# Strategy

## Nifty50 PAT to grow 9.8% YoY in 3QFY26E

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**For the JM Financial universe, we forecast PAT growth of 12.3% YoY in 3QFY26E. Ex-BFSI, we reckon growth would be 17.8% YoY. Furthermore, we expect Nifty 3QFY26E PAT to grow 9.8% YoY (ex-BFSI growth expected to be 16.2% YoY). After delivering 9.5% growth in 1Q and 8.4% in 2Q, Nifty50 would deliver YoY PAT growth of 9.8% in 3Q in our view, driven by: i) IT Services (12% weight in Nifty50 earnings), likely to increase 10% YoY; ii) Auto (6% weight in Nifty50 earnings), to accelerate 33% YoY; iii) Metals & Mining (5% weight in Nifty50 earnings), to rise 25% YoY; iv) Telecom (3% weight in Nifty50 earnings), to surge 64% YoY; and v) Industrials (4% weight in Nifty50 earnings), expected to jump 31% YoY.**

- **Bullish on consumption:** The Government of India and the RBI have taken steps to boost consumption through income tax cuts, interest rate cuts, an increase in banking system liquidity and GST rate reduction. Taking cognisance of this, we rejigged our model portfolio and increased our overweight on: i) consumer; ii) internet; iii) auto; and iv) hotels & real estate.

- **Domestic flows positive in 3QFY26, but FIIs continue to be net sellers:** In 3QFY26, DIIs were net buyers of Indian equities to the tune of USD 23.6bn, whereas FIIs offloaded Indian equities worth USD 1.3bn—attributable to a large quantum of selling in Dec'25. YTFY26 too, the trend remains similar with DIIs being large buyers (USD 68.5bn) and FIIs net sellers (USD 6.2bn). While FIIs were net buyers in 1QFY26 to the tune of USD 4.6bn, they were net sellers in 2Q and 3Q to the tune of USD 10.8bn. DIIs have remained net buyers in each month of FY26 so far.

- **JM Financial universe 3QFY26E PAT growth of 12.3% YoY:** For the JM Financial universe, we forecast PAT growth of 12.3% YoY in 3QFY26E. Sectors driving this are: i) Oil & Gas (16% weight in earnings), expected to rise 13% YoY; ii) IT Services (11% weight in earnings), expected to rise 11% YoY; iii) Auto (6% weight in earnings) expected to rise 33% YoY; iv) Metals & Mining (4% weight in earnings), expected to rise 71% YoY; and v) Industrials (3% weight in earnings), expected to rise 26% YoY. Ex-BFSI, the JM Financial universe is expected to register 17.8% YoY growth in 3QFY26E PAT. Ex-BFSI and Oil & Gas, this should rise 19.3% YoY.

- **3QFY26E Nifty50 PAT to grow 9.8% YoY:** We expect Nifty 3QFY26E PAT to grow 9.8% YoY, led by: i) IT Services (12% weight in Nifty50 earnings), likely to increase 10% YoY; ii) Auto (6% weight in Nifty50 earnings), to accelerate 33% YoY; iii) Metals & Mining (5% weight in Nifty50 earnings), to rise 25% YoY; iv) Telecom (3% weight in Nifty50 earnings), to surge 64% YoY; and v) Industrials (4% weight in Nifty50 earnings), expected to jump 31% YoY. Ex-BFSI, we reckon 3QFY26E Nifty PAT shall rise 16.2% YoY. Ex-BFSI and oil & gas, we expect Nifty50 PAT to grow 20.5% YoY.

**Nifty Valuation table (JMFL Estimates)**

| Particulars | FY26E | FY27E | FY28E |
|---|---|---|---|
| Nifty Index | 25,683 | 25,683 | 25,683 |
| EPS (INR) | 1,086 | 1,255 | 1,474 |
| *YoY (%)* | *7.1* | *15.5* | *17.5* |
| BPS (INR) | 7,504 | 8,431 | 9,450 |
| *YoY (%)* | *8.5* | *12.4* | *12.1* |
| PE (x) | 23.6 | 20.5 | 17.4 |
| PB (x) | 3.4 | 3.1 | 2.7 |
| ROE (%) | 15.1 | 15.7 | 16.5 |

Source: Company, JM Financial

**Nifty Valuation table (Bloomberg Estimates)**

| Particulars | FY26E | FY27E | FY28E |
|---|---|---|---|
| Nifty Index | 25,683 | 25,683 | 25,683 |
| EPS (INR) | 1,109 | 1,297 | 1,489 |
| *YoY (%)* | *9.4* | *17.0* | *14.8* |
| PE (x) | 23.1 | 19.8 | 17.2 |
| ROE (%) | 15.0 | 15.9 | 16.1 |

Source: Company, JM Financial

### Exhibit 1. 3QFY26E performance of Nifty50 sectors

| | Net Sales (%) | | EBITDA (%) | | Net Income (%) | | EBITDA Margin (%) | | | Net Income Margin (%) | | | Earnings |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sector** | **% yoy** | **% qoq** | **% yoy** | **% qoq** | **% yoy** | **% qoq** | **Q3FY26E** | **yoy (bps)** | **qoq (bps)** | **Q3FY26E** | **yoy (bps)** | **qoq (bps)** | **Weights (%)** |
| Automobiles | 29.8 | 16.9 | 32.6 | 21.5 | 33.1 | 6.3 | 15.0 | 32 | 57 | 11.31 | 29 | -113 | 5.72 |
| Aviation | 40.7 | 28.7 | 268.3 | 936.7 | NM | NM | 25.2 | 1554 | 2203 | 11.69 | NM | NM | 1.40 |
| Consumer | 7.4 | 1.4 | 7.3 | 1.9 | 5.5 | 3.8 | 26.1 | -0 | 14 | 19.97 | -35 | 47 | 5.23 |
| Consumer Retail | 34.1 | 27.7 | 46.5 | 38.2 | 47.1 | 55.1 | 12.8 | 108 | 97 | 7.84 | 69 | 139 | 1.00 |
| Cement | 25.0 | 7.9 | 29.3 | 17.1 | 17.4 | -38.4 | 11.9 | 40 | 93 | 4.10 | -26 | -308 | 0.50 |
| Industrials | 15.4 | 10.0 | 21.3 | 12.4 | 31.1 | 15.6 | 11.1 | 55 | 23 | 6.88 | 82 | 33 | 3.94 |
| Internet | 193.9 | 16.9 | 108.7 | 41.5 | 65.8 | 50.5 | 2.1 | -87 | 37 | 0.62 | -48 | 14 | 0.06 |
| IT Services | 7.7 | 2.3 | 7.9 | 3.8 | 10.4 | 7.3 | 23.2 | 4 | 34 | 16.20 | 40 | 75 | 12.01 |
| Metals and Mining | 8.9 | 3.9 | 15.3 | 3.3 | 24.8 | -8.7 | 16.2 | 90 | -10 | 6.33 | 81 | -88 | 4.94 |
| Oil and Gas | 5.8 | 0.2 | 3.6 | 1.3 | 0.1 | -2.5 | 21.2 | -44 | 24 | 8.71 | -50 | -24 | 10.10 |
| Pharmaceuticals | 6.1 | -1.7 | -9.1 | -7.6 | -9.5 | -15.4 | 22.3 | -374 | -141 | 14.68 | -253 | -237 | 3.03 |
| Ports and Logistics | 15.0 | -0.1 | 16.2 | 0.6 | 36.6 | 11.9 | 60.9 | 64 | 40 | 38.00 | 600 | 409 | 0.95 |
| Telecom | 19.5 | 3.1 | 24.4 | 2.9 | 64.0 | 1.1 | 57.2 | 223 | -8 | 12.60 | 342 | -24 | 2.87 |
| Utilities | 1.7 | 1.8 | 0.2 | 6.1 | -11.0 | 0.4 | 40.6 | -62 | 165 | 14.49 | -207 | -20 | 3.47 |
| | **% yoy** | **% qoq** | **% yoy** | **% qoq** | **% yoy** | **% qoq** | | | | | | | **Earnings Weights (%)** |
| **BFSI** | | | | | | | | | | | | | |
| **BFSI excl. Insurance** | 7.0 | 2.3 | 11.2 | -0.3 | 2.7 | -1.7 | | | | | | | 44.33 |
| NBFC | 17.2 | 3.1 | 20.8 | 3.8 | -1.9 | 6.3 | | | | | | | 5.16 |
| Private Sector Banks | 4.8 | 1.5 | 7.8 | 1.8 | 4.1 | 0.5 | | | | | | | 32.68 |
| SOE Banks | 8.5 | 4.6 | 18.7 | -12.4 | -0.2 | -16.4 | | | | | | | 6.48 |
| | **% yoy** | **% qoq** | **% yoy** | **% qoq** | **% yoy** | **% qoq** | | | | | | | **Earnings Weights (%)** |
| Insurance | 17.7 | 21.1 | 15.3 | 20.4 | 10.4 | 13.0 | | | | | | | 0.43 |
| | **Net Sales (%)** | | **EBITDA (%)** | | **Net Income (%)** | | **EBITDA Margin (%)** | | | **Net Income Margin (%)** | | | **Earnings** |
| | **% yoy** | **% qoq** | **% yoy** | **% qoq** | **% yoy** | **% qoq** | **Q3FY26E** | **yoy (bps)** | **qoq (bps)** | **Q3FY26E** | **yoy (bps)** | **qoq (bps)** | **Weights (%)** |
| Nifty 50 | **12.2** | **4.9** | **12.3** | **4.2** | **9.8** | **2.8** | | | | | | | **100.00** |
| excl. BFSI | 13.2 | 5.3 | 13.0 | 7.3 | 16.2 | 6.8 | 21.3 | -3 | 40 | 10.64 | 27 | 14 | 55.24 |
| excl. Oil & Gas | 13.9 | 6.0 | 13.8 | 4.6 | 11.0 | 3.5 | | | | | | | 89.90 |
| excl. BFSI & Oil & Gas | 15.5 | 6.9 | 16.0 | 9.2 | 20.5 | 9.1 | 21.3 | 9 | 45 | 11.19 | 46 | 22 | 45.14 |

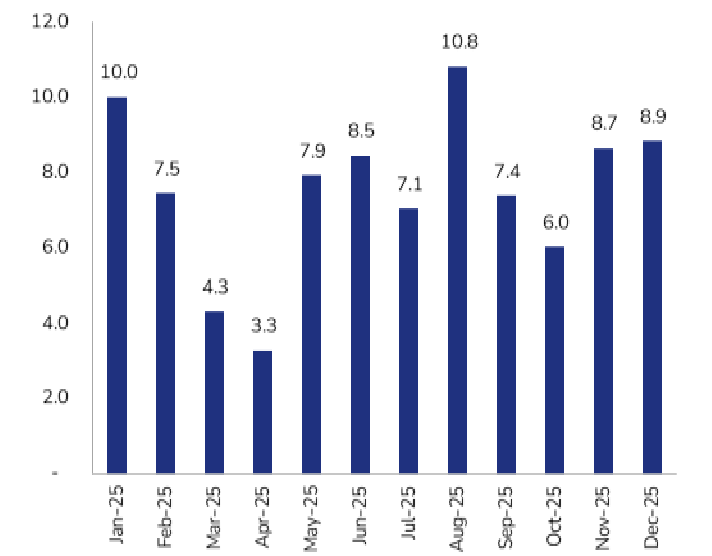
Source: Company, JM Financial
Note: Excl. Tata Motors

**Exhibit 2. 3QFY26E performance of JM Financial coverage universe**

| Sector | Net Sales (%) | | EBITDA (%) | | Net Income (%) | | EBITDA Margin (%) | | | Net Income Margin (%) | | | Earnings Weights (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | % yoy | % qoq | % yoy | % qoq | % yoy | % qoq | Q3FY26E | yoy (bps) | qoq (bps) | Q3FY26E | yoy (bps) | qoq (bps) | |
| Alcoholic Beverages | 6.2 | 6.1 | 9.6 | -3.2 | -2.0 | -6.1 | 13.80 | 42 | -133 | 8.55 | -72 | -112 | 0.22 |
| Auto Ancillaries | 13.7 | 2.9 | 11.2 | 1.7 | 23.3 | 3.9 | 11.43 | -26 | -14 | 4.82 | 38 | 4 | 0.91 |
| Automobiles | 25.9 | 12.7 | 31.9 | 16.6 | 33.2 | 10.1 | 14.55 | 67 | 48 | 10.81 | 59 | -26 | 5.74 |
| Aviation | 40.7 | 28.7 | 268.3 | 936.7 | NM | NM | 25.15 | 1554 | 2203 | 11.69 | NM | NM | 0.89 |
| Building Materials | 9.7 | -3.4 | 29.7 | -0.9 | 29.7 | 0.1 | 12.63 | 195 | 31 | 5.84 | 90 | 20 | 0.10 |
| Cement | 19.2 | 8.9 | 27.1 | 2.1 | 165.6 | 24.2 | 16.02 | 99 | -108 | 6.11 | 337 | 75 | 1.09 |
| Chemicals | 9.3 | -4.9 | 13.4 | -5.8 | 31.6 | -3.6 | 16.51 | 60 | -16 | 8.40 | 142 | 12 | 0.66 |
| Consumer | 8.1 | 1.1 | 7.8 | 0.2 | 6.8 | 0.7 | 22.56 | -6 | -19 | 16.21 | -19 | -5 | 4.23 |
| Consumer Durables | 12.9 | 9.4 | 12.3 | 3.7 | 16.1 | 3.3 | 9.25 | -5 | -51 | 6.05 | 17 | -36 | 0.56 |
| Consumer Retail | 25.0 | 21.5 | 26.3 | 38.4 | 35.4 | 67.3 | 11.14 | 12 | 136 | 5.77 | 44 | 158 | 1.23 |
| Diversified Services | 6.8 | 2.0 | -10.1 | 4.4 | -19.2 | 2.7 | 23.11 | -432 | 53 | 12.13 | -389 | 8 | 0.02 |
| Electronic Manufacturing Services | 8.2 | -12.9 | 16.8 | 3.8 | 23.9 | 16.7 | 6.02 | 44 | 97 | 2.78 | 35 | 71 | 0.16 |
| Exchanges | 4.8 | -1.0 | -7.8 | -5.6 | -8.6 | -5.9 | 40.52 | -554 | -198 | 33.15 | -489 | -171 | 0.08 |
| Healthcare | 15.6 | -1.1 | 16.5 | -6.3 | 13.8 | -14.7 | 21.73 | 18 | -120 | 12.51 | -19 | -199 | 0.91 |
| Hotels | 15.2 | 28.1 | 15.8 | 57.1 | 39.1 | 97.8 | 40.99 | 20 | 755 | 23.53 | 405 | 829 | 0.48 |
| Industrials | 15.7 | 8.6 | 21.1 | 9.1 | 26.0 | 9.8 | 12.02 | 54 | 6 | 8.07 | 66 | 9 | 2.73 |
| Infrastructure | 9.0 | 13.8 | 4.8 | 21.1 | 1.1 | 30.9 | 9.29 | -37 | 56 | 4.90 | -38 | 64 | 0.42 |
| Internet | 64.5 | 12.6 | 161.4 | 29.7 | NM | NM | 3.87 | 143 | 51 | 1.27 | NM | NM | 0.16 |
| IT Services | 8.3 | 2.7 | 9.3 | 3.9 | 10.5 | 7.9 | 22.80 | 21 | 27 | 15.85 | 31 | 77 | 11.09 |
| Media | 2.6 | -1.3 | 3.3 | -11.5 | 1.4 | -43.7 | 26.50 | 16 | -306 | 12.56 | -15 | -948 | 0.23 |
| Metals and Mining | 18.9 | 5.1 | 33.3 | -3.0 | 71.4 | -6.9 | 15.48 | 167 | -129 | 6.47 | 198 | -83 | 4.48 |
| Oil and Gas | 2.9 | 5.7 | 13.5 | 1.4 | 12.9 | -4.1 | 13.43 | 125 | -57 | 6.39 | 57 | -65 | 15.64 |
| Pharmaceuticals | 9.3 | 0.2 | 1.9 | -3.9 | 2.4 | -8.6 | 23.88 | -173 | -104 | 14.77 | -100 | -143 | 3.13 |
| Plastic Pipes | 5.8 | 3.9 | 10.6 | -3.5 | 6.8 | -4.7 | 12.39 | 55 | -95 | 6.32 | 6 | -56 | 0.10 |
| Ports and Logistics | 21.0 | 1.4 | 24.4 | 3.8 | 38.8 | 12.0 | 46.77 | 128 | 106 | 23.80 | 306 | 224 | 1.48 |
| Real Estate | 26.9 | 16.6 | 39.4 | 35.1 | 22.7 | 19.2 | 42.36 | 379 | 580 | 26.35 | -90 | 57 | 1.61 |
| Sugar | 15.2 | -17.8 | 18.5 | 21.8 | 18.3 | 61.5 | 10.68 | 30 | 348 | 5.41 | 14 | 266 | 0.02 |
| Telecom | 14.0 | 2.2 | 9.4 | 1.9 | 5.6 | -36.5 | 51.97 | -217 | -13 | 2.85 | -22 | -173 | 0.75 |
| Textile | -7.6 | -7.3 | -30.0 | -9.9 | -50.1 | -18.9 | 8.04 | -257 | -23 | 3.07 | -261 | -44 | 0.09 |
| Utilities | 1.5 | -0.2 | 2.4 | 5.2 | -11.5 | 1.7 | 35.69 | 33 | 183 | 14.24 | -209 | 26 | 6.65 |
| | % yoy | % qoq | % yoy | % qoq | % yoy | % qoq | | | | | | | Earnings Weights (%) |
| **BFSI** | | | | | | | | | | | | | |
| **BFSI excl. Insurance** | 8.0 | 3.4 | 10.4 | -0.1 | 4.1 | -0.3 | | | | | | | 30.07 |
| NBFC | 18.7 | 5.2 | 23.0 | 5.7 | 9.2 | 7.4 | | | | | | | 7.01 |
| NBFC - MFI | -2.7 | 5.3 | -1.3 | 13.4 | NM | NM | | | | | | | 0.10 |
| Private Sector Banks | 3.4 | 1.6 | 3.9 | 2.0 | 0.7 | 2.7 | | | | | | | 13.46 |
| Small Finance Banks | 7.9 | 4.8 | 2.4 | 5.3 | 25.0 | 24.4 | | | | | | | 0.28 |
| SOE Banks | 6.3 | 3.8 | 10.7 | -10.3 | -1.0 | -13.0 | | | | | | | 8.28 |
| | % yoy | % qoq | % yoy | % qoq | % yoy | % qoq | | | | | | | Earnings Weights (%) |
| AMC | 14.4 | 6.9 | -1.6 | 15.0 | 6.9 | 20.7 | | | | | | | 0.94 |
| | Net Sales (%) | | EBITDA (%) | | Net Income (%) | | EBITDA Margin (%) | | | Net Income Margin (%) | | | Earnings Weights (%) |
| | % yoy | % qoq | % yoy | % qoq | % yoy | % qoq | Q3FY26E | yoy (bps) | qoq (bps) | Q3FY26E | yoy (bps) | qoq (bps) | |
| Insurance | 10.5 | 32.9 | 16.3 | -5.6 | -4.9 | 3.8 | | | | | | | 3.76 |
| General Insurance Cos | 15.7 | 3.5 | NM | NM | 2.9 | 16.8 | | | | | | | 0.31 |
| | | | | | | | | | | | | | - |
| JM Financial | **10.3** | **5.3** | **13.6** | **3.6** | **12.3** | **4.6** | | | | | | | 100.00 |
| JM Financial excl. BFSI | 10.5 | 5.5 | 14.9 | 5.1 | 17.8 | 7.0 | 18.43 | 72 | -7 | 8.97 | 56 | 13 | 65.85 |
| JM Financial excl. Oil & Gas | 13.8 | 5.2 | 13.7 | 4.1 | 12.2 | 6.4 | | | | | | | 84.36 |
| JM Financial excl. BFSI & Oil & Gas | 14.7 | 5.4 | 15.4 | 6.4 | 19.3 | 11.1 | 20.94 | 13 | 19 | 10.33 | 40 | 53 | 50.52 |

Source: Company, JM Financial
Note: Excl. Tata Motors

**Exhibit 3. Monthly DII net flows over Jan'25–Dec'25 (USD bn)**




Source: NSDL, BSE, Industry, JM Financial

**Exhibit 4. Monthly FII net flows over Jan'25–Dec'25 (USD bn)**


Source: NSDL, BSE, Industry, JM Financial; Note: FIIs were net buyers to the tune of USD 40mn in Nov'25

**Exhibit 5. JM Financial – Top 28 picks for the quarter**

| Sector | Company | Market Cap (USD bn) |
|---|---|---|
| Telecom | Bharti Airtel | 139.5 |
| Banks | ICICI Bank | 113.6 |
| Auto & Auto Ancillaries | MSIL | 58.8 |
| Consumer Discretionary | Titan | 42.2 |
| Cement | UltraTech | 39.9 |
| Ports & Logistics | Adani Ports | 35.2 |
| Consumer Durables | Polycab | 13.2 |
| Utilities | BHEL | 11.4 |
| Consumer Staples | Marico | 11.2 |
| Insurance | IPRU Life | 11.0 |
| NBFC | Aditya Birla Capital | 10.4 |
| Metals & Mining | Lloyds Metals | 7.9 |
| Real Estate | GPL | 7.2 |
| Alcoholic Beverages | Radico Khaitan | 4.8 |
| Industrials | AIA Engineering | 4.1 |
| Internet | Delhivery | 3.4 |
| Chemicals | Navin Fluorine | 3.3 |
| Oil & Gas | Gujarat Gas | 3.3 |
| Asset and Wealth Management | Nuvama Wealth | 3.0 |
| IT Services | Sagility | 2.7 |
| Pharma & Healthcare | Sai Life Sciences | 2.3 |
| Infrastructure | Kalpataru Projects | 2.2 |
| Building Materials | Century Plyboards | 2.0 |
| EMS | Syrma SGS | 1.6 |
| Hotels | Leela | 1.6 |
| Media | PVR-INOX | 1.1 |
| Sugar | Balrampur Chini | 1.0 |
| Auto & Auto Ancillaries | SJS Enterprises | 0.6 |

Source: JM Financial

**Exhibit 6. JM Financial – Top 24 stocks to avoid for the quarter**

| Sector | Company | Market Cap (USD bn) |
|---|---|---|
| Banks | HDFC Bank | 162.4 |
| Consumer Discretionary | DMart | 27.8 |
| Auto & Auto Ancillaries | Hyundai Motors | 21.4 |
| IT Services | LTIM | 20.1 |
| Pharma & Healthcare | Cipla | 13.2 |
| Industrials | Cummins India | 12.8 |
| Telecom | Indus Towers | 12.6 |
| Oil & Gas | HPCL | 11.3 |
| Asset and Wealth Management | Groww | 11.1 |
| EMS | Dixon | 7.9 |
| NBFC | HDB Financial | 7.0 |
| Metals & Mining | SAIL | 6.9 |
| Consumer Staples | Colgate | 6.3 |
| Alcoholic Beverages | United Breweries | 4.6 |
| Ports & Logistics | Container Corporation | 4.5 |
| Real Estate | Brigade | 2.4 |
| Utilities | Inox Wind | 2.3 |
| Hotels | Lemon Tree | 1.3 |
| Internet | Nazara Tech | 1.1 |
| Media | Zee | 1.0 |
| Cement | Birla Corporation | 0.9 |
| Infrastructure | KNR Constructions | 0.5 |
| Chemicals | Tatva Chintan | 0.3 |
| Building Materials | Prince Pipes and Fittings | 0.3 |

Source: JM Financial

# Alcoholic Beverages

- We expect 3QFY26E revenue growth for our alcoholic beverage coverage universe to moderate to single-digits versus double-digit delivery over the past four quarters as Andhra Pradesh RTM change benefit is now in base for spirit players.
- Key highlights: i) Spirit players to outperform with higher volume/sales growth than beer players. ii) Radico Khaitan remains the key outperformer across metrics. iii) Gross margin to improve YoY across players as RM environment remains stable-to-benign. iv) Higher A&P/scale deleverage would impact EBITDA growth for United Spirits, Allied Blenders and United Breweries.
- Going forward, changes in excise duty (if any) during upcoming state budgets, Maharashtra policy impact (particularly for United Spirits) and pace of volume recovery for United Breweries are the key variables to monitor.
- **Top pick: Radico Khaitan**
- **Top stock to avoid: United Breweries**

**Exhibit 7. Alcoholic Beverages – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Company | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq |
| Allied Blenders & Distillers | 10,289 | 9,901 | 9,739 | 5.6 | 3.9 | 1,291 | 1,254 | 1,168 | 10.5 | 2.9 | 615 | 643 | 575 | 7.0 | -4.4 |
| Radico Khaitan | 15,318 | 14,939 | 12,942 | 18.4 | 2.5 | 2,384 | 2,376 | 1,840 | 29.6 | 0.3 | 1,388 | 1,390 | 960 | 44.7 | -0.1 |
| United Breweries | 19,976 | 20,511 | 19,984 | -0.0 | -2.6 | 1,326 | 1,301 | 1,411 | -6.0 | 1.9 | 478 | 469 | 479 | -0.1 | 1.9 |
| United Spirits | 36,202 | 31,700 | 34,320 | 5.5 | 14.2 | 6,282 | 6,720 | 5,880 | 6.8 | -6.5 | 4,509 | 4,944 | 5,121 | -11.9 | -8.8 |

Source: Company, JM Financial

# Auto and auto ancillaries

- Auto OEMs witnessed a structural shift following GST rationalisation in 2QFY26, which spurred demand and sustained momentum in 3QFY26. We estimate revenue for OEMs under our coverage (ex-Tata Motors PV) to rise ~26% YoY driven by robust GST-led demand and higher exports. EBITDA margins are expected to expand ~70bps YoY supported by a favourable mix and operating leverage, partially offset by commodity cost pressures linked to precious metals.
- **Top pick – MSIL:** It remains our top pick given strong post-GST demand traction and margin expansion due to a favourable mix.
- **Top stock to avoid – Hyundai:** We avoid Hyundai Motor India (HMIL) due to market share erosion and margin pressure from elevated discounts and ramp-up costs at its new plant.
- We expect auto ancillary companies under our coverage to post revenue growth of 13.7% YoY driven by a broader product as well as customer base, though tempered by weak global demand amid tariff pressures. EBITDA margins are likely to contract ~30bps YoY due to tariff-related costs, commodity cost inflation and an unfavourable geographic mix.
- **Top pick: SJS Enterprises**

**Exhibit 8. Auto – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** |
| Ashok Leyland | 1,13,055 | 95,882 | 94,787 | 19.3 | 17.9 | 15,358 | 11,622 | 12,114 | 26.8 | 32.2 | 10,916 | 8,111 | 7,617 | 43.3 | 34.6 |
| Bajaj Auto | 1,56,511 | 1,49,221 | 1,28,069 | 22.2 | 4.9 | 32,725 | 30,517 | 25,807 | 26.8 | 7.2 | 26,441 | 24,797 | 21,087 | 25.4 | 6.6 |
| Eicher Motors | 61,938 | 61,716 | 49,731 | 24.5 | 0.4 | 15,420 | 15,119 | 12,012 | 28.4 | 2.0 | 14,428 | 13,695 | 11,705 | 23.3 | 5.4 |
| Hero MotoCorp | 1,22,673 | 1,21,264 | 1,02,108 | 20.1 | 1.2 | 18,662 | 18,234 | 14,765 | 26.4 | 2.3 | 14,431 | 13,928 | 12,028 | 20.0 | 3.6 |
| Hyundai Motor | 1,77,184 | 1,74,608 | 1,66,480 | 6.4 | 1.5 | 22,879 | 24,289 | 18,755 | 22.0 | -5.8 | 14,508 | 15,723 | 11,607 | 25.0 | -7.7 |
| Mahindra & Mahindra | 3,93,097 | 3,34,216 | 3,05,382 | 28.7 | 17.6 | 58,339 | 48,615 | 44,681 | 30.6 | 20.0 | 39,843 | 45,205 | 29,643 | 34.4 | -11.9 |
| Maruti Suzuki | 5,17,282 | 4,21,008 | 3,84,921 | 34.4 | 22.9 | 62,834 | 44,341 | 44,703 | 40.6 | 41.7 | 49,229 | 32,931 | 35,250 | 39.7 | 49.5 |
| Tata Motors Passenger Vehicles | 6,70,944 | 7,31,870 | 9,44,450 | -29.0 | -8.3 | (7,942) | (710) | 1,24,620 | NM | NM | (45,490) | (37,600) | 42,760 | NM | NM |
| TVS Motor | 1,22,993 | 1,19,054 | 90,971 | 35.2 | 3.3 | 16,039 | 15,086 | 10,815 | 48.3 | 6.3 | 10,168 | 9,061 | 6,185 | 64.4 | 12.2 |

Source: Company, JM Financial

**Exhibit 9. Auto Ancillaries – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** |
| Apollo Tyres | 73,703 | 68,311 | 69,280 | 6.4 | 7.9 | 11,422 | 10,207 | 9,470 | 20.6 | 11.9 | 5,052 | 4,381 | 3,415 | 47.9 | 15.3 |
| ASK Automotive | 10,615 | 10,537 | 9,151 | 16.0 | 0.7 | 1,395 | 1,371 | 1,107 | 26.0 | 1.7 | 794 | 798 | 659 | 20.6 | -0.5 |
| Belrise Industries | 23,300 | 23,535 | 21,668 | 7.5 | -1.0 | 2,940 | 2,962 | 2,618 | 12.3 | -0.7 | 1,363 | 1,330 | 1,006 | 35.5 | 2.5 |
| Bharat Forge | 41,932 | 40,319 | 34,755 | 20.6 | 4.0 | 7,483 | 7,257 | 6,244 | 19.8 | 3.1 | 3,218 | 2,993 | 2,128 | 51.2 | 7.5 |
| Ceat Ltd | 40,251 | 37,727 | 32,999 | 22.0 | 6.7 | 5,233 | 5,034 | 3,409 | 53.5 | 4.0 | 2,047 | 1,860 | 971 | 110.8 | 10.1 |
| Endurance Technologies | 36,626 | 35,828 | 28,592 | 28.1 | 2.2 | 4,779 | 4,768 | 3,725 | 28.3 | 0.2 | 2,300 | 2,273 | 1,844 | 24.7 | 1.2 |
| Happy Forgings | 3,945 | 3,774 | 3,543 | 11.3 | 4.5 | 1,151 | 1,158 | 1,015 | 13.4 | -0.6 | 732 | 734 | 645 | 13.5 | -0.3 |
| Motherson Sumi Wiring India | 27,895 | 27,619 | 23,003 | 21.3 | 1.0 | 2,710 | 2,797 | 2,376 | 14.1 | -3.1 | 1,593 | 1,653 | 1,400 | 13.8 | -3.6 |
| Samvardhana Motherson International | 3,08,264 | 3,01,730 | 2,76,659 | 11.4 | 2.2 | 25,894 | 26,107 | 26,858 | -3.6 | -0.8 | 8,683 | 8,632 | 8,786 | -1.2 | 0.6 |
| SJS Enterprises | 2,466 | 2,418 | 1,786 | 38.1 | 2.0 | 696 | 684 | 453 | 53.7 | 1.8 | 458 | 433 | 277 | 65.4 | 5.9 |
| Sona BLW Precision Forgings | 10,863 | 11,435 | 8,680 | 25.2 | -5.0 | 2,629 | 2,891 | 2,342 | 12.2 | -9.1 | 1,551 | 1,744 | 1,569 | -1.1 | -11.1 |
| Suprajit Engineering | 9,604 | 9,410 | 8,316 | 15.5 | 2.1 | 1,037 | 996 | 970 | 6.9 | 4.1 | 612 | 509 | 334 | 83.2 | 20.1 |

Source: Company, JM Financial

# Banking and Financial Services (BFSI)

## Banks

- We expect 3QFY26 to reflect visible improvement in banks' performance after a weak 1HFY26, driven by stronger credit momentum, easing cost of funds pressure and improving asset quality trends. Mirroring sectoral trends, credit growth for our coverage universe of 17 banks should pick up to 11.8% YoY (11.1% YoY in 2Q) while deposit growth remains lower at 10.2% YoY (9.7% YoY in 2Q), resulting in a higher CD ratio of ~85% (versus ~84% in 2Q).
- The additional repo rate cut of 25bps in Dec'25 will have negative impact on NIMs, but only in 4QFY26/1QFY27. Hence, despite some seasonality, 3Q NIM outlook for banks looks relatively good, also aided by the full impact of CRR cuts. Lower treasury gains and negative impact on opex due to new labour code should get offset by improving business momentum and pickup in core fee income growth. Credit cost should largely improve even more for SFB/mid-banks as asset quality trends in unsecured segments improve.
- **Top pick – ICICI Bank:** ICICI Bank heads into 3QFY26 with improving growth and profitability visibility. Loans are expected to rise ~11% YoY/4% QoQ, with deposits up ~8% YoY/2% QoQ. NIMs should hold stable at ~4.2% while asset quality is expected to remain robust with credit costs of ~0.5% and RoA near ~2.2%. Supported by high provisioning buffers and comfortable capital, ICICI remains one of the best placed large banks to deliver steady earnings compounding, reinforcing our 'BUY' stance.
- **Top stock to avoid – HDFC Bank:** Provisional data show loans growing at 11.9% YoY/2.7% QoQ in 3QFY25, lower than sector credit growth/deposits growth lagging credit growth at 11.5% YoY/2.1% QoQ, driving the CD ratio to ~99.5% (on gross advances). Slowing deposit growth for HDFC Bank and system would lead to lower-than-system credit growth in FY27E for HDFC Bank. Given its valuation is similar to ICICI Bank (both at 1.8xFY28 BVPS) despite having expected lower growth/RoE profile makes us negative on HDFC Bank for the time being.

**Exhibit 10. Banks – 3QFY26E results preview**

| | NII (INR mn) | | | | | PPP (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Company | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq |
| AXIS Bank | 140,514 | 137,446 | 136,059 | 3.3 | 2.2 | 108,957 | 104,125 | 105,339 | 3.4 | 4.6 | 55,535 | 50,896 | 63,038 | -11.9 | 9.1 |
| Bandhan Bank | 26,610 | 25,886 | 28,143 | -5.4 | 2.8 | 13,171 | 13,104 | 21,874 | -39.8 | 0.5 | 2,284 | 1,119 | 4,265 | -46.5 | 104.1 |
| City Union Bank | 7,027 | 6,665 | 5,877 | 19.6 | 5.4 | 4,914 | 4,706 | 4,360 | 12.7 | 4.4 | 3,434 | 3,286 | 2,860 | 20.1 | 4.5 |
| DCB Bank | 6,321 | 5,962 | 5,429 | 16.4 | 6.0 | 3,483 | 3,039 | 2,711 | 28.5 | 14.6 | 2,032 | 1,839 | 1,514 | 34.2 | 10.5 |
| Federal Bank | 25,648 | 24,952 | 24,313 | 5.5 | 2.8 | 16,867 | 16,442 | 15,695 | 7.5 | 2.6 | 9,899 | 9,553 | 9,554 | 3.6 | 3.6 |
| HDFC Bank | 320,319 | 315,515 | 306,533 | 4.5 | 1.5 | 279,892 | 279,236 | 250,004 | 12.0 | 0.2 | 186,377 | 186,413 | 167,355 | 11.4 | -0.0 |
| ICICI Bank | 216,495 | 215,295 | 203,706 | 6.3 | 0.6 | 175,881 | 172,980 | 168,866 | 4.2 | 1.7 | 119,457 | 123,589 | 117,924 | 1.3 | -3.3 |
| IndusInd Bank | 42,482 | 44,094 | 52,281 | -18.7 | -3.7 | 20,357 | 20,280 | 35,989 | -43.4 | 0.4 | 486 | (4,448) | 14,013 | -96.5 | NM |
| Kotak Mahindra Bank | 75,271 | 73,107 | 71,963 | 4.6 | 3.0 | 55,917 | 52,683 | 51,810 | 7.9 | 6.1 | 35,175 | 32,533 | 33,048 | 6.4 | 8.1 |
| Yes Bank | 24,864 | 23,009 | 22,235 | 11.8 | 8.1 | 14,031 | 12,965 | 10,790 | 30.0 | 8.2 | 7,750 | 6,545 | 6,123 | 26.6 | 18.4 |
| AU Small Finance Bank | 22,492 | 21,444 | 20,227 | 11.2 | 4.9 | 12,822 | 12,097 | 12,049 | 6.4 | 6.0 | 6,453 | 5,609 | 5,284 | 22.1 | 15.1 |
| Equitas Small Finance Bank | 8,177 | 7,737 | 8,184 | -0.1 | 5.7 | 2,679 | 2,406 | 3,329 | -19.5 | 11.4 | 604 | 241 | 663 | -8.8 | 150.3 |
| Ujjivan Small Finance Bank | 9,561 | 9,217 | 8,867 | 7.8 | 3.7 | 3,931 | 3,952 | 3,592 | 9.4 | -0.5 | 1,735 | 1,217 | 1,086 | 59.7 | 42.5 |
| Bank of Baroda | 122,856 | 119,536 | 114,169 | 7.6 | 2.8 | 76,021 | 75,760 | 76,642 | -0.8 | 0.3 | 45,823 | 48,094 | 48,373 | -5.3 | -4.7 |
| Punjab National Bank | 106,501 | 104,688 | 110,323 | -3.5 | 1.7 | 63,209 | 72,271 | 66,206 | -4.5 | -12.5 | 45,351 | 49,037 | 45,082 | 0.6 | -7.5 |
| State Bank of India | 449,826 | 429,841 | 414,455 | 8.5 | 4.6 | 279,509 | 319,044 | 235,508 | 18.7 | -12.4 | 168,584 | 201,599 | 168,914 | -0.2 | -16.4 |

Source: Company, JM Financial

## NBFCs

- **Profitability to improve further:** For our coverage universe of 23 NBFCs, we expect profitability to improve, driven largely by pick up in disbursement growth, NIM expansion and moderation in credit cost. We expect AUM growth to be 16.7% YoY in 3QFY26 (~16.3%/19.2% YoY in 2QFY26/3QFY25) with improvement in RoEs at 14.5% in 3QFY26E (versus 13.9% in 2QFY26).
- Rising gold prices are expected to support diversified financiers and MSME lenders, driving healthy disbursement growth. For diversified financiers, we expect disbursement growth to pick up YoY, but YoY AUM growth should remain steady over 2Q. For MSME lenders, we expect inch up in credit costs. For VF, we expect improvement in disbursement, which will aid in maintaining stable AUM growth while credit cost is expected to normalize.
- For HFC/AHFCs, we expect stable-to-improving AUM growth (YoY) due to 10% QoQ disbursement growth. For MFI players, pick-up in disbursement growth will be driven by a gradual uptick in MFI disbursement and diversification into non-MFI segments by MFIs.
- However, normalisation in credit cost will be slower. In terms of earnings growth, diversified financials are expected to deliver relatively strong numbers followed by MSMEs, VFs, HFC/AHFCs, and MFI. Our preferred plays among NBFCs are: AB Cap (in diversified NBFCs), SHFL (in VFs), PNB HF/Aadhar (in HFC/AHFCs) and Fedfina (in MSMEs/Gold).
- **Top pick – Aditya Birla Capital:** ABCAP heads into 3QFY26 with improving AUM/disbursement growth and return metrics. Margins are expected to increase by ~20bps QoQ supported by better yields and healthy growth. We expect the company to deliver a 24% AUM CAGR over FY25–28E and margin improvement led by a gradual increase in the P&C segment. In addition, the credit guarantee on its unsecured loan segments offers comfort on asset quality. Hence, we expect consistent ~2.2% RoAs for FY26–28E from its NBFC arm and value it at 2.3x FY28E core P/B while subsidiaries valued at INR 149, yielding a TP of INR 420.
- **Top stock to avoid – HDB Financial:** We expect HDB to report muted AUM growth of 13% YoY in 3QFY26 (versus 15% in 2Q) and deliver elevated credit cost, which will put pressure on its earnings. Despite a strong franchise, HDBFS is inferior to diversified peers in terms of AUM growth (13% CAGR over FY25–28E) and returns profile (average RoA/RoE of 2.4%/14.7%). Given limited visibility on growth/RoE, we are negative on HDBFS.

**Exhibit 11. NBFCs – 3QFY26E results preview**

| Company | NII (INR mn) | | | | | PPP (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq |
| Aadhar Housing Finance | 4,761 | 4,578 | 4,073 | 16.9 | 4.0 | 3,850 | 3,559 | 3,264 | 18.0 | 8.2 | 2,851 | 2,665 | 2,393 | 19.1 | 7.0 |
| Aavas Financiers | 3,726 | 3,582 | 3,065 | 21.5 | 4.0 | 2,282 | 2,192 | 1,945 | 17.4 | 4.1 | 1,705 | 1,639 | 1,464 | 16.5 | 4.0 |
| Aditya Birla Capital | 19,173 | 17,335 | 15,424 | 24.3 | 10.6 | 14,588 | 16,056 | 12,044 | 21.1 | -9.1 | 7,516 | 9,163 | 6,134 | 22.5 | -18.0 |
| Aptus Value Housing Finance | 3,253 | 3,077 | 2,906 | 11.9 | 5.7 | 3,277 | 3,124 | 2,528 | 29.6 | 4.9 | 2,395 | 2,265 | 1,905 | 25.7 | 5.7 |
| Bajaj Finance | 113,474 | 107,847 | 93,826 | 20.9 | 5.2 | 93,505 | 88,769 | 78,088 | 19.7 | 5.3 | 52,000 | 47,526 | 43,945 | 18.3 | 9.4 |
| Cholamandalam Investment | 35,913 | 33,787 | 28,869 | 24.4 | 6.3 | 26,746 | 24,578 | 21,276 | 25.7 | 8.8 | 13,132 | 11,553 | 10,865 | 20.9 | 13.7 |
| Fedbank Financial Services | 3,163 | 2,939 | 2,730 | 15.9 | 7.7 | 1,536 | 1,390 | 1,338 | 14.8 | 10.5 | 863 | 802 | 188 | 360.2 | 7.7 |
| Five-Star Business Finance | 6,044 | 5,931 | 5,399 | 12.0 | 1.9 | 4,270 | 4,330 | 3,884 | 9.9 | -1.4 | 2,757 | 2,861 | 2,739 | 0.7 | -3.6 |
| HDB Financial Services | 22,854 | 21,925 | 18,721 | 22.1 | 4.2 | 15,929 | 15,305 | 12,765 | 24.8 | 4.1 | 6,523 | 5,814 | 4,723 | 38.1 | 12.2 |
| Home First Finance | 2,255 | 2,065 | 1,631 | 38.2 | 9.2 | 2,074 | 1,885 | 1,396 | 48.6 | 10.0 | 1,438 | 1,318 | 974 | 47.7 | 9.1 |
| L&T Finance Holdings | 23,707 | 22,180 | 20,410 | 16.2 | 6.9 | 17,565 | 16,240 | 14,220 | 23.5 | 8.2 | 7,557 | 7,350 | 6,260 | 20.7 | 2.8 |
| LIC Housing Finance | 20,792 | 20,385 | 20,001 | 4.0 | 2.0 | 18,819 | 18,729 | 17,495 | 7.6 | 0.5 | 13,719 | 13,539 | 14,320 | -4.2 | 1.3 |
| M&M Financial | 25,159 | 24,064 | 20,971 | 20.0 | 4.6 | 15,821 | 14,989 | 12,217 | 29.5 | 5.6 | 7,535 | 5,693 | 8,995 | -16.2 | 32.4 |
| Piramal Finance | 12,115 | 11,319 | 9,401 | 28.9 | 7.0 | 7,748 | 5,153 | 3,593 | 115.7 | 50.4 | 3,596 | 3,270 | 400 | 800.0 | 10.0 |
| PNB Housing Finance | 7,665 | 7,505 | 6,905 | 11.0 | 2.1 | 6,560 | 6,465 | 5,795 | 13.2 | 1.5 | 5,496 | 5,816 | 4,833 | 13.7 | -5.5 |
| Poonawalla Fincorp | 8,925 | 7,644 | 6,141 | 45.3 | 16.8 | 4,394 | 3,566 | 3,814 | 15.2 | 23.2 | 995 | 742 | 187 | 431.3 | 34.1 |
| SBFC Finance | 2,657 | 2,506 | 2,012 | 32.0 | 6.0 | 1,899 | 1,768 | 1,366 | 39.0 | 7.4 | 1,175 | 1,091 | 881 | 33.4 | 7.7 |
| Shriram Finance | 64,267 | 61,323 | 57,229 | 12.3 | 4.8 | 47,017 | 44,434 | 40,850 | 15.1 | 5.8 | 23,938 | 23,072 | 35,698 | -32.9 | 3.8 |
| Tata Capital | 32,158 | 30,040 | 27,498 | 16.9 | 7.1 | 25,248 | 22,767 | 19,255 | 31.1 | 10.9 | 12,853 | 11,190 | 10,504 | 22.4 | 14.9 |
| Bajaj FinServ | 132,053 | 126,974 | 111,323 | 18.6 | 4.0 | 167,330 | 159,362 | 133,416 | 25.4 | 5.0 | 51,943 | 47,465 | 44,119 | 17.7 | 9.4 |
| Spandana Sphoorty Financial | 1,603 | 880 | 2,962 | -45.9 | 82.3 | 335 | (672) | 812 | -58.8 | NM | (581) | (2,181) | (3,939) | NM | NM |
| CreditAccess Grameen | 10,385 | 10,288 | 9,055 | 14.7 | 0.9 | 7,077 | 6,948 | 6,229 | 13.6 | 1.9 | 2,208 | 1,258 | (995) | NM | 75.5 |
| Fusion Micro Finance | 2,470 | 2,465 | 2,245 | 10.0 | 0.2 | 1,190 | 890 | 648 | 83.7 | 33.6 | 294 | (221) | (7,193) | NM | NM |
| Muthoot Microfin | 3,367 | 3,245 | 3,876 | -13.1 | 3.8 | 1,811 | 1,490 | 2,523 | -28.2 | 21.6 | 577 | 305 | 38 | 1418.2 | 89.0 |
| Satin Creditcare Network | 3,602 | 3,465 | 3,874 | -7.0 | 4.0 | 1,812 | 2,120 | 2,175 | -16.7 | -14.5 | 529 | 532 | 143 | 270.9 | -0.5 |

Source: Company, JM Financial

## Asset and Wealth Management

- CY25 saw strong primary markets with a sedate benchmark performance; however, we have preferred AUM-linked revenue streams over transaction/broking. In 3QFY26, we expect leading AMCs (NAM and HDFC AMC) to report steady results (supported by ~5% gain in Nifty500) while UTI AMC has reported another large one-off in employee expenses.
- For wealth managers, transactional revenues are expected to be soft despite strong primary markets, whereas wealth inflows should be strong (a structural story we remain positive on). With an improving recurring share, Nuvama is our preferred choice over 360ONE WAM in wealth management.
- Among brokers, SEBI regulations are now coming in the base, and we expect YoY earnings from 4Q. With a similar business model, we prefer the veteran Angel One over Groww in retail broking.
- **Top pick: Nuvama Wealth**
- **Top stock to avoid: Groww**

**Exhibit 12. Asset and Wealth Management – 3QFY26E results preview**

| | Revenue from operations | | | | | Core PBT | | | | | PAT | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Companies** | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq |
| HDFC AMC | 10,517 | 10,260 | 9,344 | 12.6 | 2.5 | 8,115 | 7,797 | 7,472 | 8.6 | 4.1 | 7,465 | 7,181 | 6,415 | 16.4 | 4.0 |
| Nippon Life India AMC | 7,009 | 6,581 | 5,879 | 19.2 | 6.5 | 4,401 | 4,189 | 3,763 | 17.0 | 5.1 | 5,621 | 3,446 | 2,952 | 90.4 | 63.1 |
| UTI AMC | 4,056 | 3,900 | 3,730 | 8.7 | 4.0 | 1,255 | 1,327 | 1,686 | -25.6 | -5.5 | 1,807 | 1,322 | 2,631 | -31.3 | 36.7 |
| 360 ONE WAM | 8,297 | 7,630 | 6,050 | 37.1 | 8.7 | 4,097 | 3,630 | 2,860 | 43.2 | 12.9 | 3,608 | 3,160 | 2,749 | 31.2 | 14.2 |
| Nuvama Wealth | 9,978 | 9,986 | 9,546 | 4.5 | -0.1 | 3,384 | 1,953 | 2,531 | 33.7 | 73.3 | 2,621 | 2,540 | 2,517 | 4.1 | 3.2 |
| Angel One | 10,475 | 9,385 | 9,841 | 6.4 | 11.6 | 3,822 | 2,916 | 3,857 | -0.9 | 31.1 | 2,962 | 2,117 | 2,815 | 5.2 | 39.9 |
| Billionbrains Garage Ventures (Groww) | 11,595 | 10,187 | 9,745 | 19.0 | 13.8 | 6,739 | 5,856 | 10,149 | -33.6 | 15.1 | 5,468 | 4,713 | 7,571 | -27.8 | 16.0 |

Source: Company, JM Financial

## Insurance

- GST 2.0 has driven conversations in insurance since September. We have seen strong growth in protection—life and health—while motor insurance pickup has been lower. Beyond protection, ULIPs have led 1H growth for life insurers, and channel checks suggest a similar trend for 3Q. This is despite the widening spread between deposit rates and G-sec yields. Hence, we expect margins to improve only gradually going into 4Q (In line with guidance).
- At CMP, we prefer ULIP-heavy IPRU and SBI Life (and LIC – which has grown through ULIPs) over diversified players HDFC Life and Max Financial Services.
- For general insurers, growth improved dramatically in 3Q, whereas earnings outcomes should be sedated. We expect Star Health to only gradually improve its claims ratio while Niva Bupa should see another quarter of subdued earnings before a strong 4Q. For Bajaj Finserv, we expect a super strong quarter for the insurance businesses.
- **Top pick: IPRU Life**

**Exhibit 13. Life Insurance – 3QFY26E results preview**

| | Total APE | | | | | VNB | | | | | PAT | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Companies** | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq |
| HDFC Life Insurance | 40,597 | 41,880 | 35,690 | 13.7 | -3.1 | 9,584 | 10,090 | 9,300 | 3.1 | -5.0 | 5,460 | 4,440 | 4,150 | 31.6 | 23.0 |
| ICICI Prudential Life | 25,764 | 24,220 | 24,380 | 5.7 | 6.4 | 6,117 | 5,920 | 5,170 | 18.3 | 3.3 | 3,082 | 2,993 | 3,260 | -5.4 | 3.0 |
| Life Insurance Corporation | 411,030 | 290,340 | 379,750 | 8.2 | 41.6 | 22,053 | 31,670 | 19,260 | 14.5 | -30.4 | 103,551 | 100,535 | 110,560 | -6.3 | 3.0 |
| SBI Life Insurance | 83,280 | 59,500 | 69,400 | 20.0 | 40.0 | 22,837 | 16,600 | 18,700 | 22.1 | 37.6 | 5,094 | 4,946 | 5,500 | -7.4 | 3.0 |
| Max Financial Services | 25,308 | 25,070 | 21,090 | 20.0 | 0.9 | 6,088 | 6,390 | 4,890 | 24.5 | -4.7 | 948 | 920 | 698 | 35.7 | 3.0 |

Source: Company, JM Financial

**Exhibit 14. General Insurance – 3QFY26E results preview**

| | Net earned premiums | | | | | Underwriting result | | | | | PAT | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Companies** | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq |
| ICICI Lombard | 57,450 | 56,517 | 50,452 | 13.9 | 1.7 | -1,609 | -1,784 | -1,523 | NM | NM | 7,491 | 8,195 | 7,244 | 3.4 | -8.6 |
| Star Health and Allied Insurance | 43,453 | 40,808 | 37,997 | 14.4 | 6.5 | -530 | -2,041 | -490 | NM | NM | 2,214 | 549 | 2,151 | 2.9 | 303.3 |
| Niva Bupa | 14,591 | 14,221 | 11,358 | 28.5 | 2.6 | -1,716 | -1,780 | -1,013 | NM | NM | 100 | -353 | 132 | -24.2 | NM |

Source: Company, JM Financial

# Building Materials

- Plastic piping companies are likely to a report mixed performance amid weak demand and intense competition. Astral and Supreme are expected to deliver relatively strong volume growth of ~15% and ~13% YoY, respectively, whereas Prince Pipes is expected to report flat volume in 3Q. With PVC prices down 5% QoQ (-10% YoY), companies are likely to post inventory losses. Additionally, the withdrawal of the BIS QCO and the non-implementation of anti-dumping duties on PVC imports may create near-term headwinds for domestic players.
- Tile companies likely to report modest volume growth on a low base, despite weak domestic demand and high competition. Prices remained broadly stable during the quarter. Exports from Morbi continued to face pressure due to geopolitical issues and high US tariffs while gas prices were largely stable.
- In the wood panel sector, plywood has likely witnessed high single-digit volume growth with MDF likely to witness in high-teens growth.
- **Top pick – Century Plyboards:** We expect the company to deliver higher volume growth (MDF ~24%, plywood and laminates ~16% YoY) than industry in 3Q, driving more market share gain.
- **Top stock to avoid - Prince Pipes and Fittings:** Prince Pipes and Fittings is our top avoid. We expect the company to deliver lower-than-industry volume growth of ~2% YoY along with further pressure on realisation.

**Exhibit 15. Building Materials – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Company | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq |
| Century Plyboards | 13,121 | 13,855 | 11,405 | 15.1 | -5.3 | 1,586 | 1,746 | 1,295 | 22.4 | -9.2 | 592 | 709 | 588 | 0.7 | -16.5 |
| Cera Sanitaryware | 4,672 | 4,879 | 4,493 | 4.0 | -4.3 | 649 | 671 | 594 | 9.3 | -3.3 | 537 | 566 | 459 | 17.0 | -5.3 |
| Greenlam Industries | 7,175 | 8,083 | 6,020 | 19.2 | -11.2 | 856 | 1,044 | 635 | 34.7 | -18.0 | 221 | 323 | 127 | 74.1 | -31.6 |
| Greenpanel Industries | 4,022 | 3,960 | 3,594 | 11.9 | 1.6 | 394 | 248 | 173 | 127.0 | 59.0 | 68 | (61) | 85 | -20.3 | NM |
| Greenply Industries | 6,608 | 6,886 | 6,145 | 7.5 | -4.0 | 626 | 568 | 540 | 15.8 | 10.3 | 210 | 160 | 244 | -13.8 | 31.3 |
| Kajaria Ceramics | 12,041 | 11,860 | 11,556 | 4.2 | 1.5 | 2,169 | 2,135 | 1,533 | 41.5 | 1.6 | 1,377 | 1,330 | 836 | 64.6 | 3.5 |
| Somany Ceramics | 6,829 | 6,852 | 6,449 | 5.9 | -0.3 | 601 | 535 | 535 | 12.5 | 12.4 | 175 | 150 | 113 | 54.6 | 16.5 |
| Astral | 15,383 | 15,774 | 13,970 | 10.1 | -2.5 | 2,398 | 2,568 | 2,195 | 9.3 | -6.6 | 1,275 | 1,348 | 1,140 | 11.9 | -5.4 |
| Prince Pipes and Fittings | 5,611 | 5,946 | 5,777 | -2.9 | -5.6 | 440 | 551 | 30 | 1383.8 | -20.1 | 63 | 146 | (204) | NM | -57.0 |
| Supreme Industries | 26,431 | 23,939 | 25,099 | 5.3 | 10.4 | 3,039 | 2,974 | 3,088 | -1.6 | 2.2 | 1,657 | 1,647 | 1,870 | -11.4 | 0.6 |

Source: Company, JM Financial

# Cement

- On reported basis, we estimate our coverage universe EBITDA would rise ~25% YoY due to higher volume growth (+8–9% YoY for industry versus 4–5% in 1H) and better realisation. However, it is expected to grow just 4% QoQ owing to weaker pricing (2–2.5%) as well as lower incentive booking (due to GST cut to 18%).
- Average EBITDA/tn likely to decline ~7% QoQ to INR 888 (a decline of INR 64/tn sequentially). Gradually rising fuel cost along with INR depreciation are likely to have ~INR 50/tn impact in 4Q. The onset of busy construction season is expected to drive recovery in cement prices/ profitability. Accordingly, we expect sector performance to sustain positive momentum in the near term.
- **Top pick – UltraTech:** UltraTech Cement remains our top pick with the company expected to significantly outperform peers by delivering volume growth of ~15% YoY (on a like-to-like basis) in 3Q, positioning it as a clear sector outlier. Profitability is estimated to improve to ~INR 935/tn, up INR 21/tn QoQ, supported by operating leverage and scale benefits.
- **Top stock to avoid – Birla Corporation:** Birla Corporation is our top avoid, as it is likely to report ~6% YoY volume decline in 3Q, indicating market share loss. We expect its profitability to decline by INR 91/tn to INR 625/tn in 3Q.

**Exhibit 16. Cement – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Company | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq |
| ACC | 62,957 | 58,962 | 52,073 | 20.9 | 6.8 | 6,800 | 8,457 | 4,789 | 42.0 | -19.6 | 3,966 | 2,679 | (755) | NM | 48.0 |
| Ambuja Cements | 1,00,570 | 91,297 | 84,153 | 19.5 | 10.2 | 16,108 | 16,882 | 8,855 | 81.9 | -4.6 | 5,095 | 2,192 | (6,497) | NM | 132.4 |
| Birla Corporation | 21,700 | 22,065 | 22,567 | -3.8 | -1.7 | 2,645 | 3,049 | 2,479 | 6.7 | -13.3 | 679 | 905 | 312 | 117.8 | -24.9 |
| Dalmia Bharat | 34,994 | 34,170 | 31,810 | 10.0 | 2.4 | 6,040 | 6,960 | 5,110 | 18.2 | -13.2 | 1,440 | 2,360 | 610 | 136.0 | -39.0 |
| JK Cement | 30,789 | 27,540 | 26,060 | 18.1 | 11.8 | 5,153 | 4,398 | 4,896 | 5.2 | 17.2 | 2,122 | 1,758 | 2,048 | 3.6 | 20.7 |
| JSW Cement | 14,525 | 12,692 | 14,066 | 3.3 | 14.4 | 2,772 | 2,675 | 2,293 | 20.9 | 3.6 | 1,027 | 864 | 119 | 761.7 | 18.9 |
| Shree Cement | 47,113 | 43,032 | 42,355 | 11.2 | 9.5 | 9,027 | 8,750 | 9,466 | -4.6 | 3.2 | 3,132 | 3,008 | 2,294 | 36.5 | 4.1 |
| Star Cement | 8,612 | 8,109 | 7,188 | 19.8 | 6.2 | 1,892 | 1,902 | 1,042 | 81.6 | -0.5 | 675 | 719 | 91 | 645.2 | -6.2 |
| The Ramco Cements | 22,004 | 22,348 | 19,766 | 11.3 | -1.5 | 3,034 | 3,869 | 2,794 | 8.6 | -21.6 | 128 | 743 | (37) | NM | -82.8 |
| UltraTech Cement | 2,16,598 | 1,93,710 | 1,69,710 | 27.6 | 11.8 | 36,231 | 30,943 | 28,871 | 25.5 | 17.1 | 15,943 | 12,316 | 14,695 | 8.5 | 29.5 |

Source: Company, JM Financial

# Chemicals

- In 3QFY26, for most companies, first-order or second-order effects of the US tariffs are likely to be visible during the quarter. We expect:: i) SRF, Navin Fluorine, Aether Industries, Acutaas Chemicals and Tatva Chintan to post a good quarter; ii) GFL, Archean Chemical, Tata Chemicals, Anupam Rasayan, Paradeep Phosphates and Galaxy Surfactants to report a resilient print; and iii) PI Industries, Deepak Nitrite, Clean Science, Fine Organics and PCBL to turn in a weak quarter. We see a higher possibility of earnings downgrades than upgrades post-3QFY26.
- **Top pick: Navin Fluorine**
- **Top stock to avoid: Tatva Chintan**

**Exhibit 17. Chemicals – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Q3FY26E | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq |
| Acutaas Chemicals Ltd | 3,490 | 3,062 | 2,750 | 26.9 | 14.0 | 1,087 | 953 | 687 | 58.4 | 14.1 | 808 | 719 | 454 | 77.7 | 12.4 |
| Aether Industries | 2,890 | 2,751 | 2,197 | 31.6 | 5.1 | 905 | 880 | 647 | 39.9 | 2.8 | 594 | 540 | 434 | 37.0 | 10.2 |
| Anupam Rasayan | 7,350 | 7,314 | 3,901 | 88.4 | 0.5 | 1,313 | 1,358 | 1,243 | 5.6 | -3.3 | 348 | 444 | 282 | 23.3 | -21.7 |
| Archean Chemical | 2,866 | 2,332 | 2,423 | 18.3 | 22.9 | 840 | 626 | 799 | 5.1 | 34.2 | 458 | 290 | 478 | -4.3 | 57.6 |
| Clean Science & Technology | 2,375 | 2,446 | 2,408 | -1.4 | -2.9 | 819 | 871 | 985 | -16.9 | -6.0 | 516 | 554 | 656 | -21.4 | -6.9 |
| Deepak Nitrite | 19,105 | 19,019 | 19,034 | 0.4 | 0.5 | 1,982 | 2,043 | 1,685 | 17.6 | -3.0 | 1,159 | 1,188 | 981 | 18.1 | -2.4 |
| Fine Organic Industries | 5,400 | 5,973 | 5,168 | 4.5 | -9.6 | 1,128 | 1,352 | 1,027 | 9.8 | -16.5 | 901 | 1,085 | 827 | 9.0 | -17.0 |
| Galaxy Surfactants | 13,267 | 13,262 | 10,417 | 27.4 | 0.0 | 1,104 | 1,105 | 1,056 | 4.5 | -0.1 | 640 | 665 | 646 | -0.9 | -3.7 |
| Gujarat Fluorochemicals | 12,430 | 12,100 | 11,480 | 8.3 | 2.7 | 3,750 | 3,640 | 2,940 | 27.6 | 3.0 | 2,094 | 1,790 | 1,260 | 66.2 | 17.0 |
| Navin Fluorine | 7,999 | 7,584 | 6,062 | 32.0 | 5.5 | 2,577 | 2,462 | 1,473 | 74.9 | 4.7 | 1,558 | 1,484 | 836 | 86.3 | 5.0 |
| Paradeep Phosphates | 55,798 | 68,722 | 50,726 | 10.0 | -18.8 | 4,401 | 6,566 | 4,391 | 0.2 | -33.0 | 1,853 | 3,419 | 2,161 | -14.2 | -45.8 |
| PCBL | 21,526 | 21,636 | 20,100 | 7.1 | -0.5 | 2,542 | 2,662 | 3,173 | -19.9 | -4.5 | 532 | 617 | 931 | -42.8 | -13.7 |
| PI Industries | 16,680 | 18,723 | 19,008 | -12.2 | -10.9 | 4,341 | 5,413 | 5,120 | -15.2 | -19.8 | 3,226 | 4,093 | 3,727 | -13.5 | -21.2 |
| SRF | 38,484 | 36,402 | 34,913 | 10.2 | 5.7 | 8,501 | 8,048 | 6,538 | 30.0 | 5.6 | 4,512 | 3,882 | 2,711 | 66.4 | 16.2 |
| Tata Chemicals | 37,500 | 38,770 | 35,900 | 4.5 | -3.3 | 5,490 | 5,370 | 4,340 | 26.5 | 2.2 | 1,550 | 770 | (530) | NM | 101.3 |
| Tatva Chintan Pharma Chem | 1,315 | 1,235 | 859 | 53.1 | 6.4 | 246 | 222 | 71 | 248.4 | 10.7 | 116 | 99 | 1 | 8309.5 | 17.0 |

Source: Company, JM Financial

# Consumer Staples

- 3QFY26E is likely to mark a gradual improvement as companies saw some residual impact of GST rate rationalisation from channel inventory disruption in October and November. In our coverage universe, we expect F&B players to continue outperforming HPC players. Within HPC, we expect HUL, Colgate and Dabur to see slower sales growth, whereas Marico, GCPL and Honasa are likely to report a much better performance YoY.
- On the profitability front, margin pressure is expected to ease with softening of input costs, which, along with a favourable base, shall result in higher EBITDA growth (TCPL, Britannia, Honasa to outperform). Overall we expect high-single-digit sales and EBITDA growth for our staples coverage universe.
- We believe, more than the 3Q results, management commentary on December/January trends would be key to determining the pace of volume recovery and overall earnings trajectory over coming quarters.
- **Top pick: Marico**
- **Top stock to avoid: Colgate**

**Exhibit 18. Consumer Staples – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** |
| Asian Paints | 89,685 | 85,137 | 85,215 | 5.2 | 5.3 | 18,023 | 15,034 | 16,367 | 10.1 | 19.9 | 12,237 | 9,936 | 11,105 | 10.2 | 23.2 |
| Bikaji Foods | 7,696 | 8,149 | 6,974 | 10.3 | -5.6 | 928 | 1,282 | 555 | 67.3 | -27.6 | 580 | 829 | 286 | 103.1 | -30.0 |
| Britannia Industries | 49,798 | 47,522 | 44,633 | 11.6 | 4.8 | 9,844 | 9,545 | 8,449 | 16.5 | 3.1 | 6,796 | 6,545 | 5,817 | 16.8 | 3.8 |
| Colgate-Palmolive India | 14,587 | 15,072 | 14,522 | 0.4 | -3.2 | 4,506 | 4,654 | 4,544 | -0.8 | -3.2 | 3,227 | 3,275 | 3,228 | -0.0 | -1.5 |
| Dabur | 35,566 | 31,817 | 33,465 | 6.3 | 11.8 | 7,355 | 5,881 | 6,819 | 7.9 | 25.1 | 5,640 | 4,526 | 5,224 | 8.0 | 24.6 |
| DOMS Industries | 5,916 | 5,679 | 5,011 | 18.1 | 4.2 | 1,029 | 995 | 879 | 17.2 | 3.4 | 588 | 583 | 507 | 15.9 | 0.9 |
| Electronics Mart | 19,378 | 15,910 | 18,193 | 6.5 | 21.8 | 1,072 | 816 | 1,000 | 7.2 | 31.3 | 215 | 48 | 327 | -34.0 | 348.6 |
| Eureka Forbes | 6,426 | 7,721 | 5,977 | 7.5 | -16.8 | 651 | 977 | 591 | 10.0 | -33.4 | 393 | 629 | 350 | 12.2 | -37.5 |
| Godrej Consumer Products | 41,097 | 38,025 | 37,491 | 9.6 | 8.1 | 8,539 | 7,333 | 7,559 | 13.0 | 16.4 | 5,750 | 4,870 | 5,020 | 14.5 | 18.1 |
| Hindustan Unilever | 1,60,534 | 1,60,610 | 1,55,900 | 3.0 | -0.0 | 37,451 | 37,290 | 36,950 | 1.4 | 0.4 | 25,226 | 24,820 | 25,249 | -0.1 | 1.6 |
| Honasa Consumer | 6,003 | 5,381 | 5,175 | 16.0 | 11.6 | 504 | 476 | 261 | 93.0 | 5.8 | 393 | 392 | 260 | 51.0 | 0.1 |
| ITC | 1,95,717 | 1,91,484 | 1,80,555 | 8.4 | 2.2 | 62,538 | 62,520 | 58,284 | 7.3 | 0.0 | 52,616 | 51,132 | 50,264 | 4.7 | 2.9 |
| Jyothy Labs | 7,282 | 7,361 | 7,045 | 3.4 | -1.1 | 1,114 | 1,183 | 1,158 | -3.7 | -5.8 | 856 | 878 | 874 | -2.0 | -2.4 |
| Marico Ltd. | 35,666 | 34,820 | 27,940 | 27.7 | 2.4 | 5,876 | 5,600 | 5,330 | 10.3 | 4.9 | 4,416 | 4,200 | 3,990 | 10.7 | 5.1 |
| Nestle India | 52,413 | 56,302 | 47,621 | 10.1 | -6.9 | 11,636 | 12,366 | 11,027 | 5.5 | -5.9 | 7,138 | 7,532 | 6,961 | 2.5 | -5.2 |
| Tata Consumer Products | 50,009 | 49,659 | 44,436 | 12.5 | 0.7 | 7,151 | 6,718 | 5,647 | 26.6 | 6.5 | 4,052 | 4,045 | 2,835 | 43.0 | 0.2 |
| Varun Beverages | 40,414 | 48,967 | 36,888 | 9.6 | -17.5 | 6,355 | 11,474 | 5,800 | 9.6 | -44.6 | 2,480 | 7,412 | 1,851 | 33.9 | -66.5 |

Source: Company, JM Financial

# Consumer Discretionary

- We expect ~24% YoY aggregate revenue growth for our consumer discretionary coverage in 3QFY26, with EBITDA growth marginally higher at ~25% YoY. Performance is largely shaped by a weak base for jewellery (custom duty losses last year) and ~65% YoY increase in gold prices, store-led growth across segments, and tepid SSSG.
- Quarterly growth was also affected by Pujo shifting to 2Q, a delayed/less severe winter, and no weddings in Jan'26. Despite policy tailwinds (GST, income tax and rate cuts), broad-based demand recovery remains absent for sub-sectors other than jewellery.
- **Top pick – Titan:** Overall standalone revenue is expected to grow ~38% YoY led by a 40% YoY jump in jewellery business (ex-bullion). We expect jewellery EBIT margin of 10.8% (ex-bullion sales; down ~40 bps YoY adjusted for custom duty losses in the base). Overall, we estimate standalone EBITDA/PAT growth of 60/ 64% YoY.
- **Top stock to avoid – DMart:** DMart's revenue grew ~13% YoY, largely led by store expansion (addition of 10 stores QoQ to 442 stores). Annualised sales/ sq. ft. is expected to remain flat YoY at INR 38.9k, on expectation of lower SSSG of ~4% in Q3FY26 (versus 8.3% in Q3FY25). We expect EBITDA margin to contract ~40 bps with GM remaining flat and employee and other expenses to remaining elevated on account of negative operating leverage.

**Exhibit 19. Consumer Discretionary – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Company | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq |
| Aditya Birla Fashion & Retail | 23,770 | 19,817 | 22,005 | 8.0 | 19.9 | 3,131 | 688 | 3,017 | 3.8 | 355.0 | (926) | (2,951) | (1,059) | NM | NM |
| Avenue Supermarts Ltd | 1,76,126 | 1,62,188 | 1,55,652 | 13.2 | 8.6 | 13,284 | 12,300 | 12,352 | 7.5 | 8.0 | 8,111 | 7,465 | 7,846 | 3.4 | 8.6 |
| Baazar Style Retail | 4,665 | 5,317 | 4,116 | 13.3 | -12.3 | 833 | 691 | 833 | -0.0 | 20.5 | 188 | 101 | 304 | -38.2 | 85.4 |
| Bata India | 9,550 | 8,013 | 9,188 | 3.9 | 19.2 | 2,128 | 1,449 | 1,995 | 6.7 | 46.8 | 635 | 220 | 668 | -4.8 | 188.5 |
| Campus Activewear | 5,697 | 3,866 | 5,148 | 10.7 | 47.4 | 1,015 | 499 | 822 | 23.6 | 103.4 | 580 | 201 | 465 | 24.9 | 189.1 |
| Devyani International | 14,674 | 13,768 | 12,944 | 13.4 | 6.6 | 2,085 | 1,892 | 2,103 | -0.8 | 10.2 | (69) | (219) | (5) | NM | NM |
| Go Fashion | 2,254 | 2,242 | 2,147 | 5.0 | 0.5 | 673 | 666 | 698 | -3.6 | 0.9 | 215 | 218 | 243 | -11.5 | -1.3 |
| Kalyan Jewellers | 1,03,051 | 78,560 | 72,781 | 41.6 | 31.2 | 7,089 | 4,970 | 4,848 | 46.2 | 42.6 | 4,264 | 2,605 | 2,188 | 94.9 | 63.7 |
| Metro Brands | 7,817 | 6,511 | 7,031 | 11.2 | 20.1 | 2,473 | 1,707 | 2,250 | 9.9 | 44.9 | 1,234 | 677 | 1,196 | 3.2 | 82.3 |
| Page Industries | 14,014 | 12,909 | 13,131 | 6.7 | 8.6 | 3,361 | 2,795 | 3,025 | 11.1 | 20.2 | 2,334 | 1,948 | 2,047 | 14.0 | 19.8 |
| Restaurant Brands Asia (Burger King) | 5,830 | 5,687 | 4,954 | 17.7 | 2.5 | 973 | 776 | 776 | 25.3 | 25.3 | (77) | (202) | (186) | NM | NM |
| Sapphire Foods India | 8,163 | 7,424 | 7,565 | 7.9 | 9.9 | 1,239 | 1,021 | 1,343 | -7.8 | 21.3 | 11 | (128) | 127 | -91.6 | NM |
| Titan Company | 2,46,223 | 1,87,250 | 1,77,400 | 38.8 | 31.5 | 27,009 | 18,750 | 16,740 | 61.3 | 44.0 | 17,517 | 11,200 | 10,470 | 67.3 | 56.4 |
| Vedant Fashions | 5,250 | 2,632 | 5,113 | 2.7 | 99.5 | 2,405 | 1,108 | 2,422 | -0.7 | 117.1 | 1,540 | 561 | 1,580 | -2.5 | 174.7 |
| Vishal Mega Mart | 37,284 | 29,815 | 31,359 | 18.9 | 25.1 | 6,134 | 3,946 | 5,050 | 21.5 | 55.5 | 3,150 | 1,523 | 2,627 | 19.9 | 106.8 |
| Westlife Foodworld | 6,840 | 6,416 | 6,535 | 4.7 | 6.6 | 951 | 756 | 912 | 4.3 | 25.8 | 38 | (66) | 103 | -63.1 | NM |

Source: Company, JM Financial

# Consumer Durables

- For our consumer durables, we expect the trend of C&W companies outgrowing durables and small appliances companies to continue. C&W companies are expected to benefit from strong volume growth, coupled with a massive surge in copper prices, driving up average realisations. Herein we prefer Polycab > RR Kabel > KEI Industries, as we go into the quarter in the order of expected growth.
- Among AC companies, we expect trends to improve sequentially driven partially by the increase in sales post-GST cuts and also some channel stuffing before the change in energy rating norms. Here, we prefer Havells > Blue Star > Voltas, as we believe Havells should benefit from its C&W share of business, while we expect Blue Star to do better than Voltas as far as the AC business is concerned.
- **Top pick: Polycab**

**Exhibit 20. Consumer Durables – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** |
| Bajaj Electricals | 13,051 | 11,071 | 12,897 | 1.2 | 17.9 | 899 | 619 | 874 | 2.8 | 45.2 | 335 | 146 | 334 | 0.3 | 128.8 |
| Blue Star | 30,195 | 24,224 | 28,074 | 7.6 | 24.7 | 2,272 | 1,834 | 2,094 | 8.5 | 23.9 | 1,365 | 988 | 1,332 | 2.5 | 38.1 |
| Crompton Greaves Consumer Electricals | 18,549 | 19,156 | 17,692 | 4.8 | -3.2 | 1,589 | 1,584 | 1,880 | -15.5 | 0.3 | 929 | 915 | 1,098 | -15.5 | 1.5 |
| Havells India | 52,507 | 47,666 | 48,825 | 7.5 | 10.2 | 4,936 | 4,418 | 4,317 | 14.3 | 11.7 | 3,369 | 3,175 | 2,828 | 19.1 | 6.1 |
| KEI Industries | 29,607 | 27,263 | 24,673 | 20.0 | 8.6 | 2,923 | 2,693 | 2,408 | 21.4 | 8.5 | 2,163 | 2,035 | 1,648 | 31.2 | 6.3 |
| Polycab India | 68,145 | 64,472 | 52,261 | 30.4 | 5.7 | 9,436 | 9,907 | 7,199 | 31.1 | -4.8 | 6,320 | 6,628 | 4,576 | 38.1 | -4.6 |
| R R Kabel | 22,449 | 21,638 | 17,822 | 26.0 | 3.7 | 1,783 | 1,758 | 1,105 | 61.3 | 1.4 | 1,121 | 1,163 | 686 | 63.5 | -3.6 |
| Stove Kraft | 4,485 | 4,744 | 4,041 | 11.0 | -5.5 | 419 | 568 | 405 | 3.4 | -26.1 | 112 | 214 | 121 | -7.9 | -47.7 |
| TTK Prestige | 7,008 | 7,866 | 6,668 | 5.1 | -10.9 | 684 | 988 | 730 | -6.3 | -30.8 | 471 | 701 | 543 | -13.3 | -32.8 |
| V-Guard Industries | 13,097 | 13,409 | 12,687 | 3.2 | -2.3 | 1,179 | 1,093 | 1,041 | 13.2 | 7.9 | 703 | 653 | 602 | 16.7 | 7.7 |
| Voltas | 30,533 | 23,144 | 30,874 | -1.1 | 31.9 | 673 | 375 | 1,796 | -62.6 | 79.4 | 637 | 343 | 1,321 | -51.8 | 85.7 |

Source: Company, JM Financial

# Electronic Manufacturing Services

- We expect 3Q for our EMS coverage to be a mixed bag. Among key companies, Dixon could see a weak quarter owing to a decline in mobile revenue given a slowdown in shipments globally. Kaynes is expected to post strong revenue growth, but here, all eyes are on the change in FY26E guidance, if any, which will be a key determinant for the stock's performance hereon.
- We expect Syrma SGS to trend as guided, achieving both, its revenue and margin guidance. Lastly, on AC manufacturers, Amber and PGEL, we expect growth to see a rebound given a rebound in the overall industry, and also some aggressive manufacturing before the change in energy rating norms (older-rated products cannot be manufactured post the deadline).
- **Top pick: Syrma SGS**
- **Top stock to avoid: Dixon**

**Exhibit 21. Electronic Manufacturing Services – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Company | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq |
| Amber Enterprises | 25,363 | 16,470 | 21,333 | 18.9 | 54.0 | 1,816 | 913 | 1,587 | 14.4 | 99.0 | 393 | (329) | 359 | 9.6 | NM |
| Avalon Technologies | 3,791 | 3,825 | 2,809 | 35.0 | -0.9 | 368 | 386 | 346 | 6.3 | -4.7 | 224 | 250 | 240 | -6.8 | -10.5 |
| Cyient DLM | 3,231 | 3,106 | 4,442 | -27.3 | 4.0 | 307 | 312 | 361 | -15.1 | -1.6 | 120 | 125 | 169 | -29.2 | -4.6 |
| Dixon Technogies | 1,04,500 | 1,48,550 | 1,04,537 | -0.0 | -29.7 | 3,978 | 5,613 | 3,905 | 1.9 | -29.1 | 1,783 | 2,473 | 1,712 | 4.2 | -27.9 |
| EPACK Durable | 4,183 | 2,133 | 3,768 | 11.0 | 96.1 | 297 | 5 | 241 | 23.2 | 5428.4 | 14 | (222) | 25 | -44.0 | NM |
| Kaynes Technology | 9,563 | 9,062 | 6,612 | 44.6 | 5.5 | 1,506 | 1,480 | 940 | 60.1 | 1.7 | 983 | 1,214 | 665 | 48.0 | -19.0 |
| PG Electroplast | 13,064 | 6,554 | 9,677 | 35.0 | 99.3 | 1,173 | 301 | 852 | 37.7 | 289.7 | 674 | 28 | 395 | 70.3 | 2340.4 |
| Syrma SGS Technology | 11,500 | 11,459 | 8,697 | 32.2 | 0.4 | 1,104 | 1,152 | 796 | 38.8 | -4.2 | 685 | 639 | 369 | 85.6 | 7.2 |

Source: Company, JM Financial

# Hotels

- According to HVS Anarock, pan-India RevPAR was up 10%/up 17% YoY in Oct'25 and Nov'25 respectively. As per our channel checks, Dec'25 had some impact of the Indigo flight disruptions (limited to first 10 days only); however monthly RevPAR growth is expected to be in low double digits.
- Bengaluru and Hyderabad continue to outperform other markets with high-teens RevPAR growth, whereas Mumbai's performance has been subdued. We expect a good quarter for the industry with 3QFY25 same-store RevPAR growth estimated to be 11–12% YoY.
- **Top pick: Leela**
- **Top stock to avoid: Lemon Tree**

**Exhibit 22. Hotels – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** |
| Brigade Hotel Ventures | 1,435 | 1,257 | - | NM | 14.2 | 499 | 372 | - | NM | 34.4 | 216 | 106 | - | NM | 104.2 |
| Chalet Hotels | 5,233 | 7,353 | 4,578 | 14.3 | -28.8 | 2,346 | 2,992 | 2,047 | 14.6 | -21.6 | 1,125 | 1,548 | 965 | 16.5 | -27.3 |
| Indian Hotels | 28,462 | 20,409 | 25,331 | 12.4 | 39.5 | 10,844 | 5,701 | 9,617 | 12.8 | 90.2 | 6,905 | 2,849 | 5,823 | 18.6 | 142.4 |
| ITC Hotels | 11,444 | 8,395 | 10,154 | 12.7 | 36.3 | 4,315 | 2,458 | 3,806 | 13.4 | 75.6 | 2,719 | 1,328 | 2,150 | 26.5 | 104.8 |
| Juniper Hotels | 2,847 | 2,303 | 2,525 | 12.8 | 23.6 | 1,105 | 826 | 928 | 19.0 | 33.7 | 405 | 206 | 325 | 24.6 | 96.6 |
| Lemon Tree | 4,036 | 3,063 | 3,552 | 13.6 | 31.8 | 1,957 | 1,307 | 1,842 | 6.3 | 49.7 | 938 | 346 | 625 | 50.1 | 171.1 |
| Schloss Bangalore | 4,610 | 3,106 | 3,613 | 27.6 | 48.4 | 2,296 | 1,379 | 1,778 | 29.1 | 66.4 | 1,377 | 747 | 564 | 144.3 | 84.3 |
| Ventive Hospitality | 6,829 | 4,893 | 5,340 | 27.9 | 39.6 | 3,148 | 1,896 | 2,450 | 28.5 | 66.0 | 1,466 | 526 | 284 | 416.9 | 179.0 |

Source: Company, JM Financial

# Industrials

- Sector order inflows a mixed bag, particularly bellwether L&T is likely to report a modest decline on an elevated 3QFY25 base while ABB may witness some uptick on a weak base. SIEM order inflows may continue to hold strong. We expect KKC growth to materially moderate YoY as 3QFY26 lacks hyperscaler data centre orders, leading to QoQ moderation as well. We believe AIAE can report robust 3QFY26 benefitting from modest RM prices as well as higher pricing. HWA valuations while attractive lack a re-rating trigger currently, and we watch for potential improvement in gross margins.
- **Top pick: AIA Engineering**
- **Top stock to avoid: Cummins India**

**Exhibit 23. Industrials – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Company | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq |
| ABB India | 34,218 | 33,107 | 33,649 | 1.7 | 3.4 | 5,587 | 5,004 | 6,573 | -15.0 | 11.6 | 4,488 | 4,089 | 5,319 | -15.6 | 9.8 |
| AIA Engineering | 11,138 | 10,478 | 10,662 | 4.5 | 6.3 | 3,038 | 2,969 | 2,831 | 7.3 | 2.3 | 2,703 | 2,774 | 2,592 | 4.3 | -2.6 |
| Bharat Electronics | 67,603 | 57,637 | 57,561 | 17.4 | 17.3 | 18,794 | 16,953 | 16,533 | 13.7 | 10.9 | 14,730 | 12,861 | 13,161 | 11.9 | 14.5 |
| BHEL | 88,590 | 75,118 | 72,771 | 21.7 | 17.9 | 6,462 | 5,809 | 3,042 | 112.4 | 11.2 | 3,952 | 3,749 | 1,347 | 193.4 | 5.4 |
| Cummins India | 32,205 | 31,703 | 30,860 | 4.4 | 1.6 | 6,596 | 6,948 | 6,000 | 9.9 | -5.1 | 5,738 | 6,377 | 5,140 | 11.6 | -10.0 |
| Data Patterns | 1,596 | 3,075 | 1,170 | 36.4 | -48.1 | 607 | 685 | 540 | 12.3 | -11.4 | 466 | 492 | 447 | 4.3 | -5.3 |
| Honeywell Automation India | 11,999 | 11,494 | 10,908 | 10.0 | 4.4 | 1,520 | 1,316 | 1,420 | 7.0 | 15.5 | 1,348 | 1,195 | 1,321 | 2.1 | 12.8 |
| Ideaforge Technology | 656 | 408 | 176 | 272.5 | 60.9 | (23) | (113) | (175) | NM | NM | (104) | (196) | (240) | NM | NM |
| Kirloskar Oil Engines | 12,092 | 16,045 | 11,636 | 3.9 | -24.6 | 1,572 | 2,144 | 1,170 | 34.3 | -26.7 | 1,034 | 1,408 | 650 | 59.0 | -26.6 |
| Larsen & Toubro | 7,45,524 | 6,79,835 | 6,46,678 | 15.3 | 9.7 | 76,623 | 68,064 | 62,549 | 22.5 | 12.6 | 45,481 | 39,261 | 33,588 | 35.4 | 15.8 |
| Siemens | 47,062 | 51,712 | 35,872 | 31.2 | -9.0 | 5,564 | 6,171 | 4,009 | 38.8 | -9.8 | 4,544 | 4,854 | 3,721 | 22.1 | -6.4 |
| Techno Electric | 10,160 | 8,386 | 6,759 | 50.3 | 21.2 | 1,453 | 1,154 | 992 | 46.4 | 25.9 | 1,385 | 1,234 | 1,046 | 32.5 | 12.3 |

Source: Company, JM Financial

# Infrastructure

- Execution is likely to improve for diversified and select highway companies. We expect execution to be strong for GR Infra, KPIL and KEC supported by strong order backlogs, whereas it is likely to stay weak for KNR, Ajax Engineering and Ashoka, which will see revenue decline YoY.
- Order inflows have been strong for most companies. NCC, KEC and KPIL have seen very strong YTD inflows, whereas inflows have been weak for HG Infra and GR Infra. That said, order backlogs remain moderate-to-strong for most companies with the backlog-to-bill ratio of 2–4x, providing revenue visibility.
- EBITDA margins are expected to remain stable YoY for diversified companies, whereas margins for a few highway companies are likely to decline amid diversification. We expect strong PAT growth of 44%/43%/39% YoY for KEC/KPIL/PNC in 3Q26.
- **Top pick: Kalpataru Projects International**
- **Top stocks to avoid: KNR Constructions**

**Exhibit 24. Infrastructure – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** |
| Ahluwalia Contracts | 12,000 | 11,773 | 9,520 | 26.1 | 1.9 | 1,239 | 1,286 | 844 | 46.9 | -3.6 | 766 | 791 | 494 | 55.1 | -3.1 |
| Ajax Engineering | 4,543 | 4,448 | 5,482 | -17.1 | 2.1 | 502 | 453 | 881 | -43.0 | 10.9 | 449 | 391 | 681 | -34.0 | 15.0 |
| Ashoka Buildcon | 16,504 | 12,661 | 17,920 | -7.9 | 30.4 | 1,650 | 1,233 | 1,633 | 1.0 | 33.9 | 745 | 428 | 606 | 23.0 | 74.2 |
| Ceigall India | 8,507 | 7,870 | 8,102 | 5.0 | 8.1 | 1,019 | 918 | 1,050 | -2.9 | 11.1 | 643 | 559 | 682 | -5.7 | 15.1 |
| GR Infraprojects | 18,006 | 12,337 | 15,005 | 20.0 | 46.0 | 1,989 | 1,204 | 1,923 | 3.4 | 65.2 | 1,885 | 1,308 | 1,686 | 11.8 | 44.1 |
| HG Infra Engineering | 14,633 | 11,537 | 15,085 | -3.0 | 26.8 | 2,048 | 1,466 | 2,501 | -18.1 | 39.7 | 1,003 | 673 | 1,366 | -26.6 | 49.0 |
| Kalpataru Projects | 57,040 | 54,188 | 48,257 | 18.2 | 5.3 | 4,846 | 4,472 | 4,019 | 20.6 | 8.4 | 2,253 | 1,999 | 1,574 | 43.2 | 12.7 |
| KEC International | 61,518 | 60,916 | 53,494 | 15.0 | 1.0 | 4,617 | 4,304 | 3,745 | 23.3 | 7.3 | 1,871 | 1,608 | 1,296 | 44.4 | 16.4 |
| KNR Constructions | 4,750 | 4,930 | 7,079 | -32.9 | -3.7 | 477 | 536 | 1,173 | -59.4 | -11.0 | 263 | 279 | 1,822 | -85.6 | -5.7 |
| NCC | 48,111 | 37,264 | 46,710 | 3.0 | 29.1 | 4,089 | 2,775 | 4,095 | -0.2 | 47.3 | 1,825 | 1,010 | 1,854 | -1.6 | 80.7 |
| PNC Infratech | 13,858 | 9,830 | 12,051 | 15.0 | 41.0 | 1,733 | 1,362 | 1,460 | 18.7 | 27.2 | 1,151 | 810 | 826 | 39.2 | 42.1 |
| PSP Projects | 7,500 | 6,937 | 6,232 | 20.3 | 8.1 | 600 | 481 | 354 | 69.7 | 24.8 | 239 | 149 | 61 | 294.0 | 60.9 |

Source: Company, JM Financial

# Internet

- **Food-techs/Quick commerce:** We expect food delivery NOV/GOV growth trends to improve for Eternal and remain stable for Swiggy. It is pertinent to note that Eternal has stopped reporting GOV numbers since 2QFY26 while Swiggy does not report NOV in the food delivery business, which means market share comparison is not possible. In terms of adjusted EBITDA margin, food delivery businesses of both companies are likely to expand 10–20bps sequentially on an NOV/GOV basis. In quick commerce, while we expect exponential YoY growth trends to continue at both Blinkit and Instamart; the former shall again report market share gains on a relative basis. While both Blinkit and Instamart are expected to report a sequential improvement in their adjusted EBITDA margins, absolute adjusted EBITDA losses (on a QoQ basis) should meaningfully come down for Blinkit, but expand for Instamart.

- **Travel-techs:** In the travel tech space, TBO Tek's consolidated GTV growth will sequentially accelerate to 14% YoY from 12% in 2Q, aided by stable ~20% growth trends in the hotels segment and improvement in the air segment to mid-single digit growth from flat trends last quarter. Margins, on the other hand, are likely to remain under pressure due to continued impact of growth investments, which, in turn, could restrict EBITDA growth to mid-single digits. We expect ixigo to report consolidated GTV growth of 21% YoY versus 23% YoY growth in 2Q. Growth will primarily be led by the bus segment while the air and train segment is likely to log growth in high-teens. However, EBITDA growth for ixigo will be slower at 14% YoY due to growth investments and ESOP cost increase. Yatra is likely to report an uptick of 17% YoY in terms of gross bookings while revenue after service cost could be above 25%-plus. EBITDA margin expansion could also be very strong on account of business mix change and operating efficiencies that, in turn, could ensure robust EBITDA growth this quarter as well.

- **Classifieds:** Among classifieds companies, CarTrade is likely deliver late teens YoY growth driven by sustained momentum in New Auto. New auto segment is likely to benefit from the recent GST cuts and festive season; expecting a late twenties growth. Remarketing is will continue its recovery trajectory though growth looks a bit low due to higher base of 3QFY25. OLX is expected to grow ~20% YoY; benefitting from various initiatives such as 'Elite Buyer programme', 'Super series', taken in recent quarters to drive growth. Info Edge in its pre results business update has already reported billings growth of 11% YoY in its recruitment segment as continued pressures in IT hiring activity was likely offset by strong trends in non IT hirings. While we expect margins to remain stable on a sequential basis in the recruitment segment there could some pressure on a YoY basis due to modest billings trends in recent quarters. In Indiamart, we expect collections growth to be driven by Busy whereas the standalone business is likely to once again report realisation led low-double digit growth. High churn-related challenges are likely to continue in the standalone business leading to flattish net paid customer additions (QoQ) despite some improvement in buyer traffic growth. While EBITDA margin see improvement on a sequential basis, on a YoY basis we expect pressure due to higher ESOPs and performance marketing spends.

- **E-commerce:** In Nykaa, we expect continued strong growth momentum, with consolidated GMV/NSV growth in the late-20s YoY supported by robust festive season demand and sustained execution. The BPC segment should see NSV growth in late-20s aided by strong performance of House of Nykaa brands, Pink Friday sales and healthy new customer addition. Fashion NSV growth is expected in the mid-20s YoY, though net revenue growth may trail at late-teens YoY due to ongoing brand rationalisation and an unfavourable base from higher content income last year. Overall, we expect EBITDA margin expansion of ~130 bps YoY, similar to 2Q, indicating sustained operating leverage. Meanwhile, FirstCry is likely to turn in a decent quarter with low double-digit growth in IMC due to GST benefit and festive season along with 50–60bps EBITDA margin expansion. The International segment shall sustain its growth trajectory similar to 2Q along with declining EBITDA losses. GlobalBees will see strong growth in the core category; however, non-core category drag is tough to anticipate on revenue as well as margins. In Delhivery, EPS shipment volumes are expected to grow strongly, thanks to industry consolidation and shipments 'pushed' from 2Q due to GST and festive season. EPS is expected to grow in early 20s YoY in 3Q. PTL had a soft 2Q due to GST impact and recovery is expected in 3Q. Service EBITDA margins shall expand 200bps QoQ as network capacity and manpower investments (due to early festive season of 2Q) have already been made in 1H.

- **Fintech:** In PB Fintech, as insurance industry data from 3Q suggests, there has been a sharp pick up in retail health and term. We expect new business premium in early 30s, whereas renewals shall sustain strength, leading to ~39% YoY growth in online insurance premium. New initiatives' premium is likely to grow 21% sequentially led by PB partners. Paisabazaar is likely to report a decent quarter sequentially with 21% QoQ online disbursals growth due to festive season; however new initiatives will grow ~10% QoQ. Contribution margin is likely to be muted due to higher mix of health. In Paytm, the payments business is expected to grow at a high single digit sequentially due to sustained consumption and festive season; though growth will be relatively slower than 2Q. Under the financial services business, while loan disbursal growth is likely to improve due to festive season, revenue growth will be lower due to reducing DLG loans in the mix. Contribution margin will dip sequentially by 150 bps due to phasing out of DLG revenue. However, flat fixed cost would ensure strong operating leverage leading to EBITDA margin expansion of 80bps. We expect the company to continue to be PAT-profitable this quarter. In Zaggle, we expect 3Q to be a strong quarter with net revenue growth of 54% YoY, mainly due to festive season driving strong growth in program fees. We expect EBITDA margin to remain muted QoQ due to higher incentives and seasonal costs.

- **Logistics-tech:** In Blackbuck, we expect sequential growth of 13% in Tolling revenue despite industry growth of 6–7% QoQ, mainly due to market share gains and increased VAS. Telematics business is expected to maintain growth momentum, while vehicle financing is expected to pick up in 3Q due to festive season. Superloads business is still in investment phase and is expected to continue ramping up. Despite investments in growth business, we expect margins to improve due to strong operating leverage.

- **Ad-tech:** Revenue growth for Affle is likely to be driven by developed markets and emerging markets (ex-India). India business, on the other hand, could be impacted by the ban on real money gaming apps and early festivities. Overall, we expect high-teens revenue growth for Affle. EBIT growth could be higher around 22%-plus due to benefits of operating leverage.

- **Gaming:** For Nazara, 3Q will be a weak quarter. With Nodwin deconsolidation and Pokerbaazi write-off, revenue is expected to decline to INR 4bn. For Ad tech, 3Q will see a QoQ dip. While Curve gaming and other segments will see flattish or decline in growth QoQ, Kiddopia should see growth improvement. While revenue is expected to take a hit; margins will expand 300bps QoQ due to absence of margin drag from Nodwin and Pokerbaazi. The gaming ban/regulatory restrictions have impacted user engagement and monetisation, adding further uncertainty to growth and profitability.

- **Top pick – Delhivery:** Delhivery remains a structural winner in logistics, with a clear leadership in express parcels. With successful integration of Ecom express and Xpressbees struggling operationally, logistics market is essentially moving towards a duopoly. EPS headwinds from Meesho's Valmo insourcing are largely behind, supporting a strong rebound in volumes and margins from 3QFY26 onward. With rising operating leverage, improving Service EBITDA margins, and optionality from D2C/SME and expanding presence in emerging logistics segments through two early-stage services, namely, Rapid Commerce and Delhivery Direct, Delhivery offers an attractive risk-reward as a long-term proxy for organised logistics penetration in India.

- **Top stocks to avoid – Nazara Tech:** Nazara's business remains highly fragmented with volatile earnings driven by event-led e-sports and aging gaming IPs, limiting operating leverage and cash flow visibility. The gaming ban/regulatory restrictions have impacted user engagement and monetisation, adding further uncertainty to growth and profitability. Combined with inconsistent capital allocation and valuations that still price in a turnaround, the risk-reward remains unattractive, making the stock a top avoid pick.

**Exhibit 25. Internet – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Company | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq |
| Affle | 7,133 | 6,467 | 6,017 | 18.5 | 10.3 | 1,612 | 1,461 | 1,314 | 22.7 | 10.3 | 1,216 | 1,105 | 1,002 | 21.4 | 10.1 |
| Brainbees Solutions | 24,818 | 20,991 | 21,723 | 14.2 | 18.2 | 1,309 | 622 | 1,079 | 21.3 | 110.6 | 34 | (248) | (92) | NM | NM |
| CarTrade Tech | 2,100 | 1,934 | 1,762 | 19.2 | 8.6 | 747 | 636 | 501 | 49.1 | 17.4 | 690 | 597 | 427 | 61.6 | 15.6 |
| Delhivery | 27,507 | 25,593 | 23,783 | 15.7 | 7.5 | 1,595 | 682 | 1,024 | 55.8 | 134.0 | 151 | (505) | 250 | -39.6 | NM |
| Eternal | 1,58,873 | 1,35,900 | 54,050 | 193.9 | 16.9 | 3,381 | 2,390 | 1,620 | 108.7 | 41.5 | 979 | 650 | 590 | 65.8 | 50.5 |
| FSN E-Commerce Ventures | 28,588 | 23,460 | 22,672 | 26.1 | 21.9 | 2,146 | 1,590 | 1,408 | 52.4 | 35.0 | 778 | 359 | 267 | 191.5 | 116.8 |
| IndiaMART InterMESH | 3,976 | 3,910 | 3,543 | 12.2 | 1.7 | 1,368 | 1,297 | 1,382 | -1.0 | 5.4 | 1,240 | 826 | 1,210 | 2.5 | 50.1 |
| Info Edge India | 7,539 | 7,460 | 6,715 | 12.3 | 1.1 | 2,956 | 2,954 | 2,897 | 2.0 | 0.0 | 2,608 | (41,914) | 2,595 | 0.5 | NM |
| Just Dial | 3,055 | 3,031 | 2,873 | 6.3 | 0.8 | 886 | 871 | 866 | 2.3 | 1.8 | 1,252 | 1,194 | 1,313 | -4.7 | 4.8 |
| Le Travenues Technology | 3,208 | 2,827 | 2,418 | 32.7 | 13.4 | 244 | (37) | 213 | 14.2 | NM | 205 | (35) | 155 | 31.8 | NM |
| One 97 Communications | 22,254 | 20,608 | 18,280 | 21.7 | 8.0 | 1,705 | 1,420 | (2,217) | NM | 20.1 | 2,242 | 2,124 | (2,076) | NM | 5.5 |
| PB Fintech | 17,839 | 16,136 | 12,916 | 38.1 | 10.6 | 1,560 | 978 | 277 | 463.7 | 59.5 | 1,804 | 1,349 | 715 | 152.2 | 33.8 |
| Route Mobile | 11,604 | 11,194 | 11,838 | -2.0 | 3.7 | 1,344 | 1,327 | 1,320 | 1.8 | 1.3 | 858 | 947 | 804 | 6.8 | -9.4 |
| Swiggy | 59,986 | 55,610 | 39,931 | 50.2 | 7.9 | (7,666) | (6,360) | (7,257) | NM | NM | (10,446) | (9,300) | (7,921) | NM | NM |
| TBO Tek | 6,408 | 5,675 | 4,222 | 51.8 | 12.9 | 830 | 881 | 678 | 22.4 | -5.8 | 453 | 675 | 463 | -2.0 | -32.9 |
| Yatra Online | 2,621 | 3,509 | 2,353 | 11.4 | -25.3 | 266 | 239 | 136 | 95.8 | 11.2 | 168 | 143 | 100 | 68.2 | 17.9 |
| Zaggle Prepaid Ocean Services | 5,022 | 4,322 | 3,369 | 49.1 | 16.2 | 513 | 440 | 290 | 77.1 | 16.7 | 399 | 350 | 198 | 102.1 | 14.1 |
| Zinka Logistics Solutions | 1,517 | 1,359 | 1,140 | 33.1 | 11.7 | 454 | 365 | 304 | 49.3 | 24.3 | 372 | 292 | (1,255) | NM | 27.5 |

Source: Company, JM Financial

# IT Services

- 3QFY26 is a seasonally soft quarter owing to furloughs-with impact similar to last year. Deals are largely cost efficiency/cost-takeout in nature and there is no pickup in discretionary spend. In that context, there is no change in the demand environment versus start of the quarter.
- We expect 3QFY26 cc IT Services revenue growth of -2.6% to 5% YoY (0.2% to 2.5% QoQ cc) for top six companies given seasonally soft quarter. For the next-4 (MPHL, COFORGE, PSYS, HEXT), we estimate cc revenue growth of 3.3% to 19% YoY (-1% to 4.2% cc QoQ) led by Persistent. INR depreciation (1.4% QoQ) will likely aid margins, partly offset by lower growth given seasonally soft quarter and wage hikes (in certain cases). The BFSI vertical remains relatively better than other verticals while manufacturing (auto) continues to be relatively challenged in 3Q. We expect another weak quarter for Tata Tech and KPIT, though management commentary for 4Q is a watch-out. BPO cohort will likely be the most stable with a strong 4Q outlook.
- NSEIT has underperformed c.22% in CY25 versus Nifty—there is a possibility of a relief rally given the hope of demand recovery going forward. Valuations remain at 24.2x FY27E consensus EPS and 18% premium to Nifty. We remain selective and prefer: i) INFO in the top six companies; ii) MPHL over the next four companies; and iii) Sagility among BPO names.
- **Top pick – Sagility:** Sagility is expected to grow 21% in FY26 (including inorganic), and we are building organic growth of 14% for FY27. The company has been winning net new ACV of USD c.33mn per quarter; we expect them to continue in this range in 3QFY26 as well. These deal-wins provide visibility to growth, offsetting some of the perceived risks of AI-led deflation. Sagility believes that future growth levers such as expansion into smaller clients, cross-sell and higher offshoring/outsourcing will help them sustain growth (organic) in mid-low double digits over medium term. Sagility is trading at 24x FY27E EPS, a 16% discount to peers. Additionally, EPS is depressed due to amortisation of intangibles from acquisitions; this is apparent when we look at P/FCF (FY27E) of c. 21x. We believe a PER catch-up with peers and high visibility on revenue and cash flows provides significant potential upside.
- **Top stock to avoid – LTIM:** LTIM is expected to have accelerating growth in 3Q/4QFY26, and we build in a high single-digit cc YoY growth in FY27. Post-CEO change in LTIM, EBIT margin has improved 150 bps QoQ. However, over the last three months, the stock has run up 18% and now trades at 29x FY27E EPS (3% discount to Coforge). This, we believe, is high in light of the consensus EPS growth expectation of c.13% in FY27E. Additionally, the steep run-up factors in most of the upside to margins and growth post-management change. There are risks to consensus estimates and multiple in case of disappointing results.

**Exhibit 26. IT Services – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** |
| Black Box | 16,305 | 15,846 | 15,017 | 8.6 | 2.9 | 1,500 | 1,430 | 1,330 | 12.8 | 4.9 | 657 | 556 | 561 | 17.1 | 18.2 |
| C.E. Info Systems | 1,538 | 1,138 | 1,145 | 34.3 | 35.1 | 539 | 281 | 417 | 29.3 | 91.8 | 395 | 185 | 323 | 22.3 | 113.5 |
| Coforge | 42,555 | 40,164 | 33,228 | 28.1 | 6.0 | 7,644 | 7,282 | 5,190 | 47.3 | 5.0 | 3,602 | 3,758 | 2,155 | 67.1 | -4.2 |
| Firstsource | 24,023 | 23,122 | 21,024 | 14.3 | 3.9 | 3,916 | 3,760 | 3,177 | 23.3 | 4.1 | 1,992 | 1,795 | 1,603 | 24.3 | 11.0 |
| HCL Tech | 3,33,217 | 3,19,420 | 2,98,900 | 11.5 | 4.3 | 69,997 | 65,930 | 68,600 | 2.0 | 6.2 | 47,939 | 42,350 | 45,910 | 4.4 | 13.2 |
| Hexaware Technologies | 34,808 | 34,836 | 31,544 | 10.3 | -0.1 | 5,665 | 6,013 | 4,904 | 15.5 | -5.8 | 3,526 | 3,699 | 3,207 | 9.9 | -4.7 |
| Infosys | 4,53,857 | 4,44,900 | 4,17,640 | 8.7 | 2.0 | 1,08,779 | 1,05,350 | 1,01,150 | 7.5 | 3.3 | 75,774 | 73,640 | 68,060 | 11.3 | 2.9 |
| Inventurus Knowledge Solutions | 8,323 | 7,811 | 6,572 | 26.6 | 6.6 | 2,730 | 2,541 | 1,815 | 50.4 | 7.4 | 1,765 | 1,807 | 1,297 | 36.1 | -2.3 |
| KPIT Technologies | 16,123 | 15,877 | 14,780 | 9.1 | 1.5 | 3,393 | 3,351 | 3,122 | 8.7 | 1.3 | 1,866 | 1,918 | 1,933 | -3.5 | -2.7 |
| LTIMindtree | 1,07,331 | 1,03,943 | 96,609 | 11.1 | 3.3 | 19,958 | 19,301 | 15,933 | 25.3 | 3.4 | 14,357 | 14,011 | 10,854 | 32.3 | 2.5 |
| Mphasis | 40,264 | 39,316 | 35,565 | 13.2 | 2.4 | 7,730 | 7,533 | 6,733 | 14.8 | 2.6 | 4,823 | 4,690 | 4,280 | 12.7 | 2.8 |
| Persistent Systems | 37,695 | 35,807 | 30,623 | 23.1 | 5.3 | 6,991 | 6,838 | 5,378 | 30.0 | 2.2 | 4,927 | 4,715 | 3,730 | 32.1 | 4.5 |
| Sagility | 19,187 | 16,585 | 14,531 | 32.0 | 15.7 | 5,113 | 4,151 | 3,922 | 30.4 | 23.2 | 2,648 | 2,508 | 2,169 | 22.1 | 5.6 |
| Tata Consultancy | 6,68,689 | 6,57,990 | 6,39,730 | 4.5 | 1.6 | 1,83,890 | 1,79,780 | 1,70,330 | 8.0 | 2.3 | 1,31,918 | 1,20,750 | 1,23,800 | 6.6 | 9.2 |
| Tata Technologies | 13,670 | 13,233 | 13,174 | 3.8 | 3.3 | 2,022 | 2,078 | 2,340 | -13.6 | -2.7 | 1,470 | 1,655 | 1,686 | -12.8 | -11.2 |
| Tech Mahindra | 1,41,417 | 1,39,949 | 1,32,856 | 6.4 | 1.0 | 22,864 | 21,680 | 18,090 | 26.4 | 5.5 | 13,976 | 11,945 | 9,832 | 42.1 | 17.0 |
| Wipro | 2,35,778 | 2,26,973 | 2,23,188 | 5.6 | 3.9 | 47,640 | 44,188 | 45,321 | 5.1 | 7.8 | 36,333 | 32,462 | 33,538 | 8.3 | 11.9 |

Source: Company, JM Financial

# Media

- **Broadcasters:** Operating environment for broadcasters continues to remain challenging and the expected recovery on the back of festive season has not fructified. The environment is however getting better. Ad revenue is expected to post modest sequential growth and the YoY decline is expected to decelerate. We have built -8%/-5% YoY (+7%/+8% QoQ) growth in ad revenues for Zee/SunTV in 3Q. We expect subscription revenues to be stable, and build +8%/ +11% YoY growth for Zee/SunTV. Zee5 revenue (+30% YoY) is expected to drive growth in subscription for Zee. In Other Sales & Services segment, Zee is expected to see a multi-fold increase (~500%) in revenue on a YoY basis driven by distribution of Kanthara. Other Sales for SunTV is expected to be muted. We expect consolidated revenue growth of 14%/3% YoY for Zee/SunTV. For Zee, we expect margins to recover by c. 560 bps sequentially to 13%; however this is much lower than the stated target of 18% (FY26 exit). Margins shall be impacted by marketing costs incurred in relation to the UAE T20 league. We build in 50% EBITDA margins for SunTV, a decline of c.14 ppt QoQ. Lack of IPL and movie revenue is likely to impact its operating leverage and margins. We remain cautious on the sector, and would turn constructive only upon tangible signs of recovery.

- **PVR Inox** is expected to have another strong quarter. Box office performance of movies such as *Dhurandhar*, *Kanthara* and *Avatar* are expected to drive admits and occupancies. We build in 28% occupancy—similar to last quarter; however, due to lengthier films this quarter, inventory is expected to decline impacting admits. Admits are expected to decrease 10% QoQ to 40mn. ATP/SPH are expected to stage a recovery. We are factoring in ATP/SPH of INR 246/145, up 4%/3.6% YoY (11%/8% QoQ), and expect ad revenue to be in line with previous quarter. EBITDA margin (pre-Ind AS) are expected to be in-line with 2Q; we build in 17% margins in 3Q. Margins would be aided by operating leverage. PAT is expected at INR 1.3bn (90% YoY). The company is on track to achieve 150mn admits in FY26E. FY26 is turning out to be a breakout year for the company.

- **Music:** We expect muted revenue growth trends to sustain for both Saregama and Tips Music in their music-licensing business due to the continued impact of consolidation among music OTTs and no big content releases during the quarter. Margins are likely to remain healthy for both in the absence of any major content release.

- **Top pick: PVR Inox**

- **Top stock to avoid: Zee**

**Exhibit 27. Media – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Company | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq |
| Nazara Technologies | 4,018 | 5,265 | 5,347 | -24.9 | -23.7 | 595 | 716 | 527 | 12.9 | -16.9 | (28) | 6,707 | 568 | NM | NM |
| PVR Inox | 18,347 | 18,230 | 17,173 | 6.8 | 0.6 | 5,900 | 6,117 | 5,277 | 11.8 | -3.5 | 1,120 | 1,057 | 359 | 212.0 | 6.0 |
| Saregama | 3,328 | 2,300 | 4,834 | -31.2 | 44.7 | 960 | 688 | 844 | 13.8 | 39.6 | 653 | 438 | 623 | 4.8 | 49.2 |
| Sun TV Network | 8,195 | 11,690 | 7,936 | 3.3 | -29.9 | 4,132 | 7,499 | 4,321 | -4.4 | -44.9 | 3,080 | 3,300 | 3,472 | -11.3 | -6.7 |
| Tips Music | 870 | 892 | 777 | 12.0 | -2.5 | 671 | 678 | 556 | 20.7 | -1.1 | 531 | 532 | 442 | 20.0 | -0.2 |
| Zee Entertainment | 22,576 | 19,692 | 19,788 | 14.1 | 14.6 | 2,935 | 1,464 | 3,184 | -7.8 | 100.5 | 1,846 | 765 | 1,635 | 12.9 | 141.3 |

Source: Company, JM Financial

# Metals and Mining

- Realisations for Indian steel players are expected to trend down in 3Q on the back of falling steel prices. Average domestic HRC prices came in at INR 47.2k/tn, down ~INR 2.3k/tn compared with 2Q. Longs prices decreased to average ~INR 47.2k/tn in 3Q, down ~INR 1.0k/tn sequentially. NMDC announced a price cut of INR 500/tn in Oct'25.
- Steel companies have guided for a ~USD 5–10/tn increase in coking coal consumption cost for 3Q. Consequently, Indian ferrous players are likely to witness an EBITDA/tn contraction to the tune of ~INR 2k/tn in 3Q due to lower realisations and higher coking coal costs.
- Despite raw material prices staying subdued with spot alumina price at ~USD 345/tn (down from peak of USD 660/tn in 4QFY25) and Richard Bay Index (depicting thermal coal prices) at USD 86 (down from ~USD 91 in 2QFY26), aluminium prices improved in 3QFY26. Consequently, we reckon the India business of non-ferrous players shall log margin expansion in 3QFY26.
- **Top pick – Lloyds Metals**
- **Top stock to avoid – SAIL**

**Exhibit 28. Metals and Mining - 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** |
| Hindalco Industries | 2,82,197 | 2,47,800 | 2,22,620 | 26.8 | 13.9 | 42,508 | 37,510 | 27,550 | 54.3 | 13.3 | 26,156 | 22,770 | 18,970 | 37.9 | 14.9 |
| Hindustan Zinc | 1,03,310 | 85,490 | 82,520 | 25.2 | 20.8 | 54,121 | 44,450 | 41,230 | 31.3 | 21.8 | 33,694 | 26,490 | 24,100 | 39.8 | 27.2 |
| Jindal Stainless | 1,06,760 | 1,08,928 | 97,768 | 9.2 | -2.0 | 13,457 | 13,879 | 11,865 | 13.4 | -3.0 | 7,663 | 7,895 | 6,113 | 25.3 | -2.9 |
| Jindal Steel & Power | 1,26,153 | 1,16,859 | 1,12,133 | 12.5 | 8.0 | 17,694 | 20,811 | 22,003 | -19.6 | -15.0 | 5,160 | 6,382 | 8,609 | -40.1 | -19.1 |
| JSW Steel | 4,70,508 | 4,51,520 | 3,96,840 | 18.6 | 4.2 | 59,455 | 71,150 | 54,370 | 9.4 | -16.4 | 7,571 | 16,230 | 6,955 | 8.9 | -53.3 |
| Kirloskar Ferrous Industries | 17,693 | 17,553 | 16,660 | 6.2 | 0.8 | 2,156 | 2,144 | 1,941 | 11.1 | 0.5 | 904 | 863 | 776 | 16.5 | 4.8 |
| Lloyds Metals and Energy | 70,218 | 36,514 | 13,644 | 414.6 | 92.3 | 19,376 | 10,431 | 3,395 | 470.8 | 85.8 | 12,189 | 5,674 | 3,013 | 304.5 | 114.8 |
| NMDC | 69,776 | 63,781 | 49,189 | 41.9 | 9.4 | 20,044 | 19,933 | 13,857 | 44.7 | 0.6 | 16,682 | 16,829 | 11,958 | 39.5 | -0.9 |
| SAIL | 2,74,507 | 2,67,039 | 2,30,378 | 19.2 | 2.8 | 15,824 | 25,256 | 12,673 | 24.9 | -37.3 | (426) | 6,540 | (8,034) | NM | NM |
| Shyam Metalics and Energy | 47,149 | 44,570 | 36,340 | 29.7 | 5.8 | 5,594 | 5,394 | 4,066 | 37.6 | 3.7 | 2,701 | 2,618 | 2,157 | 25.3 | 3.2 |
| Tata Steel | 5,56,087 | 5,82,160 | 5,34,897 | 4.0 | -4.5 | 79,986 | 89,680 | 55,220 | 44.9 | -10.8 | 23,521 | 34,255 | 4,595 | 411.9 | -31.3 |
| Welspun Corp | 47,235 | 43,736 | 33,018 | 43.1 | 8.0 | 6,036 | 5,911 | 3,996 | 51.0 | 2.1 | 4,779 | 4,435 | 2,830 | 68.9 | 7.8 |

Source: Company, JM Financial

# Oil and Gas

- **Oil and Gas: Upstream:** Oil India/ONGC is likely to witness lower crude realisation due to a 7.8% QoQ decline in crude prices; though it could be partly offset by a QoQ rise in gas sales volume. Furthermore, crude sales volume could rise QoQ for Oil India, but decline for ONGC. Hence, ONGC's EBITDA is expected to decline 4.7% QoQ. Meanwhile, Oil India's EBITDA is likely to slip 12.4% QoQ in 3QFY26 on 2QFY26's high base (due to exceptionally high transportation income in 2Q).
- **Oil Marketing:** OMCs' 3QFY26 EBITDA is likely to stay strong and may rise 1–3% QoQ (despite high base) due to strong diesel cracks-led GRM, INR 50bn cash LPG compensation, and moderation in LPG under-recovery (to INR 15bn in 3QFY26 versus INR 45bn in 2QFY26), although partly offset by slightly lower auto-fuel GMM (to INR 5.0/ltr in 3QFY26 versus INR 5.6/ltr in 2QFY26, but still significantly higher than historical INR3.5/ltr) and higher inventory loss.
- **Gas Utilities:** GAIL's EBITDA is likely to decline 10.2% QoQ on lower earnings across the gas trading, petchem and LPG segments while gas transmission earnings are likely to be largely flat QoQ. However, GSPL's EBITDA is likely to rise 11.1% QoQ led by a QoQ uptick in transmission margin on opex normalisation while PLNG's EBITDA is expected to edge up 1.4% QoQ on slightly higher regas volume. Furthermore, IGL's EBITDA likely to rise 8.7% QoQ led by slightly better margin and steady volume growth, and GGas' EBITDA is likely to increase 3.4% QoQ led by slightly better margin, but partially offset by decline in Industrial volume in Morbi. MGL's EBITDA may edge down 0.9% QoQ on lower margin.
- **Reliance Industries:** We expect RIL's EBITDA to rise 2.8% QoQ aided by: i) O2C EBITDA (up 8.5% QoQ) on higher GRM, at ~USD 11/bbl versus implied GRM of ~USD 9.5/bbl in 2QFY26; and ii) Digital EBITDA (up 2.6% QoQ, led by robust 8.3mn subs gains and 0.4% QoQ rise in ARPU to INR 212 driven by upgrades). However, Retail EBITDA growth (up 3.8% YoY) is likely to be muted led by quick-commerce ramp-up. Furthermore, E&P EBITDA is likely to decrease 3% QoQ on natural decline in gas output.
- **Top pick: Gujarat Gas**
- **Top stock to avoid: HPCL**

**Exhibit 29. Oil and Gas – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** |
| Bharat Petroleum | 11,37,842 | 10,49,125 | 11,31,358 | 0.6 | 8.5 | 1,00,277 | 97,772 | 75,804 | 32.3 | 2.6 | 62,383 | 64,425 | 46,492 | 34.2 | -3.2 |
| GAIL | 3,60,496 | 3,50,081 | 3,49,371 | 3.2 | 3.0 | 28,646 | 31,906 | 28,378 | 0.9 | -10.2 | 18,211 | 22,172 | 38,674 | -52.9 | -17.9 |
| Gujarat Gas | 37,543 | 37,804 | 41,529 | -9.6 | -0.7 | 4,623 | 4,473 | 3,805 | 21.5 | 3.4 | 2,800 | 2,810 | 2,216 | 26.4 | -0.4 |
| Gujarat State Petronet | 2,772 | 2,741 | 2,604 | 6.5 | 1.1 | 1,925 | 1,732 | 1,925 | 0.0 | 11.1 | 1,316 | 3,825 | 1,356 | -2.9 | -65.6 |
| Hindustan Petroleum | 10,66,834 | 10,07,811 | 11,05,054 | -3.5 | 5.9 | 69,406 | 68,910 | 59,702 | 16.3 | 0.7 | 38,180 | 38,304 | 30,229 | 26.3 | -0.3 |
| Indian Oil | 20,46,441 | 17,88,797 | 19,38,995 | 5.5 | 14.4 | 1,49,119 | 1,45,832 | 71,166 | 109.5 | 2.3 | 77,208 | 76,105 | 21,939 | 251.9 | 1.4 |
| Indraprastha Gas | 41,190.00 | 40,233 | 37,591.00 | 9.6 | 2.4 | 4,812 | 4,428 | 3,636 | 32.3 | 8.7 | 3,515 | 3,725 | 2,858 | 23.0 | -5.6 |
| Mahanagar Gas | 20,895 | 20,493 | 17,576 | 18.9 | 2.0 | 3,350 | 3,380 | 3,144 | 6.6 | -0.9 | 1,886 | 1,934 | 2,254 | -16.3 | -2.5 |
| Oil India | 51,132 | 54,567 | 52,397 | -2.4 | -6.3 | 18,729 | 13,249 | 21,327 | -12.2 | 41.4 | 9,484 | 10,440 | 12,218 | -22.4 | -9.2 |
| ONGC | 2,50,161 | 2,65,607 | 2,70,872 | -7.6 | -5.8 | 1,68,580 | 1,76,975 | 1,90,568 | -11.5 | -4.7 | 81,592 | 98,480 | 82,399 | -1.0 | -17.1 |
| Petronet LNG | 1,08,778 | 1,10,091 | 1,22,269 | -11.0 | -1.2 | 11,324 | 11,173 | 12,477 | -9.2 | 1.4 | 8,216 | 8,058 | 8,670 | -5.2 | 2.0 |
| Reliance Industries | 25,61,538 | 25,46,230 | 23,99,860 | 6.7 | 0.6 | 4,71,680 | 4,58,850 | 4,37,890 | 7.7 | 2.8 | 1,86,050 | 1,81,650 | 1,85,400 | 0.4 | 2.4 |

Source: Company, JM Financial

**Exhibit 30. Industrial Gases – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** |
| Ellenbarrie Industrial Gases | 859 | 892 | 680 | 26.3 | -3.7 | 308 | 335 | 270 | 14.1 | -8.1 | 282 | 367 | 192 | 46.9 | -23.2 |
| INOX India | 3,903 | 3,582 | 3,336 | 17.0 | 9.0 | 847 | 779 | 692 | 22.4 | 8.7 | 651 | 588 | 512 | 27.1 | 10.7 |

Source: Company, JM Financial

# Pharmaceuticals & Healthcare

- Historically, 3Q has been seasonally softer for the Healthcare space. We anticipate the JMFe coverage to cumulatively grow in early double-digits YoY and stay flat QoQ with a dip in the operating margins.
- **Hospitals and diagnostics** are expected to lead the pack in terms of growth with YoY growth of 15% and 17%, respectively. Hospitals' healthy double-digit YoY growth would be supported by volume trends and new-bed ramp-ups; QoQ numbers are expected to be largely flat though. Margins are anticipated to be fractionally lower, both YoY and QoQ. Diagnostics' growth is expected to be largely volume-led, both organic and inorganic. Though margins are expected to improve YoY enabled by operating leverage, moderate QoQ weakness is likely on account of seasonality.
- **Pharma:** The broader pharma coverage is expected to grow 10% YoY with a flat QoQ performance. Margins too are likely to reduce by ~100/bps QoQ/150bps YoY. In Pharma, CRDMO is likely to deliver steady 10% YoY/1% QoQ growth—owing to global supply chain tailwinds and commercialisation-led traction. India-focused pharma players are likely to deliver 14% YoY growth. The US generic players are expected to report 2% YoY growth owing to price erosion in gRevlimid.
- **Top pick – Sai Life Sciences:** Our view on this name is underpinned by the company's expanding commercial portfolio, with a growing focus on late-stage/commercial projects, and increasing wallet share of the end market—we reckon revenue per commercial drug would increase from ~USD 2.7mn in FY22 to an estimated ~USD 3.4mn in FY25, potentially reaching ~USD 5.5mn by FY28E. This growth trajectory positions Sai as the fastest-growing CRDMO in India. CDMO led-growth for the company would expand EBITDA margins, and a high proportion of the CRO clientele would showcase resilience amidst the volatile bio-tech funding environment. We estimate its revenue/EBITDA/PAT shall compound at 23%/30%/41% over FY25–28E. Given its high-growth outlook and improving profitability, we value the stock at 32x Sep'27E EBITDA, yielding a TP of INR 1,197.
- **Top stock to avoid – Cipla:** Our avoid view on Cipla is backed by the anticipation of lower gRevlimid contribution in FY26, continued erosion in gAlbuterol sales, lack of immediate meaningful new launches in the US and the company's reduced EBITDA margin guidance for FY26E. Although the stock appears to be decent on valuations—trading at 25x PE FY27E (close to historical average)—we remain negative on the name due to its weak earnings CAGR of 10% over FY25–28E (earnings to decline in FY27E).

**Exhibit 31. Pharmaceuticals – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Company | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq |
| Aurobino Pharma | 83,830 | 82,857 | 79,785 | 5.1 | 1.2 | 16,900 | 16,781 | 16,278 | 3.8 | 0.7 | 9,050 | 8,465 | 8,440 | 7.2 | 6.9 |
| Biocon | 43,770 | 42,955 | 38,214 | 14.5 | 1.9 | 8,920 | 8,235 | 7,518 | 18.6 | 8.3 | 2,190 | 1,328 | 811 | 170.0 | 64.9 |
| Cipla | 75,207 | 75,894 | 70,730 | 6.3 | -0.9 | 17,907 | 18,948 | 19,889 | -10.0 | -5.5 | 13,384 | 13,534 | 15,746 | -15.0 | -1.1 |
| Dr Reddy's Labs | 80,776 | 88,051 | 83,586 | -3.4 | -8.3 | 15,976 | 20,553 | 22,996 | -30.5 | -22.3 | 9,291 | 14,930 | 14,038 | -33.8 | -37.8 |
| Innova Captab | 4,050 | 3,804 | 3,165 | 28.0 | 6.5 | 560 | 519 | 466 | 20.3 | 8.0 | 330 | 297 | 342 | -3.5 | 11.2 |
| Ipca Laboratories | 24,901 | 25,565 | 22,454 | 10.9 | -2.6 | 5,201 | 5,449 | 4,631 | 12.3 | -4.6 | 3,131 | 2,835 | 2,773 | 12.9 | 10.4 |
| J B Chemicals & Pharmaceuticals | 10,750 | 10,849 | 9,635 | 11.6 | -0.9 | 3,010 | 3,096 | 2,545 | 18.3 | -2.8 | 2,015 | 2,078 | 1,625 | 24.0 | -3.0 |
| Lupin | 71,524 | 70,475 | 57,677 | 24.0 | 1.5 | 20,774 | 21,376 | 13,659 | 52.1 | -2.8 | 14,434 | 14,848 | 8,589 | 68.1 | -2.8 |
| OneSource Specialty Pharma | 4,100 | 3,758 | 3,926 | 4.4 | 9.1 | 1,050 | 1,065 | 1,432 | -26.7 | -1.4 | 77 | 105 | (688) | NM | -26.8 |
| Piramal Pharma | 22,124 | 20,437 | 22,042 | 0.4 | 8.3 | 1,974 | 1,587 | 3,377 | -41.5 | 24.4 | (326) | (992) | 37 | NM | NM |
| Sun Pharma | 1,48,005 | 1,44,783 | 1,36,755 | 8.2 | 2.2 | 40,805 | 40,966 | 41,924 | -2.7 | -0.4 | 29,505 | 31,371 | 29,175 | 1.1 | -5.9 |
| Torrent Pharma | 31,911 | 33,020 | 28,090 | 13.6 | -3.4 | 10,211 | 10,830 | 9,140 | 11.7 | -5.7 | 5,944 | 6,040 | 5,030 | 18.2 | -1.6 |
| Zydus Lifesciences | 64,309 | 61,232 | 52,691 | 22.0 | 5.0 | 15,609 | 16,017 | 12,050 | 29.5 | -2.5 | 9,209 | 12,676 | 10,046 | -8.3 | -27.4 |

Source: Company, JM Financial

**Exhibit 32. Healthcare – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** |
| Anthem Biosciences | 4,500 | 5,500 | 4,978 | -9.6 | -18.2 | 1,540 | 2,179 | 1,595 | -3.5 | -29.3 | 1,064 | 1,734 | 1,243 | -14.4 | -38.7 |
| Apollo Hospitals Enterprise | 63,459 | 63,035 | 55,269 | 14.8 | 0.7 | 9,459 | 9,411 | 7,615 | 24.2 | 0.5 | 4,859 | 4,877 | 3,741 | 29.9 | -0.4 |
| Aster DM Healthcare | 11,900 | 11,972 | 10,498 | 13.4 | -0.6 | 2,250 | 2,498 | 1,892 | 18.9 | -9.9 | 990 | 1,213 | 644 | 53.8 | -18.4 |
| Divi's Laboratories | 27,170 | 27,150 | 23,190 | 17.2 | 0.1 | 8,970 | 8,880 | 7,430 | 20.7 | 1.0 | 6,775 | 6,895 | 5,890 | 15.0 | -1.7 |
| Dr Lal Pathlabs | 6,730 | 7,306 | 5,967 | 12.8 | -7.9 | 1,842 | 2,241 | 1,540 | 19.6 | -17.8 | 1,264 | 1,522 | 981 | 28.8 | -17.0 |
| Emcure Pharmaceuticals | 23,050 | 22,698 | 19,626 | 17.4 | 1.5 | 4,540 | 4,391 | 3,617 | 25.5 | 3.4 | 2,459 | 2,514 | 1,561 | 57.5 | -2.2 |
| Fortis Healthcare | 22,452 | 23,314 | 19,283 | 16.4 | -3.7 | 4,827 | 5,563 | 3,751 | 28.7 | -13.2 | 2,562 | 3,251 | 2,522 | 1.6 | -21.2 |
| Global Health | 10,763 | 10,992 | 9,434 | 14.1 | -2.1 | 2,133 | 2,309 | 2,378 | -10.3 | -7.7 | 1,192 | 1,584 | 1,429 | -16.6 | -24.8 |
| GPT Healthcare | 1,210 | 1,189 | 1,022 | 18.4 | 1.8 | 245 | 227 | 213 | 15.2 | 7.7 | 134 | 106 | 122 | 9.6 | 26.6 |
| Jupiter Life Line Hospitals | 3,850 | 3,936 | 3,206 | 20.1 | -2.2 | 890 | 922 | 750 | 18.7 | -3.5 | 538 | 575 | 525 | 2.4 | -6.4 |
| Krishna Institute of Medical Sciences | 9,950 | 9,607 | 7,724 | 28.8 | 3.6 | 1,750 | 2,040 | 1,872 | -6.5 | -14.2 | 580 | 720 | 925 | -37.3 | -19.4 |
| Krsnaa Diagnostics | 1,998 | 2,060 | 1,745 | 14.5 | -3.0 | 528 | 592 | 451 | 17.1 | -10.7 | 195 | 239 | 194 | 0.4 | -18.6 |
| Max Healthcare Institute | 25,413 | 25,720 | 22,690 | 12.0 | -1.2 | 6,463 | 6,870 | 6,100 | 5.9 | -5.9 | 3,733 | 5,550 | 3,140 | 18.9 | -32.7 |
| Metropolis Healthcare | 4,065 | 4,292 | 3,228 | 25.9 | -5.3 | 960 | 1,082 | 720 | 33.3 | -11.3 | 472 | 529 | 315 | 49.8 | -10.8 |
| Neuland Laboratories | 4,450 | 5,143 | 3,980 | 11.8 | -13.5 | 915 | 1,555 | 866 | 5.7 | -41.2 | 529 | 969 | 1,016 | -47.9 | -45.4 |
| Sai Life Sciences | 5,800 | 5,375 | 4,398 | 31.9 | 7.9 | 1,600 | 1,458 | 1,198 | 33.6 | 9.7 | 859 | 838 | 539 | 59.5 | 2.5 |
| Vijaya Diagnostics | 1,983 | 2,016 | 1,690 | 17.3 | -1.6 | 802 | 818 | 671 | 19.5 | -2.0 | 416 | 433 | 353 | 17.9 | -3.9 |

Source: Company, JM Financial

# Ports and Logistics

- We expect ports in our coverage to report YoY EBITDA growth modestly ahead of volume growth, led by a better cargo mix and rising EBITDA contribution from non-port business segments. A higher YoY share of container volumes for ADSEZ and liquid and RoRo volumes for GPPV should aid EBITDA margin expansion YoY (on a QoQ basis, we expect ports to maintain EBITDA margin).
- **Top pick – Adani Ports:** We expect ADSEZ to beat EBITDA estimates and, hence, likely to see consensus upgrades to EPS; meanwhile, we expect Concor to under-deliver on consensus earnings estimates for FY26.
- **Top stock to avoid – Container Corporation:** We expect Concor to report a weak set of results. Our analysis of rail container volumes out of JNPT port suggests rail coefficient at JNPT has fallen YoY in 3QFY26.

**Exhibit 33. Ports and Logistics – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** |
| Adani Port | 91,578 | 91,675 | 79,636 | 15.0 | -0.1 | 55,810 | 55,503 | 48,021 | 16.2 | 0.6 | 34,799 | 31,091 | 25,481 | 36.6 | 11.9 |
| Aegis Logistics | 23,477 | 22,940 | 17,070 | 37.5 | 2.3 | 3,247 | 2,907 | 2,329 | 39.4 | 11.7 | 1,917 | 1,796 | 1,243 | 54.3 | 6.7 |
| Aegis Vopak Terminals | 2,196 | 1,876 | 1,615 | 36.0 | 17.0 | 1,661 | 1,374 | 1,186 | 40.0 | 20.8 | 719 | 539 | 378 | 90.1 | 33.2 |
| Container Corporation | 22,917 | 23,514 | 22,019 | 4.1 | -2.5 | 5,129 | 5,688 | 4,583 | 11.9 | -9.8 | 3,365 | 3,768 | 3,434 | -2.0 | -10.7 |
| GMR Airports | 38,981 | 36,700 | 26,532 | 46.9 | 6.2 | 17,268 | 14,470 | 9,917 | 74.1 | 19.3 | 461 | (721) | (1,418) | NM | NM |
| Gujarat Pipavav | 2,729 | 2,792 | 2,427 | 12.4 | -2.2 | 1,743 | 1,778 | 1,387 | 25.6 | -2.0 | 1,236 | 1,261 | 940 | 31.5 | -2.0 |
| JSW Infrastructure | 13,053 | 12,656 | 11,818 | 10.4 | 3.1 | 6,303 | 6,097 | 5,861 | 7.5 | 3.4 | 3,894 | 3,688 | 3,356 | 16.0 | 5.6 |

Source: Company, JM Financial

# Real Estate

- The listed real estate universe continues to adopt a disciplined approach with higher emphasis on monetising existing projects over new supply. Except for the NCR, wherein launches rose sequentially, launches in all other markets were either flat or down marginally QoQ.
- Despite limited launches so far in the year, most key developers remain on track to meet their annual pre-sales guidance. We expect our coverage universe to report cumulative pre-sales of INR 234bn, down 20% YoY, largely led by a sharp drop in DLF's performance.
- GPL is expected to outperform in the wake of its launch of INR 90bn–100bn worth of inventory across seven projects. We expect the company to report pre-sales of INR 85bn (+56% YoY/ flat QoQ).
- We feel residential demand is expected to sustain at least in the near term; while there could be a minor moderation, the demand-supply scenario is healthy directionally with steady demand and comfortable inventory levels.
- **Top pick: GPL**
- **Top stock to avoid: Brigade**

**Exhibit 34. Real Estate – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Company | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq |
| Brigade Enterprises | 13,201 | 13,834 | 14,639 | -9.8 | -4.6 | 2,908 | 3,281 | 4,137 | -29.7 | -11.3 | 1,355 | 1,625 | 2,362 | -42.7 | -16.6 |
| Brookfield India Real Estate Trust | 6,700 | 6,706 | 6,015 | 11.4 | -0.1 | 4,800 | 4,772 | 4,386 | 9.4 | 0.6 | 1,510 | 1,615 | 574 | 163.2 | -6.5 |
| DLF | 31,068 | 16,430 | 15,287 | 103.2 | 89.1 | 9,635 | 2,836 | 4,000 | 140.9 | 239.8 | 12,827 | 9,449 | 13,611 | -5.8 | 35.7 |
| Embassy Office Parks REIT | 12,300 | 11,244 | 10,216 | 20.4 | 9.4 | 9,650 | 8,994 | 7,769 | 24.2 | 7.3 | 3,430 | 2,322 | 1,582 | 116.8 | 47.7 |
| Godrej Properties | 18,419 | 7,404 | 9,689 | 90.1 | 148.8 | 4,849 | (5,127) | 276 | 1660.0 | NM | 3,247 | 4,051 | 1,626 | 99.7 | -19.8 |
| Keystone Realtors | 5,424 | 4,993 | 4,640 | 16.9 | 8.6 | 824 | 154 | 411 | 100.6 | 435.0 | 714 | 86 | 151 | 373.5 | 734.6 |
| Knowledge Realty Trust | 11,993 | 6,714 | NA | NM | 78.6 | 9,632 | 5,407 | NA | NM | 78.1 | 5,935 | 626 | NA | NM | 847.4 |
| Macrotech Developers | 34,783 | 37,985 | 40,830 | -14.8 | -8.4 | 9,259 | 11,088 | 13,059 | -29.1 | -16.5 | 5,438 | 7,898 | 9,448 | -42.4 | -31.1 |
| Mindspace Business Parks REIT | 7,650 | 7,720 | 6,494 | 17.8 | -0.9 | 5,840 | 5,936 | 5,030 | 16.1 | -1.6 | 1,660 | 1,612 | 1,379 | 20.4 | 3.0 |
| Nexus Select Trust | 6,538 | 6,309 | 5,944 | 10.0 | 3.6 | 4,503 | 4,284 | 4,053 | 11.1 | 5.1 | 1,573 | 1,323 | 1,187 | 32.5 | 18.9 |
| Oberoi Realty | 16,127 | 17,657 | 13,955 | 15.6 | -8.7 | 8,982 | 10,203 | 8,561 | 4.9 | -12.0 | 6,193 | 7,603 | 6,184 | 0.1 | -18.5 |
| Phoenix Mills | 11,117 | 11,154 | 9,751 | 14.0 | -0.3 | 7,802 | 6,669 | 5,528 | 41.1 | 17.0 | 5,090 | 3,040 | 2,488 | 104.6 | 67.4 |
| Sobha Ltd | 13,641 | 14,076 | 12,241 | 11.4 | -3.1 | 1,601 | 956 | 672 | 138.1 | 67.4 | 826 | 725 | 217 | 280.8 | 13.9 |
| Sunteck Realty | 3,071 | 2,524 | 1,618 | 89.8 | 21.7 | 1,063 | 778 | 484 | 119.6 | 36.5 | 802 | 490 | 425 | 88.6 | 63.8 |

Source: Company, JM Financial

# Telecom

- We reckon telcos' ARPU shall grow 0.4–1% in 3QFY26, aided by ongoing upgrades-led improved subs mix. We expect Jio's revenue and EBITDA to grow QoQ by 2.1% and 2.6%, respectively, led by robust subs gains (including Home broadband and M2M SIMs) at 8.4mn (8.3mn in 2QFY26), and likely 0.4% QoQ improvement in ARPU to ~INR 212, aided by upgrades.
- Bharti is expected to register 1.7% QoQ and 2.1% QoQ growth in its India wireless revenue and EBITDA, respectively, led by robust MBB subs gains (of ~5.4mn), healthy overall wireless subs addition (of 3.3mn) and 1% QoQ improvement in ARPU (to INR 259). Similarly, BHL is expected to register 1.8% QoQ growth in its wireless EBITDA led by healthy MBB subs gain (of ~0.5mn) and 0.8% QoQ ARPU improvement (to INR 253). Separately, VIL's revenue, reported EBITDA and cash EBITDA are likely to be largely flat QoQ as net subs loss of ~3.5mn (though MBB subs likely to grow by ~0.5mn) is likely to offset ARPU growth of 1.1% QoQ to INR 169.
- We expect net tenancy additions to stay healthy for Indus Towers driven by VIL's network expansion and Bharti's rural rollouts. Hence, Indus's adjusted EBITDA may grow 1.4% QoQ in 3QFY26E, but reported EBITDA could decline 3% QoQ in 3QFY26 on a high base of 2QFY26 (due to recovery of remaining INR 2bn past dues from VIL). Separately, we expect TCOM's revenue/EBITDA to grow 1.6%/1.8% QoQ led by the digital portfolio, though partly offset by continued weakness in core connectivity (cable cuts and SAARC recoverability issues).
- **Top pick: Bharti Airtel**
- **Top stock to avoid: Indus Towers**

**Exhibit 35. Telecom – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Company | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq |
| Bharti Airtel | 5,45,020 | 5,28,731 | 4,55,990 | 19.5 | 3.1 | 3,11,776 | 3,02,891 | 2,50,663 | 24.4 | 2.9 | 68,690 | 67,916 | 41,879 | 64.0 | 1.1 |
| Bharti Hexacom | 23,541 | 23,173 | 22,507 | 4.6 | 1.6 | 12,835 | 12,693 | 11,967 | 7.3 | 1.1 | 4,290 | 4,212 | 3,666 | 17.0 | 1.9 |
| Indus Towers | 81,686 | 81,882 | 75,474 | 8.2 | -0.2 | 44,764 | 46,127 | 69,971 | -36.0 | -3.0 | 17,733 | 18,393 | 40,032 | -55.7 | -3.6 |
| Tata Communications | 61,971 | 60,998 | 57,981 | 6.9 | 1.6 | 11,952 | 11,736 | 11,810 | 1.2 | 1.8 | 2,603 | 2,041 | 2,715 | -4.1 | 27.5 |
| Vodafone Idea | 1,11,888 | 1,11,947 | 1,11,173 | 0.6 | -0.1 | 46,965 | 46,851 | 47,124 | -0.3 | 0.2 | (69,866) | (55,618) | (66,093) | NM | NM |

Source: Company, JM Financial

# Textiles

- In light of the ongoing tariff uncertainty, we expect near-term challenges for textile companies to persist as higher tariffs lead to higher discounts in lieu of customer retention—from Indian suppliers point of view. We believe textile companies' top line would reduce and margins too would decline to mid-single digits for most companies. India, though, is relatively better placed in home textiles than apparels given its strong footing in this sector and Indian exporters with manufacturing facilities in multiple countries remain relatively well insulated. However, given its higher reliance on US exports, Welspun Living might suffer top-line contraction to the tune of low-double digits with margins being rangebound sequentially.

**Exhibit 36. Textiles – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Company | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq | Q3FY26E | Q2FY26A | Q3FY25A | % yoy | % qoq |
| Gokaldas Exports | 9,730 | 9,844 | 9,290 | 4.7 | -1.2 | 681 | 646 | 696 | -2.1 | 5.4 | 121 | 81 | 282 | -56.9 | 50.1 |
| KPR Mill | 17,256 | 16,320 | 14,800 | 16.6 | 5.7 | 3,375 | 3,142 | 2,964 | 13.9 | 7.4 | 2,197 | 2,180 | 2,050 | 7.2 | 0.8 |
| PDS | 31,249 | 34,192 | 33,063 | -5.5 | -8.6 | 1,224 | 1,030 | 1,437 | -14.8 | 18.9 | 462 | 300 | 672 | -31.2 | 54.0 |
| Trident Limited | 15,171 | 17,872 | 17,129 | -11.4 | -15.1 | 1,095 | 2,142 | 2,263 | -51.6 | -48.9 | 125 | 909 | 833 | -85.0 | -86.2 |
| Welspun India | 21,761 | 24,409 | 28,731 | -24.3 | -10.8 | 1,280 | 1,533 | 3,576 | -64.2 | -16.5 | 12 | 130 | 2,008 | -99.4 | -90.6 |

Source: Company, JM Financial

# Utilities and Power Equipment

- Energy demand declined in Oct/Nov by 6%/1% YoY, but recovered in December with energy/peak demand rising 7%/8% YoY on the back of higher industrial activity and residential consumption. As a result, quarterly energy demand remained flat YoY, whereas peak demand increased 8% YoY supported by the uptick in December. Conventional generation fell 4% YoY during the quarter led by a 5% YoY dip in thermal generation. Hydro generation increased 13% YoY due to a strong monsoon while renewable generation grew 14% YoY supported by solar/wind capacity additions of 3.9 GW/27.2 GW in 8MFY26 versus 2GW/12.3GW in 8MFY25. Higher hydro and renewable output reduced thermal PLF to 60.8% in 3QFY26 versus 64.1% in 3QFY25.
- NTPC is expected to report a subdued quarter with generation down about 4% YoY due to lower thermal output. JSW Energy is likely to deliver strong 43% YoY growth in generation driven by contributions from KSK Mahanadi, Unit-2 of Utkal TPP and O2 Power. Adani Power's generation is expected to remain largely flat (2% YoY). Tata Power and Torrent Power are expected to suffer sharp YoY declines in generation (- 51% YoY/- 59% YoY) driven by non-operational plants and seasonally weak transmission performance. CESC is expected to post top-line growth of 14% YoY supported by incremental demand from Noida and Chandigarh.
- Among **renewable IPPs**, ACME Solar and Adani Green are expected to report revenue growth of 36% YoY and 16% YoY driven by capacity additions of 406MW and 5.6GW, respectively. ACME benefits from a full-quarter contribution of 2.9GW capacity (versus partial operational capacity in 2QFY25) while Adani Green's PLF is expected to decline due to adverse weather conditions, resulting in revenue growth lagging capacity addition.
- Among **hydro players**, NHPC is expected to report 25% YoY growth in generation supported by early monsoon and commissioning of Parbati II HEP. SJVN is expected to post 34% YoY growth, driven by higher hydro output, commissioning of 660 MW Unit-1 of Buxar TPP, and phased commissioning of the 1 GW Bikaner solar project.
- **Equipment manufacturers** (BHEL, Suzlon, Inox Wind) are expected to report healthy results driven by higher dispatches and operating leverage. IEX is likely to post ~11% YoY growth in traded volumes. Coal India's offtake declined 3.5% YoY due to lower thermal PLFs, while Power Grid is expected to deliver a flat performance given limited capitalisation.
- **Top pick – BHEL:** We expect a pickup in execution of 34GW of new projects, beginning 3QFY25. BHEL has already got 34GW of projects in the current cycle. The company is estimated to report 22% YoY revenue growth with EBITDA margin expanding to 7.3% versus 4.2% in 3QFY25 as the share of new projects increases in execution. Our TP for the stock is INR 363 based on Mar'28E EPS.
- **Top stock to avoid – Inox Wind**: We expect the company to report execution of 240MW in 3QFY26E, taking cumulative execution to 600MW for 9MFY26. Achieving the FY26 guidance of 1,200 MW is difficult. We expect the stock to underperform in the near term.

**Exhibit 37. Utilities and Power Equipment – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** |
| ACME Solar Holdings | 4,739 | 4,677 | 3,490 | 35.8 | 1.3 | 4,146 | 4,002 | 3,072 | 35.0 | 3.6 | 875 | 1,108 | 1,190 | -26.5 | -21.0 |
| Adani Green Energy | 24,420 | 30,080 | 23,650 | 3.3 | -18.8 | 21,034 | 26,030 | 16,010 | 31.4 | -19.2 | 598 | 7,270 | 4,900 | -87.8 | -91.8 |
| Adani Power | 1,35,914 | 1,34,568 | 1,36,712 | -0.6 | 1.0 | 52,447 | 51,503 | 50,229 | 4.4 | 1.8 | 28,973 | 29,065 | 29,401 | -1.5 | -0.3 |
| CESC | 42,501 | 52,670 | 35,610 | 19.4 | -19.3 | 9,228 | 11,290 | 9,100 | 1.4 | -18.3 | 2,653 | 4,250 | 2,650 | 0.1 | -37.6 |
| Coal India | 3,44,803 | 3,01,867 | 3,68,586 | -6.5 | 14.2 | 98,482 | 67,162 | 1,23,172 | -20.0 | 46.6 | 57,302 | 33,917 | 76,577 | -25.2 | 68.9 |
| Indian Energy Exchange | 1,438 | 1,539 | 1,321 | 8.9 | -6.6 | 1,239 | 1,335 | 1,131 | 9.5 | -7.2 | 1,115 | 1,188 | 1,034 | 7.8 | -6.1 |
| Inox Wind | 13,297 | 11,192 | 9,113 | 45.9 | 18.8 | 2,703 | 2,277 | 2,037 | 32.7 | 18.7 | 1,590 | 1,206 | 1,251 | 27.1 | 31.8 |
| JSW Energy | 47,806 | 51,774 | 24,389 | 96.0 | -7.7 | 26,230 | 29,965 | 9,137 | 187.1 | -12.5 | 3,260 | 7,047 | 1,678 | 94.3 | -53.7 |
| NHPC | 28,550 | 33,653 | 22,868 | 24.8 | -15.2 | 15,178 | 20,269 | 10,215 | 48.6 | -25.1 | 8,965 | 12,192 | 3,301 | 171.6 | -26.5 |
| NTPC | 4,58,389 | 4,47,858 | 4,50,694 | 1.7 | 2.4 | 1,40,678 | 1,28,158 | 1,36,837 | 2.8 | 9.8 | 51,473 | 52,253 | 55,128 | -6.6 | -1.5 |
| Power Grid Corporation | 1,14,287 | 1,14,760 | 1,12,330 | 1.7 | -0.4 | 91,980 | 91,137 | 95,380 | -3.6 | 0.9 | 31,588 | 30,488 | 38,192 | -17.3 | 3.6 |
| SJVN | 9,769 | 10,324 | 6,710 | 45.6 | -5.4 | 6,998 | 8,600 | 4,702 | 48.8 | -18.6 | 1,704 | 3,078 | 1,488 | 14.5 | -44.6 |
| Suzlon Energy | 39,937 | 38,708 | 29,748 | 34.3 | 3.2 | 7,008 | 7,208 | 4,995 | 40.3 | -2.8 | 5,430 | 5,613 | 3,869 | 40.3 | -3.3 |
| Tata Power | 1,37,590 | 1,55,449 | 1,53,911 | -10.6 | -11.5 | 33,994 | 33,020 | 33,526 | 1.4 | 2.9 | 8,087 | 9,194 | 10,307 | -21.5 | -12.0 |
| Torrent Power | 62,026 | 78,760 | 64,994 | -4.6 | -21.2 | 11,684 | 15,058 | 11,116 | 5.1 | -22.4 | 5,038 | 7,237 | 4,757 | 5.9 | -30.4 |

Source: Company, JM Financial

## Others

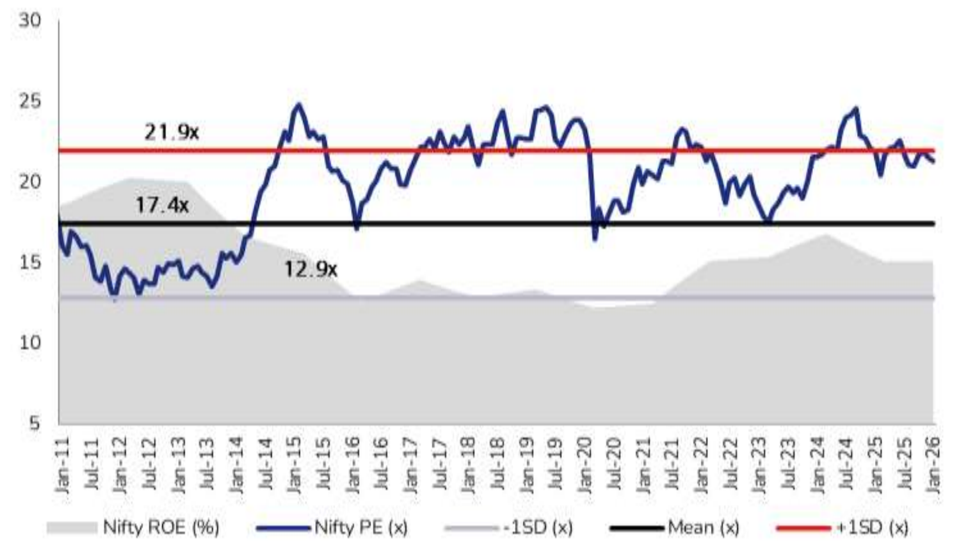
- **Aviation:** We expect PAX yields for Indigo to decrease 3–4% YoY, in line with its revised PRASK contraction guidance, while ASK growth for 3Q is estimated at ~11% YoY, lower than the earlier guidance due to recent operational disruptions. Cost headwinds remain elevated with ATF prices up 5.7% QoQ and the INR depreciating ~2.1% QoQ, likely resulting in forex losses of ~INR9bn+. Consequently, Indigo is staring at a muted seasonal quarter, and we estimate PBT/ASK would be ~INR0.65, implying PAT of ~INR28bn for the quarter.
- **Sugar:** In 3QFY26, for Balrampur, sugar volume is likely rise 9% YoY. While sugar prices are likely to be 4% higher YoY, it is set to be slightly lower sequentially as the average industry price trended down in 3QFY26. Furthermore, there could be robust diversion of sugar volumes towards ethanol with some improvement in prices likely. As a result, in 3QFY26, we expect sales/EBITDA to improve by 15%/18% YoY for Balrampur. **Our top pick is Balrampur Chini.**

**Exhibit 38. Others – 3QFY26E results preview**

| | Net Sales (INR mn) | | | | | EBITDA (INR mn) | | | | | Net Income (INR mn) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** | **Q3FY26E** | **Q2FY26A** | **Q3FY25A** | **% yoy** | **% qoq** |
| Indigo | 2,38,832 | 1,85,553 | 1,69,696 | 40.7 | 28.7 | 60,076 | 5,795 | 16,311 | 268.3 | 936.7 | 27,931 | (25,821) | (9,867) | NM | NM |
| CMS Info Systems | 6,208 | 6,086 | 5,815 | 6.8 | 2.0 | 1,434 | 1,374 | 1,595 | -10.1 | 4.4 | 753 | 734 | 932 | -19.2 | 2.7 |
| Central Depository Services | 3,198 | 3,189 | 3,223 | -0.8 | 0.3 | 1,763 | 1,776 | 1,998 | -11.8 | -0.7 | 1,380 | 1,402 | 1,620 | -14.8 | -1.6 |
| National Securities Depository | 3,920 | 4,000 | 3,567 | 9.9 | -2.0 | 1,121 | 1,279 | 1,129 | -0.7 | -12.4 | 979 | 1,104 | 962 | 1.8 | -11.3 |
| Balrampur Chini | 13,729 | 16,708 | 11,921 | 15.2 | -17.8 | 1,467 | 1,204 | 1,238 | 18.5 | 21.8 | 742 | 460 | 627 | 18.3 | 61.5 |

Source: Company, JM Financial

**Exhibit 39. Nifty50 1Y forward P/E chart**




Source: Bloomberg, JM Financial

# APPENDIX I

## JM Financial Institutional Securities Limited

**Corporate Identity Number: U67100MH2017PLC296081**
**Member of BSE Ltd. and National Stock Exchange of India Ltd.**
**SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610**
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**Compliance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: ashley.johnson@jmfl.com**
**Grievance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: instcompliance@jmfl.com**

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| New Rating System: Definition of ratings | |
|---|---|
| **Rating** | **Meaning** |
| **BUY** | Expected return >= 15% over the next twelve months. |
| **ADD** | Expected return >= 5% and < 15% over the next twelve months. |
| **REDUCE** | Expected return >= -10% and < 5% over the next twelve months. |
| **SELL** | Expected return < -10% over the next twelve months. |

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

| Previous Rating System: Definition of ratings | |
|---|---|
| **Rating** | **Meaning** |
| **BUY** | Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields. |
| **HOLD** | Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months. |
| **SELL** | Price expected to move downwards by more than 10% from the current market price over the next twelve months. |

* REITs refers to Real Estate Investment Trusts.

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