

HSIE Results Daily

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Results Reviews

- DLF:** DLF reported a strong quarter with presales of INR 43.3bn (+526%/-62.2% YoY/QoQ), backed by Dahlias project (INR 16bn) and new Andheri launch (INR 23bn). Collections remained muted at INR 26.7bn (-12.7%/-4.4% YoY/QoQ) and DLF expects INR 130bn+ run rate from FY27 as construction milestone gets hit. Dahlias super luxury project continues to witness strong traction, with over 50% of sales completed and prices crossing INR 1 Lakh psf. Future launches include Goa, Arbour 2, Dahlias Phase 2, Privana next phase, Panchkula and IREO land over the next 12-18months. The company is also evaluating entry into Noida and further expansion in MMR, with new business development deals under discussion in these markets. DLF highlighted that real estate demand remains robust, supported by NRI investments, and presales are expected to remain steady at INR 220bn+ in FY26, with a potential for upside. With significant embedded potential from its existing land bank, DLF continues to generate healthy margins, targeting 45%+ gross margins in the medium term. We maintain BUY on DLF with a TP of INR 988/share.
- Shriram Finance:** Shriram Finance's (SHFL) Q2FY26 earnings were largely in line with our estimates, with lower credit costs (1.95%) offset by lower-than-expected NIMs. AUM growth moderated marginally to 15.7% YoY (21% YoY in FY24; 17% in FY25), driven by moderation in disbursements growth (+10% YoY). Disbursements in CV segment saw an uptick sequentially while disbursements in the CE and 2 wheelers were sluggish. Asset quality surprised positively with steady credit costs (1.95%) and reduction in GS II amidst a weak macro environment. While the reduction in GST rate augurs well for auto sales volumes, subdued growth in used CV/PV segments due to supply constraints etc. remains a key challenge in uptick in loan growth for SHFL. We revise our FY26/FY27E earnings estimates to factor in lower NIMs and maintain ADD, with a revised RI-based TP of INR 750 (implying 2x Sep-27 ABVPS).
- Gail (India):** Our BUY recommendation for GAIL with a target price of INR 215 is based on expectation of upward revision in transmission tariff of Integrated Natural Gas Pipeline (INGPL). Q2FY26 reported standalone EBITDA at INR 31.9bn (-14.8% YoY, -4.3% QoQ) and APAT at INR 22.1bn (-17.0% YoY, +17.5% QoQ), below our estimate, due to lower-than-expected gas transmission volume and higher-than-expected other expenses. Depreciation was at INR 9.3bn (+14.1% YoY, +5.4% QoQ) whereas other income was at INR 7.9bn (+11.1% YoY, +1.7x QoQ). Interest cost was INR 2.3bn (+20.9% YoY, +9.7% QoQ).
- Lodha Developers:** Lodha Developers Ltd recorded Q2FY26 presales of INR 45.7bn (+6.5/+2.7% YoY/QoQ), maintaining its quarterly run rate of >INR 40bn, and expects INR 60bn quarterly run rate from Q3FY26. Presales growth is led by strong demand across segments with premium to luxury segments leading the way. Collections were INR 34.3bn (+30.4/+28.8% YoY/QoQ). The embedded EBITDA margin on presales was ~32%. In terms of launches, Lodha has launched GDV of INR 49bn in Q2FY26 with a saleable area of 3.9msf. In terms of BD, Lodha has already achieved BD guidance of INR 250bn in H1FY26 itself, with INR 23bn worth of projects added in Q2FY26. The company is aligning with its long-term strategy, which aims to deliver a 20%

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CAGR in presales to reach INR 500bn by FY31. The company's current annuity asset base provides visibility of INR 11.6bn, aiming for INR 15bn net annuity income by FY31, indicating a clear path toward its FY31 goals. Strategic bets on high-growth markets like Pune where it aims to become the leading developer within two years and infrastructure-led value unlocking in Palava could further strengthen its growth narrative. Additionally, Lodha's data center strategy, while promising, is still under development with delivery models being evaluated. Key growth drivers include land monetization at Palava, targeting INR 80bn in township presales by 2030 with high EBITDA margins c.50%. Additionally, Lodha plans to enter the Delhi NCR market, starting with a pilot project within the next 12 months, followed by a full-scale launch by FY27. Given robust growth visibility, better-than-expected GDV addition, and uptick in land prices (Palava may see price and volume increase as new infra projects get commissioned), we remain constructive. We maintain our ADD rating with a TP of INR 1,311/sh.

- **Hindustan Petroleum Corporation:** Our REDUCE rating on Hindustan Petroleum Corporation (HPCL) with a price target of INR 413 is premised on the risk of lower auto-fuel marketing margins and elevated debt levels, given the high capex cycle. Q2FY26 EBITDA came in at INR 68.9bn (+1.5x YoY, -9.4% QoQ), while PAT came in at INR 38.3bn (+5x YoY, -12.4% QoQ), below our estimate, owing to lower-than-expected marketing margin and other income and higher-than-expected operating expenses.
- **Mphasis:** Mphasis reported an in-line performance for Q2FY26, with revenue growing +2% QoQ in CC terms and EBIT margin remaining stable at 15.3%. Direct business (~98% of total revenue) posted a +2.2% QoQ CC growth, driven by momentum in TMT (+9.1% QoQ) and Insurance (+4.3% QoQ), offset by 2.7% QoQ drop in Logistics and Transportation (bounce back expected in Q3 backed by deal wins). The overall deal engine continued to perform well, with TCV reaching USD 528mn marking the second consecutive quarter above the half a billion mark. A strategic milestone in the quarter was the launch of NeoIP, Mphasis' integrated AI platform. This marks a significant advancement in its decade-long AI journey. NeoIP is built to continuously rewire core systems using dynamic knowledge graphs and integrate with third-party AI agents. Its goal is to enhance human productivity and drive transformation across modernization, application development, IT ops, and business ops. Mphasis maintains its operating margin guidance within the 14.8%-15.8% range and expects revenue to continue outperforming industry growth, supported by a record pipeline (up 97% YoY, with 69% AI-led) and consistent TCV conversion. Nonetheless, near-term margins may face pressure due to ongoing investments and large deal ramp-ups. At a valuation of 24x FY27E earnings, the risk-reward profile appears unfavourable. We retain our REDUCE rating with a target price of INR 2,735, based on 22x Sep-27E EPS.
- **Dr. Lal Pathlabs:** EBITDA (+11% YoY) was in line with our/consensus estimates, driven by a 11% YoY increase in sales, supported by 5%/10% YoY growth in patient/sample volumes. EBITDA margin was flat YoY at 30.7%, due to higher costs. DLPL retains its guidance on sustaining volume-led growth and maintain its 11-12% growth and raise margin guidance upwards to 27-28% vs 27% earlier in FY26 (29.7% in H1FY26). Key growth driver is geographic expansion (core markets and Tier 2/3 regions), portfolio innovation (broaden its high-complexity testing in genomics, oncology, autoimmunity), and digital enablement. DLPL is emphasized on its priority to maximize network utilization and convert infrastructure into significant operating leverage. It expects a continued higher contribution from SwasthFit and is looking to expand their portfolio offering to sustain the growth

momentum. It is looking for M&As to expand presence in southern India (as of Sep-25, cash at INR 13.67 bn). We expect volume-led growth supported by improving growth trajectory in Suburban and sustained growth momentum in core markets (North and East). DLPL's ambition to foray in radiology is a welcome move. However, margin sustainability remains key (given expansion phase to continue as it looks to add 15-20 labs and 600-800 collection centers in FY26). Factoring in Q2FY26 performance, we have slightly tweaked our EPS for FY26/27E. We roll forward the TP to INR 3,450, based on 45x Q2FY28E EPS. ADD stays.

- **Kalpataru Projects International:** Kalpataru Projects International's (KPIL) Q2FY26 revenue/EBITDA/APAT were reported at INR 54.2/4.5/2bn, a beat of +4.4/+1.3/0.3% to our estimates, respectively. KPIL secured new orders worth INR 149.5bn in YTD FY26 (H1: INR 127.9bn and Q3FY26: INR 22bn), taking the total order book (OB) to INR 647bn (~3.4x FY25 revenue). The company is now targeting FY26 revenue growth of ~25%+, with an EBITDA margin band of 8.5-8.7% and a PBT margin of 5.5%, along with an expected order inflow of INR 250bn+ in FY26. KPIL is actively diversifying geographically - LATAM (Ex-Brazil), Africa and Middle East - and segment-wise, with a strategic review initiated for its Swedish subsidiary (LNG), possibly including an IPO. On the capital allocation front, KPIL is prioritizing prudent debt management, aiming for net working capital days below 100 and minimal loss funding towards BOT/SPV assets. Additionally, it is actively pursuing monetization of non-core assets (e.g. logistics warehouses) and exploring international opportunities in renewables, transmission, and urban infra to drive the next leg of growth. Given the robust order booking, stable growth outlook, and a strong balance sheet (BS) and NWC, we retain our P/E target multiple at 20x. Maintain a BUY rating on the stock with increased TP of INR 1,520/sh (20x Sep-27E EPS rollover from Mar-27E, INR 45/sh for subsidiaries).
- **Zensar Technologies:** Zensar reported a flat sequential USD revenue growth in CC terms for Q2FY26, in line with estimate; however, the margin performance was better vs expectations. The primary reason for the slow growth was a sharp 10.2% QoQ CC decline in the TMT vertical, which is linked to a secular trend in the sector where clients are rationalizing OpEx to fund heavy CapEx investments related to GPUs and data centers. Despite the TMT headwind, Zensar delivered strong growth in BFSI (+4.8% QoQ), and Healthcare and Life Sciences (+3.9% QoQ), while Manufacturing and Consumer Services stood flat. The EBITDA margins expanded to 15.5% (+27bps QoQ) absorbing the impact of wage hikes and one-time bonuses supported by better utilization, an improved offshore mix, disciplined cost management, and forex gains. TCV bookings were subdued at USD 158.7mn, with a Q2 book-to-bill ratio of 0.97x (vs 1.06x in Q1). A notable development was the sharp rise in AI-influenced deals, which now account for 28% of the order book. Zensar also introduced ZenseAI, its next-gen Agentic AI platform aimed at driving enterprise innovation. The company has also upskilled ~5,000 employees in AI, Gen AI, and Agentic AI through structured multi-tiered learning programs. Q3 is expected to be seasonally weak due to furlough but the itis investing to aid growth while maintaining financial discipline. We maintain our earnings estimates and reiterate our ADD rating, with a target price of INR 835, based on 22x Sep-27E EPS.
- **CemIndia Projects:** CemIndia Projects' (CPL) revenue/EBITDA/APAT beat/miss on our estimates was +2.4/+1.2/-0.1% respectively. With an OI of INR 33bn in Q2FY26 (H1: INR 62bn), the OB as of Sep'25 stands at INR 206bn (~2.3x FY25 revenue); ex of L1: INR 40bn. OB from group entities is ~25%. CPL has guided for 20% revenue growth, 10% EBITDA margin, and OI of ~INR 150-160bn (35% from group entities) in FY26, with current bid pipeline at INR

900bn (25% from group entities). The OB is well-diversified, offering a natural hedge against any slowdown in specific business segments and targeting maritime, industrials, urban infra/MRTS/airports, roads, hydro, data centre, and other segments. CPL is now focused on bidding for only higher ticket-sized orders and is expanding into new segments such as data centres and ports based on Adani group requirements. While H1FY26 execution was impacted by extended monsoon, this is expected to improve in H2FY26. We have marginally tweaked our estimates lower, reiterate BUY, with a TP of INR 869/sh (18x Mar-28E EPS).

- **Bata India:** Bata's revenue declined 4.3% YoY to INR 8bn in Q2 (HSIE: INR 9.1bn), impacted by customer and channel partners deferring purchases following GST rate cut announcements, along with a temporary disruption at one of its largest warehouses. The decline was volume-driven, as ASP remained stable YoY. Zero Base Merchandising (ZBM) footprint rose to 300 stores, with plans to roll out 400 stores by Q3FY26 and 800 stores by Q3FY27. GM/EBITDAM declined 122/277bps YoY to 55.4/18.1% (HSIE: 56.5/21%), driven by higher markdowns to clear inventory and higher marketing spends (up 200bps YoY). We've toned down our FY27/28 EPS estimates by ~4% each and maintain our REDUCE rating with a DCF-based TP of INR1,050/sh, implying 34x Sep-27 P/E.
- **Bajaj Electricals:** Bajaj Electricals' revenue declined 1% YoY to INR 11.07bn, primarily due to 4% de-growth in consumer products segment owing to heavy rainfall and high channel inventory of summer products. While lighting segment grew by 10%, aided by early festival season. EBITDAM expanded 100bps YoY to 5.6%, led by higher gross margin and decrease in other expenses (-7% YoY). EBITDA grew by 20% YoY, while APAT growth was 13% YoY owing to low tax rate in the base quarter. While the management did not provide guidance for FY26, it indicated that festive demand remained muted and channel inventory in TPW fans and coolers continues to be elevated. However, it anticipates demand to recover in H2FY26. The company also introduced switchgear in the lighting segment in August, which has received a favorable response. Considering a weak Q2 performance, we cut our revenue estimates by 3% each and APAT by 11/14% for FY26/27E respectively. We have introduced FY28E financials and roll forward our valuation to Sep-27E from Mar-27E. We maintain a REDUCE rating, with a lower TP of INR 530/sh, valuing the company at 35x Mar-27E EPS.

DLF

Presales surge amid resilient market appetite

DLF reported a strong quarter with presales of INR 43.3bn (+526%/-62.2% YoY/QoQ), backed by Dahlias project (INR 16bn) and new Andheri launch (INR 23bn). Collections remained muted at INR 26.7bn (-12.7%/-4.4% YoY/QoQ) and DLF expects INR 130bn+ run rate from FY27 as construction milestone gets hit. Dahlias super luxury project continues to witness strong traction, with over 50% of sales completed and prices crossing INR 1 Lakh psf. Future launches include Goa, Arbour 2, Dahlias Phase 2, Privana next phase, Panchkula and IREO land over the next 12-18months. The company is also evaluating entry into Noida and further expansion in MMR, with new business development deals under discussion in these markets. DLF highlighted that real estate demand remains robust, supported by NRI investments, and presales are expected to remain steady at INR 220bn+ in FY26, with a potential for upside. With significant embedded potential from its existing land bank, DLF continues to generate healthy margins, targeting 45%+ gross margins in the medium term. We maintain BUY on DLF with a TP of INR 988/share.

■ **Q2FY26 financial highlights:** Revenue came in at INR 16.4bn (-16.8%/-39.5% YoY/QoQ, a miss of 18.7%). EBITDA stood at INR 2.8bn (-43.5%/-22.1% YoY/QoQ, a miss by 46.5%). EBITDA margin came in at 17.3% (-816/+385 bps YoY/QoQ, vs 26.2% estimate). The share of profits and associates & JVs: INR 4.1bn (+21.8%/+8.3% YoY/QoQ). APAT was INR 7.4 (-49.2%/-8.0 YoY/QoQ, miss by 18.9%). DCCDL rental income was INR 13.6bn (+15.2%/+0.4% YoY/QoQ). EBITDA was INR 14.1bn (+12%/-22.5% YoY/QoQ) and PAT was INR 6.4bn (+23%/+7.8% YoY/QoQ). Demand remains robust, supported by NRI investments, and presales are expected to remain steady at INR 220bn+ in FY26, with a potential for upside as DLF has already clocked INR 160bn presales in H1FY26 on the back of Dahlias and first Mumbai launch.

■ **New launches guiding the presales momentum:** DLF reported a strong quarter with presales of INR 43.3bn (+526%/-62.2% YoY/QoQ) backed by Dahlias sales. Within the DCCDL office portfolio, occupancy stood at 94% (flat QoQ). In Goa, all approvals have been secured, and despite an unrelated court case, the launch is expected in Q3FY25/Q4FY26. On commercial front key developments include 7.5msf. in Gurgaon, with full-scale construction underway and completion expected by mid-2028. The developer sees a sharp improvement in occupancy from H2FY26 onwards. DLF expects its exit rental to reach INR 67bn by FY26, with further growth in FY27.

■ **Strong balance sheet set to propel business expansion:** With a net cash status of INR 77.2bn and a diversified land bank of 137msf, we maintain a positive outlook on DLFU's growth potential, supported by robust sectoral trends. DLF remains focused on a) driving execution efficiency, b) scaling up rental portfolio (via office and retail assets) and c) monetizing mature inventory and optimizing working capital.

Consolidated financial summary (INR mn)

YE March (Rs mn)	1QFY26	1QFY25	YoY (%)	4QFY25	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	16,430	19,750	(16.8)	27,167	(39.5)	79,937	91,204	1,02,591	1,15,797
EBITDA	2,836	5,020	(43.5)	3,642	(22.1)	21,086	33,170	38,753	45,576
APAT	7,014	13,812	(49.2)	7,623	(8.0)	43,668	40,877	45,989	53,381
Diluted EPS (Rs)	2.8	5.6	(49.2)	3.1	(8.0)	17.6	16.5	18.6	21.6
P/E (x)						44.2	47.2	42.0	36.2
EV / EBITDA (x)						91.3	57.9	49.3	41.6
RoE (%)						10.7	9.3	9.8	10.6

Source: Company, HSIE Research

BUY

CMP (as on 31 Oct 2025)	INR 756
Target Price	INR 988
NIFTY	25,722

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 988	INR 988
EPS %	FY26E	FY27E
	-	-

KEY STOCK DATA

Bloomberg code	DLFU IN
No. of Shares (mn)	2,475
MCap (INR bn) / (\$ mn)	1,872/21,087
6m avg traded value (INR mn)	2,531
52 Week high / low	INR 897/601

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(3.6)	12.2	(7.8)
Relative (%)	(7.0)	7.5	(13.5)

SHAREHOLDING PATTERN (%)

	Jun-25	Sept-25
Promoters	74.08	74.08
FIs & Local MFs	5.01	5.21
FPIs	15.98	15.46
Public & Others	4.93	5.25
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Shriram Finance

Steady performance amidst a challenging environment

Shriram Finance's (SHFL) Q2FY26 earnings were largely in line with our estimates, with lower credit costs (1.95%) offset by lower-than-expected NIMs. AUM growth moderated marginally to 15.7% YoY (21% YoY in FY24; 17% in FY25), driven by moderation in disbursements growth (+10% YoY). Disbursements in CV segment saw an uptick sequentially while disbursements in the CE and 2 wheelers were sluggish. Asset quality surprised positively with steady credit costs (1.95%) and reduction in GS II amidst a weak macro environment. While the reduction in GST rate augurs well for auto sales volumes, subdued growth in used CV/PV segments due to supply constraints etc. remains a key challenge in uptick in loan growth for SHFL. We revise our FY26/FY27E earnings estimates to factor in lower NIMs and maintain ADD, with a revised RI-based TP of INR 750 (implying 2x Sep-27 ABVPS).

- **NIMs improve sequentially; other income aids PPOP growth:** SHFL's NIM improved sequentially (8.19%; 8bps QoQ), driven by run-down of excess liquidity, while cost of funds remains elevated (9.3% - calculated). With 87% of borrowings at fixed rate, SHFL is likely to see protracted reduction in cost of funds compared to peers. Other income remained strong at +30% YoY, driven by healthy recoveries.
- **Asset quality improves in a challenging environment:** SHFL's GS-II declined sequentially to 6.9% (Q1FY26: 7.3%), with improvement across segments, except CE, 2W, and gold loans. Management indicates muted capex by select State governments is impacting the CE segment, although capacity utilization in the CV segment remained healthy. Credit costs of 1.95% surprised positively in a seasonally weak quarter, with lower net slippages of 1.5%.
- **Uptick in loan growth key monitorable:** SHFL's loan growth continues to be driven largely by the non-CV/CE portfolio (49% of AUM), which grew by +22% YoY. With muted volume growth in used CV/PV segments, we expect AUM growth to moderate to ~15-16% over FY26E-FY28E. While the growth is moderating in the non-CV/CE segments, sustained uptick in PVs, Tractors, and 2W remains a key monitorable for the uptick in loan growth for SHFL.

Financial summary

Y/E Mar (INR bn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	60.3	54.6	10.3	57.7	4.4	218.5	250.3	294.2	338.7
PPOP	44.4	39.9	11.5	41.9	6.0	162.6	186.5	220.9	255.1
APAT	23.1	20.7	11.4	21.6	7.0	82.7	97.7	112.8	132.3
EPS (INR)	12.3	11.0	11.5	11.5	7.1	44.0	52.0	60.0	70.4
ROAE (%)						15.8	16.2	16.4	16.9
ROAA (%)						3.1	3.2	3.2	3.3
ABVPS (INR)						264	301	342	390
P/ABV (x)						2.8	2.5	2.2	1.9
P/E (x)						17.0	14.4	12.5	10.6

Change in estimates

INR bn	FY26E			FY27E		
	Old	New	Chg	Old	New	Chg
AUM	3,035	3,035	0.0%	3,490	3,490	0.0%
NIM (%)	8.2	8.0	-23bps	8.4	8.3	-8 bps
NII	258.6	250.3	-3.2%	299.3	294.2	-1.7%
PPOP	195.4	186.5	-4.5%	227.1	220.9	-2.7%
PAT	101.6	97.7	-3.8%	118.7	112.8	-5.0%
ABVPS (INR)	301	301	-0.1%	345	342	-0.9%

Source: Company, HSIE Research | Note: FY25 earnings adjusted for stake sale in erstwhile Shriram Housing Finance

ADD

CMP (as on 31 Oct 2025)	INR 749
Target Price	INR 750
NIFTY	25,722

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR685	INR750
EPS %	FY26E	FY27E
	-3.8%	-5.0%

KEY STOCK DATA

Bloomberg code	SHFL IN
No. of Shares (mn)	1,881
MCap (INR bn) / (\$ mn)	1,409/15,869
6m avg traded value (INR mn)	3,954
52 Week high / low	INR 770/493

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	18.7	22.4	19.3
Relative (%)	15.3	17.8	13.6

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	25.4	25.4
FIs & Local MFs	16.3	18.7
FPIs	52.6	49.6
Public & Others	5.7	6.3
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Gail (India)

Transmission volume guidance further trimmed

Our BUY recommendation for GAIL with a target price of INR 215 is based on expectation of upward revision in transmission tariff of Integrated Natural Gas Pipeline (INGPL). Q2FY26 reported standalone EBITDA at INR 31.9bn (-14.8% YoY, -4.3% QoQ) and APAT at INR 22.1bn (-17.0% YoY, +17.5% QoQ), below our estimate, due to lower-than-expected gas transmission volume and higher-than-expected other expenses. Depreciation was at INR 9.3bn (+14.1% YoY, +5.4% QoQ) whereas other income was at INR 7.9bn (+11.1% YoY, +1.7x QoQ). Interest cost was INR 2.3bn (+20.9% YoY, +9.7% QoQ).

- **NG marketing:** Q2 marketing volume stood at 105.49mmscmd (+9.2% YoY, flat QoQ), coming in below our estimate of 113mmscmd and EBITDA came in at INR 15.5bn (+2.6% YoY, +17.9% QoQ).
- **Petchem:** Q2 petchem EBITDA further reduced sequentially to a loss of INR 1.45bn (-14% QoQ) due to higher raw material cost (+22.5% YoY, +0.5% QoQ). Polymer sales volume stood at 209kT (-7.5% YoY, +18.1% QoQ). Realization improved sequentially to INR 95.7/kg (-0.5% YoY, +0.8% QoQ).
- **NG transmission:** GAIL reported volumes of 123.6mmscmd (-5.4% YoY, +2.5% QoQ) and transmission tariffs of INR 2,406/tscm (+1.6% YoY, -5.9% QoQ), delivering EBITDA of INR 18.3bn (+1.3% YoY, -7.1% QoQ) for the quarter. Volumes were impacted by (i) reduced demand from power sector, led by extended strong monsoon season, (ii) operations of four pipelines being impacted due to floods, and (iii) alternate fuels being better priced compared to gas, leading to lower industrial demand.
- **Key takeaways:** (1) **Gas marketing** – management has maintained PBT guidance of INR 40-45bn for FY26E. 7.8MMT is being sold on a fixed margin basis (with yearly increment of 5% on 4.8MMT). 6.5MMT is being sold on varying margin basis depending on market conditions. Contracts have been entered for 16.5MMT of gas. Most of this is back-to-back contracted. (2) **Gas transmission** – volumes were down compared to previous year on account of lower offtake from power sector owing to an extended monsoon, and four pipelines were impacted by floods and prices of alternate fuels being lower than those of natural gas. GAIL has revised its volume guidance for FY26/27E downwards from 127/135mmscmd to 124/134mmscmd respectively. Management believes the incremental 10mmscmd of demand in FY27 will come from CGD/power/new pipelines/refineries to the tune of 3.5/3/2/2mmscmd respectively. Management believes that the recently concluded capacity expansion of Jamnagar Loni pipeline (from 3.25MMTPA to 6.5MMTPA) will result in annual incremental EBITDA to the tune of ~INR 6bn. (3) **Petchem** – sequential increase in volume was on account of absence of plant shutdown, which had impacted volume in the previous quarter. Gas cost at ~USD 10.5/mmbtu in Q2FY26 was ~50% higher YoY resulting in this segment reporting a loss. Negative profitability is expected to remain for the rest of FY26. The company expects gas prices to moderate in FY27. The 500 ktpa PDHPP plant that is expected to commission operations in FY27 will contribute ~USD 250-300/MT at EBITDA level. (4) **GAIL Gas** – Reported revenue/PBT/PAT of INR 32.3/1.4/1.1bn, up 11/1/3% QoQ respectively and volumes of 7.72mmscmd (as against 7.03mmscmd for Q1FY26). (5) Incurred capex of ~INR 16.6bn (~INR 7.84/5.14/2.26/1.4bn towards pipelines/petchem/operations/others respectively).
- **Valuation:** We tweak our FY26/27E EPS estimates by -5.6/-10% respectively to factor in the reduced transmission volume guidance. We revise our SOTP target price to INR 215/sh, based on 11x Dec-26E EV/EBITDA for the natural gas, LPG transmission and domestic gas marketing business, 4x EV/EBITDA for non-domestic gas marketing business, 6x EV/e for petchem and LPG & LHC businesses, and INR 43 for investments. The stock is currently trading at 14.8x Dec-26E EPS and 10.9x EV/EBITDA.

Standalone financial summary

(INR bn)	2QFY26	1QFY26	QoQ (%)	2QFY25	YoY (%)	FY24*	FY25*	FY26E*	FY27E*
Revenue	350.08	347.69	0.7	329.12	6.4	1,332.28	1,419.03	1,410.49	1,324.79
EBITDA	31.91	33.34	(4.3)	37.45	(14.8)	142.96	154.32	136.99	138.20
PAT	22.17	18.86	17.5	26.72	(17.0)	98.99	124.50	94.14	94.83
EPS (INR)	3.4	2.9	17.5	4.1	(17.0)	15.1	18.9	14.3	14.4
P/E (x)						12.2	9.7	12.8	12.7
EV / EBITDA (x)						9.8	9.0	10.0	9.6
RoE (%)						13.9	15.4	10.5	9.6

Source: Company, HSIE Research | *Consolidated

Changes in estimates

YE March	FY26E			FY27E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	145	137	-5.2	152	138	-9.3
EPS	15.2	14.3	-5.6	16.0	14.4	-10.0

Source: HSIE Research

BUY

CMP (as on 31 Oct 2025)	INR 183
Target Price	INR 215
NIFTY	25,722

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 230	INR 215
EPS change	FY26E -5.6%	FY27E -10.0%

KEY STOCK DATA

Bloomberg code	GAIL IN
No. of Shares (mn)	6,575
MCap (INR bn) / (\$ mn)	1,202/13,536
6m avg traded value (INR mn)	2,057
52 Week high / low	INR 217/151

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	2.9	(3.3)	(8.6)
Relative (%)	(0.5)	(8.0)	(14.3)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	51.90	51.90
FIs & Local MFs	26.63	19.04
FPIs	14.79	14.91
Public & Others	6.68	14.15
Pledged Shares	0.0	0.0

Source : BSE

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Lodha Developers

Strong show

Lodha Developers Ltd recorded Q2FY26 presales of INR 45.7bn (+6.5/+2.7% YoY/QoQ), maintaining its quarterly run rate of >INR 40bn, and expects INR 60bn quarterly run rate from Q3FY26. Presales growth is led by strong demand across segments with premium to luxury segments leading the way. Collections were INR 34.3bn (+30.4/+28.8% YoY/QoQ). The embedded EBITDA margin on presales was ~32%. In terms of launches, Lodha has launched GDV of INR 49bn in Q2FY26 with a saleable area of 3.9msf. In terms of BD, Lodha has already achieved BD guidance of INR 250bn in H1FY26 itself, with INR 23bn worth of projects added in Q2FY26. The company is aligning with its long-term strategy, which aims to deliver a 20% CAGR in presales to reach INR 500bn by FY31. The company's current annuity asset base provides visibility of INR 11.6bn, aiming for INR 15bn net annuity income by FY31, indicating a clear path toward its FY31 goals. Strategic bets on high-growth markets like Pune where it aims to become the leading developer within two years and infrastructure-led value unlocking in Palava could further strengthen its growth narrative. Additionally, Lodha's data center strategy, while promising, is still under development with delivery models being evaluated. Key growth drivers include land monetization at Palava, targeting INR 80bn in township presales by 2030 with high EBITDA margins c.50%. Additionally, Lodha plans to enter the Delhi NCR market, starting with a pilot project within the next 12 months, followed by a full-scale launch by FY27. Given robust growth visibility, better-than-expected GDV addition, and uptick in land prices (Palava may see price and volume increase as new infra projects get commissioned), we remain constructive. We maintain our ADD rating with a TP of INR 1,311/sh.

- Q2FY26 financial highlights:** Revenue: INR 37.9bn (+45.1/+9.2% YoY/QoQ, beat by 31%). EBITDA: INR 11.1bn (+57.1/+13.2% YoY/QoQ, beat by 44%). EBITDA margin: 29.2% (+236/+100bps YoY/QoQ, vs. estimate of 26.5%). Other income: INR 804mn (INR 589mn/1.3bn Q2FY25/Q1FY26). RPAT: INR 7.8bn (+87.3%/+17.0% YoY/QoQ, beat by 67.1%).
- Strong presales backed by robust demand:** Lodha recorded robust presales of INR 45.7bn (+6.5/+2.7% YoY/QoQ), maintaining its quarterly run rate of >INR 40bn. Presales growth is led by strong demand across segments, with premium to luxury segments leading its way. The company launched projects of 3.9msf, with a GDV potential of INR 49bn. Lodha expects that in FY26, presales shall grow by 20%; moreover, the developer is also eyeing to enter into few more geographies in the coming years, with NCR being the first in sight.
- Strong balance sheet, net debt well within guidance:** Net debt increased by INR 3.6bn to INR 53.7bn on the back of aggressive BD. Net D/E came at 0.25x, which is well within the guidance of net D/E of 0.5x or net debt/OCF of 1x. In terms of business development, Lodha has already achieved its BD guidance with INR 250bn worth of projects added in H2FY26 itself.

Consolidated financial summary (INR mn)

YE March (Rs mn)	2Q FY26	2Q FY25	YoY (%)	1Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	37,985	26,257	45	34,917	9	1,37,795	1,49,782	1,73,498	1,86,690
EBITDA	11,088	7,046	57	9,844	13	39,880	44,577	55,060	60,304
APAT	7,898	4,231	87	6,751	17	27,666	29,779	37,563	41,775
Diluted EPS (Rs)	7.9	4.2	86.7	6.8	17.0	27.7	29.9	37.7	41.9
P/E (x)						46.2	42.9	34.0	30.6
EV / EBITDA (x)						33.4	29.8	23.5	20.8
RoE (%)						14.7	14.8	17.3	16.5

Source: Company, HSIE Research

ADD

CMP (as on 31 Oct 2025)	INR 1,198
Target Price	INR 1,311
NIFTY	25,722

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,311	INR 1,311
EPS Change %	FY26E	FY27E
	-	-

KEY STOCK DATA

Bloomberg code	LODHA IN
No. of Shares (mn)	999
MCap (INR bn) / (\$ mn)	1,196/13,474
6m avg traded value (INR mn)	1,895
52 Week high / low	INR 1,534/1,035

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(2.7)	(9.9)	(0.7)
Relative (%)	(6.1)	(14.5)	(6.4)

SHAREHOLDING PATTERN (%)

	Jun-25	Sept-25
Promoters	71.90	71.87
FIs & Local MFs	2.19	2.73
FPIs	24.89	24.11
Public & Others	1.00	1.28
Pledged Shares	-	-

Source : BSE

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Hindustan Petroleum Corporation

Weaker-than-expected marketing margins

Our REDUCE rating on Hindustan Petroleum Corporation (HPCL) with a price target of INR 413 is premised on the risk of lower auto-fuel marketing margins and elevated debt levels, given the high capex cycle. Q2FY26 EBITDA came in at INR 68.9bn (+1.5x YoY, -9.4% QoQ), while PAT came in at INR 38.3bn (+5x YoY, -12.4% QoQ), below our estimate, owing to lower-than-expected marketing margin and other income and higher-than-expected operating expenses.

- Refining:** HPCL reported crude throughput of 6.57mmt (+4.3% YoY, -1.4% QoQ). Reported GRMs at USD 8.80/bbl (+1.82x YoY, +1.85x QoQ) came in above our estimates. Inventory gain of USD 0.8/bbl was recorded for the quarter. We expect GRMs to cool down, going ahead, as new capacities ramp up globally. We estimate standalone GRMs at USD 6.8/7.5 per bbl for FY26/27E.
- Marketing:** Domestic marketing sales volume was 11.1mmt (+3.4% YoY, -9.0% QoQ). The blended gross marketing margin for the quarter stood at INR 5.9/lit (+12.4% YoY, -26.6% QoQ), which is below our expectation. Inventory gain and LPG under-recovery for the quarter stood at INR 5.69bn and INR 11.98bn respectively. We estimate a blended gross margin of INR 5.7/4.5 per lit for FY26/FY27E.
- Conference call takeaways:** (1) HPCL's gross refining margin improved to USD 8/bbl on the back of higher product cracks and stable crude prices. (2) Company recorded marketing and refining inventory gain of INR 5.6bn and INR 3.3bn in Q2FY26. (3) HPCL's project 'Samriddhi', which is directed toward improving operational efficiencies, resulted in EBITDA savings of ~INR 8bn in H1FY26. Close to 35% of these cost savings are recurring in nature while the balance are one-time gains. Company has set a target of ~INR 10bn worth cost saving for FY26E (~USD 0.6/bbl). Considering the positive results of project 'Samriddhi', HPCL will launch 'Samriddhi 2.0' from April 2026. (4) Barmer refinery is 95% complete, with 'crude in' to be completed in a couple of months. It will take around three months for this refinery to operate at full capacity. However, till the petchem plant comes online, the output will be restricted to around 8MMTPA. The pre-commissioning of Vizag refinery has been completed and is expected to come online in the next few weeks. Once operational, this refinery will lead to ramp-up in overall GRMs. (5) Due to the accidental processing of crude containing high chlorine, some damage was caused to the refinery a few weeks ago. This has led to a potential loss of INR 1.5bn on sale of Naphtha at lower prices, loss of INR 1.5bn on account of extra movement and product loss. Operations at the refinery have been restored and is now working as usual. (6) HMEI reported EBITDA/PAT of INR 140/1.7bn for the quarter with petchem contributing 30-35% of the EBITDA.
- Valuation and change in estimates:** We have tweaked our FY26 EPS estimates upwards by 7% to INR 68.8 per share. Our SOTP target price of INR 413 is based on 6x Dec-26E EV/EBITDA for standalone refining, marketing, and pipeline business respectively, and INR 123/sh for other investments. The stock is currently trading at 8.8x Dec-26E EPS.

Standalone financial summary

YE March (INR bn)	2QFY26	1QFY26	QoQ(%)	2QFY25	YoY (%)	FY23*	FY24*	FY25*	FY26E*	FY27E*
Revenue	1,008	1,108	(9.0)	999	0.9	4,407	4,339	4,341	4,748	5,066
EBITDA	69	76	(9.4)	27	152.9	(72)	249	166	254	215
APAT	38	44	(12.4)	6	506.9	(70)	160	67	146	109
AEPS (INR)	18.0	20.5	(12.4)	3.0	506.9	(32.8)	75.2	31.6	68.8	51.1
P/E (x)						(14.7)	6.4	15.3	7.0	9.5
EV / EBITDA (x)						(22.8)	6.4	10.0	6.3	7.5
RoE (%)						(19.0)	40.4	13.7	26.1	16.9

Source: Company, HSIE Research | *Consolidated

Changes in estimates

YE March	FY26E			FY27E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	242	254	5.3	215	215	-
EPS	64.3	68.8	7.0	51.1	51.1	-

Source: HSIE Research

REDUCE

CMP (as on 31 Oct 2025)	INR 476
Target Price	INR 413
NIFTY	25,722

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 418	INR 413
	FY26E	FY27E
EPS change	+7.0%	-

KEY STOCK DATA

Bloomberg code	HPCL IN
No. of Shares (mn)	2,128
MCap (INR bn) / (\$ mn)	1,013/11,409
6m avg traded value (INR mn)	2,146
52 Week high / low	INR 484/288

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	13.8	25.7	25.0
Relative (%)	10.4	21.1	19.2

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	54.90	54.90
FIs & Local MFs	21.47	23.57
FPIs	13.22	12.55
Public & Others	10.39	8.98
Pledged Shares	0.0	0.0

Source : BSE

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Mphasis

Steady growth; investments limit margin expansion

Mphasis reported an in-line performance for Q2FY26, with revenue growing +2% QoQ in CC terms and EBIT margin remaining stable at 15.3%. Direct business (~98% of total revenue) posted a +2.2% QoQ CC growth, driven by momentum in TMT (+9.1% QoQ) and Insurance (+4.3% QoQ), offset by 2.7% QoQ drop in Logistics and Transportation (bounce back expected in Q3 backed by deal wins). The overall deal engine continued to perform well, with TCV reaching USD 528mn marking the second consecutive quarter above the half a billion mark. A strategic milestone in the quarter was the launch of NeoIP, Mphasis' integrated AI platform. This marks a significant advancement in its decade-long AI journey. NeoIP is built to continuously rewire core systems using dynamic knowledge graphs and integrate with third-party AI agents. Its goal is to enhance human productivity and drive transformation across modernization, application development, IT ops, and business ops. Mphasis maintains its operating margin guidance within the 14.8%-15.8% range and expects revenue to continue outperforming industry growth, supported by a record pipeline (up 97% YoY, with 69% AI-led) and consistent TCV conversion. Nonetheless, near-term margins may face pressure due to ongoing investments and large deal ramp-ups. At a valuation of 24x FY27E earnings, the risk-reward profile appears unfavourable. We retain our REDUCE rating with a target price of INR 2,735, based on 22x Sep-27E EPS.

- Q2FY26 highlights:** (1) Mphasis' revenue came in at USD 445mn (in line with our estimate), +2/6% QoQ/YoY CC. (2) TCV stood at USD 528mn (-30.5% QoQ), of which 42% was AI-led. It won six large deals in Q2, with one over USD 100mn and two deals over USD 50mn. The deal pipeline is strong, with BFS pipeline growth of +45% YoY and non-BFS pipeline growth of +139% YoY. Large deal pipeline was up +180% YoY. (3) Within verticals, growth was led by TMT (19% of revenue) at 9.1% QoQ, driven by continued wins and conversion. Insurance (14% of revenue) grew 4.3% QoQ, driven by ramp-up of recent deal wins. BFS (51% of revenue) reported a sequential decline (-0.9%), impacted by ramp-down of the ATM business. Logistics & Transportation (5.6% of revenue) is expected to deliver sequential growth from Q3. (4) EBITM at 15.3% (above our estimate of 15%) remained flat sequentially. The company maintained the EBITM outlook for FY26E at ~14.8-15.8%. (5) Mphasis expects to grow at 2x the industry growth in FY26E.
- Outlook:** We have factored in USD revenue growth of 7.3/10.7/10.3%, implying CQGR of 2.1/2.6/2.3% for FY26/27/28E respectively. EBITM is factored in at 15.4/15.7/16.4%, for FY26/27/28E, translating to 14% EPS CAGR over FY25-28E. At CMP, Mphasis is trading at P/E of 28/24x FY26/27E (5Y average at 26x).

Quarterly Financial summary

YE March (INR bn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	445	421	5.7	437	1.8	1,609	1,681	1,803	1,997	2,202
Net Sales	39.02	35.36	10.3	37.32	4.5	132.79	142.30	156.93	175.75	196.00
EBIT	5.96	5.44	9.4	5.71	4.4	20.11	21.71	24.20	27.64	32.13
APAT	4.69	4.23	10.8	4.42	6.2	15.55	17.02	18.61	21.38	25.09
Diluted EPS (INR)	25.1	22.6	10.9	23.6	6.3	83.1	91.0	99.5	114.3	134.1
P/E (x)						33.3	30.4	27.8	24.2	20.6
EV / EBITDA (x)						20.5	18.6	16.7	14.5	12.4
RoE (%)						18.6	18.5	18.6	19.8	21.4

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY26E			FY27E			FY28E		
	Old	Revised	Change %	Old	Revised	Change %	Old	Revised	Change %
Revenue (USD mn)	1,805	1,803	(0.1)	2,000	1,997	(0.1)	2,205	2,202	(0.1)
Revenue	156.90	156.93	0.0	175.99	175.75	(0.1)	196.24	196.00	(0.1)
EBIT	24.15	24.20	0.2	27.82	27.64	(0.6)	31.98	32.13	0.5
EBIT margin (%)	15.4	15.4	3bps	15.8	15.7	-8bps	16.3	16.4	9bps
APAT	18.68	18.61	(0.4)	21.51	21.38	(0.6)	24.98	25.09	0.4
EPS (INR)	99.9	99.5	(0.4)	115.0	114.3	(0.6)	133.6	134.1	0.4

Source: Company, HSIE Research

REDUCE

CMP (as on 31 Oct 2025) INR 2,764

Target Price INR 2,735

NIFTY 25,722

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 2,735	INR 2735
EPS %	FY26E -0.4	FY27E -0.6

KEY STOCK DATA

Bloomberg code	MPHL IN
No. of Shares (mn)	190
MCap (INR bn) / (\$ mn)	526/5,925
6m avg traded value (INR mn)	1,322
52 Week high / low	INR 3,240/2,025

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(0.9)	12.0	(4.0)
Relative (%)	(4.3)	7.4	(9.7)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	40.10	40.10
FIs & Local MFs	36.50	37.07
FPIs	19.00	18.52
Public & Others	4.40	4.31
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Dr. Lal Pathlabs

Steady volume-led growth, sustaining margin is key

EBITDA (+11% YoY) was in line with our/consensus estimates, driven by a 11% YoY increase in sales, supported by 5%/10% YoY growth in patient/sample volumes. EBITDA margin was flat YoY at 30.7%, due to higher costs. DLPL retains its guidance on sustaining volume-led growth and maintain its 11-12% growth and raise margin guidance upwards to 27-28% vs 27% earlier in FY26 (29.7% in H1FY26). Key growth driver is geographic expansion (core markets and Tier 2/3 regions), portfolio innovation (broaden its high-complexity testing in genomics, oncology, autoimmunity), and digital enablement. DLPL is emphasized on its priority to maximize network utilization and convert infrastructure into significant operating leverage. It expects a continued higher contribution from SwasthFit and is looking to expand their portfolio offering to sustain the growth momentum. It is looking for M&As to expand presence in southern India (as of Sep-25, cash at INR 13.67 bn). We expect volume-led growth supported by improving growth trajectory in Suburban and sustained growth momentum in core markets (North and East). DLPL's ambition to foray in radiology is a welcome move. However, margin sustainability remains key (given expansion phase to continue as it looks to add 15-20 labs and 600-800 collection centers in FY26). Factoring in Q2FY26 performance, we have slightly tweaked our EPS for FY26/27E. We roll forward the TP to INR 3,450, based on 45x Q2FY28E EPS. ADD stays.

- Q2 highlights:** Sales grew 11% YoY to INR 7.3 bn as patient volume grew 5% YoY to 8.2 mn, and sample volume grew 10% YoY to 25.4 mn (5% YoY growth in realization per patient and flat realization per sample). SwasthFit sales grew 20% YoY (~26% of sales in Q2FY26 vs. 24% in Q2FY25). Flat GM (~13 bps YoY to 80.6%), SG&A (+12%), staff cost (+7%), and fees to franchise (+13%) were higher, leading to EBITDA of INR 2.24 bn (+11% YoY) and 30.7% margin (flat YoY). Higher other income (13% YoY) and depreciation (+15%), and lower interest cost (-20%) led to a PAT of INR 1.51 bn (+17% YoY).
- Key takeaways from concall:** DLPL board has considered and approved a bonus issue in the ratio of 1:1. In Q2, the company continued to expand across underpenetrated markets, supported by new labs and PSCs, as well as engagement with channel partners. The company expects tiered expansion strategy, coupled with completion of back-end integration of Suburban, to help unlock new demand and strengthen leadership in core regions (Delhi NCR, Mumbai, Pune, and Goa). DLPL sees B2C revenue contribution to remaining steady at 74-75% in mid-to-long term. Its radiology pilot set up in Delhi was expanded to a few more centers and evaluating option for pan-India. It guides for a capex of INR 1-1.3bn in FY26. DLPL is unlikely to take a price hike in FY26. GST rate cut benefits will be passed on to the consumers. Revised CGHS rate to benefit DLPL (<5% contribution to sales).

Financial summary

(INR mn)	2Q FY26	2Q FY25	YoY (%)	1Q FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	7,306	6,602	11	6,698	9	22,266	24,614	27,427	30,579	34,371
EBITDA	2,241	2,025	11	1,923	17	6,092	6,956	7,844	8,715	9,796
APAT	1,506	1,292	17	1,324	14	3,577	4,463	5,249	6,004	6,844
EPS (INR)	18.0	15.4	17	15.8	14	42.7	53.3	62.6	71.6	81.7
P/E (x)						73.5	58.9	50.1	43.8	38.4
EV/EBITDA (x)						42.0	36.4	32.0	28.2	24.5
RoCE (%)						25	29	29	29	28

Source: Company, HSIE Research, PAT adjusted for one-offs

ADD

CMP (as on 31 Oct 2025)	INR 3,136
Target Price	INR 3,450
NIFTY	25,722

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3380	INR 3450
	FY26E	FY27E
EPS %	0.2	0.4

KEY STOCK DATA

Bloomberg code	DLPL IN
No. of Shares (mn)	84
MCap (INR bn) / (\$ mn)	263/2,959
6m avg traded value (INR mn)	429
52 Week high / low	INR 3,543/2,294

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(0.5)	13.2	0.7
Relative (%)	(3.9)	8.6	(5.0)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	53.79	53.21
FIs & Local MFs	17.62	18.22
FPIs	21.69	21.86
Public & Others	6.9	6.71
Pledged Shares	-	-

Source: BSE

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Kalpataru Projects International

On track to deliver strong performance

Kalpataru Projects International's (KPIL) Q2FY26 revenue/EBITDA/APAT were reported at INR 54.2/4.5/2bn, a beat of +4.4/+1.3/0.3% to our estimates, respectively. KPIL secured new orders worth INR 149.5bn in YTD FY26 (H1: INR 127.9bn and Q3FY26: INR 22bn), taking the total order book (OB) to INR 647bn (~3.4x FY25 revenue). The company is now targeting FY26 revenue growth of ~25%+, with an EBITDA margin band of 8.5-8.7% and a PBT margin of 5.5%, along with an expected order inflow of INR 250bn+ in FY26. KPIL is actively diversifying geographically - LATAM (Ex-Brazil), Africa and Middle East - and segment-wise, with a strategic review initiated for its Swedish subsidiary (LNG), possibly including an IPO. On the capital allocation front, KPIL is prioritizing prudent debt management, aiming for net working capital days below 100 and minimal loss funding towards BOT/SPV assets. Additionally, it is actively pursuing monetization of non-core assets (e.g. logistics warehouses) and exploring international opportunities in renewables, transmission, and urban infra to drive the next leg of growth. Given the robust order booking, stable growth outlook, and a strong balance sheet (BS) and NWC, we retain our P/E target multiple at 20x. Maintain a BUY rating on the stock with increased TP of INR 1,520/sh (20x Sep-27E EPS rollover from Mar-27E, INR 45/sh for subsidiaries).

- Q2FY26 financial highlights:** KPIL generated a revenue of INR 54.2bn (+31/-7.5% YoY/QoQ, beat by 4.4%) with an EBITDA of INR 4.5bn (+28.3/+4.4% YoY/QoQ, beat by 1.3%). EBITDA margin came in at 8.3% (-17.3/-24.8bps YoY/QoQ, vs our estimate of 8.5%). APAT stood at INR 2bn (+51.1/-0.4% YoY/QoQ, a beat by 0.3%).
- Diversified order book amid macro headwinds:** In YTD FY26, KPIL received an order inflow of INR 149.5bn, which takes its OB to INR 646.8bn. Domestic/international OB comprises 63/37% respectively, with OI coming in at 71%/29% for the two respectively, T&D and BNF leading the charge. In H1FY26, revenue from T&D grew +56% YoY on the back of strong capabilities, superior execution, and a healthy order backlog in diverse markets; B&F revenue grew by +20% YoY, driven by robust real estate demand; oil & gas revenue grew +21% YoY (Saudi Arabia driven); urban infra grew +65% YoY on account of improved order backlog in metro rail business, while water lagged due to payment delays from UP and Jharkhand. T&D/B&F/water/railways/oil & gas/urban infra segments constituted 40/29/13/5/9/4% of the OB. Management continues to focus on the domestic/international T&D, urban infra, and B&F markets, along with the international oil and gas market.
- NWC supports balance sheet:** KPIL's standalone NWC improved by 16 days YoY to 102 days in Q2FY26 (Q1:106 days), with KPIL guidance at under 100 days for FY26. Standalone net debt increased to INR 21.9bn in Q2FY26 (Q1: INR 19.4bn), with net debt to equity at 0.3x as of Sep'25 (vs. 0.2x as of Jun'25). Capex for KPIL in H1FY26 stood at INR 3.4bn towards BNF orders.

Standalone Financial Summary (INR mn)

Particulars	2Q	2Q	YoY (%)	1Q	QoQ (%)	FY25	FY26E	FY27E	FY28E
	FY26	FY25		FY26					
Revenue	54,188	41,361	31.0	50,397	7.5	1,88,880	226,656	260,654	302,359
EBITDA	4,472	3,485	28.3	4,284	4.4	15,871	19,832	23,459	27,212
APAT	1,999	1,323	51.1	2,008	(0.4)	6,971	9,536	11,628	13,560
EPS (INR)	11.7	7.7	51.1	11.8	(0.4)	40.8	55.8	68.1	79.4
P/E (x)						30.8	22.5	18.4	15.8
EV/EBIDTA (x)						19.2	15.0	10.2	8.8
RoE (%)						9.7	11.9	12.9	13.3

Source: Company, HSIE Research

BUY

CMP (as on 31 Oct 2025)	INR 1,256
Target Price	INR 1,520
NIFTY	25,722

KEY CHANGES	OLD	NEW	
Rating	BUY	BUY	
Price Target (INR)	1,406	1,520	
EPS	FY26E	FY27E	FY28E
Change (%)	-	-	-

KEY STOCK DATA

Bloomberg code	KPIL IN
No. of Shares (mn)	171
MCap (INR bn) / (\$ mn)	215/2,417
6m avg traded value (INR mn)	365
52 Week high / low	INR 1,353/770

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	9.5	29.2	(1.4)
Relative (%)	6.1	24.6	(7.1)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	33.52	33.57
FIs & Local MFs	44.81	44.10
FPIs	11.83	11.97
Public & Others	9.84	10.35
Pledged Shares	8.25	8.25

Source: BSE

Pledge shares as a % of total shares

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Zensar Technologies

TMT drags growth, margins stable

Zensar reported a flat sequential USD revenue growth in CC terms for Q2FY26, in line with estimate; however, the margin performance was better vs expectations. The primary reason for the slow growth was a sharp 10.2% QoQ CC decline in the TMT vertical, which is linked to a secular trend in the sector where clients are rationalizing OpEx to fund heavy CapEx investments related to GPUs and data centers. Despite the TMT headwind, Zensar delivered strong growth in BFSI (+4.8% QoQ), and Healthcare and Life Sciences (+3.9% QoQ), while Manufacturing and Consumer Services stood flat. The EBITDA margins expanded to 15.5% (+27bps QoQ) absorbing the impact of wage hikes and one-time bonuses supported by better utilization, an improved offshore mix, disciplined cost management, and forex gains. TCV bookings were subdued at USD 158.7mn, with a Q2 book-to-bill ratio of 0.97x (vs 1.06x in Q1). A notable development was the sharp rise in AI-influenced deals, which now account for 28% of the order book. Zensar also introduced ZenseAI, its next-gen Agentic AI platform aimed at driving enterprise innovation. The company has also upskilled ~5,000 employees in AI, Gen AI, and Agentic AI through structured multi-tiered learning programs. Q3 is expected to be seasonally weak due to furlough but the itis investing to aid growth while maintaining financial discipline. We maintain our earnings estimates and reiterate our ADD rating, with a target price of INR 835, based on 22x Sep-27E EPS.

- Q2FY26 highlights:** (1) Zensar's revenue at USD 162.8mn was marginally higher than our estimate of USD 162.2mn, flat/+3.4% QoQ/YoY CC. (2) Growth was led by the BFSI vertical, which rose +4.8% QoQ CC, followed by HLS, up +3.9% QoQ CC. These gains were offset by a -10.2% decline in the TMT vertical, and Manufacturing & Consumer Services (-0.6% QoQ CC). It is noted that TMT clients are rationalizing OpEx to fund CapEx investments. (3) Within geographies, Europe was up +4% QoQ CC, followed by South Africa (+3.3% QoQ CC), while the US was down -1.8% QoQ CC, which was impacted by macro conditions. (4) EBITDA margin at 15.5% (+27 bps QoQ) was better than our estimate of 15.1%. Higher share of offshore in the mix, better utilization, targeted cost optimization helped offset the impact of salary increase announced in earlier quarter. (5) The headcount declined by 70 net employees while attrition was 9.8% (-3bps QoQ). (6) TCV bookings stood at USD 159mn, -7.7% QoQ and -21.4% YoY, with a book to bill ratio of 0.97x. 28% of Q2 bookings are AI-driven. (7) Management expects margins to be in the mid-teens range.
- Outlook:** We expect USD revenue growth of +5.3/10.9/11.6% and an EBITDA margin of 15.1/15.3/15.5% for FY26/27/28E respectively, resulting in revenue/EPS CAGRs of +9.2/+12.6% over FY25-28E.

Quarterly Financial Summary

YE March (INR bn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD Mn)	163	156	4.2	162	0.5	592	624	657	729	814
Net Sales	14.21	13.08	8.7	13.85	2.6	49.02	52.81	57.17	64.18	72.44
EBIT	1.95	1.71	13.7	1.87	3.9	7.38	7.15	7.67	8.76	10.14
APAT	1.82	1.56	17.0	1.82	0.1	6.65	6.50	7.23	8.09	9.27
Diluted EPS (INR)	7.9	6.8	16.2	7.9	0.2	29.1	28.4	31.6	35.4	40.6
P/E (x)						27.4	28.0	25.2	22.5	19.7
EV / EBITDA (x)						18.1	19.0	17.2	14.7	12.3
RoE (%)						20.0	16.6	16.3	16.4	16.8

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	659	657	-0.2	734	729	-0.6	818	814	-0.5
Revenue	57.30	57.17	-0.2	64.57	64.18	-0.6	72.80	72.44	-0.5
EBIT	7.66	7.67	0.2	8.81	8.76	-0.7	10.16	10.14	-0.2
EBIT margin (%)	13.4	13.4	6bps	13.7	13.6	-1bps	14.0	14.0	5bps
APAT	7.20	7.23	0.4	8.13	8.09	-0.5	9.28	9.27	-0.1
EPS (INR)	31.5	31.6	0.4	35.6	35.4	-0.5	40.6	40.6	-0.1

Source: Company, HSIE Research

ADD

CMP (as on 31 Oct 2025) INR 798

Target Price INR 835

NIFTY 25,722

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 840	INR 835
EPS %	FY26E	FY27E
	+0.4	-0.5

KEY STOCK DATA

Bloomberg code	ZENT IN
No. of Shares (mn)	227
MCap (INR bn) / (\$ mn)	181/2,042
6m avg traded value (INR mn)	621
52 Week high / low	INR 985/536

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(1.1)	10.9	13.3
Relative (%)	(4.5)	6.2	7.6

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	49.06	49.02
FIs & Local MFs	20.52	22.24
FPIs	14.56	13.30
Public & Others	15.86	15.44
Pledged Shares	0.00	0.00

Source: BSE

Pledged shares as % of total shares

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CemIndia Projects

In-line performance; group orders to drive re-rating

CemIndia Projects' (CPL) revenue/EBITDA/APAT beat/miss on our estimates was +2.4/+1.2/-0.1% respectively. With an OI of INR 33bn in Q2FY26 (H1: INR 62bn), the OB as of Sep'25 stands at INR 206bn (~2.3x FY25 revenue); ex of L1: INR 40bn. OB from group entities is ~25%. CPL has guided for 20% revenue growth, 10% EBITDA margin, and OI of ~INR 150-160bn (35% from group entities) in FY26, with current bid pipeline at INR 900bn (25% from group entities). The OB is well-diversified, offering a natural hedge against any slowdown in specific business segments and targeting maritime, industrials, urban infra/MRTS/airports, roads, hydro, data centre, and other segments. CPL is now focused on bidding for only higher ticket-sized orders and is expanding into new segments such as data centres and ports based on Adani group requirements. While H1FY26 execution was impacted by extended monsoon, this is expected to improve in H2FY26. We have marginally tweaked our estimates lower, reiterate BUY, with a TP of INR 869/sh (18x Mar-28E EPS).

- Q2FY26 financial summary:** Revenue: INR 21.8bn (+9.3/-14.4% YoY/QoQ, a beat of 2.4%). EBITDA: INR 2.03bn (+11.9/-12.7% YoY/QoQ, a beat of 1.2%). EBITDA margin: 9.3% (+22/+9.2bps YoY/QoQ, vs. our estimate of 9.5%). APAT: INR 1.1bn (+49.5/-21.5%, in-line). While execution was impacted in Q2FY26, management guidance picked up in H2FY26. The NWC in Q2FY26 stood at 90 days (Q1FY26: 80days).
- Growth in OB, supported by expansion in marine, airports, and data centers:** The OB is anticipated to be executed over ~1.5 years. CPL has guided for an OI of ~INR 150bn for FY26, including OI of INR 10bn received in Oct'25. As of Sep'25, client-wise, the OB shows diverse distribution among government, private, and PSU accounting for 40/51/9%. Business-wise, the OB is spread across maritime/industrials/urban infra (including MRTS and airports) /hydro/data center/highway/specialist engineering and water at 32.5/23/23.6/7.1/6.3/2.7/3.6 and 1.2% respectively. CPL plans to add more complex projects to its portfolio with increased focus on marine, airports, and data centers (civil), which it considers highly profitable.
- Comfortable balance sheet:** The net debt-equity stands at 0.25x as of Sep'25 (June'25: 0.34x), with gross debt at INR 9.6bn (gross D/E: 0.47x). CPL guides for INR 3bn capex in FY26 (H1: INR 1.5bn deployed). Its short-term limits stand at INR 65bn, ~85-90% of which is utilized. Receivables from Bangladesh continue to be at normalized levels, with INR 7bn order backlog, as of Sep'25.

Consolidated Financial Summary (INR mn)

Particulars	2QFY26	2QFY25	YoY (%)	1QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	21,755	19,909	9.3	25,424	(14.4)	90,969	111,074	134,399	159,263
EBITDA	2,033	1,817	11.9	2,328	(12.7)	8,686	10,570	13,349	16,056
APAT	1,077	720	49.5	1,372	(21.5)	3,749	5,703	7,410	9,169
EPS (INR)	6.3	4.2	49.5	8.0	(21.5)	21.8	33.2	43.1	53.4
P/E (x)						37.1	24.4	18.8	15.2
EV/EBITDA (x)						16.3	15.0	11.9	10.4
RoE (%)						22.5	26.9	26.7	25.4

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	% chg/ bps	New	Old	% chg/ bps	New	Old	% chg/ bps
Revenue	111,074	112,893	(1.6)	134,399	136,601	(1.6)	159,263	161,872	(1.6)
EBITDA	10,570	11,571	(8.7)	13,349	14,160	(5.7)	16,056	16,615	(3.4)
EBIDTA (%)	9.5	10.2	(73.4)	9.9	10.4	(43.4)	10.1	10.3	(18.3)
APAT	5,703	5,813	(1.9)	7,410	7,614	(2.7)	9,169	9,080	1.0

Source: Company, HSIE Research

BUY

CMP (as on 31 Oct 2025)	INR 810
Target Price	INR 869
NIFTY	25,722

KEY CHANGES	OLD	NEW	
Rating	BUY	BUY	
Price Target	INR 875	INR 869	
EPS Change %	FY26E -1.9	FY27E -2.7	FY28E +1.0

KEY STOCK DATA

Bloomberg code	CEMPRO IN
No. of Shares (mn)	172
MCap (INR bn) / (\$ mn)	139/1,568
6m avg traded value (INR mn)	504
52 Week high / low	INR 944/477

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	4.2	66.2	43.3
Relative (%)	0.8	61.6	37.6

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	67.46	67.46
FIs & Local MFs	0.79	0.79
FPIs	9.21	8.36
Public & Others	22.55	23.45
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Bata India

Disappointed on all counts

Bata's revenue declined 4.3% YoY to INR 8bn in Q2 (HSIE: INR 9.1bn), impacted by customer and channel partners deferring purchases following GST rate cut announcements, along with a temporary disruption at one of its largest warehouses. The decline was volume-driven, as ASP remained stable YoY. Zero Base Merchandising (ZBM) footprint rose to 300 stores, with plans to roll out 400 stores by Q3FY26 and 800 stores by Q3FY27. GM/EBITDAM declined 122/277bps YoY to 55.4/18.1% (HSIE: 56.5/21%), driven by higher markdowns to clear inventory and higher marketing spends (up 200bps YoY). We've toned down our FY27/28 EPS estimates by ~4% each and maintain our REDUCE rating with a DCF-based TP of INR1,050/sh, implying 34x Sep-27 P/E.

- Q2FY26 highlights:** Bata's revenue declined 4.3% YoY to INR 8bn in Q2 (HSIE: INR 9.1bn), impacted by customer and channel partners deferring purchases following GST rate cut announcements, along with a temporary disruption at one of its largest warehouses. Adjusted for the GST rate rationalization, the management indicated that revenue would have been broadly flat YoY. Demand recovery was visible post-GST transition. ASP remained flat YoY, with the decline primarily volume driven. Premiumization remained a key growth driver, led by strong performance in Hush Puppies and Power, while Floatz saw ~32% YoY growth. ZBM expanded to 300 stores, with positive deltas reported in turnover (+6.7%), UPT (+5.8%), and NPS (+400bps) vs non-ZBM store in same region. The company targets ZBM rollout to 400 stores by Q3FY26 and 800 stores by Q3FY27. Bata added 17 franchise stores (net) in Q2, with plans to add 200 more stores by Dec-26 (franchise/total store count: 661/1,950+). GM contracted by 122bps YoY to 55.4% (HSIE: 56.5%) as the company passed on GST benefits early to spur demand and undertook higher markdowns to clear inventory. EBITDAM declined 277bps YoY to 18.1% (HSIE: 21%) due to negative operating leverage and higher marketing spending (up 200bps YoY). Consequently, EBITDA/APAT declined by 17/57.4% YoY to INR 1.4bn/222mn (HSIE: INR 1.9bn/510mn) in Q2 respectively. The company optimized its core working capital days from 68 in H1FY25 to 60 in H1FY26, aided by an 8.5% YoY reduction in inventory.

- Outlook:** Bata remains a laggard in the footwear pack and growth remains elusive. We have toned down our FY27/28 EPS estimates by ~4% each and maintain our REDUCE rating with a DCF-based TP of INR1,050/sh, implying 34x Sep-27 P/E.

Quarterly financial summary

(INR mn)	Q2 FY26	Q2 FY25	YoY (%)	Q1 FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	8,013	8,371	(4.3)	9,419	(14.9)	34,516	34,786	34,888	36,489	40,179	44,309
EBITDA	1,449	1,746	(17.0)	1,988	(27.1)	4,822	4,426	3,840	4,271	5,253	6,183
APAT	222	520	(57.4)	568	(61.0)	3,230	3,034	2,075	2,320	3,455	4,460
EPS (Rs)	1.7	4.0	(57.4)	4.4	(61.0)	25.1	23.6	16.1	18.1	26.9	34.7
P/E (x)						42.6	45.3	66.3	59.3	39.8	30.8
EV/EBITDA(x)						27.4	30.2	34.2	30.5	24.1	19.7
Core RoCE(%)						31.9	24.5	15.4	15.7	20.5	24.2

Source: Company, HSIE Research

Change in estimates

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	36,489	37,797	(3.5)	40,179	41,039	(2.1)	44,309	45,270	(2.1)
Gross Profit	20,412	21,242	(3.9)	22,346	22,883	(2.3)	24,399	24,990	(2.4)
Gross Profit Margin(%)	55.9	56.2	(26 bps)	55.6	55.8	(14 bps)	55.1	55.2	(13 bps)
EBITDA	4,271	4,779	(10.6)	5,253	5,544	(5.2)	6,183	6,508	(5.0)
EBITDA margin (%)	11.7	12.6	(94 bps)	13.1	13.5	(43 bps)	14.0	14.4	(42 bps)
APAT	2,320	2,620	(11.4)	3,455	3,607	(4.2)	4,460	4,651	(4.1)
APAT margin (%)	6.4	6.9	(57 bps)	8.6	8.8	(19 bps)	10.1	10.3	(21 bps)
Post IND-AS 116 EPS	18.1	20.4	(11.4)	26.9	28.1	(4.2)	34.7	36.2	(4.1)

Source: Company, HSIE Research

REDUCE

CMP (as on 31 Oct 2025)	INR 1,071
Target Price	INR 1,050
NIFTY	25,722

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 1,085	INR 1,050
	FY27E	FY28E
EPS %	-4.2	-4.1

KEY STOCK DATA

Bloomberg code	BATA IN
No. of Shares (mn)	129
MCap (INR bn) / (\$ mn)	138/1,550
6m avg traded value (INR mn)	240
52 Week high / low	INR 1,479/1,025

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.1)	(11.4)	(21.0)
Relative (%)	(13.5)	(16.0)	(26.8)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	50.16	50.16
FIs & Local MFs	29.34	29.39
FPIs	6.89	6.89
Public & Others	13.61	13.56
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Bajaj Electricals

Consumer products drag another muted quarter

Bajaj Electricals' revenue declined 1% YoY to INR 11.07bn, primarily due to 4% de-growth in consumer products segment owing to heavy rainfall and high channel inventory of summer products. While lighting segment grew by 10%, aided by early festival season. EBITDAM expanded 100bps YoY to 5.6%, led by higher gross margin and decrease in other expenses (-7% YoY). EBITDA grew by 20% YoY, while APAT growth was 13% YoY owing to low tax rate in the base quarter. While the management did not provide guidance for FY26, it indicated that festive demand remained muted and channel inventory in TPW fans and coolers continues to be elevated. However, it anticipates demand to recover in H2FY26. The company also introduced switchgear in the lighting segment in August, which has received a favorable response. Considering a weak Q2 performance, we cut our revenue estimates by 3% each and APAT by 11/14% for FY26/27E respectively. We have introduced FY28E financials and roll forward our valuation to Sep-27E from Mar-27E. We maintain a REDUCE rating, with a lower TP of INR 530/sh, valuing the company at 35x Mar-27E EPS.

- Q2FY26 highlights:** Revenue down 1% YoY to INR 11.07bn, primarily due to 4% de-growth in consumer product segment (75% revenue mix), owing to heavy rainfall and high channel inventory of summer products. Consumer product segment was impacted by weak demand for coolers and TPW fans, which saw double-digit value de-growth. While lighting segment (25% revenue mix) grew by 10% aided by early festival season. Gross margins increased by 140bps YoY to 31.8% (+80bps QoQ), led by increased contribution from higher margin lighting segment. Consumer products segment EBIT margin remained flat YoY to 0.9% (+260bps QoQ). While lighting segment EBIT margin improved by 200bps YoY to 7.9%, it was down sequentially by 260bps. EBITDAM expanded 100bps YoY to 5.6% (+250bps QoQ), led by higher gross margin and decrease in other expenses (-7% YoY/QoQ each). However, employee expenses increased 15% YoY. Consequentially, EBITDA grew 20% YoY. PBT grew 38% YoY, led by EBITDA growth and lower finance cost, though partially offset by halving of other income. However, APAT growth was just 13% YoY, owing to low tax rate in base quarter.
- Earnings call takeaways and valuation:** While the management did not provide guidance for FY26, it indicated that festive demand remained muted and channel inventory in TPW fans and coolers continues to be elevated. However, it anticipates demand to recover in H2FY26. It has earlier announced acquisition of Morphy Richards brand and expects it to be completed in coming months. The company also introduced switchgear in the lighting segment in August, which has received a favorable response. Considering weak Q2 performance, we cut our revenue estimates by 3% each and APAT by 11/14% for FY26/27E respectively. We have introduced FY28E financials and roll forward our valuation to Sep-27E from Mar-27E. We maintain a REDUCE rating with a lower TP of INR 530/sh, valuing the company at 35x Mar-27E EPS.

Financial summary

(INR mn)	Q2 FY26	Q2 FY25	YoY (%)	Q1 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	11,071	11,183	(1.0)	10,646	4.0	46,413	48,284	49,381	53,166	56,837
EBITDA	619	516	19.9	333	85.7	2,597	3,075	2,955	3,784	4,048
APAT	146	129	13.4	83	75.8	1,359	1,121	1,177	1,732	1,773
EPS (INR)	1.3	1.1	13.4	0.7	75.8	11.8	9.7	10.2	15.0	15.4
P/E (x)						43.2	52.4	49.9	33.9	33.1
EV/EBITDA (x)						21.4	18.5	19.2	14.8	13.8
RoE (%)						8.1	7.5	7.4	10.2	9.9

Source: Company, HSIE Research

REDUCE

CMP (as on 31 Oct 2025)	INR 514
Target Price	INR 530
NIFTY	25,722

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 615	INR 530
	FY26E	FY27E
EPS %	-11.0	-14.4

KEY STOCK DATA

Bloomberg code	BJE IN
No. of Shares (mn)	115
MCap (INR bn) / (\$ mn)	59/668
6m avg traded value (INR mn)	162
52 Week high / low	INR 927/488

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(16.9)	(5.8)	(41.0)
Relative (%)	(20.3)	(10.4)	(46.7)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	62.72	62.70
FIs & Local MFs	15.57	15.88
FPIs	7.89	7.75
Public & Others	13.82	13.67
Pledged Shares	1.60	1.60

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
Parikshit Kandpal	DLF, Lodha Developers, Kalpataru Projects International, CemIndia Projects	CFA	NO
Aditya Sahu	DLF, Lodha Developers, Kalpataru Projects International, CemIndia Projects	MBA	NO
Jay Shah	DLF, Lodha Developers, Kalpataru Projects International, CemIndia Projects	CA	NO
Deepak Shinde	Shriram Finance	PGDM	NO
Krishnan ASV	Shriram Finance	PGDM	NO
Ayush Pandit	Shriram Finance	CA	NO
Nilesh Ghuge	Gail (India), Hindustan Petroleum Corporation	MMS	NO
Dhawal Doshi	Gail (India), Hindustan Petroleum Corporation	CA	NO
Prasad Vadnere	Gail (India), Hindustan Petroleum Corporation	MSc	NO
Amit Chandra	Mphasis, Zensar Technologies	MBA	NO
Vinesh Vala	Mphasis, Zensar Technologies	MBA	NO
Maitreyee Vaishampayan	Mphasis, Zensar Technologies	MSc	NO
Mehul Sheth	Dr. Lal Pathlabs	MBA	NO
Divyaxa Agnihotri	Dr. Lal Pathlabs	MSc	NO
Jay Gandhi	Bata India	MBA	NO
Vedant Mulik	Bata India	CA	NO
Keshav Lahoti	Bajaj Electricals	CA, CFA	NO
Rajesh Ravi	Bajaj Electricals	MBA	NO
Mahesh Nagda	Bajaj Electricals	CA	NO
Riddhi Shah	Bajaj Electricals	MBA	NO

1 Yr Price movement



Disclosure:

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