

HSIE Results Daily

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Results Reviews

- **Infosys:** Infosys reported Q2FY27 revenue growth of 1.2% QoQ CC, weighed down by soft volumes, muted pricing amid intense competition, and slower discretionary spending in Retail and Hi-Tech (including a ramp-down at a large US client). Management has cut its FY27 CC revenue growth guidance to 1–2% (from 1.5–3%), reflecting a softer H1 and a more cautious H2 outlook; the lower end builds in macro deterioration, while the upper end assumes an improvement. It retained its EBIT margin guidance of 20–22% despite H2 headwinds from the October/January wage hikes, acquisition amortization, softer seasonality, and large-deal ramp-ups, which Project Maximus should partly offset. Q2 margin held steady at 21%, and FCF was strong at USD 928mn (113% of net profit). Deal wins were the standout: large-deal TCV reached USD 5.2bn (62% net new), the second-highest in five years. It included a seven-year, net-new mega-deal worth over USD 2bn with a financial services client (expected to add >1% to FY28 growth) and a USD 1bn renewal deal. AI revenue grew 29% QoQ to 10.5% of the total (from 8.2% in Q1), with Topaz Fabric and frontier-model partnerships positioning Infosys as a preferred partner for AI strategy and deployment. Pricing stays under pressure as AI-led productivity gains are passed on to clients, although Infosys remains disciplined on deal economics. Infosys's commentary was more guarded than peers', who sounded steadier on demand and, in some cases, raised guidance; however, its AI traction and net-new deal momentum stand out. We have slightly trimmed estimates and maintain BUY with a TP of INR 1,250 based on 14x Sep-28E EPS; the stock is trading at P/E of 13.4/12.6x for FY28/29E.
- **Shriram Finance:** Shriram Finance's (SHFL) Q2FY27 earnings were ahead of our estimates, largely driven by NIM reflation, lower opex (2.5% of AUM) and improving AUM growth (+17% YoY), partly offset by higher credit costs. Asset quality deteriorated QoQ with marginal uptick in GS-II/GS-III due to weak monsoon in certain geographies, as per management. NIM reflation in H1 has been led by equity capital infusion by MUFG and cost of fund tailwinds and is likely to moderate gradually with increasing leverage and pivot toward new vehicle segments. While asset quality is likely to deteriorate in the near term amidst macro headwinds, loan growth acceleration remains a key monitorable for SHFL with regard to further rerating. We have tweaked FY27-FY29E earnings estimates to factor in higher NIM offset by higher credit costs and maintain ADD with a revised RI-based TP of INR 1,210 (implying 2.2x Sep-28 ABVPS).
- **Torrent Pharma:** EBITDA grew 54% YoY (in line with our/consensus estimates), with 51% YoY sales growth, led by integration of JB Chemicals. Moreover, underlying growth ex-JB remains steady with revenue growth of ~18% YoY and strong India growth of 20% YoY. The company expects: (1) India to outperform IPM growth, led by price hikes, steady volumes, strong traction from Semaglutide (API issues have been resolved with alternate CMO partner and supplies resumed from Sep-26), and new launches in focused therapies; (2) steady mid-teen growth in Brazil, led by traction in key brands and new launches; its GLP-1 (Semaglutide) approval is under process and it expects to launch it in next 6-9 months; (3) Germany business to remain soft in the near term amid supply constraints from outsourced partners; (4)

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steady scale-up in the US in FY27 with focus on improving profitability through new launches; (5) double-digit growth in JB Pharma business in H2FY27 (double-digit growth in India and QoQ recovery in international business); and (6) overall margin to be north of 33.5% in H2FY27. While the guidance of INR 4-4.5bn in cost synergies by FY28 is on track (has started reflecting in H1FY27 performance), the company expects JB Chemical sales growth to see slight impact of integration. We believe Torrent Pharma is well-poised for steady growth, led by a strong branded franchise (new launches, consumer wellness, traction in Brazil), steady growth in the US generics (new launches), and revenue/cost synergies from JB Pharma integration (to provide long-term efficiencies), which will aid EBITDA margin improvement to 34-35% over FY27-29. Factoring in Q2 performance, we have tweaked EPS estimates for FY27/28E and revised the TP to INR 5,000 (50x Q2FY29E EPS; implying EV/EBITDA of 24x and PE of 36x on ex-amortization EPS). Maintain ADD.

- **Dr Reddy's Laboratories:** EBITDA[^] declined 27% YoY as sales[^] declined by 3% YoY, given 30% YoY decline in the US[^] (+9% QoQ) was offset by +17% YoY growth in India and +19% growth in EMs[^]. Gross margin has corrected (-198 bps YoY to 62.9%). However, QoQ, the growth revival (+9% QoQ growth in the US) and margin expansion were positive. The company expects steady growth momentum to sustain in the base business (ex-Revlimid; with double-digit growth), gross margin to sustain or improve (~63%+), and EBITDA margin to improve to 20+% in near term. It reiterates its aspiration to achieve mid- to long-term target of 25% EBITDA margin. It expects key launches such as Semaglutide (supply resuming in Nov-26; API scale-up issues are resolved and order book of 6-7 mn pens is intact; post normalization, it expects 12-15mn pen supplies) and biosimilars (Abatacept intravenous with a goal date of 22-Dec-26 while subcutaneous filing by Mar-27 and approval/launch expected by Mar-28) to support growth momentum. It expects US base business to stay steady, led by new launches (few limited competitive and complex generic approvals) in FY27/28E. It expects NRT business to see lower growth in FY27 due to change in operating model with a shift from distribution and selling via Haleon to now either through itself or through a distributor—this is expected to help improve profitability. NRT business could gradually recover QoQ; the company believes there might be recovery in subsequent years with high single-digit growth and a superior margin. Focus is on strengthening base business and building future growth drivers in peptides, biosimilars, consumer health, and innovative medicines. Factoring in Q2, we have tweaked EPS for FY27/28E and revised TP to INR 1,270 (21x Q2FY29E EPS). REDUCE stays.
- **Hindustan Petroleum Corporation:** We maintain BUY on Hindustan Petroleum Corporation (HPCL) with a target price of INR 415. We expect the refining segment's robust performance to continue in FY27E, owing to healthy product spreads, the capacity ramp-up at the recently commissioned HPCL Rajasthan Refinery (HRRL), and completion of the Vizag refinery upgrade project. On the marketing front, the losses on auto fuels and LPG have narrowed sequentially. This has resulted in improvement in integrated margin in Q2. With rise in crude oil prices in Q3, we anticipate pressure on marketing margins and increase in LPG under recovery in H2FY27E. We expect the government to compensate OMCs for these under-recoveries. In Q2FY27, the company reported EBITDA of INR 90.8bn (vs INR 68.9bn in Q2FY26 and a loss of INR 161.4bn in Q1FY27), driven by a sequential turnaround on the back of strong product cracks, lower crude oil price, and narrowed marketing losses.

- **IndusInd Bank:** IndusInd Bank's (IIB) Q2FY27 earnings beat our estimates on the back of lower provisioning (-54% YoY; -12% QoQ). Credit growth (+11% QoQ) was driven by FCNR-linked advances alongside sharp growth in wholesale segment. Deposit growth (+3.4% QoQ) was soft even as the share of retail deposits eased to 49% (Q1FY27: 49.5%) and CASA ratio deteriorated further to 27.9% (-150bps QoQ). While the management reiterated its guidance for 1% exit-RoA for FY27E, we believe that IIB faces structural challenges (sub-par deposit franchise, stress in its unsecured book, and sub-optimal provisioning buffers), especially as IIB is chasing higher growth in line with the system. We have upgraded FY27E/FY28E earnings estimates by 21%/4% and introduced FY29 forecasts. We maintain REDUCE with a revised TP of INR815 (0.9x Sep-28 ABVPS).
- **SBI Cards and Payment Services:** SBI Cards and Payment Services (SBICARD) reported a healthy improvement in credit costs (5.6%), indicating sustainable turnaround in asset quality. However, the calibrated approach in new card acquisitions amidst asset quality woes continues to take a toll on receivables growth (-2.5% YoY). New card sourcing gained traction in Q2 (+18% YoY/8% QoQ), driving CIF growth marginally up to 7.9% YoY. NIM witnessed marginal compression and is likely to remain under pressure with rising cost of funds and steady share of interest-earning receivables. With asset quality woes behind, sustained uptick in CIF and receivables growth remain the key monitorable for SBICARD with regard to rerating. We have tweaked FY27-FY29E earnings estimates to factor in lower credit costs offset by lower NIM and maintain REDUCE with a revised RI-based TP of INR 600 (implying 2.5x Sep-28 ABVPS; 16x Sep-28 EPS).
- **Godrej Properties:** Godrej Properties Ltd (GPL) reported presales at INR 80bn (-4.9%/-7.4 YoY/QoQ, Est INR 75bn), with a booking area of 6.2msf (-3.6%/-0% YoY/QoQ). GPL added four new projects worth INR 155bn in H1FY27, achieving 78% of its annual BD guidance, with Q2 alone contributing INR 60bn in BD. Deliveries stood at 2.5msf in Q2FY27, and the full-year target of 12.5 to 15msf is retained. GPL expects to exceed full-year presales guidance, backed by a H2FY27 launch pipeline of INR 320bn, collections of INR 150bn, and operating cash flow of INR 70bn. GPL will keep expanding its share in the top five cities, with Chennai identified for future housing projects. The more significant medium-term driver is an expected INR 400bn of booking value reaching P&L recognition by FY28, roughly 2.5x with GPL's economic interest in these projects rising to 85-90%, underpinning management's target of 20% RoE in FY28. Cumulatively over FY27-28, GPL expects to deliver INR 520-550bn in collections and INR 200-220bn in OCF, enabling free cash flow positivity by FY28, with net debt to be kept below INR 100bn as a cap. However, key risks include the project completion revenue recognition method, which creates a temporary disconnect between strong operating performance and reported net profit. Seasonal environmental restrictions such as NGT bans in NCR can affect construction timelines, and legacy joint venture exits like Mahalunge and Oris involve settlements or lower margins, owing to historical costs. Given robust presales outperformance, new launches and stable underlying demand, we believe that GPL has all triggers in place for rerating. We maintain BUY with a TP of INR 2,258/sh (building in NAV growth premium of 25% as accelerating monetization, rising FCF visibility, and a clear path to 20% RoE by FY28 warrant a structural rerating).
- **DCB Bank:** DCB Bank's (DCBB) Q2FY27 earnings beat estimates as loan growth accelerated to 21% YoY (+7% QoQ), while an improvement in cost-to-income and benign credit costs drove PAT up 29% YoY. Deposit growth (+19% YoY) was healthy as CASA ratio improved to 22.3% (Q1FY27: 21.7%). We take comfort in DCBB's sustained efforts at cost rationalization

and self-origination, reflecting in early evidence of operating leverage gains and control over asset quality outcomes as highlighted in our recent Company Update. We believe that the bank's journey to sustainably reflate its RoA > 1% is contingent on its ability to build further on these gains, and simultaneously deliver on deposit granularity, margins, and asset quality. We have tweaked FY27E/FY28E estimates, introduced FY29E estimates, and maintain BUY with a revised TP of INR270 (1.0x Sep-28 ABVPS).

Infosys

Deals and AI shine; guidance cut dims growth

Infosys reported Q2FY27 revenue growth of 1.2% QoQ CC, weighed down by soft volumes, muted pricing amid intense competition, and slower discretionary spending in Retail and Hi-Tech (including a ramp-down at a large US client). Management has cut its FY27 CC revenue growth guidance to 1–2% (from 1.5–3%), reflecting a softer H1 and a more cautious H2 outlook; the lower end builds in macro deterioration, while the upper end assumes an improvement. It retained its EBIT margin guidance of 20–22% despite H2 headwinds from the October/January wage hikes, acquisition amortization, softer seasonality, and large-deal ramp-ups, which Project Maximus should partly offset. Q2 margin held steady at 21%, and FCF was strong at USD 928mn (113% of net profit). Deal wins were the standout: large-deal TCV reached USD 5.2bn (62% net new), the second-highest in five years. It included a seven-year, net-new mega-deal worth over USD 2bn with a financial services client (expected to add >1% to FY28 growth) and a USD 1bn renewal deal. AI revenue grew 29% QoQ to 10.5% of the total (from 8.2% in Q1), with Topaz Fabric and frontier-model partnerships positioning Infosys as a preferred partner for AI strategy and deployment. Pricing stays under pressure as AI-led productivity gains are passed on to clients, although Infosys remains disciplined on deal economics. Infosys's commentary was more guarded than peers', who sounded steadier on demand and, in some cases, raised guidance; however, its AI traction and net-new deal momentum stand out. We have slightly trimmed estimates and maintain BUY with a TP of INR 1,250 based on 14x Sep-28E EPS; the stock is trading at P/E of 13.4/12.6x for FY28/29E.

- **Q2FY27 highlights:** (1) INFY revenue grew 1.2% QoQ CC to USD 5,145mn, incl. ~0.4% from acquisitions. (2) Among verticals, financial services grew 1.6% QoQ, Energy & Utilities grew 7.3% QoQ, manufacturing grew 1.9% QoQ and communication grew 5.5% QoQ, while retail declined 9% QoQ and hi-tech declined 10.6% QoQ. (3) Europe grew 2.5% QoQ and RoW grew 13.6% QoQ, while North America fell 2% QoQ. (4) TCV was USD 5.2bn (62% net new) with 19 large deals, incl. USD 2bn+ net new and USD 1bn renewal mega deals; H1 TCV rose 28% YoY to USD 8.8bn. (5) EBITM stood at 21% (-10bps QoQ), impacted by post sales customer support (-70bps) and acquisitions (-20bps), which were largely offset by INR depreciation (+40bps), Project Maximus (+20bps), and working days (+20bps).
- **Outlook:** INFY is expected to grow by 2.2/4.8/4.9% in FY27/28/29E, implying a CQGR of 0.9/1/1.2%. We have factored in EBITM of 21.4/21.6/21.7% for FY27/28/29E, translating to an EPS CAGR of 7.6% over FY26-29E.

Quarterly Financial summary

YE Mar (INR bn)	Q2 FY27	Q2 FY26	YoY (%)	Q1 FY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	5,145	5,076	1.4	5,082	1.2	19,277	20,156	20,598	21,581	22,631
Net Sales	492.44	444.90	10.7	482.11	2.1	1,629.90	1,786.50	1,967.17	2,071.81	2,195.25
EBIT	103.30	93.53	10.4	101.63	1.6	344.24	362.54	420.03	447.06	477.14
APAT	78.23	73.64	6.2	77.69	0.7	267.13	303.71	322.86	348.88	372.64
Diluted EPS (INR)	19.3	17.7	8.8	19.2	0.7	64.3	73.8	79.6	86.1	91.9
P/E (x)						17.9	15.6	14.5	13.4	12.6
EV / EBITDA (x)						11.0	10.6	9.3	8.7	8.1
RoE (%)						29.0	32.2	34.9	36.7	37.3

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	20,668	20,598	(0.3)	21,655	21,581	(0.3)	22,710	22,631	(0.3)
Revenue	1,970.53	1,967.17	(0.2)	2,078.84	2,071.81	(0.3)	2,202.86	2,195.25	(0.3)
EBIT	421.50	420.03	(0.3)	446.91	447.06	0.0	478.07	477.14	(0.2)
EBIT margin (%)	21.4	21.4	-4bps	21.5	21.6	8bps	21.7	21.7	3bps
APAT	323.69	322.86	(0.3)	349.70	348.88	(0.2)	374.19	372.64	(0.4)
EPS (INR)	79.9	79.6	(0.3)	86.3	86.1	(0.3)	92.3	91.9	(0.4)

Source: Company, HSIE Research

BUY

CMP (as on 23 Oct 2026)	INR 1,154
Target Price	INR 1,250
NIFTY	22,600

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,250	INR 1,250
EPS %	FY27E	FY28E
	-0.3	-0.3

KEY STOCK DATA

Bloomberg code	INFO IN
No. of Shares (mn)	4,058
MCap (INR bn) / (\$ mn)	4,682/49,319
6m avg traded value (INR mn)	15,632
52 Week high / low	INR 1,728/980

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	10.2	(7.0)	(24.5)
Relative (%)	14.4	(1.2)	(11.0)

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	13.82	13.90
FIs & Local MFs	42.96	42.85
FPIs	27.09	27.44
Public & Others	16.13	15.81
Pledged Shares	0.00	0.00

Source: BSE

Pledged shares as % of total shares

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Shriram Finance

Macro headwinds drive calibrated approach on growth

Shriram Finance's (SHFL) Q2FY27 earnings were ahead of our estimates, largely driven by NIM reflation, lower opex (2.5% of AUM) and improving AUM growth (+17% YoY), partly offset by higher credit costs. Asset quality deteriorated QoQ with marginal uptick in GS-II/GS-III due to weak monsoon in certain geographies, as per management. NIM reflation in H1 has been led by equity capital infusion by MUFG and cost of fund tailwinds and is likely to moderate gradually with increasing leverage and pivot toward new vehicle segments. While asset quality is likely to deteriorate in the near term amidst macro headwinds, loan growth acceleration remains a key monitorable for SHFL with regard to further rerating. We have tweaked FY27-FY29E earnings estimates to factor in higher NIM offset by higher credit costs and maintain ADD with a revised RI-based TP of INR 1,210 (implying 2.2x Sep-28 ABVPS).

- **NIM tailwinds drive strong P&L outcomes:** SHFL's NIM (calculated) improved to 9.5% (Q1FY27: 9.2%), driven by surplus equity capital, reducing cost of funds post credit ratings upgrade, and run-down of high-cost borrowings. As per management, NIM reflation is largely behind with gradual compression led by shifting product mix (toward new vehicles), increasing leverage, and rate hike environment. AUM/disbursements grew by 17%/26% YoY, driven by CV (+19% YoY), PV (+20% YoY) and gold loans.
- **Marginal deterioration in asset quality; credit costs uptick in near term:** GS-II/III increased marginally QoQ to 7.04%/4.65% (Q1FY27: 6.96%/4.64%) with net slippages (calculated) at 1.9% (Q1FY27: 1.8%). As per management, weak monsoons had an impact on early delinquencies, which remain a key monitorable in H2. Credit costs increased sharply to 2.35% in Q2 and are likely to remain at similar levels in H2.
- **Loan growth acceleration key for rerating:** With better pricing power, SHFL is likely to aim for higher wallet share of its customers in the new CV segments, along with acceleration in other segments such as MSME, etc. However, loan growth acceleration so far has been calibrated with cautious approach in the near term amidst asset quality headwinds. Sustainable AUM growth above 16-17% with elevated competitive intensity in the new CV segment and increasing scale remains a key monitorable for SHFL.

Financial summary

Y/E Mar (INR bn)	2QFY27	2QFY26	YoY (%)	1QFY27	QoQ (%)	FY26	FY27E	FY28E	FY29E
NII	84.1	60.3	39.6	77.1	9.2	251.2	331.5	395.3	456.9
PPOP	68.1	44.4	53.2	60.9	11.9	186.3	260.5	309.6	358.3
APAT	36.8	23.1	59.4	34.4	6.7	100.0	141.6	171.7	193.8
EPS (INR)	15.6	12.3	27.5	14.8	5.5	53.1	60.2	73.0	82.4
ROAE (%)	14.0	15.5		16.6		16.4	15.5	13.8	13.9
ROAA (%)	4.4	3.1		4.3		3.3	4.0	4.1	3.9
ABVPS (INR)						313	466	523	585
P/ABV (x)						2.8	1.9	1.7	1.5
P/E (x)						16.3	14.4	11.9	10.5

Change in estimates

INR bn	FY27E			FY28E			FY29E		
	Old	New	Old	New	Chg	Chg	Old	New	Chg
AUM	3,543	3,543	0.0%	4,203	4,203	0.0%	4,968	4,968	0.0%
NIM (%)	9.2	9.4	19 bps	9.4	9.4	6 bps	9.1	9.2	6 bps
NII	324.6	331.5	2.1%	392.1	395.3	0.8%	453.2	456.9	0.8%
PPOP	252.0	260.5	3.4%	305.6	309.6	1.3%	354.1	358.3	1.2%
PAT	137.5	141.6	3.0%	166.6	171.7	3.0%	192.2	193.8	0.8%
ABVPS (INR)	464	466	0.5%	519	523	0.7%	580	585	0.9%

Source: Company, HSIE Research

ADD

CMP (as on 23 Oct 2026)	INR 865
Target Price	INR 1,210
NIFTY	22,600

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR1200	INR1210
	FY27E	FY28E
EPS %	+3.0%	+3.0%

KEY STOCK DATA

Bloomberg code	SHFL IN
No. of Shares (mn)	2,353
MCap (INR bn) / (\$ mn)	2,035/21,438
6m avg traded value (INR mn)	5,577
52 Week high / low	INR 1,154/695

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(15.7)	(14.3)	21.9
Relative (%)	(11.4)	(8.5)	35.4

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	20.3	20.3
FIs & Local MFs	19.9	19.0
FPIs	54.8	55.7
Public & Others	5.0	5.0
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Torrent Pharma

Steady Q2; India growth, JB cost synergy on track

EBITDA grew 54% YoY (in line with our/consensus estimates), with 51% YoY sales growth, led by integration of JB Chemicals. Moreover, underlying growth ex-JB remains steady with revenue growth of ~18% YoY and strong India growth of 20% YoY. The company expects: (1) India to outperform IPM growth, led by price hikes, steady volumes, strong traction from Semaglutide (API issues have been resolved with alternate CMO partner and supplies resumed from Sep-26), and new launches in focused therapies; (2) steady mid-teen growth in Brazil, led by traction in key brands and new launches; its GLP-1 (Semaglutide) approval is under process and it expects to launch it in next 6-9 months; (3) Germany business to remain soft in the near term amid supply constraints from outsourced partners; (4) steady scale-up in the US in FY27 with focus on improving profitability through new launches; (5) double-digit growth in JB Pharma business in H2FY27 (double-digit growth in India and QoQ recovery in international business); and (6) overall margin to be north of 33.5% in H2FY27. While the guidance of INR 4-4.5bn in cost synergies by FY28 is on track (has started reflecting in H1FY27 performance), the company expects JB Chemical sales growth to see slight impact of integration. We believe Torrent Pharma is well-poised for steady growth, led by a strong branded franchise (new launches, consumer wellness, traction in Brazil), steady growth in the US generics (new launches), and revenue/cost synergies from JB Pharma integration (to provide long-term efficiencies), which will aid EBITDA margin improvement to 34-35% over FY27-29. Factoring in Q2 performance, we have tweaked EPS estimates for FY27/28E and revised the TP to INR 5,000 (50x Q2FY29E EPS; implying EV/EBITDA of 24x and PE of 36x on ex-amortization EPS). Maintain ADD.

- **Q2 highlights:** Sales grew 51% YoY to INR 49.79bn, led by JB integration. India (57% of sales) grew 57% YoY to INR 28.6bn, Brazil (9%) grew 40% YoY (+20% cc), the US (8%) was up QoQ to USD 44mn, and Germany (6%) declined 7% YoY (-13% YoY cc). GM decreased by 36bps YoY to 75.4%. Higher staff/SG&A/R&D costs (+43%/+55%/35% YoY) led to EBITDA of INR 16.66bn (+54% YoY) and 33.5% margin (+66 bps). Given higher interest costs, depreciation, and negative other income, PAT[^] was at INR 5.51bn (-14% YoY).
- **Key con call takeaways:** The company has resolved the Semaglutide API-related issue through alternate source (other than Dr Reddy's) and supplies resumed from Sep-26; it believes it will recover market share in subsequent quarters. It expects generic Semaglutide market to reach ~INR 8bn in FY27 and INR 20-25bn in 3-5 years. As of Sep-26, total MR strength was 9,100; the company is not looking to expand the field force in FY27, albeit it will evaluate addition of 500 MRs in FY28/29. It expects R&D to remain at 4-4.5% of sales. It will repay ~INR 9.5bn debt in Dec-26.

Quarterly financial summary

(INR mn)	2QFY27	2QFY26	YoY (%)	1QFY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	49,790	33,020	51	49,210	1	115,161	139,797	200,218	222,755	247,740
EBITDA	16,660	10,830	54	16,640	0	37,210	45,585	67,674	76,405	86,709
APAT	5,412	6,299	(14)	5,822	(7)	19,404	23,660	24,718	33,487	42,590
EPS (INR)	14.2	16.6	(14)	15.3	(7)	51.0	62.2	65.0	88.0	112.0
P/E (x)						87.9	72.1	69.0	50.9	40.0
EV/EBITDA (x)						46.5	42.3	26.8	23.3	20.0
RoCE (%)						25	14	11	14	17

Source: Company, HSIE Research, ^ Adjusted for one-off expenses of INR 100 mn

ADD

CMP (as on 23 Oct 2026)	INR 4,524
Target Price	INR 5,000
NIFTY	22,600

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 5270	INR 5000
EPS %	FY27E (2.2)	FY28E 1.7

KEY STOCK DATA

Bloomberg code	TRP IN
No. of Shares (mn)	380
MCap (INR bn) / (\$ mn)	1,721/18,126
6m avg traded value (INR mn)	2,409
52 Week high / low	INR 5,250/3,533

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.7)	9.1	25.2
Relative (%)	(6.4)	14.9	38.7

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	60.78	60.78
FIs & Local MFs	12.87	13.46
FPIs	17.97	17.22
Public & Others	8.38	8.54
Pledged Shares	-	-

Source: BSE

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Dr Reddy's Laboratories

QoQ recovery; new launches to drive growth

EBITDA[^] declined 27% YoY as sales[^] declined by 3% YoY, given 30% YoY decline in the US[^] (+9% QoQ) was offset by +17% YoY growth in India and +19% growth in EMs[^]. Gross margin has corrected (-198 bps YoY to 62.9%). However, QoQ, the growth revival (+9% QoQ growth in the US) and margin expansion were positive. The company expects steady growth momentum to sustain in the base business (ex-Revlimid; with double-digit growth), gross margin to sustain or improve (~63%+), and EBITDA margin to improve to 20+% in near term. It reiterates its aspiration to achieve mid- to long-term target of 25% EBITDA margin. It expects key launches such as Semaglutide (supply resuming in Nov-26; API scale-up issues are resolved and order book of 6-7 mn pens is intact; post normalization, it expects 12-15mn pen supplies) and biosimilars (Abatacept intravenous with a goal date of 22-Dec-26 while subcutaneous filing by Mar-27 and approval/launch expected by Mar-28) to support growth momentum. It expects US base business to stay steady, led by new launches (few limited competitive and complex generic approvals) in FY27/28E. It expects NRT business to see lower growth in FY27 due to change in operating model with a shift from distribution and selling via Haleon to now either through itself or through a distributor—this is expected to help improve profitability. NRT business could gradually recover QoQ; the company believes there might be recovery in subsequent years with high single-digit growth and a superior margin. Focus is on strengthening base business and building future growth drivers in peptides, biosimilars, consumer health, and innovative medicines. Factoring in Q2, we have tweaked EPS for FY27/28E and revised TP to INR 1,270 (21x Q2FY29E EPS). **REDUCE** stays.

- **Q2 highlights[^]:** Sales declined 3% YoY to INR 85.47bn as US sales (29% of sales) grew by 9% QoQ to USD 254mn (-30 YoY), given lower gRevlimid sales. This was partly offset by 17% YoY growth in India formulation (22%) to INR 18.51 bn, while EM (23%) grew 19% YoY, with 5% YoY growth in Russia, 42% YoY growth in RoW, and 13% YoY growth in CIS. EU (16%) grew 1% (+8% ex-NRT portfolio) and PSAI (10%) declined by 12% YoY. Lower GM at 62.9% (-198bps YoY), higher staff (+11%), lower R&D (-16%), and higher SG&A (+11%) led to an EBITDA of INR 15.9bn (-27% YoY), with a 18.6% margin (-598 bps YoY). Adj PAT declined by 42% YoY of INR 8.22bn.
- **Con call takeaways:** The company is witnessing price hikes across KSMs and solvents on raw material side. The higher logistics freight outward costs have already impacted margins by ~100 bps in H1FY27; it expects this trend to continue in H2FY27 as well. It expects to capture 15-25% market share in Abatacept and expects to scale up with formularies over 6-9 months after the US launch. Its CDMO business under Aurigene Pharma generated a revenue of USD 100+ mn in 12 months ending Sep-26; growth was driven across its discovery business CMO, where its partner is looking to transfer more products, and development projects (Phase II/ III molecules). The company has received Semaglutide generic approval in 10+ countries and is aiming to launch it in 89+ countries. It is guiding for normalized R&D spends (at 7-8% of sales) along with capex spends of ~INR 16-17 bn for FY27.

Quarterly financial summary

(INR mn)	2QFY27	2QFY26	YoY (%)	1QFY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	85,473	88,283	(3)	80,998	6	326,439	337,002	349,760	388,952	421,094
EBITDA	15,924	21,727	(27)	11,011	45	87,164	71,118	64,356	78,957	90,114
APAT	8,220	14,145	(42)	6,342	30	56,681	43,338	38,590	46,420	54,559
EPS (INR)	9.8	16.9	(42)	7.6	30	67.9	51.9	46.2	55.6	65.3
P/E (x)						18.0	23.6	26.5	22.0	18.7
EV/EBITDA (x)						11.6	14.5	15.6	12.6	10.8
RoCE(%)						23	14	11	13	14

Source: Company, HSIE Research, [^]Adjusted for licensing income of INR 1.51bn.

REDUCE

CMP (as on 23 Oct 2026)	INR 1,230
Target Price	INR 1,270
NIFTY	22,600

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 1200	INR 1270
	FY27E	FY28E
EPS %	1.1	1.4

KEY STOCK DATA

Bloomberg code	DRRD IN
No. of Shares (mn)	835
MCap (INR bn) / (\$ mn)	1,026/10,809
6m avg traded value (INR mn)	2,933
52 Week high / low	INR 1,415/1,080

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	5.4	(7.6)	(3.9)
Relative (%)	9.7	(1.8)	9.6

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	26.64	26.63
FIs & Local MFs	31.74	31.88
FPIs	32.07	31.39
Public & Others	9.55	10.1
Pledged Shares	-	-

Source: BSE

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Hindustan Petroleum Corporation

Sequential improvement in integrated margin

We maintain BUY on Hindustan Petroleum Corporation (HPCL) with a target price of INR 415. We expect the refining segment's robust performance to continue in FY27E, owing to healthy product spreads, the capacity ramp-up at the recently commissioned HPCL Rajasthan Refinery (HRRL), and completion of the Vizag refinery upgrade project. On the marketing front, the losses on auto fuels and LPG have narrowed sequentially. This has resulted in improvement in integrated margin in Q2. With rise in crude oil prices in Q3, we anticipate pressure on marketing margins and increase in LPG under recovery in H2FY27E. We expect the government to compensate OMCs for these under-recoveries. In Q2FY27, the company reported EBITDA of INR 90.8bn (vs INR 68.9bn in Q2FY26 and a loss of INR 161.4bn in Q1FY27), driven by a sequential turnaround on the back of strong product cracks, lower crude oil price, and narrowed marketing losses.

- **Refining:** In Q2FY27, crude throughput fell to 6.20 MMT (Visakh: 3.60 MMT, Mumbai: 2.60 MMT), down 5.6% YoY and 4.9% QoQ. Pre-cess GRMs surged to USD 32.2 per bbl (vs USD 8.8 per bbl in Q2FY26), driven by strong middle-distillate cracks and crude inventory gains. We expect continued refining outperformance in FY27E, aided by strong product cracks for MS/HSD/ATF and higher yields from Visakh's Residual Upgradation Facility.
- **Marketing:** Sales volumes were 12.73 MMT, up 5.5% YoY and down 3% QoQ (MS/HSD 7.78 MMT, LPG 2.03 MMT). Estimated blended gross marketing margins recovered from a loss of ~INR 17.2/litre in Q1FY27 to INR0.4/litre, largely owing to fall in crude oil price in first half of the quarter compared to Q1. Pipeline throughput was 6.9 MMT, up 14.2% YoY and 2.2% QoQ.
- **Conference call takeaways:** (1) **HRRL:** Full capacity guidance kept by end Q3 FY27E at a run rate of 8–9 MMTPA. Guided GRMs stood at USD 20+ per bbl from Q4FY27E (post the switch from low- to high-sulphur crude). Petchem benefits to arrive only from FY28E (except propylene, which should start in Q4FY27E). Entire debt of about ~INR 450–520bn was refinanced, effective 3rd Oct 2026 (105 bps lower, saving INR 4–5 bn a year) (2) **LPG under-recovery:** Under-recoveries are back as crude rises. LPG loss was INR 245 per cylinder in Oct 2026 (Q2FY27 LPG under-recovery was ~INR 5bn in total). Cumulative LPG under-recovery receivable from government is INR 180.5bn.
- **Valuation and change in estimates:** We expect marketing margins to fall in FY27E vs FY26, partly offset by refining and higher retail fuel prices. We cut EPS estimates by 20.4% for FY27E. Our SOTP target price is INR 415, based on (1) standalone refining at 4.0x Sep-28E EV/EBITDA; (2) marketing and pipelines at 4.5x Sep-28E EV/EBITDA; (3) other investments at INR 187/sh.

Standalone financial summary

Year Ending March (Rs bn)	2QFY27	1QFY27	QoQ (%)	2QFY26	YoY (%)	FY25	FY26	FY27E	FY28E
Revenues	1,344	1,405	(4.3)	1,008	33.4	4,341	4,418	5,785	5,894
EBITDA	90.7	(161)	(156.2)	69	31.7	166	306	191	299
APAT	34.8	(115)	(130.2)	38	(9.1)	67	180	103	169
EPS (Rs/sh)	16.4	(54.2)	(130.2)	18.0	(9.1)	31.6	84.8	48.3	79.6
P/E (x)						10.7	4.0	7.0	4.2
EV/EBITDA (x)						8.1	3.9	6.5	3.9
RoE (%)						13.7	30.9	20.9	20.5

Source: Company, HSIE Research | *Consolidated

Changes in estimates

YE March (INR bn)	FY27E			FY28E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	230	191	16.8	299	299	0.0
EPS	60.6	48.3	-20.4	79.5	79.6	0.2

Source: HSIE Research

BUY

CMP (as on 23 Oct 2026)	INR 338
Target Price	INR 415
NIFTY	22,600

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 445	INR 415
EPS change	FY27E -20.4%	FY28E 0.2%

KEY STOCK DATA

Bloomberg code	HPCL IN
No. of Shares (mn)	2,128
MCap (INR bn) / (\$ mn)	720/7,582
6m avg traded value (INR mn)	2,441
52 Week high / low	INR 508/316

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(12.2)	(10.2)	(23.2)
Relative (%)	(7.9)	(4.4)	(9.7)

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	54.90%	54.90%
FIs & Local MFs	22.85%	22.11%
FPIs	13.58%	13.07%
Public & Others	8.67%	9.92%
Pledged Shares	0.0	0.0

Source : BSE

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IndusInd Bank

Applying band aids instead of enduring surgery

IndusInd Bank's (IIB) Q2FY27 earnings beat our estimates on the back of lower provisioning (-54% YoY; -12% QoQ). Credit growth (+11% QoQ) was driven by FCNR-linked advances alongside sharp growth in wholesale segment. Deposit growth (+3.4% QoQ) was soft even as the share of retail deposits eased to 49% (Q1FY27: 49.5%) and CASA ratio deteriorated further to 27.9% (-150bps QoQ). While the management reiterated its guidance for 1% exit-RoA for FY27E, we believe that IIB faces structural challenges (sub-par deposit franchise, stress in its unsecured book, and sub-optimal provisioning buffers), especially as IIB is chasing higher growth in line with the system. We have upgraded FY27E/FY28E earnings estimates by 21%/4% and introduced FY29 forecasts. We maintain **REDUCE** with a revised TP of INR815 (0.9x Sep-28 ABVPS).

- **Loan growth driven by FCNR (B) deposits:** Loan growth accelerated (+11% YoY) on the back of INR165.6bn of FCNR(B)-linked advances. Retail loans were up, led by consumer banking (+38% YoY), even as unsecured retail continued to shrink, with CC down 3% QoQ and PL down 2% QoQ. NIMs clocked in at 3.23% (-19bps QoQ) with half of the decline attributed to FCNR mobilization. With deposit rates likely to inch up in H2FY27, we see limited room for margin recovery beyond mix-led support.
- **Asset quality improving:** Gross slippages improved to 1.8% (Q1FY27: 2.1%), with GNPA/NNPA improving 52bps/12bps QoQ, as credit costs improved to 1.42% (-31bps QoQ). Management guided to a one-time ECL impact of 1.1% of loans. We continue to view 70% PCR as relatively inadequate and expect it to rise further, keeping earnings muted in the medium term.
- **Protracted journey to regaining stakeholder trust:** While the management reiterated its guidance for 1% exit-RoA for FY27E, we opine that IIB continues to face structural challenges, especially while IIB is chasing higher growth in line with the system. We expect IIB to face a tough transition period as the bank is pushed toward greater regulatory compliance and tighter impairment recognition and provisioning measures.

Financial summary

(INR bn)	2QFY27	2QFY26	YoY (%)	1QFY27	QoQ (%)	FY26	FY27E	FY28E	FY29E
NII	45.7	44.1	3.6%	46.8	-2.5%	179.8	188.5	206.0	219.1
PPOP	28.7	20.5	40.4%	27.7	3.6%	92.0	111.4	127.3	137.2
PAT	12.4	(4.4)	-384.2%	10.4	19.7%	9.1	39.1	53.4	59.2
EPS (INR)	15.9	(5.6)	-384.0%	13.3	19.7%	11.6	50.2	68.5	76.0
ROAE (%)						1.4	5.8	7.5	7.8
ROAA (%)						0.2	0.7	0.9	0.9
ABVPS (INR)						799.3	846.0	908.0	970.7
P/ABV (x)						1.0	1.0	0.9	0.9
P/E (x)						71.8	16.6	12.2	11.0

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% chg	New	Old	% chg
Net advances	3,543	3,497	1.3%	3,953	3,925	0.7%
NIM (%)	3.7	4.0	-29 bps	3.7	4.2	-50 bps
NII	188.5	200.1	-5.8%	206.0	226.3	-9.0%
PPOP	111.4	103.1	8.0%	127.3	125.9	1.1%
PAT	39.1	32.2	21.4%	53.4	51.3	4.1%
Adj. BVPS (INR)	846.0	846.1	0.0%	908.0	907.2	0.1%

Source: Company, HSIE Research

REDUCE

CMP (as on 23 Oct 2026)	INR 835
Target Price	INR 815
NIFTY	22,600

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR760	INR815
	FY27E	FY28E
EPS %	+21.4%	+4.1%

KEY STOCK DATA

Bloomberg code	IIB IN
No. of Shares (mn)	779
MCap (INR bn) / (\$ mn)	651/6,852
6m avg traded value (INR mn)	2,273
52 Week high / low	INR 1,078/750

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(17.0)	(2.9)	9.9
Relative (%)	(12.7)	2.9	23.4

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	15.8	15.8
FIs & Local MFs	42.2	41.3
FPIs	29.2	30.5
Public & Others	12.8	12.4
Pledged Shares	6.9	6.9

Source : BSE

Pledged shares as % of total shares

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SBI Cards and Payment Services

Improved asset quality; all eyes on growth

SBI Cards and Payment Services (SBICARD) reported a healthy improvement in credit costs (5.6%), indicating sustainable turnaround in asset quality. However, the calibrated approach in new card acquisitions amidst asset quality woes continues to take a toll on receivables growth (-2.5% YoY). New card sourcing gained traction in Q2 (+18% YoY/8% QoQ), driving CIF growth marginally up to 7.9% YoY. NIM witnessed marginal compression and is likely to remain under pressure with rising cost of funds and steady share of interest-earning receivables. With asset quality woes behind, sustained uptick in CIF and receivables growth remain the key monitorable for SBICARD with regard to rerating. We have tweaked FY27-FY29E earnings estimates to factor in lower credit costs offset by lower NIM and maintain REDUCE with a revised RI-based TP of INR 600 (implying 2.5x Sep-28 ABVPS; 16x Sep-28 EPS).

- **Muted PPOP growth; NIM compression ahead:** NIM (reported) remained flat at 10.8%, led by sustained lower share of revolve (22%) and instalment loans (33%) and inching up of cost of funds (by 10bps). Spends-based fees surprised positively (1.35% of spends vs. 1.23% in Q1), while other fee pools remained under pressure. C/I ratio is expected to be in the range of 56-58%, as per management.
- **Gradual uptick in card acquisitions:** SBICARD increased its pace of new account additions (+18% YoY) and is likely to maintain the current run rate. Unit spends declined by 4% YoY due to a higher base and is likely to improve significantly in Q3. Receivables growth remained muted (-2.5% YoY) with decline in unit receivables (-10% YoY) as the share of interest-bearing loans remains subdued (55%) compared to historical trends.
- **Asset quality woes largely behind:** Gross credit costs declined to 5.6% vs. 6.6% in Q1FY27 and 8.9% in Q2FY26. Credit costs in Q2 included INR 0.3bn of management overlay. With GS-III/NS III at 1.9%/0.77% and calibrated sourcing, credit cost is likely to remain at ~6% in the near term.
- **Improving profitability; growth concerns remain:** SBICARD's profitability continued to improve steadily (RoA/RoE of 4.4%/18.4%). While credit costs are now largely at steady-state levels, structural issues around several profit pools are likely to keep profitability lower compared to pre-pandemic levels (RoA of 4-4.5%). Further, CIF/receivables growth is likely to remain relatively subdued at sub-15% over FY27-FY28E, which remains the key monitorable for rerating.

Financial summary

Y/E Mar (INR bn)	2Q FY27	2Q FY26	YoY (%)	1Q FY27	QoQ (%)	FY26	FY27E	FY28E	FY29E
NII	17.2	17.3	-0.4	16.8	2.8	68.3	69.6	79.0	90.8
PPPOP	18.7	18.9	-1.4	18.4	1.3	78.8	77.6	87.9	99.6
PAT	7.8	4.4	74.8	6.6	17.0	21.7	30.1	34.8	38.6
EPS (INR)	8.2	4.7	74.9	7.0	17.0	22.8	31.7	36.5	40.6
ROAE (%)	18.5%	12.2%		16.6%		14.7%	17.6%	17.3%	16.6%
ROAA (%)	4.4%	2.6%		3.9%		3.3%	4.3%	4.5%	4.4%
ABVPS (INR)						159.1	189.2	220.1	254.9
P/ABV (x)						3.4	2.9	2.5	2.1
P/E (x)						24.0	17.2	14.9	13.4

Change in estimates

INR bn	FY27E			FY28E			FY29E		
	Old	New	Old	New	Chg	Chg	Old	New	Chg
AUM	635	634	-0.1%	724	726	0.2%	821	833	1.5%
NIM (%)	10.3	10.1	-18 bps	10.4	10.3	-15 bps	10.5	10.3	-19 bps
NII	70.8	69.6	-1.6%	79.9	79.0	-1.1%	91.6	90.8	-0.8%
PPPOP	80.2	77.6	-3.3%	91.0	87.9	-3.3%	102.7	99.6	-3.1%
PAT	29.3	30.1	3.0%	34.0	34.8	2.3%	38.3	38.6	1.0%
ABVPS (INR)	188	189	0.8%	218	220	0.8%	253	255	0.6%

Source: Company, HSIE Research

REDUCE

CMP (as on 23 Oct 2026)	INR 546
Target Price	INR 600
NIFTY	22,600

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 595	INR 600
	FY27E	FY28E
EPS %	+3.0%	+2.3%

KEY STOCK DATA

Bloomberg code	SBICARD IN
No. of Shares (mn)	952
MCap (INR bn) / (\$ mn)	519/5,468
6m avg traded value (INR mn)	1,151
52 Week high / low	INR 965/525

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(12.3)	(19.8)	(41.3)
Relative (%)	(8.0)	(14.0)	(27.7)

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	68.9	68.9
FIs & Local MFs	18.1	20.2
FPIs	9.0	7.1
Public & Others	4.0	3.8
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Godrej Properties

Strong launch pipeline all set to beat guidance

Godrej Properties Ltd (GPL) reported presales at INR 80bn (-4.9%/-7.4 YoY/QoQ, Est INR 75bn), with a booking area of 6.2msf (-3.6%/-0% YoY/QoQ). GPL added four new projects worth INR 155bn in H1FY27, achieving 78% of its annual BD guidance, with Q2 alone contributing INR 60bn in BD. Deliveries stood at 2.5msf in Q2FY27, and the full-year target of 12.5 to 15msf is retained. GPL expects to exceed full-year presales guidance, backed by a H2FY27 launch pipeline of INR 320bn, collections of INR 150bn, and operating cash flow of INR 70bn. GPL will keep expanding its share in the top five cities, with Chennai identified for future housing projects. The more significant medium-term driver is an expected INR 400bn of booking value reaching P&L recognition by FY28, roughly 2.5x with GPL's economic interest in these projects rising to 85-90%, underpinning management's target of 20% RoE in FY28. Cumulatively over FY27-28, GPL expects to deliver INR 520-550bn in collections and INR 200-220bn in OCF, enabling free cash flow positivity by FY28, with net debt to be kept below INR 100bn as a cap. However, key risks include the project completion revenue recognition method, which creates a temporary disconnect between strong operating performance and reported net profit. Seasonal environmental restrictions such as NGT bans in NCR can affect construction timelines, and legacy joint venture exits like Mahalunge and Oris involve settlements or lower margins, owing to historical costs. Given robust presales outperformance, new launches and stable underlying demand, we believe that GPL has all triggers in place for rerating. We maintain BUY with a TP of INR 2,258/sh (building in NAV growth premium of 25% as accelerating monetization, rising FCF visibility, and a clear path to 20% RoE by FY28 warrant a structural rerating).

- **Q2FY27 financial highlights:** Revenue came in at INR 19.3bn (+161%/+282% YoY/QoQ, a beat by 130%). EBITDA: INR -4.7bn (vs INR -5.1bn/-2.9bn Q2FY27/Q1FY27) against an estimated EBITDA of INR -2.2bn. APAT: INR 1.4bn (-65%/-59% YoY/QoQ, a miss of 65%).
- **Strong demand drives presales momentum:** Presales for Q2FY27 stood at INR 80bn (-4.9%/-7.4 YoY/QoQ, est INR 75bn), with a booking area of 6.2msf (-3.6%/-0% YoY/QoQ). This was led by strong sustenance demand, albeit it could have been better had the planned launches worth INR 55bn not shifted to Q3FY27 due to approval issues. GPL expects to exceed full-year presales guidance of INR 390bn, backed by the H2FY27 launch pipeline of INR 320bn. Collections stood at INR 96.6bn and operating cash flow was at INR 19.8bn.
- **Strong collection/OCF shall help stabilize debt:** GPL net debt increased to INR 79bn (vs INR 76.3bn QoQ) and net D/E to 0.41x vs 0.39x QoQ. In Q2FY27, GPL added one new project with a saleable area of 1.1msf and a GDV of INR 60bn (H1FY27 is at INR 150bn, which is 78% of INR 200bn FY27 guidance).

Consolidated financial summary (INR mn)

YE March	2QFY27	2QFY26	YoY (%)	1QFY27	QoQ (%)	FY26	FY27E	FY28E	FY28E
Net Sales	19,352	7,404	161	5,062	282	51,314	64,143	88,517	1,10,646
EBITDA	(4,688)	(5,127)	(9)	(2,850)	65	-4,166	3,145	11,504	17,490
APAT	1,433	3,976	(64)	3,508	(59)	18,407	20,144	25,388	28,841
Diluted EPS (Rs)	4.8	13.2	(64.0)	11.7	-59	61.1	66.9	84.3	95.8
P/E (x)						27.5	25.1	19.9	17.5
EV / EBITDA (x)						(129.5)	158.0	39.8	28.9
RoE (%)						9.8	8.2	7.4	14.8

Source: Company, HSIE Research

BUY

CMP (as on 23 Oct 2026)	INR 1,497
Target Price	INR 2,258
NIFTY	22,600

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,258	INR 2,258
EPS Change %	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	GPL IN
No. of Shares (mn)	301
MCap (INR bn) / (\$ mn)	451/4,748
6m avg traded value (INR mn)	1,429
52 Week high / low	INR 2,352/1,434

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(26.7)	(16.4)	(34.3)
Relative (%)	(22.4)	(10.6)	(20.8)

SHAREHOLDING PATTERN (%)

	Jun-26	Sept-26
Promoters	51.66	51.66
FIs & Local MFs	9.03	9.70
FPIs	25.32	24.37
Public & Others	14.02	14.27
Pledged Shares	-	-

Source: BSE

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DCB Bank

Steady quarter; operating leverage key to RoA reflation

DCB Bank's (DCBB) Q2FY27 earnings beat estimates as loan growth accelerated to 21% YoY (+7% QoQ), while an improvement in cost-to-income and benign credit costs drove PAT up 29% YoY. Deposit growth (+19% YoY) was healthy as as CASA ratio improved to 22.3% (Q1FY27: 21.7%). We take comfort in DCBB's sustained efforts at cost rationalization and self-origination, reflecting in early evidence of operating leverage gains and control over asset quality outcomes as highlighted in our recent [Company Update](#). We believe that the bank's journey to sustainably reflate its RoA > 1% is contingent on its ability to build further on these gains, and simultaneously deliver on deposit granularity, margins, and asset quality. We have tweaked FY27E/FY28E estimates, introduced FY29E estimates, and maintain BUY with a revised TP of INR270 (1.0x Sep-28 ABVPS).

- **Broad-based growth:** NII growth (+17% YoY) was steady although NIMs moderated to 3.25% (-10bps QoQ). Loan growth was driven by gold loans (+193% YoY), corporate loans (+48% YoY), and the AIB portfolio (+24% YoY). Management expects NIMs to improve on the back of repo pass-through to floating rate borrowers. We expect NIMs to average ~3.4% in FY27E-28E.
- **Asset quality improves significantly:** Gross slippages inched up ~8% QoQ, largely on account of gold loans, while non-gold slippage was stable at 1.55% (Q1FY27: 1.52%). GNPA/NNPA improved 14bps/11bps QoQ to 2.3%/0.7%, while PCR improved to 69% (Q1FY27: 66%), as credit costs clocked in at 28bps (Q1FY27: 26bps). We believe that DCBB's focus on self-origination (through its branches) augurs well for better control on slippages and opex intensity.
- **Operating leverage, margin reflation key to sustain 1% RoA:** Cost-to-income ratio improved to an 18-quarter low with opex-to-assets at 2.5% (Q1FY27: 2.4%). Given better pricing of deposits and higher growth, we see early signs of productivity and efficiency gains kicking in. We believe DCBB is likely to sustain 1%+ RoA, on the back of improving operating leverage, deposit granularity, and better asset quality outcomes.

Financial summary

(INR bn)	2QFY27	2QFY26	YoY (%)	1QFY27	QoQ (%)	FY26	FY27E	FY28E	FY29E
NII	7.0	6.0	17.2%	6.8	2.2%	24.6	29.4	35.4	42.1
PPOP	3.8	3.0	25.9%	3.4	11.2%	13.0	15.8	20.2	24.8
PAT	2.4	1.8	28.5%	2.1	10.9%	7.3	9.1	11.5	14.3
EPS (INR)	7.3	5.8	25.5%	6.6	10.8%	22.7	28.4	35.8	44.5
ROAE (%)						12.0	13.2	14.6	15.4
ROAA (%)						0.9	1.0	1.0	1.1
ABVPS (INR)						186.4	211.3	248.1	299.3
P/ABV (x)						1.1	0.9	0.8	0.7
P/E (x)						8.8	7.0	5.6	4.5

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	Δ	New	Old	Δ
Net advances	712	711	0.2%	844	837	0.8%
NIM (%)	3.3	3.4	-12 bps	3.4	3.5	-12 bps
NII	29.4	30.5	-3.4%	35.4	36.4	-2.8%
PPOP	15.8	16.2	-2.4%	20.2	20.1	0.5%
PAT	9.1	9.0	1.5%	11.5	11.5	0.0%
Adj. BVPS (INR)	211.3	205.9	2.6%	248.1	247.7	0.2%

Source: Company, HSIE Research

BUY

CMP (as on 23 Oct 2026)	INR 202
Target Price	INR 270
NIFTY	22,600

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR245	INR270
EPS %	FY27E	FY28E
	+1.5%	+0%

KEY STOCK DATA

Bloomberg code	DCBB IN
No. of Shares (mn)	322
MCap (INR bn) / (\$ mn)	65/687
6m avg traded value (INR mn)	354
52 Week high / low	INR 235/153

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.7	5.5	27.9
Relative (%)	11.0	11.3	41.5

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	16.2	16.2
FIs & Local MFs	32.3	30.4
FPIs	13.5	15.5
Public & Others	38.0	37.9
Pledged Shares	0	0

Source: BSE

Pledged shares as % of total shares

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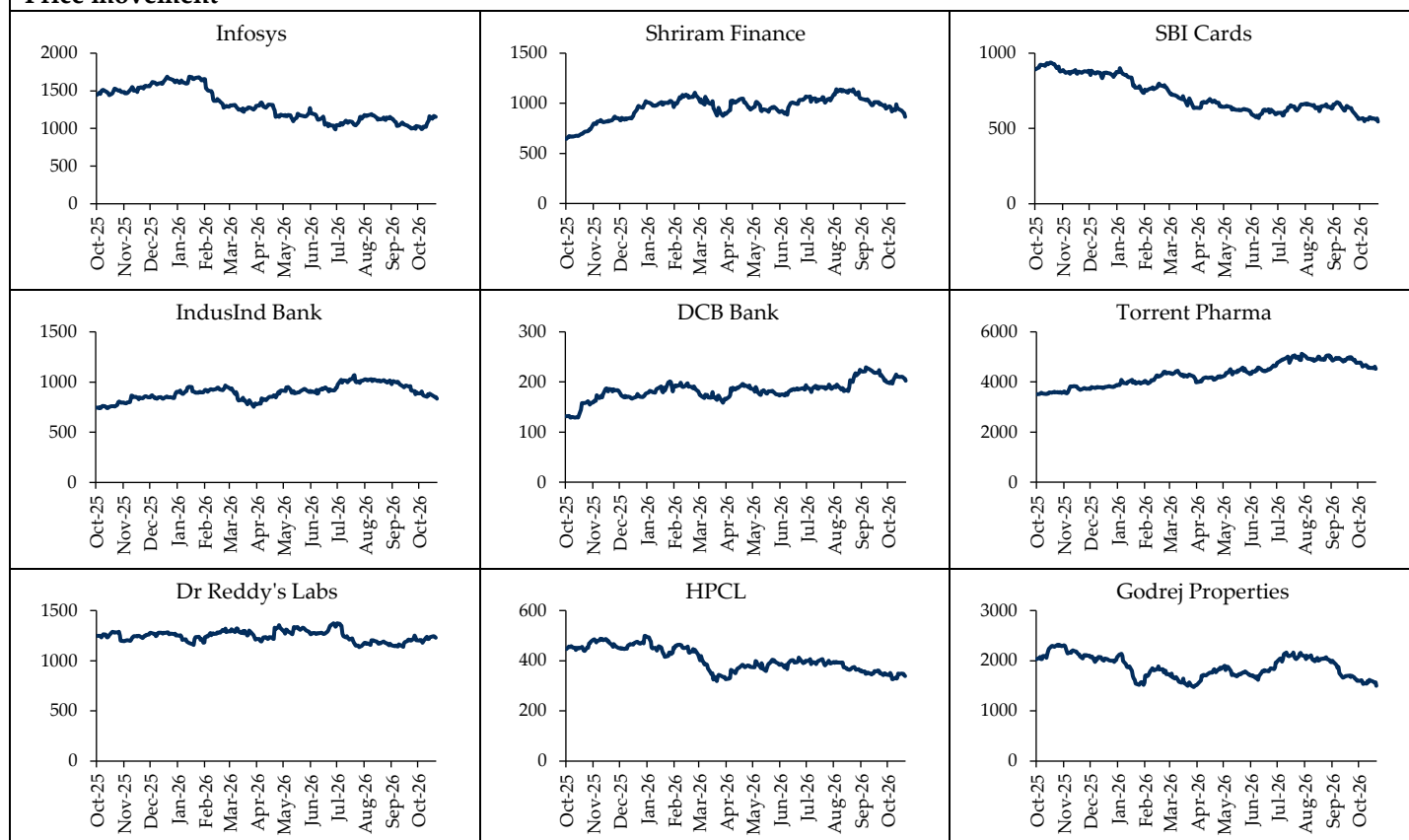
Rating Criteria

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
Amit Chandra	Infosys	MBA	NO
Vinesh Vala	Infosys	MBA	NO
Harsh Yadav	Infosys	MBA	NO
Deepak Shinde	Shriram Finance, SBI Cards and Payment Services	PGDM	NO
Krishnan ASV	Shriram Finance, IndusInd Bank, SBI Cards and Payment Services, DCB Bank	PGDM	NO
Ayush Pandit	Shriram Finance, SBI Cards and Payment Services	CA	NO
Shweta Upadhyay	IndusInd Bank, DCB Bank	MBA	NO
Mehul Sheth	Torrent Pharma, Dr Reddy's Laboratories	MBA	NO
Virti Shah	Torrent Pharma, Dr Reddy's Laboratories	BFM	NO
Nilesh Ghuge	Hindustan Petroleum Corporation	MMS	NO
Priya Gupta	Hindustan Petroleum Corporation	MSc	NO
Aditya Iyer	Hindustan Petroleum Corporation	PGDM	NO
Parikshit Kandpal	Godrej Properties	CFA	NO
Jay Shah	Godrej Properties	CA	NO
Aditya Sahu	Godrej Properties	MBA	NO

Price movement



Disclosure:

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