

Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

Sona BLW Precision (SONACOMS)

Current Market Price	Fair Value (FV)
Rs.456	Rs.500

Date: 27 January 2026

Previous Rating: - **REDUCE**

Current Rating: **ADD**

Change: **Upgrade**

Ratings Rationale

- We expect core business growth trends to improve, led by multiple segments.
- Recovery in differential assembly business from CY26E; strong momentum in traction motors and railway segments; incremental opportunity in differential gears segment.
- Company has net order book of Rs23,500 cr, will be executed over next 10 years.
- Q3FY26 EBITDA was 9% above our estimates, better revenue and gross margin print.
- With key headwinds largely priced-in, we believe the company is past the trough.
- Diversification across products/customers should drive recovery in earnings momentum.
- We have increased our FY26-28E EBITDA estimates by 2-4%.
- We expect EPS (earnings per share) growth of 21.5% in FY27E and 14.7% in FY28E.

(EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization)

Valuation

DCF-based fair value is Rs500

The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing. Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

- BUY** – We expect the stock to deliver more than 15% returns over the next 12 months
- ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months
- REDUCE** – We expect the stock to deliver -5% - +5% returns over the next 12 months
- SELL** – We expect the stock to deliver < -5% returns over the next 12 months
- NR** – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
- SUBSCRIBE** – We advise investor to subscribe to the IPO.
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- NA** – **Not Available or Not Applicable.** The information is not available for display or is not applicable
- NM** – **Not Meaningful.** The information is not meaningful and is therefore excluded.
- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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