

Weekly Earnings Wrap

WEEK - IV
(31st Oct'25 – 6th Nov'25)



Result Highlights of Q2FY26



UPGRADES

Company Name	Sector	Previous Reco	Current Reco
Dhanuka Agritech Ltd	Agro Chemicals	HOLD	BUY
Navin Fluorine International Ltd	Chemicals	HOLD	BUY
Gland Pharma Ltd	Pharmaceuticals	HOLD	BUY



NO CHANGE

Company Name	Sector	Previous Reco	Current Reco
<u>Automotive Axles Ltd</u>	Auto Ancillaries	BUY	BUY
<u>Escorts Kubota Ltd</u>	Automobile	HOLD	HOLD
<u>Maruti Suzuki India Ltd</u>	Automobile	BUY	BUY
<u>Bandhan Bank</u>	Banks	HOLD	HOLD
<u>City Union Bank Ltd</u>	Banks	BUY	BUY
<u>Equitas Small Finance Bank Ltd</u>	Banks	BUY	BUY
<u>State Bank of India</u>	Banks	BUY	BUY
<u>Shriram Finance Ltd</u>	BFSI - NBFCs	BUY	BUY
<u>Bank of Baroda</u>	BFSI – PSUB	BUY	BUY
<u>Greenply Industries Ltd.</u>	Build Mate	BUY	BUY
<u>Kirloskar Brothers Ltd</u>	Capital Goods	BUY	BUY
<u>ACC Ltd</u>	Cement	BUY	BUY
<u>Ambuja Cements Ltd</u>	Cement	BUY	BUY
<u>J K Cements Ltd</u>	Cement	HOLD	HOLD
<u>NOCIL Ltd</u>	Chemicals	SELL	SELL
<u>Manappuram Finance Ltd</u>	Finance	HOLD	HOLD
<u>Nippon Life India Asset Management Ltd</u>	Finance	BUY	BUY
<u>Dabur India Ltd</u>	FMCG	BUY	BUY



NO CHANGE

Company Name	Sector	Previous Reco	Current Reco
Chalet Hotels Ltd.	Hotels	BUY	BUY
Indian Hotels Company Ltd	Hotels	BUY	BUY
Aptus Value Housing Finance India Ltd	Housing Finance	BUY	BUY
Gravita India Ltd	Industrial Minerals	BUY	BUY
Zensar Technologies Ltd	IT - Software	HOLD	HOLD
Bata India Ltd	Leather	HOLD	HOLD
Affle India	Miscellaneous	BUY	BUY
Mahanagar Gas Ltd	Oil & gas	BUY	BUY
Cipla Ltd	Pharmaceuticals	BUY	BUY
Arvind Smartspaces Ltd	Real Estate	BUY	BUY
Aditya Birla Fashion & Retail Ltd	Retail	HOLD	HOLD
Westlife Development Ltd	Retail	BUY	BUY
Steel Authority Of India Ltd	Steel	HOLD	HOLD
Bharti Airtel Ltd	Telecomm-Service	BUY	BUY
ITC Ltd	Tobacco Products	BUY	BUY
Kalpataru Projects International Ltd.	Transmission/ Infrastructure	BUY	BUY
NTPC Ltd	Utilities	BUY	BUY



UPGRADES



[Dhanuka Agritech Ltd](#)

Looking Beyond the Storm, Seeding Long-term Growth

Recommendation: BUY | Reco Price: 1366 | TP: 1640 | Upside: 20%

Est. Vs. Actual for Q2FY26: Revenue – MISS; EBITDA – MISS; PAT – MISS

Change in Estimates post Q2FY26

FY26E/FY27E: Revenue: -15%/-13%; EBITDA: -15%/-13% ; PAT: -16%/-14%

Recommendation Rationale

- Challenging Quarter:** Dhanuka reported a 9% YoY decline in revenue during Q2FY26, missing estimates due to erratic and uneven rainfall across key growing regions. Adverse weather conditions resulted in crop damage and limited agrochemical usage. The herbicide portfolio was particularly impacted, with subdued demand from major crops such as soybean, groundnut, and cotton, as irregular precipitation restricted application opportunities. The performance was also impacted due to the stoppage of bio-stimulants sales for regulatory reasons.
- Bleak Outlook for FY26:** Despite favourable soil moisture and reservoir levels supporting a better Rabi season, a soft start in October has led to a cautious near-term outlook. While integration of the two acquired Bayer brands is underway, international market contributions have also been delayed due to slower-than-anticipated registration transfers. Consequently, management has revised its full-year revenue guidance downward, expecting flattish revenue growth for FY26 (vs. earlier double-digit guidance).
- New Product Launches and Dahej Plant Progress:** The company has secured a registration certificate for Ipflufenquin (for indigenous manufacturing) under section 9(3). The product is being introduced in partnership with Nisso Chemicals, Japan. Dhanuka has also initiated trial production of a second product at its Dahej facility, which is expected to support incremental revenue growth. Additionally, Bifenthrin production from Dahej remains on track and aligns with the company's annual business targets.

Sector Outlook: Cautiously Optimistic

Company Outlook & Guidance: Management highlighted that higher sales returns and a temporary halt in biostimulant sales (~Rs 20 Cr impact) weighed on Q2 performance. Trial production of a second technical at the Dahej plant and a new fungicide registration marked strategic progress. The company also expects to soon receive clearance of existing bio-stimulant products as per the new government guidelines. However, revenue guidance from the acquired Bayer brands was cut to Rs 40 Cr for FY26 (vs. Rs 100 Cr earlier) due to delayed international registrations. Despite favourable Rabi prospects, a slow start in October led management to guide for flattish FY26 revenue and a 100 bps EBITDA margin contraction.

Current Valuation: 18x Sep'27E (Earlier Valuation – 18x FY27E)

Current TP: Rs 1,640/share (Earlier TP: Rs 1,800/share)

Recommendation: We upgrade our rating from HOLD to BUY on the stock as the current valuations appear attractive considering the company's long-term growth prospects.



[Navin Fluorine International Ltd](#)

Growth on All Fronts & Expanding Capacity; Upgrade to BUY

Recommendation: BUY | Reco Price: 4977 | TP: 5930 | Upside: 19%

Est. Vs. Actual for Q2FY26: Revenue – BEAT; EBITDA – BEAT; PAT – BEAT

Change in Estimates post Q2FY26

FY26E/FY27E: Revenue: 0%/0%; EBITDA: 7%/4%; PAT: 6%/1%

Recommendation Rationale

- **Strong Q2FY26 Performance:** NFIL delivered an impressive performance in Q2FY26, with robust growth across all three business divisions and a notable margin expansion. The company's operational execution, strong order inflows, and capacity additions provide high earnings visibility for the coming quarters. Management remains optimistic about sustaining the current growth trajectory through FY26.
- **HPP – Strong Growth Led by Volume & Pricing Tailwinds:** Revenue from the HPP division surged 38% YoY, driven by higher volumes and improved realisations across domestic and export markets. The newly commercialised R32 capacity is operating at optimal utilisation levels, positioning NFIL to benefit from rising global demand. Mechanical trials for the AHF capex are in progress, with commissioning expected by Q3FY26.
- **New HFC Capex:** To cater to growing demand, the Board approved an investment of Rs 237 Cr to set up an additional HFC capacity up to 15K MTPA R32 equivalent quantity at the Surat plant, targeted for completion by Q3FY27. The current facility utilisation stands at ~95%. This expansion is projected to generate peak annual revenues of Rs 600–825 Cr.
- **Speciality Chemicals - Healthy Order Book and Strategic Expansion:** The Speciality Chemicals segment delivered a 39% YoY revenue growth, supported by strong order visibility for H2FY26. The newly commissioned Fluoro-specialty plant began contributing meaningfully during the quarter. The Chemours project remains on track for completion by Q1FY27. Additionally, the company announced a Rs 75 Cr capex for debottlenecking its MPP facility at Dahej, to manufacture and supply a fluoro intermediate, which is expected to generate peak annual revenue of Rs 140–160 Cr.
- **CDMO - Momentum Sustained:** The CDMO division recorded a strong 98% YoY revenue increase, supported by a robust order book extending through FY27, backed by confirmed purchase orders. The European CDMO business continues to gain traction, with validation batches initiated at the cGMP4 facility, and supplies expected to begin by Jan'26.

Sector Outlook: Cautiously Optimistic

Company Outlook & Guidance: NFIL remains focused on capacity enhancement, productivity improvement, and operational efficiency across segments. The company's strong order book ensures healthy revenue visibility in the medium term. Backed by upcoming capacity additions, new molecule launches, and continued traction in CDMO partnerships, NFIL is well-positioned for robust growth in FY26–FY27. Management reiterated its confidence in maintaining EBITDA margins above 25% in the medium term, while targeting to remain in the ~30% range.

Current Valuation: 31x Sept'27E (Earlier Valuation: 33x FY27E)

Current TP: Rs. 5,930/share (Earlier TP: 5,400 /share)

Recommendation: We revise our rating to **BUY** from **HOLD**.



Gland Pharma Ltd

Poised for Stronger H2 Momentum; Rating Upgraded to BUY

Recommendation: BUY | Reco Price: 1971 | TP: 2170 | Upside: 10%

Est. Vs. Actual for Q2FY26: Revenue – INLINE; EBITDA – MISS; PAT – MISS

Changes in Estimates Post Q2FY26:

FY26E/FY27E: Revenue: 2.2%/1.2%; EBITDA Abs: 2.2%/1.2%; PAT: 5.3%/3.6%

Recommendation Rationale

- **Stable Core and Cenexi Turnaround Drive Revenue Growth:** Gland Pharma reported consolidated revenue of Rs 1,487 Cr in Q2FY26, marking a 5.8% YoY growth, in line with our estimates. The base business (ex-Cenexi) grew by 1.1% YoY, while Cenexi delivered a strong turnaround, reporting 20.7% YoY growth, sustaining the momentum of recovery and successful integration.
- **Cenexi:** Cenexi reported Q2FY26 revenue of Rs 410 Cr, with operational loss of Rs 62 Cr as the unit was impacted by the annual maintenance shutdown. Management is confident in establishing a sustainable growth trajectory and remains on track to improve EBITDA in Q3FY26. It expects to achieve positive performance with a target revenue of around €50 Mn. Additionally, Cenexi has secured 4 new project wins.
- **GLP-1 Opportunity:** Gland Pharma has already secured three contracts related to GLP-1 products, with its current 40 Mn-unit cartridge capacity almost fully utilised by these initial agreements. Management further indicated that the company is in advanced discussions to sign two additional GLP-1 contracts, which will be announced once finalised. The existing contracts include supplies for the partnered gLiraglutide product and planned gSemaglutide supplies, which will commence after partners obtain regulatory approvals in new markets such as Canada and India. To meet surging global demand for pen-based injectable therapies, Gland is expanding total GLP-1 capacity from 40 Mn to 140 Mn units

Sector Outlook: Positive

Company Outlook & Guidance: Management reiterated that Gland Pharma is on track to deliver mid-teens revenue growth in FY26, with H2 expected to be stronger, driven by new launches and volume recovery. The consolidated EBITDA margin is expected to remain stable at 24–25% for the year. Growth is supported by four key levers — (1) new launches like Dalbavancin in H2, (2) strong base business profitability with 37% adjusted EBITDA margin (ex-Cenexi), (3) Cenexi's turnaround to EBITDA positive in Q3, and (4) investments in complex injectables and CDMO platforms, including GLP-1 capacity expansion from 40 Mn to 140 Mn units by Mar/Apr'26 and biologics CDMO scale-up from 8 kL to 23 kL.

Current Valuation: PE 27x for H1FY28E earnings. (Earlier 26x/FY27E)

Current TP: Rs 2,170/share (Earlier TP: Rs 1,950/share)

Recommendation: We revise our rating from HOLD to BUY.



NO CHANGE



Automotive Axles Ltd

New Business Model Unlocks Margin Upside

Recommendation: BUY | Reco Price: 1699 | TP: 1950 | Upside: 15%

Est. Vs. Actual for Q2FY26: Revenue – MISS; EBITDA – MISS; PAT– MISS

Change in Estimates post Q2FY26

FY26E/FY27E: Revenue: -1.7%/-0.2%; EBITDA: -4.6%/-13.1%; PAT: 8.2%/-10.8%

Recommendation Rationale

- **Sequential Margin Gains with Upside from Volume Recovery:** Automotive Axle Ltd. (AAL) delivered a steady improvement in profitability, with EBITDA margins rising to 10.5% in Q2FY26, up from 9.8% in the preceding quarter and 10.3% in the corresponding period last year, reflecting effective cost management and an improved product mix. Management remains confident of achieving mid-teen EBITDA margins (13%+) in the near term, contingent on a recovery in market volumes. With higher capacity utilization and better fixed cost absorption expected in H2FY26, operating leverage is likely to further support margin expansion and sustain the upward trajectory in profitability.
- **Strategic and Product Developments:** AAL is realigning its portfolio to address emerging trends in electrification and segment diversification. Its mechanical axles have been approved for EV applications, including 4x2 electric tractor-trailers and 8x4 electric tippers, highlighting readiness for the EV transition. In the bus segment, launch plans for 9 and 12-meter axles are being paced in line with the adoption of electric buses to ensure technology alignment. AAL is also evaluating entry into the fragmented trailer axle market, with validation expected over the next 12-18 months. The company continues to maintain a strong share of business, 60-70% with Ashok Leyland and high double digits with M&M, underscoring its entrenched OEM partnerships.
- **Cyclical Outlook & Projection:** We expect the MHCV industry to witness a cyclical moderation in the near term, with AAL projecting a 3–4% decline in market volumes in FY27. Current year volumes (FY26) are likely to close 5–7% below initial expectations, translating to an estimated 370,000–380,000 units versus the 400,000-unit base. Over the medium term, the industry is anticipated to stabilize by FY28–FY29, followed by the next upcycle around FY29–FY30, when volumes could potentially reach 480,000-500,000 units. The long-term demand outlook remains positive, supported by sustained GDP growth, healthy domestic consumption trends, and rising requirements for higher-tonnage freight movement.

Company Outlook & Guidance: Based on strategic long-term growth drivers, the company aims to double its top-line revenue over FY25-29. The margins will improve over the next few years on account of direct sales to OEMs.

Current Valuation: 14x FY28E (earlier 14x FY27 EPS)

Current TP: Rs 1,950/ share (Rs 1,950/share)

Recommendation: We maintain a BUY rating with a 15% upside potential.



Escorts Kubota Ltd

Structural Levers in Place; Near-Term Upside Capped

Recommendation: HOLD | Reco Price: 3819 | TP: 3590 | Upside: -6%

Est. Vs. Actual for Q2FY26: Revenue – **INLINE** ; EBITDA – **INLINE** ; PAT – **INLINE**

Change in Estimates post Q2FY26

FY26E/FY27E: Revenue: 4.7%/5.5%; EBITDA: 11.3%/12.8%; PAT: 11.5%/13.4%.

Recommendation Rationale

- Agri Machinery & Non-Tractor Business: Strong Growth and Margin Expansion:** The Agri Machinery segment delivered strong performance with revenues rising 29.1% YoY to Rs 2,432 Cr, supported by strong demand and a favorable product mix. Segmental EBIT margins expanded by 368 bps YoY to 12.8% (vs. 9.1% in Q2FY25), driven primarily by a higher contribution from non-tractor verticals, which now account for ~17% of segmental revenue. Within non-tractor offerings, the Agri Solutions division particularly harvesters was the key growth catalyst, witnessing strong traction and zero inventory levels. The product mix shift towards high-value harvesters (Rs 20–25 Lc per unit, ~4–5x the price of a tractor) proved margin accretive. Furthermore, localization of critical harvester components (such as hydraulic lifts and transmission systems) is underway, with planned exports to Japan and Thailand through Kubota's global network
- Export Segment - Excellent Growth; Limited Immediate Impact:** Export volumes increased 26.2% YoY to 1,548 tractors, supported by improved traction in Europe and Mexico. Approximately 52% of total exports were routed through Kubota's global distribution network, enhancing market reach and operational synergies. Management remains optimistic, targeting >25% growth in FY26, with medium-term upside expected post commissioning of the greenfield capacity (FY28–29). This facility will serve as a global sourcing hub, enabling entry into the US market and production of select Kubota global models from India, positioning Escorts Kubota as a key manufacturing base within Kubota's global supply chain.
- Construction Equipment (CE) Segment: Temporary Margin Pressure; Recovery Expected in H2:** The Construction Equipment segment witnessed a volume decline to 1,146 units (vs. 1,315 units YoY), impacted by an overall industry contraction (~4%) and the transition to new emission norms. Segmental EBIT margin contracted to 3.8% (vs. 9.3% YoY), primarily due to the clearance of old-emission inventory and lower production levels, impacting fixed-cost absorption. Management anticipates a margin recovery to high single digits in H2FY26, supported by volume normalization, input cost deflation, and operating leverage benefits.

Sector Outlook: Cautiously Positive

Company Outlook & Guidance: As per management, Escorts Kubota is structurally transforming through strategic product introductions, export-led diversification, Kubota synergy benefits, and reinvestment of capital from RED divestment. These levers are expected to materialise only gradually over the next 4–6 quarters.

Current Valuation: 26x FY28 EPS (earlier Same).

Current TP: Rs 3,590/share (Earlier TP: Rs 3,135/share)

Recommendation: We continue to maintain our HOLD rating on the stock.



Maruti Suzuki India Ltd

Export-led Growth Aids Performance; Market Share Pressure Persists

Recommendation: BUY | Reco Price: 16155 | TP: 18170 | Upside: 12%

Est. Vs. Actual for Q2FY26: Revenue – BEAT; EBITDA – BEAT; PAT – MISS

Change in Estimates post Q2FY26

FY26E/FY27E: Revenue: 2.6%/4.8%; EBITDA: 6.9%/7.5%; PAT: -4.1%/-3.3%.

Recommendation Rationale

- **Exports Outlook:** Exports emerged as a key cushion to the subdued domestic growth in Q2FY26 for Maruti, achieving 42% YoY growth at 110k vehicles. Maruti Suzuki commanded nearly 45.4% share of India's total passenger vehicle exports in Q2FY26. The company is confident of exceeding its guidance of 400,000 units in exports for FY26, having achieved an all-time high half-yearly export of 207,459 units in H1FY26. It celebrated the start of production of the first BEV, the EV Vitara, intended for both the Indian market and export to over 100 countries, including Europe and Japan. The Fronx became the fastest SUV from India to reach 100,000-unit exports. The Jimny 5-door also surpassed 100,000 cumulative export figures.
- **Domestic Market Share & Profitability Outlook:** Management reiterated its long-term strategic focus on achieving a 50% domestic market share, underscoring that customer-centricity remains the cornerstone of sustained success. However, it acknowledged that reaching this target has become "more challenging than ever" amid heightened competition and changing market dynamics. In alignment with Suzuki Motor Corporation's global aspiration, Maruti Suzuki continues to adhere to a profitability guardrail of maintaining a 10% EBIT margin alongside its market share objective. Industry growth is expected to stabilise at around 6% YoY on a sustainable basis, with the small car segment anticipated to outpace the broader market.
- **EBITDA:** Maruti's EBITDA margins contracted by 134 bps YoY to 10.5% in Q2FY26, primarily due to higher sales promotion expenses (-75 bps), a one-time price correction on select models (-20 bps), elevated advertisement spends for the new Victorious model (-15 bps), and adverse commodity (PGM) and forex movements (-30 bps). Additional overheads and depreciation from the newly commissioned Kheda plant also weighed on margins (-30 bps). These were partly offset by improved operating leverage (+110 bps), lower operating expenses (+50 bps), and hedging gains (+20 bps). Management noted that while near-term promotional intensity remained high, efficiency gains and scale benefits continue to support margin stability.

Sector Outlook: Positive

Company Outlook & Guidance: In the near term, the company expects mid-single-digit domestic volume growth in FY26E and double-digit export volume growth.

Current Valuation: 28x PE on FY28EPS (earlier 25x P/E on FY28 EPS)

Current TP: Rs 18,170/share (earlier Rs 16,425/share)

Recommendation: We maintain our BUY rating on the stock.



Bandhan Bank

The Wait For Better Asset Quality Outcomes is Far From Over; HOLD Stays!

Recommendation: HOLD | Reco Price: 171 | TP: 165 | Upside: -3%

Est. Vs. Actual for Q2FY26: NII – MISS; PPOP – MISS; PAT – MISS

Changes in Estimates post Q2FY26

FY26E/FY27E/FY28E (in %): NII: -5.6/-6.9/-7.9; PPOP: -9.5/-8.5/-8.7; PAT: -48.9/-27.0/-12.8

Recommendation Rationale

- Asset Quality Disappointment Continues:** Bandhan's management acknowledged that the **stress in the EEB segment, which was expected to ease in Q2, has been delayed by another couple of months.** The gross slippages during Q2 in the EEB book were elevated (higher QoQ), and the bank is yet to arrest slippages in this portfolio. The bank has enhanced its collection efforts and expects better asset quality outcomes with lower slippages in H2. **Bandhan has been a laggard in terms of asset quality improvement vs peers.** In the EEB book, the SMA1 and SMA2 have declined sequentially; however, there has been a bump-up in the SMA0 pool by ~Rs 650 Cr. This is attributed to the impact of raising instalment demand on holidays. Barring the holiday impact, SMA0 would have declined QoQ. The bank has been able to recover Rs 350 Cr from the SMA0 increase in Oct'25. In terms of geography-wise stress, the bank is not seeing any worrisome trends in Bihar (BHR) presently. However, it is continuously tracking the trends in the state, especially in light of the impact of the assembly elections. Apart from BHR, MH, WB, and Assam continue to behave well. The bank continues to see stress in GJ and KA. **The management has guided for steady state credit costs of 2.5-3% in the EEB portfolio as the bank exits FY27. On a steady state basis, Bandhan's credit costs are expected to settle at 1.5-1.6%, aided by a higher share of secured book.**
- NIMs Bottom-out:** In Q2, downward repricing (75 bps of repo rate change) of yields impacted ~45% of the portfolio. Further pressure was owing to a 200 bps MCLR cut, which impacted ~5% of the portfolio. This weighed heavily on yields, driving NIMs lower sharply by 55 bps QoQ to 5.8%. The bank has taken rate action on SA deposits, which has reflected in the CoF; however, a bulk of the benefit from a meaningful TD rate cut is yet to reflect in the CoF. The management expects the full benefit of the TD repricing to reflect in CoF over Q4FY26/Q1FY27. Thus, NIMs are likely to have bottomed out and should improve hereon as growth in the EEB segment picks up alongside the benefit from CoF declining flows in. The bank plans to maintain NIMs at 6%; however, margin recovery will continue to lag vs peers.
- Cautious EEB Growth; Non-EEB to Lead Growth:** While the asset quality challenges and impact of guardrails continue to weigh on EEB growth, the bank continues to witness healthy growth in the non-EEB secured segments. Bandhan would be comfortable ramping up the non-EEB book to ~57-58% of the portfolio vs 55% currently. It has seen a pick-up in disbursements in the EEB portfolio in certain geographies. Bandhan is also adding ~1.3-1.4 Lc customers/quarter; however, higher rejection rates are keeping customer additions muted.

Sector Outlook: Positive

Company Outlook: Bandhan's unending asset quality woes continue to weigh on its earnings and will dent its near-term performance as recovery has been further delayed by a couple of months. While the TD repricing, CRR cut is likely to support NIMs in H2, the shift towards the non-EEB secured mix will weigh on margins over the medium term. Growth will be largely driven by the non-EEB segment, with EEB growth resuming in a calibrated manner. We expect Bandhan's RoA to recover meaningfully to 1.2-1.5% over FY27-28E vs a weak RoA of sub-1% in FY26E.

Current Valuation: 1.0x FY27E ABV; Earlier Valuation: 1.1x FY27E ABV

Current TP: Rs 165/share; Earlier TP: Rs 195/share

Recommendation: We maintain our HOLD recommendation, given limited upside potential.



City Union Bank Ltd

Strong Quarter; Consistent RoA Delivery of Over 1.5% to Continue!

Recommendation: BUY | Reco Price: 236 | TP: 275 | Upside: 17%

Est. Vs. Actual for Q2FY26: NII – BEAT; PPOP – BEAT; PAT – BEAT

Changes in Estimates post Q2FY26

FY26E/FY27E/FY28E (in %): NII: +4.6/+3.6/+3.8; PPOP: +2.9/+0.9/+1.3; PAT: +6.9/+1.8/+2.2

Recommendation Rationale

- Growth Visibility Healthy:** CUB's growth engine has started to fire, with credit growth at a decadal high (+18/7% YoY/QoQ in Q2), and the management is confident of the momentum to continue, supported by healthy growth visibility in the MSME and Gold segment, and a gradual ramp-up of the retail segment. Despite robust growth delivery in H1FY26, significantly above industry growth, the management has reiterated its guidance of maintaining credit growth 2-3% over industry growth, which we believe is conservative. However, **the bank is not averse to accelerating the pace of growth without compromising on asset quality. The bank is on track to ramp up its retail portfolio, supported by its branch network (90% mix) and the DSA channel (10% mix), and expects to break even in FY26 and turn RoA accretive from FY27 onwards.** The bank has financed loans of more than Rs 500 Cr so far towards renewable energy and plans to scale the book to Rs 2,500 Cr over the next 24-30 months. **We expect sustained momentum in the Gold and MSME book, along with support from a gradual ramp-up in the retail portfolio to support CUB's healthy credit growth delivery of ~16% CAGR over FY26-28E.**
- NIMs Surprise Positively; H2 NIMs to Move With a Positive Bias:** CUB has been able to improve its NIMs by 9 bps QoQ in Q2, supported by downward repricing of deposits, migration of the gold loans to the fixed rate book, and repaying high-cost borrowings. Going ahead, **the management expects ~45-50% of the overall deposit book (with Rs 17,000-18,000 Cr worth of TDs) to reprice, driving CoF lower.** The headwinds on yields are largely behind, barring any further rate cuts. Thus, **limited pressure on yields, lower CoF with continued deposit repricing, and benefit accruing from CRR cut should drive NIM improvement over H2, keeping NIMs in line with management guidance of current level +/-10 bps. We expect NIMs to settle at ~3.6-3.7% over FY26-28E.**
- No Major Asset Quality Concerns; No Adverse Impact of US Tariffs:** The management has guided for a negative net slippage trend to continue over H2, thereby keeping credit costs under control. CUB has made a provision of Rs 100 Cr during the quarter, anticipating the ECL transition. Furthermore, the bank **does not expect any stress due to the impact of US tariffs on the MSME borrowers, with exposure to US exports in the textile, gems and jewellery, and food processing industry low at 0.27% of the total loan book** (at Rs 154 Cr). Within this pool, exposure to the textile segment is negligible at 0.12%, and interactions with borrowers provide comfort, showing no indications of risk. **With no major asset quality challenges in sight, we expect credit costs to remain under control and range between 50-55 bps over FY26-28E.**

Sector Outlook: Positive

Company Outlook: We expect CUB's superior RoA delivery on 1.5%+ over the medium term to continue, supported by (1) Buoyant growth sustaining with strong growth visibility in its core segments and further support from the retail portfolio ramp-up, (2) Ability to deliver strong NIMs, and (3) Consistently improving Asset quality, keeping credit costs under control. With margins bottoming out and moving with a positive bias alongside benign credit costs with strong asset quality trends persisting, we expect CUB to deliver a strong ~16% CAGR growth over FY26-28E in NII/Earnings.

Current Valuation: 1.8x FY27E ABV; Earlier Valuation: 1.8x FY27E ABV

Current TP: Rs 275/share; Earlier TP: Rs 270/share

Recommendation: We maintain our BUY recommendation on the stock.



Equitas Small Finance Bank Ltd

Margin Tailwinds and Credit Cost Normalisation to Drive RoA Revival!

Recommendation: BUY | Reco Price: 57 | TP: 69 | Upside: 21%

Est. Vs. Actual for Q2FY26: NII – **INLINE**; PPOP – **MISS**; PAT – **MISS**

Changes in Estimates post Q2FY26

FY26E/FY27E/FY28E (in %): NII: -2.4/-2.7/-2.4; PPOP: -5.0/-5.2/-5.2; PAT: -41.1/-4.5/-5.7

Recommendation Rationale

- MFI Stress Peaks; Growth to Accelerate Hereon:** The commentary around MFI has been positive, with EQSFB's seeing green shoots in the MFI portfolio. X-bucket CE has improved across geographies. Amongst the core geographies, TN continues to behave well, with CE better than the overall portfolio. In KA, the bank has seen improvement in CE during Q2. Additionally, the forward flows to the OD bucket have been arrested and have declined significantly QoQ. In Q2, net slippages declined by ~100 bps QoQ and the trend is expected to continue in the MFI and non-MFI segments. **The management highlighted that the stress in the MFI segment currently is at acceptable levels and the segment is expected to turn profitable from Q4FY26 onwards.** Within the new MFI disbursals (~27% of the MFI portfolio), CE continues to remain healthy at ~99.5%. Other than the MFI portfolio, EQSFB experienced stress in the MLAP portfolio, particularly in KA, over the last couple of quarters, which has now reversed from Oct'25 onwards. The management does not expect any stress due to US tariffs. Non-MFI credit costs continue to remain under control at ~1%. Going ahead, **EQSFB's normalised credit costs are expected to settle at 1.5-1.7% and our estimates align with the management's guidance.**
- NIMs Bottom Out; Improvement to be Visible Hereon:** EQSFB's margins have been contracting primarily owing to a shift in the portfolio mix towards the lower-yielding secured, along with elevated MFI stress being a drag. **NIMs have bottomed out and are expected to reverse their trajectory from Q3 onwards, supported by a pick-up in MFI growth, lower interest reversals, and downward repricing on deposits.** The management has guided for exit margins of 6.5% and expects steady state margins to range between 6.5-7%.
- Cost Ratio Improvement Driven by Operating Leverage Kicking In:** Cost ratios have been higher due to weak top-line growth. Leveraging the investment made, translating into improved growth and lower drag from the MFI segment, should aid top-line growth. **A bulk of EQSFB's opex is fixed in nature, making it relatively sticky.** Thus, with operating leverage kicking in, the C-I Ratio is expected to trend downwards meaningfully from FY27E. **We expect the C-I Ratio to range between 62-66% over FY27-28E.**

Sector Outlook: Positive

Company Outlook: The MFI stress has peaked and is on a downward trend. Resultantly, MFI credit costs are expected to normalise from Q4 onwards. As asset quality stress gradually normalises, the bank will focus on maximising the productivity of its existing branch network by enhancing distribution capabilities across a wider range of products to drive growth. Improved growth in MFI and sustained growth in the non-MFI segments should enable EQSFB to deliver a healthy 19% CAGR over FY26-28E. We believe (1) Improving NIM profile, (2) Declining Opex ratios as operating leverage kicks in, and (3) Meaningfully lower credit costs should drive RoA recovery to 1.2-1.5% over FY27-28E vs negligible RoA in FY26.

Current Valuation: 1.2x FY27E ABV Earlier Valuation: 1.2x FY27E ABV

Current TP: Rs 69/share Earlier TP: Rs 69/share

Recommendation: We maintain our **BUY** recommendation on reasonable valuations.



State Bank of India

Margin Resilience and Cost Discipline Reinforce 1%+ RoA Sustainability!

Recommendation: BUY | Reco Price: 957 | TP: 1135 | Upside: 19%

Est. Vs. Actual for Q2FY26: NII – BEAT; PPOP – BEAT; PAT – BEAT

Changes in Estimates post Q2FY26

FY26E/FY27E/FY28E (in %) NII: +2.5/+0.5/+1.1; PPOP: +3.0/+2.6/+2.8; PAT: +10.4/+4.4/+3.5

Recommendation Rationale

- Growth Buoyancy to Continue:** SBI's strong credit growth momentum is expected to sustain, driven by robust performance in (a) home loans (projected at 15-16% growth), (b) revival in Xpress Credit, and (c) improving growth traction in the corporate segment. The bank has visibility of meaningful acceleration in corporate growth, supported by a strong sanction pipeline of Rs 7.0 Tn, of which ~50% has already been sanctioned and is awaiting disbursement. The corporate growth in H1 was slower owing to higher repayments due to large IPO deals/equity raise. The management expects this trend to reverse, with strong growth expected from Q3 onwards. The Xpress Credit segment has been a laggard, delivering muted growth. Some cannibalisation has been observed from the Xpress Credit book towards the gold loan portfolio, driven by lower rates and favourable gold prices. With the new RBI guidelines around financing domestic M&A transactions, the bank is readying itself by setting up a dedicated team to push the growth pedal as the guidelines become effective. In the international book, the bank will continue to remain selective in pursuing growth without compromising on margins. **With strong growth visibility across segments, the management is confident of growing faster than the industry and has guided for credit growth of 12-14% for FY26 and endeavours to 2x the balance sheet every 6 years. We pencil-in healthy credit growth sustaining at ~13% CAGR over FY26-28E.**
- Confident on Maintaining Domestic NIMs at 3%:** In Q2, SBI's Domestic/Global NIMs expanded by 7bps QoQ each driven by effective liability management. The bank is taking conscious steps towards optimizing the CoF with reducing reliance on bulk deposits and focused efforts towards CASA mobilisation. **The management expects tailwinds on NIMs in the form of CRR cut (benefit to flow through by Nov-end) and continued repricing of TDs to adequately offset the impact of MCLR repricing.** Thus margins have bottomed out and should move with a positive bias over H2. Presently, ~31% of the bank's portfolios is EBLR-linked, 29% MCLR-linked, 22% Fixed, and 15% is linked to T-Bills. **SBI's management remains confident of NIMs sustaining at 3%+ over the medium term.**

Sector Outlook: Positive

Company Outlook: SBI's performance has been the best amongst the larger banks and the bank remains well-poised to sustain its performance supported by the management's focus on deepening liability franchise, allocating capital to higher RoRWA assets, maintaining a disciplined pricing approach and leveraging tech to drive operating efficiency. The outperformance on NIMs in Q2 with the trend reversing earlier than expected provides cushion to the bank's 1% RoA delivery. Continued repricing on TDs and CRR cut should adequately offset the MCLR repricing impact and drive NIMs higher in H2. Barring the on-time impact of the stake sale in Yes Bank, SBI's RoA has remained at 1+%. The bank is making concentrated efforts to contain Opex growth by focusing on improving productivity and maintaining C-I Ratio at <50% across cycles. Asset quality does not seem concerning at present and thus credit costs should stay under control. We expect consistent RoA/RoE delivery of 1-1.1%/14-16% over FY26-28E. The bank is also actively evaluating the listing of SBI MF and SBI GI.

Current Valuation: 1.4x FY27E ABV; Earlier Valuation: 1.3x FY27E ABV

Current TP: Rs 1,135/share; Earlier TP: Rs 1,055/share

Recommendation: We maintain our **BUY** recommendation on the stock.



Shriram Finance Ltd

Inline Quarter; Growth Outlook Optimistic!

Recommendation: BUY | Reco Price: 749 | TP: 860 | Upside: 15%

Est. Vs. Actual for Q2FY26: NII – **INLINE**; PPOP – **INLINE**; PAT – **BEAT**

Changes in Estimates post Q2FY26

FY26E/FY27E/FY28E (%): NII 0.0/1.0/1.3; PPOP 0.7/1.8/2.0; PAT 3.6/1.7/1.8

Recommendation Rationale

- NIMs Improve as Excess Liquidity Eases:** SLF's 8 bps NIM improvement was aided by utilisation of excess liquidity, which currently stands at normalised levels, equivalent to 3 months (vs 5 months in Q1) of liability repayments. Furthermore, the company's incremental CoF stands at 8.07% vs the overall CoF of 8.83% (down 12 bps QoQ) in Sep'25. Thus, **downward repricing of CoF should help support margins. The management has reiterated its exit-NIM guidance of 8.5%, while margins are likely to settle at 8.25-8.3% for FY26. SFL intends to maintain margins at current levels despite incrementally financing new vehicles, as margins are expected to be protected by declining CoF.** Currently, ~87% of the borrowings are fixed-rate, and the repricing benefit will flow over 18 months, and the company will correspondingly pass on the benefit to its customers. SFL will look to optimise the mix of borrowings to maintain CoF. It aims to increase the share of deposits from 28% to 30% over the next few years. **We expect SFL's margins to remain range-bound between 8.3-8.6% over FY26-28E.**
- Asset Quality Stable; Credit Costs to be Under Control:** The truck utilisation levels have been steady in rural and urban markets alike; however, certain geographies that witnessed excessive rainfall have seen temporary challenges, thereby delaying payments. In response, the company has accommodated some customer requests and offered relief measures. SFL's dedicated field executives ensure handholding for customers to enable recoveries. It remains cautious in the SME segment, with customers, especially manufacturers, facing headwinds due to US tariffs. Nevertheless, a bulk of its customers are service providers, and hence, challenges in the SME segment are manageable. So far in Oct'25, SFL has not seen an adverse impact of the tariffs and the rationalisation of GST rates has enabled SMEs to divert production towards domestic markets. In the construction equipment segment, the company has reduced its exposure due to stress build-up, given the delay in payments from customers. **SFL has been able to maintain stable asset quality and control credit costs in H1. We expect FY26 credit costs to settle at ~2.2% (+/-10 bps) and at similar levels over FY27-28E.**

Sector Outlook: Positive

Company Outlook: With demand buoyancy in the rural markets and healthy growth visibility across most of the segments, SFL is expected to deliver a consistent and healthy ~16% CAGR AUM growth over the medium term. Furthermore, the company will look to leverage its existing branch network to drive healthy growth. NIMs have reversed their trajectory in Q2 and are expected to improve hereon, supported by lower CoF. The Opex structure continues to remain fairly lean, and improved productivity should drive a gradual improvement in cost ratios. It has maintained healthy asset quality, and credit costs have remained under control. We do not expect any major challenges to asset quality and pencil-in steady credit costs of 2.2% (+/-10 bps) over the medium term. Thus, SFL's strong delivery on return ratios over FY26-28E is expected to sustain, with RoA/RoE ranging between 3.2-3.3%/16-17%. **Consistent growth delivery, NIM improvement, while maintaining asset quality, should drive stock performance.**

Current Valuation: 2.5x FY27E BV; Earlier Valuation: 2.2x FY27E BV

Current TP: Rs 860/share; Earlier TP: Rs 750/share

Recommendation: We **maintain** our **BUY** recommendation on the stock



Bank of Baroda

Better NIM Performance Keeps ~1% RoA Hopes Alive; Maintain BUY!

Recommendation: BUY | Reco Price: 278 | TP: 325 | Upside: 17%

Est. Vs. Actual for Q2FY26: NII – BEAT; PPOP – BEAT; PAT – BEAT

Changes in Estimates post Q2FY26

FY26E/FY27E/FY28E (in %): NII: 2.3/0.7/3.0; PPOP: 0.0/-0.6/1.9; PAT: 1.5/-0.8/1.1

Recommendation Rationale

- Corporate Growth Revival Expected; Retail Momentum Strong:** The management has continued to guide for the pace of credit growth to range between 11-13% for FY26, with the corporate portfolio growth reviving in H2. The growth opportunities in the highly rated corporates continue to remain subdued, with pricing pressures persisting and most of these corporates tapping bond markets, citing better rates. However, the management envisages stronger corporate growth opportunities supported by a strong corporate sanction pipeline and expectations of revival in private capex and expects growth to settle at 10-11% in FY26. **Hereon, BoB will continue to focus on the margin-accretive retail business.** The bank has seen a rebound in the NBFC demand from Sep'25 onwards and expects to explore growth opportunities in this segment. **It is comfortable maintaining LDR between 82-85% vs 85.3% currently. Thus, the scope to improve LDR higher is limited. We expect BoB to deliver a Credit/Deposit growth of ~13/12% CAGR over FY26-28E, thereby maintaining LDR between 84-85%.**
- Asset Quality Not a Concern:** The SMA 1+2 book has remained steady at 0.39% vs 0.4% QoQ. The slippages in Q2 were lower sequentially, with the decline being broad-based (ex-agri). Within the retail segment, the management indicated that the PL slippages have already peaked and declined QoQ in Q2. The asset quality in the PL segment is expected to improve hereon. The bank intends to maintain a quarterly recovery run-rate of Rs 750-800 Cr. During the quarter, BoB made a prudent provision of Rs 4 Bn to account for the potential impact of the ECL migration. It will continue to build buffers until better clarity emerges. While clarity on ECL transition is yet to emerge, **the management's back-of-the-envelope calculations suggest a 20-25 bps recurring impact on credit costs, assuming implementation.** Presently, with no major asset challenges visible, the management expects the slippage ratio to range between 1-1.25% and credit costs to be contained at sub-75 bps. Taking cue from H1 trends, **we believe this may be conservative guidance, and we pencil-in credit costs of ~55 bps (+/-5 bps) over FY26-28E.**

Sector Outlook: Positive

Company Outlook: BoB's performance on NIMs has been better vs its PSU peers, and the bank remains confident of maintaining margins between 2.85-3% in FY26. Prudent liability management and sustained growth in the margin-accretive retail portfolio should help BoB maintain NIMs of more than 3% over FY27-28E. Business growth is expected to remain healthy, with credit/deposit expected to clock ~12/11% CAGR over the medium term, enabling the bank to maintain LDR at 84-85%. BoB is making prudent floating provisions to create a cushion for the impact of ECL transition. As clarity around implementation emerges, the management expects the recurring impact on credit costs to be manageable. We believe better-than-expected delivery on margins and steady credit costs with no asset quality headwinds visible bode well for BoB in its RoA delivery of ~1% (+/-3 bps) over FY26-28E.

Current Valuation: 1.05x FY27E ABV; Earlier Valuation: 0.9x FY27E ABV

Current TP: Rs 325/share; Earlier TP: Rs 275/share

Recommendation: We maintain our **BUY** recommendation on the stock, supported by its reasonable valuations.



Greenply Industries Ltd.

Steady Growth; Margin Recovery Expected

Recommendation: BUY | Reco Price: 299 | TP: 385 | Upside: 29%

Est. Vs. Actual for Q2FY26: Revenue - **INLINE**; EBITDA (Adj.) - **MISS**; PAT - **MISS**

Changes in Estimates Post Q2FY26 Result

FY26E/FY27E: Revenue: 3%/2%; EBITDA (Adj.): 3%/2%; PAT : 4%/2%

Recommendation Rationale

- Operating Leverage from MDF Capacity Expansion:** The MDF business continues to be an important growth driver for Greenply. The company has increased its capacity from 800 to 1,000 CBM per day, and the plant is now running at higher utilisation levels. Management is focusing on using the plant more efficiently, reducing costs, and selling more industrial-grade MDF, which offers better margins. With fewer imports and strong demand in the domestic market, pricing conditions have also improved. As production and sales volumes increase, fixed costs will be spread over more units, helping to improve margins and profitability in the coming quarters.
- Structural Growth in Organised Sector:** Greenply stands to benefit from the accelerating shift towards branded players, driven by BIS enforcement and a crackdown on unorganised trade. The company's dual-brand strategy — “Green” in premium and “Ecotec” in value — enables it to tap into multiple price segments. With stable raw material prices, operational efficiency, and volume-led growth, margins are poised to expand. Rising penetration of modular furniture and urban housing recovery further support long-term demand visibility.
- Margin Recovery Ahead:** Greenply reported Q2FY26 revenue of Rs 689 Cr, up 7.5% YoY, with EBITDA at Rs 57 Cr (margin 8.2%). While margins were temporarily impacted by one-offs in MDF (liquidation at discounts) and a lower product mix in plywood, management expects a strong H2 recovery, guided H2 plywood margins near 10%, MDF margins above 16%, and steady volume growth above 10%. Overall FY26 margin guidance are at ~8.5% for plywood and the company expects full capacity utilisation for MDF by H2FY26 with ~15% margins. With improving utilisation and working capital reduction, EBITDA margins and cash flows are likely to improve meaningfully in H2FY26, setting up a better earnings trajectory into FY27.

Sector Outlook: Positive

Company Outlook & Guidance: Management expects business performance to improve in H2FY26. Demand for plywood should rise as housing activity picks up and the new BIS rules continue to support organised players. The company is targeting more than 10% growth in plywood volumes and margins close to 10% in the coming quarters. The MDF business is also expected to do better with full use of the 1,000 CBM per day capacity, helping margins move above 16% in the second half and around 14.5–15% for the full year. Greenply also plans to improve working capital and reduce debt through better collections and inventory management. Overall, it expects stronger margins, higher cash flows, and better profitability in the second half of FY26.

Current Valuation: 23X FY28E EPS (Earlier 25X FY27E EPS)

Current TP: Rs 385/share (Earlier TP: Rs 385/share)

Recommendation: We maintain our **BUY** recommendation on the stock.



Kirloskar Brothers Ltd

Strong Order Book Underpins Growth Outlook; Maintain BUY

Recommendation: BUY | Reco Price: 1861 | TP: 2330 | Upside: 25%

Est. vs. Actual for Q2FY26: Revenue – MISS; EBITDA – MISS; PAT – MISS

Changes in Estimates post Q2FY26

FY26E/FY27E: Revenue: -7%/0%/0%; EBITDA: -7%/0%/0%; PAT: -8%/0%/0%

Recommendation Rationale

- Robust Order Pipeline Ensuring Revenue Visibility:** KBL posted a marginal decline in revenue by 0.8% YoY in Q2FY26, impacted by seasonal factors such as a prolonged monsoon and external headwinds. Demand momentum, however, stayed firm across both the small pump and industrial segments. The consolidated order book expanded to Rs 3,564 Cr (vs Rs 3,345 Cr in Q1FY26), ensuring healthy visibility for upcoming quarters. The company's strong order book, diversified operations, and strong execution record indicate very strong growth prospects in H2FY26 and FY27.
- Strong International Operations:** KBL's overseas subsidiaries reported robust growth, led by a strong recovery in the U.S. and Thailand, which posted constant currency growth of 21% and 158%, respectively. This performance was supported by the execution of deferred orders and an improvement in underlying demand. South Africa also delivered a strong 27% growth, while the U.K. business witnessed temporary softness owing to project deferrals. The international order book grew steadily YoY to Rs 1,289 Cr, reflecting sustained demand traction across key geographies.
- Profitability Impacted by Mix and Forex, Efficiency Measures Underway:** Q2FY26 EBITDA margins dipped to 10.5% (vs 13.7% in Q2FY25). The YoY moderation was primarily driven by product mix variations and adverse forex movements. Nevertheless, KBL continues to emphasize operational efficiency and cost optimisation initiatives, which are expected to aid margin recovery in the coming quarters. Management remains confident about achieving sustainable growth backed by balanced exposure between domestic and international markets, a strong order pipeline, and continued focus on operational excellence.

Sector Outlook: Positive

Company Outlook & Guidance: The company anticipates stronger performance in H2FY26, in line with its historical trend where ~60–62% of annual revenue is typically booked in the second half. Supported by a robust order backlog and improving execution pace, management expressed optimism about meeting guidance of double-digit revenue growth in FY26. Cost-efficiency measures and volume recovery are expected to enhance productivity and improve fixed cost absorption.

Current Valuation: 25x Sep'27E EPS (Unchanged)

Current TP: Rs. 2,330/share (Unchanged)

Recommendation: We maintain a **BUY** rating on the stock.



ACC Ltd

Robust Operating Performance; Maintain BUY

Recommendation: **BUY** | Reco Price: 1879 | TP: 2390 | Upside: 27%

Est. Vs. Actual for Q2FY26: Revenue – **BEAT**; EBITDA Margin – **BEAT**; PAT – **BEAT**

Change in Estimates post Q2FY26 (Abs.)

FY26E/FY27E: Revenue: 4%/5%; EBITDA: 10%/8%; PAT: 15%/7%

Recommendation Rationale

- Volume Growth Momentum Remained Strong:** In Q2FY26, the company posted a robust 20% YoY increase in volumes (cement plus clinker), reaching 11.4 mtpa, supported by higher sales under MSA, improved trade channel performance, and a 20% YoY increase in premium product volumes, reinforcing its leadership across key markets. Capacity expansion projects are progressing as planned and are expected to drive sustained volume growth. The company is expected to deliver a 10% CAGR in volumes over FY24–FY27E.
- Improvement in EBITDA Margins:** The company reported an EBITDA margin of 14.3%, supported by higher realization and lower cost QoQ, boosting overall performance. EBITDA/tonne increased 61% YoY to Rs 755/tonne. Cost of production declined 2% QoQ to Rs 4,541/tonne, reflecting ongoing cost-optimisation efforts.
- Robust Cement Demand to Sustain:** Cement demand is expected to remain strong, with industry growth projected at a 7–8% CAGR over FY24–FY27. This momentum will likely be supported by continued government focus on infrastructure development, affordable and rural housing, higher private capex, and steady demand from the real estate sector.

Sector Outlook: **Positive**

Company Outlook & Guidance: Cement demand in Q2FY26 was moderate and grew 5.2% YoY. With GST reduction from 28% to 18%, improved economic sentiments, and higher investments both from public and private sectors, the demand is expected to see an uptick. The company estimates to report annual growth of 7-8%.

Current Valuation: 10.5x FY27E EV/EBITDA (Earlier Valuation: 10.5x FY27E EV/EBITDA)

Current TP: Rs 2,390/ share (Earlier TP: Rs 2,260/share)

Recommendation: We maintain our **BUY** rating on the stock.



Ambuja Cements Ltd

Beat Estimates On Lower Cost; Retain BUY

Recommendation: BUY | Reco Price: 577 | TP: 705 | Upside: 22%

Est. Vs. Actual for Q2FY26: Revenue – **BEAT**; EBITDA Margin – **BEAT**; PAT – **BEAT**

Change in Estimates post Q2FY26 (Abs.)

FY26E/FY27E: Revenue: -2%/2%; EBITDA: 3%/7%; PAT: 30%/2%

Recommendation Rationale

- Capacity Addition to Support Volume and Revenue Growth:** The company is expanding capacity from 107 MTPA (including 8.5 MTPA from Orient Cement) to 118 MTPA by FY26. It now targets 155 MTPA by FY28 (earlier 140 MTPA), supported by incremental expansion and debottlenecking initiatives. With current utilization at 65%, there remains meaningful upside potential as demand strengthens. This enhanced capacity base is expected to underpin sustained growth momentum, with volumes and revenue projected to post a 12% CAGR over FY24–FY27E.
- Operational Efficiency to Drive EBITDA Margin:** During the quarter, EBITDA margin improved to 19.2%, supported by stronger realisation, healthy volume growth, and lower YoY operating cost. The company targets reducing its cost of production to Rs 4,000/tonne by FY26, with an additional reduction of Rs 300–400/tonne by FY28 through multiple levers, including lowering clinker factor, optimizing logistics, increasing green power share, driving blended cement mix, and expanding EBITDA margins. We expect margins to improve to 20%–21% by FY27E. Further, the company aims to bring production cost down to Rs 3,650/tonne and deliver EBITDA/tonne of Rs 1,500 by FY28.
- Cement Sector Consolidation Enhances Competitive Advantage for Big Players:** Between 2013 and 2024, large players increased their market share from 46% to 57%. By FY27–FY28, this is expected to rise further to 65%–70%. With consolidation accelerating and capacity additions concentrated among top players, market share gains are likely to continue, driving stronger pricing discipline, improved economies of scale, and greater supply chain efficiency. As the 2nd largest player, the company is strategically positioned to benefit from this structural shift over the medium to long term.

Sector Outlook: Positive

Company Outlook & Guidance: The company has guided for double-digit volume growth for FY26. It expects industry demand in FY26 to grow in the range of 7%-8%. Strong infrastructure demand and ongoing needs from the housing and commercial sectors are anticipated to boost cement demand in FY26. Strategic investments in roads, railways, and urban and commercial amenities are poised to drive robust growth.

Current Valuation: 17x FY27 EV/EBITDA (Earlier Valuation: 17x FY27 EV/EBITDA).

Current TP: Rs 705 /share (Earlier TP: Rs 660/share).

Recommendation: We maintain our **BUY** rating on the stock.



J K Cements Ltd

Strong Volume Growth; EBITDA Margin Miss on Higher Costs

Recommendation: HOLD | Reco Price: 5776 | TP: 6180 | Upside: 7%

Est. vs. Actual for Q2FY26: Revenue – **BEAT**; EBITDA Margin – **MISS**; PAT – **BEAT**

Change in Estimates post Q2FY26 (Abs)

FY26E/FY27E: Revenue: 1%/0%; EBITDA: 0%/1%; PAT: 2%/-4%

Recommendation Rationale

- Growth Visibility on Volumes Remains Intact:** The company's capacity expansion program, targeting an addition of 11 MTPA, is progressing well and will raise its total Grey Cement capacity to 37.3 MTPA from the current 26.3 MTPA, implying a 13% capacity CAGR over FY20–FY28. The ramp-up of the recently commissioned capacity, along with the ongoing 11 MTPA expansion, is expected to drive strong volume growth in the future. As a result, JK Cement is projected to deliver a volume CAGR of 13% over FY25–FY27E.
- Margin Expansion Expected amid Cost Optimisation:** JK Cement delivered a positive operating performance during the quarter, supported by higher realisations and volume growth, leading to a 37% YoY improvement in EBITDA per tonne to Rs 890. This positive momentum is expected to sustain through FY26, backed by robust cement demand and better realisations. Management has guided for cost savings of Rs 150–200 per tonne over the next two years. Consequently, the company is expected to achieve an EBITDA margin in the range of 19%–20% in FY26E/FY27E, driven by higher volumes, improved realisations, and ongoing cost optimisation initiatives.
- Eastern Expansion to Unlock New Growth Avenues; Central Region Remains a Key Contributor:** Upon completion of the ongoing and planned capacity expansions, Central India is expected to contribute ~40% of JK Cement's total Grey Cement capacity. Additionally, the company's further foray into the Eastern market is set to support sustained growth. The government's increased focus on infrastructure development in these regions is likely to drive a significant rise in per-capita cement consumption over the coming years. Backed by its strategic expansion initiatives, JK Cement is well-positioned to capitalise on the rising cement demand in these markets. Accordingly, a revenue CAGR of 16% is projected over FY25–FY27E.

Sector Outlook: Positive

Company Outlook & Guidance: JKCL targets 10–11% volume growth in FY26, which is ahead of the industry estimate of 7–8% and thus reaffirming its strong market position. Cement prices are currently marginally lower than Q2FY26 levels. Management highlighted that market dynamics will be crucial in determining price sustainability, making pricing trends a key monitorable for FY26. Cement demand is expected to remain robust, supporting top line momentum.

Current Valuation: 16.5x FY27E EV/EBITDA (Earlier Valuation: 16.5x FY27E EV/EBITDA) and Paint business at 1x book value.

Current TP: Rs 6,180/share; (Earlier TP: Rs 6,530/share)

Recommendation: We maintain our **HOLD** rating on the stock.



NOCIL Ltd

Pricing Pressure Continues; Global Uncertainties Adding to the Woes

Recommendation: SELL | Reco Price: 181 | TP: 150 | Upside: -17%

Est. Vs. Actual for Q2FY26: Revenue: Largely **INLINE**; EBITDA: **MISS**; PAT: **MISS**

Change in Estimates post Q2FY26

FY26E/FY27E: Revenue: 0%/-5%; EBITDA: 0%/-5%; PAT: 0%/-6%

Recommendation Rationale

- Subdued Performance:** The company posted a modest 4% QoQ increase in volumes, while revenue declined 5% sequentially. Domestic sales remained resilient; however, export volumes were impacted by global macro headwinds and U.S. tariff-related challenges. Management expects steady growth in domestic volumes and gradual market share gains over the coming quarters. Despite a subdued first half, it remains confident of closing the fiscal year with positive volume growth.
- Pricing Pressure Persists:** Revenue contraction was largely driven by sustained pricing pressure stemming from aggressive dumping by Chinese, Korean, and European rubber chemical manufacturers. Near-term headwinds remain, with management focusing on pricing discipline, product mix optimization, and cost control to limit margin dilution. While pricing appears close to the bottom, management refrained from giving a definitive recovery timeline. Cost and efficiency measures are expected to reflect more meaningfully by Q4FY26, supporting profitability. Growth momentum is expected to recover in FY27, even if competitive pricing conditions persist.
- Uncertain Recovery Timeline:** Management remains constructive on volume recovery, supported by the revised tax structure, improving replacement demand, revival in the automotive sector, and increased infrastructure spending. A pricing rebound is anticipated in line with broader economic recovery, although visibility on timing remains limited. The company indicated that the government has acknowledged the merits of its submissions for Anti-Dumping Duty on select products; however, the final outcome will depend on regulatory processes and timelines.

Sector Outlook: **Negative**

Company Outlook & Guidance: NOCIL continues to struggle to strike a balance between pricing and volumes. While the management maintains a positive outlook on growth prospects with demand recovery in key sectors, uncertainties are expected to prevail in the near term.

Current Valuation: 17x Sept'27E (Earlier Valuation: 17x FY27E)

Current TP: Rs. 150/share (Earlier TP: Rs 150/share)

Recommendation: We maintain our SELL Rating on the Stock.



Manappuram Finance Ltd

Gold Loans to Lead Growth; Non-Gold Growth to be Calibrated!

Recommendation: HOLD | Reco Price: 275 | TP: 285 | Upside: 4%

Est. Vs. Actual for Q2FY26: NII – **INLINE**; PPOP – **BEAT**; PAT – **BEAT**

Changes in Estimates post Q2FY26

FY26E/FY27E/FY28E (in %): NII: -3.2/+0.5/+1.4; PPOP: -4.7/+1.7/+2.7; PAT: -10.4/+1.8/+2.8

Recommendation Rationale

- Gold Loans to Lead Growth:** Manappuram will focus on strengthening and growing its core gold loan business to drive healthy growth. Focus will continue to remain on higher ticket size customers. A bulk of the incremental business continues to come from the higher ATS customers and can be credited to the sharper rate reduction taken for these customers. The company has seen some slowdown in smaller ATS customers (<Rs 1 Lc) in Q2. Manappuram will continue to align its gold lending rates with larger peers and maintain yields at ~18-18.5% vs 19.7% in Q2. **The management remains confident of maintaining gold loan growth and profitability driven by improved volumes, higher ticket sizes, and improved branch productivity.** The company will look at expanding the gold loan portfolio through its subsidiaries. In the absence of growth opportunities in the unsecured business, there has been a decisive shift towards gold loans. **The management remains optimistic about gold growth sustaining at 20-25% CAGR over the foreseeable future, despite another possible 50-100 bps gold loan rate cut.**
- Non-Gold Portfolio Growth to be Calibrated:** The company is reworking its strategy in the Vehicle Finance (VF) and MSME businesses to improve profitability and asset quality. Within the VF business, Manappuram continues to face challenges on the collections front in 2-Wheelers and Farm Equipment. With focused efforts on improving collections, the management expects the book to stabilise over the next couple of quarters. With headwinds on selling the repossessed smaller ATS assets (<Rs 5 Lc) in the VF business, Manappuram has shifted its focus towards higher ATS ranging between Rs 8-15 Lc in the VF segment. In the MFI segment, Manappuram is in no hurry to accelerate growth and will adopt a calibrated growth approach while prioritising asset quality.
- Asset Quality on the Mend:** The delinquencies in the MFI portfolio have declined, and the management remains confident of slippages tapering in H2. The CE post Feb'25 has been holding up well and is settling at ~99.8%. Moreover, the recent disbursements are exhibiting better asset quality trends, with the company exercising stringent guardrails and enhanced underwriting. Manappuram had proactively trimmed its disbursements to centres where stress is visible. **The management expects the MFI business to turn profitable by Q4.** Within the VF segment, there has been a consolidation of the stressed 2-Wheeler and Farm Equipment portfolio with the CV portfolio. Stress in this book is expected to decline gradually. Thus, **with incremental stress formation across businesses tapering, credit costs are expected to move lower over H2, aiding earnings.**

Sector Outlook: Positive

Company Outlook: Manappuram will continue to focus on accelerated growth in the gold loan portfolio, with growth primarily driven by higher ticket size and expectations of strong customer additions. In the near-term, the non-gold portfolio will continue to consolidate, before resuming growth momentum in a calibrated manner as the company re-looks into their profitability and asset quality. As Manappuram continues to align its gold loan yields with its peers, it would be a drag on NIMs. However, that would be offset by declining CoF, as the company remains focused on maintaining margins at current levels. We expect Manappuram to deliver RoA/RoE of 3.3-3.6% /11-12% over FY27-28E, a meaningful improvement over 1.9/7.2% in FY26E.

Current Valuation: 1.6x FY27E ABV Earlier Valuation: 1.4x FY27E ABV

Current TP: Rs 285/share; Earlier TP: Rs 255/share

Recommendation: We maintain our **HOLD** rating on the stock.



Nippon Life India Asset Management Ltd

SEBI Consultation Paper to Impact Profitability, Albeit Limited!

Recommendation: BUY | Reco Price: 871 | TP: 1000 | Upside: 15%

Est. Vs. Actual for Q2FY26: Revenue – **INLINE**; Operating Profit – **BEAT**; PAT – **BEAT**

Changes in Estimates post Q2FY26

FY26E/FY27E/FY28E (in %): Revenue: 1.9/2.6/1.3; Op. Profit: 2.6/3.6/1.5; PAT: 2.0/2.7/0.9

Recommendation Rationale

- Negative Impact of SEBI Consultation Paper:** In its consultation paper released on 28 October 2025, SEBI has proposed a series of changes to simplify processes, increase transparency, rationalize costs, and strengthen investor protection. The regulator has proposed to remove the additional 5bps expenses on the whole AUM of the scheme, where the exit load was applicable that AMCs charged earlier. However, to partially offset the impact of the proposed change, the SEBI has revised the first two slabs of the expense ratio of open-ended active schemes upward by 5bps. Another measure proposed is that the maximum base expense ratio has been proposed to be reduced by 15bps for open-ended schemes and 25bps for closed-ended schemes. However, SEBI has proposed to exclude all statutory levies, i.e., STT, GST, CTT, and Stamp duty, from the expense ratio limits. **These developments would adversely impact the Revenue/Earnings for the company, and our rough calculations suggest a ~6-8%/8-10% cut on Revenue/Earnings over FY27-28E, if regulations are implemented.** The management indicated that there would be some financial impact, though limited. However, quantification would be possible post the finalisation of the regulations.
- SIF Lanches in the Pipeline:** The company has put together a team under the leadership of Andrew Holland and is working towards launching its SIF fund. The management believes SIF is likely to have an inherent demand and is currently in the process of building a strong foundation to tap the strong growth potential in the product.
- Yields to decline by ~2bps annually:** NAM's blended yield in Q2 stood at 36bps, steady QoQ, with equity yield at 54bps, debt yield at 25bps, ETF yield at 17bps and Liquid yield at 12bps. NAM has rationalised distributor commissions for ~60% of the equity portfolio. Going ahead, the management anticipates an annual yield decline of ~2bps predominantly attributed to the telescopic pricing formula, with AUM growth and new flows coming at a higher cost.

Sector Outlook: Positive

Company Outlook: Long-term prospects of the Indian AMC industry remain intact, given the low penetration levels in India vis-à-vis developed countries. It is a play on the financialization of savings in India, and NAM is likely to benefit from these trends, thereby facilitating market share gains. The recent SEBI consultation paper is expected to impact the revenue and profit pool of the AMCs; however, as per the management, the impact is not expected to be grossly damaging. We are not introducing these changes in our estimates yet, as we await further clarity from the regulator. We revise our Revenue/PAT estimates upwards over FY26-28E, with slight tweaks of 1-3%, supported by healthy yields and strong growth. We expect NAM to deliver a healthy MF QAAUM/Revenue/Earnings growth of 21/16/14% CAGR over FY26-28E, supported by (i) Diversified product offerings, (ii) Improving market share across segments and (iii) Focus on passive offerings, and (iv) Strong SIP franchise.

Current Valuation: 36x FY27E EPS; Earlier Valuation: 34x FY27E EPS

Current TP: Rs 1,000/share; Earlier TP: Rs 925/share

Recommendation: We maintain our **BUY** recommendation on the stock



Dabur India Ltd

GST Tailwinds Set the Stage for Dabur's Next Leg of Growth

Recommendation: BUY | Reco Price: 501 | TP: 590 | Upside: 18%

Est. Vs. Actual for Q2FY26: Revenue – **INLINE** ; EBITDA – **INLINE**; PAT – **INLINE**

Changes in Estimates post Q2FY26

FY26E/FY27E – Revenue: 0%/-1%; **EBITDA:** -2%/-5%; **PAT:** -2%/-5%

Recommendation Rationale

- Revenue Performance:** Dabur reported a 5.4% YoY increase in consolidated revenue, driven by balanced growth across geographies. The India business grew 5.7% YoY, supported by a 2% volume uptick, while the international segment delivered a robust 7.7% growth in INR terms. Among core categories, Home & Personal Care led with an 8.9% rise, followed by Foods & Beverages up 1.7% and Healthcare up 1.3%
- GST Impact and Operational Commentary:** As per the management, the quarter was influenced by the government's GST reform aimed at improving affordability and boosting consumer spending. About two-thirds of Dabur's portfolio, including key categories like juices, toothpaste, hair oils, shampoos, glucose, and Ayurvedic medicines, benefited from the rate revision, bringing nearly 86% of its portfolio under the 5% GST slab. The company swiftly implemented price cuts across categories to pass on benefits to consumers. While the reform is structurally positive for long-term demand, the transition caused temporary trade disruptions as channels adjusted to the new rates, resulting in short-term softness in domestic sales during September
- Margins and Outlook:** EBITDA margin expanded by 18 bps YoY to 18.4%, mainly led by gross margin expansion of 10 bps. The management remains confident of preserving gross margins and improving operating margins through a better mix, portfolio premiumisation, and ongoing cost rationalisation efforts. Operating margin is expected to expand meaningfully in FY26, with no major pressure anticipated on gross margins for FY26.

Sector Outlook: **Positive**

Company Outlook & Guidance: Dabur's long-term growth trajectory remains intact, and **hence, we maintain our BUY rating on the stock.**

Current Valuation: 47x Sep-27 EPS (Earlier Valuation: 47x Mar-27 EPS).

Current TP: Rs 590/share (Earlier TP: Rs 630/share).

Recommendation: With an upside potential of 18% from the CMP, **we maintain our BUY rating on the stock**



Chalet Hotels Ltd.

Transitions to Brand-led Platform; Launches Athiva

Recommendation: BUY | Reco Price: 961 | TP: 1120 | Upside: 17%

Est. Vs. Actual for Q2FY26: Revenue – **INLINE**; EBITDA – **INLINE**; PAT – **INLINE**

Changes in Estimates post Q2FY26:

FY26E/FY27E: Revenue: 5.8%/14.1%; EBITDA Abs.: 5.8%/15.7%; PAT: 11.1%/22.4%

Recommendation Rationale:

- **ARR Jumps, Annuity Surges 76%:** The hospitality business reported a 13.4% YoY growth, with ARR increasing to Rs 12,170 (+15.6% YoY) and occupancy reaching 67%, down 730 bps YoY. **The MMR and NCR reported muted ADR growth YoY, while Hyderabad and Bengaluru delivered strong ADR Growth.** The rental annuity saw strong growth of 76%, driven by a 50% YoY increase in new leased area with monthly run rate of Rs 24 Cr.
- **Profitability Surges on Annuity, Cost Discipline:** Consolidated margins (ex-residential) stood at 42.7%, up 260 bps YoY but flat QoQ, driven by the annuity business supporting profitability and strict operating cost discipline. The company's reported PAT was Rs 155 Cr, boosted by another tranche of residential units handover.
- **Chalet Launches In-House Brand 'Athiva':** Chalet launched its first in house brand, "Athiva", rebranding Duke's Retreat Khandala (147 Keys) as first property under this platform with the aim of adding 900+ keys under this brand from other hotels in future. The company also declared its maiden interim dividend of Rs 1/share.

Sector Outlook: **Positive**

Company Outlook & Guidance: The company maintains a highly optimistic outlook for the H2FY26, expecting a robust performance driven by the festive season, holidays, and the commencement of the MICE season. Management views the recent dip in occupancy as a temporary "blip" on account of new inventory additions and expects occupancy levels to stabilise and return to past strong performance quickly. This positive outlook is underpinned by the sustained success of the core "double engine strategy" (hospitality and commercial real estate), which provides the solid financial foundation necessary to pursue growth, brand expansion with Athiva, and selective acquisitions.

Current Valuation: EV/EBITDA 20x for H1FY28E earnings.

Current TP: Rs 1,120/share (Earlier TP: Rs 1,030/share)

Recommendation: **BUY**



Indian Hotels Company Ltd

Strong H2 Expected; Maintain BUY

Recommendation: BUY | Reco Price: 744 | TP: 835 | Upside: 12%

Est. Vs. Actual for Q2FY26: Revenue: INLINE; EBITDA: MISS; PAT: MISS

Changes in Estimates Post Q2FY26:

FY26E/FY27E: Revenue: -1.5%/0.7%; EBITDA Abs:- 2.1%/-0.3%; PAT: 0.0%/2.2%

Recommendation Rationale:

- Standalone Domestic Business shows Encouraging Growth:** The standalone domestic business reported a muted growth of 2.4% YoY. Standalone ARR on Like For Like H1FY26 (Average Room Rate) increased to Rs 14,400 (+5% YoY), with occupancy reaching 76% flat on YoY. This resulted in standalone RevPAR growth of 5% YoY. The underperformance was impacted by Renovations at key properties, higher than expected monsoon, higher base in Q2FY25 which affected business traction in H1. The management expects strong H2 as the normalization of properties and with ADR growth of 12-15% on the renovated assets. Taj Sats Contributing Rs 287 Cr with 23.3% Margins
- Momentum in International Business:** International business segment proved to be a strong contributor to consolidated performance. The overseas portfolio posted healthy revenue growth of around 14% YoY, driven by improved operating metrics, with RevPAR rising by 11% during the quarter. Management commentary highlighted robust performance in key subsidiaries, particularly the UK entity, which delivered strong results on the margin front. The US market also witnessed a meaningful turnaround, led by the San Francisco property, which has shown a positive trend over the past three months, a sharp reversal from prior sluggishness. Looking ahead, IHCL's commitment to global expansion is reaffirmed by the upcoming opening of the Taj Hotel at Frankfurt in Q4FY26, which will further enhance its European presence.
- Accelerated Growth Momentum** The commencement of construction for the **flagship Taj Bandstand** project highlights IHCL's strategic focus on strengthening its premium and luxury portfolio positioning, alongside other new owned assets opened in H1, such as the Vivanta and Ginger hotels in Ekta Nagar. This investment program is backed by significant CapEx, with IHCL executing Rs 480 Cr of investments in H1FY26 and guiding for a total CapEx of 1,200 Cr for the full year. This run rate is expected to continue over the next few year. Critically, this entire CapEx program is fully funded through internal accruals. Beyond owned assets, the company continues to sustain its accelerated growth momentum, expanding its operational portfolio to 268 hotels with a deep pipeline of 167 properties, driven by 46 signings and 26 openings during the H1FY26. The expansion remains heavily rooted in the capital-light model, which is most evident in the strategic **Clarks transaction, expected to close in Q3FY26, adding 135 hotels to the network and positioning Ginger as the dominant mid-scale brand in India.**

Sector Outlook: Positive

Company Outlook & Guidance: IHCL maintains a robust outlook driven by demand consistently outpacing supply. **The company remains confident in delivering double-digit revenue growth for the full year and sustaining margin stability.** Strategic initiatives anchor this growth: the New Businesses (including Ginger and Qmin) are accelerating and are expected to grow from 22% in H1 to 30% in the second half. Portfolio expansion saw 46 signings and 26 openings in H1, including new owned assets like the Vivanta and Ginger in Ekta Nagar. IHCL is concurrently scaling its asset-light portfolio through the strategic **Clarks transaction, set to make Ginger the dominant mid-scale brand.** Operational resilience is supported by strong international performance and the enhanced premium pricing power derived from renovated luxury assets, mitigating transient industry headwinds.

Current Valuation: EV/EBITDA 30x for H1FY28E earnings. (Earlier: 31x FY27E)

Current TP: Rs 835/share (Earlier TP: Rs 835/share)

Recommendation: BUY



Aptus Value Housing Finance India Ltd

Growth to Accelerate After a Near-Term Hiccup; Maintain BUY!

Recommendation: BUY | Reco Price: 318 | TP: 405 | Upside: 27%

Est. Vs. Actual for Q2FY26: NII – **MISS**; PPOP – **INLINE**; PAT – **INLINE**

Changes in Estimates post Q2FY26

FY26E/FY27E/FY28E (in %): NII: -7.7/-8.1/-8.6; PPOP: +2.4/+1.2/0.0; PAT: +0.9/-0.2/-0.9

Recommendation Rationale

- Near-term Impact on Growth Due to Policy Change:** The disbursements in Q2 (+3/24% YoY/QoQ) were impacted by rain-related disruptions, alongside the company cautiously discontinuing disbursements in the sub-Rs 7 Lc segment from Jul'25 onwards. **This decision reflects its strategic focus of moving up the customer pyramid and steering clear of the MFI-like customer segment and is not based on any asset quality challenges in the segment.** While this decision has had an impact on disbursements in Q2, it enables Aptus to enhance borrower quality and strengthen long-term portfolio resilience. On the brighter side, the disbursements in Oct'25 have improved, and the management expects the momentum to continue.
- Sustained Growth Driven by Expansion and Strong Demand:** With demand remaining buoyant in the customer segment that Aptus serves, a gradual increase in Average Ticket Size (ATS) by ~Rs 1 Lc per annum, along with branch additions in new states such as Maharashtra (MH) and Odisha (OD) and deeper penetration in existing geographies, positions the company to deliver a strong and steady growth. **The management remains confident of delivering 25% CAGR growth as it works toward scaling up its AUM to Rs 25,000 Cr over the medium term.** Aptus is witnessing healthy disbursement growth and customer additions in the newer geographies of MH and OD, and has added 4 new branches in Oct'25. It also plans to open around 20 more branches across geographies in H2. **We expect Aptus to deliver a healthy ~24% CAGR AUM growth over FY26-FY28E.**
- Asset Quality Steady; Credit Costs Could Settle Higher Due to Policy Change:** Aptus has strengthened its collection framework at the state and HO level, with the intent to maintain healthy asset quality. The company has also strengthened its middle-level management staff at the state level to improve recovery performance. In Q2, credit costs inched up significantly to 63 bps vs 38 bps QoQ, primarily due to Aptus shortening the threshold for technical write-offs (w/off) to 500 days from 2 years earlier. The management emphasised that this is a proactive accounting policy change and does not hint at underlying stress. Its pricing, especially on the non-home loans, factors in credit costs of ~50 bps. Due to the policy change, credit costs are expected to settle higher vs earlier guidance. **We pencil-in credit costs of 50 bps (+/-5 bps) over FY26-28E.**

Sector Outlook: Positive

Company Outlook: Aptus' growth trajectory continues to remain robust and is likely to continue to be supported by strong demand visibility, improving ticket size and branch-led geographic expansion. We expect growth to improve post a near-term hiccup due to policy change. The fixed rate book, along with the decline in CoF, should help Aptus maintain its margins at healthy levels. With geographic and branch expansion on the cards, Opex growth is expected to remain high. However, improving productivity should help Aptus maintain a C-A ratio in the range of 2.6-2.8%. With the write-off policy change, we expect credit costs to settle higher vs earlier guidance. We expect Aptus' RoA to remain best in class, ranging between 7.1-7.5% over FY26-28E.

Current Valuation: 3.6x FY27E ABV; Earlier Valuation: 3.8x FY27E ABV

Current TP: Rs 405/share; Earlier TP: Rs 425/share

Recommendation: We maintain our **BUY** recommendation on the stock.



Gravita India Ltd

Growth Momentum To Pick Up; Maintain BUY

Recommendation: **BUY** | Reco Price: 1673 | TP: 2500 | Upside: 49%

Est. Vs. Actual for Q2FY26: Revenue: **BEAT**; EBITDA (Adj.): **BEAT**; PAT: **BEAT**

Changes in Estimates Q2FY26 Result

FY26E/FY27E: Revenue: -8%/-10%; EBITDA (Adj.): -7%/-1%; PAT (Abs.): -6%/1%

Recommendation Rationale

- Value-added Products Driving Growth:** The company delivered 12% YoY revenue growth, driven by a 4% YoY increase in volumes and improved realisations. Volume growth was supported by a 27% rise in aluminium volumes and a 5% increase in lead volumes, although overall output was partly affected by capacity constraints and deferments linked to GST-related changes. The share of value-added products increased to 47% of total revenue, aiding profitability and realisations. Adjusted EBITDA stood at Rs 112 Cr, broadly in line with the previous quarter, despite a marginal dip in revenues
- Capacity Expansion Expected in H2:** Gravita continues to execute its capacity ramp-up plan, under which the current 3.4 Lc MTPA capacity is set to cross 4.4 Lc MTPA by FY26-end (7+ Lc MTPA by FY28).
- Key project updates: Mundra Lead Expansion:** Phase I (30,000 MTPA) to be commissioned by Nov'25; Phase II (50,000 MTPA) expected by Jan'26; **Lithium-ion Battery Recycling Pilot (Mundra):** Progressing well; commissioning expected in Q3FY26.; **Rubber Recycling Facility (Mundra):** On track for completion by Q4FY26 with meaningful contribution expected from FY27.; **Phagi Lead Capacity Enhancement (45,000 MTPA):** Expected completion by Dec'26.; **Romania facility** continues to stabilise, supporting future export-led growth.

Sector Outlook: **Positive**

Company Outlook & Guidance: The company reiterated its medium-term targets of achieving 25% volume CAGR and 35% profit CAGR, while sustaining ROIC above 25%. Volume traction is expected to strengthen in H2FY26 as new capacities come onstream and the spillover volumes from Q2 are realised in subsequent months. Over the next 3-4 years, management intends to fully leverage growth opportunities across existing and newly launched business lines. Investments in new verticals such as paper and steel will be pursued selectively, based on visibility of sufficient demand potential. In line with this strategy, the company has reduced its capex plan to Rs 1,225 Cr from Rs 1,500 Cr for the next three years, signalling a more disciplined capital deployment approach focused on optimising returns.

Current Valuation: 27x Sept'27EPS (earlier 32x FY27 EPS)

Current TP: Rs 2,500/share (Earlier: Rs 2,600/share)

Recommendation: We maintain our BUY recommendation on the stock.



Zensar Technologies Ltd

Steady Performance; Moderate Growth Ahead

Recommendation: HOLD | Reco Price: 795 | TP: 865 | Upside: 9%

Est. Vs. Actual for Q2FY26: Revenue: **INLINE**; EBIT: **BEAT** ; PAT – **INLINE**

Change in Estimates YoY post Q2FY26:

FY26E/FY27E: Revenue: 0.8%/2.8%; EBIT: 2%/3.3%, PAT: 0.5%/3.2%

Recommendation Rationale

- **Macro Headwinds:** The quarter began with considerable macro uncertainty, with slowing growth in both the US and Europe. Clients paused net new spending due to weak demand. However, GenAI continues to witness traction.
- **Deal wins:** The quarterly order booking was soft, which management attributed to a timing issue and some deals being pushed to the next quarter due to market uncertainty, while the pipeline continues to be healthy despite headwind in the TMT vertical.
- **AI Implementation:** Zensar has launched a new AI platform and updated its website to showcase its AI capabilities. 28% of order bookings for this quarter were AI-influenced, up from 21% of Q1FY26.

Sector Outlook: Cautiously Optimistic

Company Outlook & Guidance: The management refrained from giving any broader guidance. Though the company aims to sustain operating margins at a mid-teens level. It continues to witness more priority towards innovation to drive value growth,

Current Valuation: 23x FY27E P/E (Earlier Valuation: 24x FY27E P/E)

Current TP: Rs 865/share (Earlier TP: 875/share)

Recommendation: We maintain a HOLD rating on the stock.



Bata India Ltd

Weak Quarter; Growth Levers Remain Intact

Recommendation: HOLD | Reco Price: 1071 | TP: 1000 | Upside: -7%

Est. Vs. Actual for Q2FY26: Revenue – MISS; EBITDA – MISS ; PAT – MISS

Changes in Estimates post Q2FY26

FY26E/FY27E: Revenue: -1%/-2%; EBITDA: -3%/-6%; PAT: -6%/-6%

Recommendation Rationale

- Weak Quarter:** Bata India's revenue declined 4.3% YoY in Q2FY26, impacted by temporary disruptions arising from the GST 2.0 transition. However, demand trends showed improvement toward late September, aided by festive momentum. Revenue stood at Rs 801 Cr, supported by continued traction in premium brands including Hush Puppies and Power. The Victoria Ballerina campaign delivered strong resonance among female consumers, improving the mix by 100 bps, while Power Easy Slide registered record weekly pairage contribution. The company proactively passed on GST benefits to consumers, aiding early recovery in demand. Expansion remained on track with 30 new franchise additions during the quarter, strengthening its presence in Tier 2 and semi-urban markets.
- Margins Pressure:** EBITDA margin contracted by 277 bps YoY to 18.1%, impacted by lower gross margins due to higher markdowns undertaken for inventory clearance ahead of the festive season, along with elevated marketing spends. The quarter also included a one-time exceptional charge of ~Rs 8.3 Cr related to a VRS at one of its factories, consistent with the company's strategic focus on strengthening supply chain efficiency, agility, and capability development.
- Demand Outlook:** The management remains cautiously optimistic about demand recovery in H2FY26, supported by its robust brand equity, extensive retail network, and a continued emphasis on cost optimisation and operational efficiency.

Sector Outlook: Cautious

Company Outlook & Guidance: Due to near-term challenges and weak demand, we **maintain our HOLD rating on the stock.**

Current Valuation: 38x Sep'27 EPS (Earlier valuation: 38x Mar'27 EPS)

Current TP: Rs 1,000/share (Earlier TP: Rs 1,020/share).

Recommendation: With a 7% downside from the CMP, we **maintain our HOLD rating on the stock.**



Affle India

Mixed Performance; Strong Momentum to Continue

Recommendation: BUY | Reco Price: 1897 | TP: 2200 | Upside: 16%

Est. Vs. Actual for Q2FY26: Revenue – MISS; EBIT margin – INLINE; PAT – INLINE

Change in Estimates YoY post Q2FY26:

FY26E/FY27E: Revenue: -1.2%/-1.1%; EBIT: 0%/0.6%, PAT: 0%/-1.5%

Recommendation Rationale

- **Growth across Markets:** In Q2FY26, India and Global Emerging Markets collectively contributed 73.9% to revenue, growing by 20% YoY, indicating strong regional demand. Developed markets registered a 16.8% YoY growth, contributing 26.1%, driven by deeper customer engagements.
- **Patent Grant:** The company received two new patents in the US, bringing its total IP portfolio to 16 patents. The new patents relate to a Method and System to Encode User Visibility Count to optimise ad exposure, and a Method and System for Hardware and Software-Based User Identification for Ad Fraud Detection.
- **Acquisition plans:** Affle is actively evaluating acquisition prospects and waiting for the right time, pricing, and fit, focusing on selective acquisitions that deliver long-term growth.

Sector Outlook: Positive

Company Outlook & Guidance: The management guided for a 20% sustainable growth given the small base relative to the large addressable market, as well as new dimensions of this market. The company is aiming to achieve 10x organic growth over the decade, with selective inorganic additions.

Current Valuation: 41x FY28E P/E **Earlier Valuation:** 47x FY27E P/E)

Current TP: Rs 2,200/share (Earlier TP: Rs 2,020/share)

Recommendation: We maintain our BUY rating on the stock.



Mahanagar Gas Ltd

Margins Contract, Volume Growth Remains Robust

Recommendation: BUY | Reco Price: 1272 | TP: 1540 | Upside: 21%

Est. Vs. Actual for Q2FY26: Revenue – MISS; EBITDA – MISS; PAT – MISS

Change in Estimates post Q2FY26:

FY26E/FY27E: Revenue: -1%/0%; EBITDA: -8%/0%, PAT: -9%/0%

Recommendation Rationale

- EBITDA Contracts due to Higher Fuel Costs:** The company's EBITDA/scm was down 25%/35% YoY/QoQ to Rs 8/scm mainly led by higher gas cost. The increase in gas cost was led by – (i) Change in gas mix – higher volumes led to a higher weighted average cost due to reliance on spot RLNG and HPHT. APM and NWG allocation declined QoQ in Q2FY26 (APM from 1.7 mmscmd to 1.68 mmscmd and NWG from 0.5 mmscmd to 0.35 mmscmd; (ii) Depreciation of Rupee vis-à-vis US Dollars by 2 Rs QoQ in Q2FY26; (iii) Increase in unified base price, the effective APM price post co-mingling with CBG Gas was up to \$7/mmbtu despite the upper cap of \$6.75/mmbtu.
- Sourcing Mix:** During Q2FY26, the company sourced 1.68 mmscmd through APM, 0.35 mmscmd from NWG, 1.45 mmscmd through Henry Hub Linked Contracts, 0.6 mmscmd through HPHT contracts, and the balance through spot contracts, including HPHT and RLNG. The company's all-term contracts are currently getting fully consumed. However, in Jan'26, a long-term HPHT contract is likely to come up, which can reduce the company's dependence on spot.
- Volumes:** During Q2FY26, the company achieved sales volume of 4.59 mmscmd, up 9%/3% YoY/QoQ. It consists of 3.25 mmscmd of CNG volumes (up 7%/2% YoY/QoQ), 0.58 mmscmd (up 8%/2% YoY/QoQ) of Domestic PNG volumes, and 0.76 mmscmd (up 19%/8% YoY/QoQ) of Industrial and Commercial PNG volumes. FY26 volume growth is guided at 10% YoY.
- Infrastructure:** During Q2FY26, 53,566 domestic households were connected, and the company has now established connectivity for nearly 2.94 million households. It has laid 87.4 kms of steel pipeline, taking the total length to over 8,061 Kms. The company has added 14 CNG stations during Q2FY26 and has a total of 485 stations as on 30 Sep'25. The company targets to add 80 stations in FY26 as compared to 66 stations in FY25

Sector Outlook: Positive

Company Outlook & Guidance: The company expects Q3FY26 EBITDA/SCM to be close to Rs 8.5/scm. It has now guided for FY26 EBITDA/scm to be in the range of 8.5-9/scm against earlier guidance of 9.5/scm. However, the company expects a 10% YoY growth in volumes in FY26. We cut our FY26 EBITDA to 9/scm, considering the management guidance and the higher expected cost of fuel. We keep our FY27/28 estimates unchanged as we project a robust 9.4% CAGR in volume over FY25-28E, driven by network expansion in GA-3 (Raigad) and strong growth at UEPL.

Current Valuation: DCF basis (Unchanged)

Current TP: Rs 1,540/share (Unchanged)

Recommendation: We maintain our BUY recommendation on the stock.



Cipla Ltd

Next-Gen Growth with GLP-1 & Respiratory Pipeline; Maintain BUY

Recommendation: BUY | Reco Price: 1541 | TP: 1700 | Upside: 10%

Est. Vs. Actual for Q2FY26: Revenue – BEAT; Abs. EBITDA – BEAT; PAT – BEAT

Changes in Estimates post Q2FY26

FY26E/FY27E: Revenue: 0.2%/-0.5%; EBITDA Abs: -1.4%/-2.6% PAT: -0.6%/-1.8%

Recommendation Rationale

- **Cipla US Sales Dip as gRevlimid Fades:** The company's US revenue for Q2FY26 stood at \$233 Mn, reflecting a 1.7% YoY decline impacted by gRevlimid but offset by Albutero and Lanreotide as their market shares have now risen to 22% and Cipla's first biosimilar Filgrastim entry into the US market. It expects virtually no contribution from gRevlimid in Q3FY26.
- **Strong Chronic, Trade Generics Boost One India 6.7% YoY:** One India's segment grew 6.7% YoY, largely driven by the robust performance of chronic products and strong double-digit growth in the Trade Generics business. Key chronic therapies like Dermatology, Anti-diabetes, and Cardiac grew at strong double-digit rates. Chronic products now contribute 61.8% of revenue, continuing to outperform the market, while the Acute segment remains affected by seasonal headwinds and the brief disruption from the GST rate transition. Cipla has now entered into obesity Market with a partnership with Eli Lilly for Tirzepatide (GLP-1) is exclusive to the Indian market.
- **Cipla Africa Up 5% YoY; SA Leads Growth:** The One Africa business grew 5% YoY in CC terms, driven by strong growth in South Africa (6%), where the private market outperformed the overall market by growing at a multiple of 6.2%. The next two quarters are critical for execution toward margin expansion in South Africa.

Sector Outlook: Positive

Outlook & Valuation: Cipla remains confident about its FY26 growth trajectory, focusing on accelerating execution and new product launches across key markets. In North America, the company aims to ramp up commercial performance through portfolio expansion, while in South Africa, the next two quarters are critical for margin improvement. In India (One India), **Cipla plans to strengthen its branded prescription and trade generics businesses, aided by new launches such as Yurpeak (Tirzepatide-GLP1).** The EMEU business will continue to drive penetration with stable margins. Cipla has revised its FY26 EBITDA margin guidance to 22.75–24% (from 23.5–24.5%) to reflect higher R&D investments, around 0.5% of revenue above plan. **The company targets US revenues of about \$1 Bn by FY27,** supported by key upcoming respiratory and peptide launches (including generic Advair in Q4 FY26) and the recent biosimilar Filgrastim. Management remains cautiously optimistic, balancing the phase-out of gRevlimid with growth from its differentiated portfolio. We have incorporated the GLP-1 opportunity, gRevlimid wind-down, and margin guidance into our model.

Current Valuation: PE 23x for H1FY28 earnings (Earlier Valuation: PE 23x FY27E)

Current TP: Rs 1,700/share (Earlier TP: Rs 1,700/share)

Recommendation: BUY



Arvind Smartspaces Ltd

Q2FY26: Building Momentum on Strong Launches & Structural Transformation

Recommendation: BUY | Reco Price: 614 | TP: 740 | Upside: 21%

Recommendation Rationale

- Strong Bookings Guidance:** The company has clocked pre-sales of Rs 432 Cr, which is above our expectations for a seasonally slow quarter. The pre-sales were mainly driven by the launch of its Mankol project – ‘Arvind Everland’, which recorded sales of Rs 400 Cr, ~92% of its launched inventory. Its sustenance sales from Ahmedabad and Bangalore saw a hit and were below our expectations for the quarter. Despite this, the company is positive about achieving its 30% bookings growth guidance for FY26. The management is expecting better momentum for sustenance sales going forward as a function of expanding teams, better technological and other processes. It will see a pick-up post November for the coming quarter.
- Launches Pipeline and BD:** Arvind has guided towards a launch topline potential of Rs 4,000 Cr. These launches will be majorly bunched up towards the H2FY26. The company expects 2 launches in Bangalore, which are in advanced stages of approval, along with additional launches in Baroda and MMR, as well as its upcoming industrial project. Arvind expects to maintain its BD at a healthy rate of Rs 4,000-5,000 Cr per annum with additions in Ahmedabad, Bangalore, and the MMR regions. Its BD going forward will be largely driven by JD/JV, with increasing outright buying share as well. The company is aiming at a 40-40-20 kind of distribution among Blr-Ahd-MMR. Arvind expects a Rs 1,000 Cr a year deployment for BD going forward, mainly with increasing outright purchases, yet asset-light will continue to have a higher contribution.
- Management Approach:** Arvind has seen a notable change in its top management in H1FY26. The new management is more focused on enhancing efficiencies and reducing the time lag from ‘announcement of project-to-launch’ period. It expects a transformation in business while balancing agility and control. It is now a city-led organisation that drives the last-mile decision-making. Furthermore, Arvind is investing ahead of time to build a platform, designing new processes, and the flow of the company. We expect a better launch plus sustenance focus in the coming quarters.

Sector Outlook: Positive

Company Outlook & Guidance: The management reaffirmed its FY26 pre-sales growth guidance of ~30%, supported by a robust launch pipeline of 4–5 projects in H2FY26 with an estimated GDV of ~Rs 3,000 Cr. It expects sales, collections, and execution momentum to strengthen in the H2 as new projects in Ahmedabad, Vadodara, MMR, and Bangalore come to market. The company remains focused on asset-light expansion, capital-efficient growth, and sustained cash generation. Management reiterated confidence that the ongoing organisational transformation and city-led model will enable project scale-up. It continues to maintain a strong balance sheet and disciplined capital allocation.

Current Valuation: 5.5X FY28E EBITDA; Earlier Valuation: 8X FY27E EBITDA

Current TP: Rs 740/share (Earlier TP: Rs 840 /share).



Aditya Birla Fashion & Retail Ltd

Resilient Growth, Margin Miss; Maintain HOLD

Recommendation: HOLD | Reco Price: 84 | TP: 90 | Upside: 7%

Est. Vs. Actual for Q2FY26: Revenue – BEAT; EBITDA – MISS; PAT – MISS

Changes in Estimates post Q2FY26

FY26E/FY27E: Revenue: 1%/2%; EBITDA: 2%/5%;

Recommendation Rationale

- Resilient growth:** ABFRL reported a 13% YoY revenue growth in Q2FY26, aided by a strong festive start. Segment-wise, TMRW and Luxury businesses grew 27% and 13% YoY, respectively, while Ethnic and Pantaloons rose 11% and 6% YoY. Gross margins expanded 395 bps YoY to 57.9%, reflecting improved product mix and operational efficiencies. However, EBITDA declined 12.4% YoY with a 99bps margin contraction, owing to higher marketing investments. Despite a cautious consumption backdrop, early festive demand, particularly Pujo, boosted footfalls and sales across retail formats, partially offset by temporary disruptions from heavy rains in Kolkata and regional closures in the Northeast.
- Demand Outlook:** ABFRL sustained healthy growth across core and emerging segments, driven by strategic investments and brand modernization. With focus on scale, efficiency, and a supportive demand backdrop, the company remains well positioned for steady, profitable growth ahead.

Sector Outlook: Cautious

Company Outlook & Guidance: While the long-term outlook remains strong, we **reiterate our HOLD rating** considering the overall demand scenario.

Current Valuation: 13xSep'27 EV/EBITDA (Earlier Valuation: 13xMar'27 EV/EBITDA)

Current TP: Rs 90/share (Earlier: Rs 75/share)

Recommendation: With a 7% upside from the CMP, we **maintain our HOLD rating**.



Westlife Development Ltd

Resilience Amid Demand Softness; Maintain BUY

Recommendation: BUY | Reco Price: 585 | TP: 650 | Upside: 11%

Est. Vs. Actual for Q2FY26: Revenue- MISS; EBITDA – MISS; PAT – BEAT

Changes in Estimates post Q2FY26

FY26E/FY27E: Revenue: -3%/-7%; EBITDA: -14%/-30%; PAT: -37%/-44%

Recommendation Rationale

- Sustains Growth Momentum Despite a Challenging Out-of-Home Consumption Backdrop:** Westlife Foodworld demonstrated operational resilience in Q2FY26 despite a subdued out-of-home consumption environment. Revenue increased 4% YoY to Rs 642 Cr, supported by disciplined cost controls, menu innovation, and omnichannel execution. Same-store sales declined 2.8% YoY amid a broader 4–6% industry contraction in out-of-home food consumption, especially across the Western fast-food category. On-premise sales grew 5% YoY, while off-premise channels remained steady. Early signs of recovery were visible in October, and management expects a gradual improvement in consumption trends driven by moderating inflation and supportive policy actions. With a strong operating model and a well-established brand portfolio, the company remains positioned to capture emerging opportunities and advance toward its Vision 2027 target of adding 580–630 new stores by CY27.
- Operational Efficiency Drives Margin Expansion:** Westlife Foodworld delivered a resilient performance despite commodity price and demand volatility, with gross margins expanding by 276 bps YoY to 72%, supported by improved supply chain efficiencies. Restaurant operating margin expanded by 60 bps YoY, while operating EBITDA margin contracted 184 bps YoY to 10.5% due to operating deleverage, partially offset by continued cost optimization measures. Management reaffirmed confidence in sustaining gross margins above 70% by 2027.

Sector Outlook: Cautious

Company Outlook & Guidance: We maintain our **BUY** recommendation on the stock as the company's long-term growth levers remain intact.

Current Valuation: 27xSep'27EV/EBITDA (Earlier: 27xMar'27EV/EBITDA)

Current TP: Rs 650/share (Earlier: TP: Rs 880/share).

Recommendation: With an 11% upside potential from the CMP, we **maintain our BUY rating** on the stock.



Steel Authority Of India Ltd

Q2 EBITDA Beats Consensus, Valuations Rich; Maintain HOLD

Recommendation: HOLD | Reco Price: 137 | TP: 145 | Upside: 6%

Est. Vs. Actual for Q2FY26: Adj Revenue – INLINE; Adj. EBITDA – MISS; Adj PAT – MISS

Change in Estimates YoY post Q2FY26:

FY26E/FY27E: Revenue: 2%/2.7%; EBITDA: -1.2%/2.4%, PAT: -1.1%/8.4%

Recommendation Rationale

- Q2 ahead of consensus: SAIL's EBITDA (excluding rail provision), at Rs 2,528 Cr (down 13%/3% YoY/QoQ), stood ahead of consensus estimate by 28%. The beat was led by better than street's expectation of steel sales volume, which stood at 4.91 MT (up 20%/8% YoY/QoQ) in line with our estimate, despite the extended monsoon. SAIL's topline also included inflow of Rs 1,140 Cr from the sale of steel and iron scrap, slag, and coal tar, which helped in supporting realizations/tonne. The sales from these by-products/waste will be higher in Q3/Q4FY26.
- Higher capex intensity ahead for expansion projects: SAIL will raise its capacity to 35 MT from the current 20 MT by 2030. Tendering activities for the ISP (IISCO steel plant) have started, with major tenders done. The capex intensity will start rising from FY27, and it will peak around FY29. Project execution will be the key risk.
- Borrowings are down YoY, but the risk of increasing leverage remains: Total borrowings came down in the quarter to Rs 26,427 Cr from Rs 28,741 Cr as of Jun'25. The company is targeting to reduce it further in FY26. However, as the capex intensity picks up, maintaining the leverage ratios under control will be critical across steel cycles.

Sector Outlook: Cautious

Company Outlook & Guidance: SAIL's Capex execution will be a key monitorable and also a key risk once its expansion Capex starts to pick up from FY27 and peaks in FY28/29. FY26 Capex guidance is unchanged at Rs 7,500 Cr (FY25/H1FY26 capex stood at Rs 6,221/3,700 Cr). Starting with the IISCO plant expansion and other debottlenecking projects, capex will jump to Rs 10,000 Cr in FY27. By the end of FY26, the company is targeting to reduce its Debt/Equity towards 0.35-0.4x from 0.46x currently, to keep a buffer to raise debt for capex funding from FY27 onwards. It will fund the expansion phase by keeping the Debt:Equity ceiling at 1.0x. FY26 saleable steel sales volume guidance is unchanged at 18.5 MT, and expects a 5–7% YoY increase in FY27 due to de-bottlenecking and increased capacity utilization.

Current Valuation: 7.0x EV/EBITDA (from 6.0x) on Sep'27E EBITDA (Roll forward from Mar'27)

Current TP: Rs 145/share (Earlier TP: Rs 120/share)

Recommendation: We maintain our HOLD rating on the stock.



Bharti Airtel Ltd

Strong Business Performance; ARPU Continues to Gain

Recommendation: BUY | Reco Price: 2110 | TP: 2530 | Upside: 20%

Est. Vs. Actual for Q2FY26: Revenue – **INLINE**; EBIT margin – **INLINE**; PAT – **BEAT**

Change in Estimates YoY post Q2FY26:

FY26E/FY27E: Revenue: 0.6%/2.3%; EBITDA: -0.4%/0.3%, PAT: 1.4%/-1.2%

Recommendation Rationale

- **Steady QoQ Growth in Mobile Services Driven by Premiumization:** The mobile services business continues to record a growth of 13.2% YoY, led by a focus on portfolio premiumization and an additional day in the quarter.
- **ARPU Leadership with Growth Focus:** The company's ARPU continues to be the best in the industry. It intends to improve ARPU by focusing on higher post-paid customers, international roaming, and upgradation to smartphones from feature phones.
- **Non-wireless Focus Driving High-Margin Growth:** Bharti Airtel is focusing on non-wireless business by investing in B2B, data centres, and home broadband, generating higher margins with a moderate capex.
- **Digital and Fintech Businesses Scaling Rapidly:** Digital revenue grew 24% YoY, led by Airtel Cloud, IoT, CPaaS, and Airtel Finance. Payments Bank users crossed 104 Mn, with deposits up 35% YoY to Rs 4,000 Cr. Airtel Cloud gained strong traction with new enterprise wins, leveraging its India-based, data-sovereign platform.

Sector Outlook: Positive

Company Outlook & Guidance: The company has a strong focus on quality customers with increasing ARPU and revenue. The management is confident of gaining industry-leading growth, backed by robust rural penetration and a superior services portfolio.

Current Valuation: SOTP-based

Current TP: Rs 2,530/share

Recommendation: From a long-term perspective, we believe Bharti Airtel is well-positioned to continue to gaining market share, backed by the highest penetrations and minimal Capex requirements. Given its stronger digital portfolio supported by rising per-user data and growing business verticals, we are positive about the company's future growth. We maintain our BUY recommendation on the stock.



ITC Ltd

Core Resilience Cushions Agri Weakness; Maintain BUY

Recommendation: BUY | Reco Price: 418 | TP: 480 | Upside: 15%

Est. vs. Actual for Q2FY26: Revenue – **MISS**; EBITDA – **MISS**; PAT – **BEAT**

Changes in Estimates post Q2FY26

FY26E/FY27E: Revenue: -1%/-3%; EBITDA: -4%/-4%; PAT: -3%/-3%

Recommendation Rationale

- **Resilient Core Offsets Agri Drag amid Transitional Headwinds:** ITC reported a 3.7% YoY decline in revenue during Q2FY26, largely impacted by a steep 31.2% YoY drop in the Agri business, owing to a high base and weak export demand. However, Ex-Agri Business, revenue grew by 7.1% yoy. The Cigarette segment delivered healthy 6.7% YoY growth, driven by sustained volume momentum and continued premiumisation. The FMCG (ex-Notebooks) division maintained robust 8% YoY growth despite GST transition challenges and excessive rainfall affecting trade operations. The Paperboards, Paper & Packaging business grew 5% YoY, though overall performance was moderated by subdued realisations, low-cost imports, and elevated wood prices.
- **Gross Margins** improved by 284 bps YoY to 48.6%, owing to softening of selected raw material prices. EBITDA grew by 2.1% YoY, and EBITDA margins improved by 201bps at 35.1%.
- **Demand Outlook:** The recent GST reforms are expected to enhance consumer affordability and support a broad-based recovery in consumption, aligning with India's 'Viksit Bharat' vision. Rural demand has remained resilient, while urban markets have shown initial signs of improvement. Additionally, easing inflationary pressures, supportive monetary policy from the RBI, income tax reliefs announced in the Union Budget, and GST rate reductions across select categories are collectively positioned to bolster consumption over the medium term. That said, excessive rainfall across regions and short-term transitional disruptions from the GST rate changes temporarily affected operations, particularly within the FMCG segment.
- **Long-term Story Remains Strong:** We believe ITC's long-term growth trajectory remains intact, with most business segments maintaining steady progress. Cigarette volumes continue to grow, supported by ongoing innovation and sustained premiumisation. The FMCG portfolio has seen an improvement in demand momentum and is positioned for a recovery. Government budgetary measures, the recent GST rate reduction, an expanding outlet network, localisation initiatives, and a continued premiumisation focus are expected to further drive growth in H2FY26.

Sector Outlook: **Positive**

Company Outlook & Guidance: Considering the volatility in commodity prices along with the overall demand scenario, we have cut the margin estimates for FY26/FY27.

Current Valuation: 25x Sep'27 EPS (Earlier Valuation: 25x Mar'27 EPS).

Current TP: Rs 480/share (Earlier TP: Rs 490/share).

Recommendation: With an upside potential of 15% from the CMP, we **maintain our BUY** rating on the stock.



Kalpataru Projects International Ltd.

Strong Beat on Operating Performance; Retain BUY

Recommendation: BUY | Reco Price: 1259 | TP: 1475 | Upside: 17%

Est. Vs. Actual for Q2FY26: Revenue – BEAT; EBITDA Margin – BEAT; PAT – BEAT

Change in Estimates post Q2FY26 (Abs.)

FY26E/FY27E: Revenue: 3%/2%; EBITDA: 3%/2%; PAT: 6%/1%

Recommendation Rationale

- Robust Order Book to Support Revenue Growth:** As of 30th Sep'25, the company's order book stands at Rs 64,682 Cr, with 40% from T&D, 29% from B&F, 13% from Water, 9% from Oil & Gas, 5% from Railways, and 4% from Urban Infra. Backed by a strong execution track record and expanding opportunities across all segments, the company is positioned for steady revenue growth, projecting a 20% CAGR from FY25 to FY27E.
- New Order Inflow to Sustain Growth:** The YTD order inflow stood at Rs 14,591 Cr. Management expects full-year order inflow of Rs 25,000 Cr+, with a strategic focus on the T&D and B&F segments. It highlighted strong opportunities across power transmission and distribution, solar EPC, residential and commercial buildings, oil and gas pipeline networks, underground and tunnelling works, urban mobility, and select international civil projects.
- T&D Business to be Major Growth Contributor:** T&D business remains highly optimistic across domestic and overseas markets, supported by a strong tender pipeline of over Rs 1,50,000 Cr for the next 12–18 months. The company is also competitively positioned in tenders worth Rs 5,000 Cr, primarily in the international T&D segment. High-margin T&D projects are expected to remain the key growth driver. We expect EBITDA margin expansion and PAT growth to deliver a CAGR of 25% and 47%, respectively, over FY25–27E, driven by robust execution and a healthy order pipeline.

Sector Outlook: Positive

Company Outlook & Guidance: Management has guided for 20-25% revenue growth and PBT margins of ~5% in FY26.

Current Valuation: 20.5x FY27 EPS (Earlier Valuation: 20.5x FY27 EPS)

Current TP: Rs 1,475/share (Earlier TP: Rs 1,470/share)

Recommendation: We maintain our **BUY** rating on the stock.



NTPC Ltd

EBITDA Miss, Capacity Additions in Focus

Recommendation: BUY | Reco Price: 345 | TP: 400 | Upside: 16%

Consensus Vs. Actual for Q2FY26: Revenue - **MISS**; EBITDA - **MISS**; PAT - **BEAT**

Change in Estimates post Q2FY26

FY26E/FY27E: Revenue: 0%/0%, EBITDA: 0%/0%, PAT: 0/0%

Recommendation Rationale

- Total Capacity Addition:** NTPC group's installed capacity grew by 1,247 MW QoQ to 83,893 MW in Q2FY26, led by 684 MW of Solar capacity additions, 250 MW of PSP, 220 MW of coal-based thermal capacity and 93 MW of wind capacity. The 220 MW of thermal additions is net of discontinued plants and includes 660 MW of Khurja plant commissioned in and the discontinuation of 440 MW (110 MW x 4 units) of Tanda plant in Sep'25. The company's under-construction capacity stands at 33 GW, consisting of 17 GW of thermal, 14 GW of RE capacity and 2 GW of hydro capacity. It targets to add 9,844 MW, 9,600 MW and 10,564 MW in FY26, FY27 and FY28, respectively, aiming to reach 149 GW by 2032 and 244 GW by 2037.
- Thermal and Hydro Targets:** The company targets to commission 2,780 MW, 1,600 MW and 2,120 MW of thermal capacities in FY26, FY27 and FY28, respectively. For Hydro, it plans to commission 1,000 MW in FY26 and 444 MW in FY28.
- RE Targets:** The company has a target to reach 60 GW of RE capacity by FY32 and is well on track to achieve the same. It plans to add 6 GW of RE capacity in FY26, 8 GW in FY27 and another 8 GW in FY28.
- Operational Update:** Gross Generation stood at 83.2 BUs, down 6%/9% YoY/QoQ. In Q2FY26, the PLFs for coal-based plants stood at 66%, 6.8% for gas-based plants, 23% for solar plants and 105% for Hydro plants. While Hydro plants saw a strong seasonal improvement (97% in Q2FY25 and 56% in Q1FY26), coal-based plants saw a decline in PLFs (72% in Q2FY25 and 75% in Q1FY26).

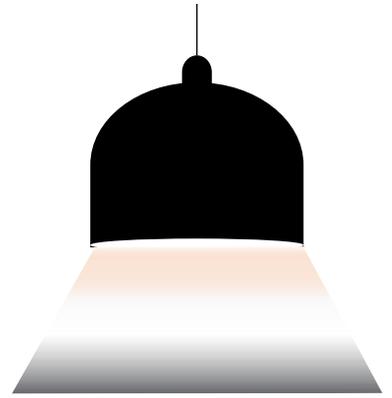
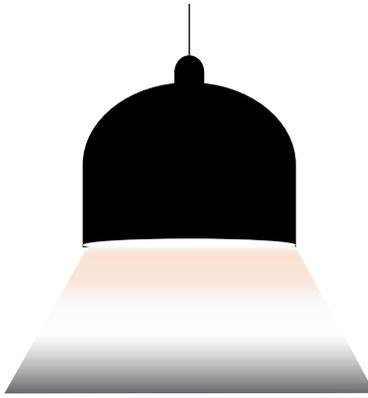
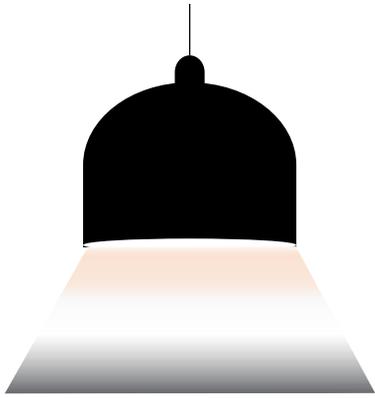
Sector Outlook: Positive

Company Outlook & Guidance: To increase its capacity to 149 GW by 2032, the company has a capex plan of ~7 Lc Cr at the group level. This will drive the growth in the regulated equity. Due to its strong vendor network and management, it expects lower execution risk in setting up thermal projects.

Current Valuation: We value NTPC using SoTP with the thermal business at 2.0x P/BV on Sep'27E (from 2.1x on FY27E) consolidated regulated equity, RE business at CMP (NGEL) after accounting for the 90% stake and considering a 25% Holdco discount, PSP optionality at Rs 23/share, CWIP and cash at 1x P/BV of FY25.

Current TP: Rs 400/share (Unchanged)

Recommendation: We maintain our **BUY** rating on the stock.



Earnings Wrap Archive – Q2FY26

[**Q2FY26 Earnings Wrap – WEEK I**](#)

[**Q2FY26 Earnings Wrap – WEEK II**](#)

[**Q2FY26 Earnings Wrap – WEEK III**](#)

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Compliance Officer Details: Name – Mr Rajiv Kejriwal, Tel No. – 022-68555574, Email id – compliance.officer@axisdirect.in;

Registered Office Address – Axis Securities Limited, Unit No.002, Building- A, Agastya Corporate Park, Piramal Realty, Kamani Junction, Kurla (W), Mumbai – 400070.

Administrative office address: Axis Securities Limited, Aurum Q Parc, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

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