HSIE Results Daily

Contents

Results Reviews

- **Lodha Developers:** Lodha Developers Ltd recorded Q2FY27 presales of INR50.3bn (+10.2/+8.8% YoY/QoQ vs. our estimate of INR 51bn). It has reiterated the FY27 presales guidance of INR 240bn, supported by a robust launch pipeline of 20+ projects/phases with a cumulative GDV of nearly INR 250bn. Management has guided for an 11.1msf launch pipeline for H2FY27, carrying an estimated GDV of INR 190.7bn. Rental income from the data centre build-to-suit projects is projected to begin contributing from FY29, adding a recurring earnings stream to the development business. In the medium term, Lodha remains focused on scaling its annuity portfolio, targeting a 10x increase in annuity income to over INR 30bn by FY32, led by data centres (INR 20bn), retail & office (INR 6bn), and warehousing assets (INR 4bn). It also reiterated its aspiration to deliver ~20% PAT CAGR, with an objective of achieving INR 85bn in net profit by FY31. On the risk side, rising interest rates have moderately affected sales in the INR 10-50mn segment, although the luxury segment remains stable. The Middle East conflicts are a modest drag, as NRI Gulf demand accounts for roughly 4-5% of sales. Air quality guidelines could disrupt deliveries across the MMR region, but management does not expect any significant delays. Palava is scaling up with AWS and STT onboard on data centre side. In residential business, Airoli connectivity goes live in next few weeks, and is likely to lift property rates/demand meaningfully by early-FY28. Given robust growth visibility, better-than-expected GDV addition in FY26, and uptick in land prices with Palava poised for price and volume gains as new infra projects get commissioned, we maintain the TP at INR 1,299/sh, driven by the emerging data centre premium at Palava, where monetization of land shall unlock significant value; we believe this segment will contribute meaningfully to earnings.

- **NTPC Green Energy:** NTPC Green Energy's (NGEL's) revenue/EBITDA/APAT was a miss by 16.7/15.1/52.3% vs our estimates. Capacity addition for Q2FY27 stood at 0.4GW (solar: 0.3GW; wind: 0.1GW). Average blended capacity utilization factor (CUF) was stable in H1FY27 at 23% (H1FY26: 23%), partly due to grid curtailment issues. As of H1FY27, operating capacity stood at 10.2GW for solar, 0.9GW for wind, 16.6GW for contracted & awarded, and 3.2GW for the pipeline. Contracted & awarded/pipeline capacity increased by 0.3GW QoQ on the back of capacity additions, with robust MoUs expected to feed future growth. Battery Energy Storage Capacity (including pipeline) stood at 5.1GWh. Management has indicated that reduction in capacity addition amid grid curtailment issues could impact CoDs, with the situation expected to be resolved by July 2028. NTPC has embarked on massive RE capacity addition program, with RE capacity targeted to reach 60GW by FY32E and 136GW by FY37E, largely led by solar, wind and BESS. Its BESS storage plan stands at 47GWh, of which 3GWh has been contracted under the service mode and 12GWh is under tendering. NGEL will be the key beneficiary of this capex as a large part of capacity expansion will take place under it. Renewable capacity expansion remains impacted by unavailability of transmission evacuation infrastructure in space, leading to curtailments. The issue is impacting 8GW of annual capacity addition, which NGEL believes could be addressed by BESS. We

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maintain BUY, with a reduced TP of INR 115 at 14.5x EV/EBITDA; FY29 EBITDA is discounted at 12% to arrive at the Sep-28 TP.

- **Syrma SGS Technology:** Syrma SGS Technology's revenue grew by 74% YoY to INR 19.9bn (two-year CAGR: 55%), owing to strong performance across all segments. Gross margin contracted by 270/340bps YoY/QoQ to 21.1%, owing to input price rise. EBITDAM declined 30/50bps YoY/QoQ to 9.7%, leading to 68/83% YoY growth in EBITDA/PAT. The company has raised its revenue growth guidance to 40-45% from 30–35%, while lowered the margin guidance to 10-10.5% (vs 10.5–11% earlier), though it expects the margin to improve to 10.5–11% or higher in FY28. We are building in 60% topline growth, implying meaningful outperformance against guidance, while expecting margin to be in the guided range, albeit toward the lower end. Management retains its long-term organic revenue growth guidance of ~30-35%, backed by strong segmental growth visibility. The company is now targeting exports of INR 17bn in FY27 (vs INR 15bn earlier) and expects them to grow to INR 20bn in FY28. Given strong Q2 performance, robust execution, a healthy order pipeline, and growing contribution from new businesses, we have raised the revenue estimates by 8-10% and APAT estimates by 5/9/11% for FY27/28/29E. Consequently, we have increased the TP to INR 1,800/sh, based on DCF valuation (WACC: 12.5%, terminal growth: 5%), implying ~42x PE, based on Sep-28E EPS. We maintain our BUY rating.
- **LIC Housing Finance:** LIC Housing Finance's (LICHF) Q2FY27 earnings were higher than our estimates, largely due to negative credit costs (-11bps). Business momentum witnessed an uptick (disbursements up by +11% YoY), led by non-home loans, while HL disbursements remained muted (-10% YoY). However, high run-off rates amidst elevated competitive intensity continue to take a toll on loan growth (+4.6% YoY). Management has indicated improving uptick in loan growth, driven by uptick in disbursements in H1 and diversification toward non-HL segments (LAP, project loans) and self-employed customers. However, elevated competitive intensity in the core HL segment (82% of AUM) and limited right-to-win in non-HL segments (CF, LAP etc.) are likely to keep loan growth subdued. We have revised our FY27-FY29E earnings estimates to factor in lower AUM growth and lower credit costs and maintain ADD with a revised RI-based TP of INR 660 (implying 0.7x Sep-28 ABVPS). Current valuation (0.5x Sep-28 ABVPS) provides a favorable risk-reward for LICHF.
- **CDSL:** CDSL delivered a strong Q2FY27, as buoyant primary markets lifted revenue to INR 3.95bn, up 34.7% QoQ and 23.7% YoY (~9% ahead of our estimate). PAT of INR 1.74bn came in ~12% higher than our estimate of INR 1.55bn. Strong IPO and corporate action revenue and higher online data charges (KYC) led the surge along with seasonally strong e-voting revenue. Core annuity streams were steadier: transaction revenue grew a modest 3% QoQ, while annual issuer charges were flat sequentially. Strong topline growth drove sharp operating leverage, with EBITDA margin expanding 1,082bps QoQ to 57.9%. Investor onboarding also gathered pace, as demat account additions accelerated to 7.5mn from 5.8mn last quarter, led by the IPO market, and CDSL retained its leadership with an 80.4% market share. Looking ahead, we expect IPO revenue to moderate in Q3 but still clock 43% YoY growth for FY27E. We expect steady build-up in annual issue revenue (annuity) along with recovery in transaction revenue. Tech spending, however, is likely to stay elevated to support the expanding BO account base; we factor in a 21% three-year CAGR. We have raised revenue estimates by ~2-3%, led by steady annual issuer, recovery in transaction, strong IPO, and online data revenue. EPS estimates have been raised by ~1-2%, after building in higher tech spending. We expect revenue/EPS CAGRs of 17/21% over

FY26–29E. Maintain BUY with a TP of INR 1,570, based on 45x Sep-28E EPS; CDSL is trading at 47/40x FY27E/FY28E EPS.

- **Aarti Industries:** We maintain REDUCE on Aarti Industries (AIL) and assign a TP of INR 502. The company's revenue profile remains highly concentrated, with almost 50% tied to one end user segment and over 40% to mono methyl aniline (MMA). As MMA demand is influenced by the gasoline-naphtha spread, ongoing geopolitical uncertainties make this reliance increasingly vulnerable, reinforcing our cautious outlook. AIL's primary raw materials originate from crude oil and natural gas. As these commodities are likely to stay costly in the near future, both input costs and working capital needs are set to rise. Power and fuel expenses form ~10% of the company's operating costs and, given its dependence on fuel oil and natural gas, sustained high energy prices could further compress profitability. We expect revenue/EBITDA/PAT CAGR of 12/17/22% over FY26-29E and RoE to be below 10%. The stock is trading at 45/30/21x FY27/28/29E. EBITDA/APAT were 18/34% above our estimates.

- **Aditya Birla Lifestyle Brands:** ABLBL's topline grew by 11.2% YoY to INR22.7bn (in-line) in Q2, supported by 5.3% retail LTL growth (H1FY27: 6.6%). Q2 LTL was partly dented by the festive shift to Q3 (festive-adjusted LTL: 8%+). Lifestyle brands (LB)/emerging business (EB) grew ~9/27% YoY to INR 19.1/3.7bn (in-line). The company added 72/86 net stores in Q2/H1FY27, with strong H2 expansion expected and Reebok targeting 300+ stores by FY27-end. Segment-wise, LB/EB EBITDAM expanded by ~20/530bps to 19.5/6.8% (HSIE: 19/4%). Overall EBITDAM rose by 36bps YoY to 15.9% (HSIE: 15.7%), led by operating leverage, lower EB discounts, and store efficiencies. Management took ~6% price hike to offset inflation, most of which will flow through in Q3. EBITDA/APAT grew by 13.8/126.3% YoY to INR 3.6bn/530mn (HSIE: INR 3.53bn/in-line). We have largely retained FY27/28 EBITDA estimates; maintain BUY with an SOTP-based TP of INR135/sh (including ~16x Sep-28 EV/EBITDA for LB and 1x Sep-28 EV/sales for EB).

- **Neogen Chemicals:** We retain BUY on Neogen Chemicals (NCL) with a TP of INR 2,580, premised on (1) increasing contribution from the Organolithium business to revenue; (2) commissioning and ramp-up of electrolytes, electrolyte salts, and additives capacity; and (3) volume-driven growth coupled with margin expansion in legacy business post commissioning of the Dahej plant. NCL's EBITDA/APAT will grow at 52/61% CAGR over FY26-29E while RoE will improve from 3.6% in FY26 to 6.2% in FY29E. Q2 EBITDA/APAT were lower than our estimates, owing to higher-than-expected raw material prices and interest costs.

- **Birla Corporation:** While Birla Corporation's (BCORP) Q2FY27 volume rose by 7% YoY (85% utilization), intense competition kept cement prices subdued, even as costs spiked (West Asia turmoil impact). This caused unit EBITDA to decline by INR 230/MT YoY to INR 482/MT. We expect BCORP to deliver only 3% volume CAGR over FY26-29E, as its central expansion is likely to come on stream only at the fag end of FY29. We also expect elevated competition to moderate margin recovery, leading to a 2% EBITDA CAGR for the period. We maintain ADD, with a lower TP of INR 1,080/share (7.5x Sep'28E consolidated EBITDA).

- **Quess Corp:** Quess reported a strong Q2FY27, with consolidated revenue up 14.7/5.1% YoY/QoQ, ahead of expectations, led by General Staffing (GS; 87% of revenue, +15.3/6.3% YoY/QoQ) and Professional Staffing (6% of revenue, +13.5% YoY), while Overseas (7% of revenue) declined 4.4% QoQ. EBITDA margin moderated 7bps QoQ to 1.95% and PAT grew 44% YoY to INR 747mn. GS growth was led by strong net additions of ~21k associates (the highest in

the last four quarters), driven by manufacturing, consumer/retail/telecom (CRT), along with 116 new contracts added in the quarter; BFSI continued to witness a slowdown. Reported GS numbers includes a one-off INR 1.2bn pass-through revenue related to the new labour code implementation; adjusting for which, GS revenue grew ~3% QoQ and EBITDA margin stood at 1.54% (vs 1.39% YoY). The GS growth outlook remains strong, with ~10k net additions expected in Q3, led by manufacturing and CRT. Professional Staffing remains strong with 62 new contracts added in H1FY27 (vs 61 in FY26) along with 437 net associate additions. Margins stood at 10.51% vs 12.21% in Q2FY26, a deliberate move to increase investment in leadership, sales, delivery and new practices (expected range of 11-12%). Overseas revenue declined due to muted Middle East; margin stood at ~6.9% (+77bps YoY). 33 new contracts were added in the quarter, with Malaysia and the Philippines growing 50/15% YoY. We expect continued growth traction with better margins and raise earnings estimates by 6-10%. We maintain ADD with a revised target price of INR 390, based on 18x Sep-28E EPS. The stock is trading at a reasonable P/E of 17/15x FY27/28E.

- **Sagar Cements:** We maintain ADD on Sagar Cements (SGC), with an unchanged SOTP-based TP of INR 190/share. In Q2FY27, while SGC continued to deliver a strong volume (+22% YoY led by robust ~79% YoY growth at the Andhra subsidiary), subdued pricing, elevated fuel and freight costs, and maintenance shutdowns dragged unit EBITDA to INR 263/MT (down INR 160/100 per MT QoQ/YoY). However, management is confident that the recent rebound in cement prices in the south, near-completion of current capex, and expected monetization of Vizag land late-FY27 onward should bolster cash flows and reduce net debt as well as gearing Q4FY27 onward.

- **Greenpanel Industries:** Greenpanel's revenue grew 4% YoY to INR 4.1bn, owing to price hikes. MDF revenue grew by 4% YoY, mainly led by 7% YoY growth in NSR, while volume declined 3% YoY. EBITDAM increased by 50bps to 6.7%. The company expects mid-teen MDF volume growth in FY27 (vs our estimate of 4%), supported by improving retail and OEM demand and pick-up in H2 exports. Factoring in the weak Q2 performance and lackluster outlook, we have maintained FY27E revenue estimates, albeit trimmed for FY28/29E by 3% each; we have reduced APAT estimates by 10%/11%/ 6% for FY27/28/29E. The company's performance continues to lag that of peers, given continuous market share losses, weak margins, competitive intensity, and elevated raw material costs, prompting us to lower the valuation multiple from 25x to 20x. We maintain BUY, though, with a lower TP of INR 170/sh (20x Sep-28E EPS). Valuation stays attractive, albeit execution risk warrants caution.

- **IRM Energy:** We maintain BUY on IRM Energy Ltd (IRM), with a revised TP of INR 352/sh, based on (1) ~12% volume CAGR over FY26–29E, led by healthy CNG growth and rising volumes as the Namakkal & Tiruchirappalli network improves; (2) per-unit EBITDA expansion to INR 7 per scm over the same period, aided by a stable gas sourcing mix; and (3) ~25%/~37% EBITDA/EPS CAGR and ~260bps RoE expansion over FY26–29E. Q2FY27 EBITDA came in at INR 473mn (+77.2% YoY, -23.4% QoQ) and consolidated PAT at INR 254mn (+102.5% YoY, -24.8% QoQ). The QoQ decline for both was mainly due to higher gas costs from HPHT allocation change, higher Brent price, rupee weakness, and higher opex. Total volume stood at 0.67 mmscmd (+12.0% YoY, +2.8% QoQ) in the quarter.

Lodha Developers

Sustenence driving sales momentum

Lodha Developers Ltd recorded Q2FY27 presales of INR50.3bn (+10.2/+8.8% YoY/QoQ vs. our estimate of INR 51bn). It has reiterated the FY27 presales guidance of INR 240bn, supported by a robust launch pipeline of 20+ projects/phases with a cumulative GDV of nearly INR 250bn. Management has guided for an 11.1msf launch pipeline for H2FY27, carrying an estimated GDV of INR 190.7bn. Rental income from the data centre build-to-suit projects is projected to begin contributing from FY29, adding a recurring earnings stream to the development business. In the medium term, Lodha remains focused on scaling its annuity portfolio, targeting a 10x increase in annuity income to over INR 30bn by FY32, led by data centres (INR 20bn), retail & office (INR 6bn), and warehousing assets (INR 4bn). It also reiterated its aspiration to deliver ~20% PAT CAGR, with an objective of achieving INR 85bn in net profit by FY31. On the risk side, rising interest rates have moderately affected sales in the INR 10-50mn segment, although the luxury segment remains stable. The Middle East conflicts are a modest drag, as NRI Gulf demand accounts for roughly 4-5% of sales. Air quality guidelines could disrupt deliveries across the MMR region, but management does not expect any significant delays. Palava is scaling up with AWS and STT onboard on data centre side. In residential business, Airoli connectivity goes live in next few weeks, and is likely to lift property rates/demand meaningfully by early-FY28. Given robust growth visibility, better-than-expected GDV addition in FY26, and uptick in land prices with Palava poised for price and volume gains as new infra projects get commissioned, we maintain the TP at INR 1,299/sh, driven by the emerging data centre premium at Palava, where monetization of land shall unlock significant value; we believe this segment will contribute meaningfully to earnings.

- **Q2FY27 financial highlights:** Revenue: INR 44.8bn (+18.2/-11% YoY/QoQ, beat by 11.9%). EBITDA: INR 14.9bn (+34.2/-23.1% YoY/QoQ, beat by 28.7%). EBITDA margin: 33.3% (+412/-516bps YoY/QoQ, vs. estimate of 28.9%). RPAT/APAT: INR 10.1bn (+28%/-26.1% YoY/QoQ, beat by 30.7%).
- **Presales momentum to pick up from H2FY27:** Lodha recorded presales of INR 50.3bn (+10.2/+8.8% YoY/QoQ), surpassing its quarterly run rate of >INR 40bn. However, in this quarter, sales was largely driven by sustenance. Lodha has reiterated its FY27 presales guidance of INR 240bn, supported by a robust launch pipeline of 20+ projects/phases with a cumulative GDV of nearly INR 250bn. Lodha has guided for an 11.1msf launch pipeline for H2FY27, carrying an estimated GDV of INR 190.7bn.
- **Strong balance sheet; net debt well within guidance:** Net debt increased by INR 3.5bn to INR 52.8bn. Net D/E came at 0.21x, which is well within the guidance of net D/E of 0.21x.

Consolidated financial summary (INR mn)

YE March (Rs mn)	2Q FY27	2Q FY26	YoY (%)	1Q FY27	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	44,674	37,985	18	49,967	(11)	1,37,795	1,66,762	1,88,781	2,24,028
EBITDA	14,883	11,088	34	19,224	(23)	39,880	49,209	59,129	72,125
APAT	10,135	7,898	28	13,731	(26)	27,666	34,332	39,636	49,621
Diluted EPS (Rs)	10.2	7.9	28.3	13.8	(26.2)	27.7	34.4	39.7	49.7
P/E (x)						30.6	24.7	21.4	17.1
EV / EBITDA (x)						22.6	18.5	13.5	8.6
RoE (%)						14.7	15.7	15.6	15.9

Source: Company, HSIE Research

ADD

CMP *(as on 02 Nov 2026)*	**INR 1,003**
Target Price	**INR 1,299**
NIFTY	**23,441**

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,299	INR 1,299
EPS Change %	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	LODHA IN
No. of Shares (mn)	999
MCap (INR bn) / ($ mn)	1,002/10,570
6m avg traded value (INR mn)	2,595
52 Week high / low	INR 1,345/651

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(19.4)	11.7	(16.3)
Relative (%)	(16.3)	13.3	(6.5)

SHAREHOLDING PATTERN (%)

	Jun-26	Sept-26
Promoters	70.31	70.29
FIs & Local MFs	3.56	2.55
FPIs	23.65	25.33
Public & Others	2.46	1.82
Pledged Shares	-	-

Source : BSE

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NTPC Green Energy

Grid curtailment impacts execution

NTPC Green Energy's (NGEL's) revenue/EBITDA/APAT was a miss by 16.7/15.1/52.3% vs our estimates. Capacity addition for Q2FY27 stood at 0.4GW (solar: 0.3GW; wind: 0.1GW). Average blended capacity utilization factor (CUF) was stable in H1FY27 at 23% (H1FY26: 23%), partly due to grid curtailment issues. As of H1FY27, operating capacity stood at 10.2GW for solar, 0.9GW for wind, 16.6GW for contracted & awarded, and 3.2GW for the pipeline. Contracted & awarded/pipeline capacity increased by 0.3GW QoQ on the back of capacity additions, with robust MoUs expected to feed future growth. Battery Energy Storage Capacity (including pipeline) stood at 5.1GWh. Management has indicated that reduction in capacity addition amid grid curtailment issues could impact CoDs, with the situation expected to be resolved by July 2028. NTPC has embarked on massive RE capacity addition program, with RE capacity targeted to reach 60GW by FY32E and 136GW by FY37E, largely led by solar, wind and BESS. Its BESS storage plan stands at 47GWh, of which 3GWh has been contracted under the service mode and 12GWh is under tendering. NGEL will be the key beneficiary of this capex as a large part of capacity expansion will take place under it. Renewable capacity expansion remains impacted by unavailability of transmission evacuation infrastructure in space, leading to curtailments. The issue is impacting 8GW of annual capacity addition, which NGEL believes could be addressed by BESS. We maintain BUY, with a reduced TP of INR 115 at 14.5x EV/EBITDA; FY29 EBITDA is discounted at 12% to arrive at the Sep-28 TP.

- **Q2FY27 financial snapshot:** NGEL generated a revenue of INR 9.4bn (+53.2/-15.2%, YoY/QoQ, a 16.7% miss). EBITDA came in at INR 8.3bn (+56.7/-16.1%, YoY/QoQ, a 15.1% miss) while EBITDA margin came in at 88.4% (+194.3/-88.8bps, YoY/QoQ, vs our estimate of 86.8%). APAT came in at INR 1.4bn (+59.2/-54.9% YoY/QoQ, an 52.3% beat). Generation in Q2FY27 for solar stood at 4.3Bu (Q2FY26: 2.8Bu) and wind at 0.8Bu (Q2FY26: 0.5Bu), driven by an uptick in commissioning, while solar CUF stood stable at 19.6% (Q2FY26: 19.1%) and wind CUF at 42.2% (Q1FY26: 34.1%).
- **Capacity addition and capex hindered by continuous grid curtailment:** Management has guided for annual capacity addition of 6.35/7.7/7.8GW for FY27/28/29. Connectivity of several projects in Khavda, earlier planned for connectivity grant by Oct 2026, are now expected by Nov 2027. Grid curtailment issues are being addressed via firm tie-ups and TGNA, which has helped projects recoup O&M and finance costs.
- **Strong pipeline supported by partnerships:** Contracted & awarded and pipeline capacity combined stood at 19.9GW in Q2FY27 (Q1FY27: 19.7GW) as commissioning continued to witness an uptick; however, pipeline is expected to be elevated with partnerships having the potential to feed ~68GW of RE capacity (excl. PSP, BESS, green hydrogen, green methanol & derivatives) to the NGEL portfolio. Whilst new bidding has been muted, NGEL benefits from its tie-up with state-owned enterprises and other state governments and strategic partnerships/memorandums of understanding with other customers like data centers.

Consolidated financial summary (INR mn)

Particulars	2QFY27	2QFY26	YoY (%)	1QFY27	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	9,382	6,123	53.2	11,069	(15.2)	28,584	64,154	107,150	150,803
EBITDA	8,297	5,296	56.7	9,887	(16.1)	24,751	56,455	94,292	132,707
APAT	1,375	864	59.2	3,048	(54.9)	5,214	11,331	22,885	30,621
EPS (INR)	0.2	0.1	59.2	0.4	(54.9)	0.6	1.3	2.7	3.6
P/E (x)						134.8	62.0	30.7	23.0
EV/EBIDTA(x)						40.2	21.6	15.5	13.2
RoE (%)						2.7	5.3	6.7	7.0

Consolidated financial summary (INR mn)

Particulars	FY27E			FY28E			FY29E		
	New	Old	% Chg. / Bps	New	Old	% Chg. / Bps	New	Old	% Chg. / Bps
Revenue	64,154	72,045	-11.0	107,150	118,263	-9.4	150,803	164,202	-8.2
EBITDA	56,455	63,399	-11.0	94,292	104,071	-9.4	132,707	144,497	-8.2
EBITDA (%)	88.0	88.0	0.0	88.0	88.0	0.0	88.0	88.0	-
APAT	11,331	13,109	-13.6	22,885	28,735	-20.4	30,621	38,256	-20.0

Source: Company, HSIE Research

BUY

CMP (*as on 02 Nov 2026*)	**INR 83**
Target Price	**INR 115**
NIFTY	**23,441**

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 124	INR 115
	FY27E	FY28E
EPS Change %	-13.6	-20.4

KEY STOCK DATA

Bloomberg code	NTPCGREE IN
No. of Shares (mn)	8,426
MCap (INR bn) / ($ mn)	703/7,413
6m avg traded value (INR mn)	476
52 Week high / low	INR 120/79

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(7.3)	(24.1)	(19.1)
Relative (%)	(4.3)	(22.5)	(9.3)

SHAREHOLDING PATTERN (%)

	Sep-26	Dec-26
Promoters	89.01	89.01
FIs & Local MFs	5.21	5.29
FPIs	1.67	1.58
Public & Others	4.12	4.12
Pledged Shares	-	-

Source: BSE

Pledge shares as a % of total shares

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Syrma SGS Technology

Strong performance; outlook stays firm

Syrma SGS Technology's revenue grew by 74% YoY to INR 19.9bn (two-year CAGR: 55%), owing to strong performance across all segments. Gross margin contracted by 270/340bps YoY/QoQ to 21.1%, owing to input price rise. EBITDAM declined 30/50bps YoY/QoQ to 9.7%, leading to 68/83% YoY growth in EBITDA/PAT. The company has raised its revenue growth guidance to 40-45% from 30–35%, while lowered the margin guidance to 10-10.5% (vs 10.5–11% earlier), though it expects the margin to improve to 10.5–11% or higher in FY28. We are building in 60% topline growth, implying meaningful outperformance against guidance, while expecting margin to be in the guided range, albeit toward the lower end. Management retains its long-term organic revenue growth guidance of ~30-35%, backed by strong segmental growth visibility. The company is now targeting exports of INR 17bn in FY27 (vs INR 15bn earlier) and expects them to grow to INR 20bn in FY28. Given strong Q2 performance, robust execution, a healthy order pipeline, and growing contribution from new businesses, we have raised the revenue estimates by 8-10% and APAT estimates by 5/9/11% for FY27/28/29E. Consequently, we have increased the TP to INR 1,800/sh, based on DCF valuation (WACC: 12.5%, terminal growth: 5%), implying ~42x PE, based on Sep-28E EPS. We maintain our BUY rating.

- **Q2FY27 highlights:** Revenue grew by 74% YoY to INR 19.9bn (two-year CAGR: 55%). Export revenue, which accounts for one-fourth of revenue, grew 91% YoY. Overall growth was led by strong segmental performance, with the automotive segment (26% revenue mix) growing 91% YoY, consumer (29% revenue mix) growing 57% YoY, industrial (25% revenue mix) 86% YoY, healthcare (7% revenue mix) 61% YoY, and IT & railways (14% revenue mix) 69% YoY. GM fell 270/340bps YoY/QoQ to 21.1%, given the input price rise. While employee costs and other expenses surged 58% and 36% YoY in absolute terms, they declined 40bps and 200bps YoY in relative terms. Consequently, EBITDAM declined 30/50bps YoY/QoQ to 9.7%, leading to 68% YoY EBITDA growth. PAT grew 83% YoY, led by higher EBITDA.
- **Earnings KTAs and outlook:** The order book as of Sep-26 stood at INR 74.2bn, up 28% YoY and 10% QoQ. Management highlighted strong ODM traction, targeting INR 10-11bn in FY27, with significant opportunities over the next 2-3 years. The multi-layer PCB project, with total planned capex of INR 8-9bn, is on track, likely to be operational by Q2FY28. The company has announced expansion into camera module and magnetic component production under the component manufacturing scheme, which should aid margin expansion. Given a strong Q2 and outlook, we have raised revenue estimates by 8-10% and APAT estimates by 5/9/11% for FY27/28/29E. Consequently, we have increased the TP to INR 1,800/sh, based on DCF valuation (WACC: 12.5%, terminal growth: 5%), implying ~42x PE, based on Sep-28E EPS. We maintain our BUY rating.

Financial summary

(INR mn)	Q2 FY27	Q2 FY26	YoY (%)	Q1 FY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	19,897	11,459	73.6	15,886	25.2	37,867	48,191	77,156	1,04,153	1,37,799
EBITDA	1,933	1,152	67.7	1,616	19.6	3,233	5,445	7,841	11,143	15,079
APAT	1,173	641	83.0	1,001	17.2	1,720	3,224	4,711	6,838	9,753
EPS (INR)	6.1	3.3	82.9	5.2	17.2	9.7	16.7	24.5	35.5	50.6
P/E (x)						156.5	90.4	61.8	42.6	29.9
EV / EBITDA (x)						84.1	52.7	37.2	26.2	19.4
RoE (%)						10.2	14.0	15.2	18.7	22.0

Source: Company, HSIE Research

BUY

CMP *(as on 02 Nov 2026)*	INR 1,512
Target Price	INR 1,800
NIFTY	23,441

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,650	INR 1,800
EPS %	FY27E	FY28E
	4.7	8.6

KEY STOCK DATA	
Bloomberg code	SYRMA IN
No. of Shares (mn)	193
MCap (INR bn) / ($ mn)	292/3,075
6m avg traded value (INR mn)	2,561
52 Week high / low	INR 1,823/634

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	10.6	57.7	85.8
Relative (%)	13.7	59.3	95.6

SHAREHOLDING PATTERN (%)	Jun-26	Sep-26
Promoters	42.28	41.62
FIs & Local MFs	15.90	14.44
FPIs	7.51	9.51
Public & Others	34.30	34.33
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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LIC Housing Finance

Muted growth; attractive valuations

LIC Housing Finance's (LICHF) Q2FY27 earnings were higher than our estimates, largely due to negative credit costs (-11bps). Business momentum witnessed an uptick (disbursements up by +11% YoY), led by non-home loans, while HL disbursements remained muted (-10% YoY). However, high run-off rates amidst elevated competitive intensity continue to take a toll on loan growth (+4.6% YoY). Management has indicated improving uptick in loan growth, driven by uptick in disbursements in H1 and diversification toward non-HL segments (LAP, project loans) and self-employed customers. However, elevated competitive intensity in the core HL segment (82% of AUM) and limited right-to-win in non-HL segments (CF, LAP etc.) are likely to keep loan growth subdued. We have revised our FY27-FY29E earnings estimates to factor in lower AUM growth and lower credit costs and maintain ADD with a revised RI-based TP of INR 660 (implying 0.7x Sep-28 ABVPS). Current valuation (0.5x Sep-28 ABVPS) provides a favorable risk-reward for LICHF.

- **Steady margins; growth remains subdued**: NIM remained broadly stable at 2.57% (Q1FY27: 2.58%). LICHF has increased PLR rate by 25bps effective 21st Oct. across its portfolio and is likely to improve margins in the near term. While the incremental cost of funds declined by 15bps in Q2, cost of funds are likely to inch up, going ahead, amidst repo rate hikes. Loan growth (4.6% YoY) was led by non-housing individual segment (+34% YoY) and project loans (+11.5% YoY), while individual HL book remained muted (+1.2% YoY). While disbursements growth was healthy in Q2, high run-off rates (repayment rate of 17.5%) continue to drag the loan growth lower.
- **Credit costs remain negative driven by healthy recoveries:** GS-II/GS-III improved QoQ to 2.53%/2.05% (Q1FY27: 2.60%/2.14), with steady recoveries in the retail segment (INR 5.53bn) leading to negative credit costs (-11bps) in Q2. Management has guided for 8-10bps credit costs for FY27.
- **Growth likely to remain subdued; however, risk-reward favorable:** With focus on margins and elevated competitive intensity from PSBs, meaningful uptick in loan growth is likely to remain a challenge for LICHF, particularly in retail HL. Management has indicated increasing focus toward non-HL and self-employed customers to aid growth, which is likely to remain protracted, given limited right-to-win in these segments. However, current valuation provides favorable upside for the franchise with steady RoE (~12-13%).

Financial summary

Y/E Mar (INR bn)	2Q FY27	2Q FY26	YoY (%)	1Q FY27	QoQ (%)	FY26	FY27E	FY29E	FY28E
NII	20.9	20.4	2.4	20.8	0.6	84.2	87.8	96.1	106.0
PPOP	18.3	18.7	-2.2	17.8	3.0	76.7	76.4	83.2	91.0
PAT	15.1	13.5	11.4	14.9	1.4	56.0	58.7	61.2	66.4
EPS (INR)	27.4	24.6	11.5	27.1	1.4	101.7	106.6	111.1	120.7
ROAE (%)	13.9	14.6		14.2		14.4%	13.4%	12.4%	12.1%
ROAA (%)	1.9	1.7		1.8		1.8%	1.7%	1.7%	1.7%
ABVPS (INR)						688	783	881	988
P/ABV (x)						0.7	0.6	0.6	0.5
P/E (x)						4.9	4.6	4.5	4.1

Change in estimates

INR bn	FY27E			FY28E			FY29E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	3,446	3,411	-1.0%	3,762	3,721	-1.1%	4,133	4,092	-1.0%
NIM (%)	2.6	2.6	0 bps	2.6	2.6	-2 bps	2.6	2.6	0 bps
NII	88.2	87.8	-0.5%	98.1	96.1	-2.0%	107.5	106.0	-1.5%
PPOP	76.6	76.4	-0.3%	84.8	83.2	-1.9%	92.2	91.0	-1.3%
PAT	58.5	58.7	0.3%	61.9	61.2	-1.2%	66.7	66.4	-0.4%
ABVPS (INR)	783	783	0.1%	883	881	-0.2%	988	988	0.0%

Source: Company, HSIE Research

ADD

CMP *(as on 02 Nov 2026)*	INR 495
Target Price	INR 660
NIFTY	23,441

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 676	INR 660
EPS %	FY27E +0.3%	FY28E -1.2%

KEY STOCK DATA	
Bloomberg code	LICHF IN
No. of Shares (mn)	550
MCap (INR bn) / ($ mn)	272/2,873
6m avg traded value (INR mn)	1,356
52 Week high / low	INR 598/459

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(5.3)	(10.7)	(13.2)
Relative (%)	(2.2)	(9.1)	(3.4)

SHAREHOLDING PATTERN (%)	Jun-26	Sep-26
Promoters	45.2	45.2
FIs & Local MFs	21.0	21.6
FPIs	21.5	18.9
Public & Others	12.3	14.2
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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CDSL

Strong quarter; tech spending continues

CDSL delivered a strong Q2FY27, as buoyant primary markets lifted revenue to INR 3.95bn, up 34.7% QoQ and 23.7% YoY (~9% ahead of our estimate). PAT of INR 1.74bn came in ~12% higher than our estimate of INR 1.55bn. Strong IPO and corporate action revenue and higher online data charges (KYC) led the surge along with seasonally strong e-voting revenue. Core annuity streams were steadier: transaction revenue grew a modest 3% QoQ, while annual issuer charges were flat sequentially. Strong topline growth drove sharp operating leverage, with EBITDA margin expanding 1,082bps QoQ to 57.9%. Investor onboarding also gathered pace, as demat account additions accelerated to 7.5mn from 5.8mn last quarter, led by the IPO market, and CDSL retained its leadership with an 80.4% market share. Looking ahead, we expect IPO revenue to moderate in Q3 but still clock 43% YoY growth for FY27E. We expect steady build-up in annual issue revenue (annuity) along with recovery in transaction revenue. Tech spending, however, is likely to stay elevated to support the expanding BO account base; we factor in a 21% three-year CAGR. We have raised revenue estimates by ~2-3%, led by steady annual issuer, recovery in transaction, strong IPO, and online data revenue. EPS estimates have been raised by ~1-2%, after building in higher tech spending. We expect revenue/EPS CAGRs of 17/21% over FY26–29E. Maintain BUY with a TP of INR 1,570, based on 45x Sep-28E EPS; CDSL is trading at 47/40x FY27E/FY28E EPS.

- **Q2FY27 highlights**: CDSL revenue was up 34.7/23.7% QoQ/YoY. Total revenue of INR 3.95bn was a beat to our estimate of INR 3.61bn, mainly driven by 277.8% QoQ increase in IPO revenue and supported by 20/3/55% QoQ growth in online data charges/transaction revenue/other income along with flat annual issuer charges. On the cost side, employee costs decreased by 1.3% QoQ while technology expenses and operating expenses increased by 9.9% QoQ and 11.6% QoQ respectively. EBITDA margin rose sharply by 1,082bps QoQ to 57.9% because of operating efficiencies fueled by the sharp revenue increase. Other income decreased sharply (52.2% QoQ) to INR 0.23bn. ETR for the quarter stood at 24.7% vs 29.4% in Q1FY27 and APAT stood INR 1.74bn, up 47.9% QoQ.
- **Outlook:** We expect revenue growth of +20/15/16% and EBITDA margins of 52.3/53.4/55.6 for FY27/28/29E. The 17% CAGR over FY26-29E assumes 20/18/11/19/10% CAGRs in annual issuer/transaction/IPO/online data charges/e-CAS & e-voting revenue. Core PAT CAGR over FY26-29E is at ~21%.

Quarterly financial summary

YE March (INR mn)	2Q FY27	2Q FY26	YoY (%)	1Q FY27	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net Revenues	3,945	3,189	*23.7*	2,928	*34.7*	8,123	10,822	11,449	13,714	15,808	18,368
EBITDA	2,285	1,776	*28.6*	1,379	*65.7*	4,894	6,243	5,858	7,173	8,438	10,221
APAT	1,739	1,402	*24.0*	1,175	*47.9*	4,191	5,266	4,561	5,617	6,623	7,984
Diluted EPS (INR)	8.3	6.7	*24.0*	5.6	*47.9*	20.1	25.2	21.8	26.9	31.7	38.2
P/E (x)								57.4	46.6	39.5	32.8
EV / EBITDA (x)								42.0	34.0	28.5	23.2
RoE (%)						31.3	32.7	24.5	27.1	28.6	30.6
Cash/Mcap (%)						3.7	4.6	4.6	5.4	6.3	7.3

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

INR Mn	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue	13,267	13,714	*3.4*	15,460	15,808	*2.2*	18,007	18,368	*2.0*
EBITDA	6,836	7,173	*4.9*	8,321	8,438	*1.4*	10,188	10,221	*0.3*
EBITDA margin	51.5	52.3	78bps	53.8	53.4	-45bps	56.6	55.6	-93bps
APAT	5,490	5,617	*2.3*	6,560	6,623	*1.0*	7,991	7,984	*-0.1*
EPS (INR)	26.3	26.9	*2.3*	31.4	31.7	*1.0*	38.2	38.2	*-0.1*

Source: Company, HSIE Research

BUY

CMP *(as on 02 Nov 2026)*	**INR 1,252**
Target Price	**INR 1,570**
NIFTY	**23,441**

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,570	INR 1,570
	FY27E	FY28E
EPS %	2.3%	1.0%

KEY STOCK DATA

Bloomberg code	CDSL IN
No. of Shares (mn)	209
MCap (INR bn) / ($ mn)	262/2,760
6m avg traded value (INR mn)	2,052
52 Week high / low	INR 1,674/1,116

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(6.1)	(1.6)	(21.1)
Relative (%)	(3.0)	0.0	(11.3)

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	15.00	15.00
FIs & Local MFs	15.19	17.77
FPIs	8.24	8.66
Public & Others	61.57	58.56
Pledged Shares	0.00	0.00

Source : NSE

Pledged shares as % of total shares

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Aarti Industries

Escalating exposure to mono methyl aniline

We maintain REDUCE on Aarti Industries (AIL) and assign a TP of INR 502. The company's revenue profile remains highly concentrated, with almost 50% tied to one end-user segment and over 40% to mono methyl aniline (MMA). As MMA demand is influenced by the gasoline-naphtha spread, ongoing geopolitical uncertainties make this reliance increasingly vulnerable, reinforcing our cautious outlook. AIL's primary raw materials originate from crude oil and natural gas. As these commodities are likely to stay costly in the near future, both input costs and working capital needs are set to rise. Power and fuel expenses form ~10% of the company's operating costs and, given its dependence on fuel oil and natural gas, sustained high energy prices could further compress profitability. We expect revenue/EBITDA/PAT CAGR of 12/17/22% over FY26-29E and RoE to be below 10%. The stock is trading at 45/30/21x FY27/28/29E. EBITDA/APAT were 18/34% above our estimates.

- **Financial performance**: Revenue changed by +74.7/+53.7% YoY/QoQ to INR 36,690mn. EBITDA improved by 41.2/7.6% YoY/QoQ to INR 4,110mn. EBITDA margin changed by -266/-480 bps YoY/QoQ to 11.2%.
- **Con call takeaways: (1) Energy business (50% of the revenue):** The segment nearly doubled sequential revenues in Q2FY27 to ~INR 19bn, forming 50% of consolidated sales, driven by strong export-led demand, favorable cracks, and full utilization of the newly expanded 360 KTPA MMA capacity. The portfolio benefited from robust octane-booster economics and multi-product traction (including calcium chloride and talc), though high utilization created feedstock constraints in aniline and methanol. To mitigate upstream risks, Aarti is evaluating integration partnerships over the next 3-4 months and shifting toward a solutions-based energy model. In the medium term, energy's revenue share is expected to normalize to 30-40% as capacities stabilize and non-energy projects scale. **(2) Non-energy business (50% of the revenue):** The segment delivered strong growth across pharma, dyes/pigments, polymers, and agro intermediates, supported by China's supply rationalization and robust domestic demand. The NCB value chain rebounded meaningfully, prompting evaluation of additional brownfield expansions, while targeted agro intermediates like 3,4-DCA and 2,5-DCA saw strong traction. High-end materials demand remained healthy despite temporary PDA-chain pressure from Chinese dumping. Most importantly, AIL signed a major 10+ year INR 15bn strategic manufacturing contract with a global specialty chemical major, adding long-term revenue visibility on top of stable existing LTAs. JV ramp-ups (Augene, Superform) are progressing well, with Superform targeting INR 3-4bn steady-state revenues. **(3) Capex and future outlook:** Planned capex of INR 7-8 bn in FY27, shifting from heavy greenfield projects to low-intensity brownfield expansions and debottlenecking. Zone IV (Jhagadia) was commissioned in September 2026, with 5-10 product launches in FY27 and 20-25 products planned across five chemistry blocks in FY28. In FY28, management is targeting INR 18-22bn EBITDA for FY28, led by cost optimization, value-chain ramp-ups, JV scaling, and Zone IV contributing INR 2.5-3.5bn to the bottom line in its first 18–24 months.
- **Change in estimates:** We have tweaked FY27/FY28E EPS estimates by +14.1/+0.8% to INR 9.4/14.2.

Financial summary (consolidated)

INR mn	Q2 FY27	Q1 FY27	QoQ (%)	2Q FY26	YoY (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	36,690	23,870	53.7	21,000	74.7	72,694	82,861	1,09,583	1,17,610	1,16,223
EBITDA	4,110	3,820	7.6	2,910	41.2	9,971	11,676	13,911	16,109	18,921
APAT	1,680	1,533	9.6	800	110.1	3,284	4,117	3,424	5,151	7,534
AEPS (INR)	4.6	4.2	9.6	2.2	110.1	9.1	11.4	9.4	14.2	20.8
P/E (x)						47.3	37.8	45.4	30.2	20.6
EV/EBITDA(x)						19.1	17.0	14.6	12.6	10.5
RoE (%)						6.0	7.1	5.6	7.9	10.6

Change in estimates (consolidated)

Y/E Mar	FY27E Old	FY27E New	%Ch	FY28E Old	FY28E New	%Ch
EBITDA (INR mn)	12,738	13,911	9.2	15,398	16,109	4.6
Adj. EPS (INR/sh)	8.3	9.4	14.1	14.1	14.2	0.8

Source: Company, HSIE Research

REDUCE

CMP *(as on 02 Nov 2026)*	INR 429
Target Price	INR 502
NIFTY	23,441

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 498	INR 502
EPS %	FY27E	FY28E
	+14.1%	+0.8%

KEY STOCK DATA	
Bloomberg code	ARTO IN
No. of Shares (mn)	363
MCap (INR bn) / ($ mn)	156/1,640
6m avg traded value (INR mn)	600
52 Week high / low	INR 552/338

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(12.3)	(15.5)	12.9
Relative (%)	(9.3)	(13.9)	22.7

SHAREHOLDING PATTERN (%)	Jun-26	Sep-26
Promoters	41.82	41.82
FIs & Local MFs	21.11	20.89
FPIs	6.99	6.96
Government	0.01	0.01
Public & Others	30.07	30.32
Pledged Shares	3.49	3.57

Source: BSE

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Aditya Birla Lifestyle Brands

In-line print

ABLBL's topline grew by 11.2% YoY to INR22.7bn (in-line) in Q2, supported by 5.3% retail LTL growth (H1FY27: 6.6%). Q2 LTL was partly dented by the festive shift to Q3 (festive-adjusted LTL: 8%+). Lifestyle brands (LB)/emerging business (EB) grew ~9/27% YoY to INR 19.1/3.7bn (in-line). The company added 72/86 net stores in Q2/H1FY27, with strong H2 expansion expected and Reebok targeting 300+ stores by FY27-end. Segment-wise, LB/EB EBITDAM expanded by ~20/530bps to 19.5/6.8% (HSIE: 19/4%). Overall EBITDAM rose by 36bps YoY to 15.9% (HSIE: 15.7%), led by operating leverage, lower EB discounts, and store efficiencies. Management took ~6% price hike to offset inflation, most of which will flow through in Q3. EBITDA/APAT grew by 13.8/126.3% YoY to INR 3.6bn/530mn (HSIE: INR 3.53bn/in-line). We have largely retained FY27/28 EBITDA estimates; maintain BUY with an SOTP-based TP of INR135/sh (including ~16x Sep-28 EV/EBITDA for LB and 1x Sep-28 EV/sales for EB).

- **Q2FY27 highlights**: ABLBL's revenue grew by 11.2% YoY to INR22.7bn (in-line), led by 5.3% retail LTL growth in Q2. LB grew ~9% YoY to INR 19.1bn (in-line), supported by 5% retail LTL growth, with the small-town network recording its sixth consecutive double-digit LTL quarter. LB wholesale growth accelerated on robust primary sales, while e-commerce grew in high single digits. EB revenue grew ~27% YoY to INR3.71bn (HSIE: INR3.66bn), driven by 11% retail LTL and double-digit growth across brands. By channel, wholesale/ecom/retail grew ~18/12/8% YoY. On segmental margins, LB/EB EBITDAM were up ~20/530bps to 19.5/6.8% (vs HSIE: 19/4%) respectively. The company added 72/86 stores (net) in Q2/H1FY27 and expects expansion to be strong in Q3 and beyond. GM was flat YoY at 57.7% (HSIE: 57.6%) while EBITDAM expanded by 36bps YoY to 15.9% (HSIE: 15.7%), led by operating leverage, lower discounts in EB, and store-level efficiencies. EBITDA/APAT grew by 13.8/126.3% YoY to INR 3.6bn/530mn (HSIE: INR 3.53bn/in-line). Net debt was at INR9.66bn in H1FY27; the company aims to reduce it to ~INR6bn by Q4FY27. Net WC days improved to 58 days in H1FY27 (from 65 in H1FY26).
- **Outlook**: While ABLBL's sustained growth recovery is encouraging, navigating input cost pressures will be crucial. The turnaround in EB, particularly the path toward profitability in the innerwear segment, remains a key monitorable. We have largely maintained the FY27/28 EBITDA estimates and maintain BUY with an SOTP-based TP of INR135/sh (including ~16x Sep-28 EV/EBITDA for LB and 1x Sep-28 EV/sales for EB).

Quarterly financial summary

(INR mn)	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	22,656	20,379	11.2	20,457	10.7	78,300	83,958	94,238	1,05,771	1,17,935
EBITDA	3,603	3,167	13.8	3,081	17.0	5,508	6,439	7,839	9,266	10,709
APAT	530	234	126.3	290	82.8	1,579	2,201	2,969	3,942	5,061
EPS (Rs)	0.43	0.19	126.3	0.24	82.8	0.5	1.4	2.4	3.2	4.1
P/E (x)						78.8	56.6	41.9	31.6	24.6
EV/EBITDA (x)						24.0	20.5	15.9	12.8	10.4
Core RoCE(%)						9.0	10.2	10.3	11.5	12.8

Source: Company, HSIE Research

Change in estimates

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	94,238	94,044	0.2	1,05,771	1,05,370	0.4	1,17,935	1,17,414	0.4
Gross Profit	56,318	56,202	0.2	63,686	63,445	0.4	71,187	70,872	0.4
Gross Profit Margin (%)	59.8	59.8	**0 bps**	60.2	60.2	**0 bps**	60.4	60.4	**0 bps**
EBITDA	7,839	7,828	0.1	9,266	9,239	0.3	10,709	10,670	0.4
EBITDA margin (%)	8.3	8.3	**0 bps**	8.8	8.8	**-1 bps**	9.1	9.1	**-1 bps**

Source: Company, HSIE Research, *Pre-IND AS EBITDA

BUY

CMP *(as on 02 Nov 2026)*	**INR 72**
Target Price	**INR 135**
NIFTY	**23,441**

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 135	INR 135
EBITDA *%	FY27E	FY28E
	+0.1	+0.3

*Pre-IND AS EBITDA

KEY STOCK DATA

Bloomberg code	ABLBL IN
No. of Shares (mn)	1,221
MCap (INR bn) / ($ mn)	88/928
6m avg traded value (INR mn)	157
52 Week high / low	INR 142/69

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(23.9)	(29.9)	(46.1)
Relative (%)	(20.8)	(28.3)	(36.2)

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	46.60	46.60
FIs & Local MFs	20.81	20.95
FPIs	12.69	12.29
Public & Others	19.90	20.16
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Neogen Chemicals

Executing capex; unlocking high RoCE

We retain BUY on Neogen Chemicals (NCL) with a TP of INR 2,580, premised on (1) increasing contribution from the Organolithium business to revenue; (2) commissioning and ramp-up of electrolytes, electrolyte salts, and additives capacity; and (3) volume-driven growth coupled with margin expansion in legacy business post commissioning of the Dahej plant. NCL's EBITDA/APAT will grow at 52/61% CAGR over FY26-29E while RoE will improve from 3.6% in FY26 to 6.2% in FY29E. Q2 EBITDA/APAT were lower than our estimates, owing to higher-than-expected raw material prices and interest costs.

- **Financial performance:** Revenue came in at INR 2,960mn (+41.8/+18.2% YoY/QoQ). EBITDA margin changed by +95/-396 bps YoY/QoQ to 15.3%. Organic/inorganic revenues were up 29.6/131.6% YoY to INR 2,380/580mn.
- **Key con call takeaways: (1) Battery chemicals business:** Revenue scaled sharply to ~INR 370mn in Q2FY27 and ~INR 560mn in H1, driven largely by lithium salts while electrolytes begin early ramp-up. FY27 guidance stands at INR 2.5-3bn, rising to INR 10-15bn in FY28 as 5-6 gigafactories complete electrolyte trials and global customers (including US non-FEOC players) accelerate sourcing from India. By FY29, the total investment of INR 25-30bn is targeted to deliver more than INR 5bn EBITDA, supported by approvals from major international customers and strong domestic ACC tailwinds (~60 GWh). **(2) Capex:** NCL has incurred ~INR 15bn out of the total ~INR 18bn capex for Dahej Phase-1 and Pakhajan Phase-2, with the balance to be spent in H2FY27 as both projects move into final commissioning. Dahej Phase-1 will complete by Feb 2027, adding incremental lithium-salt and electrolyte capacity, while the large Pakhajan greenfield project (30,000 MT electrolytes + 3,000 MT salts) will begin trial production by Dec 2026 and commercial output by Feb–Mar 2027. Neogen is also doubling the organo-lithium capacity in Telangana to 600 MTPA (commissioning in H1FY28), unlocking INR 1.5-2bn revenue at full run rate. Trial production at the rebuilt Dahej specialty plant is underway, with full commercialization in H2FY27, and the next modular salt/electrolyte expansions (3,000–5,000 MT each) will be finalized around Q4FY27/Q1FY28, with typical 15–18 month build cycles. **(3) Guidance:** NCL has guided for FY27 consolidated revenue of ~INR 13.5-14bn with guidance for legacy business raised to INR 11bn+. FY28 is expected to see strong scaling, with legacy business rising to INR 12-13bn and battery chemicals expected to reach INR 10-15bn . Deleveraging is underway through a INR 6bn QIP, INR 3.16bn insurance inflows, INR 2.45bn Morita JV cash with net debt projected at INR 13-15bn in FY28 and interest costs tapering down. Working capital cycles are guided to normalize to 180 days by Q4FY27 and return to historical 140-160 days in FY28, while battery chemicals will operate at a lean ~90-day cycle.
- **Change in estimates:** We change FY27/28E estimates by -12.7/+13.8% to INR 15.2/40.2.

Financial summary (consolidated)

INR mn	Q2 FY27	Q1 FY27	QoQ (%)	2Q FY26	YoY (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	2,960	2,503	18.2	2,087	41.8	7,776	8,620	12,316	25,328	30,592
EBITDA	453	482	(6.0)	300	51.3	1,363	1,373	1,892	3,973	4,784
APAT	82	171	(51.9)	34	144.2	455	288	437	1,209	1,204
AEPS (INR)	2.9	6.2	(54.1)	1.1	155.5	15.2	9.6	15.2	40.2	40.1
P/E (x)						138.2	219.0	137.7	52.1	52.3
EV/EBITDA(x)						50.3	55.5	42.4	20.8	17.1
RoE (%)						5.9	3.6	3.3	6.5	6.2

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY27E Old	FY27E New	%Ch	FY28E Old	FY28E New	%Ch
EBITDA (INR mn)	2,021	1,892	(6.4)	3,837	3,973	3.6
Adj. EPS (INR/sh)	17.4	15.2	(12.7)	35.4	40.2	13.8

Source: Company, HSIE Research

BUY

CMP *(as on 02 Nov 2026)*	INR 2,095
Target Price	INR 2,580
NIFTY	23,441

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,603	INR 2,580
	FY27E	FY28E
EPS %	-12.7%	+13.8%

KEY STOCK DATA

Bloomberg code	NEOGEN IN
No. of Shares (mn)	30
MCap (INR bn) / ($ mn)	63/664
6m avg traded value (INR mn)	398
52 Week high / low	INR 2,785/967

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	3.6	28.0	45.3
Relative (%)	6.6	29.6	55.1

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	53.01	48.31
FIs & Local MFs	19.60	23.48
FPIs	4.11	4.14
Public & Others	23.28	24.07
Pledged Shares	23.00	23.00

Source: BSE

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Birla Corporation

Continued cost and competitive pressures

While Birla Corporation's (BCORP) Q2FY27 volume rose by 7% YoY (85% utilization), intense competition kept cement prices subdued, even as costs spiked (West Asia turmoil impact). This caused unit EBITDA to decline by INR 230/MT YoY to INR 482/MT. We expect BCORP to deliver only 3% volume CAGR over FY26-29E, as its central expansion is likely to come on stream only at the fag end of FY29. We also expect elevated competition to moderate margin recovery, leading to a 2% EBITDA CAGR for the period. We maintain ADD, with a lower TP of INR 1,080/share (7.5x Sep'28E consolidated EBITDA).

- **Q2FY27 performance:** BCORP's volume grew a healthy 7% YoY to 4.54mn MT (down 10% QoQ). Utilization stood at 85% vs 98/85% QoQ/YoY. Trade sales were flattish QoQ at 82%. The share of premium sales further rose to 64% vs 62/60% QoQ/YoY. NSR remained flattish QoQ, reflecting subdued pricing gains amid the monsoon. Incentives accrual was flat QoQ at INR 65/MT (vs INR 42/MT YoY). Unit opex rose 4% QoQ on higher fuel costs (INR 100/MT) and costlier external clinker purchases amid maintenance shutdowns and operating leverage loss. Unitary fuel cost rate rose QoQ to INR 1.81/mncal from INR 1.64/mncal. Thus, unit EBITDA slumped by INR 193/MT QoQ to INR 482/MT; consolidated EBITDA fell 25% YoY to INR 2.3bn. In H1FY27, despite 6% YoY volume growth, unit EBITDA fell INR 130/MT YoY on higher energy costs and central region competition, causing a 13% YoY EBITDA decline to INR 5.7bn. In Q2/H1FY27, BCORP incurred capex of INR 1.9/3.1bn. Net debt rose to 24.7bn in Sep'26 vs 21.6bn in Mar'26 on higher working capital. Net debt/EBITDA rose to 1.8x vs 1.5x in Mar'26.
- **Con call KTAs and outlook**: BCORP cautioned that fuel cost pressure may further rise by INR 100/MT in Q3 amid West Asia turmoil. The company aims to step up captive coal mining and increase low-cost green power and AFR usage to counter cost pressure and competition. It has retained its FY29-end capacity expansion target for the central region. Given rising cost pressure and sub-par cement price hikes (mainly in the central region), we have trimmed EBITDA estimates for FY27/28/29E by 4/4/2% each. We estimate sub-optimal 3% volume CAGR for FY26-29E, in the absence of expansion. As we build in lower margins, we estimate a modest 2% EBITDA CAGR for the period. We maintain ADD, with a lower target price of INR 1,080/share.

Quarterly/annual financial summary (consolidated)

YE Mar (INR bn)	Q2 FY27	Q2 FY26	YoY (%)	Q1 FY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Sales Vol (mn MT)	4.54	4.25	6.9	5.05	(10.1)	18.11	18.72	19.46	19.85	20.65
NSR (INR/MT)	4,968	4,880	1.8	4,981	(0.2)	4,884	4,893	5,016	5,041	5,116
EBITDA(INR/MT)	482	712	(32.3)	675	(28.6)	676	776	652	684	738
Net Sales	24.15	22.07	9.5	26.46	(8.7)	92.14	96.56	103.10	105.82	111.68
EBITDA	2.28	3.05	(25.3)	3.42	(33.4)	12.17	14.54	12.86	13.87	15.53
APAT	0.37	0.90	(58.6)	1.16	(67.6)	3.24	5.55	4.27	5.33	4.86
AEPS (INR)	4.9	11.7	(58.6)	15.0	(67.6)	42.1	72.0	55.4	69.2	63.1
EV/EBITDA (x)						9.1	7.6	6.0	5.4	6.1
EV/MT (INR bn)						5.57	5.14	3.60	3.51	3.61
P/E (x)						28.0	16.3	14.4	11.6	12.7
RoE (%)						4.7	7.7	5.7	6.7	5.8

Source: Company, HSIE Research

ADD

CMP *(as on 02 Nov 2026)*	INR 801
Target Price	INR 1,080
NIFTY	23,441

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,140	INR 1,080
EBITDA revision %	FY27E *(3.8)*	FY28E *(4.0)*

KEY STOCK DATA

Bloomberg code	BCORP IN
No. of Shares (mn)	77
MCap (INR bn) / ($ mn)	62/650
6m avg traded value (INR mn)	90
52 Week high / low	INR 1,246/756

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.1)	(12.0)	(32.1)
Relative (%)	(7.0)	(10.4)	(22.3)

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	62.90	62.90
FIs & Local MFs	16.97	16.56
FPIs	6.13	5.99
Public & Others	14.00	14.55
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Quess Corp

Improving growth visibility

Quess reported a strong Q2FY27, with consolidated revenue up 14.7/5.1% YoY/QoQ, ahead of expectations, led by General Staffing (GS; 87% of revenue, +15.3/6.3% YoY/QoQ) and Professional Staffing (6% of revenue, +13.5% YoY), while Overseas (7% of revenue) declined 4.4% QoQ. EBITDA margin moderated 7bps QoQ to 1.95% and PAT grew 44% YoY to INR 747mn. GS growth was led by strong net additions of ~21k associates (the highest in the last four quarters), driven by manufacturing, consumer/retail/telecom (CRT), along with 116 new contracts added in the quarter; BFSI continued to witness a slowdown. Reported GS numbers includes a one-off INR 1.2bn pass-through revenue related to the new labour code implementation; adjusting for which, GS revenue grew ~3% QoQ and EBITDA margin stood at 1.54% (vs 1.39% YoY). The GS growth outlook remains strong, with ~10k net additions expected in Q3, led by manufacturing and CRT. Professional Staffing remains strong with 62 new contracts added in H1FY27 (vs 61 in FY26) along with 437 net associate additions. Margins stood at 10.51% vs 12.21% in Q2FY26, a deliberate move to increase investment in leadership, sales, delivery and new practices (expected range of 11-12%). Overseas revenue declined due to muted Middle East; margin stood at ~6.9% (+77bps YoY). 33 new contracts were added in the quarter, with Malaysia and the Philippines growing 50/15% YoY. We expect continued growth traction with better margins and raise earnings estimates by 6-10%. We maintain ADD with a revised target price of INR 390, based on 18x Sep-28E EPS. The stock is trading at a reasonable P/E of 17/15x FY27/28E.

- **Q2FY27 highlights:** Revenue stood at INR 43.97bn, with GS, IT Staffing, and Overseas contributing 87%, 6%, and 7%. GS revenue was INR 38.23bn, +6.3% QoQ and +15.3% YoY. EBITDA margin expanded by 6bps QoQ to 1.49%. The associate/core ratio increased to 289 from 273 in Q1, while the collect-to-pay ratio declined to 74%, from 75% in Q1. **IT Staffing** revenue was INR 2.54bn, up 0.8/13.5% QoQ/YoY, led by continued traction in GCCs, which accounted for 71% of revenue. **Overseas Staffing** revenue stood at INR 3.18bn, up -4.4/+9.5% QoQ/YoY. EBITDA margin expanded by 72bps QoQ to 6.91%. Consolidated finance cost increased/decreased by 8.1/-1.9% YoY/QoQ respectively to INR 141mn.
- **Outlook:** We expect revenue growth of 15.2/11.8/10.9% and an EBITDA margin of 2.02/2.12/2.13% in FY27/28/29E respectively, leading to revenue and EPS CAGRs of ~13% /14% respectively over FY26-29E.

Quarterly financial summary

YE March (INR bn)	2QFY27	2QFY26	YoY (%)	1QFY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	43.96	38.32	*14.7*	41.82	*5.1*	149.67	153.05	176.32	197.08	218.65
EBITDA	0.86	0.77	*11.8*	0.85	*1.4*	2.62	3.12	3.56	4.19	4.66
APAT	0.75	0.52	*43.7*	0.82	*-8.8*	2.10	2.31	2.86	3.07	3.46
Diluted EPS (Rs)	5.02	3.50	*43.5*	5.51	*-8.9*	14.2	15.4	19.3	20.7	23.3
P/E (x)							20.5	16.5	15.3	13.6
EV / EBITDA (x)							14.5	12.9	10.5	9.0
RoE (%)						19.4	20.5	21.6	19.4	19.1

Source: Company, HSIE Research

Change in estimate

YE March (INR mn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue	170.55	176.32	*3.4*	188.90	197.08	*4.3*	209.14	218.65	*4.5*
EBITDA	3.45	3.56	*3.1*	3.93	4.19	*6.5*	4.37	4.66	*6.5*
EBITDA margin (%)	2.0	2.0	0bps	2.1	2.1	4bps	2.1	2.1	4bps
APAT	2.59	2.86	*10.4*	2.85	3.07	*7.7*	3.26	3.46	*6.1*
EPS (INR)	17.5	19.3	*10.4*	19.2	20.7	*7.7*	21.9	23.3	*6.1*

Source: Company, HSIE Research

ADD

CMP *(as on 02 Nov 2026)*	**INR 317**
Target Price	**INR 390**
NIFTY	**23,441**

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 370	INR 390
EPS %	FY27E	FY28E
	+10.4	+7.7

KEY STOCK DATA

Bloomberg code	QUESS IN
No. of Shares (mn)	149
MCap (INR bn) / ($ mn)	47/499
6m avg traded value (INR mn)	310
52 Week high / low	INR 389/164

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.8)	62.2	33.8
Relative (%)	(1.8)	63.8	43.6

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	56.82	56.81
FIs & Local MFs	11.87	11.97
FPIs	8.58	10.26
Public & Others	21.74	20.95
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Sagar Cements

Robust volume; subdued margin

We maintain ADD on Sagar Cements (SGC), with an unchanged SOTP-based TP of INR 190/share. In Q2FY27, while SGC continued to deliver a strong volume (+22% YoY led by robust ~79% YoY growth at the Andhra subsidiary), subdued pricing, elevated fuel and freight costs, and maintenance shutdowns dragged unit EBITDA to INR 263/MT (down INR 160/100 per MT QoQ/YoY). However, management is confident that the recent rebound in cement prices in the south, near-completion of current capex, and expected monetization of Vizag land late-FY27 onward should bolster cash flows and reduce net debt as well as gearing Q4FY27 onward.

- **Q2FY27 performance:** SGC's consolidated volume firmed up 22% YoY, led by strong ~79% YoY growth at the Andhra Cement subsidiary. Standalone /Satguru subsidiary delivered 18/4% YoY volume growth. Trade sales /blended cement production share fell to 46/43%, from 49/47% QoQ. Reported NSR fell 1% QoQ on subdued pricing. Incentives were flat at INR 35/MT QoQ. Opex rose 3% QoQ on a sharp spike in freight costs and high maintenance expenses at the Matampally plant. Fuel costs rose to INR1.95/mncal vs INR1.90 QoQ). Lead distance increased to 263km (from 251km QoQ). Thus, unit EBITDA fell INR 160/MT QoQ to INR 262/MT. The Andhra subsidiary has recorded its best performance in many years: INR 439/MT (+ INR 277 QoQ); however, standalone margin slumped by INR 182/MT QoQ to INR 114/MT and Satguru margin fell INR 506/MT QoQ to INR 612/MT. Subdued profitability and ongoing capex (INR 1.52bn in H1FY27) have led to net debt rising to INR 16.6bn in Sep'26 (net debt/EBITDA at 7x vs 5.5x in Mar'26).
- **Con call KTAs and outlook:** SGC's major capex will be over by Q3FY27, after which we expect capex run rate to reduce. Management has reiterated 7/8.25mnMT cement sales guidance for FY27/28E; it is confident of delivering INR 600/MT margin in H2FY27/FY28E, led by the recent rebound in cement prices in the south and stabilizing costs. Purchase enquiries have started coming in for the Vizag land sale; the company should receive some advance in FY27E-end from prospective buyers. SGC has indicated that net debt will peak out in Q3FY27 and should decline thereafter as profitability returns and Vizag land monetization starts. Given the recent rebound in cement prices in the south, we have raised FY27/28/29E EBITDA estimates by 7/1/1%. We have lowered the estimate for land monetization inflow in FY27E to INR 350mn, from INR 1bn earlier. Subsequently, we maintain ADD, with an unchanged TP of INR 190/share. We ascribe 70% weight to 6.5x Sep'28E EBITDA and 30% weight to replacement valuation at USD 65/MT.

Quarterly/annual financial summary (consolidated)

YE Mar (INR bn)	Q2 FY27	Q2 FY26	YoY (%)	Q1 FY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Sales (mn MT)	1.7	1.4	21.7	1.7	0.8	5.7	6.3	7.0	7.7	8.3
NSR (INR/MT)	4,094	4,250	(3.7)	4,130	(0.9)	3,989	4,192	4,360	4,403	4,425
EBITDA (INR/MT)	263	362	(27.4)	424	(37.9)	249	462	458	513	560
Net Sales	7,054	6,019	17	7,061	(0)	22,576	26,500	30,580	33,975	36,876
EBITDA	453	513	(12)	724	(37)	1,411	2,920	3,213	3,955	4,666
APAT	(438)	(423)		(231)	89	(1,894)	(111)	(1,078)	(580)	(5)
AEPS (INR)	(3.35)	(3.24)		(1.77)	89.40	(14.49)	(0.85)	(8.25)	(4.21)	(0.04)
EV/EBITDA (x)						29.8	15.8	10.7	8.3	6.7
EV/MT (INR bn)						4.0	4.4	2.9	2.7	2.6
P/E (x)						(15.4)	(263.1)	(15.3)	(29.9)	(3,566.1)
RoE (%)						(9.9)	(0.6)	(5.9)	(3.1)	(0.0)

Source: Company, HSIE Research

ADD

CMP *(as on 02 Nov 2026)*	INR 126
Target Price	INR 190
NIFTY	23,441

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 190	INR 190
EBITDA revision %	FY27E *6.6*	FY28E *1.3*

KEY STOCK DATA

Bloomberg code	SGC IN
No. of Shares (mn)	131
MCap (INR bn) / ($ mn)	16/173
6m avg traded value (INR mn)	11
52 Week high / low	INR 237/121

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(27.7)	(30.2)	(44.1)
Relative (%)	(24.6)	(28.6)	(34.3)

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	48.33	48.33
FIs & Local MFs	18.39	18.06
FPIs	1.61	1.63
Public & Others	31.68	31.98
Pledged Shares	30.00	30.00

Source: BSE

Pledged shares as % of total shares

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Greenpanel Industries

Weak performance continues

Greenpanel's revenue grew 4% YoY to INR 4.1bn, owing to price hikes. MDF revenue grew by 4% YoY, mainly led by 7% YoY growth in NSR, while volume declined 3% YoY. EBITDAM increased by 50bps to 6.7%. The company expects mid-teen MDF volume growth in FY27 (vs our estimate of 4%), supported by improving retail and OEM demand and pick-up in H2 exports. Factoring in the weak Q2 performance and lackluster outlook, we have maintained FY27E revenue estimates, albeit trimmed for FY28/29E by 3% each; we have reduced APAT estimates by 10%/11%/ 6% for FY27/28/29E. The company's performance continues to lag that of peers, given continuous market share losses, weak margins, competitive intensity, and elevated raw material costs, prompting us to lower the valuation multiple from 25x to 20x. We maintain BUY, though, with a lower TP of INR 170/sh (20x Sep-28E EPS). Valuation stays attractive, albeit execution risk warrants caution.

- **Q2FY27 performance:** Revenue grew 4% YoY to INR 4.1bn, owing to price hikes. MDF revenue grew by 4% YoY, driven mainly by 7% YoY growth in NSR, while volume declined 3% YoY. MDF volume stood at 122.6K CBM. Domestic sales volume remained flat YoY, given weak OEM sales. Export sales volume plunged to 9.5K CBM, down 32% YoY, owing to the Middle East tensions. MDF EBITDAM (ex-forex) declined 290/250bps YoY/QoQ to 7.8%. Plywood revenue grew by 15% YoY, driven by 8% YoY growth in volume and 6% YoY growth in NSR. EBITDAM rose 50bps YoY to 6.7%, while APAT stood at INR -6mn vs INR -61/+12mn YoY/QoQ.
- **Con call KTAs and outlook:** Management expects volume recovery in H2FY27, led by encouraging festive trends, improving OEM volumes, and pick-up in exports, with the order pipeline as of October already exceeding Q2FY27 sales despite higher sea-freight costs. While pricing pressure continues to weigh on margins, softer chemical costs, improving operating leverage in H2, and normalization of high-cost Q1 inventory should support margin recovery, with the company targeting double-digit MDF margins in the coming quarters. The company's performance continues to lag that of peers, given ongoing market share losses, weak margins, competitive intensity, and elevated raw material costs, which prompts us to reduce the valuation multiple from 25x to 20x. We maintain BUY, however, with a lower TP of INR 170/sh (20x Sep-28E EPS).

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q2 FY27	Q2 FY26	YoY (%)	Q1 FY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
MDF Sales (K CBM)	122.7	127.0	(3.4)	99.7	23.0	438.6	495.3	515.2	584.7	648.2
MDF NSR (INR/CBM)	29,942	27,927	7.2	31,758	(5.7)	28,701	27,654	29,713	29,592	30,524
MDF EBITDA (INR/CBM)	2,336	2,988	(21.8)	3,271	(28.6)	3,272	2,572	2,875	3,693	3,849
Net Sales	4,117	3,960	4.0	3,498	17.7	14,358	15,394	17,100	19,195	21,787
EBITDA	278	248	12.0	299	(7.2)	1,312	797	1,562	2,260	2,603
EBITDAM (%)	6.7	6.3		8.5		9.1	5.2	9.1	11.8	11.9
APAT	(6)	(61)	NA	12	(152.0)	721	(291)	351	903	1,186
AEPS (INR)	(0.1)	(0.5)	NA	0.1	(152.0)	5.9	(2.4)	2.9	7.4	9.7
EV/EBITDA (x)						13.0	21.2	10.3	6.7	5.7
P/E (x)						21.1	(52.2)	43.3	16.8	12.8
RoE (%)						5.3	(2.1)	2.6	6.4	7.9

Source: Company, HSIE Research. NA – not applicable

BUY

CMP *(as on 02 Nov 2026)*	INR 124
Target Price	INR 170
NIFTY	23,441

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 230	INR 170
EPS revision %	FY27E (9.5)	FY28E (11.3)

KEY STOCK DATA

Bloomberg code	GREENP IN
No. of Shares (mn)	123
MCap (INR bn) / ($ mn)	15/161
6m avg traded value (INR mn)	52
52 Week high / low	INR 290/116

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(35.5)	(45.6)	(56.3)
Relative (%)	(32.4)	(44.0)	(46.5)

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	53.13	54.31
FIs & Local MFs	28.49	25.51
FPIs	0.94	1.03
Public & Others	17.44	19.15
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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IRM Energy

CNG fuels growth

We maintain BUY on IRM Energy Ltd (IRM), with a revised TP of INR 352/sh, based on (1) ~12% volume CAGR over FY26–29E, led by healthy CNG growth and rising volumes as the Namakkal & Tiruchirappalli network improves; (2) per-unit EBITDA expansion to INR 7 per scm over the same period, aided by a stable gas sourcing mix; and (3) ~25%/~37% EBITDA/EPS CAGR and ~260bps RoE expansion over FY26–29E. Q2FY27 EBITDA came in at INR 473mn (+77.2% YoY, -23.4% QoQ) and consolidated PAT at INR 254mn (+102.5% YoY, -24.8% QoQ). The QoQ decline for both was mainly due to higher gas costs from HPHT allocation change, higher Brent price, rupee weakness, and higher opex. Total volume stood at 0.67 mmscmd (+12.0% YoY, +2.8% QoQ) in the quarter.

- **Q2FY27 segmental volume:** IRM's total volume rose 12% YoY (+2.8% QoQ) to 0.67 mmscmd, primarily driven by CNG growth (+24.6% YoY, flat QoQ). PNG volume stood at 0.23 mmscmd (-5.6% YoY, +8.5% QoQ), comprising domestic PNG at 0.03 mmscmd and industrial & commercial PNG at 0.21 mmscmd. IRM continues to expand its CGD network, aiding our projected ~12% volume CAGR over FY26-29E. Our volume estimates for FY27/28/29E stand at 0.67/0.76/0.86 mmscmd.
- **Q2FY27 margin performance:** Blended realization stood at INR 54.5 per scm (+14.9% YoY, -1.4% QoQ). Gross spread stood at INR 15.8 per scm (+30.7% YoY, -10.9% QoQ). The QoQ decline was led by higher gas costs from the HPHT reallocation, higher Brent price, rupee weakness, and higher opex cost. Opex rose to INR 8.1 per scm from INR 7.2 per scm YoY, led by contract renewals and the cost of new GAs. As a result, EBITDA per unit came in at INR 7.7 per scm, up from INR 4.9 per scm in Q2FY26 but down from INR 10.5 per scm in Q1FY27. We expect per unit EBITDA of INR 7 per scm for the remaining quarters of FY27E and factor in INR 7 per scm for FY27/28/29E.
- **Conference call takeaways: (1) Capex guidance:** IRM targets INR 2.5-2.6bn in capex for FY27E. It spent around INR 0.54bn in Q1FY27 and INR 0.57bn in Q2FY27. **(2) Margin:** Management has guided for H2 EBITDA margin of ~15%, against ~16.5% in H1. It expects Q3 margin to be weaker than that of H1 but expects it to bounce back in Q4FY27. Q3FY27 should be impacted by a) supply disruption from the HPHT gas allocation change; b) higher costs on Brent-linked contracts, which reprice with a three-month lag; and c) costlier short-term gas in the Namakkal and Tiruchirappalli areas. **(3) Gas sourcing:** Long-term supply has been contracted up to 2030 with Shell, GSPC, IOCL, and GAIL, so spot purchases were minimal. New long-term contracts are on hold for 3-6 months, as management expects prices to ease once new LNG supply arrives from the US, Qatar, and other projects. Spot LNG prices are currently swinging between USD 19 and USD 32 per MMBtu.
- **Estimate change:** We have tweaked EPS estimates, given the Q2 performance.

Consolidated financial summary

Year Ending March (Rs mn)	Q2 FY27	Q1 FY27	QoQ (%)	Q2 FY26	YoY (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenues	3,339	3,259	*2.5*	2,594	*28.7*	9,755	10,667	12,874	15,169	17,277
EBITDA	473	618	*(23.4)*	267	*77.2*	963	1,122	1,702	1,949	2,199
Consol PAT	254	338	*(24.8)*	126	*102.5*	452	532	1,018	1,147	1,365
Consol EPS (Rs)	6.2	8.2	*(24.8)*	3.1	*102.5*	11.0	13.0	24.8	27.9	33.2
P/E (x)						20.6	17.5	9.2	8.1	6.8
EV/EBITDA (x)						6.9	6.3	4.4	3.9	3.4
RoE(%)						4.8	5.5	9.8	10.1	10.9

Changes in estimates

YE March	FY27E			FY28E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR mn)	1,709	1,702	-0.4	1,956	1,949	-0.4
EPS	25.2	24.8	-1.5	28.6	27.9	-2.3

Source: HSIE Research

BUY

CMP *(as on 02 Nov 2026)*	**INR 227**
Target Price	**INR 352**
NIFTY	**23,441**

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 369	INR 352
	FY27E	**FY28E**
EPS %	-1.5%	-2.3%

KEY STOCK DATA

Bloomberg code	IRMENERG IN
No. of Shares (mn)	41
MCap (INR bn) / ($ mn)	9/98
6m avg traded value (INR mn)	188
52 Week high / low	INR 367/165

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(11.8)	(36.3)	(27.2)
Relative (%)	(8.7)	(34.7)	(17.4)

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	50.74	50.74
FIs & Local MFs	1.71	1.70
FPIs	1.59	1.75
Public & Others	45.95	45.80
Pledged Shares	0.0	0.0

Source : BSE

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Rating Criteria

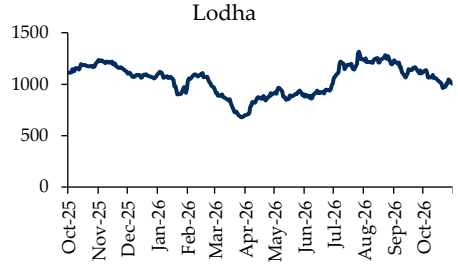
BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

Disclosure:

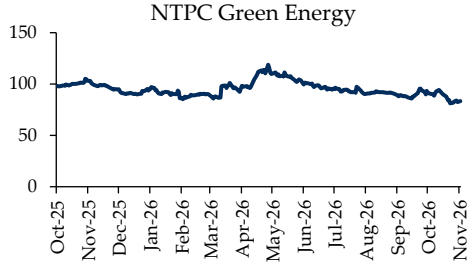
Analyst	Company Covered	Qualification	Any holding in the stock
Parikshit Kandpal	Lodha Developers, NTPC Green Energy	CFA	NO
Aditya Sahu	Lodha Developers, NTPC Green Energy	MBA	NO
Jay Shah	Lodha Developers, NTPC Green Energy	CA	NO
Keshav Lahoti	Syrma SGS Technology, Birla Corporation, Sagar Cements, Greenpanel Industries	CA, CFA	NO
Rajesh Ravi	Syrma SGS Technology, Birla Corporation, Sagar Cements, Greenpanel Industries	MBA	NO
Mahesh Nagda	Syrma SGS Technology, Birla Corporation, Sagar Cements, Greenpanel Industries	CA	NO
Kartikey	Syrma SGS Technology, Birla Corporation, Sagar Cements, Greenpanel Industries	CA	NO
Deepak Shinde	LIC Housing Finance	PGDM	NO
Krishnan ASV	LIC Housing Finance	PGDM	NO
Ayush Pandit	LIC Housing Finance	CA	NO
Amit Chandra	CDSL, Quess Corp	MBA	NO
Arjun Savla	CDSL, Quess Corp	CA	NO
Nilesh Ghuge	Aarti Industries, Neogen Chemicals, IRM Energy	MMS	NO
Aditya Iyer	Aarti Industries, Neogen Chemicals, IRM Energy	PGDM	NO
Priya Gupta	Aarti Industries, Neogen Chemicals, IRM Energy	MSc	NO
Jay Gandhi	Aditya Birla Lifestyle Brands	MBA	NO
Vedant Mulik	Aditya Birla Lifestyle Brands	CA	NO

Price movement

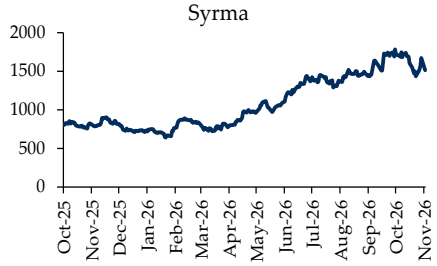
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NTPC Green Energy



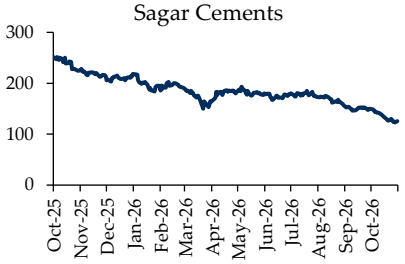
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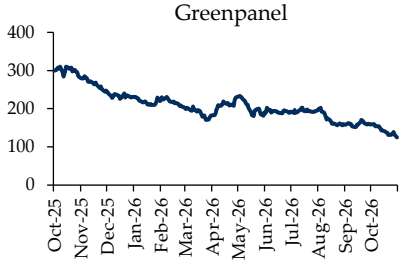
Birla Corp



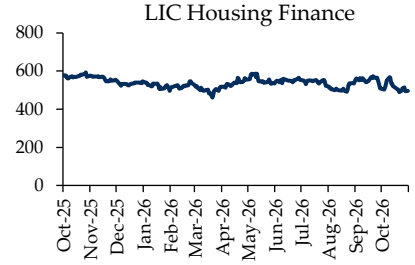
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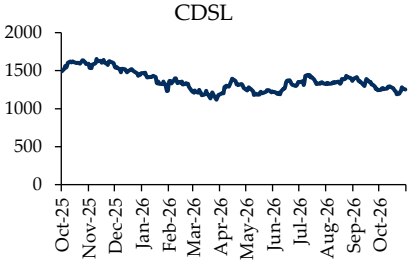
Greenpanel



LIC Housing Finance



CDSL



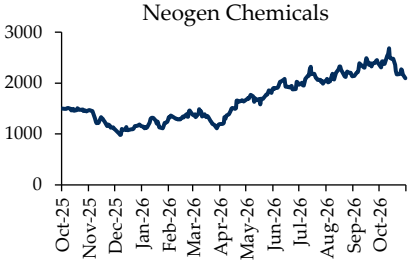
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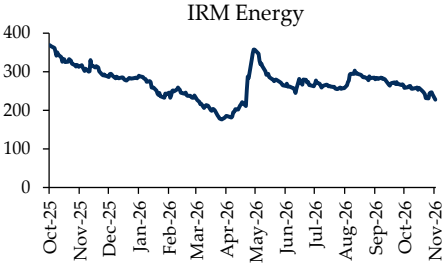
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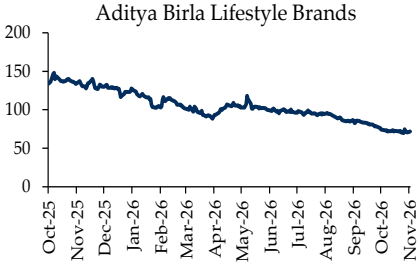
Neogen Chemicals



IRM Energy



Aditya Birla Lifestyle Brands



Disclosure:

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