeting Rs100-120 bn order inflow in FY27.
- Solar projects nearing completion: ~96% physical progress achieved; pending debt disbursement of ~Rs4.25 bn expected post commissioning, which should aid deleveraging.



- Elevated working capital & debt: Standalone gross debt stands at ~Rs15.5 bn, with receivables and unbilled revenue elevated due to multiple large projects nearing completion.
- HAM equity commitments ongoing: Total equity requirement for 11 HAM projects is ~Rs17.5 bn, with ~Rs12.4 bn already infused; balance to be infused over FY26–28.
- BESS and renewables scaling up: Battery energy storage projects under execution, with meaningful completion expected by FY27 and estimated annual revenue potential of ~Rs2.25 bn post commissioning.
- CBI search disclosed: A CBI search was conducted in January; management stated no operational or financial impact so far and indicated updates will be provided as required

Hindalco Industries (HNDL IN)

Rating: HOLD | CMP: Rs964 | TP: Rs907

Hedging & Cost Outlook

- For Q4FY26, Hindalco has hedged 64% of its commodity exposure at USD2,807/t and 26% of its currency exposure at Rs88.18/USD.
- For FY27, 21% of the metal is hedged at Rs2,925/t; HNDL plans to take it up to 25% at current levels.
- Notional losses related to hedging stood at Rs 2.45bn.
- Management expects very strong copper demand in Q4 while Aluminum cost of production to rise 1% in Q4, driven by higher CP coke prices.

Chakla mine delayed by a quarter while rest of capex on track

- Chakla mine box cut delayed to April 2026 (from January earlier), pushing production start to H1FY27 from Q4FY26, due to clearance delays.
- Total capex spent in 9MFY26 stood at Rs 60bn. Capex for FY26 to be Rs 100bn (including Rs20bn for Bandha coal mine acquisition).
- FY27 capex estimated to be Rs 100-120bn mainly towards Aditya refinery and recycling projects and FY28 capex to be ~Rs 100bn.
- Q3FY26 RE capacity at 418MW of which solar 288MW, wind 126.4MW and hydel 4MW. The company plans to end this FY at 522MW with significant additions planned for solar and wind capacities.
- Aditya alumina refinery and aluminum smelters are progressing on schedule, with the Aditya plant ramp-up also on track. Commissioning activities have begun at the Aditya battery foil unit and Taloja AC Fin facility
- Specialty alumina precipitated hydrate facility expected to be commissioned in Q1FY27.

- Battery Enclosure (Chakan) facility fully ramped up and operating at optimal levels.

Other key points

- Alumina sales stood at 160kt in Q3FY26 and are expected to increase to 170–180kt in Q4.
- Consolidated net debt to EBITDA targeted to remain below 2x, despite temporary pressure from the Oswego fire impact.
- Consolidated net debt increased by Rs 180bn QoQ of which Rs 140bn was due FCF impact of Novelis and Rs 40bn from increase in working capital in the Indian copper business, primarily due to Higher LME prices, increased concentrate stock arrivals, which management expects to reverse in Q4 as concentrates are consumed.
- CBAM is currently not a restriction for Indian aluminum exports to Europe, as power is not yet included in the framework.
- Management also indicated that exports to the Europe have turned attractive post the India-EU trade deal.

Hindustan Petroleum Corporation (HPCL IN)

Rating: Accumulate | CMP: Rs428 | TP: Rs457



- **Vizag refinery:** Commissioned a few weeks ago, the refinery is receiving a steady stream of HSD, while other units are being gradually brought online. The company is targeting a performance guarantee test in Mar'26 and is currently getting a margin of ~USD2.5/bbl. The company expects the refinery to commence commercial operations in Q1FY27. Once fully stabilized, distillate yield is expected to reach 82%.
- **Barmer refinery:** The refinery is processing crude and natural gas. Once CDU plant commissioning is completed, production of downstream intermediate and other products will start, with the first tranche expected by Feb'25. Full capacity ramp-up is targeted by Q1FY27, though it may take some more quarters to stabilize completely. Commissioning of the **petchem plant** is a few quarters away, with the company currently focusing on the refinery. It expects the Barmer refinery, including the petchem plant, to run at full capacity by FY28.
- **LNG deal:** HPCL has signed a 5mmtpa LNG supply agreement with ADNOC for 10 years, linked to Brent pricing, with deliveries scheduled at the Chhara terminal, while retaining delivery flexibility.
- **Capex guidance** is yet to be approved with another round of discussions pending; however, the management expects capex to be lower at Rs130–140bn versus the planned Rs150bn, with future investments largely focused on new energy projects over the next 5 years.

- **HMEL:** EBITDA stood at Rs40bn for 9MFY26, while PAT reported a loss of ~Rs0.2bn, impacted by a 40-day turnaround during the quarter. Q3FY26 PAT reported a loss of Rs1.0bn.
- **Current performance:** Sales growth in Q3FY26 was driven by the retail segment, as bulk volumes were discounted heavily, prompting a strategic shift toward retail markets; importantly, the company did not lose retail market share. Refinery utilization remained at 103%, though Mumbai refinery GRM was impacted by a contamination issue, reducing GRM by ~USD3.5/bbl—excluding this, reported GRM would have been USD10.2/bbl. Standalone debt-equity ratio guidance stands at 1.2–1.5x, with current ratio at 0.9x; while the ratio is expected to rise in Q4FY26 due to seasonality, it is likely to end the year below the guided range.
- **Operational efficiency** gains have begun reflecting in the P&L, with the opex-to-turnover ratio improving to 1.4% in Q3FY26 from 1.6% in Q3FY25, 9MFY26 efficiency improving to 1.4% from 1.5% YoY, and cost per ton declining to Rs1.1 in Q3FY26 from Rs1.5 YoY, aided by Samriddhi 1.0 initiatives. Samriddhi 1.0 delivered benefits worth Rs12.7bn, of which Rs5.2bn was recurring and Rs7.5bn was one-time. **Samriddhi 2.0** is underway, targeting tougher initiatives with external support; more details are expected in the next quarter concall.
- **Going forward, HPCL** will focus on digital-led value capture and efficiency (AI), enhancing customer experience via retail revamp, scaling the CGD vertical, and expanding green energy business.
- **LPG under-recovery:** Loss per cylinder stood at ~Rs35 in Q3FY26 vs. ~Rs55 in Q2FY26. Loss per cylinder stands at ~Rs95 in Jan'26 and is expected rise to ~Rs120 if Saudi CP remains elevated.
- **Inventory impact:** HPCL saw a gain of Rs0.1bn in the marketing segment and a loss of Rs5.4bn in refining.
- The company may consider purchasing **Venezuelan** crude if suitable offers arise.

Hindustan Unilever (HUVR IN)

Rating: ACCUMULATE | CMP: Rs2,410 | TP: Rs2,609

- October month was impacted by Channel destocking, while November and December saw normalization
- HUL expects FY27 to be better than FY26 led by favorable macro, improving consumer sentiment and GST rate cut benefits.
- Both urban and rural markets grew in line with expectations, and rural areas saw improved consumer sentiment
- HUL is increasing focus on Health and Wellbeing segment by acquiring remaining 49% of OZiva brand.



- HUL expects to take some price increase in home care once the anniversary of price cuts passes
- The company will fully focus on volume-lead growth by enabling superior online brand discovery and investing in new channels of distribution
- HUL has partnered with Quick commerce channels and expects it to grow faster than core distribution channels
- Kissan has forayed into chutney's which is expected to have ~4x consumption occasions than ketchup
- Home care delivered mid-single digit UVG on a high single digit base and company likely to push newer launches in liquid soap.
- Mgmt guided the EBITDA margins to remain in the range of 22-23% and expects 50bps improvement on account of ice cream business demerger.

ICICI Prudential Asset Management Company (ICICIAMC IN)

Rating: BUY | CMP: Rs2,736 | TP: Rs3,300

Industry

- Industry's QAAuM grew by 18.1% YoY/5% QoQ in Q3FY26 reaching Rs81trn.
- Equity QAAuM increased by 16.7% YoY and 5.3% QoQ to Rs44trn. The industry witnessed net inflow of Rs1.8trn during the quarter. The equity category continued to be at the forefront, attracting the net inflows of Rs1.1trn. The SIP contribution for the month of December 2025 amounted to Rs310bn.

Financial Performance

- Yield for 9MFY26: equity 67bps, debt 32bps, liquid 12bps, passive 9bps, arbitrage 30bps, alternates gross net basis 97bps.
- Yield for international advisory for 9MFY26 stood at 32bps. The growth of this business depends on how international investors allocate their money.
- Company's staff cost is double than its next listed competitor due to presence of alternates business.
- IPRUAMC's commission distribution pricing is based on marginal TER and by this methodology, the likelihood of correction of the past commission is less.
- Management intends to maintain net flow share above AUM market share.
- SIP+SWP for Sep'25 stood at Rs50.37bn.





ICICI Bank (ICICIB IN)

Rating: BUY | CMP: Rs1,411 | TP: Rs1,800

Balance Sheet

- During Q3FY26, bank saw improved growth trends across the mortgage, rural and corporate portfolios. Sequential decline in the credit card portfolio was due to high festive trends towards the end of Q2FY26, which had resulted in high sequential book growth and saw repayments in Q3FY26.
- Corporate saw good growth on account of settling of the external benchmark rates which gives bank more confidence on pricing.
- Business banking is growing at a good pace and moderation in growth rate is a function of base.
- Personal loan growth is expected to pick up from current levels.
- Of the total domestic loans, 56% are linked to repo rate and other external benchmarks, 13% to MCLR and remaining 31% are fixed rate.
- Bank saw a decline in SA on account of decline in institutional deposits from government entities which constitute 10-12% of total deposits.
- LCR was 126%; bank does not see a major impact due to new RBI guidelines.

Profit & Loss

- Benefit of interest on tax refund was 1bp in Q3FY26 compared to nil in Q2FY26 and 1bp in Q3FY25.
- NIMs are expected to be rangebound Q4FY26 onwards.
- Fee was lower QoQ due to lower growth in cards/payments and competitive pressure on loan related fees. 78% of the fees in Q3FY26 were from retail, rural and business banking.
- The YoY increase in dividend income was due to receipt of interim dividend from ICICI Securities.
- Impact from Labour Code stood at Rs1.5bn. Technology expenses were about 11% of total opex in 9MFY26.

Asset Quality

- Bank made a provision of Rs12.8bn related to PSL non-compliance post annual RBI supervision. Underlying portfolio stood at Rs200-250bn. No extra PSLC cost was absorbed on account of this regulatory observation for Q3FY26.
- Bank remains watchful to bring this Rs200-250bn portfolio in conformity with PSL guidelines and minimize the impact on opex.
- Bank is confident of underwriting quality in personal loans.



ICICI Prudential Life Insurance Company (IPRU IN)

Rating: ACCUMULATE | CMP: Rs684 | TP: Rs725

- Company launched new products across the legacy, children and linked segments namely ICICI Wealth Forever, ICICI Pru SmartKid 360 and ICICI Pru Wealth Elite
- VNB margin was supported by a higher retail protection mix, stronger rider attachment, longer policy tenure and favorable yield curve movement
- Management expects annuity performance to improve in the coming quarters as the baseline normalizes
- An impact of Rs110mn on margins has been taken to account for labor law changes; no major impact is foreseen as the labor policy is already aligned with the new laws
- Commentary suggests the mix between PAR to NPAR within non-linked segment is roughly at 60:40
- MFI credit life saw a decline impacting H1FY26 APE; however, the segment is showing signs of recovery
- GST-related negotiations with distributors remain under discussion and are expected to impact only prospective business of the company
- Rider attachment continues to be driven only through new sales for the company and not through existing business
- Company called back sub-debt of Rs12bn and replaced it with fresh subordinate debt
- Cost to Premium ratio improved due to continuous alignment of cost structure with the product mix despite increase in expenses due to unavailability of ITC
- Management indicated that the cost structure remains stable and the company is well placed to manage any macro-level changes
- 13M persistency is expected to sustain at current level or exceed 85% by mid-FY27
- Company continues to strengthen its diversified distribution franchise with over 0.24mn advisors, 51 banca partners having an access to 24,700 branches and 1,400+ distribution partners
- Product mix by Total APE (ULIP / Non-linked savings / Annuity / Group / Protection) stood at 52% / 18% / 6% / 6% / 18% in Q3FY26
- Distribution mix by Total APE (Banca / Agency / Direct / Partnership distribution / Group) stood at 27% / 29% / 15% / 14% / 16% in Q3FY26
- Solvency ratio remains comfortable at 214.8% as of Q3FY26



Imagicaaworld Entertainment (IMAGICAA IN)

Rating: BUY | CMP: Rs48 | TP: Rs70

- Proposed JV with Keshav Holiday Resort Pvt Ltd, operator of Shanku's Water Park, is under active discussion.
- Capex for Sabarmati Park is pegged at Rs1,300mn in FY27E.
- Sabarmati Park is expected to begin operations within ~12–14 months after ground-breaking.
- Two Hello Park centers (most likely in Hyderabad and Mumbai) are targeted to be launched in CY26E.
- Shanku's water park and the upcoming park in Ahmedabad are in proximity, and IMAGICAA IN is likely to go ahead with only one of the two proposals to avoid footfall cannibalization.
- EBITDA margin moderated to 24.1% in 3QFY26, driven by higher outsourced manpower costs (housekeeping/security), salary alignment of absorbed Wet'n Joy staff, and elevated maintenance expenses at a park due to upkeep cost of larger rides.
- ARPU declined in 3QFY26 because of higher share from school groups which command lower pricing.

Indian Railway Catering and Tourism Corporation (IRCTC IN)

Rating: BUY | CMP: Rs618 | TP: Rs850



- E-booking penetration stands at 89.0%.
- ~135mn tickets were booked in 3QFY26.
- UPI share was at 50.2% in 3QFY26 as compared to 46.9% in 3QFY25.
- Convenience fee income stood at Rs2,510mn, while non-convenience income stood at Rs1,500mn in 3QFY26.
- RBI has extended IRCTC IN's payment aggregator license document submission deadline to Aug'26.
- Within non-convenience revenues, advertising income rose to Rs248mn in 3QFY26 vs Rs133mn in 3QFY25 and loyalty program income increased to Rs219mn in 3QFY26 vs Rs154mn in 3QFY25.
- Catering revenue grew 19.2% YoY to Rs6,614mn, driven by the introduction of 40 additional trains during the quarter.
- Of the 40 trains added, 19 were Vande Bharat trains.
- 260 Vande Bharat trains will be introduced over time which will give a boost to catering revenue.

- E-catering revenue grew ~25% in 3QFY26.
- Rail Neer's average sales volume stood at 12.7lakh bottles/day in 3QFY26.
- Rail Neer currently serves only ~50–60% of total demand (season-dependent), implying a large untapped market.
- IRCTC IN will be doubling capacity at its existing Danapur and Ambernath Rail Neer plants. Additionally, 4 new greenfield plants have been sanctioned at Mysore, Prayagraj, Bhagalpur and Ranchi. Collectively, this will help IRCTC IN to add ~25–30% capacity over the next ~1.5 years.
- Revenue from Maharaja Express grew 39.0% YoY to Rs531mn in 3QFY26.
- Revenue from State Teertha and Bharat Gaurav trains grew 51.0% YoY to Rs1,189mn in 3QFY26.
- Air ticketing revenue grew 41.0% YoY to Rs67mn in 3QFY26.
- Budget hotel and Rail Yatri Niwas revenue grew 38.0% YoY to Rs53mn in 3QFY26.
- Other tourism packages increased 19.0% YoY to Rs553mn in 3QFY26.
- Tejas Express' occupancy stood at 69%/109% on the Lucknow/Ahmedabad route in 3QFY26, respectively.

Indraprastha Gas (IGL IN)

Rating: ACCUMULATE | CMP: Rs167 | TP: Rs191



- **CNG stations** - IGL added 45 CNG stations in 9MFY26, taking the total to 925 operational stations as of 31 January 2026, while 55-60 stations were closed during the period.
- **Volume performance** - CNG volumes increased to over 50.0 lakh kg per day (kgpd). Ex DTC, CNG volumes grew ~10.0% YoY. DTC bus volumes declined sharply from ~1.5 lakh kgpd in Q3FY25 to 0.8kgpd in Oct'25, 0.5kgpd in Nov'25, and 0.2kgpd in Dec'25. Currently, fewer than 100 buses remain operational, and DTC volumes are expected to reduce to zero by Mar'26. Normalized growth is expected to reflect from Q3FY27 onward. DIMS volumes are undergoing a moderate transition, as operations are managed by private players. DIMS volumes declined to 1.32 lakh kgpd in Q3FY26 from 1.50 lakh kgpd in Q2FY26.
- **Volume guidance** – IGL has maintained its guidance of achieving 10mmscmd in Q4FY26, with March expected to reach this level. It expects to add ~1mmscmd annually over the next two years. NCR is expected to grow at 8–10%, while markets outside NCR are projected to grow at 17-18%.
- **Gas Sourcing & Mix** – Q3FY26 sourcing comprises out of total 9.8mmscmd sourced, APM-3.4mmscmd (43% of total volumes), NWG-0.6mmscmd (7%), HPHT-0.5mmscmd (6%) with 1-2% sourced via IGX, RLNG-2.3mmscmd (44%), of this ~60% was HH linked, while 40% was brent linked, with no spot volumes. Going forward, IGL expects diversify towards 50% from RLNG (50%-

50% each HH & Brent linked) and remaining 50% will be sourced from APM, NWG, and HPHT.

- **Region wise volume** - Delhi volumes stood at 5.4mmscmd (56% contribution) with flat growth YoY. Noida/Ghaziabad contributed 2.2mmscmd (23%) with 6.2% growth YoY. New GAs contributed 1.3mmscmd (13-14% share) with 17% YoY. MNGL volumes increased YoY from 1.7mmscmd to 2.0mmscmd, while CUGL volumes remained almost flat at 0.3mmscmd in Q3FY26.
- **Capex outlook** - Core capex for FY26 is guided at Rs12.5bn, of which Rs8.5bn has been spent in 9MFY26. The spending mix comprises ~45% in Delhi, 32-35% in UP, and ~10% in Haryana. FY27 capex is expected at Rs14-15bn, with 40-45% allocated toward CNG infrastructure. Including diversification capex of Rs6-7bn toward new energy initiatives, total FY27 capex is expected at ~Rs20bn.
- **EBITDA/scm outlook** - IGL indicated that EBITDA/scm is expected to revert toward Rs7.0/scm, supported by the net transmission tariff benefit of ~Rs0.8/scm, incremental Gujarat VAT benefit of ~Rs0.2-0.3/scm (implemented from Dec'25), and normalization of the one-time labour code provision (~Rs0.3/scm), with long-term margin guidance maintained at Rs7.0-8.0/scm..

IndusInd Bank (IIB IN)

Rating: ACCUMULATE | CMP: Rs892 | TP: Rs960

Balance Sheet

- Demand indicators improved during the quarter building on the festival season uptick, GST led benefits and better supply conditions.
- Bank intends to grow in line with industry for FY27 with RoA of 1% , gain market share in FY28 and hold dominant position in industry by FY29.
- Average loan book de-grew 2% driven by continued rundown in microfinance loans and risk reward driven calibration in the corporate book
- MFI disbursements during the quarter were directed towards high vintage well performing customers centers and is currently under the process of being covered under the CGFMU Credit guarantee which will take the CGFMU cover to around 38% of the standard book as of Dec'25. Bank intends to take this coverage to 100%.
- Bank aspires to take Vehicle Finance share to 9% from current 7%.
- Bank does not need capital for growth as it has sufficient buffer for the next 12-18 months.

Profit & Loss

- Cost of deposits for the quarter improved by 14bps QoQ largely driven by term deposit repricing.
- Staff cost increased by 20% QoQ due to labor code impact of Rs2.28bn.



- Other opex was lower QoQ as Q2FY26 was elevated by ~Rs1500mn and rest Rs960mn decline was achieved via efficiency.
- Bank's digital banking app INDIE now has monthly active users of over 2.7mn customers conducting 4.3mn app led transactions in Q3 FY26.

Asset Quality

- Bank intends to bring down NPA to 60-70bps
- SMA1 & 2 30-90DPD stood at 2.4% vs 3.2% last quarter.
- ECL impact is estimated at 1.5-1.7% of loan book pre-tax.
- Bank expects slippages to be 30bps lower for FY26. Bank sees stress in MHCV due to GST.
- Point of write off for bank is 365 days post NPA and for provisions it depends on number of months outstanding post NPA, broadly 78-80% of PCR.
- Exposure to adani group has fallen from what was reported 2 years back.
- Bank has tightened the asset quality norms for microfinance loans earlier this year and they have seen an improvement in early stress indicators.

Infosys (INFO IN)

Rating: BUY | CMP: Rs1,600 | TP: Rs1,900



- Management highlighted early signs of a discretionary demand recovery led by FS and EURS, driven by AI-led transformation, platform modernization, and vendor consolidation programs. While other verticals remain focused on cost optimization, improving deal traction and expanding AI use cases support a constructive medium-term outlook. Management expects FS and EURS to deliver accelerated growth in FY27.
- Management highlighted AI as a core growth driver across majority of its top 200 clients. The strengthened Topaz platform, including Topaz Fabric, underpins its six AI-led value pools spanning engineering, data, agent-led operations, software modernization, and AI-enabled systems, which management expects to drive incremental growth and market share gains into FY27 despite legacy productivity headwinds.
- FS momentum continued with the third successive quarter of 2%+ sequential growth in Q3. Strong traction was witnessed across payments, mortgages, and asset & wealth management, supported by heightened interest in AI-led transformation, platform modernization, and vendor consolidation. Management also highlighted a shift from compliance-led spending to growth-driven investments, which augurs well for demand in the next fiscal year.
- EURS demand improved in Q3, driven by rising discretionary spending on AI infrastructure, data readiness, cloud platforms, and decarbonization initiatives. Management highlighted increasing traction in AI-led transformation and digital modernization programs, with robust deal

momentum underpinning confidence of improved growth momentum in the next fiscal year.

- Manufacturing and Hi-Tech remained under pressure, with auto and select industrial sub-segments impacted by macro, tariff, and demand uncertainties, while Hi-Tech continued to face cost rationalization by clients. Spending in both segments remains skewed toward cost optimization, consolidation, and AI-led productivity initiatives, with management remaining constructive on a medium-term recovery driven by AI adoption and infrastructure-led demand.
- Lifescience & Healthcare delivered strong performance in Q3, driven by partial ramp-up of the UK NHS mega deal and increased adoption of AI-led operational and regulatory transformation programs. Management expects NHS deal to ramp gradually over few quarters.
- Retail demand remains subdued amid tariff and geopolitical uncertainty, with client spending focused on cost optimization and AI-led productivity, while discretionary recovery continues to lag other verticals. Spend visibility is limited outside select areas such as SAP programs, data initiatives, and AI-augmented services, which are seeing relatively better traction.
- INFO in Q3 won 26 large deals including 2 mega deals. Segment wise it won 10 deals in FS, 4 in Retail, 3 each in Lifescience & Manufacturing and 2 each in Comms, EURS & Hitech. Geographically it won 16 deals in Americas, 9 in Europe & 1 in RoW.
- INFO added ~5k, following net additions of ~8.2k in Q2. The company hired ~6k freshers during the quarter, taking total fresher intake to ~18k and keeping it on track to meet its annual target of ~20k. Management highlighted that the elevated hiring was aimed at building capacity for future growth.
- Management indicated that no decision has been taken on the next wage hike and noted that the gradual uptick in subcontractor usage over the past few quarters was driven by the ramp-up of large deals and near-term skill requirements across geographies linked to deal execution dynamics.
- A one-time provision of USD 143 mn was recorded due to changes in labour laws in Q3, and management expects the ongoing impact on margins to be in the range of ~15–20 bps.
- During the quarter Top 5/10/25 clients declined by 2.6%, 0.5% & 0.1% QoQ respectively while clients outside top 25 grew by 0.8% QoQ.



InterGlobe Aviation (INDIGO IN)

Rating: HOLD | CMP: Rs4,909 | TP: Rs5,186

- CASK (ex-fuel & ex-forex) is expected to witness mid-single digit inflation in FY26E.
- In 3QFY26, 24 aircrafts were inducted from the original order book, including 18 via the GIFT city entity. Additionally, 12 aircrafts were inducted through damp leases, resulting in gross addition of 36 aircrafts. Further, 13 aircrafts were re-delivered during 3QFY26.
- During CY25, INDIGO IN received 57 aircrafts (55 A320s and 2 ATRs) making it the largest global recipient of Airbus aircrafts for 2nd consecutive year.
- INDIGO IN is expected to soon introduce India's first Airbus A321XLR with a dual-class configuration (12 stretch seats and 183 economy seats)
- The stretch business-class product (which currently operates on 8/9 domestic/international routes respectively) is being expanded to 65 aircrafts.
- The BlueChip loyalty program has scaled rapidly to ~10mn members.
- INDIGO IN has commenced operations at Navi Mumbai International Airport with ~15 daily flights.
- The owned aircraft count stands at 28.

Ipca Laboratories (IPCA IN)

Rating: BUY | CMP: Rs1,491 | TP: Rs1,710



- **Domestic:** Growth was backed by chronic segment followed by acute. Therapy wise **growth:** Pain contributes 50% of the mix was up (13%), CVS (16%), Anti Diabetes (14%), CNS (19%), Dermatology (22%), Urology (17%). Anti-malarials declined (~21%) but its contribution has reduced materially. Company is evaluating licensing opportunities in GLP1 rather than immediately pursuing in-house manufacturing. Mgmt expects domestic business to grow at 10-12% with steady margin expansion over 2-3years.
- **Unichem:** US market share loss due to competition and price erosion will persist for 1-2 quarters before recovery. New launches from 2HY27E, with 4-5 molecules to be commercialized in 12-15 months, will support growth. Europe filings are progressing, and margins should improve with volume ramp-up. Management guides for 8-10% growth, ~15% EBITDA in 2-3 years, and ~20% longer term as Europe scales.
- **US:** Growth was largely on account of IPCA portfolio, especially backward integrated products. Uncertainties on generic portfolio more from the institutional business led to softness. Commercialised molecules have reached 25%+ market share. Intends to launch 5-7 products in 12-15months with focus to file 5-6 products annually.
- **Export formulations:** Promotional branded business remains stable and high margin. West Africa performed strongly; Latin America grew 20%, Middle East & Africa 27%, East Asia 36%, while CIS was flat. Generic exports in Europe, Australia, New Zealand, and Canada are stable and profitable. The UK saw

earlier price erosion, but prices have recovered 30–40% in some products recently. Europe ex-UK remains steady with healthy margins. Long-term export growth is guided at 10–12%.

- **Biosimilars:** Company initiated tech transfer for 2 products with manufacturing expected to begin shortly. It has 5 biosimilars under development.
- **API:** Domestic API was impacted by lower anti-malarial demand and reduced contract manufacturing volumes. Realizations have stabilized and raw material prices remain steady. API remains the lowest-margin segment and is expected to grow slower than formulations.
- **Other highlights:** Unichem has Rs 2.5bn cash after repaying Rs 1.8bn towards the EU fine and has no major capex planned. R&D productivity has improved, with higher filing intensity across the US, Europe, and ROW markets.

J.B. Chemicals & Pharmaceuticals (JBCP IN)

Rating: BUY | CMP: Rs1,927 | TP: Rs2,300



- **Domestic business** growth was on back of 7% price growth. Witnessed slowdown in acute portfolio more specifically the gastro segment. Chronic remained strong. Key brands continue to perform well; Cilacar T, Nocardia, Cilacar and Sporlac were up 33%/30%/25%/13% each. Reiterated domestic growth guidance at +12% YoY for FY26E with 200-300bps IPM outperformance. Ophthal portfolio delivered double digit growth. Monthly run rate to remain steady at Rs 170-180Mn until next quarter.
- **CDMO** business reported muted YoY growth given high base in Q3FY25. Quarterly run rate remains stable at Rs 1.15-1.2bn. Guided for 10-12% YoY growth for FY27E. Growth to be supported by strong customer relationships, execution capability and a healthy order book.
- **Branded generics:** International growth was largely volume led, especially South Africa. Overall there was strong performance across branded export markets. Management reiterated high single-digit growth guidance for FY26E, with Q4FY26E expected to deliver double-digit growth supported by a strong order book.
- **Other highlights:** Transaction with Torrent Pharma expected to close in Q4FY26E. Post that another 6-9 months for merger to get completed. Rs 400mn ESOP charge likely in FY26E, subject to change in control. Gross margin guidance of 67-69% and EBITDA margins of 28-29% maintained.



Jindal Stainless (JDSL IN)

Rating: HOLD | CMP: Rs756 | TP: Rs784

Volume & Realization Guidance

- Management maintained annual volume growth guidance of 9-10% for FY26.
- FY26E EBITDA/t guidance range at Rs19-21k; 9M delivery was ~Rs21,300.

Operations & Financials

- Capacity Utilization:** Chromeni at 75% and Rathi at 85% targeting ~90-95%.
- Consolidated net debt declined by Rs1.99bn QoQ to Rs34.51bn, with the debt-to-equity ratio at 0.18x. The company is confident of closing FY26 at similar or lower net debt levels.
- The volume mix stood at 38%/ 45%/ 17% for Series 200/300/400 respectively in Q3FY26, compared to 36%/ 47%/ 17% in 9MFY26.
- HRAP: CRAP ratio stood at 30:70 in Q3FY26, reflecting a steady increase in the CRAP mix from 35:65 a year ago.

CBAM and GoI Policy Update

- Uncertainty over CBAM continue, mainly EU verification of computation of taxes is still pending; which has prevented customers from booking further orders. Also, Q3 is generally seasonally weak quarter for Europe.
- Mgmt. indicated that JDSL is well prepared for CBAM, supported by investments in green hydrogen, its scrap-based operations, and increasing RE capacity, while awaiting clarity from the EU on verification methodology.
- The government notification on reinstating the QCO is expected next month, while the ADD investigation is likely to be concluded over the next two quarters.

Subsidiaries Performance

- All subsidiaries reported improvement and contributed positively to the cons. EBITDA; however, JUSL's sequential EBITDA declined due to a shutdown that led to lower volumes.
- NPI earnings are closely linked to nickel prices; EBITDA stood at ~USD900/t in Q3FY26 and is expected to remain toward the upper end of the USD500-1,500/t range if nickel prices stay firm.

Capex & Investments

- JDSL has incurred a capex of Rs22bn in 9MFY26 and has maintained the full year capex guidance of Rs27bn. The maintenance capex for the full year is ~Rs5bn.
- The SMS project in Indonesia and the aligned downstream capacity expansion in India is progressing well and remain on track as per the planned timeline.



- RE usage at the Jajpur and Hisar facilities increased to 56% in Q3FY26 from 42% in Q2FY26.
- ICF Chennai has accepted JDSL's tender for the fabrication of external sidewalls for Metro cars being supplied to the Kolkata Metro.
- Management plans to announce volume growth targets for the next two to three years, along with downstream investment plans, by Q4FY26.

Jindal Steel (JINDALST IN)

Rating: ACCUMULATE | CMP: Rs1,102 | TP: Rs1,171

Outlook & guidance

- **Indian steel trade dynamics** have improved materially. Exports increased 30% QoQ to 2.5mt, while imports declined 36% QoQ to 1.6mt. India turned a net steel exporter (0.8mt) for the first time in 6 quarters.
- JINDALST remains on track to achieve FY26 sales volume guidance of 8.5-9mt.
- The management expects Q4 to be a stronger quarter, aided by higher volumes, improved steel prices and strong underlying demand, despite expected rise in coking coal consumption costs of USD18-20/t.
- The management reiterated its commitment to reducing net debt/EBITDA to sub-1.5x, supported by incremental cash flows from the ramp-up of new capacities.

Financials & margin outlook

- Excluding a one-time BF2 startup cost of Rs3.5bn, adj EBITDA/t would have been Rs8,516.
- The management expects meaningful improvement in Q4 margins, supported by domestic steel prices, currently Rs3,000-3,500/t higher vs. Dec'25.
- VAP mix stood at 66% (vs. 71% in Q2) and is expected to inch back toward ~70% as demand improves and capacities ramp up.
- Capital acceptances stood at Rs3.83bn as of Dec'25.

Costs & RMs

- In Q3, coking coal consumption costs increased by USD2/t, partly due to BF2 ramp-up requiring the usage of higher cost bought-out coke.
- In Q4, coking coal consumption costs are expected to rise further by USD18-20/t QoQ, while iron ore costs have already increased in Jan'26.
- Coke costs are expected to normalize with the commissioning of an additional coke oven battery in Nov'25 and ramping up of the same.

Operations & capacity ramp-up

- Capacity utilization at Angul stood at 48% in Q3, improving to ~58% at quarter-end.
- Product mix during Q3 was 50:50 flats and longs; the mix is expected to shift toward 55:45 in Q4.
- Blended steel NSR declined ~Rs3,000/t QoQ, driven by lower margin HRC volumes dominated during the ramp-up, while a gradual shift toward higher VAP grades will occur as utilization improves.
- By-product sales (mainly pellets) were lower during the ramp-up and will increasingly be consumed internally as downstream capacities stabilize.

Capex & project updates

- Q3 capex stood at Rs20.76bn, taking cumulative capex under the current expansion program to Rs329.25bn out of total announced Rs470.43bn. Capex targets for FY27 and FY28 remain unchanged.
- The slurry pipeline is expected to be commissioned by end-FY26, delivering cost savings of Rs750-850/t.
- SBPP Module-1 (525MW) was operationalized in Q3, while Module-2 (525 MW) was synchronized with the grid in Jan'26, successfully turning around the 1,050MW power plant acquired under IBC.

JK Cement (JKCE IN)

Rating: ACCUMULATE | CMP: Rs5,790 | TP: Rs6,199

Volumes & Demand Outlook

- Mgmt. reiterated double-digit volume growth guidance, targeting 22.5–23mt in FY27, and ~25.5mt by FY28, implying 12–15% CAGR.
- Demand momentum remains strong, with mgmt. indicating that Q4FY26 could be one of the best quarters, although YoY growth may moderate to ~6–7% due to a high base.
- Volume growth has been led by Central India, with increasing footprints in Eastern UP and Bihar, while South India also recorded growth. Volumes in the North grew broadly in line with the market.

Pricing & Incentives

- Non-trade prices improved by Rs15–20/bag in January, easing pressure on trade pricing; no material trade price hikes have been taken so far.
- The trade–non-trade price gap has narrowed to ~Rs30/bag (still ~Rs40 in some markets), down from peak levels of Rs60-70/bag.
- Incentives quarterly run-rate declined to ~Rs0.6bn in Q3FY26, primarily due to GST-related impacts. Exit FY27 incentive run-rate is expected at



~Rs0.75bn/quarter, with annual incentives likely to rise back to ~Rs3bn by FY27 which have fallen to Rs2.4bn.

Costs, Fuel Mix & Efficiency

- Fuel mix during Q3 comprised ~60% pet coke, with the balance being Indian coal and AFR. Out of domestic coal usage, ~70% is linkage coal and ~30% from the open market.
- Central India plants benefit from proximity to coal mines, allowing greater use of lower-cost domestic coal, while pet coke is largely used as a blending fuel (~20%) in these plants.
- Fuel cost averaged ~Rs7,900/t (~Rs1.5/kcal) in Q3FY26.
- The cc ratio stood at ~67%. Clinker production in Q3FY26 stood at ~3.6mt.
- Post commissioning of Buxar, lead distances are expected to reduce materially, particularly for Central India dispatches.
- Rail share during the quarter was at ~9%.
- Management reiterated its Rs150–200/t cost-saving roadmap by FY27.
- Savings of ~Rs60/t were achieved in FY25, with an additional Rs50–60/t expected in FY26, implying ~Rs125/t savings by Mar-26 exit.

Capex & Balance Sheet

- **Capex:** FY26: Rs25-28bn (including ~Rs6bn for Jaisalmer and ~Rs0.5-0.6bn for wall putty). FY27: ~Rs35bn, including ~Rs30bn for 7mt expansion. FY28: Rs1,0-12bn largely spillover Jaisalmer capex.
- Net debt/EBITDA stood at ~1.41x as of Dec-25, expected to rise to ~1.6x by Mar-26 and potentially approach ~2.0x by FY27, which management remains comfortable with.

Paint Business

- Paints segment recorded Rs1.03bn revenue in Q3FY26 and Rs2.85bn in 9MFY26; FY26 revenue is expected at ~Rs3.8-3.9bn.
- Losses have narrowed YoY due to improved gross margins, with EBITDA breakeven targeted in FY27 at ~Rs5bn revenue.

Project & Capacity Updates

- The Buxar GU is at an advanced stage of completion and is expected to be commissioned within the next 30 days.
- The greenfield IU expansion at Jaisalmer has commenced; major equipment orders have been placed and civil work is underway. Commissioning is targeted by Sept'27.



- Work on new GUs in Punjab and Rajasthan is expected to commence shortly, with commissioning planned around Sept'27 (at least one GU likely to be commissioned alongside Jaisalmer).
- A greenfield wall putty plant at Nathdwara, Rajasthan has been initiated and is expected to be commissioned by Sept'26.

JK Lakshmi Cement(JKLC IN)

Rating: BUY | CMP: Rs761 | TP: Rs881

Volume & Pricing

- Trade share declined to 49% vs 53% QoQ led by higher institutional sales in Gujarat and Mumbai post the Surat commissioning, while weak trade demand further pressured mix, resulting in a sharp QoQ realization decline.
- Management indicated that the shift is temporary, with trade share already improving in December and January.
- Trade prices remained broadly stable, and JKLC's price gap with larger peers did not widen. Mgmt. highlighted that non-trade price correction exceeded 10% in certain markets.
- Post December, non-trade prices have increased by Rs10–15/bag, while trade prices are expected to improve supported by healthy demand, rising fuel costs, and expectation of narrowing trade vs non-trade price gap.
- Demand momentum remains healthy, and the company expects double-digit volume growth in Q4, broadly in line with industry growth (~7% for FY26).
- Management expects a similar growth trajectory in FY27, supported by available headroom at Surat, Udaipur, Jhajjar, and Cuttack.

Operational

- Clinker sales stood at ~0.151mt in Q3FY26 vs ~0.17mt in Q2FY26 and 0.723mt in Q3FY25, while clinker utilization remained strong at ~90% in Q3FY26.
- Clinker factor was 1.44x; the company aims to increase blended cement share from 62% to ~67%, which should improve efficiency.
- Non-cement revenue stood at ~Rs1.47bn, which includes ~Rs0.67bn for RMC and Rs0.56bn for AAC blocks. EBITDA margins remain low at ~4%.
- Depreciation and interest costs increased due to the commissioning of the Surat plant.

Costs

- Fuel cost stood at ~Rs1.56/kcal and is expected to rise to Rs1.58–1.60/kcal due to higher petcoke and coal prices.
- Employee cost declined due to productivity initiatives; however, management expects costs to stabilize rather than decline further.



Capex and Balance Sheet

- Capex is expected to be ~Rs6.5-7bn for FY26, Rs16-17bn for FY27 and Balance of Rs30bn for FY28.
- ~Rs3.5bn has been incurred in 9MFY26 and Rs4bn is expected to be spent in Q4FY26.
- Net debt/EBITDA is expected to remain below 3.5x.

Jubilant FoodWorks (JUBI IN)

Rating: BUY | CMP: Rs554 | TP: Rs666

- Demand remained robust in Q3, driven by sustained menu innovation.
- Popeyes delivered strong, high double-digit growth in Q3, led by healthy order growth.
- JUBI implemented calibrated price hikes in Q3 (notably on Sourdough pizzas).
- Pre-Ind AS EBITDA margin expanded by 89 bps YoY and 121 bps QoQ, driven by portfolio-wide GM improvement, higher store productivity and operating leverage.
- GM expected to sustain healthy levels, supported by calibrated price hikes and favorable mix.
- Mumbai commissary likely to commence operations by end-Q4FY26.
- Menu innovation momentum sustained in Q3 with launch of Cheese Lava Pull Apart Pizza at Domino's and pan-India rollout of Flavour Burst Burgers at Popeyes.
- Finance costs declined 59% YoY due to refinancing of DPEU debt from Turkish Lira to Euro.
- New labour code expected to have a 10–15 bps margin impact in the near to medium term.
- Capex remains elevated, led by aggressive store expansion, but supply chain capex has peaked out.
- Domino's mature ADS stood at Rs85,506, up 5% YoY.
- EBITDA margin expansion guidance maintained at 200bps above FY24 levels.
- JUBI expects to generate ~1% of online sales as ad revenue over the medium term.
- The company is investing in AI which will reduce operating costs in long term.
- Management indicated they are gaining market share within pizza and across relevant segments like chicken.



Jubilant Ingrevia (JUBLINGR IN)

Rating: HOLD | CMP: Rs626 | TP: Rs657

- A new boiler has been commissioned in Bharuch in Q3FY26.
- The USD300mn agro CDMO project is set for commissioning in Q4FY26.
- The Agrochemical segment is witnessing a recovery in volumes, though pricing pressure persists.
- The Specialty segment witnessed pricing pressure across core products.
- Diketene derivatives showed strong volume growth YoY; volumes were constant QoQ.
- Customer traction increased across Pharma, Agro, Industrial and Cosmetics segments CDMO.
- In the Nutrition and Health segment, niacinamide demand remained strong during the quarter.
- Food-grade products witnessed pricing pressure.
- In the Chemical Intermediates segment, spreads continue to remain under pressure for acetic anhydride, while acetic acid prices are seeing an uptrend now.
- The paracetamol end-use segment saw modest uptick.
- The management stated that they have secured confirmation for over 16 molecules with an estimated peak revenue potential of Rs14bn
- In advance of discussion for 7+ additional opportunities with a potential of Rs9bn revenue.
- These new molecules are expected to have margins similar to the Specialty segment.
- EU trade deals are expected to raise the level of competition; early signs are visible with choline's market share beginning to increase in the EU.

Jupiter Life Line Hospitals (JLHL IN)

Rating: BUY | CMP: Rs1,251 | TP: Rs1,600

- The company continues to be on track to achieve its initial target of 2,500 beds by adding ~1,452 beds across 6 hospitals in Western India in the next 3-4 years.
- Bed expansion plan – Construction for Greenfield project at Dombivli (500beds) is completed ahead of schedule, phase-1 operations starting in Feb 2026 with 200 beds. Pune South (Bibwewadi) project construction has commenced (excavation completed); Mira Road project remains under regulatory approvals. Management reiterated a 2–3 year stabilization period for new hospitals, followed by a rapid growth phase. Company remains



committed to greenfield expansion in Western India and is evaluating a 7th hospital, though no location/timeline disclosed.

- **Capex:** Dombivli unit incurred capex of ~Rs4.25bn, completed on budget; includes full structure, ~300-beds fit-outs and biomedical equipment. Mgmt guided EBITDA drag for its Dombivli unit for ~1-2 years, with EBITDA breakeven targeted by end of Year 2. Capex of ~Rs 450–500mn incurred to date (early construction stage) for Pune South (Bibwewadi). Management indicated limited near-term visibility on capex savings from lower import duties on medical equipment; impact to be assessed post implementation.
- **Net debt** – Net debt expected to increase near term due to ongoing and upcoming capex; depreciation and interest costs to rise meaningfully from Q4FY26 onwards.
- **Thane unit** - Thane hospital largely at maturity with limited headroom for further occupancy-led growth. No meaningful impact seen from new competitive supply in the region; doctor attrition remains negligible.
- **Pune Unit:** Existing Pune hospital nearing maturity; growth opportunities narrowing as capacity utilization stabilizes. For 9MFY26, occupancy at Pune got impacted due to weak dengue season. New Pune South hospital expected to commence operations in CY28, following the group's phased ramp-up strategy.
- **Indore unit** – Indore ARPOB grew by ~15% YoY, driven by inflation-led price increases and case-mix improvement as the hospital continues to mature; recently added ~78 beds are seeing gradual utilisation, supporting higher-acuity volumes. Management expects Indore ARPOB to grow faster than inflation over the next few years during the maturity phase, before normalizing to inflation-linked growth once the asset reaches steady state.
- Unbilled revenue accounting introduced last quarter (reported negative Rs 12mn of revenues, Rs 8mn professional fees provision impact vs Rs192mn revenue, Rs 123mn professional fee impact in Q2).
- Q3FY26 ARPOB stood at ~Rs68,000; occupancy at ~61.4%; revenue growth primarily ARPOB-led.
- Payor mix stable with insurance ~56%, self-pay ~43%, govt schemes ~1%; no CGHS exposure for 9MFY26.
- **Guidance** – Consolidated margins to remain stable at mature hospitals; near-term margin dilution expected due to Dombivli ramp-up. ARPOB growth for mature hospitals to track inflation, while newer hospitals to see faster ARPOB growth in initial years



JSW Cement (JSWCEMEN IN)

Rating: BUY | CMP: Rs124 | TP: Rs142

Demand and Pricing

- Demand improved in December following a sluggish October–November period and is expected to remain healthy in Q4FY26.
- Infrastructure and housing demand in the South has strengthened, supported by the release of government payments post Oct'25, which accelerated project execution.
- The company is witnessing healthy demand in the MMR region driven by infrastructure projects, as well as in Telangana and Andhra Pradesh due to ongoing capital development activity.
- Non-trade pricing improved meaningfully in the South and marginally in the West during January, which is expected to support recovery in trade prices.
- Management reiterated its strategy to maintain or increase GGBS prices rather than reduce them.
- The company reported growth across the East and South regions, while volumes in the West remained stable.
- Management expects mid- to high-teens volume growth, excluding the North expansion, which will provide incremental upside.
- Cement volumes are expected to grow in line with or ahead of industry levels, while GGBS is likely to grow at a faster pace due to increasing market acceptance.

Operational Performance

- Domestic clinker utilisation remained strong at ~96%, while the Fujairah plant (JV) is operating at full capacity.
- Third-party clinker sales are expected to decline as volumes are redirected toward captive consumption, supporting cement growth.
- Premium product share stood at ~60% during the quarter.
- RMC revenue was ~Rs1.68bn, while clinker revenue stood at ~Rs0.36bn.
- Shiva Cement generated ~Rs0.14bn from cement and ~Rs1.12bn from clinker.
- Net debt stood at ~Rs35.6bn, with Net debt/EBITDA at 2.9x. The average cost of debt remains comfortable at ~7.8%.

Costs & Efficiency

- Ongoing cost-saving initiatives are progressing as planned and are contributing to improved operating performance.

- RM and fuel costs increased QoQ on higher share of OPC, increased inter-plant transfers and higher clinker costs in the West, which these were partially offset by a higher renewable energy share and improved plant efficiencies.
- Blended fuel costs remained stable, and current inventory is sufficient through Mar-Apr'26, indicating improvement in the near term.
- The company plans to add 127MW of renewable capacity, along with 60MW renewable power and 19MW WHRS at Nagaur.
- JSW Cement targets ~63% green power share for its existing operations, while the North plants are expected to operate at an even higher level.
- Slag pricing contract is annual and linked to wholesale PSC.
- Increasing railway and infrastructure investments are expected to support incremental GGBS demand.
- Rising GGBS penetration across RMC and infrastructure projects indicates improving product acceptance.

Capex and Expansion

- JSWCEMEN is executing a strong expansion pipeline that will increase grinding capacity to 41.85mtpa and clinker capacity to 13.04mtpa.
- **Nagaur IU:** 1) Phase I (3mt clinker + 2.5mt grinding) is on track for commissioning in Q4FY26. 2) Additional 1mt GU is expected to be operational by Sep'26. 3) Strong dealer network has been onboarded, 4) First-year utilisation is expected at ~50–55%, with gradual ramp-up thereafter. 5) As per mgmt. upcoming capacities in the region will be well absorbed given the strong demand outlook across RJ, HR & NCR. ~Rs27bn has already been spent on the Nagaur project so far.
- **Punjab GU:** Awaiting EC, following which commissioning is targeted within 15–18 months.
- **UAE:** 1) The Fujairah plant currently produces ~2.7-2.75mt of clinker annually, with Dolvi requiring less than 1mt and the balance sold locally. 2) The upcoming 1.65mt grinding unit, expected by Apr'27, is aimed at capturing higher margins by selling cement instead of clinker amid strong Middle East construction demand.
- Expansion work at Vijayanagar and Dolvi is expected to commence in FY27.
- Capex for FY26/27/28 is expected to be Rs23bn/20bn/20bn respectively.



JSW Infrastructure (JSWINFRA IN)

Rating: BUY | CMP: Rs273 | TP: Rs339

- **Management Guidance:** Cargo volumes are expected to be ~123mmt in FY26, followed by 6-7% growth in FY27 and a sharp ramp-up to 165-175mmt in FY28. The Company aims to achieve consolidated operating revenue of Rs54bn and operating EBITDA of Rs26bn in FY26. From this base, EBITDA is projected to grow by ~15% in FY27 and almost double by FY28 led by commissioning of the slurry pipeline, Jatadhar port, and expansion at Jaigarh and Dharamtar.
- Aggregate financial commitment across all projects (including awarded work orders and material procurement) stood at ~Rs40bn, with cumulative capex of Rs13.83bn incurred up to Dec'25.
- **Capex Guidance:** FY26 capex is guided at Rs35bn, comprising Rs20bn for ports and Rs15bn for logistics, with lower spending (ports capex cut by Rs20bn) due to deferred payouts rather than project delays. Combined capex for FY27-FY28 is estimated at ~Rs130bn for ports and ~Rs35 bn for logistics.
- **Group cargo mix:** Third-party cargo increased to 15.7mt from 14.3mt from the same period last year, with its share improving to 50% from 49% YoY. Initial utilization of the slurry pipeline and Jatadhar port will largely be group cargo, with group share expected to stabilize at ~50-55% by FY27/28.
- **One-off Costs:** Mgmt. highlighted one-off maintenance expenses of ~Rs0.17bn at Paradip and Jaigarh in Q3, which impacted margins.
- **Rail Business Acquisition:** The Company recently acquired the group's 3 rail businesses for Rs12.12bn, providing access to Indian Railways' GPWIS and LSFTO schemes. The fleet currently comprises 22 rakes and is expected to expand to 25 rakes in the current quarter, with the delivery of two rakes this month and one rake in February 2026. The total gross block for this business stands at Rs8.3bn.
- **Logistics Business outlook:** The company expects the logistics business to generate EBITDA of ~Rs7bn in FY28. Navkar Corp is projected to contribute Rs1.6bn in FY27 and Rs1.8bn in FY28, while the acquired rakes are expected to add ~Rs1.5bn in EBITDA.
- **Margin Profile:** New projects, including the slurry pipeline, Jatadhar port, and expansions at Jaigar and Dharamtar, are expected to deliver higher EBITDA margins as they do not involve royalty payments.
- Logistics margins are projected to expand from ~20% in FY28 to ~25% by FY30, supported by the scale-up of ICD and CFS operations starting FY29-30.
- New terminals (JNPA, Tuticorin, and the recently won Kolkata terminal) operate under a free-pricing regime as per the new MCA. Repricing tariffs for existing terminals remains under discussion with the ministry, with no clarity yet on timelines.



JSW Steel (JSTL IN)

Rating: ACCUMULATE | CMP: Rs1,170 | TP: Rs1,292

Capex & Balance Sheet

- Cons capex stood at ~Rs34.8bn in Q3FY26 and ~Rs100bn in 9MFY26. FY26 capex guidance maintained at ~Rs150-160bn.
- JSTL plans for a capex of ~Rs1,000bn in the next 4-5 years. Maintaining net debt to EBITDA well below 3x.
- Cons net debt stood at Rs803.5bn as of Q3FY26, up 1.5% QoQ. Net debt/EBITDA improved to 2.91x (from 2.97x QoQ). Net debt/equity improved to 0.92x (from 0.93x).
- Revenue acceptances stood at USD2.36bn.

Operating Performance

- India capacity utilization stood at 93% (ex #BF3) 85% CU incl. #BF3.
- Flat steel prices increased by ~Rs1,500/t in mid-Dec'25 and ~Rs2,000/t in early Jan'26; further improvement expected in Feb-Mar aided by extension of safeguard.
- JSTL is on track to achieve its FY26 sales guidance of 29.2mt. The company liquidated ~0.3mt of inventory during the quarter and plans further inventory liquidation in Q4FY26.
- Value-added steel (VASP) sales reached a record 4.54mt during the quarter, forming 61% of volumes incl. JVML (67% excl. JVML).
- Production declined QoQ due to BF-3 and Salem shutdowns, resulting in a ~Rs500-600/t cost impact, along with a ~USD5/t increase in coking coal costs.

BPSL Transaction

- Slump sale is expected to close by Mar'26. Transaction expected to result in ~Rs244bn cash inflow and ~Rs290bn deleveraging at JSTL.
- Second tranche of Rs78.75bn expected subsequently in the next FY.
- Deferred tax assets of Rs14.39bn recognised in Q3 on account of unabsorbed depreciation of BPSL.

Costs

- For Q4FY26, coking coal costs expected to increase by USD15–20/t, while iron ore costs to remain range-bound.
- HRC prices declined by ~Rs2,200/t QoQ in Q3; however, supported by higher VASP sales, the decline in NSR was limited to ~Rs1,400/t.

Demand Outlook & Capacity Expansion

- Steel demand in India is projected to grow at 7-9% for FY27.
- Management anticipates strong Q4FY26 volumes due to heavy demand and expects its Indian capacity to reach ~36mtpa post upgradation of #BF3.
- Jagatsinghpur (Odisha): Board approved 5mtpa steel plant under JSW Utkal Steel with capex of Rs316bn (includes some capex for the next phase too); commissioning by FY30, scalable to 13.2mtpa. Power requirement of ~340–350MW, largely captive with partial grid sourcing.
- Dolvi Phase-III expansion from 10mtpa to 15mtpa progressing as planned with completion expected by Sep'27.
- Kadapa: 1mtpa EAF and structural mill under technical and commercial discussions; commissioning targeted by FY29.
- Rajpura (Punjab): Board approved 0.2mtpa tinplate and 0.36mtpa CGL to enhance downstream capabilities.
- Pellet plants: Two 8mtpa plants to be commissioned by FY28.
- Slurry pipeline (30mtpa) via JSW Infra expected by FY27.
- Additionally, the board has approved 2.5GW renewable capacity and 320MWh battery storage; 1GW has been commissioned as of Q3FY26.

Raw Material Security

- The company operates 23 iron ore mines, of which 13 are currently operational following the commencement of production at the 0.5mt Cudnem mine in Goa during Q3.
- Iron ore production is targeted at ~50mtpa by FY31, which will meet ~50% of total iron ore requirements. Captive iron ore proportion in Q3FY26 was at 33%.
- Increased stake in Illawarra Coking Coal Mines to 30% (Oct'25); three coking coal assets expected to meet ~25% of coking coal needs by FY31.
- Mozambique coal asset acquisition expected to be completed by completed by Q4FY26.

Exports & Trade Measures

- European exports declined as a percentage of total exports; exposure is being mitigated through diversification and strong domestic demand.
- CBAM calculations for CY26 will be undertaken at the beginning of CY27, on an asset-wise emissions basis.
- Safeguard duties are supportive for restricting imports from Japan and Korea (~12%) and may allow further price increases in Feb/Mar in the domestic market.



Kajaria Ceramics (KJC IN)

Rating: BUY | CMP: Rs902 | TP: Rs1,056

- Kajaria Ceramics Ltd (KJC) has refrained from providing FY26 revenue guidance due to near-term demand softness, however guided for EBITDA margins in the range of 17–18% for FY26.
- KJC EBITDA margin contracted by 80bps QoQ in Q3 FY26, primarily due to lower sales realisations as the company offered discounts to rationalise its SKU portfolio.
- KJC, converted one unit with a capacity of 9.10 msm pa from ceramic floor tiles to glazed vitrified tiles, to enhance the share of value-added products.
- In Q3FY26 volumes remained flat due to a weak market environment and dealer-level de-stocking. Management highlighted that significant dealer churn and network rationalisation took place during the quarter, alongside increased cross-selling across tile categories and liquidation of higher SKU inventory. However, early trends in January have turned encouraging, and the company expects growth momentum to improve going forward.
- Advertisement spend was Rs 240mn in Q3FY26, with FY26 ad expenditure expected to be lower due to cost savings from skipping the overseas dealer meet and improved vendor negotiations, while maintaining effective brand visibility.
- The gas prices in Q3FY26 averaged was Rs37, with North/South at Rs 38 and West at Rs37 on a blended basis and expects a Rs1 increase in Q4 FY26.
- KJC has implemented an 8–12% price hike in faucet in Jan'26, in line with industry trends, while a modest price increase in sanitaryware is planned from March'26, with the exact extent still under evaluation.
- KJC retail-to-project revenue mix stood at 70:30, with a growing focus on expanding participation in both government and private project segments.
- Management highlighted that the previously disclosed fraud remains unchanged; a forensic audit is underway, alongside tighter internal controls and revised signing authorities.
- Industry tile exports stood at RS 40bn in Q3FY26 and 120bn in 9MFY26 and company expects to reach Rs 160bn in FY26.
- Management expects gradual formalisation of the tile industry, driven by GST and rising preference for branded products. Over the next 2–3 years, the industry mix is likely to shift from the current ~40% organised / 60% Morbi to a more balanced ~50:50, benefiting organised players.



Kalpataru Projects International (KPIL IN)

Rating: BUY | CMP: Rs1,100 | TP: Rs1,489

- **Guidance:** The management maintained its revenue growth guidance of 25%+ for FY26 at both standalone and consolidated levels. Consolidated PBT margin is expected to improve by 100bps, while standalone PBT margin to see 50bps YoY growth in FY26. The management remained confident of securing order intake worth ~Rs260bn with net working capital days of ~100 in FY26.
- **Domestic T&D:** Visibility continues to improve on the back of strong energy transition and infrastructure spending, with FY26 order intake guided at ~Rs150bn and expected to grow at 15-20% annually, supported by a healthy L1 pipeline of ~Rs58bn and domestic T&D capex of ~Rs900bn per annum. Current capacity of over 2.75 lakh tons is largely booked, and the management believes capacity of 2.75-3.0 lakh tons will be sufficient for the next 2-3 years, with focus remaining on the domestic market.
- **International T&D:** Order inflow for 9M stood at Rs36bn with an L1 pipeline of ~Rs45bn; for FY26, the management expects order intake of ~Rs80bn, excluding LMG, which could increase to Rs90-100bn including LMG, compared to Rs55bn in 9MFY25.
- **B&F:** Revenue growth of 17.1% YoY to Rs17.9bn was driven by good progress on large size orders, particularly on the residential buildings projects. B&F segment has a current L1 position of ~Rs11bn with EBITDA margin in double digits and capex intensity of 5-6% of total revenue.
- **Water:** Collections have begun to improve, led by UP, at Rs12.5bn in 9MFY26 and at Rs2.2bn in Jan'26, and the management remains confident of further improvement. Of the ~Rs80bn order book, Rs55bn pertains to projects under execution, while Rs25bn relates to O&M; margins on these projects remain stable, with interest costs being the key headwind. Improvement in receivable momentum is visible across UP, Jharkhand, Punjab and Odisha.
- **O&G:** Growth was driven by strong execution of the Saudi project, with ~50% completed and the balance expected over the next 18 months, while maintaining double-digit EBITDA margin. The company is now qualified to bid for most projects in Saudi Arabia and Qatar and has already participated in 4-5 large Saudi tenders, positioning the region as a key driver of order book growth over the next 2-3 years.
- **Road Boot Assets:** Company received monetization worth Rs350mn in Jan'26 relating to Indore real estate project while remaining monetization of Rs400mn is expected by Mar'26. Company is also selling specific warehouses in Shubham logistics to reduce its debt while it has appointed bankers to raise money in LMG, Sweden. With divestment of VEPL, company does not expect to do any more loss funding in its road boot assets in Q4FY26.



Kansai Nerolac Paints (KNPL IN)

Rating: ACCUMULATE | CMP: Rs222 | TP: Rs248

- Demand in decorative remained impacted amidst shorter festive season with October being muted while demand picked up in Nov/Dec.
- KNPL expects mid-single revenue growth in Q4 for decorative business.
- Industrial demand witnessed strong growth (volume in double digit) led by good demand in automotive segments.
- Paint+ contribution now stands in double digit of Decorative Business sales
- Project business saw double digit growth in Q3.
- Services is aiding the Primary business with mid-single digit contribution to Decorative Business.
- Kansai launched 11 new products during YTD'25, new product contribution remains stable QoQ.
- Strong demand growth observed in the general industrial segment, driven by Construction Equipment and PEB.
- Stable demand momentum was seen in Powder segment driven by Auto Ancillary, Electrical Appliances and Furniture Segment
- Growth in Infrastructure such as railways, roads, airports, power augur well for the paint industry and will drive demand for high-end coatings.
- Competitive intensity remains elevated with Industrial business seeing market share gain
- Company maintained EBITDA margin guidance at 13-14%
- Subsidiaries are seeing sequential improvement with Nepal seeing good traction while Bangladesh remains a drag

Kaynes Technology India (KAYNES IN)

Rating: BUY | CMP: Rs3,700 | TP: Rs5,502



- Kaynes has maintained its FY26 revenue guidance of Rs 40-41bn, with EBITDA margin of 16%, and Rs 3bn revenue deferment in the railway segment to FY27.
- In Q4FY26, the company expects revenue of Rs 17 bn, of which Rs 3 bn will come from smart meters.
- Company has progressed from intent to execution in its semiconductor journey, with the Sanand OSAT facility now operational and ramping up. The company has also secured FSA (Fiscal Support Agreements) approval under the ISM Framework.
- Kaynes' HDI PCB initiative, through its Rs15bn Chennai facility, targets high-end, multi-layer PCBs for defense, aerospace, and strategic industries, aiming

to generate Rs15bn in PCB revenues and Rs13.5 bn in EMS revenues from existing customers, while strengthening customer engagement from design to assembly and enhancing its electronics value chain positioning.

- Kaynes' working capital rose ~23 days in Q3FY26 compared to Q2FY26 due to higher inventories for custom orders. Management expects it to normalize to 70–85 days by FY26 through higher throughput, improved collections, and supply chain finance programs.
- Though there was a minor shortfall of Rs550mn in 9M FY26, Kaynes is expected to report positive OCF at the consolidated level for the full year FY26. By FY28, the EMS, OSAT, and PCB segments are projected to generate significant positive cash flows.
- Kaynes maintains its USD 1bn revenue target for FY28, driven by EMS, OSAT, and PCB growth. EMS growth is supported by indigenization and government demand in aerospace, defense, and railways. OSAT and PCB are in final factory phases, with minimum guidance of Rs15bn (OSAT) and Rs 10bn (PCB).
- The ODM segment, including smart meters with higher margins, contributes 20% to the order book. Iskra and August generated Rs 3 bn in Q3FY26, bringing total smart metering revenue for FY26 to around Rs 7–8 bn. The company manages product concentration and plans to focus on aerospace and railways for growth next year. The current 20% share of ODM and product engineering orders is a minimum and is expected to increase by 5–7% as more orders are finalized.
- Kaynes plans minimal CapEx for EMS, focusing on debottlenecking existing lines. For OSAT and PC Board, total CapEx is Rs 13bn and Rs 14bn respectively, with 50% central and 20% state government subsidies.

KEC International (KECI IN)

Rating: ACCUMULATE | CMP: Rs669 | TP: Rs748



- **Guidance:** Management guided for EBITDA margins of **~7.0–7.5% (vs 8% earlier) in FY26**, factoring in slower execution in Water projects, delays in arbitration settlements, and lag in ramp-up of higher-margin projects. Order inflow target for FY27 stands at **~Rs300-350bn**.
- **Tender Pipeline:** Total tender pipeline remains robust at **~Rs1.8trn**, led by T&D (**~Rs600-650bn**, including ~Rs500bn in India and ~15bn in Middle East), Civil (**~Rs600bn**, with ~Rs200bn international), Renewables (**~Rs300bn**), with the balance from Railways.
- **T&D (~70% of revenue):** Management guided for **T&D margins to scale to double digits**, in line with SAE. **YTD order intake exceeded ~Rs135bn** across **India, the Middle East, CIS, and the Americas**, including the **largest-ever domestic T&D order (~Rs10.5bn)** from a reputed private client. With increases in private player involvement management anticipates more order to be received from private players.
- **International T&D:** Export order momentum remains **strong across the Middle East and Africa**, with an **L1 order expected in Q4FY26**. The **Middle East**

particularly **Saudi Arabia, UAE, Oman** continues to be the key growth driver while demand remains robust in the Americas (Brazil, Mexico, US)

- **SAE Towers:** Revenues grew **~70% YoY**. YTD order inflows of **~Rs12.6bn** from North America and Brazil provide **~2 years of revenue visibility**. Strong traction continues in Mexico and North America. KEC is doing small capex in a hardware manufacturing facility in Brazil which is expected to support global and India T&D demand
- **Civil (~15% of revenue):** Execution was impacted by labour shortages, delayed work fronts, and payment delays in Water. YTD B&F order inflows stood at **~Rs40bn**, with strong traction in hospitals, mining, thermal power, and residential projects. Revenue impact from labour shortages stood at **~Rs5-6bn**, while execution delays impacted **~Rs10bn** of revenue (half from Water). Water projects are expected to be completed by **FY27** which will aid the margin.
- **Cables (~9% of revenue):** Profitability improved driven by favourable product mix and cost optimization. Capex for **E-Beam and Elastomeric cable facilities** is progressing as per plan, with production expected to commence by **Q4FY26**. Order inflows were marginally subdued due to aluminium and copper price volatility, while conductors continue to form a large share of the mix.
- **Transportation (~6% of revenue):** Focus remains on completing legacy projects and improving cash flows. The company secured **three TCAS (KAVACH) orders** with its JV partner and expects additional wins given continued government focus. Management has strategically de-emphasized low-margin civil railway works, focusing instead on signalling, power supply, and select international opportunities in MENA region.
- **Renewables (~2% of revenue):** KEC entered the Wind segment with a **100+ MW breakthrough order**. Execution of ongoing solar projects in Karnataka and Rajasthan is progressing well, with completion expected by **Q4**. The company is selectively bidding in Solar, Wind, and BESS, with further order wins expected in **Q4**. Large renewable opportunities are emerging in **Saudi Arabia and UAE**.
- **Oil & Gas (~1% of revenue):** Secured its **third international pipeline laying order** in the Middle East. With a subdued domestic tender environment and rising competition, management is prioritizing international expansion to drive growth.
- **Working Capital:** NWC stood elevated at **~135 days**; management expects improvement to **~100–115 days in FY26**, supported by normalization of collections and improved execution mix.
- **Balance Sheet improvement:** Net debt increased due to strong revenue growth, higher strategic inventory amid benign commodity prices, delayed collections in Water projects, and spillover of large receipts into Jan'26. Debt has already reduced by **~Rs3bn in Jan'26** and is expected to normalize by **Mar'26**, with management targeting steady-state debt of **~Rs15bn**.



KEI Industries (KEII IN)

Rating: BUY | CMP: Rs3,853 | TP: Rs5,573

- KEII reiterated its guidance for revenue growth of over 20% in FY26 and a sustained CAGR of 20%+ from FY27, along with EBITDA margin expansion of ~100bps as the Sanand plant becomes fully operational and ~11% EBITDA in FY27.
- W&C volume grew 10-11% YoY in Q3FY26.
- KEII expects the Sanand plant to contribute to incremental topline of Rs60bn by FY29.
- In 9MFY26, the company incurred a total capex of Rs9.3bn: Rs7.7bn in Sanand, Rs960mn for land purchase (Sanand & Salarpur), and Rs630mn at other locations.
- Total capex incurred on Sanand plant is Rs13.5bn, and another Rs2bn will be spent in Q4FY26.
- Pending order book stood at Rs39.3bn: EPC at Rs3.6bn, EHV at Rs7.2bn, domestic cables at Rs24.3bn, and export cables at Rs4.2bn.
- Capacity utilization stood at 76% in cables.
- KEII is procuring 85% of its RMs domestically.
- It plans to invest additional Rs20bn over the next 3-4 years, with proposal expected to be finalized by the board within the next 6 months.
- A&P expense for FY26 will be Rs750-800mn.

Kirloskar Pneumatic Company (KKPC IN)

Rating: BUY | CMP: Rs1,068 | TP: Rs1,557



- **Guidance:** The management has guided for revenue to grow by ~12% YoY to ~Rs18.5bn along with PBT of ~Rs3.5bn in FY26. The management is targeting 20% EBIT margin going forward as the basket of non-traditional business increases, which is margin lucrative compared to compressors. For FY27, the management anticipates revenue growth of 20% YoY.
- **Healthy order backlog:** Unlike last year's backlog, which included ~Rs6.0bn of large package orders, the current order book of ~Rs19.4bn has no such large package orders, implying smoother sales progression in FY27. The management highlighted that the current order book has a mix of non-traditional orders, which is driving confidence in next year's growth.
- **Zephyros scale-up roadmap:** KKPC targets Rs50bn opportunity directly through its commercial refrigeration solutions Zephyros. The management expects Zephyros approvals in Q4FY26, with scaling up planned post PLI approval. The company will initially execute both package supply and installation for the first 200-300 packages, before transitioning to package-only supply with installation outsourced to third parties. The PLI application

for this project involves a capex of Rs3bn with additional Rs2bn planned over the next few years and targeting 5x sales.

- **Air compressors (~20% of total sales):** Tezcatlipoca centrifugal compressors continue to perform well. KKPC has invested in new CNC machines to double the capacity of Tezcatlipoca, slated to come on stream from Q1FY27. The management also highlighted that the A-800 frame centrifugal compressor (starting ~600 CFM) is in alpha testing, and is targeted for launch before Q1FY27 as a replacement for dry screw compressors. Further, a small-CFM oxygen compressor is under development, and is expected to be launched by Q1FY27.
- **Refrigeration compression (~40% of total sales):** The management highlighted that sales of the Khione package have picked up and stabilized, while sales of the Tyche semi-hermetic compressor have commenced and are scaling up, with market share gains anticipated in the ~Rs20bn import dominated market over the next 3 years.
- **Gas compression (~30% of total sales):** The management noted a meaningful recovery in the process gas segment, albeit with only a modest uptick in order finalizations, during the quarter. KKPC received incremental orders in hydrogen and biogas, execution of which is expected to start from Q1FY27. The management also highlighted improving traction from the MENA region for CNG packages. However, despite a better pipeline, the management expects the segment to remain broadly flat in FY26.
- **Exports:** The management has guided the export revenue to be ~Rs1.4bn for FY26 (implying +13% YoY), driven by the process gas business in the MENA region.
- **Capex worth ~Rs900mn planned in FY26:** The company has incurred a total capex of Rs540mn till date and expects to incur ~Rs900mn in FY26.

KNR Constructions (KNRC IN)

Rating: HOLD | CMP: Rs152 | TP: Rs148

- The road sector witnessed muted awarding during 9MFY26, primarily due to moderation in MoRTH and NHAI project awards. During the period, MoRTH awarded ~1,448km and NHAI awarded ~712km, reflecting a slowdown in execution.
- The management highlighted an improving outlook, with NHAI having invited bids aggregating to ~Rs1.5trn, indicating recovery in awarding momentum over the coming quarters.
- NHAI's asset monetization proceeds of Rs350–400bn are expected to accrue in FY26, improving funding flexibility.
- Equity investment in HAM projects: Rs7.27bn has been invested out of total Rs9.62bn required. Balance Rs2.35bn is likely to be infused as follows: Rs870mn in FY26 and Rs1.48bn in FY27.
- KNRC has signed an SPA with Indus Infra to sell 100% stake in 4 HAM SPVs.



- Expected proceeds: Rs15.43bn. (Rs5.00bn expected to be received by Mar'26 & balance by Q1FY27). KNRC will reinvest Rs5.67bn equity into these SPVs before completion.
- Debt impact, consolidated debt at Dec'25: Rs24bn; Of this, Rs21bn pertains to monetized SPVs. Post-transaction, net consolidated debt is expected to fall to Rs5bn by Mar'26.
- Current order book (secured): Rs43bn. Orders already bid: Rs70–80bn (NHAI + state projects). 63 projects are expected by Mar'26 from NHAI. Rs100–120bn order inflow is expected by Q2FY27.
- Identified bidding pipeline: Rs300–400bn
- Irrigation projects as of Dec'25 stood at Rs17bn (of which, Rs8bn is unbilled).
- Total unbilled revenue at the company level is Rs14bn.
- FY26 revenue guidance stands at Rs20bn, which implies Q4 FY26 revenue of Rs4.5bn, reflecting project completions and limited new starts.
- Of the current executable order book (Rs43bn ex-mining), execution of Rs20bn is expected in FY27.
- The management indicated Rs45bn revenue potential in FY28, subject to timely order wins and execution ramp-up.
- Q3 standalone margins were impacted by: higher sub-contracting costs (Rs1.70bn) in pipeline projects (low-margin, back-to-back EPC); cost overruns (Rs200mn) on viaduct /repair works; and projects nearing completion phase with lower revenue but fixed overhead absorption.
- Near-term EBITDA outlook: FY27 margins are expected at 9–10%. From FY28, the management targets margins to normalize (13-14%) as new projects ramp up.

KPIT Technologies (KPITTECH IN)

Rating: HOLD | CMP: Rs1,047 | TP: Rs1,090

- Management indicated that global OEM mobility ER&D budgets continue to be under pressure, with passenger vehicle ER&D spend down ~20–25%, leading to deferred and reprioritized programs rather than broad-based recovery.
- Management highlighted that OEMs are protecting spend in must-have areas including digital cockpit, cybersecurity, ADAS/navigation on autopilot, multi-powertrain development (ICE, hybrid, EV), and vehicle cost reduction while increasingly prioritizing solutions that improve time-to-market, quality, and cost efficiency, driving vendor consolidation (particularly in Europe). In the US region, spending is focused on greater adoption of holistic, outcome-based engagements, accelerating delayed vehicle programs and reducing warranty and quality issues.



- Management highlighted its strategic pivot from services-led to solution-based delivery, offering OEMs largely pre-built, reusable solutions with customization to help deliver programs faster, cheaper, and with better quality. While this shift may lead to near-term cannibalization of services revenue, management expects it to expand wallet share, improve revenue per employee, and drive margin expansion over the medium term, with initial traction emerging over the next few quarters and the full transition playing out over 12–18 months
- Management expects Q4 to be the strongest growth quarter of FY26, with organic growth returning, driven by normalization of deferred and paused projects and improved execution. Management also expects FY27 growth to be better than FY26, supported by wallet-share gains from OEM vendor consolidation, project normalization, and an increasing contribution from solution- and AI-led engagements.
- Management indicated that Asia demand remains mixed, with Japan and Korea continuing to face near-term softness due to macro uncertainty, delayed OEM programs and tapering of a large program, while India, Southeast Asia, and the Middle East are showing healthier momentum, supported by increasing OEM focus, new program activity, and stronger pipeline visibility. Overall management expects Asia region to see near-term volatility but a gradual recovery over the next few quarters, led by emerging markets rather than developed Asia.
- Management expects off-highway, commercial vehicles, and micro-mobility segments to deliver stronger growth, driven by OEM's focus on cost optimization and faster program execution. Recent acquisitions and solution-led offerings are expected to further support revenue scaling in these adjacencies.
- Management noted that deal wins were muted in Q3 due to slower OEM decision-making and reluctance to sign long-duration contracts.

Kotak Mahindra Bank (KMB IN)

Rating: BUY | CMP: Rs423 | TP: Rs500

Balance Sheet

- 3QFY26 saw uptick in growth led by festive season. Flows into capital market/commodities put pressure on deposits.
- Bank is growing gradually in unsecured segment. Bank remained cautious in growing retail commercial vehicle book while addressing the credit concerns.
- In business banking there is a sustained demand for working capital across sectors driven by a surge in consumption trends following the changes in GST.
- Personal loan portfolio acquired from Standard Chartered last year performed better than expected.
- Construction equipment was impacted by slower infra-activity and project execution challenges.



- Tractor Finance grew well primarily due to GST rate cut, government support on subsidies and favorable rural sentiment due to good monsoon monsoons extending into early November as well as soft agri commodity prices.
- Retail microcredit remained flat QoQ, mainly due to scheduled repayments offsetting current disbursal rate. Bank has started covering our microcredit loan disbursements under CGFMU Credit Guarantee Scheme post merger of BSS and Sonata in October.
- Agri/SME book grew well supported by pickup in working capital utilization and a strong growth in new-to-bank customer acquisition.
- LAP stood at Rs550-600bn of the mortgage book.
- Net worth increase in Q3 included about Rs20bn unrealized gain on valuation of strategic investments in KFIN and MCX.

Profit & Loss

- Bank reduced its reliance on libor link SA, which helped in getting a higher cost of fund benefit.
- During the quarter, bank witnessed higher short-term liquidity which was deployed in treasury assets. Excluding this, NIM improved by 4bps QoQ to 4.58%. Moderate increase in NIM is expected in Q4FY26.
- Fee income saw a healthy growth contributed mainly by FX, debt capital and distribution income.
- On opex bank intends to have the increased costs due to acquisition of customers that may be offset by automation and digitization. Bank is focusing on controlling the fixed costs. Over a period of time costs to assets ratio is expected to come down to 2.5%.
- Labor code related provisions at standalone level were Rs960mn. Pension liability which got the benefit of interest rate movement in Q2FY26 has reversed and normalized in Q3FY26. Excluding these staff cost was flat QoQ.
- Other opex went up due to i) marketing spend ii) upfront expenses for tractor finance disbursements iii) increased acquisition costs related to 811 products.

Asset Quality

- Bank expects normalization of credit costs to continue, though at a more moderated pace.
- Delinquency in overall unsecured portfolio have improved with better flow rates and collection efficiencies observed in the quarter
- Bank continues to see stress in retail CV.
- Microfinance and personal loan credit cost has started decreasing. Bank expects credit costs to further reduce in Q4.
- ECL impact is estimated to be less than 2% of net worth.



Krishna Institute of Medical Sciences (KIMS IN)

Rating: BUY | CMP: Rs647 | TP: Rs810

- **Bed expansion Plans:** Secunderabad (Telangana) renovated capacity expected to come by FY27 end. Kondapur expansion (Telangana) to add 550 incremental beds, expected to be commissioned over the next 3-4 months. KIMS commissioned 50 beds at Ongole recently in Q4 and expects to operationalize the cancer centre Anantapur by March 2026 end, adding ~75 beds as part of the planned 250-bed expansion. Rajahmundry expansion is scheduled towards end-Q4FY27. Mgmt focus will be on ramping up recently commissioned capacity and driving breakeven across new units for a year. Meanwhile, also exploring expansion opportunities in Mumbai and other cities.
- **Chennai expansion:** KIMS has entered into a 26-year agreement with Andhra Mahila Sabha to develop and operate a hospital in Chennai, with construction expected to be completed within ~2 years.
- **Capex:** The bulk of the current expansion capex is largely completed, with FY27 capex guided at ~Rs 5–6bn mainly for ongoing project completion, while FY28 capex is expected to be maintenance-led with no major greenfield additions.
- **New units:** Thane and Bangalore (Mahadevapura) units are expected to turn EBITDA breakeven by Q1FY27 end. Electronic City unit, commissioned in Dec'25, is expected to achieve EBITDA breakeven by Q3 FY27. Doctor onboarding for Phase-1 growth is largely completed across these units; further additions will be volume-led.
- **Telangana:** Telangana is a mature cluster, with high single-digit growth sustainable, while double-digit growth is possible over the next 3–4 years driven by Kondapur, Sunshine and renovation-led bed additions. Secunderabad occupancy was impacted as ~200–250 beds are temporarily shut for renovation; operational beds are running at ~80–85% occupancy. Kondapur new facility to be commissioned over the next few months, expected to drive ~20–25% YoY growth post-transition.
- **AP:** Q3 volumes were impacted by a temporary stoppage of state government scheme with volumes and revenues recovering from Q4, with no structural concerns. Growth was supported by improving case mix, higher transplant activity and expansion of oncology services.
- **Maharashtra & Karnataka:** Thane has demonstrated strong early traction; >100 pediatric cardiac procedures completed within first five months. Nashik turned EBITDA positive in Jan'26 (13 months post-commissioning); CGHS/ECHS empanelment further support ramp-up. Bangalore hospitals are operating in high ARPOB micro-markets; some normalization in ARPOB expected, though structurally higher than group average. The pricing in Mahadevapura and Electronic City are ~10–15% lower than local competition with scope for gradual price rationalisation over the next few months. Total fixed rental commitment for Bangalore units is ~Rs 25mn per month.



- **Kerala:** Kollam unit impacted by one-off costs in Q3; management expects EBITDA breakeven over the next 1–2 quarters. Top 5 insurance empanelment completed at Kannur; Kollam expected to close over the next two quarters.
- **Insurance & CGHS Updates:** For Nashik and Thane, 2 of top-5 insurers empaneled, remaining expected by end-Q4 FY26. CGHS/ECHS empanelment to support volumes in Maharashtra; Kerala and Bangalore insurance ramp-up to take 6–9 months.
- **Revenue guidance:** Management reiterated, doubling revenue over three years, supported by operating leverage from new hospitals.
- **Net Debt:** Consolidated net debt stood at Rs 28.5bn as of Q3FY26. With ~Rs 2bn cash on books and receivables of ~Rs 6bn from government schemes, net debt expected to decline QoQ going forward, barring new large expansions. Minority interest was at 9% for Q3FY26.

Larsen & Toubro (LT IN)

Rating: BUY | CMP: Rs3,794 | TP: Rs4,806

- **Guidance:** Management reiterated its FY26 guidance, expecting order inflows to exceed ~10% YoY, revenue growth of ~15% YoY, and Project & Manufacturing margins of ~8.5%, supported by operational efficiencies across businesses. Net working capital to revenue is targeted at ~10% versus ~12% earlier, aided by better collections and disciplined project execution.
- **Order Prospects:** Total order prospects stand at ~Rs5.9trn (vs Rs5.5trn YoY), driven by CarbonLite and Hi-Tech Manufacturing, with Infrastructure prospects flat at ~Rs4.02trn. Domestic infrastructure prospects account for ~Rs2.6trn with an increasing private sector share (~35%), while international infrastructure prospects are ~Rs1.4trn. Hydrocarbon/CarbonLite prospects stand at ~Rs1.26trn/~Rs0.4trn while Hi-Tech manufacturing prospects stand at ~Rs0.42trn (vs Rs0.07trn YoY). **Management expects \$4.5bn Kuwait cancelled projects, where L&T was L1, to be refloated in mid-term.**
- **Infrastructure Projects:** Infrastructure order inflows were supported by strong private sector demand from commercial buildings, data centers, semiconductors, renewables, minerals & metals, and transmission, though domestic execution was impacted by delays in water projects and funding constraints in certain central-funded water projects. Excluding water, infrastructure growth would have been ~8-9% in Q3FY26, with management adopting a selective bidding approach for water projects (~Rs720bn pipeline) and increasing focus on international opportunities, particularly in the Middle East.
- **Energy Projects:** Hydrocarbon order book stands at ~Rs1.8trn, largely international, with execution timelines averaging ~29 months; margins remain subdued due to cost overruns in a few competitively priced projects but are expected to normalize over the next 2–3 quarters. The company also expects incremental opportunities of 4-5GW from thermal power additions in India in coming years. CarbonLite continues to scale, with an order book of ~Rs0.65trn

and receipt of an Lol for another ultra-mega order, while execution timelines are longer at ~48 months.

- **Hi-Tech Manufacturing:** Order inflows moderated due to project finalization delays, though prospects remain strong at ~Rs0.42trn YoY, led by Precision Engineering. The order book comprises ~Rs315bn in Precision Engineering and ~Rs63bn in Heavy Engineering, with a favorable job mix aiding margin improvement. L&T will participate in the 87 MALE drone program with General Atomics as the technology partner, reinforcing its defence manufacturing presence.
- **Development Projects (including Others):** Hyderabad Metro performance improved operationally with higher average fares (Rs47 vs Rs38 YoY), though daily average ridership moderated slightly to 4.14 lakh (vs 4.45 lakh YoY). Nabha Power saw margin improvement driven by operational efficiency while revenue was lower due to lower power demand. In Others, L&T Realty recorded robust order inflows with its highest-ever pre-sales of ~Rs50bn, supporting margin expansion through higher handovers.

Latent View Analytics (LATENTVI IN)

Rating: BUY | CMP: Rs457 | TP: Rs630



- Management highlighted that the FS segment's momentum is being driven by growth from clients added over the past 12 months and their sustained scaling. Management further expressed high confidence that this momentum will continue into FY27, with a key client expected to grow from ~USD 7–7.5 mn in FY26 to ~USD 10 mn+ in FY27, and with the potential to emerge as a top 3 account over the next two years.
- Tech segment, after reporting two weak quarters, returned to growth in Q3, aided by year-end project executions and price increases in select large accounts. However, management remained cautious on the near-term outlook for the segment due to headwinds at one large tech client stemming from vendor consolidation, which could impact LATENTVI's revenue by USD 5–6 mn in FY27. However, management expressed confidence in offsetting this potential revenue loss through scaling revenues from other clients within the Tech segment.
- Management mentioned that Retail & CPG performance was flattish QoQ in Q3, largely due to the absence of follow-on work from a few one-off projects in Q2 and the deferral of project starts with a large beverage client. However, management expects growth to resume in Q4 and be sustained into FY27, supported by recent deal wins, a strong pipeline, and an account mining strategy.
- Management highlighted that the Databricks partnership has generated ~30 qualified leads to date, with a healthy conversion ratio of ~30–35%, with four joint wins with cumulative revenue of ~USD 1.7 mn. Management noted that conversion rates are materially higher than traditional analytics deals due to joint go-to-market alignment.

- Management highlighted its growing suite of products and accelerators, with MigrateMate positioned as a key solution to accelerate client migration from legacy data warehouses to the Databricks Lakehouse. These accelerators are designed to shorten migration timelines, improve deal conversion, and serve as an entry point for larger, multi-phase analytics and AI engagements. Management further noted that the migration component currently contributes ~20% of overall project revenue, with the potential to scale to ~30–35%, while the remaining revenue is driven by analytics work.
- Management highlighted that the Databricks partnership is scaling well, with revenues reaching ~USD 16–17 mn in FY26 and indicated that it is on track to scale this to ~USD 50 mn by FY27–FY28.
- Management outlined a sharpened AI strategy anchored around three focus areas of conversational analytics, agentic business process automation, and AI governance. The company has operationalized this via an AI Center of Excellence, active pilots across large tech and retail accounts and plans for partnerships and selective investments.
- Management reiterated that client mining remains central to their growth strategy, anchored around its 25+ “diamond accounts”, which are expected to drive disproportionate revenue growth over the next two years. They also highlighted significant headroom for wallet expansion in some top accounts.
- Management highlighted that in Q3 they undertook a targeted, one-time rationalization, resulting in the exit of ~40 employees across sales, delivery, and market-facing roles, to remove excess capacity and better align the organization with its future strategy.

L&T Technology Services (LTTS IN)

Rating: HOLD | CMP: Rs4,244 | TP: Rs4,070



- As part of its five-year strategic roadmap, LTTS exited non-core and commoditized engagements that were not aligned with its long-term priorities. This included shutting down parts of the Technology business in Israel, exiting select legacy Technology and Mobility engagements in Europe, discontinuing US projects billed from India (along with associated lab closures), and not renewing certain low-value domestic contracts in India. The restructuring also involved pruning older, lab-led and testing-oriented offerings facing pricing pressure, enabling a sharper focus on future-ready, differentiated engagements aligned with the company’s strategic direction.
- LTTS expects the business restructuring to be completed in Q4. Reflecting the impact of business rationalization, the company now expects mid-single-digit YoY constant-currency growth in FY26E.
- Hi-Tech segment faced near-term softness due to portfolio rationalization and exit from commoditized engagements, demand in core areas such as semiconductors, telecom, and AI/EI-led offerings remains healthy, with deal ramp-ups and a large hyperscaler engagement expected to drive improved performance from CY26 onwards.

- Hi-Tech segment margins expanded by 160 bps QoQ to 10.6% in the quarter, driven by ongoing business restructuring. Management indicated an aspiration to gradually improve margins to the 12–13% range over time.
- The Sustainability segment continues to see healthy traction across Energy, industrial automation, and asset management. Management expects momentum to sustain, with plant engineering demand remaining robust across oil & gas, CPG, and chemicals, driven by ongoing CAPEX and digital modernization initiatives.
- The Mobility segment is witnessing early signs of recovery despite a seasonally weak and furlough-impacted quarter, supported by improving demand in Auto, steady growth in Aero & Rail, and increasing traction in SDV programs. Management expects momentum to strengthen in CY26 as large deals ramp up, and OEM-led engagements (now ~80% of auto) continue to scale.
- Management highlighted increasing client investments in SDV, particularly in the US, with LTTS embedding AI- and Engineering Intelligence-led capabilities across the SDV lifecycle. Strong OEM traction and ongoing SDV deal ramp-ups are expected to meaningfully support Mobility growth in CY26.
- Management highlighted that simplification of the organizational structure and investments in geography-specific sales teams are now yielding results, as reflected in strong deal wins during the quarter. To further accelerate its revenue growth, the company emphasized the need to scale quarterly deal wins to ~USD 300 mn, up from the ~USD 200 mn average achieved in recent quarters.
- Wage hikes will be implemented company-wide in Q4, with management indicating an estimated margin headwind of ~100 bps. Despite this, management expects sequential improvement in operating margins in Q4.
- Management reiterated its medium-term aspiration of achieving mid-16% EBIT margins by Q4FY27–Q1FY28, driven by portfolio rationalization, scaling of high-margin Sustainability and Mobility segments, IntelliSwift margin improvement, and AI-led delivery efficiencies. While management aspires to achieve this earlier, it has retained the current timeline to remain prudent.
- Management indicated that the onsite mix increased in Q3, driven by the nature of ongoing engagements and deal ramp-ups. However, they expect the onsite proportion to moderate over the next few quarters, as delivery stabilizes and work transitions offshore.
- Management expects ETR to be in the range of 26.5–27% for FY26E.



Laxmi Organic Industries (LXCHEM IN)

Rating: REDUCE | CMP: Rs143 | TP: Rs125

- Total capex for Dahej project is Rs7.1bn; it is more focused on diketene derivatives.
- Phase 2 of Dahej capex is expected to be completed by Q4FY26.
- Revenue from Phase 2 will start from H2FY27, provided all samples are approved.
- The Fluorochemicals segment is expected to achieve 40–50% of its peak revenue by FY26.
- In the Essentials segment, acetic acid prices have declined by ~20% over the past 2 years; however, they showed a positive trend in Dec'25, touching ~\$380. The management expects prices to stabilize in the \$330–360 range going forward.
- Ethyl acetate spreads remained subdued.
- The Specialty segment saw a 5%-6% decline in topline due to no sales of the campaign product, as against Q3FY25, and 10% decline due to the phase-out of an agrochemical intermediate.
- Replacement product for the agrochemical intermediate is expected to generate revenue from Q4FY26.
- The Fluorochemicals segment is on track to achieve 40-60% in FY26.
- Lote facility does not discharge any hazardous effluents and has received all necessary government approvals

LG Electronics India (LGEL IN)

Rating: BUY | CMP: Rs1,469 | TP: Rs1,808



- Revenue decline in Q3FY26 was due to post-festive softness in compressor-led categories, though management indicated that Q4FY26 has started strongly and expects early double-digit revenue growth in Q4FY26 and double-digit revenue growth in FY27.
- EBITDA margin contracted by 270bps YoY in Q3FY26, primarily impacted by operating deleverage (seasonally weakest quarter), higher raw material costs, FX volatility, recycling compliance costs and wage code impact. Management expects mid-teens EBITDA margin better than Q4FY25 in Q4FY26 and guides for sustaining early-teen EBITDA margins in FY27, broadly in line with FY25 levels.
- The increase in e-waste recycling target from 60% to 70% in FY26–27 (and 80% from FY28) has resulted in a structural incremental cost burden for the company. The incremental recycling compliance cost is estimated at ~0.15% of revenue annually, though it appeared higher (~0.3%) in Q3FY26 due to lower revenue base, and this cost will remain recurring in nature.

- The company received eligibility approval for Rs 7.06bn incentive from the Maharashtra government, valid over 15 years (May'25–April'40) with an annual disbursement cap of Rs 470mn. LG expects to recognize ~Rs 430mn of incentives in FY26, which will be accounted as income linked to respective expense categories, thereby supporting profitability and cash flows.
- The signing of a 9-year Advance Pricing Agreement (FY14–FY23) eliminates Rs 4.88bn of contingent liabilities related to transfer pricing and royalty, improving earnings visibility despite a one-time tax outflow in Q3FY26.
- Company has implemented price hike of ~2-3% in Refs & WM in Nov'25.
- Exports contributed ~6% to total revenue in 9MFY26, expected to double in FY27.
- RM localization stood at 54.6% in Q3FY26 (vs 45.1% in FY22), which should help mitigate input cost volatility and reduce import dependence over the medium term.
- YTD market share as on Dec'25: TV 27.3%, Ref 30.0%, RAC 17.3%, WM 33.0%, OLED TV 62.4% and Side by Side Refs 43.3%.
- Management remains confident of margin recovery and growth acceleration supported by premiumization, localization initiatives, B2B expansion, AMC business scaling and export ramp-up from FY27 onward.

Lemon Tree Hotels (LEMONTRE IN)

Rating: BUY | CMP: Rs133 | TP: Rs165



- RevPAR growth in 3QFY26 lagged for LEMONTRE IN primarily because of a weak performance in Gurugram (RevPAR degrowth of 2%) due to lower group bookings.
- Renovation intensity continued to distort RevPAR performance, as ~1,200 rooms were shut during the year, with ~700–800 rooms shut in 3QFY26, and ~200 rooms still shut largely in the Keys portfolio.
- Post renovation, performance uplift is expected to accelerate, with the Keys portfolio already delivering ~25% RevPAR growth with further upside still visible.
- Tech investments will continue over the next 4–5 years, with focus on AI-led call center automation (agentic AI/chatbots).
- Fleur Hotels is expected to deliver an EBITDA of Rs10bn by FY28E (expected to be its first full year as a listed entity post-demerger).
- The construction at Aurika, Nehru Place is expected to begin in next 2–3 months, with completion targeted in ~3–3.5 years.
- The room count of Aurika, Nehru Place has been optimised upwards to ~550–560 rooms (~500+ earlier) without increasing cost. The hotel also has a large convention/banquet facility of ~14,000–15,000 sq. ft.

- LEMONTRE IN plans to open 2 of the 3 blocks of Aurika, Shimla by 2QFY27E to capture peak summer demand.
- In Jan'26, LEMONTRE IN signed a license deed for a 47-room heritage hotel at Varanasi adjoining river Ganges, which is expected to command premium rates given its prime location and year-round demand.
- Aurika, Shillong is targeted to open around 3QCY27E, with total capex of ~Rs2bn. 70% of the capex is eligible for borrowing at ~5% below LEMONTRE IN's prevailing cost of debt, and the project also benefits from state GST retention incentives for 9–15 years.
- The GST change impact accounted for 1.8% of revenue in 3QFY26. The same is expected to be ~2%/~1.7% of revenue in FY27E/FY28E respectively as ARR rises and fewer customers fall below the Rs7,500 threshold.
- Of the ~4,100 owned rooms requiring renovation (excluding ~1,400–1,500 newer rooms opened pre-COVID), more than 65% has been renovated, with full completion expected by FY27E..

LIC Housing Finance (LICHF IN)

Rating: ACCUMULATE | CMP: Rs496 | TP: Rs525

Growth

- Q3 disbursements were lower due to higher competition triggered by the recent rate cut.
- The management noted that ~30% of the business comes in Q4 and aims to increase it to 35–37%.
- The management highlighted its focus on shifting the business from individual HL to other HL. Other HL represents 15% of the portfolio with a target of increasing it to 17–18% in Q4.
- The management expects Q4 disbursements to reach Rs200bn in retail and Rs15-20bn in project financing.
- The company is in the process of onboarding a specialized organization (IIM/Big4) in Apr/May'26 to review and enhance its marketing strategies.
- The management is in discussions with LIC to create synergies with LIC agents, helping market the LICHF loan book.

Operating profitability

- The management has reduced the lending rate on individual HL to 7.15% from Dec'25, with traction visible in Jan'26.
- The liability mix is 50:50 between fixed and repo-linked floating rates with fixed rates reducing by 5%; 99% of the loan book is in floating rate.
- The incremental CoF during the quarter was 6.59%



- Cost of funds is expected to reduce by 5–7bps in Q4.
- The management highlighted that reported NIM is expected to be in the 2.6%-2.8% range for FY26.
- 9MFY26 yield on advances stood at 9.33% (vs. 9.73% YoY) while CoF stood at 7.28% (vs. 7.78% YoY)
- Spreads for 9MFY26 saw an improvement of 10bps YoY at 2.05%

Asset quality

- The company started the rewriting process in Oct'25 and set the rewriting rate at incremental lending rate plus 50bps effective from Dec'25.
- The management expects Q4 BT-out rate to be in the range of Rs22-25bn compared to Rs33bn in Q3.
- Segment-wise Stage 3 loans stand at Rs29.8bn for individual HL, Rs13.1bn for non-home loans and Rs77bn for project and other loans.
- The prepayment rate for 9MFY26 stood at 11.7% compared to 9.4% in FY25.

LTIMindtree (LTIM IN)

Rating: HOLD | CMP: Rs6,407 | TP: Rs6.000



- Management noted that top five client revenues continue to remain under pressure due to ongoing AI-led productivity initiatives at large accounts, rather than any loss of wallet share. Four of the five clients have largely completed their transition, with the remaining account expected to bottom out in Q4, easing the near-term growth headwinds.
- BFSI performance remained weak in Q3, with revenues declining 0.7% QoQ, primarily due to AI-led productivity initiatives at a large client, rather than demand softness or wallet-share loss. Management indicated that the drag is largely confined to one top account, which is expected to bottom out in Q4. Excluding this client, the broader BFSI portfolio continues to grow faster than the company average, supported by strong positioning as a prime vendor at multiple large global banks. Management expects BFSI growth momentum to normalize from Q4 and improve further into FY27.
- The CMT segment reported flat QoQ performance in Q3, reflecting a muted demand environment and ongoing client-side productivity initiatives, particularly within large technology accounts. Management indicated that revenue trends have stabilized, with productivity reset largely behind. Going forward, growth is expected to improve gradually, supported by deal ramp-ups, AI-led transformation programs.
- Management noted that deal renewals are becoming increasingly strategic & acting as inflection points for vendor consolidation and wallet-share gains rather than simple extensions. They further noted that this provides opportunities for expanding scope of work and expand its opportunity per client.

- Management aspires to deliver industry-leading growth, targeting a strong Q4 exit with revenue growth approaching double-digit YoY levels. While the demand environment remains cautious, growth is supported by cost optimization, vendor consolidation, and AI-led transformation, with momentum expected to carry into FY27.
- Management reiterated its focus on sustaining and gradually expanding EBIT margins through productivity initiatives under the Fit for Future / New Horizon programs, despite near-term headwinds.
- Segment margin performance was mixed in Q3. BFSI margins improved sequentially, driven by pyramid optimization, better rate realization, fresher deployment, and forex benefits under the Fit for Future program. In contrast, Hi-Tech (CMT) margins remained under pressure, reflecting earlier client-side productivity initiatives and revenue softness.
- Wage hikes are to be implemented in Q4, covering around 50% of the workforce and to be phased over multiple quarters, with an estimated margin headwind of ~100 bps per quarter, partly mitigated through operational levers and efficiency gains.

Lupin (LPC IN)

Rating: ACCUMULATE | CMP: Rs2,199 | TP: Rs2,400



- **India business:** Key therapies such as Cardiac and Respiratory outperformed. In-licensed share was reduced to 6%. Chronic portfolio at 67%. Launched 2 new divisions including one focused towards obesity. Targets 80 product launches by FY30. Subdued growth in Q3 given lower tender business. Sales force strength at 11,400.
- **Semaglutide & peptide portfolio:** Plans Day 1 launch in India. Mgmt estimates Rs 500mn revenue in FY27. Hired 200 MR's dedicated towards obesity division. Partnered with Gan & Lee Pharmaceuticals for Bofanglutide, a fortnightly GLP-1 agonist, to strengthen the diabetes and obesity portfolio in India.
- **US:** Net sales at \$349mn, up 10% QoQ. Driven by gTolvaptan (180-day exclusivity), Mirabegron, and gSpiriva. Base products like gAlbuterol market share stood at 16% whereas gSpiriva and gTolvaptan at 32%/35% respectively. gMirabegron remains protected under a settlement agreement until September 2027. It holds roughly 40% generic market share. Launched 3 products and received approval for 1 ANDA. Expect its first 505 (b) (2) launch in FY27. Mgmt remains confident to sustain \$1bn sales.
- **PBM:** LPC does not anticipate a significant pricing reset or margin disruption in generics from PBM-related reforms in the near term.
- **Biosimilars:** bPegfilgrastim has been approved and is scheduled for Q4FY26 launch in partnership with Valorum. Management expects this and two other near-term biosimilars to potentially generate around \$100 mn in cumulative revenue over the next 2 to 3 years. Pipeline includes ranibizumab (targeted FY27), injector bpegfilgrastim, bAflibercept (FY29), bEtanercept (FY29), and bMepolizumab.

- **EMs:** Brazil did well on account of ramp-up of Dapagliflozin. Mexico and the Philippines also performed strongly, while South Africa remained relatively weak.
- **R&D and pipeline:** Spent Rs 5.3bn (7.5% of sales) in Q3FY26. R&D spending to increase with focus on respiratory, complex injectables, 505(b)(2)s, and green-propellant-based products.
- **Other highlights:** The VISUfarma acquisition is expected to close in Q4FY26 and will add approximately €60 mn in revenue with an initial EBITDA margin of 21%, which expectations to improve to 25%. Overall FY26E EBITDA margin revised further upward to 27–28%; sustainable margins for FY27E at 24–25%. Capex stood at Rs 2.1bn for Q3. Net cash stands at Rs 29bn

Mahanagar Gas (MAHGL IN)

Rating: ACCUMULATE | CMP: Rs1,181 | TP: Rs1,305



- **Operational update:** MGL added 124,908 domestic household connections, taking the total to 3.07mn. In the CNG segment, 6 stations were added, increasing the total to 491. With onboarding of 32,315 vehicles, total CNG vehicle base stood at 1.25mn as of Dec'25. Industrial & commercial customers increased by 337; total base stood at 5,618 at Dec'25.
- **Volume trends:** CNG volume growth remained muted in Q3FY26, due to a reduction in BEST's CNG bus fleet in Mumbai, which are being replaced by EVs. From close to 300 CNG buses, only a few hundred remain, impacting >1 lakh kg per day of CNG. Gas allocation by area: GA1 and GA2 each receive ~2mmscmd (45–50%), GA3 and SBU together account for ~0.3mmscmd (7–8%), while UEPL gets 0.6–0.65mmscmd. The **management expects total volumes to grow by double-digits in Q4FY26.**
- **Network expansion:** Land constraints continue to limit CNG station additions in Mumbai (GA1), though multiple large-format CNG stations are planned across South Mumbai, Wadala, Goregaon (WEH), and Mulund (EEH), which should support higher throughput.
- **Price hikes:** MGL took a price hike of Rs0.5/kg in CNG, effective from 1st Feb'26.
- **CBG blending:** CBG blending is currently minimal, done at only 2–3 locations (<1%), averaging 14,000kg/day vs. total volume of 23 lakh kg/day. Excise benefits will accrue if done at a significant scale, which is likely over the next 5 years.
- **Gas procurement mix:** HH volume procurement was lower and replaced by HPHT and spot volumes. While HH prices rose QoQ, Brent-linked gas (APM, HPHT and NWG) benefited from lower Brent prices (delivering savings of ~USD0.20/mmbtu.), resulting in overall lower gas costs. Combined with the full-quarter benefit of the Sep price hike, this led to an improvement in EBITDA/scm by ~Rs0.3 QoQ. **Upcoming contracts:** Since Jan'25, MGL has been drawing ~12,500mmbtu of new Brent-linked gas, with an additional

~10,000mmbtu contracted from Apr'26. MGL is looking to hedge gas volumes to optimize its sourcing.

- **Gas allocation mix:** APM+NWG stood at ~45% vs. 46% QoQ (2.1mmscmd), driven by a slight increase in APM and a reduction in NWG. APM-only accounted for 39%, NWG 6%, while HPHT volumes stood at ~0.6mmscmd, selectively replacing HH-linked gas. Contracted Henry Hub volumes fell 4% QoQ to ~1.3mmscmd, with only limited spot/IGX procurement.
- **Zonal tariff impact:** Zonal tariff mix has shifted favorably, with Zone 1 share increasing to ~90% from ~70%, while Zone 2 exposure is at 10% vs. ~30% previously. MAHGL is now factoring gas sourcing costs inclusive of transportation costs.
- **HH price impact:** Impact of HH prices was partially felt in Feb'25 and Mar'25, with price hikes partly offsetting the increase. Overall industrial/commercial realizations improved QoQ, and the net impact for the quarter is expected to be marginal. The management plans to defer HH deliveries to later months, subject to maintaining the annual minimum of 60% gas offtake.
- **Capex:** Capex stood at Rs7.6bn in 9MFY26. The company has guided for FY26 capex of Rs11–12bn and FY27 capex of ~Rs12bn
- **CNG pipeline damage:** CNG pipeline damage in Mumbai led to a 1-day production shutdown, with restoration taking a few days, resulting in temporary outlet closures in Mumbai and GA2. This impacted industrial/commercial volumes, leading to a QoQ decline, while CNG volumes were affected by ~1%.

Mahindra & Mahindra (MM IN)

Rating: ACCUMULATE | CMP: Rs3,593 | TP: Rs4,050

Auto division

- The debottlenecking in CY26 at Chakan and Nashik plants should bring additional monthly 5k-6k ICE units (mainly for 3XO, Bolero, Scorpio N and Thar), and XEV 9S should bring additional ~3k EV units by Jul-Aug'26. CY27 will see the NU_IQ platform at Chakan adding 7k-8k ICE units. The greenfield plant in Nagpur in CY28 should bring further 10k-12k ICE units monthly which should ramp up to ~500k units annually over a period.
- CY26 launch pipeline includes 2 new mid-cycle enhancements of ICE SUVs and 2 new LCVs (1 each of ICE and EV). 1 new BEV, which would be a significant volume driver, is expected to be launched in CY27.
- For cars, the GST benefits are visible in model/ variant upgrades, but do not necessarily to industry volume additions.
- A 1% price increase was taken in Jan'26; MM has further pricing power, which would be used cautiously to avoid knee-jerk reactions.
- PLI has been approved for all variants of XEV 9E, while approval for packs 1 & 2 of XEV 9S and for all variants of BE 6 is expected by Q1FY27.



- PLI benefit accrued is 13% of revenue from the approved products but might not accrue in Q1FY27 as it depends on suppliers qualifying for the same.
- 70% of current 7XO demand is for the top 2 variants, higher than MM's expectations, adding complexity to the waiting period.
- Expanding EVs into global market would be done in a calibrated way starting with testing the products in RHD markets, and once confident of their success, only then would be expanded to LHD markets.

Farm

- Swaraj tractors faced stock-outs in Q3 due to engine unavailability, leading to market share losses, which recovered in Jan'26.
- Tractor capacity utilization is very high as MM and the industry weren't prepared for demand growth on the scale as seen this FYTD. Ramp-up of Swaraj plant 3 is planned with addition of ~100k units at the Nagpur greenfield facility for the Mahindra branded tractors.
- Maharashtra will see flat growth next FY, as this year saw state subsidies, but MM is confident of growth in other states, which will offset muted growth.
- The climate impact from El Nino might not be as severe as estimated since it is expected to occur after the initial monsoon showers next FY, when the reservoir levels would be adequate and kharif sowing would be already complete.

Other key highlights

- GST 2.0 rationalization helped increase overall consumption in the economy, fundamentally improving the cost of ownership and viability for CVs and tractors. Hence, these are expected to see sustained demand going ahead as the replacement cycle has kicked in, especially for LCVs.
- Consol revenue was Rs521bn (+26% YoY), and PAT was Rs46.75bn (+54% YoY).
- Annualized RoE was up at 20.1%, but going ahead, it should be ~18% (as previously guided).
- MM is partially hedged against precious metals' price increase, but can't cover all commodities (e.g., steel); hence, the management will remain watchful of future volatility. Iron related products aren't expected to see sustained inflation.
- Imports are getting impacted by INR depreciation, but the EU and the US FTAs, which are under progress, along with aggressive localization plans should eventually offset this.



Mahindra & Mahindra Financial Services (MMFS IN)

Rating: ACCUMULATE | CMP: Rs371 | TP: Rs395

Growth

- Disbursement in new vehicle segment was impacted by lower ticket sizes due to GST cuts, though volumes have grown
- Management is evaluating a potential merger of its housing finance subsidiary (MRHFL) to grow the mortgage business in a cost-efficient manner
- Overall disbursements grew by 7% YoY to Rs176.1bn in Q3FY26, driven by strong growth in the Tractor (65% YoY) while CV & CE and 3-Wheeler segments saw a decline of 11% and 23% YoY respectively
- Management aims for loan book growth in the mid to high-teens driven by a diversified book- Wheels, Mortgage and SME segments to reduce volatility and industry-specific competition with wheels business share of 70% by FY30
- Company is cautious in the CV business due to structural changes, borrower segment aggregation and asset quality stress
- The company is shifting its focus in the three-wheeler business towards EV models while being more conservative with combustion engine vehicles

Operating Profitability

- Company reported a one-time impact of new labor code amounting Rs1.2bn
- Management aims for a RoA of 2% and then sequentially move to 2.5% range; RoE to reach 15%
- Management guided Opex to average assets between 2.5%-2.8% with current investments in new businesses
- Fee income through insurance and dividend from MIBL are expected to be sustainable to current level of 1.5% of average assets
- Management noted a declining interest environment and intensified competition led to a 20bps decline in loan income for 9MFY26

Asset quality

- Company targets credit costs to be in the range of 1.5% to 1.7%
- Updated ECL model offers product-level granularity with LGDs/PDs better aligned and a longer stable LGD horizon; reduction in PCR is retained as management overlay amounting Rs6.4bn
- The company reported write-offs of Rs1.5bn leading to a ~10bps reduction in GS3 assets
- GS2 + GS3 ratio saw a sequential improvement to 9.2% in Q3FY26, well within the guidance of <10%



- Collection efficiency was largely stable at 95% in Q3FY26

Mahindra Logistics (MAHLOG IN)

Rating: BUY | CMP: Rs340 | TP: Rs407

- B2B express segment reported 19% YoY growth in tonnage for the quarter.
- Warehousing revenue stood at Rs3,450mn in 3QFY26, up from Rs3,000mn in 3QFY25.
- Consolidated gross debt stood at ~Rs640mn as of 3QFY26.
- Revenue contribution of Auto/Mahindra Group stood at 62%/58% respectively in 3QFY26.
- ~95% reduction in whitespace is aimed by Sep-26E.
- In the B2B express business, accrual of captive volumes from Mahindra Group are minimal.
- The JV with Seino is expected to start generating revenue from next year.
- Revenue growth in freight forwarding business was driven by volumes, with no one-offs during the quarter.
- Pricing pressure continues to remain an area of concern within the last-mile delivery business.



Mangalore Refinery & Petrochemicals (MRPL IN)

Rating: ACCUMULATE | CMP: Rs151 | TP: Rs162

- Fuel & loss stood at 10.06% this quarter. Expected to structurally improve from the current (~10%) towards 9.5–10% due to the upcoming grid power project in FY27.
- Q2FY26 cracks improved vs Q1FY26, with HSD ~USD15.0/bbl, ATF ~USD13.0/bbl, and MS marginally higher. Q3FY26 cracks spiked, with HSD ~USD21.0/bbl, ATF broadly similar, and MS ~USD13.0/bbl. Cracks have since moderated to ~USD14–15/bbl, now tracking Q2FY26 levels, where management remains comfortable. Product slate in Q3FY26 comprised of **~50% HSD+ATF, ~15% MS, and ~35% other products, including ~10% fuel & loss.**
- Debt/Equity ratio stood at 0.63x. with plans to reduce debt and improve the ratio further if market remains good.
- **Freight rates** spiked earlier in Q2FY26 and early Q3FY26 but has normalized from peak, though still above long-term averages.
- Exports at 40% of total products this quarter, may change QoQ.
- Retail outlet volume sales stood at 120KL per month per outlet.

- 1st Indian refinery to set up a Bio-ATF plant with a capex of Rs3.6-3.7bn and will supply blended ATF globally from 2027, starting with 1% blending.
- Retail outlets increased to 200 outlets, with plans increase to 250 by FY26 end.
- **Russian crude sourcing – No** Russian crude sourcing as of now. Stronger product cracks more than offset any loss from Russian barrels.
- RLNG consumption is low currently with sourcing being from BPCL at very competitive price and are exploring alternative gas sources, including CGDs and the parent company (ONGC)
- **Current Crude Sourcing** - 40% crude sourced from the Middle East, primarily Saudi Aramco. Co has 1-to-1 sourcing arrangements / MOUs with suppliers such as TOTSAs (TotalEnergies Trading SA) and ADNOC (Abu Dhabi National Oil Company). Actively looking at Venezuelan crude depending upon commercial terms and freight rates from that area.
- For 9MFY26, heavy crude intake has been ~70-72%, heavier crudes are used only if priced attractively.
- **Capex for FY26 – Rs15bn – Rs4-5bn** towards growth projects (retail outlets, grid power project), while remaining for maintenance. 9MFY26 capex stood at Rs8.9bn. Capex in FY27 to be same range.
- **IBB – Pilot projects, few years away from commercialization.**
- **Retail Strategy & Expansion –** MRPL sees retail segment as a key growth driver, **offering higher margins** than refinery transfers as export sales remain volatile, while retail provides stability. **Expansion plans include - 3 years: ~500 outlets (modest, realistic target), 5 years: ~1,000 outlets** Depots & pipelines aligned with retail expansion.
- **Capex for upcoming strategy** - Depots: Rs0.5-1bn annually (depending on capacity). Pipelines: ~Rs2bn. Major depots: **Mumbai & Vizag to cover Southern India, supported by smaller regional depots..** Current revenue contribution from retail stood at 1.5-2.0%, with plans to increase in future as company pivots to **full-fledged refinery and marketing business. Retail outlet concentration will be a mix of urban and rural. Current average cost: ~Rs1.5-2cr per outlet, though future costs will depend on market conditions.**



Marico (MRCO IN)

Rating: ACCUMULATE | CMP: Rs746 | TP: Rs801

- Demand remains strong with gradual pickup to continue in near term led by favorable macro environment
- E-commerce continues to lead the growth while traditional trade saw improved traction in Q3.
- 95% of the portfolio sustained market share.
- GM saw sequential improvement led by easing of copra prices (down 30% from peak)
- Company recognized the one-off impact of new labor code to the tune of Rs60mn.
- Parachute rigids saw 2% volume growth (adjusting volume reductions) with 50% revenue growth.
- VAHO saw 29% value growth with 170bps gain in value market share, MRCO expects the momentum in VAHO to continue in coming quarters.
- Saffola saw muted quarter amidst elevated pricing scenarios.
- International business sustained its robust growth trajectory with 21% CC growth led by double digit growth across all markets
- Current ARR for 4700BC stands at Rs1400mn with expected to reach Rs4200mn by FY29.



Maruti Suzuki (MSIL IN)

Rating: HOLD | CMP: Rs14,580 | TP: Rs15,750

- MSIL's Q3 wholesales were driven by small cars growing 22% YoY (vs. PV industry growth of 20.5%), up from a 5.8% decline in H1FY26 (vs. industry decline of 0.4%). It recorded its highest ever retail sales of 683k+ units.
- Exports volume are expected to achieve the 400k unit mark in FY26.
- Network inventory at Q3-end was very low at 3-4 days, though the orderbook was healthy with ~175k vehicles. Robust demand is being met with additional working days.
- Suzuki Motor Gujarat's amalgamation with MSIL (appointed date of 1st Apr'25) resulted in positive adjustment to EBITDA due to regrouping of depreciation, with almost no adjustment at the EBIT level.
- Unlike peers, the management considers price hikes after GST reduction to be unethical, despite facing commodity pressure.
- MSIL plans to introduce multiple EVs in the coming years and set up 1,00,000 charging points across India by FY30.



- There was no reduction in ASP in Q3, although the blended ASP might include other items like parts.

Max Financial Services (MAXF IN)

Rating: BUY | CMP: Rs1,734 | TP: Rs2,050

- Axis Max Life's private market share increased to 9.8% in 9MFY26, up 53bps YoY from 9.3% in 9MFY25.
- Company has received in-principle board approval for the amalgamation of AMLI and Max FS, with completion expected in 12-14 months.
- The company has received approval to add an office in GIFT City to deepen its geographical presence.
- The company's counter share remains >25% across all banca partners, while Axis Bank delivers steady growth (7-9%) with positive outlook and new bank tie-ups also adding value (#1 position among 3 banks).
- New partnerships contribute 5% of Individual APE during 9MFY26
- The company onboarded 51 new partners during 9MFY26 with 24 group partners and 27 retail partners.
- Non-Axis Bank partners contribute more toward traditional segments rather than ULIP.
- The management is confident of sustaining the growth trajectory and targets 300-500bps faster growth than the market with current product mix expected to continue in the coming quarters.
- Opex ratio was higher at 15.8% in 9MFY26 due to GST disallowance of Rs2.95bn and impact from the new labor codes of Rs600mn.
- On segment-wise margin performance, PAR was stable YoY, while protection and credit life saw improvement. Increase in sum assured improved margins for ULIPs with NPAR savings seeing some pressure due to the surrender regulation impact.
- The management has guided for VNB margin of 24-25% for FY26.
- The company has largely concluded negotiations with distributors, and further mitigation of GST impact on VNB margin is expected through product structure changes.
- The management suggests protection segment to be the key marketing focus for Q4FY26.
- Annuity growth is strong and non-lumpy in nature led by robust retail performance due to customer focus on guaranteed savings.
- The company has maintained its leadership position in overall e-commerce with rank #1 in online protection & online savings.



Company continues leadership position at 13M persistency based on NOP and Rank 2 in both 25M & 37M persistency

Max Healthcare Institute (MAXHEALT IN)

Rating: BUY | CMP: Rs1,040 | TP: Rs1,300

- **Bed Expansion plan:** - 63 beds were commissioned at Nanavati Max (280 bed capacity) and 53 beds at Max Mohali (160 bed capacity) in Q3, with balance beds at both locations expected to be commissioned by Q4FY26; these additions are already EBITDA margin accretive. At Dwarka, strong ramp-up led the Board to approve an additional 260 beds, taking total capacity to ~560 beds.
- **Capex:** Q3FY26 capex stood at Rs 4.1bn, primarily towards ongoing capacity expansion, brownfield additions, and facility upgrades. 9MFY26 total capex deployment was at Rs 13bn for expansion projects.
- **Project updates:**
 - **Max Smart (400 beds):** Construction completed; occupancy certificate awaited, with approvals expected by February end. The unit is expected to be EBITDA accretive post-commissioning.
 - **Pune (450 beds):** New greenfield project planned, with completion targeted by 2030.
 - **Patparganj, Delhi (397 beds):** All approvals received; project expected to be completed by FY29
 - **Nagpur (100 beds):** Consent to establish received; civil work commenced, with completion targeted within 24 months.
 - **Vaishali (140 beds, brownfield):** Awaiting environmental clearance; project to be completed within 24 months post approvals.
 - **New Gurgaon (500 beds, Phase-1):** Commissioning expected toward end-H1FY27, post resolution of earlier land-related delays
 - **Lucknow (Phase 2 with 550 beds):** Current capacity of 413 beds, guided to increase to 550 by FY26-end.
- **New Units:**
 - **Noida:** Reported ~30–35% YoY revenue growth, implying ~40% underlying growth, supported by sharp improvement in occupancy and operating leverage.
 - **Dwarka:** Operating at ~70% occupancy with ~20% EBITDA margins despite ~50% institutional patient mix.
 - **Lucknow:** Onco-radiation bunker and nuclear medicine services have commenced in Q3.

- **CGHS Benefit and GST Impact** - CGHS rate revisions are expected to drive a gross revenue benefit of ~Rs 2bn, with a large part of the profit flowing in from FY27. After accounting for GST rate cuts and discontinuation of select low-margin patented oncology drugs, the net EBITDA impact is estimated at ~Rs 1.4bn.
- **International Business** - International patient revenue grew 14% YoY to Rs 230cr, contributing ~9% of hospital revenues, supported by strong inbound medical tourism and specialty care offerings.
- **Insurance empanelment** - Insurance disruption during the quarter was limited to 4-5 insurers contributing ~24–25% of insurance revenues; pricing issues have been resolved with automatic annual renewal mechanisms now in place. For greenfield hospitals, insurance empanelment and NABH accreditation typically require 6–9 months, while brownfield expansions do not require renegotiation.
- **Overall Guidance** – Mgmt highlighted multiple levers to unlock growth from existing capacity, normalization of payer mix, CGHS benefit flow-through, and commissioning of new beds.

Global Health (MEDANTA IN)

Rating: BUY | CMP: Rs1,108 | TP: Rs1,375



- **Bed expansion plan and upcoming new units update-** Management highlighted potential ~496 incremental beds can be added via brownfield expansions across **Lucknow (193)**, **Patna (81)** and **Noida (222)** with minimal incremental capex. **Guwahati** has completed barricading with drawings submitted for approvals; **Mumbai** has completed land acquisition, received incremental FSI approvals and submitted drawings for sanction; **South Delhi** has commenced construction following completion of site surveys and soil testing; and the **Pitampura** project is currently in the regulatory approval stage.
- **Bed additions in 9MFY26:** MEDANTA has added 144 beds in Q3FY26, taking cumulative additions to 537 beds in 9MFY26. Patna added 42 beds in Q3 FY26 (99 beds in 9MFY26), while Noida added 102 beds in Q3FY26, taking its total bed capacity to 328 beds as of Q3FY26.
- **Capex** – The company incurred Rs 6.25bn of capex in 9MFY26; FY27 capex is guided at <Rs 5bn, with limited near-term spending as most of new projects remain in early excavation/construction stages, implying capex is largely back-ended over the next 2–3 years.
- **Matured units** – Mature hospitals (Gurugram, Indore, Ranchi) reported 9% YoY revenue growth and 3.4% YoY EBITDA (ex other income) growth, with margins at ~21.4% in Q3 FY26. Mgmt cited muted margins was attributed to higher employee costs, higher overheads related to new project addition and repairs & maintenance expenses, with management indicating no structural margin concern. **ALOS** for matured units declined to ~2.9–3.0 days, driven by a higher share of oncology and daycare procedures along with lower dengue cases in Q3.

- **Developing units** – Ex of Noida delivered 22% YoY revenue growth and 13% YoY EBITDA growth, with ~31.7% EBITDA margins in Q3FY26. Over 9MFY26, Lucknow and Patna continued to post double-digit revenue and EBITDA growth, with Lucknow margins expanding by over 150bps YoY, while Patna margins remained stable for 9M.
- **Noida unit** reported revs of Rs 343mn with EBITDA loss of Rs320mn in Q3 and for 9MFY26, reported revenues and EBITDA loss at Rs 382mn and Rs 547mn; respectively.
- **CGHS Benefit** – Mgmt highlighted CGHS rate revisions, implemented around Oct'25, have started reflecting in financials, contributing ~Rs 70–100mn incremental revenue over 9MFY26. The full benefit is yet to be realized.
- **Guidance** – Mgmt reiterated long-term ARPOB growth guidance of ~5–7% annually. For Noida, management indicated that peak EBITDA losses are likely behind, with improving revenue run-rates since December and steady onboarding of insurance panels. EBITDA breakeven for large hospitals is typically achieved at ~40–50% occupancy over the medium term, though mgmt emphasized volume-led growth over occupancy targets.

Metro Brands (METROBRA IN)

Rating: HOLD | CMP: Rs1,070 | TP: Rs1,181



- Q3 saw strong demand led by festive and wedding season and reduction in GST rate for footwear <Rs2500.
- January month has almost zero wedding days thus December sales remained impacted.
- MBL does not use average store count for calculation of sales/sqft which impacts ratio.
- Ecommerce sales grew by 24% and now contributes 12% to overall revenue vs 11% in Q3FY25.
- MBL launched MetroActiv (3 stores), which will sell global brands such as Nike, Adidas, sketchers, Basics etc.
- Company has introduced Clark's Cloudstepper ladies' range in ~ 200 MBOs and have observed good customer response.
- Clarks will get complete product range supply by Q2FY27, MBL expects to open Clarks EBO by Q3FY27 post stabilization of supply chain
- Global brands have begun receiving BIS approvals for overseas manufacturing units but expect supply chain stabilization to be delayed from Q4 FY26 to Q2 FY27.
- Company plans to launch 2-3 new FILA EBO's in current quarter.
- Once FILA stabilizes then GM are expected to be in line with company average



Mold-tek Packaging (MTEP IN)

Rating: ACCUMULATE | CMP: Rs546 | TP: Rs697

- Q3 demand remained impacted due to shorter festive season and extended rainfall.
- Demand remained strong in January, delivering double-digit volume growth, while February continues to see a healthy order book.
- ABG volume grew by 21% in Q3, while APNT is picking up good led by increasing RCP adoption.
- Pharma revenue is likely to cross Rs320mn in FY26, while it is expected to reach Rs~500mn by FY27 led by entry into Eye- droppers, Nasal spray and 28 CRC closures.
- FY26 volume guidance trimmed to ~41–42k, FY26 revenue exit guided at ~Rs8.7bn.
- FY27 outlook constructive: management targets Rs10bn revenue with 12–15% volume growth.
- Volumes in lubes declined due to exit from low-margin PSU tenders (BPCL) and non-participation in low-grade DEF products.
- Capex for FY26 to come at Rs1200mn, while for FY27 it is expected to be at Rs800–850mn with 200–250mn to be utilized for Pharma
- Capacity utilization from last two quarters remained at 62.5%, however it is improving and likely to go above 70% in near to medium term.
- Panipat plant ramp-up progressing well with 8–10 active clients, expected to double over the next season.
- 25+ pharma clients have approved facilities, with more yet to scale commercial volumes.
- MOU with Swiggy for restaurant and food pack will improve reach across food delivery ecosystem.

Mphasis (MPHL IN)

Rating: BUY | CMP: Rs2,800 | TP: Rs3,480

- Management indicated that the demand environment is stable to improving, with client tech budgets expected to be stable to slightly higher, driven by reprioritization toward AI stack build-out and modernization. While traditional discretionary spend remains muted, new spend is emerging around AI-led efficiency, agentic platforms, and transformation programs. Mphasis highlighted that it is well positioned to benefit from this structural shift in client spending priorities.
- In BFSI segment, management highlighted that demand remains strong and continues to accelerate, supported by healthy bank earnings, regulatory programs, and elevated M&A/IPO activity. Banks are increasingly investing in



enterprise-wide AI fabric, modernization, and large-scale transformation programs, driving wallet share gains and new account wins for MPHL.

- In Insurance segment, demand environment is very strong, with insurance emerging as one of the fastest-growing segments. Life and annuities are seeing sustained tech spend driven by distribution and wealth platform integration, while P&C insurance remains focused on efficiency and cost optimization, supporting AI-led operations and modernization demand.
- Management highlighted that the logistics segment has remained weak over the last several quarters due to headwinds at a large client. However, management indicated that the segment has largely bottomed out and is expected to stabilize at current levels.
- Management highlighted a strengthening correlation between deal wins and revenue growth, with large transformation deals ramping more gradually but providing improving visibility over time. While deal wins have accelerated sharply, revenue conversion lags due to the multi-quarter ramp-up profile of large, long-tenure deals; however, as prior large wins scale, management expects a clearer acceleration in revenue growth.
- Management indicated that Q4 is likely to be the strongest sequential growth quarter of FY26, supported by ramp-up of recent large deal wins, partial reversal of furlough headwinds, and improving conversion of pipeline into revenue, reinforcing confidence in accelerating near-term growth.
- Management indicated that the increasing use of AI agents in deal delivery is creating operating leverage through reduced human effort, faster execution, and improved accuracy, which should support margin expansion over time. However, near-term productivity gains are largely being reinvested into platform build-out and growth initiatives, limiting immediate margin upside.
- Management highlighted that the deal pipeline is at record levels, up 66% YoY, with ~69% of the pipeline now AI-led, reflecting strong differentiation from the NeoIP platform. The large-deal pipeline has nearly doubled YoY, providing improved visibility into sustained deal wins and supporting management's confidence in continued above-industry revenue growth as pipeline converts over coming quarters.
- DSO increased to 91 days in Q3 (up 2 days QoQ), primarily due to higher unbilled receivables linked to milestone-based contracts and large transformation deals. Management emphasized that this is a planned and controlled outcome of deal structures and expects DSO to trend down progressively over CY26 as milestones are achieved and large deals move into steady-state billing.



Narayana Hrudayalaya (NARH IN)

Rating: BUY | CMP: Rs1,829 | TP: Rs2,150

- **Bed expansion plan** – Management reiterated a cluster-led expansion strategy, with core focus on Bangalore and Kolkata, while selectively scaling up in Raipur. Expansion will be calibrated, avoiding earlier strategy of aggressive pan-India bed addition; emphasis remains on consolidating core markets. Plan includes adding four Da Vinci robotic systems and strengthening oncology capabilities across hospitals. Management highlighted that incremental beds may be temporarily margin dilutive but guided to normalize over time as occupancies ramp up. Overall, NARH has a total 1,535 bed expansion plan in Kolkata, Bengaluru and Raipur in the next 2-3 years; largely greenfield in nature.
- **Capex and its guidance:** Management reiterated the Rs30bn India capex plan over three years through internal accruals, bulk allocation toward Bangalore and Kolkata clusters. UK capex is largely completed; only minor equipment additions pending at Birmingham. Cayman operations remain stable; no major capex planned. No plans to raise equity; capital allocation priority remains India and integration of UK asset. Consolidated net debt to EBITDA to be maintained below 2.5x.
- **Cayman** – Management sees further scope for market share gains and throughput optimization, with limited incremental capex requirements. Technology and process enhancements are being implemented to scale services efficiently and strengthen patient access.
- **Integrated Care (Cayman CIHL)** – The insurance arm is witnessing healthy growth in gross written premiums, aided by increasing corporate/SME penetration. Management is prioritizing underwriting discipline and close monitoring of claims ratios to ensure sustainable profitability.
- **Flagship Units (Bangalore & Kolkata):** Bangalore cluster witnessing strong performance driven by higher realizations and mix shift toward high-end specialties (robotics, cardiac). Kolkata cluster expected to structurally operate at discount to Bangalore due to payer mix differences.
- **Integrated care business (NHIC & NHIL):** Management indicated that the insurance operations are being gradually scaled beyond Bangalore into Kolkata and Raipur. The broader strategy is to deliver an integrated, end-to-end healthcare ecosystem encompassing hospitals, clinics, pharmacy and insurance. The company plans to expand the insurance business in a phased manner across markets where it has a strong on-ground hospital presence, thereby leveraging its existing clinical infrastructure and patient base.
- **CGHS rate change impact:** Mgmt reiterates higher exposure to government schemes as compared to peers. CGHS-linked tariffs account for ~60% of applicable contracts; the latest revision is expected to deliver ~30% package price uplift where applicable. Expect Rs400-500mn positive impact on revenues. Guided lower benefit from Delhi cluster due to lower exposure to CGHS in Delhi cluster limiting impact of rate revisions.



- Practice Plus (UK Clinics) Acquisition:** Acquisition funded via GBP150mn debt + GBP45mn equity; total consideration of GBP 183mn net of cash. Debt repayment structured as 2+5-year schedule. Mgmt guided Interest cost as per SONIA (Sterling Overnight Index Average) /SOFR (Secured Overnight Financing Rate) + ~200bps. Consolidated depreciation for UK stood at ~Rs 400mn for 2 months; run-rate to be considered going forward. Birmingham hospital is fully operational; losses expected to narrow over ~4 quarters.

National Aluminium Co. (NACL IN)

Rating: HOLD | CMP: Rs385 | TP: Rs356

- Critical minerals' extraction from red mud at pilot stage:** NACL has initiated multiple pilot-scale projects to extract critical minerals from alumina red mud. NACL has signed an MoU with NML, Jamshedpur, focused on rare-earth extraction, with pilot facilities expected to take 1-2 years to set up. Another MoU with a Chennai-based partner involves testing red mud samples using a reactor installed at the mines. An MoU has also been signed for gallium extraction from Bayer liquid, with a pilot plant under development. All 3 initiatives remain at the pilot stage, with commercial-scale visibility expected over the next 1-2 years.
- Alumina shipment mix in Q3:** NACL executed 4 alumina shipments per month in Q3, with 30k tons per shipment; of these, 3 were spot-linked and one was LME-linked. Spot to contracted quantities stood at 75:25.
- New alumina refinery ramp-up:** The new 1mtpa alumina refinery is expected to produce ~0.3mt in FY27, with commissioning starting in Jun'26 and stabilization taking 3-4 months. Potential buyers from the Middle East have shown interest, and NACL plans to float tenders over the coming months.
- Sales outlook maintained despite Jan disruption:** Jan'26 alumina volumes were impacted by Middle East tensions affecting exports. NACL expects to recover lost volumes in Feb-Mar and remains on track to achieve its annual sales target of 1.25-1.3mt for FY26.
- Weak alumina realization to continue:** In 9MFY26, alumina realization stood at USD380/t; in Q3FY26, it declined to USD352/t, and Q4FY26 is expected to be lower at ~USD320/t.
- Alumina margin pressure partly offset by caustic soda efficiency gains:** Fall in alumina realizations was partly offset by improved operational efficiency, with caustic soda specific consumption reduced to 99kg from 121kg last year, despite prices rising to Rs45/kg from Rs39/kg. The efficiency gains translated into cost savings of Rs1.29bn.
- Employee costs to remain benign:** Employee costs declined by Rs1.18bn in 9MFY26 due to superannuation-related savings and accounting adjustments. ~300 employees superannuated last year, with lower replacement hiring, and a Rs0.5bn PRP provision was reversed during the quarter. With the next wage revision effective from 1st Jan'27, no wage hike provision is required in FY26, and the impact in FY27 would be limited to Q4.

The management expects employee costs to remain stable or marginally lower next year, aided by 200-250 expected superannuations of higher wage employees and lower-level inductions, translating into savings of Rs0.7-0.8bn.

- **Captive coal cost advantage:** Captive coal from own mines costs Rs200-250/t, cheaper than external sourcing. With production ramping up to 4mt in the current fiscal, this has led to power and fuel cost savings of Rs0.4bn in 9MFY26.
- **Power and fuel cost outlook:** Power and fuel costs are expected to decline in Q4 compared to Q3, as captive power issues faced during the quarter have been resolved, reducing external grid power purchases.
- **Q4 cost pressures:** Landed cost of CP coke averaged Rs42,000/t in 9MFY26 and is expected to increase to ~Rs55,000/t in Q4 and caustic soda prices increasing by ~Rs2,000/t. CoP is expected to rise slightly, though efficiency improvements are likely to mitigate the overall impact.
- **Aluminum pricing policy:** Aluminum pricing is linked to LME with premiums added, and price adjustments are made every 3 days if LME prices breach predefined thresholds.
- **Capex guidance:** FY26 capex is guided at Rs17bn, comprising Rs6-7bn of maintenance and Rs10bn of growth capex. FY27 capex is estimated at Rs18-20bn, including Rs5-6bn for the new refinery, where cumulative spend has reached Rs50bn.
- **Capacity utilization and scrap availability:** Rated aluminum smelting capacity stands at 460ktpa, with efforts underway to reach ~472kt in FY26. Additional casting capacity of 0.05-0.1mt is available beyond hot metal production, which could support incremental output if good-quality scrap is sourced; however, scrap availability remains a constraint.
- **Smelting expansion roadmap:** Upcoming smelting capacity additions in Thailand and Indonesia could ease alumina oversupply issues and help stabilize alumina prices. NAACL has initiated the DPR process and expects to finalize it by mid-FY26, with plans to add 0.5mtpa of smelting capacity over the next 3 years, targeting commissioning around early 2031.

Navin Fluorine International (NFIL IN)

Rating: ACCUMULATE | CMP: Rs6,598 | TP: Rs7,038

- AHF with Rs4.5bn capex has commenced operations recently, with commercial supplies underway.
- Growth was driven by higher realization and volumes.
- 15,000mtpa of R32 equivalent is likely to be commissioned by Q3FY27.
- Export realizations for R32 are better than domestic realizations. **Specialty Chemicals:**
- Strong order pipeline provides visibility for Q4 and beyond.





- Chemours project is likely to be completed in Q1FY27, with full utilization expected in a year.
- Debottlenecking of MPP capacity at Dahej is on track to be commissioned in Q3FY27; peak revenue expected is Rs1.4-1.6bn.
- Utilization: MPP1: 100%, MPP2 (dedicated plant): 70%-80%, Project Nectar: 50% for FY26.
- Global liquid cooling market stands at ~USD3bn. **CDMO:**
- cGMP-4 commenced operations, with commercial supplies to a European player. NFIL has given strong revenue outlook for the next 3 years and maintained the USD100mn CDMO target for FY27. **Guidance:**
- EBITDAM guidance stands at 30% (+2%/-2%).

Nazara Technologies (NAZARA IN)

Rating: HOLD | CMP: Rs279 | TP: Rs276

- Sequentially, depreciation remained broadly unchanged despite de-consolidation of NODWIN as there was an offsetting impact arising from offline and console gaming.
- Profitability turn-around at NODWIN was driven by deconsolidation of the loss-making entity (Freaks 4U) and strong performance from mature legacy IPs.
- Funky Monkey continues to expand rapidly with 1-2 new centres being added per month, with a target of having 100 centres in near future.
- NODWIN's share of profits from associate was fully offset by losses of ~Rs300mn from Moonshine (PokerBaazi). Most of the investment in Moonshine is already impaired and only ~Rs900-1,000mn is remaining on the books, limiting further downside.
- Minority interest outgo of ~Rs9mn in 3QFY26 was primarily attributable to the AdTech segment.
- Key growth drivers for FY27E include: i) Fusebox Games scaling beyond Love Island through new IP launches such as Bigg Boss, Big Brother, and The Traitors, ii) continued subscriber-led growth at Kiddopia, iii) expansion of offline gaming led by Funky Monkey, iv) 5-6 new title launches within Curve Games, and v) Animal Jam's launch on Roblox alongside the public release of hyper-casual game "Go Slinky Go" by 1QFY27E-end.
- Each new Funky Monkey center requires a typical investment of ~Rs10-20mn per store.
- NAZARA IN ended the quarter with net cash of ~Rs7bn, which management plans to deploy toward organic growth and disciplined strategic M&A, primarily in gaming studios.



Nippon Life India Asset Management (NAM IN)

Rating: BUY | CMP: Rs879 | TP: Rs1,000

- Yields for Q3FY26: Overall 37bps, Equity 53bps, Debt 25bps, ETF 20bps.
- Combined AUM of Gold/Silver ETF soared to Rs 1trn in Jan'26 from Rs 688bn in Dec'25. NAM's gold ETF was amongst the top 15 globally in terms of inflow in 2025. Increase in ETF yields from 17bps in Q2'26 to 20bps in Q3'26 was driven by gold/silver ETF. Yield on gold ETF stood at 60bps and silver ETF stood at 30bps. NAM's flow market share in gold/silver ETF stood at 30%.
- Management believes that higher liquidity helps with low tracking error for ETF's, leading to low impact cost and allowing AMC to charge higher.
- NAM's estimated market share in gold and silver ETFs is ~ 30%.
- ESOP expense for the quarter was Rs 110mn, of which Rs 60mn relates to the new ESOP scheme issued in Q3FY26. For FY27, ESOP costs are expected to increase to ~ Rs 260mn.
- Cost moderation in Q3FY26 wasn't driven by any one-offs; expenses were in-line with internal plans. Management stated that discretionary spending may vary, while the ~15% expense growth guidance remains unchanged.
- For new labor-code impact relating to gratuity, AMC has already accounted for the same and it expects no material impact unless new clarifications arise.
- SEBI changes (5 bps TER removal, brokerage rationalization, levy separation) are not expected to have any major impact on Nippon AMC.
- DWS, the asset-management arm of Deutsche Bank, has signed an MoU to acquire a 40% stake in Nippon AIF, the alternative asset focused subsidiary of NAM, through a fresh capital infusion, with NAM retaining the remaining stake.
- Management expects SIF to eventually evolve into a standalone vertical over the next 5–10 years. In terms of economics, the focus will be on high-yield, value-added offerings rather than low-yield AUM chasing ones, prioritizing profitability over scale.
- Nippon Small Cap Fund has halted lumpsum investments for two years due to high valuations and is relying solely on SIP inflows. While the fund remains net positive in sales, overall inflows are moderating as only SIPs are accepted and valuations and earnings are being closely monitored.
- Around 75% of AMC SIPs have ticket sizes below Rs10,000, showing that SIP inflows are highly granular and dominated by smaller retail contributions.
- Fundraising is ongoing for two listed-equity AIFs - the Private Credit Fund and the Direct VC Fund. The firm completed its largest fundraise so far with its maiden private credit vehicle, the Nippon India Credit Opportunity Fund (Nikko 1), which is now fully deployed. Based on the success of the first fund, the AIF has now launched the second series Nikko 2.



- The firm has two feeder funds in GIFT City - the Nippon India ETF Nifty 50 GIFT and the Nippon India Large Cap Fund GIFT. Together, these funds grew 35% QoQ reaching Rs 41mn in assets.

NCC (NJCC IN)

Rating: BUY | CMP: Rs156 | TP: Rs200

- The company reported a consolidated order book of Rs795.7bn as of Dec'25, with fresh inflows of Rs124.3bn in Q3 and Rs247.7bn YTD. The order book remains well diversified across buildings, transportation, T&D, mining and water, supporting execution-led recovery.
- NJCC reiterated that FY26 revenue guidance remains withdrawn. **The** company noted that projects previously stalled during the mobilization phase, have now secured key clearances and equipment. As payments resume gradually, the company expects a noticeable ramp-up in execution from Q4, leading to sequential revenue growth.
- Q3FY26 standalone EBITDA margin came in at 8.1%, with the company indicating potential upside toward the 9% range as execution momentum improves. Margin recovery is expected to be driven by higher absorption, billing of unbilled revenue and reduction in execution inefficiencies, rather than any structural change in project mix.
- Gross debt increased by Rs8.7bn QoQ to Rs29.8bn, driven by delayed receipts, capex and smart meter borrowings. The management expects gross debt to decline toward ~Rs24.0bn by FY26-end, supported by improving collections.
- Delayed payments under JJM were cited as the primary reason for execution slowdown and withdrawal of FY26 guidance. Of the earlier ~Rs17.0bn receivables, Rs5.6bn has been received, reducing outstanding to ~Rs12.0bn, with further inflows expected.
- FY26 capex guidance stands at Rs10.5bn, largely toward mining equipment and smart meter projects. Investments in smart meter SPVs have reached Rs3.8bn, with limited balance pending, positioning the company for long-term annuity-style cash flows.
- Working capital remained elevated at 119 days, with unbilled revenue rising to Rs71.3bn (44% of quarterly revenue). The management expects conversion of unbilled revenue into billing and cash as certifications and payments resume, aiding cash flow recovery.
- Unbilled revenue rose to Rs71.3bn, largely due to delayed certifications under JJM, rather than execution issues. The management explicitly stated that receipt of payments will lead to conversion of unbilled revenue into billing and revenue from Q4.



NOCIL (NOCIL IN)

Rating: HOLD | CMP: Rs153 | TP: Rs159

- Volumes increased by 1.5% QoQ and 11% YoY in Q3FY26.
- Domestic volumes witnessed high single-digit growth driven by improved demand due to GST 2.0.
- Volumes in international markets were impacted due to the seasonal effect and US tariff issues.
- FY26 full-year volume is expected to grow by 3-4%.
- ADD: Outcomes expected in next 1.5-2 months (total 4 notifications against China, EU, US, Korea, Thailand).
- Domestic YoY volume growth was in double digits; same momentum is expected in Q4.
- FY27 volume growth is expected to be in double digits.
- Working capital management, freight cost negotiation and some other factors led to reduction in other expenses.
- Many products in the pipeline once launched are expected to lead to additional 10%-12% volume growth, mostly in FY28.
- Dahej capex: Capex for TDQ antioxidant portfolio on track, trail production to start in H1CY26.

Nuvoco Vistas Corporation (NUVOCO IN)

Rating: BUY | CMP: Rs350 | TP: Rs443



- Management indicated that cement price hikes were taken ~10-12th January across North and East markets, with prices holding so far; sustainability will be assessed over the next few days.
- Demand momentum remains strong post Makar Sankranti, and management does not expect prices to soften given the robust demand environment.
- Management expects industry demand growth of 7-8%, with NUVOCO aiming to outperform and deliver ~10% volume CAGR over the next two years, supported by headroom in the East for double-digit growth and a higher blended cement mix.
- NUVOCO reported its lowest blended kiln fuel cost in 17 quarters at Rs1.41/mcal, driven by higher usage of domestic open-market coal in Northern plants, increased domestic coal usage in the East, and lower pet coke consumption at 41% (vs. 48% YoY), and expects Q4FY26 fuel costs to remain broadly stable despite the recent uptick in pet coke prices; company-level blended power cost stood at ~Rs335/t in Q3FY26.
- Vadraj execution remains on track, with power & fuel costs expected to be similar to Nimbol and Chittorgarh plants once operations commence.

- Railway siding connectivity for Vadraj is progressing as planned, with land surveys and DPR completed and commissioning targeted by Jun'28, while jetty-based logistics will be available alongside clinker commissioning.
- Gujarat market ramp-up has begun, with ~1.2 lakh tonnes sold in December, and management targeting sales of 1mt in FY26, scaling up to 4mt by FY29.
- Logistics costs declined further in Q3FY26, aided by lower average lead distance of 326km (vs. 331km QoQ), GPS-based tracking of primary freight and higher rail usage, with the road-rail mix at 63:37, supported by commissioning of the Sonadih and Jajpur railway sidings.
- The Rs6bn CCDs carry a 0.1% coupon with call options at 5.5–6 years, and management intends to repay them through internal cash flows rather than allow conversion. Second tranche of CCD is finalised too.
- NUVOCO will be comfortable operating with net debt of Rs35-40bn and targeting net debt/EBITDA of ~2x. The current cost of borrowing is ~8%.
- North plants are expected to operate near peak utilisation post Q3FY26, making Vadraj volumes critical for incremental growth going ahead.
- Management guided FY26 capex at ~Rs6.5–7bn, FY27 at ~Rs10bn, and FY28 at ~Rs7bn.
- Vadraj capex phasing includes ~Rs2bn already spent, ~Rs2.5–3bn in the near term, ~Rs8bn in FY27, and ~Rs5bn in FY28.
- Total power capacity stands at ~195MW (150MW CPP + ~45MW WHRS), with plans to debottleneck WHRS by ~3-4MW; the company has signed an LOI for a 50MW hybrid (solar + wind) group captive plant at Nimbol, expected to be operational in 12–18 months.
- AFR usage was ~10% in Q3FY26 and is targeted to rise to 13-15% by Q1FY27 after plant ramp-ups.
- Company c/k ratio stood at 1.72 in 9MFY26, with East at ~1.95-2.0 (scope to reach 2.1) and North at ~1.3–1.35, driven by higher PPC and blended cement mix.
- The East has sufficient clinker capacity of ~9.5mt to support double-digit growth over the next 2-3 years without new clinker additions.
- Incremental EBITDA benefit from premiumisation is estimated at Rs150-200/t.
- Nimbol debottlenecking has already increased capacity from ~4.5mt to ~6.5mt, with no immediate new clinker capex planned.



Oil & Natural Gas Corporation (ONGC IN)

Rating: ACCUMULATE | CMP: Rs267 | TP: Rs297

- NWG contributed to 18% of total gas sales revenue in 9MFY26.
- The company declared its highest-ever dividend, with the 1st interim dividend of 120% and the 2nd interim dividend of 125%.
- In KG-DWN-98/2, all wells have been drilled, and infrastructure is nearing completion; incremental gas production is expected from Q1FY27, ramping up to 5-6mmscmd by Q4FY27 (peak 7-8mmscmd) from the current 2mmscmd under HPHT pricing. Peak oil production estimated at 35-40kbpd.
- Daman upside project is 94% complete, with production expected to commence from Mar'26 and peak gas output of 4-5mmscmd by Jul'26 on NWG pricing.
- OPaL at 92% utilization in 9MFY26, reported EBITDA of Rs3.5bn, with net debt at Rs230-240bn.
- Capex stood at Rs249bn for 9MFY26, with full-year guidance maintained at Rs320-330bn.
- FY27 standalone production guidance is 42.5mmtoe (21.0mmt oil and 21.5bcm gas).
- Mozambique LNG production is expected to commence from FY28 with no increase in capex guidance.
- In the MH-TSP block with BP, decline rates have been arrested with positive growth expected going forward; production from this field has not been included in the FY27 guidance.
- Cost reduction initiatives remain on track.
- DSF-II production is expected by Q4FY27.

Oil India (OINL IN)

Rating: ACCUMULATE | CMP: Rs479 | TP: Rs527



- **Pipeline project update:** DNPL expansion has achieved mechanical completion in Q3FY26 and is likely to be commissioned by Apr'26. **Paradip Numaligarh crude oil pipeline**, which will supply imported crude to NRL, has achieved ~90% physical progress and will be ready for commissioning by Q1FY27. **Numaligarh-Siliguri product pipeline** expansion has already achieved mechanical completion and is in the process of completing the commissioning process. DNPL has achieved mechanical completion in Nov'26, with commissioning expected by Apr'26. The common carrier licensing process with PNGRB is also expected to conclude by Apr'26 to enable hookup with the DNPL and IGGL line
- **Region-wise drilling activities:** OINL drilled 38 wells in Assam and Arunachal Pradesh and 10 wells in Rajasthan in 9MFY26. By FY26-end, it targets to drill

total ~65 wells in Assam and Arunachal Pradesh and 12-13 wells in Rajasthan. Exploration activity is ongoing in the Mahanadi, Kerala-Konkan, and Andaman & Nicobar basins, and DSF blocks in Tripura, with total wells (exploration + development) expected to reach ~75 by year-end.

- Higher contract costs: OINL has ramped up drilling and workover activities by deploying additional rigs, leading to structurally higher contract costs. Well depths have increased from ~4,000m to ~5,000–5,500m, making wells more technically complex and cost-intensive, alongside higher seismic spending. Management indicated Q3FY26 contract costs as the new run-rate benchmark going forward.
- Exploration activities: Total acreage stood at ~1 lakh sqkm, of which ~50,000 sqkm pertains to deepwater/ultra-deepwater. Currently, drilling activities include 3rd exploratory well in Andaman & Nicobar, with current depth at 3,000–3,500m and target depth at >4,000m. For the Kerala-Konkan basin, it plans to drill beyond 6,000m depth
- Capex outlook: Higher operational activity is translating into elevated capex; thus, capex is likely to surpass earlier guidance to support production growth. FY25–26 capex is guided at ~Rs88bn but is expected to increase. Higher drilling activity is expected to drive FY27 capex upward to ~Rs92bn.
- NRL capex: As of FY26, Capex outlay stands at ~Rs6,0bn and is expected to reach ~Rs80bn by FY26 end. The total Capex for the refinery and petrochemical project, including smaller projects, is estimated at ~Rs45,0bn. In FY28, major Capex will be for the polypropylene unit, expected to peak at ~Rs7,2bn.
- Production guidance & outlook - OINL expects to achieve 4mmtpa oil and 5bcm gas in medium term, FY26 production is expected to surpass FY25 levels, Crude is guided at ~3.8mmt in FY27 and ~4.0mmt in FY28, while gas is expected to ramp from ~8mmscmd to ~13mmscmd provided the feeder lines and DNPL provide evacuation opportunity
- BPCL strategic investment: Andhra refinery project - DFR is currently under preparation. OINL currently has ~10% equity stake, with flexibility to increase post DFR clarity. The investment is purely for strategic diversification. OINL's core focus remains on E&P



PCBL Chemical (PCBL IN)

Rating: HOLD | CMP: Rs300 | TP: Rs302

- CB domestic demand remains healthy.
- CB industry utilization is currently at 75%, lower than usual 80% utilization.
- US tariff reduction will benefit the carbon black as well as Aquapharm business.
- EU trade deals will also be beneficial for PCBL.
- 60,000mtpa brownfield CB capacity has been commissioned in Jan'26.
- 20,000mtpa specialty CB to commission in Mar'26.
- Trial runs for 1,000mtpa of super-conductive carbon black grades at the Palej, Gujarat, have commenced.
- The upcoming 30,000mtpa carbon black line is expected to be commissioned in the next few months.
- EBITDA/t for the quarter was Rs13,855/t.
- The company has applied for environmental clearance for its greenfield carbon black plant in AP.
- Geopolitical tensions led to weak performance for Aquapharm.
- Oil and gas segments faced headwinds due to lower crude oil prices.
- PBTC samples have been sent to all water treatment companies for approval.
- Acetylene black with capacity of 4000mtpa is likely to be operational by FY27 end.
- The company plans a capex of Rs5.5bn in FY26 and Rs3–4bn in FY27.
- Nanovace 80t pilot is expected to come online by Mar'26.
- Commercial plants with capacity of 2000mtpa are expected to come online by FY28 end.
- Total capex for Nanovace pilot plant will be USD4-5mn; capex for the commercial plant will be USD25-30mn.
- At full utilization, it will generate Rs17bn topline and 50% EBITDAM..



Persistent Systems (PSYS IN)

Rating: BUY | CMP: Rs6,343 | TP: Rs7,360

- Management indicated a modest improvement in the demand environment over the past 3–4 months, with higher client engagement and decision-making around application modernization, data modernization, and AI-led transformation programs. They further highlighted that demand is increasingly structural rather than discretionary, focused on productivity, cost optimization, and regulatory-driven initiatives.
- Management highlighted that demand in BFSI remains strong, supported by data, cybersecurity, and compliance-related spends, while Healthcare is witnessing a revival driven by mid-to-large transformation deals across payers, providers, and medtech. Hi-Tech demand remains resilient, aided by product engineering engagements and PE-led carve-outs.
- Management clarified that the ~150 bps margin uplift in Q3 was driven by AI tools and platform-led pricing across multiple deals, and not by any single contract or one-off item. The benefit reflects evolving commercial models combining people and proprietary platforms, with some portion embedded over the life of contracts. While management views this as a structural improvement, it cautioned against linear extrapolation, as part of the gains will be reinvested to sustain growth and differentiation.
- Management indicated that ESOP expenses in Q3 reflect grants made in prior periods and are not driven by any incremental or unusually large new grants. ESOP-related costs peaked in FY25 and have already started moderating in FY26, with a further decline expected in FY27.
- Management reiterated that while AI-led productivity and platform monetization have supported margin expansion and the earlier margin improvement ambition has largely been achieved, and going forward the focus is on sustaining margins at healthy levels rather than driving aggressive step-ups. Any further productivity gains will be selectively reinvested into IP, talent, and growth initiatives to maintain long-term competitiveness.
- Management highlighted continued investments in building proprietary IP and AI platforms (including SASVA, iAURA, GenAI Hub and AssistX), which has led to a gradual increase in capitalized intangibles on the balance sheet. These assets are now reaching a higher level of maturity, and management expects the pace of capitalization to moderate going forward. Importantly, the company emphasized that these IP investments are already being monetized through platform-led deals, supporting both growth and margins.
- Management reiterated its aspiration to achieve USD 2 bn in revenue by FY27E, supported by sustained growth momentum, strong client mining, and platform-led deal execution. These initiatives are expected to lay a strong foundation for the company's long-term revenue aspiration of USD 5 bn by FY31.



- PSYS announced an interim dividend of Rs. 22 per share & reiterated its commitment to a balanced capital allocation policy combining dividends, growth investments and M&A opportunity.

Petronet LNG (PLNG IN)

Rating: HOLD | CMP: Rs290 | TP: Rs288

- PLNG reported an inventory gain of Rs0.2bn in Q3FY26, with no trading gain.
- Capex for FY26 is expected at Rs30bn, and for FY27, Rs90bn, of which Rs75bn will be for petchem plant, Rs6bn for 3rd jetty, and remaining for Gopalpur and others. Major capex for Gopalpur will be incurred in FY28.
- **Gopalpur terminal** – Total project capex is expected at Rs60bn; currently, the project is awaiting EC clearance as more clarification was sought from the concerned entity. SAPL pipeline (30km away) connectivity will help aid volume offtake.
- **Dahej expansion** - Mechanical construction is expected to be completed by FY26 end; contracts discussion is ongoing with existing and new customers. Contract with ONGC is based on standard contract agreements.
- **Kochi terminal** – PLNG expects GAIL's Bangalore pipeline (KKB MPL) to be connected to the National Grid by Jun'26, improving volume growth from the terminal.

P I Industries (PI IN)

Rating: HOLD | CMP: Rs3,151 | TP: Rs3,196



- EBITDA margin guidance of 25–26% has been maintained for FY26.
- Gross margin of 50–52% is expected to be sustainable.
- In Q4FY26, sequential volume growth is expected.
- Capex for FY27 to be at Rs5-6bn.
- In the CSM segment volumes fell 29% during the quarter, mainly due to weak customer demand.
- In the CSM segment, 8-9 new molecules expected to be commercialized in FY26; 5 were commercialized in 9MFY26.
- Recovery in the agchem business is expected from Q4FY26.
- For domestic agri, 4 new brands were commercialized in 9MFY26 (3 herbicides and 1 insecticide); 2 more are expected to be launched in Q4FY26.
- In domestic agri, demand remained subdued due to high channel inventory, adverse weather conditions and lower crop prices.
- PI onboarded a few large pharma customers in the past 12 months.



- Domestic biologicals contribution in YTD FY26 is ~20% of domestic business; in FY27, it is expected to be normalized.
- Regulatory approval has been received for Harpin $\alpha\beta$ in India and a biochemical pesticide in the US.
- Plant Health Care expanded across Brazil, the US and Mexico, supported by the launch of 2 new products in Brazil and Mexico.
- Globally biologicals market stood at USD10bn, growing at 10% annually.

Pidilite Industries (PIDI IN)

Rating: BUY | CMP: Rs1,460 | TP: Rs1,734

- Small town & rural areas seeing strong growth especially in repair and new construction,
- B2B reported UVG of 7.4% with domestic volume growth at mid teen while export UVG declined by 13.5% due lower exports
- Company seeing no slowdown in any part of construction segment
- Input cost declined in Q3 while A&P spends saw an uptick QoQ
- Project business maintained its growth momentum
- The domestic operating environment should see incremental improvement, aided by favorable monsoons, sustained indirect benefits of GST 2.0, and policy support from increased infrastructure and urbanization allocation in the Union Budget.
- Pigment business was impacted due to geopolitical uncertainty, however, given the recent trade deal the worst is behind
- Dr fixit, Roff are doing well with demand being robust
- Pricing actions are expected to remain tactical, not structural with ~100–250 bps pricing support over time where feasible.
- Retail segment has started gaining traction in in water proofing led by newer launches 11) PIDI is aiming for 10-12% volume growth going forward.
- C&B and Industrial segments delivered double digit volume growth in near to medium term.
- VAM is now less than 10% of overall RM basket and volatility in prices won't have much impact on GM.
- Haisha Paints is making steady progress; however, the company is still in the process of establishing a sustainable operating model.
- VAM prices averaged at ~\$830/ton in Q3 vs \$884/ton YoY 14) EBITDA margin guidance maintained at upper range of 20-24%



PNC Infratech (PNCL IN)

Rating: BUY | CMP: Rs232 | TP: Rs291

- **MoRTH / NHAI awarding status:** Project awarding by MoRTH/NHAI remains subdued, with only 377km awarded in Q3FY26 versus ~500km in Q3FY25, despite a large announced pipeline. Repeated bid-date extensions, approval delays and land acquisition issues continue to defer actual awards, even as budgetary allocations for roads have increased..
- **Bid pipeline & order inflow visibility:** Over the last 1.5 quarters, PNCL has submitted 33 bids aggregating to ~Rs287bn across EPC, HEM and renewable projects in India and Uzbekistan. Total identified bidding opportunities exceed Rs1.2trn, largely from NHAI, with FY26 order inflow guided at ~Rs120bn, including ~Rs60bn from already-received.
- **Equity investment & capital allocation:** The company plans equity infusion of ~Rs1.0bn in Q4FY26 and ~Rs5.0bn in FY27, primarily toward HEM and renewable projects, out of the remaining ~Rs6.3bn commitment. Monetization/divestment of HEM assets is under evaluation, post PCOD of 4 projects in Q4FY26–Q1FY27.
- **Overseas opportunity (Uzbekistan):** PNCL has submitted 2 road EPC bids worth ~Rs1.5bn in Uzbekistan, funded by ADB, leveraging its existing road execution capabilities and equipment base. The management views overseas EPC as a selective, low-risk diversification, rather than a scale-driven strategy.
- **Status of JJM / water projects:** Outstanding billed receivables under water/JJM projects stood at Rs8.2bn as of Dec'25, which have reduced to ~Rs7.0bn post recent collections. The management expects gradual improvement in payments following the Rs677bn JJM allocation in FY27, with execution aligned to fund releases and major completion extending into FY28.
- **Competition & pricing environment:** Competitive intensity remains very high in EPC projects, with 20–25 bidders still participating in NHAI tenders, despite tighter qualification norms. The management expects competition to ease only once awarding accelerates and bidder capacity constraints emerge.
- **Margin outlook:** Standalone EBITDA margin is guided at 12–12.5% for FY26 and FY27, revised lower due to ~10% decline in FY26 turnover. Renewable EPC projects are expected to deliver lower ~9% PBT margin, reflecting competitive pricing and initial execution ramp-up.
- **Renewable energy diversification:** The NHPC solar plus BESS project (~Rs20bn) is in the final stages of land identification and agreement execution, with order book addition expected in Q2FY27. The management targets ~Rs10bn revenue in FY27, with renewables and other non-highway segments forming ~50% of the business over the next 2–3 years.



Polycab India (POLYCAB IN)

Rating: BUY | CMP: Rs7,122 | TP: Rs9,744

- **Consolidated revenue grew 46.1% YoY**, with strong volume growth in C&W.
- Domestic volume growth was 40%, with cables and wires growing at a similar pace.
- The company targets 1.5x industry growth in W&C business and 1.5x-2x in FMEG business by FY30 under Project Spring.
- The company incurred a total capex of Rs3.4bn/10.9bn in Q3FY26/9MFY26.
- The company has guided for high single digit EBIT margin for EPC segment.

W&C Segment

- The company has guided EBITDA margin of 11-13% by FY30 under project spring.
- International business grew by 5% YoY and contributed 6% of consolidated revenue. Middle East and Latin America delivered stable performance, while the US contribution remained muted, impacted by tariffs and broader global uncertainty.
- Domestic business grew by 59.0%, in which wires grew by 70% on account of low base, channel pre-stocking amid elevated copper prices and market share gains and cables grew by 50%.
- EBIT margin contracted by 150bps due to low share from export business and higher institutional sales.
- The company delivers ~9–12% margins in cables and ~15–16% in wires with slight variations due to commodity prices and demand.

FMEG Segment

- The company has guided EBITDA margin to be 8-10% by FY30 under project spring.
- The segment delivered another quarter of positive EBIT of Rs142mn led by solar products which grew 2x in Q3FY26 due to strong demand from Central and State rooftop solar incentive scheme.
- Solar products currently delivering high single-digit margins.
- The Fans segment delivered performance broadly in line with the overall industry, which remained largely flat to marginally declining.
- Company plans to implement price hike of ~2-4% in fans by Jun'26.
- Company guided to raise its A&P spends to ~3-5% of B2C revenue annually, to be implemented gradually over time.



Praj Industries (PRJ IN)

Rating: ACCUMULATE | CMP: Rs308 | TP: Rs340

- **1G Ethanol:** With EBP20 capacity requirements already surpassed, enquiries for greenfield projects have slowed, while interest in brownfield expansions is picking up as existing customers focus on improving operational efficiencies. However, execution timelines for ongoing projects remain extended due to funding constraints in greenfield developments. On the international front, supportive policy developments across Indonesia, Panama, Argentina, Guatemala, Costa Rica and Bolivia are encouraging, alongside gradual strengthening of technology capabilities across multiple feedstocks in the CBG segment.
- **GenX:** The company secured a key breakthrough order for CCUS skids from a global oil major, with 50-60% of execution slated for FY27 and potential for follow-on orders. While the gestation period for GenX investments continues, **management remains confident of achieving breakeven in FY27.** The audit and approval count has risen to 12, supported by four framework agreements, positioning GenX for a targeted order intake of ~Rs5.0bn in FY27, against an estimated breakeven revenue of Rs4.0-5.0bn.
- **Two major orders, ~Rs1.0bn+ each** received in ZLD and Brewery businesses. These orders are currently under execution with a total execution period of 12-18 months.
- **ZLD:** The regulatory push toward stricter emissions compliance for manufacturing industries is creating a favorable demand environment, with new opportunities emerging across battery, solar panel and semiconductor segments. This momentum is reflected in a significant order win from a leading metal major for an integrated plant encompassing effluent treatment, water recycling and ZLD solutions.
- **Data Center opportunities:** Data centers are emerging as a new business opportunity, which will be addressed through the GenX facility, with the company currently focusing on international markets. The initial scope is centered on precision fabrication for cooling systems, specifically piping and structural frames.
- **Implications from tariff reduction and India-EU FTA:** The restriction on ethanol imports from the USA to India remains a positive for Praj, while lowered tariffs in the US and zero tariffs in the EU are expected to enhance the company's competitiveness across key export markets.
- **SAF opportunity in the USA:** The company is currently executing a detailed engineering services order in the USA, expected to be completed by April 2026. Upon completion, the customer is likely to take an investment decision, which could potentially translate into additional SAF orders.
- **Diesel blending:** The company is developing Bio-Isobutanol for commercial blending of ethanol with diesel. Given the widespread use of diesel in India's commercial transportation sector, any meaningful traction in diesel blending would enable Praj to commercialize this technology.



Premier Energies (PREMIERE IN)

Rating: BUY | CMP: Rs683 | TP: Rs892

- The 1.2GW G12R TOPCon cell line has been ramped up quickly; it is operating at ~80% utilization and is expected to reach full utilization by Feb'26.
- The 5.6GW module line is targeted to be completed by Mar'26, followed by 4.8GW cell line by Jun'26 and an additional 2.2GW cell line by Sep'26.
- Transcon's total transformer manufacturing capacity is expected to increase to 16.7GVA by Jul'26.
- Ksolare acquisition is expected to be closed by Feb'26.
- On the aluminum frame capex, land has been acquired and equipment has been ordered; total estimated capex is ~Rs2.6bn with commissioning expected by Dec'26.
- In 9MFY26, the company incurred a total capex of Rs7.5bn for cell and module lines.
- In the next 2-2.5 years, the company expects Rs10bn of revenue from the transformers business.
- Total estimated capex for the 10GW ingot-wafer facility is ~Rs59bn; Phase 1 of 5GW is expected to be commissioned by Dec'27 and Phase 2 of another 5GW, by Dec'28.
- BESS pack and containerized solution capex is estimated at ~Rs2.8bn for 6GWh for Phase 1.
- Silver consumption has declined by 68% over the last 5 years and is expected to reduce by a further 30% with the adoption of advanced process technology.
- 70%-75% of the total order book is scheduled for execution over the next 12 months.

PVR Inox (PVRINOX IN)

Rating: BUY | CMP: Rs987 | TP: Rs1,274



- PVRINOX IN typically showcases ~14–15 minutes of advertising per show on an average.
- In cinema revenue of 4700BC gourmet popcorn was ~Rs130mn and the brand was sold in only ~50 premium properties. Hence, the divestment to Marico is expected to have negligible impact on margins or revenues.
- Ad revenue declined 20.6% YoY to Rs1,180mn in 3QFY26 due to fewer marketable films (4 in 3QFY26 vs 8 in 3QFY25).
- Electricity cost was down 3.8% YoY to Rs919mn on account of solar panel deployment across some properties.

- Deferred tax assets are expected to be fully utilized over the next ~3.5–4 years.
- Capex is pegged at Rs3.5–4.0bn for FY27E.
- The Karnataka government’s proposal to cap movie ticket prices at Rs200 has been stayed by the High Court and the matter is currently sub-judice
- The film distribution business operates with an EBITDA margin in the range of ~8–9%.
- There are no plans to impair goodwill at this stage.
- Unique visitations in CY25 were higher than CY24.
- “Tuesday promotion” has been a key lever in attracting new users and driving repeat visitation to the cinemas.
- Employee cost rose 10.5% YoY to Rs1,922mn in 3QFY26 due to a one-time, non-recurring incentive payout.
- PVRINOX IN has no plans to enter movie production business.
- 50%+ tickets are sold through online channels (aggregators and company app).
- 85%+ of 4700 BC’s sales were outside of cinemas.
- 3 food courts have been opened in collaboration with Devyani, and additional outlets are planned in near term.

Rainbow Children's Medicare (RAINBOW IN)

Rating: BUY | CMP: Rs1,179 | TP: Rs1,550

- **Bed expansion and new units update-** RAINBOW has added ~780 beds over the past two years, effectively concluding its current expansion cycle. It operationalized a 100-bed hospital at **Rajahmundry** in Q3FY26 and recently commissioned a 90-bed facility at **Electronic City, Bengaluru**, in Q4FY26. 60 beds spoke hospital at **Hennur, Bengaluru** in final approval stage; expected to start operations in a few weeks. 150 beds at Pune greenfield regional hub; excavation started after approvals. Construction has started for 130 beds at **Coimbatore**, which is expected to be operational by end-FY27. In **Gurugram**, basement construction is underway. Across **AP**, RAINBOW strengthened its doctor teams in Vizag and is operating 100 beds, with an additional 50 beds to be commissioned in the coming quarters. In **Guwahati**, only 80 beds are currently operational, and the balance capacity will be ramped up in phases over the next few quarters. The AP cluster (Vizag, Rajahmundry and Vijayawada) is scaling rapidly, and management expects it to evolve into a Hyderabad-like mature cluster over time.
- **Capex –** During the quarter, the company invested Rs 570mn in capex and continues to fund expansion entirely through internal accruals. Cash and cash equivalents stood at Rs 5.8bn as of Q3FY26. Capex remains focused on new



hospitals, incremental bed additions, medical equipment and strengthening advanced specialties such as pediatric liver transplants.

- **Mature hospitals** - Mature clusters such as Hyderabad continue to deliver stable performance with strong doctor depth and advanced specialty offerings. In **Chennai cluster**, Guindy and Anna Nagar hospitals are performing very well, while Sholinganallur has started showing meaningful ramp-up, indicating improving utilization across the cluster. **Rosewalk** continues to perform well, supported by brand recall and steady patient inflow.
- **New hospitals – Rajahmundry** reached near break-even within one month of operations, supported by strong ICU utilization and favorable geography with no major hospital between Vijayawada and Vizag. **Guwahati** is delivering ~Rs 80mn monthly revenue (Rs 260–270mn in Q3), slightly better than pre-acquisition levels, with margins broadly in line with company averages. **Warangal** delivered a revenue run-rate of ~Rs 25mn per month (Rs 70mn in Q3), with margins improving as insurance empanelments (currently ~70%) expand further over the next few quarters. Management guided that **Bengaluru units** (Electronic City and Hennur) may incur losses of Rs 120–150mn in FY27E, with breakeven expected in ~12-15 months from commissioning. By FY27, most recently commissioned hospitals, including Bengaluru and Chennai units, are expected to reach operating breakeven.
- **IVF and Butterfly Business** - IVF currently contributes about 4% of revenues, translating to approximately Rs 170–180mn, and is growing faster than the Butterfly business. The Butterfly business contributes about Rs 40mn, or ~1% of revenues, and remains a smaller but strategic offering within the women and childcare ecosystem. Management reiterated that IVF remains a key growth driver with improving case volumes and better monetization potential.
- **Specialties** - Advanced pediatric specialties, including liver transplants, are now operational across hub hospitals in Hyderabad, Bengaluru and Chennai, supporting higher case mix and ARPOB.
- **Guidance - Occupancy** is guided at 55% in FY27E and 55–60% over the next 3–5 years as new hospitals mature and capacity ramps up. **ALOS** is targeted in the range of 2.7–2.8 days, reflecting case-mix stability and operational efficiency. **ARPOB** growth is expected to be inflation-linked, with management guiding 6–7% CAGR, while **ARPP** is expected to grow at a healthy 5–6% CAGR. **Revenue growth guidance** remains strong at 17–18% CAGR, driven by bed additions, specialty expansion and operating leverage from new hospitals. **EBITDA margins** are expected to improve as losses from new units taper off and mature clusters continue to deliver stable profitability, with stronger recovery expected from FY27E onwards.



R R Kabel (RRKABEL IN)

Rating: BUY | CMP: Rs1,377 | TP: Rs1,844

- RRKABEL expects 18% volume growth in FY26.
- W&C volume grew by 30% in Q3FY26 with wires/cables growing at ~30%/~25%.
- Domestic W&C reported volume growth of ~30%.
- RRKABEL reiterated that its FMEG segment is set to break even in Q4FY26.
- Europe contribute to 40% of export revenue.
- The management has guided for W&C EBIT margin to improve by 100bps every year and aims to reach ~10.5% by FY28.
- The company has planned Rs12bn capex over FY26 to FY28, with ~80% allocated to cables.
- RRKABEL undertook price hikes in Dec'25 and Jan'26.
- Working capital days decreased to 56 days in Dec'25 from 57 days in Sep'25; the company expects this to go down to 50-60 days.
- Capacity utilization for cables stands at ~90% and wires, at ~70%.
- Fans/Lighting/Appliances & Switchgear contributed to ~50%/~32%/~18% to FEMG portfolio, while premium and mid-premium contributed ~20%.
- About ~1/3rd of FEMG manufacturing is in-house, while the rest is outsourced.



Restaurant Brands Asia (RBA IN)

Rating: ACCUMULATE | CMP: Rs63 | TP: Rs82

- 3Q SSSG was 4.5% led by healthy growth in SSTG with continuous traction in value offerings. Q4 sees similar trend in demand
- relaunched kings collection with Brioche premium buns
- South & Punjab belt is seeing good traction
- ADS came at 117k up 2.6% YoY vs 0.6% in Q2FY26 Led by improved store economics.
- Focus on digital journey to continue with 92% (91% orders in Q2FY26 orders for dine in are through SOK & BK app
- Company had an onetime impact of Rs22.2mn against new labour code
- Gross margins improved by 202 YoY on the back of better menu mix and supply chain efficiencies, company achieved its target of ~70% which it expected to achieve by FY29
- Indonesia business demand remains mixed with Burger king seeing traction

- popeye continue to face challenges from hyper competition from local and global players
- Company is actively looking for a buyer for its Indonesia business.
- The company maintains its guidance to add ~60-80 restaurants annually to reach approximately 800 restaurants by FY2029 with store opening to be now spread evenly across quarters
- Management expects demand conditions to gain momentum amidst supportive macro environments.
- RBA believes entry of Inspira global will help strengthen its balance sheet and promoters experience in QSR's will be a positive.
- Employee cost spike in Q3 is linked to training manpower for new store openings; expected to normalize as openings become more evenly spread.

RITES (RITE IN)

Rating: BUY | CMP: Rs223 | TP: Rs276



- The management has guided for double-digit YoY revenue growth, with momentum expected to accelerate from Q4, supported by a young and executable order book.
- The company reiterated its target of achieving an order book of Rs100bn by Q1FY27, versus current Rs92bn.
- Around 60% of the order book is ~1 year old, providing strong near-term execution visibility and supporting sequential growth in both revenue and profit.
- The management maintained its medium-term margin 'red lines' of ~20% EBITDA margin and ~15% PAT margin, noting Q3 margins were elevated due to a favorable mix.
- Segmentally, consultancy margins remained healthy at ~35%, while turnkey margins stayed subdued at 1–2%, with turnkey forming ~49% of the order book.
- Export revenue is expected to show an upward swing every quarter, aided by an international order book of Rs21bn with a 2–3 year execution timeline.
- Export margins have structurally reset lower to 12–13.5%, reflecting a shift toward global competitive bidding versus earlier line-of-credit driven orders.
- The management highlighted that 65–70% of new order inflows are now competitive, intensifying pricing pressure across segments.
- Even nomination-based orders are seeing margin pressure, as clients renegotiate pricing in line with prevailing competitive benchmarks.



- The managements views FY27 as a 'year of disruptive growth', with expectations of broad-based expansion across segments, although precise numerical guidance was deferred.
- Overall outlook remains positive on growth and inflows, but the management acknowledged a structurally more competitive environment with tighter margins, requiring active mix management to sustain profitability.

Rail Vikas Nigam (RVNL IN)

Rating: SELL | CMP: Rs314 | TP: Rs183

- RVNL reported a healthy order book of ~Rs870bn, comprising ~Rs400bn of railway nomination projects and ~Rs470bn of competitively bid projects. The management indicated that most projects are already under execution. The order book provides strong revenue visibility over the next 3 years.
- The management has guided for ~1–2% YoY topline growth in FY26 with higher contribution from bidding-based EPC projects. Margins are expected to remain under pressure as competitive projects carry lower profitability. The company characterized FY26 as a transition phase rather than a structural slowdown.
- From FY27, RVNL targets ~10% annual growth in topline line. This outlook is supported by a strong executable order book, improved bidding discipline, and sustained government infrastructure spending. The management remains confident of normalized growth post-FY26.
- Despite a changing project mix, the management has guided for ~7% gross margins over the medium term. Railway nomination projects continue to generate higher margins, partially offsetting lower margin bidding works. Q3 saw ~56bps QoQ improvement in gross margins, aided by cost controls.
- RVNL expects annual revenue execution of ~Rs100–110bn from its railway nomination order book alone. Including bidding-based projects, total annual revenue potential is estimated at ~Rs200–220bn. Timely execution remains the key operational focus.
- The Vande Bharat sleeper train project (120 trainsets) is progressing as per schedule, with the first prototype expected by Jun–Jul'26. This is a long-gestation, strategic project that enhances RVNL's capabilities in complex manufacturing and systems integration.
- Railways contribute to ~45% of the order book, while roads (~10%), electrical & RDSS (~15%), signaling & telecom including BharatNet (~15%), and mechanical projects (~7%) provide diversification. International projects account for ~Rs35bn, reducing reliance on domestic railway EPC alone.
- The management highlighted strong tendering opportunities driven by increased government capex in railways, metros, highways, ports, and digital infrastructure. While high-speed rail projects may materialize over a 2–3 year horizon, near-term conventional rail EPC opportunities remain robust.



Safari Industries (India) (SII IN)

Rating: HOLD | CMP: Rs2,144 | TP: Rs2,191

- A&P expense stood at ~8.5% of revenue in 3QFY26.
- Capacity utilization at Jaipur stood in the range of 85-90% for 3QFY26.
- Urban Jungle and Safari Select contributed ~6% to the topline in 3QFY26.
- Total EBO count stood at 160+ during the quarter. SII IN has launched new EBOs at Patna, Guwahati, Jaipur and Mumbai airports.
- Employee expenses grew 25.2% YoY to Rs386mn, driven by ~Rs20-30mn of ESAR cost and Rs5mn of labor code impact.
- Funds raised via QIP will be utilized for organic/inorganic expansion

Samhi Hotels (SAMHI IN)

Rating: BUY | CMP: Rs169 | TP: Rs290

- Building modifications are currently underway for the upcoming 170-room hotel in HITEC City, Hyderabad.
- Finance cost for the quarter stood at Rs403mn, of which ~Rs340mn was cash interest, while the rest pertains to non-cash Ind AS adjustments.
- Increase in net debt by ~Rs803mn was due to extension payments made in relation to the Navi Mumbai project.
- In 3QFY26, ARR/F&B growth on same-store basis stood at 15.9%/10%.
- The decline in occupancy in upper upscale & upper mid-scale category was due to operational challenges faced by India's largest airline in Dec'25, leading to cancellation of several MICE events.
- At Trinity, Bangalore, initial upgrades of Rs70mn have been made with additional investment of Rs230-240mn lined up for further refurbishments.
- Revenue at Trinity, Bangalore has increased from ~Rs18mn in July'25 to ~Rs25-30mn per month.
- Holiday Inn, Kolkata is stabilizing well with occupancy at 62.4% and ARR in the range of ~Rs4,000-4,500 during the quarter.
- SAMHI IN has reaffirmed same-store RevPAR growth guidance of ~9-11% over the next 3-5 years.
- No significant cash tax outflow is expected in next 2-3 years.



Shree Cement (SRCM IN)

Rating: HOLD | CMP: Rs27,350 | TP: Rs27,770

Volumes & Pricing

- Mgmt. reiterated its focus on value over volume, deliberately sacrificing volumes to narrow the pricing gap with leader from ~Rs30/bag to ~Rs15/bag.
- Volumes improved in Dec'25 with dispatches rising from ~2.7mt run rate to ~3.3mt, while Jan'26 remain in line with Dec'25.
- Higher NSR and improving demand are expected to support better capacity utilisation, further aided by expansion of the RMC network. Targets 70% utilisation over time.
- Cement realisation stood at Rs4,652/t vs Rs4,554/t YoY. Management expects Q4 volumes of ~9-9.5mt, supported by government spending.

Operational

- Lead distance stood at 446km with 88% road and 12% rail mix. Trade share was 65%, while blended cement accounted for ~65%.
- Regional mix: North: ~5.3mt (61%), East: ~2.3mt (26%) and South: ~1.1mt (13%)
- Fuel mix comprised ~76% petcoke, ~6% coal, with the balance from alternative fuels.
- Employee costs were elevated due to provisioning related to the new labour code, along with manpower additions for newly commissioned plants.
- RMC revenue for the quarter stood at ~Rs0.71bn from 19 plants, with ~45% captive cement consumption.
- The company plans to scale the network to ~45 plants within 6-8 months (by Sept'26), significantly improving geographic reach and utilisation.
- Fuel cost stands at ~Rs1.56/kcal, among the lowest in the industry, supported higher RE capacity to 61%.
- Fuel Mix for the quarter: 76% pet coke, 6% coal and balance is alternative.
- Total power capacity is 1,137MW which includes 503MW Thermal, 265MW WHRS, 314MW solar and 56MW wind.

Capex

- Spent Rs15bn in 9MFY26 and another Rs4-5bn in Q4FY26.
- FY27 capex is expected to be Rs5bn which includes ~Rs1.5-2bn towards ~30 RMC plants, ~Rs2bn for railway sidings and ~Rs0.5-1bn maintenance capex. incremental investments contingent on future capacity additions.
- The company has already spent ~Rs20bn on the Kodla plant, expected to be commissioned by Mar'26.



Shriram Finance (SHFL IN)

Rating: BUY | CMP: Rs1,004 | TP: Rs1,175

Growth

- Disbursements grew ~14% YoY to Rs486.4bn in Q3FY26 supported by steady demand across CV, PV and MSME segments; 10% of disbursements pertain to new vehicle purchases.
- LCV and SCV segments sustained the growth momentum aided by improving rural consumption and traction in industrial hubs; the management remains cautious on HCV growth.
- Incremental capital deployment is expected to remain focused on vehicle finance (CV & PV), while MSME growth is expected to re-accelerate to ~20% in the coming quarters led by secured lending and higher ticket sizes.
- Gold portfolio is likely to see volume-led growth supported by branch expansion. The management targets to scale the Farm Equipment segment to ~5% of total AUM.

Operating profitability

- Incremental borrowing rates stood at 7.7% vs. 8.1% QoQ. The company expects improvement of 30-40bps, while the cost of liabilities stood at 8.7% in Q3.
- The management reiterated its confidence in ~100bps reduction in CoF over the next 2 years, with partial pass-through of benefits to retain customers.
- Reported NIM is expected to remain stable at 8.5-8.9% supported by declining funding costs.
- Employee costs rose QoQ due to incentive payouts and labor code implementation leading to Rs2bn impact.

Asset quality

- GS3 ratio stood at 4.54% with Construction and Farm Equipment segments exhibiting higher GS3 ratios of 6.95% and 5.86%, respectively, while Gold Loan and 2W segments reported lower GS3 ratios of 2.21% and 3.34%, respectively.
- Reported credit cost stood at 1.62% in Q3FY26 with the management guiding for a gradual moderation ahead.
- Commentary suggests MSME segment stress has stabilized and there would be minimal slippages from current Stage 2 to 3 in Q4.
- The management indicated no over-capacity of CV across any segment, and no portfolio shows early stress indicators in asset quality.

Others highlights

- Capital adequacy remained strong at 20.3%. Tier-1 capital stood at 19.7%.



Branch network stood at 3,225 with 29 new branches added YoY.

SRF (SRF IN)

Rating: HOLD | CMP: Rs2,883 | TP: Rs2,994

- FY26 capex is expected to be Rs20-23bn.
- The Specialty Chemicals segment is seeing pricing pressure from Chinese competitors.
- In the Specialty Chemicals segment, order deferments in Q2-Q3 have led to pent-up demand, which is expected to support stronger Q4 performance.
- Land has been acquired in Odisha for the establishment of next-generation refrigerant facilities.
- In the Chemicals segment, exports to Southeast Asia and the Middle East helped offset volatility seen in the US market.
- Pharma Intermediates contributes to 10% of Specialty Chemicals, with the long-term target set at 20%.
- Second pharma intermediates plant has been approved with a capex of Rs1.8bn and is expected to be commissioned in 8 months.
- In the Performance Films segment, South Africa aluminum foil business performed strongly, while Thailand and Hungary remained under pressure.
- GST reforms led to short-term volume impact on the Performance Films business.
- Chinese dumping continues to impact Belting Fabric and Nylon Cord segment

State Bank of India (SBIN IN)

Rating: BUY | CMP: Rs1,066 | TP: Rs1,200

Balance Sheet

- Bank did not compromise on pricing in corporate despite strong corporate growth; it has always focused on corporate banking vs corporate lending.
- Corporate capex pipeline remains strong with Rs7.86trn sanctioned, of which Rs3.45trn constitutes the pure capex pipeline.
- SBI holds 15-16% MSME market share and is segmenting MSME customers into platinum/gold based on growth potential.
- Agri gold loans stand at Rs1.44trn, while personal gold loans amount to Rs0.86trn as on 31st Dec 2025.
- While there was a pick-up in Xpress credit; offtake has been slower than expectations since bank is seeing a shift in credit demand towards gold loans due to higher LTV led by jump in gold prices and lower interest rate.



- Avg. LTV on personal gold loans has reduced to 51% from 56% a year ago.
- Bank has revised credit growth estimates to 13-15% for Q4'26 from 12-14%.
- Average LCR for the quarter stood at 125%.
- ROA guided at 1%

Profit & Loss

- LDR increased by 3.2%, but NIM remained flat due to higher WC withdrawal.
- Cost of funds is expected to remain broadly stable in Q4FY26.
- Interest on income-tax refund was Rs7.69bn in Q3'26 vs Rs3.72bn in Q2'26
- NIMs expected to be above 3% for Q4 as well in the long term.
- Labor code impact was only Rs160mn on account of gratuity.
- CVE income rose 23% QoQ, supported by higher life insurance commissions post-GST benefit, improved insurance fees by cross-selling and higher trail income from mutual funds.
- Misc. income of Rs25.5bn for Q3'26 (Rs4.14bn in Q2'26) mainly consisted of Rs22bn of dividend income received from SBI MF.
- Cost-income ratio is guided to remain below 50%.

Asset Quality

- As per earlier guidance, 6 to 8% recoveries are possible in AUCA portfolio.
- AUCA pool: SME-Rs340bn, Agri-Rs70bn, retail-Rs70bn, corporate Rs1,100bn.

SBI Life Insurance Company (SBILIFE IN)

Rating: Hold | CMP: Rs2,053 | TP: Rs2,125

- The company witnessed significant growth post GST cut, particularly in the PAR segment, and 16.5mn policies were underwritten during the quarter.
- New PAR product – Smart Money Back Plus – earned total premium of Rs5.6bn YTD.
- The management has guided for 13–14% APE growth and VNB margin to range between 26%-28% in FY26.
- The management is looking to maintain PAR mix in the range of 15-20% in the medium term.
- The new labor codes had a one-time impact of Rs1.35 bn during the quarter.
- Commentary highlighted that an impact of 110 bps on 9MFY26 VNB margin due to GST exemption.



- The company has a rider attachment proportion of 35-40% on its ULIP segment, while 52% of credit life products are attached to housing loans.
- The moderation in 61M persistency can be attributed to the Covid cohort and is anticipated to be the final cohort impacting persistency this year.
- The company opened 66 new branches and added ~94,000 agents in 9MFY26, leading to higher operating expenses.
- Solvency ratio in Q3FY26 stood at 191%, and the management does not foresee any need for additional capital.
- The company has a network of 27,150+ SBI and RRB branches, 13,400+ partner branches, and 151 brokers supported by 2,78,000+ agents.
- Product mix by total APE for ULIP/ PAR/ NPAR/ Protection/ Annuity/ Group Savings stood at around 66%/ 9%/ 13%/ 7%/ 2%/ 2%, while the distribution mix by total APE for Banca/ Agency/ Others stood at 68%/ 24%/ 8%.

Steel Authority of India (SAIL IN)

Rating: HOLD | CMP: Rs149 | TP: Rs151

Pricing and spreads

- NSR in Q3 for flats and longs stood at Rs48,790/t and Rs48,885/t, respectively, compared with Rs46,580/t and Rs49,021/t in Q2FY26.
- Overall NSR declined from Rs48,836/t in Q2 to Rs47,735/t in Q3. For Q4, management indicated price increases of Rs3,300-3,500/t for flats and Rs2,000-2,500/t for longs in Jan'26.

Inventory position

- As of today, finished steel inventory stands at 1.5mt with an additional 0.9mt of unfinished inventory, down from a finished steel inventory level of 2.7mt at the end of FY25.
- SAIL has been reducing inventory in Q4, having sold 0.3mt in January, and expects similar inventory sales in February and March (0.3mt each).

Production and volumes

- FY26 hot metal production is expected to be close to 21mt, while full-year sales volume is guided at 19.5mt (ex-inventory liquidation).
- For FY27, SAIL targets 22.5mt of hot metal production and 21mt of saleable steel volumes (ex-NMDC volumes).
- In FY28, hot metal production is guided at 23mt with saleable steel volumes of 21.5mt. All volumes are excluding NSL volumes.



- Volume from NSL stood at 0.37mt in Q3, with prices similar to SAIL's selling prices; however, NSL sales volumes are expected to drop significantly in Q4.

Costs

- For Q3FY26, blended coking coal costs stood at Rs18,350/t. Prices in January moved up to Rs18,500/t, with a further increase of Rs1,200/t and Rs1,000/t in February and March, respectively.
- Savings in power costs have been driven by increased usage of RE power sources. These savings are structural in nature and are expected to sustain and increase going forward.
- The labor code revision is scheduled to be implemented from 1 Jan'27, with the major impact expected in FY28. SAIL has around 50,000 employees on its rolls, with a significant number retiring every year, which is expected to reduce employee costs over time.

Capex outlook

- FY26 capex is guided in the range of Rs75-100bn, while capex spent during 9MFY26 stands at Rs54.28bn.
- FY27 capex is pegged at Rs150bn, revised upward from the earlier estimate of Rs100bn, primarily towards ISP expansion payments scheduled for next year.
- ISP capex is estimated at Rs350bn, with Rs70-80bn planned in FY27 and peak spending in FY28/29, leading to project completion by the end of FY29 or early FY30.

Operational updates:

- RSP HSM ramped up production by utilizing excessive slab inventory from Bokaro, with operations running at full levels in Q4. RSP continues to source excessive slabs from Bokaro and Bhilai.
- DSP debottlenecking plans include the shutdown of the old BF and commissioning of a new 1mtpa BF, along with commissioning of a new SMS and 1mtpa TMT bar mill over the next 18–24 months.

Financials

- Revenue from the sale of scrap and by-products (including coal tar and defective items) stood at Rs12.8bn in Q3, marginally higher than Rs11.4bn in Q2FY26.
- Total outstanding debt increased by ~Rs13.2bn QoQ to Rs349.83bn, resulting in a sharp rise in interest costs (+13% QoQ). Management has guided a debt reduction of Rs5bn in Q4FY26..



Sun Pharmaceutical Industries (SUNP IN)

Rating: BUY | CMP: Rs1,595 | TP: Rs1,900

- **Domestic formulation:** Launched 12 new products during the quarter. Semaglutide (GLP-1) launch fully prepared for Day-1 post patent expiry in India. Got approval for both obesity and type 2 diabetic indications. Brand names: Noveltreat (obesity) and Sema Trinity (diabetes). Limited incremental field-force addition planned to support launch. No guidance provided on GLP-1 launches outside India.
- **US:** Lenalidomide contribution negligible in Q3 (largely exhausted). Launched 3 new generic products during the quarter.
- **Global Specialty Sales:** Unloxcyt launch execution on track with stocking completed and positive early formulary traction at major cancer centers; uptake initially focused on new patients.
- **Leqselvi:** Early physician traction including JAK-refractory patients; SUNP funds genetic testing, with competition aiding diagnosis and market expansion.
- **EMs:** Broad-based growth across generic and innovative portfolios. Key markets performing well: Romania, South Africa, Brazil.
- **RoW:** It contributed 17.1% of consolidated revenue. Milestone income of US\$55 mn recorded in the quarter (non-recurring)
- **R&D:** Innovative R&D formed 30% of total R&D, equivalent to 7.2% of specialty sales. Temporary moderation in innovative R&D due to trial phasing; spend expected to rise with new trials. Biosimilars under evaluation; decision dependent on development cost.
- **Other:** Mgmt cited comfortable using debt if required for strategic acquisitions. Net cash stands at \$3.2bn.



Sunteck Realty (SRIN IN)

Rating: BUY | CMP: Rs374 | TP: Rs550

- **Business development investments** – SRIN deployed Rs 6.8bn in 9MFY26 towards capex and BD, significantly higher than Rs in FY25 (Rs1.8bn), indicating strong pipeline build-up. BD investments during 9MFY26 comprised Rs 1.4bn towards acquisition of a 1.75-acre land parcel in Andheri, Rs 1.5bn for the Bhima Nagar redevelopment project in Andheri, ~Rs 2bn for the Nepean Sea Road luxury project and ~Rs 1.25bn for the 5th Avenue project, taking total business development outlay to ~Rs 6.23bn for the period. Total GDV of three newly added projects (Andheri redevelopment, Mira Road-2, Andheri land) is estimated at ~Rs 50bn.
- **New launches plan for Q4FY26/ FY27E** – Management launched premium tower at 5th Avenue (ODC) in Q4FY26 and plans to launch towers at marquee project at Nepean Sea Road (under the new “Emaance” brand), a

redevelopment project at Andheri and Dubai in FY27E. Upcoming launches also includes new towers at Vasai, Naigaon and Mira Road.

- **Dubai Project** - Regulatory approvals are at advanced stage. Project expected to be ready for launch in 1HFY27, subject to final approvals, marking company's first international monetization opportunity.
- **Nepean Sea Road-** Entire existing structure on ~1-acre parcel has been demolished; construction to commence shortly. RERA approval expected by end-Q4FY26 or early Q1FY27.
- **BKC project** - Outstanding inventory stood at ~Rs 6.55bn as of Q3FY26. In Q3, 1 unit sold for ~Rs 1bn; management expects Rs 3–4bn sales for full year and will continue selective monetization.
- **Pre-sales guidance** - The company pre-sales growth guidance remains at 25-30% CAGR for FY26-28E.
- SRIN generated Rs 3.5bn of net operating cash flow in 9MFY26 (up by 12% YoY)
- Net debt to equity stood at 0.07x in Q3.

Supreme Industries (SI IN)

Rating: BUY | CMP: Rs3,349 | TP: Rs4,566



- SI has maintained its overall volume growth target of 12-14% and 15-17% for plastic pipe, however revised it with EBITDA margin guidance to 13.5 – 14% from 14.5–15% for FY26.
- Global PVC prices declined to USD 580/ton before rebounding to USD 640/ton, while the rupee depreciated from Rs89 to Rs92. Domestic producers have revised prices in line with import parity. With producer prices firming up, continued rupee depreciation, and China expected to impose supply restrictions from April'26, PVC prices are likely to see a modest upward bias. Management expects PVC prices to inch up in the near term.
- The company is witnessing improving demand from the agriculture segment. Demand in the plastics piping business is normalizing with price declines stabilizing, while good monsoons and favourable conditions across housing, agriculture, and infrastructure are likely to drive growth in Q4FY26.
- In Q3FY26, finance costs increased due to temporary short-term borrowings taken to fund capex. From Q4FY26, borrowings are expected to be repaid, leading to normalization of finance costs, with the company guiding towards a debt-free position in Q4FY26. Other income moderated due to lower surplus funds as cash was deployed towards business needs, while profit from associates declined on weaker-than-expected performance at Supreme Petrochem.
- During 9MFY26, the company incurred an inventory loss of Rs 1–1.2bn due to PVC price fluctuations.

- During 9MFY26, the company incurred capex of Rs 10.3bn, including the acquisition of the Wavin business. Total cash outflow for the year is expected to be Rs 12bn towards existing and new capital commitments, including Wavin, to be entirely funded through internal accruals.
- The company reported strong growth in its CPVC business, with volumes increasing by 20% in H1FY26 and 30% over 9MFY26.
- SI has executed an LOI for the supply of 2 lakhs units of 10-kg composite LPG cylinders to BPCL, generating Rs 540mn in revenue. It has also received a fresh LOI for an additional 2 lakhs units, expected to be executed in the current quarter, with similar revenue potential. The company continues to focus on export market expansion and participates in domestic and international energy and gas exhibitions.
- The company's industrial products segment—comprising industrial components, material handling, and cylinders—saw moderate growth in handling and cylinder businesses and strong demand in the automotive component segment. However, components for the appliance sector faced challenges, resulting in decline compared to the previous year.
- The company's PP segment has a capacity of 3,000 tonnes per annum, while the OPVC segment has an annual capacity of 8,000 tonnes, which is not yet fully utilized. Demand, particularly from government water supply projects, has been slow, but with increasing inquiries, the company expects to utilize a good portion of OPVC capacity next year.
- The company plans to set up two greenfield manufacturing plants—one at Malanpur (Madhya Pradesh) and another near Patna (Bihar). Both the plants are expected to be operationalized in FY27

Syrma SGS Technology (SYRMA IN)

Rating: BUY | CMP: Rs755 | TP: Rs929

- **Guidance for FY26:** The management has maintained its guidance of 30% revenue growth in FY26, which will be driven by the industrials and automotive segments, while revising EBITDA margin guidance to 10%+ from 9%, and expects similar growth in FY27.
- The management expects exports to grow to Rs11bn (Rs8.4bn in 9MFY26), driven by the industrials and medtech segments, and supported by the EU–India FTA. We see the FTA as a long-term positive, considering the duty reductions on end equipment such as automobiles and the company's strong exposure to the EU market. The management expects exports to grow 25–30% in FY27.



- **Segmental highlights:** In Q3FY26, the consumer segment was driven by the telecom business, including set-top box (IDU/ODU) programs, along with continued traction in ODM-led consumer products such as water purification systems and limited RFID-based applications.
- Industrials' growth was broad-based, with smart meters contributing to ~Rs500mn, while the balance was supported by exports, power supplies, telecom-related applications, and other industrial programs.
- The management highlighted that the smart meter business is 'sticky' due to a long working capital cycle, and is being selective with customers to ensure sales translate into positive cash flow. For FY26, the company expects smart meter revenue of ~Rs2bn, with 20–30% growth next year.
- IT & railways revenue stood at Rs 825mn in Q3FY26, with railways contributing Rs170–180mn, while the balance was driven by IT-related programs.
- Healthcare contributed Rs1.8bn (primarily to the US) and industrials contributed Rs1.8bn (largely to Europe) to exports revenue, with geographical distribution for the 9MFY26 being ~5% exports to the US and ~35% to Europe for healthcare, while ~90% to Europe for industrials.
- **Strong orderbook across segments:** The company's orderbook stood at Rs64bn in Q3FY26, with contributions from auto (31%), consumer (25%), and industrials (27%), while the balance came from other segments. Export orders accounted for 24–25% of the orderbook, driven by the industrials, medtech and healthcare segments.
- **Capex plans for PCB manufacturing:** SYRMA plans to expand PCB manufacturing in phases, with a capex of Rs3.6–4.0bn for Phase 1 (completion by Dec'26), creating 720,000sqm of multi-layer and 480,000sqm of single-layer PCB capacity.
- The capex will be funded through 50% debt and 50% equity, with 25% of the equity contribution provided by a partner, and the company expects a 50% subsidy from Andhra Pradesh government. Funding will be supported by a combination of operating cash flow, equity infusion, and debt, with the government subsidy acting as bridge financing over FY27–28.
- The facility is being built to accommodate 2 additional multi-layer lines, which may be commissioned earlier than planned due to strong customer interest. The broader PCB-related expansion, including CCL, HDI and flex projects, is dependent on government approvals, with total capex of Rs15bn expected to be spent by FY30.
- SYRMA stated that in its PCB business, bulk consumption largely comprises single- to sub-8-layer boards, accounting for 70–75% of total PCB demand, while higher layer PCBs (8–15 layers and HDI boards) represent a much smaller volume. The company intends to focus on the bulk market initially, though it may selectively target higher layer PCBs where demand exists.

- The company is engaging with industrials, automotive and consumer segments, targeting 15–17% EBITDA margin in line with industry norms, focusing initially on accessible opportunities while progressively building a pipeline for high-end PCBAs, including medtech and export markets.
- **Other highlights:** SYRMA expects Elcome to deliver Rs 2.8-3bn in revenue FY26, with potential growth of 10–15% next year, driven by its existing product offerings and defense applications, which have a longer gestation period and can lead to lumpy orders. Elcome is having an EBITDA margin of 20–25%, which the management expects to sustain in the coming years. However, revenue for Elcome will not be recorded fully in FY26 as it was acquired recently in Dec'25.
- The company expects PLI benefit of Rs300-320mn for FY26

Tata Consultancy Services (TCS IN)

Rating: BUY | CMP: Rs3,240 | TP: Rs4,040



- Management mentioned that demand continued to improve in Q3 despite furloughs & seasonality impact with traction in demand for AI & data services, enterprise solutions & cyber security.
- BFSI growth momentum remains intact despite furlough-led seasonality in Q3. The company secured a mega BFSI deal in North America, while the non-mega deal pipeline remains robust, underpinned by sustained spending on modernization, regulatory compliance, and operational efficiency initiatives. Within BFSI, the payments segment continues to witness rapid transformation driven by digital modernization and scale-led efficiencies, while the insurance segment is seeing incremental traction from emerging risk products and increasing AI integration
- Retail and Consumer segment delivered mixed performance, with growth driven by retail and travel & hospitality, supported by resilience in the US, UK, and Europe. In contrast, APAC remained challenging, while fashion retail continued to underperform.
- Life Sciences & Healthcare delivered steady growth, supported by client investments in automation and pilot programs for AI-led drug discovery, while providers and payers increasingly deployed AI for revenue management. Manufacturing performance was mixed, with automotive remaining subdued even as other sub-segments reported growth
- International business delivered modest growth of 0.4% QoQ CC in Q3, but management highlighted improving demand visibility, shortening decision cycles, and a healthy deal pipeline in North America, underpinning confidence in a pickup in international growth momentum led by AI-led transformation, modernization programs, and strong order book visibility.
- Management mentioned that BSNL revenue in Q3 was similar to Q2 revenue and they are still awaiting PO from BSNL to begin execution of the follow up order.



- TCS recognized a one-time provision of Rs 21.28 bn in Q3 toward compliance with new labour law requirements, largely comprising gratuity obligations (~Rs 18 bn), with the balance related to leave encashment liabilities. While the provision impacted reported PAT in the quarter, management clarified that the ongoing impact on margins is limited to ~10–15 bps
- Management indicated that higher SG&A expenses in Q3 were driven by increased marketing expenses, legal expenses, and CSR outlays. It clarified that while some of these costs are recurring in nature, the one-off impact was limited to ~10–20 bps.
- On the restructuring activity management mentioned that it will continue for another quarter.

Tata Elxsi (TELX IN)

Rating: HOLD | CMP: Rs5,793 | TP: Rs5,500

- Macro environment remains volatile and clients decision-making continues to be slow; however, management indicated that clients are increasingly moving ahead with value-proposition-based projects.
- Transportation momentum is expected to remain strong and sustainable through Q4FY26 and FY27, driven by adjacency creation in off-road segments, further ramp-up potential in existing deals, and traction across SDV, EV/hybrids, ADAS, and connected platforms.
- Anchor client normalization still underway, with performance yet to return to normalized levels; management expects this to play out over the next 1–2 quarters, providing additional growth runway once recovery is complete.
- M&C declined due to seasonal furloughs and delays in deal closure; however, ramp-up of select large deals is underway, with management expecting a return to growth from Q4.
- Management mentioned that the Healthcare segment has bottomed out after several weak quarters. They further indicated that a turnaround is expected from Q4 itself, with growth in FY27 supported by new client additions, deal wins, and a robust pipeline.
- Wage hike for senior employees will be implemented in Q4, and management expects a margin impact of ~70–80 bps.
- Management mentioned that hiring will remain calibrated and focused on niche skills in the near term; large-scale hiring is unlikely for next few quarters.
- Provision for the new labour code has been fully recognized in Q3; the ongoing impact is expected to be limited to 15–20 bps on margins and should be offset by other levers, subject to final regulatory clarity.
- TELX secured multiple large, multi-year deal wins across Healthcare, Transportation, and Communications, reinforcing its diversified growth



engine. These wins underscore strong traction for differentiated, platform- and IP-led offerings and collectively enhance revenue visibility.

Tata Steel (TATA IN)

Rating: ACCUMULATE | CMP: Rs197 | TP: Rs226

Financial performance

- Q3 free cash flow stood at Rs70.54bn despite elevated capex of Rs32.90bn, with operating cash flow of Rs103bn.
- Net debt declined by Rs 52.06bn QoQ to Rs 818.34bn. Net debt/EBITDA improved to 2.59x, within management's target of 3x. The guided range for the same is 2.6-3.2x depending on the steel cycle.
- Cost and efficiency program has delivered savings of ~Rs86bn since the beginning of the FY with 93% compliance to 9MFY26 plan.

TSI

- Realizations declined Rs2,100/t QoQ in Q3 (vs earlier guidance of Rs1,500/t), due to continued fall in soft steel prices in Oct/Nov. While coking coal consumption costs in Q3 were higher USD4/t.
- TATA expects sequential NSR improvement of ~Rs2,300/t in Q4 driven by price recovery, better mix, and higher volumes. Coking coal costs are also on the rise and TATA expects coking coal costs on consumption basis to increase by USD15/t and ~USD7/t in Q4FY26 and Q1FY27 respectively. Volumes in Q4 would be ~0.5mt higher QoQ.
- Ramp-up of the combi mill, galvanizing, and downstream facilities, with no scheduled BF realignment in FY27, Ludhiana EAF commissioning by mid-Mar'26 to drive volumes. Automotive contract revisions in Q1FY27 are expected to drive price benefits and structurally improve product mix towards higher galvanised, colour-coated, and VASP, supporting improved profitability in FY27E.
- Legacy cost burden remains concentrated at Jamshedpur; newer sites (KPO, Meramandali) operate on structurally lower cost bases. TATA is taking efforts to control legacy costs too.

TSE

- Tata Steel Netherlands (TSN):** Realizations to decline ~EUR30-33/t QoQ in Q4 due to packaging contract resets post US tariffs.
- Drop in realizations at TSN is expected to be partially offset by cost takeouts. Q4 volumes guided ~400kt higher QoQ, supporting margin expansion.
- Steel pricing in Europe is expected to shift closer to US steel prices due to CBAM and new safeguard measures.

- Quota in the EU is expected to decline ~50% while tariff rate to double from c.25 to 50% post Jun'26. Imports are expected to halve from 30mt to 15mt. Europe demand is stable at ~113mtpa for the last 4 years.
- Mgmt. expects CBAM costs to be largely passed through, acting more as a reimbursement than hit on the margins.
- **Tata Steel UK (TSUK):** In Q4 NSR is expected to be GBP5/t higher.
- Mgmt. highlighted that ~GBP100/t spread expansion from current levels is required to achieve profitability.
- Mgmt. clarified that UK EAF transition remains on track, with no economic benefit in delaying conversion given structurally superior cost competitiveness vs BF operations.
- UK safeguards are under active government review, with strong industry alignment toward quota harmonization with EU policies.

Capex

- Received in-principle board approval in Dec'25 for 4.8mtpa expansion at NINL; strategic complex for long products expansion.
- Hot trial of mill started at the 0.75mtpa EAF in Ludhiana. Facility to be commissioned in 1QFY27.
- Plan to setup 2.5mtpa thin slab caster and rolling facility at TSM.
- Partnership with LEML: to develop greenfield capacity of 6mtpa in Maharashtra and develop new iron ore hub in Gadchiroli.
- 2.2mtpa CRM complex at KPO, CAL and CGL#1 ramping up well.
- Expansion of tubes capacity from 1.5 to 4mtpa via asset light model and focus on product enrichment.
- Tinplate Phase 1 expansion from 0.4mtpa to 0.7mtpa at Jamshedpur is underway and final capacity to be 1mtpa.
- CRGO steel plant is under planning, most likely to be located at Jamshedpur.
- Structural demand opportunities emerging from data centers, infrastructure, and industrial sectors.
- Hlsarna technology remains Tata Steel IP, with active global interest including discussions with Nucor.



Tata Technologies (TATATECH IN)

Rating: HOLD | CMP: Rs651 | TP: Rs660

- Management indicated that the demand environment is gradually improving, with customer decision-making becoming more predictable after 12–18 months of regulatory, tariff-related, and geopolitical uncertainty that delayed full vehicle programs and moderated outsourcing spends. Management highlighted that during this period, the company strengthened its portfolio by increasing the share of embedded, SDV, and software-led engineering, which is structurally more recurring. With customer investment cycles normalizing and the pipeline strengthening, management expects demand conversion to improve meaningfully in Q4 and translate into sustainable growth in FY27.
- Management highlighted that deal momentum in automotive has strengthened, with several large wins in recent quarters. Notably in Q3, Tata Tech won a strategic full vehicle program its first in nearly 18 months which marks a clear inflection in auto spending. In addition, they noted that continued wins in embedded/SDV engineering, chassis and climate systems, and sustainability-led engagements enhance multi-year revenue visibility.
- Management indicated that anchor client performance remains stable, despite a temporary disruption in Q3 that impacted billing for part of the quarter. The issue was isolated, with revenues recovering in Q3 and expected to fully normalize in Q4. Management further highlighted that new program activity at anchor clients is picking up, with increasing investments in new product development and enterprise digitization, which should drive incremental engineering demand.
- Management highlighted strong performance in non-auto segments, led by aerospace and IHM, which continued to outpace automotive growth. The aerospace business has doubled for four consecutive years and is expected to reach ~USD 40 mn in FY26, supported by sustained demand across MRO, PLM, and manufacturing engineering. Management noted that the Tata Group ecosystem is a key enabler, providing access to high-integrity global OEM programs, and expects non-auto segments to remain key growth drivers into FY27.
- In aerospace business, management highlighted Airbus as a key strategic partner, with expanding engagements across engineering and industrialization programs. During the quarter, eight Tata Tech engineers received Airbus DOA certification, validating company's engineering depth and enabling participation in higher-value, safety-critical programs, thereby enhancing long-term revenue visibility.
- Management guided to a strong revenue outlook, with >10% QoQ sequential revenue growth in Q4, driven by ramp-up of recent deal wins, normalization at impacted anchor clients, contribution from ES-TEC, and broad-based demand recovery. Looking ahead, management reiterated confidence in double-digit organic revenue growth in FY27, supported by a healthy and diversified pipeline, improving demand conversion, and a higher share of embedded/SDV and non-automotive revenues.

- Management indicated that margin headwinds in Q3 were largely transitory, driven by wage hikes and temporary revenue disruption at an anchor client. With these factors now behind, management expects margin recovery from Q4 onwards, supported by revenue normalization, operating leverage from higher volumes, and ongoing efficiency measures. They reiterated confidence in returning to and exceeding the Q2 normalized margin run rate as execution improves.
- BMW JV's momentum continued, which has scaled to over 1,500 engineers. During the quarter, profit from the JV increased 37% QoQ, reflecting healthy ramp-up and expanding scope across embedded, SDV, and digital engineering programs. Management indicated that the JV offers strong annuity visibility and sustained growth potential into FY27 and beyond.

TCI Express (TCIEXP IN)

Rating: BUY | CMP: Rs537 | TP: Rs694



- Volumes for 3QFY26/9MFY26 stood at 2.55 lakh tons/7.38 lakh tons respectively.
- Truck utilization stood at 83.2% in 3QFY26.
- Capex of Rs450mn has been incurred till 9MFY26 primarily towards branch expansion, sorting centers, and IT infrastructure upgrades.
- Top 25 customers do not account for more than 15% of revenue.
- Volume growth of ~15% is expected in FY27E.
- For FY26E, surface logistics continued to dominate the product mix, while other services contributed ~18.5-19%. Within other services, C2C had the highest share, followed by domestic air express and rail express. International air and B2C remained the smallest segments, accounting for ~2-2.5% of total revenue.
- Yield increase of 200 bps is projected in FY27E and FY28E.
- 4QFY26E is likely to see high single-digit volume growth.
- The customer mix for the quarter is as follows: 49% - SMEs and 51% - Corporates.
- The top 5 verticals: pharmaceuticals, electronics, engineering, garments & lifestyle, and automotive contributed ~55% of total revenue in 3QFY26..



Tech Mahindra (TECHM IN)

Rating: ACCUMULATE | CMP: Rs1,671 | TP: Rs1,860

- Macro demand conditions remain volatile, particularly in Europe (Comms and parts of BFSI). However, management expects H2 to be stronger than H1, supported by improving deal conversions, large-deal ramps, and healthy pipeline.
- AI demand is evolving from experimentation to production-grade deployments. Clients are increasingly prioritizing data stack and core-platform modernization, creating sustained tailwinds for system integrators with strong AI, data, and platform capabilities.
- Management remains bullish on the BPS business, citing strong leadership and increasing differentiation through AI, automation, and agentic AI, which is enabling the business to move up the value chain from headcount-led services to solution-led offerings. While margins were impacted earlier due to integration and portfolio realignment, management indicated that BPS margins are now on an improving trajectory, supported by operating leverage, tighter integration with IT services, and improving cross-sell, positioning BPS as a sustainable growth engine.
- BFSI declined QoQ in Q3 due to higher furloughs in select geographies and annual productivity pass-backs in a large contract, whose impact was amplified by the segment's smaller base. Management reiterated that underlying demand in the segment remains healthy across transformation, data, analytics, cybersecurity, and AI, with growth expected to normalize in coming quarters.
- Management indicated that while the company has strong payments practice, its exposure is largely to payment networks rather than card issuers, and hence it does not expect any near-term impact from the proposed credit card interest rate cap, which remains at a proposal stage.
- In the Comms segment, US and APAC trends remain stable, with the largest client growing faster than the company average. Europe was impacted by a vendor-specific ramp-down; however, ongoing vendor consolidation opportunities and a large European deal underpin expectations of stability and recovery in H2.
- In Manufacturing segment, the sub-segments of Aerospace and industrial verticals delivered strong growth, reinforcing sector momentum. Within automotive sub-segment, passenger vehicle demand has stabilized, while the commercial vehicle segment remains volatile; however, medium-term opportunities remain strong.
- Revenue from USD 20mn+ clients continues to outpace the company average, validating the strategy of deepening wallet share across strategic accounts. Growth is increasingly driven by solution-led, multi-year engagements, improving revenue quality and pricing discipline.
- TechM reiterated confidence in outgrowing the peer average by FY27, supported by large-deal visibility, improving discretionary spend, scalable AI-led solutions, and a structurally stronger operating model.

- Management reiterated its strict pricing and profitability discipline, emphasizing that no margin-dilutive large deals have been signed, thereby limiting execution and margin risk.
- Management reiterated its medium-term EBIT margin target of 15%. Going forward, margin expansion is expected to be gross margin led, as SG&A has already reached historical lows. Key margin levers include fixed-price project productivity, volume-led operating leverage, portfolio company integration, and continued optimization of the onsite-offshore mix and subcontractor usage.
- Management indicated that no decision has been taken on wage hikes, as the company is still evaluating the implications of the new labour code on wage structures, and will take a decision once greater clarity emerges.
- On H1B visas, management indicated that H-1B exposure remains limited, with less than 1% of the total workforce on H-1B visas and under 30% of U.S. employees visa-dependent. The company plans to further de-risk this by increasing local U.S. hiring and expanding nearshore delivery and does not expect any impact from the H-1B fee hike in FY26, with limited impact in FY27.

Thermax (TMX IN)

Rating: ACCUMULATE | CMP: Rs2,916 | TP: Rs3,374



- **Q4FY26 Guidance:** Management expects Q4FY26 revenue to grow by double digits while they also expect better order intake in Q4FY26.
- **Industrial Products:** The slowdown in the ethanol market has led to a weaker domestic order book in Industrial Products, while softer performance in heating and enviro equipment is likely to keep margins below last year's levels. Lower-than-expected volumes also impacted margins, though management expects volumes to recover in Q4. On the positive side, the cooling product line is gaining traction in data centers with one domestic and one international order, and the BTG thermal pipeline remains stable despite Chinese competition.
- **Industrial Infra:** The company remained selective in order booking, prioritizing execution of its existing order book, while the overall pipeline continues to remain healthy. It is cautious on opportunities involving large construction components, particularly government-linked projects, and while it will explore refinery and petrochemical opportunities, it may avoid bidding on projects with significant construction scope. Management expects an improvement in the quality and number of domestic projects, with a reasonable portion of revenue from the Dangote order likely to be recognized in FY27 and full execution expected over the next 18 months.
- **Green Solutions:** Order intake at TOESL was negligible during the period, though management expects an improvement in Q4. In FEPL, the company is executing five projects, two of which were impacted by partners facing financial difficulties, weighing on performance; one of these projects has been completed, while the other is expected to conclude by March 2026. The company plans to add around 250 MW in FY26, scaling capacity to ~700 MW

by FY27 and ~1.1 GW by FY28, while also exploring options to monetize the business in the interim.

- **Chemicals:** Year-to-date, the company has underperformed by ~Rs500mn at the PBT level, with ~60% attributable to a newly added asset, ~20% to expansion of new products, and the remaining ~20% due to higher operating expenses. Management expects to regain lost market share in North America, with the Chemicals business likely to perform better in Q4 and FY27, while targeting an EBITDA margin of 13-14% in this segment.
- **Data Center:** The company may plan to expand capacities in TBWES and cooling to address rising demand from data center applications, where margins are comparatively higher. Management also highlighted that the value addition from its products is significantly greater in the USA, driven by the distinct power configurations used in North American data centers, which in turn has improved the addressable opportunity.

Titan Company (TTAN IN)

Rating: BUY | CMP: Rs4,269 | TP: Rs4,917



- Festive period coupled with exchange program spurred demand across category despite elevated gold prices.
- January saw good growth with Q4 mimicking trends of Q3 and consolidated P&L to include damas numbers.
- Studded grew 26% YoY driven by high value segment purchases in Tanishq and Zoya, Mia expansions & growth in solitaires.
- West and south are seeing some demand impact on higher karat jewellery while east and north is doing well.
- Introduced 14k jewellery in Tanishq with up to 9k jewellery in Caratlane amidst rising gold prices.
- Buyer growth remained flat in Q3 with new buyer contribution at ~45% down 300bps YoY.
- Analog watches continue to see strong growth led by superior design and premiumization, however ASP remained flat.
- Eyecare business saw 11% UCP growth led by healthy double-digit growth in lenses portfolio coupled with mid-teen growth in sunglasses.
- 3Q26 ticket size was ~Rs190k with studded ticket size went up by 15% and studded ticket size was up by ~45%
- Buyer growth translating into revenue.
- Buyer growth is translating into revenue more meaningfully in the plain gold segment than in studded category with demand pressure from lower-end consumers.
- Some Damas store to be converted into Tanishq store in GCC



- Teal is doing well with strong order book
- Studded mix in Caratlane declined in Q3, largely led by the sharp rise in gold prices; however, low double-digit EBIT margins are sustainable over the medium to long term led by new collections & healthy demand.
- Gold prices may remain firm, which can exert margin pressure, however, operating leverage is likely to partially offset the impact.
- Demand for Sub 1lakh jewellery continue to remain under pressure in Q3

Torrent Pharmaceuticals (TRP IN)

Rating: BUY | CMP: Rs4,078 | TP: Rs4,750

- **India:** Growth drivers: Volume 5.5%, Price 5.8%, New products 2.7%. The company continued to outperform in chronic and sub-chronic therapies, particularly in cardiac, gastro, and diabetes segments. Field force expanded to 6,900 reps (vs 6,800 in Q1); target 7,000 by FY26E and further to 7500 by FY27E.
- **Curatio** continues to outperform; +27% YoY in Q3, aided by increased OTC advertising spends, expansion of the field force and improved demand generation initiatives.
- **Brazil:** Growth led by healthy volume expansion and mid-single-digit price increases. However, price growth has moderated due to controlled inflation and intense competition with price hikes limited to 4-5%. Expect 10-15% growth with 5-6 annual launches. Torrent has 60 products pending approval with ANVISA.
- **Semaglutide:** Mgmt expects to be in 3/4th wave of launch in Brazil. Oral semaglutide is being evaluated in Brazil markets.
- **Germany:** Supply disruption at third-party supplier which impacted sales; visibility remains unclear. TRP is onboarding alternate suppliers over the next 3-4 quarters and shifting select products to its own facilities.
- **US markets:** Growth supported by new launches and increased volumes on existing contracts. Expect 5-7 product launches annually. Targets \$200mn in revenues.
- **JBCP Acquisition:** Mgmt expects cost synergies of Rs 4-4.5bn over 2-3years. The synergy guidance excludes potential benefits from the Novartis ophthalmology portfolio and the Azmarda portfolio. This cost synergies will reflect 20% in year 1, 60% in year 2 and remaining 20% in year 3. The JBCP's trade generics business, currently at near-zero margins, is under strategic review and may be rationalized or merged with TRP base trade generics operations. MR Attrition levels have remained stable following the acquisition announcement. Expect merger to be completed post 6-9 months post NCLT filing shortly



- **Other: Capex:** Net debt stood at Rs 8.8bn as of Q3FY26. Post JBCP acquisition, net debt to EBITDA is expected to be at ~1.1x by FY28 and ~0.6x by FY29. Average interest cost is approximately 7.6%.

Triveni Turbine (TRIV IN)

Rating: ACCUMULATE | CMP: Rs509 | TP: Rs585

- **Management guidance:** The management expects FY26 revenue growth in double-digits, while margins are anticipated to remain impacted due to execution of lower margin orders and deferrals. Q4FY26 is anticipated to see strong revenue as well as order booking growth given the lumpy nature of the business and ~Rs2.0bn of order booking deferred from Q3 to Q4.
- **Order booking:** Order intake was lower during the quarter due to finalization delays, which is expected to come in Q4. Domestic order booking continues to see strong traction from F&B, chemicals, sugar & distillery, steel and cement. International enquiry pipeline remains strong across process co-generation; however, the conversion cycle has elongated, which is impacting international order finalizations.
- **USA subsidiary:** The US subsidiary reported a loss of Rs217mn in 9MFY26, even as enquiry activity picked up sharply across data centers, steel, cement, and paper & pulp sectors. The management expects enquiries to translate into orders over the coming quarters aided by lower tariffs. Refurbishment demand is gaining strong traction from geothermal players and IPPs, while US customers are increasingly evaluating combined-cycle power plants for data center applications, driven by capacity constraints at gas turbine OEMs. With this strong enquiry pipeline, the US is expected to contribute to ~20% of the order book. The management expects FY27 to be the breakeven year for the US business, with revenue scaling up to Rs2.0-3.0bn by FY28.
- **Company to expand its presence to sub-Saharan region:** The South African subsidiary of TRIV is expanding its operations to sub-Saharan region, where there is a strong traction for refurbishment. The management remains bullish on the prospects from this region in FY27.
- **New products:** The heat pump enquiry book has crossed 100 units, with the first order scheduled for execution in FY27. The management indicated that new solutions are unlikely to make a material contribution to revenue over the next few years. Currently, 7-8 mechanical vapor recompression orders are under execution and are expected to be commissioned in FY27. The management remains bullish on the energy storage space, particularly driven by new applications, and expects incremental order inflows across both CO₂-based and thermal energy storage solutions.
- **Exports:** The spares business continues to remain stable in export markets with a steady growth trajectory. While refurbishment is witnessing improved enquiry activity, order inflows remain lumpy in nature. The management highlighted softness in existing products in Southeast Asia due to decision-making delays, although new products are seeing healthy traction. Meanwhile, the Middle East market remains impacted by ongoing geopolitical tensions.



TVS Motor Company (TVSL IN)

Rating: ACCUMULATE | CMP: Rs3,655 | TP: Rs4,200

- Exceptional expenses due to the new labor codes of Rs0.4bn and loss on fair valuation of an investment dragged reported PAT marginally.
- The management expects a good Q4 as well due to GST benefits, strong macros, improving rural sentiments, policy measures by RBI, etc.
- Industry sales are expected to grow more than 15%, translating to FY26 growth of ~9% YoY, with TVSL growing faster in both domestic and exports.
- TVSL received ~0.7% PLI benefits for its EV portfolio.
- 0.2-0.3% price increases taken at the start of Q3 partially offset the commodity inflation from platinum group metals, while overall impact from all commodities was ~0.4%.
- Growing economy and monetary policy measures are expected to improve liquidity and the credit environment.
- Supply shortfalls at the dealer level were due to plant maintenance, holiday seasons, etc. Capacity increase takes 2-3 months, and TVSL has been actively investing in that. EVs also should see full supply in a month's time as magnet shortages ease. Currently, TVSL is producing 30-32k units of iQube and ~10k units of Orbiter.
- Revenue from spares stood at Rs11.83bn (+25% YoY), contributing 9.5% to the operating revenue.
- Growth momentum in the international business came from LatAm and Africa (expected to continue), rebound in Sri Lanka, and Nepal continuing to do well. Europe isn't growing and challenges might continue for another few quarters. Exports revenue for the quarter was Rs29.09bn (+44% YoY).
- Norton's super-premium and luxury bike line-up is getting built, and it is gearing for India launch as well (previously guided for around Apr'26).
- For FY26, capex guidance has been increased slightly to Rs17bn (driven by planned capacity increases) and investments to Rs29bn (from Rs20bn), primarily for Norton and TVS Credit. During Q3FY26, TVSL invested Rs9.1bn in its subsidiaries.
- TVS Credit's book size at the end of Q3FY26 was Rs296.78bn (+9% YoY, +7% QoQ), and the customer base was more than 2.3cr (vs. 2.13cr in Q2FY26). Its PBT for Q3FY26 grew by 21% YoY to Rs3.9bn.



Ultratech Cement (UTCEM IN)

Rating: BUY | CMP: Rs12,369 | TP: Rs14,168

Demand & LT industry outlook

- Gol's sustained focus on building a robust pipeline of new projects nationwide with several marquee investments announced across every region, is translating into solid cement demand.
- **North** witnessed traction from road development initiatives from Punjab worth Rs160bn, new corridors in Delhi Metro worth Rs120bn, and metro expansion (575km) across Uttar Pradesh connecting major cities.
- **West** remains strong led by Maharashtra's large transport and mega mobility projects like Uttan-Virar Sea Link (Rs580bn), Mumbai Road concretization, metro expansions in Mumbai/Pune, expressways connecting rural areas with Gujarat's 9 high-speed corridors, etc.
- **South** is witnessing a major mobility transformation with Bengaluru metro expansion, 40km twin tunnel, 41km double-decker metro, and 110km elevated corridors. The Centre has approved Rs100bn for the expansion of highways in Telangana and New Mangalore Port capacity expansion.
- **East** is likely to be supported by road initiatives in West Bengal, major *Ganga* road projects worth Rs700bn in Bihar, and road expansions in Chhattisgarh.
- Industry demand growth is estimated at 9-10% in Q3FY26 and 6.5-7% in 9MFY26, with the management expecting demand momentum to sustain.
- UTCEM's capacity utilization is expected to exceed 90% in the coming quarter, supported by strong demand.

Pricing

- With demand remaining strong, the management indicated pricing should not be a concern, despite upcoming capacity additions. Cement prices improved post Dec'25 to Rs6-8/bag in both segments.
- Non-trade price hikes have been sharper than trade, reflecting stronger institutional demand. The management expects further improvement in pricing as demand strengthens in Q4FY26.

Operational

- Brand conversion has progressed well with ~69% achieved at Kesoram and ~58% at ICEM as of Q3FY26.
- The management indicated benefits from brand conversion and efficiency initiatives will increasingly reflect in P&L from Q4FY26.
- RMC operations span 163 cities and contribute to ~3% of total cement volumes, primarily catering to institutional demand.

- The management highlighted rising bulk cement and blended cement usage in infrastructure projects, supporting margin stability.

Costs & Efficiency

- Fuel cost for Q4FY26 is expected to remain stable at ~Rs1.8/kcal.
- Captive power cost declined to ~Rs6.5/unit from Rs7.1/unit, driven by improved fuel efficiency.
- Renewable energy mix increased to ~41% and is targeted to reach ~60% over the medium term.
- Lead distance reduced to ~363km, in line with the target of ~25km reduction from the base of ~400km.
- Clinker conversion improved to 1.49x in Q3FY26, with a target of 1.54x by FY28.
- Efficiency improvement program is expected to deliver ~Rs100/t benefit in FY26 versus ~Rs86/t realized in FY25.

India Cements

- EBITDA/t stood at ~Rs400 in Q3FY26, with the management targeting ~Rs1,000/t exit by Q4FY27.
- Non-core asset sales, including a few land parcels and an overseas coal mining asset, have realized Rs2-2.5bn so far.
- The management expects further monetization potential of ~Rs5bn from 2 land parcels. Merger decision is subject to legal clearances on certain assets attached by ED.
- UTCEM has spent Rs1.44bn out of Rs6.01bn committed for ICEM.
- ICEM capacity is targeted to reach ~17.5mt by FY28.

Kesoram Industries

- EBITDA/t was ~Rs600 in Q3FY26, with further improvement expected as integration benefits accrue.
- Capex stood at Rs2.63bn out of Rs3.82bn committed.

Capacity Expansion and Balance Sheet

- Capacity additions are progressing as planned with 8-9mt expected in Q4FY26. FY27 capacity addition is guided at ~12mt, with balance announced capacity to be commissioned in FY28.
- Total UTCEM's cement capacity is expected to reach 198–199mt in FY26, 208–209mt in FY27, and ~235mt by FY28.



- Growth is being funded entirely through internal accruals, thus helping maintain a strong balance sheet.
- Net debt-to-EBITDA stood at 1.08x and is expected to reduce to 0.8–0.9x by end-FY26.
- 9MFY26 capex stood at ~Rs7.2bn, with ~Rs2.5bn expected to be spent in Q4FY26, taking FY26 capex to ~Rs100bn.

Union Bank of India (UNBK IN)

Rating: BUY | CMP: Rs179 | TP: Rs200

Assets/Liabilities

- Bank took few steps to manage liquidity in Q3FY26 i) Bank has shed Rs400bn of bulk deposits which were at a higher cost which has allowed to reduce LCR requirement. ii) IBPC of Rs200bn from last quarter has been shed in Q3FY26. iii) Rs100bn of low yielding portfolio has been shifted to long term iv) investment book contraction of Rs150bn.
- Gold loan portfolio was Rs840bn with 9M yield at 8.85%-9%. Agri portfolio stood at Rs480bn. The LTV for agri stood at 85% and for non-agri at 75%.
- Bank is confident of aligning with system credit growth on a YoY basis.
- Bank received 78 proposals worth Rs5bn due to moratorium announced by RBI for exporters.
- Deposits maturing in Q4FY26 are at Rs1.5trn.
- Bank is comfortable at domestic LDR of 81% and global LDR 82-83%.

Profit & Loss

- Other interest income was higher QoQ due to RIDF interest of Rs1.98bn.
- NIMs are expected to increase in FY27 as deposit repricing happens. Bank intends to defend the NIMs at 2.76% for FY26.
- PSLC income was lower in Q3FY26 due to lesser opportunities.
- For the labour code impact, bank expects an impact of Rs100-150mn.
- Bank has launched project muskaan where 300 processes are identified which will be simplified to serve the customers. Once the digital infrastructure platform is out to use at 60-70% capacity, management expects good cost cutting along with risk mitigation.
- Bank plans to open 75 branches in FY26 and 200 branches going forward.

Asset Quality

- The standard assets provision requirement was down QoQ as bank had an adequate release from recoveries towards provisions from fresh slippages.



- The transition impact from ECL is estimated at Rs42-43bn. Bank does not expect material impact on credit costs on account of ECL as they have enough buffer in terms of PCR and 95% of corporate book is above BBB rated.
- Bank is concentrating on TWO recovery of small and mid accounts.

UTI Asset Management Company (UTIAM IN)

Rating: ACCUMULATE | CMP: Rs1,339 | TP: Rs1,400

Industry

- Total industry AUM grew to Rs75.61trn as of Sep'25, up from Rs75.19trn, reflecting a 0.56% increase M-o-M.
- Equity MF inflows fell 9% to Rs304bn in Sept. In September the SIP stoppage ratio rose to 76.27% up from 74.51% in August. Overall sentiment of retail investors remains strong. SIPs have reached a new milestone with record monthly contribution of Rs294bn.

MD&CEO appointment

- The Board has unanimously decided to appoint Mr. Vetri Subramaniam as MD&CEO of UTI AMC with effect from 1st Feb'26. Current MD&CEO will act as strategic advisor from 1st Feb'26 to 12th Jun'26.

Financial Performance

- AUM for UTI International declined due to i) maturity of UTI Pheonix Fund ii) some redemption and MTM impact on UTI India Dynamic Equity Fund and iii) MTM in UTI Innovation Fund.
- Yields by asset class: equity & hybrid at 75bps, ETF/index at 8bps, liquid at 9bps & debt 19-20bps.
- UTI AMC approved implementation of VRS effective from 1st Oct'25. The one-time financial aspect as per the actuarial valuation is Rs250mn which has been fully accounted in Q2FY26. This initiative is designed to offer a structured and dignified exit framework for eligible employees while strategically realigning the workforce to support the organization's future business priorities. The actual impact of VRS will depend on number of people opting for it which will be communicated in November.
- Out of 1,450 employees, 479 overall and 315 in sales are eligible for VRS. Avg. VRS payout would be between Rs6-6.5mn. Management data suggests that in case all employees take VRS, company will be requiring 70-75 replacements. The entire VRS cost will be booked in the P&L in Q3FY26 as per the accounting standard and it would lead to DTA as per taxation rules.
- The full year tax rate for FY26 is expected be slightly higher at around 26-27% as VRS cost will be amortized over 5 years as per taxation rules.
- Apart from Rs250mn, around Rs65mn in employee cost relates to actuarial impact of salary revision which is a one quarter event.



- Other expenses grew on account of higher CSR expenses. Company maintains guidance of 7-8% growth in other opex.
- Company currently operates through 31 branches across India and plans to take the total number of branches to 40 in FY26.

Vikram Solar (VIKRAMSO IN)

Rating: BUY | CMP: Rs215 | TP: Rs326

- Currently, the entire 9.5GW module capacity is TOPCon, and the upcoming 6GW expansion will also be fully TOPCon-based.
- Total capex for the 6GW cell and module expansion is Rs64bn, funded by Rs38bn of debt, Rs15bn from IPO proceeds, and the balance via internal accruals.
- Board has approved Rs44bn of total capex for BESS Phase-1 (5GWh), expected to be commissioned by FY27 and scaled to 7.5GWh by Sep'28, funded through ~Rs2.8bn of debt and the balance via internal accruals.
- Company has incurred ~Rs3bn of capex up to Dec'25 and expects Q4FY26 to be a capex-heavy quarter.
- Management estimated ~30-35 GW of utility-scale DCR demand in FY28.
- The Thailand cell line will be shifted over ~4months starting around Apr-May'25, with commissioning and first sell-out expected by Dec'26.
- Company maintains a rolling order book of ~1.2–1.3x scheduled deliveries for the next four quarters

Voltas (VOLT IN)

Rating: HOLD | CMP: Rs1,349 | TP: Rs1,442



- VOLT maintained RAC leadership with YTD market share of 17.9% as on Dec'25 vs 18.5% as on Sep'25.
- VOLT expects price hikes in Q4FY26, with 5-star models facing higher cost impact than 3-star models due to BEE norms, commodity inflation, and currency movement.
- EMPS order book as on Dec'25 stood at Rs61bn.
- VOLT has identified ~85 regional retailers, particularly in South and West India, where presence can be strengthened to drive higher wallet share.
- MEP segment growth driven by data centers, commercial buildings like shopping malls and infra projects metros and airports.
- Voltbek has a YTD market share of 6.2%/8.2% in refrigerators/washing machines.
- Voltbek maintains 2nd position in semi-automatic WM category.



- Pantnagar plant is operating at 100% capacity, while the Chennai plant has 1.0mn units, set to expand to 1.5mn units in the next 2-3 months, with utilization expected to ramp up to 85-90% in the upcoming summer season.

Waaree Energies (WAAREEN IN)

Rating: BUY | CMP: Rs2,599 | TP: Rs3,600

- Cell plant utilization stands at 80-81% and is expected to rise to 85-90% post G12R upgrades in the next 3 months.
- US production stood at ~275MW in Q3FY26.
- The company has recorded ~Rs800mn of IRA benefit at ~90% of the USD0.07/Wp credit.
- Order book stood at Rs600bn as of Dec'25: 65% overseas and 35% domestic.
- 80–85% of the domestic order book is non-DCR, and the balance is DCR, with the mix likely to change as cell capacity ramps up.
- The management expects the initial ramp-up of cell capacity to take ~6 months, but for the new 10GW facility, it could reduce to ~4 months.
- Realization stood at ~Rs18.5/Wp for non-DCR modules and Rs23-24/Wp for DCR modules.



Westlife Foodworld (WESTLIFE IN)

Rating: HOLD | CMP: Rs477 | TP: Rs552

- SSSG came at -3.2% in 3Q as Oct remained muted, however, positive momentum was seen in December and January, with positive SSSG driven by a mid-single digit increase in guest counts.
- West market witnessed healthy growth in footfalls, while the South continued to face softness in demand.
- Everyday Value Meals priced at Rs99, launched in December, showed healthy traction
- on-premises business grew 6% YoY, led by traction for value meals, digital engagement, and focused hyperlocal marketing initiatives.
- delivery experienced a marginal decline due to volatility in third-party aggregator demand which was partly offset by strong growth on the McDelivery app.
- GM remained broadly stable sequentially enabled by supply chain efficiencies.
- WFL remains on track to deliver its medium-term target of 580–630 restaurants by 2027, with EOTF and McCafé formats, now deployed across 100% of the restaurants.
- WFL will open ~20-25 stores in Q4 amidst lower store opening in Q3.



- Merry Meal, launched during Christmas, saw strong traction, leading to merchandise selling out within six days.
- WFL has started to include processing charges in COGS from other expenses earlier thus seeing GM impact in Q3.

Wipro (WPRO IN)

Rating: HOLD | CMP: Rs267 | TP: Rs260

- Macro demand conditions remain cautious with no material improvement in discretionary spending. However, management noted steady client engagement, with decision-making increasingly centred around cost optimization, vendor consolidation, and AI-led transformation. Budget finalization in January is expected to provide better visibility, while the underlying pipeline remains intact.
- AI has become a board-level mandate for clients, shifting from experimentation to scaled, enterprise-wide deployment. Wipro Intelligence anchored around industry platforms, AI-enabled delivery platforms (WINGS, WEGA), and the innovation ecosystem is gaining traction, positioning Wipro in client transformation journeys.
- BFSI growth was steady supported by large deal ramp up which has reached at stability phase while Capco performance was impacted by furloughs and remained flat YoY. Healthcare continued to perform well, aided by seasonal strength and sustained client spend, reinforcing confidence in the sector's stability.
- Consumer vertical remains under pressure due to tariff-related uncertainty and delayed restart of a large SAP program, leading to weak performance. Management expects gradual improvement as ongoing deal ramps gain traction.
- EMR performance was impacted by macro uncertainty, tariff disruptions, and supply-chain challenges. However, management highlighted a strong pipeline, particularly in energy (Americas and Europe) and manufacturing (Europe), with recovery contingent on deal conversion.
- Growth in Tech segment was supported by strong performance in select large technology clients and incremental contribution from Harman DTS, with better traction in Europe and APMEA.
- For Q4FY26, management guided to 0–2% QoQ constant-currency revenue growth, implying organic growth of ~-1.5% to +0.5% QoQ CC after factoring in an incremental ~1.5% contribution from Harman DTS (two-month additional contribution). Management highlighted that the guidance reflects fewer working days, furlough recovery dynamics, and delayed ramp-up of large deals in organic business. Despite near-term softness, management remains constructive on the medium-term outlook as deal conversions improve.
- Management indicated that the Harman DTS acquisition meaningfully enhances Wipro's engineering and AI-led product capabilities, strengthening its position in Technology & Communications and improving win potential

across Healthcare, Consumer, and EMR. Coupled with improved deal execution and scaled AI-led platforms, management remains confident of a gradual recovery in growth as discretionary spending picks up and transformation budgets normalize.

- Management reiterated its intent to sustain margins in the 17–17.5% band, despite near-term headwinds from Harman DTS dilution, potential wage hikes, and growth investments. Margin resilience will be driven by operational rigor, disciplined deal pricing, delivery productivity, and integration synergies from Harman DTS. Management indicated that no decision has been taken yet on wage hikes.
- Net headcount increased sharply in Q3, driven by the Harman DTS acquisition and ramp-up of the large Phoenix deal. Management also revised its FY26 fresher hiring target downward to ~7,500–8,000 from the earlier 10,000–12,000, reflecting muted fresher intake of ~400 in Q3.
- Management highlighted that company’s balance sheet remains strong with ~USD 6.5 bn in cash and investments. Management reiterated its capital allocation policy of prioritizing shareholder returns alongside organic investments and selective M&A, with FY26 payouts exceeding USD 1.3 bn and buybacks remaining an option subject to board approval.
- Management highlighted that the restructuring exercise undertaken in Q3 has been completed, primarily addressing obsolete skill sets, with actions concentrated in Europe and within the Capco business. A one-time restructuring charge was absorbed in the quarter, and management clarified that no further restructuring-related charges are expected going forward.

Zee Entertainment Enterprises (Z IN)

Rating: BUY | CMP: Rs85 | TP: Rs133



- ZEE5’s revenue increased 73.2% YoY to Rs4,180mn driven by higher syndication revenues, revision in pricing agreement with a telco partner, and improvement in advertising revenues.
- Z IN’s viewership share expanded by 60bps YoY to 17.5% in 3QFY26.
- Z IN’s market share in the South/Maharashtra stood at 17.7%/33.6% respectively.
- During the quarter, Z IN expanded into the kids entertainment genre with launch of KidZ on ZEE5.
- Programming costs were higher in 3QFY26 on account of ILT20 matches being pre-poned.
- Operating costs rose 11.9% QoQ, mainly due to preponement of ILT20 and acquisition of film inventory. Excluding these elements, operating costs would have declined by mid-single digit on sequential basis.
- Adjusting for syndication revenue, ZEE5’s EBITDA would have been at break-even level in this quarter.



- FCCB drawdowns have been deferred.

Zydus Lifesciences (ZYDUSLIF IN)

Rating: ACCUMULATE | CMP: Rs887 | TP: Rs1,020

- **India formulation:** Key therapies (cardiology, gynaecology, oncology) outperformed the market. Chronic portfolio contribution at 45.3%. Strong outlook with sustained double-digit growth over next 2–3 years.
- **Consumer health:** This was full quarter performance of Comfort Click. Strong product launches including gummies, probiotics, resin products etc. Expanded further in EU region (Poland, Finland, Portugal). Mgmt cited margins remain lower than pharma base business.
- **GLP – 1:** India launch planned from Day-1 launch post IP clearance. Will be in first wave of launches in India. Partnering with 2–3 companies for commercialization. Targets entry in international markets in next ~12m (not first wave globally).
- **US markets:** Base business volume continue to grow. gRevlimid contribution remains negligible. Mgmt cited about no contribution from next quarter onwards. Filed 18 ANDAs and received 8 approvals. 4 products launched during the quarter. Planned 40–45 products in FY27E with multiple exclusive products. The company has 4–5 sizeable low competition launches including gAdempas, glmbrance. On gMirabegron management refrained from guidance on competitive landscape/likely settlement.
- **Specialty & 505b(2)** – Launched Beizray (albumin-bound docetaxel) — first oncology 505(b)(2) product in the US; received FDA approval for Zycubo (copper histidinate), first and only approved therapy for Menkes disease.
- **International markets:** Strong performance in emerging markets (therapy-led strategy). Market reach improves followed by portfolio expansion in Europe. Guided for +20% growth sustainable in near future. Medtech: 1st full quarter consolidation of Amplitude surgical. Growth remains in high single digit.
- **Vaccines:** Witnessed strong traction in Rabies and Flu vaccines. Targets Rs 10bn vaccine business in 3–4 years.
- **Others:** Q4FY26 EBITDA margin guidance of 23%+ (ex gRevlimid). Capex incurred in Q3FY26 was Rs 4.6bn Net debt of Rs 28.7bn. R&D spend guidance of 7.5–8% of revenue for FY26. Opex ex-R&D run-rate targeted at Rs 17.50–18bn..

PL's Recommendation Nomenclature

Buy	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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(Indian Clients)

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