INSTITUTIONAL RESEARCH

HSIE Results Daily

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Results Reviews

- **ICICI Bank:** ICICI Bank (ICICIBC) delivered an impressive performance on the back of strong loan growth (+30% YoY), firm traction in fee income (+20% YoY), and improvement in credit costs (20bps). ICICIBC raised FCNR deposits of ~$18bn under the RBI swap window, which propelled deposit growth (+27.1% YoY), ~50% of which was offered as self-leverage. NIMs moderated to 4.18% (Q1FY27: 4.36%) as term deposits rose sharply. Asset quality improved across the board with GNPA/NNPA at 1.2%/0.3%, with PCR staying steady at 76%. ICICIBC's superior tech, coupled with distribution expansion, are likely to help sustain operating efficiencies, which remain best-in-class, with opex-to-assets at 2.1%. While deposit mobilization remains a system-wide issue, ICICIBC's superior deposit franchise is likely to sustain growth leadership over the medium-term. We tweak our FY27E/FY28E estimates by 2-4%, introduce our FY29E forecasts, and maintain BUY with a revised SOTP-based TP of INR1,725 (standalone at 2.4x Sep-28 ABVPS). ICICIBC remains our top pick among banks.
- **Axis Bank:** Axis Bank's (AXSB) Q2FY27 earnings missed our estimates because of softer other income and higher opex. Headline growth was strong on both sides of the balance sheet. Loans grew 23% YoY (+8.9% QoQ) and deposits 20.7% YoY (+5.8% QoQ), both boosted by the FCNR (B) deposit mobilization. Adjusted for this, loan growth was 19.1% YoY (+5.4% QoQ) while deposit growth was 17% YoY (+2.6% QoQ). CASA ratio slipped further to 36.5% (-153bps QoQ). Asset quality improved with gross slippages and credit costs moderating sequentially. As AXSB continues to aim for portfolio stability, we believe that a better-quality deposit franchise and further build-up of operating efficiencies are critical to drive sustainable earnings. We introduce our FY29E estimates and maintain ADD with a revised TP of INR1,500 (standalone bank at 1.6x Sep-28 ABVPS).
- **DLF:** DLF reported a Q2FY27 presales of INR 38bn (-12.3%/+4.3x YoY/QoQ), largely on the back of launch of its senior living project (which was completely sold out) and continued sales at The Dahlias. Collections came in strong at INR 27.8bn (+4.9%/16% YoY/QoQ). The launch pipeline is building up, with new residential launches planned in Mumbai for Q3FY27 and DLF City Phase 4 for Q4FY27. On the commercial side, the Goa Mall is expected to be operational by Dec 2026, with Downtown Chennai Blocks 4 and 5 following by next calendar year, and all DCCDL developments are expected to be operational by FY30. DLF highlighted that, in the near term, it may face short-term disruption in construction progress from labor migration and the pollution restrictions in Delhi-NCR, which could cause a delay of roughly 30-40 days. Seasonal labor shortages may also weigh on Q3FY27 construction outflows. Revenue recognition will continue to lag completions until the FY27 project deliveries come through, so reported numbers may understate the pace of underlying business momentum in the interim. FY28 is expected to be a key inflection point as large under-construction projects begin contributing to P&L, unlocking an estimated INR 390bn of gross margin potential from the existing launch pipeline. The medium-term rental income target stands at INR 100bn, supported by improving GCC and MNC leasing demand following a brief slowdown tied to geopolitical uncertainty. DLF's overall presales momentum is expected to remain in between at INR 200-

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220bn+, driving ~2x growth in both PAT and cash flows by FY30. With significant embedded potential from its existing land bank, DLF continues to generate healthy margins, targeting 45%+ gross margins in the medium term. We maintain BUY on DLF, with TP of INR 752/share reflecting the improving visibility on earnings and widening addressable pipeline across rental business.

- **Metro Brands:** MBL reported topline growth of 12.2% YoY to INR 7.3bn (HSIE: INR7.37bn) in Q2. Growth was partially impacted by the festive season shift to Q3. Adjusted for the shift, sales would likely be 250-300bps higher. Store expansion remained measured in the quarter as MBL added 13/21 stores (net) in Q2/H1FY27 respectively (total store count: 1,053). A 217bps GM expansion (57.4%; HSIE's 55.3%) was led by (1) lower share of discounted sales and (2) 2-5% product price mark-up cushioning the impact of rising cost structures (courtesy continued investments in talent and brand-building; higher front-end staff costs following minimum wage revisions; and modest rise in occupancy costs for new formats). EBITDAM expanded only 81bps YoY to 27% (HSIE: 26%) as a consequence. APAT grew 12% YoY to INR773mn. We have largely maintained the FY28/29 EPS estimates and maintain BUY with a DCF-based TP of INR1,030/sh, implying 43x Sep-28 EPS.

- **Crompton Consumer:** Crompton Consumer's revenue grew 18% YoY to INR 22.6bn. Electricals consumer durable/lighting/butterfly segments grew by 19/14/17% YoY. Gross margins declined 180/150bps YoY/QoQ to 29.8%. EBITDAM expanded by 40bps YoY, leading to EBITDA/APAT growth of 24/38% YoY. Company witnessed double-digit revenue growth across all the segments, driven primarily by price hikes taken to offset rising cost inflation. Fans grew with strong performance in BLDC, followed by TPW and ceiling fans. Pumps witnessed double-digit growth in non-solar business along with market share gains. Lighting witnessed growth in both B2B and B2C categories. Management reiterated that the company remains on track to achieve its medium-term guidance, supported by sustained growth across segments, operating leverage and ongoing cost-optimization initiatives. New businesses are expected to contribute 14–15% of revenue in the long term, providing an incremental growth engine beyond the core portfolio. The company highlighted that ~80% of commodity-driven cost inflation has already been passed through, with the balance expected to be managed through further price hikes, cost-efficiency measures, and operating leverage. Factoring Q2 performance and outlook, we upgrade our revenue/EBITDA/APAT estimates by ~1% each for FY26-29E and retain BUY by valuing the stock at 28x Sep'28 EPS to arrive at a TP of INR 325/sh.

- **Ujjivan Small Finance Bank:** Ujjivan Small Finance Bank's (UJJIVAN) Q2FY27 earnings were in line with our estimates, as the bank delivered its highest-ever quarterly PAT of INR3.65bn (+15% QoQ), aided by healthy loan growth (+7% QoQ), largely stable margins and a further fall in credit costs. Deposit growth (+5.2% QoQ) was strong, although CASA% declined to 26% (Q1FY27: 26.9%) as bulk term deposits funded a larger share of incremental growth. Delinquency trends in the micro-banking portfolio held steady and credit costs moderated further, leading to an RoA of 2.4% (Q1FY27: 2.2%). We believe UJJIVAN is better placed compared to other MFI players, given its moats around geographical diversification, higher employee vintage, larger presence in urban/metro regions, and superior underwriting. We change our FY27E/FY28E earnings estimates by +2.5%/-2.1% respectively, factoring in higher opex, lower credit cost and dilution from the preferential issue; and introduce FY29E to our estimates. We maintain ADD with an unchanged TP of INR80 (1.6x Sep-28 ABVPS).

ICICI Bank

Near-term margin blip, structural strengths intact

ICICI Bank (ICICIBC) delivered an impressive performance on the back of strong loan growth (+30% YoY), firm traction in fee income (+20% YoY), and improvement in credit costs (20bps). ICICIBC raised FCNR deposits of ~$18bn under the RBI swap window, which propelled deposit growth (+27.1% YoY), ~50% of which was offered as self-leverage. NIMs moderated to 4.18% (Q1FY27: 4.36%) as term deposits rose sharply. Asset quality improved across the board with GNPA/NNPA at 1.2%/0.3%, with PCR staying steady at 76%. ICICIBC's superior tech, coupled with distribution expansion, are likely to help sustain operating efficiencies, which remain best-in-class, with opex-to-assets at 2.1%. While deposit mobilization remains a system-wide issue, ICICIBC's superior deposit franchise is likely to sustain growth leadership over the medium-term. We tweak our FY27E/FY28E estimates by 2-4%, introduce our FY29E forecasts, and maintain BUY with a revised SOTP-based TP of INR1,725 (standalone at 2.4x Sep-28 ABVPS). ICICIBC remains our top pick among banks.

- **Robust loan growth; NIMs to trend lower:** Loan growth was strong (+12.3% QoQ) led by business banking and domestic corporate loans. We expect the momentum to continue, as we build ~16% loan CAGR over FY26-FY29E. NII grew 17.7% YoY, although NIM fell 18bps QoQ to 4.18% on the rising cost of deposits and a consequent fall in the average CASA ratio to 35.8% (Q1FY27: 38.1%). NIMs are likely to be further adversely impacted during Q3FY27.
- **Best-in-class asset quality:** Gross slippages eased further to 1.1% (Q1FY27: 1.4%) with retail slippages moderating to 1.6% (Q1FY27: 1.9%), on lower NPL formation in PL and cards. Credit cost was 20bps (Q1FY27: 32bps), on the back of one-off recovery. We build in average credit costs of 40bps over FY27-29E.
- **Sustained growth and operating efficiencies key to sector leadership:** With a superior tech and continued investments in tech and distribution, ICICIBC is likely to see further operating leverage gains. We expect ICICIBC to sustain its growth leadership on a strong deposit franchise and expected uptick in retail loan growth (PL, CC, etc.), which was muted over the past few quarters.

Financial summary (Standalone)

(INR bn)	2QFY27	2QFY26	*YoY (%)*	1QFY27	*QoQ (%)*	FY26	FY27E	FY28E	FY29E
NII	253.4	215.3	*17.7%*	243.8	*3.9%*	880.8	1,020.7	1,161.6	1,288.9
PPOP	205.8	173.0	*18.9%*	203.9	*0.9%*	716.0	821.4	961.2	1,066.5
PAT	148.4	123.6	*20.1%*	148.0	*0.3%*	501.5	564.3	657.7	716.3
EPS (INR)	20.5	17.1	*19.9%*	20.4	*0.1%*	70.0	78.8	91.8	100.0
ROAE (%)						15.9	15.6	15.9	15.1
ROAA (%)						2.2	2.2	2.3	2.2
ABVPS (INR)						434.3	492.5	562.0	638.3
P/ABV (x)						2.6	2.3	2.0	1.8
P/E (x)						16.0	14.3	12.2	11.2

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% chg	New	Old	% chg
Net advances	17,987	17,681	1.7%	20,727	20,245	2.4%
NIM (%)	4.4	4.6	-19 bps	4.4	4.5	-17 bps
NII	1,020.7	1,028.6	-0.8%	1,161.6	1,148.0	1.2%
PPOP	821.4	831.0	-1.2%	961.2	943.4	1.9%
PAT	564.3	551.1	2.4%	657.7	634.4	3.7%
Adj. BVPS (INR)	492.5	491.9	0.1%	562.0	560.9	0.2%

Source: Company, HSIE Research

BUY

CMP *(as on 16 Oct 2026)*	INR1,397
Target Price	INR1,725
NIFTY	23,146

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR1,630	INR 1,725
	FY27E	FY28E
EPS %	+2.4%	+3.7%

KEY STOCK DATA

Bloomberg code	ICICIBC IN
No. of Shares (mn)	7,180
MCap (INR bn) / ($ mn)	10,030/1,05,630
6m avg traded value (INR mn)	19,327
52 Week high / low	INR 1,480/1,188

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(1.5)	3.8	(1.4)
Relative (%)	1.7	8.0	9.0

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	0	0
FIs & Local MFs	42.3	41.8
FPIs	33.8	34.7
Public & Others	23.9	23.5
Pledged Shares	0	0

Source: BSE

Pledged shares as % of total shares

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Axis Bank

Operating performance critical for valuation re-rating

Axis Bank's (AXSB) Q2FY27 earnings missed our estimates because of softer other income and higher opex. Headline growth was strong on both sides of the balance sheet. Loans grew 23% YoY (+8.9% QoQ) and deposits 20.7% YoY (+5.8% QoQ), both boosted by the FCNR (B) deposit mobilization. Adjusted for this, loan growth was 19.1% YoY (+5.4% QoQ) while deposit growth was 17% YoY (+2.6% QoQ). CASA ratio slipped further to 36.5% (-153bps QoQ). Asset quality improved with gross slippages and credit costs moderating sequentially. As AXSB continues to aim for portfolio stability, we believe that a better-quality deposit franchise and further build-up of operating efficiencies are critical to drive sustainable earnings. We introduce our FY29E estimates and maintain ADD with a revised TP of INR1,500 (standalone bank at 1.6x Sep-28 ABVPS).

- **Strong growth; stable core NIMs:** Loan growth continued its sharp traction on the back of corporate (+34% YoY) and SME (+25% YoY) segments. Retail growth (+16% YoY) was led by loans against self-leveraged FCNR deposits. Within retail, home loans and personal loans led the growth while credit cards (-3% YoY) remained soft. NIMs stayed muted at 3.36% (-10bps QoQ), on the back of FCNR leverage impact. Management expects the substitution benefit of FCNR to flow through from Q3FY27, and the repo passthrough in Q4FY27.
- **Asset quality improves:** Gross slippages eased to 1.45% (Q1FY27: 1.78%) while GNPA and NNPA ratios improved to 1.2% and 0.35% (-12bps and -4bps QoQ), with PCR stable at 70%. Credit costs eased to 47bps (Q1FY27: 67bps), assisted by healthy recoveries from written-off accounts. We expect credit costs to average ~50bps over FY27-29E. However, we remain watchful given the sharp incremental growth in the corporate and SME segments.
- **Consistent performance critical for valuation re-rating:** We opine that AXSB needs to improve its deposit franchise and build further operating efficiencies in its journey towards consistent operating performance, which is pivotal to a valuation re-rating.

Financial summary

(INR bn)	2Q FY27	2Q FY26	YoY (%)	1Q FY27	QoQ (%)	FY26	FY27E	FY28E	FY29E
NII	153.7	137.4	*11.8%*	146.5	*5.0%*	560.5	652.8	729.8	842.3
PPOP	110.8	104.1	*6.4%*	116.6	*-4.9%*	428.2	493.8	575.7	681.3
PAT	70.0	50.9	*37.6%*	71.1	*-1.6%*	244.6	307.8	365.0	413.7
EPS (INR)	22.4	16.3	*37.1%*	22.8	*-1.6%*	78.7	99.0	117.4	133.1
ROAE (%)						12.7	13.9	14.4	14.1
ROAA (%)						1.4	1.5	1.5	1.5
ABVPS (INR)						624.9	722.2	834.0	965.3
P/ABV (x)						2.1	1.8	1.5	1.3
P/E (x)						16.4	13.0	11.0	9.7

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% chg	New	Old	% chg
Net advances	14,772	14,418	2.5%	17,211	16,727	2.9%
NIM (%)	3.6	3.8	-17 bps	3.5	3.7	-16 bps
NII	652.8	691.3	-5.6%	729.8	779.6	-6.4%
PPOP	493.8	520.8	-5.2%	575.7	606.3	-5.0%
PAT	307.8	302.3	1.8%	365.0	360.9	1.1%
Adj. BVPS (INR)	722.2	720.2	0.3%	834.0	834.5	-0.1%

Source: Company, HSIE Research

ADD

CMP *(as on 16 Oct 2026)*	**INR1,290**
Target Price	**INR 1,500**
NIFTY	**23,146**

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR1,480	INR1,500
	FY27E	FY28E
EPS %	+1.8%	+1.1%

KEY STOCK DATA

Bloomberg code	AXSB IN
No. of Shares (mn)	3,114
MCap (INR bn) / ($ mn)	4,017/42,302
6m avg traded value (INR mn)	8,978
52 Week high / low	INR 1,418/1,150

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(1.3)	(4.4)	7.8
Relative (%)	1.8	(0.2)	18.3

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	7.9	7.9
FIs & Local MFs	42.7	44.4
FPIs	39.9	38.1
Public & Others	9.5	9.5
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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DLF

Strong show; execution the key monitorable

DLF reported a Q2FY27 presales of INR 38bn (-12.3%/+4.3x YoY/QoQ), largely on the back of launch of its senior living project (which was completely sold out) and continued sales at The Dahlias. Collections came in strong at INR 27.8bn (+4.9%/16% YoY/QoQ). The launch pipeline is building up, with new residential launches planned in Mumbai for Q3FY27 and DLF City Phase 4 for Q4FY27. On the commercial side, the Goa Mall is expected to be operational by Dec 2026, with Downtown Chennai Blocks 4 and 5 following by next calendar year, and all DCCDL developments are expected to be operational by FY30. DLF highlighted that, in the near term, it may face short-term disruption in construction progress from labor migration and the pollution restrictions in Delhi-NCR, which could cause a delay of roughly 30-40 days. Seasonal labor shortages may also weigh on Q3FY27 construction outflows. Revenue recognition will continue to lag completions until the FY27 project deliveries come through, so reported numbers may understate the pace of underlying business momentum in the interim. FY28 is expected to be a key inflection point as large under-construction projects begin contributing to P&L, unlocking an estimated INR 390bn of gross margin potential from the existing launch pipeline. The medium-term rental income target stands at INR 100bn, supported by improving GCC and MNC leasing demand following a brief slowdown tied to geopolitical uncertainty. DLF's overall presales momentum is expected to remain in between at INR 200-220bn+, driving ~2x growth in both PAT and cash flows by FY30. With significant embedded potential from its existing land bank, DLF continues to generate healthy margins, targeting 45%+ gross margins in the medium term. We maintain BUY on DLF, with TP of INR 752/share reflecting the improving visibility on earnings and widening addressable pipeline across rental business.

- **Q2FY27 financial highlights:** Revenue came in at INR 12.6bn (-23.3%/-1.5% YoY/QoQ, a miss of 6.2%). EBITDA stood at INR 0.2bn (-91.9%/-84.7% YoY/QoQ, a miss by 85%). EBITDA margin came in at 1.8% (-167/-1090 bps YoY/QoQ, vs 11.8% estimate). The share of profits and associates & JVs: INR 4.9bn (+21.3%/+2.8% YoY/QoQ). APAT was INR 7.4 (+7.6%/-4.9 YoY/QoQ, beat by 2%). DCCDL rental income was INR 12.2bn (+3%/+9% YoY/QoQ). EBITDA was INR 15.3bn (+4%/+9% YoY/QoQ) and PAT was INR 7.5bn (+5%/+17% YoY/QoQ).
- **FY27 launches to drive presales to INR 220bn:** DLF reported a quarterly presales of INR 38bn (-12.3%/+4.3x YoY/QoQ) largely on the back of launch of its senior living project (which was completely sold out) and continued sales at the Dahlias. The launch pipeline is building up, with new residential launches planned in Mumbai (for Q3FY27) and DLF city Phase 4 (for Q4FY27), supported by the acquisition of a 7.48acre land parcel in Gurugram Sector 61 and ongoing land consolidation aimed at increasing the scale and cohesion of its luxury projects. FY28 is expected to be a key inflection point as large under-construction projects begin contributing to P&L, unlocking an estimated INR 390bn of gross margin potential from the existing launch pipeline.

Consolidated financial summary (INR mn)

YE March (Rs mn)	2QFY27	2QFY26	YoY (%)	1QFY27	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	12,606	16,430	(23.3)	12,803	(1.5)	81,940	99,912	1,15,209	1,30,268
EBITDA	230	2,836	(91.9)	1,503	(84.7)	14,484	27,165	37,261	44,526
APAT	7,547	7,014	7.6	7,939	(4.9)	44,147	48,078	58,874	68,111
Diluted EPS (Rs)	3.05	2.8	7.6	3.2	(4.9)	17.8	19.4	23.8	27.5
P/E (x)						43.7	40.2	32.8	28.3
EV / EBITDA (x)						91.3	132.4	70.2	50.7
RoE (%)						10.0	10.2	11.5	12.2

Source: Company, HSIE Research

BUY

CMP *(as on 16 Oct 2026)*	**INR 675**
Target Price	**INR 752**
NIFTY	**23,146**

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 752	INR 752
	FY27E	**FY28E**
EPS %	-	-

KEY STOCK DATA	
Bloomberg code	DLFU IN
No. of Shares (mn)	2,475
MCap (INR bn) / ($ mn)	1,671/17,596
6m avg traded value (INR mn)	2,686
52 Week high / low	INR 787/489

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	4.2	14.5	(12.3)
Relative (%)	7.3	18.6	(1.8)

SHAREHOLDING PATTERN (%)

	Jun-26	Sept-26
Promoters	74.08	74.08
FIs & Local MFs	8.03	9.03
FPIs	12.31	11.43
Public & Others	5.56	5.41
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Metro Brands

Expansion measured; GM protects profitability

MBL reported topline growth of 12.2% YoY to INR 7.3bn (HSIE: INR7.37bn) in Q2. Growth was partially impacted by the festive season shift to Q3. Adjusted for the shift, sales would likely be 250-300bps higher. Store expansion remained measured in the quarter as MBL added 13/21 stores (net) in Q2/H1FY27 respectively (total store count: 1,053). A 217bps GM expansion (57.4%; HSIE's 55.3%) was led by (1) lower share of discounted sales and (2) 2-5% product price mark-up cushioning the impact of rising cost structures (courtesy continued investments in talent and brand-building; higher front-end staff costs following minimum wage revisions; and modest rise in occupancy costs for new formats). EBITDAM expanded only 81bps YoY to 27% (HSIE: 26%) as a consequence. APAT grew 12% YoY to INR773mn. We have largely maintained the FY28/29 EPS estimates and maintain BUY with a DCF-based TP of INR1,030/sh, implying 43x Sep-28 EPS.

- **Q2FY27 highlights:** MBL's topline grew 12.2% YoY to INR 7.3bn (lower than baseline rates) courtesy the festive season shift to Q3 (a 250-300bps impact in growth – per management). On channel mix, in-store/online+omni/others contributed 84/15.4/1% in Q2FY27 (vs. 84.6/14.4/1% in Q2FY26). Sales density was down 0.6% YoY to INR17.6k in Q2FY27 (vs INR17.7k/sq. ft. in Q2FY26). Store expansion remained measured in the quarter as MBL added 13/21 stores (net) in Q2/H1FY27 respectively (total store count: 1,053). GM expanded 217 bps to 57.4% (HSIE: 55.3%), led by lower share of discounted sales and (2) 2-5% product price mark-up. However, EBITDAM expanded a mere 81bps YoY to 27% (HSIE: 26%) as cost structures ballooned 140bps YoY, led by (1) continued investments in talent and brand-building; (2) higher front-end staff costs following minimum wage revisions, (3) modest rise in occupancy costs for new formats; (4) rental pressures. EBITDA/APAT grew 15.6/12% YoY to INR 1.97bn/0.77bn (HSIE: INR1.9bn/0.72bn). Core WC days remain momentary stretched to 98 in Q2FY27 (vs 82 days in Q2FY26) as management took a call of hoarding inventory to mitigate supply chain issues courtesy the US-Iran war. This is expected to unwind to a degree by exit-FY27 and is expected to revert to 80 days by FY28. Brand-wise commentary: (1) Supply of complete EBO product range for Clarks is expected by Q3, and EBOs are expected to launch in H2FY28, (2) Footlocker and MetroActive remain a FY28 story while Fila is likely to step up expansion in FY29.
- **Valuation and outlook:** MBL remains among the more disciplined footwear retailers with an in-sync product market fit. We have largely maintained our FY28/29 EPS estimates and maintain BUY with a DCF-based TP of INR1,030/sh, implying 43x Sep-28 EPS.

Quarterly financial summary

(INR mn)	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	7,303	6,511	12.2	7,204	1.4	25,074	28,636	32,920	38,900	45,920
EBITDA	1,974	1,707	15.6	2,147	(8.0)	5,186	5,780	6,595	7,727	9,158
APAT	773	690	12.0	953	(18.9)	3,545	4,159	4,672	5,738	7,330
EPS (Rs)	2.8	2.5	11.9	3.5	(18.9)	13.0	15.3	17.1	21.1	26.9
P/E (x)						65.7	56.6	49.9	40.7	31.8
EV/EBITDA (x)						43.7	39.1	33.5	27.9	22.8
Core RoCE(%)						28.2	31.3	28.3	31.9	35.5

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	32,920	33,345	*(1.3)*	38,900	39,347	*(1.1)*	45,920	46,390	*(1.0)*
Gross Profit	19,165	19,295	*(0.7)*	22,568	22,729	*(0.7)*	26,595	26,751	*(0.6)*
Gross Profit Margin (%)	58.2	57.9	***35 bps***	58.0	57.8	***25 bps***	57.9	57.7	***25 bps***
EBITDA	6,595	6,713	*(1.8)*	7,727	7,973	*(3.1)*	9,158	9,437	*(3.0)*
EBITDA margin (%)	20.0	20.1	***(10 bps)***	19.9	20.3	***(40 bps)***	19.9	20.3	***(40 bps)***
APAT	4,672	4,534	*3.0*	5,738	5,775	*(0.6)*	7,330	7,361	*(0.4)*
APAT margin (%)	14.2	13.6	***59 bps***	14.8	14.7	***7 bps***	16.0	15.9	***9 bps***
EPS	17.1	16.6	*3.0*	21.1	21.2	*(0.6)*	26.9	27.0	*(0.4)*

Source: Company, HSIE Research, Consolidated Financials

BUY

CMP *(as on 16 Oct 2026)*	**INR 902**
Target Price	**INR 1,030**
NIFTY	**23,146**

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,030	INR 1,030
	FY28E	FY29E
EPS %	-0.6	-0.4

KEY STOCK DATA

Bloomberg code	METROBRA IN
No. of Shares (mn)	273
MCap (INR bn) / ($ mn)	246/2,592
6m avg traded value (INR mn)	86
52 Week high / low	INR 1,250/807

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(12.4)	(17.1)	(25.4)
Relative (%)	(9.2)	(12.9)	(14.9)

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	71.80	71.78
FIs & Local MFs	7.68	8.66
FPIs	3.73	2.76
Public & Others	16.79	16.80
Pledged Shares	0	0

Source : BSE

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Crompton Consumer

Healthy quarterly performance

Crompton Consumer's revenue grew 18% YoY to INR 22.6bn. Electricals consumer durable/lighting/butterfly segments grew by 19/14/17% YoY. Gross margins declined 180/150bps YoY/QoQ to 29.8%. EBITDAM expanded by 40bps YoY, leading to EBITDA/APAT growth of 24/38% YoY. Company witnessed double-digit revenue growth across all the segments, driven primarily by price hikes taken to offset rising cost inflation. Fans grew with strong performance in BLDC, followed by TPW and ceiling fans. Pumps witnessed double-digit growth in non-solar business along with market share gains. Lighting witnessed growth in both B2B and B2C categories. Management reiterated that the company remains on track to achieve its medium-term guidance, supported by sustained growth across segments, operating leverage and ongoing cost-optimization initiatives. New businesses are expected to contribute 14–15% of revenue in the long term, providing an incremental growth engine beyond the core portfolio. The company highlighted that ~80% of commodity-driven cost inflation has already been passed through, with the balance expected to be managed through further price hikes, cost-efficiency measures, and operating leverage. Factoring Q2 performance and outlook, we upgrade our revenue/EBITDA/APAT estimates by ~1% each for FY26-29E and retain BUY by valuing the stock at 28x Sep'28 EPS to arrive at a TP of INR 325/sh.

- **Q2FY27 highlights:** Revenue grew by 18% YoY to INR 22.6bn. Electricals consumer durable segment (72% revenue mix) grew 19% YoY, lighting segment (13% revenue mix) grew 14% YoY, while butterfly segment (15% revenue mix) reported 17% YoY growth. Gross margins declined 180/150bps YoY/QoQ to 29.8%. Employee cost and other cost declined 40/190bps YoY in relative terms, leading to 40bps YoY expansion in EBITDAM (-100bps QoQ). Consequently, EBITDA and APAT grew 24/38% YoY. Company witnessed double-digit revenue growth across all segments, driven primarily by price hikes taken to offset rising cost inflation. Fans grew with strong performance in BLDC, followed by TPW and ceiling fans. Pumps witnessed double-digit growth in non-solar business with market share gains. Domestic and kitchen appliances also witnessed strong momentum. Lighting saw growth in both B2B and B2C categories.
- **Earnings call takeaways and outlook:** Management reiterated that the company remains on track to achieve its medium-term guidance, led by sustained growth across segments, operating leverage, and ongoing cost-optimization initiatives. It also highlighted that the wires business, initially launched in the south, has now expanded into select additional states in the north and west, marking this new category's steady scale-up. Factoring Q2 performance and outlook, we upgrade our revenue/EBITDA/APAT estimates by ~1% each for FY26-29E and retain BUY by valuing the stock at 28x Sep'28 EPS to arrive at a TP of INR 325/sh.

Financial summary

(INR mn)	Q2 FY27	Q2 FY26	YoY (%)	Q1 FY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	22,633	19,156	18.2	22,350	1.3	78,641	80,955	91,754	1,02,751	1,12,527
EBITDA	2,046	1,649	24.1	2,245	(8.8)	9,013	8,274	9,703	11,311	12,396
APAT	1,193	865	37.9	1,405	(15.0)	5,560	5,043	5,910	7,008	7,843
EPS (INR)	1.9	1.3	37.9	2.2	(15.0)	8.6	7.8	9.2	10.9	12.2
P/E (x)						24.9	27.5	23.4	19.8	17.7
EV / EBITDA (x)						14.5	15.3	12.8	10.5	9.1
RoE (%)						15.2	13.8	16.2	17.2	17.1

Source: Company, HSIE Research

BUY

CMP *(as on 16 Oct 2026)*	INR 215
Target Price	INR 325
NIFTY	23,146

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 320	INR 325
	FY27E	FY28E
EPS % change	1.5	1.2

KEY STOCK DATA	
Bloomberg code	CROMPTON IN
No. of Shares (mn)	644
MCap (INR bn) / ($ mn)	139/1,461
6m avg traded value (INR mn)	1,059
52 Week high / low	INR 311/201

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(17.2)	(17.4)	(25.3)
Relative (%)	(14.0)	(13.2)	(14.9)

SHAREHOLDING PATTERN (%)	Mar-26	Jun-26
Promoters	0.00	0.00
FIs & Local MFs	66.11	66.46
FPIs	20.49	19.89
Public & Others	13.40	13.65
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Ujjivan Small Finance Bank

Stable portfolio performance ups the RoA guidance

Ujjivan Small Finance Bank's (UJJIVAN) Q2FY27 earnings were in line with our estimates, as the bank delivered its highest-ever quarterly PAT of INR3.65bn (+15% QoQ), aided by healthy loan growth (+7% QoQ), largely stable margins and a further fall in credit costs. Deposit growth (+5.2% QoQ) was strong, although CASA% declined to 26% (Q1FY27: 26.9%) as bulk term deposits funded a larger share of incremental growth. Delinquency trends in the micro-banking portfolio held steady and credit costs moderated further, leading to an RoA of 2.4% (Q1FY27: 2.2%). We believe UJJIVAN is better placed compared to other MFI players, given its moats around geographical diversification, higher employee vintage, larger presence in urban/metro regions, and superior underwriting. We change our FY27E/FY28E earnings estimates by +2.5%/-2.1% respectively, factoring in higher opex, lower credit cost and dilution from the preferential issue; and introduce FY29E to our estimates. We maintain ADD with an unchanged TP of INR80 (1.6x Sep-28 ABVPS).

- **Strong credit growth:** Credit growth clocked a 32% YoY growth. Disbursements picked up sharply in FIG lending (+42% QoQ), MSME (+47% QoQ) and affordable housing (+19% QoQ), taking the secured share to 52% (Q2FY26: 47%). NIMs at 8.4% (-6bps QoQ) as asset yields declined moderately (-10bps QoQ to 17.4%), with cost of funds steady at 6.9%. Management expects a further dip in margins ~8.35% in H2FY27 due to repo-linked repricing.
- **Asset quality broadly stable:** PAR-0 in the MFI portfolio marginally inched up to 4.2% (Q1FY27:4.2%). Karnataka (GL PAR-0+ at 6%) and Maharashtra remain on the watchlist given a deficient monsoon, although direct agri exposure is limited. GNPA/NNPA improved to 2.10%/0.31% (Q1FY27: 2.17%/0.3%) with PCR stable at ~85%. Credit costs improved to 0.7% of ATA (Q1FY27: 0.9%). On the evidence of Q1FY27, we reduce our FY27E-28E credit costs by ~10bps to 1.1%.
- **Portfolio stability essential:** UJJIVAN aims to grow its loan book by 25% on the back of non-MFI portfolio with an impact on asset yields (lower) and opex ratios (higher). We expect to see margin pressures on the back of higher cost of funds in this environment. Until the non-MFI book matures, we argue that stability in the micro-banking portfolio is critical to drive valuation rerating.

Financial summary

(INR bn)	2QFY27	2QFY26	*YoY (%)*	1QFY27	*QoQ (%)*	FY26	FY27E	FY28E	FY29E
NII	12.5	9.2	*35.4%*	11.9	*5.1%*	38.7	47.8	55.8	63.9
PPOP	5.9	4.0	*50.2%*	5.5	*8.3%*	17.1	22.1	26.4	30.7
PAT	3.7	1.2	*199.9%*	3.2	*15.3%*	6.9	12.7	14.4	17.5
EPS (INR)	1.8	0.6	*196.8%*	1.6	*12.9%*	3.6	6.3	7.2	8.7
ROAE (%)						10.7	17.1	16.8	17.6
ROAA (%)						1.3	2.0	1.9	1.9
ABVPS (INR)						34.2	39.5	44.8	52.3
P/ABV (x)						1.9	1.6	1.4	1.2
P/E (x)						17.8	10.1	8.8	7.3

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% chg	New	Old	% chg
Net advances	497	481	3.4%	598	567	5.4%
NIM (%)	8.2	8.1	10 bps	8.0	8.1	-13 bps
NII	47.8	46.4	3.0%	55.8	54.1	3.1%
PPOP	22.1	21.5	2.7%	26.4	26.3	0.3%
PAT	12.7	12.0	5.8%	14.4	14.3	1.1%
Adj. BVPS (INR)	39.5	37.9	4.2%	44.8	43.6	2.6%

Source: Company, HSIE Research

ADD

CMP *(as on 16 Oct 2026)*	**INR 63**
Target Price	**INR 80**
NIFTY	**23,146**

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR80	INR80
EPS %	FY27E	FY28E
	-+2.5%	-2.1%

KEY STOCK DATA

Bloomberg code	UJJIVANS IN
No. of Shares (mn)	1,953
MCap (INR bn) / ($ mn)	123/1,301
6m avg traded value (INR mn)	1,148
52 Week high / low	INR 74/48

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(3.6)	6.8	29.1
Relative (%)	(0.4)	10.9	39.6

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	0.0	0.0
FIs & Local MFs	33.5	36.0
FPIs	16.8	18.0
Public & Others	49.7	46.0
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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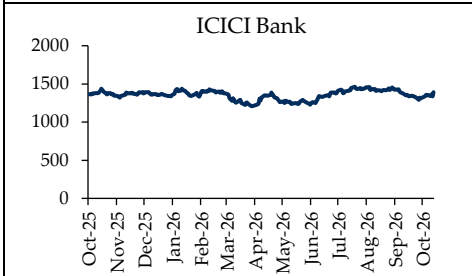
Rating Criteria

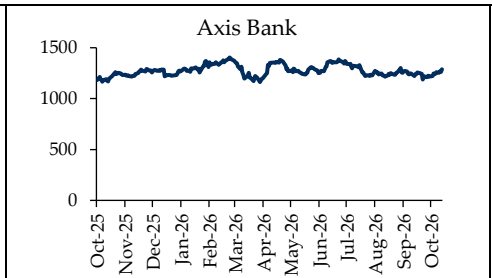
BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

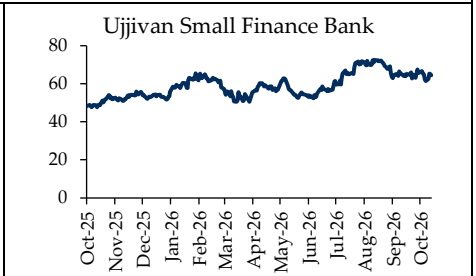
Disclosure:

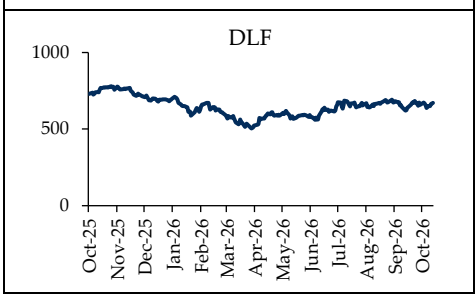
Analyst	Company Covered	Qualification	Any holding in the stock
Krishnan ASV	ICICI Bank, Axis Bank, Ujjivan Small Finance Bank	PGDM	NO
Shweta Upadhyay	ICICI Bank, Axis Bank, Ujjivan Small Finance Bank	MBA	NO
Parikshit Kandpal	DLF	CFA	NO
Jay Shah	DLF	CA	NO
Aditya Sahu	DLF	MBA	NO
Jay Gandhi	Metro Brands	MBA	NO
Vedant Mulik	Metro Brands	CA	NO
Keshav Lahoti	Crompton Consumer	CA, CFA	NO
Rajesh Ravi	Crompton Consumer	MBA	NO
Mahesh Nagda	Crompton Consumer	CA	NO

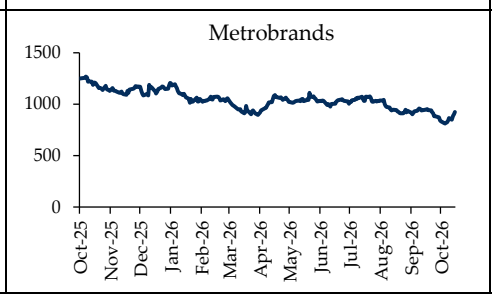
Price movement

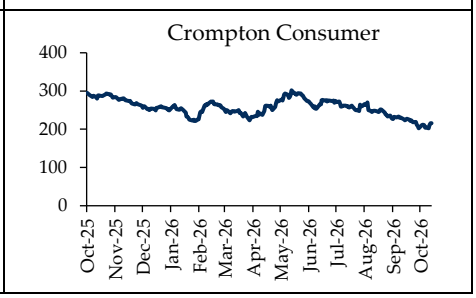












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