INSTITUTIONAL RESEARCH

HSIE Results Daily

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Results Reviews

- **State Bank of India:** SBIN's Q2FY27 earnings were driven by healthy growth on both sides of the balance sheet, a slight rebound in margins and further moderation in asset quality. Loan growth (+18% YoY) was in line with the system, led by SME, agri, and overseas segments. Deposit growth picked up (+12% YoY) even as CASA ratio declined to 36.6% with softer traction in CA and higher TD including USD10.8bn FCNR (B) balances. Slippages and credit costs moderated further and asset quality improved across segments, with GNPAs at a two-decade low. We believe SBIN is likely to build further on its productivity and efficiency gains, coupled with strong risk selection and asset quality, driving sustainable RoAs. We have raised our FY27E/FY28E earnings forecasts by 5.3%/3.0%, introduced FY29E estimates and maintain BUY with a revised SOTP-based TP of INR1,270 (standalone bank at 1.4x Sep-28 ABVPS).
- **Bharat Electronics:** BEL recorded a robust Q2FY27 performance, a strong execution-led beat across all parameters reflected in 27% revenue growth and 20% PAT growth YoY. The YoY EBITDA margin contraction of 150bps to 27.9% was due to raw material inflation by ~500bps, albeit it was partly offset by efficient cost management. The current order book stands at INR 703bn with order inflows for the quarter at INR 33.4bn. The company has highlighted drone and missiles as two of its aspirational growth segments. It is worth noting that BEL already has expertise in producing electronic items that form ~65% of any missile. Also, it has a live capacity of producing ~1,000 seekers annually, which account for ~25% of the value of any missile. It is collaborating with 7-8 startups in the drone segment as well. Our estimated revenue and PAT CAGRs for FY26-FY29E are 15.8% and 16.1%. Our optimism is led by the robust order book of INR 703bn, inflows of INR 250bn in FY27E, and a pipeline led by QRSAM, electronics of next-gen corvettes (NGC), P75(I), Shatrughat, Samaghat and HAMMER projects. Estimated EBITDA margins are ~28.8% until FY29E as BEL aims for minimal import of all sub-systems ex-semiconductors by FY32. We maintain ADD and roll forward to FY29E, arriving at a TP of INR 480 (37x FY29E EPS).
- **Bajaj FinServ:** Bajaj FinServ (BJFIN) reported a mixed performance, with BAGIC remaining muted, on the back of a 10% GWP growth as NATCAT impact (~INR0.75bn) drove CoR to 104.5% (+220bps YoY); excluding this, CoR clocked in at 102%, dragging PAT to ~INR4.2bn (-19% YoY). On the other hand, BALIC delivered a standout performance, supported by a favorable product mix shift and strong retail protection momentum, driving 18% APE growth and expansion in VNB margin to 19.2% (+440bps YoY). However, the IRDAI's proposed commission guidelines remain a major overhang for both insurance franchises. BAF posted a strong performance, with AUM growth of 26.5% YoY, improving credit costs (1.5%), and strong profitability (RoA/RoE of 4.1%/20.6%). While headwinds (regulations on revolving credit and insurance income, global headwinds, and monsoon deficit) remain a key near-term monitorable, BAF is poised to deliver sustained healthy growth and profitability over the medium term. We maintain BUY with a revised SOTP-based TP of INR2,175.

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- **Max Healthcare Institute:** EBITDA^ grew 18% YoY on 18% YoY sales growth (hospital revenue +18%, Max Labs +22%). ARPP rose 8% YoY, while occupancy was steady at 77% (vs. 77% in the year-ago quarter). Bed capacity expansion remains largely on track, with management guiding toward improving growth. In H2FY27, chemotherapy drug-related impact in the base and break-even at new facilities (Brownfield at Max Saket achieved break-even in three months) would help offset the drag from greenfield Gurgaon hospital commissioning (by FY27-end). It plans to add 209 brownfield beds (85 beds at MSSH Noida, 60 at MSSH Vaishali, and 64 at BLK-Max), with a capex outlay of INR 4.15bn. We believe the company remains on track with its capex plan to add 2,000+ beds over FY26-29. Kalinga hospital should see improvement from FY28, with room to lift both occupancy and ARPOB. The company is evaluating the impact of 30% trade margin on non-schedule oncology medicines. While trade margin impact for oncology business will have 3-4% impact on EBITDA (our assumption), we expect the aggressive capacity build-out to underpin an 18%/19% revenue/EBITDA CAGR over FY26–29E, with EBITDA margin steady at ~26% in FY28/29E (new hospitals, trade margin, and M&A to remain a drag). Factoring in Q2 and trade margin led impact on profitability, we have cut FY27/28E EBITDA by 4/3% and our target EV/EBITDA multiple to 25x from 28x on regulatory hangover. We have revised the SoTP to INR 1,000 (25x Q2FY29E EV/EBITDA). Maintain ADD.
- **Petronet LNG:** We reiterate REDUCE on Petronet LNG (PLNG), with a target price of INR 288/share, owing to (1) subdued return ratios amid a substantial capex outlay of ~INR 220-230bn over FY27–29E, which is likely to weigh on capital efficiency, and (2) gains in H1FY27, largely attributed to marketing margins, limited visibility on marketing margins, moderation in margins as elevated spot LNG prices normalized. For Q2FY27, EBITDA increased to INR 16.6bn (+48.9% YoY, +8.6% QoQ) and PAT was reported at INR 12.3bn (+53.3% YoY, +9.1% QoQ), both in line with our estimates.
- **KEC International:** KECI's revenue/EBITDA/APAT was a miss by 11.1/23.9/74.1% vs our estimates; impacted by supply chain disruptions in the Middle East, RoW, land acquisition issues in India T&D, and calibrated supplies amidst the elevated global cost environment. Overdue debtors, elevated costs (including freight), and elevated NWC days are delaying rerating. KECI revised revenue growth guidance to 8-10% (earlier 12-15%) and INR 300bn OI for FY27. YTDFY27 order inflows (OI) stood at INR 135bn, led by T&D, while the order book (OB) as of YTDFY27 stood at INR 399.5bn (~1.7x FY26 revenue), excluding L1 of INR 35.5bn. Tailwinds for KECI include reconstruction opportunities in the Middle East, strong domestic/international T&D outlook, government focus on renewable energy/BESS/grid modernization/HVDC (driven by GEC – Phase III), AI-led data centre expansion, significant opportunities in urban infra – underground metros, PSP, elevated bridges, and visible recovery in private capex. However, headwinds such as labor shortages, continued RoW issues in India T&D, delay in water project payments, Middle East geopolitical unrest, and delay in disputes closure/claim settlement in transportation and metro projects have impacted Q2FY27 performance. We have cut estimates to factor in the weak profitability. Maintain ADD with a reduced TP of INR 422/sh (13.5x Sep-28 EPS vs 15x earlier, multiple cut to factor elevated debt and muted growth).
- **Eureka Forbes:** Eureka's Q2 revenue grew 15% YoY to INR 8.9bn, driven by strong high-teen growth in the product business. Water purifier revenue grew in high teens, led by volume and price increases. Service revenue performance was largely similar to the previous few quarters, while filter business growth accelerated. EBITDAM improved 30bps YoY to 12.9% (+300bps QoQ), leading

to EBITDA and APAT growth of 18% YoY each. For FY27, management aims to step up revenue growth while maintaining steady EBITDA margins; H1 delivered ~15% growth and H2 is expected to be stronger. Commodity conditions remain challenging, with input inflation persisting and intensifying in certain categories. Prices were last hiked in Apr 2026 (water purifiers 5-6%, AMC 3-10%) and the festive season deferred the next round of hikes; a calibrated 3-4% increase is planned for mid-Nov, which will weigh on Q3 margins, although recovery is expected in Q4. Considering cost inflation leading to price hikes in H2, we have raised revenue estimates for FY27-29E by 1-2%. Factoring in Q2 margin performance, we have increased APAT estimates by 3% for FY27E while broadly retaining the FY28–29E ones. We maintain BUY with an unchanged TP of INR 570/sh, valuing the stock at 35x Sep-28E AEPS (excluding non-cash intangible amortization and 50% of performance-based ESOP expenses).

- **Happiest Minds Technologies:** Happiest Minds posted Q2FY27 CC revenue growth of 2.4% QoQ, with operating margin stable at 18.8%, led by improved utilization (81.8% vs. 81.0% in Q1), operating efficiencies, and a richer AI-led mix. IMSS led growth, supported by annuity-based security deals across the US, the Middle East, and India (~40% of IMSS from security) and 21 customer onboardings on the Ellipse platform. APAC grew ~10% QoQ, while the US rose 0.9% QoQ amid EdTech softness and completed hi-tech programs. Repeat business reached 95.1%, IP-led revenue improved to 10.5% (from 9.3%), and large enterprise customers (>USD 95bn corporations) contributed ~60% of revenue. Project Reimagine is progressing toward outcome-based value engineering, with ~15 clients on AI Build, 55% AI-enabled projects, and 72% of engineers using advanced AI tools. Strategic wins include a multi-million-dollar GCC deal with a global digital asset management company, a connected vehicle/SDV engagement with an Indian CV manufacturer, an Azure cloud engineering mandate for a global electronics distributor, and a multi-year IT-managed services deal with a US personal care manufacturer. The ITC Infotech combination (aspiring to ~USD 1bn revenue by FY28) remains on track for Oct-Nov 2027. Management maintains focus on growth, profitability, disciplined capital allocation, and continued investment in AI and GTM initiatives. We cut the earnings estimates by 4/5% for FY27/28E, factoring in lower other income, and reiterate ADD with a TP of INR 345, based on 16x Sep-28E EPS.

- **Kolte Patil Developers:** KPDL reported presales of 1.3msf (+52.2%/+99.7% YoY/QoQ), valued at INR 10.2bn (+52%/+65.2% YoY/QoQ), largely backed by a project launch (Phase 1) in Pune, with a GDV of INR 40bn and average realization of INR 7,829psf (+0.1%/-17.1% YoY/QoQ). Notably, the Pune market contributed ~60% to overall sales value. Revenue was weaker during the period, which came on the back of low deliveries. After a prolonged lull in fresh BD activity, KPDL has finally broken its silence with a landmark move signing six society redevelopment projects across MMR having a combined GDV of ~INR 60bn, its largest-ever annual BD addition in MMR. Looking ahead, KPDL pointed to a robust launch pipeline, good visibility on project completions, and sustained sales momentum as the basis for a strong finish to FY27. Blackstone aims at accelerating expansion amidst sector consolidation. KPDL's growth strategy is firmly led by expanding and strategic land bank, now totalling a significant portfolio of ~37msf. The strategic partnership with Blackstone is expected to bolster financial flexibility and growth acceleration. KPDL aims to benefit from sector consolidation, infrastructure push, and urbanization in tier 2/3 cities, while maintaining a focus on capital efficiency and timely execution to drive long-term value. Overall, proactive management and expansion positions the firm for sustained growth. With strong cash flows, KPDL is a net cash positive

company and liquidity is comfortable. We believe this signing paves the way for accelerated BD activity, going forward, as Kolte-Patil capitalizes on the Blackstone partnership to chase greater opportunities in MMR. We maintain BUY with a TP of INR 524/share, factoring in better-than-expected execution and ramp-up in new BD.

State Bank of India

Margins rebound; productivity push continues

SBIN's Q2FY27 earnings were driven by healthy growth on both sides of the balance sheet, a slight rebound in margins and further moderation in asset quality. Loan growth (+18% YoY) was in line with the system, led by SME, agri, and overseas segments. Deposit growth picked up (+12% YoY) even as CASA ratio declined to 36.6% with softer traction in CA and higher TD including USD10.8bn FCNR (B) balances. Slippages and credit costs moderated further and asset quality improved across segments, with GNPAs at a two-decade low. We believe SBIN is likely to build further on its productivity and efficiency gains, coupled with strong risk selection and asset quality, driving sustainable RoAs. We have raised our FY27E/FY28E earnings forecasts by 5.3%/3.0%, introduced FY29E estimates and maintain BUY with a revised SOTP-based TP of INR1,270 (standalone bank at 1.4x Sep-28 ABVPS).

- **Steady growth; marginal recovery in NIMs:** Healthy NII growth (+14% YoY) was driven by an uptick in loan yields and lower cost of deposits, translating to NIM of 2.9% (Q1FY27: 2.86%). Loan growth was broad-based across asset classes, led by overseas (+23% YoY), SME (+23% YoY), agri (+23% YoY) and corporate (+16% YoY). Corporate book is expected to grow at ~16%, backed by a pipeline of ~INR7trn. We build in 14% loan book CAGR for FY26-29E.
- **Benign asset quality:** Gross slippages moderated to 0.5% (Q1FY27: 0.57%), although recoveries and upgrades were lower sequentially. Credit costs at 22bps trended marginally lower (Q1FY27: 27bps), although the credit quality was benign across portfolios. GNPA/NNPA improved to 1.4%/0.4% (-8bps/-2bps QoQ), with PCR at 74.4%. We believe SBIN's asset quality is likely to stay resilient, as we expect credit costs to average 34bps over FY27E-FY29E.
- **Operating leverage to drive earnings reflation:** Given its competitive moats (largest distribution network and continued investment in technology and people), SBIN is chasing productivity (throughput) and efficiency gains (fee income and opex) to drive medium-term RoAs above 1.1%.

Financial summary

(INR bn)	2QFY27	2QFY26	YoY (%)	1QFY27	QoQ (%)	FY26	FY27E	FY28E	FY29E
NII	491.4	429.8	14.3%	469.9	4.6%	1,731	1,992	2,244	2,520
PPOP	342.3	273.1	25.3%	335.3	2.1%	1,230	1,418	1,582	1,784
PAT	230.4	201.6	14.3%	211.2	9.1%	800	919	1,006	1,116
EPS (INR)	25.0	22.0	13.5%	22.9	9.1%	87	100	109	121
ROAE (%)						16.2	15.8	15.3	15.0
ROAA (%)						1.1	1.1	1.1	1.1
ABVPS (INR)						556	630	711	807
P/ABV (x)						1.7	1.5	1.4	1.2
P/E (x)						11.2	9.7	8.9	8.0

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% chg	New	Old	% chg
Net advances	56,008	55,509	0.9%	63,643	62,598	1.7%
NIM (%)	2.8	2.7	5bps	2.8	2.7	5bps
NII	1,992.5	1,943.1	2.5%	2,243.7	2,165.1	3.6%
PPOP	1,418.0	1,353.0	4.8%	1,581.7	1,538.4	2.8%
PAT	919.1	872.7	5.3%	1,005.7	976.4	3.0%
Adj. BVPS (INR)	629.8	624.9	0.8%	711.2	703.7	1.1%

Source: Company, HSIE Research

BUY

CMP*(as on 03 Nov 2026)*	INR 970
Target Price	INR 1,270
NIFTY	23,811

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR1,245	INR1,270
	FY27E	FY28E
EPS %	+5.3%	+3.0%

KEY STOCK DATA

Bloomberg code	SBIN IN
No. of Shares (mn)	9,231
MCap (INR bn) / ($ mn)	8,956/94,526
6m avg traded value (INR mn)	12,465
52 Week high / low	INR 1,235/934

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(7.2)	(9.2)	2.2
Relative (%)	(5.0)	(9.2)	10.6

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	55.5	55.5
FIs & Local MFs	26.5	26.3
FPIs	10.8	11.1
Public & Others	7.2	7.1
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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Bharat Electronics

Strong execution despite slower order inflows

BEL recorded a robust Q2FY27 performance, a strong execution-led beat across all parameters reflected in 27% revenue growth and 20% PAT growth YoY. The YoY EBITDA margin contraction of 150bps to 27.9% was due to raw material inflation by ~500bps, albeit it was partly offset by efficient cost management. The current order book stands at INR 703bn with order inflows for the quarter at INR 33.4bn. The company has highlighted drone and missiles as two of its aspirational growth segments. It is worth noting that BEL already has expertise in producing electronic items that form ~65% of any missile. Also, it has a live capacity of producing ~1,000 seekers annually, which account for ~25% of the value of any missile. It is collaborating with 7-8 startups in the drone segment as well. Our estimated revenue and PAT CAGRs for FY26-FY29E are 15.8% and 16.1%. Our optimism is led by the robust order book of INR 703bn, inflows of INR 250bn in FY27E, and a pipeline led by QRSAM, electronics of next-gen corvettes (NGC), P75(I), Shatrughat, Samaghat and HAMMER projects. Estimated EBITDA margins are ~28.8% until FY29E as BEL aims for minimal import of all sub-systems ex-semiconductors by FY32. We maintain ADD and roll forward to FY29E, arriving at a TP of INR 480 (37x FY29E EPS).

- **Q2FY27 highlights:** The revenue stood at INR 73.3bn, up 27% YoY, while EBITDA was INR 20.4bn, up 20% YoY and APAT INR 15.4bn, up 20% YoY. EBITDA margin was 27.9% (-150bps YoY), lower due to RM inflation.
- **Q2FY27 order inflows consisting majorly of base orders:** The order inflow for Q2FY27 stood at INR 33.4bn (Q1FY27: INR 37.5bn). Granular orders included supply of laser-based IR jammer, communication equipment, tank subsystems, radars, CBRN protection system, electro optics, ammunition fuzes, avionics, transmit/receive modules, thermal imager, and transducers.
- **Strong order book fueled by steady order inflows in Q2FY27:** The current order book stands at INR 703bn. It consists of electronic fuzes for the Army (~INR 42bn), LRSAM for Navy (~INR 29bn), LCA MK1A LRUs for Airforce (~INR 32bn), BMP2 upgrade for the Army (~INR 26bn), Ashwini radar for Airforce (~INR 25bn), EW for Mi-17 for Airforce (~INR 22bn), and a key export order (~INR 17bn). While order for fuzes needs to be executed by FY33, the remaining key orders mentioned need to be delivered before FY30.
- **Order pipeline increasing revenue visibility:** Estimated order inflow for FY27 (INR 250bn) includes prestigious orders such as Shatrughat and Samaghat EW programs (INR 90bn), Shakti phase IV EW program for the Army (INR 20bn) and HAMMER precision guided air to weapon system (INR 25bn). While QRSAM order (worth INR 300bn) is expected soon, it may slip to early Q1FY28E due to procedural delays. In addition to these, BEL expects to receive electronics orders of INR 200bn pertaining to recently signed NGC from GRSE and Goa shipyard. These are expected within the next six months, executable over four years. Also, electronic orders from Mazagon dock for P-75(I) submarines are expected in FY28E. Project Kusha (~INR 400bn) is anticipated in FY30E. These long cycle new order inflows provide extended revenue visibility in the medium term. The FY27E book to bill of 2.2, robust order pipeline, and strong execution rate provide a clear visibility of revenue CAGR and PAT CAGR of 15.8% and 16.1% respectively for FY26-FY29E.

Financial Summary

(INR bn)	Q2FY27	Q2FY26	*YoY*	Q1FY27	*QoQ*	FY25	FY26	FY27E	FY28E	FY29E
Net Revenues	73.3	57.9	*27%*	55.5	*32%*	237.7	276.1	323.2	376.0	428.3
EBITDA	20.4	17.0	*20%*	13.9	*47%*	68.3	80.5	93.0	108.9	122.8
APAT	15.4	12.9	*20%*	10.5	*46%*	53.2	60.6	70.7	83.1	94.8
Diluted Consol EPS (INR)	2.1	1.8	*20%*	1.4	*47%*	7.28	8.3	9.7	11.4	13.0
P/E (x)						52	46	39	33	29
EV/EBITDA						39	33	29	24	21
RoE (%)						29.3%	27.6%	26.8%	26.1%	24.7%

Source: Company, HSIE Research

ADD

CMP *(as on 03 Nov 2026)*	**INR 380**
Target Price	**INR 480**
NIFTY	**23,811**

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 440	INR 480
	FY27E	FY28E
EPS Change %	*1.8%*	*2.0%*

KEY STOCK DATA	
Bloomberg code	BHE IN
No. of Shares (mn)	7,310
MCap (INR bn) / ($ mn)	2,778/29,324
6m avg traded value (INR mn)	5,069
52 Week high / low	INR 473/355

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(3.1)	(11.9)	(10.0)
Relative (%)	(0.9)	(11.9)	(1.6)

SHAREHOLDING PATTERN (%)	Jun-26	Sep-26
Promoters	51.14	51.14
FIs & Local MFs	21.02	21.86
FPIs	18.02	16.99
Public & Others	9.82	10.00
Pledged Shares	-	-

Source: BSE

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Bajaj FinServ

Mixed bag by insurance businesses; NBFC leads further

Bajaj FinServ (BJFIN) reported a mixed performance, with BAGIC remaining muted, on the back of a 10% GWP growth as NATCAT impact (~INR0.75bn) drove CoR to 104.5% (+220bps YoY); excluding this, CoR clocked in at 102%, dragging PAT to ~INR4.2bn (-19% YoY). On the other hand, BALIC delivered a standout performance, supported by a favorable product-mix shift and strong retail protection momentum, driving 18% APE growth and expansion in VNB margin to 19.2% (+440bps YoY). However, the IRDAI's proposed commission guidelines remain a major overhang for both insurance franchises. BAF posted a strong performance, with AUM growth of 26.5% YoY, improving credit costs (1.5%), and strong profitability (RoA/RoE of 4.1%/20.6%). While headwinds (regulations on revolving credit and insurance income, global headwinds, and monsoon deficit) remain a key near-term monitorable, BAF is poised to deliver sustained healthy growth and profitability over the medium term. We maintain BUY with a revised SOTP-based TP of INR2,175.

- **Muted quarter for general insurance (9.7% of SOTP):** BAGIC's PAT dropped 19% YoY to INR4.2bn, led by lower capital gains and elevated claims ratio as CoR rose to 104.5% with underwriting loss worsening by 27% YoY. Though annualized EoM compliance is intact, navigating growth on the back of the IRDAI's impending distribution reforms will be critical. We value BAGIC at 26x Sept-28E EPS (implied 15% discount to ICICIGI).
- **Life insurance business rides the momentum (7.5% of SOTP):** BALIC posted a strong H1FY27, with APE up 18% (~INR41bn) and VNB jumping 53% to INR7.8bn, translating into healthy VNB margins at 19.2%. Given the IRDAI's proposed commission distribution reforms, BALIC appears vulnerable to the EoM glide path of 15% within two years (FY26: 26%). With regulatory reforms likely to weigh on growth, we expect APE to soften and VNB margins to hold at current levels. We value BALIC at 1.3x Sep-28 EV (implied ~10% premium to ICICILIFE).
- **NBFC business (82.9% of SOTP) — sustained strong operating performance:** NIMs remained stable at 9.1%, with strong growth in fee income (+33% YoY). NIMs are likely to face pressure with rising cost of funds. AUM growth was driven by mortgages, consumer finance, and new products (~8.4% of AUM). The GL book grew 105% YoY with rapid branch additions (~2,800 by Mar-27), alongside steady scale-up in CV, tractors, car financing, and MFI. Credit costs of ~1.53% was within management guidance.
- **Insurance businesses to drive incremental rerating**: With the flagship NBFC business already commanding sector leadership (and leading valuations), we believe that the potential turnaround (post the regulatory norms settling in) in the insurance businesses is likely to drive incremental rerating for BJFIN.

SOTP-based valuation

(INR/shr)	BJFIN share	Per share (INR)	% of TP	Rationale
BAF	51.3%	2,398	82.9%	HSIE TP
BAGIC	77.3%	279	9.7%	26x Sep-28E EPS
BALIC	77.3%	216	7.5%	1.3x Sep-28E EV
Value of subsidiaries		**2,894**		
Hold-co discount	30%	719		
Target Price		**2,175**		

Source: Company, HSIE Research

BUY

CMP *(as on 03 Nov 2026)*	**INR 1,718**
Target Price	**INR 2,175**
NIFTY	**23,811**

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,361	INR 2,175
EPS%	FY27E	FY28E
	NA	NA

KEY STOCK DATA

Bloomberg code	BJFIN IN
No. of Shares (mn)	1,602
MCap (INR bn) / ($ mn)	2,753/29,051
6m avg traded value (INR mn)	2,231
52 Week high / low	INR 2,127/1,597

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(18.0)	(1.7)	(17.5)
Relative (%)	(15.8)	(1.7)	(9.0)

SHAREHOLDING PATTERN (%)

	June-26	Sept-26
Promoters	58.7	58.7
FIs & Local MFs	12.1	11.1
FPIs	6.9	8.2
Public & Others	22.3	22.0
Pledged Shares	0.0	0.0

Source: BSE

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Max Healthcare Institute

Steady growth in H2; assessing trade margin impact

EBITDA^ grew 18% YoY on 18% YoY sales growth (hospital revenue +18%, Max Labs +22%). ARPP rose 8% YoY, while occupancy was steady at 77% (vs. 77% in the year-ago quarter). Bed capacity expansion remains largely on track, with management guiding toward improving growth. In H2FY27, chemotherapy drug-related impact in the base and break-even at new facilities (Brownfield at Max Saket achieved break-even in three months) would help offset the drag from greenfield Gurgaon hospital commissioning (by FY27-end). It plans to add 209 brownfield beds (85 beds at MSSH Noida, 60 at MSSH Vaishali, and 64 at BLK-Max), with a capex outlay of INR 4.15bn. We believe the company remains on track with its capex plan to add 2,000+ beds over FY26-29. Kalinga hospital should see improvement from FY28, with room to lift both occupancy and ARPOB. The company is evaluating the impact of 30% trade margin on non-schedule oncology medicines. While trade margin impact for oncology business will have 3-4% impact on EBITDA (our assumption), we expect the aggressive capacity build-out to underpin an 18%/19% revenue/EBITDA CAGR over FY26–29E, with EBITDA margin steady at ~26% in FY28/29E (new hospitals, trade margin, and M&A to remain a drag). Factoring in Q2 and trade margin led impact on profitability, we have cut FY27/28E EBITDA by 4/3% and our target EV/EBITDA multiple to 25x from 28x on regulatory hangover. We have revised the SoTP to INR 1,000 (25x Q2FY29E EV/EBITDA). Maintain ADD.

- **Q2 highlights:** Sales came in at INR 30.55bn (+18% YoY). Hospital sales were at INR 29.89bn (+18% YoY). Max Lab grew 22% YoY to INR 660mn. Excluding non-operating costs, EBITDA came in at INR 8.19bn (+18% YoY) and margin was 26.8% (-9 bps YoY). PAT (ex-one-offs) was INR 4.7bn (+13% YoY).
- **Operating metrics:** ARPP grew 8% YoY at INR 0.23mn. Occupancy was 77% (vs 77% YoY). OPD/IP volume grew 13/12% YoY. ALOS was steady at 3.9 days. International patient sales (10.2% of the hospital sales) grew 33% YoY. Institutional patient bed share dropped to 29.3% (34% in Q2FY26 and 32.3% in Q1FY27). Max@Home revenue was INR 860mn (+37% YoY). As of Sep-26, FCF was INR 5bn, of which INR 2.92bn was spent on expansion and INR 1.95bn was given out as dividend, while net debt was INR 23.69bn.
- **Con call takeaways:** It expects Kalinga hospital's renovation of the existing facility to be completed within 12-15 months. Looking to add the balance 140 beds at Max Saket and 205 beds at Max Nanavati Mumbai in Nov 2026, and 100 beds at Lucknow by Q4FY27. The company has started an oncology block in Max Dwarka with expectation of 20 beds. Trade margin impact is under evaluation since chemotherapy is offered as a packaged service, which includes medicine (branded, scheduled, generic, and non-scheduled), mixing charge, and nature of patient (cash, insurance); it accounts for 20-30% of sales.

Quarterly financial summary

(INR mn)	2QFY27	2QFY26	YoY (%)	1QFY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	30,550	25,800	18	28,350	8	86,210	100,280	119,985	141,980	164,692
EBITDA	8,190	6,940	18	7,050	16	21,940	25,630	30,937	36,959	42,803
APAT	4,700	4,152	13	3,790	24	14,700	15,806	17,584	21,554	25,624
EPS (INR)	4.8	4.3	13	3.9	24	15.1	16.2	18.1	22.1	26.3
P/E (x)						59.2	55.1	49.5	40.4	34.0
EV/EBITDA (x)						40.6	34.9	29.0	24.3	20.8
RoCE (%)						15	14	15	16	17

Source: Company, HSIE Research, PAT adjusted for one-offs. ^ adjusted for non-operating costs

ADD

CMP *(as on 03 Nov 2026)*	INR 896
Target Price	INR 1000
NIFTY	23,811

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1110	INR 1000
	FY27E	FY28E
EBITDA %	(4.5)	(3.3)

KEY STOCK DATA	
Bloomberg code	MAXHEALT IN
No. of Shares (mn)	973
MCap (INR bn) / ($ mn)	872/9,199
6m avg traded value (INR mn)	2,971
52 Week high / low	INR 1,187/797

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(18.6)	(9.8)	(21.9)
Relative (%)	(16.4)	(9.8)	(13.4)

SHAREHOLDING PATTERN (%)	Jun-26	Sep-26
Promoters	23.71	23.71
FIs & Local MFs	29.96	31
FPIs	41.78	40.52
Public & Others	4.55	4.77
Pledged Shares	-	-

Source: BSE

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Petronet LNG

Marketing gains to fade as spot prices ease

We reiterate REDUCE on Petronet LNG (PLNG), with a target price of INR 288/share, owing to (1) subdued return ratios amid a substantial capex outlay of ~INR 220-230bn over FY27–29E, which is likely to weigh on capital efficiency, and (2) gains in H1FY27, largely attributed to marketing margins, limited visibility on marketing margins, moderation in margins as elevated spot LNG prices normalized. For Q2FY27, EBITDA increased to INR 16.6bn (+48.9% YoY, +8.6% QoQ) and PAT was reported at INR 12.3bn (+53.3% YoY, +9.1% QoQ), both in line with our estimates.

- **Q2FY27 performance: (1) Dahej terminal:** Volume rose to 216tbtu (long-term/ spot/services stood at 21/7.0/188 tbtu), up 2.4% YoY and 12.5% QoQ. Gorgon's volume stood at 12 tbtu in H1FY27. Capacity utilization was 73% (vs 66% QoQ/92% YoY). The YoY drop in utilization reflects expanded 22.5 MTPA capacity (vs 17.5 MTPA last year). **(2) Kochi terminal:** Volume came in at 15 tbtu (-11.8% YoY, flat QoQ). Total volume stood at 231 tbtu (+1.3% YoY, +11.6% QoQ), with overall utilization at 64% (vs 58% QoQ / 78% YoY).
- **Conference call takeaways**: **(1) Capex guidance:** Targets ~INR 90bn for both FY27/FY28E (in H1FY27, spent INR 16.3bn), with a gradual drop from FY29E. All major orders placed, with physical progress on schedule. **(2) Petrochemical (PDH-PP) project:** Spent INR 36 bn till Sep'26. Useful life of 25 years. **(3) Kochi-Bangalore pipeline:** Connection to the national grid expected by FY27E (GAIL guides for Dec'26). **(4) LNG vessel charters:** Time charter agreements for all three vessels suspended, tied to the force majeure. Charterers claimed ~INR 6.3bn (charter hire plus associated cost) against which PLNG has filed counter claims. **(5) Contract renewals and capacity tie-ups:** a) Dahej capacity: Talks on with GAIL, IOCL, BPCL, and GSPC for the long-term tie-ups; b) 5 MTPA Dahej expansion: no off-take agreement signed yet. **(6) India gas and demand outlook:** sourcing rising from the US, Oman, Nigeria, Angola, Trinidad, and Australia (vs falling from Qatar and the UAE). Growth led by CGD (now the largest consumer of NG), fertilizers, and power. **(7) Dividend:** Interim dividend of INR 7/share.
- **Change in estimates and valuation:** We raised the FY27/28E EPS estimates by 10%/4.9%, based on quarterly performance. Our DCF-based TP of INR 288/sh reflects Dec-27E cash flows.

Financial summary

Year Ending March (Rs bn)	2Q FY27	1Q FY27	QoQ (%)	2Q FY26	YoY (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenues	72.0	55.5	*29.6*	110.1	*(34.6)*	509.8	434.9	345.5	445.0	755.4
EBITDA	16.6	15.3	*8.6*	11.2	*48.9*	55.2	53.4	64.6	62.0	69.6
APAT	12.4	11.3	*9.1*	8.1	*53.3*	39.3	38.4	45.8	39.8	39.0
AEPS (Rs)	8.2	7.6	*9.1*	5.4	*53.3*	26.2	25.6	30.5	26.6	26.0
P/E (x)						11.6	11.8	9.9	11.4	11.7
EV/EBITDA (x)						7.0	7.2	6.6	7.8	7.3
RoE (%)						21.6	18.7	19.7	15.3	13.7

Source: Company, HSIE Research

Changes in estimates

YE March	FY27E			FY28E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	58.7	64.6	10.0	59.1	62.0	4.9
EPS	27.6	30.5	10.6	25.1	26.6	5.8

Source: HSIE Research

REDUCE

CMP *(as on 03 Nov 2026)*	INR 303
Target Price	INR 288
NIFTY	23,811

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 280	INR 288
	FY27E	**FY28E**
EPS change	+10.6%	+5.8%

KEY STOCK DATA	
Bloomberg code	PLNG IN
No. of Shares (mn)	1,500
MCap (INR bn) / ($ mn)	455/4,797
6m avg traded value (INR mn)	765
52 Week high / low	INR 326/235

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	6.4	9.5	6.3
Relative (%)	8.6	9.5	14.7

SHAREHOLDING PATTERN (%)	Jun-26	Sep-26
Promoters	50.0	50.0
FIs & Local MFs	13.7	14.2
FPIs	26.3	25.9
Public & Others	10.1	9.8
Pledged Shares	0.00	0.00

Source: BSE

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KEC International

Disappointing performance

KECI's revenue/EBITDA/APAT was a miss by 11.1/23.9/74.1% vs our estimates; impacted by supply chain disruptions in the Middle East, RoW, land acquisition issues in India T&D, and calibrated supplies amidst the elevated global cost environment. Overdue debtors, elevated costs (including freight), and elevated NWC days are delaying rerating. KECI revised revenue growth guidance to 8-10% (earlier 12-15%) and INR 300bn OI for FY27. YTDFY27 order inflows (OI) stood at INR 135bn, led by T&D, while the order book (OB) as of YTDFY27 stood at INR 399.5bn (~1.7x FY26 revenue), excluding L1 of INR 35.5bn. Tailwinds for KECI include reconstruction opportunities in the Middle East, strong domestic/international T&D outlook, government focus on renewable energy/BESS/grid modernization/HVDC (driven by GEC – Phase III), AI-led data centre expansion, significant opportunities in urban infra – underground metros, PSP, elevated bridges, and visible recovery in private capex. However, headwinds such as labor shortages, continued RoW issues in India T&D, delay in water project payments, Middle East geopolitical unrest, and delay in disputes closure/claim settlement in transportation and metro projects have impacted Q2FY27 performance. We have cut estimates to factor in the weak profitability. Maintain ADD with a reduced TP of INR 422/sh (13.5x Sep-28 EPS vs 15x earlier, multiple cut to factor elevated debt and muted growth).

- **Q2FY27 financial snapshot:** KECI generated a revenue of INR 54.7bn (-10.2/+8.8%, YoY/QoQ, a 11.1% miss). EBITDA came in at INR 2.7bn (-37/-6.7%, YoY/QoQ, a 23.9% miss) while EBITDA margin came in at 5% (-210/-83bps, YoY/QoQ, vs our estimate of 5.8%). APAT came in at INR 0.3bn (-81.5/-59% YoY/QoQ, a 74.1% miss).
- **Stable order intake; targeting high-margin orders:** KECI's FYTD27 OI of INR 135bn was spread across T&D, civil, cables & conductors, transportation, and renewables at 70/9/10/3/8% respectively. The tender pipeline is currently at INR 2trn, majorly from T&D and civil segments. The OB of INR 399.5bn as of YTDFY27 is spread across T&D, civil, transportation, cables, renewables, oil & gas at 65/23/5/3/3/1% respectively. Geographically, OI and OB are bifurcated at 71/29% and 58/42% between domestic and international.
- **Focus on optimizing working capital through various measures:** The consolidated net debt and interest-bearing acceptances increased/(decreased) by INR +13.1/+10.7bn (YoY/6M) to all-time high of INR 77.9bn. NWC days as of Sep'26 stood at 155 (Jun'26: 134 days); management has now guided for 125days NWC by FY27-end (earlier 110 days). Debt and WC levels were affected by delay in realization of significant collections in the Middle East and Afghanistan (INR 6bn), which have been realized in Oct'26; higher strategic inventory levels of INR 1.5bn accumulated to manage commodity price volatility; lower-than-expected realization in water & metro projects (with KEC investing another INR1bn for completion of water projects; JJM outstanding at INR 6-8bn, as of Oct 26) and retention release in the Middle East. Cumulatively, this collection will help KECI to reduce net debt to INR 60bn, as guided by management.

Consolidated financial summary (INR mn)

Particulars	2QFY27	2QFY26	YoY (%)	1QFY27	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	54,677	60,916	(10.2)	50,235	8.8	235,055	246,284	273,967	304,011
EBITDA	2,713	4,304	(37.0)	2,908	(6.7)	16,586	13,740	18,254	22,359
APAT	297	1,608	(81.5)	726	(59.0)	6,497	4,214	6,986	9,671
EPS (INR)	1.1	6.0	(81.5)	2.7	(59.0)	22.7	15.8	26.2	36.3
P/E (x)						13.8	19.9	12.0	8.7
EV/EBIDTA(x)						7.9	10.1	7.9	6.8
RoE (%)						10.5	6.7	10.3	12.9

Source: Company, HSIE Research

Change in estimates (INR mn)

Particulars	FY27E			FY28E			FY29E		
	New	Old	% Chg. / Bps	New	Old	% Chg. / Bps	New	Old	% Chg. / Bps
Revenue	246,284	255,967	(3.8)	273,967	283,419	(3.3)	304,011	313,553	(3.0)
EBITDA	13,740	16,204	(15.2)	18,254	20,413	(10.6)	22,359	24,952	(10.4)
EBITDA (%)	5.6	6.3	(75.2)	6.7	7.2	(53.9)	7.4	8.0	(60.3)
APAT	4,214	6,436	(34.5)	6,986	8,712	(19.8)	9,671	11,746	(17.7)

Source: HSIE Research

ADD

CMP (*as on 03 Nov 2026*)	**INR 315**
Target Price	**INR 422**
NIFTY	**23,811**

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 534	INR 422
EPS	FY27E	FY28E
Change %	-34.5	-19.8

KEY STOCK DATA

Bloomberg code	KECI IN
No. of Shares (mn)	266
MCap (INR bn) / ($ mn)	84/889
6m avg traded value (INR mn)	704
52 Week high / low	INR 821/311

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(33.9)	(43.6)	(61.0)
Relative (%)	(31.7)	(43.6)	(52.6)

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	50.10	50.10
FIs & Local MFs	23.24	20.77
FPIs	9.92	8.69
Public & Others	16.64	20.45
Pledged Shares	-	-

Source: BSE

Pledge shares as a % of total shares

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Eureka Forbes

Solid performance; service growth yet to revive

Eureka's Q2 revenue grew 15% YoY to INR 8.9bn, driven by strong high-teen growth in the product business. Water purifier revenue grew in high teens, led by volume and price increases. Service revenue performance was largely similar to the previous few quarters, while filter business growth accelerated. EBITDAM improved 30bps YoY to 12.9% (+300bps QoQ), leading to EBITDA and APAT growth of 18% YoY each. For FY27, management aims to step up revenue growth while maintaining steady EBITDA margins; H1 delivered ~15% growth and H2 is expected to be stronger. Commodity conditions remain challenging, with input inflation persisting and intensifying in certain categories. Prices were last hiked in Apr 2026 (water purifiers 5-6%, AMC 3-10%) and the festive season deferred the next round of hikes; a calibrated 3-4% increase is planned for mid-Nov, which will weigh on Q3 margins, although recovery is expected in Q4. Considering cost inflation leading to price hikes in H2, we have raised revenue estimates for FY27-29E by 1-2%. Factoring in Q2 margin performance, we have increased APAT estimates by 3% for FY27E while broadly retaining the FY28–29E ones. We maintain BUY with an unchanged TP of INR 570/sh, valuing the stock at 35x Sep-28E AEPS (excluding non-cash intangible amortization and 50% of performance-based ESOP expenses).

- **Q2FY27 highlights:** Revenue grew 15% YoY to INR 8.9bn, led by strong high-teen growth in the product business. Water purifier revenue grew in high teens as well, fuelled by volume and price increases. Growth was driven by the economy segment and stainless steel product range. Service revenue trajectory was largely in line with that in the past few quarters; filter business growth accelerated. Emerging categories of robotics, softeners, and air purifiers continued their high growth trajectory on the back of new launches and category investments. Employee expenses (ex-ESOP) grew 14% YoY, while other expenses grew 7% YoY. EBITDA margin (ex-ESOP) improved 30bps YoY to 13.7% (+280bps QoQ), while overall EBITDAM improved 30bps YoY to 12.9% (+300bps QoQ). Consequently, EBITDA and APAT grew by 18% YoY each.
- **Con call KTA and valuation:** The company aims to accelerate its service business in the coming quarters through multiple initiatives. Its two-year filter-life purifier has no comparable offering in the market, which should support stronger filter replacement demand. Commodity conditions remain challenging, with input inflation persisting across several categories. A&SP spend rose ahead of revenue in H1FY27 and is likely to remain at a high level in the upcoming quarters. We maintain BUY with an unchanged TP of INR 570/sh, valuing the stock at 35x Sep-28E AEPS (excluding non-cash intangible amortization and 50% of performance-based ESOP expenses).

Financial summary

(INR mn)	Q2 FY27	Q2 FY26	YoY (%)	Q1 FY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	8,885	7,721	15.1	7,004	26.9	24,369	27,091	31,498	35,732	40,234
EBITDA	1,150	977	17.7	694	65.7	2,656	3,133	3,667	4,290	4,961
EBITDAM	12.9	12.6		9.9		10.9	11.6	11.6	12.0	12.3
APAT	741	629	17.8	424.4	74.6	1,602	1,931	2,263	2,698	3,155
EPS (INR)	3.8	3.3	17.8	2.2	74.6	8.3	10.0	11.7	13.9	16.3
EV/EBITDA (x)						23.8	19.7	16.2	13.1	10.4
P/E (x)						41.3	34.3	29.2	24.5	21.0
RoE (%)						3.7	4.3	4.8	5.5	6.1

Source: Company, HSIE Research

BUY

CMP *(as on 03 Nov 2026)*	INR 342
Target Price	INR 570
NIFTY	23,811

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 570	INR 570
	FY27E	FY28E
EPS %	3.1	-

KEY STOCK DATA	
Bloomberg code	EUREKAFO IN
No. of Shares (mn)	194
MCap (INR bn) / ($ mn)	66/699
6m avg traded value (INR mn)	96
52 Week high / low	INR 669/300

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(24.6)	(31.4)	(37.3)
Relative (%)	(22.4)	(31.4)	(28.9)

SHAREHOLDING PATTERN (%)	Jun-26	Sep-26
Promoters	62.55	62.51
FIs & Local MFs	6.70	6.67
FPIs	13.24	13.22
Public & Others	16.91	17.60
Pledged Shares	34	51

Source : BSE

Pledged shares as % of total shares

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Happiest Minds Technologies

Steady quarter; transition underway

Happiest Minds posted Q2FY27 CC revenue growth of 2.4% QoQ, with operating margin stable at 18.8%, led by improved utilization (81.8% vs. 81.0% in Q1), operating efficiencies, and a richer AI-led mix. IMSS led growth, supported by annuity-based security deals across the US, the Middle East, and India (~40% of IMSS from security) and 21 customer onboardings on the Ellipse platform. APAC grew ~10% QoQ, while the US rose 0.9% QoQ amid EdTech softness and completed hi-tech programs. Repeat business reached 95.1%, IP-led revenue improved to 10.5% (from 9.3%), and large enterprise customers (>USD 95bn corporations) contributed ~60% of revenue. Project Reimagine is progressing toward outcome-based value engineering, with ~15 clients on AI Build, 55% AI-enabled projects, and 72% of engineers using advanced AI tools. Strategic wins include a multi-million-dollar GCC deal with a global digital asset management company, a connected vehicle/SDV engagement with an Indian CV manufacturer, an Azure cloud engineering mandate for a global electronics distributor, and a multi-year IT-managed services deal with a US personal care manufacturer. The ITC Infotech combination (aspiring to ~USD 1bn revenue by FY28) remains on track for Oct-Nov 2027. Management maintains focus on growth, profitability, disciplined capital allocation, and continued investment in AI and GTM initiatives. We cut the earnings estimates by 4/5% for FY27/28E, factoring in lower other income, and reiterate ADD with a TP of INR 345, based on 16x Sep-28E EPS.

- **Q2FY27 highlights:** (1) Revenue came in at USD 67.4mn (in line with our estimate), +2.4/6% QoQ/YoY CC, supported by healthy growth in Retail (+11.0% QoQ), Industrial (+5.3% QoQ), BFSI (+5.2% QoQ), and Hitech verticals (+4.3% QoQ). (2) IMSS rebounded sharply, up 12% QoQ, driven by heightened cybersecurity spend, Q1 revenue right shifting, and key annuity deal wins across the US, the ME, and India. Proprietary platforms saw healthy traction, with Ellipse onboarding 21 clients and SecAI Genie expanding. (3) EBITDA margin stood at 18.8% (+11bps QoQ, +162bps YoY), driven by SG&A leverage (14.8% v/s 15.9% in Q1), peak utilization of 81.8% (+90bps QoQ, highest since Q1FY22 @ 82.1%), and higher IP-led revenue (10.5% v/s 9.3% in Q1). (4) The proposed ITC Infotech merger remains on track for completion by Oct-Nov 2027, with aspiration to reach USD 1bn revenue by FY28; management instituted an ESOP scheme to retain key leadership, keeping H2 focused on profitable growth.
- **Outlook:** We have factored in USD revenue growth of 5.6/11.9/13.7% and EBITM of 14.6/14.6/15.1% for FY27/28/29E respectively, which translates to a revenue/EPS CAGR of 10/17% over FY26-29E.

Quarterly financial summary

YE Mar (INR bn)	Q2 FY27	Q2 FY26	YoY (%)	Q1 FY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	67	65	*3.5*	66	*1.8*	244	260	275	308	350
Net Sales	6.45	5.74	*12.5*	6.29	*2.7*	20.61	23.15	26.27	29.53	33.92
EBIT	0.98	0.76	*27.9*	0.95	*3.0*	2.66	3.15	3.83	4.31	5.13
APAT	0.66	0.54	*22.5*	0.68	*(2.1)*	1.93	2.27	2.66	3.00	3.61
Diluted EPS (INR)	4.3	3.5	*22.5*	4.4	*(2.1)*	12.7	14.9	17.5	19.7	23.7
P/E (x)						24.5	20.9	17.8	15.8	13.1
EV / EBITDA (x)						12.7	11.7	9.9	8.5	7.1
RoE (%)						12.7	13.9	15.1	15.4	16.6

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	278	275	*(1.1)*	312	308	*(1.3)*	354	350	*(1.3)*
Revenue	26.50	26.27	*(0.9)*	29.91	29.53	*(1.3)*	34.36	33.92	*(1.3)*
EBIT	3.87	3.83	*(1.1)*	4.39	4.31	*(2.0)*	5.16	5.13	*(0.7)*
EBIT margin (%)	14.6	14.6	*-4bps*	14.7	14.6	*-11bps*	15.0	15.1	*10bps*
APAT	2.76	2.66	*(3.4)*	3.15	3.00	*(4.7)*	3.73	3.61	*(3.2)*
EPS (INR)	18.1	17.5	*(3.4)*	20.7	19.7	*(4.7)*	24.5	23.7	*(3.2)*

Source: Company, HSIE Research

ADD

CMP *(as on 03 Nov 2026)*	**INR 308**
Target Price	**INR 345**
NIFTY	**23,811**

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 360	INR 345
	FY27E	FY28E
EPS %	-3.4	-4.7

KEY STOCK DATA

Bloomberg code	HAPPSTMN IN
No. of Shares (mn)	152
MCap (INR bn) / ($ mn)	47/495
6m avg traded value (INR mn)	560
52 Week high / low	INR 520/295

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(19.8)	(17.4)	(39.8)
Relative (%)	(17.6)	(17.4)	(31.4)

SHAREHOLDING PATTERN (%)

	Jun-26	Jun-26
Promoters	44.21	44.21
FIs & Local MFs	5.66	3.22
FPIs	6.00	6.51
Public & Others	44.13	46.06
Pledged Shares	0.00	0.00

Source: BSE

Pledged shares as % of total shares

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Kolte Patil Developers

Record presales on the back of a strong launch pipeline

KPDL reported presales of 1.3msf (+52.2%/+99.7% YoY/QoQ), valued at INR 10.2bn (+52%/+65.2% YoY/QoQ), largely backed by a project launch (Phase 1) in Pune, with a GDV of INR 40bn and average realization of INR 7,829psf (+0.1%/-17.1% YoY/QoQ). Notably, the Pune market contributed ~60% to overall sales value. Revenue was weaker during the period, which came on the back of low deliveries. After a prolonged lull in fresh BD activity, KPDL has finally broken its silence with a landmark move signing six society redevelopment projects across MMR having a combined GDV of ~INR 60bn, its largest-ever annual BD addition in MMR. Looking ahead, KPDL pointed to a robust launch pipeline, good visibility on project completions, and sustained sales momentum as the basis for a strong finish to FY27. Blackstone aims at accelerating expansion amidst sector consolidation. KPDL's growth strategy is firmly led by expanding and strategic land bank, now totalling a significant portfolio of ~37msf. The strategic partnership with Blackstone is expected to bolster financial flexibility and growth acceleration. KPDL aims to benefit from sector consolidation, infrastructure push, and urbanization in tier 2/3 cities, while maintaining a focus on capital efficiency and timely execution to drive long-term value. Overall, proactive management and expansion positions the firm for sustained growth. With strong cash flows, KPDL is a net cash positive company and liquidity is comfortable. We believe this signing paves the way for accelerated BD activity, going forward, as Kolte-Patil capitalizes on the Blackstone partnership to chase greater opportunities in MMR. We maintain BUY with a TP of INR 524/share, factoring in better-than-expected execution and ramp-up in new BD.

- **Q2FY27 financial performance:** KPDL reported revenue of INR 3.3bn (+141% /-63.6% YoY/QoQ, miss by 9%), led by 0.35msf completion in Pune and Mumbai. EBITDA came in at INR -3mn vs INR -372mn/+1.8bn Q4FY26/Q1FY27 and INR -198mn estimated. APAT was INR 52mn (-INR 104mn/INR 1.43bn Q4FY26/Q1FY27) vs. the estimate of INR -108mn loss.
- **Presales momentum picking pace, business development seeing acceleration:** KPDL reported quarterly presales of 1.3msf (+52.2%/+99.7% YoY/QoQ), valued at INR 10.2bn (+52%/+65.2% YoY/QoQ), largely backed by a project launch (Phase 1) in Pune and GDV of INR 40bn with average realization of INR 7,829psf. (+0.1%/-17.1% YoY/QoQ). Collections increased by +33.4%/+11.2% YoY/QoQ to INR 7.9bn. KPDL is targeting 6-7msf of project launches across key markets in Pune (NIBM, Wadgaon, and Lakshmiratan) and Mumbai. Moreover, after a prolonged lull in fresh BD activity, KPDL has finally broken its silence with a landmark move signing six redevelopment projects across MMR with a combined GDV of ~INR 60bn.
- **Strong balance sheet position:** Net cash stood at INR4.6bn (INR 4.1bn net cash in Q1FY27). In Q2FY27, KPDL generated a net OCF of INR 1.2bn. This will help add new land bank and aid presales growth.

Consolidated financial summary (INR mn)

Particulars	2Q FY27	2Q FY26	YoY (%)	1Q FY27	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	3,344	1,387	141.1	9,195	(63.6)	7,350	21,677	24,928	27,422
EBITDA	(3)	(372)	(99)	1,895	NA	(611)	2,672	3,788	4,433
APAT	52	(104)	NA	1,463	(96)	(381)	1,727	2,614	3,174
EPS (INR)	0.7	(1.4)	NA	19.2	(96.4)	(5)	22.8	34.5	41.9
P/E (x)						(92)	20.3	13.4	11.0
EV/EBITDA (x)						(60)	16.3	11.5	9.5
RoE (%)						(5)	18.6	23.0	22.3

Source: Company, HSIE Research

BUY

CMP *(as on 03 Nov 2026)*	INR 445
Target Price	INR 524
NIFTY	23,811

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 524	INR 524
EPS Change %	FY27E -	FY28E -

KEY STOCK DATA

Bloomberg code	KPDL IN
No. of Shares (mn)	89
MCap (INR bn) / ($ mn)	39/416
6m avg traded value (INR mn)	114
52 Week high / low	INR 557/292

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	13.7	16.0	0.4
Relative (%)	15.9	16.0	8.8

SHAREHOLDING PATTERN (%)

	Jun-26	Sept-26
Promoters	73.81	73.81
FIs & Local MFs	10.61	11.27
FPIs	3.30	3.36
Public & Others	12.28	11.56
Pledged Shares	0.0	0.0

Source: BSE

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Rating Criteria

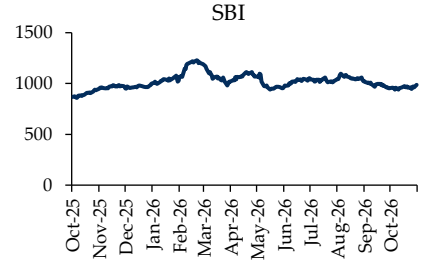
BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

Disclosure:

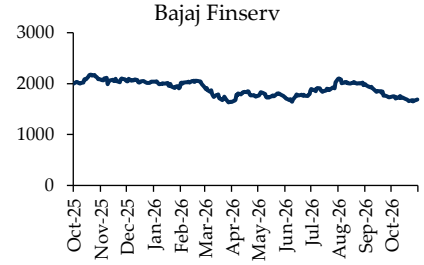
Analyst	Company Covered	Qualification	Any holding in the stock
Krishnan ASV	State Bank of India, Bajaj FinServ	PGDM	NO
Shweta Upadhyay	State Bank of India	MMS	NO
Samarth Desai	Bajaj FinServ	MSc	NO
Amit Kumar	Bharat Electronics	CFA	NO
Aryan Singh Dalal	Bharat Electronics	BCom	NO
Mehul Sheth	Max Healthcare Institute	MBA	NO
Virti Shah	Max Healthcare Institute	BFM	NO
Nilesh Ghuge	Petronet LNG	MMS	NO
Aditya Iyer	Petronet LNG	PGDM	NO
Priya Gupta	Petronet LNG	MSc	NO
Parikshit Kandpal	KEC International, Kolte Patil Developers	CFA	NO
Jay Shah	KEC International, Kolte Patil Developers	CA	NO
Aditya Sahu	KEC International, Kolte Patil Developers	MBA	NO
Keshav Lahoti	Eureka Forbes	CA, CFA	NO
Rajesh Ravi	Eureka Forbes	MBA	NO
Mahesh Nagda	Eureka Forbes	CA	NO
Kartikey	Eureka Forbes	CA	NO
Vinesh Valal	Happiest Minds Technologies	MBA	NO
Amit Chandra	Happiest Minds Technologies	MBA	NO
Harsh Yadav	Happiest Minds Technologies	MBA	NO

Price movement

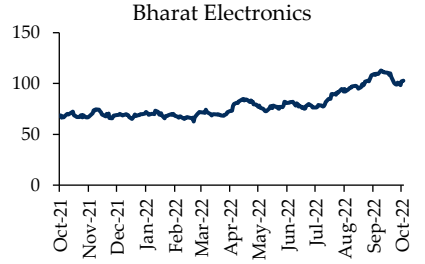
SBI



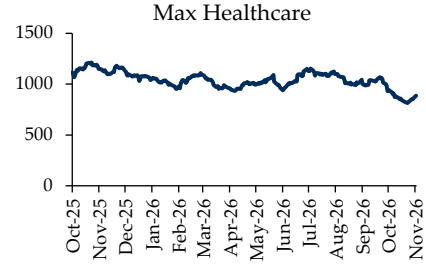
Bajaj Finserv



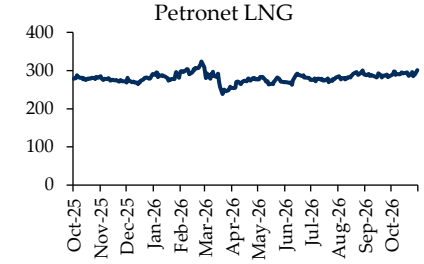
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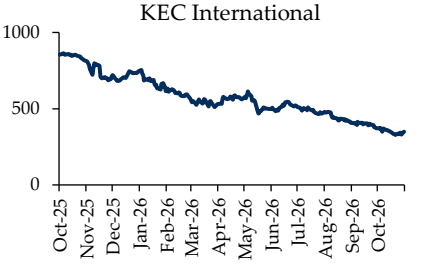
Max Healthcare



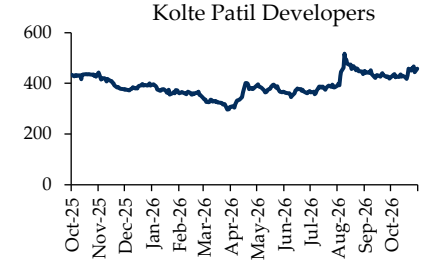
Petronet LNG



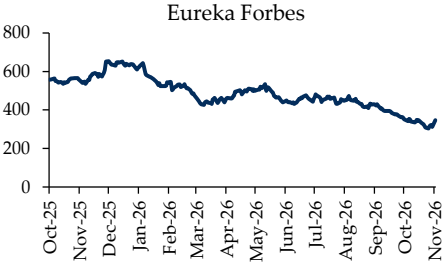
KEC International



Kolte Patil Developers



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Happiest Minds



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