

Overall Dynamics

- Earnings Expectations
- Key Monitorables
- Major Trigger Points
- Risks to Estimates

Leaders and Laggards

Index performance vs. benchmark

Market-cap-based performance



STRATEGY

Quarterly Data

Annual Data

Industry data

Triggers

Risks

100%

50%

10%

Valuation

- Sector valuation overview
- Key Industry Trends

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Quarterly Review

20 February 2026

Elara Securities (India) Private Limited

Operating leverage still at play

20 February 2026

In a backdrop shaped by trade resets, tax rationalisation, and AI-driven efficiency shifts, Q3FY26 earnings were a critical test of the cycle. The result was broad-based acceleration, but uneven at the index level. Our coverage universe delivered 17% YoY PAT growth, with 7% sequential expansion. For the first time in the past many quarters, double-digit revenue growth was visible across cap segments, signalling demand pick up aided by fiscal reforms and easier liquidity. PAT for large-caps, which had lagged for several quarters, rose 17% YoY, led by Autos, PSU Banks, Metals and Industrials, while defensives remained subdued. Margins have not peaked, reinforcing our view that the earnings cycle is still in expansion mode. Yet, Nifty 50 EPS remains restrained. FY26E EPS growth is tracking at just 1% following downgrades in key index heavyweights. With real GDP tracking above 7% and inflation stabilising toward 4-4.5% into FY27E, the macro set-up supports a strong pick up in top line growth. We continue to expect 15%+ Nifty EPS compounding into FY27E, with the next phase of the rally driven by broadening of earnings growth, and positive operating leverage.

Topline growth in double digits, PAT growth at 17% led by large-caps: For Elara coverage universe, sales/EBITDA/PAT grew 10%/14%/17% YoY in Q3FY26. Importantly, this marks the first time in 11 quarters when topline growth has returned to double-digits, and that too across market-cap segments, signaling a clear demand inflection. Earnings were driven by cyclicals: Metals (+44% YoY), Auto (+33%), Energy (+30%), Infrastructure (+27%) and Financials (+21%). In contrast, Private Banks (+3%), IT Services (+9%), Healthcare (+6%) and Utilities (flat) lagged. In Q3, it was clear that growth acceleration was volume-led. For instance, Auto volumes rose ~20% in PVs and CVs and 17% in 2Ws. Bank credit growth strengthened to 13.4% YoY, and FMCG volumes improved to 6.7%.

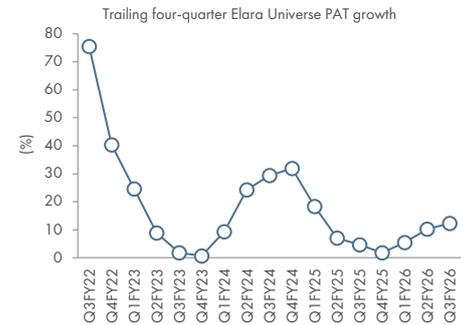
Earnings leadership back with large-caps; breadth also favorable: For large-caps, PAT rose 17% YoY in Q3FY26, adding INR 390bn, or 83% of incremental profits, ahead of their 81% profit weight and ~3% above our estimates. PAT for mid-caps grew by only 7% YoY, which is weak, but the drag was concentrated. Excluding a handful of large misses, operating leverage improved materially, lifting underlying PAT growth to 17.4% YoY. Small-caps delivered the strongest earnings, with 33% PAT growth and incremental profit additions of ~INR 53bn, nearly 2x of mid-caps.

Across our 17-sector universe, 11 sectors delivered double-digit earnings growth, the highest ratio in past nine quarters. Thus, earnings upcycle no longer appears narrow, as the breadth is expanding.

Nifty 50 – Topline at 12%, operating leverage negative: Muted FY26E EPS growth has stalled the Nifty 50, with the index delivering no meaningful gains since its September '24 peak. However, Q3 earnings are an improvement. Revenue grew 12% YoY, while EBITDA and PAT rose by 11% and 10% YoY, respectively, indicating margin compression across Financials, Healthcare, Energy, and select Consumption names. FY26E EPS is now tracking only ~1% growth at INR 1,085 after downgrades by 5-16% in index heavyweights such as Reliance Industries, Cipla, InterGlobe Aviation, HCL Technologies and Maruti Suzuki. EPS for FY26E has seen a downward revision of 2% since Q3FY26 preview. A softer FY26 base, an improving demand outlook, and expected broadening of earnings bode well for a 15%+ earnings compounding in FY27E. However, monitor commodity costs, cost of financing, and opex management.

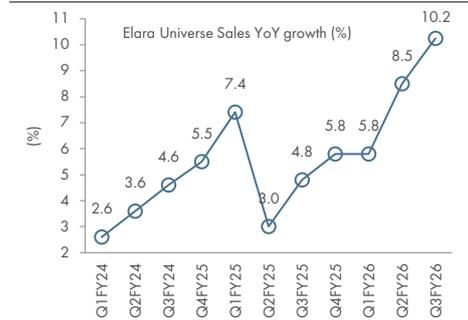
Strong quarterly beats, but still downgrades higher than upgrades: PAT of 103 stocks beat our estimates by at least 5%, while 90 stocks missed our estimates. Thus, the beat-to-miss ratio stood at 1.14x. However, the forward outlook weakened, with only 53 upgrades, or 18% of coverage, seeing FY27E PAT downgrades.

Elara Coverage Universe – Earnings continued the uptrend with double-digit growth



Source: Company, Elara Securities Research

Sales grew in double-digits for the first time since Q1FY24



Source: Company, Elara Securities Research

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Q3 validates structural shift in profit pool towards cyclicals. The shift in earnings leadership toward domestic cyclicals has been building in the past few years, and Q3FY26 reflects that trend. On a trailing four-quarter basis in the Elara Universe, Banks' PAT has expanded from ~INR 1.9tn in FY23 to over INR 3.0tn, lifting profit weight from 25% to 30%. Autos profits have more than doubled to ~INR 680bn, with recovery across 2Ws, PVs, CVs and EVs supporting further expansion. Energy profit contribution remains elevated at ~20%, and further pick up depends on global energy prices. In contrast, IT's profit weight share has declined from ~19% to ~10% in past five years. In our view, with credit acceleration and consumption recovery building, profit concentration is firmly with the domestic growth engines.

Sectoral preference: In line with our '[India – Year Ahead framework](#)', we introduce the Elara Model Portfolio, constructed through a disciplined value–quality–growth matrix and benchmarked to BSE 200 weights, with quarterly rebalancing. Our allocation reflects the ongoing earnings rotation toward domestic cyclicals. We remain overweight Consumption, particularly premiumization-led discretionary segments such as Autos, Jewelry, Beauty & Personal Care and Hotels. We also highlight Data Centers as a key medium-term structural theme, with preferred exposure through select Utilities, Real Estate and Wires & Cables beneficiaries of incremental power demand and infrastructure build-out.

A benign rate environment and improving credit demand support our Overweight stance on BFSI and Real Estate. We remain constructive on OMCs on favorable refining spreads and a soft crude outlook. We stay cautious on Pharma and Staples, where valuations remain stretched relative to growth visibility, and maintain a neutral stance on IT Services, viewing it as tactical value rather than structural leadership

Stock preferences

- ▶ Large-caps: Eicher Motors, TVS Motors, Titan, Kotak Mahindra Bank, SBI, Bank of Baroda, Bajaj Finance, IOCL, NTPC, and L&T.
- ▶ Mid-caps: GMR Airports, HPCL, Godrej Property, UNO Minda, NYKAA, Shree Cements, and Zydus Lifescience
- ▶ Small-caps: NLC India, Delhivery, KFin Tech, Century Plyboard, Arvind, and Sobha.

Story in charts

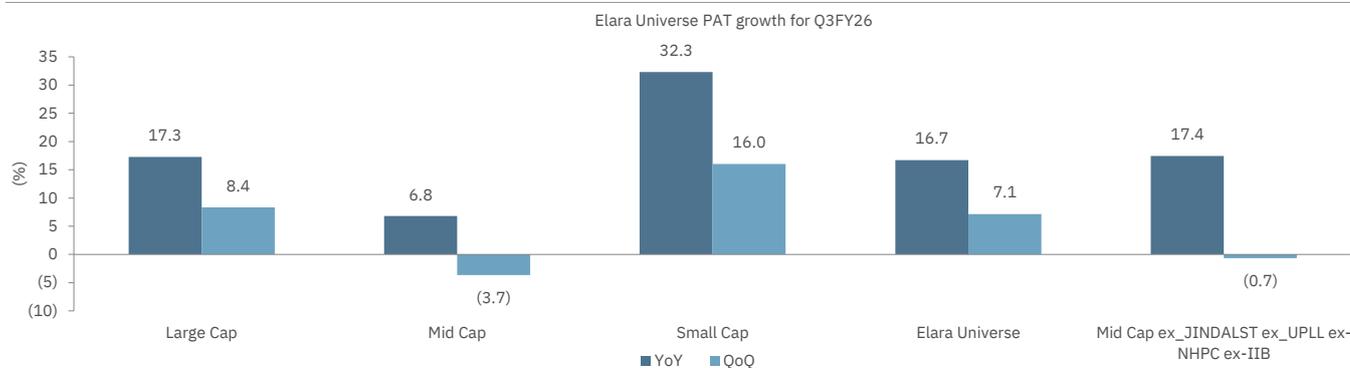
Exhibit 1: Metals, Autos and Energy see the most earning growth in Q3FY26

Sectors	PAT (INR bn)	YoY (%)	QoQ (%)
Metals	129	44.1	(7.9)
Industrials	63	36.4	19.0
Auto	204	32.5	10.4
Energy	622	30.0	16.1
Cement	34	28.1	10.0
Infrastructure	90	26.5	7.3
Consumer Discretionary	91	23.9	32.3
Financials	362	21.2	7.2
Real Estate	35	15.3	7.7
Bank	835	9.7	4.5
Consumer Staples	125	9.6	(1.7)
Information Technology	339	9.1	7.7
Health Care	122	6.3	(3.1)
Utilities	149	0.2	(13.0)
Materials	35	(6.3)	(20.8)
Media	7	(11.7)	8.2
Transportation	36	(20.7)	1063.0
Elara Universe	3,278	16.7	7.1

Source: Elara Securities Research

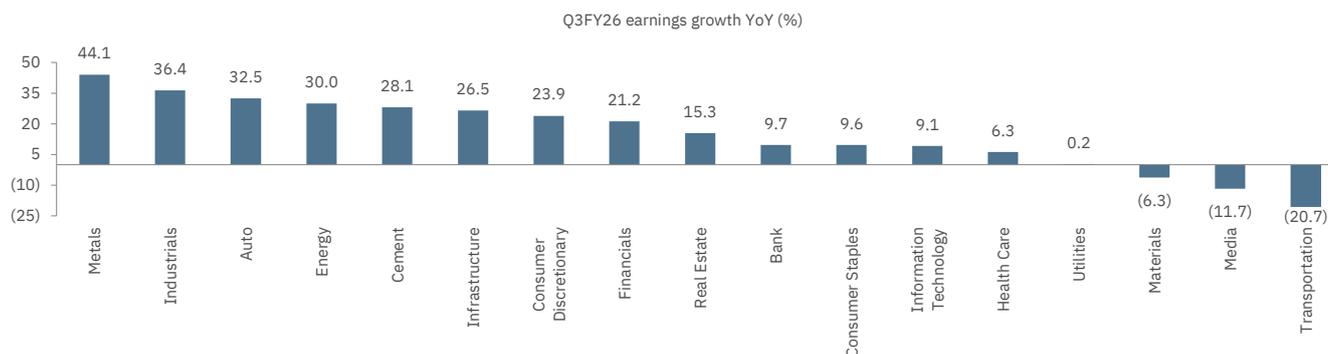


Exhibit 2: Small Cap leads the earnings growth at 32% followed by Large Caps at 17%



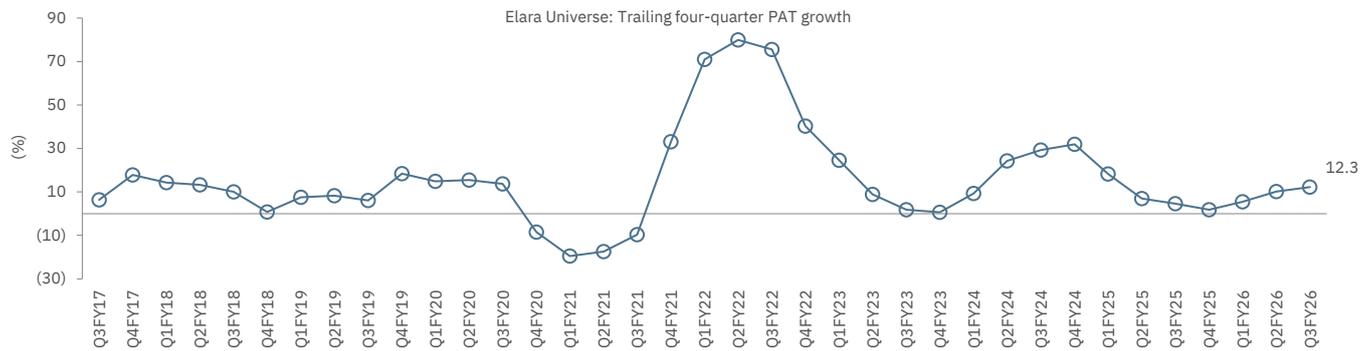
Source: Company, Elara Securities Research

Exhibit 3: Earnings growth broadens in Q3FY26, with eight sectors growing >20% YoY



Source: Company, Elara Securities Research

Exhibit 4: Elara Coverage Universe – Trailing four-quarter earnings continue its uptrend with double-digit growth



Note: Only companies with entire historical data considered; Source: Elara Securities Research.

Exhibit 5: Sales grew in double digits for the first time since Q1FY24



Source: Elara Securities Research

Exhibit 6: Energy continues to lead incremental earnings driver, while Banks continues to lag

	Incremental PAT (INR bn)	Incremental PAT contribution (%) (i)	Profit weight (%) - Q3FY26 (ii)	Incremental earnings driver (i)-(ii)
Energy	143	30.5	19.0	11.6
Metals	39	8.4	3.9	4.5
Auto	50	10.7	6.2	4.4
Financials	63	13.5	11.0	2.4
Industrials	17	3.6	1.9	1.7
Infrastructure	19	4.0	2.8	1.3
Consumer Discretionary	17	3.7	2.8	1.0
Cement	8	1.6	1.0	0.6
Real Estate	5	1.0	1.1	(0.1)
Media	-1	-0.2	0.2	(0.4)
Consumer Staples	11	2.3	3.8	(1.5)
Materials	-2	-0.5	1.1	(1.6)
Health Care	7	1.5	3.7	(2.2)
Transportation	-9	-2.0	1.1	(3.1)
Information Technology	28	6.1	10.4	(4.3)
Utilities	0	0.1	4.6	(4.5)
Bank	74	15.7	25.5	(9.7)
Elara Universe	469	100.0	100.0	

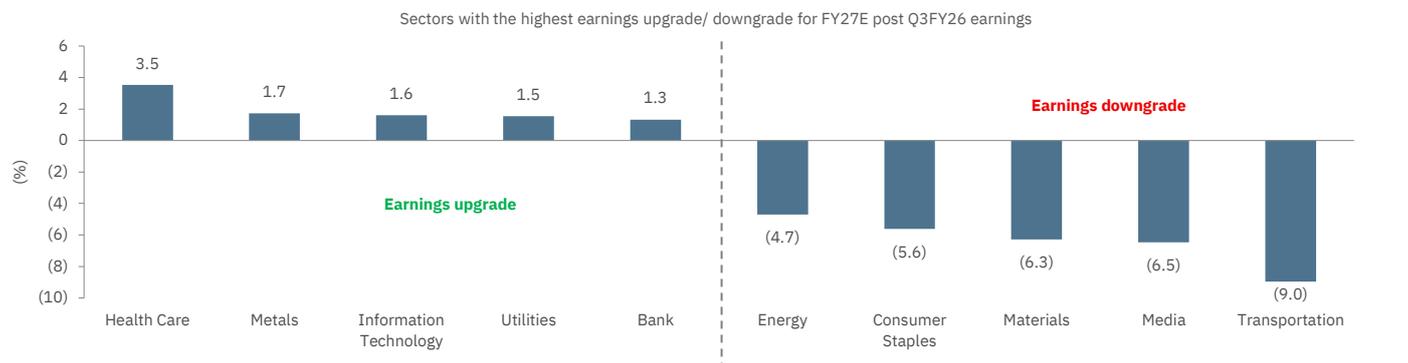
Note: Incremental earnings driver for a sector = % of total incremental PAT contribution (YoY) in Q3FY26 - % Profit weight in Q3FY26; Source: Company, Elara Securities Research



Low growth

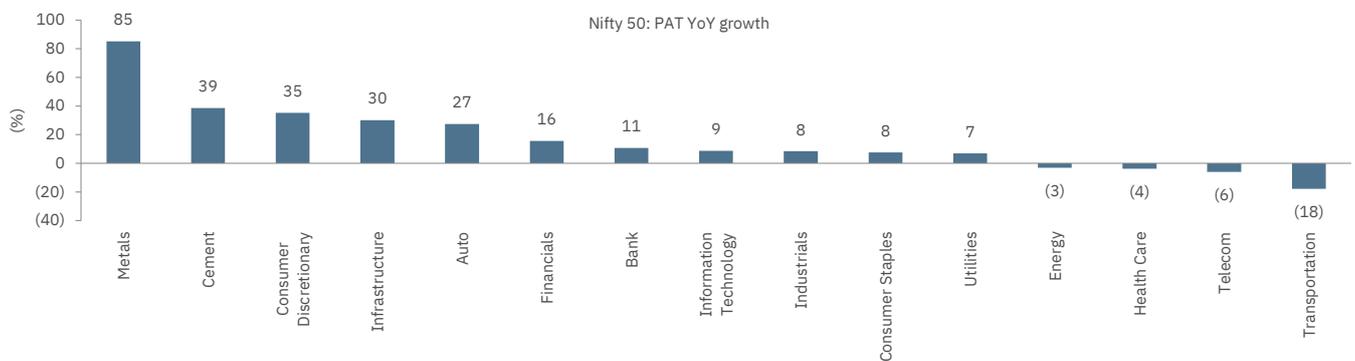
High growth

Exhibit 7: Healthcare sees the highest earnings upgrade of 3.5% in FY27E



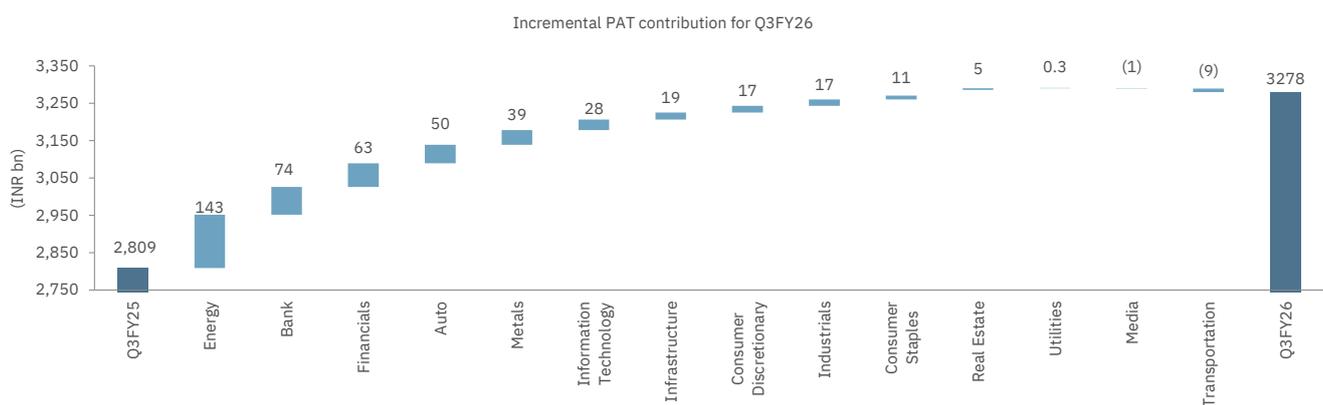
Source: Elara Securities Estimate

Exhibit 8: Among Nifty 50, earnings were led by Metals, Cements, Consumer Discretionary, Infrastructure and Autos



Source: Company, Elara Securities Research

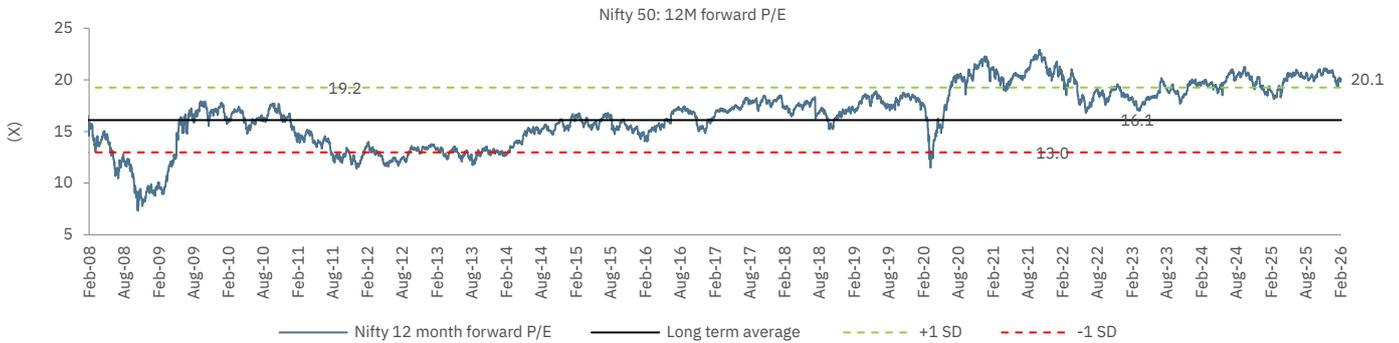
Exhibit 9: Energy, Banks, Financials and Autos combined added INR 330bn, forming 70% of total contribution



Source: Company, Elara Securities Research

Valuation snapshot

Exhibit 10: Nifty-50 – 12-month forward P/E currently trades at 4% above its upper standard deviation...



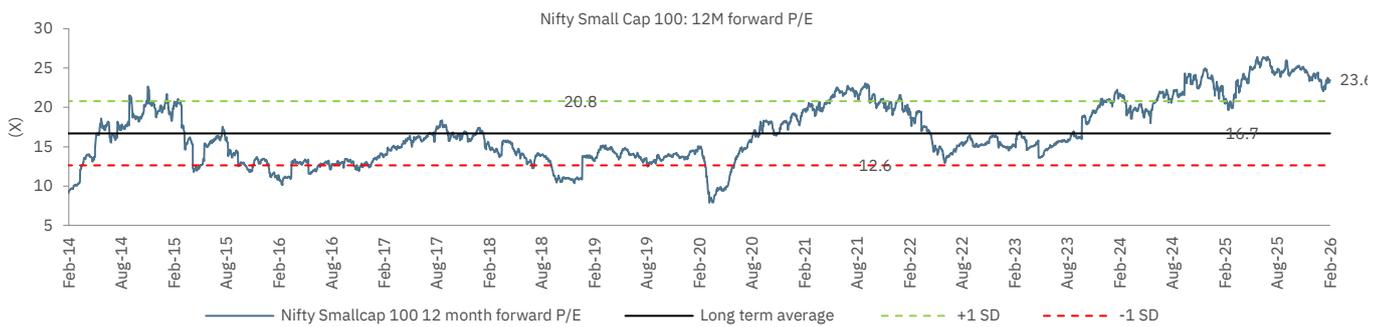
Source: Bloomberg, Elara Securities Research

Exhibit 11: Mid Cap 100 relative valuations to Nifty 50 is at a premium of 38%; much lower than its peak of 74%



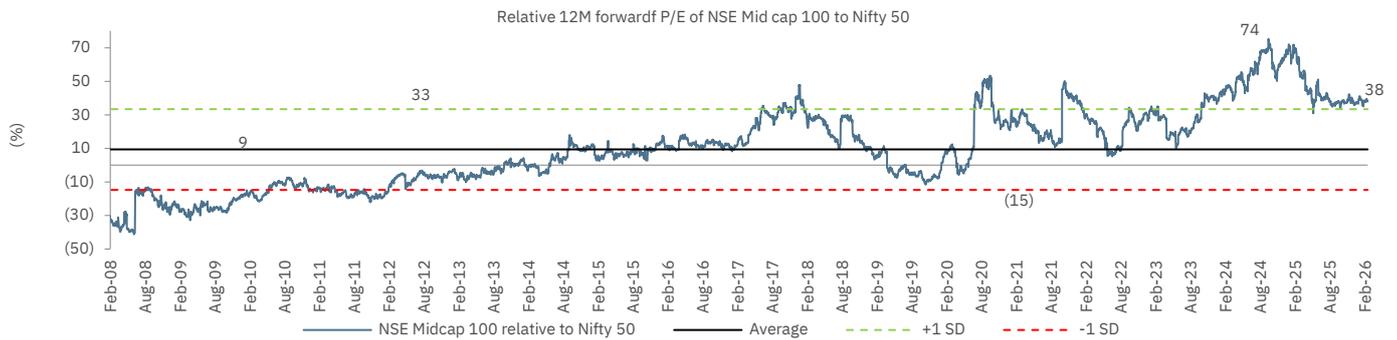
Source: Bloomberg, Elara Securities Research

Exhibit 12: Small-cap 100 12-month forward P/E currently trades at 13% above its upper standard deviation



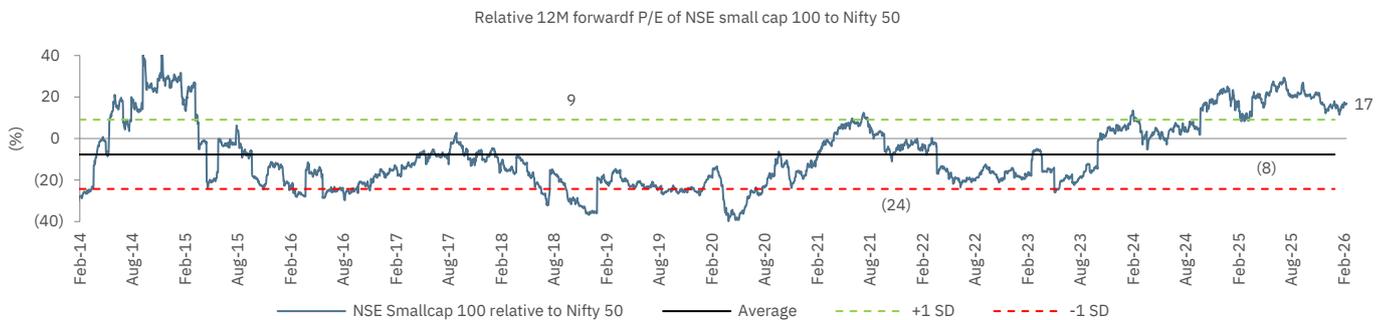
Source: Bloomberg, Elara Securities Research

Exhibit 13: Mid cap 100's relative valuations to Nifty 50 at a premium of 38%; much lower than its peak premium of 74%...



Source: Bloomberg, Elara Securities Research

Exhibit 14: ...and small cap 100's relative valuations to Nifty 50 at a premium of 17%, closer to its upper standard deviation of 9%



Source: Bloomberg, Elara Securities Research

Q3FY26 earnings review

Topline growth in double-digits, positive operating leverage still at play

In our Q2FY26 preview, we indicated that earnings were at the cusp of a multi-quarter upcycle. Q3FY26 reinforces that view. PAT for the broader universe grew 17% YoY, marking one of the strongest quarters in the past several years. For the first time in 5-6 quarters, double-digit revenue growth is visible across market-cap segments, signaling a clear improvement in demand conditions.

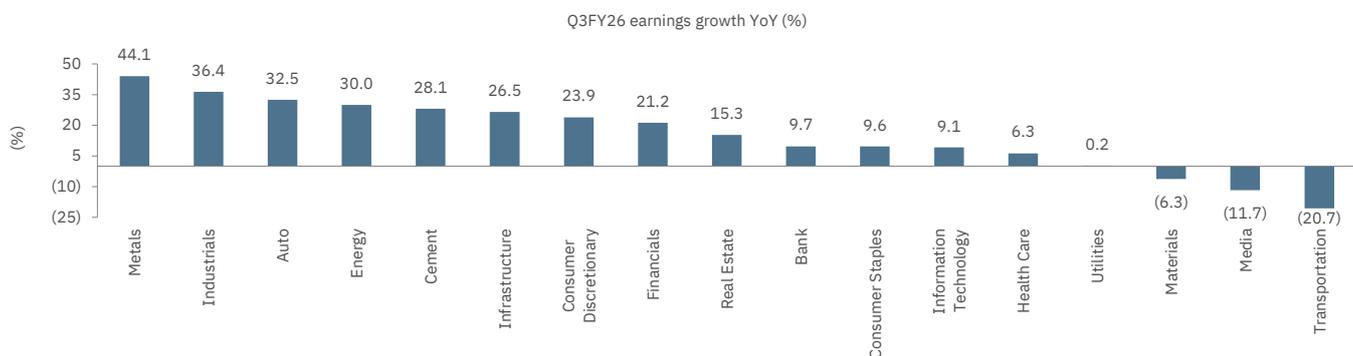
With nearly the full universe having reported results, sales, EBITDA and PAT growth stands at 10%, 14% and 17% YoY respectively. The acceleration was led by Energy (ex-Gas), Metals, Auto and Auto Ancillaries, NBFCs, PSU Banks, Capital Goods, Cement, Infrastructure and Retail. Weakness was concentrated in IT Services, Pharma, Private Banks, FMCG and Gas, though FMCG volumes are showing early signs of recovery.

We highlight three key factors:

- ▶ **Demand momentum is picking up:** Revenue growth is now broad-based across large-, mid- and small-caps. This is not price-led alone. Volume traction is visible in autos and select consumption pockets. As inflation normalizes towards a 4–4.5% trajectory into FY27E, nominal growth should strengthen further, creating room for upward revisions to consensus topline estimates.
- ▶ **Operating leverage still at play:** As highlighted above, the earnings recovery is not narrow. Even after excluding IOCL, which accounts for ~20% of incremental PAT on YoY basis, EBITDA and earnings still grew 11% and 13%, indicating broad-based earnings upcycle. A highlight is very clear – Margin expansion has not plateaued and while commodity volatility remains a monitorable risk, current trends do not yet indicate a broad-based peak in margins.
- ▶ **Earnings breadth is expanding:** Out of the 17 sectors classified by Elara, we saw double-digit earnings growth in 11 covered sectors., i.e., 65% of the sectors have delivered double-digit earnings growth. This ratio is highest over nine quarters. The upcycle is no longer confined to a narrow leadership set. With cyclicals driving growth and defensives stabilizing, sectoral dispersion is reducing and earnings participation is widening

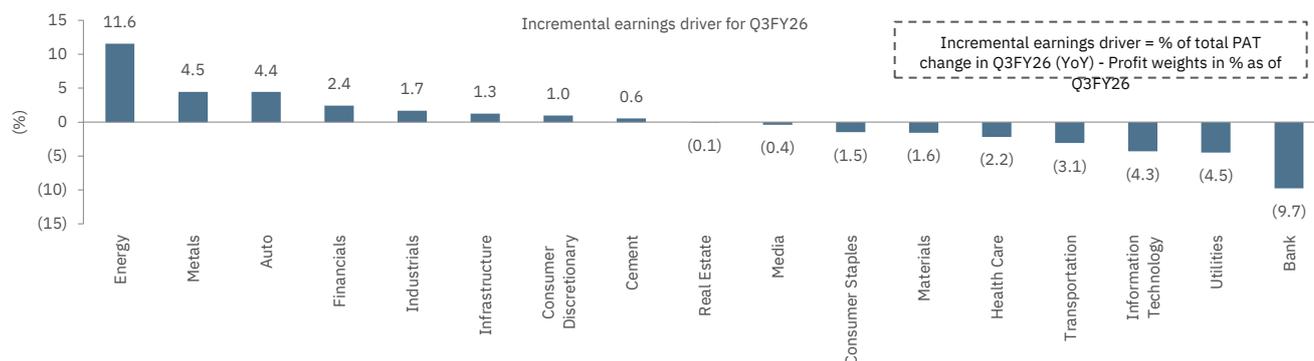
We continue to expect margins to expand into FY27E, underpinning the next phase of earnings growth. As outlined in our Strategy Year Ahead FY27, we expect 15%+ earnings growth across most sectors, excluding a few defensives, and Q3FY26 results reinforce that conviction.

Exhibit 15: Earnings growth is broad based with eight sectors growing >20%



Source: Company, Elara Securities Research

Exhibit 16: Incremental earnings led by commodities-oriented sectors such as Energy, Metals, Cements



Note: Incremental earnings driver for a sector = % of total incremental PAT contribution (YoY) in Q3FY26 - % Profit weight in Q3FY26; Source: Elara Securities Research

Exhibit 17: Elara Coverage Universe – Earnings grew by ~17%; ex-Financials and ex-Banks, earnings grew by 19%

Sector (Elara Classification)	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)		
	Q3FY26	YoY (%)	QoQ (%)	Q3FY26	YoY (%)	QoQ (%)	Q3FY26	YoY (%)	QoQ (%)
Auto	2,247	22.3	9.5	312	28.4	15.5	204	32.5	10.4
Bank	1,839	5.6	3.5	NA	NA	NA	835	9.7	4.5
Cement	628	15.8	7.9	97.2	34.2	0.9	34	28.1	10.0
Consumer Discretionary	1,431	26.1	10.6	168.6	20.7	25.1	91	23.9	32.3
Consumer Staples	712	9.2	0.7	169.7	8.4	1.1	125	9.6	(1.7)
Energy	8,263	5.9	9.0	1,191.5	18.5	11.6	622	30.0	16.1
Financials	975	20.5	4.0	NA	NA	NA	362	21.2	7.2
Health Care	753	13.3	2.4	188.2	11.5	1.9	122	6.3	(3.1)
Industrials	475	16.6	7.2	91.9	28.1	16.5	63	36.4	19.0
Information Technology	2,120	9.0	3.2	486.2	9.4	4.1	339	9.1	7.7
Infrastructure	988	8.1	5.6	154.0	14.5	7.4	90	26.5	7.3
Materials	520	16.0	(7.3)	75.7	11.4	(11.0)	35	(6.3)	(20.8)
Media	60	8.1	1.2	14.4	(3.7)	(13.4)	7	(11.7)	8.2
Metals	2,335	10.3	1.3	308.1	12.5	(7.8)	129	44.1	(7.9)
Real Estate	155	23.8	15.0	42.5	9.8	19.6	35	15.3	7.7
Transportation	343	7.7	21.3	75.8	1.1	78.9	36	(20.7)	1,063.0
Utilities	1,447	1.5	(4.0)	398.5	5.6	0.1	149	0.2	(13.0)
Commodities oriented sectors	11,924	7.6	6.5	1,702	17.6	5.8	839	29.3	9.5
Consumption oriented sectors ex TAMO	3,893	22.3	8.3	583	21.4	13.6	375	23.0	9.9
Defensives	3,265	7.4	0.6	795	7.1	(0.6)	416	2.8	(8.4)
Cyclicals	22,025	11.0	7.0	4,747	15.0	6.3	2,862	19.0	9.9
Large Cap	18,383	10.2	6.2	4,351	14.3	6.0	2,651	17.3	8.4
Mid Cap	4,463	10.2	5.4	776	9.3	(0.5)	412	6.8	(3.7)
Small Cap	2,445	10.5	1.4	415	16.8	8.4	216	32.3	16.0
Elara Universe	25,291	10.2	5.6	NA	NA	NA	3,278	16.7	7.1
Elara ex-Bank, ex-Fin	22,476	10.2	5.9	3,774	14.9	7.1	2,081	19.0	8.2
Elara ex-Commodities	13,366	12.7	4.8	NA	NA	NA	2,439	12.9	6.4

Note: *EBITDA related numbers are ex-financials; commodity sectors include materials and energy; consumption sectors include consumer staples and discretionary, ex-Tata Motors (as it is an exports-oriented stock); defensives include consumer staples, energy, healthcare, communication services, and utilities; cyclicals include consumer discretionary, financials, industrials, information technology and materials; 'TA' indicates turnaround sector wherein losses may turn into profit; market capitalization based on AMFI classification; Source: Elara Securities Research

Low growth

High growth

Exhibit 18: Top beats and misses

Company	Sector	Beat (%)
Elara Universe		
CESC	Utilities	5,119.9
Medi Assist	Health Care	1,502.4
GMR Airports	Industrials	802.3
Delhivery	Transportation	565.3
Devyani International	Consumer Discretionary	358.0
Large Caps		
InterGlobe Aviation	Transportation	122.0
JSW Steel	Metals	96.8
ONGC	Energy	32.1
Titan Company	Consumer Discretionary	25.8
Sun Pharma	Health Care	22.9
Mid Caps		
GMR Airports	Industrials	802.3
JSW Energy	Utilities	174.7
Oil India	Energy	108.0
SJVN	Utilities	89.7
M&M Financial Services	Financials	46.1
Small Caps		
CESC	Utilities	5,119.9
Medi Assist	Health Care	1,502.4
Delhivery	Transportation	565.3
Devyani International	Consumer Discretionary	358.0
Somany Ceramics	Consumer Discretionary	202.0

Source: Elara Securities Research

Company	Sector	Miss (%)
Elara Universe		
Sudarshan Chemicals	Materials	(663.7)
NHPC	Utilities	(374.9)
India Cements	Cement	(132.3)
Godrej Properties	Real Estate	(88.7)
Shalby	Health Care	(88.4)
Large Caps		
Ambuja^	Cement	(59.5)
Tata Power	Utilities	(58.1)
Macrotech Developers	Real Estate	(46.6)
DLF	Real Estate	(28.1)
Cipla	Health Care	(26.7)
Mid Caps		
NHPC	Utilities	(374.9)
Godrej Properties	Real Estate	(88.7)
NTPC Green Energy	Utilities	(78.7)
Supreme Industries	Consumer Discretionary	(74.1)
Prestige Estates Projects	Real Estate	(67.7)
Small Caps		
Sudarshan Chemicals	Materials	(663.7)
India Cements	Cement	(132.3)
Shalby	Health Care	(88.4)
Sobha	Real Estate	(85.9)
ENIL	Media	(80.2)

Exhibit 19: Top earnings upgrades and downgrades

Top-five companies	Sector	Revision (%)	
		FY26E	FY27E
Elara Universe			
IEX	Utilities	7.7	71.4
Gabriel India	Auto	(7.0)	52.5
PVR INOX	Media	414.8	27.8
Shree Cement	Cement	(6.1)	23.8
NTPC Green Energy	Utilities	(43.3)	22.3
Large Cap			
NTPC	Utilities	17.0	18.0
Apollo Hospitals	Health Care	6.1	14.2
Hindalco Industries	Metals	5.9	12.4
Titan Company	Consumer Discretionary	10.5	9.1
Adani Ports & SEZ	Infrastructure	6.1	8.4
Mid Cap			
Shree Cement	Cement	(6.1)	23.8
NTPC Green Energy	Utilities	(43.3)	22.3
Zydus Lifescience	Health Care	1.6	14.3
Lupin	Health Care	19.1	11.8
Persistent Systems	Information Technology	4.7	8.2
Small Cap			
IEX	Utilities	7.7	71.4
Gabriel India	Auto	(7.0)	52.5
PVR INOX	Media	414.8	27.8
MRPL	Energy	120.2	21.4
Amber Enterprises	Industrials	16.3	19.8

Source: Elara Securities Estimate

Bottom-five companies	Sector	Revision (%)	
		FY26E	FY27E
Elara Universe			
KNR Constructions	Infrastructure	(44.2)	(55.9)
Shalby	Health Care	(61.1)	(50.7)
PI Industries	Materials	(28.3)	(32.5)
Sapphire Foods	Consumer Discretionary	(523.8)	(31.6)
Afcons Infra	Infrastructure	(10.5)	(31.2)
Large Cap			
GAIL	Utilities	(12.5)	(16.3)
ITC	Consumer Staples	(1.2)	(12.2)
Indian Hotels	Consumer Discretionary	(3.3)	(10.4)
InterGlobe Aviation	Transportation	(8.2)	(10.4)
Cipla	Health Care	(9.5)	(10.0)
Mid Cap			
PI Industries	Materials	(28.3)	(32.5)
JSW Energy	Utilities	(30.6)	(27.2)
SRF	Materials	(20.9)	(20.1)
Oil India	Energy	(7.2)	(18.0)
Jindal Steel and Power	Metals	(24.6)	(18.0)
Small Cap			
KNR Constructions	Infrastructure	(44.2)	(55.9)
Shalby	Health Care	(61.1)	(50.7)
Sapphire Foods	Consumer Discretionary	(523.8)	(31.6)
Afcons Infra	Infrastructure	(10.5)	(31.2)
Devyani International	Consumer Discretionary	(46.2)	(30.8)

Large-caps versus mid- and small-caps

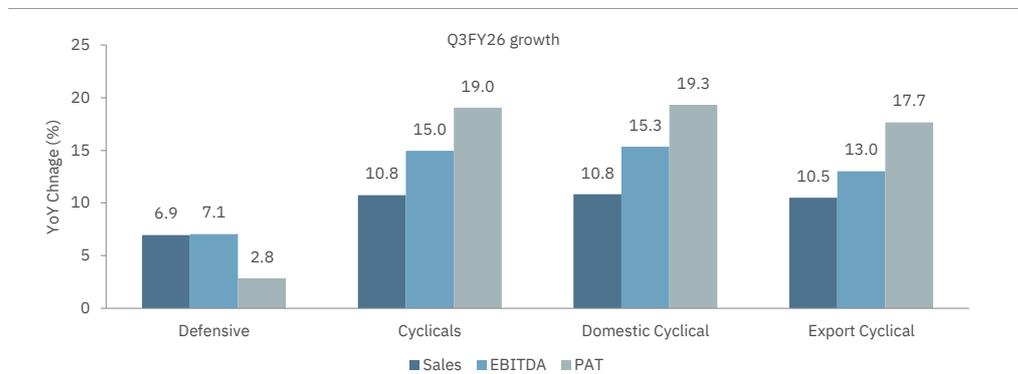
- ▶ **Large-caps reasserted earnings leadership:** PAT of large-caps grew ~17% YoY in Q3FY26, contributing INR 390bn to incremental profits versus INR 245bn in the prior quarter. This is 83% of incremental PAT, ahead of the 81% profit weight, indicating large-caps are again pulling their share and supporting index-level earnings. Results were ~3% ahead of our estimates. Leadership was cyclical, led by Autos (GST 2.0 and demand recovery), PSU Banks, Energy, Financials, Industrials, Infrastructure and Metals, while defensives (Healthcare, Staples, IT services) delivered single-digit to negative growth.
- ▶ **Mid-cap print was weak, but the drag was concentrated:** Mid-cap sales/EBITDA/PAT grew 10%/9%/7% YoY, with PAT ~8% below our estimates. Excluding a handful of large disappointments (IndusInd Bank, Jindal Steel, NHPC and UPL), operating leverage improves meaningfully, with sales/EBITDA/PAT at 10%/14%/18% YoY. Autos and ancillaries, Cement, OMCs, Real Estate and IT services outperformed, while Metals, Private Banks, NBFCs, FMCG and agrochemicals lagged.
- ▶ **Small-caps surprised on profit momentum:** Sales/EBITDA/PAT of small-caps rose 11%/17%/33% YoY. Incremental PAT was INR 53bn, nearly 2x mid-caps, driven by a few standout cyclicals (MRPL, Chennai Petroleum, ACC, Karur Vysya Bank, NLC India, CEAT). The sharp profit growth reflects improving operating leverage, helped by favorable sector mix and base effects.

Exhibit 20: Small-caps grew at >30% and mid-caps at <10%



Source: Bloomberg, Company, Elara Securities Research

Exhibit 21: Earnings growth for Elara Coverage Universe skewed towards cyclicals



Source: Bloomberg, Company, Elara Securities Research

Nifty 50 – Q3FY26 earnings review

Demand momentum improving, but margins compress

The correction from the 26300 peak in Jan '26 was not triggered by earnings shock. There has been no macro breakdown or balance-sheet stress. The drag has been muted EPS growth. Since September 2024, Nifty earnings have struggled to accelerate.

FY26E EPS, earlier expected to grow 3-5%, is now tracking closer to ~1%, at INR 1,083 versus INR 1,047 in FY25. Revisions since December 2025 have been negative, largely driven by index heavyweights. Reliance, large private banks, FMCG, IT services and pharma delivered single-digit to flat earnings growth, limiting index-level expansion despite better performance outside the Nifty 50.

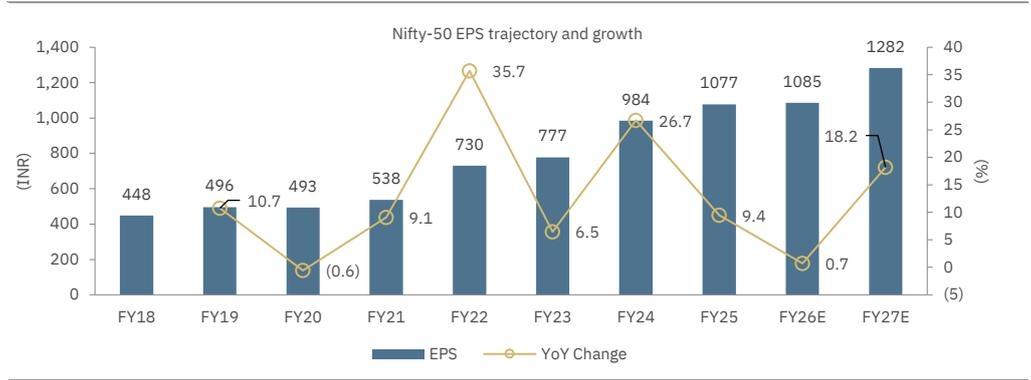
The quarter itself was operationally uneven. Sales grew 12% YoY, signaling demand resilience. However, EBITDA and PAT grew 11% and 10% YoY respectively, reflecting negative operating leverage and margin compression.

The pressure was sector-specific. Consumer Discretionary margins were hit by competitive intensity and growth investments, with players such as Eternal prioritizing scale over profitability and Trent facing cost pressures amid rapid expansion. Reliance saw refining margin volatility and retail normalization. Financials faced NIM compression as deposit repricing outpaced asset yield reset. Healthcare was impacted by pricing pressure in the US, while Industrials and Transportation absorbed higher input and execution costs.

For key stocks like Eicher Motors, SBI, Titan, Nestle, UltraTech Cement, BEL, JSW Steel, L&T and Tata Steel delivered 10-20% earnings beats versus our estimates, underscoring selective strength beneath a muted index print. However, for all, the stocks, there were 18 downgrades versus 13 upgrades during the quarter.

Yet double-digit revenue growth indicates that demand is intact. Fiscal spending, liquidity easing and gradual policy transmission are supporting topline momentum. In our view, margin pressure is cyclical. As commodity volatility stabilizes, funding costs peak and operating leverage improves on a stronger revenue base, incremental margins should recover. With EPS expected at INR 1,256 in FY27E, implying ~16% growth, we expect a shift from narrow heavyweight-driven earnings to broader participation, supporting mid-teen earnings CAGR through FY27-28 without relying on multiple expansion.

Exhibit 22: Nifty EPS to grow by 18% in FY27E



Source: Company, Elara Securities Estimate

Exhibit 23: Most earnings upgrade seen in Materials, while most downgrades seen in Energy

GICS Sector	PAT (INR bn)		Earnings revision versus Q2FY26 review	
	FY26E	FY27E	FY26E	FY27E
Communication Services	277.1	402.2	(1.5)	(0.8)
Consumer Discretionary	552.2	649.5	0.1	(0.1)
Consumer Staples	355.1	366.0	(0.9)	(7.9)
Energy	1,593.1	1,806.8	(6.3)	(5.0)
Financials	2,911.2	3,224.9	1.6	1.4
Health Care	248.6	267.8	1.2	2.2
Industrials	454.9	530.6	(0.6)	0.2
Information Technology	1,134.5	1,227.7	(0.7)	1.6
Materials	515.7	679.6	8.3	4.3
Utilities	393.3	436.6	1.3	1.6

Source: Bloomberg, Elara Securities Research

Earnings downgrade

Earnings upgrade of greater than 2%

Exhibit 24: Top 10 companies in Nifty 50 with upward earnings revision

Stock	GICS Sector	PAT (INR bn)		Earnings revision versus Q2FY26 review	
		FY26E	FY27E	FY26E	FY27E
Apollo Hospitals	Health Care	18.9	21.9	6.1	14.2
Hindalco Industries	Materials	161.5	194.0	5.9	12.4
Titan Co	Consumer Discretionary	52.8	63.4	10.5	9.1
Adani Ports & SEZ	Industrials	145.5	170.5	6.1	8.4
Tech Mahindra	Information Technology	51.5	74.3	(0.3)	7.1
Sun Pharma	Health Care	119.5	134.9	5.4	7.0
Eicher Motors	Consumer Discretionary	57.1	68.3	3.2	6.6
Tata Steel	Materials	142.0	203.9	14.3	5.9
Wipro	Information Technology	133.6	136.0	2.9	5.2
State Bank of India	Financials	807.6	788.0	7.3	4.6

Source: Bloomberg, Elara Securities Estimate

Earnings downgrade

Earnings upgrade of greater than 2%

Exhibit 25: Top-10 companies in Nifty 50 with downward earnings revision

Stock	GICS Sector	PAT (INR bn)		Earnings revision versus Q2FY26 review	
		FY26E	FY27E	FY26E	FY27E
ITC	Consumer Staples	195.6	201.8	(1.2)	(12.2)
InterGlobe Aviation Ltd	Industrials	88.8	84.0	(8.2)	(10.4)
Cipla	Health Care	52.7	43.5	(9.5)	(10.0)
Reliance Industries	Energy	696.5	800.7	(11.5)	(8.0)
Maruti Suzuki	Consumer Discretionary	139.6	158.5	(5.5)	(6.8)
Max Healthcare Institute Ltd	Health Care	10.8	16.9	(2.1)	(4.6)
Hindustan Unilever	Consumer Staples	103.4	105.6	(0.4)	(3.6)
Asian Paints	Materials	40.3	42.5	(0.2)	(2.1)
ONGC	Energy	363.8	506.8	(0.9)	(2.1)
Tata Consumer Products	Consumer Staples	12.8	16.2	(2.8)	(1.8)

Source: Elara Securities Estimate

Earnings downgrade

Earnings upgrade of greater than 2%

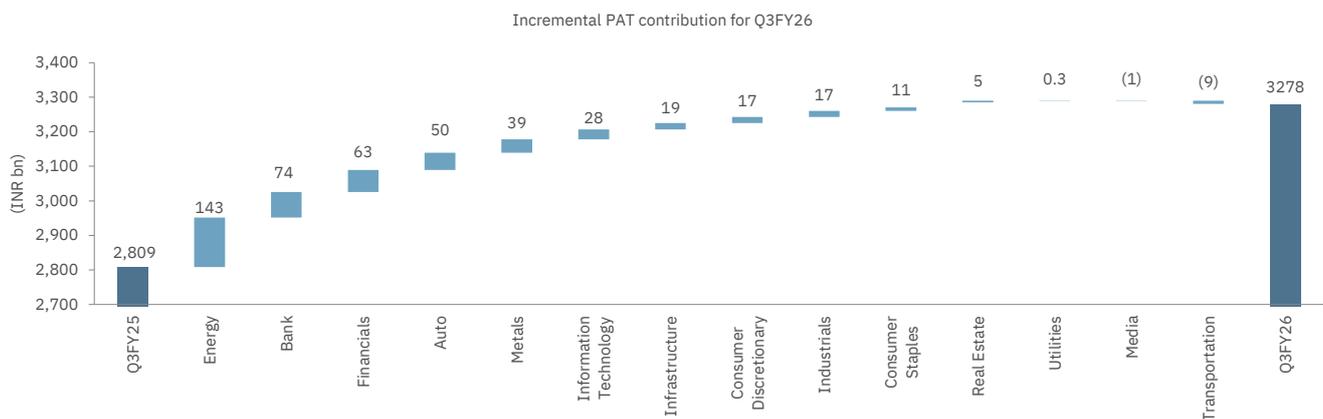
Exhibit 26: Earnings beat-to-miss ratio at 1.1x for Q3FY26, staying the same as Q2

	Sales	EBITDA	PAT
Sector Classification	Beat/miss ratio	Beat/miss ratio	Beat/miss ratio
Auto	6.0	7.0	2.5
Bank	1.0	1.0	1.7
Cement	0.2	0.4	1.0
Consumer Discretionary	0.7	1.8	1.6
Consumer staples	3/0*	0.5	1.0
Energy	2.5	2.0	1.5
Financials	0.3	0.1	0.5
Health Care	2.0	1.0	2.3
Industrials	2.5	4.0	1.6
Information Technology	0/1*	3.0	0.5
Infrastructure	0.1	0/8*	0.7
Materials	1.2	1.3	1.7
Media	0/3*	0.3	0.2
Metals	2.0	2.0	1.3
Real Estate	0/7*	0/7*	0/7*
Transportation	1/0*	4/0*	4.0
Utilities	0.5	0.6	0.7
Commodities oriented sectors	1.1	1.0	1.2
Consumption oriented sectors ex TAMO	1.9	2.4	1.9
Defensives	1.1	0.7	1.2
Cyclicals	0.7	1.1	1.1
Large Cap	1.8	1.4	1.1
Mid Cap	0.7	1.2	1.1
Small Cap	0.6	0.8	1.2
Elara Universe	0.8	1.0	1.1
Elara ex-Bank, ex-Fin	0.8	1.1	1.2
Elara ex-Commodities	0.7	0.9	1.1

Note: Numbers represent the ratio of companies that beat expectations to those that missed; * indicates that there were either no misses or beats in that category; Source: Elara Securities Research

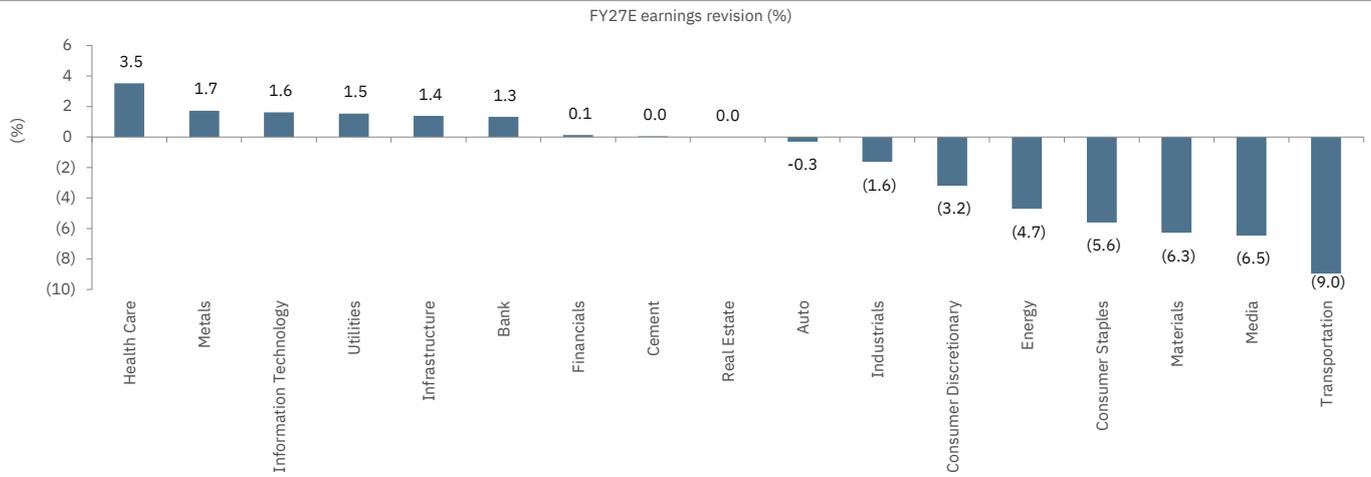


Exhibit 27: Energy, Banks, Financials and Autos combined added INR 330bn, forming 70% of total contribution



Source: Company, Elara Securities Research

Exhibit 28: Media, energy, utilities and cement see the highest earnings downgrades

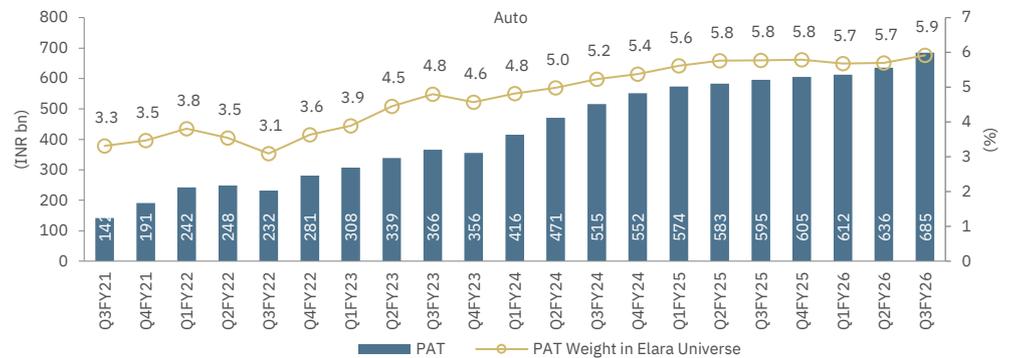


Source: Company, Elara Securities Estimate

Sectoral PAT weights in Elara Universe

On a trailing four-quarter basis within the Elara Universe, earnings leadership has rotated decisively toward domestic cyclicals in the past five years. Banks' PAT has expanded from ~INR 1.7tn in FY23 to over INR 3.1tn in Q3FY26, with profit weight rising from ~17% to ~27-30%, signalling sustained structural momentum. In our view, market cap returns have lagged for Banks. Auto profits have increased from ~INR 300bn to ~INR 680bn, lifting weight toward ~6%. With expected pick up in two-wheelers, PVs, CVs and EVs, the profit weight should continue to rise. Energy profit remains elevated at ~INR 2.3tn (20% of total PAT weight) after peaking near ~INR 2.5tn. Overall, increase/fall in weights is largely dependent on global energy prices. Post Covid peak, Healthcare has steadily rebuilt profits from ~INR 200bn to ~INR 440bn currently. In contrast, IT's profit weight has declined from ~19% to ~11%, reflecting slower growth.

Exhibit 29: Auto – Trailing four-quarter earnings weight in Elara Universe



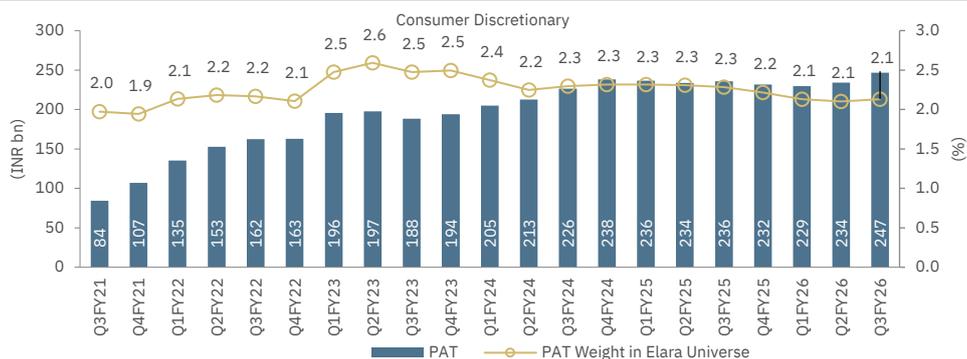
Note: Summation of all the companies in our coverage universe going back in history and on a like for like basis; Source: Elara Securities Research

Exhibit 30: Banks – Trailing four-quarter earnings weight in Elara Universe



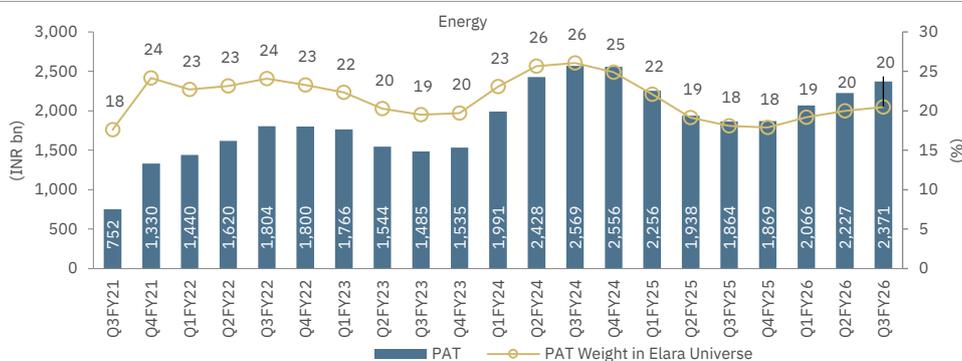
Note: Summation of all the companies in our coverage universe going back in history and on a like for like basis; Source: Elara Securities Research

Exhibit 31: Consumer Discretionary – Trailing four-quarter earnings weight in Elara Universe



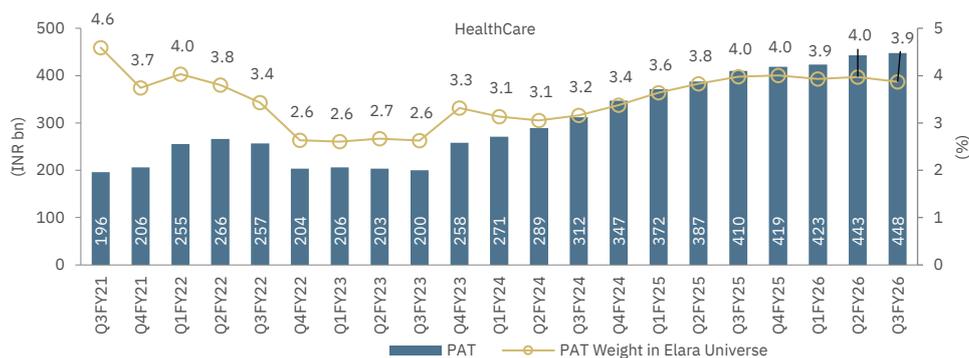
Note: Summation of all the companies in our coverage universe going back in history and on a like for like basis; Source: Elara Securities Research

Exhibit 32: Energy – Trailing four-quarter earnings weight in Elara Universe



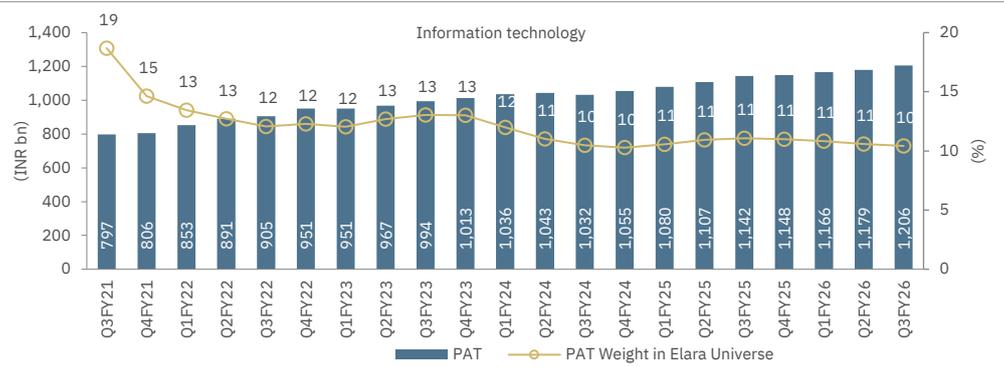
Note: Summation of all the companies in our coverage universe going back in history and on a like for like basis; Source: Elara Securities Research

Exhibit 33: Healthcare – Trailing four-quarter earnings weight in Elara Universe



Note: Summation of all the companies in our coverage universe going back in history and on a like for like basis; Source: Elara Securities Research

Exhibit 34: Information Technology – Trailing four-quarter earnings weight in Elara Universe



Note: Summation of all the companies in our coverage universe going back in history and on a like for like basis; Source: Elara Securities Research

SECTOR REVIEW & INDUSTRY DATA

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Automobiles and Auto Ancillaries

Price Performance

Company (%)	3M	6M	12M
Gabriel India	(5.0)	(9.6)	110.3
Ashok Leyland	39.9	70.3	85.8
Eicher Motors	18.2	39.4	69.4
TVS Motors	11.6	28.4	63.9
Bharat Forge	26.6	48.3	61.8
Samvardhana Motherson International	20.6	42.5	59.5
CEAT	(3.5)	25.5	45.7
Hero Motocorp	(3.8)	18.5	43.9
Endurance tech	(6.0)	(3.0)	39.0
Minda Inds	(6.3)	6.1	37.4
MRF	(5.8)	6.9	34.5
Motherson Sumi Wiring India	(12.5)	13.5	30.7
Mahindra & Mahindra	(6.6)	6.9	23.2
Maruti Suzuki	(4.4)	17.3	18.9
Bajaj Auto	9.9	19.7	15.2
Apollo tyres	(6.9)	10.7	14.9
Minda Corporation	(3.0)	18.6	13.5
Sona BLW Precision Forgings	9.0	17.3	8.7
Exide Industries	(10.9)	(8.9)	(5.7)
Amara Raja Energy & Mobility	(12.5)	(11.4)	(12.5)

Source: ACE Equity, Elara Securities Research

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► **Strong Q3 outperformance across Auto OEMs and ancillaries:** On the back of healthy festival season (driven by GST 2.0 rationalisation norms and rural traction), all sub-segments within the automotive segment reported healthy double-digit volume growth YoY. Amongst sub-segments, PVs and CVs reported a healthy ~20% YoY volume growth respectively, while 2Ws grew 17% YoY. While no aggressive price hikes were undertaken by OEMs, revenue growth was largely volume- and mix-driven in Q3. While OEMs under our coverage reported 23% absolute EBITDA growth, adjusted PAT growth came in at ~39% YoY (excluding one-time exceptional item related to new labor codes).

Similarly, ancillary companies under our coverage reported a ~16% YoY revenue growth, driven by strong double-digit production growth across segments. However, 2W focused ancillary companies – Uno Minda and Minda Corp – reported revenue growth of 20%/25% on the back of new order wins and increasing kit value aiding outperformance versus 2W industry production growth of 15% YoY achieved in Q3. That said, absolute EBITDA for ancillary companies under our coverage grew 23% YoY, while reported PAT grew 25% YoY.

► **Key highlights:** Commodity pressures were visible in Q3, particularly in non-ferrous metals such as aluminium and copper along with volatility in precious metal cost. To mitigate inflationary pressures, OEMs are relying on: a) calibrated price hikes, b) richer mix to enhance realisations, c) value engineering aiding cost reduction measures, and d) localisation to reduce import dependence, thereby cushioning margins in the near term.

Export momentum was a key highlight in Q3, with OEMs such as TVS and Bajaj Auto reporting broad-based growth across geographies with strong growth in LATAM, parts of Asia (Sri Lanka) and reduced dependence on volatile markets such as Nigeria. Moreover, export growth in Q3 was not only supported by higher volumes but also by favourable product and geographic mix (higher contribution from 125+ and 150+cc in higher ASP geographies such as Brazil and Colombia versus entry level bikes exported to Africa). Overall, OEMs and ancillary companies remain positive on demand momentum sustaining beyond Q3, supported by structural tailwinds (GST led affordability), financing tailwinds and rural recovery. While commodity inflation is a watchpoint, margin resilience is driven by mix, scale and cost control measures.

Earnings leaders: TVS Motors, Mahindra and Mahindra, Uno Minda, Minda Corp, Gabriel

Earnings laggards: Amaraja Batteries, Exide Industries.

Peer valuations

Name	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	Q3FY26E	YoY (%)	QoQ (%)	Q3FY26E	YoY (%)	QoQ (%)	Q3FY26E	YoY (%)	QoQ (%)
Maruti Suzuki	MSIL IN	Buy	4,772	15,179	18,686	23	1,837,648	2,072,381	2,294,483	224,855	261,548	296,194	158,485	183,050	209,817
Mahindra & Mahindra	MM IN	Buy	4,339	3,489	4,747	36	1,449,052	1,607,736	1,737,449	212,431	242,768	267,567	159,102	177,969	193,390
Bajaj Auto	BJAUT IN	Accumulate	2,746	9,827	10,657	8	579,523	652,699	713,694	118,140	133,647	147,518	97,395	108,799	119,326
Eicher Motors	EIM IN	Buy	2,204	8,035	9,300	16	243,052	285,273	324,531	60,763	73,030	84,703	57,105	68,331	78,336
TVS Motors	TVSL IN	Accumulate	1,842	3,878	4,486	16	463,513	535,596	611,959	59,793	74,448	88,122	37,647	48,270	57,919
Samvardhana Motherson International	MOTHERSO IN	Sell	1,400	133	107	(19)	1,239,070	1,440,524	1,539,153	113,404	137,595	151,029	37,896	51,400	56,330
Ashok Leyland	AL IN	Sell	1,220	208	171	(18)	438,843	470,311	499,854	57,927	63,022	68,480	39,027	42,742	46,601
Hero Motocorp	HMCL IN	Accumulate	1,116	5,577	6,558	18	456,094	497,964	543,677	67,502	78,080	87,241	52,775	60,534	67,026
Bharat Forge	BHFC IN	Sell	837	1,751	1,172	(33)	157,291	175,897	194,238	27,915	31,093	34,599	12,040	14,729	17,733
Minda Inds	UNOMINDA IN	Accumulate	703	1,217	1,405	15	193,681	224,343	253,764	21,886	26,024	30,452	11,825	15,136	18,820
MRF	MRF IN	Sell	628	147,970	118,582	(20)	299,735	319,968	340,032	47,358	52,155	54,745	23,664	26,817	28,314
Endurance tech	ENDU IN	Accumulate	355	2,525	2,945	17	131,696	144,129	157,436	18,340	19,773	21,828	10,289	11,141	12,530
Sona BLW Precision Forgings	SONACOMS IN	Buy	329	530	600	13	44,368	51,936	59,386	11,079	13,036	15,084	6,681	7,979	9,324
Apollo tyres	APTY IN	Reduce	304	478	496	4	275,706	289,782	300,031	41,160	44,187	46,134	17,179	20,895	23,015
Exide Industries	EXID IN	Accumulate	290	341	400	17	185,023	197,929	210,276	20,696	23,361	25,220	10,383	12,063	13,075
Motherson Sumi Wiring India	MSUMI IN	Sell	284	43	38	(11)	106,972	122,059	132,409	11,125	14,281	16,154	6,757	8,989	10,302
CEAT	CEAT IN	Reduce	157	3,881	3,522	(9)	142,409	152,618	161,163	18,083	20,043	21,755	7,213	8,395	9,414
Amara Raja Energy & Mobility	ARENM IN	Accumulate	155	844	1,078	28	138,299	150,353	162,210	16,672	18,932	20,877	8,677	10,095	11,216
Minda Corporation	MDA IN	Buy	140	587	746	27	58,736	66,278	74,138	6,813	8,086	9,193	3,184	4,586	5,482
Gabriel India	GABR IN	Buy	140	972	1,381	42	47,009	57,539	63,892	4,386	5,536	6,447	2,584	5,159	6,127

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

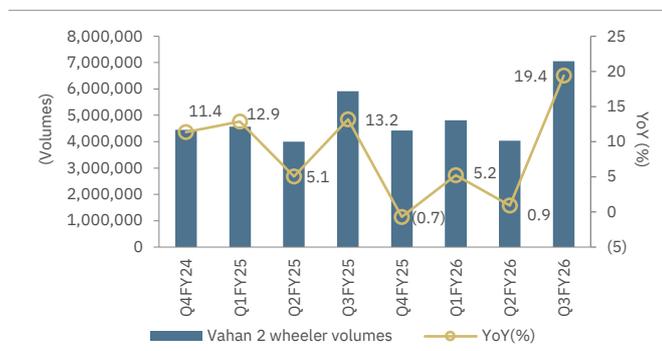
Industry data, valuations and performance

Exhibit 35: M&M tops PV growth in Q3FY26; TVS Motor and RE outshine in 2Ws

Company (volumes in nos)	Q3FY25	Q2FY26	Q3FY26	QoQ (%)	YoY (%)
Maruti Suzuki	530,240	512,361	629,035	22.8	18.6
Domestic	431,020	401,874	525,935	30.9	22.0
Exports	99,220	110,487	103,100	(6.7)	3.9
Mahindra & Mahindra	367,273	385,481	451,805	17.2	23.0
Auto	245,499	262,545	302,238	15.1	23.1
Tractors	121,774	122,936	149,567	21.7	22.8
Hero MotoCorp	1,463,802	1,690,702	1,696,777	0.4	15.9
Domestic	1,391,332	1,579,118	1,594,592	1.0	14.6
Exports	72,470	111,584	102,185	(8.4)	41.0
Bajaj Auto	1,224,472	1,294,120	1,341,252	3.6	9.5
Domestic	707,105	740,793	731,037	(1.3)	3.4
Exports	517,367	553,327	610,215	10.3	17.9
Royal Enfield	272,297	326,375	329,195	0.9	20.9
Domestic	242,013	292,703	300,426	2.6	24.1
Exports	30,284	33,672	28,769	(14.6)	(5.0)
TVS Motors	1,211,952	1,506,950	1,544,454	2.5	27.4
Domestic	918,096	1,106,846	1,134,311	2.5	23.6
Exports	293,856	400,104	410,143	2.5	39.6
Ashok Leyland	46,404	49,116	57,625	17.3	24.2
MHCV	30,058	30,718	37,376	21.7	24.3
LCV	16,346	18,398	20,249	10.1	23.9
Tata Motors	235,599	239,078	286,590	19.9	21.6
Domestic PV	139,424	140,189	168,616	20.3	20.9
Domestic CV	91,260	87,061	107,918	24.0	18.3
Exports	4,915	11,828	10,056	(15.0)	104.6

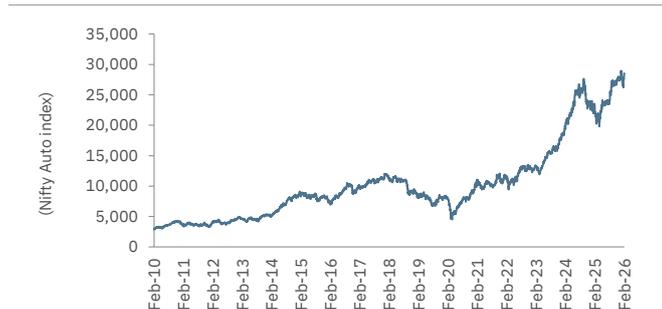
Source: SIAM, Company, Elara Securities Research

Exhibit 36: Retail 2W volumes improve 19% YoY in Q3



Source: Vahan, Elara Securities Research

Exhibit 38: NSE Auto Index



Source: Bloomberg, Elara Securities Research

Exhibit 37: Expect growth acceleration for PVs and 2Ws, led by favorable macros

Volume growth assumptions (%)	FY26E	FY27E	FY28E	CAGR (FY25-28E)
PV	8	10	6	8
2W	9	10	7	8.7
MHCV	9	6	2	5.6
LCV	11	9	2	7.3
Tractor	19	5	2	8.4

Source: Elara Securities Estimates

Exhibit 39: NSE Auto Index currently trades at 28% above average



Source: Bloomberg, Elara Securities Research

Asset Management Companies & RTA

Price performance

Company (%)	3M	6M	12M
Nippon Life India AMC	10.0	17.6	82.0
HDFC AMC	1.3	(4.5)	44.1
Aditya Birla Sun Life AMC	18.0	3.4	36.4
KFIN Technologies	(6.2)	(9.4)	24.0
UTI AMC	(7.6)	(18.5)	16.8
CAMS	(7.3)	(4.9)	9.0

Source: ACE Equity, Elara Securities Research

In Q3FY26, as per our expectations, our asset management companies (AMC) and Registrar and Transfer Agent (RTA) universe reported industry AAUM growth of ~4-6%, supported by resilient equity Systematic Investment Plan (SIP) and continued traction in passive products. Industry AAUM is already at INR 81tn as on December 2025, up 18.0% YoY (Source: AMFI). The key monitorable is sustainability of flows despite softness in market performance and the impact from SEBI Total Expense Ratio (TER) revision on the mutual funds (MF) ecosystem.

- ▶ **Earnings:** For RTA growth YoY remains moderate, primarily due to: 1) high base, and 2) pricing resets undertaken earlier in the year, which have stabilized. However, KFINTECH's recent Ascent acquisition contributed meaningfully to growth. For AMC, top-line growth remains similar to AAUM growth. Within our coverage, NAM reported stronger-than-industry growth, helped by equity + Exchange-Traded Fund (ETF) mix; gold & commodity ETF momentum remains supportive. In contrast, CAMS YoY growth remains modest, posing a risk to FY26 growth. Gold and silver ETF momentum continues to be a visible tailwind for passive-heavy platforms.
- ▶ **Key one-offs:** Companies have taken a one-off hit, following the change in the new Labour laws, with UTIAM being the most adversely affected by regulatory revision.

Leaders

- ▶ **NAM:** For Q4FY26 and FY26, we expect momentum to continue, with better-than-industry AAUM growth, supported by equity and ETF segments. ETF momentum (notably in gold and other commodities) should sustain healthy flows and market share. Recent disclosures also indicate continued market share gains.
- ▶ **KFINTECH:** Near-term reported numbers have been influenced by consolidation and integration of Ascent. Reported revenue increased ~27.9% YoY, while an EBITDA margin moderated (~40.8% vs 45.0% in Q3FY25). PAT remains stable, up ~11.5% YoY, primarily supported by steady performance in the Issuer Solutions segment and a lower-than-expected rise in consolidation expenses. **Key monitorables:** 1) EBITDA margin improvement in Ascent, 2) AUM growth & yield trends in the domestic MF business, and 3) folio growth in the Issuer Solutions segment.

Laggards

- ▶ We see **CAMS** as the laggard this quarter as YoY growth remains soft at ~5.5% YoY, driven by: 1) pricing reset impact undertaken in the year, and 2) the base effect. This has the potential for downgrades.

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Peer valuation

Name	Ticker	Rating	Mcap (INR bn)	CMP (INR)	TP (INR)	Upside (%)	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
							FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
HDFC AMC	HDFCAMC IN	Buy	1,227	2,864	3,100	8	48,408	55,133	62,228	39,202	44,601	50,175	29,401	33,451	37,632
Nippon Life India AMC	NAM IN	Buy	601	944	1,030	9	30,672	35,341	39,694	21,074	24,318	27,165	15,821	18,253	20,389
Aditya Birla Sun Life AMC	ABSLAMC IN	Buy	255	883	980	11	21,903	23,946	26,543	13,799	14,921	16,431	10,349	11,191	12,323
CAMS	CAMS IN	Buy	182	735	860	17	15,213	17,488	20,137	6,840	7,869	9,081	4,802	5,527	6,329
KFIN Technologies	KFINTECH IN	Buy	176	1,021	1,280	25	13,415	16,547	19,088	5,594	6,950	8,283	3,803	4,794	5,803
UTI AMC	UTIAM IN	Accumulate	139	1,081	1,190	10	20,058	21,365	22,127	10,616	11,287	11,444	6,673	7,791	7,910

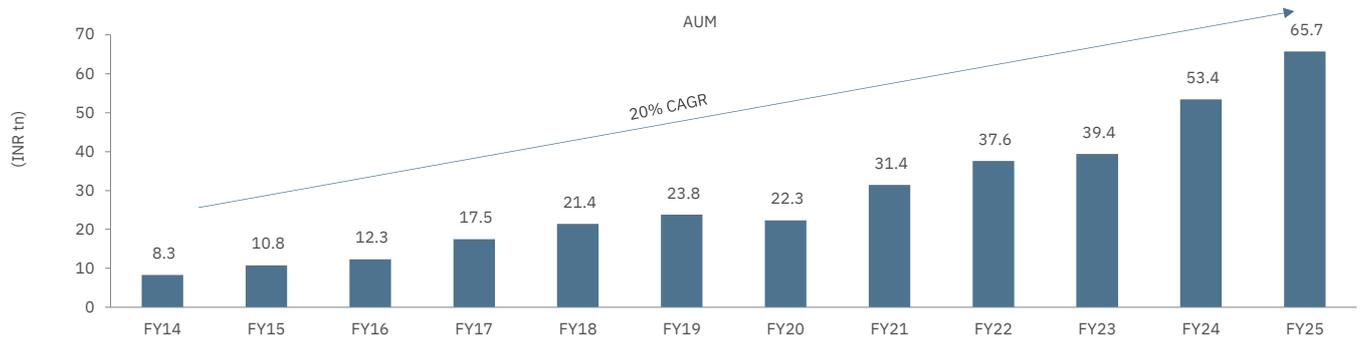
Note: Pricing as on 17 February 2026; Source: Bloomberg, Elara Securities Estimate

Exhibit 40: As per expectations, NAM fares better than the industry; KFINTECH margin drags

Bloomberg code	Net sales (INR mn)								EBITDA (INR mn)									
	Q3FY25	Q2FY26	Q3FY26	QoQ (%)	YoY (%)	FY25	FY26E	FY27E	FY28E	Q3FY25	Q2FY26	Q3FY26	QoQ (%)	YoY (%)	FY25	FY26E	FY27E	FY28E
HDFCAMC IN	9,346	10,274	10,751	4.6	15.0	34,984	42,139	48,024	54,608	6,414	6,716	8,764	30.5	36.6	24,602	29,560	33,600	37,999
NAM IN	5,879	6,581	7,053	7.2	20.0	22,307	26,477	31,765	36,650	3,857	4,295	4,701	9.5	21.9	14,416	17,336	21,534	25,016
ABSLAMC IN	4,451	4,613	4,781	3.6	7.4	16,848	18,487	20,891	23,606	2,743	2,826	2,897	2.5	5.6	9,890	11,027	12,661	14,536
UTIAM IN	3,754	3,900	3,947	1.2	5.2	14,453	15,740	16,685	17,569	1,906	1,487	1,799	21.0	(5.6)	6,958	6,958	7,708	8,091
KFINTECH IN	2,900	3,092	3,709	20.0	27.9	10,908	13,060	16,228	18,911	1,306	1,357	1,516	11.7	16.1	4,790	5,320	6,799	8,294
CAMS IN	3,697	3,767	3,901	3.6	5.5	14,225	15,480	17,893	20,720	1,728	1,676	1,789	6.7	3.5	6,522	6,819	7,928	9,248

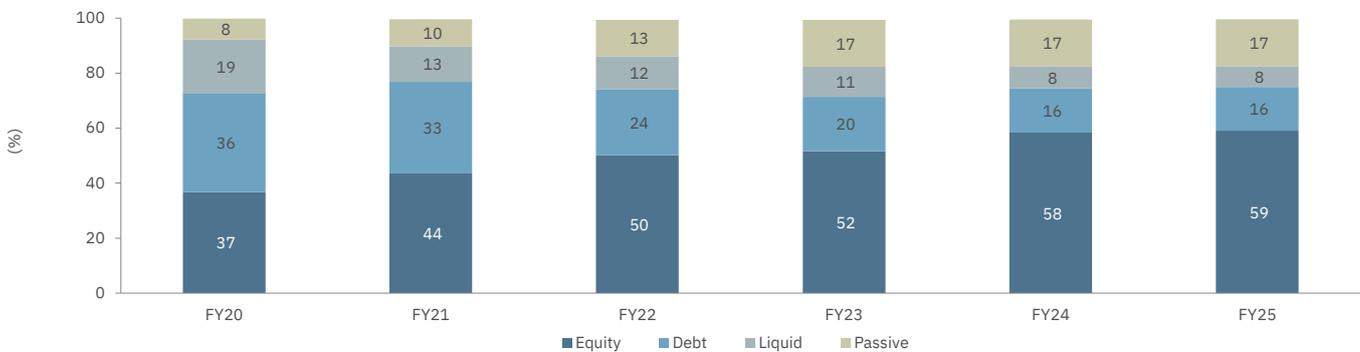
Source: Company, Elara Securities Estimate

Exhibit 41: MF industry AUM CAGR at ~20% in the past decade



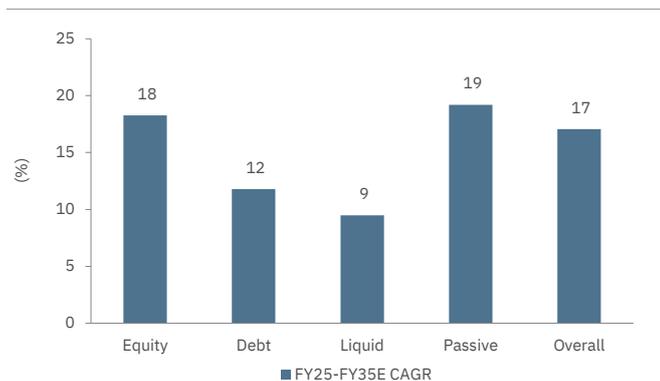
Note: Closing AUM; Source: AMFI, Elara Securities Research

Exhibit 42: Mix of equity- and passive-oriented schemes increases



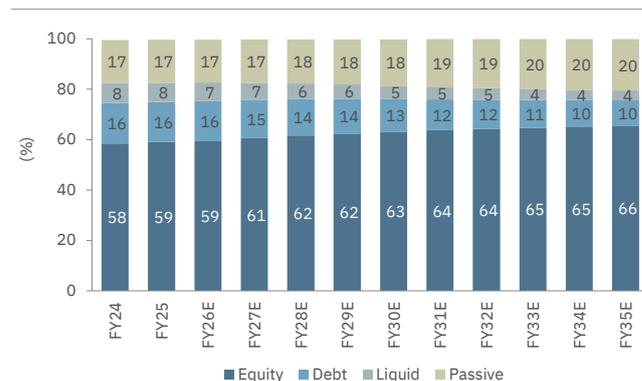
Note: Closing AUM; Source: AMFI, Elara Securities Research

Exhibit 43: Overall AUM CAGR of ~17% during FY25-35E



Source: Company, Elara Securities Estimate

Exhibit 44: Equity and passive mix to rise



Source: Company, Elara Securities Estimate

Aviation

Price Performance

Company (%)	3M	6M	12M
InterGlobe Aviation	(15.3)	(17.1)	15.7
SpiceJet	(50.9)	(44.2)	(52.2)

Source: ACE Equity, Elara Securities Research

- **InterGlobe Aviation** (INDIGO IN) reported adjusted PAT of INR 32.1bn in Q3FY26 versus INR 39.1bn in Q3FY25. Performance fell YoY as passenger yield (airfares per km) was down 2%, which offset a drop of 12% in ex-FX non-fuel CASK (cost per available seat-km) and 3% in fuel CASK. Passenger yield fell 2% YoY (passenger revenue seat-km) and PLF was down 237bps YoY at 84.6%, due to operating disruptions. Passengers grew only 3% YoY, and most of the moderation was concentrated in December.

Spice Jet's (SJET IN) EBITDA loss was INR 1.4bn from INR 828mn loss in Q3FY25 and INR 2.7bn loss in Q2FY26, mainly due to a fall in RASK, whereas it was partly offset by 16% YoY growth (77% QoQ growth) in passenger volume and increasing fleet size. Adjusted net loss was INR 2.0bn in Q3 against PAT of INR 1.3bn in Q3FY25 and loss of INR 4.5bn in Q2FY26. Passenger travel rose 16% YoY to 2.0mn. Passenger load factor (PLF) was up 552bps YoY and 814bps QoQ to 89.4%.

With start-up of new airports in Delhi and Mumbai, domestic demand is set to strengthen from Q4FY26. Other positive triggers for INDIGO would be anticipated weak crude oil price environment, sustainable delivery of 4-5 aircraft per month from AirBus, stabilization of aircraft-on-ground (AOG) fleet, and the fleet size of a major competitor (Tata Group) falling YoY.

Key monitorables and trigger points

- Key highlight in Q3 was operational disruption at INDIGO, led by a brief event in December, but core profitability and balance-sheet strength remained intact. RASK declined YoY as per expectations. INDIGO has guided for ~10% YoY capacity growth in Q4FY26, skewed toward international routes, and early-to-mid single-digit moderation in passenger unit revenue off a high base. SJET increased its operational fleet from 19 in Sep-25 to 33 in Dec-25 and subsequently, ASKM grew 56% QoQ.

Leaders

INDIGO: Operational challenges and capacity rationalization, as directed by the Directorate General of Civil Aviation (DGCA), briefly impacted INDIGO in Q3. Demand was strong through most of the quarter, supported by the festival season and peak travel trends. We reiterate our positive stance in the medium-to-long-term, as India's aviation demand cycle is intact, competitive supply is structurally constrained and INDIGO is the only airline with assured aircraft deliveries in the next 4-5 years.

Laggards

SJET has reported strong fleet addition in Q3FY26. However, we await scale-up of operations and further cost efficiency.

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Elara Aviation coverage universe

Name	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
InterGlobe Aviation	INDIGO IN	Buy	1,924.2	4,977	6,020	21.0	857,971	964,535	1,060,403	211,525	237,257	261,845	83,978	89,120	96,518
SpiceJet	SJET IN	Accumulate	25.9	17	39	129.7	54,487	93,735	111,830	(2,105)	10,879	13,643	(11,389)	567	1,976

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

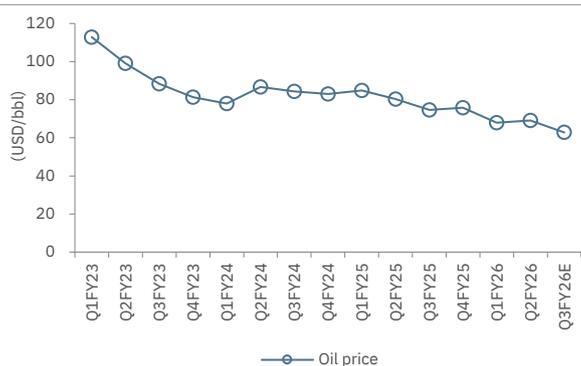
Industry data, valuations and performance

Exhibit 45: Airfares dipped YoY in Q3

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	FY24	FY25	FY26E	FY27E
Oil price (USD/bbl)	84.9	80.3	74.7	75.7	67.9	69.1	62.8	83.0	78.9	68.0	70.0
Aviation coverage universe: ASKM YoY growth (%)	9.9	5.2	7.5	16.2	12.9	6.6	11.0	15.3	9.7	10.5	14.1
Industry airfares growth YoY (%)	(3.9)	(1.9)	(0.4)	1.8	2.1	6.8	(0.9)				
Domestic passenger volume growth (%)	4.3	6.6	9.4	10.8	4.3	(2.5)	1.7				

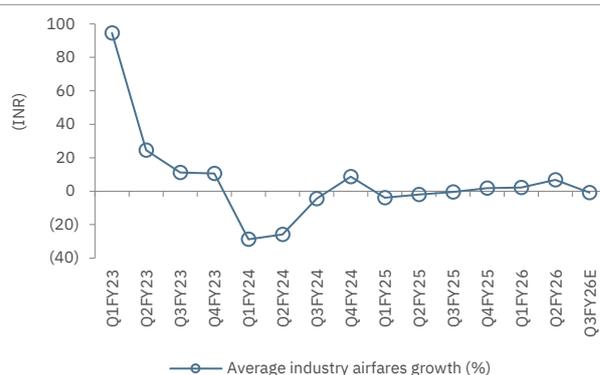
Note: ASKM - Available seat KM; Source: Company, Bloomberg, Elara Securities Estimate

Exhibit 46: Subdued oil price environment to benefit INDIGO



Source: Bloomberg, Elara Securities Estimate

Exhibit 47: Industry airfares dipped YoY in Q3



Source: Elara Securities Estimate

Exhibit 48: Aviation market cap is up 12% in past one year*



Note: Index is created using aggregate of market cap of companies under our coverage universe; pricing as on 17 February 2026; *one year performance considered from 31 January 2025 to 17 February 2026; Source: ACE Equity, Elara Securities Research

Banking and Financials

Price performance

Company (%)	3M	6M	12M
RBL Bank	2.5	29.2	110.2
Ujivan Small Finance Bank	16.6	50.6	95.8
AU Small Finance Bank	9.7	33.5	92.3
DCB Bank	5.5	65.9	85.9
Karur Vysya Bank	28.6	51.7	78.2
Indian Bank	3.4	37.7	77.8
Canara Bank	(0.0)	36.5	75.2
State Bank of India	24.7	46.8	72.5
City Union Bank	(0.4)	31.0	72.1
Federal Bank	21.0	47.8	59.6
IDFC First Bank	3.0	42.1	59.2
Bank of Baroda	5.3	24.9	46.5
Axis Bank	8.7	27.2	37.1
Punjab National Bank	1.5	17.4	34.0
Bandhan Bank	8.8	3.1	26.8
ICICI Bank	2.2	(1.2)	14.0
Equitas Small Finance Bank	6.7	30.4	12.5
Kotak Mahindra Bank	0.9	7.3	9.2
HDFC Bank	(7.1)	(6.8)	8.4
IndusInd Bank	10.5	22.6	(10.0)

Source: ACE Equity, Elara Securities Research

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- ▶ **Deposit and loan trends – funding remains the key constraint while growth mix shifts:** Deposit mobilization remains uneven across the sector, with moderate QoQ growth and weaker CASA traction. This led to a decline in CASA ratios for most private, public sector banks (PSU) and small finance bank (SFB banks, reinforcing funding mix remains a structural challenge and could weigh on FY27 NII assumptions if competition persists. In contrast, loan growth surprised on the positive, but the mix has shifted toward corporate, SME and business banking(BBG), while retail growth softened for several large banks; this supports near-term expansion but warrants monitoring from a margin and risk-composition perspective.
- ▶ **NIM – stability with divergence emerging:** NIM performance has been stable across most banks, with only selective beats vs estimates. Large private banks delivered low single-digit NII growth while mid-private banks continue to show stronger NII traction, although outcomes were mixed across names. PSU banks surprised on the positive on margin in the quarter, but sustainability looks limited as deposit repricing benefits are largely played out. Management commentary across banks suggests stable to slightly soft margin ahead.
- ▶ **Asset quality – trends were broadly stable across the system with benign slippages in most segments.** Stress continues to persist in credit cards and select unsecured retail pools, while the MFI segment shows early signs of stabilization, which should benefit SFB- and MFI-heavy lenders as growth returns. Some banks flagged agri-linked stress pockets, similar to what was seen earlier in the cycle, which remains a monitorable area.
- ▶ **Cost impact:** The new Labour code led to a one-time cost increase across banks, with provisions in the range of ~3–5% of employee cost while a few outliers like AXSB (~16%) and HDFCB (~11%) saw materially higher impact. This temporarily lifted opex, although the effect should normalize once the revised cost base is absorbed.

Earnings Leaders: (ICICIB, SBIN); **Laggards:** (IIB)**ICICIB:** Stable NIM, controlled cost, good loan growth and asset quality; continues to deliver clean earnings.**SBIN:** Robust loan growth with strong operating profit and improving credit cost.**IIB:** Margin pressure, weaker PAT trend and asset quality concerns remain as the bank pivots its strategy.

Peer valuation

Name	Ticker	Rating	Mcap				NII (INR mn)			PPOP (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
HDFC Bank	HDFCB IN	Buy	14,245	926	1,147	24	1,289,649	1,465,669	1,673,347	1,188,869	1,304,622	1,496,148	740,356	825,433	915,093
State Bank of India	SBIN IN	Accumulate	11,200	1,213	1,209	(0)	1,766,997	1,981,917	2,227,701	1,281,692	1,320,629	1,493,513	807,619	787,959	883,712
ICICI Bank	ICICIB IN	Buy	10,072	1,408	1,783	27	878,204	974,361	1,101,380	717,900	807,133	917,210	485,874	533,850	586,388
Kotak Mahindra Bank	KMB IN	Buy	4,222	424	511	20	303,892	353,460	409,870	225,807	267,321	314,631	140,355	167,569	195,728
Axis Bank	AXSB IN	Buy	4,216	1,357	1,555	15	556,005	633,095	732,800	431,506	520,179	616,735	238,515	307,027	368,500
Bank of Baroda	BOB IN	Accumulate	1,568	303	345	14	472,999	549,721	635,257	305,723	341,714	407,128	191,229	197,538	227,055
Punjab National Bank	PNB IN	Accumulate	1,435	125	135	8	429,723	505,869	571,745	284,522	295,499	328,475	158,860	173,705	187,507
Canara Bank	CBK IN	Reduce	1,353	149	140	(6)	369,246	418,359	469,254	345,917	326,745	355,831	188,760	168,301	181,690
Indian Bank	INBK IN	Sell	1,239	920	800	(13)	263,239	290,600	323,156	188,772	211,669	232,838	115,963	120,655	124,253
AU Small Finance Bank	AUBANK IN	Reduce	747	1,000	955	(4)	90,525	110,979	133,201	51,607	63,130	75,797	25,636	33,438	41,785
IndusInd Bank	IIB IN	Reduce	735	944	910	(4)	181,909	191,043	215,254	93,894	99,563	115,338	8,082	36,549	54,792
IDFC First Bank	IDFCFB IN	Accumulate	717	83	90	8	215,517	264,236	316,629	85,113	114,055	146,272	21,130	42,421	58,827
Federal Bank	FB IN	Accumulate	711	289	290	0	101,706	116,732	133,980	65,854	74,871	86,768	39,652	44,866	51,174
Karur Vysya Bank	KVB IN	Accumulate	314	325	300	(8)	48,015	54,890	62,528	37,351	42,476	48,434	23,329	25,375	28,093
Bandhan Bank	BANDHAN IN	Buy	271	168	186	10	115,006	123,412	138,617	62,272	62,558	69,330	12,417	26,834	35,610
City Union Bank	CUBK IN	Buy	205.1	276	335	21.4	28,712	34,106	39,880	20,601	23,880	27,209	13,569	14,851	16,871
RBL Bank	RBK IN	Accumulate	199.0	322	345	7.1	65,033	74,711	85,268	34,378	40,190	46,618	8,952	14,681	20,049
Ujivan Small Finance Bank	UJJIVANS IN	Buy	121.5	63	72	15.0	38,775	46,691	55,814	17,184	20,953	24,775	6,688	9,519	11,485
Equitas Small Finance Bank	EQUITASB IN	Buy	78.7	69	83	20.3	33,814	40,102	47,415	13,040	16,787	20,024	727	6,468	8,815
DCB Bank	DCBB IN	Buy	63.2	196	214	9.0	24,102	27,643	31,707	12,690	14,687	17,232	6,894	8,139	9,362

Note: Pricing as on 17 February 2026; Source: Bloomberg, Elara Securities Estimate

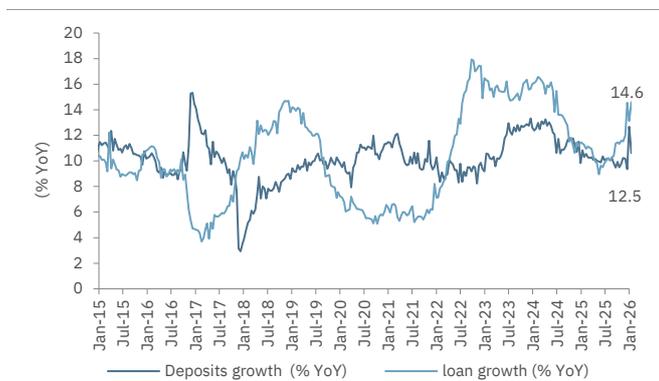
Industry Data, Valuations & Performance

Exhibit 49: Our coverage universe shows improving credit trend while deposit growth lags

	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Loans (INR bn)	113,093	124,149	129,402	134,046	135,990	140,333	144,359	148,991	150,424	156,738	163,755
Loan growth YoY (%)	17.4	22.5	22.8	21.0	20.2	13.0	11.6	11.1	10.6	11.7	13.4
Deposits (INR bn)	145,400	152,287	155,367	163,488	164,235	170,728	174,388	182,515	184,193	188,513	192,800
Deposits growth YoY (%)	14.8	15.7	15.1	14.6	13.0	12.1	12.2	11.6	12.2	10.4	10.5
CD ratio (%)	77.8	81.5	83.3	82.0	82.8	82.2	82.8	81.6	81.7	83.1	84.9

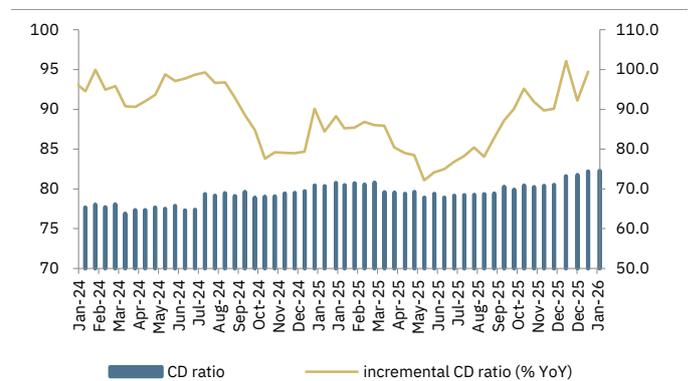
Source: Company, Elara Securities Estimate

Exhibit 50: Overall credit growth better while deposit growth lags...



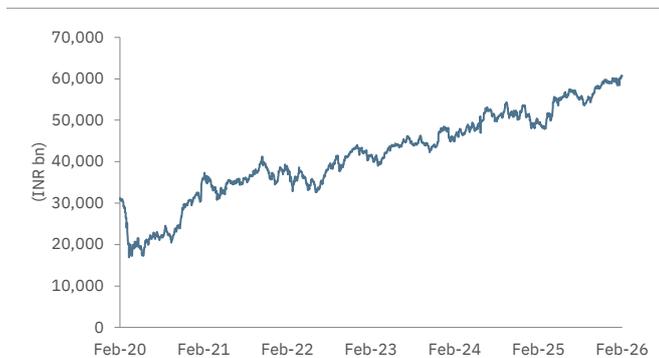
Source: RBI, Elara Securities Research

Exhibit 51: ...reflecting in higher CD ratio



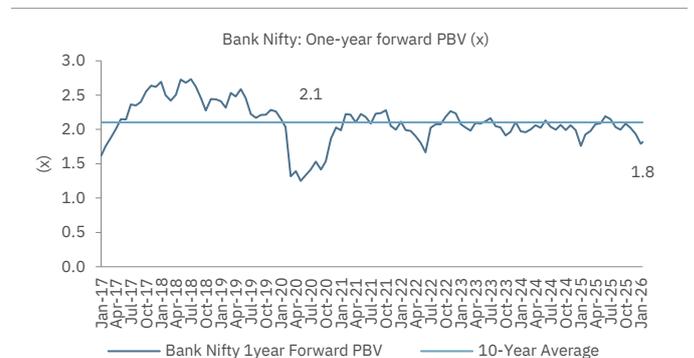
Source: RBI, Elara Securities Research

Exhibit 52: Bank Nifty up ~23% in the past year



Source: Bloomberg, Elara Securities Research

Exhibit 53: Sector is trading below 10-year average



Source: Bloomberg, Elara Securities Research

Building materials

Price performance

Company (%)	3M	6M	12M
Astral	12.3	28.7	18.9
Kajaria Ceramics	(13.4)	(23.6)	8.8
Asian Paints	(15.6)	(3.6)	8.3
Supreme Industries	8.1	(8.8)	8.0
Century Plyboards	(3.2)	4.6	4.7
Berger Paints	(19.8)	(13.1)	(4.2)
Kansai Nerolac	(18.3)	(14.0)	(11.9)
Somany Ceramics	(10.9)	(22.2)	(14.6)

Source: ACE Equity, Elara Securities Research

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► **Earnings:** Q3FY26 for building materials was a mixed pack. Overall revenue for our coverage universe increased 4.8% YoY, impacted by slower growth in paints at 2.9% YoY and tiles at 2.8% YoY. Strong revenue growth was seen in wood panels at 18.4% YoY and plastic pipes at 8.2% YoY. Overall gross margin increased 117bp YoY to 42.9% while EBITDA margin expanded 51bp YoY to 16.4%.

► **Key highlights:** The paints segment struggled with competition and weak demand in the decoratives segment. The tiles segment also lagged, due to muted domestic activity and weak exports. Growth in the plastic pipes segment is reverting with robust volume in the plumbing segment with both SI and ASTRA posted growth of ~16% YoY. The price reduction in please expand (PVC) dragged revenue growth, however; this is getting arrested as PVC prices start to increase, up from USD 580 to USD 640. Wood panels remains a standout segment with CPBI posting volume growth of 17.9% YoY in the plywood segment.

Earnings leaders

► **CPBI** delivered revenue growth of 18.4% YoY in Q3, with broad-based growth across plywood at 16.5% YoY, laminates at 6.8% YoY, and medium density fiberboard (MDF) at 18.2% YoY, supported by volume rise of 17.9% YoY in plywood. Despite demand softness in Q3, performance was robust amid a challenging macro environment with market share gains. Margin expanded to 12.6%, due to operating leverage and cost optimization despite input pressures. Led by stable input prices and margin improvement on the back of improved capacity utilization and margin improvement in MDF, we expect a 29% EBITDA CAGR during FY25-28E.

► **ASTRA** reported consolidated net sales of INR 15.4bn, up 10.3% YoY, in line with our estimates. The plumbing segment posted 8.3% value growth with 16.8% volume growth. During the quarter PVC prices fell by INR 11 per kg, which led to continued volume-value gap. However, PVC prices rose by INR 8.5/kg since January 2026, which should improve sales growth and margin. Domestic adhesives (*Resinova*) maintain steady momentum at 14% YoY growth. The company had INR 200-250mn inventory loss in Q3, which is set to reverse in Q4, given uptick in PVC prices. FY27 will see an improvement in *Jal Jeevan Mission* spending as it fell short of FY25 target, which would aid in B2G growth.

Laggards

► **APNT** posted an underwhelming Q3, with top line 1.7% lower than our estimates, due to slower growth in the decoratives segment of 2.8%. This is due to structural changes, resulting in slower growth in the industry, namely a delayed repainting cycle and lower spend during occasions, such as marriages. Competition remains high with firms turning aggressive and likely to persist due to renewed focus by AKZO Nobel.

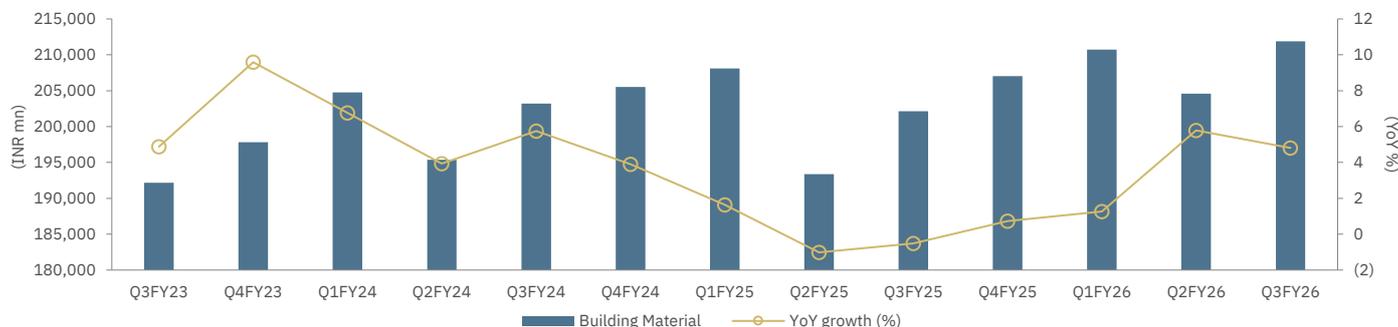
Peer valuation

Name	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Asian Paints	APNT IN	Sell	2,337.9	2,437	2,517	3.3	352,317	374,775	401,531	64,740	70,374	76,113	42,500	46,519	50,060
Berger Paints	BRGR IN	Accumulate	540.3	463	500	7.9	119,218	127,862	136,847	17,992	19,573	21,921	10,886	12,077	13,812
Supreme Industries	SI IN	Buy	497.9	3,920	3,980	1.5	112,582	128,864	146,700	14,996	18,713	21,519	8,733	11,667	13,620
Astral	ASTRA IN	Accumulate	442.1	1,646	1,710	3.9	66,771	77,927	89,132	10,974	13,124	15,265	6,093	7,698	9,192
Century Plyboards	CPBI IN	Buy	169.3	762	935	22.7	52,800	62,017	71,391	6,512	8,637	10,358	2,812	4,540	5,876
Kansai Nerolac	KNPL IN	Accumulate	163.6	202	240	18.6	77,886	82,538	88,089	10,091	10,882	11,616	6,723	7,251	7,773
Kajaria Ceramics	KJC IN	Accumulate	154.3	969	1,380	42.4	48,701	53,358	58,319	8,493	9,248	10,072	5,013	5,493	6,046
Somany Ceramics	SOMC IN	Accumulate	16.3	397	737	85.6	28,656	31,747		2,907	3,372		1,264	1,594	

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

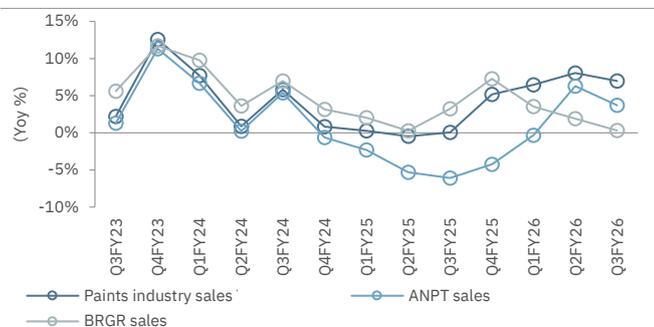
Industry Data, Valuations & Performance

Exhibit 54: Building materials – value growth driven by wood panels and plastic pipes



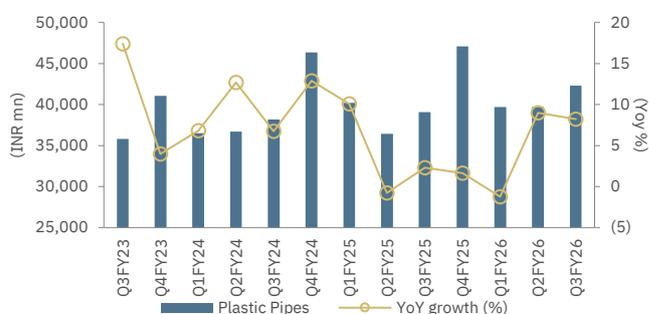
Source: Company, Elara Securities Research

Exhibit 55: Paints market share loss for incumbents



Note: Birla Opus data included in industry sales growth, (includes decorative paints standalone numbers); Source: Company, Elara Securities Estimate

Exhibit 56: Plastic pipes reverting to normalcy as PVC price rises



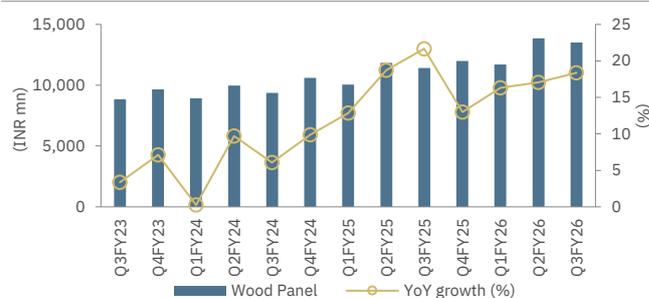
Source: Company, Elara Securities Research

Exhibit 57: Muted performance of the tiles segment



Source: Company, Elara Securities Research

Exhibit 58: Wood panels value growth resilient on the back of plywood



Source: Company, Elara Securities Research

Exhibit 59: Building materials market cap up 3% in the past year*



Note: Sector performance is calculated using aggregate market cap of companies under our coverage universe; pricing as on 17 February 2026; *one-year performance considered from 31 December 2024 to 17 February 2026; Source: ACE Equity, Elara Securities Research

Exhibit 60: Building materials currently trading at a discount of 2%



Note: Trailing P/E is calculated using aggregate of market cap and earnings of our coverage universe; pricing as on 17 February 2026; Source: ACE Equity, Elara Securities Research

Capital Goods & Defence

Price Performance

Company (%)	3M	6M	12M
Garden Reach Shipbuilders & Engineers	(15.6)	(5.8)	88.2
Bharat Electronics	5.3	16.1	79.8
Cummins	4.9	21.5	68.9
BEML	(13.5)	(14.3)	29.0
Zen Technology	(7.9)	(5.0)	23.7
Hindustan Aeronautics	(11.4)	(6.8)	22.2
Bharat Dynamics	(20.6)	(20.0)	17.7
ABB	15.8	16.0	11.3
RITES	(12.5)	(11.8)	6.3
Thermax	1.4	(6.7)	1.4
KEC International	(22.7)	(22.0)	(16.8)
Siemens	(1.4)	0.5	(34.4)

Source: ACE Equity, Elara Securities Research

► **Earnings:** Our Capital Goods & Defence coverage universe has likely witnessed healthy PAT growth of 11% YoY, supported by reasonable performance by Bharat Electronics (BHE IN), Hindustan Aeronautics (HNAL IN), Thermax (TMX IN), Garden Reach Shipbuilders (GRSE IN) and RITES (RITE IN). We remain positive on the sector as government capital expenditure continues, while private capex is muted, especially in core industries, such as steel and cement. However, private capex is taking place in select pockets – new-age sectors of data centres, renewables, and semiconductors.

► **Key highlights:** The Indian capital goods sector is characterized by healthy revenue growth, led by strong execution of orderbook and sustained government infrastructure spending. While topline growth is strong, the sector is experiencing a mixed performance, with some margin pressure due to high commodity prices, and a cautious approach to private capital expenditure. The outlook of defence companies is positive led by a strong order pipeline, continuous margin improvement (on better order mix and focused execution) and scope for exports.

The Union Budget is positive for the Capital Goods sector with an outlay of INR 12.2tn in FY27, implying a 12% growth in FY26 RE of INR 10.9tn. In Defence, total capital expenditure surged 18% to INR 2.2tn for FY27E compared with FY26RE. Near-term pipeline is healthy – Large ticket orders (QRSAM at INR 400bn, next-generation Corvette at INR 330bn, P75I submarine at INR 700bn and Pinaka guided missile of INR 50-100bn) are expected to be finalized.

Leaders:

- **BEML (BEML IN):** Revenue rose 24% on R&M and defence momentum in Q3. A one-time expense of INR 800mn booked by BEML temporarily obscured margin expansion; however, growth prospects for FY26 and order inflow visibility remain robust.
- **Bharat Electronics (BHE IN):** Q3 beat was led by strong execution and 29.7% margin. FY26 growth and INR 270bn inflow target is intact with robust order pipeline visibility.
- **Rites (RITE IN):** A revival in exports drove Q3 beat. FY27 is set for strong growth momentum, with margins expected to sustain at ~20%.

Laggards

Siemens (SIEM IN): Mobility margins were hit by forex losses, while deferred metro capex and weak Digital Industries margins (below 6-8% guidance range) strained profitability.

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Peer valuations

Name	Ticker	Rating	Mcap (INR bn)	CMP (INR)	TP (INR)	Upside (%)	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
							FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Bharat Electronics	BHE IN	Accumulate	3,266	447	485	9	286,600	347,006	406,619	81,624	96,556	112,187	61,514	73,840	86,205
Hindustan Aeronautics	HNAL IN	Accumulate	2,841	4,248	4,700	11	332,677	387,753	453,166	97,759	107,586	124,862	87,477	94,909	107,878
Cummins	KKC IN	Accumulate	1,275	4,598	4,780	4	119,437	140,272	162,371	25,183	29,450	33,996	23,274	27,093	31,029
ABB	ABB IN	Reduce	1,237	5,836	5,030	(14)	149,373	171,657		22,381	26,113		17,954	20,955	
Siemens	SIEM IN	Accumulate	1,135	3,186	3,420	7	186,564	217,094	256,519	24,103	29,331	35,341	18,935	22,985	27,620
Bharat Dynamics	BDL IN	Accumulate	463	1,262	1,580	25	42,862	61,863	87,373	6,585	11,432	17,303	7,597	11,592	16,579
Thermax	TMX IN	Reduce	364	3,054	2,870	(6)	106,100	123,916	140,230	8,789	11,850	14,223	6,108	8,259	10,268
Garden Reach Shipbuilders & Engineers	GRSE IN	Sell	279	2,437	2,030	(17)	68,553	78,753	73,797	7,505	9,552	8,561	8,309	10,655	9,244
KEC International	KECI IN	Buy	162	607	930	53	248,737	287,335	324,137	18,539	25,385	29,337	8,512	13,816	17,098
BEML	BEML IN	Buy	145	1,737	2,700	55	44,462	54,625	68,669	5,839	7,659	9,817	3,652	4,873	6,525
Zen Technology	ZEN IN	Buy	121	1,336	2,025	52	7,899	15,022	19,938	2,907	5,145	6,887	2,497	4,219	5,562
RITES	RITE IN	Buy	106	221	310	40	23,915	30,871	43,498	5,723	6,658	8,843	4,248	4,966	6,277

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

Industry data, valuations and performance

Exhibit 61: Quarterly trends

Description	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Orderbook (INR bn)	1,542	1,616	1,681	1,661	1,740	1,733	1,826	1,725	803	788	1,752
EBITDA margins (%)	45.4	49.5	52.4	33.7	12.9	7.2	8.6	3.8	-53.8	-54.5	-4.0

Note: Elara Capital Goods & Defence coverage universe; Source: Elara Securities Research

Exhibit 62: Yearly data

Description (INR bn)	FY24	FY25	FY26E	FY27E	FY28E
Orderbook	2,616	2,179	3,479	3,904	4,038
YoY growth (%)	7.4	-17	60	12	3
Capex	48.3	48.3	36.9	25.3	36.2
Margins (%)	17.5	20.0	19.1	19.2	19.4
FCF	152.7	164.5	211.4	200.5	263.1

Note: Elara Capital Goods & Defence coverage universe; Source: Elara Securities Estimate

Exhibit 63: Order inflow to post 20% CAGR in FY25-28E



Note: Elara Capital Goods & Defence coverage universe; Source: Company, Elara Securities Estimate

Exhibit 64: Orderbook to be stable in FY25-28E on healthy inflows



Note: Elara Capital Goods & Defence coverage universe; Source: Company, Elara Securities Estimate

Exhibit 65: EBITDA margin to broadly remain healthy in FY25-28E



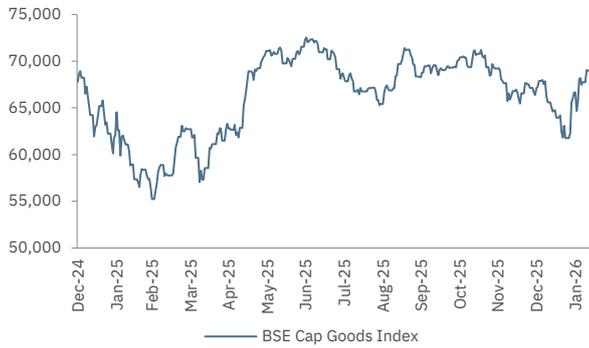
Note: Elara Capital Goods & Defence coverage universe; Source: Company, Elara Securities Estimate

Exhibit 66: FCF to remain healthy in FY25-28E



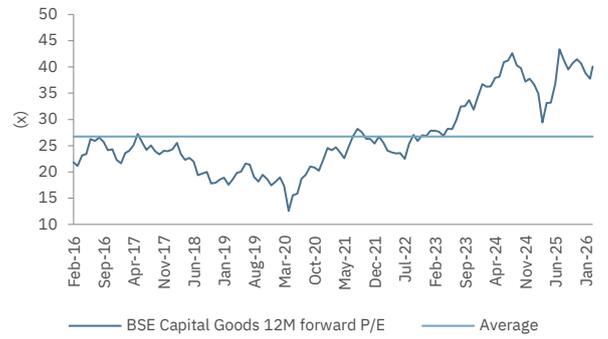
Note: Elara Capital Goods & Defence coverage universe; Source: Company, Elara Securities Estimate

Exhibit 67: BSE Capital Goods Index has generated a return of 17% over one year



Source: Bloomberg, Elara Securities Research

Exhibit 68: One-year P/E at ~50% above historical levels



Source: Bloomberg, Elara Securities Research

Cement

Price performance

Company (%)	3M	6M	12M
India Cements	5.2	17.5	56.9
Ramco Cements	17.0	9.1	35.3
JK Cement	4.6	(16.2)	26.5
Dalmia Bharat	4.9	(6.9)	16.9
UltraTech	10.2	5.4	15.3
Ambuja Cement	(6.8)	(9.7)	7.3
Birla Corporation	(11.1)	(17.6)	5.9
Nuvoco Vistas Corporation	(7.9)	(25.2)	5.9
JK Lakshmi Cement	(12.8)	(14.2)	5.5
Prism Johnson	(15.7)	(13.6)	4.2
Star Cement	(7.6)	(24.7)	4.1
Shree Cement	(1.2)	(13.3)	(6.8)
ACC	(11.2)	(8.0)	(14.2)
Heidelberg Cement	(9.2)	(21.5)	(15.9)
Orient Cement	(13.5)	(31.0)	(51.0)

Source: ACE Equity, Elara Securities Research

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- ▶ Our cement coverage universe posted a second consecutive quarter of margin decline, resulting in an EBITDA growth deceleration to ~31% YoY vs ~51% in H1FY26. YoY growth in Q3 is attributed to low base (past year's EBITDA per tonne was down by 3% YoY) and inorganic growth, driven by softening in trade segment prices and a sharp fall in prices in the non-trade segment.
- ▶ As a result, unlike the past three years – when the industry delivered an average EBITDA per tonne improvement of INR 183 – industry EBITDA per tonne declined by ~INR 72 QoQ in Q3FY26.

Key trigger points and highlights

- ▶ Although price hike announcements of ~INR 10–40/bag were indicated for January, actual hikes were limited to ~INR 0–10/bag, highlighting continued competition across regions. We believe industry margin bottomed in Q3FY26.
- ▶ Margin is likely to improve sequentially in Q4FY26, supported by operating leverage and modest price increases, with a stronger expansion in Q1FY27 driven by more meaningful price hikes.
- ▶ Any moderation in petcoke prices or the INR appreciation could provide upside to margin recovery and earnings expectation.

Earnings leaders

- ▶ **UTCEM** earnings remain resilient despite pricing headwinds, supported by strong volume growth, EBITDA/tonne improvement, and structural cost efficiency. With ~INR 86/tonne of savings already achieved against ~INR 100/tonne FY26 target, execution remains firmly on track, reinforcing margin visibility.
- ▶ **JKCE** performance exceeded expectations, driven by strong volume and market share gains in Central India (notably non-trade). EBITDA grew ~10% YoY despite softer realization, supported by operating leverage and lower power & fuel cost. A widening standalone-consolidated EBITDA gap after Q2 signals a recovery in the UAE operations.

Laggards

- ▶ **TRCL** performance fell short of our and Street estimates, primarily due to a ~7% QoQ decline in realization, which weighed on EBITDA. The delay in expansion timelines (targeting ~31mn tonne by FY27 vs ~30mn tonne by FY26) along with moderated capex indicate slower growth visibility. With ICEM ramping up capacity under new management, TRCL's market share gains appear to be capped.

Peer valuation

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
UltraTech	UTCEM IN	Accumulate	3,826	12,984	14,553	12	878,054	984,004	1,101,900	165,710	207,862	249,816	79,898	110,348	140,342
Ambuja Cement	ACEM IN	Accumulate	1,290	522	591	13	402,063	467,469	515,151	67,831	96,260	116,220	20,448	36,361	58,305
Shree Cement	SRCM IN	Buy	951	26,370	33,167	26	209,675	231,763	254,382	46,599	55,213	61,346	18,282	29,822	32,573
JK Cement	JKCE IN	Accumulate	453	5,866	6,249	7	137,536	155,670	171,916	24,201	29,917	33,326	10,496	13,092	14,256
Dalmia Bharat	DALBHARA IN	Accumulate	396	2,113	2,384	13	148,905	164,724	181,302	30,730	33,905	37,180	11,431	11,909	14,088
ACC	ACC IN	Accumulate	308	1,639	1,939	18	255,989	272,293	288,956	31,649	34,791	38,245	16,686	19,684	21,864
Ramco Cements	TRCL IN	Reduce	275	1,164	1,146	(2)	92,046	104,760	114,313	15,448	19,475	21,593	3,419	5,682	7,629
India Cements	ICEM IN	Sell	134	434	366	(16)	46,549	53,512	59,902	4,234	8,647	12,412	3,160	3,975	6,814
Nuvoco Vistas Corporation	NUVOCO IN	Buy	121	338	438	30	113,660	126,784	141,238	17,391	20,083	22,478	3,127	4,303	4,870
JK Lakshmi	JKLC IN	Buy	91	729	926	27	68,230	77,899	89,734	10,189	12,578	15,529	4,385	5,762	7,779
Star Cement	STRCEM IN	Buy	88	217	302	39	36,755	39,286	44,538	8,942	8,823	10,324	3,874	3,549	4,456
Birla Corporation	BCORP IN	Accumulate	81	1,048	1,246	19	94,285	100,178	106,545	13,944	15,011	15,829	4,862	5,408	5,789
Prism Johnson	PRSMJ IN	Accumulate	62	124	139	12	79,317	86,203	92,617	6,877	8,060	8,723	173	1,223	2,082
Heidelberg Cement	HEIM IN	Reduce	38	168	181	8	23,364	25,748	28,101	2,939	3,650	4,241	1,491	2,079	2,515
Orient Cement	ORCMNT IN	Buy	33	161	197	22	28,470	29,477	30,817	5,561	5,781	6,158	2,551	2,707	2,956

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

Industry Data, Valuations & Performance

Exhibit 69: Sequential realization pressure weighs on margin

Operational metrics	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24	Jun'24	Sep'24	Dec'24	Mar'25	Jun'25	Sep'25	Dec'25
Volume (mn tonne)	92.8	90.8	81.7	83.9	102.5	94.4	83.8	92.2	109.6	100.3	90.0	100.9
Realization/tonne	5,389	5,355	5,361	5,468	5,174	5,055	4,903	4,918	5,098	5,146	5,185	5,017
EBITDA/tonne	888	918	895	1,143	1,032	834	627	729	1,072	1,133	944	873

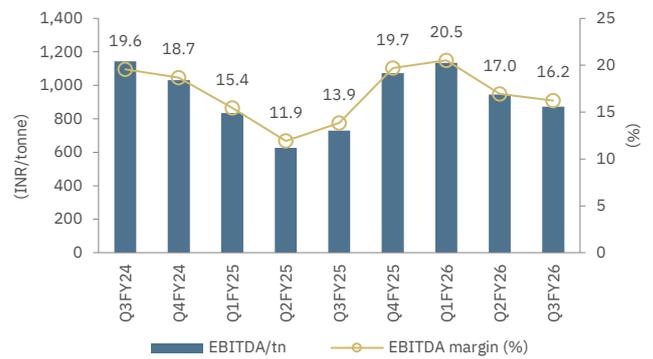
Source: Company, Elara Securities Research

Exhibit 70: Elara cement universe volume growth continues to be inorganic-led



Source: Company, Elara Securities Research

Exhibit 71: EBITDA margin declines for the second consecutive quarter



Source: Company, Elara Securities Research

Exhibit 72: Weak prices lead to lower spot spread in Q3FY26



Source: BigMint, Bloomberg, Elara Securities Research

Exhibit 73: Cement market cap up 5% in the past year*



Note: Index is created using aggregate of market cap of companies under our coverage universe; pricing as on 17 February 2026; *one-year performance considered from 31 January 2025 to 17 February 2026; Source: ACE Equity, Elara Securities Research

Exhibit 74: Cement currently trades at a premium of 4%



Note: Trailing P/E is calculated using aggregate of market cap and earnings of our coverage universe; pricing as on 17 February 2026
Source: ACE Equity, Elara Securities Research

Chemicals

Price Performance

Company (%)	3M	6M	12M
Navin Fluorine International	4.0	25.0	57.0
Atul	10.6	4.8	23.1
Aarti Industries	15.1	21.0	8.8
Sudarshan Chemicals	(11.4)	(36.4)	4.9
SRF	(3.2)	(3.5)	(0.2)
Alkyl Amines	(13.9)	(25.5)	(4.1)
Vinati Organics	(10.5)	(10.2)	(5.8)
Gujarat Fluorochemicals	(5.7)	(0.1)	(8.9)
Deepak Nitrite	(4.6)	(11.1)	(13.0)
Balaji Amines	(8.8)	(28.5)	(20.3)

Source: ACE Equity, Elara Securities Research

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- ▶ Q3FY26 cumulative PAT of Elara Chemicals coverage universe grew 37% YoY on a lower base (down 1% QoQ), with some volume recovery amid stable-to-mildly declining prices.
- ▶ Per earnings calls (September 2025) of global chemical firms, volume recovery across select categories is visible, but prices remain under pressure due to persistent overcapacity and aggressive competition, trade tensions-driven cautious buying behavior, and weak demand in the EU.
- ▶ Per Q3FY26 earnings calls of Elara Chemicals coverage universe: 1) prices of low GWP refrigerants remained firm, 2) US tariffs led to weaker volume growth as customers deferred shipments, but a reduction in tariff is a positive in the coming quarters, 3) India-EU FTA is likely to benefit in long term, and 4) pricing pressure was reflected in certain chemical categories such as commodity chemicals and dyes & pigments.

Key highlights

- ▶ Key highlight in Q3 was slight margin decline QoQ as pricing pressure persists under select chemical categories. Announcements of India-EU FTA and India-US trade deal are positives in the long term as per management commentary.

Leaders – NFIL, FLUOROCH and SRF

We have a positive view on CDMO, specialty agrochemicals, refrigerants and fluoropolymers sectors, given likely outperformance. Consequently, SRF, NFIL, and FLUOROCH would be leaders based on their strong global outlook for the products market.

Laggards – AACL, BLA

We expect a weak recovery for AACL and BLA products segments. Realization in the Methylamines segment is likely to be under pressure in the near term due to oversupply. Subdued demand in North America and the EU is likely to lead to slow-paced recovery.

Elara Chemicals Coverage Universe

Name	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
SRF	SRF IN	Accumulate	813.1	2,743	3,258	18.8	150,690	172,486	194,456	32,351	41,642	48,580	16,839	23,331	27,648
Gujarat Fluorochemicals	FLUOROCH IN	Buy	372.0	3,387	4,083	20.6	47,330	61,653	77,489	12,967	19,015	24,844	6,286	10,522	14,691
Navin Fluorine International	NFIL IN	Buy	319.9	6,242	7,958	27.5	33,557	39,091	43,014	11,286	13,653	15,118	7,028	8,354	9,662
Deepak Nitrite	DN IN	Accumulate	225.2	1,651	1,858	12.5	78,608	82,646	91,636	8,533	11,522	13,218	4,863	6,839	7,765
Atul	ATLP IN	Accumulate	195.9	6,653	6,797	2.2	62,221	65,774	73,767	10,557	11,173	11,804	6,639	7,151	7,668
Aarti Industries	ARTO IN	Accumulate	165.0	455	479	5.3	82,734	93,575	108,008	11,504	13,310	15,986	4,107	4,152	5,426
Vinati Organics	VO IN	Accumulate	155.6	1,501	1,764	17.5	22,881	26,988	30,855	7,458	7,640	8,642	5,027	5,604	5,988
Alkyl Amines	AACL IN	Accumulate	79.0	1,545	1,784	15.5	15,953	18,487	21,180	2,772	3,323	3,968	1,765	2,170	2,622
Sudarshan Chemicals	SCHI IN	Accumulate	72.3	920	1,047	13.9	92,886	100,383	107,681	5,586	7,350	9,200	655,000	2,198	3,058
Balaji Amines	BLA IN	Accumulate	35.9	1,107	1,339	20.9	13,531	15,751	19,960	1,989	2,773	3,789	1,261	1,832	2,625

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

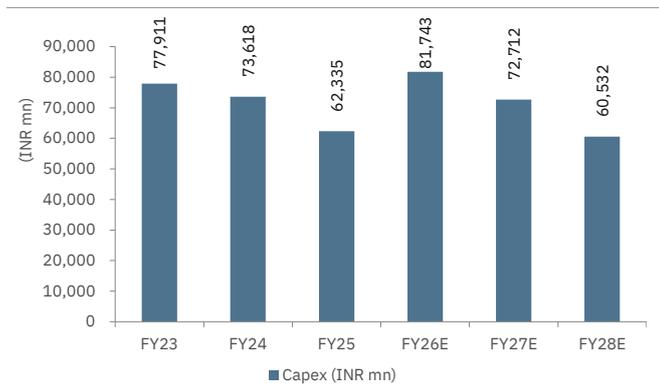
Industry data, valuations and performance

Exhibit 75: EBITDA margin declined slightly YoY in Q3

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	FY24	FY25	FY26E	FY27E
Chemicals coverage universe: Revenue growth (%)	10.4	13.6	9.4	16.8	17.7	20.6	22.1	(10.3)	12.4	16.6	12.7
Chemicals coverage universe: EBITDA margin (%)	17.3	16.6	16.6	18.4	17.1	17.3	16.8	17.5	17.3	17.5	19.4
Calculated chemicals coverage universe: Export revenue growth (%)	3.7	3.4	9.3	12.6	(3.2)	22.6	12.8	(17.6)	7.3		
Chemicals coverage universe: capex (INR mn)								73,618	62,335	81,743	72,712

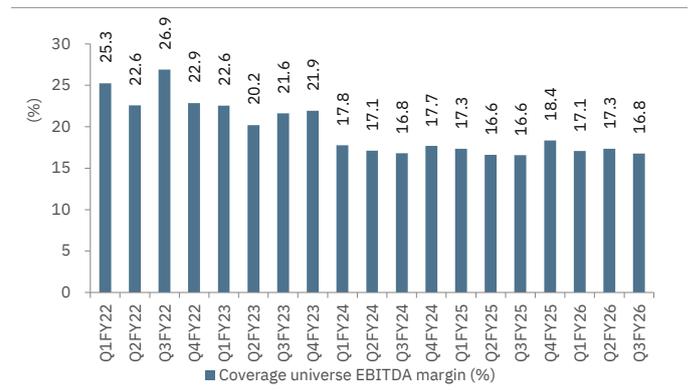
Source: Company, Trade data, Elara Securities Estimate

Exhibit 76: Capex to be led by SRF, FLUOROCH & DN in FY26E-28E



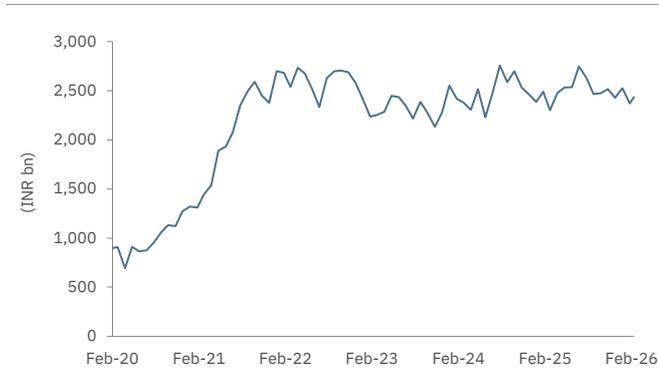
Source: Company, Elara Securities Estimate

Exhibit 77: EBITDA margin still below Covid period high



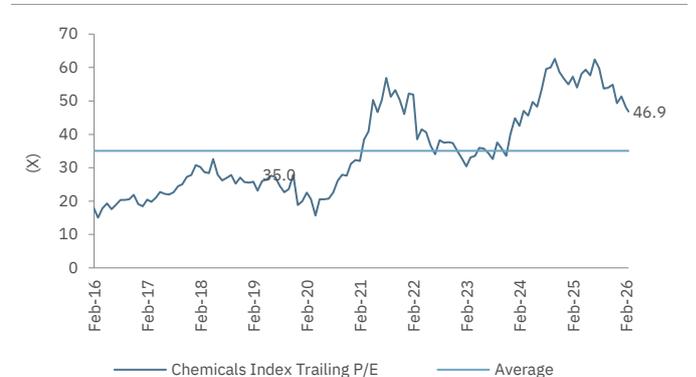
Source: Company, Elara Securities Research

Exhibit 78: Chemicals market cap is down 2% in past one year*



Note: Index is created using aggregate of market cap of companies under our coverage universe; pricing as on 17 February 2026; *one year performance considered from 31 January 2025 to 17 February 2026; Source: ACE Equity, Elara Securities Research

Exhibit 79: Chemicals currently trading at a premium of 34%



Note: Trailing P/E is calculated using aggregate of market cap and earnings of our coverage universe; pricing as on 17 February 2026; Source: ACE Equity, Elara Securities Research

Consumer Discretionary

Price performance

Company (%)	3M	6M	12M
FSN E-Commerce Ventures	1.0	26.2	56.6
Radico Khaitan	(14.1)	(1.2)	44.8
Eternal	(9.1)	(11.6)	28.8
Swiggy	(7.3)	(8.1)	19.2
DB Corp	(9.4)	(11.5)	11.5
Restaurant Brands Asia	0.6	(18.9)	8.1
United Spirits	(0.8)	7.9	5.5
PVR INOX	(5.7)	(3.2)	3.8
Affle India	(9.6)	(20.5)	1.3
Sun TV	3.3	2.6	0.8
Zee Entertainment	(5.2)	(18.4)	(2.0)
Devyani International	(7.7)	(15.1)	(16.1)
Trent	(5.3)	(22.3)	(18.1)
United Breweries	(10.5)	(17.0)	(21.2)
Jubilant Foodworks	(12.0)	(16.0)	(22.1)
TV Today Network	(10.4)	(15.3)	(23.9)
Westlife Foodworld	(3.7)	(21.1)	(26.6)
Sapphire Foods	(13.4)	(28.9)	(26.9)
ENIL	(19.9)	(35.0)	(29.1)

Source: ACE Equity, Elara Securities Research

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- ▶ **Earnings:** Q3 indicates early QSR recovery. Jubilant FoodWorks led with 5% like-for-like (LFL) growth and margin expansion. Restaurant Brands Asia posted a 10-quarter high 4.5% same sales store growth (SSSG). Devyani International and Sapphire Foods India saw stabilizing *KFC* trends but weakness in *Pizza Hut* continues. Margin improved via pricing discipline and discount rationalization; expansion remains measured.
- ▶ **QSR Q3 margin expansion** across the sector was gross margin-driven. Gains were led by discount rationalization, calibrated price hikes across select SKU, and a richer premium product mix supporting realization. Stabilizing SSSG enabled operating leverage and improving fixed-cost absorption. Additionally, tighter control over employee, G&A, and supply-chain cost along with higher own-app delivery mix reducing aggregator commissions, structurally supported profitability.
- ▶ **In the alcobev space**, divergent trends emerged in Q3. RDCK posted 26% P&A volume growth vs a volume decline of 2.0% for UNITDSPR. In beer, UBBL posted volume decline, given adverse weather in Q3 and pricing pressure in Karnataka. Regarding profitability, in spirits, the alcobev sector posted gross margin gains based on favourable raw materials prices and state mix; overall EBITDA gained on gross margin tailwinds and cost savings.
- ▶ **In the fashion space**, TRENT delivered a soft revenue performance in Q3, although margin was resilient, aided by operating efficiencies in rentals and employee cost. Like-for-like growth turned slightly negative amid muted consumer demand, festival pre-buying, and heightened competition. *Zudio* appears to have faced pressure, partly offset by steady momentum at *Westside*. While store expansion remains strong and skewed toward non-metros, near-term LFL recovery at *Zudio* is crucial for sentiment and rerating.
- ▶ NYKAA delivered strong Q3 GMV growth, driven by user expansion, premium brand launches, and offline scale-up. Gross margin improved based on a richer own-brand mix, supporting operating leverage and EBITDA expansion. Fashion sustained robust momentum, with narrowing losses aided by better gross margin and disciplined spend, keeping it on track toward breakeven.

Earnings leaders: RDCK may continue to outperform peers on growth momentum
Laggards: UBBL volume growth may see pressure in the near term and impact overall performance

Peer valuation

Name	Ticker	Rating	Mcap				Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Eternal	Eternal IN	Buy	2,717	282	415	47	536,763	1,097,391	1,990,030	8,248	29,091	49,970	7,655	23,388	36,341
Trent	TRENT IN	Accumulate	1,483	4,172	4,800	15	201,373	242,152	292,744	34,113	41,178	50,014	19,693	24,580	29,904
United Spirits	UNITDSPR IN	Accumulate	1,036	1,424	1,500	5	124,904	138,678	153,358	22,483	25,346	28,371	16,379	18,103	20,302
Swiggy	SWIGGY IN	Buy	913	331	425	29	208,915	273,384	362,711	(35,757)	(11,028)	8,306	(41,727)	(17,861)	(354)
FSN E-Commerce Ventures	NYKAA IN	Accumulate	777	271	270	(0)	100,963	130,436	166,923	7,403	11,209	15,448	2,105	4,811	7,500
United Breweries	UBBL IN	Reduce	423	1,599	1,700	6	94,496	103,686	113,769	8,977	11,820	13,652	5,084	7,512	8,769
Radico Khaitan	RDCK IN	Accumulate	378	2,822	3,500	24	61,461	70,155	80,380	10,264	12,242	14,669	6,247	7,836	9,882
Jubilant Foodworks	JUBI IN	Buy	350	531	780	47	71,865	80,523	89,955	14,157	16,266	19,160	3,208	3,873	5,008
Sun TV	SUNTV IN	Buy	232	590	700	19	41,271	40,784	41,935	21,461	21,743	22,435	15,344	16,331	17,028
Affle India	AFFLE IN	Buy	220	1,561	2,240	43	27,068	32,986	39,958	6,148	7,620	9,370	4,880	6,326	7,920
Devyani International	DEVYANI IN	Buy	162	132	165	25	56,383	61,382	67,098	8,594	9,788	11,228	334	1,201	2,191
PVR INOX	PVRINOX IN	Buy	103	1,044	1,300	24	73,900	76,909	81,408	23,202	23,457	25,236	3,315	1,293	1,505
Zee Entertainment	Z IN	Buy	91	95	140	48	82,090	85,446	88,984	8,619	9,826	11,123	5,435	6,517	7,573
Westlife Foodworld	WESTLIFE IN	Accumulate	82	524	570	9	26,541	29,178	32,025	3,397	3,822	4,323	46	341	648
Sapphire Foods	SAPPHIRE IN	Buy	70	218	300	38	29,817	33,025	36,515	4,314	5,365	6,135	(267)	253	641
DB Corp	DBCL IN	Accumulate	42	237	280	18	23,788	24,874	25,931	5,091	5,597	5,964	3,605	4,003	4,397
Restaurant Brands Asia	RBA IN	Buy	37	64	100	57	28,548	32,036	35,541	3,362	4,176	4,833	(1,768)	(1,660)	(1,632)
TV Today Network	TVTIN IN	Accumulate	7	125	160	28	8,755	9,262	9,632	385	685	771	399	378	472
ENIL	ENIL IN	Buy	5	106	220	107	5,647	5,957	6,229	808	917	1,090	216	326	485

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

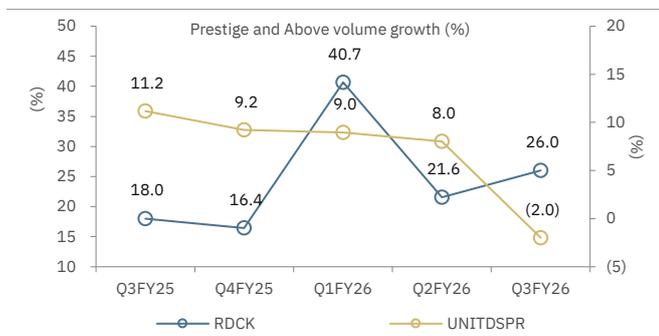
Industry Data, Valuations & Performance

Exhibit 80: Same store sales growth continues to show early signs of recovery

Pizza chains: SSSG (%)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
JUBI	12.5	12.1	11.6	9.1	5.0
SAPPHIRE	5.0	1.0	(8.0)	(8.0)	(12.0)
DEVYANI	(0.8)	1.0	(4.2)	(4.1)	(9.0)
Average	5.6	4.7	(0.2)	(1.0)	(5.3)
KFC: SSSG (%)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26E
SAPPHIRE	(3.0)	(1.0)	-	(3.0)	1.0
DEVYANI	(4.4)	(6.1)	(0.7)	(4.2)	(2.9)
Average	(3.7)	(3.6)	(0.4)	(3.6)	(1.0)
Burgers: SSSG (%)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26E
RBA	(0.5)	5.1	2.6	2.8	4.5
WESTLIFE	2.8	0.7	0.5	(2.8)	(3.2)
Average	1.2	2.9	1.6	-	0.7

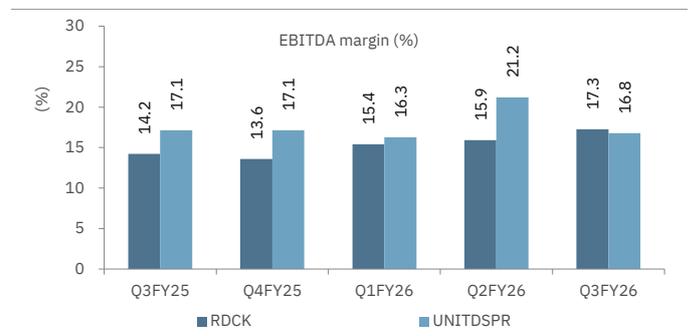
Source: Company, Elara Securities Research

Exhibit 81: Radico Khaitan continues to lead P&A volume growth



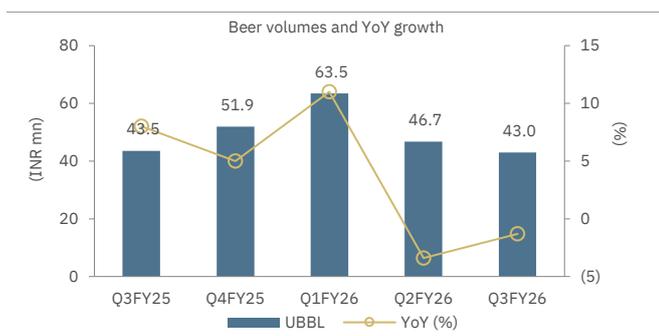
Source: Company, Elara Securities Research

Exhibit 82: Gross margin tailwinds aids in margin gains



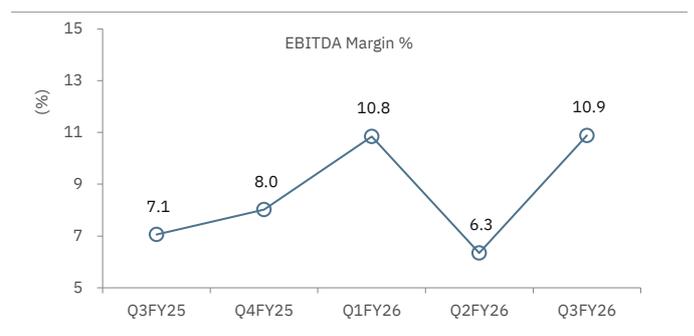
Source: Company, Elara Securities Research

Exhibit 83: UBBL volume drops to 43mn cases in Q3...



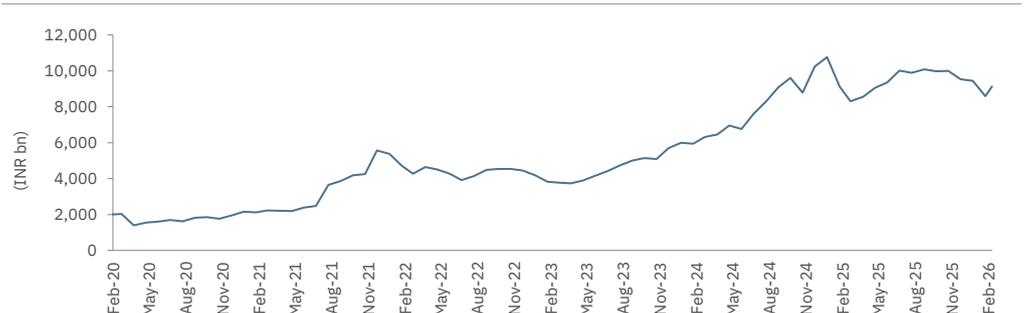
Source: Company, Elara Securities Research

Exhibit 84: ...however, EBITDA margin realization per case gains



Source: Company, Elara Securities Research

Exhibit 85: Consumer discretionary market cap up in the past year



Source: ACE Equity, Elara Securities Research

Consumer Durables & EMS

Price performance

Company (%)	3M	6M	12M
Polycab India	0.8	11.1	43.1
Amber Enterprises	5.0	17.7	40.7
KEI Industries	10.0	19.8	32.6
Voltas	11.3	20.0	23.2
Eureka Forbes	(9.8)	(4.1)	10.0
Kaynes Technology	(36.7)	(35.4)	2.2
V-Guard Industries	(5.4)	(7.7)	(1.9)
Havells India	(3.1)	(3.0)	(6.4)
Dixon Technologies	(25.2)	(27.8)	(17.0)
Crompton Greaves Consumer	(1.4)	(15.4)	(18.6)

Source: ACE Equity, Elara Securities Research

- ▶ **Earnings:** Our Consumer Durables & EMS coverage universe witnessed healthy PAT growth of 23% YoY (in-line with our estimates), supported by robust performance in Polycab India (POLYCAB IN), Kaynes Technology (KAYNES IN), Eureka Forbes (EUREKAFO IN) and KEI Industries (KEII IN).
- ▶ **Key highlights:** Sales were driven by pre-buying in room air conditioners (RAC) by the channel, ahead of the new BEE norms related changes in pricing. However, the pricing scenario is unclear, due to an increase in the cost of BEE changes, higher commodity prices, and INR depreciation. EMS companies saw moderate performance in Q3 following the recent spike in memory module prices (which imposed challenges as rising cost is a pass-through for players). However, demand for low and mid-end phones might take a hit, due to a price increase for the end-customer. The increase in allocation under ECMS from INR 220bn to INR 400bn augurs positively for Indian EMS players, as so far, a limited number of companies had been approved in the two lists announced until now. We expect more companies involved in the semiconductor value chain, PCBs, and precision components to announce large investments and receive approvals under the scheme.

Leaders

- ▶ **Polycab (POLYCAB IN):** Polycab posted 46% YoY revenue growth, led by strong C&W volumes and copper price gains, though margins dipped on mix and price-pass lag. We retain our positive stance led by strong demand and improving FMEG profitability.
- ▶ **AMBER (AMBER IN):** Amber's Q3FY26 revenue rose 38% YoY, driven by strong RAC demand (ahead of BEE hikes) and a 79% surge in electronics, supported by acquisitions and strong PCB traction. Improved product mix lifted margins across segments, with electronics margin at 10.2%, targeting double-digit sustainably by FY27.

Laggards:

Kaynes (KAYNES IN): Kaynes' Q3 growth lagged due to railway order deferrals, but margins improved and order inflows remained robust. Management reiterated its FY26 target to reduce NWC days to 75-85, aided by inventory reduction from bulk Q4 sales and improved receivable collections through discounting and efficiency gains.

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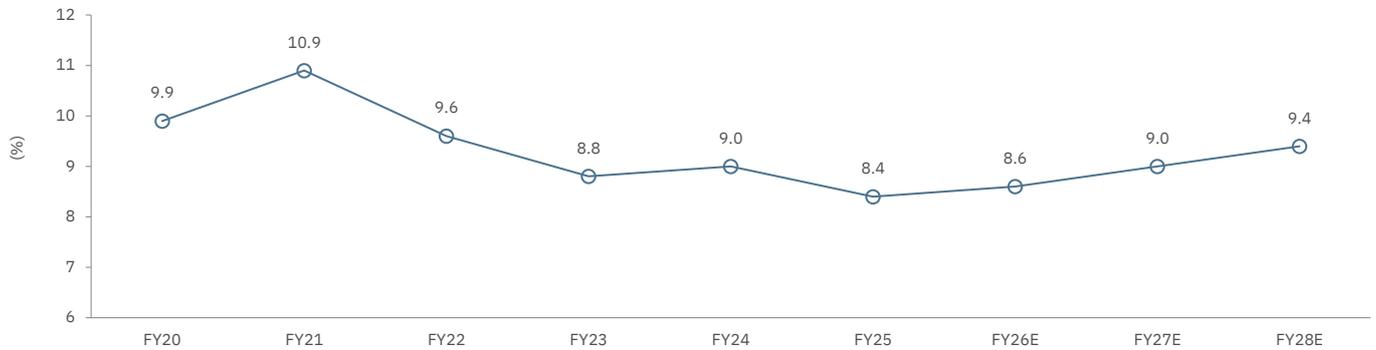
Peer valuation

Name	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Polycab India	POLYCAB IN	Accumulate	1,166	7,742	8,180	6	291,265	341,854	392,825	40,595	48,010	55,084	28,000	33,288	38,379
Havells India	HAVL IN	Accumulate	900	1,434	1,620	13	237,789	277,223	320,774	24,564	30,936	37,674	16,873	21,333	26,525
Dixon Technologies	DIXON IN	Accumulate	708	11,637	12,000	3	474,064	574,440	653,537	18,963	21,254	26,141	11,747	13,368	16,921
Voltas	VOLT IN	Accumulate	506	1,530	1,440	(6)	148,408	180,263	202,309	7,478	12,554	15,795	5,216	10,503	13,665
KEI Industries	KEII IN	Accumulate	437	4,568	4,575	0	117,626	143,005	178,847	12,359	15,717	20,322	9,216	11,535	14,953
Amber Enterprises	AMBER IN	Buy	275	7,818	9,625	23	123,794	151,104	175,306	9,298	12,696	15,394	3,129	5,100	6,593
Kaynes Technology	KAYNES IN	Buy	265	3,950	5,700	44	42,082	60,966	83,802	6,657	9,968	14,482	4,674	6,469	9,435
Crompton Greaves Consumer	CROMPTON IN	Buy	174	271	410	52	83,082	95,147	110,066	8,516	10,130	11,992	5,715	7,157	8,731
V-Guard Industries	VGRD IN	Accumulate	145	332	400	21	60,526	68,290	75,732	5,472	6,727	7,872	3,339	4,330	5,169
Eureka Forbes	EUREKAFO IN	Buy	103	534	750	40	27,671	31,968	36,963	3,584	4,502	5,458	2,359	3,070	3,837

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

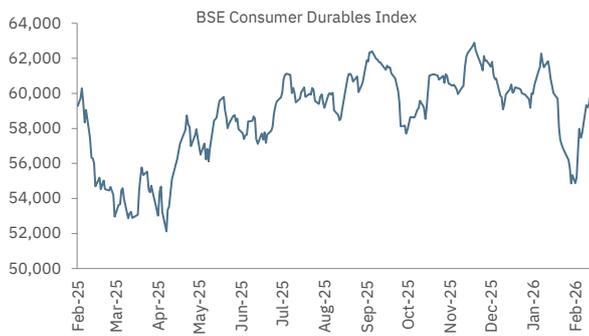
Industry data, valuations and performance

Exhibit 86: EBITDA margins to expand 100bps in FY25-28E



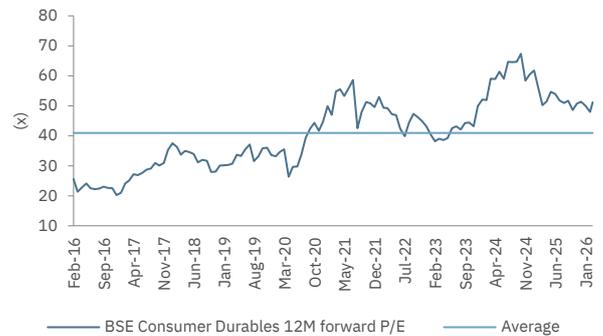
Source: Data for our Consumer Durables & EMS coverage universe; Source: Company, Elara Securities Estimate

Exhibit 87: BSE Consumer Durables Index has generated a return of 6% over a year



Source: Bloomberg, Elara Securities Research

Exhibit 88: One-year P/E is at ~25% above historical levels



Source: Bloomberg, Elara Securities Research

Fertilizers & Agrochemicals

Price performance

Company (%)	3M	6M	12M
Paradeep Phosphates	(24.8)	(20.5)	60.4
Coromandel International	7.1	0.8	39.0
Rallis India	17.7	(22.3)	38.5
UPL	(4.2)	8.4	17.2
Insecticides India	(7.4)	(27.2)	8.1
Bayer CropScience	4.3	(15.8)	3.6
PI Industries	(13.5)	(17.0)	(1.7)
Sumitomo Chemicals	(11.3)	(29.9)	(13.2)
Chambal Fertilisers	(3.3)	(14.2)	(16.4)
Dhanuka Agritech	(13.2)	(30.8)	(19.4)

Source: ACE Equity, Elara Securities Research

► **Agrochemicals companies** reported a weak Q3FY26, with revenue and profitability remaining under pressure across most domestic-focused firms. Subdued demand conditions, excess rainfall in some regions, and weak crop price realization dragged pesticides consumption, leading to negative operating leverage. Companies with higher domestic exposure saw volume decline while exports-oriented companies reported stable to slightly improving trends albeit on low base. EBITDA margin remains compressed, due to lower capacity utilization and limited pricing power. While stabilization was visible sequentially, earnings recovery remains uneven and contingent on demand revival in the upcoming Kharif season.

► **Fertilizer companies** delivered relatively stable earnings in Q3FY26 vs agrochemicals. Urea volume remains steady while phosphatic fertilizer volume was healthy. However, higher input cost, particularly sulfur and ammonia, weighed on margin expansion for complex fertilizer manufacturers. Despite modest price hikes, nutrients-based subsidy (NBS) levels remain inadequate to fully offset raw materials inflation, limiting EBITDA growth.

Key highlights

- For **agrochemicals**, commentary on demand trajectory of global innovators and weather forecast for India during Kharif season 2026 are key monitorables.
- For **fertilizers**, nutrients-based subsidy for H1FY27 and the trajectory of raw materials prices are key monitorables.

Leaders: SUMICHEM, UPL, CRIN, and PARADEEP

Laggards: PI

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Peer valuation

Name	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Coromandel International	CRIN IN	Buy	699	2,370	2,601	10	321,442	331,669	357,731	33,626	41,663	45,484	22,883	28,905	32,401
UPL	UPLL IN	Buy	626	741	980	32	503,620	548,728	598,093	94,177	115,233	134,571	29,591	48,431	63,175
PI Industries	PI IN	Sell	465	3,065	2,937	(4)	67,516	72,917	78,750	17,177	17,933	19,476	12,724	13,391	14,879
Bayer CropScience	BYRCS IN	Buy	214	4,754	6,100	28	57,252	62,977	69,275	8,874	10,076	11,569	6,958	7,653	8,871
Sumitomo Chemicals	SUMICHEM IN	Buy	205	411	605	47	32,458	36,895	40,829	6,849	8,025	9,146	5,638	6,672	7,701
Chambal Fertilisers	CHMB IN	Accumulate	182	454	522	15	184,888	195,318	202,655	26,086	29,958	25,430	19,199	22,039	19,019
Paradeep Phosphates	PARADEEP IN	Buy	130	125	247	97	217,991	220,454	230,854	26,279	24,006	27,388	14,187	12,668	15,465
Rallis India	RALI IN	Accumulate	57	295	313	6	28,599	31,221	33,976	3,478	4,390	5,247	1,956	2,631	3,317
Dhanuka Agritech	DAGRI IN	Buy	50	1,105	1,372	24	20,015	22,669	25,794	3,981	4,631	5,520	2,720	3,160	3,798
Insecticides India	INST IN	Accumulate	18	625	726	16	21,199	24,379	26,817	2,438	2,979	3,205	1,543	1,897	2,012

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

Industry data, valuations and performance

Exhibit 89: Realization of all crop categories under pressure

Crop	Price (INR/ quintal)			YoY (%)			MoM (%)		
	Oct-25	Nov-25	Dec-25	Oct-25	Nov-25	Dec-25	Oct-25	Nov-25	Dec-25
Pulses									
Green Gram Moong	9,858	10,046	9,926	(18.4)	0.3	0.0	(0.8)	1.9	(1.2)
Black Gram Urd beans	6,110	6,300	6,209	(20.2)	(11.9)	(12.5)	(6.0)	3.1	(1.5)
Arhar (Tur)	7,963	7,973	7,856	(36.5)	(21.5)	(17.1)	0.6	0.1	(1.5)
Cotton	6,856	7,123	7,381	(2.8)	(0.4)	3.2	(2.8)	3.9	3.6
Soyabean	3,960	4,353	4,440	(26.0)	5.8	8.9	(4.4)	9.9	2.0
Coarse Cereals									
Maize	1,854	1,763	1,813	(14.4)	(20.5)	(20.0)	(9.9)	(5.0)	2.9
Bajra	2,329	2,420	2,482	(1.7)	(6.8)	(5.4)	4.8	3.9	2.6
Jowar	2,977	3,272	3,710	2.6	10.9	17.6	2.8	9.9	13.4
Paddy	2,146	2,275	2,310	(10.7)	(0.4)	0.7	(0.9)	6.0	1.5
Wheat	2,545	2,545	2,490	(19.0)	(18.8)	(23.8)	0.5	0.0	(2.2)
Vegetables									
Onion	928	903	1,275	(71.4)	(74.3)	(54.8)	(7.0)	(2.7)	41.1
Tomato	1,529	1,937	2,480	(54.4)	(10.6)	52.3	(3.7)	26.7	28.0
Potato	1,110	1,582	1,027	(43.6)	(21.1)	(46.9)	4.7	42.6	(35.1)
Cucumber	1,352	1,202	1,609	(48.0)	(47.7)	(32.8)	(12.0)	(11.1)	33.9
Spices									
Turmeric	11,501	12,742	13,131	(5.6)	5.2	11.6	8.3	10.8	3.0
Red Chilly	8,102	14,114	13,402	(50.8)	(0.7)	50.0	(26.7)	74.2	(5.0)

Source: Department of Agriculture, Elara Securities Research

Exhibit 90: DAP closing stock higher, driven by imports

Product (mn tonne)	18-Dec-23	19-Dec-24	19-Dec-25	YoY (%)
Urea	60.5	54.9	42.7	(22.2)
DAP	13.0	9.6	16.3	70.2
MOP	6.6	8.5	6.2	(27.8)
NPK	32.3	23.3	34.7	48.6
Complex	14.3	17.7	18.6	5.6

Source: Department of Fertilisers, Elara Securities Research

Exhibit 91: Stable urea volume; strained phosphatic fertilizer sales

(mn tonne)	Oct to 19 Dec 2025	Oct to 19 Dec 2024	YoY (%)
Urea	9.0	9.0	0.9
DAP	3.4	3.5	(2.5)
NPK	0.6	0.7	(14.8)
MoP	3.5	4.0	(12.1)
SSP	1.5	1.6	(5.0)

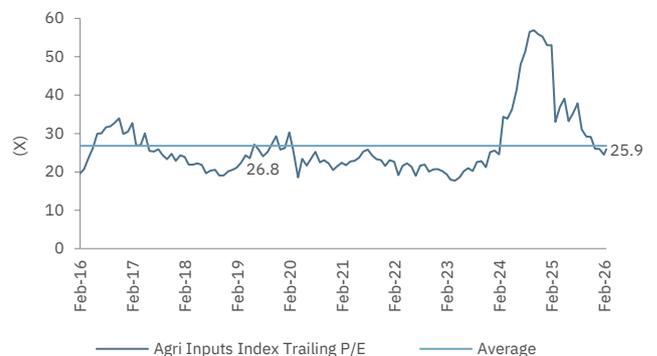
Source: Department of Fertilisers, Elara Securities Research

Exhibit 92: Agri inputs market cap up 7% in the past year*



Note: Index is created using aggregate of market cap of companies under our coverage universe; pricing as on 17 January 2026; *one-year performance considered from 31 December 2024 to 17 January 2026; Source: ACE Equity, Elara Securities Research:

Exhibit 93: Agri inputs currently trading at a discount of 3%



Note: Trailing P/E is calculated using aggregate of market cap and earnings of our coverage universe; pricing as on 17 January 2026; Source: ACE Equity, Elara Securities Research

FMCG

Price performance

Company (%)	3M	6M	12M
Bajaj Consumer Care	32.6	59.3	113.5
Marico	1.8	9.0	24.2
Britannia Industries	5.4	15.9	23.8
GCPL	5.4	2.5	16.9
Nestle	1.2	18.0	16.0
Tata Consumer Products	(2.6)	9.3	12.2
Dabur	(1.4)	3.2	(0.6)
Hindustan Unilever	(4.6)	(6.8)	(0.7)
Varun Beverages	(0.8)	(8.7)	(3.5)
Emami	(6.0)	(15.8)	(6.3)
Colgate	(1.6)	(0.1)	(12.6)
Mrs Bectors Food Specialities	(17.0)	(20.3)	(17.0)
ITC	(20.1)	(20.9)	(20.2)
Jyothy Lab	(22.0)	(26.4)	(29.4)

Source: ACE Equity, Elara Securities Research

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- ▶ **Earnings:** The FMCG sector experienced a recovery in volume growth, lower GST, and sustained growth in rural areas. Overall revenue grew by 10.3% YoY (ex ITC and TITAN), led by higher growth in MRCO at 25.2% and NEST at 18.5% while overall volume recovered 6.7% YoY, up ~466bp during the quarter. Overall gross margin remains stable at 50.9% YoY, due to benign raw materials prices while EBITDA margin expanded by a modest 5bp YoY to 21.1%.
- ▶ **Key highlights:** During the quarter, raw materials prices remain stable. Demand recovered post GST disruption with rural markets, showing stronger resilience compared to subdued urban consumption. In terms of channel dynamics, the general trade (GT) channel recovered and quick commerce and eCommerce experienced high growth. Easing inflation and festival season further contributed to overall volume growth. Categories like hair oil and biscuits have performed well with MRCO's *Parachute oil* and value-added hair oil (VAHO) value growth increasing significantly by 50% YoY and 29% YoY. BAJAJCON reported 29% growth in *Almond Drop Hair Oil*. NEST volume growth at 14-15% coupled with improved growth in biscuits for BRIT during November-December was up 12% YoY.

Earnings leaders

- ▶ **MRCO** domestic volume grew 8% YoY, driven by VAHO, foods and premium personal care. The decline in copra prices, and sustaining double-digit growth in VAHO, foods, direct-to-consumer (D2C) brand and international business reinforce our positive stance. The company has been successful in reducing dependence on the core portfolio and sustained scale-up in food and premium personal care could result in an upside in EBITDA margin.
- ▶ **HMN** domestic volume growth improved to 9% YoY as GST-related disruption subsided and on loading of the Winter portfolio. Volume rebound, trade normalization, and seasonal tailwinds are likely to aid in EBITDA recovery.

Laggards

- ▶ **DABUR** posted 6.1% revenue growth, led by 3% volume growth in the domestic business. We believe growth challenges persist, given the portfolio challenges in health care and beverages segments.

Peer valuation

Name	Ticker	Rating	Mcap				Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Hindustan Unilever	HUVR IN	Accumulate	5,433.0	2,312	2,635	14.0	653,400	699,138	748,078	151,131	164,276	178,696	105,558	113,602	123,858
ITC	ITC IN	Accumulate	4,077.6	325	335	2.9	721,444	725,975	776,583	250,715	241,463	259,639	201,750	195,398	209,765
Nestle	NEST IN	Reduce	2,478.5	1,285	1,262	(1.8)	219,562	240,439	262,626	48,974	55,797	61,534	31,603	36,450	40,561
Varun Beverages	VBL IN	Accumulate	1,549.2	458	535	16.8	216,854	259,041	286,642	52,624	58,809	64,817	32,495	35,909	40,171
Britannia Industries	BRIT IN	Accumulate	1,480.3	6,146	6,975	13.5	196,410	216,194	234,900	36,629	40,777	44,724	25,399	28,465	31,402
GCPL	GCPL IN	Accumulate	1,243.0	1,215	1,310	7.8	155,548	169,888	185,045	32,365	36,676	40,697	22,075	25,609	28,571
Tata Consumer Products	TATACONS IN	Accumulate	1,136.5	1,149	1,260	9.7	200,870	218,349	241,817	27,619	33,096	37,479	16,155	20,535	23,912
Marico	MRCO IN	Buy	1,005.5	775	900	16.2	136,722	144,360	159,311	23,421	27,636	30,890	17,850	21,227	23,840
Dabur	DABUR IN	Reduce	916.6	517	530	2.6	132,501	142,349	152,879	24,840	27,427	30,008	19,354	21,252	23,603
Colgate	CLGT IN	Reduce	585.0	2,151	2,260	5.1	59,372	63,389	67,414	18,617	19,352	20,925	13,190	13,787	15,029
Emami	HMN IN	Buy	214.1	491	640	30.5	39,431	42,639	45,715	10,449	11,648	12,679	9,193	9,098	9,906
Jyothy Lab	JYL IN	Buy	89.5	244	320	31.3	29,361	31,492	33,756	4,573	4,976	5,426	3,512	3,800	4,150
Mrs Bectors Food Specialities	BECTORS IN	Buy	68.2	222	300	35.0	20,750	23,774	27,434	2,647	3,332	3,971	1,418	1,797	2,240
Bajaj Consumer Care	BAJAJCON IN	Buy	48.8	374	400	7.0	11,407	12,639	13,531	2,078	2,463	2,711	1,827	2,157	2,366

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

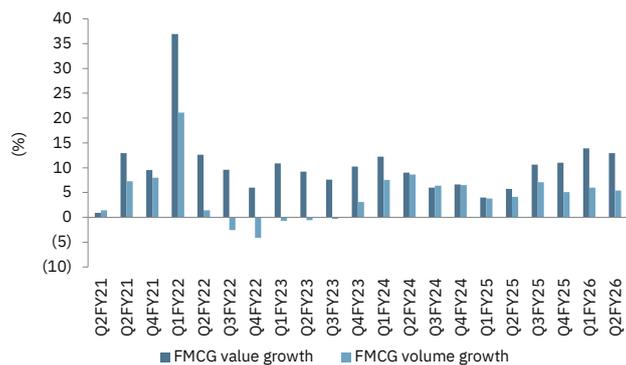
Industry Data, Valuations & Performance

Exhibit 94: Nielsen FMCG value and volume growth

	Volume growth (%)	Value growth (%)
Q2FY23	(0.6)	9.2
Q3FY23	(0.3)	7.6
Q4FY23	3.1	10.2
Q1FY24	7.5	12.2
Q2FY24	8.6	9.0
Q3FY24	6.4	6.0
Q4FY24	6.5	6.6
Q1FY25	3.8	4.0
Q2FY25	4.1	5.7
Q3FY25	7.1	10.6
Q4FY25	5.1	11.0
Q1FY26	6.0	13.9
Q2FY26	5.4	12.9

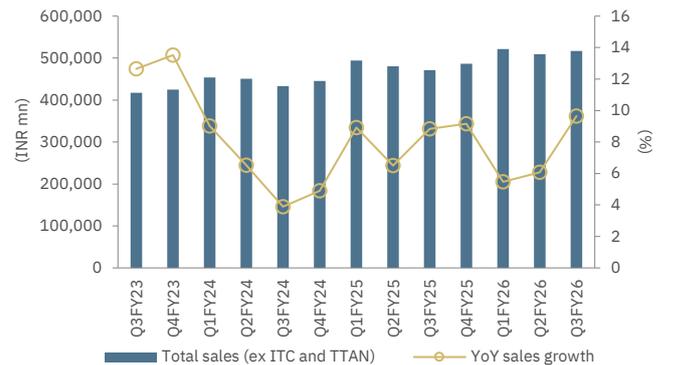
Source: Nielsen IQ, Elara Securities Research

Exhibit 95: Nielsen FMCG value and volume growth



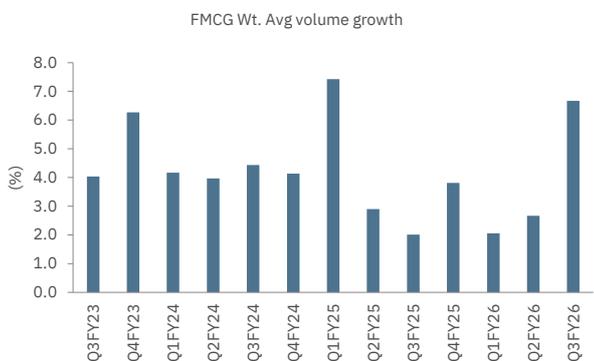
Source: Nielsen IQ, Elara Securities Research

Exhibit 96: Total FMCG sales growth back on an upward trend



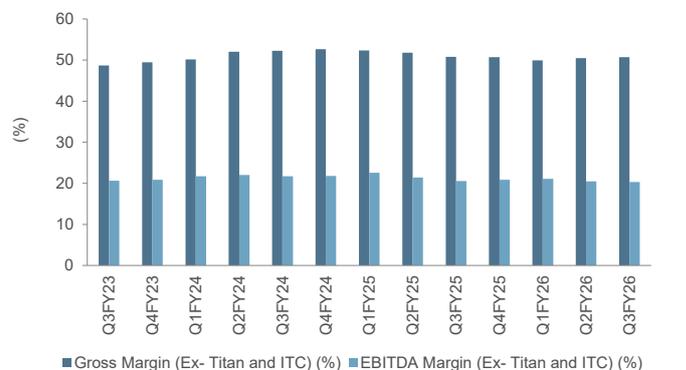
Source: Company, Elara Securities Research

Exhibit 97: FMCG weighted average volume growth shows uptick



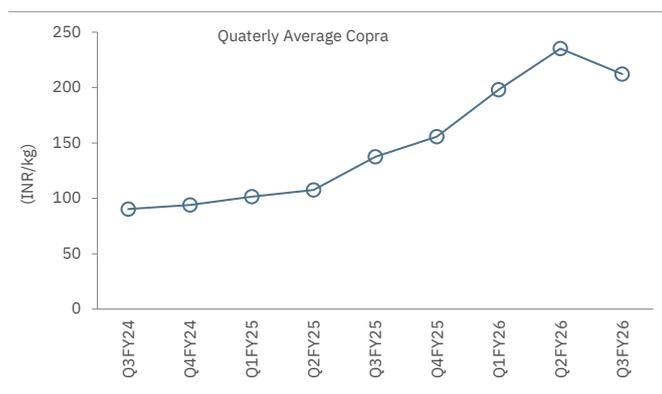
Source: Company, Elara Securities Research

Exhibit 98: Gross margin improves sequentially



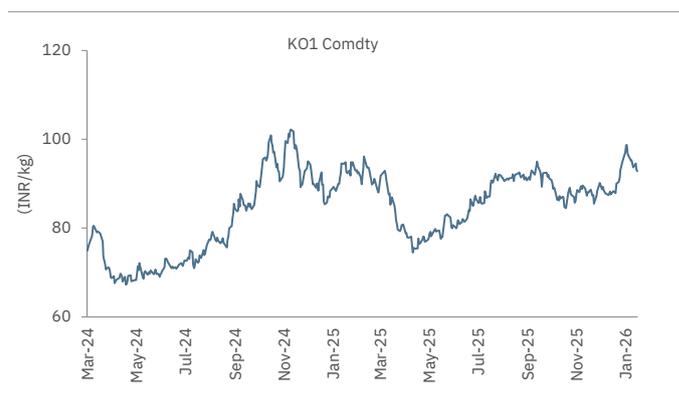
Source: Company, Elara Securities Research

Exhibit 99: Copra prices down 10% QoQ in Q3FY26



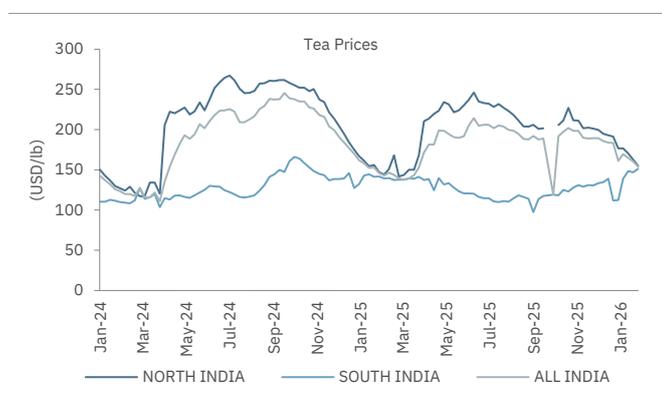
Source: Coconut Board of India, Elara Securities Research

Exhibit 100: Palm oil prices start to moderate



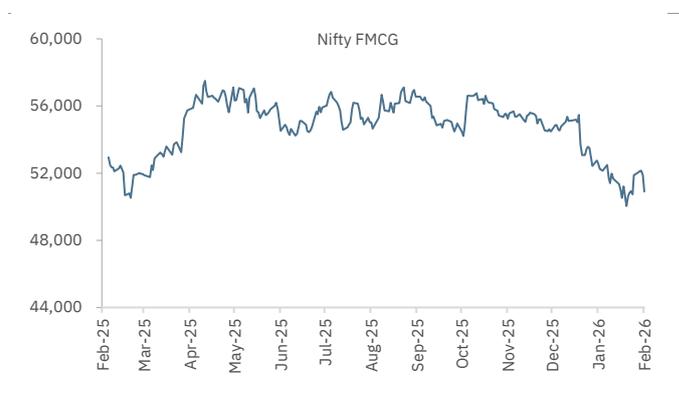
Source: Bloomberg, Elara Securities Research

Exhibit 101: Tea prices remain flat YoY



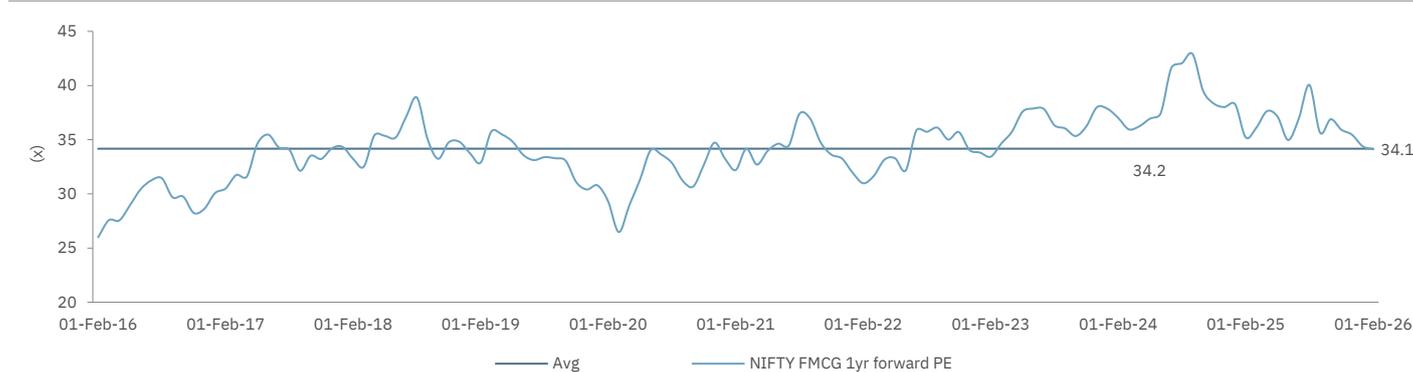
Source: Tea Board of India, Elara Securities Research

Exhibit 102: Nifty FMCG index down by 3% on a one-year basis



Source: Bloomberg, Elara Securities Research

Exhibit 103: Nifty FMCG one-year forward P/E is trading at 34x near its average



Source: Bloomberg, Elara Securities Research

Gems and Jewellery

Price performance

Company (%)	3M	6M	12M
Titan Company	9.5	21.4	31.0

Source: ACE Equity, Elara Securities Research

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- ▶ **Earnings:** The jewelry sector delivered a robust performance in Q3FY26. Despite record-high gold prices, robust festival and wedding season demand drove huge revenue expansion. To counter price volatility, companies successfully pivoted toward lightweight and everyday-wear jewelry and aggressive old gold exchange programs.
- ▶ **Key highlights:** Both TTAN and Kalyan Jewellers (KALYANKJ IN, Not Rated) reported strong quarter with revenue rising ~43% YoY for both. This growth momentum is likely to sustain on the back of festivities, wedding, and a shift of preference from unorganized to organized.

Earnings leaders

- ▶ **TTAN** posted strong Q3 revenue growth of 43.3% YoY to INR 254bn, 9.3% ahead of our estimates, led by robust growth in the jewelry segment, which grew 42% YoY (ex-Bullion and digi-gold sales), driven by 32% like-for-like (LFL) growth in *Tanishq*, *Mia*, and *Zoya*. *CaratLane* grew 42.3% YoY, led by 23% LFL growth, and 35% YoY growth in the studded portfolio. Further, EBITDA margin was ahead of estimates at 10.7%, driven by premiumization in the jewelry business even as studded share declined. We expect this momentum to continue.

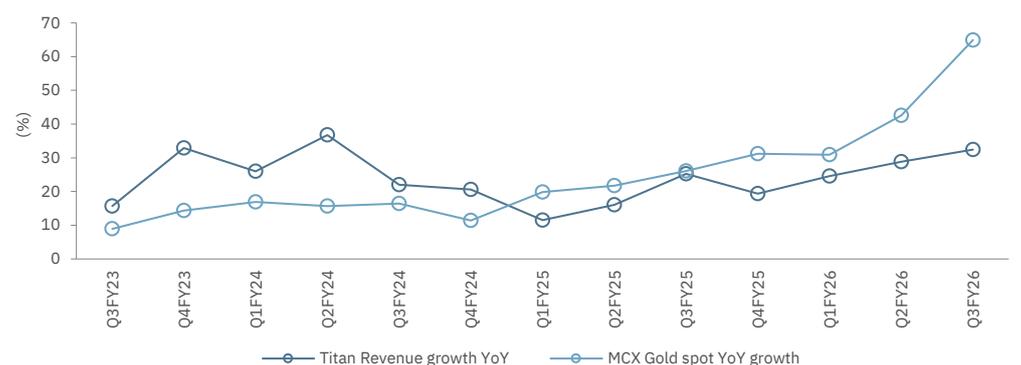
Peer valuation

Name	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Titan Company	TTAN IN	Buy	3,761.0	4,236	5,000	18.0	813,489	990,083	1,162,927	86,727	105,132	127,018	52,780	63,356	78,387

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

Industry Data, Valuations & Performance

Exhibit 104: TTAN revenue growth move in tandem with gold prices



Source: Company, Bloomberg, Elara Securities Research

Healthcare

Price performance

Company (%)	3M	6M	12M
Thyrocare Technologies	(18.8)	(8.8)	75.4
Aster DM Healthcare	(7.8)	3.4	60.0
Fortis Healthcare	(3.9)	(2.7)	47.9
Apollo Hospitals	1.5	(2.8)	20.7
Dr Lal PathLabs	(8.9)	(14.0)	9.7
Shalby	(28.5)	(21.5)	(20.4)

Source: ACE Equity, Elara Securities Research

- ▶ Q3 is usually a seasonally weak quarter for the hospitals segment despite this hospital companies reported a strong set of numbers. This was driven by an increase in Average Revenue per Operating Beds (ARPOBs) and occupied bed days, reduction in Average Length of Stay (ALOS), and therapy & specialty mix changes during the quarter. The bed capacity expansion plan for most companies remains on track, which will ensure future growth prospects. During the quarter, margin remained slightly under pressure due to commissioning of new beds, leading to higher fixed cost absorption, incremental employee costs due to new hiring, and the impact of new Labor Code.
- ▶ Q3 usually witnesses softness for diagnostics companies, but due to a delayed Monsoon in Q2 that led to a shift in demand for seasonal testing in Q3, resulting in robust growth. Performance was driven by increase in both patient and test volume, which was further supported by the rise in share of preventive health test packages, changes in test mix, and continued traction in B2B & B2C channels.

Key monitorable and trigger points

- ▶ A key near-term monitorable includes hospital occupancy, throughput, ramping up of newly added beds, margin pressure from heavy FY26 capacity additions and Labor Code-related cost inflation. In diagnostics, focus will be on volume trends, annual price hikes, offsetting levers from test mix improvement, and pricing pressure from online players.

Leaders

- ▶ FORH and THYROCAR are supported by differentiated business models and strong earnings visibility. FORH benefits from improving occupancy, favorable case mix upgrade, and operating leverage as new capacity ramps up, while THYROCAR offers volume-led growth, driven by a strong B2B-focused diagnostics platform, asset-light expansion, and market share gains amid industry consolidation.

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Peer valuation

Name	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Apollo Hospitals	APHS IN	Accumulate	1,093.0	7,602	8,670	14.1	250,758	288,572	330,006	36,927	42,868	49,576	18,855	21,876	26,041
Fortis Healthcare	FORH IN	Reduce	684.9	907	927	2.2	91,172	105,216	116,544	21,102	24,945	28,039	10,565	13,467	16,047
Aster DM Healthcare	ASTERDM IN	Accumulate	324.3	626	634	1.3	46,056	51,543	59,000	8,712	9,779	10,951	3,759	4,489	4,814
Dr Lal PathLabs	DLPL IN	Accumulate	241.1	1,439	1,625	12.9	27,275	30,364	33,828	7,821	8,714	9,776	5,229	5,728	6,381
Thyrocare Technologies	THYROCAR IN	Buy	66.9	420	592	40.8	8,211	9,508	10,964	2,708	3,209	3,723	1,729	1,826	2,130
Shalby	SHALBY IN	Accumulate	17.2	160	192	20.3	11,285	11,941	28,431	1,427	1,378	3,477	190	430	1,409

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

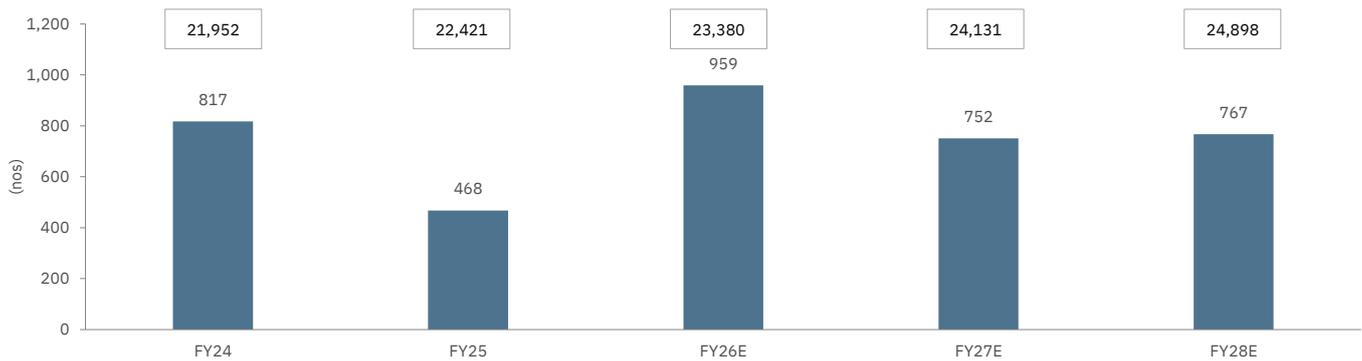
Industry Data, Valuations & Performance

Exhibit 105: Operating metrics of hospitals and diagnostics companies under our coverage universe

Parameters	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	FY24	FY25	FY26E	FY27E
Hospital											
Bed count	22,352	22,367	22,382	22,557	22,867	23,002	23,656	21,952	22,421	23,380	24,131
YoY growth (%)					2.3	2.8	5.7		2.1	4.3	3.2
Occupancy (%)	50.3	54.2	49.7	48.1	48.3	52.0	48.4	49.4	50.6	49.3	50.2
ARPOB (INR) *	53,840	53,379	55,800	57,696	60,811	59,942	62,165	50,694	55,002	61,463	65,892
EBITDA margin (%)	20.7	22.6	21.1	21.8	22.7	23.4	22.3	21.1	21.6	22.7	22.0
Diagnostics											
Lab count	313	319	330	337	341	345	350	310	337	356	377
YoY growth (%)					8.9	8.2	6.1		8.7	5.6	5.9
Patient volume (mn)	11.3	12.2	10.9	11.1	12.2	13.2	11.6	42.7	45.5	48.9	53.8
RPP (INR) *	672	687	700	711	707	718	737	655	692	726	742
RPL (INR mn) *	24	26	23	23	25	27	24	90	93	100	106
EBITDA margin (%)	28.4	30.2	26.7	29.7	29.7	31.2	28.3	27.2	28.8	29.7	29.9

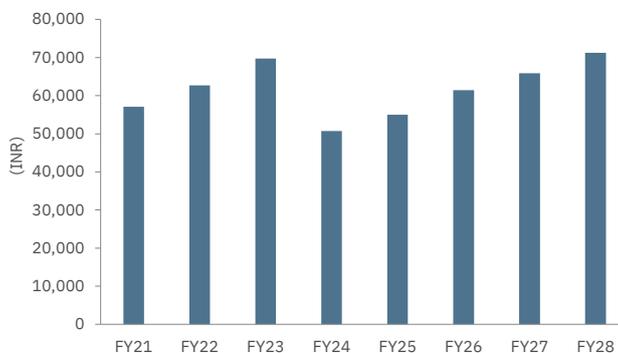
Note: *Average revenue per occupied beds (ARPOB), realization per patient (RPP), realization per lab (RPL); coverage universe consists of four hospital companies – Apollo Hospitals, Aster DM Healthcare, Fortis Healthcare & Shalby and two diagnostics companies – Dr Lal PathLabs and Thyrocare Technologies; Source: Company, Elara Securities Estimate

Exhibit 106: Total beds along with expected bed addition



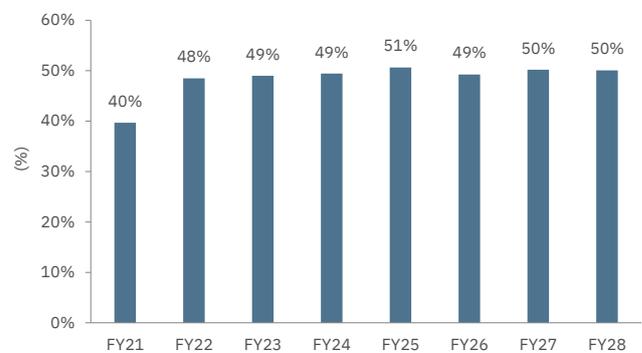
Note: Total beds are mentioned in the text box and bar charts are beds addition; hospitals companies under our coverage universe include APHS, ASTERDM, FORH, and SHALBY
Source: Company, Elara Securities Estimate

Exhibit 107: ARPOBs to grow steadily



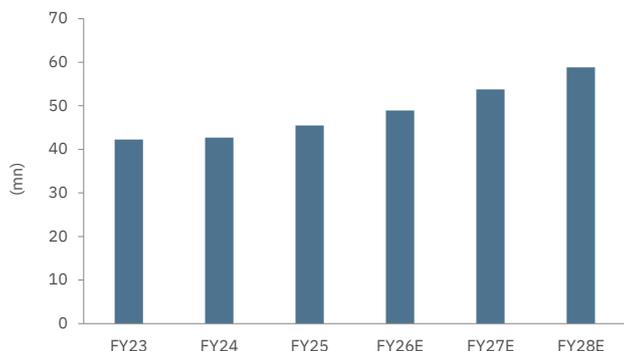
Note: Our hospitals coverage universe includes APHS, ASTERDM, FORH and SHALBY
Source: Company, Elara Securities Estimate

Exhibit 108: Occupancy level likely to remain steady



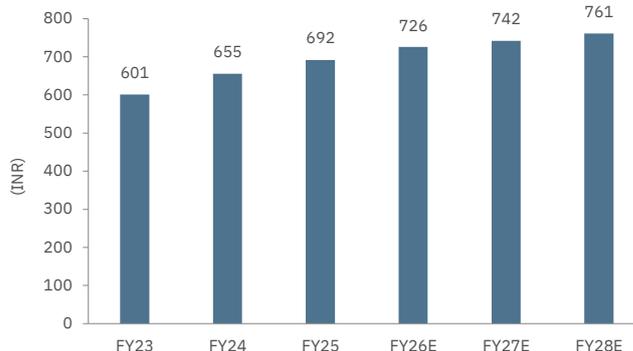
Note: Our hospitals coverage universe includes APHS, ASTERDM, FORH, and SHALBY
Source: Company, Elara Securities Estimate

Exhibit 109: Patient volume steadily increasing



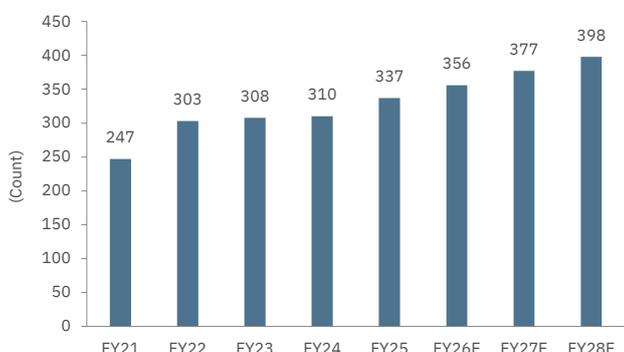
Note: Our diagnostics coverage universe includes DLPL & THYROCARE
Source: Company, Elara Securities Estimate

Exhibit 110: Realization per patient on increasing trend



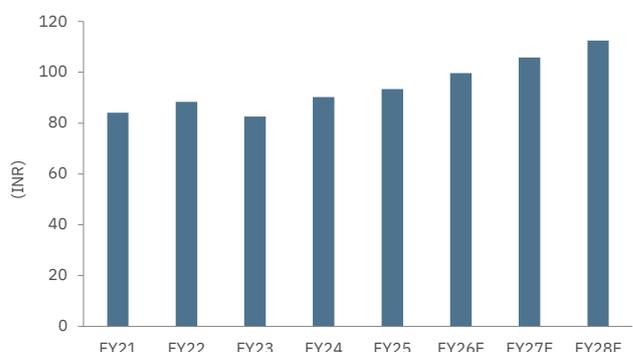
Note: Our diagnostics coverage universe includes DLPL & THYROCARE
Source: Company, Elara Securities Estimate

Exhibit 111: Lab addition continues



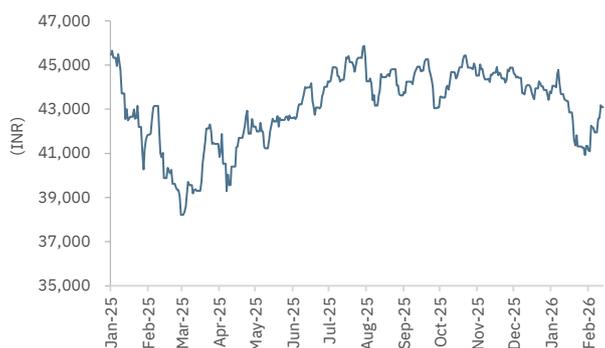
Note: Our diagnostics coverage universe includes DLPL & THYROCARE
Source: Company, Elara Securities Estimate

Exhibit 112: Realization per lab on rising trend



Note: Our diagnostics coverage universe includes DLPL & THYROCARE
Source: Company, Elara Securities Estimate

Exhibit 113: BSE Healthcare up 8% in the past year



Note: Pricing as on 12 February 2026; Source: Bloomberg, Elara Securities Research

Exhibit 114: BSE Healthcare one-year blended forward P/E trades at 24% above its 10-year average



Note: *One-year blended forward as on 12 February 2026; Source: Bloomberg, Elara Securities Research

Hotels

Price performance

Company (%)	3M	6M	12M
Chalet Hotels	0.3	(6.4)	29.6
Samhi Hotels	(11.2)	(19.2)	8.9
ITC Hotels	(13.7)	(20.8)	7.5
Juniper Hotels	(3.7)	(12.9)	3.2
Lemon Tree Hotels	(20.1)	(13.8)	(3.0)
Indian Hotels	(4.8)	(11.2)	(4.7)
Chalet Hotels	0.3	(6.4)	29.6

Source: ACE Equity, Elara Securities Research

- ▶ For our hotels coverage universe, RevPar growth in Q3FY26 tracked our expectations at double digits, driven by average room revenue (ARR) growth, while occupancy remains flat YoY. Despite healthy underlying travel demand, industry-wide occupancy was constrained by intermittent travel disruptions, like trends in H1. Pricing discipline remains strong across most markets, supporting RevPAR even in the absence of occupancy-led growth.
- ▶ Seasonal and event-led demand supported hotel performance during the quarter, although the impact was uneven across locations. A busy festival calendar and sustained corporate activity lifted demand while leisure travel was bolstered by large-format entertainment events, such as music concerts by Travis Scott, Post Malone, Passenger and Enrique Iglesias, along with year-end holiday travel around Christmas and New Year. However, the benefits were more city- and date-specific rather than broad-based across the quarter.
- ▶ On the business travel front, large Meetings, Incentives, Conferences, and Exhibitions (MICE) and sporting events provided incremental support to occupancy and ARR in select cities. MICE helped drive short-term demand spikes. While expectations for a strong Q3 were high entering the quarter, overall performance appears to have been steady rather than standout, with ARR strength offsetting only modest occupancy momentum.

Key monitorables: RevPAR momentum remains strong during October-November, supported by healthy business travel, wedding-related demand, and MICE activity, which kept industry sentiments upbeat through most of the quarter. However, large-scale flight cancellations by IndiGo in December, led to a degree of travel caution, resulting in softer occupancy and loss of ARR momentum toward end-Q3. International inbound tourism, which usually peaks during this quarter, continued to support demand for luxury & upscale hotels in the key gateway markets, partly offsetting domestic travel disruptions.

Leaders

IH, ITCHOTELS and CHALET are our preferred picks in the sector in the short-to-medium term. We are bullish on THELEELA with a time horizon of more than two years.

Laggards: LEMONTRE

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Peer valuation

Name	Ticker	Rating	Mcap				Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Indian Hotels	IH IN	Buy	979	688	858	25	95,786	111,733	125,273	31,762	37,769	43,238	17,834	21,338	25,494
ITC Hotels	ITC HOTEL IN	Buy	377	181	253	40	42,381	50,394	55,936	14,849	17,665	19,879	9,425	11,940	13,934
Chalet Hotels	CHALET IN	Accumulate	191	872	1,081	24	21,172	23,853	26,883	9,267	10,492	11,953	3,563	4,545	5,910
Leela Palace Hotels & Resorts	THELEELA IN	Buy	147	441	620	40	15,374	17,303	21,678	7,427	8,082	10,315	3,926	4,947	5,877
Lemon Tree Hotels	LEMONTRE IN	Accumulate	99	125	157	25	14,256	16,066	17,606	6,862	8,095	9,208	2,322	3,212	4,010
Juniper Hotels	JUNIPER IN	Buy	53	240	365	52	10,648	12,595	13,843	4,286	5,197	5,730	1,826	2,352	2,709
Samhi Hotels	SAMHI IN	Buy	37	165	260	57	12,794	13,850	15,758	4,618	5,145	6,230	1,735	1,979	3,182

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

Industry data, valuations and performance

Exhibit 115: Double-digit RevPar growth in Q3

India average	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Occupancy (%)	70	67	73	66	67	59	62	60	59	62	59	73	69
YoY (%)	-	-	-	200bp	500bp	-100bp	-	-280bp	-200bp	-	-	300bp	-100bp
ADR (INR)	9,500	9,200	10,200	9,100	8,300	7,400	7,400	7,212	7,500	8,000	8,900	10,300	10,100
YoY%	9	10	15	11	11	7	9	3	7	8	10	10	6
RevPAR (INR)	6,651	6,165	7,447	6,007	5,562	4,367	4,589	4,426	4,426	4,961	5,252	7,515	6,970
YoY (%)	9	10	15	14	20	5	9	0	4	8	10	14	5

Note: Green indicates Change >0; Red indicates Change <0; ADR- Average daily rate, RevPAR: Revenue per average room; Source: HVS Anarock, Elara Securities Research

Exhibit 116: Openings (keys) decline 37.4% YoY tin Q3FY26

Openings (YTD)	Q3FY25	Q3FY26
Keys	6,325	3,960
YoY		(37.4)
Properties (nos.)	91	53
YoY (%)		(41.8)

Note: Openings indicate hotels opened in India; Source: HVS Anarock, Elara Securities Research

Exhibit 117: Signings (keys) grow 35% YoY in Q3FY26

Signings (YTD)	Q3FY25	Q3FY26
Keys	15,477	20,906
YoY		35.1
Properties (no)	161	175
YoY (%)		8.7

Note: Signings indicate hotels signed in India; Source: HVS Anarock, Elara Securities Research

Exhibit 118: Air passenger traffic remains flat YoY in Q3FY26

Particulars	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Air passenger traffic (mn)	14.9	14.6	14.0	14.5	14.3	14.1	13.6	12.6	12.9	12.6	14.0	15.4	14.3
YoY (%)	9.0	11.5	11.0	8.8	8.5	1.2	3.0	(2.9)	(1.2)	(2.7)	2.7	6.1	(4.1)

Source: Ministry of Civil Aviation, Elara Securities Research

Exhibit 119: The Hotels Index up 4% in the past year*



Note: Index is created using aggregate of market cap of companies under our coverage universe; pricing as on 17 January 2026; *one year performance considered from 31 December 2024 to 17 January 2026; Source: ACE Equity, Elara Securities Research

Exhibit 120: Hotels currently trading at a discount of -49%



Note: Trailing P/E is calculated using aggregate of market cap and earnings of our coverage universe; pricing as on 17 January 2026; Source: ACE Equity, Elara Securities Research

IT Services

Price performance

Company (%)	3M	6M	12M
Persistent Systems	(8.0)	7.3	3.0
Mphasis	(8.2)	(9.2)	(4.5)
LTIMindtree	(11.7)	1.1	(5.6)
Tech Mahindra	4.9	2.5	(8.4)
Coforge	(23.2)	(15.7)	(9.9)
HCL Technologies	(7.7)	(0.5)	(13.3)
KPIT Technologies	(11.5)	(8.9)	(16.2)
Tata Elxsi	(7.2)	(13.4)	(20.0)
Infosys	(9.9)	(6.2)	(26.3)
Wipro	(11.6)	(12.6)	(29.3)
Tata Consultancy Services	(12.4)	(10.1)	(30.4)
Tata Technologies	(27.7)	(27.5)	(32.9)

Source: ACE Equity, Elara Securities Research

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► **Earnings:** Our coverage universe witnessed revenue growth of 1.5% QoQ and 3.0% YoY in USD terms (higher than our estimates) in Q3FY26. We note a divergence across its sub-sectors, with mid-cap IT outperforming while ER&D was muted. Large caps reported steady numbers, with INFO raising FY26 revenue growth target to 3.0-3.5% and HCLT raising its company-level revenue growth target to 4.0-4.5% in YoY CC. Midcaps showed stronger momentum, led by PSYS growing 4.0% QoQ, followed by COFORGE and LTIM, rising 3.5% QoQ and 2.4% QoQ, respectively, in USD terms. Growth was muted among ER&D companies except for TELX, up 1.7% QoQ in USD.

► **Key highlights:** Deal momentum continues, with TECHM total contract value (TCV) at USD 1.1bn (highest since Q3FY20) while AI monetization scaled up meaningfully, transitioning from experimentation to production with TCS reporting USD 1.8bn annualized AI revenue (6% of revenue) and MPHL noting AI-led deals constitute 69% of its pipeline. Commentary on discretionary recovery turns cautiously optimistic, with INFO and MPHL highlighting uptick in BFSI sub-verticals, such as payments and mortgages.

Earnings leaders

- **HCL Technologies:** HCLT Q3FY26 revenue rose 4.1% QoQ and 7.4% YoY in USD terms, driven by seasonally strong Products & Platforms (P&P) business, and solid performance in BFSI, tech and public services. Margin expanded 111bp QoQ, due to product seasonality and operational levers despite wage hikes, furlough, and restructuring cost. HCLT raised FY26 company-level revenue growth target to 4.0-4.5% in YoY CC (up from 3-5% YoY CC) while services growth target was increased to 4.75-5.25% YoY CC (up from 4-5%), along with strong deal wins (USD ~3bn TCV, up 17% QoQ).
- **Persistent Systems:** PSYS reported a better-than-expected Q3 with 4.1% QoQ CC growth driven by recovery in healthcare, and strong traction in BFSI & Hi-Tech while margin improved 40bp QoQ to 16.7%, supported by a one-time license fee benefit and operational levers despite headwinds from wage hikes and furlough. PSYS retained USD 2bn in FY27 revenue target, implying an ask rate of 3.5% CQGR, which seems feasible, although achieving USD 5bn by FY31 will require accelerated growth.

Laggards

- **KPIT Technologies – KPITTECH** reported weak Q3 with flat QoQ USD revenue (organic down ~1%) and 50bp sequential margin decline due to partial wage hikes and continued investment. Demand softness from global auto OEM, delayed vehicular programs, and muted ER&D outsourcing spend are likely to keep near-term growth under pressure.

Peer valuation

Name	Ticker	Rating	Mcap (INR bn)	CMP (INR)	TP (INR)	Upside (%)	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
							FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Tata Consultancy Services	TCS IN	Accumulate	9,831.8	2,717	3,600	32	2,584,638	2,649,960	2,732,399	700,680	708,900	749,102	501,352	504,961	532,792
Infosys	INFO IN	Buy	5,640.9	1,391	1,680	21	17,69,691	18,85,661	19,99,521	4,09,693	4,47,893	4,78,676	2,80,556	3,22,259	3,45,050
HCL Technologies	HCLT IN	Sell	4,023.3	1,483	1,500	1	1,296,599	1,388,744	1,470,541	269,581	287,682	301,429	157,886	190,115	196,691
Wipro	WPRO IN	Sell	2,262.1	216	220	2	922,366	985,307	1,054,362	179,437	185,896	194,243	133,555	136,022	141,379
LTIMindtree	LTIM IN	Accumulate	1,531.2	5,165	6,740	31	420,334	470,592	521,391	75,197	85,741	99,332	54,659	64,428	74,811
Tech Mahindra	TECHM IN	Accumulate	1,492.9	1,524	1,840	21	563,848	617,796	671,383	87,705	109,165	121,498	51,483	74,325	79,811
Persistent Systems	PSYS IN	Sell	887.8	5,628	5,630	0	145,838	169,773	191,043	27,271	32,064	36,843	18,895	22,676	26,367
Mphasis	MPHL IN	Buy	470.0	2,465	3,440	40	157,819	177,051	193,956	29,857	34,010	36,813	19,229	23,473	24,809
Coforge	COFORGE IN	Reduce	463.0	1,379	1,665	21	162,051	189,560	212,477	28,434	32,047	35,649	14,638	16,596	20,147
Tata Elxsi	TELX IN	Sell	306.4	4,919	4,520	(8)	37,369	41,924	47,376	8,362	10,331	12,229	4,969	8,023	9,379
Tata Technologies	TATATECH IN	Sell	245.1	604	490	(19)	53,764	60,219	65,777	8,323	9,945	11,506	6,324	7,403	8,919
KPIT Technologies	KPITTECH IN	Sell	241.1	879	950	8	63,887	70,499	78,458	13,107	14,552	16,514	7,073	8,817	10,317

Note: Pricing as on 17 February 2026; Source: Elara Securities Estimate

Industry Data, Valuations & Performance

Exhibit 121: Gradual growth recovery likely

	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26E	FY25	FY26E	FY27E
Revenue (USD mn)	21,824	21,870	22,070	22,059	22,321	22,958	22,959	22,609	22,909	23,307	23,647	23,737	90,848	93,600	98,803
QoQ growth (%)	-0.3	0.2	0.9	-0.1	1.2	2.9	0.0	-1.5	1.3	1.7	1.5	0.4			
YoY growth (%)	4.2	2.1	1.3	0.8	2.3	5.0	4.0	2.5	2.6	1.5	3.0	5.0	3.4	3.0	5.6
Employee ('000)	1,772.8	1,756.3	1,740.2	1,727.6	1,724.4	1,747.6	1,748.1	1,748.4	1,753.3	1,755.8	1,755.4	1,757.90	1,748.4	1,757.9	1,775.5
Net adds	(21.3)	(16.6)	(16.1)	(12.6)	(3.2)	23.2	0.5	0.3	5.0	2.4	(0.4)	2.5	20.7	9.5	17.6
Revenue per employee (USD K / employee)	49.2	49.8	50.7	51.1	51.8	52.5	52.5	51.7	52.3	53.1	53.9	54.0	52.0	53.2	55.6
QoQ growth (%)	0.9	1.2	1.8	0.7	1.4	1.5	0.0	-1.5	1.0	1.6	1.5	0.2			
YoY growth (%)	3.7	5.1	4.9	4.7	5.2	5.5	3.6	1.3	0.9	1.0	2.6	4.4	2.2	2.5	4.5
Cost per employee (USD K / employee)	28.6	28.9	28.8	29.4	29.8	29.9	29.4	29.5	30.4	30.3	30.2	31.0	29.5	30.4	31.7
QoQ growth (%)	3.8	0.9	-0.1	1.9	1.5	0.3	-1.8	0.2	3.1	-0.3	-0.1	2.4			
YoY growth (%)	7.2	8.7	7.8	6.6	4.3	3.6	1.9	0.3	1.9	1.3	2.9	5.2	0.9	3.0	4.3
EBITDA per employee (USD K / employee)	10.6	11.0	11.4	11.6	11.6	11.9	12.0	11.7	11.6	12.1	12.4	12.0	11.7	12.0	12.5
QoQ growth (%)	-4.2	4.0	3.5	1.5	0.0	2.1	1.3	-2.9	-0.8	4.3	2.4	-3.1			
YoY growth (%)	2.6	3.8	2.5	4.7	9.3	7.3	5.0	0.4	-0.3	1.8	2.9	2.7	3.8	2.0	4.8

Source: Company, Elara Securities Estimate

Exhibit 122: Q3FY26 growth was better than expected



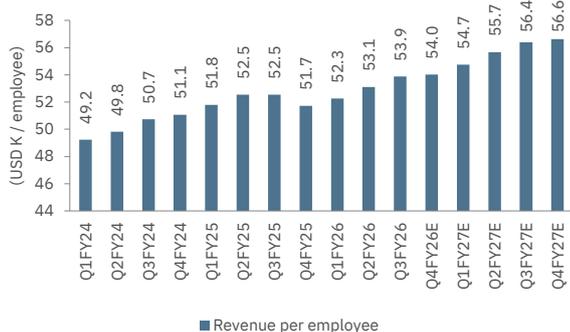
Source: Company, Elara Securities Estimate

Exhibit 123: Employee additions seeing a gradual uptick



Source: Company, Elara Securities Estimate

Exhibit 124: Revenue per employee seeing an uptrend



Source: Company, Elara Securities Research

Exhibit 125: EBITDA per employee improving



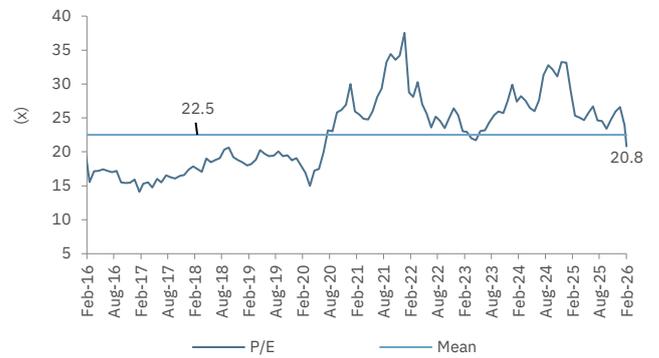
Source: Company, Elara Securities Estimates

Exhibit 126: NSE IT Index down 15% in the past year



Note: Pricing as on 17 February, 2026; Source: NSE, Elara Securities Research

Exhibit 127: Sector valuation trading below 10-year average P/E (one-year forward)



Note: Pricing as on 17 February, 2026; Source: Bloomberg, Elara Securities Research

Infrastructure

Price performance

Company (%)	3M	6M	12M
GMR Airports	2.2	9.9	42.0
L&T	6.3	16.4	32.9
PSP Projects	(20.1)	23.3	29.3
NBCC India	(15.7)	(4.8)	20.1
HCC	7.8	7.6	5.7
PNC Infratech	(18.1)	(29.1)	(15.2)
NCC	(17.4)	(30.3)	(20.3)
Afcons Infra	(19.5)	(23.0)	(24.8)
Ashoka Buildcon	(20.5)	(15.5)	(27.4)
Praj Industries	(0.2)	(19.0)	(37.5)
KNR Constructions	(15.7)	(26.8)	(39.9)
H.G. Infra Engineering	(27.8)	(33.6)	(42.8)

Source: ACE Equity, Elara Securities Research

- ▶ **LT** delivered ~10% revenue growth, 10.4% margin and ~INR 1.2tn inflows (orderbook ~INR 7.3tn), reflecting scale and cashflow strength, while GMRAIRPO posted ~50% revenue and ~72% EBITDA growth with ~42.6% margin post tariff reset, signaling structural operating leverage. In contrast, AFCONS and NJCC saw revenue decline of -7% to -13% amid certification and payment delays despite strong backlogs. Roads remain mixed – KNRC faced margin compression of ~5.2% whereas HGINFRA sustained ~15–16% margin, supported by hybrid annuity model (HAM) monetization. NBCC and PSPPL offer medium-term operating leverage on large orderbooks while PRJ remains in a cyclical pause with ~5–6% margin. Overall, earnings durability hinges more on execution velocity and capital discipline along with fresh order momentum.
- ▶ As highlighted in our preview, the quarter was select & execution-led with weak aggregate inflows of -22.8% YoY but stable orderbook growth of ~21% and healthy book-to-bill ratio of ~3.6x, supporting medium-term visibility. LT outperformed on scale and margin resilience, while GMRAIRPO delivered strong revenue growth of ~56% YoY, driven by tariffs reset and higher aero yield. Project delays, pending land acquisition, and slow payments limited revenue conversion despite strong backlogs. Road asset monetization-led balance sheet strength offsetting muted performance. PRJ continues to reflect weak ordering and margin pressure.

Earnings leaders

- ▶ **GMRAIRPO** delivered ~50% YoY revenue growth with EBITDA margin expanding to ~43% post tariffs reset alongside improving aero yield and non-aero monetization. With capex peaking and EBITDA scaling, the business is transitioning into a cash-generative, deleveraging phase, making it a structural leader within transport infrastructure.
- ▶ **LT** remains the benchmark in EPC, given its scale (~INR 7.3tn orderbook), record ~INR 1.2tn quarterly inflows and stable 10.4% EBITDA margin, reflecting diversified exposure (energy, infra & the Middle East) and superior working capital control (~8% NWC/revenue). Its balance sheet strength, disciplined bidding and global mix positions it as the most resilient compounder through execution cycles.

Laggards

- ▶ **PRJ**: Amid absence of policy push to extend ethanol blending rate, new order activity remains weak, due to lower demand and industry overcapacity. Planned diversification in GenX is set to gather pace in the next few quarters.

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Peer valuation

Name	Ticker	Rating	Mcap				Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
L&T	LT IN	Accumulate	5,887	4,280	4,487	4.8	2,830,417	3,269,694	3,713,691	282,205	331,606	381,105	163,898	197,184	229,912
GMR Airports	GMRAIRPO IN	Buy	1,054	100	140	40.3	154,642	186,881	214,936	60,482	69,133	80,873	4,314	5,923	14,458
NBCC India	NBCC IN	Buy	266	99	165	67.5	152,738	186,795	227,912	7,894	10,098	13,808	7,386	8,863	11,769
Afcons Infra	AFCONS IN	Buy	119	324	443	36.6	127,897	143,598	161,891	16,243	17,160	19,751	5,461	5,313	6,511
NCC	NJCC IN	Accumulate	96	152	180	18.3	175,242	194,517	214,826	14,823	17,798	19,657	6,308	7,834	8,680
Praj Industries	PRJ IN	Sell	61	333	285	(14.4)	32,120	34,717	36,371	2,152	3,090	3,455	963,000	1,666	1,938
PNC Infratech	PNCL IN	Accumulate	56	219	257	17.5	46,476	50,910	56,939	6,042	6,364	7,117	3,725	3,757	4,116
HCC	HCC IN	Buy	50	19	35	82.7	48,052	50,252	54,986	6,559	6,935	7,643	1,933	2,541	3,360
Ashoka Buildcon	ASBL IN	Accumulate	42	150	191	27.4	76,310	82,328	89,011	6,940	7,570	8,451	3,555	4,465	5,186
HG Infra Engineering	HGINFRA IN	Buy	42	640	1,330	107.8	68,862	78,796	90,457	10,880	12,056	14,383	6,234	7,010	8,843
KNR Constructions	KNRC IN	Sell	41	145	130	(10.6)	19,724	21,708	30,353	1,815	2,062	2,944	1,102	1,285	1,938
PSP Projects	PSPPL IN	Accumulate	32	799	884	10.6	28,391	43,166	55,806	1,866	3,587	4,731	538	1,715	2,337

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

Industry Data, Valuations & Performance

Exhibit 128: Key metrics of under coverage companies

	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	FY24	FY25	FY26E	FY27E	FY28E
Aggregate orderbook growth (%)	22.8	27.0	26.1	29.0	25.4	13.0	27.2	16.0	14.0	23.0
Aggregate order inflow growth (%)	108.4	67.6	41.0	5.8	(0.9)	31.8	38.0	3.3	10.3	9.4
Average B-t-B (x)	3.2	3.3	3.4	3.6	3.8	3.0	3.3	3.6	3.5	3.8
GMR pax growth (%)	9.9	9.8	(5.3)	(11.7)	2.9	30.1	(0.2)	2.5	14.2	11.0
GMR Aero YPP (INR)	248	260	399	433	430	235	267	442	436	451
GMR Non-Aero YPP (INR)	367	361	376	395	666	356	354	395	397	405

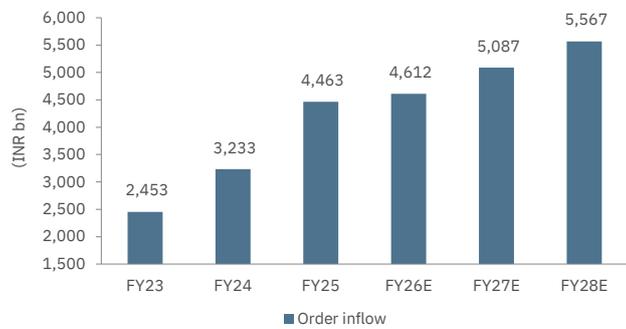
Source: Company, Elara Securities Estimate

Exhibit 129: Aggregate orderbook grows consistently with an average book-to-bill ratio



Note: Sector aggregate is calculated for our coverage universe; Source: Company, Elara Securities Research

Exhibit 130: Aggregate order inflow to grow consistently at 8% during FY25-28E



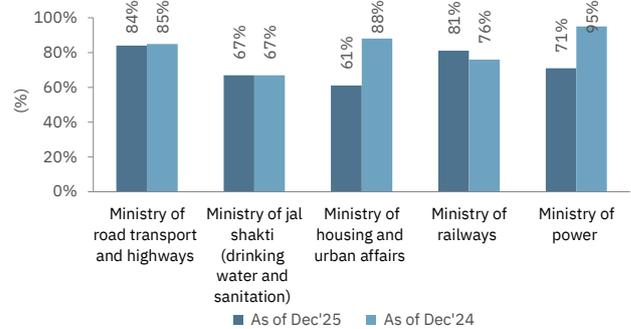
Note: Sector aggregate is calculated for our coverage universe; Source: Company, Elara Securities Estimate

Exhibit 132: Infrastructure coverage market cap up 14% YoY



Note: Sector performance is calculated using aggregate market cap of companies under our coverage universe; pricing as on 17 February 2026; *one year performance considered from 31 December 2024 to 17 February 2026; Source: ACE Equity, Elara Securities Research

Exhibit 131: Government spending as on December 2025 muted



Note: Central government capex allocation to relevant industry compared Source: Controller General of Accounts (CGA), Elara Securities Research

Exhibit 133: Infrastructure currently trades at a premium of 3% to the past 10-year average



Note: Trailing P/E is calculated using aggregate of market cap and earnings of our coverage universe; pricing as on 17 February 2026; Source: ACE Equity, Elara Securities Research

Insurance

Price performance

Company (%)	3M	6M	12M
Max Financial	9.4	16.2	74.3
SBI Life	2.2	10.9	38.3
Star Health	(8.0)	9.2	21.6
Life Insurance Corporation	(4.5)	(1.5)	14.2
HDFC Life	(8.3)	(10.4)	13.5
ICICI Lombard	(5.6)	1.8	12.4
IPRU Life	1.4	2.1	11.3
Medi Assist	(11.3)	(18.6)	(7.5)

Source: ACE Equity, Elara Securities Research

Q3FY26 broadly underscored pre-result thesis of a GST exemption-led demand uptick in retail protection and health, partly offset by the loss of GST input tax credit (ITC) on commissions. While there was pressure on expense ratios, the net margin impact was more contained than initially feared, supported by favorable product mix and distributor renegotiations.

- ▶ **Earnings:** Sequential margin softened for most private life firms, as the GST ITC impact flowed through opex and commission lines; however, the drag was contained and materially offset by a richer protection mix. Protection/term contribution improved meaningfully post the GST exemption, supporting VNB growth and limiting margin compression.
- ▶ **Key monitorables and trigger points:** The GST ITC impact was visible in elevated opex ratios; however, management commentary states active pass-through via recalibration of distributor commissions and channel payouts. The degree of margin protection will remain contingent on sustainability of this pass-through and continued mix shift toward retail protection & term. In general insurance, retail health remains the key growth driver. The trajectory of health loss ratios and expense normalization will be key determinants of earnings durability.

Leaders

- ▶ **SBLIFE and MAXF:** SBI delivered a strong quarter with Annual Premium Equivalent (APE) growth of ~24% YoY and VNB growth of ~22.5% YoY. Despite a gross GST-related margin headwind, VNB margin compression was limited, indicating effective pass-through and mix benefits. MAXF reported stronger operating leverage, with APE up ~29% YoY and VNB up ~35% YoY; VNB margin expanded ~90bp YoY, reflecting protection mix tailwinds and disciplined cost control.
- ▶ **LICI:** LICI reported a strong print (APE up ~50.5% YoY), aided by a favorable base and improved individual segment momentum, with margin expanding to 21.2% (up 180bp), which is better than expected.
- ▶ **ICICIGI:** ICICIGI sustained healthy Gross Direct Premium Income (GDPI) growth, up 13.3% YoY, led by retail health. However, profitability remains under pressure with a combined ratio at 104.5%, reflecting elevated claims.

Laggards

- ▶ **STARHEAL:** STARHEAL surprised on the positive with loss ratios improving by 290bp YoY, with a combined ratio of 102.1%; PAT rebounded sequentially but was still down 40.4% YoY. Concerns around sustained underwriting stress may be alleviated.

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Peer valuation

Name	Ticker	Rating	Mcap				Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Life Insurance Corporation	LICI IN	Buy	5,528.7	874	1,200	37.3	625,190	681,861	745,430	112,413	124,709	140,411	810,337	873,983	966,016
SBI Life	SBLIFE IN	Buy	2,045.3	2,040	2,510	23.1	244,365	275,408	308,209	67,549	76,306	86,032	132,174	152,545	175,500
HDFC Life	HDFCLIFE IN	Buy	1,522.8	706	890	26.1	170,937	196,242	222,808	41,601	49,439	57,452	83,999	99,931	115,886
ICICI Lombard	ICICIGI IN	Buy	960.6	1,928	2,250	16.7	279,652	312,026	349,999	27,102	32,829	37,439	29,602	34,506	39,584
IPRU Life	IPRU IN	Accumulate	925.1	639	730	14.3	105,898	117,617	130,927	25,980	29,434	33,461	62,535	72,141	81,640
Max Financial	MAXF IN	Accumulate	641.2	1,858	2,040	9.8	106,969	123,086	140,370	26,027	30,941	36,059	45,677	54,153	63,495
Star Health	STARHEAL IN	Sell	281.2	478	410	(14.3)	187,011	214,301	245,585	11,862	14,298	16,066	8,546	10,368	11,688
Medi Assist	MEDIASSI IN	Accumulate	30.7	413	600	45.4	9,300	10,664	12,227	1,762	2,231	2,664	882	1,247	1,524

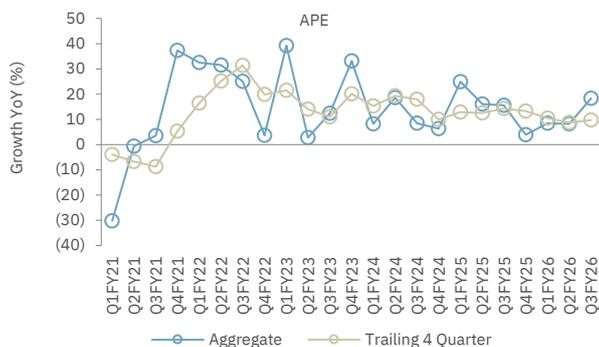
Note: Pricing as on 17 February 2026; Source: Bloomberg, Elara Securities Estimate

Exhibit 134: Stronger top-line momentum with term mix tailwinds for SBILIFE, and MAXF

Bloomberg Code	Q3FY25	Q2FY26	Q3FY26	QoQ (%)	YoY (%)	FY25	FY26E	FY27E	FY28E	Q3FY25	Q2FY26	Q3FY26	QoQ (%)	YoY (%)	FY25	FY26E	FY27E	FY28E
	APE (INR mn)									VNB (INR mn)								
SBILIFE IN	69,400	59,500	86,000	44.5	23.9	214,200	244,365	275,408	308,209	18,700	16,600	22,900	38.0	22.5	59,500	67,549	76,306	86,032
HDFCLIFE IN	35,690	41,880	39,770	(5.0)	11.4	154,790	170,937	196,242	222,808	9,340	10,090	9,550	(5.4)	2.2	39,620	41,601	49,439	57,452
IPRU IN	24,380	24,220	25,250	4.3	3.6	104,070	105,898	117,617	130,927	5,170	5,920	6,150	3.9	19.0	23,700	25,980	29,434	33,461
MAXF IN	21,590	25,960	27,810	7.1	28.8	90,990	106,969	123,086	140,370	4,890	6,390	6,590	3.1	34.8	21,070	26,027	30,941	36,059
LICI IN	99,500	163,820	149,730	(8.6)	50.5	568,280	625,190	681,861	745,430	19,260	31,670	31,770	0.3	65.0	100,110	112,413	124,709	140,411
	GDPI (INR mn)									PAT (INR mn)								
ICICIGI IN	62,140	65,960	70,410	6.7	13.3	268,330	281,831	312,029	346,628	7,244	8,195	6,589	(19.6)	(9.0)	25,083	29,766	34,155	39,224
STARHEAL IN	37,961	44,238	46,242	4.5	21.8	167,814	187,011	214,301	245,585	2,151	549	1,282	133.6	(40.4)	6,459	8,546	10,368	11,688
	Net Sales (INR mn)									PAT (INR mn)								
MEDIASSI IN	1,860	2,325	2,397	3.1	28.9	7,233	9,150	10,452	11,937	295	85	41	(51.2)	-86.0	915	783	1,108	1,339

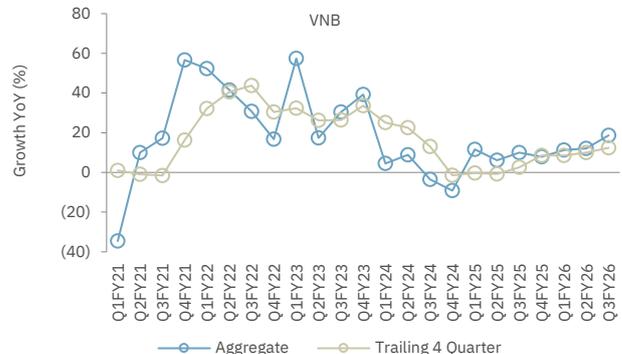
Source: Company, Elara Securities Estimate

Exhibit 135: APE growth revives with momentum normalizing



Note: This includes insurance coverage universe, excluding LICI; Source: Company, Elara Securities Estimate

Exhibit 136: VNB growth accelerates; momentum turns positive



Note: This includes insurance coverage universe, excluding LICI; Source: Company, Elara Securities Estimates

Exhibit 137: Capital markets market cap up 6% in the past year*



Source: Note: Index is created using aggregate of market cap of companies under our coverage universe; pricing as on 17 February 2026; *one-year performance considered from 31 January 2025 to 17 February 2026; Source: ACE Equity, Elara Securities Research

Exhibit 138: Capital markets currently trading at a premium of 11%



Note: Trailing P/E is calculated using aggregate of market cap and earnings of our coverage universe; pricing as on 17 February 2026; Source: ACE Equity, Elara Securities Research

Logistics and Ports

Price performance

Company (%)	3M	6M	12M
Mahindra Logistics	26.4	31.4	90.9
Delhivery	(1.1)	(6.1)	63.6
Adani Ports & SEZ	10.8	28.5	54.3
VRL Logistics	2.6	1.2	21.9
JSW Infra	(7.4)	(14.0)	15.5
Blue Dart Express	(4.5)	(1.5)	(3.7)
Container Corporation	(2.4)	(4.9)	(10.2)

Source: ACE Equity, Elara Securities Research

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- ▶ Q3FY26 reflected a structurally stronger, margin-led performance across logistics companies. BDE delivered 7% YoY revenue growth with ~209bp EBITDA margin expansion to 11.8% on better aircraft utilization of ~85% and shipment growth while DELHIVER posted ~18% YoY revenue growth with a core EBITDA margin rising to 8.7% (vs ~4.3% YoY), driven by strong express volume and integration synergies. MAHLOG returned to PAT profitability with 19% revenue growth and margin expansion to 5.4%, reflecting cost rationalization and utilization gains. CCRI saw 4.5% growth but 117bp margin expansion to 22%, aided by rake utilization, while VRLL sustains ~20–21% margin despite tonnage decline, supported by realization improvement, underscoring sector-wide operating discipline and yield focus.
- ▶ Q3FY26 highlights a structurally strengthening ports cycle, with containerization and international transshipment driving higher-quality growth and operating leverage. ADSEZ delivered ~22% YoY revenue and ~21% EBITDA growth with margin sustained ~60%, reflecting the benefit of a rising container mix (~46% of cargo) and ramp-up at Colombo and Vizhinjam, which improve realization and annuity-like visibility vs bulk cargo. Around 9% overall volume growth, led by double-digit container expansion, indicates mix-led value accretion rather than pure throughput expansion. JSWINFRA reported steady mid-teen revenue growth with EBITDA growth tracking closely despite mild margin moderation, as rising third-party cargo of ~50% and tariff resets supported stability while logistics scale-up temporarily diluted margins. Overall, scale efficiency, asset sweating and disciplined Brownfield expansion continue to anchor margin resilience and medium-term earnings compounding.
- ▶ **Logistics:** Q3FY26 reflects profitability normalization, with organized firms leveraging network density, pricing discipline and cost efficiency to sustain margin despite mixed demand and selective yield pressure.
- ▶ **Ports:** Resilience continues, driven by tariff resets and container-led mix improvement; high single-digit volume growth (led by containers and transshipment), stable margin from scale and diversification, and disciplined brownfield expansion support steady earnings visibility and medium-term compounding.

Earnings leaders: DELHIVER, ADSEZ

Laggards: VRLL

Peer valuation

Name	Ticker	Rating	Mcap (INR bn)	CMP (INR)	TP (INR)	Upside (%)	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
							FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Adani Ports & SEZ	ADSEZ IN	Buy	3,609	1,566	1,883	20.2	381,470	437,717	501,286	231,625	266,054	302,097	145,465	170,500	200,361
JSW Infrastructure	JSWINFRA IN	Buy	547	260	393	50.9	54,510	67,139	96,605	24,730	29,687	48,583	13,473	15,296	27,337
Container Corporation	CCRI IN	Accumulate	385	506	599	18.5	93,550	106,198	120,566	20,722	23,126	26,415	13,305	13,635	15,228
Delhivery	DELHIVER IN	Buy	325	435	593	36.4	105,624	119,121	134,513	6,815	9,246	11,853	2,147	5,562	7,583
Blue Dart Express	BDE IN	Accumulate	137	5,770	6,683	15.8	61,526	68,551	76,619	5,999	6,787	7,585	3,329	3,905	4,489
VRL Logistics	VRLL IN	Buy	50	284	366	29.0	31,982	35,024	38,355	6,364	5,954	6,520	2,261	2,016	2,370
Mahindra Logistics	MAHLOG IN	Accumulate	42	423	398	(5.9)	71,187	81,417	93,226	3,631	4,559	5,314	(14)	1,003	1,451

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

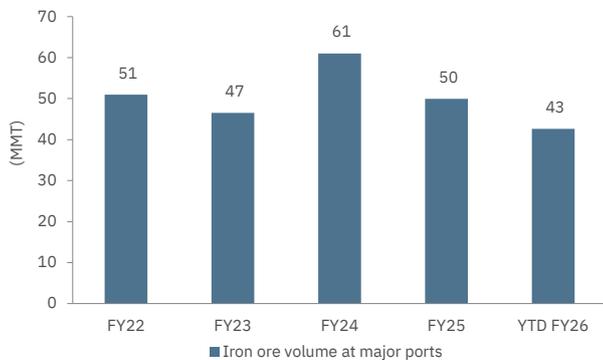
Industry Data, Valuations & Performance

Exhibit 139: Key metrics of our coverage companies

(%)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	FY24	FY25	FY26E	FY27E	FY28E
Adani Ports volume growth	3.6	8.5	10.6	11.5	9.6	24.8	7.2	14.8	15.4	8.4
JSW Infra volume growth	8.2	6.5	6.8	2.6	7.8	14.8	9.6	1.9	7.8	45.3
Delhivery express volume growth	2.5	0.6	13.7	33.0	43.2	11.6	1.6	20.0	10.0	10.0
Delhivery PTL volume growth	16.4	19.3	14.8	11.7	23.1	29.8	18.7	15.0	15.0	15.0
VRL GT tonnage growth	1.1	(11.0)	(12.6)	(10.7)	(8.8)	9.3	(0.1)	(7.8)	8.0	8.0
CONCOR EXIM originating volume growth	0.1	5.1	10.2	5.1	7.3	7.6	2.9	10.0	12.0	12.0
CONCOR Domestic originating volume growth	6.8	(14.4)	(2.6)	1.6	2.7	5.1	7.3	11.0	10.0	10.0
Blue Dart Express tonnage volume growth	12.0	11.5	8.6	5.9	8.0	4.4	11.2	8.3	11.6	10.0

Source: Company, Elara Securities Estimate

Exhibit 140: Weak exports of iron ore leads to muted volume and sees a pickup from November 2025



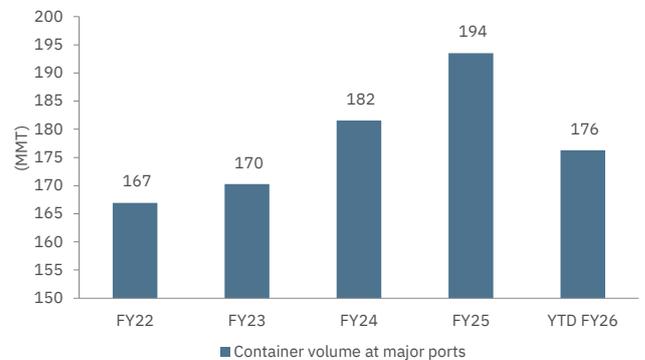
Note: Sector aggregate is calculated for our coverage universe; Source: Company, Elara Securities Estimate

Exhibit 142: Logistics coverage market cap up 31% in the past year



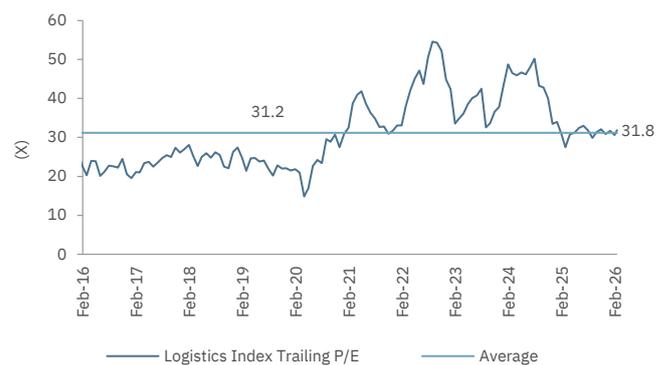
Note: Sector performance is calculated using aggregate market cap of companies under our coverage universe; pricing as on 17 February 2026; *one-year performance considered from 31 January 2025 to 17 February 2026; Source: ACE Equity, Elara Securities Research

Exhibit 141: Containers remain key drivers for volume growth at major ports



Note: Central government capex allocation to relevant industry compared Source: Controller General of Accounts (CGA), Elara Securities Research

Exhibit 143: Logistics valuation currently trades at a premium of 2% vs the past 10-year average



Note: Trailing P/E is calculated using aggregate of market cap and earnings of our coverage universe; pricing as on 17 February 2026; Source: ACE Equity, Elara Securities Research

Metals & Mining

Price performance

Company (%)	3M	6M	12M
APL Apollo Tubes	25.1	38.3	66.9
Tata Steel	17.3	30.8	51.2
Steel Authority of India	11.3	30.7	49.3
Hindalco Industries	10.3	28.0	45.7
Jindal Steel and Power	12.1	24.2	44.6
JSW Steel	5.9	19.0	27.8
NMDC	3.3	13.9	26.3
Jindal Stainless	(1.2)	1.5	25.5
Ratnamani Metals & Tubes	(11.8)	(8.1)	(14.0)

Source: ACE Equity, Elara Securities Research

- ▶ Steel companies under our coverage universe continue to report weak performance following a soft Q2FY26, with EBITDA/tonne contracting sharply by ~INR 680–3,040 QoQ in Q3FY26. The decline was driven by subdued steel prices and elevated coking coal cost. HRC prices fell ~INR 2,060/tonne QoQ, while Australian coking coal prices increased ~9%, intensifying cost pressures. NMDC realization declined ~6% QoQ, due to the lagged impact of earlier price cuts, resulting in a ~10% QoQ drop in EBITDA/tonne.

Key trigger points and highlights

- ▶ Margins are likely to recover sequentially, supported by the recent rebound in steel prices (quarter-to-date up ~INR 5,370/tonne) and the imposition of a 12% safeguard duty, which should curb import inflows. However, the benefit may be partly offset by a sharp ~19% quarter-to-date increase in coking coal prices, potentially limiting the extent of margin expansion.
- ▶ Firm aluminium prices (CY26 YTD up ~17%) are set to support earnings growth for aluminium manufacturers.
- ▶ Headwinds for the industry arising from the implementation of Europe's Carbon Border Adjustment Mechanism (CBAM), which is likely to restrict exports.

Earnings leaders

- ▶ **APAT:** In Q3FY26, it reported EBITDA growth of ~37% YoY, driven by ~11% YoY volume growth and ~23% YoY rise in EBITDA/tonne. Management has raised EBITDA/tonne target for Q4FY26 and FY27 to INR 5,500 each, while stepping up volume growth target to 20%. Near-term earnings are likely to be supported by channel restocking amid an uptick in steel prices, inventory gains, and operating leverage.
- ▶ **TATA:** Consolidated EBITDA was up ~39% YoY, driven by ~6% YoY rise in domestic volume. Management has indicated potential for ~EUR 100/tonne upside in EU steel prices in the year, with benefits accruing gradually. On the other hand, profitability at the Netherlands operations is set to improve in Q4FY26, supported by ongoing cost-reduction initiatives.

Laggards

- ▶ **JINDALST:** EBITDA declined ~25% YoY and 15% QoQ, weighed by weak steel prices and startup cost related to the new blast furnace. Operating leverage and volume ramp-up from new capacity are likely to support margin; however, upside is likely to remain capped by rising coal cost, likely to rise by ~USD 18–20/tonne in Q4.

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Peer valuation

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
JSW Steel	JSTL IN	Sell	3,044	1,245	1,089	(13)	1,840,470	2,052,574	2,007,167	308,400	351,577	350,333	85,322	114,612	134,515
Tata Steel	TATA IN	Accumulate	2,535	203	215	6	2,320,869	2,467,958	2,606,088	355,117	431,492	489,929	141,977	203,948	262,476
Hindalco Industries	HNDL IN	Accumulate	2,000	890	1,024	15	2,564,718	2,870,508	3,014,622	320,289	375,580	407,153	161,527	193,992	209,932
Jindal Steel and Power	JINDALST IN	Accumulate	1,235	1,211	1,187	(2)	529,216	649,149	752,910	97,934	147,890	181,172	39,877	72,999	93,338
NMDC	NMDC IN	Accumulate	695	79	87	10	283,989	321,107	357,459	92,585	97,102	111,144	75,072	79,663	90,295
Steel Authority of India	SAIL IN	Accumulate	650	157	158	0	1,069,371	1,156,434	1,238,078	110,400	135,157	148,367	29,733	46,022	51,712
APL Apollo Tubes	APAT IN	Buy	618	2,225	2,418	9	226,532	271,589	318,122	18,562	22,958	27,178	12,719	16,489	20,066
Jindal Stainless	JDSL IN	Accumulate	610	740	867	17	431,152	491,020	553,640	56,867	63,630	70,920	35,246	42,360	49,372
Ratnamani Metals & Tubes	RMT IN	Buy	151	2,154	3,249	51	54,072	65,548	79,536	9,763	11,240	13,353	7,777	7,978	9,486

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

Industry Data, Valuations & Performance

Exhibit 144: Weak steel prices hurt margin in Q3FY26

Operational metrics	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24	Jun'24	Sep'24	Dec'24	Mar'25	Jun'25	Sep'25	Dec'25
EBITDA/tonne (INR)												
Jindal Steel - Consol	11,036	14,696	11,008	15,478	12,500	13,542	11,482	11,226	11,651	15,709	10,027	6,986
JSW Steel-Consolidated	12,158	12,340	12,438	11,967	9,100	9,003	8,869	8,314	8,515	11,324	9,693	8,503
SAIL	6,226	4,241	8,111	5,617	7,621	5,531	7,084	4,554	6,530	6,076	5,144	4,463
Tata Steel Standalone	16,806	14,004	14,326	16,994	14,907	13,716	12,059	14,179	12,463	14,988	14,681	12,800
Tata Steel-Europe	-7,597	-7,884	-12,032	-13,057	61	-1,313	-31,726	-24,379	-2,736	-22,084	-21,120	-22,770
Tata Steel-Consolidated	9,279	7,186	6,037	8,760	8,271	9,059	7,572	7,647	7,874	10,432	11,247	9,987
NMDC	1,745	1,818	1,247	1,781	1,704	2,344	1,481	2,018	1,617	2,152	1,870	1,691
Jindal Stainless	22,535	21,734	22,637	24,339	18,150	20,959	21,014	20,548	16,508	20,915	21,416	21,665
Hindalco Industries												
Novelis (USD)	431	479	519	499	540	526	489	406	494	432	448	430
Aluminium India (USD)	795	732	774	901	965	1,278	1,406	1,531	1,799	1,525	1,607	1,647
APL Apollo	4,970	4,645	4,817	4,631	4,132	4,183	1,821	4,173	4,864	4,683	5,228	5,145
Ratnamani	27,460	26,891	43,883	25,095	23,539	19,368	30,794	24,539	26,394	25,737	22,833	30,974

Source: Company, Elara Securities Research

Exhibit 145: Q3FY26 HRC prices at FY26 lows, down ~4% QoQ



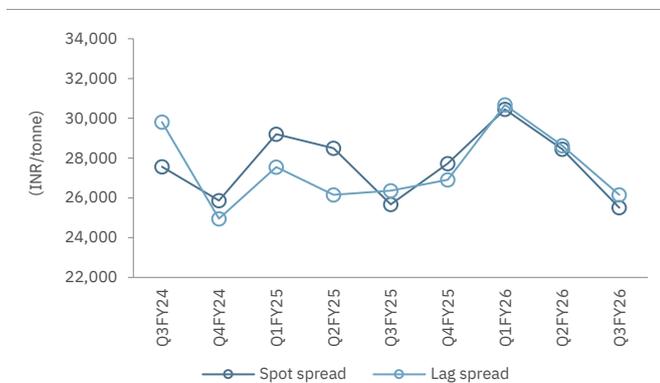
Source: BigMint, Elara Securities Research

Exhibit 146: Primary rebar prices down merely ~1% QoQ, less than HRC's ~4% slide



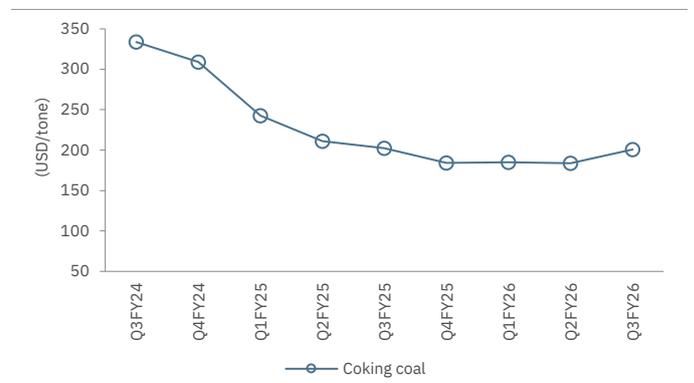
Source: BigMint, Elara Securities Research

Exhibit 147: Spread compression driven by softer steel prices



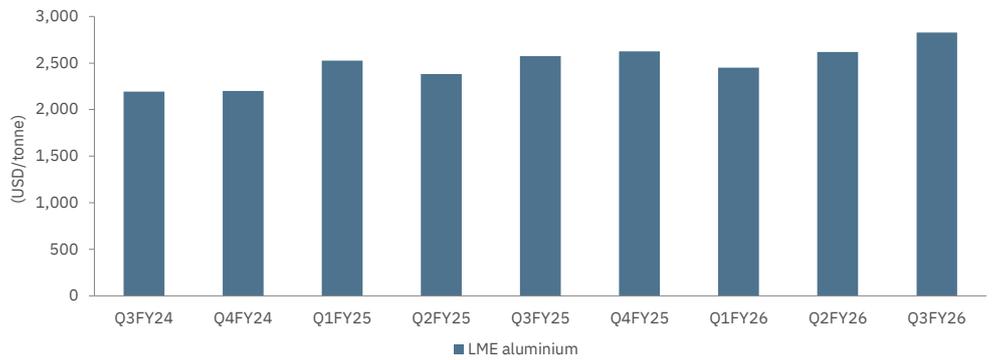
Source: BigMint, Company, Elara Securities Research

Exhibit 148: Coking coal prices jump ~9% QoQ, intensifying cost pressure in Q3FY26



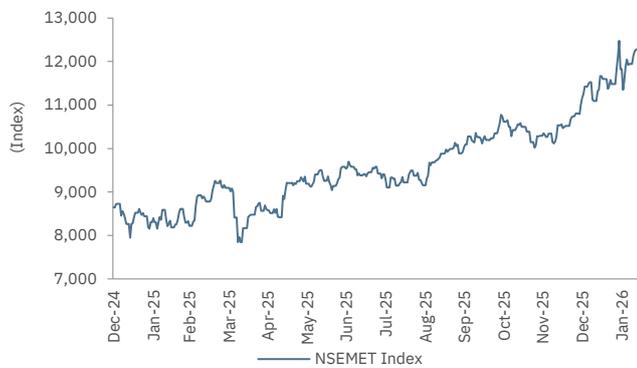
Source: BigMint, Elara Securities Research

Exhibit 149: LME aluminium strengthens ~8% QoQ in Q3FY26



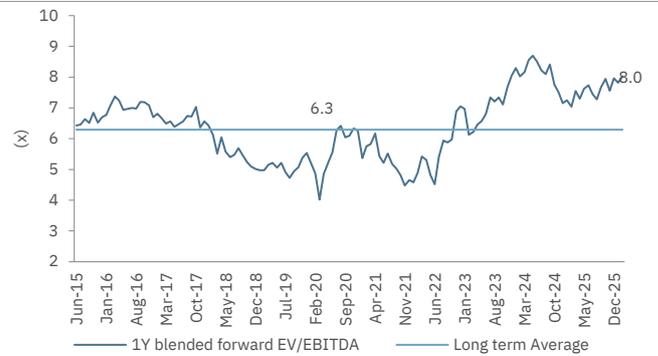
Source: Bloomberg, Elara Securities Research

Exhibit 150: Nifty Metal Index generates returns of 47% in the past year



Source: Bloomberg, Elara Securities Research

Exhibit 151: One-year EV/EBITDA is at ~28% above historical levels



Source: Bloomberg, Elara Securities Research

Oil & Gas

Price Performance

Company (%)	3M	6M	12M
Chennai Petroleum	(17.6)	39.9	83.1
MRPL	5.1	56.1	73.8
Bharat Petroleum	0.2	17.9	48.6
Indian Oil Corporation	1.6	25.5	48.4
Hindustan Petroleum	(6.6)	15.2	42.8
ONGC	9.6	14.7	16.3
Reliance Industries	(6.3)	3.6	16.2
Oil India	6.5	16.0	16.0
Gujarat State Petronet	0.1	0.9	6.8
Gujarat Gas Company	1.2	(1.8)	6.0
Petronet LNG	7.5	9.1	4.1
GAIL	(10.6)	(4.7)	3.5
Indraprastha Gas	(18.5)	(15.5)	(9.4)
Mahanagar Gas	(10.2)	(15.7)	(13.3)

Source: ACE Equity, Elara Securities Research

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- ▶ In Q3FY26, cumulative earnings growth of 14 oil & gas firms under our coverage sharply grew 36% YoY due to earnings growth of oil marketing companies (OMCs – BPCL, HPCL, IOCL) and standalone refiners (CPCL, MRPL). This was partly offset by earnings decline of Oil India and GAIL.
- ▶ Q3 results were characterized by weak crude oil environment and strong GRM that benefitted OMCs and standalone refiners margin. However, this hit earnings of upstream PSUs, though partially offset by INR weakening. Additionally, OMCs' earnings were supported by government compensation for LPG losses in FY25 and HIFY26.
- ▶ Upstream PSUs (ONGC and Oil India) are on track to raise their production and will also benefit if oil prices trend upwards. We reiterate HPCL as our top pick in the space due to lower crude prices, strong GRM, upcoming Rajasthan refinery and reduced under-recoveries on LPG YoY.
- ▶ Key highlight in Q3 was strong growth in product cracks that supported refiners' GRM. Earnings of upstream PSUs were hit by lower oil price, though partly offset by higher gas price and increasing share of NWG (new well gas) in sales mix. Spot LNG prices trend will depend on the pace of addition of liquefaction capacity, going ahead.

Leaders

Oil marketing companies (IOCL, BPCL and HPCL) will benefit from weaker crude oil price environment in CY26 due to continuous increase in OPEC production and subsequent 4mmbpd supply surplus in CY26. Every USD 1/bbl drop in crude oil price improves OMCs' gross margin for gasoline and diesel by INR 0.6/liter each. Crude oil prices sustaining below USD 65/bbl would lead to continued strong retail margins.

Peer valuation

Name	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Reliance Industries	RELIANCE IN	Accumulate	19,256.7	1,423	1,717	20.7	9,643,560	10,395,966	11,252,878	1,855,853	2,056,299	2,262,709	800,662	964,235	1,092,021
ONGC	ONGC IN	Buy	3,419.9	272	320	17.7	6,497,870	7,285,099	7,484,876	1,157,026	1,222,926	1,261,474	506,805	550,611	572,238
Indian Oil Corporation	IOCL IN	Accumulate	2,482.7	176	202	14.9	7,841,356	8,233,356	8,542,126	785,448	722,054	730,563	392,881	344,722	345,473
Bharat Petroleum	BPCL IN	Buy	1,626.7	375	457	21.9	4,580,600	4,723,760	4,838,411	435,354	365,537	382,164	255,206	200,053	205,526
GAIL	GAIL IN	Accumulate	1,089.8	166	184	11.0	1,471,340	1,584,815	1,662,738	125,267	147,951	162,382	78,882	95,703	107,037
Hindustan Petroleum	HPCL IN	Buy	966.6	454	627	38.0	4,603,344	5,254,874	5,409,845	323,623	337,012	346,893	190,666	199,591	206,815
Oil India	OINL IN	Buy	755.9	465	575	23.7	350,346	453,625	717,207	119,321	138,396	177,248	67,486	79,518	109,467
Petronet LNG	PLNG IN	Accumulate	445.0	297	326	9.9	445,695	509,769	535,508	55,217	64,725	70,954	39,072	46,593	51,005
MRPL	MRPL IN	Accumulate	338.1	193	163	(15.5)	887,015	936,100	936,044	60,988	50,627	47,737	26,083	21,192	19,588
Gujarat Gas Company	GUJGA IN	Accumulate	285.5	415	449	8.2	153,293	176,315	196,662	19,110	20,369	22,463	11,860	12,485	13,916
Indraprastha Gas	IGL IN	Accumulate	241.4	172	195	13.1	160,370	179,690	196,787	20,563	26,081	29,640	15,578	18,476	21,084
Gujarat State Petronet	GUJS IN	Accumulate	171.6	304	325	6.9	11,571	13,103	15,058	7,864	9,091	10,715	7,499	8,634	9,954
Chennai Petroleum	MRL IN	Accumulate	132.0	886	977	10.3	619,476	568,877	569,267	39,690	24,980	24,590	24,513	13,477	13,414
Mahanagar Gas	MAHGL IN	Accumulate	109.4	1,107	1,383	24.9	92,258	106,562	120,073	16,000	17,217	19,187	9,729	10,674	12,133

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

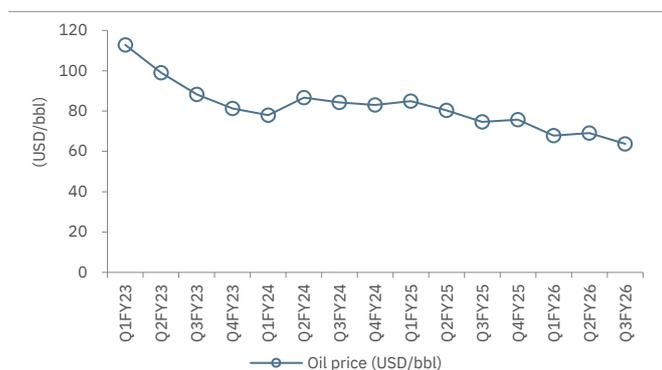
Industry data, valuations and performance

Exhibit 152: YoY retail margin softening offset by strong GRM

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	FY24	FY25	FY26E	FY27E
Oil price (USD/bbl)	84.9	80.3	74.7	75.7	67.9	69.1	62.8	83.0	78.9	66.4	65.0
Retail diesel margin (INR/lit)	4.4	5.8	9.3	6.0	9.8	5.2	3.9	4.4	6.4	6.6	5.2
Retail gasoline margin (INR/lit)	5.1	9.4	12.8	9.5	11.8	9.5	9.0	8.2	9.2	10.3	7.9
Coverage universe average GRM (USD/bbl)	6.9	2.8	5.9	8.2	4.8	9.9	11.8	11.7	6.0	8.7	7.3
CGD coverage universe volume growth (%)	12.6	3.8	7.4	2.2	(4.4)	2.6	(2.1)	7.6	8.2	0.9	9.7

Source: Company, Bloomberg, Elara Securities Estimate

Exhibit 153: Oil to stay subdued after transient turmoil in Q4



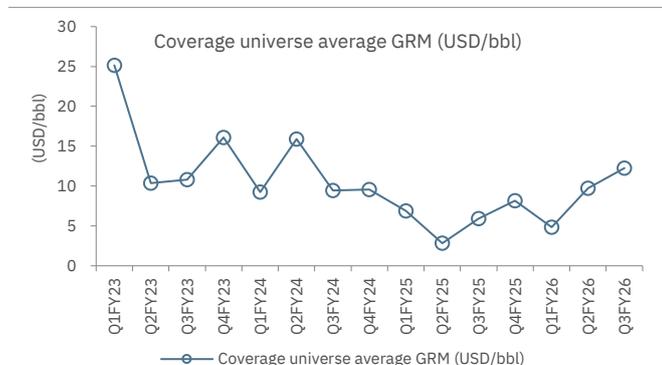
Source: Bloomberg, Elara Securities Research

Exhibit 154: Marketing margin healthy amid muted oil prices



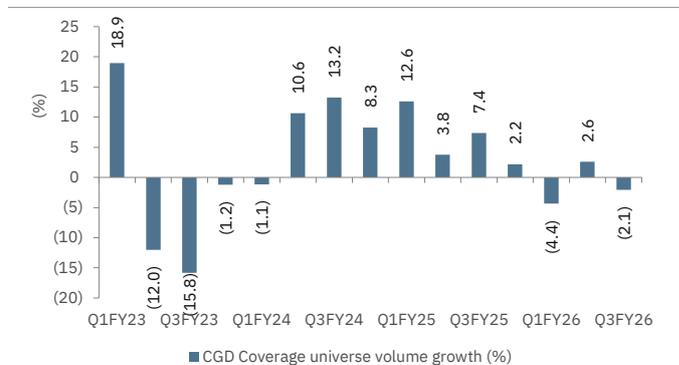
Source: Bloomberg, Elara Securities Research

Exhibit 155: Strong GRM amid robust distillate cracks



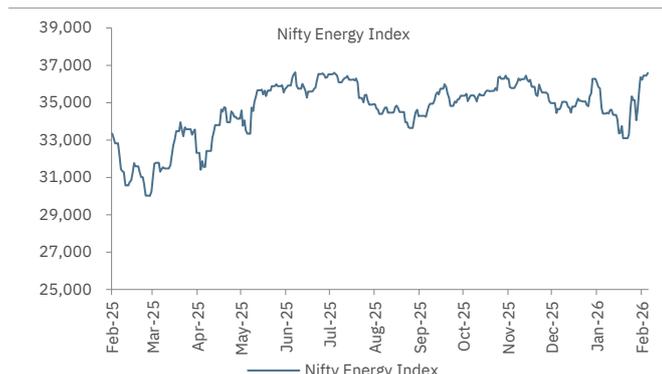
Source: Company, Bloomberg, Elara Securities Research

Exhibit 156: Low alternate fuel prices limit industrial PNG and volume growth of overall Oil & Gas coverage universe



Source: Company, Elara Securities Research

Exhibit 157: Nifty Energy Index up 17% in past 12 months



Note: Pricing as on 13 February 2026; Source: NSE, Elara Securities Research

Exhibit 158: Sector valuation trading above 10-year average



Note: Pricing as on 12 February 2026; Source: NSE, Elara Securities Research

Pharmaceuticals

Price performance

Company (%)	3M	6M	12M
Torrent Pharma	11.5	17.5	38.3
JB chemicals	11.9	18.9	25.1
Gland Pharma	1.2	(7.1)	24.2
Ajanta Pharma	18.1	10.1	11.2
Lupin	9.6	14.6	11.0
Dr. Reddy's	3.2	1.9	7.2
Divi's Laboratories	(5.1)	0.9	4.5
Aurobindo Pharma	(4.1)	9.5	1.5
Sun pharma	(2.7)	4.6	0.2
Zydus Lifescience	(3.0)	(8.3)	(1.9)
Cipla	(12.5)	(14.1)	(8.8)

Source: ACE Equity, Elara Securities Research

- ▶ The Indian Pharmaceutical Market (IPM) grew by ~8.8% YoY in Q3FY26, largely driven by price growth of 5.5% and new product launches of 3.3% YoY. During the quarter, most of the pharma companies outperformed IPM, on account of new product launches and gaining market share in existing products. However, the implementation of Labor Codes led to a step-up in employee costs, particularly for labor-intensive field forces and R&D operations, which impacted overall margins of the companies in Q3.
- ▶ The US generics market remained under pressure during the quarter, primarily due to lower sales of *gRevlimid* and continued pricing erosion, which weighed on overall growth for Indian generic players in the region. That said, companies are mitigating this impact through high-value new launches with limited competition and by pursuing sizeable opportunities such as Semaglutide. Meanwhile, RoW and emerging markets delivered steady performance, supported by deeper penetration, fresh product introductions, and market share gains in existing portfolios.
- ▶ The Contract Development and Manufacturing Organization (CDMO) segment remains under pressure, due to cautious global innovator spending, elongated decision-making cycles, and slower conversion of Request for Quotations (RFQs) into executable contracts. However, in Q3, the companies witnessed signs of uptick in global spending by innovators and increasing RFQs, showing signs of recovery, but grey areas remain on future order book visibility and growth prospects.

Key monitorables and trigger points

- ▶ Key monitorable for the pharma companies would be sustaining the growth trends in the domestic market, along with how the US market growth is panning out with the success of new complex and biosimilar launches, regulatory compliance, and the normalization of sales post *gRevlimid* base effect. For CDMO firms, RFQ conversion, project start timelines, capacity utilization, and margin trends will be key indicators of demand recovery.

Leaders

- ▶ Our preferred value picks for the near-to-medium term are **Zydus Lifesciences (ZYDUSLIF IN)** and **Gland Pharma (GLAND IN)**. ZYDUSLIF is supported by a diversified India-US-RoW mix, complex product launches, and an improving compliance profile, while GLAND stands out due to strong visibility from the new contracts in the US and in licensing income from Europe.

Laggards

- ▶ **Divi's Laboratories (DIVI IN)** due to cautious global innovator spending, which continues to weigh on volume growth and capacity utilization.

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Peer valuations

Name	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)									
Sun Pharma	SUNP IN	Buy	4,119.9	1,717	1,968	14.6	582,852	651,117	714,389	164,361	186,640	207,128	119,500	134,864	149,899
Divi's Laboratories	DIVI IN	Sell	1,642.6	6,188	4,486	(27.5)	106,927	123,766	145,177	34,935	41,796	51,077	25,954	30,058	36,442
Torrent Pharma	TRP IN	Accumulate	1,441.2	4,258	4,351	2.2	139,163	193,107	214,029	44,530	60,849	68,510	21,671	24,338	32,164
Cipla	CIPLA IN	Accumulate	1,085.6	1,344	1,438	7.0	286,220	313,113	355,569	60,449	61,985	83,021	43,471	43,746	59,141
Dr. Reddy's	DRRD IN	Buy	1,072.3	1,285	1,588	23.6	347,696	372,020	416,033	76,837	76,702	88,284	49,844	46,510	54,857
Lupin	LPC IN	Accumulate	1,027.2	2,248	2,447	8.9	275,087	296,263	306,150	79,622	76,289	73,339	54,293	45,847	45,958
Zydus Lifescience	ZYDUSLIF IN	Buy	912.3	907	1,311	44.6	267,500	301,381	351,598	69,569	73,836	88,701	48,219	49,828	61,737
Aurobindo Pharma	ARBP IN	Buy	689.2	1,187	1,568	32.1	336,043	392,102	413,068	68,346	73,940	77,792	36,388	42,328	46,334
Ajanta Pharma	AJP IN	Accumulate	369.5	2,958	3,115	5.3	54,325	61,314	67,843	14,906	16,878	18,737	10,403	11,706	12,968
JB chemicals	JBCP in	Accumulate	319.3	1,989	1,784	(10.3)	42,977	47,493	52,488	11,594	13,098	14,821	7,357	8,520	9,831
Gland Pharma	GLAND IN	Buy	302.5	1,836	2,225	21.2	64,072	74,723	84,454	15,582	19,624	23,090	9,630	12,841	15,448

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

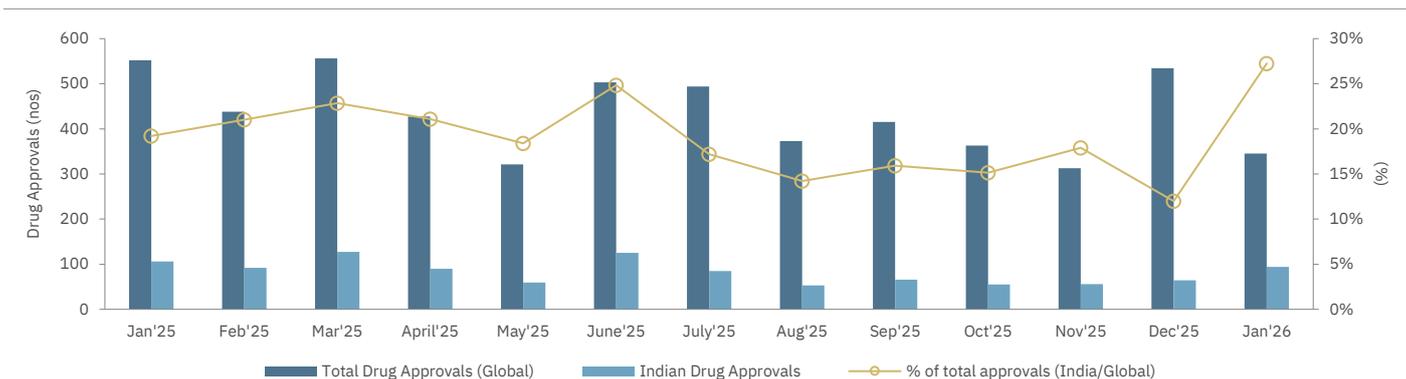
Industry data, valuations and performance

Exhibit 159: Aggregate financial performance of Pharma companies under our coverage universe

Parameters	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	FY24	FY25	FY26E	FY27E
Revenue growth - YoY (%)	11.4	11.3	10.5	11.7	8.4	11.4	12.9	14.3	11.2	11.0	12.9
EBITDA margin (%)	27.2	26.3	26.9	25.9	27.0	26.3	26.0	25.2	26.6	25.6	24.9

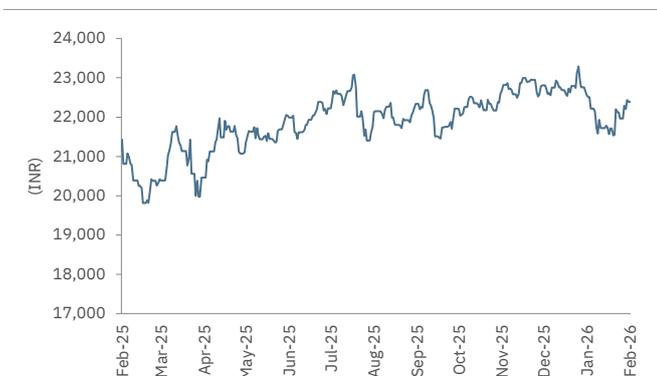
Note: Coverage universe includes Sun Pharma, Aurobindo Pharma, Ajanta Pharma, Zydus Lifesciences, Dr Reddys Laboratories, Cipla, Torrent Pharma, JB Chemical & Pharmaceuticals, Gland Pharma, Lupin, and Divis Laboratories; Source: Company, Elara Securities Estimate

Exhibit 160: USFDA drug approvals for Indian companies as a percentage of total approvals



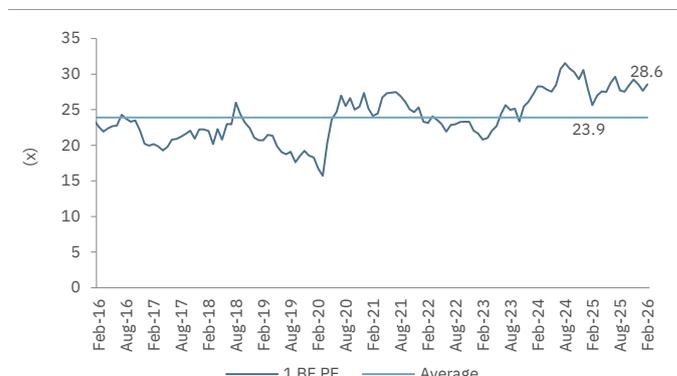
Source: USFDA, Elara Securities Research

Exhibit 161: NSE Pharma was up by 8% in the past one year



Note: Pricing as on 12 February 2026; Source: Bloomberg, Elara Securities Research

Exhibit 162: Nifty Pharma one-year blended forward P/E trades at 20% above 10-year average



Note: One-year blended forward P/E as on 12 February 2026; Source: Bloomberg, Elara Securities Research

Real Estate

Price performance

Company (%)	3M	6M	12M
Sobha	(8.4)	(3.3)	29.5
Prestige Estates Projects	(13.0)	(4.7)	23.0
Oberoi Realty	(11.1)	(4.2)	(2.5)
DLF	(16.8)	(15.0)	(5.3)
Macrotech Developers	(10.1)	(10.9)	(5.9)
Godrej Properties	(15.5)	(4.7)	(6.5)
Brigade Enterprises	(21.4)	(20.8)	(24.7)

Source: ACE Equity, Elara Securities Research

Earnings

- Q3 earnings were mixed on reported presales but stronger on cash throughput, with operating cashflow the key positive. Presales softness in select cases reflected launch phasing and deferred closures rather than demand. Core FCFE remains healthy, supporting business development alongside balance sheet discipline, with surplus cash driving deleveraging where applicable. Sector leaders have achieved ~75% of full-year presales by 9M, aided by strong sustenance sales and selective marquee launches. Annuity portfolios remain stable with incremental occupancy improvement.

Key highlights

- Q3 performance was in line with our preview, with good response to key launches and steady absorption indicating resilient demand, even as some bookings shifted to Q4 due to timing. The mid-income segment has stabilized after the recent weakness, aiding in presales momentum. Cash conversion improved, with construction-linked collections supporting better cash flow visibility. A strong Q4 launch pipeline and spillovers provide upside risk to full-year guidance for leaders, while business development remains margin-accretive and internally funded, supporting growth without balance sheet pressure

Earnings leaders

- OBER:** More than INR 1tn pipeline with industry-leading margin and near-zero leverage. Strong presales-to-FCFE conversion sustains high returns.
- GPL:** Industry-leading presales and ROIC yet trading at a discount. More than INR 1.5tn pipeline underpins margin-accretive, cash-generative growth.
- SOBHA:** More than 200mn sqft landbank and integrated model support steady compounding. NCR expansion and 8–9x valuation vs ~15x peers offer upside.

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Peer valuation

Name	Ticker	Rating	Mcap (INR bn)	CMP (INR)	TP (INR)	Upside (%)	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
							FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
DLF	DLFU IN	Buy	1,582	639	1,050	64	119,828	157,142	179,586	45,933	61,198	70,625	59,672	73,592	81,741
Macrotech Developers	LODHA IN	Accumulate	1,096	1,097	1,400	28	202,936	210,115	249,328	69,553	70,223	84,252	47,301	48,453	60,229
Prestige Estates Projects	PEPL IN	Buy	657	1,526	2,300	51	161,064	214,480	257,668	55,726	82,590	103,727	21,339	35,093	44,726
Oberoi Realty	OBER IN	Buy	564	1,551	2,500	61	68,296	79,051	105,896	38,683	44,730	57,988	27,681	34,523	47,300
Godrej Properties	GPL IN	Buy	556	1,845	3,700	101	98,403	129,892	187,044	28,059	42,037	67,297	28,417	38,949	58,743
Brigade Enterprises	BRGD IN	Accumulate	182	743	1,200	62	72,912	83,372		24,071	29,266		10,383	13,850	
Sobha	SOBHA IN	Buy	159	1,483	2,500	69	47,034	55,086	68,776	7,244	9,819	13,053	5,352	7,286	8,902

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

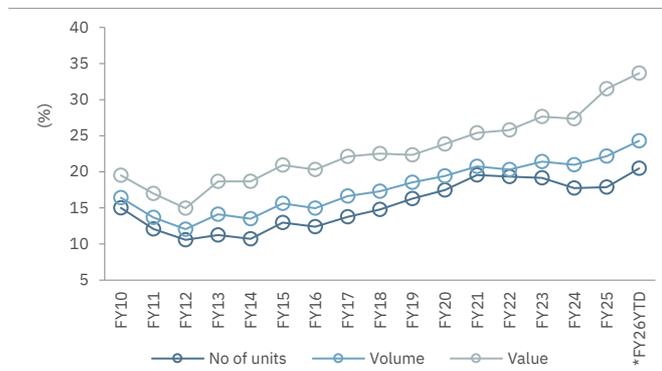
Industry Data, Valuations & Performance

Exhibit 163: Presales performance review – quarterly trends and full-year outlook during FY26-28

Particulars	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	QoQ (%)	YoY (%)	FY25	FY26E	FY27E	FY28E
DLF	90.5	14.6	64.0	6.9	120.9	20.4	114.3	43.3	4.2	(90)	(97)	212.2	239.6	250.5	278.8
Lodha Developers	34.1	42.3	40.3	42.9	45.1	48.1	44.5	45.6	56.2	23	25	176.3	217.9	259.6	317.6
Oberoi Realty	7.9	17.6	10.7	14.4	19.2	8.5	16.4	13.0	8.4	(36)	(56)	52.8	71.4	107.4	129.8
Prestige Estates	53.3	47.1	30.3	40.2	30.1	69.6	121.3	60.2	41.8	(30)	39	170.2	282.4	303.4	331.3
Sobha	19.5	15.0	18.7	11.8	13.9	18.4	20.8	19.0	21.2	11	52	62.8	84.3	98.6	113.5
Brigade Enterprises	15.2	22.4	10.9	18.2	24.9	24.5	11.2	20.3	21.0	3	(16)	78.5	91.1	104.4	120.5
Godrej Properties	57.2	95.2	86.4	52.0	54.5	101.6	70.8	85.1	84.2	(1)	55	294.4	332.1	345.4	328.3
Top 7 listed developers	277.7	254.3	261.3	186.4	308.6	291.0	399.2	286.5	236.9	(17)	(23)	1047.3	1318.8	1469.2	1619.9

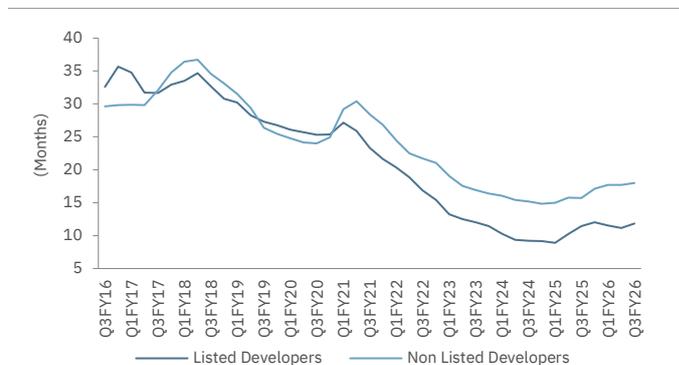
Source: Company, Elara Securities Estimate

Exhibit 164: Large, organized companies share in absorption for tier 1 cities



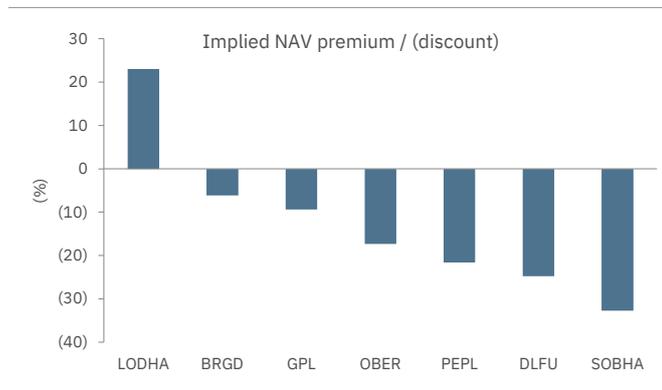
Source: FY26 YTD data until 31 December; Organized – large listed and unlisted developers; Source: PropEquity, Elara Securities Research

Exhibit 165: Listed inventory overhang flat QoQ at 12 months vs 18 for not listed companies



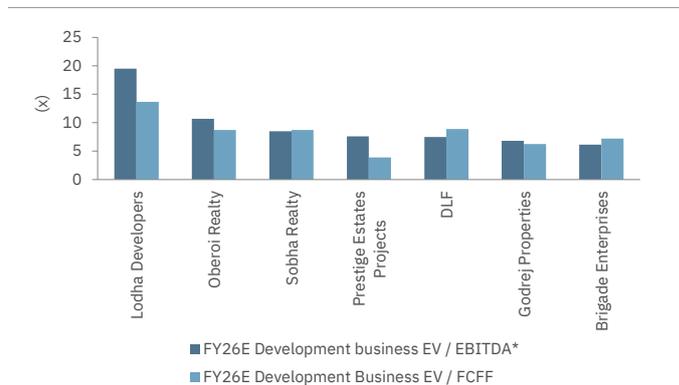
Source: PropEquity, Elara Securities Research

Exhibit 166: SOBHA, DLF, PEPL, OBER, GPL and BRGD are trading at a discount to March 2026E NAV



Note: Pricing as of 11 February 2026; Source: Bloomberg, Elara Securities Estimate

Exhibit 167: Development business valuation – EV/EBITDA* and EV/FCFF on FY26E



Note: Industry leaders, *based on economic profile of presales; pricing as on 11 February 2026; Source: Bloomberg, Elara Securities Estimate

Retail and Luggage

Price performance

Company (%)	3M	6M	12M
Vishal Mega Mart	(12.1)	(17.9)	20.0
VIP Industries	(1.5)	(6.8)	13.0
Campus Activewear	(1.3)	7.4	(3.8)
Safari Industries	(20.3)	(10.8)	(4.5)
Metro Brands	(1.7)	(2.6)	(5.1)
Page Industries	(14.7)	(22.6)	(17.7)
Relaxo Footwears	(14.0)	(15.7)	(18.3)
Dollar Industries	(14.7)	(14.1)	(21.5)
Bata India	(17.3)	(20.1)	(35.3)
Vedant Fashions	(29.6)	(40.7)	(48.2)
Go Fashion India	(36.9)	(50.4)	(60.0)

Source: ACE Equity, Elara Securities Research

- ▶ In Q3FY26, the retail sector continued to see selective, occasion-led demand rather than a structural upcycle. Wedding and festival categories provided tactical support, particularly within premium portfolios, while entry-level and mass categories remain constrained by muted footfalls and pricing-led competition. Same-store sales growth for most organized firms remains negative to in the low single digits, and elevated advertising and promotional intensity curtailed operating leverage despite stable gross margin. Earnings delivery remains uneven and largely mix-driven.
- ▶ In apparels, fewer wedding days during December–January weighed on ethnic and occasion-led portfolios, resulting in ~5.4% YoY revenue decline. Weak throughput and operating leverage led to margin erosion. Companies have shifted focus toward execution tightening, store productivity improvement, and calibrated expansion. In our view, recovery will depend on sustained improvement in discretionary demand rather than episodic wedding support.
- ▶ VMM delivered steady sales performance of 17.0% and 6.1% SSSG, supported by improved store productivity and disciplined, cluster-led expansion.
- ▶ Footwear registered a modest recovery, with ~7.5% YoY revenue growth, led by premium and sports categories. However, the mass segment relied on aggressive discounting to drive volume, which did not fully translate into value growth. Continued competition from regional and unorganized firms constrained pricing power and margin expansion. We believe normalization in entry-level demand and improved pricing discipline are key for durable recovery.
- ▶ In innerwear, performance remains subdued with low single-digit volume growth despite strength in premium sub-brands. Although mix gains supported gross margin, elevated brand spending and pricing pressure resulted in EBITDA margin contraction.
- ▶ For luggage, higher discounting in the mass segment and persistent competition from direct-to-consumer (D2C) companies capped value growth. Festivity-led promotions and higher operating cost further weighed on margin during the quarter, tempering profitability despite resilient travel-linked demand.

Key highlights

- ▶ Wedding-led traction supported premium segments, but demand remains event-centric with no meaningful revival in mass categories, in line with our preview.
- ▶ SSSG remains negative to in the low single digits while elevated discounting and ad spend compressed operating leverage.
- ▶ Companies refrained from providing aggressive store addition or growth guidance, instead emphasizing productivity improvement and a calibrated approach to expansion, reinforcing our cautious view on near-term earnings recovery.

Leaders

- ▶ VVM delivered steady sales performance of 17.0% and 6.1% SSSG, driven by improving store productivity and disciplined expansion.
- ▶ METROBRA outperformed within the footwear segment with 15.4% revenue growth, on the back of premium portfolio strength and resilient in-store conversions.
- ▶ CAMPUS benefitted from traction in higher-priced sneaker category and better product mix lifted EBITDA margin by 277bp YoY to 18.7%.
- ▶ SII sustained ~20% YoY volume growth despite competition.

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Laggards

- ▶ VIP posted a 9.4% revenue decline due to inventory liquidation and weak footfalls.
- ▶ RLXF reported a 212bp YoY EBITDA margin decline to 10.4%, due to continued pressure in the mass segment, with limited pricing power and soft demand.
- ▶ MANYAVAR revenue /SSSG decline by 3.8%/ 4.5% YoY, due to limited wedding days and GST 2.0-led disruption, which resulted in a 302bp YoY contraction in EBITDA margin to 44.4%.

Peer valuation

Name	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Vishal Mega Mart	VMM IN	Buy	561	120	192	60	127,791	153,555	185,634	18,876	22,975	28,009	8,466	10,605	13,589
Page Industries	PAG IN	Buy	376	33,685	43,428	29	51,553	56,205	61,889	11,431	12,240	12,928	7,886	8,353	8,807
Metro Brands	METROBRA IN	Buy	292	1,071	1,510	41	28,282	32,696	37,933	8,584	10,005	11,569	4,105	4,770	5,510
Bata India	BATA IN	Accumulate	108	839	1,039	24	35,105	37,071	39,638	7,445	8,217	8,951	2,115	2,469	2,966
Vedant Fashions	MANYAVAR IN	Buy	107	441	610	38	14,283	15,369	16,907	6,213	6,870	7,608	3,615	3,808	4,236
Relaxo Footwears	RLXF IN	Reduce	92	368	412	12	26,500	28,215	30,643	3,557	3,957	4,484	1,660	1,935	2,277
Safari Industries	SII IN	Buy	90	1,833	3,248	77	20,597	24,539	28,582	2,795	3,595	4,376	1,742	2,376	2,925
Campus Activewear	CAMPUS IN	Buy	83	272	370	36	17,919	20,179	22,413	2,975	3,471	3,945	1,530	1,788	2,053
VIP Industries	VIP IN	Accumulate	54	382	430	13	18,934	21,296	24,227	(1,893)	1,491	2,466	(3,358)	(128)	609
Go Fashion India	GOCOLORS IN	Accumulate	18	341	446	31	8,525	9,325	10,359	2,489	2,779	3,139	644	770	938
Dollar Industries	DOLLAR IN	Buy	18	314	426	36	18,694	21,112	24,074	2,088	2,533	2,997	1,090	1,496	1,859

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

Industry Data, Valuations & Performance

Exhibit 168: Footwear companies saw modest volume recovery in Q3FY26

Volume growth YoY (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26E	FY25	FY26E	FY27E	FY28E
Metro Brands	(1.1)	5.4	10.6	10.3	3.9	9.2	7.1	14.0	3.0	12.2	12.2	12.0
Campus Activewear	3.0	36.4	10.0	7.9	(11.9)	8.2	8.7	30.2	12.3	9.2	9.3	7.3
Relaxo Footwear	(2.0)	(10.4)	(14.9)	(10.0)	(14.0)	(4.7)	0.0	(0.2)	(8.7)	(5.1)	4.9	7.0
Bata India *	(2.0)	0.5	0.0	(2.0)	(1.0)	(5.0)	2.0	4.0	4.0	2.7	4.0	4.8

Note: *Bata quarterly volume estimated; Source: Company, Elara Securities Estimate

Exhibit 169: Limited wedding days resulted in negative SSSG for apparel companies in Q3FY26

Same store sales growth YoY (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26E	FY25	FY26E	FY27E	FY28E
Vishal Mega Mart	11.6	0.0	10.5	13.4	10.5	11.3	6.1	9.0	11.8	10.1	10.5	10.0
Vedant Fashions	(27.2)	17.3	2.6	(4.5)	17.6	(2.0)	(4.5)	(3.2)	(4.2)	2.5	3.5	4.0
Go Fashion India	0.2	0.5	0.0	2.0	(2.0)	(3.6)	(4.5)	(3.5)	1.0	(3.4)	(1.0)	1.0

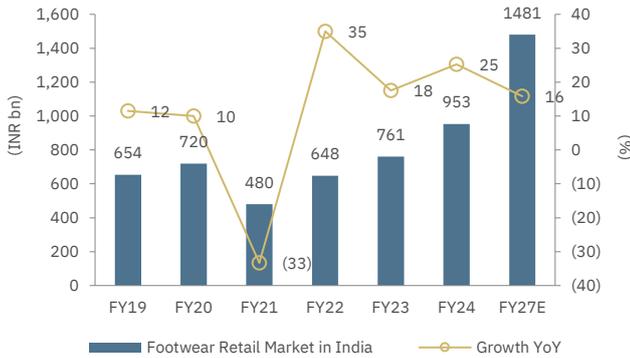
Source: Company, Elara Securities Estimate

Exhibit 170: Muted volume growth in innerwear companies in Q3FY26

Volume growth YoY (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26E	FY25	FY26E	FY27E	FY28E
Page Industries	3.0	6.7	4.7	8.5	2.1	2.5	1.4	2.4	5.6	2.1	5.0	4.7
Dollar Industries	(5.3)	2.0	8.2	10.5	18.7	5.5	2.5	2.5	4.6	6.4	9.4	10.2

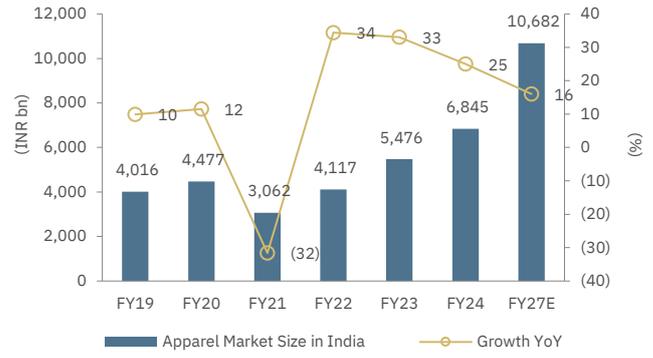
Source: Company, Elara Securities Estimate

Exhibit 171: Footwear retail market in India



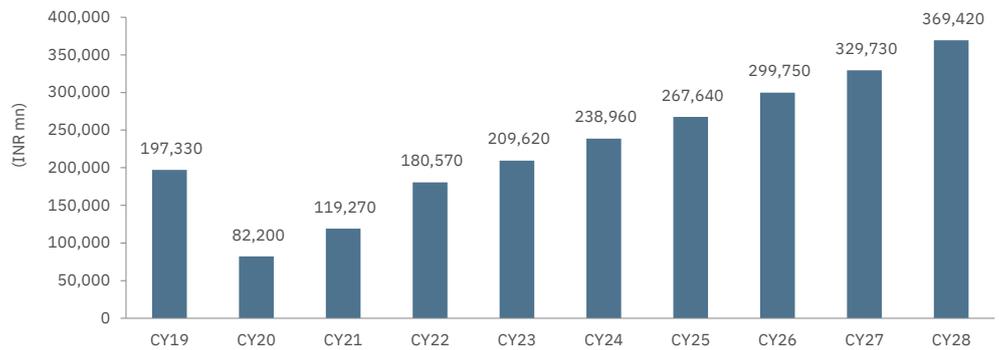
Source: Bazaar style retail DRHP, Elara Securities Estimate

Exhibit 172: Apparels market size in India



Source: Bazaar style retail DRHP, Elara Securities Estimate

Exhibit 173: Luggage market size



Source: VIP Presentation, Elara Securities Research

Exhibit 174: Retail market cap down 18% in the past year*



Note: Sector performance is calculated using aggregate market cap of companies under our coverage universe; pricing as on 17 February 2026; *one-year performance considered from 31 December 2024 to 17 February 2026; Source: ACE Equity, Elara Securities Research

Exhibit 175: Retail currently trading at a discount of 10%



Note: Trailing P/E is calculated using aggregate of market cap and earnings of our coverage universe; pricing as on 17 February 2026; Source: ACE Equity, Elara Securities Research

Small and Midcaps

Price performance

Company (%)	3M	6M	12M
SJS Enterprises	6.8	61.2	121.8
CarTrade Tech	(37.6)	(11.5)	33.9
CE Info Systems	(32.0)	(35.1)	(29.8)
Genesys International	(28.2)	(44.7)	(53.2)

Source: ACE Equity, Elara Securities Research

Our Q3FY26 coverage outcome reiterated two structural themes: 1) auto-cycle strength + OEM & dealer digitization (driving strong delivery for CarTrade Tech and a positive surprise for SJS Enterprises), and 2) geospatial adoption across enterprise and government where near-term delivery timing created dispersion – CE Info Systems – execution slowed despite a strong open orderbook of ~INR 17.7bn and is positioned for a stronger Q4 ramp-up. Genesys International continues to face an overhang from delay in new order awards. CarTrade Tech and SJS remain our top picks.

Earnings leaders

- ▶ **CARTRADE:** Q3FY26 was a clean beat (revenue at INR 2,103mn, EBITDA at INR 782mn, PAT at INR 636mn), driven by broad-based strength across consumer of 26.9% YoY, remarketing of 12.0% YoY and classifieds & OLX of 18.1% YoY with healthy segment profitability (consumer EBITDA margin 49.6%, remarketing 41.8%, and classifieds turning profitable). While stock volatility has been driven by “AI risk” sentiments from global peers, we see this as a near-term overhang rather than a structural threat to conversion-led marketplace monetization.
- ▶ **SJS:** Q3FY26 surprised on the positive (net sales at INR 2,435mn, EBITDA at INR 714mn, RPAT at INR 450mn), reflecting strong mix and operating leverage despite quarter-specific production and exports disruption. Q4 remains seasonally supportive, and the display-stack initiative (technical license and exclusive supply tie-up) adds medium-term optionality as localization opportunities expand in automotive interiors.

Earnings Laggards:

- ▶ **GENE:** Q3FY26 was a broad-based miss with sharp margin compression (revenue of INR 758mn, EBITDA of INR 157mn, and EBITDA margin of 20.8%) as execution and billing conversion remains weak and order award timelines are still delayed, keeping sentiments cautious. The multi-year Tata Motors PV order win is a meaningful medium-term positive (new vertical + potential visibility), but near-term rerating hinges on pace of new awards and execution normalization.
- ▶ **MAPMYIND:** Q3FY26 was weaker than our estimates (revenue at INR 937mn vs our estimates of INR 1,205mn; EBITDA at INR 268mn vs our estimates of INR 430mn; and RPAT at INR 188mn vs our estimates of INR 373mn), reflecting OEM maintenance shutdown-led disruption and back-ended delivery calendar. With open orderbook of ~INR 15bn intact, the setup improves into Q4 as deliveries ramp-up (including incremental contribution from the IOCL IoT contract).

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Peer valuation

Name	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
CarTrade Tech	CARTRADE IN	Buy	98	2,038	4,260	109	8,021	10,189	12,488	2,644	3,502	4,423	2,421	2,645	3,255
CE Info Systems	MAPMYIND IN	Buy	63	1,155	2,273	97	5,437	6,768	8,513	2,220	2,801	3,690	1,752	2,283	3,093
SJS Enterprises	SJS IN	Buy	59	1,860	2,090	12	9,468	10,912	12,658	2,587	3,034	3,543	1,603	1,927	2,302
Genesys International	GENE IN	Buy	14	324	940	190	4,353	5,940	8,274	1,851	2,567	3,612	673	984	1,875

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

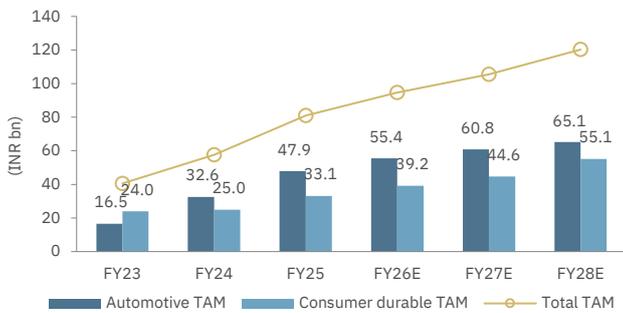
Industry Data, Valuations & Performance

Exhibit 176: Coverage dashboard: core operating KPIs and trajectory

	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	FY24	FY25	FY26E	FY27E	FY28E
CarTrade Tech Avg Monthly Unique Visitors (units mn)	49.1	44.7	43.8	52.4	55.1	37.9	45.4	49.9	53.9	57.1
CarTrade Tech Vehicles Auction Listing (units thousands)	365	400	346	440	470	1,090	1,378	1,585	1,775	1,882
CE Infosystems Map-led Revenue growth YoY (%)	32.5	62.2	25.9	-14.3	-41.5	20.1	29.4	10.0	25.0	23.0
CE Infosystems IoT-led Revenue growth YoY (%)	3.8	-11.0	-0.4	67.5	56.0	90.5	4.6	39.0	23.3	32.4
GENE Net Sales growth YoY (%)	50.1	32.3	27.1	6.8	-14.9	9.4	56.9	32.7	46.4	38.0
SJS 2W volume growth YoY (%)	7.0	-11.7	32.5	44.0	48.6	21.0	10.1	37.2	9.8	9.2
SJS PV volume growth YoY (%)	23.9	38.3	13.6	16.5	43.9	62.4	34.8	17.9	15.1	12.3

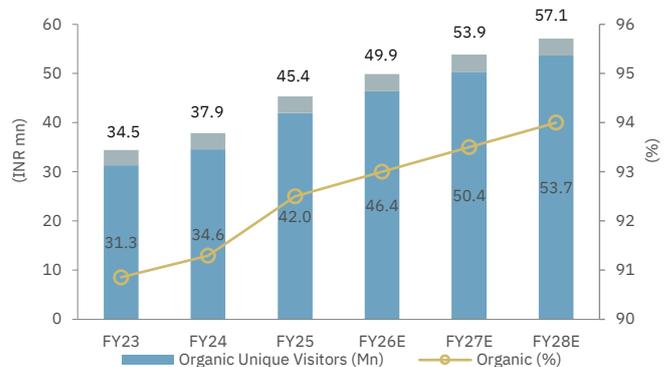
Source: Company, Elara Securities Estimate

Exhibit 177: SJS: Expanding addressable market as auto + consumer verticals scale



Source: SIAM, SJS Company, Elara Securities Research

Exhibit 178: CARTRADE: Traffic compounding and rising organic mix strengthen monetisation runway



Source: CarTrade Company, Elara Securities Research

Exhibit 179: SJS: Valuation re-rating reflects sustained growth momentum and rising kit value



Source: : Company, Elara Securities Research

Exhibit 180: CARTRADE: Recent correction improves entry point; valuation back near long-term averages



Source: : Company, Elara Securities Research

Textiles

Price performance

Company (%)	3M	6M	12M
Arvind	13.3	32.3	20.9
Vardhman Textiles	9.9	28.4	17.5
KPR Mills	(15.9)	(3.7)	9.5

Source: ACE Equity, Elara Securities Research

Earnings

- ▶ Spinners reported flat revenue in Q3FY26, as a weak exports environment offset the benefits of low-cost cotton procurement, resulting in an average margin contraction of around 100bp.
- ▶ Garment manufacturers delivered mid-single digit revenue growth, although higher US tariffs weighed on demand and drove a margin compression of about 50–60bp.
- ▶ In contrast, home textiles firms were the most affected by the US tariff hike, with the US as their key market, posting a revenue decline and sharp operating deleverage, as average margin shrank by ~300-400bp YoY following the imposition of 50% US tariffs for the full quarter.

Key highlights

- ▶ Textiles companies reported subdued performance, due to elevated US tariffs through the quarter. US reciprocal tariffs have been cut to 18% (from 50%), which should drive meaningful recovery in margin from Q1FY27. In addition, the recently signed EU and UK FTA are likely to provide a strong structural tailwind in the long term.

Leaders

- ▶ ARVND reported numbers that were in line with our expectations on revenue and PAT fronts while it outperformed on EBITDA by 12.7%. Key positives in the results were a higher growth rate of 31.8% in the advance materials division segment and 22.3% growth in garments. We retain our positive long-term outlook, supported by gradual demand improvement and the company's efforts to enhance margin.

Laggards

- ▶ KPR results were a miss on revenue by 14.5%, an EBITDA of 14.78% and a PAT by 6.0%, led by underperformance from the sugar segment and flat textiles segment performance.

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Peer valuation

Name	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
KPR Mills	KPR IN	Accumulate	312	914	1,086	19	66,527	72,827	76,651	12,859	14,678	16,174	8,686	9,784	10,966
Vardhman Textiles	VTEX IN	Accumulate	146	506	469	(7)	99,039	106,199	114,012	12,452	14,984	17,367	7,756	9,095	11,112
Arvind	ARVND IN	Buy	99	380	538	42	92,610	102,706	114,812	9,988	11,448	13,560	4,219	5,022	6,414

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

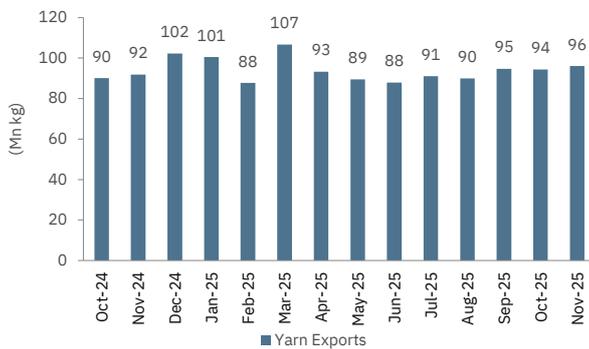
Industry Data, Valuations & Performance

Exhibit 181: Cotton yarn spread up 4.7% YoY and 7.3% QoQ

Particular	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Yarn - Cotton Spread (INR/Kg)	103	98	4.7	96	7.3
40s Warp Yarn (INR /Kg)	252	254	(0.7)	253	(0.4)
Shankar-6 (INR/Kg)	149	155	(4.1)	157	(5.2)
Spread as a % of yarn	41	39	5.5	38	7.8

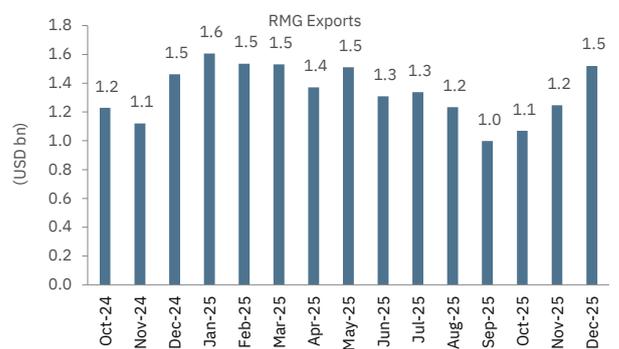
Source: Cotton Association of India, Bloomberg, Elara Securities Research

Exhibit 182: India's yarn exports - stable monthly volume



Source: Ministry of Commerce, Elara Securities Research

Exhibit 183: India's ready-made garment (RMG) exports grow 0.7% in Q3FY26



Source: Ministry of Commerce, Elara Securities Research

Utilities

Price performance

Company (%)	3M	6M	12M
Adani Energy Solutions	0.8	32.8	46.8
ACME Solar Holdings	(6.9)	(14.9)	32.4
NLC India	2.3	10.2	25.7
CESC	(11.4)	(4.5)	23.6
PTC India	5.4	(6.4)	22.9
NTPC	11.6	8.6	21.8
Torrent Power	13.5	11.8	19.9
Coal India	8.7	9.7	17.1
JSW Energy	(4.6)	(4.9)	16.6
Power Grid Corporation	9.9	4.2	14.3
Tata Power	(3.7)	(1.8)	12.2
NHPC	(5.6)	(6.8)	4.8
SJVN	(7.0)	(15.7)	(12.5)
NTPC Green Energy	(9.3)	(10.8)	(14.2)
IEX	(8.2)	(10.0)	(24.5)

Source: ACE Equity, Elara Securities Research

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- ▶ **Power generation stable in Q3FY26:** Power generation witnessed a weak start in Q3FY26, declining ~5.9% YoY to 142.5BU in October 2025 and ~0.9% YoY to 134BU in November 2025. This softness was followed by a sharp rebound in December, with generation rising 6.4% YoY to 150.8BU – the strongest monthly growth recorded in FY26 YTD. Overall, generation for Q3FY26 remains stable at 428BU, while FY26 YTD generation inched up by ~0.2% YoY to 1,390.8BU.
- ▶ **Peak demand rebounds in December:** December 2025 saw a sharp rise in peak demand, up ~7.6% YoY to 241.2GW, supported by colder weather and higher heating & lighting loads. November 2025 recorded peak demand of 215.5GW, up 3.8% YoY whereas October 2025 saw a decline of ~3.8% YoY to 210.7GW. FY26 YTD peak demand stood at 242.7GW.
- ▶ **Earnings:** The quarter delivered mixed earnings across the power sector. Renewables-focused companies, such as ACME and NTPCGREE posted growth, driven by new capacity, PWGR reported a strong quarter, led by robust capitalization. COAL reported subdued results, owing to lower production. NTPC, TPWR, TPR, JSW, and CESC have announced ambitious renewables capacity addition targets. TPWR has announced to set up 10GW of ingot and wafer manufacturing facility. NTPC remains active in thermal space and plans to foray into the nuclear segment. TPW, NHPC and TPWR are actively involved in the pumped hydro segment. Strong volume momentum continues on IEX. CESC, TPW, and NTPC foray into the green hydrogen space. Capex uptick for PWGR is likely to drive earnings. We retain a positive outlook on the sector, given that companies entering the renewables space with strong balance sheet would benefit from green transition.
- ▶ **Key monitorable and trigger points:** Key upside triggers include a recovery in power demand, opening of the nuclear sector to private participation, and privatization of Uttar Pradesh DISCOM. On the downside, delays in capacity addition, transmission commissioning slippages, and mounting DISCOM debt remain key risks.
- ▶ **Leaders** are NTPC, CESC and NLC
- ▶ **Laggard:** TPW

Peer valuation

Name	Ticker	Rating	Mcap				Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
NTPC	NTPC IN	Buy	3,572	368	444	21	1,987,764	2,139,281	2,221,113	567,355	612,741	636,179	240,125	246,891	258,706
Power Grid Corporation	PWGR IN	Buy	2,797	301	339	13	482,442	535,789	550,360	408,767	459,824	472,879	156,564	179,499	184,484
Coal India	COAL IN	Accumulate	2,598	422	458	9	1,394,650	1,464,123	1,537,042	376,627	392,580	407,992	285,610	291,972	297,111
Adani Energy Solutions	ADANIENS IN	Buy	1,238	1,030	1,169	13	260,643	280,524	315,107	97,234	125,365	150,787	25,504	35,757	39,584
Tata Power	TPWR IN	Buy	1,209	378	504	33	661,850	786,165	849,335	147,112	169,719	194,047	55,632	61,101	64,827
JSW Energy	JSW IN	Buy	880	487	581	19	203,393	229,984	253,803	99,872	122,695	143,298	18,962	26,754	38,030
NHPC	NHPC IN	Buy	771	77	97	26	96,458	118,947	124,735	51,145	72,729	77,592	32,158	40,595	43,459
NTPC Green Energy	NTPCGREE IN	Accumulate	758	90	96	7	26,971	75,246	123,552	23,567	66,944	110,342	4,985	18,312	23,730
Torrent Power	TPW IN	Sell	749	1,486	1,313	(12)	301,955	334,402	366,317	58,605	71,584	82,472	26,680	27,378	32,974
NLC India	NLC IN	Buy	363	262	320	22	165,438	193,927	199,754	52,919	73,390	80,552	19,029	27,442	27,467
SJVN	SJVN IN	Buy	305	78	120	55	35,408	58,593	60,997	27,658	46,696	48,232	8,917	19,648	20,239
CESC	CESC IN	Buy	206	156	228	46	184,282	192,101	205,803	38,121	39,130	45,174	15,948	16,204	18,515
ACME Solar Holdings	ACMESOLA IN	Buy	142	235	317	35	20,177	32,708	62,724	17,807	29,022	56,053	4,963	7,314	13,222
IEX	IEX IN	Accumulate	113	126	145	15	6,143	6,429	5,437	5,171	5,310	4,148	4,923	5,079	4,236
PTC India	PTCIN IN	Buy	52	175	210	20	162,482	170,269	178,474	4,223	4,338	4,422	3,041	3,126	3,188

Note: Pricing as on 17 February 2026; TP and Rating as per last published report; Source: Bloomberg, Elara Securities Estimate

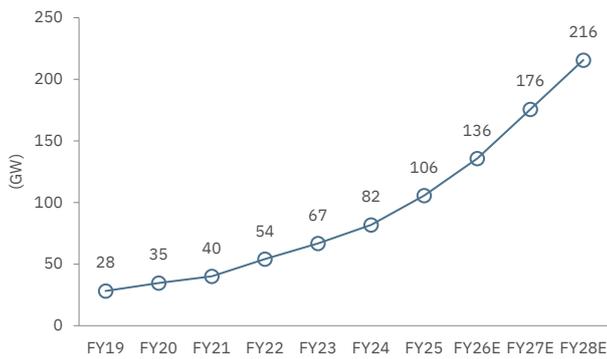
Industry data, valuations and performance

Exhibit 184: Installed capacity to reach 639GW by FY28

	FY24	FY25	FY26E	FY27E	FY28E
Installed capacity (GW)	442	475	518	574	639
Power demand (BU)	1,626	1,694	1,691	1,772	1,852
Peak demand (GW)	243	250	243	270	284

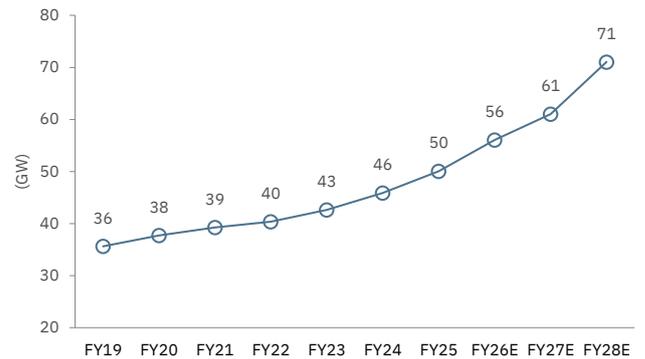
Source: Central Electricity Authority, Elara Securities Estimate

Exhibit 185: Solar capacity addition to rise by 59% YoY to 216GW



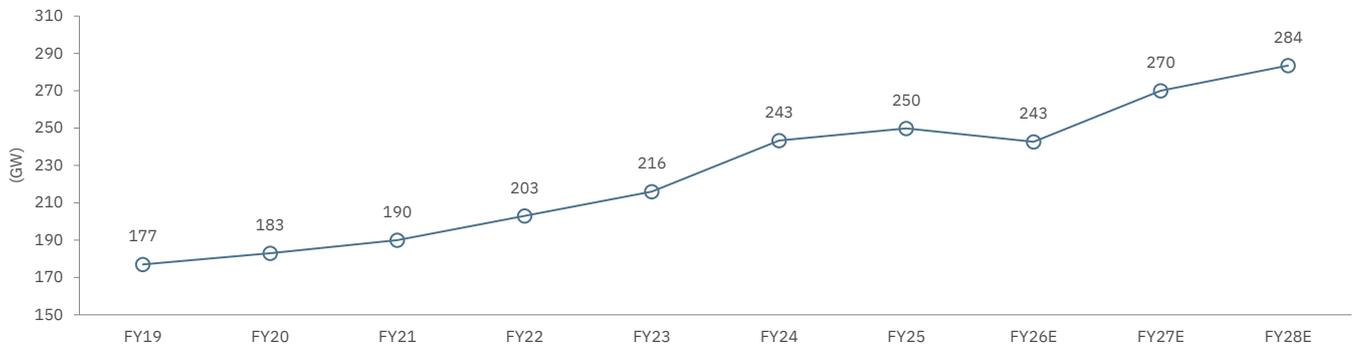
Source: Central Electricity Authority, Elara Securities Estimate

Exhibit 186: Wind capacity set to rise 26% YoY to 71GW



Source: Central Electricity Authority, Elara Securities Estimate

Exhibit 187: Peak demand CAGR of 4.3% during FY25-28E



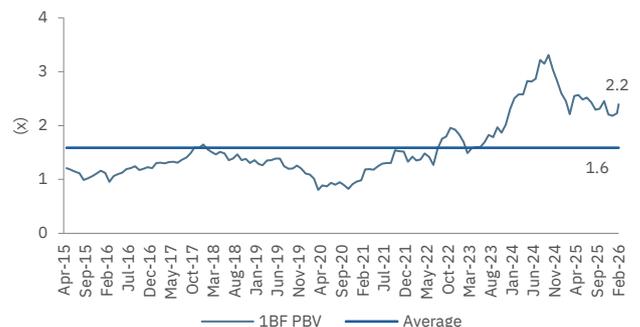
Source: Central Electricity Authority, Elara Securities Estimate

Exhibit 188: Utilities Index increases by 14% in a year



Note: Pricing as on 17 February 2026; Source: Bloomberg, Elara Securities Research

Exhibit 189: Utilities are currently at a 38% premium to average P/BV



Note: Pricing as on 17 February 2026; Source: Bloomberg, Elara Securities Research

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