



STOCK UPDATE

Result Update - Q3FY2026

SECTOR

Capital Goods

COMPANY DETAILS

Market cap:	Rs. 18,108 cr
52-week high/low:	Rs. 1335/770
NSE volume: (No of shares)	8.4 lakh
BSE code:	522287
NSE code:	KPIL
Free float: (No of shares)	10.8 cr

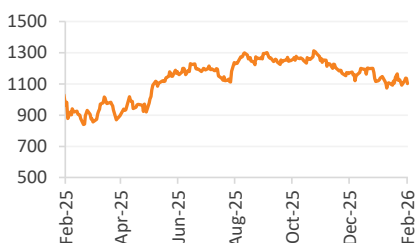
Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	33.6
FII	11.7
DII	43.9
Others	10.8

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-1.7	-12.0	-10.5	14.1
Relative to Sensex	-1.5	-11.0	-14.3	4.3

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **BUY**

CMP: **Rs. 1,103**

Price Target: **Rs. 1,450**

Quick Snapshot

- Standalone revenues rose 20%, fueled by urban infra (79%), Oil & Gas (56%), T&D (14%), and B&F (17%) segments, offsetting a 26% dip in the water business.
- YTD FY26 inflows reached Rs 19,456 crore (Total: Rs 63,287 crore), ensuring three-year revenue visibility. With Rs 7,000 crore of L1 orders, the FY26 guidance of Rs 26,000 crore is secure.
- Management expects 25% revenue growth and 5.5% PBT margins for FY26.
- We maintain a Buy with a revised PT of Rs 1,450. Stock is valued at ~14x/11x FY27E/28E P/E. Key catalysts include asset monetization and reduced promoter pledges.

Result overview

- **Strong order book:** Company's order book stands at Rs 63,287 crore providing a strong visibility for next 3 years. For 9MFY26, order inflows stood at Rs. 19,456 crore, and additionally standing at L1 of Rs 7000 crore easily achieving the annual guidance of Rs 26,000 order inflow for FY26. The order book at hand is free of legacy orders which would ensure margins improvement over a period. Management has highlighted that with the announcement of PGCIL average Rs 90,000 crore of annual bidding pipeline of T&D projects would provide a strong support for order inflows. The pipeline of order inflows also remains strong in Buildings and Factories, Oil & Gas and Metro Rail segments.
- **T&D:** Segment led to significant growth momentum with a 14% growth y-o-y driven by faster execution of projects. LMG Sweden posted revenue of Rs 2,290 crore for 9MFY26, growth of 71% YoY; LMG Order book at Rs 3,483 crore as on 31 Dec 2025. Fasttel business was impacted by a lower order backlog and closure of legacy orders. Fasttel is on verge of completion of legacy order book. 9MFY26 loss stood at Rs. 190 crore. For 9MFY26, order inflows from international was Rs 36bn and the company has L1 position in orders worth Rs 4,500 crore. The management is optimistic of achieving a Rs. 10,000 crore (up 81.8% y-o-y) of order inflows in FY26. Inflows are expected to increase by 15-20% annually.

Our Call

KPIL's performance would improve on account of a robust order book and tender pipeline, improving JV and performance of subsidiaries, monetisation of non-core assets, and reduction in promoter's pledge – all of which could be key re-rating catalysts. The stock trades at ~14/~11x its FY2027/FY2028E P/E. We maintain a Buy rating with a revised price target (PT) of Rs. 1,450.

Key Risks

Slow tendering could impact order execution. High input costs and supply-side constraints are also key challenges.

Valuation (standalone)

	Rs cr				
Particulars	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	16,760	18,888	22,904	27,707	31,984
OPM	8.2%	8.4%	8.9%	9.1%	9.1%
Adj. Net Profit	568	648	1,011	1,349	1,590
% YoY growth	19.1	14.1	56.0	33.5	17.8
Adj. EPS(Rs)	32.9	39.8	60.1	81.0	95.8
EPS Growth (%)	19.1	14.1	56.0	33.5	17.8
P/E (x)	33.5	27.7	18.3	13.6	11.5
P/BV (x)	3.1	2.8	2.5	2.1	1.8
EV/EBITDA (x)	14.1	11.7	8.9	7.0	5.9
ROCE (%)	10.6	12.6	12.5	11.9	11.1
ROE (%)	10.2	10.6	14.8	17.1	17.1

Source: Company; Mirae Asset Sharekhan estimates

Concall Highlights:

- **Oil & Gas:** Revenues grew 56% to Rs. 691 crore on account of strong execution of a large order from the Middle East. The company is nearing 50% completion of the Saudi Aramco project and is expected to achieve a 100% closure in the next 15-18 months. Management highlights that there is a strong pipeline for projects from Middle East region.
- **B&F:** Revenue growth of 17% was driven by execution of large projects. Secured large size orders on design-built basis from existing and new clients on back of project capabilities and a track record of timely delivery
- Water and Railways segments remained sluggish due to a delay in tendering and execution activities. The initial focus is to complete the existing projects and bid for only margin-accretive projects.
- Company successfully completed divestment of 100% stake in Vindhyachal Road Asset in January 2026 for enterprise value of ~Rs. 799 crore, generating net cash inflow of over Rs. 600 crore plus Rs. 190 crore of consolidated debt reduction.

Results

Particulars	Rs cr				
	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Net Sales	5,788	4,826	19.9	5,419	6.8
Operating expenditure	5,306	4,424	19.9	4,972	6.7
Operating profit	481	402	19.8	447	7.6
Other income	26	19	37.6	24	5.4
Interest	93	107	(13.5)	102	(9.7)
Depreciation	101	96	5.1	97	4.0
PBT	314	218	44.1	272	15.2
Tax	73	60	21.0	72	0.9
Adj PAT	211	157	34.3	200	5.7
EPS	13.0	9.7	34.3	12.3	5.7
Margin			bps		bps
OPM (%)	8.3	8.3	(1)	8.3	6
NPM (%)	3.7	3.3	39	3.7	(4)
Tax rate (%)	23.3	27.7	(445)	26.6	(330)

Source: Company; Mirae Asset Sharekhan Research

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	SBI Funds Management Ltd	8.48
2	ICICI Prudential Asset Management	5.67
3	HDFC Asset Management Co Ltd	2.81
4	Kotak Mahindra Asset Management Co	2.57
5	Nippon Life India Asset Management	1.57
6	Vanguard Group Inc/The	1.34
7	Mirae Asset Financial Group	1.25
8	ICICI Prudential Life Insurance Co	1.18
9	Dimensional Fund Advisors LP	1.15
10	Master Trust Bank of Japan Ltd/The	1.02

Source: Bloomberg

Key management personnel

Name	Designation
Mofatraj P. Munot	Non-executive Chairman
Manish Mohnot	Managing Director and Chief Executive Officer
Ram Avtar Patodia	Chief Financial Officer
Sanjay Dalmia	Company Secretary and Compliance Officer

Source: Company Website

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