INSTITUTIONAL RESEARCH

HSIE Results Daily

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Results Reviews

- **Torrent Pharma:** EBITDA grew 13% YoY (2% ahead of our/consensus estimates), with 14% YoY sales growth, led by 12% YoY growth in India, 21% growth in Brazil, and 8% QoQ growth in the US. The company expects: (1) India to outperform IPM growth, driven by price increases, steady volumes, and new launches in focused therapies. The focus is to improve field-force productivity with new divisions for launches and expand market reach. Looking to add 300-400 MRs in FY26 to reach field force size of 7,000 – addition in existing chronic segment and new division; (2) 10-12% cc term growth in Brazil, led by traction in key brands and a pending pipeline of 20 products; plans to launch 4-5 branded generic annually over the next few years; (3) Germany business to remain soft in FY26 due to supplies constraint from its outsourced partnered; third-party supplies is expected to resolve by Q3FY26 end; (4) steady scale-up in the US in FY26 with a focus on improving profitability supported by new launches and partnering in certain products; (5) to sustain/improve the EBITDA margin at/from 32.8% (for Q2FY26) in FY26 despite step-up in R&D spend; and (6) target to retire the outstanding debt and turn net cash by H2FY27. It is looking to launch GLP-1 molecules on patent expiry in India (both OSD and injectable) and Brazil (approval process and timeline are uncertain). On track to complete J.B Chemical stake acquisition soon (completing open offer by Dec-25 and to close transaction by Jan-26). We believe Torrent Pharma is well-poised for steady growth, led by a strong branded franchise (new launches, consumer wellness, traction in Brazil—new launches in chronic) and gradual turnaround in US generics (profitability improvement and new launches) and Germany (tender wins), with margins steady around 32-34% over the next few years. We have tweaked our EPS estimates for FY26/27E and revised the TP to INR 3,980 (40x Q2FY28E EPS; implying EV/ EBITDA of 25x). Maintain ADD.

- **Apollo Hospitals Enterprise:** EBITDA (+15% YoY) was in line with our/consensus estimates, led by 13% YoY sales growth. The hospital business grew 9% YoY (ARPP +9% YoY), HealthCo grew 17% YoY (offline/online sales up 16%/22% YoY), and AHLL grew 17% YoY. Hospital EBITDA grew 8% YoY (margin at 24.6%; -220 bps) and lower Apollo 24/7 spend (-22% YoY) led to a better HealthCo margin. APHS expects (1) existing hospitals: growth to recover at ~13% growth with improving occupancy and ARPP growth; margin at 24.6-25% in FY26 with 100bps expansion over the next few years, supported by cost optimization; to increase international patient share with normalization in Bangladesh and new market expansion (Africa, Middle East, Southeast Asia, Iraq, etc.); (2) expansion over FY26-27 is on track (Pune and Delhi Defense Colony in Q3FY26, Kolkata and Sarjapur in Q4FY26, Hyderabad and Gurgaon by Q1FY27, and brownfield in H2FY27) – total addition of 1,700-2,000; it expects to have 100 bps drag (INR 1.5 bn) over the next two years; it expects additional 5-10% growth from new units. (3) HealthCo: to sustain growth momentum and cost controls on Apollo 24/7 spend to help margin expansion, and (4) AHLL: strong growth and margin improvement. We see growth visibility across – Hospitals: improving occupancy, ARPOB growth, and capacity expansion; HealthCo: steady growth in offline and scale-up in Apollo 24/7; and AHLL: steady growth and

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margin expansion. Factoring in Q2, we have tweaked EBITDA for FY26/27E and revised TP to INR 9,100 (26x Q2FY28E EV/EBITDA). BUY stays.

- **Cummins:** Cummins India Ltd (CIL) reported exceptional financial performance, with revenue/EBITDA/APAT beating our estimates by +8.6/+12.4/+14.7%. Strong FY26 double-digit revenue growth guidance, sustaining/improving Q2FY26 gross margins (37%) for the remainder of FY26, and robust underlying demand commentary by the management were some of the positives. While exports hit an all-time high, a cautiously optimistic approach is being adopted by CIL, as management expects softening in new OI amid inventory corrections. Despite better availability of powergen nodes from peers and rising competitive intensity, CIL has been able to hold on to the prices. The company has multiple tailwinds, namely, strong data centre demand, capex cycle recovery, revival in industrials and exports, strong upcoming residential and commercial real estate deliveries, and support for manufacturing policies. CIL remains a play on data centre and capex recovery. We have marginally recalibrated our estimates higher to factor in strong demand. We maintain BUY, with a revised SOTP of INR 5,370 (54x Sep-27 EPS).

- **Hitachi Energy:** Hitachi Energy India (HEI) reported a revenue/EBITDA/APAT beat of +5.7/+45.4/+69.6%, respectively. The EBITDA margin was a positive surprise at 16.3%, driven by operating leverage and cost optimization. HEI's annualized below-EBITDA-line costs are ~1,000bps higher than peers, primarily driven by ~450bps higher royalty and other expenses. It needs significant volume ramp-up to sustain mid to early-teen EBITDA margin. This is still 3-4 quarters away and contingent on HVDC revenue coming in. HEI expects annual tendering of 2-3 HVDC projects to sustain the growth required for transmission system. HEI has ~INR 294.1bn of OB as of Sept'25, of which INR 100bn are base orders. We continue to expect HVDC orders to be growth accretive and margin dilutive and this has been incorporated into our estimates. HEI is undertaking INR 20bn of capex to expand capacities (over the next five years, INR 4bn/year) in India to cater to both local and global demand. With volume growth, we expect the positive margin trajectory to be maintained. We have recalibrated our EPS estimates higher to factor in better EBITDA as operating leverage plays out. Given the limited upside at CMP, we maintain ADD, with an increased TP of INR 21,280/sh (60x Sep-27E EPS).

- **Lupin:** EBITDA grew 56% YoY, given 24% YoY sales growth (US: +12% QoQ, while India was muted at 3% YoY) and GM expansion (+390 bps YoY), though it was offset by higher costs. LPC expects (1) in FY26 – overall sales growth to sustain, margin at 25-26% (revised up from 24-25% earlier), and R&D at 7.5–8.5%; In FY27, single-digit revenue growth, margin at 24-25%, and R&D normalization; (2) the US to see double-digit growth in FY26 with USD 275-300mn quarterly sales for H2FY26, led by traction in key products (Tolvaptan, gSpiriva, gMyrbetriq) and new launches (15+ launches in FY26, including injectables); and (3) India to beat IPM growth by 1.1-1.3x in FY26, led by new launches (aims to launch 10 novel complex pipeline products), in-licensing, traction in focused therapies, and increasing MR productivity. Lupin aims to scale up its specialty portfolio (Xopenex, NaMuscla, Zaxine, etc.) over the next 3–5 years and is targeting USD 150mn sales by FY27. The key focus areas are respiratory (Dulera, Spiriva Respimat, Ellipta franchise, and green propellant), biosimilars (launch of Pegfilgrastim in H2FY26, and Ranibizumab in FY27; Aflibercept, Pegfilgrastim Onpro, Etanercept over the next 3-5 years), and injectables. It expects to launch Semaglutide in India, S Africa, and other EMs on patent expiry; also aiming to file in Canada (with partner) in the near term. After factoring in Q2FY26 beat and acquisition of

VISUfarma (to provide access in Italy and Spain markets for Lupin portfolio), we have raised EPS estimates by 10%/3% for FY26/27E and revised the TP to INR 2,170 (23x Q2FY28E EPS). ADD stays, given growth visibility in the US (new launches) and India (traction in key therapies) and steady margin (through cost controls) are intact.

- **MCX:** MCX reported a stable quarter; revenue and EBITDA were flat sequentially although up 31% and 36% YoY. Flat revenue was led by a 2% decline in options revenue, offset by a 4.6% QoQ rise in futures revenue. For H1FY26, revenue grew 44% YoY, with EBITDA up 53% and PAT up 49% YoY. Volumes surged in gold and silver contracts in the last six months due to price volatility, higher market interest, and the shift in options expiries from bi-monthly to monthly. This led to broad participation across physical players, hedgers, investors, retail, and corporates. MCX launched the BULLDEX index options in October, with management optimistic about scaling organically as these cash-settled options complement existing contracts without cannibalization. A technical glitch occurred on 20 October, stemming from a predefined limit relating to reference data, which exceeded its threshold in the gateway services. Trading was shifted to the disaster recovery site, with the issue promptly resolved. MCX has since implemented corrective measures to ensure system stability and scalability. This could lead to higher technology cost in the coming quarters; we have built 20% CAGR. The volume in October 2025 was very strong, and we expect it to normalize. Taking 25-30% lower options and 40% lower futures ADTV in Nov-Dec vs Oct 2025, Q3 PAT is expected to rise about 50% QoQ. We increase our EPS estimates for FY27/28E by 1-3% and maintain BUY with a target price of INR 10,500, based on a P/E of 46x on Sep-27E core PAT plus net cash ex-SGF.

- **Aster DM Healthcare:** EBITDA grew 14% YoY, led by 10% growth in the hospital business, as lower occupancy at 64% (vs 72% in Q2FY25) was offset by an improved case mix, leading to an 18% YoY increase in ARPOB. The Labs and Pharmacy business grew by 6% YoY. Hospital EBITDA rose 12% YoY, with the margin improving by 42bps to 24.4%. ASTERDM expects: (1) the hospital business to sustain steady growth momentum, with consistent ARPOB growth (7–8% over the next 3–5 years), occupancy improvement, and a better case/payor mix (with a focus on the CONGO specialty helping to reduce ALOS); (2) bed capacity expansion to remain largely on track, and as it is well spread over the next couple of years, the drag on EBITDA will be moderate; (3) Quality Care Hospital (QCIL) to see steady growth, led by occupancy, ARPOB growth, scope to reduce ALOS, and bed capacity expansion (planning to add ~1,700 beds, of which 1,300 will be in non-metro markets). The QCIL merger, although on track, has a completion timeline now slightly delayed to Q1FY27 versus Q4FY26 previously. Factoring in Q2, we have raised our FY26/27E EBITDA estimates by 4% and revised our target price to INR 740 (27x Q2FY28E blended EV/E). ADD stays.

- **Amber Enterprises:** Amber's Q2FY26 revenue declined by 2% YoY to INR 16.47bn due to de-growth in consumer durables segment. Due to weak RAC demand and commodity cost pressure, EBITDA declined 20% and APAT turns negative. The management expects the company's RAC segment to deliver double-digit revenue growth and outperform the industry by 13–15% in FY26, despite muted overall industry growth. Margins in the electronics division were affected by higher copper and other raw material cost. However, the company expects this division's margins to recover to 8–9% by Q4FY26. Factoring in the subdued RAC segment performance and cost inflation, we cut our revenue estimates by 5/6% and EPS estimates by 19/9% for FY26/27E, respectively. We have introduced FY28E financials and roll forward our valuation to Sep-27E from Mar-27E. We maintain BUY with a lower TP of INR 8,400/sh (50x Sep-27E EPS).

- **Aarti Industries:** We maintain our ADD recommendation on Aarti Industries (AIL), with a target price of INR 454/share. Revenue and EBITDA are expected to increase at a CAGR of 8/22% over FY25-28E. Profitability will be led by (a) commissioning of projects worth INR23-25bn over the next 15-18 months, (b) cost optimization measures undertaken, and (c) volume growth across products. EBITDA was in line with estimates while APAT was 8% above estimates, owing to exceptional gain in the quarter. The company received an exceptional income of INR 290mn toward interest income on historic income tax appeals for several years.
- **J Kumar Infraprojects:** JKIL reported lower than expected revenue/EBITDA/APAT at 13.4/1.9/0.9bn, a miss/beat to our estimates by -9.1/-9.3/-8.4%. As of Sep'25, the order book (OB) stands at INR 201.6bn (~3.5x FY25 revenue). The order inflows (OI) stood at INR 1.5bn in H1FY26, while the L1 as on date stood at INR 12bn. Further, JKIL has guided an OI of INR 50bn (from earlier INR 60bn) for FY26, with the current bid pipeline at INR 200bn (earlier INR 300bn). The FY26 revenue guidance is at INR 62bn (revised to +11% YoY, from 15% earlier on the back of extended monsoon), while the EBITDA margin guidance is retained at 14-15%. JKIL is keen on bidding for large-scale projects in Maharashtra, including the Mumbai/Pune/Thane metro rail ones. We believe H1FY26 was a period of consolidation impacted by extended monsoons while H2FY26 is expected to be that of growth. We have cut estimates to factor in muted results. We maintain ADD, with a reduced TP of INR 993 (14x-Sep 27E).
- **Somany Ceramics:** Somany Ceramics' revenue grew 3% YoY, owing to growth in bathware and adhesives division, while tiles division remained muted. Tiles volume and NSR were broadly flat YoY. Consequently, EBITDA fell 4% YoY, owing to lower gross margin, partially offset by lower fixed expense as other expenses declined 5% YoY, while employee expense grew by 1% YoY. APAT declined 13% YoY, owing to decreased EBITDA, higher depreciation (up 37%), and increased taxes. The company expects mid-to-high single-digit volume growth in FY26, revised down from the previously guided high single digits and lower than the low double-digit growth forecast from the Q4FY25 call. EBITDA margin is still targeted to improve by 100-150bps YoY in FY26, led by better capacity utilization. October tile volumes showed modest growth. After factoring in the Q2 sub-par performance, we have cut our revenue estimates by 2% each and APAT estimates by 10/2/1% for FY26/27/28E. We maintain ADD on Somany Ceramics, with a revised target price of INR 530/share.

Torrent Pharma

India, Brazil growth intact; visible scale-up in US

EBITDA grew 13% YoY (2% ahead of our/consensus estimates), with 14% YoY sales growth, led by 12% YoY growth in India, 21% growth in Brazil, and 8% QoQ growth in the US. The company expects: (1) India to outperform IPM growth, driven by price increases, steady volumes, and new launches in focused therapies. The focus is to improve field-force productivity with new divisions for launches and expand market reach. Looking to add 300-400 MRs in FY26 to reach field force size of 7,000 – addition in existing chronic segment and new division; (2) 10-12% cc term growth in Brazil, led by traction in key brands and a pending pipeline of 20 products; plans to launch 4-5 branded generic annually over the next few years; (3) Germany business to remain soft in FY26 due to supplies constraint from its outsourced partnered; third-party supplies is expected to resolve by Q3FY26 end; (4) steady scale-up in the US in FY26 with a focus on improving profitability supported by new launches and partnering in certain products; (5) to sustain/improve the EBITDA margin at/from 32.8% (for Q2FY26) in FY26 despite step-up in R&D spend; and (6) target to retire the outstanding debt and turn net cash by H2FY27. It is looking to launch GLP-1 molecules on patent expiry in India (both OSD and injectable) and Brazil (approval process and timeline are uncertain). On track to complete J.B Chemical stake acquisition soon (completing open offer by Dec-25 and to close transaction by Jan-26). We believe Torrent Pharma is well-poised for steady growth, led by a strong branded franchise (new launches, consumer wellness, traction in Brazil—new launches in chronic) and gradual turnaround in US generics (profitability improvement and new launches) and Germany (tender wins), with margins steady around 32-34% over the next few years. We have tweaked our EPS estimates for FY26/27E and revised the TP to INR 3,980 (40x Q2FY28E EPS; implying EV/ EBITDA of 25x). Maintain ADD.

- **Q2 highlights**: Sales grew 14% YoY to INR 33.02bn, with India (55% of sales) up 12% YoY to INR 18.2bn, led by steady traction in top brands and chronic growth (+13%). Brazil (10%) grew 21% YoY (+13% cc). The US (10%) was up 8% QoQ to USD 39mn, and Germany (9%) grew 5% YoY. GM was down 76bps YoY to 75.8%. Higher staff/SG&A/R&D costs increased +15%/8%/9% YoY, resulting in INR 10.83bn EBITDA (+13% YoY) and 32.8% margin (-47 bps). Lower interest costs, muted depreciation, adjusted for one-offs/forex^, PAT stood at INR 6.29bn (+35% YoY).
- **Key con call takeaways:** Secondary sales growth of 12% YoY in Q2FY26 was led by 3.7% volume, 5.5% price, and 2.8% new launches. Curatio business saw 21% YoY growth in Q2FY26. Semaglutide in Brazil: market size USD 1bn; GLP-1 market is shifting towards Wegovy and Ozempic sales are toning down; the company expects to launch in the first wave and gain 10-15% market share. Capex pegged at INR 3bn for next 3 years.

Quarterly financial summary

(INR mn)	2QFY26	2QFY25	YoY (%)	1QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	33,020	28,890	14	31,780	4	107,278	115,161	131,099	150,152	170,028
EBITDA	10,830	9,610	13	10,470	3	33,677	37,210	43,263	50,451	57,469
APAT	6,299	4,681	35	5,948	6	15,969	19,404	25,225	30,993	36,357
EPS (INR)	18.6	13.8	35	17.6	6	47.2	57.3	74.5	91.6	107.4
P/E (x)						75.9	62.4	48.0	39.1	33.3
EV/EBITDA (x)						36.9	33.2	28.4	24.0	20.8
RoCE (%)						22	25	29	33	35

Source: Company, HSIE Research, ^ one-off expenses of INR 130 mn and forex loss of INR 290 mn

ADD

CMP *(as on 7 Nov 2025)*	INR 3,580
Target Price	INR 3,980
NIFTY	25,492

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3780	INR 3980
EPS %	FY26E	FY27E
	(0.3)	0.6

KEY STOCK DATA	
Bloomberg code	TRP IN
No. of Shares (mn)	338
MCap (INR bn) / ($ mn)	1,212/13,665
6m avg traded value (INR mn)	1,264
52 Week high / low	INR 3,790/2,886

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(0.5)	8.8	13.2
Relative (%)	(3.7)	5.7	8.6

SHAREHOLDING PATTERN (%)	Jun-25	Sep-25
Promoters	68.31	68.31
FIs & Local MFs	8.54	9.17
FPIs	16.09	15.92
Public & Others	7.06	6.60
Pledged Shares	-	-

Source: BSE

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Apollo Hospitals Enterprise

Hospital growth and Healthco scale-up on track

EBITDA (+15% YoY) was in line with our/consensus estimates, led by 13% YoY sales growth. The hospital business grew 9% YoY (ARPP +9% YoY), HealthCo grew 17% YoY (offline/online sales up 16%/22% YoY), and AHLL grew 17% YoY. Hospital EBITDA grew 8% YoY (margin at 24.6%; -220 bps) and lower Apollo 24/7 spend (-22% YoY) led to a better HealthCo margin. APHS expects (1) existing hospitals: growth to recover at ~13% growth with improving occupancy and ARPP growth; margin at 24.6-25% in FY26 with 100bps expansion over the next few years, supported by cost optimization; to increase international patient share with normalization in Bangladesh and new market expansion (Africa, Middle East, Southeast Asia, Iraq, etc.); (2) expansion over FY26-27 is on track (Pune and Delhi Defense Colony in Q3FY26, Kolkata and Sarjapur in Q4FY26, Hyderabad and Gurgaon by Q1FY27, and brownfield in H2FY27) – total addition of 1,700-2,000; it expects to have 100 bps drag (INR 1.5 bn) over the next two years; it expects additional 5-10% growth from new units. (3) HealthCo: to sustain growth momentum and cost controls on Apollo 24/7 spend to help margin expansion, and (4) AHLL: strong growth and margin improvement. We see growth visibility across – Hospitals: improving occupancy, ARPOB growth, and capacity expansion; HealthCo: steady growth in offline and scale-up in Apollo 24/7; and AHLL: steady growth and margin expansion. Factoring in Q2, we have tweaked EBITDA for FY26/27E and revised TP to INR 9,100 (26x Q2FY28E EV/EBITDA). BUY stays.

- **Q2 highlights:** Sales grew 13% YoY to INR 63bn, with hospitals growing 9% (ARPP +9%), HealthCo 17%, and AHLL 17%. Steady staff (+10%) and SG&A costs (+11%; Apollo 24/7 spend at INR 935 mn, -22%) led to an EBITDA of INR 9.41bn (+15%) and 14.9% margin (+34 bps). PAT was at INR 4.77bn (+26% YoY). **EBITDA**: (1) Hospital: +8% YoY, margin at 24.6% (-22 bps). (2) HealthCo: EBITDA at INR 1.1 bn; Offline: +19% YoY and margin at 7.8% (+18 bps). (3) AHLL: +21% YoY and margin at 10.6% (+30 bps).
- **Operating metrics: Hospital**: ARPP was at INR 173,318 (+9% YoY) and occupancy at 69% (73% in Q2FY25). IP/OPD volume grew 2/5% YoY. ALOS steady at 3.14 days. **Healthco**: GMV at INR 7.23 bn (+16% YoY), omnichannel sales grew 19%; added 186 stores (6,928 as of Sep-25).
- **Con call takeaways:** Sales impact of ~1% due to reduction in Bangladesh patients; it saw slower recovery in Bangladesh in Q3FY26. CGHS rate revision is not meaningful. CONGO specialties grew 14% YoY. **Digital Insurance**: ramp up to gradual; currently it has a presence in two cities Delhi NCR and Hyderabad; break even in the next few quarters.

Quarterly financial summary

(INR mn)	2QFY26	2QFY25	YoY (%)	1QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	63,035	55,893	13	58,421	8	190,592	217,940	254,140	301,982	354,955
EBITDA	9,411	8,155	15	8,519	10	23,907	30,219	37,606	45,719	55,913
APAT	4,772	3,788	26	4,328	10	9,054	14,312	19,203	24,678	31,802
EPS (INR)	33.2	26.3	26	30.1	10	63.0	99.5	133.5	171.6	221.2
P/E (x)						121.3	76.7	57.2	44.5	34.5
EV/EBITDA (x)						47.7	38.2	30.6	24.9	20.0
RoCE (%)						15	16	17	19	22

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

BUY

CMP *(as on 7 Nov 2025)*	INR 7,641
Target Price	INR 9,100
NIFTY	25,492

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 8950	INR 9100
EBITDA %	FY26E	FY27E
	(1.2)	(1.1)

KEY STOCK DATA	
Bloomberg code	APHS IN
No. of Shares (mn)	144
MCap (INR bn) / ($ mn)	1,099/12,393
6m avg traded value (INR mn)	3,104
52 Week high / low	INR 8,100/6,001

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	6.6	9.4	2.9
Relative (%)	3.4	6.4	(1.7)

SHAREHOLDING PATTERN (%)	Jun-25	Sep-25
Promoters	29.34	28.02
FIs & Local MFs	21.34	21.12
FPIs	43.49	44.2
Public & Others	5.83	6.66
Pledged Shares	13.1	8.58

Source: BSE

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Cummins

Strong performance

Cummins India Ltd (CIL) reported exceptional financial performance, with revenue/EBITDA/APAT beating our estimates by +8.6/+12.4/+14.7%. Strong FY26 double-digit revenue growth guidance, sustaining/improving Q2FY26 gross margins (37%) for the remainder of FY26, and robust underlying demand commentary by the management were some of the positives. While exports hit an all-time high, a cautiously optimistic approach is being adopted by CIL, as management expects softening in new OI amid inventory corrections. Despite better availability of powergen nodes from peers and rising competitive intensity, CIL has been able to hold on to the prices. The company has multiple tailwinds, namely, strong data centre demand, capex cycle recovery, revival in industrials and exports, strong upcoming residential and commercial real estate deliveries, and support for manufacturing policies. CIL remains a play on data centre and capex recovery. We have marginally recalibrated our estimates higher to factor in strong demand. We maintain BUY, with a revised SOTP of INR 5,370 (54x Sep-27 EPS).

- **Q2FY26 financial highlights:** Revenue: INR 31.7bn (+27.2/+9.1% YoY/QoQ, beat by 8.6%). Domestic sales: INR 25.8bn (+28/+9% YoY/QoQ) and export of INR 5.4bn (+24/+4% YoY/QoQ). EBITDA: INR 6.9bn (+44.4/+11.4% YoY/QoQ, beat by 12.4%). EBITDA margin came in at 21.9% (+261.5/+46.6bps YoY/QoQ) vs estimate of 21.2%. Other income: INR 1.9bn (+21.9/+28.4% YoY/QoQ). APAT: INR 6.4bn (+41.5/+14.7% YoY/QoQ, a 14.7% beat). Export revenue from high HP/low HP gensets stood at INR 2.8bn (+40/+9% YoY/QoQ)/ INR 2.2bn (+11/-3% YoY/QoQ) in Q2FY26.
- **Pricing stable, underlying demand strong, competitive intensity stable across nodes:** In Q2FY26, the domestic power gen revenue stood at INR 13.4bn (+49/+27% YoY/QoQ), distribution at INR 7.96bn (+21/+2% YoY/QoQ), industrials at INR 3.9bn (-5/-7% YoY/QoQ). CIL is witnessing increased competition in CPCB4+ segment and high HP nodes but believes that pricing has settled now. BESS solutions that had launched in QFY26 for C&I, which is a new market segment but may take time to establish as new growth driver, albeit inquiries continue to pour in, indicating market interest.
- **Powergen drives growth:** Powergen segment grew 49% YoY, driven by demand from data centers with 40% contribution to powergen sales. Growth of core power gen stood at 20% YoY. Industrial segment's performance was muted due to extended rains. Distribution growth is fueled by increasing on ground presence and upgrades. CIL is expecting double-digit growth in FY26, supported by sustained growth in power gen and focus on quick commerce and data center.

Standalone financial summary

Particulars	Q2 FY26	Q2 FY25	YoY (%)	Q1 FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	31,703	24,923	27.2	29,068	9.1	103,394	120,688	142,508	168,886
EBITDA	6,948	4,810	44.4	6,235	11.4	20,680	25,474	30,124	36,820
APAT	6,377	4,506	41.5	5,562	14.7	19,058	23,078	26,534	31,537
Diluted EPS (INR)	23.0	16.3	41.5	20.1	14.7	68.8	83.3	95.7	113.8
P/E (x)						62.4	51.6	44.8	37.7
EV/EBITDA (x)						55.9	43.3	35.5	27.8
RoE (%)						28.9	29.0	26.6	25.3

Source: Company, HSIE Research

Change in Estimates

Particulars	FY26E			FY27E			FY28E		
	New	Old	% change	New	Old	% change	New	Old	% change
Revenue	120,688	120,145	*0.5*	142,508	141,988	*0.4*	168,886	168,379	*0.3*
EBITDA	25,474	24,877	*2.4*	30,124	29,846	*0.9*	36,820	37,240	*(1.1)*
EBITDA (%)	21.1	20.7	40.1	21.1	21.0	11.8	21.8	22.1	(31.5)
APAT	23,078	22,048	*4.7*	26,534	25,772	*3.0*	31,537	31,352	*0.6*

Source: HSIE Research

BUY

CMP *(as on 7 Nov 2025)*	INR 4,292
Target Price	INR 5,370
NIFTY	25,492

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 5,075	INR 5,370

EPS change %	FY26E	FY27E	FY28E
	+4.7	*+3*	*+0.6*

KEY STOCK DATA	
Bloomberg code	KKC IN
No. of Shares (mn)	277
MCap (INR bn) / ($ mn)	1,190/13,418
6m avg traded value (INR mn)	2,074
52 Week high / low	INR 4,495/2,580

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	16.8	50.9	20.7
Relative (%)	13.6	47.9	16.1

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	51.00	51.00
FIs & Local MFs	22.53	21.73
FPIs	17.50	18.53
Public & Others	8.96	8.92
Pledged Shares	-	-

Source: BSE

Pledge shares as a % of total shares

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Hitachi Energy

Operating leverage-led beat

Hitachi Energy India (HEI) reported a revenue/EBITDA/APAT beat of +5.7/+45.4/+69.6%, respectively. The EBITDA margin was a positive surprise at 16.3%, driven by operating leverage and cost optimization. HEI's annualized below-EBITDA-line costs are ~1,000bps higher than peers, primarily driven by ~450bps higher royalty and other expenses. It needs significant volume ramp-up to sustain mid to early-teen EBITDA margin. This is still 3-4 quarters away and contingent on HVDC revenue coming in. HEI expects annual tendering of 2-3 HVDC projects to sustain the growth required for transmission system. HEI has ~INR 294.1bn of OB as of Sept'25, of which INR 100bn are base orders. We continue to expect HVDC orders to be growth accretive and margin dilutive and this has been incorporated into our estimates. HEI is undertaking INR 20bn of capex to expand capacities (over the next five years, INR 4bn/year) in India to cater to both local and global demand. With volume growth, we expect the positive margin trajectory to be maintained. We have recalibrated our EPS estimates higher to factor in better EBITDA as operating leverage plays out. Given the limited upside at CMP, we maintain ADD, with an increased TP of INR 21,280/sh (60x Sep-27E EPS).

- **Q2FY26 financial highlights:** HEI reported revenue of INR 18.3bn (+17.9/+23.9% YoY/QoQ, a beat of 5.7%). EBITDA stood at INR 3bn (+172.5/+93% YoY/QoQ, a beat by 45.4%), with EBITDA margin at 16.3% (+925.3/+584.2bps YoY/QoQ), a beat vs. our estimate of 11.9%. RPAT/APAT came in at INR 2.6bn (+526/+1316% YoY/QoQ), a beat by 69.6%), aided by higher business volume, higher other income, and lower other expenses.
- **Strong recovery in base order inflow:** In Q2FY26, HEI received orders worth INR 22.2bn (+13% YoY), comprising GIS and AIS stations and locomotive transformers. Exports accounted for 30% of OI majorly from utilities. Service orders witnessed degrowth of 35% YoY in Q2FY26. Segment-wise, Q2FY26 order mix comprises products/projects/services at 64/24/12%, respectively. Sector-wise, OB mix across utilities/industries/transport and infra stands at 59/22/19%, respectively. From a channel standpoint, direct end user, EPC, OEM, and distributor contributions stood at 62/11/23/4%, respectively. HEI expects newer segments such as data centers and BESS to drive growth, while focus continues to be on expanding the service business.

Financial summary (INR mn)

Particulars	2QFY26	2QFY25	YoY (%)	1QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	18,326	15,537	17.9	14,789	23.9	63,849	75,661	129,759	167,379
EBITDA	2,990	1,097	172.5	1,549	93.0	5,625	8,852	17,128	22,429
APAT	2,644	523	405.6	1,316	100.9	3,840	6,949	13,125	17,055
Diluted EPS (INR)	59.3	11.7	405.6	29.5	100.9	86.1	155.8	294.3	382.4
P/E (x)						241.9	133.7	70.8	54.5
EV / EBITDA (x)						158.3	101.6	52.3	39.5
RoE (%)						13.8	15.2	23.6	24.1

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	% change	New	Old	% change	New	Old	% change
Revenue	74,416	75,661	-1.6	127,624	129,759	-1.6	172,292	167,379	2.9
EBITDA	10,493	8,852	18.5	17,740	17,128	3.6	23,604	22,429	5.2
EBITDA (%)	14.1	11.7	240.0	13.9	13.2	70.0	13.7	13.2	50.0
APAT	8,718	6,949	25.5	13,656	13,125	4.0	17,980	17,055	5.4

Source: Company, HSIE Research

ADD

CMP (*as on 07 Nov 2025*)	INR 20,863
Target Price	INR 21,280
NIFTY	25,492

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	20,301	21280

EPS change %	FY26E	FY27E	FY28E
	+25.5	+4	+5.4

KEY STOCK DATA	
Bloomberg code	POWERIND IN
No. of Shares (mn)	45
MCap (INR bn) / ($ mn)	930/10,488
6m avg traded value (INR mn)	2,794
52 Week high / low	INR 21,800/8,738

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	0.7	42.1	45.3
Relative (%)	(2.5)	39.1	40.7

SHAREHOLDING PATTERN (%)	Jun-25	Sep-25
Promoters	71.31	71.31
FIs & Local MFs	10.27	7.92
FPIs	7.19	9.67
Public & Others	11.20	11.09
Pledged Shares	-	-

Source: BSE

Pledge share as a % of total shares

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Lupin

Strong Q2; growth and margin to normalize

ADD

EBITDA grew 56% YoY, given 24% YoY sales growth (US: +12% QoQ, while India was muted at 3% YoY) and GM expansion (+390 bps YoY), though it was offset by higher costs. LPC expects (1) in FY26 – overall sales growth to sustain, margin at 25-26% (revised up from 24-25% earlier), and R&D at 7.5–8.5%; In FY27, single-digit revenue growth, margin at 24-25%, and R&D normalization; (2) the US to see double-digit growth in FY26 with USD 275-300mn quarterly sales for H2FY26, led by traction in key products (Tolvaptan, gSpiriva, gMyrbetriq) and new launches (15+ launches in FY26, including injectables); and (3) India to beat IPM growth by 1.1-1.3x in FY26, led by new launches (aims to launch 10 novel complex pipeline products), in-licensing, traction in focused therapies, and increasing MR productivity. Lupin aims to scale up its specialty portfolio (Xopenex, NaMuscla, Zaxine, etc.) over the next 3–5 years and is targeting USD 150mn sales by FY27. The key focus areas are respiratory (Dulera, Spiriva Respimat, Ellipta franchise, and green propellant), biosimilars (launch of Pegfilgrastim in H2FY26, and Ranibizumab in FY27; Aflibercept, Pegfilgrastim Onpro, Etanercept over the next 3-5 years), and injectables. It expects to launch Semaglutide in India, S Africa, and other EMs on patent expiry; also aiming to file in Canada (with partner) in the near term. After factoring in Q2FY26 beat and acquisition of VISUfarma (to provide access in Italy and Spain markets for Lupin portfolio), we have raised EPS estimates by 10%/3% for FY26/27E and revised the TP to INR 2,170 (23x Q2FY28E EPS). ADD stays, given growth visibility in the US (new launches) and India (traction in key therapies) and steady margin (through cost controls) are intact.

- **Q2 highlights**: Sales grew 24% YoY to INR 70.47bn, as US sales (40% of sales) grew 12% QoQ to USD 315 mn (+41% YoY), led by traction in Tolvaptan (under exclusivity), new launches, steady traction gSpiriva and gMirabegron, offset by price erosion in the base business. India (30%) grew 3% YoY to INR 20.77 bn, led by steady growth across key therapies. Higher GM at 74.1% (+390 bps YoY), offset by higher staff/R&D/SG&A expenses (+10%/14%/27%), led to an EBITDA of INR 21.37 bn (+56%) and a margin of 30.3% (+624 bps). Adjusted for one-offs, PAT stood at INR 13.27 bn (+52% YoY).
- **Key takeaways from con call: gSpiriva**: market share at 32%; not able to gain meaningful traction in Medicaid access; no visible competition. **gMyrbetriq**: litigation trials in Feb'26; grew QoQ in Q2. **gJynarque**: able to have meaningful conversion despite complexity (REMS); exclusivity expiries in Nov-25 but no FA yet and it hopes of seeing extended exclusivity. **Liraglutide**: gVictoza launched in Q2 and gSaxenda in FY27. **Glucagon**: launched in Aug 2025. **gRisperdal Consta**: expects launch in H2. **Albuterol**: market share at 17%. **Arfomoterol (Rx+Gx)**: market share was at 12%. India adjacencies business contributed in low single digits to revenue in Q2FY26.

Quarterly financial summary

(INR mn)	2QFY26	2QFY25	YoY (%)	1QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	70,475	56,727	24	62,683	12	200,108	227,079	263,541	277,804	296,489
EBITDA	21,376	13,668	56	16,414	30	38,000	54,718	70,365	67,506	72,047
APAT	13,272	8,742	52	11,449	16	20,669	35,364	44,354	41,684	44,506
EPS (INR)	29.1	19.1	52	25.1	16	45.2	77.4	97.1	91.3	97.4
P/E (x)						43.6	25.5	20.3	21.6	20.2
EV/EBITDA (x)						24.0	16.7	12.8	13.0	11.7
RoCE (%)						16	22	23	19	19

Source: Company, HSIE Research, PAT adj for one-offs.

CMP *(as on 7 Nov 2025)*	INR 1,972
Target Price	INR 2,170
NIFTY	25,492

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2060	INR 2170
	FY26E	FY27E
EPS %	10.4	2.8

KEY STOCK DATA	
Bloomberg code	LPC IN
No. of Shares (mn)	457
MCap (INR bn) / ($ mn)	901/10,158
6m avg traded value (INR mn)	1,946
52 Week high / low	INR 2,403/1,774

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	1.4	(4.8)	(6.6)
Relative (%)	(1.8)	(7.9)	(11.2)

SHAREHOLDING PATTERN (%)	Jun-25	Sep-25
Promoters	46.9	46.89
FIs & Local MFs	25.55	26.56
FPIs	21.25	20.5
Public & Others	6.3	6.05
Pledged Shares	-	-

Source: BSE

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MCX

On a steady growth path

BUY

CMP *(as on 7 Nov 2025)*	INR 9,431
Target Price	INR 10,500
NIFTY	25,492

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 10,200	INR 10,500
EPS %	FY26E	FY27E
	+0.9	+1.1

KEY STOCK DATA	
Bloomberg code	MCX IN
No. of Shares (mn)	51
MCap (INR bn) / ($ mn)	481/5,424
6m avg traded value (INR mn)	5,316
52 Week high / low	INR 9,627/4,408

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	19.6	55.7	46.8
Relative (%)	16.4	52.6	42.2

SHAREHOLDING PATTERN (%)	Jun-25	Sep-25
Promoters	0.00	0.00
FIs & Local MFs	59.09	60.50
FPIs	21.69	19.00
Public & Others	19.22	20.50
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

MCX reported a stable quarter; revenue and EBITDA were flat sequentially although up 31% and 36% YoY. Flat revenue was led by a 2% decline in options revenue, offset by a 4.6% QoQ rise in futures revenue. For H1FY26, revenue grew 44% YoY, with EBITDA up 53% and PAT up 49% YoY. Volumes surged in gold and silver contracts in the last six months due to price volatility, higher market interest, and the shift in options expiries from bi-monthly to monthly. This led to broad participation across physical players, hedgers, investors, retail, and corporates. MCX launched the BULLDEX index options in October, with management optimistic about scaling organically as these cash-settled options complement existing contracts without cannibalization. A technical glitch occurred on 20 October, stemming from a predefined limit relating to reference data, which exceeded its threshold in the gateway services. Trading was shifted to the disaster recovery site, with the issue promptly resolved. MCX has since implemented corrective measures to ensure system stability and scalability. This could lead to higher technology cost in the coming quarters; we have built 20% CAGR. The volume in October 2025 was very strong, and we expect it to normalize. Taking 25-30% lower options and 40% lower futures ADTV in Nov-Dec vs Oct 2025, Q3 PAT is expected to rise about 50% QoQ. We increase our EPS estimates for FY27/28E by 1-3% and maintain BUY with a target price of INR 10,500, based on a P/E of 46x on Sep-27E core PAT plus net cash ex-SGF.

- **Q2FY26 highlights:** MCX revenue stood at INR 3.74bn, +0.3/+31.0% QoQ/YoY (vs our estimate of INR 3.75bn). Options/Futures revenue stood at INR 2.23/1.14bn, -2.0/+4.6% QoQ. Future ADTV was up 3.0% QoQ to INR 417.55bn, led by increase in bullion (6.7%), offset by decrease in metals (15.8%) and energy (5.4%). Options notional ADTV rose 36.7% QoQ, while premium declined 3.5% QoQ, due to lower premium realization (1.11% vs 1.57%). This was led by a decline in realizations across all segments compared to Q1 — crude (1.62% vs 1.97%), natural gas (2.83% vs 2.94%), and bullion (0.47% vs 0.62%). EBITDA margin expanded by 35bps, led by a 14.7/3.4% QoQ decrease in product license costs and tech expenses, partly offset by a 7.7% QoQ increase in the other expenses. Options notional/premium ADTV stood at INR 3,695/40.96bn and options contributed 66% to transaction revenue. Crude/natural gas/bullion contributed 36/9/54% to options notional and 53/24/23% to premium.
- **Outlook:** We expect +32/32% futures/options premium CAGRs over FY25-28E, resulting in +29/34% revenue/APAT CAGRs over FY25-28E. The notional assumptions are INR 3.6/4.2/5.4trn; premium is at INR 47.73/56.67/71.23bn, and premium realization is at 1.33/1.34/1.31% for FY26/27/28E.

Quarterly financial summary

YE March (INR mn)	2Q FY26	2Q FY25	YoY (%)	1Q FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenues	3,742	2,856	*31.0*	3,732	*0.3*	6,836	11,127	17,391	19,996	23,809
EBITDA	2,436	1,794	*35.8*	2,417	*0.8*	643	6,653	11,828	13,599	16,529
APAT	1,975	1,536	*28.5*	2,032	*(2.8)*	831	5,600	9,663	11,055	13,450
Diluted EPS (Rs)	38.7	30.1	28.5	39.8	(2.8)	16.3	109.8	189.5	216.8	263.7
P/E (x)							83.5	48.4	42.3	34.8
EV / EBITDA (x)							67.7	38.2	33.0	26.9
RoE (%)						5.8	34.3	48.0	48.2	51.3

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

INR mn	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	17,207	17,391	*1.1*	19,586	19,996	*2.1*	23,016	23,809	*3.4*
EBITDA	11,647	11,828	*1.6*	13,377	13,599	*1.7*	16,015	16,529	*3.2*
EBITDA Margin (%)	67.7	68.0	32bps	68.3	68.0	-29bps	69.6	69.4	-16bps
APAT	9,579	9,663	*0.9*	10,935	11,055	*1.1*	13,100	13,450	*2.7*
EPS (Rs)	187.8	189.5	*0.9*	214.4	216.8	*1.1*	256.9	263.7	*2.7*

Source: HSIE Research

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Aster DM Healthcare

Growth and margin visibility improving

EBITDA grew 14% YoY, led by 10% growth in the hospital business, as lower occupancy at 64% (vs 72% in Q2FY25) was offset by an improved case mix, leading to an 18% YoY increase in ARPOB. The Labs and Pharmacy business grew by 6% YoY. Hospital EBITDA rose 12% YoY, with the margin improving by 42bps to 24.4%. ASTERDM expects: (1) the hospital business to sustain steady growth momentum, with consistent ARPOB growth (7–8% over the next 3–5 years), occupancy improvement, and a better case/payor mix (with a focus on the CONGO specialty helping to reduce ALOS); (2) bed capacity expansion to remain largely on track, and as it is well spread over the next couple of years, the drag on EBITDA will be moderate; (3) Quality Care Hospital (QCIL) to see steady growth, led by occupancy, ARPOB growth, scope to reduce ALOS, and bed capacity expansion (planning to add ~1,700 beds, of which 1,300 will be in non-metro markets). The QCIL merger, although on track, has a completion timeline now slightly delayed to Q1FY27 versus Q4FY26 previously. Factoring in Q2, we have raised our FY26/27E EBITDA estimates by 4% and revised our target price to INR 740 (27x Q2FY28E blended EV/E). ADD stays.

- **Q2 highlights:** Sales grew 10% YoY to INR 11.97 bn, led by 10% YoY growth in hospitals (97% of sales; occupancy at 64%, ARPOB growth of 18%). Lower GM at 77.4% and steady staff costs (+10% YoY) and SG&A costs (4% YoY) led to an EBITDA of INR 2.49bn (+14% YoY) and 20.9% margin (+64 bps). PAT was ~INR 1.1 bn (+14% YoY). **EBITDA**: (1) Hospital: +12% YoY, margin at 24.4% (+42 bps); (2) Labs/pharmacy: EBITDA at INR 74mn, margin at 10.3%.
- **Operating metrics:** ARPOB at INR 50,600 (+18% YoY) and occupancy at 64% (72% in Q2FY25). IP/OPD volume flat/+9% YoY. ALOS steady at 3.1 days. **Clusters: Kerala**: ARPOB was up 18% YoY and occupancy at 69% (79% in Q2FY25); **Karnataka, Maharashtra:** ARPOB was up 20% YoY and occupancy at 62% (68% in Q2FY25); **(3) AP, Telangana:** ARPOB was up 12% YoY, and occupancy is at 55% (59% in Q1FY25).
- **QCIL**: Sales at INR 11.93bn (+15% YoY), EBITDA at INR 2.87 bn (+22% YoY), and margins expanded by 128bps YoY to 24.1%, supported by procurement synergies across QCIL entities, which led to ~INR 200mn of EBITDA improvement. The Kerala cluster delivered 11% YoY and Hyderabad units grew 9% while Bangladesh (Evercare) was up 30%.
- **Key takeaways from con call:** Aster Medcity sales grew 14% YoY, EBITDA grew 28% YoY, and margin came in at 32%; Aster Whitefield revenue grew 27% YoY, while the EBITDA grew 41% YoY in Q2FY26. Commissioned its Kasargod greenfield hospital in Oct-25; daily OPD exceeding 150 patients and IPD is getting traction too. The hospital recruited 50+ doctors and other staff. Seasonal impact in Kerala was at ~6%, Karnataka (especially Bengaluru) saw 26% impact; adjusting for seasonal effects, overall revenue grew 13% YoY.

Quarterly financial summary

(INR mn)	2QFY26	2QFY25	YoY (%)	1QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	11,972	10,864	10	10,779	11	36,989	41,385	48,214	60,309	77,158
EBITDA	2,498	2,197	14	2,074	20	5,780	7,645	9,826	12,357	17,033
APAT	1,103	968	14	886	24	1,226	3,568	4,823	6,427	9,707
EPS (INR)	2.2	1.9	14	1.8	24	2.4	6.9	9.3	12.4	18.7
P/E (x)						293.0	100.7	74.5	55.9	37.0
EV/EBITDA (x)						65.2	48.1	37.2	29.5	20.9
RoCE (%)						3	6	13	14	19

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

ADD

CMP *(as on 7 Nov 2025)*	INR 693
Target Price	INR 740
NIFTY	25,492

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 670	INR 740
EPS %	FY26E	FY27E
	4.4	4.4

KEY STOCK DATA	
Bloomberg code	ASTERDM IN
No. of Shares (mn)	518
MCap (INR bn) / ($ mn)	359/4,049
6m avg traded value (INR mn)	748
52 Week high / low	INR 732/386

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	16.5	29.5	59.2
Relative (%)	13.3	26.5	54.6

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	40.39	40.39
FIs & Local MFs	25.28	26.32
FPIs	19.64	18.72
Public & Others	14.69	14.57
Pledged Shares	40.67	40.67

Source: BSE

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Amber Enterprises

Weak RAC demand drags performance

Amber's Q2FY26 revenue declined by 2% YoY to INR 16.47bn due to de-growth in consumer durables segment. Due to weak RAC demand and commodity cost pressure, EBITDA declined 20% and APAT turns negative. The management expects the company's RAC segment to deliver double-digit revenue growth and outperform the industry by 13–15% in FY26, despite muted overall industry growth. Margins in the electronics division were affected by higher copper and other raw material cost. However, the company expects this division's margins to recover to 8–9% by Q4FY26. Factoring in the subdued RAC segment performance and cost inflation, we cut our revenue estimates by 5/6% and EPS estimates by 19/9% for FY26/27E, respectively. We have introduced FY28E financials and roll forward our valuation to Sep-27E from Mar-27E. We maintain BUY with a lower TP of INR 8,400/sh (50x Sep-27E EPS).

- **Q2FY26 highlights:** Revenue declined 2% YoY to INR 16.47bn due to 18% de-growth in consumer durables segment (53% of revenue mix). Electronics segment reported healthy 31% YoY growth while railways reported sub-par 7% YoY growth. EBITDAM declined 120bps YoY to 5.5% (down 190bps QoQ), owing to a surge in employee costs and other expenses, up 90/60bps YoY. Consequently, EBITDA declined 20% YoY. APAT incurred an INR 329mn loss vs INR 192mn profit YoY, driven by decrease in EBITDA and other income and higher depreciation (up 24% YoY) and finance cost (up 58% YoY). Consumer durables' EBITDAM declined 160/330bps YoY/QoQ to 4.2%. Electronics and railways subsystem also witnessed margin erosion of 140bps and 100bps YoY.
- **Earnings call takeaways:** The management expects the company's RAC segment to deliver double-digit revenue growth and outperform the industry by 13–15% in FY26, despite muted overall industry growth. In the industrial segment, it is targeting USD 1bn revenue with 11.5-12% EBITDAM in three years. The company has received approval for Ascent Circuit's multi-layer PCBs application under electronics manufacturing component scheme (ECMS) for investment of INR 9.9bn. The Ascent Circuit Hosur expansion costing INR 6.5bn is expected to start commercial production from Q3FY27, with mass production starting by Q3FY27. Further, it plans to spend INR 32bn capex for HDI PCBs through Korea Circuit JV (INR 12bn in phase 1 expected by FY27-end). It has raised INR 10bn equity funds, and its subsidiary IL JIN Electronics India (subsidiary) has secured compulsory convertible preference shares funds of INR 17.5bn through QIP in September-25. The company will incur a capex of ~INR 20bn over the FY26 to FY27 (excluding ~INR 7bn acquisition capex for Unitronics and Power-One Micro Systems). After factoring in the subdued RAC segment performance, we cut our revenue estimates by 5/6% and EPS estimates by 19/9% for FY26/27E, respectively. We have introduced FY28E financials and roll forward our valuation to Sep-27E from Mar-27E. We maintain BUY with a lower TP of INR 8,400/sh (50x Sep-27E EPS).

Financial summary

(INR mn)	Q2 FY26	Q2 FY25	YoY (%)	Q1 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	16,470	16,847	(2.2)	34,491	(52.2)	67,293	99,730	1,28,357	1,61,207	1,93,421
EBITDA	913	1,137	(19.7)	2,567	(64.4)	4,919	7,634	9,361	12,828	15,959
APAT	(329)	192	(270.7)	1,039	(131.6)	1,329	2,436	3,623	5,505	6,275
EPS (INR)	(9.7)	5.7	(270.7)	30.7	(131.7)	39.4	72.0	103.3	156.9	178.9
P/E (x)						202.7	111.0	77.4	51.0	44.7
EV / EBITDA (x)						56.1	36.9	28.5	21.5	17.6
RoE (%)						6.7	11.2	9.4	9.7	10.0

Source: Company, HSIE Research

BUY

CMP *(as on 7 Nov 2025)*	INR 7,227
Target Price	INR 8,400
NIFTY	25,492

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 8,590	INR 8,400
EPS %	FY26E	FY27E
	-18.8	-8.6

KEY STOCK DATA	
Bloomberg code	AMBER IN
No. of Shares (mn)	35
MCap (INR bn) / ($ mn)	254/2,865
6m avg traded value (INR mn)	2,598
52 Week high / low	INR 8,626/5,235

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(6.5)	20.8	16.2
Relative (%)	(9.7)	17.7	11.5

SHAREHOLDING PATTERN (%)	Jun-25	Sep-25
Promoters	39.65	38.22
FIs & Local MFs	17.82	20.20
FPIs	28.59	30.60
Public & Others	13.94	10.98
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Aarti Industries

Energy business driving revenue

We maintain our ADD recommendation on Aarti Industries (AIL), with a target price of INR 454/share. Revenue and EBITDA are expected to increase at a CAGR of 8/22% over FY25-28E. Profitability will be led by (a) commissioning of projects worth INR23-25bn over the next 15-18 months, (b) cost optimization measures undertaken, and (c) volume growth across products. EBITDA was in line with estimates while APAT was 8% above estimates, owing to exceptional gain in the quarter. The company received an exceptional income of INR 290mn toward interest income on historic income tax appeals for several years.

- **Financial performance**: Revenue changed by +29/+25.4% YoY/QoQ to INR 21bn. Revenue jumped as (1) the benefit of previous quarter's deferred shipment was realized in this quarter and (2) sales volumes of products increased, particularly the MMA. EBITDA improved by 48.5/37.9% YoY/QoQ to INR 2.91bn. EBITDA margin improved by +182/+126 bps to 13.9%. The improved margins were driven by the operating leverage.
- **Con call takeaways:** (1) **Energy business (43% of the revenue):** AIL achieved the highest utilization in new facilities of energy business while diversifying the revenue to other countries. Favorable naphtha and gasoline spread supported MMA consumption. AIL will undergo debottlenecking of the plants, which will increase the capacity of the MMA to 300KTPA, from 260KTPA, by Q4FY26. Cacl2 plant is expected to commission in Q3FY26. (2) **Non-energy business (57% of the revenue):** Revenue was impacted by the US tariff on polymer and agrochemical business while selected products are showing promising recovery. It has diverted product volume to other geographies while working closely with customers. (3) MPP zone 4 is expected to commission in Q4FY26.It will take time to ramp up the revenue from MPP. (4) PEDA project is expected to be commissioned in Q4FY26. (5) AIL will incur a capex of INR 10bn in FY26. (6) 40-50% of the benefit of cost cutting measures is yet to flow through to the bottom line, which should take place by FY27.
- **Change in estimates:** We have cut our FY26/27/FY28E EPS estimates by -15.8/-9.8/-9% to INR 9.4/15.4/22.2x, factoring in H1 performance and guidance on the tax rate for FY26 and FY27.

Financial summary (consolidated)

INR mn	2Q FY26	1Q FY26	QoQ (%)	2Q FY25	YoY (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	21,000	16,750	*25.4*	16,280	*29.0*	66,186	63,723	72,713	74,564	79,456	91,374
EBITDA	2,910	2,110	*37.9*	1,960	*48.5*	10,890	9,766	10,005	10,996	14,902	18,091
APAT	800	430	*86.0*	478	*67.2*	5,452	4,165	3,283	3,396	5,593	8,060
AEPS (INR)	2.2	1.2	*86.0*	1.3	*67.2*	15.0	11.5	9.1	9.4	15.4	22.2
P/E (x)						26.1	34.1	43.3	41.8	25.4	17.6
EV/EBITDA(x)						15.5	17.7	17.7	16.3	12.1	9.8
RoE (%)						11.6	8.2	6.0	5.9	9.1	12.0

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY26E Old	FY26E New	%Ch	FY27E Old	FY27E New	%Ch	FY28E Old	FY28E New	%Ch
EBITDA (INR mn)	11,667	10,996	*(5.8)*	15,044	14,902	*(0.9)*	18,233	18,091	*(0.8)*
Adj. EPS (INR/sh)	11.1	9.4	*(15.8)*	17.1	15.4	*(9.8)*	24.4	22.2	*(9.0)*

Source: Company, HSIE Research

ADD

CMP *(as on 7 Nov 2025)*	INR 392
Target Price	INR 454
NIFTY	25,492

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 510	INR 454
EPS %	FY26E	FY27E
	-15.8%	-9.8%

KEY STOCK DATA	
Bloomberg code	ARTO IN
No. of Shares (mn)	363
MCap (INR bn) / ($ mn)	142/1,602
6m avg traded value (INR mn)	534
52 Week high / low	INR 526/344

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	3.5	(14.5)	(23.9)
Relative (%)	0.3	(17.6)	(28.5)

SHAREHOLDING PATTERN (%)

	June-25	Sept-25
Promoters	42.24	42.18
FIs & Local MFs	20.38	18.21
FPIs	6.44	6.40
Public & Others	30.93	33.19
Pledged Shares	0.00	0.00

Source: BSE

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J Kumar Infraprojects

Missed expectations

JKIL reported lower than expected revenue/EBITDA/APAT at 13.4/1.9/0.9bn, a miss/beat to our estimates by -9.1/-9.3/-8.4%. As of Sep'25, the order book (OB) stands at INR 201.6bn (~3.5x FY25 revenue). The order inflows (OI) stood at INR 1.5bn in H1FY26, while the L1 as on date stood at INR 12bn. Further, JKIL has guided an OI of INR 50bn (from earlier INR 60bn) for FY26, with the current bid pipeline at INR 200bn (earlier INR 300bn). The FY26 revenue guidance is at INR 62bn (revised to +11% YoY, from 15% earlier on the back of extended monsoon), while the EBITDA margin guidance is retained at 14-15%. JKIL is keen on bidding for large-scale projects in Maharashtra, including the Mumbai/Pune/Thane metro rail ones. We believe H1FY26 was a period of consolidation impacted by extended monsoons while H2FY26 is expected to be that of growth. We have cut estimates to factor in muted results. We maintain ADD, with a reduced TP of INR 993 (14x-Sep 27E).

- **Q2FY26 financial performance:** JKIL generated revenue of INR 13.4bn (+3.5/-9.6% YoY/QoQ, a miss of 9.1%) with an EBITDA of INR 1.9bn (+3.1/-10.1% YoY/QoQ, a miss of 8.4%). JKIL's EBITDA margin stood at 14.5% (-5/-8 bps YoY/QoQ, vs. our estimate of 14.6%), while RPAT/APAT came in at INR 0.9bn (+1.4/-10.9% YoY/QoQ, a miss of 8.4%). Major revenue contributors for Q2FY26 have been metro (UG)/metro (E)/elevated corridors/roads & tunnels/water/civil & others at 10/16/32/25/4/13% respectively. Geographically, Maharashtra, TN, and NCR lead revenue contributions at 63/14/14% respectively.
- **Robust and diversified order book:** JKIL's OB stands at INR 201.6bn as of Sep'25 (~3.5x FY25 revenue). Geographically, the OB is spread across Maharashtra/TN/NCR/UP/Gujarat/Karnataka at 62/18/15/2/2/<1% respectively. Segment-wise, it is spread across elevated corridors/roads & tunnels/civil/metro (E)/metro (UG)/water at 53/17/12/7/6/5% respectively.
- **Strong balance sheet to facilitate growth opportunities:** Gross debt increased to INR 7.8bn as of Sep'25 (vs. INR 7.2bn as of Jun'25), leading to a gross D/E of 0.24x. JKIL expects gross debt to peak at INR 8bn in FY26 on the back of increased capex funded via mix of debt and internal accruals. Capex in H1FY26 stood at INR 3.98bn (FY25: INR 2.4bn), while capex guidance for FY26/27 combined stands at INR 4/2bn (including maintenance capex of INR 1bn in FY26). NWC days stood at 115 in Q2FY26, with 120-125 guided for FY26.
- **Continued focus on EPC/metro/elevated corridor:** While execution was impacted in Q2FY26 due to extended monsoon, management has guided that JKIL's focus will remain on the EPC segment, albeit NHAI and MORTH are looking at BOT.

Standalone Financial Summary (INR mn)

Particulars	2QFY26	2QFY25	YoY (%)	1QFY26	QoQ (%)	FY25	FY26E	FY27	FY28E
Revenue	13,370	12,924	3.5	14,787	(9.6)	56,935	62,059	71,368	82,073
EBITDA	1,943	1,885	3.1	2,160	(10.1)	8,264	8,855	10,036	11,467
APAT	915	902	1.4	1,026	(10.9)	3,904	4,210	4,970	5,765
EPS (INR)	12.1	11.9	1.4	13.6	(10.9)	51.6	55.6	65.7	76.2
P/E (x)						12.0	11.1	9.4	8.1
EV/EBITDA (x)						6.4	5.5	4.5	3.1
RoE (%)						13.8	13.1	13.5	13.7

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E new	FY26E old	% Change	FY27E new	FY27E old	% Change
Revenues	62,059	65,475	(5.2)	71,368	75,296	(5.2)
EBITDA	8,855	9,485	(6.6)	10,036	11,017	(8.9)
EBITDA (%)	14.3	14.5	(21.8)	14.1	14.6	(56.9)
APAT	4,210	4,671	(9.9)	4,970	5,686	(12.6)

Source: HSIE Research

ADD

CMP (*as on 07 Nov 2025*)	INR 620
Target Price	INR 993
NIFTY	25,492

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1052	INR 993
EPS Change (%)	FY26E	FY27E
	-9.9	-12.6

KEY STOCK DATA	
Bloomberg code	JKIL IN
No. of Shares (mn)	76
MCap (INR bn) / ($ mn)	47/529
6m avg traded value (INR mn)	101
52 Week high / low	INR 828/566

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(10.2)	(4.4)	(17.9)
Relative (%)	(13.4)	(7.5)	(22.5)

SHAREHOLDING PATTERN (%)	Jun-25	Sep-25
Promoters	46.64	46.64
FIs & Local MFs	15.42	15.41
FPIs	12.60	12.85
Public & Others	25.33	25.09
Pledged Shares	10.57	10.57

Source: BSE

Pledge share as a % of total shares

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Somany Ceramics

Lackluster performance

Somany Ceramics' revenue grew 3% YoY, owing to growth in bathware and adhesives division, while tiles division remained muted. Tiles volume and NSR were broadly flat YoY. Consequently, EBITDA fell 4% YoY, owing to lower gross margin, partially offset by lower fixed expense as other expenses declined 5% YoY, while employee expense grew by 1% YoY. APAT declined 13% YoY, owing to decreased EBITDA, higher depreciation (up 37%), and increased taxes. The company expects mid-to-high single-digit volume growth in FY26, revised down from the previously guided high single digits and lower than the low double-digit growth forecast from the Q4FY25 call. EBITDA margin is still targeted to improve by 100-150bps YoY in FY26, led by better capacity utilization. October tile volumes showed modest growth. After factoring in the Q2 sub-par performance, we have cut our revenue estimates by 2% each and APAT estimates by 10/2/1% for FY26/27/28E. We maintain ADD on Somany Ceramics, with a revised target price of INR 530/share.

- **Q2FY26 performance:** Revenue grew 3% YoY, owing to growth in bathware and adhesives division. Tiles volume and NSR were broadly flat YoY. EBITDA declined by 4% YoY due to lower gross margins, partially offset by a 5% YoY reduction in other expenses, while employee expenses increased by 1% YoY. APAT declined 13% YoY, owing to decreased EBITDA, higher depreciation (up 37%), and increased taxes. The GAIL gas leakage incident impacted Q2 volume and margins (100-120bps).
- **Con call takeaways and outlook**: The company expects mid to high single-digit volume growth in FY26, revised down from the previously guided high single digits and lower than the low double-digit growth forecast in the Q4FY25 call. Management expects EBITDA margin to improve by 100-150bps YoY in FY26, led by better capacity utilization. October tile volumes showed modest growth. The company implemented a 1.5% price hike in tiles in Q2 and is planning more if demand improves. There are no tile segment expansion plans for the next 12-18 months. Management is confident the Max plant will reach 75-80% capacity utilization by Q4FY26 and reach breakeven. After factoring in the Q2 sub-par performance, we have cut the revenue estimates by 2% each and APAT estimates by 10/2/1% for FY26/27/28E. We maintain ADD, with a revised target price of INR 530/share.

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q2 FY26	Q2 FY25	*YoY (%)*	Q1 FY26	*QoQ (%)*	FY24	FY25	FY26E	FY27E	FY28E
Tiles sales (MSM)	17.8	17.8	-0.1	16.0	11.2	69.3	70.9	72.9	77.3	81.9
NSR (Rs/Kg)	320.5	319.0	0.5	319.3	0.4	323.5	318.3	323.3	326.5	333.1
Tiles Revenue	5,706	5,681	0.4	5,113	11.6	22,426	22,551	23,572	25,237	27,286
Others Revenue	1,100	934	17.7	902	21.9	3,347	3,882	4,348	4,783	5,261
Net Sales	6,852	6,663	2.8	6,044	13.4	25,914	26,588	27,920	30,019	32,547
EBITDA	535	560	-4.4	482	11.1	2,532	2,209	2,303	2,609	2,834
EBITDAM (%)	7.8	8.4		8.0		9.8	8.3	8.2	8.7	8.7
APAT	150	172	-12.6	104	44.6	989	621	760	997	1,176
Diluted EPS (Rs)	3.7	4.2	-12.6	2.5	44.6	24.1	15.1	18.5	24.3	28.7
EV / EBITDA (x)						8.7	9.7	8.9	7.5	6.8
P/E (x)						18.2	29.0	23.7	18.0	15.3
RoE (%)						11.5	7.4	8.8	10.9	11.9

Source: Company, HSIE Research

ADD

CMP *(as on 07 Nov 2025)*	INR 441
Target Price	INR 530
NIFTY	25,492

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 540	INR 530
EPS revision %	FY27E *-1.6*	FY28E *-1.1*

KEY STOCK DATA	
Bloomberg code	SOMC IN
No. of Shares (mn)	41
MCap (INR bn) / ($ mn)	18/204
6m avg traded value (INR mn)	28
52 Week high / low	INR 737/395

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(14.1)	4.7	(34.9)
Relative (%)	(17.3)	1.7	(39.5)

SHAREHOLDING PATTERN (%)	Jun-25	Sep-25
Promoters	55.01	55.00
FIs & Local MFs	23.01	23.17
FPIs	1.39	0.98
Public & Others	20.59	20.85
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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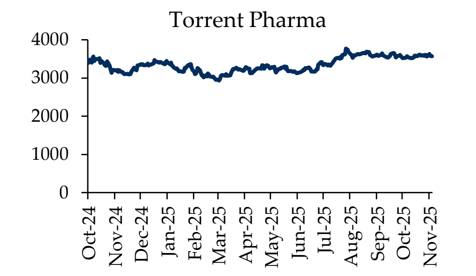
Rating Criteria

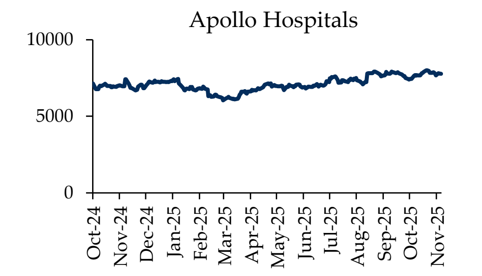
BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

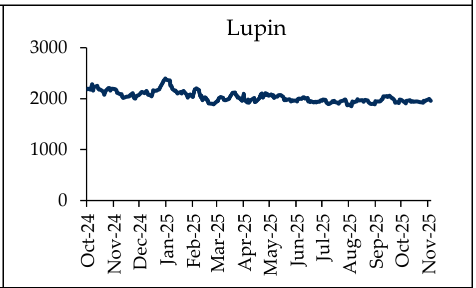
Disclosure:

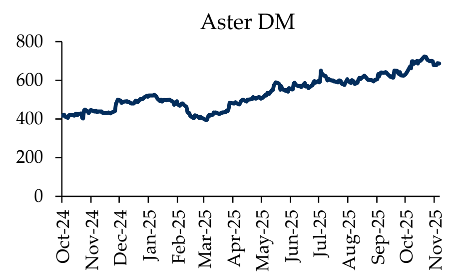
Analyst	Company Covered	Qualification	Any holding in the stock
Mehul Sheth	Torrent Pharma, Apollo Hospitals Enterprise, Lupin, Aster DM Healthcare	MBA	NO
Divyaxa Agnihotri	Torrent Pharma, Apollo Hospitals Enterprise, Lupin, Aster DM Healthcare	MSc	NO
Parikshit Kandpal	Cummins, Hitachi Energy, J Kumar Infraprojects	CFA	NO
Aditya Sahu	Cummins, Hitachi Energy, J Kumar Infraprojects	MBA	NO
Jay Shah	Cummins, Hitachi Energy, J Kumar Infraprojects	CA	NO
Amit Chandra	MCX	MBA	NO
Arjun Savla	MCX	CA	NO
Keshav Lahoti	Amber Enterprises, Somany Ceramics	CA, CFA	NO
Rajesh Ravi	Amber Enterprises, Somany Ceramics	MBA	NO
Riddhi Shah	Amber Enterprises, Somany Ceramics	MBA	NO
Mahesh Nagda	Amber Enterprises, Somany Ceramics	CA	NO
Nilesh Ghuge	Aarti Industries	MMS	NO
Prasad Vadnere	Aarti Industries	MSc	NO
Dhawal Doshi	Aarti Industries	CA	NO

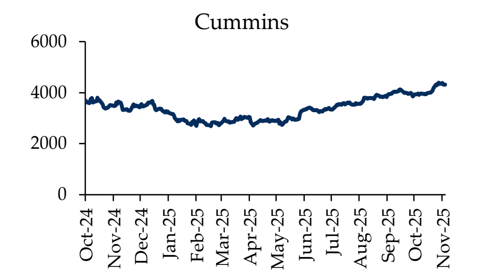
1 Yr Price movement

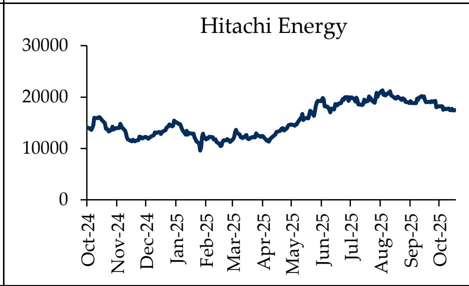


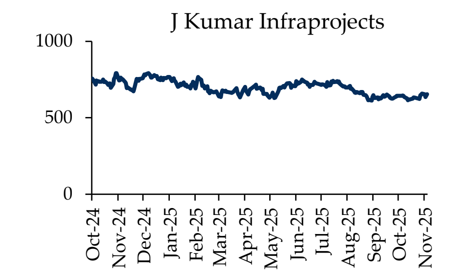


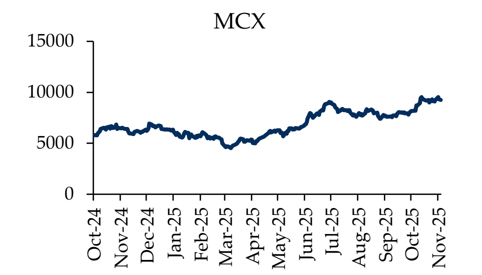


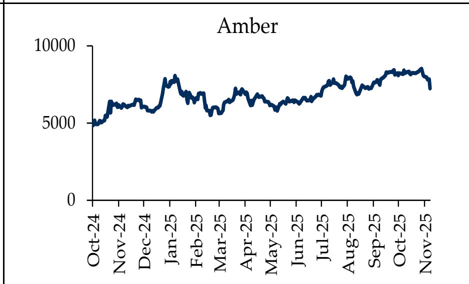


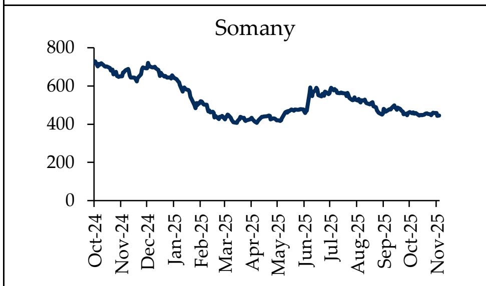


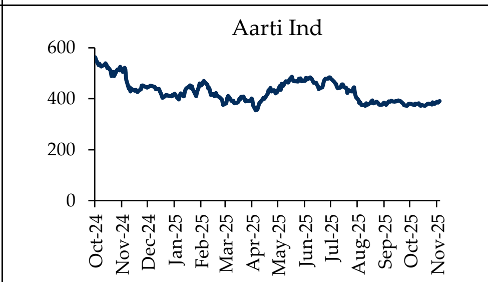












Disclosure:

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