



	Revenue	Net Income	EPS	Operating Margin
Q3 FY26	\$16,930,000	\$1,320,904	50.55	14.25%
Q3 FY25	\$59,030,000	\$1,666,932	50.35	13.79%
Q3 FY25	+24.95%	+12.71%	+5.59%	+0.71%

Trend of Quarterly Results For BSEAllcap (1000 Companies):

NIFTY500	H1_fy25	9M_fy25	fy25	Q1_FY26	H1_fy26	9M_fy26	Est_Fy_26
Sales_Growth	9.5%	7.9%	7.2%	6.5%	7.3%	10.8%	12.0%
Profit Growth	4.9%	5.5%	8.3%	10%	16%	13.1%	14.2%

Trend of Quarterly Results For Focused (55 Companies):

Focused Companies	H1_fy25	9M_fy25	fy25	Q1_fy26	H1_fy26	9M_fy26	Fy_26
Sales_Growth	14.7%	12.5%	11.91%	10.0%	9.2%	10.9%	12.0%
Profit Growth	8.2%	9.4%	7.22%	19.5%	15%	11%	14.7%

Nifty_500	FY_22	FY_23	fy_24	FY_25	Est_FY_26
GDP GROWTH % (NOMINAL)	18.9	14	12	10.1	10
Sales_Growth %	26	21	8.3	7.2	12
Profit Growth %	50	6	29	8.3	14.2

Trail_PE	24	21	25	24.6	21.7
Nifty_500_Price	14895	15220	20255	22780	21391
EST_Cash to Equity in %	-14.03	7.70	6.38	16.85	8.60



AI summary

The document summarizes the Q3 FY26 earnings analysis for several Indian companies and provides an overview of quarterly results for the NIFTY500 and a set of Focused Companies.

Key Takeaways and Quick Verdicts for Focused Companies:

- Info Edge (Naukri): Core recruitment business is strong and funds non-recruitment ventures. EBITDA margin contracted due to marketing and one-time statutory impacts.
 - Quick Verdict: Hold / Neutral.
- EMS Limited: Experienced a sharp drop in PAT and EBITDA due to weather-related project stalls. Maintains a robust order book (~3.5x Book-to-Bill) and reduced promoter share pledge.
 - Quick Verdict: Cautiously Optimistic.

- MapmyIndia (C.E. Info Systems): Results were weak (Revenue -18.2% YoY) due to execution delays, but boasts a record high open order book (₹1,770.7 Cr), providing massive revenue visibility.
 - Quick Verdict: Accumulate on Dips.
- PI Industries: Revenue contracted significantly (-27.6% YoY) due to global destocking. Strong performance in the high-margin Custom Synthesis (CSM) segment kept EBITDA margins resilient.
 - Quick Verdict: Neutral (Wait for Recovery).
- IRCTC: Core Internet Ticketing volume grew strongly (+26%), driving an overall revenue increase (+18.36% YoY). PAT growth (+15.61%) was slower due to rising operating costs in catering and tourism.
 - Quick Verdict: Strategic Hold.
- Divi's Laboratories: Showed robust revenue growth (+12.1% YoY) in Custom Synthesis. Net Profit (PAT) declined slightly due to a one-time ₹74 Cr impact from new labor codes. Positioned for the GLP-1 (weight-loss drug) wave.
 - Quick Verdict: Tactical Hold / Strategic Accumulate.
- Patanjali Foods: Achieved a record quarterly revenue (over ₹10,000 Cr). The massive 60% YoY PAT jump was largely driven by a one-time tax credit. Operating margins contracted due to high raw material costs.
 - Quick Verdict: Growth-Heavy / Watch Margins.
- LG Electronics India: Revenue and PAT declined due to a high base effect and a one-time labor code impact (INR 12.45 Cr). Maintained market dominance in premium segments like OLED TVs and side-by-side refrigerators.
 - Quick Verdict: Resilient Core; Premium Play.
- Amara Raja Energy & Mobility: Revenue was resilient (+4.2% YoY), but PAT plunged 53% YoY and EBITDA margins compressed due to heavy front-loading of R&D and setup costs for the new Lithium Gigafactory project.
 - Quick Verdict: Neutral: Monitoring Margin Recovery.

Q3fy26 Results for Focused Companies:

Info Edge (Naukri) Q3 FY26 Analysis: Recruitment Resilience vs. Non-Recruitment Cash Burn

The Snapshot

Feature	Details
Company Name	Info Edge (India) Limited
Current Market Price (CMP)	₹971
Market Cap	₹63,324 Cr
Sector	Internet / Online Classifieds
Quick Verdict	Hold / Neutral – Strong core recruitment dominance, but valuation remains rich relative to decelerating growth in adjacent verticals.

The 'Wow' Factor

- Revenue Growth: Consolidated Revenue from Operations grew to ₹819 Cr, up from ₹722 Cr in the previous year's quarter.
- Recruitment Engine: The recruitment segment (Naukri) continues to be the primary profit driver, maintaining high margins (approx. 59% at the segment level) despite a mixed hiring environment.
- Associate Power: Consolidated PAT is significantly influenced by the performance of associate companies like Zomato and PB Fintech.
- Cash Position: The company maintains a robust cash balance of over ₹4,800 Cr, providing ample liquidity for strategic investments and dividends.

Operational KPI Table (Standalone Segmental)

Metric	Q3 FY26	Q3 FY25	YoY Change
Recruitment Revenue	₹505.2 Cr	₹448.3 Cr	+12.7%
99acres Revenue	₹102.4 Cr	₹88.1 Cr	+16.2%
Jeevansathi Revenue	₹24.8 Cr	₹22.1 Cr	+12.2%
99acres EBITDA Margin	(20.1%)	(26.5%)	Affected

Financial Deep Dive (Consolidated)

Metric (in ₹ Cr)	Q3 FY26	Q3 FY25	YoY %
Revenue from Ops	819.0	722.0	13.4%
EBITDA	294.0	272.0	8.1%
EBITDA Margin	35.9%	37.6%	-170 bps
PAT (Consolidated)	316.0	288.0	9.7%

Cost vs. Efficiency

The EBITDA Margin contracted slightly to 35.9% from 37.6% last year. This was primarily driven by:

1. Marketing Intensity: Continued high spending in 99acres and Jeevansathi to defend market share.
2. Statutory Impacts: A non-recurring exceptional statutory impact (approx. ₹51 Cr) related to new labour codes.
3. Employee Costs: Increased talent acquisition in tech/AI roles to enhance the platform's matching algorithms.

The Forward Curve

Management guidance suggests a "Steady State" for the next two quarters. We project:

- Q4 FY26: Revenue growth of 11-13% as GCC (Global Capability Centers) hiring continues to offset slower IT services hiring.
- Q1 FY27: Focus on scaling "AI-Rex" and other agentic AI tools to drive productivity and potential premium pricing in recruitment.

Valuation Guardrails

- Current PE Ratio: ~88x
- 5-Year Median PE: ~65x
- Status: Trading at a Premium.

With a Market Cap of ₹63,324 Cr, the stock's value is heavily underpinned by its liquid holdings in Zomato and PB Fintech. On a standalone basis, the core recruitment business is valued at a premium compared to global peers.

Shareholding Pattern Update

- Promoter Stake: Stable at 37.59%.
- FII/DII Trend: DIIs have marginally increased stakes to 21.8%, while FIIs hold approximately 29.6%.

The Advisory Note

Strategic Outlook: Info Edge remains the most successful "Venture Capitalist" in the Indian public markets. Its core business (Naukri) is a monopoly that funds its experiments in Real Estate and Matrimony.

Tactical Outlook: The correction in market cap to ₹63,324 Cr reflects a more realistic assessment of its core value. However, investors should monitor the EBITDA margin stabilization in the non-recruitment businesses before increasing exposure.

FAIRVALUE:

https://docs.google.com/spreadsheets/d/e/2PACX-1vS0qGOL_XaY6YrbC4M4XirFE_SoB17p5dkQJCrpQmmPgckiBtfuYJpQBEbGtaPftHQ/pubhtml?gid=1948374536&si_ngle=true

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EMS Limited Q3 FY26 Analysis: Order Book Resilience vs. Bottom-line Pressure

We have analyzed the Q3 FY26 performance of EMS Limited, a key player in the water and sewerage infrastructure segment. While the company continues to maintain a robust order book, the quarterly financials reflect a period of sharp operational adjustment and margin pressure. Notably, a significant post-earnings development regarding promoter share pledging adds a layer of corporate governance clarity.

The Snapshot (Consolidated Data)

Metric	Details

Company Name	EMS Limited
CMP (Current Market Price)	₹306
Market Cap (M-Cap)	~₹1,700 Cr
Sector	Water & Sewerage Infrastructure / EPC
Quick Verdict	Cautiously Optimistic (Order book visibility remains high, but execution efficiency and margin recovery are now the primary monitorables)

The 'Wow' Factor

- Pledge Release: On March 11, 2026, the promoter released 6,76,590 shares from pledge following a ₹20 Cr loan repayment, signaling improved financial flexibility and commitment.
- Heavy Weather Impact: Management cited extreme weather disruptions in Uttarakhand as a primary reason for the sharp revenue and PAT decline this quarter.
- Management Tone: Transparent; the CEO explicitly acknowledged the PAT miss in the earnings call while maintaining a long-term growth thesis of 20% and promising a "catch-up" in H1 FY27.

Operational KPI Table (EPC & Water Management)

KPI	Value (Q3 FY26)	Significance
Order Book-to-Bill Ratio	~3.5x	Indicates 3+ years of revenue visibility (~₹2,200 Cr).

PAT Margin	~9.6%	Significant drop from the usual 18-20% range.
Bid Win Rate	~20%	Target remains aggressive to expand order book to ₹3,000 Cr.

Financial Deep Dive (Consolidated)

Metric (₹ in Cr)	Q3 FY26	Q3 FY25 (YoY)	Change (%)	Q2 FY26 (QoQ)	Change (%)
Revenue from Ops	200.35	245.29	-18.3%	177.86	+12.6%
EBITDA	33.27	73.72	-54.9%	38.60	-13.8%
PAT (Net Profit)	19.28	50.59	-61.9%	28.10	-31.4%

Cost vs. Efficiency Analysis:

The quarter saw a substantial contraction in EBITDA margins (16.6% vs 30.1% YoY). This was primarily due to stalled project sites in Uttarakhand, leading to under-absorption of fixed costs and mobilization expenses for new projects in Kolkata and Agra. The PAT drop to ₹19 Cr reflects these operational bottlenecks. We are closely monitoring the 'Margin of Safety', as high raw material costs continue to pressure the EPC segment.

The Forward Curve

Based on management guidance and the current tender pipeline, we project:

- Q4 FY26: A recovery phase as site work resumes fully. Revenue is expected to trend towards ₹240 Cr+ to meet year-end targets.
- Q1 FY27: Expected jump in PAT as higher-margin O&M contracts begin to contribute a larger share of the revenue mix.

Valuation Guardrails

- Current TTM P/E: ~15.2x
- 5-Year Median P/E: ~12.2x
- Verdict: Trading at a Premium. Despite the weak quarter, the stock maintains a premium due to the "Pledge Release" news and strong sector tailwinds. However, sustained margin contraction could lead to a valuation de-rating.

Shareholding & Pledge Update

- Promoter Stake: Stable at ~67.85%.
- Pledge Status: Significant improvement. As of March 11, 2026, total pledged shares reduced to 24.29% following the full repayment of the ₹20.00 Cr loan to CSL Finance Limited. This addresses a major investor concern regarding promoter leverage.

The Advisory Note

Strategic Outlook (Long-term): The long-term story of water treatment (STP/WTP) remains robust. EMS's diversification into manufacturing and real estate is in early stages; the core EPC business must stabilize its margins first.

Tactical Outlook (Short-term): The market is likely to remain cautious until the Q4 numbers prove that the Q3 dip was indeed a "one-off" weather-related event. Support is seen near the ₹285-295 zone.

FAIRVALUE :

https://docs.google.com/spreadsheets/d/e/2PACX-1vSdhuFYuTjx8wdbXQSqUSHsy8yG0tjdfJsR CVY_p8DGGndbTcLuB9JcygQFOQw9WQnpGKGFwHUcm5qy/pubhtml?gid=0&single=true

Financial Disclosure: *This report is for educational purposes only. We are SEBI-registered advisors.*

MapmyIndia (C.E. Info Systems) Q3 FY26: Seasonal Headwinds vs. Record Order Book

MapmyIndia's Q3 FY26 results reflect a "quarterly hiccup" in an otherwise robust long-term growth story. While the top and bottom lines saw a double-digit decline YoY due to seasonality and execution deferrals in government projects, the surge in the

open order book to a record ₹1,770.7 Cr indicates massive revenue visibility for the coming years.

The Snapshot

Metric	Details
Current Market Price (CMP)	₹962
Market Cap	~₹5,400 Cr
Rating	Accumulate on Dips
Core Moat	India's only integrated Map-led & IoT ecosystem

The "Wow" Factor

- Record Order Visibility: The open order book has hit an all-time high of ₹1,770.7 Cr, representing nearly 4x the company's entire FY25 revenue. This provides a massive buffer against quarterly volatility.
- Dominant B2B Moat: While global giants lead B2C, MapmyIndia is the "de facto" choice for Indian OEMs (Maruti, Mahindra) and critical government agencies (Survey of India, IOCL).
- HD Mapping Leap: The strategic investment in Prashant Advanced Survey LLP positions MapmyIndia to lead the Next-Gen HD Maps market, essential for future Autonomous Driving (ADAS) in India.
- Cash Rich: With ₹642.8 Cr in cash reserves, the company has the firepower to acquire niche AI/Drone startups without diluting equity or taking on debt.

Operational KPI Table

To understand the business beyond the financial headline, we track these sector-specific KPIs:

KPI	Q3 FY26	Context

Open Order Book	₹1,770.7 Cr	Up significantly from ₹1,500 Cr in March 2025
Map-led Revenue Mix	60% - 70%	Core high-margin segment including GIS & SaaS
IoT-led Revenue Mix	~20%	Includes the high-growth fleet telematics business
AI & Security Tools	~10%	Emerging segment for security and intelligence agencies
EBITDA Margin	28.6%	Compressed by seasonality and AI-scope investments

Financial Performance (Consolidated)

The following figures are verified against the Un-Audited Consolidated Financial Results for the quarter ended December 31, 2025.

Particulars (₹ in Cr)	Q3 FY26 (Current)	Q3 FY25 (YoY)	Change (%)
Revenue from Operations	93.7	114.5	-18.2%
Other Income	10.5	10.4	+1.0%
Total Income	104.2	124.9	-16.6%
EBITDA	26.8	41.7	-35.7%

Profit After Tax (PAT)	18.8	32.3	-41.8%
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Key Takeaways from the Earnings Call

- Execution Delays: Management noted that Q3 weakness was primarily due to deferred deliveries in the government sector and state elections (Maharashtra/Bihar) stalling work.
- 100% Catch-up Expected: CFO Sapna Ahuja stated that the deferments seen in Q3 are expected to be consumed 100% in Q4 FY26 and Q1 FY27.
- Mapp's App Growth: The consumer app has reached 45 Million downloads, with the overall ecosystem (APIs/SDKs) serving nearly 100 Million Monthly Active Users (MAU).
- New Wins: Secured the prestigious Survey of India Integrated Geoportal contract, highlighting the shift from 'Made in India' to 'Owned in India' data.

Analyst View: Risk vs. Reward

The Risk: Quarterly lumpiness is a reality for MapmyIndia given its 20% revenue exposure to government projects. The spike in outsourced technical services (up 3x) needs to be monitored for margin sustainability.

The Reward: The core Map-led business maintains structural EBITDA margins above 40%. As the ₹1,770 Cr order book converts, the operating leverage will be significant.

Forward Guidance

Management remains committed to the ₹1,000 Cr revenue target by FY2028. For the current year (FY26), they have reaffirmed an EBITDA margin guidance of 35%, implying a very strong Q4 performance.

FAIRVALUE :

<https://docs.google.com/spreadsheets/d/e/2PACX-1vTz0Y02H0UDk9xSN5iZtSe2GcU89voh01fSMB68GTTJXgs3vO6b00XencRASimyQrsbTmwQVTnX260l/pubhtml?gid=987769575&single=true>

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PI Industries Q3 FY26 Analysis: Navigating a Challenging Global Cycle

The Snapshot

Name	CMP	M-Cap (Cr)	Sector	Quick Verdict
PI Industries Ltd.	₹3,036	~₹46,000	Agro-Chemicals / Life Sciences	Neutral (Wait for Recovery)

The Key Takeaways

- **Revenue Contraction:** Consolidated Revenue for Q3 FY26 stood at ₹1,376 Cr, a significant decline from ₹1,900 Cr in Q3 FY25. This reflects the broader global destocking trend and aggressive generic pricing in the domestic market.
- **Profitability Under Pressure:** Net Profit (PAT) fell to ₹311 Cr, down from ₹373 Cr in the same quarter last year.
- **Resilient Margins:** Despite the revenue drop, the company managed to maintain a decent margin profile through cost optimization and a high-margin product mix

in the CSM segment & an exceptional income in pharma business on account for a write-back of contingent consideration of INR 1,260 million.

Operational KPI Table (Agro-Chemicals & CSM)

KPI	Q3 FY26	Q3 FY25	Status
Revenue (Cr)	₹1,376	₹1,900	High Pressure
PAT (Cr)	₹311	₹373	Softening
CSM Contribution	~75-80%	~78%	Strategic Anchor
Net Working Capital Days	95 Days	82 Days	Increasing Stress

Financial Deep Dive (Consolidated Data)

The current performance highlights the cyclical nature of the AgChem business. The decline in the top line is primarily due to lower volumes in the domestic segment and price erosion globally.

Metric (₹ Cr)	Q3 FY26	Q3 FY25	YoY Change
Total Revenue	1,376.0	1,900.0	-27.6%
EBITDA	358.0	485.0	-26.2%
PAT	311.0	373.0	-16.6%

EBITDA Margin	26.0%	25.5%	+50 bps
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Efficiency amidst Decline:

Interestingly, while absolute EBITDA fell, margins remained resilient at 26%. This suggests that the impact was primarily volume-driven, and PI's focus on high-value innovator molecules in the CSM segment is acting as a safety net for profitability.

The Forward Curve

The management expects the next two quarters to remain "transitional." The focus is shifting toward the Pharma vertical (PI Health Sciences) to diversify away from the volatile agri-cycle. The commissioning of new multi-purpose plants (MPPs) is expected to drive growth in FY27.

Valuation Guardrails

Metric	Current Value	5-Year Median	Categorization
P/E Ratio	24.1x	36.4x	Value Zone
P/B Ratio	4.8x	6.8x	Discounted

Analysis: The stock has corrected significantly, reflecting the earnings downgrade. At ~24x P/E, the market is pricing in short-term pain. For long-term investors, this represents a point where the risk-reward ratio starts becoming favorable.

Management Tone

Management remains cautiously optimistic, characterizing the current phase as an "inventory correction cycle." They have reiterated their commitment to long-term R&D investments and are maintaining a strong cash position of over ₹3,000 Cr for strategic acquisitions.

The Advisory Note

Strategic Outlook (Long-term): Despite the temporary dip in revenue and PAT, PI's core business model remains intact. The shift toward Life Sciences and the robust CSM pipeline are long-term positives.

Tactical Outlook (Short-term): Expect the stock to face headwinds in the short term. Investors should monitor the recovery in global AgChem demand and the ramp-up of the Pharma segment before taking aggressive positions.

Key Risks:

1. Prolonged global destocking.
2. Intense competition from generic players impacting domestic realizations.

FAIRVALUE :

<https://docs.google.com/spreadsheets/d/e/2PACX-1vQ8Cb5Q1x3aVHvbEygkoq7z2f7TJSPklzbgS2ghjXcfdFNJiXTJ8Vj1Fk7lhptgGQ/pubhtml?gid=782446612&single=true>

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IRCTC Q3 FY26 Analysis: Robust Ticketing Momentum vs. Tourism Segment Volatility

As we dissect the performance of IRCTC for the third quarter of FY26, the company remains a "cash cow" for the Indian Railways ecosystem. Our "Margin of Safety" filter suggests that while the core engine is running hot, the peripheral tourism services are hitting some friction.

 **The Snapshot**

Metric	Details
Company Name	Indian Railway Catering and Tourism Corp. Ltd.
Current Market Price (CMP)	₹538
Market Cap	₹43,040 Cr
Sector	Tourism & Hospitality (Monopoly Services)
Quick Verdict	Strategic Hold: Core ticketing remains resilient; margins under watch.

🌟 The 'Wow' Factor

- **Operational Growth:** Revenue from operations grew by 18.29% YoY, indicating a strong post-pandemic recovery and modernization push.
- **Tejas Efficiency:** The Ahmedabad-Mumbai Tejas Express continues to over-perform with a staggering 109% occupancy, proving the demand for premium rail travel.
- **Vande Bharat Scaling:** Catering revenue continues to scale as more Vande Bharat rakes are inducted into the system.

📊 Operational KPI Table

KPI	Q3 FY26	Q3 FY25	Trend
Internet Ticketing Growth	+26% (Vol)	-	● Strong

Tejas Occupancy (Lucknow)	69%	65%	● Improving
Tejas Occupancy (Ahmedabad)	109%	102%	● Exceptional
Catering Contribution	Rising	Stable	● Up

Financial Deep Dive (Consolidated)

Metric (₹ in Cr)	Q3 FY26	Q3 FY25 (YoY)	YoY %
Total Revenue	1,449.47	1,224.66	+18.36%
EBITDA	465.00	417.00	+11.51%
PAT (Net Profit)	394.33	341.09	+15.61%

Cost vs. Efficiency:

The Consolidated results show a robust 18.36% YoY revenue growth. However, the 15.61% growth in PAT suggests that operating costs, particularly in the catering and tourism segments, are rising faster than the high-margin ticketing revenue. While the company is scaling, we are keeping a close watch on the EBITDA margins, which have seen a slight compression as the business mix shifts towards lower-margin service delivery.

The Forward Curve

- Short-Term: Management is focused on increasing ticketing volumes further, with a 26% growth trajectory already visible.
- Mid-Term: Integration of more Vande Bharat trains will act as a major catalyst for the catering segment revenue.

Valuation Guardrails

- Current P/E: ~32x
- 5-Year Median P/E: ~55x
- Verdict: Historically Discounted. At a CMP of ₹538, the stock is trading at a significant discount to its historical valuation, providing a decent margin of safety for long-term investors.

Shareholding Pattern Changes

- Promoters (Govt of India): Held steady at 62.40%.
- FII/DII: Institutional interest remains stable, reflecting confidence in the monopoly status of the entity.

The Advisory Note

Strategic Outlook (Long-term): IRCTC remains the primary gateway for Indian rail passengers. Its transition into a more service-oriented model (Catering/Tourism) while maintaining its Ticketing monopoly makes it a unique play on India's consumption and infrastructure story.

Tactical Outlook (Short-term): At the current price of ₹538, the stock is showing deep value. Investors should view this as a 'Strategic Hold' with a focus on long-term compounding.

FAIRVALUE :

https://docs.google.com/spreadsheets/d/e/2PACX-1vQk0M5XgfMEjvxyKHTjxWZ0MZCuxu80Z8tL7hZdKtAsDYZhsfUDIsQYz52Lf_BvfGs7eVxCxIWB2O9C/pubhtml?gid=467401624&single=true

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Divi's Laboratories Q3 FY26 Analysis: Custom Synthesis Resilience vs. Margin Pressure from Labor Transitions

At our firm, we maintain a rigorous lens on the "Quality of Earnings." Divi's Laboratories (DIVISLAB) continues to showcase its dominance in the global API and Custom Synthesis (CS) space. However, this quarter's results reflect a complex interplay between robust revenue growth and one-time statutory headwinds.

The Snapshot

Metric	Details
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Company Name	Divi's Laboratories Limited
Current Market Price (CMP)	₹6,327
Market Cap	₹1,67,950 Cr (Large Cap)
Sector	Pharmaceuticals - API / CRAMS
Quick Verdict	Tactical Hold / Strategic Accumulate

The 'Wow' Factor

- Revenue Growth Outperformance: Total Income grew by ~12.1% YoY, driven by strong momentum in the Custom Synthesis segment and new peptide building block opportunities.
- One-time Labor Code Impact: The company took a hit of ₹74 Crores due to the implementation of new labor codes (gratuity/leave encashment adjustments), which suppressed the PBT.
- Forex Gains: A steady forex gain of ₹19 Cr (vs ₹10 Cr YoY) provided a slight cushion to the bottom line amidst volatile global currency markets.
- Peptide Potential: Management confirmed readiness for large-scale manufacturing of peptide fragments for innovators, positioning Divi's for the GLP-1 wave.

Operational KPI Table

KPI	Q3 FY26	Q3 FY25	Status
EBITDA Margin (%)	33.8%	34.2%	Marginal Compression

Export Revenue %	~90%	~88%	Increasing Global Footprint
Tax Rate (Effective)	25.6%	18.7%	Higher due to Deferred Tax
Asset Turnover	0.82x	0.79x	Improving Efficiency

Financial Deep Dive (Consolidated)

All figures in ₹ Crores unless specified.

Particulars	Q3 FY26	Q3 FY25 (YoY %)	Q2 FY26 (QoQ %)
Total Income	2,692	2,401 (+12.1%)	2,604 (+3.4%)
EBITDA	910	821 (+10.8%)	895 (+1.7%)
PAT	583	589 (-1.0%)	622 (-6.3%)

Cost vs. Efficiency Analysis:

While Revenue and EBITDA showed growth, PAT was hampered by a combination of the ₹74 Cr exceptional labor cost and a significantly higher tax outgo this quarter (25.6% vs 18.7% YoY). Operating expenses grew by 14% YoY, slightly ahead of revenue growth, indicating that the company is investing in manpower and compliance as it scales up its newer units (Kakinada and Unit-3). We calculate the Core Operating Margin (excluding forex and one-offs) at approximately 31%.

Management Integrity & Tone

Verdict: Transparent & Cautious

Dr. Murali Divi's tone remains focused on long-term technological moats rather than short-term guidance. Management was highly transparent regarding the labor code impact. However, they were "defensive" regarding the specific timelines for the GLP-1 (Weight-loss drug) building block commercialization, citing innovator confidentiality. We appreciate this integrity as it protects their "Preferred Partner" status.

The Forward Curve

We project a revenue growth of 8-10% for the next two quarters. The margin profile is expected to normalize to 35-37% as the one-time labor impacts fade and utilization at the newly commissioned capacities ramps up.

Peer Benchmarking: Divi's vs. Syngene International

Metric	Divi's Lab	Syngene Int.	Analyst Note
EBITDA Margin	33.8%	29.5%	Divi's remains the margin leader.
Revenue Growth	12.1%	9.8%	Divi's is scaling faster in API.
Return on Equity	16.5%	14.2%	Divi's maintains superior capital efficiency.

Valuation Guardrails

Divi's is currently trading at a P/E of ~68x.

- 5-Year Median P/E: 42.5x
- Verdict: Trading at a Premium.

While the stock is historically expensive, the market is pricing in the "Peptide optionality" and the shift of global supply chains away from China (China+1 strategy).

Shareholding Pattern Shift

- Promoter Stake: Stable at 51.91%.
- FII/DII: Marginal increase in DII holding (+0.4%) as domestic funds buy into the pharma recovery story.
- Public: No major dilution observed.

The Advisory Note

Strategic Outlook (Long-term): Divi's is a "Fortress Business." Their expertise in complex chemistry and massive scale makes them irreplaceable for big pharma. Accumulate on dips for a 3-5 year horizon.

Tactical Outlook (Short-term): The stock may see consolidation or a minor correction due to the PAT miss and the high valuation premium.

FAIRVALUE :

<https://docs.google.com/spreadsheets/d/e/2PACX-1vShCertPHR--tO3JnxFnCN87v3EbXsEYLRWs48Ly3QdW41zjX6Ob7BETZZIza3QKA/pubhtml?gid=1144024304&single=true>

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Patanjali Foods Q3 FY26 Analysis: Record Revenue Surge vs. Operating Margin Pressure

We present our updated deep-dive analysis into Patanjali Foods Limited (PFL) following their Q3 FY26 results. The quarter is marked by record-breaking top-line growth and a significant bottom-line boost, though operating margins reflect the challenging dynamics of the edible oil sector.

The Snapshot

Name	Patanjali Foods Limited (PFL)
CMP	₹500.00
M-Cap	~₹18,100 Cr (Small-Cap)
Sector	FMCG & Edible Oils
Quick Verdict	Growth-Heavy / Watch Margins (Record sales and FMCG expansion are primary drivers).

The 'Wow' Factor

- Highest Ever Revenue: The company crossed the ₹10,000 Cr quarterly revenue milestone for the first time, reaching ₹10,483.71 Cr.
- Tax Credit Windfall: PAT saw a massive 60% YoY jump, largely aided by a ₹317.21 Cr tax credit relating to earlier years.
- FMCG Rocket: The Food & FMCG segment grew by 38.93% YoY, proving to be the most resilient and profitable vertical.
- Oil Palm Footprint: Plantations have now crossed 1.08 Lakh Hectares, strengthening backward integration.

Operational KPI Table (Sector-Specific)

KPI Metric	Q3 FY26 Value	Context / Trend
FMCG Revenue	₹3,248.35 Cr	Up 38.9% YoY; now a significant pillar of the business.

Edible Oil Revenue	₹7,335.71 Cr	8.9% YoY growth; branded sales contribute >85%.
EBITDA Margin	4.69%	Contracted from 6.46% (YoY) due to raw material costs.

Financial Deep Dive (Consolidated)

Metric (in ₹ Cr)	Q3 FY26	Q3 FY25 (YoY)	Q2 FY26 (QoQ)	YoY Growth	QoQ Growth
Revenue from Ops	10,483.71	8,996.87	9,776.87	+16.53%	+7.23%
EBITDA	492.06	581.19	552.12	-15.34%	-10.88%
PAT	593.44	370.88	516.73	+60.01%	+14.85%

Cost vs. Efficiency: While Revenue and PAT hit record highs, the Operating EBITDA (excl. other income) fell to 4.14% from 6.20% YoY. This margin erosion highlights the "Margin of Safety" concern: rising raw material costs and an aggressive A&P (Advertising & Promotion) spend (approx. 2% of revenue) are eating into the operational gains of the edible oil segment.

Management Integrity & Tone

Tone: Strategically Aggressive.

CEO Sanjeev Asthana emphasized "disciplined execution" and a "milestone quarter" for FMCG. However, management was candid about the 12.6% drop in global palm oil prices and the resulting margin compression. Their transparency regarding the tax credit being the primary driver for PAT growth builds significant investor trust.

Valuation Guardrails

- Current PE: ~29x (Post-results adjustment)

- Industry PE: ~53x
- Verdict: Historically Discounted / Re-rating Potential. Despite the recent slide in share price, the company is valued significantly lower than industry peers like Marico or Adani Wilmar, providing a buffer if FMCG margins stabilize. But we should not forget that Edibles oils Profits are highly volatile.

Shareholding Pattern Shift

- DII Support: Domestic Institutional Investors have increased their stake slightly to ~11.85%, showing local confidence.
- Promoter Holding: Remains steady at ~68.8% to comply with SEBI norms, though 38% of promoter shares remain pledged, which remains a key monitorable risk.

The Advisory Note

Strategic Outlook (Long-term): The "FMCG Pivot" is real. With a 38.9% growth in high-margin staples and biscuits, PFL is successfully diversifying away from commodity-linked volatility.

Tactical Outlook (Short-term): Bearish technical signals suggest the stock might test the ₹480 support level before a rebound.

Key Risks: 1. Tax-led PAT: Investors should note that without the one-time tax credit, PAT would have been lower.

2. Pledged Shares: High promoter pledge (38%) is a red flag for conservative investors.

3. CPO Volatility: Any further drop in global Palm Oil prices will pressure the crushing margins.

FAIRVALUE :

https://docs.google.com/spreadsheets/d/e/2PACX-1vTYkbOXVnYKlZvY_XUadFMK_SZGTidtgKuLgMellhmB1UhpLJB5aAI5ozWM02gpi8A/pubhtml?gid=62119911&single=true

Financial Disclosure: We are SEBI registered investment advisors. This report is for educational purposes only.

LG Electronics India Q3 FY26 Analysis: Premium Momentum vs. High-Base Moderation

As the festive dust settles, LG Electronics India (LGEINDIA) has reported its Q3 FY26 numbers. While the company continues to dominate the premium appliances landscape, the quarter reflects a subtle moderation in bottom-line growth due to one-off labor code impacts and a high base effect from the previous year.

The Snapshot

Name	CMP (INR)	M-Cap (Cr)	Sector	Quick Verdict
LG Electronics India	1,596	₹1,59,600*	Consumer Durables	Resilient Core; Premium Play

The 'Wow' Factor

- **OLED Dominance:** LG has maintained a staggering 62.4% market share in the OLED TV segment, gaining 2.6% YoY.
- **Washing Machine Moat:** The company has created a massive 15.8% market share gap with its nearest competitor in the washing machine category.
- **Premium Up-tick:** Side-by-Side (SBS) refrigerator market share improved by 2.9% to reach 43.3%.
- **Shareholder Confidence:** FII holding has seen a marginal uptick of 0.25% post-listing, signaling global confidence in the India consumption story.

Operational KPI Table

Metric	Q3 FY26 Value	Trend/Status
OLED Market Share	62.4%	Up 260 bps YoY
SBS Refrigerator Share	43.3%	Up 290 bps YoY

Inventory Days	38 Days	Efficient Supply Chain
Brand Strength Index	High	Leader in Washing Machines

Financial Deep Dive (Consolidated)

Particulars (INR Cr)	Q3 FY26	Q3 FY25	YoY Change	Q2 FY26	QoQ Change
Revenue	4,190.1	4,474.1	-6.3%	6,253.9	-33.0%
EBITDA	262.4	320.6	-18.1%	524.9	-50.0%
PAT	89.7	233.5	-61.6%	389.4	-76.9%

Cost vs. Efficiency:

The significant drop in PAT is primarily attributed to a one-time impact of INR 124.50 Million recognized towards the new Government Labor Code (gratuity and compensated absences). Additionally, higher marketing spends during the festive season and a general moderation in mass-market demand post-Diwali impacted margins. However, we remain impressed by the management's ability to keep other expenses in check, which rose only marginally despite inflationary pressures.

The Forward Curve

We project a high-single-digit revenue growth for the next two quarters (Q4 FY26 & Q1 FY27). The upcoming summer season is expected to drive strong demand for the Air Conditioning and Refrigerator segments. Management's guidance suggests a "Balanced Strategy" between volume in entry-level segments and value in the premium "Life's Good" ecosystem.

Valuation Guardrails

Metric	Current Value	5-Year Median	Categorization
P/E Ratio	72.4x	65.0x	Trading at a Premium
P/B Ratio	12.8x	11.2x	Trading at a Premium

Management Integrity and Tone

Tone: Transparent & Strategic.

The management was forthright about the impact of the labor codes and the slowdown in the entry-level segment. They didn't shy away from discussing market share shifts, showcasing integrity. We perceive their tone as Confidently Defensive—protecting market share while aggressively pursuing premiumization.

Peer Benchmarking: LG vs. Samsung (India)

Metric	LG India (Q3)	Samsung India (Est.)
Premium TV Growth	8.2%	6.5%
Operating Margin	6.2%	5.8%
Service Network	1000+ Cities	950+ Cities

Key Risks and Red Flags

1. Labor Code Impact: The INR 12.45 Cr hit might be the first of many as state-level rules are finalized.
2. Commodity Volatility: Rising copper and aluminum prices could squeeze AC margins in the upcoming summer quarter.

3. Mass Market Fatigue: While premium is growing, the entry-level refrigerator and washing machine segments remain sluggish.

The Advisory Note

Strategic Outlook (Long-term): LGEINDIA remains a "Core Portfolio" candidate. Its dominance in the OLED and Premium Home Appliance segments provides a high barrier to entry. The transition from a product company to a "Smart Life Solution" company is a strong structural tailwind.

Tactical Outlook (Price Opportunity): At 1,596, the stock is pricing in a lot of future growth. A tactical entry is advised on dips towards the 1250 levels where the Margin of Safety is higher.

FAIRVALUE :

https://docs.google.com/spreadsheets/d/e/2PACX-1vRvIam7f-P6c6_MdzP3_x_ItryIiYNQ7BuQ-ZWCMvJfzdO6US4CrOvE05Vy9O523_WfzyuaO_hcYyhf/pubhtml?gid=433735139&single=true

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Amara Raja Energy & Mobility Q3 FY26 Analysis: New Energy Resilience vs. Profitability Headwinds

At Amara Raja Energy & Mobility, we specialize in dissecting the intersection of traditional manufacturing and future-tech transitions. Amara Raja Energy & Mobility (ARE&M) currently stands at this precise crossroads. While the top-line continues to show resilience, the Q3 FY26 results highlight a significant divergence between revenue growth and bottom-line profitability.

The Snapshot

Name	CMP (INR)	M-Cap (Cr)	Sector	Quick Verdict
Amara Raja Energy & Mobility	807	₹14,750	Auto Ancillary / Energy	Neutral: Monitoring Margin Recovery

The 'Wow' Factor

- Revenue Resilience: Despite a challenging environment, revenue grew to ₹3,410 Cr, showcasing the strong market position of the brand and its expanding footprint.
- Lithium Capex Milestone: Phase 1 of the Gigafactory remains on track, with customer sampling for 21700 cells expected to commence by H1 FY27.
- Export Strategy: International markets continue to be a focus area to offset domestic cyclical in the OEM segment.

Operational KPI Table (Consolidated)

Metric	Q3 FY26	Q3 FY25	Status
Lead Price (Avg \$/MT)	\$2,080	\$2,150	Neutral/Positive
OEM Volume Growth	4%	7%	Slowing
Aftermarket Growth	9%	10%	Steady
New Energy Revenue Mix	6.2%	4.1%	Expanding

Financial Deep Dive (Consolidated)

All figures in INR Crores

Parameter	Q3 FY26	Q3 FY25	YoY Change	Q2 FY26
Revenue	3,410	3,272	+4.2%	3,250
EBITDA	358	442	-19.0%	455
EBITDA Margin %	10.5%	13.5%	-300 bps	14.0%
PAT	140	298	-53.0%	284

Earnings Quality Analysis

The most striking aspect of the Q3 performance is the 53% YoY decline in PAT and a significant 300 bps compression in EBITDA margins. While revenue grew by over 4%, the operational and bottom-line metrics were severely impacted. This suggests significant margin compression, likely stemming from:

1. **Transition & R&D Costs:** Heavy front-loading of R&D and setup costs for the Telangana Giga-corridor. Unlike steady-state manufacturing, these costs hit the EBITDA line before the revenue from new energy scales.
2. **Operating Leverage:** Fixed costs associated with new energy initiatives are impacting current earnings. The infrastructure for the 16GWh factory is being built out, leading to higher employee and "other expenses" without immediate commensurate revenue.
3. **Segment Mix:** While lead-acid aftermarket remains steady (9% growth), the increased focus on the lower-margin or high-investment "New Energy" segment (now 6.2% of mix) is temporarily diluting the consolidated margin profile.

Peer Benchmarking: ARE&M vs. Exide Industries

Comparing ARE&M to its closest peer, Exide Industries, reveals a divergent strategy. While Exide has partnered with Svolt for its cell technology, ARE&M is betting on a more integrated "Giga-corridor" approach. The current quarter's profit dip and the drop to a

10.5% EBITDA margin suggests that ARE&M is currently in a more capital-intensive/cost-heavy phase of this transition compared to its primary competitor.

The Forward Curve (Projected)

Based on current performance and management guidance:

- Q4 FY26: Revenue expected to benefit from seasonal aftermarket demand, projected at ₹3,550 Cr.
- FY27 Recovery: The focus will shift entirely to margin recovery as the efficiency of the lead-acid business is optimized to fund the New Energy expansion.

Valuation Guardrails

Metric	Current Value	5-Year Median	Categorization
P/E Ratio	24.5x*	16.5x	Premium (Due to PAT Drop)
P/B Ratio	2.1x	2.4x	Fairly Valued
EV/EBITDA	10.2x	8.8x	Slightly Elevated

**Trailing P/E adjusted for the recent drop in quarterly earnings.*

Key Risks and Red Flags

1. Margin Stability: The drop from 14% to 10.5% EBITDA margin in just one quarter is a concern that needs stabilization.
2. Lithium Execution Risk: Any delay in the Phase 1 commercialization of the Gigafactory could lead to further valuation pressure.
3. Lead Volatility: Any sudden spike in global lead prices would further squeeze the already pressured operational margins.

The Advisory Note

Strategic Outlook (Long-term): We remain constructive on the business model. ARE&M is intentionally sacrificing short-term profitability to secure a seat at the table for the EV

era. However, the magnitude of the PAT drop and the 19% decline in EBITDA in Q3 necessitates a more cautious approach to near-term entry.

Tactical Outlook (Short-term): At a CMP of 807, the market is currently digesting the lower earnings. Investors should look for signs of EBITDA margin stabilization back toward the 12-13% range in Q4 before aggressive accumulation.

FAIRVALUE:

https://docs.google.com/spreadsheets/d/e/2PACX-1vSbRuJ_eAp5YvKgQe8pDrIIHXknGukSrBDXNZVyUoxNIxdWAI9sQBfSlmQ1pVCBNg/pubhtml?gid=1579118340&single=true

Disclosure: *This report is for educational purposes only and does not constitute financial advice. We are SEBI registered investment advisors.*

Titan Company Q3 FY26 Analysis: Dominant Revenue Surge vs. Margin Compression Tailwinds

At the core of India's discretionary consumption story, Titan Company Limited has once again demonstrated its massive scale. We have analyzed the Q3 FY26 (October-December 2025) results, and the narrative is one of robust top-line growth fueled by festive demand, balanced against the pressures of rising gold prices and competitive intensity.

The Snapshot





Metric	Details
Current Market Price (CMP)	₹4,224
Market Cap	₹3,74,800 Cr (Large Cap)

Sector	Gems, Jewellery & Watches
Quick Verdict	Strategic Outperformer (Buy on Dips)

The 'Wow' Factor

- **Revenue Growth of 43%:** A staggering surge in consolidated total income, primarily driven by a high-octane festive season and significant market share gains in the Jewellery segment.
- **Exceptional PAT Performance:** Net profit soared to ₹1,684 Cr, representing a massive 60.8% YoY growth, significantly outpacing revenue growth despite cost pressures.
- **Damas Acquisition:** Titan successfully completed the acquisition of a 67% stake in Damas Jewellery (GCC countries), marking a major milestone in its global expansion strategy.
- **Watches & Wearables Milestone:** The segment crossed a quarterly revenue of ₹1,200 Cr, showcasing the brand's successful pivot toward premiumization and smart wearables.

Operational KPI Table

segment	Metric	Q3 FY26	Q3 FY25	Status
Jewellery	Domestic Growth	45%	23%	 Exceptional
Watches	Analog Volume Growth	8%	6%	 Steady
Eyecare	Store Additions (Net)	12	15	 Moderate
CaratLane	Revenue Growth	32%	28%	 Strong

Financial Deep Dive (Consolidated)

We have extracted the following figures from the consolidated income statement to provide a clear picture of the company's health.

(₹ in Crores)	Q3 FY26	Q3 FY25	YoY Change (%)	Q2 FY26 (QoQ)
Total Income	₹25,567	₹17,868	+43.1%	₹14,580
EBITDA	₹2,945	₹2,185	+34.8%	₹1,640
EBITDA Margin	11.5%	12.2%	-70 bps	11.2%
PAT (Net Profit)	₹1,684	₹1,047	+60.8%	₹704

Cost vs. Efficiency Analysis:

While Revenue grew at 43.1%, the Profit After Tax (PAT) growth was significantly higher at 60.8%. This indicates strong operating leverage and potentially higher "Other Income" or efficient tax management during the quarter. This performance is particularly impressive given that COGS (Cost of Goods Sold) rose by 44.8% and the company made a substantial provisioning for employee benefits (₹646 Cr) under the 'Code on Wages 2019'.

Management Integrity & Tone

We evaluated the Q3 earnings call transcript. Management exhibited a Transparent and Confident tone.

- **On Integrity:** They were upfront about the "Code on Wages 2019" impact, which led to a higher provisioning of employee benefits (₹646 Cr).
- **On Competition:** Instead of being defensive about Kalyan Jewellers or local players, management focused on their "value-added services" and the trust factor of Tanishq as their primary shield.

The Forward Curve

Based on management guidance and historical trends, we project:

- **Q4 FY26:** Sustained double-digit growth (15-18%) as the wedding season shifts into high gear.
- **Q1 FY27:** Potential volatility due to high base effects but expected stability from the international (Damas) operations integration.
- **Formula for Growth:**

$$Growth_{Projected} = (Volume_{Delta} \times Price_{Stability}) + NewStore_{Contribution}$$

Valuation Guardrails

Metric	Current Value	5-Year Median	Categorization
P/E Ratio	88x	72x	Trading at a Premium
P/B Ratio	24x	19x	Trading at a Premium

Note: Titan historically trades at a premium due to its "clean" balance sheet and dominant market position.

Shareholding Pattern Note:

There was a marginal increase in FII (Foreign Institutional Investor) stake this quarter (up by 0.45%), suggesting global confidence in the Indian luxury consumption story despite high valuations.

The Advisory Note

- **Strategic Outlook (Long-term):** Titan remains a "Must-Have" in a core retail portfolio. The Damas acquisition opens a massive \$TAM\$ (Total Addressable Market) in the Middle East.
- **Tactical Outlook (Short-term):** The stock is currently trading at the higher end of its valuation band. A price correction of 10-15% would offer a more attractive entry point for new investors.

FAIRVALUE :

<https://docs.google.com/spreadsheets/d/e/2PACX-1vSxRsJmaxBA0ShBzS2UT-8Nrikm5cfFyyYmmH0yq4ptuvQeibUotxX8QYUo3Uru9-bOXJbyPj9F7kWA/pubhtml?gid=1002029211&single=true>

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Manyavar (Vedant Fashions) Q3 FY26 Analysis: Robust Margin Retention vs. Moderating Same-Store Growth

The Snapshot

Name	CMP	M-Cap	Sector	Quick Verdict
Vedant Fashions Ltd (Manyavar)	₹356	~₹8,640 Cr	Retail - Ethnic Wear	Value Opportunity

Note: CMP updated as of March 10, 2026. Per official filings, the company has no subsidiaries; results are presented as a single entity.

The 'Wow' Factor

- **Industry-Leading EBITDA Margins:** Despite revenue contraction, the company sustained an EBITDA margin of 44.4%, showcasing extreme operational resilience.
- **Twamev Momentum:** The premium brand *Twamev* continues to outperform, reporting 40% growth in the 9M period, signaling that high-end wedding wear is more resilient than mid-market.
- **Cash Conversion:** Maintained a healthy 95% cash conversion ratio (Operating Cash Flow to PAT), ensuring the business remains self-funded.

- Global Footprint: Expanded to 664 EBOs across 253 cities globally, including 16 international stores.

Operational KPI Table

Metric	Q3 FY26	Q3 FY25	Status
Total EBO Count	664	640	● Growing
Retail Space (Sq. Ft.)	1.79 Million	1.64 Million	● Expanding
Sale of Our Customers	₹692 Cr	₹709 Cr	● -2.4% YoY
9M SSSG (Same Store Sales)	1.8%	3.2%	● Slowing

Financial Performance (Reported)

The Q3 performance was significantly impacted by a "wedding date disruption"—fewer auspicious dates in December and none in January—coupled with muted middle-class sentiment.

Parameter (₹ in Cr)	Q3 FY26	Q3 FY25	YoY Change
Revenue from Ops	₹491.7	₹511.3	-3.8%
EBITDA	₹218.4	₹242.1	-9.8%

PAT (Net Profit)	₹134.9	₹158.0	-14.6%
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Key Financial Notes:

- GST Impact: Gross margins were pressured (65.7% vs 67.3% last year) primarily due to the GST hike from 12% to 18% on roughly 90% of the product portfolio.
- Labour Code Provision: A one-time incremental impact of ₹1.62 Cr was recognized under employee benefits due to new government labour code notifications.

Peer Benchmarking & Market Position

Manyavar remains the largest organized player in the Indian wedding wear market. While competitors like *Tasva* (ABFRL) and *Ethnix* (Raymond) are expanding, Manyavar's "Full Price" strategy (no discounting) keeps its brand equity and margins significantly higher than the industry average.

Management Tone & Strategy

Tone: Prudent & Strategic.

Management is focusing on "quality over quantity" for the next few quarters. They are strategically consolidating the retail footprint by closing underperforming smaller stores and focusing on larger flagship formats that can house multiple brands (Manyavar + Mohey + Twamev).

Key Risks:

1. SSSG Pressure: Negative quarterly SSSG indicates that store-level footfall is struggling.
2. Consumption Headwinds: The "middle-class" consumer segment is showing signs of fatigue, though the "premium" segment remains strong.

Valuation Guardrails

- Current PE: ~16.8x (at ₹356)
- 5-Year Median PE: ~72x
- Verdict: Deep Value. The stock is trading at a massive discount to its historical valuation. While the Q3 profit contraction is a headwind, the industry-leading margins (44%+) and asset-light model make it a compelling long-term play at these price levels.

The Advisory Note

Strategic Outlook: The long-term thesis is driven by the formalization of the ₹1,00,000 Cr+ wedding market. Manyavar's ability to maintain margins despite a revenue dip suggests a very strong brand moat.

Tactical Outlook: At ₹356, the market is pricing in a prolonged slowdown. For investors with a 2-3 year horizon, this represents a significant margin of safety given the company's historical ability to bounce back during heavy wedding seasons.

FAIRVALUE :

<https://docs.google.com/spreadsheets/d/e/2PACX-1vQIPy-GyaseTK1kUyhtrlhuBA6sobQV6gw8c6OucVey11AYVvn1abJNvlZgyKYP2ukr1kT7IDTd5Fs7/pubhtml?gid=182169784&single=true>

Mandatory Disclosure: This report is for educational purposes only. We are SEBI-registered advisors.



Apollo Hospitals Q3 FY26 Analysis: Aggressive Bed Expansion vs. Digital Path to Profitability

The healthcare landscape in India is shifting toward high-volume, high-acuity care. In Q3 FY26, Apollo Hospitals demonstrated its market leadership by balancing a massive 3,500-bed expansion plan with the ongoing turnaround of its digital and pharmacy arm, HealthCo.

1. The Snapshot

Attribute	Details
Company Name	Apollo Hospitals Enterprise Ltd (AHEL)
Current Market Price (CMP)	₹7,537.45
Market Capitalization	~₹1,08,370 Cr
Sector	Healthcare Services & Pharmacies
Quick Verdict	Strategic Accumulate - Steady core growth with a digital "S-curve" inflection point nearing.

2. The 'Wow' Factor

- **Massive Bed Pipeline:** Management confirmed a rollout of **3,500 new beds** over the next 4 financial years, with 750 beds coming online in the next 12 months.
- **HealthCo Break-even:** Apollo HealthCo (Pharmacy + Digital) reported a significant reduction in losses, moving closer to the guided cash break-even by Q4 FY26.

- **Acuity Premium:** Revenue from high-end surgical procedures (Cardiac, Oncology, Neuro) saw a **14% YoY increase**, contributing to superior ARPOB.
- **Strategic Acquisition:** Completed the acquisition of **Belenus Champion Hospitals** in Bengaluru to strengthen its presence in the high-growth Karnataka cluster.

3. Operational KPI Table (Hospitals & HealthCo)

We track these metrics as the primary drivers of value in a hospital-cum-retail pharmacy model.

KPI	Q3 FY26	Q3 FY25	YoY Change
ARPOB (₹ Per Day)	₹62,450	₹57,800	+8.0%
Occupancy Rate (%)	68%	66%	+200 bps
Apollo 24/7 GMV	₹940 Cr	₹710 Cr	+32.4%
In-patient Volumes	1,52,400	1,44,000	+5.8%

4. Financial Deep Dive (Consolidated)

The core hospital business continues to subsidize the high-growth digital segment.

Metric (₹ Cr)	Q3 FY26	Q3 FY25	YoY Growth	QoQ Growth
Revenue	5,586	4,851	15.1%	2.4%
EBITDA	762	640	19.1%	3.1%
PAT	315	245	28.6%	5.2%

Cost vs. Efficiency Analysis

Total operating expenses rose by **13.5%**, primarily driven by higher clinical talent costs and marketing for the 24/7 platform. However, the EBITDA margin expanded to **13.6%** (up from 13.2% YoY). We note that the "Efficiency Ratio" calculated as:

$$\text{Efficiency Ratio} = \frac{\text{Direct Costs}}{\text{Operating Revenue}} \times 100$$
 improved by **85 bps**, indicating that the premiumization of services (higher ARPOB) is successfully offsetting medical inflation.

5. Peer Benchmarking: Apollo vs. Fortis

Apollo continues to trade at a premium to Fortis Healthcare due to its integrated pharmacy ecosystem. While Fortis has shown slightly better occupancy recovery, Apollo's ARPOB of **₹62,450** remains ~15% higher than Fortis's estimated average, reflecting Apollo's superior Case Mix Index (CMI).

6. The Forward Curve

Management guidance suggests a strong pipeline. We project:

- **Q4 FY26:** Expect seasonal strength in elective surgeries; Revenue target of **₹5,850 Cr.**
- **Q1 FY27:** Likely impact from the commissioning of the new Pune and Gurgaon facilities; short-term margin pressure due to "pre-operating" costs.

7. Valuation Guardrails

Apollo is currently trading at a TTM P/E of **~82x**, which is slightly above its **5-year median of 74x**.

- **Verdict: Trading at a Premium.**
- **Justification:** The market is pricing in the eventual profitability of the 24/7 platform and the value unlock from the recent stake sale in HealthCo to Advent International.

8. Shareholding Pattern Shifts

Recent filings indicate a stable promoter stake at **29.3%**. However, **FII (Foreign Institutional Investors)** holding increased by **42 bps** this quarter, signaling global confidence in India's medical tourism story.

9. The Advisory Note

Strategic vs. Tactical:

- **Strategic (Long-term):** Apollo is no longer just a "sick-care" hospital; it is becoming a "health-tech" aggregator. The long-term thesis remains intact as long as HealthCo reaches net profitability by FY27.

- **Tactical (Price Opportunity):** At ₹7,500+, the stock is not "cheap." A margin of safety exists only if the new 3,500 beds reach 40% occupancy within the first year of operations. Investors should look for entries during market corrections.

Management Integrity: The tone was **Transparent and Confident**. Management did not shy away from discussing the high debt associated with expansion, providing a clear repayment roadmap through internal accruals.

Fairvalue:

<https://docs.google.com/spreadsheets/d/e/2PACX-1vQOMnZlv8DDDbZLRh0SD6MbjtDp7du4Vs3iwpLUQf0fFzltPpWpMA3dv8PjGCsv3A/pubhtml?gid=81663420&single=true>

Mandatory Disclosure: *This report is for educational and informational purposes only and does not constitute financial advice. Equity investments are subject to market risks..*



State Bank of India Q3 FY26 Analysis: Credit Engine Fires Up vs. Margin Compression Concerns

As we dissect the Q3 FY26 results for the nation's largest lender, it is evident that State Bank of India (SBI) continues to leverage its massive balance sheet to drive credit growth. However, the "Price of Growth" is becoming visible in its operating margins. We examine whether the "Elephant can dance" through the rising interest rate cycle.

The Snapshot

Metric	Details
Company Name	State Bank of India (SBI)
CMP (Current Market Price)	₹1,189.00
M-Cap (Market Capitalization)	~₹10.61 Lakh Crores
Sector	Banking - Public Sector
Quick Verdict	Strategic Accumulate on Dips

The 'Wow' Factor

- Consolidated Net Profit Milestone: SBI reported a consolidated Net Profit of ₹21,876 Crores for Q3FY26, showcasing the strength of its subsidiaries (Life Insurance, AMC, and Cards) alongside the core bank.
- Asset Quality Leadership: GNPA ratio has improved significantly to 1.57%, down from 2.07% YoY. This hitting a multi-year low reinforces the bank's "Risk-Aware" credit culture and sector-leading asset quality.
- Corporate Credit Revival: Domestic Corporate advances grew by 13.37% YoY, indicating a significant uptick in private capex and infrastructure spending.
- Subsidiary Contribution: The non-banking subsidiaries continue to provide a robust cushion to the bottom line, contributing to the healthy double-digit YoY consolidated profit growth.

Operational KPI Table (Banking Specific)

Metric	Q3 FY26	Q3 FY25	Status
GNPA (%)	1.57%	2.07%	Improving
NNPA (%)	0.44%	0.58%	Best-in-class
Net Interest Margin (NIM) - Domestic	3.14%	3.34%	Under Pressure
CASA Ratio (%)	39.13%	39.20%	Stable
Slippage Ratio (%)	0.51%	0.58%	Under Control

Financial Deep Dive (Consolidated Income Statement)

Data Point (₹ in Crores)	Q3 FY26	Q3 FY25 (YoY)	Q2 FY26 (QoQ)	YoY Growth
Total Income	1,85,648	1,67,853	1,78,450	10.6%
Operating Profit	32,450	30,042	31,840	8.0%
Net Profit (PAT)	21,876	19,175	23,101	14.1%

Note: Q2 FY26 Net Profit included a one-time exceptional gain from the Yes Bank stake sale, explaining the sequential (QoQ) dip.

Cost vs. Efficiency: On a consolidated basis, the bank's scale is reflected in its ₹1.85 Lakh Crore quarterly income. While operating expenses grew by ~9% YoY due to digital

investments and subsidiary expansion, the Cost-to-Income ratio remains healthy. The core bank faces NIM compression (down 20 bps YoY), but the diversified fee income from SBI Life and SBI Cards provides a crucial buffer to the consolidated return ratios.

Management Integrity & Tone

Our analysis of the analyst meet transcript reveals a Confident and Transparent tone. Chairman C.S. Setty addressed concerns regarding the "Unsecured Retail" segment head-on, stating that SBI's exposure is largely to salaried customers with high credit scores. The management did not shy away from admitting that deposit competition is "intense," which we view as a sign of integrity.

The Forward Curve

We project a Credit Growth of 14-15% over the next two quarters. The management has guided for a "Sustained Asset Quality" regime. However, we anticipate consolidated margins to remain slightly pressured as the bank continues to fight for high-quality retail deposits.

Valuation Guardrails

- Current P/B Ratio: ~2.1x (based on current CMP of ₹1,189)
- 5-Year Median P/B: 1.25x
- Verdict: Trading at a Premium.

The stock has seen a significant run-up, reflecting the market's confidence in its improved ROE (Return on Equity). While fundamentally strong, the valuation is now in a "Rich" zone.

Shareholding Pattern Update

- Promoter (Govt of India): Stable at 57.47%.
- FII/FPI Stake: Marginal increase of 0.45% in the current quarter, indicating growing foreign investor confidence in Indian PSU majors.
- DII Stake: Slight reduction as mutual funds booked profits at higher levels.

The Advisory Note

Strategic Outlook (Long-Term): SBI remains the best proxy for India's GDP growth. Its digital transformation via YONO and its leadership in the "China+1" driven corporate lending cycle make it a "Core Portfolio" holding.

Tactical Outlook (Short-Term): With the CMP at ₹1,189, the stock is no longer "cheap." We suggest Book some partial profits if holding since long and "Buy only on Dips" strategy.

FAIRVALUE :

https://docs.google.com/spreadsheets/d/e/2PACX-1vQnDjoOKyA6K1SJtryEfhUTKdE_dTujt4Ytdw4KLTC78qV9iEf3CwJut3h1AKjfAE_wULFwj8f2t9hl/pubhtml?gid=363762031&single=true

Financial Disclosure: *This report is for educational purposes only. We do not hold any personal positions in the stock mentioned.*



Mazagon Dock Shipbuilders Q3 FY26 Analysis: Order Book Execution vs. Margin Normalization

The Indian defense landscape is undergoing a paradigm shift, and Mazagon Dock Shipbuilders (MDL) remains at the epicenter of this transformation. As we dissect the Q3 FY26 results, we see a company balancing a massive multi-year order book with the operational challenges of scaling execution.

The Snapshot

Metric	Details
Company Name	Mazagon Dock Shipbuilders Ltd.
CMP (Current Market Price)	₹2,210
M-Cap (Market Capitalization)	₹44,578 Cr
Sector	Shipbuilding & Defense
Quick Verdict	Value in Growth: Strong visibility with moderated valuations.

The 'Wow' Factor

- **Order Book Visibility:** The current order book stands at a staggering ₹39,000+ Cr, representing a revenue visibility of over 4 years.
- **Dividend Consistency:** The Board declared an interim dividend of ₹7.50 per share (Record Date: Feb 13, 2026), maintaining a robust payout.
- **Submarine Trilateral MoU:** A significant strategic move involving Brazil for Scorpene-class maintenance, opening doors to high-margin service revenue.
- **Indigenous Content:** Achieved over 75% indigenization in P17A Stealth Frigates, significantly insulating margins from currency volatility.

Operational KPI Table

Key Performance Indicator	Q3 FY26 Status	Industry Benchmark/Peer

Order Backlog	₹39,820 Cr	Superior to Cochin Shipyard
Indigenization Level	~75% (Frigates)	Best-in-class for Defense PSUs
Delivery Timeline	Taragiri delivered Nov '25	On-track for Navy schedules
Service Revenue %	~8-10% (Targeting 15%)	Critical for margin stability

Financial Deep Dive (Consolidated)

Particulars (₹ in Cr)	Q3 FY26	Q3 FY25 (YoY)	YoY Change	Q2 FY26 (QoQ)	QoQ Change
Revenue from Ops	3,601	3,144	+14.5%	3,450	+4.3%
EBITDA	886	816	+8.6%	1,085	-18.3%
EBITDA Margin	24.6%	26.0%	-140 bps	31.4%	-680 bps
PAT (Net Profit)	879	807	+8.9%	852	+3.2%

Cost vs. Efficiency:

We observe that MDL has maintained a competitive margin profile despite the complexity of modern naval platforms. The efficiency stems from "Modular

Construction" techniques, reducing the gestation period of ship launches. While raw material costs are rising, the fixed-price nature of many contracts is offset by high indigenization, which limits Forex risks. The current quarter shows a normalization of EBITDA margins compared to the high base of Q2.

The Forward Curve

Based on management guidance regarding the delivery of the remaining P15B Destroyers and P17A Frigates:

- Q4 FY26 Projection: Revenue expected to breach ₹3,800 Cr as milestone payments for 'Imphal' and 'Taragiri' are recognized.
- Q1 FY27 Projection: Moderate growth anticipated, focused on the commencement of the Next Generation Destroyer project design phase.

Valuation Guardrails

Metric	Current Value	5-Year Median	Categorization
P/E Ratio	22.4x	28.6x	Historically Discounted
P/B Ratio	6.2x	6.4x	Fairly Valued

Note: At the corrected CMP of ₹2,210, the stock appears to be trading below its 5-year median P/E, presenting a much stronger "Margin of Safety" compared to previous peaks.

Shareholding Pattern Update

- Promoter Stake: Remains steady at 84.83% (Government of India).
- FII/DII Activity: We noticed a slight 0.4% uptick in DII (Mutual Fund) holdings during the December quarter, signaling domestic institutional confidence in the execution pipeline.

The Advisory Note

Strategic Outlook (Long-term): MDL is no longer just a "shipbuilder" but a lifecycle support partner for the Indian Navy. The focus on Green Tugs and

international maintenance (MRO) for submarines builds a recurring revenue model that reduces the "lumpiness" of shipbuilding.

Tactical Outlook (Short-term): With the valuation correcting to ₹2,210, the risk-reward ratio has become favorable for long-term investors. The execution of the ₹39k Cr order book is the primary catalyst to watch.

FAIRVALUE :

<https://docs.google.com/spreadsheets/d/e/2PACX-1vRzK5ETFzLOiBoNO0kxEIvKRWogDNaR42dfkJXPzhel6-hZTqocx0D4eAy-XGA45Q/pubhtml?gid=1639908280&single=true>

Financial Disclosure: *This report is for educational purposes only. We do not hold any personal positions in the stock mentioned.*

Page Industries Q3 FY26 Analysis: Steady Growth Meets One-Time Regulatory Hurdles

Page Industries (JOCKEY India) has reported its Q3 FY26 results, showcasing a narrative of resilience in a selective consumer demand environment. While the top-line continues to trend upward, the bottom-line reflects the impact of a significant one-time regulatory provision.

The Snapshot

Metric	Details
Company Name	Page Industries Limited

CMP	₹ 30,950
M-Cap	~₹ 402 Billion
Sector	Apparel & Retail (Premium Innerwear/Athleisure)
Quick Verdict	Cautiously Optimistic

The 'Wow' Factor

- **Operational Efficiency:** Achieved high EBITDA margins of **22.9%** despite not taking price hikes for nearly three years.
- **Bonded Technology Success:** New premium "Inno-Wear" and bonded products are seeing rapid adoption, helping elevate Average Selling Price (ASP).
- **Digital Reach:** Online sales and Quick-commerce are becoming significant growth engines, offsetting softer footfalls in traditional Multi-Brand Outlets (MBOs).
- **GCC Expansion:** Secured licenses for Saudi Arabia, Kuwait, and Bahrain, opening a massive inorganic growth runway.

Operational KPI Table

KPI	Q3 FY26	Q3 FY25	Status
Sales Volume (Million Pcs)	58.6	57.8	↑ 1.4% YoY
Exclusive Brand Stores (EBS)	1,556	~1,480	↑ Expansion on track
Multi-Brand Outlets (MBO)	1,13,600	1,10,200	↑ Selective Growth
Net Working Capital Days	52 Days	54 Days	↓ Efficiency Improved

Financial Deep Dive (Consolidated)

(INR Millions)	Q3 FY26	Q3 FY25	YoY %	Q2 FY26	QoQ %
Revenue	13,868	13,131	+5.6%	12,909	+7.4%
EBITDA	3,181	3,025	+5.2%	2,795	+13.8%
PAT	1,895	2,047	-7.4%	1,948	-2.7%

Cost vs. Efficiency:

The decline in PAT is strictly attributed to a **one-time exceptional provision of ₹ 350 Million** related to the notification of the New Labour Codes (Gratuity and Earned Leave). Excluding this, EBITDA and PAT growth were broadly in line with expectations. Gross margins remained healthy at ~58%, supported by strategic sourcing and a shift toward premium product mixes like the 'JKY Groove' collection.

Management Integrity and Tone

The management tone was **Transparent and Confident**. MD V.S. Ganesh highlighted that while the retail environment remains "subdued," their internal productivity initiatives (Lean manufacturing and automation) allowed them to maintain profitability without passing costs to consumers. They were defensive yet clear regarding the 1.4% volume growth, attributing it to a channel shift from offline to online.

Peer Benchmarking & Market Share

While some mass-market competitors reported double-digit volume growth, Page Industries operates in the **Premium segment**. Management argued that there is no erosion of shelf space; rather, the "hosiery store" consumer (MBO segment) is currently the most affected by inflationary sentiments. Page is gaining share in "Modern Trade" (LFS) and E-commerce.

The Forward Curve

We anticipate a **4-6% Revenue CAGR** over the next two quarters as the "Summer 2026" collection hits shelves in Feb-March. The ₹ 8,000 Crore revenue target by FY29 implies an aggressive ramp-up, likely driven by the Saudi Arabia launch and the scaling of the 'Groove' collection to 500+ EBOs.

Valuation Guardrails

- **Current PE:** ~55x TTM Earnings.
- **5-Year Median PE:** ~65x.
- **Verdict: Fairly Valued.** The stock is trading at a slight discount to its historical premium, providing a margin of safety for long-term investors.

Shareholding Pattern Update

- **Promoter Stake:** 42.89% (Stable).
- **Mutual Funds:** 21.59% (Slight increase in institutional confidence).
- **FPIs:** 20.72% (Steady).

The Advisory Note

Strategic vs. Tactical: * Strategic (Long-term): The Jockey brand remains an aspirational moat. The expansion into the GCC and the technological shift in innerwear (bonding) are strong structural drivers.

- **Tactical (Short-term):** Investors should watch for the "Double-Digit Volume Growth" trigger. Until volume growth crosses 8-10%, the stock may remain range-bound.

Disclosure: *This report is for educational purposes only. Investing in equities involves risks. Please consult a SEBI-registered advisor before taking any positions.*

Godrej Properties Q3 FY26 Analysis: Blockbuster Pre-Sales vs. Operational Revenue Paradox

By the Equities Strategy Desk *Published for Institutional Clients & Financial Scholars*

In the real estate sector, there is a fundamental divergence between the cash a developer collects today and the revenue it recognizes on the income statement tomorrow. Godrej Properties' (GPL) Q3 FY26 results serve as a masterclass in this accounting paradox. While the street celebrates an unprecedented surge in pre-sales, our "Margin of Safety" framework compels us to look beneath the hood at collapsing core revenues and the heavy reliance on non-operating income to mask operational deficits.

Here is our elite institutional breakdown of Godrej Properties' latest quarter.

The Snapshot: Godrej Properties Ltd (Consolidated)

Metric	Data Point
Company Name	Godrej Properties Ltd. (NSE: GODREJPROP)
Current Market Price (CMP)	₹1,729
Market Capitalization	₹52,088 Cr
Sector	Real Estate / Construction
Quick Verdict	Cautious Hold. Stellar bookings growth overshadowed by deep operational losses and heavy reliance on one-off other income.

The 'Wow' Factor

- **Booking Value Bonanza:** Highest-ever Q3 booking value of ₹8,421 Cr (a massive 55% YoY jump), driven heavily by the MMR region (specifically the Godrej Trilogy launch in Worli).
- **The "Other Income" Mirage:** Consolidated PAT jumped by 20%, but this was entirely engineered by a 97.5% YoY surge in "Other Income" (₹535.48 Cr) stemming from a fair-value gain on a JV acquisition. Core operations posted an EBITDA loss.
- **Cash Flow Divergence:** While core P&L revenue collapsed, actual cash collections on the ground grew by 40% YoY to a robust ₹4,282 Cr, showcasing strong execution on existing inventory.
- **Promoter Skin in the Game:** Promoters quietly increased their stake by 0.12% through open market purchases (aggregating ~₹300 Cr), signaling internal confidence despite P&L volatility.

Operational KPI Table

Real estate valuations are inherently tied to future cash flows rather than historical accounting. Here is how GPL performed on its core operational metrics:

Key Performance Indicator	Q3 FY26	Q3 FY25	YoY Change
Booking Value (Pre-Sales)	₹8,421 Cr	₹5,430 Cr	\$\uparrow\$ 55%\\$
Collections	₹4,282 Cr	₹3,058 Cr	\$\uparrow\$ 40%\\$
Total Area Sold	6.43 Mn sq. ft.	~4.30 Mn sq. ft.	\$\uparrow\$ 49%\\$
Guidance Achieved	74% (of ₹32.5K Cr)	N/A	On Track

Financial Deep Dive (Consolidated P&L)

Due to Ind-AS 115 (Project Completion Method), GPL's P&L reflects past deliveries rather than current sales. The Q3 FY26 P&L shows a drastic mismatch.

Financial Metric	Q3 FY26	Q3 FY25	YoY Change	Q2 FY26	QoQ Change
Revenue (Operations)	₹498.36 Cr	₹968.88 Cr	\$\downarrow\$ 48.56%\\$	₹740.38 Cr	\$\downarrow\$ 32.69%\\$

Operational EBITDA	-₹182.70 Cr	₹27.70 Cr	<i>Turned Negative</i>	-₹595.88 Cr	<i>Loss Narrowed</i>
Net Profit (PAT)	₹195.16 Cr	₹162.64 Cr	\$\uparrow\$ 20.00\%\$	₹405.08 Cr	\$\downarrow\$ 51.82\%\$

Cost vs. Efficiency Analysis

Maintaining our strict *Margin of Safety* ethos, the operational efficiency this quarter raises immediate red flags. While core operational revenue plummeted by almost 50%, fixed costs did not adjust. Employee benefit expenses rose by 13.92% YoY to ₹129.82 Cr.

This signifies severe negative operating leverage. The formula for operational health is deteriorating:

$$\text{Operating Margin (Excl. OI)} = \frac{\text{EBITDA}_{\text{Core}}}{\text{Revenue}} \times 100 = -36.67\%$$

The reported PAT of ₹195.16 Cr is entirely a byproduct of financial engineering via "Other Income" (₹535.48 Cr). Without this non-operating JV gain, the firm would have reported a steep loss. Additionally, Net Debt-to-Equity crept up from 0.30x to 0.37x, indicating that balance sheet leverage is expanding to fund the aggressive land acquisition pipeline while P&L cash generation lags.

Management Integrity and Tone

Analyzing the earnings call transcripts, management's tone can be described as **highly confident on macro demand, yet mildly defensive regarding accounting optics**. Executive Chairperson Pirojsha Godrej transparently acknowledged the lumpiness of revenue recognition, directing investor focus toward the 55% surge in pre-sales and the 40% jump in collections. The integrity remains intact, but the management was quick to brush past the escalating debt levels and negative operating cash flows, leaning heavily on the "future cash flow visibility" argument.

Peer Benchmarking

How does GPL stack up against its closest competitors?

- **DLF Ltd (M-Cap ~₹1.55L Cr):** DLF boasts vastly superior operating margins and a massive annuity portfolio, sheltering it from the cyclical lumpiness GPL experiences.
- **Macrotech Developers / Lodha (M-Cap ~₹1.07L Cr):** Lodha has been aggressively de-leveraging, whereas GPL is currently re-leveraging to acquire land.
- **Capital Efficiency:** Godrej's ROE currently sits at a mere 6.57%, significantly lagging behind industry peers.

The Forward Curve

Looking ahead to Q4 FY26 and Q1 FY27, we project:

1. **Revenue Catch-up:** Expect a sudden spike in recognized revenues in H1 FY27 as several delayed MMR and NCR projects hit the completion threshold.
2. **Guidance Beat:** With 74% of the ₹32,500 Cr target already achieved, historical seasonality suggests Q4 will easily push GPL past its annual booking guidance, likely touching ₹34,000 Cr.
3. **Debt Watch:** We anticipate gross debt to peak in the next two quarters as the company digests its recent aggressive land acquisitions.

Valuation Guardrails & Shareholding

- **Valuation Verdict: TRADING AT A PREMIUM.** At a CMP of ₹1,729, GPL trades at a trailing $\frac{\text{Price}}{\text{Earnings}}$ ratio of roughly $30.04\times$. However, because earnings are artificially inflated by one-off gains, the *core operational P/E* is essentially non-existent (negative). The Price-to-Book ($\frac{P}{B}$) ratio sits at $3.68\times$, placing it above its 5-year historical median. The market is pricing in flawless execution of the current pre-sales book.
- **Shareholding Shifts:** Notably, **Promoters** bought the dip, increasing their stake slightly from 47.05% to 47.17% in recent months. Meanwhile, **FII**s trimmed exposure from 28.31% to 28.14% , and Domestic Mutual Funds absorbed the difference, raising their stake to 7.38% .

The Advisory Note

Strategic Outlook (Long-Term): Godrej Properties remains a formidable compounding machine for patient capital. The brand equity is unmatched, and the transition from a capital-light JV model to a higher-margin outright land purchase model will pay massive dividends 3-5 years out.

Tactical Outlook (Short-Term): The stock is vulnerable. The optics of collapsing revenues, combined with a negative operational EBITDA, limit near-term upside. At ₹1,729, there is an insufficient *Margin of Safety*. We advise waiting for a broader market correction to accumulate in the ₹1,450 - ₹1,550 zone.

Mandatory Financial Disclosure: *This report is for educational and informational purposes only and does not constitute personalized investment advice. Real estate equities are subject to extreme cyclicality.*

Wonderla Holidays Ltd. Q3 FY26 Analysis: Record Revenue vs. Margin Pressure from New Launches

We have seen a milestone quarter for India's leading amusement park chain. Wonderla reported its highest-ever quarterly revenue, primarily fueled by the successful operational commencement of its Chennai park. However, as is common with large-scale capacity additions, the "gestation period" costs and exceptional items have weighed on the bottom line.

The Snapshot

Name	Current Market Price (CMP)*	M-Cap (Cr)	Sector	Quick Verdict
Wonderla Holidays Ltd.	₹475	₹2,690	Leisure & Entertainment	Watchful Growth

The 'Wow' Factor

- Highest Ever Q3 Income: Total income crossed ₹141.5 Cr, a 12% YoY growth.
- Chennai's Power Start: Despite only being operational for part of the quarter (since Dec 2nd), the Chennai park recorded the highest ARPU across the entire portfolio.
- Resort Outperformance: The resort business (including the new "Isle by Wonderla") delivered its best-ever quarter with a 71% YoY revenue growth, proving the success of the integrated staycation model.
- Digital Adoption: Over 60% of bookings are now moving through digital channels, significantly reducing on-ground ticketing friction.

Operational KPI Table

Metric	Q3 FY26	Q3 FY25	Trend
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Total Footfalls	9.17 Lakhs	9.18 Lakhs	Flat (0.1% ↓)
Average Revenue Per User (ARPU)	₹1,377	₹1,272	Strong (8% ↑)
Spend Per Head (SPH)	₹455	₹399	Robust (14% ↑)
Average Occupancy (Resorts)	68%	55%	Sharp ↑

Financial Deep Dive (Consolidated)

Particulars (₹ in Lakhs)	Q3 FY26	Q3 FY25	YoY Change
Total Income	14,145	12,650	12% ↑
Reported EBITDA	3,217	3,716	(13%) ↓
Adjusted EBITDA*	4,023	3,716	8% ↑
EBITDA Margin (Reported %)	23%	29%	(600 bps) ↓
PAT (Reported)	1,448	2,030	(29%) ↓

**Adjusted for one-time labour code impact of ₹805 Lakhs.*

Cost vs. Efficiency Analysis:

While top-line growth is healthy, the reported Profit After Tax (PAT) took a significant hit due to two major factors:

1. Exceptional Items: A one-time impact of ₹805 Lakhs related to the adoption of new Labour Codes (specifically Gratuity and Compensated Absences liabilities).

2. Expansion Drag: Depreciation increased as the Chennai park (₹611 Cr investment) and the 'Isle' resort were capitalized. Additionally, ₹5.5 Cr in one-time launch expenses for Chennai were absorbed during the quarter.

The Forward Curve

Management guidance suggests a strong finish to FY26. We project:

- Q4 FY26: Expect footfall momentum to continue as the Chennai park hits its first full quarter of operations. Chennai park reported positive EBITDA (₹1.3 Cr) in its very first month.
- Q1 FY27: Historically the strongest quarter (Summer holidays); the integrated "Resort + Park" strategy and the stabilization of Chennai should drive margins back toward the mid-30s.

Valuation Guardrails

At the current price of ₹475, Wonderla is trading at a TTM P/E of approximately 40x. While this looks premium, it accounts for the short-term PAT dip due to regulatory adjustments. The market is pricing in the long-term cash-flow potential of the 5-park model (including the upcoming Odisha/Bhubaneswar stabilization).

Shareholding Pattern Note:

Promoter holding remains stable at ~62.3%. Institutional confidence remains steady with a 16.7% stake.

Management Integrity & Tone

We evaluate the management tone as Transparent. Executive Chairman Mr. Arun Chittilappilly highlighted that the Chennai park achieved positive EBITDA in month one and that the resort occupancy surge to 68% is a key stabilizer for the business model.

The Advisory Note

- Strategic (Long-term): Maintain an "Accumulate" stance. The moat is the high entry barrier and the 10-year local tax exemption secured for the Chennai park.
- Tactical (Short-term): The stock may see some sideways movement as the market absorbs the 29% PAT decline, but the 12% revenue growth confirms the demand story is intact.

Mandatory Disclosure: This report is for informational purposes only and does not constitute financial advice. Equity investments are subject to market risks. Please consult a SEBI-registered advisor before investing.

Fairvalue :

https://docs.google.com/spreadsheets/d/e/2PACX-1vR0Ec-cCgbUXJaTslWseVdsU-lwnRIVEPt1Afwx_xweCmshHurR60ybNMLdhgwoiQ/pubhtml?gid=1834710669&single=true

Pidilite Q3 FY26 Consolidated Analysis: Volume-Led Mastery Amidst Input Cost Tailwinds

This report provides a formal update on the consolidated performance of Pidilite Industries for the quarter ended December 31, 2025 (Q3 FY26). The figures below represent the combined performance of the parent company, its 34 subsidiaries, and 6 associates.

The Snapshot (Consolidated Basis)

Attribute	Details
Reporting Period	Q3 FY26 (October - December 2025)
Consolidated Sales	₹3,775.14 Cr
Consolidated PAT	₹624.12 Cr
Bonus Adjustment	1:1 Bonus Shares (Allotted Sept 2025) fully reflected in EPS
Market Outlook	Strong Domestic Demand vs. Geopolitical Export Headwinds

Financial Performance Table (Consolidated)

The following data is extracted from the Consolidated Unaudited Financial Results for Q3 FY26:

Metrics (₹ Cr)	Q3 FY26	Q3 FY25 (YoY)	YoY Change (%)
Revenue from Operations	3,775.14	3,368.91	+12.06%
EBITDA (Reported)	894.40	798.38	+12.03%
Profit Before Tax (PBT)	846.30	752.82	+12.42%
Profit After Tax (PAT)	624.12	557.25	+12.00%
Earnings Per Share (₹)	6.13	5.48	+11.86%

Segmental Performance (Consolidated)

Segment	Revenue (₹ Cr)	EBIT (₹ Cr)	EBIT Margin (%)
Consumer & Bazaar (C&B)	3,112.45	873.12	28.05%
Business to Business (B2B)	712.56	115.84	16.26%
Others	18.25	(5.42)	Loss

Key Operational Observations

1. Robust Domestic Growth

The Consolidated Revenue growth of 12.06% was primarily anchored by the domestic Consumer & Bazaar segment. While domestic volumes grew in the double digits, the overall consolidated growth was slightly tempered by a 13.5% decline in exports, specifically in the B2B/Pigments business due to global geopolitical disruptions.

2. Margin Expansion & Cost Drivers

- Benign VAM Prices: Vinyl Acetate Monomer (VAM) consumption costs averaged \$830/MT in Q3, down from \$884/MT in the previous year.
- One-time Wage Code Impact: Profitability was impacted by a one-time provision of ₹52.3 Crore at a consolidated level related to the new Wage Code (Gratuity and Leave Encashment).
- A&P Reinvestment: Management increased Advertising and Sales Promotion (A&SP) spends significantly to support brand building for Roff and Dr. Fixit.

3. Subsidiary Performance

- International Subsidiaries: Reported a top-line growth of 6% and a strong EBITDA growth of 19%, indicating improved operational efficiencies abroad despite the global slowdown.
- Domestic Subsidiaries: Grew by 3.9%, with new ventures like Haisha Paints and Electronic Adhesives still in the investment phase.

Forward Outlook

Management has reiterated its long-term EBITDA margin guidance of 20% to 24%. Given the current surplus margins (24.2% consolidated), the company intends to reinvest excess gains into:

- Distribution expansion into rural and semi-urban markets.
- New Product Categories (Screed additives, tile adhesives, and specialized waterproofing).
- Brand building to maintain a "Volume-led Growth" strategy.

Data Verification Note: *Figures are based on the Consolidated Income Statement for the period ended Dec 31, 2025. Revenue includes Other Operating Revenue of ₹65.23 Cr, bringing the total to ₹3,775.14 Cr.*

Fairvalue:

https://docs.google.com/spreadsheets/d/e/2PACX-1vSgH-IhBBop0fxGgJQMt1EBSDutoVRreC e4uvIk3qq8Mxi9eWIYk5DUiuYj_FYsA/pubhtml?gid=1805958560&single=true

Bajaj Finance Q3 FY26 Analysis: Robust AUM Scaling vs. Rising Cost of Funds

We have witnessed Bajaj Finance (BAJFINANCE) deliver another quarter of resilient growth, characterized by significant customer acquisition and asset scaling. However, as the credit cycle matures, the "Margin of Safety" mindset remains critical, especially regarding net interest margins and the impact of new regulatory labor codes.


The Snapshot





Name	CMP (approx.)	M-Cap (Cr)	Sector	Quick Verdict
Bajaj Finance Ltd.	₹7,250	₹4,50,000	NBFC / Fintech	Accumulate on Dips

The 'Wow' Factor

- **Customer Milestone:** Added **4.76 million** new customers in Q3 alone, taking the total franchise to a staggering **115.48 million**.
- **AUM Growth:** Assets Under Management (AUM) crossed the **₹4,85,000 crore** mark, a 26% YoY increase.
- **New Loan Velocity:** Booked **13.90 million** new loans in just 90 days, showcasing the efficiency of their omnichannel strategy.
- **Profitability Resilience:** Despite a one-time impact from the New Labour Code, core PBT (before accelerated ECL) grew by **23% YoY**.

Operational KPI Table

Metric	Q3 FY26	Q3 FY25	Trend
AUM Growth (YoY)	26%	35%	 Normalizing

Net Interest Margin (NIM)	9.8%	10.2%	 Compression
Gross NPA	0.89%	0.95%	 Improving
Net NPA	0.35%	0.37%	 Stable
New Customer Addition	4.76 Mn	3.85 Mn	 Accelerating

Financial Deep Dive

The core operating performance remains the "North Star" for Bajaj Finance. While the headline Profit After Tax (PAT) showed some pressure due to a ₹1,164 Cr provision for the New Labour Code and accelerated ECL, the underlying business engine is firing on all cylinders.

Parameter (Cr)	Q3 FY26	Q3 FY25	YoY Change	Q2 FY26	QoQ Change
Revenue	₹21,214	₹18,035	+17.6%	₹19,850	+6.9%
EBITDA (PPOP)	₹9,550	₹8,100	+17.9%	₹8,920	+7.1%
Core PAT*	₹4,980	₹4,308	+15.6%	₹4,650	+7.1%
*Core PAT adjusted for one-time regulatory items.					

Cost vs. Efficiency:

The Opex-to-NII ratio improved to **33.2%**, down from 34.0% YoY. We attribute this to the increasing digitisation of the loan lifecycle. However, the Cost of Funds (CoF) increased by 15 bps this quarter, suggesting that while operational efficiency is high, the external borrowing environment remains expensive.

Management Integrity & Tone

We find the management tone to be **Transparent and Proactive**. During the earnings call, Rajeev Jain (MD) was candid about the "Transient" nature of current credit costs. They are not shifting from "hunting to farming" but rather evolving into a "cross-sell first" organization. This pivot is designed to reduce customer acquisition costs (CAC) in the long run.

The Forward Curve

Based on management guidance, we project:

- **Q4 FY26:** AUM growth likely to maintain the **25-26%** corridor.
- **Q1 FY27:** Expected stabilization in NIMs as the cost of funds peaks.
- **EPS Projection:** $\$EPS_{\{FY26E\}} = \frac{\text{Net Profit}}{\text{Total Shares}}\$$. We expect an annualized EPS growth of 18-20%.

Valuation Guardrails

Current PE stands at ~28x, compared to the 5-year median of 35x.

- **Verdict: Historically Discounted.** The market is pricing in regulatory uncertainties (Labour Code) and potential credit cycle peaks, offering a long-term entry point.

Shareholding Pivot

- **Promoter:** Stable at 54.6%.
- **FII/DII:** Marginal increase in DII stake (Mutual Funds) by **0.4%**, indicating domestic confidence in the retail credit story.

The Advisory Note

Strategic Outlook (Long-term): Bajaj Finance is no longer just an NBFC; it is a digital payments and lending ecosystem. The "Omnipresence" strategy (Web + App + Offline) creates a moat that is hard for pure-play fintechs to replicate.

Tactical Outlook (Short-term): The stock may face time-correction as the market absorbs the one-time hit from the New Labour Code provisions. Use price dips toward the 200-day EMA for tactical entries.

Fairvalue:

https://docs.google.com/spreadsheets/d/e/2PACX-1vQEcgCWdjB7w_eXoZCc4qryuuiAZleSZvTjBNyspqVwlEygzflSRv8lCejAYVd-TA/pubhtml?gid=763412356&single=true

Disclosure: This report is for educational purposes only. Investing in equities involves risk. Please consult a SEBI-registered advisor before making investment decisions.

Bajaj Housing Finance Ltd. (BAJAJHFL) Q3 FY26 Results Analysis

Bajaj Housing Finance continues its steady growth trajectory, reporting a 21% YoY increase in Profit After Tax (PAT) for Q3 FY26. The company maintains a high-quality, diversified loan book with a strong focus on prime segments while aggressively scaling its "Sambhav" near-prime and affordable housing unit.

1. Financial Growth Table (Q3 FY26)

Metrics	Q3 FY26 (Current)	Q3 FY25 (YoY)	Q2 FY26 (QoQ)	Growth (YoY %)	Growth (QoQ %)
AUM (₹ Cr)	1,33,412	1,08,314	1,26,749	23.2%	5.3%
Disbursements (₹ Cr)	16,545	12,571	15,914	31.6%	4.0%
Revenue (Net Total Income)	1,153	933	1,112*	23.6%	3.7%

Operating Profit (PPOP)	934	748	889*	24.9%	5.1%
Profit After Tax (PAT)	665	548	643	21.4%	3.4%
EPS (Basic ₹)	0.80	0.66	0.77	21.2%	3.9%

**Calculated based on 9M and H1 reported data.*

Segmental AUM Growth & Share

Segment	Q3 FY26 AUM (₹ Cr)	Share %	YoY Growth %
Home Loans	72,710	54.5%	18%
LRD	29,351	22.0%	39%
Developer Finance	15,476	11.6%	18%

LAP	14,275	10.7%	32%
Others	1,600	1.2%	-

2. Sector-Specific KPIs (NBFC/Housing Finance)

- **Net Interest Margin (NIM):** Remained stable at 4.0% YoY and QoQ.
- **Net Interest Income (NII):** Increased 19% YoY to ₹963 Cr.
- **Asset Quality:** GNPA stood at 0.27% and NNPA at 0.11%. Provision Coverage Ratio (PCR) is healthy at 58.76%.
- **Cost of Funds (CoF):** Moderated by 5 bps sequentially to 7.3% , and 60 bps lower than Q3 FY25 (7.9%).

3. Profitability & Valuation Suite

Profitability

- **Return on Equity (ROE):** 12.3% (Annualized).
- **Return on Assets (ROA):** 2.3% (Annualized).
- **Opex to NTI:** Improved to 19.0% from 19.8% YoY.

Valuation & Capital

- **Price to Book (P/B):** Calculated at ~3.3x based on CMP 87 and Net Worth of ₹21,838 Cr (Equity shares: ~832.8 Cr).
- **Debt-to-Equity:** 4.5 times.
- **Capital Adequacy (CRAR):** 23.15%.

4. Analyst View & Management Insights

Beat/Miss vs. Estimates: The company delivered strong AUM growth of 23%, meeting upper-end internal targets. Asset quality remains superior with GNPA at a minimal 0.27%.

Critical Concall Insights:

1. **Tier-1 Capital Decline:** Management explained a ~3% QoQ drop in Tier-1 capital due to conservative provisioning for entire undisbursed tranches of under-construction loans following new RBI consolidation guidelines.
2. **Competitive Intensity:** High pressure remains from Public Sector Banks (PSBs) on pricing for "Prime" and "Super Prime" segments.
3. **Sambhav SBU Expansion:** Monthly disbursement run-rate for the near-prime/affordable segment is at ₹325–350 Cr, with a target to double this to ₹600 Cr+ in 12–15 months.

Future Growth Outlook (FY26-27):

- **AUM Growth:** Guided at 21–23% for FY26.
- **Marginal NIM Pressure:** NIMs may moderate by 15–20 bps in FY26 due to lower investment income following capital raises in FY25.
- **Operating Leverage:** Management expects Opex to NTI to reach 14–15% over the medium term (3–4 years) as digital and AI interventions scale.

Trend Analysis:

Comparing H1 FY26 (Revenue growth 16%, Net Profit Margin 22.6%) to Q3 FY26:

- **Revenue Growth:** Accelerated to 23.6% in Q3, showing an **improving** trend.
- **Net Profit Margin:** Stood at 23.04% for Q3, showing a slight **improvement** over the H1 average.

Conclusion: Wealth-Building Strategy

Bajaj Housing Finance remains a "Low Risk, Scalable" business model focused on anchor products like Prime Housing and LRD. With superior asset quality and a clear path toward operating efficiency, it fits well into a long-term wealth-building strategy (Step 4: Valuation).

Detailed Fair Value analysis and entry strategies are available at

https://docs.google.com/spreadsheets/d/e/2PACX-1vQ0XEKw3UXcRdgIUeuY_R4LO0HkkNODym3xSQjnZQaQBdi7RKpFAdcW2SPZURFmfT3mmX3DxZBEr7FS/pubhtml?gid=190497733&single=true

Disclosure: We are Corporate Investment Advisors. The above analysis is based on publicly available financial data and is intended for educational purposes only. It does not constitute a direct buy or sell recommendation.

CDSL Q3FY26 Analysis: Demat Dominance Continues Amidst Shifting Revenue Mix

Central Depository Services (India) Limited (CDSL) continues to be a primary beneficiary of India's structural shift towards financialization, maintaining its lead as the largest depository in terms of demat accounts. With a CMP of ₹1320, the company remains a critical market infrastructure institution (MII) in the Indian capital market ecosystem.

Section 1: Data-Driven Growth Table (Consolidated)

The following table summarizes the financial performance for Q3FY26 compared to the previous year (YoY) and previous quarter (QoQ).

Metrics (₹ in Lakhs)	Q3 FY26 (Current)	Q3 FY25 (YoY)	Q2 FY26 (QoQ)	YoY Growth (%)	QoQ Growth (%)
Volume: Net Demat A/c Additions	76 Lakhs	92 Lakhs	65 Lakhs	-17.39%	+16.92%
Total Revenue from Operations	30,435.50	27,812.98	31,889.33	+9.43%	-4.56%
Operating Profit (EBITDA)	18,903.20	18,063.92	19,875.06	+4.65%	-4.89%

Profit After Tax (PAT)	13,332.74	13,010.49	14,021.67	+2.48%	-4.91%
EPS (Basic & Diluted)	6.38	6.23	6.71	+2.41%	-4.92%
EBITDA Margin (%)	62.11%	64.95%	62.33%	-284 bps	-22 bps

Segmental Revenue Growth & Share

CDSL operates across Depository, Data Entry/Storage (CVL), and Repository services.

Segment	Revenue (Q3FY26)	Share %	YoY Growth (%)
Depository Activity	25,439.89	83.50%	+15.13%
Data Entry & Storage (CVL)	4,944.17	16.23%	-12.67%
Repository Services	77.06	0.25%	+29.30%
Total Revenue	30,461.12	100%	+9.50%

Section 2: Sector-Specific KPIs (Market Infrastructure)

As an MII, CDSL's health is measured by its scale and market reach:

- **Total Demat Accounts:** 17.3 Crores latest
- **Active ISINs:** 1,20,277 (Consistent growth YoY).
- **Issuer Base:** 46,271 companies registered.
- **Demat Custody Value:** ₹85 Lakh Crores.
- **Market Share:** Maintains dominant leadership in incremental demat account openings.

Section 3: Profitability & Valuation Suite

Category	Metric	Current Value	Insight
Profitability	ROE	~28-30%	High capital efficiency due to asset-light model.
	Operating Margin	62.1%	Slight compression due to higher IT and SEBI/IPF costs.
Valuation	Current P/E	58.1x	Trading slightly above its 5-year average (~45x).
	Price to Book (P/B)	14.2x	Reflects high premium for market-monopoly status.
	Debt-to-Equity	0.00	Purely debt-free company.

Section 4: Result Beat/Miss & Critical Insights

Verdict: Slight Miss on EBITDA Margins; Beat on Volume Recovery.

- **Volume Recovery:** After a slow Q1 and Q2, demat account additions recovered to 76 lakhs in Q3, showing resilient retail interest.
- **Margin Pressure:** EBITDA margins contracted YoY from ~65% to ~62%. This is primarily due to a 43% YoY increase in IT costs and a 20% rise in regulatory SEBI/IPF charges.
- **CVL Segment Slowdown:** The Data Entry and Storage segment (CDSL Ventures) saw a 12% revenue decline YoY, likely due to shifting KYC norms and lower bulk processing in the mutual fund industry this quarter.

Concall & Strategic Highlights:

1. **Direct Pay-out Success:** The implementation of direct security pay-out to investor accounts is streamlining operations and reducing intermediary risk.

2. **Investor App Integration:** The new unified Investor App with Proxy Advisory recommendations is expected to drive higher "e-voting" engagement and potential revenue through value-added services.
3. **Technology Upgrades:** Management indicated continued high spend on cybersecurity and platform scalability to handle the 14.5 Cr+ account load.

Section 5: Future Growth Outlook & Parameter Trends

The user requested a look at the trend regarding H1 revenue stagnation (0% growth) and profit growth (-18%).

Parameter Trend Analysis:

- **Revenue Growth:** While H1 was flat, Q3 has shown a 9.4% YoY recovery. This suggests the "trough" in transaction-linked revenue is likely over, provided market activity stays buoyant.
- **Profit Growth:** The -18% profit growth seen earlier in the year has stabilized to +2.48% in Q3. The trend is **improving**, moving from negative growth territory back into positive growth, though at a slower pace than the high-growth periods of FY24.
- **Net Profit Margin:** Currently at 43.8%, which is exceptionally high compared to other financial sectors, though down from peak levels.

Conclusion: Wealth-Building Strategy

CDSL remains a "toll-booth" business for the Indian stock market. While valuations are rich, the structural growth in demat penetration ensures long-term compounding.

Step 4: Valuation — Determining if ₹1320 represents a bargain or a premium.

The full **Fair Value Analysis** and entry-level zones are available on our website at [Your Wealth-Building Website Link].

Disclosure: *This analysis is for educational purposes only and does not constitute a recommendation to buy or sell. We are Corporate Investment Advisors, and our views may be biased based on our portfolio holdings.*

Affle 3i Limited Q3 FY2026 Analysis: AI-Driven Milestone Performance

Affle 3i Limited is a global consumer intelligence technology company that provides mobile advertising and data-driven solutions to leading brands. Operating on a unique **Cost Per**

Converted User (CPCU) model, it focuses on delivering measurable business outcomes through high-ROI user acquisitions and engagements.

Section 1: Financial Growth Table (Consolidated)

Affle reported its highest-ever quarterly revenue run-rate this quarter, crossing the INR 7 billion mark.

Metrics (INR Million)	Q3 FY2026 (Current)	Q3 FY2025 (YoY)	YoY Growth %	Q2 FY2026 (QoQ)	QoQ Growth %
Conversions (Volume in mn)	119.7	103.3	15.9%	109.0	9.8%
Revenue from Contracts	7,175	6,017	19.2%	6,467	10.9%
EBITDA (Operating Profit)	1,630	1,314	24.1%	1,461	11.6%
Profit After Tax (PAT)	1,193	1,002	19.1%	1,105	8.0%
Basic EPS (INR)	8.50	7.15	18.9%	7.88	7.9%
Avg. CPCU Rate (INR)	59.6	57.8	3.1%	58.1	2.6%

Segmental Revenue Split (Q3 FY2026)

Market Segment	Revenue Share %	YoY Growth %
India & Emerging Markets	73.9%	19.8%
Developed Markets	26.1%	17.8%

Section 2: Performance Highlights & Concall Insights

Beat/Miss Analysis

- **Revenue Beat:** Surpassed the INR 700 crore quarterly milestone for the first time.
- **Margin Expansion:** Achieved its **7th consecutive quarter** of sequential EBITDA margin expansion, reaching 22.7%.
- **Volume Growth:** CPCU business remains the primary driver, contributing 99.5% of total revenue in Q3.

Critical Concall Insights

- **Agentic AI Adoption:** The company has launched **Niko**, an advanced AI engine that automates workflows for real-time bidding and targeting, significantly enhancing operational productivity.
- **Inorganic Strategy:** Management has narrowed its focus from 12 potential acquisition targets to **4 companies**, currently undergoing active due diligence to accelerate growth in developed markets.
- **Inventory Investment:** The recent spike in data and inventory costs is a conscious investment (approx. 10% of these costs) to build verticalized intelligence for international expansion.

Section 3: Profitability & Valuation Suite

Profitability Metrics

- **EBITDA Margin:** 22.7% (Up 89 bps YoY).
- **PAT Margin:** 16.2% (Steady performance despite lower other income).
- **Cash Flow Efficiency:** Operating Cash Flow (OCF) to PAT for 9M FY2026 stood at **75.8%**, expected to normalize toward 85-95% in Q4.

Valuation Parameters (At CMP 1449)

- **TTM EPS:** INR 31.24 (approx.)
- **Current PE:** ~46.4x
- **Debt-to-Equity:** Minimal borrowings (INR 1,655 million) against Total Equity of INR 34,171 million.
- **Balance Sheet:** Robust cash position and liquid investments totaling over INR 4,208 million.

Section 4: Trend Analysis & Future Outlook

Affle has demonstrated a strong improvement trend across its 9-month performance parameters:

- **Revenue Growth:** Sustained at 19.3% for 9M FY2026.
- **EBITDA Margin:** Improved significantly from 21.0% (9M FY2025) to **22.6% (9M FY2026)**.
- **10x Vision:** Management remains committed to its decadal growth vision, aiming for a 20-25% combined growth across revenue and EBITDA.

Peer Comparison: Affle continues to outperform several global ad-tech peers by maintaining profitability (positive PAT) while scaling volumes, whereas many global competitors struggle with bottom-line consistency.

Conclusion

Affle's transition into the "Affle 3i" era is marked by solid execution in AI-led automation and a resilient verticalized strategy across categories like E-commerce, Fintech, and Gaming. The focus on premium iOS conversions and Connected TV (CTV) provides a high-value moat against traditional competitors.

For a detailed intrinsic valuation and to see if Affle fits your **Wealth-Building Strategy**, you can access our Fair Value analysis at

<https://docs.google.com/spreadsheets/d/e/2PACX-1vRV5fYXG6KvzBaUBW2bzbqFUQQWAOG1vouqqCPIaPqmBEpnHKFi2nDGXkp4-xY-0dGZSlqrXHmJiTfa5/pubhtml?gid=291692801&single=true>

Disclosure: *This analysis is for educational purposes only and does not constitute a buy/sell recommendation. Stock market investments are subject to market risks.*

Kajaria Ceramics Q3 FY26 Analysis: Efficiency Gains Meet Muted Demand

Kajaria Ceramics, India's leading tile manufacturer, has reported a mixed set of numbers for the quarter ended December 31, 2025. While the topline remained flattish due to soft market demand and the strategic closure of its plywood division, the company demonstrated strong operational resilience through significant EBITDA margin expansion.

Section 1: Financial Growth Table (Consolidated)

The following table summarizes the performance of Kajaria Ceramics for Q3 FY26 compared to previous periods.

Metrics	Q3 FY26 (Current)	Q3 FY25 (YoY)	YoY Growth %	Q2 FY26 (QoQ)	QoQ Growth %
Sales Volume (MSM)	28.97	28.90	0.2%	28.34	2.2%
Revenue (₹ Cr)	1,168.26	1,163.71	0.4%	1,186.01	-1.5%
Operating Profit (EBITDA) (₹ Cr)	200.90	148.74	35.1%	212.90	-5.6%
Net Profit (PAT) (₹ Cr)	87.72	77.74	12.8%	132.96	-34.0%

EPS (₹)	5.51	4.88	12.9%	8.35	-34.0%
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Segmental Revenue & Growth

Segment	Q3 FY26 Revenue (₹ Cr)	YoY Growth %	Share of Revenue (%)
Tiles	1,029.82	-1.0%	88.2%
Bathware/Sanitaryware	103.21	9.2%	8.8%
Adhesives	35.15	71.8%	3.0%

Section 2: Performance Highlights & Concall Insights

Beat/Miss vs. Estimates:

Results were largely **in-line** with estimates on revenue and EBITDA. However, PAT was impacted by **exceptional items** totaling ₹39.64 crore, which included provisions for new labour codes (₹18.30 Cr) and an unfortunate financial fraud at a step-down subsidiary (₹19.36 Cr).

Critical Concall Insights:

- **Inventory Destocking:** Management attributed the flat tile volume to intentional destocking at the dealer level and the "unification" process where exclusive dealers are being transitioned to carry the full product range.
- **SKU Reduction:** The company is aggressively reducing its total number of Stock Keeping Units (SKUs) to improve plant efficiency. This led to lower realizations in Q3 as discounts were offered to liquidate older stock.
- **Kajaria 2.0 Strategy:** The transformation journey involves cross-selling, digital adoption for dealer interactions, and a renewed focus on the architect and interior designer communities.

Section 3: Profitability & Valuation Suite

Profitability Metrics:

- **EBITDA Margin:** 17.20% (vs 12.78% YoY).
- **ROE (Avg):** 10.98% (Dec-25).
- **ROCE (Avg):** 16.28% (Dec-25).

Valuation (as of Feb 20, 2026):

- **Current PE:** ~61.5x (Trailing).
- **5-Year Average PE:** ~50.2x.
- **Price-to-Book (P/B):** 5.73.
- **Debt-to-Equity:** 0.03 (Very conservative capital structure).

Peer Comparison (P/E Ratio):

- **Kajaria Ceramics:** 61.5x.
- **Cera Sanitaryware:** 31.1x.
- **Somany Ceramics:** 26.0x.

Section 4: Future Growth & Trends

The company is showing signs of a turnaround in specific areas despite the flat revenue growth in H1 FY26.

- **Improving Margins:** Operating margins have seen a significant jump (up 442 bps YoY). This trend is expected to sustain as gas prices remain relatively stable and cost optimization continues.
- **Volume Recovery:** Management noted that **January 2026** showed encouraging signs of growth.
- **Strategic Shift:** The conversion of a 9.1 MSM capacity unit in Gailpur from floor tiles to high-value **Glazed Vitrified Tiles (GVT)** indicates a move toward higher-margin products.

Conclusion

Kajaria Ceramics is currently in a "cleaning and consolidation" phase. While topline growth is temporarily muted due to SKU rationalization and dealer restructuring, the operational efficiency is at a multi-quarter high. For long-term investors, the transition to **Kajaria 2.0** and the entry into higher-value segments are key triggers to watch.

Fairvalue:

https://docs.google.com/spreadsheets/d/e/2PACX-1vSx7anaMgHDxFzAh0N2QGfrictQrDg1q5YET_ShtwCS8Gluo2cu3cYd6Pw6xkK_w/pubhtml?gid=817750494&single=true

Disclosure: This analysis is for educational purposes and should not be considered a direct buy/sell recommendation.

Nestle India Q3FY26 Results: Record Turnover and Five-Year High Volume Growth

Nestle India Limited (NESTLEIND) has delivered a stellar performance for the quarter ended December 31, 2025 (Q3FY26), characterized by its **highest-ever quarterly turnover** and the strongest volume growth in nearly five years. Despite persistent commodity pressures in milk and edible oils, the company achieved a robust 46% surge in Net Profit, significantly aided by a turnaround in demand and a favorable tax outcome.

Section 1: The Financial Growth Table

The following table summarizes the Standalone financial performance for Q3FY26, comparing it to the same quarter last year (YoY) and the immediate previous quarter (QoQ).

Metrics (INR Cr)	Q3FY26 (Current)	Q3FY25 (YoY)	YoY Growth %	Q2FY26 (QoQ)	QoQ Growth %
Volume Growth	High Double-Digit	—	~5-Year High	—	—
Total Revenue	5,667.0	4,779.7	18.56%	5,643.6	0.41%
EBITDA	1,202.1	1,102.7	9.01%	1,236.6	-2.79%

Net Profit (PAT)	1,018.1	696.1	46.24%	753.2	35.16%
EPS (INR)	5.28	3.61	46.26%	3.90	35.38%

Segmental Performance (Domestic Sales)

Nestle operates in a single "Food" segment, but provides granular details across its four major product groups.

Product Group	Q3FY26 Performance Highlights	Share of Domestic Revenue (Approx.)
Confectionery	Fastest-growing; robust double-digit growth.	~16-18%
Beverages	18th consecutive quarter of double-digit growth.	~11-13%
Prepared Dishes	Strong double-digit value growth (MAGGI).	~30-32%
Milk & Nutrition	Mid-single-digit growth; recovering.	~38-40%

Section 2: Sector-Specific KPIs (FMCG Focus)

- **EBITDA Margins:** Stood at **21.3%**. While headline profit surged, the operating margin contracted by 186 bps YoY (from 23.16%) due to higher raw material costs and a **42% increase** in advertising spend.
- **Volume Growth:** Reached a **five-year peak**, driven by rural market acceleration and quick-commerce penetration.
- **Capacity Utilization:** Supported by strategic investments in increasing capacity to meet broad-based demand.

Section 3: Profitability & Valuation Suite

Profitability Ratios

- **ROE (Return on Equity): 87.72%** (Consolidated, Q3FY26), reflecting exceptional capital efficiency.
- **Operating Margin: 21.3%**.

Valuation (CMP: 1286)

- **Current PE: ~76.9x.**
- **Long-term Average PE (5-Year): ~76.2x.** The stock is currently trading near its historical mean.
- **Price to Book (P/B): ~54.5x.**
- **Debt-to-Equity: 0.11 (10.75%),** indicating a very healthy and stable balance sheet.

Section 4: Beat vs. Estimates & Concall Insights

Performance vs. Estimates:

- **Revenue: Beat** expectations (Actual: 5,667 Cr vs Est: 5,406 Cr).
- **Margins: Missed** slightly due to aggressive brand building and commodity inflation.

Critical Insights:

- **Rural Turnaround:** 2025 saw the highest reach gain ever, with rural markets outperforming expectations and urban markets remaining best-in-class.
- **Tax Benefit:** A significant portion of the PAT jump (46%) was driven by a lower effective tax rate (13.06% vs 24.76% YoY) and an exceptional tax credit of **INR 157 Cr.**
- **Channel Shift:** Quick-commerce is now a primary driver for in-home penetration, particularly in the Confectionery and Beverages segments.

Section 5: Trend Analysis & Future Outlook

Comparing the H1FY26 performance (8.3% revenue growth, -16% profit growth) with Q3FY26, we see a **sharp decisive turnaround.**

- **Revenue Trend:** Improving significantly (8.3% in H1 to **18.5% in Q3**).
 - **Profit Trend:** Recovering from a -16% contraction in H1 to a **46% surge in Q3.**
 - **Future Outlook (FY26-27):** Management is pivoting toward "Volume-led expansion" rather than price hikes. While coffee prices have stabilized, edible oils and milk remain "firm," which may keep margins range-bound in the first half of 2026.
-

Conclusion

Nestle India's Q3FY26 results signal a powerful return to volume growth, proving the resilience of its marquee brands like MAGGI and KITKAT. While the valuation remains at a premium, it is supported by an industry-leading ROE and a debt-free status.

Following my "**5 Steps Towards Wealth**" strategy, Step 4 emphasizes buying quality at the right valuation. To see if NESTLEIND is currently at its **Fair Value**, visit Fairvalue:

<https://docs.google.com/spreadsheets/d/e/2PACX-1vR9vRFL5sqWvQGb4ed9cgkXye8Pxrvd5R2XuVj4oxBm1pegmUXyGZTZmRTzaJQruw/pubhtml?gid=2064096846&single=true>

Disclosure: SEBI Registered Investment Advisor (INA000020651). This analysis is for educational purposes and does not constitute a direct buy/sell recommendation.

Dr. Lal PathLabs Q3 FY26 Analysis: Steady Revenue Amidst Seasonal Headwinds & One-Off Costs

Date: February 18, 2026

Stock: Dr. Lal PathLabs (LALPATHLAB)

CMP: ₹1417

Introduction

Dr. Lal PathLabs, India's leading diagnostic chain, reported a mixed set of numbers for Q3 FY26. While the company maintained double-digit revenue growth driven by higher realization per patient, profitability faced pressure due to a one-time exceptional labor code impact and a sharp decline in seasonal fever cases. This analysis breaks down the financial health, sector KPIs, and future outlook for investors.

Section 1: Data-Driven Growth Table

The following table summarizes the financial performance for Q3 FY26 compared to the same quarter last year (YoY) and the preceding quarter (QoQ).

Metrics	Current Quarter (Q3 FY26)	Same Quarter Last Year (Q3 FY25)	Previous Quarter (Q2 FY26)	Growth YoY %	Growth QoQ %
Revenue (₹ Cr)	660	597	731	+10.6%	-9.7%
Operating Profit (EBITDA) (₹ Cr)	179	154	224	+16.3%	-20.1%
EBITDA Margin (%)	27.2%	25.8%	30.7%	+140 bps	-350 bps
Net Profit (PAT) (₹ Cr)	91*	98	152	-7.1%	-40.1%
EPS (₹)	5.40	5.80	18.1	-6.9%	-70.1%
Patient Volume Growth	2.7%	--	--	--	--
Samples Processed (Mn)	~22.2	--	25.4	--	-12.6%
Revenue Per Patient (₹)	927	861	889	+7.7%	+4.3%

Swasthfit Contribution	26%	--	26%	Stable	Stable
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**Note: PAT for Q3 FY26 includes an exceptional item of ₹30.1 Cr due to new Labour Codes. Adjusted PAT (excluding exceptional item) would be significantly higher.*

Section 2: Beat/Miss & Critical Insights

Beat/Miss Analysis:

- **Revenue: In-line.** The 10.6% growth aligns with management's guidance of 11-12% organic growth, though slightly dampened by the weak flu season.
- **Margins: Miss.** While YoY margins improved, the sequential drop to 27.2% (from 29.7% in H1) reflects the operational deleverage from lower seasonal volumes.
- **PAT: Miss.** Reported PAT missed estimates primarily due to the ₹30.1 Cr one-off provision for labor codes.

3 Critical Concall Insights:

1. **Seasonal Fever Dip:** The quarter saw a sharp, unexpected decline in seasonal fever-related tests (Dengue, Malaria, Chikungunya), which dragged overall patient volume growth down to 2.7%. Management clarified this is a cyclical anomaly, not a structural issue.
2. **Pricing & Realization Strength:** Revenue per patient jumped 7.7% to ₹927. This wasn't driven by price hikes but by a better "Test Mix"—more high-end specialized tests and bundled "Swasthfit" packages, which now contribute 26% of revenue.
3. **Expansion & Innovation:** The company is aggressively piloting its "Sovaaka" premium wellness clinics and expanding its advanced radiology footprint in Delhi NCR. They maintained guidance for 15-20 new labs and 600-800 collection centers for FY26.

Section 3: Future Growth Outlook & Peer Comparison

FY26-27 Projections:

- **Guidance:** Management remains confident in achieving **11-12% organic revenue growth** for the full year FY26.
- **Margin Sustainability:** Despite the Q3 dip, the company expects to maintain full-year EBITDA margins in the **27-28%** range, supported by cost optimization and increasing contribution from high-margin specialized tests.
- **Trigger:** The normalization of fever cases and continued traction in Tier-3/4 expansion will be key growth drivers for FY27.

Peer Comparison (Valuation & Growth):

| Company | P/E Ratio (TTM) | Rev Growth (Q3 YoY) | EBITDA Margin |

| :--- | :---: | :---: | :---: |

| **Dr. Lal PathLabs** | ~44x | 10.6% | 27.2% |

| Metropolis Healthcare | ~57x | 12-14% (Est.) | ~24-25% |

| Thyrocare | ~45x | ~15% | ~26% |

Dr. Lal PathLabs trades at a reasonable valuation compared to peers like Metropolis, given its superior balance sheet (Net Cash ₹1,411 Cr) and market leadership.

Section 4: H1 vs. Q3 Trend Analysis

We analyzed whether the strong momentum from H1 FY26 (Revenue +11%, EBITDA Margin 29.7%, Profit +20%) is sustaining.

- **Revenue Growth (11% \$to\$ 10.6%): Stable.** The growth trajectory remains largely intact despite the seasonal headwinds in Q3. The slight dip is negligible.
- **EBITDA Margin (29.7% \$to\$ 27.2%): Declining.** Margins contracted sequentially. This is a key monitorable. The drop is attributed to lower operating leverage (fewer fever patients visiting labs), proving that volume is critical for maintaining margins above 29%.
- **Profit Growth (20% \$to\$ -7.1%): Disrupted.** The profit momentum broke significantly in Q3. However, this is largely artificial due to the one-off ₹30 Cr expense. Operationally, PBT (before exceptional items) grew, but at a slower pace than H1.

Verdict: The structural trend is improving (Revenue/Patient is up), but short-term profitability is volatile due to seasonality and regulatory one-offs.

Conclusion

Dr. Lal PathLabs remains a fundamental fortress with a debt-free balance sheet and strong cash flows. While Q3 was optically weak due to one-offs and weak seasonality, the core business metrics (Revenue per patient and Swasthfit contribution) are healthy.

Investment View: The stock is currently trading at a P/E of ~44x, below its 5-year average of ~64x, offering a decent safety margin for long-term investors.

Next Step: To calculate the exact entry price based on intrinsic value, refer to **Step 4: Valuation** in our **Wealth-Building Strategy**. The Fair Value calculation is updated and available at https://docs.google.com/spreadsheets/d/e/2PACX-1vTEljlDAdahRnssWTXt85RMv-1croJ16Z35Dx4ov-XaaO4Uu_JMIHSopwkjD3fLvdZRiA3w2ezzJD5A/pubhtml?gid=1347594619&single=true

Disclosure: *We are an Investment Advisor. This analysis is for educational purposes only and does not constitute a direct buy or sell recommendation.*

Bajaj Auto Q3 FY26 Analysis: Record-Breaking Performance as Exports and EVs Scale New Peaks

Bajaj Auto Limited (NSE: BAJAJ-AUTO) has delivered a historic performance for the quarter ended December 31, 2025, crossing the ₹15,000 crore revenue mark for the first time. This "World's Favourite Indian" manufacturer is successfully navigating a multi-front transition, scaling its electric vehicle portfolio while orchestrating a robust recovery in international markets.

Section 1: The Financial Growth Table (Standalone)

The following table summarizes Bajaj Auto's financial performance, showcasing record peaks across core metrics.

Metrics	Q3 FY26 (Current)	Q3 FY25 (YoY)	YoY Growth %	Q2 FY26 (QoQ)	QoQ Growth %
Volume (Total Units)	1,341,252	1,224,472	10%	1,294,120	4%
Revenue from Ops	₹15,220 Cr	₹12,807 Cr	19%	₹14,922 Cr	2%
EBITDA	₹3,161 Cr	₹2,581 Cr	22%	₹3,052 Cr	4%
PAT (Rep. Post-Excep)	₹2,503 Cr	₹2,109 Cr	19%	₹2,480 Cr	1%

EPS (Standalone)	₹89.7	₹75.5	19%	₹88.8	1%
EBITDA Margin %	20.8%	20.2%	+60 bps	20.5%	+30 bps

Segmental Revenue Share (Consolidated)

Segment	Revenue (Q3 FY26)	Revenue Share %	Segment PBT	YoY Growth (Rev)
Automotive	₹15,429 Cr	92.7%	₹3,212 Cr	+20.2%
Financing (BACL)	₹909 Cr	5.5%	₹287 Cr	+170.1%
Investments	₹302 Cr	1.8%	₹302 Cr	-11.8%

Section 2: Sector-Specific KPIs & Concall Insights

Volume Particulars: 2W & 3W Growth Matrix

Growth was led by the Commercial Vehicle (CV) segment and a resurgent Export business.

Particulars	Q3 FY26 (Units)	YoY Growth %	Weightage %
Two-Wheelers (Domestic)	601,208	2%	44.8%

Two-Wheelers (Exports)	531,175	14%	39.6%
Commercial Vehicles (Domestic)	129,829	9%	9.7%
Commercial Vehicles (Exports)	79,040	56%	5.9%
Total Volume	1,341,252	10%	100%

Critical Insights from the Q3 FY26 Concall

- **Pulsar Offensive:** Management has launched 7 product interventions since November and plans 8 more upgrades/refreshes in the next 4 months to reclaim market share in the 150cc+ segment.
 - **EV Revenue Milestone:** The EV portfolio (Chetak + Electric 3W) now contributes a staggering 25% of domestic revenues.
 - **KTM AG Turnaround:** Following the increase in ownership to 75% in November, a three-pronged turnaround focusing on liquidity, top management, and cost reduction is underway.
-

Section 3: Profitability & Valuation Suite

Bajaj Auto continues to demonstrate superior capital efficiency and a robust balance sheet.

- **Profitability Metrics:**
 - **Operating Margin (Consolidated): 18.0%**
 - **ROE (TTM): ~28.7%**
 - **ROCE (TTM): ~37.8%**
- **Valuation (as of Feb 2026):**
 - **Current PE: 30.3x vs. Long-term Average of ~26x (Trading at a premium due to EV and BAFL growth).**
 - **Price to Book (P/B): 7.8x**
 - **Debt-to-Equity: 0.57 (Note: Standalone manufacturing is net cash positive; debt resides in the financing arm).**

Section 4: Growth Trend Analysis (H1 vs. Q3)

The company has successfully sustained and improved upon the momentum seen in the first half of the year.

Period	Revenue Growth	EBITDA Margin	Profit Growth (PAT)
H1 FY26 (Historical)	14.7%	21.7%	30.2%
Q3 FY26 (Current)	19.0%	20.8%	19.0%

Analysis: While EBITDA margins dipped slightly in Q3 compared to H1 (due to higher EV mix and absorption of cost inflation), revenue growth has accelerated to 19%. Management expects to maintain double-digit growth as Pulsar refreshes take hold.

Conclusion: Wealth-Building Strategy

Bajaj Auto is no longer just an ICE motorcycle player; it is now an EV and Finance powerhouse. The financing arm (BACL) is already delivering an AUM of ₹16,500 Cr with a healthy 21% ROE.

In our '5 Steps Towards Wealth' framework, Step 4: Valuation is critical. While the business is firing on all cylinders, the current premium valuation requires a disciplined entry strategy.

Access the Detailed Fair Value Analysis and target projections at https://docs.google.com/spreadsheets/d/e/2PACX-1vRIgrO-U7xyJb5nptwPRDnIVFK7AZZjyx0iwMMZkl_yf2zgc_soTwc9YRn7UsoI0ziHwaR-ENZBLKgn/pubhtml?gid=1292394751&single=true

Disclosure: We are SEBI Registered Investment Advisor (INA000020651). This report is for educational purposes and should not be considered a direct buy/sell recommendation. Stock market investments are subject to market risks.

Voltas Q3 FY26 Results Analysis: Leadership Strengthened Amid Seasonality

Current Market Price (CMP): ₹1,526

Voltas Limited, a premier Tata Enterprise, has demonstrated resilience in a challenging global macro environment characterized by commodity volatility and shifting regulatory norms. While the cooling segment faced typical Q3 seasonality, the company leveraged its diversified portfolio and market leadership to navigate a "shorter second summer."

1. Data-Driven Growth Table (Consolidated)

Metrics (₹ Crores)	Q3 FY26 (Current)	Q3 FY25 (YoY)	YoY Growth %	Q2 FY26 (QoQ)	QoQ Growth %
Total Income	3,120	3,164	-1.39%	2,412	+29.35%
Revenue from Operations	3,071	3,105	-1.10%	2,347	+30.85%
Operating Profit (EBITDA)	145	165	-12.12%	34	+326.47%
Profit Before Tax (PBT)	116	191	-39.27%	54	+114.81%

Profit After Tax (PAT)	84	131	-35.88%	32	+162.50%
EPS (₹)	2.57	3.99	-35.59%	1.04	+147.12%

Segmental Revenue & Performance

Segment	Q3 FY26 Revenue (₹ Cr)	Segment Share %	Q3 FY25 Revenue (₹ Cr)	YoY Growth %
Unitary Cooling (UCP)	1,924	63.0%	1,771	+8.64%
Electro-Mechanical (EMPS)	974	31.9%	1,190	-18.15%
Engineering Products	157	5.1%	130	+20.77%

2. Sector-Specific KPIs: Manufacturing & Durables

- **EBITDA Margins:** Q3 FY26 margin stood at **4.7%**, a sequential improvement from 1.4% in Q2 FY26, though lower than the 5.2% in Q3 FY25.
- **Volume Growth (RAC):** The Room Air Conditioner business anchored performance, maintaining a **17.9% YTD market share**.
- **Capacity Utilization:** The Chennai factory is currently operating at nearly **90% utilization**, with plans to expand capacity from 1 million to 1.5 million units in the coming months.

3. Profitability & Valuation Suite

- **Profitability:**
 - **ROE:** ~13.5%

- **ROCE:** ~17.6%
- **Valuation (as of Feb 2026):**
 - **Current PE (TTM): 100.8x**
 - **5-Year Median PE:** ~74.3x (Currently trading at a significant premium to historical averages).
 - **Price to Book (P/B):** 7.9x
 - **Debt-to-Equity:** 0.28x (Consolidated)

4. Analysis & Outlook

Beat/Miss vs. Estimates & Concall Insights

- **Earnings Miss:** Results generally missed analyst expectations on the bottom line due to raw material inflation and a one-time **₹26 crore** exceptional charge related to the new Labour Code.
- **Pre-Buying Momentum:** Channel partners engaged in "pre-buying" in December ahead of the **BEE star-label transition** on Jan 1, 2026, which supported Q3 volumes.
- **Beko Traction:** Voltas Beko gained significant market share, reaching **10.2%** in the washing machine segment by Nov 2025, with management targeting break-even in the near future.
- **Project Health:** The order book remains robust at over **₹6,100 crores**, with a pivot toward high-growth areas like **Data Centers**.

Future Growth Outlook (FY26-27)

Management anticipates a recovery in margins as "old table" inventory is liquidated and calibrated pricing for new BEE-rated products takes effect. Production at the new Chennai facility and backward integration are expected to drive operational efficiencies into the peak summer of 2026.

Profitability Trend

While H1 FY26 saw a contraction in profits, Q3 shows a **sequential recovery** (PAT up 162% QoQ), indicating the bottom may have been reached in Q2.

Conclusion

Voltas remains the "Cooling King" of India, but its current valuation (PE > 100x) reflects high expectations for a scorching 2026 summer. For investors following the **Wealth-Building Strategy**, the focus should be on whether margin expansion can catch up to this premium multiple.

Fair Value Insight: Detailed intrinsic value calculations and our "Step 4: Valuation" model are available at

https://docs.google.com/spreadsheets/d/e/2PACX-1vRvIam7f-P6c6_MdzP3_x_ItryliYNQ7BuQ-ZWCMvJfzdO6US4CrOvE05Vy9O523_WfzyuaO_hcYyhf/pubhtml?gid=1616810236&single=true

Disclosure: I am a SEBI Registered Investment Advisor. This report is for educational purposes and analyzed from provided financial documents.

IEX Q3FY26 Results: Powering Through Energy Transitions

IEX is India's premier technology-led electricity marketplace, providing a transparent platform for the physical delivery of electricity, renewables, and certificates. As of **February 14, 2026**, the stock trades at a **CMP of ₹124**, reflecting a robust business model that continues to benefit from India's shifting energy mix.

Section 1: The Financial Growth & Volume Table

Metrics	Q3FY26 (Current)	Q3FY25 (YoY)	Q2FY26 (QoQ)	YoY Growth %	QoQ Growth %
Electricity Volume (BUs)	34.1	30.5	32.7*	+11.9%	+4.3%
Total Revenue (₹ Cr)	183.1	160.5	183.3	+14.0%	-0.1%
EBITDA (₹ Cr)	163.5	145.5	167.3	+12.4%	-2.3%

PAT (Net Profit) (₹ Cr)	119.1	107.3	123.3	+11.0%	-3.4%
EPS (₹)	1.34	1.21	1.39	+10.7%	-3.6%

*Derived from total 9M volume of 101.7 BUs.

Segmental Revenue Share (Standalone)

Segment	Q3FY26 Share %	Q3FY25 Share %	Trend
Transaction Fees	76%	79%	Marginal Decline
Admission & Annual Fees	3%	3%	Stable
Other Income	21%	18%	Improving

Section 2: Sector KPIs & Concall Insights

As a specialized exchange, IEX's performance is driven by **liquidity** and **regulatory clarity**:

- **Market Share:** IEX maintains a dominant **83% market share** in the overall electricity segment and nearly **50%** in Renewable Energy Certificates (REC).
- **Sell-Side Liquidity:** A massive **44% YoY increase** in sell bids for the Day-Ahead Market (DAM) led to lower clearing prices, incentivizing Discoms to optimize costs.
- **EBITDA Margin:** Remains exceptionally high at approximately **89.3%**, showcasing the scalability of the technology platform.

Critical Concall Insights

- **Market Coupling Verdict:** Management expects a final order from APTEL within a month regarding the appeal against DAM coupling.

- **New Product Pipelines:** Petitions are pending with CERC for **Green RTM** and extending **Term Ahead Market (TAM)** contracts up to 11 months.
- **Gas & Carbon Expansion:** The Indian Gas Exchange (IGX) saw **46% YoY volume growth** in 9MFY26. IEX has also initiated the process for an **IGX IPO** to dilute its stake to the regulatory 25%.

Section 3: Profitability & Valuation Suite

Metric	Current Value (Q3FY26)	Long-Term Average / Notes
ROE / ROCE	~38% - 40%	Consistently high due to asset-light model.
Operating Margin	89.3%	Industry-leading technology efficiency.
Debt-to-Equity	Zero	Cash & equivalents stand at ₹1,500 Cr.
Dividend Yield	Interim Div: ₹1.50	Yields ~1.2% at CMP 124.

Section 4: Performance Trends (H1 vs. 9M)

- **Revenue Trend:** Revenue growth has accelerated slightly from **12% in H1** to **14% in Q3**.
- **Profitability:** While PAT growth for Q3 was **11%**, the 9-month PAT growth stands at a robust **16.4%**, indicating a very strong first half of the year.
- **Volume Drivers:** The Real-Time Market (RTM) continues to be the primary growth engine, surging **38.6%** in 9MFY26 as it helps integrate renewable energy into the grid.

Conclusion: Wealth-Building Strategy

IEX remains a "toll-gate" play on India's energy consumption, which is projected to reach **2,300 BU by FY30**. The company's pivot toward Gas and Carbon exchanges provides long-term diversification beyond traditional electricity.

In our **Wealth-Building Strategy**, this falls under **Step 4: Valuation Analysis**. While the business model is robust, regulatory overhangs regarding "Market Coupling" remain the key risk to monitor.

FairValue:

https://docs.google.com/spreadsheets/d/e/2PACX-1vS6BLRJ_rv5MlItvB9mbCOX8t6G8-E09tDgBWu9S8_XPO_nJ9gFMjWYmFXMmUGO9JZj6W5JUCICsmcB/pubhtml?gid=525668786&single=true

Disclosure: Profit Finstock Pvt Ltd is a SEBI Registered Investment Advisor (INA000020651). This report is for educational purposes and does not constitute a direct buy/sell recommendation.

Dixon Technologies Q3 FY26 Analysis: Transitioning to a Design-Led Component Giant

Dixon Technologies (India) Limited has reported a strong set of results for the quarter ended December 31, 2025. As a leading home-grown EMS (Electronics Manufacturing Services) player, the company is successfully pivoting from simple assembly to an integrated Design-led Component Manufacturing partner.

Section 1: The Financial Growth Snapshot

The following table highlights the growth trajectory on a Reported basis, showcasing the significant jump in bottom-line performance.

Metrics	Q3 FY26 (Current)	Q3 FY25 (YoY)	YoY Growth %
Total Revenue (Crs)	₹10,803	₹10,461	3% ↑

EBITDA (Crs)	₹546	₹398	37% ↑
PBT (Crs)	₹412	₹286	44% ↑
Net Profit (PAT) (Crs)	₹321	₹216	48% ↑
EPS (Basic) (₹)	₹53.06	₹36.12	47% ↑

Segmental Performance & Revenue Share

Segment	Revenue (Q3 FY26)	Operating Profit	Revenue Share %
Mobile & EMS	₹9,750 Cr	₹350 Cr	92%
Consumer Electronics	₹567 Cr	₹24 Cr	5%
Home Appliances	₹355 Cr	₹41 Cr	3%

Section 2: "Beat/Miss" Analysis & Critical Concall Insights

Performance vs. Estimates:

- **Net Profit Beat:** The Reported PAT of ₹321 Crores is a massive 48% YoY jump, primarily bolstered by a ₹125 Crore fair value gain on Dixon's stake in Aditya Infotech Ltd.
- **Margin Expansion:** EBITDA margins improved significantly to 5.1% (+130 bps YoY) on a reported basis.
- **Volume Resilience:** Smartphone volumes for Q3 stood at 6.9 million units, contributing to a total of 27 million units for 9M FY26.

Top 3 Concall Insights:

1. **Memory Price "Super Cycle":** Global DRAM prices have risen sharply due to AI and data center demand. This is squeezing supply for smartphones and impacting affordability in the mass-market segment.
2. **Component Strategy:** Dixon is moving up the value chain. They are now an ECMS beneficiary for camera modules and optical transceivers. The Q Tech JV targets expanding camera module volumes to 190–200 million units per annum.
3. **Vivo JV & PN3 Approval:** Management is "fairly close" and highly confident in receiving the PN3 approval for the Vivo JV shortly.

Section 3: Profitability & Valuation Suite

Profitability Metrics:

- **ROE: 32.0%** (Maintaining fundamental stability).
- **ROCE: 45.1%** (Reflecting robust returns on capital).
- **Net Working Capital:** Superior efficiency at negative 7 days.

Valuation & Debt:

- **Debt-to-Equity:** Gross Debt/Equity is a low 0.2x.
- **Net Debt:** ₹246 Crores.
- **Capex:** 9M FY26 outgo was ₹720 Crores, with a full-year target of ₹1,100–1,200 Crores.

Section 4: Trend Analysis – Improving Efficiency

Dixon's strategic shift is visible in its operational trends:

- **Washing Machines:** Transitioning to full ODM capabilities, with a new facility for front-loading machines starting production in Q2 FY27.
- **IT Hardware:** Revenue for this segment is projected to grow from ₹1,500 Cr this year to ₹3,500–4,000 Cr in the next fiscal, driven by strong order books for laptops and tablets.
- **Lighting Consolidation:** The JV with Signify (Philips) is gaining market share as sub-scale players struggle with compliance and technology costs.

Conclusion: Wealth-Building Strategy

The 48% YoY jump in reported profit confirms Dixon's ability to scale, while the "Design-led" component pivot secures its future margins. In our Step 4: Valuation framework, we assess whether this growth is priced in or if the company remains a value-add for long-term wealth building.

The detailed Fair Value analysis and "Step 4" entry levels are available at:
https://docs.google.com/spreadsheets/d/e/2PACX-1vQpVV63Uy0-GYUEMgNcCnOxs8fS9Q_p4SAdAJz8_G0NAmQUKUEq2vR-HJDC2r2sIRCNRHtfEeQ4ci32/pubhtml?gid=1894880893&single=true

Disclosure: *I am an investor and mentor in stock market strategies. This analysis is based on official Q3 FY26 filings and is for educational purposes only. It is not a direct buy/sell recommendation.*

Maruti Suzuki Q3 FY'26 Results: A Deep Dive into "The GST Bounce Back"

CMP: ₹15,391 | Market Cap: ₹4,84,337 Cr | Sector: Automobile

Maruti Suzuki has delivered a landmark performance in Q3 FY'26, characterized by a sharp volume recovery following historic GST reforms and the successful amalgamation of Suzuki Motor Gujarat (SMG). As India's largest carmaker, the company is now scaling capacity to meet a robust order book of **175,000 vehicles**.

1. The Financial Growth Table (Standalone Restated)

All figures in INR Million except Volume and EPS

Metrics	Q3 FY'26 (Current)	Q3 FY'25 (YoY)	YoY Growth %	Q2 FY'26 (QoQ)	QoQ Growth %
Sales Volume (Units)	667,769	566,213	+17.9%	550,874	+21.2%

Net Sales	475,344	368,020	+29.2%	401,358	+18.4%
Op. EBITDA	55,717	50,646	+10.0%	50,848	+9.6%
PAT (Net Profit)	37,940	36,593	+3.7%	33,028	+14.9%
EPS (Basic INR)	120.67	116.39	+3.7%	105.05	+14.9%

Segmental Domestic Sales Performance (9M FY'26)

Segment	Unit Sales	YoY Growth %	% Share of Domestic
Mini + Compact	673,233	+5.5%	46.9%
Utility Vehicles (SUV)	541,266	+2.3%	37.7%
Vans	104,902	+2.3%	7.3%
LCV	28,465	+12.5%	2.0%

2. Sector-Specific KPIs & Manufacturing Insights

- **EBITDA Margins:** Stood at **11.7%** in Q3 FY'26. Note that margins were impacted by a one-time provision of **₹5,939 million** for New Labour Codes; adjusting for this, margins would have been approximately **125 bps higher** (~13.0%).
- **Volume Growth:** Total sales grew **17.9% YoY**, led primarily by the small car segment benefiting from the 18% GST bracket.

- **Capacity Expansion:** To address supply constraints, the second plant at **Kharkhoda** and the 4th line in **Gujarat** are scheduled for commissioning by **April 2026**, each adding 250,000 units annually.

3. Profitability & Valuation Suite

Profitability Ratios

- **ROE (TTM):** ~15.9%.
- **ROCE:** ~21.7%.
- **Operating Margin (EBIT):** 8.1% (Sequential decline from 8.4% in Q2 due to commodity headwinds).

Valuation Matrix (as of Feb 12, 2026)

- **Current P/E:** 32.4x.
- **5-Year Average P/E:** 44.3x (Currently trading at a ~27% discount to its 5-year mean).
- **Price to Book (P/B):** 4.9x.
- **Debt-to-Equity:** 0.00 (Virtually Debt-Free).

4. Beat/Miss Analysis & Concall Criticals

The Verdict: Volume Beat, Margin Miss. While revenue surged on GST-led demand, net profit growth was muted by one-off labor costs and rising commodity prices (PGM, Aluminum).

Critical Concall Insights:

1. **Inventory Health:** Network inventory is at an all-time low of **3–4 days**, indicating that demand is significantly outstripping current supply.
2. **The "Helmet" Indicator:** Management noted a **7% increase in first-time buyers**, anecdotally observing many 2-wheeler owners upgrading to cars following tax cuts.
3. **EV Strategy:** Export of the **e VITARA** has commenced to 29 countries; domestic launch is "very soon," supported by a goal of 100,000 charging points by 2030.

5. Future Growth Outlook (FY26-27)

- **Trend Analysis:** Revenue growth has accelerated from 10.5% in H1 FY26 to **29.2% in Q3**, showing a clear upward trajectory.
- **Operating Leverage:** With capacity utilization reaching peaks and new plants coming online in early FY27, operating leverage is expected to provide a **190 bps tailwind** to margins as one-off costs recede.

- **Peer Comparison:** Maruti (P/E 32.4x) remains competitively priced against **M&M (31.2x)** and **Hyundai India (33.3x)**, especially given its dominant **46% share in PV exports**.

Conclusion: The Wealth-Building Perspective

Maruti Suzuki is currently in a "Capacity Catch-up" phase. The combination of a massive order backlog, GST-led demand structural shifts, and a debt-free balance sheet makes it a core contender for long-term wealth building. Following our **Step 4: Valuation Strategy**, we focus on intrinsic value vs. current market sentiment.

Fairvalue:

https://docs.google.com/spreadsheets/d/e/2PACX-1vQFEKf15LcXaacY6V8IoNAjlljhJVWQ4rDC4bVE3pdKoB7SNUV27txAINZL_cRrA/pubhtml?gid=336847664&single=true

Disclosure: *This analysis is for educational purposes only and does not constitute a direct buy/sell recommendation.*

BKT Q3FY26 Results: Resilient Volume Rebound Amid Global Headwinds

Balkrishna Industries Ltd. (BKT), a global leader in the Off-Highway Tire (OHT) segment, showcased a notable sequential recovery in Q3FY26. While year-on-year profitability remains under pressure due to geopolitical shifts and U.S. tariff challenges, the company's 15% quarter-on-quarter volume growth signals a regain in momentum.

Section 1: Financial Growth & Segmental Analysis

The following table summarizes BKT's standalone performance for the quarter ended December 31, 2025:

Metric	Q3FY26 (Current)	Q3FY25 (YoY)	Q2FY26 (QoQ)	YoY Growth %	QoQ Growth %

Sales Volume (MT)	80,620	76,343	70,268	+5.6%	+14.7%
Revenue (Rs. Cr)	2,682	2,571	2,389	+4.3%	+12.3%
EBITDA (Rs. Cr)	605	634	480	-4.6%	+26.0%
Net Profit (PAT) (Rs. Cr)	375	439	265	-14.6%	+41.5%
EPS (Rs.)	19.40	22.73	13.68	-14.6%	+41.8%

Segmental Revenue Contribution (9MFY26):

- **Agriculture:** 58.2%
- **OTR (Off-The-Road):** 38.1%
- **Others:** 3.7%

Section 2: Manufacturing KPIs & Critical Insights

Key Performance Indicators (Standalone)

- **EBITDA Margin:** 22.5% (Down 220 bps YoY).
- **Capacity Utilization:** BKT is scaling toward a total achievable capacity of **425,000 MTPA** following current debottlenecking.
- **Inventory:** Channel stocking in Europe and the US has largely leveled out, supporting recent volume gains.

Critical Concall Insights

- **U.S. Tariff Strategy:** BKT is regaining momentum in the U.S. by sharing the tariff impact with channel partners, though a significant portion is still borne by distributors.

- **India Outperformance:** The domestic market continues to outperform, fueled by GST reductions and strong monsoon-driven demand.
- **New Verticals:** The pilot for **Commercial Vehicle (CV) Radial tires** is set to launch in Q4FY26, with **Passenger Car Radial (PCR)** tires following in Q3FY27.

Section 3: Profitability, Valuation & Peer Suite

Metric	Current Value	Benchmark / Average
Operating Margin	16.12%	Industry Average: ~17%
Debt-to-Equity	0.34x	Target: < 0.5x
ROE (FY25)	15.7%	Healthy Range: 15-18%
Valuation (PE)	~32x (at CMP 2718)	5-Year Median: ~28x

- **Valuation Note:** While margins are currently below historical peaks of 25%, the company expects blended margins to stabilize between **23-25%** post-full commercialization of new projects.

Section 4: Performance Trend Analysis

Reflecting on the 9MFY26 period, BKT's trajectory shows signs of a "U-shaped" recovery:

- **Revenue Growth:** Flattened at 0% for the 9-month period.
- **Profit Margin:** 11.9% for 9MFY26.
- **Profit Growth:** Declined by 27% for 9MFY26 compared to 9MFY25.
- **Trend:** The sequential (QoQ) jump in PAT of **41.5%** suggests the worst of the global destocking and logistical disruptions may be behind the company.

Conclusion: Wealth-Building Strategy

BKT remains a high-quality "moat" business with a 2.2x revenue growth target by 2030. While short-term earnings are suppressed by localized tariffs and forex volatility, the long-term roadmap focuses on reaching an **8% global OHT market share**.

Would you like me to calculate the Fair Value based on the updated FY26-27 EPS projections?

Here they are:

https://docs.google.com/spreadsheets/d/e/2PACX-1vRQieiRT9f2mHWt0biGCSWI1OO5E0jEavRvIFFB_8UEXaNBubly3fM-o5zRI-9Kw/pubhtml?gid=489159456&single=true

Disclosure: *This is not a direct buy/sell recommendation.*

Bharat Electronics Ltd (BEL): A High-Octane Q3 Performance Analysis

Bharat Electronics Limited (BEL) has once again demonstrated its dominance in the defense electronics sector with a stellar performance in Q3 FY 2025-26. As a Navratna PSU, BEL remains a cornerstone for investors seeking exposure to India's "Atmanirbhar Bharat" narrative.

1. Financial Performance: The "Growth" Engine

BEL reported a robust set of numbers, characterized by top-line growth and impressive margin expansion.

Metric (Standalone)	Q3 FY26 (₹ Cr)	Q3 FY25 (₹ Cr)	Growth (%)
Revenue from Operations	7,121.98	5,756.12	23.7%

EBITDA	~2,117.0	~1,654.0	28.0%
Profit After Tax (PAT)	1,590.06	1,316.06	20.8%
EBITDA Margin	29.7%	28.7%	+100 bps

Key Takeaways:

- **Operating Leverage:** The 29.7% EBITDA margin outperformed the long-term annual guidance of 27%, driven by a favorable product mix.
- **Provision Reversals:** Management noted a provision write-back of **₹256 crore** in Q3, which significantly supported the bottom line.
- **Cost Efficiency:** While other expenses reached ₹1,280 Cr (9M), the increase was primarily due to provisions for doubtful debts (₹709 Cr), showing tight control over actual operational overheads.

2. Market Valuation & Technicals (As of Feb 9, 2026)

With the stock currently trading at a **Last Traded Price (LTP) of ₹439**, BEL is reflecting strong investor confidence following its earnings beat and new order announcements.

- **Current LTP:** ₹439.00
- **52-Week High / Low:** ₹461.65 / ₹240.25
- **Market Cap:** ~₹3,21,000 Crore
- **Valuation (PE TTM):** ~53x–54x
- **Dividend Yield:** 0.56%

Technical Insight: The stock is trading within **5% of its 52-week high**, indicating a strong bullish momentum. After the Q3 update, the shares gained 2% to touch a day's high of ₹439.40, supported by news of ₹581 crore in fresh orders. For long-term investors, the high PE is backed by a 23.8% 5-year profit CAGR and an almost debt-free balance sheet.

3. Order Book: The Visibility Factor

Visibility remains the biggest strength for BEL, with a book-to-bill ratio that ensures multi-year revenue growth.

- **Order Book Position (as of Jan 28, 2026):** ₹73,450 Crore.
- **New Orders Acquired (FYTD Jan 28):** ₹19,300 Crore.
- **Post-Q3 Momentum:** Since the last major disclosure, BEL has secured an additional **₹1,191 Crore** in orders (₹610 Cr on Jan 23 and ₹581 Cr on Feb 06), primarily in communication equipment and radar warning receivers.

The "Mega" Pipeline:

1. **QRSAM:** A massive ₹30,000–₹32,000 Cr order is expected in Q4 FY26.
2. **Next-Gen Corvettes (NGC):** Total opportunity of ₹12,000 Cr+, with H1 FY27 being the likely timeline for major booking.
3. **LCA (Light Combat Aircraft):** An imminent order of ₹2,400 Cr+ from HAL.

4. Strategic Shifts: Diversification & R&D

BEL is successfully pivoting to reduce reliance on cyclical defense budgets.

- **Non-Defense Target:** Aiming for **15% revenue share** (currently ~7%). Key pillars include **KAVACH** (Railways), **Air Traffic Management (AAI)**, and secure **Data Centers**.
- **R&D Muscle:** FY26 R&D investment is set to cross **₹1,700 Cr**. With **3,200+ engineers**, BEL is now designing its own specialized semiconductor chips to mitigate global supply chain risks.
- **Indigenization:** Major programs like **Kusha** (Indigenous S-400 equivalent) are being developed as 100% indigenous platforms, which will protect margins against exchange rate volatility.

5. Management Guidance: The Road Ahead

Management has kept a steady hand on guidance:

- **Revenue Growth:** 15% YoY.
- **EBITDA Margins:** ~27% (conservative floor).
- **Order Inflow:** ₹27,000 Cr+ (base case, excluding mega-projects).

6. Analyst's Perspective (Investor Checklist)

1. **Zero Debt & Cash Rich:** Over **₹7,000 Cr** in cash and bank balances.
2. **Moat:** Deep integration with DRDO makes BEL the default "System Integrator" for India's most complex weapon systems.
3. **Efficiency:** Maintaining an ROE of ~29% and ROCE of ~38% is exceptional for a large-cap PSU.

Risks to Watch:

- **Receivables:** High provisions for doubtful debts suggest a slightly stretched collection cycle from government clients.
- **Execution Timelines:** Large orders like QRSAM have long gestation periods; any delay in AoN (Acceptance of Necessity) could impact short-term order inflow targets.

Conclusion:

At ₹439, BEL is priced for growth, not just safety. Its transition from a component supplier to a "System of Systems" integrator, combined with a aggressive R&D and non-defense

diversification, makes it a premier wealth-building stock in the Indian Aerospace & Defense sector.

Fair Value:

https://docs.google.com/spreadsheets/d/e/2PACX-1vQnnzD1FwulYQ7XKiShXw_FurJLgvqo-o0d7FK46x-05mXijZD-ISkCmpXKcoJU6Q/pubhtml?gid=1488823234&single=true

Disclaimer: This analysis is for educational purposes and does not constitute financial advice. Investors should consult with a certified financial advisor before making investment decisions.

Tata Consumer Q3FY26: Strong Volume Growth and Margin Expansion Steer Performance

Tata Consumer Products Limited (TCPL) is a focused consumer products company uniting the principal food and beverage interests of the Tata Group under one umbrella. With a portfolio ranging from tea and coffee to salt and pantry staples, the company continues to pivot from a traditional beverage player to a diversified FMCG powerhouse.

1. Financial Growth Table (Q3FY26)

Metrics	Q3FY26 (Current)	Q3FY25 (YoY)	Q2FY26 (QoQ)	YoY Growth %	QoQ Growth %
Volume Growth (India Branded)	15%	2%	10%	+1300 bps	+500 bps
Revenue from Operations	₹5,112 Cr	₹4,444 Cr	₹4,850 Cr	+15.0%	+5.4%

EBITDA (Operating Profit)	₹728 Cr	₹578 Cr	₹685 Cr	+25.9%	+6.3%
PAT (Group Net Profit)	₹385 Cr	₹283 Cr	₹350 Cr	+36.0%	+10.0%
EPS (Earnings Per Share)	₹3.89	₹3.04	₹3.54	+28.0%	+9.9%

Segmental Revenue & Performance

Segment	Revenue (₹ Cr)	YoY Growth	Revenue Share %	Key Drivers
India Beverages	₹1,550 Cr	+12%	30.3%	India Tea volume growth of 11%
India Foods	₹1,215 Cr	+14%	23.8%	Salt volume growth of 13%
International Business	₹1,120 Cr	+11% (CC)	21.9%	Pricing in UK/US coffee segments
Non-Branded (Coffee/Tea)	₹410 Cr	+20% (CC)	8.0%	Strong B2B coffee demand
Growth Businesses	₹817 Cr	+29%	16.0%	Sampann, RTD (NourishCo), Soulfull

2. Sector-Specific KPIs & Concall Highlights

FMCG Performance Metrics:

- **EBITDA Margins:** 14.2% (Up 120 bps YoY) driven by normalization in tea costs.
- **Capacity Utilization:** Enhanced throughput in the salt segment to support 13% volume growth.
- **Reach:** Total reach expanded to 4.2 million outlets; direct reach at 1.7 million.

Beat/Miss vs. Estimates:

- **Beat:** Revenue and PAT slightly ahead of street estimates due to high double-digit volume growth in India (15%).
- **Margins:** India Tea margins are back to normative levels as high-cost inventory was liquidated.

Critical Concall Insights:

1. **Coffee Cost Pressure:** While Tea margins normalized, Coffee input costs remain elevated. One more price increase was taken in the US in January to offset this.
2. **Rural vs. Urban:** Management noted a steady recovery in rural demand, which significantly contributed to the India Tea volume surge.
3. **Modern Trade & E-commerce:** These channels now contribute ~18% of total India business, growing at a faster clip than traditional trade.

3. Profitability, Valuation & Peer Comparison

Profitability Suite:

- **ROE (Return on Equity):** ~9.5% (Tailing Twelve Months).
- **Operating Margin:** 14.2% (Improving trajectory).
- **Debt-to-Equity:** 0.35x (Healthy balance sheet after recent acquisitions).

Valuation (CMP: ₹1159):

- **Current PE:** ~72x (Reflecting growth premium).
- **5-Year Average PE:** ~65x.
- **Price to Book (P/B):** ~7.1x.

Future Outlook (FY26-27):

- The company is targeting mid-to-high single-digit volume growth and double-digit revenue growth.
- **Peer Comparison:** While HUL and Britannia face slower volume growth (~2-4%), TCPL's 15% India volume growth places it as a top performer in the FMCG pack.

4. Historical Trends: Sales, Profit & Margins

Financial Year	Sales Growth %	Profit Growth %	Operating Margin %
FY23	11%	18%	13.1%
FY24	10%	12%	13.8%
FY25	16%	6%	12.1%
Q3 FY26	15%	36%	14.2%

Trend Analysis: The FY25 data shows a sharp divergence where sales grew 16% (aided by acquisitions), but profits grew only 6% due to unprecedented tea cost inflation. However, Q3 FY26 marks a structural recovery, with profit growth (36%) now vastly outpacing sales growth (15%) as margins normalize.

Conclusion

Tata Consumer's Q3 results demonstrate excellent execution in a challenging macro environment. The shift from "Volume Recovery" to "Volume Leadership" is evident. Investors should monitor coffee price movements and the pace of rural recovery in the upcoming quarters.

Wealth-Building Strategy: As per Step 4 (Valuation), tracking the intrinsic value is vital for long-term compounding. The Fair Value and detailed intrinsic analysis are available at <https://docs.google.com/spreadsheets/d/e/2PACX-1vSwhfMUt2lrX-SNPbO6Zeen3D9d8Wdb0HvxSBeVVnS0nZiXhTTMZogRbc-iUH4Cyg/pubhtml?gid=287288079&single=true>

Disclosure: I am a SEBI Registered Investment Advisor (or Disclosure as applicable). This report is for educational purposes only and does not constitute a direct buy or sell recommendation. Standard market risks apply.

Asian Paints Q3FY26: Resilience Amidst Competitive Intensity

Asian Paints has demonstrated strong execution in its core decorative business while seeing a significant growth uptick in its industrial segments. Despite a compressed festive season and intensified competition, the company's internal initiatives—ranging from regionalization to brand-building—have helped sustain momentum.

1. The Financial Growth Table (Consolidated)

Metrics	Q3 FY26 (Current)	Q3 FY25 (YoY)	Q2 FY26 (QoQ)	YoY Growth %	QoQ Growth %
Volume Growth (Decorative)	7.9%	1.6%	10.9%	+630 bps	-300 bps
Net Revenue (₹ Cr)	8,850	8,522	8,514	3.9%	3.9%
Operating Profit (PBDIT)	1,781	1,637	1,353	8.8%	31.6%
Profit After Tax (PAT)	1,060	1,110	994	-4.6%	6.6%
EPS (Basic - ₹)	11.06	11.58	10.37	-4.5%	6.7%

Note: Q3FY26 PAT and EPS were impacted by exceptional items totaling ₹157.6 Cr.

+1

Segmental Revenue Growth & Market Share

Business Segment	Revenue (₹ Cr)	YoY Growth %	Share of Total (%)
India Decorative Business	7,602	2.9%	86.0%
Industrial (PPG-AP)	713	16.9%	8.0%
Industrial (AP-PPG)	335	16.5%	4.0%
Home Décor (Kitchen & Bath)	189	-1.1%	2.0%
International Business	870	6.3%	(Excl. from Standalone)

2. Sector-Specific KPIs (Manufacturing/FMCG)

- **EBITDA (PBDIT) Margins:** Improved to **20.1%** (Consolidated), up 90 bps YoY, driven by material deflation and sourcing efficiencies.
- **Volume Growth:** India Decorative business delivered a robust **7.9%** volume growth.
- **Innovation Quotient:** New products contributed to approximately **16%** of overall revenues this quarter.

3. Profitability & Valuation Suite

- **Profitability:**
 - **Operating Margins:** 21.4% (Standalone), reflecting strong pricing power and cost optimization.
 - **Gross Margin:** Multi-quarter high of **44.9%**.
- **Valuation (at CMP 2390):**
 - **PE Ratio:** Currently trading at ~62.5x TTM earnings, at the lower end of its historical 10-year average.
 - **Debt-to-Equity:** Maintains a near-zero debt profile with a strong cash surplus.

4. Analytical Deep Dive & Concall Insights

- **Verdict:** Volume and Margins were a **Beat**, while reported PAT was a **Miss** due to one-time exceptional charges of ₹157.6 Cr for Labour Code adjustments and White Teak impairment.
- **Concall Insight 1:** Rural growth outperformed urban growth for the first time in several quarters, supported by a healthy monsoon.
- **Concall Insight 2:** Management is building a "war chest" through structural cost models rather than immediate price wars with new entrants.
- **Concall Insight 3:** Industrial segments (Automotive and Protective coatings) are "galloping," providing a strategic hedge against decorative retail volatility.

5. Future Outlook (FY26-27 Projections)

With an H1FY26 revenue growth of 2.9% and an EBITDA margin of 14.3% trending toward **20.1%** in Q3, the operational trajectory is clearly **improving**.

- **Strategy:** Scaling the "Space Décor" model (Beautiful Homes network now at 74 stores) to move beyond just selling paint.

Conclusion

Asian Paints remains a cornerstone for wealth-building through compounding. This aligns with **Step 4: Valuation** of our '**5 Steps Towards Wealth**' strategy. While the stock is undergoing time correction, operational fundamentals remain superior.

Fair Value Disclosure: Detailed valuation analysis is available at

<https://docs.google.com/spreadsheets/d/e/2PACX-1vR4ydBibSvneybqmPnDIWGLJQ6BkBfWgUrCdT3FSrHPjlnC1x18Gu0HmhmfvNhThZVAduWFWWE9Wp2Do/pubhtml?gid=1682445935&single=true>

Disclosure: I am an Investment Advisor (SEBI Reg: INA000020651). This report is for educational purposes and should not be construed as a direct buy/sell recommendation.

UltraTech Cement Q3FY26 Results: A Masterclass in Operational Efficiency

UltraTech Cement, the cornerstone of the Aditya Birla Group, has once again demonstrated why it is India's leading cement manufacturer. Amidst a landscape of fluctuating input costs and massive capacity expansion, the company has delivered a robust set of numbers that highlight strong domestic demand and a relentless focus on cost optimization.

Section 1: Financial Growth & Segmental Performance

The following table summarizes the performance for **Q3FY26** compared to the previous year and the preceding quarter.

Key Financial Metrics (Consolidated)

Metric	Q3FY26 (Current)	Q3FY25 (YoY)	QoQ Growth %	YoY Growth %
Sales Volume (Mnt)	38.87	33.80*	+15.0%	+15.0%
Revenue from Operations	₹21,830 Cr	₹17,779 Cr	+11.3%	+22.8%
Operating Profit (EBITDA)	₹4,051 Cr	₹3,142 Cr	+24.0%	+29.0%
Net Profit (PAT)	₹1,725 Cr	₹1,359 Cr	+40.1%	+26.9%
EPS (Basic - ₹)	58.66	46.21	+40.1%	+26.9%

*Q3FY25 volumes restated for comparative purposes.

Segmental Revenue Share (Q3FY26)

Segment	Revenue (₹ Cr)	YoY Growth %	Share of Total %
Grey Cement (Domestic)	₹17,229	+18.4%	80.1%
Ready Mix Concrete (RMC)	₹1,848	+25.8%	8.6%
White Cement (Domestic)	₹677	+5.6%	3.1%
Construction Chemicals	₹311	+34.6%	1.4%
Overseas & Others	₹1,441	+27.6%	6.8%

Section 2: Sector-Specific KPIs & Concall Insights

Manufacturing & Sector Performance

- **Capacity Utilization:** Stood at **77%** for the quarter. Management expects this to soar above **90%** in Q4FY26.
- **Operating EBITDA/Mt:** Improved to **₹1,051/Mt**, up ₹140/Mt YoY.
- **Green Power Mix:** Significantly increased to **42.1%**.

Critical Concall Insights

- **"South is the New North":** Management highlighted that Southern India is seeing massive institutional demand from projects like Amaravati, data centers, and IT hubs.
- **Acquisition Integration:** Brand conversion for **Kesoram** reached **69%** and **India Cements** reached **58%** as of December 2025.
- **New Ventures:** The "Cable and Wires" project is on schedule for launch in Q3FY27.

Section 3: Profitability, Valuation & Peer Trends

Profitability Metrics (Consolidated)

- **Operating Margin:** Stood at **18%**.
- **Net Profit Margin:** Maintained at **8%**.
- **Debt-to-Equity:** Improved to **0.30x**.

Valuation Suite

- **CMP:** ₹12,752
- **Price to Book (P/B):** ~4.8x (Based on Net Worth of ₹77,721 Cr).
- **Leverage:** Net Debt/EBITDA is currently **1.08x**, with a target to reach **0.8x - 0.9x** by fiscal year-end.

Section 4: Performance Trends & Future Outlook

UltraTech is maintaining an upward trajectory across all major parameters. Following an H1FY26 revenue growth of **16.4%**, the Q3 results show an acceleration to **22.5%** consolidated revenue growth.

- **FY26-27 Projection:** The company is on track to reach a total capacity of **198-199 mtpa** by the end of FY26, with an ultimate target of **235 mtpa by FY28**.
- **Efficiency Gains:** Management is targeting a clinker conversion ratio of **1.54** (currently 1.49) and a green energy share of **60% by FY27**.

Conclusion

UltraTech's Q3FY26 performance confirms its status as a high-efficiency growth engine. By funding massive expansions through internal accruals while improving margins, the company is perfectly positioned for India's infrastructure "super-cycle".

Wealth-Building Strategy Note: Successful long-term investing requires comparing current market prices against intrinsic value. To see if the current CMP offers a margin of safety, you can access the full **Fair Value Analysis** at https://docs.google.com/spreadsheets/d/e/2PACX-1vSPSat-oOKfiY_f-cXZDjZ_0fVmN6zruakkLEDY6cLoQjHmuo0HNp1SPvC5SeniQ/pubhtml?gid=309880343&single=true

Disclosure: I am a SEBI-registered Investment Advisor. This analysis is for educational purposes based on public filings and does not constitute a direct buy or sell recommendation. Please consult your financial advisor before making any investment decisions.

IndiGo Q3FY26 Results Analysis: Navigating Turbulence with Resilient Fundamentals

InterGlobe Aviation Limited (IndiGo) remains India’s dominant low-cost carrier, recently navigating a quarter marked by record passenger volumes alongside significant operational and regulatory headwinds. While total income continues to climb, bottom-line profitability was impacted by one-off exceptional items and currency fluctuations.

1. Data-Driven Growth Table: Q3FY26 Performance

Metrics (INR million)	Q3FY26 (Current)	Q3FY25 (YoY)	Q2FY26 (QoQ)	YoY Growth %	QoQ Growth %
Total Income	245,406	229,928	195,995	+6.7%	+25.2%
Revenue from Ops	234,719	221,107	185,553	+6.2%	+26.5%
EBITDAR	60,084	60,587	-	(-0.8%)	-

PBT	5,622	25,271	(24,817)	(-77.8%)	Turnaround
PAT (Net Profit)	5,491	24,488	(25,821)	(-77.6%)	Turnaround
EPS (INR)	14.22	63.38	(66.79)	(-77.6%)	Turnaround

Aviation Sector-Specific KPIs

Metric	Q3FY26	Q3FY25	Growth/Change
ASK (Capacity bn)	45.4	40.8	+11.2%
RPK (Demand bn)	38.4	35.5	+8.2%
Load Factor %	84.6%	86.9%	(-2.4 pts)
Yield (INR/km)	5.33	5.43	(-1.8%)
Fuel CASK (INR)	1.53	1.57	(-2.8%)

2. Beat/Miss Analysis & Critical Concall Insights

- Topline Beat, Bottom-line Miss:** Total revenue grew 6.7% YoY, exceeding 245 billion rupees. However, reported PAT plummeted 77.6% primarily due to **INR 15,465 million in exceptional items** related to new labor codes and operational disruptions.

- **Operational Resilience:** Despite the cancellation of over 2,500 flights in early December, IndiGo served 124 million customers in the calendar year 2025 (a 9% increase YoY).
 - **Strategic Fleet Evolution:** The company inducted its first **Airbus A321 XLR**, enabling 7-8 hour long-haul flights with dual-class cabins, signaling a move toward premium international segments.
 - **Cost Headwinds:** CASK ex-fuel ex-forex increased by 2.2% to INR 2.96. Management cited rupee depreciation and capacity moderation as key drivers for rising unit costs.
-

3. Profitability & Valuation Suite

Profitability Metrics

- **EBITDAR Margin:** 25.6%. While healthy, this is a compression from 27.4% in Q3FY25.
- **Adjusted PAT:** Excluding exceptional items and forex impact, the "underlying" profit was **INR 31,306 million**.
- **Cash Position:** Strong liquidity remains a moat, with a total cash balance of **INR 516,069 million**.

Valuation Parameters (at CMP 4915)

- **Debt-to-Equity:** Total debt stands at INR 768,583 million, largely driven by capitalized operating lease liabilities.
 - **Asset Strategy:** Management is shifting toward owning assets, with 28 owned aircraft at quarter-end to mitigate forex exposure and strengthen the balance sheet.
-

4. Performance Trends: Is the Recovery Sustainable?

Considering the H1FY26 revenue growth of 7% and the recent Q3 turnaround from a loss-making Q2, we see a **V-shaped recovery** in operational stability.

- **Revenue Trend:** Improving. Q3 revenue of INR 245.4 billion is a significant jump from Q2's INR 195.9 billion.
 - **Profit Trend:** Mixed. While the *reported* profit growth is down 78% YoY, the *adjusted* underlying profit remains robust.
 - **Margin Outlook:** Management expects a mid-single-digit percentage increase in unit costs (CASK ex-fuel) for FY26 due to regulatory shifts (FDTL) and currency pressure.
-

Conclusion & Wealth-Building Perspective

IndiGo is currently in an "invest-to-grow" phase, expanding its international footprint and premium offerings like 'Stretch'. While the current quarter's profit was masked by one-off provisions, the underlying "Cash Engine" remains powerful. For long-term investors, the focus should be on **Step 4: Valuation**—analyzing if the current market price reflects the long-term potential of its upcoming 900+ aircraft order book.

The detailed Fair Value for INDIGO is available at:

https://docs.google.com/spreadsheets/d/e/2PACX-1vQnnMPPrFv_rMI3oum6i0vdIDprwF9_e1-GNTwav2jLv5jCchU4vn_M-r74xWQey-g/pubhtml?gid=1870668169&single=true

Disclosure: We are SEBI Registered Investment Advisor. This report is for educational purposes only and does not constitute a direct buy/sell recommendation. Investing in the stock market involves risks;

Eternal Limited Q3FY26 Results: Quick Commerce Turns Profitable!

Eternal Limited (formerly Zomato Limited) has delivered a landmark performance for **Q3FY26**, marked by its quick commerce arm, **Blinkit**, and its B2B supplies business, **Hyperpure**, reaching Adjusted EBITDA breakeven for the first time. This quarter represents a significant shift as the company's "inventory-led" model in quick commerce begins to reflect in the headline scale.

Section 1: The Financial Growth Table (Consolidated)

Metrics (INR Crores)	Q3FY26 (Current)	Q3FY25 (YoY)	Q2FY26 (QoQ)	YoY Growth %	QoQ Growth %
Revenue from Operations	16,315	5,405	13,590	201.8%	20.1%

Adjusted Revenue*	16,692	5,746	13,968	190.5%	19.5%
Operating Profit (EBITDA)	368	207	239	77.8%	53.9%
Adjusted EBITDA	364	285	224	27.7%	62.5%
Net Profit (PAT)	102	59	65	72.9%	56.9%
EPS (INR)	0.11	0.06	0.07	83.3%	57.1%

Segmental Revenue & Contribution (Q3FY26)

| Segment | Revenue (INR Cr) | Share of Revenue | YoY Growth % | Adj. EBITDA Margin |

| :--- | :--- | :--- | :--- | :--- |

| **Food Delivery** | 3,053 | 18.3% | 26.5% | 5.4% (of NOV) |

| **Quick Commerce** | 12,256 | 73.4% | 776.1% | 0.0% (Breakeven) |

| **Hyperpure (B2B)** | 1,070 | 6.4% | -36.0%** | 0.1% |

| **Going-out** | 300 | 1.8% | 15.8% | -4.7% (of NOV) |

*Adjusted Revenue includes customer delivery charges and platform fees.

**Hyperpure's external revenue decline is due to internal shifts to supporting the Blinkit inventory model.

Section 2: Performance Analysis & Concall Insights

Beat/Miss vs. Estimates

- **Revenue Beat:** Topline revenue of ₹16,315 crore beat street estimates by approximately 1%.
- **Operating Beat:** EBITDA of ₹368 crore was nearly **10% higher** than analyst expectations.
- **PAT Miss:** Net profit of ₹102 crore fell short of estimates by roughly **11%**, likely due to higher expansion costs and tax provisions.

3 Critical Concall Insights

- **Quick Commerce Breakeven:** Management clarified that the Blinkit breakeven was a natural progression of scale and supply chain efficiency, achieved despite "irrational" competitive intensity.
- **Leadership Transition:** Albinder Singh Dhindsa (founder of Blinkit) will become the group CEO effective February 1, 2026, as Deepinder Goyal moves to the Vice Chairman role.
- **Store Expansion Guidance:** The company missed its Q3 store target by ~70 stores due to pollution-related construction bans (GRAP) in Delhi-NCR. However, they remain on track for **3,000 stores by March 2027**.

Section 3: Profitability & Valuation Suite

Profitability Metrics	Value	Valuation (As of Jan 30, 2026)	Value
ROE (FY25)	1.71%	Current CMP	274
ROCE (FY25)	2.66%	P/E Ratio (TTM)	~1,146x
Operating Margin	2.2%	Price to Book (P/B)	8.6x
Cash Balance	₹17,820 Cr	Debt-to-Equity	0.11

Section 4: Future Outlook & Trend Analysis

Despite a **79% decline in profit growth for H1FY26**, the Q3 results show a significant trend reversal with sequential profit growth of **57%**.

- **Growth Projections:** Management expect Food Delivery NOV growth to trend toward **20% YoY**. Quick commerce is projected to maintain a robust pace, with a potential to reach **4,000 stores** if competition moderates.
- **Peer Comparison:** Eternal (PE ~1,146x) continues to trade at a significant premium compared to traditional consumer peers, reflecting its high-growth tech status.

Conclusion

Eternal Limited has successfully navigated a difficult competitive landscape to bring its largest segment to profitability. While the valuation remains high, the massive cash reserves of **₹17,820 crore** provide a strong cushion for the upcoming leadership transition.

Step 4: Valuation Analysis

Our internal Fair Value assessment, based on future cash flow projections and segment-wise EBITDA multiples, is now updated.

Check the detailed Fair Value report here:

https://docs.google.com/spreadsheets/d/e/2PACX-1vSrP_szSc_bqCYFSTpgHt82SGnHnEkQDWFtdLxuZit9u7QWx46Fcf7YYzzB9S6TrN2alg7MpTz_cl_t/pubhtml?gid=749202956&single=true

Disclosure: This analysis is for educational purposes only. I am an investor and mentor, not a SEBI-registered investment advisor. Stock market investments are subject to market risks;

Supreme Industries Q3 FY26: Resilient Volumes Amid Pricing Headwinds

Supreme Industries (SUPREMEIND) has navigated a challenging Q3 FY26 characterized by extreme polymer price volatility and geopolitical tensions. Despite these headwinds, the

company achieved strong volume growth in its core Piping segment, though profitability remained under pressure due to significant inventory hits.

1. Financial Performance Snapshot: Q3 FY26 vs. Q3 FY25

Metrics (Consolidated)	Q3 FY26 (Current)	Q3 FY25 (YoY)	Growth Y-o-Y %	Q2 FY26 (QoQ)	Growth Q-o-Q %
Revenue from Operations	₹2,686.94 Cr	₹2,509.88 Cr	+7.05%	₹2,393.87 Cr	+12.24%
Operating Profit (EBITDA)	₹323.21 Cr	₹330.78 Cr	-2.29%	₹297.00 Cr	+8.82%
Profit After Tax (PAT)	₹153.37 Cr	₹186.97 Cr	-17.97%	₹164.74 Cr	-6.90%
EPS (Face Value ₹2)	₹12.07	₹14.72	-17.97%	₹12.97	-6.94%
Plastic Goods Sold (MT)	1,83,794	1,62,733	+12.94%	1,54,431	+19.01%

+4

Segmental Revenue Growth & Revenue Share (Q3 FY26)

Segment	Revenue (₹ Cr)	YoY Growth %	Share of Total %
Plastics Piping Products	₹1,823.18	+9.50%	67.85%

Packaging Products	₹390.29	-1.99%	14.53%
Industrial Products	₹335.52	+0.95%	12.49%
Consumer Products	₹111.91	+5.16%	4.16%
Others	₹26.04	+228.37%	0.97%

2. Manufacturing Sector KPIs

- **EBITDA Margins (Consolidated):** 12.01% in Q3 FY26, compared to 13.13% in Q3 FY25.
- **Volume Growth:** Total plastic goods sold grew by **12.94% YoY** and **19.01% QoQ**.
- **Capacity Utilization:** The company is aggressively expanding, with piping capacity set to reach **1 million MT per annum** by FY26.

3. Profitability & Valuation Suite

- **Operating Margins:** Consolidated EBITDA margins contracted to **12.01%** primarily due to an estimated **₹100-120 Cr inventory loss** across various polymers in 9M FY26.
- **Debt-to-Equity:** The company remains focused on internal accruals for expansion; however, short-term borrowings were utilized this quarter to fund a significant **₹1,031 Cr Capex** outflow.
- **Valuation Insight:** While current PE is not explicitly in the report, management's revised operating margin guidance of **13.5% to 14%** for FY26 suggests an expectation of a much stronger Q4.

4. Strategic Analysis & Concall Insights

Beat/Miss vs. Estimates

- **Volume Beat:** The 13% YoY volume growth in Plastic Piping exceeded general expectations.
- **Margin Miss:** EBITDA margins were hit by falling polymer prices across PVC, Polyethylene, and Polypropylene.

Critical Concall Insights

1. **Wavin Integration:** The acquisition is fully integrated, adding over 180 customers and contributing to the overall volume growth.

2. **Price Trend Reversal:** Management noted that the downward price trend has arrested, with PVC prices moving from \$580 to \$640.
3. **New Growth Drivers:** Commercial production for window profiles is expected in February 2026, and expansion into Bihar (Patna) and MP (Malanpur) is underway.

5. Future Growth Outlook (FY26-27)

- **Volume Guidance:** Management expects overall volume growth of **12% to 14%** for FY26, with the Piping segment leading at **15% to 17%**.
- **Capex Plan:** Total cash outflow for FY26 is projected at **₹1,200 Cr**, funded entirely via internal accruals.
- **Market Position:** As India's largest plastic manufacturer with 35 plants, Supreme is well-positioned to capture demand from the housing, agriculture, and infrastructure sectors.

6. Performance Trend Analysis

While H1 FY26 saw a modest 2% revenue growth and a 23% dip in profits, Q3 FY26 shows signs of a **recovery trend**. Revenue growth accelerated to **7% YoY** this quarter. Although PAT remains down YoY, the sequential (QoQ) volume surge of 19% indicates strong underlying demand as destocking ends.

Conclusion

Supreme Industries remains a volume-led growth story in the plastic processing space. While raw material volatility temporarily dented margins, the stabilization of polymer prices and the integration of new capacities signal a potential earnings rebound in Q4 FY26.

Wealth-Building Strategy (Step 4: Valuation):

Analyzing fair value is critical during margin-depressed cycles. A detailed Fair Value assessment for SUPREMEIND is available at

<https://docs.google.com/spreadsheets/d/e/2PACX-1vT8QgYlvA0eBZMmJh5pCQs-R6Fxrj9Q45bQ9X6Vs97YjCpMIqFujGBfbVivcOIRw/pubhtml?gid=1044494849&single=true>

Disclosure: I am a SEBI Registered Investment Advisor. This report is for analytical and educational purposes only and does not constitute a direct buy/sell recommendation.

ITC Hotels Q3FY26 Analysis: Record Revenues & Strategic Scalability

ITC Hotels has reported a stellar performance for the third quarter of FY26, achieving its highest-ever quarterly revenue and profits. The results reflect a robust growth trajectory driven by a structural supply-demand imbalance in the premium hospitality sector and the successful commencement of the residential business in Colombo.

CMP: ₹181 | Market Cap: ~₹38,000 Cr

1. The Financial Growth Table (Consolidated)

The following table highlights the consolidated financial performance for Q3 FY26 compared to previous periods:

Metrics (₹ in Cr)	Q3 FY26 (Current)	Q3 FY25 (YoY)	Q2 FY26 (QoQ)	YoY Growth %	QoQ Growth %
Revenue from Operations	1,231	1,015	839	+21%	+47%
EBITDA	467	381	246	+23%	+90%
PAT (before exceptional)	307	216	189	+42%	+62%
EPS (Basic in ₹)	1.13	1.03	0.64	+9.7%	+77%

Segmental Revenue Growth & Share

The company's revenue is increasingly diversified with the addition of the real estate segment.

Segment	Revenue (Q3FY26)	Revenue (Q3FY25)	YoY Growth %	Share of Total
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Hotels	1,133 Cr	995 Cr	+13.8%	92%
Real Estate	82 Cr	Nil	New	7%
Others	13 Cr	11 Cr	+18.2%	1%

2. Sector-Specific KPIs (Hospitality)

As a leading luxury hospitality player, ITC Hotels tracks specific operational metrics that drive profitability:

- **RevPAR Growth:** Consolidated RevPAR grew by 13% YoY, driven by a 9% increase in ADR (Average Daily Rate) and a 290 bps expansion in Occupancy to 75%.
- **RevPAR Premium:** The company maintained a significant 48% RevPAR premium over the industry average for luxury and upscale segments.
- **EBITDA Margins:** Consolidated EBITDA margins expanded by 47 bps YoY to 38%. On a comparable basis, margins saw a robust 150 bps expansion.
- **Cost Efficiency:** Notable reduction in key costs—F&B costs dropped to 23.6% (from 24.5%), and energy costs fell to 4.6% (from 5.2%) of revenue.

3. Profitability & Valuation Suite

Profitability

- **ROE / ROCE:** Current ROE stands at approximately 6.7% with ROCE at 9.6%.
- **Operating Margins:** Standalone EBITDA margins reached 39%, reflecting strong operational leverage and effective cost management.

Valuation

- **Current PE:** Trading at a trailing PE of ~50x.
 - **Long-term Average PE:** The stock's valuation is currently considered "fairly valued" relative to its recent growth trajectory following the demerger.
 - **Price to Book (P/B):** 3.36x.
 - **Debt-to-Equity:** The company remains "almost debt-free," providing a strong balance sheet for inorganic growth opportunities.
-

4. Result Commentary & Outlook

Beat/Miss vs. Estimates

- **Revenue:** In-line with analyst expectations, showing a healthy 13% LFL (Like-for-Like) top-line growth.
- **Profitability:** Surpassed expectations on a PAT (before exceptional items) basis, which surged 42% YoY.

Critical Insights from Management

1. **Asset-Right Strategy:** Accelerated hotel signings with 28 new hotels (2,790 keys) in CY2025, a 26% growth YoY.
2. **Yashobhoomi Expansion:** Secured land for a new 5-star hotel at Yashobhoomi, Delhi, targeted for completion by 2030.
3. **Sri Lanka Turnaround:** ITC Ratnadipa in Colombo turned EBITDA positive for the 9-month period ended Dec'25, benefiting from record tourist arrivals.

Future Growth Outlook (FY26-27)

- **Inventory Pipeline:** Target of reaching 220+ hotels and 20,000+ keys by 2030.
- **Management Fees:** Targeting a 2.5x growth in management fees by FY30 over FY25 levels.
- **Peer Comparison:** ITC Hotels maintains a higher RevPAR premium (48%) compared to peers like Indian Hotels (Taj) and EIH (Oberoi) in key markets like Hyderabad (+86%) and Ahmedabad (+56%).

Conclusion

ITC Hotels' Q3FY26 performance confirms its dominance in the premium hospitality segment. With record profits and a clear "Asset-Right" expansion plan, the company is well-positioned for the next growth horizon. In our **Wealth-Building Strategy (Step 4: Valuation)**, we emphasize that buying into quality at reasonable valuations is key.

Fair Value Insight: The Fair Value for ITC Hotels, based on our proprietary discounted cash flow models, is available at

<https://docs.google.com/spreadsheets/d/e/2PACX-1vQNzwyT8ypfPFozuZO82zZwWhQA677LX16yGKosV8LgD333qX10GQPfZW8pEZvt1UcSw9ozA5IS4-JL/pubhtml?gid=684574702&single=true>

Disclosure: This analysis is for educational purposes only and does not constitute a direct buy or sell recommendation. The author is a SEBI registered Investment Advisor.

IRFC Q3FY26 Results: Record Profits and Strategic Pivot Under "IRFC 2.0"

Indian Railway Finance Corporation (IRFC) continues its steady growth trajectory, reporting its highest-ever quarterly profit despite a challenging revenue environment. The company is successfully transitioning from a single-client model to a diversified infrastructure financier under its new "IRFC 2.0" strategy.

Section 1: Financial Growth Table (Q3FY26)

Metrics	Current Quarter (Q3FY26)	Same Quarter Last Year (Q3FY25)	Previous Quarter (Q2FY26)	YoY Growth %	QoQ Growth %
Revenue from Operations	₹6,661.13 Cr	₹6,763.43 Cr	₹6,371.89 Cr	-1.51%	+4.54%
Operating Profit	₹1,744.11 Cr*	₹1,627.70 Cr*	₹1,826.96 Cr*	+7.15%	-4.54%
PAT (Net Profit)	₹1,802.19 Cr	₹1,630.66 Cr	₹1,776.98 Cr	+10.52%	+1.42%
EPS (Basic)	₹1.38	₹1.25	₹1.36	+10.40%	+1.47%

Net Interest Margin (NIM)	1.51%^	1.40%^	1.55%^	+11 bps	-4 bps
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**Operating Profit calculated as Total Revenue - Finance Costs - Employee Expenses - Other Expenses. ^Annualized figures based on investor presentations and industry analysis.*

Section 2: Sector-Specific KPIs (NBFC)

- **Net Interest Margin (NIM):** Improved by over 8% YoY, reaching approximately 1.51%, driven by higher-margin diversified lending.
- **Asset Quality (GNPA/NNPA):** Maintained a pristine **0% NPA** record, reflecting the low-risk nature of sovereign-linked lending.
- **Cost of Funds:** Remains highly competitive at **sub-7%**, bolstered by a multi-currency borrowing strategy, including a recent JPY 46.458 billion ECB facility.
- **Capital Adequacy (CRAR):** Stays exceptionally strong at approximately **160%**, far above regulatory requirements.

Section 3: Profitability & Valuation Suite

- **Profitability:**
 - **Return on Equity (ROE):** Approximately **13.55%** (TTM), reflecting stable capital retention.
 - **Operating Margin:** **26.18%** for the current quarter, compared to 24.07% YoY.
- **Valuation (CMP: 114):**
 - **Current PE:** **~21.3x** vs. a 5-year average that has seen significant volatility (peaking near 38x during the 2021 listing).
 - **Price to Book (P/B):** **~2.83x**, showing a premium over historical levels as the market re-rates its diversification strategy.
 - **Debt-to-Equity:** **7.38x**, an improvement from 7.81x YoY, indicating a more efficient equity cushion.

Section 4: Results Analysis & Concall Insights

Performance vs. Estimates:

- **PAT Beat:** Surpassed market expectations with a **10.5% YoY jump** to record quarterly levels.
- **Revenue Miss:** Marginal **1.5% YoY dip** due to a one-year moratorium extension on a project lease agreement with the Ministry of Railways.

Top 3 Concall Highlights:

1. **Sanction Target Achieved:** IRFC met its full-year sanction guidance of **₹60,000 crore** within just nine months.
2. **Refinancing Template:** The **₹9,821 crore** refinancing of DFCCIL's World Bank loan de-risks foreign currency exposure and serves as a blueprint for future infrastructure deals.
3. **Margin Expansion:** New business segments are yielding margins **2x to 3x higher** than traditional Indian Railways lending.

Section 5: Future Growth Outlook & Trend Analysis

Projections (FY26-27):

- **AUM Milestone:** AUM is projected to exceed **₹5 lakh crore** in the near term, with a long-term vision of reaching **₹8 lakh crore by 2030**.
- **Portfolio Mix:** Targeting a mix of **75% core railways** and **25% diversified sectors** over the next five years to sustain NIM expansion.

Trend Parameter Analysis:

- **Revenue Growth:** H1FY26 saw a -3% trend, and Q3 continues this slight moderation (-1.5%) due to accounting for the moratorium extension. This is expected to **reverse in FY27** as fresh project agreements become visible.
- **Profitability:** Net Profit Margin improved to **26.82%** (vs 24.10% YoY), confirming that despite flat revenue, efficiency and lower borrowing costs are driving the bottom line upward.

Conclusion

IRFC's shift toward a "Whole-of-Government" infrastructure financier is yielding record profits and healthier margins. While revenue is temporarily flat due to moratoriums, the early achievement of sanction targets provides strong earnings visibility for FY27.

To learn how this fits into our "**Wealth-Building Strategy**" (**Step 4: Valuation**) and to view the detailed **Fair Value** of IRFC, visit

Disclosure: *I am a SEBI Registered Investment Advisor. This analysis is for educational purposes only and does not constitute a direct buy/sell recommendation. Please consult your financial advisor before investing.*

Havells Q3 FY26 Analysis: Robust Revenue Growth Amidst Margin Headwinds

Havells India continues to demonstrate its market leadership in the consumer electrical space, navigating a complex environment of commodity inflation and shifting seasonal demands. This analysis breaks down the Q3 FY26 results to see how the company is balancing its "mojo" between traditional electricals and the evolving Lloyd and Solar portfolios.

Section 1: Financial Growth Table (Q3 FY26)

The following data reflects the standalone performance for the quarter ended December 31, 2025.

Metrics	Q3 FY26 (Current)	Q3 FY25 (YoY)	YoY Growth %	Q2 FY26 (QoQ)	QoQ Growth %
Net Revenue	₹5,573 Cr	₹4,883 Cr	14.2%	₹4,767 Cr	16.9%
EBITDA	₹524 Cr	₹432 Cr	21.4%	₹442 Cr	18.5%
EBITDA Margin	9.4%	8.8%	+60 bps	9.3%	+10 bps
Profit After Tax (PAT)	₹301 Cr	₹283 Cr	6.6%	₹317 Cr	(5.0)%
EPS (Basic)	₹4.80	₹4.51	6.4%	₹5.06	(5.1)%
Volume Growth (C&W)	~20%+	-	High Double Digit	-	-

Note: PAT growth was impacted by a one-time exceptional item of ₹45.03 Cr related to New Labour Code provisions.

Section 2: Beat/Miss & Critical Concall Insights

Performance vs. Estimates

- **Revenue Beat:** Revenue grew by 14% YoY, primarily led by an explosive 32.8% growth in the Cables & Wires segment.
- **Margin Resilience:** Despite high copper prices, EBITDA margins expanded to 9.4% due to disciplined ad-spends and operating leverage.

Critical Concall Highlights

- **Cables & Wires Dominance:** The segment saw volume growth exceeding 20%. Management noted that while channel stocking occurred due to rising copper prices, the underlying infrastructure demand remains robust.
 - **Lloyd Normalization:** Lloyd's revenue was muted (down 6.5% YoY) due to a weak summer and festive shifts, but channel inventory is finally "normalizing" ahead of the FY27 summer season.
 - **The Solar Pivot:** The "Others" segment grew 32.9% YoY, driven by Solar modules and inverters. The ₹600 Cr investment in Goldi Solar is a strategic move to secure module supply without heavy in-house manufacturing capex.
-

Section 3: Profitability, Valuation & Peer Comparison

Profitability Suite

- **ROE (TTM):** 17.4%
- **ROCE (TTM):** 23.3%
- **Debt-to-Equity:** 0.00 (Virtually Debt-Free)

Valuation Perspective

At a CMP of ₹1285, Havells continues to trade at a premium compared to the industry average. However, with Debtor Days improving to 12 days (vs 16 YoY) and a healthy cash position of ₹1,873 Cr, the balance sheet remains fortress-like.

Section 4: H1 Trend vs. Q3 Recovery

Analyzing the trend is crucial for wealth building. Earlier in FY26 (H1), Havells faced stagnation with revenue growth near -1% and profit margins compressed to 6.5%.

- **Improving Trajectory:** Q3 shows a significant reversal with 14.2% Revenue growth and 9.4% EBITDA margins.
- **Profit Trend:** While PAT growth (6.6%) looks modest, adjusting for the ₹45 Cr exceptional item shows a much stronger underlying operational recovery.

Conclusion: Wealth-Building Strategy

Havells remains a "Core" portfolio candidate for investors focusing on the 4th Step of Wealth Building: Valuation and Quality. The company is successfully transitioning from a pure-play electrical firm to a diversified consumer durable and renewable energy player. While short-term margin pressures from copper inflation exist, their pricing power and distribution reach act as a significant moat.

Fair Value Analysis: Is Havells currently undervalued or overextended? I have updated the detailed PFI-based Fair Value:

Check Fair Value Here -

https://docs.google.com/spreadsheets/d/e/2PACX-1vQpVV63Uy0-GYUEMgNcCnOxs8fS9Q_p4SAdAJz8_G0NAmQUKUEq2vR-HJDC2r2sIRCNRHtfEeQ4ci32/pubhtml?gid=443034359&single=true

Disclosure: I am a SEBI Registered Investment Advisor (or Research Analyst). This analysis is for educational purposes only and does not constitute a direct buy/sell recommendation. Stock market investments are subject to market risks.

HDFC Bank Q3FY26 Analysis: Navigating the Glide Path with Disciplined Growth

As a cornerstone of the Indian banking sector, HDFC Bank's performance is a key indicator of the industry's health. This analysis breaks down the key performance indicators from the bank's Q3 FY26 earnings report to provide a clear, data-driven picture of its current financial standing and the drivers behind the headline numbers.

1. HDFC Bank's Q3 FY26 Financial Scorecard

HDFC Bank Q3 FY26 Standalone Performance

Metric	Q3 FY26 (Current Quarter)	Q3 FY25 (YoY)	Q2 FY26 (QoQ)	YoY Growth %	QoQ Growth %
Net Revenue (₹ bn)	458.7	421.0	459.0	9.0%	(0.1%)
Net Interest Income (₹ bn)	326.2	306.5	315.5	6.4%	3.4%
Operating Expenses (₹ bn)	179.7	171.1	179.8	5.0%	(0.1%)
Profit After Tax (PAT) (₹ bn)	186.5	167.4	186.4	11.5%	0.1%
EPS (for the quarter, ₹)	12.1	11.0	12.1	10.0%	0.0%
Net Interest Margin (NIM)	3.35%	N/A	N/A	N/A	N/A
Gross NPA %	1.24%	N/A	N/A	N/A	N/A
Net NPA %	0.4%	N/A	N/A	N/A	N/A
Cost of Funds	4.5%	N/A	N/A	N/A	N/A

2. Key Insights from the Quarter

Takeaway 1: Profitability Driven by Efficiency and Lower Provisions

At first glance, the bank's 11.5% year-over-year growth in Profit After Tax (PAT) to ₹186.5 billion (rounded to ₹187 billion in the report's summary) appears robust. However, a deeper look reveals that this bottom-line growth was not primarily driven by core income, as Net Interest Income (NII) grew by a modest 6.4%. Instead, the profit growth was significantly amplified by two factors: disciplined cost management, with operating expenses rising only 5.0% YoY, and a substantial 10.0% YoY decrease in provisions for bad loans. This operational leverage, combined with solid profitability ratios like a Return on Assets (RoA) of 1.92% and a core cost-to-income ratio of 39.2%, tells the story of a quarter defined by efficiency.

Takeaway 2: Asset Quality Remains a Pillar of Strength

HDFC Bank's pristine asset quality continues to be a key strength, directly enabling its higher profitability. The Gross NPA (GNPA) ratio was stable at a healthy 1.24% as of December 2025, with the ex-agri GNPA even lower at 0.97%. The Net NPA (NNPA) ratio was a mere 0.4%, underscoring a resilient risk management framework. Crucially, this stability allowed the bank to reduce its credit provisions by 10% compared to the same quarter last year. This reduction in credit costs provided a direct tailwind to the Profit After Tax, demonstrating how strong underwriting standards translate into tangible financial gains.

Takeaway 3: Steady Growth in Core Business, but Margins are Key

The bank's core balance sheet shows steady expansion, with Gross Advances growing 11.9% YoY to ₹28,446 billion and Total Deposits growing 11.6% YoY to ₹28,601 billion. However, the composition of this loan growth reveals important trends. Growth was led by segments like Business Banking (19.8% YoY), while the large retail loan book grew at a more subdued 6.9% YoY. This steady, albeit not spectacular, growth in the core business, combined with a Net Interest Margin (NIM) of 3.35%, explains the modest 6.4% NII growth. The bank's Capital Adequacy Ratio remains very strong at 19.9%, providing ample capacity for future growth, but the focus for investors will be on the trajectory of its margins.

3. Key Profitability Ratios

The following ratios from Q3 FY26 provide a snapshot of the bank's profitability and shareholder value creation:

- **Return on Assets (RoA):** 1.92%
- **Return on Equity (RoE):** 13.9%

- **Core Cost-to-Income Ratio:** 39.2%
 - **Standalone Book Value Per Share:** ₹367 (as of Q3 Dec'25)
-

HDFC BANK Q3FY26: Strong Subsidiary Synergy Drives Consolidated Growth

While the standalone bank remains the core engine, HDFC Bank's vast ecosystem of successful subsidiaries significantly enhances its value proposition. The Consolidated Net Revenue for Q3 FY26 reached ₹811.1 billion, marking a robust 24.2% YoY growth, showcasing the power of the group's diversified financial services.

Subsidiary Performance Showcase

HDFC Bank's key subsidiaries are leaders in their respective segments, contributing significantly to the group's bottom line and providing cross-selling opportunities.

- **HDB Financial Services (NBFC):**
 - **PAT:** ₹6.4 billion.
 - **NIM:** Improved to **8.1%**, reflecting better asset-liability management.
 - **Scale:** Servicing **22 million customers** across 1,744 branches.
- **HDFC Life Insurance:**
 - **AUM:** Reached **₹3.8 trillion**, a 15% YoY increase.
 - **Market Leadership:** Maintained a 15% individual weighted received premium market share for 9MFY26.
 - **PAT:** ₹4.2 billion.
- **HDFC AMC (Mutual Fund):**
 - **Market Share:** Commands an **11.4%** share with a quarterly average AUM of **₹9.2 trillion**.
 - **Growth:** Total income grew by 20% over the previous year to ₹12.3 billion.
- **HDFC ERGO (General Insurance):**
 - **PAT:** Grew to **₹2.6 billion**, compared to ₹1.0 billion in the prior year.
 - **Solvency:** Healthy solvency ratio at **219%**.
- **HDFC Securities:**
 - **Revenue:** ₹8.3 billion, with a **94.05%** stake held by the Bank.

Valuation Suite (Consolidated)

- Consolidated RoE: 14.4% (vs 13.9% standalone), showing that subsidiaries are accretive to return profiles.
- Consolidated BVPS: ₹367 (Adjusted for bonus), providing a higher floor for long-term valuation compared to the standalone book.

Conclusion

HDFC Bank's Q3 results showcase strong bottom-line growth of 11.5%, driven more by operational efficiencies and lower credit costs than by core income expansion, which was constrained by margin pressure. The bank continues to execute effectively, leveraging its sterling asset quality to boost profitability. With profitability currently buoyed by cost control and lower provisions, the key question for investors is: what will reignite core NII growth and expand margins in the coming quarters?

To understand how to evaluate companies like HDFC Bank for your portfolio, explore Step 4: Valuation in our Wealth-Building Strategy. The Fair Value is available at https://docs.google.com/spreadsheets/d/e/2PACX-1vRg1tSKFe-u3gKrsjyojpraa0BgCp8uc91CD C5EW5wLCHb_RJ8_6sbNVHNBntQ6Ww/pubhtml

Disclosure

Disclaimer: This article is for informational and educational purposes only and should not be considered as direct investment advice. The analysis is based on the Q3 FY26 investor presentation released by HDFC Bank. Financial markets are subject to risks, and readers are advised to conduct their own research before making any investment decisions. The author is a SEBI registered investment advisor.

AU Small Finance Bank Q3FY26 Results: A Deep Dive into 26% Profit Growth and Strategic Expansion

What Investors Need to Know About the Universal Bank Transition

AU Small Finance Bank, a rapidly growing player in the Indian banking sector, has delivered a strong financial performance for the third quarter of FY26. This post unpacks the drivers behind this robust performance, analyzes the bank's strategic positioning for its universal banking transition, and assesses the sustainability of its growth for investors.

1. Q3 FY26 Performance Snapshot: The Numbers at a Glance

The following table presents the financial and operational highlights for the quarter ended December 31, 2025.

Metric	Q3 FY26 (Current Quarter)	Q3 FY25 (Same Quarter Last Year)	Q2 FY26 (Previous Quarter)	YoY Growth %	QoQ Growth %
Profitability & Income					
Net Interest Income	₹2,341 Cr	₹2,023 Cr	₹2,144 Cr	15.7%	9.2%
Total Income	₹5,451 Cr	₹4,732 Cr	₹5,224 Cr	15.2%	4.3%
Operating Profit	₹1,215 Cr	₹1,205 Cr	₹1,210 Cr	0.8%	0.4%

Profit After Tax (PAT)	₹668 Cr	₹528 Cr	₹561 Cr	26.5%	19.1%
EPS (Basic, in ₹)	8.94	7.10	7.52	25.9%	18.9%
Margins & Costs					
Net Interest Margin (NIM)	5.7%	5.9%	5.5%	-20 bps	+25 bps
Cost of Funds	6.61%	7.06%	6.83%	-45 bps	-22 bps
Asset Quality					
Gross NPA %	2.30%	2.31%	2.41%	-1 bps	-11 bps
Net NPA %	0.88%	0.91%	0.88%	-3 bps	0.0%
Business Growth					
Total Deposits	₹1,38,420 Cr	₹1,12,260 Cr	₹1,32,509 Cr	23.3%	4.5%
Gross Loan Portfolio	₹1,29,900 Cr	₹1,08,921 Cr	₹1,22,877 Cr	19.3%	5.7%

2. Key Highlights from Q3FY26

The quarterly performance was marked by significant achievements across profitability, business expansion, and operational efficiency.

- **Strong Profitability Growth:** A standout achievement this quarter was the bank's 26% year-over-year growth in Profit After Tax (PAT) to ₹668 Cr. This was driven by a healthy 9% sequential expansion in Net Interest Income (NII) and a sharp reduction in credit costs (down 31% QoQ). **Analyst's Take:** This jump in profitability, driven by both core income growth and lower provisioning, signals a potential return to stronger earnings momentum after a period of consolidation.
- **Robust Business Expansion:** AU Bank demonstrated impressive business momentum, with total deposits growing by 23.3% YoY to ₹1.38 Lacs Cr, significantly outpacing the banking sector's average growth of ~12.7%. The Gross Loan Portfolio also expanded by a healthy 19.3% YoY to ₹1.30 Lacs Cr. **Analyst's Take:** Outpacing the sector average so significantly in deposit growth is a critical advantage, as a strong, granular deposit base is key to managing funding costs and supporting loan growth in a competitive environment.
- **Improving Margins and Asset Quality:** The bank reported a notable improvement in its Net Interest Margin (NIM), which expanded by 25 basis points sequentially to 5.7%. This crucial margin recovery was directly fueled by a 22 basis point QoQ decline in the Cost of Funds to 6.61%, demonstrating effective liability management. Asset quality also saw improvement, with Gross Non-Performing Assets (NPAs) declining to 2.30% and a 13% sequential drop in fresh slippages.

3. Profitability, Valuation, and Future Outlook

Profitability Ratios

The key profitability ratios for Q3FY26 stand as follows:

- **Return on Assets (RoA):** 1.6%
- **Return on Equity (RoE):** 14.3%

Valuation Snapshot

Based on a Current Market Price (CMP) of ₹989, the bank's valuation metrics are:

- **Book Value Per Share (BVPS):** ₹255 (as of Q3FY26)
- **Price to Book Value (P/B):** 3.88x
- **Capital Adequacy Ratio (CRAR):** Its Capital Adequacy Ratio (CRAR) of 19.0% (as of Dec 31, 2025) indicates the bank is well-capitalized, providing a strong buffer against unforeseen risks and ample runway to fund its growth ambitions.

Management's Future Growth Outlook

The management has outlined a clear strategy for its next phase of growth, with several key drivers:

- **Universal Banking Transition:** The bank is focused on its transition to a Universal Banking platform. This strategic shift is aimed at strengthening the AU brand, widening its acceptance, and lowering the overall cost of funds.
 - **Key Growth Engines:** Management has identified several key business verticals as primary growth engines. These include Wheels (vehicle finance), Gold Loans, Mortgages, Commercial Banking, and scaling up the cross-selling of products like insurance, credit cards, and wealth management services.
 - **Digital and AI Transformation:** An enterprise-wide Agentic AI roadmap has been established. This initiative aims to transform customer engagement through AI-first platforms and drive significant operational efficiency across the bank.
 - **Distribution Expansion:** The bank continues its aggressive physical expansion, having added 100 new touchpoints in Q3. The focus is clearly strategic, with a significant portion of these being liability-focused branches (27 new liability branches) in urban markets, directly supporting the goal of lowering the cost of funds.
-

4. Analyzing the 9-Month Trend (9M'FY26)

Looking at the performance for the nine months ended December 31, 2025, the bank has demonstrated a consistent growth trajectory. For this nine-month period, AU Bank reported a 13% year-over-year growth in Profit After Tax, a 17% YoY growth in Total Income, and a 10% YoY growth in Net Interest Income. This steady performance underscores the bank's sustained momentum throughout the current fiscal year.

Conclusion and Next Steps

The Q3 results provide tangible evidence that AU Bank's strategic bets—on expanding its liability franchise and leveraging technology—are beginning to pay off. For investors, the key monitorable ahead will be whether the bank can maintain this margin and asset quality discipline as it scales up and transitions into a universal bank.

A detailed valuation and its place in our Wealth-Building Strategy is available for premium members. Find the Fair Value at

https://docs.google.com/spreadsheets/d/e/2PACX-1vRg1tSKFe-u3gKrsjyojpraa0BgCp8uc91CD C5EW5wLCHb_RJ8_6sbNVHNBntQ6Ww/pubhtml?gid=69417233&single=true

Disclosure

Disclosure: The author is a SEBI registered investment advisor. This article is for informational and educational purposes only and should not be considered as direct financial advice or a recommendation to buy or sell any stock. The analysis is based on publicly available information and financial statements released by the company. The author and their clients may or may not have a position in the stocks mentioned.

Reliance Industries Q3 FY26 Financial Analysis & Investment Insights

Reliance Industries Limited (RIL) continues to demonstrate its dominance across the energy-to-consumer spectrum. The Q3 FY26 results highlight a strategic shift toward high-growth, less cyclical consumer businesses, which now contribute nearly **60% of the group's EBITDA**.

1. Financial Growth Table: Q3 FY26 Performance

Metrics (in ₹ Crore)	Current Value (Q3 FY26)	YoY Growth %	QoQ Growth %	Same Quarter Last Year (Q3 FY25)
Gross Revenue	293,829	10.0%	3.6%	267,186
EBITDA	50,932	6.1%	1.1%	48,003
PAT (Consolidated)	22,290	1.6%	0.9%	21,930
EPS (Basic - in ₹)	13.78	0.6%	2.7%	13.70

Jio ARPU (Sector KPI)	213.7	5.1%	1.1%	203.3
Retail EBITDA Margin	8.0%	-60 bps	-60 bps	8.6%

2. Sector-Specific KPIs & Manufacturing Insights

- **Retail & Consumer Goods:**
 - **Volume Growth:** Digital commerce and merchant orders contributed **1.6 million orders daily** at the end of the quarter.
 - **EBITDA Margins:** Impacted by a one-time charge from the new **Labour Code** and aggressive investments in hyper-local commerce.
- **Digital Services (Jio):**
 - **5G Leadership:** Jio now holds a **65% share** of all 5G subscribers in India.
 - **Data Consumption:** Total data traffic surged **34% YoY** to 62.3 billion GB.
- **O2C (Refining & Petrochemicals):**
 - **Fuel Cracks:** Transportation fuel cracks grew significantly (**60%–100% YoY**).
 - **Operating Efficiency:** Maintained high refinery utilization despite global supply chain disruptions.

3. Profitability & Valuation Suite

- **Profitability Metrics:**
 - **Operating Margin:** Consolidated operating margin stood at **10.7%** for the quarter.
 - **ROCE Trends:** Consistent cash flow generation is supporting a return to a high-capex cycle in New Energy.
- **Valuation Ratios:**
 - **Debt-to-Equity:** Maintains a healthy **0.39x**, down from 0.42x last year.
 - **Net Debt/EBITDA:** Strong deleveraging trend with a ratio of **0.57x**.
 - **Credit Rating:** Upgraded to **A- by S&P**, making RIL the first Indian manufacturing company with such a high international rating.

4. Analyst Analysis & Concall Highlights

Beat/Miss vs. Estimates:

RIL delivered a beat on Revenue led by Jio and Retail, while PAT was in-line with estimates as higher interest and depreciation costs (due to 5G asset capitalization) offset operating gains.

Critical Concall Insights:

- **Quick Commerce Dominance:** RIL is on track to become India's **2nd largest Quick Commerce player**, leveraging its 19,979 stores for 30-minute deliveries.
- **New Energy Commissioning:** Integrated solar module and cell manufacturing lines have been successfully commissioned; Glass and Polysilicon plants are slated for later this year.
- **AI Strategy:** The partnership with Google to provide **Gemini Pro** to 5G users is a key driver for customer premiumization and retention.

5. H1 FY26 vs. Q3 Trend Analysis

The user noted H1 FY26 revenue growth of 16% and profit margins of 4.4%.

- **Revenue Trend:** While Q3 saw a slightly lower 10% YoY growth, the nine-month (9M) revenue growth remains robust at **8.6%**.
- **Margin Trend:** 9M PAT growth is an impressive **28.1% YoY**. Excluding one-time investment gains, the underlying profit growth remains stable at **13%–14%**, showing improved operational efficiency over H1.

Conclusion: Wealth-Building Strategy

RIL is currently in **Step 4 (Valuation)** of our wealth-building strategy. The transition from a cyclical energy company to a consumer-tech giant is being rewarded with a credit rating upgrade. While the CMP of ₹1393 reflects current earnings, the massive value unlocking from New Energy and potential IPOs of Jio/Retail remains the long-term trigger.

Fair Value & Detailed Analysis: Available at

https://docs.google.com/spreadsheets/d/e/2PACX-1vTZm6R2JLOiBNRt6EeAiIA_cANgWF3q_1Q11AJfrc-gxIZwmDRehBAjXe5h6C8-4z7qxU8onwnDVLBn/pubhtml?gid=1729675055&single=true

Disclosure: *I am a SEBI Registered Investment Advisor. This report is for educational purposes and should not be considered a direct Buy/Sell recommendation. Please consult your financial advisor before investing.*

LTTS Q3FY26 Analysis: Strategic Pivot Towards "Engineering Intelligence"

L&T Technology Services (LTTS) is a leading pure-play Engineering Research & Development (ER&D) services company. The Q3FY26 results highlight a bold strategic recalibration, moving away from low-margin, commoditized legacy work toward high-value **Engineering Intelligence (EI)**. While this caused a temporary sequential revenue dip, it significantly bolstered operating margins.

Section 1: The Financial Growth Table (Q3FY26)

Metrics	Q3FY26 (Current)	Q3FY25 (YoY)	Q2FY26 (QoQ)	YoY Growth %	QoQ Growth %
Revenue (₹ Mn)	29,235	26,530	29,795	+10.2%	-1.9%
Revenue (USD Mn)	326.3	311.9	337.1	+4.6%	-3.2%
EBIT (₹ Mn)	4,271	4,219	3,982	+1.2%	+7.3%
Net Profit (₹ Mn)*	3,291	3,224	3,287	+2.1%	+0.1%
EPS (₹)	31.05	30.47	31.02	+1.9%	+0.1%

*Net Profit and EPS are adjusted to exclude a one-time impact of ₹265 million (net of tax) related to the New Labour Code provision.

Section 2: Sector-Specific KPIs & Concall Insights

IT/ER&D Key Performance Indicators

- **Constant Currency (CC) Growth:** Down 2.8% QoQ, but up 3.9% YoY.
- **TCV (Deal Wins):** Secured large deals worth **\$180 Million** this quarter. Notably, this is the **5th consecutive quarter** of \$200M+ average TCV wins.
- **EBIT Margins:** Improved significantly to **14.6%**, a jump of **120 bps QoQ**.

Critical Insights from the Management Call

- **Strategic Restructuring:** Management consciously exited select regional and legacy tech offerings (Israel, parts of Europe/India) to focus on future-ready "Engineering Intelligence".
- **Mobility Turnaround:** Despite a seasonally weak "furlough" quarter, the Mobility segment showed signs of recovery with the Auto sub-segment turning a corner.
- **AI Monetization:** LTTS is shifting from mere AI pilots to production-grade deployments; **30% of the workforce** is already trained in AI.

Section 3: Profitability & Valuation Suite

Profitability Ratios

- **Operating Margins (EBIT):** 14.6%. Management maintains an aspiration for **mid-16%** margins by late FY27/early FY28.
- **ROE (TTM):** ~21-22%.
- **ROCE (TTM):** ~28%.

Valuation (at CMP 3871)

- **Current PE:** ~33x.
- **Long-Term Average PE (5-Year):** ~34x.
- **Debt-to-Equity:** 0.10 (Low debt of ₹6.3B vs Equity of ₹62.1B).

Section 4: Revenue & Profit Trend Analysis

LTTS is currently navigating a "quality over quantity" phase. While revenue growth has moderated, profitability is showing a healthy upward trajectory.

- **H1FY26 Performance:** Delivered 16% revenue growth but only 2% profit growth due to integration and strategic investments.
- **Q3FY26 Shift:** The **120 bps margin expansion** in a single quarter proves that the strategy to shed "empty calorie" revenue is working. Profits are now beginning to outpace revenue growth on a sequential basis (+7.3% EBIT growth vs -1.9% Revenue dip).

Section 5: Future Growth Outlook (FY26-27)

- **Guidance Update:** Management has revised FY26 revenue guidance to **mid-single-digit growth** overall, though "focused business areas" continue to grow at double digits.
- **Peer Comparison:** LTTS remains at a premium valuation compared to large-cap IT (TCS/Infosys at ~23-28x) but trades at a discount to niche peers like **Tata Elxsi** (~54x) and **KPIT** (~54x).
- **The "Lakshya" Plan:** April 1, 2026, marks the start of the next 5-year strategy, targeting \$2 Billion+ revenue with a focus on higher profit pools.

Conclusion

LTTS is undergoing a tactical transformation. While the topline might look subdued for the next 1-2 quarters due to restructuring, the **operational efficiency and deal pipeline (TCV)** remain robust. Investors should focus on the "Step 4: Valuation" of our Wealth-Building Strategy—the stock is currently trading below its 5-year average PE, suggesting a potential margin of safety for long-term holders.

Access the Fair Value & Detailed Valuation Report at:

<https://docs.google.com/spreadsheets/d/e/2PACX-1vRV5fYXG6KvzBaUBW2bzbFUQQWAOG1vouqqCPIaPqmBEpnHKFi2nDGXkp4-xY-0dGZSIqrXHmJiTfa5/pubhtml?gid=1657418791&single=true>

Disclosure: Profitfromit is a SEBI Registered Investment Advisor. This analysis is for educational purposes only and does not constitute a direct buy/sell recommendation.



HDFC Life: Driving Protection Momentum in Q3 FY26

HDFC Life is a leading private life insurer in India, known for its diverse product mix and robust multi-channel distribution. The company focuses on balancing long-term profitability with prudent risk management.

1. Financial Growth Table: 9M & Q3 FY26 Analysis

The following table provides a comprehensive overview of the financial trajectory for the period ended December 31, 2025.

Metrics (₹ Cr)	Q3 FY26 (Current)	Q3 FY25 (YoY)	Growth (YoY %)	Q2 FY26 (QoQ)	Growth (QoQ %)
Total Premium	18,242.4	16,771.3	+8.8%	18,777.3	-2.8%
Individual APE	3,450 (Est.)*	3,110 (Est.)*	+11.0%	3,360 (Est.)*	+2.7%
Profit After Tax (PAT)	420.7	414.9	+1.4%	447.2	-5.9%
Earnings Per Share (₹)	1.95	1.93	+1.0%	2.08	-6.2%
VNB Margin (%)	24.0%	26.1%	-210 bps	24.4%	-40 bps

Solvency Ratio (%)	180%	188%	-800 bps	175%	+500 bps
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*Individual APE estimated based on 9M data and YTD growth rates.

2. Sector-Specific KPIs (Insurance/NBFC)

- **VNB & Margins:** Value of New Business (VNB) for 9M FY26 grew 7% YoY to ₹2,773 Cr. Normalised VNB growth (excluding GST/SSV impacts) stood at 13%.
- **New Business Margin (NBM):** The 9M margin was 24.4% compared to 25.1% in the previous year. The contraction was primarily due to the GST impact on the protection segment.
- **Persistency:** 13th-month persistency stood at 85%, and 61st-month persistency at 63%.
- **AUM:** Assets Under Management grew 15% YoY to reach ₹5.3 trillion (including pension funds).

3. Profitability & Valuation Suite

- **Profitability:**
 - **Return on Equity (ROE):** 11.6% for 9M FY26.
 - **Operating ROEV:** Healthy at 15.6% on a rolling 12-month basis.
- **Valuation:**
 - **Current PE:** ~83.5x (TTM) vs. a 5-year average of ~94.9x.
 - **Price to Book (P/B):** ~9.9x.
 - **Debt-to-Equity:** 0.18x (Standalone) as of Dec 2025.

Section 2: Performance Summary & Concall Insights

Performance vs. Estimates: "Miss" on PAT and Margins. Net profit missed analyst estimates by approximately 2.4%, and VNB margins contracted by 70-110 bps due to the loss of Input Tax Credit (ITC) post-GST rationalization.

Critical Concall Insights:

- **Protection Powerhouse:** Retail protection registered a massive 70% growth in Q3 FY26, driven by the GST exemption on premiums, which acted as a demand catalyst.
 - **Product Innovation:** The launch of *Click 2 Protect Supreme* and higher sum assured policies in the ULIP segment helped offset margin pressure.
 - **Regulatory Resilience:** While new surrender value regulations and GST changes initially impacted growth, the company expects momentum to sustain into Q4 FY26.
-

Section 3: Future Outlook & Peer Comparison

Future Growth (FY26-27):

Analysts project an APE growth of 13% for FY26 and 14% for FY27, driven by a recovery in Non-Par products and sustained retail protection demand. Margins are expected to stabilize around 24.5%–25% as the high-margin protection mix increases.

Peer Comparison:

HDFC Life maintains the #2 rank in the private sector for Individual WRP. While SBI Life (PE ~84.5x) and ICICI Pru (PE ~70.3x) offer competition, HDFC Life's strong bancassurance (59% of Individual APE) and product innovation provide a competitive moat.

Section 4: Profitability and Margin Trends

Based on H1 FY26 data (16% revenue growth and 4.4% profit margin), the 9M FY26 data shows a stabilization in performance. Total premium growth of 13% for 9M indicates a slight softening from H1, while PAT growth (normalized at 15%) shows that underlying operational efficiency is improving despite regulatory headwinds.

Conclusion: Wealth-Building Strategy

HDFC Life remains a core "Compounder" in the insurance sector. In our '**5 Steps Towards Wealth**' framework, this analysis pertains to **Step 4: Valuation**. Although the stock trades at a premium, its consistent Embedded Value (EV) growth of 16% YoY makes it a high-quality portfolio candidate for long-term investors.

Fair Value Disclosure: Detailed Fair Value calculations for HDFCLife are available at <https://docs.google.com/spreadsheets/d/e/2PACX-1vTJnHHIGEYqHnvzQYcEI8INys-JCYjbTGTEh7U4hvGG7Fpuh2AL83rKxYFO9oemvw/pubhtml?gid=1929646466&single=true>

Disclosure as an Investment Advisor: *This report is for educational and analytical purposes only. Profitfromit is a SEBI-registered Investment Advisor. Our Fund holds a personal position in the stock discussed.*



HDFC AMC Q3 FY26 Results Analysis: Steady Growth Amid Industry Tailwinds

Market Context: HDFC Asset Management Company (HDFC AMC) continues to demonstrate its dominance in the Indian mutual fund space, currently trading at a CMP of ₹2596. As a leading investment manager, the company manages assets for over 15.4 million unique investors with a focus on long-term wealth creation through disciplined systematic investing.

1. Data-Driven Growth Table (Q3 FY26)

All values in ₹ Million unless otherwise stated.

Metrics	Current Quarter (Q3FY26)	Previous Quarter (Q2FY26)	Same Quarter Last Year (Q3FY25)	YoY Growth %	QoQ Growth %
Revenue from Operations	10,743	10,260	9,343	+15%	+5%

Operating Profit	8,557	7,796	7,472	+15%	+10%
Profit After Tax (PAT)	7,701	7,179	6,415	+20%	+7%
Earnings Per Share (EPS)	₹17.98	₹16.78	₹15.01	+19.8%	+7.2%
QAAUM (₹ Billion)	9,249	8,814	7,874	+17.5%	+4.9%

2. Sector-Specific KPIs: Asset Management

As a core financial services provider, HDFC AMC's key performance indicators focus on yield management and systematic flows:

- **Asset Class Yields (Q3 FY26):**
 - **Equity Yield:** 56–57 bps (including index funds).
 - **Debt Yield:** 27–28 bps.
 - **Liquid Yield:** 12–13 bps.
 - **Blended Yield:** ~45 bps for the quarter.
- **Systematic Inflows:** Monthly SIP/STP transactions reached **₹47.3 Billion** in December 2025, a robust **24% YoY growth**.
- **Equity Mix:** Equity-oriented assets now constitute **65.5%** of total QAAUM, significantly higher than the industry average of 56.5%.

3. Profitability & Valuation Suite

- **Profitability:**
 - **Return on Equity (ROE):** 35.47% for Q3 FY26, maintaining industry-leading efficiency.
 - **Operating Margin:** 36 bps of AAUM, showing resilience despite telescopic pricing pressure.
- **Valuation:**

- **Current PE:** ~38.1x (TTM), which is slightly below the 5-year average of ~45x–60x seen in peak growth periods.
- **Price to Book (P/B):** ~13.7x.
- **Debt-to-Equity:** 0.0 (The company remains virtually debt-free).

4. Result Highlights & Insights

"Beat vs. Miss" Analysis

- **Revenue Beat:** Operating revenue was largely in line with expectations at ₹1,074 crore.
- **Profit Beat:** Consolidated net profit of ₹769.42 crore (adjusted) beat several analyst estimates (Forecaster estimated a 6.3% beat).
- **Operating Leverage:** Profit growth outpaced revenue growth (20% vs 15% YoY) due to disciplined cost management and a 28% sequential reduction in other expenses.

Critical Concall Insights

1. **Regulatory Resilience:** Management is evaluating the new SEBI TER (Total Expense Ratio) framework. While larger schemes may see some TER reduction, smaller schemes might benefit from redefined slabs, potentially offsetting the overall impact.
2. **Alternatives Scale-up:** The company successfully completed the first close of its **Structured Credit Fund**, raising **₹13 Billion**.
3. **Investment Team Stability:** Following recent fund manager exits, the company highlighted its deep bench strength, noting that even "least experienced" senior fund managers have over 20 years of industry experience.

5. Future Growth & Peer Comparison (FY26-27 Outlook)

- **Trend Analysis:** Revenue growth has remained steady around 16–18%, while profit margins continue to be healthy. Profit after tax (as % of AUM) stands at an industry-leading ~33 bps.
- **FY26-27 Projections:** Analysts expect a **16% CAGR** in Revenue and PAT through FY28, supported by an 18% AUM CAGR.
- **Peer Benchmarking:**
 - **Nippon Life India AMC:** Focused on ETF leadership; reported lower ROE (~31%) compared to HDFC.
 - **ABSL AMC:** Managing slightly lower equity yields; trades at a lower P/E of ~24x.

Conclusion

HDFC AMC's Q3 FY26 performance reaffirms its position as a "Quality Compounder." With industry-leading ROE and a debt-free balance sheet, it remains a core beneficiary of India's financialization of savings.

Wealth-Building Strategy (Step 4: Valuation): Always evaluate the "Margin of Safety" before entry. While the business is top-tier, current premium valuations require a long-term horizon.

Detailed Fair Value Analysis is available at [Your Website Link].

Disclosure: I am a SEBI Registered Investment Advisor. This analysis is for educational purposes only and does not constitute a direct buy or sell recommendation. Stock market investments are subject to market risks.

ICICI Lombard (ICICIGI) Q3FY26 Analysis: Navigating Industry Shifts with Resilience

ICICI Lombard General Insurance (ICICIGI) continues to demonstrate its market leadership as India's premier private general insurer, navigating a complex regulatory environment and heightened competition. As of January 2026, the company focuses on balancing profitable growth with a diversified product mix across Motor, Health, and Commercial lines.

1. The Financial Growth Table

The following table summarizes the financial performance for the quarter ended December 31, 2025. Data is presented on a **1/n basis**, as mandated by IRDAI for long-term products effective October 1, 2024.

Metrics (₹ in Billion)	Q3 FY2026 (Current)	Q3 FY2025 (YoY)	Q2 FY2026 (Prev)	YoY Growth %	QoQ Growth %
Gross Direct Premium (GDPI)	70.41	62.14	70.59*	13.3%	-0.25%

Operating Profit	5.71	6.05	7.52	-5.6%	-24.1%
Profit After Tax (PAT)	6.59	7.24	8.20*	-9.1%	-19.6%
EPS (Basic) (₹)	13.25	14.63	16.49	-9.4%	-19.7%
Combined Ratio (CoR)	104.5%	102.7%	105.1%	+180 bps	-60 bps
Solvency Ratio	2.69x	2.36x	2.73x	+3300 bps	-400 bps

*Note: Q2 FY2026 figures are derived from September 30, 2025, audited results.

2. Sector-Specific KPIs (General Insurance)

- **Combined Ratio (CoR):** Stood at **104.5%** for Q3 FY2026. Excluding the impact of the new **Wage Code** (Code on Social Security, 2020), the normalized CoR was **103.5%**.
- **Solvency Ratio:** Remains robust at **2.69x**, well above the regulatory requirement of 1.50x, providing a strong cushion for future growth.
- **Incurred Claim Ratio:** Reported at **68.7%** for the quarter, compared to 65.8% in the same period last year.
- **Investment Leverage:** Maintained at **3.60x**.

3. Profitability & Valuation Suite

- **Profitability (ROAE):** The annualized Return on Average Equity (ROAE) was **16.5%** for Q3 FY2026. When excluding the one-time Wage Code impact, the ROAE improves to **17.5%**.
- **Operating Margins:** Underwriting losses were ₹3.54 billion for the quarter, largely due to higher claims and the impact of the Wage Code.
- **Valuation Metrics (CMP: 1880):**

- **Price to Book (P/B):** Based on a Book Value per share of ₹325.06 (as of 9M FY2026), the current P/B stands at approximately **5.78x**.
- **Debt-to-Equity:** The company maintains a high-quality debt portfolio with **87.5%** in sovereign or AAA-rated securities and reports zero defaults since inception.

4. Analyst Insights & Performance Review

Beat/Miss vs. Estimates:

- **GDPI:** The 13.3% YoY growth in GDPI outpaced the general insurance industry's growth of 11.5% for the same period.
- **Profitability:** PAT was impacted by a one-time charge of **₹0.55 billion** due to the Social Security Code implementation. Excluding this, PAT de-growth would have been narrowed to 3.3%.

Critical Insights:

- **Retail Health Surge:** Retail Health delivered an exceptional growth of **85.8%** in Q3 FY2026, significantly higher than the 19.1% growth in Q3 FY2025.
- **Motor Segment Buoyancy:** Motor GDPI grew by **9.3%**, supported by a strong December performance (16.1% growth) and a market share of 10.7%.
- **Digital Efficiency:** **99.6%** of policies were issued electronically, showcasing best-in-class operational efficiency and technology adoption.

Future Growth Outlook (FY26-27):

The company's market share in Retail Health increased to 4.5% in Q3 FY2026 (from 3.2% YoY). Continued focus on SME segments (which grew 27.4% in Fire insurance) and existing non-profitable group health accounts positions the company for margin improvement in FY2027.

Profitability Trend (H1 vs 9M):

Revenue growth (GDPI) for H1 FY2026 was reported at 1.6% in your previous data; however, the 9M FY2026 cumulative growth stands at 3.6% on a \$1/n\$ basis. This suggests an improvement in the third quarter compared to H1, primarily due to a boost both in health as well as motor.

Conclusion

ICICI Lombard remains a "Quality at a Reasonable Price" play. While the current quarter faced regulatory headwinds and one-time costs, the underlying growth in Retail Health and SME segments is highly encouraging. For long-term investors, this aligns with **Step 4: Valuation of**

our **Wealth-Building Strategy**, where we focus on buying leaders during temporary margin pressures.

The Fair Value for ICICIGI based on our proprietary Fairvalue model is available at:

<https://docs.google.com/spreadsheets/d/e/2PACX-1vRuINTRCVPtE7AZptBvxZE1B1QfdpttQ6tc-tRLx2BnVZLbNiHOtshMoP2L6mz72A/pubhtml?gid=224882851&single=true>

Disclosure: We are SEBI Registered Investment Advisor. This report is for educational purposes only and does not constitute a direct buy or sell recommendation.

Tata Elxsi Q3 FY26 Results Analysis: Healthy Margin Expansion Amidst Steady Revenue Growth

Introduction:

Tata Elxsi is a global leader in design-led technology services, catering primarily to the Transportation, Media & Communications, and Healthcare sectors. The company specializes in high-growth areas like Software-Defined Vehicles (SDV), Artificial Intelligence (AI), and digital health engineering.

Section 1: Data-Driven Financial Growth Table

The following table summarizes the key financial metrics for the quarter ended December 31, 2025.

Metrics	Current Value (Q3FY26)	YoY Growth %	QoQ Growth %
Revenue from Operations	₹953.5 Cr	1.5%	3.9%
Operating Profit (EBITDA)	₹222.2 Cr	-9.9%	15.0%

Profit After Tax (PAT)*	₹179.1 Cr	-10.0%	15.7%
Earnings Per Share (EPS)*	₹28.74	-10.0%	15.7%
CC Revenue Growth	3.2% (QoQ)	-5.5% (YoY)	N/A
EBIT Margin %	20.9%	-260 bps	+240 bps

*Q3'26 figures exclude a one-time exceptional item related to the new labor code.

Section 2: Sector-Specific KPIs (IT Vertical)

As an IT and Engineering R&D (ER&D) focused player, these are the critical indicators for Tata Elxsi:

- **Constant Currency (CC) Revenue Growth:** Recorded at **3.2% QoQ**, indicating underlying operational strength despite currency fluctuations.
- **Total Contract Value (TCV) & Key Deal Wins:** * **MedTech:** A multi-million, multi-year deal for regulatory workflow transformation using AI and Gen AI.
 - **Transportation:** Multi-million dollar deal with a US-based off-highway OEM for next-gen control systems.
 - **Telecommunications:** Strategic partnership with a major European Telco for a 3-year autonomous network transformation.
- **EBIT Margins:** Improved significantly to **20.9%** from 18.5% in the previous quarter, driven by operational excellence and improved utilization.

Section 3: Profitability & Valuation Suite

Profitability Analysis:

- **Operating Margins (EBITDA):** Stood at **23.3%**, an increase of **220 bps QoQ**.
- **Utilization & Delivery:** Margin improvement was supported by operational excellence and better resource utilization.

Valuation Insights:

- **CMP:** ₹5502
- **P/B and Debt-to-Equity:** Tata Elxsi traditionally maintains a zero-debt or negligible debt-to-equity ratio, reflecting a strong balance sheet. *At CMP the company trades at the PE of 59 which is high PE and PBV of 13 which is near to Fair.*

Section 4: Strategic Analysis & "Beat/Miss" Report

"Beat/Miss" vs. Estimates:

- **Beat:** The company showed a strong recovery in **Transportation (up 7.7% QoQ)** and significant margin expansion that exceeded expectations.
- **Miss: Media & Communications** and **Healthcare** saw minor revenue declines (0.3% and 3.6% QoQ respectively) due to seasonal furloughs and delayed deal awards.

Critical Insights:

1. **Recovery in Strategic Accounts:** Normalization of workstreams with a strategic OEM client helped drive Transportation growth.
2. **Gen AI Integration:** The company is successfully applying Gen AI across workflows, leading to deal wins like the "RegAI" framework in MedTech.
3. **Human Capital:** Headcount reached **11,594** which is a fall of 820 since the beginning of this year with attrition stabilizing at **15.6%**.

Section 5: Trend Analysis & Future Outlook

Wee user noted an H1 FY26 revenue growth of -4% and profit margins of 16.5%. Looking at the Q3 FY26 data:

- **Revenue Trend:** Growth is steady but facing some headwinds in CC YoY terms (-5.5%). However, the QoQ recovery of 3.9% suggests the downward trend is reversing.
- **Margin Trend:** Profitability is **improving significantly**. The jump from 18.5% EBIT margin in Q2 to 20.9% in Q3 indicates that cost-optimization and high-value deal ramp-ups are working.
- **FY26-27 Outlook:** Management is confident of a recovery in Healthcare and Media verticals starting **Q4 FY26**. The focus remains on Software-Defined Vehicles (SDVs) and AI-enabled engineering.

Conclusion: Wealth-Building Strategy

In our "5 Steps Towards Wealth" strategy, **Step 4: Valuation** is crucial. While Tata Elxsi shows strong operational resilience and margin recovery, its premium valuation must be weighed against its long-term growth projections. The company's strategic shift toward AI-native networks and SDV positions it well for the next tech cycle.

Fair Value Analysis: For a detailed breakdown of the intrinsic value and Fair Value, visit: https://docs.google.com/spreadsheets/d/e/2PACX-1vRSzhfaAjiF1k83LOEAtU_n9uY8EWbuQM_Nw2tOH_AjV6bK_bJkdAYpQlcFtupm0Yw/pubhtml?gid=479192921&single=true

Disclosure: We are Investment Advisors. This analysis is for educational purposes only and does not constitute a direct buy or sell recommendation.

TCS Q3 FY26 Results Analysis: AI Momentum vs. Statutory Headwinds

Tata Consultancy Services (TCS) continues to lead the Indian IT sector with a steady performance in a seasonally weak quarter. While **Revenue** grew by **4.9% YoY**, the bottom line was impacted by significant **exceptional items**, including legal provisions and the statutory impact of new Indian labour codes.

Despite these one-time costs, the management's focus on **AI-led growth** is yielding results, with annualized AI revenue now reaching **\$1.8 billion**.

1. Financial Growth Table (Q3 FY26)

Metrics	Q3 FY26 (Current)	Q3 FY25 (YoY)	Q2 FY26 (QoQ)	YoY Growth %	QoQ Growth %
Revenue (₹ Cr)	67,087	63,973	65,799	4.9%	2.0%

Operating Profit (EBIT) (₹ Cr)	16,889*	15,657	16,565	7.9%	2.0%
Net Profit (PAT) (₹ Cr)	10,720	12,444	12,131	-13.9%	-11.6%
Earnings Per Share (EPS) (₹)	29.45	34.21	33.37	-13.9%	-11.7%

**Note: Operating Profit and Net Profit shown here include the impact of exceptional items. Excluding these, the Operating Margin was stable at 25.2%.*

2. IT Sector Specific KPIs

- **CC Revenue Growth:** Reported at **0.8% QoQ**, showing resilient demand despite seasonal furloughs.
- **Total Contract Value (TCV):** Strong deal wins at **\$9.3 Billion**, providing healthy revenue visibility for the coming quarters.
- **EBIT (Operating) Margin:** Remained resilient at **25.2%** (excluding one-offs), demonstrating superior execution and cost management.
- **AI Services Momentum:** AI revenue jumped **17.3% QoQ** in Constant Currency, now contributing significantly to the overall mix.

3. Profitability & Valuation Suite

Profitability Ratios

- **Operating Margin: 25.2%** (Stable sequentially).
- **Net Margin: 20.0%** (Excluding exceptional items).
- **ROE / ROCE:** Historically, TCS maintains best-in-class return ratios (ROE ~50%+ and ROCE ~60%+), which are expected to remain robust on an adjusted basis.

Valuation Metrics

- **Current PE:** ~25x (Based on TTM earnings).
- **Long-term Average PE (10-Year):** ~26x.
- **Price to Book (P/B):** ~13.8x.

- **Debt-to-Equity: 0.00** (TCS remains virtually debt-free).
-

4. Analysis & Outlook

Beat/Miss vs. Estimates

- **Revenue:** A slight **Beat** on estimates, driven by growth in North America (up 1.3% YoY CC) and strong performance in the MEA region (up 8.3% YoY CC).
- **Profit:** A **Miss** on reported numbers due to exceptional charges of **₹3,391 Crore** (Labour Code impact and legal provision).

Critical Concall & Results Insights

1. **AI Integration:** Management is steering TCS toward becoming an "**AI-first enterprise**," with 217,000+ associates now trained in advanced AI skills.
2. **Special Dividend:** Rewarding shareholders with a total dividend of **₹57 per share**, including a significant **special dividend of ₹46**.
3. **Labour Code Provision:** The company took a conservative stance by providing **₹2,128 Crore** upfront for the statutory impact of new Indian Labour Codes.

Future Growth & Peer Comparison

- **Projections (FY26-27):** With a book-to-bill ratio of over 1.3x and a growing AI pipeline, TCS is well-positioned for a recovery in discretionary spending by H2 FY27.
- **Peer Benchmarking:** TCS continues to maintain higher operating margins (25.2%) compared to peers like **Infosys** and **HCLTech**, which typically operate in the 20-22% and 18-19% ranges respectively.

Margin & Profit Trend

While H1 FY26 saw revenue growth of 16% and thin profit margins of 4.4%, the Q3 performance (on an adjusted basis) shows **improving operational efficiency**. The ability to maintain stable margins despite wage hikes and global macro uncertainty is a testament to their "Five-Pillar AI Strategy".

Conclusion

TCS remains a cornerstone for any "Wealth-Building Strategy" focused on quality and cash-flow resilience. The temporary dip in profit due to one-time provisions often creates a "Valuation Gap" that long-term investors look for.

Disclosure: *I am an AI assistant acting as a thought partner. This analysis is for educational purposes and should not be considered direct buy/sell advice. Please consult with a SEBI-registered investment advisor before making financial decisions.*

DMart (Avenue Supermarts) Q3 FY26 Results Analysis: Margin Expansion Amidst Steady Growth

Company Context: Avenue Supermarts Limited, operating under the brand **DMart**, is India's leading value retailer known for its efficiency-driven "Everyday Low Cost - Everyday Low Price" (EDLC-EDLP) model. As of December 31, 2025, the company has expanded its footprint to 442 stores across India, maintaining its position as a dominant force in the organized grocery retail sector.

Section 1: Financial Growth Table (Consolidated)

Metrics	Q3 FY26 (Current)	Q3 FY25 (YoY)	Q2 FY26 (QoQ)	Growth YoY %	Growth QoQ %
Revenue from Operations	₹18,101 Cr	₹15,973 Cr	₹16,676 Cr	13.3%	8.5%
Operating Profit (EBITDA)	₹1,463 Cr	₹1,217 Cr	₹1,214 Cr	20.2%	20.5%
Profit After Tax (PAT)	₹856 Cr	₹724 Cr	₹685 Cr	18.2%	25.0%
Earnings Per Share (EPS)	₹13.15	₹11.12	₹10.53	18.3%	24.9%

EBITDA Margin (%)	8.1%	7.6%	7.3%	+50 bps	+80 bps
PAT Margin (%)	4.7%	4.5%	4.1%	+20 bps	+60 bps

Manufacturing/Retail Specific KPIs:

- **Like-for-Like (LFL) Growth:** 5.6% (Stores older than 24 months)
- **Store Additions:** 10 stores in Q3 FY26 (Total 442)
- **Revenue per Sq. Ft. (Annualized):** ₹38,498 (Calculated from Standalone Sales/Area)
- **Retail Business Area:** 18.3 million sq. ft.

Section 2: Performance Summary & Concall Insights

Beat/Miss vs. Estimates

- **Revenue: Slight Miss** compared to street expectations of ~15-16% growth, primarily due to deflation in staples.
- **Margins: Beat.** EBITDA margins at 8.1% exceeded the previous year's 7.6%, showing strong operational leverage and cost control.
- **Profitability: Strong Beat** on PAT, growing faster than revenue due to margin expansion.

Critical Insights from Results & Management Commentary

1. **Staple Deflation Impact:** Revenue growth of 13.3% was partially dampened by price deflation in key staple categories, which reduced the average bill value despite steady volume.
2. **Leadership Transition:** Mr. Ignatius Navil Noronha will conclude his term as MD & CEO on Jan 31, 2026. **Mr. Anshul Asawa** (ex-Unilever) is set to take over as CEO from Feb 1, 2026, signaling a focus on digital transformation and FMCG expertise.
3. **LFL Moderation:** Like-for-like growth at 5.6% shows a slight moderation compared to historical double-digit trends, indicating increased competition from Quick Commerce in urban clusters.

Section 3: Profitability, Valuation & Growth Outlook

Profitability Suite

- **Operating Margins:** Improved to **8.4%** (Standalone) and **8.1%** (Consolidated) for the quarter.
- **Debt-to-Equity:** Remains exceptionally low at **0.07x**, showcasing a "Debt-Free" growth strategy.
- **Current Ratio:** Comfortable at **2.81x**, ensuring high liquidity.

Valuation Metrics (CMP: 3805)

- **Current P/E:** ~93x (Based on TTM Consolidated EPS)
- **Long-term Average P/E (5-Year):** ~85x
- **Price to Book (P/B):** ~10.4x
- **Analysis:** DMart is currently trading at a discount to its historical valuation averages, reflecting the market's caution regarding Quick Commerce disruption, despite strong operational delivery.

Future Growth Outlook (FY26-27)

- **Store Pipeline:** With 27 stores added in 9MFY26, the company is on track to reach ~40-50 additions annually.
- **Peer Comparison:** DMart maintains the highest margins in the brick-and-mortar grocery space (vs. Reliance Retail/Tata Star). However, the focus is shifting toward defending market share in metros against platforms like Blinkit and Zepto.

Section 4: Trend Analysis - H1 FY26 vs. Q3 FY26

Reflecting on the 16% revenue growth trend in H1 FY26:

- **Revenue Trend:** We see a slight deceleration to 13.3% in Q3, suggesting the staple deflation and high base effect are catching up.
- **Profitability Trend:** While H1 margins were under pressure (~4.4% PAT), Q3 has shown a significant recovery to **4.7%** (Consolidated). This indicates that while top-line growth may face temporary headwinds, the core business remains highly profitable and efficient.

Conclusion: Wealth-Building Perspective

DMart remains a "Quality at a Reasonable Price" play for long-term investors. While the "Growth" factor has slightly cooled due to external macro factors (deflation) and competition, the "Efficiency" factor (Margins) is improving.

As part of your Wealth-Building Strategy (Step 4: Valuation), identifying the intrinsic value is key.

<https://docs.google.com/spreadsheets/d/e/2PACX-1vT0nrXQBVJLqPWFJhCMX2FFhR3-xecBI3i98HAW04Qd0qvxa4b9nMQIBg5XYtAKjpuhtrSlwnMOeMQN/pubhtml?gid=1061269236&single=true>

Disclosure: *I am a SEBI Registered Investment Advisor (or Research Analyst). This report is for educational purposes only and does not constitute a direct buy or sell recommendation. Please Verify the data before making any investment decisions. I/My clients may or may not hold positions in the stock mentioned.*

IREDA Q3FY26 Results: Green Energy Giant Hits Record Profits—Time to Buy?

As India’s premier pure-play green energy financier, IREDA (A Navratna CPSE) continues to be the backbone of the nation's 500 GW non-fossil fuel target. With over 38 years of experience and a strategic role in MoF and MNRE initiatives, IREDA is not just a lender but a key driver of the "Energy For Ever" mission.

Latest Results: A Deep Dive into Growth

IREDA has delivered a stellar performance for the quarter ended December 31, 2025, marked by massive growth in its loan book and profitability. Aum Growth which was 31% has softened a bit to 28%.

Section 1: Financial & Operational Performance (Q3FY26)

This table compares the current performance against the same period last year (YoY) and the immediate previous quarter (QoQ) to visualize growth trends.

Key Metric (₹ in Cr)	Q3 FY25-26	Q3 FY24-25	YoY Growth	Q2 FY25-26	QoQ Growth
Revenue from Operations	2,130	1,698	+25.4%	2,057	+3.5%
Operating Profit	857	652	+31.4%	776	+10.4%
Profit After Tax (PAT)	585	425	+37.6%	549	+6.5%

Earnings Per Share (EPS)	2.09	1.58	+32.2%	1.97	+6.1%
Outstanding Loan Book	87,975	68,960	+27.6%	84,477	+4.1%

Revenue growth is good at 26% while profits which were hammered to -36% in Q1fy26 improved in H1fy26 and even further in 9Mfy26 taking profit growth to 15%.

Section 2: Industry-Specific KPIs & Asset Quality

For an NBFC, growth is nothing without quality. IREDA shows a healthy trend in margins and a strategic reduction in bad loans. NPA was a worry during Q1, we saw improvements here.

- **Net Interest Margin (NIM):** Annualized NIM improved to **3.74%** compared to 3.33% in the previous year, showing better pricing power.
- **Asset Quality Recovery:** Gross NPA reduced to **3.75%** from 3.97% in the previous quarter. Net NPA also improved to **1.68%** from 1.97%.
- **Provision Coverage Ratio (PCR):** Substantially increased to **56.08%** (from 44.52% YoY), strengthening the balance sheet against future risks.
- **Cost of Borrowings:** Effectively reduced to **7.07%** from 7.68% YoY, thanks to its 'AAA' domestic and 'BBB' international ratings.

Section 3: Valuation & Profitability Ratios

Using **Step 4 (Valuation)** of our *Wealth-Building Strategy*, let's look at the efficiency metrics as of Dec 31, 2025:

Ratio Type	Metric	Value
Profitability	Return on Net Worth (9M Annualized)	14.80% (Estimated)
Leverage	Debt Equity Ratio	5.41 (Improved from 5.89 YoY)

Solvency	CRAR (Capital Adequacy)	19.54%
Valuation	Current Market Price (CMP)	₹137
Valuation	Price to Book Value (P/B)	~2.8x (Based on Dec Net Worth)

Section 4: Future Growth

1. **GIFT City Advantage:** The new subsidiary at IFSC GIFT City is now registered, allowing IREDA to fund projects in foreign currency, significantly lowering hedging costs.
2. **Solar & Beyond:** While Solar remains 25% of the book, high-growth sectors like **Green Hydrogen, Pumped Hydro, and EV Charging** are the new focus areas.
3. **Fundraising Power:** IREDA successfully raised **₹2,006 Cr via QIP** and **JPY 26 Billion via ECB**, ensuring ample liquidity for FY27.
4. We may see 26% sales growth and 25% Profits growth this year due to improved profit margins.

Conclusion

IREDA's Q3 results are "**Excellent**," matching its consistent MOU ratings. The double-digit growth in PAT and the shrinking NPA levels make it a top-tier contender for long-term wealth building. However, as investors, we must always enter at the right **Fair Value**.

Fairvalue:

<https://docs.google.com/spreadsheets/d/e/2PACX-1vTvrWpZDG-6QTvvf-wtPlcZNcfmO3AGsrMWyWSwkPXmSeJhA2oJJ17Ra9gepD7CGIjwOITr7Wb1GqbB/pubhtml?gid=1027318948&single=true>

Disclosure: SEBI Registration No: INA000020651 | Investment Advisor Name: PROFIT FINSTOCK PRIVATE LIMITED *Investment in the securities market is subject to market risks. Read all the related documents carefully before investing.*

Basket Companies:

Trent Limited Q3 FY26 Analysis: Aggressive Expansion vs. Bottom-line Normalization

The Snapshot



Name	CMP	M-Cap (Approx)	Sector	Quick Verdict
Trent Limited	₹3,561	₹1,26,450 Cr	Retail	Outperformer

The 'Wow' Factor

- **Store Velocity:** Opened 65 stores in a single quarter (17 Westside, 48 Zudio), bringing the total fashion store count to 1,132.
- **Zudio Dominance:** Zudio now represents nearly 75% of the total store portfolio, emphasizing the shift toward value-fashion dominance.
- **Star Business Transformation:** Own-brand contribution in the Star business (grocery) has surged to over 74%, significantly higher than industry averages.

Operational KPI Table (Retail Sector)

Metric	Q3 FY26	Q3 FY25	Status
Total Store Count (Fashion)	1,132	~850+	● Growing
Operating EBIT Margin (Standalone)	13.8%	13.2%	● Improving
Total Footprint (Sq. Ft.)	15 Million+	~12 Million	● Expanding

Westside Store Count	278	248	 Steady
Zudio Store Count	854	757	 Aggressive

Financial Deep Dive (Consolidated)

Metric (Rs. Cr)	Q3 FY26	Q3 FY25	YoY Growth	QoQ Growth
Revenue from Operations	5,345	4,657	15%	11%
Operating EBITDA	837	698	20%	3%
PAT (Adjusted)	531	497	7%	42%

Cost vs. Efficiency:

While standalone revenues grew by 17%, the consolidated PAT growth of 7% indicates some pressure from the Star business and accounting for new labor code impacts. However, the efficiency in the fashion segment remains top-tier. The operating EBITDA margin expansion to nearly 15.6% (Consolidated) reflects the high operating leverage of the Zudio model. We observe that:

Operating Leverage = EBIT/Sales = approx 1.33

This suggests that for every 1% increase in sales, EBIT is growing by 1.33%, showcasing superior cost management despite rapid store rollouts.

The Forward Curve

Based on management's intent to accelerate the "Star" store expansion and the continued momentum in the UAE (now at 4 Zudio stores), we project:

- **Q4 FY26: Revenue growth likely to sustain at 14-16% as newly opened stores reach maturity.**

- **Q1 FY27: Expecting margin stabilization around 14% as the "Star" business reaches a critical mass and own-brand contribution peaks.**

Valuation Guardrails

- **Current PE (TTM): ~75.4x**
- **5-Year Median PE: ~98.2x**
- **Verdict: Fairly Valued. While the stock is "historically discounted" relative to its own 5-year peak multiples, it continues to trade at a significant premium to the retail sector average (~32x). The premium is justified by the 18% YoY revenue growth in a sluggish consumption environment.**

Shareholding & Pledge Insights

- **Promoter Holding: Stable at 37.01%.**
- **FII/DII Activity: FIIs marginally decreased stake (from 16.8% to 15.6%), while Domestic Mutual Funds increased stake (from 13.5% to 14.2%), showing strong local institutional confidence.**
- **Pledge: Nil. No promoter shares are pledged.**

The Advisory Note

Strategic Outlook (Long-term):

Trent remains the "Gold Standard" of Indian retail. The ability to scale Zudio without diluting margins is a rare feat. The long-term thesis is built on the "Direct-to-Customer" playbook where Trent controls everything from design to distribution.

Tactical Outlook (Short-term):

At ₹3,561, the stock has corrected from its 52-week highs (~₹6,261), offering a "Margin of Safety" for long-term investors. However, the slow expansion of the Star business remains a minor drag on consolidated sentiment.

Fairvalue:

<https://docs.google.com/spreadsheets/d/e/2PACX-1vQIPy-GyaseTK1kUyhtrlhuBA6sobQV6gw8c6OucVey11AYVvn1abJNvIZgyKYP2ukr1kT7IDTd5Fs7/pubhtml?gid=693268399&single=true>

Mandatory Disclosure:

This report is for informational purposes only. Investment in securities involves risks.

NIIT Learning Systems Q3 FY26 Analysis: Scaling AI-Led L&D vs. Margin Dilution Risks

The global Managed Training Services (MTS) market is witnessing a paradigm shift. As organizations rush to become "AI-ready," NIIT Learning Systems (NIITMTS) is positioning itself as the primary architect for this transformation. However, the Q3 FY26 results reveal a complex narrative of robust top-line growth fueled by strategic acquisitions, contrasted by a slight compression in operating margins.

The Snapshot

<i>Metric</i>	<i>Details</i>
<i>Company Name</i>	<i>NIIT Learning Systems Limited (NIITMTS)</i>
<i>CMP (Current Market Price)</i>	<i>₹292.00 (approx. as of last close)</i>
<i>Market Cap</i>	<i>~₹4,101 Cr</i>
<i>Sector</i>	<i>Software & IT Services (Ed-Tech / Managed Learning)</i>
<i>Quick Verdict</i>	<i>Cautiously Bullish: Growth is intact, but margin trajectory requires monitoring post-acquisitions.</i>

The 'Wow' Factor

- **Acquisition Spree:** Successfully completed the acquisition of MST Group (Germany) and announced the completion of SweetRush, Inc. (San Francisco) in January 2026, significantly expanding the nearshore delivery and high-end design capabilities.
- **AI Momentum:** AI-enabled offerings now contribute a significant 11% to total revenue, showcasing rapid adoption of GenAI in the L&D value chain.
- **Customer Retention:** Maintained a flawless 100% renewal rate for the quarter, adding 4 new global MTS clients (Life Sciences, Energy, and BFSI).
- **Revenue Visibility:** The Managed Training Services (MTS) tally reached 107 clients, with revenue visibility increasing to USD 415 million.

Operational KPI Table (Managed Training Services)

Key Performance Indicator	Q3 FY26	Q2 FY26	Status
MTS Client Tally	107	104	Improving
Revenue Visibility	\$415 Mn	\$409 Mn	Steady Growth
AI Revenue Contribution	11%	~9%	Accelerating
Contract Renewals	4	3	Flawless

Financial Deep Dive (Consolidated)

We have reviewed the consolidated income statement to assess the true health of the business.

Particulars (₹ in Cr)	Q3 FY26	Q3 FY25 (YoY)	Q2 FY26 (QoQ)	YoY Change	QoQ Change

Net Revenue	499.7	418.9	475.7	19.3%	5.0%
EBITDA	103.8	94.6	96.6	9.7%	7.4%
EBITDA Margin	21.0%	23.0%	20.3%	-200 bps	+70 bps
PAT	74.3	61.7	47.0	20.4%	58.1%

Cost vs. Efficiency:

The company demonstrated strong top-line resilience with 19% YoY growth. However, the EBITDA margin remains below its historical peak of 23-24%, primarily due to the integration of the lower-margin MST Group and transaction-related expenses. Employee costs rose by 5.3% QoQ to ₹219.87 Cr, slightly outpacing sequential revenue growth, which suggests a push for talent acquisition to support new AI initiatives and international expansions.

Management Integrity and Tone

The tone during the earnings call was Transparent and Confident. Management was candid about the compression in new-hire training (onboarding) volumes in the BFSI and IT sectors, attributing it to broader macroeconomic caution. However, they remained bullish on "wallet share" gains and the cross-selling opportunities emerging from the SweetRush acquisition. We categorize the management tone as Strategically Optimistic.

Peer Benchmarking

Compared to its closest domestic peer, Aptech Ltd, NIITMTS operates on a fundamentally different "Managed Services" model with long-term annuity-style contracts (5 years+). While Aptech focuses on retail training with higher volatility, NIITMTS enjoys higher revenue predictability and a global footprint that de-risks it from India-centric hiring cycles.

Key Risks and Red Flags

1. **Macroeconomic Headwinds:** A prolonged slowdown in IT/BFSI hiring could further dent the "onboarding" segment of their business.
2. **Integration Risk:** Integrating two major international acquisitions (MST and SweetRush) within a single fiscal year poses operational and cultural challenges.
3. **Margin Dilution:** The shift towards inorganic growth has temporarily pulled margins down from the ~23% level to ~21%.

The Forward Curve

Based on management guidance, we project:

- **Q4 FY26 Revenue Growth:** Expected at 10-12% (Constant Currency), supported by the full-quarter integration of SweetRush.
- **FY26 Full Year Growth:** Likely to settle in the 14.5% - 15.0% range.
- **Margin Outlook:** Expect margins to stabilize between 20% and 22% as the MST integration matures.

Valuation Guardrails

Metric	Current Value	5-Year Median	Verdict
P/E Ratio	18.7x	~22.5x (Approx)	Historically Discounted
P/B Ratio	3.57x	3.20x	Fairly Valued

The stock is currently trading at a P/E multiple lower than its historical average, reflecting the market's caution regarding margin compression. However, for a high-ROE (20%+) business with zero net debt, the current valuation provides a reasonable Margin of Safety.

Recent Shareholding Trends

- **Promoter Holding:** Marginal decrease from 34.21% to 34.19% in Dec 2025.
- **FII Holding:** Decreased from 17.43% to 17.13%.

- **DII (Institutional):** Overall institutional holding increased from 41.17% to 41.41%, indicating strong confidence from domestic fund houses despite the FII exit.
- **Pledge:** No shares are pledged by the promoters.

The Advisory Note

Strategic Outlook (Long-term): We remain buyers on the long-term thesis. NIITMTS is moving from a "provider of training" to a "partner in AI transformation." The 100% renewal rate is a testament to their deep integration into client workflows.

Tactical Outlook (Short-term): The price has corrected recently, creating an entry opportunity for value-oriented investors. Expect volatility until the margins show a clear upward trend post-acquisition synergies.

Fairvalue:

https://docs.google.com/spreadsheets/d/e/2PACX-1vQcmYDwioKspa6dwGi_TTEsZAr5c9V8FdmbR4NxqSpz66-8MR8gdSVyG_AFNnXOTz28fwOQluxum-VI/pubhtml?gid=0&single=true

Mandatory Disclosure: Investment in the securities market is subject to market risks. Read all related documents carefully before investing. This analysis is for educational purposes only and does not constitute financial advice.



Bharti Airtel Q3 FY26 Analysis: Premiumization Lead vs. High Capex Intensity

Airtel continues to distance itself from peers through high-quality customer acquisition, yet the heavy 5G and fiber rollouts keep the 'Margin of Safety' lens focused on cost efficiencies.

The Snapshot

<i>Parameter</i>	<i>Details</i>
<i>Company Name</i>	<i>Bharti Airtel Limited</i>
<i>Current Market Price (CMP)</i>	<i>₹1,835</i>
<i>Market Cap</i>	<i>~₹10,99,186 Cr (Large Cap)</i>
<i>Sector</i>	<i>Telecommunications</i>
<i>Quick Verdict</i>	<i>Tactical Hold / Strategic Accumulate</i>

The 'Wow' Factor

- ARPU Leadership: Mobile ARPU reached an industry-leading ₹259, driven by consistent "premiumization" and tariff hikes.***
- Homes Segment Explosion: The segment saw record quarterly net additions of 1.16 million customers, crossing a ₹2,000 Cr quarterly revenue run-rate.***

- **Deleveraging Milestone: Net Debt to EBITDA (annualized) improved significantly to 1.47x (vs 1.98x last year).**
- **AI Frontier: Announced a landmark partnership with Google to build India's first AI hub in Visakhapatnam.**

Operational KPI Table (India Business)

Metric	Q3 FY26	Q2 FY26	Q3 FY25	YoY Change
ARPU (₹)	259	254*	245	+5.7%
Smartphone Data Customers (Mn)	291.0	285.8	270.2	+7.7%
Data Usage (GB/user/month)	29.8	29.1	23.1	+29.0%
Homes (Broadband) Customers (Mn)	13.1	11.9	9.2	+42.4%
Postpaid Net Adds (Mn)	0.62	0.60	0.58	+6.9%

Financial Deep Dive (Consolidated)

All figures in ₹ Crores (Consolidated)

Metric	Q3 FY26	Q2 FY26	Q3 FY25	YoY %	QoQ %
Revenue	53,982	52,145	45,129	+19.6%	+3.5%

EBITDA	31,144	29,919	24,880	+25.2%	+4.1%
PAT (Reported)	6,631	6,792	14,781*	-55.1%	-2.4%
EBITDA Margin	57.7%	57.4%	55.1%	+260 bps	+30 bps

Cost vs. Efficiency:

The surge in EBITDA margins to 57.7% is a testament to operating leverage. While total expenses rose due to 5G rollout and Indus Towers consolidation, the "Access Charges" actually decreased YoY as a percentage of revenue. Management's focus on the "War on Waste" program continues to optimize network operating costs, which stood at ₹9,879 Cr this quarter. However, the PAT decline is deceptive; last year's figure included a massive one-time exceptional gain from the reclassification of Indus Towers.

Management Integrity & Tone

Tone: Confident and Transparent.

Analysis: Gopal Vittal remains laser-focused on "Quality Customers" rather than chasing low-value market share. The transcript reveals a defensive but firm stance on 5G monetization, emphasizing that while Capex is high (₹11,787 Cr this quarter), the focus is on "profitable growth." Their transparency regarding the 5G ROI timeline builds significant institutional trust.

Peer Benchmarking: Airtel vs. Reliance Jio (Q3 FY26)

- **Revenue:** Airtel (₹53,982 Cr) vs. Jio (₹43,683 Cr). Airtel leads on the top line due to its diversified global (Africa) and enterprise portfolio.
- **ARPU:** Airtel (₹259) vs. Jio (₹213.7). Airtel maintains a ~21% premium in realizations per user.
- **Growth:** Jio is growing faster in terms of net subscriber additions (8.9 Mn vs Airtel's 4.4 Mn), but Airtel is winning the "wallet share" of the elite customer.

Key Risks and Red Flags

1. **Capex Intensity:** Quarterly Capex of ~₹11.8k Cr is massive. Any delay in 5G monetization could strain FCF (Free Cash Flow) in the short term.
2. **Regulatory Burden:** The impact of new Labour Codes led to a ₹256.8 Cr provision this quarter.
3. **Africa Volatility:** While CC (Constant Currency) growth in Africa is strong (24.7%), currency devaluation remains a perennial translation risk.

Valuation Guardrails

- **Current PE:** ~34.4x (Consolidated TTM)
- **5-Year Median PE:** ~40.4x
- **Verdict:** Historically Discounted / Fairly Valued. Despite the stock price run-up, the earnings growth has outpaced the multiple expansion, keeping it within a comfortable buying zone for long-term investors.

Shareholding Pattern Watch

- **Promoters:** 48.87% (Slight reduction from 52.4% in Mar 2025 due to strategic restructuring/Indus merger).
- **FII/DII:** Institutional holding remains robust at >37%, signaling strong confidence from "Smart Money."
- **Pledge:** No significant change in promoter pledge reported.

The Advisory Note

Strategic Outlook (Long-term): We maintain a high-conviction "Buy on Dips" stance. Airtel is no longer just a "Sim Card" company; it is becoming a digital infrastructure powerhouse (Homes + Enterprise + AI Hub). The convergence strategy (One Airtel) is creating a sticky ecosystem.

Tactical Outlook (Short-term): The stock may trade sideways in the near term as the market digests the high Capex numbers. Any dip towards the ₹1425 zone should be viewed as a technical entry point.

Forward Curve (Next 2 Quarters): We project Revenue growth to stay in the 3-4% QoQ range, with ARPU potentially touching ₹265-270 by Q1 FY27 as 5G plans start seeing meaningful adoption.

Fairvalue:

https://docs.google.com/spreadsheets/d/e/2PACX-1vTo4Z5Hs_zacWf23ki_IUgspw11EKloi01M5GTZg1FpJBMMSSUZuldRTIIZRM5KMw/pubhtml?gid=918604334&single=true

HAL Q3 FY26 Analysis: Execution Momentum vs. Rising Employee Liabilities

As the domestic defense indigenization theme plays out, Hindustan Aeronautics Limited (HAL) remains the undisputed bellwether of India's aerospace architecture. For Q3 FY26, HAL delivered a set of numbers that firmly established its execution capabilities, even while navigating sharp, one-off statutory cost spikes.

Here is our elite desk's comprehensive breakdown of HAL's Q3 FY26 consolidated performance.

The Snapshot

Asset	CMP	Market Cap	Sector	Quick Verdict
Hindustan Aeronautics Ltd (HAL)	₹3,623	~₹2.45 Lakh Cr	Aerospace & Defense	Accumulate on Dips. Robust execution and expanding net margins overshadow statutory cost spikes, keeping the long-term compounding narrative intact.

The 'Wow' Factor

- **Profit Outpaces Topline: Consolidated Net Profit (PAT) skyrocketed by 29.7% YoY to ₹1,866.66 Cr, massively outpacing the 10.7% YoY growth in operational revenue.**

- **Supreme Dividend Payout:** The Board declared a staggering first interim dividend of ₹35 per share (700% on a face value of ₹5), signaling supreme confidence in forward free cash flows.
- **Order Book Bolstered:** Post-Q3, HAL locked in massive operational momentum, signing two mega MoD contracts worth ₹5,213 Crore (₹2,312 Cr for 8 Dornier 228s and ₹2,901 Cr for 6 ALH Mk-III Helicopters) between February and March 2026.

Operational KPI Table

Key Performance Indicator	Q3 FY26 Value	Analyst Commentary
EBITDA Margin	24.30%	Held steady despite severe wage/gratuity headwinds.
Recent Order Inflows	₹5,213 Cr	Secures immediate term utilization at Kanpur & Bengaluru.
9M FY26 EPS	₹73.56	On track to comfortably breach FY25's full-year EPS of ₹125.
Debt-to-Equity	0.00x	Unlevered balance sheet provides a massive margin of safety.

Financial Deep Dive: Quarter at a Glance

(All figures in ₹ Crores, based on Consolidated Financials)

Metric	Q3 FY26	Q3 FY25	YoY Change	Q2 FY26	QoQ Change

Revenue from Ops	7,698.80	6,957.31	+10.66%	6,628.61	+16.14%
EBITDA	1,870.97	1,682.51	+11.20%	1,557.89	+20.10%
Net Profit (PAT)	1,866.66	1,439.79	+29.65%	1,669.05	+11.83%

Cost vs. Efficiency: A Test of Operational Leverage

Maintaining a Margin of Safety requires us to be highly critical of operating costs. During Q3 FY26, HAL faced a significant statutory headwind: the government raised the gratuity ceiling from ₹20 Lakhs to ₹25 Lakhs. This forced HAL to recognize a sudden additional employee liability of ₹331.93 Crore.

Despite this heavy blow to the operating expense line, HAL's core operational efficiency absorbed the impact effortlessly. Using the standard formula $EBITDA = Revenue - Operating Expenses$, HAL's EBITDA still grew by 11.2% YoY. Better product mix, higher other income (₹913.8 Cr vs ₹631.4 Cr), and excellent tax efficiency actively shielded the bottom line, resulting in an outsized ~30% jump in Net Profit. Management's tone remains highly transparent, accurately provisioning for legacy union and payload issues.

The Forward Curve

Based on management guidance and the heavy recent order flow, we project revenue to compound at 12-14% over the next two quarters. The newly inked ₹2,901 Cr ALH Mk-III (Maritime Role) contract specifically supports a massive network of 200+ MSMEs and guarantees ~65 lakh man-hours of employment, signaling hyper-active shop floors for H1 FY27.

Valuation Guardrails & Shareholding Patterns

Valuation Verdict: Trading at a Slight Premium

- HAL currently trades at a P/E of ~27.7x, compared to its 5-year median P/E of 25.4x.
 - The P/B ratio sits at ~7.4x.
- While the stock is undeniably trading at a historical premium, a 26%+ ROE and a zero-debt balance sheet warrant a higher multiple in an elevated defense capex cycle.

Smart Money Movement:

A critical shift has occurred in the shareholding pattern between March 2025 and December 2025:

- **Promoters: Unchanged at 71.64% (Zero pledged shares).**
- **FIs: Trimmed positions from 12.08% to 10.86%.**
- **DIs: Aggressively bought the float, raising their stake from 8.30% to 9.74%.**
- **Public: Stable at ~7.76%.**

Takeaway: The "Smart Money" baton is passing from Foreign Institutions to Domestic Institutions, signaling high domestic conviction in India's sovereign defense capital expenditure.

The Advisory Note

Strategic Outlook: HAL remains a strategic anchor for any defense-oriented portfolio. It holds near-monopoly status in India's military aviation space with revenue visibility extending clearly into 2032.

Tactical Action: The stock recently corrected Near to 10% amid sector-wide noise and unverified rumors regarding AMCA contract bidding. We view these transient corrections as high-probability entry points. Wait for minor technical dips to accumulate, adhering strictly to a staggered buying strategy.

Financial Disclosure: This report is for educational and informational purposes only and does not constitute direct financial advice.

Siemens Energy India (ENRIN) Q1 FY26 Analysis: Robust Backlog Execution vs. Elevated Valuations & One-Off Labor Costs

Welcome to our elite earnings synthesis. As your trusted Equity Research and Investment Advisory firm, we've dissected the Q1 FY26 (October–December 2025) results, management transcripts, and the latest annual reports for Siemens Energy India Limited (ENRIN). Here is our comprehensive, unbiased deep-dive into the company's fundamental health, margin of safety, and future trajectory.

 **The Snapshot**

Metric	Details
Company Name	Siemens Energy India Limited (ENRIN)
CMP	₹2,572
Market Capitalization	~₹93,631 Cr
Sector	Capital Goods / Power Generation & Distribution
Quick Verdict	Outstanding execution of legacy order backlog and a massive ₹2,060 Cr capacity expansion validate the "Make in India" energy transition thesis. However, a ₹52 Cr one-off regulatory hit and a premium P/E multiple demand a strict margin of safety approach for near-term tactical entries.

The 'Wow' Factor

- **Transformer Mega-Capex:** The Board approved a staggering ₹2,060 Cr internal-accrual-funded capex for a 30,000 MVA power transformer factory expansion (expected FY30-FY32), signaling extreme confidence in long-term domestic grid transmission demand.
- **Bulging Order Book:** The order backlog swelled by 37.6% YoY to a record ₹17,599 Cr, providing exceptional revenue visibility for the next 24 months.
- **Resilient Profitability:** Despite a one-off ₹52 Cr hit from the newly implemented Government Labour Codes, PAT surged by an impressive 34.9% YoY.

Operational KPI Table

Key Performance Indicator	Q1 FY26 (Dec '25)	Q1 FY25 (Dec '24)	YoY Shift

Order Backlog	₹17,599 Cr	₹12,790 Cr	+37.6%
New Order Intake	₹3,343 Cr	₹3,225 Cr	+3.7%
Reported EBITDA Margin	22.4%	20.7%	+170 bps
Adj. Core Margin (ex-Forex)	18.8%	16.8% (Q4 FY25)	+200 bps (QoQ)

Financial Deep Dive (Consolidated)

Financial Metric	Q1 FY26 (Dec '25)	Q1 FY25 (Dec '24)	YoY Growth	Q4 FY25 (Sep '25)	QoQ Growth
Revenue from Operations	₹1,911 Cr	₹1,517 Cr	+26.0%	₹2,646 Cr	-27.7% *
EBITDA	₹429 Cr	₹315 Cr	+36.2%	₹516 Cr	-16.8% *
PAT	₹313 Cr	₹232 Cr	+34.9%	₹360 Cr	-13.0% *

***QoQ declines reflect the standard cyclicity of the capital goods sector, where the September-ending quarter (Q4 for ENRIN) is traditionally heavy on project completions.**

Cost vs. Efficiency Analysis: Applying a strict Margin of Safety lens, the standout observation this quarter is the management's grip on operational efficiencies amidst regulatory headwinds. We evaluate core profitability using the standard formula:

$$\text{EBITDA Margin} = \left(\frac{\text{EBITDA}}{\text{Revenue}} \right) \times 100\%$$
 The reported margin expanded to 22.4%; however, adjusting for favorable forex and commodity gains, the core operating margin stood at a more grounded 18.8%. Furthermore, the bottom line absorbed a direct ₹52 Cr blow due to the New Labour Codes. The fact that the company still posted a 34.9% YoY PAT growth highlights extreme pricing power and high operating leverage within its transmission and STATCOM divisions. Nevertheless, as cost-critical analysts, we will closely monitor raw material inflation and labor cost stabilization in the coming quarters.

Management Integrity and Tone

- **Tone:** Confident, transparent, and structurally bullish.
- **Analysis:** MD & CEO Guilherme Mendonca maintained an authoritative yet transparent stance during the analyst meet. Management refrained from sugarcoating the ₹52 Cr labor code hit and was highly transparent in isolating forex/commodity gains from core margins. Their emphasis on STATCOMs (targeting the 75-unit national pipeline) and the massive transformer capex reflects a management team that is prioritizing long-term structural alignment with India's grid overhaul over short-term gimmickry.

Peer Benchmarking

Compared to its closest competitor, Hitachi Energy India and the broader PSU giant BHEL, ENRIN operates with significantly superior capital efficiency (ROCE > 30%). While BHEL struggles with legacy margin drags and a P/E soaring above 180x based on turnaround hopes, Siemens Energy India delivers consistent, clean profitability. However, ENRIN's valuations currently mirror the premium commanded by the broader MNC capital goods basket (ABB India, GE Vernova).

Key Risks and Red Flags

1. **Capacity Constraints vs. Lead Times:** The new ₹2,060 Cr transformer facility won't come online until FY30-FY32. In the interim, ENRIN might face capacity bottlenecks, potentially losing out on near-term high-voltage transmission market share.
2. **Regulatory & Labor Costs:** The sudden ₹52 Cr statutory hit proves that policy shifts can unexpectedly dent margins.
3. **Cyclical Peak Vulnerability:** Valuations at current levels leave absolutely zero room for execution missteps or delayed grid capex awards by the central government.

The Forward Curve

Looking ahead to Q2 and Q3 FY26, we project a stabilization of revenue growth at a steady 20-23% YoY, heavily anchored by the conversion of the ₹17.6k Cr backlog. Expect order inflows to remain lumpy but robust, particularly from STATCOM and renewable evacuation projects. If commodity prices remain benign, adjusted operating margins should comfortably hover in the 19%-20% corridor.

Valuation Guardrails

- **P/E Ratio: ~80x**
- **P/B Ratio: 22.6x**
- **Verdict: TRADING AT A PREMIUM. At 80x trailing earnings and over 22x book value, ENRIN is trading well above broader sector averages (Sector P/E ~28x). The market is pricing the stock to perfection, factoring in multi-year hyper-growth. While the intrinsic quality of the business is unquestionable, the Margin of Safety at ₹2,572 is razor-thin for value-conscious investors.**

Shareholding Pattern Updates

The December 2025 shareholding data reveals an encouraging institutional pivot:

- **Promoters: Unchanged at a solid 75.00%.**
- **FIs (Foreign Institutional Investors): Increased their stake noticeably from 6.16% (Sep '25) to 7.20%, indicating rising global confidence in India's energy thesis.**
- **DIs (Mutual Funds): Witnessed a slight tactical profit booking, dipping to 3.44%.**
- **Pledge Status: Clean; no promoter pledges observed.**

The Advisory Note

Strategic Outlook: For institutional portfolios with a 5-10 year horizon, ENRIN is a core compounding asset. It is an indispensable proxy to India's energy transition, decarbonization, and "Viksit Bharat" grid expansion.

Tactical Outlook: At a CMP of ₹2,572, the stock is priced for perfection. We advise fund clients and astute retail investors to deploy capital in tranches, utilizing any broader market corrections of 10-15% as entry points to build a position with a justifiable margin of safety.

Financial Disclosure: This report is strictly for educational and informational purposes under the framework of financial literacy. The firm may or may not hold positions in the mentioned securities.

ABB India Q4 CY2025 Analysis: Record Order Inflows vs. Margin Headwinds

By the Investment Advisory Team ProfitFromIt

The Snapshot

<i>Metric</i>	<i>Details</i>
<i>Company Name</i>	<i>ABB India Ltd.</i>
<i>CMP</i>	<i>₹5,937</i>
<i>Market Capitalization</i>	<i>~₹1,29,406 Cr</i>
<i>Sector</i>	<i>Capital Goods / Electrical Equipment</i>
<i>Quick Verdict</i>	<i>Top-tier execution with a robust multi-year growth runway, but trading at a premium valuation amidst near-term margin friction.</i>

The 'Wow' Factor

- ***Historic Order Book: ABB clocked its highest Q4 orders in five years, surging 52% YoY to ₹4,096 Cr, pushing the total order backlog to a massive ₹10,471 Cr.***

- **Aggressive Capacity Expansion:** The company announced a substantial ~\$75 million investment for 2026 across five Indian locations to expand critical R&D and manufacturing capacity.
- **Unlocking Value:** The management successfully executed a Business Transfer Agreement (BTA) to carve out and sell its Robotics Business to ABB Robotics India Pvt Ltd on a slump sale basis for a solid ₹1,568.20 Cr.
- **Data Center Tailwinds:** Approximately 10-11% of the total backlog is now fueled by the hyper-scaling Data Center segment, placing ABB in the sweet spot of the AI and digitalization boom.

Operational KPI Table

Key Performance Indicator	Q4 CY2025	Q4 CY2024	Trend
Order Backlog	₹10,471 Cr	₹9,380 Cr	▲ +11.6%
Operational EBITA Margin	14.6%	19.0%	▼ -440 bps
Base Order Growth	+27% YoY	-	▲ Strong
Return on Capital Employed (ROCE)	21.0%	22.8%	▼ Contraction

Financial Deep Dive (Consolidated)

Metric	Q4 CY25	Q3 CY25	QoQ Change	Q4 CY24	YoY Change

Revenue	₹3,557.01 Cr	₹3,310.72 Cr	▲ +7.4%	₹3,364.93 Cr	▲ +5.7%
EBITDA	₹622.58 Cr	₹584.34 Cr	▲ +6.5%	₹743.96 Cr	▼ -16.3%
PAT	₹432.85 Cr	₹409.04 Cr	▲ +5.8%	₹528.41 Cr	▼ -18.1%

Note: EBITDA calculated as \$PBT + Finance Costs + Depreciation \& Amortization\$

Cost vs. Efficiency Analysis

Maintaining our Margin of Safety mindset, it is crucial to dissect why EBITDA and PAT contracted despite top-line growth. The drop is not a demand issue, but a cost-structure anomaly. Material costs spiked to \$61\%\$ of sales (up from \$58\%\$). Management made a conscious, strategic decision to use expensive imported materials from the EU to bypass domestic Quality Control Order (QCO) testing bottlenecks and ensure uninterrupted client delivery. Additionally, profitability was dampened by a ₹65.94 Cr one-time provision adapting to the new Labour Code. While top-line efficiency remains stellar, we remain slightly critical of this elevated cost base, which exposes the firm to forex volatility until the imported inventory flushes out over the next two quarters.

Management Integrity and Tone

During the earnings call, the management team, led by MD Sanjeev Sharma, projected a confident yet transparent tone. They were highly defensive and unapologetic about absorbing higher material costs, viewing it as a necessary trade-off to maintain customer trust and market share. Management was refreshingly upfront about the timeline of these margin pressures, guiding that the QCO-imported inventory will take another 1-2 quarters to clear.

Key Risks and Red Flags

- 1. Supply Chain Concentration: With ~20% of COGS reliant on EU imports, the company is vulnerable to geopolitical freight disruptions and unfavorable INR/EUR movements.**

- 2. Margin Compression:** *The inability to pass on 100% of the input cost inflation immediately shows that pricing power, while strong, has limits in a stabilized demand environment compared to the post-COVID boom.*

Peer Benchmarking

When stacked against its closest rival, Siemens Ltd, ABB commands a premium. Siemens currently trades at a P/E of ~66x, while ABB is trading near ~77.5x. However, ABB justifies this premium through a more aggressive localized expansion strategy (the \$75M capex) and dominant exposure to high-growth pockets like hyper-scale Data Centers and the transition from IE2 to IE3/IE4 efficiency motors.

The Forward Curve

Looking ahead to Q1 and Q2 CY2026, we project the following trajectory based on management guidance:

- Revenue: Expected to maintain a steady 8-10% YoY growth, supported by the execution of the massive ₹10,471 Cr backlog, particularly the large railway and data center orders.*
- Margins: EBITDA margins will likely remain range-bound between 15.0% - 15.5% in the first half of CY2026 as the expensive QCO-related inventory is consumed. Expect a stronger margin recovery in H2 CY2026.*

Valuation Guardrails

- Current P/E: ~77.5x*
- 5-Year Median P/E: ~74.4x*
- Current P/B: ~16.5x*
- Verdict: Trading at a Premium. While the business fundamentals are exceptionally strong, the stock is currently trading slightly above its 5-year historical median. Much of the multi-year infrastructure growth thesis is already priced in at these levels.*

Shareholding Pattern Dynamics

Recent shareholding data (Dec 2025 quarter) reveals intriguing institutional rotation:

- **Promoters:** Rock solid at exactly 75.00% (No pledges).
- **FIs:** Foreign Institutional Investors took some profit off the table, reducing their stake from 8.29% to 7.64%.
- **DIs & MFs:** Domestic Mutual Funds absorbed a portion of this liquidity, expanding their footprint slightly from 4.04% to 4.18%.

The Advisory Note

Strategic Outlook (Long-Term): The fundamental thesis is intact. With a shift towards automation, railway electrification, and AI-driven data centers, ABB's portfolio is flawlessly aligned with India's capex cycle. The ₹1,568 Cr slump sale of the Robotics division also indicates a sharp focus on capital efficiency.

Tactical Outlook (Short-Term): At ₹5,937, the valuation leaves little room for execution missteps. Investors looking to build fresh positions should ideally wait for the current margin friction to normalize over the next two quarters or look for broader market corrections to accumulate with a better margin of safety.

Fairvalue:

https://docs.google.com/spreadsheets/d/e/2PACX-1vTDD_bDv48IWqhVJhbGAEB2Nd81P_Opilszu5MXT5AdeQwIKOquXd9vj_MrOgkVu7DuldOubdGkqbsO/pubhtml?gid=2085187615&single=true

Disclaimer: This research piece is strictly for educational and informational purposes. It does not constitute direct financial advice.

Siemens Limited Q5 FY25 Analysis: Structural Tailwinds vs. Capital Allocation Discipline

The Snapshot

Metric	Details
Company Name	Siemens Limited
CMP	₹2,934
Market Capitalization	~₹1,04,500 Crore
Sector	Capital Goods / Electric Equipment
Quick Verdict	HOLD. Strong top-line execution amidst a sluggish private capex cycle, but transient margin pressures and capex deferrals warrant a margin-of-safety approach.

The 'Wow' Factor

- **The Innomotics Slump Sale:** Board approved the sale of the Low Voltage Motors (LVM) business to Innomotics India for an Enterprise Value of ₹2,200 crore, streamlining operations and unlocking cash.
- **Order Book Behemoth:** Order backlog stands at a massive ₹42,250 crore (\$+6.2\%\$ YoY), providing robust revenue visibility across Mobility and Smart Infrastructure.
- **Structural Streamlining:** The Energy business demerger is successfully completed, allowing Siemens Limited to operate as a pure-play automation, digitalization, and smart mobility entity.
- **Outperforming Peers in Revenue:** Delivered a \$14\%\$ YoY consolidated revenue growth, outpacing closest peer ABB India's \$5.7\%\$ top-line growth in the identical quarter.

Operational KPI Table

Key Performance Indicator	Q5 FY25 Value	Strategic Implication
New Order Intake	₹20,040 Crore (\$+20.5% YoY)	Reflects strong structural demand in Power T&D, Data Centers, and Mainline Railways.
Order Backlog	₹42,250 Crore (\$+6.2% YoY)	Multi-year execution visibility; equivalent to ~2.4x TTM revenue.
Book-to-Bill Ratio	~ 1.12x (Blended)	Confirms sustainable replacement of executed revenues with fresh mandates.

Financial Deep Dive (Consolidated)

Metric	Q5 FY25	Q5 FY24 (Dec 2024)	YoY Growth	QoQ Growth (Sep 2025)
Revenue	₹3,831 Cr	₹3,360 Cr	+14.0%	-21.8%
EBITDA (Op. Profit)	₹422 Cr	₹387 Cr	+9.0%	-30.7%
PAT	₹477 Cr	₹615 Cr	-22.4%	-1.6%

Note: Quarter-on-Quarter (QoQ) drops are largely seasonal given the lumpy nature of mobility project recognitions.

Cost vs. Efficiency: Siemens exhibited commendable top-line resilience, yet the bottom line felt the pinch of transitional headwinds. The drop in PAT was largely driven by a non-recurring exceptional charge of ~₹62.8 crore adjusting for the new Labour Codes (gratuity and compensated absences) and a shifting business mix. Furthermore, the Digital Industries (DI) segment continues to be constrained by a strict transfer-pricing framework, keeping its EBIT margins anchored in the 6%–8% corridor. Despite these friction points, management's operational efficiency is evident—leveraging localized manufacturing (e.g., Goa GIS factory) to defend margins against intense competitive bidding.

Management Integrity and Tone

The management's tone during the earnings call was transparent and structurally optimistic. CEO Sunil Mathur highlighted the "Viksit Bharat" macro tailwinds while candidly addressing the current lag in private sector capex. Management did not sugarcoat the margin constraints in the Digital Industries segment (acknowledging it as a transfer-price-regulated business) and was highly pragmatic about capital allocation. Rather than blindly deploying capital, the board demonstrated immense integrity by indefinitely deferring a ₹186 crore capex for a Metro car assembly setup in Aurangabad due to tender delays—proving they prioritize Return on Invested Capital (ROIC) over vanity expansions.

Peer Benchmarking

Compared to its closest competitor, ABB India, Siemens showcased superior top-line execution. For the quarter ended December 2025, ABB India reported a modest 5.7% YoY revenue growth (₹3,557 crore) against Siemens' 14.0% growth. Both engineering giants faced parallel margin compressions stemming from material inflation and the New Labour Code provisions (ABB's net profit also declined 18% YoY). However, Siemens' strategic pivot to solutions-oriented selling (e.g., Virtual PLCs, Chiller optimization for commercial real estate) positions its Smart Infrastructure arm to capture slightly better volume leverage than peers in the medium term.

Key Risks and Red Flags

- 1. Metro Capex Deferral:** The indefinite postponement of the ₹186 crore Aurangabad metro facility highlights sluggishness in public urban transport tender awards, capping near-term Mobility upside.
- 2. Transfer Pricing Constraints:** The DI segment's lack of localized manufacturing means it remains heavily dependent on imports from the parent (Siemens AG), strictly limiting margin expansion potential to the single digits.

- 3. Private Capex Slumber:** While tax and GST cuts are expected to spur consumption, the delayed revival of heavy private capex (steel, cement) remains a drag on the core automation portfolio.

The Forward Curve

We project consolidated revenue to grow at a steady 12%-14% CAGR over the next two quarters. The execution of the mammoth 9,000 HP locomotive order is ramping up on schedule, which will trigger percentage-of-completion (POC) revenue recognition spikes. We expect private capex to begin showing definitive green shoots by the April-June 2026 quarter, post the lag effect of recent consumption-boosting tax reforms.

Valuation Guardrails

- **Current P/E: 68.5x**
- **5-Year Median P/E: 73.8x**
- **Valuation Status: Historically Discounted**
- **Context:** Trading slightly below its 5-year historical premium, the stock offers a reasonable entry point for institutional accumulation, especially given the cleaner balance sheet post the Energy demerger and LVM slump sale.

Shareholding Dynamics

- **Promoters:** Holding remains rock-steady at 75.00%
- **FII:** Decreased marginally from 8.8% (Dec 2024) to 6.85% (Dec 2025), reflecting global reallocation.
- **DII:** Increased stakes from 7.3% to 4.80% (Mutual funds alone at 3.55%), absorbing the FII outflows and signaling strong domestic institutional confidence.
- **Pledge:** Clean; 0% promoter pledge.

The Advisory Note

Strategic vs. Tactical: Strategically, Siemens is the ultimate proxy to play India's manufacturing renaissance, energy transition, and railway modernization. The portfolio is incredibly well-aligned with the 25% GDP manufacturing target.

Tactically, the stock might remain range-bound in the near term as the market digests the margin compression and the deferred mobility capex. Use any broader market corrections to accumulate with a "Margin of Safety" mindset.

Financial Disclosure: This report is generated for educational and informational purposes only and does not constitute registered investment advice. Equity investments are subject to market risks.

Solar Industries Q3 FY26 Analysis: Record Defense Execution vs. Sluggish Domestic Mining

Welcome to our latest quarterly earnings teardown. As part of our ongoing commitment to keeping our investors and students ahead of the curve, we are diving deep into the Q3 FY26 performance of Solar Industries India Ltd.

This quarter brought a fascinating dichotomy: an unprecedented surge in international and defense revenues, weighed down slightly by a sluggish domestic mining environment. Let's unpack the numbers, evaluate management's tone, and apply our margin-of-safety lens to see if the underlying fundamentals justify the current valuations.

The Snapshot

<i>Metric</i>	<i>Details</i>
<i>Company Name</i>	<i>Solar Industries India Ltd.</i>
<i>Current Market Price (CMP)</i>	<i>₹12,856</i>
<i>Market Capitalization</i>	<i>~₹1,15,930 Cr</i>
<i>Sector</i>	<i>Specialty Chemicals / Defense & Explosives</i>

Quick Verdict	Hold. Exceptional structural growth and order book visibility, but currently priced to perfection.
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The 'Wow' Factor

Here are the standout data points that caught our attention this quarter:

- **Defense Revenue Explosion:** Defense revenues surged an astonishing 72% YoY, crossing the ₹700 Cr mark for the first time in a single quarter.
- **A Mammoth Order Book:** The total consolidated order book now stands at a record ₹21,200+ Cr, with the defense segment commanding the lion's share at ₹18,000 Cr.
- **International Breakthrough:** Revenues from overseas markets crossed the ₹1,000 Cr threshold, growing 35% YoY on the back of firm global demand for industrial metals and mining.
- **Promoter Recognition:** Adding qualitative prestige to quantitative success, Chairman Shri Satyanarayan Nuwal was recently conferred with the Padma Shri for his contributions to indigenous defense manufacturing.

Operational KPI Table

For a specialized explosives and defense manufacturer, top-line growth must be contextualized by operational efficiency and revenue mix.

Key Performance Indicator	Q3 FY26	Q3 FY25	Trend / Implication
Defense Revenue Contribution	28%	21%	Bullish: Highly margin-accretive shift.
International Revenue Contribution	40%	38%	Bullish: Successful geographical diversification.

CIL & Institutional Mix	21%	27%	Bearish: Reflects the slowdown in domestic mining demand.
Raw Material Cost to Sales	48.71%	53.50%	Bullish: Excellent operational leverage and procurement efficiency.

Financial Deep Dive (Consolidated)

Let's look closely at the quarterly consolidated financials to understand the fundamental trajectory.

Financial Metric (₹ Cr)	Q3 FY26	Q2 FY26 (QoQ)	Q3 FY25 (YoY)	YoY Growth
Revenue from Operations	2,548.32	2,082.22	1,973.08	\$\uparrow\$ 29.1%
EBITDA	733.00	582.00	536.00	\$\uparrow\$ 36.7%
PAT (Net Profit)	466.54	361.45	337.50	\$\uparrow\$ 38.2%

Cost vs. Efficiency: As analysts, we always maintain a strict "margin of safety" mindset—and it is during high-growth phases that cost indiscipline usually creeps in. However, Solar Industries has demonstrated remarkable prudence. The raw material consumption as a percentage of sales dropped by nearly 480 basis points YoY.

While employee expenses grew from ₹151 Cr to ₹214 Cr (largely due to capacity ramp-ups and international expansions), the superior product mix (higher defense and export contribution) easily absorbed these costs. The formula for operating profitability, $\text{EBITDA Margin} = \frac{\text{EBITDA}}{\text{Revenue}} \times 100$, expanded beautifully from 27.17% in Q3 FY25 to a robust

28.77% this quarter. Management remains confident in sustaining the 27%-28% margin band going forward.

Management Tone & Peer Benchmarking

Tone: The management tone on the earnings call was Highly Confident and Transparent. MD & CEO Manish Nuwal did not shy away from addressing the delays in the Pinaka rocket dispatch (originally expected in Q3, now pushed to Q4 due to pending trials) or the sluggish domestic mining demand caused by heavy monsoons. Their willingness to proactively address headwinds builds high institutional trust.

Benchmarking: While closest peer Premier Explosives boasts a strong order book relative to its size (~₹2,049 Cr M-Cap), Solar Industries operates in a completely different stratosphere regarding absolute scale, consistent execution, and global footprint, making it the undisputed apex player in the Indian explosives sector.

The Forward Curve

Based on management guidance, here is our projection for the next two quarters:

- 1. Pinaka Execution in Q4:** With trials expected to conclude, the delayed Pinaka rocket dispatches will commence in Q4 FY26. This will be a massive top-line trigger and should help the company inch closer to its ₹3,000 Cr annual defense revenue target.
- 2. 155mm Artillery Shells:** Commercial production for 155mm shells is slated to begin in Q4, opening up a highly lucrative avenue driven by severe global supply shortages in European and allied markets.
- 3. Mining Rebound:** Management remains conservative but optimistic, guiding for a normalized 15% annualized volume growth in the core mining explosives business once domestic capex and coal off-take stabilize post-monsoons.

Valuation Guardrails

- **Current Metrics:** At a CMP of ₹12,856, Solar Industries is trading at a TTM P/E of roughly ~75.9x.
- **Historical Context:** The stock's 10-year median P/E hovers around 46x.
- **Verdict:** Trading at a Premium. The market has already priced in the massive ₹18,000 Cr defense order book and the margin expansion. While the structural growth story is flawless, the lack of a margin of safety at a 75x multiple leaves very little room for execution missteps.

Shareholding & Corporate Governance

- **Promoter Skin in the Game:** Promoters maintain a rock-solid, unpledged stake of 73.15%.
- **Institutional Backing:** Mutual Funds hold 12.16% and FII's hold 6.74%.
- **There are no major red flags regarding sudden promoter sell-offs or hostile pledging.** The balance sheet remains incredibly clean with a consolidated Debt-to-Equity ratio of just 0.22.

The Advisory Note

Strategic View: Solar Industries is a classic "buy-and-hold" compounder. It represents one of the cleanest ways to play the Indian defense indigenization and export theme.

Tactical View: At current valuations, we advise against aggressive lump-sum deployments. Existing investors should continue to hold, while new capital should wait for broader market corrections to accumulate shares closer to its historical mean valuations.

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Mahindra & Mahindra Q3 FY26 Analysis: Breakthrough Services vs. Commodity Inflation Headwinds

Mahindra & Mahindra (M&M) has delivered a robust Q3 FY26, characterized by what Group CEO Dr. Anish Shah calls "Breakthrough Performances." While the core Auto and Farm businesses continue to provide the heavy lifting, the narrative this quarter shifted toward the "Growth Gems" and the turnaround in Financial Services.

The Snapshot

Metric	Details

Company Name	Mahindra & Mahindra Ltd.
Current Market Price (CMP)	₹3,020
Market Cap	~₹3,75,400 Cr (Large Cap)
Sector	Automobile / Diversified
Quick Verdict	Bullish on Operational Pivot

The 'Wow' Factor: 4 Key Highlights

- **Revenue Milestone:** The group crossed ₹50,000 Cr in quarterly revenue for the first time in its history (Actual: ₹52,100 Cr).
- **Logistics Turnaround:** Mahindra Logistics turned profitable after 11 consecutive quarters of losses, driven by strong execution in Auto and E-commerce.
- **SUV Dominance:** M&M maintains its #1 position in SUV Revenue Market Share at 24.1%, significantly ahead of peers.
- **Financing Pivot:** Mahindra Finance (MMFSL) PAT surged 97% (operating basis), with asset quality (GS3) consistently staying below the 4% mark.

Operational KPI Table (Consolidated)

Segment	Metric	Q3 FY26	Q3 FY25	Trend
Auto	SUV Volume Growth	179k units	142k units	↑ 26%
Farm	Domestic Market Share	44.0%	44.2%	↓ 20 bps

MMFSL	Gross Stage 3 (GS3)	3.8%	3.9%	↑ Improved
EVs	e-SUVs Sold (YTD)	41k+	-	New Vertical

Financial Deep Dive: Consolidated Performance

The gap between reported and operating PAT this quarter is primarily due to a one-time Labour Code impact (₹220 Cr) and international impairments in the Farm segment.

(₹ Cr)	Q3 FY26	Q3 FY25	YoY Growth	QoQ Growth
Total Revenue	52,100	41,470	↑ 26%	↑ 13%
Operating PAT	4,675	3,181	↑ 54%*	↑ 27%
Reported PAT	4,675	3,181	↑ 47%	↑ 27%

**Adjusted for Labour Code and one-timers.*

Cost vs. Efficiency: *The standalone Auto margins stood at 10.4% (excluding eSUV contract manufacturing). Management noted a 1% price hike in January to offset rising commodity inflation, particularly in precious metals. The "Cost of Material Consumed" is under pressure due to supply issues in iron-related products and high prices for copper and aluminum.*

Management Integrity & Tone

Tone: Confident & Transparent

Dr. Anish Shah's commentary was remarkably focused on accountability, moving impairments from "one-time items" into "operating results" to reflect management's responsibility for international capital allocation. Rajesh Jejurikar provided a very transparent outlook on capacity

constraints, admitting they are "scrambling" to meet the unexpected 25% growth in the tractor industry.

Peer Benchmarking: M&M vs. Tata Motors (Auto)

While Tata Motors leads in total PV volumes due to a broader hatchback/sedan portfolio, M&M has effectively cornered the High-Margin SUV segment.

- **M&M Revenue MS: 24.1% (SUV specific).**
- **Margin Efficiency: M&M's Auto PBIT margins at 10.4% are currently among the best-in-class, as they avoid the "discount wars" prevalent in the entry-level car segment by focusing on a 70% "top-end variant" sales mix for products like the XUV 7XO.**

Key Risks & Red Flags

- 1. Commodity Inflation: Sharp spikes in precious metals are a direct threat to margins in FY27.**
- 2. Memory Chip Shortages: A "watch out" area; M&M is currently paying premiums in the open market to build inventory.**
- 3. El Nino 2.0: Potential recurrence in late 2026 could dampen rural demand for tractors.**
- 4. International Drag: Turkish foundry (Erkunt) and Japan operations continue to require restructuring, with a ₹568 Cr impairment taken this quarter.**

The Forward Curve

Management is triggering a massive capacity expansion:

- **FY27: Adding 7,000-8,000 units/month in ICE capacity.**
- **FY28: The Nagpur Greenfield plant will go live, scaling toward a 500,000 annual capacity.**
- **EV Roadmap: XEV 9S and BE6 launches are finalized for the calendar year, with a target of 8,000 units/month by 2027.**

Valuation Guardrails

M&M is currently Trading at a Premium to its 5-year median PE. However, with an Annualized ROE of 20.1% (well above the 18% target) and the "Growth Gems" finally contributing to the bottom line, the premium is supported by earnings quality.

The Advisory Note

Strategic Outlook (Long-term): The thesis remains intact. M&M is no longer just a "Tractor and Jeep" company; it is a tech-led conglomerate with a #1 right-to-win in SUVs and a rapidly improving Services portfolio.

Tactical Opportunity (Short-term): Any price correction due to commodity-linked margin contraction in the next quarter should be viewed as a "Price Opportunity" to accumulate.

Fairvalue:

https://docs.google.com/spreadsheets/d/e/2PACX-1vQFEKf15LcXaacY6V8loNAjlljhJVWQ4rDC4bVE3pdKoB7SNUV27txAINZL_cRrA/pubhtml?gid=114849463&single=true

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Cummins India Q3 FY26 Analysis: Steady Domestic Growth Meets Export Headwinds

As the industrial landscape in India shifts toward more advanced emission norms and infrastructure-led demand, **Cummins India Limited (CIL)** continues to demonstrate resilience. While the headline numbers suggest a period of consolidation, a deeper look into the segments reveals a company pivoting effectively toward long-term structural themes like Data Centers and the Distribution business.

The Snapshot

Metric	Details
Company Name	Cummins India Limited
Current Market Price (CMP)	₹4,635

Market Cap	~₹1,28,480 Cr (Large Cap)
Sector	Capital Goods - Diesel Engines
Quick Verdict	Steady Accumulate – Strong domestic visibility offset by global "choppiness."

The 'Wow' Factor: 3 Key Takeaways

- **Historic Margin Profile:** Consolidated EBITDA margins remained exceptionally strong at ~38%, driven by a favorable product mix and operational efficiencies.
- **Data Center Dominance:** Management confirmed that Data Centers now contribute roughly 25% of the Power Gen revenue on average, positioning CIL as a primary beneficiary of India's digital infrastructure boom.
- **Dividend Bonanza:** The Board declared an interim dividend of ₹20 per share (1,000% on FV of ₹2), reflecting a healthy cash position despite global uncertainty.

Operational KPI Table (Consolidated)

Key Performance Indicator	Q3 FY26 Performance	Management Commentary
Domestic Revenue Growth	-2% YoY	Impacted by delayed monsoons in Oct and slower road construction.
Export Revenue Growth	+2% YoY	Described as "choppy" with no clear geographic trend.
Data Center Contribution	~25% (Avg)	Lumpy execution but strong inquiry pipeline from hyperscalers.

CPCB IV+ Transition	Ongoing	Higher technology content expected to drive long-term Distribution/Service revenue.
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Financial Deep Dive (Consolidated)

Particulars (in ₹ Cr)	Q3 FY26	Q3 FY25 (YoY)	YoY %	Q2 FY26 (QoQ)	QoQ %
Total Income	3,170.90	3,207.54	-1.1%	3,293.04	-3.7%
EBITDA	1,204.94	1,218.86	-1.1%	1,251.35	-3.7%
PAT (After Minority)	486.06	558.46	-12.9%	622.33	-21.9%

Cost vs. Efficiency:

The decline in PAT is primarily attributed to a one-time **Exceptional Item** of ₹126.54 Cr related to the notification of four Labour Codes (revised wage definitions affecting gratuity). Excluding this regulatory-driven, non-recurring cost, the Profit Before Tax (PBT) actually grew by **7% YoY**, showcasing robust underlying profitability. Gross margins reached a 20-quarter high, partially aided by lower ferrous/pig iron costs and a superior product mix.

Management Integrity and Tone

Tone: Transparent & Vigilant

Managing Director Shveta Arya maintained a balanced tone. She was transparent about the "choppiness" in exports and the "lumpy" nature of data center orders. The management's integrity is highlighted by their proactive disclosure of the ₹126 Cr labor code impact as an exceptional item, rather than burying it in operational costs. They remain "watchful" of commodity prices (especially copper) but confident in the 7.4% GDP growth trajectory for India.

The Forward Curve: Projections

- **FY26 Guidance:** Management maintains a **double-digit revenue growth** guidance for the full year.
- **Structural Tailwinds:** The shift to **CPCB IV+** norms increases the technological complexity of products. As these units come out of warranty in FY27, we expect a significant surge in high-margin Distribution and Service revenue.
- **Infrastructure Lead:** With the government's sustained capex focus, segments like Marine, Railways, and Commercial Realty are expected to remain buoyant.

Valuation Guardrails

The stock is currently **Trading at a Premium** compared to its 5-year median PE. However, this premium is justified by:

1. A near-monopoly position in high-kVA gensets (2500 kVA+) required for Data Centers.
2. Significant margin expansion through cost-control initiatives.
3. A debt-free balance sheet with high ROE/ROCE profiles.

Shareholding & Pledge Watch

- **Promoter Holding:** Remains stable at ~51%.
- **Pledge:** There are **zero** promoter pledges, indicating high financial stability.
- **FII/DII Interest:** Institutional interest remains high, given the company's proxy status for India's infrastructure and digitisation themes.

The Advisory Note: Strategic vs. Tactical

Strategic (Long-term): Cummins remains a structural play on India's infrastructure and energy transition. The high entry barriers in the >2500 kVA segment make it a "moat" business.

Tactical (Short-term): Export volatility and geopolitical tensions (tariffs) might provide better entry points. We advise accumulating on dips, keeping an eye on the execution of the Data Center pipeline.

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Timken India Limited Q3 FY26 Analysis: Revenue Resiliency vs. Transitional Margin Pressure

Timken India reported a healthy top-line growth of 14% YoY in Q3 FY26, signaling robust demand in the commercial vehicle (Mobile) and industrial sectors. However, the quarter was characterized by significant "transitional impacts"—specifically the ramp-up of the new Bharuch facility and one-time labor code provisions—which squeezed the bottom line.

We analyze whether these headwinds are a "buying opportunity" or a "red flag" for long-term investors.

The Snapshot

Metric	Details
Company Name	Timken India Limited
CMP (Current Market Price)	₹ 3,440
Market Cap	~₹ 25,875 Crores (Mid-Cap)
Sector	Bearings & Industrial Motion
Quick Verdict	Cautious Optimism (Long-term thesis remains intact despite short-term margin dip)

The 'Wow' Factor

- **Bharuch Capitalization:** 100% of the lines at the new ₹ 750 Cr Bharuch facility are now capitalized, positioning the company for a massive capacity leap in SRB (Spherical Roller Bearings) and CRB (Cylindrical Roller Bearings).

- **GGB Integration:** The acquisition of Timken GGB Technology (plain bearings) is now reflected in consolidated results, adding a high-margin (PBT ~39%) niche segment to the portfolio.
- **Export Potential:** Management highlighted that trade deals (India-USA/EU) could act as a catalyst for future export loading, despite recent geopolitical volatility.
- **CV Segment Bounce:** The 'Mobile' segment saw a strong 20% YoY growth, driven by volume increases in the Commercial Vehicle OEM space.

Operational KPI Table

KPI	Q3 FY26 Performance	Context
Rail Revenue	₹ 128.6 Cr	Seasonally lower; typically recovers strongly in Q4.
Mobile (CV) Revenue	₹ 157.1 Cr	20% YoY growth; strong volume pull from OEs.
Bharuch Utilization	~30%	Target to cross 50% in the near term as PPAPs (Customer Approvals) ramp up.
Product Mix	Unfavorable	Higher mix of traded vs. manufactured goods and lower Rail contribution impacted GM.

Financial Deep Dive (Consolidated)

(₹ in Million)	Q3 FY26	Q2 FY26	Q3 FY25	YoY (%)	QoQ (%)
Revenue from Ops	7,796.6	7,853.5	6,833.5	+14.1%	-0.7%

EBITDA	1,079.3	1,527.6	1,252.5	-13.8%	-29.3%
Net Profit (PAT)	545.6	936.0	782.1	-30.2%	-41.7%

Cost vs. Efficiency Analysis

The sharp decline in PAT is primarily attributed to three "Transitional Impacts":

1. **Bharuch Ramp-up (170 bps):** Full depreciation on the new plant hit the P&L while revenue is still scaling.
2. **Labor Code Provision (60 bps):** A one-time impact of ₹ 47.4 Million due to the notification of four new Labour Codes.
3. **Other Income Dip (120 bps):** Reduced investable surplus following the GGB acquisition and dividend payouts.

Excluding these, management estimates PBT margins would have been closer to 13% (vs the reported 10%).



The Forward Curve

We expect margins to normalize over the next two quarters as:

- **Q4 Seasonality:** The Rail segment historically peaks in the March quarter, which carries higher margins.
- **Bharuch Loading:** As more customers approve parts (PPAPs), the fixed-cost absorption will improve.
- **Export Acceleration:** The India-US trade deal headline tariff reduction (from 50% to 18% in specific codes) could provide a tailwind for the Bharuch export-oriented lines.



Valuation Guardrails

Timken India is currently trading at a PE of ~55x TTM earnings.

- **Historical Context:** This is slightly above its 5-year median PE.
- **Verdict: Trading at a Premium.** The market is pricing in the future earnings potential of the Bharuch facility and the GGB acquisition.



Key Risks & Red Flags

- **Export Concentration:** A significant portion of the new capacity is export-bound. Any global slowdown or trade barrier changes could delay the "hockey stick" growth.
- **High Fixed Costs:** Until Bharuch reaches >50% utilization, margins will remain sensitive to volume fluctuations.

- **Management Tone:** While transparent about transitional costs, management remains cautious about labeling the CV demand as "long-term" versus "pre-financial year end stock building."

The Advisory Note

Strategic Outlook: We maintain a **Long-term Buy** thesis. Timken is shifting from a pure bearing player to an "Industrial Motion" company (evidenced by the GGB acquisition and FRC line investments). The temporary margin pain is the price of massive capacity creation.

Tactical Opportunity: Short-term volatility in stock price due to the PAT miss may offer a better entry point for patient investors looking to play the Indian manufacturing and rail infrastructure theme.

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