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FIRST LIGHT

09 February 2026

RESEARCH

KALYAN JEWELLERS | TARGET: Rs 487 | +28% | BUY

Festive demand and store expansion drive earnings surge

BOB ECONOMICS RESEARCH | RBI POLICY REVIEW

Rates on hold – No surprises

STATE BANK OF INDIA | TARGET: Rs 1,279 | +20% | BUY

Steady return profile with improvement in asset quality

TATA STEEL | TARGET: Rs 206 | +5% | HOLD

Revenue performance driven by strong India volume growth

INDIAN OIL CORP | TARGET: Rs 181 | +3% | HOLD

Results above expectation on better volumes growth and GRM

HERO MOTOCORP | TARGET: Rs 5,559 | -3% | HOLD

Steady performance; volume pickup to continue

SHREE CEMENT | TARGET: Rs 28,719 | +5% | HOLD

Chase for realisations over volume continues; Maintain HOLD

CROMPTON GREAVES | TARGET: Rs 320 | +31% | BUY

Steady Q3; foray into housing wires business

SAPPHIRE FOODS | TARGET: Rs 263 | +22% | BUY

Mixed Performance

SUMMARY

KALYAN JEWELLERS

- Robust SSSG and franchise-led network expansion lift revenues sharply
- Operating leverage improves margins, despite elevated gold prices
- Upgrade from HOLD to BUY; cut TP to Rs 487 per share

Click here for the full report.

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INDIA ECONOMICS: RBI POLICY REVIEW

The MPC unanimously decided to keep its policy rates on hold, after lowering them by 25bps in its last meeting in Dec'25. Stance of the monetary policy was retained at neutral; Prof. Ram Singh continued to favour an accommodative stance. On the liquidity front, RBI reiterated its support that it will maintain sufficient liquidity in the system as and when needed. Growth forecast for Q1 and Q2FY27 were revised upwards to 6.9% and 7% respectively, noting the positive impact from recently signed trade deals and continued momentum in the domestic activity.

Click here **for the full report.**

STATE BANK OF INDIA

- PAT beats estimate, mainly driven by pick-up in loan growth and one-off special dividend, Management guided RoA of 1% through the cycles
- Credit growth above system levels with guidance raised to 13-15% in FY26 from 12-14% guided earlier; asset quality metrics improved
- We maintain BUY on healthy growth and steady return profile, and revise TP to Rs 1,279 (Rs 1,156 earlier), set at 1.5x Dec'27E ABV

Click here **for the full report.**

TATA STEEL

- Revenue & EBITDA grew by 6.4%YoY and 38.9%YoY respect. driven by India volume gr of 14.2% & cost savings offset by price decline
- Outlook positive given the price improvements in India since Dec'25 and EU policy measures to restrict import
- Based on 9MFY26, we maintain HOLD and raise TP to Rs206 from Rs190, based on India at 7.0x & Europe at 5.5x; its Dec' 27 EBITDA

Click here **for the full report.**

INDIAN OIL CORP

- Revenue grew by 5.7%YoY; EBITDA grew by 200.4%YoY; driven by volume growth of 5.0% and GRM growth of 319.9%YoY, respectively
- Positive outlook on business growth, given the demand in petroleum products and improvement in product cracks
- Due to improved performance; maintain HOLD and revise TP to Rs181 from Rs165, based on 6.0x EV/EBITDA on Dec'27 EBITDA

Click here **for the full report.**

HERO MOTOCORP

- Revenue growth was a robust 21% YoY at Rs123.3bn, on healthy volume growth of 16% YoY; realizations backed up well with 4% YoY
- Commodity inflation pressure persists (~50bps); RM costs up by 24%; EBITDAM up 22bps, driven by the ICE EBITDAM surge of 100bps
- FY27/FY28 EBITDA estimates revised up by 2%/3%; PAT by 4%/6%; PAT rollover to Dec'27, value at 18x; TP revised to Rs 5,559 Retain HOLD

Click here **for the full report.**

SHREE CEMENT

- SRCM revenue grew ~4%/3% YoY/QoQ to Rs44.2bn in Q3FY26, driven by better realisations and premium mix; realisation QoQ softens
- Overall cost per tonne rose ~8% YoY to Rs4,068/t (-7% QoQ) amid muted operating leverage; EBITDA/t fell 9% YoY to Rs 985/t
- Revise downwards FY26E/FY27E/FY28E Revenue/EBITDA estimates. Maintain HOLD; TP revised to Rs28,719 (Rs 29,833) on rollover

Click here **for the full report.**

CROMPTON GREAVES

- Broadly in-line performance. Revenue grew 7% YoY, led by 8% YoY growth in ECD and 7% YoY growth in Lighting/BGAL
- Announced to foray into housing wires business in Q4, significantly increasing existing TAM by Rs 360bn to Rs 1.6-1.7trn
- We cut estimates, roll forward to Dec-26 TP with a 30x multiple to arrive at TP of Rs 320; maintain BUY

Click here **for the full report.**

SAPPHIRE FOODS

- Sapphire Foods reported a sequential improvement in profitability in Q3FY26, led by a stronger performance in the KFC business
- PH India continued to face demand pressure, weighing on the overall profitability; though select regional markets showed relative resilience
- Near-term profitability was impacted by exceptional and cost-related factors. BUY rating based on DCF with TP of 263

Click here **for the full report.**

RESULT REVIEW

BUY

TP: Rs 487 | ⮝ 28%

KALYAN JEWELLERS | Retail | 08 February 2026

Festive demand and store expansion drive earnings surge

- **Robust SSSG and franchise-led network expansion lift revenues sharply**
- **Operating leverage improves margins, despite elevated gold prices**
- **Upgrade from HOLD to BUY; cut TP to Rs 487 per share**

Lavita Lasrado
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Strong Q3: KALYANKJ delivered a robust beat in Q3FY26, with consolidated revenue at Rs 103.4 bn (+41.9% YoY/+31.7% QoQ), driven by strong festive demand, continued store expansion and healthy SSSG. Operating leverage played out well, with EBITDA rising 71.0% YoY to Rs 7.5 bn, beating estimates by ~26%; while EBITDA margin expanded 123 bps YoY to 7.3%. Consequently, APAT more than doubled to Rs 4.5 bn (+104.5% YoY), supported by strong operating performance, despite higher interest and advertising spends.

Highlights: India operations remained the key growth driver, with revenue up 41.7% YoY, supported by strong SSG of 27% and rapid expansion in the franchise-led (FOCO) network — taking total India store count to 318 (+26% YoY). Middle East revenue grew 28.0% YoY, with margins broadly stable at ~7%. Candere continued on its sharp growth trajectory, with revenue up ~142% YoY, aided by aggressive store expansion, and PAT of Rs 30mn in Q3FY26 (vs -70mn in Q3FY25). At the consolidated level, higher franchise mix continued capping margins, but scale benefits and operating efficiencies drove a sharp improvement in absolute earnings in Q3FY26.

Outlook & Key Takeaways: Management highlighted strong festive-led demand in Q3FY26 (Diwali SSSG >30%), with momentum sustaining into early Q4FY26 despite elevated gold prices. The company remains on track to open 84 new Kalyan stores in FY26, with 80-90 per year for the next couple of years and 6-7 stores additions in the Middle East per year for the next couple of years. FY26 capex guidance stands at Rs 1,750mn for India.

Upgrade from BUY to HOLD; cut TP to Rs 487: We upgrade the stock to BUY from HOLD, supported by strong earnings visibility (EPS CAGR ~42.8% over FY25–FY28E). However, amid persistent investor concerns and weak sentiment, the stock has corrected ~26% over the last three months. We therefore revise our target P/E to 25x Dec'27E (from 35x earlier), which we believe better reflects prevailing risk perception despite healthy operating fundamentals, resulting in a target price of Rs 487 per share.

Key changes

Target	Rating
▼	▲

Ticker/Price	KALYANKJ IN/Rs 380
Market cap	US$ 4.3bn
Free float	37%
3M ADV	US$ 20.4mn
52wk high/low	Rs 618/Rs 348
Promoter/FPI/DII	63%/14%/15%

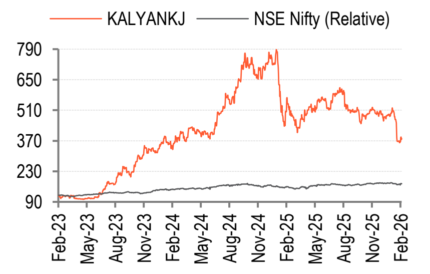
Source: NSE | Price as of 6 Feb 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	2,50,451	3,32,352	4,23,552
EBITDA (Rs mn)	15,172	22,701	30,238
Adj. net profit (Rs mn)	7,148	12,757	17,531
Adj. EPS (Rs)	6.9	12.4	17.0
Adj. ROAE (%)	15.9	24.0	26.9
Adj. P/E (x)	54.9	30.7	22.4
EV/EBITDA (x)	27.4	18.4	14.0
Adj. EPS growth (%)	19.5	78.5	37.4

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

RBI POLICY REVIEW

06 February 2026

Rates on hold – No surprises

Sonal Badhan
Economist

The MPC unanimously decided to keep its policy rates on hold, after lowering them by 25bps in its last meeting in Dec'25. Stance of the monetary policy was retained at neutral; Prof. Ram Singh continued to favour an accommodative stance. On the liquidity front, RBI reiterated its support that it will maintain sufficient liquidity in the system as and when needed. Growth forecast for Q1 and Q2FY27 were revised upwards to 6.9% and 7% respectively, noting the positive impact from recently signed trade deals and continued momentum in the domestic activity.

Inflation forecast for FY26 and H1FY27 were also revised higher. FY26 CPI is now expected at 2.1%, led by higher Q4 number (3.2%). Even Q1 and Q2 inflation is estimated to be up at 4% and 4.2% respectively. All these revisions have been made keeping in view high volatility in the prices of precious metals and unfavourable base. RBI has deferred giving its full year forecasts to Apr'26 as it awaits the release of new series this month. Governor also highlighted that the central bank would focus on maintaining sustained growth momentum going forward. Given this backdrop and revised inflation projection, we believe that the RBI has come to an end of its rate cutting cycle and would now opt for a long pause.

MPC decision:

RBI's monetary policy committee (MPC) voted unanimously to keep the policy repo rate on hold at 5.25%. The MPC also continued with the neutral stance, even though MPC member Prof. Ram Singh retained his view of changing the stance to accommodative.

Assessment of growth and inflation outlook:

- In line with NSO's first advanced estimate for FY26 GDP, RBI also expects growth to come in at 7.4%. In addition, it revised its forecast upward for both Q1 and Q2FY27.
- Growth is now expected at 6.9% in Q1FY27 (6.8% in Dec'25 policy) and at 7% in Q2FY27 (6.8%).
- Upward revisions have been made noting the positive impact of two major trade deals-India-EU and India-US and continued thrust on government's capital expenditure.
- Apart from this, rationalization of GST rates, services sector growth, higher capacity utilization, diversification of exports, and prospects of healthy rabi yield, are also expected to aid growth in the near term.

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BUY
TP: Rs 1,279 | ▲ 20%

STATE BANK OF INDIA | Banking | 08 February 2026

Steady return profile with improvement in asset quality

- **PAT beats estimate, mainly driven by pick-up in loan growth and one-off special dividend, Management guided RoA of 1% through the cycles**
- **Credit growth above system levels with guidance raised to 13-15% in FY26 from 12-14% guided earlier; asset quality metrics improved**
- **We maintain BUY on healthy growth and steady return profile, and revise TP to Rs 1,279 (Rs 1,156 earlier), set at 1.5x Dec'27E ABV**

Niraj Jalan
Research Analyst
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Research Analyst
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PAT beats estimate, mainly on loan growth and one-off special dividend: SBIN reported PAT of Rs 210bn (+24.5% YoY) and was 23% higher than our estimates. This was mainly due to a pick-up in gross loans to 15.1% YoY and a special dividend of Rs 22bn from SBI Mutual Fund. Further, the bank witnessed a marginal rise in NIMs to 2.99% (+2bps QoQ) vs our estimate of a decline by 2bps QoQ. NIMs were supported by a decline in CoD to 5.07% (-6bps QoQ), on account of SBIN's focus on improving the daily average balance in CASA accounts (domestic CASA at 39.1%). Further, C/I ratio improved to 50%, after adjusting for special dividend in Q3FY26 from 55% in Q3FY25. SBIN continues to report healthy return ratios (RoA/RoE of 1.16%/20.68% in 9MFY26). Management guided for NIMs of ~3% in Q4FY26, and through FY27E and FY28E, with RoA of 1% through the cycles.

Credit growth above system with guidance raised: Gross advances grew by 15.1% YoY and were above the system growth. Loan growth was led by RAM segment (+16.5% YoY), along with a pickup in corporate (+13.4% YoY vs mid-to-high single digit in the last 3 quarters). Loan growth resulted in an increase in the CD ratio to 81.2% (+317bps QoQ). Further, corporate credit pipeline remains robust at Rs ~7.9trn, of which Rs 4.4trn is sanctioned and pending disbursement. Also, SBIN increased loan growth guidance to 13-15% in FY26 from the earlier 12-14% .

Asset quality improvement: Asset quality improved with GNPA ratio at 1.57% (-16bps QoQ) and NNPA at 0.42% (-3bps QoQ). SBIN witnessed improvement in slippages to Rs 48.6bn vs Rs 50bn (Q2FY26) or slippage ratio of 0.54% (-6bps QoQ). The AUCA recoveries increased to Rs 26bn (Q3FY26) vs Rs 24.8bn (Q2FY26). Also, non-NPA provision of Rs 306.4bn (~170% of NNPA) provides a cushion against any sudden rise in stress.

Maintain BUY: Healthy business growth, despite SBIN's size, along with steady return profile and improving asset quality — augurs well. We expect the bank to deliver ROA/ROE of 1.16%/15.8% by FY28E. Given SBIN's healthy performance, we revise our TP to Rs 1,279 (from Rs 1,156) and roll over valuation to 1.5x Dec'27E ABV (1.4x earlier).

Key changes

Target	Rating
▲	◄ ►

Ticker/Price	SBIN IN/Rs 1,066
Market cap	US$ 108.6bn
Free float	42%
3M ADV	US$ 99.9mn
52wk high/low	Rs 1,090/Rs 680
Promoter/FPI/DII	56%/10%/27%

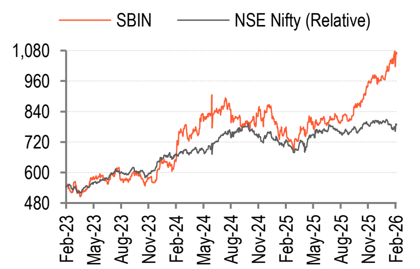
Source: NSE | Price as of 6 Feb 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	16,69,651	17,91,806	21,00,465
NII growth (%)	4.4	7.3	17.2
Adj. net profit (Rs mn)	7,09,006	8,07,290	8,96,106
EPS (Rs)	79.4	88.9	97.1
Consensus EPS (Rs)	79.4	81.9	89.8
P/E (x)	13.4	12.0	11.0
P/BV (x)	2.2	1.8	1.6
ROA (%)	1.1	1.1	1.1
ROE (%)	17.3	16.4	15.4

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

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HOLD
TP: Rs 206 | ▲ 5%

TATA STEEL | Metals & Mining | 07 February 2026

Revenue performance driven by strong India volume growth

- **Revenue & EBITDA grew by 6.4%YoY and 38.9%YoY respect. driven by India volume gr of 14.2% & cost savings offset by price decline**
- **Outlook positive given the price improvements in India since Dec'25 and EU policy measures to restrict import**
- **Based on 9MFY26, we maintain HOLD and raise TP to Rs206 from Rs190, based on India at 7.0x & Europe at 5.5x; its Dec' 27 EBITDA**

Sukhwinder Singh
Research Analyst
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Results below expectations on pricing decline: Revenue came at Rs566bn, (+6.4%YoY, -2.7%QoQ), and was 4% below our estimates. EBITDA came at Rs81bn (+38.9%YoY, -7.8%QoQ) and was 6% below estimates. EBITDA/t was Rs12,800 for the quarter; lower by 9.7%YoY. Underperformance was primarily due to a higher-than-expected decline in realisation. Volume growth was better at 14.2% vs expected 10%YoY growth.

Volumes performance: Standalone volumes came at 6.1mnt; higher by 14.2%YoY on strong demand from auto and construction segments. Volume growth was higher vs domestic demand growth of 4.6% YoY. Volumes grew 8.8% QoQ. Europe volumes came at 1.9mnt; lower by 8.1%YoY on account of lower UK & Netherland volumes that were impacted by subdued demand.

Domestic pricing outlook: Realisation decreased by 4.5%YoY and 5.5%QoQ. Prices have improved by Rs3,000-3,500/t since the end of Dec'25. Management is positive on pricing and expects the price improvement to sustain in Q4, on the back of a seasonally strong construction period.

Outlook: Management expects prices to be higher by Rs2,000/tonne in Q4FY26 vs Q3FY26. This will likely be partially offset by coking coal cost hike. On the cost front, coking coal cost likely to be higher by USD15/t QoQ in Q4. Europe-duty measures, with tariff on imports and carbon cost, will likely keep Europe prices positive. Management targets ramping up the India capacity from the current 26mntpa to 40mnt over long term, through brownfield expansions.

Maintain HOLD; revise TP: Due to improved pricing outlook in India and Europe, we maintain our HOLD rating and raise TP to Rs206 from Rs190, on SoTP basis - India at 7.0x & Europe at 5.5x its Dec'27 EBITDA.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	TATA IN/Rs 197
Market cap	US$ 27.1bn
Free float	1%
3M ADV	US$ 53.6mn
52wk high/low	Rs 203/Rs 125
Promoter/FPI/DII	0%/0%/0%

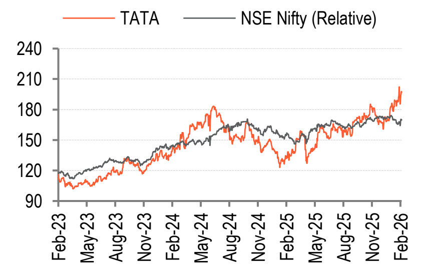
Source: NSE | Price as of 6 Feb 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs bn)	2,185	2,338	2,528
EBITDA (Rs bn)	253	341	445
Adj. net profit (Rs bn)	43	115	178
Adj. EPS (Rs)	3.4	9.2	13.9
Consensus EPS (Rs)	2.7	9.8	13.7
Adj. ROAE (%)	4.7	12.2	17.0
Adj. P/E (x)	57.5	21.3	14.2
EV/EBITDA (x)	12.7	9.4	7.1
Adj. EPS growth (%)	26.6	169.7	54.0

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

RESULT REVIEW

HOLD
TP: Rs 181 | ⮝ 3%

INDIAN OIL CORP | Oil & Gas | 06 February 2026

Results above expectation on better volumes growth and GRM

- **Revenue grew by 5.7%YoY; EBITDA grew by 200.4%YoY; driven by volume growth of 5.0% and GRM growth of 319.9%YoY, respectively**
- **Positive outlook on business growth, given the demand in petroleum products and improvement in product cracks**
- **Due to improved performance; maintain HOLD and revise TP to Rs181 from Rs165, based on 6.0x EV/EBITDA on Dec'27 EBITDA**

Sukhwinder Singh
Research Analyst
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Results above expectation: Revenue came in at Rs2,051bn (+5.7%YoY, +14.9%QoQ); 7% above our estimates. EBITDA came in at Rs227bn (+200.4%YoY, +40.0%QoQ) and was 9% above estimates, due to IOCL's better-than-expected performance in its refining segment.

Refining segment performance: GRM came at USD12.2/bbl in Q3FY26 vs USD2.9/bbl in Q3FY25 — a growth of 319.9%YoY on higher product cracks. Crude brent price averaged USD62/bbl, down USD12/bbl YoY. Cracks improved YoY: Petrol cracks stood at USD13.0/bbl in Q3FY26 vs USD11.4 in Q3FY25. HSD (Diesel) cracks at USD21.0 in Q3FY26 vs USD14.7 in Q3FY25.

Marketing business: Domestic sales volumes increased to 26.0mnt(+5.0%YoY; +13.8%QoQ). Exports volumes increased to 1.2mnt(-13.7%YoY, -17.2%QoQ).

Outlook and capex programme: Retail volume growth will likely be maintained. In terms of cost, Venezuela crude oil should result in a low cost input opportunity, given its heavy, sour nature; thus, available at a discount to Brent. IOCL has an ongoing capex programme of Rs1.6-1.8trn, targeted at refining expansion and petchem projects. Considering the delays in construction and stabilisation of operations of large-scale projects, we estimate the major benefit to kick in post FY28 only. Incurred a capex of Rs243bn in 9MFY26. Net Debt/Equity is ~0.7x.

Maintain HOLD and raise TP: We remain positive on business growth that is driven by the improvement in product cracks and likely sustainability. Considering the strong performance, we maintain HOLD and revise TP to Rs181 from Rs165, based on 6.0x EV/EBITDA on Dec'27 EBITDA.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	IOCL IN/Rs 175
Market cap	US$ 26.6bn
Free float	49%
3M ADV	US$ 23.3mn
52wk high/low	Rs 181/Rs 111
Promoter/FPI/DII	52%/7%/10%

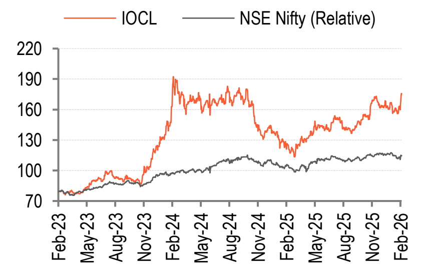
Source: NSE | Price as of 6 Feb 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	7,581,058	7,794,317	8,476,356
EBITDA (Rs mn)	359,905	660,741	589,034
Adj. net profit (Rs mn)	135,978	333,566	258,413
Adj. EPS (Rs)	9.9	24.2	18.8
Consensus EPS (Rs)	9.9	22.2	18.5
Adj. ROAE (%)	7.4	17.1	12.3
Adj. P/E (x)	17.7	7.2	9.3
EV/EBITDA (x)	10.0	5.7	6.6
Adj. EPS growth (%)	(67.4)	145.3	(22.5)

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

RESULT REVIEW

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

HOLD
TP: Rs 5,559 | ∨ 3%

HERO MOTOCORP | Automobiles | 06 February 2026

Steady performance; volume pickup to continue

- **Revenue growth was a robust 21% YoY at Rs123.3bn, on healthy volume growth of 16% YoY; realizations backed up well with 4% YoY**
- **Commodity inflation pressure persists (~50bps); RM costs up by 24%; EBITDAM up 22bps, driven by the ICE EBITDAM surge of 100bps**
- **FY27/FY28 EBITDA estimates revised up by 2%/3%; PAT by 4%/6%; PAT rollover to Dec'27, value at 18x; TP revised to Rs 5,559 Retain HOLD**

Milind Raginwar
Research Analyst
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Volumes and realisations remain buoyant: HMCL reported a robust show in Q3FY26 with revenue at Rs 123.3bn — up 21% YoY — as the post-festive momentum sustained, on GST reduction and rural recovery. Volumes rose to ~1.7mn units (16% YoY), led by healthy traction across portfolio with ICE scooters growing sharply by ~55% YoY. Realisation gained ~4% YoY, supported by premiumisation, rising scooter mix, favourable product mix and pricing actions, aided by recent launches. Further, a Rs300 price hike has been taken in Q4FY26.

Margins expand, modestly weighed by Commodity inflation: Raw material costs (inventory-adjusted) rose ~24% YoY, resulting in RM as a percentage of sales increasing to 67.4% (vs 65.8% YoY), pressured commodity inflation. Despite this, EBITDA margin expanded 22 bps YoY to 14.7%, supported by operating leverage from higher volumes, improved realisations and operational efficiencies. EBITDA stood at Rs 18.1bn (+23% YoY), sustaining growth despite cost pressures.

Brand investments continue: Other expenditure jumped ~11% YoY, (steady QoQ), reflecting sustained brand-building initiatives and continued investments in EV and growth platforms. Staff costs rose ~7% YoY. HMCL absorbed a one-time charge of ~Rs 1.2bn, related to the implementation of new labour codes.

Portfolio in place to capitalise on demand: Model refreshes and launches (HF Deluxe, Glamour, Xoom and Destini) have garnered healthy consumer acceptance, aided by sound marketing initiatives. Growth may stay in double digits in Q4FY26, helped by a steady demand revival and wedding-season tailwinds from February.

Maintain HOLD: Factoring in the YTD FY26 show, we have revised our estimates upwards by 2%/3% EBITDA and 4%/6% PAT in FY27/FY28. Effectively, our 3Y Revenue/EBITDA/PAT CAGR is 15%/14%/15%. Beyond GST rate rationalisation, HMCL is further consolidating, with a more aggressive strategy in 125cc segment that augurs well. We continue to assign 18x target P/E to core operations, in line with the 10Y average with rollover to Dec 2027 earnings and revise the SOTP-based TP to Rs 5,559 (earlier Rs 5,213), with Rs 130/sh as the value of other businesses.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	HMCL IN/Rs 5,754
Market cap	US$ 12.7bn
Free float	65%
3M ADV	US$ 43.0mn
52wk high/low	Rs 6,389/Rs 3,344
Promoter/FPI/DII	35%/30%/24%

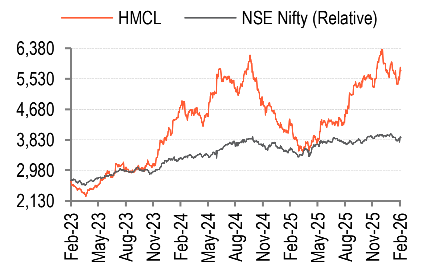
Source: NSE | Price as of 6 Feb 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	4,07,564	4,75,551	5,21,709
EBITDA (Rs mn)	58,677	65,059	73,212
Adj. net profit (Rs mn)	46,100	50,434	55,896
Adj. EPS (Rs)	230.9	252.6	279.9
Consensus EPS (Rs)	230.9	255.0	277.9
Adj. ROAE (%)	23.3	22.9	22.7
Adj. P/E (x)	24.9	22.8	20.6
EV/EBITDA (x)	19.7	17.8	15.9
Adj. EPS growth (%)	21.1	9.4	10.8

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

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HOLD
TP: Rs 28,719 | ⮝ 5%

SHREE CEMENT | Cement | 07 February 2026

Chase for realisations over volume continues; Maintain HOLD

- **SRCM revenue grew ~4%/3% YoY/QoQ to Rs44.2bn in Q3FY26, driven by better realisations and premium mix; realisation QoQ softens**
- **Overall cost per tonne rose ~8% YoY to Rs4,068/t (-7% QoQ) amid muted operating leverage; EBITDA/t fell 9% YoY to Rs 985/t**
- **Revise downwards FY26E/FY27E/FY28E Revenue/EBITDA estimates. Maintain HOLD; TP revised to Rs28,719 (Rs 29,833) on rollover**

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Listless volumes; QoQ realisations tepid: SRCM revenue grew ~4%/3% YoY/QoQ to Rs44.2bn in Q3FY26, driven by better realisations and premium mix, despite flat volumes. Cement realisations remained firm (price gap Rs 15/bag vs Rs 30/bag), aided by a sharp hike in premium products share to 22% of trade sales (vs 15% in Q3FY25) — reflecting continued premiumisation strategy. Volumes were flat YoY at ~8.7mt, limited by the production loss at Baloda Bazar.

Cost pressure from lower volumes: Overall cost per tonne rose ~8% YoY to Rs4,068/t (-7% QoQ) amid muted operating leverage. Raw material (RM) costs (adjusted for fuel) inflated ~9% YoY. Fuel costs remained well controlled at Rs 1.56/kcal, supported by green power share of 60% in Q3FY26 (61% for 9MFY26; capacity 634.5 MW). Logistics cost jumped by 4% YoY, despite lead distance falling to 446 km. Other expenses were checked at 1% YoY higher to Rs6.1 bn.

Margins compressed by cost inflation: EBITDA fell 9% YoY (+1% QoQ) to Rs8.6 bn (including a one-time Rs560mn impact from the new labour code). Effectively, EBITDA/t declined by 9% YoY to Rs 985/t. EBITDA margin contracted 290 bps YoY, reflecting muted volume growth and operating deleverage.

Capacity expansion: SRCM commissioned the 3.0mntpa Jaitaran cement plant, taking India cement capacity (including subsidiaries) to 65.8mntpa. The Kodla (Karnataka) 3.0mntpa integrated unit is nearing completion (Q4FY26).

Earnings revised downwards; retain HOLD: We revise down our Revenue/EBITDA estimates for FY26/FY27/FY28 to factor in lower volume growth. SRCM delivers better opex albeit at a lower capacity utilisation (~ mid 60-65%) and remains a key concern. We retain our HOLD rating, valuing SRCM at 15x Dec 2027 EV/EBITDA, as SRCM gaining size (79mnt) without any meaningful dent in operating efficiencies and sustained margins. Revenue/EBITDA CAGR estimates at 14%/17% over FY25-FY28E. Further, the UAE operations turning earnings accretive, is a key positive. We revise our TP at to Rs28,719 (earlier Rs29,833) for roll forward to Dec 2027, at our target price SRCM is valued at Rs10.5bn/mnt

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	SRCM IN/Rs 27,330
Market cap	US$ 10.9bn
Free float	37%
3M ADV	US$ 9.4mn
52wk high/low	Rs 32,490/Rs 25,360
Promoter/FPI/DII	63%/13%/12%

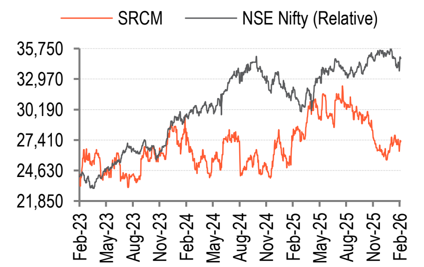
Source: NSE | Price as of 6 Feb 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	1,80,373	2,01,554	2,34,380
EBITDA (Rs mn)	38,368	44,554	54,143
Adj. net profit (Rs mn)	11,962	19,452	22,912
Adj. EPS (Rs)	331.5	539.1	635.0
Consensus EPS (Rs)	331.5	541.5	682.5
Adj. ROAE (%)	5.8	8.9	9.9
Adj. P/E (x)	82.4	50.7	43.0
EV/EBITDA (x)	23.0	19.7	16.2
Adj. EPS growth (%)	(51.5)	62.6	17.8

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

RESULT REVIEW

BUY

TP: Rs 320 | ⮝ 31%

CROMPTON GREAVES | Consumer Durables | 09 February 2026

Steady Q3; foray into housing wires business

- **Broadly in-line performance. Revenue grew 7% YoY, led by 8% YoY growth in ECD and 7% YoY growth in Lighting/BGAL**
- **Announced to foray into housing wires business in Q4, significantly increasing existing TAM by Rs 360bn to Rs 1.6-1.7trn**
- **We cut estimates, roll forward to Dec-26 TP with a 30x multiple to arrive at TP of Rs 320; maintain BUY**

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In-line quarter; revenue/EBITDA broadly stable vs expectations: Q3FY26 revenue/EBITDA were largely in line, with revenue rising 7% YoY to Rs 19bn, driven by broad-based growth across segments. Gross margin contracted 110bps YoY, on account of increase in commodity costs. EBITDA grew 4% YoY to Rs 2bn, while EBITDA margin declined by 30bps YoY to 10.3%; partly offset by disciplined A&P spends and cost optimisation. Adjusted PAT increased 8% YoY to Rs 1.2bn, while reported PAT declined 10% YoY, due to an exceptional charge of ~Rs 200mn related to the new labour code.

ECD growth remains steady; margin pressures persist: ECD revenue grew 8% YoY (+1% QoQ) to Rs 13.9bn, aided by stable demand in core categories (BLDC fans, 2x growth in pumps and LDA), pickup in solar portfolio (1st quarter of solar rooftop revenue). However, the weakness in TPW over ceiling fans continued. EBIT decreased 8% YoY to Rs 1.8bn, with EBIT margin contracting 220bps YoY to 13.0%; indicating continued pressure from commodities and higher competitive intensity.

Lighting and Butterfly sustain momentum; margins improve YoY: Lighting revenue grew 7% YoY (+5% QoQ) to Rs 2.8bn, led by strong double-digit volume growth, implying continued price erosion. EBIT increased 20% YoY to Rs 333mn, with EBIT margin expanding 134bps YoY to 12.1%, driven by operating leverage and improved mix. Butterfly revenue grew 7% YoY to Rs 2.4bn, with EBIT up 14% YoY to Rs 140mn and margin improving by 38bps YoY to 5.9%.

Residential wires entry adds new growth lever: Crompton announced entry into residential wires, with a full-range launch expected in ~6 weeks in select markets. This expands the company's addressable market meaningfully by Rs 360bn to Rs 1.6-1.7trn.

Cut estimates; maintain BUY: We cut FY27-28E EPS by 9-10% to factor in Crompton's foray into HW, which will likely be margin-dilutive till the segment scales meaningfully. We roll forward to Dec-26 and arrive at TP of Rs 320

Key changes

Target	Rating
▼	◀▶

Ticker/Price	CROMPTON IN/Rs 245
Market cap	US$ 1.7bn
Free float	100%
3M ADV	US$ 8.9mn
52wk high/low	Rs 368/Rs 217
Promoter/FPI/DII	0%/40%/44%

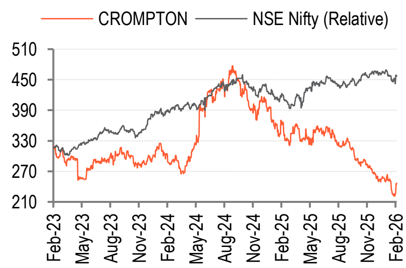
Source: NSE | Price as of 6 Feb 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	78,636	80,871	91,973
EBITDA (Rs mn)	8,882	7,678	9,018
Adj. net profit (Rs mn)	5,560	4,912	5,918
Adj. EPS (Rs)	8.6	7.6	9.2
Adj. ROAE (%)	17.4	13.7	14.9
Adj. P/E (x)	28.4	32.1	26.7
EV/EBITDA (x)	17.7	20.3	17.2
Adj. EPS growth (%)	26.4	(11.6)	20.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BUY
TP: Rs 263 | ⮝ 22%

SAPPHIRE FOODS | Consumer Discretionary | 08 February 2026

Mixed Performance

- **Sapphire Foods reported a sequential improvement in profitability in Q3FY26, led by a stronger performance in the KFC business**
- **PH India continued to face demand pressure, weighing on the overall profitability; though select regional markets showed relative resilience**
- **Near-term profitability was impacted by exceptional and cost-related factors. BUY rating based on DCF with TP of 263**

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Result Highlights: Sapphire Foods posted revenue growth of 7.6% YoY at Rs 8,138 mn, led by KFC India that grew 11% YoY (Navrati benefit included), while Pizza Hut India declined 11% YoY, due to demand weakness and operating deleverage. In addition, Sri Lanka continued to outperform with 15% YoY growth (in LKR terms), maintaining leadership in the QSR space. KFC SSSG turned slightly positive at 1% (flat including the Navratri impact) and Pizza Hut at -12%, reflecting continued consumer weakness in discretionary spending. Sri Lanka delivered double-digit SSSG at 11% (LKR terms). EBITDA declined 0.1% YoY stood at Rs1,342 mn, with EBITDA margin at 16.5%, contracting by 126 bps YoY due to operating deleverage and higher delivery mix. However, Adj. EBITDA (before Ind-AS 116) declined 5% YoY to INR 774 mn, with a margin of 9.5%. During the quarter, the company added 31 restaurants (27 KFC and 1 Pizza Hut in India; 3 PH stores in Sri Lanka and Maldives), taking the total count to 1,028 restaurants, as of Dec 30, 2025.

KFC stabilises; Sri Lanka delivers high double-digit growth: KFC India SSSG at ~1%, aided by the shift of Navratri into the quarter. Management noted that the Rs 299 EPIC Saver campaign saw limited traction, prompting a shift to the Rs 99 Krisper Chicken Burger Meal. Early response has been encouraging, with January demand trends improving. KFC India Restaurant EBITDA margin expanded to ~18.8% (+60 bps YoY), driven by better gross margins and disciplined discounting. Sri Lanka business continued to deliver strong momentum, with management guiding for high double-digit revenue growth. While the restaurant EBITDA margin stood at ~16.7%, margins declined YoY, owing to the minimum wage hikes and temporary operational disruptions.

Our view: DIL-Sapphire's joint leadership leads to a pan-India QSR giant with ~3,000 stores, cost/ops synergies (60%+ in year 1), execution readiness, and Pizza Hut revival via Yum incentives, that should complete within 12-15 months. We see this move very positive and further expect Revenue/EBITDA to grow at 11.6%/14% CAGR over FY26-28E resp. We recommend BUY rating based on DCF with target price of INR 263.

Ticker/Price	SAPPHIRE IN/Rs 215
Market cap	US$ 762.7mn
Free float	74%
3M ADV	US$ 2.4mn
52wk high/low	Rs 368/Rs 179
Promoter/FPI/DII	26%/29%/38%

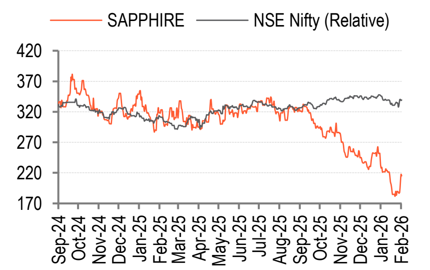
Source: NSE | Price as of 6 Feb 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	28,819	31,085	35,477
EBITDA (Rs mn)	4,768	4,604	5,960
Adj. net profit (Rs mn)	167	(51)	646
Adj. EPS (Rs)	0.5	(0.2)	2.0
Consensus EPS (Rs)	0.5	0.2	1.8
Adj. ROAE (%)	49.8	(8.0)	100.5
Adj. P/E (x)	413.7	(1,350.3)	107.0
EV/EBITDA (x)	14.5	15.0	11.6
Adj. EPS growth (%)	(67.8)	(130.6)	(1361.6)

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

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