kotak Securities

Dated: 3 Nov 2025

Kalpataru Projects (KPIL) – BUY

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.1,256	**Rs.1,440**

Rationale:

- KPIL’s Q2FY26 reported PAT came in 3% ahead of expectation.
- Strong execution was offset by lower-than-expected margins.
- Ordering environment remains strong, driven by T&D and buildings segments.
- Revised revenue growth guidance to 25% (20-25%+ earlier), 50 bps PBT margin expansion at standalone/consolidated level and robust order inflow of Rs25000cr+.
- We revise FY26-28E earnings by -5% to 4% on strong execution & revised revenue guidance.
- Our SoTP-based FV increases to Rs1,440 as we roll forward to Sept 2027. Retain BUY.

Positives:

- Standalone revenues at Rs5420cr (31% yoy) came in 5% ahead of our estimate.
- Strong performance in T&D (+51% yoy) and buildings (+20% yoy).
- Q2FY26 order inflow has come in at Rs6700cr (+12% qoq), driven by strong ordering in T&D and buildings segments.
- Outlook on T&D business remains very optimistic in the domestic and overseas markets, with a tender pipeline of Rs1.5 lakh cr over next 12 to 18 months.

Negatives:

- There was weakness in water ((-)5% yoy) and railways (9% yoy) segment.
- EBITDA margins came in at 8.3% versus our expectation of 8.5%.

(SoTP: Sum of the parts, T&D: Transmission & Distribution, PAT: Profit after tax, PBT: Profit before Tax)

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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