



**PL Capital**  
PRABHUDAS LILLADHER

# CONNECT

Jul-Sep'25 Results



***Broad based EBIDTA and PAT beat***

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## Jul-Sep'25 Results

November 27, 2025

### ***Broad based EBITDA and PAT beat***

- PL Universe in 2QFY26 reported sales, EBITDA, PAT growth of 7.4%, 16.1%, and 16.2% YoY, respectively. Coverage universe posted lower sales of 1.6% and higher EBITDA/PAT of 5.0/7.6% than estimates. Ex-BFSI EBITDA increased 22.6%, while PBT increased by 24.9% YoY.
- Pharma, Building Materials, Healthcare, Cement, and Telecom sectors reported sales ahead of estimates by 3.1%–8.6%, while Oil & Gas, Financial Services, Consumer Durables, Metals & Mining, and Chemicals lagged, missing estimates by 1.1%–5.1%.
- All sectors delivered a strong EBITDA beat versus estimates, led by Ports with a 10.0% increase and Education with a 17.4% increase. However, Financial Services posted a marginal miss of 1.2%, while Travel & Tourism and Logistics recorded double-digit EBITDA miss.
- Oil & Gas, Healthcare, Education, Telecom, Cement, and Travel & Tourism posted double-digit PAT beats versus estimates, while Media, Chemicals, Financial Services, and Ports reported misses, with the logistics sector recording a double-digit miss.
- Cement, EMS, Oil & Gas, Metals & Mining, Ports, Building Materials, Consumer Durables and Telecom reported more than 20% EBITDA growth YoY. Only Media and Travel & Tourism reported a decline in EBITDA.
- Travel & Tourism has shown a sharp 3-digit YoY PAT decline, while Cement and Logistics have shown exceptionally high PAT growth of 220.6% and 117.9%, respectively.
- 37 stocks from PL universe are also covered by NIFTY 50 Index. For these stocks, reported sales, EBITDA and PAT increased by 9.8%, 13.0% and 10.3% YoY, respectively. Actuals beat estimates for these stocks, with revenue 2.4%, EBITDA 3.3%, and PAT 3.4% above expectations.

**Note: Sectoral/stock growth and its variation with estimates are as per PL coverage universe.**

**Auto** reported a YoY 18.5% increase in revenue in Q2FY26, while EBITDA and PAT grew by 16.9% and 17.5%, respectively. Revenue, EBITDA and PAT exceeded estimates by 2.3%, 2.3% and 1.6%, respectively.

**Banks** reported a YoY 2.5% increase in revenue, while EBITDA and PAT grew and declined by 1.5% and 0.5%, respectively. Revenue, EBITDA and PAT exceeded estimates by 0.8%, 6.4% and 6.8%, respectively.

**Building Materials** sector grew 8.5% YoY, while EBITDA and PAT were up by 28.8% and 18.5%, respectively. Actuals beat estimates, with revenue exceeding expectation by 3.6%, EBITDA by 8.8%, and PAT by 1.9%.

**Capital Goods** saw healthy 13.8% YoY growth, while EBITDA rose 0.8% and PAT declined 0.8%. Actuals missed estimates on revenue by 0.8%, beat EBITDA by 0.6%, and beat PAT by 1.8%.

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**Cement** outperformed with 19.6% YoY increase in revenue, while EBITDA surged 58.5% and PAT jumped 220.6% on a low base. Actuals beat estimates on revenue by 7.8%, EBITDA by 5.5%, and PAT by 75.6%.

**Chemicals** grew 2.6% due to continued pricing pressure; EBITDA increased 8.2% on lower power and fuel costs as well as other expenses, and PAT was up 8.0%. Actuals missed estimates for revenue by 1.1%, but beat EBITDA by 1.1%, and missed PAT by 4.5%.

**Consumer Durables** revenue was up 9.1% YoY, while EBITDA grew 25.3% and PAT rose 20.9%. Actuals missed estimates on revenue by 1.4%, but beat EBITDA by 5.4% and PAT by 1.3%.

**Consumer Staples** reported good revenue growth of 8.0% YoY, despite GST 2.0 transition; EBITDA grew 6.8% and PAT rose 3.1%. Actuals beat estimates on revenue by 0.6%, EBITDA by 1.0%, and PAT by 0.3%.

**Education** posted a YoY increase of 11.7% in revenue, while EBITDA grew 13.6% and PAT declined 6.9%. Actuals beat estimates on revenue by 1.8%, EBITDA by 17.4%, and PAT by 20.6%.

**EMS** revenue increased 17.0% YoY, while EBITDA grew 29.1% and PAT rose 58.5%. Actuals missed estimates on revenue by 0.7%, beat EBITDA by 2.3%, and beat PAT by 5.6%.

**Financial Services** reported a YoY increase of 9.7% in revenue, while EBITDA grew 19.7% and PAT rose 20.8%. Actuals missed estimates on revenue by 1.7%, EBITDA by 1.2%, and PAT by 4.4%.

**Healthcare** reported a YoY increase of 15.9% in revenue, while EBITDA grew 18.1% and PAT rose 33.1%. Actuals beat estimates on revenue by 3.8%, EBITDA by 5.9%, and PAT by 16.5%.

**Information Technology** grew 6.0% YoY, while EBITDA and PAT rose 8.0% and 7.5%, respectively. Actuals beat estimates on revenue by 1.1%, EBITDA by 4.2%, and PAT by 2.4%.

**Logistics** reported a YoY increase of 13.2% in revenue, while EBITDA grew 16.4% and PAT surged 117.9%. Actuals missed estimates on revenue by 0.7%, EBITDA by 29.0%, and PAT by 35.8%.

**Housing Finance** reported a YoY increase of 6.9% in revenue, while EBITDA grew 9.1% and PAT rose 4.8%. Actuals beat estimates on revenue by 2.7%, EBITDA by 6.6%, and PAT by 7.5%.

**Media** revenue was increased by 9.5% YoY, while EBITDA declined 1.3% and PAT fell 28.9%. Actuals were in-line on revenue, beat EBITDA estimates by 7.2%, and missed PAT estimates by 6.3%.

**Metals & Mining** reported a YoY increase of 12.2% in revenue, while EBITDA grew 33.3% and PAT rose 43.4% on a low base and higher demand. Actuals missed estimates on revenue by 1.2%, beat EBITDA by 6.0%, and beat PAT by 5.0%.

**Travel & Tourism** revenue increased by 10.1% YoY, while EBITDA and PAT fell 43.2% and 211.9%, respectively, on account of prolonged monsoon and external factors that impacted demand. Actuals beat estimates on revenue by 2.6%, missed EBITDA by 56.1%, and beat PAT by 87.5%.

**Oil & Gas** reported a YoY increase of 3.9% in revenue, while EBITDA grew 34.9% and PAT rose 41.3%. Actuals missed estimates on revenue by 5.1%, beat EBITDA by 7.7%, and beat PAT by 14.0%.

**Pharma** grew 11.4% YoY; EBITDA and PAT also increased 12.2% and 9.7%, respectively. Actuals beat estimates on revenue by 3.1%, EBITDA by 3.6%, and PAT by 1.9%.

**Ports** saw strong revenue growth of 29.3% YoY, EBITDA grew 30.3% and PAT rose 28.8% led by higher container volumes and price hikes. Actuals beat estimates on revenue by 1.9%, beat EBITDA by 10.0%, and missed PAT by 1.1%.

**Telecom** reported a YoY increase of 25.7% in revenue, while EBITDA grew 35.3% and PAT rose 52.7%. Actuals beat estimates on revenue by 8.6%, EBITDA by 9.9%, and PAT by 26.1%.



**Exhibit 1: 2Q FY26 Results and Variation in Numbers**

	Revenue					EBITDA					PBT					PAT				
	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.
Auto																				
Bajaj Auto	1,48,021	1,49,221	0.8%	1,31,275	13.7%	30,020	30,517	1.7%	26,522	15.1%	32,737	32,948	0.6%	29,252	12.6%	24,651	24,797	0.6%	20,050	23.7%
Eicher Motors	56,631	61,716	9.0%	42,631	44.8%	14,128	15,119	7.0%	10,877	39.0%	15,624	16,441	5.2%	12,483	31.7%	13,429	13,695	2.0%	11,003	24.5%
Hero Motocorp	1,20,481	1,21,264	0.6%	1,04,632	15.9%	17,590	18,234	3.7%	15,159	20.3%	18,585	18,537	-0.3%	16,003	15.8%	13,939	13,928	-0.1%	12,035	15.7%
Mahindra & Mahindra	3,29,842	3,34,216	1.3%	2,75,533	21.3%	46,508	48,615	4.5%	39,497	23.1%	51,688	61,217	18.4%	49,765	23.0%	39,688	45,728	15.2%	38,864	17.7%
Maruti Suzuki	4,08,901	4,21,008	3.0%	3,72,028	13.2%	45,388	44,341	-2.3%	44,166	0.4%	48,553	42,510	-12.4%	51,005	-16.7%	37,053	32,931	-11.1%	30,692	7.3%
TVS Motor Company	1,14,923	1,19,054	3.6%	92,282	29.0%	14,480	15,086	4.2%	10,798	39.7%	12,270	12,263	-0.1%	8,972	36.7%	9,120	9,061	-0.7%	6,626	36.7%
Total	11,78,799	12,06,478	2.3%	10,18,381	18.5%	1,68,115	1,71,912	2.3%	1,47,019	16.9%	1,79,457	1,83,916	2.5%	1,67,480	9.8%	1,37,880	1,40,140	1.6%	1,19,272	17.5%
Banks																				
Axis Bank	1,36,347	1,37,446	0.8%	1,34,832	1.9%	1,05,793	1,04,125	-1.6%	1,07,125	-2.8%	85,793	68,655	-20.0%	85,084	-19.3%	64,345	50,896	-20.9%	69,176	-26.4%
Bank of Baroda	1,13,831	1,11,836	-1.8%	1,16,221	-3.8%	68,693	75,760	10.3%	94,770	-20.1%	50,007	63,435	26.9%	71,413	-11.2%	36,505	48,094	31.7%	52,379	-8.2%
City Union Bank	6,488	6,665	2.7%	5,825	14.4%	4,459	4,706	5.5%	4,282	9.9%	3,689	4,136	12.1%	3,582	15.5%	2,914	3,286	12.7%	2,852	15.2%
DCB Bank	5,890	5,962	1.2%	5,092	17.1%	2,664	3,039	14.1%	2,551	19.1%	1,864	2,434	30.6%	2,095	16.2%	1,385	1,839	32.8%	1,555	18.3%
Federal Bank	23,412	24,952	6.6%	23,672	5.4%	14,775	16,442	11.3%	15,654	5.0%	11,574	12,811	10.7%	14,070	-9.0%	8,623	9,553	10.8%	10,567	-9.6%
HDFC Bank	3,16,307	3,15,515	-0.3%	3,01,139	4.8%	2,55,749	2,79,236	9.2%	2,47,057	13.0%	2,23,571	2,44,231	9.2%	2,20,053	11.0%	1,69,914	1,86,413	9.7%	1,68,210	10.8%
ICICI Bank	2,14,590	2,15,295	0.3%	2,00,480	7.4%	1,75,451	1,72,980	-1.4%	1,67,232	3.4%	1,59,120	1,63,839	3.0%	1,54,901	5.8%	1,19,340	1,23,589	3.6%	1,17,459	5.2%
IndusInd bank	45,559	44,094	-3.2%	53,473	-17.5%	24,054	20,280	-15.7%	35,918	-43.5%	8,414	(5,944)	N	17,717	-133.5%	6,311	(4,448)	N	13,255	-133.6%
Kotak Mahindra Bank	73,162	73,107	-0.1%	70,196	4.1%	52,921	52,683	-0.4%	50,993	3.3%	44,282	43,208	-2.4%	44,389	-2.7%	33,211	32,533	-2.0%	33,437	-2.7%
State Bank of India	4,15,200	4,29,841	3.5%	4,16,195	3.3%	2,81,730	3,19,044	13.2%	2,92,937	8.9%	2,37,469	2,65,043	11.6%	2,47,880	6.9%	1,75,727	2,01,599	14.7%	1,83,314	10.0%
Union Bank Of India	90,323	88,124	-2.4%	90,473	-2.6%	62,693	68,140	8.7%	81,128	-16.0%	45,382	54,172	19.4%	64,006	-15.4%	33,129	42,491	28.3%	47,197	-10.0%
Total	14,41,109	14,52,836	0.8%	14,17,597	2.5%	10,48,982	11,16,433	6.4%	10,99,646	1.5%	8,71,165	9,16,019	5.1%	9,25,188	-1.0%	6,51,403	6,95,845	6.8%	6,99,400	-0.5%
Building Materials																				
Astral Ltd.	14,099	15,774	11.9%	13,704	15.1%	2,119	2,568	21.2%	2,101	22.2%	1,356	1,799	32.6%	1,488	20.9%	997	1,348	35.2%	1,087	24.0%
Century Plyboard	12,998	13,855	6.6%	11,836	17.1%	1,638	1,746	6.6%	1,113	56.9%	1,018	979	-3.8%	580	68.6%	762	709	-6.8%	400	77.4%
Cera Sanitaryware	5,221	4,879	-6.5%	4,900	-0.4%	715	671	-6.1%	696	-3.5%	795	722	-9.1%	753	-4.1%	595	566	-4.8%	681	-16.8%
Finolex Industries	8,430	8,587	1.9%	8,284	3.7%	821	1,302	58.5%	106	1131.5%	1,147	1,562	36.2%	600	160.5%	963	1,236	28.3%	407	203.8%
Greenpanael Inds	3,482	3,960	13.7%	3,327	19.0%	262	326	24.2%	257	27.0%	42	35	-16.7%	92	-61.6%	32	(61)	N	143	-142.8%
Kajaria Ceramics	11,937	11,860	-0.6%	11,618	2.1%	2,029	2,135	5.2%	1,635	30.6%	1,684	1,813	7.6%	1,296	39.8%	1,250	1,330	6.4%	934	42.5%
Supreme Industries	23,791	23,939	0.6%	22,730	5.3%	3,185	2,974	-6.6%	3,192	-6.8%	2,397	2,028	-15.4%	2,417	-16.1%	2,054	1,647	-19.8%	2,066	-20.3%
Total	79,958	82,854	3.6%	76,399	8.5%	10,770	11,722	8.8%	9,099	28.8%	8,440	8,937	5.9%	7,226	23.7%	6,652	6,776	1.9%	5,717	18.5%
Capital Goods																				
ABB India	31,224	33,107	6.0%	29,122	13.7%	4,184	5,004	19.6%	5,402	-7.4%	4,794	5,421	13.1%	5,973	-9.2%	3,581	4,089	14.2%	4,405	-7.2%
Apar Inds Ltd	54,349	57,154	5.2%	46,445	23.1%	4,549	4,609	1.3%	3,565	29.3%	3,468	3,406	-1.8%	2,567	32.7%	2,584	2,517	-2.6%	1,939	29.8%
BEML	9,812	8,391	-14.5%	8,598	-2.4%	912	732	-19.8%	730	0.3%	677	503	-25.8%	547	-8.1%	610	486	-20.2%	510	-4.7%
Bharat Electronics	51,653	57,637	11.6%	45,834	25.8%	15,186	16,953	11.6%	13,885	22.1%	15,821	17,343	9.6%	14,509	19.5%	11,866	12,861	8.4%	10,913	17.9%
BHEL	71,286	75,118	5.4%	65,841	14.1%	1,497	5,809	288.1%	2,750	111.2%	247	4,920	1891.9%	1,319	272.9%	179	3,677	1953.2%	967	280.3%
Carborundum Universal	12,265	12,981	5.8%	12,241	6.0%	1,251	1,564	25.0%	1,950	-19.8%	761	1,066	40.1%	1,506	-29.2%	632	745	17.9%	1,159	-35.7%
Elgi Equipments	9,135	9,680	6.0%	8,689	11.4%	1,242	1,399	12.6%	1,416	-1.2%	1,147	1,323	15.3%	1,284	3.0%	846	988	16.8%	947	4.3%
Grindwell Norton	7,164	7,747	8.1%	6,939	11.7%	1,282	1,407	9.7%	1,292	8.8%	1,260	1,432	13.6%	1,275	12.3%	949	1,069	12.7%	962	11.1%
Cummins India	28,593	31,703	10.9%	24,923	27.2%	5,804	6,948	19.7%	4,810	44.4%	6,879	8,394	22.0%	5,944	41.2%	5,194	6,377	22.8%	4,506	41.5%
Engineers India	8,986	9,213	2.5%	6,889	33.7%	899	846	-5.9%	624	35.6%	1,152	1,108	-3.8%	991	11.8%	1,058	483	-54.3%	996	-51.5%
GE T&D India	15,034	15,385	2.3%	11,078	38.9%	3,443	3,965	15.2%	2,047	93.7%	3,398	4,013	18.1%	1,938	107.1%	2,531	2,995	18.3%	1,446	107.1%
Harsha Engineering	3,867	3,783	-2.2%	3,526	7.3%	522	535	2.5%	418	27.9%	502	496	-1.3%	409	21.2%	362	364	0.8%	290	25.8%
Hindustan Aeronautics	65,142	66,286	1.8%	59,763	10.9%	17,523	15,579	-11.1%	16,400	-5.0%	21,883	22,196	1.4%	20,048	10.7%	16,368	16,691	2.0%	15,061	10.8%
Ingersoll Rand India	3,430	3,219	-6.1%	3,221	0.0%	816	759	-7.1%	792	-4.3%	856	809	-5.6%	810	-0.1%	638	604	-5.4%	604	0.0%
Kaipatru Power Transmission	51,327	54,188	5.6%	41,361	31.0%	4,363	4,472	2.5%	3,485	28.3%	2,718	2,723	0.2%	1,836	48.3%	1,957	1,999	2.2%	1,323	51.1%
KEC International	56,277	60,916	8.2%	51,133	19.1%	3,996	4,304	7.7%	3,202	34.4%	1,902	2,130	12.0%	1,135	87.7%	1,465	1,608	9.7%	854	88.2%
Kirloskar Pneumatic Co	4,743	3,864	-18.5%	4,307	-10.3%	906	585	-35.4%	936	-37.5%	881	574	-34.8%	919	-37.6%	659	438	-33.5%	675	-35.1%
Larsen & Toubro	7,15,793	6,79,835	-5.0%	6,15,546	10.4%	73,806	68,064	-7.8%	63,620	7.0%	66,306	63,361	-4.4%	55,551	14.1%	43,137	39,261	-9.0%	33,953	15.6%
Praj Industries	7,659	8,416	9.9%	8,162	3.1%	467	558	19.5%	941	-40.7%	310	296	-4.6%	744	-60.2%	233	193	-17.1%	538	-64.2%
Siemens	52,198	51,712	-0.9%	44,570	16.0%	6,657	6,372	-4.3%	5,558	14.6%	7,447	6,835	-8.2%	6,423	6.4%	5,453	5,055	-7.3%	4,647	8.8%
Siemens Energy India	26,488	26,488	0.0%	20,041	32.2%	4,811	4,811	0.0%	20,041	-76.0%	4,635	4,635	0.0%	20,041	-76.9%</					

	Revenue					EBITDA					PBT					PAT				
	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.
<b>Cement</b>																				
ACC	49,818	59,317	19.1%	46,135	28.6%	5,054	8,457	67.3%	4,364	93.8%	2,589	7,619	194.3%	3,194	138.6%	1,932	11,193	479.5%	2,244	398.9%
Ambuja Cement	83,835	91,745	9.4%	75,525	21.5%	13,747	17,609	28.1%	11,114	58.4%	8,747	10,559	20.7%	8,982	17.6%	6,472	23,023	255.7%	4,965	363.7%
Dalmia Bharat	35,394	34,170	-3.5%	30,870	10.7%	7,089	6,960	-1.8%	4,340	60.4%	2,988	3,180	6.4%	730	335.6%	2,171	2,380	9.6%	460	417.4%
Nuvoco Vistas Corporation	24,000	24,576	2.4%	22,686	8.3%	3,659	3,670	0.3%	2,188	67.8%	90	512	466.1%	(1,176)	-143.5%	56	364	556.2%	(804)	-145.3%
Shree Cement	43,235	43,032	-0.5%	37,270	15.5%	9,622	8,750	-9.1%	5,925	47.7%	5,226	4,264	-18.4%	448	852.7%	3,919	2,938	-25.0%	931	215.5%
Ultratech Cement	1,80,147	1,96,069	8.8%	1,62,944	20.3%	33,223	30,943	-6.9%	20,272	52.6%	19,401	16,615	-14.4%	8,807	88.6%	14,234	10,639	-25.3%	7,969	33.5%
<b>Total</b>	<b>4,16,429</b>	<b>4,48,909</b>	<b>7.8%</b>	<b>3,75,430</b>	<b>19.6%</b>	<b>72,394</b>	<b>76,389</b>	<b>5.5%</b>	<b>48,203</b>	<b>58.5%</b>	<b>39,041</b>	<b>42,750</b>	<b>9.5%</b>	<b>20,984</b>	<b>103.7%</b>	<b>28,784</b>	<b>50,537</b>	<b>75.6%</b>	<b>15,764</b>	<b>220.6%</b>
<b>Chemicals</b>																				
Aarti Industries	20,112	21,000	4.4%	16,280	29.0%	2,449	3,060	24.9%	1,960	56.1%	744	860	15.6%	310	177.4%	725	1,210	66.8%	510	137.3%
Clean Science	2,409	2,446	1.5%	2,381	2.7%	960	871	-9.3%	897	-2.9%	882	749	-15.1%	832	-10.0%	655	554	-15.3%	587	-5.6%
Deepak Nitrite	19,399	19,019	-2.0%	20,320	-6.4%	1,933	2,043	5.7%	2,975	-31.3%	1,522	1,630	7.1%	2,640	-38.3%	1,108	1,212	9.4%	1,942	-37.6%
Fine Organic Inds	5,766	5,973	3.6%	5,958	0.2%	1,212	1,352	11.5%	1,506	-10.3%	1,378	1,431	3.8%	1,597	-10.4%	1,022	1,096	7.2%	1,179	-7.1%
Gujarat Fluorochemicals	12,884	12,100	-6.1%	11,880	1.9%	3,362	3,640	8.3%	2,950	23.4%	2,333	2,460	5.5%	1,720	43.0%	1,751	1,790	2.2%	1,210	47.9%
Jubilant Ingrevia	10,851	11,207	3.3%	10,452	7.2%	1,389	1,355	-2.4%	1,246	8.8%	935	929	-0.6%	804	15.7%	703	695	-1.1%	590	17.7%
Laxmi Organic Inds	6,985	6,997	0.2%	7,713	-9.3%	335	371	10.7%	747	-50.4%	185	155	-16.1%	462	-66.5%	138	110	-20.2%	282	-60.9%
Navin Fluorine	7,058	7,584	7.5%	5,186	46.3%	1,973	2,462	24.7%	1,074	129.3%	1,465	1,975	34.8%	768	157.3%	1,110	1,484	33.6%	588	152.2%
Nocil Ltd	3,206	3,206	0.0%	3,627	-11.6%	281	223	-20.6%	378	-40.9%	215	185	-13.9%	323	-42.7%	215	121	-43.7%	421	-71.2%
PCBL Chemicals	20,567	21,636	5.2%	21,632	0.0%	3,053	2,662	-12.8%	3,635	-26.8%	1,030	783	-24.0%	1,638	-52.2%	807	617	-23.6%	1,235	-50.0%
PI Inds Ltd	17,911	18,723	4.5%	22,210	-15.7%	4,818	5,413	12.3%	6,282	-13.8%	4,604	5,232	13.6%	6,621	-21.0%	4,629	4,093	-11.6%	5,082	-19.5%
SRF	40,467	36,402	-10.0%	34,243	6.3%	8,870	7,742	-12.7%	5,380	43.9%	6,246	5,171	-17.2%	2,837	82.3%	4,713	3,882	-17.6%	2,014	92.7%
Vinati Organics	6,098	5,502	-9.8%	5,533	-0.6%	1,862	1,673	-10.1%	1,337	25.1%	1,705	1,573	-7.8%	1,335	17.8%	1,276	1,149	-10.0%	1,044	10.1%
<b>Total</b>	<b>1,73,714</b>	<b>1,71,795</b>	<b>-1.1%</b>	<b>1,67,415</b>	<b>2.6%</b>	<b>32,498</b>	<b>32,866</b>	<b>1.1%</b>	<b>30,367</b>	<b>8.2%</b>	<b>23,243</b>	<b>23,132</b>	<b>-0.5%</b>	<b>21,887</b>	<b>5.7%</b>	<b>18,853</b>	<b>18,013</b>	<b>-4.5%</b>	<b>16,683</b>	<b>8.0%</b>
<b>Consumer Durables</b>																				
Bajaj Electricals	11,665	11,071	-5.1%	11,183	-1.0%	578	619	7.0%	516	19.9%	287	203	-29.4%	147	37.7%	245	146	-40.2%	129	13.4%
Cello World	5,411	5,874	8.6%	4,901	19.9%	1,200	1,277	6.4%	1,186	7.6%	1,157	1,213	4.8%	1,168	3.9%	784	857	9.3%	816	4.9%
Crompton Greaves Consumer Electricals	19,825	19,156	-3.4%	18,960	1.0%	1,864	1,584	-15.0%	2,034	-22.1%	1,589	1,226	-22.8%	1,707	-28.2%	1,173	712	-39.3%	1,249	-43.0%
Havells India	47,629	47,793	0.3%	45,393	5.3%	4,287	4,384	2.3%	3,751	16.9%	3,935	4,146	5.4%	3,633	14.1%	2,934	3,183	8.5%	2,678	18.9%
KEI Inds	28,382	27,263	-3.9%	22,838	19.4%	2,867	2,693	-6.0%	2,248	19.8%	2,817	2,773	-1.6%	2,079	33.4%	2,096	2,035	-2.9%	1,548	31.5%
Polycab India	66,227	64,772	-2.2%	54,984	17.8%	8,861	10,208	15.2%	6,316	61.6%	7,723	9,210	19.3%	5,903	56.0%	5,706	6,855	20.1%	4,398	55.9%
RR Kabel	20,662	21,638	4.7%	18,101	19.5%	1,384	1,758	27.0%	858	104.9%	1,164	1,546	32.8%	599	158.1%	1,174	1,163	-1.0%	495	134.7%
Volta	24,266	23,473	-3.3%	26,191	-10.4%	995	704	-29.2%	1,622	-56.6%	1,565	906	-42.1%	2,377	-61.9%	991	343	-65.4%	1,340	-74.4%
<b>Total</b>	<b>2,24,067</b>	<b>2,21,041</b>	<b>-1.4%</b>	<b>2,02,552</b>	<b>9.1%</b>	<b>22,035</b>	<b>23,227</b>	<b>5.4%</b>	<b>18,530</b>	<b>25.3%</b>	<b>20,236</b>	<b>21,222</b>	<b>4.9%</b>	<b>17,613</b>	<b>20.5%</b>	<b>15,103</b>	<b>15,293</b>	<b>1.3%</b>	<b>12,654</b>	<b>20.9%</b>
<b>Consumer Staples</b>																				
Asian Paints	84,289	85,313	1.2%	80,275	6.3%	14,498	15,034	3.7%	12,395	21.3%	12,523	13,532	8.1%	11,081	22.1%	9,542	9,899	3.7%	9,111	8.7%
Avenue Supermarts	1,66,978	1,66,763	-0.1%	1,44,445	15.5%	12,356	12,137	-1.8%	10,938	11.0%	9,731	9,448	-2.9%	9,032	4.6%	7,104	6,850	-3.6%	6,596	3.8%
Britannia Industries	50,409	48,406	-4.0%	46,676	3.7%	8,317	9,546	14.8%	7,834	21.8%	7,807	8,870	13.6%	7,187	23.4%	5,816	6,584	13.2%	5,351	23.0%
Colgate Palmolive	15,312	15,195	-0.8%	16,191	-6.2%	4,562	4,654	2.0%	4,974	-6.4%	4,302	4,423	2.8%	4,740	-6.7%	3,205	3,275	2.2%	3,530	-7.2%
Dabur India	31,952	31,913	-0.1%	30,286	5.4%	5,815	5,881	1.1%	5,526	6.4%	5,610	5,731	2.2%	5,457	5.0%	4,306	4,448	3.3%	4,175	6.5%
Emami	7,926	7,985	0.7%	8,906	-10.3%	1,863	1,785	-4.2%	2,505	-28.7%	1,606	1,520	-5.3%	2,251	-32.5%	1,502	1,484	-1.2%	2,127	-30.2%
Hindustan Unilever	1,57,871	1,55,850	-1.3%	1,55,080	0.5%	34,732	35,630	2.6%	36,470	-2.3%	33,182	33,560	1.1%	35,520	-5.5%	24,422	24,780	1.5%	26,110	-5.1%
ITC	1,90,221	1,80,213	-5.3%	1,86,491	-3.4%	64,104	62,520	-2.5%	61,233	2.1%	68,839	67,634	-1.8%	66,168	2.2%	51,974	50,917	-2.0%	50,795	0.2%
Jubilant FoodWorks	16,986	16,987	0.0%	14,669	15.8%	3,160	3,294	4.2%	2,842	15.9%	700	856	22.2%	698	22.6%	479	639	33.6%	521	22.8%
Kansai Nerolac Paints	19,290	18,710	-3.0%	18,638	0.4%	2,469	2,119	-14.2%	2,150	-1.5%	2,311	1,844	-20.2%	1,921	-4.0%	1,699	1,369	-19.4%	1,302	5.2%
Marico	34,499	34,820	0.9%	26,640	30.7%	5,451	5,600	2.7%	5,220	7.3%	5,391	5,500	2.0%	5,100	7.8%	4,124	4,190	1.6%	3,780	10.8%
Metro Brands	6,440	6,511	1.1%	5,855	11.2%	1,674	1,707	2.0%	1,548	10.3%	959	911	-5.1%	939	-3.1%	695	677	-2.6%	698	-3.0%
Mold Tech Packaging	2,277	2,098	-7.9%	1,913	9.6%	433	391	-9.6%	336	16.5%	250	208	-16.6%	187	11.4%	186	155	-16.7%	141	9.7%
Nestle India	53,337	56,436	5.8%	51,040	10.6%	11,201	12,366	10.4%	11,677	5.9%	9,211	10,285	11.7%	10,208	0.8%	6,816	7,532	10.5%	7,595	-0.8%
Pidlite Industries	33,193	35,544	7.1%	32,349	9.9%	8,431	8,507	0.9%	7,688	10.7%	7,877	8,351	5.7%	7,263	8.4%	6,280	5,846	-6.9%	5,403	8.2%
Restaurant Brands Asia	5,659	5,688	0.5%	4,921	15.6%	820	777	-5.3%	700	11.1%	(185)	(201)	N	(166)	21.3%	(185)	(201)	N	(166)	21.3%
Titan Company	1,50,651	1,65,340	9.8%	1,32,150	25.1%	16,120	16,200	0.5%	11,330	43.0%	13,300	13,610	2.3%	9,330	45.9%	9,842	10,060	2.2%	7,050	42.7%
Westlife Development	6,674	6,419	-3.8%	6,180	3.9%	881	671	-23.8%	760	-11.7%	34	(158)	N	7	-2346.7%	25	(251)	N	4	-7081.7%
<b>Total</b>	<b>10,33,966</b>	<b>10,40,190</b>	<b>0.6%</b>	<b>9,62,705</b>	<b>8.0%</b>	<b>1,96,887</b>	<b>1,98,820</b>	<b>1.0%</b>	<b>1,86,125</b>	<b>6.8%</b>	<b>1,83,922</b>	<b>1,85,448</b>	<b>0.8%</b>	<b>1,76,922</b>	<b>4.8%</b>	<b>1,37,830</b>	<b>1,38,254</b>	<b>0.3%</b>	<b>1,34,121</b>	<b>3.1%</b>

	Revenue					EBITDA					PBT					PAT				
	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.
<b>Education</b>																				
Doms Inds	5,500	5,679	3.3%	4,578	24.1%	951	995	4.6%	859	15.8%	768	818	6.5%	721	13.6%	552	583	5.5%	513	13.5%
Navneet Education	2,507	2,470	-1.5%	2,718	-9.1%	(95)	10	P	26	-60.8%	(258)	(170)	P	(60)	182.9%	(194)	(150)	P	(49)	208.6%
<b>Total</b>	<b>8,006</b>	<b>8,149</b>	<b>1.8%</b>	<b>7,296</b>	<b>11.7%</b>	<b>856</b>	<b>1,005</b>	<b>17.4%</b>	<b>885</b>	<b>13.6%</b>	<b>510</b>	<b>648</b>	<b>27.1%</b>	<b>660</b>	<b>-1.8%</b>	<b>359</b>	<b>433</b>	<b>20.6%</b>	<b>465</b>	<b>-6.9%</b>
<b>EMS</b>																				
Amber Enterprises India	16,496	16,470	-0.2%	16,847	-2.2%	1,056	913	-13.5%	1,137	-19.7%	314	(403)	N	263	-253.2%	216	(321)	N	210	-253.3%
Avalon Technologies	3,479	3,825	9.9%	2,750	39.1%	310	386	24.7%	301	28.1%	225	336	49.2%	234	43.3%	168	250	48.3%	175	42.9%
Cyient DLM	4,480	3,106	-30.7%	3,895	-20.2%	381	312	-18.1%	316	-1.4%	225	169	-25.0%	209	-19.1%	169	321	90.5%	155	108.0%
Kaynes Technology India	9,006	9,062	0.6%	5,721	58.4%	1,432	1,480	3.4%	821	80.2%	1,212	1,517	25.1%	849	78.6%	945	1,214	28.4%	602	101.7%
Syrra SGS Technology	10,784	11,459	6.3%	8,327	37.6%	971	1,152	18.7%	710	62.4%	717	895	24.7%	507	76.6%	495	641	29.4%	396	61.6%
<b>Total</b>	<b>44,245</b>	<b>43,922</b>	<b>-0.7%</b>	<b>37,540</b>	<b>17.0%</b>	<b>4,149</b>	<b>4,243</b>	<b>2.3%</b>	<b>3,286</b>	<b>29.1%</b>	<b>2,694</b>	<b>2,514</b>	<b>-6.7%</b>	<b>2,062</b>	<b>21.9%</b>	<b>1,993</b>	<b>2,105</b>	<b>5.6%</b>	<b>1,328</b>	<b>58.5%</b>
<b>Financial Services</b>																				
Bajaj Finance	1,12,010	1,07,847	-3.7%	1,04,389	3.3%	92,790	88,769	-4.3%	73,106	21.4%	70,640	66,081	-6.5%	54,015	22.3%	52,980	49,478	-6.6%	40,137	23.3%
Cholamandlam Investment and Finance Cor	33,282	33,787	1.5%	27,128	24.5%	24,555	24,578	0.1%	19,221	27.9%	15,919	15,608	-2.0%	12,986	20.2%	11,939	11,553	-3.2%	9,631	20.0%
M&M Financial Services	21,315	21,116	-0.9%	18,106	16.6%	14,171	14,989	5.8%	11,961	25.3%	9,017	7,475	-17.1%	4,927	51.7%	6,763	5,693	-15.8%	3,695	54.1%
Shriram Finance	60,446	60,258	-0.3%	54,641	10.3%	43,338	44,434	2.5%	39,865	11.5%	29,932	31,100	3.9%	27,515	13.0%	22,300	23,072	3.5%	20,713	11.4%
Sundaram Finance	7,188	7,142	-0.6%	5,625	27.0%	6,473	6,318	-2.4%	5,433	16.3%	5,252	5,146	-2.0%	4,699	9.5%	4,023	3,942	-2.0%	3,448	14.3%
<b>Total</b>	<b>2,34,240</b>	<b>2,30,150</b>	<b>-1.7%</b>	<b>2,09,889</b>	<b>9.7%</b>	<b>1,81,327</b>	<b>1,79,087</b>	<b>-1.2%</b>	<b>1,49,586</b>	<b>19.7%</b>	<b>1,30,760</b>	<b>1,25,411</b>	<b>-4.1%</b>	<b>1,04,142</b>	<b>20.4%</b>	<b>98,004</b>	<b>93,738</b>	<b>-4.4%</b>	<b>77,624</b>	<b>20.8%</b>
<b>Healthcare</b>																				
Apollo Hospitals Enterprise	60,703	63,035	3.8%	55,893	12.8%	9,161	9,411	2.7%	8,155	15.4%	6,311	6,684	5.9%	5,517	21.2%	4,456	4,772	7.1%	3,788	26.0%
Aster DM Healthcare	10,959	11,972	9.2%	10,864	10.2%	2,192	2,531	15.5%	2,247	12.6%	1,601	1,845	15.2%	1,662	11.0%	1,073	1,097	2.2%	958	14.4%
Fortis Healthcare	21,795	23,314	7.0%	19,884	17.3%	4,993	5,563	11.4%	4,348	27.9%	3,353	3,982	18.8%	3,166	25.8%	2,475	3,219	30.1%	1,765	82.4%
HealthCare Global Enterprises	6,299	6,469	2.7%	5,535	16.9%	1,165	1,233	5.8%	1,023	20.6%	215	195	-9.4%	277	-29.5%	139	163	17.0%	180	-9.6%
Jupiter Life Line	3,560	3,936	10.6%	3,350	17.5%	847	922	8.8%	782	18.0%	662	742	12.0%	700	6.0%	497	573	15.4%	516	11.1%
Krishna Institute of Medical Sciences	9,759	9,607	-1.6%	7,773	23.6%	1,981	2,040	3.0%	2,181	-6.5%	1,106	971	-12.2%	1,622	-40.1%	754	672	-10.9%	1,074	-37.4%
Max Healthcare Institute	25,177	25,800	2.5%	21,250	21.4%	6,698	6,940	3.6%	5,660	22.6%	5,163	5,310	2.9%	4,640	14.4%	4,130	5,540	34.1%	3,490	58.7%
Narayana Hrudayalaya	16,366	16,438	0.4%	13,667	20.3%	3,763	4,069	8.1%	3,088	31.8%	2,717	3,012	10.8%	2,324	29.6%	2,283	2,583	13.1%	1,993	29.6%
Rainbow Medicare	4,401	4,448	1.1%	4,175	6.5%	1,496	1,489	-0.5%	1,471	1.2%	1,106	1,024	-7.5%	1,054	-2.8%	815	753	-7.6%	789	-4.6%
<b>Total</b>	<b>1,59,019</b>	<b>1,65,019</b>	<b>3.8%</b>	<b>1,42,391</b>	<b>15.9%</b>	<b>32,296</b>	<b>34,199</b>	<b>5.9%</b>	<b>28,955</b>	<b>18.1%</b>	<b>22,235</b>	<b>23,764</b>	<b>6.9%</b>	<b>20,962</b>	<b>13.4%</b>	<b>16,621</b>	<b>19,371</b>	<b>16.5%</b>	<b>14,552</b>	<b>33.1%</b>
<b>Information Technology</b>																				
Cyient	19	18	-6.9%	18	-3.7%	2	2	-20.5%	2	-27.5%	2	2	-15.3%	3	-20.9%	2	1	-26.4%	2	-28.9%
HCL Technologies	315	319	1.3%	289	10.7%	52	57	9.5%	54	6.8%	56	59	5.4%	57	3.4%	42	46	9.8%	42	8.3%
Infosys	441	445	1.0%	410	8.5%	93	94	0.1%	86	8.1%	102	102	0.7%	93	10.5%	72	74	2.3%	65	13.2%
KPIT Technologies	16	16	1.2%	15	7.9%	3	3	-2.0%	2	6.0%	3	3	-9.0%	3	-11.9%	2	2	-16.7%	2	-17.0%
LTIMindtree	103	104	1.1%	94	10.2%	15	16	7.6%	15	13.0%	17	19	8.8%	17	11.4%	13	14	9.4%	13	12.0%
Latent View	3	3	1.7%	2	23.3%	0	0	-1.4%	0	24.6%	1	1	-1.8%	1	5.9%	0	0	-1.6%	0	9.1%
L&T Technology Services	30	30	0.7%	26	15.8%	4	4	0.6%	4	2.7%	4	4	3.1%	4	1.6%	3	3	4.5%	3	2.8%
Mphasis	38	39	1.4%	35	10.3%	6	6	3.2%	5	9.5%	6	6	3.4%	6	11.1%	5	5	2.8%	4	10.8%
Persistent Systems	35	36	1.5%	29	23.6%	6	6	4.7%	4	43.7%	6	6	5.3%	4	42.0%	4	5	5.2%	3	45.1%
Tata Consultancy Services	649	658	1.3%	643	2.4%	157	166	5.4%	155	7.1%	169	172	1.9%	160	7.3%	125	129	3.0%	119	8.4%
Tata Technologies	12	13	7.7%	13	2.1%	2	2	20.4%	2	-9.5%	2	2	12.7%	2	5.7%	2	2	5.5%	2	5.1%
Tech Mahindra	137	140	2.1%	133	5.1%	16	17	6.8%	13	32.7%	17	17	-4.0%	17	-3.2%	13	12	-6.8%	13	-4.5%
Tata Eksi	9	9	2.5%	10	-3.9%	2	2	8.9%	2	-29.0%	2	2	7.4%	3	-28.1%	2	2	1.5%	2	-32.5%
Wipro	227	227	0.1%	223	1.8%	39	39	1.1%	37	4.9%	44	44	-0.6%	43	2.8%	33	31	-6.3%	32	-2.4%
<b>Total</b>	<b>20,33,946</b>	<b>20,56,473</b>	<b>1.1%</b>	<b>19,39,419</b>	<b>6.0%</b>	<b>3,96,335</b>	<b>4,12,969</b>	<b>4.2%</b>	<b>3,82,272</b>	<b>8.0%</b>	<b>4,30,980</b>	<b>4,38,966</b>	<b>1.9%</b>	<b>4,12,059</b>	<b>6.5%</b>	<b>3,17,861</b>	<b>3,25,346</b>	<b>2.4%</b>	<b>3,02,582</b>	<b>7.5%</b>
<b>Logistics</b>																				
Delhivery	25,182	25,593	1.6%	21,897	16.9%	1,486	682	-54.1%	573	19.0%	567	(566)	N	151	-475.5%	567	395	-30.3%	102	287.2%
Mahindra Logistics	17,549	16,853	-4.0%	15,211	10.8%	790	851	7.7%	664	28.2%	22	(54)	N	(50)	7.2%	16	(103)	N	(108)	-4.1%
TCI Express	3,140	3,085	-1.7%	3,115	-1.0%	355	335	-5.6%	368	-9.0%	329	320	-2.9%	336	-4.9%	245	239	-2.4%	249	-4.1%
<b>Total</b>	<b>45,871</b>	<b>45,531</b>	<b>-0.7%</b>	<b>40,224</b>	<b>13.2%</b>	<b>2,630</b>	<b>1,868</b>	<b>-29.0%</b>	<b>1,605</b>	<b>16.4%</b>	<b>918</b>	<b>(300)</b>	<b>-132.7%</b>	<b>437</b>	<b>-168.7%</b>	<b>827</b>	<b>531</b>	<b>-35.8%</b>	<b>244</b>	<b>117.9%</b>
<b>Housing Finance</b>																				
Aavas Financiers	2,646	2,881	8.9%	2,418	19.2%	1,793	2,192	22.3%	1,948	12.5%	1,712	2,112	23.4%	1,900	11.2%	1,335	1,639	22.8%	1,479	10.8%
Can Fin Homes	3,687	4,046	9.7%	3,398	19.1%	2,979	3,346	12.3%	2,878	16.3%	2,754	3,316	20.4%	2,741	21.0%	2,176	2,514	15.6%	2,115	18.9%
LIC Housing Finance	20,252	20,385	0.7%	19,739	3.3%	17,997	18,729	4.1%	17,417	7.5%	16,397	17,047	4.0%	16,644	2.4%	12,953	13,539	4.5%	13,289	1.9%
<b>Total</b>	<b>26,585</b>	<b>27,311</b>	<b>2.7%</b>	<b>25,554</b>	<b>6.9%</b>	<b>22,768</b>	<b>24,267</b>	<b>6.6%</b>	<b>22,244</b>	<b>9.1%</b>	<b>20,862</b>	<b>22,475</b>	<b>7.7%</b>	<b>21,285</b>	<b>5.6%</b>	<b>16,464</b>	<b>17,692</b>	<b>7.5%</b>	<b>16,883</b>	<b>4.8%</b>

	Revenue					EBITDA					PBT					PAT				
	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.
<b>Media</b>																				
Imagicaa World	403	418	3.9%	400	4.6%	(60)	(91)	N	(35)	161.6%	(273)	(351)	N	(247)	42.4%	(205)	(393)	N	(66)	492.8%
Nazara Technologies	5,447	5,265	-3.3%	3,189	65.1%	599	620	3.6%	252	146.4%	528	10,967	1977.8%	230	4672.3%	260	129	-50.4%	238	-45.9%
PVR	18,272	18,230	-0.2%	16,221	12.4%	5,857	6,117	4.4%	4,793	27.6%	1,182	1,426	20.6%	(147)	-1070.1%	887	1,059	19.5%	(118)	-997.5%
Zee Entertainment	19,494	19,692	1.0%	20,007	-1.6%	1,170	1,464	25.2%	3,210	-54.4%	789	1,153	46.0%	2,754	-58.1%	588	639	8.6%	1,964	-97.4%
<b>Total</b>	<b>43,615</b>	<b>43,605</b>	<b>0.0%</b>	<b>39,817</b>	<b>9.5%</b>	<b>7,566</b>	<b>8,110</b>	<b>7.2%</b>	<b>8,220</b>	<b>-1.3%</b>	<b>2,226</b>	<b>13,194</b>	<b>492.6%</b>	<b>2,590</b>	<b>409.4%</b>	<b>1,530</b>	<b>1,434</b>	<b>-6.3%</b>	<b>2,018</b>	<b>-28.9%</b>
<b>Metals &amp; Mining</b>																				
Hindalco Industries	691	661	-4.3%	582	13.5%	90	90	-0.9%	79	13.7%	72	67	-6.5%	62	9.2%	53	51	-3.2%	49	3.4%
Jindal Stainless	111	109	-2.0%	98	11.4%	13	14	5.5%	12	17.0%	10	11	11.0%	8	28.9%	7	8	14.4%	6	32.0%
Jindal Steel & Power	115	115	-0.4%	111	3.1%	20	19	-6.6%	21	-11.7%	10	8	-19.0%	11	-31.7%	6	6	-0.3%	9	-25.9%
JSW Steel	468	452	-3.5%	397	13.8%	70	78	12.6%	54	44.4%	33	32	-3.2%	12	165.4%	26	21	-19.0%	7	195.8%
National Aluminium Co.	42	43	2.3%	40	7.3%	16	19	18.9%	15	24.3%	15	19	23.7%	14	31.9%	11	14	25.7%	11	34.9%
NMDC	62	64	3.4%	49	29.7%	21	20	-4.0%	14	43.9%	23	23	-3.0%	16	39.9%	17	17	0.4%	12	40.7%
Steel Authority of India	257	267	4.0%	230	15.9%	17	25	47.4%	13	99.3%	(0)	9	P	(5)	-270.0%	(0)	4	P	8	-48.8%
Tata Steel	578	587	1.5%	539	8.9%	87	89	2.8%	57	55.0%	38	46	20.2%	18	159.2%	28	34	20.3%	7	399.8%
<b>Total</b>	<b>23,23,760</b>	<b>22,96,463</b>	<b>-1.2%</b>	<b>20,46,640</b>	<b>12.2%</b>	<b>3,34,024</b>	<b>3,54,193</b>	<b>6.0%</b>	<b>2,65,740</b>	<b>33.3%</b>	<b>2,00,439</b>	<b>2,13,757</b>	<b>6.6%</b>	<b>1,36,194</b>	<b>57.0%</b>	<b>1,48,875</b>	<b>1,56,389</b>	<b>5.0%</b>	<b>1,09,043</b>	<b>43.4%</b>
<b>Travel &amp; Tourism</b>																				
Chalet Hotels	4,587	7,353	60.3%	3,771	95.0%	1,872	2,992	59.8%	1,495	100.1%	973	2,049	110.6%	794	158.1%	730	1,548	112.1%	(1,385)	-211.8%
IRCTC Ltd	11,641	11,460	-1.6%	10,640	7.7%	4,239	4,042	-4.6%	3,728	8.4%	4,617	4,514	-2.2%	4,166	8.4%	3,440	3,362	-2.3%	3,079	9.2%
Interglobe Aviation	1,81,879	1,85,553	2.0%	1,69,696	9.3%	32,000	8,995	-71.9%	23,947	-62.4%	(1,647)	(24,817)	N	(9,071)	173.6%	(1,697)	1,039	P	(7,461)	-113.9%
Lemon Tree Hotels	3,082	3,063	-0.6%	2,844	7.7%	1,390	1,307	-5.9%	1,307	0.0%	653	558	-14.4%	451	23.7%	339	346	2.0%	296	16.7%
Safari Industries (India)	5,127	5,336	4.1%	4,578	16.5%	641	740	15.5%	479	54.6%	526	601	14.4%	378	58.9%	405	469	16.0%	297	58.3%
Samhi Hotels	2,906	2,930	0.8%	2,621	11.8%	1,008	1,071	6.3%	920	16.5%	381	382	0.3%	137	179.2%	281	234	-16.6%	111	110.2%
VIP Inds	4,898	4,063	-17.0%	5,443	-25.3%	88	(1,064)	N	(22)	4780.3%	(331)	(1,463)	N	(492)	197.3%	(258)	(925)	N	(366)	152.6%
<b>Total</b>	<b>2,14,120</b>	<b>2,19,757</b>	<b>2.6%</b>	<b>1,99,592</b>	<b>10.1%</b>	<b>41,238</b>	<b>18,085</b>	<b>-56.1%</b>	<b>31,855</b>	<b>-43.2%</b>	<b>5,171</b>	<b>(18,175)</b>	<b>-451.4%</b>	<b>(3,637)</b>	<b>399.8%</b>	<b>3,240</b>	<b>6,074</b>	<b>87.5%</b>	<b>(5,429)</b>	<b>-211.9%</b>
<b>Oil &amp; Gas</b>																				
Bharat Petroleum Corporation	1,132	1,049	-7.3%	1,028	2.1%	70	98	38.9%	45	116.7%	50	86	70.9%	32	169.1%	38	64	71.2%	24	168.7%
GAIL (India)	360	350	-2.6%	329	6.4%	33	32	-2.7%	37	-14.8%	29	28	-3.2%	35	-18.2%	22	22	2.2%	27	-17.0%
Gujarat Gas	36	38	5.4%	38	0.0%	5	4	-5.1%	5	-13.0%	4	4	6.8%	4	-9.0%	3	3	6.1%	3	-8.4%
Gujarat State Petronet	2	2	-4.4%	2	-4.4%	2	2	-6.4%	2	-10.2%	3	4	48.7%	4	-2.5%	2	4	72.4%	4	-1.8%
Hindustan Petroleum Corporation	1,205	1,008	-16.3%	999	0.9%	54	69	28.5%	27	152.9%	36	51	43.6%	8	512.7%	27	38	43.6%	6	506.9%
Indian Oil Corporation	2,115	1,789	-15.4%	1,738	2.9%	118	146	23.7%	38	286.6%	70	101	43.1%	(10)	-1122.4%	53	76	44.6%	(10)	-878.7%
Indraprastha Gas	40	40	0.6%	37	8.8%	5	4	-8.2%	5	-17.4%	5	5	2.2%	6	-15.8%	3	4	7.1%	4	-13.6%
Mahanagar Gas	20	20	5.0%	18	14.7%	4	3	-13.9%	4	-18.0%	4	3	-26.4%	4	-30.5%	3	2	-26.2%	3	-32.2%
Mangalore Refinery	221	226	2.3%	250	-9.3%	14	15	2.7%	(5)	-414.1%	8	10	18.9%	(10)	-193.6%	6	6	4.2%	(7)	-193.6%
Oil & Natural Gas Corporation	319	330	3.7%	339	-2.5%	180	177	-1.5%	183	-3.0%	120	125	4.5%	150	-16.6%	90	98	9.6%	120	-17.8%
Oil India	52	55	4.7%	55	-1.1%	19	13	-31.5%	22	-39.3%	17	13	-23.3%	23	-42.8%	13	10	-18.8%	18	-43.1%
Petronet LNG	119	110	-7.4%	130	-15.5%	16	11	-31.5%	12	-6.9%	15	11	-29.2%	11	-5.1%	11	8	-29.6%	8	-4.9%
Reliance Industries	2,355	2,546	8.1%	2,315	10.0%	439	459	4.4%	391	17.5%	284	291	2.6%	250	16.3%	185	182	-1.6%	166	9.7%
<b>Total</b>	<b>79,74,887</b>	<b>75,64,530</b>	<b>-5.1%</b>	<b>72,78,881</b>	<b>3.9%</b>	<b>9,59,320</b>	<b>10,33,580</b>	<b>7.7%</b>	<b>7,66,309</b>	<b>34.9%</b>	<b>6,44,522</b>	<b>7,31,831</b>	<b>13.5%</b>	<b>5,07,632</b>	<b>44.2%</b>	<b>4,54,486</b>	<b>5,18,327</b>	<b>14.0%</b>	<b>3,66,841</b>	<b>41.3%</b>
<b>Pharma</b>																				
Aurobindo Pharma	80,578	82,857	2.8%	77,960	6.3%	17,013	16,781	-1.4%	15,661	7.2%	13,013	12,743	-2.1%	11,779	8.2%	9,289	8,485	-8.7%	8,169	3.9%
Ajanta Pharma	13,317	13,537	1.7%	11,866	14.1%	3,421	3,688	7.8%	3,372	9.4%	3,256	3,818	17.2%	3,162	20.7%	2,507	3,012	20.1%	2,377	26.7%
Cipla	75,064	75,894	1.1%	70,510	7.6%	20,102	18,948	-5.7%	18,800	0.8%	19,912	18,535	-6.9%	17,835	3.9%	14,576	13,512	-7.3%	13,029	3.7%
Divis Lab	25,780	27,150	5.3%	23,380	16.1%	8,274	8,880	7.3%	7,160	24.0%	7,944	9,120	14.8%	7,220	26.3%	5,919	6,890	16.4%	5,100	35.1%
Dr. Reddy's Laboratories	84,978	88,051	3.6%	80,162	9.8%	20,643	20,553	-0.4%	21,466	-4.3%	17,593	18,949	7.7%	20,030	-5.4%	13,107	14,268	8.9%	13,415	6.4%
Eris Lifesciences	7,918	7,924	0.1%	7,412	6.9%	2,843	2,882	1.4%	2,646	8.9%	1,673	1,724	3.1%	1,292	33.5%	1,218	1,199	-1.6%	916	30.8%
Indoco Remedis	4,586	4,847	5.7%	4,327	12.0%	381	431	13.1%	403	7.0%	(159)	(130)	P	(48)	168.6%	(156)	(100)	P	(104)	-4.3%
IPCA Labs	25,134	25,565	1.7%	23,549	8.6%	4,893	5,543	13.3%	4,498	23.2%	3,941	4,498	14.2%	3,448	30.5%	2,783	3,408	22.5%	2,295	48.5%
JB Chem & Pharma	10,835	10,849	0.1%	10,006	8.4%	3,026	3,096	2.3%	2,705	14.5%	2,713	2,792	2.9%	2,365	18.0%	2,021	2,078	2.8%	1,746	19.1%
Lupin	65,914	70,475	6.9%	56,727	24.2%	17,742	21,376	20.5%	13,083	63.4%	14,642	20,070	37.1%	10,549	90.3%	11,810	14,917	26.3%	8,526	75.0%
Sun Pharmaceutical Industries	1,42,568	1,44,783	1.6%	1,32,914	8.9%	40,450	40,966	1.3%	38,109	7.5%	38,123	37,371	-2.0%	34,698	7.7%	28,392	31,180	9.8%	30,402	2.6%
Torrent Pharma	32,128	33,020	2.8%	28,890	14.3%	10,794	10,830	0.3%	9,390	15.3%	8,524	8,040	-5.7%	6,610	21.6%	6,308	6,040	-4.2%	4,530	33.3%
Zydus Lifesciences	58,020	61,232	5.5%	52,370	16.9%	14,532	16,017	10.2%	14,160	13.1%	12,332	8,934	-27.6%	12,709	-29.7%	9,396	4,304	-54.2%	9,109	-52.8%
<b>Total</b>	<b>6,26,821</b>	<b>6,46,185</b>	<b>3.1%</b>	<b>5,80,074</b>	<b>11.4%</b>	<b>1,64,115</b>	<b>1,69,990</b>	<b>3.6%</b>	<b>1,51,451</b>	<b>12.2%</b>	<b>1,43,508</b>	<b>1,46,464</b>	<b>2.1%</b>	<b>1,31,648</b>	<b>11.3%</b>	<b>1,07,170</b>	<b>1,09,193</b>	<b>1.9%</b>	<b>99,509</b>	<b>9.7%</b>

	Revenue					EBITDA					PBT					PAT				
	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.	Q2FY26E	Q2FY26A	Var. (A vs E)	Q2FY25	YoY Gr.
<b>Ports</b>																				
Adani Port & SEZ	90,093	91,675	1.8%	70,670	29.7%	52,007	57,624	10.8%	43,689	31.9%	37,234	41,126	10.5%	29,384	40.0%	33,257	33,212	-0.1%	24,883	33.5%
JSW Infra	12,266	12,656	3.2%	10,014	26.4%	5,915	6,097	3.1%	5,205	17.1%	4,866	4,633	-4.8%	5,539	-16.4%	3,989	3,612	-9.4%	3,715	-2.8%
<b>Total</b>	<b>1,02,359</b>	<b>1,04,331</b>	<b>1.9%</b>	<b>80,684</b>	<b>29.3%</b>	<b>57,922</b>	<b>63,721</b>	<b>10.0%</b>	<b>48,894</b>	<b>30.3%</b>	<b>42,100</b>	<b>45,759</b>	<b>8.7%</b>	<b>34,924</b>	<b>31.0%</b>	<b>37,246</b>	<b>36,825</b>	<b>-1.1%</b>	<b>28,598</b>	<b>28.8%</b>
<b>Telecom</b>																				
Bharti Airtel	4,80,313	5,21,454	8.6%	4,14,733	25.7%	2,68,975	2,95,614	9.9%	2,18,462	35.3%	82,084	1,22,413	49.1%	56,772	115.6%	53,841	67,917	26.1%	44,469	52.7%
<b>Total</b>	<b>4,80,313</b>	<b>5,21,454</b>	<b>8.6%</b>	<b>4,14,733</b>	<b>25.7%</b>	<b>2,68,975</b>	<b>2,95,614</b>	<b>9.9%</b>	<b>2,18,462</b>	<b>35.3%</b>	<b>82,084</b>	<b>1,22,413</b>	<b>49.1%</b>	<b>56,772</b>	<b>115.6%</b>	<b>53,841</b>	<b>67,917</b>	<b>26.1%</b>	<b>44,469</b>	<b>52.7%</b>
<b>Aggregate So far</b>	<b>1,89,07,295</b>	<b>1,85,97,626</b>	<b>-1.6%</b>	<b>1,73,16,863</b>	<b>7.4%</b>	<b>39,57,280</b>	<b>41,55,741</b>	<b>5.0%</b>	<b>35,80,690</b>	<b>16.1%</b>						<b>21,86,978</b>	<b>23,52,269</b>	<b>7.6%</b>	<b>20,24,374</b>	<b>16.2%</b>

Index: P - Positive | N - Negative

Source: Company, PL



## Aarti Industries (ARTO IN)

**Rating: HOLD | CMP: Rs392 | TP: Rs403**

- US tariffs impacted volumes for few products.
- The company entered into an agreement with DCM Shriram for chlorine supply of 200tpd.
- Rs10bn capex expected in FY26, capex for Q2FY26 was Rs2.7bn.
- The new multipurpose plant (MPP) in Zone IV is expected to be commissioned in Q4FY26.
- Calcium Chloride facility is expected to commission in ongoing quarter.
- PEDTA project is expected to start in H1CY26, with a capacity of 4,000mtpa.
- Capex in FY27 will be significantly lower than Rs10bn.
- The Chloro Toluene project, part of Zone IV expansion, includes five blocks scheduled to start operations in FY27.
- MMA delivered highest ever quarterly volumes, driven by geographical diversion as well as spillover of Q1 shipments to Q2.
- Gasoline naphtha cracks were strong during Q2FY26; some compression is expected in Q3FY26.
- In non-energy business Agrochemicals select products showed volume improvement while pricing remains under pressure.
- Dyes, pigments and polymers business remained subdued during the quarter.
- DCB volumes are expected to be strong in H2FY26.

## AAVAS Financiers (AAVAS IN)

**Rating: ACCUMULATE | CMP: Rs1,619 | TP: Rs1,900**

### Assets/Liabilities

- Disbursement to sanction ratio was 80% in Q2FY26. AuM based on ATS: ATS<2.5mn-77% and within that ATS<0.5mn-11% and ATS>2.5mn-23%.
- Monthly disbursements run-rate in H2FY26 expected to be around Rs6.5bn-Rs7.0bn (Rs5.0bn in last 5months).
- Company expects 20% AuM growth over next five years with branch expansion to contribute 8%, 7-8% growth to come from enhancing employee productivity and 5% from inflation led increase in ATS.
- BT-out rate was 10bps higher YoY at 5.3% for H1FY26 (Q1FY26 – 4.9%, Q2FY26 – 5.7%).





- Company has shifted large part of its borrowing to EBLR and short tenure MCLR structures in anticipation of potential softening of interest rates.
- Company borrowed Rs13.96bn at a rate of 7.83% in Q2FY26. Borrowing has 36% of book at EBLR and 25% at sub 3m MCLR.
- Benefit of repricing on MCLR book has not flown in completely and company expects to reassess its PLR once the book is fully repriced.
- Company targets 15-20% growth in assignment volume. Assignment book had a haircut of 7.5% for this year (8.5% last yr) which helped in better spread from assignment income.
- DSA contributes less than 10% to the overall sourcing mix.

#### **Profit & Loss**

- Incremental loan rate is 25bps lower than AuM rate which has driven down blended yield on loans. However, incremental borrowing has seen a benefit of 60bps compared to last year.
- Opex-to-asset ratio guided to be below 3% in medium term. As disbursement scale, AUM growth normalizes operating leverage to kick in.
- Attrition for Q2FY26 was at 17% vs 18% in Q2FY25.
- Company plans to add 20-25 branches in H2FY26 mainly in AP/Telangana
- Management expects operating leverage to kick in as AuM growth normalizes, disbursement scale up and branch productivity improves.

#### **Asset Quality**

- As per management less than 1.8% of AuM was impacted by tariff related issues with pockets of stress seen in Karnataka, Gujarat and MP. However, impact of same is expected to be limited.
- For H1FY26 gross bounce rate stood at 18% and net bounce rate at 13.5%. Credit cost guidance of below 25bps sustained.
- Karnataka saw MFI related disruption after passing of the ordinance and company acted proactively in tightening the underwriting, slowing down disbursement and strengthened field verification to address the same.
- As per management the eastern belt of MP is showing some stress, company has selectively tightened underwriting and has placed sharper credits and income assessment standards to tackle it.



## ABB India (ABB IN)

**Rating: ACCUMULATE | CMP: Rs5,017 | TP: Rs5,540**

- **Electrification:** Lower order intake in Electrification was primarily due to absence of a large order which was present in base quarter worth ~Rs5.6bn. Meanwhile, better execution led to degrowth in the order book YoY. Revenue growth was driven by growth across all business divisions and higher export revenues for Distribution solutions. Profitability was lower due to higher reliance on imports to comply with QCO guidelines, material cost impact, and forex volatility. ABB also used to get a pricing premium of ~1-1.5% post covid which has now dried up creating a level playing field in terms of pricing.
- **Motion:** The company received a large renewable power-related system drives order worth ~Rs1.5bn during the quarter, supported by healthy traction and system drive execution leading to higher revenues. However, profitability declined due to adverse forex movements, unfavorable material costs, pricing pressure, and a change in revenue mix. The company continues to face intense competition in the motion business, limiting pricing flexibility, while QCO and forex factors together impacted margins by 1–1.5%. During the quarter, it also introduced IE5 ultra-premium motors based on advanced induction motor technology and holds a strong pipeline of large system orders scheduled for execution over the next 12–18 months.
- **Process Automation:** The company operates primarily in core sectors such as metals, mining, oil and gas, and pharmaceuticals, making its business more cyclical. With no large orders in hand and a reliance on smaller projects, revenue growth remains stagnant, further impacted by delays in customer decision making. While demand from energy majors continues, revenue growth in process industries and measurement & analytics was offset by weakness in the energy division. Profitability declined due to an unfavorable product mix, though there was no impact from QCO and forex exposure remains hedged. Services contribute ~30% of the segment revenue, helping sustain profitability despite market challenges.
- **Robotics:** The segment reported strong order intake from the electronics and automotive sectors, driving revenue growth supported by higher service and electronics sales. Profitability, however, was affected by forex losses and higher material costs. Following the sale of Robotics division by ABB Global, the future of the Indian assets is expected to be decided over the next two to three quarters, with the board evaluating the Indian assets to determine the path forward. A separate listing now appears unlikely, and the business is expected to be valued independently.
- **The nature of QCO:** The Government of India is promoting indigenization by mandating higher localization standards, requiring products to undergo quality testing by the BIS. While it was previously optional, and now has become mandatory, leading to delays due to limited laboratory capacity. During the testing phase, ABB must continue meeting customer requirements, leaving it with no option but to import raw materials. These imports are more expensive and exposed to foreign exchange fluctuations, impacting profit margins.





## Adani Port & SEZ (ADSEZ IN)

**Rating: BUY | CMP: Rs1,444 | TP: Rs1,777**

- Adani Ports' cargo grew 6.9% YoY, outperforming All-India cargo growth of 4.3%. Market share improved to 28% overall and 45.5% in containers (vs. 27.3% and 45.1% respectively in H1FY25).
- Trade is expected to grow 5.5–6%, and APSEZ expects to grow at ~1.6x the trade growth rate.
- EXIM coal volumes declined industry-wide; coastal coal volumes increased, improving ADSEZ's coastal coal market share to 41.9% (from 36.5%). Iron ore exports have dropped significantly, impacting ADSEZ volumes.
- Mundra handled higher fertilizer and liquid cargo. Container volumes were temporarily affected by Operation Sindhu but have recovered, with 720k TEUs handled in October.
- The company is focused on improving operational efficiency at international ports. Long-term EBITDA margin target is 45% vs. the current 26% (Target: Tanzania: 30–40%, NQXT: 65%, Colombo: 50%).
- Volume outlook remains 505–510mmt in FY26, of which 150–160mmt is expected from international business. Cargo mix is expected to remain similar by 2030.
- Dhamra capacity will increase from 90mmt to 100mmt. Overall capacity will rise from 633mmt to 1.1–1.2bmt over the next five years.
- ADSEZ targets 16% ROE across all businesses.
- Capital allocation priorities: 1) Organic growth and capacity additions, 2) Some allocation for M&A within the Rs750bn capex plan, 3) Evaluate returning excess cash to lenders/equity holders. Net Debt/EBITDA to remain below 2.5x (currently 1.8x).
- ADSEZ is confident of achieving 1bnt cargo volume by FY30, with containers being the primary growth driver.
- Cargo strategy: 1) Focus on containers (Make in India benefit; minimal impact from US tariffs), 2) Coastal coal replacing EXIM coal, 3) Expand liquid cargo capacity on the East Coast (Dhamra).
- Other income for the quarter includes: 1) Rs3.5bn dividend from a subsidiary, and 2) Rs1.28bn gain from bond buyback.
- Mundra's EBITDA margin improved due to a higher mix of high-value cargo and better pricing - not a one-off.
- Car exports from Mundra increased 32% YoY.
- NQXT project has received board approval and is awaiting clearance from the Australian government.



- Container terminals are priority for future capacity additions, followed by energy infrastructure (coal/cement/steel) and then chemicals/liquids.
- Some ports are operating at 90–92% utilization, prompting expansions at Vizhinjam, Kattupalli, Dhamra, Hazira and Colombo. The company is also investing in ecosystem infrastructure (railway tracks, tank farms).
- Domestic operations are expected to sustain 75–77% EBITDA margins.
- Colombo Phase 2 has commenced; berth expansion is underway in Tanzania; Haifa volumes are ramping up with a cruise terminal; NQXT expected to start soon.
- In the marine business, the company acquired nine new marine vessels during Q2 FY26, increasing the fleet to 127 vessels. 8 new tugs are expected to be delivered by FY27–28.

## Ajanta Pharma (AJP IN)

**Rating: BUY | CMP: Rs2,539 | TP: Rs3,200**

- **Branded generic biz:** Contributed 72% of the overall sales.  
**India:** Contributes 32% of the overall revenues.
  - New therapy areas – gynecology & nephrology – are gaining traction and expected to contribute meaningfully in coming years.
  - Chronic portfolio contributed 65% of the revenues.
  - Trade generic contributed Rs 530Mn up 14% YoY
  - 11% of the portfolio is covered under NLEM.
  - Launched 10 new products in H1 FY26 with 1 first to market product.
  - Top 10 brands contribute 55% of the revenues.
  - Growth in Cardiac was in line with IPM; there is some anomaly with IQVIA reported data.**Africa:**
  - Contributes 17% of the overall revenues
  - Despite muted market, confident of double-digit FY26 growth (vs earlier mid-single-digit guidance) given low H2FY25 base
  - Launched 4 new products in chronic portfolio**Asia:**
  - Branded Asia contributes 23% of the revenues.
  - Spans 10 countries across Middle east, Southeast Asia and Central Asia.
  - Launched 3 new products in chronic therapies during Q2FY26
  - Delay in few orders impacted Q2FY26 growth however guided for low teens growth for FY26
- **US generics:**
  - Consists of 26% of the overall sales.
  - Growth driven by full-period benefit of 5 launches in H2FY25, new launches in H1FY26, and mkt share gain in existing products
  - Healthy growth to sustain in Q3FY26; FY27 growth expected in high teens
  - Filed 2 ANDAs and launched 3 ANDAs in H1FY26.



- **Africa Institution:**
  - Highly volatile due to procurement-linked nature; remains a small contributor (~2% of revenue). Maintain cautious outlook.
- **Other highlights:**
  - EBITDA margin guidance maintained in the range 26-28%
  - There was an MTM loss of Rs 410mn included in other expenses during the quarter. Forex gain of Rs 400mn booked in other income. Mgmt. hedges ~50%
  - Total MR strength at 5680 with India 3,600 and Asia/Africa 2,080. Plans to add ~200 in India over next 2 years; 10-12% field force expansion in EM in FY26 and additional 7-8% MR addition in FY27
  - Receivables rose following the shift from factoring model to low-cost working capital loans.
  - R&D spend stood at Rs 630mn, 4.7% of revenues. Guided for 5% levels.
  - Capex Spent of Rs 1.45bn in H1FY26 with guidance of Rs 3bn for FY26.
  - ETR guidance of 23% in FY26

## Amber Enterprises India (AMBER IN)

**Rating: BUY | CMP: Rs7,227 | TP: Rs8,901**

**Consumer Durables to grow 13–15% in FY26:** AMBER's Consumer Durables declined by 18.4% in Q2FY26. The RAC industry declined by ~35% due to weak weather and deferment of purchase in between announcement & implementation of GST reduction. For FY26, the company expects the RAC industry to remain flat and confident of outpacing industry growth, aided by the GST rate cut on RACs (from 28% to 18%), which is expected to boost demand and premiumization.

- AMBER projects its Consumer Durables segment to grow 13–15%, supported by the healthy traction in its components business.
- Commercial AC vertical continued its strong growth momentum in FY26. A strategic cooperation agreement with GMCC will ensure consistent compressor supplies for the next 3 years.
- Inventory levels, which were elevated at the end of Q1, are normalizing and are expected to stabilize before Q4FY26. Q4 and Q1 typically account for ~65% of annual AC sales.
- RAC volume is expected to reach 30–35mn units by FY30, from 15mn in FY25, supported by the GST cut rate. With 27% share in AMBER's manufacturing footprint, the company expects the share to grow in line with industry trends.

**Electronics revenue to reach Rs32bn in FY26:** Electronics segment is expected to reach Rs32bn in FY26, with the PCBA vertical contributing ~Rs25bn.

- Electronics margins were contracted by 190bps YoY to 5.8% in Q2FY26 due to a 13% rise in copper-clad laminate prices, which accounts for ~45% of raw materials in PCBs, and higher gold costs. The company expects Electronics margins to improve to 8–9% for FY26. Segment-wise margins are as follows: PCBA at 5–5.5%, PCB at 17–19%, Unitronics (acquired company) at 25–28%, and Power-One (acquired company) at 15–18%.

- Electronics division, which began as a Consumer Durables-focused business, has grown significantly through organic expansion. PCBA vertical remains the key revenue driver, contributing ~85% to the division's revenue, with 58–60% still linked to Consumer Durables. The company is diversifying into automobiles, energy meters, defense, and telecom, and expects the Consumer Durables contribution to reduce to 40–45% by FY27.
- ILJIN Electronics secured Rs17.5bn from marquee investors, primarily through compulsory convertible preference shares. Of this, Rs3.7bn was received in Sep'25 and Rs2.8bn in Oct'25, while the remaining Rs11bn from Crisp Capital is under approval and expected by the month end.
- ILJIN completed the acquisition of a 60% stake in Power-One Microsystems, enhancing its presence in the fast-growing battery energy storage, solar inverter, EV charger, and industrial UPS segments, catering to large PSUs and corporates. AMBER expects Power-One to generate revenue of Rs2.6–2.7bn in FY26 and post healthy growth going forward.
- ILJIN, through its subsidiary, acquired a 40.2% controlling stake in Israel-based Unitronics in Oct'25, a leading provider of industrial automation and control systems, including PLCs, HMIs, VFDs, and integrated software solutions. The acquisition was made at Rs27/share (ILS27.75). Unitronics will be fully consolidated in the company's financials as a subsidiary, not as a mark-to-market investment.
- In the bare PCB segment, two applications were filed under the Electronics Component Manufacturing Scheme—one for multilayer PCBs via Ascent Circuits and the other for HDI PCBs through the Korea Circuit JV.
- Ascent Circuits project, focused on multilayer PCBs, will deliver asset turns of 1–1.1x, with commercial operations commencing in Q3FY26.
- Ascent Circuits project has been approved with an investment outlay of Rs9.9bn, reinforcing the company's commitment toward India's self-reliance in electronics manufacturing. Approval for the HDI PCB project is awaited.
- The Korea Circuit JV has received the land allotment LOI from UP government, with approvals expected soon. Construction is set to begin by Jan'27, and revenue contribution from FY28.

**Railway order book at Rs26bn; revenue to double in 2 years:** Railway segment had an order book of Rs26bn in H1FY26. and expects additional Rs4–5bn in H2FY26. The segment aims to double its revenue over the next 2 years.

- Sidwal's greenfield facility for HVAC, pantries, doors, and gangways is progressing well, with trial operations expected in Q3FY26 and commercial production in Q4FY26.
- The Yujin Machinery JV facility for pantographs, brakes, and driving gear couplers is ready, with product development underway and commercial production targeted for H1FY27.
- Special cooling products for defense applications are gaining traction and are expected to contribute meaningfully in the coming years.



### Other highlights

- In Q2FY26, PAT was impacted by higher financing costs related to the Power-One stake purchase, elevated inventory levels, and JV losses.
- During the quarter, AMBER raised ~Rs10bn through a QIP from marquee investors.
- The company will invest Rs7–8.5bn in capex in FY26. For FY27, segment-wise capex is expected to be as follows: Consumer Durables: ~Rs3 bn; Electronics: Ascent Circuits Rs6.5bn, Korea Circuit Rs12bn, PCBA: Rs1.5–1.75bn; and Railway: Rs500–600mn.
- The company expects JVs and associates to report a consolidated loss of Rs250–300mn in FY26.

### Ambuja Cement (ACEM IN)

**Rating: BUY | CMP: Rs577 | TP: Rs718**

- As per mgmt., cement industry grew by 4% during the quarter and is expected to grow by 7–8% in FY26. ACEM delivered 11% volume growth without acquired asset volumes in Q2; with EBITDA/t of Rs1,180.
- Total costs are expected to reduce to Rs4,000/t by the end of FY26, Rs3,800/t by FY27, and Rs3,650/t by FY28 — a 5% reduction each year.
- The share of green power continues to rise, improving by 14.3 pp to 32.9%, with a target of 60% by FY28.
- The company commissioned 200MW of solar power during the quarter, taking total renewable energy capacity to 673MW. It expects to reach 900MW by the end of this year and 1,122MW by FY27.
- Lead distance declined by 2KM to 265KM, with a further 50KM reduction expected going forward.
- Average consolidated capacity utilisation stood at ~65–67% as per mgmt. The company expects to improve it further as demand strengthens.
- Average kiln fuel cost was Rs 1.65/kcal (Rs 1.60/kcal including AFR). This cost is expected to decline with higher AFR usage. Mgmt. built up 3months of coal inventory at lower prices.
- The average employee age is now 38 years, which is expected to enhance productivity going forward.
- FY28 EBITDA/t target stands at Rs 1,500 for the total group, by which time the acquired assets are also expected to improve.
- The company has successfully gained 1 pp market share, reaching 16.6%. Market share is expected to continue rising, with a target of 20–22% by FY28.

### Capex:



- The FY28 target capacity has been increased by 15mtpa to 155mtpa. This incremental capacity will be achieved through debottlenecking at a lower capex of USD48/t.
- The company's capacity is expected to reach 118mt in FY26, 130mt in FY27, and 155mt in FY28.
- With ACEM achieving a total cement capacity of 155mtpa by FY28, the average life of its plants would reduce by around 40%.
- Debottlenecking of plant logistics infrastructure is expected to improve existing capacity utilisation by 3% over the next 24 months.
- The earlier clinker capacity target of 84mt has been revised upward to 96mt by FY28. Clinker capacity is expected to reach 73mt in FY26, 81mt in FY27, and 96mt in FY28 from c. 65mtpa.
- Trial runs have started for a new 4mtpa kiln line at Bhatapara (Chhattisgarh). In addition, a 2mtpa expansion at the KP plant has increased its total capacity to 4mtpa.
- ACEM is installing 13 blenders across various plants over the next 12 months to optimise product mix and increase the share of premium cement, thereby improving realisations.
- By FY28, cement consumption from own RMC plants is expected to rise to 5% from the c. 2%, with a total of 365 RMC plants planned by FY28.

### Apeejay Surrendra Park Hotels (PARKHOTE IN)

**Rating: BUY | CMP: Rs143 | TP: Rs235**

- ARR grew 13.1% YoY to Rs7,788 led by strong pricing across Chennai, Delhi, Bengaluru and Kolkata.
- 588 new keys are expected to be added in 2HFY26E, with 31/144/~400 keys across owned/leased/managed categories respectively.
- New openings are phased across 2HFY26E as follows: - Goa (42 keys + another 9 keys villa), Kochi (31 keys), and 102 managed keys scheduled for Nov-Dec'25, followed by ~70 keys in Jan'26, ~100 keys in Feb'26 and 243 keys in Mar'26.
- PARKHOTE IN has completed the acquisition of Zillion Hotels, Juhu (Mumbai) which will be converted into an 80-room super-luxury boutique hotel, scheduled to open by end of 2026.
- For the E.M. Bypass, Kolkata project, all government approvals have been secured, and groundbreaking is scheduled for Jan'26.
- PARKHOTE IN has ~1.5mn sq. ft. of FSI land bank, offering substantial scope for future development.
- The plan is to add 30 outlets for Flurys in FY26E with an aim to reach 200 outlets by FY27E.



- EBITDA margin for Flurys is in high-single-digit
- Incurred capex of Rs1,883mn in 1HFY26E, with majority being ear-marked towards acquisition of Zillion.
- Rs150mn invested towards automation.

## Apar Industries (APR IN)

**Rating: HOLD | CMP: Rs9,252 | TP: Rs9,744**

- **Guidance:** Management maintained their guidance of ~10% volume growth on an annual basis along with EBITDA of Rs30,000/ton + tailwinds in the conductor segment. Furthermore, management re-affirmed the Cables growth guidance of ~25% YoY in FY26. Apar incurred total capex of Rs4.0bn in H1FY26 and expect to spend additional capex worth Rs8.0bn in H2FY26.
- **Conductors:** Segment's revenue growth was driven by better volumes, realizations and favorable product mix. Domestically, conductors offtake is expected to pick up in H2FY26 amid peak execution season while internationally, Apar is expanding and entering into new geographies including countries in Europe and Latin America along with few new customer onboarding in Canada. Despite a strong growth outlook for Apar's conductor segment, shot up prices of metals such as Aluminium and Copper has led to hesitation among customers for placing new orders which may impact order intake in Q3FY26.
- **Cables:** Cables business experienced slight slowdown in the domestic business due to seasonality which is expected to pick up in H2FY26. Strong traction from wind addition is driving demand for domestic business in H2. Meanwhile, solar cables and other cables containing higher metal content may face headwinds amid higher prices of Aluminium and Copper. On a medium-to-long term basis, management expects cables margin to hover between 10-12%. Its capacity expansion is on track and is expected to be operational by Q1FY27. Amid the current capacity utilization of ~85%, Apar is also developing a 66-acre land which may enable future capacity expansion for cables.
- **Specialty Oils & Lubricants:** Global transformer oil volume declined 4.6% YoY while domestic transformer oil volume grew by 13.6% YoY. Overall, lower volume growth was mainly on account of supply chain constraints leading to execution delays. Automotive oil volumes are up 3.7% YoY while Industrial lubricants recorded a growth of 18.8% YoY in Q2FY26.
- **Apar achieved ~Rs16.0bn revenue from the USA in H1FY26.** Traction from the US market continues to remain robust, driven by sustained demand from data centers, transmission, and wind energy segments. Apar has already achieved revenue of Rs16.0bn in H1FY26, the same level recorded for the entire FY25. While the tariff environment remains fluid, there have been encouraging developments on the trade negotiation front. After a few months of subdued activity, Apar has seen resumption of order inflows from the US, albeit at relatively lower margins. These orders are expected to be executed by the end of Q3 and through Q4FY26. However, revenue contribution from





the US in Q3 is likely to remain moderate, weighed down by ongoing tariff uncertainties and global price increases in Aluminium and Copper.

## Apollo Hospitals Enterprise (APHS IN)

**Rating: BUY | CMP: Rs7,642 | TP: Rs9,300**

- **Bed expansion Plan:** Mgmt plan to commission six new hospitals within the next 12 months, including Apollo Athena (Delhi – women’s oncology center) and Pune Multispeciality Hospital (both already soft launched in Q3FY26), Sarjapur (Bangalore) and Kolkata by Q4FY26, and Hyderabad (oncology expansion) and Gurugram by Q1FY27. In addition, brownfield expansions are underway at Jubilee Hills, Secunderabad, Malleswaram, and Mysore, taking the total expected addition to over 1,000 beds across FY26–27.
- **Guidance on new units:** The management guided that EBITDA losses from these new hospitals are expected to be at Rs1.5bn in FY27, with breakeven expected within 12–15 months of commissioning.
- **Hospitals:** Despite ramp-up costs, established hospital margins are expected to remain stable at 24.5–25%, aided by a cost rationalization program totaling Rs 120 crore annual savings, of which ~60% has already been achieved in H1FY26. Over the medium term, Apollo expects organic hospital revenue growth of 13%, with an additional 5% contribution from new beds as capacity comes onstream. Management highlighted that around 60% of Bangladesh patient traffic has already recovered in October 2025, and the company is exploring newer geographies such as Uzbekistan, Iraq, and select African markets to diversify its international patient base. The focus remains on enhancing the high-value surgical and corporate mix, with metro hospitals already operating above 70% occupancy levels.
- **Apollo HealthCo (Pharmacy & Digital):** Margins in the pharmacy distribution business were temporarily impacted by one-off integration expenses, though overall profitability continues to improve with better operating leverage. The cost base has been rationalized, marketing expenses normalized, and further synergies are expected from integrating Keimed with Apollo’s offline pharmacy network. Management remains on track for breakeven by end-FY26 or early FY27, supported by scaling of the insurance and diagnostics verticals. The insurance business follows a digital-first hybrid model, leveraging over 10mn Apollo customers through digital channels and a 300-seat call center (to expand to 500). Early traction in NCR and Hyderabad has been positive, with a nationwide rollout targeted by Q4FY26.
- Management reiterated its medium-term target of achieving a Rs 250bn revenue run-rate with ~7% EBITDA margin by Q4FY27, noting that excluding digital losses, the business is already operating at ~6.2% EBITDA.
- **AHLL:** Management highlighted that competitive intensity remains limited to the diagnostics business, while its Cradle (maternity) and Spectra (specialty surgery) verticals remain relatively insulated and continue to perform well. AHLL, along with Apollo HealthCo, is expected to sustain a 15–20% growth trajectory, while the digital business breakeven remains on course as scale benefits and integration efficiencies accrue.





## Asian Paints (APNT IN)

**Rating: REDUCE | CMP: Rs2,770 | TP: Rs2,448**

- 2Q delivered strong performance with 10.9% volume growth as consumer sentiments improved led by supportive policies & early festive season.
- Demand was seen across rural and urban regions as company focused on regional activation and aggressive marketing.
- Q3 is seeing improvement in demand, especially in urban market led by festive and wedding season.
- Automotive and industrial coating continue to see traction with 6.7% value growth in Q2.
- Home décor businesses continue to face headwinds while beautiful homes are seeing good traction with 73 stores as of Q2FY26
- In international business key units of Nepal, Sri Lanka and UAE driving growth led by focus on prelux and water proofing categories yielding gains.
- White Cement plant commissioned successfully with VAM-VAE Project remains on Track.
- APNT saw 1.6% deflation in Q2, it expects RM prices to remain stable while Geopolitical uncertainty/ exchange volatility may weigh on prices.
- Competitive intensity remains at elevated levels with ANPT to focus on innovation and invest behind brand growth.
- In Q2FY26, Projects / Institutional Business did well across segments with strong demand from builders, factories and government.
- Service business is seeing good traction with 650+ town now serviceable and 11+ lakh customers.
- Water proofing business to see double digit growth in medium term.
- Management expects mid- single digit value growth for FY26 with value volume difference to be at~4-5%



## Aster DM Healthcare (ASTERDM IN)

**Rating: BUY | CMP: Rs693 | TP: Rs775**

- **Bed expansion and capex:** ASTERDM added 200 beds in the last 12 months, taking total capacity to 5,199 beds. It commissioned 100 beds out of a 264 beds capacity hospital in Kasargod (Kerala) in Oct'25. 75 brownfield beds at Aster Ramesh Ongole and 159 brownfield beds at Aster Whitefield Block D will be operationalised in 2HFY26. The company incurred a total capex of Rs 3bn, with around 50% allocated towards expansion projects. Overall, ASTERDM plans to add ~2,300 additional beds over next 3 years through greenfield and brownfield projects, taking total capacity beyond 7,800 beds.
- **QCIL expansion:** Plans to invest ~Rs 20bn to add 1,700 beds in 3–4 years (Indore, Bhuvaneshwar, Onco unit in Raipur etc), including 700 beds (of which 300 beds in Tier-2 markets) through greenfield and brownfield expansion.
- The management indicated that the recent GST rate revision had no impact on OP services, while for IP cases, it led to a ~1.1% reduction in topline and an EBITDA impact of 35–40 bps. However, this is expected to be offset by the recent increase in CGHS tariffs, which is estimated to provide a positive topline impact of Rs 20mn/month, with 70–80% of the benefit directly contributing to EBITDA.
- **Kerala Cluster:** Witnessed strong recovery driven by higher elective and complex procedures. IP volumes grew 13% QoQ; MVT business surged 49% YoY and 67% QoQ with strong inflows from Maldives, Oman, and Middle East. Kerala cluster growth was supported by stabilized leadership, high-end specialty mix (oncology, robotic surgeries), and cost optimization. Mgmt guided MVT and complex care continue to drive growth; Kerala reaffirmed as a key growth engine for the India business.
- **Karnataka and Maharashtra Cluster:** Revenue grew ~10% YoY, supported by strong ramp-up at Aster Whitefield, which posted ~27% growth in Q2. Oncology contributed ~17% to cluster revenue; high-value programs in neurosciences and complex surgical care continue to scale. EBITDA up 6% YoY, partly impacted by higher material costs due to immunotherapy and targeted oncology treatments. Other mature units (e.g., Aster CMI) delivered single-digit growth; continued improvement expected in H2FY26 with stabilization and patient traction in North Bengaluru.
- **AP & Telangana Cluster:** EBITDA margins recovered sharply to 13.3% (vs. 7.9% in Q1FY26). Management indicated ongoing strategic review of AP & Telangana cluster for margin enhancement; long-term improvement expected from cost efficiencies and leadership strengthening. It recently increased stake in Aster Ramesh Hospitals in AP to 70%.
- **QCIL performance and guidance:** QCIL reported revenues of Rs12bn (15% YoY) and EBITDA of Rs2.9bn (up 22% YoY) with margins expanding 130bps YoY to 24.1% in Q2. Efficiency initiatives such as procurement centralization and F&B insourcing added ~Rs 200mn+ to EBITDA, with management guiding margins to exceed 25% going forward.



- **QCIL** Mature units (60% of QCIL revenue) delivered 14% revenue and 27% EBITDA growth (33% margin); emerging units (6% of QCIL revenue) posted 85% YoY EBITDA growth. Focus units (20–25% of QCIL revenues), grew 9% YoY in Q2, with Hyderabad assets showing strong double-digit growth. QCIL improving clinical mix (CONGO-T share up 80 bps to 58.5%) and adding 100 new clinicians; focus on robotic, oncology, and cardiac programs. The Nagercoil unit in Tamil Nadu, launched in Oct'24, achieved breakeven within 3 quarters and is now operating at 20%+ EBITDA margins. ARPP grew 10% YoY, with ARPOB at Rs 44k in Q2. The company plans to add 5–7 LINAC systems to strengthen oncology capabilities and expand robotic programs in Hyderabad. Expansion plan includes 1,700 beds in cities like Indore, Bhuvaneshwar, Onco unit in Raipur etc, with continued operational synergies post-merger.
- **QCIL merger update:** Merger progressing smoothly; BSE/NSE issued no-objection letters post approvals from CCI and shareholders. Share swap completed and AsterDM acquired 5% stake in QCIL in exchange for 3.6% preferential allotment. Currently awaiting final regulatory clearance from the NCLT and the transaction is expected to be completed by Q1FY27. Post merger combined entity's margin guidance of 25%.
- Cost efficiency initiatives (renewable energy, centralized procurement) reduced overheads by 100 bps.

### Astral Ltd. (ASTRA IN)

**Rating: BUY | CMP: Rs1,566 | TP: Rs1,778**

- Mgmt has maintained its double-digit volume growth guidance in the piping segment with margin of 16–18% in FY26.
- The UK adhesive business, earlier under pressure, is showing signs of recovery with ~5% revenue growth with a margin of 7.3% in Q2FY26. ASTRAL has acquired the remaining stake to make it a wholly owned subsidiary and appointed a new India-based CEO with over 25 years of experience, with expectations of returning to double-digit growth ahead.
- The adhesive business continues to grow at 15%, supported by market share gains through new geographies, product launches, and a stronger rural presence. Company expects EBITDA margins in the range of 15–16%.
- In the Bathware segment, company expects 20% revenue growth in FY26 and a CAGR of 20–25% over the next five years.
- In Paints segment company opened nine depots across Gujarat, Rajasthan, and Maharashtra, leading to temporary margin pressure from higher costs. However, the company remains confident of achieving its 20% revenue growth guidance for FY26 with improved margins ahead.
- The ADD on PVC is expected to come by 12th Nov'25, Post which the PVC prices might go up by Rs5–6/kg. The channel inventory still remains very low, which might increase post ADD implementation.



- Astral has acquired an 80% stake in Nexelon Chem Pvt Ltd and will invest up to Rs 1.2 bn to set up a 40,000 MT CPVC resin plant, aimed at securing key raw materials, reducing costs, and improving margins.
- For the CPVC segment, design work for the new plant is nearing completion, with construction and machinery ordering set to begin next month. Installation and commissioning are targeted for completion by Sept'26.
- Astral has significantly expanded its product basket over the past 3–4 years, with strong performance from new offerings such as water tanks, wall projects, fire sprinkler pipes, OPVC, PTMT, and low-noise pipes — all delivering healthy margins and growth. The Hyderabad plant has commenced operations and is ramping up, while the Kanpur plant is gearing up to contribute meaningfully from Q4FY26.
- The company plans to invest Rs 3–3.5bn in capex during FY26.

### Aurobindo Pharma (ARBP IN)

**Rating: BUY | CMP: Rs1,141 | TP: Rs1,300**

- **US:** Growth was led by base business volumes and new launches. Six launches were made during the quarter. Filed 13 ANDAs and received 7 approvals. Injectable sales were up 6% QoQ, pre disruption levels expected within 1-2 quarters. Oncology oral solids from Eugia 1 to drive near term launches. Price erosion remained low single digit.
- **Europe:** Strong traction across France, Portugal, Netherlands and Germany. On track to surpass EUR 1bn annual revenues by FY26E. Injectables account for 10% of EU sales with margins in high teens. Targeting 20%.
- **Growth markets:** Growth witnessed across regions. ARV formulations up YoY on higher tender volumes. China OSD facility nearing breakeven by Q3-Q4FY26 with capacity ramp up to 2bn units.
- **Pen-G** facility commissioned in Jul'25. Operated at 40–50% capacity (6,000 MT annualized); yields improving. Breakeven expected once utilization rises to ~800 MT/month. Company has sought Minimum Import Price from govt to aid scaling to 15,000 MT.
- **Vizag:** Several new injectable launches expected post-clearance of Eugia-3 facility. Vizag also part of specialty/oncology oral solids network (launches lined up for Q4 FY26–Q1 FY27).
- **Biosimilars and Vaccines:** First EU biosimilar batch dispatched; commercial supplies to start Mar'26. Expect seven and two biosimilar approvals across EU & US markets by FY27-28. Expanded collaboration with MSD by signing second product with 15 KL bioreactor lines block added under same facility. USFDA's new draft guidance reducing comparative efficacy requirement seen as favourable. Denosumab: Phase 3 successful; EMA filing by Apr'26, USFDA filing by Jul'26. Omalizumab: Phase 3 complete; EMA filing Jun–Jul'26, US a quarter later. Tocilizumab: EMA granted Phase 3 waiver; filing by Jul'26. Bevacizumab (Bevqolva): Approved in UK; EMA filing by Apr'26; USFDA filing by end-2026.



- **Capex** at \$ 106 mn spend towards capability enhancements, new business developments. Ongoing projects: TheraNym biologics facility (Rs 10bn) o commission Jun–Jul’26. No major new greenfields planned; focus on biologics, automation & compliance.
- **Other highlights:** Maintained EBITDA margin guidance at 20–21% for FY26E. Pen-G, biosimilars, injectable scale-up, and China ops to drive next-2-year growth. USFDA reinspection for Eugia-III awaited; multiple launches contingent. Confident of sustaining double-digit growth in EU; China to turn profitable in H2. Company reiterates disciplined capital allocation; large M&A only if strategically accretive. Net cash inflow of \$57 mn; net cash position improved to \$170 mn. Average finance cost declined to 4.7%.

### Avalon Technologies (AVALON IN)

**Rating: HOLD | CMP: Rs1,062 | TP: Rs1,083**

- Management upward their revenue growth guidance from 23-25% to 28-30% for FY26, while maintaining gross margin guidance at 33–35%.
- Company had onboarded three major customers across the power, industrial, and defense verticals, with production starting in the US and later transitioning to India. These customers are expected to become among the company’s top 10 accounts within the next year.
- The railway segment reported 58% YoY growth in H1FY26, with the Kavach safety system having completed testing and on track for commercial production in the second half of FY27.
- The export-focused Chennai plant has commenced production and is ramping up steadily, supported by the dual-shore model. Production for locomotive engine subsystems will begin in the second half of FY26, while Phase 2 of the Chennai brownfield expansion is progressing well and is scheduled for completion by Q3FY26.
- Avalon strengthened its design capabilities through a collaboration with Zepco in the power and clean energy segments. The partnership focuses on design activities, including projects like drone motors for the Indian market, with manufacturing expected to follow after the design phase.
- The company remains confident of sustaining its growth momentum and reaffirmed its commitment to double revenues over three years, from FY24 to FY27.
- Avalon has entered partnership in H1FY26 semiconductor equipment manufacturing partnership has achieved prototype completion, with full-scale production expected by FY27.
- In H1FY26, the company incurred a capex of Rs 244mn. For the full year, it has outlined a capex plan in the range of Rs 450–550mn.
- Net Working capital days improved by 11 days QoQ to 131 days, and management expects it to normalize to 120–130 days by FY26.



## Axis Bank (AXSB IN)

**Rating: BUY | CMP: Rs1,170 | TP: Rs1,425**

### Balance Sheet:

- Credit risk draft circular is positive for the industry as well as for the bank however bank did not offer comments on the impact.
- Management anticipates ECL impact on shift of provisioning from outstanding to exposure and the impact is expected to be negligible basis proforma assessment made by management as on 30<sup>th</sup> June.
- Risk intensity of advances has gone up over last 4 quarters as bank has segmentally moved from a 51:49 to a 60:40 retail to wholesale+SME portfolio.

### Profit & Loss:

- NIMs have played out in the quarter due to a mix of efficient repricing of assets and liabilities. Assuming no further rate cuts, NIMs are expected to bottom out in Q3FY26 considering repricing tenure of 15-18 months. NIM guidance is maintained at 3.8%.
- Loans amounting to Rs240bn were reclassified from PSL; cumulative PSLC cost of Rs9.48bn was incurred to provide for the shortfall of which Rs4.74bn was provided in Q2'26 & Rs.2.37bn each will be provided over next 2 quarters.
- Letter of caution received by the bank a week ago relates to a matter which dates to 2010-11 and is not for the PSL classification issue.

### Asset Quality:

- Bank provided for one-time standard provision of Rs12.8bn in Q2FY26 (5% cover on total o/s). The bank had been offering two variants of farmer loans which were classified as PSL which were later discontinued. For the existing stock of loans, the bank has been asked to maintain standard asset provision by RBI without changing the customer terms.
- Bank reiterated that above provision is static and will not be topped up or trued down and there will be a write back to the P&L on closure of loans or 31<sup>st</sup> March 2028 whichever is earlier.
- Provisions (apart from std. asset prov.) was higher at ~Rs22bn due to i) security erosion on couple of accounts and ii) ageing provision.
- Bank seeing improvement in asset quality in unsecured specially MFI/PL.
- AXSB has seen a drop in PCR in H1FY26 from 74.6% in Q4'25 to 70.5% as last quarter included a technical impact of Rs27bn for which only 44% cover was provided since it was largely a secured pool.





## Bajaj Auto (BJAUT IN)

**Rating: HOLD | CMP: Rs8,722 | TP: Rs9,050**

- **Motorcycle industry** grew 14% in festive season but should sustain around 6-8% for H2FY26
- **Net cost inflation** (adjusted for the marginal price hikes) of 40bps sequentially in Q2 came mainly from Steel, noble metals, Copper and Rubber. Further cost pressure should be mitigated by tailwinds from currency, so prices are not being hiked for now.
- 60% of the sequential increase in other expenses came from volume growth while rest from investments in brands and R&D.
- **EV revenue** ~Rs17bn in Q2 was 18% of domestic revenue, and contributed more than Rs100bn to revenue in the last 2 years.
- **e-2Ws demand tapered** post GST2.0 rate cuts on ICE-2Ws, but due to 1/10<sup>th</sup> operating costs vs ICE vehicles, the former should sustain 15-20% growth rates post couple of months. New e-Chetak model launch is expected by early next year.
- **CVs** had best-ever quarterly revenue (double-digit growth) and volumes led by the electric portfolio.
- Expecting to gain market share in e-auto (from 1<sup>st</sup>-time users and customers upgrading from e-rickshaw) and e-rickshaw (with the new Riki model mainly for last-mile transport) portfolio.
- **PLI valid till Mar'28** it wants to develop organic margin by then by rationalizing cost structures and observe how pricing develops at industry level.
- **Pro-biking segment:** KTM & Triumph sold an all-time high 30K units in Q2 (+30% YoY). Prices of 350cc+ bikes were either maintained or lowered vs pre-GST2.0 by absorbing some of the increased cost post the tax increase. Launch of more <350cc models for KTM/ Triumph are expected to take advantage of the GST rate cuts for the segment.
- **KTM business:** Bajaj Auto International Holdings BV (BAIH), a step-down subsidiary of BJAUT, had issued the 2nd Notice of Call exercise on 6<sup>th</sup> Nov'25 to Pierer Industrie AG to acquire all of the latter's stake (50.1%) in Pierer Bajaj AG for ~Rs2.5bn. Final approval from the European Commission is expected on 10<sup>th</sup> Nov'25, post which BAIH will indirectly own ~75% of Pierer Mobility AG (holding co. of KTM) and start consolidating the business into its financials.
- **BACL in Q2FY26:** added 0.2mn+ customers, AUM crossed Rs140bn, PAT of Rs1.32bn, ~40% penetration for the Bajaj business, Capital risk adequacy ratio of 19.8%, and for H1FY26, delivered industry-leading ROE of 17.4%.
- Cumulative investment in BACL until Sep'26 is ~Rs29bn and the management plans to invest further Rs2-3bn before the business sustains by itself.
- Financing penetration for Motorcycles/3Ws are ~70%/~95% with BACL's penetration of total financing at ~40%/~50% respectively



- In Mexico, which is the largest LatAM market for 2Ws, BJAUT (along with another Mexican OEM) will be eligible for concessionary tariff of 5% next year while other OEMs will face 35% tariffs.
- **Spares revenue** grew by 21% YoY to more than Rs18bn.
- USD realization was at Rs87.1 in Q2FY26, vs Rs85.6 in Q1FY26 and Rs83.8 in Q2FY25.
- Rigorous R&D is ongoing to develop e-Motorcycles both at entry level and at the high-end.
- CNG motorcycles have much lower demand response vs initial phase.

## Bajaj Electricals (BJE IN)

**Rating: BUY | CMP: Rs514 | TP: Rs600**

- Company reported a decline in the Nirlep business, while Bajaj products registered growth.
- Elevated channel inventory levels continued to exert pressure on primary sales to distributors.
- CP segment: Ceiling fans saw a double-digit value growth, coolers and TPW fans saw a double-digit value decline, while mixers, iron and water heaters registered single-digit growth.
- Consumer lighting recorded double-digit value growth in consumer lighting with double-digit value and volume growth in general trade, and single digit value growth in professional lighting,
- BLDC fans account for 15–20% of the total fan segment.
- A&P spends for Q2FY26 was at 2.3% compared to 2.5% in Q2FY25.
- Company might take price hikes of ~1-3% by Nov'25/Dec'25 in fans due to commodity prices.
- Order book for professional lighting stands at Rs1.8bn.
- Company launched 26 new products in Consumer Products, 3 in Morphy Richards, and 144 in Consumer Lighting.
- contribution from new product development (NPD) is expected to be around 40% of total revenue in FY26.
- BJE has announced the resignation of its CFO, Mr. E.C. Prasad.





## Bajaj Finance (BAF IN)

**Rating: HOLD | CMP: Rs1,085 | TP: Rs1,030**

### Growth

- The company has adopted a prudent stance on AUM growth, now guiding for 22–23% YoY growth for FY26 (earlier 24–25%), reflecting risk moderation in the MSME and Captive auto portfolio
- MSME business growth expectations moderated to 10-12% for FY26, following a 25% volume cut in unsecured MSME disbursements
- Consumer finance segment saw strong festive momentum (Navratri-Diwali), with 6.3mn loans disbursed, registering 27% YoY growth in volumes and 29% in value thereby aiming to add ~17mn new customers by FY26
- Gold Loan business continues to scale rapidly and is expected to grow to ~Rs 160bn by FY26, with a long-term target of Rs 300bn AUM by FY27. Company plans to expand business operations by opening 900 new branches by FY27 and converting 500 existing branches into Gold Loan branches
- The captive 2/3W financing business which contributes 1.5% of AUM but ~9% of total loan losses, continues to be phased out as planned, aiding overall asset quality improvement in FY27

### Operating Profitability

- Cost of funds improved by 27 bps QoQ to 7.52%. Full-year FY26 CoF is expected to range between 7.55-7.60%
- Management intends to maintain NIMs at current level and pass on the benefits to customers underscoring a balance between growth and competitiveness
- Fee and other income growth is guided at 13-15% YoY for FY26

### Asset quality

- Full-year FY26 credit cost is expected to be range-bound between 1.85-1.95% with significant improvement expected in FY27 as risk actions materialize
- The phasing out of high-loss segments is expected to lower loan loss to average AUM ratios from H2FY26 onwards
- Portfolio quality ratings for rural B2C and MFI segments improved from “yellow” to “green” indicating improvement in these segments

### Other highlights

- AI implementation and FINAI transformation initiatives are progressing across businesses; expected to yield cost and productivity benefits over the next 12-18 months.
- The Board approved the elevation of Mr. Manish Jain as the fourth Deputy CEO, who will additionally oversee the Loans Against Securities, Commercial Lending and Deposits businesses alongside his current role as MD of BFSL.



## Bank of Baroda (BOB IN)

**Rating: BUY | CMP: Rs278 | TP: Rs300**

### Assets/Liabilities

- Bank expects 1.25% on CRAR and 20-25bps impact on credit cost due to ECL
- Bank expects positive impact of 60bps due to risk weights circular by RBI.
- On a net basis, impact from ECL and Risk weight circular by RBI comes to 75bps spread over 5 years.
- Bank is comfortable operating at CD ratio of 82-85%.
- Bank does not intend to raise new capital.

### Profit & Loss

- IT refund for Q2FY26 stood at Rs7.5bn and impact on NIMs stood at 8-9bps.
- MCLR book constitute 30-35%. Cut in MCLR rate depends on moderation in cost of deposits and it is automatically passed onto customers.
- NIM for FY26 is guided to be 2.85-3%. NIMs are expected to be rangebound in Q3FY26 due to deposit repricing impact.
- Staff cost was lower due to yield movements.

### Asset Quality

- Slippage is guided to be at 1-1.25%.
- Credit cost is guided to be below 75bps.
- Personal loan book stress has started to see improvement as per management.
- Normalized TWO recovery for bank is Rs7-7.5bn.
- Bank created provision of Rs4bn for the purpose of ECL implementation.



## Bharat Electronics (BHE IN)

**Rating: HOLD | CMP: Rs426 | TP: Rs407**

- **Management maintained revenue guidance of ~15% and EBITDA margin of ~27% in FY26.** Furthermore, management expects order intake of more than ~Rs270bn (ex. of QRSAM worth Rs300bn). Management expects to incur total capex of Rs10bn+ in FY26 with nearly ~Rs16bn of investments in the R&D efforts (6-7% of sales). The company is anticipated to achieve export revenue of USD 120mn+ in FY26.
- The company's strong order book of Rs744.5bn includes major projects such as 1) LRSAM (~Rs50bn), 2) Electronics Fuses (~Rs45bn), 3) Akash Army (~Rs27bn), 4) BMP Upgrades (~Rs30bn). These are Top 7 orders constitute around ~Rs250bn in total order book of ~Rs744.5bn
- The major orders executed in H1FY26 include LARSAM for Navy, Himshakti, Battle surveillance systems for navy, Akash Army, LRU for LCA MKA1, U2 fire control systems, Shakti EW and BMP upgrades.
- **QRSAM:** BEL received approval on 3<sup>rd</sup> of July 2025 for which RFP has been submitted and formal procedures are in progress. Management anticipating the order to be finalized and awarded by Q4FY26 with execution spread over 5-6 years.
- **Emergency Procurement (EP):** The company has already received 11 orders worth ~Rs13.2bn under the Emergency Procurement. Management mentioned that more orders of Rs20bn are in pipeline which are expected to be awarded in coming weeks
- **Project Kusha:** BEL partnered with DRDO to develop three radars and two control and communication systems. The radar prototype is under development with LRDE, while discussions with DRDL are ongoing for control and communication systems. Orders are expected by Dec'29, with production likely in FY29. The project size is anticipated to be larger than QRSAM.
- Under the **AMCA program**, BEL—in consortium with L&T—will supply electronics for helicopter and LCA-type platforms, expanding its value chain into system-level integration, testing, and validation. Led by ADA, the program will develop five prototypes over 6-8 years using ADA's facilities, requiring limited capex of Rs10-20bn by BEL
- **Rs100bn opportunity from DAC approved acquisitions:** BEL sees a Rs100bn opportunity from the recently approved Rs790bn DAC capital acquisitions, with direct RFPs for projects and indirect participation by supplying electronics to sub-integrators.
- **New Plant:** BEL plans to set up a new facility in Andhra Pradesh, investing ~Rs14bn over the next 3-4 years. The Defence System Integration Complex will house the QRSAM program along with units for unmanned systems, missile systems, military radars and others.



## Bharti Airtel (BHARTI IN)

**Rating: ACCUMULATE | CMP: Rs2,113 | TP: Rs2,259**

- AGR – Co. plans to seek a reassessment of its AGR dues following the supreme court's recent order for Vi and will soon approach the govt,
- Indus – Increased stake by 5% as management views it as an undervalued, high-dividend paying asset providing critical infrastructure support to the company; any further stake increase remains speculative.
- Mobile segment: current base of 5.1 mn smartphone data users; net adds of 1.4 mn (Postpaid – 1mn, 68% of total adds), ARPU improved due to mix improvement and one extra day to Rs256, simplified roaming plans boosted international out-roamers by 30%. 5G – customer base of 167 mn users.
- Broadband: Net adds of 0.95 mln with strong FWA (Fixed Wireless Access) traction, benefiting from rising smart TV adoption and evolving content habits. Industry expected to grow to 100 mln homes in medium -term; Airtel investing aggressively to capture this growth.
- Digital - lost 340,000 customers due to impact of seasonality and structural changes on the set-top-box subsidy at the start of the year.
- Data Center (Nxtra)- partnering with Google to build a data center in Vishakhapatnam; targeting >1 GW capacity with Rs15bn annual investment.

## Britannia Industries (BRIT IN)

**Rating: BUY | CMP: Rs6,158 | TP: Rs6,761**

- **Revenue Guidance:** BRIT expects a double-digit growth in 2HFY26 led by GST cut across 85% of its portfolio & it believes the growth going ahead to be volume led with minimal pricing action and focus on consumer centric products.
- **Demand scenario & pricing:** In Q2, sales were adversely impacted by approximately 2–2.5% due to GST-related factors. However, October witnessed a strong recovery, and the company anticipates demand to remain at similar levels through the remainder of H2FY26. Realisation increased by 7–8% in Q2 but should moderate in coming quarters as the anniversary of price increase fades away from 4Q26.
- Inverted duty structure has been taken in account while making adjusting for new prices.
- BRIT is in discussions with various states for PLI and GST refund benefits on capex done in recent years, the understating has been reached with 3 states so far for compensation for the same post GST changes.
- **Market share:** Hindi belt saw market share gain in Q2, while east continues to lose market share, however from Q3 onwards east might see stability in market share led by change in strategy and focus on region focused product.





- **Commodity Inflation:** Q2 FY25 saw YoY input inflation (flour +6%, palm oil +29%, cocoa +9%), though costs mixed sequentially with palm oil and milk seeing deflation while others continue to inch up
- **GST Impact:** ~85% of Business underwent change in GST Rates wef 22nd September 2025. Transitional challenges arising from the GST-related changes in Supply Chain and Trade Channels had a short-term impact on business during the latter part of Q2, which was mostly normalized in November.
- **Adjacent bakery segments grow in double digits:** Rusk, Wafers, and Croissants continued to post double-digit growth for consecutive quarters, despite transitional headwinds. This performance was supported by strong traction in the e-commerce channel, which also aided in-home consumption of products such as Fudge It Cakes, Pure Magic Stars and Tarts, Jim Jam, and Little Hearts. The international business also continued to perform well, with the Kenya joint venture witnessing healthy momentum.
- **A&P Spend:** BRIT to continue invest behind their brands, it had curtailed ad-spends during high inflation last year, however the same has been normalised now. BRIT spends around 4% of sales on advertising and brand building.

## Canara Robeco Asset Management Company (CRAMC IN)

**Rating: BUY | CMP: Rs317 | TP: Rs350**

### Financial Performance

- Management aspires to grow at 20%+ and at a range of 30-40bps of margins.
- Yields by asset class: Overall 33bps, equity 35bps, debt 28bps, liquid 2bps.
- ESOP cost is expected to be marginal in FY26 as initial grant will be made at mid-range of IPO band (253-266) and subsequent grants will be made at market price.
- As per management, distributor pricing is offered at same terms across AMCs and preferential pricing is existent in MFD space.
- Opex is expected to grow at 12-15%.
- Cost to income ratio is aspired to be maintained at 30-40%.
- Management stated that they intend to focus on MFs though options of SIF, GIFT city are available.
- Company plans to launch 2 NFOs in FY26, namely Banking & Financial Services Fund and Innovation Fund.
- Management stated that there is a possibility of a brand name change from Robeco to Orix as Orix acquired Robeco.
- As per RBI regulations, Canara bank is required to reduce its stake in AMC to below 30% by Oct 2029.



- Company does not intend to enter into passives in near term.
- SIP to STP ratio stood at 90:10.

## Can Fin Homes (CANF IN)

**Rating: BUY | CMP: Rs838 | TP: Rs950**

### Assets/Liabilities

- Average disbursements in Karnataka for Q2'26 were Rs2.6bn and management expects to grow by 3-4% by end of Q3FY26. Karnataka disbursements have reached normalized levels of Rs2.75bn.
- In Telangana, company was able to cross Rs1bn in disbursements. Management expects to see a positive growth in TN by Q4FY26. It intends to limit disbursements in TN to Rs1.2-1.25bn since delinquencies there have also increased.
- North and east zones continue to see a healthy 30% growth. Tamil Nadu and west zone were at 20% growth.
- FY26 disbursement guidance remains intact at Rs105bn. However, Q3FY26 disbursement guidance is reduced to Rs20bn given impact of IT transformation. Q4FY26 disbursements were guided to be substantially higher to meet full year target. Management is confident of achieving it due to branch expansion and benefits from IT implementation.
- AUM guidance at 12-13% for FY26 and 15% for FY27/28.
- Affordable housing growth (<Rs1.5mn) depends on ground presence and government measures such as CLSS while growth in >Rs1.5mn ATS depends on geographical presence.
- Total repayments for Q2FY26 increased by Rs2bn QoQ to Rs1.66bn of which Rs1.2bn were balance transfers due to competition. Remaining Rs0.8bn is where customers made excess payment towards EMI due to surplus cash; however, these accounts are still with CANF.
- Sales team contributed to 7% of incremental business.

### Profit/Loss

- Incremental lending rate for housing is 8.7% (lowest) and 11.5% (highest) based on CIBIL score which leads to a blended rate of 10%.
- Bank has NHB sanction of Rs15bn at a blended rate of 6.8%. Effective July NHB has announced PLR rate cut of 30bps the benefit of which will flow through over next 2 quarters.
- Highest cost of borrowing on bank loans is at 7.1% for long term. There is no scope for further reduction in borrowing cost except for NHB sanctions.



- Company is not looking to raise money through ECBs however they are open to explore green funding options from foreign banks.
- NIM is guided at 3.75% as it gives management buffer to offer competitive rates to push business in Q4. CANF has received 100bps benefit on cost of funds after the repo rate cut.
- As per company there was no irrational pricing in HFC space. There is no pressure but an expectation from RBI to pass on the benefit of repo rate cut.
- 59% of customers still continue in annual reset. 8% moved to quarterly reset in Q2FY26. All new customers are compulsorily on-boarded at quarterly reset.
- Salary hikes are made once in 3 years and was done in Q1FY26. Count of employees stood at 1,317 as of Sept'25.
- IT transformation went live on 30<sup>th</sup> Sept as expected. Company is working towards 2<sup>nd</sup> phase of LOS, LMS, HRMS, deposits module scheduled for Q3FY26. Additional cost of Rs400mn will come through next year onwards. Cost to income ratio to be range between 19-19.5%.

#### Asset Quality

- Reduction in NPA during the quarter majorly originates from SENP book. 86% of customers have CIBIL score of 700+.
- Company saw a reduction in SMA0, SMA2 leading to a reduced provisioning of Rs30mn for Q2FY26.
- Management expects delinquencies to further reduce in Q3FY26. It expects Rs1bn reduction in SMA in Q3FY26 leading to a lower credit costs.

#### Carborundum Universal (CU IN)

**Rating: HOLD | CMP: Rs901 | TP: Rs894**

- **Guidance:** The management maintained their consolidated revenue growth guidance of 5.5-6.5% YoY while the PBIT margin is expected to drop by 250-300bps YoY in FY26. Management expects consolidated Abrasives revenue to grow by 4-5% while PBIT margin may come between 6-6.5% in FY26. Similarly, Ceramics is expected to grow by 16-18% YoY with PBIT margins in the range of 23.5-23.7% in FY26. Electrominerals is anticipated to grow by 1-2% on consolidated basis with PBIT margin between 4.5-5.5% amid drag from VAW.
- **Abrasives:** Revenue growth of 7.4% YoY was driven by Awuko, Rhodius and CUMI America. Meanwhile, EBIT margin decline of 67bps to 5.7% was on account of Rhodius and Standalone business. In terms sub-segmental performance, Industrial and Precision abrasives are performing well while retail remains soft. On a positive note, dealer inventories came down due to festival season which is expected to aid volume growth and strong recovery of Abrasives in H2FY26. CUMI's Abrasives business will focus on introducing new products, development and expansion of geographies served for future growth.





- **Rhodius** reported Q2FY26 revenue of EUR 17.4mn, a 5.4% increase from EUR 16.5mn in Q2FY25. The logistics-related operational challenges encountered in Q1FY26 were one-off issues and have since been resolved, with operations returning to normal. Management has maintained its guidance for flat revenue growth in FY26 and anticipates a loss of EUR 3.5–4mn for the year.
- **Awuko** reported revenue of EUR 5.5mn in H1FY26, up from EUR 5.3mn in H1FY25. Q2FY26 revenue rose 32% YoY to EUR 2.9mn compared to EUR 2.2mn in Q2FY25, while the loss for H1FY26 remained flat. Management expects Awuko to record ~20% growth for FY26, with a slight reduction in loss before tax, and is targeting total sales of EUR 13–14 million for the year.
- **Ceramics:** Q2FY26 revenue growth of 7.8% was driven by standalone business and Australian subsidiary. Meanwhile the profitability was lower on account of product mix and lower volumes. Metalized Cylinders and Engineered Ceramics grew by more than 20% while project related delays impacted growth of refractories and wear ceramics. New opportunities for CUMI's ceramics business are available in semiconductor, data centers, defence and aerospace.
- **Electrominerals** saw flattish revenue growth and lower profitability in Q2FY26 as higher volumes amid flattish prices in standalone business was offset by impact from VAW due to sanctions. Meanwhile, standalone growth in Foskor Zirconia is helping CUMI to offset negative impact from VAW on a consolidated basis.
- **VAW Q2FY26 revenue declined 37.2% YoY to RUB 2.4bn.** VAW's PAT stood at RUB 232mn in Q2FY26 vs RUB 466mn in Q2FY25. Management continues to expect a volume drop of 25% YoY in FY26. VAW has a cash balance of Rs2.2bn which is currently not usable in other entities amid sanctions.

## Cello World (CELLO IN)

**Rating: BUY | CMP: Rs611 | TP: Rs732**

- The agreement to lease the trademark for "Cello" brand is expected to close within Nov'25, and revenue contribution is likely to start from Jan'26.
- Company plans to utilize the existing idle capacity of approximately 30–35% at its UNOMAX facility for the initial manufacturing of CELLO products under the stationery segment.
- CELLO has guided for double-digit growth in revenue and EBITDA margin of 22-23% for FY26.
- Capacity utilization of its glassware plant stood at 55% in H1FY26 and 60% in Q2FY26; the plant achieved break-even in Q2FY26. The company aims to increase this to 80% by Q4FY26.
- Capacity utilization in the Opalware segment stands at 85%.
- Steelware plant is expected to commence production by Dec'25, thereby improving profit margins and enhancing cost competitiveness.





- CELLO has planned capex of ~Rs1.5bn for FY26, which includes Rs750mn for a steel flask at its steelware plant, and maintenance capex of Rs750mn in FY27.
- The company plans to commence plastic houseware production with a small capacity alongside the steelware plant and gradually scale up capacity over time.
- CELLO has 110SKUs in the Glassware segment and aims to take it to 150SKUs. Capacity utilization in the Opalware segment stands at 80%-85%.

## Century Plyboard (I) (CPBI IN)

**Rating: HOLD | CMP: Rs799 | TP: Rs845**

- Mgmt has revised its sales growth guidance upward to 13%+/25% from 10%/20% for Plywood /MDF, however maintained its EBITDA margin guidance to 12-14%/15% However, it has lowered its Laminate segment growth guidance to 15–17% from 20% and maintained the guidance for the Particleboard segment for FY26.
- MDF segment is operating at healthy utilization levels of around 80–85% across both plants. The 25% capacity expansion plan at the South plant, earlier scheduled for H2FY26, will now likely be commissioned in H1FY27.
- Laminate revenue growth was driven by improved realizations, supported by a broad-based recovery across both domestic and international markets. The improvement stems from a strategic push toward premium products, rather than gains from any specific geography.
- Particle Board revenue was declined in Q2FY26 due to capitalization of Rs 230mn trial sales. Adjusted for this, the segment showed growth, and the company remains confident of achieving 40% revenue growth. The new plant began commercial production, with EBITDA under pressure during the ramp-up phase.
- Wood Prices in the North increased due to supply constraints from heavy rains and floods in Punjab, while the South remained stable to slightly softer. The company expects this to be temporary, with signs of stabilization already visible.
- Chemical cost pressures persisted due to global commodity trends but are expected to ease within a month as conditions normalize.
- Working capital efficiency improved, with the cycle reducing from 74 days to 70 days, driven by tighter inventory control, better payable management, and disciplined cash flow practices across divisions.



## Cera Sanitaryware (CRS IN)

**Rating: BUY | CMP: Rs5,761 | TP: Rs7,178**

- Mgmt has guided for 7-8% growth in revenue with EBITDA margin 14.5-15%FY26. The company expects the Faucetware segment to grow by ~10% in FY26.
- CRS strengthened its brand portfolio with progress in Senator and the newly launched Polipluz. Senator remains on track to achieve its FY26 target of 45-50 stores, with 28 already operational.
- Polipluz, aimed at the unorganized value segment, has completed team setup and initiated on-ground activations, supported by a growing distributor network. PolyPlus currently has 38 distributors and 650 dealers, with plans to expand its network to 100 distributors and 2,000 dealers by FY26.
- Currently Senator and PolyPluz are in the setup phase and expects sales of Rs 400-450mn in H2FY26 with a EBITDA margin of 20-22% for Senator and 25% for Polipluz. For the next two years company expects Rs1.5bn contribution to the topline from both these brands.
- Management highlighted that brass prices, which were stable at Rs 590-600/kg last year, have recently risen to Rs 620-630/kg, impacting margins and profitability. Prices of other inputs like clay, feldspar, and chemicals have also increased slightly YoY. The company currently does not plan a price hike but may consider it if input costs continue to rise.
- In Q2FY26, the company divested from two LLPs — Raised Polymer Arts LLP and Packard Packaging LLP, streamlining its portfolio and sharpening focus on core categories. The divestment, valued at Rs187.5mn, resulted in a profit of Rs 55.4mn, recorded under other income in Q2FY26. With this move, Cera no longer has any subsidiaries and will henceforth report on a standalone basis.
- Capacity utilization for the sanitary and faucet segments was 85% and 97%, respectively, in Q2FY26.
- Project sales contribution rose to 39% of sales vs 37% in Q2FY25 and expecting good project demand in future.
- Tier1/Tier2/Tier3 Cities contributed 36%/23%/41% of total sales in Q2FY26.
- 42% of total sales came from premium category, 36% from mid-category and 22% from entry-level category in Q2FY26.
- Gas prices decreased by 0.5% YoY to Rs 33.79/SCM vs 33.95/SCM inQ2FY25, Gail: Sabarmati supply mix stood at the ratio of 80:20 in Q2FY26.
- The advertising/Marketing spend will be 100-120mn for FY27.
- The company maintains a healthy cash and cash equivalent balance of Rs 7.4bn, with a CapEx plan of Rs 230mn for FY26.



## Chalet Hotels (CHALET IN)

**Rating: BUY | CMP: Rs960 | TP: Rs1,183**

- ATHIVA's positioning will be at a premium/upper-upscale end. In terms of hierarchy, positioning is expected to be similar to Marriott, Taj, Hyatt Regency and Hilton.
- Occupancy declined 700bps YoY to 67% in 2QFY26 impacted by heavy monsoons, seasonal softness at West-In Himalayas, and ramp-up of new inventory at Bengaluru.
- Commercial portfolio occupancy stood at 77% in 2QFY26 and is expected to increase to 79% as new LOI's have been signed during the quarter.
- For the commercial annuity segment, exit rental run-rate was Rs245mn/month in Sep-25, with plans to reach ~Rs300mn/month by Mar-26.
- 55 apartments at Vivarea, Koramangala (Bangalore) were handed over during 2QFY26.
- As of Sep'25, 314 units have been sold from a total inventory of 321 units at Vivarea, Koramangala
- Promoters had provided a cushion of Rs2bn towards Koramangala in the early stages and it has been fully repaid.
- Capex of ~Rs25bn has been planned for next 3 years
- Taj, DIAL is on track to open in 1HFY27E and Cignus II Tower, Powai by 4QFY27E. Construction at Athiva, Varca, South Goa is expected to begin in 4QFY26E.

## Cholamandalam Investment and Finance Company (CIFC IN)

**Rating: HOLD | CMP: Rs1,704 | TP: Rs1,725**

### Growth

- AUM mix as on 2QFY26 in terms of VF/LAP/Home Loans/New Business stood at 54%/23%/10%/13%
- AUM growth of 20% is expected to be sustained through FY26 with a target credit growth of 20–25% for FY27
- Management commentary highlighted disbursement growth were impacted by festival season-related delays in property registrations causing a spillover into Q3 and by a temporary pause in spending around the GST transition as customers awaited implementation to avail tax benefits
- Extended monsoon affected credit growth due to lower capacity utilization in the VF and CE segments; utilization is expected to improve in H2 and peak from December onwards. Company expects a pick up in LCV and Small CV volumes from October-25





- SBPL book is demonstrating strong growth with expectations of exceeding 30% over the long term

#### Operating profitability

- HL and LAP segments saw PLR revision of 15 bps during the quarter
- CCD conversion of Rs 3,000mn was completed in October and would result in a marginal improvement in CoF in Q3
- NIM is expected to improve by 10-15 bps in H2 reflecting anticipated changes in funding costs and loan yields

#### Asset quality

- Management expects CSEL Stage 3 book to moderate, with tightening underwriting for over-leveraged customers remaining key to maintaining asset quality
- Write-offs during the quarter increased to Rs 6,390mn vs. Rs 5,140mn in 1QFY26
- Credit cost is anticipated at 1.6% in the medium term with H2 performance expected to drive improvement
- Higher delinquencies were seen in the CSEL portfolio but credit costs are expected to moderate in H2 as the book runs down
- The segment-wise GS3 ratio for VF/ LAP/ HL/ CSEL/ SME/ SBPL stood at 4.11%/ 2.40%/ 1.85%/ 2.40%/ 3.08%/ 4.29% vs. 3.89%/ 2.26%/ 1.68%/ 2.29%/ 2.87%/ 3.36% as on 1QFY26

#### Cipla (CIPLA IN)

**Rating: ACCUMULATE | CMP: Rs1,541 | TP: Rs1,675**

- **Domestic formulation:** Growth led by chronic therapies (cardiac +13%, anti-diabetic +10%, urology +7%, dermatology +18%). Chronic mix stood at 61.8%; Cipla aims to outperform IPM growth in coming quarters. Flagship brands like Voltido Trio Ciphalex and Foracort maintained leadership positions. Launched 6 new products in the quarter. Trade generics grew in double digits on a low base, driven by portfolio expansion and improved channel execution. Respiratory business expected to pick up in Q3 (seasonally strong quarter) Management guided for IPM-level growth or higher for H2FY26, supported by new launches and chronic therapy strength.
- **Consumer health:** Sustained double-digit growth, led by key brands Nicotex, Omnigel, and Cipladine, all retaining category leadership. Expanding distribution reach and investing in media to strengthen brand visibility and scale.
- **US business:** Albuterol and Lanreotide market share at 22% (IQVIA), maintaining leadership. Lanreotide; further share expansion expected post capacity addition. Filgrastim (biosimilar) launched in Q2 marking Cipla's first



biosimilar entry in the US. gRevlimid sales to further taper off in Q3; base business expected to show sequential growth. Pipeline includes 4 major respiratory launches (incl. gAdvair in Q4FY26) + 3 peptide assets (incl. Liraglutide) by CY26. Management indicated of achieving \$1bn annual US revenue run-rate by FY27, subject to timely approvals.

- **EMs:** Growth led by strong execution in direct-to-market (DTM) model and B2B business. Strategic focus on portfolio expansion and tender participation to drive momentum.
- **One Africa:** Private market up 5.6% YoY. Growth driven by new launches, tender expansion, and increased demand in key therapy areas.
- **GLP-1 portfolio: Eli Lilly partnership:** Cipla to launch tirzepatide (Mounjaro) under the exclusive brand "YourPeak" in India. Lilly to supply the product; Cipla to promote and distribute nationally. Cipla expects strong demand in Tier-2 and Tier-3 cities with dedicated field force. Hoping to launch Tirzepatide soon. We believe Eli Lilly can onboard more new partners in India. **Semaglutide:** filing approved but launch deferred beyond Mar–Apr'26 pending regulatory clearance. Cipla to evaluate launch post-approval. Building manufacturing readiness for semaglutide and related peptides.
- **Mgmt rejig:** Umang Vohra has expressed his intention to not continue as MD & Global CEO post his tenure completion in March 2026. Mr Achin Gupta (erstwhile global COO and CEO of one India business at India) to take over as Global CEO & MD from April 2026; continuity in core strategy with sharper focus on innovation and execution.
- **Other highlights:** Bommasandra (Bengaluru) facility inspected by USFDA; classified as VAI. Chemwell facility received pre-approval inspection for a fill–finish product. GST transition was resolved during the quarter. R&D guidance increased by 50bps for FY26E. Debt stood at Rs 4.67bn and Net cash balance Rs 99bn in Q2FY26. Margin guidance revised downwards to 22.8–24% vs 23.5–24.5% earlier in FY26.

## City Union Bank (CUBK IN)

**Rating: BUY | CMP: Rs236 | TP: Rs265**

### Balance Sheet

- Bank plans to take its renewable energy exposure from Rs5bn to Rs25bn over the next 30 months.
- Credit growth is guided to be 2% above industry growth.
- Retail sourcing is 90% branch driven and 10% through third party. MSME sourcing is through organic and inorganic routes.
- Bank expects 30–35% of deposits (~Rs180bn) to reprice in H2FY26. Rs90bn of deposits had matured for Q2FY26.
- Bank expects to send MD/CEO candidate names to RBI by mid-december.



### Profit & Loss

- Yield on non-agri gold and agri gold loans was 11% and 10% respectively. Bank did not introduce any new products under gold loans.
- NII includes NPA recovery of Rs150mn for Q2FY26 (Rs70mn for Q1FY26).
- NIMs were higher QoQ on account of i) faster repricing of liabilities ii) migration to fixed rate on gold loans and iii) higher cost borrowings migrated to lower costs.
- Bank guided NIM at current levels +/- 10bps with a positive bias for Q3 & Q4.
- Opex is expected to grow at 15%. Management targets to open 75 branches every year. Cost to income ratio is guided at 48-50% for FY26.

### Asset Quality

- Reduction in SMA contributes to reduction in ECL. Under the ECL guidelines, bank expects i) no additional provisions for stage 3 ii) some incremental provision on stage 2 due to restructured book and iii) 10-20bps incremental provision on stage 1 (current 48bps).
- Bank's exposure to US stood at Rs1.54bn which forms 0.27% of loan book. Bank does not foresee any impact from tariffs on asset quality.
- CUB expects recoveries to be more than slippages for upcoming quarters.
- No stress in MSME portfolio was seen during the quarter.

### Clean Science and Technology (CLEAN IN)

**Rating: HOLD | CMP: Rs981 | TP: Rs1,002**

- Domestic and Export mix: 37%: 63%.
- Revenue was hit due to decline in sales of established products, top 4 products sales mix stood at 80% vs 84% in Q1FY26 and 70% in Q2FY25.
- 25%-30% revenue comes from China, realizations in China are at all time low.
- HALS monthly average volumes stood at 260tn, total volumes in Q1FY26 were 580tn.
- HALS 2020 was commercialized during Q2FY26.
- Value growth was 34% for HALS sequentially.
- Export: Domestic mix for HALS stood at 75%:25%, which changed from 80%:20% in Q1FY26.
- Rs1.5bn capex undertaken in subsidiary in H1FY26.
- Performance Chemical 1 is undergoing chemical trials.
- Barbituric acid commercialized by repurposing PBQ assets during Q2FY26.



- BHT got hit due to 55% tariff in USA.

## Crompton Greaves Consumer Electricals (CROMPTON IN)

**Rating: BUY | CMP: Rs 279 | TP: Rs 375**

- Ceiling fans declined in single digits due to monsoons, and margins were pressured by TPW fans.
- Solar pumps recorded 2x revenue growth, with market share of ~6-8%.
- Solar rooftop segment secured its first order of Rs520mn, followed by additional orders of Rs4.45 bn, taking the aggregate order value to ~Rs5bn.
- Company has implemented price hike of ~1.4% in Fans segment in Nov'25.
- Company transitioned its Baddi facility from the lights segment to fans, resulting in a 50% increase in plant capacity.
- The company has implemented two internal projects, Utkarsh 1 focuses on stocking/destocking efficiency, while Utkarsh 2 for manufacturing of new BEE-rated fans.
- Lamps and battens now account for ~40% of the B2C lighting, down from ~65% earlier.
- Inventory levels remain reasonable, supported by initiatives under Utkarsh 1 & 2.
- Large Kitchen Appliances grew 34% QoQ, led by strong traction in the chimney portfolio.

## Cummins India (KKC IN)

**Rating: HOLD | CMP: Rs4,292 | TP: Rs4,172**

- **Guidance:** With strong quarterly performance the management guided for double-digit growth in revenue for FY26
- **Domestic Powergen revenue increased ~50% YoY to Rs13.4bn** driven strong execution of data centre order (~40% of Powergen sales in Q2FY26) and 20% YoY growth in core powergen (exc. Data centre). Company saw broad based growth across powergen range products led by better performance in LHP despite continued competition. The segment continues to gain traction in mission-critical sectors such as roads, airports, data centers, hospitals, and the pharmaceutical industry as well as from E-commerce. Management highlighted that volumes are back to pre-CPCB IV+ levels while pricing has stabilized following adjustments made post the CPCB IV+.
- **Industrial revenue declined by 5% YoY to Rs3.9bn** primarily impacted by an extended monsoon affecting the construction segment (-17% YoY to Rs1.2bn) and a slowdown in mining activities along with delayed tendering from Coal India (-47% YoY to Rs170mn). This was partially offset by healthy execution in the railways segment, particularly Power Car and Diesel Electric Tower Car orders, which grew 14% YoY to Rs1.2bn. Management highlighted that the





government's increasing focus on the marine sector in recent months could create significant growth opportunities going forward.

- **Distribution revenue increased by 21% YoY to ~Rs8bn**, driven by improved market penetration across Powergen, Railways, and aftermarket solutions. Management highlighted that with the continued expansion in economic activity and stronger market acceptance of its products, the Distribution segment is expected to maintain a similar growth trajectory going forward.
- **Exports increased by 24% YoY to Rs5.5bn** driven by strong growth in HHP exports to Europe (+40% YoY to ~Rs2.8bn) and LHP exports to Europe and Middle east ( +11% YoY to ~Rs2.2bn). Key export markets such as Africa, the US, Latin America, Europe, and the Middle East continued to act as major growth drivers. However, management indicated a degree of sluggishness in new order inflows and expects some softness in the near term due to ongoing inventory correction in the market.
- **Data center** where KKC largely caters to the **2000–3000 MW**, facing competition from MNCs and Chinese players. KKC is enhancing capacity to reduce lead times and focusing on domestic opportunities, particularly hyperscale data centers. While global markets like the US, China, and Europe are growing rapidly, management noted that India's data center growth remains relatively slower.
- **Competition** in the Powergen business continues to intensify, but KKPC retains a strong value proposition in the market. While competitors with established domestic and global brands offer competitive pricing, competition is particularly high in the LHP and MHP segments. However, the HHP segment has relatively fewer players, giving KKPC a distinct competitive advantage.

## Cyient DLM (CYIENTDL IN)

**Rating: ACCUMULATE | CMP: Rs441 | TP: Rs478**

- CYIENTDL is targeting a 30% CAGR in topline over the next 5 years, supported by double-digit margins and a healthy book-to-bill ratio of 1.5x in FY26. The company expects revenue momentum to accelerate from Q4FY26.
- In Q2FY26, the company added two new logos: a Japanese EVOTL vehicle manufacturing company and an EV charging company.
- A Japanese Electric Vertical Take-Off and Landing (EVTOL) company, focused on the future of mobility, is in the development phase and is expected to reach mass production stage in the coming years.
- CYIENTDL has onboarded another logo in the automotive space—an India-based firm specializing in EV charging solutions.
- CYIENTDL's B2S segment continues to gain strong traction, contributing meaningfully to revenue stability. After 4–5 years of sustained investments, the company is now witnessing visible revenue scaling driven by IP-led product development.



- In Q2FY26, CYIENTDL secured orders from two key customers under the B2S segment, further validating its strategy. The overall order book stood at Rs22.9bn, with the B2S segment contributing around 20%.
- The company faced temporary disruptions in Israel, an important geography, due to geopolitical tensions, which impacted both the revenue quantum and creditability of receivables. However, with conditions expected to stabilize, the region is likely to support overall business stability going forward.
- Exports to domestic ratio stood at 86:14 in Q2FY26 vs 46:54 in Q2FY25.
- CYIENTDL is actively expanding its non-A&D portfolio, focusing on Industrial, Medical, Rail, Automotive, and EV segments. The company continues to explore inorganic opportunities across NAM and EMEA regions to optimize client proximity and enhance capabilities.

### Dabur India (DABUR IN)

**Rating: HOLD | CMP: Rs502 | TP: Rs490**

- 1Q26 faced challenges from unseasonal rainfall & geopolitical headwinds. Rural markets outperformed urban markets for the fifth consecutive quarter. Though urban markets have shown some sequential recovery. 2Q26 faced challenges from heavy rains and GST 2.0.
- Impact on sales due to GST transition came at ~3-4%
- Initial 15 days of October also remained impacted due to GST but things are stabilizing now
- 66% of Dabur's portfolio to benefit from GST cut which is likely to drive demand in coming quarters.
- 75% of portfolio have gained market share in Q2.
- Real Juices portfolio was impacted during the quarter on account of heavy rainfall, floods and landslides.
- Dabur's toothpaste portfolio outperformed competitors, with the herbal segment growing 770 BPS faster than non-herbal, leading to market share gains
- Company gained 60bps/232bps/127bps/115bps/1000bps market share in toothpaste/hairoils/Odonil/Nectar/Active juices
- Dabur launched multiple variants of Chawyanprash, including a women-specific variant and sugar-free version, with variants now contributing 20-30% of Chawyanprash business. They are also planning to launch another variant and expand into new formats like gummies and bars
- Winter loading is starting now, and Dabur expects winter season to be strong and prolonged.
- Nepal business remained impacted due to geopolitical issues while Badshah export to USA remained impacted due to tariffs



- Dabur expect to save Rs600mn for FY26 on account of saving initiative.
- Dabur expects high single digit value growth with mid-single digit volume growth for FY26.
- Dabur through Dabur ventures allocated Rs5bn to invest in new edge portfolio.

## Dalmia Bharat (DALBHARA IN)

**Rating: ACCUMULATE | CMP: Rs2,250 | TP: Rs2,372**

- Reiterated guidance of Rs150–200/t cost savings to be achieved over the next 2 years.
- Trial runs began at the 3.6mt clinker line in Umrangso, Assam in September, with commercial production slated for Q3FY26. This will provide an opportunity to add an additional 2.5mt split grinding unit in the Northeast market. Until the 2.4mt GU is ramped up, no new projects will be taken up in the Northeast.
- At Jaisalmer, work on land acquisition, obtaining permissions, and progressing towards environmental clearance is ongoing.
- Lead distance for Q2FY26 stood at 237km (vs 280km in Q1FY26).
- Approval for incentives is likely to get deferred due to GST issues; hence FY26 incentives are expected to be Rs2.4bn vs previous guidance of Rs3bn. For FY27, incentives are expected to be Rs2bn.
- Incentives accrued and collected during the quarter were Rs640mn and Rs500mn respectively.
- For H1FY26, total incentives accrual stood at Rs1.38bn and collection at Rs910mn. At the end of Q2FY26, total incentive outstanding was Rs8bn.
- With the government's removal of cess on coal, the company expects a benefit of Rs200mn in H1FY26, totaling Rs400mn for FY26 and Rs500–550mn in FY27.
- Capex incurred in H1FY26 was Rs11.89bn. Capex for FY26 is expected at Rs30bn, revised down from Rs40bn due to favourable credit terms. Capex for FY27 is expected to remain at Rs40bn.
- Total capex of Rs10,000–15,000 crore will be required for projects till FY28.
- Net debt stands at Rs16.02bn with net debt-to-EBITDA at 0.56x. Despite higher capex, it is not expected to exceed 2x.
- The company is awaiting the outcome of its bid for Jaiprakash Associates (JP) before committing to the Jaisalmer project.
- Trade volume share was 62%; fuel cost at Rs1.38/kcal; clinker capacity utilization ratio (cc ratio) at 1.62x; and premium product share at 22% of traded volumes.



- Pay structure is being revised from 100% fixed pay to a variable pay model for senior management. The three variables will be company performance, individual performance, and safety measures. 15–25% of total pay will be variable.
- 48% renewable energy (RE) share achieved, with a rising share of RE in the energy mix. Commissioned 93MW of RE capacity; targeting 576MW by FY26E.
- Cannot completely offload IEX shares currently due to SEBI's ongoing investigation into insider trading matter.
- No clinker sales were included in the Q2FY26 volume.

### Deepak Nitrite (DN IN)

**Rating: HOLD | CMP: Rs1,741 | TP: Rs1,768**

- Domestic and export revenue mix stood at 86%:14% in Q2FY26.
- Advanced Intermediate segment witnessed pressure due to US tariffs and cheap imports from China (Products like Sodium Nitrate, DASDA are impacted).
- In Q2FY26 few products in the Advance Intermediate segment had zero sales.
- In H2FY26, advance intermediate is expected to see some upside driven by agro chemical intermediate supplies to Europe.
- H2FY26 expected to be better than H1FY26, driven by expected recovery in market as well as commission of new projects.
- Short-term benefits are already visible from the transition to renewable energy; the company targets meeting 60% of its power consumption from renewable sources by FY27.
- The polymer compounding facility will be used as a pilot unit for the resin plant, helping fast-track approvals.
- Capex guidance of Rs15bn for FY26 is maintained, while capex for FY27 and FY28 is expected to be Rs30bn and Rs40bn, respectively.
- The hydrogenation plant was commercialized in Sep'25, with a capex of Rs1.18bn.
- Nitration and MIBK/MIBC projects are expected to be commissioned in Q4FY26.
- The MPP plant is expected to be commercialized between March'26 and June'26, with ramp-up dependent on customer validation, which will take 1–5 months.
- Polycarbonate resin commercialization is expected between Jan'28 and March'28 (earlier guidance: Dec'27).



## Delhivery (DELHIVER IN)

**Rating: ACCUMULATE | CMP: Rs443 | TP: Rs489**

- Delhivery processed over 100mn shipments in Sep'25 and achieved a peak of 7.2mn orders/day during the festive period.
- PTL division is expected to achieve steady state service EBITDA margin of ~16-18% in 24 months.
- SCS segment reported an EBITDA margin of 12.9% in 2QFY26 in comparison to (4.4%)/7.3% in 2QFY25/1QFY26 respectively reflecting a strong turnaround driven by calibrated focus on profitable contracts.
- Rs900mn of integration cost was booked in 2QFY26 pertaining to the acquisition of E-com express. Breakup includes Rs310mn/Rs170mn/Rs210mn for premature facility exits/fulfilment centre closures/employee separation respectively and the balance for technology shutdown and other expenses.
- Long term capex target is ~4% of revenue.
- Delhivery's Rapid Commerce business (2-hour same-day delivery) operates across Bengaluru, Hyderabad, and Chennai with 20 dark stores. The service has recently been expanded to NCR and slated for a launch in Mumbai by 4QFY26E. It represents a niche Rs800–1,000mn revenue opportunity.
- Delhivery Direct (on-demand intracity service) operates in Ahmedabad, Bengaluru, and NCR, with plans to expand into 5 more cities (including Jaipur and Surat) by FY26E-end. It currently has annual run-rate of Rs250–300mn.
- **Steady state margin guidance for B2C express parcel segment remains intact at ~16-18%.**
- Corporate overheads rose from Rs2,090mn in 1QFY26 to Rs2,350mn in 2QFY26, mainly due to Rs150mn of higher technology costs, Rs20mn of additional gratuity provisioning, and Rs20mn of end-of-year bonus.
- Before the acquisition, Ecom Express handled approximately 85–90mn orders/quarter on a steady-state basis.
- A new subsidiary, Delhivery Financial Services, has been formed. The objective is to facilitate FASTag & fuel services to trucking partners and provide lending assistance to fleet owners (financial risk will not be DELHIVER IN's books).



## Divi's Laboratories (DIVI IN)

**Rating: ACCUMULATE | CMP: Rs6,657 | TP: Rs7,050**

- **Generic business:** Contributed 44% of the mix in Q2FY26. Stable volumes across key APIs (naproxen, dextromethorphan, phenylephrine, carbidopa/levodopa). Facing ongoing pricing pressure, though no loss of customers or volumes. Backward integration is carried out at Kakinada Unit 3 which supports cost, competitiveness and margins. Pricing environment likely to stabilize over next few quarters. Volume growth steady (~7% YoY); price erosion offsets part of value growth. Nutraceuticals remain a steady contributor.
- **Custom synthesis:** Continued strong engagement and RFP inflows; several global innovators conducting site visits. Three major long-term projects under execution, backed by supply commitments. CS share rose to 56% of sales; highest ever. Three active projects progressing through validation and construction, expected to commercialize over next 1–2 years. Mix includes late life-cycle management, Phase 3 molecules, and flow chemistry/biocatalysis/green chemistry programs. Company noted a healthy pipeline with milestone-based revenue structure. Growth in near term to be driven by ongoing CS projects and peptide-related engagements. Not entering generic peptides currently focus remains on innovator contracts.
- **Peptides:** Strength in FMOC-protected amino acids offers cost and impurity control advantages. Developing di-, tri-, tetra-, octa-peptides for global innovators. Engaged in Phase 3 molecules, strong visibility for long-term pipeline. No purification of final drug products—focus remains on fragments/intermediates. Peptide capabilities expected to become a key growth engine in coming years.
- **Kakinada unit:** Six blocks completed, two more under construction. Backward integration freeing up capacity at older sites for new validations and filings. GMP qualification for API production to begin soon; regulatory filings planned in coming quarters. Large land bank (200–300 acres) available for future expansion.
- **Capex:** FY26 Capex to exceed earlier guidance of Rs 20bn, driven by new strategic projects. Investments spread across all three units; focus on technologies, sustainability, and client-driven capacity creation. Capex so far: Rs 15.5bn spent in H1FY26; Rs 2bn capitalized in Q2.
- **Other:** Asset base: Gross block ~Rs 80-85bn improving asset turns expected over next 1–2 years. Cash: Rs 34.6bn; Inventories Rs 34.3bn; Receivables Rs 26.1bn.



## DOMS Industries (DOMS IN)

**Rating: BUY | CMP: Rs2,566 | TP: Rs3,085**

- Capex guidance remains intact at ~Rs2.10–Rs2.25bn for FY26E.
- The 44-acre expansion project witnessed construction delays due to heavy monsoons; however, possession of the 1st building is expected in 4QFY26E, with commercial production likely to begin in 1QFY27E.
- The international/domestic business' gross product sales grew 18.5%/28.0% YoY respectively.
- ~45–50% of revenue was impacted by GST transition (from 12%/5% to 0%), and sales could have been ~3–4% higher without this impact.
- With the new 44-acre plant, DOMS IN plans to commence in-house tip production using automated lines (already ordered). However, 3rd-party outsourcing will continue to meet growing demand.
- Decline in GT contribution in 2QFY26 (on QoQ basis) was driven by (i) a higher share of baby hygiene products (~35% of sales is from e-com), and (ii) GST 2.0 transition impact. Additionally, GT sales were seasonally lower due to the festive period. However, GT contribution is expected to normalize to ~75%, going forward.
- Ball-point pen capacity has gradually increased by ~1mn pens/day, reaching ~3–3.25mn pens/day currently. Overtime, the combined capacity for all pen types is expected to reach ~5mn pens/day.
- EBITDA margin is expected to be in the band of ~16.5%-17.5% for FY26E.
- Revenue growth guidance of ~18-20% is intact for FY26E.
- Capacity utilization in core categories such as scholastic stationery and scholastic art materials is above 95%, while office supplies and hobbies & craft segments are operating at ~75%.
- Employee costs formed 14.4% of sales in 2QFY26 as against 13.4%/13.6% in 2QFY25/1QFY26 respectively led by workforce expansion.

## Dr. Reddy's Laboratories (DRRD IN)

**Rating: REDUCE | CMP: Rs1,284 | TP: Rs1,270**

- **US business:** Revenue declined QoQ due to price erosion in key products, mainly gRevlimid. 7 products launched in the quarter; expects continued launch momentum in H2FY26. gRevlimid contribution to taper off by Q4FY26. Management sees base business stabilizing and no major incremental price erosion ahead.
- **Semaglutide:** Awaiting Health Canada approval; market to remain competitive given number of players. Confident on 12mn pen capacity for CY26, rising to 15–20mn by CY27 with FTO-11 cartridge line qualification. API by DRRD; pens







by partner. India launch post patent expiry (Mar'26); litigation ongoing in Delhi High Court. DRRD permitted to export product till then.

- **Biosimilars:** gAbatacept Phase 3 completion imminent; BLA filing by Dec'25. Launch expected early CY27 (IV) and CY28 (subcutaneous). US launch to be supported by Bachupally unit however management will be doing tech transfer to CMO to mitigate regulatory risks.
- Denosumab received positive EMA opinion; Rituximab approved in EU, under review in US (CRL received). Expanded collaboration with Alvotech for pembrolizumab biosimilar. Pipeline includes nivolumab and additional oncology assets.
- **EU:** Growth driven by NRT acquisition and new launches. Ex-NRT, business grew 17% YoY. Completed 2/3<sup>rd</sup> integration of NRT portfolio, next phase includes Southern Europe, Israel, and Taiwan.
- **India:** Growth driven by new launches, pricing, and volume gains. Added 11 new brands, including Tegoprazan (PCAB) and Linaclotide (Colozo); Stugeron portfolio integration underway. Now ranked 9th in IPM; MR strength ~10,000.
- **PSAI:** Expect GM to move toward 20–25% range over next 1–2 years. Filed 37 DMFs in Q2. Peptide capacity of ~800 kg being built; currently small contribution but expected to scale.
- **EM's and Russia:** Russia up 13% YoY (CC), aided by forex and volume growth. 24 launches across EMs during the quarter; double-digit growth momentum expected to continue.
- **Others:** R&D intensity with focus on peptides, complex generics, biosimilars. Maintain medium-term EBITDA margin target of 25%. SG&A to remain in 28–30% band of revenue. Ongoing efforts to drive cost efficiency and sustain double-digit ex-US growth.

## Eicher Motors (EIM IN)

**Rating: HOLD | CMP: Rs6,799 | TP: Rs6,840**

- In Q2FY26, both rural and urban markets grew well, with the former growing slightly faster during the festive period.
- During the Sep-Oct festive period, 0.25mn bikes were sold (EIM's highest-ever festive sales).
- 650cc bikes are starting to recover, while 450cc ones are growing slower, post GST 2.0 implementation.
- RE has approached authorities to reduce GST rates for 350cc+ bikes as well, to give the company the cost benefit of better scale to export 'made in India' bikes.
- RE maintains a dominant market share in the mid-size motorcycle segment, at 84% in Q2FY26.



- In international markets as well, RE holds strong competitive positions: #1 in SAARC markets; #2 in the UK, Argentina, Thailand & Korea; #3 in Brazil & Australia; and #4/#5 in the EU.
- VECV, in Q2FY26, was #1 in India in LMD trucks with 34.8% market share. In HD trucks, it had 10.5% market share, and in 2-3.5-ton EVs, it had up to 24% market share in some months.
- VECV announced an investment of Rs5.44bn for production & final assembly of Volvo Group's automated manual transmission at a greenfield factory in Madhya Pradesh.
- Parts business (Volvo + Eicher) grew by 11.8% YoY in Q2FY26.
- EIM has partnered with Flipkart and Amazon to build an omnichannel strategy without brand dilution.
- VECV has formed strategic partnerships with public EV charger providers to support its electric truck and bus customers.
- VECV is focusing on CNG, LNG and electric CVs, but challenges exist due to poor charging infrastructure, payload reduction due to battery weight, and financing hurdles, amongst others

## Elgi Equipments (ELEQ IN)

**Rating: ACCUMULATE | CMP: Rs500 | TP: Rs561**

- **Financial Highlights:** The company sales grew ~11.4% YoY supported by higher volumes, but EBITDA margin contracted due to a 15% YoY increase in employee costs (6% is normal increase, 4% EUR/USD impact and 3% higher headcount) and a 15.6% YoY rise in other expenses driven by various strategic initiatives undertaken during the quarter.
- **Domestic Market:** Market demand remains strong with a healthy enquiry pipeline, though order conversion cycles have elongated amid tariff-related uncertainties. Industrial product demand remains robust across key sectors, while textiles continue to stay muted due to tariff challenges. With ongoing go-to-market initiatives, management remains confident of gaining market share and expects a revenue uptick in domestic from Q3 onwards.
- **US market:** All the vertical in the US is growing except distribution where management seeing some green shoots with EBITDA level standing at breakeven in Q2FY26. Industrial and Portable business is likely to be impacted by tariffs as management anticipated the cost of \$9mn. Despite high tariffs, the company has fully offset the potential ~\$9mn EBITDA impact through cost reductions and pricing, and any tariff rollback would directly lift profitability.
- **Europe Business:** Europe remained challenging with muted demand and continued losses, prompting Elgi to resize the organization and cut costs, including workforce reductions that should deliver meaningful savings from next year. While near-term growth is expected to remain similar to the H1, the company is resetting its strategy to accelerate scale shifting to a hybrid model



where Elgi engages customers directly while leveraging distributors for service, aiming to increase customer touchpoints and improve win-rates without adding cost.

- **Other export geographies:** Australia grew better than last year, though still below expectations; the Middle East continued to deliver strong growth after resolving earlier pricing issues; while Southeast Asia remained weak with muted demand and minimal revenue contribution.
- **Capex Plan:** Elgi reiterated its capex plan of Rs60bn over five years, with Rs25bn already firmed up and underway, though execution has slowed due to challenges at the site, extending timelines by about 12 months; the remaining Rs35bn is part of the long-term master plan and will be finalized later.
- **Demand Match,** now a standard feature on new Elgi machines, has seen strong early customer response and improve energy efficiency by aligning output with demand.
- **Retrofits** for existing Elgi machines—an opportunity of 3,000–4,000 units annually—will be launched later may be in Q4, as the current focus is on scaling the factory-fitted rollout.

## Emami (HMN IN)

**Rating: ACCUMULATE | CMP: Rs525 | TP: Rs608**

- 2Q demand remained impacted by ~10.5% due to GST transition issue, deferment of purchases and deferred winter loading
- Excluding GST-impacted categories, non-impacted portfolio cohorts delivered 10% growth in Q2
- October saw a strong rebound in demand with deferred winter loading recovering faster.
- Management confident on double digit value growth in Q3 led by early winters.
- 93% of core domestic portfolio now attracts 5% GST which is likely to drive volume growth in near term with shampoos, cool oils, pain management etc will be key beneficiary
- Summer portfolio continue to face pressure amidst excessive rains thus impacting offtake in talc and prickly heat categories on a high base.
- Smart & Handsome expanded into newer male grooming categories with 12 new launches across sunscreens, shower gels, under-eye creams, deo's, face serums & sheet masks.
- Kesh King relaunched as Kesh King Gold with new packaging and upgraded formulation.
- Company further strengthened its premium offerings with the launch of the Creme 21 Xtra Bright range including Elixir, Day Cream, Night Cream, Facewash, Face Scrub, and Micellar Water



- Growth across divisions: 4% degrowth in Pain Management, 1% growth in healthcare, 23% de-growth in Kesh-King, 33% de-growth in Navratna & Dermi-cool range, 30% de-growth in BoroPlus.
- Company expects FY27 to better than FY26 as summer portfolio may gain share.

## Engineers India (ENGR IN)

**Rating: BUY | CMP: Rs200 | TP: Rs255**

- **Guidance:** Management has guided for a revenue growth of ~25%+ for FY26. The Consultancy segment margin is expected to be ~25% while Turnkey segment margin is expected to be ~6%-7% for FY26. Management expects to surpass the order intake worth ~Rs80bn.
- **Order intake split:** Company has secured orders worth ~Rs40bn till date of which, Rs14-15bn came from LSTK segment while international consultancy contributed Rs15-16bn and domestic consultancy contributed ~Rs10bn.
- **Domestic Consultancy prospects:** Paradeep Project is currently in Phase 1 of execution, with Phase 2 likely to be awarded by IOCL before the end of this fiscal year, and most phases already allotted to Engineers India. The company is also conducting feasibility studies for the Andhra refinery, expected to materialize later this year or early next fiscal, while IOCL's ongoing studies for a specialty chemicals plant could further add to EIL's order pipeline. Mega consultancy mandates typically span 4-5 years, whereas some domestic consultancy projects remain stalled due to tariff-related uncertainties.
- **International Consultancy:** International consultancy has seen some slowdown due to dried up pipeline from a major client in Nigeria. However, the segment has accrued a strong order book on which the execution has already started. This execution ramp up is expected to garner better results in Q3FY26.
- **Ramagundam Refinery:** The company faced stabilization issues in Q2FY26, causing the plant to remain shut for 45 out of 90 days and resulting in losses. The problems have since been resolved, with operations now running smoothly in Q3 and profitability expected to improve. Ramagundam continues to generate ~Rs5.0bn in annual profits, of which the company receives about a 26% share, and it is also benefiting from the broader tailwinds driven by India's urea shortfall.
- **Diversification opportunities:** The management continuously evaluate new opportunities for diversification including recently completed bio-refinery project. Company was also awarded Coal gasification assignment and expect more such projects in the pipeline while opportunities also exist in green hydrogen as well.



## Eris Lifesciences (ERIS IN)

**Rating: BUY | CMP: Rs1,575 | TP: Rs1,900**

- **Domestic branded formulation:** Revenue growth was driven by 2% volume and 2.5% price. Deferred price increase in H1 (benefit to reflect in H2). RHI cartridge opportunity to start contributing from Dec'25. EBITDA margins expanded across segments. Biocon margin improved to 32% up 200bps QoQ, in-house manufacturing to lift margins further. Guidance: 12% growth for FY26, EBITDA growth 15% YoY (upside possible from RHI cartridge launch). Domestic EBITDA margin guided at +37%.
- **Insulin:** Market share increased from 10% to 15% in last 18months. Bhopal facility: recently upgraded with Rs 800mn capex; full utilization expected; next phase to double capacity (vials & cartridges) with further capex. Estimated additional Rs 500 mn annual EBITDA potential. Adding gAspart to existing partnership (recently approved interchangeable biosimilar). Biocon to leverage Eri's plant for its RoW insulin expansion.
- **GLP-1:** RHI production line commissioned in Aug'25, cartridge line expected in Q1FY27E. Confident of supply sufficiency for FY26E despite delay in cartridge readiness. Strong traction in institutional segment (hospitals).
- **R&D:** Pipeline progressing well across insulin analogs and synthetic semaglutide. Bhopal facility fully validated, supporting Biocon and in-house insulin programs. Ongoing investments in diabetes pipeline and DS manufacturing to enhance backward integration. Swiss Parenterals Unit-3 (general injectables), targeting commercialization in FY28.
- **Exports:** Expect H2 to be heavier; visibility improving post ANVISA (Brazil) approval; next audit planned Jan'26. First European CDMO order received – exclusive manufacturing for Innovator brand across 6 EU countries, potential Rs 1.25–1.5bn in FY27E revenue, margins at business average. FY27E revenue mix expected: 30% from regulated markets, 50% private market share. International EBITDA margins ~33%.
- **Capex in Q2:** Rs 500Mn, H1 total Rs 1170mn. Upcoming spends ~3.8-4bn mainly towards Bhopal phase-2 insulin expansion Rs 1.5bn, Swiss Unit-3 injectables Rs 1.3bn and rest for GLP-1 & DS manufacturing.
- **Others:** Net debt: Rs 22.8bn. Targets <1.5x by Dec'26. OCF/EBITDA: 47% in Q2, impacted by higher GST receivables and statutory liabilities post distribution structure changes.



## Federal Bank (FB IN)

**Rating: BUY | CMP: Rs213 | TP: Rs235**

### Balance Sheet:

- Bank is moving to organic acquisition for credit cards. 90% of portfolio is from existing customers which helps improve stickiness.
- Management intends to build ROA through a mix of organic and fintech strategy.
- LCR stood at 129% for Q2FY26.
- Management did not comment on capital raise plans however they reiterated their plan to grow in their chosen area under assets segment.

### Profit & Loss

- Deposits are repriced every 12-14 months for the bank. NIM has increased QoQ on account of efficient repricing of liabilities and better than expected average CASA growth which led to reduced cost of funds.
- Marginal loss from Yes bank stake sale (earlier recorded in AFS) was taken into reserves.

### Asset Quality

- Credit cost guided to be below 55bps for FY26. Credit cost excluding MFI has seen reduction.
- As per management, MFI stress has peaked out. Elevated slippages from MFI are easing however the stress is not completely over. Management is confident of seeing downward trend in MFI stress.
- Q2FY26 write offs include write offs from unsecured stress of last year.
- Management does not expect its fundamental credit cost to change on a running basis from implementation of ECL.

## Finolex Industries (FNXP IN)

**Rating: ACCUMULATE | CMP: Rs188 | TP: Rs228**



- FNXP has revised its volume growth from 10% to mid-single digit in pipes segment for FY26 with the EBITDA margin of 10-12%.
- Agri demand was impacted by the early and prolonged monsoon in Q2FY26, but management expects a strong rebound in H2FY26 with pent-up demand driving volume growth and supporting margins.
- The non-agri segment grew by 7% volume in Q2FY26. The ratio of Agri:Non-agri mix stood at 56:44 (vs. 61:39 in Q2FY25), and management aims to achieve a balanced 50:50 mix going forward to reduce seasonality and diversify growth.



- In Q2FY26, CPVC volumes grew at a double-digit rate, contributing around 8% of total volumes, while fittings accounted for 12%. Company sources CPVC resin from Reliance and other global suppliers and expects import dependence to reduce as new domestic capacities come onstream.
- The PVC price stood at USD 737/MT vs USD 708/MT in Q1FY26, PVC-EDC spread stood at USD 535/MT vs USD 522/MT, PVC-VCM spread at USD 187/MT vs USD 151/MT.
- Company expects the Anti-Dumping Duty on PVC resin to be announced in Nov'25, likely increasing PVC prices by Rs3–6/kg. The move is expected to support domestic players and stabilize industry margins.
- FNXP has debottlenecked capacity of 50,000 MT in the pipes segment, with 25,000 MT completed in Q4FY25 and the remaining 25,000 MT commissioned in Q1FY26, taking the company's total installed capacity to 520,000 MT.
- Capacity utilization stood at ~70% in H1FY26, and company expects it to improve to ~74–75% in FY26–FY27.
- FNXP plans to invest Rs1.2bn for Capex in FY26 and expects to add up capacity by 50-80KMT/year.

## Fortis Healthcare (FORH IN)

**Rating: BUY | CMP: Rs969 | TP: Rs1,150**

- **Bed expansion:** FORH added ~550 operational beds in H1FY26 (~150 beds in Q1 and ~400 beds in Q2), of which 360 were through inorganic route - Jalandhar (190) and Greater Noida units (170). The management has guided for operationalizing additional 400–500 beds in FY27, driven by 200 beds at FMRI (expected in H1FY27), 70 beds in Kolkata, and ongoing brownfield expansions at Manesar and Bengaluru.
- **O&M contract hospitals:** O&M with Gleneagles covers 5 hospitals and 1 clinic (excluding Mumbai); integration is progressing well. Mumbai unit will be acquired later, as 6th facility. Additionally, FORH has signed a 15-year lease for 200 beds with Greater Noida hospital (previously under O&M and now will get consolidated); it is generating revenue of Rs1.2bn/year, and 2–3% EBITDA margin, with ramp-up expected in 6 months to 15%. Lucknow greenfield hospital has signed O&M contract with the Ekana Group (550 beds).
- **Manesar unit:** The facility turned EBITDA positive within a year of commencing operations and is generating quarterly revenue of ~Rs400mn. The management expects the unit to deliver ~20% revenue growth in H2FY26, driven by improving occupancy and case mix. It expects insurance empanelment (completed in Q2) to further support growth through improved patient access and a more diversified case mix.
- **Hospital segment margin and guidance:** Mulund and Jalandhar units were added to +20% EBITDA margin. Noida unit is expected to reach ~15% EBITDA margin in the next 6 months with equipment and clinical investments. The





management expects margin to reach 25% in the next 2 years, also upped its earlier FY26 margin guidance to +22.5%.

- **ARPOB drivers:** ARPOB growth was driven by a higher mix of oncology and robotic surgeries (+66% YoY). The management reiterated ARPOB growth guidance of 5–6% on a sustainable basis, led by improved case mix and a modest 1–1.5% contribution from pricing.
- **Occupancy:** The management expects occupancy to remain in the 70–75% range, with most mature hospitals already operating near optimal levels and potential for further improvement in 2–3 facilities.
- **CHGS rate revision impact:** The recent CGHS tariff revision is expected to have a positive margin impact; CGHS account for ~4.3% of revenue.
- **Legal expenses:** These expenses are expected to reduce by ~50% to Rs150–200mn (vs. Rs300–400mn earlier) as open-offer related costs taper off.
- **International business guidance:** The business is expected to retain its single-digit revenue contribution but grow in double digits in absolute terms.
- **Agilus business:** B2C:B2B mix stood at 52:48. Agilus conducted 10.6mn tests during the quarter, flat YoY owing to the discontinuation of the low-margin Delhi government “Mohalla Clinic” contract. FORH holds 89% stake in Agilus; the management remains comfortable with this level but is open to increasing its stake if an attractive opportunity arises..

## GAIL (India) (GAIL IN)

**Rating: BUY | CMP: Rs183 | TP: Rs218**

- SAPL has been commissioned, while MNJPL, JSPDPL, and KKMBP-Phase 2 will be completed this year. The Gurdaspur-Jammu pipeline is targeted for FY26-27. New pipelines are expected to add 2mmscmd. Petchem - 60 KTA PP project at Pata will be commissioned this year, and 500 KTA PDH-PP plant at Usar is slated for FY27-28. Dabhol LNG terminal is expected to operate at 50% utilization this year.
- Guidance - **a)** Gas Marketing - expect to achieve PBT of Rs40-Rs45bn in FY26. **b)** Transmission – expect 125mmscmd in H2FY26 and 123-124mmscmd in FY26. Co. expects 133-134mmscmd in FY27, an addition of ~8-10mmscmd (CGD- 3-4mmscmd, Power - 1-2mmscmd, recovery from impacted pipelines - 1-1.5).
- Secured PNGRB approval for a 105 km, 3 mmscmd Vijaipur–Bina pipeline (Rs4.5bn CapEx) to connect the BPCL Bina refinery. JLPL LPG pipeline - capacity will be expanded from 3.25-6.5mmtpa, with revenue potential Rs7bn at current tariffs.
- Around Rs130–140bn to be capitalized in FY26, mainly from MNJPL (Rs85bn), Pata Petrochem PP project (Rs13bn), KKMBPL-Phase 2 (Rs20–25bn), and remaining from Jagdishpur projects.



## GE Vernova T&D India (GVTD IN)

**Rating: ACCUMULATE | CMP: Rs3,171 | TP: Rs3,531**

- GVTD expects to **deliver EBITDA margins in mid-20s in FY26** driven by strong volume and production efficiencies.
- **Capex of Rs8.1bn to expand transformers, reactors and AIS/GIS production:** GVTD announced additional capex worth Rs8.1bn to expand its transformers and reactors manufacturing capacity by ~50% at its Vadodara plant while AIS/GIS capacity is anticipated to be increased by ~25% at Hosur and Padappai plants. GVTD is also establishing new lines for air core reactors and bushings at its existing facility in Hosur. These expansions are anticipated to be completed over 2026-2028 and will be funded through internal accruals. **This capex announcement comes in addition to the previously announced ~Rs1.4bn capex taking total investments to ~Rs9.5bn.**
- **Higher EBITDA on account of volume, price and productivity:** A strong growth of 93.7% YoY to Rs4.0bn was driven by ~39% YoY growth in volumes along with better pricing and internal execution efficiencies leading to better productivity. New investments in existing facilities are also expected to give better operational leverage in absence of additional fixed costs.
- **HVDC prospects:** Management expects the Barmer – South Kalamb HVDC tender to float in Q4FY26 and probable award in Q1FY27. Company expects additional 2 HVDC tenders to come out in FY27 primarily out of Rajasthan further strengthening HVDC prospects. With current capacities, GVTD can take up and execute at least one HVDC order.
- **Data centers:** The company is qualified to supply its full range of products, including transformers, AIS, GIS, and software, and can independently bid for EPC contracts. It also plans to explore international opportunities in collaboration with its global group entities. While current data center orders are not yet material, the company anticipates stronger traction by 2027–28, supported by increasing capacity announcements. Data centers of 200–300MW represent a potential opportunity pipeline of Rs750mn–Rs1.0bn for GVTD.
- **The company is witnessing some softness in its order pipeline,** though activity is expected to pick up in H2FY26. It aims to at least match its base H2FY25 order intake of ~Rs70bn in H2FY26, excluding large orders. While additional capacities coming online in the industry in FY27 may slightly impact order inflows. However, the expanding TBCB pipeline is likely to offset this effect. Meanwhile, STATCOM opportunities have slowed but are expected to rebound in FY27.



## Greenpanel Industries (GREENP IN)

**Rating: BUY | CMP: Rs284 | TP: Rs399**

- Greenpane targets for high teen digit volume growth in MDF segment with a EBITDA margin of high single/low double digit for FY26.
- Timber prices remained stable QoQ and are expected to stay in the same range, while chemical prices (urea, formaldehyde, methanol, melamine) remain elevated but are likely to moderate after Q3FY26.
- MDF imports declined to ~1,000 CBM in Q2FY26 vs ~20,000 CBM in Q2FY25.
- MDF margins contracted by 240bps YoY to 10.7% in Q2FY26, impacted by lower capacity utilization at the new MDF plant, lower VAP mix.
- The company has strengthened its channel network in Q2FY26 and rewarded its top channel partners in Bali, launch of the MITR 2.0 loyalty app, enhanced branding across 7,000+ outlets, and product launches such as HDWR Door, Thin MDF, and FRMDF, along with targeted activation drives across 30+ cities.
- The company plans to incur Rs300-400mn in maintenance capex for FY26, with steady-state capex expected to remain in the Rs200–300mn.
- The EPCG benefit stood at Rs 60mn in Q2FY26 (vs. Rs51mn in Q1FY26), with around Rs400mn yet to be accrued. Top of Form
- The BIS QCO for furniture manufacturing is expected to be implemented from Feb'26.

## Gujarat Fluorochemicals (FLUOROCH IN)

**Rating: HOLD | CMP: Rs3,480 | TP: Rs3,637**



- Capex for GFL EV to be around Rs12bn in FY26, next year it is expected to be higher ~15bn.
- Total capex for GFL EV is expected to be Rs60bn.
- Fluoropolymer segment sequential decline of 4% was due to impact of US tariffs, H2FY26 is expected to witness significant increase in sales.
- ADD on PTFE is expected to have positive impact on Fluoropolymer segment as imports are expected to come down.
- In Fluoropolymer segment 25% growth is achievable; however, US tariffs may have a dampening effect on this growth.
- PTFE is exempted from tariffs; however, newly developed fluoropolymers are affected.
- In Fluorochemicals segment R22 sales saw decline due to quota reduction and seasonality.
- Target of 20,000mtpa capacity of R32 by end of FY26 maintained.



- Growth in Bulk Chemicals was driven by higher chloromethane prices and volumes, along with an increase in caustic soda volumes while prices remained stable.
- Battery Chemicals segment revenue is expected to start flowing in from Q4FY26.
- LiPF6 prices increased from \$10 to \$17 in past few weeks.
- Guidance for EV segment: 2x asset turnover and 25% EBITDAM at optimal utilization.
- LFP CAM facility commissioned samples to be sent soon.

## Gujarat Gas (GUJGA IN)

**Rating: HOLD | CMP: Rs408 | TP: Rs415**

- Amalgamation scheme has been approved by shareholders and is waiting for MCA approval, expected by December 2025. Relisting of new entity will take further 2-3 months.
- **PNG Domestic segment** - Customer base - >28Lakh, added 0.27 lakh and registered 0.34 lakh customers in Q2FY26 despite monsoon season, added ~42,400 new domestic PNG connections.
- **Morbi Volumes** – 2.13mmscmd in Q2FY26, vs 2.51mmscmd in Q1FY26 due to Janmashtami festival. **Co. expects volumes to be lower this year at 2mmscmd.** Current runrate/baseline volumes at 1.7-1.8mmscmd, with no further decline expected. Over 200 customers rely solely on natural gas (~1.5–1.6 mmscmd), as high-quality manufacturers prefer gas over propane for its superior heat quality.
- Propane to gas differential of Rs4-6/scm – propane being at discount against gas for Q2FY26. Prices of propane (12% of brent) vs LNG (17-18% of Brent)
- **Non-Morbi Volumes** – 2.22mmscmd in Q2FY26 vs 2.20mmscmd QoQ and 2.05mmscmd YoY. Expect non-Morbi volumes to improve driven by growth in Ahmedabad rural, D&H and Thane. Expect good industrial volume increase in these GA's. Co aims to add ~0.5mmscmd across both Non-Morbi and new GA in next year. Demand of 2-3 lakh scmd in next 18 months.
- **CNG segment** - up 13% YoY, with 11% growth in Gujarat and 26% YoY outside Gujarat. Base customer vehicles – 16.22L vs 14.12L YOY. Commercialized 4 new CNG stations this qtr.
- **Volume allocations (mmscmd) QoQ growth** - **APM** – 2.03 vs 2.06, **NWG** - 0.44 vs 0.54, **Long term** – 3.44 vs 3.39, **short term** - 2.85 (includes spot from IGX) vs 3.04.
- Expect Capex of Rs800cr in FY26, H1FY26 capex at Rs282cr, for investments on gas infrastructure.
- **Capex in FY27** – similar lines of FY26 only for PNG, CNG. After merger there will be certain addition of capex.



- **Guidance for EBITDA/scm in FY26 - Rs4.5-5.5/scm.**
- In Q2FY26, company received 100% allocation for domestic sector. But had 64% CNG shortfall, leading to total shortfall of 51% in priority segment.
- Secured 1mmtpa LNG deal with Qatar Energy (2026–2043) and 0.4mmtpa Henry Hub–linked supply from 2026–27, enhancing pricing competitiveness and margins

## Harsha Engineers International (HARSHA IN)

**Rating: HOLD | CMP: Rs388 | TP: Rs407**

- **Guidance and Outlook:** Management maintained their consolidated revenue growth guidance of high single-digit while India-Engineering is expected to clock revenue growth of low-mid teens in FY26. Meanwhile, company incurred a capex of Rs680mn in H1FY26 and expect to incur ~Rs1.1-1.2bn in FY26. Management maintains its cautiously optimistic outlook.
- **India Engineering** continues to witness decent traction. During the quarter, the growth came primarily from strong exports particularly from exports to Europe. Improving wallet share with existing customers and commercialization of new products developed in last few years contributed to strong export performance. Meanwhile, the management sees fairly robust demand in domestic market as well. Sequential decline in EBITDA and PAT was due to Harsha Advantek being in the first year of its operations operating below the break-even level and also owing to the impact of higher interest and depreciation.
- **Advantek:** The company has completely shifted its plant, machineries and operations of Advantek to new greenfield expansion at Bhayla. Management expects Advantek to become profitable in next one year if current pace of execution is maintained with profitability to start from Q4FY26 or Q1FY27. With complete utilization of the new plant and machineries, the asset turnover for Advantek can reach 2.0x.
- **Romania:** Harsha Romania reported a robust revenue growth of 38% YoY in Q2FY26 and 28% YoY in H1FY26. The growth is being driven primarily by finished products, supported by contributions from new customers as well as expansion within the existing customer base. The company continues its cost reduction initiatives, which are already showing positive results and contributing to profitability. It is witnessing higher order bookings for finished products such as cages, with an improved product mix driving topline growth. There has also been growth in semi-finished products. The company is encouraging customers to increase the share of cages in both revenue and order bookings.
- **Bushings:** Bronze Bushings posted a revenue of Rs300mn in Q2FY26 and Rs550mn in H1FY26. Company has a visible pipeline of Rs1.2bn for bronze bushings. The topline growth is primarily coming from better share of from existing customers. Bushings business posted a revenue of Rs1.0bn in FY25 and expect the revenue to reach Rs1.3bn in FY26.
- **Stamping:** Sales growth in the Stampings segment remained flat during the quarter due to seasonal factors. While short-term demand was muted, the



long-term outlook remains positive. The company had witnessed strong traction from a key customer in the AC consumables market during Q2FY25, which was absent in Q2FY26, resulting in temporary degrowth. For FY26, the company expects a YoY growth of around 5-7%.

## Havells India (HAVL IN)

**Rating: ACCUMULATE | CMP: Rs1,487 | TP: Rs1,653**

- ECD segment declined primarily due to weak demand for fans (mid-single-digit degrowth) and air coolers, while water heaters and other consumer appliances recorded healthy growth.
- Lloyd faced a decline due to a shorter summer and high inventory levels.
- Elevated inventory levels of RAC and cables increased working capital, which in turn impacted cash balances.
- Wires grew in mid-double digits, while cables delivered strong growth. Notably, wires' volume growth was lower than value growth.
- Company has planned capex of ~Rs14bn for FY26 and Rs10bn for FY27.
- Solar products recorded modest growth in Q2FY26, with strong volume expansion expected in Q3FY26 and Q4FY26.
- Company continues to invest in BLDC fans, with most of the current portfolio now consisting of BLDC fans due to the shift in demand.
- Price hikes and GST benefits will largely be passed on to customers.
- Company rolled out consumer offers to boost secondary sales of RAC during a weak summer, but these have now been withdrawn.

## HCL Technologies (HCLT IN)

**Rating: BUY | CMP: Rs1,495 | TP: Rs1,760**



- Geography-wise the growth was broad based with US & Europe reporting sequential growth of 1.5% & 2% QoQ respectively. In CC terms on YoY basis US & Europe reported growth of 2.4% & 7.6% respectively.
- Segment wise, on YoY CC basis Tech, TMPE, FS, Retail and Public services reported growth of 13.9%, 11.7%, 11.4%, 5.5% & 2.2% respectively while Life science & Manufacturing declined by 3% & 1.8% respectively.
- The demand environment is largely unchanged from last quarter, but AI-led traction remains strong. While management acknowledged that AI adoption is causing some deflation in the near term, the strength of AI-driven deal wins reinforces their view that AI will be a major demand catalyst over the long term despite short-term uncertainties.
- Segment-wise demand remains strong across Financial Services, Technology and TMPE, with early signs of recovery in Retail and Lifesciences. Manufacturing is performing well overall, except for Automotive, where





demand remains weak; however, management expects the segment to recover over time.

- HCLT disclosed its Advanced AI revenue for the first time in Q2, reporting USD 100 mn (3% of revenue), and expects this to scale further as AI is now embedded in most new deal wins. To accelerate growth, the company is increasing investments in AI capabilities and strengthening its IP-led offerings across advanced and agentic AI, which management believes will enhance long-term client stickiness. Its flagship AI Force platform is currently deployed across 47 top clients, with a target to expand to 100.
- In P&P company is concisely moving away from perpetual license revenue to subscription. This shift was reason for company not increasing its consolidated revenue guidance for FY26 despite increasing Services revenue guidance
- HCLT is restructuring its workforce to address skill and location mismatches, which may result in the elimination of roles that are unable to transition to new capability requirements. This restructuring led to a 55 bps margin impact in the quarter. The company expects the exercise to continue through FY26, with further margin impact in Q3 and some spillover into Q4, resulting in a total FY26 margin drag of around 40 bps.
- The company will roll out wage hikes effective October, in line with last year. This is expected to impact operating margins by 70–80 bps in Q3 and around 40 bps in Q4.
- Deal wins were robust at USD 2.57 bn during the quarter, achieved without any mega deals. The company also closed two large deals that had been deferred from Q1. Management reiterated its aspiration to consistently scale quarterly deal wins from USD 2 bn to USD 2.5 bn.
- Top 5/10/20 clients revenue grew by 1.4%/1.5%/1.6% QoQ respectively.

## HDFC Asset Management Company (HDFCAMC IN)

**Rating: BUY | CMP: Rs5,764 | TP: Rs6,175**

### Company Performance:

- Yields: Equity – 58bps, Debt – 27-28bps, Liquid – 12-13bps.
- Impact of telescopic pricing has been offset by commission rationalization which helped in maintaining operating yields at 33-35bps and management is focused on maintaining them.
- ESOP cost for H2FY26 to be Rs420mn, Rs670mn in FY27, Rs530mn in FY28.
- Company added 50 new offices across India in last two years.
- Surge in opex was mainly due to higher CSR expense, business promotion and NFO related expenses. Opex growth guided at 12-15%.





- Tax rate was lower on account of company's reassessment of its income tax provisions which led to reversing of income tax provision of earlier years amounting to Rs468mn.

#### Others:

- Company launched two new funds during 2QFY26 namely 1) HDFC Innovation Fund and 2) HDFC diversified equity all cap FoF which collected Rs24bn and 11bn respectively.
- Management will hinge on its large distribution network, continue investment in technology and investment in alternative spaces beyond mutual funds like PMS among others for future growth.
- Company closed its Category II AIF in FY25 of Rs12bn and has witnessed promising start to fundraising for their performing credit fund with talks in final discussion with global investors for participation.
- Company has 5 active funds under its GIFT city platform and has strategies in place to launch in-bound and out-bound funds.
- Company has come under partnership with UBS Asset Management for its India small & midcap and India all cap strategies which went live recently.
- Company is yet to finalize guidelines on the new incentives introduced by SEBI for expansion in B-30 cities, though it is well prepared for the same because of its wide presence and strong distribution network.
- Product pipeline remains largely complete and management would focus in gaining leadership position in existing funds.
- Company has approvals for SIF and is planning to launch schemes across all categories.

### HDFC BANK (HDFCB IN)

**Rating: BUY | CMP: Rs1,003 | TP: Rs1,150**

#### Assets/Liabilities:

- Advances to grow at system level for FY26 and higher than system in FY27.
- For mortgage business, the bank chose not to cut interest rates to chase market share, instead prioritizing higher yields and better customer quality.
- CC saw tepid increase in net receivables as bank chose not to participate with e-commerce platforms for the festive season. ~70% of new card are given to existing customers.
- Bank remains positive on SME business growth, supported by its strong client base and extensive branch network
- Penetration in CC at 14%, consumer durable at 35% and brokerage A/Cs 15%.
- Bank sees LDR to come down to ~90% by FY27.



- Capital consumption could increase from FY27 onwards, in-line with plans to grow faster than system.
- Capital benefit from ECL might not flow thru because of regulatory floors. However, bank would wait for final guidelines for further clarity.

#### **Fees/NIMs**

- Softening of yield on assets due to rate cut have been largely priced in this quarter with little effect of it to be seen in Q3FY26.
- Cost benefit of SA rate cut has flown through completely. However, TD rates would take 6 quarters to realize its entire cost benefit.
- Increase in rate of disbursal resulted in fee uptick for this quarter.
- Bank has managed to reduce the TAT in HL to 2 days and for self-employed to 3 days and it has been upselling insurance, broking, credit cards to existing home loan customers.

#### **Asset Quality**

- Recoveries were higher on account of one-off which contributed 10bps which led to reduction in NPA provisions by ~Rs20bn.
- Contingent provision worth Rs16bn and general provisions worth Rs6bn were been added in Q2FY26.

### **HDFC Life Insurance Company (HDFCLIFE IN)**

**Rating: BUY | CMP: Rs761 | TP: Rs900**

- Company's market share improved by 90 bps overall to 11.9% and by 30 bps in the private sector to 16.6%
- The solvency ratio stood at 175%, reflecting the combined impact of ~4.5% reduction due to dividend payout, ~6% impact from the repayment of Rs6bn in subordinated debt, ~150bps impact from the recent GST changes and balance due to increased protection business
- Company plans to raise up to Rs7.5bn in subordinated debt in H2, aiming to boost the solvency ratio by ~7% towards the targeted ~180% range
- Tier 2 and 3 markets outpaced Tier 1 in growth and the company targets a contribution of 65%-70% of APE from these geographies over the next 5 years
- Individual retail policies saw traction in Sep-25 led primarily by the protection segment due to GST cuts. Company onboarded 50,000 agents with 80% in Tier 2/3 markets in H1FY26
- Management indicated that the decline in 13M /37M persistency was driven by a shift in ticket sizes, on account of strong growth from tier 2/3 markets
- Banca growth outside HDFC Bank was low in H1FY26, although Q2 showed improvement compared to Q1



- Company plans to launch the variable annuity product by Q4FY26 post regulatory approvals
- GST disallowance is expected to cause a 3% impact on the margin on a gross basis, with major effect possibly in ULIPs; however, the company aims to neutralize this impact in VNB by FY27
- To mitigate the impact of GST, the company is engaging with distributors and vendors, focusing on optimizing the product mix and planning new product launches
- VNB margin in H1FY26 considers the adverse impact of GST norms (-0.5%), surrender regulations (-0.3%) and fixed cost absorption (-0.6%) which is offset by increase in new business (+0.9%) and the impact of delay in re-pricing (+0.4%) in FY25
- Embedded value as of H1FY26 stood at Rs595.4bn which includes the impact of GST disallowance of Rs2.6bn; Value of in-force business grew by 16% YoY to Rs424.6bn
- Product mix by Ind. APE for UL / Non par savings / Annuity/ Protection / Par stood at 42%/ 18%/ 4%/ 7%/ 29% while the distribution mix by Ind. APE for Banca/ Agency/ Nonbank alliances/ Direct stood at 59%/ 18%/ 14%/ 9%

## Hero MotoCorp (HMCL IN)

**Rating: ACCUMULATE | CMP: Rs5,799 | TP: Rs6,190**

- In the past, post excise rate cuts, 2W industry had seen double-digit growth for a couple of years. With GST 2.0 reforms, the management expects the trend to continue.
- Rural market saw slower growth in the early part of the quarter with some damage due to heavy monsoons but is now recovering as per trends seen in Oct-Nov'25.
- HMCL saw 1mn VAHAN registrations during the Oct'25 festive period, with market share of 31.6% (+370bps vs previous year festivities), gaining share across all key segments.
- For the full festive season (23Aug'25-12Nov'25), ICE VAHAN registrations grew by 16.2% (led by Entry, Deluxe and Scooters) over comparable period last year against industry growth of 14.7%, aiding 40bps market share gain for HMCL.
- Entry segment share in overall 2W industry expanded by 3% in Q2 and by 5% in H1FY26.
- Operating cash in H1FY26 was Rs41.11bn.
- HMCL saw the lowest inventory and receivables level in Q2, along with highest-ever collections during the festive period. Receivables were close to 12days in Q2 vs. 30days in the same period last year.



- PAM (parts, accessories, merchandise) revenue was Rs15.33bn in Q2FY26 (>+5% YoY).
- EBITDA margin guidance was maintained at 14-16%.
- Inflationary pressure was seen in Q2, and commodity costs are expected to remain rangebound in Q3FY26 (increase by 1-2%).
- Discounts were lower YoY, but HMCL is spending more on customer acquisition now.
- Q2 saw the launch of 12 new models. HMCL now has presence across all segments in 2Ws.

## Hindalco Industries (HNDL IN)

**Rating: ACCUMULATE | CMP: Rs790 | TP: Rs846**

### Cost of production & Hedging

- The cost of production rose ~4% in the monsoon quarter due to higher coal costs and lower alumina pricing, which limited margin gains despite higher LME prices.
- For Q3, costs are expected to remain flat/ +1% QoQ, as coal costs are inching downwards but CP coke prices have firmed up.
- **Hedging details:** For Q3FY26, Hindalco has hedged 31% of its commodity exposure at USD2,700/t and 26% of its currency exposure at Rs87.5/USD. For Q4FY26, 49% of commodity exposure is hedged at USD2,760/t, and for FY27, 10% is hedged at USD2,800/t.

### Operations & Projects

- Alumina external sales stood at 199kt in Q2FY26 and are estimated at 170kt in Q3 due to a planned shutdown in Utkal.
- Chakla mine: Box cut expected by Dec/Jan'26; Bandha box cut scheduled in the next few months.
- The copper tubes project has entered the commissioning phase, while construction of the copper recycling project is progressing as scheduled.

### Recycling & Renewable Energy

- Recycling operations have begun with 50kt at Aditya, targeting 100kt in the next few years. A 50kt copper recycling plant will be commissioned next year.
- Current RE capacity stands at 292MW, with an additional 230MW expected in the next two quarters, taking total capacity to 522MW by FY26 exit.

### Capex Guidance cut

- Rs85bn for FY26 and Rs110bn for FY27, reduced by Rs40bn from the earlier FY27 guidance of Rs150bn.



- Consolidated capex of Rs113.3bn was deployed during H1FY26. Hindalco has proposed Phase 2 of the Aditya smelter expansion in Odisha, adding 193ktpa to the existing 370ktpa capacity (Phase 1: 181ktpa announced earlier), with a total capex of Rs102.25bn to be completed by FY29, funded through internal accruals and debt.
- The Mahan smelter also has scope for doubling the capacity from its current 360ktpa capacity.

#### Debt inched up

- Cons net debt increased by Rs71.6bn QoQ to Rs 414bn, while net debt to EBITDA increased to 1.23x vs (1.02 in Q1FY26).
- Management guided that Net Debt to EBITDA is expected to remain below 2x over the next four years, factoring in planned capex and debt.
- They also highlighted that capex will be phased to maintain this level, and if the financial situation at Novelis does not improve, the 360ktpa Mahan smelter project could be delayed.
- To support Novelis cost escalation, HNDL plans to raise USD750mn debt at Hindalco AV Minerals, with a coupon rate lower than 6.375%.

### Hindustan Petroleum Corporation (HPCL IN)

**Rating: HOLD | CMP: Rs476 | TP: Rs476**

- Vizag Project: Pre-commissioning residue upgradation project has commenced, Feed-in expected on 24th Nov'25. Expected to be on stream in next 3-4 weeks.
- Barmer Project: Overall – 89% complete. Refinery is complete >95%. Without pet-chem, refinery should run at 8mmtpa, (broad plan as of now), with expected ramp up from 50-60% to 85-90%.
- Standalone debt/equity- guidance of 1.1 FY26 end, but Co. remains confident to achieve sub 1.0 by year end. HMEL/HRRL debt stood at Rs.360/Rs400bn.
- Chlorine contamination led to a partial refinery shutdown, leading to an impact of Rs3bn for selling Naphtha at discount and due to unit movements. All units have resumed normal operations.
- Co. is aiming for deleveraging their balance sheet. Capex expected in range of Rs.120/140bn in FY27/28, with an aim on deleveraging rather than growth. In FY26, capex allocation is at ~30%/60%/10% for refining/marketing/new businesses.
- Project Samriddhi: Achieved Rs8.2bn savings in H1FY26 (~USD0.5/bbl of total sales), with 35% recurring and Rs5.2bn one-time; on track for cost savings of ~Rs.10bn (may increase to Rs.15bn) and plans to launch Samriddhi 2.0 from April 2026.
- Aims to build consumer facing business first before going for value unlocking for lube business.



## Hindustan Unilever (HUVR IN)

**Rating: ACCUMULATE | CMP: Rs2,602 | TP: Rs2,772**

- Sales remained impacted amidst GST2.0 & prolonged monsoon
- HUL expects volume to gradually pick up from Q3 onwards as prices stabilize with positive bias.
- Both urban and rural markets are growing in line with expectations
- Company's 40% portfolio transitioned to 5% GST slab with pricing and grammage change to 1200 SKU's
- Mgmt. expects low single digit price growth if commodity prices remain stable
- Company will sharply focus on consumer segmentation by transforming core brands to align them with modern and youthful capabilities
- Company will fully focus on volume-led growth by enabling superior online brand discovery and investing disproportionately to scale its high-growth demand spaces
- Detergents continue to grow double digit volumes as HUL has been aggressive in taking price correction in competitive environment
- Nutrition is being viewed as a high growth area, and green shoots are visible
- HUL will focus on 400mn Genz who will be key growth drivers in coming years
- Premium soaps saw double digit growth and company likely to push newer launches in liquid soap.
- Mgmt guided the EBITDA margins to remain in the range of 22-23% and expects 50bps improvement once the demerger of ice cream business is completed.

## ICICI Bank (ICICIB IN)

**Rating: BUY | CMP: Rs1,437 | TP: Rs1,800**

### Balance Sheet:

- Growth has picked up QoQ especially in retail and while BuB continues to grow well. Management expects these trends to sustain and has a positive outlook on overall loan growth.
- LDR has expanded across system and management expects it to further go up once CRR reduction takes effect. Management is comfortable with current levels of LDR.
- Management stated that the RBI draft circular on risk weights would be net positive for the bank.





- Bank believes that the impact from ECL would be manageable given the level of provisioning held by the bank.
- Loans by benchmark: EBLR 55%, MCLR 14% and Fixed 31%.

#### **Profit & Loss:**

- Bank expects NIM to be rangebound hereon due to mix of impact from i) remaining deposit repricing ii) full CRR reduction iii) KCC seasonality.
- Fees from retail, rural and business banking customers constituted about 78% of the total fees.
- Treasury income was lower in the quarter due to increase in yield on fixed income securities.
- Staff cost fell by 8.5% QoQ due to lower provisioning requirement for retirement benefits.
- Sequential increase in other opex of 12.3% was driven by retail business linked expenses and festive season related marketing spends.
- Bank does not expect a material increase in opex in the upcoming quarters.
- Tech expenses formed 11% of opex for H1FY26.

### **ICICI Prudential Life Insurance Company (IPRU IN)**

**Rating: BUY | CMP: Rs597 | TP: Rs710**

- Life insurance sector grew only 2% in RWRP in H1FY26, down from 21% last year; however the long-term outlook remains positive
- Embedded value grew 9.7% to Rs 505.0bn as of Q2FY26 driven by a strong growth of ~18% in Value of In-force to Rs 377.6bn
- Company continues to strengthen its diversified distribution franchise with over 0.25 mn advisors, 50 banca partners with an access to 24,300 branches and 1,400+ partnerships
- Recent changes in the GST regime will make retail products more affordable and attractive to customers. While credit Life business which was impacted due to slowdown in the MFI sector, it will see a gradual recovery in the coming quarters
- Proprietary distribution channels experienced a decline in current quarter due to a high ULIP and annuity base from the previous year
- VNB margin improved due to a higher mix of protection and non-par business, longer-tenure policies and increased rider attachments. Favorable yield curve movements were partly offset by GST impact on commissions and operating expenses





- To offset the impact on new business profitability, the company is leveraging multiple levers including commission renegotiations with distributors and continued operating expense optimization
- The linked business has returned to growth, with momentum picking up in September despite the late impact of GST implementation
- The decline in 61M persistency was attributed to a definition change that retains non-premium paying policies on the books, thereby expanding the base and reducing the ratio and it is not reflective of any deterioration in renewal trends.
- Company appointed Mr. Samit Upadhyay and Mr. Naveen Tahilyani as non-executive Additional Directors effective from September, subject to shareholders' approval
- Company had ~16.2mn seamless digital service interactions in Q2FY26
- Product mix by Total APE (ULIP / Non-linked savings / Annuity / Group / Protection) stood at 48% / 22% / 6% / 7% / 17% in Q2FY26
- Distribution mix by Total APE (Banca / Agency / Direct / Partnership distribution / Group) stood at 30% / 25% / 14% / 13% / 18% in Q2FY26
- Solvency ratio remains comfortable at 213.2% as of Q2FY26

### Imagicaaworld Entertainment (IMAGICAA IN)

**Rating: BUY | CMP: Rs51 | TP: Rs73**

- The target audience for Hello Park would be children in the age group 4-14 years. Hello Park centers would be rolled out in malls & high footfall locations.
- IMAGICAA IN would be incurring nominal capex of ~Rs80-100mn per center and the business model will be asset light. Typically, each center will have an area of ~10,000 sq. ft. odd.
- The plan is to open 2-3 centers each year.
- As per the terms of agreement, 5% revenue-based royalty will be paid to Hello Park.
- Annual footfalls per center are expected to be closer to ~90,000 while ARPU is expected to range between Rs1,300-Rs1,400.
- On a steady state basis, the family entertainment business can deliver an EBITDA margin of 25-30%.
- Sabarmati Park's ground-breaking is expected in Dec-25.
- Capex for FY26E/FY27E stands at ~Rs300mn/Rs1bn respectively pertaining to Sabarmati Park.
- The first tranche of capital subsidy for Indore Park is likely to be received in 1QFY27E.



- The 6.65 MW solar power plant acquired by IMAGICAA IN in Solapur is expected to result in annual power cost savings of ~Rs40mn.
- The upcoming new water park at Ahmedabad is estimated to be completed within 18 months after commencement of construction. Total capex earmarked for the park stands at ~Rs2.5bn, including land cost of ~Rs750mn.

## Indian Oil Corporation (IOCL IN)

**Rating: ACCUMULATE | CMP: Rs155 | TP: Rs166**

- Avg Indian basket crude oil price were up 4.2% QoQ driven by increased geopolitical risk and stockpiling by China.
- HSD/MS spreads – improved/remained lower QoQ.
- Petchem – spreads remained at subdued levels due to volatile feedstock prices, weak demand and new capacity addition.
- IOCL added 597 retail outlets in Q2FY26 (total addition YTD – 1,052), current total outlets stand at 41,260, with a target to add 4,000 in FY25-26 and reach 48,000 outlets by FY26-27.
- Co. signed an MOU with Trafigura for LNG supply of 0.4mmtpa, linked to HH prices from July'2025 to Dec'2029.
- IOCL & Air India signed an MOU – where IOCL will be the certified SAF supplier.
- Borrowings increased by Rs66.92bn QoQ due to working capital requirements and Fx translations. Debt-Equity ratio stands at 0.7x.
- Russian crude exposure stands at 18-19% down from 22% QoQ. IOCL has different Russian suppliers to source crude from and does not solely rely on sanctioned companies.
- Panipat/Koyali/Barauni- commissioning expected in August/June/August 2026 with 90%/84%/88% progress made.
- Refinery throughput to be higher by 4-5 mmtpa on account of project completion in FY26-27.



## Indian Railway Catering and Tourism Corporation (IRCTC IN)

**Rating: BUY | CMP: Rs710 | TP: Rs840**

- E-booking penetration stands at 89.2%.
- 136mn tickets were booked in 2QFY26.
- UPI share was at 49.8% in 2QFY26.
- Convenience fee income stood at Rs2,520mn.
- Ticketing mix for AC/Non-AC segment stood at 67.5mn/68.0mn respectively.
- IRCTC IN currently provides mobile catering services across 1,318 trains, including 15 Amrit Bharat trains, though none operate under the prepaid model yet.
- The Bilaspur plant (capacity of 72K bottles/day) is set to restart operations soon. Further, capacity expansion is planned at Danapur and Ambarnath plants from 1 lakh bottles/day to 3 lakh bottles/day. In addition, there are plans to commission 4 more plants across India.
- IRCTC IN has entered MICE business and aims to maintain a minimum margin of 8%, with a cluster-based approach to target government and PSU clients.
- Exceptional income of Rs58mn pertains to reduction in fixed, variable and custody charges for the Tejas Express trains.
- Tejas Express generated Rs373mn/Rs34mn in revenue/profit respectively, with occupancy of 87%/56% on the Mumbai-Ahmedabad/ Lucknow-Delhi route.
- In the co-branded card business, RBL Bank has been added as a new partner.
- Loyalty card revenue rose 26.7% YoY to Rs154mn.

## Indraprastha Gas (IGL IN)

**Rating: REDUCE | CMP: Rs213 | TP: Rs201**

- Increase in gas cost was due to increase in HH prices and rupee depreciation, in addition to the reduction in APM and NWG volumes.
- Source allocations: **APM** – from 44% in Q1FY26 to 41% in Q2FY26, with volumes at 3.2mmcmd (in Q2FY26), **NWG** – from 13% to 10% - 0.81mmcmd, **HPHT** – from 16% to 10% - 0.76mmcmd, **CBG** – 0.11mmcmd in Q2FY26, **RLNG** – from 25% to 27% QoQ – 2.91mmcmd in Q2FY26. No spot procurement this quarter.
- **Opex saving** – savings in repair and maintenance (major improvement due to operational efficiency) and power & fuel (Marginal).





- As per IGL, EBITDA/scm should improve with higher volumes, VAT cut (15% to 2%) providing ~Rs1/scm benefit (including forex impact) effective Oct'25, and the pending single-zone tariff that could add another ~Rs1/scm once implemented. Mgmt expects to exit Q4FY26 at Rs7/scm and remains confident of achieving Rs7-8/scm by FY27 driven by lower LNG prices.
- Pass through of reduction in VAT will be considered at later stage after tariff rationalization as mgmt. recently reduced Rs1/scm in non-Delhi areas for improving customer base
- **Capex guidance** – capex in H1FY26 – Rs5.8bn, with core segment (Infra and PNG) – 55%, CNG/industrials – 45%. For FY26 core capex to be at Rs12-14bn. If some diversification happens then Rs+7-8bn. Capex run rate of core business would be Rs12-14bn capex.
- **Volume Guidance** - Co. expects to exit FY26 at around 10mmscmd, while in FY27 it expects to add an incremental +1mmscmd driven by new GA's. As per Mgmt, co is growing at 10% in CNG and around 8% to 10% in PNG.

### IndusInd Bank (IIB IN)

**Rating: HOLD | CMP: Rs751 | TP: Rs840**

#### Assets/Liabilities

- Bank expects upcycle in the auto industry to support business while being cautious on microfinance business.
- VF disbursements were impacted due to deferment of purchases due to GST changes in the last quarter. However, disbursements have picked-up significantly post 22<sup>nd</sup> September and bank expects this traction to continue in Q3 as well. VF purchases are further aided by the on-going festive season too.
- IIB continues to be cautious on MFI with scrutiny increasing; some steps include conducting income assessment of every loan, additional voter ID checks & further field verification over and above the conservative bank rule engine for underwriting approval.
- Tighter norms may result in near term impact on MFI disbursements but along with credit guarantee scheme these norms should help reduce the extreme swings in credit costs across the cycle.
- MFI will continue to remain an integral part of the bank's approach in meeting its financial inclusion and PSL targets.
- Disbursements in corporate have resumed, that were moderated in past few quarters for prudent balance sheet management. Focus remains largely on granular mid and small corporates offering better risk-adjusted returns, while maintaining a selective approach toward large corporates.
- While VF/MFI/corporate are strengths, segments like MSME, HL, affordable housing, gold, agri financing etc. are sub-scale. Hence incremental focus would also be on these products which will also make the book more granular.

- IIB expects to scale up HL which gives it better cross selling opportunities. MSME segment under retail is also where banks see opportunities for growth.
- MFI disbursements were Rs13bn, write-off Rs15.8bn and repayments Rs67bn.
- IIB continues to optimize its deposit mix by exiting some of the non-LCR accretive wholesale and CDs.
- Bank aims to have a ROA of 1% over medium-term.

#### **Fees/NIMs**

- Adjusted for one-time recovery in the last quarter of 14bps, NIM declined by only 3bps QoQ to 3.32% due to 26bps reduction in cost of funds.
- NIM was lower on account of lower disbursements in MFI which contributed 20bps while one-off recovery in Q1FY26 was 14bps. However, as bank recalibrates its corporate and retail portfolio NIMs are expected to improve.
- Fee income to be stronger going forward with Fee to Assets ratio aimed at 1.5% over a period of time.

#### **Asset Quality**

- A dedicated collections team has been carved out to focus exclusively on 90+ DPD. The 31-90dpd book was 3.2% in Sep'25 vs 2.2% in Jun'25.
- Bank started availing the Credit guarantee scheme CGFMU for disbursements done in FY26 and it covers 22% of standard book for Sep'25 which is expected to grow in coming quarters helping it to normalize gross slippages.
- Provisions were elevated due to incremental provisioning of Rs8.7bn in MFI as bank wrote-off Rs15.8bn of MFI loans.
- Slippages: MFI-Rs10.83bn (Q1'26-Rs8.88bn), VF-Rs6.94bn (Q1'26-Rs7.43bn), retail-Rs6.97bn (Q1'26-Rs6.92bn), corporate-Rs0.64bn (Q1'26-Rs2.45bn).
- Gems and Jewelry business has no SMA1 and SMA2 as on Sep'25.
- Management aims NNPA to be 50-60bps in medium term.
- Bank revamped its management and has hired a new CEO for BFIL business among other changes in the team.



## Infosys (INFO IN)

**Rating: BUY | CMP: Rs1,472 | TP: Rs1,780**

- Company expects near-term demand to remain stable but cautious and expect the H2 seasonality of furloughs & lower working days to weigh on its performance in H2 due to which it has kept the upper end of guidance unchanged.
- The company noted that third-party revenue is trending lower (7.4% of sales in H1 vs 8.2% in FY25) and is unlikely to see the higher than usual seasonal pickup in Q3 like last year.
- Segment wise, demand in FS remain strong driven by core modernization and AI driven focus on cost efficiencies and enhanced customer experience. Within subsegment traction is seen in mortgages, capital market, commercial banking & wealth management. Manufacturing & Retail remains impacted by tariffs.
- Deal wins remain strong for 2<sup>nd</sup> straight quarter with large deal wins of USD 3.1 bn of which 67% were net new wins. INFO won 23 large deals in quarter of which 14 were in Americas, 7 in Europe and 1 each in India & RoW. Vertical wise it won 6 large deals in FS, 4 each in Manufacturing, Comms & Retail, 3 in EURS and 1 each in Hitech & Others. INFO also won a mega deal of USD 1.6 bn in Q3 which it expects to ramp up FY26 itself.
- Management mentioned that demand continues to be driven by cost optimization and vendor consolidation programs, with increasing traction in AI-led productivity initiatives. They also indicated that large deals will not be significantly margin-dilutive — while they may exert initial pressure, profitability is expected to improve over time through Project Maximus and other operating levers.
- On AI, company mentioned that AI-led transformation remains a key growth driver, with Infosys having delivered 2,500+ GenAI and 200+ agentic AI projects. The company is now adopting an AI-first delivery model with “forward-deployed engineers” co-creating on-site with clients, signaling a shift toward high-touch AI engagements.
- The company stated that the Versant JV in Australia is still awaiting regulatory approval and is expected to close within this fiscal year. Revenue from the JV has not yet been included in the FY26 guidance.
- The company onboarded 12,000 freshers in H1, including 8,000 net additions in Q2, underscoring confidence in medium-term delivery visibility despite near-term softness in H2.
- Management indicated that the Rs. 180 billion buyback is awaiting shareholder approval and is expected to be completed in Q3.
- During the quarter Top 5/10/25 clients grew by 1.2%, 2.2% & 2.7% QoQ respectively.



## InterGlobe Aviation (INDIGO IN)

**Rating: BUY | CMP: Rs5,630 | TP: Rs6,332**

- INDIGO IN's FX exposure stood at US\$9bn in 2QFY26 mainly arising from lease liabilities and maintenance obligations. Hedge position of US\$850mn helped mitigate this exposure arising from sharp rupee depreciation to a certain extent. Overall, net FX loss for the quarter stood at Rs26.8bn.
- Expanded network to 94/41 domestic/international destinations in 2QFY26.
- Fleet size stood at 417 aircrafts in 2QFY26. Of these, 56 were leased through Gift City entity.
- INDIGO IN inducted 15 aircrafts, redelivered 11, and purchased 6 finance lease aircrafts at nominal value, reclassifying them as owned.
- Target is to have 30–40% of the fleet as owned or on finance lease by 2030.
- AoG count stands at ~40 and is expected to stay range-bound through FY26E.
- A new MRO facility is likely to be set up in Bengaluru for Rs10bn. Currently, ~90-95% of the MRO activities are outsourced.
- First Airbus A321XLR aircraft (wide-body) will be inducted soon extending the operational range to 7–8 hours.
- 4 Boeing 787 widebodies were added on damp lease in 2QFY26 and 2 more will be added in the coming months. These aircrafts are currently deployed on routes to Amsterdam, Manchester, Copenhagen, and London Heathrow.
- The international ASKM share is expected to rise from 30% to 40%; as wide-body induction gains momentum.
- INDIGO IN's loyalty program, "Bluechip", has expanded to 7mn members since launch.
- ASKM growth for 3QFY26E is expected to be in high-teens range with majority of the capacity to be deployed on international routes.
- In FY26E, CASK (ex-fuel & ex-forex) is expected to rise by early single digit.

## Ipca Laboratories (IPCA IN)

**Rating: BUY | CMP: Rs1,302 | TP: Rs1,600**

- **Domestic:** Growth was impacted by GST rate rationalization in Sept'25 but strong recovery seen in Oct month. Chronic portfolio share rose to 35%, both acute and chronic segments outpaced IPM. Therapy wise growth; Pain (+10%), CVS (+11%), CNS (+18%), Cough & Cold (+17%), Dermatology/Urology (+11%); Anti-malarials declined (-8%). MR strength at 700, added 2 new cardiac divisions, planning for Cosmeto dermatology division.
- **Unichem:** Synergy work in progress: ~12 dossiers filed in Europe/other markets; approvals expected in 12–18 months. API sourcing from IPCA to start from FY27E post regulatory clearance. Ireland plant closed; production shifted to Baddi, cost saving of EUR 3.5–4 mn p.a. EBITDA expected to sustain this level near term; structural improvement in 1.5–2 yrs. US business grew 12%







YoY; EU also steady. Targeting 8–10% US growth annually despite price erosion. Jogeshwari land sale completed (Q3 inflow); no further cash infusion needed.

- **US:** Business stabilising; commercialised 6 products, 5-6 products under manufacturing. Additional launches expected from Q4FY26. For H1, reported Rs550mn of revenues
- **Export formulations:** European softness due to one product; otherwise, healthy demand, new Germany subsidiary set up for tender participation. Cross-selling of Unichem products in ROW/Europe to begin post approvals (12–18 months). H2 growth guidance of 8-9% will be driven by generics recovery and steady branded exports.
- **API:** Mix improvement, better business from EU and LatAm aided such high growth. FY26E growth guidance of 14-15%
- **R&D pipeline:** 7 biosimilars in pipeline; 3 to enter clinical stage next year. FY27E range to be 4.5–4.7% with biosimilar clinical trials and expanded filings. For Q2, R&D spend was 3.9% of sales
- **Subsidiaries:** Lyka Labs: Weak quarter due to GST change & batch rejections (~Rs 50 to 70mn hit). Critical care & animal health verticals progressing as planned. Biosimilar tech transfer (Puerto Rico partner): milestone + royalty model; aims for US market entry and regulatory collaboration.
- **Guidance-** Domestic 10-11% growth in FY26E. Margins to be better by 100 bps in H2.

## J.B. Chemicals & Pharmaceuticals (JBCE IN)

**Rating: BUY | CMP: Rs1,820 | TP: Rs2,100**

- **Domestic business** growth was on back of 4% volume growth and 6% price growth. Acute portfolio delivered muted growth due to weak season. There was impact on brands such as Metrogyl and Rantac. Chronic segment grew strong. Key brands such as Cilacar T, Sporolac and Azmarda were up 26%/15%/23% each. Domestic growth guidance maintained at 12-14% YoY for FY26E.
- The monthly run rate in **ophthalmology** portfolio stood at Rs 170-180Mn with new organics launches driving traction. Coverage amongst ophthalmologists is improving steadily.
- **CDMO** growth was led by strong global partnerships and execution. It has robust order book for H2FY26E. Guided for 12-14% YoY growth for FY26E. Mgmt expects mid teens growth trajectory to sustain.
- **API business** to maintain quarterly run rate of Rs 250mn. Focus remains on maximizing existing portfolio utilization. Growth was led by Diclofenac exports during the quarter
- **Branded generics:** Russia remained strong whereas South Africa remained impacted by reduced public tenders. APAC is performing well expecting high single digit growth in H2 FY26. No pricing pressure in US with business stable at \$10-12mn per quarter.



- **Other highlights:** Gross margin guidance of 67-69% maintained. Capex for the quarter stood at Rs 1bn which includes 600mn of maintenance capex and rest for new line 4. OCF stood at Rs 3.63bn. Net cash Rs 9.39bn. Debt levels at Rs 70mn.

## Jindal Stainless (JDSL IN)

**Rating: HOLD | CMP: Rs743 | TP: Rs748**

### Financial & Guidance

- Mgmt. reiterated its guidance for EBITDA/t to be in the range of Rs19,000-21,000 for FY26 with a volume growth of 9-10% unchanged due to uncertainties in exports due to impending CBAM implementation and geopolitical tensions.
- Consolidated net debt declined Rs2.24bn QoQ to Rs36.5bn, with a debt-to-equity ratio of 0.2x.

### Volumes & Operations:

- Q2FY26 volume mix stood at 34% / 49% / 17% for Series 200 / 300 / 400, respectively.
- NPI and Chromeni units are operating at 90% and 70% capacity utilisation, respectively, with Chromeni expected to reach 80% in H2.
- The Rathi unit is operating at 70-75% capacity utilisation, with stainless steel rebar volumes gradually ramping up.
- RVPL is operating at approximately 70% capacity utilisation.

### Capex & Projects:

- JDSL incurred Rs5.95bn of capex in Q2FY26, maintaining full-year capex guidance at Rs27bn.
- The SMS project in Indonesia and aligned downstream capacity expansions at Jajpur are progressing well and remain on schedule. The Indonesia melt shop is expected to commence operations early next year.
- The HRAP line is targeted for commissioning in the H2FY27.
- JDSL has a long-term chrome ore supply contract with Odisha Mining Corporation, while operations at its own Sukinda mine are expected to begin next year.

### Renewable Energy:

- JDSL has partnered with Greenzo Energy to set up a green hydrogen plant at its Jajpur facility, with a planned capacity of 600 Nm<sup>3</sup>/hour, scheduled for completion by mid-next year.
- RE usage at the Jajpur and Hisar facilities increased to 42% in Q2FY26, up from 26% in FY25.



### New Initiatives & Market Outlook

- JDSSL inaugurated its first stainless steel fabrication unit under Jindal Stainless Steelway Limited at Patalganga, catering to rising demand for sustainable, high-quality bridge infrastructure.
- The automotive segment continues to see strong demand for special products, with momentum expected to remain strong in Q3.
- QCO - Quality Control Order suspended till December. JDSSL is working with the govt to reinstate the order for the benefit of customers.

### Jindal Steel (JINDALST IN)

**Rating: ACCUMULATE | CMP: Rs1,071 | TP: Rs1,151**

- The planned shutdown led to an impact of Rs2.5 bn on metallic purchases and operating expenses, which is non-recurring in nature.
- In Q2FY26, JINDALST achieved actual savings of USD4/t on coking coal costs, compared to the guided savings of USD5/t.
- For Q3FY26, JINDALST expects a USD3-5/t increase in coking coal costs, while iron ore costs are likely to remain largely flat despite NMDC's price cut, as OMC auction prices continue to stay elevated. Domestic steel prices are currently 2-3% lower compared to Q2 avg.
- Q2 sales mix stood at 51% longs and 49% flats. With new furnace ramping up, the share of flats is expected to increase.
- JINDALST's net debt declined by Rs2.44bn to Rs141.6bn, bringing net debt to EBITDA to 1.48x. Mgmt. reiterated its commitment to maintain the ratio within 1.5x.
- Q2FY26 capex stood at Rs26.99bn, taking total expenditure on the Angul project to Rs308.5bn out of the planned Rs470.4bn. Capex for H1FY26 was Rs49.25bn, with FY26 spend estimated at ~Rs70-90bn.
- Share of value-added steel reached an all-time of 73% in Q2 (72% in Q1).
- Captive coal accounted for about ~96-97% of total requirements. Utkal B1 is currently in the commissioning phase, with production expected to begin by the end of Q3.
- Pellet utilisation during Q2 stood at 75% for 15mtpa capacity. Captive iron ore production stood at 2mt, driven by strong output from the Kasia and Roida mines, while Tensa contributed ~0.1mt as it nears the end of its mine life.
- At the end of Q2FY26, capital acceptances stood at Rs4.3bn and revenue acceptances at Rs49.8bn, driven mainly by higher coking coal requirements for the new capacity. Acceptances not included in net debt.
- JINDALST maintained its full year sales volume guidance of 8.5-9 mt. With capacity ramp-up underway and Q4 being seasonally strong, company remains confident of achieving this target.



- Of the newly commissioned 4.6mt #BF-II, ~60% of the annualised volume uptick can be expected in H2.
- JINDALST expects strong demand in H2, supported by government capex and incremental demand from real estate, autos, and household appliances following the GST cut.

## Jubilant FoodWorks (JUBI IN)

**Rating: BUY | CMP: Rs574 | TP: Rs700**

- Overall demand in Q2 remained strong, driven by menu innovation.
- October seeing similar demand scenario with growth beating internal estimates.
- JUBI has accelerated the pace of new product innovation by introducing Sourdough Pizza, 7 new variants of flavor burst burgers launched in Dunkin donuts.
- JUBI is likely to focus on changing its mix from value to premium portfolio to drive margins and increase average ticket size
- JUBI is seeing good traction for its premium portfolio in tier-2 and tier-3 cities.
- JUBI is materially ahead of competition in terms of store expansion with 65-70% market share in pizza category
- Gross margin came in at 74.4%, lower by ~169bps YoY, however company remains confident on improving its margin in coming quarters led by internal initiatives
- Take away business declined by 19% led by 20-min delivery and free delivery
- Company took calibrated price increase in some of its pizza portfolio eg. cheese volcano along with packaging charges
- Pre-Ind AS 116 EBITDA margin expanded 37bps YoY on account of sequential improvement in gross margin, store productivity and operating leverage
- Popeyes is seeing strong double digit growth with 8 new popeye stores opened in Q2 out of which 4 were in Mumbai
- The company targets India business growth of ~15% year-on-year, with 5-7% from like-for-like growth (including 1-2% from pricing/mix) and 7-10% from store expansion.
- Management committed to minimum 200bps EBITDA margin improvement by FY28 from FY24 base levels, driven by 100bps reduction from losses in new businesses (currently 200bps) and rest from Operating leverage from 5-7% LTL growth.
- Mumbai commissary is expected to be commissioned by end of current quarter or early next quarter. 15) In Turkey, the company is operating in a



hyperinflationary environment which impacts accounting and inventory management

## Jubilant Ingrevia (JUBLINGR IN)

**Rating: HOLD | CMP: Rs677 | TP: Rs695**

- New boiler is scheduled to be commissioned in Bharuch in Q3FY26.
- \$300mn Agro CDMO project is set for commissioning in Q4FY26.
- A new R&D facility for semiconductors will be set up in Greater Noida.
- Specialty segment volumes are improving across Fine Chemicals and CDMO segments.
- In last 3 quarters 10+ new molecules were added in CDMO and Fine Chemicals.
- Received approvals for 10+ molecules in last 1 year, with total revenue potential of Rs12bn, 1 molecule has been already shipped.
- In Specialty Chemicals segment 10+ molecules in advanced stages with peak revenue of Rs10bn.
- Pyridine plant was shut for maintenance during the quarter led to small decline in absolute EBITDA.
- In Nutrition and Health segment Niacinamide demand showing uptick especially in high value products, and strong increase in volumes in Q2.
- Choline Chloride volumes improved in Q2FY26 compared to Q1FY26.
- EU anti-dumping duty on China Choline Chloride has led to higher order book which are expected to be realized in upcoming quarters.
- In Chemical Intermediates Segment Paracetamol end use segment improving, pricing continue to remain under pressure.
- A total of 18 new products are planned for launch in FY26.
- Tariffs have been applied for only 2% of existing business.



## Jupiter Life Line Hospitals (JLHL IN)

**Rating: BUY | CMP: Rs1,591 | TP: Rs1,800**

The company continues to be on track to achieve its initial target of 2,500 beds by adding ~1,440 beds across 6 hospitals in Western India in the next 3-4 years.

- **Bed expansion plan** – Greenfield project at **Dombivli (500beds)** is on track, construction work is progressing well and ~250 beds are expected to be operational in Q1FY27. While reiterating the guidance on breakeven in 2nd year of operations. Mgmt expects strong demand ramp-up and EBITDA breakeven in year 2 due to large catchment with no major organized player.
- The second hospital in Bibwewadi, Pune, construction planned to commence in Q3FY26. While Mira-Bhayandar hospital is under design finalization. Management reiterated that new hospitals typically remain EBITDA-negative in year 1 and breakeven by year 2 (~40–45% occupancy).
- Capex: Rs 1.1bn capex was incurred in H1FY26.
- **Net debt** – Consolidated debt stood at Rs 3.25bn as of Q2FY26, offset by Rs 5.5bn in liquid investments, indicating a net cash position of Rs 2.25. Cost of borrowing is 7–8%, though the effective carrying cost is ~1% due to investment income. Internal accruals and existing liquidity are expected to fund ongoing projects, with incremental borrowing only if additional expansion opportunities arise.
- **Thane unit** - Mature unit with stable mid-70% occupancy and steady margins.
- **Pune Unit:** Margins improving; occupancy approaching 70%, though Q2 saw a mild seasonal dip due to lower infection-related admissions.
- **Indore unit** - Ramp-up continues with benefiting from case-mix optimization and rate revisions, driving ARPOB growth.
- Unbilled revenue accounting introduced this quarter (Rs192mn revenue, Rs 123mn professional fee impact). Professional fees increase in Q2 was largely one-off due to policy change and provisioning.
- **Guidance for FY26E** - FY26 growth momentum expected to remain steady with mature hospitals sustaining mid-20% EBITDA margins. Margins could temporarily dilute upon commissioning of Dombivli in FY27, before normalizing as ramp-up progresses. No new inorganic opportunities are currently under evaluation; focus remains on Western India (Maharashtra, Gujarat, MP).



## JSW Infrastructure (JSWINFRA IN)

**Rating: ACCUMULATE | CMP: Rs309 | TP: Rs338**

### Operational Highlights:

- The mgmt. reduced the full year volume guidance to 8–10% for FY26.
- Overall growth was impacted by subdued volumes at Paradip Iron Ore Terminal (down 2.1mt) due to weak global macro conditions affecting iron ore exports. Otherwise, growth could have been 10%. H2 is expected to perform better than H1, supported by firming iron ore prices in October.
- Third-party volumes declined marginally by 1% YoY, mainly due to weak cargo at Paradip Iron Ore Terminal.
- Not expecting much impact on volumes from shutdowns at Vijaynagar Steel Plant.
- Volume increased by 3% YoY, driven by strong performance at South West Port, Jaigarh Port, Dharamtar Port, and interim operations at Tuticorin and JNPA Liquid Terminal.
- Realisation was up 7% YoY, driven by additional cargo-related services at Jaigarh, Dharamtar, and South West ports.
- Share of group volume increased to 54% from 52% last year.
- Capacity utilization improved due to strong performance at South West Port, Dharamtar Port, Paradip Coal, and Ennore Coal.
- Recognized unrealized FX loss of Rs50mn due to USD/INR fluctuations and changes in the yield curve.
- Capex of Rs33bn has been committed, with Rs9.02bn spent in H1FY26. Capex of Rs40bn for Ports and Rs15bn for Logistics, totaling Rs55bn for FY26.
- Net debt stands at Rs18.10bn, with net debt to EBITDA of 0.75x.
- Effective tax rate was 20% versus 33% previously, due to ESOP tax credit and adoption of tonnage tax for four MDCs at Jatadhar Port starting FY26.

### Logistics:

- Acquired an 86-acre brownfield rail siding in Kudathini, Ballari (Karnataka), being transformed into an MMLP. Operations expected to start in 2–3 months. Total investment Rs3.8bn (including Rs570mn for the acquisition).
- EBITDA guidance of Rs1bn for FY26 is maintained.
- To achieve Rs80bn revenue by 2030–31: JSW's plan includes 284 rail routes (107 specialized, 177 container), setting up 30 terminals, and purchasing containers along with container trains. Revenue split expected to be 60% domestic and 40% EXIM; group customers to contribute 35–40%.





- Capacity increase at Navkar: 60 acres at Panvel and 40 acres at Murbhe. At Panvel, 10-12 acres will be used immediately; the rest will be utilised later based on opportunities. Current utilisation is 60–65% at Mumbai and 55–60% at Murbhe.
- Started transporting tiles from Murbhe to Kolkata and returning with cargo to Mumbai and Murbhe. Three services have been completed so far.

## JSW Steel (JSTL IN)

**Rating: HOLD | CMP: Rs1,166 | TP: Rs1,118**

- Domestic sales rose 14% YoY, outperforming the industry growth of ~9% in the quarter on ramp of JVML.
- Capacity utilisation at Indian operations stood at 92%. Value-added and special products sales stood at 4.31mt, up 20% YoY.
- Capex during the quarter stood at Rs31.35bn. Revenue acceptances as of Q2FY26 were USD2.35bn.
- JSTL's board has approved a 1mtpa EAF project in Kadapa, AP, slated for completion by FY29 end. The plant will include a section mill for structural steel used in construction and infra, with scope for future expansion depending on availability of iron ore in the region.
- The board also approved a 1mtpa section mill at the Raigarh plant for structural steel production, along with facilities at Salem for bearings and premium niche-grade steel.
- JSTL commissioned India's first 25MW green hydrogen electrolyser, with 3,800tpa capacity, to supply the Vijayanagar DRI plant and cut GHG emissions.
- JSTL received board approval for 2.5GW of RE and 320MWh of battery storage; RE capacity at the end of Q2FY26 stood at 885MW.
- The slurry pipeline which was transferred to JSW Infra is slated for commissioning in Q4FY27.
- The 3mt #BF3 at Vijayanagar was shut down in late Sep'25 for relining and capacity upgradation to 4.5mt, and ops are expected to resume by Feb'26.
- The Dolvi Phase III expansion from 10mt to 15mt is progressing as planned, targeted for completion by Sept'27.
- A capex of ~Rs690bn is planned for the period starting H2FY26 and spanning over the next 3.5 years.
- US operations reported slightly lower EBITDA due to shipment spillovers at the plate and pipe mill into Q3.
- JSTL anticipates coking coal costs to rise by ~USD 3-5 in Q3.



- Captive iron ore consumption during the quarter stood at ~30%. JSTL expects iron ore prices to decline in Q3. Captive iron ore availability in FY26 is estimated at ~22-23mt, accounting for about 36% of JSTL's total requirement.
- Cons net debt as of Q2FY26 was Rs791.5bn, down Rs7bn QoQ.

## Kajaria Ceramics (KJC IN)

**Rating: HOLD | CMP: Rs1,251 | TP: Rs1,288**

- KJC has refrained from providing FY26 guidance due to near-term soft demand, it remains confident of outperforming the industry. Domestic demand remained muted in H1FY26, but management expects a recovery in the coming quarters, supported by increased government infrastructure and development spending.
- Exports in the tiles industry grew by ~10% YoY to Rs 83bn, primarily due to easing in freight rates. However, for FY26, management expects exports to reach to Rs 180bn.
- EBITDAM expansion was aided by the consolidation of the dealer network and integration of Ceramic, GVT, and PVT tile divisions into one. This move, currently implemented in select states, has led to cost optimization, with full benefits expected as it scales pan-India.
- KJC retail-to-project revenue mix stood at 70:30, with a growing focus on expanding participation in both government and private project segments.
- Nepal JV having an annual capacity of 5.1 MSM, operated at 86% utilization levels in Q2 with a volume of 0.7 MSM.
- The company has hired a management consultant to devise strategies for increasing market share, including revising incentive structures, conducting a state-by-state deep analysis to identify underperforming dealers, and mapping white spaces for expansion.
- Additionally, a dedicated team of 18–20 professionals has been formed to engage with architects and interior designers, enhancing brand visibility across Kajaria, Kerovit, and Gresbond.
- KJC currently has 1850 dealers, out of which 450 are exclusive dealers aiming to expand both networks.
- The pricing gap between Morbi players and KJC has been consistently maintained at around 20%, reflecting the company's strong brand positioning and premium product offering.



## Kalpataru Projects International (KPIL IN)

**Rating: BUY | CMP: Rs1,256 | TP: Rs1,494**

- **Guidance:** The management upward revised its revenue growth guidance from 20-25% YoY growth to 25%+ YoY growth in FY26. PBT margin is expected to improve by at least 50bps while NWC days to remain below 100 days on a standalone basis. Given the strong prospects in India and international markets, management remains confident of order intake guidance of more than Rs250bn on a consolidated basis.
- **T&D business clocks revenue growth of 60% YoY:** Growth was driven by robust project execution in India, Sweden and other international markets. Domestically, there is a huge tender pipeline worth ~Rs1.5trn for the next 12-18 months. Of this, ~Rs550bn worth of 2 HVDC projects are expected to be tendered out in H2FY26. Rest of the tender pipeline is in international markets such as Middle East, LatAm, Africa and Europe. Currently, KPIL has an L1 position of ~Rs45bn+ mainly in international markets and the international orders constitute to ~Rs160bn in T&D's total order book of Rs263bn.
- **LMG grows by 89% YoY, while Fasttel declines 46% YoY:** Management remains very bullish on LMG and expect the business to report a full year revenue growth of more than 30% in FY26 with EBITDA and PBT margins of ~7.5% and ~7% respectively. Meanwhile, Fasttel's revenue was lower than management's anticipation. Currently the company focuses on stabilization of the business and remains slightly cautious in terms of growth and expect the business to see degrowth for next couple of years.
- **B&F grows by 20% YoY:** The management expects **B&F business to growth by ~20% in FY26**, with double digit EBITDA margins. Company continues to remain bullish on B&F given the strong prospects for residential and commercial buildings among other civil projects. Company's capabilities to execute large projects has opened up better opportunities as top 5-6 clients constitute ~80% of the B&F order book.
- **Water declines 6% YoY:** Water business continues to face challenges regarding collection primarily from UP and Jharkhand. Meanwhile the company has invested ~Rs7.0bn in H1FY26 to complete the water projects which are in the later stages. Company is seeing good traction for collections from MP, Punjab and Bihar. During the quarter, company collected ~Rs4.2bn in receivables primarily from MP and Orissa. Despite the collections in Q2, total receivables have gone up by ~Rs1.25bn and currently stands at Rs15.5bn.
- **O&G grew by 21% YoY** driven by significant progress in the Saudi Aramco order. Company is actively working to expand its international presence to drive the next phase of growth in O&G segment. Company has also qualified



across several projects in Middle East. However, some these projects are getting pushed to Q1FY27 due to volatility in brent crude prices.

- **Middle East remains the key international market:** KPIL is seeing strong traction in Middle East driven by some opportunities in Solar EPC while they are also exploring projects in water business. Furthermore, company is focusing on O&G and would also like to win some more T&D projects. The working capital conditions are favorable in Middle East which margins may remain slightly below double digits. Currently KPIL has a total order book of ~Rs75bn in Middle East constituting O&G (~Rs5.0bn) and T&D (~Rs70.0bn).
- **Road Boot assets:** The company has handed over operations of WEPL to NHAI w.e.f. from 30<sup>th</sup> Sep 2025. However, the total dues may take couple of more years to be cleared given the ongoing arbitration and other legal processes. Meanwhile, the company expect to conclude the sale of VEPL in H2FY26. The external debt in Shree Shubham Logistics stands at Rs900mn which management aims to further reduce by ~50% by end of FY26 by selling some assets.

## Kansai Nerolac Paints (KNPL IN)

**Rating: ACCUMULATE | CMP: Rs250 | TP: Rs265**

- Demand in decorative business was affected in Q2 amidst heavy and extended monsoon while the company is doing well in Construction chemicals, waterproofing, wood finishes and projects with double digit growth
- A shorter Diwali season and continued monsoons to impact growth in October, though Q4 to be better than Q3 led by favorable macro environment.
- Raw material prices remained benign though considerable volatility was witnessed in the forex markets along with Geopolitical uncertainty. Going ahead Tarrieff & rupee depreciation possess risk to RM prices in near term
- Company added 2500 dealers in Q2
- Industrial & automotive growth was in low single digit however GST cut to push demand in near to medium term.
- powder segment witnessed strong dealer sales while remaining affected due to lower AC sales.
- Services continue to grow and contribute 5% to decorative business
- Total of 4 New Products were Launched in H1 & New product now contribute ~10% of Decorative Business.
- Competitive intensity in decorative segment continues to remain at elevated levels.
- Urban did better than rural & region wise East performed very well with west was stable and north remained impacted due to heavy rain.



- Nepal remains impacted due to geopolitical issue, while things are stabilizing there however Bangladesh market remain challenging.
- Auto to show mid-high single digit value growth for 2HFY26 led by GST push

## Kaynes Technology India (KAYNES IN)

**Rating: ACCUMULATE | CMP: Rs6,659 | TP: Rs7,565**

- Kaynes has maintained its revenue guidance of Rs45bn by FY26, with a margin of 17%, driven by higher contribution from high-margin businesses and improved operating leverage.
- In FY26, Kaynes expects strong growth across segments, with the Automotive & EV segment ~50% YoY (aided by GST benefits and new customers), the Industrial segment will be the largest contributor (~40% of revenues), Railways growing on Kavach and signaling demand, Aerospace & Defense contributing ~10% driven by localization, and IT/IoT & Consumer Electronics (~12%) supported by high-performance computing and exports.
- Gross margins expanded significantly in Q2FY26, mainly due to growth in all the segments and rising contribution from the ODM business. Going forward, margin expansion is expected to continue, led by OSAT and Multi/HDI PCB, both of which are high-margin verticals.
- Kaynes Semicon achieved a significant milestone in Q2FY26 by delivering India's first commercially manufactured multi-chip module (IPM5) from its Sanand OSAT facility, in collaboration with Alpha & Omega Semiconductor and Mitsui & Company.
- Kaynes' strategic collaboration with Infineon marks its entry into MEMS-based true wireless stereo (TWS) packaging, strengthening its presence in the rapidly expanding consumer and IoT electronics segment.
- Kaynes is enhancing India's PCB manufacturing landscape with Government of India approval for its advanced PCB projects. The company's upcoming multi-layer HDI PCB facility in Chennai will play a key role in this expansion.
- The global PCB market is projected to cross USD 100bn by CY30, with India's market growing at 20% CAGR driven by EVs, industrial automation, defense, and telecom. Kaynes expansion will reduce import dependence, enable domestic value addition, and support India's vision of self-reliance in advanced electronics manufacturing.
- Working capital days grew to 116 in H1FY26 vs 108 in H1FY25 due to a Rs3.5bn one-time acquisition-related receivable and seasonal billing. However, management plans to reduce net working capital days by FY26.
- The company expects positive operating cash flow in FY26, with notable improvement in H2.
- The company continues its transition from a traditional EMS player to a fully integrated ESDM, by expanding into design, prototyping, system integration, and IP-led solutions.



## KEC International (KECI IN)

**Rating: BUY | CMP: Rs768 | TP: Rs932**

- **Guidance:** Management reiterated its guidance of ~15% YoY growth in revenues while EBITDA margins to inch up towards ~8.0% in FY26. The interest expenses are expected to remain at ~2.5% of the sales. Capex is estimated to be ~Rs4.0bn in FY26 and Rs2.5-3.0bn in FY27.
- **Tenders under evaluation and pipeline of over ~Rs1.8trn:** Out of the total pipeline, T&D accounts for prospects worth ~Rs600-650bn of which, domestic prospects remain between ~Rs200-250bn and international prospects remain between ~Rs400-450bn primarily out of Middle East, Africa and CIS region. Civil accounts for nearly 50% of the non-T&D prospects of ~Rs1.2trn while the rest of the pipeline is divided between renewables and railways.
- **Working Capital days stood at 138 vs 130 YoY,** with improvement expected as advances from recent large orders are yet to be received. The company is focusing on better-quality order intake, avoiding tenders with adverse payment terms. With Saudi projects nearing completion, release of retention money (~20%) and pending Afghanistan receipts (USD30mn, majority in Q4FY26) should further support liquidity. These factors are expected to aid debt reduction, with levels likely to normalize to ~Rs50bn by end-FY26.
- **Transmission and Distribution:** KEC secured its largest-ever EPC order worth Rs31.0bn in the UAE and another HVDC project in India, taking the total to five under execution. The private sector order mix rose sharply as state utility projects shifted to the TBCB model, boosting traction. Domestic ordering, slow in Q1, improved in Q2 with strong finalizations expected in Q3 under TBCB and intra-state bids. SAE Towers saw steady hardware demand, especially from Mexico, supported by capacity gains and efficiency improvements. The Nagpur tower capacity expansion is underway, with completion expected by year-end.
- **Civil:** Execution was affected by monsoons, labor shortages, and delayed payments in the Water segment. Even though labor availability is improving, still remains below expectations. The company remains selective in water projects while expanding in thermal EPC and residential segments with repeat marquee orders. Civil margins are currently low single-digit but should improve as new higher-margin projects ramp up. **The segment is expected to grow 10-15% in FY26 (~Rs50bn revenue) with mid-single-digit margins and 15-20% in FY27 with higher single-digit margins.**
- **Water:** In the Water segment, dues stand at ~Rs8.7bn, with timely payments from Madhya Pradesh while Odisha remains a challenge. Discussions with state authorities are progressing well, with positive developments on payment recovery. **The current Jal-Jeevan Mission (JJM) order backlog stands at ~Rs16bn.**
- **Cables:** The segment is witnessing gradual improvement in profitability. Capex for the E-Beam and Elastomeric cable facilities is progressing well, with commercial production expected by year-end. The Elastomeric unit will be operational in Q4, while E-Beam capacity will come online in Q1FY27, catering





to Defence, Auto, and Railways. **Cables currently deliver high single-digit margins, with further improvement expected.**

- **Transportation:** The Railways segment secured three TCAS (Kavach) orders YTD with its JV partner and is focused on expediting project execution, receivables collection, and selective high-margin orders to improve working capital. Additional Kavach and international opportunities are being pursued. **The segment, with low single-digit margins, is expected to deliver ~Rs20bn revenue in FY26 on an order book of ~Rs30bn.** Activity is likely to remain subdued in the near term but should improve post consolidation.
- **Renewables:** KEC is executing two large solar projects in Karnataka and Rajasthan while selectively bidding for solar, wind, and BESS opportunities. Working capital remains benign, and margin pressure from intense competition is easing. The company is targeting rising private captive projects and has begun bidding for wind projects, expecting its first win in FY26. Improved cost optimization, team building, and stronger backward integration are driving efficiency gains. KEC has also started exploring international opportunities, with potential traction expected in FY27.
- **Oil and Gas Pipelines:** The segment achieved prequalification from a leading Middle East utility for pipeline projects, marking a key milestone in its international expansion. With a subdued domestic tender pipeline and rising competition in India, the focus has shifted toward pursuing international opportunities to drive growth.

## KEI Industries (KEI IN)

**Rating: BUY | CMP: Rs4,173 | TP: Rs4,926**

- The company has guided for revenue growth of over 20% in FY26 and a sustained CAGR of 20%+ from FY27, along with EBITDA margin expansion of 100–150bps as the Sanand plant becomes fully operational.
- W&C volume grew 15% YoY in Q2FY26.
- Sanand plant has been delayed by ~4months due contractor side challenges and labor shortage, while the 2<sup>nd</sup> phase is delayed by ~9months due to complexities faced in the construction of vertical tower.
- The plant is expected to generate revenue of ~Rs60bn, of which ~Rs1.2bn will be contributed by the EHV segment and Rs4.8bn from the low and medium voltage cables.
- Pending order book, including EPC, stood at Rs38.2bn: EPC at Rs4.8bn, EHV at Rs6.4bn, domestic cables at Rs20.7bn, and export cables at Rs6.4bn.
- Capacity utilization for Q2FY25 stood at 78% in cables, 65% in housing wires, 85% in SS wires, and 46% in communication cables.
- Export contribution to total revenue is expected to increase to 18% in FY27.
- The company derived 54.1% of revenue from dealers/distributors Q2FY26.
- 25% of total exports in H1FY26 came from newer geographies.





## Kirloskar Pneumatic Company (KKPC IN)

**Rating: BUY | CMP: Rs1,150 | TP: Rs1,620**

- **Guidance:** Management has guided for ~15% YoY revenue growth along with ~18-20% EBITDA margin in FY26. Management expects H2FY26 to be very strong with Q3FY26 revenue expectations of ~Rs6.0bn. Furthermore, it expects finalization of some large additional orders in Q3FY26 with total order intake expected to surpass ~Rs6.0bn in Q3FY26.
- **Refrigeration Compression (~35% of total sales):** During the quarter, large projects were facing execution delays which led to lower offtake in refrigeration compression segment. Meanwhile, food and consumption based business drove growth for Khione packages. Company's new offering Tyche semi-hermetic compressor saw good uptake and has already started gaining market share in an import dominated market.
- **KKPC's entry into Commercial Air Conditioning market:** KKPC is applying for a PLI to enter commercial air conditioning space (**market estimated at ~Rs50bn per annum**) with their unique and patented Zephyros C system. The closest competitors in this space import their compressors and use refrigerant having higher carbon footprint while **KKPC's offering is the only completely indigenous product in India offering lower cost of ownership and zero carbon footprint giving it an edge**. KKPC plans to set up a manufacturing facility with the help of PLI in next 18 months which will be able to manufacture thousands of packages per annum.
- **Tezcatlipoca Centrifugal Compressor crosses 100 nos mark:** Currently KKPC has ~115 Tezcatlipoca compressors on its book. Of which, **it has dispatched nearly 88 compressors till date**. The market for this compressor is estimated at ~Rs5.0bn, mostly import dominated, where the company believes that they can capture more market share. KKPC aims to increase its offerings in centrifugal compressors covering full range of Tezcatlipoca and expects to become a dominant player in this space in coming years.
- **Gas Compression (~30% of total sales):** Geopolitical uncertainty, technological changes etc. globally have led to slowdown in O&G packages. **The volumes saw ~50% decline YoY in Q2FY26**. KKPC has lost some market share in CNG packages given the newer entrants offering much lower priced operations and maintenance contracts. Amid this, KKPC will aim to offer technologically superior products to become competitive in this market.
- **Exports:** KKPC booked export revenue worth ~Rs310mn in H1FY26 vs ~Rs430mn in H1FY25. Currently company is not focusing on its export business and does not expect exports to surpass double-digit mix in total revenue. Majority of the export business comes from MENA and Asia regions. For FY26, management expects exports to remain flattish.
- **Aims to incur capex worth ~Rs900mn in FY26:** The company has incurred a total capex of ~Rs210mn till date and expects to incur total capex of ~Rs900mn in FY26. On average, KKPC spends nearly ~Rs700-1,000mn per annum to enhance its capabilities and capacities which have current utilization of ~70%



## KPIT Technologies (KPITTECH IN)

**Rating: BUY | CMP: Rs1,193 | TP: Rs1,380**

- Demand environment is improving as tariff and geopolitical uncertainty eases, with OEMs gradually resuming structured program discussions. Client spending remains selective, with cuts in legacy programs but strong traction in validation, autonomous, diagnostics, cybersecurity, and solution-led engagements. FY27 is expected to see a steady, not sharp, recovery supported by deal ramps and stabilizing architecture/middleware cycles.
- Strong traction is visible in digital cockpit, validation, after-sales diagnostics, cybersecurity, and autonomous programs, supported by KPIT's shift to holistic, AI-led solutioning. Europe remains the strongest demand engine, Asia (India/China) is accelerating, and the US is expected to recover in 1–2 quarters driven by off-highway and commercial vehicle programs.
- Management indicated that LTM revenue was impacted by ~USD 65mn, comprising USD 45mn from client-led reprioritization in legacy autonomous and middleware programs across the US, Asia, and parts of Europe. The remaining USD 20mn reflects cannibalization from KPIT's shift toward holistic, AI-led solutions that replaced traditional work. Management expects this to recover over time as these solution-led engagements will aid to expand wallet share with client.
- Management expects H2 to improve meaningfully, supported by clearer demand visibility and the ramp-up of recently won programs. Q3 should deliver flattish to marginally positive organic CC growth, while Q4 is expected to show a stronger uptick as large deals scale and client spending stabilizes.
- EBITDA Margins are expected to remain ~21%, supported by a rising mix of solution-led engagements, AI-driven productivity gains, and disciplined talent restructuring. Despite wage hikes and full-quarter Caresoft consolidation, management remains confident that profitability can be sustained through improved realization and operational efficiency.
- Qorix saw a weak quarter due to delayed license revenues and one-time accounting charges. Management mentioned that OEM deferrals in middleware and architecture pushed out near-term scaling, though its strategic importance has increased. Management expects revenue normalization from next quarter and better medium-term traction as new architecture programs resume
- Net headcount rose by ~300, driven by 800 additions from Caresoft which was offset by ~500 role rationalizations linked to solutioning and AI competency needs. Management mentioned that hiring will continue, especially for niche and onsite roles, while workforce reshaping remains an ongoing process to align with the shift toward higher-value solution-led delivery.
- KPIT is investing in adjacent areas such as off-highway, commercial vehicles, industrial/manufacturing, micro-mobility, and selective defense opportunities, leveraging existing technology and client relationships. These



areas align with KPIT's strengths in software-defined mobility and provide medium-term growth opportunity.

## Kotak Mahindra Bank (KMB IN)

**Rating: BUY | CMP: Rs2,187 | TP: Rs2,480**

### Balance Sheet

- HL continues to be price sensitive. In BuB, there is a sustained demand for working capital across sectors.
- Unsecured portfolio acquired from StanC is performing well. Momentum was intact in organic PL disbursements led by digital acquisition. Newly launched Solitaire credit card has gained traction and CC portfolio may grow in H2FY26.
- MFI book contracted primarily due to repayments outpacing disbursement. However, pickup in volume expected in H2FY26.
- CV portfolio saw good growth due to improvement in small CV sales. Growth in industry numbers was partially due to the higher wholesale numbers achieved in the last week of September post GST cut.
- Bank tightened its underwriting in retail CV post seeing stress. Tractor finance saw good growth due to favorable monsoon and better rural cash flows.
- CE witnessed a negative growth in H1FY26 because of i) lower new projects awarded ii) delayed infra execution due to tight state government cash flows and iii) early monsoon onset and extended monsoon disrupting project.
- Avg. floating rate SA book reduced QoQ from Rs192bn to Rs141bn; Bank has reduced dependency on floating rate SA by changing threshold for the same.
- Kotak Prime profits have been stagnant as earlier quarters included non-recurring items such as IPO profits, dividend incomes, etc. and company has also witnessed marginal increase in credit costs.
- Management stated that the impact from ECL and risk weights circular by RBIs would be manageable due to strong capital adequacy.

### Profit & Loss

- Bank expects NIM to gradually improve in H2FY26 due to the benefit of deposit repricing and CRR cut assuming no further rate cuts.
- Staff cost was lower due to lesser retiral cost led by higher discounting rate.
- Tech expenses form 12-14% of total opex. Marketing expenses have been postponed to Q3FY26 due to the festive season.
- Bank has been able to optimize opex due to benefits from healthy investments in technology over the last 2 years which has led to higher efficiency.

### Asset Quality

- Higher write-offs in Q2FY26 were mainly attributable to PL/MFI.



- PL stress has normalized. Bank expects a downward trajectory on credit costs for both MFI/CC. However, they continue to be cautious in retail CV due to stress buildup. Overall, credit costs are likely gradually moderate in H2FY26.

## Krishna Institute of Medical Sciences (KIMS IN)

**Rating: BUY | CMP: Rs701 | TP: Rs840**

- **Bed expansion Plans:** Kondapur expansion (Telangana) to add 550 incremental beds, taking total to 770 beds, expected commissioning in Q1FY27. Rehabilitation of ~300 beds at Secunderabad is underway and is to be completed over the next year; total capacity there to rise to 1,200 beds. Srikakulam (AP) added ~100 beds, aiding margin expansion in the Andhra cluster.
- **New units: Thane Hospital's** Revenue ramp-up strong; currently operating ~130 beds with monthly revenue of Rs 125–130mn against fixed costs of ~Rs 120mn. Management guided for breakeven by Q4FY26), though margins may stay muted as more beds are operationalized. **Bangalore (Mahadevapura)** hospital performing better than expected, completed a liver transplant within 45 days of commissioning and targeted to breakeven within 12 months. PES Hospital, Bangalore delayed due to licensing; to be commissioned by Dec'25, adding to near-term start-up losses. Each new large-format hospital is expected to incur Rs 200–300mn EBITDA loss in its first year, with breakeven in 10–12 months post launch.
- **Telangana:** Mature cluster with high single-digit growth guidance; current occupancy impacted (~50%) due to 300 beds under rehabilitation at Secunderabad. Growth improves once these and Kondapur expansion become operational.
- **AP:** Strong mid-to-high teens growth outlook with sustainable 25–28% OPM; margin improvement in Q2 aided by turnaround of the acquired Bajjack Hospital and ramp-up at Srikakulam.
- **Maharashtra & Karnataka:** Losses narrowing; Thane and Mahadevapura ramping well. Maharashtra cluster to benefit from CGHS and insurance empanelment by Q4FY26.
- **Kerala:** Early-stage ramp-up; management reiterate focus on affordability and volume-led growth similar to AP/Telangana.
- **O&M units:** Guntur and Sangli O&M hospitals continue to perform well; KIMS receives revenue share without bearing EBITDA impact.
- **ARPOB and Occupancy Guidance:** ARPOB at ~Rs 42,000–43,000; management expects this to rise to Rs 50,000 over the next 8 quarters as Thane and Bangalore scale up. Mgmt guided occupancy levels gradually improve as new capacity stabilizes and insurance empanelment complete.
- **Insurance & CGHS Updates:** Insurance empanelment progressing; top five insurers expected to be onboard across Thane, Nasik, and Bangalore by Q4FY26. CGHS tariff revision (~20% increase) to benefit Telangana, AP, and



Maharashtra clusters (Nagpur); full impact expected from Q4FY26, potentially adding ~100bps to EBITDA margin and offsetting some new-unit losses.

- **Net Debt:** Consolidated net debt stood at Rs 24.5bn as of Q2FY26. Minority interest was at 11.5% for Q2FY26.

## Larsen & Toubro (LT IN)

**Rating: BUY | CMP: Rs3,958 | TP: Rs4,766**

- **Guidance:** Management has reiterated their guidance for FY26, projecting ~10% growth in order intake and ~15% revenue growth, with a P&M margin of ~8.5% driven by better execution. Additionally, the NWC-to-sales ratio is expected to rise to ~12.0%, vs ~10.2% in Q2FY26.
- **Order prospects for remaining H2FY26** stand at Rs10.4trn vs Rs8.1trn YoY primarily driven by Infrastructure and Hydrocarbon. Total order prospects comprise of Infrastructure (Rs6.5trn vs Rs5.42trn YoY), Hydrocarbon (Rs2.93trn vs Rs2.25trn YoY), CarbonLite (Rs0.46trn vs Rs0.24trn YoY), Green & Clean Energy (Rs0.18trn vs Rs0.01trn YoY), and Hi-Tech Manufacturing (Rs0.31trn vs Rs0.16trn YoY).
- **Order book (OB) stands at Rs6.67trn** with domestic share of 51% (Rs3.40trn) and international share of 49% (Rs3.27trn). No major orders were deleted in Q2FY26. Slow-moving orders constitute ~3.0% of the order book.
- **Infrastructure Projects:** Revenue was flattish primarily due to slower execution in water projects and impact of prolonged monsoon. Q2FY26 order inflow came in at Rs527bn (vs Rs495bn in Q2FY25). Major orders primarily came from B&F, Heavy Civil Infrastructure, Power T&D and Renewables businesses. Order prospects for remaining H2FY26 is Rs6.5trn (domestic: Rs4.25trn; international: Rs2.25trn) vs Rs5.42trn YoY, comprise of Transportation Infra – 21%, Minerals & Metals – 10%, Buildings & Factories – 13%, Water & Effluent Treatment – 15%, Power T&D – 14%, Renewables – 11%, and Heavy Civil Infra – 16%. The execution period of infrastructure order book is ~3 years. Given the current execution pace and control over timelines, management expect the segment margins to sustain current levels.
- **Energy Projects (Hydrocarbon & Carbon Lite Solutions):** Order intake came in at Rs382bn vs Rs388bn in Q2FY25 primarily aided by receipt of ultra-mega orders in both onshore and offshore Hydrocarbon businesses. Order prospects stand at 1) Hydrocarbon – Rs2.93trn, of which 93% are international prospects primarily in Middle East 2) CarbonLite – Rs0.46trn and 3) Green and Clean energy – Rs0.18trn. Order book stands at Rs2.1trn with a domestic/international mix of 29%/71% and Hydrocarbon/CarbonLite mix of Rs1.6trn/Rs0.48trn. Revenue growth of 47.4% YoY was primarily attributed to execution ramp up in international projects of Hydrocarbon business. Segment margin was lower due to cost over runs in some of the projects which are in final stages and the margin is expected to continue to remain subdued for FY26.
- **Hi-Tech Manufacturing (Precision & Heavy Engineering):** Order inflow for the quarter declined 34.1% YoY to Rs25.8bn primarily due deferral of orders.

Order prospects stand at Rs0.31trn (vs ~Rs0.16trn YoY). Of which, Heavy engineering prospects stand at Rs64bn while prospects for Precision Engineering stand at Rs0.25trn. Revenue growth was attributable to improved execution in both the Heavy Engineering and Precision Engineering & Systems businesses. EBITDA margin improved to 14.7% (vs 12.8% in Q2FY25) due to improved operational profitability.

- **Hyderabad Metro:** Company has entered into an agreement with Telangana government to sell its entire stake in Hyderabad Metro at a cash consideration of ~Rs20bn. L&T's total equity investment stood at Rs74bn in Hyderabad Metro which led to it recording an impairment of Rs54bn to its equity investment. Operationally, increased average fare from Rs38 to Rs46 led to revenue growth and margin improvement in Hyderabad Metro. Ridership in Q2FY26 stood at 4.39 lakh passengers per day (vs 4.68 lakh passengers per day in Q2FY25). At PAT level, its loss decreased from Rs2.07bn in Q2FY25 to Rs1.75bn in Q2FY26.
- **L&T's partnership with BEL for India's AMCA project:** L&T has partnered with BEL to jointly bid for the AMCA program, with both companies holding equal stakes in the joint venture. The partnership's scope initially covers development of the prototype, with work-share details to be finalized later. The shortlist for the program is expected in Q3FY26, followed by the RFP in the same fiscal and final winner announcement in Q4FY27. Prototype delivery is targeted for FY28–29, while serial production is anticipated 8–9 years in the future. As a fully funded project, the AMCA program will be executed in collaboration with ADA, mitigating cash flow challenges for the selected consortium.

## Latent View Analytics (LATENTVI IN)

**Rating: BUY | CMP: Rs425 | TP: Rs600**

- Q2 revenue grew 7.1% QoQ, driven by strong momentum in FS and CPG/Retail and supported by Decision Point, which contributed USD ~3.1 mn (~USD 4 mn with LATENTVI synergy) along with cross-sell synergies that are scaling well within CPG accounts. New programs in marketing analytics and customer intelligence further aided growth. However, the Tech vertical declined 1% QoQ due to weak discretionary spending and pricing pressure in select renewals.
- Financial Services delivered strong double-digit QoQ growth, supported by scaled analytics programs in risk, customer intelligence and marketing optimization. Management indicated that FS could clock 75–80% YoY growth in FY26 if current momentum sustains, aided by new client additions with mid-sized engagements that offer significant cross-sell and wallet-share expansion opportunities. Continued demand for data-modernization and GenAI initiatives across banking and fintech underpins a robust growth outlook
- CPG & Retail delivered strong QoQ growth, supported by expanded analytics adoption in marketing effectiveness, consumer insights, and commerce optimization, alongside Decision Point synergies that are scaling well across





large CPG accounts. Management acknowledged volume softness at Coca-Cola but emphasized that broader CPG demand remains healthy, with continued analytics investments, and expects the Coca-Cola business to still grow in FY26.

- The Technology vertical remained soft, declining 1% QoQ, as clients prioritized cost-efficiency over discretionary analytics spend, leading to pricing pressure in renewals and delayed decision cycles. Management highlighted a bifurcation within the portfolio — while core digital-native and hyperscalers clients are tightening budgets, AI-led efficiency and cloud-optimization programs continue to scale. A gradual recovery is expected as renewal cycles stabilize, and AI frameworks help improve competitiveness and expand wallet share.
- LATENTVI continues to scale its AI and GenAI offerings through a centralized “House of AI” CoE, driving deeper integration of data engineering, advanced analytics and agentic frameworks. GenAI + agentic revenue has reached USD 5.5 mn YTD with another USD 7 mn in pipeline, exceeding last year’s full-year contribution, and management expects continued acceleration led by differentiated value propositions and the Databricks partnership.
- Databricks partnership continues to scale for the company, with revenue expected to exceed USD 19 mn this year driven by Lakehouse and cloud optimization programs. Management highlighted a new growth lever through Databricks’ strategic partnership with SAP, enabling ERP-to-analytics modernization, data migration, and advanced modeling use cases. LATENTVI is building an SAP-focused competency within its Databricks horizontal to capitalize on this multi-year opportunity.
- The company is strengthening its capability footprint through leadership additions and ongoing hiring for its Centers of Excellence, particularly in Databricks and Adobe Solutions, supported by external consulting firms for recruitment. Management emphasized this investment is essential to scale AI and cloud analytics offerings, deepen U.S. delivery presence, and improve competitiveness in upcoming renewal cycles.
- Management highlighted multiple new client additions during the quarter, with mid-sized initial engagements that offer strong cross-sell and wallet-share expansion potential as programs scale into broader analytics transformation. They also reported a ~USD 1 mn cybersecurity analytics win with a large tech client, marking entry into a scalable new service line with expansion already underway. Deal pipeline remains healthy, driven by continued spend in CPG and FS, while Tech renewals stay pricing-sensitive but supported by AI-led efficiency opportunities
- PAT declined QoQ, primarily due to lower other income and a higher effective tax rate in the quarter. ETR was lower in the previous quarter due to the shift to the new tax regime, which has normalized in the current quarter.





## L&T Technology Services (LTTS IN)

**Rating: HOLD | CMP: Rs4,155 | TP: Rs4,360**

- Demand environment remains broadly stable, with revival in deal discussions across most segments except automotive. Clients are showing faster decision-making as they adjust to the “new normal”, while AI-led engineering and U.S. re-industrialization are emerging as clear tailwinds. Auto weakness is transient, with management expecting pickup post-furloughs from February onwards.
- Management expects H2 to be stronger than H1, with Q3 facing typical furlough-related seasonality in Mobility, but growth set to accelerate from February as auto ramps resume, and large deals begin scaling across Sustainability and Tech. Seasonality impact is expected to be minimal with momentum rebuilding into Q4.
- Management confirmed that the annual wage hike is under consideration and will be implemented in either Q3 or Q4 but reiterated that H2 margins will still be higher than H1, as the impact will be absorbed through operational levers and business mix benefits.
- Sustainability remained the key growth engine for LTTS, supported by ramp-ups in both industrial and plant engineering. The company closed its largest-ever USD 100 mn deal in the industrial sub-segment and scaled one account to USD 50 mn ARR, with AI-led product development, value engineering and digitization programs continuing to drive strong pipeline visibility.
- Tech segment was steady, aided by the successful integration of Intelliswift and increasing traction in Agentic AI and data engineering offerings. LTTS secured a USD 60 mn deal in telecom infrastructure and won a data factory-led program in healthcare, with several large deals currently in advanced stages of negotiation, positioning the segment for an improved H2 trajectory.
- Mobility remained flattish QoQ as the auto sub-segment continued to witness program pauses, though trucks/off-highway and rail/aero contributed to stability. Management expects Q3 to be seasonally soft due to furloughs, but anticipates a clear rebound from Q4 as auto ramps resume and earlier consolidation-led wins transition into execution.
- Management reaffirmed its medium-term revenue ambition of reaching USD 2 billion, citing sustained large-deal momentum, expansion of \$50mn+ accounts, and scaling of AI-led engineering platforms as structural growth levers.
- Management reiterated its medium-term EBIT margin goal of mid-16% by Q4 FY27 to Q1 FY28, driven by a combination of improving mix from high-margin Sustainability deals, AI-led delivery efficiencies, SG&A optimization, and portfolio pruning of low-margin accounts. With strategic client-support concessions now concluded and Intelliswift margins improving, LTTS expects margins to improve sequentially from Q3 onward, with H2 margins higher than H1 despite the upcoming wage hike.
- LTTS strengthened its leadership bench by appointing new heads for Mobility, MedTech and Media-Tech, along with a US-based large deals head, replacing



retiring leaders and enhancing on-ground execution and enterprise deal conversion capabilities.

## Laxmi Organic Industries (LXCHEM IN)

**Rating: REDUCE | CMP: Rs198 | TP: Rs192**

- Phase 1 of the Dahej synthetic organic chemicals project has received consent to operate.
- Phase 2 of the Dahej project is expected to be mechanically completed by Q4FY26.
- Ethyl Acetate capacity expansion of 70ktpa is targeted to be operational by Q4FY26.
- The Fluorochemicals segment is expected to achieve 40–50% of its peak revenue by FY26.
- In the Essentials segment, revenue declined due to lower feedstock prices and weaker spreads.
- Volumes in the Essentials segment remained stable during the quarter.
- Global overcapacity in Ethyl Acetate continues to weigh on spreads, which averaged USD90–100/tn.
- Acetaldehyde plant production at Dahej commenced during the quarter.
- In the Specialty segment, Laxmi holds a global market share of 8–9% in diketene and ketene.
- Phase-out of an agrochemical intermediate and deferment of product deliveries impacted Specialty revenues.
- A contract with Hitachi Energy has been signed to produce SF<sub>6</sub> gas; the plant (capex Rs750mn, capacity 60mtpa) is expected to be commissioned by Q2FY27 with an asset turnover of 1.2x.

## LG Electronics India (LGEL IN)

**Rating: BUY | CMP: Rs1,618 | TP: Rs1,920**

- Aurika, Nehru Place is likely to generate an IRR north of 15%.
- First line at Sri City will be of RACs, operational by Oct'26, followed by AC compressor line in Q4FY27, with WM and Refs added in phases.
- YTD market share as on Sep'25: TV 25.5%, Ref 29.9%, RAC 17.3%, WM 33.4%, OLED TV 62.6% and Side by Side Refs 43.3%.
- B2B segment contributes ~6% of revenue and is currently under pressure due to US tariff changes.
- Exports contributed ~7% to total revenue in H1FY26, compared with ~6% in H1FY25.





- RM localization stood at 55.8% in Q2FY26. Company expects to improve this by 2–3% annually over the coming years and aims to reach 70%.
- Company has implemented price hike of ~1.5-2% in Refs & WM in Oct'25.
- LGEL has planned capex of ~Rs50bn for next 4-5 years for its Sri City plant.
- Working capital stood at Rs2.2bn as on Sep'25 vs Rs2.0bn as-on Mar'25 due to incremental inventory in compressor-led products & temporary credit support to trade partners.
- South contributes ~38–40% to the LGEL's topline.

## Lemon Tree Hotels (LEMONTRE IN)

**Rating: HOLD | CMP: Rs155 | TP: Rs174**

- Aurika, Nehru Place is likely to generate an IRR north of 15%.
- Once operational, Aurika, Nehru Place is expected to generate ~Rs1.5bn of EBITDA, with one-sixth payable to the DDA.
- During the quarter, Gurgaon's RevPAR declined 9.0% YoY, as several rooms were temporarily closed due to renovations.
- October'25 witnessed a 4% drop in occupancy, mainly impacted by festive season. Despite a weak October, revenue growth is expected to be in mid-teens for 3QFY26E.
- EBITDA margins in FY26E are expected to remain in line with FY25 levels.
- Aurika, MIAL's negotiated room nights rose from 256 in 2QFY25 to 320 in 2QFY26. Retail/MICE room nights also increased from 80/19 to 180/41 over the same period.
- In the first 45 days of 3QFY26E, Aurika, MIAL's revenue was up ~30% YoY.
- 1,600 rooms are slated for renovation by next year at an average cost of ~Rs1mn per room.
- LEMONTRE IN has signed two new properties with RJ Corp Ltd, namely Lemon Tree Premier, Ayodhya and Lemon Tree Premier, Guwahati. Both hotels will be developed by RJ Corp, with LEMONTRE IN providing technical expertise. For this LEMONTRE IN would charge a fee of ~Rs150mn per property, along with a management fee of ~9% on revenue.
- RJ Corp will also hold a 50% stake in Aurika, Shillong.
- Aurika, Shillong is expected to open by mid-2027E.
- The construction timelines for Aurika, Shimla has been deliberately delayed. Renovation of existing rooms was given priority over Aurika, Shimla.



## LIC Housing Finance (LICHF IN)

**Rating: HOLD | CMP: Rs570 | TP: Rs690**

### Assets/Liabilities

- Loan growth was weaker owing to higher BT-OUT of Rs40.14bn vs normal run rate of Rs20bn (BT-OUT for Q1FY26 was Rs21.95bn).
- BT-OUTs were elevated as company's rates were not as competitive. However, management has reduced their underwriting rate to 8.0%, which would revive disbursement growth in H2FY26. Company holds its guidance of double-digit disbursement growth for FY26.
- Management expects this year to be challenging as they are witnessing hefty competition from PSBs in HL segment with competitive rates.
- Company has been currently facing two challenges and is looking to work on them going forward by 1) reducing overdependence on agents who work as freelancers who might transfer their business to other companies and 2) to work on alternate channel being lead business which clocked in business of Rs7.5bn in H1FY26 and is expected to reach Rs20bn by end of FY26.
- Focus is also on LIC FSL (subsidiary of LICHFL) which contributes to nearly 10% of current business with a target of taking it to 25% in years to come. Management also to explore co-lending and direct assignment as part of its strategy to fuel next leg of growth.
- Company is cautious about its construction finance business though they have a strong pipeline of undisbursed sanctions which will materialize in H2FY26 and have guided the total business to be ~Rs50bn for FY26.
- Loan growth has been muted as company is prioritizing margins over growth.
- Borrowing mix: fixed - 53% and floating i.e. repo-linked – 43%.

### Fees/NIMs

- LICHF reduced its PLR in Apr'25. 1/3<sup>rd</sup> of book is on monthly reset and 2/3<sup>rd</sup> on quarterly reset, full impact of reset has been effected in Q2FY26.
- Company has reduced its re-writing rates by 75bps in Oct'25.
- NIM has bottomed out and is guided to range between 2.6%-2.8% for FY26.
- Segment-wise incremental yields: IHL – 9.03%, Non-Hsg – 10.21%, Non-Hdg Corp (incl Project Fin) – 10.47%. Incremental yield for H1FY26 is 8.78%.
- Segment-wise yields as of Sep'25: IHL – 9.24%, Non-Hsg Ind – 10.22, Non-hsg Corp (incl Project Fin) – 10.54%.
- Borrowing cost might improve by ~10bps as partial repricing benefit would flow through in Q3FY26.
- Employee cost guided to be in range of ~Rs1.5bn. However, Q4FY26 might see an uptick owing to provisions for gratuity.



### Asset Quality

- Provisions were higher owing to management overlay with two-three big loans (Rs2bn+) in final stages of settlement and recovery is expected going forward. Credit cost guided at 15bps for FY26.
- Corporate loans of Rs1.4bn got settled in Q2FY26 of which recovery of Rs0.6bn was made in Q2FY26 and rest would come in Q3FY26 and Q4FY26.
- Segment-wise Stage-3: IHL-1.15%, Non-hsg Corp-24.9%, Non-hsg Ind - 4% and total - 2.5%.
- TWO of Rs1.34bn was made during Q2FY26. Recoveries for the quarter stood at Rs0.83bn.
- Management reviews its PD and LGD policy on quarterly basis and data for the same is taken for 10yrs.

### LTIMindtree (LTIM IN)

**Rating: HOLD | CMP: Rs5,623 | TP: Rs5,470**

- BFSI and High-Tech top accounts facing AI-led productivity recalibration, temporarily suppressing reported growth. Management sees this as a transition phase, not a structural risk.
- Management expects H2 growth to be stronger than H1 backed by deal wins and anticipated ramp up. Management expressed confidence of achieving double digit revenue growth in H2 in reported terms. Management expects normal furloughs in H2.
- LTIM expects margin improvement trajectory to continue aided by the tailwinds of AI productivity in FPP and managed services, pyramid optimization through fresher hiring & deployment and cost savings by Fit for Future program
- Wage hike for company will be implemented in 2 tranches with implementation for 50% workforce from 1<sup>st</sup> January 2026 and implementation for rest from 1<sup>st</sup> April 2026.
- Utilization stayed elevated at 88.1% (ex-trainees), with management targeting a gradual normalization toward 86–87% via fresher absorption and pyramid correction, while subcontracting may be used tactically for ramp-up in large deals. LTIM during the quarter hired 2,604 freshers.
- Large deal ramp-ups are expected to be phased. The PAN 2.0 project has already started contributing from Q3, while the media major deal will scale more gradually due to an extended transition under a vendor consolidation model. Management highlighted that several large deals follow a similar pattern, where vendor consolidation leads to slower initial ramp-up but structurally stronger long-term revenue expansion.
- Management reiterated that AI is now central to both their revenue strategy and delivery model, with 1,500+ digital agents deployed and 80,000+ employees GenAI-certified. While AI-led productivity recalibration is



temporarily muting reported growth in top accounts, LTIM expects stronger monetization post-transition

- LTIM's Top 5/10//40 client revenue grew by -5.2%, -2.2% & 1.1% QoQ respectively.
- Declared interim dividend of Rs. 22 per share.

## Lupin (LPC IN)

**Rating: BUY | CMP: Rs1,972 | TP: Rs2,400**

- **India business:** Volume growth at 5.2%. Chronic portfolio at 65%. Key therapies such as GI, Cardiac and Respiratory outperformed. Targets 80 product launches by FY30. Revived respiratory and diabetes segments to drive near-term growth. Subdued growth in Q2 given lower tender business
- **Semaglutide & peptide portfolio:** Semaglutide expected in first wave in India (CY26); capacities secured through partners. Semaglutide & Tirzepatide under development (India and select EMs first).
- **US:** Net sales at \$315mn, up 11.5% QoQ. Driven by gTolvaptan (180-day exclusivity), Mirabegron, and gSpiriva. Base products like gAlbuterol saw low single-digit price decline. gTolvaptan exclusivity to end soon; expecting limited new entrants \$275–300mn/quarter guided for H2FY26. Expect to sustain +\$1bn sales for FY27. gSpiriva: share stable; no near-term competition expected. Mgmt. remains confident of achieving favourable outcome in gMirabegron in Feb 2026. On respiratory pipeline, gDulera has been filed and couple of other large products are under development.
- **Biosimilars:** 5 products to be commercialized by FY30. Focus on ophthalmology and oncology (bPegfilgrastim) segments. Expect positive contribution from FY27E onwards.
- **EMs:** Growth driven by Brazil and SA markets. Brazil: turnaround driven by diabetes launches (*Dapagliflozin*, *Empagliflozin*). South Africa: portfolio restructuring complete; strong double-digit growth expected to sustain. EMs expected to maintain double-digit constant-currency growth.
- **R&D and pipeline:** Spent Rs 5bn (7.5% of sales) in Q2FY26. 70% directed to complex generics, injectables, and biosimilars. 50+ filings planned for the US; focus on respiratory, complex injectables, 505(b)(2)s, and green-propellant-based products.
- **Other highlights:** GMs 73.3% aided by better mix and lower in-licensed product share. FY26E EBITDA margin revised upward to 25–26%; sustainable margins for FY27E at 24–25%. **ETR:** 21–22% in FY26E.



## Mahanagar Gas (MAHGL IN)

**Rating: BUY | CMP: Rs1,271 | TP: Rs1,531**

- Input gas cost increased due to **(a)** lower APM & NWG volumes, APM/NWG volumes reduced from 1.7/0.5mmscmd to 1.6/0.3mmscmd QoQ, leading to an impact of Rs.0.70-0.75/scm. APM volumes souring stood at 35% in Q2FY26 vs 37% in Q1FY26 **(b)** Fx impact of Rs.2, led to an increase of Rs.0.5/scm **(c)** comingling of CBG gas & APM by GAIL increased effective APM price by USD0.25/mmbtu to USD6.9-7.0/mmbtu.
- Co. expects EBITDA/scm of Rs8.5 in Q3FY26 with an improvement expected in Q4FY26, ending FY25-26 at a range of Rs9.0-9.5/scm in FY26,
- Implemented a price hike in Q1FY26 & marginal Rs0.5/scm paise in October 2025. It remains cautious about further price hikes and aims to drive volume growth.
- Secured a term contract of 12 mmtpa of HPHT starting Jan 2026, as a part of its strategy to shift towards term contracts from spot purchases.
- Procurement mix, ex UEPL: APM- 1.6mmscmd, NWG-0.3mmscmd, HPHT- 0.6mmscmd (Term/RIL-0.5/0.1mmscmd), HH - 1.45mmscmd, Spot – 0.3mmscmd. For UEPL – 100% - domestic, 35-36% for CNG, balance rely on HH and other term contracts.
- Outlets – Expect to add 80 stations this year, as of Q2FY26 – 17 outlets added, with maximum to be commissioned by Q4FY26.
- Capex expected at Rs.1,100-1,200 this year,
- GA volumes growth YoY stood at – GA1 +(6%-7%), GA2 +(10-12%), GA3 (>+15%).

## Mahindra & Mahindra (MM IN)

**Rating: ACCUMULATE | CMP: Rs3,581 | TP: Rs3,950**

### Auto division

- The management feels GST 2.0 will have multi-year fundamental benefits across segments. However, it acknowledged that the small cars (18% GST slab) will benefit more in the short term than the ones in 40% slab due to larger rate cuts. In the medium-to-long run 1<sup>st</sup> time buyers of small cars will upgrade to larger cars/ higher variants where M&M is well positioned. Full benefits of GST 2.0 and festivities are likely to be seen in the upcoming quarter.
- Launch of the 2 new Boleros got delayed as older versions' liquidation took time due to the GST transition.
- Most of its ICE cars fall into the 40% GST slab, so the differential vs. EVs (5% GST) will keep the latter still attractive.





- For the electric subsidiary (MEAL), M&M plans to increase penetration via category creation, pack mix and pricing tweaks, and not push for volume to increase margin. Actions are being already taken to keep costs under control and driving adoption of the category as EBITDA has increased to healthy levels.
- BEV portfolio: Pack 1 continues to be sub-10% (as planned), Pack 2 at 35-40% (lower than their plan), and Pack 3 at 50-60%. A new e-SUV (XEV 9S) will be launched on 27<sup>th</sup> Nov'25. More new products will hit the market within the next 5-6 months.
- PLI incentive for EVs will go on till FY28, and it reflects as revenue item in MEAL's books (and not in M&M's standalone numbers). Currently, all of it is received for XEV 9e, and BE 6 should receive PLI incentive by Apr'26.
- 85% of M&M's BEV buyers are the ones who own cars of other OEMs mainly with multi-car ownership. 1<sup>st</sup> time car buyer penetration is not seen much yet.
- 30k e-SUV units have been sold from the start of delivery in Mar'25 to Oct'25.
- 75-80% of 3XO is petrol variant, and for rest of the models, diesel variant accounts for 70-75% of the portfolio .
- SUV and tractor exports surged as neighboring markets like Sri Lanka, Bangladesh and Nepal, which were in slowdown, have begun to open. The 1<sup>st</sup> lot of EVs has been dispatched to Nepal in Q2FY26, where organic demand generation has been seen. The 3XO and XUV 700 are garnering good response in South Africa and Australia. Tractor exports resumed in Algeria after 1.5-2 years as the government there wasn't allowing imports without certain license from India previously.

#### **Farm and LCV Division**

- Tractor and LCV customers have faced unprecedented prices in the last 5 years due to commodity price increases and regulatory changes. Now, more latent demand will be seen due to GST rate cuts, positive rural sentiments, improved festive mood, simplification in farm business, strong government spending, mandi arrivals, export of crops, farmers terms of trade that hasn't deteriorated, and multiple other on-ground favorable factors. So, the management expects this growth to be sustainable, at least for this FY.
- Normally 1<sup>st</sup> and 3<sup>rd</sup> quarters are better in the year for the farm segment, but this time, Q2 performance has also been strong with high PBIT margins.
- Farm implements business will have to be improved by focusing on each product category. Until now, its market share in the Harvester category, which comes under the Swaraj brand has been 4-5%, although it now has an enhanced product that is beginning to do well driving the overall topline. Margins aren't in line with the tractor business, but have started to make some money, and improved volume should help achieve reasonable margins like peers.
- Dialogue is ongoing between TMA and other stakeholders to postpone the TREM5 regulation implementation.



### Other key highlights

- Dealer's cess liability is in their respective books and is being taken up by FADA to the Supreme Court. M&M isn't carrying anything in its books and has built-in costs incurred in Q2.
- Already hedged against precious metals' price increase now, but if this price trend continues then hedging cost will go up and impact them.
- Sale of Sampo in Finland is complete.
- On RBL Bank investment, the management mentioned that its treasury saw value there, which has played out well with almost 50% gains. As per recent media speculations, M&M is going to sell the entire 3.45% stake via a block deal, gaining above 60% on the investment.
- The Investor Day is scheduled for 20<sup>th</sup> Nov'25.

### Mahindra & Mahindra Financial Services (MMFS IN)

**Rating: HOLD | CMP: Rs300 | TP: Rs300**

#### Growth

- Business assets of the company primarily comprised of the PV segment with a 41% share in H1FY26, followed by CV & CE at 21%, pre-owned vehicles at 12%, tractors at 11% and SME at 5%. M&M assets contribute 43% of the total.
- Overall disbursements grew by 3% YoY to Rs135.1bn in Q2FY26, driven by strong growth in the Tractor (41% YoY) and SME (12% YoY) segments while CV & CE and 3-Wheeler segments saw a decline of 13% and 22% YoY respectively
- Tractor segment saw a strong growth supported by a positive monsoon and improved collections
- Festive season impact was not visible in Q2; however, the wheels segment is anticipated to see improved momentum in H2 driven by healthy volumes
- Demand for used vehicle segment is expected to face some impact from new vehicle price cuts following GST reduction. However, volume growth is expected to offset price reductions with customers increasingly shifting towards premium products
- Management expects to achieve a disbursement growth of 15% CAGR over the medium term

#### Operating Profitability

- The pre-owned vehicle business remains ROA accretive benefiting from a robust existing customer base



- Total income during the quarter includes Rs540mn of dividend income from MIBL (vs. Rs150mn in Q2FY25)
- Floating-rate borrowings account for 41% of total borrowings. While the effect of MCLR is yet to be captured, the EBLR adjustments were already factored in the reported CoF
- The company is leveraging on short-term borrowings like CP to raise funds, contributing to a reduction in CoF

#### Asset quality

- Management anticipates credit cost to remain within the annual guidance of 1.7%
- GS2 and GS3 are likely to remain below 10%, with further improvement anticipated by Q4
- ARC transaction undertaken in MRHFL resulted in a decline in GS3 / NS3 to 2.9% / 1.0% vs. 9.1% / 5.9% in Q1FY25
- Collection efficiency improved from 95% in Q1FY26 to 96% in Q2FY26

### Mahindra Logistics (MAHLOG IN)

**Rating: ACCUMULATE | CMP: Rs344 | TP: Rs386**

- ~95% reduction in whitespace is aimed by Sep-26E.
- MLL plans to infuse Rs500mn in MLL Express to support its path to profitability.
- B2B express segment reported 7.2% YoY growth in tonnage with a higher VAS share. Realization improvement by ~90 paise was seen led by better customer mix and exit from low-yielding business.
- In the mobility segment, a premium tech-enabled B2C service "Alyte Prive" has been launched with plans to expand to Noida International Airport and thereby strengthen presence in the NCR region.
- A 3 lac sq ft facility at Nashik was launched recently while expansion of 4 lac sq ft happened at Guwahati and Agartala in Oct-25.
- Debt has been reduced to Rs725mn in 1HFY26 via proceeds received from rights issue.
- Warehousing revenue stood at Rs3,330mn in 2QFY26, up from Rs2,780mn in 2QFY25.
- Revenue contribution of Auto/Mahindra Group stood at 58%/54% respectively in 2QFY26.
- A one-time provision of Rs48mn was made for client bankruptcy in 2QFY26, though the exposure has not been fully provided for.



- RoU assets rose to Rs5,537mn as of Sep-25, driven by addition of warehousing space taking the total managed area to over 22.1 mn sq ft.
- Depreciation expense increased 32.8% YoY to Rs717mn in 2QFY26, largely driven by escalation in lease cost amid migration to Ind AS 116, but is expected to remain stable in coming quarters as warehousing expansion is largely complete.

### Mangalore Refinery & Petrochemicals (MRPL IN)

**Rating: ACCUMULATE | CMP: Rs142 | TP: Rs152**

- No major planned turnarounds are expected for rest of FY26 and FY27. GRM was double QoQ as per MRPL and is expected to be strong going forward.
- MRPL reported fuel & loss of 10.4%, slightly higher due to initial pickups after the turnarounds. Expected to be in the range of 10% for FY26.
- Domestic diesel/gasoline/ATF demand grew 3%/7%/1% YoY, continues to be resilient going forward.
- On sourcing crude from Russia - No slowdown expected and continues to be business as usual. 35-40% crude, is being sourced from Russia, with discount range of USD0.5-4/bbl.
- As per govt mandate of 1% SAF, MRPL has already started the SAF project in Mangalore, with expected production capacity of 20KLPD, to be ready by Q4FY27 (Jan'27).
- MRPL has ~185 retail outlets operational currently and aims to open 100-130 outlets, ending the year with more than 250 outlets. Outlets have a gestation period of 75-90 days.
- Capex expected to be Rs.10bn-15bn in FY26.
- Light/Middle Distillate yields stood at 30%/52.6% in Q2FY26 vs 31.4%/49.6% in Q1FY26.



### Marico (MRCO IN)

**Rating: ACCUMULATE | CMP: Rs739 | TP: Rs787**

- First line at Sri City will be of RACs, operational by Oct'26, followed by AC compressor line in Q4FY27, with WM and Refs added in phases.
- YTD market share as on Sep'25: TV 25.5%, Ref 29.9%, RAC 17.3%, WM 33.4%, OLED TV 62.6% and Side by Side Refs 43.3%.
- B2B segment contributes ~6% of revenue and is currently under pressure due to US tariff changes.
- Exports contributed ~7% to total revenue in H1FY26, compared with ~6% in H1FY25.



- RM localization stood at 55.8% in Q2FY26. Company expects to improve this by 2–3% annually over the coming years and aims to reach 70%.
- Company has implemented price hike of ~1.5-2% in Refs & WM in Oct'25.
- LGEL has planned capex of ~Rs50bn for next 4-5 years for its Sri City plant.
- Working capital stood at Rs2.2bn as on Sep'25 vs Rs2.0bn as-on Mar'25 due to incremental inventory in compressor-led products & temporary credit support to trade partners.
- South contributes ~38–40% to the LGEL's topline.

## Maruti Suzuki (MSIL IN)

**Rating: HOLD | CMP: Rs16,155 | TP: Rs16,215**

- In Q2FY26, MSIL's market share by volume in PV exports was 45.4%, and total exports revenue was Rs83bn driven by the new e-Vitara and Fronx.
- The management aspires to reach an ambitious 10% EBIT margin (was 8.5% in Q2FY26, 8.3% in Q1FY26) and 50% market share in the long term, but acknowledges that it's tough to achieve.
- Depreciation increase was due to the new Kharkhoda plant and Victoris launch.
- ASP was Rs587k in Q2FY26, vs Rs566k in Q2FY25 and Rs576k in Q1FY26.
- Inventory stood at ~38 days at Sep'25-end (will be lower at Oct'25-end, was ~30days at Oct'24-end) vs ~33 days in Q1FY26.

## Max Financial Services (MAXF IN)

**Rating: BUY | CMP: Rs1,718 | TP: Rs1,925**

- The company's private market share increased to 10.1% in H1FY26, up 83bps YoY from 9.3% in H1FY25
- Company has passed the full benefit of GST to customers and expects strong protection volumes, distributor renegotiations, optimized product mix and cost-efficiency measures to offset the impact of ITC disallowance.
- Management has guided for a 15-17% growth in APE with Operating RoEV in the range of 18-19%
- Despite a 60bps margin impact from GST disallowance and a possible 300-350 bps run-rate effect, the company remains confident of sustaining 24-25% VNB margin
- The improvement in margin was primarily driven by favorable product mix contribution (60-70% of the improvement) with the remainder attributed to category-wise margin expansion



- Proprietary APE in Q2FY26 grew by 26% through offline channels and 14% through online channels, while partnership APE rose 6% with Axis and 31% with other partners
- Company onboarded 15 group & 16 retail partners in H1FY26; new partnerships contribute 5% of Ind. APE, up 87% YoY
- Company focuses on driving protection and health products in proprietary channels and expects no further reduction in ULIP business
- Commentary highlights operating leverage to benefit proprietary distribution channels while faster growth from Axis bank channel is expected in H2 driven by recent digital initiatives
- Embedded value as of H1FY26 stood at Rs 269bn which includes the impact of GST disallowance of Rs 2.7bn; Operating RoEV stood at 16.3%
- The company raised Rs 8bn of sub-debt during the quarter resulting in an improvement in solvency ratio to 208% vs. 198% YoY

## Max Healthcare Institute (MAXHEALT IN)

**Rating: BUY | CMP: Rs1,122 | TP: Rs1,400**

- **Bed Expansion plans:** MAXHEALT continues with aggressive brownfield-led expansion, with ~50% of upcoming capacity being brownfield.
- **Capex:** Capex Q2FY26 capex stood at Rs 4.6bn, directed toward ongoing capacity expansion and hospital upgrades. H1FY26 total capex deployment was at Rs 8.9bn for expansion projects, in addition to Rs 1.3bn invested in land acquisition and the Vaishali brownfield development.
- **Project updates:** **Nanavati (Phase 1 with 268 beds):** Plans commissioning of multiple floors this week. **Max Smart (400 beds):** Commissioning targeted within 30 days; deep cleaning in final stages. **MAX Vikrant (550 beds):** Work to start immediately post Max Smart commissioning; completion expected in ~40 months. **Sec56, Gurgaon (501 beds):** Project progressing well, though some impact seen on base work. **Nagpur (100 beds):** Environmental clearance received; awaiting consent to establish. To complete within 24 months of CTE receipt. **Patparganj (397 beds):** All approvals received; barricading complete. Completion is expected by FY28. **Zirakpur, Mohali (asset-light):** 400-bed tower expected by CY27-end, progressing faster than planned. **Thane (500 beds):** Master plans finalized; project expected to complete in ~42 months. **Pitampura, Delhi (250 beds):** Building-plan approvals expected this quarter; post-approval timeline 36 months.
- **Lucknow (Phase 2 with 550 beds):** Current capacity of 413 beds, guided to increase to 550 by FY26-end. Onco-radiation + PET-CT to launch in two weeks. Lucknow margins remain at +30%; QoQ revenue growth of 17–18%, EBITDA up +5%.



- **Max Mohali Brownfield (160 beds):** Commercialized 53 beds, including the new radiation oncology program, from the 160-bed brownfield tower at Mohali in Q2. The remaining floors are being phased in, with ~95 additional beds expected to become operational in Q3.
- **Max Vaishali (Brownfield; 140 beds):** Demolition complete; approvals in process. Completion is expected 24 months after approvals.
- **New Units:Noida:** 18-acre of land parcel enables multi-phase expansion; additional 700-bed land (adjacent) + separate 400-bed Greater Noida parcel. Insurance empanelment was completed last quarter, and the unit is currently operating at ~18% EBITDA margins with 62% occupancy. Management expects a pickup from January, aided by new clinical program launches.
- **Dwarka:** Ramp-up is underway, with the addition of institutional business temporarily diluting ARPOB, and the oncology bunker yet to commence operations. Q2 occupancy remained strong at 81%+, while EBITDA margins stood at ~15%. Management expects ARPOB improvement, margin uplift and a rising oncology case mix once the radiotherapy bunker becomes operational, following which a 200-bed expansion is planned.
- **Lucknow:** Lucknow continues to deliver 30%+ EBITDA margins, which management expects to sustain.
- Chitta (Bulandshahr) & Anoopshahr hospitals divested in Sep'25 and reported a one-time gain of Rs 1.49bn in the quarter.
- **International Business:** Revenue stood at Rs 2.3bn, up 25% YoY and 11% QoQ, driven entirely by volumes with no price hikes. Geographic mix remained stable across the Middle East, Eastern Europe and Africa, with international patients accounting for ~6.5% of total occupied beds.
- Cashless issues with select insurers are resolved. The 13 Oct CGHS price revision should add incremental revenues of ~Rs 2bn annually once fully implemented, including other govt schemes which are linked to CGHS rates.

## Metro Brands (METROBRAIN)

**Rating: HOLD | CMP: Rs1,203 | TP: Rs1,276**

- Q2FY26 sales could not get full benefit from the early festival season due to prolonged rains and as consumers deferred purchases due to GST rationalization.
- Q3 demand outlook is positive led by GST cut and onset of wedding season.
- MBL added 42 stores with 4 closures, footlocker saw 4 additions while walkway saw 10 addition (on a base of 74 stores)
- Ecommerce sales (including omni-channel) grew by 39% and now contribute 14.2% to the overall revenues
- MBL introduced Clark's Cloudstepper ladies' range in ~ 200 MBOs and are seeing encouraging customer response.





- MBL plans to launch complete product range for Clarks in H2FY26 with first EBO to come by H1FY27.
- The supply chain disruption due to BIS regulations is expected to fully normalize by end of FY26
- FILA started local manufacturing amidst BIS related norms and plans to open new EBO in H2FY26 with focus on new launches and pricing
- MBL increased marketing spends by 100bps in Q2

### **Mold-tek Packaging (MTEP IN)**

**Rating: ACCUMULATE | CMP: Rs733 | TP: Rs782**

- The company reported a 6.8% YoY volume growth, as persistent rain and GST cut impacted the sales
- Demand in October remains like September, while mgmt. remains confident for November & Q4.
- Outlook in F&F remains positive in near term as new Panipat facility is set to contribute from Q3 onwards, further strengthening the capacity.
- GST rate reductions on Food and FMCG ready-to-eat products is likely to increase demand for packaging solutions & company is well-positioned to capitalize on this trend, supported by its expanded capacity and diversified product portfolio.
- The company continues to enhance its printing infrastructure by leveraging recent capacity additions. Company is continuously working on introducing next-generation IML printing technology, which will allow for lower Minimum Order Quantities (MOQs) and reduced production costs.
- Sales from Grasim grew by 16% and with Capacity enhancements at Cheyyar and Panipat company might see better capacity utilization improvement.
- During this quarter, the Company bagged new orders from reputed Companies like Veedol Corporation, Devee Agencies, Rallis India Limited, Ava Cholayil Health Care, Sri Balaji Process etc are from food industry and Pharmaforce.
- CAPEX is likely to be at Rs1bn in FY26.
- Mgmt guided for Rs40-Rs41 EBITDA/Kg for 2HFY26.



## Mphasis (MPHL IN)

**Rating: ACCUMULATE | CMP: Rs2,764 | TP: Rs2,950**

- Management highlighted that the macro backdrop remains volatile with event-driven uncertainty, but clients are now less influenced by macro swings and more focused on efficiency + transformation programs.
- Growth in H2 is expected to be led by continued conversion of the strong deal wins in H1 and steady ramp-up of large programs, with management maintaining confidence in delivering twice industry growth despite furloughs.
- Management sees a stronger growth trajectory beyond FY26, supported by a structurally higher TCV run-rate, increasing AI-led pipeline, and multiple transformation deals, which creates a platform for sustainable growth over the medium term.
- Deal pipeline & growth momentum remain strong for the company, with the qualified pipeline at record levels, up 9% QoQ and 97% YoY, supported by broad-based demand and continued wins across verticals. BFS pipeline grew 45% YoY while non-BFS jumped 139% YoY, reinforcing balanced growth visibility across client segments. Management reiterated confidence in deal conversion as large programs ramp through H2, aided by earlier GTM and solution investments. Management reiterated that investments in large-deal pursuit teams continue to yield results, strengthening competitiveness and supporting sustained TCV momentum.
- Mphasis launched NeoIP, a unified AI platform integrating composable AI agents, enterprise knowledge graphs, and MCP standards to drive continuous transformation across modernization, app dev, IT ops, and business ops. The platform is already being deployed in lighthouse programs, improving developer productivity by 20–30% and reducing technical debt by ~60%.
- AI-led deals contributed ~42% of TCV, with AI pipeline up 2.4x and now forming ~69% of overall pipeline, reflecting strong enterprise demand for productivity-led AI programs. Management highlighted increasing lighthouse deployments and multi-tower AI deal opportunities supporting scalable growth.
- Logistics & Transportation is expected to return to sequential growth from Q3, supported by recent deal wins and improving demand trends; a one-off client-specific investment impacted margins in Q2, with profitability expected to normalize from Q3.
- Mphasis strengthened focus on Healthcare segment by appointing a new GTM head and plans to accelerate pipeline build-up leveraging the Javelina platform; management sees early market share gains and expects Healthcare to emerge as a key growth vertical ahead.
- MPHL expects no immediate operational or margin impact from H-1B policy changes, as the company already runs a diversified talent model with strong local hiring and offshore leverage. Over the medium term, the company expects greater work globalization and accelerated automation/AI adoption, reducing dependency on onsite visas and supporting delivery efficiency and margin stability.



- DSO increased to 89 days (up 5 days QoQ), driven by higher milestone-linked billings and a higher mix of fixed-price programs transitioning from contract assets to receivables. Management noted this shift reflects deal mix dynamics and expects DSO to normalize gradually over the next 3–4 quarters as collections improves and billing cycles stabilize.
- Management reiterated its EBIT margin guidance of 14.75–15.75%, as it continues to invest in initiatives aimed at driving sustainable growth.

## Narayana Hrudayalaya (NARH IN)

**Rating: BUY | CMP: Rs1,783 | TP: Rs2,000**

- NARH has acquired the hospital division (Secondary Care) of PPG, which contributes most to the group's profitability. The integration will be supported by a 6-month transition services agreement to ensure smooth operational handover and continuity of services. All key management and corporate teams will be retained to drive future growth.
- The acquisition of PPG Hospitals will be on a debt-free basis, as only regular creditors and lease liabilities will be consolidated. Around GBP5mn working capital will remain with the company.
- The acquisition is largely debt-funded and guided for borrowing cost of ~6%, which is a 200bps rise plus Sterling Overnight Index Average (SONIA), the UK's risk-free reference rate. The equity funding of GBP30–40mn will be routed through the Cayman subsidiary.
- 4–5% of the deal value will be incurred as transaction costs (diligence, stamp duty, legal fees), to be recognized in Q3FY26. Purchase price allocation is underway, including goodwill and intangibles.
- The management has guided that the transaction will be EPS-neutral in the first year and expects RoCE to improve to 20–22% by FY29/30E. From an IRR standpoint, the deal is expected to deliver double-digit returns on a leveraged basis.
- The hospital network has ~330 operational beds with no immediate expansion plans. Occupancy stands at 50–55%, indicating ample scope to improve throughput and efficiency.
- Currently, ~93% of revenue is NHS-linked and ~7% comes from private payors. The management plans to add self-pay patients and increase private pay & Private Medical Insurance (PMI) contribution to enhance margins. Peers such as Spire Healthcare and Ramsay Health Care UK derive 35–70% of their revenue from private-pay segments.
- NHS contracts are largely inflation-linked, with payments typically cleared within 15 days, supporting zero working capital operations. Focus areas include cost optimization and operational efficiency.
- NARH plans to expand its services portfolio by introducing new specialties and advanced procedures, including robotic surgeries, targeted primarily at private patients. The strategy aims to offer treatments with comparable quality and technology as peers, but at relatively lower costs, thereby enhancing affordability and attracting higher margin private pay clientele.



- Lease costs are expected to remain stable for FY26E post-IFRS accounting adjustments.
- Annual maintenance capex of GBP10–20mn is expected, primarily for medical equipment upgrades. Most buildings and equipment are leased, limiting large capital commitments.
- The management expects cash breakeven in the near term, with meaningful PBT contribution likely in ~2 years. Consolidated margins are expected to expand as the UK operations stabilize.
- In India, the company continues to evaluate M&A opportunities and has purchased buildings in Bengaluru and Kolkata for potential capacity expansion.

## National Aluminium Co. (NACL IN)

**Rating: BUY | CMP: Rs235 | TP: Rs281**

### Alumina Refinery – 5th Stream:

- 1mtpa alumina expansion ~80% complete. Commissioning by June 2026; ramp to 60–70% utilization within 2–3 months post commissioning.
- Full ramp in FY28; incremental sales of ~0.5mt in FY27.
- Total capex Rs52bn; Rs45bn spent; balance Rs6–7bn in FY26; small spillover in FY27.
- New plant has lower manpower & caustic soda consumption; alumina margin expected ~Rs10,000–11,000/t at current lower prices.

### Smelter + CPP Expansion

- DPR for new smelter + CPP initiated; consultants appointed.
- DPR completion timeline 6 months, tendering scheduled for June/July'26.
- Commissioning targeted for Dec'30.
- Capex: Rs170–200bn (smelter) + Rs100–110bn (CPP) ~ Rs300bn in total.

### Pricing

- Alumina realisation: USD380/t in Q2; current spot USD320/t; H2FY26 guidance USD320–340/t. Though mgmt. expects price recovery toward USD350/t going ahead.
- Aluminium: Q2 LME at USD2,597/t, currently ~USD2,850/t; mgmt expects USD2,800–2,900/t in H2.

### Volumes – Aluminium

- Rated smelter capacity 460kt, operating at 470kt+ run rate.
- Metal sales were weaker in Q2 due to rain-driven demand softness; inventory to be cleared in Q3.

### **Cost & Efficiency**

- Sustainable reduction in caustic soda consumption to ~96 kg/ton alumina.
- Caustic soda price eased from Rs44,000/t (Jun) to Rs41,000/t (now).
- CT pitch price rose from Rs30,600 to Rs42,000/t YoY.
- Alumina CoP is expected to be lower due to process improvements; incremental costs will be for depreciation only.

### **Coal / Power Cost Savings**

- Captive coal output was 1.96mt in H1; on track for 4mt in FY26 (vs requirement 7.2mt; balance via FSA).
- Captive coal landed cost Rs1,600–1,700/t.
- Grid power purchase reduced from Rs1.86bn to Rs0.5bn in H1FY26, resulting in total savings of ~Rs1.3bn.

### **Mines**

- Pottangi bauxite mine: MDO appointment underway, mining starts June 2026.
- Backup conveyor system ensures bauxite supply even if mine gets delayed.
- Existing bauxite leases valid till 2029 (Central block) and 2035 (South block).

### **KABIL JV (Lithium assets – Argentina)**

- 5 blocks: Non-invasive exploration complete; drilling starts in 1–2 months.
- Pilot plant to follow; commercial viability will be known in 12–18 months.

### **Employee Costs**

- Currently ~18% of total cost, expected to reduce to ~16% next year as ~200 senior employees retire. In the long term it is expected to come down to ~15%.



## Navin Fluorine International (NFIL IN)

**Rating: ACCUMULATE | CMP: Rs5,009 | TP: Rs5,601**

- HPP Segment: Capex of Rs2.4bn has been allocated for setting up additional HFC capacity of up to 15,000mtpa (R32 equivalent) at the Surat unit, expected to be completed by Q3FY27. The peak revenue potential from this project is estimated at Rs6–8.25bn.
- AHF project is expected to commission in ongoing quarter.
- The Fluorospecialty plant, commissioned in Dec'24, has started contributing meaningfully from Q2FY26.
- MPP Debottlenecking: A Rs750mn capex has been announced for debottlenecking the multipurpose plant (MPP), with a peak revenue potential of Rs1.4–1.6bn. The project is expected to be completed by Q3FY27
- Supply orders from the cGMP-4 unit to a European client are expected to commence by Jan'26.
- Around 35–40% of the USD100mn CDMO target is expected to come from the European MSA order.
- The CDMO order book remains strong, providing visibility until FY27.
- Capex in H1FY26 stood at Rs3bn, while FY26 capex is expected to be in the range of Rs6–7bn.
- EBITDA margin guidance increased from 25% to 28–30%.

## Navneet Education (NELI IN)

**Rating: REDUCE | CMP: Rs148 | TP: Rs119**



- NELI IN is actively working to expand presence in Middle East and European markets, which currently account for ~13% of total exports.
- YOUVA reported revenue of Rs380mn/Rs1,540mn in 2QFY26/1HFY26 respectively (domestic stationery), with non-paper products contributing 8–9%/~6% of revenue in 2QFY26/1HFY26, respectively.
- Publication revenue is expected to grow by ~14–15% in FY27E.
- Paper prices stood at ~Rs65,000/ton as of Sep-end and have been stable for the past 6–7 months. Publication paper cost is expected to rise 6% due to GST changes, while stationery paper may see a 3–4% cost reduction.
- Publication EBIT margin is expected to be at 25–26% in FY26E and improve by ~200 bps in FY27E.
- ILL reported revenue/loss of Rs35mn/Rs160mn in 1HFY26 respectively.
- CBSE currently contributes ~5% of NELI IN's total publication revenue and is expected to increase to 10–11% over the next 2 years.



- ILL's revenue stood at Rs550mn in FY25 and is expected to be at Rs650mn in FY26E.
- The possible merger of ILL with NELI IN is expected to provide a financial benefit of around Rs200mn, representing ~25% of ILL's loss of Rs800mn.
- K-12 Techno Services, in which NELI IN holds 14.3% stake, is exploring a potential IPO next year at an estimated valuation of around Rs55bn. NELI IN plans to dilute its holding gradually in multiple tranches rather than through a single transaction.
- NELI IN has invested Rs750mn in Sports For All (SFA), which is currently facing financial difficulties.
- Domestic stationery volumes declined by ~4% on YoY basis in 1HFY26.
- For FY26, domestic stationery volumes for paper products are expected to grow 12–15%, while non-paper stationery volumes are projected to double annually over the next 3 years.

## Nazara Technologies (NAZARA IN)

**Rating: HOLD | CMP: Rs274 | TP: Rs253**

- 90%+ of gaming revenue comes from international markets, with strong presence in US and UK.
- Key initiatives to strengthen the IP-led mobile portfolio includes launching Love Island Season 13, preparing Animal Jam for Roblox debut, and releasing Big Boss, India.
- Curve Games delivered strong performance, with Human Fall Flat selling 1.25mn units in Sep'25 (+25% YoY) and Wobbly Life crossing 2mn lifetime units, while work continues over Switch 2 version.
- Smaaash 2.0 revamp is currently underway with relaunch targeted for FY27E.
- 3 new Funky Monkeys centres were opened in 2QFY26 with an aim to scale the count from ~14–15 centres currently to ~100 in the coming years.
- SportsKeeda cut costs by 13% YoY in 2QFY26 and targets a further 40% reduction in 3QFY26E.
- SportsKeeda remains the largest contributor within ASPL, accounting for ~85% of revenue and ~90% of EBITDA.
- Core gaming business is expected to deliver 20–25% YoY growth while EBITDA margins are expected to be in the 20–25% range in the foreseeable future.
- Nazara's total investment in Freaks4U amounts to ~\$40mn, comprising the initial \$9mn for a 13.5% stake (Jan'24), a \$25mn stock-swap transaction that increased ownership to 57%, and an additional \$6.5–7mn in primary cash infusion.





## Nippon Life India Asset Management (NAM IN)

**Rating: BUY | CMP: Rs875 | TP: Rs930**

### Industry

- Equity markets for Q2FY26 witnessed a decline from prior quarter levels. The Nifty decreased by 3.6% QoQ while the Nifty mid and small cap indices decreased by 4.3% and 6.2% QoQ respectively. The 10-year G-Sec yield increased by 25% QoQ to 6.58%.
- Both gross inflows and net inflows were higher QoQ. Categories with the highest inflows were flexi-cap, small-cap and mid-cap fund.

### Financial Performance

- Management stated that impact from SEBI consultation paper would not be as damaging as being perceived.
- Asset class wise yields: equity 54bps, debt 25bps, liquid 12bps, ETF 17bps and overall 36bps.
- Yields on products under non-MF business range from 60-120bps.
- Management has rationalized commission on 4 equity schemes during the quarter covering almost 60% of equity AUM as of Q2FY26 as a part of long-term strategy.
- ESOP cost is expected to be around Rs400-430mn for FY26 and Rs260mn for FY27.
- Other opex increased QoQ on account of i) branding exercise ii) investments in tech and iii) maintenance charges for new office.
- Branch expansion cost is not expected to be material. It will include refurbishing old branches as well.
- SIP sourcing through fintech stood at 25% by value.
- Offshore AUM saw a decline due to geopolitical conditions and MTM impact.
- Management is confident of sustaining the share of retail in distributed assets.

### Others

- NAM completed NFO of Nippon India MNC Fund during the quarter.



## NOCIL (NOCIL IN)

**Rating: HOLD | CMP: Rs181 | TP: Rs185**

- Volumes increased by 4% QoQ but decreased by 2% YoY in Q2FY26 due to the impact of US tariffs.
- Anti-dumping duty (ADD) outcomes are expected in the next few months; two Sulphonamide-based products are part of the investigation.
- Exports expected to remain choppy over the next few months.
- Reduction in GST rates to act as a positive trigger for domestic growth; consistent growth expected going forward.
- Competition from China, Korea, and the EU continues to impact prices and volumes, remaining a key concern.
- Volume mix: Domestic: Exports: 33%: 66%.
- Soft launch of newer products completed; commercial revenue expected by the end of FY26, though initial volumes will be low.
- Latex business YoY sales have declined due to tariff uncertainty; witnessing mild recovery over the last 1–2 months.
- Existing capacity utilization stands at ~65%.
- Dahej TDQ antioxidant capex of Rs2.5bn is progressing well, with ~80% work completed and trial production targeted for H1CY26.
- The project will expand overall capacity by ~20%; several key contracts have already been finalized.

## Nuvoco Vistas Corporation (NUVOCO IN)

**Rating: ACCUMULATE | CMP: Rs412 | TP: Rs459**

- Mgmt. expects 7-8% industry growth in H2FY26, backed by strong capex potential with only 38% of central and 21% of state spending till Aug'25.
- Cement prices were flat QoQ in Q2, with no price drop in October (ex-GST pass-on) across Nuvoco's key markets. Mgmt. also stated that no price hikes are expected for the next few months.
- A Rs50/t cost reduction vs FY25 is on track for H2FY26, driven by greater use of alternate raw materials, higher WHR and CBP efficiency, and lower lead distance from new railway sidings in Odisha and upcoming Jharkhand in Q3FY26.
- **Capex:** Maintenance capex was Rs0.78bn in H1 and Rs0.70bn planned for H2FY26. Of the Rs16-18bn Vadraj capex (FY26-FY28), Rs0.4bn was spent in H1 and Rs3bn planned in H2, taking total H2 spend to Rs3.7-4.2 bn (excl. upfront payment). FY27 capex is pegged at Rs8.3bn and FY28 at Rs10bn.





- The planned capex is highly efficient, with less than Rs2bn needed to add 4mt capacity. In Arasmeta, most infrastructure exists, allowing a low-cost mill setup. In Jojobera, Panagarh, and Jajpur, will replicate the Risda model, adding 1mt each with minimal spend by FY27 end.
- Nuvoco has received initial clearance for a Kutch railway siding. Plants at Kutch and Surat, along with associated equipment including the jetty, are on track for trial runs in H1FY27 and full commissioning by Q3FY27.
- A brownfield expansion is planned at Chittorgarh in the North. Once Vadraj is commissioned in FY27, Nuvoco plans to pursue additional northern brownfield projects or a greenfield development in Gulbarga, prioritizing northern expansion while focusing on western and central markets.
- Lead distance in Q2 decreased to 331km from 334 in Q1.
- Premium product share was at 44% in Q2FY26 vs 43% in Q1FY26. Premium product volumes are expected to grow by 25% in Q3 vs Q2 and a further 10% in Q4 vs Q3.
- In key markets-Chhattisgarh, Haryana, Rajasthan, and Gujarat, Nuvoco aims to outpace the market, targeting 1.2-1.5x growth.
- Blended fuel cost rose to 1.46/mcal from 1.43/mcal due to higher pet coke prices and kilns shutdowns. AFR use is expected to increase to 12% (from 10%), with a Q3 target of Rs1.43/mcal if costs stabilise.
- Trade volume share was 74% vs 76% in the last quarter.
- Road rail share for the quarter stood at 60:40 vs 63:37 in Q1FY26.
- Net debt fell by Rs10.09 bn YoY to Rs.34.92bn but inched up Rs0.18 bn QoQ.

## Oil & Natural Gas Corporation (ONGC IN)

**Rating: BUY | CMP: Rs249 | TP: Rs292**

- SA Production Guidance: Oil: FY26: 19.8mmt; FY27 at 21mmt. Gas: FY26 at ~20bcm, rising to 21.5bcm in FY27, and increasing thereafter driven by expected improved output from MH field following BP's TSP engagement and upcoming Daman project enhancing gas volumes
- The current run-rate of oil and gas production is below expectations, with management now guiding for FY26 oil output of ~20mmt (vs 21mmt earlier) and gas production slightly below 21.5bcm, as part of the volumes are expected to shift into early FY27, preferably in Q1FY27.
- In KG-98/2 basin, gas production rate at ~3mmscmd due to constraints from the living quarters compression package, expected to be installed by Dec'25-Jan'26; post-installation, gas output is projected to ramp up to ~10mmscmd by Jun-Jul'26. Oil production remains low at ~28kbpd, but as per management, ongoing well intervention and additional planned works aim to lift output, supporting gradual improvement ahead.



- OPAL's plant capacity utilization to improve above +90% for H2FY26, leading to positive EBITDA.
- NWG currently contributes ~13–14% of total production, Co. expects it to rise to ~30–35% over the next 3-4 years as Daman and other project's ramp-up. 5) Daman Field/DSF II: Expected to add 9mmscmd of gas in FY26 (5 mmscmd from Daman and 4mmscmd from DSF-II), helping achieve total production of 24-25mmscmd by FY28.
- Capex: E&P capex to remain steady at Rs300-350bn in FY26, with no cut in E&P spending. Similar capex planned for FY27.
- Cost Optimization: Targeting Rs50bn reduction in opex through logistics efficiencies, dual-fuel rig conversion, green energy, and efficient rig deployment to lower fuel & power costs.
- Mozambique: Force majeure lifted, aiming for project resumption,
- OPAL net debt stood at Rs251.9bn as of this quarter, with interest costs (~8.5%) expected to decline by over 100 bps, reducing finance expenses going forward.

## Oil India (OINL IN)

**Rating: BUY | CMP: Rs436 | TP: Rs532**

- Numaligarh-Siliguri pipeline commissioned on 12th oct 2025.
- **E&P front** - Drilled 18 new wells in Q2FY26, 100% target achieved, 32 wells in H1FY26 up 28% YoY. International – Mozambique Force Majeure now withdrawn from Nov 2025
- **NRL Financials** – Revenue - Rs64.4bn, up 2.5% QoQ and 24% YoY, Capacity utilization at +100% and is expected to continue with same trend with no major planned shutdown expected before FY'27, except small safety related shutdown in Q3FY26. Distillate yield: 86%. GRM: USD10.56/bbl (up 110% QoQ), H1 FY26 GRM: USD7.73/bbl. Inventory gain in GRM of USD0.44/bbl in Q2FY26. Q2FY26- EBITDA: Rs9.9bn, PAT: Rs7.3bn, H1 FY26 EBITDA: Rs17.7bn, PAT: Rs12.1bn.
- **Other expenses** increased mainly due to exploration write-offs of Rs7.2bn for the Vijayapuram-2 (Andaman) well in Q2FY26. **Employee costs** rose due to a one-time gratuity actuarial impact triggered by DA crossing 50%, resulting in a Rs0.6bn provision, apart from routine increments and medical costs.
- **Updated guidance – a) Oil** - FY26 – Previous: 3.8mmt. Revised – 3.55mmt due to disruption caused by ethnic groups. FY27 - 3.8mmt. FY28 – 3.98 to 4.00mmt. **b) Gas** - FY26 – 3.6bcm (based on current run-rate it seems to reach 3.3mmt), FY27 - 3.8bcm, FY28 - 4.6bcm.
- **Capex:** FY26 - Total Capex budget: Rs70bn, E&P allocation (~60%), Development: Rs19.3bn, Development drilling: Rs17bn, Seismic: Rs6.5bn, Other PPE: Rs22.0bn, Equity contribution: ~Rs5.5bn. **Capex YTD:** Rs55.6bn (~79% of total budget). Company expects to exceed the budgeted Capex this



year. Capex Trend - Capex has been rising YoY. FY24-25 - Budget Rs68.8bn, Actual spend: Rs80bn.

- Advance talks ongoing with TotalEnergies (for technical partner) on stratigraphy and deepwater collaboration while also engaging with Woodside Energy to enhance exploration and operational efficiency.

## PCBL Chemical (PCBL IN)

**Rating: ACCUMULATE | CMP: Rs364 | TP: Rs402**

- CB margins were impacted due to lower realization, expect steady recovery in upcoming quarters.
- CB exports to USA constitute 5% of exports, this was impacted due to 50% tariffs, volumes to USA have been cut by ~2000mtpa.
- Domestic tyre industry is expected to increase by 6-8% in FY26 led by stronger replacement demand.
- Specialty CB facility dedicated to super conductive grade is expected to be commissioned by Nov'25.
- 90,000mtpa brownfield expansion in TN to come online in current quarter (Q3FY26).
- 20,000mtpa Specialty CB commissioning preponed to March'26.
- Russian imports are from last one year, India is importing ~8000-10,000mtpa per month at lower prices.
- RM is imported from USA; exports equivalent to that value which is ~60% of export value is exempted from tariffs.
- Aquapharm now offers complete range of green chelates which includes GLDA, MGDA, and IDS.
- Nanovace received a process patent for nano silicon in the USA; patents pending in Japan, South Korea, and Europe. A pilot plant is under construction and lab samples have been sent to global players.
- Acetylene Black 4,000mtpa capacity plant is expected to be operational within the next 18 months.



## Persistent Systems (PSYS IN)

**Rating: BUY | CMP: Rs5,338 | TP: Rs6,280**

- Demand environment remains uncertain, but clients are choosing to operate within it—as reflected in steady deal wins and a broad-based pipeline. Management reiterated that FY26 growth will be led by BFSI and Hi-Tech, with incremental support from a recovering Healthcare segment.
- Within segments, BFSI continues to lead, supported by multiple consolidation and challengers win while Hi-Tech is gaining momentum. Healthcare is stabilizing after one-off deal transitions & policy changes in US, aided by a growing AI-led modernization pipeline.
- Management said they are focusing on growing individual Healthcare sub-segments like Scientific Instruments & Medical Devices, Pharma, Payers and Providers. Their goal is to scale each of these to USD 100 mn in quarterly revenue over the next few years as part of the broader USD 5 bn revenue plan.
- AI strategy of the company is built around three core pillars - AI for Tech, AI for Business and Enterprise Data Readiness - powered by its SASVA platform. Management noted that proactive AI-led proposals to their top 100 clients (which contribute ~82% of revenue) are helping secure renewals and win against Tier-1 competitors.
- Q2 saw strong deal wins, and despite this, the pipeline remains healthy. Management believes the current ACV/TCV mix provides clear visibility for future revenue conversion, keeping them on track toward the USD 2 bn FY27 target.
- Company-wide wage hikes will be implemented from October 1. Management expects a ~180 bps margin impact in Q3 but plans to offset 80–100 bps through levers such as offshoring, higher utilization, cost optimization & lower ESOP costs.
- Utilization during the quarter declined by 50 bps QoQ, but management is comfortable operating at current high levels for the next few quarters before gradually normalizing it to the 83–85% range.
- EBIT margin expanded by 80 bps QoQ in Q2, and management aims to improve it by ~100 bps in FY26, followed by another ~100 bps in FY27, in line with their 200–300 bps medium-term margin improvement target.
- Management mentioned that they have minimal dependence on H-1B visas and does not expect tightening regulations to pose any structural headwind.
- Top 5/10/20/50 clients grew by 7.8%, 7.2%, 5.4% & 4.4% respectively
- Management expects ETR for FY26 to be in the range of 22.5-23.5%



## Petronet LNG (PLNG IN)

**Rating: HOLD | CMP: Rs279 | TP: Rs290**

- Other expenses increased due to lease accounting impact for chartered vessels handling Qatar Gas volumes. The company incurred FX loss of Rs840mn (~Rs3.25/USD impact on USD300mn lease liability).
- FY26 volume outlook – mgmnt did not provide firm volume guidance,
- Kochi Terminal: Utilization improved as BPCL's June'25 cargo was booked this quarter. Further volume increase expected once Kochi-Bangalore pipeline connects to the national grid and on account of increase in BPCL cargoes.
- Dahej Terminal: Term contract volumes fell, but 3<sup>rd</sup> party volumes rose due to cargo scheduling adjustments.
- Petchem Project:** All major long-lead packages are awarded, with few in pipeline, project remains on schedule. YTD capex stood at Rs6.0 bn. **Gopalpur Terminal** – Co. has acquired the land and is awaiting environmental clearance (EC), construction to begin post-approval, completion targeted within 3 years, subject to EC. **Dahej Expansion** - Mechanical work near completion and the project is expected to be completed soon. YTD capex stood at Rs4.5bn.
- FY25-26 capex guidance stood at Rs50bn (mainly for Petchem, Gopalpur, Third Jetty); Rs5.3 bn spent in H1FY26, balance to be spent in H2FY26.
- UoP Recoveries- Co. has 98% of business with promoters and hence does not expect any issues in recovering its dues. Bank guarantees are in place. PLL expects to recover Rs694cr in 2HFY26, with settlements taking place in Q4FY26,
- Tariffs- No disclosure on Dahej/Kochi tariffs due to confidentiality.
- On Competition – Co. expects growth in demand will support upcoming LNG capacities.

## P I Industries (PI IN)

**Rating: HOLD | CMP: Rs3,589 | TP: Rs3,666**

- EBITDA margin guidance of 26–27% has been maintained for FY26.
- Gross margin of 52–53% is expected to be sustainable.
- The company expects the tax rate to remain around 22–23% over the next 2–3 years.
- Modest recovery is expected in Q4FY26, while full recovery is not expected before H2CY26.
- Excess capacity in China is leading to value erosion, mainly in generic products.







- In CSM segment 8-9 new molecules expected to be commercialized in FY26, 5 were commercialized in H1FY26.
- In the CSM segment, recovery in the Agchem business is expected from Q4FY26.
- For the Domestic Agri business abrupt regulatory hurdles led to a decline in Biologicals.
- In Pharma segment, two large customers were onboard, and two more are expected to be added in Q3 and Q4 each.
- A Biologicals research center was set up in Hyderabad during the quarter.
- A new registration for a Bio-nematicide was filed in the US.
- Plant healthcare business generates annual revenue of USD 10–12mn

### **Pidilite Industries (PIDI IN)**

**Rating: BUY | CMP: Rs1,445 | TP: Rs1,714**

- Rural markets continue to grow ahead of urban markets, however in Q2 urban market saw pickup in demand
- B2B reported UVG of 9.9 with domestic volume growth at mid teen.
- Input cost declined in Q2 amidst soft RM prices while A&P spends saw an uptick of 80bps YoY to drive growth
- GM expansion will be invested judiciously behind brand building while maintaining EBITDA margin at upper band of 20-24%
- The domestic demand is expected to improve, aided by favorable monsoons, and the indirect cascading impact of GST 2.0 coupled with accelerated growth in the construction sector driven by benign interest rates.
- VAM prices for Q2 came at \$883/MT down by 10.2% YoY from \$980/MT, going forward GM is likely to remain stable with VAM prices likely to remain at current levels.
- Haisha is doing decent with growing sequentially, however the growth is lower than internal expectation, thus company will invest more money once it corrects the model with focus on grabbing market share.
- Unofin not doing good, however started to see traction from hotel industry especially in northern region
- Dr fixit, Roff are doing well with demand being robust
- No price hikes taken in Q2 and similar trend to be expected in coming quarters given benign RM prices.
- Capex is likely to remain at 3-5% of the sales



## Polycab India (POLYCAB IN)

**Rating: BUY | CMP: Rs7,440 | TP: Rs8,808**

- **Consolidated revenue grew 17.8% YoY**, with strong performance in W&C and a healthy growth in FEMG.
- Volume growth was in high teens in Q2FY26 with cables recording stronger growth than wires.
- The company targets 1.5x industry growth in W&C business and 1.5x-2x in FMEG business by FY30 under Project Spring.
- The company has planned a annual capex of Rs 12–16bn till FY30, majority of which will be allocated to EHV cables and other cables.
- The company incurred a total capex of Rs3.3bn in Q2FY26.

### W&C Segment

- The company has guided EBITDA margin of 11-13% by FY30 under project spring.
- International business grew by 25% YoY and contributed 6.5% of consolidated revenue. The US accounted for ~20% of the company's total exports.
- Domestic business grew by 20.6% with sustained demand momentum in private and government sector. Healthy traction was observed across both channel and institutional sales.
- EBIT margin expanded by 270bps supported by due to operating leverage and favorable business mix.
- EPC order book as of Q2FY26 stood at Rs113.5bn. Of this, RDSS order book stood at Rs33.5bn and BharatNet order book at Rs80bn, of which execution will start from Q3FY26.

### FMEG Segment

- The company has guided EBITDA margin to be 8-10% by FY30 under project spring.
- The segment delivered another quarter of positive EBIT led by solar products.
- Fans segment remained under pressure due to prolonged monsoon conditions and elevated channel inventory at the start of the quarter.
- Solar segment sustained strong growth momentum, driven by robust demand under central and state rooftop incentive schemes, and is expected to become the largest contributor to the FMEG portfolio in FY26.
- Lighting segment witnessed strong traction during festive season, driven by healthy growth across switches, switchgears, and conduit solutions.



## Praj Industries (PRJ IN)

**Rating: HOLD | CMP: Rs335 | TP: Rs353**

- **1G Domestic:** The company continues to face project delays due to funding challenges for customers, delays in civil site preparedness, and out-of-scope activities. With the achievement of EBP 20 and adequate greenfield ethanol capacity in the country, **the company has shifted its focus toward brownfield expansions, co-product additions, and service offerings for existing plants.** Management remains optimistic about the new EBP mandate in the medium to long term, with around Rs3.0bn of order intake during the quarter coming from domestic ethanol projects.
- **1G International:** International prospects for 1G ethanol continues to remain strong with positive policy developments expected in Latin American countries such as Panama, Argentina etc. Meanwhile, Indonesia has also introduced ~10% ethanol blending mandate and African nations are trying to introduce new blending mandates or to expand current mandates.
- **Ethanol blending in Diesel:** Currently there are ongoing trials for Diesel blending in India. It is expected to include iso-butanol, for which Praj has the necessary manufacturing technology. The company is an active participant in the ongoing diesel blending trials. Given that diesel consumption in India is nearly twice that of petrol due to heavy use in commercial transport, this initiative presents a substantial growth opportunity for Praj.
- **Business from the USA:** Praj has secured its first low-carbon ethanol demonstration plant order from the USA, which is currently under execution. The company holds a significant share in this project as it is supplying the core technology, marking the first commercial demonstration of its kind. Praj expects more such orders in the future. Despite the tariffs all current orders are being executed as planned, as the tariff costs are being fully borne by customers. While tariffs have extended payback periods for projects by about five to six months, the impact on the BioEnergy segment remains minimal. The company is still assessing the effect on its Engineering segment, as tariff rates vary depending on the execution of each unique order.
- **GenX facility:** Praj is implementing definitive steps and structural changes to serve a more diverse customer base, focusing on opportunities across Oil & Gas, Piping, Structure, and conventional markets.
  - Previously identified energy transition projects have been put on hold, requiring more time for evaluation.
  - The company is reorganizing its strategy to better address existing customers, with ongoing inspections in core segments such as BioEnergy.
  - **Capacity utilization is expected to improve by FY27, with a revenue target of Rs1.5bn projected for FY28.**



- In the meantime, **the GenX facility continues to incur fixed costs of around Rs80–90mn per month**, which remain largely unabsorbed due to limited orders and execution activity.

## PVR Inox (PVRINOX IN)

**Rating: HOLD | CMP: Rs1,087 | TP: Rs1,211**

- Dine-in cinema concept has been launched in Bangalore, offering gourmet dining alongside movie screenings on LED screen.
- In 2QFY26, advertising revenue was led by FMCG, banking, textiles, e-commerce, and jewelry sectors.
- As of 2QFY26, cash balance stood at Rs6,792mn. PVRINOX IN usually maintains fixed cost liquidity cover for 45–60 days and expects the cash balance to normalize over next 6 months as new screens open.
- The distribution slate for PVR INOX pictures includes movies like Thama, De De Pyaar De 2, Now You See Me (sequel), Christmas Karma, Gustaakh Ishq, and an upcoming film featuring Junaid Khan. Typically, PVR INOX pictures releases ~8–9 Hindi movies and ~15–20 Hollywood movies annually.
- In 2QFY26 distribution income was down due to high base (Stree-2 was released in 2QFY25 which performed well).
- Going forward, the screen portfolio will be evenly divided between capital-light and owned cinemas. Within the capital-light model, asset-light formats will have a higher share than FOCO.
- The Karnataka government's proposal to cap movie ticket prices at Rs200 has been stayed by the High Court.
- VPF is currently charged to all films except Hollywood, where the fee has already been phased out globally. The CCI probe on PVRINOX IN for charging VPF fee is only at an investigation stage currently and final verdict is awaited.
- The Smart Screens initiative aims to tap tier-2 and tier-3 markets, with a POC set to launch this year.
- SPH declined 9.5% QoQ to Rs134 in 2QFY26 due to 3 factors: (1) Dominant release like Mahavatar Narsimha attracted viewers (Jain/religious community) who largely refrained from consuming F&B (especially from outlets serving non-veg); (2) 4 A-rated films (The Conjuring: Last Rites, Baaghi-4, The Bengal Files, & Demon Slayer) drew a more restrained audience; and (3) higher turn-out from Tuesday Saver Days plan (15–17% of footfalls) that witnessed lower F&B consumption.



## Rainbow Children's Medicare (RAINBOW IN)

**Rating: BUY | CMP: Rs1,342 | TP: Rs1,600**

- **New acquisitions** - Rainbow integrated both Prashanthi (Warangal) and Pratiksha (Guwahati) in Q2. The transition phase temporarily impacted revenues due to insurance empanelment delays, which are now largely resolved. Management expects a meaningful pickup in volumes and revenues from Q4. Pratiksha, previously operated under multiple entities, is now fully transitioned into Rainbow with unified systems and processes. The Northeast expansion strategy will follow a hub-and-spoke model, with Guwahati as the regional hub and potential spokes potential in nearby areas of Shillong.
- **Bed expansion** – Rainbow has added ~780 beds over the past two years, effectively concluding its current expansion cycle. The 90-bed Electronic City unit in Bengaluru is fully ready and awaiting final government approvals for launch, while the 60-bed Hennur facility is on track to commence operations by Jan'26. The 100-bed Rajahmundry hospital has been commissioned, guided for accelerated ramp-up with strong brand recall in Andhra. The Coimbatore regional hub is under construction and scheduled for commissioning by end-FY27. Construction at the 450-bed Gurgaon project is temporarily paused due to pollution-related restrictions, with a sizable capex outlay expected over the next three years. The 150-bed Pune project has been signed and is currently in the design phase.
- **Capex** – Q2 capex stood at Rs 2.6bn, including acquisition-related outflows. Management expects H2FY26 capex to be at Rs 1bn, primarily driven by the Bengaluru expansions and the Gurgaon project. The combined capex for Pune, Coimbatore, and Gurgaon is guided at ~Rs 6bn over FY27–29E. Funding remains comfortable with strong internal accruals and a healthy net cash position of Rs5.6bn
- **Mature hospitals** (constituting ~50% of the base business) reported an 8–9% YoY decline in IP volumes, largely due to unusually weak seasonal incidence (lower general pediatrics and PICU loads). Management reiterated that seasonal trends typically boost occupancy by ~8% and revenue by 12–14% in Q2–Q3; the absence of this led to a muted quarter.
- **New hospitals** – Sarjapur (Bengaluru) achieved breakeven in 15 months, while the other Bengaluru spoke reached breakeven in 18 months, both within guided timelines. Rajahmundry is expected to breakeven in 15–18 months, supported by strong brand recall in coastal Andhra. Hennur is guided to breakeven within 12 months of launch, and the Electronics City unit is expected to breakeven in ~15 months post regulatory approvals.
- **Delhi - Madhukar** is now generating consistent double-digit EBITDA post turnaround, though margins are capped at ~15% due to the mandatory free-bed quota, which skews the mix toward ICU-heavy patients. The Rs 230–240mn receivable from the Madhukar Trust has been restructured with a moratorium in place. Rosewalk has been repositioned from a luxury birthing centre to a regular maternity unit, driving improved operating performance.



- **International biz** - International revenues have recovered to ~Rs 30mn per month, with Bangladesh volumes still constrained by visa challenges and Africa is showing steady improvement. Management is targeting a medium-term contribution of ~10% of revenues from international markets, which will require scaling the doctor network and forging deeper clinical partnerships.
- **IVF** revenues account for ~3.2% of topline and are expected to exceed Rs 400mn+ in FY26, implying ~40% YoY growth on a low base. The business is primarily driven by in-house referrals and direct B2C channels, with minimal B2B activity. Management targets ~25% annual growth over the medium term.
- **Insurance tariff renegotiations** are largely completed for the Hyderabad cluster, while discussions in the Bengaluru cluster are currently underway.
- **Revenue and margin guidance** - 20% revenue CAGR over 2.5–3 years, driven by new capacity, acquisitions, and scale-up of existing units. Base EBITDA margins guided at 25% (pre-Ind AS); room for improvement as new hospitals mature. H2 expected stronger due to seasonality normalization.

## R R Kabel (RRKABEL IN)

**Rating: BUY | CMP: Rs1,391 | TP: Rs1,634**

- RRKABEL expects 18% volume growth in FY26.
- W&C volume grew by 16.1% in Q2FY26 with both wires and cables recording similar growth levels.
- RRKABEL expects the FMEG segment to break even in Q4FY26.
- Europe and the Middle East together contribute to 75–80% of export revenue.
- The management has guided for W&C EBIT margin to improve by 100bps in FY26.
- The company has planned Rs12bn capex, with ~80% directed toward the cables segment (covering both LV and HV cables).
- RRKABEL has guided for RoE to exceed 20% over the next 2–3 years.
- Working capital days increased to 57 days in Sep'25 from 52 days in Jun'25; the company expects this level to persist.
- Capacity utilization for cables stands at ~90% and wires, at ~70%.
- South & East regions have shown good growth in W&C, though their market share remains below 5%; the company continues to focus on expanding presence in these markets.



## Restaurant Brands Asia (RBA IN)

**Rating: ACCUMULATE | CMP: Rs72 | TP: Rs87**

- 1Q SSSG was 2.8% (2.6% in 1Q26) led by healthy growth in SSTG with continuous traction in value offerings.
- October has been good and company expects demand to continue for full Q3 on the back of winter holidays and menu innovation.
- Launched Korean Spicy Fest and relaunched kings collection with premium buns 4) ADS came at 119k up just 0.8% YoY as newer stores continue to drag overall ADS
- Focus on digital journey to continue with 91% orders for dine in are through SOK & BK app
- Labor costs increased by 5%/18.2% QoQ/YoY as company continue to add interns and college pass out students for lobby service in restaurant
- investment behind people costed them ~0.7% on EBITDA In Q2
- Gross margins improved by 60bps QoQ on the back of better menu mix and supply chain efficiencies, company expects this trajectory to continue with target to reach ~70% by FY29
- Indonesia business is witnessed mixed quarter with September being impacted by geopolitical issues, however things have stabilized and things are back to normal
- popeye continue to face challenges from hyper competition from local and global players
- Company is actively looking for a buyer for its Indonesia business.
- The company maintains its guidance to add 60-80 restaurants annually to reach approximately 800 restaurants by FY2029
- Management expects market conditions to improve by Q3 with more positive tailwinds amidst supportive macro environments



## Safari Industries (India) (SII IN)

**Rating: BUY | CMP: Rs2,099 | TP: Rs2,570**

- HL:SL mix for 2QFY26 stood at 75%:25%.
- E-com share in the channel mix rose to 50% in 2QFY26.
- A&P expense stood at ~8.0% of revenue in 2QFY26 driven by higher spends towards marketing on e-com channel and for premium brands (Urban Jungle & Safari Select).
- Within the channel mix, share of GT and MT remained in the band of 15-20%. Share of GT/MT is towards the lower/higher end of the band respectively.





- Total EBO stood at 160+ during the quarter.
- Capacity utilization at Jaipur stood at 70% for 2QFY26.
- Urban Jungle and Safari Select contributed ~5% to the top-line in 2QFY26.
- Employee expenses grew 17.5% YoY to Rs355mn, driven by salary revisions and ESOP expenses.
- There are plans to commence in-house manufacturing of premium brands (Urban Jungle & Safari Select).
- After Sep-25, there has been material inventory liquidation and realization of receivables. Consequently, current cash on books stands at Rs3bn+ (~Rs2bn as of 1HFY26).

### Samhi Hotels (SAMHI IN)

**Rating: BUY | CMP: Rs202 | TP: Rs305**

- SAMHI IN has reaffirmed same-store RevPAR growth guidance of ~9-11% over the next 3–5 years.
- Over 1,500 rooms are under development or rebranding, which will take SAMHI IN's portfolio to 6,300+ keys in future.
- Phase-1 of the Navi Mumbai project will comprise 400 rooms, with a potential to expand to 700 rooms.
- Total capex for Navi Mumbai project is pegged at ~Rs10,000mn. This includes Phase 1 spends of Rs6,500mn spread over 3–4 years, and factors in upfront MIDC premium for lease extension (Rs750–800mn) and additional FSI charge of ~Rs1,000–1,500mn with no recurring lease rentals payable thereafter.
- Both hotels at Navi Mumbai and the upcoming leased asset at Hyderabad will be housed under the standalone entity (not a part of JV platform formed with GIC).
- The Navi Mumbai asset is expected to generate ~Rs1,800–1,850mn in annual EBITDA at full potential.
- SAMHI IN plans to open a 260-room mid-scale hotel in Hyderabad under a long-term variable lease model, entailing a capex of ~Rs1,250-1,430mn
- W, Hyderabad (170 rooms) remains on track to open by Dec'26.
- SAMHI IN's average interest cost currently stands at 8.4% and is expected to fall below 8.0% by FY27E driven by ongoing refinancing initiatives.
- Total capex outgo over the next 5 years is pegged at Rs15,000mn (excluding the share of GIC) including all active and upcoming projects but excluding phase-2 extension at Navi Mumbai.
- Net Debt/EBITDA is expected to stay ~3x in the short term and decline to 2.5x in the medium term as new projects ramp up.



- At Trinity, Bangalore, initial upgrades of Rs80mn have been made with additional investment of Rs200–250mn lined up for further improvements.
- Around 55-60% of SAMHI IN's loans are repo-linked, while 20% are at a fixed-rate and the remaining ~20% are linked to MCLR.

### Shree Cement (SRCM IN)

**Rating: ACCUMULATE | CMP: Rs28,585 | TP: Rs31,769**

- Compared to the Q2FY26 average, some slippage is seen in prices across the country due to festival-related disruptions, which have also resulted in a labour shortage.
- According to management, cement demand grew by 3–5% in Q2FY26.
- Volume guidance for FY26 is ~37–38 mt.
- Other expenses increased due to higher repair and maintenance costs during the quarter.
- RE share for the quarter declined to ~60% due to the monsoon. (63.15% in H1FY26 and 65.65% in Q1FY26).
- Railway share was 11% as of Q2FY26 and is expected to reach 20% going forward, resulting in cost saving of Rs 100/t.
- AFR level currently stands at 2.3%, up from 1.5% in Q2FY25, and is expected to increase further.
- Mgmt. expects to maintain the premium share level at 20–21% in the coming quarters as well.
- Depreciation for the year is expected to be Rs 24.5bn.

#### UAE operations:

- UAE demand has been robust over the past year, and SRCM is well-positioned to serve all parts of the country.
- SRCM has decided to set up a new 3mt cement mill, which will be supported by excess available clinker. Debottlenecking of the kiln is expected to result in additional clinker production of 0.5 mt.
- SRCM is expected to spend AED110mn on this expansion, which will be financed through excess available cash at UAE.
- **Volume:** 1.32mt in Q2FY26 (0.99mt in Q2FY25 and 1.01mt in Q1FY26).

#### Capex:

- SRCM commissioned a 3.65mtpa clinker line at its Jaitaran, Rajasthan plant. The 3mtpa cement mill at this site is expected to be commissioned shortly. Work on the 3mtpa integrated project at Kodla, Karnataka is in the final stage of completion.



- SRCM continues to pursue opportunities to achieve its target of 80mtpa cement capacity, which might spill over to FY29 depending on industry demand and utilisation scenarios.
- SRCM's railway siding projects at Kodla and Etah are on track, with land acquisitions completed and project work underway.
- The number of RMC plants is expected to grow to 40 by the end of FY26 (cut from targeted 50 earlier).
- Entered the East India market by setting up an RMC plant in Raipur, Chhattisgarh. Also commissioned India's first RMC solar plant at its Jaipur facility, which now runs primarily on clean, renewable solar energy.
- With the commissioning of a 20MWp solar plant at Chitrakoot (UP) under its subsidiary, Shree Cement East Pvt. Ltd., the group's total green power capacity in India now stands at 612.5MW.
- Capex for FY26 and FY27 is expected to be ~Rs30bn each.

#### Others:

- **Trade Share:** 70% in Q2FY26 vs 71% in Q1FY26.
- **Blended Share:** 68% in Q2FY26 vs 70% in Q1FY26.
- **Lead Distance:** 441KM in Q2FY26 vs 451KM in Q1FY26.
- **Kcal:** 1.66/kcal in Q2FY26 and 1.59/kcal in Q1FY26. It should be around similar level based on current inventory levels.
- **Fuel mix:** 66% pet coke and balance are coal and others.

### Shriram Finance (SHFL IN)

**Rating: BUY | CMP: Rs749 | TP: Rs875**

#### Growth

- Disbursements grew 10% YoY to Rs 430.2bn in Q2FY26 led by growth in the CV/ PV/ MSME segments.
- Management expects AUM growth to accelerate in H2, ~200bps higher than the current growth level of ~16%.
- The company is cautious on MSME segment due to tariffs on US exports; thereby avoiding lending to manufacturers. However, credit growth in October remained strong as GST benefits partly offset tariff impact
- Truck utilization remains strong across all segments including urban and rural with no decline observed. Certain geographies faced temporary disruptions (10–15 days) due to excessive rains and transportation stoppages; relief requests from affected areas were received for payments



### Operating profitability

- Excess liquidity was pared down through debt reduction in the month of September, adequately sufficient to meet 3 months of liability obligations. The current LCR stood at 297%
- Incremental CoF stood at lower 8.07% which will give out benefit in coming quarters. The liability mix comprises 87% fixed and 13% floating; management noted that banks have not yet completely transmitted the benefit of repo rate reduction.
- Management expects NIM to reach ~8.5% by Q4FY26; FY26 NIM projected at 8.25–8.30%. The company aims to reduce the CoF and enhance NIM by maintaining an optimal mix of liabilities
- The company targets Rs 10-15bn NCD issuance in Q3FY26; incremental funding may include bank or offshore borrowings

### Asset quality

- GS3 ratio stood at 4.57% with Construction and Farm Equipment segments exhibiting higher GS3 ratios of 6.77% and 6.79% respectively while Two Wheeler and Gold Loan segments reported lower GS3 ratios of 3.29% and 2.28%
- GS2 ratio improved QoQ to 6.92% in Q2FY26 from 7.29% in Q1FY26 reflecting better asset quality management. Company had write-offs of Rs 4.5 bn during the quarter

### Other

- The company has declared an interim dividend of Rs 4.8 per share (240% of the face value)
- Capital adequacy remained strong at 20.7%. Tier-1 capital was at 20.0%

### SRF (SRF IN)

**Rating: HOLD | CMP: Rs3,028 | TP: Rs3,123**

- FY26 capex is expected to be around Rs22-23bn.
- In the Specialty Chemicals segment recently launched products showed strong traction.
- The company launched one new active Ingredient (AI), three new Agro and one new Pharma product during H1FY26.
- New land purchased in Odisha for setting up new chemical facility.
- Specialty Chemical Domestic: Exports mix – 43%: 66%.



- With the agreement with Chemours in place, capex for the fluoropolymers project has been revised upward from Rs5.95bn to Rs7.45bn. The project will be executed in phases and is expected to be completed by Dec' 26.
- H2FY26 is expected to have better steady pricing for Ref gas.
- Fluorochemicals Domestic: Exports mix – 40%:60%.
- GST reforms led to short-term volume impact on Performance film business.
- China dumping continue to impact Belting Fabric and Nylon cord segment.

## State Bank of India (SBIN IN)

**Rating: BUY | CMP: Rs958 | TP: Rs1,100**

### Balance Sheet

- Credit growth for system guided at 11-12% for FY26.
- Bank sanction pipeline stood at Rs7trn out of which half has already been sanctioned and half is in discussion.
- Xpress credit slowed down in Q2FY26 due to shift of unsecured personal credit to gold loans. As the gold prices moderate, bank expects xpress credit to pick up.
- Bank targets to maintain international book share at 15%.
- Loans by benchmark: EBLR 31%, MCLR 29%, fixed 22% and T-bills 15%.
- LCR stood at 143.8%.

### Profit & Loss

- Gsec yields are expected to be rangebound between 6.2-6.5% as per management.
- Margins were up QoQ on account of focus of bank on increasing daily average of CASA. Interest on tax refund was Rs3.4bn and did not impact NIMs materially. NIMs guided to be above 3% for Q3 and Q4.
- Fees were higher in Q2FY26 due to increase in volume of debit cards spends.
- Treasury income declined QoQ as Q1FY26 had benefited from RBI OMO operations, which were absent in Q2FY26.
- Pension provision for Q2FY26 was Rs 35.25bn.
- Other opex were higher QoQ on account of higher GST on expenses which were Rs6.62bn for Q2FY26 (Rs11.8bn for Q2FY25 and Rs5.88bn for Q1FY26).

### Asset Quality

- Bank expects minimal impact on BS from ECL. Management believes that impact can be reduced by strengthening collection mechanism. On retail side, 70% of collections happen automatically.



- Rs5.5bn standard assets provisions were made due to extension of commercial date of production on 2 accounts.
- TWO pool as of Sep'25 was Rs1.63trn while recovery rate is expected to be 8% per annum.

## SBI Life Insurance Company (SBILIFE IN)

**Rating: Hold | CMP: Rs1,903 | TP: Rs1,950**

- Company reported the highest NBP among private players, achieving a 3-year NBP CAGR of 12% compared to the industry's 4%, while the protection segment grew 33% YoY on an APE basis
- New product launches included Smart Shield+ (protection product forming 11% of protection sum assured) and Smart Money Back+ (PAR product garnering 8,500 customers within 15 days of launch)
- Non-PAR and PAR segments led growth and the company aims to maintain this focus as these segments are margin accretive. ULIP sales were steady
- The company passed GST and yield curve benefits to customers, with Non-PAR products repriced in September
- The company factored in a 0.8% adverse impact on VNB margin from the GST cut including 0.2% from policies written post-reform
- Embedded value as of H1FY26 stood at Rs760bn which includes the impact of GST disallowance of Rs3.3bn; EVOP stood at Rs59.3bn
- Management expects protection segment to benefit the most from the GST cut and aims to maintain protection business above 10% of total APE
- ULIP margins are not expected to compress in coming quarters and may improve due to new product launches with longer terms and rider attachments, with currently ~40% of new business products including riders
- GST cut impacted VNB margin by 80bps in H1. Management indicated that the GST cut could have a potential margin impact of ~174bps; however that is expected to be offset by improvement in new business mix leading to an impact of around ~100bps
- Management guided for a 13–14% growth in Ind. APE and VNB margin to be maintained around 26–28% by FY26 despite headwinds
- Company opened 44 new branches and added ~3,500 employees in H1FY26 driving higher operating expenses
- Online channel growth stood at 34% for the quarter entirely sourced from the company's own website, driven by a 55% YoY rise in protection business
- The company has a network of 27,100+ SBI and RRB branches, 13,300+ partner branches, and 149 brokers supported by 2,68,000+ agents. In H1FY26, the company added over 64,000 agents on a gross basis



- Product mix by Total APE ULIP/ PAR/ NPAR/ Protection/ Annuity/ Group Savings stood at around 58%/ 5%/ 20%/ 10%/ 3%/ 4% while the distribution mix by Total APE for Banca/ Agency/ Others stood at 57%/ 30%/ 13% in Q2FY26

## Steel Authority of India (SAIL IN)

**Rating: HOLD | CMP: Rs137 | TP: Rs143**

- NSR in Q2 for flats and longs stood at Rs48,700 and Rs49,000 respectively compared to Rs50,400 and Rs54,500 in Q1FY26.
- Volume and revenue from NMDC Steel stood at 0.3mt and Rs15bn respectively.
- For Q2FY26- imported coking coal cost was Rs 18,150 while domestic coking coal cost was Rs17,400.
- In Oct, imported coal prices averaged ~Rs17,300/t, up Rs700 from Aug levels, primarily due to Rs depreciation. For Q3, imported coal prices are expected to rise further to Rs18,000–18,100/t, implying a USD6-7/t increase in coal costs.
- SAIL sold ~0.3mt of iron ore from its Odisha group of mines, with minimal sales from Chhattisgarh. From the Jharkhand mines, the company dispatched about 60,000-70,000mt per month to nearby sister plants and sold 1mt of dump fines through auctions.
- At the end of Q2FY26, SAIL holds 1.9mt of saleable steel and 0.7mt of in-process inventory (down from 1.3mt QoQ).
- Capex in H1 stood at ~Rs37bn and is projected at over Rs75bn for FY26. For FY27 capex is estimated to exceed Rs100bn with further increase expected in FY28. The capex would be funded equally via internal accruals and debt.
- Total outstanding debt declined by ~Rs26bn QoQ to Rs336bn. The company plans to further reduce debt over the next two quarters to strengthen its balance sheet and support the upcoming capex at IISCO in FY27.
- Value-added products accounted for 57% of sales in Q2, up from 55% in Q1. SAIL is targeting a VAP share of over 60% going forward.
- Revenue from the sale of scrap and by-products (including coal tar and defective items) stood at Rs11.4bn in Q2FY26, up Rs2.5bn QoQ. Scrap sales are expected to increase further in the coming quarters which will aid NSR.
- Margin guidance: EBITDA margins are expected to improve in Q4, potentially reaching ~14-15%. Q3 largely to remain flat or see a slight increase.
- For IISCO, order placements are expected to be completed within the next two months, with major payments scheduled for FY27.





## Sun Pharmaceutical Industries (SUNP IN)

**Rating: BUY | CMP: Rs1,703 | TP: Rs1,875**

- **Domestic formulation:** Market share sustained at 8.3% (vs 8% YoY). Volume followed by new product launches led to growth ahead of IPM. It launched 9 products during the quarter.
- **US:** Revenues declined on lower generic sales due to increased competition and lower gRevlimid volumes. Three new generic launches during the quarter.
- **Global Specialty Sales:** Innovative portfolio (Ilumya, Cequa, Odomzo) grew well. Leqselvi launched in Q2; initial access and prescriber response positive. US specialty sales exceeded generics for the first time. Ilumya now commercialized across 35 markets. Unloxcyt US launch on track for H2FY26 post FDA label update. Ilumya psoriatic arthritis filing planned in H2FY26.
- **EMs:** Delivered 10.9% growth YoY in CC terms, driven by broad-based gains in generics and innovative business. South Africa and Brazil delivered strong growth.
- **RoW:** Growth seen in both generic and innovative businesses. RoW share at 14.2% of revenue.
- **R&D:** 38% directed to innovative R&D. Focus areas: dermatology, ophthalmology, onco-derma.
- **GLP-1:** India launch to be in the first wave post LOE; no update for Canada. No comment on capacity/manufacturing yet.
- **Tariffs:** Management noted the tariff environment remains fluid and uncertain; no immediate impact on generics or innovative portfolio.
- **Other:** ETR at 25% for FY26E. Net cash: \$2.9bn post checkpoint acquisition and MDL settlement.



## Sunteck Realty (SRIN IN)

**Rating: BUY | CMP: Rs432 | TP: Rs600**

- Aggressive business development investments – New BD activity continues to be aggressive where SRIN invested Rs 4.3bn in H1FY26 vs Rs 1.8bn in FY25. During 1H FY26, SRIN added two projects, a project at Andheri with an estimated GDV of Rs 11bn, and a JV project at Mira Road with a GDV of Rs 12bn. Management reiterated its medium-term goal to double GDV (currently ~Rs 391bn) in 3–4 years, driven by sustained BD and launches.
- New launches plan for 2H FY26 – Upcoming launches includes 5th Avenue (residential and commercial) at ODC, new tower at Vasai, Naigaon, and Mira Road, a redevelopment project at Andheri, and marquee launches at Nepean Sea Road (under the new “Emaance” brand) and Dubai. The official Nepean Sea launch is targeted for Q4FY26.



- Dubai Project - The company has already secured an office space in Dubai, with interiors and design finalized; approvals are in progress with its strategy to extend "the Emaance" luxury brand globally.
- 5th Avenue (commercial and residential): Approvals are awaited, and construction will commence post-clearances.
- Nepean Sea Road- Demolition work is expected to be completed within 15–30 days, with approvals at an advanced stage.
- Pre-sales and Collection guidance - The company reiterated its pre-sales growth guidance of 30–35% YoY. Management expects a pickup in collections from Q4FY26, driven by the official launch of the Nepean Sea Road project and progress across ongoing developments.
- SRIN generated Rs 2.6bn of net operating cash flow in H1FY26 (+35% YoY), supported by 80% collection efficiency.
- Net debt to equity stood at 0.04x in Q2.

### Supreme Industries (SI IN)

**Rating: BUY | CMP: Rs4,001 | TP: Rs4,723**

- SI has revised its overall volume growth target to 12-14% from 14-15%, while maintaining its plastic pipe volume growth target at 15-17% with EBITDA margins of 14.5–15% for FY26.
- The company aims to scale its pipe segment capacity to 1mn MT by FY26 with 65–70% utilization. The recently acquired Wavin is expected to contribute around 20k MT to FY26 volumes, with 3k MT already achieved in Aug–Sept 2025.
- The imposition of Anti-Dumping Duty (ADD) on PVC, expected from Nov'25, still remains uncertain.
- SI has acquired Wavin Industries' Plastic Pipe Business, with a total installed capacity of 71,000 MTPA. This acquisition and technology partnership are expected to strengthen the company's plastic piping division by expanding capacities, enhancing market reach, and improving water management systems.
- The protective packaging segment contributed Rs 8.5bn in FY25 and expected to reach Rs 10bn by FY26.
- The Profile Window project is nearing completion, with production to set by Dec'25. Initial launch will be in U.P. and NCR, followed by pan-India expansion. The plant will have a 5,000-ton PVC profile capacity.
- The company plans to set up a new unit for material handling products at its recently acquired land in Malanpur (Madhya Pradesh), aiming to strengthen its presence in central India along with greenfield projects in Bihar, Jammu, and Western Maharashtra planned for FY27.



- The Company received an LoA for supplying 2 lakh of 10kg composite LPG cylinders to BPCL and a repeat order of 2.3lakh cylinders from IOCL, supporting better utilization of its expanded composite cylinder capacity.
- The company has commenced production of PP Silent Pipe Systems in technical collaboration with Poloplast GmbH, Austria
- SI reported an inventory loss of Rs 500-600mn in H1FY26. 11) The company has invested Rs 8.7bn in H1FY26 and expects to incur a total capex of Rs 13bn for FY26.

## Syrma SGS Technology (SYRMA IN)

**Rating: ACCUMULATE | CMP: Rs831 | TP: Rs874**

- **Guidance for FY26:** Mgmt has maintained its guidance of 30% revenue growth in FY26, driven primarily by the industrial and automotive segments, with margin of 9%+.
- **Strong Orderbook and Long-Term Contracts Driving Revenue Visibility:** The company has a order book of Rs 58bn in Q2FY26, auto/consumer/industrial/healthcare/IT & Railway segments contribute 35-35%/25%/25%/6%/9%.
- Syрма SGS onboarded eight major customers with a combined revenue potential of USD 100mn for next year and signed a long-term framework contract worth USD250mn over 2–3 years. The company aims to sustain growth through such contracts, ensuring strong revenue visibility and margin improvement ahead.
- **Key Acquisitions & JVs to Drive Growth and Diversification:** Syрма SGS has acquired a 60% stake in Elcome Integrated Systems Pvt. Ltd. for Rs 2.4 bn, marking its entry into the defence and maritime sectors. Elcome is a reputed player providing navigation, communication, and surveillance solutions to defence, paramilitary, and private sectors. The acquisition is expected to be margin accretive and drive strong growth in the coming years.
- Syрма SGS has formed a joint venture with Shinhyup Electronics Co. Ltd. to establish multi-layer and flexible PCB manufacturing capabilities with a planned capacity of 1.5–2 sqm. Company has received ECMS approval from the Government of India and clearance from the Andhra Pradesh government. Construction is expected to begin by Dec'25, with trial production targeted for Dec'26. The Rs 8bn project will span FY27–FY32, with PLI incentives of 4–10% on revenues during the six-year period.
  - Shinhyup manufactures both multilayer and HDI PCBs, with the company planning HDI production from FY27–28. The focus remains on high-volume multilayer PCBs (70–80% of demand), while HDI clients will be onboarded once production starts. A CCL plant will be set up in phase two (2.5mn sq. m capacity) for captive use and to supply other PCB companies.
  - Phase one CapEx is ~Rs8 bn, with state incentives covering 50% of spending (expected in FY27–28) and central incentives of 5–6% of

revenue over six years. Phase two (CCL and HDI) is planned for FY27, with additional multilayer lines commissioned as utilization reaches 50–70%.

- Syrma SGS, in partnership with Premier Energies, has acquired KSolare Energy Pvt. Ltd. (49:51 stake) for Rs1.7bn, marking its entry into India's residential solar inverter market under the PM Surya Ghar initiative. KSolare, a 15-year-old company with revenues of around Rs3bn, will manufacture solar inverters at Syrma's Pune facility. The partnership aims to diversify the product portfolio beyond rooftop solar into grid and micro inverters, with strong revenue growth expected in the coming year.
- Syrma SGS has entered a joint venture with Italy-based Elemaster to serve European OEM programs in Railways and Industrial Automation, focusing on design transfer and localized production in India. Initially catering to the domestic market, the partnership is expected to integrate into Elemaster's global supply chain over time, forming a key long-term growth driver for the company.
- **Other highlights:** Industrial segment grew by 20.3% in H1FY26, despite challenges such as US tariffs. Management expects this segment to continue as a key driver of growth and profitability. New orders from customers are spread across industrial verticals, including power management and power distribution.
- The company's IT products, mainly laptops, have seen strong growth in H1FY26, and with Dynavook onboarded, the customer base is expanding, supporting continued revenue growth.
- Smart meter business contributes Rs 500mn in Q2FY26, Company expects Rs 3bn for FY26.
- In H1FY26, the company's networking capital stood at 73 days, up 4 days YoY. Mgmt is expecting to keep it to below 65 days and expects a further decline of 5–10 days over the next two to three quarters.
- OCF in H1FY26 was negative at Rs1.2bn, primarily due to incremental working capital investments, including higher inventory of Rs 1bn to mitigate anticipated supply chain constraints and US tariff impacts. Management remains confident of achieving positive cash flow of 25–30% for FY26.
- In H1FY26, the company incurred a CapEx of Rs 450mn and plans Rs600–1,000mn in H2FY26. Total CapEx over FY26–28 would be Rs7–8bn.
- The USA currently contributes around 5–6% of revenue and is expected to become a key export market once US tariff and policy clarity emerges. For FY26, the company expects export revenue to reach Rs 10bn.
- Company expects PLI benefit of Rs 200–250mn for FY26.
- The company's top 10 customers contribute ~ 66–67% of revenue, while the top 20 customers account for around 72%.



## Tata Consultancy Services (TCS IN)

**Rating: BUY | CMP: Rs3,062 | TP: Rs3,800**

- TCS announced plans to build a 1 GW data center capacity over the next 5–7 years, adding 150 MW annually. Each 150 MW block is estimated to cost around USD 1 bn, implying a total investment of USD 6–7 bn, which will be funded through a mix of debt and equity. The facilities will cater to hyperscalers, deep-tech firms, government entities, and large Indian enterprises. Management highlighted that India currently has ~1.2 GW of installed data center capacity, and demand is expected to increase 10x over the next 5–6 years. The first phase is expected to begin generating revenue in 18–24 months, providing a steady annuity-like revenue stream for the company.
- Company defined its five-pillar AI transformation roadmap focused on: a) Becoming AI-first internally through automation-led operations and upskilled workforce, b) Redesigning every service line into Human + AI delivery models using AI autonomy frameworks, c) Building a future-ready talent engine, with 160k+ advanced AI-skilled employees and AI learning copilots, d) Scaling AI for clients rapidly via Innovation Days, AI Labs, and accelerated build programmes & e) Expanding its ecosystem footprint through AI infrastructure investments and strategic M&A
- Announced acquisition of ListEngage MidCo, LLC for USD 72.8 mn (~3x of CY24 Revenue). ListEngage is a Salesforce Summit Partner that drives digital marketing transformation using Salesforce platforms such as Marketing Cloud, Data Cloud and Agentforce, along with AI advisory services. The acquisition will strengthen its Salesforce Practice and Agentic AI capabilities. ListEngage has over 100+ employees and for CY24 reported revenue of USD 24.3 mn, up 12.5%
- The company indicated it remains open to acquisition opportunities while reaffirming its capital allocation policy of returning 80–100% of FCF.
- TCS indicated that the overall demand environment remains stable, with no material deterioration but continued caution in discretionary spending. Growth is being driven largely by cost-optimization, cloud modernization and early-stage AI-led transformation programs, while large digital initiatives and vendor consolidation deals remain in active discussion but are converting gradually.
- International business recovered with 0.6% QoQ CC growth in Q2, after declining 0.5% in the previous quarter. The company expects the recovery to continue through FY26 and maintains that international business performance in FY26 will be better than in FY25. TCS expects impact of furloughs in Q3 to be similar to last year.
- Segment wise, BFSI saw steady traction in North America while Europe stayed soft; Retail and CPG showed mixed trends with resilience in US-led consumer spending but weakness in discretionary retail. Manufacturing and Hi-Tech continued to perform relatively well supported by engineering, Industry 4.0 and connected product initiatives. Life Sciences maintained healthy demand



backed by digital transformation and data-led programs, whereas Communications and Media stayed muted.

- TCS implemented wage hikes for 80% of its workforce effective September, with the full impact expected in Q3, posing a margin headwind. The company also noted that investments toward AI readiness will exert additional pressure on margins, although it remains committed to its margin improvement trajectory.
- On the restructuring program, the company stated that it has completed half of its planned release of 2% of the workforce and is evaluating redeployment options for the remaining portion. It also clarified that employees who cannot be redeployed will be released, without adhering to any fixed target.
- Deal wins was strong for the company and deal pipeline also remains robust with a mix of cost optimization & transformation projects. Company has very modest traction in smaller deals.

**Valuations and outlook:** We estimate USD revenue/earnings CAGR of 3.6%/9.4% over FY25-FY28E. The stock is currently trading at 18.6x LTM Sep. FY27E earnings, we are assigning P/E of 23x to LTM Sep. FY27E earnings with a target price of INR 3,800. We maintain "BUY" rating.

## Tata Elxsi (TELX IN)

**Rating: REDUCE | CMP: Rs5,580 | TP: Rs5,010**

- The company confirmed that the cybersecurity issue at its top client has been resolved, and operations that were halted since September have now resumed. It expects the projects that were originally scheduled to start in September to restart shortly and contribute to revenue growth in H2. Management also indicated that, if not for the cybersecurity disruption, the transportation segment would have delivered sequential revenue growth in CC.
- Supported by the ramp-up of recently won deals and the resumption of operations at its large client, the company expects H2 growth to be stronger than H1.
- The company's EBITDA margin improved by 20 bps QoQ, aided by a 90 bps currency benefit, partially offset by headwinds from fresher hiring (-40 bps) and investments in AI-led infrastructure and partnerships (-30 bps). Management expects margins to improve gradually through H2, despite the planned partial wage hike in Q3.
- Utilization improved to 70% during the quarter, up from 66% in the previous quarter. Management aims to further increase it to 75% by the end of the fiscal year and to 80% in FY27, which should serve as an additional margin tailwind.
- Management expects the Transportation and Healthcare segments to deliver double-digit growth in FY28. Within Transportation, strong traction is being seen among clients in Europe and Japan, while the US auto market is expected





to remain muted due to EV policy changes. However, US market for aerospace & rail remains robust.

- In the Media & Communications segment, despite the ramp-up of a large deal, the company expects growth to moderate in H2, as the segment continues to face macro headwinds and uncertainty due to ongoing M&A activities.
- Attrition continues to increase during the quarter but management expects it to decline in H2FY26.

**Valuations and outlook:** We estimate USD revenue/earnings CAGR of 5.2%/9.3% over FY25-FY28E. The stock is currently trading at 40x LTM Sep 27E earnings, we are assigning P/E of 36x to LTM Sep 27E earnings with a target price of INR 5,010. We upgrade to stock to "REDUCE" from Sell rating earlier.

## Tata Steel (TATA IN)

**Rating: ACCUMULATE | CMP: Rs177 | TP: Rs196**

### Realisation & Operations:

- TSI realisations are expected to be Rs1,500/t lower QoQ, with coking coal consumption cost is likely to rise by USD6/t. The mgmt. expects ~0.5mt volume upside in Q3 driven by KPO ramp-up (88% CU in Oct'25).
- TSN realisations may decline by EUR30/t QoQ, though Q4 is expected to be stronger. TSN's coking coal cost should be ~EUR5-10/t lower due to higher stock levels and some benefit on electricity costs too.
- TSUK prices are likely to remain flattish, with concerns more on absolute price levels than on trend. Overall, UK performance is expected to hold steady, with Q3 unlikely to be weaker than Q2.

### Cost Savings & Efficiency:

- Overall compliance to the 1HFY26 cost savings plan stood at 94%, with Rs25.6bn cost improvement achieved in Q2.
- In India, there was full compliance, driven by a leaner coal mix and cost optimisation, delivering Rs10.36bn in savings.
- TSN achieved Rs10.59bn in savings through supply chain optimisation and efficiency measures.

### Capex & Growth plans:

- Tata Steel incurred Rs32.5bn capex in Q2FY26
- TSI's 5mtpa BF is ramping up well, with Caster #3 and the Air Separation Unit commissioned. At KPO, the 0.5mtpa combi mill is operational, while CGL #2 at the 2.2mtpa CRM is slated for Q3FY26.



- KPO capacity to increase from 8mt to 13mt in the next phase, with potential to reach 16mt subsequently.
- Tinplate capacity has been raised to 0.7mtpa, and a 42ktpa LRPC line commissioned.
- The 0.75mtpa Ludhiana EAF has 90% civil work completed for FY27 start.
- At TSUK, EAF project is on track with major demolition done and first supplies due early 2026.
- Debottlenecking at Gamharia to support the combi mill. At Meramandali, realigning of BF to expand capacity from 5mt to 6.5mt and further to 10mt, subject to land acquisition.
- NINL to expand from 1mt to 6mt in phase 1 and then 10mt, expansion mainly for long products. EC clearances are expected in the next few months, with engineering work at advanced stage. Board review will be post EC, with project execution and completion planned over 3-4 years.

#### Update on TSE:

- **TSUK:** Consultation on CBAM is yet to begin. The UK plans to implement it a year after the EU. Discussions with TRA (Trade Remedies Authority) on quotas are underway, with the process expected to take 6-12 months, pending cabinet recommendation and parliamentary approval.
- TSUK breakeven might get delayed beyond 4QFY26; achievable only with govt support (in terms of quota implementation). Without it, breakeven would be challenging due to current weak spreads and unsustainable UK steel prices amid import pressure.
- **TSN:** Decarbonisation project permissions expected to take a couple of years. Tailor-made agreement discussion- next year, with major spends to follow post-permitting. Minimal cash outflow anticipated over the next few years.

#### Acquisition Update:

- Tata Steel to acquire the remaining 50% stake in Tata BlueScope Steel Pvt Ltd from BlueScope Steel for Rs11bn. TBSPL, with operations across Jamshedpur, Chennai, Bhivadi, Adityapur, and Khed City, reported Rs42.3bn revenue and Rs0.6bn profit in FY25, delivering a 19% ROE.

#### Debt:

- Net debt rose by Rs2.21bn to Rs870.4bn, taking net debt/EBITDA to 2.97x, within the target range of 2.75–3.0x. The increase is mainly on account of dividend payout for FY25.



## Tata Technologies (TATATECH IN)

**Rating: REDUCE | CMP: Rs685 | TP: Rs640**

- Management indicated that demand conditions have begun to improve post tariff-related disruptions in Q1, with customers resuming deferred investments across auto, aerospace and industrial machinery. While Q3 may see some softness due to client-specific issues, the company remains confident of stronger demand conversion in Q4 and into FY27.
- The top client (impacted by a cybersecurity incident in September) contributed no revenue for part of the quarter, which affected automotive growth. Management expects a phased recovery through Q3 and full normalization in Q4. Despite this disruption, the auto portfolio still held stable with 0.3% QoQ growth, underscoring resilience in the broader client base.
- The company absorbed ~Rs. 100 mn in one-off cybersecurity-related consulting costs during Q2, which impacted margins by ~70 bps. Adjusted for this, EBITDA margin stood at 16.4% vs reported 15.7%.
- Management guided margin pressure in Q3 due to wage hikes and client-specific headwinds linked to the cybersecurity incident. However, they expect partial offset through higher utilization, recovery in Technology Solutions, and operational efficiency measures, with a rebound in profitability likely from Q4 onwards.
- Deal momentum remains solid with three strategic wins in Q2 spanning platform consolidation, embedded product development and core body engineering. With improving conversion rates, a healthy pipeline and ES-Tec integration from Q3 onwards, management expects H2 to be back-ended and FY27 to be materially stronger as large deals ramp into revenue.
- Technology Solutions rebounded strongly in Q2 and is set to remain a key growth lever in H2, supported by seasonality-led tailwinds in the product business and full normalization of the education portfolio. Management expects continued momentum into FY27 as deferred projects restart and renewal cycles kick in.
- Aerospace and Industrial Heavy Machinery led growth in Q2 with 14.8% QoQ expansion, supported by strong demand across MRO, PLM and manufacturing engineering programs. Management reiterated continued investments in digital engineering tools - including PLM, virtual validation and sustainability platforms - to further strengthen execution in these verticals. With customer investment cycles normalizing, management expects Aerospace and IHM to remain key growth pillars heading into FY27.
- The acquisition of ES-Tec (signed in Q2 and expected to close in Q3) broadens Tata Tech's access to European OEMs (notably Volkswagen) and enhances its embedded software and ADAS engineering capabilities. Management highlighted meaningful cross-sell potential and expects the deal to be accretive without material margin dilution.
- BMW JV continues to outperform expectations, having scaled past 1,000 employees and contributing steadily to profits. With growing demand for SDV and embedded software programs, the JV offers strong annuity visibility into FY27 and beyond.



## TCI Express (TCIEXP IN)

**Rating: HOLD | CMP: Rs634 | TP: Rs705**

- TCIEXP IN remains debt-free with liquid assets of around Rs1,477mn.
- Volumes for 2QFY26/1HFY26 stood at 2.5 lakh tons/4.8 lakh tons respectively.
- Truck utilization stood at 83.0% in 2QFY26.
- Capex of Rs280mn was incurred in 1HFY26 primarily towards branch expansion, sorting centers, and IT infrastructure upgrades. Capex of Rs1,700mn is lined up till FY27E.
- Revenue growth of ~10% is expected in FY26E.
- B2C segment currently forms ~2–2.5% of total revenue. Target is to scale it into a Rs1,000mn business over the next 2 years.
- Automation systems implemented at the Gurugram and Pune sorting centres are being replicated at upcoming hubs in Kolkata (~1.5lakh sq. ft.) and Ahmedabad (~2.5lakh sq. ft.), with completion expected by Dec-26E to mid-FY27E.
- The customer mix for the quarter is as follows: 48% - SMEs and 52% - Corporates
- A total of ~60–80 new branches are planned to be added across all service lines in FY26E.
- EBITDA margin is expected to improve to 12.5–13% range in 2HFY26E, driven by better asset utilization and sustained cost efficiencies.
- The top 5 verticals: pharmaceuticals, electronics, engineering, garments & lifestyle, and automotive contributed ~55% of total revenue in 2QFY26.

## Tech Mahindra (TECHM IN)

**Rating: HOLD | CMP: Rs1,468 | TP: Rs1,500**

- Macro demand conditions remain volatile, particularly in Europe (Comms and parts of BFSI), but management expects H2 to be stronger than H1 as deal conversions improve.
- Management indicated that AI demand is evolving from hype to production-grade use cases, with clients increasingly recognizing the need for data stack modernization creating favorable tailwinds for system integrators.
- In the Communications segment, the US and APAC remained stable, with the largest client growing above the company average. Europe was weak due to a vendor-specific ramp-down, though vendor consolidation opportunities are progressing and stability is expected in H2. In the Logistics segment, demand is being driven by e-commerce expansion, warehouse automation, and last-mile optimization.





- In the Manufacturing segment, aerospace and industrial verticals witnessed strong growth. Within automotive, demand in the passenger vehicle segment has stabilized, while the commercial vehicle segment remains volatile.
- EBIT margin has expanded for eight consecutive quarters to 12.1%, and the company remains committed to achieving the 15% target. Management highlighted that the next phase of margin expansion will be driven more by gross margin improvement than SG&A savings. With SG&A already at historical lows, further gains are expected to come largely from operating leverage rather than additional cost cutting.
- Primary levers for future margin expansion include fixed-price project productivity and volume-led operating leverage. Additional uplift is expected from portfolio company integration, along with continued improvements in onsite-offshore mix and subcontractor optimization.
- Over the next six quarters, company's capital allocation policy remains unchanged, with scope limited to shareholder returns and small tuck-in acquisitions. Management indicated that a more structured M&A approach is being considered for the post-FY27 phase, targeting service-line or geographic adjacencies while avoiding large or dilutive transactions.
- Current H-1B visa exposure is less than 1% of the total workforce, and fewer than 30% of U.S. employees are visa-dependent. To further de-risk this, the company plans to increase local U.S. hiring and expand its nearshore talent base. Management does not expect any impact from the H-1B fee hike in FY26 and considers the FY27 impact to be manageable.
- Top 5/10/20 clients revenue grew by 1.2%, -2.3% & -3.6% QoQ respectively.

## Thermax (TMX IN)

**Rating: ACCUMULATE | CMP: Rs3,061 | TP: Rs3,513**

- **Guidance:** Management expects a strong H2FY26 driven by better execution. With a robust pipeline for H2FY26, management expects ~20% YoY growth in order intake in FY26 while the revenue and profitability is also expected to be better YoY for FY26.
- **Orders:** Order booking improved in Industrial Products, led by water desalination and environmental equipment, while Industrial Infra saw lower inflows after a strong prior year. Metals, Power, and Petrochem drove robust order growth, partly offset by weaker Sugar/Distillery demand. The company secured key competitive wins, with the domestic order book up ~25% YoY in H1 on a healthy pipeline across power, metals, and refineries.
- **Industrial Products** saw a slight dip in performance due to an unfavorable mix, as slower growth in the high-margin heating segment (mid to high teens) offset gains in water (low double digit margin) and enviro (low double digit margin). Services currently form a low double-digit share, which management aims to lift to the teens. Order inflows remained healthy, with sustained traction across water, enviro, and heating expected to continue into Q3FY26.



- **Industrial Infra** profitability remained under pressure due to cost overruns and execution of low-margin projects, including ongoing FGD jobs with profitability of just 0–1%. A significant portion of these lower-margin projects will be delivered in H2FY26, after which the backlog quality is expected to improve. The segment also continues work on the large NRL project, which will stay on the books at least until early next year, while bio-CNG project handovers are set to begin this month. The company expects a strong H2FY26. Margins on new orders booked are guided at 5–8% for domestic and 10%+ for international projects (PBT level). The remaining low-margin government and bio-CNG orders, totaling Rs5.7bn (including Rs1.8bn from NRL), are slated for execution in H2FY26.
- **Chemicals** segment profitability remained subdued due to higher fixed and input costs alongside an unfavorable product mix. The company is currently absorbing Rs450mn in depreciation and over Rs100mn in investments. However, management expects margins to improve as it moves into higher-value segments, with Vebro investments in flooring and construction chemicals showing recovery. Management expects order bookings in the range of ~Rs2.5bn per quarter from Q3 onward, with performance expected to improve from Q3FY26 itself.
- **Green Solutions:** Green Solutions reported margin improvement driven by operational efficiencies and insurance claim proceeds at one subsidiary. FEPL is ramping up capacity to 300 MW, targeting over 650 MW next year, supported by two large projects in the pipeline. The company remains committed to investing ~Rs7.5bn in the segment to achieve a 1 GW capacity.

## Titan Company (TTAN IN)

**Rating: BUY | CMP: Rs3,416 | TP: Rs3,901**

- 2Q witnessed slow start, however things picked up with beginning of festive season. October is doing very good with Q3 to be better than 1HFY26 led by wedding & festive demand
- sharp rise in gold prices and high base effect (of Q2FY25) due to the customs duty reduction, impacted buyer growth in Q2FY26.
- Demand remains sluggish at lower price point (sub Rs50,000) jewellery with -2% growth in new buyers while mid and premium segment consumers are coming back.
- Studded buyer growth at 3% is better than overall buyer decline of 2% while gold buyer growth declined 11%
- Caratlane performance was broad - based, led by strong momentum in solitaires and healthy 24% YoY growth in the studded portfolio.
- Amidst rising gold price 14k offerings have increased significantly to aid buyers' growth.
- In watches Titan continues to gain from premiumization wherein Sonata's higher priced product has been aiding to increased ASP, festive season saw 15% growth driven by new launches

- In eye care growth remained strong through July and August with double - digit gains before moderating in September as customers deferred purchases ahead of the proposed GST rate cut.
- LGD is a growing interest, however no significant demand is being seen for this while contribution for solitaire is up by 100bps YoY to ~4% of sales with good buyer growth
- TEAL continues to solidify its presence in its automation solutions and manufacturing businesses with serving marquee Indian as well as global customers.
- Jewellery EBIT growth will be slower than revenue growth for FY26.
- Company guided for 15-16% EBIT margins for watches over medium term
- Q3 might see some correction in inventory, thus interest cost might moderate from current levels.
- Tanishq added 8 stores in October with target of opening a total of 40 stores for FY26.
- Tanishq renovated ~35 stores in 1HFY26 with total renovation for FY26 to be of ~70 stores.
- North American market is growing faster compared to other international markets.
- If Gold prices further shoot up, there could be incremental margin pressure in jewellery business

## Torrent Pharmaceuticals (TRP IN)

**Rating: ACCUMULATE | CMP: Rs3,580 | TP: Rs4,200**

- **India:** Growth drivers: Volume +3.7%, Price +5.5%, New products +3%. Chronic business grew 13% vs 11% for IPM, led by Cardiac (+14%), Gastro (+15%), Derma (+29%, incl. Curatio). Minimal GST impact (~0.5%); operations normalized post-September rollout. Pricing environment normalized, expecting 5–6% price growth going forward. Field force expanded to 6,800 reps (vs 6,600 in Q1); target 7,000 by FY26E. Expansion largely in Cardiac, Diabetes, CNS.
- **Curatio** continues to outperform; +29% YoY in Q2, aided by higher ad spends and new region expansion.
- **Brazil:** Growth led by volume expansion and mid-single-digit price increases. Therapy focus: CNS, Cardiac, and Diabetes; next wave of launches to include GLP-1 analogs (Semaglutide). Market is shifting from Ozempic to Wegovy; expect to be in first wave and likely to capture 10-15% market share. Torrent has 65 products pending approval with ANVISA





- **Semaglutide:** Filed in Brazil; approval awaited from ANVISA. India launch planned in first wave upon market formation; injectable to precede oral by a few months. Targets 10–15% market share in Semaglutide on commercialization in Brazil.
- **Germany:** Supply disruption at third-party supplier which impacted sales; expected to normalize by Q4FY26E. Payables lower due to early settlement discounts in Germany.
- **US markets:** Growth supported by new launches and volume ramp-up on existing contracts. Expect 4–5 product launches in FY26E, rising to ~10 in FY27E and ~15 in FY28E as pipeline accelerates. Exploring partnerships for select complex products and injectables
- **JBChemical Acquisition:** Operational control likely from Jan'26. Synergy details to be shared post-integration; mgmt indicates potential to enhance branded portfolio leverage across markets
- **Other: Capex:** Rs 2bn in H1; Rs 3bn expected in FY26E; sustainable at Rs 2.5–3bn annually for next 3 years. Forex loss: Rs 390 Mn in Q2 (recorded in other income)

## Triveni Turbine (TRIV IN)

**Rating: ACCUMULATE | CMP: Rs543 | TP: Rs609**

- **Management guidance:** Management cited that the growth in FY26 will be largely backend driven by strong growth anticipated in H2FY26 owing to deferment of dispatches in Q1 which will be spilled over in Q3 and Q4 of FY26.
- **Domestic business:** After witnessing softness in domestic order inflows during FY25, the company reported a strong rebound in H1FY26 with order inflows rising 42.8% YoY. Management highlighted that this momentum is expected to sustain into H2FY26, supported by a healthy enquiry pipeline and robust traction across key segments such as steel, cement, utility power, process cogeneration, and EPC. With the order inflow momentum remaining strong in FY26, management anticipates healthy growth ahead, driven by execution of these orders.
- **Exports business:** While export enquiries remained healthy, order inflows declined by ~19.2% YoY, primarily due to tariff-related uncertainties leading to delays in order finalization. Management indicated that ongoing global uncertainties have elongated the enquiry-to-conversion cycle. The company is witnessing some traction from the European market, driven by energy transition initiatives, while the Middle East and Europe continue to be key contributors to the export mix.
- **Refurbishment:** US market for Refurbishment remains encouraging given health order enquiry with some orders expected to be finalized soon. With no impact of tariffs this segment will drive growth in short term for few quarters in FY26 and FY27. Management cited there are no challenges in execution of order.





- **API Turbine:** The company has tied up with leading Oil & Gas and EPC players and continues to maintain a strong enquiry pipeline, including repeat orders from several globally reputed refineries. Both domestic and international enquiry momentum remains robust, which is expected to drive growth in the near term.
- **Utility Drive Turbine:** Triveni's turbines cater to auxiliary power requirements of large utilities, particularly in the 15–22 MW range, where the overall market size is estimated at 50–55 turbines. The 15–20 MW segment, primarily used for boiler feed water pump applications, presents a strong opportunity. The company is also an approved vendor across major EPCs and NTPC projects, positioning it well to capture demand in this segment.
- **New Product**
  - The company has introduced a new CO<sub>2</sub>-based heat pump that can produce hot water at 126 degrees, which they claim is the world's first at that temperature. They are seeing good traction and pipeline building for this eco-friendly solution.
  - The company has developed an MVR (Mechanical Vapor Recompression) compressor product line, with their first commercial order for 8-9 compressors to be delivered in Q1 of next year

## TVS Motor Company (TVSL IN)

**Rating: ACCUMULATE | CMP: Rs3,562 | TP: Rs3,907**

- In Q2'26, 2W domestic ICE sales for TVS grew by 21% (industry grew by 8%), 2W international sales grew by 31% (industry grew by 26%) YoY. Total 2W ICE sales of TVS grew by 23% while the industry grew by 11%
- For the Dusshera-Diwali festive season, as per Vahan sales Industry grew by 24% (rural grew by 22%, urban by 26%) while TVS grew by 32% YoY
- Had it not been for the rare earth magnet constraints the industry and TVS' EV sales would have grown higher
- EBITDA margin of 12.7% in Q2FY26 includes PLI benefits of ~Rs0.6bn, excluding which the normalized EBITDA margin improved by ~50bps YoY to 12.2%. PLI benefit of Rs 2.1bn for the whole FY25 was received in Q4'25 itself. The management expects scale, premiumization, improved product mix and cost reduction to help EBITDA improve going forward. TVS has started getting PLI benefit for almost all products
- Other expenses: variable costs, packing and freight had gone up due to festive season (should normalize in coming quarters). Marketing expenses were also higher for new launches
- The management expects domestic 2W ICE industry in H2'26 to grow by 8% YoY even on a higher base. With better monsoon, GST2.0 impetus and infra investments, it expects rural growth to catch-up with urban growth



- The management expects very small increase in commodity costs sequentially in the next quarter, but it will be lower than the 0.6% increase that was seen for Q2
- EVs are loss making at EBITDA level although contribution margins are positive for TVS, but with improved scale margins will also go up. EV penetration for the quarter was 7.8% (mainly from urban market) and EV revenue was Rs12.69bn. Sales in rural market has recently started and is expected to grow, iQube crossed 700k sales in domestic market. Vahan share in e-3W already crossed 11% (almost doubled YoY) and the company aspires to be prominent in e-3W like in e-2W
- International business: saw strong growth in major markets. Demand in Africa, Sri Lanka and Nepal is growing sequentially along with strengthening network in Bangladesh. Strong demand has been seen in many LatAm markets as well where TVS is a nascent player but will keep growing ahead of industry, expecting to become a prominent player in coming time. Exports revenue for the quarter was Rs28.85bn. Exports penetration will continue to grow as aided by EV exports
- Inventory levels have been around 25 days, with some shortage seen in production and supply of EVs due to REM constraints
- Revenue from spares for the quarter was Rs10.7bn (+15% YoY), contributing 9% to the operating revenue
- Recent new launches include TVS Orbiter (EV scooter), Ntorq 150 (hyper-sport scooter), Apache RTX (Adventure rally tourer) & limited-edition variants of Apache, and King Kargo HD EV (focused on urban logistics). All these models are garnering good customer interest
- The full range of Norton super-premium category bikes will be revealed at EICMA next week in Milan and in Europe it has already started distribution planning. Launch in India is expected by Apr'26 and will follow differentiated strategy and superior experience.
- TVS Credit Ltd's book size as of Q2'26 was Rs278.07bn (Q1'26: Rs269bn) and the customer base was more than 2.13Cr (Q1'26 at 2.1Cr). Its PBT for Q2'26 grew by 28% YoY to Rs2.77bn

## Ultratech Cement (UTCEM IN)

**Rating: ACCUMULATE | CMP: Rs12,370 | TP: Rs13,425**

- Long-term cement demand will be supported by multiple projects such as Vadhavan Port (Rs760bn capex), Amravati development, and Google's planned AI hub (investments of USD15bn) in Andhra Pradesh, etc.
- Cement prices are currently stable; any increase going forward will depend on cost pressures and a surge in demand.
- UTCEM's regional capacity utilisation levels were in the ~70s for North and South, higher 60s in the West, and lower 60s in Central and East. The Central region was the most impacted during the quarter.

- Brand conversion of India Cements and Kesoram Industries to UltraTech has reached 31% and 55%, respectively, and is expected to reach 100% by Jun'26.
- UTCCEM has ~5,000 UBS stores, which accounted for ~21% of total sales volume in Q2FY26. The company also operates around 400 RMC plants.
- The Cables & Wires business remains on track for a Q3FY26 production launch. Land and buildings are secured, long-lead machinery has been ordered with deliveries starting Jan'26, and onboarding of key managerial personnel is underway.

#### Costs

- GST 2.0 will benefit UTCCEM through a reduction in GST levied on coal. The company has the highest coal consumption among cement players, with coal and pet coke accounting for 48% and 44% of the fuel mix, respectively, during the quarter.
- Fuel consumption cost stood at Rs1.8/kcal in Q2FY26 versus Rs1.78/kcal in Q2FY25.
- Fuel costs are not expected to rise for UTCCEM going forward, supported by a higher share of coal in the mix.
- UTCCEM operates 56 kilns across the country (65 incl. ICEM). There were 617 kiln shutdown days during the quarter, compared to 207 days in Q1FY26 and 511 days in Q2FY25, leading to an increase in fixed costs by ~Rs100/t.
- Advertising expenses were higher by Rs500mn, resulting in a Rs15/t impact. Higher staff costs, driven by annual payouts and bonuses during the quarter, added Rs940mn or Rs25/t (expected to decline by Rs300–350mn in Q3). Operating leverage contributed an additional Rs70/t impact. The total delta impact stood at Rs200/t for Q2FY26, of which Rs100/t is expected to be recovered in the next quarter.
- Green power accounted for 40.5% of the total power requirement and is expected to rise to 65% post the current phase of announced expansion.

#### Expansion Plan

- Capex for the next two years is expected to be around Rs100bn annually.
- UTCCEM is embarking on the next phase of growth with 22.8mt of incremental capacity, comprising largely brownfield and some greenfield expansions. Of this, 18mt is focused on the Northern markets and 4.8mt on the Western markets. The expansion will be fully backed by clinker. Upon completion, UTCCEM's clinker capacity will reach 148mt, with an addition of 15.68mt (8.4mt from two new plants and the remainder through debottlenecking at various sites), taking the clinker conversion ratio to 1.59–1.6x.
- This expansion will be primarily funded through internal accruals, with some temporary borrowings. Net debt to EBITDA is expected to return to 0.7x post-expansion.



- UTCEM's total capacity will cross 200mt by end-FY26 and is projected to reach 240–245mt by FY29. Beyond FY29, there remains potential for further 20–25mt expansion through greenfield clinker-based plants, supported by the company's ongoing acquisition of mining rights.

#### India Cements

- India Cements' Rs15.92bn capex covers debottlenecking, 21MW WHRS, 192MW renewable energy, and efficiency upgrades. An additional Rs4.22bn will add 2.4mtpa capacity at Chennai and Rajasthan, targeting a 20%+ IRR.
- Capacity will expand from 14.45mtpa to 17.55mtpa post-acquisition and expansions, funded through internal accruals and debt. ICL assets are expected to generate Rs1,000/t EBITDA, with net debt/EBITDA of ~0.5x by the end of this expansion.
- India Cements has exited the coal assets held in Indonesia, and the cash flows realized from the sale of these assets will help reduce its debt.

#### Kesoram Industries

- Kesoram EBITDA declined to Rs745/t in Q2 due to kiln shutdowns. It is expected to recover to ~Rs1,000/t in Q3FY26. Post complete integration of the brand into UTCEM, it is anticipated to reach ~Rs1,200/t.
- Kesoram assets have been streamlined, with Rs5bn capex underway for WHRS and efficiency improvements.

### Union Bank of India (UNBK IN)

**Rating: BUY | CMP: Rs142 | TP: Rs160**

#### Balance Sheet

- Bank targets RAM's share to increase from current level of 55% to 58% given better yields, ability to bring in CASA and other cross-selling opportunities.
- Bank aims to grow at 9-10% on both asset/liability side. Management guided loan growth to be at system level in H2FY26 on a QoQ basis which would gradually move towards system level growth on a YoY basis.
- LDR guided to be in range of 78.5%-80%
- Bank expects impact of ECL framework to be manageable and not material.

#### Fees/NIMs

- NIMs have bottomed out in Q2FY26 and with effect of CRR cut to flow in it is expected to stabilize in Q3FY26 and improve from Q4FY25.
- Bank has consciously cut high-cost bulk deposits by 21.85% YoY in Q2FY26 to protect margins and as a result CoD is expected to reduce in Q3FY26.



- Recovery interest for Q2FY26 was in range of Rs4-5bn, in-line with trend seen in previous quarters.
- PSLC income is expected to resume in FY27, similar to FY25 levels.
- Investment depreciation/reversal were higher partly due to gain from stake sale in NSDL holding among others.

#### Asset Quality

- Bank saw upgradation worth Rs6bn for one account in Q2FY26 for which an equal amount of provision was also reversed.
- Higher standard asset provisioning was driven by regulatory requirements, bank's prudent provisioning approach, and management's decision to build buffers to mitigate the potential impact of ECL transition.
- Post ECL credit cost expected to remain similar to current levels.

### UTI Asset Management Company (UTIAM IN)

**Rating: ACCUMULATE | CMP: Rs1,339 | TP: Rs1,400**

#### Industry

- Total industry AUM grew to Rs75.61trn as of Sep'25, up from Rs75.19trn, reflecting a 0.56% increase M-o-M.
- Equity MF inflows fell 9% to Rs304bn in Sept. In September the SIP stoppage ratio rose to 76.27% up from 74.51% in August. Overall sentiment of retail investors remains strong. SIPs have reached a new milestone with record monthly contribution of Rs294bn.

#### MD&CEO appointment

- The Board has unanimously decided to appoint Mr. Vetri Subramaniam as MD&CEO of UTI AMC with effect from 1<sup>st</sup> Feb'26. Current MD&CEO will act as strategic advisor from 1<sup>st</sup> Feb'26 to 12<sup>th</sup> Jun'26.

#### Financial Performance

- AUM for UTI International declined due to i) maturity of UTI Pheonix Fund ii) some redemption and MTM impact on UTI India Dynamic Equity Fund and iii) MTM in UTI Innovation Fund.
- Yields by asset class: equity & hybrid at 75bps, ETF/index at 8bps, liquid at 9bps & debt 19-20bps.
- UTI AMC approved implementation of VRS effective from 1<sup>st</sup> Oct'25. The one-time financial aspect as per the actuarial valuation is Rs250mn which has been fully accounted in Q2FY26. This initiative is designed to offer a structured and dignified exit framework for eligible employees while strategically realigning the workforce to support the organization's future business priorities. The actual impact of VRS will depend on number of people opting for it which will be communicated in November.



- Out of 1,450 employees, 479 overall and 315 in sales are eligible for VRS. Avg. VRS payout would be between Rs6-6.5mn. Management data suggests that in case all employees take VRS, company will be requiring 70-75 replacements. The entire VRS cost will be booked in the P&L in Q3FY26 as per the accounting standard and it would lead to DTA as per taxation rules.
- The full year tax rate for FY26 is expected be slightly higher at around 26-27% as VRS cost will be amortized over 5 years as per taxation rules.
- Apart from Rs250mn, around Rs65mn in employee cost relates to actuarial impact of salary revision which is a one quarter event.
- Other expenses grew on account of higher CSR expenses. Company maintains guidance of 7-8% growth in other opex.
- Company currently operates through 31 branches across India and plans to take the total number of branches to 40 in FY26.

### **Voltas (VOLT IN)**

**Rating: HOLD | CMP: Rs1,351 | TP: Rs1,411**

- VOLT maintained RAC leadership with YTD market share of 18.5% as on Sep'25 vs 17.8% as on Jun'25.
- Between VOLT & its channel partners, inventory levels of ~2months are expected to ease in the coming months.
- EMPS order book for the project business reached Rs62bn, Rs48bn for domestic projects and Rs14bn for international.
- UCP margins temporarily impacted by higher marketing cost & under absorption in new Chennai & Waghodia plant.
- Data centers contribute ~5% of EMPS revenue, expected to rise to ~30%.
- Company expects strong H2FY26, driven by the reduction of GST for RAC & BEE efficiency transition (Jan'26), driving upgrades & channel stocking.
- Voltbek ranks 2nd in market share in semi-automatic WM category.
- Voltbek's expanding retail and online presence is driving strong sales momentum, keeping it on track to achieve EBIT breakeven.



## Westlife Foodworld (WESTLIFE IN)

**Rating: HOLD | CMP: Rs583 | TP: Rs604**

- 2Q SSG declined -2.8% as eating out frequency declined significantly.
- September was worst hit and October is seeing some signs of recovery led by easing inflation and supportive government reforms.
- On-premise sales grew by 5% YoY, while off-premise sales remained steady. Share of on premise sales increased 100bps YoY while it declined by 100bps QoQ.
- WFL Launched the Protein Plus Slice in Q2 an industry-first innovation which saw strong consumer response.
- Company Passed on the benefit of the GST rate cut to consumers through a price reduction of 80–100 bps.
- Company sold development rights in one of the stores owned in Mumbai for a profit of Rs581.6mn.
- stores opened in the last 6 months are growing above expectation.
- WFL is looking at increasing its own delivery fleet under Mcdelivery which is expected to provide 3–5% SSG delta over next 1–2 years
- WFL piloted 20 min delivery which saw good traction and repeat order, WFL is looking to roll this out across all markets
- South market and mainly Bengaluru market is witnessing maximum pressure in demand.

## Wipro (WPRO IN)

**Rating: HOLD | CMP: Rs254 | TP: Rs250**



- BFSI delivered ~2% sequential growth, driven by strong performance in Europe and APAC, with Capco continuing to scale well in Latam and newer markets. Management expects sustained momentum in the coming quarters, supported by the Phoenix engagement and ongoing BFSI consolidation deals.
- Healthcare remained stable to slightly positive YoY, with one mega deal signed during the quarter, though evolving US policy dynamics are creating structural shifts in client spending. In Consumer and Energy/Manufacturing, growth remained muted as tariff uncertainty prompted clients to focus on cost optimization and supply chain resilience. Meanwhile, Technology and Communications benefited from rising AI adoption and legacy modernization programs, supporting steady growth within the segment.
- Wipro unveiled “Wipro Intelligence,” a unified suite integrating its AI platforms, agents and industry-specific solutions. The company has already deployed over 200 AI agents across delivery and client environments, signaling early-scale operationalization rather than just experimentation. A strong focus was





placed on Responsible AI governance, with built-in guardrails designed to minimize hallucination-led errors and liability risks

- H1 bookings stood at approximately \$9.5 billion, with management describing the pipeline as “secular and evenly spread” across both large and mid-sized deals. Net-new wins remained healthy, although renewals continued to dominate the large-deal mix. Importantly, clients are increasingly reinvesting productivity savings into AI and new transformation scope, keeping overall wallet share intact. However, renewal-plus-expansion contracts are now structured with phased or delayed ramps, leading to what management termed a “timing difference between productivity being passed on and expansion benefits kicking in.”
- Harman DTS acquisition, expected to close in Q3, is not yet factored into the current guidance. Management indicated that the integration is likely to entail ~50 bps margin dilution. While Q3 margins are expected to remain within the guided narrow band, the post-acquisition impact will be mitigated through higher utilization, attrition moderation, and improved profitability in fixed-price programs.
- Europe region witnessed sequential growth after 10 quarters of decline. Management expects this momentum to continue as the Phoenix deal will also ramp up from Q3 onwards
- Top client grew by 2.8% QoQ while Top5 & Top clients declined by 1.4% QoQ
- Management downplayed any material impact from the proposed H-1B cost and policy changes, noting that over 80% of the U.S. workforce is already localized, and H-1B dependency has structurally reduced.

## Zee Entertainment Enterprises (Z IN)

**Rating: BUY | CMP: Rs109 | TP: Rs161**

- Tailored subscription plan launched in 7 languages on ZEE5 is garnering positive response.
- Two new GEC/hybrid channels were launched in Kannada and Bangla market.
- For FY26E, the aspirational guidance given of achieving ~8-10% growth in ad-revenues with ~18-20% EBITDA margin is at a risk of being missed.
- Viewership share for the quarter stood at 17.8%.
- ZEE5's B2C and B2B revenue mix was in the ratio of 60:40.
- A&P spends increased 42.3% YoY to Rs3,691mn during the quarter. The increase can be attributed to launch of 2 new channels, spill-over in spends from the rebranding exercise undertaken previously, and 39/26 new launches on the linear/digital side.
- Subscription growth of 5.5% YoY can be attributed to the digital segment as linear TV revenue has largely remained flat.



- ZEE5's revenue increased by 31.5% YoY to Rs3,108mn, with EBITDA losses narrowing to Rs312mn for the quarter. ZEE5 has introduced 7 new language packs. Currently, these packs are sold directly to consumers and are not a part of any B2B deals.

## Zydus Lifesciences (ZYDUSLIF IN)

**Rating: ACCUMULATE | CMP: Rs937 | TP: Rs1,020**

- **India formulation:** Branded formulations outpaced market growth in Q2FY26. Growth led by chronic therapies (cardiology, gynaecology, oncology) and innovation-driven launches. Chronic segment share rose to 44.5% Oncology continued to maintain leadership in super-specialty. Launched VaxiFlu, India's first trivalent influenza vaccine per WHO recommendations.
- **Consumer health:** Acquired UK-based Comfort Click Ltd (CCL), marking first international consumer acquisition. CCL operates in the fast-growing VMS (vitamins, minerals, supplements) space with D2C presence across UK, EU, and US. Portfolio includes Weight World, Maxmedix (pediatric gummies), and Animigo (pet supplements). Strategy is to expand digital reach beyond Europe to Middle East and US; asset-light model with strong brand retention.
- **US markets:** Base business stable with single-digit price erosion. gRevlimid contribution significantly lower vs Q1; to taper off from Q3. Mirabegron continues to gain market share. Filed 6 ANDAs, received 4 approvals (incl. 1 tentative), and launched 7 products in Q2. Guided for +25 new launches in FY26 (10 done so far). gCopaxone launch in near term.
- **Specialty & 505b(2)** – Specialty strengthened with Beizray (human solubilized docetaxel injection, 505(b)(2)) launch in Oct'25. Continued focus on 505(b)(2) and paediatric rare disease assets. Saroglitazar (PBC): Phase III met primary endpoint; NDA filing by Q4FY26E. Targeting US launch in 14–15 months; estimated ~60–80-person US field force. CUTX-101 (Wilson's disease): launch expected Jan–Jun 2026. Actively evaluating strategic acquisitions in US and Europe specialty (GI, CNS, cardiology, rare disease); leverage ratio capped at 2x short-term / 1x long-term.
- **GLP-1:** Present in in the first wave of semaglutide launch in India. Continues to work on Sitagliptin 505(b)(2).
- **International markets:** Broad-based growth across emerging markets and Europe. Continued therapy-led approach in EMs; Europe focus on market expansion and portfolio depth. Acquired full Amplitude Surgical (orthopedics); now 100% subsidiary. Focus on Ortho, Nephro, and Cardio medtech verticals.
- **Vaccines:** Expect vaccines to become meaningful contributor by FY27E/28E.
- **Others:** Opex increase due to acquisitions (Amplitude, CCL) and project-specific costs; steady-state Opex at Rs 15–15.5bn. Capex focus: dialyzer facility, med-tech scaling, vaccine capacity. R&D intensity to remain at~8–9% of sales. Margin guidance maintained at 26%+ for FY26E. Company has take

enabling resolution to raise Rs50bn through QIP with key focus on US/EU specialty acquisition and Medtech business.

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**PL's Recommendation Nomenclature**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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