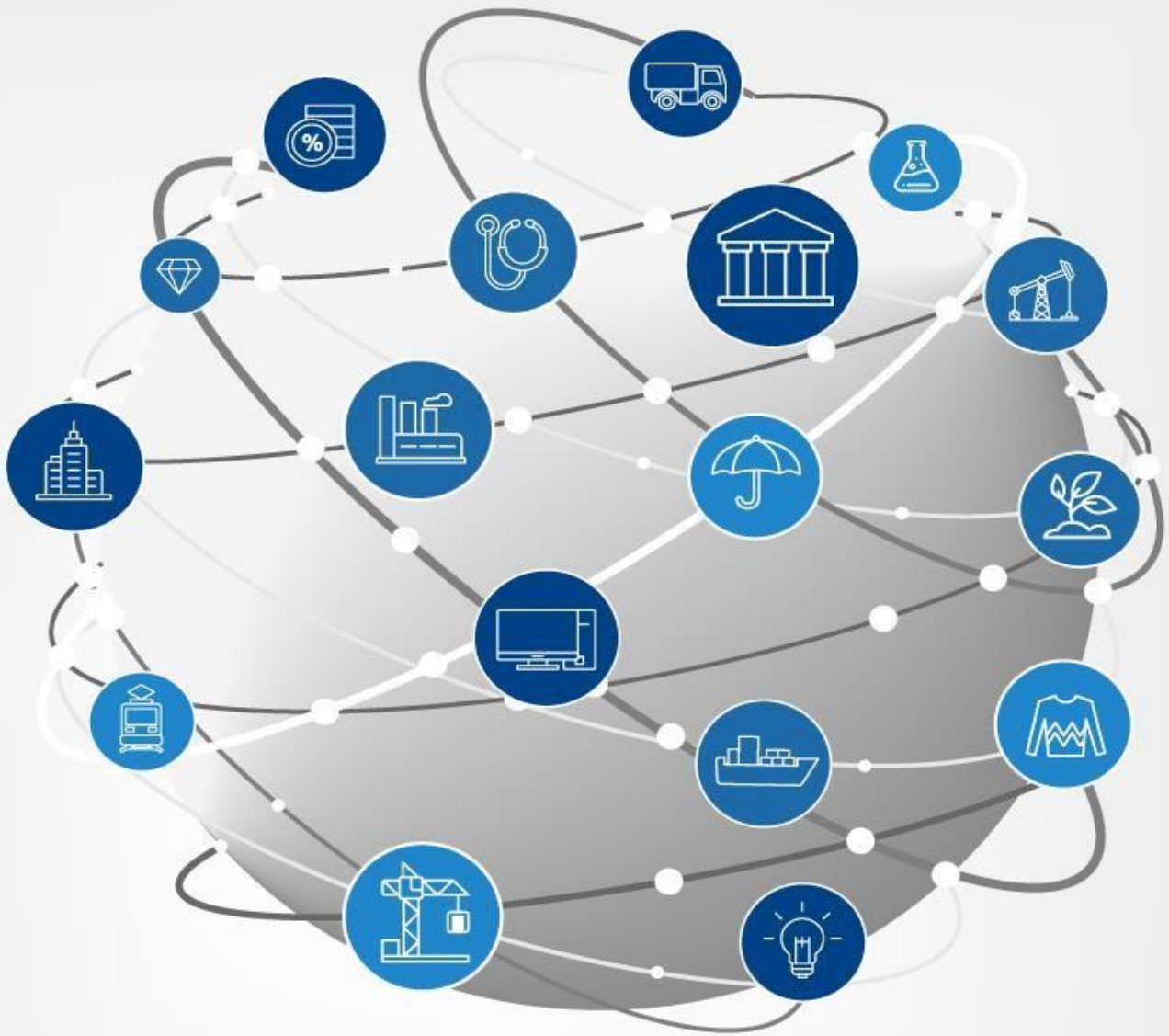




Quarterly flipbook

Quarterly Flipbook

Poised to inch up to double-digit earnings growth in FY26

The aggregate performance of the Q3FY26 earnings season was robust as YoY PAT growth steadily improved to reach low double-digit level building up on the recovery witnessed in previous two quarters. Aggregate revenue/PAT grew by 9%/13% YoY and 6%/8% QoQ respectively across the HSIE coverage (~257 stocks). Also, revenue and PAT grew by 7.1%/10.1% respectively in 9MFY26. It is worth noting that YoY earnings growth in this quarter was primarily led by OMCs, BFSI, IT, and industrial while the auto sector (mainly Tata Motors) was a key drag.

In this quarter, earnings of largecap stocks grew by 11.3% YoY (vis-à-vis 7% in Q2FY26) while those of mid and small caps grew at 16.5% and 23.4% respectively (1% each in Q2FY26). It is notable that small cap earnings surge isn't very broad based yet as within Nifty Smallcap 250 index, YoY earnings growth was 39% but the median growth was much lower at 10%. Double-digit YoY earnings growth was reported by BFSI, consumer discretionary, industrial, real estate, energy, IT, cement, chemical, and power sectors. Further, subdued YoY earnings growth was reported by autos, staples, home improvement, and pharma sectors.

At the aggregate level, energy, lending financials and auto sectors predominantly led the PAT beat of 9.0% in Q3FY26. The percentage of under-coverage companies beating PAT estimates has marginally improved in Q3FY26 vis-à-vis past trend of being in the muted range of 30-40% (ex-Q4FY25), reflecting gradual earnings recovery (historical trend in the below table):

Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
44%	38%	54%	39%	34%	32%	52%	41%	38%	44%

Energy sector led by OMCs accounted for entire earning upgrades for FY26 in Q3. Other sectors which aided upgrades were insurance, industrials, IT, and real estate while downgrades were led by auto, lenders, staples, cement, and pharma. Upgrades were mainly led by HPCL, BPCL, IOCL, LIC, Titan, L&T, and Siemens. Key companies that witnessed downgrades were Reliance, Maruti, Kotak, Bajaj Finance, IndusInd, and ITC. Consequently, aggregate earnings estimate for coverage universe saw healthy upgrades of 0.8% and 1.8% in FY26E and FY27E, respectively. These upgrades were observed after five consecutive quarters of downgrades.

For the HSIE coverage universe, projected earnings growth for FY26E and FY27E stands at 11.7% and 18.0%, respectively. The extraordinary earnings growth CAGR of 18% over FY19-FY24 will be normalized to ~10.4% over FY24-27E. We expect growth outlook at the aggregate level to improve from here, as earnings of heavy-weight sectors like BFSI, IT, and consumption have almost bottomed out. As per our estimates, sectors such as lenders, auto, IT, energy, and metals are expected to drive earnings growth in FY27E.

The Nifty 50 index is currently trading at ~18.7x FY27E (10Y avg: 20.4x) based on consensus EPS, hence we expect index to deliver returns in line with earnings growth.

Our preferred sectors are financials, industrials, power, OMCs, real estate, and auto. We remain underweight on, mid-cap IT, cement, and telecom.

Model portfolio: Stock-specific bottom-up ideas hold the key for outperformance rather than index or sectoral calls. Among large sectors, we have cut overweight in banks and moved IT back to neutral post recent fall. We have also increased weight in infrastructure and power sector.

Key changes in the model portfolio are as follows:

Key inclusions/weight increase	Key exclusions/weight reduction
Addition: Bajaj auto, GCPL, NCC, Siemens energy, HCL Tech, Oil India, IOCL, NTPC	Exclusion: Maruti, ICICI Lombard, United spirits, Mahindra life, LTIMindtree, Aether industries, Century plyboard.

Q3FY26 deviation in estimates in comparison to previews.

Sector	Revenue	PAT
Autos	-0.2%	28.4%
Banks and NBFCs	13.4%	20.1%
Insurance	1.5%	3.1%
Capital Markets	-0.9%	0.2%
Consumer- Staples	-0.9%	-0.4%
Consumer Discretionary (ex-Autos)	1.9%	20.0%
Industrials (Cap Goods+ Infrastructure)	-4.9%	5.0%
Real Estate	8.0%	0.3%
IT	0.7%	2.2%
Energy (Oil & Gas)	-4.9%	9.9%
Cement	3.4%	9.9%
Home improvement	-0.3%	1.7%
Chemicals	-0.1%	-3.4%
Power/Utilities	-2.9%	7.0%
Pharma	-0.2%	-4.0%
Metal	1.0%	-7.6%
Total	-0.8%	9.0%

Source: Bloomberg & HSIE Research

Sectoral Change in PAT Estimates in comparison to Q2FY26

Sector	FY26E	FY27E
Autos	-1.1%	-2.6%
Banks and NBFCs	-1.7%	0.4%
Insurance	5.8%	5.8%
Capital Markets	-0.3%	4.4%
Consumer- Staples	-2.6%	-7.2%
Consumer Discretionary (ex-Autos)	1.8%	-1.0%
Industrials (Cap Goods+ Infrastructure)	3.9%	-1.2%
Real Estate	2.2%	-2.0%
IT	0.7%	2.9%
Energy (Oil & Gas)	9.9%	12.8%
Cement	-15.7%	-4.9%
Home improvement	-3.7%	-4.7%
Chemicals	-3.1%	-3.5%
Power/Utilities	-2.3%	-2.5%
Pharma	-2.1%	-1.5%
Metal	-1.7%	1.4%
Total	0.8%	1.8%

Source: Bloomberg & HSIE Research

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Result Scorecard- Quarterly Snapshot

HSIE Coverage (INR Bn)	Q3 FY26 Preview Estimates			Q3 FY26 Actuals			Q3 FY25 Actuals			Deviation		
	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT
	Q3 FY26E	Q3 FY26E	Q3 FY26E	Q3 FY26 Actuals	Q3 FY26 Actuals	Q3 FY26 Actuals	Q3 FY25 Actuals	Q3 FY25 Actuals	Q3 FY25 Actuals	Q3 FY26 Actuals	Q3 FY26 Actuals	Q3 FY26 Actuals
Autos	3,110	311	156	3,105	336	200	2,926	363	210	-0.2%	8.0%	28.4%
MARUTI SUZUKI INDIA	508	59	45	499	61	42	385	45	35	-1.9%	3.5%	-6.7%
MAHINDRA & MAHINDRA	388	58	39	385	57	40	305	45	30	-0.8%	-2.7%	2.5%
TATA MOTORS	699	-12	-55	701	9	(19)	945	104	42	0.3%	178.4%	66.0%
BAJAJ AUTO	156	32	26	152	32	25	128	26	21	-2.5%	-2.4%	-2.7%
EICHER MOTORS	59	15	12	60	16	13	49	12	11	1.1%	9.0%	8.7%
HERO MOTOCORP	123	18	14	123	18	14	102	15	12	0.5%	-1.2%	2.0%
TVS MOTOR COMPANY	123	16	9	125	16	10	91	11	6	1.7%	5.2%	2.8%
ASHOK LEYLAND	114	15	10	115	15	11	95	12	8	1.5%	1.9%	10.9%
BALKRISHNA INDUSTRIES	25	6	3	27	6	4	26	6	4	7.3%	7.3%	32.9%
BHARAT FORGE	40	7	3	43	7	3	35	6	2	8.4%	1.4%	-0.7%
ENDURANCE TECHNOLOGIES	35	4	2	36	5	2	29	4	2	3.3%	6.2%	6.9%
APOLLO TYRES	74	11	5	77	12	5	69	9	3	4.3%	3.8%	5.9%
MOTHERSON SUMI WIRING INDIA	29	3	2	29	3	1	23	2	1	0.4%	-8.2%	-11.9%
SAMVARDHANA MOTHERSON INTERNATIONAL	316	28	10	315	31	12	277	27	9	-0.2%	12.6%	15.0%
SANSERA ENGINEERING	9	2	1	9	2	1	7	1	1	4.1%	5.2%	-12.7%
Ather Energy	10	-1	-2	10	(1)	(1)	6	(1)	(2)	-0.9%	46.6%	54.2%
Hyundai Motor India	177	22	14	180	20	12	166	19	12	1.8%	-8.4%	-9.2%
Banks and NBFCs	1,661	1,199	682	1,884	1,391	819	1,737	1,248	745	13.4%	16.0%	20.1%
STATE BANK OF INDIA	449	286	180	452	329	210	414	236	169	0.6%	14.8%	16.7%
BAJAJ FINANCE	116	96	54	113	91	40	94	78	42	-2.1%	-5.6%	-26.4%
KOTAK MAHINDRA BANK	76	57	36	76	54	34	72	52	33	-0.5%	-5.3%	-4.2%
AXIS BANK	140	108	62	143	109	65	136	105	63	1.8%	0.8%	5.1%
INDUSIND BANK	47	26	5	46	23	1	52	36	14	-3.7%	-13.5%	-76.7%
SBI CARDS AND PAYMENT SERVICES	18	20	6	18	20	6	16	18	4	-2.8%	-0.1%	-9.6%
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY	35	26	14	36	26	13	29	21	11	0.9%	2.7%	-7.1%
BANDHAN BANK	28	15	5	27	14	2	28	20	4	-3.2%	-6.0%	-60.3%
FEDERAL BANK	26	17	10	27	17	10	24	16	10	2.4%	2.2%	1.9%
AU SMALL FINANCE BANK	23	13	6	23	12	7	20	12	5	3.3%	-7.4%	6.9%
SHRIRAM FINANCE	64	48	25	66	47	25	56	41	21	2.3%	-2.2%	1.4%
MAHINDRA & MAHINDRA FINANCIAL SERVICES	22	16	8	23	15	8	19	12	9	3.8%	-0.8%	3.5%
LIC HOUSING FINANCE	21	18	14	21	19	14	20	17	14	1.2%	3.2%	2.4%
CREDITACCESS GRAMEEN	10	7	3	10	7	3	9	6	(1)	1.3%	-4.1%	-3.2%
CITY UNION BANK	7	5	3	8	5	3	6	4	3	11.0%	5.5%	1.1%
RBL BANK	16	8	3	17	9	2	16	10	0	1.2%	10.7%	-26.4%
KARUR VYSYA BANK	12	9	5	12	10	7	11	8	5	7.7%	17.2%	26.6%
UJJIVAN SMALL FINANCE BANK	10	4	2	10	4	2	9	4	1	1.9%	-0.7%	4.0%
DCB BANK	6	3	2	6	3	2	5	3	2	-3.1%	-6.8%	-8.0%
SUNDARAM FINANCE	7	6	4	8	6	4	6	6	3	2.5%	-3.0%	-7.0%
REPCO HOME FINANCE	2	1	1	2	1	1	2	1	1	4.4%	-5.4%	3.1%
APTUS VALUE HOUSING FINANCE INDIA	3	3	2	3	3	2	3	3	2	-1.5%	-5.3%	-4.3%
AAVAS FINANCIERS	3	2	2	3	2	2	3	2	1	-0.1%	1.6%	3.7%
HOME FIRST FINANCE COMPANY	2	2	1	2	2	1	2	1	1	8.8%	4.4%	4.7%
CAN FIN HOMES	4	3	2	4	4	3	3	3	2	4.3%	5.2%	7.3%
PNB HOUSING FINANCE	8	7	5	8	6	5	7	6	5	-3.7%	-6.7%	-2.0%
Bank of Baroda	121	81	48	118	74	51	114	77	48	-2.4%	-8.9%	5.9%
Indian Bank	66	48	30	69	50	31	64	47	29	3.8%	4.3%	3.2%
Bank of Maharashtra	35	28	17	34	27	18	29	23	14	-2.3%	-1.1%	2.5%

HSIE Coverage (INR Bn)	Q3 FY26 Preview Estimates			Q3 FY26 Actuals			Q3 FY25 Actuals			Deviation		
	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT
	Q3 FY26E	Q3 FY26E	Q3 FY26E	Q3 FY26 Actuals	Q3 FY26 Actuals	Q3 FY26 Actuals	Q3 FY25 Actuals	Q3 FY25 Actuals	Q3 FY25 Actuals	Q3 FY26 Actuals	Q3 FY26 Actuals	Q3 FY26 Actuals
Union Bank of India	91	69	40	93	69	50	92	75	46	3.0%	0.1%	23.9%
Canara Bank	96	94	50	93	91	52	91	78	41	-3.4%	-2.9%	2.3%
L&T Finance	26	17	8	25	17	7	22	15	6	-1.9%	0.2%	-4.3%
Poonawalla Fincorp	9	5	2	9	5	2	6	4	0	-2.2%	1.0%	-29.1%
Aditya Birla Capital	18	14	8	18	14	7	15	12	6	-2.4%	-1.9%	-2.6%
Piramal Finance	11	10	4	11	5	4	8	7	0	0.3%	-49.2%	-6.7%
Tata Capital	32	25	13	33	25	13	27	19	11	2.8%	1.3%	-1.6%
Insurance	626	(32)	96	636	(31)	99	523	(28)	80	1.5%	1.2%	3.1%
SBI LIFE INSURANCE COMPANY	87	-	22	86	-	23	69	-	19	-1.0%	NA	2.0%
ICICI PRUDENTIAL LIFE INSURANCE COMPANY	26	-	6	25	-	6	24	-	5	-2.0%	NA	5.0%
ICICI LOMBARD GENERAL INSURANCE COMPANY	57	(4)	6	57	(4)	7	50	(2)	7	-0.5%	5.0%	5.0%
STAR HEALTH AND ALLIED INSURANCE COMPANY	43	(1)	1	43	(0)	1	38	(0)	2	0.0%	5.0%	7.0%
MAX FINANCIAL SERVICES	27	-	6	27	-	7	21	-	5	3.0%	NA	8.0%
PB Fintech	17	2	2	18	2	2	13	0	1	3.0%	-5.0%	-5.0%
Life Insurance Corporation of India	137	-	31	150	-	32	100	-	19	9.0%	NA	4.0%
Niva Bupa Health Insurance Company	15	(1)	(1)	15	(1)	(1)	11	(1)	0	0.0%	-20.0%	-20.0%
Go Digit General Insurance	22	(2)	1	22	(2)	1	21	(2)	1	-2.0%	5.0%	-5.0%
The New India Assurance Company	99	(21)	4	98	(21)	4	91	(15)	3	-1.0%	2.0%	-2.0%
General Insurance Corporation	97	(5)	17	96	(5)	17	85	(8)	17	-1.0%	-3.0%	3.0%
Capital Markets	74	37	29	73	37	29	55	30	22	-0.9%	-0.4%	0.2%
NIPPON LIFE INDIA ASSET MANAGEMENT	7	4	4	7	5	4	6	4	3	-1.0%	3.0%	3.0%
ANGEL ONE	10	4	3	10	4	3	10	4	3	-1.0%	3.0%	3.0%
ADITYA BIRLA SUN LIFE AMC	5	3	3	5	3	3	4	3	2	-1.0%	3.0%	3.0%
COMPUTER AGE MANAGEMENT SERVICES	4	1	1	4	2	1	4	2	1	-1.0%	3.0%	3.0%
CENTRAL DEPOSITORY SERVICES (INDIA)	3	2	1	3	2	1	3	2	1	-7.0%	-14.4%	-10.1%
BSE	12	8	6	12	8	6	8	4	2	0.7%	-3.6%	-3.3%
MULTI COMMODITY EXCHANGE OF INDIA	6	5	4	7	5	4	3	2	2	3.1%	2.8%	3.3%
MOTILAL OSWAL FINANCIAL SERVICES	22	8	6	21	8	6	13	8	6	-2.0%	-2.0%	-1.0%
UTI ASSET MANAGEMENT COMPANY	4	2	1	4	2	1	4	2	2	-1.0%	3.0%	3.0%
Consumer- Staples	644	163	122	638	161	122	591	150	114	-0.9%	-1.0%	-0.4%
HINDUSTAN UNILEVER	162	38	26	156	36	26	152	36	25	-3.4%	-3.3%	-2.4%
ITC	183	63	52	179	63	51	168	58	49	-2.2%	-0.5%	-2.6%
NESTLE INDIA	53	12	8	56	12	10	48	11	7	7.2%	0.1%	34.0%
DABUR INDIA	36	7	6	36	7	6	34	7	5	0.0%	0.3%	-0.5%
BRITANNIA INDUSTRIES	50	10	7	49	10	7	45	8	6	-1.9%	2.7%	1.8%
GODREJ CONSUMER PRODUCTS	41	9	6	41	9	5	37	8	5	-0.2%	2.2%	-14.7%
MARICO	35	6	5	35	6	4	28	5	4	1.2%	-0.7%	-1.1%
UNITED SPIRITS	36	7	5	37	6	4	34	6	5	1.3%	-8.3%	-7.7%
COLGATE PALMOLIVE INDIA	15	5	3	15	4	3	15	5	3	-1.6%	-5.3%	-2.8%
EMAMI	12	4	3	12	4	3	10	3	3	-0.4%	4.7%	6.3%
RADICO KHAITAN	15	2	1	15	3	2	13	2	1	0.9%	9.6%	6.1%
JYOTHY LABS	7	1	1	7	1	1	7	1	1	2.0%	-4.5%	-7.3%
Consumer Discretionary (ex-Autos)	872	78	32	888	86	38	634	62	27	1.9%	9.9%	20.0%
AVENUE SUPERMARTS	176	14	8	176	15	9	156	12	8	0.0%	8.4%	11.1%
TITAN COMPANY	248	23	14	254	27	18	177	17	10	2.3%	16.9%	27.1%
TRENT	52	9	5	53	11	6	45	8	5	0.8%	13.9%	33.1%
JUBILANT FOODWORKS	21	4	1	18	4	1	16	2	1	-12.8%	-6.5%	10.6%

HSIE Coverage (INR Bn)	Q3 FY26 Preview Estimates			Q3 FY26 Actuals			Q3 FY25 Actuals			Deviation		
	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT
	Q3 FY26E	Q3 FY26E	Q3 FY26E	Q3 FY26 Actuals	Q3 FY26 Actuals	Q3 FY26 Actuals	Q3 FY25 Actuals	Q3 FY25 Actuals	Q3 FY25 Actuals	Q3 FY26 Actuals	Q3 FY26 Actuals	Q3 FY26 Actuals
METRO BRANDS	8	3	1	8	3	1	7	2	1	2.8%	4.2%	1.2%
RELAXO FOOTWEARS	6	1	0	7	1	0	7	1	0	2.8%	-2.2%	-11.1%
BATA INDIA	9	2	1	9	2	1	9	2	1	-0.2%	4.2%	20.7%
SHOPPERS STOP	14	3	1	13	2	0	13	2	0	-7.6%	-20.7%	-44.0%
V-MART RETAIL	11	2	1	11	2	1	10	2	1	0.0%	13.9%	21.8%
FSN E-COMMERCE VENTURES (NYKAA)	29	2	1	29	2	1	23	1	0	0.7%	10.5%	11.4%
INDIAN HOTELS COMPANY	29	10	7	28	11	7	25	10	6	-0.5%	2.7%	-0.5%
LEMON TREE HOTELS	4	2	1	4	2	1	4	2	1	2.2%	-14.1%	-16.8%
DEVYANI INTERNATIONAL	15	2	0	14	2	(0)	13	1	(0)	-2.2%	4.6%	-206.7%
WESTLIFE FOODWORLD	7	1	0	7	1	0	7	1	0	-4.0%	3.0%	-70.8%
SAPPHIRE FOODS INDIA FOODS	8	1	0	8	1	(0)	8	1	0	-0.3%	11.0%	-228.3%
SWIGGY	56	-7	-11	61	(7)	(11)	40	(7)	(8)	8.9%	0.3%	0.5%
ETERNAL	155	3	1	163	4	1	54	2	1	5.4%	36.7%	-24.0%
Aditya Birla Lifestyle Brands	23	4	1	23	4	1	21	3	1	1.8%	8.2%	76.1%
Industrials (Infrastructure+ Cap Goods+ Logistics)	1,170	127	73	1,113	156	77	1,031	108	57	-4.9%	22.2%	5.0%
LARSEN & TOUBRO	755	78	45	714	74	42	647	63	34	-5.3%	-4.7%	-6.1%
SIEMENS	44	5	5	38	38	3	32	3	3	-12.9%	625.9%	-29.9%
THERMAX	27	2	2	26	3	2	25	2	1	-2.3%	5.9%	4.6%
HITACHI ENERGY INDIA	19	3	3	20	3	3	16	2	1	3.7%	11.4%	14.8%
CUMMINS INDIA	32	7	6	31	6	5	31	6	5	-5.2%	-3.8%	-4.6%
IRB INFRASTRUCTURE DEVELOPERS	15	6	2	15	6	9	18	7	2	2.7%	-1.2%	368.0%
KEC INTERNATIONAL	62	5	2	60	4	2	53	4	1	-2.4%	-6.0%	-3.0%
KNR CONSTRUCTIONS	5	0	0	6	0	0	7	1	1	30.0%	-38.2%	81.2%
KALPATARU PROJECTS INTERNATIONAL	56	5	2	58	5	2	41	4	2	2.5%	1.2%	9.8%
NCC	38	3	1	40	3	1	47	4	2	5.8%	13.5%	13.2%
H.G. INFRA ENGINEERING	15	2	1	14	2	1	15	3	1	-0.9%	5.3%	-14.8%
DILIP BUILDCON	19	1	0	17	2	2	22	2	0	-11.4%	25.1%	331.3%
AHLUWALIA CONTRACTS (INDIA)	12	1	1	11	1	1	10	1	0	-14.2%	-24.2%	-31.5%
ASHOKA BUILDCON	17	2	1	15	1	0	18	2	1	-15.8%	-27.7%	-33.2%
J.KUMAR INFRAPROJECTS	15	2	1	13	2	1	15	2	1	-14.8%	-15.2%	-23.0%
CemIndia Projects	26	3	1	23	2	1	22	2	1	-12.6%	-8.4%	-14.1%
PNC Infratech	12	2	1	11	1	1	12	1	1	-13.2%	-19.4%	-22.6%
Real Estate	157	48	38	169	45	38	138	42	33	8.0%	-6.5%	0.3%
DLF	16	5	7	20	4	11	15	4	11	30.2%	-25.5%	64.4%
OBEROI REALTY	15	9	6	15	9	6	14	9	6	-1.3%	-0.2%	1.9%
GODREJ PROPERTIES	10	(0)	6	5	(2)	2	10	0	2	-51.9%	-467.4%	-68.3%
THE PHOENIX MILLS	12	7	3	11	7	3	10	6	3	-5.7%	-5.4%	-12.8%
PRESTIGE ESTATES PROJECTS	25	9	3	39	9	2	17	6	0	56.1%	-6.8%	-21.5%
BRIGADE ENTERPRISES	16	4	2	16	4	2	15	4	2	-1.0%	4.1%	0.8%
MAHINDRA LIFESPACE DEVELOPERS	2	0	1	5	0	1	2	(0)	(0)	106.9%	47.4%	57.9%
SOBHA	15	1	1	9	0	0	12	1	0	-36.2%	-67.2%	-73.4%
KOLTE - PATIL DEVELOPERS	3	0	0	3	0	0	3	0	0	-4.3%	-65.1%	-86.3%
LODHA	43	13	8	47	14	10	41	13	9	7.9%	11.1%	14.2%
IT	2,247	493	343	2,264	481	351	2,101	458	318	0.7%	-2.4%	2.2%
TATA CONSULTANCY SERVICES	666	181	131	671	183	132	640	170	124	0.7%	0.7%	0.8%
INFOSYS	455	110	74	455	95	76	418	101	68	0.0%	-13.5%	2.5%
HCL TECHNOLOGIES	330	71	49	339	74	48	299	69	46	2.7%	5.1%	-2.3%
WIPRO	236	47	32	236	43	33	223	45	34	0.0%	-7.7%	3.6%
TECH MAHINDRA	142	22	14	144	24	16	133	18	10	1.4%	5.3%	19.1%

HSIE Coverage (INR Bn)	Q3 FY26 Preview Estimates			Q3 FY26 Actuals			Q3 FY25 Actuals			Deviation		
	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT
	Q3 FY26E	Q3 FY26E	Q3 FY26E	Q3 FY26 Actuals	Q3 FY26 Actuals	Q3 FY26 Actuals	Q3 FY25 Actuals	Q3 FY25 Actuals	Q3 FY25 Actuals	Q3 FY26 Actuals	Q3 FY26 Actuals	Q3 FY26 Actuals
LTIMINDTREE	107	20	15	108	20	14	97	16	11	0.5%	-1.3%	-4.6%
TATA ELXSI	10	2	2	10	2	2	9	2	2	-0.8%	3.5%	7.4%
INFO EDGE (INDIA)	8	3	3	8	3	3	7	3	3	0.5%	6.8%	11.1%
MPHASIS	40	7	5	40	8	5	36	7	4	-0.5%	2.0%	5.5%
L&T TECHNOLOGY SERVICES	30	5	4	29	5	3	27	5	3	-3.6%	-3.0%	-12.3%
PERSISTENT SYSTEMS	37	7	4	38	6	5	31	5	4	1.1%	-5.4%	20.5%
INDIAMART INTERMESH	4	1	1	4	1	2	4	1	1	0.3%	2.0%	92.1%
TANLA PLATFORMS	11	2	1	11	2	1	10	2	1	2.1%	5.9%	4.1%
CYIENT	19	3	2	18	2	1	19	3	1	-1.9%	-11.4%	-18.7%
SONATA SOFTWARE	27	2	1	31	2	1	28	2	1	12.7%	3.1%	4.1%
TEAMLEASE SERVICES	30	0	0	30	0	0	29	0	0	-1.2%	4.3%	11.8%
MASTEK	10	2	1	9	1	1	9	1	1	-7.0%	-6.1%	13.4%
ZENSAR TECHNOLOGIES	14	2	2	14	2	2	13	2	2	0.7%	11.4%	24.7%
ROUTE MOBILE	12	1	1	11	1	1	12	1	1	-3.9%	4.3%	4.2%
BIRLASOFT	14	2	1	13	2	1	14	2	1	-0.8%	29.5%	37.8%
HAPPIEST MINDS TECHNOLOGIES	6	1	1	6	1	1	5	1	1	0.2%	2.6%	-0.1%
QUESS CORP	40	1	1	39	1	1	40	1	0	-1.4%	9.1%	1.9%
Energy (Oil & Gas)	8,368	1,040	500	7,954	1,095	550	7,534	909	422	-4.9%	5.3%	9.9%
RELIANCE INDUSTRIES	3,048	490	189	2,649	460	186	2,400	438	185	-13.1%	-6.1%	-1.6%
OIL & NATURAL GAS CORPORATION	409	152	57	315	173	84	337	190	82	-22.8%	13.7%	46.9%
INDIAN OIL CORP	1,774	137	80	2,044	208	121	1,939	71	29	15.3%	52.2%	50.7%
BHARAT PETROLEUM CORP	1,224	111	74	1,190	117	75	1,131	76	46	-2.7%	5.5%	1.8%
GAIL INDIA	329	29	21	341	27	16	349	28	19	3.5%	-8.6%	-22.2%
GUJARAT GAS	39	5	3	37	4	3	42	4	2	-6.8%	-10.6%	-17.4%
HINDUSTAN PETROLEUM CORPORATION	1,254	76	45	1,151	70	41	1,100	60	30	-8.2%	-7.2%	-9.6%
PETRONET LNG	165	12	8	112	12	8	122	12	9	-32.3%	-1.7%	4.6%
INDRAPRASTHA GAS	45	5	3	41	5	4	38	4	3	-9.7%	-0.6%	13.8%
OIL INDIA	57	17	15	49	13	8	52	21	12	-13.8%	-25.1%	-46.3%
GUJARAT STATE PETRONET	2	2	1	3	2	1	3	2	1	15.4%	-6.2%	-1.8%
MAHANAGAR GAS	19	4	3	21	4	2	18	3	2	6.7%	-13.4%	-30.6%
IRM ENERGY	3	0	0	3	0	0	3	0	0	-17.7%	-10.1%	-13.8%
Cement	530	89	29	549	89	32	467	70	25	3.4%	0.3%	9.9%
ULTRATECH CEMENT	206	35	15	218	39	18	172	29	15	5.9%	11.7%	22.6%
AMBUJA CEMENTS	96	16	5	103	14	1	85	9	2	7.5%	-15.1%	-76.0%
SHREE CEMENT	48	10	4	44	9	3	42	9	2	-7.3%	-8.6%	-11.9%
DALMIA BHARAT	35	6	1	35	6	1	32	5	1	0.8%	-0.3%	0.0%
JK CEMENT	32	5	2	35	6	2	28	5	2	7.9%	10.9%	13.4%
RAMCO CEMENTS	21	3	0	21	3	4	20	3	3	1.9%	-8.4%	2537.0%
NUVOCO VISTAS CORPORATION	26	4	1	27	4	0	24	3	(1)	2.2%	-6.1%	-27.5%
BIRLA CORPORATION	22	3	1	22	3	1	23	2	0	-1.7%	11.8%	53.7%
JK LAKSHMI CEMENT	17	2	1	16	2	1	15	2	1	-9.0%	-13.5%	-27.4%
HEIDELBERGCEMENT INDIA	5	1	0	6	1	0	5	0	0	4.7%	0.3%	-18.7%
STAR CEMENT	9	2	1	9	2	1	7	1	0	1.5%	9.8%	18.0%
ORIENT CEMENT	6	1	0	6	1	0	6	1	0	0.1%	-37.9%	10.2%
SAGAR CEMENTS	7	1	(0)	6	0	(1)	6	0	(1)	-15.3%	-45.7%	-88.2%
Home Improvement	588	60	35	586	61	36	553	56	33	-0.3%	0.8%	1.7%
ASIAN PAINTS	89	17	12	89	18	12	85	16	11	-0.2%	2.0%	5.4%
HAVELLS INDIA	54	5	3	56	5	3	49	4	3	2.3%	3.4%	-2.0%
BERGER PAINTS	31	5	3	30	5	3	30	5	3	-2.3%	4.1%	17.1%
ASTRAL	16	2	1	15	2	1	14	2	1	-3.3%	-4.9%	-5.3%

HSIE Coverage (INR Bn)	Q3 FY26 Preview Estimates			Q3 FY26 Actuals			Q3 FY25 Actuals			Deviation		
	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT
	Q3 FY26E	Q3 FY26E	Q3 FY26E	Q3 FY26 Actuals	Q3 FY26 Actuals	Q3 FY26 Actuals	Q3 FY25 Actuals	Q3 FY25 Actuals	Q3 FY25 Actuals	Q3 FY26 Actuals	Q3 FY26 Actuals	Q3 FY26 Actuals
VOLTAS	31	1	1	31	2	1	31	2	2	-0.7%	22.0%	8.6%
KANSAI NEROLAC	20	2	2	20	2	2	19	2	1	0.4%	-2.0%	3.1%
SUPREME INDUSTRIES	27	3	2	27	3	2	25	3	2	0.6%	-3.3%	-19.1%
CROMPTON GREAVES CONSUMER ELECTRICALS	19	2	1	19	2	1	18	2	1	3.3%	17.0%	18.5%
KAJARIA CERAMICS	12	2	1	12	2	1	12	1	1	-4.5%	-8.8%	-8.1%
TTK PRESTIGE	8	1	0	8	1	1	7	1	1	6.0%	-4.9%	18.9%
PRINCE PIPES AND FITTINGS	6	0	0	6	0	(0)	6	0	(0)	3.0%	-27.9%	-116.6%
V-GUARD INDUSTRIES	14	1	1	14	1	1	13	1	1	1.5%	10.0%	19.4%
SYMPHONY	2	0	0	2	0	0	2	0	0	-3.2%	-2.0%	-19.9%
ORIENT ELECTRIC	9	1	0	9	1	0	8	1	0	4.3%	6.7%	19.7%
SOMANY CERAMICS	7	1	0	7	1	0	6	1	0	-0.4%	-0.3%	-18.3%
GREENPANEL INDUSTRIES	4	0	0	4	0	0	4	0	0	2.7%	0.0%	99.5%
GREENLAM INDUSTRIES	7	1	0	7	1	0	6	1	0	4.0%	-6.6%	-51.4%
CENTURY PLYBOARDS INDIA	13	2	1	14	2	1	11	1	1	2.0%	7.8%	13.2%
STYLAM INDUSTRIES	3	1	0	3	1	0	3	0	0	-3.1%	1.1%	26.4%
KAYNES TECHNOLOGY INDIA	10	2	1	8	1	1	7	1	1	-17.1%	-25.5%	-33.6%
DIXON TECHNOLOGIES (INDIA)	110	4	1	107	4	2	105	4	2	-2.8%	-3.2%	21.5%
AMBER ENTERPRISES INDIA	25	2	0	29	2	1	21	2	0	16.9%	43.7%	86.5%
SYRMA SGS TECHNOLOGY	12	1	1	13	2	1	9	1	1	7.1%	42.2%	60.0%
BAJAJ ELECTRICALS	13	1	0	11	0	(0)	13	1	0	-20.9%	-83.5%	-128.7%
LG Electronics India	42	3	2	41	2	1	44	3	2	-2.5%	-19.4%	-38.0%
Eureka Forbes	6	1	0	6	1	0	6	1	0	0.0%	1.0%	-4.0%
Chemicals	153	25	14	153	25	13	126	20	11	-0.1%	-0.2%	-3.4%
SRF	36	8	4	37	8	4	35	7	3	2.8%	5.8%	1.6%
DEEPAK NITRITE	20	2	1	20	2	1	19	2	1	1.2%	-5.3%	-23.7%
AARTI INDUSTRIES	22	3	1	23	3	1	18	2	0	6.1%	7.7%	22.7%
NAVIN FLUORINE INTERNATIONAL	9	3	2	9	3	2	6	1	1	5.0%	10.7%	7.6%
VINATI ORGANICS	6	2	1	5	2	1	5	1	1	-10.3%	-15.0%	-16.6%
FINE ORGANIC INDUSTRIES	5	1	1	6	1	1	5	1	1	5.6%	-19.8%	-21.4%
ALKYL AMINES CHEMICALS	4	1	0	4	1	0	4	1	0	-10.0%	-2.5%	-3.9%
GALAXY SURFACTANTS	13	1	1	13	1	1	10	1	1	1.1%	8.7%	-7.1%
NOCIL	3	0	0	3	0	1	3	0	1	-4.5%	-14.5%	201.1%
NEOGEN CHEMICALS	2	0	0	2	0	0	2	0	0	-0.1%	-8.5%	-72.8%
CLEAN SCIENCE AND TECHNOLOGY	2	1	0	2	1	0	2	1	1	1.5%	-5.5%	-3.9%
Acutaas Chemicals Ltd	3	1	1	4	2	1	2	1	0	12.7%	57.3%	62.9%
AETHER INDUSTRIES	3	1	1	3	1	1	2	1	0	11.3%	30.1%	25.5%
Sudarshan Chemical	24	2	0	21	0	(1)	10	1	0	-13.5%	-75.5%	-289.8%
Power/Utilities	1,000	347	123	971	342	131	879	305	114	-2.9%	-1.4%	7.0%
POWER GRID CORPORATION OF INDIA	115	102	40	124	107	42	112	95	39	7.9%	4.5%	4.2%
NTPC	481	142	47	458	146	55	451	137	51	-4.6%	2.4%	16.9%
TATA POWER COMPANY	153	32	10	139	31	8	154	34	10	-8.8%	-3.1%	-23.1%
JSW ENERGY	46	22	3	41	20	4	24	9	2	-11.9%	-7.6%	54.5%
NHPC	45	25	10	22	2	2	23	10	3	-50.7%	-91.7%	-78.4%
TORRENT POWER	78	11	5	68	14	6	65	11	5	-12.9%	27.7%	31.0%
CESC	41	8	4	40	8	3	36	6	3	-2.1%	-1.0%	-22.1%
Siemens Energy	42	5	4	78	15	11	15	3	2	88.1%	207.2%	175.3%
Pharma	876	212	133	875	216	128	787	196	122	-0.2%	1.6%	-4.0%
SUN PHARMACEUTICAL INDUSTRIES	148	42	31	155	48	29	137	42	30	4.8%	14.4%	-5.8%
CIPLA	75	18	12	70	13	7	71	20	16	-7.5%	-28.4%	-45.8%

HSIE Coverage (INR Bn)	Q3 FY26 Preview Estimates			Q3 FY26 Actuals			Q3 FY25 Actuals			Deviation		
	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT
	Q3 FY26E	Q3 FY26E	Q3 FY26E	Q3 FY26 Actuals	Q3 FY26 Actuals	Q3 FY26 Actuals	Q3 FY25 Actuals	Q3 FY25 Actuals	Q3 FY25 Actuals	Q3 FY26 Actuals	Q3 FY26 Actuals	Q3 FY26 Actuals
DR. REDDY'S LABORATORIES	84	20	13	88	20	13	84	23	13	4.0%	1.9%	5.5%
APOLLO HOSPITALS ENTERPRISE	63	9	5	65	10	5	55	8	4	2.1%	2.5%	4.0%
TORRENT PHARMACEUTICALS	32	11	6	33	11	7	28	9	5	2.2%	3.3%	14.3%
ZYDUS LIFESCIENCES	65	16	10	69	17	10	53	13	10	5.6%	1.7%	-1.9%
MAX HEALTHCARE INSTITUTE	26	7	4	25	6	4	23	6	3	-3.9%	-7.2%	-1.1%
ALKEM LABORATORIES	39	9	7	37	8	7	34	8	6	-3.6%	-5.0%	-8.9%
LUPIN	68	19	12	72	22	14	58	15	9	5.2%	13.8%	17.8%
AUROBINDO PHARMA	84	17	9	86	18	9	80	16	9	2.5%	4.1%	1.1%
MANKIND PHARMA	36	10	6	36	9	5	32	8	4	-1.5%	-3.4%	-7.2%
ERIS LIFESCIENCES	8	3	1	8	3	1	7	3	1	-0.7%	-4.6%	-14.4%
DR LAL PATH LABS	7	2	1	7	2	1	6	2	1	0.2%	19.0%	1.0%
METROPOLIS HEALTHCARE	4	1	0	4	1	1	3	1	0	-0.3%	-0.9%	9.3%
MEDPLUS HEALTH SERVICES	17	2	1	18	2	1	16	1	0	3.6%	8.0%	15.7%
IPCA	25	6	3	24	5	3	22	4	2	-5.4%	-1.5%	-6.3%
ASTER DM HEALTHCARE	12	2	1	12	2	1	10	2	1	2.3%	-5.5%	-24.1%
DIVIS LABORATORIES	32	11	6	26	9	6	23	7	6	-19.4%	-15.5%	5.2%
SAI LIFESCIENCES	5	1	1	6	2	1	4	1	1	2.4%	25.3%	37.4%
LAURUS LABS	16	4	2	18	5	3	14	3	1	8.4%	22.1%	45.1%
PIRAMAL PHARMA	22	2	0	14	2	(1)	22	3	0	-38.5%	-19.2%	-343.2%
ANTHEM BIOSCIENCES	5	2	1	4	2	1	5	2	1	-20.9%	-15.3%	-4.1%
Metals	2,384	369	161	2,407	360	148	2,220	358	147	1.0%	-2.5%	-7.6%
JSW STEEL	448	68	13	460	65	21	414	56	8	2.6%	-5.0%	59.5%
COAL INDIA	340	101	72	308	93	72	324	123	85	-9.2%	-7.8%	-0.3%
TATA STEEL	547	80	25	570	82	28	536	59	5	4.1%	2.6%	10.5%
HINDALCO INDUSTRIES	646	81	41	665	80	21	584	78	39	3.0%	-1.4%	-49.8%
JINDAL STEEL & POWER (JSPL)	130	18	5	130	16	2	118	22	10	0.1%	-7.1%	-56.8%
STEEL AUTHORITY OF INDIA (SAIL)	272	21	3	274	23	4	245	20	1	0.5%	10.2%	30.2%
Telecom	534	304	74	540	308	66	451	246	74	1.0%	1.2%	-10.3%
BHARTI AIRTEL LIMITED	534	304	74	540	308	66	451	246	74	1.0%	1.2%	-10.3%
Total	24,995	4,872	2,638	24,804	5,157	2,876	22,754	4,593	2,554	-0.8%	5.8%	9.0%

Source: Bloomberg & HSIE Research

HSIE Coverage – Earnings Estimate

HSIE Coverage	CMP	MCAP INR Bn	Rating	TP	Revenue Growth		PAT Growth		Change in PAT estimates	
					FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
AUTOS					10.4%	14.5%	-5.7%	32.0%	-1.1%	-2.6%
MARUTI SUZUKI INDIA	15072	4739	BUY	18910	20.1%	14.2%	4.0%	22.5%	-10.1%	-9.0%
MAHINDRA & MAHINDRA	3447	4287	ADD	4348	24.3%	12.4%	24.9%	9.2%	5.9%	2.1%
TATA MOTORS PV	380	1399	REDUCE	376	-5.0%	17.3%	-87.4%	456.2%	8.6%	-11.0%
Tata Motors CV	480	1767	ADD	456	34.8%	12.1%	76.7%	16.5%	-5.6%	10.1%
BAJAJ AUTO	9906	2769	BUY	11012	15.6%	15.6%	18.5%	15.4%	0.6%	0.7%
EICHER MOTORS	8039	2205	ADD	7721	24.5%	16.0%	20.8%	15.4%	2.4%	1.4%
HERO MOTOCORP	5489	1098	BUY	7279	13.9%	12.7%	15.4%	16.6%	-2.9%	-2.5%
TVS MOTOR COMPANY	3829	1819	ADD	4006	28.4%	15.5%	33.7%	24.1%	2.4%	4.2%
ASHOK LEYLAND	211	1238	ADD	209	14.0%	13.3%	17.5%	21.7%	3.6%	4.0%
BALKRISHNA INDUSTRIES	2509	485	SELL	1979	0.1%	14.3%	-20.2%	26.9%	-6.2%	-10.3%
BHARAT FORGE	1832	876	BUY	2031	5.1%	19.5%	20.2%	58.3%	10.6%	-3.9%
ENDURANCE TECHNOLOGIES	2555	359	ADD	2778	24.1%	12.5%	12.5%	20.4%	2.9%	-10.9%
APOLLO TYRES	454	288	SELL	454	8.9%	10.3%	52.6%	4.6%	21.7%	-4.2%
MOTHERSON SUMI WIRING INDIA	44	295	ADD	47	19.0%	15.7%	1.0%	37.1%	-13.8%	-12.5%
SAMVARDHANA MOTHERSON INTERNATIONAL	131	1381	ADD	142	10.2%	12.0%	2.2%	44.2%	-8.0%	-1.1%
SANSERA ENGINEERING	2331	145	BUY	2443	13.5%	25.2%	33.9%	52.9%	4.3%	11.5%
Ather Energy	718	275	BUY	897	54.4%	26.9%	-36.6%	-5.6%	-22.8%	-10.3%
Hyundai Motor India	2285	1856	REDUCE	2282	3.5%	12.1%	0.5%	16.9%	-5.6%	-2.9%
BANKS AND NBFCs					7.5%	18.6%	6.5%	20.4%	-1.7%	0.4%
STATE BANK OF INDIA	1228	11333	BUY	1,200	5.8%	15.3%	12.3%	12.3%	0.3%	0.1%
BAJAJ FINANCE	1031	6415	BUY	1,070	21.6%	24.9%	13.6%	38.6%	-9.7%	-1.8%
ICICI Bank	1399	10015	BUY	1,700	8.2%	17.3%	4.6%	16.9%	0.0%	0.0%
KOTAK MAHINDRA BANK	431	4284	BUY	495	5.1%	23.8%	-15.4%	27.1%	-6.7%	-2.2%
AXIS BANK	1387	4308	ADD	1,350	3.5%	18.2%	-8.6%	25.6%	-1.6%	3.2%
INDUSIND BANK	920	717	REDUCE	720	-2.6%	12.6%	-64.2%	283.8%	-63.7%	-25.5%
SBI CARDS AND PAYMENT SERVICES	784	746	REDUCE	700	11.7%	8.7%	18.6%	37.2%	-12.9%	-10.3%
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY	1690	1439	ADD	1,730	24.6%	22.1%	21.5%	27.0%	-1.1%	-1.9%
BANDHAN BANK	174	280	REDUCE	130	-4.3%	17.9%	-54.3%	119.0%	-42.4%	-12.9%
FEDERAL BANK	296	729	BUY	270	8.6%	23.1%	0.5%	27.1%	-1.8%	0.8%
AU SMALL FINANCE BANK	974	728	REDUCE	820	13.3%	25.1%	20.8%	31.9%	2.9%	5.5%
SHRIRAM FINANCE	1065	2003	ADD	1,075	16.6%	30.4%	21.8%	38.5%	3.1%	23.7%
MAHINDRA & MAHINDRA FINANCIAL SERVICES	380	528	ADD	355	17.3%	16.1%	20.3%	23.7%	-1.2%	1.0%
LIC HOUSING FINANCE	525	289	ADD	660	2.3%	6.4%	0.6%	3.8%	2.7%	-0.2%
CREDITACCESS GRAMEEN	1294	207	ADD	1,425	6.3%	18.0%	50.9%	84.9%	2.5%	0.9%
CITY UNION BANK	291	216	BUY	295	21.3%	23.9%	17.7%	24.8%	-2.8%	2.7%
RBL BANK	321	198	REDUCE	230	0.7%	18.5%	31.7%	56.9%	-14.1%	-4.1%
KARUR VYSYA BANK	326	315	ADD	300	14.7%	19.1%	25.5%	9.8%	6.5%	6.4%
UJJIVAN SMALL FINANCE BANK	62	120	ADD	65	6.9%	20.4%	-5.5%	57.9%	-11.4%	-8.2%
DCB BANK	190	61	BUY	225	17.8%	24.0%	22.0%	24.0%	-1.4%	0.9%
SUNDARAM FINANCE	5355	595	ADD	4,965	21.7%	14.3%	18.0%	20.1%	-2.4%	0.6%
REPCO HOME FINANCE	393	25	ADD	570	11.3%	10.8%	0.5%	3.5%	-2.5%	-4.5%
APTUS VALUE HOUSING FINANCE INDIA	244	122	ADD	320	15.3%	19.5%	24.4%	11.7%	1.6%	-1.3%
AAVAS FINANCIERS	1285	102	ADD	1,570	16.6%	14.6%	15.1%	14.4%	1.2%	-1.0%
HOME FIRST FINANCE COMPANY	1174	122	REDUCE	1,173	37.9%	24.0%	41.2%	19.9%	5.1%	1.5%
CAN FIN HOMES	907	121	BUY	950	18.6%	10.7%	16.8%	10.1%	3.7%	2.7%
PNB HOUSING FINANCE	837	218	ADD	1,050	12.9%	22.6%	13.3%	6.6%	-1.6%	-2.3%
Bank of Baroda	313	1620	BUY	330	3.7%	20.3%	-1.2%	18.1%	-5.5%	-5.2%
Indian Bank	983	1324	BUY	960	6.9%	15.4%	12.6%	15.4%	0.2%	2.1%

HSIE Coverage	CMP	MCAP INR Bn	Rating	TP	Revenue Growth		PAT Growth		Change in PAT estimates	
					FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Bank of Maharashtra	70	536	BUY	75	15.8%	20.6%	24.3%	11.9%	8.7%	3.0%
Union Bank of India	198	1510	ADD	190	-0.8%	15.0%	2.1%	9.5%	5.7%	4.0%
Canara Bank	156	1419	ADD	155	-0.8%	17.3%	11.7%	6.3%	1.2%	1.0%
L&T Finance	300	750	ADD	295	13.8%	20.1%	12.3%	31.3%	-4.4%	0.3%
Poonawalla Fincorp	473	384	REDUCE	390	42.0%	54.9%	-596.1%	195.3%	-25.6%	-3.0%
Aditya Birla Capital	346	906	ADD	345	16.9%	23.1%	6.0%	27.4%	-4.7%	1.0%
Piramal Finance	1768	401	ADD	1,710	29.8%	36.9%	206.7%	67.4%	-1.8%	11.5%
Tata Capital	339	1439	ADD	355	18.4%	22.2%	35.0%	32.8%	0.0%	0.0%
INSURANCE					14.1%	11.3%	19.5%	15.3%	5.8%	5.8%
SBI LIFE INSURANCE COMPANY	2110	2116	BUY	2400	15.6%	15.2%	14.4%	16.0%	2.2%	3.9%
ICICI PRUDENTIAL LIFE INSURANCE COMPANY	664	962	ADD	670	1.5%	13.8%	8.0%	12.8%	5.3%	10.0%
ICICI LOMBARD GENERAL INSURANCE COMPANY	1954	973	BUY	2210	5.9%	13.2%	7.5%	16.4%	0.8%	0.1%
STAR HEALTH AND ALLIED INSURANCE COMPANY	460	270	ADD	480	16.0%	18.8%	-12.7%	52.7%	-20.1%	-12.6%
MAX FINANCIAL SERVICES	1865	644	ADD	1750	21.5%	16.9%	26.9%	19.4%	6.7%	7.5%
PB Fintech	1496	692	BUY	2180	37.2%	29.1%	97.8%	60.0%	-6.6%	-8.9%
Life Insurance Corporation of India	883	5587	ADD	1090	15.4%	5.3%	27.0%	8.6%	17.7%	16.8%
Niva Bupa Health Insurance Company	76	141	BUY	95	23.8%	28.7%	-17.0%	34.5%	-10.0%	-0.8%
Go Digit General Insurance	338	312	ADD	350	3.9%	13.1%	34.6%	36.9%	-17.7%	-8.5%
The New India Assurance Company	152	250	ADD	175	9.0%	9.7%	22.1%	32.4%	-10.7%	-8.1%
General Insurance Corporation	390	684	ADD	490	20.2%	8.0%	18.2%	13.4%	3.2%	1.8%
CAPITAL MARKETS					20.7%	18.1%	24.3%	24.8%	-0.3%	4.4%
NIPPON LIFE INDIA ASSET MANAGEMENT	985	628	ADD	600	18.6%	24.5%	11.5%	26.7%	-1.1%	10.1%
ANGEL ONE	2491	226	BUY	2875	-3.4%	20.8%	-17.9%	39.1%	-7.3%	-2.7%
ADITYA BIRLA SUN LIFE AMC	919	265	ADD	355	20.6%	18.2%	19.3%	20.2%	5.5%	10.3%
COMPUTER AGE MANAGEMENT SERVICES	718	178	REDUCE	2000	8.1%	17.7%	1.7%	18.9%	-2.9%	2.9%
CENTRAL DEPOSITORY SERVICES (INDIA)	1334	279	ADD	1520	9.7%	19.5%	-4.4%	20.6%	-5.5%	-11.6%
BSE	2725	1112	ADD	3310	58.7%	19.8%	81.2%	18.7%	5.6%	11.1%
MULTI COMMODITY EXCHANGE OF INDIA	2396	611	BUY	2780	89.5%	19.7%	117.4%	20.4%	26.0%	32.6%
MOTILAL OSWAL FINANCIAL SERVICES	763	459	ADD	845	12.0%	11.4%	28.9%	28.0%	0.0%	0.0%
UTI ASSET MANAGEMENT COMPANY	1081	139	BUY	770	19.7%	20.8%	-30.7%	35.4%	-39.5%	-26.8%
CONSUMER- STAPLES					7.0%	6.8%	5.2%	7.5%	-2.6%	-7.2%
HINDUSTAN UNILEVER	2345	5511	ADD	2500	7.5%	2.7%	3.5%	8.9%	-1.2%	-3.0%
ITC	325	4077	REDUCE	425	8.4%	4.5%	4.8%	0.2%	-4.3%	-13.9%
NESTLE INDIA	1315	2536	ADD	2450	12.3%	11.6%	7.0%	18.0%	0.5%	1.4%
DABUR INDIA	514	912	ADD	540	5.3%	8.5%	8.1%	11.6%	-0.1%	-0.3%
BRITANNIA INDUSTRIES	6106	1471	ADD	5300	10.6%	10.9%	15.5%	14.3%	1.8%	1.4%
GODREJ CONSUMER PRODUCTS	1221	1249	BUY	1400	-32.9%	17.4%	1.6%	16.8%	-6.5%	-8.6%
MARICO	801	1040	BUY	785	25.0%	8.2%	8.9%	18.9%	-0.6%	-0.8%
UNITED SPIRITS	1417	1031	ADD	1650	13.2%	10.5%	6.4%	20.5%	-5.3%	-0.6%
COLGATE PALMOLIVE INDIA	2201	599	REDUCE	2560	-0.1%	7.3%	-5.8%	8.4%	-2.7%	-3.5%
EMAMI	481	210	ADD	610	2.6%	7.6%	-5.4%	5.3%	-2.1%	-3.6%
RADICO KHAITAN	2716	364	BUY	2650	25.4%	14.3%	71.0%	29.5%	12.7%	3.0%
JYOTHY LABS	252	92	BUY	505	4.3%	8.4%	-6.9%	11.4%	-5.0%	-6.0%
CONSUMER DISCRETIONARY (EX-AUTOS)					35.8%	24.7%	21.3%	50.7%	1.8%	-1.0%
AVENUE SUPERMARTS	3845	2502	Add	4,000	15.1%	18.0%	9.3%	20.3%	1.3%	-0.5%
TITAN COMPANY	4273	3793	Reduce	4,000	35.4%	13.2%	60.7%	13.0%	16.6%	7.6%
TRENT	4055	1441	Add	4,700	17.9%	22.8%	17.5%	19.9%	8.9%	2.8%

HSIE Coverage	CMP	MCAP INR Bn	Rating	TP	Revenue Growth		PAT Growth		Change in PAT estimates	
					FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
JUBILANT FOODWORKS	536	354	ADD	780	14.3%	16.7%	-1.4%	42.5%	-5.8%	-7.1%
METRO BRANDS	1047	285	Add	1,080	12.7%	20.2%	13.6%	26.7%	-1.4%	-4.1%
RELAXO FOOTWEARS	357	89	Add	430	-3.6%	10.9%	-10.2%	46.8%	-18.5%	-9.2%
BATA INDIA	812	104	Reduce	890	0.8%	9.2%	-44.5%	57.4%	-20.9%	-16.3%
SHOPPERS STOP	334	37	Reduce	360	5.3%	8.4%	-484.0%	-227.7%	-157.5%	-51.4%
V-MART RETAIL	574	46	Buy	850	15.2%	15.9%	418.8%	50.8%	0.5%	-4.4%
FSN E-COMMERCE VENTURES (NYKAA)	267	764	Sell	205	25.1%	23.7%	232.6%	78.1%	0.5%	2.0%
INDIAN HOTELS COMPANY	675	961	ADD	801	15.7%	13.0%	2.0%	16.5%	-8.7%	-10.5%
LEMON TREE HOTELS	117	93	BUY	187	11.4%	13.6%	39.4%	28.8%	-5.0%	-6.0%
DEVYANI INTERNATIONAL	133	164	REDUCE	165	13.9%	13.5%	-106.0%	-1107.0%	-314.5%	-17.4%
WESTLIFE FOODWORLD	505	79	REDUCE	680	5.1%	12.8%	-88.6%	555.8%	-52.7%	-38.7%
SAPPHIRE FOODS INDIA FOODS	219	70	ADD	360	8.6%	13.2%	-103.3%	-2300.8%	-111.6%	-45.3%
SWIGGY	321	886	Buy	465	50.2%	24.5%	16.1%	-40.2%	9.9%	7.2%
ETERNAL	268	2586	Add	340	169.3%	62.3%	-44.4%	304.0%	-6.3%	12.9%
Aditya Birla Lifestyle Brands	107	130	Buy	185	6.7%	13.6%	196.8%	79.8%	-1.9%	-21.3%
INDUSTRIALS (INFRASTRUCTURE+ CAP GOODS+ LOGISTICS)					12.9%	15.8%	27.1%	18.6%	3.9%	-1.2%
LARSEN & TOUBRO	4418	6078	BUY	4287	14.9%	17.2%	27.3%	21.2%	3.6%	2.2%
SIEMENS	3302	1176	BUY	3862	64.0%	-20.2%	58.8%	-25.8%	41.7%	-7.0%
THERMAX	3156	376	BUY	4380	2.6%	13.5%	-4.7%	39.8%	-9.9%	-10.8%
HITACHI ENERGY INDIA	24243	1081	ADD	20301	18.6%	71.5%	147.0%	60.2%	36.5%	15.7%
CUMMINS INDIA	4884	1354	BUY	5075	14.7%	17.5%	19.2%	15.0%	-1.6%	-1.6%
IRB INFRASTRUCTURE DEVELOPERS	40	243	ADD	68	-12.0%	-10.0%	200.9%	-24.3%	13.0%	-15.5%
KEC INTERNATIONAL	583	155	ADD	959	13.9%	14.8%	33.3%	29.3%	-8.3%	-12.1%
KNR CONSTRUCTIONS	138	39	BUY	288	-36.4%	17.9%	-69.7%	60.3%	-45.0%	-51.8%
KALPATARU PROJECTS INTERNATIONAL	1187	203	BUY	1406	23.0%	16.0%	43.3%	25.6%	-2.6%	0.3%
NCC	150	94	BUY	305	-7.9%	22.0%	-18.4%	46.4%	-20.8%	-2.1%
H.G. INFRA ENGINEERING	582	38	BUY	1987	1.8%	12.0%	-24.7%	25.1%	-7.5%	-8.4%
DILIP BUILDCON	444	72	ADD	480	-22.0%	30.0%	-31.1%	230.4%	-35.3%	-12.7%
AHLUWALIA CONTRACTS (INDIA)	807	54	ADD	983	13.3%	17.5%	37.7%	20.5%	-7.8%	-10.4%
ASHOKA BUILDCON	144	40	BUY	273	-12.6%	15.0%	-1.8%	16.1%	9.2%	-28.3%
J.KUMAR INFRAPROJECTS	554	42	ADD	561	0.8%	15.0%	3.2%	13.1%	-4.3%	-8.3%
CemIndia Projects	605	104	BUY	875	9.4%	18.0%	37.9%	28.0%	-9.4%	-10.7%
PNC Infratech	218	56	BUY	417	-2.0%	22.0%	-8.5%	18.0%	-9.4%	-7.3%
REAL ESTATE					21.0%	14.6%	8.7%	19.4%	2.2%	-2.0%
DLF	626	1550	BUY	871	19.0%	16.8%	-22.2%	20.6%	-9.7%	-3.1%
OBEROI REALTY	1522	553	BUY	2300	13.1%	11.4%	9.1%	12.5%	0.7%	-2.8%
GODREJ PROPERTIES	1830	551	ADD	2082	15.0%	25.0%	12.0%	-23.4%	48.6%	-2.5%
THE PHOENIX MILLS	1725	617	BUY	1952	19.1%	9.0%	23.3%	25.2%	7.9%	3.9%
PRESTIGE ESTATES PROJECTS	1489	641	BUY	2060	65.1%	11.5%	154.9%	46.2%	-2.7%	-4.2%
BRIGADE ENTERPRISES	748	183	BUY	1163	13.4%	9.9%	18.6%	15.2%	-4.9%	-4.9%
MAHINDRA LIFESPACE DEVELOPERS	367	78	BUY	700	62.5%	38.5%	153.6%	51.5%	23.8%	7.0%
SOBHA	1513	162	BUY	2459	16.4%	13.5%	107.9%	252.6%	-48.0%	-12.3%
KOLTE - PATIL DEVELOPERS	364	32	BUY	480	9.6%	15.2%	-48.3%	222.7%	-64.3%	-31.7%
LODHA Developers	1073	1072	ADD	1171	8.7%	15.8%	23.1%	13.9%	14.4%	3.3%
IT					7.0%	9.7%	8.5%	13.9%	0.7%	2.9%
TATA CONSULTANCY SERVICES	2676	9683	ADD	4000	3.8%	9.4%	8.1%	9.4%	0.5%	2.0%
INFOSYS	1328	5383	BUY	2100	9.4%	9.1%	11.6%	12.9%	1.6%	4.4%
HCL TECHNOLOGIES	1426	3870	BUY	1950	11.1%	9.5%	6.7%	19.4%	1.2%	4.2%
WIPRO	206	2159	ADD	290	3.7%	7.7%	-1.7%	13.4%	-3.2%	1.7%

HSIE Coverage	CMP	MCAP INR Bn	Rating	TP	Revenue Growth		PAT Growth		Change in PAT estimates	
					FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
TECH MAHINDRA	1441	1412	BUY	1800	6.5%	9.4%	18.6%	34.2%	-1.3%	5.3%
LTIMINDTREE	4832	1433	BUY	7470	10.9%	14.4%	21.2%	20.7%	3.3%	4.1%
TATA ELXSI	4714	294	ADD	6300	0.7%	18.1%	-15.1%	39.2%	-5.1%	-0.8%
INFO EDGE (INDIA)	1070	694	BUY	1460	14.2%	10.3%	12.2%	8.4%	3.6%	1.6%
MPHASIS	2310	440	ADD	3430	11.1%	14.1%	10.3%	14.8%	0.9%	0.8%
L&T TECHNOLOGY SERVICES	3439	365	ADD	5250	9.8%	12.1%	5.1%	22.4%	-3.6%	-4.7%
PERSISTENT SYSTEMS	4978	785	ADD	7570	22.7%	19.6%	38.2%	16.9%	10.7%	5.5%
INDIAMART INTERMESH	2217	133	BUY	2710	13.6%	15.8%	-21.6%	25.4%	-5.7%	-3.2%
TANLA PLATFORMS	461	61	BUY	760	9.0%	10.0%	1.8%	8.3%	1.3%	-3.9%
CYIENT	982	109	ADD	1470	-1.6%	11.1%	-6.8%	22.8%	-4.0%	3.7%
SONATA SOFTWARE	282	79	BUY	470	8.5%	8.4%	11.5%	8.6%	7.0%	1.6%
TEAMLEASE SERVICES	1295	22	BUY	2200	7.0%	10.6%	33.2%	4.5%	6.8%	-10.6%
MASTEK	1666	52	BUY	3100	7.2%	10.2%	9.2%	6.2%	6.5%	-5.2%
ZENSAR TECHNOLOGIES	570	130	ADD	900	8.1%	10.6%	20.8%	4.2%	8.6%	1.1%
ROUTE MOBILE	510	32	ADD	885	-3.9%	3.4%	3.4%	1.8%	6.6%	-2.7%
BIRLASOFT	378	105	BUY	530	-1.0%	8.4%	-7.0%	23.4%	22.2%	7.6%
HAPPIEST MINDS TECHNOLOGIES	366	56	BUY	670	12.3%	15.7%	16.8%	22.5%	-5.0%	-5.0%
QUESS CORP	204	30	BUY	310	3.3%	7.9%	6.9%	5.4%	-0.7%	-11.1%
ENERGY (OIL & GAS)					4.2%	6.9%	36.6%	7.3%	9.9%	12.8%
RELIANCE INDUSTRIES	1428	19325	BUY	1685	21.8%	11.3%	16.4%	19.3%	-4.7%	-4.7%
OIL & NATURAL GAS CORPORATION	276	3468	REDUCE	220	4.5%	7.5%	16.7%	-4.1%	-0.6%	-3.4%
INDIAN OIL CORP	176	2492	BUY	190	-10.7%	2.8%	242.9%	0.9%	64.6%	90.0%
BHARAT PETROLEUM CORP	372	1614	BUY	455	-1.2%	5.2%	82.5%	0.6%	59.8%	72.4%
GAIL INDIA	167	1099	BUY	196	-2.4%	-8.7%	-29.4%	-5.4%	-6.7%	-12.3%
GUJARAT GAS	412	284	ADD	483	-9.0%	12.7%	1.3%	38.1%	-8.9%	-8.9%
HINDUSTAN PETROLEUM CORPORATION	439	933	BUY	413	0.8%	5.5%	168.7%	10.5%	23.7%	83.9%
PETRONET LNG	306	460	REDUCE	275	-5.5%	13.0%	-14.7%	15.5%	2.1%	1.8%
INDRAPRASTHA GAS	170	238	BUY	255	13.5%	12.3%	-7.6%	15.5%	-3.8%	-4.0%
OIL INDIA	474	771	BUY	520	-6.7%	7.9%	-2.3%	-8.2%	-9.9%	-11.0%
GUJARAT STATE PETRONET	304	171	ADD	310	-7.1%	10.8%	14.9%	9.0%	-9.7%	-10.0%
MAHANAGAR GAS	1163	115	BUY	1880	21.7%	23.4%	7.0%	8.9%	0.0%	0.0%
IRM ENERGY	237	10	BUY	402	11.7%	9.1%	17.2%	10.3%	-9.2%	-14.7%
CEMENT					13.8%	9.9%	32.9%	48.9%	-15.7%	-4.9%
ULTRATECH CEMENT	12976	3824	BUY	14200	16.5%	11.2%	28.7%	44.4%	-6.9%	-5.6%
AMBUJA CEMENTS	515	1274	BUY	700	23.8%	11.0%	-14.5%	126.6%	-41.9%	-2.6%
SHREE CEMENT	26550	958	ADD	29000	2.4%	7.6%	33.3%	60.2%	-14.9%	19.0%
DALMIA BHARAT	2091	392	BUY	2470	5.0%	10.2%	60.9%	17.6%	-18.1%	-9.1%
JK CEMENT	5784	447	BUY	6495	13.6%	13.1%	34.1%	38.7%	-9.5%	-9.3%
RAMCO CEMENTS	1143	270	SELL	920	6.6%	10.0%	73.8%	118.6%	-44.7%	-24.7%
NUVOCO VISTAS CORPORATION	334	119	BUY	470	9.3%	6.9%	2159.5%	7.4%	-2.2%	-6.0%
BIRLA CORPORATION	1026	79	ADD	1310	3.0%	3.4%	33.3%	21.6%	-6.4%	-14.8%
JK LAKSHMI CEMENT	728	90	BUY	930	11.1%	7.6%	47.2%	16.3%	-18.7%	-11.5%
HEIDELBERGCEMENT INDIA	164	37	REDUCE	180	7.9%	4.0%	32.1%	6.4%	-17.7%	-17.1%
STAR CEMENT	220	89	BUY	290	18.5%	7.3%	124.0%	-6.7%	4.2%	-1.1%
ORIENT CEMENT	158	32	REDUCE	240	7.9%	-3.4%	256.0%	-40.4%	42.8%	1.2%
SAGAR CEMENTS	197	26	ADD	280	18.7%	11.1%	-50.9%	-47.9%	-727.5%	-142.6%
DECCAN CEMENTS	695	10	REDUCE	660	13.4%	20.0%	198.1%	-240.6%	0.0%	0.0%
HOME IMPROVEMENT					9.0%	16.6%	-0.2%	30.3%	-3.7%	-4.7%
ASIAN PAINTS	2430	2331	Add	2,800	3.5%	10.4%	8.3%	14.8%	0.5%	0.6%
HAVELLS INDIA	1413	886	BUY	1765	5.5%	14.1%	5.4%	20.7%	-1.2%	-0.6%
BERGER PAINTS	465	542	Add	540	2.5%	9.3%	-10.8%	28.4%	-8.3%	-5.4%

Quarterly Flipbook

HSIE Coverage	CMP	MCAP INR Bn	Rating	TP	Revenue Growth		PAT Growth		Change in PAT estimates	
					FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
ASTRAL	1635	439	BUY	1900	8.8%	14.7%	2.9%	30.2%	-6.7%	-6.0%
VOLTAS	1538	509	ADD	1405	-9.2%	18.0%	-40.7%	86.3%	83.0%	-11.6%
KANSAI NEROLAC	200	162	Reduce	235	2.0%	8.3%	32.2%	18.4%	-5.5%	-3.7%
SUPREME INDUSTRIES	3936	500	ADD	3780	3.9%	14.5%	-13.4%	39.7%	-19.2%	-7.6%
CROMPTON GREAVES CONSUMER ELECTRICALS	265	171	BUY	370	1.9%	12.5%	-17.2%	39.2%	-4.7%	-3.8%
KAJARIA CERAMICS	991	158	REDUCE	1070	3.5%	6.7%	50.8%	3.3%	-2.7%	-7.8%
TTK PRESTIGE	530	73	REDUCE	645	8.8%	9.0%	-0.4%	26.8%	-0.4%	-0.1%
PRINCE PIPES AND FITTINGS	261	29	REDUCE	260	-0.2%	8.9%	21.8%	105.4%	-40.8%	-18.0%
V-GUARD INDUSTRIES	323	141	ADD	370	5.1%	12.8%	-2.4%	28.5%	1.0%	0.0%
SYMPHONY	847	58	BUY	1220	-21.2%	30.2%	-39.2%	60.9%	-13.5%	-4.2%
ORIENT ELECTRIC	178	38	BUY	250	7.4%	10.3%	21.7%	42.4%	-7.7%	-4.7%
SOMANY CERAMICS	406	17	ADD	490	5.0%	7.5%	26.7%	21.7%	-3.5%	-10.5%
GREENPANEL INDUSTRIES	213	26	BUY	340	7.6%	24.9%	-132.6%	-542.0%	-8.5%	-11.7%
GREENLAM INDUSTRIES	240	61	REDUCE	240	16.4%	14.2%	-28.0%	184.6%	-32.1%	-10.5%
CENTURY PLYBOARDS INDIA	752	167	BUY	935	18.8%	12.7%	40.1%	55.6%	-3.9%	-5.0%
STYLAM INDUSTRIES	2212	37	ADD	2555	11.0%	24.2%	20.0%	25.4%	-1.3%	-4.9%
KAYNES TECHNOLOGY INDIA	3800	255	REDUCE	4030	42.0%	45.5%	44.6%	32.5%	-11.8%	-19.6%
DIXON TECHNOLOGIES (INDIA)	10599	644	ADD	11520	27.1%	27.1%	17.8%	19.9%	-18.2%	-24.0%
AMBER ENTERPRISES INDIA	7770	273	BUY	8520	29.9%	25.8%	30.7%	70.5%	-12.1%	-1.4%
SYRMA SGS TECHNOLOGY	842	162	BUY	920	28.8%	29.3%	77.6%	32.1%	12.0%	7.2%
BAJAJ ELECTRICALS	380	44	REDUCE	375	-6.4%	7.7%	-52.1%	168.1%	-54.4%	-17.0%
LG Electronics India	1557	1057	ADD	1545	2.3%	11.5%	-21.5%	41.2%	0.0%	0.0%
Eureka Forbes	502	97	BUY	830	11.3%	14.4%	25.0%	27.4%	0.0%	0.0%
CHEMICALS					20.9%	15.5%	16.3%	45.2%	-3.1%	-3.5%
SRF	2646	784	ADD	3285	9.9%	24.9%	44.4%	60.0%	0.0%	0.0%
DEEPAK NITRITE	1612	220	SELL	1453	-5.0%	12.4%	-33.3%	61.1%	-12.8%	-8.9%
AARTI INDUSTRIES	447	162	ADD	467	9.0%	-0.2%	4.0%	63.0%	1.1%	0.0%
NAVIN FLUORINE INTERNATIONAL	6650	341	BUY	7260	34.1%	14.3%	115.4%	18.4%	16.8%	1.3%
VINATI ORGANICS	1506	156	BUY	2421	19.0%	24.0%	21.4%	45.6%	0.0%	0.0%
FINE ORGANIC INDUSTRIES	4650	143	SELL	3424	2.9%	8.6%	4.1%	11.3%	-17.0%	-25.6%
ALKYL AMINES CHEMICALS	1512	77	REDUCE	1940	1.4%	31.8%	-1.6%	33.3%	0.0%	0.0%
GALAXY SURFACTANTS	1947	69	BUY	2647	23.9%	9.7%	-5.3%	16.7%	0.0%	0.0%
NOCIL	150	25	ADD	217	-5.8%	8.5%	-38.0%	45.8%	-11.7%	-13.4%
NEOGEN CHEMICALS	1386	37	BUY	2761	5.7%	53.8%	-57.0%	242.2%	-60.5%	-20.4%
CLEAN SCIENCE AND TECHNOLOGY	729	77	ADD	883	-3.6%	26.3%	-15.0%	26.5%	-14.5%	-15.5%
Acutaas Chemicals Ltd	2147	176	REDUCE	1170	26.3%	20.0%	87.3%	3.9%	19.3%	11.3%
AETHER INDUSTRIES	968	128	BUY	1241	36.8%	20.8%	39.9%	24.2%	10.6%	6.8%
Sudarshan Chemical	904	71	SELL	920	183.3%	10.7%	-52.8%	323.3%	-61.7%	-9.1%
POWER/UTILITIES					8.0%	10.9%	4.2%	12.6%	-2.3%	-2.5%
POWER GRID CORPORATION OF INDIA	303	2821	NA	NA	5.5%	8.1%	2.0%	9.4%	-2.3%	-0.7%
NTPC	375	3641	NA	NA	4.3%	8.1%	1.1%	8.6%	0.8%	0.3%
TATA POWER COMPANY	379	1212	NA	NA	4.1%	13.8%	10.6%	22.6%	-3.6%	-1.0%
JSW ENERGY	486	850	NA	NA	78.2%	14.9%	12.5%	25.6%	-18.5%	-16.5%
NHPC	74	744	NA	NA	22.8%	39.3%	23.6%	30.2%	-10.0%	-12.0%
TORRENT POWER	1536	774	NA	NA	5.6%	11.4%	-12.0%	10.7%	-1.4%	-3.0%
CESC	156	206	NA	NA	11.2%	6.3%	11.9%	6.1%	-2.3%	-6.0%
Siemens Energy	2816	1003	BUY	3584	21.5%	22.5%	48.7%	26.0%	0.9%	-5.6%
PHARMA					10.9%	10.9%	5.5%	12.1%	-2.1%	-1.5%
SUN PHARMACEUTICAL INDUSTRIES	1732	4156	BUY	2000	10.8%	9.9%	-1.8%	19.0%	-1.8%	-0.4%
CIPLA	1327	1072	NA	NA	3.2%	8.5%	-18.0%	5.6%	-11.0%	-11.8%

HSIE Coverage	CMP	MCAP INR Bn	Rating	TP	Revenue Growth		PAT Growth		Change in PAT estimates	
					FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
DR. REDDY'S LABORATORIES	1307	1091	REDUCE	1240	5.0%	1.2%	-9.0%	-14.0%	-4.2%	-1.2%
APOLLO HOSPITALS ENTERPRISE	7693	1106	BUY	9200	16.1%	19.6%	34.9%	31.2%	0.5%	2.6%
TORRENT PHARMACEUTICALS	4308	1458	ADD	4300	13.5%	15.4%	29.3%	22.0%	0.9%	0.2%
ZYDUS LIFESCIENCES	908	914	ADD	1000	14.8%	7.4%	-4.4%	-3.9%	-1.8%	-3.0%
MAX HEALTHCARE INSTITUTE	1084	1054	ADD	1170	17.7%	25.4%	9.3%	37.3%	-6.1%	-1.9%
ALKEM LABORATORIES	5491	656	ADD	5980	13.2%	11.0%	15.4%	-6.2%	-0.6%	0.0%
LUPIN	2241	1024	ADD	2400	18.8%	5.2%	36.0%	-9.5%	8.4%	4.4%
AUROBINDO PHARMA	1151	668	ADD	1280	5.3%	9.3%	3.1%	16.6%	-1.3%	-1.4%
MANKIND PHARMA	2047	845	ADD	2460	17.8%	12.1%	2.6%	35.1%	-5.8%	-3.0%
ERIS LIFESCIENCES	1353	184	BUY	1730	11.6%	17.4%	40.2%	46.4%	-7.6%	-0.1%
DR LAL PATH LABS	1400	234	BUY	1740	11.0%	11.5%	17.7%	14.4%	0.1%	0.1%
METROPOLIS HEALTHCARE	1942	101	ADD	2240	24.2%	12.7%	28.0%	21.2%	0.0%	0.0%
MEDPLUS HEALTH SERVICES	834	100	BUY	1060	10.6%	12.7%	43.3%	24.3%	5.7%	2.2%
IPCA	1474	374	BUY	1750	7.8%	11.6%	28.1%	25.2%	-5.0%	-1.5%
ASTER DM HEALTHCARE	646	335	ADD	640	12.3%	26.3%	10.5%	44.3%	-18.3%	-11.5%
DIVIS LABORATORIES	6254	1660	BUY	7630	13.5%	17.5%	18.7%	22.2%	0.0%	0.0%
SAI LIFESCIENCES	968	205	BUY	1160	31.1%	17.0%	135.7%	16.7%	0.0%	0.0%
LAURUS LABS	1017	549	REDUCE	1040	23.5%	11.4%	136.5%	13.4%	0.0%	0.0%
PIRAMAL PHARMA	162	216	BUY	230	-3.6%	20.0%	-243.0%	-387.1%	0.0%	0.0%
ANTHEM BIOSCIENCES	696	391	ADD	720	11.8%	23.1%	28.6%	15.6%	0.0%	0.0%
METALS					7.9%	9.4%	18.5%	20.5%	-1.7%	1.4%
JSW STEEL	1241	3034	BUY	1290	12.9%	12.8%	182.6%	34.7%	7.0%	2.6%
COAL INDIA	426	2625	NA	NA	-1.1%	6.8%	-14.2%	7.6%	-5.6%	-2.7%
TATA STEEL	208	2598	BUY	220	8.2%	5.0%	238.6%	23.5%	4.0%	3.3%
HINDALCO INDUSTRIES	916	2059	NA	NA	10.1%	9.7%	-2.4%	19.9%	-4.0%	9.4%
JINDAL STEEL & POWER (JSPL)	1216	1240	BUY	1260	7.0%	28.1%	-9.8%	82.9%	-18.2%	-5.0%
STEEL AUTHORITY OF INDIA (SAIL)	157	647	ADD	150	7.1%	6.8%	49.1%	14.3%	23.7%	1.1%
Telecom					21.9%	13.9%	-17.4%	45.1%	-3.6%	-2.0%
BHARTI AIRTEL LIMITED	1997	12168	NA	NA	21.9%	13.9%	-17.4%	45.1%	-3.6%	-2.0%
TOTAL					8.4%	11.0%	11.7%	18.0%	0.8%	1.8%

Note: CMP as on 23.02.2026 Source: Bloomberg & HSIE Research NR – NOT RATED

HSIE Model Portfolio

HSIE Coverage	CMP	MCAP (\$ Bn)	MCAP INR Bn	Rating	TP	Portfolio weight	Nifty Weight	Relative weight
Nifty						100.0%	100.0%	0.0%
Autos						8.0%	6.7%	1.3%
Maruti Suzuki India Ltd	15072	52	4739	BUY	18910		1.7%	-1.7%
Bajaj Auto Ltd	9906	31	2769	BUY	11012	2.0%	0.9%	1.1%
Mahindra & Mahindra Ltd	3447	47	4287	ADD	4348	1.5%	2.7%	-1.2%
Eicher Motors Ltd	8039	24	2205	ADD	7721		0.9%	-0.9%
Hero MotoCorp Ltd	5489	12	1098	BUY	7279	1.0%		1.0%
Tata Motors PV	380	15	1399	REDUCE	376		0.6%	-0.6%
Bharat forge	1832	10	876	BUY	2031	2.0%		2.0%
Samvardhana motherson	131	15	1381	ADD	142	1.5%		1.5%
Banks and NBFCs						31.8%	34.7%	-2.8%
ICICI Bank	1399	110	10015	BUY	1700	7.0%	8.4%	-1.4%
Kotak Mahindra Bank Ltd	431	47	4284	BUY	495	2.0%	2.6%	-0.6%
HDFC Bank Ltd	924	157	14212	NA	NA	12.3%	12.3%	0.0%
Bajaj Finance	1031	71	6415	BUY	1070		2.1%	-2.1%
State Bank of India	1228	125	11333	BUY	1200	3.5%	3.9%	-0.4%
Axis Bank Ltd	1387	47	4308	ADD	1350	3.5%	3.4%	0.1%
Shriram Finance Ltd.	1065	22	2003	ADD	1075		1.2%	-1.2%
Bank of Maharashtra	70	6	536	BUY	75	2.0%		2.0%
Jio Financial Services Ltd.	258	18	1638	NA	NA		0.7%	-0.7%
MCX	2396	7	611	BUY	2780	1.5%		1.5%
Insurance						2.0%	2.4%	-0.4%
SBI Life	2110	23	2116	BUY	2400	2.0%	0.8%	1.2%
Bajaj Finserv Ltd	2052	36	3278	BUY	2510		1.0%	-1.0%
HDFC Life	742	18	1602	NA	NA		0.7%	-0.7%
Consumer staples						4.0%	5.4%	-1.4%
Hindustan Unilever Ltd*	2345	61	5511	ADD	2500		1.9%	-1.9%
ITC Ltd	325	45	4077	REDUCE	425		2.7%	-2.7%
Nestle	1315	28	2536	ADD	2450		0.8%	-0.8%
Marico	801	11	1040	BUY	785	2.0%		2.0%
Godrej Consumer Products	1223	14	1251	BUY	1400	2.0%		2.0%
Consumer Discretionary (ex-Autos)						6.0%	5.4%	0.6%
Titan Co Ltd	4273	42	3793	Reduce	4000		1.4%	-1.4%
Tata Consumer	1172	13	1160	NA	NA		0.6%	-0.6%
Asian Paints	2430	26	2331	Add	2800	1.0%	1.0%	0.1%
Crompton Consumer	265	2	171	BUY	370	2.5%		2.5%
Swiggy	321	10	886	Buy	465	1.5%		1.5%
Syrma	842	2	162	BUY	920	1.0%		1.0%
Eternal	268	29	2586	Add	340		1.7%	-1.7%
Trent	4055	16	1441	Add	4700		0.7%	-0.7%
Industrials (Infrastructure+ Cap Goods+ Logistics)						10.0%	6.3%	3.7%
Larsen & Toubro Ltd	4418	67	6078	BUY	4287	4.0%	4.0%	0.0%
Adani Ports & Special Economic Zone Ltd	1556	40	3584	NA	NA		0.9%	-0.9%
Cummins India	4884	15	1354	BUY	5075	2.0%		2.0%
NCC	150	1	94	BUY	305	2.0%		2.0%
Siemens Energy	2816	11	1003	BUY	3584	2.0%		2.0%
Bharat Electronics Ltd.	440	35	3214	NA	NA		1.4%	-1.4%
Real Estate						2.5%	0.0%	2.5%
Sobha Ltd	1513	2	162	BUY	2459	2.5%		2.5%
IT and Exchanges						10.0%	10.8%	-0.8%
Tata Consultancy Services Ltd	2676	107	9683	ADD	4000	2.5%	2.8%	-0.3%
Infosys Ltd	1328	59	5383	BUY	2100	5.0%	5.0%	0.0%
HCL Technologies Ltd	1426	43	3870	BUY	1950	2.5%	1.6%	1.0%

HSIE Coverage	CMP	MCAP (\$ Bn)	MCAP INR Bn	Rating	TP	Portfolio weight	Nifty Weight	Relative weight
Wipro Ltd	206	24	2159	ADD	290		0.6%	-0.6%
Tech Mahindra Ltd	1441	16	1412	BUY	1800		1.0%	-1.0%
Energy (Oil & Gas)						9.0%	9.1%	-0.1%
Reliance Industries Ltd	1428	213	19325	BUY	1685	5.0%	8.2%	-3.2%
Oil India	474	8	771	BUY	520	2.0%		2.0%
Indian Oil Corporation	176	27	2492	BUY	190	2.0%		2.0%
Oil & Natural Gas Corp Ltd	276	38	3468	REDUCE	220		0.9%	-0.9%
Metals & Mining						4.0%	4.9%	-0.9%
Hindalco Industries Ltd.	916	23	2059	NA	NA		1.2%	-1.2%
JSW Steel Ltd.	1241	33	3034	BUY	1290		1.0%	-1.0%
Adani enterprises	2191	31	2830	NA	NA		0.5%	-0.5%
Jindal steel	1217	14	1241	BUY	1260	2.0%		2.0%
Tata Steel Ltd.	208	29	2598	BUY	220	2.0%	1.4%	0.6%
Coal India Ltd.	426	29	2625	NA	NA		0.9%	-0.9%
Cement & Building Materials						0.0%	2.2%	-2.2%
UltraTech Cement	12976	42	3824	BUY	14200		1.3%	-1.3%
Grasim Industries Limited	2873	22	1955	NA	NA		0.9%	-0.9%
Power/Utilities						6.0%	2.5%	3.5%
NTPC	375	40	3641	NA	NA	3.0%	1.5%	1.5%
Power Grid Corporation of India	303	31	2821	NA	NA	3.0%	1.0%	2.0%
Pharma						4.0%	4.0%	0.0%
Sun Pharmaceutical Industries Ltd	1732	46	4156	BUY	2000		1.5%	-1.5%
Dr Reddy's Laboratories Ltd	1307	12	1091	REDUCE	1240		0.6%	-0.6%
Cipla Ltd/India	1327	12	1072	NA	NA		0.6%	-0.6%
Apollo hospitals	7693	12	1106	BUY	9200		0.6%	-0.6%
Aurobindo pharma	1151	7	668	ADD	1280	2.0%		2.0%
Max Healthcare	1084	12	1054	ADD	1170		0.6%	-0.6%
Lupin	2241	11	1024	ADD	2400	2.0%		2.0%
Telecom						0.0%	4.8%	-4.8%
Bharti Airtel Ltd	1997	134	12168	NA	NA		4.8%	-4.8%
Airlines						0.0%	0.9%	-0.9%
InterGlobe Aviation	4862	21	1880	NA	NA		0.9%	-0.9%
Cash						2.7%		2.7%
Total						100.0%	100.0%	0.0%

Note: CMP as on 23.02.2026 Stocks highlighted pink represent those which are a part of nifty but not under HSIE coverage
HDFC Bank is not under coverage, and we keep a neutral position (weight in model portfolio exactly equal to its weight in Nifty50)
Source: Bloomberg and HSIE Research

Model Portfolio Performance relative to benchmarks

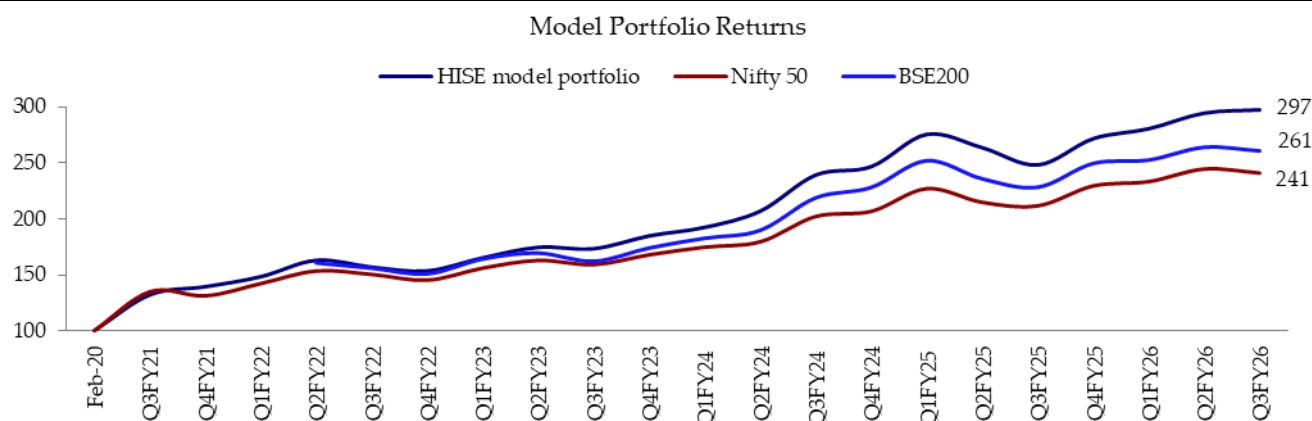
Q3FY26 data (as on 23th Feb 26)	Model Portfolio	Benchmark: Nifty 50		Benchmark: BSE 200	
		Nifty	Relative returns	BSE 200	Relative returns
3 month*	0.99%	-1.45%	2.4%	-1.21%	2.2%
6 month**	6.1%	3.3%	2.8%	3.2%	2.8%
1 year***	19.9%	13.9%	6.0%	14.3%	5.6%
Inception (since 28.2.20)(Annualised)	22.2%	17.1%	5.1%	18.3%	3.9%

* Returns calculated from previous rebalancing done on 20th Nov 25

** Returns calculated from previous rebalancing done on 21st Aug25

*** Returns calculated from rebalancing done on 20th Feb 25

Model Portfolio Returns



Base value 100 at inception (28th February,2020)

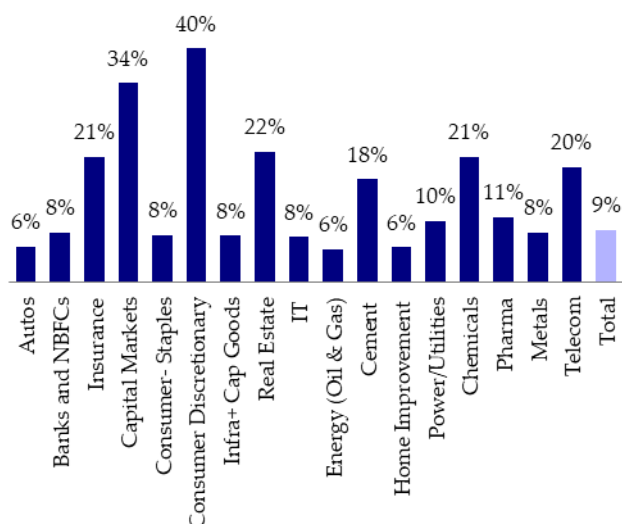
Disclosure for HSIE model portfolio

Name of model portfolio	HSIE Multi-Cap Model portfolio (HSIE MMP)
Description	HSIE MMP aims to provide a balanced and well-diversified focused portfolio (~25-35 stocks) for investors looking for superior risk-adjusted returns. By assigning recommended weights to various coverage stocks, HSIE MMP aims to steadily beat benchmarks over the medium to long term.
Horizon	Open ended
Launch date (Date of inception)	28 th February 2020
Update date	Quarterly (Next due in 2 nd to 3 rd week of June 2026)
Methodology	The stocks of HSIE MMP have been selected through fundamental research. All these stocks are under coverage of HDFC Securities institutional equities team. Underlying universe for stock selection is HSIE Coverage along with Nifty 50 stocks. This is a sector agnostic and Multicap portfolio. The portfolio weights are decided after considering the return objectives, risks involved and the ongoing market conditions. This portfolio is periodically monitored and quarterly rebalanced.
Frequency of rebalancing	Quarterly
Rationale	Rationale of picking various stocks is provided in form of stock result update notes. These result notes are attached to this quarterly flipbook. Every stock included in the model portfolio has been assigned a recommended rating and a target price. All these stocks are covered by HDFC securities institutional equities team.
Risk	All the stocks covered in the model portfolio carry systemic as well as company specific risks.
Benchmarks	Nifty 50, BSE200

Sector wise YoY Growth – Q3FY26

YOY Revenue growth (Q3FY25 to Q3FY26)

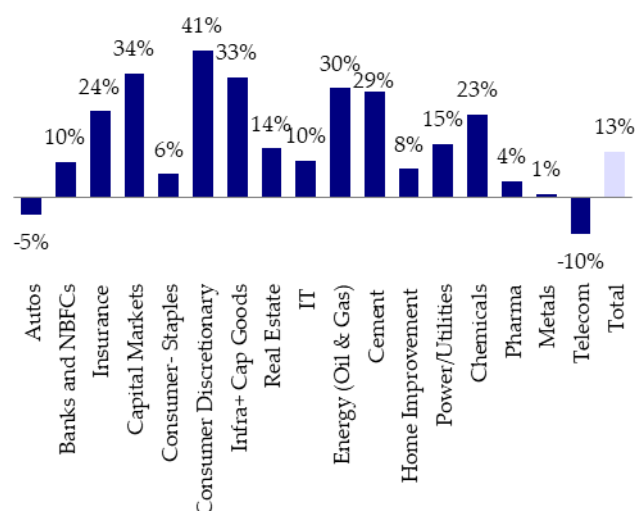
YOY Revenue growth (Q3FY25 to Q3FY26)



Source: Bloomberg & HSIE Research

YOY PAT growth (Q3FY25 to Q3FY26)

YOY PAT growth (Q3FY25 to Q3FY26)



Source: Bloomberg & HSIE Research

Autos

Maruti Suzuki

Focussed to build on volume momentum

Maruti Suzuki's (MSIL) Q3FY26 adjusted EBIT margin at 8.8% (adjusting for one-time provision due to the labor code impact), was below our estimate of 9.6%, mainly hit by higher depreciation expenses on amalgamation with SMG. We expect scale benefits and operating leverage to ease margin pressure for the company, going forward, though staggered capacity addition in FY27 and rising RM costs could negate some of these benefits. However, focus on volume momentum augurs well (to be aided also by channel filling in the near term) and would keep market share aspirations and model launch plans on track. We value the company at 27x Dec-27 EPS for a TP of INR18,910; maintain BUY.

- Quarterly performance:** As per management, EBIT margin for Q3FY26 stood at 8.1%, down 30bps QoQ, with negative impact from higher commodity costs (60bps), rare earth assembly costs (20bps), unfavorable fixed cost incidence (50bps), adverse forex (15bps), price reduction at the lower end of the portfolio (70bps), one-time provision due to labor code (125bps), which was partially negated by positives from operating leverage (190bps), and lower discounting and better mix (120bps).
- Suzuki Motor Gujarat (SMG) amalgamation adjustments in MSIL standalone:** Prior to amalgamation, the cost of completely built unit (CBU) manufactured at SMG (excluding depreciation) was accounted in RM cost. The cost of CBU included component, employee and overhead cost though netted with other operating income. Also, depreciation of SMG was getting accounted as lease rent, under other expenses. After amalgamation, only the component cost at SMG will get accounted for in RM cost, while the rest of the items will move to their respective natural heads, including depreciation.
- Robust demand and channel filling opportunity:** Management highlighted that demand remains robust across the portfolio, with employees working even on holidays to keep production going. Exit channel inventory in Q3 remained low at 3-4 days, while the order book stood at 175k units. Though it will assess the sustainability of demand in a few months, it is optimistic of good demand in the medium to long term and is thus doing an accelerated phased capacity increase of 250k units by Apr'26 and another 250k units a few months post that. It will stay away from price hikes at the moment, in the spirit of GST rate cuts, and will thus focus on building volume momentum.
- Some headwinds increasing:** Management cautioned on increasing raw material costs, especially steel, PGM group, aluminum, and copper. As per media articles, South Africa, a key export market for the company, is considering increasing tariffs on CBU of passenger vehicles from India to 50% (from the existing 25%). Though cautious, management assured investors that the company is well diversified in the exports market.

Quarterly/annual financial summary

YE Mar (INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	4,98,915	3,87,523	28.7	4,23,323	17.9	15,28,679	18,24,297	20,82,744	23,77,848
EBITDA	61,112	50,646	20.7	50,848	20.2	2,01,492	2,14,860	2,59,222	3,20,556
EBITDA %	12.2	13.1	-83bps	12.0	24bps	13.2	11.8	12.4	13.5
APAT	41,717	36,593	14.0	33,028	26.3	1,42,976	1,50,743	1,84,608	2,32,064
EPS (INR)	132.7	116.4	14.0	105	26.3	454.8	479.5	587.2	738.1
P/E (x)						32.7	31.0	25.3	20.2
EV/EBITDA (x)						22.9	21.4	17.6	14.1
RoE (%)						16.1	15.2	16.7	18.6

Source: Company, HSIE Research

BUY

CMP (as on 28 Jan 2026) INR14,880

Target Price INR18,910

NIFTY 25,343

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 19,526	INR 18,910
	FY27E	FY28E
EPS %	-6.5%	-2.5%

KEY STOCK DATA

Bloomberg code	MSIL IN
No. of Shares (mn)	314
MCap (INR bn) / (\$ mn)	4,677/50,939
6m avg traded value (INR mn)	6,442
52 Week high / low	INR 17,372/11,059

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.8)	20.6	22.7
Relative (%)	(6.1)	18.8	14.2

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	58.28	58.28
FIs & Local MFs	22.63	22.91
FPIs	15.78	15.76
Public & Others	3.31	3.05
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Mahindra & Mahindra

Good outlook for autos, though no guidance for tractors

Mahindra & Mahindra's Q3FY26 standalone EBITDA margin at 14.7% missed our estimate by 28bps, while it was in line with Bloomberg consensus estimate. While autos look well poised on continuing demand momentum and up-trading trends, tractor outlook remains uncertain due to a high base and considering early forecasts of El Nino in India during the latter half of monsoon in 2026. Additionally, we expect an increase in ePV contract manufacturing and recording of PLI benefits in subsidiaries, to impact the standalone auto business margins over the near to medium term, as the company pushes to increase its EV mix, in light of the upcoming CAFÉ norms. Though this should improve the financials of the EV subsidiaries. We value the company on a SOTP basis, with the core business valued at 21x Dec-27 EPS for a target price of INR4,348 and maintain an ADD rating.

- **Quarterly performance:** Standalone revenue at INR 385.2bn grew 26.1% YoY and 15.2% QoQ, led mainly by volume growth. Auto division's EBIT margin at 9.5% improved 32bps QoQ (HSIE est. 9.4%), while the core auto (ex-BEV) margin stood at 10.4% (up 10bps QoQ). Farm division's EBIT margin at 20.2% continued to impress (core tractor margin at 21.2%), ahead of our estimate of 20.1%, led by better operating leverage. Farm machinery revenue grew 45% YoY to INR 3.6bn.
- **Upcoming launches and capacity:** Management highlighted upcoming launches for CY26: 3 ICE SUVs (one is 7XO while two more model refreshes are awaited), 2 BEVs (both are already launched), and 2 LCVs (still pending). On the capacity expansion plan, it commented that CY26 will entail debottlenecking at the Nashik plant for the 3XO and Bolero models and at the Chakan plant for the Scorpio N model. From this, it aims to add capacity of 3k units per month by July, along with another 3k planned for BEV. In CY27, the new capacity at Chakan will cater to the NU_IQ models (Vision S or Vision T, both to be launched in CY27). In CY28, the greenfield at Nagpur will further aid capacity, primarily for the NU_IQ models.
- **Farm segment:** Management held back from giving guidance for FY27, though highlighted that in case of below normal monsoon, healthy reservoir levels should support farming activity. While it lost some market share in Q3 due to lower supply of the Swaraj brand, it has seen a recovery in Jan.
- **Management commentary takeaways:** (1) It expects the demand momentum for LCV to continue for some time, as profit improvement for the operator post the GST rate cut is 4-5%. (2) The 7XO has a strong order pipeline with a big skew towards the top end variants, despite of very good lower variant products. (3) It highlighted up-trading across models and variants in SUVs post the GST rate cut. 4) It mentioned that higher raw material costs may impact in the coming quarters, though it took a 1% price hike in Jan.

Quarterly/annual financial summary

YE Mar (INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	3,85,168	3,05,382	26.1	3,34,216	15.2	11,64,837	14,47,404	16,26,606	18,27,933
EBITDA	56,676	44,681	26.8	48,615	16.6	1,71,226	2,09,967	2,34,272	2,68,960
EBITDA %	14.7	14.6	9bps	14.5	17bps	14.7	14.5	14.4	14.7
APAT	40,295	29,643	35.9	45,205	-10.9	1,27,029	1,58,691	1,73,281	1,96,722
EPS (INR)	33.5	24.7	35.8	37.6	-10.9	98.7	132.2	144.3	163.8
P/E (x)						37.2	27.8	25.5	22.4
RoE (%)						22.3	23.5	21.6	20.9

Source: Company, HSIE Research

ADD

CMP (on 11 Feb 2026)	INR 3,675
Target Price	INR 4,348
NIFTY	25,954

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 4,225	INR 4,348
EPS %	FY27E	FY28E
	+0.2%	+2.3%

KEY STOCK DATA

Bloomberg code	MM IN
No. of Shares (mn)	1,244
MCap (INR bn) / (\$ mn)	4,570/50,381
6m avg traded value (INR mn)	8,765
52 Week high / low	INR 3,840/2,360

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(2.0)	15.3	19.1
Relative (%)	(2.4)	10.8	8.7

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	18.44	18.44
FIs & Local MFs	29.96	30.44
FPIs	38.04	37.49
Public & Others	13.56	13.63
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Bajaj Auto

All key segments on a progressive track

We are optimistic that the company's business turnaround will continue, driven by a focus on new launches to regain domestic two-wheeler market share. Export markets are stabilizing, supported by reduced dependence on Nigeria, rising three-wheeler sales, and favorable forex tailwinds. The EV business is scaling up and improving margins, while key subsidiaries such as Bajaj Mobility AG (BMAG) and Bajaj Auto Credit continue to deliver improved performance. We thus increase our target PE multiple for the core business from 23x earlier to 24x of Dec-27 EPS now (at +1SD of 4-year mean), and along with the value of Bajaj Mobility AG (INR 136) and Bajaj Auto Credit (INR 220), we reach a SOTP-based TP of INR 11,012 and upgrade to a BUY rating. Key risks are enhanced competitive intensity in the EV segment and rising RM costs.

- **Quarterly performance:** Bajaj Auto's EBITDA margin at 20.8% was in line with our estimate but beat Bloomberg consensus estimate of 20.5%, aided by operating leverage, forex tailwinds, and PLI. Realization dipped 3.8% QoQ, on lower 3W mix. Revenue from spares = INR 18bn, and exports = USD600mn.
- **Domestic 2W segment to do well:** Management expects the domestic 2W industry to grow at 12-15% over the next few months, as demand sustains even post the key festive season. It acknowledged that the recent market share loss had been due to the lack of launches as compared to key competition. However, it has changed that by doing seven product interventions (upgrades and refreshes) between Nov 2025 and Jan 2026, and is on track to do eight more over the next 4-5 months. Additionally, it believes that the Pulsar portfolio will benefit from the customer's up-trading mindset post the GST rate cut.
- **Exports momentum to sustain:** Market share has increased in its top 30 markets. It is now exporting to 108 countries, thus reducing its dependence on Nigeria (forms 10-12% of the exports mix now vs 25% earlier). It expects export volumes to continue at a similar momentum in the coming months, with 600k+ units expected for Q4FY26 as well. It seeks to launch products in the higher cc category and to grow the Dominar brand as well.
- **EVs witness operational improvement:** The segment now forms 25% of the domestic revenue and is operating at double-digit EBITDA margin. It indicated that even the e-2W segment alone is EBITDA breakeven now. It currently has 450 exclusive Chetak stores and ~4,000 touchpoints in 800 cities.
- **Restructuring at BMAG kicks off well:** While there has already been some operational improvement, the restructuring exercise continues with a focus to rebuild the top management team (to be completed by 1st April 2026) and improve the cost structure (including utilizing synergies with Bajaj Auto) for which it believes there are ample opportunities.

Quarterly/annual financial summary

YE Mar (INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	1,52,203	1,28,069	18.8	1,49,221	2.0	5,00,103	5,78,113	6,68,385	7,59,844
EBITDA	31,605	25,807	22.5	30,517	3.6	1,00,988	1,17,886	1,37,878	1,60,058
EBITDA %	20.8	20.2	62bps	20.5	32bps	20.2	20.4	20.6	21.1
APAT	25,457	21,087	20.7	24,797	2.7	81,514	96,612	1,11,508	1,28,094
EPS (INR)	91.2	75.5	20.7	88.8	2.7	292	346	399	459
P/E (x)						28.8	24.3	21.1	18.3
RoE (%)						28.6	28.8	30.8	32.7

Source: Company, HSIE Research

BUY

CMP (as on 01 Feb 2026) INR 9,500

Target Price INR11,012

NIFTY 24,825

KEY CHANGES	OLD	NEW
Rating	ADD	BUY
Price Target	INR10,207	INR 11,012
EPS %	FY27E +0.4%	FY28E +2.4%

KEY STOCK DATA

Bloomberg code	BJAUT IN
No. of Shares (mn)	279
MCap (INR bn) / (\$ mn)	2,655/28,875
6m avg traded value (INR mn)	3,518
52 Week high / low	INR 9,888/7,088

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.8	18.1	3.8
Relative (%)	10.7	17.9	(0.4)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	55.04	54.99
FIs & Local MFs	12.78	14.07
FPIs	9.66	8.84
Public & Others	22.52	22.09
Pledged Shares	0.01	0.00

Source : BSE

Pledged shares as % of total shares

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Eicher Motors

Demand momentum sustains even post festive season

Despite the company's "volume over margin" strategy, we have seen the company's standalone EBITDA margin expand to a seven-quarter high. While operating leverage played a big part, the company's value engineering and cost reduction efforts are also aiding the margin expansion. Demand momentum continues post the key festive season and management's visibility of sustained demand momentum in the medium term has led to a brownfield capacity expansion plan of increasing capacity by almost 1/3rd. We also expect that the company's efforts of the last few years as well as continued efforts in international markets to pay off, once global macro turns more favorable. We value the company at 29x Dec-27 EPS, and along with the value of VECV (INR 688), we achieve a TP of INR 7,721, and maintain our ADD rating.

- **Standalone performance:** EBITDA margin at 26.6% improved 162bps YoY and 167bps QoQ, 191bps above our estimate and 152bps above Bloomberg consensus estimate. The good performance was on the back of higher operating leverage and lower marketing spends. Revenue at Rs.59.9bn grew 22% YoY and 1.5% QoQ, led entirely by volumes.
- **VECV performance:** VECV revenue grew 21.0% YoY and 15% QoQ to INR 70.2bn, with EBITDA margin of 9.3% (up 51bps YoY and 144bps QoQ). PAT grew 12.3% YoY to INR 3.38bn.
- **Demand momentum still strong:** Management indicated sustained retail traction with higher bookings and conversions. Additionally, international markets too are well poised, aided by recent new launches. While it expects the domestic 2W industry to grow in high single digits in FY27, it expects the company to outperform. It hinted at new products lined up for FY27.
- **Capacity expansion:** It is seeking to expand capacity of Royal Enfield bikes from the current 1.45mn units p.a. to 2mn units p.a. by FY28, for which it will invest INR9.58bn over the next two years. This expansion is on the back of management's visibility of sustained demand momentum in the medium term. It is also working with vendors to ensure they too increase capacity so as to fulfill the company's orders seamlessly. At VECV too, management is in early consideration of capacity increase since the capacity is 85-90% utilized.
- **Other key highlights:** 1) Rate of recovery has been good for the 650cc segment, which was impacted due to higher GST rates. (2) Blended price hike of 0.5% taken in Jan and along with value engineering efforts should help soften higher commodity cost impact, going forward. (3) Rural and semi-urban markets are growing well, though even urban markets are making a comeback, aided by income tax cuts. (4) Age profile of the 'Hunter' customer is moving downward as the 23-24 year group now forms 40% of the buyer mix, vs 34-35% which was there pre-GST rate cuts.

Quarterly/annual financial summary

YE Mar (INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	59,878	49,081	22.0	59,021	1.5	1,84,515	2,29,689	2,66,408	3,06,731
EBITDA	15,899	12,237	29.9	14,687	8.2	47,680	58,824	69,829	81,954
EBITDA %	26.6	24.9	163bps	24.9	167bps	25.8	25.6	26.2	26.7
APAT	13,454	10,562	27.4	12,080	11.4	42,793	51,702	59,646	68,774
EPS (INR)	49.0	38.5	27.3	44.1	11.3	156.1	188.6	217.5	250.8
P/E (x)						46.8	38.7	33.5	29.1
RoE (%)						25.0	25.6	25.1	24.6

Source: Company, HSIE Research

ADD

CMP (as on 10 Feb 2026)	INR 7,296
Target Price	INR 7,721
NIFTY	25,935

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 7,549	INR 7,721
EPS %	FY27E	FY28E
	+2.1%	+1.6%

KEY STOCK DATA

Bloomberg code	EIM IN
No. of Shares (mn)	274
MCap (INR bn) / (\$ mn)	2,001/22,092
6m avg traded value (INR mn)	3,506
52 Week high / low	INR 7,614/4,644

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.3	28.8	36.7
Relative (%)	5.4	23.3	27.7

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	49.06	49.06
FIs & Local MFs	14.72	14.74
FPIs	26.98	27.01
Public & Others	9.24	9.19
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Hyundai Motor India

New plant costs to cap margin expansion

Hyundai Motor India's (HMI) EBITDA margin at 11.2% missed our estimate by 126bps and Bloomberg consensus estimate by 152bps, mainly due to adverse gross margins and higher costs related to the new plant. Management has called out for higher costs related to the new plant, like labor, manufacturing overheads and depreciation, to sustain over the next 3-4 quarters. While we are positive on the PV industry over the medium term, led by the GST rate rationalization and exports potential, we remain concerned on the company's lack of aggression in the Indian market with regards to volumes and market share, where competition is getting more aggressive. We value the company at 25x Dec-27 EPS for a target price of INR 2,282, and maintain a REDUCE rating.

- **Quarterly performance:** Revenue at INR 179.7bn grew 8% YoY and 2.9% QoQ, 1.8% above our estimate and in line with Bloomberg consensus estimate. Realization remained flat QoQ, despite unfavorable product mix, as discounts eased from 3.2% in Q2 to 2.6% in Q3. Gross margin deteriorated 124bps QoQ on the back of a unfavorable product mix, commodity inflation, and plant startup costs.
- **Call takeaways:** (1) Management indicated that based on a discussion within SIAM, broadly 6% YoY growth is expected for domestic passenger vehicles sales for FY27. (2) It highlighted ASP improved 5% YoY on the back of a strong mix and prudent pricing, while ASP was maintained on a QoQ basis despite seasonality and higher competition. (3) Discounts declined from 3.2% on ASP in Q2FY26 to 2.6% in Q3FY26. (4) It indicated that a total impact of about 100bps on account on new plant-related costs is expected to continue for a year, of which an impact of 60-70bps has been borne in Q3FY26. (5) Profitability was impacted on a YoY basis by the increase in processing cost linked with capacity expansion, while on a QoQ basis, it was due to unfavorable mix and marketing expenses. (6) The launch of new taxi-oriented range along with GST rate cut has been helping 'Aura' sales volumes. (7) With a shift of all-new Venue to the Pune facility, the Pune plant has already achieved 90% capacity utilization. (8) Management indicated that the channel inventory is low, with inventory being 2-3 weeks as of 31 December 2025, which increased to four weeks by the end of January 2026 (normalized inventory in Jan is usually five weeks). (9) Commodity price inflation continues to put stress on margins, though it is working on mitigating this through long-term supplier sourcing strategy, cost optimization, localization, and value engineering. (10) The rural contribution to sales was more than 24% in Q3FY26, the highest-ever quarterly. (11) It maintained its guidance on 11-14% EBITDA margin to continue for the coming years. (12) As a % of domestic sales volume, CNG is now at 16% and diesel at 21%.

Quarterly/annual financial summary

YE Mar (INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	1,79,735	1,66,480	8.0	1,74,608	2.9	6,03,076	6,98,291	6,91,929	7,16,275
EBITDA	20,183	18,755	7.6	24,289	(16.9)	75,488	91,326	89,538	90,163
EBITDA %	11.2	11.3	-4bps	13.9	-269bps	12.5	13.1	12.9	12.6
APAT	12,344	11,607	6.3	15,723	(21.5)	47,093	60,600	56,402	56,685
Diluted EPS (INR)	15.2	14.3	6.3	19.3	(21.5)	58.0	74.6	69.4	69.8
P/E (x)						38.1	29.6	31.8	31.7
EV / EBITDA (x)						21.6	18.7	19.2	19.2
RoE (%)						25.5	39.5	41.8	31.3

Source: Company, HSIE Research

REDUCE

CMP (as on 02 Feb 2026) INR 2,198

Target Price INR 2,282

NIFTY 25,088

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 2,213	INR 2,282
EPS %	FY27E	FY28E
	+2.4%	+3.3%

KEY STOCK DATA

Bloomberg code	HYUNDAI IN
No. of Shares (mn)	813
MCap (INR bn) / (\$ mn)	1,786/19,508
6m avg traded value (INR mn)	2,144
52 Week high / low	INR 2,890/1,542

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(9.9)	0.8	25.6
Relative (%)	(7.2)	(0.5)	20.2

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	82.50	82.50
FIs & Local MFs	7.74	8.59
FPIs	7.35	6.43
Public & Others	2.41	2.48
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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TVS Motor

Margin expansion continues to impress

TVS Motors' Q3FY26 EBITDA margin came in at 13.1%, including the PLI benefit of ~0.7% (up from 20bps both YoY and QoQ). This was above ours and Bloomberg consensus estimate of 12.7%. We expect the company to continue to gain market share in both the domestic and exports market, and benefit from favorable forex and improving cost structure of the EV business. However, concern remains on capital allocation, as higher investments continue towards its subsidiaries, which include investments for development of the Norton bike portfolio (which it expects to launch in CY26) as well as e-bikes. We value the company's core business at 35x Dec-27 EPS (vs 34x earlier), leading to a target price of INR 4,006, and maintain our ADD rating.

- **Quarterly performance:** Revenue at INR 124.8bn (1.7% above our est.) grew 37.1% YoY. While volumes grew 27.4% YoY, realization grew 7.6% YoY to INR80,781 (up 2.2% QoQ). EBITDA margin improved 121bps YoY (70bps on an adjusted basis) and 43bps QoQ to 13.1%.
- **EBITDA margin improves further:** Margin expansion was aided by operating leverage, scale benefits, better product mix, continuing cost reduction, favorable forex, and higher PLI benefit. Management is confident to dampening the impact from rising commodity costs via scale benefits, continuing cost reduction, premiumization, and gradual price hikes.
- **Long runway for domestic 2W industry:** While management has guided for the domestic 2W industry to grow 15% in Q4FY26 and 9% in FY26, it expects the 8-9% growth rate to sustain even on a long-term basis, considering improving road connectivity and rising mobility needs, especially from the self-employed customers in India. It expects positive macros like interest rate reduction, higher reservoir level and increased Rabi sowing to aid 2W sales. For FY26, it expects capex of INR17bn, and investment in subs of INR29bn.
- **Exports well-poised:** It highlighted that demand in Africa continues to grow QoQ, while Latin America is also doing well. Though the European markets have some challenges and may take a few quarters to stabilize, it indicated good rebound in demand from Sri Lanka. While exports to Mexico could be in low single digits of the exports mix, it is focusing on increasing localization there due to the recent higher tariffs and the potential of the Mexican market.
- **EV business to continue to grow well:** It expects e-2W penetration to continue to increase, going forward, while it also indicated better availability of rare earth magnets, which should enable it to normalize supply in a month. It mentioned that while the EV business is positive on contribution margins and improving QoQ, it remains optimistic of it being EBITDA positive soon.

Quarterly/annual financial summary

YE Mar (INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	1,24,763	90,971	37.1	1,19,054	4.8	3,62,513	4,65,343	5,37,443	6,06,344
EBITDA	16,341	10,815	51.1	15,086	8.3	44,540	59,429	71,394	83,803
EBITDA %	13.1	11.9	121bps	12.7	43bps	12.3	12.8	13.3	13.8
APAT	9,714	6,185	57.1	9,061	7.2	27,105	36,252	44,979	53,828
EPS (INR)	20.4	13.0	57.1	19.1	7.2	57.1	76.3	94.7	113.3
P/E (x)						65.5	49.0	39.5	33.0
RoE (%)						30.7	31.7	30.4	28.5

Source: Company, HSIE Research

ADD

CMP (as on 28 Jan 2026) INR 3,728

Target Price INR 4,006

NIFTY 25,343

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3,781	INR 4,006
EPS %	FY27E +2.4%	FY28E +3.5%

KEY STOCK DATA

Bloomberg code	TVSL IN
No. of Shares (mn)	475
MCap (INR bn) / (\$ mn)	1,771/19,290
6m avg traded value (INR mn)	2,852
52 Week high / low	INR 3,909/2,191

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	4.7	33.2	59.6
Relative (%)	7.4	31.4	51.1

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	50.27	50.27
FIs & Local MFs	18.35	18.29
FPIs	22.89	23.09
Public & Others	8.49	8.35
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Tata Motors

Positive macros favor CV demand, while RM pressure builds

We remain confident of the continuation of the CV upcycle, aided by government policies, as fleet utilization picks up and transporter profitability improves. However, we remain cautious of rising raw material cost pressures and threat from the completion of the last and critical leg of the Western DFC that connects the corridor to JNPT, which does not augur well for long-haul road freight. We value the company on an SOTP basis, with the India CV business valued at INR 443, 12.5x Dec-27 EV/EBITDA, and the stake in Tata Capital valued at INR 14, for a target price of INR 456; maintain ADD rating.

- **Quarterly performance:** Standalone EBITDA margin at 12.8% was up 95bps YoY and 42bps QoQ, below our estimate of 13.4% but in line with the Bloomberg consensus estimate. The margin improvement was led by better operating leverage, though partially negated by higher raw material costs.
- **Positive drivers for continuing CV demand:** Management highlighted that the demand increase for higher value discretionary items has led to increased fleet utilization, which is also reflected in higher growth in the monthly E-way bill. Post monsoon, the construction and infrastructure activities have also been getting back on track.
- **Good business for transporters can increase replacement demand:** It mentioned that higher freight movement and pick-up in utilization is leading to inching up of freight rates, which have risen close to 5% post the GST rate cuts. It highlighted that transporter profitability is witnessing an overall improvement, further aided by lower financing costs. It believes this could lead to higher replacement demand.
- **Bus demand to pick up:** It commented that several states in the country are in the process of replacing older Bus fleets and expects Bus demand to grow in high single digit, going forward. It has already carried out de-bottlenecking at its bus plants, leading to a 15% increase in capacity. On the e-bus segment, it believes there is a long runway, considering that the government wants to replace 850k buses with e-Buses over a period. While it missed winning the recent large e-Bus tender, it will continue to bid though keeping profitability in mind.
- **Raw material pressure building up:** It mentioned that margin impact from higher raw material cost was 50bps in Q3, mainly on account of PGM and copper, and expects a similar impact in Q4. Going forward, as steel prices are on the rise, it expects an impact from the same in Q1FY27. To accommodate this, it took a 1% price hike on 1 Jan 2026 and is also evaluating reducing discounts if demand continues to remain good.

Quarterly/annual financial summary

YE Mar (INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	2,04,040	1,70,400	19.7	1,68,610	21.0	5,82,170	8,14,547	9,03,476	10,00,659
EBITDA	26,060	20,050	30.0	20,770	25.5	62,630	94,593	1,10,305	1,29,445
EBITDA %	12.8	11.8	101bps	12.3	46bps	10.8	11.6	12.2	12.9
APAT	21,060	14,410	46	13,450	57	34,780	71,146	67,620	81,837
EPS (INR)	5.7	3.9	46.1	3.7	56.6	9.5	19.3	18.4	22.2
P/E						49.7	24.3	25.6	21.1
EV/EBITDA						28.4	18.4	15.4	12.8
RoE (%)						66.0	58.7	42.3	39.2

Source: Company, HSIE Research

ADD

CMP (as on 29 Jan 2026)	INR 470
Target Price	INR 456
NIFTY	25,419

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 458	INR 456
EPS %	FY27E -0.9%	FY28E +2.2%

KEY STOCK DATA

Bloomberg code	TMCV IN
No. of Shares (mn)	3,682
MCap (INR bn) / (\$ mn)	1,731/18,829
6m avg traded value (INR mn)	-
52 Week high / low	INR 476/306

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	-	-	-
Relative (%)	-	-	-

SHAREHOLDING PATTERN (%)

	Dec-25
Promoters	42.56
FIs & Local MFs	17.17
FPIs	18.29
Public & Others	21.98
Pledged Shares	0.00

Source : BSE

Pledged shares as % of total shares

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Tata Motors Passenger Vehicles

JLR's challenges continue, albeit restocking to support Q4

Besides weak demand globally, Jaguar Land Rover (JLR) is also facing structural headwinds from its business in China as JLR's addressable market gets disrupted by a higher luxury tax at the top end of its portfolio and by strong competition from Chinese OEMs at the lower end. Considering China has been a highly profitable market for the company before, we expect both volume and margin expansion to be capped, going forward. What this is also doing is shifting focus of the Chinese OEMs burdened with overcapacity to focus on markets outside China (besides US), which we believe could keep Variable Marketing Expense (VME) higher at mid-single digits for JLR. Considering these challenges that have also been worsened by higher tariffs of exporting to the US, management declined to give an outlook of FY27, deferring it to the investor day in June 2026. However, considering the restocking opportunity post the cyber-attack incident, Q4 should be a good quarter for JLR in the midst of otherwise challenging times. The India PV segment continues to do well and is expected to benefit from the ramp-up of Sierra's sales, and thus benefit from higher operating leverage and improved mix. We value the company on a SOTP basis, with JLR valued at (INR 140) 2.25x Dec-27 EPS, the India PV business valued at (INR 206) 23x Dec-27 EPS, and the stake in Tata Technologies valued at INR 30, for a target price of INR 376 and maintain a REDUCE rating.

- **JLR quarterly performance:** EBIT margin in Q3 at negative 6.9% was better than our estimate of negative 10.8%, a slight recovery from the negative 8.6% margin in Q2. However, Q4 is expected to be a much better quarter, considering channel filling opportunity, aided by normalized production.
- **JLR guidance:** Management held on to its FY26 guidance for EBIT margin to 0-2%, and for free cash flow to be negative £2.2bn-negative £2.5bn. However, it held back from giving a guidance for FY27 despite hinting in the Q2 earnings call that there would be better visibility by the time of Q3 results. It indicated that 2026 should see the launch of the Range Rover electric, unveiling of the production-ready new Jaguar, and start of production of Freelander.
- **India PV update:** EBITDA margin at 4.3% was below our estimate of 6%. It expects the company to continue outgrowing the domestic PV industry, aided by Sierra's volumes, which it indicated was 7k dispatches in Jan 2026, with an order book running into six digits. While it avoided a price hike in Jan, it seeks to take it in Feb, mainly to pass on higher commodity costs. Going forward, margin should benefit from operating leverage, cost optimization, and better product mix on ramp-up of Sierra, Harrier petrol, and Safari petrol. It highlighted supply challenges as suppliers, especially casting suppliers as they are working at high utilization levels. It mentioned that it is seeking to expand the PV capacity in two phases over the next 5-6 months.

Quarterly/annual financial summary

YE Mar (INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	7,01,080	9,44,720	(26)	7,23,490	(3)	36,60,940	34,01,832	42,21,634	48,71,416
EBITDA	9,410	1,04,170	(91)	(10,370)	(191)	4,69,590	2,32,998	4,50,177	6,52,989
EBITDA %	1.3	11.0	-969bps	(1.4)	278bps	12.8	6.8	10.7	13.4
APAT	(18,860)	41,640	(145)	(37,600)	(50)	1,95,900	29,776	1,35,190	2,47,733
EPS (INR)	(5.1)	11.3	(145.3)	(10.2)	(49.8)	53.2	8.1	36.7	67.2
P/E (x)						7.1	46.5	10.2	5.6
RoE (%)						31.9	2.4	10.2	16.3

Source: Company, HSIE Research

REDUCE

CMP (as on 05 Feb 2026)	INR 376
Target Price	INR 376
NIFTY	25,643

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 351	INR 376
EPS %	FY27E -4.3%	FY28E +1.1%

KEY STOCK DATA

Bloomberg code	TMPV IN
No. of Shares (mn)	3,682
MCap (INR bn) / (\$ mn)	1,378/15,259
6m avg traded value (INR mn)	6,565
52 Week high / low	INR 450/324

Note: The record date for the demerger of erstwhile Tata Motors was 14 October 2025, when it began trading ex of the CV business, with the price discovery happening at INR 400 per share. The company was renamed 'Tata Motors Passenger Vehicles Limited'

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.0)	(5.6)	(13.8)
Relative (%)	(7.8)	(8.8)	(20.2)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	42.57	42.56
FIs & Local MFs	17.28	15.34
FPIs	17.13	17.43
Public & Others	23.02	24.67
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Samvardhana Motherson International

Operational improvement to continue

The company continues to well execute its strong order book, with a focus on improving the operational performance further in the coming quarters. The aerospace and consumer electronics business continues to grow well, as the company also expands its product portfolio. The company has many plants globally, and believes in local for local, which has largely protected it from direct impacts of higher tariffs. However, there has been indirect impact via customers. Now with the US tariff situation becoming clearer globally and the India EU FTA benefits coming in, we expect the company to benefit from improved planning at the customers' end. Additionally, given continuing global demand headwinds, supplier distress, and company's strong balance sheet, we expect it to close in on acquisition/s, now that the US tariff scenario is becoming less foggy. Considering the positives, we value SAMIL at 22x Dec-27 EPS (from 21x earlier) for a TP of INR 142 and maintain ADD.

- Quarterly performance:** EBITDA margin at 10% was up 27bps YoY and 132bps QoQ, 113bps above our estimate and 94bps above Bloomberg consensus estimate. Margin improvement QoQ was led by the Integrated Assembly division as well as the Modules and Polymer Products division. Revenue grew 13.9% YoY to INR 315.1bn, also aided by the Asumitec acquisition.
- Earnings call takeaways:** (1) Margins were aided by benefits from favorable forex and savings from transformative measures being undertaken in the European operations. (2) Outlook for the global PV production is positive, estimated at 93mn units in FY27 from an estimated 91mn units in FY26. (3) The consumer electronics business is ramping up as planned (grew 75% QoQ) with two plants already operational, while a third one is expected to commence operations in Q3FY27, which should double the capacity of the division. (4) The aerospace business grew 40% YoY with the order book seeing sustained growth, supported by product portfolio expansion. (5) It has also secured government incentives under the ECMS scheme which will further support scalability, competitiveness, and long-term profitability. (6) The integrated assembly division's performance is being aided by the group strength where the company is also doing more manufacturing to support the customer's operations. (7) It has planned two more greenfield plants (one for vision systems in India and the other for wiring harness in Morocco), taking the total greenfield plants to 12 now, across emerging markets, spanning both auto and non-auto segments. (8) Capex guidance stands at INR 60bn (+/- 10%) for FY27.

Quarterly/annual financial summary

YE Mar (INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	3,15,094	2,76,659	13.9	3,01,730	4.4	11,36,626	12,53,041	14,03,534	15,74,184
EBITDA	31,431	26,858	17.0	26,107	20.4	1,05,519	1,14,864	1,37,443	1,64,484
EBITDA %	10.0	9.7	27bps	8.7	133bps	9.3	9.2	9.8	10.4
APAT	11,586	8,786	31.9	8,541	35.6	38,030	38,860	56,019	72,440
EPS (INR)	1.10	0.83	31.9	0.81	35.6	3.6	3.7	5.3	6.9
P/E (x)						35.9	35.2	24.4	18.9
EV / EBITDA (x)						12.3	11.0	9.1	7.3
RoE (%)						12.5	10.8	14.6	17.1

Source: Company, HSIE Research

ADD

CMP (as on 10 Feb 2026)	INR 129
Target Price	INR 142
NIFTY	25,935

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 132	INR 142
EPS %	FY27E	FY28E
	+0.7%	+4.0%

KEY STOCK DATA

Bloomberg code	MOTHERSO IN
No. of Shares (mn)	10,554
MCap (INR bn) / (\$ mn)	1,366/15,079
6m avg traded value (INR mn)	2,047
52 Week high / low	INR 132/72

Note: Company issued a bonus of 1:2 on 21 July 2025.

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	26.2	41.5	43.3
Relative (%)	25.3	36.0	34.3

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	48.6	48.6
FIs & Local MFs	21.0	21.6
FPIs	12.0	11.8
Public & Others	18.4	18.0
Pledged Shares	1.4	1.4

Source : BSE

Pledged shares as % of total shares
 Note: Sumitomo Wiring Systems, Ltd., Japan and H. K. Wiring Systems, Limited, Hong Kong have been reclassified from 'Promoters' to 'Public & Others'.

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Ashok Leyland

Improved demand visibility, albeit valuation is rich

Management has guided for improved demand visibility over at least the next 2-3 quarters as freight movement as well as freight rates have been rising, and this is also leading to large fleet operators starting to come back to the CV market, which was earlier being driven largely by the retail customer. We expect the recently launched products and increasing touchpoints to further aid volume growth. Considering the positives, we value the company's core business at 13.5x Dec-27 EV/EBITDA (vs 13x earlier), and add the value of Hinduja Leyland Finance (INR 22) to get a TP of INR 209. We maintain an ADD rating. However, we remain concerned by the higher pledging of the promoter group, and will closely watch out for any developments on that front.

- **Quarterly performance:** EBITDA margin at 13.3%, improved 53bps YoY and 119bps QoQ, in line with our estimate of 13.3%, but above Bloomberg consensus estimate of 13%, driven by operating leverage, increasing non-CV mix and continued focus on cost reduction, though partially negated by higher commodity costs.
- **Demand momentum to continue:** Management mentioned that the GST rate cut has created a major fillip in domestic consumption and therefore freight demand, leading to improved sentiment for both retail and fleet buyers. It expects momentum to continue into H1FY27, aided by a low base. It sees good potential for replacement demand as a reasonable number of inefficient and higher polluting older vehicles remain on the road.
- **Improving non-CV mix:** The power solutions business grew 45% YoY and the defence business grew 84% YoY. As a % of revenue, power solutions mix = 3.6% (vs 3.0% last year) and defence mix = 1.5% (vs 1.0% last year).
- **Other highlights:** 1) It highlighted more product launches planned over the next six months, with a focus on product innovation for differentiation and premiumization. 2) Total touchpoints added in 9M for MHCV = 75 (45% were in the North and North East regions) and for LCV = 77, taking the total touchpoints to 2,041 (1,126 for MHCV and 915 for LCV). 3) Gross margin impact was on account of product mix and a 50bps impact from higher commodity costs; while it is countering that by reducing discounts. 4) On SWITCH India, it updated that in 9M, the entity sold 850 e-Buses and 1,200 eLCVs, with a positive PAT, and current order book at 1,350 units, on track to be FCF positive in FY27. 5) It does not believe the western DFC will have much impact on total volumes as a decrease in tractor trailer volumes will be made up for by ICV and LCV segments used in last mile connectivity.

Quarterly/annual financial summary

YE Mar (INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	1,15,339	94,787	21.7	95,882	20.3	3,87,527	4,41,639	5,00,296	5,63,830
EBITDA	15,350	12,114	26.7	11,622	32.1	49,306	55,877	67,143	80,389
EBITDA %	13.3	12.8	53bps	12.1	119bps	12.7	12.7	13.4	14.3
APAT	11,045	7,617	45.0	8,111	36.2	31,996	37,584	45,733	55,382
Diluted EPS(INR)	1.88	1.30	45.0	1.38	36.2	5.4	6.4	7.8	9.4
P/E (x)						37.4	31.9	26.2	21.6
EV / EBITDA (x)						23.4	20.7	17.1	14.1
RoE (%)						31.5	30.4	32.1	33.4

Source: Company, HSIE Research

ADD

CMP (as on 11 Feb 2026)	INR 206
Target Price	INR 209
NIFTY	25,954

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 201	INR 209
EPS %	FY27E	FY28E
	+2.0%	+3.8%

KEY STOCK DATA

Bloomberg code	AL IN
No. of Shares (mn)	5,874
MCap (INR bn) / (\$ mn)	1,212/13,363
6m avg traded value (INR mn)	2,777
52 Week high / low	INR 215/95

Note: Company issued a bonus of 1:1 on 17th July 2025.

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	41.3	71.9	102.6
Relative (%)	40.9	67.4	92.2

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	51.51	51.51
FIs & Local MFs	13.59	13.73
FPIs	24.32	24.41
Public & Others	10.58	10.35
Pledged Shares	21.03	21.03

Source : BSE

Pledged shares as % of total shares

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Hero MotoCorp

Business outlook remains favorable

Business outlook remains favorable, as demand momentum continues post the festive season, and will be aided by continuing traction with recent launches, the upcoming marriage season, and expected conversion of the good Rabi sowing into a healthy harvest season. As the channel inventory remains low, we believe there is huge scope for channel filling, which should aid business operations in the near term. With the new CEO coming onboard, we are already sensing a focused strategy to grow underpenetrated segments of the company like: scooters, premium motorcycles, global business, EV and parts, accessories and merchandise (PAM). We value the company at 19x Dec-27 EPS, adding the value of its stakes in Hero FinCorp (INR 334) and Ather Energy (INR 424), arriving at a target price of INR 7,279. We maintain a BUY rating.

- **Quarterly performance:** EBITDA margin at 14.7% improved 22bps YoY but declined by 36bps QoQ, 25bps below our estimate and 10bps below the Bloomberg consensus estimate. EBITDA margin for the ICE segment (ex of EV) stood at 17%, up 100bps YoY but down 70bps QoQ, where YoY margin expansion was led by operating leverage, better mix, and improving cost efficiencies, while on a QoQ basis, it was impacted by higher RM costs.
- **RM costs rising:** It quantified a higher RM cost-related impact at 40-50bps in Q3 and expects a similar impact in Q4, mainly on account of higher prices of aluminum and precious metals, which has also been exacerbated by adverse forex. While it took a price hike of INR 300 at the start of Jan, it is monitoring spots for another price hike in Q4, as it believes that the market is conducive to absorb it with minimal impact on demand.
- **Growth outlook is favorable:** It expects the domestic 2W industry to grow in double digits in Q4FY26 and for the company to grow ahead of the industry. It expects this momentum to continue heading into FY27, though expects the growth rate to moderate in H2 due to the high base effect. It expects the industry to grow in high single digits in FY27. Both urban and rural markets are doing well, and while urban markets are also benefitting from the income tax cuts that have started accruing, rural markets will benefit from good Rabi sowing translating into good harvests, and the upcoming wedding season.
- **Portfolio enhancements working well:** It commented that there has been strong customer acceptance of recent new launches like HF Deluxe Pro, Glamour X, Destini 110, All New Destini 125, Vida VX2, and dual channel in Xtreme 125R. This has also been supported by marketing campaigns.
- **Exports levelling up:** It credited good performance in exports to expansion within existing geographies (especially their top 10 markets) and now having products designed to suit specific market conditions and customer requirements. It expects strong growth to continue over the medium term.

Quarterly/annual financial summary

YE Mar (INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	1,23,284	1,02,108	20.7	1,21,264	1.7	4,07,564	4,64,317	5,23,490	5,78,233
EBITDA	18,101	14,765	22.6	18,234	-0.7	58,677	68,233	79,260	90,580
EBITDA %	14.7	14.5	23bps	15.0	-36bps	14.4	14.7	15.1	15.7
APAT	14,319	12,028	19.0	13,928	2.8	46,100	53,195	62,019	70,813
EPS (INR)	71.6	60.1	19.0	69.6	2.8	230.6	266.1	310.2	354.2
P/E (x)						24.9	21.6	18.5	16.2
RoE (%)						23.3	24.9	26.6	27.4

Source: Company, HSIE Research

BUY

CMP (as on 06 Feb 2026) INR 5,754

Target Price INR 7,279

NIFTY 25,694

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 7,189	INR 7,279
EPS %	FY27E	FY28E
	+0.4%	+0.5%

KEY STOCK DATA

Bloomberg code	HMCL IN
No. of Shares (mn)	200
MCap (INR bn) / (\$ mn)	1,151/12,695
6m avg traded value (INR mn)	4,510
52 Week high / low	INR 6,390/3,323

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	8.0	28.6	36.0
Relative (%)	7.7	24.8	28.9

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	34.73	34.73
FIs & Local MFs	26.39	26.36
FPIs	28.76	29.44
Public & Others	10.12	9.47
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Bharat Forge

Execution of the defense orderbook to pick up

Order execution for the defense segment sees a meaningful improvement in Q3, with sustainable growth expected for the coming years on the back of superior design and manufacturing capability of the company that allows it to consistently expand the product portfolio. Going forward, we also expect operating leverage as well as better mix to help expand margins in the defense segment. Additionally, with the interim deal between India and the US in place, it provides for a restocking opportunity over the near to medium term, and for customers to resume new product development programs with the company. Considering the long-term business potential of the forging business which is also aided by the China+1 and Europe+1 plays, and of the defense business that would be led by geopolitical tensions, we upgrade our target P/E multiple from 33x earlier to 37x Dec-27 EPS (+2 SD of 4-year mean) for a TP of INR2,031 and maintain a BUY rating.

- **Consolidated performance:** Q3FY26 EBITDA margin came in at 17.3%, down 70bps YoY and 74bps QoQ, below our estimate of 18.5% and Bloomberg consensus estimate of 19%, impacted by the slowdown in the CV exports segment in standalone operations.
- **Standalone performance:** Q3FY26 EBITDA margin came in at 27.2%, down 191bps YoY and 112bps QoQ, missing both our estimate of 29.2% and Bloomberg consensus estimate of 28.1%, as domestic auto segments, as well as better execution of orders in the defense segment, covered up for the slowdown of CV segment exports to North America as destocking continued.
- **Call takeaways:** (1) Management mentioned that INR310mn of US tariff-related impact was absorbed in Q3 (up 29% QoQ). (2) Of the new orders of INR 23.9bn won in Q3, ~79% were for defense. (3) The defense order book stands at INR111bn, up 18% on a QoQ basis. (4) It expects the defense segment to grow 30-40% in FY27, aided by the commencement of production of the ATAGS (Advanced Towed Artillery Gun System) and CQB carbines. (5) By FY30, it expects the defense segment to form 18-20% of the revenue mix. (6) It expects the profitability of the defense segment to be equivalent to the core business in due course, supported also by a long tail of after-sales (MRO) revenue stream. (7) On the European operations, it indicated that demand was patchy because of the holiday season in Q3, while capacity utilization levels stood at 60-65%. (8) On the US aluminum business, it highlighted that higher tariffs on aluminum imports into the US have been impacting the segment's profitability. (9) It expects the aerospace segment to grow meaningfully with new capacities coming online and good contribution to profitability. (10) On CV component exports, it indicated that improvement in Class 8 orders in the US should likely lead to steady business ahead.

Quarterly/annual financial summary

YE Mar (INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	43,429	34,755	25.0	40,319	7.7	1,51,228	1,58,875	1,89,857	2,31,503
EBITDA	7,499	6,244	20.1	7,257	3.3	26,939	28,978	37,325	49,561
EBITDA %	17.3	18.0	-70bps	18.0	-74bps	17.8	18.2	19.7	21.4
APAT	3,285	2,128	54.4	2,993	9.8	10,269	12,345	19,541	28,473
EPS (INR)	6.9	4.5	54.4	6.3	9.8	21.5	25.8	40.9	59.6
P/E (x)						80.4	66.9	42.2	29.0
RoE (%)						12.5	12.8	18.2	22.8

Source: Company, HSIE Research

BUY

CMP (on 12 Feb 2026)	INR 1,727
Target Price	INR 2,031
NIFTY	25,807

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,717	INR 2,031
EPS %	FY27E -1.9%	FY28E +7.3%

KEY STOCK DATA

Bloomberg code	BHFC IN
No. of Shares (mn)	478
MCap (INR bn) / (\$ mn)	826/9,112
6m avg traded value (INR mn)	1,512
52 Week high / low	INR 1,757/919

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	24.3	49.8	56.3
Relative (%)	25.2	45.5	46.5

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	44.07	44.07
FIs & Local MFs	32.26	32.23
FPIs	13.62	12.40
Public & Others	10.05	11.30
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Balkrishna Industries

Global demand continues to remain soft

Balkrishna Industries' (BKT) Q3FY26 adjusted EBITDA margin at 22.8% was broadly in line with ours and Bloomberg consensus estimate. Demand continues to remain weak in its key market, Europe, while it is gradually regaining some ground in the US, despite absorbing a part of the tariff increase. While the EUR/INR is turning favorable for the company, we expect benefits to remain limited due to the forex hedging. While the postponement of the EUDR norms by a year is a relief for the company, higher raw material costs could impact margins going forward. Considering the lack of visibility for business normalcy, and margin risk from entering the domestic PV/CV tyre business, we remain cautious and value the company near -1SD of its 4-year mean, valuing it at 20x Dec-27 EPS. We maintain SELL with a revised TP of INR 1,979.

- **Quarterly performance:** Volumes grew 5.6% YoY and 14.8% QoQ, led by strong growth in the India business (up 36.0% YoY and 23.3% QoQ) and a rebound in Europe business (up 10.3% YoY and 16.2% QoQ), while the Rest of the World segment saw a decline of 25.4% YoY and 9.5% QoQ, and the Americas segment remained subdued, down 29.6% YoY but up 10.5% QoQ. As of 31st Dec,'25, gross debt stood at INR 36.5bn, and net debt at INR 6.4bn. Capex for FY26 is budgeted to be INR25-26bn (INR22bn done in 9MFY26).
- **Challenging demand environment globally:** Despite some rebound sequentially in the volumes in Europe, management indicated that the higher volumes are on account of preparation for the upcoming season as destocking had levelled off. It held back from giving any future guidance, even for the near term, due to the lack of visibility of sustained demand, and reiterated demand challenges in the European market. The RoW (Rest of World) segment too was impacted in Q3, on softer sales in South America and Asia.
- **US business under pressure, but rebounds in Q3:** Volumes in US rebounded sequentially after heavy destocking in Q2, with both the company and distributors in the US absorbing the tariff impact, with the larger tariff brunt being borne by the distributors. It also credited the company's strong brand pull and positioning for demand despite higher tariffs. It expects the company's share in the US to bounce back if tariff hurdles were to subside.
- **Indian market continues to outperform:** It highlighted that the positive momentum is being built on the GST rate cut, while good monsoons also aided demand in Q3. While realizations and margins of the India business may be marginally lower to the global business, it does provide for operating leverage support at a time when global segments are on a decline.
- **Update on the progress of other segments:** It expects the CV radial tyres pilot launch in Q4FY26, and PCR tyres in Q3FY27, along with gradual ramp-ups. It also highlighted that the work on rubber tracks is in progress and the product is under validation with OEMs, with production expected in H2FY26.

Quarterly/annual financial summary

YE Mar (INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	26,827	25,711	4.3	23,207	15.6	1,06,149	1,06,278	1,21,455	1,45,326
EBITDA	6,130	6,386	(4.0)	4,998	22.6	26,805	24,359	29,216	34,211
EBITDA %	22.8	24.8	-199bps	21.5	132bps	25.3	22.9	24.1	23.5
APAT	3,750	4,394	(14.7)	2,646	41.7	16,284	12,988	16,480	20,007
Diluted EPS (INR)	19.4	22.7	(14.7)	13.7	41.7	84.2	67.2	85.3	103.5
P/E (x)						28.1	35.2	27.7	22.8
RoE (%)						16.9	11.9	13.7	14.9

Source: Company, HSIE Research

SELL

CMP (as on 29 Jan 2026) INR2,365

Target Price INR 1,979

NIFTY 25,419

KEY CHANGES	OLD	NEW
Rating	SELL	SELL
Price Target	INR 2,066	INR 1,979
EPS %	FY27E	FY28E
	-5.5%	-3.9%

KEY STOCK DATA

Bloomberg code	BIL IN
No. of Shares (mn)	193
MCap (INR bn) / (\$ mn)	457/4,972
6m avg traded value (INR mn)	463
52 Week high / low	INR 2,916/2,152

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	1.5	(13.5)	(13.6)
Relative (%)	4.4	(15.1)	(21.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	58.29	58.29
FIs & Local MFs	24.69	24.43
FPIs	10.70	11.00
Public & Others	6.32	6.28
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Endurance Technologies

Soft demand in Europe; higher aluminum prices a concern

While the domestic auto segment has kicked off well post the GST rate cuts, the European business is currently operating in a challenging environment. Going forward, the company is set to continue to benefit from increasing premiumization of the domestic 2W industry, auguring well for its portfolio of inverted front forks, slip/assist clutches, and hydraulic brake systems. Management is working well to expand the product portfolio along with improving the product mix, which is allowing it to add new customers as well as increase its sales content with existing customers. However, we remain cautious on softer demand in Europe and higher aluminum prices, which is a key raw material for the company's die casting business. We value the company at 28x Dec-27 EPS for a TP of Rs 2,778 and maintain an ADD rating.

- **Quarterly performance:** Consolidated EBITDA margin at 13.2% improved 20bps YoY but declined 9bps QoQ, 36bps above our estimate but 14bps below Bloomberg consensus estimate, where the standalone margins made up for the hit in the subsidiaries business. Standalone EBITDA margin at 12.4% declined 17bps YoY but improved 35bps QoQ, aided by 50bps QoQ improvement in gross margin despite higher aluminum prices, indicating a likely improvement in product mix.
- **Update on ABS norms:** Management indicated that final guidelines on the draft proposal mandating ABS for almost all 2W could come in by the end of Q4. It believes that even if the government were to go ahead with mechanical CBS instead of ABS, the drum brakes would have to be replaced by the hydraulic system, thus not leaving much delta in the content values.
- **Battery pack plant to commence soon:** The battery pack plant has completed the assembly line battery acceptance test. A comprehensive battery pack validation and EV safety compliance testing will be concluded in Q1 and post OEM and regulatory approvals, commercial ramp-up will happen by Apr'26.
- **Inverted front forks gaining traction:** It mentioned that the company has maintained market leadership in inverted front forks, with steady growth led by wider OEM adoption. In FY26, it commenced supplies of inverted front forks along with monoshock to TVS Motors. SOP with Hero MotoCorp started in Jan 2026 and validation is going on with a leading Chinese OEM. Schedules from KTM have also improved.
- **Expanding business with Hero MotoCorp:** It highlighted that the company has been a prominent supplier of suspension and castings to Hero, with brakes added early last year. In Q3, it added five new brake platforms and is now supplying a full bouquet of products to Hero, including the BMS and aluminum forgings. It expects to double sales to Hero over the next two years.

Quarterly/annual financial summary

YE Mar (INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY25	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	36,082	28,592	26.2	35,828	0.7	1,15,608	1,43,432	1,61,390	1,84,505
EBITDA	4,771	3,725	28.1	4,768	0.1	15,511	18,804	21,645	27,015
EBITDA %	13.2	13.0	20bps	13.3	-9bps	13.4	13.1	13.4	14.6
APAT	2,216	1,844	20.2	2,273	(2.5)	8,242	9,270	11,160	14,890
Diluted EPS (INR)	15.8	13.1	20.2	16.2	(2.5)	58.6	65.9	79.3	105.9
P/E (x)						42.3	37.6	31.3	23.4
RoE (%)						15.4	15.2	16.2	18.7

Source: Company, HSIE Research

ADD

CMP (as on 13 Feb 2026) INR 2,480

Target Price INR 2,778

NIFTY 25,471

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2,775	INR 2,778
EPS %	FY27E -2.0%	FY28E +0.7%

KEY STOCK DATA

Bloomberg code	ENDU IN
No. of Shares (mn)	141
MCap (INR bn) / (\$ mn)	349/3,849
6m avg traded value (INR mn)	382
52 Week high / low	INR 3,080/1,556

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(7.9)	(2.0)	29.6
Relative (%)	(5.7)	(4.6)	21.1

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	75.00	75.00
FIs & Local MFs	9.06	9.20
FPIs	13.84	13.72
Public & Others	2.1	2.08
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Apollo Tyres

Growth picks up, albeit margins may remain stressed

The GST rate cut let boost to OEM production as well as freight movement, coupled with higher marketing spends has led to revival of double-digit growth for the company. However, rising raw material prices, adverse forex, higher marketing spends, front loading of capex-related costs, and a new entrant (Balkrishna Industries) in the segment would keep pressure on margins in the near to medium term. However, the revival of growth in the standalone segment and improved visibility of the same has allowed us to raise the multiple from 12.5x earlier to 13x now (near its five-year mean) of Dec-27 EPS for a TP of INR 454. We maintain SELL.

- **Consolidated performance:** Consolidated EBITDA margin at 15.3% improved 37bps QoQ, led by European business which was aided by seasonality and higher sale of winter tyres. It was 8bps below our estimate and 40bps above the Bloomberg consensus estimate. UHP mix for Q3FY26 stood at 52% vs 48% in Q3FY25.
- **Standalone performance:** Standalone EBITDA margin at 14.5% declined 76bps QoQ despite benign commodity prices, 84bps miss to our estimates and 71bps miss to Bloomberg consensus estimate. Revenue growth improved to 11.8% YoY, marking the first double-digit growth in the last 12 quarters.
- **Segment-wise update:** Volume growth for the standalone segment in Q3 stood at mid-teen levels. While in the OEM and replacement segments, it was mid-teens, exports growth was around 20%.
- **Europe demand soft, but can get operationally better:** It commented that the Netherlands plant is expected to shut down by the end of June 2026, with production shifting to Hungary and India (underway). The Europe business is expected to see the benefit to operational profitability from this in H2FY27.
- **Marketing, brand building:** It indicated that sponsorship of the Indian cricket team improved brand traction, thereby contributing to higher sales. However, higher marketing spends of INR 1.5bn in Q3 were an anomaly, as they included a one-time activation fee in addition to the usual sponsorship fee. The company expects elevated expenses to persist in the near term. Overall, marketing spends are expected to increase from the earlier levels of 2% to 2.5% in a normalized scenario.
- **Larger capacity addition:** Management clarified that it would be adding a capacity to produce 10.5k PCR tyres per day to the existing capacity of 58.5k, while for the TBR segment, it is adding 3.6k to the existing capacity of 15k. It expects this to be completed by FY29, with an investment of INR 58.1bn, which is to be funded by a mix of internal accrual and debt. Current consolidated net debt stood at INR 13bn.

Quarterly/annual financial summary

YE Mar (INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	77,431	69,280	11.8	68,311	13.4	2,61,234	2,84,484	3,13,896	3,40,885
EBITDA	11,859	9,470	25.2	10,207	16.2	35,715	43,953	49,185	53,679
EBITDA Margin (%)	15.3	13.7	165bps	14.9	38bps	13.7	15.5	15.7	15.7
APAT	4,895	3,402	43.9	3,841	27.5	12,907	19,689	20,603	22,716
Diluted EPS (INR)	7.7	5.4	43.9	6.0	27.5	17.7	31.0	32.4	35.8
P/E (x)						28.9	16.4	15.7	14.2
EV / EBITDA (x)						9.8	7.8	7.0	6.4
ROE (%)						9.0	12.8	12.3	12.6

Source: Company, HSIE Research

SELL

CMP (as on 05 Feb 2026)	INR 508
Target Price	INR 454
NIFTY	25,643

KEY CHANGES	OLD	NEW
Rating	SELL	SELL
Price Target	INR 449	INR 454
EPS %	FY27E	FY28E
	-2.0%	-3.0%

KEY STOCK DATA

Bloomberg code	APTY IN
No. of a Shares (mn)	635
MCap (INR bn) / (\$ mn)	322/3,572
6m avg traded value (INR mn)	496
52 Week high / low	INR 541/368

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(2.8)	15.5	20.9
Relative (%)	(2.6)	12.2	14.4

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	36.95	36.93
FIs & Local MFs	27.93	27.90
FPIs	11.90	12.26
Public & Others	23.22	22.91
Pledged Shares	0.02	0.00

Source : BSE

Pledged shares as % of total shares

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Motherson Sumi Wiring India

Higher copper prices to keep margins under pressure

We believe that as the new greenfield facilities ramp up on the back of good production growth, led by the GST rate cut domestically and rising exports from India, they will add to revenue growth, deliver greater economies of scale, and improve operating leverage. Considering the rising business opportunity, management is in the initial stages of consideration of adding an additional greenfield. The expansion will also help the company secure additional business, including opportunities for high-voltage EV wiring harnesses, whose total content is 1.5-1.7x greater than that of an ICE wiring harness. Additionally, the rising mix of feature-rich vehicles in the industry would further increase the content per vehicle. However, we remain cautious as higher copper prices could further impact the gross margin in the near term. We value MSWIL at 29x Dec-27 EPS for a target price of INR 47; and maintain ADD rating.

- Quarterly performance:** The company reported revenue of INR 28.9bn (+25.5%YoY/+4.5%QoQ), broadly in line with ours and Bloomberg consensus estimate. Higher growth was also a result of higher EV share YoY (as EV content is 1.5x-1.7x of ICE content) and higher copper prices. EV share as a % of total revenue stood at 5.8% in Q3FY26 vs 6.7% in Q2FY26 vs 5.4% in Q1FY26 and 4.0% in Q4FY25. Gross margin deteriorated to 32.5%, down 261bps YoY and 132bps QoQ, mainly impacted by higher copper prices.
- Margin performance:** EBITDA margin at 9.1% declined by 124bps YoY and 104bps QoQ. It missed our estimate by 85bps and Bloomberg consensus estimate by 123bps. We had expected the impact of higher copper prices to be limited on account of lower cost inventory. After adjusting for the financials of the greenfield plants, the adjusted EBITDA margin stood at 11.3%.
- Update on greenfield facilities:** Revenue from the new greenfield facilities in Q3FY26 was INR 2,500mn, an increase of 31.6% QoQ. The impact on EBITDA margin from new greenfield-related startup costs was 223bps. The plant in Gujarat is operational but there has been a shift of customer's EV volumes to the upcoming quarters. The plants in Pune are experiencing delayed customer volumes for EV and lower-than-planned customer volumes for both EV and ICE products.
- Other key takeaways:** (1) Double-digit revenue growth (25.5% YoY) continues on the back of robust volume growth, rising content, increasing premiumization in the PV industry, and a strong presence across new model launches of OEMs. (2) As copper prices increased ~13-15% in Q3FY26, it could impact gross margin in the near term as the pass-on of higher RM costs to customers happens with a lag of 3-6 months. (3) Higher copper prices impacted margins by 190-200bps in Q3FY26. (4) Budgeted capex for FY26 stands at INR 2.2bn, with INR 1.5bn having been spent until 9MFY26.

Quarterly/annual financial summary

YE Mar (INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	28,871	23,003	25.5	27,619	4.5	93,194	1,10,914	1,28,309	1,51,092
EBITDA	2,623	2,376	10.4	2,797	(6.2)	9,963	10,497	13,664	18,057
EBITDA %	9.1	10.3	-125bps	10.1	-105bps	10.7	9.5	10.6	12.0
APAT	1,494	1,400	6.8	1,653	(9.6)	6,059	6,118	8,391	11,544
Diluted EPS (INR)	0.225	0.211	6.8	0.249	(9.6)	0.91	0.92	1.27	1.74
P/E (x)						46.2	45.7	33.4	24.2
RoE (%)						31.7	30.9	38.7	46.4

Source: Company, HSIE Research

ADD

CMP (as on 01 Feb 2026)	INR 42
Target Price	INR 47
NIFTY	24,825

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 47	INR 47
	FY27E	FY28E
EPS %	-5.4%	+2.2%

KEY STOCK DATA

Bloomberg code	MSUMI IN
No. of Shares (mn)	6,632
MCap (INR bn) / (\$ mn)	280/3,050
6m avg traded value (INR mn)	385
52 Week high / low	INR 54/31

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.4)	12.7	11.9
Relative (%)	(6.6)	12.6	7.7

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	61.73	61.73
FIs & Local MFs	16.58	17.17
FPIs	10.27	10.14
Public & Others	11.42	10.96
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Ather Energy

Superior execution continues to improve margins

While the current volume inflection is led by dealership expansion, the next inflection from FY27/FY28 is likely to be driven by portfolio expansion via its upcoming low cost EL platform, which will also add more affordable models to the portfolio, thereby bringing in a new set of customers and expanding the addressable market. Going forward, we expect the cost structure to persistently improve over the medium term, aided by economies of scale, operating leverage, introduction of the low-cost EL platform, improving non-vehicle revenue mix, and continued value engineering efforts. It continues to impress with its capability to scale volumes and increase market share along with margin improvement (that too without PLI). We value the company at 6.0x EV/sales for a TP of INR897; maintain BUY. It continues to be our top pick.

- **Quarterly performance:** EBITDA margin at -7.6% improved by 1,461bps YoY and 719bps QoQ, a beat to our estimate of -14.0% (we estimated rising battery cell costs to hit gross margins) and Bloomberg consensus estimate of -10.4%. EBITDA margin improvement was driven by operating leverage and increase in non-vehicle revenue contribution. Gross margin came in at 21.9% improving 557bps YoY and 316bps QoQ. The quarter recorded non-vehicle revenue contribution at 14%, which is the highest ever mix.
- **Business expansion:** The company has expanded its total store count by 76 stores over Q3FY26 to 600 stores. Management expects to continue the pace of store addition to reach 700 stores by the end of Q4FY26, with continued focus on Middle India: Gujarat, Maharashtra, Madhya Pradesh, Chhattisgarh and Odisha. As of 31 Dec 2025, charging network reached 5,000 points, which the company is now also able to monetize.
- **Path to profitability:** Through continued efforts, management has been able to reduce the Bill of Material (BOM) cost from INR 120k in FY25 and to INR 110k as of 9MFY26, with total battery cell cost being below 20% of the BOM cost. This has also been possible due to the transition from NMC to LFP batteries for a large part of the portfolio. The upcoming EL platform is a low-cost architecture that also helps de-risk from volatile aluminum prices. It indicated that there is no risk from cannibalization of Rizta, as in case that happens, it would in fact aid profitability. It is also working to improve the mix of non-vehicle revenue, from the current 14%. It believes that there is a large runway considering higher potential of spares and service revenue as the fleet size expands and with higher monetization of the pro-pack, which is a key value proposition as well as a differentiator vis-à-vis peers.
- **Dodging headwinds:** Management, via its value engineering and R&D efforts, has structurally improved the cost structure so that it is better able to absorb the withdrawal of demand incentives and higher RM costs.

Quarterly/Annual financial summary

YE Mar (INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	9,536	6,349	50.2	8,989	6.1	22,550	34,806	44,185	58,247
EBITDA	-720	-1,407	-48.8	-1,325	-45.7	-5,809	-4,139	-2,355	1,636
EBITDA %	-7.6	-22.2	1462bps	-14.7	719bps	-25.8	-11.9	-5.3	2.8
APAT	-796	-1,978	-60	-1,541	-48	-8,123	-5,148	-4,859	-1,731
EPS (INR)	-2.2	-5.3	-58.3	-4.1	-45.4	-27.9	-13.5	-12.8	-4.6
EV/Sales (x)						8.0	6.2	5.1	3.9

Source: Company, HSIE Research

BUY

CMP (as on 02 Feb 2026)	INR 607
Target Price	INR 897
NIFTY	25,088

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 888	INR 897
EPS %	FY27E	FY28E
	+9.2%	+18.6%

KEY STOCK DATA

Bloomberg code	ATHERENE IN
No. of Shares (mn)	382
MCap (INR bn) / (\$ mn)	232/2,530
6m avg traded value (INR mn)	2,330
52 Week high / low	INR 790/287

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(12.3)	74.6	-
Relative (%)	(9.6)	73.3	-

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	41.22	40.86
FIs & Local MFs	23.61	28.10
FPIs	23.60	17.46
Public & Others	11.57	13.58
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Sansera Engineering

Impressive traction in the non-auto segment

The Aerospace, Defense, and Semiconductor (ADS) segment continues to perform well, and is at an inflection point—margin accretive and a key driver of diversification beyond the auto Internal Combustion Engine (ICE) business. The company has improved its capability to provide complex parts in the aerospace segment, while it is seeing huge potential in the semiconductor space, having already acquired a major customer. Additionally, while it is diversifying, it is also mindful of opportunities to juice the auto ICE segment, and is working to capitalize on the trend of OEMs seeking to outsource crankshaft assemblies. Considering the interim trade deal between India and the US (US forms ~9% of revenue), as well as the India EU FTA, it would help reduce uncertainty as well as create opportunities. However, it is awaiting the final signing and fine print of the India-US trade deal for clarity on the exact tariff and regional content value, to decide on setting up a plant in the US. Considering improving visibility of good growth in the medium to long term, which is also led by improving product mix, we revise our financials upward and increase our target multiple from 24x earlier to 28x Dec-27 EPS for a TP of INR2,443 and upgrade to a BUY rating.

- **Quarterly performance:** Consolidated EBITDA margin at 18.1% was up 60bps YoY and 72bps QoQ, 19bps above our estimate and 46bps above the Bloomberg consensus estimate. This was led by higher growth in the ADS segment and thus in turn the exports segment, with the ADS segment forming 13.9% of the mix in Q3FY26 (vs 6.4% in Q2FY26 and 4% in Q3FY25).
- **ADS segment at an inflection point:** Revenue for the segment stood at ~INR 1.19bn in Q3FY26, registering a growth of 344% YoY and 141% QoQ. Its current order book stands at INR 38.7bn with good visibility until FY30. It has one major customer in the semiconductor segment and is in active dialogue with others too, and sees huge potential in the segment.
- **New plant for crankshafts:** Inauguration of the new and highly automated plant is expected in Feb 2026, where the company will focus on crankshafts and crankshaft assemblies, with a focus to cater to domestic 2W OEMs. It highlighted that more than half the OEMs are assembling crankshafts in-house and are looking at gradually outsourcing the same.
- **Other key drivers:** 1) It indicated that based on production schedules, it expects to see sustained growth in the coming months. 2) New model launches are aiding the domestic business. 3) Considering the order book, it expects a steep ramp-up in revenue over FY28-FY30. 4) It is seeking to supply to the energy business as well as for humanoids and autonomous car segments of a large North American EV customer.

Quarterly/annual financial summary

YE Mar (INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	9,077	7,278	24.7	8,252	10.0	30,168	34,243	42,887	50,763
EBITDA	1,639	1,271	29.0	1,431	14.6	5,148	5,952	8,218	10,163
EBITDA Margin (%)	18.1	17.5	61bps	17.3	73bps	17.1	17.4	19.2	20.0
APAT	687	557	23.4	717	-4.2	2,186	2,928	4,476	5,712
Diluted EPS (INR)	11.1	9.0	23.4	13.3	-16.5	35.3	47.3	72.3	92.3
P/E (x)						57.5	42.9	28.1	22.0
RoE (%)						10.7	10.2	13.9	15.5

Source: Company, HSIE Research

BUY

CMP (as on 10 Feb 2026) INR 2,035

Target Price INR 2,443

NIFTY 25,935

KEY CHANGES	OLD	NEW
Rating	ADD	BUY
Price Target	INR 1,776	INR 2,443
EPS %	FY27E	FY28E
	+15.1%	+18.7%

KEY STOCK DATA

Bloomberg code	SANSERA IN
No. of a Shares (mn)	62
MCap (INR bn) / (\$ mn)	127/1,398
6m avg traded value (INR mn)	229
52 Week high / low	INR 2,143/953

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	33.1	64.5	64.7
Relative (%)	32.2	59.0	55.7

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	30.24	30.18
FIs & Local MFs	36.99	36.31
FPIs	19.58	19.36
Public & Others	13.19	14.15
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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BFSI

State Bank of India

Productivity gains to drive earnings reflation

SBIN's Q3FY26 earnings beat estimates on the back of healthy growth on both sides of the balance sheet, stable margins, in-line asset quality, and interim dividend from SBI Funds management (~INR2.2bn). Loan growth (+15% YoY) continued to outpace the system, led by pick-up in the corporate segment, even as growth in RAM segments remained strong. Deposit growth (+9% YoY; 2% QoQ) was relatively soft, while the CASA ratio declined to 37.5% (-46bps QoQ), with softer traction in CA balances. Credit costs and gross slippages trended lower, with asset quality continuing to improve across asset classes. We believe SBIN is likely to sustain its productivity and efficiency gains, coupled with stable asset quality, driving sustainable ROAs at 1.1%. We maintain BUY with a SOTP-based revised TP of INR1,200 (standalone bank at 1.5x Sep-27 ABVPS); reiterate SBIN as the top pick amongst PSU banks.

- **Strong growth coupled with stable margins:** Healthy NII growth (+9% YoY) was driven by lower cost of deposits (-8bps QoQ), offset by lower asset yields (-7bps QoQ), translating to stable margins at 2.95%. Strong loan growth (+15% YoY; 6% QoQ) was led by growth across asset classes, with significant pick-up in wholesale banking credit (+7% QoQ). We build 14.5% loan book CAGR during FY26-28E, with pick-up in credit growth across asset classes.
- **Benign asset quality:** Gross slippages clocked in at 0.4% (Q3FY25: 0.5%), with stable recoveries and lower SMA balances. Credit costs trended lower to 29bps (Q2FY26: 39bps), as credit quality remained benign across portfolios. Going forward, we believe the asset quality shall continue to remain benign and build in average credit cost of ~45bps for FY27/FY28E.
- **Operating leverage to drive earnings reflation:** Given its competitive moats (largest distribution network and continued investment in technology and people), SBIN is chasing productivity (throughput) and efficiency gains (fee income and opex) to drive medium-term RoAs above 1.1%.

Financial summary

(INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY25	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	451.9	414.5	9.0%	429.8	5.1%	1,669.7	1,766.7	2,036.4	2,331.3
PPOP	328.6	235.5	39.5%	273.1	20.3%	1,105.8	1,256.3	1,423.2	1,638.8
PAT #	210.3	168.9	24.5%	201.6	4.3%	709.0	796.2	894.4	1,004.3
EPS (INR)	22.8	18.9	20.3%	22.0	3.5%	79.4	86.3	96.9	108.8
ROAE (%)						17.3	16.2	15.5	15.4
ROAA (%)						1.1	1.1	1.1	1.1
ABVPS (INR)						453.9	553.4	624.3	703.7
P/ABV (x)						2.3	1.9	1.7	1.5
P/E (x)						13.4	12.4	11.0	9.8

Source: Company, HSIE Research; #Extraordinary gain of INR46bn adjusted in Q2FY26 PBT

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Net advances	48,005	47,353	1.4%	54,877	53,927	1.8%	62,778	61,449	2.2%
NIM (%)	2.8	2.8	-5bps	2.9	3.0	-12bps	2.9	3.0	-15bps
NII	1,766.7	1,787.7	-1.2%	2,036.4	2,122.7	-4.1%	2,331.3	2,464.0	-5.4%
PPOP	1,256.3	1,274.0	-1.4%	1,423.2	1,451.6	-2.0%	1,638.8	1,686.3	-2.8%
PAT	796.2	794.1	0.3%	894.4	893.5	0.1%	1,004.3	1,012.5	-0.8%
Adj. BVPS (INR)	553.4	552.6	0.1%	624.3	624.4	0.0%	703.7	711.3	-1.1%

Source: Company, HSIE Research

BUY

CMP (as on 06 Feb 2026) INR 1,066

Target Price INR 1,200

NIFTY 25,694

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR1,035	INR1,200
	FY26E	FY27E
EPS %	+0.3%	+0.1%

KEY STOCK DATA

Bloomberg code	SBIN IN
No. of Shares (mn)	9,231
MCap (INR bn) / (\$ mn)	9,844/1,08,560
6m avg traded value (INR mn)	9,162
52 Week high / low	INR 1,090/680

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	11.0	32.4	41.8
Relative (%)	10.7	28.7	34.7

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	55.5	55.5
FIs & Local MFs	27.8	27.2
FPIs	9.6	10.3
Public & Others	7.1	7.0
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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Bajaj Finance

Accelerated provisioning dents earnings

Bajaj Finance's (BAF) Q3FY26 PAT declined by 6% YoY due to accelerated provisioning of INR 14bn (0.3% of gross advances), given the implementation of minimum LGD floor across businesses. Adjusted for this one-off, operating performance remained steady with AUM growth of 22% YoY, steady NIMs (~9%), marginal normalization in credit costs (1.92%), and robust profitability (RoE of 19.7%). Management has indicated improvement in credit costs during FY27 to sub-1.8%, along with pick-up in the MSME segment. While BAF's credit costs normalization has been protracted compared to historical trends, overall profitability is likely to remain best-in-class along with healthy loan growth, driving premium valuation vs. peers. We revise our FY26/FY27E/FY28E earnings estimates to adjust for accelerated provisioning and marginally lower loan growth and maintain BUY with a revised RI-based TP of INR 1,070 (implying 4.5x Sep-27 ABVPS; 23x Sep-27 EPS).

- **Steady P&L outcomes sans one-offs:** NIMs remained steady QoQ at 9% with reduction in cost of funds (by 7bps). AUM growth was driven by mortgages (+25% YoY), commercial lending (+27% YoY) and new products, with growth likely to improve during FY27. Opex ratios were affected by a one-time impact of new labor codes (adjusted opex to AUM at 3.85%; C/I at 33%).
- **Credit costs likely to improve during FY27:** GS-III/NS-III improved QoQ to 1.21%/0.48% (Q2FY26: 1.24%/0.61%), while GS-II improved QoQ to 0.92%. Adjusted credit costs improved by 10bps QoQ to 1.92% and is likely to improve further to ~1.65-1.75% in FY27 with improving collection efficiencies across products, as per management.
- **Robust franchise with multiple growth levers:** BAF's new products (car loans, gold loans, LAP, MFI, and CV) are scaling up well, now contributing to ~7% of AUM. The ongoing FINAI transformation is likely to drive higher cross-sell, improve productivity levels and aid credit costs in the medium term. With strong customer acquisitions, scale-up of new products and FINAI transformation underway, BAF is poised to deliver healthy AUM CAGR of ~23-24% and profitability (RoE of ~20%) despite elevated competitive intensity across most products.

Financial summary (consolidated)

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	113.2	93.8	20.6	107.8	4.9	364	442	552	685
PPOP	90.5	78.1	16.0	88.7	2.0	300	361	455	564
PAT	39.8	42.5	(6.3)	48.8	(18.4)	166	189	262	323
EPS (INR)	6.4	6.8	(6.8)	0.8	714.8	27	30	42	52
ROAE (%)						18.9%	17.7%	20.7%	21.2%
ROAA (%)						4.0%	3.7%	4.2%	4.2%
ABVPS (INR)						156	180	217	262
P/ABV (x)						6.2	5.3	4.4	3.7
P/E (x)						36.0	31.7	22.9	18.5

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	5,116	5,104	-0.3%	6,367	6,338	-0.4%	7,904	7,871	-0.4%
NIM (%)	8.8	8.7	-15 bps	8.9	8.8	-10 bps	8.9	8.9	-5 bps
NII	450.1	442.5	-1.7%	558.7	552.5	-1.1%	689.1	684.6	-0.7%
PPOP	372.2	361.4	-2.9%	464.7	455.1	-2.1%	575.1	564.0	-1.9%
PAT	209.3	189.0	-9.7%	266.7	261.9	-1.8%	327.0	323.1	-1.2%
ABVPS (INR)	183	180	-1.5%	221	217	-1.7%	27	262	883.9%

Source: Company, HSIE Research

BUY

CMP (as on 03 Feb 2026)	INR 964
Target Price	INR 1,070
NIFTY	25,728

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR1105	INR 1070
EPS %	FY26E	FY27E
	-9.7%	-1.8%

KEY STOCK DATA

Bloomberg code	BAF IN
No. of Shares (mn)	6,222
MCap (INR bn) / (\$ mn)	6,001/66,476
6m avg traded value (INR mn)	7,362
52 Week high / low	INR 1,103/787

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(7.5)	10.1	14.6
Relative (%)	(7.3)	6.2	6.1

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	54.7	54.7
FIs & Local MFs	14.5	14.9
FPIs	22.0	21.5
Public & Others	8.9	8.9
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Life Insurance Corporation of India

Strong growth and improving product mix

Life Insurance Corporation of India (LICI) printed a beat on APE growth (+16% YoY), led by a strong rebound in Individual segment (9M: +12%YoY, H1: -5%YoY). VNB grew much stronger by +28% YoY as VNB margins clocked in at 18.8% (+170bps YoY), ahead of expectations, driven by improved product mix and retail growth rebound. Traditionally focused on the mass customer segment, LICI has engineered a **shift in its product strategy toward a higher sum-assured**, non-PAR policies over the past couple of years (FY25: 28% of new business). LICI derives its moats from a large agency network while undergoing a strategic shift in its individual product proposition to align itself to the new surrender guidelines (implemented from Oct-24). We revise our APE/VoNB CAGR to 9/14% over FY25-FY28E and expect VNB margin expansion to continue on the back of improvement in product profiles to 20.5% by FY28E. We revise RoEV estimates to 9.8% during FY25-28E, primarily on account of the unwinding and VNB and maintain our ADD rating and with a revised TP of INR1,090 (0.7x Sep-27 EV).

- **Growth rebound in the individual business:** In Q3, LICI witnessed strong growth in individual business segment of 61% (H1: -5%), led by growth in number of policies (77% YoY). Growth in Q3 was underpinned by strong performance across segments' NPAR savings >100%. We believe with reset in base, LICI is set to grow faster than the industry for next couple of quarters.
- **Revamped product construct:** LICI has revised its product construct through higher policy premium (PAR), lower IRR (NPAR), lower commission for non-club agents, and introduction of club-wise commission structure for agents. LICI has shifted its product strategy toward higher sum-assured, non-PAR, policies over the past couple of years (9MFY26: 36.5%; FY25: 28% of new APE). In Q3, we surprisingly witnessed growth of 49% in PAR, which had not grown, given changes made in product constructs.
- **Improving RoEV to drive re-rating:** We believe LICI has been able to execute multiple changes to its historic business efficiently. LICI lowered the share of PAR in product mix over the last couple of years and reduced its dependence on the agency channel (9MFY26:91.7%, FY25:96%). We argue increase in the dividend payout ratio would be a key for its potential re-rating, which would improve the RoEV to low teens.

Financial summary

INR bn	9M FY26	9M FY25	%Change	H1 FY26	FY25	FY26E	FY27E	FY28E
NB	1,775.6	1,475.0	20.4	1,210.9	2,267.9	2,657.6	2,794.6	2,938.8
APE	440.1	379.8	15.9	290.3	568.3	655.8	690.7	728.8
VNB	82.9	64.8	28.0	51.1	100.1	127.2	138.0	149.8
VNB Margin	18.8%	17.1%	178bps	17.6%	17.6%	19.4%	20.0%	20.5%
EV					7,768.8	8,532.9	9,370.7	10,288.8
P/EV(X)					0.7	0.6	0.6	0.5
P/VNB(X)					53.1	41.8	38.5	35.5
ROEV%					11.4	9.8	9.8	9.8

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
APE	655.8	585.2	12.1%	690.7	620.3	11.4%	728.8	662.9	10.0%
VNB	127.2	108.1	17.7%	138.0	118.1	16.8%	149.8	130.0	15.2%
VNB Margin (%)	19.4%	18.5%	92bps	20.0%	19.0%	94bps	20.5%	19.6%	93bps
EV	8,532.9	8,513.9	0.2%	9,370.7	9,330.1	0.4%	10,288.8	10,225.3	0.6%

Source: Company, HSIE Research

ADD

CMP (as on 05 Feb 2026)	INR 840
Target Price	INR 1,090
NIFTY	25,643

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,065	INR 1,090
	FY26E	FY27E
VNB %	+17.7%	16.8%

KEY STOCK DATA

Bloomberg code	LICI IN
No. of Shares (mn)	6,325
MCap (INR bn) / (\$ mn)	5,311/58,827
6m avg traded value (INR mn)	1,102
52 Week high / low	INR 980/715

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(7.3)	(5.9)	(0.3)
Relative (%)	(7.1)	(9.1)	(6.8)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	96.5	96.5
FIs & Local MFs	1.4	1.3
FPIs	0.1	0.2
Public & Others	2.0	2.0
Pledged Shares	Nil	Nil

Source : BSE

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Kotak Mahindra Bank

Stronger risk-adjusted returns critical to drive rerating

Kotak Mahindra Bank's (KMB) Q3FY26 earnings were below estimates, as flattish margins, soft traction in fee income, and relatively high opex intensity was partly offset by higher growth on both sides of the balance sheet. Healthy loan growth (16% YoY) was driven by mortgages, business banking, SME segments. Deposit growth (~14% YoY) was strong with CASA ratio at 41.3% (-101bps QoQ) and softer than usual traction in CA balances. While the stress in unsecured segments has largely abated, stress in retail CV segment remains elevated. We are constructive on KMB, expecting growth momentum to sustain in RoA-accretive segments such as LAP, CV/CE, tractors, business banking, and SME, concomitantly reshaping its unsecured segment strategy. We cut our FY26E/FY27E earnings forecasts by ~5/~2%, factoring in softer margins and fee income. We maintain BUY with a revised SOTP-based TP of INR495 (standalone bank at 2.3x Sep-27 ABVPS), factoring in the recent 1:5 stock-split.

- **Healthy loan growth partly offset by softer margins:** Loan growth (+16% YoY) continued to be healthy, driven by mortgage (+18% YoY), consumer banking (21% YoY), and SME (17%) segments while growth in the credit card, MFI and retail CV segment was muted. NIMs were flat at 4.5% as lower cost of funds (~16bps) owing to deposit repricing was offset by shift in loan mix.
- **Unsecured stress under control; retail CV stress looms:** Gross slippages were flat at 1.4% with credit costs declining to 63bps (Q2FY26: 79bps) as stress in the unsecured segments remains under control, even as the stress in retail CV segment remains elevated. We build in average credit costs of 74bps over FY26-28E, factoring in a pick-up in credit growth in high-risk segments.
- **Sustaining risk-adjusted returns essential on growth treadmill:** While we expect KMB to ride the growth treadmill, the franchise is faced with a trade-off between growth, margins and asset quality (especially, the quality of its incremental sourcing in key segments) to protect its top-decile RoAs.

Financial summary (Standalone)

(INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	75.6	72.0	5.1%	73.1	3.5%	283.4	297.8	368.8	437.7
PPOP	53.8	51.8	3.8%	52.7	2.1%	210.1	220.7	276.7	327.1
#PAT	34.5	33.0	4.3%	32.5	5.9%	164.5	139.2	177.0	208.2
EPS (INR)	3.5	3.3	4.4%	3.3	6.1%	16.5	14.0	17.8	20.9
ROAE (%)						15.4	11.1	12.5	13.0
ROAA (%)						2.5	1.9	2.1	2.2
ABVPS (INR)						113.2	128.6	145.5	165.6
P/ABV (x)						3.7	3.3	2.9	2.6
P/E (x)						25.7	30.3	23.8	20.3

#FY25 PAT includes gains from KGI divestment amounting to INR27.3 bn

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Net advances	4,990	4,944	0.9%	5,814	5,758	1.0%	6,794	6,726	1.0%
NIM (%)	4.4	4.5	-9 bps	4.8	4.8	-7 bps	4.9	5.0	-7 bps
NII	297.8	302.3	-1.5%	368.8	372.4	-1.0%	437.7	443.3	-1.3%
PPOP	220.7	229.0	-3.6%	276.7	279.9	-1.2%	327.1	327.3	-0.1%
PAT	139.2	146.5	-5.0%	177.0	180.8	-2.1%	208.2	210.1	-0.9%
Adj. BVPS (INR)	128.6	127.4	1.0%	145.5	144.7	0.6%	165.6	164.9	0.4%

Source: Company, HSIE Research

BUY

CMP (as on 23 Jan 2026)	INR 423
Target Price	INR 495
NIFTY	25,049

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR2,500	INR 495
	FY26E	FY27E
EPS %	-5.0%	-2.1%

KEY STOCK DATA

Bloomberg code	KMB IN
No. of Shares (mn)	9,945
MCap (INR bn) / (\$ mn)	4,205/45,726
6m avg traded value (INR mn)	7,008
52 Week high / low	INR 460/372

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(5.0)	(2.6)	11.6
Relative (%)	(1.4)	(1.2)	5.0

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	25.9	25.9
FIs & Local MFs	32.0	32.9
FPIs	29.8	29.4
Public & Others	12.4	11.9
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Axis Bank

Consistent performance critical for earnings reflation

Axis Bank's (AXSB) Q3FY26 earnings beat our estimates on the back of healthy operating performance, lower standard provisioning, reversal of accrual staff cost and healthy growth on both sides of the balance sheet. Loan growth (~14% YoY; ~4% QoQ) saw an uptick, driven largely by wholesale, SME, and business banking segments while growth in retail segment remains subdued. Deposit growth (~15% YoY; 5% QoQ) was stronger than peers, with continued decline in the CASA ratio to 39.1% (-70bps QoQ), supported by strong traction in current account balances. While overall provisions were lower than expected on account of negative standard asset provisioning, the slippages and credit costs remained elevated. While AXSB is gradually moving towards regaining portfolio stability and stakeholder confidence, we highlight that consistent improvement in quality of deposit franchise coupled with improving asset quality metrics are critical to drive sustainable earnings. We revise our FY26/FY27E earnings by -2%/+3% factoring in marginal uptick in growth and lower provisioning; offset by softer NIM reflation. We maintain ADD with a revised TP of INR1,350 (standalone bank at 1.7x Sep-27 ABVPS).

- **Strong growth coupled with healthy operating performance:** Loan growth (14% YoY) picked up on the back of corporate (~7% QoQ), SME (~6% QoQ), and business banking (~3% QoQ), while credit card segment de-grew by ~5% QoQ. Even as reported NIMs declined by 9bps QoQ to 3.6% with minimal improvement in cost of funds (-8 bps QoQ), NII grew by 4% QoQ on the back of stronger investment income. PPOP growth (4% QoQ) was aided by lower staff cost expenses on account of reversal of accrual of staff expenses.
- **Asset quality remains a concern:** Gross slippages and credit costs remain elevated at 2.1%/0.8%, similar to Q2FY26. We argue that consistent improvement in asset quality is critical in order to regain stakeholder creditability and close the gap vs larger peers.
- **Consistent performance essential for valuation rerating:** While AXSB continues to moderate its opex intensity and improve efficiencies, we believe that the bank needs to consistently improve on asset quality and profitable growth parameters, as it continues its journey towards sustainable earnings.

Financial summary

(INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	142.9	136.1	5.0%	137.4	3.9%	543.5	562.5	665.0	761.9
PPOP	108.8	105.3	3.2%	104.1	4.4%	421.0	436.3	516.5	592.9
PAT	64.9	63.0	2.9%	50.9	27.5%	263.7	241.2	302.9	352.2
EPS (INR)	20.8	20.3	2.8%	16.3	27.6%	85.1	77.9	97.8	113.7
ROAE (%)						15.9	12.6	13.9	14.0
ROAA (%)						1.7	1.4	1.6	1.6
ABVPS (INR)						547.4	619.4	717.0	826.5
P/ABV (x)						2.3	2.0	1.7	1.5
P/E (x)						14.7	16.1	12.8	11.0

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Net advances	11,915	11,674	2.1%	13,517	13,201	2.4%	15,394	14,970	2.8%
NIM (%)	3.6	3.7	-9 bps	3.7	3.7	0 bps	3.8	3.8	-4 bps
NII	562.5	567.9	-1.0%	665.0	647.0	2.8%	761.9	748.3	1.8%
PPOP	436.3	447.9	-2.6%	516.5	503.5	2.6%	592.9	580.8	2.1%
PAT	241.2	245.1	-1.6%	302.9	293.6	3.2%	352.2	346.4	1.7%
Adj. BVPS (INR)	619.4	621.3	-0.3%	717.0	714.0	0.4%	826.5	821.5	0.6%

Source: Company, HSIE Research

ADD

CMP (as on 23 Jan 2026) INR 1,258

Target Price INR 1,350

NIFTY 25,049

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR1,265	INR1,350
	FY26E	FY27E
EPS %	-1.6%	+3.2%

KEY STOCK DATA

Bloomberg code	AXSB IN
No. of Shares (mn)	3,105
MCap (INR bn) / (\$ mn)	3,906/42,480
6m avg traded value (INR mn)	7,509
52 Week high / low	INR 1,327/934

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(0.1)	13.9	32.3
Relative (%)	3.5	15.3	25.7

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	8.2	8.2
FIs & Local MFs	42.9	42.7
FPIs	41.9	42.6
Public & Others	7.1	6.6
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Bajaj FinServ

Consistently delivering

Bajaj Finserv's 9MFY26 performance was strong across all operating businesses. BAGIC reported 10% YoY GDPI growth, with profitability slightly ahead of estimates on the back of higher realized capital gains and favourable TP loss ratio. BALIC continued to showcase benefits of strategic shifts undertaken, with 52% VNB growth and a 540bps margin improvement, despite 2% decline in APE. Bajaj Finance delivered adjusted AUM growth (+22% YoY) though PAT declined by 6% YoY due to accelerated provisioning of INR 14bn (0.3% of gross advances), given the implementation of minimum LGD floor across businesses. With the NBFC business maintaining sector leadership, the improving trajectory in insurance is expected to drive an operational turnaround and a 500bps increase in SOTP contribution, supporting a re-rating. We maintain BUY with the SOTP-based TP of INR2,510 (78% currently contributed by the flagship NBFC business).

- **General insurance (12% of SOTP) – capital gains and favourable loss ratio:** BAGIC reported 10/7% YoY growth in its GDPI and PAT. GDPI growth continued to be led by strong growth in motor TP (+29% YoY). However, reported PAT was ahead of our estimate, higher capital gains by INR3.0bn and lower overall loss ratios at 74.1% (9MFY25: 78.2%), mainly in Motor TP and crop businesses, partly offset by higher expenses.
- **Life insurance business (10% of SOTP) - strategic shift a new normal:** BALIC's APE for Q3 grew by 26% YoY (H1FY26: -8% YoY), value of new business (VNB) witnessed healthy growth (9M:+52% YoY) as the VNB margin clocked in at 16.4% (+540bps YoY). As highlighted in our [insurance thematic report](#), we believe FY26E will show a material turnaround in profitability metrics, with its revised product construct, balanced segmental mix, and rationalizing of costs. We were positively surprised with VNB margins due to lower impact of GST disallowance (Q3FY26:230bps, Q2FY26:223bps) (~450bps drag full year guidance). Given strong 9M performance, we revise our FY26E VNB margin estimates upward to ~17.8%.
- **NBFC business (78% of SOTP) – accelerated provisions dent earnings:** BAF Q3FY26 PAT declined by 6% YoY due to accelerated provisioning of INR 14bn (0.3% of gross advances), given the implementation of minimum LGD floor across businesses. Adjusted for this one-off, operating performance remained steady with AUM growth of 22% YoY, steady NIMs (~9%), marginal normalization in credit costs (1.92%), and robust profitability (RoE of 19.6%). Management guided credit costs in FY27 to sub-1.8%, along with pick-up in the MSME segment. While BAF's credit costs normalization has been protracted compared to historical trends, overall profitability is likely to remain best-in-class along with healthy loan growth, driving premium valuation vs. peers. We maintain BUY with a RI-based TP of INR 1,070 (implying 4.5x Sep-27 ABVPS; 23x Sep-27 EPS).
- **Insurance businesses to drive incremental re-rating:** With the flagship NBFC business already commanding sector leadership, we believe that the potential turnaround in the insurance businesses is likely to drive an incremental re-rating for BJFIN (SOTP contribution likely to improve by 500bps). **We retain BUY with a revised SOTP-based TP of INR2,510.**

SOTP

INR in mns	BJFIN Share	Per share	% of TP	Rationale
BAF	51.3%	2,138	78.4%	HSIE TP
BAGIC	74.0%	302	11%	26.9x Sep-27E EPS
BALIC	74.0%	285	10%	1.8x Sep-27E Embedded value
Value of subsidiaries		2,726		
Holding company Discount	10%	214		
Target Price		2,512		

Source: Company, HSIE Research

BUY

CMP (as on 05 Feb 2026)	INR 2,000
Target Price	INR 2,510
NIFTY	25,643

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,565	INR 2,510
EPS%	NA	NA

KEY STOCK DATA

Bloomberg code	BJFIN IN
No. of Shares (mn)	1,598
MCap (INR bn) / (\$ mn)	3,196/35,395
6m avg traded value (INR mn)	2,322
52 Week high / low	INR 2,915/1,727

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(3.5)	3.1	11.3
Relative (%)	(3.4)	(0.1)	4.9

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	58.8	58.8
FIs & Local MFs	10.5	10.7
FPIs	8.1	8.1
Public & Others	22.5	22.4
Pledged Shares	0.0	0.0

Source : BSE

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SBI Life Insurance

BANCA rebound underway

SBILIFE reported healthy APE/VNB growth of +15/18% YoY, ahead of our estimates, primarily led by rebound in NOP (9MFY26: +4% YoY, H1FY26: -3% YoY) and strong growth in the PAR segment (>100% YoY). VNB margin were slightly lower than our estimates, owing to the one-time impact of new labor laws (-50bps impact). SBILIFE continues to diversify beyond ULIP segments with share of ULIP falling by 462bps YoY to ~68% in 9MFY26. Given strong performance, we revise our APE/VNB growth estimates to build in 15%/16% CAGR during FY25-FY28E. Our high conviction BUY is anchored on three moats: (a) exclusive access to SBI's massive distribution network with significant under penetration (branch penetration at ~2%); (b) scope for improvement in margin-accretive traditional mix; and (c) cost leadership (excluding renewal commission)/APE ratio among peers (9MFY26: 38.9%; 9MFY25: 33.9%). We maintain BUY with a revised target price of INR 2,400 (implied 2.3x Sep-27E EV), implying >50% premium over IPRULIFE.

- **Growth rebounds; product mix improves in BANCA:** BANCA channel performance surprised positively, with +24% YoY growth during the period (H1FY26: +8%), marking a sharp recovery after a prolonged period of underperformance. The product mix within BANCA also improved, with the non-ULIP share rising to 27% in 9MFY26 (9MFY25: 23%), led by higher contribution from the PAR segment. We believe the shift from ULIPs toward PAR products is structurally easier compared to a transition toward non-PAR guaranteed offerings.
- **GST ITC cost and one-time wage costs dents margins:** VNB margins were impacted by GST ITC costs (~1.1% impact), along with a one-time ~50bps drag from the implementation of new labour codes. However, we expect the margin impact from GST ITC to moderate to sub-50bps, supported by an improving product mix towards non-ULIPs, higher rider attachment rates of ~35–40% (H1FY26: 38%) on new business, and incremental margin upside from rider attachment on renewal premiums (13th month), effective 1st October 2025.
- **BANCA at an inflection point; sustainable growth with improving mix:** We believe SBILIFE's BANCA franchise is at an inflection point, transitioning from volume-led ULIP growth towards a more balanced and margin-accretive non-ULIP mix. While near-term growth is likely to moderate to mid-teens, the quality of growth is likely to improve, supported by a strong pipeline of upcoming non-ULIP product launches.

Financial summary

(INR bn)	9MFY26	9MFY25	% Δ	H1FY26	FY25	FY26E	FY27E	FY28E
NBP	313.3	262.6	19.3%	183.5	355.8	447.7	501.2	559.3
APE	185.2	159.7	16.0%	99.2	214.2	247.7	285.4	328.8
VNB	50.4	42.9	17.5%	27.5	59.5	68.0	78.9	92.5
VNB margin (%)	27.2	26.9	30bps	27.8	27.8%	27.5%	27.6%	28.1%
EV					702.2	824.3	967.0	1,134.7
P/EV (x)					2.9	2.5	2.1	1.8
P/VNB (x)					24.8	19.9	15.6	11.8
ROEV %					20.2%	17.8%	17.7%	17.7%

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	%Δ	New	Old	%Δ	New	Old	%Δ
APE	247.7	237.8	4.2%	285.4	269.7	5.8%	328.8	308.6	6.6%
VNB	68.0	66.6	2.2%	78.9	76.0	3.9%	92.5	87.5	5.7%
VNB Margin (%)	27.5	28.0	-52bps	27.6	28.2	-52bps	28.1	28.4	-23bps
EV	824.3	822.8	0.2%	967.0	962.4	0.5%	1,134.7	1,124.8	0.9%

Source: Company, HSIE Research

BUY

CMP (as on 28 Jan 2026)	INR 2,053
Target Price	INR 2,400
NIFTY	25,343

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,100	INR 2,400
	FY26E	FY27E
VNB %	+2.2%	+3.9%

KEY STOCK DATA

Bloomberg code	SBILIFE IN
No. of Shares (mn)	1,003
MCap (INR bn) / (\$ mn)	2,059/22,424
6m avg traded value (Rs mn)	1,811
52 Week high / low	INR 2,116/1,373

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.0	11.0	44.6
Relative (%)	8.7	9.2	36.2

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	55.4	55.3
FIs & Local MFs	18.7	18.7
FPIs	21.9	21.9
Public & Others	4.1	4.1
Pledged Shares	Nil	Nil

Source : BSE

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Shriram Finance

Another steady quarter; growth acceleration likely ahead

Shriram Finance's (SHFL) Q3FY26 earnings were largely in line with our estimates, with strong NIM reflation offset by higher opex. AUM growth moderated marginally to 14.6% YoY (21% YoY in FY24; 17% in FY25), driven by moderation in CE and MSME segments. Asset quality remained steady with reduction in GS II/III as the collection environment remained healthy, as per management. With significant equity capital by MUFG (expected to be completed by Mar-26), SHFL is likely to drive higher loan growth, driven by new CV and MSME segments, with focus on customer retention. We revise our FY26E-FY28E earnings estimates to factor in higher NIMs and marginally higher loan growth and maintain ADD, with a revised RI-based TP of INR 1,075 (implying 2.2x Sep-27 ABVPS).

- **Sharp NIM reflation; more tailwinds ahead:** SHFL's NIM improved sharply to 8.58% (+39bps QoQ), driven by lower cost of funds (8.66%; -61bps QoQ). With marginal cost of funds significantly lower, along with benefit of credit ratings upgrade, and decline in repo rate, SHFL's cost of funds are likely to improve further during FY27-FY28E. Other income was muted at -2% YoY. Loan growth moderated marginally to 14.6% YoY with disbursements growth of 14% YoY.
- **Asset quality improves further:** GS-II/III declined sequentially to 6.78%/4.54% (Q2FY26: 6.92%/4.57%), with improvement across segments, except CE, MSME, and 2wheeler loans. Management indicated healthy capacity utilization and collections in the CV segment, although the CE segment remains impacted by delayed payments by select state governments. Net slippages (calculated) declined QoQ to 1.2% (Q2FY26: 1.5%; Q3FY25: 2%).
- **Equity capital to drive higher loan growth aspirations:** SHFL is likely to accelerate its pace of loan growth, aided by surplus equity capital and liabilities side tailwinds. With better pricing power, SHFL is likely to aim for a higher wallet share of its customers in the new CV segments and MSME segment as well. In the non-CV/CE segments, gold loans and tractors are likely to be the focus areas for growth. However, sustainable overall loan growth above 18% with elevated competitive intensity in the new CV segment and increasing scale remains a key monitorable.

Financial summary

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	65.7	55.9	17.6	60.3	9.1	218.5	254.9	332.4	391.0
PPOP	46.7	40.8	14.3	44.4	5.1	162.6	188.8	258.3	304.9
APAT	25.2	20.8	21.2	23.1	9.3	82.7	100.7	139.5	167.1
EPS (INR)	13.4	11.1	21.0	12.3	9.3	44.0	42.8	59.3	71.1
ROAE (%)						16.1	12.6	12.7	13.6
ROAA (%)						3.2	3.2	3.9	4.0
ABVPS (INR)						264	412	456	507
P/ABV (x)						3.8	2.4	2.2	2.0
P/E (x)						22.8	23.4	16.9	14.1

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	3,053	3,023	-1.0%	3,570	3,585	0.4%	4,181	4,252	1.7%
NIM (%)	7.9	8.0	8 bps	9.0	9.1	7 bps	9.1	9.2	8 bps
NII	253.5	254.9	0.6%	330.8	332.4	0.5%	383.1	391.0	2.1%
PPOP	189.6	188.8	-0.4%	258.1	258.3	0.0%	298.9	304.9	2.0%
PAT	99.4	100.7	1.3%	138.6	139.5	0.6%	161.9	167.1	3.2%
ABVPS (INR)	410	412	0.5%	453	456	0.7%	501	507	1.3%

Source: Company, HSIE Research | Note: FY25 earnings adjusted for stake sale in erstwhile Shriram Housing Finance

ADD

CMP (as on 23 Jan 2026)	INR 1,004
Target Price	INR 1,075
NIFTY	25,049

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR1050	INR1075
	FY26E	FY27E
EPS %	1.3%	0.6%

KEY STOCK DATA

Bloomberg code	SHFL IN
No. of Shares (mn)	1,881
MCap (INR bn) / (\$ mn)	1,888/20,532
6m avg traded value (INR mn)	5,769
52 Week high / low	INR 1,026/508

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	41.4	53.4	89.4
Relative (%)	45.0	54.9	82.9

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	25.4	25.4
FIs & Local MFs	18.7	21.3
FPIs	49.6	47.2
Public & Others	6.3	6.1
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Bank of Baroda

Stronger margin profile essential for earnings reflation

Bank of Baroda's (BOB) Q3FY26 earnings were a mixed bag as healthy growth on both sides of the balance sheet and lower provisioning was offset by weak margin profile and softer traction in core fee income. Deposit growth came in at 11% YoY as domestic CASA ratio clocked in at 38.5% (+3bps QoQ). Loan growth was strong (15% YoY; 5% QoQ), with growth coming in across asset classes. NIMs dropped significantly to 2.8% (-17bps QoQ), highest drop compared to its PSB peers. This is offset by improvement in asset quality as credit costs came in significantly lower than expected. We continue to remain cautious on the retail and MSME portfolio quality and flag the elevated loan-to-deposit ratio (86%) compared to other PSBs. Despite its handicap of relatively softer NIMs, BOB has consistently delivered better return ratios cross-cycle than peers, largely on the back of lower credit costs and superior customer franchise. We hack our FY26E/FY27E/FY28E earnings by 5-6%, factoring in softer margins, partly offset by lower provisioning. We reiterate BUY, with a revised TP of INR330 (1.0x Sep-27 ABVPS).

- **Healthy credit growth, offset by weak margins:** Loan growth (15% YoY) was strong, led by growth in retail (17% YoY), MSME (16% YoY), gold loan (44%) segments, alongside pick-up in the corporate book as well (4% QoQ). NII growth (3.4% YoY, -1.3% QoQ) was muted, the weakest among peers, as yields on advances (9MFY26: -65bps) continue to drop at a faster pace compared to cost of funds (9MFY26: -20bps).
- **Benign asset quality:** Gross slippages improved to 0.9% (Q2FY26: 1.0%) with slippages lowering across asset classes. Credit costs improved further to 17bps (Q2FY26: 29bps) alongside lower standard provisioning. We have revised our average credit cost estimates for FY26-FY28E downward from 55bps earlier to 45bps now.
- **Core operating performance essential to sustainable earnings profile:** Given the growth trajectory of the retail portfolio and a relatively mature customer franchise, we argue that BOB needs to exercise better pricing power in this segment to achieve sustainably higher operating profitability.

Financial summary

(INR bn)	Q3FY26	Q3FY25	YoY(%)	Q2FY25	QoQ(%)	FY25	FY26E	FY27E	FY28E
NII	118.0	114.2	3.4%	119.5	-1.3%	456.6	473.6	569.7	651.5
PPOP	73.8	76.6	-3.7%	75.8	-2.6%	324.3	311.0	369.0	422.5
PAT	50.5	48.4	4.5%	48.1	5.1%	195.8	193.4	228.3	243.4
EPS (INR)	9.8	9.4	4.5%	9.3	5.1%	37.8	37.3	44.1	47.0
ROAE (%)						15.7	13.2	13.9	13.3
ROAA (%)						1.2	1.0	1.1	1.0
ABVPS (INR)						241.4	275.8	303.2	337.7
P/ABV (x)						1.2	1.1	1.0	0.9
P/E (x)						7.9	8.0	6.8	6.4

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Net advances	13,871	13,766	0.8%	15,894	15,667	1.5%	18,171	17,847	1.8%
NIM (%)	2.7	2.8	-14 bps	2.9	3.0	-8 bps	2.9	3.0	-10 bps
NII	473.6	503.5	-5.9%	569.7	593.1	-3.9%	651.5	675.5	-3.6%
PPOP	311.0	345.7	-10.0%	369.0	411.8	-10.4%	422.5	467.1	-9.5%
PAT	193.4	204.5	-5.5%	228.3	241.0	-5.2%	243.4	259.6	-6.2%
Adj. BVPS (INR)	275.8	277.4	-0.6%	303.2	305.6	-0.8%	337.7	341.1	-1.0%

Source: Company, HSIE Research

BUY

CMP (as on 30 Jan 2026)	INR 299
Target Price	INR 330
NIFTY	25,321

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 320	INR 330
	FY26E	FY27E
EPS %	-5.5%	-5.2%

KEY STOCK DATA

Bloomberg code	BOB IN
No. of Shares (mn)	5,171
MCap (INR bn) / (\$ mn)	1,548/16,838
6m avg traded value (INR mn)	2,539
52 Week high / low	INR 313/191

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	9.8	24.9	34.6
Relative (%)	12.3	24.0	27.5

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	64.0	64.0
FIs & Local MFs	19.0	18.8
FPIs	8.7	9.8
Public & Others	8.3	7.4
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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Tata Capital

Steady quarter; priced to perfection

Tata Capital's (TATACAP) Q3FY26 earnings were largely in line with estimates, driven by NIM reflation, moderation in credit costs, and improving operating efficiency. TATACAP's portfolio (ex-TMFL) continued to grow at a robust pace (+26% YoY), led by healthy contribution from all segments. TMFL portfolio (10.2% of AUM) turnaround remains WIP, with realignment of credit policies and organizational structure, shift in product mix, and increasing share of non-captive business and is expected to break even by FY27. As highlighted in our [initiating coverage](#) report, TATACAP's conservative underwriting strategy augurs well for pristine asset quality. However, current valuations (2.9x Sep-27 ABVPS) provide limited margin of safety. We revise our FY26/FY27E/FY28E earnings estimates for marginally higher loan growth and maintain ADD with a revised RI-based TP of INR 355 (implying 2.8x Sep-27 ABVPS).

- **Steady P&L outcomes; robust loan growth (ex TMFL):** TATACAP's NIMs (calculated) reflat by ~28bps to 5.1%, largely driven by lower cost of funds. Operating efficiency improved sequentially (C/I at 38.4%), driven by improving productivity and rationalization in TMFL's distribution. AUM growth (+7% QoQ) was led by LAP (+8% QoQ), SME (+10% QoQ), and corporate (+20% QoQ), while TMFL portfolio de-grew by 6% QoQ. Unsecured retail (10.4% of AUM) witnessed a healthy uptick and is expected to sustain going ahead, driving NIM reflation.
- **Improving asset quality:** GS III/NS III improved marginally to 2.2%/1.0% (Q2FY26: 2.2%/1.1%) with GS-II at 1.6% (Q2FY26: 1.9%). Management has indicated reduction in slippages in unsecured retail, while increased focus on collections and recoveries in the TMFL portfolio is likely to improve credit costs further in Q4FY26 and FY27.
- **Tracking well on near-term guidance; priced to perfection:** TATACAP seems on track to achieve the guidance for FY26 across most metrics. However, execution remains a key monitorable to achieve the medium-term guidance (FY28) of strong growth (AUM CAGR of 23-25%) and superior profitability (RoE of 17-18%), amidst elevated competitive intensity. To that extent, current valuation provides limited margin of safety. Maintain ADD.

Financial summary (Consolidated)

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	33.1	27.5	20.5	30.0	10.3	106.9	126.5	154.6	185.2
PPOP	25.0	19.3	29.7	22.8	9.7	77.3	97.2	122.4	146.3
PAT	12.6	10.5	20.4	11.2	13.0	36.6	49.4	65.6	82.6
EPS (INR)	3.0	2.5	20.7	2.7	8.8	9.7	11.7	15.6	19.6
ROAE (%)						12.9	12.5	13.3	14.7
ROAA (%)						1.7	1.9	2.1	2.2
ABVPS (INR)						85	103	117	134
P/ABV (x)						4.2	3.5	3.1	2.7
P/E (x)						37.0	30.7	23.1	18.4

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	2,691	2,691	0.0%	3,234	3,242	0.3%	3,885	3,905	0.5%
NIM (%)	4.8	4.8	0 bps	5.0	5.0	-3 bps	5.0	4.9	-1 bps
NII	126.5	126.5	0.0%	155.6	154.6	-0.6%	185.6	185.2	-0.2%
PPOP	97.7	97.2	-0.5%	123.5	122.4	-0.9%	146.9	146.3	-0.4%
PAT	49.6	49.4	-0.3%	65.6	65.6	0.0%	82.8	82.6	-0.2%
ABVPS (INR)	102.0	102.9	0.8%	116.4	116.9	0.4%	134.0	134.3	0.2%

Source: Company, HSIE Research

ADD

CMP (as on 19 Jan 2026)	INR 360
Target Price	INR 355
NIFTY	25,586

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 344	INR 355
	FY26E	FY27E
EPS %	-0.3%	0.0%

KEY STOCK DATA

Bloomberg code	TATACAP IN
No. of Shares (mn)	4,245
MCap (INR bn) / (\$ mn)	1,529/16,820
6m avg traded value (INR mn)	-
52 Week high / low	INR 365/315

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	8.9	-	-
Relative (%)	9.8	-	-

SHAREHOLDING PATTERN (%)

	Oct-25
Promoters	85.4
FIs & Local MFs	3.1
FPIs	3.3
Public & Others	8.2
Pledged Shares	-

Source: BSE

Pledged shares as % of total shares

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Union Bank of India

Benign asset quality driving healthy earnings

Union Bank (UNBK) reported a strong set of earnings on the back of lower provisioning and improving margins, partially offset by subdued business growth. Loan growth (+8% YoY) was soft annually but picked up some momentum sequentially (4.5% QoQ) while deposit growth continued to be soft (0.5% YoY, -1% QoQ) with CASA ratio improving to 33.9% (+140bps QoQ) as UNBK continues shedding bulk deposits. Asset quality continues to improve across asset classes as credit costs came in significantly lower than expected, driving earnings beat. Given UNBK is gradually getting back on the growth trajectory, higher volume of deposit mobilization is critical, especially with LDR inching up to 81% and most of its peers growing above system level. We raise our FY26E/FY27E estimates by ~6%/~4% on account of lower provisioning factoring in sustained improvement in asset quality. We maintain ADD with a revised TP of INR190 (1.0x Sep-27 ABVPS).

- **Sluggish growth translating to soft operating profits:** NII grew (0.9% YoY; 5.9% QoQ) with a gradual pick-up in credit volumes sequentially as NIMs improved to 2.8% (+9bps QoQ) on account of deposit re-pricing and better liquidity management. Loan growth was driven by retail segments like housing (13% YoY) and auto loans (20% QoQ). Given the bank's slow deposit mobilization, we build in ~10% loan CAGR over FY25-FY28E.
- **Asset quality improving sustainably:** Gross slippages continue to trend lower at 0.8% (Q2FY26: 0.9%) on the back of improving asset quality across asset classes translating to significantly lower credit costs (Q3FY26: 9bps; 9MFY26: 27bps). We reduce our average credit cost estimates of ~75bps over FY26-FY28E to 50bps, factoring in improved underwriting.
- **Deposit handicap to impact credit growth:** While the bank is on the path of improving the quality of deposits franchise by shedding bulk deposits, we believe it is essential for UNBK to mobilize higher volume of deposits to avoid losing market share to peers in key segments.

Financial summary

(INR bn)	Q3FY26	Q3FY25	YoY(%)	Q2FY26	QoQ(%)	FY25	FY26E	FY27E	FY28E
NII	93.3	92.4	0.9%	88.1	5.9%	372.1	369.3	424.8	457.1
PPOP	69.4	74.9	-7.3%	68.1	1.9%	310.9	279.0	319.9	349.2
PAT	50.2	46.0	9.0%	42.5	18.1%	179.9	183.7	201.2	212.6
EPS (INR)	6.6	6.0	9.0%	5.6	18.0%	23.6	24.1	26.4	27.8
ROAE (%)						17.1	15.3	14.8	14.0
ROAA (%)						1.2	1.2	1.2	1.2
ABVPS (INR)						139.5	159.9	180.9	202.3
P/ABV (x)						1.3	1.1	1.0	0.9
P/E (x)						7.6	7.4	6.8	6.4

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Net advances	10,410	10,398	0.1%	11,540	11,532	0.1%	12,788	12,770	0.1%
NIM (%)	2.6	2.7	-3 bps	2.8	2.9	-11 bps	2.8	2.9	-18 bps
NII	369.3	374.5	-1.4%	424.8	449.1	-5.4%	457.1	502.2	-9.0%
PPOP	279.0	291.0	-4.1%	319.9	351.2	-8.9%	349.2	389.3	-10.3%
PAT	183.7	173.8	5.7%	201.2	193.5	4.0%	212.6	213.4	-0.4%
Adj. BVPS (INR)	159.9	159.9	0.0%	180.9	180.7	0.1%	202.3	205.2	-1.4%

Source: Company, HSIE Research

ADD

CMP (as on 14 Jan 2026)	INR 179
Target Price	INR 190
NIFTY	25,666

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR160	INR190
	FY26E	FY27E
EPS %	+5.7%	+4.0%

KEY STOCK DATA

Bloomberg code	UNBK IN
No. of Shares (mn)	7,634
MCap (INR bn) / (\$ mn)	1,368/15,155
6m avg traded value (INR mn)	1,776
52 Week high / low	INR 181/102

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	30.9	21.9	72.2
Relative (%)	29.2	20.6	63.2

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	74.8	74.8
FIs & Local MFs	11.9	11.7
FPIs	7.7	7.9
Public & Others	5.6	5.7
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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Canara Bank

Soft operating performance excluding a one-off

Canara Bank's (CBK) Q3FY26 earnings were soft, excluding the one-off gain (INR20bn) from stake sales in subsidiaries, owing to softer traction in core fee income and higher opex intensity. Loan growth (~15% YoY; 4% QoQ) was strong, largely led by retail and MSME segments. Deposit growth (+11% YoY, -0.4% QoQ) was soft with CASA ratio declining further to 27.1% (-91bps QoQ) with a significant decline in CA end-period balances. Core PPOP declined by ~8% YoY owing to softer traction in core fees. We continue to flag higher dependence of the bank on non-core earnings (recovery from written-off accounts and treasury gains), weak deposit franchise, and higher concentration of NPAs. While the current interim MD and CEO of the bank is Mr. Hardeep Singh Ahluwalia, the FSIB has recommended Mr. Brajesh Kumar Singh (ED, Indian Bank) for the same position. We raise our FY26E/FY27E/FY28E earnings by 1-2%, factoring in higher loan growth, offset by softer traction in other income and limited margin reflation. We maintain ADD on CBK, with a revised SOTP-based TP of INR155 (1.0x core book Sep-27 ABVPS).

- **Healthy growth, offset by weak operating performance:** Sluggish NII growth (-1% YoY), softer traction in core-fee income, and higher opex intensity led to weak core PPOP (-8% YoY), even as margins were stable at 2.5%. This was partially offset by strong loan growth (~15% YoY), led by growth in retail (31% YoY) and MSME segments (12% YoY). We build in a loan CAGR of 13% over FY26-FY28E with softer deposit growth (10% CAGR).
- **Asset quality in line:** Gross slippages improved to 0.7% (Q2FY26: 0.8%) along with credit costs remaining flat at 0.7% coupled with improvement in NPA ratios across asset classes. SMA-1 inched up to 0.3% from 0.05%, owing to one large account, which is not expected to slip, going forward.
- **Critical to improve deposit quality and pricing power handicap:** CBK has the weakest deposit franchise amongst PSBs, which we believe is the toughest to fix, given the intensely competitive landscape for retail granular deposits. While asset quality continues to improve alongside credit growth, deposit granularity and better pricing power on the asset and liabilities side remain key monitorable for core earnings reflation.

Financial summary

(INR bn)	Q3FY26	Q3FY25	YoY(%)	Q1FY25	QoQ(%)	FY25	FY26E	FY27E	FY28E
NII	92.5	91.5	1.1%	91.4	1.2%	370.7	367.8	431.3	509.3
PPOP	91.2	78.4	16.4%	85.9	6.2%	313.9	346.7	368.1	413.3
PAT	51.6	41.0	25.6%	47.7	8.0%	170.3	190.2	202.1	217.3
EPS (INR)	5.7	4.7	22.2%	5.3	8.0%	18.8	21.0	22.3	24.0
ROAE (%)						18.2	17.7	16.4	15.4
ROAA (%)						1.1	1.1	1.0	1.0
ABVPS (INR)						100.4	120.1	135.0	151.5
P/ABV (x)						1.5	1.3	1.1	1.0
P/E (x)						8.0	7.2	6.8	6.3

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Net advances	12,073	11,867	1.7%	13,699	13,427	2.0%	15,481	15,111	2.4%
NIM (%)	2.2	2.3	-5 bps	2.4	2.4	-6 bps	2.5	2.5	-2 bps
NII	367.8	375.5	-2.1%	431.3	444.4	-2.9%	509.3	517.8	-1.6%
PPOP	346.7	347.9	-0.4%	368.1	387.1	-4.9%	413.3	417.7	-1.0%
PAT	190.2	187.9	1.2%	202.1	200.2	1.0%	217.3	213.7	1.7%
Adj. BVPS (INR)	120.1	118.1	1.8%	135.0	135.3	-0.2%	151.5	153.0	-1.0%

Source: Company, HSIE Research

ADD

CMP (as on 29 Jan 2026)	INR 150
Target Price	INR 155
NIFTY	25,419

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR150	INR155
	FY26E	FY27E
EPS %	+1.2%	+1.0%

KEY STOCK DATA

Bloomberg code	CBK IN
No. of Shares (mn)	9,071
MCap (INR bn) / (\$ mn)	1,364/14,828
6m avg traded value (INR mn)	3,624
52 Week high / low	INR 161/79

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	16.7	36.5	63.5
Relative (%)	19.6	35.0	55.6

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	62.9	62.9
FIs & Local MFs	12.2	10.5
FPIs	11.9	14.6
Public & Others	12.9	12.0
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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Cholamandalam Investment and Finance Company

Mixed set of results

CIFC reported a mixed set of results with an uptick in business momentum and NIM refraction, offset by elevated credit costs. Business momentum witnessed a healthy uptick, with disbursements growth of 16% YoY and 23% QoQ and is likely to pick up further in Q4, on the back of GST rate cut and an improving macro environment. However, credit costs remained elevated (1.8%) across segments and remains a key monitorable in the near term. However, management has indicated improving collections and recoveries, reflecting in marginal improvement in early delinquencies. While CIFC remains a robust franchise with a RoE of ~19-20% and AUM growth of ~20-22%, current valuations (3.8x Sep-27 ABVPS) provide limited margin of safety. We revise our FY26/FY27E/FY28E earnings estimates due to higher credit costs, partly offset by marginal NIM refraction and maintain ADD with a revised RI-based TP of INR 1,730 (implying 4.1x Sep-27 ABVPS).

- **NIM refraction drives strong PPOP growth:** CIFC's NIMs (reported) improved by 10bps QoQ to 8%, driven by lower cost of funds (10bps QoQ). Management expects NIM refraction of ~5-10bps, going ahead, driven by a benefit on cost of funds. Opex ratios remained steady (opex-to-AUM at 3.3%) and are likely to remain elevated in the near term, given the investments in gold loans business and increase in collections intensity.
- **Asset quality normalization key monitorable:** GS-III/NS-III deteriorated QoQ to 3.4%/2% (Q2FY26: 3.3%/1.9%), with GS-II at 2.9% (Q2FY26: 3.1%), driving elevated credit costs of 1.8% (Q3FY25: 1.55%). Elevated credit costs were led by vehicle portfolio (2%), CSEL portfolio (6.4%), home loans (1.1%), and SBPL (2.7%). As per the management, credit costs are likely to improve, going ahead, with increasing capacity utilization in vehicle finance, recalibration of CSEL portfolio and collections/recoveries efforts in home loans and SBPL portfolio. However, credit costs are likely to remain higher compared to pre-pandemic levels, partly due to shifting portfolio mix.
- **Improving growth outlook; limited margin of safety:** CIFC reported a strong uptick in disbursements across most segments in Q3. With improving economic outlook, we expect a sustained uptick in disbursements to drive ~20-22% AUM CAGR during FY26-FY28E. However, sticky credit costs (average of ~1.4% for the last 10 quarters), along with demanding valuations (3.8x Sep-27 ABVPS), limit any meaningful margin of safety. Maintain ADD.

Financial summary

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	35.8	28.9	24.0	33.8	6.0	112.4	140.0	171.0	208.1
PPPOP	26.4	21.3	24.2	24.6	7.5	82.3	102.9	122.9	149.6
PAT	12.9	10.9	18.5	11.6	11.5	42.6	51.7	65.7	80.5
EPS (INR)	15.2	12.9	18.2	13.7	11.2	50.6	60.5	76.8	94.0
ROAE (%)						19.7	19.1	19.4	19.7
ROAA (%)						2.4	2.3	2.5	2.5
ABVPS (INR)						247.0	317.9	383.4	463.5
P/ABV (x)						6.5	5.0	4.2	3.4
P/E (x)						31.5	26.4	20.8	17.0

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	2,244	2,241	-0.1%	2,773	2,754	-0.7%	3,379	3,374	-0.1%
NIM (%)	6.3	6.4	4 bps	6.4	6.5	6 bps	6.4	6.4	3 bps
NII	139.8	140.0	0.2%	172.0	171.0	-0.6%	212.0	208.1	-1.8%
PPPOP	102.1	102.9	0.8%	123.5	122.9	-0.5%	154.2	149.6	-2.9%
PAT	52.3	51.7	-1.1%	67.0	65.7	-1.9%	83.2	80.5	-3.3%
ABVPS (INR)	320	318	-0.6%	384	383	-0.1%	467	464	-0.8%

Source: Company, HSIE Research

ADD

CMP (as on 02 Feb 2026)	INR 1,594
Target Price	INR 1,730
NIFTY	25,088

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,780	INR 1,730
EPS %	FY26E	FY27E
	-1.1%	-1.9%

KEY STOCK DATA

Bloomberg code	CIFC IN
No. of Shares (mn)	844
MCap (INR bn) / (\$ mn)	1,346/14,699
6m avg traded value (INR mn)	2,593
52 Week high / low	INR 1,832/1,239

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(6.0)	12.1	26.0
Relative (%)	(3.3)	10.8	20.6

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	49.9	49.7
FIs & Local MFs	17.3	17.6
FPIs	26.9	26.7
Public & Others	6.0	6.2
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Indian Bank

Consistent performance driving robust earnings

Indian Bank (INBK) reported a healthy print for Q3FY26 on the back of strong business growth, stable margins, and low credit costs. Deposit growth (+12% YoY) was healthy with CASA ratio improving to 37.2% (+65bps QoQ). Pick-up in credit growth (+15% YoY, +3% QoQ) was driven by retail, agri, and MSME segments. Credit costs came in even lower at 0.2% on the back of lower slippages across asset classes. Given the granularity on both sides of the balance sheet (especially high SA mix), INBK is better placed to manage its margin profile and overall asset quality. Sustaining the current business momentum, which has been a laggard in the past couple of years, shall remain a key monitorable for the bank going forward. We built in 13% EPS growth over FY26-FY28E, factoring in low credit costs and healthy growth. We reiterate BUY on INBK with a revised TP of INR960 (1.3x Sep-27 ABVPS).

- **Stable margins alongside healthy loan growth:** NII growth (+7%YoY) was supported by lower cost of funds (9bps QoQ), largely offset by drop in yields on advances (-9bps QoQ) as margins remained stable at 3.3%. The bank sustained its health loan growth trajectory (+15% YoY; +3% QoQ), driven by vehicle loans (12% QoQ), retail gold loans (+16% QoQ), housing loans (+3% QoQ), and MSME (6% QoQ) loans.
- **Asset quality continues to positively surprise:** Gross slippages trended lower 0.7% (Q1FY26: 1.0%, Q2FY26:0.8%), driven by lower slippages across segments. GNPA/NNPA improved further to 2.2%/0.2% (2.6%/0.2% in Sep-25) on the back of lower slippages and higher write-offs as the credit costs remained significantly low at ~21 bps (9MFY26:26bps). While INBK has the highest provision coverage (93%) amongst PSBs, the margin of safety (excess PCR over mandated PCR) is relatively modest, given high loss given defaults. Hence, we build the average credit cost of ~47 bps for FY26-FY28E.
- **Sustaining growth momentum critical for further re-rating:** INBK has managed to strongly reflate its earnings on the back of balance sheet strength while improving asset quality alongside healthy growth. We believe sustainability of robust volume growth coupled with stable asset quality shall be critical to drive further re-rating in valuations.

Financial summary

(INR bn)	Q3FY26	Q3FY25	YoY(%)	Q2FY26	QoQ(%)	FY25	FY26E	FY27E	FY28E
NII	69.0	64.1	7.5%	65.5	5.3%	251.8	269.2	310.6	358.4
PPOP	50.2	47.5	5.8%	48.4	3.9%	190.0	199.7	229.9	263.2
PAT	30.6	28.5	7.3%	30.2	1.4%	109.2	123.0	141.9	156.8
EPS (INR)	22.7	21.2	7.3%	22.4	1.4%	81.1	91.3	105.3	116.4
ROAE (%)						17.1	16.5	16.6	16.0
ROAA (%)						1.3	1.3	1.4	1.3
ABVPS (INR)						504.4	580.0	666.4	760.1
P/ABV (x)						1.8	1.6	1.4	1.2
P/E (x)						11.1	9.9	8.6	7.8

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Net advances	6,558	6,438	1.9%	7,436	7,257	2.5%	8,415	8,185	2.8%
NIM (%)	3.1	3.1	-3 bps	3.2	3.2	-2 bps	3.3	3.2	3 bps
NII	269.2	270.6	-0.5%	310.6	307.9	0.9%	358.4	347.1	3.3%
PPOP	199.7	207.5	-3.8%	229.9	231.7	-0.8%	263.2	262.1	0.4%
PAT	123.0	122.8	0.2%	141.9	139.0	2.1%	156.8	154.3	1.6%
Adj. BVPS (INR)	580.0	580.7	-0.1%	666.4	662.5	0.6%	760.1	756.7	0.4%

Source: Company, HSIE Research

BUY

CMP (as on 22 Jan 2026)	INR 897
Target Price	INR 960
NIFTY	25,290

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 880	INR 960
EPS %	FY26E	FY27E
	+0.2%	+2.1%

KEY STOCK DATA

Bloomberg code	INBK IN
No. of Shares (mn)	1,347
MCap (INR bn) / (\$ mn)	1,208/13,183
6m avg traded value (INR mn)	1,478
52 Week high / low	INR 909/478

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	10.3	42.8	72.1
Relative (%)	12.8	42.7	64.3

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	73.8	73.8
FIs & Local MFs	18.6	17.8
FPIs	4.7	5.6
Public & Others	2.9	2.7
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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ICICI Prudential Life Insurance Company

Growth rebounds; VNB margin a major surprise

ICICI Prudential Life's (IPRU) APE for 9MFY26 declined by 1% YoY (in line with our estimates) while VNB grew by 6% (ahead of our estimates). VNB margin (24.4%) clocked in above our estimates as the impact of GST input tax credit was offset by increased share of protection, favorable movement in yield curve and improved rider attachment. However, improvement in VNB margin was a major surprise, as our analysis indicated 150bps net adverse impact on VNB margins for FY26E due to unavailability of GST ITC. On a 12M rolling basis, IPRU's individual rated new business (IRNB) de-grew 5% vs a 1% growth for private life insurers, as IPRU has struggled to focus on any product segment. We increase our VNB for FY26E/FY27E/FY28E by 5%/10%/10% to factor in 9MFY26 performance, with APE estimates largely unchanged and maintain ADD with a revised TP of INR 670 (implied 1.5x Sep-27E EV), ~25% discount to our implied valuation for SBILIFE.

- **Uptick in IRNB growth, although still below peers:** IRNB for Q3FY26 grew by +9% (YoY), driven by growth rebound in the NOP (+15% YoY) vs. +21% YoY for private life insurers. On a 12M rolling basis, IRNB de-grew 5% vs a 1% growth for private life insurers, as IPRU has struggled to focus on any product segment. Retail protection for Q3FY26 grew by 40%, driven by GST rate rationalization. We believe IPRU is likely to grow in low double-digit in Q4, driven by a favorable base.
- **Improving share of protection business:** Our analysis suggests SA to premium multiple for IPRU is now equivalent to that of AMLI and is best amongst the listed players for Q3FY26. Further, average SA of INR 7.2mn per individual policy is highest for IPRU among listed players, having grown by +32% YoY and +20% sequentially. We believe this is driven by focus on high SA ULIPs, growth in retail protection, and continued attachment of riders.
- **Nil negative impact of GST ITC cost a big surprise:** Management has indicated no impact of GST rate cut on VNB margin, driven by mitigation levers such as shift in yields curve, higher protection, and increased rider attachment, which was a major surprise, given no material changes in the product mix and lower yield curve impact on the ULIP segment. Our analysis indicated a net adverse impact of ~150-200bps for FY26E/FY27E on VNB margins due to non-availability of input tax credit.

Financial summary

INR bn	9MFY26	9MFY25	% YoY	H1FY26	FY25	FY26E	FY27E	FY28E
NB	150.9	156.1	-3.3	94.6	232.3	248.3	277.4	308.9
APE	68.1	69.1	-1.4	42.9	104.1	105.6	120.2	136.3
VNB	16.6	15.8	5.7	10.5	23.7	25.6	28.9	33.2
VNB Margin	24.4%	22.8%	162bps	24.5%	22.8%	24.2%	24.0%	24.3%
EV					482.0	540.1	605.5	679.7
P/EV(X)					2.1	1.8	1.6	1.5
P/VNB(X)					41.8	38.7	34.3	29.9
ROEV%					13.7	12.2	12.3	12.4

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	% Δ	New	Old	% Δ	New	Old	% Δ
APE	105.6	105.4	0.2	120.2	120.3	-0.1	136.3	135.9	0.3
VNB	25.6	24.3	5.3	28.9	26.2	10.0	33.2	30.0	10.4
VNB Margin	24.2%	23.1%	117bps	24.0%	21.8%	220bps	24.3%	22.1%	223bps
EV	540.1	538.8	0.2	605.5	601.5	0.7	679.7	672.3	1.1

Source: Company, HSIE Research

ADD

CMP (as on 13 Jan 2026)	INR 681
Target Price	INR 670
NIFTY	25,732

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR665	INR670
VNB	FY26E	FY27E
	+5.3%	+10.0%

KEY STOCK DATA

Bloomberg code	IPRU IN
No. of Shares (mn)	1,448
MCap (INR bn) / (\$ mn)	987/10,939
6m avg traded value (INR mn)	840
52 Week high / low	INR 707/517

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	14.8	3.1	7.1
Relative (%)	13.2	1.8	(2.5)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	73.0	72.9
FIs & Local MFs	8.8	8.7
FPIs	13.1	13.2
Public & Others	5.0	5.3
Pledged Shares	Nil	Nil

Source : BSE

Pledged shares as % of total shares

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ICICI Lombard General Insurance

Earnings soften on a higher base

ICICIGI reported NEP growth of 13% YoY and decline in PAT of 9% YoY, in line with our estimates. The decline in PAT was largely due to higher reserve releases in Q3FY25 from its motor TP book and one-time impact of INR 531mn in Q3FY26 due to implementation of new labor code. Given that ICICIGI has lost market share across all major segments (except retail health) and lags industry growth for 9M, we expect NEP growth for FY26E to be in mid-single digits. We revise our COR estimates to 104.2%/103.3%/102.2% for FY26E/27E/FY28E given favourable 9MFY26 outcomes. We maintain BUY with an unchanged TP of INR2,210 (32.4x Sep-27E EPS) on the back of sustained dominance in core businesses (motor and commercial lines), likely tailwinds from easing competitive pressures, and capability building in the retail health business.

- **Continued market share erosion:** ICICIGI witnessed 4% growth in GDPI in 9MFY26, lagging industry growth of ~9%, resulting in ~41bps market share loss on a YoY basis. Among its core business segments, ICICIGI lost ~50bps/~52bps/~43bps market share in motor/fire/group health, on a YoY basis for 8MFY26. We believe ICICIGI is likely to partly recoup lost market share in the motor business by the year end, although it is likely to report lower market share in property segment and loss-making group health business.
- **Strong traction in retail health, with profitability trade-offs:** ICICIGI's retail health segment continues to gain momentum, delivering >40% growth during 8MFY26, significantly outperforming the industry and gaining market share by ~80bps YoY. However, the rising contribution of retail and group health — combined with slower growth in more profitable segments such as motor and property — could weigh on overall profitability, given higher loss ratios as the retail health portfolio matures.
- **Improving growth outlook; profitability outlook intact:** ICICIGI's GDPI grew by 13% YoY for Q3FY26 (H1FY26: 0%), driven by favorable base, retail health and motor segment with rebound in new vehicles sales. We believe that investment float is likely to remain a major driver of profitability, providing cushion against underwriting volatility. Capital gains contributed 25% of the overall investment income during 9MFY26 (9MFY25: 24%). As near-term growth visibility improves on account of rebound in new vehicles sales, continued traction on retail health support and a favorable base we expect growth is likely to return in low double digits.

Financial summary

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY%	Q2FY26	FY25	FY26E	FY27E	FY28E
Net written premium	59.6	50.8	17.3	53.1	207.6	214.5	241.0	272.3
Net earned premium	56.9	50.5	12.7	56.5	198.0	209.6	237.3	264.1
COR (%) IRDAI	104.5	102.7	180bps	105.1	102.8	104.2	103.3	102.2
PAT	6.6	7.2	(9.1)	8.2	25.1	27.0	31.4	36.1
EPS	13.3	14.7	(9.1)	16.6	50.5	54.2	63.1	72.5
ROE (%)	15.6	19.8	-417bps	20.0	18.0	17.0	17.6	18.0

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	Revised	Old	Change %	Revised	Old	Change %	Revised	Old	Change %
Net written premium	214.5	209.6	2.3	241.0	234.6	2.7	272.3	264.0	3.2
Net earned premium	209.6	208.1	0.7	237.3	231.8	2.4	264.1	256.9	2.8
COR (%) IRDAI	104.2	104.7	-43bps	103.3	103.2	5bps	102.2	102.2	0bps
PAT	27.0	26.7	0.8	31.4	31.3	0.1	36.1	35.9	0.5
ROE (%)	17.0	16.9	13bps	17.6	17.6	0bps	18.0	17.9	6bps

Source: Company, HSIE Research

BUY

CMP (as on 13 Jan 2026)	INR 1,886
Target Price	INR 2,210
NIFTY	25,732

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,210	INR 2,210
EPS%	FY26E	FY27E
	+0.8%	+0.1%

KEY STOCK DATA

Bloomberg code	ICICIGI IN
No. of Shares (mn)	498
MCap (INR bn) / (\$ mn)	939/10,413
6m avg traded value (INR mn)	1,233
52 Week high / low	INR 2,075/1,613

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	2.8	(6.3)	2.6
Relative (%)	1.3	(7.7)	(6.9)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	51.5	51.4
FIs & Local MFs	17.6	17.5
FPIs	23.9	24.0
Public & Others	7.0	7.1
Pledged Shares	Nil	Nil

Source : BSE

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Aditya Birla Capital

Steady performance; limited margin of safety

ABCAP reported an uptick in AUM growth in the flagship NBFC business with steady performance across most subsidiaries. ABSLAMC's equity AUM grew by +11% YoY on the back of continued market share erosion, which remains a concern. ABSLI witnessed 380bps YoY improvement in VNB margin, benefiting from a favorable product mix, while ABHI sustained its growth momentum, with limited visibility of breakeven in profitability. Equity infusion by Advent International in ABHFL (INR 27.5bn for 14.3% post-money stake) is likely to address its equity capital needs, which have been growing at a staggering pace, albeit moderating. We revise our earnings estimates for the lending businesses and maintain ADD with a revised SOTP-based TP of INR345 (standalone entity at 2.1x Sep-27 ABVPS; ABSLI at 1.6x Sep-27 IEV; ABHFL at 1.8x Sep-27 ABVPS).

- **Flagship NBFC—uptick in growth; steady profitability:** ABCAP's AUM growth improved to 24% YoY, led by strong disbursements growth (+41% YoY), driven by personal & consumer and secured segments. NIMs remained steady (6.1%), supported by reduction in cost of funds. Asset quality improved QoQ with GS-II/GS-III at 1.29%/1.51% (Q2FY26: 1.35%/1.68%), with credit costs at 1.23%. Core profitability remained steady with RoA at 2.3%.
- **HFC business—strong growth; operating leverage playing out:** ABHFL reported strong AUM growth of 58% YoY, although the pace of disbursements growth is moderating (+30% YoY). Operating efficiency continued to improve with opex to AUM at 2.1% vs. 2.7% in Q3FY25 and 2.2% in Q2FY26 and C/I at 45%, driving RoA/RoE of 2%/15%.
- **Life insurance—improving performance:** ABSLI's VNB margin significantly improved YoY (+380bps) due to a shift in the product mix toward non-ULIPs (share of ULIPs down by -300bps YoY), driving VNB growth of 52% YoY in 9MFY26. Proprietary channel growth slowed down significantly to 8% in 9MFY26 (H1FY26: 13%), indicating a strong focus on balanced product mix.
- **Health insurance business sustains growth momentum; muted quarter for ABSLAMC:** ABHI continued the growth momentum (9MFY26 GWP growth of 39% YoY) gaining market share (14.2% among SAHI's). Profitability improved in 9MFY26, with COR at 111% (9MFY25: 114%). ABSLAMC reported muted core sequential revenue/QAAUM growth of 4% and market share erosion in equity MF AUM coupled with continued downward pressure in SIP flows/accounts.

Financial summary (Standalone)

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	17.9	15.4	16.3	17.3	3.5	60.5	70.7	87.0	105.7
PPOP	14.1	12.1	16.5	16.1	(12.0)	53.7	58.4	72.3	87.0
PAT	7.4	6.1	20.7	9.2	(19.2)	29.6	31.4	40.0	48.3
EPS (INR)	2.8	8.6	(67.4)	3.5	(19.5)	11.3	12.0	15.3	18.5
ROAE (%)						14.6%	11.8%	13.3%	14.1%
ROAA (%)						2.4%	2.0%	2.1%	2.2%
ABVPS (INR)						65.4	77.5	90.8	106.6
P/ABV (x)						3.2	2.7	2.3	1.9
P/E (x)						21.1	18.4	14.4	11.8

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	1,529	1,559	2.0%	1,831	1,899	3.7%	2,189	2,293	4.8%
NIM (%)	4.7	4.6	-8 bps	4.7	4.7	-3 bps	4.7	4.7	4 bps
NII	71.3	70.7	-0.8%	85.9	87.0	1.3%	102.2	105.7	3.4%
PPOP	60.1	58.4	-2.9%	72.0	72.3	0.4%	84.3	87.0	3.1%
PAT	32.9	31.4	-4.7%	39.6	40.0	1.0%	46.8	48.3	3.2%
ABVPS (INR)	78	78	-0.6%	92	91	-0.9%	107	107	-0.7%

Source: Company, HSIE Research

ADD

CMP (as on 03 Feb 2026)	INR 345
Target Price	INR 345
NIFTY	25,728

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR315	INR345
	FY26E	FY27E
EPS %	-4.7%	1.0%

KEY STOCK DATA

Bloomberg code	ABCAP IN
No. of Shares (mn)	2,617
MCap (INR bn) / (\$ mn)	904/10,016
6m avg traded value (INR mn)	1,743
52 Week high / low	INR 369/149

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	3.4	37.4	100.3
Relative (%)	3.6	33.5	91.8

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	68.7	68.6
FIs & Local MFs	12.8	14.7
FPIs	6.8	5.8
Public & Others	11.7	10.9
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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L&T Finance

A mixed bag

L&T Finance's (LTF) Q3FY26 earnings were lower than our estimates, largely due to higher-than-expected credit costs (2.7%). Loan growth witnessed a strong uptick (+20% YoY), driven by a surge in disbursements (+49% YoY). While moderation in credit costs has been slightly protracted, management expects credit costs to normalize to 2-2.2% by Q4FY27, due to improving macro environment and impact of tech transformation (Project Cyclops, Nostradamus etc.). LTF is poised to deliver strong AUM growth (~21% CAGR) during FY26-28E, driven by existing products as well as new products (gold loans, micro-LAP etc.). We revise our FY26-FY28E earnings estimates to factor in higher loan growth, offset by higher credit costs and maintain ADD with a revised RI-based TP of INR 295 (implying 2.3x Sep-27 ABVPS). While LTF is poised to deliver RoA/RoE of ~2.7%/15% by FY28E, current valuations provide limited upside.

- **Disbursements growth accelerates further:** LTF reported strong disbursements growth of +49% YoY, driven by personal loans (+118% YoY), MFI (+47% YoY), two-wheelers (+33% YoY), and gold loans (6% of disbursements). We expect the loan growth momentum to sustain, led by tech transformation across products, increasing partnerships in personal loans and rebound in MFI segment. NIMs reflat by 16bps QoQ due to lower cost of funds and marginal reflation in asset yields.
- **Marginal dip in credit costs; expect gradual improvement ahead:** GS-III/NS-III improved QoQ to 3.19%/0.92% (Q2FY26: 3.29%/1%). Credit costs (adjusted for macro prudential provisions) declined by 22bps QoQ to 2.7% vs. 3%/3.7% in Q2FY26/Q1FY26. With improving collection efficiency in MFI segment and overall collections environment along with positive outcomes from tech initiatives, we expect credit costs to normalize further in FY27.
- **Enroute to a strong RoA; cyclicity a key monitorable:** LTF is gradually pivoting toward a steadily growing diversified franchise, along with improving profitability (2.3% in Q3). Improving asset quality in MFI and other segments is likely to drive improving profitability over FY26-FY28E. However, high exposure to cyclical segments such as MFI, tractors, and two-wheelers (~52%) and the increasing share of personal loans remains a concern on overall profitability during downcycles.

Financial summary (consolidated)

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY(%)	Q2FY26	QoQ(%)	FY25	FY26E	FY27E	FY28E
NII	25.4	22.4	13.4	24.0	5.6	86.7	98.7	118.5	140.7
PPOP	17.3	14.8	17.2	16.3	6.0	59.6	67.1	82.3	99.7
PAT	7.4	6.3	18.0	7.3	0.4	26.4	29.6	38.9	49.0
EPS (INR)	2.9	2.5	17.6	2.9	0.3	10.6	11.9	15.6	19.6
ROAE (%)						10.8	11.1	13.2	14.9
ROAA (%)						2.4	2.3	2.5	2.7
ABVPS (INR)						99	107	118	133
P/ABV (x)						3.0	2.8	2.5	2.3
P/E (x)						28.3	25.2	19.2	15.3

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	1,156	1,192	3.1%	1,386	1,431	3.3%	1,663	1,713	3.0%
NIM (%)	7.8	7.6	-29 bps	8.0	7.7	-28 bps	8.0	7.7	-32 bps
NII	100.9	98.7	-2.2%	119.1	118.5	-0.5%	141.9	140.7	-0.9%
PPOP	67.7	67.1	-1.0%	81.6	82.3	0.8%	100.0	99.7	-0.2%
PAT	31.0	29.6	-4.4%	38.8	38.9	0.3%	50.9	49.0	-3.8%
ABVPS (INR)	107.2	106.7	-0.5%	119.3	118.5	-0.7%	134.6	132.9	-1.2%

Source: Company, HSIE Research

ADD

CMP (as on 19 Jan 2026)	INR 300
Target Price	INR 295
NIFTY	25,586

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR280	INR295
EPS %	FY26E	FY27E
	-4.4%	0.3%

KEY STOCK DATA

Bloomberg code	LTF IN
No. of Shares (mn)	2,503
MCap (INR bn) / (\$ mn)	751/8,260
6m avg traded value (INR mn)	2,022
52 Week high / low	INR 329/131

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	12.7	47.7	109.8
Relative (%)	13.5	45.9	101.1

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	66.1	66.0
FIs & Local MFs	14.3	15.3
FPIs	6.4	6.7
Public & Others	13.2	12.0

Pledged Shares

Source: BSE

Pledged shares as % of total shares

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AU Small Finance Bank

Receding unsecured stress driving beat on earnings

AUBANK's Q3FY26 earnings beat estimates on the back of improvement in asset quality, reflation in margins, and healthy growth on both sides of the balance sheet, partly offset by higher opex intensity. Gross advances growth (~19% YoY) was led by secured retail assets and commercial banking, with a gradual uptick in the MFI book. Deposit growth (+23% YoY) was strong, while CASA ratio came in at 28.9% (-58bps QoQ). Asset quality improved significantly (0.8% of GLP) with lower delinquencies in the unsecured book as the management continues to guide for a credit cost of 1% of GLP for FY26. While we raise our FY26E/FY27E earnings by ~3%/5%, factoring in improvement in asset quality, we argue that management of the unsecured businesses (MFI+ credit cards) and rapid geographic expansion into new territories shall pose a challenge in the medium term. We maintain REDUCE with a revised TP of INR820 (2.6x Sep-27 ABVPS) v/s INR650 earlier.

- **Healthy growth coupled with margin reflation:** Loan growth (~19% YoY) was led by Wheels (+27%), MBL (+25%), and commercial segments (+25% YoY), with marginal uptick in MFI book and continued de-growth in credit card book. Our forecasts build ~20% loan CAGR over FY25-28E, lower than management guidance (2-2.5x of nominal GDP). Margins improved 25bps QoQ to 5.7%, as cost of funds improved by 22bps QoQ on the back of SA rate cut, better liquidity management, and deposit re-pricing.
- **Continued moderation of stress in unsecured segments:** Gross slippages came in lower at 2.6% (Q2FY26: 3.2%) coupled with lower credit costs in the MFI (Q3FY26: 1.3% v/s Q2FY26: 7.6%) and credit cards (Q3FY26: 5.6% v/s 9.7% in Q2FY26) portfolios. The management shall need another year to revive its credit card business. Our FY26 credit cost forecast (1.1% of average assets) is ~10bps higher than management guidance.
- **Unsecured book management and calibrated expansion key monitorable:** We believe the rescaling of the unsecured businesses and replicating the strengths of the northern market into the southern and eastern markets shall pose a challenge in the medium term. We build in an average RoA of ~1.65% for FY27E/FY28E against the RoA guidance of 1.8%.

Financial summary

(INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	23.4	20.2	15.7%	21.4	9.2%	80.1	90.8	113.6	138.1
PPOP	12.2	12.0	0.9%	12.1	0.5%	45.8	52.4	64.9	77.8
PAT	6.7	5.3	26.3%	5.6	19.0%	21.1	25.4	33.6	40.6
EPS (INR)	8.9	7.1	25.9%	7.5	19.5%	28.3	34.2	45.1	54.5
ROAE (%)						14.2	13.9	15.9	16.4
ROAA (%)						1.6	1.5	1.6	1.7
ABVPS (INR)						219.4	246.7	289.0	343.0
P/ABV (x)						4.6	4.1	3.5	2.9
P/E (x)						35.4	29.3	22.2	18.4

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Net advances	1,315	1,280	2.8%	1,563	1,519	2.9%	1,854	1,795	3.3%
NIM (%)	5.6	5.6	-2 bps	5.8	5.8	3 bps	5.9	5.9	8 bps
NII	90.8	90.5	0.4%	113.6	110.6	2.6%	138.1	132.6	4.2%
PPOP	52.4	54.2	-3.3%	64.9	63.0	3.1%	77.8	72.7	7.1%
PAT	25.4	24.7	2.9%	33.6	31.8	5.5%	40.6	39.4	2.9%
Adj. BVPS (INR)	246.7	246.8	0.0%	289.0	289.1	0.0%	343.0	340.1	0.8%

Source: Company, HSIE Research

REDUCE

CMP (as on 20 Jan 2026) INR 1,001

Target Price INR 820

NIFTY 25,233

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR650	INR820
	FY26E	FY27E
EPS %	+2.9%	+5.5%

KEY STOCK DATA

Bloomberg code	AUBANK IN
No. of Shares (mn)	747
MCap (INR bn) / (\$ mn)	748/8,223
6m avg traded value (INR mn)	2,350
52 Week high / low	INR 1,030/478

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	15.7	26.0	65.2
Relative (%)	18.3	25.4	58.6

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	22.8	22.8
FIs & Local MFs	31.9	31.3
FPIs	34.5	36.5
Public & Others	10.8	9.5
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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SBI Cards and Payment Services

Improving at margin; slow grind toward steady state

SBI Cards' (SBICARD) Q3FY26 earnings were lower than our estimates, due to muted receivables growth and higher credit costs. Credit costs moderated sequentially by 53bps to 8.4%, although still at elevated levels. New card acquisitions/CIF growth remained subdued (-26%/+8% YoY) due to calibrated sourcing of new customers. Profitability improved sequentially (RoA/RoE of 3.2%/14.7%), driven by lower credit costs and uptick in fee income, driven by corporate spends. However, we reiterate sustained headwinds to the profit pool ([company update](#)) and structurally lower RoE compared to pre-pandemic levels. We revise our FY26/FY27E earnings estimates to factor in higher fee income, offset by lower receivables growth and maintain REDUCE with a revised RI-based TP of INR 700 (implying 3.4x Sep-27 ABVPS; 20x Sep-27 EPS).

- **Sustained pressure on yields, offset by higher spends:** Receivables/CIF growth reduced further to 4.5%/7.7% YoY, due to a decline in new card acquisitions (-26% YoY). Card spends was strong at 32% YoY, driven by corporate spends (+329% YoY; 20% of total spends), while retail unit spends remained steady (+5% YoY). NIMs declined QoQ by 20bps to 11% due to lower yields (-20bps) driven by decline in revolve and instalment loans mix (57%). Management has indicated marginal moderation in yields due to adverse receivables mix while cost of funds is expected to remain steady. Other income included one-time benefit of INR 0.5bn due to reversal of provisions for PIDF.
- **Credit costs improve sequentially, steady state remains elusive:** Gross credit costs declined to 8.4% (Q2FY26: 8.9%; Q1FY26: 9.6%), with write-offs at 8.3%. Management indicated credit costs are likely to improve gradually with tightened gating criteria and improving forward flow rates. However, limited visibility of a meaningful normalization in credit costs remain key monitorable.
- **Search for earnings stability:** SBICARD's profitability remained below par (RoA/RoE of 3.2%/14.7%) in Q3. The profitability has been adversely impacted by multiple headwinds like subdued revolving mix, regulatory headwinds on fee income, and high delinquencies. While credit costs are likely to improve, going ahead, limited visibility of steady-state credit costs along with structural issues around several profit pools are likely to keep profitability lower compared to pre-pandemic levels.

Financial summary

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	17.5	15.7	11.5	17.3	1.2	61.7	68.9	74.9	86.4
PPOP	19.7	18.3	7.7	18.9	4.2	74.5	79.9	87.0	97.9
PAT	5.6	3.8	45.2	4.4	25.2	19.2	22.7	31.2	36.9
EPS (INR)	5.9	4.0	45.2	4.7	25.3	20.1	23.9	32.8	38.8
ROAE (%)						14.8%	15.4%	18.1%	18.2%
ROAA (%)						3.1%	3.4%	4.3%	4.5%
ABVPS (INR)						136.5	159.1	187.3	221.1
P/ABV (x)						5.7	4.9	4.2	3.5
P/E (x)						38.8	32.7	23.9	20.2

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	598	591	-1.3%	670	665	-0.7%	774	765	-1.3%
NIM (%)	10.3	10.3	-2 bps	10.4	10.4	-1 bps	10.6	10.6	-1 bps
NII	69.4	68.9	-0.7%	75.7	74.9	-1.0%	87.4	86.4	-1.1%
PPOP	80.0	79.9	-0.1%	88.1	87.0	-1.2%	99.1	97.9	-1.2%
PAT	22.8	22.7	-0.4%	31.5	31.2	-1.1%	37.2	36.9	-0.7%
ABVPS (INR)	158.9	159.1	0.1%	187.8	187.3	-0.3%	221.4	221.1	-0.1%

Source: Company, HSIE Research

REDUCE

CMP (as on 28 Jan 2026)	INR 782
Target Price	INR 700
NIFTY	25,343

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 690	INR 700
EPS %	FY26E	FY27E
	-0.4%	-1.1%

KEY STOCK DATA

Bloomberg code	SBICARD IN
No. of Shares (mn)	952
MCap (INR bn) / (\$ mn)	744/8,108
6m avg traded value (INR mn)	962
52 Week high / low	INR 1,027/712

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(13.6)	(6.5)	3.1
Relative (%)	(10.9)	(8.3)	(5.4)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	68.6	68.6
FIs & Local MFs	17.8	17.9
FPIs	10.1	10.2
Public & Others	3.6	3.4
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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PB Fintech

Growth sustains; right-to-win intact

PBFINTECH core operating revenue grew by 37% YoY, led by sustained traction in the Policybazaar business (+39% YoY), partly offset by weakness in the Paisabazaar business (+23% YoY). PAT grew nearly 2.6x YoY, supported by a 771bps improvement in cost-to-income ratio to 93.5% (Q3FY25: 101%). While overall revenue was slightly ahead of our estimates, on account of lower-than-expected yield compression and strong premium channelization, the bottom line missed estimates on account of higher operating expenses. Policybazaar, the company's flagship platform, offers insurers a data-rich, efficient channel with measurable outcomes, which has singularly reshaped India's insurance distribution landscape by solving critical industry-wide challenges (high CACs and poor lead conversion). The platform's evolution into a data-driven, profit-sharing partner further reinforces its right-to-win in the digital insurance space. Regulatory headwinds from Bima Sugam and overhang on revamp of distributor payout structure notwithstanding, PBFINTECH is positioned as the undisputed platform of choice, given its strong growth runway and a sustainable right-to-win. We maintain BUY with a revised DCF-based TP of INR2,180 (implying 57.3x FY28 EPS and a PEG ratio of 0.8x).

- **Strong growth in the flagship business:** Revenues marginally beat expectations due to tailwinds from GST rate cut and positive surprise on lower yield compression. Growth in new initiatives continues to be driven by the POSP channel, which is now being expanded with a more granular focus. Insurance yields for Q3FY26 declined to 17.7% (H1FY26: 18.4%) due to impact of GST on the distributor payout although compression was lower due to change in the business mix.
- **Non-linear profitability going ahead:** We expect a ~5.6x jump in net profit over FY25-FY28E, driven by net revenue CAGR of ~32% and doubling of trail-based commission income in the Policybazaar business. We are building a ~100bps decline in insurance commission yields for FY27E due to GST rate cut (FY26E yield at ~17.5%).
- **Regulatory overhang on distribution commission overhaul:** Uncertainty around further rationalization of distribution commission would be a key risk. We believe the current EOM offers flexibility to insurers and hence is unlikely to significantly change the payout structure to distributors. We believe PBFINTECH offers the best economics of the insurance distribution business and is likely to navigate through efficiently in this scenario as well.

Financial summary (Consolidated)

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY%	Q2FY26	FY25	FY26E	FY27E	FY28E
Revenues	17.7	12.9	37.1	16.1	50	68	88	114
Operating profit	1.6	0.3	473.6	1.0	0.9	6.7	12.5	21.0
OP margin (%)	9%	2%	700bps	6%	2%	10%	14%	18%
APAT	1.9	0.7	164.8	1.3	3.1	7.0	11.2	17.5
EPS (INR)	4.1	1.6	161.8	2.9	7.7	15.2	24.3	38.0
P/E (x)					262.0	117.1	73.2	46.9

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Chg %	New	Old	Chg %	New	Old	Chg %
Revenues	68.3	67.4	1%	88.1	87.7	0%	114.2	113.4	1%
Operating profit	6.7	6.9	-3%	12.5	13.3	-6%	21.0	21.5	-3%
OP margin (%)	10%	10%	0bps	14%	15%	-100bps	18%	19%	-100bps
APAT	7.0	7.5	-7%	11.2	12.3	-9%	17.5	18.3	-5%
EPS (INR)	15.2	16.3	-7%	24.3	26.7	-9%	38.0	39.9	-5%

Source: Company, HSIE Research

BUY

CMP (as on 02 Feb 2026)	INR1,563
Target Price	INR2,180
NIFTY	25,088

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR2,210	INR2,180
	FY26E	FY27E
EPS %	-7%	-9%

KEY STOCK DATA

Bloomberg code	POLICYBZ IN
No. of Shares (mn)	463
MCap (INR bn) / (\$ mn)	723/7,901
6m avg traded value (INR mn)	2,586
52 Week high / low	INR 1,978/1,311

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(12.4)	(12.2)	(8.9)
Relative (%)	(9.7)	(13.5)	(14.3)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	0.3	0.3
FIs & Local MFs	26.6	29.5
FPIs	43.6	40.8
Public & Others	29.5	29.6
Pledged Shares	Nil	Nil

Source: BSE

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IndusInd Bank

Protracted journey towards stakeholder credibility

IndusInd Bank (IIB) reported yet another quarter of muted earnings, led by credit book de-growth, elevated slippages in the MFI segment, and a weak operating performance. Deposit growth was muted (-3% YoY/+1.1% QoQ) with the CASA dropping further to 30.2% (-50bps QoQ), while advances continued to de-grow (-13.5% YoY/-2.6% QoQ) as the bank calibrated MFI and wholesale banking exposures further. IIB is currently challenged with multiple handicaps around a sub-par deposit franchise, inadequate provisioning buffers, and stress in its MFI book. We hack our FY26E/FY27E/FY28E forecasts by ~64%/25%/11%, to factor in accelerated provisioning, softer traction in fee income, and 11% loan CAGR over FY26-FY28E, reflecting in muted medium-term return ratios. We believe IIB's journey towards 1% RoA is likely to be a protracted one. We maintain REDUCE with a revised TP of INR720 (0.8x Sep-27 ABVPS).

- **Weak operating performance; balance sheet de-growth:** NIMs (3.5%; +20bps QoQ), barring one-off benefit from interest on IT refund (+17bps QoQ), were flat as lower growth in high-yielding assets was offset by lower cost of funds (-17bps QoQ). Loan growth (-13.5% YoY; -2.6%QoQ) was muted, on the back of a sharp reduction in the MFI book (-17% QoQ) and large corporates (-9.0% QoQ), with marginal uptick in demand across vehicle segments.
- **MFI stress continues to hamper earnings; coverage to rise:** Gross slippages stayed elevated at 3.2% (3.1% Sep-25), driven by elevated stress in unsecured segments, especially MFI slippages (21% annualized). Credit costs, although lower QoQ, were elevated at 2.6% (Q2FY26: 3.2%), owing to accelerated write-offs in the MFI portfolio. With GNPA/NNPA at 3.6%/1.0%, the management guided at raising the PCR and bringing the medium-term NNPA below 0.5%.
- **Protracted journey to regaining stakeholder trust:** We expect IIB to face a tough transition period as the franchise is pushed towards greater regulatory compliance, and tighter impairment recognition and provisioning measures.

Financial summary

(INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY25	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	45.6	52.3	-12.7%	44.1	3.5%	190.3	192.4	218.4	242.3
PPOP	22.7	36.0	-37.0%	20.5	10.9%	106.6	109.9	133.1	152.9
PAT	1.3	14.0	-90.9%	(4.4)	NA	25.8	25.5	47.6	63.8
EPS (INR)	1.6	18.0	-91.2%	(5.6)	NA	33.1	32.7	61.1	81.9
ROAE (%)						4.0	3.8	6.7	8.3
ROAA (%)						0.5	0.4	0.8	1.0
ABVPS (INR)						790.0	832.2	909.5	998.3
P/ABV (x)						0.9	0.9	0.8	0.7
P/E (x)						22.6	22.9	12.2	9.1

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Net advances	3,293	3,611	-8.8%	3,624	3,939	-8.0%	4,074	4,343	-6.2%
NIM (%)	3.6	3.6	1 bps	3.9	3.8	11 bps	4.0	3.8	21 bps
NII	185.3	192.4	-3.7%	208.6	218.4	-4.5%	239.5	242.3	-1.1%
PPOP	95.6	109.9	-13.0%	113.7	133.1	-14.6%	137.4	152.9	-10.1%
PAT	9.2	25.5	-63.7%	35.5	47.6	-25.5%	56.5	63.8	-11.5%
Adj. BVPS (INR)	816.0	832.2	-1.9%	883.8	912.9	-3.2%	951.9	987.0	-3.6%

Source: Company, HSIE Research

REDUCE

CMP (as on 23 Jan 2026)	INR 892
Target Price	INR 720
NIFTY	25,049

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR640	INR720
	FY26E	FY27E
EPS %	-63.7%	-25.5%

KEY STOCK DATA

Bloomberg code	IIB IN
No. of Shares (mn)	779
MCap (INR bn) / (\$ mn)	695/7,561
6m avg traded value (INR mn)	3,538
52 Week high / low	INR 1,087/605

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	17.5	4.9	(8.1)
Relative (%)	21.1	6.3	(14.6)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	15.8	15.8
FIs & Local MFs	32.0	35.4
FPIs	34.3	31.6
Public & Others	17.9	17.2
Pledged Shares	6.9	6.9

Source : BSE

Pledged shares as % of total shares

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General Insurance Corporation

Consistent on execution

General Insurance Corporation (GICRE) reported in-line NEP/PAT growth of +14%/11% YoY, driven by steady improvement in underwriting performance. GICRE continued to witness improvement in loss ratios, which improved by ~250bps YoY. GICRE, India's leading re-insurer (FY25 domestic market share: 51%), benefits from 4% mandatory domestic re-insurance cessation, and right-of-first-refusal (ROFR), which offers preferential access to domestic re-insurance placements. With the rating upgrade to A- (previously B++) by AM Best, GICRE is likely to grow faster on international business, given enhanced qualifying criteria for participation in overseas reinsurance market, although growth was modest at 7% for 9MFY26. We flag the inherent risk to GICRE's topline from potential abolition of obligatory cessation, alongside moderation in domestic market share on account of rising competition from foreign re-insurer branches, cross-border re-insurers, and domestic insurers' risk retention strategy. We build 8% NEP CAGR over FY25-28E and a 15% PAT CAGR on the back of stronger float income from the investment book (INR1.6tn). We maintain ADD with a revised TP of INR490 (0.8x Sep-27 BV).

- **Shift in business mix towards motor:** During the quarter, overall NEP grew 14%, primarily led by growth in the motor segment (15% YoY), stronger than the industry growth of 11%, owing to business from new proportional treaties added over the past couple of quarters. This has contributed to meaningful improvement in profitability, given the lower combined ratio (COR) in the motor business compared to the health business.
- **Improving profitability:** GICRE has focused on improving its profitability and consistently de-risking its domestic as well as international business. The management guided for a 100-120bps improvement in combined ratio (COR) for FY26E (achieved ~500bps YoY during 9MFY26). Given these outcomes, we don't expect any material improvement in COR for FY27E and FY28E.
- **Overhang from potential end to obligatory cessation:** With the Indian re-insurance market beginning to mature, grant of approval to Indian re-insurer Valueatics, and the increasing presence of global re-insurers such as Swiss Re and Munich Re, the industry has been lobbying for abolition of 4% obligatory cessation. Our analysis suggests a 15-20% adverse knock to GICRE's domestic premium, in case the IRDAI removes mandatory cessation.

Financial summary

(INR bn)	3QFY26	3QFY25	YoY (%)	2QFY26	FY25	FY26E	FY27E	FY28E
Net earned premium	96.3	84.8	13.6	89.3	367.1	405.0	437.4	468.0
Combined ratio (%)	103.0	108.0	-501bps	107.5	107.9	105.2	104.8	104.2
APAT	18.7	16.8	11.3	30.9	80.3	93.8	105.6	121.0
AEPS	10.6	9.6	11.3	17.6	45.8	53.5	60.2	69.0
ABVPS					446.7	508.6	581.2	663.5
P/E (x)					8.6	7.3	6.5	5.7
P/ABV (x)					0.9	0.8	0.7	0.6
ROE (%)					10.5	11.2	11.0	11.1

Change in estimates

INR bn	FY26E			FY27E		
	Revised	Old	Change (%)	Revised	Old	Change (%)
Net earned premium	405	413	(1.8)	437	446	(1.9)
PAT	94	88	6.4	106	101	4.8
COR (%)	105.2	106.8	-166bps	104.8	106	-131bps
ROE (%)	11.2	10.6	64bps	11.0	10.6	42bps

Source: Company, HSIE Research

ADD

CMP (as on 11 Feb 2026)	INR 392
Target Price	INR 490
NIFTY	25,954

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 450	INR 490
EPS%	FY26E	FY27E
	+6.4%	+4.8%

KEY STOCK DATA

Bloomberg code	GICRE IN
No. of Shares (mn)	1,754
MCap (INR bn) / (\$ mn)	690/7,602
6m avg traded value (INR mn)	258
52 Week high / low	INR 454/345

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	2.2	(1.6)	3.3
Relative (%)	1.8	(6.1)	(7.2)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	82.4	82.4
FIs & Local MFs	13.1	13.3
FPIs	2.1	2.1
Public & Others	2.4	2.2
Pledged Shares	Nil	Nil

Source : BSE

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Federal Bank

IRR lift underway; capital infusion to augment growth

Federal Bank's (FB) Q3FY26 earnings were in-line with estimates, with improvement in margins and gradual pick up in business momentum. Credit growth (11% YoY; 4.5% QoQ), while below system, picked up some momentum. Deposit growth (12% YoY; 3% QoQ) was healthy as the CASA% continued to improve to 32.1% (+106 bps QoQ), driven by higher traction in current account balances. FB in Q3FY26 announced capital infusion of ~INR 62bn (10% stake dilution) from Blackstone, subject to regulatory approvals, in order to increase its capital buffer and provide flexibility to pursue organic and inorganic opportunities. We believe the capital infusion acts as a confidence capital and further augments the balance sheet strengths of the franchise. FB is well-placed to capitalize on its current balance sheet strengths (quality deposit franchise, superior underwriting standards, capital buffer) with clear catalysts for earnings reflation, compared to larger peers that are nearly-fully optimized. We factor in 25% of capital infusion in FY27E and the remaining in FY28E coupled with equity dilution, while highlighting minimum upside from current valuations. We maintain BUY with a revised TP of INR270 (1.5x Sep-27 ABVPS).

- **Gradual pick-up in credit growth and margins:** NII growth (6.3% QoQ) was healthy as 12bps QoQ drop in yield on advances (owing to rate cut) was offset by 11bps QoQ drop in the cost of funds on the back of better liquidity management and growth in average CASA balances leading to NIMs rising by 12bps QoQ to 3.2%. Loan growth was led by growth in corporate loans (6% QoQ), SME (5% QoQ), LAP (4.5% QoQ), and gold loans (8% QoQ), as higher-yielding segments continue to scale.
- **Asset quality in line:** Gross slippages (0.7% v/s Q2FY26: 0.9%) and credit costs (47bps v/s Q2FY26: 50bps) were lower, as stress in the MFI business continues to reduce. We built in an average credit cost of ~52bps for FY26-28E.
- **Critical to deliver profitability plus growth to sustain valuations:** Given FB's pivot towards enhancing profitability, the bank's ability to exercise pricing power on both sides of the balance sheet, while concomitantly picking up credit growth, is critical to sustain current valuations.

Financial summary

(INR bn)	Q3FY26	Q3FY25	YoY(%)	Q2FY26	QoQ(%)	FY25	FY26E	FY27E	FY28E
NII	26.5	24.3	9.1%	25.0	6.3%	94.7	102.9	126.6	152.7
PPOP	17.2	15.7	9.5%	16.4	4.6%	61.0	69.2	84.9	101.4
PAT	10.3	9.6	7.9%	9.6	8.0%	40.5	40.7	51.8	62.7
EPS (INR)	4.2	3.9	8.8%	3.9	8.8%	16.5	16.6	21.1	23.0
ROAE (%)						13.0	11.5	12.8	12.8
ROAA (%)						1.2	1.1	1.3	1.3
ABVPS (INR)						131.3	147.2	172.6	193.1
P/ABV (x)						2.1	1.8	1.6	1.4
P/E (x)						16.4	16.3	12.9	11.8

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Net advances	2,640	2,623	0.6%	3,060	3,032	0.9%	3,599	3,554	1.3%
NIM (%)	3.1	3.1	-1 bps	3.4	3.4	4 bps	3.6	3.6	0 bps
NII	102.9	102.2	0.6%	126.6	123.6	2.5%	152.7	151.7	0.7%
PPOP	69.2	69.6	-0.6%	84.9	83.1	2.2%	101.4	100.1	1.2%
PAT	40.7	41.4	-1.8%	51.8	51.3	0.8%	62.7	62.1	1.0%
EPS	16.5	16.9	-1.9%	21.0	20.9	0.7%	22.9	25.3	-9.3%
Adj. BVPS (INR)	147.0	147.1	-0.1%	172.3	165.5	4.1%	192.8	188.0	2.6%

Source: Company, HSIE Research

BUY

CMP (as on 16 Jan 2026)	INR 270
Target Price	INR 270
NIFTY	25,694

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR240	INR270
	FY26E	FY27E
EPS %	-1.9%	+0.7%

KEY STOCK DATA

Bloomberg code	FB IN
No. of Shares (mn)	2,461
MCap (INR bn) / (\$ mn)	665/7,320
6m avg traded value (INR mn)	1,951
52 Week high / low	INR 278/173

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	26.0	25.9	38.3
Relative (%)	25.9	24.7	29.8

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	0	0
FIs & Local MFs	49.7	51.1
FPIs	25.5	24.9
Public & Others	24.7	24.0
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Max Financial Services

Strong and profitable growth

Axis Max Life Insurance (AMLI) reported YoY APE/VNB growth of +21/30% for 9MFY26. VNB margin expanded to 23.6% (+170bps YoY), clocking in ahead of our estimates, despite a one-time impact of wage cost (INR0.6bn) and GST ITC disallowance (INR3bn). Contrary to the earlier guidance of impact of 300-350bps on VNB margin due to loss of GST ITC, it was negated to a large extent with mix shift toward non-ULIP segments (9MFY26: 62.7%; H1FY25: 54.6%) and distributor costs rationalization. AMLI sustained strong growth (+57% YoY) in the health and protection business amid its continued focus on rider attachment (attachment rate at ~37%). We expect that, with GST ITC unavailability, VNB margins for FY26E are likely to keep VNB margins under check despite the favourable shift in product mix. We build in 18/21/18% CAGR in the APE/VNB/operating RoEV for FY25-28E; maintain ADD with a TP of INR1,750 (implied 2.2x Sep-27E EV prior to 10% hold-co discount, 6% implied discount to SBILIFE).

- **Likely to become third-largest amongst the private player:** IRNB growth (x1.5 private players) continued to outpace private life insurers for 9MFY26, led by the non-AXSB banca partnerships (+41% YoY), while the proprietary offline channel grew +29%. The AXISB channel continued to show signs of growth fatigue (+8% YoY), though management highlighted that growth in Q4 is likely to rebound in AXISB on a softer base. We believe given the current IRNB growth trends, AMLI will surpass TATAAIA in FY27E to become the third-largest life insurer amongst the private life insurers.
- **Retail protection growth further strengthens:** AMLI continued to increase its mix of term insurance within individual APE to 13.7% (9MFY25: 10.5%), with its relentless focus on pure protection and rider attachments. As the growth in protection business (9MFY26:52%, Q3:>90%) in the proprietary channels was significant, we expect the share of term insurance to average mid-teens over FY26E-FY28E. Amongst the listed players, AMLI has the highest share of the term business in the individual APE.
- **Sustaining current growth levels remains key to current valuation levels:** Management aspires for IRNB growth to be +500bps of the industry, we expect current valuations to factor in nearly a high-teen growth in topline which is important for sustaining the current valuation multiple and hence offers a limited upside.

Financial summary

Particulars	9MFY26	9MFY25	%Change	H1FY26	FY25	FY26E	FY27E	FY28E
APE	69.1	57.3	21	41.8	87.7	106.5	124.5	144.4
VNB	16.3	12.6	30	9.7	21.1	26.7	31.9	37.6
VNB Margin	23.6%	21.9%	170bps	23.3%	24.0%	25.1%	25.6%	26.1%
EV					251.9	296.1	351.8	417.5
P/EV(X)					3.4	2.9	2.4	2.1
P/VNB(X)					40.8	32.2	27.0	22.9
ROEV%					19.1	17.5	18.8	18.7

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	% Δ	New	Old	% Δ	New	Old	% Δ
APE	106.5	103.0	3.4	124.5	119.9	3.9	144.4	139.3	3.6
VNB	26.7	25.1	6.7	31.9	29.7	7.5	37.6	35.2	7.1
VNB Margin (%)	25.1%	24.3%	76bps	25.6%	24.8%	87bps	26.1%	25.2%	84bps
EV	296.1	297.1	-0.3	351.8	351.4	0.1	417.5	416.4	0.3

Source: Company, HSIE Research

ADD

CMP (as on 12 Feb 2026) INR 1,814

Target Price INR 1,750

NIFTY 25,807

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,700	INR 1,750
	FY26E	FY27E
VNB %	+6.7%	+7.5%

KEY STOCK DATA

Bloomberg code	MAXF IN
No. of Shares (mn)	345
MCap (INR bn) / (\$ mn)	626/6,908
6m avg traded value (INR mn)	1,079
52 Week high / low	INR 1,821/950

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	5.5	14.2	66.3
Relative (%)	6.4	9.9	56.4

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	1.7	1.3
FIs & Local MFs	47.3	45.1
FPIs	44.8	47.4
Public & Others	6.2	6.3
Pledged Shares	Nil	Nil

Source : BSE

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Sundaram Finance

Uptick in loan growth; priced to perfection

Sundaram Finance (SUF) reported a steady operating performance, with healthy NII growth and uptick in loan growth (+16% YoY). SUF sustained the uptick in business momentum with disbursements growth of 14% YoY, driven by core M&HCV, cars and tractors segments. While asset quality improved marginally sequentially, management indicated continued cash flow challenges across segments, especially MSMEs driving higher credit costs. As highlighted in our [company update](#), SUF remains a pristine franchise with steady cross-cycle profitability and loan growth. We revise our FY26/FY27E/FY28E earnings estimates to reflect higher loan growth, offset by higher credit costs, and maintain ADD with a revised SoTP-based TP of INR4965 (standalone entity at 3.6x Sep-27 ABVPS).

- **Healthy momentum in disbursements; marginal NIM reflation:** SUF's loan growth improved to +16% YoY, with M&HCV/cars/CE growing at 15%/18.4%/16% YoY. Disbursements growth sequentially was mainly driven by M&HCV, cars and CE, while the retail CV segment remained subdued. With the impact of GST rate cut, strong rural demand and focus on core geographies, we expect the growth momentum to sustain. NIMs reflat by 10bps QoQ with an uptick in asset yields.
- **Credit costs moderating; asset quality yet to normalize:** SUF's asset quality metrics is yet to witness meaningful improvement amidst challenging macro environment due to cash flow challenges across segments, as per management. GS-III/NS-III improved marginally to 1.9%/1.1% (Q2FY26: 2%/1.1%), with credit costs at 0.72% (annualized) vs. 52bps in FY25. While credit costs are expected to improve in Q4, product diversification beyond core M&HCV segment is likely to keep them higher vs. historical levels.
- **Mixed subsidiaries' performance; entity priced to perfection:** SHUF's disbursements moderated (+3% YoY), although profitability remained steady (1.8% RoA). The AMC entity's AUM growth witnessed an uptick (+13% YoY) while the general insurance entity continued to grapple with high COR (119%). SUF remains a robust franchise, delivering strong profitability (core RoE of ~19% for FY25) and maintaining pristine asset quality (cross-cycle credit costs of ~50bps), though the current valuation (~4x Sep-27 ABVPS) leaves little margin of safety.

Financial summary (Standalone)

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	7.6	6.4	18.1	7.1	6.3	24.0	29.3	33.4	39.0
PPOP	6.3	5.6	12.4	6.3	(0.6)	23.0	28.3	32.4	37.7
PAT	4.0	3.5	15.4	3.9	2.2	15.4	18.2	21.9	25.4
EPS (INR)	36.3	31.4	15.4	35.5	2.2	138.8	163.8	196.8	228.8
ROAE (%)						15.0	15.4	16.4	16.8
ROAA (%)						2.8	2.8	2.9	2.9
ABVPS (INR)						788	894	1,036	1,208
P/ABV (x)						5.7	5.0	4.3	3.7
P/E (x)						32.3	27.4	22.8	19.6

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	597	600	0.5%	693	698	0.6%	806	812	0.7%
NIM (%)	4.5	4.6	9 bps	4.5	4.6	3 bps	4.5	4.6	4 bps
NII	28.7	29.3	1.9%	33.2	33.4	0.7%	38.7	39.0	0.8%
PPOP	28.4	28.3	-0.2%	32.3	32.4	0.3%	37.2	37.7	1.2%
PAT	18.6	18.2	-2.4%	21.7	21.9	0.6%	25.1	25.4	1.3%
ABVPS (INR)	897	894	-0.3%	1,039	1,036	-0.2%	1,207	1,208	0.0%

Source: Company, HSIE Research

ADD

CMP (as on 02 Feb 2026) INR 5,359

Target Price INR 4,965

NIFTY 25,088

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 4705	INR 4965
	FY26E	FY27E
EPS %	-2.4%	0.6%

KEY STOCK DATA

Bloomberg code	SUF IN
No. of Shares (mn)	111
MCap (INR bn) / (\$ mn)	595/6,503
6m avg traded value (INR mn)	377
52 Week high / low	INR 5,419/4,200

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	16.6	17.3	19.2
Relative (%)	19.3	16.0	13.8

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	37.2	37.2
FIs & Local MFs	7.4	7.4
FPIs	22.8	22.9
Public & Others	32.6	32.5
Pledged Shares	0.0	0.0

Source: Company

Pledged shares as % of total shares

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Mahindra & Mahindra Financial Services

Gradual strides toward steady earnings

Mahindra & Mahindra Financial Services (MMFS) reported another quarter of improving P&L outcomes, driven by sharp NIM refraction and lower credit costs. However, AUM growth moderated to 12% YoY, led by muted disbursements growth (+7% YoY) despite a strong festive season. With tech transformation, branches restructuring, and asset quality stabilization largely done, MMFS is seeking to drive higher pace of growth and improving profitability. MMFS is also exploring merger of MRHFL into the company in order to scale up the mortgages portfolio. However, there seems limited visibility in RoA refraction beyond 2.1-2.2%, in our view, despite a sharp uptick in fee income. We revise our FY26/FY27 earnings estimates to factor in lower loan growth, offset by higher fee income and maintain ADD with a revised SOTP-based TP of INR 355 (standalone entity at implied 1.8x Sep-27 ABVPS).

- **Sharp NIM refraction, other income drives strong PPOP growth:** MMFS's NIM (calculated) refractioned sequentially by ~42bps to 6.5%, led by lower cost of funds and favorable portfolio mix (lower trade advances). Other income (+90% YoY) remains strong, led by distribution income and dividend income from MIBL. Loan growth moderated to 12% YoY with strong growth in Tractors (23% YoY) and SME (+36% YoY) and muted growth in preowned cars (+9% YoY), CV/CE (4% YoY), and three-wheelers (-2% YoY). Management indicated impact of lower ticket sizes on disbursements growth in Q3 due to GST rate cuts, although volume growth remained strong. MMFS reiterated a cautious stance on preowned cars and portfolio recalibration in CV/CE segment to drive superior risk-adjusted returns.
- **Improving asset quality:** MMFS's stress pool reduced QoQ, with GS-II/GS-III at 5.4%/3.8% (Q2FY26: 5.8%/3.9%). Credit costs improved to 1.3%, driven by lower net slippages (1.6%) and reduction in provisioning of Stage II loans. MMFS reiterated steady state credit costs guidance of ~1.5-1.7%.
- **Need for portfolio diversification to sustain steady earnings:** MMFS has undergone several changes, including tech transformation and process optimization (branch structure re-jig, CPC, etc.), along with adding fee income streams, to drive healthy RoA. However, portfolio diversification (mortgages, SME, etc.) remains critical for driving steady earnings across cycles, which remains a WIP.

Financial summary (Standalone)

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	23.0	19.1	20.6	21.1	9.1	74.3	87.2	101.3	116.5
PPOP	15.4	12.2	26.1	15.0	2.8	47.7	60.2	70.7	80.3
PAT	8.1	9.0	(9.9)	5.7	42.4	23.5	28.2	34.9	39.6
EPS (INR)	5.8	7.3	(19.8)	4.1	42.2	19.0	20.3	25.1	28.5
ROAE (%)						12.4%	12.6%	13.4%	13.9%
ROAA (%)						1.9%	2.0%	2.1%	2.1%
ABVPS (INR)						130.9	151.5	166.4	183.0
P/ABV (x)						2.5	2.1	2.0	1.8
P/E (x)						17.1	16.0	12.9	11.4

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	1,380	1,356	-1.7%	1,590	1,572	-1.1%	1,834	1,825	-0.5%
NIM (%)	6.0	6.1	8 bps	6.1	6.2	8 bps	6.1	6.2	8 bps
NII	86.7	87.2	0.6%	101.5	101.3	-0.3%	116.3	116.5	0.1%
PPOP	59.9	60.2	0.5%	70.1	70.7	0.9%	79.9	80.3	0.5%
PAT	28.6	28.2	-1.2%	34.5	34.9	1.0%	39.2	39.6	1.0%
ABVPS (INR)	151	152	0.6%	165	166	0.9%	181	183	1.0%

Source: Company, HSIE Research

ADD

CMP (as on 28 Jan 2026)	INR 370
Target Price	INR 355
NIFTY	25,343

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 315	INR 355
	FY26E	FY27E
EPS %	-1.2%	1.0%

KEY STOCK DATA

Bloomberg code	MMFS IN
No. of Shares (mn)	1,390
MCap (INR bn) / (\$ mn)	514/5,603
6m avg traded value (INR mn)	1,080
52 Week high / low	INR 412/232

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	23.4	48.6	39.9
Relative (%)	26.1	46.8	31.4

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	52.5	52.5
FIs & Local MFs	32.3	32.4
FPIs	9.6	9.1
Public & Others	5.6	6.0
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Bank of Maharashtra

Sustaining growth and profitability trajectory

Bank of Maharashtra (BOMH) reported a healthy Q3FY26 earnings on the back of strong growth credit growth, stable margins, and in-line asset quality. Loan growth (~20% YoY) was healthy, largely led by retail and corporate segments. Deposit growth (+15% YoY) lagged loan growth, with CASA ratio declining to 49.5% (-81bps QoQ) on account of soft traction in savings a/cs, partly offset by growth in current a/c balances. Credit costs continued to remain lower than 1% with asset quality improving in the agri and MSME segments. We believe BOMH has a superior deposit franchise, stemming from sticky and sizable state and public account balances, reflected in a best-in-class CA mix (~13% of deposits), translating into lower funding costs and a superior margin profile. We raise our FY26E-FY27E estimates by ~9%/3%, factoring in lower tax rates, partly offset by lower margin reflation owing to MCLR re-pricing and a large part of TD re-pricing already behind (shorter duration deposit book). We reiterate BUY, with a revised TP of INR75 (1.4x Sep-27 ABVPS).

- **Stable margins coupled with healthy credit growth:** NII growth (+16%YoY, +5%QoQ) was healthy, with margins remaining flat at 3.9% as lower yield on advances (-27 bps QoQ) owing to rate cut impact and MCLR loan re-pricing was offset by lower cost of funds (-22 bps) on the back of deposit re-pricing and better liquidity management. Loan growth (~20% YoY) was led by home loans (28% YoY), vehicle loans (54% YoY), and gold loans (56% YoY).
- **Asset quality in line:** While gross slippages remained elevated at 1.2%, they were offset by higher write-offs, with credit costs at 97bps (Q2FY26: 92bps). We believe BOMH carries sufficient buffer (ad hoc provisions at INR30bn likely to be available as management overlay, PCR at ~91%) to largely offset the impact of additional ECL provisioning and normalized tax rate.
- **Competitive moats to sustain strong profitability:** With a dominant liability franchise in its home state (strategically expanding to other states), formidable provisioning buffer, and high core profitability, we expect BOMH to sustainably deliver RoAs at 1.5% while maintaining a high-growth trajectory.

Financial summary

(INR bn)	Q3FY26	Q3FY25	YoY(%)	Q2FY26	QoQ(%)	FY25	FY26E	FY27E	FY28E
NII	34.2	29.4	16.3%	32.5	5.4%	116.7	135.1	162.8	191.6
PPOP	27.4	23.0	18.8%	25.7	6.3%	93.2	108.5	128.3	149.9
PAT	17.8	14.1	26.5%	16.3	9.0%	55.2	68.6	76.7	80.7
EPS (INR)	2.3	1.8	26.2%	2.1	9.0%	7.2	8.9	10.0	10.5
ROAE (%)						22.9	21.9	20.5	18.5
ROAA (%)						1.6	1.7	1.6	1.5
ABVPS (INR)						33.6	43.6	51.7	59.0
P/ABV (x)						1.9	1.5	1.3	1.1
P/E (x)						9.1	7.3	6.5	6.2

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Net advances	2,841	2,782	2.1%	3,377	3,301	2.3%	4,022	3,924	2.5%
NIM (%)	3.8	3.9	-7 bps	3.8	4.0	-13 bps	3.9	3.9	-1 bps
NII	135.1	136.4	-1.0%	162.8	166.8	-2.4%	191.6	190.5	0.6%
PPOP	108.5	112.6	-3.7%	128.3	135.1	-5.0%	149.9	152.7	-1.8%
PAT	68.6	63.1	8.7%	76.7	74.5	3.0%	80.7	80.4	0.4%
Adj. BVPS (INR)	43.6	42.4	2.8%	51.7	50.0	3.5%	59.0	55.3	6.7%

Source: Company, HSIE Research

BUY

CMP (as on 13 Jan 2026)	INR 65
Target Price	INR 75
NIFTY	25,732

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR70	INR75
	FY26E	FY27E
EPS %	8.7%	3.0%

KEY STOCK DATA

Bloomberg code	BOMH IN
No. of Shares (mn)	7,692
MCap (INR bn) / (\$ mn)	500/5,548
6m avg traded value (INR mn)	961
52 Week high / low	INR 66/38

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	13.0	16.3	39.6
Relative (%)	11.4	14.9	30.1

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	79.6	73.6
FIs & Local MFs	10.1	13.5
FPIs	2.4	4.9
Public & Others	8.0	9.0
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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Piramal Finance

Gradual strides toward steady operating performance

Piramal Finance (PFL) reported third straight steady quarter of all-round improving operating performance. AUM/disbursements growth remained strong at 23.4%/21% YoY, driven by retail and wholesale 2.0, with steady reduction in legacy (wholesale 1.0) portfolio. Given accrual of monetization gains in Q4FY26 and AIF gains in FY27, we believe there is limited need for incremental provisioning toward the legacy book (INR52bn; 5.4% of AUM) ensuring steady credit costs, going ahead. While cost of funds are likely to improve gradually, sub-par leverage (D/E at 2.7x) is likely to keep RoEs under check, limiting further rerating from current levels. We revise our earnings estimates to factor in adjustment for monetization gains and operating efficiency and maintain ADD with a revised RI-based TP of INR1,710 (implying 1.3x Sep-27 ABVPS).

- **Healthy loan growth; operating efficiency at play:** PFL reported strong NII growth of 31% YoY, driven by healthy loan growth (+23.4% YoY) and lower cost of funds. NIMs are likely to reflate further due to a decline in cost of funds with credit rating upgrade and decline in repo rate and steady asset yields. Operating efficiency continued to improve (opex to AUM at 3.5%; 4.1% in Q2FY26), led by improving productivity levels. Other income declined by 65% YoY due to no AIF recoveries in Q3.
- **Steady asset quality; legacy drag diminishing:** GS-III/NS-III remained broadly steady at 2.46%/1.81% (Q2FY26: 2.43%/1.75%) with GS II at 1.99% (Q2FY26: 2.04%). Wholesale 1.0 book declined to 5.4% of AUM with PCR at 5.9%. However, we expect the gains from Imaging business, stake sale in Shriram life insurance and AIF gains to offset incremental provisioning on this portfolio. Growth portfolio credit costs remained steady at 1.6% of AUM.
- **Improving profitability ahead; low RoE remains a concern:** PFL is poised to deliver improving RoAs on the back of a run-down of the legacy portfolio, improving productivity in growth portfolio and declining cost of funds. However, low leverage (D/E at 2.7x) is likely to keep the RoE subdued at sub-~11% until FY28E, limiting further rerating from current levels (Sep-27 ABVPS at 1.4x). Maintain ADD.

Financial summary (consolidated)

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY(%)	Q2FY26	QoQ(%)	FY25	FY26E	FY27E	FY28E
NII	10.8	8.2	31.4	10.2	6.4	31.8	41.3	56.5	68.5
PPOP	5.0	7.1	(29.4)	4.3	16.5	22.8	19.2	37.1	43.9
PAT	4.0	0.4	940.0	3.3	22.6	4.9	15.0	25.2	30.9
EPS (INR)	17.5	1.7	935.5	14.3	22.7	21.5	66.7	111.7	137.0
ROAE (%)						1.8	5.4	8.6	9.7
ROAA (%)						0.5	1.4	2.0	2.0
ABVPS (INR)						1,131	1,187	1,277	1,383
P/ABV (x)						1.6	1.5	1.4	1.3
P/E (x)						83.3	26.9	16.1	13.1

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	1,001	1,007	0.6%	1,238	1,240	0.1%	1,494	1,503	0.6%
NIM (%)	4.3	4.1	-18 bps	4.8	4.8	-2 bps	4.8	4.8	4 bps
NII	40.9	41.3	0.9%	55.3	56.5	2.2%	67.2	68.5	1.9%
PPOP	27.9	19.2	-31.0%	37.1	37.1	0.1%	48.2	43.9	-9.0%
PAT	15.3	15.0	-1.8%	22.6	25.2	11.5%	29.8	30.9	3.5%
ABVPS (INR)	1,187.4	1,186.8	-0.1%	1,256.3	1,277.4	1.7%	1,353.1	1,382.7	2.2%

Source: Company, HSIE Research

ADD

CMP (as on 23 Jan 2026)	INR 1,794
Target Price	INR 1,710
NIFTY	25,049

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR1350	INR1710
	FY26E	FY27E
EPS %	-1.8%	11.5%

KEY STOCK DATA

Bloomberg code	PIRAMALF IN
No. of Shares (mn)	227
MCap (INR bn) / (\$ mn)	407/4,422
6m avg traded value (INR mn)	-
52 Week high / low	INR 1,955/1,235

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	-	-	-
Relative (%)	-	-	-

SHAREHOLDING PATTERN (%)

	Nov-25	Dec-25
Promoters	46.2	46.2
FIs & Local MFs	14.5	16.3
FPIs	15.1	15.6
Public & Others	24.3	22.0
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Poonawalla Fincorp

Astronomical growth; muted profitability

Poonawalla Fincorp's (PFL) Q3FY26 earnings were lower than our estimates, largely due to higher-than-expected credit costs (2.7%). AUM growth accelerated further to 78% YoY, with fourth straight quarter of 15% sequential growth amidst the current macro environment. With aggressive expansion of distribution and partnerships (DSAs, dealers, counsellors, etc.) and digital initiatives, PFL remains focused on astronomical loan growth across existing and new products, with new products now contributing to ~11% of AUM. However, the P&L outcomes remain subdued (RoA of ~1.2%), driven by elevated opex and credit costs with limited visibility of healthy profitability. We revise our FY26-FY28E earnings estimates to factor in higher loan growth, capital raise and higher credit costs and maintain REDUCE with a revised RI-based TP of INR 390 (implying 2.1x Sep-27 ABVPS).

- **Loan growth – new highs every quarter:** AUM growth (+77.6% YoY; +15.3% QoQ) was largely led by LAP (+121% YoY) and contribution of new products (~11% of AUM). PFL has added 191 branches in 9M, and it is poised to reach 400 branches by Mar-26, as per management. Further, rapid expansion of partnerships (10.5K+ C.D. dealers, 700+ channel partners for CV business, 325+ education consultants, etc.), along with room for further expansion, is likely to drive growth. Other income grew by +173% YoY, driven by strong disbursements growth (+84% YoY) and assignment income.
- **Credit costs remain elevated; normalization key monitorable:** GS-III/NS-III improved QoQ to 1.5%/0.8% (Q2FY26: 1.6%/0.8%) with GS-II at 1.1% (Q2FY26: 1.3%). However, credit costs remained high at 2.7% (annualized), driven by write-offs (2.6% - calculated). While credit costs are expected to moderate gradually, steady state credit costs amidst astronomical growth in multiple new products remain the key monitorable.
- **Steady-state profitability still a while away; limited margin of safety:** PFL's profitability remained subdued (RoA/RoE of 1.2%/6.1%) due to elevated opex (4.3% of AUM) and credit costs. As per management, bulk of the upfront investments are largely done, leading to improvement in operating efficiency. However, we expect RoA to remain below 2.3-2.4% despite expected significant capital raise (~INR 55bn) due to significant moderation in NIM and high opex structure. To that extent, current valuation (2.5x Sep-27 ABVPS) provides little margin of safety. Maintain REDUCE.

Financial summary

Y/E Mar(INR bn)	Q3FY26	Q2FY25	YoY(%)	Q2FY26	QoQ(%)	FY25	FY26E	FY27E	FY28E
NII	9.2	6.1	50.0	7.6	20.5	23.6	33.5	51.9	71.0
PPOP	5.3	3.8	38.4	3.9	36.5	14.3	18.3	31.9	44.7
PAT	1.5	0.2	702.0	0.7	102.5	-1.0	5.0	14.7	20.9
EPS (INR)	1.9	0.2	670.8	1.0	94.7	-1.3	6.2	15.8	22.5
ROAE (%)						-1.2%	5.4%	10.8%	11.5%
ROAA (%)						-0.3%	1.0%	2.1%	2.2%
ABVPS (INR)						101.5	120.0	176.4	195.8
P/ABV (x)						4.6	3.9	2.6	2.4
P/E (x)						NM	75.4	29.4	20.6

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	565	605	7.0%	762	832	9.3%	1,014	1,106	9.0%
NIM (%)	7.3	7.1	-14 bps	7.3	7.4	12 bps	7.2	7.5	24 bps
NII	32.7	33.5	2.4%	47.1	51.9	10.3%	62.8	71.0	13.2%
PPOP	17.6	18.3	3.6%	28.8	31.9	10.6%	39.0	44.7	14.7%
PAT	6.7	5.0	-25.6%	15.1	14.7	-3.0%	20.3	20.9	2.9%
ABVPS (INR)	117	120	2.2%	132	176	33.6%	153	196	27.7%

Source: Company, HSIE Research

REDUCE

CMP (as on 16 Jan 2026)	INR 464
Target Price	INR 390
NIFTY	25,694

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR415	INR390
EPS %	FY26E	FY27E
	-25.6%	-15.8%

KEY STOCK DATA

Bloomberg code	POONAWAL IN
No. of Shares (mn)	813
MCap (INR bn) / (\$ mn)	377/4,149
6m avg traded value (INR mn)	1,122
52 Week high / low	INR 570/267

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(14.0)	2.3	49.1
Relative (%)	(14.1)	1.2	40.6

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	64.0	64.0
FIs & Local MFs	12.3	12.2
FPIs	10.6	10.6
Public & Others	13.1	13.2
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Go Digit General Insurance

Motor loss ratio remains elevated

GODIGIT reported in-line NEP/PAT growth (+4%/+18% YoY); although earnings were supported by higher TP reserve releases, which were partly offset by higher OD loss ratio. CoR was elevated at 110.7%, led by upfronting of acquisition costs on the Motor long-term policies, higher loss ratios across all segments except Motor TP, and lower NWP on account of decline in the RI and lower risk retention in motor OD segment. GODIGIT continues to strengthen its market positioning in the Motor segment (+34bps YoY% for 9MFY26) and gained >50bps share in commercial segments. Given elevated loss ratios in the OD segment (1/4th of the overall NEP), we hack our FY26E/27E/FY28E earnings estimates by -18/-9%/-4% to factor in higher claims ratio and lower retention and revise COR to 110.6%/108.3%/107.4%. We factor in 10%/33% CAGR in NEP/PAT during FY25-28E and maintain ADD with a revised TP of INR350 (implying 36.1x Sep-27E EPS), while remaining cautious on higher OD loss ratios and rising regulatory scrutiny around EOM compliance.

- **Motor loss ratio pangs continues:** GODIGIT continued to report higher loss ratio in the OD segment (Q3FY26: 75.6%; Q3FY25: 69.0%), management highlighted higher share of renewals and higher loss ratio of private cars as a major concern, though price hikes have been taken in Q4FY26 to minimize the impact. Thus, we have increased our loss ratio estimates to reflect the higher loss experience in the OD segment.
- **Changing stance in motor OD risk retention and decline of RI:** Contrary to their earlier views of 100% risk retention in the motor segment, the management ceded a portion of electric-2W portfolio to safeguard itself from the tail risk, leading to lower retention on the motor portfolio. Further, RI inward on the government health business declined to INR0.4bn (Q3FY25: INR2.5bn). Both these factors contribute to lower NWP and hence higher combined ratio. Due to lower RI acceptance (low-cost business), GODIGIT's EOM is likely to breach the regulatory threshold of 30%, leading to concerns on possible regulatory actions.
- **Investment income sustainable; loss ratios to present P&L volatility:** Unlike peers where capital gains form a large portion of investment income, we find GODIGIT's investment income more sustainable (minimal dependence on capital gains). However, higher loss ratios in the motor segment (two-thirds of NEP) are likely to pose elevated volatility to the P&L outcomes.

Financial summary

(INR bn)	3QFY26	3QFY25	YoY%	Q2FY26	FY25	FY26E	FY27E	FY28E
Net written premium	21.5	22.4	(4.2)	21.1	82.3	85.0	96.7	109.3
Net earned premium	21.6	20.8	3.6	20.9	80.5	83.6	94.6	106.2
PAT	1.4	1.2	18.2	1.2	4.2	5.7	7.7	10.1
EPS	1.6	1.4	18.2	1.3	4.6	6.1	8.4	11.0
COR (%)	110.7	108.1	260bps	111.4	109.3	110.6	108.3	107.4
ROE Annualized (%)					10.5	11.4	13.6	15.1
P/E (x)					70.6	53.1	38.8	29.6

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	Revised	Old	Change %	Revised	Old	Change %	Revised	Old	Change %
Net written premium	85.0	92.2	-7.8	96.7	105.4	(8.3)	109.3	117.6	(7.0)
Net earned premium	83.6	90.5	-7.7	94.6	101.5	-6.8	106.2	113.9	-6.7
COR (%)	110.6	107.9	269bps	108.3	106.1	225bps	107.4	105.9	149bps
PAT	5.7	6.9	(17.7)	7.7	8.5	(8.5)	10.1	10.6	(4.2)

Source: Company, HSIE Research

ADD

CMP (as on 22 Jan 2026) INR 325

Target Price INR 350

NIFTY 25,290

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 365	INR 350
	FY26E	FY27E
EPS%	-17.7%	-8.5%

KEY STOCK DATA

Bloomberg code	GODIGIT IN
No. of Shares (mn)	924
MCap (INR bn) / (\$ mn)	300/3,278
6m avg traded value (INR mn)	230
52 Week high / low	INR 381/265

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.2)	(8.3)	13.5
Relative (%)	(5.7)	(8.5)	5.8

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	73.1	73.0
FIs & Local MFs	14.1	14.3
FPIs	8.5	8.3
Public & Others	4.3	4.4
Pledged Shares	Nil	Nil

Source : BSE

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LIC Housing Finance

Prioritizing margins over growth

LIC Housing Finance's (LICHF) Q3FY26 earnings were marginally ahead of our estimates due to higher other income and steady margins. Loan growth remained subdued (+5% YoY), driven by muted disbursements growth (+4% YoY). LICHF continues to prioritize margins over loan growth, with marginal refraction in NIMs at 2.66%, driven by lower cost of funds and no reduction in benchmark lending rate. LICHF's subdued loan growth (11% CAGR during FY15-FY25) amidst elevated competitive intensity in the core home loans segment remains a key monitorable. However, the current subdued valuations (0.6x Sep-27 ABVPS) provide a favorable risk-reward with slight deterioration in profitability during FY26-FY28E. We revise our FY26E-FY28E earnings estimates to factor in lower loan growth and marginally higher NIMs and maintain ADD with a revised RI-based TP of INR 660 (implying 0.8x Sep-27 ABVPS).

- **Steady NIMs, driven by cost of funds tailwinds and limited asset repricing:** LICHF reported muted NII growth of 5% YoY, led by subdued loan growth (+5.1% YoY). Cost of funds declined by 14bps QoQ with incremental cost of funds declining by 1.07% during 9MFY26. This has aided refraction in NIMs to 2.66% (Q2FY26: 2.62%) amidst a declining interest rate environment and elevated competitive intensity. LICHF has kept its benchmark lending rate unchanged to protect its margins, leading to higher BT-outs. However, it has a reduced lending rate of up to 7.15%, in line with peers, in order to drive loan growth. RoA/RoE remained steady at 1.8%/14.5%.
- **Asset quality improves sequentially:** GS-II/GS-III improved QoQ to 3.08%/2.45% (Q2FY26: 3.38%/2.51%), with steady collections and recoveries in the retail segment, while the resolutions in large corporate accounts remain protracted. We expect credit costs at ~20bps during FY26E.
- **Subdued loan growth; risk-reward favorable:** With prioritization of margins, loan growth is likely to remain a challenge for LICHF, particularly in retail home loans. While the management is optimistic about uptick in loan growth going ahead, the elevated competitive intensity and moderate housing demand are likely to weigh on loan growth. However, current valuations (0.6x Sep-27 ABVPS) factor in all these headwinds, making the risk-reward favorable.

Financial summary

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY(%)	Q2FY26	QoQ(%)	FY25	FY26E	FY27E	FY28E
NII	21.0	20.0	5.1	20.4	3.1	81.3	83.2	88.4	96.4
PPOP	19.0	17.5	8.4	18.7	1.2	71.4	75.4	79.1	85.8
PAT	13.8	14.3	(3.4)	13.5	2.2	54.3	54.6	56.7	61.6
EPS (INR)	25.2	26.0	(3.3)	24.6	2.2	98.6	99.2	103.0	111.9
ROAE (%)						16.0%	14.1%	13.0%	12.6%
ROAA (%)						1.8%	1.7%	1.6%	1.6%
ABVPS (INR)						591	680	769	864
P/ABV (x)						0.8	0.7	0.6	0.6
P/E (x)						5.0	5.0	4.8	4.4

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	3,304	3,231	-2.2%	3,577	3,482	-2.7%	3,911	3,799	-2.9%
NIM (%)	2.5	2.6	5 bps	2.5	2.6	6 bps	2.5	2.6	5 bps
NII	82.4	83.2	0.9%	88.6	88.4	-0.2%	97.3	96.4	-0.9%
PPOP	73.8	75.4	2.2%	78.9	79.1	0.2%	86.3	85.8	-0.6%
PAT	53.2	54.6	2.7%	56.8	56.7	-0.2%	62.2	61.6	-0.9%
ABVPS (INR)	677	680	0.5%	764	769	0.6%	859	864	0.6%

Source: Company, HSIE Research

ADD

CMP (as on 02 Feb 2026)	INR 496
Target Price	INR 660
NIFTY	25,088

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 700	INR 660
	FY26E	FY27E
EPS %	2.7%	-0.2%

KEY STOCK DATA

Bloomberg code	LICHF IN
No. of Shares (mn)	550
MCap (INR bn) / (\$ mn)	273/2,982
6m avg traded value (INR mn)	782
52 Week high / low	INR 647/484

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(13.1)	(13.0)	(15.1)
Relative (%)	(10.4)	(14.3)	(20.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	45.2	45.2
FIs & Local MFs	22.1	21.8
FPIs	20.2	20.4
Public & Others	12.5	12.6
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Star Health and Allied Insurance

Early wins; concerns on sustainability

Star Health and Allied Insurance (STARHEAL)'s Q3FY26 NEP growth was in line with our estimates (+12% YoY), although reported PAT plummeted 40% YoY. Sharp decline in PAT was on account of higher burn on new business and lower realized gains from the investment book. Combined ratio cooled off to 102.1% driven by improvement in the loss ratio, partly offset by higher expense ratio on account of long-term policies (>23/50% of fresh business policies/premiums). Our understanding of the business suggests that repricing of the renewal book is likely to be the key for sustained profitability. In our [insurance thematic](#), we had highlighted the structural issues for STARHEAL in terms of agency channel fatigue, inferior product pricing, sub optimal data quality, and poor risk selection. Further, our analysis suggests STARHEAL has been focusing on improving the customer experience, which is evident in the improving claims settlement ratio. Given continued burn on new business and lower realized gains, we hack our FY26/FY27E PAT estimates by 20%/13% and maintain ADD with a DCF-based TP of INR480 (implying 28.3x Sep-27E EPS).

- **Positively surprise on loss ratio:** Loss ratio improved to 68.5% (Q3FY25: 71.4%) on a high base, driven largely by reserve releases and lower claims costs, following GST rationalization on consumables. However, we view this improvement as largely optical, as average claim size rose to INR 41.4K (+9% YoY) and incidence rates increased to 12.2% (+50bps YoY), implying a ~10% increase in loss cost for 9MFY26. Further, the retail portfolio loss ratio for 9MFY26 remained broadly flat at 69.4% (9MFY25: 69.6%), underscoring the absence of any structural improvement.
- **Lower investment gains weigh on earnings; volatility risk persists:** Investment gains (including dividends) declined sharply to INR 0.5bn in 9MFY26, compared to INR 1.8bn in 9MFY25, materially impacting earnings. While current investment income levels appear sustainable, they continue to pose a risk to earnings visibility and volatility, given reliance on management discretion on gains realization.
- **Rerating hinges on sustained improvement in loss ratio and renewal repricing:** Management refrained from providing explicit loss ratio guidance, although it reiterated its aspiration for a mid-teen RoE, supported by an improving combined ratio. In our view, management's earlier PAT (IFRS) guidance for FY28E of INR 25bn remains challenging without a meaningful and sustained improvement in loss ratios, driven primarily by effective repricing of the renewal book. Until evidence of such a structural turnaround emerges, the scope for a meaningful rerating remains limited.

Financial summary

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	FY25	FY26E	FY27E	FY28E
Net earned premium	42.5	38.0	11.9	40.8	148.2	171.9	204.3	237.4
Underwriting profits	-1.2	-0.5	NM	-2.0	-3.7	-5.0	-3.4	-2.5
PAT	1.3	2.2	-40.4	0.5	6.5	5.6	8.6	11.4
EPS	2.2	3.7	-40.4	0.9	11.0	9.6	14.6	19.4
CoR (%)	102.1	103.3	-121bps	103.8	101.1	101.4	100.2	99.7
P/E (x)					40.9	47.1	30.8	23.2
RoE (%)					9.7	7.7	10.7	12.6

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	Revised	Old	Change (%)	Revised	Old	Change (%)	Revised	Old	Change (%)
Net earned premiums	171.9	166.6	3.2	204.3	197.3	3.5	237.4	229.7	3.4
Underwriting profit/(loss)	-5.0	-4.0	23.4	-3.4	-2.9	18.4	-2.5	-2.9	-11.6
CORs	101.4	101.3	3bps	100.2	100.2	-1bps	99.7	100.0	-31bps
APAT	5.6	7.0	-20.1	8.6	9.8	-12.6	11.4	11.3	0.8
RoE (%)	7.7	9.5	-184bps	10.7	12.0	-125bps	12.6	12.2	46bps

Source: Company, HSIE Research

ADD

CMP (as on 29 Jan 2026)	INR 450
Target Price	INR 480
NIFTY	25,419

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR463	INR480
EPS %	FY26E	FY27E
	-20%	-13%

KEY STOCK DATA

Bloomberg code	STARHEAL IN
No. of Shares (mn)	588
MCap (INR bn) / (\$ mn)	265/2,879
6m avg traded value (INR mn)	404
52 Week high / low	INR 534/327

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(6.3)	5.4	2.6
Relative (%)	(3.5)	3.9	(5.3)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	58.0	58.0
FIs & Local MFs	21.1	21.0
FPIs	13.5	14.1
Public & Others	7.4	7.0
Pledged Shares	Nil	Nil

Source : BSE

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Karur Vysya Bank

Continues to deliver

Karur Vysya Bank's (KVB) Q3FY26 earnings significantly beat estimates, led by margin reflation on the back of higher proportion of deposit repricing and better liquidity management, lower provisioning, and healthy growth on both sides of the balance sheet. Strong loan growth (~17% YoY/5% QoQ) was led by MSME, LAP, Gold, Agri, and corporate loans. Deposit growth (+15% YoY) was healthy as the CASA ratio declined to 27.2% (-43bps QoQ). Credit costs came in lower than expected at 47bps (H1FY26: 68bps), with slippages lowering across segments, barring a marginal uptick in the commercial book. We remain constructive on KVB, given its consistent operational performance, a granular portfolio, and benign asset quality. The Board has reappointed Mr. Ramesh Babu as MD and CEO for a period of two years, starting July 2026, subject to the RBI approval. We believe the reappointment augurs well for the bank, given the consistent and stable performance under his tenure. We raise our FY26E/FY27E earnings estimates by ~6%, factoring in higher loan growth and lower provisioning; partly offset by minimal margin reflation. We maintain ADD with a revised TP of INR300 (1.7x Sep-27 ABVPS).

- **Healthy growth coupled with boost in margins:** NII growth of 15% YoY was aided by lower cost of funds (16bps QoQ) on the back of a large proportion of term deposits getting repriced this quarter, translating to NIM reflation of +22bps QoQ to 4.0%. Loan growth (~17% YoY; ~5% QoQ) was led by gold loan (~70% YoY), LAP (~60% YoY), agri (~20% YoY), and commercial banking (~15% YoY) segments.
- **Asset quality improving further:** Gross slippages (0.7% vs Q1FY26: 0.9%) came in lower with lower delinquencies across asset classes, barring a marginal inch-up in commercial banking, leading to significantly lower credit costs at 47bps vs 68bps in H1FY26. We built in an average credit cost of ~60bps over FY26-FY28E, factoring a stable asset quality.
- **Efficiency gains key to sustaining return ratios:** KVB shall largely sustain its loan growth trajectory while continuing to improve its deposit granularity. However, we believe that efficiency gains are crucial to sustain RoAs at 1.7-1.8%, given the expectations of higher provisioning owing to ECL transition and sustained elevated investments in distribution and technology.

Financial summary

(INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	12.4	10.8	14.9%	12.6	-1.7%	42.6	48.5	57.8	66.6
PPOP	10.1	8.2	23.3%	10.2	-1.2%	32.1	38.7	43.0	48.8
PAT	6.9	5.0	39.1%	5.7	20.2%	19.4	24.3	26.7	28.9
EPS (INR)	7.1	5.1	38.9%	5.9	20.2%	24.1	25.2	27.6	29.9
ROAE (%)						17.7	18.6	17.7	16.9
ROAA (%)						1.7	1.9	1.8	1.7
ABVPS (INR)						146.1	144.5	163.2	184.2
P/ABV (x)						1.8	1.8	1.6	1.4
P/E (x)						11.0	10.5	9.6	8.9

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Net advances	979	968	1.1%	1,136	1,113	2.1%	1,318	1,287	2.4%
NIM (%)	4.1	4.1	-7 bps	4.1	4.2	-4 bps	4.2	4.1	3 bps
NII	48.5	48.2	0.5%	57.8	55.3	4.4%	66.6	62.9	5.9%
PPOP	38.7	37.6	3.0%	43.0	40.4	6.2%	48.8	46.6	4.8%
PAT	24.3	22.8	6.5%	26.7	25.1	6.4%	28.9	27.6	4.5%
Adj. BVPS (INR)	144.5	138.3	4.5%	163.2	156.0	4.6%	184.2	176.6	4.3%

Source: Company, HSIE Research

ADD

CMP (as on 23 Jan 2026)	INR 266
Target Price	INR 300
NIFTY	25,049

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 260	INR 300
	FY26E	FY27E
EPS %	+6.5%	+6.4%

KEY STOCK DATA

Bloomberg code	KVB IN
No. of Shares (mn)	966
MCap (INR bn) / (\$ mn)	257/2,790
6m avg traded value (INR mn)	548
52 Week high / low	INR 281/154

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	7.9	17.4	36.5
Relative (%)	11.4	18.9	29.9

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	2.1	2.1
FIs & Local MFs	40.0	40.2
FPIs	15.8	16.9
Public & Others	41.9	40.6
Pledged Shares	0.2	0.2

Source : BSE

Pledged shares as % of total shares

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Angel One

Improving earnings trajectory

ANGELONE's Q3FY26 net revenue was in line with our estimates, although higher-than-expected expenses led to a marginal miss on earnings estimates. Net revenue/PAT grew 9%/27% sequentially, along with strong growth in net broking revenue (+9%), driven by improving client activity and higher distribution income from the lending business (+11%). From 17th Nov'25 onwards, ANGELONE has increased the minimum order charges to INR5 per order (vs. INR2 earlier), bringing it at par with its peers, these pricing measures led to improvement in realisation per order to INR15.6 (+5% sequentially) for Q2FY26. We revise our net revenue estimates for FY26E/FY27E/FY28E by 1%/1%/2% due to healthy uptick in market volumes and price hike and PAT estimates by -7%/-3%/+1% incorporating the higher employee-related costs for FY26E and shifting of IPL related-cost to FY27E. We maintain BUY with a revised TP of INR2,875, valuing it at 17x Sep-27 EPS (annualized).

- **Improving client addition and trading activity:** ANGELONE's average daily client additions grew by +5% QoQ, along with strong growth in average orders per day at 6.2mn orders (+11% QoQ). Average daily orders per client, an indicator of client trading activity, also grew by +8% QoQ, marking a reversal in client activity levels, which had witnessed a significant decline over the last few quarters. We believe the current activity levels are sustainable and likely to continue to drive earnings growth.
- **Price hike to augment profit pools:** ANGELONE has increased the pricing across segments in Q3 effective 17th November (delivery, intraday, and derivatives), with minimum flat brokerage per order at INR 5 vs INR 2 earlier. Additionally, intraday trade charges based on trade size have been increased to align with the delivery pricing. We view these actions as reinforcing management's focus on profitability.
- **Moderation in MTF book growth:** ANGELONE's MTF book growth moderated to +10% QoQ (Q2FY26: 24% QoQ). MTF book witnessed higher adoption (no. of clients up by +12% QoQ); however, this led to a decline in per client exposure to INR 156K (Q2FY26: INR 177K). While SEBI's directive on upstreaming of client funds led to a net negative impact of INR 70mn in Q3, management expects this impact to get offset by the end of Q4FY26.

Financial Summary

(INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Adj. revenues	10,281	9,857	4.3	9,410	9.3	41,306	39,898	48,190	57,098
EBITDA	4,050	4,140	(2.2)	3,246	24.7	16,977	14,222	19,432	24,643
EBITDA Margin (%)	39.4	42.0	-261bps	34.5	489bps	41.1	35.6	40.3	43.2
APAT	2,687	2,815	(4.5)	2,117	26.9	11,721	9,626	13,389	17,173
AEPS	28.8	30.7	(6.2)	22.7	26.8	130.1	106.6	148.3	190.2
P/E (x)						21.2	25.9	18.6	14.5
ROE (%)						27.0	16.0	19.6	21.7

Change in estimates

(INR mn)	FY26			FY27			FY28		
	New	Old	Change %	New	Old	Change %	New	Old	Change %
Net revenue	39,898	39,649	1%	48,190	47,735	1.0%	57,098	55,995	2%
EBITDA	14,222	15,121	-6%	19,432	19,767	-2%	24,643	24,206	2%
EBITDA margin (%)	35.6	38.1	-249bps	40.3	41.4	-109bps	43.2	43.2	-7bps
PAT	9,626	10,389	-7%	13,389	13,760	-3%	17,173	16,965	1%

Source: Company, HSIE Research

BUY

CMP (as on 16 Jan 2026) INR 2,752

Target Price INR 2,875

NIFTY 25,694

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	2,720	2,875
	FY26E	FY27E
EPS%	-7%	-3%

KEY STOCK DATA

Bloomberg code	ANGELONE IN
No. of Shares (mn)	91
MCap (INR bn) / (\$ mn)	250/2,752
6m avg traded value (INR mn)	2,432
52 Week high / low	INR 3,285/1,941

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	10.9	1.3	10.7
Relative (%)	10.7	0.2	2.3

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	29.0	28.9
FIs & Local MFs	16.4	14.9
FPIs	14.7	13.1
Public & Others	39.9	43.1
Pledged Shares	Nil	Nil

Source : BSE

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The New India Assurance Company

A year of one-offs

NIACL printed NEP growth at 10%, in line with of our estimates, as PAT missed our estimates, owing to continued provision for wage revisions and higher motor loss ratios. NIACL maintained its GI leadership position with a share of 13.4% (9MFY25: 12.8%; FY25: 12.6%), primarily led by group health segment (+17% YoY). NIACL continued to recalibrate its motor portfolio, which was largely skewed toward the commercial vehicle segment. We believe PSU insurers seldom exercise the right of refusal, resulting in inferior outcomes in terms of profitability. During 9MFY26, NIACL also provided for the arrears of wage revision amounting to INR25bn and have offset this impact with higher investment gains to the tune of INR20bn specifically to neutralize this. After a strong improvement in profitability in FY25, CoR has continued to disappoint due to motor segment's consistently higher loss ratio and one-off impact from wage arrears, and large catastrophic losses; we expect CoR to remain elevated for FY26E. Our forecasts imply 9/22% NEP/PAT CAGR over FY25-28E, driven by improvement in underwriting performance and moderation in the float income from the investment book (AUM ~INR0.9trn). We maintain an ADD with a revised TP of INR175 (0.7x Sep-27 BV).

- **Investment income to the rescue:** NIACL's investment book stood at ~INR0.9trn with equity allocation of 30% in FY25. Capital gains contributed ~49% of the investment income in 9MFY26 (FY25:35%), higher than the corresponding contribution in larger private peers. The gains were significantly higher to offset the drag from the wage cost arrears (INR25bn). Further, the fair value change account has a balance of INR200bn in the form of unrealized gains, which we believe is likely to offer cushion for further provisioning of ~INR7-8bn due to revision in family pension (pending notification). Management guided for moderation in investment gains from next year onwards.
- **Improvement in motor business matrices key to sustained profitability:** NIACL have lost market share (-85bps YoY) in motor segment, owing to recalibration of the overall motor portfolio. NIACL aims to improve motor business performance by adopting a geographically focused growth strategy, increasing exposure to private cars (9MFY26: 37% share) while reducing dependence on the loss-making commercial vehicle segment (9MFY26: 47% share in Motor TP segment). We believe these shifts are expected to take a hit on growth in near term though would support profitability in the coming years.

Financial summary

(INR bn)	Q3FY26	Q3FY25	YoY(%)	Q3FY26	QoQ(%)	FY24	FY25	FY26E	FY27E	FY28E
Net written premium	97.2	89.7	8.4	88.7	9.6	345.9	365.1	398.2	432.7	476.6
Net earned premium	97.71	90.70	7.7	94.55	3.3	341.9	355.4	387.5	424.9	468.0
RPAT	3.80	3.48	9.2	0.57	572.2	10.9	10.0	12.2	16.2	19.8
COR	118.0	116.3	163bps	139.5	-2158bps	122.7	116.7	126.5	116.6	116.1
BV/share						238.5	234.3	228.4	239.0	251.4
P/E (x)						21.7	22.8	19.8	15.0	12.3
P/ABV (x)						0.6	0.6	0.6	0.6	0.6
ROE (%)						4.2	3.7	4.2	5.5	6.4

Change in estimates

(INR bn)	FY26E			FY27E		
	New	Old	% change	New	Old	% change
Net written premium	398.2	390.2	2.1	432.7	425.2	1.7
Net earned premium	387.5	382.4	1.3	424.9	417.6	1.7
RPAT	12.2	13.7	(10.7)	16.2	17.6	(8.1)
COR	126.5	116.1	1034bps	116.6	114.8	177bps
BV/share	228.4	255.1	(10.5)	239.0	278.3	(14.1)
ROE (%)	4.2	4.6	-36bps	5.5	4.6	89bps

Source: Company, HSIE Research

ADD

CMP (as on 02 Feb 2026)	INR 147
Target Price	INR 175
NIFTY	25,088

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 200	INR 175
EPS%	FY26E	FY27E
	-11%	-8%

KEY STOCK DATA

Bloomberg code	NIACL IN
No. of Shares (mn)	1,648
MCap (INR bn) / (\$ mn)	241/2,637
6m avg traded value (INR mn)	237
52 Week high / low	INR 215/135

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(21.7)	(22.4)	(18.1)
Relative (%)	(19.0)	(23.7)	(23.5)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	85.4	85.4
FIs & Local MFs	11.2	11.2
FPIs	1.0	1.0
Public & Others	2.4	2.4
Pledged Shares	Nil	Nil

Source : BSE

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Bandhan Bank

Elevated stress sustains, long road to credibility

Bandhan Bank's (BANDHAN) Q3FY26 earnings missed estimates on account of higher-than-expected credit costs (3.4% annualized), led by continued stress in the micro-banking portfolio. Deposit growth was muted (11% YoY/ -0.9% QoQ), while CASA ratio slipped further to 27.3% (-70bps QoQ), owing to soft traction in savings accounts. While the slippages in the MFI segment are improving gradually, the credit costs remain significantly elevated, contrary to industry trends wherein significant reduction in stress is visible. BANDHAN continues to guide for a shift in its loan mix toward secured loans, improving the quality of its deposit franchise and further tightening its underwriting/compliance practices. We believe the path to regain regulatory credibility and achieve portfolio stability is likely to be protracted. We cut our FY26E/FY27E/FY28E earnings by ~42%/13%/8% each, factoring in elevated credit costs and relatively limited margin reflation; we maintain **REDUCE** with a revised TP of INR130 (implied 0.8x Sep-27 ABVPS).

- **Asset quality remains a concern:** GNPA/NNPA came down to 3.3%/1.0% (Sep-25: 5.0%/1.4%) on the back of NPA sale (INR32bn) and sale of written-off book (INR37bn). EEB portfolio slippages (INR9.4bn vs Q2FY26: INR10.9bn), although improved, continued to be elevated, keeping the overall credit cost elevated for 9MFY26 at 3.5%. We raise our average credit costs to 270bps during FY26E-27E vs 240bps earlier.
- **Soft loan growth; gradual NIM improvement:** Loan growth of ~11% YoY/~5% QoQ was driven by retail (57% YoY) and commercial banking segments (33% YoY), offset by continued de-growth in the EEB book. We build in a 13% loan CAGR during FY25-27E against management guidance of 15-17%. Change in portfolio mix toward secured loans and the repo cut impact is likely to erode NIMs by 70bps from the highs of 7.0% in FY25 to 6.3% in FY27-FY28E (factoring in deposit re-pricing benefit in FY27).
- **Essential to regain stakeholder confidence:** Steady state RoAs are likely to stay muted, owing to gradual stress reduction in the MFI portfolio, rising mix of secured lending, and elevated opex intensity toward improving compliance practices. We argue that portfolio stability and predictability are crucial to BANDHAN regaining stakeholder credibility.

Financial summary

(INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY25	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	26.9	28.3	-5.0%	25.9	3.9%	114.9	110.4	130.2	146.2
PPOP	14.5	20.2	-28.5%	13.1	10.3%	73.9	61.7	74.4	83.0
PAT	2.1	4.3	-51.8%	1.1	83.8%	27.5	12.5	27.5	33.9
EPS (INR)	1.3	2.7	-51.7%	0.7	85.5%	17.0	7.8	17.1	21.0
ROAE (%)						11.9	5.0	10.4	11.6
ROAA (%)						1.5	0.6	1.2	1.4
ABVPS (INR)						142.2	147.8	162.4	180.9
P/ABV (x)						1.0	1.0	0.9	0.8
P/E (x)						8.4	18.4	8.4	6.8

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Net advances	1,465	1,478	-0.9%	1,667	1,691	-1.4%	1,904	1,939	-1.8%
NIM (%)	6.0	6.3	-31 bps	6.3	6.8	-42 bps	6.3	6.7	-38 bps
NII	110.4	116.9	-5.5%	130.2	140.7	-7.5%	146.2	157.6	-7.2%
PPOP	61.7	68.1	-9.5%	74.4	82.1	-9.5%	83.0	89.4	-7.2%
PAT	12.5	21.8	-42.4%	27.5	31.6	-12.9%	33.9	36.9	-8.0%
Adj. BVPS (INR)	147.8	149.0	-0.8%	162.4	166.8	-2.6%	180.9	187.0	-3.3%

Source: Company, HSIE Research

REDUCE

CMP (as on 22 Jan 2026)	INR 142
Target Price	INR 130
NIFTY	25,290

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 145	INR 130
	FY26E	FY27E
EPS %	-42.4%	-12.9%

KEY STOCK DATA

Bloomberg code	BANDHAN IN
No. of Shares (mn)	1,611
MCap (INR bn) / (\$ mn)	229/2,505
6m avg traded value (INR mn)	1,135
52 Week high / low	INR 192/128

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(14.2)	(21.3)	(6.0)
Relative (%)	(11.7)	(21.4)	(13.7)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	40.3	39.7
FIs & Local MFs	17.9	18.8
FPIs	23.4	22.3
Public & Others	18.4	19.1
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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PNB Housing Finance

A weak quarter

PNB Housing Finance's (PNBHF) Q3FY26 earnings were lower than our estimates due to lower-than-expected NIMs, partially offset by lower credit costs (-19bps). Loan growth moderated further to 14.3% YoY, driven by higher run-offs in retail portfolio and subdued overall demand. The new MD & CEO, Mr. Ajai Kumar Shukla, has indicated revival of the corporate loan book up to ~8-10% of loan book in the medium term, to aid margins, along with emerging and affordable portfolio. However, the gradual normalization of credit costs and seasoning of the emerging and affordable portfolio are likely to put pressure on return ratios. We revise our FY26E-FY28E earnings estimates marginally to factor in lower margins and maintain ADD with a revised RI-based TP of INR 1,050 (implying 1.3x Sep-27 ABVPS).

- **Recalibration of affordable portfolio, higher BT-outs drive lower than expected performance:** PNBHF's disbursements grew by +15.6% YoY, with de-growth in affordable portfolio by ~15% YoY due to recalibration in select geographies. Repayment rates in the retail segment increased further to 19% (Q1FY26: 16%) due to higher BT-outs. PNBHF has kept the benchmark lending rate unchanged in Q3, with a 10bps rate cut in Jul-25. NIMs moderated QoQ to 3.63% (QFY26: 3.67%) due to lower disbursement yields and suboptimal portfolio mix in Q3, partly aided by lower cost of funds (7.5%).
- **Credit costs remain negative; normalization yet to play out:** Asset quality improved sequentially, with GS-III/NS-III at 1.0%/0.7% and GS-II at 2.0%. Credit costs are likely to remain negative in FY26 on the back of a large written-off pool (INR 10bn). However, the seasoning of the emerging and affordable portfolio, along with run-down of these recoveries, is likely to drive credit costs higher (~20bps during FY27-FY28E).
- **Strategy remains toward higher-yielding loans; transition toward steady-state profitability key monitorable:** The new MD & CEO has indicated continued focus on emerging and affordable portfolio (~45-50% of retail loans by Mar-28), along with revival of the corporate loan book. However, higher run-off rates in the declining interest rate environment, uptick in credit costs with seasoning of emerging/affordable portfolio and lower recoveries from written-off pool are likely to weigh on profitability. Maintain ADD.

Financial summary (Consolidated)

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	7.7	6.9	11.0	7.5	2.1	27.2	30.7	37.7	44.0
PPOP	6.3	5.8	8.4	6.5	(2.9)	23.3	26.1	32.4	38.2
PAT	5.2	4.8	7.7	5.8	(10.5)	19.4	21.9	23.4	27.6
EPS (INR)	19.9	18.5	7.6	22.3	(10.6)	74.5	84.4	90.0	106.3
ROAE (%)						12.2	12.3	11.7	12.3
ROAA (%)						2.5	2.5	2.3	2.3
ABVPS (INR)						629	706	780	871
P/ABV (x)						1.4	1.2	1.1	1.0
P/E (x)						11.5	10.2	9.6	8.1

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	917	910	-0.8%	1,063	1,056	-0.6%	1,241	1,218	-1.9%
NIM (%)	3.5	3.5	-5 bps	3.7	3.7	-2 bps	3.8	3.7	-11 bps
NII	31.4	30.7	-2.1%	38.4	37.7	-1.9%	45.9	44.0	-4.0%
PPOP	26.8	26.1	-2.4%	33.0	32.4	-2.1%	40.0	38.2	-4.6%
PAT	22.3	21.9	-1.6%	24.0	23.4	-2.3%	29.1	27.6	-4.9%
ABVPS (INR)	704.5	705.8	0.2%	782.4	780.4	-0.3%	879.5	870.8	-1.0%

Source: Company, HSIE Research

ADD

CMP (as on 22 Jan 2026)	INR 860
Target Price	INR 1,050
NIFTY	25,290

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,140	INR 1,050
EPS %	FY26E	FY27E
	-1.6%	-2.3%

KEY STOCK DATA

Bloomberg code	PNBHOU5I IN
No. of Shares (mn)	261
MCap (INR bn) / (\$ mn)	224/2,445
6m avg traded value (INR mn)	1,688
52 Week high / low	INR 1,142/746

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(1.8)	(20.8)	(5.6)
Relative (%)	0.8	(21.0)	(13.3)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	28.0	28.0
FIs & Local MFs	40.7	43.0
FPIs	18.6	17.2
Public & Others	12.7	11.7
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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City Union Bank

Sustaining strong growth and margin trajectory

City Union Bank's (CUBK) Q3FY26 earnings were in line with estimates. There was strong growth on both sides of the balance sheet and significant margin reflation was offset by a higher provisioning buffer. Strong loan growth (21% YoY) was led by the gold and MSME segments while the retail book continued to scale rapidly. Deposit growth (21% YoY) hugged loan growth, with CASA ratio declining to 27.3% (-84bps QoQ). Margins improved significantly to 3.9% (+26bps QoQ), benefitting from lower cost of funds and yield improvement (despite rate cut impact). Management continues to shore up its provisioning buffer with surplus gains. We believe CUBK is likely to maintain its growth trajectory, with sustained traction in the MSME book and a notable expansion in secured retail portfolios, while maintaining a healthy asset quality. We tweak our FY26E/FY27E/FY28E estimates by -3%/+3%/+2%, factoring in stronger growth, better margins, partly offset by higher provisioning. We maintain BUY with a revised TP of INR295 (1.7x Sep-27 ABVPS).

- **Strong growth momentum coupled with healthy margins:** Loan growth was strong (21% YoY, 7% QoQ), with continued traction in core MSME and gold loans and scaling of the retail portfolio. We build in ~19% loan CAGR over FY26-FY28E, led by MSME, gold loans, and secured retail book. NIMs improved to 3.9%, with improvement in yields (+7bps QoQ), from better incremental pricing in gold and MSME segments, coupled with lower cost of funds (-15bps QoQ), from faster re-pricing of deposits.
- **Continue to shore up provisions:** While gross slippages increased to ~1.3% (Q2FY26: 1.1%), net slippages continued to be minimal (0.2%). CUBK as a prudent measure made higher standard provisions of INR2.2bn, while also increasing its PCR to 64.4% vs 63.2% as of Sep-25.
- **Sustained loan growth and strong margins to drive earnings:** We believe that CUBK shall keep monetizing its investments in digital lending (MSME book) and secured retail segments (HL, Mirco LAP, and VL) to deliver better throughput and gain market share. Sustained growth in the core MSME segment, coupled with expansion of retail portfolios, is likely to drive improved return ratios.

Financial summary

(INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	7.5	5.9	28.0%	6.7	12.8%	23.2	28.1	34.8	41.7
PPOP	5.1	4.4	17.7%	4.7	9.0%	16.8	19.6	24.8	29.1
PAT	3.3	2.9	16.1%	3.3	1.1%	11.2	13.2	16.5	18.7
EPS (INR)	4.5	3.8	16.4%	4.4	0.7%	15.2	17.8	22.3	25.2
ROAE (%)						12.6	13.2	14.5	14.4
ROAA (%)						1.5	1.6	1.7	1.6
ABVPS (INR)						118.7	137.6	157.0	178.5
P/ABV (x)						2.4	2.1	1.8	1.6
P/E (x)						18.9	16.1	12.9	11.4

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Net advances	632	611	3.4%	752	711	5.8%	888	832	6.7%
NIM (%)	3.6	3.5	7 bps	3.7	3.6	7 bps	3.8	3.8	-3 bps
NII	28.1	27.2	3.2%	34.8	33.0	5.5%	41.7	40.2	3.8%
PPOP	19.6	20.5	-4.4%	24.8	24.8	0.3%	29.1	29.1	-0.3%
PAT	13.2	13.6	-2.8%	16.5	16.1	2.7%	18.7	18.3	2.0%
Adj. BVPS (INR)	137.6	138.4	-0.6%	157.0	156.9	0.0%	178.5	178.3	0.1%

Source: Company, HSIE Research

BUY

CMP (as on 02 Feb 2026)	INR 285
Target Price	INR 295
NIFTY	25,088

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR270	INR295
	FY26E	FY27E
EPS %	-2.8%	+2.7%

KEY STOCK DATA

Bloomberg code	CUBK IN
No. of Shares (mn)	742
MCap (INR bn) / (\$ mn)	212/2,314
6m avg traded value (INR mn)	739
52 Week high / low	INR 305/143

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	24.8	33.5	66.5
Relative (%)	27.5	32.1	61.2

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	0.0	0.0
FIs & Local MFs	36.8	40.2
FPIs	26.0	23.5
Public & Others	37.3	36.3
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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RBL Bank

Unsecured stress continues to dampen earnings

RBL Bank's (RBK) Q3FY26 earnings missed estimates, owing to sustained stress in the unsecured segments, especially credits card book, and one-time expense of INR320mn, owing to new labour codes. Deposit growth picked up marginally to 12% YoY even as the CASA% slipped further to 30.9% (-98bps QoQ). Loan growth (14% YoY) was led by wholesale, secured retail, and MFI segments, while credit cards book continued to de-grow. Credit costs were higher than expected owing to continued stress in the credit card segment, while delinquencies in the MFI book continued to decline. While RBK's proposed landmark transaction with NBD Emirates (subject to regulatory approvals) is likely to infuse significant equity (and will be accompanied by major equity dilution), we argue that the franchise handicaps of sub-par deposit franchise, lack of competitive moats on the asset side, and persistently high opex ratios are likely to dominate any potential upsides from the deal. We cut our FY26E/FY27E earnings by ~14%/~4%, factoring in elevated provisioning. We maintain REDUCE with a revised TP of INR230 (0.8x Sep-27 ABVPS).

- **Steady growth with some pick-up in margins:** NII growth (5% YoY) was led by pick-up in disbursements (especially MFI) and NIMs (+12 bps QoQ), as margins were aided by deposit repricing and CRR cuts. Loan growth (14% YoY) was driven by growth in wholesale (20% YoY), secured retail (25% YoY) and MFI (14% QoQ), as the credit cards continued to de-grow (-3% QoQ).
- **Stress in credit card book to linger on:** Gross slippages (3.6% v/s Q2FY26: 3.8%) and credit costs (2.5% v/s Q2FY26: 2.1%) remained elevated owing to stress in the credit card segment following the end of BAF co-branded partnership in Dec-24. RBK has also guided of a one-time impact owing to ECL transition of INR 17bn (~10% of net-worth) in FY28. We build in average credit costs of ~2.0% over FY26-28E, factoring in continued elevated stress.
- **Structural challenges to achieving sustainable earnings:** RBK is faced with multiple structural handicaps (sub-par deposit franchise, lack of competitive moats on the asset side of the balance sheet, and persistently high opex ratios) and cyclical stress in the unsecured portfolios. We see fundamental challenges to its medium-term aspirations of delivering >1% RoA sustainably.

Financial summary

(INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	16.6	15.9	4.6%	15.5	16.6	64.6	65.0	77.0	90.7
PPOP	9.1	10.0	-8.4%	7.3	9.1	36.3	34.2	38.7	46.2
PAT	2.1	0.3	555.5%	1.8	2.1	7.0	9.1	14.2	19.3
EPS (INR)	3.5	0.5	556.6%	2.9	3.5	11.4	14.9	23.4	31.7
ROAE (%)						4.6	5.7	8.3	10.3
ROAA (%)						0.5	0.6	0.8	1.0
ABVPS (INR)						252.3	262.7	283.9	312.4
P/ABV (x)						1.3	1.2	1.1	1.0
P/E (x)						28.4	21.8	13.9	10.2

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Net advances	1,072	1,065	0.7%	1,239	1,227	1.0%	1,451	1,432	1.4%
NIM (%)	4.8	4.9	-12 bps	4.9	5.1	-17 bps	5.1	5.2	-14 bps
NII	65.0	66.4	-2.0%	77.0	78.9	-2.4%	90.7	92.3	-1.8%
PPOP	34.2	33.1	3.1%	38.7	41.7	-7.3%	46.2	48.7	-5.1%
PAT	9.1	10.6	-14.1%	14.2	14.8	-4.1%	19.3	20.0	-3.7%
Adj. BVPS (INR)	262.7	262.4	0.1%	283.9	286.9	-1.1%	312.4	315.6	-1.0%

Source: Company, HSIE Research

REDUCE

CMP (as on 16 Jan 2026)	INR 325
Target Price	INR 230
NIFTY	25,694

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR220	INR230
EPS %	FY26E -14.1%	FY27E -4.1%

KEY STOCK DATA

Bloomberg code	RBK IN
No. of Shares (mn)	617
MCap (INR bn) / (\$ mn)	200/2,205
6m avg traded value (INR mn)	3,159
52 Week high / low	INR 332/146

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	5.8	20.6	104.8
Relative (%)	5.7	19.5	96.3

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	0.0	0.0
FIs & Local MFs	35.7	40.0
FPIs	15.5	21.9
Public & Others	48.9	38.0
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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CreditAccess Grameen

Gradual reversion to steady state

CreditAccess Grameen (CREDAG) reported improved operating performance, driven by significant moderation in credit costs (5.3%). Business momentum witnessed a further uptick with AUM/disbursals growth of 7.1%/13% YoY, driven by retail finance (14% of AUM), while the growth in group loans remained muted. Asset quality improved further with reducing PAR-0 portfolio (4.4% vs. 4.7% in Q2FY26) and improving monthly PAR 15+ accretion rate. With improvement in credit environment, we expect loan growth to further gain traction during FY27-FY28, driven by borrower additions and retail finance. We revise our FY26E/FY27E/FY28E earnings estimates to factor in higher NIMs, offset by higher credit costs in FY28, and maintain ADD with a revised RI-based TP of INR1,425 (implying 2.4x Sep-27 ABVPS). We expect the premium multiple to sustain due to superior cross-cycle operating performance.

- **NIM reflation, lower credit costs drive strong earnings growth:** CREDAG reported RoA/RoE of 3.5%/13.8% (annualized) vs. 1.9%/7.9% in FY25. AUM growth witnessed an uptick (+7.1% YoY), despite reduction in the number of borrowers (-8.4% YoY), driven by retail finance (+200% YoY) and increasing contribution of vintage borrowers (>6 yrs). Opex ratios inched up with opex to AUM at 5.4% (C/I at 34%), partly driven by the impact of wage bill. NIMs reflat sequentially by 60bps to 13.9%, due to lower cost of funds and lower interest reversals, and is likely to reflate further as lending rates increase.
- **Asset quality normalizing:** GS-III/NS-III deteriorated sequentially to 4%/1.4%, with PAR-0/PAR-30 at 4.4%/3.8% (Sep-25: 4.7%/3.7%). With improving monthly PAR 15+ accretion rate at 37/18bps in Nov'25/Dec'25, management expects credit costs to improve further in Q4. However, credit costs are likely to be ~4-4.5% for FY27, assuming monthly PAR 15+ accretion rate of 30bps, due to the impact of ECL model refresh in FY27.
- **Portfolio diversification to augment loan growth:** CREDAG's retail finance grew by +200% YoY, driven by unsecured loans, well ahead of management guidance. This is likely to augment the overall loan growth with AUM growth in group loans at ~15%, largely led by new borrower additions. However, higher steady state credit costs compared to previous cycles are likely to drive RoA to ~4.5% for CREDAG.

Financial summary (consolidated)

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	9.8	8.6	13.1	9.3	4.4	36.0	38.3	45.1	53.0
PPOP	6.8	6.2	9.2	6.9	(2.1)	26.4	27.9	32.8	38.1
PAT	2.5	(1.0)	NM	1.3	100.4	5.3	8.0	14.8	19.8
EPS (INR)	15.7	(6.2)	NM	7.8	100.3	33.3	50.2	92.8	123.8
ROAE (%)						7.9	10.9	17.4	19.3
ROAA (%)						1.9	2.7	4.2	4.7
ABVPS (INR)						385.5	440.4	542.4	664.9
P/ABV (x)						3.2	2.8	2.3	1.9
P/E (x)						37.3	24.8	13.4	10.0

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	296.9	291.5	-1.8%	349.9	346.2	-1.1%	413.1	410.5	-0.6%
NIM (%)	12.7	12.9	16 bps	12.9	13.1	23 bps	12.8	13.0	24 bps
NII	38.2	38.3	0.2%	45.0	45.1	0.2%	52.7	53.0	0.6%
PPOP	28.1	27.9	-1.0%	32.7	32.8	0.4%	37.9	38.1	0.6%
PAT	7.8	8.0	2.5%	14.7	14.8	0.9%	20.8	19.8	-5.1%
ABVPS (INR)	438.5	440.4	0.4%	540.5	542.4	0.4%	668.3	664.9	-0.5%

Source: Company, HSIE Research

ADD

CMP (as on 20 Jan 2026)	INR 1,243
Target Price	INR 1,425
NIFTY	25,233

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,450	INR 1,425
	FY26E	FY27E
EPS %	2.5%	0.9%

KEY STOCK DATA

Bloomberg code	CREDAG IN
No. of Shares (mn)	160
MCap (INR bn) / (\$ mn)	199/2,187
6m avg traded value (INR mn)	541
52 Week high / low	INR 1,490/750

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(3.4)	(2.1)	24.3
Relative (%)	(0.8)	(2.7)	17.7

SHAREHOLDING PATTERN (%)

	Sep25	Dec-25
Promoters	66.4	66.3
FIs & Local MFs	13.3	13.2
FPIs	12.3	11.7
Public & Others	8.0	8.8
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Niva Bupa Health Insurance

Accounting noise; fundamentals intact

NIVABUPA reported mixed P&L outcomes, largely on the back of its continued migration to 1/n accounting, adversely impacting its reported topline and loss ratios. NEP was ahead of our estimates, owing to strong growth in the quarter although loss ratio was higher than our estimates on account of group business and 1/n accounting. Notwithstanding the noise around accounting distortions, we believe that NIVABUPA continues to enjoy competitive moats around its use of analytics for risk selection and product pricing, and an affluent customer base (premium per life insured ~10% higher than peers), translating into best-in-class loss ratios (favorable ULR) and superior profitability. We have increased our NEP/PAT CAGR estimates to 27/27% for FY25-FY28E, with COR likely to improve to 99.5% by FY28E (FY25: 101.2%). We maintain BUY with an unchanged DCF-based TP of INR95 (40.4x Mar-28 EPS), as the 1/n accounting is likely to continue distorting the reported P&L outcomes until FY27E.

- **1/n distorting P&L outcomes:** Loss ratios for 9MFY26 rose sharply to ~73.6% (9MFY25: 63.4%), led by: (a) transition to 1/n accounting (~5.9% impact), which is likely to normalize by FY28E and (b) participation in lumpy corporate group health business (~6.6% impact), which we expect to considerably moderate in Q4FY26. Accordingly, we have revised our loss ratio assumptions for FY26E/FY27E to ~66.3%/66.0%, which may improve further to ~64% by FY28E. Encouragingly, both expense and commission ratios have improved to 38.3% in 9MFY26, (down 340bps YoY), despite absorbing a ~40bps one-off impact from implementation of new labor codes.
- **EOM compliance likely by year-end:** NIVABUPA has received regulatory communication from IRDAI in Jan-26 directing it to report EOM on a 1/n basis. EOM stood at 36.3% in 9MFY26 (down 413bps YoY), although management remains confident of achieving compliance by the year-end. With heightened regulatory scrutiny, it could pose a risk to near-term growth.
- **Quality customer franchise:** Our analysis suggests that NIVABUPA caters to a relatively more affluent customer base, as reflected in the higher sum assured compared to its peers (~80% of fresh policies have a sum assured > INR 1mn). Further, our analysis suggests that NIVABUPA has a superior premium per life insured (PPL), backed by consistent growth in the number of lives, efficient claims management, and lowest loss cost among peers, driving sustainably lower loss ratios.

Financial summary

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net earned premium)	14.5	11.4	28.0	14.2	2.2	48.9	60.6	77.9	100.0
Underwriting profits	-2.3	-1.0	128.5	-1.8	NM	-2.5	-4.4	-5.3	-3.7
PAT	-0.9	0.1	NA	-0.4	NM	2.1	1.7	2.3	4.3
EPS	-0.5	0.0	NA	-0.2	NM	1.2	1.0	1.3	2.4
CoR (%)						101.2	103.0	101.9	99.5
P/B (x)						3.8	3.6	3.4	3.1
P/E (x)						67.1	81.7	60.8	33.1
RoE (%)						6.3	4.5	5.8	9.8

Change in estimates

(INR bn)	FY26			FY27			FY28		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Net earned premiums	60.6	58.7	3.3	77.9	73.4	6.1	100.0	94.3	6.1
Underwriting profit	-4.4	-4.2	4.6	-5.3	-5.3	0.3	(3.7)	(3.6)	0.8
APAT	1.74	1.94	-10.0	2.34	2.36	-0.8	4.31	4.33	(0.5)
COR(%)	103.0	103.9	-88bps	101.9	102.3	-31bps	99.5	99.7	-15bps
RoE (%)	4.5	5.0	-49bps	5.8	5.8	-2bps	9.8	9.8	0bps

Source: Company, HSIE Research

BUY

CMP (as on 29 Jan 2026)	INR 78
Target Price	INR 95
NIFTY	25,419

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR95	INR95
	FY26E	FY27E
EPS %	-10%	-1%

KEY STOCK DATA

Bloomberg code	NIVABUPA IN
No. of Shares (mn)	1,847
MCap (INR bn) / (\$ mn)	144/1,567
6m avg traded value (INR mn)	188
52 Week high / low	INR 95/61

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	3.9	(7.5)	(3.2)
Relative (%)	6.7	(9.0)	(11.0)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	55.4	55.4
FIs & Local MFs	15.1	15.3
FPIs	10.8	10.7
Public & Others	18.7	18.6
Pledged Shares	Nil	Nil

Source : BSE

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Aptus Value Housing Finance India

High profitability; moderating growth

APTUS's Q3FY26 earnings were marginally below our estimates due to lower AUM growth, partly offset by high assignment income (~16% of PBT). Disbursements growth continued to moderate (+11% YoY; 9% YoY in 9MFY26), leading to lower AUM growth of 20.6% YoY. NIM (calculated) increased by 31bps QoQ due to lower cost of funds. APTUS is gradually seeking customer diversification (floor of INR 0.7mn ticket size), while remaining focused on the LIG, self-employed, rural-based customers. Further, APTUS is accelerating distribution expansion (60-70 branches to be added annually) in Odisha and Maharashtra and high growth pockets in core states to drive loan growth. We expect APTUS to deliver ~20-22% AUM CAGR in the medium term as scalability outside the core products and geographies is likely to remain protracted. We revise our FY26E/FY27E/FY28E earnings estimates to factor in marginally lower loan growth and assignment income and maintain ADD with a revised RI-based TP of INR 320 (implying 2.6x Sep-27 ABVPS).

- **Increasing share of assignment income, opex ratios to witness an uptick:** Other income grew sharply by 214% YoY due to assignment of portfolio (4.4% of AUM). DA as % of AUM is likely to increase to 6-7% of AUM gradually, as per management. Operating efficiency remained superior to peers with opex-to-AUM at 2.8% and C/I at 21%, although it is likely to inch up in the near term with distribution expansion. Cost of funds declined by 39bps QoQ, aiding core spreads. Subsequently, APTUS has reduced the incremental lending rate for home loans by ~50-75bps.
- **Asset quality – marginal deterioration:** Asset quality deteriorated marginally QoQ, with GS-II/GS-III clocking in at 4.9%/1.6% (Q2FY26: 4.8%/1.6%) and uptick in early delinquencies (30+ dpd at 6.48% vs. 6.34% in Q2FY26). As per management, the uptick in delinquencies was largely seasonal and is likely to normalize by Q4. Credit costs remained steady (~58bps) with write-offs at ~46bps and largely in line with management guidance of ~50bps.
- **Growth initiatives at play to revive growth; scalability outside core markets key monitorable:** APTUS's AUM growth continues to moderate, driven by moderating housing demand, elevated competitive intensity and limited increase in ticket sizes. APTUS is taking initiatives to address these challenges such as focus on higher ticket sizes, distribution expansion, and tweaking lending rates. As highlighted in our [company update](#), APTUS is poised to deliver ~20-22% AUM growth, along with strong profitability (RoE of ~20%).

Financial summary (consolidated)

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	3.3	2.9	12.2	3.1	5.9	11.3	13.0	15.5	18.5
PPOP	3.2	2.5	26.9	3.1	2.7	10.0	12.8	14.4	16.8
PAT	2.4	1.9	24.0	2.3	4.3	7.5	9.3	10.4	12.2
EPS (INR)	4.7	3.8	23.9	4.5	4.7	15.0	18.7	20.9	24.4
ROAE (%)						18.6	20.0	19.3	19.5
ROAA (%)						7.4	7.7	7.2	7.0
ABVPS (INR)						84	98	113	130
P/ABV (x)						3.2	2.8	2.4	2.1
P/E (x)						18.0	14.5	13.0	11.1

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	132	131	-1.3%	161	159	-1.2%	197	194	-1.3%
NIM (%)	10.7	10.7	-2 bps	10.6	10.8	19 bps	10.5	10.7	21 bps
NII	13.3	13.0	-1.8%	15.8	15.5	-1.7%	18.9	18.5	-2.1%
PPOP	12.8	12.8	0.4%	14.6	14.4	-1.4%	17.2	16.8	-2.4%
PAT	9.3	9.3	0.5%	10.6	10.4	-1.4%	12.5	12.2	-2.5%
ABVPS (INR)	97.8	97.9	0.1%	113.0	112.8	-0.2%	131.2	130.4	-0.6%

Source: Company, HSIE Research

ADD

CMP (as on 05 Feb 2026)	INR 271
Target Price	INR 320
NIFTY	25,643

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 330	INR 320
EPS %	FY26E 0.5%	FY27E -1.4%

KEY STOCK DATA

Bloomberg code	APTUS IN
No. of Shares (mn)	501
MCap (INR bn) / (\$ mn)	135/1,500
6m avg traded value (INR mn)	537
52 Week high / low	INR 365/257

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.1)	(21.1)	(16.4)
Relative (%)	(7.9)	(24.3)	(22.8)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	23.9	23.9
FIs & Local MFs	25.9	27.3
FPIs	35.4	33.2
Public & Others	14.9	15.7
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Can Fin Homes

A good quarter; need for sustainability

Can Fin Homes (CANF) reported a strong set of P&L outcomes (NII/PPoP/PAT growth of 22%/21%/25% YoY), largely driven by strong NIMs (4.14%) and low credit costs (10bps). Further, disbursements witnessed an uptick (+45% YoY, 7% QoQ) albeit on a lower base, led by an uptick in the states of Karnataka and Telangana. CANF remains upbeat about loan growth prospects (15%+ in FY27), led by branch additions (~25 annually), product and customer diversification (LAP, SENP segment, etc.), increase in share of direct sourcing and ongoing tech transformation. However, tepid loan growth (+9.5% YoY) amidst moderation in housing demand, elevated competitive intensity, and protracted impact of growth initiatives remains a key monitorable. We revise our FY26/FY27E/FY28E earnings estimates for higher NIMs, offset by higher opex, and maintain BUY with a revised RI-based TP of INR 950 (implying 1.8x Sep-27 ABVPS).

- **Strong NIMs; marginal moderation ahead:** CANF reported NIM of 4.14% (+12bps QoQ), driven by lower cost of funds, leading to strong profitability (RoA/RoE of 2.6%/18.8%). However, CANF has reduced its benchmarking lending rate by 25bps during Dec'25-Jan'26, which is likely to drive NIMs lower, although at a slower pace, given ~54% of loans are currently at annual reset. Opex ratios were elevated (C/I at 18.5%; opex to AUM at 0.8%) and are likely to increase further (C/I at ~19%) with the ongoing tech transformation.
- **Healthy asset quality:** GNPA/NNPA improved marginally to 0.92%/0.49% (Q2FY26: 0.94%/0.49%); with SMA1-2 at 5% (Q2FY26: 5.2%). With declining pool of overall delinquencies, management expects limited provisioning during Q4 and sub-15bps credit costs during FY27-FY28E.
- **Growth initiatives impact getting protracted:** CANF's loan growth remained subdued in Q3 (+9.5% YoY) partly due to higher BT-outs. CANF has been taking multiple measures such as distribution expansion (30 branches added during FY25-FY26; ~25 to be added annually), creating direct sourcing channel (90 marketing executives), product diversification and ongoing tech transformation in FY26 (likely to spill over to FY27) to drive loan growth. However, the impact of these initiatives has been slower than expectations and remains a key monitorable for any significant rerating.

Financial summary

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	4.2	3.4	22.1	4.0	4.0	13.5	16.1	17.8	20.0
PPOP	3.5	2.9	20.5	3.3	4.9	11.5	13.4	14.8	16.6
PAT	2.6	2.1	24.8	2.5	5.3	8.6	10.0	11.0	12.3
EPS (INR)	19.9	15.9	24.9	18.9	5.3	64.4	75.2	82.7	92.1
ROAE (%)						18.2	18.2	17.3	16.7
ROAA (%)						2.2	2.3	2.3	2.2
ABVPS (INR)						367.5	427.9	493.9	567.7
P/ABV (x)						2.6	2.2	1.9	1.7
P/E (x)						14.6	12.5	11.3	10.2

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	427	424	-0.8%	488	484	-0.8%	562	557	-0.9%
NIM (%)	3.6	3.7	15 bps	3.6	3.7	11 bps	3.6	3.6	1 bps
NII	15.5	16.1	3.7%	17.4	17.8	2.4%	19.9	20.0	0.1%
PPOP	13.1	13.4	2.5%	14.5	14.8	2.0%	16.7	16.6	-0.4%
PAT	9.7	10.0	3.7%	10.7	11.0	2.7%	12.3	12.3	0.1%
ABVPS (INR)	425.2	427.9	0.6%	489.0	493.9	1.0%	562.4	567.7	0.9%

Source: Company, HSIE Research

BUY

CMP (as on 19 Jan 2026)	INR 939
Target Price	INR 950
NIFTY	25,586

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 915	INR 950
	FY26E	FY27E
EPS %	3.7%	2.7%

KEY STOCK DATA

Bloomberg code	CANF IN
No. of Shares (mn)	133
MCap (INR bn) / (\$ mn)	125/1,375
6m avg traded value (INR mn)	219
52 Week high / low	INR 972/559

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	17.2	15.0	35.8
Relative (%)	18.1	13.1	27.2

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	30.0	30.0
FIs & Local MFs	23.9	24.7
FPIs	12.5	13.2
Public & Others	33.6	32.1

Pledged Shares - -

Source: BSE

Pledged shares as % of total shares

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Ujjivan Small Finance Bank

Receding MFI stress driving earnings reflation

UJJIVAN's Q3FY26 earnings marginally beat our estimates, with continued signs of improvement in the MFI portfolio, aided by pick-up in disbursements, margin reflation, and improvement in asset quality metrics. Deposit growth (~22% YoY) was in line with credit growth as CASA% remained steady 27.3% (-18bps QoQ). The delinquency trends of the MFI book across geographies are showcasing signs of moderation with sharp reduction in credit costs. The management continues to diversify its loan book by scaling up its secured mix (guidance of 65-70% by 2030) in asset classes like affordable housing and new businesses such as 2W, micro-LAP, and gold loans. We believe UJJIVAN is better placed compared to other MFI players, given its geographical diversification, higher employee vintage, larger urban/metro presence, and superior underwriting. We cut our FY26E/FY27E/FY28E earnings estimates by ~11%/8%/6%, factoring in higher provisioning while maintaining ADD with a revised TP of INR 65 (1.6x Sep-27 ABVPS).

- **Disbursements and margins picking up:** Credit growth came in at 22% YoY with disbursements picking up significantly in group loans (71% YoY), and newer segments like micro mortgage, VF, and gold loans. The management has guided for a credit growth rate of 20% in the medium term. NIMs witnessed reflation owing to pick-up in MFI disbursals and lower cost of funds (-20 bps QoQ), clocking in at 8.2% (+30 bps QoQ).
- **Asset quality continues to improve:** PAR-0 for the MFI book lowered to 4.1% (Sep-25: 4.5%), as asset quality metrics improved across geographies reflective in lower gross slippages (2.5% v/s 3.4% in Q2FY26). Credit costs came in lower at 2.2% (Q2FY26: 2.8%), with accelerated provisions of INR 900mn. We built in average credit costs of 1.9% over the period of FY26E-FY28E, marginally higher than our earlier estimate of 1.7%.
- **Portfolio stability essential in order to build a universal franchise:** UJJIVAN aims to build for a more diverse product mix (secured: 65%-70%), stronger liabilities franchise (35% CASA), stable asset quality (1.2-1.3%), higher operating efficiencies (C/I- 55%), and sustainable RoA/RoE of 1.8-2.0%/16%-18% by FY30. We argue that stability in the micro-banking portfolio is essential to drive earnings and valuation re-rating.

Financial summary

(INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	10.0	8.9	12.8%	9.2	8.5%	36.4	38.9	46.8	54.6
PPOP	4.4	3.6	22.4%	4.0	11.3%	16.9	17.4	21.6	26.0
PAT	1.9	1.1	71.0%	1.2	52.6%	7.3	6.9	10.8	14.1
EPS (INR)	0.9	0.6	67.9%	0.6	51.6%	3.8	3.5	5.6	7.3
ROAE (%)						12.4	10.8	15.5	17.7
ROAA (%)						1.6	1.3	1.8	2.0
ABVPS (INR)						30.7	33.0	37.0	42.8
P/ABV (x)						2.0	1.9	1.7	1.4
P/E (x)						16.5	17.5	11.1	8.5

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Net advances	377	374	0.7%	454	446	1.7%	543	531	2.1%
NIM (%)	8.2	8.0	24 bps	8.4	8.1	28 bps	8.3	8.0	33 bps
NII	38.9	37.5	3.6%	46.8	44.5	5.2%	54.6	51.2	6.7%
PPOP	17.4	17.8	-2.0%	21.6	22.1	-2.3%	26.0	25.8	0.6%
PAT	6.9	7.7	-11.4%	10.8	11.8	-8.2%	14.1	15.0	-6.2%
Adj. BVPS (INR)	33.0	33.3	-1.0%	37.0	38.0	-2.4%	42.8	43.9	-2.4%

Source: Company, HSIE Research

ADD

CMP (as on 22 Jan 2026)	INR 62
Target Price	INR 65
NIFTY	25,290

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 55	INR 65
	FY26E	FY27E
EPS %	-11.4%	-8.2%

KEY STOCK DATA

Bloomberg code	UJJIVANS IN
No. of Shares (mn)	1,939
MCap (INR bn) / (\$ mn)	120/1,311
6m avg traded value (INR mn)	595
52 Week high / low	INR 63/31

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	23.3	31.3	80.1
Relative (%)	25.8	31.2	72.3

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	0.0	0.0
FIs & Local MFs	20.1	28.7
FPIs	17.1	15.5
Public & Others	62.8	55.9
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Home First Finance Company India

Mixed set of results

HOMEFIRST reported a mixed set of results with sharp NIM refraction, offset by moderating loan growth. Disbursements growth remained tepid (+10.5% YoY; 2.2% QoQ) amidst subdued housing demand, driving AUM growth of +24.9% YoY. With peak throughput metrics (per branch/employee), elevated competitive intensity, and increasing scale, we expect AUM growth to moderate toward sub-25% during FY26-FY28E. Asset quality metrics improved sequentially with improvement in early delinquencies (1+ dpd at 5.3%). Several growth headwinds are likely to drive lower loan growth compared to recent years for HOMEFIRST. We revise our FY26/FY27E/FY28E earnings estimates to factor in higher NIMs, partly offset by lower loan growth and maintain **REDUCE** with a revised RI-based TP of INR 1,173 (implying 2.5x Sep-27 ABVPS; 17x Sep-27 EPS).

- **Sharp NIM refraction drives strong earnings growth:** NII/PAT grew by 44% YoY, driven largely by a sharp NIM refraction to 6.78% (+69bps QoQ). Lower cost of funds (marginal cost of funds at 7.7%), significant capital raising during Q1, and liquidity management led to a sharp NIM refraction in Q3. Asset yields remained steady, driven by portfolio diversification toward LAP and self-employed segment. HOMEFIRST has reduced its benchmark lending rate by 10bps from Jan-26. Other income growth moderated to 6% YoY along expected lines, due to a base effect.
- **Improving early delinquencies:** GS-III/NS-III deteriorated sequentially to 2.05%/1.61% (Q2FY26: 1.93%/1.54%), with GS-II at 1.62% (Q2FY26: 1.74%), driving credit costs of 47bps (Q2FY26: 52bps). However, early delinquencies (dpd 1+/dpd 30+) improved sequentially to 5.3%/3.7% (Q2FY26: 5.5%/3.7%), with improving collections environment in select states.
- **Moderating loan growth – a new normal?** Disbursements growth has remained tepid for multiple quarters (9% YoY in 9MFY26; 21% in FY25). While HOMEFIRST's product (LAP at 16% vs. 7.8% in Mar-22) and customer (self-employed at 32% vs. 27.3% in Mar-22) diversification strategy is likely to aid loan growth and margins, elevated competitive intensity (BT-outs at 6.6% in Q2), peak throughput metrics, subdued overall demand, and increasing scale are likely to continue to weigh on overall loan growth.

Financial summary

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY24	FY25	FY26E	FY27E
NII	2.3	1.6	43.9	2.1	13.7	6.4	8.8	10.9	13.1
PPOP	2.0	1.4	41.1	1.9	4.5	5.3	7.6	9.2	10.8
PAT	1.4	1.0	44.0	1.3	6.3	3.8	5.4	6.5	7.6
EPS (INR)	13.3	10.7	25.3	12.5	6.5	42.4	52.4	62.8	73.6
ROAE (%)						16.5	15.9	14.2	14.6
ROAA (%)						3.5	4.0	3.8	3.6
ABVPS (INR)						264.9	397.4	450.0	507.9
P/ABV (x)						4.2	2.8	2.5	2.2
P/E (x)						26.2	21.2	17.7	15.1

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	160	158	-1.2%	200	197	-1.1%	247	244	-1.2%
NIM (%)	6.2	6.6	40 bps	6.3	6.6	28 bps	6.2	6.4	20 bps
NII	8.5	8.8	4.2%	10.8	10.9	1.3%	13.0	13.1	0.7%
PPOP	7.3	7.6	5.1%	9.0	9.2	1.8%	10.7	10.8	0.8%
PAT	5.1	5.4	5.1%	6.4	6.5	1.5%	7.6	7.6	0.3%
ABVPS (INR)	396.5	397.4	0.2%	449.2	450.0	0.2%	511.4	507.9	-0.7%

Source: Company, HSIE Research

REDUCE

CMP (as on 23 Jan 2026)	INR 1,113
Target Price	INR 1,173
NIFTY	25,049

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 1,225	INR 1,173
	FY26E	FY27E
EPS %	5.1%	1.5%

KEY STOCK DATA

Bloomberg code	HOMEFIRS IN
No. of Shares (mn)	104
MCap (INR bn) / (\$ mn)	115/1,258
6m avg traded value (INR mn)	362
52 Week high / low	INR 1,519/839

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.6)	(20.9)	12.0
Relative (%)	(5.0)	(19.5)	5.4

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	12.4	12.4
FIs & Local MFs	28.8	27.6
FPIs	40.0	40.8
Public & Others	18.8	19.2
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Aavas Financiers

Yet another quarter of muted growth

AAVAS's Q3FY26 earnings were marginally higher than our estimates, driven by better-than-expected operating efficiency and improving asset quality. Disbursements growth remained muted (+8% YoY), leading to further moderation in AUM growth to +15.4% YoY. While opex ratios improved sequentially (C/I at 43%; opex to AUM at 3.2%), it is yet to see meaningful improvement. Amidst growth headwinds (disbursements growth for FY25/9MFY26 at 10%/8% YoY), AAVAS has deferred its aspirational AUM guidance of INR 550bn by FY31-FY32E vs. FY30 earlier. We revise our FY26E/FY27E/FY28E earnings estimates to factor in lower loan growth, partly offset by higher NIM and maintain ADD with a revised RI-based TP of INR1,570 (implying 2.1x Sep-27 ABVPS).

- **NIM reflation led by cost of fund tailwinds:** AAVAS's core spreads reflat to 5.34% (Q2FY26: 5.23%), driven by reduction in cost of funds (by 16bps), while asset yields moderated marginally. Other income grew by 17% YoY, driven by assignment income (26% YoY). Opex ratios improved marginally sequentially despite impact of labor wage code (opex to AUM at 3.3%) driven by Tech transformation, although major benefits are yet to be seen.
- **Improving asset quality:** AAVAS's asset quality improved marginally sequentially with 1+ dpd/GS II/GS III at 3.8%/1.52%/1.19% vs. 3.99%/1.53%/1.24% in Q2FY26, driving credit costs of 18bps. Improvement in asset quality amidst a challenging macro environment is reflective of conservative underwriting practices at AAVAS.
- **Uphill task for meaningful growth revival ahead:** AAVAS's AUM growth continues to be driven by MSME loans (21% of AUM; +33% YoY), while home loans (+11% YoY) and LAP growth remained subdued (+12% YoY). While management is upbeat about strong loan growth prospects on the back of tech transformation, increasing distribution and widening customer acquisition funnel, heightened competitive intensity coupled with the current macroeconomic environment and increasing scale remain a key concern for AUM aspiration of INR 550bn by FY31-32E (~15-18% CAGR).

Financial summary

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	3.0	2.5	18.2	2.9	3.9	10.1	11.8	13.5	15.7
PPOP	2.3	1.9	16.8	2.2	3.6	7.6	8.8	10.2	12.0
PAT	1.7	1.5	16.1	1.6	3.7	5.7	6.6	7.6	8.9
EPS (INR)	21.3	18.5	15.6	20.6	3.7	72.5	83.5	95.5	112.8
ROAE (%)						14.1	14.2	14.2	14.5
ROAA (%)						3.3	3.3	3.3	3.3
ABVPS (INR)						536	606	698	807
P/ABV (x)						2.6	2.3	2.0	1.7
P/E (x)						19.0	16.5	14.4	12.2

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	239	235	-1.7%	281	272	-3.0%	334	320	-4.0%
NIM (%)	6.0	6.1	1 bps	6.0	6.0	6 bps	6.0	6.0	4 bps
NII	11.8	11.8	-0.5%	13.7	13.5	-1.1%	16.0	15.7	-2.1%
PPOP	8.8	8.8	0.5%	10.3	10.2	-0.9%	12.3	12.0	-2.6%
PAT	6.5	6.6	1.2%	7.6	7.6	-1.0%	9.2	8.9	-2.6%
ABVPS (INR)	605.9	606.1	0.0%	698.6	698.4	0.0%	809.9	807.3	-0.3%

Source: Company, HSIE Research

ADD

CMP (as on 05 Feb 2026)	INR 1,380
Target Price	INR 1,570
NIFTY	25,643

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1775	INR 1570
EPS %	FY26E	FY27E
	1.2%	-1.0%

KEY STOCK DATA

Bloomberg code	AAVAS IN
No. of Shares (mn)	79
MCap (INR bn) / (\$ mn)	109/1,209
6m avg traded value (INR mn)	387
52 Week high / low	INR 2,238/1,351

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(16.0)	(19.3)	(19.6)
Relative (%)	(15.8)	(22.6)	(26.1)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	49.0	49.0
FIs & Local MFs	14.1	14.3
FPIs	25.9	24.7
Public & Others	11.0	12.0
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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DCB Bank

In-line quarter; plugging away at traditional handicaps

DCB Bank's (DCBB) Q2FY26 earnings were largely in line with estimates on the back of strong growth on both sides of the balance sheet, stable margins, continued traction in fee income, and in-line asset quality, partly offset by one-off labour code impact of INR 269mn. Deposit growth (+19% YoY, 4.5% QoQ) was healthy while CASA ratio declined to 22.8% (-75bps QoQ). Loan growth (+18% YoY, 7% QoQ) was led by gold loans, corporate and agri segments. We take comfort in DCBB's sustained efforts at cost rationalization and self-origination, reflecting in early evidence of operating leverage gains and greater control over asset quality outcomes as highlighted in our recent [Company Update](#). We believe that the bank's journey to sustainably reflate its RoA > 1% is contingent on its ability to build further on these gains, and simultaneously deliver on deposit granularity, margins, and asset quality. We maintain BUY with a revised TP of INR225 (1.0x Sep-27 ABVPS).

- **Stable margins with healthy growth:** NII growth (15% YoY) was healthy, with NIMs clocking in at 3.27% (+5bps QoQ) with lower cost of funds (-8bps QoQ) offset by lower yield on advances (-13bps QoQ). Loan growth (+18% YoY, 7% QoQ) was led by gold loans (11% QoQ), tractors (10% QoQ), co-lending (5% QoQ), and corporate segments (5% QoQ). The management continues to guide for 18-20% of loan growth in the medium term.
- **Asset quality in line:** Gross slippage moderated marginally to 3.0% (Q2FY26: 3.2%), with NPAs reducing across asset classes, with credit costs clocking in at 37bps (Sep-25: 31bps). We believe that DCBB's focus on self-origination (through its branches) augurs well for better control on slippages and opex intensity.
- **Operating leverage and margin reflation key to 1% RoA:** With opex-to-assets (9MFY26: 2.5%) improving and better pricing of deposits alongside sustaining growth, we see early signs of productivity and efficiency gains kicking in. We believe the bank is likely to sustain 1%+ RoA on the back of improving operating leverage, while simultaneously driving better deposit granularity and asset quality outcomes.

Financial summary

(INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	6.0	5.1	17.1%	5.8	2.7%	21.1	25.1	29.7	35.5
PPOP	3.0	2.6	19.1%	3.3	-7.0%	10.4	13.3	15.8	19.5
PAT	1.8	1.6	18.3%	1.6	16.9%	6.2	7.6	9.2	11.6
EPS (INR)	5.8	4.9	18.1%	5.0	16.9%	19.6	24.2	29.4	37.0
ROAE (%)						11.4	12.6	13.5	14.6
ROAA (%)						0.9	0.9	0.9	1.0
ABVPS (INR)						162.9	187.1	210.6	250.4
P/ABV (x)						0.8	0.7	0.6	0.5
P/E (x)						6.6	5.3	4.4	3.5

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Net advances	609	608	0.2%	724	722	0.3%	847	845	0.3%
NIM (%)	3.3	3.3	0 bps	3.5	3.3	17 bps	3.6	3.4	20 bps
NII	24.8	25.1	-1.1%	30.8	29.7	3.5%	37.0	35.5	4.3%
PPOP	13.3	13.3	0.0%	16.0	15.8	1.3%	20.1	19.5	3.3%
PAT	7.5	7.6	-1.4%	9.3	9.2	0.9%	11.7	11.6	0.6%
Adj. BVPS (INR)	186.8	187.1	-0.2%	209.0	210.6	-0.8%	248.1	250.4	-0.9%

Source: Company, HSIE Research

BUY

CMP (as on 23 Jan 2026)	INR 183
Target Price	INR 225
NIFTY	25,049

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR220	INR225
	FY26E	FY27E
EPS %	-1.4%	+0.9%

KEY STOCK DATA

Bloomberg code	DCBB IN
No. of Shares (mn)	322
MCap (INR bn) / (\$ mn)	59/640
6m avg traded value (INR mn)	463
52 Week high / low	INR 193/101

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	15.6	29.0	58.5
Relative (%)	19.2	30.5	51.9

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	14.7	16.2
FIs & Local MFs	31.9	32.1
FPIs	10.5	11.9
Public & Others	42.9	39.7
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Repco Home Finance

Gradual uptick in growth momentum

REPCO's Q3FY26 earnings were marginally lower than our estimates, with negative credit costs (-41bps) offset by higher-than-expected opex. REPCO sustained the momentum in disbursements growth in Q3 (+40% YoY; 28% YoY for 9MFY26) and is on track to achieve FY26 guidance. However, AUM growth remained sub-10% (8.8% YoY) amidst higher run-off rates. New initiatives such as customer sourcing diversification, revamped employee incentives and tech transformation have aided disbursements growth, which had remained subdued in the past. However, profitability amidst credit costs normalization, higher opex structure, and NIMs in declining interest rate environment remains a key monitorable. We revise our FY26E/FY27E/FY28E earnings estimates to factor in lower credit costs offset by higher opex and maintain ADD with a revised RI-based TP of INR570 (implying 0.9x Sep-27 ABVPS).

- **Mixed P&L outcomes:** REPCO's NIMs reflat by 10bps QoQ to 5.6%, driven by yield reflation and lower cost of funds. Higher share of non-housing loans aided blended yields, along with ~30bps improvement in cost of funds during 9MFY26. Opex ratios were elevated at 1.97% of AUM (C/I at 36%), partly due to impact of new labor codes and ramp up of distribution network along with higher employee incentives. Profitability moderated sequentially, with RoA/RoE at 2.9%/13.3% respectively.
- **Improving asset quality:** REPCO's GS-III/NS-III improved sequentially to 2.9%/1.4% (Q2FY26: 3.2%/1.5%), with GS-II at 8%. Credit costs remained negative at -41bps, driven by NPA recoveries in the quarter. Adequate provisioning (overall: 2.3%; Stage III: 53%) and strong collections and recovery efforts will likely result in negative credit costs for Q4FY26 as well.
- **Uptick in growth positive outcome; balancing growth-profitability key monitorable:** REPCO's disbursements have witnessed strong traction during 9MFY26. With several initiatives such as expansion of the distribution footprint, separate sales and credit verticals, new sourcing channels and technology upgrades, REPCO has multiple levers to sustain the growth momentum to drive AUM growth above 12% during FY27-FY28E. However, sustaining profitability amidst credit costs normalization, higher opex structure and NIMs, while maintaining the strong growth momentum amidst elevated competitive intensity and moderate housing demand remains a key monitorable for meaningful rerating.

Financial summary

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	2.0	1.8	10.2	1.9	3.9	7.1	7.6	8.4	9.5
PPOP	1.3	1.4	(7.6)	1.4	(5.4)	5.5	5.6	6.5	7.4
PAT	1.1	1.1	2.2	1.1	2.1	4.4	4.4	4.6	5.2
EPS (INR)	17.4	17.0	2.1	17.1	1.8	70.2	70.6	73.1	83.3
ROAE (%)						14.2	12.5	11.6	11.8
ROAA (%)						3.1	2.8	2.6	2.6
ABVPS (INR)						482	563	627	702
P/ABV (x)						0.8	0.7	0.6	0.6
P/E (x)						5.7	5.7	5.5	4.8

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	163	160	-1.6%	185	181	-2.0%	212	208	-1.9%
NIM (%)	4.8	4.8	5 bps	4.7	4.8	6 bps	4.7	4.7	3 bps
NII	7.6	7.6	0.1%	8.5	8.4	-0.9%	9.7	9.5	-1.7%
PPOP	6.0	5.6	-6.5%	6.8	6.5	-4.6%	7.8	7.4	-4.8%
PAT	4.5	4.4	-2.5%	4.8	4.6	-4.5%	5.4	5.2	-3.8%
ABVPS (INR)	557	563	1.0%	629	627	-0.3%	704	702	-0.3%

Source: Company, HSIE Research

ADD

CMP (as on 06 Feb 2026)	INR 404
Target Price	INR 570
NIFTY	25,694

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 585	INR 570
EPS %	FY26E	FY27E
	-2.5%	-4.5%

KEY STOCK DATA

Bloomberg code	REPCO IN
No. of Shares (mn)	63
MCap (INR bn) / (\$ mn)	25/278
6m avg traded value (INR mn)	70
52 Week high / low	INR 464/308

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(7.3)	2.0	1.6
Relative (%)	(7.6)	(1.7)	(5.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	37.1	37.1
FIs & Local MFs	22.7	23.8
FPIs	11.9	12.7
Public & Others	28.3	26.4
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Capital Goods

Larsen & Toubro

Strong order inflow; execution pick-up awaited

Larsen & Toubro (LT) reported revenue/EBITDA/APAT at INR 714.5/74.2/42.2bn, a miss of 5.3/4.7/6.1%, marked by slower execution in water projects and extended monsoon in Oct'25. P&M margins stood at 8.1% in Q3FY26 (50/30bps YoY/QoQ). Given robust order inflows of INR 3.4trn (+30% YoY) in 9MFY26, driven by upward private capex momentum, LT now expects to beat the earlier 10% order inflow growth guidance for FY26. Revenue growth guidance is maintained at 15%, with P&M margin guidance at 8.5%. NWC to sales stood at 8.2% (Dec'24: 12.7%) and LT has revised FY26 guidance at 10% (earlier 12%). LT expects to realize INR 21bn from Hyderabad metro asset transfer to Telangana Government by FY26-end. Given (1) the record-high order book (OB) of INR 7.3 trn, (2) focus on advance business segments such as semiconductors, solar PV plants, and data centres, (3) improvement in subsidiary performance, and (4) likely higher-than-expected private capex and continued public capex toward a infrastructure and green economy, we maintain our BUY stance with an SOTP-based target price of INR 4,945 per share (29x Dec-27E EPS core). EPS recalibration will reflect higher other income, while the increase in target price is due to upward calibration of subsidiary valuations and rollover of core EPS. LT expects minimal currency depreciation and commodity inflation impact as its order book is largely hedged.

■ **Q3FY26 financial highlights:** LT's revenue was a miss by 5.3% at INR 714.5bn (+10.5/+5.1% YoY/QoQ), Revenue growth is led by Hi-Tech manufacturing (34% YoY)/Energy (15% YoY)/IT services (12% YoY), albeit slower progress in water projects. EBITDA came in at INR 74.2bn (+18.6/+9% YoY/QoQ), a miss by 4.7%. EBITDA margin came in at 10.4% (70.8/36.9bps YoY/QoQ), in line with our estimates. APAT stood at INR 42.2bn (+25.7/+7.6% YoY/QoQ), a 6.1% miss.

■ **Q3FY26 strong order inflow; all-time high OB:** LT registered an order inflow (OI) of INR 3.4trn (+30% YoY) in 9MFY26, taking the OB as of Dec'25 to an all-time high of INR 7.3trn (~2.9x FY25 revenue). In 9MFY26, 45/55% of OI (INR 3.4trn) came from domestic/international markets (9MFY25: 46/54%). The OB is well-diversified, with 51/49% of orders from the domestic/international markets in Q3FY26. Segment-wise, the OI in 9MFY26 stood at 45/33/16/2/4% from infrastructure/energy/services/hi-tech mfg./others. The OB is spread across infrastructure/energy/hi-tech/other segments at 58/34/5/3% respectively. The prospects for the rest of FY26 is INR 5.9trn vs. INR 5.5trn YoY, a 7% growth.

Consolidated financial summary (INR mn)

Particulars	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	714,497	646,678	10.5	679,835	5.1	2,557,345	2,938,699	3,443,805	3,963,252
EBITDA	74,168	62,549	18.6	68,064	9.0	264,348	307,904	368,739	435,944
APAT	42,229	33,588	25.7	39,261	7.6	145,624	185,433	224,802	271,082
EPS (INR)	30.1	23.9	25.7	28.0	7.6	105.9	134.9	163.5	197.2
P/E (x)						35.8	28.1	23.2	19.2
EV/EBITDA (x)						23.8	18.5	14.9	12.0
RoE (%)						15.8	17.9	19.1	20.1

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	Chg (%)	New	Old	Chg (%)	New	Old	Chg (%)
Revenue	2,938,699	2,952,646	(0.5)	3,443,805	3,441,783	0.1	3,963,252	3,961,523	0.0
EBITDA	307,904	306,869	0.3	368,739	368,484	0.1	435,944	435,745	0.0
EBITDA (%)	10.5	10.4	8.5	10.7	10.7	0.1	11.0	11.0	0.0
APAT	185,433	179,048	3.6	224,802	220,044	2.2	271,082	266,085	1.9

Source: Company, HSIE Research

BUY

CMP (as on 28 Jan 2026)	INR 3,794
Target Price	INR 4,945
NIFTY	25,343

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 4,545	INR 4,945
EPS change %	FY26E +3.6	FY27E +2.2 FY28E +1.9

KEY STOCK DATA

Bloomberg code	LT IN
No. of Shares (mn)	1,376
MCap (INR bn) / (\$ mn)	5,219/56,837
6m avg traded value (INR mn)	6,965
52 Week high / low	INR 4,195/2,965

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.5)	10.9	11.1
Relative (%)	(1.8)	9.1	2.6

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	0.0	0.0
FIs & Local MFs	43.34	42.99
FPIs	19.48	20.06
Public & Others	37.16	36.93
Pledged Shares	0.0	0.0

Source: BSE

Pledge shares as a % of total shares

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Cummins

Marginal miss; strong outlook

Cummins India Ltd (CIL) reported muted financial performance in absence of Powergen Data Centre orders, with revenue/EBITDA/APAT missing our estimates by 5/4/5%. Strong FY26 double-digit revenue growth guidance, sustaining/improving Q3FY26 gross margins for the remainder of FY26, and robust underlying demand commentary by the management were some of the positives. While exports were a bit muted, CIL remains positive on domestic demand whilst navigating cautiously through geopolitics and end markets exports demand. Exports were also impacted by inventory corrections. Despite better availability of Powergen nodes from peers and rising competitive intensity, CIL has been able to hold on to the prices and maintain gross margins, owing to cost controls and mix. The company has multiple tailwinds, namely, strong data centre demand, capex cycle recovery, revival in industrials and exports, strong upcoming residential and commercial real estate deliveries, and support for manufacturing policies. CIL remains a play on data centre and capex recovery. We have marginally recalibrated our estimates lower to factor in delays in industrial recovery. We maintain BUY, with a revised SOTP of INR 5,483 (54x Dec-27 EPS roll over).

- **Q3FY26 financial highlights:** Revenue: INR 30.5bn (-1/-3.6% YoY/QoQ, miss by 5.2%). Domestic sales: INR 25.4bn (-2/-2% YoY/QoQ) and export of INR 4.7bn (+2/-14% YoY/QoQ). EBITDA: INR 6.3bn (+5.7/-8.7% YoY/QoQ, miss by 3.8%). EBITDA margin came at 20.8% (+132/-115bps YoY/QoQ) vs est. of 20.5%. Other income: INR 1.4bn (+15/-29% YoY/QoQ). APAT: INR 5.5bn (+6.6/-14.1% YoY/QoQ, a 4.6% miss).
- **Pricing stable despite competitive intensity, owing to strong demand:** In Q3FY26, the domestic power gen revenue stood at INR 10.7bn (-16/-20% YoY/QoQ), distribution at INR 9.4bn (+26/+18% YoY/QoQ), industrials at INR 4.6bn (-9/+20% YoY/QoQ). CIL is witnessing increased competition in CPCB4+ segment and high HP nodes but believes that pricing has settled now and is managing gross margins through the mix. BESS solutions, which is a new market segment but may take time to establish as new growth driver, albeit inquiries continue to pour in, indicating market interest with pick up expected from FY27.
- **Powergen demand healthy, distribution highest ever quarter:** Powergen segment ex of data center (no data center revenue for Q3FY26 as it got booked in Q2FY26) grew in double digits, driven by strong demand in realty, manufacturing, and infra. Industrial segment's performance was muted by extended rains, slow railways, and mining orders. Distribution growth is fueled by increasing on ground presence and upgrades and with CPCB 4+ 2-yr warranty period ending start of Jul-26, after market sales get further augmented. CIL is expecting double-digit growth in FY26/27, supported by sustained growth in power gen and focus on quick commerce and data center.

Standalone financial summary

Particulars	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	30,549	30,860	(1.0)	31,703	(3.6)	103,394	118,609	139,342	164,308
EBITDA	6,345	6,000	5.7	6,948	(8.7)	20,680	25,150	29,609	35,776
APAT	5,480	5,140	6.6	6,377	(14.1)	19,058	22,714	26,117	30,730
Diluted EPS (INR)	19.8	18.5	6.6	23.0	(14.1)	68.8	81.9	94.2	110.9
P/E (x)						63.9	53.6	46.6	39.6
EV/EBITDA (x)						57.2	47.0	39.3	31.9
RoE (%)						28.9	28.6	26.2	24.9

Source: Company, HSIE Research

Change in Estimates

Particulars	FY26E			FY27E			FY28E		
	New	Old	% change	New	Old	% change	New	Old	% change
Revenue	118,609	120,688	(1.7)	139,342	142,508	(2.2)	164,308	168,886	(2.7)
EBITDA	25,150	25,474	(1.3)	29,609	30,124	(1.7)	35,776	36,820	(2.8)
EBITDA (%)	21.2	21.1	9.7	21.2	21.1	11.1	21.8	21.8	(2.8)
APAT	22,714	23,078	(1.6)	26,117	26,534	(1.6)	30,730	31,537	(2.6)

Source: HSIE Research

BUY

CMP (as on 05 Feb 2026) INR 4,391

Target Price INR 5,483

NIFTY 25,643

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 5,370	INR 5,483
EPS change %	FY26E FY27E FY28E	
	-1.6 -1.6 -2.6	

KEY STOCK DATA

Bloomberg code	KKC IN
No. of Shares (mn)	277
MCap (INR bn) / (\$ mn)	1,217/13,482
6m avg traded value (INR mn)	2,275
52 Week high / low	INR 4,615/2,580

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	1.7	22.3	50.3
Relative (%)	1.9	19.0	43.9

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	51.00	51.00
FIs & Local MFs	21.73	20.60
FPIs	18.35	19.42
Public & Others	8.92	8.97
Pledged Shares	-	-

Source: BSE

Pledge shares as a % of total shares

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Siemens

Muted financial performance; stable order booking

Siemens India's (SIL) revenue/EBITDA/APAT of INR 38.3/4.2/3.3bn was a miss on our estimates by 8/14.3/16.5% respectively. Revenue growth was driven by strong performance in the Mobility and Digital Industries businesses while these two segments reported disappointing EBIT at 4.3/1% respectively. Digital Industries saw higher material cost due to substantial Euro appreciation and forex loss impacted mobility business profitability. Smart infra grew 8.6% YoY and saw a temporary commodity gain. In this quarter, the worst seems to be behind for the digital industries as it saw strong order book growth and business showed recovery signs, indicating that the de-stocking phase is now largely over. SIL's order inflow (OI) stood at INR 48bn (+19% YoY) as of Dec'25, with order book (OB) standing at INR 430bn (+7% YoY). The strong order booking is driven by Digital Industries and Smart Infra segment. SIL has completed the sale of LVM business, amalgamation of rail business and demerger of its energy segment as of Dec'25. Additionally, SIL has changed its financial year from Oct-Sept to April-March. The current FY has been changed to cover the period from 1 Oct 2024 to 31 March 2026 (18m). Thereafter, the FY will follow the 1 April to 31 March cycle. SIL's segments are exposed to government capex, which is expected to grow 11% YoY in FY27, while private capex recovery is contingent on pick-up in consumption. We have lowered our estimates to factor in delayed capex recovery, commodity and forex impact. Given the robust order backlog and stable order inflows, we maintain BUY, with a reduced TP of INR 3,625 (rolled over to 55x Dec-27 EPS).

■ **Q5FY25 financial snapshot:** Revenue stood at INR 38.3bn (+14/-21.8% YoY/QoQ, a 8% miss vs. our estimate). EBITDA stood at INR 4.2bn (+9.1/-30.8% YoY/QoQ, a 14.3% miss). Consequently, APAT came in at 3.3bn (-21.7/-30.8% YoY/QoQ, a miss of 16.5%).

■ **Segment-wise performance:** Smart infrastructure (54.6% revenue contribution): revenue at INR 21.2bn (+8.6/-22.1% YoY/QoQ), EBIT margin at 14.4% (+243.7/+140.1bps YoY/QoQ); Mobility (21% revenue contribution): revenue at INR 8.2bn (-28.2/+21.6% YoY/QoQ), EBIT margin at 4.3% (-376.2/-684bps YoY/QoQ); Digital industries (23% revenue contribution): revenue at INR 9bn (+14.2/-15.3% YoY/QoQ), EBIT margin at 1% (-513.6/-606.5bps YoY/QoQ); and Others (1.2% revenue contribution): revenue at INR 451mn (+8837/-19.9% YoY/QoQ), EBIT margin at 7.3% (+271.5/+92.3bps YoY/QoQ).

Consolidated financial summary (INR mn)

Particulars	5QFY25	1QFY25	YoY (%)	4QFY25	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	38,307	33,601	14.0	49,004	(21.8)	173,642	252,272	201,432	239,529
EBITDA	4,219	3,866	9.1	6,094	(30.8)	20,070	29,270	24,540	29,966
APAT	4,264	6,146	(30.6)	4,854	(12.2)	16,888	28,364	20,147	24,580
EPS (INR)	12.0	17.3	(30.6)	13.6	(12.2)	47.4	79.6	56.6	69.0
P/E (x)						67.0	39.9	56.1	46.0
EV/EBIDTA (x)						53.0	36.3	42.4	34.0
RoE (%)						14.7	19.6	12.1	13.3

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	% Change	New	Old	% Change	New	Old	% Change
Revenue	252,271.7	268,624.2	(6.1)	201,431.8	215,421.2	(6.5)	239,528.7	247,745.4	(3.3)
EBITDA	29,270.0	32,814.7	(10.8)	24,540.4	26,868.7	(8.7)	29,965.9	31,575.1	(5.1)
EBITDA (%)	11.6	12.2	(61.3)	12.2	12.5	(29.0)	12.5	12.7	(23.5)
APAT	28,364.4	30,187.3	(6.0)	20,147.2	23,890.9	(15.7)	24,579.6	27,671.6	(11.2)

Source: HSIE Research

BUY

CMP (as on 06 Feb 2026)	INR 3,176
Target Price	INR 3,625
NIFTY	25,694

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 3,690	INR 3,625
EPS	FY26E	FY27E
Change %	-6	-15.7

KEY STOCK DATA

Bloomberg code	SIEM IN
No. of Shares (mn)	356
MCap (INR bn) / (\$ mn)	1,131/12,475
6m avg traded value (INR mn)	1,215
52 Week high / low	INR 3,412/2,270

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	3.0	3.0	13.3
Relative (%)	2.7	(0.8)	6.2

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	75.00	75.00
FIs & Local MFs	8.04	8.04
FPIs	7.00	7.00
Public & Others	9.96	9.96
Pledged Shares	-	-

Source: BSE

Pledge shares as a % of total shares

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Siemens Energy

Steady show

Siemens Energy Ltd (SEL) delivered a steady quarter with revenue/EBITDA/APAT at INR 19.1/4.6/3.1bn, a miss/beat on estimates by -1%/+24.1/+26.5%. Margin excluding forex and commodity gains is 18.8%. SEL received new orders worth INR 33.4bn (+3% YoY) on the back of stable demand both in domestic as well as export market, which led to an order backlog of INR 175.9bn (+37.6% YoY) as on date. SEL continues to benefit from sustained traction in the power transmission segment, backed by rising demand for grid infrastructure. SEL has planned a significant CAPEX plan of ~INR 20bn to establish a new power transformer factory. This strategic investment, to be funded through internal accruals, aims to add a substantial production capacity of around 30,000MVA. The new facility is tentatively scheduled to become operational in phases between the FY30 and FY32. We have marginally tweaked our estimates to reflect better execution and slightly lower margins. Bid pipeline remains strong and new awards are expected to pick up pace in a few quarters. Given the strong cash flows, robust order book, limited competitive intensity, and export opportunities, we maintain a BUY rating on SEL with an increased TP of INR 3,584/sh (60x Dec-27E EPS, rollover from Sep to Dec).

- **Q1FY26 financial snapshot:** Revenue came in at INR 19.1bn (+26.3%/-27.8% YoY/QoQ, in-line). EBITDA was INR 4.6bn (+37.4/-3.9% YoY/QoQ, a beat of 24.1%). EBITDA margin came in at 24.1% (+201bps/+600bps YoY/QoQ, vs our estimates of 19.1%). Consequently, RPAT/APAT came in at INR 3.1/3.5bn (+31.4%/+36.9% YoY/QoQ, a 26.5% beat). Margins excluding forex and commodity gains is 18.8%. Margins in Q1FY26 improved on the back of power transmission segment contributing more than power gen business.
- **Robust order book:** SEL is well-poised to support India's energy transition and serve global demand. With a strong order intake of INR 33.4bn in Q1FY26 and order backlog of INR 175.9bn (+37.6% YoY), the core power transmission segment continues to see sustained traction, supported by domestic grid expansion (notably 765kV lines) and export opportunities. The bid pipeline remains strong, with new awards expected to accelerate in coming quarters.
- **Post-demerger, SEL is well-positioned to support India's energy transition:** It is looking to strengthen the Indian footprint through capacity expansion, backed by strong electricity demand from domestic consumption, public infrastructure CAPEX, industrial growth, and data centers. SEIL is expanding capacities across 1) transformer manufacturing, 2) high-voltage switchgear, and 3) a new Industrial Steam Turbine Service Centre in Raipur.

Standalone financial summary (INR mn)

Y/E - Sep	1Q FY26	1Q FY25	YoY (%)	4Q FY25	QoQ (%)	FY25E	FY26E	FY27E	FY28E
Net Revenues	19,109	15,169	26.0	26,457	(27.8)	78,267	95,094	116,443	141,408
EBITDA	4,608	3,353	37.4	4,793	(3.9)	15,134	19,970	25,268	31,817
APAT	3,518	2,317	51.8	3,596	(2.2)	11,001	15,870	19,991	25,114
EPS (INR)	9.9	6.5	51.8	10.1	(2.2)	30.9	44.6	56.1	70.5
P/E (x)						88.7	61.5	48.8	38.9
EV/EBITDA (x)						62.2	46.9	36.7	28.6
RoE (%)						29.0	31.4	30.6	29.8

Source: Company, HSIE Research

Change in Estimates (INR mn) – Y/E – Sep

Particulars	FY26E			FY27E			FY28E		
	New	Old	Change (%)/ (bps)	New	Old	Change (%)/ (bps)	New	Old	Change (%)/ (bps)
Revenue	95,094	95,094	-	116,443	116,443	-	141,408	141,408	-
EBITDA	19,970	19,685	1.4	25,268	25,850	(2.3)	31,817	32,524	(2.2)
EBITDA (%)	21.0	20.7	30.0	21.7	22.2	(50.0)	22.5	23.0	(50.0)
PAT	15,870	15,650	1.4	19,991	20,667	(3.3)	25,114	25,933	(3.2)

Source: HSIE Research

BUY

CMP (as on 13 Feb 2026)	INR 2,740
Target Price	INR 3,584
NIFTY	25,471

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 3,482	INR 3,584
EPS	FY26E	FY27E
Change %	1.4	-3.3

KEY STOCK DATA

Bloomberg code	ENRIN IN
No. of Shares (mn)	356
MCap (INR bn) / (\$ mn)	976/10,766
6m avg traded value (INR mn)	2,206
52 Week high / low	INR3,625/2,105

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(16.9)	(13.4)	-
Relative (%)	(14.7)	(15.9)	-

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	75.00	75.00
FIs & Local MFs	6.16	7.21
FPIs	8.05	6.70
Public & Others	10.79	11.07
Pledged Shares	-	-

Source: BSE

Pledge share as a % of total shares

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Hitachi Energy

Robust performance

Hitachi Energy India (HEI) reported a revenue/EBITDA/APAT beat of 7/11/15%, respectively. The EBITDA margin was a positive surprise at 16.6%, driven by operating leverage and cost optimization. HEI's annualized below-EBITDA-line costs are ~1,000bps higher than peers, primarily driven by ~450bps higher royalty and other expenses respectively. Significant volume ramp-up has helped compress the below EBITDA line cost and aided early mid-teen EBITDA margin. With the ramp-up of the HVDC order book, we expect higher core EBITDA margins to get diluted by lower HVDC margins, though absolute EBITDA will grow. This is still 3-4 quarters away and contingent on HVDC revenue coming in. HEI expects annual tendering of 2-3 HVDC projects to sustain the growth required for transmission system. HEI has ~INR 298.7bn of OB as of Dec'25, of which ~INR 100bn are base orders. We continue to expect HVDC orders to be growth accretive and margin dilutive and this has been incorporated into our estimates. HEI is undertaking INR 20bn of capex to expand capacities (over the next five years, INR 4bn/year) in India to cater to both local and global demand. With volume growth, we expect the positive margin trajectory to be maintained. We have recalibrated our EPS estimates higher to factor in better EBITDA as operating leverage plays out. We maintain ADD, with an increased TP of INR 22,892/sh (55x Dec-27E EPS vs. 60x earlier to factor in higher share of HVDC projects business in the mix).

■ **Q3FY26 financial highlights:** HEI reported revenue of INR 20.8bn (+28.5/+13.6% YoY/QoQ, a beat of 6.8%). EBITDA stood at INR 3.5bn (+107/+16% YoY/QoQ, a beat by 11%), with EBITDA margin at 16.6% (+628/+27bps YoY/QoQ), a beat vs. our estimate of 15.9%. APAT came in at INR 3bn (+120/+14% YoY/QoQ), a beat by 15%), aided by higher business volume, higher other income, and lower other expenses.

■ **Strong base order inflow:** In Q3FY26, HEI received orders worth INR 24.5bn (+18/12% YoY/QoQ), comprising Industries, Renewables, Transport, and Energy/power. Exports accounted for 30% of OI majorly from utilities and data centers. Segment-wise, Q3FY26 order mix comprises products/projects/services at 79/17/4%, respectively. Sector-wise, OB mix across utilities/industries/transport and infra stands at 47/43/10%, respectively. From a channel standpoint, direct end user, EPC, OEM, and distributor contributions stood at 68/15/14/3%, respectively.

Financial summary (INR mn)

Particulars	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	20,822	16,203	28.5	18,326	13.6	63,849	75,741	129,896	175,360
EBITDA	3,453	1,669	106.9	2,990	15.5	5,958	11,513	19,355	25,778
APAT	3,021	1,374	119.9	2,644	14.3	3,840	9,890	15,190	19,687
Diluted EPS (INR)	67.7	30.8	119.9	59.3	14.3	86.1	221.7	340.6	441.4
P/E (x)						223.0	86.6	56.4	43.5
EV / EBITDA (x)						137.3	71.6	42.3	31.2
RoE (%)						13.8	21.0	25.5	25.5

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	% change	New	Old	% change	New	Old	% change
Revenue	75,741	74,416	1.8	129,896	127,624	1.8	175,360	172,292	1.8
EBITDA	11,513	10,493	9.7	19,355	17,740	9.1	25,778	23,604	9.2
EBITDA (%)	15.2	14.1	110.0	14.9	13.9	100.0	14.7	13.7	100.0
APAT	9,890	8,718	13.4	15,190	13,656	11.2	19,687	17,980	9.5

Source: Company, HSIE Research

ADD

CMP (as on 05 Feb 2026)	INR 19,199
Target Price	INR 22,892
NIFTY	25,643

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	21,280	22,892
EPS change %	FY26E +13.4	FY27E +11.2 FY28E +9.5

KEY STOCK DATA

Bloomberg code	POWERIND IN
No. of Shares (mn)	45
MCap (INR bn) / (\$ mn)	856/9,478
6m avg traded value (INR mn)	3,006
52 Week high / low	INR 21,840/10,300

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(6.1)	(10.1)	61.0
Relative (%)	(6.0)	(13.3)	54.6

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	71.31	71.31
FIs & Local MFs	7.92	7.17
FPIs	9.67	10.69
Public & Others	11.09	10.81
Pledged Shares	-	-

Source: BSE

Pledge share as a % of total shares

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Voltas

Elevated inventory overhang continues

Voltas' revenue declined 1% YoY to INR 30.7bn, primarily due to poor performance in the EMPS segment. EBITDAM declined 60bps YoY to 5.8%, leading to 10/16% decline in EBITDA/APAT. Management highlights that rising commodity costs and currency fluctuation remain headwinds and are increasing the company's input costs. Voltbek delivered a healthy Q3, sustaining broad-based momentum across washing machines and refrigerators. In refrigerators/washing machines, the overall market share stands at ~6.2/8.2% YTD, reflecting improved portfolio relevance and tighter in store execution. It expects Voltbek to break even in the near future. Owing to elevated channel inventory, commodity pressure and weak EMPS segment performance, we marginally cut our revenue and EBITDA estimates, leading to an 8/6/5% cut in APAT estimates for FY26/27/28E respectively. We maintain ADD by valuing the company on SOTP basis (implying ~40x Mar-28 EPS) to arrive at a revised TP of INR 1,405/sh.

- Q3FY26 performance:** Revenue declined 1% YoY to INR 30.7bn primarily due to poor performance in EMPS segment (32% revenue mix) which declined 18% YoY. UCP segment (63% revenue mix) grew 9% YoY, while EPS segment (5% revenue mix) reported strong growth of 21% YoY. Gross margins expanded by 30bps YoY to 23.7% (-120bps QoQ), owing to change in revenue mix. EBITDAM declined by 60bps YoY to 5.8% (+280bps QoQ), owing to 100bps YoY increase in other expenses. Consequentially, EBITDA declined 10% YoY. UCP segment EBIT margin recovered 760bps QoQ to 3.8% after negative margins in the previous quarter; however, it declined 210bps YoY. EMPS EBIT margin expanded 360bps YoY to 8.4% (-110bps QoQ), while EPS segment witnesses 490bps YoY margin contraction to 23.5% (-810bps QoQ). APAT declined 16% YoY due to lower EBITDA, decreased other income (down 17% YoY), increased depreciation (15% YoY), and higher finance cost (up 100% YoY), partially offset by lower taxes.
- Con call takeaways and outlook:** Management highlights that rising commodity costs and currency fluctuation remain headwinds and increase the company's input costs. Voltbek delivered a healthy Q3, sustaining broad-based momentum across washing machines and refrigerators. In refrigerators/washing machines, the overall market share stands at ~6.2/8.2% YTD, reflecting improved portfolio relevance and tighter in-store execution. Management expects Voltbek to break even in the near future. Owing to elevated channel inventory, commodity pressure, and weak EMPS segment performance, we marginally cut our revenue and EBITDA estimates, leading to an 8/6/5% cut in APAT estimates for FY26/27/28E respectively. We maintain ADD by valuing the company on SOTP basis (implying ~40x Mar-28 EPS) to arrive at a revised TP of INR 1,405/sh. We value UCP/EMPS/EPS segments at 50/18/18x Mar-28E EPS and the loss-making Voltbek JV at 2x price to sales.

Financial summary

(INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ(%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	30,708	31,051	(1.1)	23,473	30.8	1,24,812	1,54,128	1,40,003	1,65,150	1,91,991
EBITDA	1,773	1,974	(10.2)	704	151.8	4,746	11,162	7,293	12,767	15,084
APAT	1,114	1,321	(15.7)	343	225.0	2,520	8,414	4,989	9,295	11,417
EPS (INR)	3.4	4.0	(15.7)	1.0	225.0	7.6	25.4	15.1	28.1	34.5
P/E (x)						177.2	53.1	89.5	48.0	39.1
EV / EBITDA (x)						92.7	39.8	60.7	34.5	29.1
RoE (%)						4.4	13.6	7.5	13.1	14.7

Source: Company, HSIE Research

ADD

CMP (as on 29 Jan 2026)	INR 1,350
Target Price	INR 1,405
NIFTY	25,419

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR1,430	INR 1,405
EPS %	FY26E -8.3	FY27E -6.1

KEY STOCK DATA

Bloomberg code	VOLT IN
No. of Shares (mn)	331
MCap (INR bn) / (\$ mn)	446/4,854
6m avg traded value (INR mn)	1,394
52 Week high / low	INR 1,531/1,135

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.9)	1.0	(8.5)
Relative (%)	(2.1)	(0.5)	(16.4)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	30.30	30.30
FIs & Local MFs	35.62	37.74
FPIs	20.26	18.41
Public & Others	13.82	13.55
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Thermax

Marginal beat on numbers

Thermax Ltd (TMX) reported revenue/EBITDA/APAT of INR 26.3/2.5/1.6bn, a beat/miss by -2.3/+5.9/+4.6%. The EBITDA margin of 9.7% was higher than our estimate of 8.9%, largely due to improvement in operational efficiency and receding low margins legacy projects. Order inflow in Q3FY26 witnessed a 34% uptick YoY at INR 30.8bn, taking the OB as of Dec'25 to INR 126.4bn (+11% YoY). The performance in Industrial Products segment is lower due to product mix. Profitability in the Industrial Infrastructure segment is higher this year on account of increased operational efficiency. Last year's numbers reflected a project cost overrun, which impacted margins. Chemicals segment profitability is lower due to fixed cost of a new plant and change in product mix. Green Solutions business has margin improvement due to operational efficiency and one of the subsidiaries has received insurance claim proceeds. New growth drivers are emerging in the form of Data Centre solutions, medium MW power projects, utility power projects, ramp-up of the chemical business, and increased traction in products launched over the past few years. Profitability continues to improve with changes in mix toward profitable industrial products and completion of lower-margin order backlog. Ramping up of new product portfolio, impetus on cleaner air and water, and focus on bio-CNG will be additions. We have cut estimates, given weak execution of order book. We maintain **BUY** on TMX, with a TP of INR 4,175 (45x Dec-27E EPS rollover).

■ **Q3FY26 financial highlights:** Revenue: INR 26.3bn (+5.1/-6.5% YoY/QoQ, miss by 2.3%); industrial products/industrial infra/green sol/chemical posted growth/decline of +19/-9/-14/+5% YoY. EBITDA: INR 2.5bn (+34.8/+48.1% YoY/QoQ, a beat by 5.9%), with EBITDA margin of 9.7% (+213.6/+271.8bps YoY/QoQ, vs our estimates of 8.9%). EBIT margin: industrial product: 9.3% (-199.3/-60.6bps YoY/QoQ); industrial infra: 6.3% (+622.2/+790.3bps YoY/QoQ); green solution: 5.2% (+632.2/-89bps YoY/QoQ); chemical: 4.6% (-916.5/-519bps YoY/QoQ). APAT stood at INR 1.6bn (+41.5/+34.8% YoY/QoQ, a 4.6% beat).

■ **Expect double-digit base order growth; large orders to make a comeback:** Order booking is improved on the back of improved performance in export in the MENA region, including data centre infrastructure solutions, utility boilers and associated systems for Nigeria project. F&B orders increased although Sugar/Distillery dropped which historically is a leading contributor. Data centre is emerging as a new sector with tremendous future potential. Order booking is expected to grow 20% YoY.

Consolidated financial summary

Particulars	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	26,347	25,078	5.1	24,739	6.5	103,887	106,571	120,942	143,536
EBITDA	2,548	1,890	34.8	1,720	48.1	9,078	9,251	12,319	15,589
APAT	1,609	1,137	41.5	1,194	34.8	6,270	5,972	8,351	10,784
Diluted EPS (INR)	14.3	10.1	41.5	10.6	34.8	55.7	53.0	74.2	95.8
P/E (x)						52.2	54.8	39.2	30.4
EV/EBITDA (x)						34.8	34.7	26.1	20.4
RoE (%)						13.4	11.6	14.8	16.8

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	% Change	New	Old	% Change	New	Old	% Change
Revenue	106,571.0	106,767.0	(0.2)	120,941.6	125,374.0	(3.5)	143,536.1	150,219.0	(4.4)
EBITDA	9,250.7	8,953.0	3.3	12,319.1	13,055.0	(5.6)	15,589.3	15,267.0	2.1
EBITDA (%)	8.7	8.4	29.5	10.2	10.4	(22.7)	10.9	10.2	69.8
APAT	5,972.2	6,630.0	(9.9)	8,351.4	9,358.0	(10.8)	10,784.1	11,285.0	(4.4)

Source: Company, HSIE Research

BUY

CMP (as on 05 Feb 2026)	INR 2,916
Target Price	INR 4,175
NIFTY	25,643

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 4,125	INR 4,175
EPS change %	FY26E -9.9	FY27E -10.8 FY28E -4.4

KEY STOCK DATA

Bloomberg code	TMX IN
No. of Shares (mn)	119
MCap (INR bn) / (\$ mn)	347/3,848
6m avg traded value (INR mn)	493
52 Week high / low	INR 4,092/2,743

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.9)	(18.0)	(12.8)
Relative (%)	(10.7)	(21.2)	(19.3)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	61.99	61.99
FIs & Local MFs	13.95	14.84
FPIs	13.44	12.36
Public & Others	10.62	10.81
Pledged Shares	-	-

Source: BSE

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Kalpataru Projects International

Steady show; improving financial strength

Kalpataru Projects International's (KPIL) Q3FY26 revenue/EBITDA/APAT were reported at INR 57.9/4.8/2.3bn, a beat of +2.4/in line/11.1% to our estimates, respectively. KPIL secured new orders worth INR 194.5bn in YTD FY26, taking the total order book (OB) to INR 632.8bn (excl L1 INR 70bn, ~3.2x FY25 revenue). The company is now targeting FY26 revenue growth of ~25%+, with an EBITDA margin band of 8.5-8.7% and a PBT margin of 5.5%, along with an expected order inflow of INR 250bn+ in FY26. Most low-margin legacy projects are now closed, with only ~INR 10bn remaining out of an INR 630bn order book, positioning margins for gradual improvement despite some newer urban infra orders carrying lower initial margins. Given the robust order booking, stable growth outlook, and a strong balance sheet (BS) and NWC, we retain our P/E target multiple at 20x. Maintain a BUY rating on the stock with increased TP of INR 1,566/sh (20x Dec-27E EPS rollover from Sep-27E).

- **Q3FY26 financial highlights:** KPIL generated a revenue of INR 57.9bn (+19.9/+6.8% YoY/QoQ, beat by 2.4%) with an EBITDA of INR 4.8bn (+19.8/+7.6% YoY/QoQ, in line). EBITDA margin came in at 8.3% (-1.2/+6.4bps YoY/QoQ, vs our estimate of 8.5%). APAT stood at INR 2.3bn (+48.3/+16.7% YoY/QoQ, a beat by 11.1%).
- **Diversified order book amid macro headwinds:** In YTD FY26, KPIL received an order inflow of INR 194.5bn, which takes its OB to INR 632.8bn (excl L1 INR 70bn). Domestic/international OB comprises 63/37% respectively, with OI coming in at 74%/26% for the two respectively, T&D and BNF leading the charge. In 9MFY26, revenue from T&D grew +37% YoY on the back of project execution and healthy order mix in India and overseas markets, while water lagged due to payment delays from UP and Jharkhand.
- **NWC supports balance sheet:** KPIL's standalone NWC improved by nine days YoY to 97 days in Q3FY26 (Q2:102 days), with KPIL guidance at under 100 days for FY26. Standalone net debt decreased to INR 18.4bn in Q3FY26 (Q2FY26: INR 21.8bn), with net debt to equity at 0.2x as of Dec'25 (vs. 0.3x as of Sep'25). Capex for KPIL in 9MFY26 stood at INR 5bn.

Standalone Financial Summary (INR mn)

Particulars	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	57,876	48,257	19.9	54,188	6.8	1,88,880	2,32,322	2,69,494	3,07,223
EBITDA	4,813	4,019	19.8	4,472	7.6	15,871	19,527	23,176	27,343
APAT	2,334	1,574	48.3	1,999	16.7	6,971	9,506	11,662	13,939
EPS (INR)	13.7	9.2	48.3	11.7	16.7	40.8	55.7	68.3	81.6
P/E (x)						30.8	20.0	16.3	13.6
EV/EBITDA (x)						19.2	13.9	9.4	7.9
RoE (%)						9.7	11.9	12.9	13.6

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	Chg. (%)	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	2,32,322	2,26,656	2.5	2,69,494	2,60,654	3.4	3,07,223	3,02,359	1.6
EBITDA	19,527	19,832	-1.5	23,176	23,459	-1.2	27,343	27,212	0.5
EBITDA (%)	8.4	8.8	-34.5	8.6	9.0	-40.0	8.9	9.0	-10.0
APAT	9,506	9,536	-0.3	11,662	11,628	0.3	13,939	13,560	2.8

Source: Company, HSIE Research

BUY

CMP (as on 05 Feb 2026)	INR 1,100
Target Price	INR 1,566
NIFTY	25,643

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target (INR)	1,520	1,566
EPS	FY26E	FY27E
Change (%)	-0.3	0.3
		FY28E
		2.8

KEY STOCK DATA

Bloomberg code	KPIL IN
No. of Shares (mn)	171
MCap (INR bn) / (\$ mn)	188/2,080
6m avg traded value (INR mn)	295
52 Week high / low	INR 1,336/770

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(16.3)	(2.7)	5.7
Relative (%)	(16.1)	(6.0)	(0.7)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	33.57	33.57
FIs & Local MFs	44.10	43.90
FPIs	11.97	11.73
Public & Others	10.35	10.80
Pledged Shares	8.25	8.25

Source: BSE

Pledge shares as a % of total shares

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KEC International

Muted performance

KECI's revenue/EBITDA/APAT was a miss by 2.4/6/3% vs our estimates. Balance sheet deterioration, elevated NWC days, and weak margins may delay rerating. KECI maintained revenue growth of 15% and reduced EBITDA margin guidance from 8-8.5% to 7.1-7.5% for FY26. Legacy projects margins hit negates higher contribution from double-digit margins in the T&D segment. The YTD order inflows (OI) came in at INR 193bn, led by T&D, while the order book (OB) as of Dec'25 stood at INR 367.3bn (~1.68x FY25 revenue), excluding L1 of INR 42.8bn. Tailwinds benefitting KECI include robust international T&D outlook, strong India T&D momentum, government focus on renewable energy/BESS/grid modernization/HVDC, and uptick in real estate projects. However, headwinds such as labour shortages, subdued execution in transportation segment, land availability (RoW issues), and uncertainty on global tariffs/geopolitical unrests impacted performance. The civil segment margins are pressured due to labour shortages and payment issues from water projects. We have cut estimates to factor in weak profitability. We have cut valuation multiple from 20x to 17x owing to slower-than-expected margin recovery trajectory as legacy projects hit prolongs. Maintain ADD with a reduced TP of INR 781/sh (17x Dec-27 EPS).

■ **Q3FY26 financial snapshot:** KECI generated a revenue of INR 60bn (+12.2/-1.5%, YoY/QoQ, a miss by 2.4%). EBITDA came in at INR 4.3bn (+14.8/-0.1%, YoY/QoQ, a miss by 6%) while EBITDA margin came in at 7.2% (+16.5/+9.9bps, YoY/QoQ, vs our estimate of 7.4%). APAT (incl. one-time exceptional charges due to labor code changes) came in at INR 1.7bn (+32.4/+6.7% YoY/QoQ, a miss of 3%). Revenue contribution for T&D/non-T&D stood at 67/33% for 9MFY26, growing by 31% YoY, supported by revenue growth from SAE Towers (+70% YoY). Revenue from domestic/international markets stood at 63/37% respectively. Legacy metro projects' negative margin impact is expected to diminish as projects complete.

■ **Stable order intake; targeting high-margin orders:** KECI's OI of INR 192bn in 9MFY26 is led by T&D, civil, transportation, cables & conductors, and others at 71/21/1/6/1% respectively. The tender pipeline is currently at INR 1.8trn majorly from T&D and civil segments. The OB of INR 410bn (incl. L1) as of Dec'25 is spread across T&D, civil, transportation, cables, and others at 64/26/7/2/1% respectively. Geographically, the OI and OB are bifurcated at 47/53% and 55/45% between domestic and international.

■ **Focus on optimizing working capital through various measures:** The consolidated net debt has increased by INR 12.3/3.3bn (YoY/QoQ) to INR 68bn (the highest ever) as of Dec'25. Delay in payments in some projects, slow recovery of water receivables, and spillover of large collections led to debt increase. NWC days as of Dec'25 stood at 135 (+6/-3 YoY/QoQ); management has guided for 110days NWC by FY26-end.

Consolidated financial summary (INR mn)

Particulars	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	60,014	53,494	12.2	60,916	(1.5)	218,467	248,847	285,600	321,958
EBITDA	4,300	3,745	14.8	4,304	(0.1)	15,039	18,109	21,518	26,138
APAT	1,715	1,296	32.4	1,608	6.7	5,707	7,611	9,839	13,029
EPS (INR)	6.4	4.9	32.4	6.0	6.7	21.4	28.6	37.0	48.9
P/E (x)						40.7	30.5	23.6	17.8
EV/EBITDA(x)						18.5	15.5	13.2	10.9
RoE (%)						12.1	13.4	15.2	17.5

Source: Company, HSIE Research

Change in estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	% Change	New	Old	% Change	New	Old	% Change
Revenue	248,847	251,688	(1.1)	285,600	283,895	0.6	321,958	315,748	2.0
EBITDA	18,109	19,436	(6.8)	21,518	24,141	(10.9)	26,138	27,504	(5.0)
EBITDA (%)	7.3	7.7	(44.5)	7.5	8.5	(96.9)	8.1	8.7	(59.2)
APAT	7,611	8,301	(8.3)	9,839	11,189	(12.1)	13,029	13,803	(5.6)

Source: HSIE Research

ADD

CMP (as on 30 Jan 2026)	INR 667
Target Price	INR 781
NIFTY	25,321

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 959	INR 781
EPS	FY26E	FY27E
Change		
%	-8.3	-12.1

KEY STOCK DATA

Bloomberg code	KECI IN
No. of Shares (mn)	266
MCap (INR bn) / (\$ mn)	178/1,931
6m avg traded value (INR mn)	867
52 Week high / low	INR 947/605

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(19.1)	(23.6)	(17.9)
Relative (%)	(16.5)	(24.5)	(25.1)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	50.10	50.10
FIs & Local MFs	22.55	25.47
FPIs	15.92	11.75
Public & Others	11.43	12.66
Pledged Shares	-	-

Source: BSE

Pledge shares as a % of total shares

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Cement, Building Materials

UltraTech Cement

The undisputed leader!

We maintain BUY on UltraTech (UTCEM), with an unchanged target price of INR 14,200 (17x FY28E consolidated EBITDA). In Q3FY26, even on a high base, UTCEM delivered like-to-like (LTL) volume growth of ~15% YoY (reported 22% YoY), which is almost 2x industry. Even for 9MFY26, it delivered industry leading ~8% LTL volume growth (total 16%). Similarly, amid weak pricing UTCEM delivered healthy margin of INR 1,007/MT (+93/MT QoQ) in Q3, led by strong all-round cost focus. Despite low-margin India Cements' (ICEM) consolidation, unit EBITDA expanded INR 205/MT YoY to INR 1,042/MT in 9MFY26. UTCEM is steadily expanding capacity (at 8% CAGR during FY25-28E to 257mn MT) at a lean capex run-rate of USD 60-65/MT. We estimate consolidated volume/EBITDA 10/26% CAGR in the same period, with margin expanding by ~INR 440/MT to INR 1,367/MT in FY28E.

- **Q3FY26 performance:** UTCEM's consolidated volume grew 22% YoY to 38.9mn MT. On an LTL basis, its volume soared ~15% YoY (ex-ICEM). NSR fell 3% QoQ amid pricing slump in Oct/Nov and as UTCEM focused on large market share gain. Despite this, it reported all-round cost reduction (lower input cost and op-lev gains), leading to margin expansion by INR 93/MT QoQ to INR 1,007/MT. UTCEM's core margin stood higher at ~INR 1,067/MT (+100/MT) as the acquired ICEM/Kesoram delivered INR 400/600 per MT. Even in 9MFY26, UTCEM delivered industry-leading 16% (LTL 8%) volume growth. Even margin expanded ~INR 205/MT to INR 1,042/MT (~LTL rise by ~INR 260 to ~INR 1,100/MT), thus remaining a superior franchise.
- **Expansion and outlook:** UTCEM's capacity is growing at 8% CAGR during FY25-28E to 257mn MT by FY28 end/early FY29E, at an average capex run-rate of ~USD 60-65/MT. Its green power share will soar to 70% in FY28E from 33% in FY25. Clinker factor is expected to reduce to 65% in FY28E from 68% in FY25. AFR share would also soar to 15% in FY28E vs 6% in FY25. Lead distance reduction and rising direct dispatches would further bolster margin. Low-capex growth, strong distribution, industry-leading growth and continued cost sweating would continue to sustain UTCEM's all-round performance. Hence, UTCEM would remain the undisputed leader of the Indian cement industry, and it should continue to trade at premium valuations, in our view. We estimate consolidated volume/EBITDA of 10/26% CAGR (estimates unchanged) in the same period, with margin expanding by ~INR 440/MT to INR 1,367/MT in FY28E.

Consolidated quarterly/annual financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Sales (mn MT)	38.9	31.9	21.8	33.9	14.8	119.1	135.8	154.4	167.5	182.2
NSR (INR/MT)	5,616	5,573	0.8	5,792	(3.0)	5,954	5,592	5,732	5,875	5,993
EBITDA (INR/MT)	1,007	907	11.0	914	10.2	1,089	925	1,073	1,293	1,367
Net Sales	218.3	177.8	22.8	196.1	11.3	709.1	759.6	885.1	983.8	1,091.9
EBITDA	39.2	28.9	35.3	30.9	26.5	129.7	125.6	165.7	216.5	249.0
APAT	17.9	13.6	31.8	12.3	45.5	70.6	61.1	79.0	114.0	137.2
AEPS (INR)	60.8	47.1	29.2	41.8	45.5	244.5	207.4	267.9	386.9	465.5
EV/EBITDA (x)						24.6	26.3	22.7	17.2	14.8
EV/MT (INR bn)						21.50	16.08	17.18	15.91	14.78
P/E (x)						45.1	52.1	46.2	32.0	26.6
RoE (%)						12.3	9.1	10.3	13.5	14.5

Source: Company, HSIE Research

BUY

CMP (as on 23 Jan 2026) INR 12,368

Target Price INR 14,200

NIFTY 25,049

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR14,200	INR 14,200
EBITDA change %	FY26E 1.9	FY27E 0.1

KEY STOCK DATA

Bloomberg code	UTCEM IN
No. of Shares (mn)	295
MCap (INR bn) / (\$ mn)	3,645/39,636
6m avg traded value (INR mn)	2,952
52 Week high / low	INR 13,102/10,048

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	1.8	(0.0)	8.3
Relative (%)	5.4	1.4	1.7

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	59.23	59.28
FIs & Local MFs	16.65	17.45
FPIs	15.33	14.44
Public & Others	8.79	8.83
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Ambuja Cement

Healthy volume offtake; margin to recover in Q4

We maintain BUY with a revised TP of INR 700/share (16.5x its consolidated FY28E EBITDA). In Q3FY26, ACEM's reported ~7/15% LTL/total volume growth. Unit EBITDA fell by INR 317/MT QoQ on weak pricing and one-off opex (~INR 150/MT) to INR 714/MT. However, the management remains upbeat as it guided that its elevated opex in Q3 has fully normalized and this should drive margin recovery by > INR400 QoQ in Q4FY26, in our view. ACEM guided it is also on track to lower opex by another INR 350/MT and increase capacity to 155mn MT by FY28-end. Hence, we estimate 13% consolidated volume CAGR and unit EBITDA expansion by ~INR 490/MT during FY25-28E.

- **Q3FY26 consolidated performance:** Consolidated cement volume jumped 15% YoY; LTL volume (ex-Orient) grew ~7% YoY. Blended NSR stood flat QoQ on higher other operating income while grey NSR fell 2% QoQ. The share of trade sales stood at 67% vs 68/71% QoQ/YoY. The share of premium sales stood at 35% vs 35/26% QoQ/YoY. Blended opex rose 7% QoQ on lumpy maintenance and ad spends in the quarter (~INR 150/MT). With all operations normalized by Dec-25, the company noted cement opex rate has come down to ~INR 4,000MT in Dec-25/Jan-26 vs ~INR 4,500/MT in Q3. Ramp-up of green power continues, which has resulted in green power share rising to 37% in Q3FY26 vs 33/22% QoQ/YoY. Elevated cost pulled down unit EBITDA by INR 317/MT QoQ to INR 714/MT. ACEM has accelerated capex (spent INR 30bn in Q3 and similar outgo expected in Q4FY26) vs INR 30bn in H1FY26. In our estimate, ACEM could reduce its working capital by ~INR 17bn QoQ, to Mar-25-end levels.
- **Outlook and view:** ACEM maintained that its ongoing expansions are broadly on track (with minor delays), leading to 115/135/155mn MT capacity by end of FY26/27/28E. 15mn MT of these expansions are low-cost (~USD 48/MT). The company noted that cement demand is strong in Q4, helping some recovery in non-trade prices. ACEM guided its opex to reduce by ~400-500/MT QoQ in Q4FY26 and by another INR ~350/MT by the end of FY28E, mainly led by increasing energy and logistics efficiency and higher share of low-cost green power. We lower our EBITDA estimates for FY26/27/28E by 12/6/5% respectively, factoring in higher opex. For FY25-28E, we model a 13% volume CAGR and a rebound in unit EBITDA to INR 1,281/MT in FY28E vs INR 798/MT in FY25, mainly led by opex reduction (2% reduction CAGR assumed for the period).

Consolidated financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Sales (mn MT)	18.94	16.49	14.9	16.86	12.4	59.20	65.22	77.62	86.16	94.77
NSR (INR/MT)	5,426	5,707	(4.9)	5,443	(0.3)	5,601	5,246	5,456	5,456	5,456
EBITDA (INR/MT)	714	1,038	(31.2)	1,031	(30.7)	1,081	789	965	1,187	1,281
Net Sales	102.77	94.11	9.2	91.74	12.0	331.60	342.18	423.49	470.07	517.08
EBITDA	13.53	17.12	(21.0)	17.38	(22.2)	63.99	51.44	74.92	102.30	121.42
APAT	1.13	11.00	(89.8)	2.06	(45.3)	31.48	22.03	19.17	43.43	51.60
AEPS (INR)	0.5	4.5	(89.8)	0.8	(45.3)	14.3	8.9	7.8	15.5	18.4
EV/EBITDA (x)						15.2	30.3	20.9	14.1	12.0
EV/MT (INR bn)						12.42	17.19	12.99	10.31	9.54
P/E (x)						29.6	65.0	65.8	33.0	27.8
RoE (%)						7.0	3.8	2.9	6.2	7.0

Source: Company, HSIE Research

BUY

CMP (as on 30 Jan 2026)	INR 510
Target Price	INR 700
NIFTY	25,321

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 740	INR 700
EBITDA revision %	FY26E (11.6)	FY27E (6.1)

KEY STOCK DATA

Bloomberg code	ACEM IN
No. of Shares (mn)	2,472
MCap (INR bn) / (\$ mn)	1,261/13,714
6m avg traded value (INR mn)	1,433
52 Week high / low	INR 625/455

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.2)	(17.4)	0.1
Relative (%)	(7.6)	(18.4)	(7.1)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	67.68	67.68
FIs & Local MFs	19.41	19.64
FPIs	5.91	5.80
Public & Others	7.00	6.97
Pledged Shares	19.32	-

Source : BSE

Pledged shares as % of total shares

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Shree Cement

Focus on value drives pricing gains amid op-lev loss

We maintain ADD on Shree Cement (SRCM) with a lower SOTP target price of INR 29,000/share (India operations at 16.5x FY28E EBITDA, UAE operations at 3x BV). In Q3FY26, SRCM's India sales rose a modest 1% YoY (-1% YoY in 9MFY26). Continued focus on value over volume drove up its cement NSR by 2% YoY, while peers reported a decline! However, blended unit EBITDA (INR 1,049/MT) fell INR 43/MT YoY, mainly on op-lev loss.

- **Q3FY26 performance:** Sales volume rose a modest 1% YoY to 8.7mn MT. While blended NSR fell 7% QoQ, cement NSR fell 4% QoQ (weak pricing and fall in trade sales share to 65% vs 70% QoQ). SRCM noted that it has been focusing on bridging the price gap vs market leader UltraTech, at the expense of losing market share. This has indeed resulted in SRCM delivering NSR gain of INR 100/MT YoY vs NSR decline of INR 50/MT by market leader. Unit EBITDA fell INR 60/MT QoQ to INR 1,049/MT on weak pricing. Fuel cost rate fell marginally to INR 1.56/mnCal vs INR 1.66 QoQ. Low-cost green power share remained flattish at 60% QoQ. Lead distance also stood flattish at 446km vs 441km QoQ. While standalone revenue rose 4% YoY, EBITDA fell 3%. Consolidated revenue/EBITDA rose 5/4% YoY on higher contribution from UAE subsidiary. SRCM spent INR 6.5/15bn in capex during Q3/9MFY26.
- **9MFY26:** Standalone volume fell 1% YoY, significantly lagging the industry as SRCM continued its thrust on better pricing over volume. Thus, blended unit EBITDA rose INR 228/MT YoY to INR 1,180/MT on better pricing, rising share of premium sales, strong value focus and lower energy costs. Standalone revenue/EBITDA rose 7/23% YoY (on better pricing and margin) and consolidated revenue/EBITDA jumped 8/33% (additional contribution from improvement in UAE's profitability).
- **Outlook:** SRCM's Q4FY26 volume guidance of ~9.5mn MT implies FY26 volume would fall 3% YoY (as against earlier guidance of +4% growth). The Karnataka expansion is expected to be operational in Q4FY26, increasing its Indian capacity to 69mn MT. Additionally, it is also expanding the UAE cement capacity by 3mn MT, to ride on real estate buoyancy in the country. We reduce our FY26/27/28E EBITDA estimates by 8/6/9%, factoring in slower volumes (FY25-28E CAGR of 3% vs 6% earlier) and lower margin in FY26E.

Quarterly/annual financial summary (standalone)

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Sales (mn MT)	8.7	8.7	0.8	7.9	10.5	35.5	35.6	34.9	36.6	39.2
NSR (INR/MT)	5,053	4,885	3.4	5,440	(7.1)	5,391	5,050	5,277	5,409	5,490
EBITDA(INR/MT)	1,049	1,092	(4.0)	1,106	(5.2)	1,228	1,086	1,169	1,330	1,375
Net Sales	44.16	42.35	4.3	43.03	2.6	191.61	179.77	184.11	198.14	215.19
EBITDA	9.17	9.47	(3.2)	8.75	4.7	43.64	38.67	40.77	48.73	53.91
APAT	3.21	2.29	39.8	2.95	8.7	24.69	12.19	16.26	26.05	22.36
AEPS (INR)	92.0	63.6	44.7	81.7	12.6	684.2	337.9	450.6	721.9	619.6
EV/EBITDA (x)						20.5	22.8	21.8	18.0	16.4
EV/MT (INR bn)						16.6	15.5	12.8	12.6	11.4
P/E (x)						40.0	80.9	60.7	37.9	44.1
RoE (%)						12.8	5.9	7.5	11.4	9.2

Source: Company, HSIE Research, EBITDA (INR/MT) is blended and includes merchant power

ADD

CMP (as on 06 Feb 2026) INR 27,346

Target Price INR 29,000

NIFTY 25,694

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 32,000	INR 29,000
EBITDA	FY26E	FY27E
Change %	(8.4)	(6.2)

KEY STOCK DATA

Bloomberg code	SRCM IN
No. of Shares (mn)	36
MCap (INR bn) / (\$ mn)	987/10,883
6m avg traded value (INR mn)	907
52 Week high / low	INR 32,508/25,360

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(0.4)	(10.5)	(1.7)
Relative (%)	(0.7)	(14.3)	(8.8)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	62.55	62.55
FIs & Local MFs	14.65	14.84
FPIs	10.33	10.08
Public & Others	12.47	12.53
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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JK Cement

Stellar, all-round performance continues

We maintain our BUY rating on JK Cement with an unchanged TP of INR 6,495/sh (15x Mar-28E consolidated EBITDA). Our positive stance is led by JKCE's continued solid volume growth along with a healthy margin. It continues to expand capacity at a fast pace without stretching its balance sheet. All these culminate into JKCE's industry leadership in both volume growth and return ratios. In Q3FY26, JKCE delivered a whopping 22% YoY volume growth, led by strong growth across both grey and white/putty sales. Blended margin, however, fell ~INR 74/MT YoY to INR 931/MT on account of decline in cement prices, ramp-up expenses of recent expansions and lower incentives accrual. We estimate JKCE to deliver robust 13/23% volume/EBITDA CAGRs over FY25-28E. We expect blended margin to expand to INR 1,305/MT in FY28E from INR 1,006/MT in FY25. Despite its aggressive capex, JKCE's net debt to EBITDA should remain under 2x, in our view.

- **Solid volume performance continues in Q3FY26:** Consolidated volume rose 22% YoY in Q2, led by 23/14% YoY growth across grey cement/white putty segments, further bolstering its market share gains. It also pushed volumes in non-trade, the sales share of which rose to 40% (four-year high). Premium sales share grew further to 17% vs 15/16% QoQ/YoY. Grey NSR dipped 3% QoQ on weak pricing, lower GST incentive and higher non-trade sales. Unit opex fell 5% QoQ on oplev gain and lower fuel cost while freight cost went up due to change in road mix and withdrawal of railway discount. Thus, unit EBITDA expanded by INR 31/MT QoQ to INR 852/MT, in our view. White cement segment delivered ~12% YoY EBITDA rise (our estimate) on healthy 14% volume growth. Paint revenue ramped up 20/5% YoY/QoQ to INR 1bn.
- **Outlook:** JKCE noted cement demand has firmed up Dec-25 onwards and non-trade prices have recovered by ~INR 15-20/bag in Jan-25. Despite a rise in pet coke prices, JKCE expects its fuel cost to remain stable QoQ, owing to inventory and higher usage of domestic coal in the central region. JKCE's target to reduce opex by ~INR 50-60/MT annually during FY25-27E is on track, driven by rising share of green power, lead distance reduction, and other efficiencies. The ongoing expansion in the central/east regions (6mn MT) and 0.7mnMT in Karnataka by Mar-26E, will expand its consolidated capacity to 35mn MT. In north, JKCE will further add 0.6mn MT putty capacity by Q2FY27 and the 7mn MT greenfield cement capacity by Q2FY28. It guided cumulative capex of ~INR 25-28/35/12bn during FY26/27/28E toward these.

Consolidated quarterly/annual financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Sales (mn MT)	6.0	4.9	22.2	5.0	19.9	19.0	20.1	23.0	25.6	28.7
NSR (INR/MT)	5,785	5,984	(3.3)	6,048	(4.3)	6,087	5,897	5,878	5,956	5,983
EBITDA (INR/MT)	931	1,005	(7.3)	895	4.1	1,085	1,006	1,060	1,211	1,305
Net Sales	34.63	29.30	18.2	30.19	14.7	115.56	118.79	134.93	152.65	171.99
EBITDA	5.58	4.92	13.3	4.47	24.8	20.60	20.27	24.33	31.03	37.53
APAT	2.10	1.90	11.0	1.61	31.1	7.95	7.84	10.17	14.11	16.25
AEPS (INR)	24.8	6.3	267.2	33.0	(24.7)	102.9	101.5	131.7	182.6	210.3
EV/EBITDA(x)						18.0	18.1	20.0	15.8	13.5
EV/MT (INR bn)						13.3	12.0	12.8	12.5	11.0
P/E (x)						42.7	43.3	44.0	31.7	27.5
RoE (%)						16.0	13.8	15.7	18.8	18.5

Source: Company, HSIE Research; Operating trends are on a blended basis (grey cement+ white/putty)

BUY

CMP (as on 19 Jan 2026)	INR 5,789
Target Price	INR 6,495
NIFTY	25,586

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 6,495	INR 6,495
EBITDA revision %	FY26E 1.1	FY27E -

KEY STOCK DATA

Bloomberg code	JKCE IN
No. of Shares (mn)	77
MCap (INR bn) / (\$ mn)	447/4,921
6m avg traded value (INR mn)	714
52 Week high / low	INR 7,566/4,219

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.8)	(10.9)	27.5
Relative (%)	(9.9)	(12.7)	18.9

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	45.66	45.66
FIs & Local MFs	23.06	21.74
FPIs	17.56	18.57
Public & Others	13.72	14.03
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Supreme Industries

In-line performance; PVC prices uncertainty persist

Supreme Industries (SIL) reported 13% consolidated volume growth (plumbing/other segments 16/2% YoY). EBITDA grew 2% YoY owing to increased employee costs, given the additional charge on account of new labor law. APAT declined 18% YoY due to lower EBITDA, associate profit, and higher depreciation. Management holds its overall volume growth guidance at 12–14% and plastic piping division guidance at 15–17% for FY26, backed by good demand visibility for Q4. The company is targeting INR110-115bn revenue in FY26. However, it has lowered the EBITDA margin guidance for the year to 13.5–14% vs 14.5-15% earlier. It is expecting strong Q4 demand, driven by good demand visibility from agriculture, housing, and infrastructure sectors. Going forward, management expects PVC resin prices to increase. Factoring in the Q3 result, we cut our revenue estimates by 1% each for FY26/27/28E and APAT estimate by 7% for FY26, while broadly maintaining FY27-28E. We value the company at 40x Mar'28 EPS and its 30.8% holding in the associate Supreme Petrochem at a 30% discount to its current market cap. We maintain ADD on Supreme Industries with a revised target price of INR 3,780/sh.

- **Q3FY26 performance:** Supreme Industries delivered 13% consolidated volume growth, including Wavin acquisition. Plumbing/other segments delivered 16/2% volume growth YoY. Consolidated/pipes NSR declined by 6/7% QoQ, owing to sequential correction in PVC resin prices. Consolidated revenue was up 7% YoY. EBITDA grew 2% YoY, owing to increase employee costs (up 35% YoY), due to an INR 154mn expense charge on account of new labor codes. Other expenses surged 11% YoY. Consequently, EBITDAM stood at 11.7% (down 63/74bps YoY/QoQ). Consolidated/pipes/industrial/packaging/consumer EBIT was -6/-2/-1/-24/1% YoY. APAT declined 18% YoY owing to lower EBITDA, associate profit, and higher depreciation.
- **Outlook:** The management holds its overall volume growth guidance at 12–14% and plastic piping division guidance at 15–17% for FY26, backed by good demand visibility in Q4. However, it lowered the EBITDA margin guidance for the year to 13.5–14% vs 14.5-15% earlier. It expects strong Q4 demand, driven by good demand visibility from agriculture, housing, and infrastructure sectors. Going forward, management expects PVC resin prices to increase. Factoring in the Q3 result, we cut our revenue estimates by 1% each for FY26/27/28E and APAT estimate by 7% for FY26, while broadly maintaining FY27-28E. We maintain ADD with a TP of INR 3,780/sh.

Consolidated quarterly/annual financial summary

YE Mar (INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Sales (K MT)	183.8	162.7	12.9	154.4	19.0	639.7	674.5	745.8	829.5	914.1
NSR (INR/Kg)	146.2	154.2	-5.2	155.0	-5.7	158.4	154.9	145.5	149.8	149.7
EBITDA (INR/Kg)	17.1	19.0	-10.0	19.3	-11.3	24.2	21.2	19.2	22.1	22.5
Net Sales	26,869	25,099	7.1	23,939	12.2	1,01,342	1,04,463	1,08,489	1,24,234	1,37,651
EBITDA	3,138	3,088	1.6	2,974	5.5	15,473	14,317	14,296	18,363	20,588
EBITDAM (%)	11.7	12.3		12.4		15.3	13.7	13.2	14.8	15.0
APAT	1,534	1,870	-18.0	1,647	-6.9	10,697	9,609	8,320	11,620	12,940
AEPS (INR)	12.1	14.7	-18.0	13.0	-6.9	84.2	75.6	65.5	91.5	101.9
EV/EBITDA(x)	183.8	162.7	12.9	154.4	19.0	26.7	29.0	29.4	22.9	20.4
P/E (x)	146.2	154.2	-5.2	155.0	-5.7	39.7	44.2	51.0	36.5	32.8
RoE (%)	17.1	19.0	-10.0	19.3	-11.3	22.5	17.8	14.2	18.2	18.6

Source: Company, HSIE Research

ADD

CMP (as on 21 Jan 2026)	INR 3,349
Target Price	INR 3,780
NIFTY	25,158

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3,940	INR 3,780
EPS change %	FY26E -6.7	FY27E -0.3

KEY STOCK DATA

Bloomberg code	SI IN
No. of Shares (mn)	127
MCap (INR bn) / (\$ mn)	425/4,639
6m avg traded value (INR mn)	944
52 Week high / low	INR 4,740/3,020

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(20.1)	(20.3)	(15.4)
Relative (%)	(17.1)	(19.9)	(23.4)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	48.90	48.96
FIs & Local MFs	16.05	19.23
FPIs	20.66	17.12
Public & Others	14.39	14.71
Pledged Shares	NIL	NIL

Source : BSE

Pledged shares as % of total shares

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Dalmia Bharat

Volume firms up but weak pricing drags margin

We maintain BUY on Dalmia Bharat with an unchanged TP of INR 2,470/sh (12x its Mar-28E consolidated EBITDA). In Q3FY26, Dalmia's volume firmed up 10% YoY, ahead of industry growth. However, adjusted margin fell to INR 790/MT (down INR 222/MT QoQ) on weak pricing. Slight moderation in fuel cost, high 48% green power share and lower lead distance cushioned the impact. Dalmia commissioned the 3.6mnMT clinker unit in Assam in Jan-26 and guided that its other 12mn MT expansions in the south and Maharashtra (by H1Y28E) are on track. It also reiterated that it will add another ~12~13mn MT by FY28E-end. We expect these additional capacities to be pushed beyond FY28E.

- **Q3FY26 performance:** Dalmia's sales volume rose 10% YoY, ahead of the industry. The share of trade sales stood at 62% vs 62/66% QoQ/YoY. While reported NSR fell 3.6% QoQ, adjusted for prior period incentives (INR 61/MT), it fell 5% QoQ, on weak pricing and volume push. Unit opex stood flattish. Fuel cost declined to 1.36/mnCal vs 1.38/1.31 QoQ/YoY. Green power share stood at 48% vs 48/33% QoQ/YoY. Lead distance stood at 277km vs 287/267km QoQ/YoY. Subsequently, it reported unit EBITDA fell INR 191/MT QoQ to INR 822/MT. Adjusted for prior period incentives of INR 61/MT and one-off higher marketing expenses of INR 30/MT, unit EBITDA stood at INR 790/MT.
- **Con call KTAs and outlook:** Dalmia mentioned cement prices have improved slightly in Jan. Incentive accrual run rate has come off to ~INR 60/MT Q3FY26 onwards and it will continue in FY27E. Dalmia lowered its FY26E capex guidance to INR 27-30bn vs earlier guidance of INR 40bn (mainly due to extended credit from equipment suppliers). The 3.6mn MT clinker expansion in Assam got operational in Jan-26. Dalmia reiterated its 12mn MT expansions across south and Maharashtra by H1FY28 is on track. It also plans to fast track its greenfield Jaisalmer project and would also look to add cement capacities in Bihar and north-east to achieve 75mn MT target by FY28E. However, we build in execution of these expansions beyond FY28E. We maintain our earnings estimates, whereby we have built in consolidated volume CAGR of 7/20% for FY25-28E. We have also factored in capex run-rate to increase to INR 43bn during FY27-28E vs ~INR 28bn in the preceding four years.

Quarterly/annual financial summary (consolidated)

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Sales (mn MT)	7.3	6.7	9.5	6.9	6.4	28.8	29.4	29.6	32.0	35.9
NSR (INR/MT)	4,794	4,763	0.7	4,973	(3.6)	5,103	4,763	4,954	5,053	5,154
EBITDA(INR/MT)	822	765	7.4	1,013	(18.9)	917	820	1,031	1,086	1,171
Net Sales	35.06	31.81	10.2	34.17	2.6	146.91	139.80	146.85	161.77	184.80
EBITDA	6.01	5.11	17.6	6.96	(13.6)	26.39	24.07	30.56	34.77	41.99
APAT	1.45	0.59	105.3	2.36	(48.7)	7.71	6.96	11.54	13.57	16.18
AEPS (INR)	7.7	3.1	145.9	12.6	(38.5)	40.6	36.6	60.7	71.4	85.1
EV/EBITDA (x)						13.4	15.1	14.3	12.6	11.1
EV/MT (INR bn)						7.91	7.36	8.87	8.83	7.58
P/E (x)						44.4	49.2	36.7	31.2	26.2
RoE (%)						4.8	4.1	6.4	7.1	8.0

Source: Company, HSIE Research

BUY

CMP (as on 21 Jan 2026) INR 2,232

Target Price INR 2,470

NIFTY 25,158

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,470	INR 2,470
EBITDA revision %	FY26E	FY27E
	-	-

KEY STOCK DATA

Bloomberg code	DALBHARA IN
No. of Shares (mn)	188
MCap (INR bn) / (\$ mn)	419/4,566
6m avg traded value (INR mn)	813
52 Week high / low	INR 2,496/1,601

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	2.2	(1.3)	26.0
Relative (%)	5.1	(1.0)	18.0

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	55.84	55.84
FIs & Local MFs	17.81	18.99
FPIs	8.76	7.92
Public & Others	17.59	17.25

Pledged Shares - -

Source : BSE

Pledged shares as % of total shares

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Astral

Industry-leading growth

Astral reported revenue growth of 10% YoY in Q3FY26 to INR 15.4bn – plumbing grew 8% YoY while paints & adhesives (P&A) grew 15% YoY. EBITDAM declined 30/90bps YoY/QoQ to 15.4%; however, strong revenue growth led to 8% YoY EBITDA growth. Inventory loss was INR 200–250mn (~2/1.5% of plumbing/consolidated revenue). APAT grew 5% YoY, led by EBITDA. Plumbing volume grew 17% YoY (+1% QoQ), indicating market share gain. NSR declined 8% YoY (-6% QoQ). The company has revised its FY26 plumbing volume growth guidance upward to over 14% (from low double-digits). Demand in Q4 has picked up, aided by channel restocking, with January plumbing volume growth exceeding 20% YoY. In bathware, the company aims for an annual revenue growth of 20-25% over the next five years, with current order book staying strong. Management anticipates UK adhesive margin to improve in Q4FY26. Considering in-line Q3 performance, we broadly maintain our estimates. We maintain BUY with an unchanged TP of INR 1,900/sh by valuing the company at 60x Mar-28E EPS.

- **Q3FY26 performance:** Revenue grew 10% YoY to INR 15.4bn (plumbing grew 8% YoY and P&A grew by 15% YoY). Employee cost and other expenses were up 14/12% YoY. EBITDAM declined 30/90bps YoY/QoQ to 15.4%, leading to 8% YoY EBITDA growth. APAT grew 5% YoY, led by EBITDA. Plumbing volume grew 17% YoY (+ 1% QoQ), indicating market share gain. NSR declined 8% YoY (-6% QoQ). Plumbing EBITDAM declined 25/80bps YoY/QoQ. EBITDA/kg was INR 31.7 vs INR 34.6/34.8 YoY/QoQ. Inventory loss was INR 200-250mn (~2/1.5% of plumbing/consolidated revenue).
- **Con call highlights and outlook:** The company has revised its FY26 plumbing volume growth guidance upward to over 14% (from low double digits). Demand in Q4 has picked up, aided by channel restocking, with January plumbing volume growth exceeding 20% YoY. In bathware, the company aims for an annual revenue growth of 20-25% over the next five years, with current order book staying strong. Management anticipates UK adhesive margin to improve in Q4FY26. The healthy revenue growth in paints from Q3 onward should persist into Q4. Considering in-line Q3 performance, we broadly maintain our estimates. We maintain BUY with an unchanged TP of INR 1,900/sh by valuing the company at 60x its Mar-28E EPS.

Quarterly/annual financial summary (consolidated)

YE Mar (INR bn)	Q3 FY26	Q2 FY26	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Pipes sales (K MT)	61.7	52.8	16.8	61.2	0.8	219.6	227.1	258.9	289.9	324.7
EBITDA (INR/kg)	31.7	34.6	-8.5	34.8	-9.0	34.1	33.6	31.0	32.9	33.1
Paints & adhesive revenue	4.70	4.07	15.4	4.59	2.3	14.99	16.36	18.47	20.99	23.43
Paints & adhesive EBITDAM (%)	11.0	11.9		12.1	15.0	13.5	11.9	11.6	13.2	13.3
Net Sales	15.42	13.97	10.3	15.77	-2.3	56.41	58.32	63.43	72.74	82.38
EBITDA	2.37	2.20	8.1	2.57	-7.6	9.18	9.46	10.21	12.43	14.62
EBITDAM (%)	15.4	15.7		16.3		16.3	16.2	16.1	17.1	17.7
APAT	1.20	1.14	5.3	1.35	-10.8	5.46	5.24	5.39	7.02	8.52
Diluted EPS (Rs)	4.5	4.2	5.3	5.0	-10.8	20.3	19.5	20.0	26.1	31.7
EV / EBITDA (x)						43.7	42.5	39.1	31.5	26.4
P/E (x)						74.1	77.2	75.1	57.7	47.5
RoE (%)						17.5	15.1	13.8	16.0	17.2

Source: Company, HSIE Research

BUY

CMP (as on 05 Feb 2026) INR 1,504

Target Price INR 1,900

NIFTY 25,643

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,900	INR 1,900
APAT revision %	FY26E	FY27E
	-	-

KEY STOCK DATA

Bloomberg code	ASTRA IN
No. of Shares (mn)	269
MCap (INR bn) / (\$ mn)	404/4,474
6m avg traded value (INR mn)	1,066
52 Week high / low	INR 1,595/1,232

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	2.5	5.4	(1.1)
Relative (%)	2.7	2.1	(7.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	54.21	54.22
FIs & Local MFs	17.49	19.19
FPIs	16.61	15.21
Public & Others	11.89	11.38

Pledged Shares - -

Source : BSE

Pledged shares as % of total shares

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The Ramco Cements

Subdued volumes; margin at a 13-quarter low!

We maintain **SELL** on The Ramco Cements (TRCL) with a lower target price of INR 920/share (12x FY28E consolidated EBITDA). TRCL's subdued profitability should keep its leverage high (we estimate net debt to EBITDA will remain >2x during FY26-27E) and return ratios low. In Q3FY26, TRCL's volume growth remained subdued at ~5% YoY. Even NSR fell 7% QoQ which dented margin to a 13-quarter low of INR 610/MT. We estimate its consolidated volume/EBITDA will grow at 7/19% CAGR during FY25-28E.

- Q3FY26 performance:** TRCL's sales volume rose a modest 5/1% YoY/QoQ. Cement sales in the south rose 5% YoY while it fell 1% in the east. Trade share stood at 67% vs 69/67% QoQ/YoY. Overall premium sales' share stood at 28% vs 25/29% YoY/QoQ. NSR fell sharply: down 7% QoQ on price correction across south and east. Unit opex fell 2% QoQ owing to lower employee and other expenses while its fuel cost rate increased by ~INR 40/MT and green lower share remained flattish. Lower NSR thus pulled down unit EBITDA by INR 243 to INR 610. On a YoY basis, despite 1% higher NSR, unit EBITDA fell by INR 29/MT due to the impact of increased royalty on limestone mining in Tamil Nadu and higher fixed costs. Net debt to EBITDA remained elevated at 3x in Dec'25 vs 3.3x QoQ.
- Other updates and outlook:** TRCL spent INR 2.22/8.23bn in gross capex in Q3/9MFY26. It would spend INR 2.8bn in Q4FY26. Its planned expansion to 30mn MT is delayed and is expected to be fully completed by the end of FY27. Factoring in disappointing performance in Q3FY26, we have lowered our EBITDA estimates by 3/8/8% respectively. We estimated consolidated volume/EBITDA CAGRs of 7/19% respectively. Amid lower profitability, we have deferred its Karnataka expansion to FY29E. We have modelled cumulative capex of INR 34bn for FY26-28E. We estimate net debt to EBITDA will reduce gradually to 2.8/2.4/1.9x in Mar'26/27/28E from 3x currently.

Quarterly/annual financial summary - consolidated

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Sales (mn MT)	4.6	4.4	5.1	4.5	0.9	18.4	18.5	18.9	20.8	22.8
NSR (INR/MT)	4,591	4,544	1.0	4,922	(6.7)	5,095	4,605	4,812	4,812	4,884
EBITDA (INR/MT)	610	639	(4.6)	853	(28.5)	850	666	810	842	899
Net Sales	21.06	19.83	6.2	22.39	(5.9)	93.76	85.18	90.80	99.88	111.51
EBITDA	2.80	2.79	0.3	3.88	(27.9)	15.65	12.33	15.28	17.49	20.53
APAT	3.85	1.83	110.1	0.76	408.0	3.60	1.23	2.14	4.67	6.86
AEPS (INR)	(3.0)	(0.3)	1,030.1	3.3	(190.6)	15.2	5.2	9.0	19.8	29.0
EV/EBITDA (x)						15.6	19.5	21.0	18.4	15.3
EV/MT (INR bn)						10.5	9.8	11.7	10.4	10.1
P/E (x)						56.4	164.9	133.0	60.8	41.4
RoE (%)						5.1	1.7	2.8	5.6	7.8

Source: Company, HSIE Research

SELL

CMP (as on 09 Feb 2026)	INR 1,205
Target Price	INR 920
NIFTY	25,867

KEY CHANGES	OLD		NEW
Rating	SELL		SELL
Price Target	INR 970		INR 920
EBITDA	FY26E	FY27E	FY28E
revision %	(2.5)	(8.4)	(8.2)

KEY STOCK DATA

Bloomberg code	TRCL IN
No. of Shares (mn)	236
MCap (INR bn) / (\$ mn)	285/3,137
6m avg traded value (INR mn)	322
52 Week high / low	INR 1,215/788

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	16.6	12.4	34.7
Relative (%)	15.6	7.1	26.7

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	42.56	42.56
FIs & Local MFs	28.49	28.14
FPIs	8.15	7.98
Public & Others	20.80	21.32
Pledged Shares	1.46	1.46

Source : BSE

Pledged shares as % of total shares

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Century Plyboards India

Strong all-round performance

Century's revenue grew 18% YoY to INR 13.5bn, led by healthy growth in MDF segment (up 19% YoY), ply segment (up 15% YoY), laminates segment (up 10% YoY) and particle board (up 84% YoY). MDF/ply/laminates/particle board volume grew 13/14/115% YoY, while laminates declined 8% YoY. Healthy revenue traction and improved margins drove a 32/22% YoY rise in EBITDA/APAT. The company has broadly maintained its guidance for FY26. It also plans major plywood expansion of more than 50% by FY29 to cut outsourcing. MDF capacity is likewise set to expand more than 50% by FY29. Factoring in Q3 performance, we broadly maintain our revenue and EBITDA estimates. However, we trim our APAT estimates by 4/8% for FY27/28E, respectively, to account for the new announced ply and MDF expansions, leading to increase in our depreciation and interest cost projection. We value Century Ply using SOTP—ex-particle board business at 40x Mar-28E EPS and the upcoming particle board business at 2x capital employed in Mar-28E—to arrive at a TP of INR 935/sh.

- **Q3FY26 highlights:** Revenue grew 18% YoY (+19% QoQ) to INR 13.5bn, led by healthy growth in MDF segment (up 19% YoY), ply segment (up 15% YoY), laminates segment (up 10% YoY), and particle board (up 84% YoY). MDF/ply/laminates/particle board volume grew 13/14/115% YoY, while laminates declined 8% YoY. MDF/ply/laminates operating margin expanded by 130/350/330 bps YoY to 12.1/15.1/ 7.7%, while particle board margin declined 450bps YoY to 0.4%. Healthy revenue traction and improved margins drove a 32/22% YoY rise in EBITDA/APAT.
- **Con call KTAs and outlook:** The company has reaffirmed its FY26 guidance, projecting 13% revenue growth with 12-14% EBITDAM in ply; 25% revenue growth with 14-15% EBITDAM in MDF; 15-17% revenue growth with high single-digit EBITDAM by Q4-end in laminates; and 40% revenue growth with low single-digit EBITDAM in particleboard. For FY27, laminate revenues are expected to grow by 20% with double-digit EBITDA margins, while particleboard margins are projected to reach ~15% by Q4FY27. It also plans major plywood expansion by more than 50% by FY29 to cut outsourcing—particularly in Sanik MR (water-resistant) ply. MDF capacity is likewise set to expand more than 50% by FY29. Factoring in Q3 performance, we broadly maintain our revenue and EBITDA estimates. However, we trim our APAT estimates by 4/8% for FY27/28E, respectively, to account for the newly-announced ply and MDF expansions, leading to an increase in our depreciation and interest cost projection. We value Century Ply using SOTP—ex-particle board business at 40x Mar-28E EPS and the upcoming particle board business at 2x capital employed in Mar-28E—to arrive at TP of INR 935/sh.

Quarterly/annual financial summary (consolidated)

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	13.50	11.40	18.4	13.86	(2.6)	38.86	45.28	53.79	60.61	67.24
EBITDA	1.70	1.29	31.5	1.75	(2.5)	5.32	4.87	6.60	8.70	9.95
EBITDAM (%)	12.6	11.4		12.6		13.7	10.7	12.3	14.4	14.8
APAT	0.71	0.58	22.3	0.69	3.8	3.37	1.99	2.79	4.34	5.12
AEPS (INR)	3.2	2.6	22.3	3.1	3.8	15.2	8.9	12.5	19.5	23.0
EV/EBITDA (x)						34.2	39.7	28.6	22.0	19.1
P/E (x)						51.5	87.5	62.4	40.1	33.9
RoE (%)						16.4	8.7	11.1	15.2	15.5

Source: Company, HSIE Research

BUY

CMP (as on 05 Feb 2026)	INR 781
Target Price	INR 935
NIFTY	25,643

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,015	INR 935
EPS	FY26E	FY27E
revision %	0.2	-3.8

KEY STOCK DATA

Bloomberg code	CPBI IN
No. of Shares (mn)	222
MCap (INR bn) / (\$ mn)	174/1,922
6m avg traded value (INR mn)	84
52 Week high / low	INR 897/650

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	3.0	4.2	(10.0)
Relative (%)	3.2	1.0	(16.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	72.64	72.64
FIs & Local MFs	18.14	18.36
FPIs	4.27	4.10
Public & Others	4.95	4.90
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Kajaria Ceramics

Another muted quarter; early signs of recovery

Kajaria Ceramics' (KJC) revenue grew 1% YoY to INR 12bn, owing to a flat YoY tiles volume growth. Tiles realization declined 2% QoQ. EBITDAM increased by 395bps YoY to 17.2%, leading EBITDA growth of 31% YoY. APAT (ex. discontinued ply operations) rose 64%. The company expects healthy revenue growth in FY27, although no specific targets were disclosed. It has guided for EBITDA margins of 17-18%, going forward, noting that upcoming cost optimization benefits will be passed on to the market to support volume growth. Management also highlighted positive early signs of demand recovery, with January trends appearing encouraging. Factoring in the quarter's muted volume growth and subdued industry scenario, we have trimmed our volume estimate by 2% each for FY26/27/28E, leading to subdued 5% volume CAGR for FY25-28E. We cut our revenue estimates by 1-2% for FY26-28E, and APAT estimates by 3/8/8% each for FY26/27/28E. We maintain REDUCE on Kajaria Ceramics with a revised TP of INR 1,070/share (30x its Mar'28E consolidated EPS).

- Q3FY26 performance:** Revenue grew a marginal 1% YoY to INR 11.7bn, owing to flat YoY tiles volume growth. Tiles realization declined by 2% QoQ (down 1% YoY). Non-tiles formed 12% of revenue (grew 20% YoY owing to robust growth in adhesive) vs 10/11% YoY/QoQ. EBITDA grew strong by 31% YoY (-6% QoQ) owing to lower fixed expenses. Employee cost/other expenses down 8/15% YoY. Consequently, EBITDAM increased by 395bps YoY to 17.2% (-78bps QoQ). APAT (excluding discontinued ply operations) rose 64% YoY, owing to improved EBITDA and lower income taxes.
- Con call KTAs and outlook:** The company expects healthy value growth in FY27, although no specific targets were disclosed. It has guided for EBITDA margins of 17-18%, going forward, noting that upcoming cost optimization benefits will be passed on to the market to support volume growth. Management also highlighted positive early signs of demand recovery. Factoring in the quarter's muted volume growth and muted industry scenario, we have trimmed our volume estimate by 2% each for FY26/27/28E, leading to subdued 5% volume CAGR for FY25-28E. We cut our revenue estimates by 1-2% for FY26-28E, and APAT estimates by 3/8/8% each for FY26/27/28E. We maintain REDUCE on Kajaria Ceramics with a revised TP of INR 1,070/share (30x its Mar'28E consolidated EPS).

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Tiles sales (MSM)	29.0	28.9	0.2	28.9	0.3	108.1	114.7	117.0	124.1	131.8
NSR (Rs/Kg)	356	360	(1.3)	364	(2.4)	414	404	410	413	415
Tiles Revenue	10,299	10,407	(1.0)	10,515	(2.0)	40,609	41,720	42,546	45,080	47,870
Other Revenue	1,384	1,150	20.3	1,346	2.8	4,131	4,630	5,439	6,102	6,855
Net Sales	11,683	11,556	1.1	11,860	(1.5)	44,740	46,351	47,985	51,182	54,725
EBITDA	2,012	1,533	31.2	2,135	(5.7)	7,068	6,262	8,485	8,836	9,294
EBITDAM (%)	17.2	13.3		18.0		15.8	13.5	17.7	17.3	17.0
APAT	1,273	777	63.8	1,330	(4.3)	4,435	3,483	5,254	5,427	5,696
Diluted EPS (Rs)	8.0	4.9	63.8	8.3	(4.3)	27.8	21.9	33.0	34.1	35.8
EV / EBITDA (x)						19.8	22.3	16.1	15.2	14.2
P/E (x)						32.1	40.9	27.1	26.2	25.0
RoE (%)						17.5	12.7	17.9	16.9	16.3

Source: Company, HSIE Research

REDUCE

CMP (as on 30 Jan 2026)	INR 902
Target Price	INR 1,070
NIFTY	25,321

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 1,160	INR 1,070
EPS	FY26E	FY27E
revision %	-2.7	-7.8

KEY STOCK DATA

Bloomberg code	KJC IN
No. of Shares (mn)	159
MCap (INR bn) / (\$ mn)	144/1,563
6m avg traded value (INR mn)	345
52 Week high / low	INR 1,322/759

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(25.9)	(22.8)	(9.3)
Relative (%)	(23.3)	(23.8)	(16.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	47.24	47.69
FIs & Local MFs	26.00	26.30
FPIs	11.57	11.66
Public & Others	15.19	14.35
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Nuvoco Vistas Corporation

Healthy volumes and cost performance; weak pricing

We maintain BUY for Nuvoco Vistas, with an unchanged TP of INR 470/share (9x its consolidated Mar-28E EBITDA). In Q3FY26, Nuvoco delivered industry-leading (in our view) 7/16% YoY/QoQ volume growth and also reported lower fuel and logistics costs. These helped to cushion the impact of price slump (NSR down 5% QoQ). Unit EBITDA fell INR 104/MT QoQ to INR 765/MT. During Q3, Nuvoco could raise INR6bn through CCDS and another INR 6bn is expected to be issued in Q4FY26, which will keep its leverage in control as it is racing to complete the 5.5mn MT capacities in Gujarat by H1FY28 and 4mn MT by FY27-end in the east. We estimate Nuvoco will deliver 7/18% consolidated volume/EBITDA CAGR during FY26-28E, with net debt to EBITDA cooling off to 1.3x by Mar'28E, from 3.6x in Sep'25E (factoring in INR 12bn CCDS).

- **Q3FY26 performance:** While prolonged monsoon and festivities softened demand in October and November, it witnessed a turnaround from December. It reported 7/16% YoY/QoQ volume growth, which is industry-leading, in our view. Premiumization sales stood at 44% for the second consecutive quarter. Trade sales stood at 71% vs 71/74% YoY/QoQ. NSR fell 5% QoQ due to pricing slump in the east and correction in the north markets. However, it still stood 5% high YoY. Unit opex cooled off 3% QoQ, driven by op-lev gains and lower fuel, slag and logistics costs. Nuvoco reported a 17-quarter low fuel cost of INR 1.41/mCal due to optimization of fuel mix. It has one of the highest shares of low-cost linkage coal. Weak pricing thus pulled down unit EBITDA by INR 104/MT QoQ to INR 765/MT. Freight cost declined by 5% QoQ, benefiting from ramp-up of railway sidings and better utilization of its road fleet using GPS. Weak pricing thus pulled down unit EBITDA by INR 104/MT QoQ to INR 765/MT.
- **Con call KTAs:** The refurbishment and expansion of the acquired Vadraj assets is progressing as per plan and the whole plant is expected to be operational by H1FY28, leading to 3.5/5.5mn MT clinker/cement capacities in the west. Additionally, the 4mn MT cement capacity debottlenecking across four plants in the east are expected to be commissioned during FY27. It guided for 7-8% volume growth for Q4FY26E and double digit for FY27-28E on new expansion ramp-up. It also expects its fuel and freight cost to remain stable at low levels seen in Q3FY26. We estimate cement prices will increase in Q4FY26 as demand has risen. We maintain our EBITDA estimates and target price.

Quarterly/annual financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Sales (mn MT)	5.01	4.66	7.4	4.31	16.2	18.78	19.43	20.50	21.73	23.90
NSR (INR/MT)	4,902	4,684	4.7	5,146	(4.7)	5,159	4,810	5,002	5,027	5,103
EBITDA(INR/MT)	765	575	33.1	869	(12.0)	824	683	926	906	932
Net Sales	27.01	24.09	12.1	24.58	9.9	107.33	103.57	113.16	120.91	134.81
EBITDA	3.84	2.58	48.6	3.67	4.6	16.24	13.72	19.41	20.15	22.78
APAT	0.49	(0.61)		0.36	35.5	1.47	0.22	4.93	5.30	6.68
Diluted EPS (Rs)	1.38	(1.72)		1.02	35.5	4.1	0.6	13.8	14.8	18.7
EV / EBITDA (x)						10.0	11.6	8.4	8.4	7.1
EV/MT (Rs bn)						6.48	6.34	6.00	5.43	4.68
P/E (x)						82.5	556.6	25.3	23.5	18.7
RoE (%)						1.7	0.2	5.0	4.8	5.8

Source: Company, HSIE Research

BUY

CMP (as on 16 Jan 2026)	INR 349
Target Price	INR 470
NIFTY	25,694

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 470	INR 470
EBITDA revision %	FY26E	FY27E
	-	-

KEY STOCK DATA

Bloomberg code	NUVOCO IN
No. of Shares (mn)	357
MCap (INR bn) / (\$ mn)	125/1,375
6m avg traded value (INR mn)	220
52 Week high / low	INR 478/287

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(15.2)	(7.0)	0.2
Relative (%)	(15.4)	(8.2)	(8.3)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	72.02	72.02
FIs & Local MFs	18.10	18.09
FPIs	5.19	5.0
Public & Others	4.69	4.89
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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JK Lakshmi Cement

Healthy volume growth; dismal margin performance

We retain BUY on JK Lakshmi (JKLC), with a revised TP of INR 930/share (10x FY28E consolidated EBITDA). In Q3FY26, while JKLC maintained healthy volume growth momentum (+8/15% YoY/QoQ), margin slumped INR 107/MT QoQ to INR 625/MT on a sharp fall in non-trade realization. We estimate JKLC will deliver 8/18% consolidated volume/EBITDA CAGRs. The ongoing expansion in the eastern region and UP would get commissioned in FY28E. The company expects capex run-rate to accelerate Q4FY26E onwards. Given the slower expansion, we expect its net debt to EBITDA to remain comfortable and peak out at 2x in FY28E.

- **Q3FY26 performance:** JKLC delivered healthy volume growth of 8/15% YoY/QoQ. This was led by strong ramp-up of the Surat SGU which also led to increase in non-trade sales: 51% vs 47/42% QoQ/YoY. The share of premium cement sales was flattish QoQ at 26%. Higher non-trade sales in Gujarat and Mumbai markets, as well as sharper correction in non-trade prices in Q3 led to JKLC reporting cement/blended NSR decline of 9/10% QoQ. Unit opex also fell 9% QoQ on lower freight cost (lead distance reduction and higher ex-factory sales), lower employee costs (head count rationalization to boost productivity) and lower input cost (unexplained). Unit EBITDA slumped INR 107/QoQ to INR 625/MT. JKLC spent ~INR 1/3.5bn in capex in Q3/ 9MFY26.
- **Con call KTAs and outlook:** The company remains upbeat on cement demand in Q4 and expects it to grow at 10%+ while also expecting its growth to be in-line with industry's growth. While its capex outgo was low in Q3, JKLC guided that capex run rate will accelerate to ~INR 3.5/4bn in Q4FY26 and INR16-17bn in FY27. It reiterated that its east expansion is on track and will be commissioned in phases by Mar-26E/Mar-27E. Phase-2 expansion of the railway siding in Durg is now expected by Mar-28. Factoring in weak pricing and slower expected pace of east expansion, we have trimmed EBITDA estimates for FY26/27/28E by 6/11/11% respectively.

Quarterly/annual financial summary (consolidated)

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Sales (mn MT)	3.28	3.03	8.3	2.84	15.4	11.99	12.13	13.40	14.21	15.49
NSR (INR/MT)	4,841	4,940	(2.0)	5,388	(10.1)	5,662	5,106	5,131	5,208	5,260
EBITDA(INR/MT)	625	666	(6.1)	733	(14.6)	878	713	767	866	909
Net Sales	15.88	14.97	6.1	15.32	3.7	67.88	61.93	68.77	73.99	81.46
EBITDA	2.05	2.02	1.7	2.08	(1.5)	10.52	8.65	10.28	12.30	14.08
APAT	0.86	0.75	14.2	0.81	5.8	4.82	3.05	4.42	5.15	5.57
AEPS (INR)	5.7	6.4	(9.9)	6.5	(11.9)	40.9	25.9	35.6	41.4	44.9
EV/EBITDA (x)						10.3	12.6	10.5	9.3	8.8
EV/MT (INR bn)						6.58	6.60	5.97	5.58	5.45
P/E (x)						19.6	30.9	21.4	18.4	17.0
RoE (%)						15.7	8.9	11.8	12.5	12.1

Source: Company, HSIE Research

BUY

CMP (as on 04 Feb 2026)	INR 761
Target Price	INR 930
NIFTY	25,776

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,080	INR 930
EBITDA	FY26E	FY27E
Change %	(5.9)	(10.7)

KEY STOCK DATA

Bloomberg code	JKLC IN
No. of Shares (mn)	124
MCap (INR bn) / (\$ mn)	94/1,044
6m avg traded value (INR mn)	119
52 Week high / low	INR 1,021/661

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.7)	(20.0)	(4.2)
Relative (%)	(11.1)	(23.4)	(10.9)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	45.12	45.12
FIs & Local MFs	22.83	23.17
FPIs	12.55	12.36
Public & Others	19.50	19.35
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Star Cement

Stellar performance continues quarter after quarter

We maintain BUY on Star Cement with an unchanged TP of INR 290/share (12x FY28E consolidated EBITDA). Star continues to shine, riding on the benefits of duopolistic position in the lucrative NE region (NER), along with high incentive accruals from recent expansions. Its profitability also benefits from cost controls and rising share of green energy. In Q3FY26, Star's solid volume performance continued: +22% YoY. Despite a fall in incentive accruals by INR 184/MT QoQ and weak pricing, unit EBITDA fell a modest INR 57/MT QoQ and remained industry best at INR 1,562/MT. Star's plans include near doubling its capacity over the next four years as it is expanding capacity in Assam and is setting up greenfield capacities in Bihar, Rajasthan, and Haryana. It will raise equity capital to part-fund the same to keep leverage under control.

- **Q3FY26 performance:** Consol volume rose 22% YoY, aided by higher clinker sales while cement volume rose 16%. Cement sales in the NER firmed up 13% YoY and outside NER volume rose 28% YoY. Incentive accrual reduced to INR 293/MT vs INR 477/MT QoQ, post the reduction in GST rate w.e.f. Sep-25. This along with fall in cement prices drove down NSR by 2% QoQ. The fall appears lower owing to higher sales QoQ in higher-priced NER. Opex fell 1% QoQ on op-lev gain (+10% QoQ volume rise) which more than offset for 6% higher logistics cost (trucks freight cost went up in Meghalaya). Thus, unit EBITDA cooled off a modest INR 57/MT QoQ to INR 1,562 (+INR 586 YoY despite lower incentives).
- **Outlook:** STRCEM's Q4FY26 volume guidance implies FY26 growth at a robust 17%. It also expects strong growth in FY27E on continued capacity ramp-up. It also noted that cement prices have remained flat vs Q3FY26 exit. STRCEM lowered FY26 capex guidance to INR 5.8bn and will share FY27 capex guidance later as it is finalizing its north expansion plan. The 2mn MT SGU at Silchar is due for commissioning in Q4FY26. STRCEM plans to set up 2mn MT SGU in Bihar by FY28. The Jorhat SGU will be taken up later along with a greenfield plant in Assam. As per earlier guidance, it is also acquiring mining and plant land in Jaisalmer to set up IU for an investment of INR 20-25bn (estimated by late FY29). We raise FY26E EBITDA estimates by 4%, factoring in healthy performance. We maintain our FY27/28E EBITDA estimates. We estimate consolidated volume/EBITDA/APAT CAGR of 12/19/30% for FY25-28E.

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Sales Vol (mn MT)	1.30	1.07	21.5	1.17	10.4	4.44	4.73	5.44	5.99	6.58
NSR (INR/MT)	6,790	6,736	0.8	6,907	(1.7)	6,554	6,687	6,887	6,715	6,715
EBITDA (INR/MT)	1,562	977	60.0	1,620	(3.5)	1,253	1,223	1,663	1,467	1,467
Net Sales	8,800	7,188	22.4	8,109	8.5	29,107	31,634	37,477	40,195	44,214
EBITDA	2,025	1,042	94.3	1,902	6.5	5,563	5,786	9,051	8,781	9,659
APAT	783	90	766.1	711	10.2	2,951	1,690	3,786	3,533	3,721
AEPS (INR)	1.9	0.2	766.1	1.8	10.2	7.3	4.2	9.4	8.7	9.2
EV/EBITDA (x)						14.6	15.3	9.8	9.9	9.2
EV/MT (INR bn)						10.6	11.5	9.2	9.0	7.6
P/E (x)						29.1	50.9	23.6	25.3	24.0
RoE (%)						11.5	6.0	12.4	10.5	10.1

Source: Company, HSIE Research

BUY

CMP (as on 09 Feb 2026)	INR 221
Target Price	INR 290
NIFTY	25,867

KEY CHANGES	OLD		NEW
Rating	BUY		BUY
Price Target	INR 290		INR 290
EPS	FY26E	FY27E	FY28E
Change %	3.7	0.1	0.1

KEY STOCK DATA

Bloomberg code	STRCEM IN
No. of Shares (mn)	404
MCap (INR bn) / (\$ mn)	90/987
6m avg traded value (INR mn)	125
52 Week high / low	INR 309/197

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.1)	(14.7)	4.2
Relative (%)	(11.1)	(20.0)	(3.8)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	57.59	57.62
FIs & Local MFs	4.38	4.48
FPIs	2.96	2.47
Public & Others	35.07	35.43
Pledged Shares	0.77	0.77

Source : BSE

Pledged shares as % of total shares

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Greenlam Industries

Slow ply and chipboard ramp-up weighs on outlook

Greenlam revenue grew by 17% YoY to INR 7.1bn, owing to better realization in laminates and increased contribution from chipboard and other segments. Laminates volumes remain broadly flat YoY. EBITDAM declined to 9.7%, leading to a moderate EBITDA growth of 7% YoY, while APAT declined 58% YoY. For FY26, the company expects revenue growth of around 17%, lower than its earlier guidance of 18-20%. Factoring a weak Q3 performance and slow ramp in ply business, we cut our revenue estimates by 1% each for FY27/28E and APAT estimates by 17/4/3% for FY26/27/28E, respectively. Given the continued slow ramp-up in the plywood and particleboard segments, we downgrade our rating from ADD to REDUCE. We value Greenlam on an SOTP basis—assigning 30x Mar'28E EPS to the ex-particleboard business and 0.5x capital employed (Mar'28E) to the particleboard segment—to arrive at a revised target price of INR 240/sh.

- **Q3FY26 performance:** Revenue grew 17% YoY to INR 7bn, owing to better realization in laminates (up 9/4% YoY/QoQ) and increased contribution from chipboard and other segments. Laminates volumes remain broadly flat YoY. Laminates domestic/export volumes growth stood at 4/-7% YoY. Ply volumes were up 12% YoY, with NSR improving 6/11% YoY/QoQ. Chipboard revenue/volumes grew 13/10% QoQ on a low base. EBITDAM declined 90/320bps YoY/QoQ to 9.7%, leading moderate EBITDA growth of 7% YoY. APAT declined 58% YoY, owing to increase depreciation and finance cost (up 31/43% YoY). Laminates segment EBITDAM declined 320bps QoQ (up 230bps YoY) to 15.4%. Chipboard losses reduced QoQ.
- **Con call KTAs and outlook:** For FY26, the company expects revenue growth of ~17%, lower than its earlier guidance of 18-20%. The plywood and chipboard division anticipates achieving 55-60% capacity utilization in FY27, alongside EBITDA breakeven. The company plans to increase its laminate capacity by 8%, adding 2mn sheets by Q4FY27 costing INR 0.7bn. Factoring a weak Q3 performance and slow ramp in ply business, we cut our revenue estimates by 1% each for FY27/28E and APAT estimates by 17/4/3% for FY26/27/28E, respectively. Given the continued slow ramp-up in the plywood and particleboard segments, we downgrade our rating from ADD to REDUCE. We value Greenlam on an SOTP basis—assigning 30x Mar'28E EPS to the ex-particleboard business and 0.5x capital employed (Mar'28E) to the particleboard segment—to arrive at a revised target price of INR 240/sh.

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Sales (mn sheet)	4.75	4.77	(0.4)	5.79	(18.0)	19.0	19.7	21.3	23.5	25.1
NSR (per sheet)	1,183	1,089	8.6	1,136	4.1	1,075	1,128	1,128	1,139	1,150
Laminates EBITDAM (%)	15.4	13.2		18.7		16.0	13.9	15.3	15.4	15.5
Net Sales	7,064	6,020	17.3	8,083	(12.6)	23,063	25,693	30,127	34,414	38,983
EBITDA	682	635	7.4	1,044	(34.6)	2,947	2,746	3,090	4,091	4,794
EBITDAM (%)	9.7	10.6		12.9		12.8	10.7	10.3	11.9	12.3
APAT	60	127	(58.4)	323	(83.5)	1,384	697	502	1,429	1,933
AEPS (INR)	0.4	1.0	(58.4)	2.4	(83.5)	10.8	2.7	2.0	5.6	7.6
EV/EBITDA (x)						12.5	26.3	23.5	17.6	14.8
P/E (x)						22.2	88.2	122.5	43.0	31.8
RoE (%)						13.6	6.3	4.4	11.6	14.1

Source: Company, HSIE Research

REDUCE

CMP (as on 30 Jan 2026)	INR 241
Target Price	INR 240
NIFTY	25,321

KEY CHANGES	OLD	NEW
Rating	ADD	REDUCE
Price Target	INR 250	INR 240
EPS	FY26E	FY27E
revision %	-16.9	-3.9

KEY STOCK DATA

Bloomberg code	GRLM IN
No. of Shares (mn)	255
MCap (INR bn) / (\$ mn)	61/666
6m avg traded value (INR mn)	33
52 Week high / low	INR 298/197

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(9.7)	0.3	(12.8)
Relative (%)	(7.2)	(0.7)	(20.0)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	50.98	50.98
FIs & Local MFs	14.59	14.48
FPIs	1.74	1.74
Public & Others	32.69	32.70
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Stylam Industries

Healthy margin performance; expansion delayed

In Q3FY26, Stylam's revenue grew 7% YoY (domestic and export by 7% each) to INR 2.71bn. Laminates volume increased 3% YoY, while realization improved 4% YoY. EBITDA margin expanded to a five-quarter high to 20.5%, up by 244bps YoY, leading to a 21/54% increase in EBITDA/APAT YoY. Management views the strategic partnership with AICA Kogyo (professionally managed company) as key to enhancing the company's market competitiveness. The company aims to improve domestic profitability by cutting excess manpower over the next 1-2 quarters. The commissioning of a brownfield laminates plant costing INR 2.6bn is delayed to Mar-26. Further, company has plans to announce new expansion in next 1-2 quarters. Due to delay in commissioning of upcoming plant, we cut our revenue estimates by 4% each for FY26-28E, albeit considering a healthy margin performance for Q3, we increased our APAT estimates by 4% for FY26E, and broadly maintained those for FY27/28E. We retain ADD with an unchanged TP of INR 2,555/sh (20x Mar-28E EPS).

- Q3FY26 highlights:** Revenue grew 7% YoY (domestic and export by 7% each) to INR 2.71bn. Volume increased 3% YoY and realization improved 4% YoY (-8% QoQ) due to change in product mix. Export/domestic mix stood at 73/27%. EBITDA margin expanded to a five-quarter high to 20.5%, up by 244bps YoY (+116bps QoQ) as gross margin increased 120bps YoY, further supported by 80/40bps YoY decrease in employee/other expenses. Employee cost declined 4% YoY (-16% QoQ), while other expenses grew 5/-8% YoY/QoQ. So, EBITDA expanded 21% YoY. APAT increased 54% YoY, supported by EBITDA growth, lower depreciation (down 19% YoY), and negative finance cost.
- Outlook, valuation, and recommendation:** The company is aiming for INR 15-16bn revenue for FY27. Management views the strategic partnership with AICA Kogyo (professionally managed company) as key to enhancing the company's market competitiveness. It plans to discuss with AICA Kogyo ways to boost export sales through outsourcing arrangements. The company aims to improve domestic profitability by cutting excess manpower over the next 1-2 quarters. Brownfield laminates plant costing INR 2.6bn commissioning is delayed to Mar-26. Further, the company has plans to announce a new expansion in the next 1-2 quarters. Owing to delay in commissioning of the upcoming plant, we cut our revenue estimates by 4% each for FY26-28E, albeit considering a healthy margin performance in Q3, we increase our APAT estimates by 4% for FY26E, and broadly maintain for FY27/28E. We maintain ADD with an unchanged target price of INR 2,555/sh (20x Mar-28E EPS).

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	2,710	2,545	6.5	2,924	(7.3)	9,141	10,251	11,378	14,132	16,577
EBITDA	556	460	20.9	566	(1.8)	1,845	1,852	2,203	2,786	3,259
EBITDAM (%)	20.5	18.1		19.4		20.2	18.1	19.4	19.7	19.7
APAT	460	298	54.3	373	23.2	1,296	1,219	1,463	1,834	2,165
AEPS (INR)	27.2	17.6	54.3	22.0	23.2	76.5	71.9	86.3	108.2	127.7
EV/EBITDA (x)						19.7	19.9	16.4	12.9	11.2
P/E (x)						28.6	30.4	25.3	20.2	17.1
RoE (%)						27.3	20.4	20.2	21.0	20.6

Source: Company, HSIE Research

ADD

CMP (as on 29 Jan 2026)	INR 2,140
Target Price	INR 2,555
NIFTY	25,419

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2,555	INR 2,555
EPS	FY26E	FY27E
revision %	4.2	-0.2

KEY STOCK DATA

Bloomberg code	SYIL IN
No. of Shares (mn)	17
MCap (INR bn) / (\$ mn)	36/394
6m avg traded value (INR mn)	153
52 Week high / low	INR 2,430/1,441

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.4	19.8	11.5
Relative (%)	9.2	18.2	3.6

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	52.19	52.19
FIs & Local MFs	13.63	13.24
FPIs	2.77	2.04
Public & Others	31.41	32.53
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Prince Pipes and Fittings

Another weak quarter

Prince Pipes' revenue declined 1% YoY due to decline in realization, while plumbing volume grew 3% YoY. EBITDA margin expanded 410bps YoY to 4.9% leading EBITDA to INR 279mn vs INR 47mn YoY, while APAT turned negative owing to higher depreciation. The company booked INR 180-200mn inventory loss in Q3 (3-3.5% of revenue). For FY26, the company maintained its high single-digit volume growth guidance (2% achieved in 9MFY26), with a strong Q4 anticipated. January saw robust double-digit growth, driven by sharp restocking. PVC resin prices increased by INR 11/kg in Q4, aiding channel inventory recovery from depressed levels, though still below normal. We maintain REDUCE with an unchanged TP of INR 260/share by valuing the company at 22x Mar-28 EPS.

- **Q3FY26 performance:** Revenue declined 1% YoY due to decline in realization (-4% YoY, -3% QoQ). Plumbing volume grew 3% YoY; PVC volumes declined in Q3, while CPVC posted high double-digit growth. EBITDA margin expanded 410bps YoY to 4.9% owing to higher gross margin, decrease in other expenses by 9% YoY, while employee costs increased 5% YoY. EBITDA grew to INR 279mn vs INR 47mn YoY, though APAT turned negative due to higher depreciation. Finance costs stood negative due to interest subvention adjustment of INR 64mn for the Bihar plant. The company booked INR 180-200mn inventory loss in Q3 (3-3.5% of revenue).
- **Con call KTAs and outlook:** For FY26, the company maintained its high single-digit volume growth guidance (2% achieved in 9MFY26), with a strong Q4 anticipated. January saw robust double-digit growth, driven by sharp restocking. For FY27, management is targeting double-digit volume growth and EBITDA margins of 10–12%, excluding bathware losses (lowered from the earlier 12% guidance). The company has also ended its partnership with Lubrizol and launched its in-house branded SmartFit Plus CPVC nationwide in December 2025. This moves reduced costs, enabling a 6–7% cut in CPVC pipe prices. The bathware segment is expected to break even by Q3FY27. Considering the rebound in PVC and CPVC resin prices, we have raised our revenue estimates by 3% each for FY26–28E, while maintaining EBITDA forecasts. However, we have increased our FY26E APAT estimate by 10%, reflecting interest subvention benefits from the Bihar plant, with FY27–28E estimates unchanged. We maintain REDUCE with an unchanged TP of INR 260/share by valuing the company at 22x Mar-28 EPS.

Quarterly/annual financial summary

YE Mar (INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Pipes sales (K MT)	42.6	41.3	3.2	42.8	-0.4	172.8	177.2	184.3	197.2	211.0
NSR (INR/kg)	135	140	-3.8	139	-3.2	149	142	137	139	141
EBITDA (INR/kg)	7	1	479.3	13	-49.2	18	9	11	14	15
Net Sales	5,733	5,777	-0.8	5,946	-3.6	25,687	25,239	25,199	27,448	29,810
EBITDA	279	47	497.6	551	-49.4	3,074	1,618	2,050	2,853	3,217
EBITDAM (%)	4.9	0.8		9.3		12.0	6.4	8.1	10.4	10.8
APAT	-3	-204		146		1,646	431	525	1,079	1,307
Diluted EPS (INR)	-0.1	-1.8		1.3		14.9	3.9	4.8	9.8	11.8
EV / EBITDA (x)						9.7	19.4	14.6	10.4	8.9
P/E (x)						18.1	68.9	56.6	27.6	22.7
RoE (%)						11.3	2.8	3.3	6.5	7.4

Source: Company, HSIE Research

REDUCE

CMP (as on 11 Feb 2026)	INR 272
Target Price	INR 260
NIFTY	25,954

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 260	INR 260
EPS	FY26E	FY27E
revision %	9.9	(0.7)

KEY STOCK DATA

Bloomberg code	PRINCPIN IN
No. of Shares (mn)	111
MCap (INR bn) / (\$ mn)	30/331
6m avg traded value (INR mn)	60
52 Week high / low	INR 388/210

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(12.7)	(7.0)	(20.4)
Relative (%)	(13.2)	(11.5)	(30.8)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	60.94	60.94
FIs & Local MFs	15.96	15.61
15.96FPIs	3.71	3.54
Public & Others	19.39	19.91
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Greenpanel Industries

Market share gains amid accelerating growth

Greenpanel's revenue grew 16% YoY to INR 4.2bn. EBITDA margin expanded 500bps YoY to 9.8%, leading EBITDA growth of 135% YoY, while APAT grew 20% YoY. MDF volume grew by a healthy 17% YoY. Ply segment performance continues to remain weak. The company reiterated its volume and margin guidance. Domestic demand moderated after Diwali, prompting higher marketing spending. Timber prices remained stable QoQ in Q3. MDF margins were inflated by about 2.3% in Q3 due to power subsidies; adjusted for this (and excluding forex losses), segment margins stood at 9.6%, down 110 bps QoQ. The company does not foresee any price hikes. Management expects subdued imports, given competitive domestic market pricing. Considering Q3 result, we broadly maintain our estimates for FY26-28E. We maintain our BUY rating on stock with an unchanged TP of INR 340 (valued at 25x Mar'28E EPS).

- Q3FY26 performance:** Revenue grew 16% YoY to INR 4.2bn. EBITDA margin expanded 500/360bps YoY to 9.8%, leading an EBITDA growth of 135% YoY. APAT grew 20% YoY, led by healthy EBITDA growth, partially offset by increase in depreciation (up 31% YoY). MDF sales volume grew by a healthy 17% YoY (domestic up 19% YoY) to 136K CBM. Export volume grew 8% YoY. MDF EBITDAM (ex-forex) increased 680bps YoY (up 120bps QoQ) to 11.9%. Domestic realization declined 6/2% YoY/QoQ. Ply segment performance continues to remain weak. Revenue declined 13% YoY (-19% QoQ). Volume declined 13% YoY (-21% QoQ). EBITDAM declined 170bps YoY to 1.4% (-320bps QoQ). MDF margins were inflated by about 2.3% in Q3 due to power subsidies; adjusted for this (excluding forex losses), segment margins stood at 9.6%, down 110 bps QoQ.
- Con call takeaways and outlook:** The company reiterated its volume and margin guidance. Domestic demand moderated after Diwali, prompting higher marketing spends. The company does not foresee any price hikes. Timber prices remained stable QoQ in Q3. Management expects subdued imports, given competitive domestic market pricing. Considering Q3 performance, we broadly maintain our estimates for FY26-28E. We maintain our BUY rating on stock with an unchanged TP of INR 340 (valued at 25x Mar'28E EPS).

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
MDF Sales (K CBM)	135.97	116.08	17.1	126.99	7.1	485.0	438.6	497.8	600.5	684.3
MDF NSR (INR/CBM)	27,261	28,079	(2.9)	27,927		28,904	28,701	28,204	29,623	30,285
MDF EBITDA (INR/CBM)	3,244	1,432	126.5	2,988	8.6	5,601	3,358	1,847	4,109	4,771
Net Sales	4,163	3,594	15.8	3,960	5.1	15,670	14,358	15,450	19,291	22,326
EBITDA	408	173	135.4	248	64.9	2,462	1,312	958	2,536	3,338
EBITDAM (%)	9.8	4.8		6.3		15.7	9.1	6.2	13.1	14.9
APAT	102	85	20.4	(61)	NA	1,341	721	(235)	1,040	1,678
AEPS (INR)	0.8	0.7	20.4	(0.5)	NA	10.9	5.9	(1.9)	8.5	13.7
EV/EBITDA (x)						11.2	22.0	29.8	10.8	7.8
P/E (x)						20.1	37.4	(114.7)	26.0	16.1
RoE (%)						10.7	5.3	(1.7)	7.4	11.1

Source: Company, HSIE Research. NA – not applicable

BUY

CMP (as on 30 Jan 2026)	INR 229
Target Price	INR 340
NIFTY	25,321

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 340	INR 340
EPS	FY26E	FY27E
revision %	-	0.2

KEY STOCK DATA

Bloomberg code	GREENP IN
No. of Shares (mn)	123
MCap (INR bn) / (\$ mn)	28/305
6m avg traded value (INR mn)	161
52 Week high / low	INR 395/203

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(22.3)	(28.4)	(32.7)
Relative (%)	(19.8)	(29.4)	(39.9)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	53.13	53.13
FIs & Local MFs	29.63	28.45
FPIs	1.36	1.1
Public & Others	15.88	17.31

Pledged Shares	-	-
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Source : BSE

Pledged shares as % of total shares

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Sagar Cements

Andhra profitability turning around

We maintain ADD on Sagar Cements (SGC), with an unchanged TP of INR 280/share (valued at an average of 6.5x FY28E EBITDA and FY28E EV/MT of USD 65/MT). In Q3FY26, SGC posted 8% YoY volume growth, driven by ~25% volume growth in its subsidiaries. Weak pricing and the absence of incentives drove down consolidated unit EBITDA to INR 250/MT vs INR 362/MT QoQ. The impact was moderated on account of EBITDA turnaround at Andhra Cements. SGC expects Andhra to turn cash breakeven in Q4FY26. It guided to complete its ongoing expansions by FY27-end and land monetization during FY27-28E. We estimate consolidated volume will grow at 11% CAGR and margin will improve to INR 592/MT in FY28E (vs INR 249/MT in FY25), aided by Andhra's turnaround and high incentives at Jeerabad. We estimate that net debt to EBITDA will cool off to INR 2.9x in FY28E, from 6x in Sep-25.

- **Q3FY26 performance:** SGC's consolidated sales volume rose 8% YoY, led by strong ~25% YoY offtake in its subsidiaries – Andhra Cement and Satguru (standalone +2% YoY). Reported NSR fell 8% QoQ, on poor pricing, higher non-trade sales (56% vs 49% QoQ). Opex fell 6% QoQ on stabilization of Andhra operations. Standalone operations generated EBITDA of INR 211/MT (vs INR 300 QoQ), with Andhra margin rebounding to +232/INR (vs -247/MT). Satguru margin too fell to INR 414/MT from INR 954/MT (weak pricing and no incentive accruals QoQ). As the pre-heater at Andhra Cements got capitalized, capital charges went up QoQ, leading to a higher net loss.
- **Con call KTAs and outlook:** With the new pre-heater fully stabilized, Andhra Cements' volume and margin are expected to rise, and management has guided that this subsidiary will turn cash-breakeven in Q4FY26. Cement prices have improved in non-trade since late Dec-25 and trade prices too are expected to improve. Demand across the south is healthy, as per the management. The ongoing cement expansions are expected to be completed by FY27-end. SGC expects to complete land monetization (worth INR 3.5bn) over the next 18 months (in phases). SGC guided for capex outgo of INR 4.9/2.91bn during FY26/27E toward ongoing capacity expansion (2mn MT across three locations) as well as toward green power (WHRS and solar) additions.

Quarterly/annual financial summary (consolidated)

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Sales (mn MT)	1.5	1.4	8.2	1.4	6.5	5.6	5.7	6.3	7.0	7.7
NSR (INR/MT)	3,915	4,046	(3.2)	4,250	(7.9)	4,456	3,989	4,228	4,270	4,313
EBITDA (INR/MT)	250	270	(7.5)	362	(31.1)	437	249	478	535	592
Net Sales	5.9	5.6	4.7	6.0	(1.9)	25.0	22.6	26.8	29.8	33.1
EBITDA	0.4	0.4	0.1	0.5	(26.6)	2.5	1.4	3.0	3.7	4.5
APAT	(0.6)	(0.6)		(0.4)	36.1	(0.4)	(2.1)	(1.0)	0.5	2.0
AEPS (INR)	(4.4)	(4.2)		(3.2)	36.1	(4.2)	(14.5)	(7.9)	(4.1)	2.2
EV/EBITDA (x)						15.2	26.8	13.8	11.1	8.4
EV/MT (INR bn)						3.7	3.8	4.1	3.5	3.2
P/E (x)						(57.5)	(11.9)	(24.2)	48.7	12.3
RoE (%)						(2.7)	(9.9)	(5.9)	(3.2)	1.6

Source: Company, HSIE Research

ADD

CMP (as on 22 Jan 2026)	INR 189
Target Price	INR 280
NIFTY	25,290

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 280	INR 280
EBITDA revision %	FY26E (9.7)	FY27E (5.6)

KEY STOCK DATA

Bloomberg code	SGC IN
No. of Shares (mn)	131
MCap (INR bn) / (\$ mn)	25/270
6m avg traded value (INR mn)	48
52 Week high / low	INR 300/155

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(22.1)	(26.8)	(10.1)
Relative (%)	(19.6)	(26.9)	(17.8)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	48.33	48.33
FIs & Local MFs	17.39	18.38
FPIs	2.84	1.75
Public & Others	31.44	31.54
Pledged Shares	13.04	13.04

Source : BSE

Pledged shares as % of total shares

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Somany Ceramics

In-line performance, growth picking up

Somany Ceramics' revenue grew 6% YoY, owing to healthy growth in the bathware and adhesives division. Tiles volume growth stood at 2% YoY, while NSR was up 1% YoY. Bathware/adhesive division reported 12/36% YoY growth, respectively. EBITDA margin expanded 80bps YoY, leading to 16% growth in EBITDA. APAT grew 60% YoY, led by higher EBITDA, lower finance cost, and higher other income. Management expressed optimism for a bright outlook after muted recent quarters. The company reaffirmed mid-to-high single-digit volume growth for FY26, guiding EBITDA margins to expand 100-150 bps YoY in Q4FY26 enroute to double-digit levels soon. Factoring in the in-line Q3 performance, we maintain our estimates. We maintain ADD on Somany Ceramics, with an unchanged target price of INR 490/share.

- **Q3FY26 performance:** Revenue grew 6% YoY, owing to healthy growth in bathware and adhesives division. Tiles volume growth stood at 2% YoY, while NSR was up 1% YoY/QoQ. Bathware/adhesive division reported 12/36% YoY growth, respectively. EBITDA margin expanded by 80bps YoY (+128bps QoQ), owing to lower other expenses, leading to 16% growth in EBITDA. APAT grew 60% YoY, led by higher EBITDA, lower finance cost, and higher other income.
- **Con call takeaways and outlook:** Management expressed optimism for a bright outlook after muted recent quarters. Domestic demand improved gradually in Q3 due to stronger domestic and export volumes, with further pick-ups anticipated ahead. The company has cut channel incentives and intends further reductions as demand strengthens, supporting margin expansion. The company reaffirmed mid-to-high single-digit volume growth for FY26, guiding EBITDA margins to expand 100-150 bps YoY in Q4FY26 enroute to double-digit levels soon. Gas prices are expected to ease marginally (QoQ) in Q4. The management forecasts high single-digit tile growth in the coming years, alongside double-digit sanitaryware revenue growth in FY26 and FY27. Non-tiles revenue share is targeted to rise to 25% over the next four years (from 15% in FY25). Max plant loss is expected at INR 0.26bn in FY26, similar to previous year, before narrowing to under INR 0.1bn in FY27 and achieving profitability by FY28. Factoring in the in-line Q3 performance, we maintain our estimates. We maintain ADD on Somany Ceramics, with an unchanged target price of INR 490/share.

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Tiles sales (MSM)	17.5	17.1	2.3	17.8	-1.8	69.3	70.9	72.9	77.3	81.9
NSR (Rs/Kg)	323.5	319.6	1.2	320.5	0.9	323.5	318.3	323.3	326.5	333.1
Tiles Revenue	5,655	5,459	3.6	5,706	-0.9	22,426	22,551	23,572	25,237	27,286
Others Revenue	1,111	941	18.0	1,100	1.0	3,347	3,882	4,348	4,783	5,261
Net Sales	6,823	6,449	5.8	6,852	-0.4	25,914	26,588	27,920	30,019	32,547
EBITDA	620	535	16.0	535	15.9	2,532	2,209	2,303	2,651	2,924
EBITDAM (%)	9.1	8.3		7.8		9.8	8.3	8.2	8.8	9.0
APAT	180	113	59.5	150	20.1	989	621	733	893	1,015
Diluted EPS (Rs)	4.4	2.8	59.5	3.7	20.1	24.1	15.1	17.9	21.8	24.7
EV / EBITDA (x)						7.9	8.7	8.0	6.7	5.9
P/E (x)						16.1	25.7	21.7	17.9	15.7
RoE (%)						11.5	7.4	8.5	9.8	10.3

Source: Company, HSIE Research

ADD

CMP (as on 28 Jan 2026)	INR 387
Target Price	INR 490
NIFTY	25,343

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 490	INR 490
EPS	FY26E	FY27E
revision %	-	-

KEY STOCK DATA

Bloomberg code	SOMC IN
No. of Shares (mn)	41
MCap (INR bn) / (\$ mn)	16/173
6m avg traded value (INR mn)	12
52 Week high / low	INR 624/372

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(13.2)	(26.6)	(20.0)
Relative (%)	(10.5)	(28.4)	(28.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	55.00	55.00
FIs & Local MFs	23.17	23.01
FPIs	0.98	0.90
Public & Others	20.85	21.09
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Chemicals

Navin Fluorine International

Speciality chemical business drives revenue

Navin Fluorine International's (NFIL) strategy is to deepen wallet share within its existing customer base by leveraging its established marketing network, broadening its product portfolio, and building on long-standing client relationships, which will help drive growth across all business verticals. The CDMO business remains focused on select marquee global customers, with an emphasis on scaling revenues from commercial projects and late-stage molecules to secure more stable revenue streams, supported by its sustained engagement with leading innovator pharma clients. Concise to that, NFIL has commissioned cGMP 4 phase 1 with a capex of INR 1.6bn. HPP business and speciality chemical business will be led by deepening relations with existing customers and ramp-up in facilities. Changing global supply chain dynamics and incremental capex in the refgas business will help in ramping up the HPP business. EBITDA is expected to improve from INR 5.3bn in FY25 to INR 14.51bn in FY29 while EBITDA margins are expected to improve by 720bps to 29.9%, supported by inflection in the CDMO business and improved realization in refgas business with support of backward integration in AHP. Thus, we retain a BUY on NFIL with a target price of INR 7,260. EBITDA and APAT was 10% and 7.6% above our estimates.

- **Financial performance:** In Q3FY26, revenue increased by +47.2/+17.7% YoY/QoQ% to INR 8,924mn. EBITDA margin improved by +1,017/+201 bps YoY/QoQ bps to 34.5%, owing to improved realization in both HPP and CDMO business and operating leverage in spec chem business. EBITDA came in at INR 3,076mn (+109/+25% YoY/QoQ).
- **Specialty chemical (40% of revenue):** Revenue in the quarter changed by +60.2/+60.9% YoY/QoQ to INR 3,540mn. Growth in revenue was majorly led by improved utilization of Nectar plant. Management expects better offtake in volume over FY27 due to improved outlook and strong visibility.
- **HPP business (46% of revenue):** Revenue in the quarter changed by +34.6% YoY while majorly remaining in line with Q2 to INR 4,120mn. Growth was led by improved realization and volume in the quarter. R32 plant is almost running at full utilization. NFIL commissioned AHF plant in Q3FY26, which will be majorly consumed internally.
- **CDMO business (14% of revenue):** Revenue changed by +60.7/-5.2% YoY/QoQ% to INR 1,240mn. NFIL completed validation and commercial supplies started at cGMP4 phase 1. Another EU major has provided scale-up orders in Q4FY26. There is balance of 50/50% in late stage and early stage molecules in pipeline. Management expects readouts for more than one molecule in FY27, which can move toward commercialization.
- **Change in estimates:** We change our FY26/FY27/FY28E EPS estimates by +16.8/+2.5/+1.8% to INR 121.4/143.8/163.1x due to better-than-expected performance in Q3.

Financial summary (consolidated)

INR mn	3Q FY26	2Q FY26	QoQ (%)	3Q FY25	YoY (%)	FY25	FY26E	FY27E	FY28E	FY29E
Net Sales	8,924	7,584	17.7	6,062	47.2	23,494	31,505	36,002	42,125	48,514
EBITDA	3,076	2,462	25.0	1,473	108.8	5,337	10,004	10,721	12,458	14,515
APAT	1,854	1,484	25.0	836	121.8	2,887	6,216	7,358	8,350	10,064
AEPS (INR)	36.2	29.0	25.0	16.3	121.8	56.4	121.4	143.8	163.1	196.6
P/E (x)						89.8	41.7	35.2	31.1	25.8
EV/EBITDA(x)						65.0	34.0	31.7	26.9	22.8
RoE (%)						11.5	19.2	17.9	17.7	18.6

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY26E Old	FY26E New	%Ch	FY27E Old	FY27E New	%Ch	FY28E Old	FY28E New	%Ch
EBITDA (INR mn)	8,966	10,004	11.6	10,515	10,721	2.0	12,282	12,458	1.4
Adj. EPS (INR/sh)	104.0	121.4	16.8	140.3	143.8	2.5	160.3	163.1	1.8

Source: Company, HSIE Research

BUY

CMP (As on 09 Feb 2026) INR 6,598

Target Price INR 7,260

NIFTY 25,867

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 7,000	INR 7260
EPS %	FY26E +16.8%	FY27E +2.5%

KEY STOCK DATA

Bloomberg code	NFIL IN
No. of Shares (mn)	51
MCap (INR bn) / (\$ mn)	338/3,725
6m avg traded value (INR mn)	1,138
52 Week high / low	INR 6,635/3,566

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	10.5	37.1	56.3
Relative (%)	9.5	31.8	48.3

SHAREHOLDING PATTERN (%)

	Sept-25	Dec-25
Promoters	27.14	27.14
FIs & Local MFs	29.57	28.09
FPIs	22.15	23.74
Public & Others	21.16	21.06

Pledged Shares

Source : BSE

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Aarti Industries

Energy business driving revenue

We maintain our ADD recommendation on Aarti Industries (AIL), with a target price of INR 467/share. Revenue and EBITDA are expected to increase at a CAGR of 8/22% over FY25-28E. Profitability will be led by (a) commissioning of projects worth INR23-25bn over the next 15-18 months, (b) cost optimization measures undertaken, and (c) volume growth across products. EBITDA/APAT was 8/9% above our estimates, owing to higher-than-expected revenue and lower-than-expected raw material cost.

- **Financial performance:** Revenue changed by +26/+10.4% YoY/QoQ to INR 23.18bn. The increase in revenue was led by volume growth across MMA and PDCB. EBITDA improved by 38.4/10.3% YoY/QoQ to INR 3.21bn. EBITDA margin improved by +124bps YoY to 13.8% while QoQ remained flattish. The improved margins were led by the operating leverage.
- **Con call takeaways: (1) Energy business (51% of the revenue):** Volume growth in the business was led by (a) strong demand and (b) favorable naphtha and gasoline spread supporting MMA consumption. MMA has 50-60% of revenue coming from the US while tariff impact has factored in the current contracts. AIL is planning to tap other markets like Europe in coming years. (2) **Non-energy business (49% of the revenue):** Agro and pharma business was stable during the quarter while the pricing pressure continued due to dumping from China. Polymer business was a mix business environment. PDCB demand was led by the EV segment while the PDA business impacted due to dependency on the US market. India-EU FTA and the strategic stance of Chinese anti-involution is expected to help in increase in volume and new business avenues. (3) **Capex:** AIL will commission the following projects by Q4FY26: a. Increase in the MMA capacity from 290KTPA to 360KTPA considering stronger demand; b. increase in DCB capacity from 120 to 140KTPA; c. PEDAP project expected to be commissioned in Q4FY26. This has resulted in the capex increasing to INR 11bn from INR 10bn, including zone 4 capex. **Zone 4:** - capex is INR 16bn. Major capex will be completed in CY26 while the remaining capex of INR 3 to 4bn will spill over to CY27. Zone 4 is expected to commission in CY26 in which MPP and CaCl₂ plant are expected to be commissioned by Q4FY26 while the remaining process blocks are related to specialty chemicals that are expected to commission in CY26.

Financial summary (consolidated)

INR mn	3Q FY26	2Q FY26	QoQ (%)	3Q FY25	YoY (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	23,180	21,000	10.4	18,400	26.0	66,186	63,723	72,713	79,259	79,139	91,010
EBITDA	3,210	2,910	10.3	2,320	38.4	10,890	9,766	10,005	11,196	14,822	18,011
APAT	1,497	800	87.2	470	218.5	5,452	4,165	3,283	3,432	5,593	8,060
AEPS (INR)	4.1	2.2	87.2	1.3	218.5	15.0	11.5	9.1	9.5	15.4	22.2
P/E (x)						28.6	37.4	47.5	45.4	27.9	19.3
EV/EBITDA(x)						16.8	19.1	19.1	17.3	13.1	10.6
RoE (%)						11.6	8.2	6.0	6.0	9.1	12.0

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY26E Old	FY26E New	%Ch	FY27E Old	FY27E New	%Ch	FY28E Old	FY28E New	%Ch
EBITDA (INR mn)	10,978	11,196	2.0	14,862	14,822	(0.3)	18,091	18,011	(0.4)
Adj. EPS (INR/sh)	9.5	9.5	0.1	15.4	15.4	(0.0)	22.2	22.2	(0.0)

Source: Company, HSIE Research

ADD

CMP (as on 03 Feb 2026)	INR 430
Target Price	INR 467
NIFTY	25,728

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 465	INR 467
EPS %	FY26E	FY27E
	0.1%	-%

KEY STOCK DATA

Bloomberg code	ARTO IN
No. of Shares (mn)	363
MCap (INR bn) / (\$ mn)	156/1,726
6m avg traded value (INR mn)	347
52 Week high / low	INR 495/338

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	10.6	5.7	(5.1)
Relative (%)	10.8	1.9	(13.5)

SHAREHOLDING PATTERN (%)

	Sept-25	Dec-25
Promoters	42.18	42.14
FIs & Local MFs	18.21	18.22
FPIs	6.40	6.69
Public & Others	33.19	32.94
Pledged Shares	0.00	0.00

Source: BSE

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Acutaas Chemicals

Ramp-up in the CDMO business

We maintain a REDUCE recommendation on Acutaas Chemicals (ACL) with a target price of INR 1,170. ACL's growth story is promising, led by high growth in the CDMO business. However, near-term valuations remain stretched, trading at 50.7/48.8/42.3x FY26/27/28E. Revenue from FY25 to FY28 will be driven by (1) ramp-up of Block 3 (Fermion contract), (2) new CDMO molecules from Blocks 1 and 2, and (3) the growth in electrolyte business. We expect EBITDA margin to improve 540bps, from 23% in FY25 to 28.4% in FY28E. We expect ACL's PAT to grow at a 31% CAGR over FY25-28E, led by 30% EBITDA CAGR, while we expect RoE to increase by 200bps, from 16.2% in FY25 to 18.2% in FY28. In Q3FY26, EBITDA was 57% above our estimates while APAT was 75% above our estimate, owing to higher-than-expected revenue and lower-than-expected raw material cost.

- **Financial performance:** Revenue changed by +43/+28.4% YoY/QoQ to INR 3,932mn. Revenue during the quarter was driven by growth in the CDMO business. EBITDA changed by +119.4/+57.9% YoY/QoQ to INR 1,507mn. EBITDA margin changed by +1,335/+717bps YoY/QoQ to 38.3%, owing to favorable product mix change, operating leverage, and cost optimization.
- **Segmental information:** (1) Revenue from advanced pharma intermediates changed by +47/+34% YoY/QoQ and came in at INR 3,511mn. It was led by ramp-up in the CDMO business. (2) The revenue of specialty chemicals business changed by +17/-3% YoY/QoQ to INR 421mn.
- **Con call takeaways:** ACL has revised guidance for the revenue from 25 to 30% while EBITDA margins from 32% to 35% due to strong order book; (2) ACL commenced the phase 1 of Jagadia facility for the battery chemical manufacturing. Phase 2 is expected to commence by Q1FY27 with a Capex of INR 0.4bn; (3) Manufacturing of Vinylene Carbonate (VC) and Fluoroethylene Carbonate (FEC) is expected to commence by the end of FY26, with a significant ramp-up in Q1 FY27. (4) Capex with JV Indichem Inc (with a South Korean company J & Materials Co Ltd) is expected to complete by CY27. ACL has invested INR 1.3bn in the same. (5) Ankleshwar site is running at 40% utilization and has scope for ramping up.
- **Change in estimates:** We revise our FY26/27/FY28 EPS estimates by 19.3/11.3 13.2% to INR 37/38/44x, factoring in the strong Q3 performance and revised management guidance

Financial summary (consolidated)

INR mn	3Q FY26	2Q FY26	QoQ (%)	3Q FY25	YoY (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	3,932	3,062	28.4	2,750	43.0	7,175	10,069	12,718	15,259	18,116
EBITDA	1,507	954	57.9	687	119.4	1,285	2,321	4,095	4,440	5,153
APAT	1,062	719	47.7	453	134.2	715	1,604	3,005	3,122	3,604
AEPS (INR)	13.0	8.8	47.7	5.5	134.2	8.7	19.6	36.7	38.1	44.0
P/E (x)						213.3	95.0	50.7	48.8	42.3
EV/EBITDA(x)						119.9	64.6	36.9	33.9	28.9
RoE (%)						11.3	16.2	20.9	18.4	18.2

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY26E Old	FY26E New	%Ch	FY27E Old	FY27E New	%Ch	FY28E Old	FY28E New	%Ch
EBITDA (INR mn)	3,449	4,095	18.7%	4,017	4,440	10.5%	4,591	5,153	12.2%
Adj. EPS (INR/sh)	31	37	19.3%	34	38	11.3%	39	44	13.2%

Source: Company, HSIE Research

REDUCE

CMP (as on 28 Jan 2026)	INR 1,862
Target Price	INR 1,170
NIFTY	25,343

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 1,154	INR 1,170
	FY26E	FY27E
EPS %	+19.3%	11.3%

KEY STOCK DATA

Bloomberg code	ACUTAAS IN
No. of Shares (mn)	82
MCap (INR bn) / (\$ mn)	153/1,660
6m avg traded value (INR mn)	567
52 Week high / low	INR 1,902/919

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	8.6	62.2	97.9
Relative (%)	11.3	60.4	89.4

SHAREHOLDING PATTERN (%)

	Sept-25	Dec-25
Promoters	32.66	32.66
FIs & Local MFs	22.59	21.70
FPIs	16.85	16.67
Public & Others	27.89	28.96
Pledged Shares	0.00	0.00

Source: BSE

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Aether Industries

Nearing the commissioning

We maintain BUY on Aether Industries (AIL), with a target price of INR 1,241. The expansion project at Site 3++ is on track to be commissioned in Q4FY26. Two production blocks in Phase-I of the greenfield project at Panoli (Site 5) will also be commissioned by March-26. These developments will drive revenue growth over FY27 and FY28 besides ramping up revenue under the contract with Baker Hughes. Production from site-4 has scaled up in Q3 and is expected to accelerate further in coming quarters. We expect revenue/EBITDA/PAT CAGRs of ~28/31/30% over FY25-29E while the RoE will double to 14.2% in FY29 compared to FY25. EBITDA was 30% while APAT was 21% above our estimates, owing to higher-than-expected revenue and lower-than-expected raw material cost.

- **Financial performance:** Revenue grew by 44.4/13.2% YoY/QoQ to INR 3,171mn. The increase was led by growth in the CEM and LSM businesses. EBITDA increased by 70.9/25.7% YoY/QoQ to INR 1,106mn. Segmental revenue breakdown for Q3FY26 was: 41.28% from large-scale manufacturing (LSM), 7.95% from CRAMS, and 42.63% from CEM.
- **Key con call takeaways:** (1) Aether Industries will manufacture three new pharma and agro products from Site 5 (Panoli), priced at USD30–USD40/kg. (2) Additionally, this site will supply low dielectric resins for high-speed PCBs and photo resistor for semiconductor clients in Japan, South Korea, and Taiwan. Validation batches for semiconductor chemicals have already been dispatched. (3) Site 4 (Baker Hughes) revenue increased 20% QoQ to INR 60bn. The company is sending products to various sites of Baker Hughes. The company is working on eight new products of Baker Hughes in CRAMS. (4) Converge Polyol sales continued to grow with strong customer inquiry momentum and the company shall achieve targeted revenue in FY26. (5) The contract with Otsuka Chemicals is on track and expected to achieve revenue of INR350-400mn in FY26. (6) Pharma and agro contributed 45% combined, while oil & gas and material science contributed 22% and 18% respectively. (7) R&D expansion: AIL is adding 20 new fume hoods over next two months in existing facility. Further, it is adding 15 new labs, of which five will be engineering labs and 150 fume hoods. (8) AIL has signed a contract with European multinational in the material science sector which will commence at site 3 with modifying existing LSM production line. (9) European chemical manufacturing is weakening, leading customers to increasingly shift sourcing to India. Contract finalizations with European clients are accelerating due to rising urgency.
- **Change in estimates:** We have increased FY26/FY27/FY28 EPS estimates by 10.6/6.8/1.8% to INR 17.7/21.9/27.5x considering 9MFY26 performance and improved outlook.

Financial summary (consolidated)

INR mn	3Q FY26	2Q FY26	QoQ (%)	3Q FY25	YoY (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	3,171	2,801	13.2	2,197	44.4	5,982	8,387	11,474	13,860	17,813
EBITDA	1,106	880	25.7	647	70.9	1,322	2,412	3,748	4,452	5,647
APAT	662	559	18.5	453	46.3	929	1,673	2,339	2,905	3,647
AEPS (INR)	5.0	4.2	18.5	3.4	46.3	7.0	12.6	17.7	21.9	27.5
P/E (x)						143.0	79.6	57.0	45.9	36.6
EV/EBITDA(x)						97.9	55.0	35.8	30.3	24.1
RoE (%)						5.6	7.8	10.0	11.2	12.4

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY26E	FY26E	%	FY27E	FY27E	%	FY28E	FY28E	%
EBITDA (INR mn)	3,198	3,748	17.2	4,017	4,452	10.8	5,314	5,647	6.3
Adj. EPS (INR/sh)	16.0	17.7	10.6	20.5	21.9	6.8	27.0	27.5	1.8

Source: Company, HSIE Research

BUY

CMP (as on 03 Feb 2026)	INR 1,006
Target Price	INR 1,241
NIFTY	25,728

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,200	INR 1,241
EPS %	FY26E +10.6%	FY27E +6.8%

KEY STOCK DATA

Bloomberg code	AETHER IN
No. of Shares (mn)	133
MCap (INR bn) / (\$ mn)	133/1,479
6m avg traded value (INR mn)	220
52 Week high / low	INR 1,086/723

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	32.2	33.6	19.9
Relative (%)	32.5	29.7	11.4

SHAREHOLDING PATTERN (%)

	Sept-25	Dec-25
Promoters	75	74.98
FIs & Local MFs	12.97	12.25
FPIs	4.64	5.81
Public & Others	7.39	6.96
Pledged Shares	0.00	0.00

Source: BSE

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Clean Science and Technology

Decline of volumes impacts business

We maintain ADD on Clean Science and Technology (CSTL) with a price target of INR 883. Revenue in the performance chemical segment was adversely impacted by competition from Chinese manufacturers in MEHQ and BHA chain. Chinese manufacturers reduced prices of Hydroquinone (HQ). Consequently, alternative traditional method of manufacturing MEHQ became economically viable. Besides, it reduces the cost of production of BHA as HQ is a key raw material. To maintain the market share, the company has taken a price cut for MEHQ in the quarter. Sales volumes of 4MAP were down owing to (1) loss of one major customer from China and (2) lower offtake from domestic customer as it lost business due to US tariff imposition on imports from India. The loss of a Chinese customer is permanent while volume from domestic customer is expected to regain if tariff is rolled back. CSTL has commercialized HQ and Catechol plant in Q3. Investment of further INR1.5bn in water treatment chemical shall be commissioned in Q1FY27 and revenue contribution shall start by Q4FY27 (earlier guidance Q2FY27). We believe that after completion of its current capex cycle, the company may look upon inorganic expansion, given OCF generation of over INR 3bn per annum. We expect EPS to grow from INR 22.5bn in FY26 to INR42bn in FY29 at a CAGR of 23% and RoE to improve from 14.9% in FY26 to 18.5 % in FY29. The stock is trading at 30/24x FY27/28E. We believe that the current valuation is attractive while looking upon the improved revenue visibility and future avenues. Q2 EBITDA/APAT was 5/4% below our estimates owing to higher-than-expected other expenses while revenue was in line with estimates.

- **Financial performance:** Revenue changed by -8.8/-10.2% YoY/QoQ to INR 2,197mn. EBITDA changed by -30/-17.1% YoY/QoQ to INR 722mn. EBITDA margin changed by -1003/-274 bps YoY/QoQ to 32.9%.
- **Segmental information:** Performance chemical revenue came in at INR 1,718mn (78% of revenue) changed by +3.4/-7.6% YoY/QoQ. FMCG chemicals revenue changed by -78.9/-71.3% YoY/QoQ to INR 56mn (3% of revenue). Pharma and agro intermediate revenue changed by -2.6/+7.9% YoY/QoQ to 422mn (19% of revenue).
- **Con call takeaways:** (1) **HALS:** Revenue from Clean Fino-chem was INR342mn. Total quarterly volume was 810MTPA vs 760MTPA in Q2. Average realization in the quarter was INR 425/kg. Sales was driven by HALS 770 while the HALS 944 is gaining traction (contributing 20% in HALS revenue). Currently, the revenue split is 70% and 30% between domestic and exports.
- **Change in estimates:** We cut FY26/FY27/FY28 EPS estimates by -14.5/-15.5/-7.6% to INR 21.2/26.8/34.1x owing to business headwinds in major products, slower than expected ramp up in DHDT and delay in commissioning of plant of Performance-2.

Financial summary (consolidated)

Year Ending March (INR mn)	3Q FY26	2Q FY26	QoQ (%)	3Q FY25	YoY (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	2,197	2,446	(10.2)	2,408	(8.8)	7,915	9,666	9,315	11,765	15,606
EBITDA	722	871	(17.1)	1,033	(30.1)	3,321	3,876	3,361	4,254	5,344
APAT	459	554	(17.2)	705	(34.9)	2,440	2,644	2,248	2,844	3,619
Diluted EPS (Rs)	4.3	5.2	(17.2)	6.6	(34.9)	23.0	24.9	21.2	26.8	34.1
P/E (x)						35.2	32.5	38.2	30.2	23.7
EV / EBITDA (x)						25.8	22.1	25.0	19.4	15.0
RoE (%)						22.1	20.2	14.9	16.6	18.4

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY26E	FY26E	% Chg	FY27E	FY27E	%Chg	FY28E	FY28E	% Chg
EBITDA (INR mn)	3,859	3,361	(12.9)	4,949	4,254	(14.0)	5,738	5,344	(6.9)
Adj. EPS (INR/sh)	24.7	21.2	(14.5)	31.7	26.8	(15.5)	36.9	34.1	(7.6)

Source: Company, HSIE Research

ADD

CMP (as on 01 Feb 2026)	INR 808
Target Price	INR 883
NIFTY	24,825

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 964	INR 883
	FY26E	FY27E
EPS %	-14.5%	-15.5%

KEY STOCK DATA

Bloomberg code	CLEAN IN
No. of Shares (mn)	106
MCap (INR bn) / (\$ mn)	86/934
6m avg traded value (INR mn)	1,195
52 Week high / low	INR 1,600/801

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(19.9)	(33.1)	(43.9)
Relative (%)	(16.1)	(33.2)	(48.1)

SHAREHOLDING PATTERN (%)

	Sept-25	Dec-25
Promoters	50.97	50.97
FIs & Local MFs	18.98	19.76
FPIs	11.14	10.0
Public & Others	18.92	19.26
Pledged Shares	0.00	0.00

Source: BSE

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Birla Corporation

Premium sales focus hits volumes; margin goes steady

In Q3FY26, Birla Corporation's (BCORP) volume fell 6% YoY as it remained focused on its premium sales (which rose 15%), while its other sales fell sharply amid high competition. Cost controls negated the impact of pricing decline and margin stood flattish QoQ at INR 702/MT. Amid subdued profitability, BCORP is also going slow on its capex to keep gearing under check. While the Kundanganj line-3 SGU is expected to be operational in Q4FY26, BCORP's planned 6.2mn MT expansions in the central/east regions are expected by late FY28/FY29E. This, in our view, would keep BCORP's volume CAGR (FY25-28E) low at 3% along with 8% EBITDA CAGR. As the valuation remains low, we maintain ADD rating with a revised TP of INR 1,310/share (8x FY28E consolidated EBITDA).

- **Q3FY26 performance:** BCORP's consolidated sales volume fell 6% YoY, owing to weakness in trade sales. Ex-Mukutban, volume fell 8% YoY. However, strong focus on premium cement sales drove up premium sales share (% of trade) to 63% vs 60/59% YoY, leading to a 15% rise in absolute premium sales volume. NSR fell 2% QoQ on elevated competition, mainly in the central region. Unit opex, however, declined too, cooling off 2% QoQ on lower input and fixed expenses. Thus, unit EBITDA remained stable QoQ at INR 702/MT (vs 710/715 in Q2/Q1FY26). On a YoY basis, unit EBITDA recovered by INR 133/MT YoY, on lower opex while NSR stood flattish. Co spent a modest ~INR 0.8/3bn capex in Q3/9MFY26.

Con call KTAs and outlook: BCORP delivered 3% growth in 9MFY26 and expects similar volume offtake in Q4FY26. It further lowered its FY26 capex guidance from INR 8bn as it is going slow amid subdued profitability. It guided Kundanganj SGU line-3 to become operational in Q4FY26. The capex flow for the planned 3.7/6.2mn MT clinker/cement in the central and east regions would happen FY27E onwards and BCORP would share details post Q4FY26. Factoring in QoQ stable margin in Q3FY26 and expected uptick in Q4, we raise FY26E EBITDA estimate by 3%. We maintain the FY27E estimate but lower FY28E estimate by 5% as we factor in delayed expansion to slow down volume growth. We estimate consolidated volume CAGR of 3% during FY25-28E along with modest margin recovery to INR 774/MT in FY28E (vs INR 675 in FY25). Thus, we estimate EBITDA/APAT CAGRs of 8/16%. We have also lowered our cumulative capex estimate for FY26-28E by 10%. Thus, net debt to EBITDA ratio should remain steady at ~1.5x during FY26-28E.

Quarterly/annual financial summary (consolidated)

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Sales Vol (mn MT)	4.23	4.51	(6.2)	4.25	(0.4)	17.65	18.11	18.47	18.84	19.59
NSR (INR/MT)	4,791	4,781	0.2	4,880	(1.8)	5,235	4,883	4,858	4,907	4,907
EBITDA (INR/MT)	702	569	23.4	710	(1.1)	802	675	731	796	774
Net Sales	21.59	22.57	(4.3)	22.07	(2.2)	96.56	92.14	94.95	98.18	102.16
EBITDA	2.93	2.48	18.0	3.05	(4.0)	14.38	12.17	13.53	15.17	15.46
APAT	0.53	0.31	69.3	0.90	(41.7)	4.15	3.24	4.45	5.41	5.06
AEPS (INR)	10.2	4.1	152.8	11.7	(12.9)	54.0	42.1	57.7	70.2	65.7
EV/EBITDA (x)						9.0	9.9	7.4	6.5	6.7
EV/MT (INR bn)						6.44	6.04	4.67	4.62	4.30
P/E (x)						24.1	30.9	18.3	15.1	16.1
RoE (%)						6.6	4.7	6.2	7.1	6.3

Source: Company, HSIE Research

ADD

CMP (as on 01 Feb 2026) INR 1,025

Target Price INR 1,310

NIFTY 24,825

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,370	INR 1310
EBITDA	FY26E	FY27E
revision %	3.0	0.2

KEY STOCK DATA

Bloomberg code	BCORP IN
No. of Shares (mn)	77
MCap (INR bn) / (\$ mn)	79/858
6m avg traded value (INR mn)	118
52 Week high / low	INR 1,537/902

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(13.0)	(22.3)	(12.2)
Relative (%)	(9.2)	(22.4)	(16.4)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	62.90	62.90
FIs & Local MFs	15.80	15.48
FPIs	6.70	6.54
Public & Others	14.60	15.08
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Galaxy Surfactants

Speciality driving revenue

Our BUY recommendation on GALSURF with a price target of INR 2,647 is premised on (1) continuing demand in Rest of the World (RoW) markets; (2) shift in mix toward high-margin products; and (3) a strong balance sheet. Q3 EBITDA was 9% above our estimates owing to lower-than-expected raw material cost while revenue remained in line with estimates; PAT was 7% below estimates. The company has made incremental provision of INR119mn toward increase in gratuity and leave encashment owing to new labor codes.

- **Financial performance:** Q3 revenue increased by 27.6% YoY to INR 13.29bn while remaining in line with Q2. Specialty segment volume grew by 8% YoY while volumes in performance segment fell by 6% YoY. Total volumes were down 1.17% YoY. Gross profit per kg increased to INR54.5/kg from INR49.20/kg in Q2 while EBITDA/kg increased to 19.39/kg in Q3 from INR16.44/kg in Q2, driven by premium specialty. Continued higher raw material prices and reformulation pressure impacted the revenue in the quarter. Raw material prices (palm oil) softened but average price remained on the higher side; EBITDA margin changed by -116/+64 bps YoY/QoQ to 9%.
- **Post-result con call takeaways:** (1) Domestic performance was impacted by reformulation by customers to counter the elevated feed stock prices. The performance segment degrowth was offset by volume growth in the specialty segment. (2) Revenue in AMET region was impacted by the increased local competition although some volumes are expected to rebound in Q4. (3) RoW revenue growth was led by Latin America and Europe while it was offset by softer demand in North America due to uncertainty related to tariff. Tri-K generated stronger revenue driven by super specialty business. (4) Galaxy has launched five new products in sun care segment. (5) Reduced US reciprocal tariffs have led to reduction in the landed cost and in the near term, it will help build traction and reinstate the existing customer pipeline.

Financial summary (consolidated)

(Rs mn)	Q3 FY26	Q2 FY26	QoQ (%)	Q3 FY25	YoY (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenues	13,295	13,262	0.3	10,417	27.6	37,944	42,237	52,315	57,387	62,990
EBITDA	1,194	1,105	8.0	1,056	13.1	4,615	4,842	4,822	5,442	6,198
APAT	590	665	(11.3)	646	(8.7)	3,007	3,049	2,889	3,372	3,855
AEPS (Rs)	16.6	18.8	(11.3)	18.2	(8.7)	84.8	86.0	81.5	95.1	108.7
P/E (x)						22.2	21.9	23.1	19.8	17.3
EV/EBITDA (x)						14.7	13.9	13.5	12.0	10.2
RoE (%)						14.8	13.4	11.7	12.5	13.0

Source: Company, HSIE Research

BUY

CMP (as on 16 Feb 2026)	INR 1,908
Target Price	INR 2,647
NIFTY	25,683

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,647	INR 2,647
	FY26E	FY27E
EPS % chg	-	-

KEY STOCK DATA

Bloomberg code	GALSURF IN
No. of Shares (mn)	35
MCap (INR bn) / (\$ mn)	68/746
6m avg traded value (INR mn)	30
52 Week high / low	INR 2,750/1,800

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(11.1)	(15.9)	(16.3)
Relative (%)	(9.6)	(19.2)	(26.0)

SHAREHOLDING PATTERN (%)

	Sept-25	Dec-25
Promoters	70.91	70.91
FIs & Local MFs	12.90	13.05
FPIs	4.22	4.09
Public & Others	11.97	11.96
Pledged Shares	0.00	0.00

Source: BSE

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Neogen Chemicals

Projects on track

Our BUY recommendation on Neogen Chemicals (NCL) with a target price of INR 2,761/share is premised on (1) entry into the new-age electrolyte manufacturing business; (2) increasing contribution of the high-margin CSM business to revenue; and (3) volume-driven growth in legacy business. NCL's EBITDA/APAT will grow at a CAGR of 37/49% over FY25-30E while RoE will improve from 5.9% in FY25 to 25.4% in FY30E. Q3 EBITDA was 8% below estimates while APAT was 73% below estimates, owing to higher-than-expected finance cost. Interest charges were higher owing to cost related to capital deployed for inventory buildup and plant rebuild post fire incident.

- **Financial performance:** Revenue came in at INR 2,200mn (+9.2/+5.4% YoY/QoQ). EBITDA margin changed by -270bps YoY to 14.5%, owing to higher opex. Organic/inorganic revenue was up 4.3/49% YoY to INR1,870/330mn. The growth in inorganic business was driven by volumes.
- **Key con call takeaways:** (1) Construction of replacement plant at Dahej is on track to be commissioned in Q1. Production ramp from this plant will drive growth in legacy business in ensuing quarters. Non-availability of capacity has compelled NCL to rationalize production and outsource some job work. This has resulted in higher opex cost as well. (2) **Pakhajan unit:** 30,000 MTPA electrolyte plant shall commence production in Q1 while 3,000MTPA lithium electrolyte salt and additive capacity will commence production in 2HFY27. (3) **Dahej Unit:** Lithium electrolyte salts and additive capacity of 1,100MTPA and 1,000 MTPA will be commissioned in March-26 and Q1FY27. (4) Neogen Morita New Materials Ltd, a JV between Neogen Ionics and Morita Investment (MIL), is India's only non-FEOC compliant plant (Pakhajan unit), offering a China-alternative supply chain and enabling access to the U.S. 45X tax credit. (5) NCL has received INR0.80bn as an on-account payment from insurance company. Remaining claim amount of INR2.51bn is expected by Q1. (6) USD20mn from MIL for 20% stake will be received by Q1. (7) The board has approved to raise INR1.5bn through preferential issue of equity shares to the promoter group. All these developments shall reduce company's debt burden. (8) Consolidated and standalone debt stands at INR11.75bn and INR6.8bn. (9) Received provisional approvals for lithium electrolyte salts from several international customers while final site audits underway.
- **Change in estimates:** We change our estimates for FY26/FY27/FY28 by -61/-20/+1% to INR 8/27/40x, factoring the increase in finance cost.

Financial summary (consolidated)

INR mn	3Q FY26	2Q FY26	QoQ (%)	3Q FY25	YoY (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	2,200	2,087	5.4	2,014	9.2	6,907	7,776	8,221	12,647	24,391
EBITDA	319	300	6.5	346	(7.9)	1,101	1,363	1,276	1,904	3,814
APAT	37	34	9.5	100	(63.1)	356	455	196	670	990
AEPS (INR)	1.5	1.4	9.5	4.0	(63.1)	14.3	18.3	7.9	26.9	39.7
P/E (x)						91.1	71.2	165.6	48.4	32.7
EV/EBITDA(x)						32.9	27.9	29.8	26.8	13.5
RoE (%)						5.7	5.9	2.5	8.0	10.9

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY26E Old	FY26E New	%Ch	FY27E Old	FY27E New	%Ch	FY28E Old	FY28E New	%Ch
EBITDA (INR mn)	1,305	1,276	-2%	2,123	1,904	-10%	3,814	3,814	0%
Adj. EPS (INR/sh)	20	8	-61%	34	27	-20%	39	40	1%

Source: Company, HSIE Research

BUY

CMP (as on 12 Feb 2026)	INR 1,286
Target Price	INR 2,761
NIFTY	25,807

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,818	INR 2,761
EPS %	FY26E -61%	FY27E -20%

KEY STOCK DATA

Bloomberg code	NEOGEN IN
No. of Shares (mn)	26
MCap (INR bn) / (\$ mn)	34/374
6m avg traded value (INR mn)	216
52 Week high / low	INR 2,000/967

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.2	(11.2)	(34.4)
Relative (%)	7.1	(15.5)	(44.3)

SHAREHOLDING PATTERN (%)

	Sept-25	Dec-25
Promoters	51.23	51.23
FIs & Local MFs	25.23	21.99
FPIs	5.15	4.57
Public & Others	18.39	22.21
Pledged Shares	0.00	0.00

Source: BSE

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NOCIL

Realization offsets volume-driven growth

Our ADD recommendation on NOCIL with a TP of INR 217 is premised on (1) a shift in product mix toward better-margin specialized rubber chemicals; (2) expected antidumping duty in key products; and (3) capacity addition in coming quarters. Q3 EBITDA/APAT were 14/18% below our estimates, owing to lower-than-expected revenue and higher-than-expected other expenses.

- **Financial performance:** Revenue was in line with Q2 at INR 3.16bn. Realization remains impacted by pricing pressure due to aggressive dumping by Chinese players while it was partially offset by decrease in raw material prices. EBITDA/KG increased by 23% QoQ to INR 19/KG. EBITDA changed by +8.8/+25 % YoY/QoQ to INR 261mn. EBITDA margin changed by +70/+161bps to 8.3% due to decrease in other expense and raw material cost.
- **Key con call takeaways:** (1) The upcoming revision in US tariff structures is likely to drive volume recovery in the next 2-3 months, while the India-EU FTA is expected to offer long-term strategic and raw-material cost benefits. (2) The company has filed anti-dumping petitions against China, the EU, the US, Korea, and Thailand, with investigation outcomes are expected in the next 1.5-2 months. (3) The Dahej expansion project is ahead of schedule, with production trials planned for the first half of the year, adding 20% to overall capacity. (4) The company holds a 40% share of the Indian rubber chemical market, estimated at around 85,000 tons.
- **Change in estimates:** We change our FY26/27/28E EPS estimates by -13.1/-13.4/-13.3% to INR 4.0/5.8/9.3x to factor in the Q3FY26 performance and growth outlook.
- **DCF-based valuation:** Our price target is INR 217. The stock is trading at 38.4/26.4/16.6x FY26/27/28E EPS.

Financial summary (consolidated)

INR mn	3Q FY26	2Q FY26	QoQ (%)	3Q FY25	YoY (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	3,158	3,206	(1.5)	3,181	(0.7)	16,166	14,447	13,927	13,123	14,235	16,194
EBITDA	261	209	25.0	240	8.8	2,490	1,904	1,346	1,071	1,496	2,267
APAT	210	173	21.6	129	62.6	1,487	1,314	1,076	667	973	1,542
AEPS (INR)	1.3	1.0	21.6	0.8	62.6	8.9	7.9	6.5	4.0	5.8	9.3
P/E (x)						17.3	19.5	23.9	38.4	26.4	16.6
EV/EBITDA(x)						9.4	11.6	17.1	21.0	14.8	9.3
RoE (%)						10.0	8.1	6.2	3.7	5.3	8.1

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY26E Old	FY26E New	%Ch	FY27E Old	FY27E New	%Ch	FY28E Old	FY28E New	%Ch
EBITDA (INR mn)	1,208	1,071	(11.4)	1,696	1,496	(11.8)	2,582	2,267	(12.2)
Adj. EPS (INR/sh)	4.6	4.0	(13.1)	6.7	5.8	(13.4)	10.7	9.3	(13.3)

Source: Company, HSIE Research

ADD

CMP (as on 12 Feb 2026)	INR 154
Target Price	INR 217
NIFTY	25,807

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 229	INR 217
EPS %	FY26E	FY27E
	-13.1%	-13.4%

KEY STOCK DATA

Bloomberg code	NOCIL IN
No. of Shares (mn)	167
MCap (INR bn) / (\$ mn)	25/282
6m avg traded value (INR mn)	65
52 Week high / low	INR 218/125

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(12.7)	(11.5)	(25.7)
Relative (%)	(11.8)	(15.8)	(35.5)

SHAREHOLDING PATTERN (%)

	Sept-25	Dec-25
Promoters	33.76	33.76
FIs & Local MFs	6.57	6.49
FPIs	5.15	4.43
Public & Others	54.52	55.27
Pledged Shares		

Source: BSE

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Consumer Discretionary

Titan

Jewelry momentum remains strong

Consolidated jewelry sales (ex-bullion and digi gold) grew 42.1% YoY to INR225.2bn (in-line), driven by gold price-led increase in ABV but partially offset by flat buyer growth. Domestic jewelry (ex-bullion and digi gold sales) grew 40.5% YoY (consolidated topline growth stood at 43.3% YoY at INR 254.2bn; HSIE: 248.4bn). Consolidated jewelry EBITM (ex-bullion) expanded by 159bps to 11% (HSIE: 9.3%), aided by a low base. Note: Q3FY25 had INR2.53bn customs duty impact on EBIT in Tanishq/Mia/Zoya (TMZ). Adjusted jewelry EBITM (ex-bullion) would have been flat YoY at 11%. The company continues to leverage its gold exchange program to sustain footfalls. Non-jewelry segment grew 20.5% YoY to INR19.8bn (HSIE: 18.7bn), with margins up 174bps YoY to 9.6% (HSIE: 9.3%). Management recommended that EBIT growth may be a better KPI to track than EBITM in a persistently rising gold price environment. We have revised our FY27/28 EPS estimates upward by 5-6% to account for higher revenue growth. We maintain our REDUCE rating with a DCF-based TP of INR4,000/sh (implying 50x Mar-28 P/E).

- **Q3FY26 highlights:** Consolidated revenue grew 43.3% YoY to INR 254.2bn. Consolidated jewelry (ex-bullion and digi gold) sales grew 42.1% YoY to INR225.2bn (in-line). Domestic jewelry (ex-bullion and digi gold) sales grew 40.5% YoY in Q3FY26, driven by gold price-led increase in ABV but partially offset by flat buyer growth. New buyer contribution stood at 45% in Q3FY26 (vs 48% in Q3FY25) and jewelry ABV stood at INR0.19mn in Q3FY26 (plain gold/studded ABV up 44/15% YoY). The company continues to leverage its gold exchange program to sustain footfalls. Plain gold jewelry grew 37% YoY on the back of wedding demand and gold coins, while studded jewelry grew by 26% YoY. Studded ratio stood at 26% in Q3FY26 vs 28% in Q3FY25. Jewelry EBITM (consolidated) expanded by 159bps to 11% (HSIE: 9.3%), aided by a low base (note: Q3FY25 had INR2.53bn customs duty impact on EBIT in TMZ; adjusted EBIT for TMZ grew ~34% YoY). Watches/eyewear/others grew ~14/18/47% YoY respectively. The non-jewelry segments EBITM expanded by 174bps YoY to 9.6% (HSIE: 9.3%). The company added 12/11/1/24/1 Tanishq/Mia/Zoya/Caratlane/BeYon stores (net) respectively in Q3. Consolidated APAT grew 75.4% YoY to INR 18.4bn (HSIE: INR 14.4bn).
- **Outlook:** We've realigned our FY27/28 EPS estimates by 5-6% to account for higher revenue. However, tough comparables (courtesy high gold price base) may weigh heavy on jewelry growth in FY27 and remains a key monitorable. We maintain our Reduce rating with a DCF-based TP of INR4,000/sh (implying 50x Mar-28 P/E).

Quarterly financial summary

(INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	2,54,160	1,77,400	43.3	1,87,250	35.7	5,10,840	6,04,560	8,18,689	9,26,974	10,49,640
EBITDA	27,130	16,740	62.1	18,750	44.7	47,810	47,720	74,720	85,327	98,385
APAT	18,360	10,470	75.4	11,200	63.9	34,960	33,370	53,614	60,590	70,616
EPS (Rs)	19.0	11.8	60.8	12.6	50.4	39.4	37.5	60.2	68.1	79.3
P/E (x)						107.9	113.3	70.5	62.4	53.6
EV/EBITDA (x)						82.0	83.4	53.6	46.8	40.6
Core RoCE(%)						16.1	13.4	16.9	16.1	15.8

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	8,18,689	7,86,838	4.0	9,26,974	8,89,795	4.2	10,49,640	10,08,568	4.1
Gross Profit	1,73,500	1,72,258	0.7	2,01,084	1,99,247	0.9	2,32,941	2,30,886	0.9
Gross Profit Margin (%)	21.2	21.9	(70 bps)	21.7	22.4	(70 bps)	22.2	22.9	(70 bps)
EBITDA	74,720	67,951	10.0	85,327	79,911	6.8	98,385	93,724	5.0
EBITDA margin (%)	9.1	8.6	49 bps	9.2	9.0	22 bps	9.4	9.3	8 bps
APAT	53,614	46,665	14.9	60,590	56,983	6.3	70,616	67,130	5.2
APAT margin (%)	6.5	5.9	62 bps	6.5	6.4	13 bps	6.7	6.7	7 bps
EPS	60.2	52.4	14.9	68.1	64.0	6.3	79.3	75.4	5.2

Source: Company, HSIE Research

REDUCE

CMP (as on 11 Feb 2026) INR 4,249

Target Price INR 4,000

NIFTY 25,954

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	Rs 3,800	Rs 4,000
	FY27E	FY28E
EPS %	+6.3	+5.2

KEY STOCK DATA

Bloomberg code	TTAN IN
No. of Shares (mn)	888
MCap (INR bn) / (\$ mn)	3,772/41,589
6m avg traded value (INR mn)	3,711
52 Week high / low	INR 4,380/2,925

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	11.5	22.5	29.5
Relative (%)	11.0	18.0	19.1

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	52.9	52.9
FIs & Local MFs	14.16	15.00
FPIs	16.11	15.55
Public & Others	16.83	16.55

Pledged Shares - -

Source : BSE

Pledged shares as % of total shares

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Eternal

FD recovery continues; Blinkit in the black

Overall, B2C NoV grew ~55% YoY (11.1% QoQ) to INR 257.3bn in Q3FY26 (in-line). Zomato's food delivery (FD) sustained its recovery momentum with NOV rising 16.6% YoY to INR98.5bn (vs 13.8% in Q2), while CM/adj. EBITDAM (as % of NoV) remained largely stable QoQ at 10.4/5.4% (HSIE: 10.2/5.3%). Meanwhile, Blinkit operationally broke even for the first time in its history, demonstrating strong execution even amidst heightened competition. NOV grew 13.9% QoQ (+121% YoY) to INR 133bn (HSIE: INR136.4bn), moderating slightly by GST rate rationalization (~300bps impact) and shift of festive season from Q3 to Q2 (LFL NoV growth stood at 130%+ YoY). CM/adj. EBITDAM (as % of NoV) improved by 89/137bps QoQ to 5.5%/0% (HSIE: +4.8/-1%) respectively, driven by supply chain efficiencies, a favorable shift toward high-margin long-tail categories, operating leverage, and the margin-accretive transition from marketplace to owning inventory. Adj. EBITDA profit stood at INR 40mn (vs. loss of INR1.56bn in Q2FY26; HSIE: -INR1.37bn). Consolidated adj. EBITDA grew 27.7% YoY to INR3.64bn (HSIE: INR2.66bn), partially impacted by ongoing investment in the Going-out business and Bistro. Consolidated adj. EBITDAM stood at 2.2%. Note: Albinder Dhindsa will replace Deepinder Goyal as the Group CEO from Feb-26. We have revised our adj. EBITDA estimates upwards for FY27/28 by ~8/2% respectively and maintain our ADD rating with an SOTP-based TP of INR340/sh (incl. 45x Mar-28 EV/EBITDA for FD; 1.5x Mar-28 NoV for Blinkit).

- **FD growth recovery continues:** Eternal's FD NoV sustained its recovery, growing 16.6% YoY to INR 98.5bn (vs. 13.8% in Q2; HSIE: INR 97.1bn). Growth was mainly led by an improved demand environment, lower minimum order value for Gold members (boosting order frequency), and continued investments in customer activation (MTU grew 3.3% QoQ to 24.9mn). Take-rates (as % of NoV) improved 62bps QoQ to 31%, led by higher platform fees. CM/adj. EBITDAM (as % of NoV) remained largely stable QoQ at 10.4/5.4% (HSIE: 10.2/5.3%). Adj. EBITDA grew 5.6% QoQ to INR 5.31bn (HSIE: INR 5.17bn). Management anticipates that YoY growth will gradually trend toward 20% through consistent execution, modest market share gains, and a focus on affordability and selection.
- **Blinkit achieves adj. EBITDA breakeven:** Blinkit delivered a robust NoV growth of 13.9% QoQ (+121% YoY) to INR 133bn (HSIE: INR136.4bn). Growth partially moderated due to GST rate rationalization (~300bps impact) and shift of festive season from Q3 to Q2 (LFL NoV growth stood at 130%+ YoY). MTUs grew by 13.5% QoQ to 23.6mn (HSIE: 23.3mn), leading to a 9.3% QoQ rise in order volumes to ~243mn (HSIE: 255mn). Net AOV grew 4.4% QoQ to INR 547 (HSIE: INR 534). Adj. revenue surged 23.9% QoQ to INR 122.6bn, reflecting the pivot to an inventory ownership model, which now accounts for 90% of NoV vs 80% in Q2FY26. CM/adj. EBITDAM (as % of NoV) improved by 89/137bps QoQ to 5.5%/0% (HSIE: +4.8/-1%) respectively, aiding the QC market leader to hit adj. EBITDA breakeven for the first time in its history. This margin expansion was led by supply chain efficiencies, a favorable shift toward long-tail categories, operating leverage, and the accretive impact of marketplace to owned-inventory transition. Management highlighted that over half of the expected 100bps margin accretion courtesy this transition has been banked, with the rest to accrue over 2-3 quarters. Adj. EBITDA profit stood at INR 40mn (vs. loss of INR1.56bn in Q2FY26; HSIE: -INR1.37bn). Blinkit added 211 dark stores (net) in Q3 (store count: 2,027), falling short of guidance of 2,100 stores due to GRAP-related construction restrictions in Delhi NCR and festivities-led operational constraints. However, management maintained its 3,000 dark stores guidance by Mar-27. This could be further accelerated to 3,500-4,000 stores, if competitive intensity moderates.
- **Valuation and outlook:** FD growth continues to recover. Meanwhile, Blinkit's blitz-scaling along with unit-economics prudence in an intensely competitive environment is commendable. We have revised our adj. EBITDA estimates upward for FY27/28 by ~8/2% and maintain ADD with an SOTP-based TP of INR340/sh (incl. 45x Mar-28 EV/EBITDA for FD; 1.5x Mar-28 NoV for Blinkit).

ADD

CMP (as on 21 Jan 2026)	INR 283
Target Price	INR 340
NIFTY	25,158

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 340	INR 340
Adj. EBITDA %	FY27E +7.9	FY28E +2.3

KEY STOCK DATA

Bloomberg code	ETERNAL IN
No. of Shares (mn)	9,650
MCap (INR bn) / (\$ mn)	2,736/29,835
6m avg traded value (INR mn)	12,707
52 Week high / low	INR 368/190

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(16.1)	4.3	32.1
Relative (%)	(13.2)	4.7	24.1

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	-	-
FIs & Local MFs	30.12	32.71
FPIs	39.04	36.24
Public & Others	30.84	25.47
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Asian Paints

Operationally in-line print

APNT's consolidated revenue grew 3.7% YoY to INR 88.7bn (in-line). Decorative clocked 7.9/2.8% volume/value growth. The growth was impacted by a shortened festive window and an extended monsoon. Industrial segment lifted overall coatings performance (up 16.8% YoY; ~190bps PBTM expansion in Q3). International business grew 6.3% YoY with PBT up 140bps YoY to 8.8%. GM expanded 197bps YoY to 44.4% (HSIE: 44%), supported by ~1.1% material cost deflation and sourcing/formulation efficiencies, despite an inferior mix and higher discounting. Consequently, EBITDAM expanded 94bps YoY to 20.1% (HSIE: 19.6%) as sustained cost optimization initiatives helped mitigate higher marketing spends. Management maintained mid-single-digit value growth and 18-20% margin guidance in the near term. We largely maintain our FY27/28 EPS estimates and our ADD rating with a DCF-based TP of INR 2,800/sh; implying 45x Mar-28 P/E.

- **Q3FY26 highlights:** Consolidated revenue grew by 3.7% YoY to INR 88.7bn (in-line). The growth was impacted by a shortened festive window and an extended monsoon. Rural demand slightly outpaced urban centers. Standalone revenue grew by 2.8%. The decorative and industrial business collectively clocked 8.3/4.4% volume/value growth. Management expects the volume-value gap to persist due to its focus on broad product portfolio across multiple segments. In home décor, the bath segment declined by ~4% whereas kitchen grew by ~3%. International business grew by 6.3% YoY, led by Sri Lanka, UAE, and Ethiopia, with PBTM up 140bps YoY to 8.8%, aided by material cost deflation and divestment of loss-making Indonesia operations. Within the industrial business, PPG-AP/AP-PPG grew by 16.9/16.5% with PBT margins up 300bps/down 40bps YoY at 25.1/8%, respectively. GM improved 197bps YoY to 44.4% (HSIE: 44%), aided by material deflation (~1.1%) and sustained sourcing/formulation efficiencies despite an inferior mix and higher discounting. Consequently, EBITDAM expanded by 94bps YoY to 20.1% (HSIE: 19.6%) as sustained cost optimization initiatives helped mitigate the impact of higher marketing spends. Management maintained mid-single-digit value growth and 18-20% margin guidance in the near term. EBITDA/APAT grew by 8.8/9.6% YoY to INR 17.8/12.2bn (HSIE: INR 17.5/11.6bn).
- **Outlook:** While the paint sector continues to navigate subdued demand - further dampened by seasonal headwinds and intense competition, there are early signs of demand recovery. We largely maintain our FY27/28 EPS estimates and our ADD rating with a DCF-based TP of INR 2,800/sh; implying 45x Mar-28 P/E.

Quarterly financial summary

(INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	88,670	85,494	3.7	85,313	3.9	3,54,947	3,39,056	3,51,049	3,87,663	4,30,765
EBITDA	17,810	16,367	8.8	15,034	18.5	75,850	60,062	64,981	71,558	81,056
APAT	12,175	11,105	9.6	9,936	22.5	54,602	40,303	43,663	50,123	59,220
EPS (Rs)	11.0	11.6	(4.6)	10.4	6.7	56.9	42.0	45.5	52.3	61.7
P/E (x)						46.1	76.2	62.1	50.2	42.5
EV/EBITDA(x)						33.2	41.9	38.5	34.4	30.1
Core RoCE(%)						31.3	20.5	21.4	25.8	31.3

Source: Company, HSIE Research

Change in estimates

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	3,51,049	3,52,552	(0.4)	3,87,663	3,91,642	(1.0)	4,30,765	4,34,782	(0.9)
Gross Profit	1,53,557	1,53,261	0.2	1,67,821	1,68,511	(0.4)	1,87,096	1,87,725	(0.3)
Gross Profit Margin (%)	43.7	43.5	27 bps	43.3	43.0	26 bps	43.4	43.2	26 bps
EBITDA	64,981	64,835	0.2	71,558	71,847	(0.4)	81,056	81,349	(0.4)
EBITDA margin (%)	18.5	18.4	12 bps	18.5	18.3	11 bps	18.8	18.7	11 bps
APAT	43,663	43,080	1.4	50,123	49,895	0.5	59,220	58,914	0.5
APAT margin (%)	12.4	12.2	22 bps	12.9	12.7	19 bps	13.7	13.6	20 bps
EPS (Rs)	45.5	44.9	1.4	52.3	52.0	0.5	61.7	61.4	0.5

Source: Company, HSIE Research

ADD

CMP (as on 27 Jan 2026) INR 2,624

Target Price INR 2,800

NIFTY 25,175

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2,800	INR 2,800
EPS %	FY27E +0.5	FY28E +0.5

KEY STOCK DATA

Bloomberg code	APNT IN
No. of Shares (mn)	959
MCap (INR bn) / (\$ mn)	2,516/27,427
6m avg traded value (INR mn)	3,309
52 Week high / low	INR 2,986/2,125

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	4.1	12.3	16.5
Relative (%)	7.6	11.8	7.9

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	52.63	52.63
FIs & Local MFs	21.58	21.14
FPIs	11.64	12.78
Public & Others	14.15	13.45
Pledged Shares	4.78	4.53

Source : BSE

Pledged shares as % of total shares,

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Avenue Supermarts

Margin surprises positively

DMART reported a standalone revenue of INR 176.1bn in Q3, reflecting a 13.2% YoY growth. Management attributed partial moderation in growth to deflation in staples. Q3FY26 SSSG stood at 5.6%. The company added ten new stores in Q3. Sales density declined ~0.5% YoY to INR39.7k/sq. ft. annualized. Margins surprised positively, as GM expanded 50bps YoY to 14.6% (HSIE: 14.1%), driven by higher share of non-foods (up 43bps) and GM&A (up 15bps) and lower share of lower-margin foods category (down 58bps) in the mix. Consequently, EBITDAM expanded by 47bps YoY to 8.4% (HSIE: 7.8%). EBITDA/APAT grew 19.9/17.6% YoY to INR 14.8/9.2bn (HSIE: INR 13.7/8.3bn) respectively. We have toned down our FY27/28 EPS estimates by ~1% each but maintain our ADD rating, with a DCF-based TP of INR4,000/sh, implying ~55x Mar-28 P/E.

- **Q3FY26 highlights:** DMART's revenue grew 13.2% YoY to INR176.1bn in Q3FY26. Management attributed the partial moderation in growth to deflation in staples. SSSG moderated to 5.6% in Q3FY26 (vs 8.3% in Q3FY25; 6.8% in Q2FY26). It added ten new stores in Q3 (store count: 442). Non-foods (FMCG) category grew 15.6%, GM&A grew 13.9%, while foods growth moderated to 12.03% due to staples deflation, resulting in a revenue mix of food/FMCG/GM&A at 57.5/20.2/22.3% in Q3FY26 vs. 58.1/19.7/22.2% in Q3FY25. Revenue/EBITDA density came in at INR39.7k/3.3k per sq. ft. in Q3 (down 0.5%/up 5.4% YoY resp). GM expanded by 50bps YoY to 14.6% (HSIE: 14.1%), driven by higher share of non-foods (up 43bps) and GM&A (up 15bps) and lower share of lower-margin foods category (down 58bps) in the mix. Consequently, EBITDAM expanded by 47bps YoY to 8.4% (HSIE: 7.8%). Employee expense (% of sales) increased by 28bps to 2%. However, it was partially offset by reduction in other expenses (down 25bps to 4.2% of sales). EBITDA/APAT grew 19.9/17.6% YoY to INR 14.8/9.2bn (HSIE: INR 13.7/8.3bn) respectively.
- **Outlook:** DMART continues to navigate a challenging competitive landscape (courtesy QC players). Store addition pace and recovery in SSSG will be the key monitorables. We have toned down our FY27/28 EPS estimates by ~1% each but maintain our ADD rating, with a DCF-based TP of INR4,000/sh, implying ~55x Mar-28 P/E.

Quarterly financial summary

(Rs mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	1,76,126	1,55,652	13.2	1,62,188	8.6	4,95,330	5,77,898	6,65,205	7,84,831	9,28,505
EBITDA	14,808	12,352	19.9	12,300	20.4	39,406	43,406	49,704	60,322	73,180
APAT	9,231	7,846	17.6	7,465	23.6	26,949	29,272	31,992	38,500	46,805
EPS (Rs)	14.2	12.1	17.6	11.5	23.6	41.4	45.0	49.2	59.2	71.9
P/E (x)						91.9	84.6	77.4	64.3	52.9
EV/EBITDA (x)						62.7	57.0	49.8	41.1	33.8
Core RoCE(%)						16.3	14.6	13.8	14.3	14.9

Source: Company, HSIE Research, Standalone Financials

Change in estimates

(Rs mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	6,65,205	6,73,327	(1.2)	7,84,831	7,97,426	(1.6)	9,28,505	9,46,330	(1.9)
Gross Profit	94,996	94,798	0.2	1,14,334	1,14,556	(0.2)	1,36,518	1,36,750	(0.2)
Gross Profit Margin (%)	14.3	14.1	20 bps	14.6	14.4	20 bps	14.7	14.5	25 bps
EBITDA	49,704	49,637	0.1	60,322	60,921	(1.0)	73,180	74,027	(1.1)
EBITDA margin (%)	7.5	7.4	10 bps	7.7	7.6	5 bps	7.9	7.6	24 bps
APAT	31,992	31,580	1.3	38,500	38,711	(0.5)	46,805	47,351	(1.2)
APAT margin (%)	4.8	4.7	12 bps	4.9	4.9	5 bps	5.0	5.0	4 bps
EPS (Rs)	49.2	48.5	1.3	59.2	59.5	(0.5)	71.9	72.8	(1.2)

Source: Company, HSIE Research

ADD

CMP(as on 09 Jan 2026)	INR 3,805
Target Price	INR 4,000
NIFTY	25,683

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 4,000	INR 4,000
EPS %	FY27E	FY28E
	-0.5	-1.2

KEY STOCK DATA

Bloomberg code	DMART IN
No. of Shares (mn)	651
MCap (Rs bn) / (\$ mn)	2,474/27,434
6m avg traded value (Rs mn)	2,060
52 Week high / low	Rs 4,950/3,340

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(11.7)	(9.3)	(0.3)
Relative (%)	(13.4)	(9.3)	(8.0)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	74.65	74.65
FIs & Local MFs	9.29	9.08
FPIs	8.25	8.73
Public & Others	7.81	7.54
Pledged Shares	-	-

Source : BSE

-Pledged shares as % of total shares

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Trent

Margins continue to surprise positively

Standalone revenue growth moderated to 16% YoY at INR 52.6bn due to headwinds from muted consumer sentiment and a shift in the festive calendar. Fashion formats reported a slightly negative SSSG in Q3 (9MFY26 SSSG was in low-single digits). As highlighted in our Jan-26 report, the company has pivoted expansion from saturated South+West to relatively untapped North+East markets. While consumption density may take time to mature, these under-retailed territories offer significant growth/SSSG potential. Trent added 17/48 (net) stores of Westside/Zudio respectively. Its grocery format Star grew by 1% YoY. The company continues to surprise on margins – GM/EBITDAM expanded by 29/194bps YoY to 45/20.4% in Q3 (HSIE: 43.3/18.1%), led by cost optimization and operational efficiencies. Pre-IND AS EBITDAM improved by ~60bps to 13.8% this quarter (vs 13.2% in Q3FY25). We marginally increase our FY27/28 APAT estimates by 2-3% to account for better Zudio margins and maintain ADD with SOTP-based TP of INR 4,700 (including 60x FY28 P/E for standalone business and 3x FY28 EV/sales for Star).

- **Q3FY26 highlights:** Standalone revenue grew by 16% YoY to INR 52.6bn. Growth was impacted by muted consumer sentiment and a shift of festive season. Growth was primarily led by new store additions as LFL growth stood marginally negative in Q3FY26. Westside/Zudio added 17/48 stores in Q3FY26, taking their total store count to 278/854 respectively. In Zudio, over 75% of new stores additions in 9MFY26 were in Tier 2/3 cities and emerging micro-markets. Westside's online revenue surged 38% YoY, accounting for over 6% to Westside's revenue. Star revenue grew by 1% YoY to INR 8.96bn. Staples/FMCG/Fresh/GM&A grew by 1/1/13.6/-4.8% YoY in Q3FY26. Standalone GM improved by 29bps YoY to 45% (HSIE: 43.3%). Consequently, EBITDAM expanded by 194bps YoY to 20.4% (HSIE: 18.1%), driven by manpower cost optimization. However, management noted that the manpower efficiency gains, driven by RFID implementation, have now largely been realized. Operating EBIT margin stood at 13.8% in Q3FY26 vs 13.2% in Q3FY25. EBITDA/APAT grew 28.1/32.3% YoY to INR 10.7/6.2bn (HSIE: INR 9.4/4.7bn).
- **Outlook:** We suspect Trent's (1) incremental expansion toward under-retailed territories of North and East, (2) step-up in Westside store and member additions are likely to aid a SSSG recovery in the future. We marginally increase our FY27/28 APAT estimates by 2-3% to account for better Zudio margins and maintain our ADD rating with SOTP-based TP of INR 4,700 (including 60x FY28 P/E for standalone business and 3x FY28 EV/sales for Star).

Quarterly financial summary (standalone)

(INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	52,595	45,347	16.0	47,241	11.3	77,152	1,19,266	1,66,681	1,96,452	2,41,340	2,80,455
EBITDA	10,734	8,376	28.1	8,132	32.0	6,753	13,957	21,253	25,774	31,872	37,338
APAT	6,209	4,693	32.3	4,508	37.8	5,546	10,298	15,848	18,620	22,326	26,357
EPS (Rs)	18.0	13.2	36.3	12.7	41.9	15.6	29.0	44.6	52.4	62.8	74.1
P/E (x)						257.2	138.5	90.0	77.7	63.9	54.1
EV/EBITDA (x)						211.1	101.9	66.9	55.0	43.7	36.5
Core RoCE(%)						13.5	16.7	31.8	25.5	25.8	29.4

Source: Company, HSIE Research, Standalone Financials

Change in estimates

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	1,96,452	1,96,452	-	2,41,340	2,44,145	(1.1)	2,80,455	2,86,395	(2.1)
EBITDA (Pre-IND-AS 116)*	25,774	25,422	1.4	31,872	32,144	(0.8)	37,338	37,831	(1.3)
EBITDA margin (%)*	13.1	12.9	18 bps	13.2	13.2	4 bps	13.3	13.2	10 bps
APAT	18,620	16,812	10.8	22,326	21,661	3.1	26,357	25,807	2.1
APATM (%)	9.5	8.6	92 bps	9.3	8.9	38 bps	9.4	9.0	39 bps

Source: Company, HSIE Research

ADD

CMP (as on 04 Feb 2026) INR 4,013

Target Price INR 4,700

NIFTY 25,776

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 4,700	INR 4,700
	FY27E	FY28E
APAT %	3.1	2.1

KEY STOCK DATA

Bloomberg code	TRENT IN
No. of Shares (mn)	355
MCap (INR bn) / (\$ mn)	1,426/15,773
6m avg traded value (INR mn)	4,709
52 Week high / low	INR 6,261/3,644

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(13.9)	(23.6)	(30.2)
Relative (%)	(14.3)	(27.0)	(36.9)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	37.01	37.01
FIs & Local MFs	19.98	21.50
FPIs	16.82	15.62
Public & Others	26.19	25.87
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Indian Hotels

Long-term outlook strong despite soft short-term performance

IHCL's Q3FY26 performance was relatively soft, reflected in modest 12% YoY revenue growth. 9% YoY RevPAR growth at consolidated level was mainly led by modest ARR increase by 7% to INR 17,700, whereas occupancy remained high at ~78% (+1.2pp). Taj continues to be the lead revenue generating brand, with 69% of operating revenue coming from this luxury segment while TajSATS and the Upscale segment (Vivanta, SeleQtions, and Gateway) accounted for 13% and 10% of total revenue, respectively. Despite soft growth of the quarter, long-term prospects of the company remain healthy as hotel supply growth of ~5% during FY25-28E is estimated to lag demand growth (~9%) in key business locations. It will lead to sustained high occupancy; however, we believe ARR might be peaking at a few locations. Hence, in our view, growth in operational rooms happens to be the key growth driver hereon. IHCL has acquired 51% stake in Atmantan resort and is in process of acquiring 51% stake in Bridge hotel. Together, they have a revenue potential of INR 2bn in FY27E. Further, Taj Bandstand, Mumbai is a large upcoming luxury asset with ~450 keys, expected to generate INR 10bn upon stabilization with 50% EBITDA margin. Above growth drivers apart from existing hotel portfolio and future pipeline are expected to drive EBITDA growth hereon. As stock has steeply corrected by ~13% in the last two quarters, it has come to more reasonable valuation levels. Hence, we change our rating to "Add" from "Reduce" despite keeping similar EBITDA CAGR estimates of 16% for FY25-28E. We roll forward to FY28E and value the stock at 25x FY28 EV/EBITDA for a TP of INR 801.

- **Q3FY26 highlights (consolidated):** IHCL's revenue grew 12% YoY to INR 24.4bn, while EBITDA rose 12% YoY to INR 10.7bn. Net profit showed stronger growth, increasing 16% YoY to INR 6.7bn. Air catering segment TajSATS reported 18% YoY topline growth. EBITDA margin of hotel segment was higher at ~41% vis-à-vis ~26% of air catering segment. High single digit RevPAR growth was mainly led by modest ARR increase, while occupancy remained high at ~78%. As a part of the asset-light growth strategy, managed hotel rooms grew by a healthy 55% YoY to 17,677, and management fees rose by 15% YoY to INR 2.03bn. The company expects to continue capitalizing on its brand strength to grow its asset-light portfolio.
- **Group update (Q3FY26):** New business (Ginger, ama, and Qmin) contributed 8% of total revenue, recording a 31% YoY growth to INR 2.15bn, with a 46% EBITDAR margin.
- **Outlook:** IHCL opened 89 new hotels (3,747 keys) in Q3 FY26 and has a planned opening of 10 hotels (~850 keys) in Q4 FY26. On a base of 32,296 keys (55% managed, 45% owned) across 361 operational hotels, the company is planning a strong expansion and has a pipeline of ~30,200 (owned ~5,940 keys and managed ~24,360 keys) additional keys across 256 hotels. Upcoming marquee owned projects include Taj Bandstand (450 Keys), Ranchi (~200 keys), Lakshadweep (~183 keys) Taj at Shiroda (~300 keys), Gateway at Aguada Plateau (~110 keys), Kaziranga (80 keys) and Agartala (~100 keys). We believe with disciplined execution; the company is on its trajectory to register ~16% EBITDA growth for FY25-28E.

Financial Summary

(INR mn, Mar YE)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net Revenues	28,420	25,331	12%	20,409	39%	67,430	83,345	96,401	1,08,933	1,21,787
EBITDA	10,758	9,617	12%	5,701	89%	21,982	27,693	32,159	37,947	44,060
APAT	6,774	5,823	16%	2,849	138%	12,380	19,076	19,459	22,665	26,292
Diluted Consol EPS (INR)	6.35	4.09	55%	2.00	218%	8.7	13.4	13.7	16.0	18.5
P/E (x)						81.8	53.1	52.1	44.7	38.5
EV/EBITDA						48.7	38.6	32.0	27.2	23.4
RoE (%)						14.4%	18.5%	16.1%	16.3%	16.5%

Source: Company, HSIE Research

ADD

CMP (as on 12 Feb 2026)	INR 712
Target Price	INR 801
NIFTY	25,807

KEY CHANGES	OLD	NEW
Rating	REDUCE	ADD
Price Target	INR 725	INR 801
EPS Change %	FY26E -9%	FY27E -10%

KEY STOCK DATA

Bloomberg code	IH IN
No. of Shares (mn)	1,423
MCap (INR bn) / (\$ mn)	1,013/11,186
6m avg traded value (INR mn)	2,078
52 Week high / low	INR 859/627

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	0.7	(4.7)	(2.6)
Relative (%)	1.7	(9.0)	(12.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	38.1	38.1
FIs & Local MFs	19.4	20.7
FPIs	26.1	25.1
Public & Others	16.3	16.1
Pledged Shares	-	-

Source : BSE

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LG Electronics India

Soft quarter; demand reviving

LG's revenue declined 6% YoY to INR 41.14bn, owing to 10% YoY decline in home appliances segment, while home entertainment division witnessed sub-par 2% YoY growth. Management highlighted that home appliance segment witnessed soft demand post Diwali, while the home entertainment segment witnessed initial uplift in demand, driven by GST cut. EBITDA margin declined 270bps YoY to 5.1%, leading to EBITDA/APAT decline of 39/50% YoY. The company expects double-digit revenue growth and mid-teen operating margins in Q4 (higher YoY), supported by robust demand visibility across categories, while guiding for low single-digit revenue growth for FY26. For FY27, the company anticipates double-digit revenue growth coupled with early double-digit margins (broadly in line with FY25 level). The company also targets to double its export contribution by FY27, leveraging emerging opportunities from trade agreements with the US and EU. Considering in-line Q3 performance, we broadly maintain our estimates and retain our ADD rating with an unchanged target price of INR 1,545/share, based on 38x Mar'28E EPS.

- Q3FY26 highlights:** Revenue declined 6% YoY to INR 41.14bn, owing to 10% YoY decline in home appliances segment (68% revenue mix), while home entertainment division witnessed sub-par 2% YoY growth. EBITDA margin declined 270/380bps YoY/QoQ to 5.1%, owing to increase in employee cost and other expenses relative to revenue due to negative operating leverage. Consequently, EBITDA declined 39% YoY. Home appliances and air solutions segment witnessed EBIT margin decline of 310/425bps YoY/QoQ to 4%, whereas home entertainment segment witnessed margin erosion of 390/300bps YoY/QoQ to 9.6%. APAT declined 50% YoY owing to lower EBITDA, higher depreciation and tax rate. Company has booked INR 125mn expense on account of new labor law and INR 173mn prior-period tax expenses. We have classified both these expenses as exceptional items.
- Earnings call takeaways and valuation:** The company expects double-digit revenue growth and mid-teen operating margins in Q4 (higher YoY), supported by robust demand visibility across categories, while guiding for low single-digit revenue growth for FY26. For FY27, the company anticipates double-digit revenue growth coupled with early double-digit margins (broadly in line with FY25 level). The company implemented 2-3% price hikes on refrigerators and washing machines in Nov-25 to offset rising costs. Exports currently account for 7% of revenue. US and EU trade agreements are set to accelerate company growth, with management targeting a doubling export in FY27. Considering in-line Q3 performance, we broadly maintain our estimates and retain our ADD rating with an unchanged target price of INR 1,545/share, based on 38x Mar'28E EPS.

Financial summary

(INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	41,144	43,955	(6.4)	61,740	(33.4)	2,13,520	2,43,666	2,49,254	2,78,008	3,06,560
EBITDA	2,086	3,404	(38.7)	5,476	(61.9)	22,249	31,101	24,390	34,417	39,654
EBITDAM	5.1	7.7		8.9		10.4	12.8	9.8	12.4	12.9
APAT	1,170	2,335	(49.9)	3,894	-(70.0)	15,111	22,033	17,286	24,400	27,624
EPS (INR)	1.7	3.4	(49.9)	5.7	-(70.0)	22.3	32.5	25.5	35.9	40.7
EV/EBITDA (x)						44.0	31.0	39.0	27.3	23.3
P/E (x)						66.0	45.3	57.7	40.9	36.1
RoE (%)						37.2	45.2	25.3	28.0	25.4

Source: Company, HSIE Research

ADD

CMP (as on 12 Feb 2026)	INR 1,470
Target Price	INR 1,545
NIFTY	25,807

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,545	INR 1,545
EPS %	FY26E	FY27E
	-	-

KEY STOCK DATA

Bloomberg code	LGEL IN
No. of Shares (mn)	679
MCap (INR bn) / (\$ mn)	997/11,005
6m avg traded value (INR mn)	-
52 Week high / low	INR 1,749/1,300

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(11.4)	-	-
Relative (%)	(10.4)	-	-

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	100.00	85.00
FIs & Local MFs	0.0	7.15
FPIs	0.0	3.00
Public & Others	0.0	4.85
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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Havells India

Performance in line; summer category drag eased

Revenue grew 14% YoY to INR 55.73bn, primarily due to robust 33% YoY growth in cables and wire segment. Consumer durables, switchgear, and other segments' topline grew 4/8/33% YoY, while lighting and Lloyds drag revenue growth was down 4/7% YoY. EBITDAM expanded 60bps YoY, driven by lower fixed costs as a percentage of sales. This propelled 21% YoY EBITDA growth, translating to 22% YoY APAT expansion. The company noted that channel inventories in wires and cables are building up, with sustained price hikes made in Q3 with similar expectations for Q4. Channel inventory for summer products is declining and is expected to normalize by Q4 as demand picks up. The management anticipates a 5-10% price hike in RAC, bringing prices nearly back to pre-GST-cut levels. Factoring in-line Q3 performance, we have maintained our revenue, EBITDA, and APAT estimates. We maintain BUY and value the company at 50x Mar-28E EPS to arrive at an unchanged TP of INR 1,765/sh.

- **Q3FY26 highlights:** Revenue stood at INR 55.73bn, up 14% YoY, primarily due to robust growth in cables and wire segment. Gross margin declined 140bps YoY (-190bps QoQ) due to change in product mix. EBITDAM expanded by 60bps YoY (10bps QoQ) owing to decline in other expenses/employee cost, down by 120/70bps YoY (-90/-110bps QoQ). Consequently, EBITDA grew 21% YoY. APAT grew 22% YoY, led by higher EBITDA, and lower tax rate, partially offset by decreased other income (down 33% YoY).
- **Segmental highlights:** Cables accelerated with volume gains and price hikes from commodity inflation; revenue +33% YoY, EBIT margin +80bps YoY (-190bps QoQ) at 11.8%. Switchgear posted 8% YoY growth with margins up 380bps to 22%. ECD delivered healthy growth in heating products on winter demand, with revenue up 4% YoY and margins improving 150bps to 10.1%. Lloyd saw subdued performance due to ongoing weak summer impact, with revenue down 7% YoY and margins falling 430bps YoY (+1,220bps) to -9%. Lighting revenue suffered from festive demand shifting to prior period, down 4% YoY, with 290bps YoY margin drop to 12%. Other segments grew 33% YoY, led by solar product demand, with margins rising 110bps YoY to -1%.
- **Earnings call takeaways and outlook:** The company noted that channel inventories in wires and cables are building up, with sustained price hikes made in Q3 and similar expectations for Q4. Channel inventory for summer products is declining and is expected to normalize by Q4 as demand picks up. However, management highlighted that new BEE norms effective from Jan 2026, along with rising commodity costs, will drive higher costs in RAC and fans. It anticipates a 5-10% price hike in RAC, bringing prices nearly back to pre-GST-cut levels. The company has budgeted INR14/10bn capex for FY26/27E, respectively. Factoring in-line Q3 performance, we have maintained our revenue, EBITDA, and APAT estimates. We maintain BUY and value the company at 50x Mar-28E EPS to arrive at an unchanged TP of INR 1,765/sh.

Financial summary

(INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ(%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	55,734	48,825	14.2	47,666	16.9	1,85,499	2,17,458	2,29,342	2,61,675	2,98,115
EBITDA	5,240	4,316	21.4	4,418	18.6	18,453	21,486	23,176	28,112	32,304
APAT	3,464	2,828	22.5	3,175	9.1	12,732	14,888	15,694	18,940	22,144
EPS (INR)	5.5	4.5	22.5	5.1	9.1	20.3	23.7	25.0	30.2	35.3
P/E (x)						70.7	60.5	57.4	47.5	40.7
EV/EBITDA(x)						47.1	40.3	37.7	31.0	26.8
RoE (%)						18.1	18.9	17.9	19.5	20.6

Source: Company, HSIE Research

BUY

CMP (as on 19 Jan 2026)	INR 1,447
Target Price	INR 1,765
NIFTY	25,586

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,765	INR 1,765
EPS revision %	FY26E	FY27E
	-	-

KEY STOCK DATA

Bloomberg code	HAVL IN
No. of Shares (mn)	627
MCap (INR bn) / (\$ mn)	908/9,984
6m avg traded value (INR mn)	1,270
52 Week high / low	INR 1,713/1,360

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(3.0)	(4.7)	(8.1)
Relative (%)	(2.1)	(6.5)	(16.7)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	59.38	59.38
FIs & Local MFs	15.52	17.96
FPIs	19.28	16.53
Public & Others	5.82	6.13
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Swiggy

FD beats expectation; QC burn likely peaked

Overall B2C GOV grew 49% YoY (8.6% QoQ) to reach INR 181.2bn (in-line). Consolidated adj. EBITDA losses stood at INR7.1bn (in-line). Food delivery (FD) GOV grew 20.5% YoY to INR 89.6bn (HSIE: INR 88bn). MTUs grew 21.9% YoY, while CM continues to improve through higher ad monetization and better fleet utilization. FD's adj. EBITDAM expanded QoQ by 19bps to 3% (HSIE: 2.9%). Instamart's NOV grew ~76% YoY to INR 54.8bn (HSIE: INR 55.1bn). QC GOV growth was impacted by (1) GST-related price cuts (~300bps impact), (2) shift of festive season, and (3) a strategic decision to avoid participating in irrational competition. CM improved by mere 8bps QoQ to -3.6% of NOV (HSIE: -3.3%) as over 100bps gain from ad revenue and operating leverage were largely reinvested into the "no-fee above INR299" campaign, which saw limited success. Consequently, QC adj. EBITDA losses expanded QoQ to INR9bn (vs HSIE: INR8.95bn; INR8.5bn in Q2). However, management indicated that losses have now peaked, with a sequential reduction expected from hereon as it targets CM breakeven by Q1FY27. Our overall adj. EBITDA loss estimate stands revised at -INR14.9/-INR4.7bn (earlier: -INR16.2/-INR7.3bn) for FY27/28 respectively. We maintain BUY on the stock with an SOTP-based TP of INR465/sh (incl. 41x Mar-28 EV/EBITDA for FD and 0.6x Mar-28 NOV for Instamart).

- **FD growth beats expectation:** Swiggy's FD GOV grew 4.9% QoQ (20.5% YoY) to INR 89.6bn (HSIE: INR88bn), driven by a high-teen YoY order volume and rising AOVs. MTUs grew by 5.2% QoQ (21.9% YoY) to 18.1mn (HSIE: 17.6mn). Adj. revenue grew 3.2% QoQ (up 22.4% YoY) to INR22.8bn (in-line). Take-rates contracted by 41bps QoQ to 25.4% (HSIE: 25.8%), primarily due to lower consumer fees following the expansion of Swiggy One membership base. However, CM expanded by 27bps QoQ to 7.6% (HSIE: 7.5%), driven by ad revenue and improved fleet utilization. Consequently, adj. EBITDAM expanded 19bps QoQ to 3% (HSIE: 2.9%). Adj. EBITDA grew 11.8% QoQ to INR 2.7bn (HSIE: INR 2.5bn). Management's 5% adj. EBITDAM guidance in the medium term stays.
- **QC peak burn likely behind:** Instamart's NOV grew 12% QoQ to INR 54.8bn (HSIE: INR 55.1bn). Growth was impacted by a shift of festive season and a strategic decision to avoid participating in irrational competition. GOV growth was impacted by GST-related price cuts (~300bps impact). MTU growth moderated to 6.9% QoQ to 12.8mn (HSIE: 12.9mn), while order growth slowed to 5.6% QoQ to 106mn (HSIE: 112mn) due to Maxxsaver and weaning away low AOV orders. Net AOV grew 6.1% QoQ to INR 515 (HSIE: INR 490), led by higher non-grocery mix (32.2% of the sales mix) and "no-fee above INR299" experiment. Dark store expansion remains measured as company prioritized densification into existing markets – 34 net stores added (store count: 1,136; retail area: 4.8mn sq ft; avg. store size: 4,217 sq. ft). Adj. revenue grew mere 1.3% QoQ to INR10.5bn (HSIE: INR11.7bn) due to a decline in take rates by 202bps QoQ to 19.2% of NOV (HSIE: 21.3%). CM improved by mere 8bps QoQ to -3.6% of NOV (HSIE: -3.3%) as over 100bps of gains from ad revenue and operating leverage were largely reinvested into the "no-fee above INR299" campaign, which saw limited success. Adj. EBITDAM improved 84bps QoQ to -16.5% of NOV (HSIE: -16.2%). Adj. EBITDA losses expanded QoQ to INR9bn (vs HSIE: INR8.95bn; INR8.5bn in Q2). However, management indicated that losses have now peaked, with a sequential reduction expected from here on as it targets CM breakeven by Q1FY27.
- **Valuation and outlook:** While FD momentum remains healthy across KPIs; Instamart's performance divergence vs Blinkit continues to widen. Although losses seem to have peaked, and at current valuations, Instamart is effectively available for free. Our overall Adj. EBITDA loss estimate stands revised at -INR14.9/-INR4.7bn (earlier: -INR16.2/-INR7.3bn) for FY27/28 respectively. We maintain BUY on the stock with an SOTP-based TP of INR465/sh (incl. 41x Mar-28 EV/EBITDA for FD and 0.6x Mar-28 NOV for Instamart).

BUY

CMP (as on 29 Jan 2026)	INR 327
Target Price	INR 465
NIFTY	25,419

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 465	INR 465
	FY27E	FY28E
EBITDA %	NM	NM

*Pre-IND AS 116 EBITDA

KEY STOCK DATA

Bloomberg code	SWIGGY IN
No. of Shares (mn)	2,760
MCap (INR bn) / (\$ mn)	904/9,835
6m avg traded value (INR mn)	5,324
52 Week high / low	INR 474/297

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(21.8)	(20.8)	(23.5)
Relative (%)	(18.9)	(22.3)	(31.4)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	-	-
FIs & Local MFs	15.95	22.53
FPIs	12.24	16.07
Public & Others	71.81	61.40
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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FSN E-commerce Ventures (Nykaa)

Strong print; margins beat expectations

Nykaa's Q2 topline grew 26.7% YoY to INR28.7bn (in-line), driven by healthy customer acquisition in BPC and fashion (26.4/32.3% respectively), successful Pink Friday sale and a strong performance in House of Nykaa BPC. BPC/fashion revenue grew 27.3/18.1% to INR26.2/2.35bn (in-line) respectively. GM expanded by 144bps YoY to 45.2% (HSIE: 44.5%), driven by higher owned brand share and improved margins in eB2B. Consequently, EBITDAM expanded 179bps YoY to 8% (HSIE: 7.3%). BPC EBITDAM (as % of NSV) expanded by ~130bps YoY to 10.1%, while fashion losses continue to ebb (at -2% vs -5.4% in Q3FY25), led by improved operating leverage. We largely maintain our FY27/28 EBITDA estimates and our **SELL** rating (given heady valuations; ~74x FY28 EV/EBITDA), with a DCF-based TP of INR 205/sh, implying 58x FY28 EV/EBITDA.

- **Q3FY26 highlights:** Revenue grew 26.7% YoY to INR28.7bn, led by robust customer acquisition, successful Pink Friday sale and a strong performance in House of Nykaa BPC brands. BPC/fashion revenue grew 27.3/18.1% to INR26.2/2.35bn (in-line) respectively. BPC AUTC/orders grew 26.4/20.7% YoY in Q3 to 18.7/18.1mn respectively. Fashion AUTC/orders grew 32.3/42.9% YoY to 4.1/3mn respectively. Nykaa's owned brands' GMV surged 65% YoY in BPC to INR 7.75bn, while that in fashion declined 17% to INR 1bn. The company's retail presence expanded to 276 beauty stores (+34% retail space YoY) with double-digit SSSG in Q3. GM expanded by 144bps YoY to 45.2% (HSIE: 44.5%), driven by higher owned brand share and improved margins in eB2B. Consequently, EBITDAM expanded 179bps YoY to 8% (HSIE: 7.3%), as aided by higher GM and better operating leverage. Notably, this expansion was achieved despite a 31% YoY increase in marketing and S&D spends to INR4.6bn. Note: BPC EBITDAM (as % of NSV) expanded by ~130bps YoY to 10.1%, while fashion EBITDAM expanded by 340bps YoY to -2%. EBITDA/APAT grew 63.2/195.3% YoY to INR2.3bn/780mn (HSIE: 2.1bn/755mn).
- **Outlook:** Nykaa continues to be a leading platform for global beauty brands. The path to profitability for fashion and eB2B segments remains a key monitorable. We largely maintain our FY27/28 EBITDA estimates and our **SELL** rating (given heady valuations; ~74x FY28 EV/EBITDA), with a DCF-based TP of INR 205/sh, implying 58x FY28 EV/EBITDA.

Quarterly financial summary

(INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	28,733	22,672	26.7	23,460	22.5	51,438	63,856	79,498	99,485	1,23,105	1,48,975
EBITDA	2,298	1,408	63.2	1,590	44.5	2,560	3,462	4,739	7,309	10,777	14,331
Pre-IND-AS EBITDA						1,179	1,658	2,517	4,528	7,335	10,181
APAT	780	264	195.3	330	136.5	210	397	721	2,397	4,269	6,449
EPS (Rs)	0.2	0.1	156.2	0.1	105.3	0.1	0.1	0.3	0.8	1.5	2.3
P/E (x)						3,511.0	1,853.7	1,023.6	308.1	173.0	114.5
EV/EBITDA (x)						626.6	447.0	296.1	164.3	101.1	72.4
Core RoCE(%)						1.9	2.4	4.0	10.5	17.1	21.7

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	99,485	99,398	0.1	1,23,105	1,22,994	0.1	1,48,975	1,48,849	0.1
Gross Profit	44,386	44,060	0.7	54,618	54,231	0.7	65,708	65,264	0.7
Gross Profit Margin (%)	44.6	44.3	29 bps	44.4	44.1	28 bps	44.1	43.8	26 bps
Reported EBITDA	7,309	7,292	0.2	10,777	10,665	1.0	14,331	14,274	0.4
Reported EBITDA margin (%)	7.3	7.3	1 bps	8.8	8.7	8 bps	9.6	9.6	3 bps
Pre-IND AS EBITDA*	4,528	4,514	0.3	7,335	7,227	1.5	10,181	10,128	0.5
EBITDA margin (%)*	4.6	4.5	1 bps	6.0	5.9	8 bps	6.8	6.8	3 bps

Source: Company, HSIE Research, Note: EBITDAM are on Pre-IND-AS 116 basis

SELL

CMP(as on 05 Feb 2026)	INR 258
Target Price	INR 205
NIFTY	25,643

KEY CHANGES	OLD	NEW
Rating	SELL	SELL
Price Target	INR 200	INR 205
EBITDA%	FY27E +1.5	FY28E +0.5

KEY STOCK DATA

Bloomberg code	NYKAA IN
No. of Shares (mn)	2,863
MCap (INR bn) / (\$ mn)	739/8,189
6m avg traded value (INR mn)	1,629
52 Week high / low	INR 273/155

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	3.0	22.2	48.2
Relative (%)	3.1	19.0	41.7

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	52.12	52.10
FIs & Local MFs	24.98	25.35
FPIs	12.54	12.14
Public & Others	10.36	10.41
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Dixon Technologies

Growth moderates; key projects approval pending

Dixon reported revenue growth of 2% YoY to INR106.7bn for Q3, primarily due to a modest 5% YoY growth in mobile segment and 10% YoY decline in consumer electronics, while home appliances segment reported 13% YoY growth. EBITDAM improved only 10bps each YoY to 3.9%. Management highlighted that rising commodity and memory prices are creating headwinds for the mobile and consumer electronics division. While Vivo JV approval faces delays, the company anticipates clearance soon for its JV. It now projects 34mn mobile phone units for FY26, down from the prior its 42mn guidance. The earlier FY27 target of ~60-65mn units is now expected in FY28. The IT hardware segment is expected to witness healthy growth backed by a strong order book, with targeted revenue of INR 30-40bn in FY27 vs INR 15bn in FY26E. Factoring in sub-par Q3 performance, rising input costs and delay in Vivo and HKC JV, we have cut our revenue estimates by 5-6% for FY26-28E and APAT estimates by 8/15/12%, for FY26/27/28E, respectively. Any further delay in approval for Vivo JV or HKC JV approval could lead to a further downward revision of estimates. We maintain ADD with a revised TP of INR 11,520/sh, based on DCF valuation.

- **Q3FY26 highlights:** Revenue grew 2% YoY to INR106.7bn, primarily due to a modest 5% YoY growth in mobile segment and 10% YoY decline in consumer electronics, while home appliances segment reported 13% YoY growth. Employee costs surged 10% YoY, while other expenses declined 12% YoY. EBITDAM improved only 10bps each YoY/QoQ to 3.9%. Consequently, EBITDA increased 6% YoY, leading APAT growth of 5% YoY, adjusted for abnormal other income gains.
- **Segmental highlights:** (1) Mobile and EMS division experienced modest growth with revenue/EBITDA up 5/9% YoY (EBITDAM +10bps YoY). (2) Consumer electronics witness a 10% YoY revenue decline, while EBITDA grew 9% YoY (EBITDAM +80bps). (3) Home appliances revenue grew 13% YoY, while EBITDA grew 28% YoY (EBITDAM +140bps YoY).
- **Earnings call takeaways and outlook:** Management highlighted that rising commodity and memory prices are creating headwinds for the mobile and consumer electronics division. While Vivo JV approval faces delays, the company anticipates clearance soon for its JV. It now projects ~34mn mobile phone units for FY26, down from the prior 42mn guidance. The earlier FY27 target of ~60-65mn units is now expected in FY28. The IT hardware segment is expected to witness healthy growth backed by a strong order book, with targeted revenue of INR 30-40bn in FY27 vs INR 15bn in FY26E. Factoring in sub-par Q3 performance, rising input costs and delay in Vivo and HKC JV, we have cut our revenue estimates by 5-6% for FY26-28E and APAT estimates by 8/15/12%, for FY26/27/28E, respectively. Any further delay in approval for Vivo JV or HKC JV approval could pose a further downward revision of estimates. We maintain ADD with a revised TP of INR 11,520/sh, based on DCF valuation.

Financial summary

(INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	1,06,716	1,04,537	2.1	1,48,550	(28.2)	1,76,909	3,88,601	4,93,896	6,27,565	7,90,142
EBITDA	4,145	3,905	6.1	5,613	(26.2)	6,976	15,076	18,923	22,944	30,410
APAT	1,803	1,712	5.3	2,470	(27.0)	3,678	7,046	8,549	10,248	15,014
EPS (INR)	29.7	28.5	4.2	40.8	(27.3)	61.5	116.9	141.9	170.1	249.2
P/E (x)						167.2	87.9	72.5	60.4	41.3
EV / EBITDA (x)						88.1	41.0	32.8	26.9	20.2
RoE (%)						24.7	29.9	23.6	21.7	25.5

Source: Company, HSIE Research

ADD

CMP (as on 29 Jan 2026)	INR 10,337
Target Price	INR 11,520
NIFTY	25,419

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 13,260	INR 11,520
EPS %	FY26E	FY27E
	-8.4	-15.1

KEY STOCK DATA

Bloomberg code	DIXON IN
No. of Shares (mn)	61
MCap (INR bn) / (\$ mn)	627/6,822
6m avg traded value (INR mn)	5,563
52 Week high / low	INR 18,472/9,990

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(33.4)	(38.4)	(28.9)
Relative (%)	(30.5)	(39.9)	(36.8)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	28.92	28.83
FIs & Local MFs	28.93	29.06
FPIs	20.69	18.68
Public & Others	22.07	23.43
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Berger Paints

Growth pangs persist

Extended monsoon and a shortened festive season kept BRGR's consolidated revenue flat YoY at INR29.8bn (HSIE: INR30.5bn). Volume/value growth stood at 8.5/0.4%. Management expects this gap to narrow but persist in the 4-5% range as mix continues to shift toward high volume-low value products like economy emulsion, textures, and tile adhesives. Note: the FY25 price corrections (2-2.5%) impact is now behind (anniversarized in Jan-26). GM expanded by 143bps YoY to 43.1% (HSIE: 42%) due to improved product mix and stable RM prices. However, EBITDAM remained stable YoY at 15.8% (HSIE: 14.8%), constrained by negative operating leverage and sustained brand investments. Management's EBITDAM guidance of 15-17% stays. While EBITDA stood flat YoY at INR 4.71bn (HSIE: INR 4.52bn), APAT grew by 9.7% YoY to INR 3.25bn (HSIE: INR 2.77bn), due to higher JV profits. We have cut our EPS estimates by ~3/4% for FY27/28 respectively to account for lower growth but retained ADD with a DCF-based TP of INR540/sh (implying 41x Mar-28 P/E).

- **Q3FY26 highlights:** Consolidated/standalone revenue stood flat YoY at INR29.8/25.9bn (HSIE: INR30.5/26.3bn). Growth was impacted by the extended monsoon and a shortened festive season. Volume/value growth stood at 8.5/0.4%. Management expects this gap to narrow but persist in the 4-5% range as mix continues to shift toward high volume-low value products like economy emulsion, textures, and tile adhesives. Note: FY25 price corrections (2-2.5%) impact is now behind (anniversarized in Jan-26). In deco, CC delivered robust growth and wood coatings segment reported strong double-digit growth. Dealer network expansion continued in Q3, while urban initiatives remain on track. In industrial, automotive posted mid-single digit value growth, aided by GST 2.0 reforms, whereas protective (including GI) remained muted. In international business, Bolix Poland reported strong topline and EBITDA growth, BJN Nepal was impacted by political disruption, and STP faced topline pressure due to a temporary shutdown at the Jamshedpur plant. Consolidated GM expanded by 143bps YoY to 43.1% (HSIE: 42%) due to improved product mix and stable RM prices. However, EBITDAM remained stable YoY at 15.8% (HSIE: 14.8%), constrained by negative operating leverage and sustained brand investments. EBITDAM guidance of 15-17% stays. While EBITDA stood flat YoY at INR 4.71bn (HSIE: INR 4.52bn), APAT grew by 9.7% YoY to INR 3.25bn (HSIE: INR 2.77bn) due to higher JV profits. Net cash position stood at INR9.18bn.

- **Outlook:** The paint sector continues to face significant growth challenges as it navigates subdued demand conditions, further compounded by seasonal headwinds and intense competition. We cut our EPS estimates by ~3/4% for FY27/28 respectively to account for lower growth but retained ADD with a DCF-based TP of INR540/sh (implying 41x Mar-28 P/E).

Quarterly financial summary (Consolidated)

(INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	29,840	29,751	0.3	28,275	5.5	1,05,678	1,11,989	1,15,447	1,18,388	1,29,405	1,42,967
EBITDA	4,710	4,717	(0.2)	3,523	33.7	14,872	18,613	18,561	17,769	20,846	23,632
APAT	3,245	2,951	9.9	2,063	57.3	8,604	11,678	11,804	11,427	13,511	15,478
EPS (Rs)	2.3	2.5	(8.1)	1.8	31.5	8.9	10.0	10.1	9.0	11.6	13.3
P/E (x)						53.3	47.1	46.6	48.2	40.7	35.6
EV/EBITDA (x)						31.2	29.4	29.5	30.3	25.5	22.2
Core RoCE(%)						17.6	19.9	18.2	16.5	19.6	21.7

Change in estimates (Consolidated)

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	1,18,388	1,19,593	(1.0)	1,29,405	1,36,430	(5.1)	1,42,967	1,52,992	(6.6)
Gross Profit	50,135	50,203	(0.1)	55,124	57,612	(4.3)	61,116	64,835	(5.7)
Gross Profit Margin(%)	42.3	42.0	37 bps	42.6	42.2	37 bps	42.7	42.4	37 bps
EBITDA	17,769	18,046	(1.5)	20,846	21,814	(4.4)	23,632	25,028	(5.6)
EBITDA margin (%)	15.0	15.1	-8 bps	16.1	16.0	12 bps	16.5	16.4	17 bps
APAT	11,427	11,226	1.8	13,511	13,973	(3.3)	15,478	16,157	(4.2)
APAT margin (%)	9.7	9.4	27 bps	10.4	10.2	20 bps	10.8	10.6	27 bps
EPS (Rs)	9.0	9.3	(3.1)	11.6	12.0	(3.3)	13.3	13.9	(4.2)

ADD

CMP (as on 05 Feb 2026)	INR 472
Target Price	INR 540
NIFTY	25,643

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 570	INR 540
	FY27E	FY28E
EPS %	-3.3	-4.2

KEY STOCK DATA

Bloomberg code	BRGR IN
No. of Shares (mn)	1,166
MCap (INR bn) / (\$ mn)	551/6,099
6m avg traded value (INR mn)	228
52 Week high / low	INR 605/453

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(12.1)	(17.4)	(1.4)
Relative (%)	(11.9)	(20.6)	(7.9)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	74.98	74.98
FIs & Local MFs	10.71	11.08
FPIs	5.35	5.25
Public & Others	8.96	8.69
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Metro Brands

Strong print; upgrade to ADD

MBL's topline grew 15.4% YoY to INR 8.11bn (HSIE: INR 7.89bn). Growth was driven by robust festive/wedding demand, coupled with momentary demand spurt due to GST rate rationalization. Sales density was largely stable at INR21.3k in Q3FY26 (vs INR21.1k/sq. ft. in Q3FY25). E-commerce sales (including omni-channel) grew 24% YoY (contributing 12% to sales in Q3FY26 vs 11.1% in Q3FY25). MBL added 24/82 stores net in Q2/9MFY26 (total store count: 990). While BIS-related supply chain challenges are now expected to stabilize by Q2FY27 from the earlier committed timeline of Q4FY26, management has reaffirmed its mid-to-long term revenue CAGR guidance of 15%. GM/EBITDAM expanded by 45/65bps YoY to 59.1/32.7% (HSIE: 58.9/32.2%). EBITDA/APAT grew 17.7/37.1% YoY to INR 2.65/1.3bn (HSIE: INR 2.54/in-line). We largely maintain FY27/28 estimates; however, we upgrade MBL to ADD with a DCF-based TP of INR1,080/sh, implying ~43x FY28 P/E.

■ **Q3FY26 highlights:** MBL reported topline growth of 15.4% YoY to INR 8.11bn (HSIE: INR 7.89bn), led by robust festive/wedding demand, coupled with momentary demand spurt due to GST rate rationalization. Revenue/sq. ft. was largely stable in Q3 (at INR21.3k vs INR21.1k/sq. ft. in base period). On channel mix, in-store/online+omni/others contributed 85/13/2% in 9MFY26. E-commerce sales (including omni-channel) grew by a robust 24% YoY in Q3. Products > INR 3,000 contributed 55% of sales (vs 54% in Q3FY25). In Q3, MBL added net 24 stores (store count: 990; retail area: 1.39mn sq. ft.). MBL launched multi-brand sports format "MetroActiv" with three initial stores in tier-1 cities, and plans for a gradual metro rollout. Management plans to open 2-3 Fila stores in Q4FY26, while store additions in Footlocker are moderated due to BIS-related supply challenges. Management expects the Clarks supply chain to stabilize by Q2FY27, with EBO launches in Q3FY27. GM/EBITDAM expanded by 45/65bps YoY to 59.1/32.7% (HSIE: 58.9/32.2%). Management maintains mid-to-long term revenue CAGR guidance of 15%, led by mid-to-high single-digit SSSG and 10% retail area growth. EBITDA/APAT grew 17.7/37.1% YoY to INR 2.65/1.3bn (HSIE: INR 2.54/in-line). Pre IND-AS PAT margin stood at 17.2% in Q3FY26 (vs 14.6% in Q3FY25).

■ **Valuation and outlook:** MBL remains among the more disciplined footwear retailers with an in-sync product market fit. As macro conditions normalize and BIS-related supply chain challenges recede by H1FY27, the company is well-positioned for steady growth. We largely maintain our FY27/28 estimates; however, we upgrade MBL to ADD with a DCF-based TP of INR1,080/sh, implying ~43x FY28 P/E.

Quarterly financial summary

(INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	8,113	7,031	15.4	6,511	24.6	21,271	23,567	25,074	28,267	33,976	40,508
EBITDA	2,649	2,250	17.7	1,707	55.2	5,078	4,899	5,186	5,883	7,132	8,536
APAT	1,304	951	37.1	690	89.0	3,654	3,367	3,545	4,026	5,290	6,822
EPS (Rs)	4.8	3.5	37.0	2.5	89.0	13.4	12.4	13.0	14.8	19.4	25.1
P/E (x)						75.9	66.8	78.3	69.0	52.5	40.7
EV/EBITDA (x)						53.3	54.8	52.3	45.8	37.1	30.2
Core RoCE(%)						51.0	38.6	28.2	32.0	38.2	42.0

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	28,267	28,057	0.7	33,976	33,831	0.4	40,508	40,401	0.3
Gross Profit	16,373	16,186	1.2	19,645	19,517	0.7	23,381	23,267	0.5
Gross Profit Margin(%)	57.9	57.7	23 bps	57.8	57.7	13 bps	57.7	57.6	13 bps
EBITDA	5,883	5,803	1.4	7,132	7,092	0.6	8,536	8,501	0.4
EBITDA margin (%)	20.8	20.7	13 bps	21.0	21.0	3 bps	21.1	21.0	3 bps
APAT	4,026	4,033	(0.2)	5,290	5,273	0.3	6,822	6,799	0.3
APAT margin (%)	14.2	14.4	(13 bps)	15.6	15.6	(2 bps)	16.8	16.8	1 bps
EPS	14.8	14.8	(0.2)	19.4	19.4	0.3	25.1	25.0	0.3

Source: Company, HSIE Research, Consolidated Financials

ADD

CMP (as on 28 Jan 2026)	INR 1,026
Target Price	INR 1,080
NIFTY	25,343

KEY CHANGES	OLD	NEW
Rating	SELL	ADD
Price Target	INR 1,000	INR 1,080
EPS %	FY27E	FY28E
	+0.3	+0.3

KEY STOCK DATA

Bloomberg code	METROBRA IN
No. of Shares (mn)	272
MCap (INR bn) / (\$ mn)	280/3,045
6m avg traded value (INR mn)	93
52 Week high / low	INR 1,340/890

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.4)	(15.6)	(11.4)
Relative (%)	(7.7)	(17.4)	(19.9)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	71.86	71.83
FIs & Local MFs	7.36	7.51
FPIs	3.89	3.82
Public & Others	16.89	16.84
Pledged Shares	0	0

Source : BSE

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Amber Enterprises

Healthy performance across all segments

Amber's Q3FY26 revenue grew 38% YoY to INR 29.43bn, driven by 79% YoY growth in electronics segment. EBITDAM expanded by 90/280bps YoY/QoQ to 8.4%, leading to 55/42% YoY growth in EBITDA/APAT. The company has booked INR 940mn exceptional loss on account of impairment of investment and loan to Shivalik – JV of subsidiary due to financial stress issues. Management noted that RAC channel inventory is close to normal levels, with the industry expected to stay largely flat in FY26, though its consumer durables segment should outperform the market with 13-15% growth. The company expects electronics segment will report double-digit margin in FY27 and targets 2x revenue in railway segment in the next two years, owing to strong order book visibility. It has budgeted INR 8bn in capex for FY26. The company is expected to have a gross block capitalization of INR 11–12bn for FY27. Factoring healthy Q3 performance, we increase our revenue estimates by 4% each, and APAT estimates by 1/3/9% for FY26/27/28E. We maintain BUY with a revised TP of INR 8,520/sh, based on DCF valuation.

- **Q3FY26 highlights:** Revenue grew 38% YoY (2-yr CAGR: 51%) to INR 29.43bn, driven by 79/27/20% YoY growth in electronics segment, consumer durables segment, and railways subsystem segment. Gross margins improved 100bps YoY to 19.7% (-80bps QoQ), while EBITDAM expanded by 90/280bps YoY/QoQ to 8.4%, leading to 55% YoY EBITDA growth. Consumer durables' EBITDAM declined 30bps YoY to 7.2%. Electronics and railways subsystem witnessed margin expansion of 320bps and 290bps YoY to 10.4% and 14.2% respectively. APAT grew 42% YoY, led by EBITDA growth, increase in other income (up 243% YoY), partially offset by higher minority interest income, depreciation, and finance cost. The company has booked INR 940mn exceptional loss on account of impairment of investment and loan to Shivalik – JV of subsidiary due to financial stress issues.
- **Earnings call takeaways:** Management noted that RAC channel inventory is close to normal levels, with the industry expected to stay largely flat in FY26, though its consumer durables segment should outperform the market with 13-15% growth. The company expects electronics segment to report double-digit margin in FY27 and target 2x revenue in railway segment in the next two years, owing to strong order book visibility. It has budgeted INR 8bn in capex for FY26. The company is expected to have a gross block capitalization of INR 11-12bn for FY27. Additionally, it highlighted receiving government approval under ECMS for Ascent Circuits and Ascent K-Circuit to manufacture various PCB types; planned capex includes INR 10bn for Ascent Circuits' to be made in phases (Phase 1: INR 6.5bn over FY26-27, with trial production to start from Q2FY27) and INR 32bn capex for Ascent K-Circuit (INR 12bn in phase 1 expected by Q2FY28). Factoring healthy Q3 performance, we increase our revenue estimates by 4% each, and APAT estimates by 1/3/9% for FY26/27/28E. We maintain BUY with a revised TP of INR 8,520/sh, based on DCF valuation.

Financial summary

(INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	29,428	21,333	37.9	16,470	78.7	67,293	99,730	1,29,519	1,62,931	1,95,537
EBITDA	2,461	1,587	55.0	913	169.6	4,919	7,634	10,013	12,998	16,180
APAT	509	359	41.8	(329)	(254.8)	1,329	2,436	3,184	5,428	6,520
EPS (INR)	14.5	10.6	36.7	(9.4)	(254.8)	39.4	72.0	90.7	154.7	185.9
P/E (x)						189.8	104.0	82.5	48.4	40.3
EV / EBITDA (x)						52.6	34.6	24.9	19.6	15.9
RoE (%)						6.7	11.2	8.3	9.6	10.5

Source: Company, HSIE Research

BUY

CMP (as on 10 Feb 2026) INR 7,511

Target Price INR 8,520

NIFTY 25,935

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 8,015	INR 8,520
EPS %	FY26E	FY27E
	0.9	3.2

KEY STOCK DATA

Bloomberg code	AMBER IN
No. of Shares (mn)	35
MCap (INR bn) / (\$ mn)	264/2,916
6m avg traded value (INR mn)	2,404
52 Week high / low	INR 8,626/5,235

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	7.0	2.1	8.4
Relative (%)	6.2	(3.4)	(0.6)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	38.22	38.19
FIs & Local MFs	20.20	23.86
FPIs	30.60	26.98
Public & Others	10.98	10.97
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Kaynes Technology

Weak performance; working capital concerns persist

Kaynes' revenue grew 22% YoY to INR 8.04bn, driven by strong 44% growth in the automotive segment. However, overall growth was restricted by industrial and railways segment, which declined 4/19% YoY. EBITDAM expanded by 60bps YoY to 14.8%, leading 27/19% YoY growth in EBITDA/APAT. Management has lowered its FY26 revenue guidance to INR 41bn (INR 17bn implied for Q4), from the prior INR 44bn, due to delays in the railways segment orders, while keeping 16% EBITDAM guidance intact. It upholds the FY28 revenue target of USD 1bn, supported by robust order book visibility (INR 90bn as of Q3-end) and ramp up of OSAT & PCB facilities. OSAT facility has been started and ramping up, while PCB to start operations from FY27 start. While the working capital cycle has been further stretched sequentially to 139 days, management expects it will cool down to 70-85 days by FY26-end. OCF stayed negative through 9MFY26, though management is confident FY26 will be OCF positive. Considering Q3 performance, we cut our revenue estimates by 8% each, and APAT estimates by 10-12% for FY26-28E. We maintain **REDUCE** with a revised TP of INR 4,030/sh, based on DCF valuation.

- Q3FY26 highlights:** Revenue grew 22% YoY (2-yr CAGR: 26%) to INR 8.04bn, driven by strong 44% growth in automotive segment (33% of revenue mix). However, overall growth was restricted by industrial and railways segment (44% and 4% revenue mix) which declined 4/19% YoY. Aerospace and defense segment (4% revenue mix) saw robust growth with revenue increasing to INR 319mn at a low base of INR 12mn YoY. Medical segment and IoT/IT, consumer (2% and 13% revenue mix) witnessed healthy 22/101% YoY growth. EBITDAM expanded by 60bps YoY to 14.8% (-150bps QoQ), led by higher gross margin, partially offset by higher employee cost (up 50% YoY) and other expenses (up 38% YoY). Consequently, EBITDA increased by 27% YoY. APAT grew 19% YoY driven by EBITDA, other income, and lower finance cost (down 8% YoY), partially offset by higher depreciation (up 88% YoY) and tax rate.
- Earnings call takeaways and outlook:** Management has lowered its FY26 revenue guidance to INR 41bn (INR 17bn implied for Q4), from the prior INR 44bn, due to delays in the railways segment orders, while keeping 16% EBITDAM guidance intact. It upholds the FY28 revenue target of USD 1bn, supported by robust order book visibility (INR 90bn as of Q3-end) and ramp up of OSAT and PCB facilities. OSAT facility has been started and ramping up, while PCB will start operations from FY27. Working capital cycle has been further stretched sequentially to 139 days, management expects it will cool down to 70-85 days by FY26-end. OCF stayed negative through 9MFY26, though management is confident FY26 will be OCF positive. Considering Q3 performance, we cut our revenue estimates by 8% each, and APAT estimates by 10-12% for FY26-28E. We maintain **REDUCE** with a revised TP of INR 4,030/sh, based on DCF valuation.

Financial summary

(INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ(%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	8,040	6,612	21.6	9,062	(11.3)	18,046	27,218	38,649	56,238	74,561
EBITDA	1,193	940	26.9	1,480	(19.4)	2,542	4,107	6,184	9,111	12,377
APAT	792	665	19.1	1,214	(34.8)	1,833	2,934	4,243	5,623	7,000
EPS (INR)	11.8	10.4	13.8	18.1	(34.8)	28.7	45.8	63.4	84.0	104.5
P/E (x)						129.5	81.1	58.6	44.2	35.5
EV / EBITDA (x)						88.6	57.5	39.1	27.8	21.2
RoE (%)						17.9	23.2	17.4	15.1	16.1

Source: Company, HSIE Research

REDUCE

CMP (as on 06 Feb 2026) INR 3,700

Target Price INR 4,030

NIFTY 25,694

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 4,530	INR 4,030
	FY26E	FY27E
EPS %	-9.8	-12.1

KEY STOCK DATA

Bloomberg code	KAYNES IN
No. of Shares (mn)	67
MCap (INR bn) / (\$ mn)	248/2,735
6m avg traded value (INR mn)	7,311
52 Week high / low	INR 7,705/3,295

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(41.8)	(38.7)	(13.8)
Relative (%)	(42.1)	(42.4)	(20.8)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	53.46	53.46
FIs & Local MFs	23.66	16.73
FPIs	10.71	8.87
Public & Others	12.17	20.94
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Kansai Nerolac

Industrial cushions growth; margins disappoint

Kansai Nerolac's (KNPL) standalone revenue grew 3.5% YoY to INR19bn (in line). While a subdued environment and a shorter festive season led to a low-single-digit volume/value decline in decorative, with the topline buoyed by double-digit value growth in the industrial segment, driven specifically by a GST-led demand surge in automotive. GM expanded by 24bps to 35.5% (HSIE: 36.2%) as benign raw material costs were partially impacted by higher industrial mix. However, EBITDAM contracted by 44bps YoY to 13% (HSIE: 13.4%) due to higher manpower investments. Near-term EBITDAM guidance of 13-14% stays. We have cut our FY27/28 EPS estimates by ~2% each and maintain REDUCE with a DCF-based TP of INR235/sh (implying 23x Mar-28 P/E).

- **Q3FY26 highlights:** Standalone revenue grew 3.5% YoY to INR 19bn in Q3 (in line), while consolidated revenue grew 3.1% YoY to INR 19.8bn. Decorative segment posted low-single-digit value decline, while industrial reported double-digit value growth. The company added over 3.5k dealers in 9MFY25. In decorative, demand was tempered by subdued environment and a shorter festive season; however, internal initiatives led to double-digit growth in project business, CC, waterproofing, and premium wood finishes. Paint+ category now contributes >10% to decorative business, while services contribute >5%. In industrial, auto segment reported strong growth in Q3, fueled by GST rate cut which spurred demand across various OEM categories. In performance coatings, liquid coatings witnessed strong demand in GI while demand momentum remained stable in powder coating driven by auto ancillary. Auto refinish demand remains stable. Bangladesh print remained weak, while Nepal continued to perform well. Standalone GM expanded by 24bps to 35.5% (HSIE: 36.2%), driven by benign raw material prices, partially impacted by higher industrial mix. However, EBITDAM contracted by 44bps YoY to 13% (HSIE: 13.4%) due to higher manpower cost. Management maintains EBITDAM guidance of 13-14% in the short term. EBITDA remained flat YoY at INR2.47bn (HSIE: INR2.54bn), while APAT declined 3.7% YoY to ~INR1.6bn (HSIE: INR 1.73bn).

- **Outlook:** While the recovery timeline for decorative paints remains unclear, KNPL's stronghold in industrials continues to cushion the overall sales impact. We have cut our FY27/28 EPS estimates by ~2% each and maintain REDUCE rating with a DCF-based TP of INR235/sh (implying 23x Mar-28 P/E).

Quarterly financial summary (Consolidated)

(INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	19,820	19,219	3.1	19,542	1.4	75,427	78,014	78,230	79,805	86,469	94,318
EBITDA	2,397	2,351	2.0	2,153	11.3	8,180	10,278	9,423	9,322	10,360	11,640
APAT	1,661	514	223.4	1,349	23.1	4,685	6,667	4,798	6,342	7,507	8,225
EPS (Rs)	1.5	8.4	(82.2)	1.7	(10.1)	5.8	8.2	5.9	7.8	9.3	10.2
P/E (x)						38.1	26.8	37.2	28.2	23.8	21.7
EV/EBITDA (x)						21.9	17.2	18.8	19.0	17.0	15.1
Core RoCE(%)						10.5	9.4	7.0	8.0	8.4	8.9

Source: Company, HSIE Research

Change in estimates

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	79,805	79,608	0.2	86,469	88,239	(2.0)	94,318	97,592	(3.4)
Gross Profit	28,295	28,296	(0.0)	30,770	31,356	(1.9)	33,743	34,803	(3.0)
Gross Profit Margin (%)	35.5	35.5	-9 bps	35.6	35.5	5 bps	35.8	35.7	11 bps
EBITDA	9,322	9,346	(0.3)	10,360	10,502	(1.4)	11,640	11,904	(2.2)
EBITDA margin (%)	11.7	11.7	-6 bps	12.0	11.9	8 bps	12.3	12.2	14 bps
APAT	6,342	6,473	(2.0)	7,507	7,680	(2.2)	8,225	8,428	(2.4)
APAT margin (%)	7.9	8.1	-18 bps	8.7	8.7	-2 bps	8.7	8.6	8 bps
EPS (Rs)	7.8	8.0	(2.0)	9.3	9.5	(2.2)	10.2	10.4	(2.4)

Source: Company, HSIE Research, Consolidated Financials

REDUCE

CMP (as on 04 Feb 2026) INR 222

Target Price INR 235

NIFTY 25,776

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 245	INR 235
EPS %	FY27E	FY28E
	-2.2	-2.4

KEY STOCK DATA

Bloomberg code	KNPL IN
No. of Shares (mn)	809
MCap (INR bn) / (\$ mn)	180/1,985
6m avg traded value (INR mn)	108
52 Week high / low	INR 270/217

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.7)	(9.0)	(9.9)
Relative (%)	(11.1)	(12.4)	(16.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	74.98	74.98
FIs & Local MFs	10.04	10.41
FPIs	5.60	5.17
Public & Others	9.38	9.44
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Crompton Consumer

Decent quarter; announced foray into wires

Crompton Consumer's revenue grew 7% YoY to INR 18.9bn, led by 8% growth in electrical consumer durables segment. Lighting and Butterfly segments also contributed 7% growth each. EBITDAM contracted 30bps YoY to 10.3%, leading to EBITDA/APAT growth of 4/3% YoY. The company has announced its entry into the residential wires segment, with an initial product launch scheduled for select markets by March-26. Management cited that rising commodity costs remain headwinds, while price hikes coupled with cost optimization program will support margins. It has implemented 1-1.5% price hike in fans and anticipates further hikes ahead. Management indicated that despite high channel inventory at Q3-end, the underlying fan demand remains good. We broadly maintain our estimates and retain BUY by valuing the stock at 32x Mar'28 EPS at an unchanged TP of INR 370/sh.

- **Q3FY26 highlights:** Revenue grew 7% YoY to INR 18.9bn, led by 8% growth in electrical consumer durables segment (73% revenue mix). Lighting and butterfly segments (14% and 13% revenue mix) also contributed 7% growth each. Gross margins declined 110bps YoY to 32.2% (+60bps QoQ). ECD EBIT margin declined 220bps YoY (+240bps QoQ), while lighting/butterfly witnesses 130bps/40bps YoY margin expansion (-340/-190bps QoQ). So, EBITDAM contracted 30bps YoY to 10.3% (+170bps QoQ). Employee cost surged 14% YoY, while other expenses declined 2% YoY. Consequently, EBITDA/APAT grew 4/3% YoY.
- **Segmental highlights:** Fans showed sequential performance improvement, led by BLDC growth across channels, though the segment faced headwinds in TPW fans demand. The solar rooftop business maintains strong momentum with an ~INR 5bn order book secured to date, fully executable by FY27. Pumps achieved double-digit growth, boosted by 2x expansion in solar pumps and market share gains. Large domestic appliances posted double-digit YoY volume growth. Lighting delivered strong double-digit volume growth in both B2C and B2B segments. Butterfly margins improved due to higher premiumization and price hikes.
- **Earnings call takeaways and outlook:** The company has announced its entry into the residential wires segment, with an initial product launch scheduled for select markets by March-26. Management cited rising commodity costs remain headwinds, while price hikes coupled with cost optimization programme will support margins. It has implemented 1-1.5% price hike in fans, and anticipates further hikes ahead. Despite high channel inventory at Q3-end, underlying fan demand remains good. We broadly maintain our estimates and retain BUY by valuing the stock at 32x Mar'28 EPS and an unchanged TP of INR 370/sh.

Financial summary

(INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	18,983	17,692	7.3	19,156	(0.9)	73,128	78,636	80,126	90,146	1,00,903
EBITDA	1,953	1,880	3.9	1,649	18.5	7,137	8,882	7,648	10,138	11,659
APAT	1,134	1,098	3.2	865	31.0	4,399	5,560	4,606	6,410	7,445
EPS (INR)	1.8	1.7	3.2	1.3	31.0	6.8	8.6	7.2	10.0	11.6
P/E (x)						35.5	28.1	34.0	24.4	21.0
EV / EBITDA (x)						21.4	16.7	19.3	14.2	11.9
RoE (%)						13.4	15.2	11.6	14.9	15.7

Source: Company, HSIE Research

BUY

CMP (as on 06 Feb 2026)	INR 245
Target Price	INR 370
NIFTY	25,694

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 370	INR 370
	FY26E	FY27E
EPS %	-0.6	-0.6

KEY STOCK DATA

Bloomberg code	CROMPTON IN
No. of Shares (mn)	644
MCap (Rs bn) / (\$ mn)	158/1,740
6m avg traded value (INR mn)	855
52 Week high / low	INR 369/217

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(12.0)	(23.2)	(32.4)
Relative (%)	(12.4)	(27.0)	(39.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	0.00	0.00
FIs & Local MFs	61.24	65.73
FPIs	25.56	20.55
Public & Others	13.20	13.72
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Syrma SGS Technology

Strong performance across all segments

Syrma SGS Technology's revenue grew 45% YoY to INR 12.6bn, led by healthy growth across all segments. Industrial/consumer/automotive/healthcare/IT and railway segments (31/31/24/9/7% revenue mix) grew 45/43/44/47/64% YoY, respectively. Gross margin improved 140/360bps YoY, owing to a change in the product mix and high export mix, leading to a 350/260bps YoY/QoQ expansion in EBITDA margin. Consequently, EBITDA grew 100% YoY, leading to an APAT growth of 108% YoY. Management has reiterated its topline growth guidance for FY26 at 30%, targeting revenue of INR 49bn. It expects EBITDA to exceed INR 5bn for the year, translating to an EBITDAM of ~10%, supported by a robust order book. The company's order book expanded by about 10% QoQ to INR 64bn, as of Dec-25. PCB facility with a joint venture with South Korea's Shinhyup Electronics under the ECMS scheme with a total capex of INR 15bn, will be commissioned in phases by FY30, first phase of which will be completed by Dec-26E. Factoring in a strong Q3 margin performance and healthy order book, we have upgraded revenue estimates by 1% each for FY26-28E and APAT estimates by 12/7/7% for FY26/27/28E. We maintain BUY with a higher TP of INR 920/sh, based on DCF valuation.

- Q3FY26 highlights:** Revenue grew 45% YoY to INR 12.6bn, led by healthy growth across all segments. Industrial/consumer/automotive/healthcare/IT and railway segments (31/31/24/9/7% revenue mix) grew 45/43/44/47/64% YoY, respectively. Exports grew 65% YoY to INR 3.4bn. Gross margin improved 140/360bps YoY/QoQ, owing to a change in the product mix and high export mix, leading to a 350/260bps YoY/QoQ expansion in EBITDA margin, further supported by 90bps/110bps YoY reduction in employee/other expenses. Consequently, EBITDA grew 100% YoY, leading to an APAT growth of 108% YoY.
- Con call takeaways and outlook:** Management has reiterated its topline growth guidance for FY26 at ~30%, targeting revenue of INR 49bn. It expects EBITDA to exceed INR 5bn for the year, translating to an EBITDAM of ~10%, supported by a robust order book. The company's order book expanded by 10% QoQ to INR 64bn as of Dec-25. For FY27, company anticipates over 30% YoY growth both in revenue and EBITDA. PCB facility with a joint venture with South Korea's Shinhyup Electronics under the ECMS scheme with a total capex of INR 15bn, will be commissioned in phases by FY30, first phase of which will be completed by Dec-26E. Factoring in strong Q3 margin performance and healthy order book, we have upgraded revenue estimates by 1% each for FY26-28E and APAT estimates by 12/7/7% for FY26/27/28E. We maintain BUY with a higher TP of INR 920/sh, based on DCF valuation.

Financial summary

(INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ(%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	12,642	8,697	45.4	11,459	10.3	31,541	37,867	48,760	63,034	80,641
EBITDA	1,594	796	100.3	1,152	38.3	2,023	3,233	5,123	6,676	8,502
APAT	1,062	509	108.5	641	65.7	1,089	1,720	3,055	4,036	5,141
EPS (INR)	5.5	2.9	92.7	3.3	65.6	6.1	9.7	15.9	21.0	26.7
P/E (x)						123.0	78.2	47.5	36.0	28.3
EV / EBITDA (x)						68.5	42.4	27.3	21.6	17.2
RoE (%)						6.9	10.2	12.8	12.6	14.2

Source: Company, HSIE Research

BUY

CMP (as on 30 Jan 2026)	INR 761
Target Price	INR 920
NIFTY	25,321

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 890	INR 920
EPS %	FY26E	FY27E
	12.0	7.2

KEY STOCK DATA

Bloomberg code	SYRMA IN
No. of Shares (mn)	193
MCap (Rs bn) / (\$ mn)	147/1,596
6m avg traded value (INR mn)	1,302
52 Week high / low	INR 910/355

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(7.6)	(0.3)	42.0
Relative (%)	(5.0)	(1.2)	34.8

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	42.98	42.72
FIs & Local MFs	16.40	15.89
FPIs	7.02	6.47
Public & Others	33.60	34.82
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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V-Guard Industries

Growth accelerates though hurdles remain

V-Guard (VGRD) reported revenue of INR 14.03bn for Q3, up 11% YoY, driven by strong growth in the electrical segment. EBITDAM expanded 60bps YoY to 8.8% (+60 bps QoQ), owing to 200bps YoY decline in employee cost, partially offset by 70bps YoY increase in other expenses in relative terms. So, EBITDA grew 18% YoY, leading APAT increase by 31% YoY. The electronics segment remained subdued, impacted by weak demand for stabilizers used in cooling products, while the inverter and solar categories continued to post healthy growth. Management noted that the electricals segment's performance was led by value and volume growth in wires. The consumer durables segment continued to face headwinds due to elevated channel inventory in fans, while demand in the kitchen appliances category also stayed soft. The company expects some upward pressure on input costs and plans to undertake calibrated price increases across its portfolio in the coming quarter. Factoring in-line performance, we maintain our estimates for FY26-28E. We maintain an ADD rating with an unchanged TP of INR 370/sh, by valuing the company at 35x Mar-28 EPS.

- Q3FY26 highlights:** Revenue stood at INR 14.03bn, up 11% YoY, driven by strong 26% YoY growth in the electricals segment (43% revenue mix). Consumer durables segment (32% revenue mix) grew modestly with 5% YoY growth, while electronics (20% revenue mix) remained flat YoY and the Sunflame segment (5% revenue mix) declined 10% YoY growth. Gross margin declined 70bps YoY to 35.9% (-160bps QoQ). EBITDAM expanded 60bps YoY to 8.8% (+60 bps QoQ), owing to a 200-bps YoY decline in employee costs, partially offset by 70bps YoY increase in other expenses in relative terms. In absolute terms, the employee costs declined 11% YoY, while other expenses surged 15% YoY. Consequently, EBITDA grew 18% YoY. APAT grew 31% YoY, led by EBITDA, impacted by lower finance cost (down 49% YoY). Electronic segment EBIT margin was down 290bps YoY to 16.7%. Electricals witnessed strong margin expansion of 300bps YoY to 12%. Consumer durables and Sunflame reported 20/80bps margin expansion to 4.4/3.6%
- Earnings call takeaways and outlook:** Management noted that the electricals segment's performance was led by value and volume growth in wires. The electronics segment remained subdued, impacted by weak demand for stabilizers used in cooling products, while the inverter and solar categories continued to post healthy growth. The consumer durables segment continued to face headwinds due to elevated channel inventories, while demand in the kitchen appliances category also stayed soft. The company expects some upward pressure on input costs and plans to undertake calibrated price increases across its portfolio in the coming quarter. Factoring in-line performance, we maintain our estimates for FY26-28E. We maintain an ADD rating with an unchanged TP of INR 370/sh, by valuing the company at 35x Mar-28 EPS.

Financial summary

(INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ(%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	14,035	12,687	10.6	13,409	4.7	48,567	55,778	58,622	66,114	74,042
EBITDA	1,232	1,041	18.3	1,093	12.7	4,267	5,132	4,959	6,173	7,085
APAT	792	602	31.5	653	21.3	2,576	3,137	3,024	3,925	4,628
EPS (INR)	1.8	1.4	31.5	1.5	21.3	5.9	7.2	6.9	9.0	10.6
P/E (x)						56.0	46.1	47.9	36.9	31.3
EV / EBITDA (x)						34.3	28.1	28.6	22.7	19.5
RoE (%)						15.1	16.0	13.6	15.8	16.6

Source: Company, HSIE Research

ADD

CMP (as on 29 Jan 2026)	INR 334
Target Price	INR 370
NIFTY	25,419

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 370	INR 370
EPS %	FY26E	FY27E
	-	-

KEY STOCK DATA

Bloomberg code	VGRD IN
No. of Shares (mn)	436
MCap (INR bn) / (\$ mn)	146/1,587
6m avg traded value (INR mn)	163
52 Week high / low	INR 413/298

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(12.6)	(13.1)	(6.4)
Relative (%)	(9.7)	(14.6)	(14.3)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	53.33	53.28
FIs & Local MFs	22.86	23.32
FPIs	12.45	12.12
Public & Others	11.36	11.28
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Aditya Birla Lifestyle Brands

Portfolio profitability improves

ABLBL's top line grew by 9.6% YoY to INR23.4bn (HSIE: INR23bn), driven by 6% retail LTL growth in Q3. Lifestyle brands (LB)/emerging business (EB) grew ~9/13% YoY to INR 20/3.6bn (HSIE: in-line/3.3bn). LB retail grew by 6% YoY, led by LTL growth of 5% and store expansion partially offset by shift of festive season. EB LTL growth stood at 16%. Ex-Forever21 in the base, EB growth would have been 19% YoY in Q3. The company added 50+ net stores in Q3FY26 and plans to add ~90/120+ net stores in Q4FY26/FY27. LB/EB EBITDAM were up ~90/790bps to 20.6/7.1% (vs HSIE: 20/2.5%) respectively, driven by strong operating leverage, cost optimization and reduction in losses of innerwear business. Overall EBITDAM expanded by ~200bps YoY to 17.6% (HSIE: 16.5%). EBITDA/APAT grew by 23.6/82.9% YoY to INR 4.12/1.1bn (HSIE: INR 3.81bn/626mn). We have revised our FY27/28 EBITDA estimates by ~2% each and maintain BUY with an SOTP-based TP of INR185/sh (including 25x Mar-28 EV/EBITDA—Pre-IND AS 116—for LB and 1x Mar-28 EV/sales for EB).

- **Q3FY26 highlights:** ABLBL's revenue grew by 9.6% YoY to INR23.4bn (HSIE: INR23bn), led by 6% retail LTL growth in Q3. LB grew 9.2% YoY to INR 20bn (in-line), led by strong multi-channel performance. LB retail grew by 6% YoY, led by LTL growth of 5% and store expansion, partially offset by a shift of festive season. Wholesale reported 21% YoY growth, with robust secondary LTL growth in department stores. E-commerce delivered 20% YoY growth with improved profitability. EB revenue grew by 13.4% YoY to INR3.55bn (HSIE: INR3.26bn), with LTL growth of 16%. Ex-Forever21 in the base, EB growth would have been 19% YoY in Q3. On segmental margins, LB/EB EBITDAM were up ~90/790bps to 20.6/7.1% (vs HSIE: 20/2.5%) respectively, driven by strong operating leverage, cost optimization, and reduction in losses of innerwear business. The company added 50+ net stores in Q3 and plans to add 90+ net stores in Q4 and 120+ net new stores in FY27. GM contracted by 26bps YoY to 58.6% (HSIE: 60.3%). However, overall EBITDAM expanded by 199bps YoY to 17.6% (HSIE: 16.5%). EBITDA/APAT grew by 23.6/82.9% YoY to INR 4.12/1.1bn (HSIE: INR 3.81bn/626mn). Net debt reduced from INR10bn in Sep-25 to INR8bn in Dec-25, with plans to reach closer to net cash over the next three years.
- **Outlook:** While ABLBL's growth recovery is encouraging, sustaining this momentum is critical. The turnaround in EB, particularly the path to profitability in Innerwear, remains a key monitorable. We have revised our FY27/28 EBITDA estimates by ~2% each and maintain BUY with an SOTP-based TP of INR185/sh (including 25x Mar-28 EV/EBITDA—Pre-IND AS 116—for LB and 1x Mar-28 EV/sales for EB).

Quarterly financial summary

(INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	23,432	21,384	9.6	20,379	15.0	77,860	78,300	83,550	94,880	1,06,117
EBITDA	4,118	3,332	23.6	3,167	30.0	18,219	5,508	6,465	8,000	9,404
APAT	1,103	603	82.9	234	370.6	1,711	1,579	1,769	3,181	4,214
EPS (Rs)	0.57	0.49	14.4	0.19	194.4	1.7	0.5	1.1	2.6	3.5
P/E (x)						67.0	87.3	78.0	43.4	32.7
EV/EBITDA (x)						#DIV/0!	26.5	21.8	16.8	13.6
Core RoCE(%)						-	9.0	8.8	10.3	11.4

Source: Company, HSIE Research

Change in estimates

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	83,550	83,425	0.2	94,880	93,640	1.3	1,06,117	1,04,507	1.5
Gross Profit	49,638	49,981	(0.7)	56,797	56,335	0.8	63,895	63,134	1.2
Gross Profit Margin(%)	59.4	59.9	-50 bps	59.9	60.2	-30 bps	60.2	60.4	-20 bps
EBITDA	6,465	6,163	4.9	8,000	7,801	2.5	9,404	9,195	2.3
EBITDA margin (%)	7.7	7.4	35 bps	8.4	8.3	10 bps	8.9	8.8	6 bps

Source: Company, HSIE Research, *Pre-IND AS EBITDA

BUY

CMP (as on 03 Feb 2026)	INR 113
Target Price	INR 185
NIFTY	25,728

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 185	INR 185
	FY27E	FY28E
EBITDA *%	+2.5	+2.3

*Pre-IND AS EBITDA

KEY STOCK DATA

Bloomberg code	ABLBL IN
No. of Shares (mn)	1,221
MCap (INR bn) / (\$ mn)	138/1,528
6m avg traded value (INR mn)	307
52 Week high / low	INR 176/101

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(17.0)	(18.1)	-
Relative (%)	(16.7)	(22.0)	-

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	46.60	46.60
FIs & Local MFs	11.48	17.06
FPIs	21.59	16.25
Public & Others	20.33	20.09
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Bata India

Premiumization continues; core remains a concern

Bata's revenue grew 2.8% YoY to INR 9.4bn in Q3 (in-line), driven by a demand recovery following the GST 2.0 rollout and sustained marketing efforts. While premium brands like Hush Puppies and Power led the growth with robust performance, recovery in the mass-market segment remains gradual. Zero Base Merchandising (ZBM) was scaled to 400 stores, delivering 5% delta in turnover and volume compared to control stores. The company plans to rollout ZBM to 800 stores by Q3FY27. GM contracted by 18bps YoY to 56% (HSIE: 56.2%). However, EBITDAM expanded by 73bps YoY to 22.4% (HSIE: 21.5%) due to initiatives in decluttering, inventory freshness, and cost efficiencies but partially offset by higher marketing investments. We have toned down our FY27/28 EPS estimates by 7-9% and maintain our REDUCE rating with a DCF-based TP of INR890/sh, implying 30x Mar-28 P/E.

■ **Q3FY26 highlights:** Bata's revenue grew 2.8% YoY to INR 9.4bn in Q3 (in-line), led by improvement in demand post GST 2.0 and step-up in marketing investments. Premium products continue to drive growth, led by strong performance in Hush Puppies and Power. ZBM expanded to 400 stores, with positive deltas reported in turnover (+5%), volume (+5%) and UPT (+0.7%) vs non-ZBM stores. The company targets ZBM rollout to 800 stores by Q3FY27. Bata added nine franchise stores (net) in Q3, with plans to reach 1,000 stores in next few years (franchise/total store count: 670/1,975). Hush Puppies EBO count stood at 160 stores with plans to reach 200 in the next 12 months. The e-commerce business continues to deliver robust growth, with digital sales contributing 7/33/60% from Bata.in/B2C/B2B respectively in Q3. GM contracted by 18bps YoY to 56% (HSIE: 56.2%). However, EBITDAM expanded by 73bps YoY to 22.4% (HSIE: 21.5%) due to initiatives in decluttering, inventory freshness, and cost efficiencies but partially offset by higher marketing investments. EBITDA/APAT grew by 6.3/6.5% YoY to INR 2.12bn/740mn (HSIE: INR 2bn/614mn) in Q3 respectively.

■ **Outlook:** While growth in premium products and focus on improving inventory agility have been encouraging, growth in the core portfolio remains a concern. We have toned down our FY27/28 EPS estimates by 7-9% and maintain our REDUCE rating with a DCF-based TP of INR890/sh, implying 30x Mar-28 P/E.

Quarterly financial summary

(INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	9,447	9,188	2.8	8,013	17.9	34,516	34,786	34,888	35,161	38,387	41,890
EBITDA	2,120	1,995	6.3	1,449	46.3	4,822	4,426	3,840	3,835	4,514	5,286
APAT	740	695	6.5	222	234.0	3,230	3,034	2,075	2,046	2,891	3,868
EPS (Rs)	5.8	5.4	6.5	1.7	234.0	25.1	23.6	16.1	15.9	22.5	30.1
P/E (x)						34.1	36.3	53.1	53.8	38.1	28.5
EV/EBITDA (x)						21.7	24.0	27.0	26.8	21.9	17.9
Core RoCE(%)						31.9	24.5	15.4	13.3	16.9	20.3

Source: Company, HSIE Research

Change in estimates

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	35,161	35,249	(0.3)	38,387	38,864	(1.2)	41,890	42,653	(1.8)
Gross Profit	19,569	19,708	(0.7)	21,333	21,671	(1.6)	23,146	23,589	(1.9)
Gross Profit Margin(%)	55.7	55.9	(26 bps)	55.6	55.8	(19 bps)	55.3	55.3	(5 bps)
EBITDA	3,835	3,781	1.4	4,514	4,831	(6.6)	5,286	5,710	(7.4)
EBITDA margin (%)	10.9	10.7	18 bps	11.8	12.4	(67 bps)	12.6	13.4	(77 bps)
APAT	2,046	1,989	2.8	2,891	3,188	(9.3)	3,868	4,161	(7.0)
APAT margin (%)	5.8	5.6	17 bps	7.5	8.2	(67 bps)	9.2	9.8	(52 bps)
Post IND-AS 116 EPS	15.9	15.5	2.8	22.5	24.8	(9.3)	30.1	32.4	(7.0)

Source: Company, HSIE Research

REDUCE

CMP (as on 13 Feb 2026)	INR 854
Target Price	INR 890
NIFTY	25,471

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 950	INR 890
EPS %	FY27E	FY28E
	-9.3	-7.0

KEY STOCK DATA

Bloomberg code	BATA IN
No. of Shares (mn)	129
MCap (INRs bn) / (\$ mn)	110/1,208
6m avg traded value (INR mn)	222
52 Week high / low	INR 1,377/839

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(18.6)	(22.3)	(36.1)
Relative (%)	(16.4)	(24.9)	(44.6)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	50.16	50.16
FIs & Local MFs	29.39	29.31
FPIs	6.89	6.18
Public & Others	13.56	14.35
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Lemon Tree

Soft performance continues in a seasonally strong Q3

Lemon Tree Hotels (LTH) recorded a lacklustre Q3FY26 performance, reflected in 9% YoY RevPAR growth, led by 11% YoY ARR growth but 82 bps YoY decline in occupancy (73.4% in Q3FY26). This clearly shows reluctance of key markets to accept ARR increase. Further analysis indicates that in the markets of Gurugram, Hyderabad, and Bengaluru, raising ARR resulted in a sharp decline in occupancies, reflecting resistance to further ARR increase. On the other hand, Delhi, Mumbai, and Pune easily accommodated ARR increase reflected in increased occupancies, thus proving market depth and demand strength. Revenue grew 15% YoY to INR4.1bn, reflecting soft RevPAR growth and unchanged owned room inventory (total owned rooms: 5759). EBITDA margin for the quarter declined to 44% (-820 bps YoY), led by renovation, GST, and labor code impact to the tune of INR 313mn. The number of managed rooms grew impressively by 32% YoY to 6,013; however, management fee income (INR 482 mn) rose by only 10% YoY as several newly opened hotels are yet to stabilize and ramp up their operations. Management expects to be debt-free post the listing of Fleur Hotels. All asset heavy operations including under construction Aurika Shimla and Shillong hotels will be under Fleur hotels post restructuring. We believe the key growth drivers for LTH include RevPAR growth, led by occupancy and ARR growth in the owned hotels portfolio (Mumbai, Pune, and Delhi) and rising fee income, driven by mid-teen growth in number of managed rooms. Additionally, EBITDA margin expansion levers are a reduction in renovation expenses. Driven by a favorable supply demand mismatch in key locations and expected improvement in operational parameters, we believe revenue and EBITDA will grow at ~11% and ~15% over FY25-FY28E. We have cut EBITDA estimates for FY26 and FY27 by ~2-3% but retain estimates for FY28. We continue with a BUY rating for a TP of INR 187 (17x FY28 EV/EBITDA).

- **Q3FY26 highlights (consolidated):** ARR for the quarter was INR 7,487 (+11% YoY) along with occupancy of 73.4% (-82 bps YoY), resulting in a RevPAR growth of 9% to INR 5,494. Available hotel rooms grew by a 14% to 11,772, led by 32% YoY growth in managed rooms to 6,013, as the number of owned rooms remained unchanged. Revenue grew 15% YoY to INR4.1bn, in line with estimates. EBITDA declined by 3% YoY to INR 1.8bn. PAT growth was stagnant YoY at INR 627mn, missing the estimates by 21.6%.
- **Brand-wise performance in Q3FY26:** Aurika's occupancy increased to 74% (+266 bps YoY), while ARR rose by 5% YoY to INR 10,984. This led to a 9% growth in RevPAR to INR 8,109 for the flagship brand. Lemon Tree Premier has reached near-peak occupancy, maintaining it at ~81% (-35 bps YoY), and increased ARR by 8% YoY to INR 8,506. Lemon Tree Hotel's ARR grew by 13% YoY to INR 7,081, maintaining an occupancy of 73% (-353 bps YoY), resulting in a RevPAR growth of 8%. Red Fox and Keys had an average ARR of INR5,016 (+17%YoY) and INR4,443 (+19% YoY) at occupancy rates of 70% (-470 bps YoY) and 62% (+317 bps YoY). Keys has a lower occupancy due to ongoing renovation. Overall, occupancy and ARR for the entire portfolio could improve steadily once renovation is over in FY27.
- **Outlook:** LTH is planning a strong expansion by building a portfolio of 21,942 rooms across 259 hotels, up from 11,772 at present (owned and leased: 5,759 rooms across 41 hotels). 93% of the pipeline could be managed/franchised, reiterating an asset-light growth strategy. Management estimates operationalize ~3,000 rooms in FY26 (opened in 9M FY26: 1,480 rooms) and ~2,000 in FY27, which we believe has a downside risk. Hence, we build ~2,000 and ~1,300 room additions for FY26 and FY27. We expect increase in ARR for Aurika, Mumbai. We also expect stable occupancy and mid-single-digit growth in ARR for the overall portfolio to be driven by demand tailwinds and support a ~15% EBITDA CAGR over FY25-FY28E.

Financial Summary

(INR mn, Mar YE)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenues	4,061	3,552	14%	3,063	33%	8,392	10,711	12,861	14331	16287	17954
EBITDA	1,791	1,842	-3%	1,307	37%	4,476	5,237	6,341	7297	8524	9479
APAT	627	625	0%	346	81%	1,144	1,485	1,966	2740	3530	4307
Diluted Consol EPS (INR)	0.79	0.79	0%	0.44	80%	1.4	1.9	2.5	3.4	4.4	5.4
P/E (x)						0.0	70.9	53.5	38.4	29.8	24.4
EV/EBITDA						0.0	25.7	21.2	18.0	15.3	13.8
RoE (%)						13.6%	16.3%	17.3%	20.4%	21.3%	21.4%

Source: Company, HSIE Research

BUY

CMP (as on 10 Feb 2026)	INR 133
Target Price	INR 187
NIFTY	25,935

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR187	INR187
	FY26E	FY27E
EPS Change %	-3%	-2%

KEY STOCK DATA

Bloomberg code	LEMONTRE IN
No. of Shares (mn)	792
MCap (INR bn) / (\$ mn)	105/1,162
6m avg traded value (INR mn)	618
52 Week high / low	INR 181/111

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(17.6)	(7.3)	(2.7)
Relative (%)	(18.5)	(12.8)	(11.7)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	22.3	22.3
FIs & Local MFs	19.7	19.5
FPIs	21.5	21.5
Public & Others	36.6	36.8
Pledged Shares	-	-

Source : BSE

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Eureka Forbes

A one-off slow quarter; growth to pick up

Eureka's revenue growth slowed down to 8% YoY in Q3, owing to slowdown in water purifier sales post festive and high channel inventory impact. However, management highlighted it has gained market share in water purifier category. Robotic, water softeners and air purifiers (grew 3x YoY) delivered healthy growth. Service business momentum builds up with third successive quarter of double-digit AMC bookings growth. EBITDA margin expanded by 70bps YoY owing to improved gross margin to 10.6%, leading to 16/15% growth in EBITDA/APAT. The management highlighted channel inventory pressures have eased across channels, except e-com, which will be normalize by Q4FY26 end. Management guided Q4 revenue growth will be higher than 11% delivered in 9MFY26. Considering a muted Q3 performance and continued elevated inventory in e-com channel, we have trimmed our revenue estimates by 2% each for FY26-28E and APAT estimates by 3/2% for FY27/27E, respectively, while broadly maintaining for FY28E. We maintain BUY with an unchanged TP of INR 830/sh, valued at 45x Mar-28E AEPS (excluding non-cash intangible amortization and 50% of performance-based ESOP expenses).

- Q3FY26 highlights:** Revenue growth slowed down to 8% YoY in Q3, owing to a slowdown in water purifier sales post festive and high channel inventory impact. However, management highlighted they have gained market share in the water purifier category. Smaller categories: robotic, water softeners and air purifiers (grew 3x YoY) delivered healthy growth. Service business momentum builds up with third successive quarter of double-digit AMC bookings growth. Gross margin grew 340/410bps YoY/QoQ to 61.2%, driven by COGS reduction program, lower discounting and change in channel mix (lower e-com sales). Employee expenses grew 7% YoY, while other expenses grew 21% YoY led by 23% growth in A&SP spends. So, EBITDA margin expanded by 70bps YoY (-200bps QoQ) to 10.6%, leading to 16/15% growth in EBITDA/APAT.
- Earnings call takeaways and valuation:** The management highlighted channel inventory pressures have eased across channels, except e-com, which will normalize by Q4FY26-end. It guided Q4 revenue growth will be higher than 11% delivered in 9MFY26. Service bookings grew at mid to high-teens YoY in 9MFY26. The robotics business maintained strong traction, representing about two-thirds of vacuum cleaner revenues. Considering muted Q3 performance and elevated inventory in e-com channel, we have trimmed our revenue estimates by 2% each for FY26-28E and APAT estimates by 3/2% for FY26/27E, respectively, while broadly maintaining for FY28E. We maintain BUY with an unchanged TP of INR 830/sh, valued at 45x Mar-28E AEPS (excluding non-cash intangible amortization and 50% of performance-based ESOP expenses).

Financial summary

(INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	6,454	5,977	8.0	7,721	-16	21,893	24,369	27,129	31,048	35,648
EBITDA	686	591	16.0	976.6	-30	1,986	2,656	3,189	3,911	4,884
EBITDAM	10.6	9.9	0.7	12.6	-	9.1	10.9	11.8	12.6	13.7
APAT	404	350	15.3	629.2	-36	1,108	1,602	2,002	2,551	3,295
EPS (INR)	2.1	1.8	15.4	3.3	-35.8	5.7	8.3	10.3	13.2	17.0
EV/EBITDA (x)						49.1	36.1	29.3	23.0	17.5
P/E (x)						89.1	61.6	49.3	38.7	29.9
RoE (%)						2.7	3.7	4.4	5.4	6.6

Source: Company, HSIE Research

BUY

CMP (as on 05 Feb 2026)	INR 509
Target Price	INR 830
NIFTY	25,643

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 830	INR 830
EPS %	FY26E	FY27E
	-3.4	-1.7

KEY STOCK DATA

Bloomberg code	EUREKAFO IN
No. of Shares (mn)	193
MCap (INR bn) / (\$ mn)	98/1,087
6m avg traded value (INR mn)	140
52 Week high / low	INR 669/452

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(6.1)	(11.5)	(8.4)
Relative (%)	(5.9)	(14.8)	(14.8)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	62.56	62.56
FIs & Local MFs	6.38	6.45
FPIs	13.72	13.87
Public & Others	17.34	17.12
Pledged Shares	33.57	33.57

Source : BSE

Pledged shares as % of total shares

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Relaxo Footwears

Volumes stabilize but margins disappoint

After several quarters of volume woes, Relaxo's volume stabilized in Q3 – though at the expense of profitability. Relaxo's revenue stood flat YoY at INR 6.68bn in Q3 (HSIE: INR 6.5bn), as a subdued operating environment and cautious festive spending were offset by sales transformation efforts across the channel mix. Notably, the General Trade (GT) channel regained momentum following the clearance of high-priced inventory. Both volume and net realization stood flat YoY. While GM improved by 44bps YoY to 48% (HSIE: 47.7%), EBITDAM contracted by 212bps YoY to 10.4% (HSIE: 10.9%). This compression was driven by (1) aggressive sales promotion initiatives throughout the quarter to counter unorganized competition and (2) a one-time labor code cost. EBITDA/APAT declined by 16.8/19.6% YoY to INR 694/265mn in Q3 (HSIE: INR 710/299mn). We have cut our FY27/28 EPS estimates by ~4/3% to account for lower margins. However, we maintain ADD with a DCF-based TP of INR430/sh, implying ~40x Mar-28 P/E.

- Q3FY26 highlights:** Revenue stood flat YoY at INR 6.68bn (HSIE: INR 6.5bn), as a subdued operating environment and cautious festive spending were offset by sales transformation efforts across e-commerce and EBOs. Notably, General Trade (GT) channel regained momentum, following the clearance of high-priced inventory. Consequently, volumes stabilized YoY at 40mn pairs after a sequential decline observed in previous quarters, while net realization remained largely flat YoY at ~INR164. The company has closed two EBOs (net) in Q3 (total count: 412 EBOs). GM improved by 44bps YoY to 48% (HSIE: 47.7%). However, EBITDAM contracted by 212bps YoY to 10.4% (HSIE: 10.9%), due to (1) aggressive sales promotion initiatives throughout the quarter to counter unorganized competition and support distributors and (2) a one-time labor code cost of INR57.2mn. EBITDA/APAT declined by 16.8/19.6% YoY to INR 694/265mn in Q3 (HSIE: INR 710/299mn).
- Outlook:** While Relaxo reported volume stability after several quarters of decline, this recovery was led by aggressive sales promotions that significantly pressured margins. Maintaining the topline momentum while balancing margin remains a key monitorable. We have cut our FY27/28 EPS estimates by ~4/3% to account for lower margins. However, we maintain ADD with a DCF-based TP of INR430/sh, implying ~40x Mar-28 P/E.

Quarterly financial summary

(INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	6,680	6,669	0.2	6,285	6.3	27,828	29,141	27,896	26,889	29,808	32,980
EBITDA	694	834	(16.8)	812	(14.5)	2,847	3,476	3,159	2,706	3,775	4,539
APAT	265	330	(19.6)	362	(26.6)	1,545	2,005	1,703	1,530	2,247	2,701
EPS (Rs)	1.1	1.3	(19.9)	1.5	(26.6)	6.2	8.1	6.8	6.1	9.0	10.8
P/E (x)						63.3	48.8	57.4	63.9	43.5	36.2
EV/EBITDA(x)						33.3	27.6	29.7	34.2	24.3	19.9
Core RoCE(%)						9.6	12.0	9.8	7.5	12.7	15.4

Source: Company, HSIE Research

Change in estimates

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	26,889	26,814	0.3	29,808	29,779	0.1	32,980	32,947	0.1
Gross Profit	13,024	13,068	(0.3)	14,527	14,543	(0.1)	16,106	16,090	0.1
Gross Profit Margin (%)	48.4	48.7	(30 bps)	48.7	48.8	(10 bps)	48.8	48.8	(0 bps)
EBITDA	2,706	3,122	(13.3)	3,775	4,048	(6.8)	4,539	4,660	(2.6)
EBITDA margin (%)	10.1	11.6	(158 bps)	12.7	13.6	(93 bps)	13.8	14.1	(38 bps)
APAT	1,530	1,862	(17.8)	2,247	2,339	(3.9)	2,701	2,770	(2.5)
APAT margin (%)	5.7	6.9	(125 bps)	7.5	7.9	(32 bps)	8.2	8.4	(22 bps)
EPS (Rs)	6.1	7.5	(17.8)	9.0	9.4	(3.9)	10.8	11.1	(2.5)

Source: Company, HSIE Research

ADD

CMP (as on 30 Jan 2026)	INR 393
Target Price	INR 430
NIFTY	25,321

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 450	INR 430
EPS %	FY27E -3.9	FY28E -2.5

KEY STOCK DATA

Bloomberg code	RLXF IN
No. of Shares (mn)	249
MCap (INR bn) / (\$ mn)	97/1,059
6m avg traded value (INR mn)	117
52 Week high / low	INR 599/354

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(11.3)	(19.0)	(28.2)
Relative (%)	(8.8)	(20.0)	(35.4)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	71.27	71.27
FIs & Local MFs	9.88	9.87
FPIs	3.03	3.01
Public & Others	15.82	15.85
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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TTK Prestige

Multi-quarter high growth in cookers and cookware segment

TTK Prestige's (TTKPT) revenue grew by 10% YoY to INR 8bn, primarily led by cookers and cookware segments. EBITDAM declined 190bps YoY to 9%, owing to higher strategic opex spends to revive growth. Consequently, EBITDA declined 9% YoY, while APAT was flat YoY. The management highlighted that the rising aluminum and copper prices remain a challenge. However, the company plans price hikes in the future to pass on rising input costs. It noted that kitchenware (cookers and cookware) is currently driving growth, aided by demand recovery, product upgrades, and GST-cut benefits, while appliances remain muted dragging overall growth. Factoring in the Q3 performance, we broadly maintain our estimates for FY26-28E, respectively. We maintain **REDUCE** with an unchanged TP of INR 645/sh by valuing the company at 33x Mar-28 EPS.

- Q3FY26 highlights:** Revenue grew by 10% YoY to INR 8bn, primarily led by cookers and cookware segments, which grew 15% and 25% YoY, respectively (28/17% revenue mix). Appliances reported modest growth of 3% YoY (43% revenue mix). Exports grew 26% YoY to INR 194mn (3% revenue mix). Gross margins rose by 50bps YoY to 42.5% (flat QoQ). EBITDAM declined 190bps YoY to 9% (-260bps QoQ), owing to 80bps/160bps YoY increase in employee/other expenses in relative terms. In absolute terms, employee and other expenses surged 20/18% YoY. Consequently, EBITDA declined 9% YoY. APAT remained flat YoY, primarily due to lower EBITDA, partially offset by a decrease in tax expenses. The company has incurred a soft operational expense of 2.9% of sales amounting to INR 228mn in Q2 (PY: INR 42mn). Adjusting for soft operational spends, EBITDAM stood at 11.3% (+40bpsYoY/-30bps QoQ).
- Other highlights:** The kitchenware and appliances segment delivered a strong Q3 performance, led by festive demand. GST reduction boosted growth in cookers and cookware, which outpaced appliances. The repositioned Judge brand maintained its momentum, posting over 50% YoY growth for the quarter and the period ended Dec-2025. Rising aluminum and copper prices pressured gross margins, though the company mitigated the impact through strategic sourcing and calibrated price hikes. Commodity prices have continued trending upward into Q4.
- Con call takeaways and outlook:** The management has highlighted that the rising aluminium and copper prices remain a challenge. However, it is planning price hikes in the future to pass rising input costs but will wait for industry-wide increase to avoid losing market share. It noted that cooker and cookware is currently driving growth, aided by demand recovery, product upgrades and GST-cut benefits, while appliances remain muted, dragging the overall growth. Factoring in Q3 performance, we broadly retain the estimates for FY26-28E. We maintain **REDUCE** with an unchanged TP of INR 645/sh by valuing the company at 33x Mar-28 EPS.

Financial summary

(INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ(%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	8,014	7,272	10.2	8,337	(3.9)	26,781	27,148	29,536	32,202	35,102
EBITDA	719	794	(9.4)	965	(25.5)	3,037	2,577	2,762	3,413	3,967
APAT	584	585	(0.0)	642	(9.0)	2,285	1,839	1,830	2,321	2,679
EPS (INR)	4.3	4.3	(0.0)	4.7	(9.0)	16.5	13.4	13.4	16.9	19.6
P/E (x)						35.1	43.1	43.3	34.2	29.6
EV / EBITDA (x)						23.3	27.8	25.9	20.8	17.7
RoE (%)						11.3	9.3	9.6	11.5	12.4

Source: Company, HSIE Research

REDUCE

CMP (as on 29 Jan 2026)	INR 579
Target Price	INR 645
NIFTY	25,419

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 645	INR 645
EPS %	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	TTKPT IN
No. of Shares (mn)	137
MCap (INR bn) / (\$ mn)	79/861
6m avg traded value (INR mn)	50
52 Week high / low	INR 773/561

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(17.0)	(8.5)	(19.3)
Relative (%)	(14.2)	(10.0)	(27.1)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	70.52	70.52
FIs & Local MFs	14.94	15.15
FPIs	7.70	7.71
Public & Others	6.96	6.62
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Symphony

Performance remained muted; in line with expectations

Symphony's revenue declined 7% YoY (excluding discontinued operations). India revenue grew 6% YoY, while the rest of the world (11% of revenue mix) has declined 53% YoY. EBITDAM expanded only 10bps YoY to 16.2% (+150bps QoQ). EBITDA declined 6% YoY, while APAT declined 32%. Management indicated that channel inventories have now normalized and expect demand revival. On the international front, GSK China, CT Australia, and IMPCO Mexico reported YoY revenue growth of 7%, 4%, and -25%, respectively in 9MFY26, with corresponding EBITDA margins of 10%, -6%, and 4%. The company expects performance across its foreign subsidiaries to improve in the coming periods. In April 2025, the company decided to divest its stakes in subsidiaries Climate Holdings Australia and IMPCO Mexico, initiating the sale process. The company attracted strong interest from potential buyers, but none of the proposals met Symphony's valuation expectations or broader strategic goals. Consequently, it is shelving the divestment plans. Factoring in-line Q3 performance, we maintain our estimates for FY26/27/28E. We maintain BUY with an unchanged TP of INR 1,220/sh (30x Mar-28E EPS).

- **Q3FY26 highlights:** Revenue declined 7% YoY (excluding discontinued operations). India revenue grew 6% YoY (2-year CAGR - flat). The rest of the world formed 11% of revenue mix (down) 53% YoY. Gross margin expanded by 100bps YoY to 49.2% (+10bps QoQ) due to a change in the product mix. However, employee and marketing expenses surged (up 300/200bps YoY as % of revenue), while other expenses declined 220bps YoY. So, EBITDAM expanded only 10bps YoY to 16.2% (+150bps QoQ). Consequently, EBITDA declined 6% YoY. APAT declined 32% YoY owing to lower EBITDA and higher taxes.
- **Con call takeaways and outlook:** Management indicated that channel inventories have now normalized and expect demand revival. On the international business operations front, GSK China, CT Australia, and IMPCO Mexico reported YoY revenue growth of 7%, 4%, and -25%, respectively in 9MFY26, with corresponding EBITDA margins of 10%, -6%, and 4%. The company expects performance across its foreign subsidiaries to improve in the coming periods. In April 2025, the company decided to divest its stakes in subsidiaries Climate Holdings Australia and IMPCO Mexico, initiating the sale process. The company attracted strong interest from potential buyers, but none of the proposals met Symphony's valuation expectations or broader strategic goals. Consequently, it is shelving the divestment plans. The Executive Director and group CEO Mr. Amit Kumar has resigned from the company. Factoring in-line Q3 performance, we maintain our estimates for FY26/27/28E. We maintain our BUY rating with an unchanged target price of INR 1,220/sh (30x Mar-28E EPS).

Financial summary

(INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ(%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	1,790	1,930	(7.3)	1,630	9.8	11,561	12,560	9,898	12,884	14,173
EBITDA	290	310	(6.5)	240	20.8	1,689	2,960	1,657	2,839	3,175
APAT	250	370	(32.4)	250	-	1,508	2,438	1,574	2,533	2,795
EPS (INR)	3.6	5.3	(32.4)	3.6	-	21.9	35.5	22.9	36.9	40.7
P/E (x)						40.2	24.7	38.3	23.8	21.6
EV / EBITDA (x)						35.6	20.2	35.6	20.4	17.9
RoE (%)						18.5	32.3	20.0	28.8	27.6

Source: Company, HSIE Research

BUY

CMP (as on 29 Jan 2026)	INR 881
Target Price	INR 1,220
NIFTY	25,419

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,220	INR 1,220
EPS %	FY26E	FY27E
	-	-

KEY STOCK DATA

Bloomberg code	SYML IN
No. of Shares (mn)	69
MCap (INR bn) / (\$ mn)	60/658
6m avg traded value (INR mn)	55
52 Week high / low	INR 1,455/812

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(3.7)	(22.0)	(31.0)
Relative (%)	(0.8)	(23.5)	(38.9)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	73.43	73.43
FIs & Local MFs	8.84	8.74
FPIs	5.98	5.30
Public & Others	11.75	12.53
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Bajaj Electricals

Another weak performance; 18-quarter low margin

Revenue was down 19% YoY to INR 10.51bn (2-year CAGR: -8%), primarily due to 25% de-growth in consumer products segment (74% revenue mix), while lighting segment (26% revenue mix) grew by 9%. Consumer products segment EBIT margin declined 960bps YoY to negative 4.6% (-550bps QoQ). Lighting segment EBIT margin improved 470bps YoY to 6.7% but down sequentially 110bps. EBITDAM declined 550bps YoY to 1.2%, hitting an 18-quarter low, leading EBITDA decline of 85% YoY and negative APAT. Management indicated that consumer products witnessed de-growth across categories due to high channel inventory levels, while margins were impacted by operating de-leverage and discounts offered. It highlighted that channel inventory has been broadly normalized, with the exception of summer products, which should normalize as seasonal demand strengthens. The company has initiated a review of key processes to enhance cost efficiency and margin improvement. Factoring weak Q3 performance, we cut our revenue estimates by 7% each and APAT by 43/10/9% for FY26/27/28E respectively. We maintain a REDUCE rating with a lowered target price of INR 375/share, based on 28x Mar-28E EPS.

- Q3FY26 highlights:** Revenue down 19% YoY to INR 10.51bn (2-year CAGR: -8%), primarily due to 25% de-growth in consumer products segment (74% revenue mix), while lighting segment (26% revenue mix) grew by 9%. Gross margins declined by 80bps YoY to 30.4% (-140bps QoQ). Consumer products segment's EBIT margin declined 960bps YoY to negative 4.6% (-550bps QoQ). Lighting segment's EBIT margin improved 470bps YoY to 6.7% but was down sequentially 110bps. EBITDAM declined 550bps YoY to 1.2% (-440bps QoQ), hitting an 18-quarter low owing to lower gross margin, increase in other expenses (up 380bps YoY), and employee costs (up 100bps YoY), driven by negative op-leverage. While in absolute terms, employee costs declined 8% YoY, while other expenses remained flat YoY. So, EBITDA declined 85% YoY and APAT turned negative.
- Earnings call takeaways and valuation:** Management indicated that consumer products witnessed de-growth across categories due to high channel inventory levels, while margins were impacted by operating de-leverage and discounts offered. It highlighted that channel inventory has been broadly normalized, with the exception of summer products, which should normalize as seasonal demand strengthens. The company has initiated a review of key processes to enhance cost efficiency and margin improvement. It noted rising commodity costs as an ongoing challenge; however, the company implemented price hikes of 2-5% to offset these increases, covering the majority of the commodity cost escalation. Factoring in weak Q3 performance, we cut our revenue estimates by 7% each and APAT by 43/10/9% for FY26/27/28E respectively. We maintain a REDUCE rating with a lowered target price of INR 375/share, based on Mar-28E EPS.

Financial summary

(INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	10,509	12,897	(18.5)	11,071	(5.1)	46,413	48,284	45,194	48,686	52,089
EBITDA	129	874	(85.2)	619	(79.1)	2,597	3,075	2,092	3,291	3,520
APAT	(78)	334	(123.4)	146	(153.5)	1,359	1,121	537	1,439	1,554
EPS (INR)	(0.7)	2.9	(123.4)	1.3	(153.5)	11.8	9.7	4.7	12.5	13.5
P/E (x)						34.2	41.5	86.6	32.3	29.9
EV/EBITDA (x)						16.7	14.5	21.1	13.4	12.5
RoE (%)						8.1	7.5	3.4	8.9	9.2

Source: Company, HSIE Research

REDUCE

CMP (as on 09 Feb 2026)	INR 409
Target Price	INR 375
NIFTY	25,867

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 415	INR 375
EPS %	FY26E	FY27E
	-43.0	-9.8

KEY STOCK DATA

Bloomberg code	BJE IN
No. of Shares (mn)	115
MCap (INR bn) / (\$ mn)	47/519
6m avg traded value (INR mn)	227
52 Week high / low	INR 749/383

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(18.0)	(30.1)	(43.8)
Relative (%)	(19.0)	(35.4)	(51.7)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	62.70	62.70
FIs & Local MFs	15.88	17.08
FPIs	7.75	6.48
Public & Others	13.67	13.74
Pledged Shares	1.60	1.60

Source : BSE

Pledged shares as % of total shares

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V-MART Retail

Margin surprises positively

V-Mart's topline grew 9.7% YoY to INR 11.3bn in Q3 (in-line), with core V-Mart operations up 9.5% YoY to INR 9.5bn and Unlimited up 14.7% YoY to INR 1.8bn. The growth was constrained by (1) shift of Pujo from Q3 to Q2, (2) delay in winter across northern/western India suppressing winter apparel sales, and (3) excess rainfall/cyclones disrupting festive sales in southern/eastern India. SSSG remained flat in Q3 (Q2+Q3 SSSG stood at 5%). Sales density (annualized) was down ~3% YoY. GM expanded 40bps YoY to 36.2% (HSIE: 35.5%) due to better full-price sell-through. Pre-IND-AS EBITDAM expanded by 142bps YoY to 12.2% (HSIE: 10.2%), courtesy reduction in Limeroad losses (down 60% YoY to INR26mn) and sustained cost optimization initiatives. The company added 21/57 stores (net) in Q3/9MFY26. Store addition guidance (75 stores in FY26) stays. We largely maintain our FY28 EBITDA estimates and our BUY rating with a DCF-based TP of INR 850/sh, implying ~21x Mar-28E EV/EBITDA.

- **Q3FY26 highlights:** V-Mart grew 9.7% YoY to INR 11.3bn. The growth was impacted by (1) shift of Pujo from Q3 to Q2, (2) delay in winter across northern/western India suppressing winter apparel sales, and (3) excess rainfall/cyclones disrupting festive sales in southern/eastern India. SSSG remained flat in Q3 (Q2+Q3 SSSG stood at 5%). Core V-Mart grew 9.5% to INR 9.5bn with flat SSSG, while Unlimited delivered stronger 14.7% growth to INR 1.8bn and +2% SSSG. In Q3, footfall density declined 2.2% YoY to 19k/store. Annualized sales density for core VMART/Unlimited stood at INR 10.3/8.2k per sq. ft. (-4.7/+6.6% YoY) respectively. Transaction size declined 2.8% YoY to INR 1,028. GM expanded 40bps YoY to 36.2% (HSIE: 35.5%). GM (ex-Limeroad) improved by 70bps YoY due to better full-price sell-through. Pre-IND-AS EBITDAM expanded by 142bps YoY to 12.2% (HSIE: 10.2%), courtesy reduction in Limeroad losses (down 60% YoY to INR26mn) and sustained cost optimization initiatives. In Q3, the company opened 21/2 and closed 1/1 VMART/Unlimited stores, respectively. Management reaffirmed FY26 guidance of 75 store additions while targeting 13-14% annual retail area growth and high-single digit SSSG. Pre-IND AS 116 EBITDA/APAT grew 24.1/25.8% YoY to INR 1.38/0.9bn (HSIE: INR 1.15/0.74bn).
- **Outlook:** Though V-Mart's margin improvement is encouraging, elevated competitive intensity may keep margin improvement in check. We largely maintain our FY28 EBITDA estimates and our BUY rating with a DCF-based TP of INR 850/sh, implying ~21x Mar-28E EV/EBITDA.

Quarterly financial summary

(INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	11,264	10,267	9.7	8,069	39.6	24,648	27,856	32,539	37,481	43,447	49,929
EBITDA	1,376	1,109	24.1	45	2,951.0	909	95	1,424	2,252	2,675	3,201
APAT	901	716	25.8	(89)	(1,115.8)	(78)	(968)	216	1,120	1,690	2,272
EPS (Rs)	11.1	9.0	22.8	(1.1)	(1,091.3)	(1.0)	(12.2)	5.8	13.9	21.3	28.7
P/E (x)					(593.3)	(48.1)	215.7		41.6	27.6	20.5
EV/EBITDA (x)					52.5	500.0	33.4		20.2	16.1	12.5
Core RoCE(%)					2.1	(5.3)	10.9		8.6	10.4	13.0

Source: Company, HSIE Research

Change in estimates

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	37,481	37,320	0.4	43,447	43,219	0.5	49,929	49,834	0.2
Gross Profit	12,968	12,875	0.7	15,010	14,910	0.7	17,200	17,142	0.3
Gross Profit Margin(%)	34.6	34.5	10 bps	34.5	34.5	5 bps	34.4	34.4	5 bps
EBITDA	2,252	1,956	15.2	2,675	2,561	4.5	3,201	3,197	0.1
EBITDA margin (%)	6.0	5.2	77 bps	6.2	5.9	23 bps	6.4	6.4	-1 bps

Source: Company, HSIE Research, Pre IND AS 116 financials

BUY

CMP (as on 23 Jan 2026)	INR 575
Target Price	INR 850
NIFTY	25,049

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 890	INR 850
EBITDA %	FY27E +4.5	FY28E +0.1

KEY STOCK DATA

Bloomberg code	VMART IN
No. of Shares (mn)	79
MCap (INR bn) / (\$ mn)	46/496
6m avg traded value (INR mn)	202
52 Week high / low	INR 962/551

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(34.1)	(24.9)	(22.9)
Relative (%)	(30.5)	(23.4)	(29.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	44.18	44.15
FIs & Local MFs	32.11	32.46
FPIs	17.46	17.01
Public & Others	6.26	6.38
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Shoppers Stop

Disappointed on all counts

STOP's topline remained largely flat YoY at INR 13.2bn in Q3 (HSIE: INR 14.3bn), impacted by the shift of festive season from Q3 to Q2, muted discretionary demand, and reduced mobility due to elevated pollution levels in northern India. SSSG for department stores was flat YoY, while beauty grew 14% YoY in Q3. GM contracted by 128bps YoY to 39.4% (HSIE: 40.5%) due to Intune-led inventory clearance and lower private brands mix. Pre-IndAS EBITDAM contracted by 318bps YoY to 5% (HSIE: 8.3%). New ventures (Intune and SSBeauty) doubled pre-IndAS EBITDA losses YoY to INR 0.2bn in Q3FY26 as Intune grapples with ongoing inventory challenges. Management expects Intune's profitability to improve from Q1FY27 onwards and expects a store-level breakeven by FY28 (previously FY27). We have trimmed our FY27/28 EBITDA estimates by ~13/5% to factor in muted demand and Intune's weak execution. We maintain our REDUCE rating with a DCF-based TP of INR 360/sh, implying ~15x Mar-28 EV/EBITDA.

- Q3FY26 highlights:** Revenue growth for Q3FY26 was largely flat YoY at INR 13.2bn (HSIE: INR 14.3bn), impacted by the shift of festive season from Q3 to Q2, muted discretionary demand, and reduced mobility due to elevated pollution levels in northern India. SSSG for department stores stood flat YoY in Q3. Within non-apparel, handbags/watches grew 13/12% YoY respectively, while beauty grew 14% YoY to INR3.95bn. Premium categories contributed 69% of total revenue (up 6% YoY; +6% LFL). ASP/ATV up 7% YoY each. In Q3, the company opened 3/3/1 Department/Intune/Homestop stores. GM contracted by 128bps YoY to 39.4% (HSIE: 40.5%) due to Intune-led inventory clearance and lower mix of private brands. Consequently, pre-IndAS EBITDAM contracted 318bps YoY to 5% (HSIE: 8.3%) due to weak operating leverage and higher A&P spends, with core business pre-IndAS EBITDAM falling 189bps YoY to 5.9%. New ventures (Intune and SSBeauty) saw pre-IndAS EBITDA losses double YoY to INR 0.2bn in Q3FY26. Intune's revenue grew by modest 22% YoY to INR 0.8bn as it continues to face inventory challenges and associated EBITDA losses. Management expects Intune's profitability to improve from Q1FY27 onwards and expects to reach store-level breakeven by FY28. APAT declined by 38.3% YoY to INR 301mn (HSIE: INR 537mn). Capex for Q3FY26 stood at INR 0.35bn while net debt remained stable at INR 0.9bn.
- Outlook:** STOP's rising focus on non-apparel + value retail is encouraging, while premiumization is likely to remain key growth driver in the near term. We have toned down our FY27/28 EBITDA estimates by ~13/5% to factor in muted discretionary demand and Intune's weak execution. We maintain our REDUCE rating with a DCF-based TP of INR 360/sh, implying ~15x Mar-28 EV/EBITDA.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	13,209	13,115	0.7	11,753	12.4	39,984	42,132	44,356	46,706	50,619	55,189
EBITDA	2,097	2,399	(12.6)	1,640	27.9	2,827	2,166	2,535	1,427	2,340	2,829
APAT	126	488	(74.1)	(227)	(155.6)	1,193	739	67	(434)	330	698
EPS (Rs)	1.1	4.4	(74.2)	(2.1)	(155.6)	10.9	6.7	0.6	(3.9)	3.0	6.3
P/E (x)						30.8	46.7	556.8	(145.0)	113.6	53.7
EV/EBITDA (x)						13.3	17.6	15.5	27.4	16.6	12.9
Core RoCE(%)						18.6	9.2	54.4	(0.3)	15.3	16.1

Source: Company, HSIE Research, Standalone Financials

Change in estimates

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	46,706	48,008	(2.7)	50,619	50,801	(0.4)	55,189	54,985	0.4
Gross Profit	19,057	19,780	(3.7)	20,831	20,982	(0.7)	22,794	22,710	0.4
Gross Profit Margin (%)	40.8	41.2	-40 bps	41.2	41.3	-15 bps	41.3	41.3	0 bps
EBITDA	1,427	2,457	(41.9)	2,340	2,694	(13.1)	2,829	2,977	(5.0)
EBITDA margin (%)	3.1	5.1	-206 bps	4.6	5.3	-68 bps	5.1	5.4	-29 bps

Source: Company, HSIE Research

REDUCE

CMP (as on 21 Jan 2026)	INR 341
Target Price	INR 360
NIFTY	25,158

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 400	INR 360
	FY27E	FY28E
EBITDA %	-13.1	-5.0

KEY STOCK DATA

Bloomberg code	SHOP IN
No. of Shares (mn)	110
MCap (INR bn) / (\$ mn)	38/410
6m avg traded value (INR mn)	41
52 Week high / low	INR 640/319

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(34.1)	(37.9)	(44.9)
Relative (%)	(31.1)	(37.5)	(53.0)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	65.53	65.70
FIs & Local MFs	25.57	25.44
FPIs	2.93	2.79
Public & Others	5.96	6.07
Pledged Shares	6.43	6.43

Source : BSE

-Pledged shares as % of total shares

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Orient Electric

Strong performance in a challenging environment

Orient Electric's (OEL) revenue grew 11% YoY to INR 9bn, driven by 13% YoY ECD segment growth fueled by strong double-digit growth in heating category, while fans recorded single-digit growth; lighting and switchgear achieved 7% YoY growth, led by double-digit switchgears and wires growth on a low base alongside single-digit consumer lighting expansion. EBITDAM remained flat YoY at 7.5% (up 210bps QoQ), EBITDA grew 11% YoY, while APAT increased 27% YoY. Management noted that elevated channel inventories and subdued demand for cooling products continue to pose headwinds. While rising commodity prices are sustaining cost pressures, the company has made price hikes across fans, lighting, wires, and switchgears to offset these increases. Management signaled potential further hikes if commodity prices don't ease. Looking ahead, management anticipates a robust summer season driving demand recovery. It upholds its double-digit margin target by the next six quarters, even amid ongoing commodity pressures. Factoring in the healthy Q3 performance, we have increased our revenue estimates by 1% each for FY26-28E and APAT estimates by 6% for FY26, while maintaining those for FY27/28E. We value the company at 32x Mar'28 EPS and maintain BUY, with an unchanged TP of INR 250/sh.

- Q3FY26 performance:** Revenue grew 11% YoY to INR 9.1bn, driven by 13% YoY growth in the ECD segment (71% revenue mix), supported by strong double-digit momentum in heating category. However, fans witnessed single-digit growth. Lighting and switchgear (29% revenue mix) reported 7% YoY growth, driven by double-digit growth in switchgears and wires on a low base and single-digit growth in consumer lighting. Gross margins contracted by 190bps YoY to 29.8% (down 170bps QoQ). ECD's EBIT margin expanded 60/360bps YoY/QoQ, while lighting & switchgear's EBIT margin declined 370/350bps YoY/QoQ. EBITDAM remained flat YoY at 7.5% (up 210bps QoQ). Employee costs and other expenses each surged 2% YoY in absolute terms while decreased 70bps and 120bps YoY in relative terms. Consequently, EBITDA grew by 11% YoY. APAT grew 27% YoY, led by EBITDA, supported by lower depreciation (down 6% YoY) and reduced tax rate.
- Earnings call takeaways and outlook:** Management noted that elevated channel inventories and subdued demand for cooling products continue to pose headwinds. While rising commodity prices are sustaining cost pressures, the company has made price hikes across fans, lighting, wires, and switchgears to offset these increases. Management signaled potential further hikes if commodity prices don't ease. Looking ahead, management anticipates a robust summer season driving demand recovery and remains confident of outperforming the industry growth. It upholds its double-digit margin target by the next six quarters, even amid ongoing commodity pressures. We maintain BUY on stock, with an unchanged TP of INR 250/sh.

Financial summary

(INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	9,065	8,168	11.0	7,026	29.0	28,121	30,937	33,211	36,633	40,296
EBITDA	677	612	10.6	379	78.4	1,443	2,037	2,250	2,875	3,319
APAT	346	272	27.5	121	187.1	566	832	1,012	1,441	1,674
EPS (INR)	1.6	1.3	27.5	0.6	187.1	2.7	3.9	4.7	6.8	7.8
P/E (x)						64.1	43.6	35.8	25.2	21.7
EV / EBITDA (x)						24.6	17.6	15.2	11.7	10.0
RoE (%)						9.3	12.5	14.0	18.2	19.1

Source: Company, HSIE Research

BUY

CMP (as on 22 Jan 2026)	INR 170
Target Price	INR 250
NIFTY	25,290

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 250	INR 250
EPS Change %	FY26E 6.3	FY27E -

KEY STOCK DATA

Bloomberg code	ORIENTEL IN
No. of Shares (mn)	213
MCap (INR bn) / (\$ mn)	36/397
6m avg traded value (INR mn)	126
52 Week high / low	INR 255/155

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(17.3)	(22.6)	(25.1)
Relative (%)	(14.8)	(22.8)	(32.9)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	38.31	38.31
FIs & Local MFs	29.29	31.90
FPIs	6.34	3.60
Public & Others	26.06	26.19
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Infra, Construction

IRB Infra

Toll revenue and execution drive performance

IRB Infrastructure Developers (IRB) reported strong revenue/EBITDA/APAT of INR 14.9/6.4/2.4bn, a beat/(miss) of +2.7/-1.2/+26.9% to our estimates; APAT growth reflects resilient operating performance and disciplined cost management. IRB basis strong performance announced 1:1 bonus with interim dividend announcement to reward shareholders. The order book (OB) as of Dec'25 stood at INR 373bn (~5.3x FY25 revenue), with EPC and O&M accounting for ~4%/96% of the overall OB. IRB has guided for INR 34bn revenue from EPC and O&M, with margin guidance for O&M at 20%, while being net-debt-free balance sheet by FY30, driven by disciplined capital allocation and calibrated asset monetization. Improved capital efficiency can support cash RoE targeted by IRB to expand from ~8% to 14%+ by FY32. IRB's access to two InvIT platforms (IRB InvIT Fund and IRBIT) has facilitated capital unlocking through asset monetization and will continue to unlock value with future asset transfer. It is also planning to pursue further opportunities in the TOT segment. Given weak ordering, we have cut our estimates on EPC. We maintain our ADD rating, with a reduced SOTP target price of INR 54/sh.

- **Q3FY26 financial highlights:** Revenue stood at INR 14.9bn (-16.3/+2.9% YoY/QoQ, a beat of 2.7%) while EBITDA came in at INR 6.4bn (-13.3/+3.2% YoY/QoQ, a miss of 1.2%). The EBITDA margin stood at 43% (+151/+12bps YoY/QoQ vs. our estimate of 44.4%). The APAT stood at INR 2.4bn (-85.5/+72.4% YoY/QoQ, a beat of 26.9%, driven by reflecting resilient operating performance QoQ and disciplined cost management). Net debt stood at INR 84bn in Q3FY26 (Q2/Q1FY26: INR 125/120bn; Q3FY25: INR 119bn), with a net debt to equity ratio of 0.41x in Q3FY26 (Q2/Q1FY26: 0.61x/0.86x; Q3FY25: 0.6x).
- **Q3FY26 business vertical highlights:** The average daily toll collection for wholly-owned concessions (four assets; one TOT, one BOT and two HAM (under-construction)) came in at INR 73mn in 9MFY26 (FY25/24: INR 69/66mn); for Private InvIT, toll collection stood at INR 95mn (FY25/24: INR105/85mn). In Q3FY26, revenues from construction, BOT/TOT, and InvITs/other segments contributed 41.9/37.8/20.4% respectively (compared to Q2FY26: 46.8/35.8/17.3%).
- **Order wins provide revenue visibility:** Order inflow (OI) includes wins of TOT-17 & TOT-18 (FC underway) in Q3FY26 worth INR 93/40bn respectively. Management continues to expect total projects worth INR 100-120bn under TOT and fewer under BOT which are to be awarded in the near term.

Financial summary (INR mn)

Particulars	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	14,898	17,806	(16.3)	14,476	2.9	70,620	62,146	55,931	61,524
EBITDA	6,411	7,393	(13.3)	6,212	3.2	30,544	25,927	23,603	26,332
APAT	2,427	16,730	(85.5)	1,408	72.4	2,585	7,777	5,888	8,168
Diluted EPS (INR)	0.40	2.77	(85.5)	0.2	72.4	0.4	1.3	1.0	1.4
P/E (x)						100.4	33.4	44.1	88.7
EV / EBITDA (x)						14.1	16.4	17.9	33.5
RoE (%)						1.5	3.9	2.8	3.9

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	62,146	66,383	(6.4)	55,931	59,745	(6.4)	61,524	65,719	(6.4)
EBIDTA	25,927	26,885	(3.6)	23,603	26,825	(12.0)	26,332	28,193	(6.6)
EBIDTA (%)	41.7	40.5	122.0	42.2	44.9	(270.0)	42.8	42.9	(10.0)
APAT	7,777	6,884	13.0	5,888	6,970	(15.5)	8,168	8,547	(4.4)

Source: HSIE Research

ADD

CMP (as on 16 Feb 2026)	INR 42
Target Price	INR 54
NIFTY	25,683

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 57	INR 54
EPS change %	FY26E +13	FY27E -15.5 FY28E -4.4

KEY STOCK DATA

Bloomberg code	IRB IN
No. of Shares (mn)	6,039
MCap (INR bn) / (\$ mn)	255/2,814
6m avg traded value (INR mn)	437
52 Week high / low	INR 54/39

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(1.7)	(6.9)	(10.8)
Relative (%)	(0.1)	(10.2)	(20.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	30.42	30.42
FIs & Local MFs	9.58	9.97
FPIs	43.40	43.32
Public & Others	16.60	16.30
Pledged Shares	16.88	0.01

Source: BSE

Pledge shares as a % of total shares

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CemIndia Projects

Muted execution

CemIndia Projects' (CPL) revenue/EBITDA/APAT was a miss on our estimates by 12.6/8.4/4.7% respectively, majorly attributed to delay in execution towards Vadhavan port project (Order Value: INR 10bn). With an OI of INR 35.4bn in Q3FY26 (9MFY26: INR 97.3bn), the OB as of Dec'25 stood at INR 218.8bn (~2.4x FY25 revenue). OB from group entities is ~27%. CPL management has guided for 15% revenue growth, 10% EBITDA margin, and OI of ~INR 150bn (20% from group entities) in FY26, with current bid pipeline at INR 250bn. The OB is well-diversified, offering a natural hedge against any slowdown in specific business segments and targeting maritime, industrials, urban infra/MRTS/airports, roads, hydro, data centre, and other segments. CPL continues to focus on bidding for only higher ticket-sized orders, expanding into new segments such as data centres and ports based on Adani group requirements, and improving execution of projects in hand. While 9MFY26 execution was impacted by delay in execution of Vadhavan port project due to local issues (Q3FY26 revenue impact: INR2-3bn), uptick in metro and data centre projects provides support. We have tweaked our estimates lower, reiterate BUY, with a reduced TP of INR 834/sh (18x Dec-27E EPS, rollover from Sep-27 to Dec-27).

- **Q3FY26 financial summary:** Revenue: INR 23.2bn (+2/+5.5% YoY/QoQ, 12.6% miss). EBITDA: INR 2.4bn (+14.9/+17.9% YoY/QoQ, 8.4% miss). EBITDA margin: 10.3% (+115/+108bps YoY/QoQ, vs. our estimate of 9.8%). APAT: INR 1.2bn (+41.8/14.1%, 4.7% miss).
- **Growth in OB, supported by expansion in marine, airports, and data centers:** As of Dec-25, client-wise, the OB shows diverse distribution among government, private, and PSU accounting for 44/48/4%. Business-wise, the OB is spread across maritime/industrials/urban infra (including MRTS and airports)/hydro/data center/highway/specialist engineering and water at 33.9/19.7/27.5/5.8/3.3/0.9% respectively. CPL plans to add more complex projects to its portfolio with increased focus on marine, airports, and data centers (civil), which it considers highly profitable.
- **Comfortable balance sheet:** The net debt-equity stands at 0.26x as of Dec'25 (Sep/June'25: 0.25/0.34x), with gross debt at INR 9.2bn. CPL guides for INR 3bn capex in FY26 (9MFY26: INR 2bn deployed). Receivables from Bangladesh continue to be at normalized levels, with completion expected by Jun-26.

Consolidated Financial Summary (INR mn)

Particulars	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	23,155	22,704	2.0	21,952	5.5	90,969	99,543.3	117,461.1	142,127.9
EBITDA	2,380	2,072	14.9	2,018	17.9	8,686	9,608.8	11,785.9	14,467.9
APAT	1,234	870	41.8	1,081	14.1	3,749	5,168.4	6,615.5	8,405.4
EPS (INR)	7.2	5.1	41.8	6.3	14.1	21.8	30.1	38.5	48.9
P/E (x)						31.1	22.6	17.6	13.9
EV/EBITDA (x)						13.7	13.8	11.3	9.7
RoE (%)						22.5	24.8	24.8	24.6

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	% chg/ bps	New	Old	% chg/ bps	New	Old	% chg/ bps
Revenue	99,543	111,074	(10.4)	117,461	134,399	(12.6)	142,128	159,263	(10.8)
EBITDA	9,609	10,570	(9.1)	11,786	13,349	(11.7)	14,468	16,056	(9.9)
EBITDA (%)	9.7	9.5	13.7	10.0	9.9	10.1	10.2	10.1	9.8
APAT	5,168	5,703	(9.4)	6,615	7,410	(10.7)	8,405	9,169	(8.3)

Source: Company, HSIE Research

BUY

CMP (as on 05 Feb 2026)	INR 683
Target Price	INR 834
NIFTY	25,643

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 869	INR 834
EPS Change %	FY26E -9.4	FY27E -10.7 FY28E -8.3

KEY STOCK DATA

Bloomberg code	CEMPRO IN
No. of Shares (mn)	172
MCap (INR bn) / (\$ mn)	117/1,299
6m avg traded value (INR mn)	310
52 Week high / low	INR 944/477

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(20.9)	(8.8)	28.2
Relative (%)	(20.7)	(12.1)	21.8

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	67.46	67.46
FIs & Local MFs	0.72	1.50
FPIs	8.36	8.19
Public & Others	23.45	22.84

Pledged Shares	-	-
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Source: BSE

Pledged shares as % of total shares

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NCC

Execution pick-up key for rerating

NCC reported improved quarterly performance in Q3FY26, with revenue/EBITDA/APAT beat by 5.8/13.5/13.2% on the back of improved quarterly execution. JJM collection has improved with INR 5.6bn being received from UP in Jan-26 and receivables down from INR 37bn to INR 31.4bn. With Order Inflow (OI) of INR 124.3bn in Q3FY26 (9MFY26: 186.5bn), the consolidated Order Book (OB) as of Dec'25 stands at INR 795.7bn (~4.1x FY25 revenue; ex of L1: INR 20bn), while standalone OB stands at INR 727.5bn. NCC has also guided order inflows of INR 220-225bn for FY26 and expects a flattish Q4FY26 revenue, which implies 7-8% revenue de-growth for FY26. We believe that execution slowdown is largely reflective of delays in payments from clients albeit receipt of project approvals is in place. A few projects are impacted by client payment delays and NCC has slowed down their execution. Growth should pick up in ensuing quarters as entire OB moves into execution from Q4FY26. We have cut estimates to factor in weaker project starts; maintain BUY with a reduced TP of INR 256/sh (15x Dec-27E EPS).

- **Q3FY26 financial highlights:** Revenue: INR 40.4bn (-13.4/+8.5% YoY/QoQ, a 5.8% beat). EBITDA: INR 3.3bn (-20.1/+18% YoY/QoQ, a 13.5% beat). EBITDA margin: 8.1% (-67/+65bps YoY/QoQ), vs. our estimate of 7.6%. APAT: INR 1.1bn (-42.4/+4.9% YoY/QoQ, a 13.2% beat).
- **Robust order backlog; supported by strong order inflow:** The consolidated OI of INR 124.3bn in Q3FY26 is spread across Mining/building/transportation/water & rail/Electrical (T&D) at 55/31/7/4/2% respectively. Business-wise, the consolidated OB is well-diversified into building/transportation/ electrical (T&D)/irrigation/water & rail/mining segments, each contributing 31/22/18/7/10/13%. Revenue in Q3FY26 is well-diversified into buildings/Electrical (T&D)/transportation/mining/water & rail/irrigation & others at 38/21/16/16/5/3% respectively. Capex outlay stands at INR 10.5bn for FY26 (FY27: ~INR 4bn; deployed in 9MFY26: INR2.7bn), largely to support capacity expansion, TBM and fulfilment of a sizable new order in the mining division.
- **Elevated debt due to delay in receivables amid weak execution due to extended monsoon:** Gross standalone debt increased to INR 29.8bn (Q2/Q1FY26: 21.1/18.5bn); expected to reduce to INR 24bn by Mar'26, increase in debt is due to slowdown in payments from clients including projects under JJM. JJM receivables as of Dec'25 stood at INR 37bn and pending order book is INR 69.2bn. NWC as of Dec'25 stood at 119 days.

Standalone Financial Summary (INR mn)

Particulars	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	40,429	46,710	(13.4)	37,264	8.5	192,053	176,849	215,756	248,119
EBITDA	3,273	4,095	(20.1)	2,774	18.0	17,456	14,908	19,267	22,579
APAT	1,069	1,854	(42.4)	1,018	4.9	7,611	6,208	9,090	11,273
EPS (INR)	1.8	3.0	(42.4)	1.67	4.9	12.1	9.9	14.5	18.0
P/E (x)						12.9	15.8	10.8	8.7
EV/EBIDTA (x)						5.7	6.0	4.8	4.0
RoE (%)						10.7	8.1	10.9	12.3

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	% Chg.	New	Old	% Chg.	New	Old	% Chg.
Revenue	176,849	190,983	(7.4)	215,756	213,901	0.9	248,119	245,986	0.9
EBIDTA	14,908	16,749	(11.0)	19,267	19,529	(1.3)	22,579	22,705	(0.6)
EBIDTA (%)	8.4	8.8	(34.0)	8.9	9.1	(20.0)	9.1	9.2	(13.0)
APAT	6,208	7,841	(20.8)	9,090	9,286	(2.1)	11,273	11,478	(1.8)

Source: HSIE Research

BUY

CMP (as on 06 Feb 2026)	INR 156
Target Price	INR 256
NIFTY	25,694

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 265	INR 256
EPS	FY26E	FY27E
Change %	-20.8	-2.1

KEY STOCK DATA

Bloomberg code	NJCC IN
No. of Shares (mn)	628
MCap (INR bn) / (\$ mn)	98/1,083
6m avg traded value (INR mn)	647
52 Week high / low	INR 242/139

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(20.0)	(27.2)	(34.1)
Relative (%)	(20.3)	(31.0)	(41.2)

SHAREHOLDING PATTERN (%)

	Sept-25	Dec-25
Promoters	22.11	22.25
FIs & Local MFs	16.65	15.30
FPIs	12.87	11.49
Public & Others	48.37	50.96
Pledged Shares	2.87	-

Source: BSE

Pledged shares as % of total shares

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Dilip Buildcon

Muted execution; record-high OB

Dilip Buildcon (DBL) reported revenue/EBITDA/APAT beat/(miss) of -11.4/-12.6/-18% respectively. DBL has cut FY26 revenue guidance from INR 80bn to INR 70-75bn, with EBITDA margin of 10% and has surpassed its order inflow (OI) target of INR150bn. It expects strong INR 100bn in revenue for FY27 on the back of strong opening order book with EBITDA margin expected to improve to 12-13%. Capex is expected to be stable (INR 1bn annually), focused mainly on replacement needs. FYTD OI stands at INR 175.7bn while the OB stood at INR 293.7bn. NHAI awarding is expected to pick up in FY27. DBL has divested 26/24.99% equity stake in 7/11 HAM projects to Alpha Alternatives (AA). The balance 13 assets are under construction. From the combined AA/Shrem platform, DBL expects INR 0.8/10.2/11.98/5.9/5.9bn in cash/InvIT units by Q4FY26/27/28/29/30. Given the slower execution and back ended order booking, we have cut our FY26/27/28 EPS estimates. We retain ADD with an increased SOTP-based TP of INR 545 (12x Dec-27E EPS, 1.1x P/BV HAM equity investment).

- **Q3FY26 financial highlights:** Revenue: INR 17.2bn (-20.3/+21.3% YoY/QoQ, a 11.4% miss); EBITDA: INR 1.8bn (-14.4/+17.8%, YoY/QoQ, a 12.6% miss); EBITDA margin: 10.4% (+72/-30.6bps YoY/QoQ), vs. our estimate of 10.6%. RPAT: INR 6.1bn (+597.8/+1395.8% YoY/QoQ)—due to exceptional income on monetization of assets and implementation of labor code. APAT: INR 0.34bn (+28/+255% YoY/QoQ, a miss of 18%).
- **Uptick in order inflows:** DBL OB at INR 293.7bn as of Dec'25 is 3.3x of FY25 revenue. OI has surpassed management expectation in FY26 of INR 150bn (INR 175.5bn won FYTD). OB comprises 86/14% of EPC/HAM respectively. The OB is well diversified, with exposure across mining/metro/tunnel/bridges/optical fiber/renewables/road/irrigation/water/transmission at 20/4/6/6/3/18/19/16/2/6% respectively.
- **Balance sheet net cash status by FY28:** Amid lower OI and revenue degrowth, the net cash status has been extended to FY28 (from FY27). Total equity requirement for 13 road HAM, 1 ERCP-HAM, BOT-ZOTL, solar, transmission projects stands at INR 47bn, of which INR 17.8bn is invested as of Dec'25. The balance equity investment of INR 29.2bn (INR 0.8/12.9/11.3/1.5/0.5bn) is expected to be invested in Q4FY26/27/28/29/30. The standalone equity/net debt and net DE ratio stood at INR 67.5/21.5bn and 0.32x as of Dec'25 (Sep'25: 0.45x).

Standalone Financial Summary (INR mn)

Particulars	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	17,182	21,549	(20.3)	14,166	21.3	90,045	70,235	91,306	106,189
EBITDA	1,795	2,096	(14.4)	1,523	17.8	9,033	7,020	10,511	11,890
APAT	1,781	264	575.7	95	1,770.6	1,638	1,128	3,726	4,989
Diluted EPS (INR)	12.2	1.8	575.7	0.7	1,770.6	11.2	7.7	25.5	34.1
P/E (x)						41.9	60.8	18.4	13.8
EV / EBITDA (x)						9.5	8.0	6.1	5.8
RoE (%)						3.1	2.1	6.7	8.3

Source: Company, HSIE Research

Change in estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	% Chg.	New	Old	% Chg.	New	Old	% Chg.
Revenue	70,235	79,060	(11.2)	91,306	96,453	(5.3)	106,189	112,175	(5.3)
EBITDA	7,020	8,200	(14.4)	10,511	10,890	(3.5)	11,890	13,064	(9.0)
EBITDA (%)	10.0	10.4	(37.7)	11.5	11.3	22.1	11.2	11.6	(45.0)
APAT	1,128	1,742	(35.3)	3,726	4,269	(12.7)	4,989	5,611	(11.1)

Source: HSIE Research

ADD

CMP (as on 10 Feb 2026)	INR 469
Target Price	INR 545
NIFTY	25,935

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 519	INR 545
EPS Change (%)	FY26E -35.3	FY27E -12.7 FY28E -11.1

KEY STOCK DATA

Bloomberg code	DBL IN
No. of Shares (mn)	162
MCap (INR bn) / (\$ mn)	76/841
6m avg traded value (INR mn)	212
52 Week high / low	INR 588/376

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(1.7)	0.9	7.9
Relative (%)	(2.6)	(4.7)	(1.1)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	63.14	63.14
FIs & Local MFs	6.13	6.23
FPIs	2.91	2.47
Public & Others	27.82	28.16
Pledged Shares	8.94	8.94

Source: BSE

Pledged shares as % of total shares

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PNC Infratech

Muted performance

PNC Infratech (PNC) reported Q3FY26 revenue/EBITDA/APAT of INR 10.6/1.3/0.8bn, a miss on our estimates by -13.2/-19.4/-22.6% respectively. FY26 has been impacted by a prolonged monsoon, lower tendering, delay in appointed dates, subdued execution in water & canal, stretched JJM receivables and land availability issues. The OB as of Dec'25 stood at INR 193bn (~3.8x FY25 revenue). Road Highway, Road Expressway, Railway, Airport Runway and Canal EPC projects constitute 71% of OB. FY26 revenue is expected to decline 10% YoY vs. +5% growth earlier, with an EBITDA margin of 12.5% and OI for FY26 expected at INR 120bn (Q4FY26: INR 60bn). OB remains diversified, comprising Solar+BESS and mining projects (revenue guidance – INR 1/5/6bn in FY26/27/28 respectively). PNC's standalone has INR 13bn cash and robust FY26 order backlog. We expect orders awards to pick up in FY27, new revenue streams like renewables and mining to aid order inflow and bid pipeline of INR 287bn remains healthy. We have cut estimates and valuation multiple to factor slow ordering; maintain BUY with a reduced SOTP of INR 318/sh (12x Dec-27E EPS vs. 14x, 1.2x FCFE Dec-27E for BOT, and 1.1x P/BV for HAM).

■ **Q3FY26 financial highlights:** Revenue stood at: INR 10.6bn (-12.3/+7.5% YoY/QoQ, a miss by 13.2%). EBITDA: INR 1.3bn (-10.3/-3.9% YoY/QoQ, a miss by 19.4%). EBITDA margin: 12.4% (+28/-146bps YoY/QoQ, vs. our estimate of 13.3%). APAT: INR 0.8bn (-6.5/+6.1% YoY/QoQ, a beat of 22.6%).

■ **Robust order pipeline supported by RE and mining:** The OB as of Dec'25 stood at INR 193bn, including solar+BESS (to be executed in 24 months) and coal mining project (to be executed in five years). Road highway, road expressway, railway, and canal EPC projects constitute 83% of the total OB. The company guided for its FY26 OI at INR 120bn (Q4FY26 OI expected at INR 60bn). The current bid pipeline stands at INR 287bn. The total OB of RE and mining stands at INR 49.6bn.

■ **Strong balance sheet through strategic asset monetization:** PNC's standalone debt stands at INR 11bn as of Dec'25, while net D/E is at 0.19 (Sep'25: 0.14x). The total equity investment in ongoing/awarded HAM projects stands at INR 17.44bn, of which INR 11.1bn has been infused until Dec'25 with a balance of INR 6.3bn to be spread across FY26/27/28. NWC days stood at 137/139/113 as of Dec'25/Sep'25/Mar'25. Capex in 9MFY26 stood at INR 1.25bn while annual capex targeted in FY26/27 stands at INR 4/1.5bn. Management has guided for equity requirement of INR 4bn for BESS, spread across FY27/28.

Standalone Financial Summary (INR mn)

Particulars	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	10,564	12,051	(12.3)	9,830	7.5	50,779	49,759	60,706	71,633
EBITDA	1,309	1,460	(10.3)	1,362	(3.9)	6,137	6,330	7,581	8,903
APAT	772	826	(6.5)	823	(6.1)	4,162	3,809	4,496	5,411
Diluted EPS (INR)	3.0	3.2	(6.5)	3.2	(6.1)	10.4	14.8	17.5	21.1
P/E (x)						22.3	15.6	13.2	11.0
EV / EBITDA (x)						9.2	9.2	8.2	7.0
RoE (%)						8.1	7.3	8.6	9.6

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	% Change	New	Old	% Change	New	Old	% Change
Revenues	49,759	52,666	(5.5)	60,706	60,566	0.2	71,633	71,468	0.2
EBIDTA	6,330	6,899	(8.3)	7,581	7,969	(4.9)	8,903	9,220	(3.4)
EBIDTA (%)	12.7	13.1	(37.9)	12.5	13.2	(67.0)	12.4	12.9	(47.3)
APAT	3,809	4,207	(9.4)	4,496	4,850	(7.3)	5,411	5,255	3.0

Source: HSIE Research

BUY

CMP (as on 10 Feb 2026)	INR 232
Target Price	INR 318
NIFTY	25,935

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target (INR)	INR 380	INR 318
EPS Change (%)	FY26E -9.4	FY27E -7.3 FY28E +3.0

KEY STOCK DATA

Bloomberg code	PNCL IN
No. of Shares (mn)	257
MCap (INR bn) / (\$ mn)	60/657
6m avg traded value (INR mn)	90
52 Week high / low	INR 332/205

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(16.2)	(24.5)	(22.7)
Relative (%)	(17.1)	(30.0)	(31.7)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	56.07	56.07
FIs & Local MFs	26.51	26.22
FPIs	6.99	6.95
Public & Others	10.43	10.77
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Ahluwalia Contracts

Muted execution

Ahluwalia Contracts (AHLU) reported a revenue/EBITDA/APAT of INR 10.6/1/0.6bn, a miss of 14.2/24.2/30.3%, affected by NGT pollution control restrictions on execution, since major OB (~44%) is concentrated in the NCR region. EBITDA margin stood at 9.2% (+32/-174bps YoY/QoQ, vs our estimates of 10.4%). For FY26, AHLU has revised revenue guidance to +10-15% YoY (earlier 15-20%), and the double-digit EBITDA margin guidance continues. The order book (OB) as of Dec'25 stood at INR 186.8bn (~4.6x FY25 revenue). AHLU is L1 in orders worth INR 24.6bn. New order wins (OI) for 9M/FYTD26 stand at INR 95.6bn (incl. INR 6bn GST). Given the focus on private sector projects, large marquee public projects, pick-up in execution in CSMT/DLF Dahaliyas/Jewellery Park (Mumbai) projects on the back of progress in obtaining clearances, we expect growth to continue. We have cut our margins/EPS estimates to factor in delayed project start. Given the limited upside to the CMP, we maintain ADD, with a reduced TP of INR 922 (16x Dec-27E EPS).

- **Q3FY26 financial highlights:** Revenue: INR 10.6bn (+11.4/-9.9% YoY/QoQ, a 14.2% miss). EBITDA: INR 0.9bn (+15.4/-24.3% YoY/QoQ, a 24.2% miss). EBITDA margin: 9.2% (+32/-174bps YoY/QoQ, vs. our estimate of 10.4%). RPAT: INR 550mn (+11.4/-30.4% YoY/QoQ, a miss of 30.3%). The execution in Q3FY26 has been impacted due to GARP pollution control restrictions enforced by NGT. In Q4FY26, execution is affected and could be hampered in Mar'26 due to Holi (NCR contribution to OB stands at ~40%).
- **With a robust OB, execution becomes the key focus:** The OB as that of Dec'25 at INR 186.8bn (~4.6x FY25 revenue) comprises 43 ongoing projects, which are expected to be executed in the next 2.5 years. The segment-wise OB classification stood at 44.7/19.7/19.2/7.9/7.7/0.8%, toward residential/infrastructure/commercial/hospital/institutional and hotels respectively. The sector-wise OB stood at 68.3/20/10.6/1.1%, toward private/center/state and overseas, respectively. Geographically, the OB is exposed to north/west/east/south and overseas (Nepal) at 46.2/28.3/17.7/6.7 and 1.1%. The OB is spread across 15 states in the domestic market. The overall bid pipeline stands at INR 70bn.
- **Robust net cash position:** AHLU is effectively debt-free, with a negligible gross debt of INR 0.2bn and total cash and cash equivalents of over INR 8.4bn, as of Dec'25. 9MFY26 capex stands at INR 1.9bn (FY26/27/28 targeted at INR <3bn respectively).

Standalone Financial Summary (INR mn)

Particulars	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	10,607	9,520	11.4	11,773	(9.9)	40,986	46,421	54,544	62,726
EBITDA	974	844	15.4	1,286	(24.3)	3,418	4,549	5,400	6,210
APAT	550	494	11.4	791	(30.4)	2,015	2,776	3,344	3,902
Diluted EPS (INR)	8.2	7.4	11.4	11.8	(30.4)	30.1	41.4	49.9	58.3
P/E (x)						26.4	19.1	15.9	13.6
EV / EBITDA (x)						12.9	10.5	9.1	7.7
RoE (%)						11.8	15.0	16.2	16.1

Source: Company, HSIE Research

Change in estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	46,421	48,599	(4.5)	54,544	57,347	(4.9)	62,726	66,523	(5.7)
EBITDA	4,549	4,957	(8.2)	5,400	5,964	(9.5)	6,210	6,918	(10.2)
EBITDA (%)	9.8	10.2	(40.0)	9.9	10.4	(50.0)	9.9	10.4	(50.0)
APAT	2,776	3,009	(7.8)	3,344	3,732	(10.4)	3,902	4,402	(11.3)

Source: HSIE Research

ADD

CMP (as on 16 Feb 2026)	INR 793
Target Price	INR 922
NIFTY	25,683

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target (INR)	INR 995	INR 922
EPS	FY26E	FY27E
Change %	-7.8	-10.4
		FY28E
		-11.3

KEY STOCK DATA

Bloomberg code	AHLU IN
No. of Shares (mn)	67
MCap (INR bn) / (\$ mn)	53/586
6m avg traded value (INR mn)	127
52 Week high / low	INR 1,129/620

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.2)	(16.5)	18.6
Relative (%)	(8.7)	(19.8)	8.9

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	55.32	55.32
FIs & Local MFs	23.80	23.80
FPIs	12.85	13.53
Public & Others	8.01	7.79
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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J Kumar Infraprojects

Muted execution

JKIL reported lower-than-expected revenue/EBITDA/APAT of 13/1.9/0.9bn, a miss to our estimates by 14.8/15.2/14.3%, owing to extended monsoon, delay in site handovers, and low order intake FYTD of INR 5.2bn. As of Dec'25, the order book (OB) stands at INR 192.1bn (~3.4x FY25 revenue) ex of INR 17.3bn L1. Further, JKIL has guided an OI of INR 40bn (from earlier INR 50bn) for FY26, with the current bid pipeline at INR 130bn (earlier INR 200bn). Given muted 9MFY26 revenue growth of 1.9% YoY, the FY26 revenue growth guidance is now flat vs. INR 62bn (+11% YoY), while the EBITDA margin guidance is at 14-15%. JKIL is keen on bidding for large-scale projects in Maharashtra, including the Mumbai/Pune/Thane metro rail ones. We believe 9MFY26 was a period of consolidation, impacted by extended monsoons and elections while Q4FY26/FY27 is expected to be that of growth with a strong bid pipeline in Maharashtra of INR 1tn+. We have cut estimates to factor in muted results. We maintain ADD, with a reduced TP of INR 730 (11x-Dec 27E vs. 14x earlier, multiple cut factors in slower growth and weak ordering).

- **Q3FY26 financial performance:** JKIL generated revenue of INR 13.1bn (-11.8/-2.3% YoY/QoQ, a miss of 14.8%) with an EBITDA of INR 1.9bn (-14/-3.4% YoY/QoQ, a miss of -15.2%). JKIL's EBITDA margin stood at 14.3% (-37/-16bps YoY/QoQ, vs. our estimate of 14.4%), while RPAT/APAT came in at INR 0.9bn (-8.1/+1.4% YoY/QoQ, a miss of 14.3%). Major revenue contributors for Q3FY26 have been metro (UG)/metro (E)/elevated corridors/roads & tunnels/water/civil & others at 11/15/26/36/5/6% respectively. Geographically, Maharashtra, TN, and NCR lead revenue contributions at 68/8/17% respectively.
- **Robust and diversified order book:** Geographically, the OB is spread across Maharashtra/TN/NCR/UP/Gujarat/Karnataka at 63/19/15/2/1/<1% respectively. Segment-wise, it is spread across elevated corridors/roads & tunnels/civil/metro (E)/metro (UG)/water at 53/18/13/6/5/5% respectively.
- **Strong balance sheet to facilitate growth opportunities:** Gross debt stood at INR 6.6bn as of Dec'25 (Sep/June'25: INR 7.8/7.2bn), leading to a gross D/E of 0.2x (Net D/E: -0.08x). JKIL expects gross debt to peak at INR 6-7bn in FY26. Capex in 9MFY26 stood at INR 4.3bn (FY25: INR 2.4bn), while capex guidance for FY26/27 combined stands at INR 5.5/2.5bn. NWC days stood at 103 in Q3FY26 (Q2: 115 days), with 115-200 guided for FY26.
- **Continued focus on EPC/metro/elevated corridor:** Execution remains subdued in 9MFY26 extended monsoon and local elections; however, management has guided that JKIL's focus will remain on the EPC segment with significant tenders expected to be floated from the MMR region.

Consolidated Financial Summary (INR mn)

Particulars	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27	FY28E
Revenue	13,112	14,869	(11.8)	13,425	(2.3)	56,935	57,377	65,983	75,881
EBITDA	1,879	2,186	(14.0)	1,946	(3.4)	8,264	8,224	9,351	10,727
APAT	919	1,000	(8.1)	906	1.4	3,904	4,029	4,555	5,173
EPS (INR)	12.1	13.2	(8.1)	12.0	1.4	51.6	53.2	60.2	68.4
P/E (x)						11.1	10.7	9.5	8.4
EV/EBITDA (x)						6.0	5.5	4.4	3.0
RoE (%)						13.8	12.6	12.5	12.6

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	% Change	New	Old	% Change	New	Old	% Change
Revenue	57,377	62,059	(7.5)	65,983	71,368	(7.5)	75,881	82,073	(7.5)
EBITDA	8,224	8,855	(7.1)	9,351	10,036	(6.8)	10,727	11,467	(6.5)
EBITDA (%)	14.3	14.3	6.5	14.2	14.1	10.9	14.1	14.0	16.4
APAT	4,029	4,210	(4.3)	4,555	4,970	(8.3)	5,173	5,765	(10.3)

Source: HSIE Research

ADD

CMP (as on 06 Feb 2026)	INR 576
Target Price	INR 730
NIFTY	25,694

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 993	INR 730
EPS Change (%)	FY26E -4.3	FY27E -8.3 FY28E -10.3

KEY STOCK DATA

Bloomberg code	JKIL IN
No. of Shares (mn)	76
MCap (INR bn) / (\$ mn)	44/480
6m avg traded value (INR mn)	71
52 Week high / low	INR 777/529

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(12.1)	(18.9)	(25.0)
Relative (%)	(12.5)	(22.7)	(32.1)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	46.64	46.64
FIs & Local MFs	15.41	15.26
FPIs	12.85	12.73
Public & Others	25.09	25.37
Pledged Shares	10.57	10.57

Source: BSE

Pledge share as a % of total shares

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HG Infra

Muted performance

HG Infra (HG) reported its quarterly revenue/EBITDA/APAT of INR 14.5/2.2/1bn, a beat/miss by -0.9/+5.3/-14.8%. HG's order book (OB) as of Dec'25 stood at INR 136.2bn (~2.25x FY25 revenue). It has reduced its FY26 revenue guidance from INR 65-70bn in FY26 to INR 62bn, while aiming to achieve INR 70bn in FY27 vs. INR 78-80bn guidance earlier. EBITDA margins for FY26/27 expected at 15/15-16%. Guidance downgrade is attributable to a prolonged monsoon, delays in appointed dates, and weak ordering. HG has embarked upon diversification strategy into new business segments, as is evident from its OB, which now includes roads, rails, solar, buildings, and BESS. This reduces segmental concentration risk, particularly in light of muted awards and intense competition in the road infrastructure sector. Other segments being evaluated include buildings and water. Execution risks, including potential delays in the Nagpur-Chandrapur project due to land acquisition (expected to be resolved by April-26, execution to begin by H2FY27) and design challenges may impact revenue recognition. Additionally, margin volatility persists amid competitive pressures, despite targeted recovery efforts, while efficient management of receivables remains crucial to sustain healthy working capital and cash flows. We have cut our estimates to factor in delay in project awards and cut our valuation multiple from 14x to 11x to factor in lower growth and likely miss on new guidance (our estimates are lower than guidance). Given a stable OB, likely pick-up in project execution, and a healthy balance sheet, we maintain BUY on HG, with a reduced TP of INR 1,158 (11x Dec-27E EPS).

- **Q3FY26 financial highlights:** Revenue of INR 14.5bn (-3.9/-25.7% YoY/QoQ, a miss by 0.9%). EBITDA: INR 2.2bn (-10.3/+53.1% YoY/QoQ, a beat by 5.3%). EBITDA margin came in at 15.5% (-110.3/+277bps YoY/QoQ, vs. our estimate of 14.6%). APAT: INR 969mn (-29.1/+43.9% YoY/QoQ, a miss by 14.8%).
- **Well-diversified OB:** The OB as of Dec'25 stood at INR 136.2bn (~2.3x FY25 revenue). Sector-wise, the OB is spread across road/rail/BESS/solar/buildings, each accounting for 64/20/12/3/1% respectively. Segment-wise, the OB is spread between HAM and EPC at 36.4% and 63.6%. Geographically, the OB is spread well across 13 states with Maharashtra/Jharkhand/Gujarat/UP as major contributors at 39.5/15/16.2/7.6% respectively. Region-wise, east/west/north/south contributed 21/56/17/6% to the OB.
- **Balance sheet:** The standalone gross debt as of Dec'25 stood at INR 15.5bn (Sept'25/Jun'25 stood at INR 16.3/15bn). Of the equity requirement of INR 17.5bn, INR 12.4bn is infused until date and INR 2.2/1.7bn is expected to be infused in FY27/28. Further, HG plans to monetize five assets in the near term and three assets to be monetized by March'26, with an inflow of INR 5-6bn.

Standalone Financial Summary (INR mn)

Particulars	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY26E	FY27E
Revenue	14,498	15,085	(3.9)	11,537	25.7	60,519	61,608	69,001	79,351
EBITDA	2,243	2,501	(10.3)	1,466	53.1	9,507	8,952	9,798	11,030
APAT	969	1,366	(29.1)	673	43.9	5,771	4,345	5,437	6,327
EPS (INR)	14.9	21.0	(29.1)	10.3	43.9	88.5	66.7	83.4	97.1
P/E (x)						7.5	10.0	8.0	6.9
EV/EBITDA (x)						5.5	5.5	5.1	4.5
RoE (%)						22.2	14.5	16.1	17.4

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	% Change	New	Old	% Change	New	Old	% Change
Revenue	61,608	61,608	-	69,001	71,773	(3.9)	79,351	84,858	(6.5)
EBITDA	8,952	8,594	4.2	9,798	10,551	(7.1)	11,030	11,795	(6.5)
EBITDA (%)	14.5	14.0	58.0	14.2	14.7	(50.0)	13.9	13.9	-
APAT	4,345	4,697	(7.5)	5,437	5,937	(8.4)	6,327	6,649	(4.8)

Source: HSIE Research

BUY

CMP (as on 13 Feb 2026) INR 666

Target Price INR 1,158

NIFTY 25,471

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,480	INR 1,158
EPS Change %	FY26E -7.5	FY27E -8.4 FY28E -4.8

KEY STOCK DATA

Bloomberg code	HGINFRA IN
No. of Shares (mn)	65
MCap (INR bn) / (\$ mn)	43/479
6m avg traded value (INR mn)	132
52 Week high / low	INR 1,275/546

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(24.5)	(33.0)	(42.0)
Relative (%)	(22.4)	(35.6)	(50.6)

SHAREHOLDING PATTERN (%)

	Sept-25	Dec-25
Promoters	71.78	71.78
FIs & Local MFs	11.61	11.14
FPIs	2.32	1.92
Public & Others	14.29	15.16
Pledged Shares	-	-

Source: BSE

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KNR Constructions

Weak performance owing to muted ordering

KNR's reported revenue/EBITDA/APAT at INR 5.8/0.3/0.2bn was a beat/miss to our estimates by +16/-38/-29%. EBITDA margin was 5.2% vs. our estimate of 11%. Lower margin pipeline subcontracting revenue and repair cost funding for Kerala project impacted profitability. KNR's weak Q3FY26 performance reflects a challenging operational environment, exacerbated by delayed new project rollouts due to revised government bidding policies and weaker state ordering. Based on current OB, KNR guided for the FY26/27 revenue to be in the range of INR20/20bn+. FY26 EBITDA margin are impacted due to negative opelev and one time cost on Kerala project, and margins are expected to improve to 10/14% by FY27/28. KNR has booked INR 43bn of new orders FYTD26 and expects inflow (OI) of INR 100-120bn by Sep-26, once NHAI ordering picks pace, including other segments like irrigation from MP and Maharashtra, subcontracting from EPC/BOT projects won by peers, and urban infra projects in AP, Tamil Nadu, and Telangana. We have cut estimates to factor in weak order inflows; maintain BUY with reduced TP of INR 200/sh (15x Dec-27E EPS).

- **Q3FY26 financial performance:** Revenue stood at INR 5.8bn (-17.4/+18.7% YoY/QoQ, a beat by 30%). EBITDA was INR 306mn (-73.9/-42.8% YoY/QoQ, a miss by 38.2%). EBITDA margin was 5.2% (-1,134/-563bps YoY/QoQ; vs. our estimate of 11.0%). APAT was INR 176mn (-83.2/-36.8% YoY/QoQ, a 29% miss).
- **Weak ordering impacted execution:** KNR's executable OB as of Dec-25 stood at INR 88.5bn (2.6x FY25 revenue). YTD OB to be executed over next 3-4 years. Captive (HAM project) works constitute 16% of the OB, and of the balance, state/central government/other orders constitute 80/2/2%. Business-wise, roads (HAM)/roads (non-HAM)/mining/irrigation/pipeline account for 16/13/40/19/12% of the OB, which is geographically concentrated in southern India, comprising Karnataka, Kerala, Tamil Nadu, Andhra Pradesh, and Telangana. KNR needs both geographical and segment diversification to maintain the growth trajectory. Further, KNR's 74% ownership in Jharkhand's Banhardih Coal Mining Block valued at INR 48bn (GST excluded) strengthens the mining portfolio while diversifying beyond its core infrastructure business.
- **Strong balance sheet supported by healthy liquidity:** Standalone debt is nil with cash of INR 0.8bn. Further, NWC stood elevated at 97/144 days for Dec'25/Sep'25 respectively due to delay in irrigation receivables which stands at INR 14.3bn. KNR is diversifying into coal mining and metro/railway EPC to strengthen revenue streams.

Financial Summary (INR mn)

Particulars	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	5,851	7,079	(17.4)	4,930	18.7	32,344	20,572	24,264	30,384
EBITDA	306	1,173	(73.9)	536	(42.8)	5,084	1,708	2,621	4,269
APAT	176	1,048	(83.2)	279	(36.8)	3,285	996	1,597	2,733
EPS (INR)	0.6	3.7	(83.2)	1.0	(36.8)	11.68	3.54	5.68	9.72
P/E (x)						14.6	48.0	30.0	17.5
EV/EBITDA (x)						9.3	25.7	18.7	10.8
RoE (%)						9.2	2.6	4.4	6.8

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	Chg. (%)	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenue	20,572	21,752	(5.4)	24,264	32,264	(24.8)	30,384	40,384	(24.8)
EBITDA	1,708	2,697	(36.7)	2,621	4,840	(45.9)	4,269	6,078	(29.8)
EBITDA (%)	8.3	12.4	(410.0)	10.8	15.0	(420.0)	14.1	15.1	(100.0)
APAT	996	1,813	(45.0)	1,597	3,316	(51.8)	2,733	4,133	(33.9)

Source: HSIE Research

BUY

CMP (as on 06 Feb 2026)	INR 152
Target Price	INR 200
NIFTY	25,694

KEY CHANGES	OLD		NEW
Rating	BUY		BUY
Price Target	INR 240		INR 200
EPS Change	FY26E	FY27E	FY28E
%	-45.0	-51.8	-33.9

KEY STOCK DATA

Bloomberg code	KNRC IN
No. of Shares (mn)	281
MCap (INR bn) / (\$ mn)	43/472
6m avg traded value (INR mn)	381
52 Week high / low	INR 301/130

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(15.4)	(24.1)	(44.7)
Relative (%)	(20.2)	(28.2)	(53.4)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	48.81	48.81
FIs & Local MFs	21.51	20.02
FPIs	7.52	7.38
Public & Others	22.17	23.79
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Ashoka Buildcon

Muted execution

Ashoka Buildcon's (ASBL) standalone revenue/EBITDA/APAT came in at INR 14.6/1.3/0.4bn, a miss of 15.8/27.7/49.4% vs. our estimates on account of muted execution. ASBL has guided for -10%/+15% revenue growth YoY (earlier 10%+ for FY26) in FY26/27, while EBITDA margin guidance stands at 9% (earlier 10%). The OB as of Dec-25 stood at INR 159bn (~2.26x FY25 revenue). Further, ASBL guided for OI of INR 30bn for Q4FY26 (FY27: INR 110-120bn), with a bid pipeline of INR 800bn (~80% NHAI). Business-wise, the revenue is well-diversified with HAM (roads)/EPC (roads)/power T&D/railways and others comprising 13.2/51.9/21.9/9/4% respectively. Additionally, ASBL has already invested INR 6.1bn in the current HAM portfolio; the balance equity requirement in its existing NHAI HAM assets is INR 3.2bn as of Dec-25 (to be invested by FY28). Given the stable OB, improving visibility on asset monetization inflows (assets sale conclusion by Jun-26) and improved balance sheet on the back of deleveraging through HAM monetization, we maintain BUY with a reduced TP of INR 233/sh (11x Dec-27E EPS). We have cut estimates to factor in the ordering delay and margins.

■ **Q3FY26 financial highlights:** Revenue: INR 14.6bn (-18.4/+15.6% YoY/QoQ, a miss by 15.8%). EBITDA: INR 1.2bn (-21.3/+4.3% YoY/QoQ, a 27.7% miss). EBITDA margin: 8.8% (-33/-98bps YoY/QoQ, vs. our estimate of 10.2%). APAT: INR 372mn (-38.6/-32.5% YoY/QoQ, a miss of 49.4%).

■ **Robust order pipeline provides revenue visibility:** ASBL's OI (incl. Adani (51%) – Ashoka (26%) – Aakashya (23%) JV) in Q3FY26 stood at INR 25.7bn. Segment-wise, the OB is spread across road (EPC)/road (HAM)/Building EPC/railways/power T&D at 44.1/10.8/3.3/9.8/32.1%. Region-wise, OB is spread across at 0.7/8.7/11.1/68.7/3.9/0.1/6.9% for North/South/East/West/Central/Northeast and Overseas. Client-wise, Central/State/HAM/Private and overseas contributed 14.3/64.7/10.8/3.4/6.9% to the OB. The standalone gross debt and D/E as of Dec-25 stood at INR 10.5bn (vs INR 13.6bn as of Sep-25) and 0.56x (same as of Sep-25) respectively.

■ **Asset monetization by FY26:** The BOT portfolio comprising Ashoka Highways (Bhandara), Ashoka Highways (Durg), Ashoka Belgaum Dharwad Tollway, Ashoka Sambalpur Baragarh Tollway, and Ashoka Dhankuni Kharagpur Tollway was monetized by the company in November 2025. Of the balance six HAM assets in its portfolio, these are expected to be monetized in 4/2 asset format yielding INR 7.2/4bn by Mar'26/Jun'26 respectively, as guided by management.

Financial Summary (INR mn)

Particulars	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	14,630	17,920	(18.4)	12,661	15.6	70,614	61,724	70,983	81,630
EBITDA	1,286	1,633	(21.3)	1,233	4.3	5,469	5,623	6,743	8,081
APAT	372	606	(38.6)	551	(32.5)	1,969	1,933	2,243	3,524
Diluted EPS (INR)	1.3	2.2	(38.6)	2.0	(32.5)	7.0	6.9	8.0	12.6
P/E (x)						21.2	21.6	18.6	11.8
EV / EBITDA (x)						11.1	8.7	7.4	6.2
RoE (%)						5.0	4.6	5.1	7.5

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	% Change	New	Old	% Change	New	Old	% Change
Revenue	61,724	67,084	(8.0)	70,983	73,792	(3.8)	81,630	84,861	(3.8)
EBITDA	5,623	6,708	(16.2)	6,743	7,748	(13.0)	8,081	8,910	(9.3)
EBITDA (%)	9.1	10.0	(89.0)	9.5	10.5	(100.0)	9.9	10.5	(60.0)
APAT	1,933	1,771	9.2	2,243	3,130	(28.3)	3,524	4,037	(12.7)

Source: HSIE Research

BUY

CMP (as on 02 Feb 2026)	INR 149
Target Price	INR 233
NIFTY	25,088

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target (INR)	INR 252	INR 233
EPS Change (%)	FY26E +9.2	FY27E -28.3 FY28E -12.7

KEY STOCK DATA

Bloomberg code	ASBL IN
No. of Shares (mn)	281
MCap (INR bn) / (\$ mn)	42/455
6m avg traded value (INR mn)	181
52 Week high / low	INR 255/140

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(27.8)	(24.8)	(41.8)
Relative (%)	(25.1)	(26.1)	(47.2)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	54.47	54.47
FIs & Local MFs	14.06	14.45
FPIs	7.45	7.46
Public & Others	24.02	23.62
Pledged Shares	-	-

Source: BSE

Pledged shares as a % of total shares

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IT, Exchanges

Tata Consultancy Services

AI-led growth inflection with margin resilience

TCS reported +0.8% QoQ revenue growth in CC terms, ahead of our expectation of 0.6% CC, while operating margins remained stable at 25.2% (in line with our estimates), supported by productivity gains and operational efficiencies. The company indicated confidence in a strong CY26, underpinned by sustained deal momentum and TCS's leadership position in AI services. TCS's AI-led revenue scaled to an annualized run rate of USD 1.8bn, posting 17.3% QoQ growth in CC, with AI gaining strength across the full stack—from infrastructure to intelligence—as well as in cybersecurity, Enterprise Solutions, and IoT. Enterprises are transitioning from AI pilot programs to ROI-driven deployment and TCS delivered over three times the number of “rapid builds” projects for clients during the quarter compared to prior periods. The decision-making cycles have shortened versus earlier periods, with clients increasingly willing to commit to spends backed by ROI visibility. The total TCV for the quarter reached USD 9.3bn (~7% YoY on TTM basis ex mega deal), which included a significant megadeal win in North America. Regarding the vertical-wise demand environment, BFSI showed good momentum despite seasonal furloughs, ENU posted strong growth, and Life Sciences saw positive shifts, though manufacturing remained marginal and the automotive sector was subdued. TCS continues to aspire to faster growth in international markets in FY26E vs FY25. The aspirational margin band remains at 26-28% and Q4 will be heading towards 26%. Our EPS estimates remain unchanged, and we maintain our ADD rating with a TP of INR 4,000, based on 23x Mar-28E EPS (10Y average multiple of 24x).

- **Q3FY26 highlights:** (1) TCS's revenue stood at USD 7,509mn, +0.6% QoQ in USD terms (vs. our estimate of +0.2% QoQ). (2) Deal bookings came in at USD 9.3bn, down from USD 10bn in Q2, comprising NorthAm TCV at USD 4.9bn, BFSI TCV at USD 3.8bn, and Retail & CPG TCV at USD 1.4bn. Notwithstanding seasonality, TCS won a mega deal in BFSI in NorthAm. (3) Retail & CPG/LS&H/Manufacturing recorded sequential CC growth of 1.3/0.9/0.2% respectively, while Tech/BFSI declined 1.3/0.4% QoQ CC. (4) EBITM remained stable QoQ at 25.2% (in line with our estimate), supported by productivity improvement (+80bps), and favourable currency movement (+20bps), which were offset by full quarter impact of wage hikes (-50bps) and strategic investments in brand building and partnerships (-50bps). (5) Net headcount declined by 11,151 employees in Q3, while TTM attrition increased 20bps QoQ to 13.5%. (6) An exceptional item charge of INR 33.91bn was taken for restructuring costs and to account for new labour codes. The ongoing impact of the labour code changes is expected to be 10-15bps.
- **Outlook:** We have factored in FY26/27/28E growth at -0.4%/+7.7%/+8.5% (implying 0.7/1.8/2.4% CQGR in FY26/27/28E respectively). EBITM is factored in at 25.1/25.5/25.6% for FY26/27/28E respectively, translating to an EPS CAGR of 9.2% over FY25-28E.

Quarterly financial summary

YE March (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ(%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	7,509	7,539	(0.4)	7,466	0.6	29,080	30,179	30,069	32,385	35,151
Net Sales	670.87	639.73	4.9	657.99	2.0	2,408.93	2,553.24	2,650.00	2,898.43	3,181.19
EBIT	168.90	156.57	7.9	165.65	2.0	593.11	621.65	665.23	738.86	815.50
APAT	132.34	123.80	6.9	129.38	2.3	466.35	485.53	524.72	574.23	631.89
Diluted EPS (INR)	36.6	34.2	6.9	35.8	2.3	128.9	134.2	145.0	158.7	174.6
P/E (x)						25.1	24.1	22.3	20.4	18.5
EV / EBITDA (x)						17.5	16.7	15.7	14.2	12.9
RoE (%)						51.6	52.4	55.5	59.9	63.2

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	30,066	30,069	0.0	32,329	32,385	0.2	35,040	35,151	0.3
Revenue	2,647.89	2,650.00	0.1	2,893.43	2,898.43	0.2	3,171.10	3,181.19	0.3
EBIT	665.76	665.23	(0.1)	734.60	738.86	0.6	810.92	815.50	0.6
EBIT margin (%)	25.1	25.1	-4bps	25.4	25.5	10bps	25.6	25.6	6bps
APAT	526.31	524.72	(0.3)	572.04	574.23	0.4	630.84	631.89	0.2
EPS (INR)	145.5	145.0	(0.3)	158.1	158.7	0.4	174.4	174.6	0.2

Source: Company, HSIE Research

ADD

CMP (as on 12 Jan 2026)	INR 3,240
Target Price	INR 4,000
NIFTY	25,790

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 4,000	INR 4,000
EPS %	FY27E	FY28E
	+0.4	+0.2

KEY STOCK DATA

Bloomberg code	TCS IN
No. of Shares (mn)	3,618
MCap (INR bn) / (\$ mn)	11,721/129,997
6m avg traded value (INR mn)	9,549
52 Week high / low	INR 4,424/2,867

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	4.6	(4.9)	(23.5)
Relative (%)	0.5	(8.8)	(27.3)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	71.77	71.77
FIs & Local MFs	12.01	12.70
FPIs	11.47	10.33
Public & Others	4.75	5.250
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Infosys

Steady performance; guidance upgrade

INFY delivered a strong Q3 performance with CC growth of 0.6/1.7% QoQ/YoY. The adjusted EBIT margin expanded by 20bps sequentially to 21.2%, which exceeded expectations. This momentum supported a revenue guidance upgrade to 3% to 3.5% CC for the fiscal year (earlier 2%–3%), indicating a better Q4 exit and establishing a recovery trajectory for FY27, specifically with growth acceleration expected in financial services and ENU verticals. The TCV for large deals was robust at USD 4.8bn for the quarter (TTM TCV up 7%), including a significant USD 1.6bn deal with the NHS in the UK. INFY reinforced its AI leadership through the deepening of its Topaz AI capability and a strategic partnership with Cognition Labs to integrate into the Devin software agent. AI engagements are scaling rapidly with ~4,600 AI projects currently underway and AI adoption reaching 90% of the company's 200 largest clients. INFY is seeing a return of discretionary spending in the financial services vertical, driven by shift of focus from compliance-related projects toward business growth. INFY is the preferred AI partner for 15 of its top 25 banking clients. However, the outlook for manufacturing and retail remains cautious due to tariff uncertainties and geopolitical factors. We keep the estimates same and maintain our BUY rating with a TP of INR 2,100, based on 23x Mar-28E EPS.

- **Q3FY26 highlights:** (1) INFY revenue grew 0.6% QoQ in CC terms to USD 5.1bn (in line with our estimate), despite seasonality and lower third-party costs even as volumes remained soft. (2) Among the verticals, financial services (28% of the revenue) grew 2.3% QoQ, while E&U (13% of the revenue) declined 1% QoQ, and manufacturing (17% of the revenue) grew 1.7% QoQ. (3) TCV stood at USD 4.8bn (+58% QoQ), of which 57% was net new. INFY signed two mega deals in Q3. (4) Reported EBITM stood at 18.2% (-265bps QoQ). However, adjusted for a one-time charge for changes in Indian labor codes, EBITM came in at 21.2% (+20bps QoQ) (largely in line with our estimate of 21%), driven by forex benefit (+40bps), Project Maximus benefit (+40bps), partly offset by lower working days and furloughs (-70bps). The impact of higher variable pay was offset by some one-offs.
- **Outlook:** INFY is expected to grow by 5.1/7.2/7.2% in FY26/27/28E, implying a CQGR of 2.1/1.9/1.7%. We have factored in EBITM of 20.7/22.0/22.3% for FY26/27/28E, translating to an EPS CAGR of 12% over FY25-28E.

Quarterly Financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	5,099	4,939	3.2	5,076	0.5	18,562	19,277	20,261	21,727	23,287
Net Sales	454.79	417.64	8.9	444.90	2.2	1,536.71	1,629.90	1,782.98	1,944.53	2,107.47
EBIT	83.55	89.12	(6.3)	93.53	(10.7)	317.47	344.24	369.37	427.68	469.97
APAT	75.85	68.06	11.4	73.64	3.0	247.50	267.13	298.16	336.64	375.88
Diluted EPS (INR)	18.4	16.4	12.3	17.7	3.7	59.6	64.3	72.1	81.7	91.2
P/E (x)						26.8	24.9	22.2	19.6	17.5
EV / EBITDA (x)						17.2	15.7	14.7	12.8	11.6
RoE (%)						30.3	29.0	30.8	33.2	34.7

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	20,202	20,261	0.3	21,592	21,727	0.6	23,194	23,287	0.4
Revenue	1,777.17	1,782.98	0.3	1,932.49	1,944.53	0.6	2,099.07	2,107.47	0.4
EBIT	386.05	369.37	(4.3)	424.99	427.68	0.6	467.12	469.97	0.6
EBIT margin (%)	21.7	20.7	-101bps	22.0	22.0	0bps	22.3	22.3	5bps
APAT	301.70	298.16	(1.2)	332.32	336.64	1.3	370.58	375.88	1.4
EPS (INR)	73.6	72.1	(2.0)	82.0	81.7	(0.4)	91.4	91.2	(0.2)

Source: Company, HSIE Research

BUY

CMP (as on 14 Jan 2026)	INR 1,600
Target Price	INR 2,100
NIFTY	25,666

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,100	INR 2,100
	FY27E	FY28E
EPS %	-0.4	-0.2

KEY STOCK DATA

Bloomberg code	INFO IN
No. of Shares (mn)	4,155
MCap (INR bn) / (\$ mn)	6,647/73,606
6m avg traded value (INR mn)	12,888
52 Week high / low	INR 1,972/1,307

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	7.4	1.9	(17.5)
Relative (%)	5.7	0.5	(26.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	14.30	14.55
FIs & Local MFs	41.65	41.68
FPIs	30.07	29.58
Public & Others	13.98	14.19
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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HCL Technologies

Accelerating growth; guidance increased

HCL Tech (HCLT) delivered a strong Q3FY26 revenue growth of 4.2% QoQ CC, which surpassed expectations. The outperformance was supported by broad-based strength across IT services, software (seasonality), and strong growth in the ER&D segment. Deal wins remained healthy at USD 3bn (+17% QoQ / +44% YoY), led by a USD 473mn mega deal with a global apparel retailer, under which HCLT will act as a long-term AI-led technology partner. The robust deal activity and solid pipeline reinforce management's confidence in continued growth momentum. For FY26E, the management raised services revenue growth guidance to 4.75-5.25% CC (from 4-5% earlier) and overall revenue growth guidance to 4-4.5% CC (earlier 3-5%). EBIT margin guidance was retained at 17-18%, incorporating the impact of restructuring (50bps in FY26, to be completed by Q4) and labor code-related costs (10-20bps recurring annual impact). The management reiterated confidence in capturing AI-led spending despite a slowdown in discretionary IT budgets. A significant shift is occurring as clients prioritize "day minus one" investments, such as AI Factory infrastructure and custom silicon engineering, which are closely linked to massive AI CapEx. Organizations are reimagining their operations holistically; GenAI and Agentic AI capabilities are now being embedded into nearly every new deal and demand remains robust in Financial Services and Technology verticals. Given there is better visibility, we raise our FY27/28E earnings estimates by +0.5% / +0.3%. We maintain a BUY rating with a target price of INR 1,950, based on 22x Mar-28E EPS.

- **Q3FY26 highlights:** (1) HCL Tech reported revenue of USD 3,793mn (+4.2/4.8% QoQ/YoY CC), above our estimate of USD 3,706mn. The services revenue was up +1.8/+5% QoQ/YoY CC, driven by financial services, technology, and manufacturing. (2) IT & Business services (72% of revenue) grew +1.5% QoQ in CC term, ER&D services (17% of revenue) grew +3.1% QoQ CC and Software (11% of revenue) grew +28.1% QoQ CC. (3) EBITM came in at 18.6% (vs our estimate of 17.9%), expanded 118bps QoQ, driven by Project Ascend benefits (+104bps), forex (+40 bps) and seasonal strength in the software segment, which was partially offset by wage hikes (-80bps) and seasonal furloughs (-45bps). (4) Deal wins in Q3 stood at USD 3,006mn, given that the company won a mega deal worth USD 473mn. (5) HCL Tech expects 50bps impact from the restructuring costs for FY26E and anticipates finishing the restructuring exercise by Q4FY26E. (6) INR 956mn has been charged as an exceptional item to provide for the one-time impact of new labor codes. The recurring impact of the changes in Labor Code is expected to be 10 to 20 bps annually, going forward.
- **Outlook:** We have factored in 6.2% growth in IT & BS and 11.9% growth in ER&D services and a 1.8% growth in the software segment for FY26E. The overall USD revenue growth is estimated at 6.7%/7.7%/7.3% respectively in FY26/27/28E. We expect EBITM at 17.5% in FY26E (mid-point of the guidance) and then expect it to improve to 19/19.4% by FY27/28E, translating into an EPS CAGR of 12.2% over FY25-28E.

Quarterly Financial summary

YE March (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	3,793	3,533	7.4	3,644	4.1	13,270	13,840	14,765	15,910	17,068
Net Sales	338.72	298.90	13.3	319.42	6.0	1,099.13	1,170.55	1,300.23	1,423.90	1,544.62
EBIT	62.85	58.21	8.0	55.50	13.2	200.27	214.21	227.45	270.65	299.79
APAT	47.95	45.91	4.4	42.35	13.2	157.02	169.61	180.92	215.95	239.86
Diluted EPS (INR)	17.7	16.9	4.4	15.6	13.2	58.0	62.6	66.8	79.7	88.6
P/E (x)						28.8	26.6	25.0	20.9	18.8
EV / EBITDA (x)						17.6	16.7	15.5	13.1	11.8
RoE (%)						23.5	24.6	25.6	29.1	29.9

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	14,659	14,765	0.7	15,816	15,910	0.6	16,956	17,068	0.7
Revenue	1,289.65	1,300.23	0.8	1,415.52	1,423.90	0.6	1,534.50	1,544.62	0.7
EBIT	228.39	227.45	(0.4)	267.92	270.65	1.0	296.06	299.79	1.3
EBIT margin (%)	17.7	17.5	-22bps	18.9	19.0	8bps	19.3	19.4	11bps
APAT	183.32	180.92	(1.3)	215.22	215.95	0.3	239.49	239.86	0.2
EPS (INR)	67.6	66.8	(1.1)	79.3	79.7	0.5	88.3	88.6	0.3

Source: Company, HSIE Research

BUY

CMP (as on 12 Jan 2026)	INR 1,668
Target Price	INR 1,950
NIFTY	25,790

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,940	INR 1,950
EPS %	FY27E +0.5	FY28E +0.3

KEY STOCK DATA

Bloomberg code	HCLT IN
No. of Shares (mn)	2,714
MCap (INR bn) / (\$ mn)	4,525/50,189
6m avg traded value (INR mn)	4,541
52 Week high / low	INR 2,005/1,303

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	13.7	2.3	(11.5)
Relative (%)	9.6	(1.6)	(15.3)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	60.81	60.81
FIs & Local MFs	16.21	17.84
FPIs	18.56	16.64
Public & Others	4.42	4.71
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Wipro

Return to growth trajectory

Wipro delivered sequential growth of +1.4% QoQ CC (organic +0.6% QoQ CC), landing at the upper end of its guided range. Consolidated margin came in at 14.8%, contracting 159bps QoQ due to a one-off impact from the new labour code and a restructuring exercise. IT services margin expanded 90bps QoQ to 17.6% despite seasonal weakness and ramp-up of a large Phoenix deal. For Q4FY26E, Wipro has projected a sequential revenue growth of 0% to 2% in CC, which factors in an incremental two months from Harman acquisition; the organic guidance is impacted by fewer working days in the quarter and delayed ramp-ups of some large deals. Management aims to keep IT services margins in the 17-17.5% range, despite potential dilution from the Harman integration and planned investments in large deals and upcoming wage hikes. Regarding the demand environment, discretionary spend remains constrained by macroeconomic uncertainty, leading clients to prioritize on cost optimization and vendor consolidation exercise. Growth drivers are increasingly centred on AI capabilities, utilizing platforms to embed automation into the heart of operations. The integration of Harman further bolsters these efforts by adding AI-powered engineering and product innovation capabilities. We maintain our estimates and maintain ADD with TP of INR 290, based on 19x Mar-28E EPS.

- **Q3FY26 highlights:** (1) WPRO's IT services revenue came in at USD 2.64bn (vs HSIE USD 2.63bn), up +1.4 % QoQ CC, with Harman DTS acquisition contributing 0.8% to revenue growth. (2) Within verticals, Technology and Communications (16% of the revenue) and Healthcare led growth, each up +4.2% QoQ CC. BFSI (35% of the revenue) grew 2.6% QoQ CC, while energy, manufacturing, and resources (16% of the revenue) declined -4.9% QoQ CC, impacted by tariffs and supply chain disruptions. (3) Total TCV was USD 3.34bn (-29% QoQ) and large-deal TCV (USD 30mn+ TCV) stood at USD 871bn (-69.5% QoQ). The current pipeline is focused on cost optimization, vendor consolidation, and AI-led transformation. (4) IT services reported EBITM at 17.6% (+92bps QoQ), above our estimate of 16.7%. IT services EBITM did not include two one-off charges: provision for higher gratuity due to implementation of new wage code (INR 3.02bn) and restructuring expenses (INR 2.63bn).
- **Outlook:** We have factored in revenue growth of -0.2/+5.2/+5.7% in FY26/27/28E. IT services EBITM is expected to be 17.2/17.3/17.8% for FY26/27/28E, translating to an EPS CAGR of ~6.7% over FY25-28E. At CMP, Wipro is trading at 22/19.3/17.7x FY26/27/28E (5Y average at 21x).

Quarterly Financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	2,635	2,629	0.2	2,604	1.2	10,805	10,512	10,491	11,034	11,663
Net Sales	235.56	223.19	5.5	226.97	3.8	897.60	890.88	923.52	994.38	1,062.48
EBIT	34.95	38.56	(9.4)	37.27	(6.2)	135.76	151.24	148.69	171.17	188.80
APAT	33.49	33.54	(0.1)	32.46	3.2	110.45	131.35	129.17	146.49	159.58
Diluted EPS (INR)	3.2	3.2	(0.3)	3.1	3.2	10.5	12.5	12.3	14.0	15.2
P/E (x)						25.5	21.5	21.9	19.3	17.7
EV / EBITDA (x)						15.1	13.7	13.9	12.1	10.8
RoE (%)						14.4	16.6	15.3	16.6	17.2

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	10,490	10,491	0.0	11,056	11,034	(0.2)	11,674	11,663	(0.1)
Revenue	923.87	923.52	(0.0)	994.47	994.38	(0.0)	1,061.58	1,062.48	0.1
EBIT	154.37	148.69	(3.7)	175.99	171.17	(2.7)	192.89	188.80	(2.1)
EBIT margin (%)	16.7	16.1	-61bps	17.7	17.2	-48bps	18.2	17.8	-40bps
APAT	132.32	129.17	(2.4)	147.87	146.49	(0.9)	160.32	159.58	(0.5)
EPS (INR)	12.6	12.3	(2.4)	14.1	14.0	(1.0)	15.3	15.2	(0.5)

Source: Company, HSIE Research

ADD

CMP (as on 16 Jan 2026)	INR 267
Target Price	INR 290
NIFTY	25,694

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 290	INR 290
EPS %	FY27E	FY28E
	-1.0	-0.5

KEY STOCK DATA

Bloomberg code	WPRO IN
No. of Shares (mn)	10,487
MCap (INR bn) / (\$ mn)	2,805/30,866
6m avg traded value (INR mn)	2,236
52 Week high / low	INR 325/225

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	5.4	1.8	(7.2)
Relative (%)	5.3	0.6	(15.6)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	72.65	72.63
FIs & Local MFs	7.88	8.38
FPIs	10.81	10.49
Public & Others	8.66	8.50
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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LTIMindtree

Accelerating growth, led by robust deal wins

LTIMindtree (LTIM) reported a solid Q3 performance, with revenue growth of +2.4% QoQ CC (ahead of estimates) and EBIT margins of 16.1% (+26bps QoQ, in line), supported by robust momentum in manufacturing (+9.4% QoQ) and healthcare (+9.9% QoQ). The company secured a strong TCV of USD 1.7 bn (+6.4% QoQ), driven by a USD 155 mn, five-year deal with a leading US insurer and a strategic selection as one of five key service partners for a global financial institution. The BFSI segment declined 0.7% QoQ, impacted by seasonality and proactive AI-led productivity initiatives within top clients, which management expects to bottom out in Q4. The deal pipeline remains steady, underpinned by clients' increasing investments in agentic AI to autonomously manage complex operations. LTIM targets a near double-digit YoY exit in Q4FY26E, marking a key recovery milestone after 12 quarters, led by order inflows, stabilization in top clients, and new BFSI wins, including prime supplier status with seven major global banks. LTIM continues to position itself as an AI-ready organization, embedding AI across offerings and internal operations to evolve from a technology-centric to a business-creativity partner, with over 50% of its workforce already upskilled in AI. Despite planned Q4 wage hikes for 50% of employees (100bps impact) and seasonal headwinds, LTIM remains focused on operational efficiency through structured programs. We maintain our estimates and reiterate BUY with a TP of INR 7,470, based on 28x Mar'28E EPS.

- **Q3FY26 highlights:** (1) LTIM's Q3 revenue at USD 1,208 mn (vs HSIE USD 1,203 mn) grew +2.4/5.2% QoQ/YoY CC. (2) Among the verticals, healthcare led the growth (+9.9% QoQ), followed by manufacturing, which grew +9.4% QoQ. Consumer business grew 1.2% QoQ, while tech remained flat and BFSI declined -0.7% QoQ. The BFSI vertical is expected to bottom out in Q4FY26E. (3) TCV grew 6.3% QoQ to USD 1.69bn. (4) LTIM's EBITM at 16.1% (vs our estimate of 16.2%) expanded 26bps QoQ, supported by 'Fit for Future' initiatives, and forex tailwinds, which were partially offset by lower working days. (5) LTIM has announced staggered wage hikes, with the first tranche effective 1st January, for ~50% of its employees. There would be ~100bps impact of wage hikes on the profitability in each of Q4FY26E and Q1FY27E, which is expected to be offset by benefits from its 'Fit for Future' program.
- **Outlook:** We have factored in LTIM's revenue growth at 6.5/12.6/12.9% and EBITM at 15.7/16.6/17.3% for FY26/27/28E respectively, translating into an EPS CAGR of ~20% over FY25-28E.

Quarterly Financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	1,208	1,139	6.1	1,180	2.4	4,287	4,493	4,786	5,390	6,085
Net Sales	107.81	96.61	11.6	103.94	3.7	355.17	380.08	421.60	482.43	550.67
EBIT	17.37	13.29	30.7	16.48	5.4	55.69	55.03	66.23	80.20	95.08
APAT	13.94	10.87	28.3	13.81	0.9	45.85	46.02	55.77	67.34	78.94
Diluted EPS (INR)	47.1	36.7	28.3	46.7	0.9	155.0	155.6	188.5	227.7	266.9
P/E (x)						41.3	41.2	34.0	28.1	24.0
EV / EBITDA (x)						28.2	27.5	22.9	18.5	15.3
RoE (%)						25.0	21.5	23.0	24.2	24.5

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	4,787	4,786	(0.0)	5,416	5,390	(0.5)	6,120	6,085	(0.6)
Revenue	421.50	421.60	0.0	484.74	482.43	(0.5)	553.82	550.67	(0.6)
EBIT	66.03	66.23	0.3	80.71	80.20	(0.6)	96.10	95.08	(1.1)
EBIT margin (%)	15.7	15.7	4bps	16.7	16.6	-3bps	17.4	17.3	-9bps
APAT	56.13	55.77	(0.6)	67.47	67.34	(0.2)	79.38	78.94	(0.6)
EPS (INR)	189.8	188.5	(0.6)	228.1	227.7	(0.2)	268.4	266.9	(0.6)

Source: Company, HSIE Research

BUY

CMP (as on 19 Jan 2026)	INR 6,407
Target Price	INR 7,470
NIFTY	25,586

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 7,500	INR 7,470
EPS %	FY27E	FY28E
	-0.2	-0.6

KEY STOCK DATA

Bloomberg code	LTIM IN
No. of Shares (mn)	296
MCap (INR bn) / (\$ mn)	1,900/20,894
6m avg traded value (INR mn)	1,568
52 Week high / low	INR 6,430/3,802

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	14.3	25.0	8.8
Relative (%)	15.1	23.2	0.1

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	68.57	68.54
FIs & Local MFs	16.20	16.68
FPIs	6.62	6.40
Public & Others	8.61	8.38
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Tech Mahindra

Strong execution and margin discipline

Tech Mahindra (TechM) delivered a robust performance with revenue growth of 1.7% QoQ in CC terms and operating margin expansion of 100bps QoQ to 13.1%, marking the ninth consecutive quarter of margin improvement. Further margin gains will be led by gross margin expansion through the fixed-price productivity initiatives under Project Fortius. The company reported the highest quarterly deal bookings in five years with a TCV of USD 1.1 bn (TTM +48% YoY), aided by a strategic five-year mega deal in the communications vertical with a TCV of ~USD 500mn for application modernization. The management highlighted an improving demand environment, noting that the communications vertical is back on a growth trajectory, led by large deal wins, while manufacturing and retail registered sequential growth. However, BFSI was impacted by seasonal furloughs and productivity pass-throughs and will return to growth. The addition of two USD 50 mn+ clients was encouraging, and revenue from USD 20 mn+ client bucket grew faster than the company average. TechM's AI strategy has transitioned from experimentation to scaled execution, supported by its partnership with Google Gemini and an innovative pricing model that differentiates human labor from "digital labor" based on token consumption. The company reaffirmed its ambition to achieve a 15% EBIT margin and deliver growth above the average of peers by FY27E. We raise our estimates by ~2% and maintain our ADD rating on TECHM, with a target price of INR 1,800, based on 20x FY28E EPS.

- **Q3FY26 highlights:** (1) TECHM's revenue came in at USD 1,610mn (vs HSIE USD 1,593mn), up 1.7% QoQ CC, led by a 1% increase in service revenue and seasonality and the balance driven by ramp-up of a large deal in Europe. (2) Communications (33% of revenue) grew 2.8% with stability witnessed in the US and growth in Europe expected post the mega deal win. 2.6% QoQ growth in the manufacturing (18% of revenue) vertical was driven by aerospace in the US and an automotive ramp-up in Europe. (3) BFSI (16% of revenue) revenue declined 0.9% QoQ due to higher-than-usual furloughs and annual productivity gains passed to a large infrastructure contract. (4) New deal wins were up ~34% QoQ to USD 1,096mn, driven by a mega deal win in Europe. (5) EBITM expanded 100bps QoQ to 13.1% (above our estimate of 12.5%), led by improved fixed-price project productivity, volume growth (20-30bps), and G&A optimization.
- **Outlook:** We factor in growth of +2.2/7.7/7.9% for FY26/27/28E – implying CQGRs of 1.5/1.9/1.9% respectively. We have built in EBITM of 12.6/15.2/15.8% for FY26/27/28E. TECHM is trading at 21/19x FY27/28E (vs. 5Y average of 21x).

Quarterly Financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	1,610	1,568	2.7	1,586	1.5	6,277	6,264	6,403	6,897	7,440
Net Sales	143.93	132.86	8.3	139.95	2.8	519.96	529.88	564.38	617.32	673.29
EBIT	18.92	13.50	40.1	16.99	11.3	31.47	51.38	71.16	93.56	106.61
APAT	16.08	9.83	63.5	11.95	34.6	26.98	43.76	51.90	69.62	79.78
Diluted EPS (INR)	18.2	11.1	63.5	13.5	34.6	30.5	49.4	58.6	78.6	90.0
P/E (x)						52.4	34.6	28.1	21.3	18.6
EV / EBITDA (x)						28.6	20.2	15.7	12.3	10.8
RoE (%)						9.9	16.2	18.6	23.7	25.2

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	6,367	6,403	0.6	6,816	6,897	1.2	7,352	7,440	1.2
Revenue	560.68	564.38	0.7	610.00	617.32	1.2	665.32	673.29	1.2
EBIT	68.45	71.16	4.0	88.39	93.56	5.8	102.14	106.61	4.4
EBIT margin (%)	12.2	12.6	40bps	14.5	15.2	66bps	15.4	15.8	48bps
APAT	51.70	51.90	0.4	68.00	69.62	2.4	78.11	79.78	2.1
EPS (INR)	58.3	58.6	0.4	76.7	78.6	2.4	88.2	90.0	2.1

Source: Company, HSIE Research

ADD

CMP (as on 16 Jan 2026)	INR 1,671
Target Price	INR 1,800
NIFTY	25,694

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,770	INR 1,800
EPS %	FY27E +2.4	FY28E +2.1

KEY STOCK DATA

Bloomberg code	TECHM IN
No. of Shares (mn)	980
MCap (INR bn) / (\$ mn)	1,637/18,011
6m avg traded value (INR mn)	2,764
52 Week high / low	INR 1,736/1,209

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	14.1	3.9	(1.0)
Relative (%)	14.0	2.8	(9.5)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	35.00	34.98
FIs & Local MFs	32.13	34.64
FPIs	23.28	20.60
Public & Others	9.59	9.78
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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BSE

Strong growth momentum

BSE delivered a strong quarter with revenue rising 16.4% QoQ and 60.8% YoY, led by sustained traction in transaction revenue and strong book-building and listing fees. Adjusted PAT (ex-labor laws provision, additional SGF, and impairment) came in at INR 6.5bn vs our estimate of INR 6.2bn. Transaction revenue, contributing 77% of total revenue, surged 26% QoQ on continued gains in options market share and recovery in industry volumes. BSE's options premium market share improved to 26.8% in Q3FY26 vs 24.4% in Q2, with premium ADTV of INR 195bn (+30% QoQ), and further rose to 30% in Jan-26. Adjusted EBITDA margin expanded 97bps QoQ to 65.6% (reported 62.5%), while SGF contribution stood at INR 0.46bn (~5% of transaction revenue), higher than the mandated threshold. Colocation revenue was stable at INR 0.48bn vs INR 0.46bn in Q2, and BSE plans to add 20 racks by Q4, taking the total to 500 to support future growth. The share of longer-dated options rose to 5%, with management targeting further growth through higher institutional participation. We raise EPS estimates by 8-10% on better volumes, projecting robust FY25–28E revenue/EPS CAGRs of ~30/36%. We maintain an ADD rating with a revised TP of INR 3,310, based on 42x core FY28E PAT plus CDSL stake and net cash ex SGF; the stock trades at 43x/37x FY27/28E EPS.

- **Q3FY26 highlights:** Revenue grew 16.4/60.8% QoQ/YoY to ~INR 12.4bn (vs our estimates of ~INR 12.4bn), led by +20.0/78.4% QoQ increase in transaction/book building income, supported by an increase in all other revenue segments other than cash segment income (-3.7% QoQ). The transaction revenue growth was driven by the derivatives segment (25.6% QoQ) and Star MF grew marginally by 4% sequentially. The EBITDA margin stood at 62.5% vs 64.7% in Q2. Margin contraction was led by 31.7/27.5/18.2/17.5/12.7% increase in employee cost/SEBI regulatory fees/other expenses/clearing fees and technology fees respectively. SGF contribution in the quarter stood at INR 0.46bn and reported PAT stood at INR 6.02bn vs our PAT estimate of INR 6.23bn. The derivative UCC stood at 9.5mn vs 8.7mn in Sep 2025 and 567 registered members.
- **Outlook:** We expect revenue growth of +58.7/19.8/15.9% and EBITDA margins of 64.5/65.3/66.0% in FY26/27/28E respectively. Revenue CAGR of 30.1% over FY25-28E assumes derivatives revenues of INR 30/37/44bn in FY26/27/28E. Core PAT CAGR over FY25-28E is at 35.8%.

Quarterly financial summary

YE March (INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenues	12,441	7,735	60.8	10,684	16.4	13,900	29,742	47,198	56,556	65,561
EBITDA	7,778	4,357	78.5	6,909	12.6	6,477	15,929	30,448	36,946	43,249
PAT	6,018	2,197	174.0	5,584	7.8	7,784	13,259	24,026	28,518	33,202
APAT	6,018	2,197	174.0	5,584	7.8	5,364	13,259	24,026	28,518	33,202
Diluted EPS (Rs)	15	5	174.0	14	7.8	13	33	59	70	82
P/E (x)							91.4	50.4	42.5	36.5
EV/EBITDA							74	39	32	27
ROE (%)						25.9	34.3	48.2	41.5	39.5

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

YE March (INR mn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	45,367	47,198	4.0	51,301	56,556	10.2	58,704	65,561	11.7
EBITDA	29,509	30,448	3.2	33,640	36,946	9.8	38,809	43,249	11.4
EBITDA margin (%)	65.0	64.5	-53bps	65.6	65.3	-25bps	66.1	66.0	-14bps
APAT	23,393	24,026	2.7	26,250	28,518	8.6	30,098	33,202	10.3
EPS (INR)	57.7	59.2	2.5	64.8	70.2	8.4	74.3	81.8	10.1

Source: Company, HSIE Research

ADD

CMP (as on 09 Feb 2026)	INR 2,986
Target Price	INR 3,310
NIFTY	25,867

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3,000	INR 3,310
EPS %	FY27E +8.4	FY28E +10.1

KEY STOCK DATA

Bloomberg code	BSE IN
No. of Shares (mn)	408
MCap (INR bn) / (\$ mn)	1,218/13,415
6m avg traded value (INR mn)	12,111
52 Week high / low	INR 3,030/1,226

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	11.5	24.7	56.5
Relative (%)	10.4	19.5	48.5

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	0.00	0.00
FIs & Local MFs	19.91	23.74
FPIs	16.25	17.45
Public & Others	63.85	58.73
Pledged Shares	0.00	0.00

Source : NSE

Pledged shares as % of total shares

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Persistent Systems

Persistent growth momentum

Persistent Systems (PSYS) delivered a strong Q3FY26, beating expectations with +4.1% QoQ CC revenue growth and a +40bps QoQ adjusted margin expansion, driven by robust execution. Growth was broad-based, led by strong performance in the Healthcare and BFSI verticals and the Americas region. The order book remained healthy with a new TTM TCV of USD 369mn (+11% YoY) and new ACV of USD 256mn (+31% YoY), supporting a continued growth momentum. Key deal wins included a USD 100 mn cybersecurity and data provisioning contract from a Tier 1 US bank and a USD 50 mn healthcare deal for cloud infra and application modernization. The company remains on track to achieve a USD 2bn run rate by FY27E (~4% CQGR) and USD 5 bn by FY31E, underpinned by solid deal momentum and continued investments in GenAI and data modernization. PSYS is rapidly embedding AI across its offerings and internal operations, transitioning toward AI-led, platform-centric engagements. It continues to stand out in the mid-cap IT space with a strong combination of growth, quality client base, robust services portfolio, sales rigor combined with margin expansion. We maintain our ADD rating with a revised TP of INR 7,550, based on 42x Mar-28E EPS.

- **Q3FY26 highlights:** (1) PSYS's revenue at USD 422.5mn was up 4.1% QoQ CC (ahead of our estimate of 3.4% QoQ CC), with broad-based growth across verticals. (2) Within these verticals, Healthcare & Lifesciences grew +4.8% QoQ, followed by BFSI growing by +4.6% QoQ and tech growing +3% QoQ. (3) The total TCV grew 11% QoQ to USD 675mn, and total ACV grew 31% QoQ to USD 502mn. (4) New Labor Code Provisioning (-230bps), wage hike (-180bps), and furloughs (-20bps), were partially offset by AI Platforms and Tool-Driven Pricing (+150bps), operational efficiencies (+40bps), FX tailwind (+30bps) and lower sub-contracting (+20bps), resulting in a sequential net decline of 190bps in EBIT margin to 14.4%. Excluding the one-time impact of the new labor code, EBIT margin at 16.7% (+40bps QoQ) was higher than our estimate of 15.5%.
- **Outlook:** We have factored in USD revenue growth of 17.8/17.9/15.3% and EBITM of 15.9/16.8/17.4% for FY26/27/28E respectively, translating to a 25% EPS CAGR.

Quarterly Financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	423	360	17.3	406	4.0	1,186	1,409	1,660	1,957	2,256
Net Sales	37.78	30.62	23.4	35.81	5.5	98.22	119.39	146.43	175.17	204.20
EBIT	5.43	4.56	19.1	5.84	(7.0)	14.15	17.51	23.28	29.48	35.44
APAT	4.39	3.73	17.8	4.71	(6.8)	11.30	14.00	18.65	22.61	27.66
Diluted EPS (INR)	28.6	24.2	17.8	30.6	(6.8)	73.4	91.0	121.2	147.0	179.8
P/E (x)						86.4	69.7	52.3	43.2	35.3
EV / EBITDA (x)						55.6	46.4	35.6	27.7	22.9
RoE (%)						24.5	24.8	27.0	27.6	28.3

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	1,657	1,660	0.2	1,958	1,957	(0.0)	2,257	2,256	(0.0)
Revenue	146.04	146.43	0.3	175.23	175.17	(0.0)	204.27	204.20	(0.0)
EBIT	23.18	23.28	0.4	29.44	29.48	0.1	35.53	35.44	(0.3)
EBIT margin (%)	15.9	15.9	3bps	16.8	16.8	2bps	17.4	17.4	-4bps
APAT	17.80	18.65	4.8	22.59	22.61	0.1	27.74	27.66	(0.3)
EPS (INR)	115.7	121.2	4.8	146.8	147.0	0.1	180.3	179.8	(0.3)

Source: Company, HSIE Research

ADD

CMP (as on 20 Jan 2026)	INR 6,342
Target Price	INR 7,550
NIFTY	25,233

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 7,570	INR 7,550
EPS %	FY27E +0.1	FY28E -0.3

KEY STOCK DATA

Bloomberg code	PSYS IN
No. of Shares (mn)	158
MCap (INR bn) / (\$ mn)	1,001/10,997
6m avg traded value (INR mn)	2,747
52 Week high / low	INR 6,599/4,149

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	8.5	14.3	4.1
Relative (%)	11.1	13.8	(2.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	30.56	30.29
FIs & Local MFs	30.60	29.82
FPIs	21.23	22.80
Public & Others	17.61	17.09
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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MCX

Gaining strength

MCX delivered a robust quarter, with revenue/EBITDA rising 78/103% QoQ and 121/156% YoY, respectively. The robust performance was led by a ~71% jump in options revenue and nearly 2x sequential jump in futures revenue. Volumes surged in bullion contracts, with notional ADTV up 123% QoQ and premium ADTV up 215% QoQ, supported by higher P/N ratio (higher volatility). Bullion contracts contributed 67% to notional and 42% to total premium ADTV, driving a favourable volume mix. EBITDA margin expanded sharply, supported by embedded non-linearity and future cost increases (investments) will be gradual. Volumes have remained elevated in Jan'26, with premium ADTV at ~INR 101bn vs INR 71bn in Q3FY26, though we expect normalization as current levels reflect heightened commodity volatility. PAT stood at ~INR 4.01bn, almost doubling QoQ, and Q4 performance is likely to improve further, based on the current run rate. Key volume drivers include an increase in traded UCCs (aided by discount brokers), heightened volatility across commodities, launch of metal options, regulatory tailwinds supporting institutional participation, and rising traction in index options (bullion and metals). We assume FY27E futures and options ADTV to be ~15% and 2% lower than Q3 levels, yet we raise FY27/28E EPS estimates by ~14/8%, maintaining BUY with a TP of INR 2,780, based on 46x FY28E core PAT plus net cash ex-SGF.

- **Q3FY26 highlights:** MCX revenue stood at INR 6.66bn, +77.9/+120.9% QoQ/YoY (vs our estimate of INR 6.46bn). Futures/options revenue stood at INR 2.27/3.8bn, 99.2/70.8% QoQ. Future ADTV was up 102.3% QoQ to INR 844.61bn, led by an increase across segments, bullion (111.3%), metals (140.3%), and energy (49.2%). Options notional ADTV rose 80.1% QoQ, while premium increased by 73.4% QoQ. P/N decreased from 1.11% to 1.07%, led by a decline in realizations in crude (1.56% vs 1.62%) and natural gas (2.64% vs 2.83%); however, realizations in bullion increased from 0.47% to 0.67%. EBITDA margin expanded by 929/1031bps QoQ/YoY to 74.4% as the pace of cost increase was lower than that of the revenue expansion. Options notional/premium ADTV stood at INR 6,657/71.04bn and options contributed ~62.6% to transaction revenue. Crude/natural gas/bullion contributed 22/10/68% to options notional and 33/25/42% to premium.
- **Outlook:** We expect +43/36% futures/options premium CAGRs over FY25-28E, resulting in +36/43% revenue/APAT CAGRs over FY25-28E. The notional assumptions are INR 5.0/6.7/7.7trn; premium is at INR 56.80/69.33/77.90bn, and premium realization is at 1.14/1.03/1.00% for FY26/27/28E.

Quarterly financial summary

YE March (INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenues	6,656	3,014	120.9	3,742	77.9	6,836	11,127	21,088	25,246	27,930
EBITDA	4,952	1,931	156.4	2,436	103.2	643	6,653	14,992	18,085	20,031
APAT	4,011	1,600	150.6	1,975	103.1	831	5,600	12,173	14,659	16,300
Diluted EPS (Rs)	15.7	6.3	150.6	7.7	103.1	3.3	22.0	47.7	57.5	63.9
P/E (x)							110.1	50.6	42.1	37.8
EV / EBITDA (x)							89.1	39.7	32.7	29.2
RoE (%)						5.8	34.3	59.3	60.6	57.2

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

INR mn	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	19,364	21,088	8.9	22,703	25,246	11.2	26,129	27,930	6.9
EBITDA	13,525	14,992	10.8	15,857	18,085	14.1	18,460	20,031	8.5
EBITDA Margin (%)	69.8	71.1	124bps	69.8	71.6	179bps	70.6	71.7	107bps
APAT	11,004	12,173	10.6	12,876	14,659	13.8	15,030	16,300	8.4
EPS (Rs)	43.2	47.7	10.6	50.5	57.5	13.8	58.9	63.9	8.4

Source: HSIE Research

BUY

CMP (as on 27 Jan 2026)	INR 2,422
Target Price	INR 2,780
NIFTY	25,175

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,560	INR 2,780
EPS %	FY27E +13.8%	FY28E +8.4%

KEY STOCK DATA

Bloomberg code	MCX IN
No. of Shares (mn)	255
MCap (INR bn) / (\$ mn)	617/6,722
6m avg traded value (INR mn)	5,206
52 Week high / low	INR 2,499/882

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	29.9	50.4	116.5
Relative (%)	33.4	49.9	107.9

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	0.00	0.00
FIs & Local MFs	60.50	59.16
FPIs	19.00	20.64
Public & Others	20.31	20.02
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Mphasis

AI-led growth engine

Mphasis delivered an in-line Q3FY26 performance, reporting 1.5% QoQ CC revenue growth and a stable EBIT margin of 15.2%. The Direct business (~98% of overall revenue) grew 1.9% QoQ in CC, supported by strong traction in Insurance (8.3% QoQ) and BFS (2.4% QoQ), partially offset by declines in TMT (-3.8% QoQ) and Logistics & Transportation (-1.3% QoQ). The deal engine remained robust, with TTM TCV doubling YoY to USD 2.6bn. The company continues to benefit from a record pipeline (69% AI-led), which helped deliver USD 428mn in net new wins in Q3. Clients on the NeoIP platform now contribute over 50% of total revenue, underscoring early adoption of its integrated AI proposition. Top client growth outpaced the company average and Q4 growth visibility is better vs previous quarters. The current technological shift presents attractive growth opportunities as technical competence in AI increasingly outweighs size and scale as a competitive advantage. Mphasis reiterates its confidence of clocking ~2x industry growth, supported by a healthy deal pipeline. The operating margin guidance stands at 14.75-15.75%, as AI-led efficiencies are reinvested into the business. We trim our earnings estimates by ~1% and maintain ADD, with a target price of INR 3,430, based on 25x Mar-28E EPS.

- **Q3FY26 highlights:** (1) Mphasis' revenue came in at USD 451mn (in line with our estimate), +1.5% QoQ CC. (2) TCV stood at USD 428mn (21.9% YoY), of which 62% was AI-led. It won four large deals in Q3, with two deals over USD 50mn. The deal pipeline is strong, with BFS pipeline growth of 98% YoY and non-BFS pipeline growth of +44% YoY. Large deal pipeline was up 91% YoY. (3) Within verticals, growth was led by Insurance (15% of revenue) at 8.3% QoQ, driven by continued ramp-up of recent large deal wins. BFS (52% of revenue) grew 2.4% QoQ, driven by wallet share gains and new wins. TMT (18% of revenue) was impacted by seasonality, with revenue down 3.8% QoQ. (4) EBITM at 15.2% (above our estimate of 15.1%) remained flat sequentially.
- **Outlook:** We have factored in USD revenue growth of 7.1/12/12%, implying CQGR of 2/3.2/2.7% for FY26/27/28E respectively. EBITM is factored in at 15.4/15.7/16.3% for FY26/27/28E, translating to a ~15% EPS CAGR over FY25-28E.

Quarterly Financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	451	419	7.7	445	1.4	1,609	1,681	1,800	2,016	2,257
Net Sales	40.03	35.61	12.4	39.02	2.6	132.79	142.30	158.06	180.42	204.30
EBIT	6.09	5.46	11.6	5.96	2.2	20.11	21.71	24.40	28.28	33.34
APAT	4.78	4.28	11.7	4.69	1.9	15.55	17.02	18.78	21.56	25.69
Diluted EPS (INR)	25.5	22.8	11.8	25.1	1.9	83.1	91.0	100.4	115.3	137.4
P/E (x)						33.8	30.9	28.0	24.4	20.5
EV / EBITDA (x)						20.8	19.0	16.7	14.7	12.2
RoE (%)						18.6	18.5	18.8	20.0	21.9

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	1,801	1,800	(0.1)	2,017	2,016	(0.0)	2,244	2,257	0.6
Revenue	158.39	158.06	(0.2)	180.49	180.42	(0.0)	203.11	204.30	0.6
EBIT	24.72	24.40	(1.3)	28.69	28.28	(1.4)	33.58	33.34	(0.7)
EBIT margin (%)	15.6	15.4	-17bps	15.9	15.7	-22bps	16.5	16.3	-21bps
APAT	18.81	18.78	(0.2)	21.87	21.56	(1.4)	25.87	25.69	(0.7)
EPS (INR)	100.6	100.4	(0.2)	116.9	115.3	(1.4)	138.3	137.4	(0.7)

Source: Company, HSIE Research

ADD

CMP (as on 22 Jan 2026)	INR 2,800
Target Price	INR 3,430
NIFTY	25,290

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3,460	INR 3,430
EPS %	FY27E	FY28E
	-1.4	-0.7

KEY STOCK DATA

Bloomberg code	MPHL IN
No. of Shares (mn)	191
MCap (INR bn) / (\$ mn)	534/5,823
6m avg traded value (INR mn)	1,903
52 Week high / low	INR 3,079/2,025

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	2.2	0.8	(0.3)
Relative (%)	4.7	0.7	(8.0)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	40.10	30.59
FIs & Local MFs	37.07	45.25
FPIs	18.52	19.79
Public & Others	4.31	4.37
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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L&T Technology Services

Restructuring dents growth; focus on quality

L&T Technology Services (LTTS) reported a muted Q3FY26 performance with revenue down 2.8% QoQ in CC terms, missing expectations largely due to a 9.8% QoQ decline in the Tech vertical amid ongoing business restructuring. The company is rationalizing its portfolio by exiting lower-margin, commoditized offerings in regional markets such as India and Israel and focusing instead on high-growth, profitable segments. The outlook for the Sustainability segment remains strong, supported by a healthy deal pipeline and execution of previously secured large contracts. The Mobility vertical is showing early signs of recovery, aided by substantial deal wins (~50% of large deals) and the growing adoption of AI-led solutions. LTTS is currently reassessing its existing portfolio ahead of launching its five-year growth strategy, Lakshya, from April 2026. As part of this roadmap, the company is targeting mid-teen (~16%) EBIT margins by the end of FY27E. Given the ongoing restructuring through Q4, management has guided for mid-single-digit growth for FY26E, implying a softer Q4 versus typical seasonality. While near-term growth remains subdued due to portfolio pruning, the sharpened focus on high-value offerings and disciplined execution should position LTTS for accelerated and profitable growth in the medium term. Incorporating the impact of business rationalization, we trim our earnings estimates by 3-4% for FY27/FY28E. We maintain ADD on LTTS with a revised TP of INR 5,250, based on 28x Mar-28E EPS.

- **Q3FY26 highlights:** (1) LTTS posted revenue of USD 326mn, lower than our estimates of USD 340mn, -2.8% QoQ and +3.9% YoY in CC terms. (2) The sustainability vertical grew +1.7% QoQ, driven by ramp-up of large deals won earlier, mobility grew +0.5% QoQ despite furloughs while hi-tech declined -9.8% QoQ due to rebalancing of business. (3) LTTS recorded its fifth consecutive quarter of USD 200mn+ large deal TCV bookings in Q3FY26, with half of the wins in the mobility vertical. (4) EBITM, at 14.6% (above our estimate of 14.3%), improved 124bps QoQ, driven by improved revenue mix, cost efficiencies, and FX tailwinds. LTTS aspires to reach 16.5% EBITM by Q4FY27-Q1FY28E. (5) LTTS expects mid-single-digit overall growth in FY26E, with double-digit growth expected in focus areas.
- **Outlook:** We have factored in USD revenue growth of 5.5/10.5/13% for FY26/27/28E respectively, implying a CQGR of -1.1/4.3/2.5% for the three years. EBITM is factored in at 13.8/15/16% for FY26/27/28E, resulting in an EPS CAGR of 16.1% over FY25-28E.

Quarterly Financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	326	312	4.6	337	(3.2)	1,164	1,259	1,328	1,468	1,659
Net Sales	29.24	26.53	10.2	29.80	(1.9)	96.47	106.70	117.20	131.36	150.15
EBIT	4.27	4.22	1.2	3.98	7.3	16.47	15.87	16.19	19.65	24.02
APAT	3.11	3.22	(3.5)	3.29	(5.4)	13.04	12.66	13.31	16.28	19.81
Diluted EPS (INR)	29.4	30.5	(3.5)	31.1	(5.4)	123.5	119.9	126.1	154.3	187.7
P/E (x)						34.4	35.4	33.7	27.5	22.6
EV / EBITDA (x)						22.0	22.4	21.1	17.4	14.1
RoE (%)						25.4	22.2	20.7	22.7	24.3

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	1,377	1,328	(3.5)	1,539	1,468	(4.6)	1,705	1,659	(2.7)
Revenue	121.37	117.20	(3.4)	137.70	131.36	(4.6)	154.35	150.15	(2.7)
EBIT	16.82	16.19	(3.7)	20.61	19.65	(4.7)	24.77	24.02	(3.0)
EBIT margin (%)	13.9	13.8	-4bps	15.0	15.0	-1bps	16.0	16.0	-5bps
APAT	13.79	13.31	(3.5)	16.96	16.28	(4.0)	20.33	19.81	(2.6)
EPS (INR)	130.7	126.1	(3.5)	160.8	154.3	(4.0)	192.6	187.7	(2.6)

Source: Company, HSIE Research

ADD

CMP (as on 14 Jan 2026)	INR 4,244
Target Price	INR 5,250
NIFTY	25,666

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 5,400	INR 5,250
EPS %	FY27E	FY28E
	-4.0	-2.6

KEY STOCK DATA

Bloomberg code	LTTS IN
No. of Shares (mn)	106
MCap (INR bn) / (\$ mn)	450/4,981
6m avg traded value (INR mn)	390
52 Week high / low	INR 5,647/3,855

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	2.2	(2.3)	(9.8)
Relative (%)	0.5	(3.7)	(18.8)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	73.58	73.58
FIs & Local MFs	14.13	14.57
FPIs	4.67	4.23
Public & Others	7.62	7.62
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Tata Elxsi

Transportation upswing with margin surprise

Tata Elxsi (TELX) delivered Q3FY26 revenue broadly in line with expectations, posting 3.2% QoQ growth in CC terms, while EBIT margins surprised positively at 20.9%, ahead of our estimates. Growth was primarily driven by Transportation, aided by faster ramp-ups in SDV-led OEM deals and normalization of programs with a key OEM client impacted earlier. Within the Transportation vertical, beyond SDVs, strong traction continues in electrification, ADAS, and connected car technology. TELX has unlocked new revenue streams in off-road, adjacent businesses (rail and highway construction equipment) and reduced dependence on Tier-1 vendors. The Media & Communication vertical is expected to gain momentum in Q4. The Healthcare & Life Sciences vertical has bottomed out in Q3, following the completion of several large regulatory programs. The management remains confident of achieving double-digit growth in Transportation and Healthcare in FY27E, supported by large deal wins, new client additions, strong pipeline, and investments in GenAI. We believe the company is well-positioned in high-growth engineering services niches, with a clear trajectory toward industry-leading margins. Our EPS estimates remain unchanged, and we maintain our ADD rating on TELX, with a TP of INR 6,300, based on 35x Mar-28E EPS.

- **Q3FY26 highlights:** (1) TELX posted a revenue of USD 106.7mn, +3.2/-5.5% QoQ/ YoY in CC terms (in line with our estimate of +3.2% QoQ CC), led by volume growth. (2) Transportation vertical grew +7.3% QoQ CC, driven by accelerated ramp-ups in SDV-led OEM deals won earlier, and normalization of work streams and programs with a strategic OEM client who was impacted in the previous quarters. (3) Media & Communication vertical declined -1.3% QoQ, impacted by seasonal furloughs and deal deferral during the quarter. Healthcare & Lifesciences vertical revenue was down 4.3% QoQ in CC terms. (4) TELX's EBITM came in higher than our expectations at 20.9% (241bps QoQ), led by operational and delivery excellence and improved utilization (+200bps), lower other expenses (+80bps), and FX benefit (+35bps), which was partially offset by wage hike for junior and mid-level employees (-110bps). (5) Utilization improved to ~75% in Q3, with aspiration to improve it to 80-85% in the medium term.
- **Outlook:** We have factored Transportation vertical growth at +0/18/17% for FY26/27/28E, Media & Communication growth at -6/+14/+14% and Healthcare & Lifesciences at -11/+12/+16% over the same period. Revenue growth of -3/+13/17% and EBITM of 19.9/24.4/25.5% over FY26/27/28E translate to an EPS CAGR of 13% over FY25-28E.

Quarterly Financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	107	111	-3.6	105	1.4	429	441	427	495	573
Net Sales	9.53	9.39	1.5	9.18	3.9	35.52	37.29	37.53	44.34	51.84
EBIT	1.99	2.21	-9.6	1.70	17.4	9.47	8.68	7.46	10.83	13.20
APAT	1.82	1.99	-8.7	1.55	17.3	7.92	7.85	6.66	9.28	11.22
Diluted EPS (INR)	29.2	32.0	-8.8	24.9	17.3	127.2	126.0	107.0	149.0	180.2
P/E (x)						45.5	46.0	54.2	38.9	32.2
EV / EBITDA (x)						33.0	35.1	40.3	28.3	23.1
RoE (%)						34.5	29.3	22.4	28.2	30.3

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	430	427	(0.6)	503	495	(1.5)	581	573	(1.4)
Revenue	37.75	37.53	(0.6)	45.01	44.34	(1.5)	52.59	51.84	(1.4)
EBIT	7.72	7.46	(3.4)	10.84	10.83	(0.1)	13.20	13.20	(0.0)
EBIT margin (%)	20.5	19.9	-58bps	24.1	24.4	35bps	25.1	25.5	36bps
APAT	6.82	6.66	(2.4)	9.27	9.28	0.1	11.21	11.22	0.1
EPS (INR)	109.6	107.0	(2.4)	148.8	149.0	0.1	179.9	180.2	0.1

Source: Company, HSIE Research

ADD

CMP (as on 13 Jan 2026)	INR 5,793
Target Price	INR 6,300
NIFTY	25,732

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 6,300	INR 6,300
EPS %	FY27E +0.1	FY28E +0.1

KEY STOCK DATA

Bloomberg code	TELX IN
No. of Shares (mn)	62
MCap (INR bn) / (\$ mn)	361/4,001
6m avg traded value (INR mn)	1,454
52 Week high / low	INR 6,735/4,601

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	8.2	(4.5)	(2.5)
Relative (%)	6.7	(5.9)	(12.1)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	43.91	43.90
FIs & Local MFs	9.80	10.38
FPIs	12.74	12.53
Public & Others	33.55	33.19
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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CDSL

Technology investment dents margins

CDSL reported a muted quarter, with revenue down 4.6% QoQ (below estimate) and PAT at INR 1.33bn (vs est. INR 1.48bn). The decline was driven by a sharp fall in e-voting and IPO revenue, while annual issuer revenue also softened. Regulatory changes in the definition of “not so small” unlisted companies (effective Dec’25) are expected to weigh on unlisted additions, with the full impact visible in Q4. EBITDA margin contracted 279/485bps QoQ/YoY to 52.9%, impacted by higher tech spends in line with regulatory requirements. IPO/corporate action revenue slowed in Q3 and is likely to decline further in Q4. Demat account additions rose to 7.6mn (vs 6.5mn), with CDSL maintaining its leadership position at 80% market share and 85% in incremental accounts. Growth continues to be supported by strong issuer revenue, recovery in transactions, and stable e-voting, e-CAS and KYC revenue. The company plans to continue investing in technology and talent to sustain its competitive edge and adhere to regulatory compliance. We cut our revenue estimates by ~3-4% for FY26–28E, factoring slower growth in market-linked streams, and lower EPS estimates by ~6-7% due to higher technology investments. Revenue and EPS are expected to clock CAGRs of +15% and +12% over FY25–28E, respectively. We maintain ADD with a TP of INR 1,520, valuing the stock at 45x Dec’26E EPS; CDSL trades at 43x/35x FY27/28E EPS.

- **Q3FY26 highlights:** CDSL revenue was down 4.6% QoQ but up 9.4% YoY. Total revenue of INR 3.04bn was lower vs our estimate of INR 3.27bn, led by 36.7/4.8/1.7% QoQ decline in Others/IPO/Annual Issuers revenue. This impact was partly offset by online data charges and transaction charges, which increased 6.5/1.7% QoQ. On the cost side, employee cost and other opex decreased by 2.6/2.4% QoQ while technology expenses increased by 12.3/43.2% QoQ/YoY. CDSL's EBITDA margin contracted by 279/485bps QoQ/YoY to 52.9% because of the increased tech spending and fall in revenue. Other income stood at INR 0.29bn, up 30.1% QoQ, ETR stood at 22.5% vs 23.2% in Q2FY26 and APAT stood INR 1.33bn, down 4.9% QoQ.
- **Outlook:** We expect revenue growth of +10/20/17% and an EBITDA margin of 52.7/53.3/55.6 for FY26/27/28E. The 15% CAGR over FY25–28E assumes 31/5/9/7/17% CAGRs in annual issuer charges/transaction/IPO & corporate action/online data charges/e-CAS & e-voting revenue. Core PAT CAGR over FY25–28E is at +13%.

Quarterly financial summary

YE March (INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenues	3,044	2,781	9.4	3,189	(4.6)	5,551	8,123	10,822	11,872	14,193	16,656
EBITDA	1,610	1,606	0.2	1,776	(9.3)	3,233	4,894	6,243	6,261	7,560	9,259
APAT	1,333	1,301	2.5	1,402	(4.9)	2,759	4,191	5,266	5,033	6,071	7,410
Diluted EPS (INR)	6.4	6.2	2.5	6.7	(4.9)	13.2	20.1	25.2	24.1	29.0	35.5
P/E (x)						93.7	61.7	49.1	51.4	42.6	34.9
EV / EBITDA (x)						76.7	50.4	39.0	38.7	31.7	25.6
RoE (%)						23.9	31.3	32.7	27.0	29.1	31.5
Cash/Mcap (%)						3.4	3.7	4.7	4.9	5.7	6.6

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

INR Mn	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	12,181	11,872	-2.5	14,641	14,193	-3.1	17,271	16,656	-3.6
EBITDA	6,658	6,261	-6.0	8,177	7,560	-7.5	10,076	9,259	-8.1
EBITDAM (%)	54.7	52.7	-192bps	55.8	53.3	-258bps	58.3	55.6	-275bps
APAT	5,265	5,033	-4.4	6,489	6,071	-6.4	7,983	7,410	-7.2
EPS (INR)	25.2	24.1	-4.4	31.0	29.0	-6.4	38.2	35.5	-7.2

Source: Company, HSIE Research

ADD

CMP (as on 02 Feb 2026)	INR 1,240
Target Price	INR 1,520
NIFTY	25,088

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,570	INR 1,520
EPS %	FY27E -6.4%	FY28E -7.2%

KEY STOCK DATA

Bloomberg code	CDSL IN
No. of Shares (mn)	209
MCap (INR bn) / (\$ mn)	259/2,825
6m avg traded value (INR mn)	2,798
52 Week high / low	INR 1,829/1,047

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(22.1)	(16.3)	(5.3)
Relative (%)	(19.3)	(17.7)	(10.7)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	15.00	15.00
FIs & Local MFs	14.18	15.12
FPIs	11.54	12.40
Public & Others	59.28	57.49
Pledged Shares	0.00	0.00

Source : NSE

Pledged shares as % of total shares

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Zensar Technologies

Margin beat despite revenue weakness

Zensar delivered a weak revenue performance, posting a 1.3% QoQ decline in CC terms due to continued weakness in the TMT vertical (-8.8% QoQ) and furloughs. However, despite the subdued topline, the company demonstrated strong operational execution, expanding EBITDA margin to 17.5% (+200bps QoQ), supported by disciplined cost controls and higher offshore leverage. Management reiterated that BFS remains the key growth engine while TMT continues to drag performance. TCV bookings were robust at USD 180.2mn, resulting in a Q3 book-to-bill ratio of 1.1x (vs 1x in Q2). The company reinforced its focus on building an AI-native organization, integrating AI across delivery and operations, with ~60% of its workforce now AI-certified and ~20% of the current order book AI-influenced. Zensar expects AI-led transformation to increasingly drive client value creation. Despite persistent TMT softness, the company has maintained its mid-teen margin outlook and remains focused on protecting profitability. It also plans incremental investments in AI capabilities and sales to accelerate growth. We cut our earnings estimates by ~2-3% and reiterate ADD with a target price of INR 900, based on 22x Mar-28E EPS.

- **Q3FY26 highlights:** (1) Zensar's revenue at USD 160.5mn was higher than our estimate of USD 159.5mn, -1.3% QoQ CC. (2) Within verticals, Manufacturing & Consumer Services grew 3.4% QoQ CC. BFSI/HLS/TMT declined 0.3/2.3/8.7% QoQ CC respectively. HLS faced headwinds due to vendor consolidation in some key clients. TMT is witnessing a shift in spending with clients focused on AI hardware and increasing insourcing. (3) Within geographies, UK/Europe was up +2.6% QoQ CC, followed by South Africa (+0.3% QoQ CC), while the US was down -2.8% QoQ CC. (4) EBITDA margin at 17.5% (+199 bps QoQ) was better than our estimate of 15.8%. Higher share of offshore in the mix (+140bps), leave utilization (+100bps), other operational efficiencies (+70bps), and forex tailwinds (+70bps) offset the impact of seasonal furloughs (-100bps) and full-quarter impact of ESOP costs (-90bps). (5) TCV bookings stood at USD 180.2mn, +13.5% QoQ, with a book to bill ratio of 1.12x. (6) Management maintained its long-term margins guidance in the mid-teen range.
- **Outlook:** We expect USD revenue growth of 4.1/8.5/10.5% and an EBITDA margin of 16.2/15.7/16.1% for FY26/27/28E respectively, resulting in revenue/EPS CAGRs of 7.7/12.8% over FY25-28E.

Quarterly Financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	161	157	2.3	163	(1.4)	592	624	650	705	779
Net Sales	14.31	13.26	7.9	14.21	0.7	49.02	52.81	57.11	63.13	70.52
EBIT	2.30	1.83	25.3	1.95	17.9	7.38	7.15	8.29	8.88	10.22
APAT	2.25	1.60	40.9	1.82	23.6	6.65	6.50	7.85	8.18	9.32
Diluted EPS (INR)	9.8	7.0	40.0	7.9	23.2	29.1	28.4	34.4	35.8	40.8
P/E (x)						25.6	26.2	21.7	20.8	18.3
EV / EBITDA (x)						16.8	17.5	14.9	13.3	11.1
RoE (%)						20.0	16.6	17.6	16.4	16.8

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	649	650	0.2	716	705	-1.4	802	779	-2.8
Revenue	57.01	57.11	0.2	64.05	63.13	-1.4	72.57	70.52	-2.8
EBIT	7.92	8.29	4.7	9.07	8.88	-2.2	10.56	10.22	-3.2
EBIT margin (%)	13.9	14.5	63bps	14.2	14.1	-10bps	14.6	14.5	-5bps
APAT	7.35	7.85	6.8	8.33	8.18	-1.8	9.58	9.32	-2.7
EPS (INR)	32.2	34.4	6.8	36.4	35.8	-1.8	41.9	40.8	-2.7

Source: Company, HSIE Research

ADD

CMP (as on 23 Jan 2026)	INR 705
Target Price	INR 900
NIFTY	25,049

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 920	INR 900
EPS %	FY27E	FY28E
	-1.8	-2.7

KEY STOCK DATA

Bloomberg code	ZENT IN
No. of Shares (mn)	227
MCap (INR bn) / (\$ mn)	160/1,743
6m avg traded value (INR mn)	366
52 Week high / low	INR 985/536

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(12.0)	(13.6)	(15.8)
Relative (%)	(8.5)	(12.2)	(22.3)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	49.02	49.01
FIs & Local MFs	22.24	23.12
FPIs	13.30	11.80
Public & Others	15.44	16.07
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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IndiaMART InterMESH

Net additions weak; collections strong

IndiaMART delivered a decent quarter with revenue growth of +2.7% QoQ / +13.4% YoY, supported by strong cash collection growth of +17% YoY. Revenue growth was driven by ARPU expansion (+3.1% QoQ / +6.5% YoY) led by price hikes and package upgrades among gold and platinum customers. However, this was partly offset by a decline in net subscriber additions (~1K QoQ, the lowest in the last four quarters) due to price hikes and continued churn. The impact of price increases is expected to weigh on net additions in the coming quarters, with revenue growth primarily supported by ARPU expansion, guided at 6–8% YoY. Despite several initiatives to reduce churn in the silver bucket, improvement remains limited, though overall platform experience has enhanced with better-quality RFQs for sellers. Traffic and unique business enquiry growth have moderated but are expected to recover with marketing initiatives. We expect ARPU growth of ~7% YoY and a pick-up in supplier additions by FY27E. PAT increased in the quarter due to a one-time remeasurement gain of ~INR 824mn from Baldor Technologies. We trim our estimates by ~1% and maintain BUY with a DCF-based TP of INR 2,710 (~26x FY28E EPS), factoring in revenue/PAT CAGR of 17%/20% over FY26–28E.

- **Q3FY26 highlights:** (1) Q3 revenue stood at INR 4.02bn, +2.7/13.4% QoQ/YoY. Gold and platinum customers contributed ~75% to revenue and the net additions to paid suppliers declined by ~1,000. (2) EBITDA margin stood at 33.4%, marginally up 24bps QoQ, due to decrease in outsource sales cost (~23% QoQ). (3) In Q3FY26, BUSY revenue increased by 10% QoQ to INR 0.32bn and EBITDA margin declined to 19% vs 21% in Q2FY26. (4) Standalone EBITDA margin stood at 36.7%, +474bps QoQ, given the 34% QoQ decline in G&A cost. (5) Top 1/10 supplier ARPU stood at 1,103K/333K, +5.7/8% YoY. (6) Top 10% of customers account for 50% of revenue. (7) PAT stood at INR 1.88bn, an increase of 127.7% QoQ. (8) Net cash stood at INR 30.5bn (~23.8% of market cap).
- **Outlook:** We expect revenue growth of +13.6/15.8/17.8%, based on paid supplier growth of +2.3/7.0/8.8% and ARPU growth of +8.0/7.5/8.2% for FY26/27/28E. Consolidated EBITDA margin estimates stand at 33.1/32.2/32.3% for FY26/27/28E.

Quarterly financial summary

YE March (INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	4,016	3,543	13.4	3,910	2.7	11,968	13,884	15,778	18,267	21,515
EBITDA	1,342	1,382	-2.9	1,297	3.5	3,314	5,228	5,223	5,883	6,946
APAT	1,883	1,210	55.6	827	127.7	3,340	5,507	4,319	5,418	6,242
EPS	31.0	19.9	55.6	13.6	127.7	55.0	91.8	71.7	89.9	103.6
P/E (x)						38.9	23.3	29.9	23.8	20.7
EV / EBITDA (x)						32.7	19.7	18.5	15.2	11.5
RoE (%)						17.6	28.1	18.3	19.7	19.4

Source: Company, HSIE research

Change in estimates

YE March (INR mn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	15,788	15,778	-0.1	18,433	18,267	-0.9	21,768	21,515	-1.2
EBITDA	5,263	5,223	-0.8	5,936	5,883	-0.9	7,054	6,946	-1.5
EBITDA margin (%)	33.3	33.1	-23 bps	32.2	32.2	0 bps	32.4	32.3	-12 bps
APAT	4,336	4,319	-0.4	5,457	5,418	-0.7	6,322	6,242	-1.3
EPS (Rs)	71.9	71.7	-0.3	90.5	89.9	-0.6	104.8	103.6	-1.2

Source: Company, HSIE Research

BUY

CMP (as on 20 Jan 2026)	INR 2,142
Target Price	INR 2,710
NIFTY	25,233

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,740	INR 2,710
	FY26E	FY27E
EPS %	-0.3	-0.6

KEY STOCK DATA

Bloomberg code	INMART IN
No. of Shares (mn)	60
MCap (INR bn) / (\$ mn)	129/1,415
6m avg traded value (INR mn)	283
52 Week high / low	INR 2,799/1,835

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.3)	(19.3)	(4.9)
Relative (%)	(5.7)	(19.8)	(11.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	49.17	49.12
FIs & Local MFs	13.00	16.41
FPIs	21.53	18.27
Public & Others	16.38	16.15
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Cyient

Improvement visibility with margin stability

Cyient's Q3FY26 results reflected a steady performance, with the DET segment delivering 1.9% QoQ CC revenue growth to USD 167mn and a normalized EBIT margin uptick of 25bps to 12.4%, despite the impact of wage hikes. The improvement was supported by momentum in Transportation & Mobility (up 2.9% QoQ) and Networks & Infrastructure (up 2.5% QoQ), along with better cash generation and better client mining. The Semiconductor business posted robust 10.7% QoQ growth with stabilizing margins, while DLM sustained double-digit EBITDA margins despite softer revenues. Management expects DET margins in H2 to exceed H1 levels and is confident of achieving a ~15% EBIT margin by Q4FY27E, aided by growth recovery, AI-led efficiencies, and monetization of earlier investments. The Semiconductor segment is on track to reach EBIT neutrality by FY27E, and DLM is expected to maintain double-digit EBITDA margins, supported by disciplined execution and a healthy pipeline in a gradually improving macro environment. We maintain ADD with a target price of INR 1,470, based on 18x Mar-28E DET EPS and adding INR 117/share for Cyient DLM.

- **Q3FY26 highlights:** (1) DET revenue stood at USD 167mn, up 1.9% QoQ CC (in line with our estimate) despite seasonality and impact of furloughs. (2) Transportation & mobility grew 2.9% QoQ CC, driven by strong demand in aerospace. Networks & infrastructure grew 2.5% QoQ CC, led by connectivity, while the utilities sub-segment also showed solid performance despite previously anticipated project ramp-downs. Strategic units declined 0.2% QoQ CC. (3) DET EBIT margin improved 25bps QoQ to 12.4% (vs our estimate of 12.3%). Margin expansion was achieved despite the headwind of a third tranche of wage hikes. This was mitigated through cost optimization programs and recovering revenue momentum. (4) Management expects to achieve 15% EBITM for DET business by Q4FY26, driven by recovering revenue momentum, internal and external AI adoption, and monetization of earlier investments in technology.
- **Outlook:** We have factored in -0.9/+7.9/9.7% DET USD revenue growth for FY26/27/28E. The DET margin is estimated at 12.4/13.2/14.1% for FY26/27/28E, resulting in a consolidated revenue/EPS CAGR of +5/12% over FY25-28E.

Quarterly Financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	207	228	(9.1)	204	1.9	863	853	823	899	1,005
Net Sales	18.49	19.26	(4.0)	17.81	3.8	71.47	73.60	72.45	80.47	90.91
EBIT	1.75	2.19	(20.3)	1.67	4.5	10.36	8.84	7.26	9.32	11.37
APAT	1.28	1.28	0.2	1.27	0.8	7.41	6.22	5.80	7.12	8.76
Diluted EPS (INR)	11.6	11.6	0.2	11.5	0.8	67.1	56.3	52.5	64.5	79.3
P/E (x)						16.9	20.1	21.6	17.6	14.3
EV / EBITDA (x)						9.2	9.9	10.8	8.6	7.1
RoE (%)						19.2	13.0	10.6	12.3	14.2

Source: Company, HSIE Research, Consolidated Financials, USD revenue is DET business

Change in Estimates

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	832	823	-1.0	915	899	-1.8	1,029	1,005	-2.3
Revenue	73.19	72.45	-1.0	81.91	80.47	-1.8	93.09	90.91	-2.3
EBIT	7.57	7.26	-4.1	9.20	9.32	1.4	11.33	11.37	0.4
EBIT margin (%)	10.3	10.0	-32bps	11.2	11.6	36bps	12.2	12.5	34bps
APAT	6.13	5.80	-5.4	7.07	7.12	0.6	8.79	8.76	-0.4
EPS (INR)	55.5	52.5	-5.4	64.1	64.5	0.6	79.6	79.3	-0.4

Source: Company, HSIE Research, USD revenue is DET business

ADD

CMP (as on 22 Jan 2026)	INR 1,134
Target Price	INR 1,470
NIFTY	25,290

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,430	INR 1,470
EPS %	FY27E	FY28E
	+0.6	-0.4

KEY STOCK DATA

Bloomberg code	CYL IN
No. of Shares (mn)	111
MCap (INR bn) / (\$ mn)	126/1,376
6m avg traded value (INR mn)	556
52 Week high / low	INR 1,808/1,050

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.7)	(10.8)	(33.6)
Relative (%)	(2.2)	(10.9)	(41.3)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	23.28	23.29
FIs & Local MFs	38.41	39.49
FPIs	17.56	15.28
Public & Others	20.75	21.94
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Birlasoft

Strong deal wins; margin recovery impressive

Birlasoft (BSOFT) delivered muted revenue performance with 0.3% QoQ CC growth, which came in below our expectations, while adjusted EBITDA margins expanded sharply to 17.1% (+105bps QoQ), led by offshoring, utilization improvement and currency support. Growth was primarily led by manufacturing and ERP milestones that offset seasonal furlough impacts in BFSI and Lifesciences. The management indicated that manufacturing and ERP will remain soft in Q4 as ramp-ups were one-time events. Growth recovery is anticipated in Lifesciences and Manufacturing verticals in 1HFY27E. Overall growth will be supported by a strong TCV of USD 202mn (+89% QoQ), with ~46% of these signings are net-new engagements that facilitate a strategic shift toward more profitable, outcome-based model. Near-term challenges include fewer working days in Q4, pricing pressures on renewals, and focus on cost optimization over discretionary spending. To capitalize on the AI-led opportunity, Birlasoft is making focused investments in AI and has secured wins in conversational AI, Agentic capabilities, and AI-enabled manufacturing. The sustainable long-term margin target is ~15% and the tax rate will normalize in FY27E. We expect growth recovery in FY27E and increase our estimate by ~1% and maintain BUY with a target price of INR 530, based on 22x Mar-28E EPS.

- **Q3FY26 highlights:** (1) BSOFT's revenue came in at USD 151mn (below our estimate of USD 152mn), up 0.3% QoQ CC. (2) Within verticals, Manufacturing led the growth (+3.1% QoQ) due to ramp-up of deals won earlier while BFSI declined 2% QoQ due to seasonality. Energy & utilities, and Lifesciences were down 2.8/0.4% respectively. (3) Total TCV at USD 202mn was driven by deals shifting from Q2 to Q3. ~50% of the deals won were net new. (4) EBITDA margin expanded to 18.2% (+212bps QoQ) driven by better operational efficiencies, higher share of offshore and fixed price business, FX tailwinds (+70ps), and one-off relating to excess provision reversal from the earlier quarter (+110bps). The sustainable EBITDA margin excluding one-offs is expected to be 15%.
- **Outlook:** We expect BSOFT's revenue to decline 4.9% YoY in FY26E and grow thereafter by 6.7/11% in FY27/28E, respectively. EBITDAM is factored in at 14.9/14.2/14.5% for FY26/27/28E respectively, implying an EPS CAGR of 9% over FY25-28E (~19% CAGR over FY26-28E).

Quarterly financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	151	161	-6.2	151	0.1	637	635	604	645	716
Net Sales	13.48	13.63	-1.1	13.29	1.4	52.78	53.75	53.23	57.71	64.79
EBIT	2.25	1.42	58.1	1.93	16.4	7.51	6.12	7.14	7.31	8.44
APAT	1.45	1.17	24.3	1.16	25.2	6.11	5.17	4.80	5.93	6.80
Diluted EPS (INR)	5.2	4.2	22.7	4.2	25.1	22.2	18.8	17.2	21.3	24.4
P/E (x)						18.1	21.4	23.3	18.9	16.5
EV / EBITDA (x)						11.2	12.6	10.9	10.3	8.6
RoE (%)						22.3	15.8	13.3	15.2	15.8

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	609	604	(0.7)	653	645	(1.3)	723	716	(0.9)
Revenue	53.58	53.23	(0.7)	58.49	57.71	(1.3)	65.40	64.79	(0.9)
EBIT	6.39	7.14	11.9	7.22	7.31	1.2	8.29	8.44	1.8
EBIT margin (%)	11.9	13.4	150bps	12.3	12.7	32bps	12.7	13.0	35bps
APAT	4.19	4.80	14.7	5.89	5.93	0.6	6.71	6.80	1.2
EPS (INR)	15.0	17.2	14.7	21.2	21.3	0.6	24.1	24.4	1.2

Source: Company, HSIE Research

BUY

CMP (as on 28 Jan 2026)	INR 403
Target Price	INR 530
NIFTY	25,343

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 530	INR 530
EPS %	FY27E +0.6	FY28E +1.2

KEY STOCK DATA

Bloomberg code	BSOFT IN
No. of Shares (mn)	279
MCap (INR bn) / (\$ mn)	112/1,222
6m avg traded value (INR mn)	654
52 Week high / low	INR 542/330

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.7	4.5	(22.4)
Relative (%)	9.4	2.7	(30.9)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	40.53	40.51
FIs & Local MFs	21.92	24.11
FPIs	11.26	10.91
Public & Others	26.29	24.47
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Sonata Software

Near-term challenges; recovery underway

Sonata Software delivered a muted performance with IITS revenue growth of +0.3% QoQ in CC terms, impacted by client-specific challenges, while margins surprised positively. IITS EBITDA margin expanded 220bps QoQ to 19.5%—its highest in eight quarters—driven by operational efficiencies and early AI adoption, partially offset by a 70bps impact from salary increments. Growth was affected by headwinds in three of the top ten clients, including budget constraints and reorganization at a major BFSI client, budget pressures in a large TMT account, and an unexpected ramp-down in a retail client. Management expects a rebound in BFSI from Q4 and a recovery in retail by Q1. The deal pipeline remains modernization-led, with Cloud and Data contributing 57% of total opportunities and AI-led wins forming 14% of the order book (vs. 10% in Q2). In the DPS business, which was impacted by a large client transitioning to a direct-billing model, focus areas include the SMC segment, expanding ISV partnerships with Oracle and IBM, and pursuing large system integration deals to revive growth. Given ongoing headwinds, we trim our FY27/28E revenue and EPS estimates by ~3–5% and maintain a BUY rating with a SoTP-based TP of INR 470, valuing IITS at 25x and DPS at 17x, implying a blended P/E of 22x on Mar-28E EPS.

- **Q3FY26 highlights:** (1) IITS revenue stood at USD 82.3mn, +0.3% QoQ CC, in line with our estimate of USD 82.1mn. (2) Among the verticals, large deal wins announced earlier led to growth in healthcare (+14.7% QoQ) and TMT (+0.4% QoQ); which was offset by decline in BFSI (-31.3% QoQ). Ramp down in largest BFSI, TMT, and RMD clients impacted revenue growth in Q3. The impact of ramp down in a large retail client would be more evident in Q4FY26E. (3) IITS EBITDA margin improved 220bps QoQ to 19.5% (HSIE 17.5%), driven by operational improvement across SG&A, better delivery efficiency, and cost optimization. The annual compensation revision was rolled out in Q2 and Q3, and it impacted Q3 margins by 70bps. (4) DPS EBITDA margin stood at 2.4% (-95bps QoQ) but GC improved 11% QoQ. (5) The company has won two large deals (both in BFSI) and 37% of the large deals are with Fortune-500 clients in Q3. The pipeline continues to remain strong, with 40% of the active pipeline consisting of large deals.
- **Outlook:** We expect IITS growth of -1.9/8.3/12.3% and DPS growth of 10.6/8/8% for FY26/27/28E respectively. IITS margin is estimated at 18/18.1/18.6% for FY26/27/28E. DPS GC is expected to achieve YoY growth in 2-3 quarters. IITS revenue/consolidated EPS CAGR for FY25-28E is expected to be +6/12%.

Quarterly financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	82.3	87.0	(5.4)	82.0	0.4	323.6	335.6	329.2	356.5	400.2
Net Sales	30.81	28.43	8.4	21.19	45.4	86.13	101.57	110.24	119.46	130.78
EBIT	1.74	1.31	32.3	1.46	18.6	5.96	5.68	6.01	6.61	7.62
APAT	1.36	1.05	29.2	1.20	12.9	4.83	4.25	4.74	5.14	5.94
Diluted EPS (INR)	4.8	3.7	29.2	4.3	12.9	17.2	15.1	16.9	18.3	21.2
P/E (x)						17.8	20.2	18.1	16.7	14.4
EV / EBITDA (x)						13.1	13.4	12.5	11.1	9.5
RoE (%)						35.7	27.3	26.0	24.8	25.3

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	329.6	329.2	(0.1)	365.7	356.5	(2.5)	417.6	400.2	(4.2)
Revenue	105.82	110.24	4.2	115.57	119.46	3.4	127.26	130.78	2.8
EBIT	5.89	6.01	2.0	6.83	6.61	(3.3)	8.04	7.62	(5.1)
EBIT margin (%)	5.6	5.4	-12bps	5.9	5.5	-38bps	6.3	5.8	-48bps
APAT	4.55	4.74	4.0	5.31	5.14	(3.1)	6.25	5.94	(4.9)
EPS (INR)	16.2	16.9	4.0	18.9	18.3	(3.1)	22.3	21.2	(4.9)

Source: Company, HSIE Research

BUY

CMP (as on 06 Feb 2026)	INR 306
Target Price	INR 470
NIFTY	25,694

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 500	INR 470
EPS %	FY27E	FY28E
	-3.1	-4.9

KEY STOCK DATA

Bloomberg code	SSOF IN
No. of Shares (mn)	280
MCap (INR bn) / (\$ mn)	86/946
6m avg traded value (INR mn)	609
52 Week high / low	INR 569/286

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(16.4)	(11.9)	(44.5)
Relative (%)	(16.7)	(15.6)	(51.6)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	28.17	28.17
FIs & Local MFs	26.33	26.31
FPIs	8.85	8.79
Public & Others	37.50	36.73
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Mastek

Revenue miss; order book expansion

Mastek reported a weak Q3FY26, with revenue declining 4.8% QoQ in CC, impacted by higher-than-expected furloughs, primarily in the UK Secure Government Services (SGS) segment (impact of USD 2.7mn, ~2.5%), delays in ramp-ups, and ongoing restructuring in the Middle East. Despite the revenue decline, EBITDA margin improved 60bps QoQ, aided by AI-led efficiency gains. The 12-month order backlog grew 18.4% YoY to USD 296mn, supported by three key wins with the UK Home Office, UK Financial Regulator (net new), and UK Healthcare Systems. Several Oracle-led transformation programs went live during Q3, while the commencement of new programs shifted to Q4, which impacted Q3 revenue. The US leadership changes are over and with order bookings of USD 30mn, management believes the worst is behind. UK government remains the key focus area and the company is building AI led data engineering capability and delivering ~15%+ efficiency gains to clients. Management expects growth to accelerate with an EBITDA margin target of 16.5–17.0%. However, considering macro uncertainty, delayed ramp-ups, and AI-driven pricing pressure in select SGS accounts, we trim our FY27/28E EPS estimates by ~3-5%. We maintain our BUY rating on the stock with a TP of INR 3,100, based on 20x Mar-28E EPS.

- **Q3FY26 highlights:** (1) Mastek reported revenue at USD 102.1mn (lower than our estimate of USD 109mn), 4.8% QoQ CC decline due to higher furloughs and right-shift of a few engagements to Q4FY26. The UK geography declined 3.2% QoQ, impacted by decline in government services, and US declined by 6.4% QoQ, impacted by macro uncertainties, causing clients to delay decisions, and AMEA declined by 16.3% QoQ. (2) De-growth was broad-based across all the verticals: Government (-3.8% QoQ), Financial Services (-5.5% QoQ), Retail (-8.2% QoQ), Healthcare (-7.2% QoQ) and Manufacturing (-5.9% QoQ). (3) EBITDA margin improved 60bps QoQ to 16.1% (vs HSIE est. of 15.9%) driven by operational efficiencies (+43bps) and forex tailwinds (+17bps). The one-time impact of labor code changes (-70bps) was negated by benefit of leave accumulation reversal at onsite. (4) Among services, Digital & Applications de-grew -3.9% QoQ, Oracle declined -5.7% QoQ, Digital Commerce de-grew -9.6% QoQ and Data de-grew -8.9% QoQ.
- **Outlook:** We expect USD revenue growth of 3.6/7.8/11.8% in FY26/27/28E and an EBITDA margin of 15.8/15.9/16.5% in FY26/27/28E, resulting in EPS CAGR of ~10% over FY25-28E.

Quarterly Financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	102	103	(0.8)	108	(5.6)	368	408	423	456	510
Net Sales	9.06	8.70	4.2	9.40	(3.7)	30.55	34.55	37.05	40.84	46.18
EBIT	1.28	1.24	2.9	1.28	0.1	4.19	4.71	5.11	5.71	6.73
APAT	1.08	0.91	19.4	0.97	11.2	3.04	3.68	4.02	4.27	4.91
Diluted EPS (INR)	34.26	28.68	19.4	30.81	11.2	96.2	116.4	127.1	135.0	155.2
P/E (x)						22.6	18.7	17.1	16.1	14.0
EV / EBITDA (x)						13.6	12.5	11.1	9.4	7.7
RoE (%)						16.1	16.2	15.3	14.4	14.7

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	437	423	(3.2)	486	456	(6.2)	549	510	(7.0)
Revenue	38.35	37.05	(3.4)	43.54	40.84	(6.2)	49.64	46.18	(7.0)
EBIT	5.20	5.11	(1.7)	6.22	5.71	(8.3)	7.07	6.73	(4.8)
EBIT margin (%)	13.6	13.8	24bps	14.3	14.0	-32bps	14.2	14.6	33bps
APAT	3.81	4.02	5.5	4.49	4.27	(5.0)	5.08	4.91	(3.3)
EPS (INR)	120.6	127.1	5.5	142.1	135.0	(5.0)	160.6	155.2	(3.3)

Source: Company, HSIE Research

BUY

CMP (as on 21 Jan 2026)	INR 2,175
Target Price	INR 3,100
NIFTY	25,158

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 3,200	INR 3,100
EPS %	FY27E	FY28E
	-5.0	-3.3

KEY STOCK DATA

Bloomberg code	MAST IN
No. of Shares (mn)	31
MCap (INR bn) / (\$ mn)	67/735
6m avg traded value (INR mn)	391
52 Week high / low	INR 2,818/1,883

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	5.3	(18.5)	(17.2)
Relative (%)	8.3	(18.2)	(25.2)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	35.95	35.79
FIs & Local MFs	10.52	11.53
FPIs	11.04	11.24
Public & Others	42.49	41.44
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Tanla Platforms

Growth recovery with better margins; valuations attractive

Tanla reported revenue growth of +3.9% QoQ and +12.1% YoY, driven by the enterprise segment (+4.0% QoQ) and platform business (+3.3% QoQ). Enterprise growth was volume-led with stable pricing, supported by strong OTT growth of 7.8% QoQ powered by WhatsApp and RCS. We expect enterprise momentum to be sustained by continued OTT adoption by enterprise clients and government, recovery in domestic messaging volumes, pricing revisions by telcos, and stability in ILD. The platform segment grew 3.3% QoQ, led by Trubloq and RCS traction. GM expanded by 100bps QoQ, primarily aided by improved sourcing efficiency in the enterprise segment. The regulatory impact on the gaming industry has bottomed out, with growth recovery driven by the >500mn customer cohort (~44% of revenue), which rose 20.7% QoQ as client count increased by 4 to 19 in the quarter. Strategic priorities remain focused on global expansion, OTT leadership, and scaling the platform business. We maintain our estimates and reiterate BUY with a TP of INR 760, based on 16x Dec-27E EPS. The stock is trading at 12.4/11.4x FY26/27E EPS, with RoE of 24% for FY25, a net cash position at 14% of market cap, and an FCF yield of 8%.

- **Q3FY26 highlights:** The enterprise revenue increased by +4.0/12.7% QoQ/YoY to INR 10.19bn and total gross margin also increased 100bps QoQ to 27.6%. Excluding OTT, the enterprise segment increased 2.2% QoQ and OTT revenue stood at INR 3.48bn, up 7.8/67% QoQ/YoY. In Q3FY26, 81 new customers were added. Platform revenue stood at INR 1bn, +3.1%/6.0%, QoQ/YoY and gross margin was 98.4%, down 15bps sequentially. The EBITDA margin at 17% was up 54bps QoQ and APAT stood at INR 1.31bn, up 5.1/10.8% QoQ/YoY. The >INR500mn revenue bucket saw an increase of 20.7% QoQ. However, the INR 100-500mn bucket revenue decreased by 15.9% QoQ. Net cash stands at INR 9.4bn, ~15% of the market cap.
- **Outlook:** We estimate a 10% revenue CAGR over FY25-28E, led by CAGRs of +9/4/24% from the platform/Enterprise (ex-OTT)/OTT segment. We estimate 9.5% EPS CAGR over FY25-28E.

Quarterly financial summary

YE March (INR bn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenues	11.21	10.00	12.1	10.78	3.9	33.54	39.28	40.28	43.91	48.29	53.45
Gross Profit	3.09	2.61	18.7	2.87	7.8	8.36	10.56	10.51	11.73	13.04	14.70
EBITDA	1.91	1.63	16.6	1.77	7.4	5.88	7.32	6.91	7.23	7.87	9.13
APAT	1.31	1.19	10.8	1.25	5.1	4.48	5.48	5.07	5.16	5.59	6.56
DEPS (INR)	9.8	8.8	10.7	9.4	3.5	33.0	40.7	37.7	38.9	42.2	49.5
P/E (x)						14.6	11.8	12.8	12.4	11.4	9.7
EV/EBITDA (x)						10.0	8.0	8.0	7.1	6.2	5.1
ROE (%)						31.2	31.7	24.1	21.3	20.4	21.4

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

INR bn	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	43.24	43.91	1.5	47.86	48.29	0.9	53.71	53.45	(0.5)
EBITDA	7.02	7.23	3.0	7.79	7.87	1.0	9.09	9.13	0.4
EBITDA (%)	16.2	16.5	23bps	16.3	16.3	3bps	16.9	17.1	16bps
APAT	5.02	5.16	2.9	5.57	5.59	0.5	6.57	6.56	(0.1)
EPS (INR)	37.8	38.9	2.9	42.0	42.2	0.5	49.5	49.5	(0.1)

Source: HSIE Research

BUY

CMP (as on 23 Jan 2026)	INR 481
Target Price	INR 760
NIFTY	25,049

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 750	INR 760
EPS %	FY26E 2.9%	FY27E 0.5%

KEY STOCK DATA

Bloomberg code	TANLA IN
No. of Shares (mn)	133
MCap (INR bn) / (\$ mn)	64/694
6m avg traded value (INR mn)	462
52 Week high / low	INR 766/409

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(22.7)	(29.1)	(22.2)
Relative (%)	(19.2)	(27.7)	(28.7)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	46.17	46.17
FIs & Local MFs	0.76	0.30
FPIs	9.06	8.34
Public & Others	43.54	44.72
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Happiest Minds Technologies

AI-led growth acceleration; margin focus

HAPPSTMN delivered a steady Q3 performance, with revenue growth in line with expectations and margins exceeding forecasts. The company reported +1.2% QoQ CC revenue growth, driven by the BFSI and healthcare verticals. This company clocked 10.2% CC growth for 9MFY26, in line with the target to deliver double-digit CC revenue growth for FY26E. The management remains confident in its multi-year growth trajectory, supported by the scaling GBS unit and an improving deal pipeline with greater visibility. The GBS unit turned profitable in Q3, marking an important milestone, and continues to broaden its suite of replicable AI solutions. HAPPSTMN plans to increase its AI team to 1,000 people by the end of FY27E. The demand environment remains selective, with momentum centered around workflow automation using GenAI and Agentic AI, AI-enabled productivity, and modernization of core platforms. The FY26E outlook is maintained, targeting CC revenue growth of >10% and EBITDA margins in the 20–22% band (including other income). We maintain our BUY rating on HAPPSTMN with a TP of INR 670, based on 30x Mar-28E EPS, supported by a 13/21% revenue/EPS CAGR over FY25–28E.

- **Q3FY26 highlights:** (1) Revenue came in at USD 65.7mn (vs HSIE USD 65.8mn), +1.2% QoQ CC, supported by healthy growth in healthcare (+16% QoQ), BFSI (+3.7% QoQ) and industrial verticals (+2.4% QoQ). (2) GBS revenue grew 50% QoQ and turned profitable in Q3, driven by improved execution discipline and more use cases moving from pilots to production. (3) EBITDA margin stood at 18.2% (+100bps QoQ), led by operational efficiencies, favorable forex, GBS turning profitable, and improved utilization, partially offset by fewer working days and a forex loss (INR 62mn). (4) Q4 revenue growth is expected to be driven by continued momentum in BFSI, healthcare, and GBS while stability is expected in retail and hi-tech verticals. Management has maintained its revenue growth target of 10% plus CC for FY26 with EBITDA margin in the 20-22% range.
- **Outlook:** We have factored in USD revenue growth of 7.8% for FY26E (4.8% organic) and 14/17% for FY27/28E. EBITM has been factored in 13.7/14.9/15.4% for FY26/27/28E. At CMP, HAPPSTMN is trading at 22/17x FY27/28E, lower than its historical average multiple of 48x.

Quarterly financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	66	63	4.8	65	1.0	196	244	263	299	350
Net Sales	5.88	5.31	10.7	5.74	2.4	16.25	20.61	23.14	26.78	31.64
EBIT	0.85	0.73	16.6	0.76	11.2	2.78	2.66	3.18	4.00	4.86
APAT	0.57	0.50	13.1	0.54	4.9	2.38	1.93	2.26	2.77	3.44
Diluted EPS (INR)	3.7	3.3	13.1	3.5	4.9	15.6	12.7	14.8	18.2	22.6
P/E (x)						25.2	31.0	26.5	21.6	17.4
EV / EBITDA (x)						15.2	16.2	14.0	11.3	9.3
RoE (%)						20.5	12.7	13.9	15.8	18.0

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	264	263	(0.3)	303	299	(1.1)	353	350	(1.0)
Revenue	23.21	23.14	(0.3)	27.08	26.78	(1.1)	31.95	31.64	(1.0)
EBIT	3.29	3.18	(3.2)	4.06	4.00	(1.6)	4.95	4.86	(1.8)
EBIT margin (%)	14.2	13.7	-42bps	15.0	14.9	-7bps	15.5	15.4	-13bps
APAT	2.37	2.26	(4.8)	2.91	2.77	(5.0)	3.62	3.44	(4.9)
EPS (INR)	15.6	14.8	(4.8)	19.1	18.2	(5.0)	23.7	22.6	(4.9)

Source: Company, HSIE Research

BUY

CMP (as on 10 Feb 2026)	INR 394
Target Price	INR 670
NIFTY	25,935

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 710	INR 670
	FY27E	FY28E
EPS %	-5.0	-4.9

KEY STOCK DATA

Bloomberg code	HAPPSTMN IN
No. of Shares (mn)	152
MCap (INR bn) / (\$ mn)	60/662
6m avg traded value (INR mn)	188
52 Week high / low	INR 774/382

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(21.8)	(33.6)	(40.9)
Relative (%)	(22.7)	(39.1)	(49.9)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	44.21	44.21
FIs & Local MFs	10.20	9.63
FPIs	5.39	5.89
Public & Others	40.20	40.27
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Route Mobile

Focus on higher-margin business; valuations attractive

Route Mobile's Q3 performance was defined by a strategic transformation toward higher-margin business, resulting in a gross profit margin expansion to 24.5% (+340/243bps improvement YoY/QoQ). While revenue witnessed a 6.5% YoY and 1.1% QoQ decline due to a deliberate shift away from low-margin ILD messaging, absolute gross profit grew 8.6% YoY. The company's growth strategy emphasizes on high-margin OTT solutions like WhatsApp and RCS (new products revenue grew 14.5% YoY for 9M) alongside specialized telco offerings such as firewalls and network API platforms through the Konera initiative. Domestic messaging trends show improvement, but it has a lower price points compared to international business and require higher volumes but yield superior margins. To propel future growth Route Mobile is leveraging its partnership with Proximus Global and global SIs like Infosys and TechM. This strategic direction is further strengthened by the elevation of Tushar Agnihotri as the new CEO, who brings over 30 years of experience. We reduce our revenue estimate by ~5-6% to factor business shifts but increase margins leading to ~2-3% cut in EPS. We maintain our ADD with a TP of INR 885, based on 14x Dec-27E EPS. The stock is trading at a PE of 10/9x FY27/28E EPS and generates a RoE of ~15% for FY25.

- **Q3FY26 highlights:** Revenue grew -1.1/6.5% QoQ/YoY to INR 11.07bn (vs our estimate of INR 11.52bn) due to a decline in ILD messaging volumes although partially offset by rise in domestic business growth. Gross profit margin expanded by 243bps QoQ to 24.5%, marking the highest level in the past eight quarters. New product sales declined 3.9% QoQ to INR 902mn. Reported EBITDA increased 7.7% QoQ to INR 1.46bn, and the EBITDA margin improved by 108bps QoQ to 13.2%, materially lower compared to the gross margin expansion of 243bps, mainly led by an increase in other expenses by 29.4% QoQ. Finance costs stood at INR 0.01bn, down by 40.1% QoQ. Revenue from India terminations (~47% of revenue) declined 13.8% YoY and international revenue increased 1.2% YoY. Net cash stood at INR 12.88bn, ~36.5% of the market cap.
- **Outlook:** We expect +8/9% revenue/EPS CAGR for FY26-28E, led by -3.9/+3.4/+12.0% revenue growth and 11.9/11.5/11.7% EBITDA margin for FY26/27/28E respectively.

Quarterly financial summary

YE March (INR bn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	11.07	11.84	-6.5	11.19	-1.1	40.23	45.76	43.95	45.44	50.89
Gross Profit	2.71	2.50	8.6	2.47	9.8	8.61	9.51	10.12	10.62	12.03
EBITDA	1.46	1.30	12.8	1.36	7.7	5.11	5.11	5.21	5.21	5.97
APAT	0.98	0.82	18.5	0.98	-0.3	3.58	3.37	3.49	3.55	4.11
Diluted EPS (INR)	15.6	13.1	18.5	15.6	-0.3	57.1	53.7	55.6	56.6	65.4
P/E (x)						10.1	10.7	10.4	10.2	8.8
EV / EBITDA (x)						6.3	5.3	4.8	4.2	3.1
RoE (%)						18.0	14.7	13.7	12.8	13.3

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

INR bn	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	44.97	43.95	-2.3	48.25	45.44	-5.8	54.03	50.89	-5.8
EBITDA	5.10	5.21	2.1	5.39	5.21	-3.3	6.11	5.97	-2.2
EBITDA margin (%)	11.3	11.9	50bps	11.2	11.5	30bps	11.3	11.7	44bps
APAT	3.36	3.49	4.0	3.68	3.55	-3.4	4.19	4.11	-2.0
EPS (INR)	53.4	55.6	4.0	58.6	56.6	-3.4	66.7	65.4	-2.0

Source: Company, HSIE Research

ADD

CMP (as on 10 Feb 2026)	INR 577
Target Price	INR 885
NIFTY	25,935

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 970	INR 885
EPS %	FY27E -3.4%	FY28E -2.0%

KEY STOCK DATA

Bloomberg code	ROUTE IN
No. of Shares (mn)	63
MCap (INR bn) / (\$ mn)	36/401
6m avg traded value (INR mn)	289
52 Week high / low	INR 1,202/561

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(15.5)	(33.2)	(51.0)
Relative (%)	(16.4)	(38.7)	(6.0)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	74.86	74.85
FIs & Local MFs	7.19	5.99
FPIs	2.98	2.74
Public & Others	14.97	16.41
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Quess Corp

Aiming for growth revival with stable margins

Quess reported a modest quarter with revenue up 2.6% QoQ, while EBITDA grew a healthy 3.8/27.5% QoQ/YoY. The General Staffing (GS) segment delivered 2.8% QoQ growth, with a margin of 1.3%, down 8bps QoQ due to seasonality from festive bonus pass-through. GS growth was affected by softness in BFSI, telecom, and consumer retail but was partly offset by strength in manufacturing and apprenticeship. Net headcount addition remained muted owing to post-festive slowdown and temporary client pauses post-labour code implementation; however, a strong rebound is expected in Q4, supported by open mandates of ~37k+. The Professional Staffing (PS) segment recorded 2.8% QoQ revenue growth and 5.2% QoQ EBITDA growth, driven by a shift toward high-margin contracts and strong GCC demand, now contributing ~72% of segment headcount. PS EBITDA margin expanded 28bps QoQ to 12.5%, with management targeting to sustain ~11-12%. Quess continues to emphasize a multi-vertical model within GS to navigate business cycles and is leveraging AI-led transformation initiatives to boost productivity and resilience. The company aims to maintain a steady ~2% margin and a consistent dividend policy. That said, labour code-related uncertainties and regulatory pressures in the BFSI vertical are weighing on growth. We trim our earnings estimates by ~5-9% but maintain our BUY rating with a TP of INR 310, valuing the stock at 18x Dec-27E EPS; at a P/E of 13x FY27E, downside remains capped.

- **Q3FY26 highlights:** Revenue stood at INR 39.30bn, with GS, IT Staffing, and Overseas contributing 86.7%, 5.9%, and 7.4%, respectively. General Staffing revenue was INR 34.09 bn, +2.8% QoQ and -2.9% YoY. EBITDA margin contracted 8 bps QoQ to 1.39%. The associate/core ratio deteriorated to 275 from 286 in Q2, while the collect-to-pay ratio remained stable at 76%. **IT Staffing** revenue was INR 2.3 bn, up 2.8/5.4% QoQ/YoY, led by the exit from low-margin business, with GCCs contributing 67% of revenue versus 69% in Q2. **Overseas Staffing** revenue stood at INR 2.9bn, flat QoQ and YoY. Growth in the Middle East, Malaysia, Singapore and the Philippines was partially offset by challenges in Singapore; however, EBITDA margin rose 83bps QoQ to 6.99%. Consolidated finance cost decreased 2.2% QoQ but increased 38.5% YoY to INR 128mn.
- **Outlook:** We expect revenue growth of 3.3/7.9/8.4% and an EBITDA margin of 1.98/1.96/2.00% in FY26/27/28E respectively, leading to revenue and EPS CAGRs of ~9% over FY25-28E.

Quarterly financial summary

YE March (INR bn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	39.30	40.19	-2.2	38.32	2.6	136.95	149.67	154.55	166.81	180.80
EBITDA	0.80	0.62	27.5	0.77	3.8	2.34	2.62	3.06	3.27	3.61
APAT	0.62	0.48	29.1	0.52	19.0	1.34	2.10	2.25	2.37	2.69
Diluted EPS (Rs)	4.16	3.22	28.9	3.50	18.9	9.0	14.2	15.1	15.9	18.0
P/E (x)						22.7	14.4	13.6	12.9	11.3
EV / EBITDA (x)						14.1	12.3	11.2	10.2	8.9
RoE (%)						5.0	19.4	19.4	17.9	17.8

Source: Company, HSIE Research

Change in estimate

YE March (INR mn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	155.63	154.55	-0.7	171.76	166.81	-2.9	189.09	180.80	-4.4
EBITDA	3.01	3.06	1.9	3.30	3.27	-0.7	3.79	3.61	-4.8
EBITDA margin (%)	1.9	2.0	5bps	1.9	2.0	4bps	2.0	2.0	-1bps
APAT	2.19	2.25	2.5	2.48	2.37	-4.4	2.95	2.69	-8.8
EPS (INR)	14.7	15.1	2.4	16.6	15.9	-4.5	19.8	18.0	-8.9

Source: Company, HSIE Research

BUY

CMP (as on 29 Jan 2026)	INR 204
Target Price	INR 310
NIFTY	25,419

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 340	INR 310
EPS %	FY27E -4.5	FY28E -8.9

KEY STOCK DATA

Bloomberg code	QUESS IN
No. of Shares (mn)	149
MCap (INR bn) / (\$ mn)	31/333
6m avg traded value (INR mn)	94
52 Week high / low	INR 379/191

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(18.4)	(31.5)	(29.1)
Relative (%)	(15.5)	(33.0)	(37.0)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	56.92	56.88
FIs & Local MFs	9.78	12.45
FPIs	14.11	9.15
Public & Others	19.19	21.52
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Teamlease Services

Client headwinds behind, focus on profitable growth

TeamLease reported a mixed quarter with strong EBITDA growth of 10.5% QoQ (~22.8% YoY in 9MFY26) and consolidated margin expansion of 14bps QoQ, while revenue declined 0.6% QoQ due to a sharp drop in associates for a BFSI staffing client, following employee insourcing, led by regulatory changes. General staffing (GS) and Degree Apprenticeship (DA) headcount fell by ~27K (the highest quarterly decline) due to this client-specific event, which management indicated is now behind, with headcount expected to recover in Q4FY26E. The HR segment grew 8.9% QoQ and turned profitable with a 7% margin, with 4Q expected to be the strongest quarter for margins. Specialized Staffing (SS) growth was led by GCCs, which now contribute ~65% of SS revenue; margins for SS are expected in the 6–7% range, with new GCC additions driving further growth. The company incurred a one-time labor expense of ~INR 57mn related to the change in labor code. Margin expansion efforts remain focused on operating leverage, group-level cost optimization, and better portfolio mix. While the full benefit of new labor codes will take time to reflect, achieving 25% EBITDA growth for FY26E appears challenging; however, we have assumed FY26E EBITDA growth of ~19% YoY. We retain our EPS estimate and retain BUY with a TP of INR 2,200, based on 20x Dec-27E EPS.

- **Q3FY26 highlights:** Consolidated revenue stood at INR 30.13bn, -0.6/+3.1% QoQ/YoY, due to a -1.0/+2.0/+8.9% QoQ increase in GS/SS/HR revenue. The GS PAPM improved to INR 680 (vs INR 669 in Q2), and the associate/core ratio decreased to 355 (-7.1% QoQ) due to drop in associates. Funding exposure remains at 14% along with DSO at 7 days. EBITDA margin for GS/SS/HR stood at 1.1/6.5/7.0%. 22 new logos were added in GS and 55% of new clients were added on variable markup; this will help in PAPM growth. SS headcount increased by 115 (~22 from TLD Global), as GCCs continued to display strength. GCCs are ~65% of SS revenue (vs 60% in Q2). 17 new logos were added in the DA segment. Net cash stood at INR 4.30bn (~17.1% of market cap).
- **Outlook:** We expect revenue growth of 7/11/19% and an EBITDA margin of 1.37/1.38/1.44% in FY26/27/28E, leading to revenue, EBITDA, and EPS CAGRs of 12%, 18%, and 21% over FY25-28E.

Quarterly financial summary

YE March (INR bn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	30.13	29.21	3.1	30.32	(0.6)	93.22	111.56	119.38	132.01	156.85
EBITDA	0.42	0.35	21.2	0.38	10.5	1.31	1.38	1.64	1.83	2.26
APAT	0.48	0.28	69.4	0.28	75.0	1.09	1.09	1.45	1.51	1.95
Diluted EPS (INR)	28.7	17.0	69.4	16.4	75.0	64.8	64.9	86.4	90.3	116.1
P/E (x)						22.7	22.7	17.1	16.3	12.7
EV / EBITDA (x)						16.1	14.1	11.2	9.5	7.0
RoE (%)						13.5	12.8	14.8	13.4	14.9

Source: Company, HSIE Research

Change in estimate

Rs Bn	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	120.26	119.38	(0.7)	133.35	132.01	(1.0)	157.05	156.85	(0.1)
EBITDA	1.62	1.64	1.4	1.84	1.83	(0.6)	2.27	2.26	(0.5)
EBITDA margin (%)	1.35	1.37	3bps	1.38	1.38	1bps	1.44	1.44	0bps
APAT	1.35	1.45	7.6	1.52	1.51	(0.6)	1.96	1.95	(0.4)
EPS (INR)	80.3	86.4	7.6	90.8	90.3	(0.6)	116.6	116.1	(0.4)

Source: Company, HSIE Research

BUY

CMP (as on 04 Feb 2026)	INR 1,491
Target Price	INR 2,200
NIFTY	25,776

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,200	INR 2,200
EPS %	FY26E -0.6	FY27E -0.4

KEY STOCK DATA

Bloomberg code	TEAM IN
No. of Shares (mn)	17
MCap (INR bn) / (\$ mn)	25/276
6m avg traded value (INR mn)	108
52 Week high / low	INR 2,499/1,355

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(11.6)	(18.7)	(37.8)
Relative (%)	(12.1)	(22.1)	(44.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	31.11	31.11
FIs & Local MFs	50.72	49.84
FPIs	6.68	6.35
Public & Others	11.46	12.67
Pledged Shares	0.00	1.61

Source : BSE

Pledged shares as % of total shares

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Oil & Gas

Reliance Industries

Improved product cracks lift O2C segment performance

Reliance Industries' (RIL) consolidated Q3FY26 EBITDA stood at INR 460.18bn (+5.1% YoY, +0.3% QoQ), coming in below our estimate. APAT at INR 186.45bn (+0.6% YoY; +2.6% QoQ) also missed our estimates. The miss was primarily on account of weaker-than-expected performance of O&G business. Our BUY rating on RIL with a price target of INR 1,685/sh is premised on (1) EBITDA growth in the digital business, led by ARPU improvement, subscriber addition, and new revenue streams; (2) sustained strong O2C margin; and (3) value unlocking potential in digital and retail businesses.

- **Oil to chemicals (O2C) segment:** Q3FY26 EBITDA reached a seven-quarter high of INR 165bn (+14.6/10.0% YoY/QoQ). The benefit of strong transportation fuel cracks (up 60 to 100% YoY) was partially offset by weak downstream product cracks, resulting in EBITDA margin expanding by 56bps YoY to 10.18%. Transportation fuel domestic sales volume continued to grow, with gasoline and diesel volume up ~5% and 3% YoY. Crude throughput was 20.6mmt in Q3 (+2% YoY, -1% QoQ). Consequently, production volume meant for sale stood at 18.2mmt (+1.7% YoY, +0.6% QoQ).
- **Oil and gas:** Revenue declined to INR 58.3bn (-8.4% YoY, -3.7% QoQ) and EBITDA reduced to INR 48.57bn (-12.7% YoY, -2.9 QoQ). YoY reduction in revenue and profitability was owing to (1) decline in volume and price realization of gas from the KG D6 block and (2) periodic maintenance activities undertaken in Q3. Total production from KG D6 reduced by ~8.7% to 25.6mmcmd. Reliance's share in total KG D6 production was down by 9.8% YoY to BCFE. Further, KG D6 gas price realization also pared down to USD 9.65/mmbtu (-0.9% YoY). However, CBM production increased to 2.82 BCFE (+6.4% YoY) as more wells were put to production, but price realization declined by ~12.2% YoY to USD 9.29/mmbtu. RIL is undertaking activities to arrest the natural decline in production by increasing the drilling velocity.
- **Reliance Jio (RJPL):** Gross revenue continued to improve in the quarter and came in at INR 436.83bn (+12.7% YoY, +2.4% QoQ), led by ARPU growth and increase in subscriber numbers. ARPU came in at INR 213.7/month (+5.1% YoY, +1.1% QoQ), in line with our estimates. The company added 8.9mn subscribers in the quarter, taking the total customer base to 515.4mn, as of Q3. Jio 5G subscriber count has reached 253+mn (+58% YoY, +11% QoQ).
- **Reliance Retail (RR):** Net revenue rose 9.2% YoY to INR 870bn. Core retail revenue is estimated to have grown at ~6.5% YoY to INR 649bn (HSIE: INR 696bn), weighed down by GST rate rationalization, shift of festive season from Q3 to Q2, and the RCPL demerger. Grocery sustained steady growth amid festive demand uptick, while F&L faced partial headwinds from shift of festive season; CE growth was led by year-end campaigns and GST-led price reset in ACs/TVs. EBITDA grew 2.1% YoY to INR 67.7bn (HSIE: INR 80bn). Retail EBITM contracted by ~40bps YoY to 6% (HSIE: 6.8%) due to festive promotions, investment in hyper-local commerce and one-time impact of new labour code. RR added 431/158 stores (gross/net basis) in Q3FY26, taking the store count to 19,979. Our SOTP-based fair value (attributable to minority shareholders) stands at INR 7.1trn. This implies a valuation of ~23x Dec-27 EV/EBITDA + 4x Dec-27 EV/sales for the New Commerce Biz.
- **Debt:** RIL's Q3 consolidated net debt stood at INR 1,171bn (v/s INR 1,185bn in Sep-25). Total capex incurred in Q3 was INR 338bn (-15.5% QoQ).
- **Valuation:** We maintain our SOTP-based TP of INR 1,685/sh. We use EV/EBITDA to value O2C at Mar-27E EV/e, retail on peer benchmarked EV/e and E&P and Jio on DCF. The stock is currently trading at 9.4x Mar-27E EV/EBITDA and 20.5x Mar-27E EPS.

BUY

CMP (as on 16 Jan 2026)	INR 1,461
Target Price	INR 1,685
NIFTY	25,694

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,685	INR 1,685
EPS change	FY26E -4.7%	FY27E -4.7%

KEY STOCK DATA

Bloomberg code	RELANCE IN
No. of Shares (mn)	13,532
MCap (INR bn) / (\$ mn)	19,729/2,17,118
6m avg traded value (INR mn)	16,107
52 Week high / low	INR 1,612/1,115

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	4.3	(1.9)	15.1
Relative (%)	4.1	(3.0)	6.6

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	50.11	50.01
FIs & Local MFs	20.91	20.33
FPIs	18.98	18.65
Public & Others	10.00	11.01
Pledged Shares	0.00	0.00

Source: BSE

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Financial summary – consolidated

Year Ending March (INR bn)	Q3 FY26	Q2 FY26	QoQ (%)	Q3 FY25	YoY (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	2,649	2,546	4.0	2,400	10.4	9,011	9,647	11,751	13,083	13,800
EBITDA	460	459	0.3	438	5.1	1,622	1,654	1,982	2,299	2,315
APAT	186	182	2.6	185	0.6	696	696	810	967	880
Diluted EPS (INR)	13.8	13.4	2.6	13.7	0.6	102.9	51.5	59.9	71.4	65.0
P/E (x)						14.2	28.4	24.4	20.5	22.5
EV / EBITDA (x)						13.7	13.7	11.1	9.4	9.1
RoE (%)						9.2	8.5	9.2	10.0	8.4

Source: Company, HSIE Research

Changes in estimates

YE March	FY26E			FY27E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	2,041	1,982	-2.9	2,369	2,299	-2.9
EPS	62.8	59.9	-4.7	74.9	71.4	-4.7

Source: HSIE Research

ONGC

Crude production volume and realization declines

We maintain our REDUCE rating on ONGC, with a target price of INR 220 as we expect slower ramp-up in oil & gas production. Q3FY26 quarter's reported EBITDA at ~INR 173bn (-8.7% YoY, -2.1% QoQ) and PAT at ~INR 84bn (+1.6% YoY, -15.0% QoQ) were marginally lower than our estimates due to lower-than-expected crude oil production volume.

- **Standalone financial performance:** EBITDA declined to an eight-quarter low of ~INR 173.2bn (-8.7% YoY, -2.1% QoQ) due to lower crude oil production and reduced oil realization. Operating expenditure stood at INR 64.03bn (-1.8% YoY, -7.3% QoQ). Depreciation and depletion costs increased sequentially to ~INR 66.1bn. (-2.5% YoY, +3.8% QoQ) and exploration cost written off increased to ~INR 20.5bn (+6.5% YoY, +86.7% QoQ). Interest cost came in at ~INR 11.5bn (+7.3% YoY, +3.9% QoQ). Other income reduced sequentially to ~INR 30.9bn (+70.8% YoY, -9.6% QoQ).
- **Standalone operational performance:** Q3 net crude oil realization stood at a nineteen-quarter low of USD 63.2/bbl (-15.0% YoY, -8.1% QoQ). Gas realization stood at INR 23.5/scm (+5.1% YoY, -1.8% QoQ). Crude oil production was at 4.8mmt (-1.8% YoY, -1.0% QoQ) and gas production was at 5.0bcm (+0.2% YoY, +1.4% QoQ). Total oil sales volume, including JV, was at 4.7mmt (+0.6% YoY, -2.4% QoQ), while gas sales volume was at 3.95bcm (+0.6% YoY, +1.0% QoQ).
- **Conference call takeaways:** (1) Consolidated crude oil production stood at 5.12mmt (-2.2% YoY, -1.3% QoQ) and consolidated gas production stood at 5.09bcm (-0.3% YoY, +1.2% QoQ). (2) For the 9MFY26, 18% of the total gas production was New Well Gas (NWG) which has resulted in additional revenue to the tune of INR 50bn. Management expects 24% of gas production in FY27E to be NWG. Management reiterated its target of achieving 35,000-40,000 bpd of peak crude oil production and 7-8mmscmd of gas production from KG 98/2 field with gas production reaching 5-6mmscmd by the end of FY27. (3) **OPaL** – is running at 90%+ capacity utilization. 9MFY26 revenue/EBITDA stood at INR 97.9/3.53bn respectively and net debt stood in the range of INR 230-240bn. Management does not intend to infuse any further funds into this entity and expects petchem prices to move up in FY27 leading to better profitability. (4) **Guidance** – with the natural decline at the Mumbai High being arrested and Daman upside expected to produce 4-5mmscmd of gas in FY27, management has guided for 21mmt of oil production and 21.5mmt of gas production in FY27. (5) FY26E capex guidance for standalone entity maintained in the range of INR 320-330 bn with focus on exploration and production.
- **Change in estimates and valuation:** We have reduced our FY26/27E EPS estimates by 0.6/3.4% to INR 35.67/34.21, owing to lower-than-expected crude oil production volume reported in Q3FY26. We value ONGC's standalone business and OVL at 7x Mar-27E EPS at INR 155 and investments at INR 65, leading to a TP of INR 220. The stock is currently trading at 7.8x Mar-27E EPS.

Standalone financial summary

YE March (INR bn)	Q2 FY26	Q1 FY26	QoQ (%)	Q2 FY25	YoY (%)	FY24*	FY25*	FY26E*	FY27E*	FY28E*
Revenues	315.5	330.3	(4.5)	337.2	(6.4)	6,430.4	6,632.6	6,931.8	7,448.6	7,650.4
EBITDA	173.2	177.0	(2.1)	189.7	(8.7)	1,086.5	915.6	937.1	930.7	1,049.3
APAT	83.7	98.5	(15.0)	82.4	1.6	583.1	315.9	448.7	430.4	506.5
AEPS (INR)	6.7	7.8	(15.0)	6.5	1.6	46.4	25.1	35.7	34.2	40.3
P/E (x)	315.5	330.3	(4.5)	337.2	(6.4)	5.8	10.6	7.5	7.8	6.6
EV/EBITDA (x)						4.1	4.7	4.4	4.5	4.1
RoE (%)						18.9	9.1	12.1	10.7	11.6

Source: Company, HSIE Research | *Consolidated

Changes in estimates

YE March	FY26E			FY27E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	943	937	-0.6	951	931	-2.1
EPS	34.9	35.6	-0.6	35.4	34.2	-3.4

Source: HSIE Research

REDUCE

CMP (as on 13 Feb 2026)	INR 267
Target Price	INR 220
NIFTY	25,471

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 225	INR 220
	FY26E	FY27E
EPS change	-0.6%	-3.4%

KEY STOCK DATA

Bloomberg code	ONGC IN
No. of Shares (mn)	12,580
MCap (INR bn) / (\$ mn)	3,364/37,113
6m avg traded value (INR mn)	2,776
52 Week high / low	INR 280/205

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.6	12.0	13.8
Relative (%)	8.8	9.4	5.3

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	58.89	58.89
FIs & Local MFs	18.73	18.88
FPIs	9.19	8.88
Public & Others	13.19	13.35
Pledged Shares	0.00	0.00

Source: BSE

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Gail (India)

High gas cost impacts petchem profitability

Our BUY recommendation for GAIL with a target price of INR 196 is based on its ability to defend gas marketing margin despite increased gas cost pressure and recovery in gas transmission volume. Q3FY26 reported standalone EBITDA at INR 26.5bn (-6.4% YoY, -16.8% QoQ) and APAT at INR 16bn (-17.4% YoY, -27.7% QoQ), below our estimates, due to lower-than-expected profitability posted by the petchem segment as increased gas cost weighed on earnings.

- **NG marketing:** Q3 marketing volume stood at 103.98mmscmd (+4.5% YoY, -1.4% QoQ), in line with our estimate and EBITDA came in at INR 11.1bn (+74.6% YoY, -28.8% QoQ).
- **Petchem:** Q3 petchem EBITDA further reduced sequentially to a loss of INR 3.45bn (vs a loss of INR 1.45bn in the previous quarter) due to higher raw material cost (+21.9% YoY, +10.2% QoQ). Polymer sales volume stood at 218kT (-1.4% YoY, +4.3% QoQ). Realization contracted sequentially to INR 92.7/kg (-1.1% YoY, -3.2% QoQ).
- **NG transmission:** GAIL reported volumes of 125.5mmscmd (-0.4% YoY, +1.5% QoQ) and transmission tariffs of INR 2,392/tscm (-3.8% YoY, -0.6% QoQ), delivering EBITDA of INR 19.2bn (+5.0% YoY, +7.9% QoQ) for the quarter. Sequential recovery in volume growth was led by improved demand from fertilizer, refinery, and CGD sectors.
- **Key takeaways:** (1) **Gas marketing** – PBT guidance maintained at INR 40-45bn for FY26E. Management provided FY27 PBT guidance of INR 40bn for this segment. 16.5MMTPA of gas is currently sourced through long-term contracts, of which 6.55MMTPA is linked to the Henry Hub index and the balance to Brent. GAIL intends to increase the long-term contract portfolio to 22-23 MMTPA by FY30. For FY27, it expects marketing volumes to reach 110mmscmd. (2) **Gas transmission** – volume reached a high of 128.65mmscmd in December 2025, signifying improved demand. GAIL has retained its volume guidance for FY26/27E of 124/134mmscmd respectively. Split of expected incremental demand of 10mmscmd in FY27 is as follows – 4/2/3/1mmscmd from CGD/power/refinery/fertilizer segments. Revised transmission tariff of INR 65.69/mmbtu (up from INR 58.61/mmbtu), which has come into effect from 1 January, 2026, is expected to result in INR 12bn of incremental annual EBITDA. GAIL has filed a review petition seeking a further tariff increase of INR 15/mmbtu. (3) **Petchem** – Higher raw material cost impacted this segment's profitability. Gas cost increased to USD 11.21/mmbtu in Q3FY26, up from USD 10.49 in Q2FY26 and USD 9.45/mmbtu in Q3FY25. Management noted that polymer prices improved by ~ INR 3,500/MT toward the end of the quarter. (5) GAIL incurred a capex of ~INR 21.86bn in Q3FY26. The company expects to incur a capex in the range of INR 90-100bn for FY27.
- **Valuation:** We tweak our FY26/27E EPS estimates by -6.7/-12.3% respectively to factor in the weaker-than-expected performance of the petchem segment. We revise our SOTP target price to INR 196/sh, based on 11x Mar-27E EV/EBITDA for the natural gas, LPG transmission and domestic gas marketing business, 4x EV/EBITDA for non-domestic gas marketing business, 6x EV/e for petchem and LPG & LHC businesses, and INR 41 for investments. The stock is currently trading at 12.7x Mar-27E EPS and 9.4x EV/EBITDA.

Standalone financial summary

YE March (INR bn)	3Q FY26	2Q FY26	QoQ (%)	3Q FY25	YoY (%)	FY24*	FY25*	FY26E*	FY27E*	FY28E*
Revenue	340.51	350.08	(2.7)	349.37	(2.5)	1,332.28	1,419.03	1,384.66	1,264.75	1,314.54
EBITDA	26.55	31.91	(16.8)	28.38	(6.4)	142.96	154.32	129.06	126.19	130.75
PAT	16.03	22.17	(27.7)	19.40	(17.4)	98.99	124.50	87.88	83.13	83.23
EPS (INR)	2.4	3.4	(27.7)	3.0	(17.4)	15.1	18.9	13.4	12.6	12.7
P/E (x)						10.6	8.5	12.0	12.7	12.6
EV / EBITDA (x)						8.8	8.1	9.4	9.4	8.7
RoE (%)						13.9	15.4	9.8	8.5	7.8

Source: Company, HSIE Research | *Consolidated

Changes in estimates

YE March	FY26E			FY27E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	137	129	-5.8	138	126	-8.7
EPS	14.3	13.4	-6.7	14.4	12.6	-12.3

Source: HSIE Research

BUY

CMP (as on 02 Feb 2026)	INR 160
Target Price	INR 196
NIFTY	25,088

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 215	INR 196
EPS change	FY26E -6.7%	FY27E -12.3%

KEY STOCK DATA

Bloomberg code	GAIL IN
No. of Shares (mn)	6,575
MCap (INR bn) / (\$ mn)	1,055/11,520
6m avg traded value (INR mn)	1,725
52 Week high / low	INR 203/151

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(12.2)	(8.0)	(8.7)
Relative (%)	(9.5)	(9.4)	(14.0)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	51.90	51.90
FIs & Local MFs	19.04	19.86
FPIs	14.91	14.07
Public & Others	14.15	14.17
Pledged Shares	0.0	0.0

Source : BSE

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Oil India

Reduced crude price impact realization

Our BUY recommendation on Oil India with a revised target price of INR 520 is premised on gas production growth at 3% CAGR and oil production growth at 3% CAGR over FY26-28E and tripling of refinery capacity of Numaligarh refinery. Q3FY26 standalone EBITDA at INR 13.08bn (-38.7% YoY, -1.2% QoQ) and PAT at INR 8.08bn (-33.8% YoY, -22.6% QoQ) were below our estimates. The miss was due to lower-than-expected per unit gas sales realization and higher-than-expected opex, partially offset by lower staff cost. Oil and gas production stood at 1.66mmtoe (-2.2%YoY, +0.4% QoQ).

- **Standalone financial performance:** EBITDA for Q3FY26 came in at INR 13.08bn (-38.7% YoY, -1.2% QoQ). Other expenses stood at INR 19.04bn (+47.8% YoY, -17.1% QoQ). PAT stood at INR 8.08bn (-33.8% YoY, -22.6% QoQ). Depreciation was at INR 6.40bn (+21.6% YoY, +10.9% QoQ) and interest cost was at INR 2.6bn (+9.1% YoY, +2.4% QoQ).
- **Q3FY26 standalone operational performance:** Net crude oil realization stood at USD 61.3/bbl (-14.3% YoY, -7.5% QoQ) and gas realization was at USD 6.57/mmbtu (+1.0% YoY, -1.4% QoQ). Oil production came in at 0.858mmt (-1.2% YoY, +1.2% QoQ). Gas production of 0.801bcm (-3.4% YoY, -0.4% QoQ) was recorded in the quarter. Oil sales volume was at 0.82mmt (-1.1% YoY, -1.3% QoQ), while gas sales volume was at 0.66bcm (-3.2% YoY, +0.2% QoQ).
- **Conference call highlights:** (1) **NRL** – reported gross refining margin of USD 16.2 per barrel for the quarter as against USD 10.56/bbl reported in the previous quarter. The improvement in gross refining margin was due to higher diesel cracks in Q3FY26, which makes up ~ 65% of NRL's product slate. NRL commissioned the CDU and VDU units of the expanded refining capacity in the month of December 2025. Stabilization of these units is expected by the end of Q4FY26. Management expects this expanded refinery to achieve 50% utilization by the end of FY27, which would add close to 1mmt to the total throughput. Management is optimistic of the expanded capacity achieving 100% utilization by Q2FY28. The petchem plant could commence operation by the end of FY28 and achieve 100% utilization by Q2FY29. (2) **OINL** – Reduction in crude oil prices resulted in lower per unit realization which impacted revenue growth in the quarter. (3) Management noted that contractual costs increased significantly in the quarter due to increased deeper drilling activity undertaken. OINL aims to achieve 3.8/4MMT of oil production in FY28/29 and 5 BCM of gas production. (4) FY27 capex guidance for standalone entity - INR 92bn with further upswing in FY27.
- **Change in estimates and valuation:** We tweak our FY26/27E EPS estimates by -8.4/-2.1% to INR 39.3/36.1, factoring in the reduced oil realization. We value Oil India's standalone business at INR 234/sh (8x Mar-27E EPS) and its investments at INR 286/sh, leading to a target price of INR 520/sh.

Standalone financial summary

YE March (INR bn)	Q3 FY26	Q2 FY26	QoQ (%)	Q3 FY25	YoY (%)	FY24*	FY25*	FY26E*	FY27E*	FY28E*
Revenues	49.1	54.5	(9.9)	52.3	(6.2)	363.04	361.64	337.58	364.09	381.38
EBITDA	13.1	13.2	(1.2)	21.3	(38.7)	125.04	112.16	107.56	110.09	116.32
APAT	8.1	10.4	(22.6)	12.2	(33.8)	82.90	65.51	63.99	58.73	58.24
AEPS (INR)	5.0	6.4	(22.6)	7.5	(33.8)	51.0	40.3	39.3	36.1	35.8
P/E (x)						9.4	11.9	12.2	13.3	13.4
EV/EBITDA (x)						8.0	9.4	7.0	6.6	6.0
RoE (%)						19.1	13.4	12.0	9.7	8.7

Source: Company, HSIE Research | *Consolidated

Changes in estimates

YE March	FY26E			FY27E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	115	107	-6.8	112	110	-1.5
EPS	42.9	39.3	-8.4	36.8	36.1	-2.1

Source: HSIE Research

BUY

CMP (as on 12 Feb 2026)	INR 474
Target Price	INR 520
NIFTY	25,807

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 508	INR 520
EPS change	FY26E -8.4%	FY27E -2.1%

KEY STOCK DATA

Bloomberg code	OINL IN
No. of Shares (mn)	1,627
MCap (INR bn) / (\$ mn)	772/8,525
6m avg traded value (INR mn)	1,380
52 Week high / low	INR 524/322

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	7.6	11.7	13.7
Relative (%)	8.6	7.4	3.9

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	56.66	56.66
FIs & Local MFs	15.97	17.66
FPIs	11.00	9.51
Public & Others	16.38	16.18
Pledged Shares	0.00	0.00

Source : BSE

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Petronet LNG

Kochi terminal utilization improves

Our REDUCE recommendation on Petronet LNG (PLNG) with a revised TP of INR 275 is based on (1) muted volume growth, (2) delayed capacity expansion, and (3) subdued return ratios resulting from the high capex cycle expected in the next five years. Q3FY26 reported EBITDA of INR 11.98bn (-3.9% YoY, +7.3% QoQ) and PAT of ~INR 8.48bn (-2.2% YoY, +5.3% QoQ), both marginally ahead of our estimates due to lower-than-expected raw material cost. Volumes were at 233tbtu (+2.2% YoY, +2.2% QoQ).

- **Financial performance:** Reported EBITDA/PAT stood at ~INR 11.98/8.48bn. Volume at 233tbtu was up 2.2/2.2% YoY/QoQ. PLNG recorded an inventory gain of INR 0.27bn in Q3 against INR 0.41bn in Q2. Other expenses came in at INR 3.34bn as against INR 3.82bn recorded in the previous quarter. As of end-Q3FY26, gross UoP dues stood at INR 13.13bn and provision made amounted to INR 8.15bn, leading to an outstanding balance of INR 4.98bn. Other income came in at INR 2.15bn (+10.1% YoY, -9.0% QoQ) while interest cost was at INR 559mn (-14.1% YoY, -8.3% QoQ).
- **Terminal-wise Q3 performance:** Utilization at the Dahej terminal was at ~95.9%, while that at Kochi was at ~29.8%. Sales volumes at Dahej and Kochi were 214tbtu (+0.5% YoY, +1.4% QoQ) and 19tbtu (+26.7% YoY, +11.8% QoQ) respectively, resulting in total volume of 233tbtu (+2.2% YoY, +2.2% QoQ).
- **Conference call takeaways:** (1) **Kochi** - Kochi terminal utilization reached its highest level of ~29.8% in Q3FY26 (last four quarters average was ~24%) on account of regassification of cargo brought by MRPL, OMPL, and Kochi Refinery at this location amidst lower LNG prices. Management expects the terminal to be connected to Kochi-Bangalore pipeline by June 2026, which will further increase the utilization of this terminal. Management also noted that once the pipeline construction is completed, the existing capacity of 5MMTPA at this terminal will be insufficient to meet the demand necessitating further capacity expansion. (2) **Dahej** – additional capacity of 5MMTPA to achieve mechanical completion by March 2026 and construction of the third jetty is expected to be completed in FY27. (3) **Capex** - ~INR 30+bn worth of capex will be incurred in FY26 (INR 23bn for the petchem plant). Capex will increase to INR 90bn in FY27 which includes INR 75bn for the petchem plant and INR 6bn for construction of the jetty. Capex for the INR 60bn Gopalpur terminal project is expected to be incurred from FY28 onwards as the company awaits environmental clearances.
- **Change in estimates and valuation:** We tweak our FY26/27E EPS estimates by +2.1/+1.8% as we reduce raw material cost assumption, owing to weaker crude oil prices. Our TP of INR 275 is based on the Mar-27E cash flow (WACC 11%, terminal growth rate 3%).

Financial summary

YE March (INR bn)	Q3 FY26	Q2 FY26	QoQ (%)	Q3 FY25	YoY (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenues	112	110	1.4	122	(8.7)	527.28	509.80	481.99	544.69	615.07
EBITDA	12	11	7.3	12	(3.9)	52.07	55.24	48.09	55.43	63.17
APAT	8	8	5.3	9	(2.2)	35.36	39.26	33.49	38.68	40.80
AEPS (INR)	5.7	5.4	5.3	5.8	(2.2)	23.6	26.2	22.3	25.8	27.2
P/E (x)						12.3	11.1	13.0	11.2	10.7
EV/EBITDA (x)						7.4	6.6	7.9	7.2	6.9
RoE (%)						22.2	21.6	16.4	17.0	16.1

Source: Company, HSIE Research

Changes in estimates

YE March	FY26E			FY27E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	47.1	48.1	2.0	54.5	55.4	1.7
EPS	21.9	22.3	2.1	25.3	25.8	1.8

Source: HSIE Research

REDUCE

CMP (as on 13 Feb 2026)	INR 290
Target Price	INR 275
NIFTY	25,471

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 255	INR 275
	FY26E	FY27E
EPS change	+2.1%	+1.8%

KEY STOCK DATA

Bloomberg code	PLNG IN
No. of Shares (mn)	1,500
MCap (INR bn) / (\$ mn)	436/4,806
6m avg traded value (INR mn)	684
52 Week high / low	INR 327/264

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	4.1	5.6	(2.2)
Relative (%)	6.3	3.0	(10.8)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	50.00	50.00
FIs & Local MFs	10.86	11.65
FPIs	29.04	28.03
Public & Others	10.10	10.32
Pledged Shares	0.00	0.00

Source: BSE

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Gujarat Gas

Industrial volume declines; margin expands

We maintain ADD recommendation on Gujarat Gas (GGL) with a revised price target of INR 483/sh as we believe (i) GGL can retain its EBITDA margin despite pricing competition from alternative fuel in the industrial/commercial segment and (ii) its CNG segment will observe healthy volume growth in the medium term. Q3FY26 EBITDA/adj. PAT at INR 4.4/2.6bn came in below our estimates, owing to lower-than-expected industrial volume.

- **Volumes:** Blended volume was at 8.38mmscmd (-11.5% YoY, -3.2% QoQ), below our estimates. CNG volume came in at 3.45mmscmd (+10.6% YoY, +3.9% QoQ) and domestic volume stood at 0.83mmscmd (+12.2% YoY, flat QoQ). Industrial volume came in at 3.93mmscmd (-28.0% YoY, -9.7% QoQ). Commercial volume stood at 0.17mmscmd (+13.3%YoY, +6.3% QoQ). We cut volume estimate to 8.6/9.2mmscmd from 8.8/9.4mmscmd for FY26/27E.
- **Margin:** Realization came in at INR47.5/scm (-0.4% YoY, flat QoQ) and gas cost decreased to INR37.2/scm (-5.5% YoY, -0.7% QoQ), resulting in gross spread increasing to INR10.3/scm (+23.6% YoY, +2.8% QoQ). Opex was higher sequentially to INR4.5/scm (+13.3% YoY, +2.1% QoQ). EBITDA increased to INR5.8/scm (+32.9% YoY, +3.4% QoQ). We reduce GGL's FY26 per unit EBITDA estimate to INR 6.0 per scm from INR 6.2 per scm and increase FY27 estimate from INR 7.5 per scm to 7.6 per scm.
- **Conference call takeaways:** (1) **PNG** – Morbi/non Morbi industrial volumes stood at 1.68/2.25mmscmd (-21.1% QoQ, +1.4% QoQ). Demand for natural gas in Morbi's industrial region was impacted by cheaper propane prices (down 25% in Q3) compared to spot natural gas price (declined by 19%). To reduce the price premium of natural gas over that of propane, the company reduced prices of industrial PNG in Morbi by INR 4.5 per scm w.e.f. 1 January 2026. This marks the third price cut in the last three quarters. Post this price reduction, natural gas price premium now stands at INR 2.4 per scm over propane prices. Volume in Morbi has now inched up to 2.2mmscmd. Management expects Morbi volumes to touch 3mmscmd by the end of March 2026. (2) **CNG** – Gujarat/non-Gujarat CNG volumes increased by 9/22% YoY respectively. The total count of CNG stations currently stands at 833. This is expected to reach 1,000 in the next 2-3 years. The company is confident of maintaining this strong growth for FY27E on the back of new station additions and higher CNG vehicle adoption. (3) **Gas sourcing** – 2.01/0.34/3.27/2.77mmscmd was APM/NWG/long term/short term. (4) **Guidance** - The company has increased EBITDA margin guidance range for FY26 to INR 5.5-6.5 per scm (including other income) from INR 4.5-5.5 per scm and reduced capex guidance for FY26E to INR 7bn, from INR 8bn.
- **Change in estimates:** We have reduced our EPS estimates for FY26/27 by 9/6% to INR16.8/23.9/sh, factoring in lower industrial volume. Our target price of INR480/sh is based on Mar-27 FCF (WACC 11%, terminal growth rate 3%).

Standalone financial summary

YE March (INR bn)	3Q FY26	2Q FY26	QoQ (%)	3Q FY25	YoY (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	37	38	(3.2)	42	(11.9)	157	165	150	169	184
EBITDA	4	4	0.0	4	17.6	19	19	19	25	31
APAT	3	3	(5.5)	2	19.8	11	11	12	16	21
AEPS (INR)	3.9	4.1	(5.5)	3.2	19.8	16.0	16.6	16.8	24.0	29.9
P/E (x)	37	38	(3.2)	42	(11.9)	25.1	24.1	23.9	16.7	13.4
EV / EBITDA (x)						14.2	14.5	13.2	9.7	7.5
RoE (%)						15.0	14.1	13.0	16.8	18.6

Source: Company, HSIE Research

Changes in estimates

YE March	FY26E			FY27E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	19.9	18.8	-5.6	25.5	24.9	-2.2
EPS	18.5	16.8	-9.1	25.5	23.9	-6.0

Source: HSIE Research

ADD

CMP (as on 21 Jan 2026)	INR 401
Target Price	INR 483
NIFTY	25,158

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 472	INR 483
EPS change %	FY26E -9.1%	FY27E -6.0%

KEY STOCK DATA

Bloomberg code	GUJGA IN
No. of Shares (mn)	688
MCap (INR bn) / (\$ mn)	275/2,997
6m avg traded value (INR mn)	152
52 Week high / low	INR 509/360

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.3)	(14.5)	(20.0)
Relative (%)	(1.3)	(14.1)	(28.0)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	60.89	60.89
FIs & Local MFs	14.99	15.06
FPIs	3.86	3.82
Public & Others	20.26	20.23
Pledged Shares	0.0	0.0

Source : BSE

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Indraprastha Gas

Lower gas cost lifts margin

We maintain our BUY recommendation on Indraprastha Gas (IGL) with a target price of INR 255, given (1) volume growth at ~7% CAGR over FY25-33E; (2) robust margins supported by higher gas allocation from the high-pressure, high-temperature (HPHT) fields to the priority sector; and (3) a strong portfolio of new geographical areas (GAs) ensuring volume growth visibility. Q3FY26 EBITDA at INR 4.7bn (+29.9% YoY, +6.7% QoQ) and APAT at INR 3.6bn (+25.5% YoY, -3.7% QoQ) were in line with our estimates.

- **Volumes:** Blended volume stood at 9.43mmscmd (+3.5% YoY, +1.2% QoQ). Sequential volume growth was driven by the Domestic PNG segment, which reported volume of 0.78mmscmd (+7.8% YoY, +13.5% QoQ) and the industrial-commercial PNG segment, the volumes of which stood at 1.22mmscmd (+2.9% YoY, +5.3% QoQ). CNG volumes declined sequentially to 6.93mmscmd (+3.4% YoY, -0.6% QoQ) and trading volumes stood at 0.5mmscmd (flat YoY/QoQ). We expect infrastructure expansion in existing and new areas to support volume growth of ~7% CAGR over FY25-33E. We estimate volume of 9.29/10.05mmscmd for FY26/27E.
- **Margins:** Per-unit GM came in at INR 11.1/scm (+13.9% YoY, +7.7% QoQ) and per-unit EBITDA margin came in at INR 5.4/scm (+25.6% YoY, +5.4% QoQ). Gas cost decreased sequentially to INR 35.8/scm (+2.0% YoY, -2.3% QoQ) as the price of Brent cooled off in Q3 (58% of total gas sourced is linked to Brent). Opex was at INR 5.6/scm (+4.6% YoY, +10.0% QoQ). Realization stood at INR 46.9/scm (+4.6% YoY, -0.1% QoQ). We estimate a per unit EBITDA margin of INR 5.6/6.4 per scm for FY26/27E.
- **Key highlights:** (1) **CNG** - Excluding DTC buses portfolio, CNG volume grew 10% YoY. Currently, there are close to 100 DTC CNG buses which consume 5,000 kgs of CNG per day (44k/155k kgs/day in Q2FY26/Q3FY25). By March 2026, DTC will withdraw all the CNG buses. Volume growth of the segment was impacted due to the implementation of GRAP regulations in the Delhi region during the quarter. Management noted that post the reduction of GST on CNG vehicles, the number of CNG vehicles being sold has increased from 21,000 per month to 26,000 per month in IGL's GAs. (2) **Gas cost** - reduction in crude oil prices led to the sequential expansion of per unit gross profit. However, a one-time provision made due to implementation of the new labour code impacted EBITDA margin by INR 0.30/scm. Revised transmission tariff, reduction of tax in Gujarat, adjusting for one-time impact due to labour code in Q3 shall add INR 0.75/0.25/0.30 per scm respectively to the per unit EBITDA. (3) **Capex** - INR 8.47bn worth of capex was incurred in 9MFY26. For FY26/27, the company plans to invest INR 12.5/15bn in the core business. Additional INR 8bn to be invested in other business segments in FY27. (4) **Guidance** - Volume should reach 10mmscmd by the end of FY26 and grow by 1mmscmd in FY27/28 each. EBITDA should reach INR 7/mmscmd by the end of FY26, aided by reduced transmission tariff and decrease in tax on gas sourced from Gujarat (50% of total gas consumed is sourced from Gujarat).
- **DCF-based valuation:** We maintain BUY with a revised the TP of INR 255/sh (previously INR 249/sh; WACC 10.5%, terminal growth rate 1.5%). The stock is trading at 11.6x Mar-27E EPS.

Standalone financial summary

YE March (INR bn)	Q2 FY26	Q1 FY26	QoQ (%)	Q2 FY25	YoY (%)	FY24*	FY25*	FY26E*	FY27E*	FY28E*
Revenues	40.7	40.2	1.1	37.6	8.2	140.00	149.28	169.41	190.21	203.57
EBITDA	4.7	4.4	6.7	3.6	29.9	23.64	19.73	19.05	22.12	25.34
APAT	3.6	3.7	-3.7	2.9	25.5	16.42	13.52	13.59	15.70	17.83
AEPS (INR)	5.1	5.3	-3.7	4.1	25.5	14.2	12.2	12.5	14.4	16.3
P/E (x)						11.8	13.6	13.3	11.6	10.3
EV/EBITDA (x)						9.0	10.7	11.2	9.5	8.0
RoE (%)						22.6	16.9	15.6	15.9	16.0

Source: Company, HSIE Research | *Consolidated

BUY

CMP (as on 13 Feb 2026)	INR 167
Target Price	INR 255
NIFTY	25,471

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 249	INR 255
EPS change	FY26E	FY27E
	-	-

KEY STOCK DATA

Bloomberg code	IGL IN
No. of Shares (mn)	1,400
MCap (INR bn) / (\$ mn)	233/2,572
6m avg traded value (INR mn)	523
52 Week high / low	INR 229/163

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(22.6)	(19.3)	(12.8)
Relative (%)	(20.4)	(21.9)	(21.3)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	45.00	45.00
FIs & Local MFs	23.98	24.08
FPIs	16.82	17.21
Public & Others	14.20	13.71
Pledged Shares	0.00	0.00

Source: BSE

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Gujarat State Petronet

Decline in volume impacts profitability

Our ADD rating on Gujarat State Petronet with a revised TP of INR 310/sh is premised on volume growth of ~3% CAGR over FY25-27E and successful completion of group restructuring. Q3FY26 EBITDA at INR 1.65bn (-14.0% YoY, -4.4% QoQ) and APAT at INR 1.14bn (-15.7% YoY, -70.1% QoQ) were below our estimates due to higher-than-expected gas transmission charges and operating expenses. Gas transportation charges increased to INR 534mn (+119.7% YoY, +14.6% QoQ) and other income came in at INR 433mn (+5.0% YoY, -85.9% QoQ).

- **Volume:** Gas transmission volume in Q3 declined to 27.5mmscmd (-5.3% YoY, -3.5% QoQ) due to lower demand from power sector. In terms of sector-wise volumes—consumption by refining was at 6.3mmscmd (-0.5% YoY, +5.8% QoQ), power at 1.3mmscmd (-59.4% YoY, -51.8% QoQ), CGD at 10.5mmscmd (+3.0% YoY, -0.9% QoQ), fertilizers and others at 4.3mmscmd (+6.0% YoY, flat QoQ), and 5.1mmscmd (-4.0% YoY, +2.1% QoQ) respectively.
- **Tariffs:** Calculated blended transmission tariff for the quarter stood at INR 22.62/mmbtu (-2.0% YoY, +1.6% QoQ).
- **Change in estimates and valuation:** We reduce our EPS estimates for FY26/27E by 10% each as we factor in the lower-than-expected Q3FY26 volume growth posted by Gujarat Gas and lower transmission volumes for GSPL. We have revised the target price to INR 310 (from INR 320 earlier) as we adjust the value of investments in Gujarat Gas to INR 209/sh based on its current market price. We value the transmission business using discounted cash flow at INR 66/sh. To this, we add INR 244/sh as the value of its investments in Gujarat Gas, Sabarmati Gas, etc., to arrive at a target price of INR 310/sh. The stock is trading at 11.2x Dec-26E EPS.

Standalone financial summary

YE March (INR bn)	Q3 FY26	Q2 FY26	QoQ (%)	Q3 FY25	YoY (%)	FY24*	FY25*	FY26E*	FY27E*	FY28E*
Revenue	2.7	2.7	(0.7)	2.6	4.5	173	174	161	179	194
EBITDA	1.7	1.7	(4.4)	1.9	(14.0)	34	27	29	33	39
APAT	1.1	3.8	(70.1)	1.4	(15.7)	17	11	13	14	17
AEPS (INR)	2.0	6.8	(70.1)	2.4	(15.7)	29.4	19.7	22.6	24.7	29.3
P/E (x)	2.7	2.7	(0.7)	2.6	4.5	10.3	15.3	13.3	12.2	10.3
EV / EBITDA (x)						5.7	6.9	6.2	5.1	4.3
RoE (%)						16.4	9.9	10.4	10.2	10.9

Source: Company, HSIE Research | *Consolidated

ADD

CMP (as on 22 Jan 2026)	INR 302
Target Price	INR 310
NIFTY	25,290

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 320	INR 310
EPS change %	FY26E -9.7%	FY27E -10.0%

KEY STOCK DATA

Bloomberg code	GUJS IN
No. of Shares (mn)	564
MCap (INR bn) / (\$ mn)	171/1,863
6m avg traded value (INR mn)	254
52 Week high / low	INR 373/261

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(3.0)	(8.9)	(15.9)
Relative (%)	(0.5)	(9.1)	(23.7)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	37.63	37.63
FIs & Local MFs	24.73	25.20
FPIs	15.67	15.49
Public & Others	21.96	21.68
Pledged Shares	0.0	0.0

Source: BSE

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Mahanagar Gas

Lower gas costs lift margins

Our BUY recommendation on Mahanagar Gas (MGL) with a target price of INR 1,880 is premised on a strong 10% volume CAGR over FY25-27E, led by accelerated addition of retail outlets, customer additions in the industrial segment, and continued firm CNG vehicle registration. The Q3FY26 consolidated EBITDA came in at INR 3.52bn (+8.4% YoY, +4.2% QoQ) and consolidated PAT was at INR 2.01bn (-9.1% YoY, +5.2% QoQ). The sequential improvement in profitability owed to lower raw material cost, which was partially offset by higher operating expense.

- **Standalone volume growth at 3.4%YoY:** MGL's quarterly standalone volume grew by 3.4% YoY to 4.62mmcmd. CNG/PNG volume came in at 3.28/1.34mmcmd (+0.2/11.9% YoY). Industrial and commercial segment and DPNG volume stood at 0.74/0.60mmcmd (+13.8/9.5% YoY).
- **Margins improve:** Standalone per unit gross margin improved to INR 15.1/scm (+19.5% YoY, +2.3% QoQ). Per unit opex stood at INR 6.8/scm (+25.2% YoY, +0.7% QoQ) and standalone EBITDA increased to INR 8.3/scm (+15.1% YoY, +3.6% QoQ). Better gas sourcing mix has resulted in a fall in per unit raw material cost in the quarter.
- **Conference call takeaways:** (1) **CNG** - Mumbai's volume growth remained muted at ~2% YoY due to land scarcity for new stations and BEST bus fleet size reducing from 3,000 to a few hundreds. In addition, pipeline disruption during the quarter caused a volume loss of 1%. 35-40% of CNG revenue comes from private cars and taxis, 35-40% from three-wheelers, ~8% from state transport undertakings and balance from commercial goods vehicles and private buses. MGL undertook a price hike of INR 1.5/kg in order to maintain margins amidst rising Henry Hub prices. (2) **PNG** - Industrial and commercial PNG segment volume was impacted in the quarter due to the pipeline disruption. While realization from the I&C PNG segment was lower in Q3FY26 due to lower Brent crude prices, management expects realization to improve as Brent crude prices inch upwards. (3) **Gas sourcing** - ~39% of the total demand was met through APM gas, 6% through New Well Gas, ~30% from HH linked contracts and the remaining demand of ~25% was met through Brent-linked contracts. MGL replaced some amount of HH linked contracts with HPHT and spot gas in Q3 in order to manage raw material cost. (4) MGL aims to report a double-digit volume growth in Q4 and maintain this growth through FY27. The company has maintained its long-term margin guidance range of INR 8-9/scm.
- **DCF-based valuation:** We maintain BUY with a target price of INR 1,880/sh, based on Mar-27E free cash flow (WACC 10.5%, terminal growth rate 2%). The stock is currently trading at 9.9x Mar-27E EPS.

Financial Summary

YE March (INR bn)	*Q3 FY26	*Q2 FY26	QoQ (%)	Q3 FY25	YoY (%)	FY24*	FY25*	FY26E*	FY27E*	FY28E*
Revenue	20.6	20.5	0.4	17.6	17.1	62.45	69.24	84.29	104.03	115.94
EBITDA	3.5	3.4	4.2	3.1	12.0	18.43	15.10	17.31	19.37	21.53
APAT	2.0	1.9	4.4	2.3	(10.4)	13.38	10.92	11.68	12.72	13.79
AEPS (INR)	20.4	19.6	4.4	22.8	(10.4)	135.39	110.54	118.26	128.80	139.60
P/E (x)	20.6	20.5	0.4	17.6	17.1	9.4	11.5	10.8	9.9	9.1
EV / EBITDA (x)	3.5	3.4	4.2	3.1	12.0	6.0	7.4	6.3	5.4	4.6
RoE (%)	2.0	1.9	4.4	2.3	(10.4)	28.8	19.8	18.7	18.2	17.8

Source: Company, HSIE Research | *Including UEPL numbers

BUY

CMP (as on 09 Feb 2026) INR 1,181

Target Price INR 1,880

NIFTY 25,867

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,880	INR 1,880
EPS %	FY26E	FY27E
	0.0%	0.0%

KEY STOCK DATA

Bloomberg code	MAHGL IN
No. of Shares (mn)	99
MCap (INR bn) / (\$ mn)	117/1,285
6m avg traded value (INR mn)	336
52 Week high / low	INR 1,587/1,019

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(2.8)	(10.5)	(13.1)
Relative (%)	(3.9)	(15.8)	(21.1)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	32.50	32.50
FIs & Local MFs	22.52	22.89
FPIs	25.48	23.60
Public & Others	19.50	21.01
Pledged Shares	0.0	0.0

Source : BSE

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IRM Energy

Industrial PNG volume continues to decline

Our BUY recommendation on IRM Energy (IRM) with a TP of INR 402/sh is premised on (1) a ~13% CAGR volume growth over FY26-28E and (2) per unit margin expansion in the long term. IRM's Q3FY26 EBITDA at INR 296mn (+33.5% YoY, +11.0% QoQ) and consolidated PAT at INR 140mn (+38.4%YoY, +11.3% QoQ) came in below our estimate due to lower-than-expected Industrial PNG volumes. Total volume stood at 0.61mmscmd (+4.8% YoY, +2.6% QoQ).

- **Volume:** IRM's volume at 0.61mmscmd (+4.8% YoY, +2.6% QoQ) came below our estimate. The miss was due to weaker-than-expected Industrial PNG volumes. CNG volume stood at 0.37mmscmd (+20.6% YoY +6.8% QoQ). Domestic PNG segment volume was 0.03mmscmd (+14.0% YoY, +4.1% QoQ), and industrial and commercial segment volume was 0.21mmscmd (-14.1% YoY, -4.3% QoQ). We expect IRM to maintain its CGD network expansion, which should support our projected ~13% CAGR volume growth from FY26-28E. Our volume estimates for FY26/27/28E stand at 0.60/0.67/0.76mmscmd.
- **Higher gas cost impacts per unit margins:** Blended realization at INR 47.3/scm was up 0.9% YoY and down 0.4% sequentially. Raw material cost stood at INR 35.1/scm (-2.3% YoY, -0.9% QoQ), resulting in gross spreads of INR 12.2/scm (+11.5% YoY, +1.0% QoQ). Other expenses came in at INR 6.9/scm (+1.8% YoY, -3.9% QoQ). EBITDA per unit at INR 5.3/scm (+27.4%YoY, +8.2%QoQ) was below our estimate due to higher-than-expected opex. We factor in EBITDA per unit assumption of INR 5.0/5.3/6.0 per scm for FY26/27/28E.
- **Other highlights:** (1) CNG - Volume growth was led by the Banaskantha and Diu, Gir, & Somnath GAs. IRM added 11 CNG stations during the quarter, taking the total count to 127. Management remains optimistic of this segment, posting double-digit growth in FY27E, owing to strong CNG vehicle adoption. For 9MFY26, CNG gas sourcing stood as follows – 41/38.4/7.5/13.1% from APM/HPHT/NWG/Spot and long-term contracts. (2) PNG – Demand from the Industrial customers in Fatehgarh Sahib GA continued to remain under pressure as prices of alternative fuels remained lower than that of PNG. This resulted in PNG volume in FS GA declining YoY in 9MFY26. IRM believes that the hearing on the NGT order being passed in favor of Natural Gas adoption will lead to a demand revival in this GA. **Guidance** – Volume growth for FY27 will be in the range of 12-15% and EBITDA per unit will be in the range of INR 5.25-5.5/scm.
- **DCF-based valuation:** We cut our FY26/27E EPS estimates by 9.5/15.0% as we factor in the sub-par demand from the industrial customers, dragging down the total volume growth. Our target price of INR 402/sh is based on Mar-27E free cash flow (WACC 13.7%, terminal growth rate 2%). The stock is currently trading at 17.5x Mar-27E EPS.

Consolidated financial summary

YE March (INR mn)	Q3 FY26	Q2 FY26	QoQ (%)	Q3 FY25	YoY (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	2,650	2,594	2.2	2,508	5.7	8,905.2	9,754.8	10,894.5	11,889.7	14,035.2
EBITDA	296	267	11.0	222	33.5	1,488.5	963.2	1,096.6	1,291.0	1,674.9
APAT	140	126	11.3	101	38.4	856.6	452.0	533.0	589.9	740.7
AEPS (INR)	3.4	3.1	11.3	2.5	38.4	20.9	11.0	13.0	14.4	18.0
P/E (x)						12.1	22.9	19.4	17.5	14.0
EV / EBITDA (x)						5.0	8.0	2.8	2.6	2.4
RoE (%)						13.4	4.8	4.3	3.8	4.6

Source: HSIE Research

Changes in estimates

YE March	FY26E			FY27E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR mn)	1,185	1,097	-7.4	1,456	1,291	-11.3
EPS	14.3	13.0	-9.5	16.9	14.4	-15.0

Source: HSIE Research

BUY

CMP (as on 05 Feb 2026)	INR 250
Target Price	INR 402
NIFTY	25,643

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 421	INR 402
EPS %	FY26E -9.5%	FY27E -15.0%

KEY STOCK DATA

Bloomberg code	IRMENERG IN
No. of Shares (mn)	41
MCap (INR bn) / (\$ mn)	10/114
6m avg traded value (INR mn)	158
52 Week high / low	INR 394/229

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(19.6)	(9.5)	(19.4)
Relative (%)	(19.4)	(12.7)	(25.8)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	50.07	50.07
FIs & Local MFs	4.98	4.97
FPIs	1.57	1.57
Public & Others	43.38	43.39
Pledged Shares	0.0	0.0

Source : BSE

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Metals

JSW Steel

Steel price upswing to bolster margin

We maintain BUY on JSW Steel (JSWS) with a higher target price of INR 1,290/share (8x Mar'28E consolidated EBITDA). JSWS delivered a strong 14% consolidated volume growth YoY, led by strong growth across India (+14%), the US (+24%), and Italy (+31%). However, the gains were offset by weak domestic pricing and higher coking coal prices, leading to unit EBITDA decline INR 1.1k/MT QoQ (+0.2k/MT YoY). However, steel prices have been on an upswing Dec-25 onward, which should more than offset the rise in coking coal prices, leading to margin rebound in Q4FY26 and beyond. We estimate consolidated volume/EBITDA to grow at 9/18% CAGR during FY25-28E. The recent strategic sale of BSPL assets to a joint venture with JFE Steel will reduce debt on books, thus enhancing JSWS's capability to fast-track its large expansion plan.

- **Q3FY26 performance:** Despite the planned shutdown of BF3 Vijayanagar (for capacity enhancement), JSWS's domestic sales firmed up 14% YoY (>2x industry growth) to 7.42mn MT. Even its overseas subsidiaries in the US/Italy delivered 24/31% volume growth. Thus, consolidated volume rose 14% YoY. The share of VAP improved to 67% vs 64% QoQ (excluding JVML). Blended NSR fell 2% QoQ, mainly leading to continued weakness in domestic steel prices. Opex remained flat QoQ. While coking coal prices went up by USD 5/MT QoQ, the impact was moderated by a slight reduction in iron ore cost (better blending) and op-lev gains. Unit EBITDA slumped by INR 1.1k/MT QoQ to INR 8.5k/MT on weak pricing, thought it rose INR 0.2k/MT YoY. The company spent INR 35/100bn toward ongoing expansions in Q3/9MFY26.
- **Con call KTAs and outlook:** JSWS estimates domestic demand to grow at 7-9% in FY26/27E. We expect JSWS to surpass its FY26 sales volume guidance of 29.2mn MT. Steel prices have been on an upswing Dec-25 onwards post the extension of safeguard duties in India. Coking coal prices have also shot up and are expected to be higher by USD 15-20/MT QoQ in Q4, moderating the gains. Iron-ore prices are expected to be range-bound. JSWS is spending INR 150-160bn in capex in FY26 toward ongoing expansions and the run-rate could increase to INR 200-250bn pa over the next two years when it fast-tracks its INR 1,000bn expansion plan (over the next 4-5 years). The strategic sale off BPSL to JSWS's JV with JFE Steel (Japan) will reduce JSWS's net debt by INR 370bn, thus supporting balance sheet as capex accelerates. The deal is expected to be completed by Q1FY27. Factoring in recent firming up of steel prices and coking coal prices, we have increased our consolidated EBITDA estimates for FY26/27/28E by 4/6/5% respectively.

Quarterly/annual financial summary (consolidated)

YE Mar	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Sales (mn MT)	7.6	6.7	13.9	7.3	4.1	24.8	26.5	30.2	32.9	35.8
NSR (INR/MT)	60,198	61,666	(2.4)	61,515	(2.1)	70,624	63,828	63,189	65,401	65,401
EBITDA(INR/MT)	8,503	8,314	2.3	9,693	(12.3)	11,395	8,659	10,877	12,473	12,818
Net Sales	459.9	413.8	11.1	451.5	1.9	1,750.1	1,688.2	1,905.3	2,149.5	2,343.0
EBITDA	65.0	55.8	16.4	71.2	-8.7	282.4	229.0	328.0	410.0	459.2
APAT	21.4	7.2	198.3	16.2	31.8	83.7	38.7	109.4	147.4	171.8
AEPS (INR)	10.4	3.4	209.2	6.7	56.2	34.4	15.9	44.9	60.5	70.5
EV/EBITDA (x)						10.4	13.1	9.0	7.2	6.4
P/E (x)						27.5	59.4	21.0	15.6	13.4
RoCE (%) pretax						12.5	7.6	12.3	15.3	16.0
RoE (%)						11.4	4.8	12.6	15.1	15.5

Source: Company, HSIE Research

BUY

CMP (as on 23 Jan 2026)	INR 1,169
Target Price	INR 1,290
NIFTY	25,049

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,180	INR 1,290
EBITDA revision %	FY26E 3.6	FY27E 6.4

KEY STOCK DATA

Bloomberg code	JSTL IN
No. of Shares (mn)	2,445
MCap (INR bn) / (\$ mn)	2,861/31,113
6m avg traded value (INR mn)	1,881
52 Week high / low	INR 1,224/899

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	2.8	13.2	25.8
Relative (%)	6.4	14.6	19.3

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	45.31	45.31
FIs & Local MFs	10.87	11.06
FPIs	25.56	25.38
Public & Others	18.26	18.25
Pledged Shares	5.99	5.62

Source : BSE

Pledged shares as % of total shares

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Tata Steel

Margin to gain as prices recover; demand remains firm

We maintain BUY on Tata Steel with a revised TP of INR 220/share (6.5x its FY28E consolidated EBITDA). Tata Steel's consolidated volume growth of 6% YoY benefited from industry-leading 14% growth in India, while EU volumes declined. Weak pricing and higher coking coal prices pulled down unit EBITDA by INR 1.3k/MT QoQ to INR 10k/MT. We estimate consolidated volume/EBITDA to grow at 5/24% CAGR during FY25-28E, driven by rebound in recent domestic steel prices, expected uptick in EU prices, continued cost reduction efforts across all units, and volume ramp-up.

- **Q3FY26 performance:** Consolidated volumes rose 6% YoY, driven by 14% jump in domestic sales while EU sales declined 9% YoY. Domestic/blended NSR slumped 6/6% QoQ on continued fall in steel prices in Oct/Nov. Even coking coal cost rose USD 4/MT QoQ, adding to gross margin compression. Profitability fell QoQ in India and the Netherlands and the UK continued to operate in EBITDA losses. Tata noted that the cost-cut program drove opex reduction by INR 31bn in Q3 (India/UK/NL INR 9/6/16bn respectively) vs INR 26bn in Q2FY26. Thus, consolidated unit EBITDA fell INR 1.3k/MT QoQ to INR 10k/MT. Another INR 30bn targeted cost savings are expected over the next few quarters.
- **Con call KTAs and outlook:** Tata affirmed Q4 average realization could increase by INR 2.3k/MT (safeguard duties benefit) vs INR 2.1k/MT fall in Q3. However, the gains would largely be offset by ~USD 15/MT rise coking coal prices. The management noted that as EU has moved CBAM from a report-only phase to definitive regime Jan-26 onwards, domestic steel prices in Europe will gradually increase in 2026 and even imports will reduce. Tata is also expecting import quota restrictions to happen in the UK, which should support regional pricing and profitability. Tata noted it is bound to both deliver volume growth and rising share of value-added downstream projects to bolster its profitability. It expects steel prices to recover in India and the Netherlands in the coming months. UK prices will recover once the government trims import quotas. Tata Steel would continue to lower costs thorough its cost transformation program across plants. The EAF plant in Ludhiana (0.8mn MT) will be operational by Mar-26E driving growth. It is working on other expansion projects in India and Europe to 40mn MT by 2030E. We have marginally increased FY26/27/28E consolidated EBITDA by 2/2/1%, factoring in price recovery.

Quarterly/annual financial summary (consolidated)

YE Mar	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Sales (mn MT)	8.2	7.7	6.3	7.9	3.8	29.4	31.0	32.5	34.1	35.8
NSR (INR/MT)	69,430	69,493	(0.1)	74,196	(6.4)	77,976	70,589	72,706	72,706	72,706
EBITDA (INR/MT)	9,987	7,647	30.6	11,247	(11.2)	7,590	8,171	11,334	12,864	13,563
Net Sales	570.0	536.5	6.3	586.9	(2.9)	2,291.7	2,185.4	2,363.5	2,481.7	2,605.8
EBITDA	82.0	59.0	38.9	89.0	(7.8)	223.1	253.0	368.4	439.1	486.1
APAT	27.9	4.2	563.1	34.2	(18.2)	14.2	40.6	137.5	169.7	200.5
AEPS (INR)	2.2	0.3	563.1	2.7	(18.2)	1.1	3.3	11.0	13.6	16.1
EV/EBITDA (x)						13.7	12.2	8.3	6.8	6.0
P/E (x)						172.7	60.5	17.9	14.5	12.3
RoCE (%) pretax						6.8	8.0	12.5	15.1	16.4
RoE (%)						1.4	4.4	14.6	16.7	18.1

Source: Company, HSIE Research

BUY

CMP (as on 06 Feb 2026)	INR 197
Target Price	INR 220
NIFTY	25,694

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 215	INR 220
FY28E EBITDA Change %	FY26E 2.1	FY27E 1.8 FY28E 1.4

KEY STOCK DATA

Bloomberg code	TATA IN
No. of Shares (mn)	12,484
MCap (INR bn) / (\$ mn)	2,460/27,130
6m avg traded value (INR mn)	4,726
52 Week high / low	INR 203/124

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	11.2	24.2	48.7
Relative (%)	10.8	20.4	41.6

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	33.19	33.19
FIs & Local MFs	27.09	27.16
FPIs	17.78	17.96
Public & Others	21.94	21.69
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Jindal Steel

Volume growth at a 19-quarter high; outlook strong

We maintain BUY on Jindal Steel with a revised TP of INR 1,260/share (6.5x its FY28E consolidated EBITDA). In Q3FY26, JSPL's volume delivered a solid 20/22% YoY/QoQ volume growth, aided by the ramp-up of BF2/BOF2 facilities at Angul. This was its highest growth in the past 19 quarters. Weak steel pricing, higher sales of low-value flats, one-off elevated coking coal cost at Angul and losses in subsidiaries pulled down unit EBITDA by INR 4k/MT QoQ to INR 7.2k/MT. However, the management remains upbeat as steel prices have risen and product mix is expected to improve, leading to a better margin outlook in addition to continuation of strong volume growth.

- Q3FY26 performance:** While India's finished steel demand grew by 5/0% YoY/QoQ, Jindal Steel delivered robust 20/22% volume uptick riding on the ramp-up of BF-2 and BOF-2 facilities at Angul. However, as the volume growth was led by a rise in low-value thicker flats, its blended NSR fall was sharper at INR 5.4k/MT QoQ. Lower external sales of pellets (owing to captive consumption) also drove the sharper fall. The share of VAP fell to 66% vs 73% QoQ. Jindal Steel is focusing on increasing the sales of flat share, which rose to 50% vs 49/41% QoQ/YoY. Unit opex fell a modest INR 1.4k/MT despite large op-lev gains, owing to high coking coal cost incurred (company mentioned as one-off impact of INR 1.5k/MT) during the start of the BF2 plant. There was also a marginal increase in iron ore and coking coal costs impacting opex. These led to unit EBITDA falling INR 4k/MT QoQ to INR 7.2k/MT. Operating losses at the subsidiaries also pulled down margin. Jindal Steel spent INR 2.1/7bn in capex in Q3/9MFY26. Utkal B1 mine became operational during the quarter. Net debt rose 9% QoQ to INR 15.5bn on higher working capital.
- Con call KTAs and outlook:** Jindal Steel maintained its FY26 volume guidance of 8.5-9mn MT (which implies >15% growth in Q4FY26) riding on the ramp-up of the Angul expansion. Steel prices have firmed up, aided by the safeguard duties. Further, Jindal Steel will be gradually increasing both flats and VAP sales, which should be better-than-industry NSR gain in Q4. The surge in coking coal by USD 20/MT QoQ in Q4 should largely get offset by the absence of the start-up cost seen in Q3. Other input costs are expected to be flattish and the ramp-up should also bolster op-lev gains. We estimate Jindal Steel will deliver 17/26% consolidated volume/EBITDA CAGR over the FY25-28E period.

Quarterly/annual financial summary (consolidated)

YE Mar	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Sales (mn MT)	2.28	1.90	20.0	1.87	21.9	7.7	8.0	8.5	10.7	12.8
NSR (INR/MT)	57,134	61,846	(7.6)	62,491	(8.6)	65,643	62,897	62,897	64,469	65,114
EBITDA (INR/MT)	7,165	11,494	(37.7)	11,129	(35.6)	13,298	11,912	11,521	13,711	14,964
Net Sales	130.27	117.51	10.9	116.86	11.5	503.54	501.29	536.38	687.23	832.93
EBITDA	16.34	21.84	(25.2)	20.81	(21.5)	102.01	94.94	98.25	146.16	191.42
APAT	2.31	9.50	(75.7)	6.38	(63.8)	59.38	40.42	36.45	66.67	96.23
AEPS (INR)	22.9	93.9	(75.7)	63.1	(63.8)	59.2	39.9	36.0	65.9	95.1
EV/EBITDA (x)						10.2	10.6	12.6	8.5	6.3
P/E (x)						16.3	23.9	31.4	17.1	11.9
RoCE (%) pre-tax						11.8	9.7	9.1	13.8	17.3
RoE (%)						14.2	8.8	7.4	12.3	15.5

Source: Company, HSIE Research

BUY

CMP (as on 01 Feb 2026) INR 1,102

Target Price INR 1,260

NIFTY 24,825

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,120	INR 1,260
EBITDA	FY26E	FY27E
revision %	(10.5)	(3.0)

KEY STOCK DATA

Bloomberg code	JINDALST IN
No. of Shares (mn)	1,020
MCap (INR bn) / (\$ mn)	1,124/12,225
6m avg traded value (INR mn)	1,681
52 Week high / low	INR 1,170/750

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	3.3	16.6	41.9
Relative (%)	7.1	16.4	37.8

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	62.36	62.37
FIs & Local MFs	18.09	18.74
FPIs	9.76	9.43
Public & Others	9.54	9.21
Pledged Shares	6.95	6.98

Source : BSE

Pledged shares as % of total shares

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Steel Authority of India

Subdued Q3; steel price uptick to aid margin recovery

We maintain ADD on Steel Authority of India (SAIL), with an unchanged target price of INR 150/share (5.5x FY28E standalone EBITDA). In Q3FY26, SAIL's total/own sales volume firmed up 16/5% YoY. Weak pricing mainly for flats pulled down EBITDA margin by INR 0.7k/MT QoQ to INR 4.5k/MT. Margin also contracted INR 90/MT YoY on weak pricing. We expect SAIL to deliver 7% total volume/EBITDA CAGRs of 7/12% respectively during FY25-28E, aided by healthy steel price recovery and production ramp-up.

- **Q3FY26 performance:** SAIL's volume rose 5/16% QoQ/YoY to 5.15mn MT. Adjusted for the 0.37mn MT traded sales from NMDC Steel, own sales volume rose 7/4% YoY/QoQ. NSR declined ~INR 1.2k/MT QoQ, mainly on fall in flats realization. Scrap/byproduct sales accounted for INR 245/MT in revenues vs INR 230/MT QoQ. Unit EBITDA fell INR 680/MT QoQ to INR 4.5k/MT, as the impact of lower realization got moderated by op-leve gains. SAIL spent INR 20.5/54.3bn in capex in Q3/9M FY26.
- **Con call KTAs and outlook:** SAIL's consolidated volume is estimated at ~19.7mn MT including traded sales from NSL, implying a 10% total volume growth (LTL +5%). It also guided own sales of 21mn MT (+12% growth) in FY27E. Steel prices have been firming up, aided by extension of safeguard duties. However, the gains are expected to be moderated, owing to soaring coking coal prices. Blended coking coal cost for SAIL is expected to rise by ~6% QoQ (lower vs industry). The company is working on a 4.5mn MT capacity expansion at IISCO (West Bengal) as well as debottlenecking at its Durgapur, Rourkela, Bhilai and IISCO plants. It plans to spend INR 75-100/150bn to support ongoing expansions during FY26/27E. It is aiming to increase crude steel capacity by 15mn MT by FY31E, which includes 3mn MT increase through debottlenecking by FY28. In the first phase (after FY28E), it will add 7mn MT across its IISCO, Bokaro, and Durgapur plants. In the second phase, it will expand capacities at Rourkela and Durgapur by ~8mnMT (expected by FY31). It will also add a 1mn MT downstream TMT Mill in Durgapur (post-FY28E) to convert its semis. We have increased FY26/27/28E EBITDA estimates by 4/5/2% respectively and increase cumulative capex outgo estimate for FY26-28E to INR 230bn from INR 215bn earlier. Thus, our target price remains unchanged at INR 150/share.

Quarterly/annual financial summary (standalone)

YE Mar	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Sales vol (mn MT)	5.15	4.45	15.7	4.91	4.8	17.02	17.90	19.77	21.00	22.12
NSR (INR/MT)	53,148	55,033	(3.4)	54,365	(2.2)	61,919	57,266	55,548	55,826	56,105
EBITDA (INR/MT)	4,463	4,551	(1.9)	5,142	(13.2)	6,541	5,940	5,961	6,426	6,728
Adj EBITDA (INR/MT)	4,463	4,551	(1.9)	5,142	(13.2)	4,508	4,794	5,961	6,426	6,728
Net Sales (INR bn)	273.71	244.90	11.77	267.04	2.50	1,053.75	1,024.78	1,097.96	1,172.34	1,240.82
EBITDA (INR bn)	22.98	20.25	13.50	25.26	-9.00	111.32	106.29	117.83	134.94	148.79
APAT (INR bn)	4.42	0.97	354.10	6.81	-35.10	35.74	24.61	36.69	41.92	51.78
AEPS (INR)	1.1	0.2	354.1	1.6	(35.1)	8.7	6.0	8.9	10.1	12.5
EV/EBITDA (x)						8.5	8.8	7.4	6.1	5.5
P/E (x)						17.2	25.0	16.8	14.7	11.9
RoCE (%)						6.9	5.8	6.6	7.6	8.7
RoE (%)						6.7	4.5	6.5	7.0	8.2

Source: Company, HSIE Research; Adj EBITDA: ex of gains from revision of provisional rail price

ADD

CMP (as on 02 Feb 2026)	INR 149
Target Price	INR 150
NIFTY	25,088

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 150	INR 150
EBITDA revision %	FY26E 4.3	FY27E 4.8

KEY STOCK DATA

Bloomberg code	SAIL IN
No. of Shares (mn)	4,130
MCap (INR bn) / (\$ mn)	614/6,707
6m avg traded value (INR mn)	2,640
52 Week high / low	INR 160/99

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	8.6	23.8	39.6
Relative (%)	11.3	22.4	34.2

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	65.00	65.00
FIs & Local MFs	18.09	17.84
FPIs	3.76	4.53
Public & Others	13.15	12.63

Pledged Shares	-	-
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Source : BSE

Pledged shares as % of total shares

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Pharma

Sun Pharmaceutical Industries

In-line Q3; specialty, India key growth drivers

EBITDA (ex-milestone of USD 55 mn) grew 13% YoY on 13% sales growth (US: -4% QoQ; global specialty: +13% QoQ; India: +16% YoY) and higher gross margin (+102 bps), which was offset by higher costs (staff/SG&A/R&D, up +13/19/8%). The company expects to sustain growth momentum in the specialty business, led by traction in key products, scale-up of Leqselvi (deuruxolitinib), and Unloxcyt (launched in Jan-26; focus on onboarding new patients and top 50 cancer institutes in the US). The company is hopeful on its innovative pipeline: (1) Ilumya: sANDA filed for psoriasis arthritis indication and launched in newer market (India and Canada), (2) GL0034 (Type 2 diabetes): Phase 2b trials are expected to complete in 12-18 months, and (3) Fibromun: Phase 3 under progress. It expects to see steady growth in the India formulation business and is on track to launch Semaglutide (GLP-1) in the first wave after patent expiry for both Type 2 diabetes (approved brand "Sematrinity") and chronic weight management (Noveltreat) indications; expanding field force and secured supplies for roll-out. US generics business recovery depends on its key plant clearance (Halol, Baska, and Mohali). The company is looking for M&A (net cash at USD 3.2 bn as of Dec-25) with focus on innovative medicine in the US (top priority) and global market, bolt-on acquisition, and it will remain open for debt-funded M&As. Factoring in Q3, we have tweaked FY26/27E EPS. We retain BUY and TP of INR 2,000 (32x Q3FY28E EPS). We expect the scale-up in specialty (traction in Ilumya, Winlevi, Cequa, and Leqselvi) and the India business (new launches, in-licensing) to offset the soft US generics business.

- **Q3 highlights:** Sales grew 13% YoY to INR 155.2bn; the US declined 4% QoQ to USD 477mn (flat YoY). India sales grew 16% YoY. Global specialty sales grew 14% YoY to USD 423mn (+27% QoQ). GM stood at 81% (+106 bps YoY). Higher costs (staff/ SG&A/ R&D, up 13/ 19/ 8% YoY; R&D at 5.8% of sales) led to an EBITDA of INR 47.9bn (+14% YoY); margin at 30.9% (+24 bps).
- **Excluding milestone:** Sales grew 13% YoY to INR 150 bn, specialty sales was at USD 368 mn (+13% YoY and +11% QoQ). GM was at 80.4% (+102 bps YoY). EBITDA grew 13% YoY to INR 43bn (+13% YoY) and margin at 28.6% (-4 bps). Adjusted for milestone and one-offs, PAT was at INR 28.9bn (-4% YoY).
- **Key con call takeaways:** US generics (ex-specialty/ ex-Revlimid) saw decline due to competitive intensity; gRevlimid sales was negligible; launched three ANDAs. GM expansion led by better product mix (branded generics and Innovative medicines) and hopeful to sustain it. **Leqselvi:** initial response was encouraging from the prescribers and patients; the company covers the cost for generic testing (mandatory for JAK inhibitor). Innovative medicine R&D was 30.5% of total R&D. The company is working on multiple strategies for address MFN price model and CMS price model; didn't share details.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	155,205	136,755	13	144,783	7	484,969	525,784	582,716	640,133	698,783
EBITDA	47,946	41,924	14	40,966	17	129,870	150,862	170,153	188,199	208,237
APAT	28,927	30,037	(4)	27,939	4	98,310	117,988	115,808	137,848	153,995
EPS (INR)	12.1	12.5	(4)	11.6	4	41.0	49.2	48.3	57.5	64.2
P/E (x)						38.9	32.4	33.0	27.8	24.9
EV/EBITDA (x)						28.5	23.9	21.1	18.7	16.5
RoCE (%)						17	20	20	20	20

Source: Company, HSIE Research. ^Forex gain of INR 4.3 bn

BUY

CMP (as on 01 Feb 2026) INR 1,610

Target Price INR 2,000

NIFTY 24,825

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2000	INR 2000
	FY26E	FY27E
EPS %	(1.8)	(0.4)

KEY STOCK DATA

Bloomberg code	SUNP IN
No. of Shares (mn)	2,399
MCap (INR bn) / (\$ mn)	3,863/42,013
6m avg traded value (INR mn)	4,072
52 Week high / low	INR 1,851/1,547

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.8)	(1.2)	(7.6)
Relative (%)	(0.9)	(1.4)	(11.7)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	54.48	54.48
FIs & Local MFs	20.12	20.72
FPIs	16.55	16.12
Public & Others	8.85	8.66
Pledged Shares	0.97	0.97

Source: BSE

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Divis Laboratories

Steady Q3; visibility of growth and margin stays

EBITDA (+20% YoY) was 4% ahead of our/consensus estimates, driven by steady sales growth (+12% YoY; CS grew 13% YoY, generic API +9% and Nutraceutical +26%) and GM improvement (+347 bps YoY to 63.7%). This led to EBITDA margin of 34.2% (+214 bps YoY). Divi's highlighted (1) GLP-1 capacity build-up is on track. It has already commissioned pilot plant and its commercial large scale SPPS capacity is under validation for one customer; (2) in peptide chemistry, the company continues to advance across value chain (protected amino acids and fragments) to support various innovative projects; apart from GLPs, it is also focusing on molecules for indications like anti-inflammatory, psoriasis, and CVS. The company is working on backward integration for peptide molecules (up to resins); (3) it is engaging in several RFPs and few molecules are expected to move closer to commercial stage in near term; (4) its three dedicated capex projects (for three molecules; capex worth of ~INR 20 bn) is expected to enter commercial phase in CY27; (5) Unit 3 (Kakinada) is effectively used for KSM (backward integration for Unit 1 and 2) and transfer of more KSMs is under progress. This helping in freeing up capacity in its cGMP approved Unit 1 and 2. It is evaluating the phase 2 expansion (initial plans for four manufacturing blocks); and (6) it continues to see pricing pressure in generic API business, which it sees as getting offset by volume growth. We see strong sales growth visibility (17% CAGR over FY25-28E), with improved profitability (EBITDA/PAT CAGR 21%) on back of multiple growth levers like GLP-1 supply opportunity, scale-up in contrast media, ramp-up in Kakinada plant, commercialization of three dedicated capex, and gradual pick-up in generic API and steady Nutraceutical business. We reiterate BUY with a TP to INR 7,630, based on 39x Q3FY28E EV/EBITDA (implying 55x PE).

- **Q3 highlights:** Sales grew 12% YoY to INR 26.04bn. Custom synthesis (57% of sales) grew by 13% YoY to INR 14.84bn (-2% QoQ), Generic API (35%) grew 9% YoY to INR 9.05bn, and Nutraceutical (8%) grew 26% YoY to INR 2.14bn. Higher GM at 63.7% (+347 bps YoY), higher staff (+24%), and SG&A (+13%) led to an EBITDA of INR 8.9bn (+20% YoY) and margin of 34.2% (+214bps). Lower other income (-4%) and higher depreciation (+17%) led to a PAT of INR 5.83bn (-1% YoY). Adjusted for one-offs, PAT[^] was at INR 6.24bn (+7%).
- **Con call takeaways:** For 9MFY26, growth in cc terms was at 8.6%. Export was at 89% of sales (grew 15% YoY) and export to the US/EU was at 73% of sales (up 11% YoY). It expects operating environment for raw material pricing to remain stable over the next six months and freight rates to remain stable in the near term. Its China de-risking strategy (material procurement from India was at ~70%) will focus on minimizing impact from material price surge due to China's removal of export tax rebates (from Apr-26). As of Dec-25, cash/equivalent was at INR 36.86 bn, CWIP was at INR 23.94 bn, asset addition at INR 7.76 bn, receivable at INR 26.37 bn, inventory at INR 36.67 bn.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	26,040	23,190	12	27,150	(4)	78,450	93,600	106,230	124,781	148,656
EBITDA	8,900	7,430	20	8,880	0	22,050	29,680	34,631	43,174	53,070
APAT	6,241	5,809	7	6,414	(3)	15,926	21,549	25,574	31,262	38,493
EPS (INR)	23.5	21.9	7	24.2	(3)	60.0	81.2	96.3	117.8	145.0
P/E (x)						107.9	79.8	67.2	55.0	44.6
EV/EBITDA (x)						76.1	56.7	48.5	38.8	31.3
RoCE(%)						16	19	21	22	24

Source: Company, HSIE Research. ^Adjusted for one-offs related to New Labor code of INR 740mn

BUY

CMP (as on 11 Feb 2026)	INR 6,387
Target Price	INR 7,630
NIFTY	25,954

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 7630	INR 7630
	FY26E	FY27E
EBITDA %	-	-

KEY STOCK DATA

Bloomberg code	DIVI IN
No. of Shares (mn)	265
MCap (INR bn) / (\$ mn)	1,695/18,691
6m avg traded value (INR mn)	2,476
52 Week high / low	INR 7,078/4,942

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(2.3)	6.6	7.4
Relative (%)	(2.8)	2.1	(3.0)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	51.89	51.88
FIs & Local MFs	19.76	19.28
FPIs	19.39	20.08
Public & Others	8.96	8.76
Pledged Shares	-	-

Source: BSE

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Torrent Pharma

India, Brazil growth intact; JB integration key

EBITDA grew 19% YoY (in line with our/consensus estimates), with 18% YoY sales growth, led by 14% YoY growth in India and 27% growth in Brazil. The company expects: (1) India to outperform IPM growth, driven by price increases, steady volumes, and new launches in focused therapies. The focus is to improve field-force productivity with new divisions for launches and expand market reach. Looking to add 500-600 MRs to reach field force size of 7,500 in FY27E (As of Dec-25, MRs count at 6,900); (2) steady growth in Brazil, led by traction in key brands and new launches; it GLP-1 (Semaglutide) launch to see one quarter delay to Q1FY27E (equivalent to Ozempic; approval for generic of Wegovy would be in later part of FY27); (3) Germany business to remain soft in the near term due to supplies constraint from its outsourced partner; started shifting manufacturing to alternate CMO and at its own plants but this will take time; and (4) steady scale-up in the US in FY27 with a focus on improving profitability supported by new launches. It is looking to launch GLP-1 molecules on patent expiry in India (both OSD and injectable). The company has completed acquisition of controlling stake in J.B Chemical (JBC) and expects to complete the merger in the near term; it sees INR 4-4.5bn cost synergies over next 2-3 years; post JBC acquisition, it guides for net debt to EBITDA at 1-1.1x in FY28E and 0.6x in FY29E. We believe Torrent Pharma is well-poised for steady growth, led by a strong branded franchise (new launches, consumer wellness, traction in Brazil – new launches in chronic) and gradual turnaround in US generics (profitability improvement and new launches) and Germany (tender wins), with margins steady around 32-34% over the next few years. We have tweaked our EPS for FY26/27E and revised the TP to INR 4,300 (41x Q3FY28E EPS; implying EV/ EBITDA of 26x). Maintain ADD. We will factor-in JB Chemical after some clarity on merger process.

- **Q3 highlights:** Sales grew 18% YoY to INR 33.03bn, with India (54% of sales) up 14% YoY to INR 17.9bn. Brazil (11%) grew 27% YoY (+10% cc). The US (10%) was down 3% QoQ to USD 36mn, and Germany (9%) grew 6% YoY. GM was down 23bps YoY to 75.8%. Higher staff/SG&A costs (+19%/ +17% YoY) led to EBITDA of INR 10.8bn (+19% YoY) and 32.9% margin (+40 bps). Lower interest costs, muted depreciation, adjusted for one-offs/forex^, and PAT stood at INR 6.77bn (+35% YoY).
- **Key con call takeaways:** India business growth of 14% YoY in Q3FY26 was led by 5.5% volume, 5.8% price, and 2.7% new launches. Curatio business saw 27% YoY growth in Q3FY26. JBC: it expects smooth transition of senior management, but it will result in muted Q4 and recovery from Q1FY27; it will look to discontinue JBC's trade generic business; JBC M&A related debt will have interest cost of ~7.6%. As of Dec-25, net debt stood at INR 8.82 bn.

Quarterly financial summary

(INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	33,030	28,090	18	33,020	0	107,278	115,161	130,660	150,826	171,382
EBITDA	10,880	9,140	19	10,830	0	33,677	37,210	42,857	50,527	58,270
APAT	6,779	5,030	35	6,299	8	15,969	19,404	25,460	31,070	36,977
EPS (INR)	20.0	14.9	35	18.6	8	47.2	57.3	75.2	91.8	109.3
P/E (x)						86.3	71.1	54.2	44.4	37.3
EV/EBITDA (x)						41.8	37.7	32.6	27.3	23.4
RoCE (%)						22	25	29	32	35

Source: Company, HSIE Research, ^ one-off expenses of INR 100 mn and forex loss of INR 450 mn

ADD

CMP (as on 13 Feb 2026)	INR 4,074
Target Price	INR 4,300
NIFTY	25,471

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3980	INR 4300
EPS %	FY26E	FY27E
	0.9	0.2

KEY STOCK DATA

Bloomberg code	TRP IN
No. of Shares (mn)	338
MCap (INR bn) / (\$ mn)	1,380/15,226
6m avg traded value (INR mn)	946
52 Week high / low	INR 4,240/2,886

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.6	12.7	32.7
Relative (%)	8.8	10.1	24.1

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	68.31	68.31
FIs & Local MFs	9.17	9.05
FPIs	15.92	16.13
Public & Others	6.60	6.51
Pledged Shares	-	-

Source: BSE

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Apollo Hospitals Enterprise

Strong Q3; growth and margin visibility intact

EBITDA (+27% YoY) was 3% ahead of our/consensus estimates, led by 17% YoY sales growth. The hospital business grew 14% YoY (ARPP +11% YoY), HealthCo grew 20% YoY (offline/online sales up 21%/15%), and AHLL grew 20% YoY. Hospital EBITDA grew 18% YoY (margin at 24.8%; +73 bps) and lower Apollo 24/7 spend (-24%) led to a better HealthCo margin. APHS expects (1) existing hospitals: steady growth with improving occupancy and ARPP growth (focus on CONGO-T); margin to see 100bps expansion and cost optimization led support of 80bps for the next few years; (2) expansion over FY26-27 is on track (Pune and Delhi Defense Colony commissioned in Q3FY26, Kolkata, Sarjapur, and Hyderabad in Q1FY27 and Gurgaon in Q2/H2FY27) – total addition of ~1,500 (of which 750 beds will operationalized in FY27 and balance in FY28; it expects to have a drag of ~INR 1.5 bn; (3) HealthCo: to sustain growth momentum and cost controls on Apollo 24/7 spend to help margin expansion, slight delay in digital cash break-even to Q1FY27 from Q4FY26 earlier (due to impact of GST changes in insurance vertical); and (4) AHLL: strong growth and margin improvement. We see growth visibility across – Hospitals: improving occupancy, ARPOB growth, and capacity expansion; HealthCo: steady growth in offline and scale-up in Apollo 24/7; and AHLL: steady growth and margin expansion. Factoring in Q3, we have tweaked EBITDA for FY26/27E at a revised TP to INR 9,200 (26x Q3FY28E EV/EBITDA). **BUY** stays.

- **Q3 highlights:** Sales grew 17% YoY to INR 64.7bn, with hospitals growing 14% (ARPP +11%), HealthCo and AHLL at 20%. Steady staff (+9%) and higher SG&A (+17%; Apollo 24/7 spend at INR 859 mn -24%) led to an EBITDA of INR 9.65bn (+27%) and 14.9% margin (+34 bps). **EBITDA:** (1) Hospital: +18% YoY, margin at 24.8% (+73 bps). (2) HealthCo: EBITDA at INR 1.27 bn; Offline: +23% YoY and margin at 7.8% (+12 bps). (3) AHLL: +39% YoY and margin at 10.2% (+142 bps). PAT[^] was at INR 5.16bn (+39% YoY).
- **Operating metrics:** **Hospital:** ARPP was at INR 180,917 (+11% YoY) and occupancy at 67% (68% YoY). IP/OPD volume grew 4%/ flat YoY. ALOS improved to 3.16 days. **Healthco:** GMV at INR 5.25 bn (+28% YoY) added 185 stores (7,113 as of Dec-25).
- **Con call takeaways:** CONGO specialties saw 6% YoY volume and 16% revenue growth. Hospitals' growth break-up: 5% volume growth, 4% case mix and 5% price increases. **GMV:** The company had an impact from discontinued Amazon online channel, GST rate changes impacting insurance vertical, and muted growth IP/ OPD; it expects to see recovery in Q4FY25. GMV (adjusted for Amazon and GST impact) to see ~28% growth in FY26. HealthCo demerger on track; received CCI approval and NCLT hearing to start soon; listing timeline of NewCo stays in Q4FY27.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	64,774	55,269	17	63,035	3	190,592	217,940	252,970	302,430	350,712
EBITDA	9,653	7,615	27	9,411	3	23,907	30,219	37,279	45,526	54,609
APAT	5,167	3,723	39	4,772	8	9,054	14,312	19,307	25,325	31,807
EPS (INR)	35.9	25.9	39	33.2	8	63.0	99.5	134.3	176.1	221.2
P/E (x)						119.2	75.4	55.9	42.6	33.9
EV/EBITDA (x)						46.9	37.5	30.3	24.6	20.1
RoCE (%)						15	16	17	20	22

Source: Company, HSIE Research, ^Adjusted for INR 192 mn related to New Labor Code

BUY

CMP (as on 11 Feb 2026)	INR 7,507
Target Price	INR 9,200
NIFTY	25,954

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 9100	INR 9200
	FY26E	FY27E
EBITDA %	(0.9)	(0.4)

KEY STOCK DATA

Bloomberg code	APHS IN
No. of Shares (mn)	144
MCap (INR bn) / (\$ mn)	1,079/11,900
6m avg traded value (INR mn)	2,866
52 Week high / low	INR 8,100/6,001

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	0.1	3.4	18.8
Relative (%)	(0.4)	(1.1)	8.4

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	28.02	28.02
FIs & Local MFs	21.12	21.5
FPIs	44.2	43.54
Public & Others	6.66	6.94
Pledged Shares	8.58	2.49

Source: BSE

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Max Healthcare Institute

Muted Q3; focus on execution and margin

EBITDA[^] grew 4% YoY, with 9% YoY sales growth (hospital sales up 9% and Max Labs up 12%). ARPOB grew 3% YoY, and occupancy was at 74% (vs. 75% YoY). Its brownfield expansion is on track (at Mohali, Nanavati, and Max Saket in Feb-26), though with delays in greenfield (Gurgaon 501 in H1FY27-end vs Q4FY26 earlier). It expects margin to be steady for brownfield hospitals (cost synergies) for the next couple of years. With focus on execution of new bed addition, it expects steady performance in near term. Institutional patient bed share at 35.8% (vs 30.1% YoY) was higher due to disruption of cashless services. It has reinstated cashless services (with a marginal rate increment) toward Q3-end and has a mechanism in place now for auto renewal at the end of contract cycle at pre-decided rates. Moreover, it expects the CGHS price revision benefits to start reflecting from Apr-26 (of ~INR 2 bn revenue). We believe the company is on track with its capex plan to add over 3,000 beds between FY26 and FY28 (~2,100 brownfield and 900 greenfield beds). The aggressive expansion plans underpin our revenue and EBITDA CAGRs of 20% and 21% over FY25-28E, with steady EBITDA margin at ~26.5% in FY28E (~26.7% in FY27). Factoring in Q3 performance and delay in commissioning timelines, we have cut EBITDA for FY26/27E by 5/3% and revised SoTP of INR 1,170 (30x Q3FY28E EV/EBITDA). ADD stays.

- **Q3 highlights:** Sales were at INR 24.84bn (+9% YoY). Hospital sales were at INR 24.37bn (+9% YoY). Max Lab grew 12% YoY to INR 470mn. Excluding non-operating costs, EBITDA was at INR 6.48bn (+4% YoY) and the margin was at 26.1% (-118 bps YoY). PAT (ex-one-offs) was at INR 4.15bn (+6% YoY).
- **Operating metrics:** ARPOB grew 3% YoY at INR 77,900/day. Occupancy was 74% (vs 75% YoY). OPD/IP volume grew 9/2% YoY. ALOS was steady YoY at 4.2 days. International patient sales (~9% of the hospital sales) were up 14% YoY. EBITDA per bed declined 3% YoY to INR 7.1mn. Pre-tax RoCE was 20%.
- **Con call takeaways:** Revenue/EBITDA were impacted by weak seasonality of vector-borne diseases, cashless insurance disruption, and discontinuation of patented chemo drugs. The top five insurance companies contribute ~25% of payor. Bed addition brownfield: (1) **Mohali (160 beds):** 53 beds commissioned (occupancy at 46 beds) and margin of ~39%; balance beds to be commissioned by Feb-26 end, (2) **Nanavati (280 beds):** 63 beds commissioned (occupancy at 45 beds) and margin of ~31%; balance beds to be commissioned by Mar-26 end. (3) **Max Smart (400 beds):** commissioning expected by Feb-26-end. **Max Dwarka:** occupancy at 70-80% with 20% margin, to add 200 beds by FY28-end. Jaypee hospitals: >30-35% YoY growth for sales and EBITDA. As of Dec-25, net debt was INR 21.66bn and capex for ongoing expansion and upgradation of facilities was INR 12.99bn, while dividend was INR 1.46bn.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	24,840	22,810	9	25,800	(4)	68,150	86,210	101,462	127,209	150,132
EBITDA	6,330	6,010	5	6,760	(6)	18,060	21,940	26,215	33,955	39,720
APAT	4,150	3,920	6	4,152	(0)	13,460	14,700	16,065	22,064	26,838
EPS (INR)	4.3	4.0	6	4.3	(0)	13.8	15.1	16.5	22.7	27.6
P/E (x)						75.1	68.8	62.9	45.8	37.7
EV/EBITDA (x)						56.1	47.0	39.3	30.3	25.6
RoCE (%)						16	15	15	18	20

Source: Company, HSIE Research, PAT adjusted for one-offs. ^ adjusted for non-operating costs

ADD

CMP (as on 06 Feb 2026)	INR 1,040
Target Price	INR 1,170
NIFTY	25,694

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1200	INR 1170
	FY26E	FY27E
EBITDA %	(5.2)	(2.9)

KEY STOCK DATA

Bloomberg code	MAXHEALT IN
No. of Shares (mn)	973
MCap (INR bn) / (\$ mn)	1,012/11,158
6m avg traded value (INR mn)	3,592
52 Week high / low	INR 1,314/934

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(7.6)	(18.2)	(7.6)
Relative (%)	(7.9)	(22.0)	(14.7)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	23.74	23.72
FIs & Local MFs	20.03	21.2
FPIs	51.8	50.55
Public & Others	4.43	4.53
Pledged Shares	-	-

Source: BSE

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Lupin

Strong Q3; near-term growth to sustain

EBITDA grew 52% YoY, given 24% YoY sales growth (US: +11% QoQ, while India was muted at 6% YoY) and GM expansion (+364 bps YoY at 73.8%), partly offset by higher costs. LPC expects (1) in FY26 – overall sales growth to sustain, margin at 27-28% (revised up from 25-26% earlier), R&D at 7.5-8.5%, and ETR at 21-22%; In FY27, steady revenue growth, margin at 24-25%, and R&D to remain steady (large part directed for complex generics); (2) the US to sustain base business at USD 1+ bn revenues in FY27, led by traction in key products (Tolvaptan, gSpiriva, gMyrbetriq) and incremental sales from new launches (including injectables) and scale-up in institutional business; and (3) India to beat IPM growth by 1.2-1.3x in near term led by new launches (80+ products in pipeline), in-licensing (including Bofanglutide, a novel fortnightly GLP-1), traction in focused therapies, and increasing MR productivity. The focus on (1) Respiratory: Dulera, Spiriva Respimat, Ellipta franchise, and green propellant; (2) Biosimilars: Pegfilgrastim launch in CY26 partnered with Valorum Biologics as front-end in the US, Ranibizumab in FY27, Aflibercept, Pegfilgrastim Onpro, Etanercept in CY29/ FY30; and (3) Injectables: 45+ product pipeline; expects to generate sales of USD 100 mn in the next 2-3 years. It expects to launch Semaglutide in India on patent expiry and plans to start a new division with 200 MRs. The alliance with PolyPeptide Group to scale global peptide supply chain to support GLP opportunity. Lupin aims to scale up its specialty portfolio (Xopenex, NaMuscla, Zaxine, etc.) over the next 3-5 years. M&A focus (As of Dec-25, net cash was at INR 28.79 bn) on specialty assets, adjacencies, and India region. Factoring in Q3FY26 beat, we have raised EPS estimates by 8%/4% for FY26/27E and revised the TP to INR 2,400 (25x Q3FY28E EPS). ADD stays, given growth visibility in the US (new launches) and India (traction in key therapies) and steady margin (cost controls) are intact.

- **Q3 highlights:** Sales grew 24% YoY to INR 71.6bn, as US sales (44% of sales) grew 11% QoQ to USD 350mn (+46% YoY), led by traction in Tolvaptan (under exclusivity) and in the base business. India (29%) at INR 20.38 bn (+6% YoY). Higher GM at 73.8% (+364 bps) and higher staff/ R&D/ SG&A (+16%/23%/19%) led to an EBITDA of INR 22.09 bn (+52%) and a margin of 30.8% (+566 bps). Adjusted for one-offs, PAT[^] was at INR 14.1 bn (+52% YoY).
- **Key takeaways from con call:** gSpiriva: market share at 32%; no visible competition. gMyrbetriq: settled with innovator (for USD 90 mn); ~40% generic share. gJynarque: it hopes of seeing extended exclusivity and no new major competition in near term. gRisiperdal Consta: launched in Nov-25 and to see scale-up in next few quarters. Albuterol: market share at 16%. Arfomoterol (Rx+Gx): market share was at 12%. **India business:** Field force at ~11,400 (MRs at ~8,900); in-licensing portfolio contribution at 6% of sales.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	71,675	57,677	24	70,475	2	200,108	227,079	269,725	283,728	292,247
EBITDA	22,095	14,515	52	21,376	3	38,000	54,718	75,523	70,081	70,139
APAT	14,172	9,318	52	13,272	7	20,669	35,364	48,100	43,536	43,961
EPS (INR)	31.0	20.4	52	29.1	7	45.2	77.4	105.3	95.3	96.2
P/E (x)						48.6	28.4	20.9	23.1	22.9
EV/EBITDA (x)						26.7	18.6	13.4	14.0	13.5
RoCE (%)						16	22	26	20	18

Source: Company, HSIE Research, ^Adjusted for exceptional items of INR 4.26bn

ADD

CMP (as on 13 Feb 2026)	INR 2,199
Target Price	INR 2,400
NIFTY	25,471

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2170	INR 2400
EPS %	FY26E 8.4	FY27E 4.4

KEY STOCK DATA

Bloomberg code	LPC IN
No. of Shares (mn)	457
MCap (INR bn) / (\$ mn)	1,005/11,088
6m avg traded value (INR mn)	1,856
52 Week high / low	INR 2,249/1,775

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	7.1	10.5	7.0
Relative (%)	9.3	7.9	(1.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	46.89	46.89
FIs & Local MFs	26.56	25.58
FPIs	20.5	21.5
Public & Others	6.05	6.03
Pledged Shares	-	-

Source: BSE

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Dr Reddy's Laboratories

Margin pressure visible; Semaglutide scale-up key

EBITDA[^] declined 11% YoY due to moderate sales growth of +4% YoY (as 10% QoQ decline in the US on lower gRevlimid sales was offset by +19% YoY growth in India and +20% in EU), gross margin correction (-456 bps YoY) and high staff costs (+16% YoY[^]). DRRD expects the US base business to stabilize led by new launches in FY26/ 27 (18 in 9M). The company is hopeful of new launch visibility in biosimilars to drive growth over the next few years, including (1) Abatacept: BLA submitted in Dec-25 and on track to launch in FY28; it expects EU launch in CY27, (2) Denosumab: launch in EU under progress but US timeline uncertain, and (3) Rituximab: in process to address CRL and approval possible after re-inspection. Semaglutide to have a sizable opportunity and scale-up remains key for growth: (1) the company has submitted response to address NON (Notice of Non-Compliance) for filing in Canada and it expects launch in Q1FY27 (goal date in May-25); (2) on track to launch Semaglutide in 87+ markets after patent expiry – India (in 21-Mar-26; received approval in India for antidiabetic and weight loss indication approval is under review), Brazil (Jul-26), and exploring B2B partnership; and (3) targeting 12mn pen capacity including CMO by FY27, which could go up by H2CY27. It will put greater focus on biosimilars and peptides for expand global pipeline. Factoring in 9M performance, we have cut EPS by 4/1% for FY26/27E and revised the TP of INR 1,240 (22x Q3FY28E EPS from 23x earlier). REDUCE stays as base business growth and margin concerns persist.

- **Q3 highlights:** Sales grew 4% YoY to INR 87.5bn. US sales (34% of sales) declined 10% QoQ to USD 330 mn (-17% YoY), due to price erosion and lower gRevlimid sales. India (18%) grew 19% YoY to INR 16.03 bn, led by new launches and incremental sales from Sturgeon portfolio. EM (22%) grew 32% YoY, with 51% YoY growth in Russia and 20% YoY growth in RoW, which was partly offset by muted CIS growth. EU (17%) grew 20% (15% ex-NRT portfolio) and PSAI (9%) declined 2% YoY.
- **Lower gRevlimid sales hit EBITDA:** GM declined by 456bps YoY to 64.6% due to reduced gRevlimid sales and price erosion in the base business. Higher staff (+16% YoY, including incremental cost of INR 1.17bn related to benefits under the new labor code) and lower R&D (-8%) costs and muted SG&A (+3%) led to an adjusted EBITDA of INR 20.31bn (-11% YoY) with a margin of 23.2% (-391bps YoY). Reported PAT decline by 14% YoY of INR 12.09bn. Adjusted for one-offs, PAT stood at INR 13.2bn (flat YoY).
- **Con call takeaways:** In Q3, the company entered into a strategic collaboration with Immutep for commercialization of Eftilagimod Alfa (a novel oncology drug) in key global markets outside the US, Europe, Japan, and Greater China (upfront of USD 20 mn + milestones of up to USD 349.5 mn + double-digit royalties). It plans to use India CoPP (Certificate of Pharmaceutical Product) to register in various RoW markets. R&D to be at 7-8% of sales.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	87,534	83,812	4	88,283	(1)	280,111	326,439	342,702	346,971	370,005
EBITDA	20,315	22,726	(11)	21,727	(6)	79,334	87,164	80,535	76,334	82,881
APAT	13,209	13,186	0	14,145	(7)	54,389	56,681	51,469	44,287	48,003
EPS (INR)	15.8	15.8	0	16.9	(7)	65.1	67.9	61.6	53.0	57.5
P/E (x)						17.7	17.0	18.7	21.8	20.1
EV/EBITDA (x)						11.6	11.0	12.0	12.5	11.4
RoCE(%)						26	23	17	13	13

Source: Company, HSIE Research, PAT adjusted for one-offs, [^] Labor code one-offs of INR 1.17bn

REDUCE

CMP (as on 21 Jan 2026) INR 1,156

Target Price INR 1,240

NIFTY 25,158

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 1320	INR 1240
	FY26E	FY27E
EPS %	(4.2)	(1.3)

KEY STOCK DATA

Bloomberg code	DRRD IN
No. of Shares (mn)	835
MCap (INR bn) / (\$ mn)	966/10,532
6m avg traded value (INR mn)	2,198
52 Week high / low	INR 1,380/1,020

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.2)	(8.1)	(10.2)
Relative (%)	(7.2)	(7.8)	(18.2)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	26.64	26.64
FIs & Local MFs	27.98	30.44
FPIs	35.52	33.2
Public & Others	9.86	9.72
Pledged Shares	-	-

Source: BSE

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Mankind Pharma

Muted Q3, acute recovery, and BSV integration key

EBITDA (+5% YoY) was 3/5% below our/consensus estimates as 12% YoY sales growth (India formulation up 12% YoY and exports +14%) and higher gross margin (+170 bps) were offset by higher staff and SG&A costs, resulting in lower margin at 25.8% (-167 bps YoY). Organic (ex-BSV and OTC) India formulation growth was at 9.1% YoY, and exports grew in mid-single-digit, and BSV recorded sales of INR 4.64bn (India + Export). Mankind expects the following: (1) gradual recovery in the acute therapies after corrective measures to ensure the volume growth and productivity improvement, (2) strong growth in key chronic segments (CVS and anti-diabetic) led by traction in recently launched products, (3) BSV: scale-up over next few quarters, targets to improve margin in the near term, and (4) expand the presence in export markets. The company is on track to launch Semaglutide in India after patent expiry (in Mar-25 end). While the BSV acquisition will be EBITDA-accretive, the debt-funded M&A could keep near-term earnings stressed. Factoring Q3 miss, we have cut EPS estimates for FY26/27 by 6/3% to factor lower-than-expected margin and delay in synergies with BSV. We maintain ADD with revised target price to INR 2,460 (34x Q2FY28E). We keep monitoring the progress in BSV business integration as well as growth momentum and debt repayment (net debt at INR 42.94 bn as of Dec-25 vs INR 57.84 bn in Mar-25).

- **Q3 highlights:** Sales grew 12% YoY to INR 35.67bn, with India formulation (80% of sales) up 12% YoY to INR 28.43bn, led by growth in chronic (+14.6%); consumer healthcare (6%) grew 5% YoY to INR 2.03bn and exports (15%) grew 14% YoY. BSV sales were at INR 4.64bn in Q3FY26, reflecting strong double-digit growth in Q3. GM was up 170bps YoY to 72.6%. Higher staff/SG&A (+17/+13%) costs led to EBITDA of INR 9.19bn (+5% YoY) and a 25.8% margin (-167 bps YoY). Higher depreciation (+19%), offset by lower other income and interest (-6/-29%), led to a PAT[^] of INR 5.15bn (+22% YoY).
- **Key takeaways from con call:** India formulation organic growth was on the back of volume growth and traction in key chronic segments. While the company saw strong growth in inhaler portfolio (Combihale and Symbicort), muted growth in cough/syrup categories led to underperformance in the respiratory segment. Gross margin improvement was led by better business mix (faster growth in chronic) and inventory management. The company is on track to complete corrective action and addressed attrition (especially in UP region which had an impact on PCPM) by adding 20-25% field force; it expects to improve on-ground relations with GPs for acute business over the next few quarters. OCF/EBITDA were higher (at ~93%) due to working capital optimizations, realization of government receivables, and drop in tax value; it expects working capital to taper down in the next few quarters.

Quarterly financial summary

(INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	35,672	31,988	12	36,972	(4)	87,494	103,348	122,074	143,762	161,151	178,189
EBITDA	9,194	8,160	13	9,213	(0)	19,006	25,351	30,179	35,940	41,577	46,864
APAT	5,153	4,216	22	5,115	1	13,720	19,129	19,363	19,857	26,819	30,886
EPS (INR)	12.5	10.2	22	12.4	1	33.3	46.4	46.9	48.1	65.0	74.8
P/E (x)						64.8	46.5	45.9	44.8	33.2	28.8
EV/EBITDA (x)						46.2	33.9	31.6	26.2	22.0	18.9
RoCE (%)						22	27	17	12	15	16

Source: Company, HSIE Research. ^Adj for new Labor Code and other exceptional costs of INR 1.06bn

ADD

CMP (as on 03 Feb 2026) INR 2,163

Target Price INR 2,460

NIFTY 25,728

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2530	INR 2460
	FY26E	FY27E
EPS %	(5.8)	(3.0)

KEY STOCK DATA

Bloomberg code	MANKIND IN
No. of Shares (mn)	413
MCap (INR bn) / (\$ mn)	893/9,889
6m avg traded value (INR mn)	1,090
52 Week high / low	INR 2,727/2,047

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(9.9)	(15.7)	(16.2)
Relative (%)	(9.6)	(19.6)	(24.7)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	72.67	72.66
FIs & Local MFs	11.91	13.26
FPIs	12.83	11.34
Public & Others	2.59	2.74
Pledged Shares	-	-

Source: BSE

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Zydu Lifesciences

Margin pressure visible; investing in specialty assets

EBITDA grew 36% YoY, led by a 30% YoY sales increase (M&A-led) as muted US sales (flat QoQ) were offset by 13% YoY growth in India and contributions from M&As (Amplitude, Comfort Click). While gross margin improved by 330bps YoY (to 73.2%), higher costs from M&As (staff/SG&A up 20%/58% YoY) resulted in a muted EBITDA margin of 24.1% (down 64 bps YoY). The company expects to meet its guidance of single-digit growth and a margin above 26% in FY26 and 23%+ in Q4FY26. For the US business, steady growth is expected in FY27, led by continued traction in gMyrbetriq, new launches (40+ including complex generics and exclusivity launches), ongoing momentum in the base business, and scale-up in its specialty segment (505-(b)(2)). Optimism remains for its specialty business with visibility of (1) steady traction from Sitagliptin 505(b)(2) brands, (2) approval for Zycubo (CUTX101) in the US, (3) Saroglitazar NDA filing in Q4FY26/H1FY27, (4) in-license Beizray, a oncology 505(b)(2) brand; launched in the US in Q4FY26, (5) in-license Nufymco (bRanibizumab) and hopes to enter the US market in H2FY27, (6) FYB206 (bKeytruda) phase-1 read-out is expected in H1CY26; launch visibility in CY28, and (7) Usnoflast under development. Patent litigation is ongoing for Mirabegron, no comments on settlement. It guides for an SG&A (ex-R&D) run-rate of INR 16-17bn; incremental costs related to commercial and pre-launch activities for its specialty products to increase SG&A/ employee costs (new hirings), and R&D to remain at 7.5-8% of sales. Factoring in Q3 and margin outlook, we have cut EPS by 2/3% for FY26/27E and revise TP to INR 1,000 (23x Q3FY28E). ADD stays, as the broader thesis of steady growth in the US and India, monetization of R&D assets, Medtech scale-up intact. However, the declining margin to ~26%+ in FY26 and ~23.5% in FY27/28 (from 29.8% in FY25) remains a key concern.

- **Q3 highlights:** Sales grew 30% YoY to INR 68.64bn (ex-M&A growth was in low double-digit) as the US sales (41% of sales) at USD 314mn were flat QoQ on negligible gRevlimid sales and +10% YoY, led by traction in gMyrbetriq and new launches. India formulations (25%) grew 13% YoY. Wellness (14%) grew 113% YoY. EMs/EU (12%) grew 38% YoY, API (3%) grew 26% YoY, and Medtech sales was at INR 2.9bn. Higher GM (+330 bps YoY to 73.2%) and higher staff/SG&A (+20/ 58%) led to EBITDA^ of INR 16.5 bn (+27% YoY) and 24.1% margin (-64 bps). Higher interest (+306% YoY), depreciation (+57%), and other income (+94%) led to a PAT^ of INR 9.8bn (+13% YoY).
- **Con call takeaways:** Volume quota for gRevlimid exhausted in 9M; no sales in Q4. Semaglutide launch will be in the first wave of launch after patent expiry in India; RoW market entry is expected in FY28. The company completed acquisition of two biologic CDMO plants from Agenesis Inc (for USD 90 mn); it expects scale-up over the next 2-3 years.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	68,645	52,691	30	61,232	12	195,474	232,415	266,700	286,356	301,981
EBITDA	16,520	13,017	27	16,382	1	52,979	69,134	70,045	67,294	70,362
APAT	9,854	9,509	4	10,076	(2)	37,790	45,972	43,972	42,266	44,225
EPS (INR)	9.8	9.5	4	10.0	(2)	37.6	45.7	43.7	42.0	44.0
P/E (x)						23.6	19.4	20.3	21.1	20.2
EV/EBITDA (x)						17.2	12.6	13.5	13.7	12.7
RoCE (%)						21	22	17	14	14

Source: Company, HSIE Research, ^EBITDA/ PAT adjusted for forex and INR 849 mn one-offs

ADD

CMP (as on 10 Feb 2026)	INR 887
Target Price	INR 1,000
NIFTY	25,935

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1020	INR 1000
EPS %	FY26E (1.8)	FY27E (3.0)

KEY STOCK DATA

Bloomberg code	ZUDUSLIF IN
No. of Shares (mn)	1,006
MCap (INR bn) / (\$ mn)	893/9,856
6m avg traded value (INR mn)	843
52 Week high / low	INR 1,059/795

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(6.4)	(5.2)	(8.0)
Relative (%)	(7.3)	(10.7)	(17.0)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	75.00	75.00
FIs & Local MFs	10.86	11.08
FPIs	7.34	7.06
Public & Others	6.80	6.86
Pledged Shares	-	-

Source: BSE

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Aurobindo Pharma

Steady US/EU, Pen-G ramp-up to improve margin

EBITDA grew 9% YoY, which was 4% beat to consensus estimates, as sales increased 8% YoY (US flat QoQ; EU up 27% YoY) and GM improved by 129bps YoY, though this was offset by a 16/15% YoY rise in staff costs/SG&A. Excluding gRevlimid, sales grew 9% YoY and EBITDA growth was at 15% YoY. ARBP indicates (1) to meet its guidance of single-digit growth (ex-gRevlimid) in FY26 and expects to sustain momentum in the coming years, with steady US OSD business (at USD 1bn) through new launches, improvements in injectables (+17% YoY), normalization of Eugia-3 plant supplies, and commercialization of Vizag plant (three products filed and 10+ in process of filing); (2) strong growth in the EU, led by geographical/product expansion and support from scale-up in China plant, with improved EBITDA; (3) ramp-up in its Pen-G plant – utilization improved to 60-70% in Q4FY26 and targets 10k MT in FY27 to support the margin (captive) and external sales (from 6-APA; support from MIP); (4) to sustain EBITDA margins at 20–21% in FY26, with operating leverage supporting margins in subsequent years; (5) scaling up the biosimilar business, with four launches in the EU and stronger traction expected from FY27 and inflection point in FY29 (meaningful contribution); and (6) Lannett acquisition will complement the US OSD business growth; we have not factored in our estimated as transaction is expected to complete in H1FY27; after factoring in Q3 results, we have tweaked FY26/27E EPS and revised the TP to INR 1,280 (16x Q3FY28E). ADD stays, led by improvements in the US base business, steady EU growth, ramp-up in Pen-G/ China/US plants, and gradual biosimilar scale-up, all likely to drive steady mid-to-long-term growth.

- **Q3 highlights:** Sales grew 8% YoY to INR 86.4bn as the US (43% of sales) grew 1% QoQ to USD 420mn (-3% YoY), led by volume growth. EU sales (31%) grew 27% YoY. ARV sales (4%) grew 22% YoY, and API (11%) declined 4% YoY. Higher GM at 59.7% (+129 bps YoY), higher staff/SG&A (+16/15%), and lower R&D (-9%) led to an EBITDA of INR 17.73bn (+9% YoY) and margin of 20.5% (+11 bps). Higher other income (17%) and depreciation (11%), and lower interest (-22%) resulted in a PAT[^] of INR 9.32bn (+8% YoY).
- **Con call takeaways:** **US OSD:** Sales were up QoQ, led by volume growth. **China plant:** ramping up to support the EU supplies. **Dayton plant:** Commercialized and contribution to start in FY27E. **Biosimilars:** (1) launched Bevqolva (Bevacizumab) in the UK, Dazublys (Trastuzumab) in Lithuania, and supplies initiated to France and Germany for upcoming launches. (2) Received approval for Dyruppeg (pegfilgrastim) in Canada. (3) Denosumab filing delayed due to extended validation requirements. (4) Targets Bevacizumab filing in the US in H2CY26.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	86,459	79,785	8	82,857	4	290,019	317,237	333,985	364,889	393,086
EBITDA	17,733	16,278	9	16,781	6	58,430	67,331	68,801	76,627	83,727
APAT	9,319	8,626	8	8,451	10	32,837	35,558	36,671	42,757	47,685
EPS (INR)	16.0	14.9	8	14.6	10	56.5	61.2	63.1	73.6	82.1
P/E (x)						19.9	18.3	17.8	15.2	13.7
EV/EBITDA (x)						11.2	9.7	9.2	7.9	6.9
RoCE (%)						14	14	13	14	15

Source: Company, HSIE Research, ^Adjusted for one-offs: INR 653 mn New Labor Code and forex

ADD

CMP (as on 10 Feb 2026) INR 1,122

Target Price INR 1,280

NIFTY 25,935

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1260	INR 1280
	FY26E	FY27E
EPS %	-1.3	-1.4

KEY STOCK DATA

Bloomberg code	ARBP IN
No. of Shares (mn)	581
MCap (INR bn) / (\$ mn)	653/7,207
6m avg traded value (INR mn)	1,435
52 Week high / low	INR 1,279/994

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(2.7)	7.9	(4.5)
Relative (%)	(3.5)	2.3	(13.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	51.82	51.82
FIs & Local MFs	27.60	27.66
FPIs	14.21	13.95
Public & Others	6.37	6.57
Pledged Shares	17.5	17.5

Source: BSE

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Alkem Laboratories

Moderate Q3; India growth recovery is key

EBITDA grew 9% YoY, led by 11% YoY sales growth (+6% YoY India, -3% QoQ in the US, and 42% YoY in ex-US exports), higher gross margin (+163 bps YoY at 65.9%), offset by higher costs (SG&A/ staff +15%/ +18% YoY). The company expects (1) India business to see 10+% YoY growth in Q4FY26, and it will beat IPM growth by 100-150 bps in FY27, led by steady traction in key acute therapies, strong scale-up in chronic segment, and field force expansion; (2) gross margin to sustain at 64-65% and potential to see 50-100 bps benefits from Pen-G/ derivatives price revision under Minimum Import Price; and (3) to improve EBITDA margin by 100 bps p.a. for the next few years. On track to launch Semaglutide (GLP-1) in the first wave after patent expiry. The company expects Enzene Bio to see strong scale-up over the next few years and targets to achieve EBITDA margin of ~25% in next 4-5 years. It plans to acquire 55% stake in Occlutech, a Medtech company for Euro 99.4mn; to foray into orthro and cardiac impact market; acquisition is expected to be completed by Jun-26 (we will factor in Occlutech post the completion of transaction process). Factoring in Q3 performance, we have tweaked our EPS for FY26/27E and revised the TP to INR 5,980 (29x Q2FY28E EPS). ADD stays as we expect the India business to remain steady with ~10% CAGR over FY25-28E and a gradual scale-up in the US business with steady improvement in margin.

- **Q3 highlights:** Sales grew 11% YoY to INR 37.36bn as India (67% of sales) grew 6% YoY to INR 24.95bn (excluding impact for channel adjustment, the growth was ~10% YoY), with growth in pain, VMN, and chronic therapies offset by muted anti-infectives and gastro. The US (20%) declined 3% QoQ to USD 85mn (+13% YoY), and international sales (12%) grew 42% YoY. Strong GM at 65.9% (+163 bps YoY), higher staff (+15%) and SG&A (+18%) costs, offset by lower R&D (+6%) led to INR 8.28bn EBITDA (+9% YoY) and a 22.2% margin (-35 bps YoY). Higher depreciation, interest, and other income (+11%/+17%/+54%) led to a PAT[^] of INR 6.8bn (+9% YoY).
- **Key con call takeaways:** While the company expects to benefit from Pen-G/ its derivatives MIP by 50 bps, it currently holds 4-5 months of inventory and benefits to reflect from H2FY27. As of Dec-25, net cash was ~INR 55.9bn. The company proposed to acquire Occlutech Holding (Occlutech) in Switzerland, a global medical devices company; to acquire 55% stake for Euro 99.4 mn (EV of Euro 181 mn). Occlutech sales were at Euro 49.4 mn and it is expected to see 14% revenue CAGR over next five years; gross margin of ~73% and EBITDA margin of ~10% and it expects EBITDA margin to improve to 22-23% in next 2-3 years; payback period of 10 years. The company is not looking for any big sized M&As in the near term.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	37,368	33,743	11	40,010	(7)	126,676	129,645	146,709	162,851	176,739
EBITDA	8,280	7,594	9	9,208	(10)	22,455	25,122	30,222	34,524	38,352
APAT	6,802	6,258	9	7,651	(11)	19,346	21,322	24,992	23,446	25,053
EPS (INR)	56.9	52.3	9	64.0	(11)	161.8	178.3	209.0	196.1	209.6
P/E (x)						33.4	30.3	25.8	27.5	25.8
EV/EBITDA (x)						28.8	25.5	21.2	18.3	16.1
RoCE (%)						19	20	20	20	21

Source: Company, HSIE Research. ^One-offs of INR 528mn related to New Labor Codes

ADD

CMP (as on 13 Feb 2026)	INR 5,402
Target Price	INR 5,980
NIFTY	25,471

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 6,070	INR 5,980
	FY26E	FY27E
EPS %	(0.6)	0.0

KEY STOCK DATA

Bloomberg code	ALKEM IN
No. of Shares (mn)	120
MCap (INR bn) / (\$ mn)	646/7,126
6m avg traded value (INR mn)	857
52 Week high / low	INR 5,934/4,492

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(5.6)	0.3	14.5
Relative (%)	(3.4)	(2.3)	5.9

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	51.2	51.2
FIs & Local MFs	21.93	21.54
FPIs	9.47	9.97
Public & Others	17.4	17.29
Pledged Shares	-	-

Source: BSE

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Laurus Labs

Generic drives Q3; CDMO to normalize in Q4FY26

EBITDA[^] growth of 71% YoY was led by strong sales growth of +26% YoY (as muted 1% YoY growth in CDMO was offset by +37% YoY growth in generic business) and gross margin expansion (+406 bps YoY). Laurus expects CDMO business (Q3FY26 impacted due to campaigning timing and phase-out of recent supplies) to normalize from Q4, led by existing commercial molecules; it expects strong momentum to continue in FY27E, supported by accelerated expansion in CDMO and late-phase NCE projects with big pharma clients. The company is advancing on commercial peptides capability and manufacturing capacities for integrated service (amino acid, fragments, purification); it expects capacity validation in CY26. It plans to invest USD 25mn for ADC capacity which is still in nascent stages (not looking to add mABs and sterile fill-finish capacity) with revenue visibility from FY28 and beyond. Laurus Bio progress on long-term contracts is intact and scale-up is expected from FY27 and beyond. It expects the generics business to see steady growth in the near term. It expects to improve the gross (60+%) and EBITDA margin, led by business mix and improving asset utilization. It guides a capex of INR 10bn in FY26 (INR 7.35bn in 9M) and INR 10bn+ for FY27 for ongoing expansion projects; incremental capex toward Vizag land parcel to start from H2FY27. Factoring in the healthy Q3 performance, we have increased our EBITDA estimates by 7% for FY26E, while maintaining those for FY27/28E. We retain our REDUCE rating and a TP of INR 1,040 based on 26x Q3FY28E EV/EBITDA (implying 51x PE).

- **Q3 highlights:** Revenues grew 26% YoY to INR 17.78bn. The CDMO business (25% of sales) grew 1% YoY to INR 4.51bn – small molecules were up 2% YoY (-13% QoQ) and Laurus Bio (2%) declined by 10% YoY (-9% QoQ). Generic API business (40%) grew 36% YoY and generic FDF (34%) grew 39% YoY.
- **EBITDA growth on higher sales:** GM expanded by 406 bps YoY to 60.9% on better product mix. Higher staff (+17% YoY[^]) and SG&A (+13%) led to an EBITDA[^] of INR 4.8bn (+71%) and margin of 27.5% (+732bps YoY). Reported PAT at INR 2.5bn (+173% YoY) and adj. PAT was INR 2.6bn (+182%).
- **Con call takeaways:** Laurus Bio's fermentation manufacturing site (at Vizag) build-up is on track and it expects to commence operations by CY26-end. It has operationalized gene therapy and ADC process development lab in Hyderabad in Q3FY26 and the cGMP facility build is on track. KRKA's FDF facility construction is on track and Phase-1 expansion is expected to be completed by mid-CY27. The dedicated CMO oral dosage capacity commenced operations in Q3FY26 with additional packaging line and full commercial production line expected to start from Jun-26. NexCAR19: Sustained demand > 550 infusions as of Dec-25; focus on growth from ex-India market; second cell therapy facility (at Navi Mumbai) to be commissioned by Mar-26 (to add 2,500 annual treatment capacity).

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	17,783	14,151	26	16,535	8	50,408	55,540	68,600	76,387	87,088
EBITDA	4,885	2,852	71	4,033	21	7,775	10,553	17,630	19,861	22,991
APAT	2,600	923	182	1,950	33	1,611	3,589	8,490	9,632	11,427
EPS (INR)	4.8	1.7	182	3.6	33	3.0	6.6	15.7	17.8	21.2
P/E (x)						340.8	153.0	64.7	57.0	48.0
EV/EBITDA (x)						73.8	54.6	32.4	28.7	24.6
RoCE(%)						6	10	16	17	17

Source: Company, HSIE Research, PAT adjusted for one-offs, [^] Labor code one-offs of INR 83 mn

REDUCE

CMP (as on 23 Jan 2026) INR 1,017

Target Price INR 1,040

NIFTY 25,049

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 1040	INR 1040
	FY26E	FY27E
EBITDA %	7.5	1.2

KEY STOCK DATA

Bloomberg code	LAURUS IN
No. of Shares (mn)	540
MCap (INR bn) / (\$ mn)	549/5,967
6m avg traded value (INR mn)	2,011
52 Week high / low	INR 1,141/501

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	8.8	23.6	73.7
Relative (%)	12.3	25.0	67.1

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	27.59	27.49
FIs & Local MFs	11.73	12.43
FPIs	26.16	26.52
Public & Others	34.52	33.56
Pledged Shares	2.69	2.69

Source: BSE

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IPCA Laboratories

Base business remains strong; Unichem ramp-up key

EBITDA growth of 22% YoY was driven by 7% YoY sales growth (India grew 12% YoY), higher GM (+226 bps YoY at 72.5%), and cost controls (staff/SG&A +10%/+4% YoY), causing the margin to expand to 22.7% (+284 bps YoY). IPKA expects (1) overall business to see 10-11% growth in the near term (IPKA standalone growth at 10-12% and Unichem business at 8-9%); (2) India business to outperform IPM growth in the next few years, led by sustained momentum in key therapies (pain, CVS, anti-diabetics, CNS, and derma); looking to in-licensing Semaglutide to participate in India GLP-1 market; (3) export formulation to see gradual improvement, led by traction in the EU and UK businesses, scale-up in the US business, and steady growth in branded generics; to sustain 10-12% YoY in near term; (4) API business to see slightly slower growth; (5) Unichem to see gradual pick-up in growth momentum from FY27/28E, led by product commercialization across EU and RoW markets (registration process started and approval may take 10-12 months) as well as new launches in the US; and (6) consolidated margin to improve by ~150 bps p.a. for the next couple of years; aims to achieve Unichem margin of 15% in the next 2-3 years and it hopes to reach 18-20% sustainable margin in the long term. We believe IPKA is well-positioned for growth (~10% CAGR over FY25-28E), given steady India growth (new launches, steady growth in focused therapies, and scale-up in chronic categories) and export formulation ramp-up (through Unichem integration and new launches in the EU/RoW), with improving margins (~16%/23% EBITDA/PAT CAGR over FY25-28E). Considering Q3 results, we have reduced the EPS by 5/2% for FY26/27E, while maintaining for FY28E and revised the TP to INR 1,750 (28x Q3FY28E EPS). Maintain BUY.

- **Q3 highlights:** Sales grew 7% YoY to INR 23.92bn. India (41% of sales) grew 12% YoY, branded generics grew 28%, generics exports grew 21%, and institutional declined 21%, and API was flat (India/export -14%/+6%) and Unichem (22%) declined 2% YoY. Higher GM at 72.5% (+226 bps YoY) and moderate costs (staff/SG&A +10%/+4% YoY) led to EBITDA^ of INR 5.43bn (+22% YoY) with a margin of 22.7% (+284 bps). Muted other income and moderate interest/depreciation (+5%/9%) led to reported PAT of INR 3.26bn (+31% YoY). Adjusted for one-offs^, PAT stood at INR 3.18bn (+38% YoY).
- **Key takeaways from con call:** Overall, US sales (IPKA + Unichem) grew 17% YoY to INR 3.95bn (for 9M it grew 15% to INR 11.4 bn). It expects Unichem to gradually improve through cost optimization, shifting API sourcing to IPKA's in-house facilities, ramping up operations in EU and RoW markets with new product registrations, and improving capacity utilization. The company expects to start tech-transfer and manufacturing for two biosimilars soon (five candidates under development) and is targeting global markets.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	23,925	22,454	7	25,565	(6)	77,050	89,396	96,329	107,460	119,460
EBITDA	5,432	4,461	22	5,543	(2)	12,882	16,931	19,651	23,211	26,640
APAT	3,185	2,311	38	3,502	(9)	5,943	8,884	11,376	14,239	16,401
EPS (INR)	12.6	9.1	38	13.8	(9)	23.4	35.0	44.8	56.1	64.6
P/E (x)						64.3	43.0	33.6	26.9	23.3
EV/EBITDA (x)						31.2	23.6	20.0	16.5	14.0
RoCE (%)						12	14	16	18	19

Source: Company, HSIE Research, ^Excluding forex INR 35mn, One-off INR 177mn and INR 134 mn

BUY

CMP (as on 16 Feb 2026) INR 1,495

Target Price INR 1,750

NIFTY 25,683

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1660	INR 1750
	FY26E	FY27E
EPS %	(4.9)	(1.5)

KEY STOCK DATA

Bloomberg code	IPCA IN
No. of Shares (mn)	254
MCap (INR bn) / (\$ mn)	379/4,183
6m avg traded value (INR mn)	365
52 Week high / low	INR 1,595/1,168

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	1.0	9.5	2.1
Relative (%)	2.6	6.1	(7.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	44.72	44.72
FIs & Local MFs	36.45	36.99
FPIs	10.42	10.62
Public & Others	8.41	7.67
Pledged Shares	-	-

Source: BSE

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Anthem Biosciences

Margin improvement neutralized CRDMO dip

EBITDA was muted (-1% YoY) as shortfall in revenues (-15% YoY; CRDMO declined -19% YoY) was neutralized by a sharp improvement in gross margin (+13 pp YoY to 66.3%) leading to a strong EBITDA margin at 37.1% (+511 bps YoY). The company indicated (1) that it expects mid-teen revenue growth in FY26 as modest growth of 11% YoY in 9MFY26 (global inventory de-stocking due to trade volatility and muted funding environment in CY25) could improve sharply from Q4FY26 led by supply improvement. However, EBITDA/PAT will remain strong with 20%+ growth YoY in FY26. (2) Normalizing in global supplies for existing products, improving global funding environment, and scale-up in recently approved products (four products; TAM of ~USD 10 bn) will help strong performance in FY27 (QoQ lumpiness possible). (3) The company has good visibility in peptide segment with both GLP-1 innovator pipeline projects and other non-GLP peptides. It has one ADC project in late stage of development (in Phase 3) and 6-7 ADC projects in early-stage (with innovators). (4) Specialty ingredients: It expects strong growth momentum on the back of Semaglutide API opportunity in India and RoW markets (tied-up with several India formulation companies; it will remain cost competitive to Chinese suppliers), steady growth in existing products, commercial visibility in probiotics (tied-up with few companies in RoW markets), and scale-up in biosimilars projects. (5) It expects to sustain a gross margin (backward integration) and EBITDA margin (cost optimization and ramp-up in NeoAnthem plant). It saw healthy RFP/RFQ trends and expects higher conversion rate, supported by an improving global funding environment. Factoring in Q3 and outlook, we have tweaked the EBITDA. We retain ADD and revise TP to INR 720, based on 35x Q3FY28E EV/E (implying 52x PE).

- **Q3 highlights:** Sales declined 15% YoY to INR 4.23bn. CRDMO (79% of sales) was down 19% YoY to INR 3.33bn. Specialty ingredients (21%) grew 7% YoY to INR 899mn (+7% QoQ). Higher GM was at 66.3% (+13 bps YY), higher staff (+24%), and moderate SG&A (+9%) led to an EBITDA of INR 1.57bn (-1% YoY) and margin was at 37.1% (+511bps). Higher other income (+38% YoY) and depreciation (+70%) led to a PAT[^] of INR 1.18bn (-5% YoY).
- **Con call takeaways:** **CDMO:** Capacity utilization: (1) CDMO: (a) Unit 1 (25KL) CDMO at 75%; (b) Unit 2 (300 KL) at 75%; added 76KL; (c) Unit 3 (NeoAnthem) at still to be utilized; and (2) **Fermentation (142 KL both at Unit 1 and 2):** at 46%. The company has discontinued intermediates outsourcing from China and focused on backward integration for the past few years, which benefitted the gross margin. No new additions in Phase 3 clinical pipeline (at 10); one molecule undergoing USFDA review for transition from Phase 2 to 3. Unit 4: Civil work has started, and majority of capex will be in FY27; capability-wise Unit 4 partially will in small scale molecules move toward commercialization, peptides, Hi-Po API, and oligonucleotides.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	4,232	4,978	-15	5,500	-23	14,194	18,446	20,623	25,395	30,717
EBITDA	1,572	1,595	-1	2,179	-28	5,050	6,708	7,857	9,726	11,826
APAT	1,182	1,243	-5	1,564	-24	3,561	4,462	5,737	6,629	8,061
EPS (INR)	2.1	2.2	-5	2.8	-24	6.3	7.9	10.2	11.8	14.4
P/E (x)						100.0	79.8	62.1	53.7	44.2
EV/EBITDA (x)						69.7	52.2	44.3	35.8	29.3
RoCE(%)						23	28	28	26	26

Source: Company, HSIE Research. ^Adjusted for one-offs related to New Labor code of INR 254mn

ADD

CMP (as on 05 Feb 2026)	INR 634
Target Price	INR 720
NIFTY	25,643

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 740	INR 720
	FY26E	FY27E
EBITDA %	(1.0)	(1.4)

KEY STOCK DATA

Bloomberg code	ANTHEM IN
No. of Shares (mn)	562
MCap (INR bn) / (\$ mn)	357/3,950
6m avg traded value (INR mn)	485
52 Week high / low	INR 874/579

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(9.6)	(13.8)	-
Relative (%)	(9.4)	(17.0)	-

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	74.69	74.69
FIs & Local MFs	7.22	7.60
FPIs	1.67	1.37
Public & Others	16.42	16.34
Pledged Shares	-	-

Source: BSE

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Aster DM Healthcare

Weak Q3; hospital margin improvement is key

EBITDA grew 12% YoY, led by 13% growth in the hospital business, as lower occupancy at 61% (vs 63% in Q3FY25) was offset by an 15% YoY increase in ARPOB. Hospital EBITDA rose 12% YoY, with margin decreasing by 50bps to 21.5% due to ~INR 130 mn drag from new hospital (at Kasargod). ASTERDM expects: (1) steady growth in hospital business with strong performance in Kerala cluster and scale-up in other clusters; (2) bed capacity expansion to have some delays. While the bed addition is well spread over FY26-28, the EBITDA drag from new hospitals keep margin under pressure; (3) Quality Care Hospital (QCIL) to see steady growth along with bed capacity expansion (1,700+ beds with capex outlay of INR 20 bn). The QCIL merger is on track though, with a completion timeline by Q1FY27. Factoring in Q3 miss, lower margin, and delay in capacity addition (Ramesh Ongole: 75 beds/ Whitefield: 159 beds in late Q4FY26; W&C, Hyderabad: 300 beds in H2FY27 from H1, Sarjapur Phase I: 300 beds in FY28 from H2FY27), we have cut our FY26/27E EBITDA estimates by 9/6% and revised our TP to INR 640 (25x Q3FY28E blended EV/E). ADD stays.

- **Q3 highlights:** Sales grew 13% YoY to INR 11.85 bn, led by 15% YoY growth in hospitals (occupancy at 61%, ARPOB growth of 15%). Higher GM at 77.4% (+97 bps YoY) was offset by higher staff costs (+14% YoY) and SG&A (+13%) led to an EBITDA of INR 2.1bn (+12% YoY) and 17.8% margin (-20 bps). PAT[^] was ~INR 807 mn (+12% YoY). **EBITDA:** (1) Hospital: +12% YoY, margin at 21.5% (-50 bps); (2) Labs/pharmacy: EBITDA at INR 50mn, margin at 7.5%.
- **Operating metrics:** ARPOB at INR 52,300 (+15% YoY) and occupancy at 61% (63% in Q3FY25). IP/OPD volumes up +4/+11% YoY. ALOS steady at 3.1 days. **Clusters:** **Kerala:** ARPOB was up 17% YoY and occupancy at 65%; **Karnataka, Maharashtra:** ARPOB was up 17% YoY and occupancy at 55%; (3) **AP, Telangana:** ARPOB was up 11% YoY, and occupancy is at 55%.
- **QCIL:** Sales at INR 11.81bn (+17% YoY), EBITDA at INR 2.79 bn (+32% YoY), and margins expanded by 267 bps YoY to 23.6%, supported by procurement synergies across QCIL entities, which led to ~INR 200mn of EBITDA improvement. The Kerala cluster grew 25% YoY and Hyderabad units grew 20% in Q3. Bangladesh (Evercare) grew 21% YoY in 9MFY26.
- **Key takeaways from con call:** In Q3, Aster saw strong 41% growth in MVT sales, led by 64% YoY growth in Kerala. The CONGO mix increased by 240bps to 52% in Q3FY26. Kasargod hospital: sales of INR 100mn and EBITDA drag of INR 130mn; it expects to break even in a couple of quarters. In Q3FY26: (1) Aster Medcity sales grew by 24% YoY, EBITDA grew 33% and margin was at 30%; (2) Aster MIMS Calicut sales grew by 14% YoY, EBITDA grew 20%, and margin was at 26%; (3) Aster Whitefield sales grew by 14% YoY.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	11,858	10,498	13	11,972	(1)	36,989	41,385	46,463	58,702	73,564
EBITDA	2,113	1,892	12	2,498	(15)	5,780	7,645	8,902	11,601	15,135
APAT	807	721	12	1,103	(27)	1,226	3,568	3,941	5,688	8,150
EPS (INR)	1.6	1.4	12	2.2	(27)	2.4	6.9	7.6	11.0	15.7
P/E (x)						235.4	80.9	73.2	50.7	35.4
EV/EBITDA (x)						52.9	38.9	33.3	25.7	19.4
RoCE (%)						3	6	11	13	16

Source: Company, HSIE Research, PAT adjusted for one-offs.

ADD

CMP (as on 02 Feb 2026)	INR 557
Target Price	INR 640
NIFTY	25,088

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 740	INR 640
EPS %	FY26E (9.4)	FY27E (6.1)

KEY STOCK DATA

Bloomberg code	ASTERDM IN
No. of Shares (mn)	518
MCap (INR bn) / (\$ mn)	289/3,158
6m avg traded value (INR mn)	504
52 Week high / low	INR 732/386

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(17.7)	(6.3)	17.4
Relative (%)	(15.0)	(7.6)	12.0

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	40.39	40.39
FIs & Local MFs	26.32	26.12
FPIs	18.72	18.46
Public & Others	14.57	15.03
Pledged Shares	40.67	40.67

Source: BSE

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Dr. Lal Pathlabs

Steady Q3; volume growth to remain a key driver

EBITDA (+16% YoY) was in line with our/consensus estimates, led by a 11% YoY increase in sales, supported by 3%/8% YoY growth in patient/sample volumes. SwasthFit continues to sustain a strong momentum with 25% YoY growth in Q3FY26 (up 22% in 9MFY26). DLPL retains its guidance on sustaining volume-led growth and maintaining 11-12% growth as well as remaining steady in the following years. The company expects to sustain the margin at 27-28% in FY26 as well as for subsequent years. The key growth driver is geographic expansion (core markets and Tier 2/3 regions), portfolio innovation (broadening its high-complexity testing in genomics, oncology, autoimmunity), and digital enablement. The company is looking to deepen their presence in tier 3 and 4 markets as it scales their franchisee model and focuses on capturing untapped preventative testing market. It expects a continued higher contribution from SwasthFit (at 26% in 9MFY26 vs 24% in FY25) and is looking to expand its portfolio offering and presence to sustain the growth momentum. It is looking for M&As to expand presence in southern India (targets mid-size company with a sizable presence in the region) and in the other regions (open for standalone labs). The impact of GST-led price cut (pass-on to consumers) will reflect from Q4FY26 onwards and the company is not looking for a price hike in the near term. We expect volume-led growth, supported by steady performance in the north and east, scale-up in suburban in the west regions, and combination of organic expansion as well as M&As in the south. This is supported by a steady price environment. We reiterate BUY with an unchanged TP of INR 1,740, based on 44x Q3FY28E.

- **Q3 highlights:** Sales grew 11% YoY to INR 6.5 bn as patient volume grew 3% YoY to 7.1 mn, and sample volume grew 8% YoY to 22.2 mn (realization per patient and sample grew 7% and 3% YoY). Steady GM at 80.5% (+10 bps YoY), higher SG&A (+8%) and fees to franchise (+10%), and moderate staff cost (+6%) led to EBITDA of INR 1.7 bn (+16% YoY) and 27.2% margin (+137 bps). Lower other income (-2% YoY), higher depreciation (+19%)/ interest (+36%), and after adjusting for a one-off, PAT came in at INR 1.12 bn^ (+16% YoY).
- **Key takeaways from con call:** In Q3, lower patient volume growth was due to an unexpected decline in seasonal fever portfolio. It sees organic patient volume growth driver such as expansion and access, new customer acquisition in existing markets, and scale-up in tier 2/3 cities. B2C:B2B mix was steady at 75%:25%. It has launched a preventive wellness center "Sovaaka" with model for infectious diseases, a pivot to science-led diseases prevention; it expects strong scalability over the next few years. The company has expanded its advance radiology set-up in Delhi (two centers now); it will remain in scale-up phase for the next 2-3 years. Capex: INR 1.5-1.6bn in FY26 and INR 1-1.5bn in FY27/28E. As of Dec-25, cash was at INR 14.11 bn.

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	6,598	5,967	11	7,306	(10)	22,266	24,614	27,319	30,459	33,960
EBITDA	1,793	1,540	16	2,241	(20)	6,092	6,956	7,840	8,681	9,713
APAT	1,126	967	16	1,506	(25)	3,577	4,463	5,253	6,008	6,833
EPS (INR)	6.7	5.8	16	9.0	(25)	21.3	26.6	31.3	35.8	40.8
P/E (x)						66.0	52.9	44.9	39.3	34.5
EV/EBITDA (x)						37.7	32.5	28.5	25.3	22.1
RoCE (%)						25	29	29	29	28

Source: Company, HSIE Research, ^PAT adjusted for one-offs of INR 301mn related to new labor codes

BUY

CMP (as on 30 Jan 2026)	INR 1,408
Target Price	INR 1,740
NIFTY	25,321

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1740	INR 1740
	FY26E	FY27E
EPS %	0.0	0.0

KEY STOCK DATA

Bloomberg code	DLPL IN
No. of Shares (mn)	168
MCap (INR bn) / (\$ mn)	236/2,568
6m avg traded value (INR mn)	461
52 Week high / low	INR 1,771/1,147

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.8)	(9.0)	(2.0)
Relative (%)	(6.2)	(10.0)	(9.2)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	53.21	53.21
FIs & Local MFs	18.22	19.2
FPIs	21.86	20.29
Public & Others	6.71	7.3
Pledged Shares	-	-

Source: BSE

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Piramal Pharma

Weak Q3, growth recovery from FY27

EBITDA declined 42% YoY, largely due to lower sales (-3% YoY; CDMO declined -9% YoY due to the absence of one on-patent product supply) and moderate costs (+9% YoY) but was partly offset by steady gross margins at 63.3% (-19 bps YoY). Piramal expects (1) CDMO: Q4 to see strong recovery and to sustain quarterly trend of Q4 being strongest; the company expects healthy growth in FY27E on the back of improving global biopharma funding (started from Oct-25), which is leading to the pick-up in RFPs and order inflows. While it expects steady growth in the base business, it is uncertain of resumption of on-patent commercial product supplies. Investment of USD 90mn to expand Lexington and Riverview facilities on track; payload-linker at Riverview facility to be commercialized from Q4FY26. It saw healthy RFP/RFI trends for its overseas facilities and expects scale-up at these facilities with superior gross margin profile to drive profitability, going forward. Piramal is optimistic of supply opportunity for Obicetrapib and Ezetimibe for NewAmsterdam Pharma. (2) CHG: Piramal acquired Kenalog (Triamcinolone Acetonide; a branded injectable; synthetic corticosteroid) from Bristol Myers Squibb (upfront USD 35mn + USD 65mn milestone-based payment); annualized sales of USD 30-40mn with EBITDA margin in line with the existing CHG business. It expects steady growth in CHG. (3) ICH business to sustain double-digit growth in sales with margin expansion. (4) Net debt at INR 42 bn as of Dec-25 which is expected to increase marginally in FY26. (5) Long-term ETR to be at 24-25%. Factoring in the weak Q3 performance, we have cut our EBITDA estimates by 6% for FY26E, while maintaining those for FY27/28E. We retain BUY and a TP of INR 230, based on 16x Q3FY28E EV/EBITDA (implying 45x PE).

- **Q3 highlights:** Sales declined 3% YoY to INR 17.7bn. CDMO (54% of sales) was down 9% YoY to INR 11.6bn due to absence of one on-patent product; 12% QoQ growth was led by traction in the base business. CHG (31%) grew 2% YoY to INR 6.68bn (+4% QoQ) and ICH (16%) grew 20% YoY to INR 3.34bn. Steady GM was at 63.3% (flat YY), moderate staff (+8%) and SG&A (+11%) led to an EBITDA of INR 1.96bn (-42% YoY) and margin was at 9.1% (-618bps YoY). Higher other income (+256% YoY), lower interest (-14%), and higher depreciation (+8%) led to an adjusted PAT loss^ of INR 951mn.
- **Con call takeaways:** CDMO: (1) It is getting positive traction in demand for CDMO and also in their 30 Phase 3 clinical molecules; (2) it sees healthy demand in ADC's space from clients for Riverview payload linker expansion; (3) MFN-related segregation resulted in increased interest in US facilities; and (4) it expects a meaningful scale, its overseas facility asset turns could reach 2-2.5x. CHG: (1) Inhalation anesthesia: The US continues to grow with market share for Sevoflurane at 47% (vs 44% in FY24); for ex-US markets pick-up was slow due to regulatory delays, (2) Intrathecal: Supplies constraint have normalized, and (3) Injectable: Resolved supply constraint in Digwal facility.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	13,536	13,984	-3	13,412	1	81,712	91,512	88,173	105,809	123,760
EBITDA	1,957	3,377	-42	1,587	23	11,963	14,448	9,435	17,035	21,534
APAT	(951)	37	P/L	(992)	NA	502	978	(1,398)	4,016	7,667
EPS (INR)	(0.7)	0.0	P/L	(0.7)	NA	0.4	0.7	(1.1)	3.0	5.8
P/E (x)						406	208	NA	51	27
EV/EBITDA (x)						20.4	17.1	26.0	14.5	11.2
RoCE(%)						5	6	2	8	10

Source: Company, HSIE Research, PAT adjusted for one-offs, One-off of INR 411 mn

BUY

CMP (as on 29 Jan 2026)	INR 154
Target Price	INR 230
NIFTY	25,419

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 230	INR 230
EBITDA %	FY26E -5.8	FY27E -0.2

KEY STOCK DATA

Bloomberg code	PIRPHARMA IN
No. of Shares (mn)	1,329
MCap (INR bn) / (\$ mn)	204/2,222
6m avg traded value (INR mn)	698
52 Week high / low	INR 245/148

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(24.7)	(25.3)	(35.8)
Relative (%)	(21.8)	(26.8)	(43.7)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	34.86	34.85
FIs & Local MFs	14.89	15.68
FPIs	30.27	29.66
Public & Others	19.98	19.81
Pledged Shares	-	-

Source: BSE

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Eris Lifesciences

In-line Q3; margin improves, led by cost control

EBITDA grew 13% YoY, supported by steady sales growth of 11% YoY (+10% YoY for DBF, +46% for Swiss exports) and effective cost control, offsetting the +334bps gross margin decline leading to an EBITDA margin of 34.9% (+47 bps YoY). Key Eris highlights: (1) DBF expected to grow ~12% YoY in FY26 (10% YoY in 9MFY26) with an EBITDA margin of 37%, led by Rh-Insulin scale-up (started from Dec-25) and new launches; (2) strategic partnership (with Natco Pharma) to enter the first wave launch of Semaglutide injectable generic (Mar'26), with approvals in place; (3) capturing 25% market share (16% as of Dec'25) in overall insulin market through key product launches (Aspart and Aspart mix to launch in FY27, and Degludec/Degludec + Liraglutide/Aspart + Degludec in H2FY28); (4) Exports business sales guidance of INR 3.7-3.75bn and EBITDA of INR 1.15bn, given EU CDMO (strong order book visibility) and Swiss business scale-up, despite margin compression due to increased investments. It is targeting sales of INR 7bn by FY27 and INR 10bn by FY30; (5) INR 7.5-8bn capex over FY26-28 (INR 2-2.5bn for FY26); (6) Net debt stood at INR 22.70bn in Q3FY26, with the target of reducing net debt to INR 18bn by Dec'26. While Eris is well-placed to monetize GLP-1, Rh-insulin, and other pipeline opportunities, gradual scale-up in other core segments (CVS and VMN) is a key (visibility of FDC launches in FY27 and FY28). Factoring in Q3, we have cut our EPS for FY26 by 7%, while retaining those for FY27E/28E and retain our TP of INR 1,730 (28x Q3FY28E EPS). BUY stays.

- **Q3 highlights:** Sales grew 11% YoY to INR 8.07 bn, led by 10% YoY growth in DBF and Swiss sales of INR 1.11bn (+46% YoY). GM declined to 72.3% (-334 bps YoY). Higher staff costs (+10% YoY) were offset by lower SG&A (-6% YoY), resulting in an EBITDA of INR 2.81bn (+13% YoY) and 34.9% margin (+47 bps). DBF's margin was 36.5% (vs. 36.2% in Q3FY25) and Swiss was 29.7% (vs. 28.9%). Lower other income, depreciation (-13%), and interest (-15%) led to a PAT[^] of INR 1.12bn (+35% YoY).
- **Key takeaways from con call:** Eris has discontinued certain non-core brands, resulting in DBF revenue impact of 2% in FY27, while operating margins are expected to improve. Launched Esaxerenone in India for hypertension management by their Eris in-house R&D team, adding to their growth momentum in cardiac segment. **EU CDMO:** revenue guidance of INR 5.5-6bn, with EBITDA of INR 1.8-2.0bn in FY27. New Swiss unit (Unit 3) to come up by FY28. Recombinant Semaglutide regulatory filings expected soon, launch timelines remain intact.

Quarterly financial summary

(INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	8,075	7,275	11	7,924	2	16,851	20,092	28,936	32,307	37,932	42,507
EBITDA	2,816	2,503	13	2,882	(2)	5,367	6,748	10,172	11,567	13,969	15,800
APAT	997	836	19	1,202	(17)	3,822	3,904	3,517	4,931	7,220	8,811
EPS (INR)	7.3	6.1	19	8.8	(17)	28.1	28.7	25.8	36.2	53.0	64.7
P/E (x)						50.4	49.4	54.8	39.1	26.7	21.9
EV/EBITDA (x)						37.4	31.5	21.6	19.1	15.5	13.3
RoCE (%)						16	10	11	14	16	18

Source: Company, HSIE Research, ^Adjusted for one-offs of INR 172mn related to New Labor Code.

BUY

CMP (as on 13 Feb 2026) INR 1,415

Target Price INR 1,730

NIFTY 25,471

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1730	INR 1730
	FY26E	FY27E
EPS %	-6.5	0.0

KEY STOCK DATA

Bloomberg code	ERIS IN
No. of Shares (mn)	136
MCap (INR bn) / (\$ mn)	193/2,126
6m avg traded value (INR mn)	207
52 Week high / low	INR 1,910/1,097

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(6.8)	(15.5)	11.8
Relative (%)	(4.6)	(18.1)	3.3

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	54.85	54.85
FIs & Local MFs	19.36	20.32
FPIs	7.21	6.85
Public & Others	18.58	17.98
Pledged Shares	16.92	16.92

Source: BSE

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Sai Life Sciences

Strong Q3; healthy growth visibility stays

EBITDA (+57% YoY) was 26% ahead of consensus, led by strong sales growth (+27% YoY; CDMO was up 31% YoY and CRO grew 19% YoY), a sharp GM improvement (+448 bps YoY to 77.0%), leading to a strong EBITDA margin of 33.8% (+653 bps YoY). The company expects (1) to sustain revenue growth in FY27, led by visibility from strong traction in existing projects and scale-up in new modalities. Moreover, it has added seven molecules, of which three are in commercial stages and four in late development stages; it expects that their commercialization will lend incremental growth visibility. Also, the company has one Oligonucleotide product under validation, and it expects to start commercial quantities in the near term; (2) to focus on diversifying and widening the molecule coverage to de-risk from product concentration as well as the risk of de-stocking; (3) to progress in the peptide segment with both GLP-1 innovator pipeline projects and other non-GLP peptides. Its peptide process and pilot plants are expected to commission by Sep-26 and it will open up the peptide space from Discovery to Process and scale-up; (4) its CRO business will sustain growth momentum, supported by focus on increasing contributions from large pharma companies. It is also focusing on investing in technology with capacity addition, getting the right technology and chasing FTE contracts that help reduce global funding-related risks; (5) to sustain a ~74% GM and EBITDA margin (cost optimization) ~28+% in near term. For the mid-to-long term, the company retains its guidance for a sales CAGR of 15-20% over the next 3-5 years and EBITDA margins in the range of 28-30%. We see strong sales growth visibility (22% CAGR over FY25-28E), with improved profitability (EBITDA/PAT CAGR 31%/ 51%). Factoring in Q3 and outlook, we have raised the EBITDA by 7/4% for FY26/27E. We reiterate BUY with a TP to INR 1,160, based on 28x Q3FY28E EV/EBITDA (implying 49x PE).

- **Q3 highlights:** Sales grew 27% YoY to INR 5.56bn as CDMO (65% of sales) grew 31% YoY to INR 3.61bn and CRO (35%) grew 19% YoY to INR 1.95bn. GM was higher at 77% (+448 bps YoY); higher staff (+30%) and muted SG&A (+2%) led to an EBITDA of INR 1.87bn (+57% YoY, +29% QoQ) and margin of 33.8% (+653bps). Lower other income (-8%) and interest (-58%) were offset by higher depreciation (+29%), leading to a PAT[^] of INR 1.08bn (+102% YoY).
- **Con call takeaways: CDMO:** Overall capacity utilization as of Dec-25 was at ~60% and the company sees headroom for growth. Its planned capacity addition of ~450KL is on track (to reach a total capacity of ~1,150KL by FY27-end). Its phase I of animal health capacity expansion is expected to complete by Mar-27, with validation for a commercial launch in H1FY28; plans to invest INR 600mn for Phase I and INR 700-750mn for the next phase. Top customer contribution was ~10% of sales. The company is looking to invest in an AI-led process to strengthen automation over the next few years.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	5,565	4,398	27	5,375	4	14,652	16,946	22,215	25,987	31,096
EBITDA	1,879	1,198	57	1,458	29	2,855	4,057	6,309	7,458	9,111
APAT	1,087	539	102	838	30	682	1,511	3,560	4,153	5,260
EPS (INR)	5.2	2.6	102	4.0	30	3.2	7.2	17.0	19.8	25.1
P/E (x)						261.3	117.9	50.0	42.9	33.9
EV/EBITDA (x)						65.1	43.6	28.6	24.1	19.5
RoCE(%)						9	12	18	18	20

Source: Company, HSIE Research. ^Adjusted for one-offs related to New Labor code of INR 83mn

BUY

CMP (as on 06 Feb 2026)	INR 849
Target Price	INR 1160
NIFTY	25,694

KEY CHANGES	OLD	NEW
Rating	ADD	BUY
Price Target	INR 1160	INR 1160
	FY26E	FY27E
EBITDA %	7.3	4.0

KEY STOCK DATA

Bloomberg code	SAILIFE IN
No. of Shares (mn)	211
MCap (INR bn) / (\$ mn)	179/1,980
6m avg traded value (INR mn)	817
52 Week high / low	INR 984/635

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(7.9)	7.1	14.7
Relative (%)	(8.2)	3.4	7.6

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	34.93	34.70
FIs & Local MFs	29.94	31.41
FPIs	22.49	21.41
Public & Others	12.64	12.48
Pledged Shares	-	-

Source: BSE

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Metropolis Healthcare

In-line Q3; on track to improve growth and margin

EBITDA growth (32% YoY; organic growth at 29%) was mainly driven by a 26% YoY increase in sales (+15% YoY organic rise). Patient/test volumes expanded by 14/13% YoY while realization per patient/test improved by 11%. Metropolis expects: (a) its organic business to see 12-13% sales growth with targets to grow patient volume by 7-8% and margin expansion in FY26/27E and (b) Core Diagnostic to see strong growth and high single-digit margin in Q4, and steady improvement in FY27. Key strategies: (1) increase market share in existing markets, (2) expand collection centers (added 326 in 9M), (3) take a balanced B2B:B2C approach for growth, (4) strengthen specialty (launched Center of Genomics in Delhi) and Truhealth (wellness), and (5) enhance clinical outcomes through advanced digital and AI-driven tools. While company has deferred the price increase (to pass-on GST benefits), it believes that the overall market is conducive for a price hike in the near term. Having completed its investment phase (toward lab infra, technology, medical/management personnel), Metropolis is now focusing on execution and margin expansion. Initiatives like network expansion, diversifying test portfolios, promoting wellness packages, pursuing smaller M&As, implementing micro-market strategies, gaining share in focused cities, and boosting B2C presence are expected to drive sales growth, with margin expected to gradually improve. We maintain ADD with revised TP of INR 2,240 (42x Q3FY28E).

- **Q3 highlights:** Sales grew 26% YoY to INR 4.05 bn, led by acquired businesses and patient/test volume growth (+14%/ 13% YoY; realization per patient/test up 11/11% YoY). Lower GM at 78.5% (-76 bps YoY) and higher staff/SG&A (+16/27%) led to an EBITDA of INR 948 mn (+32% YoY) and margin of 23.4% (+106 bps). Adjusted for one-offs, PAT[^] was at INR 505mn (+61% YoY).
- **Organic business:** Sales grew 15% YoY to INR 3.71bn, led by patient volume growth of 9% YoY to 3.32mn and test volume growth of 8% YoY to 6.99mn (realization per patient/test +6%). EBITDA stood at INR 930 mn (+29% YoY) and margin was 25.1% (+276 bps). PAT[^] stood at INR 480mn (+53% YoY).
- **Key takeaways from con call:** The integration of recent M&As is on track, with portfolio alignment, efficiency improvement, and cost optimization. In Q3FY26, for the organic business, TruHealth revenue (19% of sales) grew by 25% YoY, specialty (38%) grew by 16% YoY, B2C (60%) grew 15%, and B2B (40%) grew 15% YoY. It has launched Center of Genomics in Delhi; targets oncology and CNS testing opportunity which are fast-growing therapies. It has low-end radiology (ECG, Ultrasound, and X-Ray) in several centers and is evaluating high-end radiology. It has closed 4 labs and plans more closure in Q4FY26 as part of integration. As of Dec-25, net cash was at INR 1.27bn.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	4,059	3,228	26	4,292	(5)	12,077	13,312	16,537	18,639	20,844
EBITDA	948	720	32	1,082	(12)	2,826	3,030	4,035	4,678	5,273
APAT	505	314	61	527	(4)	1,328	1,610	2,060	2,496	2,853
EPS (INR)	9.7	6.1	61	10.2	(4)	25.6	31.1	39.8	48.2	55.1
P/E (x)						76.7	63.3	49.5	40.8	35.7
EV/EBITDA (x)						36.3	33.9	25.5	21.6	18.7
RoCE (%)						14	14	17	18	18

Source: Company, HSIE Research. ^Adjusted for one-offs of INR 91mn related to New Labor code.

ADD

CMP (as on 5 Feb 2026)	INR 1,973
Target Price	INR 2,240
NIFTY	25,643

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2230	INR 2240
EPS %	FY26E	FY27E
	0.0	(0.0)

KEY STOCK DATA

Bloomberg code	METROHL IN
No. of Shares (mn)	52
MCap (INR bn) / (\$ mn)	102/1,132
6m avg traded value (INR mn)	130
52 Week high / low	INR 2,263/1,315

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(2.9)	(2.8)	9.3
Relative (%)	(2.7)	(6.0)	2.8

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	48.89	48.89
FIs & Local MFs	32.4	33.1
FPIs	12.83	12.52
Public & Others	5.88	5.49
Pledged Shares	1.18	1.18

Source: BSE

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Medplus Health Services

Focus on growth, private label, and steady margin

EBITDA[^] grew 25% YoY, led by 16% sales growth (pharmacy +16% YoY, diagnostics +19% YoY) and an expanded gross margin (+113 bps YoY; private label share to 22.2%), which offset higher costs. OPM* came in at 5.4% (+24 bps YoY), with pharmacy margin at 5.2% (+13 bps YoY) and diagnostic margin at 15.5%. Medplus retains its guidance to add 600 stores in FY26E (400 added in 9M) and FY27E. It expects (1) overall private label sales continue to improve (gradual for pharma and faster for non-pharma) over the next few quarters (on GMV every 1% increase, implying 0.5% on net sales), given stickiness in the business (~90% repeat purchase due to favourable discounts), aiding steady GM expansion; (2) pick-up in growth from mature stores largely led by low base, better product availability (operationalization of new warehouses) and change in incentive structure (focus on both branded and private label); and (3) margins to remain steady with increase in private label share, which may be offset by new store additions. We see a pick-up in sales growth, led by a balanced approach to mature store growth, new store additions, and private label expansion. Moreover, margins are expected to see gradual improvement, led by a better mix, steady growth in matured stores (2+ years; ~10–11% margin), increased private label share, and supply chain efficiencies. Factoring in Q3, we have raised EBITDA for FY26/27E by 3% and revised TP to INR 1,060 (17x Q3FY28E EV/EBITDA, implying 26x pre-INDAS EV/EBITDA). **BUY stays.**

- **Q3 highlights:** Sales grew 16% YoY to INR 18.06bn, with 16% growth in retail pharmacy (~INR 17.71 bn) and 19% growth in diagnostics (INR 327mn). GM improved to 26.2% (+113 bps YoY), which was offset by higher costs (staff/SG&A +19/18%) led to EBITDA[^] of INR 1.65 bn (+25% YoY). Operating profit was INR 968mn (+21% YoY) and OPM at 5.4% (+24 bps). Pharmacy margin was 5.2% (+13 bps), diagnostic margin 15.5%, and PAT INR 648mn (+41%).
- **Q3 operating metrics:** A net 182 stores were added (gross addition of 228), taking the total to 5,112, as of Dec'25. Mature store growth was at 10.5% YoY (vs. 4.4% in Q3FY25), with operating margin at 12.4% (vs. 11%) and RoCE at 77.7% (vs. 61.7%). Private label sales as a percentage of total sales rose to 22.2% (vs. 19.6% in Q3FY25). Overall RoCE was ~24.2% (up from 18.7%). In Q3FY26, OCF stood at INR 905mn while FCF was negative at INR 93mn.
- **Key takeaways from con call:** Gross margin break-up: Private label pharma at 65-70%, private label non-pharma 25-30%, branded pharma at 13-14%, and branded non-pharma at 13-14%. Private label GMV share was at ~18.9% (net at 11.6%). As of Dec-25, diagnostics had 180k active plans, covering 368k lives; with a renewal rate of 23%. It has operationalized 60-70% of planned warehouses and manpower recruitment completed; balance warehouses to be commissioned soon; the company does not see a major increase in costs.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	18,061	15,614	16	16,793	8	56,249	61,361	67,851	76,442	85,532
EBITDA	1,657	1,325	25	1,488	11	3,541	4,871	5,997	7,047	8,065
APAT	648	459	41	555	17	621	1,504	2,154	2,677	3,126
EPS (INR)	5.4	3.8	41	4.6	17	5.2	12.5	18.0	22.3	26.1
P/E (x)						158.4	65.4	45.7	36.8	31.5
EV/EBITDA (x)						30.2	21.7	17.6	14.9	12.9
RoCE (%)						7	10	13	14	14

Source: Company, HSIE Research, ^ post-INDAS, adj for INR 71 mn labor code impact *pre-INDAS.

BUY

CMP (as on 02 Feb 2026)	INR 821
Target Price	INR 1,060
NIFTY	25,088

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1060	INR 1060
	FY26E	FY27E
EBITDA %	3.2	2.5

KEY STOCK DATA

Bloomberg code	MEDPLUS IN
No. of Shares (mn)	120
MCap (INR bn) / (\$ mn)	98/1,074
6m avg traded value (INR mn)	193
52 Week high / low	INR 1,052/603

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	7.6	(10.3)	4.3
Relative (%)	10.3	(11.6)	(1.1)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	40.29	40.29
FIs & Local MFs	26.51	26.58
FPIs	16.53	16.83
Public & Others	16.67	16.3
Pledged Shares	59.3	60.7

Source: BSE

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Real Estate

DLF

Strong financial performance, muted presales

DLF reported a muted quarter with sustenance presales of INR 4.1bn (-96.5%/-90.3% YoY/QoQ) due to no new launches and lower starting unsold inventory ex of Dahlias. Collections remained strong at INR 47.5bn (+52.4%/+77.8% YoY/QoQ), in line with demand and project progress. DLF is set to launch The Arbour senior living (GDV ~INR 20bn) and has resumed sales in The Dahlias post-design revisions in Q4FY26. FY27 launches include Goa, Privana, Ireo, Westpark, and Panchkula in FY27. The company is also evaluating expansion opportunities in Noida and MMR. Demand for DLF products remains stable, led by NRI investments (25%), with FY26 presales now expected at INR 210bn, flat YoY and 10% below our estimates due to shift in Goa launch to FY27. DLF's overall annual presales growth is expected to remain flat at INR 190-200bn/annum in the coming years. With limited visibility on presales growth (DLF needs broad-based launch numbers vs. concentrated launches currently), we cut our residential NAV premium from 30% to 15%. We maintain BUY with a reduced TP of INR 871/share.

■ **Q3FY26 financial highlights:** Revenue came in at INR 20.0bn (+32.2%/+23.0% YoY/QoQ, a beat of 25.5%). EBITDA stood at INR 3.9bn (-2.5%/+37.5% YoY/QoQ, a beat by 40.9%). EBITDA margin came in at 19.3% (-687/+204 bps YoY/QoQ, vs 17.2% estimate). The share of profits and associates & JVs: INR 4.7bn (-23.4%/+15.0% YoY/QoQ). APAT was INR 11.4bn (-10.8%/+63.1% YoY/QoQ, beat by 63.3%). DCCDL rental income was INR 14.1bn (+2.7%/+18.4% YoY/QoQ). EBITDA was INR 14.6bn (+4%/+18.0% YoY/QoQ) and PAT was INR 7.1bn (+12.1%/+40.1% YoY/QoQ).

■ **Presales plunged, new launches to help meet guidance:** DLF reported the weakest quarterly presale of INR 4.2bn (-96.5%/-90.3% YoY/QoQ) due to no new launches and lower inventory. Within the DCCDL office portfolio, occupancy stood at 94% (flat QoQ). DLF is set to launch The Arbour (GDV ~INR 20bn) and will bring The Dahlias to market post-design revisions, where 55% of inventory is already presold. Additionally, its Goa project and a Panchkula group housing venture are slated for launch in the next fiscal year. DLF expects its exit rental to reach INR 74bn by FY26, with further growth in FY27.

■ **Strong balance sheet set to propel business expansion:** DLF achieved a landmark zero gross debt position this quarter. This achievement, driven by strong operational collections, results in a net cash position of INR 116.6bn.

Consolidated financial summary (INR mn)

YE March (Rs mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	20,202	15,287	32.2	16,430	23.0	79,937	95,125	1,11,086	1,27,067
EBITDA	3,899	4,000	(2.5)	2,836	37.5	21,086	21,520	33,369	43,829
APAT	11,442	12,825	(10.8)	7,014	63.1	43,668	36,931	44,540	54,758
Diluted EPS (Rs)	4.62	5.2	(10.8)	2.8	63.1	17.6	14.9	18.0	22.1
P/E (x)						44.2	52.3	43.3	35.3
EV / EBITDA (x)						91.3	89.3	57.4	43.3
RoE (%)						10.7	8.4	9.5	10.9

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	Chg. (%)	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	95,125	91,204	4.3	1,11,086	1,02,591	8.3	1,27,067	1,15,797	9.7
EBITDA	21,520	33,170	(35.1)	33,369	38,753	(13.9)	43,829	45,576	(3.8)
EBITDA (%)	22.6	36.4	(1,375)	30.0	37.8	(776)	34.5	39.4	(491)
APAT	36,931	40,877	(9.7)	44,540	45,989	(3.2)	54,758	53,381	2.6

Source: Company, HSIE Research

BUY

CMP (as on 23 Jan 2026)	INR 588
Target Price	INR 871
NIFTY	25,049

KEY CHANGES	OLD	NEW	
Rating	BUY	BUY	
Price Target	INR 988	INR 871	
EPS %	FY26E	FY27E	FY28E
	-9.7	-3.2	2.6

KEY STOCK DATA

Bloomberg code	DLFU IN
No. of Shares (mn)	2,475
MCap (INR bn) / (\$ mn)	1,457/15,839
6m avg traded value (INR mn)	1,919
52 Week high / low	INR 888/587

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(24.0)	(30.1)	(17.7)
Relative (%)	(20.4)	(28.7)	(24.3)

SHAREHOLDING PATTERN (%)

	Sept-25	Dec-25
Promoters	74.08	74.08
FIs & Local MFs	5.21	5.78
FPIs	15.46	14.82
Public & Others	5.25	5.34
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Lodha Developers

Stable demand; collections lag

Lodha Developers Ltd recorded Q3FY26 presales of INR 56.2bn (+24.6/+23.0% YoY/QoQ), inching towards >50bn quarterly run rate. Presales growth is led by stable demand across segments with premium to luxury segments leading the way. Lodha has surpassed its BD guidance of INR 250bn, by clocking INR 588bn in 9MFY26. Beyond residential sales, the company is strategically building a substantial annuity income stream, targeting around INR 15bn by FY31 from its retail, office, and industrial portfolios. Furthermore, its project execution timelines and associated cash flows (9MFY26 presales/collection growth of 14%/-1%) have been impacted by delays in securing environmental clearances, underscoring the persistent external risk posed by regulatory approvals. Additionally, Lodha has secured INR 33bn GDV in the Delhi NCR market, expected to get launched within the next 12 months. Given growth visibility, better-than-expected GDV addition and uptick in land prices (Palava may see price and volume increase as new infra projects get commissioned), we remain constructive. We have reduced our NAV premium from 40% to 25% to factor in presales growth moderation. We maintain ADD with reduced TP of INR 1,171/sh.

- **Q3FY26 financial highlights:** Revenue: INR 46.7bn (+14.1/+23.0% YoY/QoQ, beat by 7.9%). EBITDA: INR 14.1bn (+8.4/+27.6% YoY/QoQ, beat by 11%). EBITDA margin: 30.3% (-170/+110bps YoY/QoQ, vs. estimate of 29.4%). Other income: INR 1.0bn (INR 636mn/804mn Q3FY25/Q2FY26). RPAT: INR 9.6bn (+1.4%/+1.3% YoY/QoQ, beat by 14.2%).
- **Strong presales backed by robust demand:** Lodha recorded a robust presale of INR 56.2bn (+24.6/+23.0% YoY/QoQ), surpassing its quarterly run rate of >INR 40bn. The company launched projects of 1.9msf with GDV potential of INR 96bn.
- **Strong balance sheet; net debt well within guidance:** Net debt increased by INR 8bn to INR 61.7bn on the back of aggressive BD. Net D/E came at 0.28x, which is well within the guidance of net D/E of 0.5x or net debt/OCF of 1x. In terms of BD, Lodha has already achieved its BD guidance, with INR 588bn worth of projects added in 9MFY26 itself.

Consolidated financial summary (INR mn)

YE March (Rs mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	46,725	40,830	14	37,985	23	1,37,795	1,65,935	1,84,286	2,05,359
EBITDA	14,151	13,059	8	11,088	28	39,880	49,784	57,952	66,156
APAT	9,577	9,448	1	7,898	21	27,666	34,069	38,794	44,976
Diluted EPS (Rs)	9.6	9.5	1.4	7.9	21.3	27.7	34.2	38.9	45.1
P/E (x)						46.2	27.8	24.5	21.1
EV / EBITDA (x)						33.4	20.0	16.6	13.9
RoE (%)						14.7	16.8	17.5	17.3

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	Chg. (%)	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	1,65,935	1,49,782	10.8	1,84,286	1,73,498	6.2	2,05,359	1,86,690	10.0
EBITDA	49,784	44,577	11.7	57,952	55,060	5.3	66,156	60,304	9.7
EBITDA (%)	30.0	29.8	24.1	31.4	31.7	(28.9)	32.2	32.3	(8.7)
APAT	34,069	29,779	14.4	38,794	37,563	3.3	44,976	41,775	7.7

Source: Company, HSIE Research

ADD

CMP (as on 29 Jan 2026)	INR 951
Target Price	INR 1,171
NIFTY	25,419

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,311	INR 1,171
EPS Change %	FY26E 14.4	FY27E 3.3 FY28E 7.7

KEY STOCK DATA

Bloomberg code	LODHA IN
No. of Shares (mn)	999
MCap (INR bn) / (\$ mn)	950/10,334
6m avg traded value (INR mn)	1,623
52 Week high / low	INR 1,534/864

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(19.3)	(23.7)	(16.2)
Relative (%)	(16.5)	(25.2)	(24.1)

SHAREHOLDING PATTERN (%)

	Sept-25	Dec-25
Promoters	71.87	71.87
FIs & Local MFs	2.73	3.17
FPIs	24.11	23.49
Public & Others	1.28	1.48
Pledged Shares	-	-

Source : BSE

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Prestige Estates

Stable performance

Prestige Estates (PEPL) registered quarterly presales by value which was up 38.8% YoY but down 30.5% QoQ and with volume presales of 3.0msf (+34.1%/-32.4% YoY/QoQ). For FY26, PEPL had guided presales of INR 300bn+ with 9MFY26/Q4FY26E presales at INR 220bn/80bn. The developer continues to see strong demand, with no visible slowdown in sales, driven by quality product offerings. In Q3FY26, PEPL added a GDV of INR 68.5bn, taking the YTD new BD GDV to INR 399bn across Bengaluru, Hyderabad, Mumbai, and Chennai, which marks c.80% of its full-year BD guidance. PEPL has signed a few deals in Gurgaon (launch FY27, GDV >INR 100bn combined) and is evaluating Pune. Pricing appears to have peaked, with only inflation-led hikes likely. Office portfolio execution is strong; Mahalakshmi has 0.4 msf pre-leased (10%); BKC has 1.4 msf (40%) committed with deposits; the DIAL office has 0.6 msf leased (handover by Apr-26); Prestige Mahalakshmi Towers are scheduled for completion by Dec-26; and the Jijamata mixed-use project is expected to launch in FY27. We believe PEPL has superior growth prospects for the residential portfolio and multifold annuity growth; hence, we maintain BUY, with an unchanged SOTP-based TP of INR 2,060/sh.

- **Q3FY26 financial highlights:** Reported revenue was INR 38.7bn (+134.1%/+59.3% YoY/QoQ, a beat by 56.1%). EBITDA was INR 8.6bn (+45.7%/-5.5% YoY/QoQ, a 6.8% miss). EBITDA margin was 22.2% (-1,346/-1,521bps YoY/QoQ, vs. our estimate of 37.2%). APAT was INR 2.4bn (+12.8x/-43.1% YoY/QoQ, a miss by 21.5%), while margins were impacted by execution of legacy projects. Total collections stood at INR 45.4bn (+39.6/+7.9% YoY/QoQ).
- **Strong presales on the back of new project launches:** Q3FY26 reported INR 41.8bn presales (+38.8%/-30.5% YoY/QoQ), with volume at 3.0msf (+34.1%/-32.4% YoY/QoQ). On a blended basis, realizations stood at INR 13,992psf (+3.5%/+2.8% YoY/QoQ). For Q4FY26, launches include Bangalore (Evergreen - Prestige Raintree Park, Marigold Phase 2 plotted, Eaton Park, Fernvale), Hyderabad (Prestige Rock Cliff, Banjara Hills), with potential Q4FY26 presales of INR 80bn, touching presales of INR 300bn+ in FY26.
- **Stable balance sheet position with debt under control:** Net debt increased to INR 87.7bn (+INR 13.5bn QoQ), from INR 73.2bn in Sept-25. Net D/E is at 0.53x (0.45x in Sept-25). The increase in debt is attributable to rise in land capex for its ongoing projects. PEPL needs to incur a capex of ~INR 101/49bn on the ongoing and upcoming commercial and retail segments.

Consolidated Financial Summary

(INR in mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	38,726	16,545	134.1	24,317	59.3	73,494	1,21,358	1,38,151	1,57,598
EBITDA	8,600	5,901	45.7	9,098	(5.5)	25,588	38,357	47,130	55,077
APAT	2,447	177	1,282.5	4,303	(43.1)	4,675	11,916	17,421	21,121
EPS (INR)	5.7	0.4	1,282.5	10.0	(43.1)	10.9	27.7	40.4	49.0
P/E (x)						139.5	52.7	36.0	29.7
EV/EBITDA (x)						28.7	18.5	15.5	12.2
RoE (%)						3.5	7.5	10.1	11.0

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	Chg. (%)	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	1,21,358	1,08,676	11.7	1,38,151	1,35,281	2.1	1,57,598	1,46,444	7.6
EBITDA	38,357	38,811	(1.2)	47,130	48,174	(2.2)	55,077	50,901	8.2
EBITDA (%)	31.6	35.7	(411)	34.1	35.6	(150)	34.9	34.8	19
APAT	11,916	12,243	(2.7)	17,421	18,187	(4.2)	21,121	18,357	15.1

Source: Company, HSIE Research

BUY

CMP (as on 30 Jan 2026) INR 1,462

Target Price INR 2,060

NIFTY 25,321

KEY CHANGES	OLD		NEW
Rating	BUY		BUY
Price Target	INR 2,060		INR 2,060
EPS Change	FY26E	FY27E	FY28E
%	-2.7	-4.2	15.1

KEY STOCK DATA

Bloomberg code	PEPL IN
No. of Shares (mn)	431
MCap (INR bn) / (\$ mn)	630/6,846
6m avg traded value (INR mn)	1,148
52 Week high / low	INR 1,814/1,048

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(16.7)	(10.1)	8.9
Relative (%)	(14.2)	(11.0)	1.7

SHAREHOLDING PATTERN (%)

	Sept-25	Sept-25
Promoters	60.95	60.95
FIs & Local MFs	15.74	15.72
FPIs	20.68	20.96
Public & Others	2.63	2.37
Pledged Shares	-	-

Source: BSE

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Phoenix Mills

Consumption-led growth

Phoenix Mills' (PHNX) reported a quarter, with revenue/EBITDA/APAT at INR 11.2/6.5/2.9bn, a miss on our estimates by 5/7/16%. PHNX remains well-positioned for a robust growth over FY27-28, supported by a combination of retail consumption, steady office leasing, and a healthy development project pipeline. The retail portfolio is driving value through asset repositioning, with a key Bengaluru mall seeing a 29% jump in trading density post-upgrade. Significant rental upside is expected as ~50% of retail leases renew over three years. Strong consumption is a result of tenant repositioning and consumption mix changes and is partly aided by FEC recovery. Rentals are still firing subpar vs. consumption growth and as revenue share resets over the next few quarters, consumption growth and rental growth should converge. The company continues to enhance efficiency, cutting marketing costs by 15% and advancing sustainability goals. Strategically, it is expanding its development pipeline in Thane and Kolkata while consolidating control with a major stake increase in ISML. PHNX is targeting significant expansion, with plans to add 7msf of retail space by FY30. PHNX has acquired 49% stake in ISMDPL from CPP investments at INR 54.5bn to be paid in tranches over 36 months. Key growth drivers include ramping up office occupancy (targeting 90% by 2026), phase 2/3 expansions (adding 1.8msft retail and 700 hotel keys) and leveraging 2.7msft balance FSI potential across Bengaluru, Pune, and Indore. Given revival in consumption, captive mall expansion, the addition of office space, a strong business development pipeline and lower net debt, we maintain BUY with a TP of INR 1,952/sh.

- **Q3FY26 financial highlights:** Revenue: INR 11.2bn (+15.0%/+0.5% YoY/QoQ, a 5% miss). EBITDA: INR 6.5bn (+18.7%/-1.6% YoY/QoQ, a 7% miss). EBITDA margin: 58.5% (+184/-125bps YoY/QoQ, vs est. of 59.6%). RPAT/APAT: INR 2.7/2.9bn (+16.5%/-3.1% YoY/QoQ, 16% miss). Total retail rental income was INR 5.7bn (+10%/+7.8% YoY/QoQ), with an EBITDA of INR 5.8bn (+16%/+0.6% YoY/QoQ). Income from offices was INR 560mn (+5%/1% YoY/QoQ), with an EBITDA margin of 64% (+400bps/+300bps YoY/QoQ).
- **Repositioning fuels growth:** Consumption in Q3FY26 stood at INR 50bn, up 25% over Q3FY25. PHNX's strategic land acquisitions undertaken over the past year are expected to support 1-2 msf of annual retail development beyond FY30, ensuring sustained long-term growth potential. The next phase of growth will be driven by 4msf Thane mixed use development, with retail at 1.5msf and office at 0.5-1msf. The project is in advanced stages of approval, with construction likely to start in 1QFY27.

Consolidated financial summary (INR mn)

YE Mar	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	11,212	9,751	15.0	11,154	0.5	38,136	45,414	49,498	55,999
EBITDA	6,563	5,528	18.7	6,669	(1.6)	21,612	26,859	29,368	34,154
APAT	2,945	2,527	16.5	3,040	(3.1)	9,842	12,138	15,193	18,024
Diluted EPS (Rs)	8.2	7.1	16.5	8.5	(3.1)	29.1	35.5	44.4	52.6
P/E (x)						57.9	47.5	37.9	32.0
EV / EBITDA (x)						29.8	23.8	21.5	18.1
RoE (%)						9.8	11.0	12.4	13.1

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	Chg. (%)	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	45,414	41,352	9.8	49,498	47,636	3.9	55,999	55,067	1.7
EBITDA	26,859	23,683	13.4	29,368	28,480	3.1	34,154	34,293	(0.4)
EBITDA (%)	59.1	57.3	187.1	59.3	59.8	(45.5)	61.0	62.3	(128.6)
APAT	12,138	11,245	7.9	15,193	14,618	3.9	18,024	18,115	(0.5)

Source: Company, HSIE Research

BUY

CMP (as on 29 Jan 2026)	INR 1,687
Target Price	INR 1,952
NIFTY	25,419

KEY CHANGES	OLD	NEW	
Rating	BUY	BUY	
Price Target	INR 1,952	INR 1,952	
EPS	FY26E	FY27E	FY28E
Change %	7.9	3.9	-0.5

KEY STOCK DATA

Bloomberg code	PHNX IN
No. of Shares (mn)	358
MCap (INR bn) / (\$ mn)	603/6,560
6m avg traded value (INR mn)	943
52 Week high / low	INR 1,993/1,403

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(1.2)	11.8	8.3
Relative (%)	1.6	10.3	0.5

SHAREHOLDING PATTERN (%)

	Sept-25	Dec-25
Promoters	47.25	47.25
FIs & Local MFs	15.47	15.26
FPIs	33.45	33.85
Public & Others	3.84	3.64
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Oberoi Realty

Launches to drive presales

Oberoi Realty (ORL) registered presales of INR 8.3bn (-56%/-36% YoY/QoQ, HSIE est INR 10bn) for Q3FY26. Quarterly print was muted, mainly due to no new launch during the quarter. Moreover, this quarter, its uber-luxury project 360W managed to sell 3 units (vs 2/4 in Q2FY25/Q2FY26, INR 1bn miss). We expect strong INR 25bn presales for Q4FY26, driven by final tower launch in Borivali (INR 20bn GDV) and opening of higher floor inventory in Goregaon (INR 18bn GDV). FY26 presales are expected at INR 60-65bn (20%+ YoY). Gurgaon project launch in Q1FY27, Adarsh Nagar, National Garage, Goregaon final tower, and Thane new phase are the other launches for FY27. ORL is in advanced stages of closure of three large land parcels, and we expect INR 150bn of BD for FY26. ORL's strong financial position has enabled strategic expansions, including new projects in prime Mumbai locations and a major land parcel in Alibaug, set to launch post FY27. With disciplined land acquisitions and a focus on timely execution, ORL is well-placed to capitalize on robust demand across residential and mixed-use segments, ensuring sustained growth. Given the expected robust cash flows from ready-to-move-in inventory in 360W, a robust launch pipeline, and net cash balance sheet, we remain constructive on ORL and maintain BUY, with an NAV-based TP to INR 2,302/sh.

- **Q3FY26 financial highlights:** Revenue: INR 14.9bn (+5.8%/-16.1% YoY/QoQ, largely in line). EBITDA was INR 8.6bn (+0.1%/-16.0% YoY/QoQ, in-line). EBITDA margin was 57.4% (-324bps/+8bps YoY/QoQ) vs our estimate of 57%. RPAT was INR 6.4bn (+3.5%/-15.8%, YoY/QoQ, a beat by 4.7%). Average price realization (ASP) was at INR 44.9k psf (+52%/-13% YoY/QoQ).
- **Muted presales in the absence of a new launch:** Oberoi Realty (ORL) registered presales of INR 8.3bn (-56%/-36% YoY/QoQ). It shall launch its Borivali and Goregaon projects higher floor inventory in Q4FY26; however, Gurgaon project can be a touch and go for Q4FY26. Project launches were delayed due to design refinements and a required sequential approval process, which pushed key launches into FY27. The developer is experiencing robust leasing momentum across its three office assets, with full occupancy expected by the end of FY26.
- **Balance sheet position comfortable:** The consolidated gross/net cash stood at INR 28.8/2.75bn vs. INR 30.1/1.1bn, as of Sep '25, with net cash/equity at 0.02x. Additionally, strategic land acquisitions are advancing, with three significant deals in the MMR nearing completion.

Consolidated financial summary (INR mn)

YE Mar (INR mn)	3QFY26	3QFY25	YoY	2QFY26	QoQ	FY25	FY26E	FY27E	FY28E
Net Sales	14,926	14,111	5.8	17,790	(16.1)	52,863	59,807	66,623	69,648
EBITDA	8,573	8,561	0.1	10,203	(16.0)	31,031	34,555	39,060	40,742
APAT	6,400	6,184	3.5	7,603	(15.8)	22,255	24,290	27,331	28,193
Diluted EPS (INR)	17.6	17.0	3.5	20.9	(15.8)	61.2	66.8	75.2	77.5
P/E (x)						30.2	22.8	20.3	19.6
EV / EBITDA (x)						21.7	16.1	14.1	13.4
RoE (%)						15.0	14.4	14.0	13.3

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	Chg. (%)	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	59,807	59,807	0.0	66,623	68,902	(3.3)	69,648	64,741	7.6
EBITDA	34,555	34,555	0.0	39,060	40,404	(3.3)	40,742	37,050	10.0
EBITDA (%)	57.8	57.8	0.0	58.6	58.6	(1.3)	58.5	57.2	126.8
APAT	24,290	24,118	0.7	27,331	28,124	(2.8)	28,193	20,255	39.2

Source: HSIE Research

BUY

CMP (as on 20 Jan 2026)	INR 1,524
Target Price	INR 2,302
NIFTY	25,233

KEY CHANGES		OLD	NEW
Rating		BUY	BUY
Price Target		INR 2,302	INR 2,302
EPS Change (%)	FY26E	FY27E	FY28E
	0.7	-2.8	39.2

KEY STOCK DATA

Bloomberg code	OBER IN
No. of Shares (mn)	364
MCap (INR bn) / (\$ mn)	554/6,090
6m avg traded value (INR mn)	1,036
52 Week high / low	INR 2,024/1,440

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.3)	(17.0)	(23.9)
Relative (%)	(7.7)	(17.5)	(30.5)

SHAREHOLDING PATTERN (%)

	Sept-25	Dec-25
Promoters	67.70	67.70
FIs & Local MFs	16.06	16.58
FPIs	13.85	13.46
Public & Others	2.39	2.26
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Godrej Properties

Execution weakness led to a drag in margins

Godrej Properties Ltd (GPL) reported presales at INR 85bn (+54.6/-1.0% YoY/QoQ, with a booking area of 6.4msf (+58.2%/-9.9% YoY/QoQ). It delivered 1.7msf of projects in Q3FY26. It added 12 new projects with a GDV of INR 246bn in 9MFY26 (achieving 123% of targeted guidance for FY26). The company has laid out a conservative target of INR 325bn (10% YoY) presales for FY26, backed by a strong launch pipeline worth over INR 400bn. Aggressive project acceleration, marked by a 66% rise in construction expenditure over nine months, drove a 7% decline in operating cash flow as higher upfront costs outpaced collections, lowering the cash flow to collections ratio. GPL expects demand to remain stable and end-user driven. With a strong balance sheet, prudent capital discipline, and no near-term equity dilution planned, GPL is well-positioned to deliver 20%+ earnings CAGR through FY28, driven by strong execution, rising monetization from legacy projects, and margin accretion from premium launches. Given robust presales outperformance, new launches and strong underlying demand, we believe that GPL is all set to outperform guidance. We maintain our ADD rating with a reduced TP of INR 2,082/sh (cutting our NAV growth premium from 35% to 15% as presales growth, on a high FY26 base of INR 330bn, is expected to slow down from 25-30% to 5-10%).

- **Q3FY26 financial highlights:** Revenue came in at INR 4.9bn (-49.2%/-33.1% YoY/QoQ, a miss by 51.0%). EBITDA: INR -1.8bn (vs INR +217mn/-5.1bn Q3FY25/Q2FY26) against an estimated EBITDA of INR -1.1bn. APAT: INR 2.1bn (+32.1%/-49.1% YoY/QoQ, a miss of 66%). Margins were impacted due to CCM-based accounting policies and pushing out of deliveries to Q4FY26.
- **Strong demand drives presales momentum:** Presales for Q3FY26 stood at INR 84bn (+54.6/-1.0% YoY/QoQ), with a booking area of 6.4msf (+58.2%/-9.9% YoY/QoQ). This was led by strong demand in some key new project launches where MMR contributed 38% of total presales, largely led by Godrej Trilogy at Worli (INR 17bn), followed by Panipat and Noida launches. For FY26, GPL has guided a conservative target of 10% presales growth, which we believe it shall surpass, owing to robust launches in Q4FY26.
- **Expansion drive leads to higher debt:** GPL net debt increased to INR 68.7bn (vs INR 55.6bn QoQ) and net D/E increased to 0.37x vs 0.30x QoQ. In 9MFY26 GPL added twelve new projects with a saleable area of 22.3msf and a GDV of INR 246bn (achieving 123% of INR 200bn targeted for FY26).

Consolidated financial summary (INR mn)

YE March	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	4,984	9,689	(49)	7,404	(33)	49,228	56,613	70,766	91,996
EBITDA	(1,827)	276	(763)	(5,127)	(64)	444	(5,345)	1,929	12,119
APAT	2,094	1,582	32	4,125	(49)	13,798	15,486	11,859	18,033
Diluted EPS (Rs)	7.0	5.3	32.3	13.7	(49)	45.8	51.4	39.4	59.9
P/E (x)						36.7	32.7	42.7	28.0
EV / EBITDA (x)						1,217.0	(100.9)	257.7	37.7
RoE (%)						9.9	8.3	4.8	5.3

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	Chg. (%)	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	56,613	61,536	(8)	70,766	72,612	(3)	91,996	90,765	1
EBITDA	-5,345	3,504	(253)	1,929	7,461	(74)	12,119	15,114	(20)
EBITDA (%)	(9.4)	5.7	(1514)	2.7	10.3	(755)	13.2	16.7	(348)
APAT	15,486	10,422	48.6	11,859	12,158	(2.5)	18,033	16,832	7.1

Source: Company, HSIE Research

ADD

CMP (as on 05 Feb 2026) INR 1,690

Target Price INR 2,082

NIFTY 25,643

KEY CHANGES	OLD		NEW
Rating	ADD		ADD
Price Target	INR 2,672		INR 2,082
EPS	FY26E	FY27E	FY28E
Change %	+48.6	-2.5	+7.1

KEY STOCK DATA

Bloomberg code	GPL IN
No. of Shares (mn)	301
MCap (INR bn) / (\$ mn)	509/5,637
6m avg traded value (INR mn)	1,531
52 Week high / low	INR 2,523/1,475

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(26.3)	(20.1)	(26.6)
Relative (%)	(26.1)	(23.3)	(33.0)

SHAREHOLDING PATTERN (%)

	Sept25	Dec-25
Promoters	47.05	47.17
FIs & Local MFs	10.42	10.78
FPIs	28.31	28.15
Public & Others	14.22	13.92
Pledged Shares	-	-

Source: BSE

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Brigade Enterprises

Weak presales; approval delays

Brigade Enterprises' (BEL) sales volume was 1.3msf (-39.1%/-30.0% YoY/QoQ), valued at INR 17.5bn (-29.8%/-14.0% YoY/QoQ), with average realization of INR 13,157psf (+15.6%/+22.9% YoY/QoQ). BEL has launched a pipeline of ~12msf residential and 4.2msf commercial spaces in FY27, backed by a recent INR 21bn land acquisition and INR 160bn of new GDV addition. BEL is also seeing steady office leasing traction and healthy demand across segments despite macro concerns. Regulatory headwinds have posed a significant challenge to near-term momentum, with project approval delays linked to municipal transitions directly impacting sales growth and forcing key launch postponements into Q4FY26 (INR 55bn) and early FY27. Amidst these operational hurdles, a notable market shift has emerged, with consumers demonstrating heightened sensitivity to rising property prices, indicating a more value-conscious demand environment. Margin pressures from project mix, marketing expenses, and conservative ground rent accounting are expected to be temporary. To support expansion, including a Hyderabad office/mall and a hotel portfolio targeting 1,700 keys, capex is projected at INR 6bn/8bn for FY26/FY27 resp. Moreover, the recognition of premium projects is anticipated to drive a margin improvement to ~20% in early FY27. We reiterate BUY, with a reduced TP of INR 1,163/sh to account for (1) inclusion of new projects in Hyderabad, Bengaluru, and Chennai; (2) expansion in the office/hospitality segment; and (3) lowering of presales sales growth from 25% to 10% and NAV premium from 30% to 10%. BEL needs to look for newer markets to drive growth as geographic and premium mix changes have reduced velocity.

■ **Q3FY26 financial highlights:** Revenue came in at INR 15.7bn (+8%/+14.0% YoY/QoQ, a miss by 1%); revenue from real estate at INR 11.3bn (+19.1%/+7.5% YoY/QoQ), hospitality at INR 1.6bn (+20.1%/+15.6% YoY/QoQ) and leasing at INR 3.3bn (-5.2%/+16.8% YoY/QoQ). EBITDA: INR 4.1bn (-0.7%/+25.3% YoY/QoQ, a beat by 4.1%). EBITDA margin: 26.1% (-217bps/+237bps YoY/QoQ). RPAT/APAT: 1.9bn (-19.1%/+18.4% YoY/QoQ, in line).

■ **FY27 launches shall boost presales momentum:** For Q3FY26, sales volume was 1.3msf (-39.1%/-30.0% YoY/QoQ), valued at INR 17.5bn (-29.8%/-14.0% YoY/QoQ) with average realization of INR 13,157psf (+15.6%/+22.9% YoY/QoQ). Drag in presales was largely on the back of regulatory headwinds, with BEL now expected to miss 15% presales growth guidance revised lower to flat YoY.

■ **Balance sheet comfortable:** The consolidated gross/net debt stood at INR 45.0/18.9bn (INR 42.9/17.2bn as of Sept-25). The net debt/equity stood at 0.23x (vs. 0.22x as of Sept-25). The total collection was INR 17.6bn (-12.1% QoQ).

Consolidated Financial Summary (INR mn)

YE Mar (INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	15,751	14,639	8%	13,834	14%	50,742	57,546	63,226	70,684
EBITDA	4,109	4,137	-1%	3,281	25%	14,142	15,216	18,708	21,715
APAT	1,913	2,362	-19%	1,625	18%	6,858	8,136	9,374	11,721
EPS (INR)	7.8	9.7	-19%	6.6	18%	28.1	33.3	38.4	48.0
P/E (x)						32.5	27	24	19
EV/EBITDA (x)						17.2	16	12	10
RoE (%)						14.8	13.6	13.8	15.2

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	Chg. (%)	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	57,546	56,818	1.3	63,226	60,255	4.9	70,684	67,312	5.0
EBITDA	15,216	17,681	(13.9)	18,708	19,062	(1.9)	21,715	21,412	1.4
EBITDA (%)	26.4	31.1	(467.8)	29.6	31.6	(204.6)	30.7	31.8	(109.0)
APAT	8,136	8,552	(4.9)	9,374	9,859	(4.9)	11,721	11,392	2.9

Source: Company, HSIE Research

BUY

CMP (as on 02 Feb 2026)	INR 738
Target Price	INR 1,163
NIFTY	25,088

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,400	INR 1,163
EPS Change %	FY26E -4.9	FY27E -4.9 FY28E +2.9

KEY STOCK DATA

Bloomberg code	BRGD IN
No. of Shares (mn)	244
MCap (INR bn) / (\$ mn)	180/1,972
6m avg traded value (INR mn)	371
52 Week high / low	INR 1,332/711

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(28.8)	(24.9)	(36.6)
Relative (%)	(26.1)	(26.2)	(41.9)

SHAREHOLDING PATTERN (%)

	Sept25	Dec-25
Promoters	41.13	41.12
FIs & Local MFs	23.28	23.55
FPIs	18.67	18.14
Public & Others	16.95	17.19
Pledged Shares*	-	-

Source: BSE

*Pledged shares as % of total shares

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Sobha

Demand stays resilient

Sobha Ltd (SDL) reported strong quarterly presales growth in Q3FY26 at INR 21.1bn (+52.3%/+11.1% YoY/QoQ). For FY26, SDL has guided presales of INR 85bn (9MFYTD INR 61bn), which we believe should cross INR 100bn. Looking at market dynamics, demand in Bengaluru remains steady, while Gurgaon shows pockets of concern for a higher ticket size (>INR 8-10cr). For the next 15 months, the company has an ambitious launch pipeline of 16.5msf, with 6msf planned for Q4FY26 and 10.5msf for FY27. This includes projects in Pune, Hoskote (5.4msf), Gurgaon, and two more in Bengaluru. SDL anticipates significant margin expansion with EBITDA margins reaching 18-19% over 12-15 months and 34% for those beyond 15 months, with healthy 30-35% margins, setting the stage for a significant financial uplift from FY27 onwards. SDL is well-positioned to continue its growth trajectory, leveraging its brand equity to dominate the premium, end-user segment. Sobha seems to be on track with INR 100bn+ new launches in Q4FY26 (NCR launch), setting the stage for FY26 presales to cross INR 100bn. Given the robust launch pipeline, strong balance sheet, and stable cash flows, we maintain BUY with a TP of INR 2,459/sh.

- **Q3FY26 financial highlights:** Revenue INR 9.4bn (-23.1%/-33.0% YoY/QoQ, a 36% miss). EBITDA came in at INR 388mn (-42.4%/-59.5% YoY/QoQ, miss by 60%). EBITDA margin came in at 4.1% (-138/-269 bps YoY/QoQ, vs. estimate of 6.6%). RPAT/APAT was INR 154mn (-28.9%/-78.7% YoY/QoQ, a miss by 81%).
- **Presales guidance looks achievable with robust launch pipeline ahead:** SDL reported a strong quarter with presales in value and volume at INR 21.1bn (+52.3%/+11.1% YoY/QoQ) and 1.4msf (+35.2%/-1.7% YoY/QoQ) resp. The average price realization was INR 15,436/sf (+13.0%/+13.1%, YoY/QoQ). Bengaluru drove 70% of demand, primarily from end users. To strengthen its presence in NCR, SDL is actively pursuing land acquisitions via both government and private routes, while maintaining a selective approach due to its strong land bank.
- **Balance sheet strong; net cash position post rights:** Net debt decreased significantly post rights issue and as of 9MFY26, SDL has net cash position of INR 7.9bn (INR 7.5bn in Q2FY26). At INR 9.9bn, gross debt reduced vs INR 10.1bn QoQ. The operating cash flow from completed and ongoing projects is expected to be at INR 90.6bn while that from forthcoming projects is INR 73.1bn.

Consolidated financial summary (INR mn)

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	9,431	12,241	-23.0%	14,076	-33.0%	40,386	47,025	53,366	60,569
EBITDA	388	672	-42.4%	956	-59.5%	2,942	3,038	10,067	15,363
APAT	154	217	-28.9%	725	-78.7%	947	1,969	6,941	11,080
Diluted EPS	1.4	2.0	-28.9%	6.8	-78.7%	9	18.4	64.9	103.6
P/E (x)						166	79.9	22.7	14.2
EV/EBITDA (x)						51	49.3	14.2	8.6
RoE (%)						3	4.2	13.7	18.8

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	Chg. (%)	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	47,025	47,025	-	53,366	53,366	-	60,569	60,569	-
EBITDA	3,038	6,318	(51.9)	10,067	11,988	(16.0)	15,363	13,728	11.9
EBITDA (%)	6.5	13.4	(697.5)	18.9	22.5	(360.0)	25.4	22.7	270.0
APAT	1,969	3,785	(48.0)	6,941	7,913	(12.3)	11,080	9,400	17.9

Source: Company, HSIE Research

BUY

CMP (as on 16 Jan 2026)	INR 1,527
Target Price	INR 2,459
NIFTY	25,694

KEY CHANGES	OLD		NEW
Rating	BUY		BUY
Price Target	INR 2,459		INR 2,459
EPS	FY26E	FY27E	FY28E
Change %	-48.0	-12.3	17.9

KEY STOCK DATA

Bloomberg code	SOBHA IN
No. of Shares (mn)	107
MCap (INR bn) / (\$ mn)	163/1,797
6m avg traded value (INR mn)	341
52 Week high / low	INR 1,733/1,075

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(1.2)	(7.5)	18.3
Relative (%)	(1.4)	(8.6)	9.9

SHAREHOLDING PATTERN (%)

	Sept-25	Dec-25
Promoters	52.88	52.88
FIs & Local MFs	26.04	25.78
FPIs	6.41	6.26
Public & Others	14.68	15.09
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Mahindra Lifespaces

Strong execution drives a sharp turnaround

Mahindra Lifespaces Developers Ltd (MLDL) reported revenue/EBIDTA/APAT at INR 4.5bn/298mn/831mn. MLDL aims to deliver 25-30% CAGR in presales over FY25–FY30, targeting INR 45–50bn in presales by FY27, supported by timely launch approvals and execution discipline. During the quarter, business development worth INR 10bn took place, taking the 9MFY26 BD to INR 105bn. Mahindra Blossom in Bengaluru was the standout launch, generating over INR 10bn+ in its opening weekend, which would reflect in Q4FY26 presales. The forthcoming launches for Marina 64 (Plot A), Bhandup, and Mahalaxmi have been slightly delayed due to new EC requirements, a one-time regulatory hurdle, all lined up for Q4FY26. Over the past 21 months, MLDL has secured BD worth over INR 290bn, enhancing new launch visibility and laying a solid foundation for its ambitious growth plans. This is a huge growth step up and sets the tone for achieving an FY29 presales target of INR 80-100bn. The strategy is clear; a disciplined focus on core markets (MMR, Pune, and Bengaluru), fast project turnaround times, and stringent financial hurdles (20%+ IRR). This expanding pipeline, combined with a rights-issue-strengthened balance sheet (INR 15bn raised) positions MLDL to achieve this target in the coming years. Additionally, the IC&IC business is expected to generate INR 15bn PAT over the next 10 years, offering an additional lever for long-term profitability and cash flows. Given the strong cash flows, robust launches, stable balance sheet, and likely growth through rights, we remain constructive with a BUY on MLDL and a TP of INR 700/sh.

- **Q3FY26 financial highlights:** Revenue: INR 4.5bn (+174.5%/+25x YoY/QoQ, a beat by 190%). EBITDA came in at 298mn (INR +298/-525mn in Q3FY25/Q2FY26, vs est. loss of INR 154mn). Profit from JV/associates came in at INR 713mn (+616/-25.7% YoY/QoQ). APAT stood at INR 831mn (-INR 225mn/+ INR 479mn Q3FY25/Q2FY26 vs est. profit of INR 507mn).
- **Ready for a launch-heavy year:** MLDL recorded presales of INR 5.7bn (+71%/-23.9% YoY/QoQ) and volume stood at 0.6msf (+33.3%/-31.8% YoY/QoQ). Within IC&IC, the company leased 17.9 acres for INR 1.3bn (+191%/+34.4% YoY/QoQ). We expect Q4FY26/Q1FY27 to be record quarters, with presales of INR 20/25bn.
- **Well-poised for growth in the year ahead:** MLDL has several growth levers: 1. several projects are in final stages of design and approvals, primed for launch in FY26; 2. it has increasing focus on mid-premium and premium segments, where its brand and execution capabilities offer differentiation and demand is strong.

Consolidated financial summary (INR mn)

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	4,592	1,673	174.5	176	2,514.8	3,723	6,050	8,378	11,659
EBITDA	298	(254)	217.3	(525)	156.8	(1,699)	(637)	506	1,425
APAT	831	(225)	469.6	479	73.3	613	1,556	2,357	3,145
Diluted EPS(INR)	3.9	(1.1)	469.6	2.2	73.3	2.9	7.3	11.1	14.7
P/E (x)						136	54	35	27
EV / EBITDA(x)						(56)	(132)	169	59
RoE (%)						3.3	8.3	6.4	8.0

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	Chg. (%)	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	6,050	6,050	(0)	8,378	8,214	2	11,659	11,319	3
EBITDA	-637	-645	(1)	506	343	48	1,425	1,152	24
EBITDA (%)	(10.54)	(10.66)	13	6.04	4.18	187	12.23	10.18	205
APAT	1,556	1,204	29.2	2,357	2,114	11.5	3,145	2,906	8.2

Source: Company, HSIE Research

BUY

CMP (as on 02 Feb 2026)	INR 382
Target Price	INR 700
NIFTY	25,088

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 700	INR 700
EPS change %	FY26E 29.2	FY27E 11.5 FY28E 8.2

KEY STOCK DATA

Bloomberg code	MAHLIFE IN
No. of Shares (mn)	213
MCap (INR bn) / (\$ mn)	81/890
6m avg traded value (INR mn)	71
52 Week high / low	INR 428/254

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(0.9)	3.8	2.8
Relative (%)	1.8	2.5	(2.6)

SHAREHOLDING PATTERN (%)

	Sept-25	Dec-25
Promoters	52.42	52.41
FIs & Local MFs	22.45	22.83
FPIs	8.12	7.18
Public & Others	17.00	16.93
Pledged Shares	-	-

Source: BSE

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Kolte Patil Developers

Weak show; need to pick up execution

KPDL reported a weak quarter with presales 0.69msf (-16.5%/-19.8% YoY/QoQ), valued at INR 6.1bn (-11.0%/-9.7% YoY/QoQ), largely backed by sustenance sales with an average realization of INR 8,791psf (+4.4%/+12.5% YoY/QoQ). Q3FY26 margins were impacted by lower revenue recognition, led by CCM-based accounting that impacted margins sharply, though KPDL believes that the margin will improve toward mid-teens in FY27, driven by a new project mix. We expect Life Republic (LR) project to continue the sales momentum and strong cash flows, further improving the margins with better realization. Blackstone aimed at accelerating expansion and sector consolidation. KPDL's growth strategy is firmly supported by expanding and strategic land bank, now totalling a significant portfolio of ~37msf. The strategic partnership with Blackstone is expected to bolster financial flexibility and growth acceleration. KPDL aims to benefit from sector consolidation, infrastructure push, and urbanization in tier 2/3 cities, while maintaining a focus on capital efficiency and timely execution to drive long-term value. Overall, proactive management and expansion position the firm for sustained growth. With strong cash flows, KPDL is a net cash positive company and liquidity is comfortable. This may pave the way for accelerated BD activities. We maintain BUY with a TP of INR 480/sh.

- **Q3FY26 financial performance:** KPDL reported a revenue of INR 2.6bn (-24.1%/+91.4% YoY/QoQ, miss by 57.9%). EBITDA came in at INR +81mn vs INR -256mn/-372mn Q3FY25/Q2FY26, vs INR 232mn est.). APAT was INR +45mn (INR +253mn/INR -104mn Q3FY25/Q2FY26) vs. the estimate of INR 328mn PAT. Margins were impacted by lower completion, led by CCM-based accounting, which impacted margins sharply. Margin improvement remains a priority, with EBITDA margins projected to reach mid-teens through cost optimization and operational efficiencies.
- **All eyes on launches to drive the presales momentum:** KPDL reported quarterly presales of 0.69msf (-14.8%/-19.8% YoY/QoQ), valued at INR 6.1bn (-11.0%/-9.7% YoY/QoQ), largely backed by sustenance sales with an average realization of INR 8,768psf. (+4.4%/+12.5% YoY/QoQ). Life republic contributed ~60% of total sales in Q3FY26. Collections stood at INR 7.0bn, making a +25.0%/+19.0% YoY/QoQ. KPDL is targeting 6-7msf of project launches across key markets in Pune (NIBM, Wadgaon, and Lakshmiratan) and Mumbai.
- **Strong balance sheet position:** Net cash stood at INR 6.0bn (INR 1.2mn net cash in Q2FY26). In Q3FY26, KPDL generated a net operating cash flow of INR 2.1bn.

Consolidated financial summary (INR mn)

Particulars	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	2,653	3,497	(24.1)	1,387	91.4	17,174	18,818	21,677	24,928
EBITDA	81	256	(68.4)	(372)	(121.7)	1,759	752	2,669	3,782
APAT	45	253	(82.2)	(104)	(143.1)	1,066	551	1,777	2,670
EPS (INR)	0.6	3.3	(82.2)	(1.4)	(143.1)	14.1	7.3	23.5	35.2
P/E (x)						29.9	49.9	15.5	10.3
EV/EBITDA (x)						22.0	43.6	13.2	9.3
RoE (%)						14.1	7.8	17.3	21.6

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	Chg. (%)	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	18,818	23,131	(18.6)	21,677	23,342	(7.1)	24,928	26,843	(7.1)
EBITDA	752	2,792	(73.1)	2,669	4,335	(38.4)	3,782	5,059	(25.2)
EBITDA (%)	4.0	12.1	(807.4)	12.3	18.6	(625.6)	15.2	18.8	(367.5)
APAT	551	1,542	(64.3)	1,777	2,603	(31.7)	2,670	3,085	(13.5)

Source: Company, HSIE Research

BUY

CMP (as on 06 Feb 2026)	INR 366
Target Price	INR 480
NIFTY	25,694

KEY CHANGES			
	OLD	NEW	
Rating	BUY	BUY	
Price Target	INR 480	INR 480	
EPS Change %	FY26E	FY27E	FY28E
	-64.2	-31.7	-13.5

KEY STOCK DATA

Bloomberg code	KPDL IN
No. of Shares (mn)	89
MCap (INR bn) / (\$ mn)	32/358
6m avg traded value (INR mn)	37
52 Week high / low	INR 498/235

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(11.7)	(9.9)	19.5
Relative (%)	(12.0)	(13.7)	12.4

SHAREHOLDING PATTERN (%)

	Sept25	Dec-25
Promoters	73.81	73.81
FIs & Local MFs	8.77	8.77
FPIs	3.70	3.76
Public & Others	13.71	13.65
Pledged Shares	0.0	0.0

Source: BSE

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Rating Criteria

BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

We, **Varun Lohchab, PGDM, Amit Kumar, CFA & Aryan Singh Dalal, BCom (H)** authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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