

Weekly Earnings Wrap

WEEK - VI
(13th Feb'26 – 20th Feb'26)



Result Highlights of Q3FY26



UPGRADES

Company Name	Sector	Previous Reco	Current Reco
HCL Technologies Ltd	IT - Software	HOLD	BUY
JK Cement Ltd	Cement	HOLD	BUY
Eternal Ltd Ltd	E-Commerce	HOLD	BUY
Oberoi-Realty-Ltd	Real Estate	HOLD	BUY
Bandhan Bank	Banks	HOLD	BUY
Eicher Motors Ltd	Automobile	HOLD	BUY
Endurance Technologies Ltd	Auto Ancillaries	HOLD	BUY
NOCIL Ltd	Chemicals	SELL	HOLD

KEY UPGRADES & DOWNGRADES - ARCHIVE Q3FY26



NO CHANGE

Company Name	Sector	Previous Reco	Current Reco
Elecon Engineering Company Ltd.	Industrials	BUY	BUY
TCS	IT - Software	BUY	BUY
Avenue Supermarts Ltd	Retail	BUY	BUY
AU Small Finance Bank Ltd	Banks	BUY	BUY
Federal Bank Ltd	Banks	BUY	BUY
HDFC Bank Ltd	Banks	BUY	BUY
ICICI Bank Ltd	Banks	BUY	BUY
Dalmia Bharat	Cement	BUY	BUY
Can Fin Homes Ltd	Finance	BUY	BUY
CreditAccess Grameen	Finance	BUY	BUY
IndiaMART InterMESH Ltd	IT	HOLD	HOLD
Infosys	IT - Software	BUY	BUY
LTI Mindtree Ltd	IT - Software	BUY	BUY
Persistent Systems Ltd	IT - Software	BUY	BUY
Tech Mahindra Ltd	IT - Software	BUY	BUY
Wipro Ltd	IT - Software	HOLD	HOLD
Dr Reddy's Laboratories Ltd	Pharmaceuticals	HOLD	HOLD
Steel Strips Wheels Ltd	Auto Ancillaries	BUY	BUY
TVS Motor Company Ltd	Automobile	BUY	BUY
Maruti Suzuki India Ltd	Automobile	BUY	BUY
Ujjivan Small Finance Bank Ltd	Banks	BUY	BUY
Kotak Mahindra Bank Ltd	Banks	BUY	BUY
DCB Bank Ltd	Banks	BUY	BUY
Shriram Finance Ltd	BFSI - NBFCs	BUY	BUY
UltraTech Cement Ltd	Cement	BUY	BUY
SBI Cards & Payment Services Ltd	Finance	BUY	BUY
Asian Paints Ltd	FMCG	HOLD	HOLD
Gravita India Ltd	Industrial Minerals	BUY	BUY
SBI Life Insurance Company Ltd	Insurance	BUY	BUY
Cyient Ltd	IT - Software	HOLD	HOLD



NO CHANGE

Company Name	Sector	Previous Reco	Current Reco
Zensar Technologies Ltd	IT - Software	HOLD	HOLD
Coforge Ltd	IT - Software	BUY	BUY
JTL Industries Ltd	Metals & Mining	HOLD	HOLD
Cipla Ltd	Pharmaceuticals	BUY	BUY
Gland Pharma Ltd	Pharmaceuticals	BUY	BUY
V Mart Retail Ltd	Retail	BUY	BUY
APL Apollo Tubes Ltd	Steel	BUY	BUY
JSW Energy Ltd.	Utilities	BUY	BUY
Bajaj Auto Ltd	Automobile	BUY	BUY
City Union Bank Ltd	Banks	BUY	BUY
Equitas Small Finance Bank Ltd	Banks	BUY	BUY
IDFC First Bank Ltd	Banks	BUY	BUY
Bank of Baroda	BFSI – PSUB	BUY	BUY
KEC International Ltd	Capital Goods - Electrical Equipment	BUY	BUY
Ambuja Cements Ltd	Cement	BUY	BUY
Birla Corporation Ltd	Cement	BUY	BUY
Aarti Industries Ltd	Chemicals	BUY	BUY
JK Lakshmi Cement	Chemicals	BUY	BUY
Bajaj Finance Ltd	Finance	BUY	BUY
Cholamandalam Investment & Finance Company Ltd	Finance	BUY	BUY
Manappuram Finance Ltd	Finance	HOLD	HOLD
MAS Financial Services Ltd	Finance	BUY	BUY
Nippon Life India Asset Management Ltd	Finance	BUY	BUY
Colgate-Palmolive (India) Ltd	FMCG	BUY	BUY
Dabur India Ltd	FMCG	BUY	BUY
Nestle India Ltd	FMCG	BUY	BUY
Varun Beverages Ltd	FMCG	BUY	BUY
Rainbow Children's Medicare Ltd.	Health Care	BUY	BUY
Chalet Hotels Ltd.	Hotels	BUY	BUY
PSP Projects Ltd	Infra/Cons	HOLD	HOLD

KEY UPGRADES & DOWNGRADES - ARCHIVE Q3FY26



NO CHANGE

Company Name	Sector	Previous Reco	Current Reco
Relaxo Footwears Ltd	Leather	HOLD	HOLD
Affle 3i India	Miscellaneous	BUY	BUY
Aarti Drugs Ltd	Pharmaceuticals	BUY	BUY
Apcotex Industries Ltd	Plantation & Plantation Products	HOLD	HOLD
Skipper Ltd	Power Infrastructure	BUY	BUY
Signatureglobal (India) Ltd.	Real Estate	BUY	BUY
Prestige Estates Projects Ltd	Realty	BUY	BUY
Trent Ltd	Retail	BUY	BUY
Westlife Development Ltd	Retail	BUY	BUY
DOMS Industries Ltd	Stationery	BUY	BUY
Steel Authority Of India Ltd	Steel	HOLD	HOLD
ITC Ltd	Tobacco Products	HOLD	HOLD
NTPC Ltd	Utilities	BUY	BUY
Dhanuka Agritech Ltd	Agro Chemicals	BUY	BUY
Automotive Axles Ltd	Auto Ancillaries	BUY	BUY
Minda Corporation Ltd	Auto Ancillaries	BUY	BUY
UNO Minda Ltd	Auto Ancillaries	HOLD	HOLD
Sansera Engineering Ltd	Auto Ancillary	BUY	BUY
Ashok Leyland Ltd	Automobile	BUY	BUY
Escorts Kubota Ltd	Automobile	HOLD	HOLD
Hero MotoCorp Ltd	Automobile	BUY	BUY
State Bank of India	Banks	BUY	BUY
Cera Sanitaryware Ltd.	Build Mate	BUY	BUY
Greenply Industries Ltd.	Build Mate	BUY	BUY
Prince Pipes and Fittings Ltd.	Build Mate	BUY	BUY
Pitti Engineering Ltd	Capital Goods	BUY	BUY
Kirloskar Brothers Ltd	Capital Goods	BUY	BUY
HeidelbergCement India Ltd	Cement	HOLD	HOLD
Star Cement Ltd	Cement	BUY	BUY
Archean Chemical Industries Ltd	Chemicals	HOLD	HOLD



NO CHANGE

Company Name	Sector	Previous Reco	Current Reco
Jyothy Labs Ltd	FMCG	HOLD	HOLD
Krishna Institute of Medical Sciences Ltd	Health Care	BUY	BUY
Global Health Ltd	Hospital	BUY	BUY
Max Healthcare Institute Ltd	Hospital	BUY	BUY
Juniper Hotels Ltd.	Hotels	BUY	BUY
G R Infraprojects Ltd	Infra/Cons	BUY	BUY
J.Kumar Infraprojects Ltd	Infra/Cons	BUY	BUY
PNC Infratech Ltd	Infra/Cons	HOLD	HOLD
Rites Ltd	Infras. Dev. & Operators	BUY	BUY
Happiest Minds Technologies Ltd	IT	BUY	BUY
Mahanagar Gas Ltd	Oil & gas	BUY	BUY
Astral Ltd	Pharmaceuticals	BUY	BUY
Aurobindo Pharma Ltd	Pharmaceuticals	BUY	BUY
HealthCare Global Enterprises Ltd	Pharmaceuticals	BUY	BUY
CCL Products (India) Ltd	Plantation & Plantation Products	BUY	BUY
Mold-Tek Packaging Ltd	Plastic products	BUY	BUY
Genus Power Infrastructures Ltd.	Power Ancillaries	BUY	BUY
Arvind Smartspaces Ltd	Real Estate	BUY	BUY
Man Infraconstruction Ltd.	Real Estate	BUY	BUY
Embassy Office Parks REIT	Real Estate Investment Trusts	BUY	BUY
Aditya Birla Fashion & Retail Ltd	Retail	HOLD	HOLD
Ethos Ltd	Retail	BUY	BUY
Tata Steel Ltd	Steel	BUY	BUY
Bharti Airtel Ltd	Telecomm-Service	BUY	BUY
Kalpataru Projects International Ltd.	Transmission/Infrastructure	BUY	BUY
NLC India Ltd	Utilities	BUY	BUY
VA Tech Wabag Ltd.	Water Supply & Management	BUY	BUY
PI Industries Ltd	Agro Chemicals	HOLD	HOLD
Camlin Fine Sciences Ltd	Chemicals	HOLD	HOLD
Praj Industries Ltd	Construction & Engineering	HOLD	HOLD

KEY UPGRADES & DOWNGRADES - ARCHIVE Q3FY26



NO CHANGE

Company Name	Sector	Previous Reco	Current Reco
Hindustan Unilever Ltd	FMCG	HOLD	HOLD
Fortis Healthcare Ltd	Hospital	BUY	BUY
Indian Hotels Company Ltd	Hotels	BUY	BUY
H.G. Infra Engineering Ltd.	Industrials	BUY	BUY
Ahluwalia Contracts (India) Ltd	Infra/Const	BUY	BUY
Coal India Ltd	Mining	HOLD	HOLD
Biocon Ltd	Pharmaceuticals	BUY	BUY
Lupin Ltd	Pharmaceuticals	BUY	BUY
V I P Industries Ltd	Plastic products	HOLD	HOLD
Bata India Ltd	Retail	BUY	BUY
Welspun Living Ltd	Textile – Home Textile	BUY	BUY
Inox Wind Ltd	Utilities	BUY	BUY
Hindustan Unilever Ltd	FMCG	HOLD	HOLD



DOWNGRADES

Company Name	Sector	Previous Reco	Current Reco
L&T Technology Services Ltd	IT - Software	BUY	HOLD
National Aluminium Co	Aluminium	BUY	HOLD
KPIT Technologies Ltd	IT - Software	BUY	HOLD
Shree Cement Ltd	Cement	BUY	HOLD
Navin Fluorine International Ltd	Chemicals	BUY	HOLD
Hindalco Industries Ltd	Metals & Mining	BUY	HOLD



UPGRADES

Company Name	Sector	Previous Reco	Current Reco
Endurance Technologies Ltd	Auto Ancillaries	HOLD	BUY
NOCIL Ltd	Chemicals	SELL	HOLD



DOWNGRADES

Company Name	Sector	Previous Reco	Current Reco
Hindalco Industries Ltd	Metals & Mining	BUY	HOLD



NO CHANGE

Company Name	Sector	Previous Reco	Current Reco
PI Industries Ltd	Agro Chemicals	HOLD	HOLD
Camlin Fine Sciences Ltd	Chemicals	HOLD	HOLD
Praj Industries Ltd	Construction & Engineering	HOLD	HOLD
Hindustan Unilever Ltd	FMCG	HOLD	HOLD
Fortis Healthcare Ltd	Hospital	BUY	BUY
Indian Hotels Company Ltd	Hotels	BUY	BUY
H.G. Infra Engineering Ltd.	Industrials	BUY	BUY
Ahluwalia Contracts (India) Ltd	Infra/Const	BUY	BUY
Coal India Ltd	Mining	HOLD	HOLD
Biocon Ltd	Pharmaceuticals	BUY	BUY
Lupin Ltd	Pharmaceuticals	BUY	BUY
V I P Industries Ltd	Plastic products	HOLD	HOLD
Bata India Ltd	Retail	BUY	BUY
Welspun Living Ltd	Textile – Home Textile	BUY	BUY
Inox Wind Ltd	Utilities	BUY	BUY



UPGRADES



Endurance Technologies Ltd

Strong Order Wins & Strategic Capex; Margin Upside Largely Priced In

Recommendation: BUY | Reco Price: 2485 | TP: 2880 | Upside: 16%

Est. Vs. Actual for Q3FY26: Revenue – BEAT; EBITDA – INLINE; PAT – MISS

Change in Estimates Post Q3FY26

FY26E/FY27E: Revenue: 5.7%/8.7%; EBITDA: 7.2%/13.0%; PAT: 8.7%/18.1%

Recommendation Rationale

- Strong Order book:** As of Dec'25, the company has secured total business orders worth ~Rs 5,021 Cr over the last five years, along with cumulative replacement orders of Rs 730 Cr and Rs 4,291 Cr in new orders. This includes an order backlog of Rs 1,242 Cr in the Indian EV segment, including Bajaj. In Europe, Endurance has secured €244 Mn in orders as of Dec'25, representing the cumulative value over five years. Of this, €94 Mn (39%) pertains to EV applications, while €111 Mn (45%) is for Hybrid applications.
- Strategic Capex and Expansion Initiatives:** In Q3FY26, Endurance Technologies Ltd continued progressing its India expansion plans, with multiple greenfield projects nearing commercialization, including the Chennai disc-brake plant (SOP Q2FY27), the Aurangabad (Oric Shendra) aluminium casting facility targeting Rs 388 Cr peak revenue by FY29, the fully booked Oric Bitkin alloy-wheel plant, and the battery-pack facility near Pune expected to commence operations around March-April 2026. The company is also preparing to begin in-house ECU production for single-channel ABS in Q1FY27, subject to regulatory guidelines, and commissioned a new integrated brake R&D center in January 2026. FY26 India capex is now expected to be slightly below Rs 800 Cr, largely toward these new facilities and automation, with management focusing on sweating existing assets while directing incremental investments toward high-margin products and cost efficiencies.
- EV Systems Strengthening Order Book:** The battery management system (BMS) is currently being supplied across 3Ws, scooters, tractors, and construction equipment, with plans to expand into high-voltage BMS supplies for ICE 4Ws and EVs. Orders at the Maxwell BMS subsidiary stood at Rs 45 Cr in 9MFY26, taking total EV-related orders (including battery packs and BMS) to Rs 1,058.7 Cr, indicating continued traction in the electrification portfolio.

Company Outlook: With a strong EV portfolio, healthy order book, and strategic capacity expansions, Endurance is well-positioned to capitalise on growth opportunities in the evolving auto sector.

Current Valuation: 28x FY28E EPS (Earlier Valuation: 32x FY28E EPS)

Current TP: Rs 2,880/share (Earlier TP: Rs 2,830/share)

Recommendation: We upgrade to BUY on Endurance Technologies Ltd, led by strong order visibility, EV traction, and upcoming capacities supporting medium-term growth momentum.



NOCIL Ltd

Headwinds Easing; Upgrade to HOLD

Recommendation: **HOLD** | **Reco Price:** 153 | **TP:** 150 | **Upside:** -2%

Est. Vs. Actual for Q3FY26: Revenue: **BEAT**; EBITDA: **BEAT**; PAT: **MISS**

Change in Estimates post Q3FY26

FY26E/FY27E/FY28E: Revenue: 1%/1%/0%; EBITDA: -2%/0%/0%; PAT: -26%/0%/0%

Recommendation Rationale

- Ongoing Pricing Pressure:** The modest decline in revenue was mainly due to continued pricing pressure, led by aggressive exports from Chinese, Korean, and European rubber chemical manufacturers. While competitive intensity is likely to remain elevated in the near term, management is focusing on disciplined pricing, product mix improvement, and cost rationalization to limit margin compression.
- Stable Volume & Revenue:** NOCIL reported broadly stable sequential volumes, while revenue declined marginally by 1% on both a YoY and QoQ basis. Domestic volumes grew in high single digits, supported by improved demand conditions, following GST 2.0 implementation. Export volumes were affected by seasonal factors and tariff-related issues in the US market. Despite a weak first half, with volumes down 5%, the company expects to close the full year with positive volume growth of 3–4%.
- Early Signs of Growth Recovery:** During the quarter, the domestic market showed signs of growth, and management remains positive on the domestic demand outlook. Export markets remained muted; however, demand is expected to improve with a reduction in US tariffs and a trade agreement with Europe. A recovery in volumes, along with ongoing cost efficiency measures, is expected to support margin improvement.

Sector Outlook: Cautiously Optimistic

Company Outlook & Guidance: Management remains constructive on medium-term demand prospects across key end-user industries. Competitive intensity is expected to keep pricing subdued in the near term. However, volume growth is expected to pick up from Q4FY26 and continue into FY27. Accordingly, management has guided for 3–4% volume growth for the full year despite a weaker first half. For FY27, management expects a return to double-digit volume growth, supported by margin improvement.

Current Valuation: 17x Sept'27E (Earlier Valuation: 17x Sept'27E)

Current TP: Rs. 150/share (Earlier TP: Rs 150/share)

Recommendation: We upgrade our rating on the stock to **HOLD** from **SELL** on the stock, indicating limited downside risks and potential recovery.



NO CHANGE



PI Industries Ltd

Near-Term Headwinds Persist; Maintain HOLD

Recommendation: HOLD | Reco Price: 3168 | TP: 3230 | Upside: 2%

Est. Vs. Actual for Q3FY26: Revenue - MISS; EBITDA - MISS; PAT - MISS

Change in Estimates post Q3FY26

FY26E/FY27E/FY28E (in %): Revenue: -12/-9/-9; EBITDA: -19/-14/-13; PAT: -21/-16/-14

Recommendation Rationale

- Domestic Businesses Impacted by Short-term Challenges:** The domestic business reported an 8% YoY revenue decline in Q3FY26, with volumes down 2%, impacted by subdued farmer offtake for high-value products. Erratic monsoons and weak realisations in key crops such as chilli and grapes weighed on demand. Additionally, slower normalisation of the biological portfolio post regulatory challenges and lower traction in select crops further affected performance. Domestic demand is expected to gain traction from FY27 onward.
- Global Agchem Demand Remains Muted:** Export revenues in the agchem segment declined sharply (32% YoY in Q3FY26), primarily due to a 29% drop in volumes amid global inventory correction and shipment phasing. Despite the near-term slowdown, PI remains on track to commercialise 8–10 new molecules during the year, with five already launched. New product sales recorded 10% YoY growth in 9MFY26, partially cushioning the decline in base portfolio volumes. While near-term challenges persist, the company is relying on a de-risking strategy and differentiated product launches for a recovery.
- Pharma Emerging as a Growth Driver:** The pharma vertical delivered robust 50% YoY revenue growth in 9MFY26, contributing ~5% to total export revenues. Growth was driven by onboarding new customers and expanding the opportunity pipeline. The company received regulatory approval for Harpinαβ in India and a biochemical pesticide in the US. PI continues to build an integrated CRDMO platform through investments in capabilities, infrastructure, and talent, supporting medium-term growth visibility.

Company Outlook: Management expects sequential improvement in Q4FY26, supported by normalisation of channel inventories and seasonal demand recovery. Growth momentum is expected to strengthen in FY27, with formal guidance to be provided post fiscal year-end. Planned capex for FY27 is guided at Rs 500–600 Cr, aimed at capacity augmentation and scaling emerging verticals. PI continues to deploy capital prudently across CSM exports, domestic agri brands, pharma, and biologicals to enhance resilience and improve earnings visibility.

Sector Outlook: Cautious

Current Valuation: 28x Sep'27E (Unchanged)

Current TP: Rs. 3,230/share (Earlier TP: Rs 3,800/share)

Recommendation: We maintain our HOLD rating on the stock.



Camlin Fine Sciences Ltd

Blends Steady; Vanillin Poised for Realisation-Driven Growth

Recommendation: **HOLD** | Reco Price: 165 | TP: 170 | Upside: 3%

Est. Vs. Actual for Q3FY26: Revenue - **MISS**; EBITDA - **MISS**; PAT - **MISS**

Change in Estimates post Q3FY26

FY26E/FY27E/FY28E: Revenue: -10%/-14%/-19%; EBITDA: -31%/-8%/-10%; PAT: NM*/-9%/-14%

Recommendation Rationale

- Vanillin – Core Growth Driver:** The Vanillin segment witnessed a 4% YoY revenue decline, as the management consciously curtailed dispatches (490 tonnes) in anticipation of a 25% reduction in US import duties. This strategic deferment is expected to enhance realisations by approximately \$2–3/kg (to \$14–14.5/kg) in subsequent quarters following the duty reduction. For Q4FY26, the company has guided for 600–700 tonnes of sales volume (300–350 tonnes from the US). For FY27, volumes are targeted at ~4,000 tonnes, indicating a significant ramp-up versus FY26.
- Blends - The Business Hallmark:** The Blends segment reported revenue of Rs 272 Cr, reflecting 11% YoY growth. The business continues to demonstrate resilience across key geographies, despite operational challenges in Brazil. Management remains constructive on the segment's medium-term trajectory and reiterated a 20–25% growth outlook for the next year, supported by network expansion, deeper geographic reach, improved order visibility, and potential inorganic opportunities.
- Vinpai Acquisition – Strategic Portfolio Diversification:** The company acquired a controlling stake in Vinpai in Nov'25, contributing ~Rs 13 Cr to Q3FY26 revenue. This acquisition enhances Camlin's global footprint, with Vinpai serving customers across 36+ countries. Vinpai's capabilities in food ingredients, along with expansion into cosmetics and nutraceuticals, provide meaningful cross-selling opportunities. The move is intended to drive revenue growth and improve margins by expanding the product offering.

Sector Outlook: Cautiously Optimistic

Company Outlook & Guidance: Management reiterated its confidence in achieving ~20% annual growth in the Blends segment, while guiding for Vanillin sales volumes of approximately 4,000 tonnes in FY27. The company has provided revenue guidance of Rs 2,200 Cr for FY27 and Rs 2,400 Cr for FY28, indicating steady topline expansion over the medium term. EBITDA margins are projected to expand to 12–14%, driven by operating leverage and efficiency gains. Additionally, the Aroma business is expected to gradually increase capacity utilisation over the next two years, further supporting margin recovery and earnings growth.

Current Valuation: 20x Sep'27E (Earlier Valuation: 20x Sep'27E)

Current TP: Rs 170/share (Earlier TP: 195/share)

Recommendation: We maintain our **HOLD** rating on the stock.



Praj Industries Ltd

Bio-Energy Headwinds Persist; Signs of Growth in Other Businesses

Recommendation: **HOLD** | Reco Price: 309 | TP: 325 | Upside: 5%

Est. Vs. Actual for Q3FY26: Revenue: **INLINE**; EBITDA: **MISS**; PAT: **MISS**

Changes in Estimates post Q3FY26

FY26E/FY27E/FY28E: Revenue: 0%/1%/1%; EBITDA: -12%/-1%/1%; PAT: -52%/-3%/-4%

Recommendation Rationale

- **Bio-energy Slowdown Continues:** The company's 1G Ethanol business continues to remain impacted by subdued demand and an extended execution cycle. However, management is witnessing good traction in brownfield projects focused on operational efficiency and value-added product additions.
- **Margin Deteriorating:** EBITDA margins declined during the quarter, primarily due to lower export revenue. The company partially offset margin pressure through employee cost rationalisation and expects margin improvement going ahead through a better revenue mix and cost controls.
- **GenX Gains Traction:** While fixed costs at the GenX facility continue to weigh on margins, the plant is now being utilised for a diversified product basket. The facility has been inspected by 12 customers, and framework agreements have been signed with select clients. The recently received CCUS order will also be executed at this facility and is expected to create an additional revenue stream.
- **New Growth Opportunities:** Management believes recent government announcements aimed at strengthening the CBG and carbon capture ecosystem will open new opportunities. The company continues to make progress in Bio-isobutanol for diesel blending and SAF development.
- **Improving Export Outlook (Long-term):** Recently signed trade deals with the US, the UK, and Europe are expected to improve competitiveness in key export markets. Greater tariff clarity is also likely to support overseas customers in closing pending capex decisions.

Sector Outlook: Cautiously Optimistic

Company Outlook & Guidance: Near-term Demand and Policy Support: While the company expects demand for greenfield bio-energy projects to remain subdued in the near term, it anticipates a gradual improvement from here onward. Supportive government policies are likely to aid long-term growth of the domestic sustainable energy segment, while recent trade deals are expected to provide Indian companies with a competitive advantage in export markets. Margins and Growth Initiatives: Management expects margins to improve steadily as capacity utilisation rises. The company is actively pursuing new growth avenues and technology-led opportunities to support scale-up and achieve its FY30 targets.

Valuation: 20x Sept'27E (Unchanged)

Current TP: Rs. 325/share; (Earlier TP: Rs 340/share)

Recommendation: We maintain our **HOLD** rating on the stock.



Hindustan Unilever Ltd

Gradual Recovery; Maintain HOLD

Recommendation: **HOLD** | Reco Price: 2410 | TP: 2540 | Upside: 5%

Changes in Estimates post Q3FY26

FY27E/FY28E: Revenue: -2%/-2%; EBITDA: -8%/-8%; PAT: -8%/-8%

Recommendation Rationale

- **Volume recovery gaining ground:** HUL posted a 2.8% YoY increase in revenue in Q3FY26, with underlying volumes expanding 4%, reflecting broad-based traction across categories. Management indicated that demand trends have gradually improved, supported by moderating inflation, particularly in food, over recent months. The steady improvement in consumer confidence signals an early recovery in overall consumption sentiment.
- **Margins Outlook:** EBITDA margins contracted 14 bps YoY to 23%, impacted by a 28 bps decline in gross margins. However, management expects sequential improvement, supported by a favourable price–cost equation, better product mix, and ongoing net productivity initiatives. Management reiterated margin guidance of 22–23%, while continuing to invest in the business to drive sustained growth, with a clear focus on volume-led growth and premiumisation.
- **Growth Outlook:** HUL remains focused on driving competitive, volume-led growth through stronger brand positioning, expansion in high-growth segments, and scaling of future-ready channels such as quick commerce. With macro conditions stabilising and portfolio as well as channel transformation underway, management expects FY27 to outperform FY26, with growth remaining the top strategic priority.
- **Strategic moves:** HUL announced two strategic actions within its Health & Wellbeing portfolio — acquisition of the remaining 49% stake in OZiva and exit from its 19.8% minority holding in Nutritionalab Private Limited.

Sector Outlook: **Cautiously Positive**

Company Outlook & Guidance: Management expects a gradual recovery in the coming quarters, aided by recent GST rate reductions, which could act as a catalyst for demand recovery in the long term, along with other favourable macro policies. However, we remain cautious in the short term and prefer to adopt a wait-and-watch approach and **therefore maintain our HOLD rating on the stock.**

Current Valuation: 50xDec'27 EPS (Earlier Valuation: 52xSep'27 EPS).

Current TP: Rs 2,540/share (Earlier TP: Rs 2,750/share).

Recommendation: With a 5% upside from the CMP, we maintain our HOLD rating on the stock.



Fortis Healthcare Ltd

Healthy Core Performance; Expansion to Drive Next Leg

Recommendation: BUY | Reco Price: 918 | TP: 1070 | Upside: 17%

Est. Vs. Actual for Q3FY26: Revenue - INLINE; EBITDA Margin - MISS; PAT - MISS

Changes in Estimates post Q3FY26

FY26E/FY27E: Revenue: 0.7%/4.2%; EBITDA Abs: 0.2%/4.6%; PAT: -4.7%/3.0%

Recommendation Rationale

- **Strong Revenue Growth Led by Hospitals:** Fortis delivered a strong operational quarter with 17.5% YoY growth in consolidated revenue to Rs 2,265 Cr, driven primarily by the hospital segment. Hospital revenue stood at Rs 1,938 Cr (+19.4% YoY), while Agilus reported 7.2% YoY growth in net revenue to Rs 327 Cr. Margin expansion was visible across both hospital and diagnostics segments on a YoY basis.
- **Stable ARPOB and Occupancy:** ARPOB stood at Rs 70,100 (+4.5% YoY), while occupancy remained stable at 67%, supported by a 14% YoY growth in occupied bed days. Hospital EBITDA margin expanded to 21.7%, up 165 bps YoY but down 120 bps QoQ due to seasonality.
- **Cluster Led Expansion Strategy on Track:** Fortis continues to execute its cluster-based growth strategy, adding ~750 operational beds YTD through acquisitions and leases. The Rs 430 Cr acquisition of People Tree Hospital in Bengaluru provides an immediate 125-bed presence in a key micro-market, with adjacent land enabling expansion to 300+ beds. Alongside inorganic additions, the launch of specialised facilities such as Adayu (mental health) strengthens Fortis' positioning in high-demand urban clusters and enhances clinical depth. **We have factored in People Tree Hospital (Bengaluru) in FY27/FY28 in our assumptions.**

Sector Outlook: Positive

Company Outlook & Guidance: Fortis Healthcare's management maintains a highly positive outlook for FY26 and beyond, projecting a sustained growth trajectory driven by aggressive brownfield expansion and optimised clinical operations. The company expects to maintain its current momentum with mid-to-high teens revenue growth in the hospital segment, while targeting a consolidated EBITDA margin of 24–25% over the next two years, up from the current 22.3%. Forward-looking growth is anchored by a significant capacity roadmap to add over 3,200 beds by 2030, with approximately 430 beds slated for operationalisation in FY27, including the key 200-bed new block at the FMRI flagship hospital. Management anticipates occupancy rates will recover from 67% and reach 70–75% within the next year as new assets like Adayu and People Tree Hospital ramp up, while ARPOB is guided to grow at a sustainable 4–5% annually, primarily through an improved speciality mix and higher-complexity quaternary care.

Current Valuation: EV/EBITDA 27x for Dec'FY28E EBITDA (Earlier 28x H1FY28E)

Current TP: Rs 1,070/share (Earlier TP: Rs 1,070/share)

Recommendation: BUY



Indian Hotels Company Ltd

International Recovery & Mid-Scale-Up Support Outlook

Recommendation: **BUY** | Reco Price: 703 | TP: 820 | Upside: 17%

Est. Vs. Actual for Q3FY26: Revenue - **INLINE**; EBITDA - **INLINE**; PAT - **MISS**

Changes in Estimates Post Q3FY26:

FY26E/FY27E: Revenue: -1.1%/0.1%; EBITDA Abs: -1.3%/0.1%; PAT: -0.4%/1.1%

Recommendation Rationale:

- **Domestic Business with Steady Pricing-Led Growth:** IHCL reported a resilient quarter with standalone domestic revenue up 9.5% YoY, driven by 6% ARR growth to Rs 21,900 and a 90 bps improvement in occupancy to 78%, resulting in 7% RevPAR growth. Consolidated revenue stood at Rs 2,842 Cr (+12.2% YoY), supported by 9% RevPAR growth to Rs 13,800 with occupancy steady at 78%. Growth remained broad-based across brands—Taj (+8%), Vivanta (+10%) and Ginger (+9%)—indicating healthy rate discipline rather than occupancy-driven gains.
- **International Portfolio- Inflexion Visible in the U.S.:** The international business, contributing 22% to consolidated revenue, continues to provide diversification benefits. The Pierre, New York, crossed Rs 100 Cr in monthly revenue for the first time and achieved cash profitability, marking a structural turnaround. San Francisco posted a sharp 50% YoY RevPAR recovery, while Cape Town remained stable. The London property witnessed temporary displacement due to the renovation of the lobby and banqueting spaces, with yield recovery expected from Q1FY27. Upcoming openings, including Taj Frankfurt and the Kruger Luxury Safari Lodge, add to medium-term international optionality.
- **Capital-Light Pivot and Mid-Scale Scale-Up:** IHCL monetised its entire 25.52% stake in Taj GVK for Rs 592 Cr, strengthening liquidity while retaining long-term management contracts and signing a new 256-key Taj in Bengaluru — reinforcing its asset-light strategy. Simultaneously, the acquisition of a 51% stake in ANK and Pride (Clarks Hotels & Resorts) added over 10,000 keys across 135 properties, taking IHCL's branded mid-scale market share to ~24%. Integration under the Ginger-led ecosystem is expected to unlock procurement synergies and operating leverage, with up to Rs 300 Cr incremental revenue potential by FY27.
- **Accelerated Growth Momentum:** New businesses (Ginger, Qmin, amā, Tree of Life) now contribute 8% of revenue and are expected to grow 25%+ in FY27, underscoring IHCL's shift toward a diversified hospitality platform. With a 30,200-key pipeline and marquee developments such as Taj Bandstand, the company retains strong multi-year growth visibility while structurally improving its fee mix and capital efficiency.

Sector Outlook: **Positive**

Company Outlook & Guidance: IHCL maintains a robust outlook, driven by demand consistently outpacing supply. **The company remains confident in delivering double-digit revenue growth for the full year and sustaining margin stability.** Strategic initiatives anchor this growth; the New Businesses (including Ginger and Qmin) are accelerating and are expected to grow from 25% In FY27 as the integration of the ANK and Pride portfolios scales up. Financially, the company intends to maintain its disciplined capital allocation, guiding for an annual CapEx of approximately Rs 1,000 Cr to be funded entirely through internal accruals. With a robust pipeline of 30,200 keys and strategic entries into high-margin segments like integrated wellness and luxury safaris, IHCL is positioned to double its consolidated revenue and reach a portfolio of 700+ hotels by 2030.

Current Valuation: EV/EBITDA 28x for Dec'FY28E Earnings. (Earlier: 30x H1FY28E)

Current TP: Rs 820/share (Earlier TP: Rs 835/share)

Recommendation: **BUY**



H.G. Infra Engineering Ltd.

Robust Orderbook to Drive Growth

Recommendation: **BUY** | Reco Price: 666 | TP: 970 | Upside: 46%

Est. Vs. Actual for Q3FY26: Revenue – **BEAT**; EBITDA Margin – **BEAT**; PAT – **BEAT**

Change in Estimates post Q3FY26 (Abs.)

FY26E/FY27E: Revenue: -4%/-10%; EBITDA: -1%/-8%; PAT: -8%/-17%

Recommendation Rationale

- **Strong Order Book:** The company's order book stood at a robust Rs 13,625 Cr as of 31st December, 2025, providing strong revenue visibility over the medium term. The order mix remains well diversified, with Roads and Highways contributing 63%, Railways 20%, Battery projects 12%, Solar 3% and others 1%. Backed by this strong orderbook and healthy execution, HGIEL is expected to deliver revenue growth of 10% CAGR over FY24–27E.
- **Bidding Pipeline Remains Strong:** The YTD order inflow stood at Rs 3,300 Cr, and the management expects further inflow of Rs 4,000-5,000 Cr by Mar'26. The company has already bid for Rs 14,000 Cr of highway projects and plans to bid an additional Rs 48,000 Cr worth of projects by Mar'26. In the Railway segment HG Infra has bid for projects worth Rs 4,400 Cr, and for the BESS segment it plans to bid for 2 projects worth Rs 8,800 Cr by Mar'26.
- **Revision in Projected Revenue:** During Q3FY26, project execution was adversely impacted by the extended monsoon and delays in receiving the Appointed Date (AD) for a key project. As a result, management has revised its FY26 revenue guidance downward to Rs 6,200–6,300 Cr from the earlier Rs 6,500 Cr and Rs 7,000 Cr for FY27. Furthermore, slower project awarding activity and execution delays could pose additional risks to achieving the revised revenue target.

Sector Outlook: Cautiously Optimistic

Company Outlook & Guidance: For FY27, the company has guided for an order inflow of Rs 10,000-12,000 Cr, revenue of around Rs 7,000 Cr, with an EBITDA margin of around 14%.

Current Valuation: 8x FY27E EPS (Earlier Valuation: 9x FY27E EPS) and HAM/Solar assets/Battery storage 1.2x/0.8x/0.8x book value, respectively.

Current TP: Rs 970/share (Earlier TP: Rs 1,255/share)

Recommendation: We maintain our **BUY** recommendation on the stock.

Alternative BUY Ideas from our Sector Coverage: G R Infraprojects Ltd (TP: Rs 1,540 /share), J Kumar Infra (TP: Rs 715 /share)



Ahluwalia Contracts (India) Ltd

Misses Estimates on Slower Execution; Retain BUY

Recommendation: BUY | Reco Price: 796 | TP: 915 | Upside: 15%

Est. vs. Actual for Q3FY26: Revenue – MISS; EBITDA Margin – MISS; PAT – MISS

Change in Estimates post Q3FY26

FY26E/FY27E: Revenue: -4%/-6%; EBITDA: -13%/-7%; PAT: -15%/-9%

Recommendation Rationale

- Robust Order Book to Drive Growth:** The company has an order book of Rs 18,680 Cr (as of 31st Dec, 2025), providing revenue visibility for the next 2.5–3 years. The order book is primarily composed of Hospital at 7.9% (Rs 1,477 Cr), Commercial at 19.2% (Rs 3,586 Cr), Institutional at 7.7% (Rs 1,435 Cr), Residential at 44.7% (Rs 8,343 Cr), Infrastructure at 19.7% (Rs 3,680 Cr), and Hotel at 0.8% (Rs 160 Cr). By geography, East constitutes 17.7%, North 46.2%, West 28.3%, South 6.7%, and Overseas 1.1%. Accordingly, ACIL is expected to deliver revenue growth of 15% CAGR over FY25–FY27E.
- Strong Order Inflow:** The company reported robust YTD order inflows of Rs 9,562 Cr and currently holds L1 status in four projects aggregating Rs 2,485 Cr, indicating a healthy near-term order conversion pipeline. For FY26, management had guided for order inflows of over Rs 8,000 Cr, which has already been achieved, reflecting strong execution on the business development front. The current bidding pipeline stands at approximately Rs 7,000 Cr. For FY27, management has indicated a relatively moderate order inflow target of Rs 5,000–6,000 Cr, as the strategic focus shifts toward improving execution efficiency, enhancing margins, and ensuring timely completion of existing projects.
- NGT (National Green Tribunal) impact on Revenue Growth:** The impact of NGT restrictions this year has been more prolonged than anticipated, adversely affecting sales during December and January, with disruptions continuing until the first week of February. The NGT directives led to project closures in Delhi, which is significant given that nearly 44% of the company's order book is concentrated in the region, thereby materially impacting the topline. Additionally, management expects some disruption in March due to Holi-related labour shortages, which could further affect execution timelines. In light of these challenges, the company has revised its FY26 revenue growth guidance downward to 10–15% from the earlier 15–20%. However, it continues to maintain a revenue growth outlook of 15–20% for FY27, supported by normalization of project activity and execution ramp-up.

Sector Outlook: Cautiously Optimistic

Company Outlook & Guidance: For FY26, revenue growth of 10-15% is expected, with double-digit EBITDA margins.

Current Valuation: 19x FY27E EPS (Earlier Valuation: 20x FY27E EPS).

Current TP: Rs 915/share (Earlier TP: Rs 1,085/share)

Recommendation: We maintain our **BUY** rating on the stock



Coal India Ltd

Q3 EBITDA Misses Consensus; Maintain HOLD

Recommendation: **HOLD** | Reco Price: 419 | TP: 415 | Upside: -1%

Est. Vs. Actual for Q3FY26: Revenue – **BEAT**; Adj EBITDA – **BEAT**; PAT – **BEAT**

Change in Estimates post Q3FY26 Result

FY26/27/28E: Revenue: -1%/0%/1%; Adj. EBITDA: -1%/-2%/1%; Attrib. PAT: -1%/-4%/-1%

Recommendation Rationale

- Volume Growth Continues to Disappoint:** CIL's coal production in Q3FY26 stood at 200 MT (down 1% YoY) vs. the target of 229 MT, with production down YoY across subsidiaries except at ECL and SECL. Coal offtake in Q3FY26 stood at 189 MT vs. the target of 235 MT, down 3% YoY. The weak offtake is partly explained by lower peak power demand in Q3FY26 and growth in captive coal. OB removal fell slightly short of the target of 566 Mn CuM at 547 Mn CuM, down 2% YoY.
- EBITDA Misses Consensus:** Lower coal offtake (down 3% YoY), ASP (down 2% YoY) and higher employee expenses (up 18% YoY) led to a fall in the Adj. EBITDA (excluding stripping activities) at Rs 7,870 Cr, down 24% YoY (up 35% QoQ). Reported EBITDA stood at Rs 9,331 Cr, 11% miss vs. consensus mainly due to higher employee expenses. The company took a one-time provision of Rs 2,201 Cr towards the pay scale upgradation of Executives.
- E-auction Premium grew** to 62% (vs. our estimate of 54%), down from 76% YoY but up from 55% QoQ. ASP stood at Rs 1,638/t, down 2% YoY, but up 3% QoQ. E-auction prices stood at Rs 2,435/t (down 9% YoY, but up 6% QoQ), above our assumption of Rs 2,350/t. FSA price stood below our estimate at Rs 1,505/t, down 1% YoY, but up 2% QoQ. **E-auction volumes** stood at 20 MT (up from 19 MT YoY and 15 MT QoQ), slightly up from our estimate of 19 MT.

Sector Outlook: Neutral

Company Outlook & Guidance: CIL offers a good dividend yield of ~6%; however, volume ramp-up remains crucial for earnings growth in FY27/28. 9MFY26 coal offtake declined by 3% YoY at 546MT against the target of 658MT. Although peak power demand is projected to grow to 366 GW by FY32, focus on captive coal growth and lower thermal PLFs as RE capacity picks up in the coming years may slow down coal offtake requirements. Captive coal volumes reached 198 MT at 19% of total coal production in FY25 (25% CAGR over FY20-25). More odds are stacked against CIL, with its production cost likely to increase with increasing stripping ratio and wage revision.

Current Valuation: 5.5 x EV/EBITDA on Adj. Dec'27E EBITDA (Roll forward from Sep'27)

Current TP: Rs 415/share (Earlier TP: Rs 400/share)

Recommendation: We maintain our **HOLD** rating.



Biocon Ltd

Blip in Biosimilars; Structural Story Intact

Recommendation: BUY | Reco Price: 378 | TP: 435 | Upside: 15%

Est. Vs. Actual for Q3FY26: Revenue - MISS; EBITDA Margins - MISS ; PAT - MISS

Changes in Estimates post Q3FY26

FY26E/FY27E: Revenue: -4.4%/-5.2%; EBITDA: -4.4%/-5.2%; PAT: -12%/-6.8%

Recommendation Rationale

- Generics & Biosimilars Driving Growth, CRDMO Drags:** Biocon's Q3FY26 top line performance was a miss versus expectations, with reported revenue of Rs 4,173 Cr, up 9% YoY. Growth was primarily driven by a strong performance in the Generics segment, which surged 24% YoY to Rs 851 Cr, supported by the launch of generic Liraglutide in European markets and steady traction in the U.S. formulations business. The Biosimilars division, while witnessing some softness, remained the key contributor with revenue of Rs 2,497 Cr, up 9% YoY, aided by market share gains in North America and new launches such as Yesintek and Yesafili. However, overall topline momentum was tempered by a 3% YoY decline in the CRDMO segment, which faced transient headwinds due to challenges with a specific customer.
- Gross Margin at 9-Quarter High; One-Offs Weigh on PAT:** Gross margin expanded sharply by 350 bps YoY to a nine-quarter peak of 67.9%, driven largely by a higher North America share in the biosimilars mix. Despite this, EBITDA margin expansion was limited, as elevated R&D and other expenses (up 25% and 21%, respectively) offset gross margin gains. EBITDA stood at Rs 834 Cr (up 11% YoY), with margins at 20% (+30 bps YoY). Profitability at the PAT level was impacted by multiple one-offs totalling Rs 293 Cr, making reported PAT not strictly comparable.
- Biocon Deleveraging as Capex Eases:** Strategically, Biocon is entering a phase of financial discipline as its heavy investment cycle tapers. Management highlighted that annual capex, which averaged around \$275 Mn in recent years, has now reduced to below \$225 Mn and is expected to decline further toward maintenance levels after completion of the ongoing Malaysia expansion. The key remaining growth projects include doubling insulin drug product capacity in Malaysia (targeted for commercialisation in FY27), followed by the expansion of drug substance capacity roughly a year later. With approximately \$550–600 Mn of structured debt already retired, the company has reduced its net debt-to-EBITDA ratio to below 2.5x.

Sector Outlook: Positive

Company Outlook: Management indicated that Q3FY26 other expense levels should be treated as the new base. Following the restructuring and exit of structured debt holders, interest costs are expected to decline by ~Rs 3 Bn YoY in FY27. Capex is set to reduce from the earlier ~\$275 Mn run-rate to below \$225 Mn, with most major expansions completed. Incremental spending will largely be maintenance-driven, including doubling insulin drug product capacity in Malaysia by FY27 and drug substance expansion by FY28/29, while the generic peptide expansion has already been completed. Biosimilars are expected to grow faster, though margins may normalise to the mid-20% range. The portfolio now includes four biosimilars with over \$200 Mn in global sales. The insulin business remains steady, while GLP-1 growth will be driven by continued Liraglutide launches in Europe and upcoming launches in the U.S. and LatAm. Semaglutide has been filed in multiple international markets, with India approval under evaluation via a partnership route.

Current Valuation: Blended EV/EBITDA on SOTP on H1FY28E Earnings.

Current TP: Rs 435/share (Earlier TP: Rs 450/share)

Recommendation: BUY



Lupin Ltd

Building a Durable Growth Engine

Recommendation: BUY | Reco Price: 2199 | TP: 2460 | Upside: 12%

Est. vs. Actual for Q3FY26: Revenue – **BEAT** ; EBITDA Margin – **BEAT**; PAT – **BEAT**

Changes in Estimates (%) post Q3FY26

FY26E/FY27E: Revenue: 3%/3.4%; EBITDA Abs: 9.9%/3.4%; PAT: 11.4%/1.4%

Recommendation Rationale

- Robust Results Once Again:** Lupin reported another strong quarter, driven by outperformance in the US business led by high-margin complex generics, notably gTolvaptan, Mirabegron, and Risperdal Consta, along with robust growth across emerging markets. Strong gross margin expansion translated into a sharp EBITDA and PAT beat. Revenue stood at Rs 7,168 Cr (+24% YoY), well above estimates, while EBITDA increased 67% YoY to Rs 2,262 Cr, with margins at 31.6%.
- US Outperforms:** Sales stood at \$350 Mn (+46% YoY), driven by gTolvaptan contribution along with continued strength in gMirabegron and gSpiriva. Management indicated US performance was supported by new launches and seasonality, partially offset by low single-digit price erosion. Tolvaptan (~35% market share) and Mirabegron were the largest contributors to growth, while seasonal products such as albuterol and oseltamivir also supported performance. The company currently holds ~40% share in generics and ~40% share of the overall molecule and will evaluate further market share gains. Pegfilgrastim launch is scheduled for Q4, with meaningful contribution expected from FY27. Tie-ups with McKesson and Amerisource are resulting in favourable reimbursement and are expected to drive uptake.
- Upcoming Pipelines & Opportunities:** Lupin is entering a stronger launch cycle, with multiple complex products lined up to drive the next leg of growth. The near-term trigger is the U.S. launch of Pegfilgrastim (expected before Q4FY26), marking its entry into U.S. biosimilars. Recent complex launches such as gRisperdal Consta (from the Nanomi long-acting platform) continue to scale, reinforcing the shift toward high-barrier injectables. Over the next three years, the injectables and 505(b)(2) portfolio is targeted to exceed \$100 Mn in annual revenues, supported by a growing institutional business. In respiratory, gDulera progression and the planned advancement of Mepolizumab add further optionality. Over the long term, the biosimilars roadmap led by bRanibizumab (FY27), followed by bAflibercept and bEtanercept (FY29–30), provides sustained pipeline visibility and margin-accretive growth.

Sector Outlook: Positive

Company Outlook & Guidance: Lupin Limited has raised its FY26 EBITDA margin guidance to 27–28% (from 25–26%), supported by a stronger product mix, while indicating margins may moderate in FY27 but remain sustainable at 24–25%. Mirabegron is expected to continue as a key U.S. profit driver over the next two years despite settlement terms, and the injectable portfolio (including dalbavancin, eribulin, and iron sucrose) is targeted to scale to ~\$100 Mn over the next few years, aided by biosimilars and a growing institutional business. In GLP-1, the domestic market is estimated at ~Rs 15 Bn in year one, with Lupin aiming for Rs 500–600 Mn in sales. Around 70% of R&D is now focused on complex assets (injectables, inhalation, biosimilars), with R&D spend guided at 7.5–8% of sales in FY26 and 7.5–8.5% in FY27, while gradually reducing Para III/IV exposure. Nexplanon is under clinical development (filing targeted in FY28), and the company expects innovative launches over the next 3–4 years. Biosimilars strategy remains selective with emphasis on first-wave launches, and M&A focus is on specialty assets in the \$200–300 Mn range across the U.S., Europe, and India, particularly in Respiratory, Neurology, and Ophthalmology, including late-stage assets to accelerate growth.

Current Valuation: 26x PE for H1FY28 earnings (Earlier 27x/FY27E)

Current TP: Rs 2,460/share (Earlier TP: Rs 2,400/share)

Recommendation: BUY



VIP Industries Ltd

Near-term Challenges Continue; Maintain HOLD

Recommendation: HOLD | Reco Price: 389 | TP: 395 | Upside: 2%

Changes in Estimates post Q3FY26

FY27E/FY28E: Revenue: -5%/-4%; EBITDA: -4%/-4%; PAT: -9%/-9%

Recommendation Rationale

- **Soft Quarter:** VIP reported a 9.4% YoY decline in revenue during Q3FY26, reflecting weak consumer demand and heightened competitive intensity, including elevated discounting across the market. Despite the soft operating environment, the company improved its balance sheet position, with net debt reducing to Rs 283 Cr from Rs 394 Cr in the previous quarter.
- **Margins and Inventory Updated:** Profitability remained under pressure during the quarter, with EBITDA margin contracting sharply by 2,263 bps YoY, largely attributable to a 1,707 bps decline in gross margins to 29.5%. The performance was impacted by subdued demand conditions; however, management utilised the festive season to accelerate the liquidation of aged inventory. Net inventory levels reduced meaningfully to Rs 434 Cr in Q3FY26, reflecting a decline of Rs 157 Cr, indicating continued progress on balance sheet clean-up.

Sector Outlook: Cautious

Company Outlook & Guidance: While VIP remains focused on long-term premiumisation, it continues to face near-term headwinds. **We therefore adopt a wait-and-watch approach and maintain our HOLD stance on the stock.**

Current Valuation: 38x Dec'27E EPS (Earlier Valuation: 38x Sep'27E EPS)

Current TP: Rs. 395/share (Earlier Rs 415/share)

Recommendation: With a 1% upside from the CMP, we maintain our **HOLD** rating on the stock.



Bata India Ltd

Demand Revival Underway; Maintain HOLD

Recommendation: HOLD | Reco Price: 855 | TP: 920 | Upside: 8%

Changes in Estimates post Q3FY26

FY27E/FY28E: Revenue: -2%/-2%; EBITDA: -7%/-6%; PAT: -14%/-10%

Recommendation Rationale

- Early Recovery; Premium Push Gaining Pace:** Bata India reported ~3% YoY revenue growth in Q3FY26, supported by an improvement in demand following GST-related adjustments. Management indicated early signs of recovery, with healthy traction across channels. Premium labels such as Hush Puppies and Power delivered strong performance during the quarter, while fresh sales contribution continued to improve sequentially. The recovery was aided by the ongoing rollout of zero-merchandising initiatives, now implemented across 400+ stores, enhancing in-store experience and improving revenue productivity per square foot. Marketing investments also remained elevated, registering double-digit growth for the second consecutive quarter, contributing to strengthening brand momentum.
- Margins Improvement:** EBITDA margin expanded by 73 bps YoY to 22.4% in Q3FY26, despite a marginal 19 bps contraction in gross margins. Structural initiatives drove improvement at the operating level, focused on store decluttering, enhancing inventory freshness, and tightening cost control, which supported operating leverage. Gross inventory levels were reduced by ~11% during the quarter, reflecting continued balance sheet discipline.
- Expansion Momentum Intact:** The company added 27 franchise stores during the quarter, continuing its asset-light expansion strategy. Management reiterated confidence in crossing the 2,000-store milestone by Q4FY26, in line with earlier guidance. Growth momentum is also being supported through continued expansion under the KRO network.
- Demand Outlook:** The management remains optimistic about demand recovery in Q4FY26, supported by its marketing investments, robust brand equity, extensive retail network, and a continued emphasis on cost optimisation and operational efficiency.

Sector Outlook: Cautious

Company Outlook & Guidance: While early signs of demand recovery are visible, the sustainability of the turnaround remains to be established. Accordingly, we adopt a wait-and-watch approach and **maintain our HOLD rating on the stock.**

Current Valuation: 38x Dec'27E EPS (Earlier Valuation: 38x Sep'27E EPS)

Current TP: Rs 920/share (Earlier TP: Rs 1,000/share)

Recommendation: With a 8% upside from the CMP, we **maintain our HOLD rating on the stock.**



Welspun Living Ltd

Well-Poised to Capitalise on Evolving Trade Dynamics; Maintain BUY

Recommendation: **BUY** | Reco Price: 143 | TP: 165 | Upside: 15%

Est. Vs. Actual for Q3FY26: Revenue - **BEAT**; EBITDA - **BEAT**; PAT - **MISS**

Change in Estimates post Q3FY26

FY26E/FY27E/FY28E: Revenue: 2%/2%/2%; EBITDA: -11%/2%/2%; PAT: -29%/0%/0%

Recommendation Rationale

- **Sequential Margin Recovery; Strengthening Cash Generation:** Despite subdued discretionary spending trends and elevated US tariff pressures during the quarter, Welspun delivered a sequential improvement in operating margins alongside a sharp recovery in cash flows. Margin expansion was primarily driven by tighter control over overheads and improved sourcing efficiencies, which helped offset the impact of an unfavourable product mix. Leveraging its long-standing global relationships, the company successfully protected volumes and sustained engagement with key international customers during a challenging demand phase.
- **Structural Boost from Trade Agreements:** Recent trade developments between India and the US, EU, and UK represent a significant structural boost for Indian textile exporters. These agreements enhance India's tariff competitiveness relative to other sourcing destinations, strengthening its positioning as a preferred long-term supply base. Given Welspun's established scale, integrated capabilities, and deep customer engagement, the company is strategically positioned to capitalise on the next demand upcycle.
- **Customer Retention Strategy:** Management remains focused on strengthening customer relationships and safeguarding market share, prioritising long-term partnerships over short-term margin expansion. This approach enabled Welspun to sustain its US market share despite a broader decline in industry exports to the region.
- **FTA-Led Growth Optionality:** The finalisation of FTAs with key developed markets marks a meaningful structural shift. With nearly 40% of revenue now derived from non-US geographies, concentration risk is moderating. The agreements also neutralise tariff advantages historically enjoyed by competing nations, potentially unlocking a multi-year growth opportunity.

Sector Outlook: Cautiously Optimistic

Company Outlook & Guidance: The company expects gradual margin improvement beginning Q1FY27 as revised tariff structures and FTA benefits begin reflecting in order inflows. Over the medium-to-long term, management remains confident of accelerating growth through disciplined cost management, improved product mix, strong cash flow generation, and selective investments in capacity and capabilities.

Current Valuation: 14x Sep'27E EPS (Unchanged)

Current TP: Rs 165/share (Unchanged)

Recommendation: We maintain our BUY rating on the stock, considering the attractive valuations and long-term growth prospects.



Inox Wind Ltd

Q3 Miss on All Fronts against Consensus

Recommendation: BUY | Reco Price: 106 | TP: 130 | Upside: 23%

Est. Vs. Actual for Q3FY26: Revenue – MISS; EBITDA - BEAT; PAT -MISS

Change in Estimates post Q3FY26

FY26E/FY27E/FY28E: Revenue: -14%/-22%/-26%; EBITDA: -2%/-11%/-15%, PAT: -22%/-16%/-18%

Recommendation Rationale

- **EBITDA Misses Consensus Estimates:** Consolidated EBITDA stood at Rs 282 Cr, a 7% miss vs. consensus. Earlier, FY26 execution guidance was 1,200 MW, but 9MFY26 execution stood only at 600 MW, implying a steep 600 MW run-rate in Q4FY26.
- **Guidance Revision: Shift from MW to Revenue:** The company has shifted to revenue growth and margin guidance instead of MW-based guidance. It is now guiding for >Rs 5,000 Cr revenue in FY26 (>35% YoY growth) and ~75% YoY revenue growth in FY27, with EBITDA margin of 20-22% for FY26/FY27 (18-19% earlier). This recalibration from MW to revenue terms is led by changing composition of the orderbook, which now has a ~50:50 split between turnkey projects and equipment supply orders/scopes of differing values. Customer-led site readiness delays, land & substation readiness variability, and connectivity issues also create quarterly volatility in MW recognition. Management felt that revenue and EBITDA guidance better capture business performance and margin control.
- **Orderbook Strong but Stagnant:** The orderbook stood at 3,185 MW as of Q3FY26 vs 3,235 MW in Q2FY26, remaining stagnant QoQ. In Q3FY26, fresh order intake was ~582 MW. The orderbook composition consists of end-to-end turnkey projects at ~1.6 (51%) GW and equipment supply (includes limited scope EPC) at ~1.6 GW (49%). It is well-diversified across PSUs, IPPs, and C&I players, and provides execution visibility for 18 to 24 months. In FY26, the company won orders of ~600 MW. On the order pipeline, management said that multiple negotiations are in advanced stages and further additions are expected before year-end.

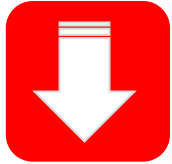
Sector Outlook: Neutral

Company Outlook & Guidance: We keep our FY26/27 revenue estimates lower than the company's guidance. While management has upgraded EBITDA margin guidance to 22–23% and reiterated strong FY27 revenue growth (75% YoY), execution timing risks warrant a more cautious stance until working capital normalization and commissioning momentum become more consistent. Capex guidance for FY26/27 is maintained at Rs 200 Cr.

Current Valuation: 23x (from 29x) Dec'27E EPS (Roll forward from Sep'27)

Current TP: Rs 130/share (Previously Rs 190/share)

Recommendation: We maintain our **BUY** recommendation on the stock.



DOWNGRADES



Hindalco Industries Ltd

Indian Operations Robust; Leverage Control & Novelis Execution Critical

Recommendation: HOLD | Reco Price: 964 | TP: 1050 | Upside: 9%

Est. Vs. Actual for Q3FY26: Revenue - INLINE; EBITDA - MISS; PAT - MISS

Change in Estimates post Q3FY26 results

FY26/27/28E: Revenue: 0.6%/10.1%/9.3%; EBITDA: -2.4%/10.5%/8.9%; PAT: 5.5%/12%/2.4%.

Recommendation Rationale

- **Upstream Aluminium strong:** Upstream EBITDA/t grew by 6%/3% YoY/QoQ to \$1,572/t (first-quartile globally), aided by higher LME Aluminium and stable third-party shipments at 244 kt (down 1% YoY but up 7% QoQ). Reported cost stood ~2% higher QoQ. However, Q2 had a one-time RPO (Renewable Purchase Obligation) write-back benefit. Adjusting for RPO reversal, the underlying cost QoQ was flat. Q4 cost expected to rise ~1% QoQ, driven by higher CPC (Calcined Petroleum Coke) prices.
- **Aluminium downstream mix improvement & premiumisation continues:** EBITDA grew 55% YoY to Rs 233 Cr, but declined 11% QoQ following shipments trajectory which stood at 108kt, up 9% YoY but down 4% QoQ. EBITDA/t grew 35% YoY to \$241/t (down 9% QoQ). Aditya FRP is now scaling up overall FRP production. The Battery enclosure facility is at full ramp, while Battery foil & AC fin commissioning is underway.
- **Copper business** EBITDA moderated at Rs 595 Cr, down 23%/6% YoY/QoQ, due to lower TcRc, adverse concentrate mix. Overall shipments grew 2%/8% YoY/QoQ, but CC Rod Shipments declined 15% QoQ as higher LME caused a temporary channel inventory drawdown.
- **Novelis:** Adj. EBITDA stood at \$348 Mn, down 5%/18% YoY/QoQ, impacted by \$54 Mn from Oswego fires and \$34 Mn from tariffs. Adj. EBITDA/t stood at \$430/t, up 6% YoY but down 4% QoQ (excl. fire and tariff impact, it would have been at \$495/t). Shipments declined 11%/14% YoY/QoQ at 809 kt, with 72kt impact due to Oswego fires. Non-operating cost impact of \$327 Mn led to attrib. Net loss of \$160 Mn.

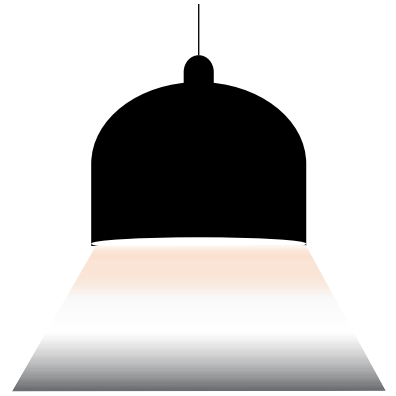
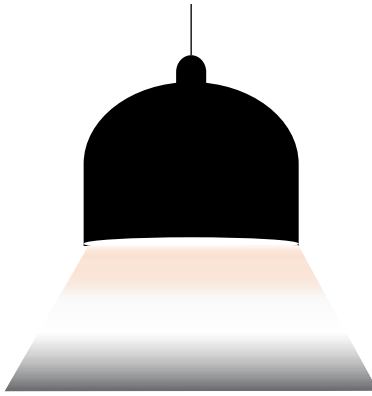
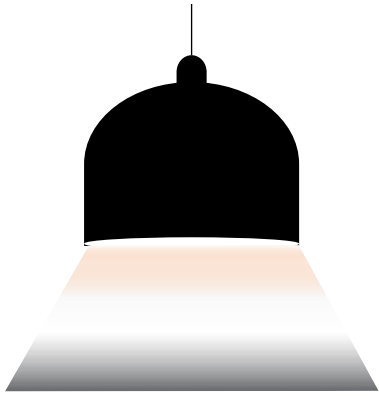
Sector Outlook: Neutral

Company Outlook & Guidance: India Expansion projects are on track. FY26 Capex guided at Rs 10,000 Cr (Projects at Rs 8,000 Cr plus Rs 2,000 Cr for Banda mine acquisition). Capex will rise in FY27 and onwards to Rs 10,000-12,000 Cr as expansion projects pick up pace. While the company underlined its focus on keeping the consolidated net debt/EBITDA below 2x during the capex phase over the next four years, execution will be the key. **Novelis Outlook:** Oswego hot mill would restart only from late Q2CY26. Shipments impact: ~150-200kt (72kt already taken), Adj. EBITDA impact: \$150-200 Mn, and FCF impact: \$1.3-1.6 Bn, including Adj. EBITDA impact. ~70-80% of cash flow and Adj. EBITDA impact recoverable through insurance; a majority to be received in future periods. FY26 capex guidance is maintained at \$1.9-\$2.2 Bn.

Current Valuation: SoTP with a 12MF EV/EBITDA target of 7.0x (from 6.0x)/6.0x/6.0x on Dec'27 EBITDA for Indian Aluminium, Copper, and Novelis. (Roll over from Sep'27)

Current TP: Rs 1,050/share (Previous TP: Rs 880/share)

Recommendation: We assign a **HOLD** rating from **BUY** on the stock.



Earnings Wrap Archive – Q3FY26

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Compliance Officer Details: Name – Mr Rajiv Kejriwal, Tel No. – 022-68555574, Email id – compliance.officer@axisdirect.in;

Registered Office Address – Axis Securities Limited, Unit No.002, Building- A, Agastya Corporate Park, Piramal Realty, Kamani Junction, Kurla (W), Mumbai – 400070.

Administrative office address: Axis Securities Limited, Aurum Q Parc, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

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