INSTITUTIONAL RESEARCH

HSIE Results Daily

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Results Reviews

- **Asian Paints:** APNT's consolidated revenue grew 6.3% YoY to INR 85.3bn (HSIE: INR 80.5bn). Decorative clocked 10.9/6% volume/value growth, driven by intensified brand-building, step-up in product regionalization, widening B2B net, and early festive demand. Extended monsoon did partially impact sales momentum though. Industrial segment positively surprised too (up 12.4% YoY; 160bps PBTM expansion in Q2). International business grew 9.9% YoY. GM expanded 242bps YoY to 43.2% (HSIE: 41.4%), supported by ~1.6% material cost deflation and sourcing/formulation efficiencies. Consequently, EBITDAM expanded 218bps YoY to 17.6% (HSIE: 15.9%), despite aggressive marketing spends. Management maintained mid-single-digit value growth and 18-20% margin guidance for FY26. We have revised our FY27/28 EPS estimates by 4-6% to account for receding competitive intensity (at the margin) in FY27/28 and maintain ADD with a DCF-based TP of INR 2,750/sh; implying 48x Sep-27 P/E.

- **Infoedge:** Info Edge delivered a stable Q2, with billings up 12% YoY. EBITDA margin expanded 186bps QoQ, driven by lower marketing spends. Core recruitment billings grew 11% YoY (vs 9% in Q1 and 15% in FY25), led by non-IT hiring, especially GCCs (+18% YoY) and Naukri Gulf (+22% YoY). Recruitment margins improved from 53% in Q1 to 56% in Q2, reaching ~58% ex-JobHai investments. Other business segments like 99acres witnessed strong billings growth of 14% YoY. Jeevansathi, with +29% YoY billings growth, broke even at the operating level. The company is investing in the 99acres platform to translate traffic share gains into billings momentum, and intensifying focus on Shiksha's content and counselling capabilities to offset declining traffic due to AI-driven search. All platforms - 99acres, Jeevansathi, JobHai, and Naukri Gulf are targets for accelerated investment in ML and GenAI, aiming to deliver tech-led differentiation. An exceptional gain of INR 52bn stemmed from unrealized M2M revaluation, following the amalgamation of Makesense (erstwhile JV of PB Fintech) with PB Fintech. APAT rose 1.7% QoQ to INR 2.64bn. We expect recruitment billings to grow at ~13% CAGR over FY25–28E, in line with pre-COVID trends. Maintain BUY with a SoTP-based target price of INR 1,640. Naukri is valued at 35x EV/EBITDA; 99acres/Jeevansathi+Shiksha at 3/4x P/S; Zomato and Policybazaar are valued at market prices. Core recruitment is trading at 29x/26x FY26/27E EV/EBITDA.

- **Ashok Leyland:** We expect that the company's margin expansion will continue, led by of higher growth of the non-CV segments, continuing cost mitigation efforts, and the launch of higher horsepower (HP) vehicles in the higher-margin tipper segment. However, we remain concerned about the higher pledging by the promoter group and will closely watch out for any developments on the same. Considering that the company has resumed active participation in e-Bus tenders again, and with SWITCH India already reaching profitability at the PAT level, we expect value unlocking to occur sooner as its market value gets established. Given the lack of data and financials, we have factored the benefit into the company's valuation multiple, valuing the company's core business at 19x Sep-27 EPS (vs 18x earlier). Also, we include the value of Hinduja Leyland Finance (INR 24) to arrive at a TP of INR 178. We maintain a BUY rating.

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- **Max Financial Services:** Axis Max Life Insurance (AMLI) reported YoY APE/VNB growth of +15/27% for H1FY26. Although APE growth was marginally lower than rated NB growth (19%), VNB margin at 23.3% (+210bps YoY) clocked in ahead of our estimates. The APE deceleration was attributed to a lower mix of monthly mode premium payment while VNB margin expansion was driven by a mix shift towards non-ULIP segments (H1FY26: 62.7%; H1FY25: 54.3%). AMLI sustained strong growth (+36% YoY) in the health and protection business amid its continued focus on rider attachment (attachment rate at 37%). Management called out an impact of 0.6% on VNB margins owing to the GST ITC unavailability; on a full year basis, the impact is likely to be 300-350bps on an as-is basis. We expect that, with GST ITC unavailability, VNB margins for FY26E are likely to be under check despite the favourable shift in product mix. We build in 17/19/18% CAGR in the APE/VNB/operating RoEV for FY25-28E; maintain ADD with a TP of INR1,700 (implied 2.1x Sep-27E EV prior to 10% hold-co discount).

- **Thermax:** Thermax Ltd (TMX) reported revenue/EBITDA/APAT of INR 24.7/1.7/1.2bn, a beat/miss by -4/-21.7/-16.9%. The EBITDA margin of 7% was weaker than our estimate of 8.5%, largely due to lower margins in projects, attributable to cost overruns (INR 420mn). Order inflow in Q2FY26 witnessed 6% uptick YoY at INR 35.5bn, taking the OB as of Sep'25 to INR 123bn (+6%YoY). TMX expects industrial products to continue steady growth and green solutions to record healthy OI. Large orders from cement, steel, power, refinery, and petrochemical should start getting awarded from H2FY26. New growth drivers are emerging in the form of medium MW power projects, international power projects, ramp-up of the chemical business, and increased traction in products launched over the past few years. Profitability is likely to improve with changes in mix toward profitable industrial products and chemical segment and completion of lower-margin order backlog. Ramping up of new product portfolio, impetus on cleaner air and water and focus on bio-CNG will be add-ons. We have cut estimates, given weak projects profitability. We maintain BUY on TMX, with a reduced TP of INR 4,125 (45x Sep-27E EPS).

- **Gujarat Gas:** Our ADD recommendation on Gujarat Gas (GGL) with a revised price target of INR 472/sh is premised on GGL's ability to retain its EBITDA margin despite pricing competition from alternative fuel in the industrial/commercial segment. Q2FY26 EBITDA/adj. PAT at INR 4.5/2.8bn came in below our estimates, owing to higher-than-expected raw material cost and operating expenses.

- **Eris Lifesciences:** EBITDA grew 9% YoY, supported by moderate sales growth of 7% YoY (+9% YoY for DBF^, -1% for Swiss exports) and effective cost controls, which offset a 41bps decline in the gross margin. This resulted in an EBITDA margin of 36.4% (+68 bps YoY). Key Eris highlights: (1) DBF expected to grow ~12% YoY in FY26 (11% YoY in H1FY26), led by Rh-Insulin scale-up and new launches; (2) gradual traction anticipated from Semaglutide synthetic starting H1FY27, while Semaglutide recombinant is under development (currently in pre-clinical stage; target launch in H2FY18); (3) mid-to-long-term growth levers include insulin analogues (Aspart in H1FY27, Aspart mix in H1FY28, and Degludec/Degludec + Liraglutide/Aspart + Degludec in H2FY28); (4) exports business growth is expected to pick up in the coming quarters, led by a better product/customer mix and LoE opportunities in the EU. Growth visibility over the next 3–5 years is underpinned by a ramp-up in CDMO (received first order from EU client) and a new plant. It is targeting sales of INR 7bn by FY27 and INR 10bn by FY30; (5) EBITDA growth for DBF is projected at ~15% YoY, with margin at 37+% in FY26; (6) Capex of INR 7.5-8bn over FY26-28 (INR 3.8-4 bn in next three quarters), focusing on doubling insulin capacity (INR 1.5bn), Unit-3 general sterile injectable (INR 1.3bn), and investment in Levim (INR 1bn); (6) net debt stood at INR 22.78bn in Q2FY26, with the target of reducing net debt to INR 18bn now pushed to H2FY27 (vs. FY26 previously). While Eris is well-placed to monetize GLP-1, Rh-insulin, and other pipeline opportunities, concerns remain about softness in other core segments (CVS and VMN). Factoring in Q2, we have cut EPS estimates for FY26-27E by 3/2% and revised the TP to INR 1,810 (31x Q2FY28E EPS). ADD stays.

- **Balaji Amines:** We maintain REDUCE on Balaji Amines (BAL) with a price target of INR 1,185, owing to (1) supply glut in domestic market in methylamines and its derivatives; (2) continued aggressive dumping by Chinese manufacturers in most of the product categories; and (3) deferral in project execution owing to delay in securing approvals from authorities. BAL is incurring a capex of INR 7.5bn in its subsidiary Balaji Specialty Chemical (BSCL) with phase-1 of INR 3.5bn expected to be commissioned by FY27. We expect EBITDA/APAT to grow at a CAGR of 9/4% over FY25-28E and RoE/RoCE to decline from 7.9/9.4% in FY25 to 7.3/9.2% in FY28. Currently, the stock is trading at 31/28/25x FY26/27/FY28, which we believe is contextually high, given the earnings growth. EBITDA was 8% below our estimates while APAT was 14% below our estimates, owing to lower-than-expected revenue, and higher raw material cost.

- **Kolte Patil Developers:** KPDL reported a weak quarter with presales of 0.86msf (-16.5%/+2.4% YoY/QoQ), valued at INR 6.7bn (-13.0%/+8.8% YoY/QoQ), largely backed by sustenance sales at average realization of INR 7,791psf (+4.2%/+6.2% YoY/QoQ). Q2FY26 margins were impacted sharply by lower revenue recognition, mainly due to CCM-based accounting. However, KPDL believes that a new project mix will improve the margin to mid-teens in FY26. We expect sales momentum and robust cash flow to continue in the Life Republic (LR) project, adding fillip to the margins with better realization. Blackstone increased its stake to 40% in the quarter. KPDL's growth strategy is firmly supported by expanding strategic land bank, which now totals a significant ~37msf. The recent acquisition of the 7.5acre land parcel in Bhugaon, Pune, for an estimated GDV of INR 14bn, exemplifies its focused approach to securing assets in high-potential micro-markets. The company's proactive management and expansion plans position it for sustained growth. With strong cash flows and comfortable liquidity, KPDL is net cash positive, which paves the way for more BD activity. We maintain BUY with a TP of INR 480/sh.

Asian Paints

Strong performance; beats expectations on all fronts

APNT's consolidated revenue grew 6.3% YoY to INR 85.3bn (HSIE: INR 80.5bn). Decorative clocked 10.9/6% volume/value growth, driven by intensified brand-building, step-up in product regionalization, widening B2B net, and early festive demand. Extended monsoon did partially impact sales momentum though. Industrial segment positively surprised too (up 12.4% YoY; 160bps PBTM expansion in Q2). International business grew 9.9% YoY. GM expanded 242bps YoY to 43.2% (HSIE: 41.4%), supported by ~1.6% material cost deflation and sourcing/formulation efficiencies. Consequently, EBITDAM expanded 218bps YoY to 17.6% (HSIE: 15.9%), despite aggressive marketing spends. Management maintained mid-single-digit value growth and 18-20% margin guidance for FY26. We have revised our FY27/28 EPS estimates by 4-6% to account for receding competitive intensity (at the margin) in FY27/28 and maintain ADD with a DCF-based TP of INR 2,750/sh; implying 48x Sep-27 P/E.

- **Q2FY26 highlights**: Consolidated revenue grew by 6.3% YoY to INR 85.3bn (HSIE: INR 80.5bn), driven by intensified brand-building, step-up in product regionalization, widening B2B net, and early festive demand. Extended monsoons did partially impact sales though. Growth was broad-based across urban and rural centers. Standalone revenue grew by 7.1%. The decorative and industrial business collectively clocked 11/6.7% volume/value growth. Management indicated that the volume-value gap will persist due to its focus on broad product portfolio across multiple segments. Projects/institutional business performed well, driven by strong demand from builders, factories, and government. Home décor business remained under pressure – kitchen/bath segment declined by 7/5% respectively. International business grew by 9.9% YoY, led by Asia, Middle East, and Africa, and profitability improved, aided by material cost deflation and divestment of loss-making Indonesia operations. Within the industrial business, PPG-AP/AP-PPG grew by ~13/10% with PBT margins improving to 17.3/8.9%, respectively. GM improved 242bps YoY to 43.2% (HSIE: 41.4%), aided by material deflation (~1.6%) and sourcing/formulation efficiencies. Consequently, EBITDAM expanded 218bps YoY to 17.6% (HSIE: 15.9%) despite aggressive marketing spends. Management maintained mid-single-digit value growth and 18-20% margin guidance for FY26. EBITDA/APAT grew by 21.3/13.6% YoY to INR 15/9.9bn (HSIE: INR 12.8/8.2bn).
- **Outlook**: Competitive intensity expected to recede over FY26-28 as Birla Opus reins back rebates in search of unit economics. Incumbents are likely to recoup some of the lost share in this phase - Advantage APNT. Consequently, we have revised our FY27/28 EPS estimates upwards by 4-6% and maintained our ADD rating with a DCF-based TP of INR 2,750/sh, implying 48x Sep-27 P/E.

Quarterly financial summary

(Rs mn)	2QFY26	2QFY25	YoY (%)	1QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	85,313	80,275	6.3	89,386	(4.6)	3,54,947	3,39,056	3,57,770	3,96,389	4,39,540
EBITDA	15,034	12,395	21.3	16,250	(7.5)	75,850	60,062	65,243	71,934	81,352
APAT	9,936	8,748	13.6	10,998	(9.7)	54,602	40,303	43,432	49,824	58,788
EPS (Rs)	10.4	7.2	43.0	11.5	(9.7)	56.9	42.0	45.3	51.9	61.3
P/E (x)						49.7	57.1	62.5	54.5	46.2
EV/EBITDA (x)						35.8	45.2	41.4	37.1	32.5
Core RoCE(%)						31.3	20.5	21.2	24.9	30.1

Source: Company, HSIE Research

Change in estimates

(Rs mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	3,57,770	3,50,221	2.2	3,96,389	3,87,762	2.2	4,39,540	4,26,176	3.1
Gross Profit	1,54,691	1,49,567	3.4	1,69,452	1,64,146	3.2	1,88,541	1,80,464	4.5
Gross Profit Margin (%)	43.2	42.7	53 bps	42.7	42.3	42 bps	42.9	42.3	55 bps
EBITDA	65,243	62,917	3.7	71,934	68,789	4.6	81,352	76,576	6.2
EBITDA margin (%)	18.2	18.0	27 bps	18.1	17.7	41 bps	18.5	18.0	54 bps
APAT	43,432	41,427	4.8	49,824	47,575	4.7	58,788	55,380	6.2
APAT margin (%)	12.1	11.8	31 bps	12.6	12.3	30 bps	13.4	13.0	38 bps
EPS (Rs)	45.3	43.2	4.8	51.9	49.6	4.7	61.3	57.7	6.2

Source: Company, HSIE Research

ADD

CMP *(as on 12 Nov 2025)*	INR 2,770
Target Price	INR 2,750
NIFTY	25,876

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2,500	INR 2,750
EPS %	FY27E	FY28E
	+4.7	+6.2

KEY STOCK DATA	
Bloomberg code	APNT IN
No. of Shares (mn)	959
MCap (INR bn) / ($ mn)	2,657/29,972
6m avg traded value (INR mn)	2,817
52 Week high / low	INR 2,839/2,125

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	11.8	17.5	11.9
Relative (%)	6.5	15.1	4.6

SHAREHOLDING PATTERN (%)	Jun-25	Sep-25
Promoters	52.63	52.63
FIs & Local MFs	21.04	21.58
FPIs	11.85	11.64
Public & Others	14.48	14.15
Pledged Shares	4.94	4.78

Source : BSE

Pledged shares as % of total shares,

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Infoedge

Core business stable; investing for growth

Info Edge delivered a stable Q2, with billings up 12% YoY. EBITDA margin expanded 186bps QoQ, driven by lower marketing spends. Core recruitment billings grew 11% YoY (vs 9% in Q1 and 15% in FY25), led by non-IT hiring, especially GCCs (+18% YoY) and Naukri Gulf (+22% YoY). Recruitment margins improved from 53% in Q1 to 56% in Q2, reaching ~58% ex-JobHai investments. Other business segments like 99acres witnessed strong billings growth of 14% YoY. Jeevansathi, with +29% YoY billings growth, broke even at the operating level. The company is investing in the 99acres platform to translate traffic share gains into billings momentum, and intensifying focus on Shiksha's content and counselling capabilities to offset declining traffic due to AI-driven search. All platforms - 99acres, Jeevansathi, JobHai, and Naukri Gulf are targets for accelerated investment in ML and GenAI, aiming to deliver tech-led differentiation. An exceptional gain of INR 52bn stemmed from unrealized M2M revaluation, following the amalgamation of Makesense (erstwhile JV of PB Fintech) with PB Fintech. APAT rose 1.7% QoQ to INR 2.64bn. We expect recruitment billings to grow at ~13% CAGR over FY25–28E, in line with pre-COVID trends. Maintain BUY with a SoTP-based target price of INR 1,640. Naukri is valued at 35x EV/EBITDA; 99acres/Jeevansathi+Shiksha at 3/4x P/S; Zomato and Policybazaar are valued at market prices. Core recruitment is trading at 29x/26x FY26/27E EV/EBITDA.

- **Q2FY26 highlights**:: Infoedge revenue grew +1.3/13.7% QoQ/YoY to INR 7.46bn, driven by 3.1/4.0/0.6% QoQ growth in Recruitment, 99acres, Jeevansathi revenue, marginally offset by 23% QoQ decline in Shiksha revenue; (2) total billings improved by +13/12% QoQ/YoY, led by 11/14/29/13% YoY growth for recruitment, 99acres, Jeevansathi and Shiksha; (3) EBITDA margin for recruitment/99acres/Jeevansathi/Shiksha stood at +55.8/-20.3/+1.5/+4.9%; (4) standalone margin increased by 186bps QoQ to 39.6% due to decline of 18.9/1.6% QoQ in advertising costs/ network charges respectively; (5) Zomato/Policybazaar contribute INR 547/150 per share, representing ~33/9% of SoTP valuation. The recruitment segment accounted for ~50% of the SoTP (valued at INR 813/share).
- **Outlook**: We expect a 13% revenue CAGR over FY25-28E, led by 12/15/26% CAGRs in recruitment/99acres/Jeevansathi. EBITDA margin estimates for FY26/27/28E stand at 39.0/39.9/40.8%, leading to an EPS CAGR of 11% over FY25-28E. Recruitment EBITDA margin estimates for FY26/27/28E stand at 55.1/56.5/57.0%.

Quarterly financial summary*

YE March (INR bn)	2Q FY26	2Q FY25	YoY (%)	1Q FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	7.46	6.56	*13.7*	7.36	*1.3*	23.81	26.54	30.35	33.84	38.68
EBITDA	2.95	2.74	*7.7*	2.78	*6.3*	9.55	10.73	11.84	13.52	15.79
APAT	2.64	2.38	*11.2*	2.60	*1.7*	8.46	9.77	10.57	11.68	13.40
Diluted EPS (INR)	4.1	3.7	*11.2*	4.0	*1.7*	13.1	15.1	16.3	18.1	20.7
P/E (x)							91.2	84.3	76.2	66.5
EV / Revenue (x)							31.8	25.9	22.9	19.6
EV / EBITDA (x)							78.7	66.5	57.3	48.0
RoE (%)						5.9	9.1	7.3	6.7	7.3

Source: Company, HSIE Research, *standalone financials

Change in estimate

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	30.17	30.35	*0.6*	33.84	33.84	*0.0*	38.88	38.68	*-0.5*
EBITDA	11.85	11.84	*-0.1*	13.61	13.52	*-0.7*	15.78	15.79	*0.1*
EBITDA margin (%)	39.3	39.0	*-26bps*	40.2	39.9	*-27bps*	40.6	40.8	*24bps*
APAT	10.54	10.57	*0.2*	11.76	11.68	*-0.6*	13.40	13.40	*0.1*
EPS (INR)	16.3	16.3	*0.2*	18.2	18.1	*-0.6*	20.7	20.7	*0.1*

Source: Company, HSIE Research

BUY

CMP *(as on 12 Nov 2025)*	**INR 1,376**
Target Price	**INR 1,640**
NIFTY	**25,876**

KEY CHANGES	**OLD**	**NEW**
Rating	BUY	BUY
Price Target	INR 1,700	INR 1,640
EPS %	FY26E	FY27E
	+0.2	-0.6

KEY STOCK DATA	
Bloomberg code	INFOE IN
No. of Shares (mn)	648
MCap (INR bn) / ($ mn)	892/10,068
6m avg traded value (INR mn)	1,938
52 Week high / low	INR 1,839/1,151

STOCK PERFORMANCE (%)

	3M	**6M**	**12M**
Absolute (%)	4.2	(6.7)	(12.0)
Relative (%)	(1.1)	(9.2)	(19.4)

SHAREHOLDING PATTERN (%)

	Jun-25	**Sep-25**
Promoters	37.63	37.59
FIs & Local MFs	19.02	21.67
FPIs	32.99	30.33
Public & Others	10.37	10.41
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Ashok Leyland

Margin expansion continues to impress

We expect that the company's margin expansion will continue, led by of higher growth of the non-CV segments, continuing cost mitigation efforts, and the launch of higher horsepower (HP) vehicles in the higher-margin tipper segment. However, we remain concerned about the higher pledging by the promoter group and will closely watch out for any developments on the same. Considering that the company has resumed active participation in e-Bus tenders again, and with SWITCH India already reaching profitability at the PAT level, we expect value unlocking to occur sooner as its market value gets established. Given the lack of data and financials, we have factored the benefit into the company's valuation multiple, valuing the company's core business at 19x Sep-27 EPS (vs 18x earlier). Also, we include the value of Hinduja Leyland Finance (INR 24) to arrive at a TP of INR 178. We maintain a BUY rating.

- **Quarterly performance:** EBITDA margin, at 12.1%, improved 52bps YoY and 101bps QoQ, beating our estimate of 11.5% and Bloomberg consensus estimate of 11.7%. This was led by operating leverage, increasing non-CV mix, and continued focus on cost reduction.
- **Guidance:** Management is optimistic about H2FY26 performing better than H1FY26, as improving broad-based consumption and increased capex activities should drive MHCV demand, and the GST rate cut on vehicles should drive LCV demand. It reiterated its target of achieving mid-teen EBITDA margin over the medium term, that should be driven by better growth for the higher-margin non-CV segment and exports.
- **Better mix of non-Truck segment:** It highlighted that the domestic MHCV truck segment as a % of revenue has come down to 50-51% currently, from 60% in FY22. This brought down the breakeven for truck volumes from 6-7k a month earlier to 1-1.2k a month currently, thus smoothening cyclicality.
- **EV entity improves profitability:** Management highlighted that the SWITCH India entity was both EBITDA and PAT positive for H1FY26, having sold 600 units each of e-Bus and e-LCV. The e-bus order book stood at 1,650. The company is aiming for the entity to reach FCF positive by FY27. Also, through its subsidiary via Ohm working on applying in the PM E-Drive tender for 10,900 e-buses across five major cities that has a bid deadline of 14 Nov 2025.
- **New products to aid demand:** It mentioned that the new product 'Saathi' in the 2-4T segment is gaining good traction from the <2T replacement segment on better value proposition. It also reiterated its plans to launch vehicles in the higher-margin tipper segment (320HP and 360HP) in the coming quarters.

Quarterly/annual financial summary

YE Mar (INR mn)	2Q FY26	2Q FY25	YoY (%)	1Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	95,882	87,688	9.3	87,245	9.9	3,87,527	4,26,069	4,76,552	5,24,813
EBITDA	11,622	10,173	14.2	9,696	19.9	49,306	54,800	65,410	74,995
EBITDA %	12.1	11.6	52bps	11.1	101bps	12.7	12.9	13.7	14.3
APAT	8,111	6,527	24.3	5,937	36.6	31,996	36,283	43,994	50,915
Diluted EPS(INR)	1.38	1.11	24.3	1.01	36.6	5.4	6.2	7.5	8.7
P/E (x)						26.1	23.0	19.0	16.4
EV / EBITDA (x)						16.0	14.3	11.7	10.5
RoE (%)						31.5	29.1	29.2	30.4

Source: Company, HSIE Research

BUY

CMP *(as on 12 Nov 2025)*	INR 142
Target Price	INR 178
NIFTY	25,876

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 169	INR 178
EPS %	FY27E +0.8%	FY28E +1.2%

KEY STOCK DATA	
Bloomberg code	AL IN
No. of Shares (mn)	5,874
MCap (INR bn) / ($ mn)	837/9,445
6m avg traded value (INR mn)	1,835
52 Week high / low	INR 148/95

Note: Company issued a bonus of 1:1 on 17th July 2025.

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	19.4	23.3	28.9
Relative (%)	14.1	20.8	21.6

SHAREHOLDING PATTERN (%)	Jul-25	Sep-25
Promoters	51.52	51.51
FIs & Local MFs	13.16	13.59
FPIs	24.02	24.32
Public & Others	11.30	10.58
Pledged Shares	21.03	21.03

Source : BSE

Pledged shares as % of total shares

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Max Financial Services

Superior product mix drives margin beat

Axis Max Life Insurance (AMLI) reported YoY APE/VNB growth of +15/27% for H1FY26. Although APE growth was marginally lower than rated NB growth (19%), VNB margin at 23.3% (+210bps YoY) clocked in ahead of our estimates. The APE deceleration was attributed to a lower mix of monthly mode premium payment while VNB margin expansion was driven by a mix shift towards non-ULIP segments (H1FY26: 62.7%; H1FY25: 54.3%). AMLI sustained strong growth (+36% YoY) in the health and protection business amid its continued focus on rider attachment (attachment rate at 37%). Management called out an impact of 0.6% on VNB margins owing to the GST ITC unavailability; on a full year basis, the impact is likely to be 300-350bps on an as-is basis. We expect that, with GST ITC unavailability, VNB margins for FY26E are likely to be under check despite the favourable shift in product mix. We build in 17/19/18% CAGR in the APE/VNB/operating RoEV for FY25-28E; maintain ADD with a TP of INR1,700 (implied 2.1x Sep-27E EV prior to 10% hold-co discount).

- **Sustained growth leadership:** IRNB growth continued to outpace private life insurers (+625bps) on a rolling 12m basis, led by the non-AXSB banca partnerships (+38% YoY), while the proprietary offline channel grew 17%. The Axis Bank channel continued to show signs of growth fatigue (+7% YoY), although a favourable base in H2FY26 could help sustain mid-teens growth.
- **Retail protection mix on the rise:** AMLI increased its mix of term insurance within individual APE to 13.1% (H1FY25: 11.1%), with its relentless focus on pure protection and rider attachments. As the mix of protection business continues to grow in the proprietary channels, we expect the share of term insurance to average mid-teens over FY26E-FY28E.
- **GST ITC impact likely to keep margins under check:** Management guided for a higher-than-peers 300-350bps adverse as-is impact on margins, from unavailability of GST ITC. We expect margins to be rangebound at 24-25% despite material improvement in the product mix, highlighting normalization of historically aggressive actuarial assumptions.

Financial summary

Particulars	H1FY26	H1FY25	% chg	Q1FY26	FY25	FY26E	FY27E	FY28E
NB	59.9	50.9	17.6	25.2	121.7	141.7	162.1	185.3
APE	41.8	36.2	15.2	16.7	87.7	103.0	119.9	139.3
VNB	9.7	7.7	27.2	3.4	21.1	25.1	29.7	35.2
VNB Margin	23.3%	21.2%	210bps	20.1%	24.0%	24.3%	24.8%	25.2%
EV					251.9	297.1	351.4	416.4
P/EV(X)					3.2	2.7	2.3	2.0
P/VNB(X)					38.7	32.5	27.5	23.2
ROEV%					19.1	18.0	18.2	18.5

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY26E			FY27E		
	Old	New	% Δ	Old	New	% Δ
APE	103.1	103.0	-0.0	120.0	119.9	-0.0
VNB	25.1	25.1	-0.1	30.0	29.7	-1.1
VNB Margin (%)	24.3%	24.3%	-1bps	25.0%	24.8%	-27bps
EV	296.5	297.1	0.2	349.1	351.4	0.6

Source: Company, HSIE Research

ADD

CMP *(as on 12 Nov 2025)*	INR 1,720
Target Price	INR 1,700
NIFTY	25,876

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,550	INR 1,700
	FY26E	FY27E
VNB %	-0.1%	-1.1%

KEY STOCK DATA	
Bloomberg code	MAXF IN
No. of Shares (mn)	345
MCap (INR bn) / ($ mn)	593/6,692
6m avg traded value (INR mn)	1,332
52 Week high / low	INR 1,728/950

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	8.2	32.9	40.5
Relative (%)	2.9	30.5	33.1

SHAREHOLDING PATTERN (%)	Jun-25	Sep-25
Promoters	1.7	1.7
FIs & Local MFs	47.3	47.3
FPIs	44.7	44.8
Public & Others	6.3	6.2
Pledged Shares	Nil	Nil

Source : BSE

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Thermax

Weak financial performance

Thermax Ltd (TMX) reported revenue/EBITDA/APAT of INR 24.7/1.7/1.2bn, a beat/miss by -4/-21.7/-16.9%. The EBITDA margin of 7% was weaker than our estimate of 8.5%, largely due to lower margins in projects, attributable to cost overruns (INR 420mn). Order inflow in Q2FY26 witnessed 6% uptick YoY at INR 35.5bn, taking the OB as of Sep'25 to INR 123bn (+6%YoY). TMX expects industrial products to continue steady growth and green solutions to record healthy OI. Large orders from cement, steel, power, refinery, and petrochemical should start getting awarded from H2FY26. New growth drivers are emerging in the form of medium MW power projects, international power projects, ramp-up of the chemical business, and increased traction in products launched over the past few years. Profitability is likely to improve with changes in mix toward profitable industrial products and chemical segment and completion of lower-margin order backlog. Ramping up of new product portfolio, impetus on cleaner air and water and focus on bio-CNG will be add-ons. We have cut estimates, given weak projects profitability. We maintain BUY on TMX, with a reduced TP of INR 4,125 (45x Sep-27E EPS).

- **Q2FY26 financial highlights:** Revenue: INR 24.7bn (-5.3/+18.1% YoY/QoQ, miss by 4%); industrial products/industrial infra/green sol/chemical posted growth/decline of +12.4/-23.7/+9.5/+0.5% YoY. EBITDA: INR 1.7bn (-38.1/+1.6% YoY/QoQ, a miss by -21.7%), with EBITDA margin of 7% (-369/-112.9bps YoY/QoQ, vs our estimates of 8.5%). EBIT margin: industrial product: 9.9% (-100.6/+172.4bps YoY/QoQ); industrial infra: -1.6% (-864.3/-953.5bps YoY/QoQ); green solution: 6.1% (-644.2/+100.2bps YoY/QoQ); chemical: 9.8% (-651.1/+52bps YoY/QoQ). APAT stood at INR 1.2bn (-39.7/+9% YoY/QoQ, a 16.9% miss).
- **Expect double-digit base order growth; large orders to make a comeback:** Order booking in industrial products is improved due to better performance in water desalination and environmental equipment orders. OB inflows from metals remain very strong with growth in OB from the power and petrochem sector. Increase in F&B orders however a drop in Sugar/Distillery which historically is a leading contributor. Order booking is expected to grow 20% YoY.
- **Subdued impact of average input costs:** The average input costs for copper and aluminium were up 7-10% QoQ in Q2FY26; while the commodities like Steel was down by 2% and Nickel was stable. Hence, there was no significant impact on input costs in Q2FY26.

Consolidated financial summary

Particulars	2QFY26	2QFY25	YoY (%)	1QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	24,739	26,116	(5.3)	20,944	18.1	103,887	106,767	125,374	150,219
EBITDA	1,720	2,780	(38.1)	1,693	1.6	9,078	8,953	13,055	15,267
APAT	1,194	1,980	(39.7)	1,096	9.0	6,267	6,630	9,358	11,285
Diluted EPS (INR)	10.6	17.6	(39.7)	9.7	9.0	55.7	58.9	83.1	100.2
P/E (x)						67.9	64.2	45.5	37.7
EV/EBITDA (x)						45.6	45.1	30.3	25.3
RoE (%)						13.4	12.8	15.9	16.3

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E		
	New	Old	*% Change*	New	Old	*% Change*
Revenues	106,767	116,181	*(8.1)*	125,374	134,784	*(7.0)*
EBITDA	8,953	11,649	*(23.1)*	13,055	15,152	*(13.8)*
EBITDA (%)	8.4	10.0	(164.1)	10.4	11.2	(83.0)
APAT	6,630	8,448	*(21.5)*	9,358	10,959	*(14.6)*

Source: Company, HSIE Research

BUY

CMP *(as on 12 Nov 2025)*	**INR 3,061**
Target Price	**INR 4,125**
NIFTY	**25,876**

KEY CHANGES	**OLD**	**NEW**
Rating	BUY	BUY
Price Target	INR 4,380	INR 4,125
	FY26E	**FY27E**
EPS change %	*-21.5*	*-14.6*

KEY STOCK DATA	
Bloomberg code	TMX IN
No. of Shares (mn)	119
MCap (INR bn) / ($ mn)	365/4,115
6m avg traded value (INR mn)	711
52 Week high / low	INR 5,355/2,930

STOCK PERFORMANCE (%)	**3M**	**6M**	**12M**
Absolute (%)	(7.2)	(7.2)	(40.1)
Relative (%)	(12.5)	(9.7)	(47.5)

SHAREHOLDING PATTERN (%)	**Jun-25**	**Sep-25**
Promoters	61.99	61.99
FIs & Local MFs	11.74	13.95
FPIs	16.02	13.44
Public & Others	10.24	10.62
Pledged Shares	-	-

Source: BSE

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Gujarat Gas

Higher gas cost impacts margins

Our ADD recommendation on Gujarat Gas (GGL) with a revised price target of INR 472/sh is premised on GGL's ability to retain its EBITDA margin despite pricing competition from alternative fuel in the industrial/commercial segment. Q2FY26 EBITDA/adj. PAT at INR 4.5/2.8bn came in below our estimates, owing to higher-than-expected raw material cost and operating expenses.

- **Volumes:** In Q2, blended volume was at 8.66mmscmd (-1.0% YoY, -2.4% QoQ), ahead of our estimates. CNG volume came in at 3.32mmscmd (+13.3% YoY, -0.3% QoQ) and domestic PNG volume stood at 0.83mmscmd (+9.2% YoY, +20.3% QoQ). Industrial volume came in at 4.35mmscmd (-11.4% YoY, -7.6% QoQ). Commercial PNG volume stood at 0.16mmscmd (+6.7%YoY, +14.3% QoQ). We maintain volumes estimate of 8.8/9.4mmscmd for FY26/27E.
- **Margin:** Realization came in at a four-quarter low of INR47.4/scm (+1.0% YoY, -1.1% QoQ) and gas cost increased to INR37.4/scm (+2.3% YoY, +0.6% QoQ), resulting in gross spread reducing to INR10.0/scm (-3.4% YoY, -6.9% QoQ). Opex was higher sequentially at INR4.4/scm (+10.5% YoY, +2.0% QoQ), leading to lower EBITDA of INR5.6/scm (-12.1% YoY, -12.8% QoQ). We reduce GGL's per unit EBITDA to INR6.2/7.5 per scm over FY26/27E.
- **Conference call takeaways:** (1) **PNG** – Morbi industrial volumes declined by 15.1% QoQ to 2.13mmscmd and non-Morbi industrial volumes increased by 1% QoQ to 2.22mmscmd. Demand for natural gas in Morbi region was weak due to the Janmashtami festival and cheaper propane prices. Natural gas price was at a premium of INR 4-6/scm over that of propane. Considering the availability of cheaper propane, the company reduced industrial PNG prices by INR 3.25/scm from 1st of August (price cut of INR 3/scm was undertaken in Q1FY26). The current natural gas price in Morbi region is INR44/kg excluding VAT. Morbi volumes are expected to remain stressed in Q3FY26 as propane prices are expected to remain benign. The current demand run rate at Morbi is 1.7-1.8mmscmd, which the management believes is the base line demand. ~200 customers in Morbi are currently connected only to natural gas, resulting in a demand of 1.5-1.6mmscmd. (2) **CNG** – Gujarat/non-Gujarat CNG volumes increased by 11/26% YoY respectively. The company added four CNG stations and is confident of maintaining this strong growth for the rest of FY26E on the back of new station additions and higher CNG vehicle adoption. (3) **Gas sourcing** – 2.03/0.44/3.44/2.85 mmscmd was APM/NWG/long term/short term. There was a shortfall of 64% in APM gas allocation for CNG in Q2FY26, which was met through NWG and HPHT gas. (4) **LPG business –** the company is in discussions with service providers at Kandla and Pipavav port, fleet providers, and propane suppliers. Management has asserted that gross margins of INR 10-11/scm in this business cannot be achieved as it is a low-margin business. (5) The company has maintained EBITDA margin guidance of INR 4.5-5.5/scm and reduced capex guidance for FY26E to INR 8bn, from INR 10bn.
- **Change in estimates:** We have cut EPS estimates for FY26/27 by 11/10% to INR18.5/25.5/sh, factoring in higher raw material cost. Our target price of INR472/sh is based on Dec-26 FCF (WACC 11%, terminal growth rate 3%).

Standalone financial summary

YE March (INR bn)	2Q FY26	1Q FY26	QoQ (%)	2Q FY25	YoY (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	38	39	(2.3)	38	(0.0)	157	165	154	173	189
EBITDA	4	5	(14.0)	5	(13.0)	19	19	20	26	31
APAT	3	3	(14.0)	3	(8.4)	11	11	13	18	21
AEPS (INR)	4.1	4.7	(14.0)	4.5	(8.4)	16.0	16.6	18.5	25.5	31.0
P/E (x)						25.3	24.3	21.9	15.8	13.0
EV / EBITDA (x)						14.3	14.6	12.5	9.5	7.5
RoE (%)						15.0	14.1	14.3	17.7	19.0

Source: Company, HSIE Research

Changes in estimates

YE March	FY26E			FY27E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	22.4	19.9	-11.1	28.7	25.5	-11.1
EPS	20.8	18.5	-11.3	28.4	25.5	-10.2

Source: HSIE Research

ADD

CMP *(as on 12 Nov 2025)*	INR 408
Target Price	INR 472
NIFTY	25,876

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 526	INR 472
	FY26E	FY27E
EPS change %	-11.3%	-10.2%

KEY STOCK DATA	
Bloomberg code	GUJGA IN
No. of Shares (mn)	688
MCap (INR bn) / ($ mn)	281/3,169
6m avg traded value (INR mn)	176
52 Week high / low	INR 524/360

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(4.1)	(12.0)	(18.9)
Relative (%)	(9.3)	(14.5)	(26.2)

SHAREHOLDING PATTERN (%)	Jun-25	Sep-25
Promoters	60.89	60.89
FIs & Local MFs	14.76	14.99
FPIs	4.31	3.86
Public & Others	20.04	20.26
Pledged Shares	0.0	0.0

Source : BSE

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Eris Lifesciences

In-line Q2; visible growth triggers from H2FY26

EBITDA grew 9% YoY, supported by moderate sales growth of 7% YoY (+9% YoY for DBF^, -1% for Swiss exports) and effective cost controls, which offset a 41bps decline in the gross margin. This resulted in an EBITDA margin of 36.4% (+68 bps YoY). Key Eris highlights: (1) DBF expected to grow ~12% YoY in FY26 (11% YoY in H1FY26), led by Rh-Insulin scale-up and new launches; (2) gradual traction anticipated from Semaglutide synthetic starting H1FY27, while Semaglutide recombinant is under development (currently in pre-clinical stage; target launch in H2FY18); (3) mid-to-long-term growth levers include insulin analogues (Aspart in H1FY27, Aspart mix in H1FY28, and Degludec/Degludec + Liraglutide/Aspart + Degludec in H2FY28); (4) exports business growth is expected to pick up in the coming quarters, led by a better product/customer mix and LoE opportunities in the EU. Growth visibility over the next 3–5 years is underpinned by a ramp-up in CDMO (received first order from EU client) and a new plant. It is targeting sales of INR 7bn by FY27 and INR 10bn by FY30; (5) EBITDA growth for DBF is projected at ~15% YoY, with margin at 37+% in FY26; (6) Capex of INR 7.5-8bn over FY26-28 (INR 3.8-4 bn in next three quarters), focusing on doubling insulin capacity (INR 1.5bn), Unit-3 general sterile injectable (INR 1.3bn), and investment in Levim (INR 1bn); (6) net debt stood at INR 22.78bn in Q2FY26, with the target of reducing net debt to INR 18bn now pushed to H2FY27 (vs. FY26 previously). While Eris is well-placed to monetize GLP-1, Rh-insulin, and other pipeline opportunities, concerns remain about softness in other core segments (CVS and VMN). Factoring in Q2, we have cut EPS estimates for FY26-27E by 3/2% and revised the TP to INR 1,810 (31x Q2FY28E EPS). ADD stays.

- **Q2 highlights**: Sales grew 7% YoY to INR 7.92 bn, led by 10% YoY growth in DBF and Swiss sales of INR 830mn (-1% YoY). GM declined to 74.5% (-41 bps YoY). Higher staff costs (+9% YoY) were offset by muted SG&A (flat YoY), resulting in an EBITDA of INR 2.88bn (+9% YoY) and 36.4% margin (+68 bps). DBF's margin was 37.6% (vs. 37.2% in Q2FY25), Biocon-2 was 32% (vs. 30%), and Swiss was 33% (vs. 30%). Lower other income (-38%), depreciation (-14%), and interest (-17%) led to a PAT of INR 1.2bn (+31% YoY).
- **Key takeaways from con call:** Eris is hopeful on doubling the market share for Basalog (insulin glargine), led by interchangeability credentials. The company missed its H1 growth target due to delay in approval process of gSaxenda (cancelled the launch) and price increase. **Collaboration with Biocon:** Biocon to assign select RoW markets to Eris for direct marketing of Rh-Insulin, Glargine, and Aspart; Biocon to expand its own RoW footprint in select markets by leveraging the insulin capacity at Eris Bionxt (Biocon to manufacture drug substance and Eris to manufacture finished products).

Quarterly financial summary

(INR mn)	2Q FY26	2Q FY25	YoY (%)	1Q FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	7,924	7,412	7	7,730	3	16,851	20,092	28,936	32,261	38,290	42,972
EBITDA	2,882	2,645	9	2,767	4	5,367	6,748	10,172	11,720	13,970	15,813
APAT	1,202	916	31	1,180	2	3,822	3,904	3,517	5,334	7,227	8,680
EPS (INR)	8.8	6.7	31	8.7	2	28.1	28.7	25.8	39.2	53.1	63.7
P/E (x)						56.1	54.9	61.0	40.2	29.7	24.7
EV/EBITDA (x)						41.4	34.8	23.7	20.4	16.7	14.3
RoCE (%)						16	10	11	14	17	18

Source: Company, HSIE Research, PAT adjusted for one-offs. ^ Domestic Branded Formulations

ADD

CMP *(as on 12 Nov 2025)*	INR 1,574
Target Price	INR 1,810
NIFTY	25,876

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1850	INR 1810
EPS %	FY26E	FY27E
	-3.3	-2.4

KEY STOCK DATA	
Bloomberg code	ERIS IN
No. of Shares (mn)	136
MCap (INR bn) / ($ mn)	215/2,420
6m avg traded value (INR mn)	317
52 Week high / low	INR 1,910/1,097

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(6.2)	12.1	15.0
Relative (%)	(11.5)	9.7	7.7

SHAREHOLDING PATTERN (%)	Jun-25	Sep-25
Promoters	54.83	54.85
FIs & Local MFs	18.18	19.36
FPIs	8.39	7.21
Public & Others	18.6	18.58
Pledged Shares	16.9	16.9

Source: BSE

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Balaji Amines

Weakness in demand continues

We maintain REDUCE on Balaji Amines (BAL) with a price target of INR 1,185, owing to (1) supply glut in domestic market in methylamines and its derivatives; (2) continued aggressive dumping by Chinese manufacturers in most of the product categories; and (3) deferral in project execution owing to delay in securing approvals from authorities. BAL is incurring a capex of INR 7.5bn in its subsidiary Balaji Specialty Chemical (BSCL) with phase-1 of INR 3.5bn expected to be commissioned by FY27. We expect EBITDA/APAT to grow at a CAGR of 9/4% over FY25-28E and RoE/RoCE to decline from 7.9/9.4% in FY25 to 7.3/9.2% in FY28. Currently, the stock is trading at 31/28/25x FY26/27/FY28, which we believe is contextually high, given the earnings growth. EBITDA was 8% below our estimates while APAT was 14% below our estimates, owing to lower-than-expected revenue, and higher raw material cost.

- **Financial performance:** Revenue came in at INR 3.40bn (-1.8/-5% YoY/QoQ), owing to a fall in sales volumes and price correction. EBITDA margin changed by +7/+230 YoY/QoQ to 17.6%. Gross margin changed by -14/+483 bps YoY/QoQ to 40.8%. EBITDA changed by -1.4/+9.4% YoY/QoQ to INR 0.598bn.
- **Key takeaways**: (1) Demand for the agro and pharma intermediate has been slow in recent quarters and is expected to pick up in coming quarters. (2) The DME (Dimethyl Ether) project is expected to be commissioned in FY25-26. BAL has submitted the application to the government of India for the LPG blending. (3) NMM (N-Methyl Morpholine) project is expected to be commissioned in FY25-26. (4) EDA brownfield expansion is expected to be commissioned in Sep 2026. (5) Acetonitrile prices remain stable in the range of INR 140-150/kg and expansion project is expected to be commissioned in FY26-27. (6) DMC (Dimethyl Carbonate) has currently used for the non-battery application. Management expects the EV production to ramp up, which will drive the demand for DMC. (7) Management expects 15% volume growth in FY27.
- **Change in estimates:** We tweak our FY26/FY27/FY28 EPS estimates by -14.5/-23/26.7% to INR 44/48.8/54.5, considering weak performance in H1, weak FY26 outlook, and delay in project commissioning.

Financial summary

Year Ending March (Rs mn)	2Q FY26	1Q FY26	*QoQ (%)*	2Q FY25	*YoY (%)*	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	3,406	3,583	*(5.0)*	3,469	*(1.8)*	16,415	13,971	13,776	14,801	15,747
EBITDA	598	547	9.4	607	(1.4)	3,237	2,321	2,333	2,733	3,024
APAT	371	365	*1.6*	415	*(10.5)*	2,323	1,586	1,427	1,582	1,765
Diluted EPS (Rs)	9.7	12.3	(21.0)	12.5	(22.2)	71.7	48.9	44.0	48.8	54.5
P/E (x)						19.0	27.8	30.9	27.9	25.0
EV/EBITDA(x)						12.6	17.6	16.9	15.0	14.2
RoE (%)						12.3	7.9	6.6	6.9	7.3

Source: Company, HSIE Research

Change in estimates

Y/E Mar	FY26E Old	FY26E New	% Ch	FY27E Old	FY27E New	% Ch	FY28E Old	FY28E New	% Ch
EBITDA (INR mn)	2,605	2,333	(10)	3,378	2,733	(19)	3,899	3,024	(22)
Adj. EPS (INR/sh)	51.51	44.04	(14.50)	63.37	48.82	(22.96)	74.35	54.48	(26.73)

REDUCE

CMP *(as on 12 Nov 2025)*	INR 1,270
Target Price	INR 1,185
NIFTY	25,876

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 1,525	INR 1,185
EPS %	FY26E	FY27E
	-14.5%	-23%

KEY STOCK DATA	
Bloomberg code	BLA IN
No. of Shares (mn)	32
MCap (INR bn) / ($ mn)	41/464
6m avg traded value (INR mn)	156
52 Week high / low	INR 2,120/1,112

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(17.6)	(2.4)	(37.6)
Relative (%)	(22.9)	(4.9)	(44.9)

SHAREHOLDING PATTERN (%)	June-25	Sept-25
Promoters	54.59	54.59
FIs & Local MFs	1.47	1.52
FPIs	5.0	4.52
Public & Others	38.95	39.37
Pledged Shares	0.00	0.00

Source : BSE

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Kolte Patil Developers

Weak show

KPDL reported a weak quarter with presales of 0.86msf (-16.5%/+2.4% YoY/QoQ), valued at INR 6.7bn (-13.0%/+8.8% YoY/QoQ), largely backed by sustenance sales at average realization of INR 7,791psf (+4.2%/+6.2% YoY/QoQ). Q2FY26 margins were impacted sharply by lower revenue recognition, mainly due to CCM-based accounting. However, KPDL believes that a new project mix will improve the margin to mid-teens in FY26. We expect sales momentum and robust cash flow to continue in the Life Republic (LR) project, adding fillip to the margins with better realization. Blackstone increased its stake to 40% in the quarter. KPDL's growth strategy is firmly supported by expanding strategic land bank, which now totals a significant ~37msf. The recent acquisition of the 7.5acre land parcel in Bhugaon, Pune, for an estimated GDV of INR 14bn, exemplifies its focused approach to securing assets in high-potential micro-markets. The company's proactive management and expansion plans position it for sustained growth. With strong cash flows and comfortable liquidity, KPDL is net cash positive, which paves the way for more BD activity. We maintain BUY with a TP of INR 480/sh.

- **Q2FY26 financial performance:** KPDL reported revenue of INR 1.3bn (-55.0% /-68.4% YoY/QoQ, miss by 57.9%). EBITDA came in at INR -372mn vs INR -359mn/-260mn Q2FY25/Q1FY26, vs INR 541mn est.). APAT was INR -104mn (INR -207mn/INR -37mn in Q2FY25/Q1FY26) vs. the estimated PAT of INR 438mn. Margins were sharply impacted by slower completion, led by CCM-based accounting; however, KPDL believes that the margin will improve to mid-teens in FY26, driven by new project mix. Margin improvement remains a priority, with EBITDA margin projected to reach mid-teens through cost optimization and operational efficiencies.
- **All eyes on launches to drive presales momentum:** KPDL reported quarterly presales of 0.86msf (-16.5%/+2.4% YoY/QoQ), valued at INR 6.7bn (-13.0%/+8.8% YoY/QoQ), largely backed by sustenance sales with an average realization of INR 7,791psf (+4.2%/+6.2% YoY/QoQ). Life republic contributed ~60% of total sales in Q2FY26. Collections were at INR 5.9bn, improving +8.4%/+8.4% YoY/QoQ. KPDL is targeting 6-7msf of project launches in key markets of Pune (NIBM, Wadgaon, and Lakshmiratan) and Mumbai. It expects over 30% YoY growth in presales, supported by strong collections. Geographically, KPDL is expanding its footprint in MMR while capitalizing on Pune's infrastructure-led growth to drive future scalability.
- **Strong balance sheet:** In Q2, Blackstone consolidated its stake in KPDL to 40%, becoming the largest promoter shareholder. Net cash stood at INR 3.7bn (INR 3.2mn in Q1FY26). Also, KPDL generated net operating cash flow of INR 1.9bn.

Consolidated financial summary (INR mn)

Particulars	2Q FY26	2Q FY25	YoY (%)	1Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	1,387	3,083	(55.0)	824	68.4	17,174	23,131	23,342	26,843
EBITDA	(372)	144	(359.1)	(260)	43.5	1,759	2,792	4,335	5,059
APAT	(104)	97	(207.9)	(168)	(37.8)	1,066	1,542	2,603	3,085
EPS (INR)	(1.4)	1.3	(207.9)	(2.2)	(37.8)	14.1	20.3	34.3	40.7
P/E (x)						29.9	20.6	12.2	10.3
EV/EBITDA (x)						22.0	14.5	9.5	7.9
RoE (%)						14.1	16.0	22.5	21.4

Source: Company, HSIE Research

BUY

CMP *(as on 12 Nov 2025)*	INR 407
Target Price	INR 480
NIFTY	25,876

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 480	INR 480
EPS Change %	FY26E -	FY27E -

KEY STOCK DATA	
Bloomberg code	KPDL IN
No. of Shares (mn)	89
MCap (INR bn) / ($ mn)	36/408
6m avg traded value (INR mn)	105
52 Week high / low	INR 498/235

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(0.8)	19.9	11.7
Relative (%)	(6.1)	17.5	4.3

SHAREHOLDING PATTERN (%)

	Jun-25	Sept-25
Promoters	69.45	73.81
FIs & Local MFs	8.12	8.77
FPIs	4.49	3.70
Public & Others	17.94	13.71
Pledged Shares	0.0	0.0

Source: BSE

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Rating Criteria

BUY: >+15% return potential

ADD: +5% to +15% return potential

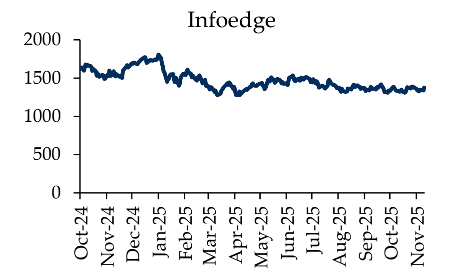
REDUCE: -10% to +5% return potential

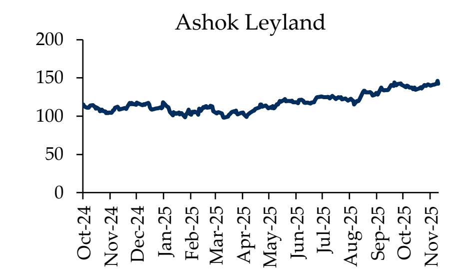
SELL: > 10% Downside return potential

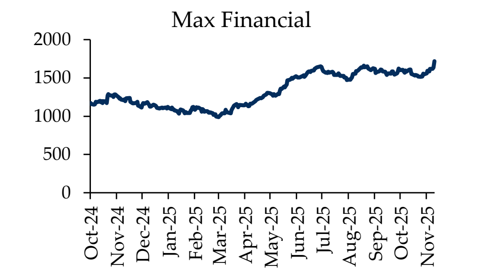
Disclosure:

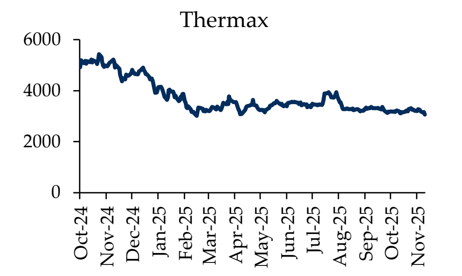
Analyst	Company Covered	Qualification	Any holding in the stock
Jay Gandhi	Asian Paints	MBA	NO
Vedant Mulik	Asian Paints	CA	NO
Amit Chandra	Infoedge	MBA	NO
Arjun Savla	Infoedge	CA	NO
Hitesh Thakurani	Ashok Leyland	MBA	NO
Shubhangi Kejriwal	Ashok Leyland	MSc	NO
Krishnan ASV	Max Financial Services	PGDM	NO
Shobhit Sharma	Max Financial Services	CA	NO
Parikshit Kandpal	Thermax, Kolte Patil Developers	CFA	NO
Aditya Sahu	Thermax, Kolte Patil Developers	MBA	NO
Jay Shah	Thermax, Kolte Patil Developers	CA	NO
Nilesh Ghuge	Gujarat Gas, Balaji Amines	MMS	NO
Prasad Vadnere	Gujarat Gas, Balaji Amines	MSc	NO
Dhawal Doshi	Gujarat Gas, Balaji Amines	CA	NO
Mehul Sheth	Eris Lifesciences	MBA	NO
Divyaxa Agnihotri	Eris Lifesciences	MSc	NO

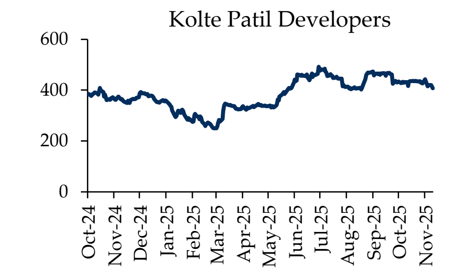
1 Yr Price movement

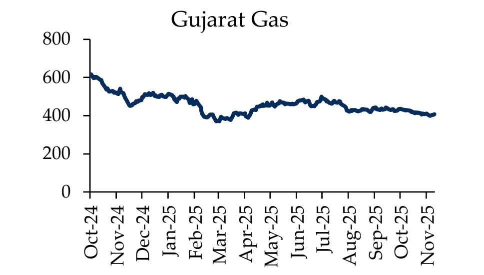


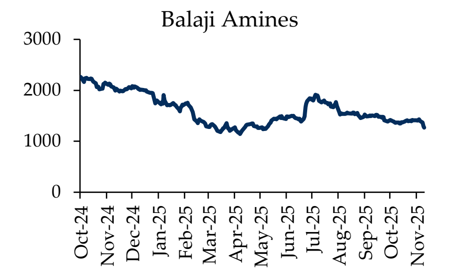


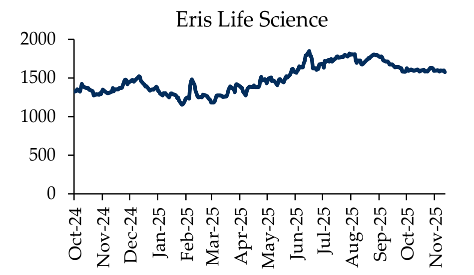












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