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Market Update

Market Crossroads: Navigating US Tariff Tensions and Q3 Earnings Realities

Is the market reacting to facts, or to headlines about facts? That question has returned to Dalal Street at precisely the wrong time. Indian equities are standing at a junction where two forces are pulling in opposite directions. One is external and loud: shifting US tariff postures that can alter the earnings maths for export heavy sectors overnight. The other is domestic and grounded: Q3FY26 earnings that are beginning to reveal what demand, pricing power and margins actually look like on the ground. Recent volatility, including the sharp rebound after upbeat remarks from the new US Ambassador to India, Sergio Gor, underlines how quickly sentiment can overpower fundamentals.

The tariff question is no longer a distant geopolitical talking point. It has become a direct input into corporate profitability, supply chain planning and investor confidence. The problem is not merely the existence of tariffs, but the uncertainty around their scale, duration and scope. A known duty can be priced in. An unpredictable one freezes decisions across order books, logistics and capital allocation. The bigger risk lies in escalation. A proposed bipartisan bill, discussed alongside President Trump's backing, has been linked to the idea of imposing punitive tariffs on countries purchasing Russian petroleum products. Numbers of that magnitude do not fine tune behaviour; they disrupt trade economics. For exporters, this is not an ideological debate but a numerical one. A sudden tariff hike can turn a healthy order book into a margin trap, particularly when contracts were signed months earlier. The impact will not be evenly spread. Companies with high US revenue concentration have limited flexibility to redirect volumes or renegotiate pricing quickly. The textile sector has already flagged the risk of a sharp contraction in export orders during the January to March 2026 quarter. Industry feedback has softened further, with surveys referenced by the Confederation of Indian Textile Industry pointing to turnover pressure in the July to September 2025 period compared with the previous quarter.

Yet markets are rarely linear. Direction matters because equities discount the future, not just present damage. The rally following Ambassador Gor's comments that trade negotiations could resume as early as January 13 reflects a market hungry for de escalation. Another relief point has been the reported exemption of pharmaceuticals from the initial round of tariffs. That carve out does not remove risk, but it buys time. For supply chains, time often determines whether adjustments happen smoothly or painfully.

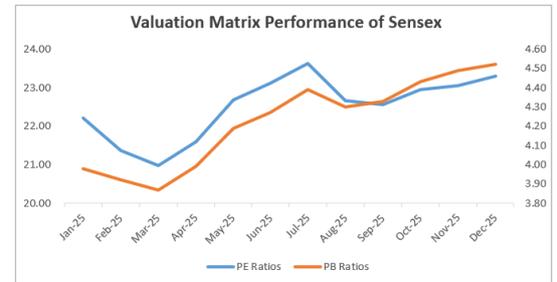
While tariff uncertainty plays out overseas, Q3FY26 earnings will decide how much valuation comfort exists at home. This season is not only about reported numbers but about management commentary, which is where early signals on tariff strategy, pricing power and demand visibility emerge. Consensus expectations suggest moderate year on year growth for the Nifty universe, with revenue growth of around 11.8%, EBITDA growth near 9.7% and PAT growth closer to 3.7%. The message is clear: top line momentum may be holding up, but profitability is under pressure from costs, competition and base effects.

IT remains the market's emotional barometer. TCS and HCLTech announced their results for quarter ending December 2025, management tone was measured and pragmatic, marked by confidence in long-term AI and digital transformation opportunities but caution on near-term demand and margins. Both management teams acknowledged seasonal softness and cost pressures, while signalling resilience through deal pipelines, execution discipline and selective growth visibility rather than aggressive optimism.

Elsewhere, earnings strength looks selective. BFSI, FMCG and autos are expected to post relatively steadier performance, aided by festive led demand and operating leverage in pockets. Pharmaceuticals, despite initial tariff relief, still face pricing pressure and a tougher comparative base. This is not a season for blanket optimism. Stock selection is no longer optional.

What should investors track from here? Two factors stand out. First, the direction of India US trade negotiations, where even incremental progress can rerate export facing stocks, while setbacks can compress valuations quickly. Second, the quality of corporate commentary: the ability to pass on tariff linked costs, signals from US clients on CY26 budgets, and seriousness around diversifying demand beyond a single geography. Until clarity improves, markets may remain headline driven, but investments will reward only discipline and diligence.

Jan - Mar., 2026



International Markets

Exchange	12 Jan 26	1 Year Change (%)	52-Week L/H
Bovespa	1,63,370.00	37.45	118,223 / 165,036
CAC 40	8,362.09	12.53	6,763.76 / 8,362.09
DAX	25,261.64	24.97	18,489.91 / 25,281.18
Dow Jones	49,504.07	18.04	36,611.78 / 49,621.43
FTSE 100	10,124.60	22.74	7,544.83 / 10,158.41
Hang Seng	26,369.00	37.62	18,671.49 / 27,381.84
Nasdaq	23,671.35	23.54	14,784.03 / 24,019.99
Nikkei 225	51,939.89	32.53	30,792.74 / 52,636.87

TOP GAINERS

Company Name	LTP (₹)	Closing Price (₹)	1 Month Change (%)
Hindustan Copper	532.60	382.25	39.33
National Aluminium Co.	344.90	278.20	23.98
Authum Investment & Infra.	3070.30	2610.60	17.61
Shriram Finance	968.55	848.15	14.20
Aether Industries	983.10	864.80	13.68

TOP LOSERS

Company Name	LTP (₹)	Closing Price (₹)	1 Month Change (%)
Godfrey Phillips	2095.00	2858.25	-26.70
Tejas Networks	367.85	479.35	-23.26
Allied Blenders & Distillers	485.45	625.00	-22.33
Premier Energies	717.25	917.40	-21.82
Siemens Energy India Ltd	2338.80	2895.90	-19.24

PERFORMANCE OF INDICES

Index	Price	1 Year Change (%)
S&P BSE SMALLCAP	49,766.67	-5.33
S&P BSE 500	36,744.75	7.35
S&P BSE Auto	62,219.09	19.73
S&P BSE BANKEX	66,571.00	20.46
S&P BSE CAP GOODS	65,492.44	2.10
S&P BSE FMCG	20,798.89	0.00
S&P BSE HEALTHCARE	37,266.91	0.00
S&P BSE IT	35,806.61	0.00
S&P BSE METAL	36,722.32	32.23
S&P BSE Oil & Gas	27,217.32	5.04
S&P BSE REALTY	6,796.30	-10.31
S&P BSE POWER	6,342.24	-0.95



Arfin India Limited

Company Profile

Arfin India Limited is a Gujarat-based manufacturer of aluminium and ferro-alloy products with 71,000 metric tonnes per annum (MTPA) installed capacity. Its product range includes aluminium wire rods, aluminium deox, cored wire, alloy ingots, ferro titanium, and conductors and cables. The company supplies to the steel, automotive, and power sectors across India and export markets, supported by a strategic alliance with JFE Shoji India. With a product basket spanning both aluminium and metallurgical consumables, Arfin positions itself as a supplier to industries that are closely linked to infrastructure build-out, industrial production, and power-sector capex.

Industry Overview

India's non-ferrous metals industry, valued at approximately Rs 3.49 lakh crore in 2024, is projected to reach approximately Rs 5.52 lakh crore by 2033 at a 5.23 per cent CAGR, driven by infrastructure investments, EV adoption, and renewable energy expansion. Aluminium recycling has grown faster than primary production due to lower energy consumption and significantly lower emissions, making recycled aluminium increasingly relevant as customers and regulators push for a lower carbon footprint. This shift is important for downstream aluminium applications such as wire rods and related electrical uses, where both cost and sustainability considerations influence sourcing decisions.

Ferro alloy demand exceeds 4 million tonnes annually and is expected to grow at a 7-8 per cent CAGR through FY2030, aided by India's steel capacity target of 300 million tonnes (MT) by 2030. Steel growth has a direct bearing on demand for products such as aluminium deox and ferro alloys, which are used in steelmaking and refining processes.

Business Segments (FY25 revenue share as per cent of gross sales)

- Arfin operates through product-led segments across aluminium products, metallurgical consumables, and power conductors.
- **Aluminium Wire Rod (36.3 per cent):** A core input for wires, cables, and electrical applications. Demand is typically influenced by industrial consumption and the power sector's transmission and distribution activity.
- **Aluminium Deox (36.3 per cent):** A deoxidiser used in steelmaking, directly linked to the steel cycle. This segment remains a key contributor to Arfin's overall revenue base.
- **Conductor and Cables (7.8 per cent):** Power transmission and distribution products, adding infrastructure-linked diversification to the portfolio.
- **Cored Wire (7.7 per cent):** A value-added consumable used in steel refining for alloying and impurity control, which complements the company's steel-sector linkage.
- **Ferro Alloys (5.1 per cent):** Additives used in higher-grade steel and specialised applications.
- **Aluminium Alloy Ingots (0.6 per cent):** Mainly used in casting and automotive or engineering applications; the contribution remains relatively small in FY25.
- **Others (6.1 per cent):** Smaller product lines and allied income streams.



ARFIN INDIA LIMITED

BSE Code : 539151

CMP : ₹81.50

Company Details	
Industry	Aluminium & Aluminium Products
Chairman	Mahendra R Shah
Managing Director	Jatin M Shah
Company Secretary	Natanya Kasaudhan
ISIN Code	INE784R01023
Bloomberg Code	ARFI IN
Reuters Code	ARFI.BO
Key Market Ratio	
Latest Date	Jan 9 2026 12:00AM
Latest Price (Rs)	81.1
Previous Close Rs	79.22
One Day Price Var Perc	4.80
One Year Price Var Perc	117.99
High 52 Week Rs	79.22
Low 52 Week Rs	23.75
Beta	1.13
Face Value Rs	1
Industry PE	28.1
TTM Period	202509
TTM EPS Rs	0.54
TTM CEPS Rs	0.78
Price TTM CEPS x	101.24
TTM PE x	146.14
Price BV x	8.35
EV TTM EBITDA x	38.67
EV TTM Sales x	2.4
Dividend Yield%	0.14
MCAP TTM Sales x	2.17
Latest Book Value (Rs)	9.47
Market Cap (Rs in Crores)	1369
EV Rs	1479.26
Latest No of Shares Crores	16.87
Share Holding Pattern as on Sept-2025	
Promoter No of shares (Rs. in Cr.)	11.8
Promoter %	69.79
FII No of Shares (Rs. in Cr.)	0.44
FII %	2.64
Total No of Shares (Rs. in Cr.)	16.9
Free Float %	30.01



ARFIN INDIA LIMITED

Financials

FY25 Performance

Revenue from operations (net) increased from Rs 535.16 crore in FY24 to Rs 615.75 crore in FY25, showing a growth of 15.06 per cent. Profitability improved, with PBT rising from Rs 9.72 crore (FY24) to Rs 14.38 crore (FY25) and PAT increasing from Rs 8.22 crore (FY24) to Rs 9.15 crore (FY25).

Q2 FY26 Performance

Revenue from operations came in at Rs 127.94 crore, compared with Rs 149.11 crore in Q2FY25. Profitability was largely steady on a YoY basis, with PBT at Rs 3.68 crore versus Rs 3.55 crore, while PAT stood at Rs 2.45 crore versus Rs 2.58 crore. EPS was Rs 0.15, unchanged YoY. Sequentially, however, improvement is visible. Q1FY26 revenue from operations was Rs 108.86 crore, with PBT of Rs 1.44 crore and PAT of Rs 1.08 crore, indicating a better quarter-on-quarter profit conversion even though sales were lower YoY.

Recent Developments

- **Scale-up in FY25:** Sales volume stood at 27,644 MT, with value of sales and services at Rs 615.75 crore. This reflects stronger operating throughput and improved demand visibility in core products.
- **Exports traction:** FY25 export sales were Rs 138.23 crore, strengthening the international contribution and diversifying the revenue base beyond domestic demand conditions.
- **Operating headroom:** With 71,000 MTPA installed capacity, the company continues to highlight scope for higher utilisation, which can support operating leverage as volumes scale.
- **Strategic alliance:** Market reach is supported by the JFE Shoji partnership aimed at improving penetration and strengthening long-term positioning, particularly in key product lines.

Growth Triggers

- **Higher utilisation and operating leverage:** With meaningful capacity headroom, improved utilisation

can drive volume-led growth and enhance fixed-cost absorption, supporting margin stability during upcycles.

- **Export expansion and deeper market penetration:** Scaling exports can diversify demand, reduce dependence on domestic cycles, and improve customer diversification. Export growth can also support better realisation stability if it broadens the customer mix.
- **Value-added mix improvement:** Higher contribution from cored wire, ferro alloys, and conductors/cables can improve pricing resilience compared with more commodity-linked categories. A better mix can also help profitability remain steadier through raw material cycles.
- **Efficiency gains and cost discipline:** Continued cost optimisation, tighter working capital management, and energy management can strengthen competitiveness in a margin-sensitive business, especially when input costs are volatile.

Competitive Landscape

- **Standards and compliance:** Registrations with BIS/AAI/BIR/MRAI support credibility and process discipline, which can be critical for repeat orders and long-term customer relationships in industrial products.
- **Multi-sector linkage:** Exposure across steel, automotive, and power reduces dependence on a single demand driver and can smoothen cyclicity.
- **Competitive pressure:** The operating environment remains competitive, with input-cost volatility and peer competition keeping spreads sensitive. In such markets, execution, efficiency, quality consistency, and customer servicing become key differentiators. Companies with stronger procurement, scale advantages, and better mix typically sustain performance more effectively over time.

Valuation and Outlook

Arfin India Ltd trades at a P/E of 190x and P/B of 8.44x, implying a premium valuation versus the industry. Operationally, the company reports ROCE of approximately 14 per cent and ROE of 7.23 per cent, indicating moderate efficiency metrics relative to market pricing. The outlook is driven by Arfin's strong positioning in aluminium deox and wire rods, supported by capacity headroom and export traction. Performance is likely to improve with higher utilisation, stronger export execution, and cost discipline in an input-cost-sensitive environment. In addition, product mix improvement and deeper penetration in steel- and power-linked demand pockets can support resilience.

Annual Financial Performance (₹ in Cr.)

Description	FY25	FY24	FY23	FY22	FY21
Net Sales	615.75	535.16	544.11	526.11	303.45
Total Income	617.71	537.15	546.6	527.62	3,054.23
Total Expenditure	579.45	504.95	517.68	502.14	287.03
PBIDT	38.26	32.2	28.92	25.47	18.39
PAT	9.15	8.22	10.32	9.19	4.02
Adj. EPS(Rs)	0.54	0.52	0.65	0.58	0.25

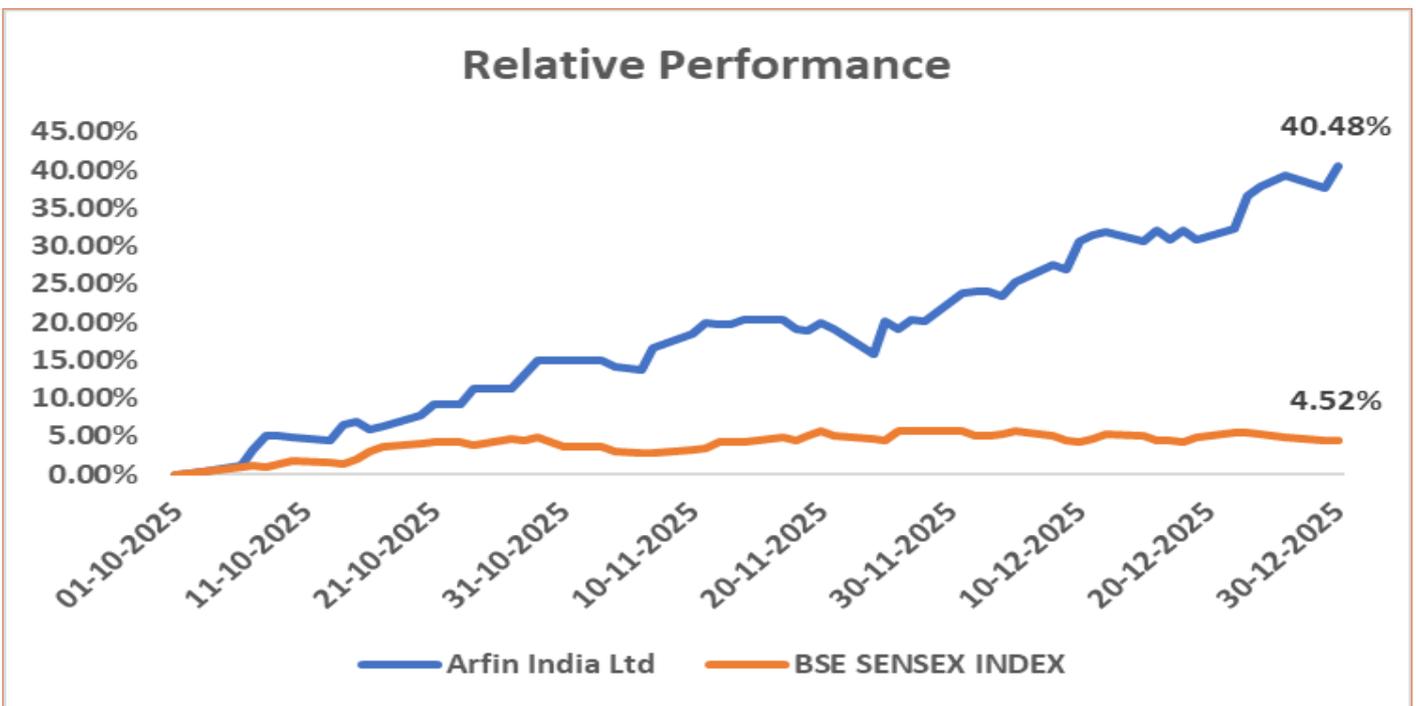
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ARFIN INDIA LIMITED

Relative Performance





Two Buzzing Stocks

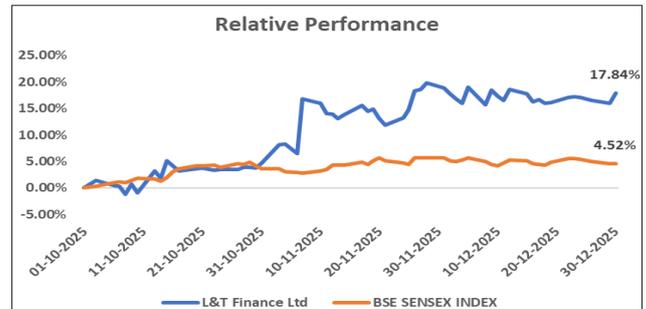
L&T Finance Ltd

BSE Code : 533519

52 Week High / Low : ₹329.40 / ₹129.15

Face Value : ₹10

L&T Finance Limited (LTF) is a leading diversified retail NBFC with a financing-led business model built on two core strengths: an extensive last-mile reach and a robust digital-first delivery platform. The company has a pan-India presence across nearly 2,00,000 villages and 100+ cities, supported by 13,000+ distribution touchpoints and a customer base of approximately 2.6 crore, enabling efficient cross-selling of products. Its retail portfolio includes Rural Group Loans and Microfinance (JLG), Two-Wheeler Finance (via ~4,500 active dealers), Farm Equipment Finance, Micro LAP, Home Loans and LAP, Personal Loans, Agri-Allied Finance, and SME loans for professionals and traders, including supply chain financing. The portfolio mix stands at 56% urban and 44% rural, reflecting a balanced approach.



In FY25, LTF reported disbursements of ₹20,472 crore and a lending book of ₹25,838 crore. Q2FY26 demonstrated steady growth with consolidated interest income at ₹3,852 crore (up 9.21% YoY), interest expense at ₹1,634 crore, and Net Interest Income (NII) rising to ₹2,218 crore (up 8.14% YoY). Total income reached ₹2,692 crore, while operating expenses were ₹1,068 crore. Earnings before credit cost stood at ₹1,624 crore, and credit cost was ₹635 crore, indicating disciplined risk management.

The momentum accelerated in Q3FY26, with estimated retail disbursements of ₹22,690 crore—a robust 49% YoY surge. Growth was broad-based: Urban Finance at ₹9,670 crore, Rural Business Finance at ₹6,740 crore, Farmer Finance at ₹2,780 crore, and SME Finance at ₹1,550 crore. A new addition, Gold Finance, contributed ₹1,400 crore, strengthening the product suite. The retail loan book is projected at ₹1,11,900 crore, marking 21% YoY growth, while retailisation rose to 98%, underscoring LTF's transformation into an overwhelmingly retail franchise. These Q3FY26 figures are provisional and subject to limited review by statutory auditors, but they reinforce LTF's strong growth trajectory and digital-led execution.

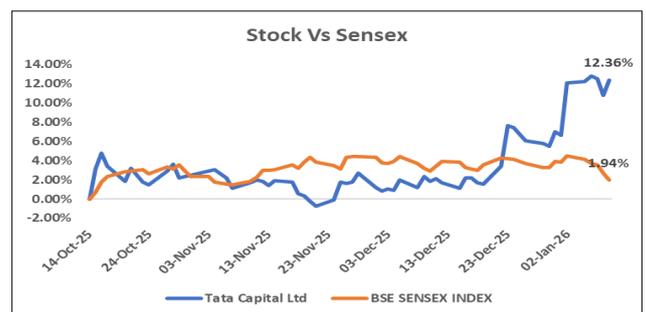
Tata Capital Ltd

BSE Code : 544574

52 Week High / Low : ₹364.80 / ₹315

Face Value : ₹10

Tata Capital has evolved beyond being just another NBFC with a loan book. Today, it operates as a full-stack financial platform powered by two engines: lending and non-lending. The lending engine spans retail, SME, and corporate segments at scale. As of September 30, 2025, gross loans stood at ₹2,39,960 crore across 25+ products, with a strong tilt toward mass and mid-market India: 61% retail, 27% SME, and 12% corporate. Key categories include home loans (17.2%), term loans (17.1%), loan against property (12.3%), personal/business loans (10.4%), and motor finance (10.3%).



The non-lending engine builds diversified fee pools through distribution of insurance and credit cards, wealth management, and institutional offerings like PE fund sponsorship and investment management—reducing reliance on interest income. This model is anchored by a phygital network, blending digital origination with physical presence: 1,479 branches across 27 states and 4 union territories, supported by 19,695 in-house sales staff and 30,000+ DSAs. This reach has delivered a customer base of 77 lakh. A major milestone was the merger with Tata Motors Finance on May 8, 2025, consolidating motor finance under one umbrella.

Financially, Q2FY26 reflects strong momentum: AUM (ex-motor finance) at ₹2,15,574 crore, up 22% YoY; including motor finance, ₹2,43,896 crore. NII stood at ₹2,637 crore, PAT at ₹1,128 crore, ROA at 2.2%, and credit cost at 1.1%. Asset quality remains robust with GNPA at 1.6% and NNPA at 0.6%.

Looking ahead, Tata Capital targets FY26 AUM growth of 22–25%, ROA of 2.2–2.3%, and ROE of 13–14%. Over three years, it aims for AUM CAGR of 23–25%, PAT CAGR above 30%, ROA of 2.5–2.7%, and ROE of 17–18%. Bottom line: Tata Capital is scaling like a retail-SME lender, earning like a multi-product platform, and running leaner each year—while keeping credit quality tight.



Market Statistics

DIVIDEND BECOME EX-DATED IN FORTHCOMING DAYS

Company Name	Dividend (%)	Ex Div Date	Company Name	Dividend (%)	Ex Div Date
TAAL Enterprises Ltd	350	16 Jan 26	Can Fin Homes Ltd	350	19 Dec 25
Jaro Institute of Technology	20	16 Jan 26	Canara Robeco Asset Management	15	22 Dec 25
Indian Oil Corporation Ltd	50	18 Dec 25	Piramal Pharma Ltd	10	24 Dec 25

NET INVESTMENT IN EQUITY MARKETS (₹/CR)

Days	FII's	DII's	Days	FII's	DII's
29 Dec 25	-2,759.89	2,643.85	5 Jan 26	-36.25	1,764.07
30 Dec 25	-3,844.02	6159.81	6 Jan 26	-107.63	1749.35
31 Dec 25	-3,597.38	6759.64	7 Jan 26	-1,527.71	2889.32
1 Jan 26	-3268.6	1525.89	8 Jan 26	-3,367.12	3701.17
2 Jan 26	289.8	677.38	9 Jan 26	-3,769.31	5,595.84

SPLIT DECLARED IN LAST FEW DAYS

Company Name	Date Of Announcement	Old Face Value	New Face Value
Ajmera Realty & Infra India	15 Jan 26	10	2
Kotak Mahindra Bank	14 Jan 26	5	1
SKM Egg Products Export (India)	12 Jan 26	10	5
Multi Commodity Exchange of India	2 Jan 26	10	2
Nuvama Wealth Management	26 Dec 25	10	2
Knowledge Marine & Engineering	22 Dec 25	10	5

EX-BONUS

Company Name	Current Holdings	Ratio Offered	Ex-Bonus Date
Dr Lal Pathlabs Ltd	1	1	19 Dec 25
GRM Overseas Ltd	2	1	24 Dec 25
Best Agrolife Ltd	1	2	16 Jan 26
Ram Ratna Wires Ltd	1	1	26 Dec 25
Orient Technologies Ltd	1	10	5 Jan 26
Pro Fin Capital Services Ltd	1	1	2 Jan 26
Sylph Industries Ltd	5	11	17 Dec 25
Moneyboxx Finance Ltd	1	1	15 Dec 25

CONTINUOUSLY MOVING UP

CompanyName	Jan 08	Jan 07	Jan 06	Jan 05	Jan 02
Simandhar Impex Ltd.	52.44	47.68	39.74	33.12	31.55
Sovereign Diamonds L..	30.81	32.38	35.97	32.70	29.73
Sangam Finserv Ltd.	43.52	36.27	30.23	32.00	30.20
Satrix Information ..	355.55	351.95	335.20	319.25	290.25
Hind Aluminium Indus..	162.55	154.85	147.50	140.50	133.85

RECENT ANNOUNCEMENTS

Tata Consultancy Services (TCS) reported a resilient Q3 2025, with revenue reaching Rs 67,087 crore, a 2% sequential growth. A key highlight was the Annualised AI Services Revenue hitting USD 1.8 billion, driven by a strategic pivot toward "agentic AI." Despite a 14% year-on-year dip in net profit to Rs 10,657 crore, operating margins remained strong at 25.2%. Total Contract Value reached USD 9.3 billion, supported by landmark partnerships like the HyperVault AI data center initiative with TPG. Shareholders will receive a Rs 57 dividend. TCS continues to scale via AI-led infrastructure and global cloud modernisations.

Maruti Suzuki India Ltd has approved a Rs 4,960 crore land acquisition in Gujarat to add 1 million units of production capacity. This strategic expansion addresses near-maximum utilisation across existing plants, which currently produce 26 lakh units annually. The investment, funded through internal accruals and borrowings, underscores a commitment to India's robust consumption story. As Suzuki Motor Corporation's largest subsidiary, Maruti is evolving into a global manufacturing powerhouse. By scaling infrastructure at the Khoraj Industrial Estate, the company aims to sustain its dominant market leadership and meet increasing global demand during the next wave of Indian motorisation.

Shakti Pumps has secured a significant Rs 654.03 crore domestic contract from KREDL to install 16,780 solar water pumping systems in Karnataka. Awarded under the PM-KUSUM scheme, this project involves the design, supply and commissioning of off-grid DC solar pumps by March 2026. Financially, the company shows exceptional strength with an ROE of 43 per cent and ROCE of 55 per cent. Trading at a PE of 20x, the stock has delivered multibagger returns of 1,000% over five years. This contract reinforces Shakti Pumps' leadership in India's renewable energy and agricultural infrastructure sectors.

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