HSIE Results Daily

Contents

Results Reviews

- **Hindustan Aeronautics:** Hindustan Aeronautics Ltd reported a healthy Q2FY27 performance, reflected in 15% revenue growth YoY to INR 76.1bn (marginal beat of 2%). EBITDA at INR 17.4bn was a miss of 6%, as EBITDA margin of 22.8% fell short of the consensus estimates by 220 bps. Higher material costs led lower gross margin was the primary reason behind pressure on profitability. Lower contribution of high margin services business to the overall revenue was another driver. During this quarter, HAL delivered 9 platforms consisting of 2 LCA Tejas FOC twin seater trainers, 3 HTT-40 basic trainer aircraft, and 4 Dhruv NG helicopters. Furthermore, we expect deliveries of LCA Tejas MK1A to start from Q3FY27 and pick up pace from FY28E. Despite 10 GE engines and 27 airframes being ready, delivery of Tejas aircrafts is delayed due to AESA radar, missiles, and software integration issues. This needs IAF validation for a successful delivery. We estimate 12 MK1A deliveries in FY27E and 24 in FY28E respectively. With this anticipated acceleration in LCA Tejas deliveries, steadily rising MRO, and a robust order pipeline, we build in a 16% revenue and PAT CAGR each over FY26-FY29E. Other platforms like ALH, HTT40 and engine deliveries with increasing MRO will bolster this growth. The pipeline over the next two years is estimated to the tune of INR 900bn. Following this, we maintain our ADD rating with a TP of INR 5,580 (26x FY29E EPS).
- **Hitachi Energy:** Hitachi Energy India (HEI) reported a revenue/EBITDA/APAT beat of +3.7/-8.1/-8.5%, respectively. The EBITDA margin stood at 13.6% (-275.6/-101.7bps YoY/QoQ), a miss vs. our estimate of 15.3%. H1FY27 orders fell 32% YoY to INR 92.2bn, which is purely an HVDC base effect; excluding HVDC, H1FY27 orders grew 53.1%. Domestic ex-HVDC momentum was broad-based (transmission +74%, industries +60%, data centres +19%), while exports rose 41% YoY in Q2FY27. Backlog hit a record INR 333bn (+13.3% YoY, +3.5% QoQ). HEI sees strong tailwinds from a structural grid investment cycle (renewables, electrification, data centres), supported by policy approvals such as PM-DHARA/GEC Phase III (INR 1.86 lakh crore, including 50 GWh of BESS) and the 1150 kV AC system (INR 688bn). It expects 4-5 HVDC projects in the next 12 to 24 months, has no U.S. data centre orders in the backlog, and claims visibility on Indian grid demand up to 2035. Key risks include geopolitical tensions, commodity price volatility, and execution complexity, though ~70% of contracts carry variable price clauses as a natural hedge. We continue to expect HVDC orders to be growth accretive and margin dilutive and this has been incorporated into our estimates. With volume growth, we expect the positive margin trajectory to be maintained. We have recalibrated our EPS estimates to factor in mix and better execution on strong inflows, as well as rthe cut in EBITDA for FY27. Given growth is peaking out, we have cut our valuation multiple from 65x to 55x. We maintain ADD, with a reduced TP of INR 30,131/sh. Robust HVDC pipeline, new capex announcement, increasing export share, emergence of Indian datacentre opportunity, and introduction of new products like BESS in India are some of the positives for order accretion.
- **Alkem Laboratories:** EBITDA (+11% YoY) was in line with our/consensus estimates as 14% YoY sales growth (India +9% YoY, US +4% QoQ, ex-US exports +28% YoY, and Medtech sales at INR 1.3bn) and higher gross margin

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(+218bps YoY to 67.2%) were offset by elevated costs (staff/R&D/SG&A up 26%/50%/12% YoY). Management's guidance: (1) India business to grow ~11% in FY27, led by rising chronic mix (~22% in FY26), GLP-1 scale-up, and new launches. It expects to see gradual pick-up in trade generics; (2) GM to be sustained at 66.5-67% and EBITDA margin at 20-21% in FY27 and 100bps expansion in core business margin in the following years, which will partly be offset by drag in Biotech and Medtech; R&D to remain at 4-4.5% of sales; (3) US sales to deliver mid-single-digit growth in FY27, as base business volume growth will be offset by price erosion in key products and lack of new launches due to OAI at Daman plant; (4) ROW to see high-teen growth; (5) Biotech (Enzene) revenue to double in 3-4 years, led by ramp-up in CDMO and EBITDA break-even in 12-18 months; and (6) Medtech (Occlutech) revenue to double in 4-5 years and EBITDA turnaround in 12 months. Factoring in Q2, we have tweaked EPS for FY27/28E and revised the TP to INR 6,020 (27x Q2FY29E EPS). ADD stays, as we expect steady India growth (10% CAGR over FY26–29E), a stable US revenue, scale-up in US-CDMO, strong growth in RoW markets, Occlutech scale-up, and gradual margin improvement.

- **Bharat Dynamics:** BDL recorded a strong Q2FY27 performance, reflected in 45% YoY revenue growth, led by faster execution of Astra/Akash missiles and ATGM orders at hand. It was supported by deliveries of accumulated product inventory of previous quarters, which was awaiting approval. EBITDA stood at INR 1.0bn (-46%YoY, +22%QoQ), sharply impacted by input cost inflation. We expect profitability to normalize upward in H2FY27, owing to execution-led operating leverage. Order inflow post Q1FY27 was INR 21.2bn and estimated current order book is INR271.7bn. Q2FY27 order inflows comprised SAT-SAAW (air to ground precision glide bomb) of INR 8.1Bn from MoD, executable by FY29 and heavyweight torpedoes of INR 13.1bn from the Indian Navy, executable over 42 months. BDL expects order inflows of INR 150bn in FY27E, consisting of QRSAM (INR 10bn), repeat astra missile orders (INR 40bn), Akash NG (INR 30bn), and MIGM (INR 20bn). QRSAM, in our view, may get shifted to FY28E due to procedural delays. We have introduced FY29E estimates and pencilled in 47% revenue and 50% PAT CAGR for FY26-FY29E. Our optimistic estimates are led by anticipated faster deliveries of Akash weapon, scaling up of Astra missile project, robust current order book, and future order inflows. We expect H2FY27E to witness robust revenue booking on account of accelerated execution of Akash and Astra missiles project. This remains a key monitorable for meeting our estimates. While H1 execution was strong, we await sustenance of faster deliveries of accumulated long-pending orders, keeping margins intact and, hence, maintain REDUCE with a TP of INR 1,152 (30x FY29E EPS).

- **Manappuram Finance:** Manappuram Finance's (MGFL) Q2FY27 earnings were ahead of our estimates, largely led by improving operating efficiency and reflation in yields driving improved profitability. Standalone AUM growth (+68.5% YoY; +4.5% QoQ) remained healthy, albeit moderating led by gold loans (+6% QoQ), which was driven by increasing average ticket size and improving customer acquisitions. Non-gold businesses' loan growth remained subdued, along with muted profitability metrics. As highlighted in our Sector Thematic, rising competitive intensity, coupled with consolidation in gold prices, is likely to drive moderation in loan growth and pressure on yields. Further, sustaining improved profitability amidst elevated competitive intensity, along with sustainable turnaround in non-GL businesses is likely to remain a challenge. We have revised our FY27-FY29E earnings estimates to factor in higher loan growth and lower opex ratios and maintain REDUCE with a revised SoTP-based TP of INR 325 (standalone entity at implied 1.5x Sep-28 ABVPS).

- **Star Cement:** We maintain BUY on Star Cement with an unchanged TP of INR 250/share (12x Sep'28E consolidated EBITDA). In Q2FY27, total sales volume growth remained muted at 2% YoY due to elections and impact of floods. Further, lower incentive accruals, subdued pricing and spike in fuel/packing cost pulled down unit EBITDA by INR 338/MT YoY to INR 1,281/MT (it still tops the margin list). With volume growth expected to rebound in H2FY27, better pricing and stable fuel cost outlook, we estimate Star will continue to deliver INR 1,400/MT+ margin until FY28E. In FY29E, we estimate margin will moderate to INR 1,200/MT on initial losses from the greenfield north (6mn MT) and expected competition from new entrants in the northeast region (NER) in H2FY29. We estimate Star will deliver 12/0% volume/EBITDA CAGR over FY26-29E. Star has deferred any equity dilution plans and plans to fund the expansion via internal accruals and debt. We estimate net debt/EBITDA of 2.2x over FY28-29E.

Hindustan Aeronautics

LCA Tejas MK1A deliveries set to drive growth

ADD

Hindustan Aeronautics Ltd reported a healthy Q2FY27 performance, reflected in 15% revenue growth YoY to INR 76.1bn (marginal beat of 2%). EBITDA at INR 17.4bn was a miss of 6%, as EBITDA margin of 22.8% fell short of the consensus estimates by 220 bps. Higher material costs led lower gross margin was the primary reason behind pressure on profitability. Lower contribution of high margin services business to the overall revenue was another driver. During this quarter, HAL delivered 9 platforms consisting of 2 LCA Tejas FOC twin seater trainers, 3 HTT-40 basic trainer aircraft, and 4 Dhruv NG helicopters. Furthermore, we expect deliveries of LCA Tejas MK1A to start from Q3FY27 and pick up pace from FY28E. Despite 10 GE engines and 27 airframes being ready, delivery of Tejas aircrafts is delayed due to AESA radar, missiles, and software integration issues. This needs IAF validation for a successful delivery. We estimate 12 MK1A deliveries in FY27E and 24 in FY28E respectively. With this anticipated acceleration in LCA Tejas deliveries, steadily rising MRO, and a robust order pipeline, we build in a 16% revenue and PAT CAGR each over FY26-FY29E. Other platforms like ALH, HTT40 and engine deliveries with increasing MRO will bolster this growth. The pipeline over the next two years is estimated to the tune of INR 900bn. Following this, we maintain our ADD rating with a TP of INR 5,580 (26x FY29E EPS).

- **Q2FY27 highlights:** The revenue for this quarter was INR 76.1bn (+15% YoY), EBITDA INR 17.4bn (+12% YoY) and APAT INR 19.4bn (+16% YoY). Gross margins were lower at 52.9% (-320bps YoY) due to input cost inflation. Apart from this, EBITDA grew slower than revenue due to lower share of high margin services revenues as manufacturing contribution picks up.
- **Strong order book and pipeline:** We estimate Q2FY27-end order book at INR 2.55trn, with LCA Tejas MK1A constituting the highest share (INR 1.1trn). The company anticipates additional contracts of 143 ALH for army, Su30 upgrades, upgrade of 40 DO228 and MRO (all together INR 900bn), providing multiyear revenue runway.
- **GE engine deliveries:** A total of 10 GE F404-IN20 engines have been delivered by Oct'26. GE Aerospace has planned to set up a dedicated production line for accelerating supply of these engines. GE has committed to deliver ~20 engines by Dec-26 and an additional 30 in CY27. These deliveries totaling to ~50 should help clear the backlog of the already built Tejas Mk1A airframes. Now, integration of various weapons with LCA Tejas Mk1A aircraft is a bigger bottleneck than the engine supply. Post successful integration with weapons and software, IAF validation and certification is expected to happen.
- **LCA Tejas MK1A deliveries:** HAL has manufactured roughly 27 Tejas MK1A airframes, with the first 20 fully completing their initial flight test phase. These 20 have flown with older engines for trials but final acceptance of these would still require checks and approvals after installing the GE engines. Only 7 of these aircraft are completely equipped with GE engines and ready for immediate handover, however integration of software, missiles and AESA radars are still awaited. HAL and IAF have targeted to induct the first squadron of Tejas MK1A by March 2027 (1 squadron has 18-20 aircrafts), with management guiding ~24 aircraft deliveries each year. We estimate deliveries to start in Q3FY27 along with 12 MK1A deliveries in FY27E and 24 in FY28E respectively This reflects our constructive view on the execution pace of these aircrafts and accordingly on the stock.

Financial Summary

(INR bn)	Q2FY27	Q2FY26	YoY	Q1FY27	QoQ	FY25	FY26	FY27E	FY28E	FY29E
Net Revenues	76.1	66.3	15%	55.2	38%	309.8	330.9	381.8	448.9	522.5
EBITDA	17.4	15.6	12%	15.3	14%	96.1	97.7	111.9	131.5	152.0
APAT	19.4	16.7	16%	15.9	22%	83.6	91.2	105.7	121.0	143.5
Diluted Consol EPS (INR)	28.9	25.0	16%	23.8	22%	125.1	136.3	158.1	180.9	214.6
P/E (x)						38.8	35.6	30.7	26.8	22.6
EV/EBITDA						29.8	29.3	25.6	21.8	18.8
RoE (%)						26.1%	24.0%	23.5%	23.0%	22.2%

Source: Company, HSIE Research

CMP *(as on 12 Nov 2026)*	**INR 4,843**
Target Price	**INR 5,580**
NIFTY	**25,299**

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 5,120	INR 5,580
EPS Change %	FY27E	FY28E
	2.0%	*-1%*

KEY STOCK DATA

Bloomberg code	HNAL IN
No. of Shares (mn)	669
MCap (INR bn) / ($ mn)	3,239/34,434
6m avg traded value (INR mn)	4,607
52 Week high / low	INR 5,150/3,479

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(3.0)	5.9	2.0
Relative (%)	(8.1)	(3.9)	5.0

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	71.64	71.64
FIs & Local MFs	11.90	12.47
FPIs	9.34	9.42
Public & Others	7.1	6.46
Pledged Shares	-	-

Source : BSE

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Hitachi Energy

Muted show; robust inflows

Hitachi Energy India (HEI) reported a revenue/EBITDA/APAT beat of +3.7/-8.1/-8.5%, respectively. The EBITDA margin stood at 13.6% (-275.6/-101.7bps YoY/QoQ), a miss vs. our estimate of 15.3%. H1FY27 orders fell 32% YoY to INR 92.2bn, which is purely an HVDC base effect; excluding HVDC, H1FY27 orders grew 53.1%. Domestic ex-HVDC momentum was broad-based (transmission +74%, industries +60%, data centres +19%), while exports rose 41% YoY in Q2FY27. Backlog hit a record INR 333bn (+13.3% YoY, +3.5% QoQ). HEI sees strong tailwinds from a structural grid investment cycle (renewables, electrification, data centres), supported by policy approvals such as PM-DHARA/GEC Phase III (INR 1.86 lakh crore, including 50 GWh of BESS) and the 1150 kV AC system (INR 688bn). It expects 4-5 HVDC projects in the next 12 to 24 months, has no U.S. data centre orders in the backlog, and claims visibility on Indian grid demand up to 2035. Key risks include geopolitical tensions, commodity price volatility, and execution complexity, though ~70% of contracts carry variable price clauses as a natural hedge. We continue to expect HVDC orders to be growth accretive and margin dilutive and this has been incorporated into our estimates. With volume growth, we expect the positive margin trajectory to be maintained. We have recalibrated our EPS estimates to factor in mix and better execution on strong inflows, as well as rthe cut in EBITDA for FY27. Given growth is peaking out, we have cut our valuation multiple from 65x to 55x. We maintain ADD, with a reduced TP of INR 30,131/sh. Robust HVDC pipeline, new capex announcement, increasing export share, emergence of Indian datacentre opportunity, and introduction of new products like BESS in India are some of the positives for order accretion.

- **Q2FY27 financial highlights:** HEI reported revenue of INR 29.9bn (+63.5/+20.2% YoY/QoQ, a beat of 3.7%). EBITDA stood at INR 4.1bn (+35.9/+11.8% YoY/QoQ, a miss by 8.1%), with EBITDA margin at 13.6% (-275.6/-101.7bps YoY/QoQ), a miss vs. our estimate of 15.3%. APAT came in at INR 3.2bn (+20.5%/+8.3% YoY/QoQ), a miss by 8.5%).
- **Strong base order inflow:** In Q2FY27, HEI received orders worth INR 41.2bn (+85.9/-19.1% YoY/QoQ). Segment-wise, Q2FY27 order mix comprises products/projects/services at 60/34/7%, respectively. Sector-wise, OB mix across utilities/industries/transport and infra stands at 38/34/28%, respectively.

Financial summary (INR mn)

Particulars	2QFY27	2QFY26	YoY (%)	1QFY27	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	29,965	18,326	63.5	24,937	20.2	81,477	1,26,424	1,70,672	1,96,273
EBITDA	4,063	2,990	35.9	3,635	11.8	12,523	19,975	28,536	33,366
APAT	3,185	2,644	20.5	2,942	8.3	10,285	15,576	21,814	25,307
Diluted EPS (INR)	71	59	20.5	66	8.3	230.6	349.2	489.1	567.4
P/E (x)						141.4	81.8	58.4	50.3
EV / EBITDA (x)						112.4	61.6	42.9	36.3
RoE (%)						21.9	26.2	27.9	24.9

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY27E			FY28E			FY29E		
	New	Old	% Chg.	New	Old	% Chg.	New	Old	% Chg.
Revenue	1,26,424	1,23,253	2.6	1,70,672	1,66,391	2.6	1,96,273	1,91,350	2.6
EBIDTA	19,975	19,945	0.2	28,536	27,954	2.1	33,366	32,721	2.0
EBIDTA (%)	15.8	16.2	-38.2	16.7	16.8	-8.0	17.0	17.1	-10.0
APAT	15,576	16,086	-3.2	21,814	22,034	-1.0	25,307	25,540	-0.9

Source: HSIE Research

ADD

CMP (*as on 12 Nov 2026*)	INR 28,545
Target Price	INR 30,131
NIFTY	25,299

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	34,667	30,131
EPS change %	FY27E / FY28E / FY29E	
	-3.2 / -1.0 / -0.9	

KEY STOCK DATA	
Bloomberg code	POWERIND IN
No. of Shares (mn)	45
MCap (INR bn) / ($ mn)	1,272/13,525
6m avg traded value (INR mn)	5,053
52 Week high / low	INR 38,800/16,104

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(20.3)	(11.5)	29.6
Relative (%)	(25.3)	(21.4)	32.7

SHAREHOLDING PATTERN (%)	Jun-26	Sept-26
Promoters	71.31	71.31
FIs & Local MFs	6.32	6.54
FPIs	12.44	11.96
Public & Others	9.91	10.19
Pledged Shares	-	-

Source: BSE

Pledge share as a % of total shares

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Alkem Laboratories

Steady India/RoW, Biotech/Medtech scale-up key

EBITDA (+11% YoY) was in line with our/consensus estimates as 14% YoY sales growth (India +9% YoY, US +4% QoQ, ex-US exports +28% YoY, and Medtech sales at INR 1.3bn) and higher gross margin (+218bps YoY to 67.2%) were offset by elevated costs (staff/R&D/SG&A up 26%/50%/12% YoY). Management's guidance: (1) India business to grow ~11% in FY27, led by rising chronic mix (~22% in FY26), GLP-1 scale-up, and new launches. It expects to see gradual pick-up in trade generics; (2) GM to be sustained at 66.5-67% and EBITDA margin at 20-21% in FY27 and 100bps expansion in core business margin in the following years, which will partly be offset by drag in Biotech and Medtech; R&D to remain at 4-4.5% of sales; (3) US sales to deliver mid-single-digit growth in FY27, as base business volume growth will be offset by price erosion in key products and lack of new launches due to OAI at Daman plant; (4) ROW to see high-teen growth; (5) Biotech (Enzene) revenue to double in 3-4 years, led by ramp-up in CDMO and EBITDA break-even in 12-18 months; and (6) Medtech (Occlutech) revenue to double in 4-5 years and EBITDA turnaround in 12 months. Factoring in Q2, we have tweaked EPS for FY27/28E and revised the TP to INR 6,020 (27x Q2FY29E EPS). ADD stays, as we expect steady India growth (10% CAGR over FY26–29E), a stable US revenue, scale-up in US-CDMO, strong growth in RoW markets, Occlutech scale-up, and gradual margin improvement.

- **Q2 highlights**: Sales grew 14% YoY to INR 45.5bn as India (68% of sales) grew 9% YoY to INR 30.27bn, with growth in VMN, pain, anti-diabetics, and derma were offset by moderate growth in anti-infectives, gastro, and muted trade generics. The US (17%) was up 4% QoQ to USD 82mn (-6% YoY), international sales (12%) grew 28% YoY, and Medtech sales (2.5 months of Occlutech) was at INR 1.33bn. Strong GM at 67.2% (+218 bps YoY) and higher staff (+26%), R&D (+50% YoY), and SG&A (+12%) costs led to INR 10.25bn EBITDA (+11% YoY) and a 22.5% margin (-49 bps YoY). Higher interest (+65% YoY), other income (+29% YoY), depreciation (+46% YoY), and adjusted for one-off^, the PAT stood at INR 6.52bn (-15% YoY).
- **Key con call takeaways:** The US-CDMO business focuses on clinical supplies and plans to scale up commercial supplies for a couple of projects. The US approval for its denosumab (Prolia) biosimilar is expected to be delayed due to analytical queries raised by the USFDA for its BLA filing. Slowdown in trade generic business was due to competitive intensity and change in credit policy; growth will be in single digit. Core pharma business margin stood at ~26% in Q2FY27, with Medtech and Biotech dragging margins by ~80bps and 100bps respectively. It has launched Tolvaptan in the US but expects gradual traction due to REMS-related challenges. OAI at Daman plant will delay the launch pipeline of 8 ANDAs. It expects capex of INR 3-3.5bn in Enzene and INR 4bn in Medtech over next 3-4 years. **Occlutech**: Integrated from Jul-26; addition of ~INR 11bn intangible assets (amortization over 10 years) and ~INR 7bn in goodwill; GM was at 80%. Net cash at INR 49.05bn as of Sep-26.

Quarterly financial summary

(INR mn)	2QFY27	2QFY26	YoY (%)	1QFY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	45,520	40,010	14	37,402	22	129,645	147,123	168,326	186,951	205,920
EBITDA	10,252	9,208	11	7,661	34	25,122	30,052	34,170	38,886	43,655
APAT	6,520	7,651	(15)	5,200	25	21,275	23,917	22,026	24,836	28,473
EPS (INR)	54.5	64.0	(15)	43.5	25	178.0	200.1	184.2	207.7	238.2
P/E (x)						30.0	26.7	29.0	25.7	22.4
EV/EBITDA (x)						25.1	21.3	19.1	16.5	14.5
RoCE (%)						20	20	19	19	19

Source: Company, HSIE Research, ^Gain of INR 350mn on recovery from impairment done in FY26

ADD

CMP *(as on 12 Nov 2026)*	**INR 5,302**
Target Price	**INR 6,020**
NIFTY	**25,299**

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 6000	INR 6020
	FY27E	FY28E
EPS %	(0.1)	(0.4)

KEY STOCK DATA	
Bloomberg code	ALKEM IN
No. of Shares (mn)	120
MCap (INR bn) / ($ mn)	634/6,739
6m avg traded value (INR mn)	888
52 Week high / low	INR 5,934/4,811

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(3.2)	(3.5)	(8.1)
Relative (%)	(8.3)	(13.4)	(5.0)

SHAREHOLDING PATTERN (%)	Jun-26	Sep-26
Promoters	49.7	49.7
FIs & Local MFs	22.63	22.82
FPIs	10.42	10.32
Public & Others	17.25	17.16
Pledged Shares	-	-

Source: BSE

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Bharat Dynamics

Execution picks up but profitability compromised

BDL recorded a strong Q2FY27 performance, reflected in 45% YoY revenue growth, led by faster execution of Astra/Akash missiles and ATGM orders at hand. It was supported by deliveries of accumulated product inventory of previous quarters, which was awaiting approval. EBITDA stood at INR 1.0bn (-46%YoY, +22%QoQ), sharply impacted by input cost inflation. We expect profitability to normalize upward in H2FY27, owing to execution-led operating leverage. Order inflow post Q1FY27 was INR 21.2bn and estimated current order book is INR271.7bn. Q2FY27 order inflows comprised SAT-SAAW (air to ground precision glide bomb) of INR 8.1Bn from MoD, executable by FY29 and heavyweight torpedoes of INR 13.1bn from the Indian Navy, executable over 42 months. BDL expects order inflows of INR 150bn in FY27E, consisting of QRSAM (INR 10bn), repeat astra missile orders (INR 40bn), Akash NG (INR 30bn), and MIGM (INR 20bn). QRSAM, in our view, may get shifted to FY28E due to procedural delays. We have introduced FY29E estimates and pencilled in 47% revenue and 50% PAT CAGR for FY26-FY29E. Our optimistic estimates are led by anticipated faster deliveries of Akash weapon, scaling up of Astra missile project, robust current order book, and future order inflows. We expect H2FY27E to witness robust revenue booking on account of accelerated execution of Akash and Astra missiles project. This remains a key monitorable for meeting our estimates. While H1 execution was strong, we await sustenance of faster deliveries of accumulated long-pending orders, keeping margins intact and, hence, maintain REDUCE with a TP of INR 1,152 (30x FY29E EPS).

- **Q2FY27 highlights:** The revenue stood at INR 16.6bn (+45% YoY), led by faster delivery of Akash/Astra orders at hand. In Q1FY27, there was a large, accumulated product inventory, which got delivered in Q2FY27, leading to a sharp jump of 191%in QoQ revenue. Absolute EBITDA was at INR 1.0bn (-46%YoY, +22% QoQ) due to steep input cost inflation. Gross margin collapsed to 19.7% (Q2FY26:43.2%, Q1FY27:51.5%) signifying input cost pressure. EBITDA margin declined to 6.1% (Q2FY26:16.4%). APAT was at INR 1.8bn (-15% YoY), well supported by rising other income.
- **Strong order book and pipeline:** Company reported an order inflow of INR 21.2bn post Q1FY27(Q1FY27: INR 11bn). Current estimated order book of INR 271.7bn consists of Akash weapon systems (INR 82bn), Akash exports (INR 14bn),Astra Mk1 (INR 30bn), armaments (INR 44bn), INVAR anti-tank missiles (21bn), torpedoes (INR 13bn), ATGM SAM (INR 24bn) and Helina launchers (INR 11bn). BDL expects order inflows of INR 150bn in FY27E (H1: INR32bn), consisting of QRSAM, repeat order for Astra, Akash NG and MIGM, providing multi-year revenue visibility.
- **Capex underway for rapid execution:** BDL started building its INR 5bn naval systems manufacturing facility in Andhra Pradesh in May'26, to meet the rising requirements of underwater weapons. Completion is expected by FY30E. The company has also established facilities in Jhansi and Ibrahimpatnam (AP) for production growth. Ibrahimpatnam facility will have 8 missile assembly lines and rocket motor/warhead testing. Jhansi facility will manufacture propellants, grad rockets and in-house R&D of new energetics. We expect revenue from these facilities to kick in from FY28E.

Financial Summary

(INR mn)	Q2FY27	Q2FY26	YoY	Q1FY27	QoQ	FY25	FY26	FY27E	FY28E	FY29E
Net Revenues	16,641	11,470	45%	5,722	191%	33,451	24,418	44,200	59,625	78,358
EBITDA	1,011	1,875	-46%	831	22%	4,724	2,234	7,514	10,661	14,794
APAT	1,835	2,159	-15%	1,188	54%	5,496	4,203	8,481	11,280	14,078
Diluted Consol EPS (INR)	5.0	5.9	-15%	3.2	55%	15.0	11.5	23.1	30.8	38.4
P/E (x)						70.4	92.0	45.6	34.3	27.5
EV/EBITDA						73	152	42	30	21
RoE (%)						14.4%	10.2%	18.7%	21.5%	22.8%

Source: Company, HSIE Research

REDUCE

CMP *(as on 12 Nov 2026)*	INR 1,055
Target Price	INR 1,152
NIFTY	25,299

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 1,080	INR 1,152
	FY27E	FY28E
EPS Change %	*0.6%*	*-0.7%*

KEY STOCK DATA	
Bloomberg code	BDL IN IN
No. of Shares (mn)	367
MCap (INR bn) / ($ mn)	387/4,111
6m avg traded value (INR mn)	1,729
52 Week high / low	INR 1,633/974

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(21.3)	(20.9)	(31.1)
Relative (%)	(26.3)	(30.8)	(28.1)

SHAREHOLDING PATTERN (%)	Jun-26	Sep-26
Promoters	74.93	74.93
FIs & Local MFs	11.53	10.80
FPIs	1.69	1.76
Public & Others	11.85	12.52
Pledged Shares	-	-

Source: BSE

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Manappuram Finance

Healthy profitability; sustainability key monitorable

Manappuram Finance's (MGFL) Q2FY27 earnings were ahead of our estimates, largely led by improving operating efficiency and reflation in yields driving improved profitability. Standalone AUM growth (+68.5% YoY; +4.5% QoQ) remained healthy, albeit moderating led by gold loans (+6% QoQ), which was driven by increasing average ticket size and improving customer acquisitions. Non-gold businesses' loan growth remained subdued, along with muted profitability metrics. As highlighted in our Sector Thematic, rising competitive intensity, coupled with consolidation in gold prices, is likely to drive moderation in loan growth and pressure on yields. Further, sustaining improved profitability amidst elevated competitive intensity, along with sustainable turnaround in non-GL businesses is likely to remain a challenge. We have revised our FY27-FY29E earnings estimates to factor in higher loan growth and lower opex ratios and maintain REDUCE with a revised SoTP-based TP of INR 325 (standalone entity at implied 1.5x Sep-28 ABVPS).

- **Improving operating efficiency drives healthy profitability**: NIM (calculated) reflated by 66bps QoQ to 9.5%, driven by reflation in GL yields (+30bps QoQ) and steady cost of funds. Opex ratios improved further (opex to AUM at 3.5%; C/I at 32%), driven by improving productivity, operating leverage, and limited branch additions in H1.
- **Astronomical loan growth to moderate:** Consolidated AUM grew by 60% YoY, driven by GL (+92% YoY), while non-GL segments' growth remained subdued (-11% YoY). GL (standalone) witnessed healthy uptick in tonnage (3.6% QoQ) and customer acquisition (3% QoQ), as gold prices remained largely steady. We expect GL growth to moderate to ~30% YoY by Q4 with higher base and consolidation in gold prices. Credit costs inched up to 1.57%, largely led by increasing share of monthly repayment loans as customer behavior remained skewed toward bullet repayments.
- **Subsidiaries yet to scale up; sustaining profitability key monitorable**: MGFL's non-gold businesses' growth and profitability remained subdued and a protracted scale-up is likely in these businesses. While the company has reported improving profitability trends in H1, investments in distribution with increasing scale, elevated competitive intensity, and higher early delinquencies are likely to drive opex ratios higher.

Financial summary (Standalone)

Y/E Mar (INR bn)	2QFY27	2QFY26	YoY (%)	1QFY27	QoQ (%)	FY26	FY27E	FY28E	FY29E
NII	16.7	11.4	45.9	14.6	13.7	45.9	65.3	75.9	87.9
PPOP	11.3	6.3	81.2	9.2	23.4	25.7	41.8	46.4	53.5
PAT	6.6	3.8	76.9	5.5	20.5	15.2	26.8	31.7	36.8
EPS (INR)	6.9	4.4	54.7	5.8	19.5	16.2	28.5	30.7	32.7
ROAE (%)	15.9	12.2		13.7		11.0	16.0	15.8	14.7
ROAA (%)	3.6	3.4		3.2		2.8	3.6	3.6	3.7
ABVPS (INR)						136.6	143.0	175.2	206.1
P/ABV (x)						2.0	1.9	1.6	1.3
P/E (x)						17.0	9.7	9.0	8.4

Change in estimates

INR bn	FY27E			FY28E			FY29E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	679	701	3.2%	760	793	4.3%	852	897	5.3%
NIM (%)	8.8	9.0	19 bps	8.8	8.9	6 bps	9.1	9.1	1 bps
NII	62.9	65.3	3.8%	73.1	75.9	3.9%	84.5	87.9	4.1%
PPOP	35.9	41.8	16.3%	41.8	46.4	11.1%	48.9	53.5	9.5%
PAT	23.4	26.8	14.1%	28.3	31.7	11.7%	33.5	36.8	9.9%
ABVPS (INR)	138	143	3.4%	168	175	4.4%	197	206	4.9%

Source: Company, HSIE Research

REDUCE

CMP *(as on 12 Nov 2026)*	INR 320
Target Price	INR 325
NIFTY	25,299

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 315	INR 325
EPS %	FY27E	FY28E
	+14.1%	+11.7%

KEY STOCK DATA	
Bloomberg code	MGFL IN
No. of Shares (mn)	939
MCap (INR bn) / ($ mn)	301/3,195
6m avg traded value (INR mn)	1,604
52 Week high / low	INR 382/245

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(9.3)	9.1	16.7
Relative (%)	(14.3)	(0.7)	19.8

SHAREHOLDING PATTERN (%)	Jun-26	Sep-26
Promoters	41.7	41.7
FIs & Local MFs	14.9	17.6
FPIs	22.3	21.0
Public & Others	21.2	19.8
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Star Cement

Volume growth, margin to improve in H2FY27

We maintain BUY on Star Cement with an unchanged TP of INR 250/share (12x Sep'28E consolidated EBITDA). In Q2FY27, total sales volume growth remained muted at 2% YoY due to elections and impact of floods. Further, lower incentive accruals, subdued pricing and spike in fuel/packing cost pulled down unit EBITDA by INR 338/MT YoY to INR 1,281/MT (it still tops the margin list). With volume growth expected to rebound in H2FY27, better pricing and stable fuel cost outlook, we estimate Star will continue to deliver INR 1,400/MT+ margin until FY28E. In FY29E, we estimate margin will moderate to INR 1,200/MT on initial losses from the greenfield north (6mn MT) and expected competition from new entrants in the northeast region (NER) in H2FY29. We estimate Star will deliver 12/0% volume/EBITDA CAGR over FY26-29E. Star has deferred any equity dilution plans and plans to fund the expansion via internal accruals and debt. We estimate net debt/EBITDA of 2.2x over FY28-29E.

- **Q2FY27 performance:** Consolidated sales volume grew 2% YoY (down 12% QoQ) to 1.2mn MT, led by 4/6% YoY rise in cement sales in NER/outside NER while clinker sales fell 27%. Blended NSR fell 0.3% QoQ on subdued pricing and higher share of clinker sales QoQ. However, the impact was moderated on higher incentive accrual (INR 300/MT vs INR 177 QoQ). Unit opex increased 2% QoQ, mainly on op-lev loss and shutdown expenses. Fuel cost came off to INR 1.52/mnCal (vs INR 1.55 QoQ). Green power share rose to 28% vs 26% QoQ. Thus, unit EBITDA declined INR 155/MT QoQ to INR 1,281/MT. On a YoY basis, margin fell by INR 338/MT, mostly on account of INR 176/MT lower incentive accrual and higher fuel/packing costs. Margin (ex-incentive) of INR 981/MT remains the best in the industry. The AAC business reported revenue of ~INR 0.22bn vs INR 0.16bn QoQ. In H1FY27, Star's volume grew a modest 3% YoY (regional competition impact). Lower incentives and elevated energy/packing costs led to margin contraction by INR330/MT to INR 1,364/MT, leading to 17% lower EBITDA to INR 3.5bn. Star spent INR 1.1/2bn in capex in Q2/H1FY27 (FY27E guidance ~INR 5.6bn).
- **Con call KTAs and outlook:** Management is confident of delivering 12-13% YoY cement volume growth in H2FY27 (October sales >12% YoY), with NE near double digits and West Bengal in the higher teens. Cement prices have increased by ~INR 10/bag QoQ in Q3 and Star expects its fuel cost to remain flattish at ~INR 1.5/mnCal in H2FY27. Its north greenfield (6mn MT capex ~INR 30bn) is expected by July'28. No equity dilution expected currently. We expect NER to remain a lucrative market until late FY29E, bolstering Star's outlook. This should offset initial losses from the north plant in FY29.

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q2 FY27	Q2 FY26	YoY (%)	Q1 FY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Sales Vol (mn MT)	1.20	1.17	*2.0*	1.35	*(11.6)*	4.73	5.50	5.88	6.41	7.73
NSR (INR/MT)	6,943	6,907	*0.5*	6,964	*(0.3)*	6,687	6,868	6,799	6,765	6,663
EBITDA (INR/MT)	1,281	1,620	*(20.9)*	1,436	*(10.8)*	1,223	1,702	1,439	1,417	1,201
Net Sales	8,310	8,109	*2.5*	9,429	*(11.9)*	31,634	37,765	40,004	43,387	51,497
EBITDA	1,534	1,902	*(19.3)*	1,945	*(21.1)*	5,786	9,360	8,464	9,090	9,278
APAT	404	719	*(43.8)*	747	*(45.9)*	1,690	4,019	3,361	3,458	1,864
AEPS (INR)	1.0	1.8	*(43.8)*	1.8	*(45.9)*	4.2	9.9	8.3	8.6	4.6
EV/EBITDA (x)						12.7	7.8	8.0	7.8	9.4
EV/MT (INR bn)						9.6	7.5	7.0	7.4	5.6
P/E (x)						42.1	17.7	21.2	20.6	38.2
RoE (%)						6.0	*13.2*	*10.1*	*9.7*	*4.9*

Source: Company, HSIE Research

BUY

CMP *(as on 12 Nov 2026)*	**INR 176**
Target Price	**INR 250**
NIFTY	**25,299**

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 250	INR 250
EBITDA Change %	FY27E -	FY28E -

KEY STOCK DATA

Bloomberg code	STRCEM IN
No. of Shares (mn)	404
MCap (INR bn) / ($ mn)	71/757
6m avg traded value (INR mn)	60
52 Week high / low	INR 244/156

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(11.8)	(19.9)	(26.1)
Relative (%)	(16.8)	(29.8)	(23.1)

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	58.10	58.12
FIs & Local MFs	2.38	2.49
FPIs	2.29	1.66
Public & Others	37.23	37.74
Pledged Shares	1.33	1.33

Source : BSE

Pledged shares as % of total shares

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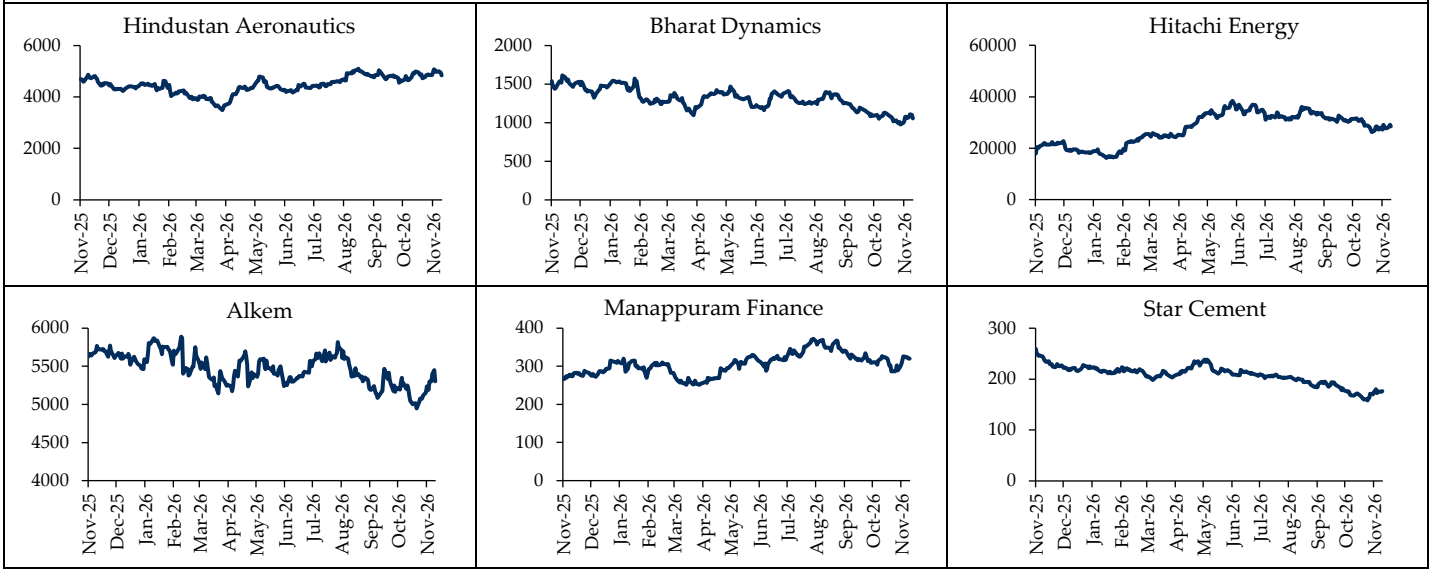
Rating Criteria

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

Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Amit Kumar	Hindustan Aeronautics, Bharat Dynamics	CFA	NO
Aryan Singh Dalal	Hindustan Aeronautics, Bharat Dynamics	BCom	NO
Parikshit Kandpal	Hitachi Energy	CFA	NO
Jay Shah	Hitachi Energy	CA	NO
Aditya Sahu	Hitachi Energy	MBA	NO
Mehul Sheth	Alkem Laboratories	MBA	NO
Virti Shah	Alkem Laboratories	BFM	NO
Deepak Shinde	Manappuram Finance	PGDM	NO
Krishnan ASV	Manappuram Finance	PGDM	NO
Ayush Pandit	Manappuram Finance	CA	NO
Rajesh Ravi	Star Cement	MBA	NO
Keshav Lahoti	Star Cement	CA, CFA	NO
Mahesh Nagda	Star Cement	CA	NO
Kartikey	Star Cement	CA	NO

Price movement



Disclosure:

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