India Morning Roundup

July 21, 2026

Contents

- **Canara HSBC Life Insurance (CANHLIFE) - Life Insurance | 1QFY27 Result Update - Shift to traditional, margins hold firm:**

  Key Points

  - Canara HSBC delivered a 5% and 9% beat on consensus APE and NBV respectively, translating to a 100bps NBV margin beat.
  - APE grew 19% YoY to Rs.5.85bn ahead of the industry; traditional mix rose to 64% of APE from 51% in 1QFY26, and protection share to 13% from 11% on 42% YoY growth, while ULIP eased to 36%.
  - Maintain BUY with an unchanged target price (TP) of Rs.205 implying 37% upside

- **UltraTech Cement (UTCEM)- Cement | 1QFY27 Result Update- Resilient Performance Driven by Execution and Cost Leadership:**

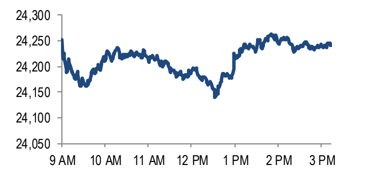
  Key Points

  - Strong volumes, stable pricing, and acquired asset synergies sustain robust EBITDA/tn of Rs1,214 despite input cost inflation.
  - Swift ramp-up of 8.7MTPA new capacity drives volume growth and market share gains.

- **Corporate/Global/Local News**
- **Valuation Of Companies In Our Coverage Universe**

Local Indices			
(Chg %)	Close	Daily	YTD
BSE Sensex	77,709	(0.6)	(8.8)
NSE Nifty	24,239	(0.4)	(7.2)
Sectoral Indices			
(Chg %)	Close	Daily	YTD
CNX Mid-Cap	62,802	0.6	3.8
CNX Bank Nifty Index	57,945	(1.0)	(2.7)
CNX Metal Index	12,544	0.9	12.3
CNX FMCG Index	49,067	0.7	(11.6)
CNX Infrastructure Index	9,443	0.7	(1.8)
CNX Auto Index	27,028	(0.3)	(4.1)
CNX Pharma Index	26,003	1.4	14.4
CNX Energy Index	39,663	1.0	12.3
CNX IT Index	29,162	(0.2)	(23.0)
World Indices			
Dow Jones	51,839	(0.6)	7.9
S & P 500	7,443	(0.2)	8.7
FTSE 100	10,525	(0.7)	6.0
Nasdaq	25,508	(0.0)	9.7
Hang Seng	25,143	2.4	(1.9)
Shanghai Comp	3,796	0.9	(4.3)
Net Investment			
	21-Jul	1M	3M
FIIs (US$mn)	(330.2)	93.9	223.1
MFs (US$mn)	137.5	31.9	(278.0)
DII turnover (Rsmn)	1,017.9	(1,159.6)	2,966.9
Volume			
	21-Jul	US$bn	Chg%
Cash (NSE + BSE)	4.8	4.8	(6.0)
F&O (net)	29.9	29.9	1.8

Forex/Money Markets				
	21-Jul	1 D	1 M	3M
Rs/US$	96.5	96.3	94.7	93.1
Rs/EUR	110.2	110.1	108.5	109.6
Rs/GBP	129.8	129.4	125.2	125.9
10 yr G-Sec	6.8	6.8	6.9	6.9
Call Money	4.9	4.8	4.9	5.0
Commodities & others				
	21-Jul	1 D	1 M	3 M
Gold (US$/ounce	4,027	4,010	4,190	4,711
Brent Crude (US$	89	89	80	87
Aluminimum (US	3,140	3,151	3,397	3,558
Copper (US$/mt)	13,622	13,526	13,595	13,275



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- **Can Fin Homes (CFHL) - NBFC | 1QFY27 Result Update - Disbursements see robust growth, but prepayments remain elevated:**

  Key Points

  ➢ Can Fin Homes Ltd (CFHL) 1QFY27 NII and PPOP fell short of our expectations by 4% and 6%, respectively, whereas PAT was in line with our expectation.

  ➢ Disbursements increased to Rs 26bn, up 29% YoY and ahead of management guidance, supported by broad-based growth across all six operational zones. Even the weakest-performing zone, Karnataka, grew 18%. Rundowns remained elevated at Rs 18.57bn, driven mainly by accelerated amortisation due to quarterly interest resets, higher part-prepayments, and rate differentials. We build in a loan growth CAGR of 14.5% over FY26–FY29E.

  ➢ Expect FY27E calculated NIM to be 3.8%, aided by optimizing product mix via yield-accretive Self-Employed Non-Professional loan (SENP) growth, adjusting special rate thresholds, and maintaining disciplined liability management with stable repo-linked borrowings to protect interest spreads

  ➢ We have estimated a PAT CAGR of 12% over FY26-FY29E, which will result in RoA/RoE of 2.5%/17.3% in FY29E. We maintain a 'BUY' rating on CFHL with a revised target price of Rs995 (valued at 1.6x June-28E ABV) as against Rs1061 earlier (valued at 1.8x Mar-28E).

- **Core sector/June IIP Preview - India Economy | Update - Core sector growth rose 5.0% in June-26; IIP seen at 5.5%:**

  Key Points

  ➢ Core infrastructure industries' growth accelerated to 5.0% YoY in Jun-26 under the new 2022-23 series (from 3.2% in May-26). Growth was led by electricity output (weight of 30.9%) up 9.8%YoY in Jun-26 despite slowing down from 11.2% YoY in May-26.

  ➢ Petroleum refinery output (22.6% weight) declined 4.7%YoY in Jun-26, but the pace of decline moderated from 8.2%YoY in May-26. Mining sector output declined except for coal production which was up 1.4%YoY and the newly introduced Iron ore production (+43.9%YoY).

  ➢ Infrastructure and construction-linked sectors held up. Cement production grew 9.8%YoY in Jun-26, up from 8.4% in May-26. Steel production grew 4.6% YoY in Jun-26, marginally lower than 5.1% in May-26.

  ➢ The new core infrastructure industries index (2022-23 series) has a weight of ~33% in IIP down from ~40% earlier.

  ➢ IIP growth is seen at 5.5% in Jun-26, marginally higher than 5.1% in May-26 led by a resilient manufacturing sector and robust electricity production. Manufacturing PMI moderated to 54.2 in Jun-26 from 55 in May-26. However, motor vehicle production grew 27.6%YoY in Jun-26 up from 13.4% in May-26. High frequency indicators continue to suggest resilience.

- **J K Cements (JKCE) - Cement | 1QFY27 Result Update - Strong Execution Amid Cost Headwinds; Expansion Roadmap Remains Intact:**

  Key Points

  ➢ Early 6MTPA capacity ramp-up sustains strong 82% grey cement CUR.

  ➢ White cement (+16% QoQ) leads grey cement (+5% QoQ) in realisations.

  ➢ Paint revenue crosses Rs1.25bn vs. Rs0.87bn/Rs0.95bn in 1QFY26/4QFY26.

  ➢ Higher opex partly offset by better realisations, limiting EBITDA/tn decline.

- **Tata Technologies Ltd. (TATATECH) - Information Technology | 1QFY27 Result Update - Strong growth for Q1FY27:**

  Key Points

  - Tata Tech delivered a strong 1QFY27 in terms of revenue growth. Revenue at US$175mn was 1.7% and 4.4% higher than NBIE and consensus estimates. It was up 4.3% and 19.1% on QoQ and YoY CC basis, respectively.

  - EBIT margin for 1Q at 13.3% was 20bps and 40bps lower than NBIE and consensus estimates, respectively. Sub-contractor cost at 8.9% of revenue was 20bps higher on QoQ basis.

  - The standout this quarter is the US$100mn, five-year Tenneco engagement — a six-year relationship that now expands beyond traditional engineering services into program management, supply chain development, and digital transformation. Management positioned the deal as a blueprint for how the broader automotive supply chain will be serviced going forward. The full vehicle development program with a leading Japanese OEM, the company's first relationship in that market, continues to scale alongside new strategic engagements with a North American industrial equipment manufacturer and a leading off-highway manufacturer.

Corporate News

- Natco Pharma received tentative USFDA approval for Olaparib 100 mg and 150 mg tablets, the generic version of AstraZeneca's Lynparza. The product will be manufactured by Natco and distributed in the US by Alembic Pharmaceuticals, with the addressable market estimated at USD 1.4 bn.
- Tata Power received a Letter of Award from SECI to provide 324 MW/2,592 MWh of pumped hydro energy storage capacity for 40 years. The project carries an annual fixed charge of Rs 3.51 bn and is scheduled to commence within 36 months of signing the agreement.
- Larsen & Toubro's Metals & Minerals business secured multiple mega EPC orders, including iron ore handling, steel plant expansion and a zinc processing plant. The orders, each classified in the Rs 100-150 bn range, strengthen the company's leadership in large-scale metals and mining infrastructure.
- Va Tech Wabag secured a large order from Bangalore Water Supply and Sewerage Board for wastewater treatment facilities valued between Rs 2.5 bn and Rs 6.0 bn. The project includes sewage treatment plants, tertiary treatment facilities and biogas-based power generation with a seven-year O&M contract.
- Bondada Engineering secured a Notification of Award from NTPC Renewable Energy for India's first and largest 100 MWh grid-scale Vanadium Redox Flow Battery Energy Storage System project at Khavda Solar Park. The EPC project will be executed with Delectrik Systems as technology partner within 10 months.
- KPI Green Energy commissioned 200 MW AC solar capacity for Coal India's project at Khavda Solar Park in Gujarat. The project forms part of the larger 300 MW AC EPC contract and strengthens the company's presence in one of India's largest renewable energy hubs.
- Godrej Agrovet inaugurated India's first integrated oil palm complex in Telangana with a planned cumulative investment of Rs 3.0 bn. The facility integrates seed production, R&D, milling and a future refinery to support domestic edible oil production.
- Bajel Projects incorporated a wholly owned subsidiary in Abu Dhabi to expand its engineering, procurement and construction business across power transmission, distribution and substation projects in the UAE and wider Middle East region.
- Smartworks expanded its engagement with L&T Technology Services by adding over 1,100 managed office seats in Pune. The expansion is expected to generate rental revenue of around Rs 1.15 bn over a 60-month period and increases LTTS' managed office portfolio to over 2,750 seats.
- REC's subsidiary incorporated two wholly owned special purpose vehicles, Beed Parli Power Transmission and Yavatmal Power Transmission, for developing new 765 kV and 400 kV transmission infrastructure projects in Maharashtra.

Global/Local News

- India and Spain agreed to accelerate discussions on interoperability between India's UPI and Spain's Bizum digital payments platform. Both countries also identified opportunities to strengthen cooperation in sectors including automobiles, pharmaceuticals, renewable energy, tourism and infrastructure.
- India's merchandise exports rose 16.1% YoY to USD 88.9 bn during April-May FY27, led by strong growth in ASEAN and African markets. Total exports of goods and services increased 14.7% YoY to USD 162.7 bn, reflecting continued diversification of export destinations.
- The government said Semicon 2.0 will promote co-investment in semiconductor design and manufacturing, with incentives aimed at attracting private capital for advanced chip development. The six-year Rs 1.27 tn programme is expected to strengthen India's semiconductor design ecosystem and AI chip capabilities.

Canara HSBC Life Insurance (CANHLIFE)

Life Insurance | 1QFY27 Result Update

BUY

CMP: Rs149.8 | Target Price (TP): Rs205 | Upside: 37%

July 21, 2026

Shift to traditional, margins hold firm

Key Points

- Canara HSBC delivered a 5% and 9% beat on consensus APE and NBV respectively, translating to a 100bps NBV margin beat.
- APE grew 19% YoY to Rs.5.85bn ahead of the industry; traditional mix rose to 64% of APE from 51% in 1QFY26, and protection share to 13% from 11% on 42% YoY growth, while ULIP eased to 36%.
- Maintain BUY with an unchanged target price (TP) of Rs.205 implying 37% upside

Est Change	Maintain
TP Change	Maintain
Rating Change	Maintain

Company Data and Valuation Summary

Reuters	CANR.BO
Bloomberg	CANHLIFE IN Equity
Market Cap (Rsbn / US$bn)	142.3 / 1.5
52 Wk H / L (Rs)	159 / 106
ADTV-3M (mn) (Rs / US$)	230.9 / 2.4
Stock performance (%) 1M/6M/1yr	5.9 / 7.6 / NA
Nifty 50 performance (%) 1M/6M/1yr	1.0 / (1.4) / NA

Shareholding	2QFY26	3QFY26	4QFY26
Promoters	62.0	62.0	62.0
DIIs	26.2	30.9	29.8
FIIs	7.0	4.6	5.7
Others	4.8	2.6	2.5
Pro pledge	0.0	0.0	0.0

Financial and Valuation Summary

Particulars (Rsmn)	FY26	FY27E	FY28E	FY29E
APE	27,987	32,854	38,247	44,275
NBV	6,273	7,254	8,534	10,097
NBV margin	22.4%	22.1%	22.3%	22.8%
EV	72,333	85,271	1,00,536	1,19,088
ROEV (%)	18%	18%	18%	18%
P/EV	2.0x	1.7x	1.4x	1.2x

Key Links - 1QFY27 presentation

What we liked: Canara HSBC opened FY27 with a strong quarter with APE growing 19% YoY to Rs.5.85bn. NBV rose 29% YoY to Rs.1.24bn, allowing the NBV margin to expand 160bps YoY to 21.1%. This margin expansion was delivered despite the full GST drag and initial agency strain, led primarily by a favourable shift to protection. Protection APE grew 42% YoY to lift its share to 13% of APE from 11% in 1QFY26, aided by robust 40% credit life growth across home and education loans. The overall product mix shifted sharply towards traditional products which rose to 64% of APE from 51% in 1QFY26. This shift reflects the company leaning into guaranteed savings demand across Tier 2 and Tier 3 markets. Book quality strengthened further, with 13th month persistency up 190bps YoY to 85.9%. PAT grew 20% YoY to Rs.281mn even after absorbing a GST hit of approximately Rs.200mn. Embedded Value reached Rs.73.83bn (up 16% YoY) at a 19.7% operating RoEV. The diversification agenda also advanced well, with HSBC APE up over 40% YoY, roughly 1,000 agents successfully onboarded to collect Rs.147mn in APE, and steady traction across Regional Rural Banks.

What we did not like: ULIP APE fell 13% YoY and its share dropped to 36% of APE from 49% in 1QFY26, driven largely by equity market volatility. The management subsequently guided to a moderate 45%-50% ULIP range for the full year. Canara Bank, which alongside HSBC contributes close to 80% of the channel mix, was broadly flat YoY. This stagnation occurred as the shift to traditional products lowered non-par ticket sizes and NRI-linked premium in the south softened on geopolitical uncertainty. Sequential EV growth was a muted 2%, with economic variance on the debt book still to be fully recouped. The expense ratio rose to 20.7% from 19.6% owing to the full Input Tax Credit GST impact. Furthermore, according to the management, the agency build-out is expected to drag margins down by approximately 200bps over the next two to three years, turning NBV positive only from the fourth year. Solvency eased to 198% from 200.4% and overall branch activation stood at an early 44%. Finally, the management declined to provide explicit FY27 growth or margin guidance citing ongoing market and geopolitical volatility, while commission regulation remains a sector overhang pending the release of the IRDAI draft.

We maintain Buy and also our TP of Rs. 205: We make no changes to our estimates in this report. We maintain our target price of Rs.205 which is struck on a normalised ROEV of 17.5% (See exhibit 2). We maintain our Buy rating. Downside risks include lower than expected protection sales, irrational pricing, lacklustre equity markets, increase in the special corporate tax rate for life insurers, termination of or any adverse changes in bancassurance tie-up with Canara Bank or HSBC, and any regulation restricting sales from a single partner.

Please refer to the disclaimer towards the end of the document.

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1QFY27 Concall Key Takeaways

Product:

- Mix tilted decisively to traditional. Traditional rose to 64% of APE from 51% in Q1 FY26, on a deliberate shift and stronger Tier 2/3/4 appetite for guaranteed products amid market uncertainty.
- Protection APE grew 42% YoY; share rose to 13% from 11% in Q1 FY26. Of the 13%, ~6pp is PMJJBY (a government scheme front-loaded into Q1); the balance is credit life and retail protection, both of which usually build through the year. Credit life grew 40%+ on home and education loans.
- Individual-to-group split within protection is ~30:70. The management frames protection growth as structural, helped by the September FY26 GST waiver and rising reinsurer appetite, not purely GST-led.
- Annuity APE grew 14%; share held at 14%. The management sees no structural slowdown (one soft quarter) and expects the share to rise on dedicated Canara and HSBC selling. No variable annuity product currently; only single-pay and limited-pay, with new launches possible if demand emerges.
- ULIP share fell to 36% of APE from 49%, down ~13pp, with ULIP APE itself contracting 13% YoY, on equity-market volatility and deliberate de-emphasis. Full-year ULIP guided to 45-50% (FY26: ~51%), with a likely H2 recovery as markets stabilise.

Distribution:

- Canara Bank was flat YoY, dragged by the traditional shift (lower non-par ticket sizes) and softer NRI premiums, as the blue-collar NRI base in Kerala, Tamil Nadu and Andhra reinvested into traditional amid geopolitical uncertainty.
- HSBC grew 40%+ on more branches and relationship managers. Canara plus HSBC together are ~80% of business. The management cautions one quarter is not a full-year read.
- Agency: 1,000+ agents onboarded, Rs.147mn APE this quarter. Over three years, agency is targeted at ~5% of volume; the wider alternate channel (agency, direct force, defence, digital), now ~10%, is targeted at 15-20%.
- Per management, Agency will drag NBV margin by ~200bps on initial strain. The drag stays ~1-2% over the next two years, then agency turns NBV-positive around year four as productivity rises and its mix turns favourable.
- Tier mix: Tier 1 ~47%, Tier 2 ~31%, Tier 3 ~22%. Penetration is being deepened via protection-led selling in small and medium (Tier 2/3) branches.

Financial and qualitative factors:

- NBV rose to Rs.1,236mn, up 29% YoY. NBV margin improved to 21.1% from 19.5%, up 160bps, on a favourable protection mix shift and a favourable yield-curve benefit.
- The margin bridge carried a ~190bps expense drag, almost entirely GST Input Tax Credit related (Q1 FY26 had no GST impact). PAT rose to Rs.281mn, up 20%, despite a ~Rs.200mn GST hit.
- GST drag is expected to neutralise by year-end: the comparison base itself carries GST from September FY26, protection mix is rising, and opex savings continue. No formal full-year NBV or margin guidance given, citing market and geopolitical volatility; growth expected broadly in line with past guidance.
- Margins are struck on actual quarterly opex, so operating leverage should lift margins as volumes build (Q1 is seasonally the smallest quarter).

- Total expense ratio was 20.7% vs 19.6% in 1QFY26, flat ex-GST. The management holds a top-quartile cost position, targets top three on cost efficiency, and expects the ratio to fall as topline outpaces cost, so not to hold at ~21%.
- 13th-month persistency improved to 85.9% from 84.0%, helped by a better ULIP book; 61st-month stable at 55.3%. Too early to judge the new surrender norms, but no material impact so far.
- EV grew 16% YoY to Rs.73.8bn; operating RoEV 19.7%. Sequential EV up only ~2%, as economic variance on the debt (fixed-income) book is not yet fully recouped while equity has recouped; the management expects operating RoEV to hold over the year.
- Solvency is comfortable at 198%. Claim settlement ratio best-in-class at ~99%.

Others:

- Branch activation (10+ policies sold) at 44% for the quarter vs 54% for FY26 and 50% in FY25; metro (ELV) at 79% and semi-metro (BLV) at 62%. Activation expected to improve as the year progresses and Canara Bank channel re-accelerates.
- Commission regulations: the management calls current reports media speculation and will comment only on IRDAI draft rules. Its bancassurance-led (Canara/HSBC) commission structure is already moderate, so limited impact is expected on bank fee income.
- Headline growth: APE +19% YoY (within 18-20% guidance), policies sold +19% YoY. Market share is steady at 1.8% overall and 2.6% among private players.

Exhibit 1 Change in estimates

	Revised estimate			Earlier estimate			*% Revision*		
Rsmn	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	*FY27E*	*FY28E*	*FY29E*
APE	32,854	38,247	44,275	32,854	38,247	44,275	*N/A*	*N/A*	*N/A*
NBV	7,254	8,534	10,097	7,254	8,534	10,097	*N/A*	*N/A*	*N/A*
NBV margin	*22.1%*	*22.3%*	*22.8%*	*22.1%*	*22.3%*	*22.8%*	*N/A*	*N/A*	*N/A*
EV	85,271	1,00,536	1,19,088	85,271	1,00,536	1,19,088	*N/A*	*N/A*	*N/A*

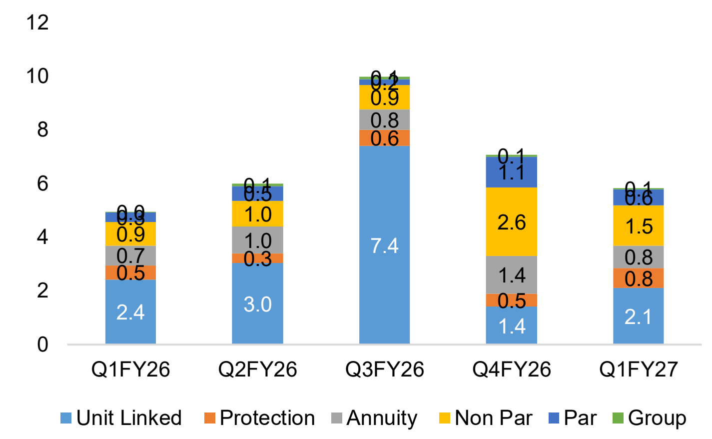
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 2: Our ROEV valuation method

	New	Old	Change
ROEV Mar-26A	18.4%	18.4%	0.0%
ROEV Mar-27E	17.9%	17.9%	0.0%
ROEV Mar-28E	17.9%	17.9%	0.0%
ROEV Mar-29E	18.5%	18.5%	0.0%
ROEV Mar-30E	17.9%	17.9%	0.0%
ROEV Mar-31E	17.5%	17.5%	0.0%
ROEV Mar-32E	17.1%	17.1%	0.0%
ROEV Mar-33E	16.7%	16.7%	N/A
Avg. ROEV 2029-33E	17.5%	17.5%	0.0%
Sustainable growth	6%	6%	N/A
Cost of equity	11%	11%	N/A
Implied multiple (x)	2.4x	2.4x	0.0%
EV per share Mar-28E	106	106	0.0%
Fair value per share (Rs)	251	251	0.0%
Current fair value (Rs)	205	205	0.0%

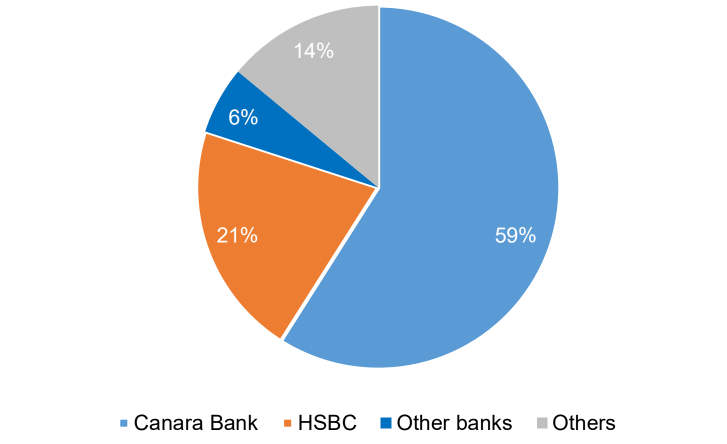
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 3: Par and Non par business grew strongly YoY by ~70%



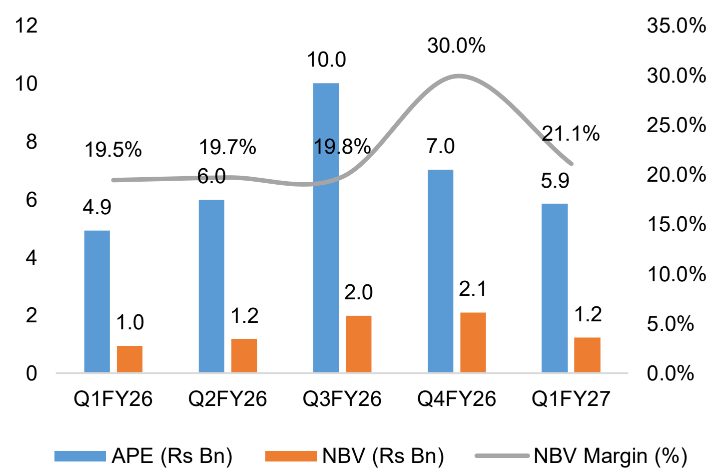
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 4: Share of HSBC has risen to 21% in individual APE terms



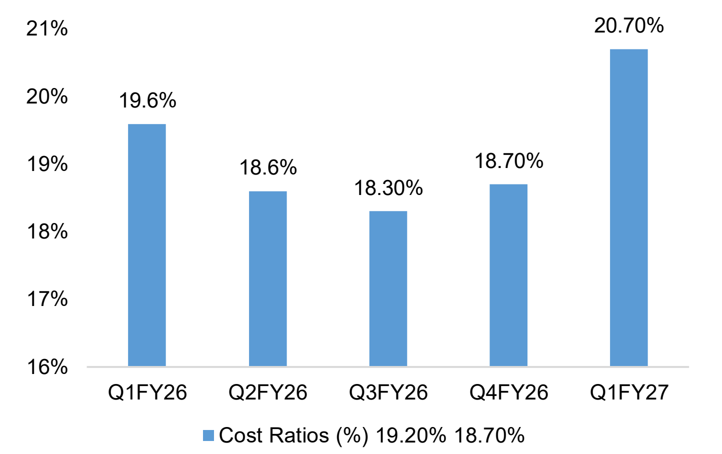
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 5: APE and NBV growth



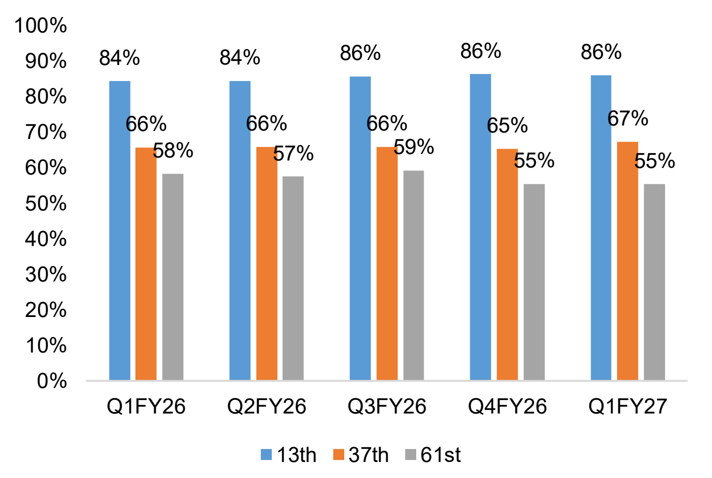
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 6: Cost ratio rose in 1QFY27



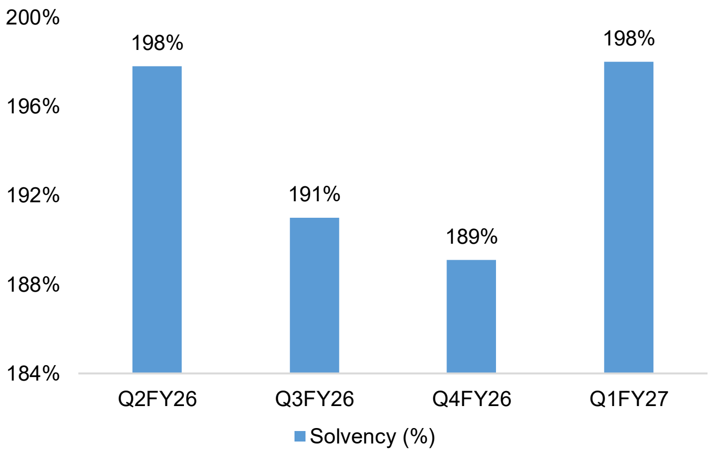
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 7: Persistency ratios improved in Q1



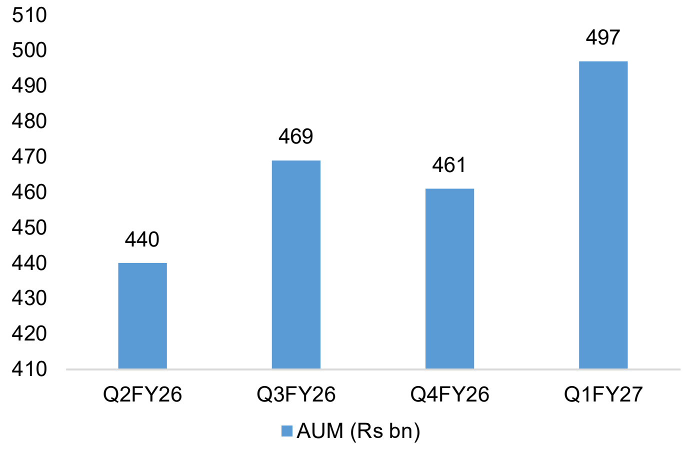
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 8: Solvency ratio evolution



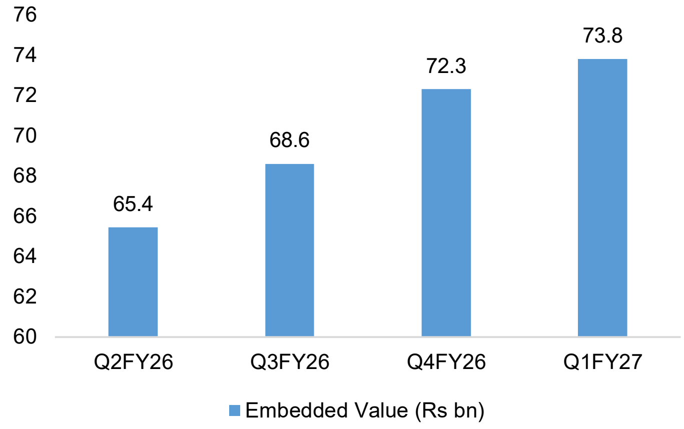
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 9: AUM growth by quarter



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 10: Embedded value has grown to Rs73.8bn



Source: Company, Nirmal Bang Institutional Equities Research

Financials

Exhibit 11: P&L summary

Y/E March (Rsmn)	Mar-26A	Mar-27E	Mar-28E	Mar-29E
Gross Premium income	1,00,456	1,24,581	1,52,565	1,86,018
Reinsurance outward	(2,046)	(2,537)	(3,107)	(3,789)
Net premium income	98,410	1,22,043	1,49,457	1,82,229
Investment income	17,150	34,797	38,013	43,588
Other income	226	100	100	100
Total income	1,15,785	1,56,940	1,87,571	2,25,917
Commission paid	6,235	7,732	9,468	11,545
Operating and other expenses	13,050	16,184	19,819	24,165
Provision for tax – policyholders	0	0	0	0
Claims/benefits paid (net)	46,109	77,988	95,094	1,17,415
Change in actuarial liability	48,984	53,559	61,563	70,972
Total expenses	1,14,377	1,55,462	1,85,945	2,24,096
Profit before tax	1,408	1,478	1,626	1,821
Tax	(142)	(149)	(164)	(183)
Profit after tax	1,266	1,329	1,462	1,638
- growth	8%	5%	10%	12%

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 12: Balance sheet summary

Y/E March (Rsmn)	Mar-26A	Mar-27E	Mar-28E	Mar-29E
Capital and Liabilities				
Shareholder's funds	16,055	16,985	18,009	19,155
Borrowings	2,500	2,500	2,500	2,500
Policy Liabilities	2,66,145	3,00,289	3,39,631	3,84,949
Provision for Linked Liabilities	1,65,888	1,80,818	1,97,092	2,14,830
Funds for discontinued policies	11,787	15,912	21,482	29,000
Funds for Future Appropriation	7,197	7,557	7,935	8,331
Total Liabilities and Shareholders' Funds	4,69,572	5,24,061	5,86,648	6,58,766
Assets				
Investments - Shareholders	19,010	14,984	16,183	17,477
Investments - Policyholders	2,64,497	3,08,957	3,60,890	4,21,553
Investments - Linked	1,77,674	1,96,730	2,18,573	2,43,830
Loans	605	629	655	681
Fixed Assets	688	708	730	751
Net current assets	7,098	2,052	-10,382	-25,526
Total assets	4,69,572	5,24,061	5,86,648	6,58,766

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 13: Operational metrics

	Mar-26A	Mar-27E	Mar-28E	Mar-29E
NBV	6,273	7,254	8,534	10,097
- growth	41%	16%	18%	18%
APE	27,987	32,854	38,247	44,275
- growth	20%	17%	16%	16%
NBV / APE margin	22.4%	22.1%	22.3%	22.8%
ROEV	18%	18%	18%	18%
NBV to opening EV	10%	10%	10%	10%
Embedded value	72,333	85,271	1,00,536	1,19,088

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 14: Per share data

Y/E March (Rs)	Mar-26A	Mar-27E	Mar-28E	Mar-29E
Book value	16.9	17.9	19.0	20.2
-growth	6%	6%	6%	6%
EV	76	90	106	125
-growth	18%	18%	18%	18%
EPS	1.3	1.4	1.5	1.7
-growth	8%	5%	10%	12%
DPS	0.4	0.4	0.5	0.5
-growth	0%	5%	10%	12%
-pay-out ratio	30%	30%	30%	30%

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 15: Group valuation metrics

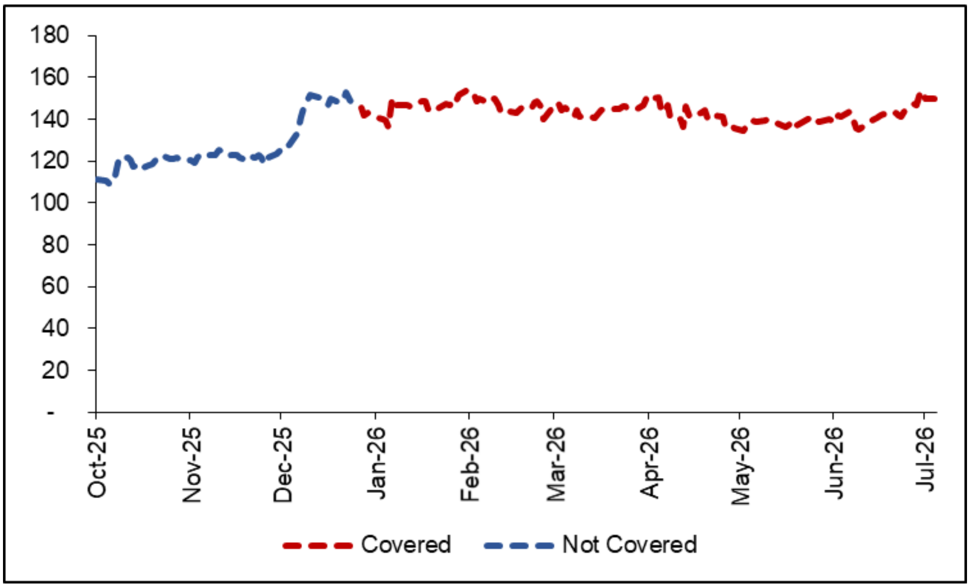
Y/E March	Mar-26A	Mar-27E	Mar-28E	Mar-29E
P/B	8.9x	8.4x	7.9x	7.4x
- RoE	8%	8%	8%	9%
P/EV	2.0x	1.7x	1.4x	1.2x
- RoEV	18%	18%	18%	18%
P/E	112.4x	107.0x	97.3x	86.9x
Dividend yield	0.3%	0.3%	0.3%	0.3%

Source: Company, Nirmal Bang Institutional Equities Research

Rating track

Date	Rating	Market price (Rs)	Target price (Rs)
13 January 2026	Buy	147	200
22 January 2026	Buy	136	200
11 April 2026	Buy	146	200
29 April 2026	Buy	136	205
09 July 2026	Buy	142	205
21 July 2026	Buy	150	205

Rating Chart



UltraTech Cement (UTCEM)

Cement | 1QFY27 Result Update

BUY

CMP: Rs11,903 | Target Price (TP): Rs13,662 | Upside: 15%

July 20, 2026

Resilient Performance Driven by Execution and Cost Leadership

Key Points:

- **Strong volumes, stable pricing, and acquired asset synergies sustain robust EBITDA/tn of Rs1,214 despite input cost inflation.**
- **Swift ramp-up of 8.7MTPA new capacity drives volume growth and market share gains.**

Operational performance: UTCEM reported a resilient 1QFY27 performance, with consolidated revenue growing ~16% YoY (-4.5% QoQ), driven by healthy volume growth of ~12% YoY (-8% QoQ) and improved realisations of ~3.3% YoY (+3.4% QoQ). Absolute EBITDA increased ~13.7% YoY (-10.4% QoQ), translating into an EBITDA margin of ~20%, compared with ~21% in 1QFY26 and ~22% in 4QFY26. Despite elevated energy, diesel, and packaging costs, EBITDA/tn remained strong at Rs1,214 (+1.4% YoY, -3.1% QoQ), supported by strong topline growth and disciplined cost management. Adjusted PAT rose ~16% YoY (-13% QoQ). The sequential moderation across financial metrics was primarily attributable to seasonal demand weakness, a high base in 4QFY26, and higher input costs arising from recent geopolitical-driven energy inflation.

Strong execution drives volume growth and India Cements turnaround: UTCEM delivered another resilient quarter, demonstrating its ability to balance growth and profitability despite a challenging operating environment. Consolidated capacity utilisation improved to 80% in 1QFY27 from 70% in 1QFY26, supported by healthy construction activity, swift ramp-up of the 8.7MTPA capacity commissioned at the beginning of the quarter, and a stronger contribution from assets of India Cements. Despite continued capacity additions and seasonal headwinds, including extreme summer conditions, elections in certain states, and intense competition, UTCEM continued to deliver healthy volume growth, underscoring the strength of its pan-India footprint and execution capabilities. The turnaround in India Cements remains particularly encouraging. Following the successful integration of the brand under UTCEM, capacity utilisation improved to 70% in 1QFY27 from 60% in 1QFY26. The steady improvement in utilisation and operating performance highlights UTCEM's ability to rapidly integrate acquired assets and enhance their efficiency. We expect UTCEM to witness further improvement in volumes and profitability over the coming quarters, supported by stronger demand, stable realization, improved cost efficiency, and better asset executions.

Structural cost advantages mitigate input cost inflation: Despite industry-wide cost inflation driven by higher fuel, diesel, and packaging costs, UltraTech effectively limited the impact through its structural cost advantages and operational efficiencies. Consolidated operating cost increased by only ~Rs235/tn QoQ, primarily due to higher power & fuel and other operating expenses, while freight cost remained broadly stable despite elevated diesel prices, reflecting an optimised logistics network, efficient plant-to-market dispatches, and strong regional market concentration. In comparison, several regional peers reported cost inflation of ~Rs300–400/tn during the quarter, highlighting UltraTech's superior cost discipline. The benefits of these efficiencies are also becoming visible at India Cements, where post-acquisition integration has led to a meaningful improvement in operating performance and profitability, supported by healthy volume growth, better realisations, disciplined cost management, and improving efficiencies across the acquired assets.

Outlook and valuation: **We have marginally revised our realisation assumptions and now forecast revenue/EBITDA/adj. PAT CAGR of 9%/14%/19% over FY26–FY28E. We maintain our valuation multiple of 19x FY28E EV/EBITDA and revise our target price to Rs13,662 (from Rs13,558), while reiterating our BUY recommendation. At the CMP, the stock trades at 19x/16x FY27E/FY28E EV/EBITDA, representing an ~24% discount to its four-year average multiple of 22x, which we believe offers an attractive valuation. Key downside risks include delays in capacity expansion, slower-than-expected utilisation of acquired assets, weaker cement pricing, and a sharper-than-expected increase in input costs.**

Est Change	Upwards
TP Change	Upwards
Rating Change	No Change

Company Data and Valuation Summary

Reuters	ULTC.BO
Bloomberg	UTCEM IN Equity
Market Cap (Rsbn / US$bn)	3,507.6 / 36.6
52 Wk H / L (Rs)	13,110 / 10,325
ADTV-3M (mn) (Rs / US$)	4,066.6 / 42.7
Stock performance (%) 1M/6M/1yr	4.7 / (1.3) / (4.8)
Nifty 50 performance (%) 1M/6M/1yr	1.0 / (1.4) / (3.3)

Shareholding	3QFY26	4QFY26	1QFY27
Promoters	59.3	59.3	59.3
DIIs	17.5	18.5	20.2
FIIs	14.4	13.6	12.4
Others	8.3	8.1	8.1
Pro pledge	0.0	0.0	0.0

Financial and Valuation Summary

Y/E March (Rsmn)	FY25	FY26	FY27E	FY28E
Revenues	7,59,551	8,85,115	9,74,662	10,61,038
Growth YoY (%)	7.1	16.5	10.1	8.9
EBITDA	1,25,575	1,70,202	1,92,988	2,22,570
EBITDA (%)	16.5	19.2	19.8	21.0
Adj. PAT	61,122	82,696	98,201	1,16,598
Growth YoY (%)	(13.4)	35.3	18.8	18.7
Adj. EPS (Rs)	207.8	281.1	333.9	396.4
ROE (%)	9.1	10.7	12.0	13.6
ROCE (%)	10.9	13.1	14.4	16.5
ROIC (%)	10.9	13.1	14.5	16.3
P/E (x)	53.0	42.7	35.7	30.0
P/B (x)	4.4	4.4	4.2	4.0
EV/EBITDA	27	22	19	16
EV/mt ($)	238	209	179	157

Source: Company, Bloomberg, Nirmal Bang Institutional Equities Research

Key Links:

Q1FY27 Investor PPT

Cement Channel Check June'26

Please refer to the disclaimer towards the end of the document.

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Exhibit 1: Q1FY27 results snapshot

Y/E Mar (Rsmn)	1QFY27	1QFY26	YoY %	4QFY26	QoQ %	Our Est.	Var. (%)
Net Revenue	**2,46,482**	**2,12,755**	**15.9**	**2,57,995**	**(4.5)**	**2,39,232**	***3.0***
Total Expenses	1,96,326	1,68,651	16.4	2,01,992	(2.8)		
COGS	47,039	38,190	23.2	50,757	(7.3)		
Employee Expenses	11,063	9,722	13.8	10,844	2.0		
Power & fuel	54,187	48,619	11.5	54,164	0.0		
Freight Exp	52,106	46,490	12.1	56,353	(7.5)		
Other Expenses	31,931	25,630	24.6	29,873	6.9		
EBITDA	**50,157**	**44,103**	**13.7**	**56,003**	**(10.4)**	**49,886**	***0.5***
EBITDA (%)	**20.3**	**20.7**	**-38 bps**	**21.7**	**-136 bps**	**20.9**	***-50 bps***
D&A	12,005	11,068	8.5	12,081	(0.6)		
Other income	1,303	1,802	(27.7)	876	48.8		
Interest Expense	4,529	4,333	4.5	4,869	(7.0)		
Exceptional/EO items	(133)	(384)	(65.5)	(109)	21.1		
Share JV/Associates	14	(43)	(132.5)	(14)	(202.2)		
EBT	34,806	30,078	15.7	39,805	(12.6)		
Tax	8,767	7,869	11.4	9,805	(10.6)		
Less: Minority Interest	44	(50)	(189.0)	173	(74.3)		
Reported PAT	25,995	22,259	16.8	29,828	(12.8)		
Adjusted PAT	**26,094**	**22,547**	**15.7**	**29,910**	**(12.8)**	**25,243**	***3.4***
Adjusted PAT (%)	10.6	10.6	-1 bps	11.6	-101 bps		
Adj. EPS (Rs)	88.7	76.7	15.7	101.7	(12.8)		
Per Tonne Analysis	**1QFY27**	**1QFY26**	***YoY %***	**4QFY26**	***QoQ %***	***Our Est.***	***Var. (%)***
Volume (mnmt)	**41.3**	**36.8**	**12.2**	**44.7**	**(7.6)**	**40.8**	***1.2***
Blended Realization (Rs/tn)	**5,967**	**5,777**	**3.3**	**5,770**	**3.4**	**5,860**	***1.8***
Raw Material Cost (Rs/mt)	1,139	1,037	9.8	1,135	0.3		
Employee cost (Rs/mt)	268	264	1.4	243	10.4		
Power & Fuel Cost (Rs/mt)	1,312	1,320	(0.6)	1,211	8.3		
Freight Cost (Rs/mt)	1,261	1,262	(0.1)	1,260	0.1		
Other Expenses (Rs/mt)	773	696	11.1	668	15.7		
Opex (Rs/mt)	**4,752**	**4,579**	**3.8**	**4,518**	**5.2**	**4,638**	***2.5***
Blended EBITDA (Rs/tn)	**1,214**	**1,197**	**1.4**	**1,253**	**(3.1)**	**1,222**	***(0.6)***

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 2: Actual performance vs NBIE and Bloomberg consensus estimates

Particulars 1QFY27 (Rsmn)	Actual	Our Estimate	*Deviation (%)*	Bloomberg Consensus	*Deviation (%)*
Revenue	2,46,482	2,39,232	3.0	2,41,742	*2.0*
EBITDA	50,157	49,886	0.5	47,209	*6.2*
APAT	26,094	25,243	3.4	24,838	*5.1*

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 3: Change in estimates

(Rsmn)	New		Old		*% Change*	
Particulars	**FY27E**	**FY28E**	**FY27E**	**FY28E**	***FY27E***	***FY28E***
Revenue	97,466	1,06,104	97,466	1,05,947	*NA*	*0.1*
EBITDA	19,299	22,257	19,299	22,100	*NA*	*0.7*
PAT	9,820	11,660	9,820	11,542	*NA*	*1.0*

Source: Nirmal Bang Institutional Equities Research

Q1FY27 earnings call highlights

Demand: Management remains highly optimistic on cement demand, supported by a strong pipeline across infrastructure, housing, urban redevelopment, data centres, and commercial real estate. Industry demand in Q1FY27 is estimated at 7-8%, while UTCEM expects to outperform with double-digit volume growth in FY27 through continued market share gains. Domestic grey cement volumes grew 13.1% YoY, significantly ahead of industry growth, reflecting strong execution and brand strength. Housing demand remains healthy, supported by premium housing, redevelopment projects, and sustained urbanisation, while commercial real estate and infrastructure continue to provide incremental demand. Management expects East India to witness a structural demand upcycle over the next few years following policy reforms and improving investments, despite temporary weakness during Q1 due to elections and labour shortages.

Pricing: Cement prices improved during Q1, led by the East and South, while central and West remained stable and North remained resilient. Management expects pricing to remain broadly stable through the monsoon quarter, supported by elevated industry costs and healthy demand. Premiumisation continues to drive blended realizations, with the successful migration of ICEM and KIL customers to the UTCEM brand, without sacrificing volumes or market share. Management reiterated that India will remain a brand-driven retail cement market, supporting sustainable pricing power over the long term. Management believes if demand remains healthy, lower input costs need not necessarily result in lower cement prices.

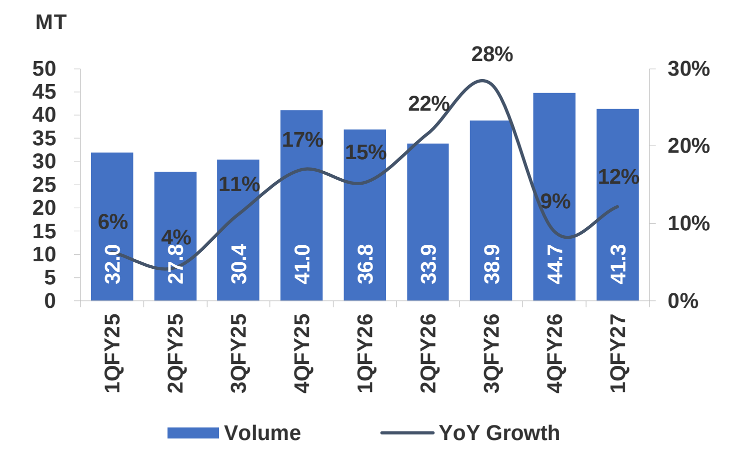
Capex and expansion plans: Commissioned 8.7MTPA of grey cement capacity during Q1FY27, taking the total consolidated capacity to 205.5MTPA. Around Rs170bn of capacity expansion capex remains under execution. Capacity is expected to increase to 212.7MTPA by FY27-end and 242.5MTPA by FY28E, with all projects backed by secured limestone reserves. Management has already started planning the next phase of expansion beyond 240MTPA, while remaining open to inorganic opportunities if they arise. Entire growth capex will continue to be funded through internal accruals while maintaining a conservative balance sheet.

Cost initiatives: Structural cost reduction initiatives continue to offset inflationary pressures despite elevated P&F costs. Lead distance reduced to 360km, improving logistics efficiency and lowering freight costs. RE capacity has increased to nearly 1.9GW, with the management targeting 2.5-3GW, supporting long-term structural cost reduction. Green power, alternative fuel usage, and logistics optimisation helped absorb the impact of higher imported fuel costs during Q1. Management expects Q2FY27 cost inflation of Rs130-140/tn QoQ, driven by higher P&F costs, annual maintenance shutdowns, and seasonal operating deleverage. Fuel and packaging costs are expected to ease during H2FY27 if geopolitical tensions subside, providing margin support.

Other details: ICEM turnaround remains ahead of schedule, with brand migration now complete and EBITDA/tn improving sequentially; the management continues to target Rs1,000/tn EBITDA by Q4FY28. The wires & cables business remains on schedule for a Q3FY27 launch, with trial production underway, regulatory approvals received, and execution progressing within the planned Rs18bn capex. Net debt/EBITDA improved to 0.87x, and the management expects to maintain leverage below 1x while funding expansion through internal cash flows. Management reiterated its strategy of gaining market share while preserving profitability, supported by strong brand equity, an extensive distribution network, and continued premiumisation.

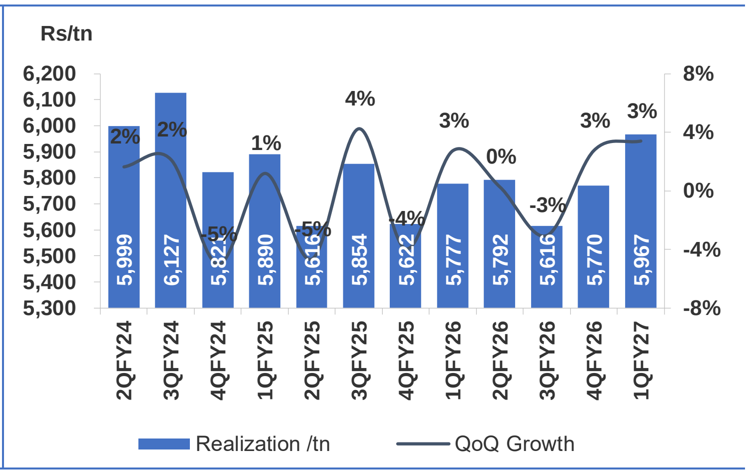
STORY IN CHARTS

Exhibit 4: Volume up 12% YoY (-8% QoQ) followed by a volume-driven 4Q, which reflects strong market share gain



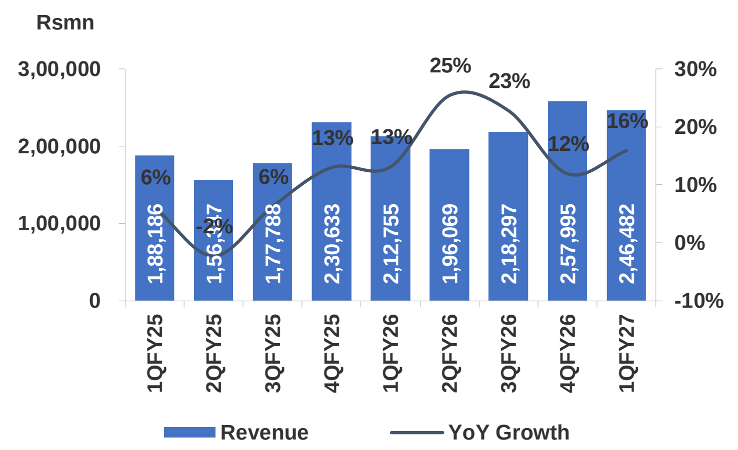
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 5: Realisation were up 3.3% YoY and 3.4% QoQ



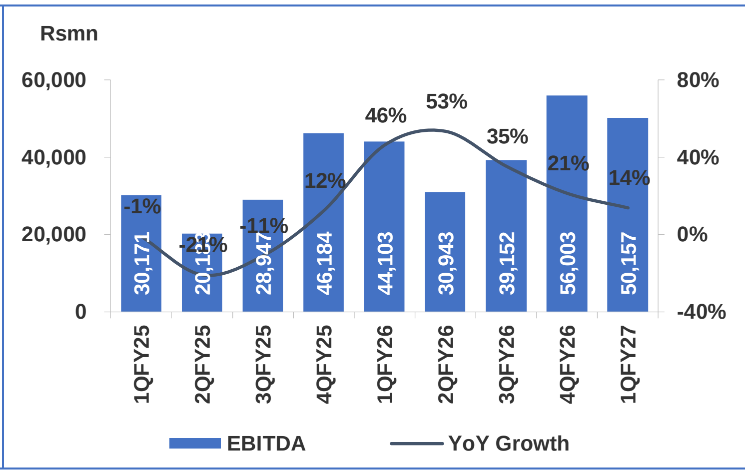
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 6: Revenue up 16% YoY (-5% QoQ), supported by higher volumes and realizations, with QoQ decline reflecting lower dispatches



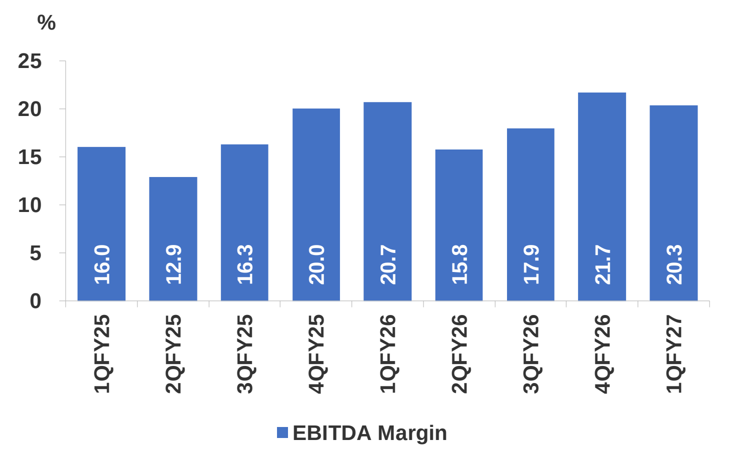
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 7: EBITDA increased 14% YoY (-10% QoQ)



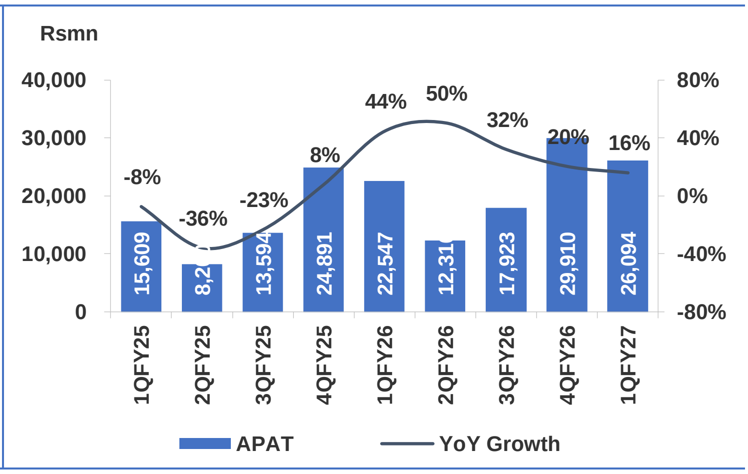
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 8: Margin contracted due to elevated input costs despite stronger pricing



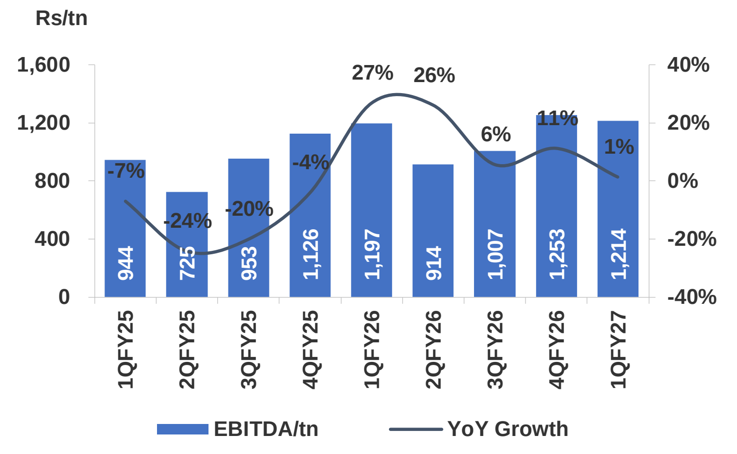
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 9: Adj. PAT (+16% YoY, -13% QoQ) and higher operating profit supported YoY growth, while lower sequential EBITDA led to QoQ decline



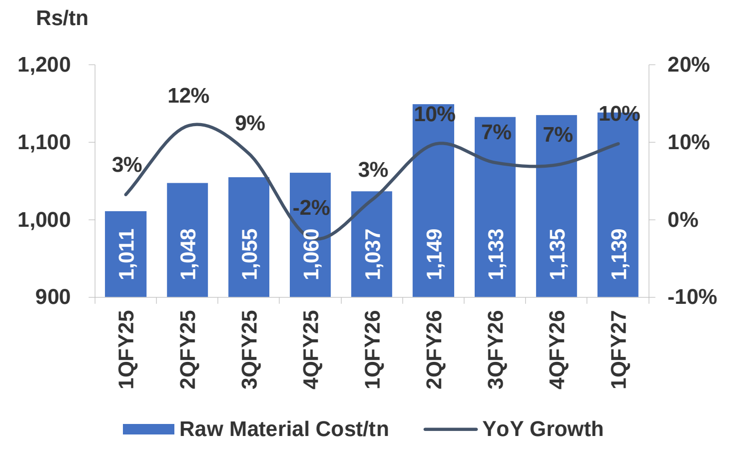
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 10: EBITDA/tn (+1.4% YoY, -3.1% QoQ), better pricing offset cost inflation YoY, while higher fuel costs weighed sequentially



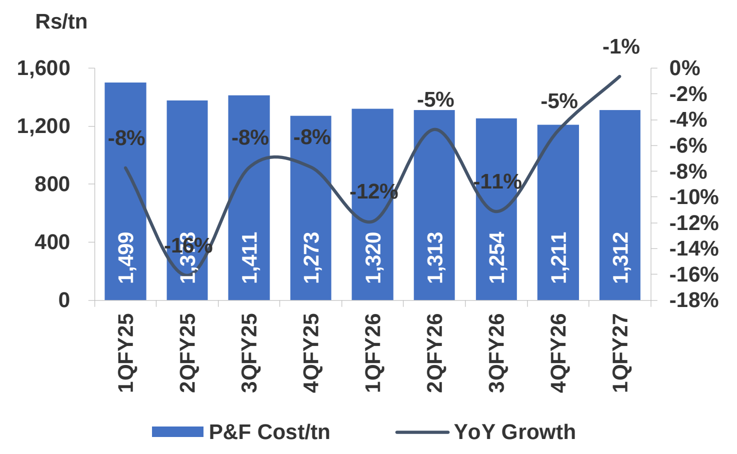
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 11: RM cost/tn (+6% YoY, +5% QoQ), increased due to higher limestone raising costs led by industrial diesel inflation



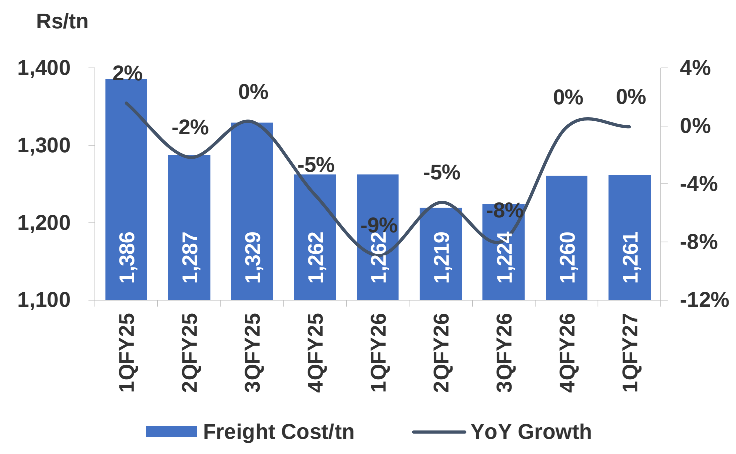
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 12: P&F cost/tn (+5% YoY, +7% QoQ) rose on higher imported fuel costs following the geopolitical issue



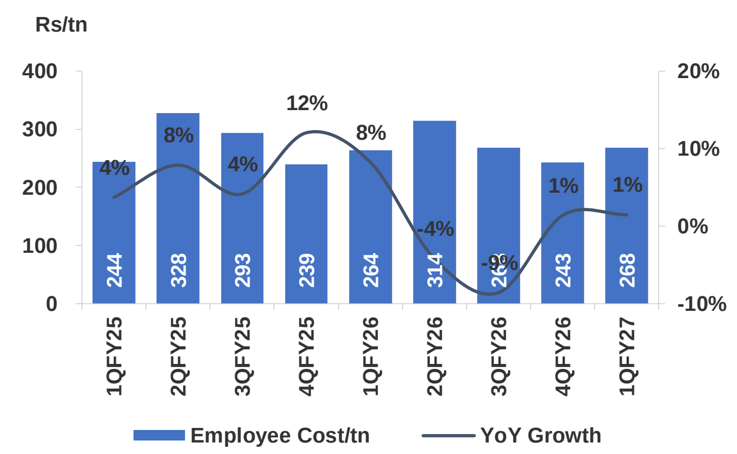
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 13: Logistics cost/tn (-1% YoY, -3% QoQ) declined on the back of lower lead distance and logistics optimisation



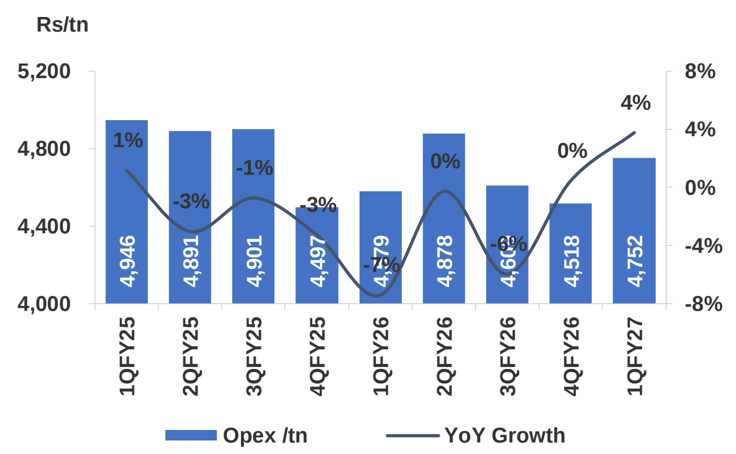
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 14: Employee cost/tn increased 1% YoY and 10% QoQ



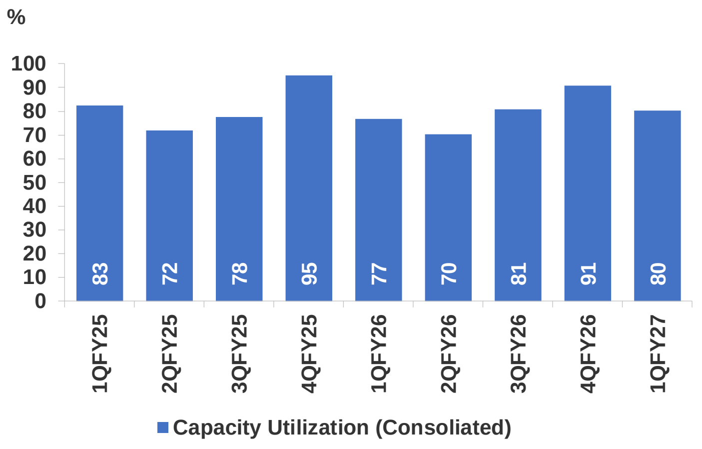
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 15: Opex/tn (+4% YoY, +5% QoQ), higher fuel, RM and packaging costs offset logistics and green power savings



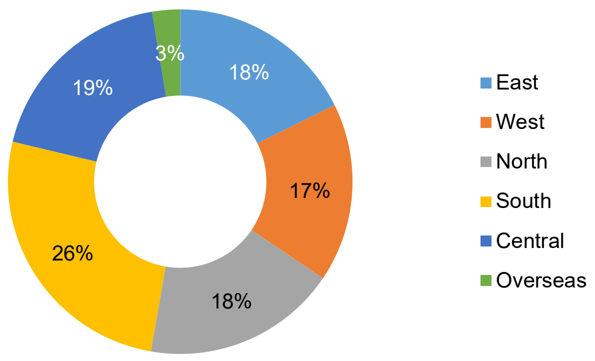
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 16: Capacity utilization remains strong at 80%



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 17: Regional presence as on date



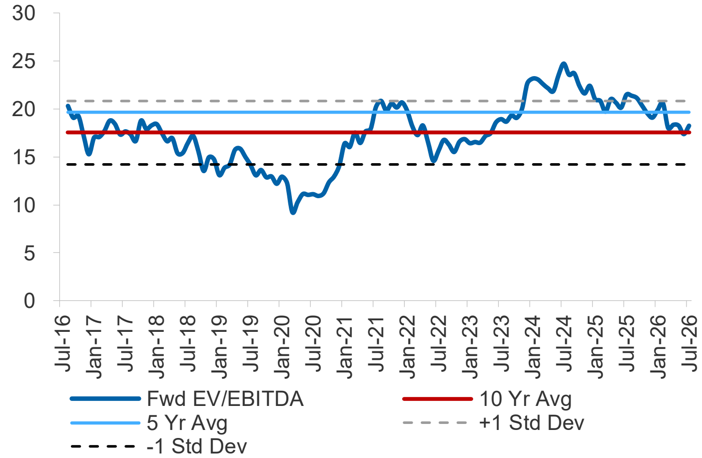
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 18: Valuation summary

Valuation	Rsmn
FY28E EBITDA (Rsmn)	222,570
Target Multiple (x)	19
EV (Rsmn)	42,28,824
Less: Net Debt	1,93,664
Add: Star Cement Investment Value (Rsmn)	5,871
Less: India Cement MI	22,371
Equity Value (Rsmn)	40,18,660
No of Shares (mn)	294
Value of shares (Rs)	**13,662**
CMP (Rs)	11,903
Upside / (downside)	**15%**

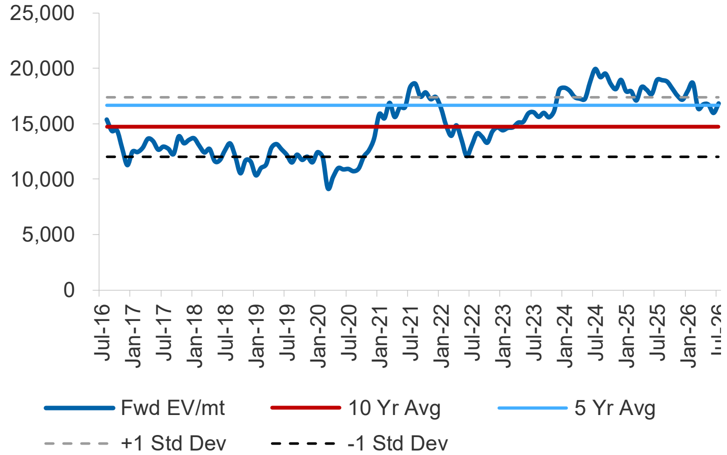
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 19: 1-yr forward EV/EBITDA band



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 20: 1-yr forward EV/te ($) band



Source: Company, Nirmal Bang Institutional Equities Research

Financials (Consolidated)

Exhibit 21: Income statement

Y/E March (Rsmn)	FY24	FY25	FY26	FY27E	FY28E
Net Sales	**7,09,081**	**7,59,551**	**8,85,115**	**9,74,662**	**10,61,038**
Total RM Cost	1,19,029	1,37,037	1,71,884	2,00,472	2,30,108
P&F Cost	1,82,833	1,84,192	1,95,972	2,05,529	2,07,002
Employee Cost	30,376	36,046	41,624	46,096	50,754
Freight Cost	1,58,807	1,74,598	1,91,691	2,06,745	2,20,060
Other expenses	88,351	1,02,104	1,13,742	1,22,831	1,30,545
Total Expenditure	5,79,396	6,33,977	7,14,913	7,81,674	8,38,469
EBITDA	**1,29,686**	**1,25,575**	**1,70,202**	**1,92,988**	**2,22,570**
EBITDA Margin	18.3%	16.5%	19.2%	19.8%	21.0%
Other Income	6,170	7,442	5,775	5,813	5,851
Interest	9,680	16,505	18,717	17,276	17,849
Depreciation	31,453	40,150	46,445	50,336	54,889
PBT Bfr EI, JV & Asso	**94,722**	**76,361**	**1,10,816**	**1,31,189**	**1,55,682**
Sh. of Asso & JV	220	(106)	(158)	3	(0)
Exceptional items	(720)	(974)	(1,386)	(885)	(885)
PBT Afr EI, JV & Asso	**94,222**	**75,281**	**1,09,272**	**1,30,307**	**1,54,797**
Tax	24,183	14,885	27,388	32,576	38,699
Tax rate	26%	20%	25%	25%	25%
Minority Interest	(10)	5	227	193	164
Reported PAT	**70,050**	**60,391**	**81,656**	**97,538**	**1,15,934**
Adjusted PAT	**70,590**	**61,122**	**82,696**	**98,201**	**1,16,598**
Reported EPS (Rs)	242.7	205.3	277.6	331.6	394.1
Adjusted EPS (Rs)	244.5	207.8	281.1	333.9	396.4

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 22: Cash flow

Y/E March (Rsmn)	FY24	FY25	FY26	FY27E	FY28E
Profit before tax	94,222	75,281	1,09,272	1,30,307	1,54,797
Add : Depreciation	31,453	40,150	46,445	50,336	54,889
Add: Interest Exp	9,680	16,505	18,717	17,276	17,849
Others	(5,064)	(5,485)	(5,936)	-	-
CFO before change in WC	***1,30,291***	***1,26,451***	***1,68,497***	**1,97,919**	**2,27,535**
Net Change in WC	(4,811)	(6,711)	(2,332)	12,236	6,141
Tax paid	(16,505)	(13,006)	(13,007)	(32,576)	(38,699)
Net Cash Flow from Operation	**1,08,975**	**1,06,734**	**1,53,159**	**1,77,579**	**1,94,977**
Capex	(90,056)	(91,293)	(96,778)	(1,00,071)	(1,00,072)
Free cash Flow	18,920	15,441	56,381	77,508	94,905
Sale of investments	2,175	(73,751)	1,977	190	(6,016)
Net Cash Flow from Investing	**(87,881)**	**(1,65,045)**	**(94,801)**	**(99,881)**	**(1,06,088)**
Change in Equity	19	20	-	-	-
Change in Debt	43	85,331	(18,615)	9,237	8,816
Dividend Paid	(10,944)	(20,117)	(22,734)	(70,595)	(70,595)
Interest paid	(8,535)	(14,790)	(18,687)	(17,276)	(17,849)
Others	161	313	500	-	-
Net Cash Flow from Financing	**(19,257)**	**50,758**	**(59,536)**	**(78,634)**	**(79,629)**
Inc/Dec In Net Cash	1,838	(7,553)	(1,178)	(936)	9,261
Opening Cash & Bank	**11,496**	**7,832**	**16,733**	**13,844**	**12,908**
Other Adjustment	(5,502)	16,454	(1,712)	-	-
Closing Cash & Bank	**7,832**	**16,733**	**13,844**	**12,908**	**22,168**

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 23: Balance sheet

Y/E March (Rsmn)	FY24	FY25	FY26	FY27E	FY28E
Equity Capital	2,887	2,947	2,947	2,947	2,947
Other Equity	5,99,388	7,04,121	7,63,289	7,90,231	8,35,570
Networth	**6,02,275**	**7,07,068**	**7,66,235**	**7,93,178**	**8,38,517**
Non-Controlling Interest	559	31,866	40,889	41,082	41,246
Total Debt (L+S+L&S LL)	1,14,030	2,41,022	2,37,551	2,44,947	2,52,969
Deferred tax liability	64,478	95,794	98,901	98,901	98,901
Other Non-C Liabilities	9,150	12,104	11,713	13,779	14,791
Sources of Fund	**7,90,491**	**10,87,854**	**11,55,289**	**11,91,887**	**12,46,423**
Gross Block	7,53,241	10,92,523	11,80,203	12,82,961	14,02,961
Less: Acc. Dep	1,97,083	2,32,056	2,78,501	3,28,837	3,83,726
Net Block	**5,56,159**	**8,60,467**	**9,01,702**	**9,54,124**	**10,19,235**
CWIP	67,828	61,883	82,759	80,000	60,000
Goodwill	63,455	76,818	79,091	79,091	79,091
Investments (L+S)	82,490	51,565	67,395	66,731	69,928
Other Non-C Assets	61,354	77,458	67,696	68,242	71,133
Current Assets	**1,76,736**	**2,08,781**	**2,15,118**	**2,31,174**	**2,59,778**
Inventories	83,297	95,630	96,943	1,04,142	1,13,371
Trade Receivables	42,782	58,903	60,288	65,624	71,440
Cash and Bank	7,832	16,733	13,844	12,908	22,168
Other Cur Assets	42,825	37,516	44,044	48,500	52,799
Current Liabilities	**2,17,529**	**2,49,118**	**2,58,472**	**2,87,474**	**3,12,742**
Trade Payables	84,783	93,275	1,02,367	1,06,812	1,16,278
Other Cur Liabilities	1,32,746	1,55,843	1,56,104	1,80,662	1,96,463
Net Current Assets	**(40,793)**	**(40,336)**	**(43,353)**	**(56,300)**	**(52,964)**
Application of Fund	**7,90,491**	**10,87,854**	**11,55,289**	**11,91,887**	**12,46,423**

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 24: Key ratios

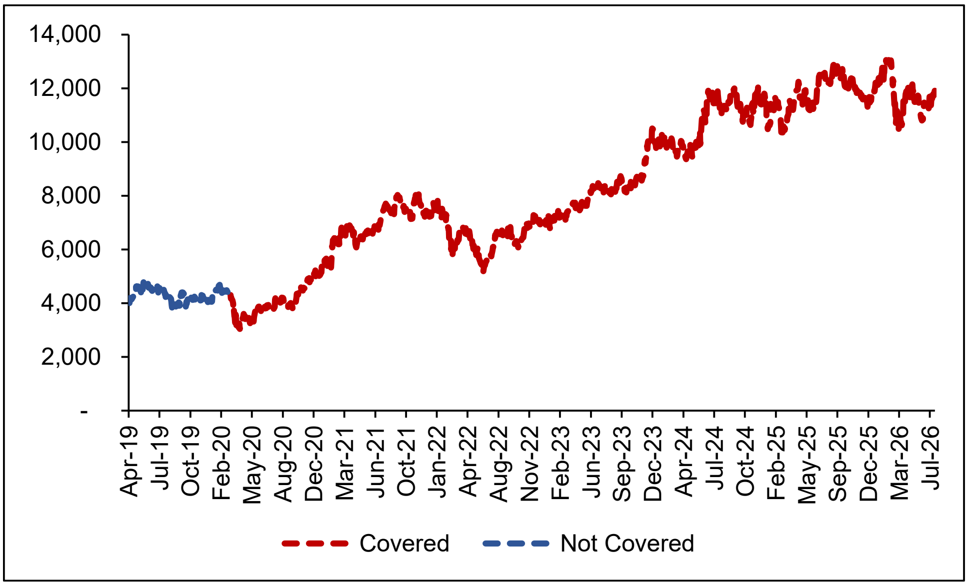
Y/E March	FY24	FY25	FY26	FY27E	FY28E
Growth (%)					
Sales	12.1	7.1	16.5	10.1	8.9
EBITDA	22.1	(3.2)	35.5	13.4	15.3
Adj. PAT	39.4	(13.4)	35.3	18.8	18.7
Leverage (x)					
Net Debt: Equity	0.20	0.33	0.29	0.29	0.29
Interest Cover (x)	10.79	5.63	6.92	8.59	9.72
Net Debt/ EBITDA	0.30	1.45	0.94	0.87	0.74
Profitability (%)					
EBITDA	18.3	16.5	19.2	19.8	21.0
Adj. PAT	10.0	8.0	9.3	10.1	11.0
Return Ratio (%)					
RoE	12.3	9.1	10.7	12.0	13.6
RoCE (post tax)	15.7	10.9	13.1	14.4	16.5
RoIC (post tax)	16.1	10.9	13.1	14.5	16.3
Turnover ratios (x)					
Gross Fixed Asset Turnover	1.0	0.8	0.8	0.8	0.8
Debtors Turnover (x)	17	15	15	15	15
WC days	19	25	24	22	23
Valuation (x)					
EPS	244.5	207.8	281.1	333.9	396.4
P/E	35.7	53.0	42.7	35.7	30.0
P/B	4.2	4.4	4.4	4.2	4.0
EV/EBITDA	20	27	22	19	16
EV/mt ($)	210	238	209	179	157

Source: Company, Nirmal Bang Institutional Equities Research

Rating track

Date	Rating	Market price (Rs)	Target price (Rs)
3 March 2020	BUY	4,227	5,679
13 April 2020	BUY	3,366	4,014
21 May 2020	BUY	3,530	4,259
17 July 2020	ACCUMULATE	3,815	4,144
24 July 2020	ACCUMULATE	3,837	4,144
28 July 2020	ACCUMULATE	4,131	4,144
16 October 2020	BUY	4,383	4,798
22 October 2020	BUY	4,632	5,640
7 January 2021	BUY	5,440	6,231
25 January 2021	BUY	5,331	6,430
7 January 2021	BUY	5,440	6,231
12 March 2021	ACCUMULATE	6,763	6,430
8 April 2021	ACCUMULATE	6,971	6,430
11 May 2021	ACCUMULATE	6,406	6,430
25 June 2021	ACCUMULATE	6,962	7,017
23 July 2021	ACCUMULATE	7,480	7,307
7 October 2021	ACCUMULATE	7,519	8,199
18 October 2021	ACCUMULATE	7,399	8,199
23 November 2021	ACCUMULATE	7,657	8,199
18 January 2022	BUY	7,870	9,129
23 February 2022	BUY	6,715	8,735
02 May 2022	BUY	6,630	8,666
13 June 2022	BUY	5,528	6,772
25 July 2022	BUY	6,459	7,785
14 September 2022	BUY	6,874	8,581
20 October 2022	BUY	6,347	8,581
12 January 2023	BUY	7,032	9,390
24 January 2023	BUY	6,878	9,390
22 March 2023	BUY	7,317	9,795
1 May 2023	BUY	7,556	9,795
23 July 2023	BUY	8,123	9,634
20 October 2023	BUY	8,519	10,218
20 January 2024	BUY	10,094	11,669
29 April 2024	BUY	9,964	11,495
21 July 2024	BUY	11,258	12,975
21 October 2024	BUY	10,869	12,792
13 January 2025	BUY	10,615	12,790
24 January 2025	BUY	11,423	12,734
11 April 2025	HOLD	11,503	12,514
29 April 2025	HOLD	12,114	12,405
10 July 2025	HOLD	12,516	12,566
22 July 2025	HOLD	12,577	12,224
7 October 2025	HOLD	12,055	12,223
19 October 2025	HOLD	12,370	12,224
3 December 2025	HOLD	11,504	12,168
7 January 2026	HOLD	11,504	12,168
24 January 2026	HOLD	12,369	12,256
28 April 2026	HOLD	12,010	12,255
14 July 2026	BUY	11,496	13,558
20 July 2026	BUY	11,903	13,662

Rating track graph



NIRMAL BANG
a relationship beyond broking

Institutional Equities

Can Fin Homes (CFHL)

NBFC | 1QFY27 Result Update

BUY

CMP: Rs857 | Target Price (TP): Rs995 | Upside: 16%

July 21, 2026

Disbursements see robust growth, but prepayments remain elevated

Key Points

- Can Fin Homes Ltd (CFHL) 1QFY27 NII and PPOP fell short of our expectations by 4% and 6%, respectively, whereas PAT was in line with our expectation.
- Disbursements increased to Rs 26bn, up 29% YoY and ahead of management guidance, supported by broad-based growth across all six operational zones. Even the weakest-performing zone, Karnataka, grew 18%. Rundowns remained elevated at Rs 18.57bn, driven mainly by accelerated amortisation due to quarterly interest resets, higher part-prepayments, and rate differentials. We build in a loan growth CAGR of 14.5% over FY26–FY29E.
- Expect FY27E calculated NIM to be 3.8%, aided by optimizing product mix via yield-accretive Self-Employed Non-Professional loan (SENP) growth, adjusting special rate thresholds, and maintaining disciplined liability management with stable repo-linked borrowings to protect interest spreads
- We have estimated a PAT CAGR of 12% over FY26-FY29E, which will result in RoA/RoE of 2.5%/17.3% in FY29E. We maintain a 'BUY' rating on CFHL with a revised target price of Rs995 (valued at 1.6x June-28E ABV) as against Rs1061 earlier (valued at 1.8x Mar-28E).

Snapshot of 1QFY27 performance: Can Fin Homes Ltd (CFHL) 1QFY27 NII and PPOP fell short of our expectations by 4% and 6%, respectively, whereas PAT was in line with our expectation**.** PAT grew by 20% YoY to Rs 2.68bn on the back of healthy disbursement momentum and a significant reduction in borrowing costs. NII grew by 18% YoY to Rs 4.27bn. NIM stood at 3.81% in 1QFY27 as against 3.64% in 1QFY26 and 4.19% in 4QFY26. Yield on loan portfolio stood at 9.81% in 1QFY27 as against 10.09% in 1QFY26 and 9.99% in 4QFY26. Cost of borrowing stood at 6.98% in 1QFY27 as against 7.47% in 1QFY26 and 7.07% in 4QFY26. Spreads stood at 2.83% in 1QFY27 as against 2.62% in 1QFY26. PPOP grew by 16% YoY to Rs 3.52bn. Cost to income ratio stood at 19.52% in 1QFY27 as against 18.33% in 1QFY26 and 19.84% in 4QFY26**.** RoA/RoE stood at 2.39%/17.15% in 1QFY27 as against 2.19%/16.93% in 1QFY26.

Loan growth: Loan book grew by 11% YoY and 1.8% QoQ to Rs 429.6bn. The salaried and professional segment formed 68% of the outstanding loan book as of June 2026. Housing loans formed 83% of the loan book including commercial real estate loan (CRE). Ticket sizes for incremental disbursements have increased, with 48% of new loans exceeding Rs 3.0mn compared to 21%YoY. The total borrowings stood at Rs 386.4bn. The share of bank borrowings has increased from 53% in 1QFY26 to 62% in 1QFY27. The proportion of other instruments in the borrowing mix was as follows: NHB (15%), NCD (14%), CP (8%) and Deposits (1%).

Asset quality: GNPA/NNPA stood at 0.87%/0.42% in 1QFY27 as against 0.85%/0.37% in 4QFY26 and 0.98%/0.54% in 1QFY26. PCR improved to 70%. The share of the stressed book (SMA 0 + SMA 1 + SMA 2 + NPA) declined to 8.01% in 1QFY27 compared to 10.26% in 1QFY26.

Est Change	No Change
TP Change	Downward
Rating Change	No Change

Company Data and Valuation Summary

Reuters	CNFH.BO
Bloomberg	CANF IN Equity
Market Cap (Rsbn / US$bn)	114.1 / 1.2
52 Wk H / L (Rs)	972 / 709
ADTV-3M (mn) (Rs / US$)	229.9 / 2.4
Stock performance (%) 1M/6M/1yr	(3.2) / (6.3) / 4.9
Nifty 50 performance (%) 1M/6M/1yr	1.0 / (1.4) / (3.3)

Shareholding	3QFY26	4QFY26	1QFY27
Promoters	30.0	30.0	30.0
DIIs	24.7	24.6	24.5
FIIs	13.2	13.4	13.2
Others	32.1	32.0	32.3
Pro pledge	0.0	0.0	0.0

Financial and Valuation Summary

Particulars (Rsmn)	FY26	FY27E	FY28E	FY29E
Net Interest Income	16,106	17,712	20,425	24,118
% growth	*18.9*	*10.0*	*15.3*	*18.1*
Net Interest Margin %	3.8	3.8	3.8	3.9
Cost/Income Ratio	18.8	19.7	18.9	19.1
Operating Profit	13,432	14,614	17,029	20,032
% growth	*16.5*	*8.8*	*16.5*	*17.6*
Adjusted PAT	10,858	11,152	13,012	15,332
% growth	*26.7*	*2.7*	*16.7*	*17.8*
ABVPS	437	507	593	696
P/ABV	2.0	1.7	1.4	1.2
RoA (%)	2.5	2.4	2.4	2.5
Leverage (x)	7.7	7.3	7.1	7.0
RoE (%)	19.7	17.2	17.2	17.3

Source: Company, Nirmal Bang Institutional Equities

Please refer to the disclaimer towards the end of the document.

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Exhibit 1: Quarterly performance

Particulars (Rsmn)	1Q26	2Q26	3Q26	4Q26	1Q27	1Q27E	Variation (%)	YoY	QoQ
NII	**3,628**	**4,046**	**4,210**	**4,223**	**4,276**	**4,441**	**-4%**	**18%**	**1%**
YoY (%)	*12.9*	*19.1*	*22.1*	*21.2*	*17.9*	*22.4*			
NIM (%)	**3.5**	**3.9**	**4.0**	**3.8**	***3.8***	***4.0***	*-21bps*	*24bps*	*-3bps*
Other Income	93	63	100	187	93	107	-13%	**-1%**	**-50%**
Net Revenue	**3,721**	**4,109**	**4,310**	**4,411**	**4,369**	**4,548**	**-4%**	**17%**	**-1%**
Opex	682	762	799	875	853	805	6%	**25%**	**-3%**
PPOP	**3,039**	**3,346**	**3,511**	**3,535**	**3,516**	**3,744**	**-6%**	**16%**	**-1%**
YoY (%)	*18.6*	*16.3*	*20.5*	*20.0*	*15.7*	*23.2*			
Provisions	262.5	30.7	97.3	5.6	*130.6*	*275.6*	*-53%*	**-50%**	**2217%**
PBT	**2,776**	**3,316**	**3,414**	**3,530**	**3,385**	**3,468**	**-2%**	**22%**	**-4%**
Tax	538	801	766	73	707	763		**31%**	**867%**
ETR (%)	*19*	*24*	*22*	*2*	*21*	*22*			
Net Profit	**2,239**	**2,514**	**2,648**	**3,457**	**2,678**	**2,705**	**-1%**	**20%**	**-23%**
YoY (%)	*27.0*	*18.9*	*24.8*	*47.8*	*19.6*	*20.8*			
Business Metrics									
Loans	387,730	390,783	371,550	416,472	429,610	422,556	1.7	**11%**	**3%**
YoY (%)	*9.0*	*8.2*	*11.0*	*10.5*	*10.8*	*9.0*			
Borrowings	354,890	361,070	369,150	303,533	386,410	397,477	-2.8	**9%**	**27%**
YoY (%)	*9.4*	*6.6*	*10.3*	*-13.4*	*8.9*	*12.0*			
Asset Quality Metrics									
GS-3 (%)	*1.0*	*0.9*	*0.92*	*0.85*	*0.85*	*0.90*	*-5bps*	*-13bps*	*0bps*
NS-3 (%)	*0.5*	*0.5*	*0.49*	*0.37*	*0.37*	*0.40*	*-3bps*	*-17bps*	*0bps*
PCR (%)	*45.2*	*46.4*	*46.69*	*56.2*	*56.5*	*56.5*	*-3bps*	*1132bps*	*24bps*

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 2: Change in our estimates

	Revised Estimate			Earlier Estimate			*% Revision*		
	FY27E	**FY28E**	**FY29E**	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Net interest income (Rsmn)	17,712	20,425	24,118	17,542	21,134	24,118	1.0	-3.4	0.0
NIM (%)	3.8	3.8	3.9	3.7	3.9	3.9	3 bps	-13 bps	0 bps
Operating profit (Rsmn)	14,614	17,029	20,032	14,373	17,599	20,032	1.7	-3.2	0.0
Profit after tax (Rsmn)	11,152	13,012	15,332	10,840	13,304	15,332	2.9	-2.2	0.0
ROE (%)	17.2	17.2	17.3	16.8	17.6	17.3	44 bps	-42 bps	0 bps
Loan book (Rsbn)	475	543	626	474	545	626	0.2	-0.3	0.0
BVPS (Rs)	524	613	719	521	612	719	0.4	0.0	0.0

Source: Company, Nirmal Bang Institutional Equities Research

1QFY27 Conference Call Highlights

Management Guidance for FY 2026-27:

- **AUM Growth:** Maintained at **14%**, targeting a net accretion of **Rs 60bn** to the book.
- **Disbursements:** Quarterly targets are set at **Rs 30 bn (Q2)**, **INR 35 bn (Q3)**, and Rs **40 bn (Q4)**.
- **Profitability Ratios:** Targeting a **NIM of 3.8% or higher** (initially 3.75%), an **ROA of 2.4%**, and an **ROE of 18%+**.
- **Spreads:** Guidance maintained at **2.81%** (achieved 2.83% in Q1).
- **Credit Costs:** Maintained at **10 bps**.
- **Operating Efficiency:** Cost-to-income ratio is expected to be approximately **19.5%** for the year due to IT investments, with a long-term goal of returning to **18% within three years**.
- **Tax Rate:** Projected to remain stable at **21%**

Profitability and Margins

- **Cost of Borrowing:** The cost of borrowing ended the quarter at **6.98%**, slightly lower. This was attributed to the repayment of high-cost NCDs and tactical commercial paper (CP) fundraising.
- **Tax and ROA/ROE:** The company expects a stable **tax rate of 21%**. For Q1, it delivered **2.39% ROA and 18%+ ROE**

Asset Quality and Credit Risk

- **Delinquency Trends:** Stage 2 and Stage 3 assets decreased in absolute value compared to March 2026. While there was a marginal seasonal increase in NPA of Rs 170–180 mn, it was significantly lower than the Rs 0.40–0.45 bn increases seen in previous Q1 cycles.
- **Portfolio Quality:** 82% of the loan book currently carries a **CIBIL score of 700+**. The company maintains a conservative credit culture, with cumulative credit write-offs of only Rs200 mn over the last 25 years

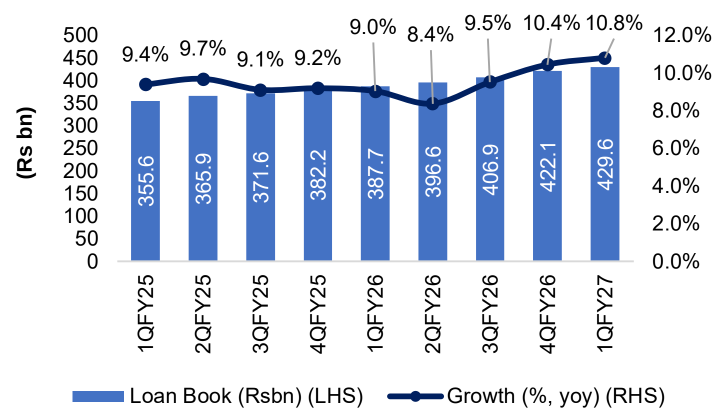
Operational Metrics and IT Transformation

- **IT Project ("Transformago"):** A pilot of the new LOS/LMS system was successfully completed in five branches in July 2026. The company plans to roll this out across the remaining **245 branches by the end of Q2 FY27**.
- **Cost-to-Income Ratio:** The C/I ratio is expected to hover around **19.5% for the current year** due to IT investments and branch expansion, with a long-term goal of returning to 18% within three years.
- **Sourcing:** Approximately 80% of customers are currently sourced through the Direct Selling Agent (DSA) channel till FY28 they are planning to add digital sourcing in sourcing mix

Challenges and Strategic Adjustments

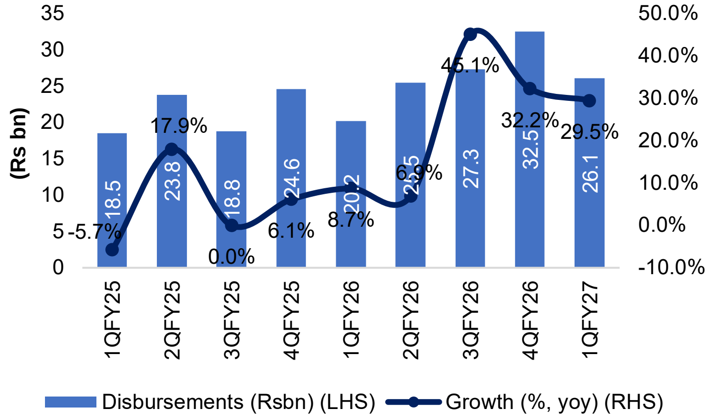
- **Yield Protection:** To offset rising incremental borrowing costs from banks, the company has tweaked internal guidelines, such as increasing the threshold for "special rates" from loans of Rs 2mn to Rs 2.5 mn.
- **Market Exposure:** The management noted that IT sector exposure is limited to 6% of the customer base, and it has not observed any significant impact on asset quality from sector-specific hiring disruptions.
- **Interest Rate Differential:** A significant challenge in retention is the **rate delta**. While the company previously maintained a 55 bps difference compared to larger banks/HFCs, the current differential has widened to **more than 1%** (Can Fin at 8.4% vs. competitors at 7.15%–7.25%), making it harder to convince customers to stay

Exhibit 3: Advances and advances growth



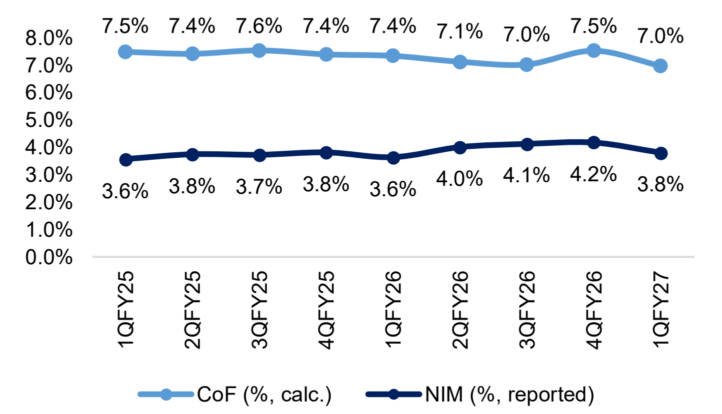
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 4: Disbursements trend



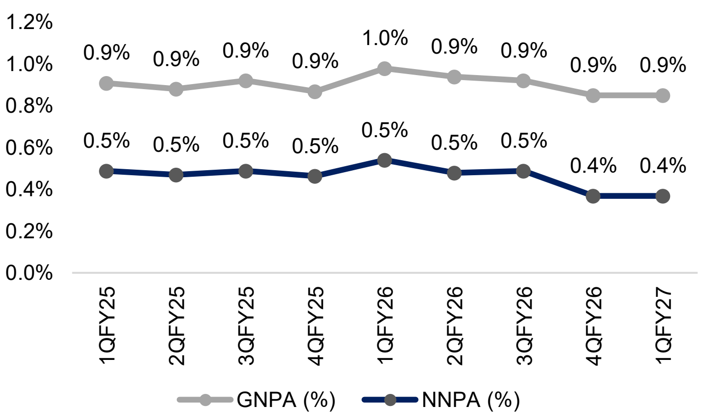
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 5: NIM and CoF



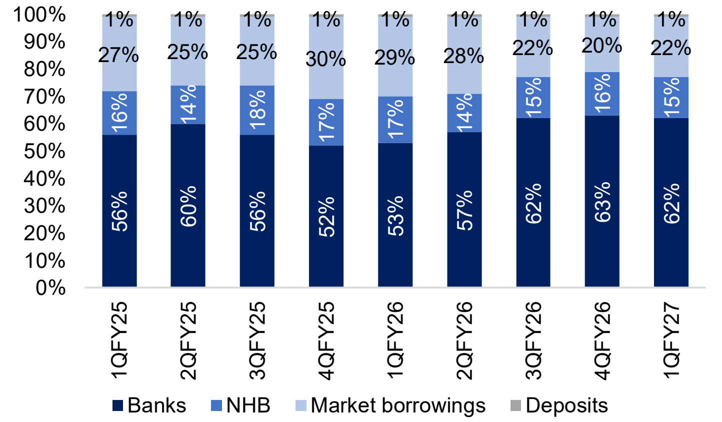
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 6: Asset quality



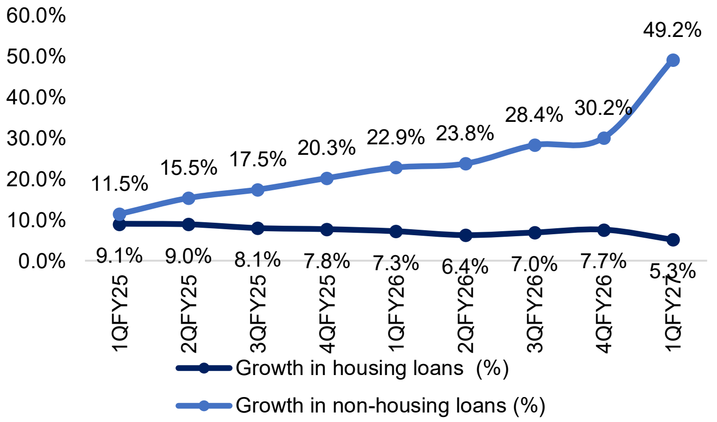
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 7: Borrowings mix



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 8: Segmental loan book growth



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 9: Loan book mix

Loan book mix (%)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Housing - Salaried	63.5%	62.5%	61.6%	60.7%	58.3%
Top up personal - Salaried	3.2%	3.2%	3.2%	3.2%	2.8%
Mortgage/Flexi - Salaried	2.9%	3.1%	3.3%	3.6%	3.9%
Loans for Sites - Salaried	0.6%	0.6%	0.6%	0.6%	2.3%
Others - Salaried	0.1%	0.1%	0.1%	0.1%	0.3%
Housing - SENP	63.5%	62.5%	61.6%	60.7%	58.3%
Top up personal - SENP	3.2%	3.2%	3.2%	3.2%	2.8%
Mortgage/Flexi - SENP	2.9%	3.1%	3.3%	3.6%	3.9%
Loans for Sites - SENP	0.6%	0.6%	0.6%	0.6%	2.3%
Others - SENP	0.1%	0.1%	0.1%	0.1%	0.3%
Builder loans	0.0%	0.0%	0.0%	0.0%	0.0%
Staff loans	0.1%	0.1%	0.1%	0.1%	0.1%

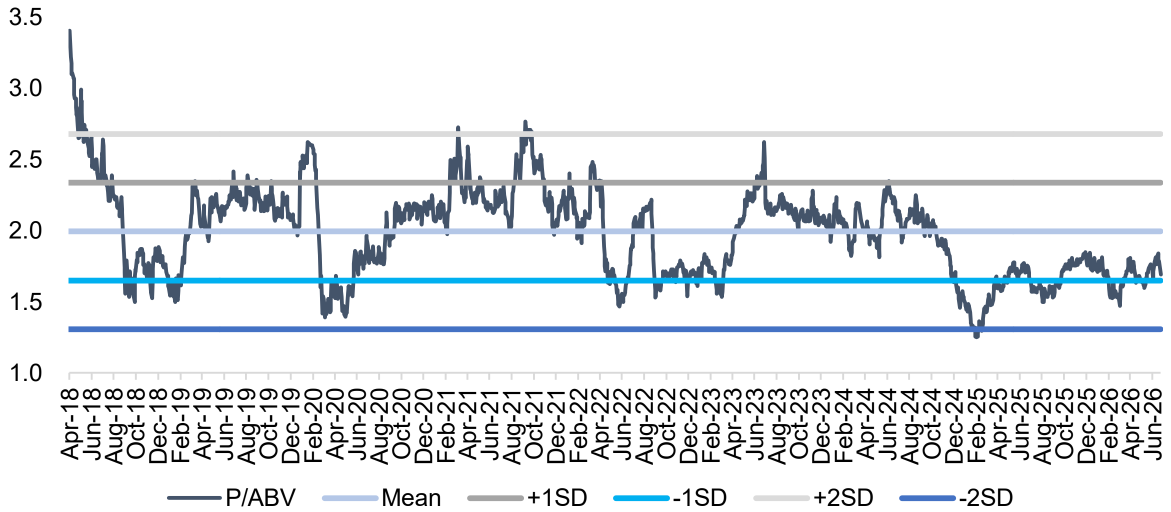
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 10: Financial summary

Y/E March (Rsmn)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net interest income	10,146	12,585	13,544	16,106	17,712	20,425	24,118
Operating profit	8,658	10,363	11,532	13,432	14,614	17,029	20,032
PAT	6,212	7,507	8,572	10,858	11,152	13,012	15,332
EPS (Rs)	46.6	56.4	64.4	81.5	83.7	97.7	115.1
BVPS (Rs)	274	326	381	449	524	613	719
P/E (x)	18.4	15.2	13.3	10.5	10.2	8.8	7.4
P/BV (x)	3.1	2.6	2.3	1.9	1.6	1.4	1.2
GNPAs (%)	0.6	0.8	0.9	0.9	0.9	0.9	0.8
NNPAs (%)	0.3	0.4	0.5	0.4	0.5	0.5	0.5
RoA (%)	2.0	2.1	2.2	2.5	2.4	2.4	2.5
RoE (%)	18.5	18.8	18.2	19.7	17.2	17.2	17.3

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 11: One-year forward P/ABV



Source: Company, Nirmal Bang Institutional Equities Research

Financials

Exhibit 12: Income statement

Y/E March (Rsmn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	38,426	41,739	45,578	51,771	59,720
Interest Expense	24,882	25,632	27,867	31,346	35,603
Net Interest Income	**13,544**	**16,106**	**17,712**	**20,425**	**24,118**
Non-Interest Income	370	444	494	566	649
Net Revenue	**13,915**	**16,550**	**18,206**	**20,991**	**24,767**
Operating expenses	2,382	3,118	3,592	3,962	4,735
-Employee expenses	1,120	1,769	2,006	2,187	2,375
-Other expenses	1,262	1,349	1,586	1,776	2,360
Pre-Provisioning Operating profit	**11,532**	**13,432**	**14,614**	**17,029**	**20,032**
Provisions	758	396	502	558	625
PBT	10,775	13,036	14,112	16,471	19,407
Tax	2,203	2,178	2,959	3,459	4,076
PAT	**8,572**	**10,858**	**11,152**	**13,012**	**15,332**

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 14: Balance sheet

Y/E March (Rsmn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	266	266	266	266	266
Reserves & surplus	50,409	59,538	69,491	81,305	95,438
Networth	**50,675**	**59,804**	**69,758**	**81,571**	**95,705**
Borrowings	350,512	303,533	341,475	384,159	432,179
Other liability & provisions	8,486	80,449	91,390	108,284	131,952
Total liabilities	**409,673**	**443,787**	**502,622**	**574,014**	**659,835**
Cash	3,076	3,045	4,781	5,378	6,051
Investments	23,740	21,430	19,806	22,281	25,066
Loans	376,964	416,472	475,110	543,310	625,550
Fixed & Other assets	5,893	2,840	2,926	3,045	3,168
Total assets	**409,673**	**443,787**	**502,622**	**574,014**	**659,835**

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 13: Key ratios

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
Growth (%)					
Net Interest Income	7.6	18.9	10.0	15.3	18.1
Operating Profit	11.3	16.5	8.8	16.5	17.6
Profit After Tax	14.2	26.7	2.7	16.7	17.8
Advance Growth	9.1	10.5	14.1	14.4	15.1
Spreads (%)					
Yield on loans	10.6	10.5	10.2	10.2	10.2
Cost of Borrowings	7.4	7.8	8.6	8.6	8.7
NIMs	3.5	3.8	3.8	3.8	3.9
Operational Effeciency (%)					
Cost to Income	17.1	18.8	19.7	18.9	19.1
Cost to AUM	0.7	0.8	0.8	0.8	0.8
CRAR (%)					
Tier I	24.3	22.5	25.2	25.8	26.4
Tier II	0.8	0.7	0.7	0.7	0.7
Total CRAR	25.1	23.2	25.9	26.5	27.1
Asset Quality (%)					
Gross NPA	0.9	0.9	0.9	0.9	0.8
Net NPA	0.5	0.4	0.5	0.5	0.5
Provision Coverage	47.7	56.2	43.9	43.9	40.3
Credit Cost	0.21	0.10	0.11	0.11	0.11
Return Ratio (%)					
ROE	18.2	19.7	17.2	17.2	17.3
ROA	2.2	2.5	2.4	2.4	2.5
Per Share (%)					
EPS	64	82	84	98	115
BVPS	381	449	524	613	719
ABV	367	437	507	593	696
Valuation (x)					
P/E	13.3	10.5	10.2	8.8	7.4
P/BV	2.3	1.9	1.6	1.4	1.2
P/ABV	2.3	2.0	1.7	1.4	1.2

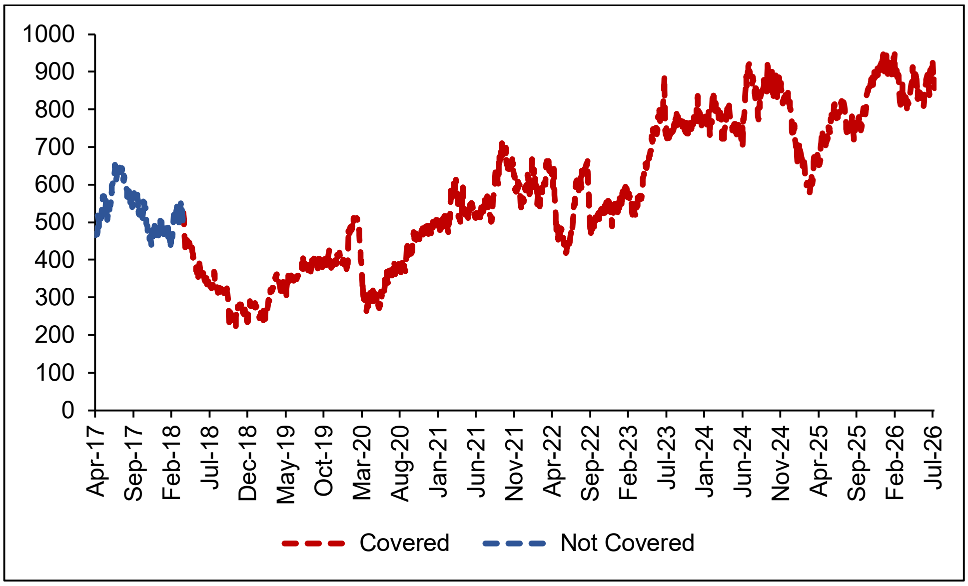
Source: Company, Nirmal Bang Institutional Equities Research

Rating track

Date	Rating	Market price (Rs)	Target price (Rs)
26 March 2018	Buy	503	638
30 April 2018	Buy	421	513
31 July 2018	Buy	335	441
9 October 2018	Buy	225	321
23 October 2018	Buy	227	316
24 January 2019	Buy	255	355
8 April 2019	Buy	360	420
2 May 2019	Buy	343	422
8 July 2019	Buy	360	426
23 July 2019	Buy	405	472
7 October 2019	Buy	393	470
5 November 2019	Buy	416	486
8 January 2020	Buy	384	490
22 January 2020	Buy	464	540
27 March 2020	Buy	305	457
9 April 2020	Buy	283	457
18 June 2020	Buy	332	432
9 July 2020	Buy	363	432
28 August 2020	Buy	381	446
23 September 2020	Buy	414	495
7 October 2020	Buy	423	495
30 October 2020	Buy	462	540
26 November 2020	Buy	472	555
08 January 2021	Buy	495	584
28 January 2021	Buy	478	572
21 February 2021	Buy	500	611
4 May 2021	Hold	550	613
23 July 2021	Hold	532	604
21 September 2021	Hold	627	651
26 September 2021	Hold	658	651
24 October 2021	Hold	657	633
28 January 2022	Hold	576	639
21 February 2022	Buy	586	694
03May 2022	Buy	636	746
23 July 2022	Buy	535	686
19 September 2022	Buy	637	779
19 October 2022	Buy	525	697
21 January 2023	Buy	525	683
22 March 2023	Buy	546	683
28 April 2023	Buy	592	708
21 July 2023	Hold	831	898
19 October 2023	Hold	763	840
24 January 2024	Hold	725	800
01 May 2024	Hold	762	840
22 July 2024	Hold	847	870
24 October 2024	Hold	871	900
20 January 2025	Buy	708	775
25 April 2025	Buy	709	815
10 June 2025	Buy	810	931
10 July 2025	Buy	797	931
22 July 2025	Buy	812	931
10 October 2025	Buy	790	950
22 October 2025	Buy	846	1,000
16 December 2025	Buy	917	1050
9 January 2026	Buy	892	1100
20 January 2026	Buy	939	1,100
19 February 2026	Buy	889	1,100

7 April 2026	Buy	818	1,031
27 April 2026	Buy	915	1,061
14 July 2026	Buy	898	1,061
21 July 2026	Buy	857	995

Rating track graph



Core sector/June IIP Preview

India Economy | Update

July 21, 2026

Core sector growth rose 5.0% in June-26; IIP seen at 5.5%

Key Points

- Core infrastructure industries' growth accelerated to 5.0% YoY in Jun-26 under the new 2022-23 series (from 3.2% in May-26). Growth was led by electricity output (weight of 30.9%) up 9.8%YoY in Jun-26 despite slowing down from 11.2% YoY in May-26.
- Petroleum refinery output (22.6% weight) declined 4.7%YoY in Jun-26, but the pace of decline moderated from 8.2%YoY in May-26. Mining sector output declined except for coal production which was up 1.4%YoY and the newly introduced Iron ore production (+43.9%YoY).
- Infrastructure and construction-linked sectors held up. Cement production grew 9.8%YoY in Jun-26, up from 8.4% in May-26. Steel production grew 4.6% YoY in Jun-26, marginally lower than 5.1% in May-26.
- The new core infrastructure industries index (2022-23 series) has a weight of ~33% in IIP down from ~40% earlier.
- IIP growth is seen at 5.5% in Jun-26, marginally higher than 5.1% in May-26 led by a resilient manufacturing sector and robust electricity production. Manufacturing PMI moderated to 54.2 in Jun-26 from 55 in May-26. However, motor vehicle production grew 27.6%YoY in Jun-26 up from 13.4% in May-26. High frequency indicators continue to suggest resilience.

Core infrastructure industries' growth rises to 5.0% YoY in Jun-26: Core infrastructure industries' growth accelerated to 5.0% YoY in Jun-26 from 3.2% in May-26. Growth was led by electricity output (weight of 30.9%) up 9.8%YoY in Jun-26 despite slowing down from 11.2%YoY in May-26. Petroleum refinery output (22.6%) declined 4.7%YoY in Jun-26, but the pace of decline moderated from 8.2%YoY in May-26. Mining sector output declined except for coal production which was up 1.4%YoY and Iron ore production (+43.9%YoY).

IIP growth seen at 5.5% YoY in Jun-26: IIP growth is seen at 5.5% in Jun-26, marginally higher than 5.1% in May-26 led by a resilient manufacturing sector and robust electricity production. Manufacturing PMI moderated to 54.2 in Jun-26 from 55 in May-26. However, motor vehicle production grew 27.6%YoY in Jun-26 up from 13.4% in May-26.

Growth resilient despite headwinds: High frequency indicators continue to suggest resilient growth with GDP growth seen at 7% in FY27. We expect the RBI to keep rates on hold through FY27 looking through any supply side driven inflation shock. We expect CPI to average ~4.5% in FY27 with an upward bias on account of a deficient monsoon. Pulses, oilseeds and vegetables are most vulnerable to higher inflation, while high buffer stocks, comfortable reservoir levels and drought resistant crop varieties may keep cereal prices under control. Kharif sowing as of 17th July was down 6%YoY, while the area under paddy was down only 0.8%YoY. Meanwhile, the area under pulses declined 15.1%YoY, the area under oilseeds declined 5.6%YoY and the area under coarse cereals declined 11.2%YoY.

Key Macro Forecasts

Particulars	FY25	FY26	FY27F
GDP (% YoY)	6.5	7.7	7.0
GVA (% YoY)	6.4	7.9	7.0
Agriculture (% YoY)	4.6	3.0	3.0
Industry ex. construction (% YoY)	4.5	9.0	7.8
Services inc. construction (% YoY)	7.5	9.0	7.9
CPI (average)	4.7	2.0	4.5
WPI (average)	2.3	0.9	7.3
Interest rates-Repo (Fiscal year end)	6.25	5.25	5.25
Fiscal deficit (% of GDP)	4.8	4.4	4.3
Current account balance (% of GDP)	-0.6	-0.6	-1.2
INR/USD (Average)	84.5	88.7	93.8
10 year yields (average)	7.0	6.5	6.8
Crude oil price (US$/bbl average)	77	68	80

Source: CSO, CEIC, Nirmal Bang Institutional Equities

Please refer to the disclaimer towards the end of the document.

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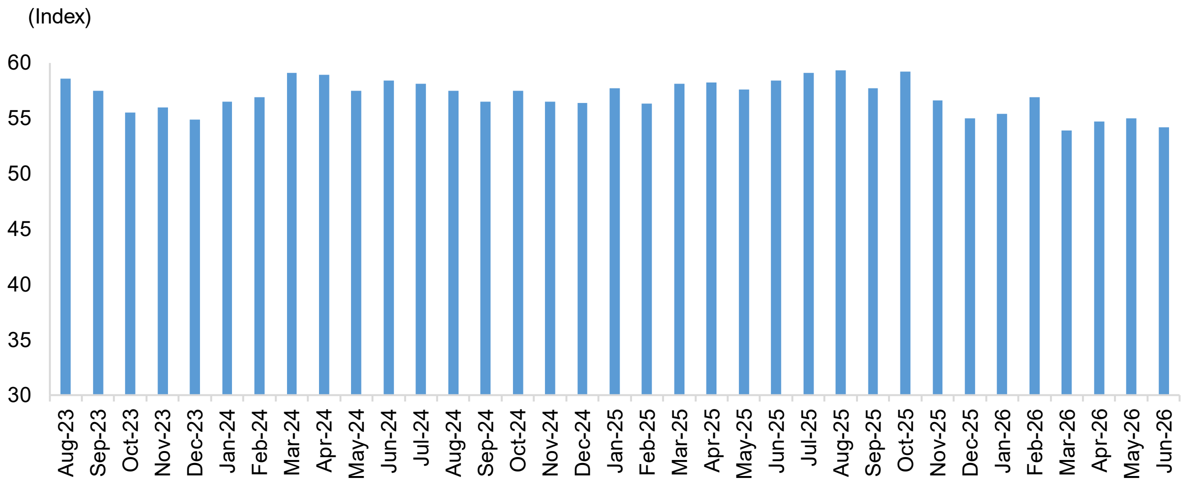
Exhibit 1: Core sector growth rose 5.0%YoY in Jun-26

% YoY	Weight (%)	Jun-25	Apr-26	May-26	Jun-26	%MoM	Jun-25	Apr-26	May-26	Jun-26
Core infrastructure industries		**1.1**	**2.7**	**3.2**	**5.0**		**(2.1)**	**2.7**	**3.2**	**5.0**
Coal	5.6	(6.8)	(9.0)	(9.5)	1.4		(8.5)	(34.7)	5.2	2.5
Natural Gas	3.8	(3.0)	(4.2)	(5.0)	(7.4)		(2.8)	(3.2)	1.6	(5.2)
Crude Oil	7.4	(0.5)	(3.2)	(4.2)	(4.2)		(3.4)	(2.4)	2.6	(3.4)
Refinery Products	22.6	3.3	(0.2)	(8.2)	(4.7)		(3.2)	(11.1)	(0.3)	0.4
Fertilizers	2.7	(1.2)	(8.5)	(1.0)	(3.3)		3.5	7.8	22.7	1.1
Steel	17.6	10.2	4.7	5.1	4.6		(0.9)	(10.0)	2.4	(1.4)
Cement	4.4	7.9	8.3	8.4	9.8		3.0	(14.3)	2.3	4.3
Electricity	30.9	(1.2)	5.5	11.2	9.8		0.7	2.8	6.8	(0.5)
Iron Ore	4.9	(16.4)	12.5	19.0	43.9		(17.5)	(14.6)	8.3	(0.3)

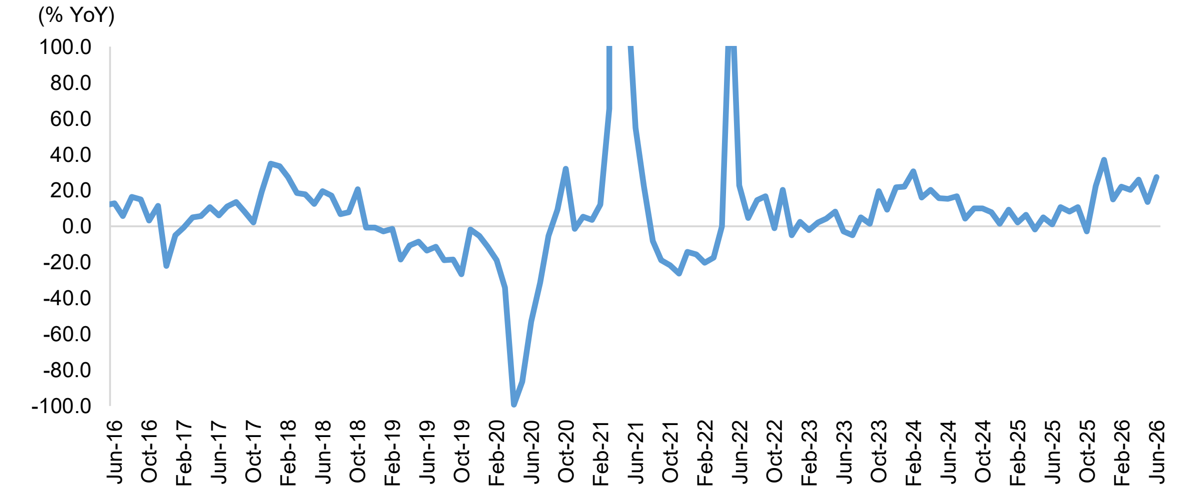
Source: MoSPI, CEIC, Nirmal Bang Institutional Equities Research

Exhibit 2: Manufacturing PMI moderated to 54.2 in June-26 from 55.0 in May-26



Source: S&P, Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 3: Motor vehicle production remains healthy, supported by GST cuts



Source: MoSPI, CEIC, Nirmal Bang Institutional Equities Research

J K Cements (JKCE)

Cement | 1QFY27 Result Update

HOLD

CMP: Rs5,453 | Target Price (TP): Rs6,120 | Upside: 12%

July 20, 2026

Strong Execution Amid Cost Headwinds; Expansion Roadmap Remains Intact

Key Points:

- **Early 6MTPA capacity ramp-up sustains strong 82% grey cement CUR.**
- **White cement (+16% QoQ) leads grey cement (+5% QoQ) in realisations.**
- **Paint revenue crosses Rs1.25bn vs. Rs0.87bn/Rs0.95bn in 1QFY26/4QFY26.**
- **Higher opex partly offset by better realisations, limiting EBITDA/tn decline.**

Operational Performance: Blended revenue increased 20% YoY (+4% QoQ), driven by higher blended volumes (+18% YoY, -3% QoQ) and improved blended realisations (+2% YoY, +6.5% QoQ), and was 10% ahead of our revenue estimate. EBITDA declined 6% YoY and 5% QoQ, broadly in line with our estimate of Rs6.58bn. EBITDA margin contracted to 16.1% from 20.5% in Q1FY26. EBITDA/tn declined 20% YoY (-3% QoQ) to Rs978, primarily due to higher RM costs and other operating expenses, but partly offset by improved realisations and lower P&F costs. APAT decreased 14% YoY and 17% QoQ due to lower EBITDA and higher interest expenses.

Strong volume, pricing & paint growth drive topline despite cost inflation: The strong topline performance was driven by healthy volume growth across both grey and white cement segments as well as improvement in paint business. Grey cement capacity utilisation remained robust at 82% (vs. 84% in 4QFY26 and 89% in 1QFY26), while white cement utilisation improved significantly to 71% (vs. 66% in 4QFY26 and 55% in 1QFY26). Despite the seasonally weaker first quarter, following a volume-led 4QFY26, blended cement volumes increased 18% YoY to 6.62mt, supported by the early ramp-up of the 6mtpa capacity commissioned in Jan-26. Revenue growth was further aided by strong realisations across both the grey and white cement businesses, along with a sharp improvement in the paints segment, where quarterly revenue exceeded Rs1.25bn compared with the FY26 quarterly average run rate of approximately Rs0.95bn. Based on our estimates, JK Cement implemented an average price increase of ~Rs12/bag in the grey segment during 1QFY27. While this supported realisations, it was insufficient to fully offset the sharp increase in input costs.

Higher opex weighs on EBITDA despite strong topline: Overall, operating cost increased by ~Rs400/tn QoQ, primarily driven by higher raw material and other operating expenses, but partially offset by a decline in power & fuel costs. Consequently, EBITDA/tn moderated to Rs978 (-20% YoY, -3% QoQ) despite robust topline growth. Strong blended realization have helped to limit the EBITDA/tn decline sequentially. Management expects a cost impact of Rs150/tn in 2QFY27 due to factory maintenance and increase in energy cost along with higher diesel prices.

Expansion roadmap intact; 40MTPA by FY28 remains on track: Management reiterated its capacity expansion roadmap of 40MTPA by FY28 and 50MTPA by FY30, with ongoing projects remaining on schedule despite the industry's cautious capex outlook. The Jaisalmer integrated plant, Bhatinda GU, and Bikaner GU are targeted for commissioning in H1FY28, while the Nathdwara wall putty expansion is expected in Q2FY27. The company has also initiated planning for the next phase of expansion beyond 40MTPA, with board approval likely closer to the commissioning of current projects, subject to market conditions. Management has guided for FY27 capex of ~Rs35bn and FY28 capex of ~Rs12bn (excluding the next expansion phase), while expecting Line-2 clinker capacity to increase to 4MTPA in FY27, thus ensuring no clinker constraints in central India.

Outlook and valuation: **Backed by its strong geographic footprint, healthy capacity utilisation, stable pricing environment, and the continued growth of its white cement and paints businesses, we expect JK Cement to deliver a resilient operating performance over the medium term. At the CMP, the stock trades at 18x/15x FY27E/FY28E EV/EBITDA, an ~18% discount to its four-year average multiple of 19x. We maintain our FY26–FY28 revenue/EBITDA/adj. PAT CAGR estimates of 12%/16%/20%. We continue to value the stock at 17x FY28E EV/EBITDA, implying a target price of Rs6,120; we reiterate our HOLD rating on the stock.**

Est Change	No Change
TP Change	No Change
Rating Change	No Change

Company Data and Valuation Summary

Reuters	JKCE.BO
Bloomberg	JKCE IN Equity
Market Cap (Rsbn / US$bn)	421.3 / 4.4
52 Wk H / L (Rs)	7,566 / 4,672
ADTV-3M (mn) (Rs / US$)	540.3 / 5.7
Stock performance (%) 1M/6M/1yr	(0.9) / (7.4) / (16.1)
Nifty 50 performance (%) 1M/6M/1yr	1.0 / (1.4) / (3.3)

Shareholding	3QFY26	4QFY26	1QFY27
Promoters	45.7	45.7	45.7
DIIs	22.5	23.8	23.8
FIIs	17.9	16.8	16.8
Others	14.0	13.7	13.8
Pro pledge	0.0	0.0	0.0

Financial and Valuation Summary

Y/E March (Rsmn)	FY25	FY26	FY27E	FY28E
Revenues	1,18,792	1,37,223	1,55,513	1,73,327
Growth YoY (%)	2.8	15.5	13.3	11.5
EBITDA	20,271	23,743	27,818	31,996
EBITDA (%)	17.1	17.3	17.9	18.5
Adj. PAT	7,893	10,252	12,899	14,805
Growth YoY (%)	(0.7)	29.9	25.8	14.8
Adj. EPS (Rs)	102.1	132.7	166.9	191.6
ROE (%)	13.9	15.6	16.8	16.7
ROCE (%)	8.8	9.7	10.8	10.7
ROIC (%)	9.9	10.2	10.5	10.5
P/E (x)	43.0	44.3	32.7	28.5
P/B (x)	5.6	6.4	5.1	4.4
EV/EBITDA	19	22	18	15
EV/mt ($)	160	165	146	121

Source: Company, Bloomberg, Nirmal Bang Institutional Equities Research

Key Links:

Q1FY27 Investor PPT

Cement Channel Check June'26

Please refer to the disclaimer towards the end of the document.

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Exhibit 1: Q1FY27 results snapshot

Y/E Mar (Rsmn)	1QFY27	1QFY26	YoY %	4QFY26	QoQ%	Our Est.	*Var. (%)*
Net Revenue	**40,317**	**33,525**	**20.3**	**38,875**	**3.7**	**36,714**	***9.8***
Total Expenses	33,840	26,649	27.0	32,050	5.6		
COGS	7,810	5,516	41.6	6,076	28.5		
Employee Expenses	2,877	2,474	16.3	2,914	(1.3)		
Power & fuel	6,730	5,981	12.5	7,382	(8.8)		
Freight Exp	9,113	7,649	19.1	9,079	0.4		
Other Expenses	7,311	5,029	45.4	6,599	10.8		
EBITDA	**6,477**	**6,877**	**(5.8)**	**6,825**	**(5.1)**	**6,584**	***(1.6)***
EBITDA (%)	**16.1**	**20.5**	**-445 bps**	**17.6**	**-149 bps**	**17.9**	***-187 bps***
D&A	1,667	1,464	13.9	1,824	(8.6)		
Other income	393	564	(30.5)	413	(4.9)		
Interest Expense	1,141	1,085	5.1	979	16.6		
Exceptional/EO items	-	-	NA	-	NA		
Share JV/Associates	-	0	(100.0)	1	(100.0)		
EBT	4,061	4,891	(17.0)	4,436	(8.5)		
Tax	1,315	1,649	(20.2)	1,127	16.7		
Less: Minority Interest	(29)	-	NA	(20)	40.4		
Reported PAT	2,775	3,242	(14.4)	3,330	(16.7)		
Adjusted PAT	**2,775**	**3,242**	**(14.4)**	**3,330**	**(16.7)**	**3,154**	***(12.0)***
Adjusted PAT (%)	6.9	9.7	-279 bps	8.6	-168 bps		
Adj. EPS (Rs)	35.9	42.0	(14.4)	43.1	(16.7)		
Per Tonne Analysis	**1QFY27**	**1QFY26**	***YoY %***	**4QFY26**	***QoQ %***	***Our Est.***	***Var. (%)***
Volume (mnmt)	**6.62**	**5.61**	**18.0**	**6.80**	**(2.6)**	**6.28**	***5.4***
Blended Realization (Rs/tn)	**6,090**	**5,976**	**1.9**	**5,717**	**6.5**	**5,848**	***4.1***
Raw Material Cost (Rs/mt)	1,180	983	20.0	894	32.0		
Employee cost (Rs/mt)	435	441	(1.5)	428	1.4		
Power & Fuel Cost (Rs/mt)	1,017	1,066	(4.6)	1,086	(6.4)		
Freight Cost (Rs/mt)	1,377	1,363	1.0	1,335	3.1		
Other Expenses (Rs/mt)	1,104	896	23.2	970	13.8		
Opex (Rs/mt)	**5,112**	**4,750**	**7.6**	**4,713**	**8.5**	**4,799**	***6.5***
Blended EBITDA (Rs/tn)	**978**	**1,226**	**(20.2)**	**1,004**	**(2.5)**	**1,049**	***(6.7)***

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 2: Actual performance vs NBIE and Bloomberg consensus estimates

Particulars 1QFY27 (Rsmn)	Actual	Our Estimate	*Deviation (%)*	Bloomberg Consensus	*Deviation (%)*
Revenue	40,317	36,714	9.8	35848	*12.5*
EBITDA	6,477	6,584	(1.6)	6242	*3.8*
APAT	*2,775*	3,154	(12.0)	2683	*3.4*

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 3: Change in estimates

(Rsmn)	New		Old		*% Change*	
Particulars	**FY27E**	**FY28E**	**FY27E**	**FY28E**	***FY27E***	***FY28E***
Revenue	1,55,513	1,73,327	1,55,513	1,73,327	NA	NA
EBITDA	27,818	31,996	27,818	31,996	NA	NA
PAT	12,899	14,805	12,899	14,805	NA	NA

Source: Nirmal Bang Institutional Equities Research

1QFY27 earnings call highlights

Demand: Management maintained its guidance for double-digit volume growth in FY27, targeting 22.5-23mt of grey cement sales, supported by incremental capacity in central India. 1QFY27 volume growth was primarily driven by the ramp-up of the newly commissioned central India expansion (including Bihar GU), while North and South continued to grow in line with market demand. The company gained market share in central India while maintaining its share across the North and South. Management highlighted that capacity constraints in North and South are limiting further volume growth despite healthy demand, with effective utilisation in these regions at ~85-90%. White cement demand remained strong, benefiting from reduced imports from UAE due to geopolitical disruptions, although the management expects competitive intensity to normalise as imports resume.

Pricing: Cement prices are currently stable versus the Q1 average, with the management expecting no significant price correction during the monsoon, supported by elevated fuel and logistics costs across the industry. The company reiterated its strategy of prioritising profitable growth over aggressive volume expansion, maintaining pricing discipline despite available demand.

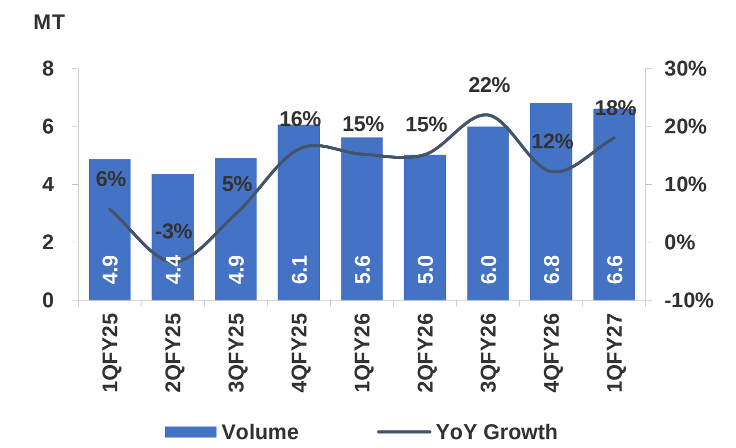
Capex and expansion plans: Management reaffirmed its 40MTPA capacity target by FY28 and 50MTPA by FY30, with no plans to delay ongoing expansion projects, despite industry-wide moderation in capex announcements. The Jaisalmer integrated plant, Bhatinda GU, and Bikaner GU remain on track for commissioning in H1FY28, while the Nathdwara wall putty expansion is expected to be commissioned during Q2FY27. The company is already evaluating the next phase of expansion beyond 40MTPA, with board approval likely closer to commissioning of the ongoing projects, subject to market conditions. FY27 capex is guided at ~Rs35bn, followed by ~Rs12bn in FY28, excluding investments for the next expansion phase. Management expects Line-2 clinker capacity to increase to 4MTPA during FY27, with no clinker constraints anticipated for central India.

Cost initiatives: Management expects cost inflation of ~Rs150/tn in Q2FY27, primarily due to higher fuel, diesel, and logistics costs, partly offset by lower packaging costs and lower maintenance expenditure. Fuel costs are expected to peak in Q2FY27, with the management expecting moderation thereafter if the current market conditions persist. JKCE continues to optimise its fuel basket, increasing the use of domestic coal and imported US coal wherever economically viable to reduce dependence on expensive petcoke. The Mahan coal block is expected to commence production by end-FY28, which should materially lower fuel costs and reduce exposure to imported fuels over the medium term. Q1FY27 included Rs500-600mn of planned maintenance expenditure, with the management clarifying that there was no volume loss due to adequate clinker inventory.

Other details: Gross debt increased to Rs55.51bn, while net debt stood at Rs38.64bn due to ongoing capex, with net debt/EBITDA remaining comfortable at 1.69x. Management expects annual incentive income to increase to ~Rs3bn from FY29 following commissioning of the ongoing expansion projects. The paint business achieved EBITDA breakeven in Q1FY27, with FY27 revenue guidance of Rs5-5.5bn and an expected EBITDA margin of 5-7% in FY28. The RMC business is being scaled up aggressively, with a target of 50 plants by FY27-end and 100 plants by FY28; the management expects the business to achieve breakeven as the network matures. Management reiterated its long-term sustainability strategy, targeting 75% green power by FY30, although project approvals have delayed the pace of implementation.

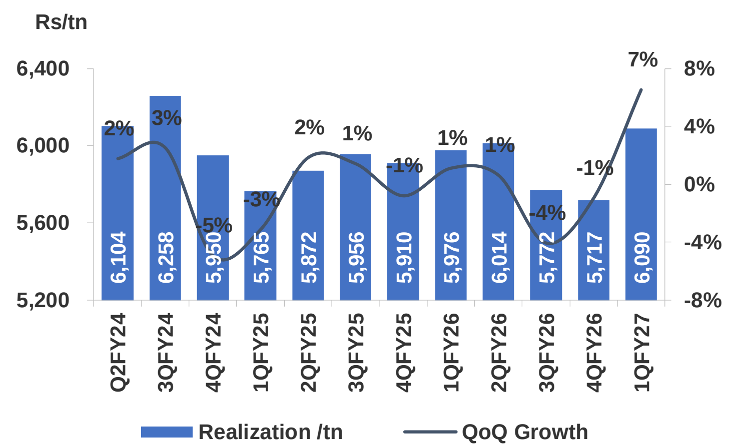
STORY IN CHARTS

Exhibit 4: Volume increased 18% YoY, supported by ramp-up of the recently commissioned 6MTPA capacity, and higher utilization on existing capacity



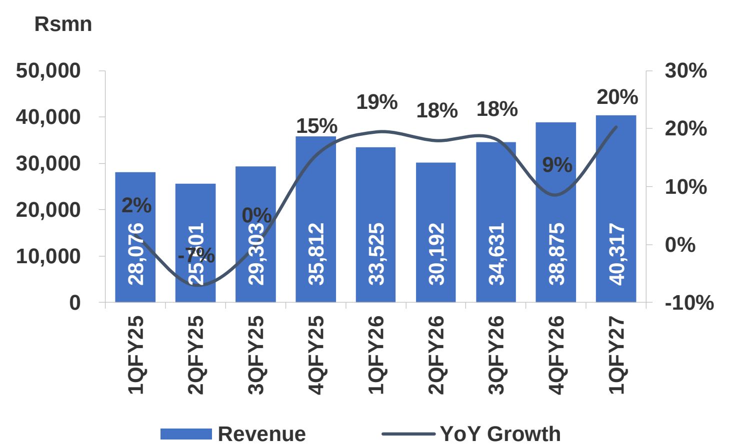
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 5: Realisation increased 6.5% QoQ led by regional pricing advantage (i.e. central and North)



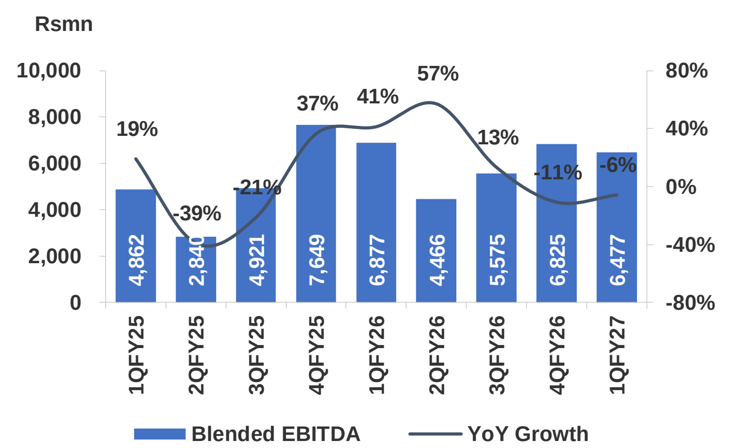
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 6: Revenue up 20% YoY (+4% QoQ) led by strong volume and higher realization



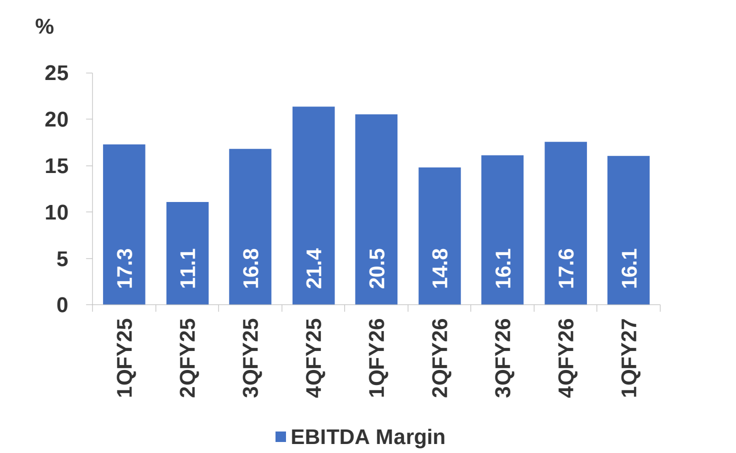
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 7: EBITDA in absolute number declined 6% YoY (-5% QoQ) due to increase in overall costs…



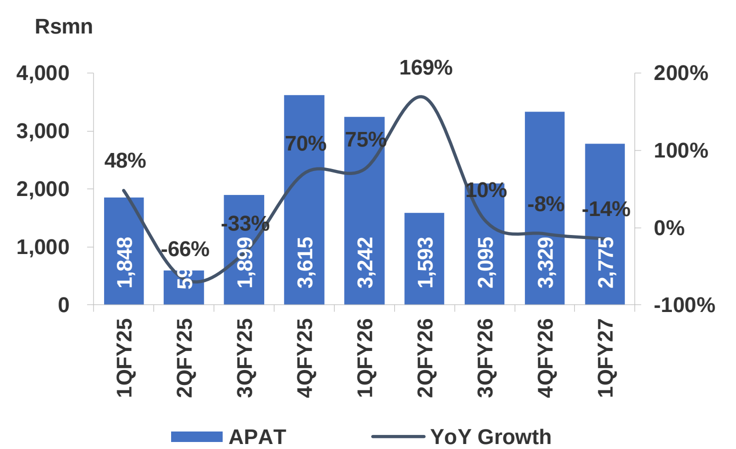
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 8: …leading to a slight contraction in margin



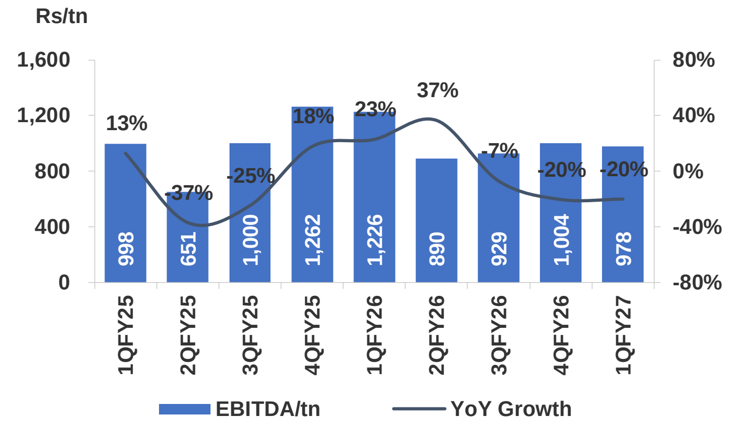
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 9: APAT decreased 14% YoY and 17% QoQ due to lower EBITDA and higher interest expenses



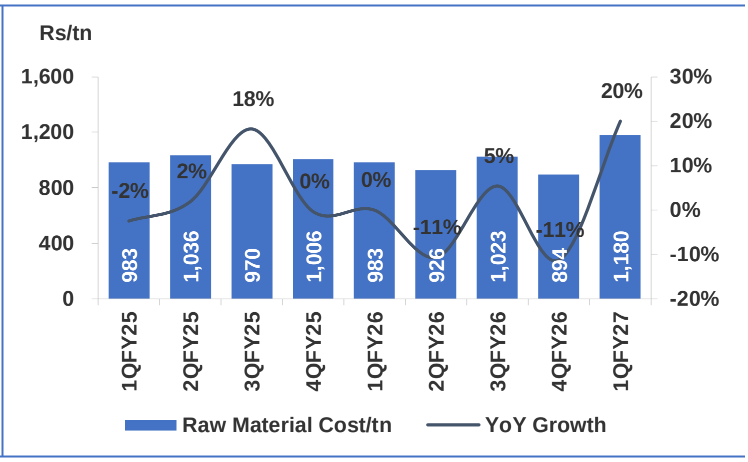
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 10: Strong realizations limited the QoQ decline in EBITDA/tn to Rs26, while EBITDA/tn declined by Rs248 YoY due to a high base and increased input costs



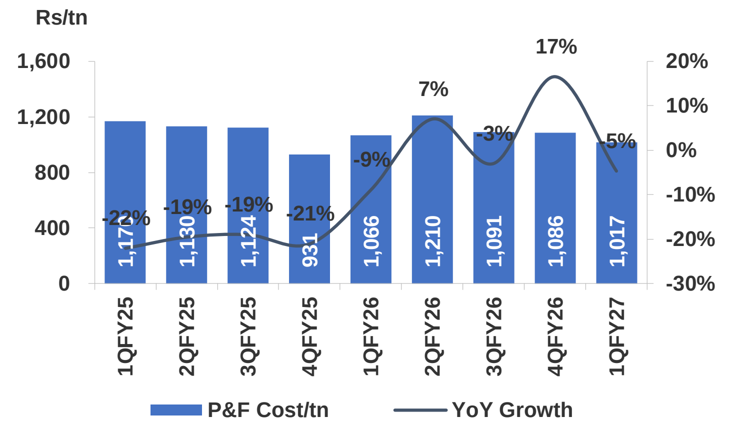
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 11: RM cost/tn increased 20% YoY (+32% QoQ) due to higher input costs and ramp-up expenses at the new capacities



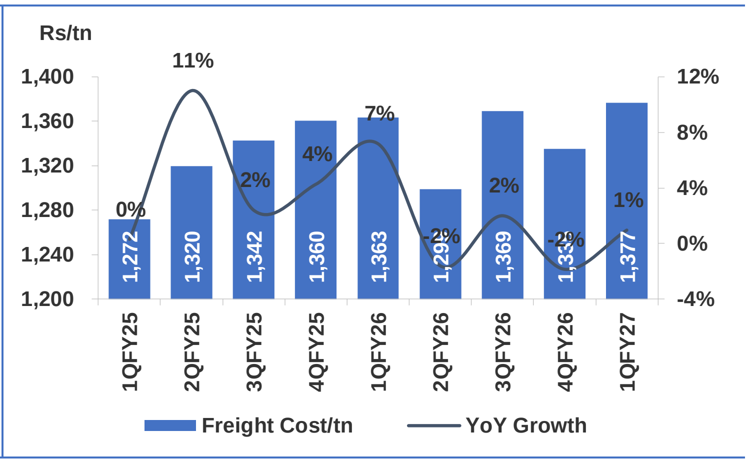
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 12: Consolidated P&F cost/tn declined 6.4%, despite a 3% QoQ increase in grey cement energy cost (Rs1.53/Kcal in 1QFY27 vs. Rs1.48/Kcal in 4QFY26)



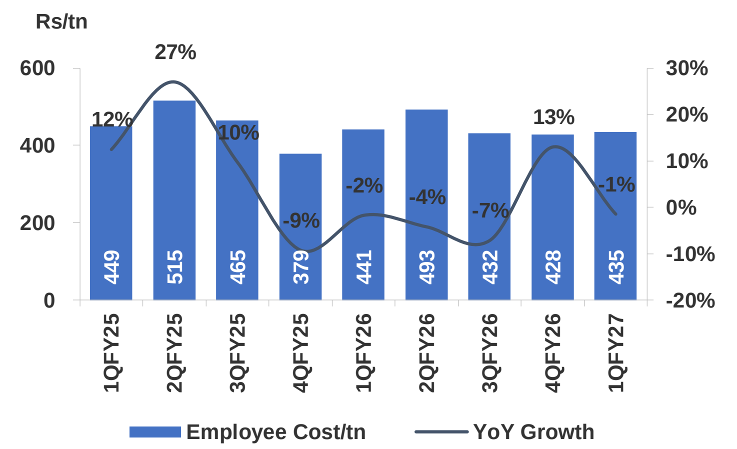
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 13: Lead distance improves to 418km in 1QFY27 from 436km in 1QFY26; diesel inflation weighs on freight costs



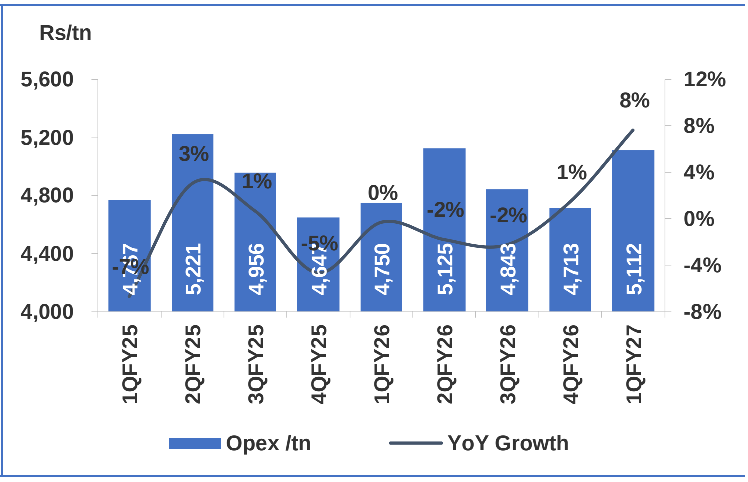
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 14: Employee cost/tn decreased 1% YoY (+1% QoQ)



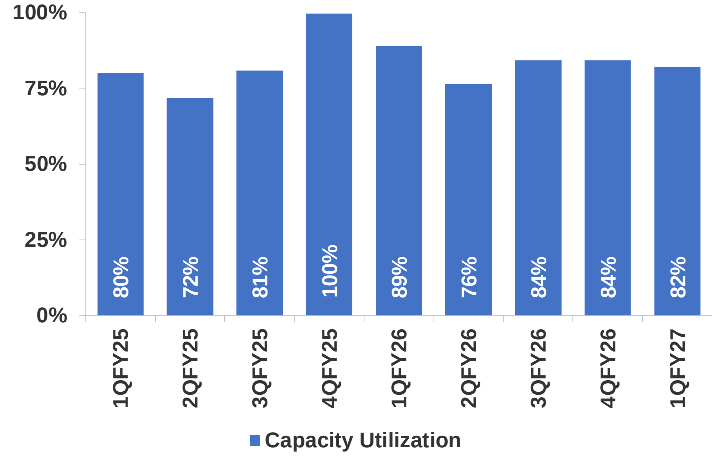
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 15: Opex/tn increased 8% YoY (+9% QoQ) due to higher other expenses and initial operating inefficiencies



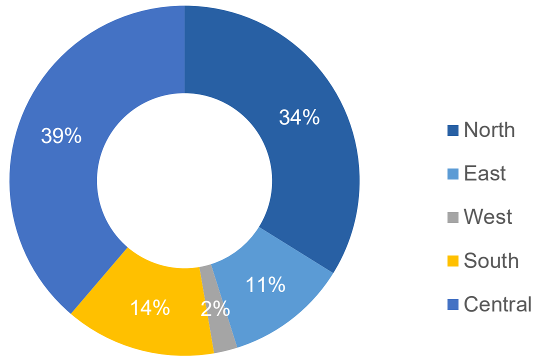
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 16: Capacity utilization remains strong at 82% followed by a volume-driven 4QFY26



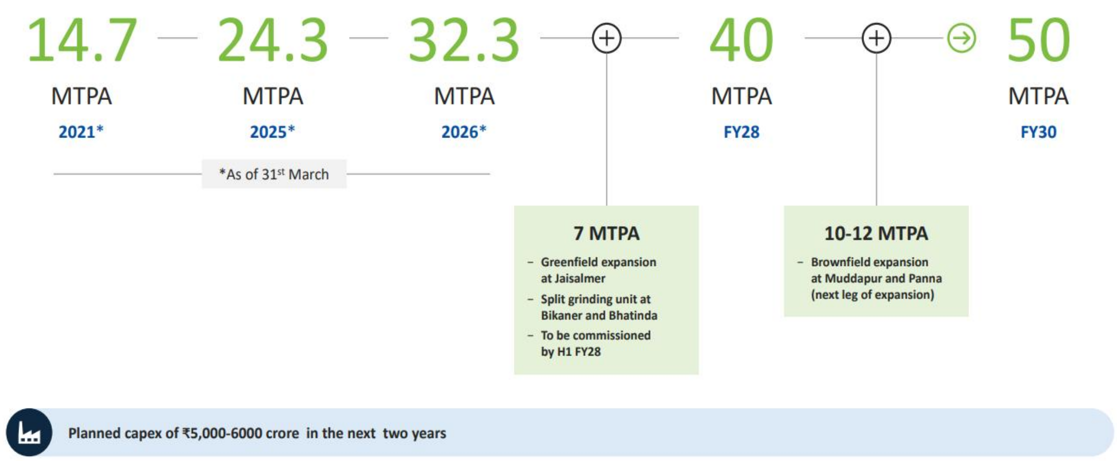
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 17: Regional presence as on date



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 18: Progressing steadily towards 50MTPA (grey cement) by FY30



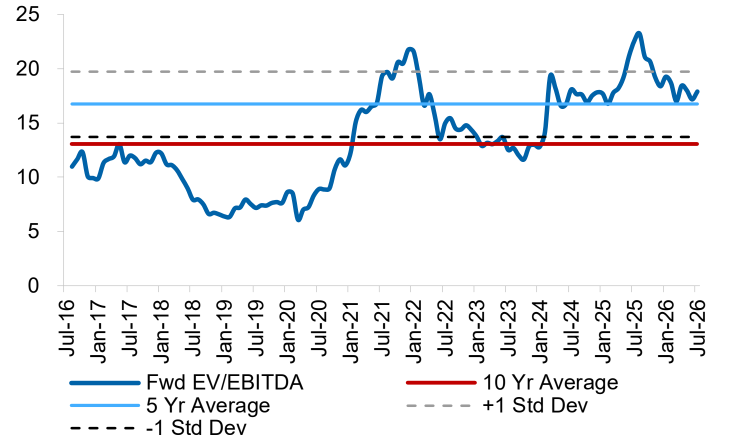
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 19: Valuation summary

Particulars	(Rsmn)
Mar-28E EBITDA	31,996
Target EBITDA (x)	17
EV	**5,43,926**
Less: Net Debt	71,043
JKCE's Eq. Value	4,72,883
No. of Shares	77
Target Price (Rs)	**6,120**
CMP (Rs)	5,453
Upside/Downside	**12%**

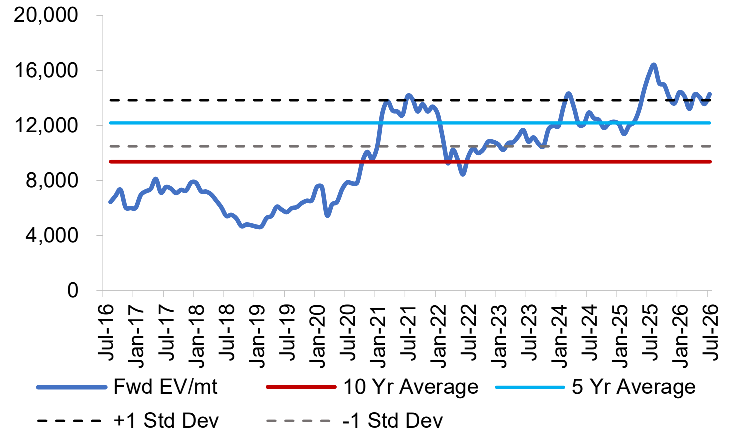
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 20: 1-yr forward EV/EBITDA band



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 21: 1-yr forward EV/te ($) band



Source: Company, Nirmal Bang Institutional Equities Research

Financials (Consolidated)

Exhibit 22: Income statement

Y/E March (Rsmn)	FY24	FY25	FY26	FY27E	FY28E
Net Sales	**1,15,560**	**1,18,792**	**1,37,223**	**1,55,513**	**1,73,327**
Total RM Cost	18,347	20,175	22,376	25,158	28,498
P&F Cost	25,904	21,801	25,984	29,187	30,673
Employee Cost	7,838	9,017	10,454	11,690	13,069
Freight Cost	24,162	26,797	31,462	35,961	40,637
Other expenses	18,712	20,730	23,204	25,700	28,454
Total Expenditure	94,962	98,520	1,13,481	1,27,695	1,41,331
EBITDA	**20,598**	**20,271**	**23,743**	**27,818**	**31,996**
EBITDA Margin	17.8%	17.1%	17.3%	17.9%	18.5%
Other Income	1,451	1,730	1,945	2,205	2,457
Interest	4,531	4,592	4,243	4,684	5,076
Depreciation	5,726	6,015	6,530	8,140	9,637
PBT Bfr EI,JV & Asso	**11,791**	**11,395**	**14,915**	**17,199**	**19,740**
Sh. of Asso & JV	-	(6)	(1)	-	-
Exceptional items	(55)	1,024	(478)	-	-
PBT Afr EI,JV & Asso	**11,736**	**12,424**	**14,439**	**17,199**	**19,740**
Tax	3,837	3,702	4,559	4,300	4,935
Tax rate	33%	30%	32%	25%	25%
Minority Interest	(9)	111	(45)	-	-
Reported PAT	**7,908**	**8,611**	**9,925**	**12,899**	**14,805**
Adjusted PAT	**7,945**	**7,893**	**10,252**	**12,899**	**14,805**
Reported EPS (Rs)	102.3	111.4	128.4	166.9	191.6
Adjusted EPS (Rs)	102.8	102.1	132.7	166.9	191.6

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 24: Cash flow

Y/E March (Rsmn)	FY24	FY25	FY26	FY27E	FY28E
Profit before tax	11,736	12,424	14,439	17,199	19,740
Add : Depreciation	5,726	6,015	6,530	8,140	9,637
Add: Interest Exp	4,531	4,592	4,243	4,684	5,076
Others	(1,492)	(1,724)	(1,383)	-	-
CFO before change in WC	**20,502**	**21,306**	**23,828**	**30,022**	**34,453**
Net Change in WC	631	92	(3,009)	837	(521)
Tax paid	(1,542)	(2,004)	(2,088)	(4,300)	(4,935)
Net Cash Flow from Operation	**19,591**	**19,394**	**18,730**	**26,560**	**28,997**
Capex	(11,782)	(16,983)	(23,983)	(40,000)	(20,000)
Free cash Flow	7,809	2,411	(5,253)	(13,440)	8,997
Sale of investments	(4,576)	(2,114)	6,528	4,050	(3,187)
Net Cash Flow from Investing	**(16,358)**	**(19,097)**	**(17,455)**	**(35,950)**	**(23,187)**
Change in Equity	-	-	-	-	-
Change in Debt	1,431	6,987	1,655	11,146	142
Dividend Paid	(1,158)	(1,544)	(1,159)	(1,545)	(1,545)
Interest paid	(4,200)	(4,312)	(3,996)	(4,684)	(5,076)
Others	(229)	(392)	(348)	1,071	1,043
Net Cash Flow from Financing	**(4,157)**	**738**	**(3,847)**	**5,987**	**(5,436)**
Inc/Dec In Net Cash	(924)	1,035	(2,572)	(3,403)	373
Opening Cash & Bank	**8,333**	**8,800**	**13,697**	**4,691**	**1,288**
Other Adjustment	1,391	3,862	(6,434)	-	-
Closing Cash & Bank	**8,800**	**13,697**	**4,691**	**1,288**	**1,661**

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 23: Balance sheet

Y/E March (Rsmn)	FY24	FY25	FY26	FY27E	FY28E
Equity Capital	773	773	773	773	773
Other Equity	52,899	60,117	69,600	80,954	94,213
Networth	**53,671**	**60,890**	**70,372**	**81,726**	**94,986**
Non-Controlling Interest	(455)	(338)	531	531	531
Total Debt (L+S+L&S LL)	55,520	60,282	61,830	72,976	73,118
Deferred tax liability	10,756	12,215	13,831	13,831	13,831
Other Non-C Liabilities	6,025	7,853	8,034	9,104	10,147
Sources of Fund	**1,25,518**	**1,40,903**	**1,54,598**	**1,78,168**	**1,92,613**
Gross Block	1,26,374	1,33,264	1,61,366	2,05,912	2,28,912
Less: Acc. Dep	34,994	39,679	47,255	55,395	65,032
Net Block	**91,381**	**93,586**	**1,14,111**	**1,50,517**	**1,63,880**
CWIP	4,639	13,175	10,546	6,000	3,000
Goodwill	1,602	1,602	1,749	1,749	1,749
Investments (L+S)	3,774	6,009	4,473	3,769	4,122
Other Non-C Assets	3,554	6,976	12,832	9,486	12,320
Current Assets	**43,071**	**45,468**	**41,290**	**40,283**	**44,900**
Inventories	11,816	11,751	15,249	14,912	16,145
Trade Receivables	5,663	7,866	7,601	8,764	9,768
Cash and Bank	8,800	13,697	4,691	1,288	1,661
Other Cur Assets	16,792	12,155	13,749	15,319	17,326
Current Liabilities	**22,503**	**25,913**	**30,402**	**33,635**	**37,358**
Trade Payables	8,804	10,981	12,161	13,113	14,615
Other Cur Liabilities	13,700	14,932	18,242	20,522	22,743
Net Current Assets	**20,567**	**19,555**	**10,888**	**6,648**	**7,542**
Application of Fund	**1,25,518**	**1,40,903**	**1,54,598**	**1,78,168**	**1,92,613**

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 25: Key ratios

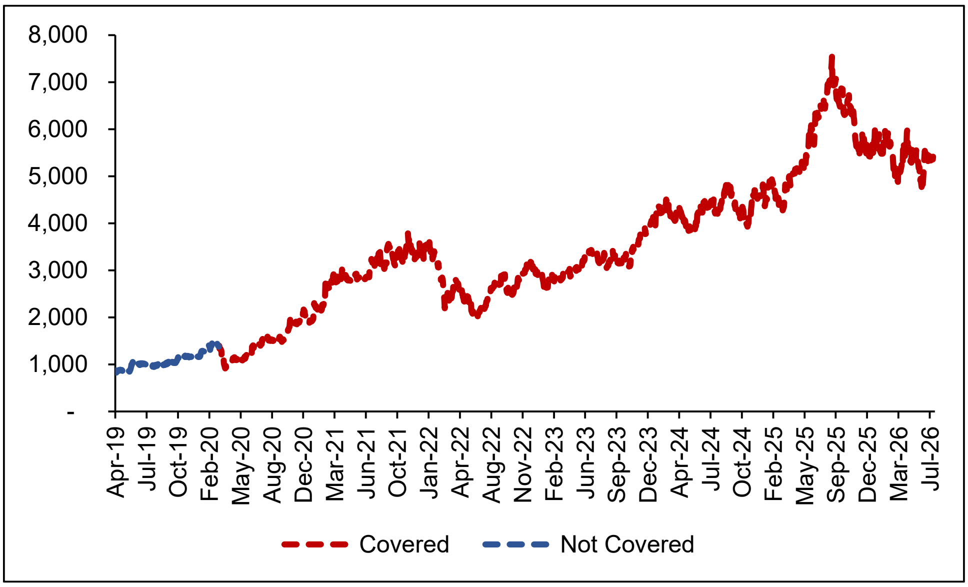
Y/E March	FY24	FY25	FY26	FY27E	FY28E
Growth (%)					
Sales	18.9	2.8	15.5	13.3	11.5
EBITDA	56.7	(1.6)	17.1	17.2	15.0
Adj. PAT	87.6	(0.7)	29.9	25.8	14.8
Leverage (x)					
Net Debt: Equity	0.9	0.7	0.8	0.9	0.7
Interest Cover (x)	4.5	4.4	5.6	5.9	6.3
Net Debt/EBITDA	2.2	2.1	2.4	2.6	2.2
Profitability (%)					
EBITDA	17.8	17.1	17.3	17.9	18.5
Adj. PAT	6.9	6.6	7.5	8.3	8.5
Return Ratio (%)					
RoE	16.0	13.9	15.6	16.8	16.7
RoCE (post tax)	9.7	8.8	9.7	10.8	10.7
RoIC (post tax)	10.6	9.9	10.2	10.5	10.5
Turnover ratios (x)					
Gross Fixed Asset Turnover	1.0	0.9	0.9	0.8	0.8
Debtors Turnover (x)	22	18	18	19	19
WC days	57	58	47	47	45
Valuation (x)					
EPS	102.8	102.1	132.7	166.9	191.6
P/E	34.1	43.0	44.3	32.7	28.5
P/B	5.1	5.6	6.4	5.1	4.4
EV/EBITDA	15	19	22	18	15
EV/mt ($)	151	160	165	146	121

Source: Company, Nirmal Bang Institutional Equities Research

Rating track

Date	Rating	Market price (Rs)	Target price (Rs)
3 March 2020	BUY	1,388	1,939
13 April 2020	BUY	968	1,331
19 June 2020	ACCUMULATE	1,246	1,331
17 July 2020	SELL	1,400	1,202
3 September 2020	SELL	1,493	1,400
23 September 2020	ACCUMULATE	1,504	1,677
16 October 2020	ACCUMULATE	1,723	1,677
12 November 2020	ACCUMULATE	1,855	2,043
7 January 2021	ACCUMULATE	2,187	2,469
10 February 2021	ACCUMULATE	2,260	2,556
12 March 2021	SELL	2,898	2,556
15 June 2021	SELL	2,820	2,615
25 June 2021	ACCUMULATE	2,849	2,752
18 August 2021	ACCUMULATE	3,208	3,060
16 November 2021	ACCUMULATE	3,490	3,633
6 January 2022	ACCUMULATE	3,434	3,633
9 February 2022	ACCUMULATE	3,309	3,632
23 February 2022	BUY	2,907	3,865
24 May 2022	BUY	2,426	3,146
13 June 2022	ACCUMULATE	2,154	2,313
17 August 2022	ACCUMULATE	2,653	2,622
14 September 2022	BUY	2,850	3,336
15 November 2022	BUY	2,935	3,500
12 January 2023	BUY	2,884	3,657
9 February 2023	BUY	2,753	3,657
22 March 2023	BUY	2,780	3,544
30 May 2023	BUY	3,178	3,836
17 August 2023	BUY	3.130	3,825
8 November 2023	BUY	3,365	4,005
24 January 2024	BUY	3,948	4,655
13 May 2024	BUY	3,922	4,785
22 July 2024	BUY	4,460	5,118
27 August 2024	BUY	4,446	5,099
29 October 2024	BUY	4,353	5,099
13 January 2025	HOLD	4,364	5,094
28 January 2025	HOLD	4,786	5,096
10 July 2025	HOLD	6,392	5,969
22 July 2025	HOLD	6,416	6,231
21 August 2025	HOLD	7,525	7,309
7 October 2025	HOLD	6,348	7,241
5 November 2025	BUY	5,776	7,238
20 January 2026	BUY	5,785	7,248
14 July 2026	HOLD	5,353	6,120
20 July 2026	HOLD	5,453	6,120

Rating track graph



Tata Technologies Ltd. (TATATECH)

Information Technology | 1QFY27 Result Update

HOLD

CMP: Rs749 | Target Price (TP): Rs725 | Downside: 3.2% **July 21, 2026**

Strong growth for Q1FY27

Key Points

- Tata Tech delivered a strong 1QFY27 in terms of revenue growth. Revenue at US$175mn was 1.7% and 4.4% higher than NBIE and consensus estimates. It was up 4.3% and 19.1% on QoQ and YoY CC basis, respectively.
- EBIT margin for 1Q at 13.3% was 20bps and 40bps lower than NBIE and consensus estimates, respectively. Sub-contractor cost at 8.9% of revenue was 20bps higher on QoQ basis.
- The standout this quarter is the US$100mn, five-year Tenneco engagement — a six-year relationship that now expands beyond traditional engineering services into program management, supply chain development, and digital transformation. Management positioned the deal as a blueprint for how the broader automotive supply chain will be serviced going forward. The full vehicle development program with a leading Japanese OEM, the company's first relationship in that market, continues to scale alongside new strategic engagements with a North American industrial equipment manufacturer and a leading off-highway manufacturer.

Aerospace and industrial verticals: Aerospace and Industrial Heavy Machinery (IHM) continued to scale, with aerospace revenue up 6.4% QoQ and 38.1% YoY to US$10.2mn, while IHM contributed a further ~US$15mn, reinforcing the diversification built over the last two years. The embedded software business grew 8.5% QoQ in dollar terms, reflecting the increasing software content across the portfolio. Annualising the current quarter puts aerospace at a ~US$41mn run-rate, consistent with the ~40% CAGR delivered over the last four to five years, and the management's stated target of a US$100mn aerospace business within the next two to three years. The growth momentum in this vertical is expected to continue.

Germany and tariff overhang: Management flagged temporary headwinds within parts of the Germany business as certain customers navigate their own restructuring and cost-optimisation initiatives, with Q2 also absorbing the impact of the annual wage hike. Management remains confident of delivering sequential margin improvement through Q2 despite these cost pressures. On tariffs, the environment has meaningfully improved, with the roughly 18-month period of EV-related demand disruption now described as coming to an end, as customers gain clarity and resume investment decisions across ICE, hybrid, and BEV programs rather than deferring them.

Valuation and outlook: The end-to-end vehicle engineering capability, deepening software-defined vehicle leadership, the anchor relationships with Tata Motors and JLR, and a client base expanding beyond automotive through Tenneco and the Japanese OEM remain key positives. However, the stressful overall macro environment, particularly for the IT sector, makes us cautious. EBITDA margin expanded by just 10bps QoQ despite the strong topline was weighed down by new deal mobilisation costs and the Germany drag. We maintain HOLD on TATA Technologies with an updated multiple of 33x (30x earlier) on FY28E EPS with a target price of Rs725.

Est Change	Maintain
TP Change	Upwards
Rating Change	Maintain

Company Data and Valuation Summary

Reuters	TATE.BO
Bloomberg	TATATECH IN Equity
Mkt Cap (Rsbn/US$bn)	304.0 / 3.2
52 Wk H / L (Rs)	784 / 507
ADTV-3M (mn) (Rs/US$)	1,440.1 / 15.1
Stock performance (%) 1M/6M/1yr	0.9 / 15.6 / 5.1
Nifty 50 performance (%) 1M/6M/1yr	1.0 / (1.4) / (3.3)

Shareholding	3QFY26	4QFY26	1QFY27
Promoters	55.2	55.2	55.4
DIIs	2.8	3.3	2.5
FIIs	5.5	5.8	2.0
Others	36.5	35.7	40.1
Pro pledge	0.0	0.0	0.0

Financial and Valuation Summary

Particulars (Rsmn)	FY25	FY26	FY27E	FY28E
Revenue	51,685	55,055	67,811	76,570
YoY Growth %	1.0%	6.5%	23.2%	12.9%
Gross Margin	26.9%	25.0%	26.1%	27.0%
EBIT	8,129	7,079	9,572	11,560
% of Sales	15.7%	12.9%	14.1%	15.1%
Adj. PAT	6,769	4,343	7,755	8,925
PAT Margin	13.1%	7.9%	11.4%	11.7%
YoY Growth %	-0.4%	-35.8%	78.6%	15.1%
FDEPS (Rs)	16.7	13.5	19.1	22.0
ROE (%)	19.9	11.6	20.2	22.7
Post Tax ROCE (%)	17.5	11.3	15.1	18.3
Post Tax ROIC (%)	26.9	19.1	20.1	22.5
P/E (x)	44.3	55.0	38.7	33.7
EV/EBITDA	30.5	34.2	25.9	21.8
P/BV (x)	8.4	7.7	8.0	7.3

Source: Company, Bloomberg, Nirmal Bang Institutional Equities Research

Key Links:

Sector Thematic: Pain coming earlier than expected

Latest result update: 4QFY26 Result update

Please refer to the disclaimer towards the end of the document

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Exhibit 1: Quarterly performance

Particulars (Rsmn)	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27E	3Q27E	4Q27E	FY26	FY27E	1Q27E	Var (%)
Net Sales (US$mn)	**145**	**151**	**153**	**171**	**175**	**177**	**179**	**183**	**620**	**714**	**173**	5.8
QoQ Change (%)	**-2.0**	**3.9**	**1.2**	**11.9**	**2.7**	**1.0**	**1.0**	**2.0**			**1**	
Net Sales	**12,443**	**13,233**	**13,657**	**15,722**	**16,646**	**16,830**	**16,998**	**17,338**	**55,055**	**67,811**	**15,871**	9.2
YoY Change (%)	-1.9	2.1	3.7	22.3	**33.8**	**27.2**	**24.5**	**10.3**	6.5	23.2	27.5	
Software Expenses	**2,185**	**2,431**	**2,353**	**2,704**	**2,883**	**12,370**	**12,493**	**12,743**	**27,374**	**8,151**	**11,824**	7.8
% of Sales	17.6	18.4	17.2	17.2	**17.3**	**73.5**	**73.5**	**73.5**	49.7	12.0	74.5	
Gross Profit	**10,258**	**10,803**	**11,304**	**13,018**	**13,764**	**4,460**	**4,504**	**4,595**	**27,681**	**59,660**	**4,047**	13.5
Margin (%)	82.4	81.6	82.8	82.8	**82.7**	**26.5**	**26.5**	**26.5**	50.3	88.0	25.5	
Operating Expenses	**1,107**	**1,291**	**1,333**	**1,497**	**1,450**	**1,599**	**1,564**	**1,595**	**5,228**	**6,208**	**1,508**	5.8
% of Sales	8.9	9.8	9.8	9.5	**8.7**	**9.5**	**9.2**	**9.2**	9.5	9.2	9.5	
EBIT	**1,688**	**1,769**	**1,568**	**2,054**	**2,207**	**2,389**	**2,464**	**2,513**	**7,079**	**9,572**	**2,143**	17.3
YoY Change (%)	-16.2	-14.0	-23.0	1.5	**30.7**	**35.0**	**57.1**	**22.3**	-12.9	35.2	26.9	
Margin (%)	13.6	13.4	11.5	13.1	**13.3**	**14.2**	**14.5**	**14.5**	12.9	14.1	13.5	
Finance cost	46	45.7	91.1	158.1	**155**	**154.7**	**154.7**	**154.7**	341	619	158.1	
Exceptional Items	-	-	1,638.6	561.3	**-**	**-**	**-**	**-**	2,200	-	-	
Other Income	636	482	318	310	**369**	**369**	**369**	**369**	1,746	1,477	303	
PBT	**2,278**	**2,205**	**157**	**2,767**	**2,421**	**2,603**	**2,678**	**2,727**	**6,284**	**10,430**	**2,287**	19.3
Tax	623	604	163	792	**710**	**763**	**785**	**799**	2,181	3,056	618	29.4
ETR (%)	27.3	27.4	104.2	28.6	**29.3**	**29.3**	**29.3**	**29.3**	34.7	29.3	27.0	
Reported PAT	1,703	1,655	66	2,042	**1,807**	**1,936**	**1,989**	**2,023**	4,343	7,755	1,736	16.6
Adj. PAT	**1,655**	**1,602**	**-7**	**1,975**	**1,712**	**1,840**	**1,893**	**1,928**	**4,102**	**7,374**	**1,670**	15.5
YoY Change (%)	5.1	5.1	-96.1	8.1	**6.1**	**17.0**	**2,908.6**	**-0.9**	-35.8	78.6	1.9	
Adj. EPS (Rs)	**4.2**	**4.1**	**0.2**	**5.0**	**4.5**	**4.8**	**4.9**	**5.0**	**13.5**	**19.1**	**4.3**	16.6

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 2: Change in our estimates

Change in estimates	New			Old			*Change (%)*		
	FY26	FY27E	FY28E	FY26	FY27E	FY28E	*FY26*	*FY27E*	*FY28E*
Revenue (Rsmn)	55,055	67,811	76,570	55,055	64,603	72,929	-	5.0	5.0
EBIT (Rsmn)	7,079	9,572	11,560	7,079	9,466	11,234	-	1.1	2.9
EBIT Margin (%)	12.9	14.1	15.1	12.9	14.7	15.4	0bps	-50bps	-30bps
FDEPS (Rs)	13.5	19.1	22.0	13.5	18.7	22.2	(0.0)	2.1	(0.8)
Revenues (US$mn)	620	714	806	620	702	793	-	1.7	1.7
Revenue growth (US$, %)	1.5	15.2	12.9	1.5	13.3	12.9	0bps	190bps	0bps

Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 3: NBIE vs consensus estimates

	Consensus			NBIE			*NBIE/Consensus*		
	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Revenue (US$mn)	586	690	756	620	714	806	5.7%	3.5%	6.6%
Revenue (Rsmn)	54,448	66,467	72,873	55,055	67,811	76,570	1.1%	2.0%	5.1%
EBIT (Rsmn)	7,129	9,412	11,020	7,079	9,572	11,560	-0.7%	1.7%	4.9%
PAT (Rsmn)	6,040	7,829	9,295	4,343	7,755	8,925	-28.1%	-0.9%	-4.0%
EPS (Rs)	15.5	19.6	23.0	13.5	19.1	22.0	-13.0%	-2.7%	-4.4%
EBIT Margin (%)	13.1	14.2	15.1	12.9	14.1	15.1	-20bps	0bps	0bps

Source: Company, Nirmal Bang Institutional Equities Research; Note: We have assumed USD/INR rate of Rs92 for FY27E and FY28E

Highlights from the 1QFY27 analyst call

Revenue beats estimates

- For Q1FY27, revenue came in at US$175mn and was up 20.7% and 1.3% on YoY USD and CC basis, respectively.
- The onsite mix in 4Q was at 66%, which was down by 100bps on QoQ basis.
- For 1Q, EBIT margin was at 13.3% and 310bps lower on YoY basis.
- For FY27 strong double digit organic revenue growth is expected with growth accelerating through the quarters (H2>H1).
- BMW TechWorks JV crossed the 2,000 engineer milestone. Share of profit from the JV was Rs95mn (up 43.5% QoQ), and total contribution including deferred income of Rs83mn stood at Rs178mn.

Segments and services

- Automotive (+13.3% QoQ) showed renewed momentum with non-anchor customers growing meaningfully faster, driven by increased activity across multiple European and global OEMs.
- Automotive non-anchor revenue grew to US$43.9mn (+6.7% QoQ) reflecting continued progress in reducing customer concentration and expansion across global OEMs. Anchor account contribution to services revenue reduced to 48.9%, an improvement of 150bps sequentially.
- Aerospace revenue grew to US$10.2mn (+6.4% QoQ). Management reiterated the US$100mn target, with a CAGR of ~40% expected to continue. Airbus is a flagship account along with propulsion and engine manufacturers in North America.
- IHM Industrial, Health & Medical revenue reached US$15mn. Together, aerospace and IHM are becoming increasingly meaningful contributors to growth.
- Embedded and software business grew 8.5% QoQ in dollar terms, reflecting increasing software content in vehicles and positioning for connected, autonomous, and SDV mobility.
- Education business grew 9.3% QoQ, while the products business declined 2.6% QoQ due to seasonality, typically strong in the final quarter of the calendar year.
- Europe revenue reached ~US$67.9mn, (+10.1% QoQ), driven by successful Es-Tec integration and a growing presence. Germany is transitioning from a strategic white space to one of the most important growth markets.
- The US$100mn Tenneco deal expands the relationship beyond traditional engineering into a multi-year transformation program spanning engineering, digital, AI-enabled processes, and operational modernization.

Demand environment

- Customers continue to be selective in engineering budget allocation, but that selectivity is increasingly working in Tata Tech's favour. Customers are prioritizing programs that accelerate product launches, improve efficiency, reduce cost, strengthen software capability, and support the transition to intelligent, connected, software-defined products.
- Company is able to develop full vehicles and top hats anywhere between 18 months and 24 months versus the industry standard of 36–48 months. AI is both a margin lever and a strategic differentiator.
- The company is agnostic to propulsion, delivering ICE, hybrid, plug-in hybrid, and full BEV work packages and full vehicles.
- Cross-selling at BMW and VW via Es-Tec is gaining traction. The BMW JV relationship is opening doors and providing influence that is being fully harvested.

- The period of uncertainty around tariffs and EV transition tapering is coming to an end. Customers now have greater clarity and investments are being made.

Order inflow looks strong

- Tata Tech closed 4 large deals during the quarter. It has also won 2 more deals towards the end of April. The first one involves a large multi-year partnership with a European luxury automotive OEM, to own their enterprise PLM service transformation and operations across all their product domains, which includes engineering, supply chain, purchasing and manufacturing. The second one is a full-vehicle program with a leading Japanese automotive OEM, marking the company's entry into the Japanese market at a meaningful scale, and further strengthening its Asia footprint.
  - US$100mn strategic engagement with Tenneco – a multi-year transformation program across engineering, digital technologies, AI-enabled processes, and operational modernization. Ramp-up begins in Q2, scaling towards the end of the calendar year.
  - Full-vehicle program with a leading Japanese OEM – marking entry into the Japanese market at a meaningful scale with no prior relationship in this space. Deal is now in the ramp-up phase.
  - Strategic engagement with a leading North American industrial equipment manufacturer – expanding across systems engineering, software engineering, embedded software development, and leveraging AI-enabled engineering methodologies.
  - Range extender vehicle program with a leading global OEM – drawing on vehicle engineering, powertrain integration, validation, and systems development.
  - Preferred engineering partner for a leading off-highway manufacturer for new product development and total cost of ownership optimization.
  - The full-vehicle program with the Japanese OEM is not seen as a standalone revenue stream; it is an entry point to expand wallet share into engineering, embedded software, manufacturing, digital continuity, and ongoing transformation services over the life of the product.

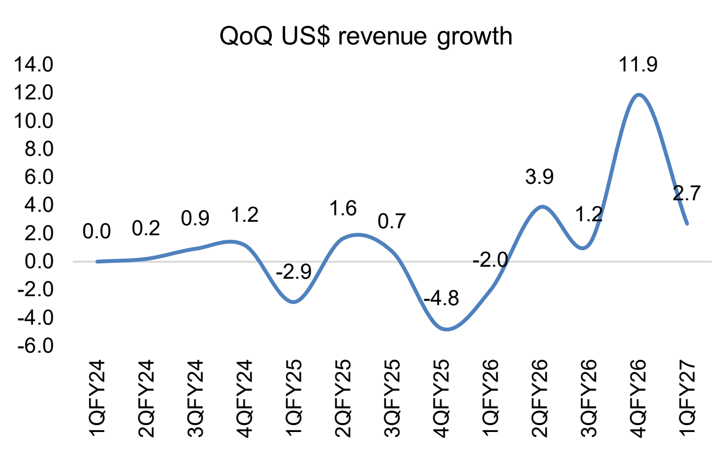
Net employee reduction continues

- Headcount at the end of 1QFY27 stood at 12,579, which is a net decrease of 67 employees.
- Attrition stood at 16%, down by 20bps QoQ.
- Tata Tech remains disciplined and selective in hiring, focusing investments on strategic skill areas and growth priorities such as embedded software, SDVs, cybersecurity, digital engineering, and AI-led engineering services.
- Through TechVarsity, the company delivered 9,000+ learning hours in GenAI, SDVs, and cybersecurity to 2,000+ employees this quarter. A total of 20,000+ training hours were delivered to 3,000+ employees across 90+ programs in 40+ niche skill areas.

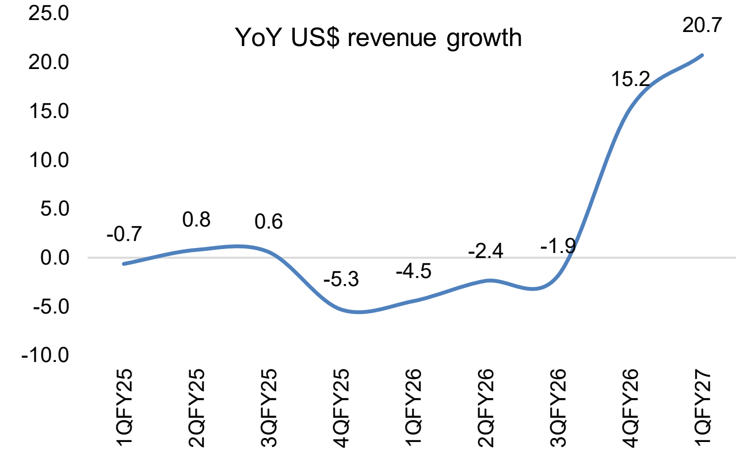
Miscellaneous

- FCF for 1Q at Rs2,479mn was at 137% of net income.
- DSO for 1Q was 97 days, up by 10 and 2 days on YoY and QoQ basis, respectively.

Exhibit 4: US$ revenue growth weak on QoQ and strong on YoY basis

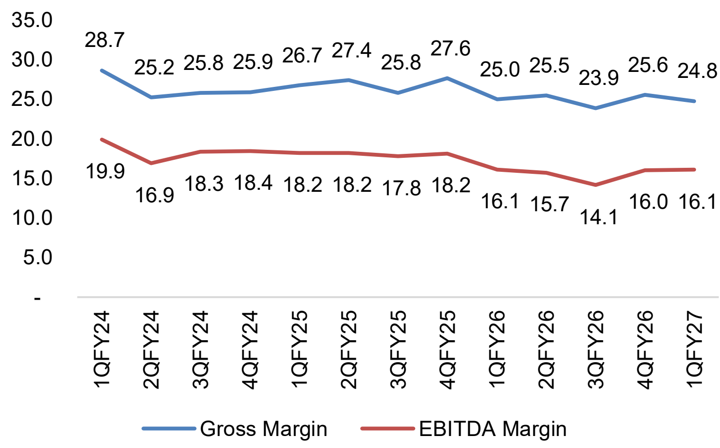


Source: Company, Nirmal Bang Institutional Equities Research



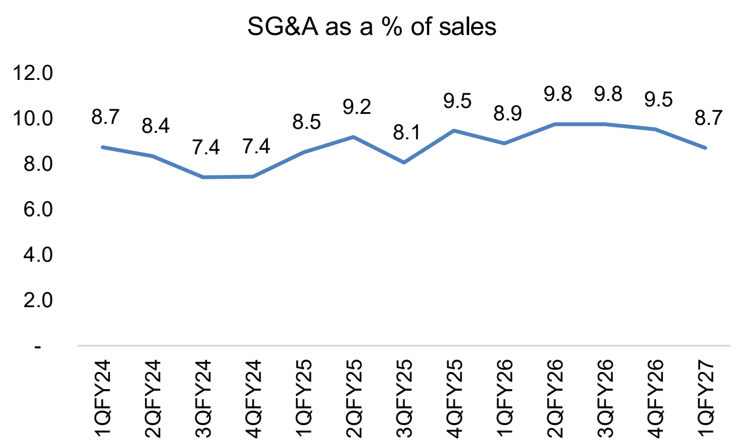
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 5: Gross and EBITDA margins declined YoY



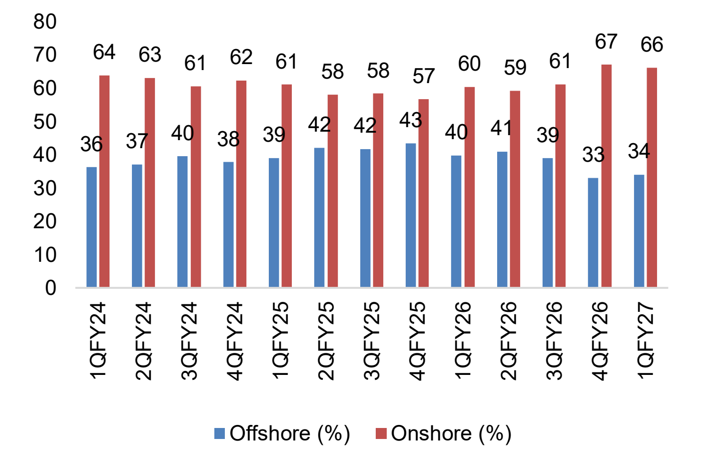
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 6: SG&A as a % of sales declined



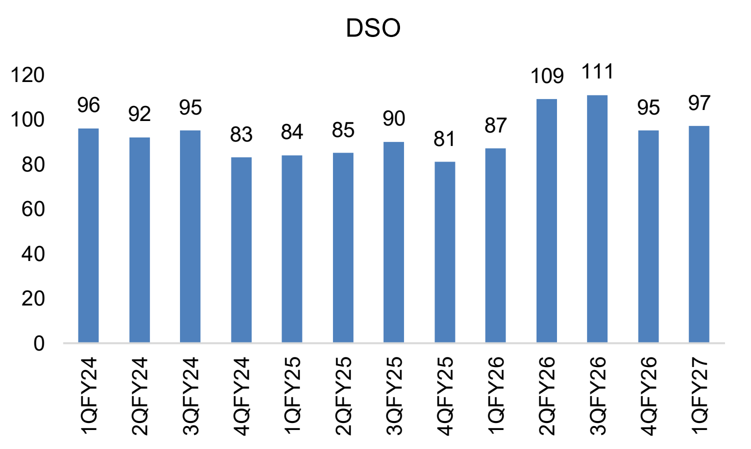
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 7: Effort mix moves to onsite



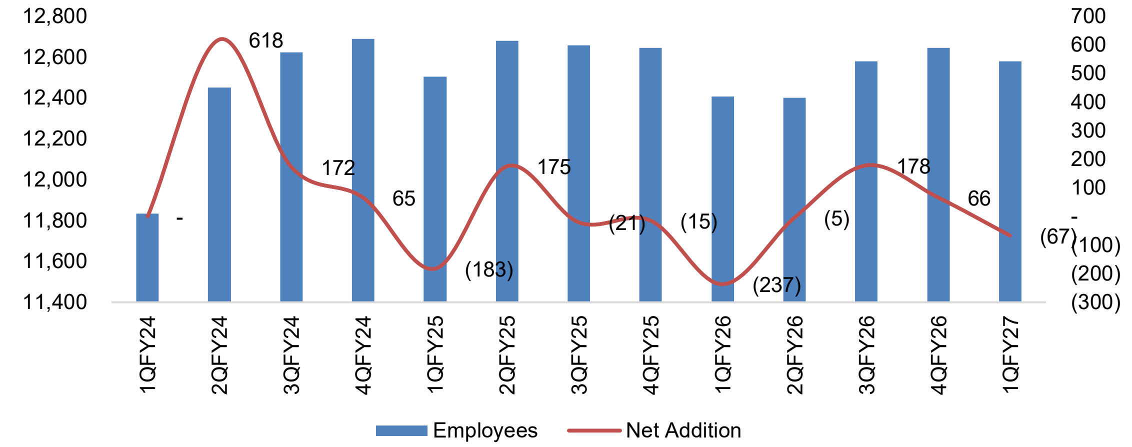
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 8: DSO weakens QoQ



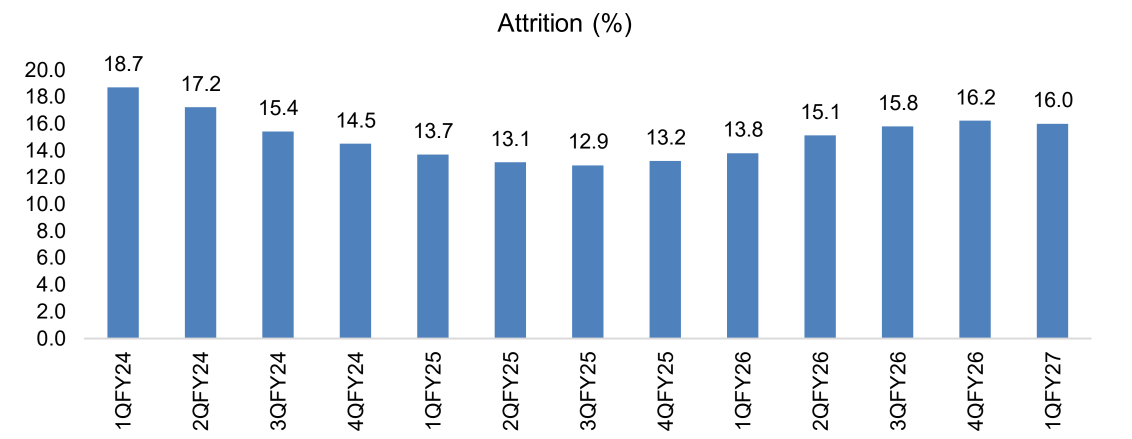
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 9: Quarter of net deduction



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 10: Attrition rate



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 11: Key metrics

	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
P and L (Rsmn)										
Revenue	13,011	12,690	12,965	13,174	12,857	12,443	13,233	13,657	15,722	16,646
EBITDA	2,400	2,311	2,356	2,340	2,334	2,001	2,078	1,928	2,521	2,674
PAT	1,573	1,620	1,575	1,685	1,889	1,703	1,655	66	2,042	1,807
Revenue by Segment (%)										
Service Segment	76.5	77.7	77.5	76.9	79.7	77.4	76.5	77.6	77.6	77.9
Technology Solutions Segment	23.5	22.3	22.5	23.1	20.3	22.6	23.5	22.4	22.4	22.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Revenue within Services (%)										
Automotive	86.0	85.0	85.0	84.0	83.0	83.0	81.0	80.0	81.0	81.0
Non-automotive	14.0	15.0	15.0	16.0	17.0	17.0	19.0	20.0	19.0	19.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Revenue by Delivery (%)										
Offshore	37.7	39.0	42.0	41.7	43.0	39.7	40.9	38.9	33.0	34.0
Onshore	62.3	61.0	58.0	58.3	57.0	60.3	59.1	61.1	67.0	66.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Client metrics										
US$1-5mn	30	29	30	29	29	32	33	32	33	34
US$5-10mn	3	3	4	7	10	8	8	8	6	7
US$10-50mn	5	6	6	5	3	3	3	4	5	5
US$50mn+	3	2	2	2	2	2	2	2	3	3
Employee metrics										
Total headcount	12,688	12,505	12,680	12,659	12,644	12,407	12,402	12,580	12,646	12579
Net Addition	65	-183	175	-21	-15	-237	-5	178	66	*(67)*
Attrition (%)	14.5	13.7	13.1	12.9	13.2	13.8	15.1	15.8	16.2	16.0
DSO	83	84	85	90	81	87	109	111	95	97

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 12: QoQ and YoY growth on various parameters for Tata Technologies

	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
QoQ Growth (%, US$)	**1.2%**	**-2.9%**	**1.6%**	**0.7%**	**-4.8%**	**-2.0%**	**3.9%**	1.2%	11.9%	2.7%
By Segment										
Service Segment	-1.5%	1.5%	-0.2%	-0.8%	1.1%	-5.9%	5.1%	4.7%	15.0%	6.3%
Technology Solutions Segment	5.2%	-5.0%	0.6%	2.9%	-14.1%	7.3%	10.6%	-1.6%	15.4%	4.3%
By Services segment										
Automotive	1.2%	-4.0%	1.6%	-0.5%	-5.9%	-2.0%	1.4%	-0.1%	13.3%	2.7%
Non-automotive	1.2%	4.1%	1.6%	7.4%	1.2%	-2.0%	16.1%	6.5%	6.3%	2.7%
By Delivery										
Offshore	-3.4%	0.5%	9.5%	0.0%	-1.8%	-10.4%	7.0%	-3.8%	-5.1%	5.8%
Onshore	4.2%	-4.9%	-3.4%	1.2%	-6.9%	4.4%	1.8%	4.6%	22.7%	1.2%
YoY Growth (US$)	**-**	**-0.7%**	**0.8%**	**0.6%**	**-5.3%**	**-4.5%**	**-2.4%**	**-1.9%**	**15.2%**	**20.7%**
By Geography										
Service Segment	0.0%	7.0%	14.4%	6.2%	8.0%	-2.8%	-4.9%	-8.5%	-12.4%	3.4%
Technology Solutions Segment	0.0%	-5.0%	-7.2%	-3.1%	-13.4%	-5.6%	-0.5%	2.8%	36.3%	32.1%
By Services segment										
Automotive	0.0%	-1.5%	-1.1%	-1.0%	2.9%	-2.2%	0.8%	4.7%	19.1%	34..6%
Non-automotive	0.0%	5.5%	4.1%	3.4%	-14.5%	-1.0%	6.6%	0.3%	34.8%	31%
By Delivery										
Offshore	0.0%	-5.1%	-0.4%	-1.8%	-8.6%	-6.7%	-7.0%	-6.6%	12.4%	17.8%
Onshore	0.0%	35.5%	8.0%	15.0%	15.0%	8.3%	23.6%	22.6%	28.7%	34.9%

Source: Company, Nirmal Bang Institutional Equities Research

Financials

Exhibit 13: Income statement

Y/E March (Rsmn)	FY24	FY25	FY26	FY27E	FY28E
Average INR/USD	**82.8**	**84.6**	**88.7**	**95.0**	**95.0**
Net sales (US$mn)	**618**	**611**	**620**	**714**	**806**
-Growth (%)	**0.0%**	**-1.2%**	**1.5%**	**15.2%**	**12.9%**
Net Sales	**51,172**	**51,685**	**55,055**	**67,811**	**76,570**
-Growth (%)	15.9%	1.0%	6.5%	23.2%	12.9%
Direct cost	37,674	37,791	41,298	50,128	55,896
Gross Profit	**13,498**	**13,894**	**13,757**	**17,683**	**20,674**
Gross Margin	**26.4%**	**26.9%**	**25.0%**	**26.1%**	**27.0%**
SGA Expenses	4085	4553	5228	6208	6965
% of sales	8.0%	8.8%	9.5%	9.2%	9.1%
EBITDA	9,413	9,341	8,529	11,475	13,709
% of sales	**18.4%**	**18.1%**	**15.5%**	16.9%	17.9%
Depreciation & Amortization	(1,059)	(1,212)	(1,450)	(1,903)	(2,149)
% of sales	-2.1%	-2.3%	-2.6%	-2.8%	-2.8%
EBIT	**8354**	**8129**	**7079**	**9572**	**11560**
% of sales	**16.3%**	**15.7%**	**12.9%**	**14.1%**	**15.1%**
Other income (net)	1,156	1,240	1,746	1,477	788
Finance cost	189	197	341	619	619
Exceptional Items	0	0	2,200	0	0
PBT	**9,321**	**9,172**	**6,284**	**10,430**	**11,729**
-PBT margin (%)	18.2%	17.7%	11.4%	15.4%	15.3%
Provision for tax	2,527	2,445	2,181	3,056	3,185
Effective tax rate (%)	27.1%	26.7%	34.7%	29.3%	27.2%
Net profit	6,794	6,728	4,102	7,374	8,544
MI & share of profit/(loss) of associate	(1)	(41)	(240)	(381)	(381)
Net reported profit	6,795	6,769	4,343	7,755	8,925
-Growth (%)	14.4%	-0.4%	-35.8%	78.6%	15.1%
-Net profit margin (%)	13.3%	13.1%	7.9%	11.4%	11.7%

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 14: Cash flow

Y/E March (Rsmn)	FY24	FY25	FY26	FY27E	FY28E
PBT	9,321	9,213	6,524	812	812
Depreciation	(1,059)	(1,212)	(1,450)	36,555	40,607
Interest	(1)	-	-	**37,367**	**41,419**
Other adjustments	(1,156)	(1,240)	(1,746)	5,890	5,890
Change in Working capital	(1,138)	2,990	4,879	766	766
Tax paid	(2,527)	(2,445)	(2,181)	**6,656**	**6,656**
Operating cash flow	**2,943**	**6,993**	**7,757**	**(3,189)**	**(1,012)**
Capex	(918)	(315)	(336)	10,431	10,431
Free cash flow	**2,025**	**6,678**	**7,421**	**88,265**	**93,407**
Other investing activities	4,855	(571)	(8,373)	999	999
Investing cash flow	**3,936**	**(885)**	**(8,709)**	1,969	1,969
Issuance of share capital	-	-	-	17,734	17,734
Movement of Debt	-	-	5,890	10,756	10,756
Dividend paid (incl DDT)	(4,990)	(4,165)	(4,766)	7,978	7,978
Other financing activities	(578)	(699)	(967)	13,088	15,312
Financing cash flow	**(5,568)**	**(4,864)**	**156**	1,867	-310
Net change in cash flow	1,312	1,243	(796)	30,856	35,952
Opening C&CE	9,992	9,134	9,026	**56,807**	**61,949**
Closing C&CE	11,362	10,610	9,174	**38,504**	**39,593**

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 15: Balance sheet

Y/E March (Rsmn)	FY24	FY25	FY26	FY27E	FY28E
Share capital	811	811	812	812	812
Reserves	31,397	34,983	38,422	36,555	40,607
Net worth	**32,208**	**35,794**	**39,234**	37,367	41,419
Long term debt	0	0	5,890	5,890	5,890
Short term debt	0	0	766	766	766
Total debt	**0**	**0**	**6,656**	6,656	6,656
Net debt	**-10,637**	**-15,143**	**-8,474**	(3,189)	(1,012)
Other non-current liabilities	297	2,161	10,431	10,431	10,431
Total Equity & Liabilities	**55,783**	**66,642**	**89,535**	88,265	93,407
Net Block	1,293	1,001	999	999	999
Right to use assets	1,810	1,607	1,969	1,969	1,969
Intangible and others	8,403	8,694	17,734	17,734	17,734
Other non-current assets	4,548	8,612	10,756	10,756	10,756
Investments	1,504	6,117	7,978	7,978	7,978
Trade receivables	11,479	10,056	11,869	13,088	15,312
Cash & Cash Equivalents	9,134	9,026	7,152	1,867	-310
Other current assets	15,105	21,025	28,061	30,856	35,952
Total current assets	**39,730**	**46,728**	**58,077**	56,807	61,949
Total current liabilities	**21,228**	**26,830**	**37,907**	38,504	39,593
Total Assets	**55,783**	**66,642**	**89,535**	88,265	93,407

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 16: Key ratios

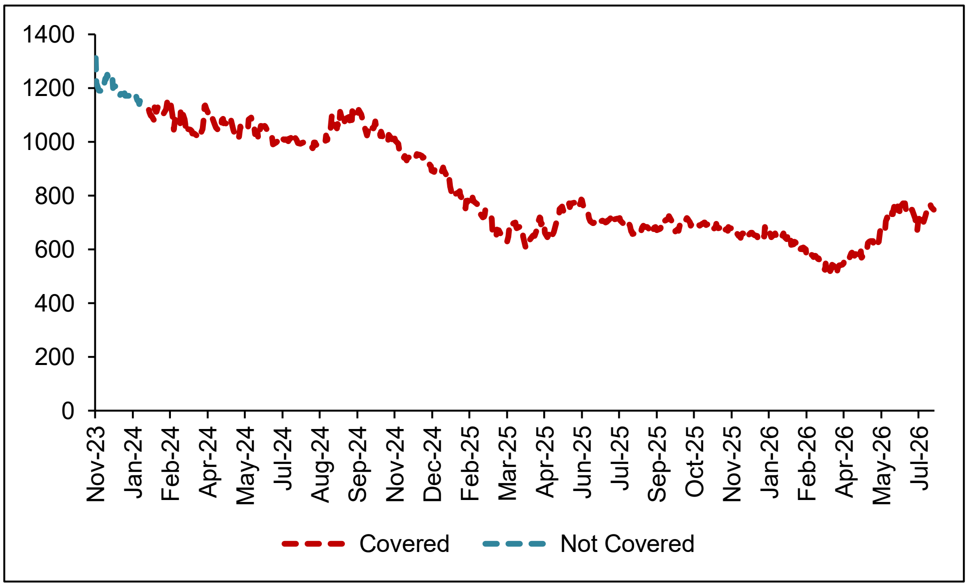
Y/E March	FY24	FY25	FY26	FY27E	FY28E
Per Share (Rsmn)					
FDEPS	16.8	16.7	13.5	19.1	22.0
Dividend Per Share	0.0	11.7	11.7	23.7	12.0
Book Value	79	88	97	92	102
Valuation ratios (x)					
P/Sales	4.7	4.6	4.4	4.4	3.9
EV/EBITDA	24.4	24.1	27.1	25.9	21.8
PER	35.3	35.4	43.9	38.7	33.7
P/BV	7.4	6.7	6.1	8.0	7.3
Return ratios (%)					
RoE	21.9	19.9	11.6	20.2	22.7
Post Tax RoCE	17.7	17.5	11.3	15.1	18.3
Pre Tax RoCE	24.3	23.9	17.3	21.3	25.1
Post Tax ROIC	24.4	26.9	19.1	20.1	22.5
Profitability ratios (%)					
Gross Margin	26.4	26.9	25.0	26.1	27.0
EBITDA Margin	18.4	18.1	15.5	16.9	17.9
PAT Margin	13.3	13.1	7.9	11.4	11.7
Liquidity ratios (%)					
Current Ratio	1.9	1.7	1.5	1.5	1.6
Quick Ratio	1.9	1.7	1.5	1.5	1.6
Solvency ratio (%)					
Net Debt/Equity	-0.3	-0.4	-0.2	-0.1	0.0
Turnover Ratios					
Asset Turnover Ratio	0.9	0.8	0.6	0.8	0.8
Debtor Days	88	71	81	78	77

Source: Company, Nirmal Bang Institutional Equities Research

Rating track

Date	Rating	Market price (Rs)	Target price (Rs)
24 May 2025	Hold	760	775
02 July 2025	Hold	711	796
15 July 2025	Hold	717	797
19 October 2025	Hold	685	717
19 January 2026	Hold	651	729
05 May 2026	Hold	591	665
6 July 2026	Hold	721	665
21 July 2026	Hold	749	665

Rating track graph



NIRMAL BANG
a relationship beyond broking

Valuation Of Companies In Our Coverage Universe

Auto - OEM

Yash Agrawal (yash.agrawal@nirmalbang.com)

Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY26-FY28E		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	Sales	EBITDA	PAT
Large Cap (M-cap >US$5bn)																			
Bajaj Auto	10,523	12,662	Buy	30,511	5,87,325	6,99,322	8,02,734	1,20,166	1,41,695	1,66,969	98,330	1,14,223	1,33,003	351.5	409.1	476.4	16.9	17.9	16.3
Eicher Motors	7,564	8,574	Buy	21,539	2,34,076	2,68,862	3,09,699	57,851	66,964	78,997	55,707	63,387	74,689	203.2	231.2	272.4	15.0	16.9	15.8
Hero MotoCorp	4,978	6,293	Buy	10,333	4,68,301	5,51,516	6,20,196	68,708	71,033	87,976	53,872	55,938	68,341	269.4	279.7	341.7	15.1	13.2	12.6
Mahindra & Mahindra	3,166	4,523	Buy	40,837	14,77,654	17,11,370	19,80,840	2,24,898	2,33,602	2,95,145	1,57,372	1,65,052	2,08,887	126.6	132.7	168.0	15.8	14.6	15.2
Maruti Suzuki India	13,514	16,110	Buy	44,078	18,32,661	21,69,235	25,00,243	2,20,441	2,41,870	2,97,529	1,50,393	1,56,335	1,90,469	478.3	497.2	605.8	16.8	16.2	12.5
Hyundai Motor India	1,972	2,017	Hold	16,626	7,07,633	7,94,915	8,99,748	85,985	90,638	1,06,134	54,315	55,097	64,923	66.8	67.8	79.9	12.8	11.1	9.3
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Ashok Leyland	155	182	Buy	9,433	4,40,070	4,89,701	5,34,463	57,322	59,009	67,610	39,140	40,099	46,988	6.7	6.8	8.0	10.2	8.6	9.6
TVS Motor Co	3,590	4,001	Hold	17,695	4,72,703	5,68,177	6,51,637	60,794	68,961	83,816	36,566	40,970	50,732	77.0	86.2	106.8	17.4	17.4	17.8
Small Cap (M-cap <US$1.5bn)																			
Ather Energy	1,297	1,411	Buy	5,156	36,718	56,339	80,217	(4,084)	(3,287)	(99)	(5,121)	(5,331)	(3,200)	(13.4)	(13.9)	(8.4)	47.8	(84.4)	(21.0)

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Large Cap (M-cap >US$5bn)																			
Bajaj Auto	10,523	12,662	Buy	30,511	29.9	25.7	22.1	24.4	20.4	17.0	8.4	7.4	6.3	28.1	28.8	28.7	36.5	37.5	37.6
Eicher Motors	7,564	8,574	Buy	21,539	37.2	32.7	27.8	35.9	30.9	25.9	9.7	8.3	7.1	22.2	21.8	21.8	24.5	25.3	25.6
Hero MotoCorp	4,978	6,293	Buy	10,333	18.5	17.8	14.6	14.4	14.0	11.2	4.6	4.3	4.0	25.0	24.4	27.4	31.9	31.6	35.5
Mahindra & Mahindra	3,166	4,523	Buy	40,837	25.0	23.8	18.8	16.7	16.0	12.2	5.3	4.5	3.7	21.2	18.7	19.6	27.3	24.3	25.5
Maruti Suzuki India	13,514	16,110	Buy	44,078	28.3	27.2	22.3	19.2	17.3	13.7	4.0	3.7	3.2	14.3	13.4	14.5	18.4	17.5	19.0
Hyundai Motor India	1,972	2,017	Hold	16,626	29.5	29.1	24.7	17.5	16.6	14.2	8.0	6.7	5.6	29.9	25.1	24.8	28.8	24.3	24.2
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Ashok Leyland	155	182	Buy	9,433	23.2	22.7	19.3	15.6	14.9	12.7	6.9	6.3	5.6	31.8	29.1	30.6	37.6	35.6	38.8
TVS Motor Co	3,590	4,001	Hold	17,695	46.6	41.6	33.6	28.5	25.1	20.2	15.2	11.6	8.9	32.5	27.9	26.6	33.6	31.4	31.5
									EV/Sales (X)										
Small Cap (M-cap <US$1.5bn)								FY26	FY27E	FY28E									
Ather Energy	1,297	1,411	Buy	5,156	(96.9)	(93.1)	(155.1)	13.3	8.7	6.1	19.3	24.3	28.9	(19.9)	(26.1)	(18.6)	(12.6)	(15.9)	(9.8)

Auto - Ancillary

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Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY26-FY28E		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	Sales	EBITDA	PAT
Large Cap (M-cap >US$5bn)																			
Balkrishna Industries	2,055	2,541	Buy	4,122	1,06,560	1,26,663	1,43,866	20,992	26,395	31,059	13,759	15,610	18,561	71.2	80.8	96.0	16.2	21.6	16.2
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Apollo Tyres	429	480	Hold	2,825	2,84,706	3,17,810	3,42,774	41,432	40,499	46,422	24,059	16,250	20,309	37.9	25.6	32.0	9.7	5.9	(8.1)
Small Cap (M-cap <US$1.5bn)																			
Ceat	3,407	3,927	Hold	1,430	1,56,780	1,82,357	1,98,657	20,472	17,948	21,661	6,814	5,545	8,357	172.4	141.2	211.0	12.6	2.9	10.7
Sansera Engineering	3,335	3,028	Hold	2,159	34,979	42,489	52,349	6,321	7,977	10,260	3,364	3,931	5,367	54.0	63.1	86.1	22.3	27.4	26.3
Suprajit Engineering	491	578	Buy	699	38,248	43,250	48,986	3,966	5,322	6,314	1,905	2,969	3,592	13.9	21.6	26.2	13.2	26.2	37.3
ASK Automotive Ltd	477	602	Buy	976	41,763	48,095	57,738	5,309	6,160	7,539	2,973	3,484	4,401	15.1	17.7	22.3	17.6	19.2	21.7

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Large Cap (M-cap >US$5bn)																			
Balkrishna Industries	2,055	2,541	Buy	4,122	28.9	25.5	21.4	20.8	16.6	14.1	3.6	3.3	2.9	12.5	12.8	13.5	11.4	13.2	14.5
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Apollo Tyres	429	480	Hold	2,825	11.3	16.8	13.4	7.0	7.1	6.2	1.6	1.5	1.4	14.4	9.0	10.3	13.5	11.6	13.3
Small Cap (M-cap <US$1.5bn)																			
Ceat	3,407	3,927	Hold	1,430	19.8	24.1	16.1	8.1	9.3	7.7	2.7	2.6	2.3	14.5	10.6	14.7	16.8	11.3	14.8
Sansera Engineering	3,335	3,028	Hold	2,159	61.8	52.9	38.7	33.0	26.2	20.3	6.7	6.0	5.2	11.5	12.0	14.3	14.3	14.8	17.7
Suprajit Engineering	491	578	Buy	699	35.4	22.7	18.8	18.1	13.5	11.4	4.7	4.1	3.5	13.3	18.0	18.7	16.3	18.9	20.0
ASK Automotive Ltd	477	602	Buy	976	31.6	27.0	21.4	18.9	16.3	13.3	7.2	5.9	4.7	22.7	21.8	22.2	20.7	21.6	23.6

Banking

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Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net Interest Income (Rsmn)			Op Profit (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY26-FY28E		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	NII	PPOP	PAT
Large Cap (M-cap >US$5bn)																			
Axis Bank	1,256	1,490	Buy	40,536	5,60,480	6,78,043	7,96,467	4,28,168	5,37,691	6,37,678	2,44,566	3,15,478	3,84,748	78.7	101.5	123.8	19.2	22.0	25.4
Bandhan Bank	211	173	Hold	3,532	1,08,297	1,21,156	1,39,858	58,649	68,968	81,709	12,236	21,817	28,073	7.6	13.5	17.4	13.6	18.0	51.5
Bank of Baroda	255	316	Buy	13,672	4,76,825	5,28,990	6,26,649	3,22,590	3,70,966	4,35,287	2,00,211	2,03,672	2,42,099	38.7	39.3	46.8	14.6	16.2	10.0
HDFC Bank	778	1,020	Buy	1,24,243	12,86,860	14,77,140	17,33,904	11,85,583	12,19,798	14,24,456	7,46,713	7,91,748	9,27,856	48.5	51.4	60.3	16.1	9.6	11.5
ICICI Bank	1,460	1,820	Buy	1,08,679	8,80,752	9,99,493	11,19,114	7,15,989	7,82,088	8,79,667	5,01,466	5,13,680	5,77,707	70.0	71.7	80.7	12.7	10.8	7.3
IndusInd Bank	1,033	899	Hold	8,348	1,79,823	1,85,269	2,11,059	91,795	1,06,414	1,30,811	8,892	36,121	56,137	11.4	46.4	72.1	8.3	19.4	151.3
Kotak Mahindra Bank	382	475	Buy	39,426	3,00,101	3,53,890	4,08,833	2,20,669	2,56,305	3,02,305	1,40,077	1,66,066	1,94,477	14.0	16.7	19.6	16.7	17.0	17.8
Punjab National Bank	112	115	Hold	13,325	4,19,598	5,20,563	5,85,892	2,92,895	3,37,403	3,87,150	1,69,039	1,91,069	2,21,049	14.7	16.6	19.2	18.2	15.0	14.4
State Bank of India	1,060	1,279	Buy	1,01,506	17,36,268	19,74,187	22,82,257	11,84,218	13,57,244	15,99,233	8,00,320	8,43,779	9,98,117	86.7	91.4	108.1	14.6	16.2	11.7
Mid Cap (M-cap between US$1.5bn to 5bn)																			
AU Small Finance Bank	993	1,067	Hold	7,721	91,127	1,15,000	1,37,684	50,888	68,699	83,350	26,413	36,083	44,624	35.3	48.2	59.6	22.9	28.0	30.0
City Union Bank	225	235	Buy	2,312	28,298	34,818	41,177	20,143	24,121	28,670	13,263	15,907	18,673	17.8	21.5	25.2	20.6	19.3	18.7
Federal Bank	351	375	Buy	8,981	1,06,574	1,30,049	1,48,815	72,062	89,382	1,06,145	41,173	56,876	66,126	16.7	23.1	24.8	18.2	21.4	26.7
RBL Bank	368	386	Hold	5,926	63,595	88,114	1,12,448	32,992	49,533	65,607	8,224	17,816	26,996	13.3	11.3	17.1	33.0	41.0	81.2
Small Cap (M-cap <US$1.5bn)																			
DCB Bank	190	224	Buy	634	24,565	28,836	34,409	12,958	15,620	19,370	7,316	8,962	11,772	22.7	27.8	36.6	18.4	22.3	26.9
Equitas Small Finance Bank	79	70	Hold	941	33,911	40,301	47,762	12,649	17,664	23,558	1,030	5,757	8,824	0.9	5.0	7.7	18.7	36.5	192.7
South Indian Bank	46	62	Buy	1,254	34,374	42,152	49,550	23,734	28,551	33,955	14,551	17,944	21,474	5.6	6.9	8.2	20.1	19.6	21.5

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			P/BV (X)			RoE (%)			RoA (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Large Cap (M-cap >US$5bn)																
Axis Bank	1,256	1,490	Hold	40,536	16.0	12.4	10.1	2.0	1.7	1.5	12.7	14.3	15.2	1.4	1.6	1.7
Bandhan Bank	211	173	Hold	3,532	27.8	15.6	12.1	1.4	1.3	1.2	4.9	8.2	9.9	0.6	1.0	1.1
Bank of Baroda	255	316	Buy	13,672	6.6	6.5	5.5	0.9	0.8	0.7	13.8	12.6	13.5	1.1	1.0	1.0
HDFC Bank	778	1,020	Buy	1,24,243	16.0	15.1	12.9	2.2	2.0	1.8	14.0	13.4	14.1	1.8	1.7	1.8
ICICI Bank	1,460	1,820	Buy	1,08,679	20.9	20.4	18.1	3.2	2.8	2.5	15.9	14.4	14.4	2.2	2.0	2.0
IndusInd Bank	1,033	899	Hold	8,348	90.5	22.3	14.3	1.3	1.2	1.1	1.4	5.3	7.8	0.2	0.6	0.9
Kotak Mahindra Bank	382	475	Buy	39,426	27.3	22.9	19.5	2.8	2.5	2.2	11.1	11.6	12.1	1.9	1.9	1.9
Punjab National Bank	112	115	Hold	13,325	7.6	6.7	5.8	1.0	0.9	0.8	12.5	12.7	13.3	0.9	0.9	0.9
State Bank of India	1,060	1,279	Buy	1,01,506	12.2	11.6	9.8	1.9	1.7	1.5	13.5	14.7	15.3	1.1	1.2	1.2
Mid Cap (M-cap between US$1.5bn to 5bn)																
AU Small Finance Bank	993	1,067	Hold	7,721	28.1	20.6	16.7	3.9	3.4	2.9	14.2	16.7	17.7	1.5	1.7	1.8
City Union Bank	225	235	Buy	2,312	12.6	10.5	8.9	1.6	1.4	1.3	13.2	14.0	14.5	1.5	1.5	1.5
Federal Bank	351	375	Buy	8,981	21.0	15.2	14.2	2.2	2.0	1.7	11.4	13.8	13.5	1.1	1.4	1.4
RBL Bank	368	386	Hold	5,926	27.7	32.6	21.5	1.4	1.3	1.2	5.1	5.8	5.8	0.5	0.8	1.0
Small Cap (M-cap <US$1.5bn)																
DCB Bank	190	224	Buy	634	8.4	6.8	5.2	1.0	0.9	0.8	12.0	12.9	15.0	0.9	0.9	1.1
Equitas Small Finance Bank	79	70	Hold	941	87.8	15.7	10.3	1.6	1.4	1.3	1.7	9.0	12.6	0.2	0.9	1.2
South Indian Bank	46	62	Buy	1,254	8.3	6.7	5.6	1.1	0.9	0.8	13.5	14.7	15.3	1.1	1.2	1.2

NBFC

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Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net Interest Income (Rsmn)			Op Profit (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY26-FY28E		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	NII	PPOP	PAT
Large Cap (M-cap >US$5bn)																			
Housing & Urban Development Corp	202	219	Hold	4,194	41,656	53,892	66,932	39,665	51,718	64,570	40,344	37,818	47,522	20.2	18.9	23.7	26.8	27.6	8.5
Muthoot Finance	2,983	4,265	Buy	12,423	1,71,255	2,21,007	2,43,848	1,41,532	1,84,432	1,99,221	1,01,341	1,28,426	1,38,101	252.4	319.9	344.0	19.3	18.6	16.7
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Manappuram Finance	337	337	Hold	3,285	45,878	56,296	63,351	25,745	33,004	37,265	15,247	21,107	24,113	16.2	22.5	23.4	17.5	20.3	25.8
Aavas Financiers	1,497	1,734	Buy	1,232	11,849	16,123	18,512	8,742	12,808	14,345	6,549	9,529	10,672	82.6	120.2	134.6	25.0	28.1	27.7
LIC Housing Finance	552	572	Hold	3,153	84,277	91,231	1,05,112	76,693	82,329	94,573	55,951	59,793	68,843	101.7	108.6	125.1	11.7	11.0	10.9
PNB Housing Finance	1,098	992	Hold	2,969	30,270	35,235	41,487	26,176	31,266	36,936	23,279	23,248	27,371	89.3	89.2	105.0	17.1	18.8	8.4
Small Cap (M-cap <US$1.5bn)																			
Can Fin Homes	857	1,061	Buy	1,184	16,106	17,542	21,134	13,432	14,373	17,599	10,858	10,840	13,304	81.5	81.4	99.9	14.5	14.5	10.7
Home First Finance	1,273	1,448	Buy	1,381	8,717	9,943	12,534	7,646	8,311	10,195	5,404	5,832	7,141	52.0	56.1	68.7	19.9	15.5	15.0
Repco Home Finance	405	461	Buy	263	7,644	8,520	9,548	5,550	6,186	6,940	4,528	4,544	4,990	72.4	72.6	79.8	11.8	11.8	5.0

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			P/ABV (X)			RoE (%)			RoA (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Large Cap (M-cap >US$5bn)																
Housing & Urban Development Corp	202	219	Hold	4,194	10.0	10.7	8.5	1.8	1.6	1.4	20.2	16.2	18.0	2.7	2.1	2.2
Muthoot Finance	2,983	4,265	Buy	12,423	11.8	9.3	8.7	3.5	2.6	2.1	30.6	29.5	25.0	6.7	6.5	6.0
Mid Cap (M-cap between US$1.5bn to 5bn)																
Manappuram Finance	337	337	Hold	3,285	20.8	15.0	14.4	2.1	1.9	1.7	11.0	12.6	12.3	2.8	2.9	3.0
Aavas Financiers	1,497	1,734	Buy	1,232	18.1	12.5	11.1	2.4	2.0	1.7	13.9	17.3	16.6	3.3	4.2	4.0
LIC Housing Finance	552	572	Hold	3,153	5.4	5.1	4.4	0.8	0.7	0.7	14.4	13.6	14.0	1.8	1.7	1.8
PNB Housing Finance	1,098	992	Hold	2,969	12.3	12.3	10.5	1.5	1.4	1.2	12.9	11.4	11.9	2.6	2.3	2.3
Small Cap (M-cap <US$1.5bn)																
Can Fin Homes	857	1,061	Buy	1,184	10.5	10.5	8.6	2.0	1.7	1.4	19.7	16.8	17.6	2.5	2.3	2.5
Home First Finance	1,273	1,448	Buy	1,381	24.5	22.7	18.5	3.2	2.8	2.5	15.7	12.5	13.5	3.9	3.5	3.5
Repco Home Finance	405	461	Buy	263	5.6	5.6	5.1	0.7	0.6	0.6	12.5	11.1	11.1	2.9	2.6	2.6

NBFC

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Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net Interest Income (Rsmn)			Op Profit (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY26-FY28E		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	NII	PPOP	PAT
Large Cap (M-cap >US$5bn)																			
Bajaj Finance	1,064	1,230	Buy	68,723	4,41,101	5,80,626	6,96,465	3,55,473	4,71,226	5,22,066	1,93,324	2,81,569	3,12,414	28.7	45.3	50.2	25.7	21.2	27.1
HDB Finanacial	728	890	Buy	6,272	89,681	1,02,799	1,20,025	62,017	75,666	90,640	25,443	34,502	41,830	30.6	41.6	50.4	15.7	20.9	28.2
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Poonawalla Fincorp	467	470	Hold	4,268	33,742	51,365	68,335	18,278	28,396	37,549	5,419	9,908	12,611	6.7	12.3	15.6	42.3	43.3	52.6

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			P/ABV (X)			RoE (%)			RoA (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Large Cap (M-cap >US$5bn)																
Bajaj Finance	1,064	1,230	Buy	68,723	37.1	23.5	21.2	5.8	4.8	4.0	17.9	22.0	20.5	3.8	4.6	4.4
HDB Finanacial	728	890	Buy	6,272	23.8	17.5	14.4	2.9	2.6	2.2	13.9	15.4	16.0	2.2	2.6	2.7
Mid Cap (M-cap between US$1.5bn to 5bn)																
Poonawalla Fincorp	467	470	Hold	4,268	69.7	38.0	30.0	6.1	3.8	3.4	5.9	9.5	11.7	1.1	1.4	1.3

Insurance

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Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	APE (Rsmn)			NBV (Rsmn)			APE/NBV Margin (%)			EVPS (Rs)			CAGR FY26-FY28E	
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	APE	NBV
Large Cap (M-cap >US$5bn)																		
HDFC Life Insurance	565	700	Buy	12,726	1,66,410	1,88,093	2,13,568	40,340	46,173	54,993	24.2	24.5	25.7	288.0	331.5	380.8	13.3	16.8
ICICI Pru Life Insurance	498	660	Buy	7,501	1,07,700	1,20,482	1,34,199	25,979	29,749	33,906	24.1	24.7	25.3	366.6	416.4	469.0	11.6	14.2
SBI Life Insurance	1,826	2,360	Buy	19,000	2,43,029	2,74,163	3,06,447	66,398	76,319	86,675	27.3	27.8	28.3	806.1	946.5	1,109.7	12.3	14.3
Mid Cap (M-cap between US$1.5bn to 5bn)											-	-	-					
Canara HSBC Life Insurance	150	205	Buy	1,476	27,808	33,080	38,247	5,568	6,911	8,534	20.0	20.9	22.3	76.1	89.8	105.8	17.3	23.8
Max Financial Services	1,543	1,980	Buy	5,525	1,05,030	1,21,182	1,41,754	26,470	30,673	35,832	25.2	25.3	25.3	669.2	794.9	942.7	16.2	16.3

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/EV (X)			P/BV (X)			RoE (%)			RoEV (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Large Cap (M-cap >US$5bn)																
HDFC Life Insurance	565	700	Buy	12,726	2.0	1.7	1.5	6.9	6.0	5.5	11.3	10.9	10.3	12.1	15.9	14.9
ICICI Pru Life Insurance	498	660	Buy	7,501	1.4	1.2	1.1	5.3	4.7	4.2	12.6	12.7	11.9	10.5	13.6	12.6
SBI Life Insurance	1,826	2,360	Buy	19,000	2.3	1.9	1.6	9.6	8.4	7.3	13.7	15.0	15.0	15.0	17.4	17.2
Mid Cap (M-cap between US$1.5bn to 5bn)																
Canara HSBC Life Insurance	150	205	Buy	1,476	2.0	1.7	1.4	8.9	8.4	7.9	8.1	8.0	8.4	18.4	17.9	17.9
Max Financial Services	1,543	1,980	Buy	5,525	2.3	1.9	1.6	8.5	8.0	7.5	4.4	5.8	7.1	14.6	18.8	18.6

Auto NBFC

Vinod Rajamani (vinod.rajamani@nirmalbang.com)

Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net Interest Income (Rsmn)			Op Profit (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY26-FY28E		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	NII	PPOP	PAT
Large Cap (M-cap >US$5bn)																			
Cholamandalam Investment and Finance	1,783	1,860	Hold	15,796	1,39,984	1,72,123	1,94,021	1,04,965	1,28,817	1,47,784	52,196	71,523	84,526	62.0	85.0	100.5	17.7	18.7	27.3
Shriram Finance	1,035	1,230	Buy	25,274	2,51,236	3,07,570	3,82,394	1,86,313	2,24,538	2,71,246	99,981	1,25,182	1,64,697	53.2	53.3	70.1	23.4	20.7	28.3
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Mahindra & Mahindra Financial	323	380	Hold	4,651	88,196	1,04,230	1,22,090	62,312	76,776	96,163	27,823	38,421	52,947	20.0	27.6	38.1	17.7	24.2	37.9
Sundaram Finance	4,450	5,240	Hold	5,129	29,300	35,927	41,332	29,011	38,742	42,398	18,342	25,812	28,079	171.8	232.3	252.7	18.8	20.9	23.7

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			P/BV (X)			RoE (%)			RoA (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Large Cap (M-cap >US$5bn)																
Cholamandalam Investment and Finance	1,783	1,860	Hold	15,796	28.8	21.0	17.7	5.2	4.2	3.4	19.3	21.2	20.6	2.3	2.7	2.7
Shriram Finance	1,035	1,230	Buy	25,274	19.5	19.4	14.8	3.3	2.0	1.8	16.4	12.8	11.9	3.3	3.3	3.4
Mid Cap (M-cap between US$1.5bn to 5bn)																
Mahindra & Mahindra Financial	323	380	Hold	4,651	16.1	11.7	8.5	1.9	1.7	1.4	12.5	14.4	17.1	2.0	2.2	2.5
Sundaram Finance	4,450	5,240	Hold	5,129	25.9	19.2	17.6	3.9	3.2	2.7	15.4	18.3	16.5	2.9	3.6	3.4

Consumer Durables & Consumer Electricals

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Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY26-FY28E		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	Sales	EBITDA	PAT
Large Cap (M-cap >US$5bn)																			
Havells India	1,200	1,385	Buy	7,815	2,25,278	2,61,615	3,01,866	21,997	26,372	30,927	16,310	17,972	20,898	26.0	28.6	33.3	15.8	18.6	13.2
Polycab India	8,885	10,505	Buy	13,886	2,88,838	3,52,964	4,20,031	40,057	48,273	56,821	26,720	33,288	39,979	177.5	221.1	265.6	20.6	19.1	22.3
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Bajaj Electricals	334	341	Hold	400	44,622	49,093	53,649	1,513	2,327	3,327	(637)	754	1,739	(5.5)	6.5	15.1	9.6	48.3	#NUM!
Blue Star	1,714	2,025	Buy	3,657	1,24,020	1,51,189	1,73,298	9,304	11,788	13,405	5,665	7,671	9,039	27.6	37.3	44.0	18.2	20.0	26.3
Crompton Greaves Consumer Electricals	262	358	Buy	1,751	80,955	91,323	1,02,022	8,274	10,904	12,781	5,143	6,636	7,486	8.0	10.3	11.6	12.3	24.3	20.6
Dixon Technologies India	14,589	12,103	Buy	9,254	4,88,728	6,57,842	8,31,319	18,665	25,992	33,552	14,386	12,462	16,580	236.6	205.0	272.7	30.4	34.1	7.4
V-Guard Industries	301	410	Buy	1,364	59,658	67,536	77,956	5,268	6,903	8,580	3,526	4,474	5,866	8.1	10.2	13.4	14.3	27.6	29.0
Voltas	1,357	1,253	Hold	4,660	1,42,445	1,68,392	1,94,100	6,469	10,332	15,340	4,024	6,828	11,262	12.2	20.6	34.0	16.7	54.0	67.3
Whirlpool of India	774	931	Hold	1,019	80,342	91,357	99,901	4,811	5,938	6,693	2,938	3,632	4,220	23.2	28.6	33.3	11.5	17.9	19.9
PG Electroplast Ltd	621	560	Buy	1,847	52,880	68,577	93,929	3,870	5,133	7,955	1,966	2,465	4,024	6.9	8.6	14.1	33.3	43.4	43.1
Small Cap (M-cap <US$1.5bn)																			
Amber Enterprises India	7,859	8,084	Hold	2,875	1,21,865	1,49,640	2,46,320	9,523	11,491	15,718	3,068	4,148	6,943	87.2	117.9	197.3	42.2	28.5	50.4
IFB Industries	1,344	1,561	Buy	565	54,433	62,714	71,853	3,014	3,400	4,100	1,333	1,726	2,217	32.3	41.8	53.7	14.9	16.6	28.9
Orient Electric	173	239	Buy	384	33,264	37,152	41,781	2,291	2,861	3,423	1,060	1,336	1,700	5.0	6.3	8.0	6.3	22.2	26.6
Stove Kraft	778	657	Buy	267	16,074	18,479	21,239	1,661	1,829	2,166	420	596	911	12.7	18.0	27.5	18.2	14.2	47.3
EPACK Durables	241	310	Buy	240	18,945	29,065	39,033	1,139	2,025	3,402	33	454	1,188	0.3	4.7	12.4	4.7	72.8	503.7

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Large Cap (M-cap >US$5bn)																			
Havells India	1,200	1,385	Buy	7,815	46.2	41.9	36.0	33.7	28.1	24.0	8.0	7.5	6.5	18.7	18.4	19.4	16.8	19.0	20.7
Polycab India	8,885	10,505	Buy	13,886	50.1	40.2	33.5	33.2	27.6	23.4	11.1	9.4	7.8	22.3	23.4	23.2	29.4	30.1	29.4
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Bajaj Electricals	334	341	Hold	400	(60.6)	51.1	22.2	23.8	15.5	10.8	2.4	2.3	2.1	(5.7)	4.6	9.5	0.6	4.7	9.0
Blue Star	1,714	2,025	Buy	3,657	62.2	45.9	39.0	38.1	30.1	26.5	10.3	6.3	5.7	16.2	17.0	15.4	20.5	20.5	18.8
Crompton Greaves Consumer Electricals	262	358	Buy	1,751	32.8	25.4	22.5	20.2	15.3	13.1	5.7	6.1	5.5	16.5	23.6	26.8	17.3	26.2	30.1
Dixon Technologies India	14,589	12,103	Buy	9,254	61.7	71.2	53.5	47.5	34.1	26.4	19.0	17.3	13.2	30.8	24.4	24.7	24.7	34.7	36.3
V-Guard Industries	301	410	Buy	1,364	37.3	29.4	22.4	24.9	19.0	15.3	5.5	5.2	4.3	13.8	18.2	21.1	18.0	22.0	25.2
Voltas	1,357	1,253	Hold	4,660	111.6	65.8	39.9	69.7	43.6	29.4	7.0	6.8	6.0	5.8	10.5	16.0	7.6	12.8	18.2
Whirlpool of India	774	931	Hold	1,019	33.4	27.0	23.3	15.1	12.2	10.9	2.4	2.2	2.0	7.2	8.4	9.1	6.7	7.7	8.4
PG Electroplast Ltd	621	560	Buy	1,847	90.1	71.9	44.0	46.3	34.9	22.5	5.8	5.4	4.8	6.7	7.8	11.5	6.9	8.3	11.6
Small Cap (M-cap <US$1.5bn)																			
Amber Enterprises India	7,859	8,084	Hold	2,875	90.2	66.7	39.8	31.0	25.7	18.8	6.3	5.8	5.0	5.3	9.3	13.7	9.8	9.3	11.1
IFB Industries	1,344	1,561	Buy	565	41.6	32.1	25.0	17.8	15.8	13.1	5.6	4.8	4.0	14.4	16.0	17.4	18.3	19.7	21.8
Orient Electric	173	239	Buy	384	34.9	27.7	21.8	16.1	12.9	10.8	4.9	4.6	4.1	13.2	17.0	19.8	21.4	24.0	27.2
Stove Kraft	778	657	Buy	267	61.3	43.2	28.3	15.3	13.9	11.8	5.1	4.7	4.1	8.6	11.3	15.4	15.1	18.1	19.6
EPACK Durables	241	310	Buy	240	708.0	50.8	19.4	26.4	14.9	8.8	2.4	2.3	2.1	0.3	4.6	11.2	2.6	5.7	9.7

Capital Goods

Rabindra Nath Nayak (rabindranath.nayak@nirmalbang.com)

Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY26-FY28E		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	Sales	EBITDA	PAT
Small Cap (M-cap <US$1.5bn)																			
Jyoti CNC Automation	803	976	Buy	1,895	20,931	30,033	38,797	5,268	7,358	9,430	3,360	4,439	6,058	14.8	19.5	26.6	36.1	33.8	34.3

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Small Cap (M-cap <US$1.5bn)																			
Jyoti CNC Automation	803	976	Buy	1,895	54.3	41.1	30.1	36.0	25.8	20.1	9.1	7.5	6.0	20.7	18.2	20.0	23.6	18.9	21.7

Tiles

Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY25-FY27E		
	(Rs)		Rating	(US$mn)	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E	Sales	EBITDA	PAT
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Kajaria Ceramics	1,244	Under Review	Under Review	2,055	46,704	48,304	49,322	6,177	8,650	10,056	3,358	5,331	6,421	19.2	31.0	38.2	2.8	27.6	38.3
Small Cap (M-cap <US$1.5bn)																			
Somany Ceramics	516	422	Hold	220	26,588	27,402	28,006	2,209	2,218	2,379	580	485	587	14.1	11.8	14.3	2.6	3.8	0.6

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US$mn)	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Kajaria Ceramics	1,244	Under Review	Under Review	2,055	64.8	40.1	32.5	31.6	22.5	19.4	7.2	6.5	5.6	12.0	15.4	13.9	14.7	18.0	16.5
Small Cap (M-cap <US$1.5bn)																			
Somany Ceramics	516	422	Hold	220	36.5	43.7	36.1	10.9	10.9	10.1	2.7	2.5	2.3	12.0	17.0	17.9	14.7	20.7	21.9

Cement

Girija Shankar Ray (girijashankar.ray@nirmalbang.com)

Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY25-FY27E		
	(Rs)		Rating	(US$mn)	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E	Sales	EBITDA	PAT
Large Cap (M-cap >US$5bn)																			
Ambuja Cements	438	554	Buy	11,286	4,06,557	4,46,947	4,92,368	65,389	77,246	92,791	45,028	25,636	34,788	18.2	10.4	14.1	10.0	19.1	(12.1)
Dalmia Bharat	1,848	2,083	Buy	3,596	1,48,040	1,55,908	1,82,230	30,830	32,341	39,016	11,585	11,195	13,960	61.8	59.7	74.4	10.9	12.5	9.8
Shree Cement	26,905	28,758	Hold	10,071	1,93,105	2,16,005	2,37,741	41,912	46,636	54,182	17,063	17,045	20,334	472.9	472.4	563.6	11.0	13.7	9.2
UltraTech Cement	11,903	13,558	Buy	36,388	8,85,115	9,74,662	10,59,468	1,70,202	1,92,988	2,20,999	82,696	98,201	1,15,420	281.1	333.9	392.4	9.4	13.9	18.1
Mid Cap (M-cap between US$1.5bn to 5bn)																			
JK Cement	5,453	6,120	Hold	4,371	1,37,223	1,55,513	1,73,327	23,743	27,818	31,996	10,252	12,899	14,805	132.7	166.9	191.6	12.4	16.1	20.2
The Ramco Cements	933	1,084	Buy	2,287	90,126	96,698	1,14,137	14,382	16,214	19,903	2,787	3,871	6,899	11.8	16.4	29.2	12.5	17.6	57.3
Nuvoco Vistas Corp	346	451	Buy	1,282	1,13,383	1,15,358	1,34,001	18,569	17,115	20,944	3,959	2,558	4,931	11.1	7.2	13.8	8.7	6.2	11.6
Small Cap (M-cap <US$1.5bn)																			
Birla Corp	1,016	1,234	Buy	812	96,556	1,07,129	1,10,548	14,544	15,261	17,609	5,625	6,024	7,452	73.0	78.2	96.8	7.0	10.0	15.1
JK Lakshmi Cement	572	693	Buy	736	67,626	72,236	75,035	10,107	10,986	12,930	4,261	4,286	4,458	34.3	34.5	35.9	5.3	13.1	2.3

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US$mn)	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E
Large Cap (M-cap >US$5bn)																			
Ambuja Cements	438	554	Buy	11,286	24.0	42.2	31.1	16.6	14.1	11.7	1.5	1.5	1.4	6.6	3.5	4.5	8.0	2.9	3.9
Dalmia Bharat	1,848	2,083	Buy	3,596	29.9	31.0	24.8	11.9	11.4	9.4	1.9	1.8	1.7	6.5	6.0	7.1	5.9	5.3	5.9
Shree Cement	26,905	28,758	Hold	10,071	56.9	57.0	47.7	21.7	19.5	16.8	4.3	4.1	3.9	7.8	7.4	8.3	9.6	9.3	10.1
UltraTech Cement	11,903	13,558	Buy	36,388	42.3	35.7	30.3	21.5	19.0	16.6	4.3	4.2	4.0	10.7	12.0	13.5	13.1	14.4	16.3
Mid Cap (M-cap between US$1.5bn to 5bn)																			
JK Cement	5,453	6,120	Hold	4,371	41.1	32.7	28.5	20.1	17.2	14.9	5.9	5.1	4.4	15.6	16.8	16.7	9.7	10.8	10.7
The Ramco Cements	933	1,084	Buy	2,287	79.1	57.0	32.0	17.9	15.8	12.9	2.7	2.6	2.4	3.6	4.6	7.8	6.1	7.1	9.8
Nuvoco Vistas Corp	346	451	Buy	1,282	31.2	48.3	25.1	9.2	10.0	8.2	1.2	1.2	1.1	3.7	2.5	4.6	4.8	3.9	5.4
Small Cap (M-cap <US$1.5bn)																			
Birla Corp	1,016	1,234	Buy	812	13.9	13.0	10.5	6.8	6.5	5.6	1.1	1.0	0.9	7.8	7.9	9.1	6.4	6.6	7.5
JK Lakshmi Cement	572	693	Buy	736	16.6	16.6	15.9	8.4	7.7	6.5	1.8	1.7	1.6	11.1	10.6	10.2	8.6	8.2	7.8

Construction

Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY25-FY27E		
	(Rs)		Rating	(US$mn)	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E	Sales	EBITDA	PAT
Small Cap (M-cap <US$1.5bn)																			
Ashoka Buildcon	124	109	Hold	360	70,614	60,679	66,308	5,469	5,781	6,204	1,970	2,045	2,954	7.0	13.2	10.5	(3.1)	6.5	22.4
KNR Constructions	124	101	Sell	362	33,586	20,806	22,794	6,259	2,020	2,345	7,407	1,270	1,420	25.8	4.5	5.0	(17.6)	(38.8)	(56.2)
PNC Infratech	247	214	Hold	657	55,131	46,335	55,664	10,489	5,829	6,845	7,056	3,396	3,694	27.5	13.4	14.4	0.5	(19.2)	(27.6)

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US$mn)	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E
Small Cap (M-cap <US$1.5bn)																			
Ashoka Buildcon	124	109	Hold	360	17.6	9.4	11.7	9.7	9.2	8.5	0.9	0.7	0.7	5.1	7.7	5.7	5.8	5.7	5.7
KNR Constructions	124	101	Sell	362	4.8	27.5	24.5	5.3	16.5	14.3	0.9	0.7	0.7	19.2	2.8	2.8	20.8	3.1	2.9
PNC Infratech	247	214	Hold	657	9.0	18.4	17.1	5.8	10.4	8.9	1.2	1.1	1.0	13.6	6.0	6.0	12.2	6.0	6.7

Defence

Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY25-FY27E		
	(Rs)		Rating	(US$mn)	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E	Sales	EBITDA	PAT
Large Cap (M-cap >US$5bn)																			
Bharat Electronics	408	497	Buy	30,951	2,37,688	2,76,101	3,27,648	68,337	80,493	92,731	53,214	60,620	71,131	7.3	8.3	9.7	17.4	16.5	15.6
Hindustan Aeronautics	4,491	5,432	Buy	31,159	3,09,810	3,30,888	3,96,671	96,081	97,698	1,17,843	83,582	91,185	1,03,222	125.0	136.3	154.3	13.2	10.7	11.1
Mazagon Dock Shipbuilders	2,347	3,158	Buy	9,820	1,14,319	1,30,063	1,40,468	20,600	24,262	27,182	24,135	27,556	30,272	59.8	68.3	75.0	10.8	14.9	12.0
Solar Industries India	19,028	19,995	Buy	17,863	75,502	98,377	1,38,305	19,604	26,218	37,995	10,098	16,776	26,813	111.6	185.4	296.3	35.3	39.2	62.9
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Bharat Dynamics	1,258	1,434	Buy	4,782	33,451	39,422	50,619	4,724	4,801	7,184	5,496	6,019	7,895	15.0	16.4	21.5	23.0	23.3	19.8
Bharat Earth Movers	1,771	2,000	Buy	1,530	40,222	44,237	51,990	5,057	4,466	6,490	2,925	2,541	3,980	35.1	30.5	47.8	13.7	13.3	16.6
Data Patterns	3,991	4,156	Hold	2,318	7,084	9,248	12,100	2,850	3,740	4,737	2,218	2,744	3,386	39.6	49.0	60.5	30.7	28.9	23.6
Small Cap (M-cap <US$1.5bn)																			
Astra Microwave Products	1,751	1,139	Buy	1,725	10,512	11,558	13,700	2,690	3,081	3,625	1,535	1,710	1,957	16.2	18.0	20.6	14.2	16.1	12.9
Paras Defence and Space Technologies	1,207	863	Hold	1,009	3,647	4,766	6,203	972	1,205	1,658	635	854	1,111	7.9	10.6	13.8	30.4	30.6	32.3

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US$mn)	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E	FY25	FY26	FY27E
Large Cap (M-cap >US$5bn)																			
Bharat Electronics	408	497	Buy	30,951	56.1	49.2	41.9	42.3	35.9	31.2	14.9	12.4	10.5	29.3	27.6	27.2	33.0	32.3	31.7
Hindustan Aeronautics	4,491	5,432	Buy	31,159	35.9	32.9	29.1	27.3	26.8	22.2	8.6	7.3	6.2	26.1	24.0	23.2	15.9	11.2	10.7
Mazagon Dock Shipbuilders	2,347	3,158	Buy	9,820	39.2	34.3	31.3	38.1	32.4	28.9	11.9	9.5	7.4	34.0	30.7	26.6	27.4	25.4	21.9
Solar Industries India	19,028	19,995	Buy	17,863	170.5	102.7	64.2	88.0	65.8	45.4	39.3	27.4	19.8	26.3	31.5	35.8	36.3	35.3	37.8
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Bharat Dynamics	1,258	1,434	Buy	4,782	83.9	76.6	58.4	88.7	87.3	58.3	11.5	10.8	9.6	14.4	14.6	17.4	5.5	5.4	8.1
Bharat Earth Movers	1,771	2,000	Buy	1,530	50.4	58.0	37.1	29.6	33.5	23.1	5.1	4.7	4.3	10.5	8.5	12.1	14.8	11.2	16.1
Data Patterns	3,991	4,156	Hold	2,318	100.8	81.4	66.0	78.0	59.4	46.9	14.8	12.9	11.1	15.7	16.9	18.1	19.1	21.6	23.8
Small Cap (M-cap <US$1.5bn)																			
Astra Microwave Products	1,751	1,139	Buy	1,725	108.4	97.3	85.0	63.0	55.0	46.8	15.1	13.3	11.8	14.9	14.6	14.7	20.8	20.6	21.7
Paras Defence and Space Technologies	1,207	863	Hold	1,009	153.2	113.9	87.5	99.1	80.0	58.1	15.3	13.4	11.6	11.8	12.5	14.2	14.6	14.7	18.1

Consumer Staples

Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY26-FY28E		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	Sales	EBITDA	PAT
Large Cap (M-cap >US$5bn)																			
Britannia Industries	5,470	6,770	Buy	13,669	1,91,516	2,08,457	2,34,060	35,444	37,645	44,644	25,335	26,393	31,660	105.2	109.6	131.4	10.6	12.2	11.8
Colgate-Palmolive India	2,113	2,095	Hold	5,962	60,350	63,188	66,563	18,697	19,702	21,005	13,503	14,532	15,416	49.6	53.4	56.7	5.0	6.0	6.9
Dabur India	427	480	Hold	7,849	1,31,926	1,39,074	1,48,197	24,518	25,352	27,995	18,855	19,065	21,252	10.6	10.7	12.0	6.0	6.9	6.2
Godrej Consumer Products	1,065	1,155	Hold	11,304	1,51,779	1,64,693	1,78,952	31,562	32,946	38,261	20,946	21,778	25,946	20.5	21.3	25.4	8.6	10.1	11.3
Hindustan Unilever	2,140	2,260	Hold	52,156	6,44,680	6,82,600	7,27,875	1,50,540	1,54,865	1,68,089	1,09,020	1,08,182	1,16,979	46.4	46.0	49.8	6.3	5.7	3.6
ITC	283	320	Hold	36,746	7,19,838	7,73,390	8,41,958	3,60,131	2,61,254	2,79,816	3,13,013	1,83,550	1,96,573	25.0	14.6	15.7	8.2	(11.9)	(20.8)
Marico	855	885	Hold	11,521	1,36,110	1,50,268	1,63,430	23,280	27,599	32,332	17,620	20,258	23,803	13.6	15.6	18.3	9.6	17.8	16.2
Nestle India	1,448	1,340	Hold	28,961	2,31,546	2,59,354	2,94,315	53,061	57,053	67,248	34,238	35,949	42,604	17.8	18.6	22.1	12.7	12.6	11.6
P&G Hygiene & Health Care	8,724	11,900	Buy	2,938	42,904	48,482	53,330	11,241	11,684	12,906	8,565	8,742	9,659	263.5	269.0	297.2	11.5	7.1	6.2
Tata Consumer Products	1,092	1,315	Buy	11,210	2,02,904	2,28,749	2,57,597	27,918	33,026	39,901	15,624	19,233	24,812	15.8	19.4	25.1	12.7	19.5	26.0
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Emami	405	445	Hold	1,835	37,795	40,205	42,737	9,637	11,576	11,773	8,536	9,637	9,384	19.6	22.1	21.5	6.3	10.5	4.9
Gillette India	7,820	9,130	Buy	2,644	30,995	34,620	36,800	9,431	9,152	10,166	6,542	6,317	7,014	200.7	193.8	215.2	9.0	3.8	3.5

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Large Cap (M-cap >US$5bn)																			
Britannia Industries	5,470	6,770	Buy	13,669	52.0	49.9	41.6	37.0	34.8	29.4	25.8	23.5	21.2	54.3	49.2	53.5	40.9	37.6	41.6
Colgate-Palmolive India	2,113	2,095	Hold	5,962	42.6	39.6	37.3	30.0	28.4	26.7	36.3	36.3	36.3	83.1	91.7	97.3	84.4	94.0	99.7
Dabur India	427	480	Hold	7,849	40.1	39.7	35.6	29.3	28.3	25.6	6.7	6.4	6.2	17.0	16.4	17.7	15.9	15.4	16.6
Godrej Consumer Products	1,065	1,155	Hold	11,304	52.0	50.0	42.0	34.9	33.5	28.8	8.6	8.6	8.6	17.0	16.8	18.8	13.1	14.3	16.1
Hindustan Unilever	2,140	2,260	Hold	52,156	46.1	46.5	43.0	32.9	32.0	29.5	10.3	10.3	10.3	22.1	22.1	24.0	21.6	21.6	23.4
ITC	283	320	Hold	36,746	11.3	19.3	18.0	9.2	12.7	11.9	4.4	4.4	4.3	42.3	22.8	24.1	38.7	22.8	24.2
Marico	855	885	Hold	11,521	63.1	54.9	46.7	46.8	39.5	33.7	26.4	23.4	21.0	43.1	45.3	47.4	26.8	27.1	29.8
Nestle India	1,448	1,340	Hold	28,961	81.5	77.7	65.5	52.4	48.7	41.3	52.5	46.4	41.0	72.6	63.4	66.4	69.4	65.5	68.3
P&G Hygiene & Health Care	8,724	11,889	Buy	2,938	33.1	32.4	29.4	24.3	23.3	21.1	37.6	33.7	30.2	114.9	109.7	108.6	124.4	123.2	122.0
Tata Consumer Products	1,092	1,315	Buy	11,210	69.2	56.2	43.5	37.9	32.1	26.5	5.0	4.6	4.2	7.5	8.5	10.1	6.2	7.0	8.3
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Emami	405	445	Hold	1,835	20.7	18.4	18.8	17.6	14.6	14.4	6.0	4.7	4.4	30.4	29.0	24.1	38.1	34.9	28.3
Gillette India	7,820	9,130	Buy	2,644	39.0	40.3	36.3	26.7	27.6	24.8	26.9	30.6	29.4	66.4	71.0	82.5	67.3	72.2	84.0

Consumer Discretionary

Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY26-FY28E		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	Sales	EBITDA	PAT
Large Cap (M-cap >US$5bn)																			
Asian Paints	2,691	2,750	Hold	26,782	3,55,835	3,76,100	4,10,520	66,959	70,349	82,611	44,830	46,704	55,819	46.7	48.7	61.1	7.4	11.1	11.6
Berger Paints India	491	560	Hold	5,942	1,18,803	1,27,119	1,34,746	18,333	19,401	21,508	11,802	12,409	13,863	10.1	10.6	11.9	6.5	8.3	8.4
Jubilant Foodworks	425	475	Hold	2,908	95,125	1,05,390	1,17,294	18,878	20,564	23,094	3,387	4,854	5,681	5.1	7.4	8.6	11.0	10.6	29.5
United Breweries	1,349	1,625	Buy	3,700	92,399	1,00,715	1,11,794	8,055	7,795	12,057	3,722	3,510	6,691	14.1	13.3	25.3	10.0	22.3	34.1
United Spirits	1,397	1,731	Buy	10,541	1,24,480	1,36,912	1,52,430	22,960	24,671	28,154	19,210	18,559	21,323	26.5	25.6	29.4	10.7	10.7	5.4
Small Cap (M-cap <US$1.5bn)																			
Restaurant Brands Asia	67	76	Hold	493	28,226	31,112	35,393	3,283	3,995	5,115	(2,019)	(1,500)	(720)	(3.5)	(2.6)	(1.2)	12.0	24.8	(40.3)
Westlife Foodworld	450	580	Buy	728	26,256	29,012	31,769	3,368	3,685	4,969	(28)	(176)	689	(0)	(1.1)	4.4	10.0	21.5	#NUM!

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Large Cap (M-cap >US$5bn)																			
Asian Paints	2,691	2,750	Hold	26,782	57.6	55.3	44.0	37.7	35.9	30.6	12.1	11.5	11.0	22.0	21.3	24.2	17.8	20.0	22.5
Berger Paints India	491	560	Hold	5,942	48.5	46.2	41.3	30.8	29.1	26.3	6.9	6.2	5.6	18.1	17.0	17.2	15.7	14.7	16.3
Jubilant Foodworks	425	475	Hold	2,908	82.8	57.8	49.3	15.6	14.3	12.7	12.2	10.5	14.7	14.8	18.3	29.8	10.5	19.1	21.5
United Breweries	1,349	1,625	Buy	3,700	95.8	101.6	53.3	45.2	46.7	30.2	7.9	7.6	7.2	8.4	7.6	13.9	8.1	7.0	11.9
United Spirits	1,397	1,731	Buy	10,541	52.7	54.6	47.5	43.4	40.4	35.4	11.6	10.3	9.3	22.0	18.9	19.6	24.0	20.4	20.9
Small Cap (M-cap <US$1.5bn)																			
Restaurant Brands Asia	67	76	Hold	493	(19.3)	(25.9)	(54.0)	15.1	12.4	9.7	5.4	6.8	7.8	(24.8)	(23.2)	(13.5)	(1.1)	5.5	14.9
Westlife Foodworld	450	580	Buy	728	(2,499.7)	(398.9)	101.9	21.3	19.5	14.5	11.3	11.7	10.5	(0.5)	(2.9)	10.8	9.9	9.9	18.9

Please note: FY25 for PGHH and Gillette is a 9 month period as the company is transitioning from a June year-end company to March year-end

Information Technology

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Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY26-FY28E		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	Sales	EBITDA	PAT
Large Cap (M-cap >US$5bn)																			
HCL Technologies	1,221	900	Sell	34,382	13,01,440	14,05,823	14,55,565	2,23,970	2,46,543	2,48,020	1,73,710	1,89,838	1,87,253	61.5	70.0	69.1	5.8	5.2	3.8
Infosys	1,087	1,051	Sell	45,761	17,86,500	19,14,080	19,72,183	3,62,540	3,80,577	3,90,735	2,94,740	2,96,366	3,04,315	72.8	73.1	75.1	5.1	3.8	1.6
LTIMindtree	4,084	3,046	Sell	12,567	4,23,076	4,65,550	4,98,514	65,011	72,476	79,578	49,827	59,346	64,511	168.4	200.0	217.4	8.5	10.6	13.8
Tata Consultancy Services	2,251	1,682	Sell	84,495	26,70,210	28,05,209	27,45,916	6,68,380	6,79,155	6,65,895	4,92,170	5,20,943	5,09,158	136.0	145.4	140.7	1.4	(0.2)	1.7
Tech Mahindra	1,576	1,150	Sell	16,028	5,68,154	6,15,247	6,49,766	71,525	87,376	98,261	48,109	67,698	76,759	54.3	76.4	86.6	6.9	17.2	26.3
Wipro	176	147	Sell	18,123	9,26,240	9,94,414	10,20,110	1,49,398	1,58,061	1,60,648	1,32,655	1,35,555	1,36,871	12.6	13.6	13.8	4.9	3.7	1.6
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Birlasoft	291	363	Hold	845	53,099	56,272	61,422	7,450	8,005	8,888	5,183	6,130	6,725	18.6	21.9	24.1	7.6	9.2	13.9
Coforge	1,507	1,395	Hold	6,923	1,63,128	2,30,443	3,12,653	23,373	34,639	47,620	16,743	23,979	32,310	46.1	53.7	63.3	38.4	42.7	38.9
Mphasis	2,413	2,347	Hold	4,779	1,58,797	1,82,047	2,02,144	24,282	28,174	31,836	18,628	22,384	25,640	97.8	117.3	134.4	12.8	14.5	17.3
Persistent Systems	5,189	5,315	Hold	8,492	1,47,485	1,76,204	2,06,300	23,035	28,456	33,930	18,651	22,865	27,565	119.1	146.0	176.0	18.3	21.4	21.6
Zensar Technologies	526	613	Hold	1,242	56,874	62,026	67,905	8,249	8,999	9,890	7,746	8,493	8,681	34.4	37.7	38.3	9.3	9.5	5.9
KPIT Technologies	561	900	Buy	1,596	64,549	73,289	84,913	9,573	11,412	13,736	6,374	8,200	9,996	23.4	30.1	36.7	14.7	19.8	25.2
Tata Elxsi	3,537	3,857	Hold	2,286	37,575	42,437	46,947	7,531	9,166	10,816	7,242	8,000	9,597	116.2	128.4	154.1	11.8	19.8	15.1
Tata Technologies	749	665	Hold	3,154	55,055	64,603	72,929	7,079	9,212	11,234	4,343	7,412	8,984	13.5	18.3	22.1	15.1	26.0	43.8

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Large Cap (M-cap >US$5bn)																			
HCL Technologies	1,221	900	Sell	34,382	19.9	17.4	17.7	13.4	12.2	12.1	4.4	4.4	4.4	24.0	25.4	25.0	22.9	24.6	24.6
Infosys	1,087	1,051	Sell	45,761	14.9	14.9	14.5	11.5	10.9	10.6	1.2	1.1	1.0	31.1	30.7	29.4	25.8	25.7	24.6
LTIMindtree	4,084	3,046	Sell	12,567	24.2	20.4	18.8	16.6	14.9	13.6	5.0	4.5	3.9	21.3	23.2	22.2	19.4	19.7	19.2
Tata Consultancy Services	2,251	1,682	Sell	84,495	16.6	15.5	16.0	11.5	11.3	11.5	7.4	6.8	6.1	47.7	45.8	40.5	48.9	44.7	39.7
Tech Mahindra	1,576	1,150	Sell	16,028	29.0	20.6	18.2	20.4	16.7	14.9	2.8	2.7	2.5	16.6	21.7	22.6	17.9	20.4	21.1
Wipro	176	147	Sell	18,123	14.0	12.9	12.8	9.2	8.7	8.5	2.1	2.2	2.0	15.4	16.0	16.3	11.2	11.8	12.1
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Birlasoft	291	363	Hold	845	15.7	13.3	12.1	10.3	9.6	8.7	2.0	1.8	1.6	13.7	14.2	14.0	12.7	13.4	13.4
Coforge	1,507	1,395	Hold	6,923	32.7	28.1	23.8	28.3	19.1	13.9	5.3	6.5	5.4	16.5	20.9	24.4	20.8	24.2	28.6
Mphasis	2,413	2,347	Hold	4,779	24.7	20.6	18.0	18.5	16.0	14.1	2.6	2.4	2.2	18.3	19.9	20.5	15.6	16.2	16.7
Persistent Systems	5,189	5,315	Hold	8,492	43.6	35.5	29.5	34.6	28.0	23.5	10.4	8.6	7.0	26.3	26.4	26.1	25.0	22.2	20.2
Zensar Technologies	526	613	Hold	1,242	15.3	13.9	13.7	11.9	10.9	9.9	2.5	3.1	3.9	17.6	19.8	25.1	13.0	14.4	19.2
KPIT Technologies	561	900	Buy	1,596	24.0	18.6	15.3	15.1	12.7	10.5	4.3	3.7	3.1	19.7	21.3	22.0	20.0	19.4	20.1
Tata Elxsi	3,537	3,857	Hold	2,286	30.4	27.5	23.0	34.5	28.4	24.0	7.2	6.5	5.7	23.8	23.9	25.4	18.9	20.4	21.7
Tata Technologies	749	665	Hold	3,154	55.6	41.0	33.8	41.7	32.1	26.3	7.7	7.3	6.6	11.6	18.3	20.5	11.3	14.3	16.3

Retail

Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY26-FY28E		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	Sales	EBITDA	PAT
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Bata India	701	759	Hold	934	35,155	37,799	41,579	7,065	7,854	8,774	1,659	2,358	2,871	12.9	18.4	22.3	8.8	11.4	31.5
Small Cap (M-cap <US$1.5bn)																			
V-Mart Retail	785	788	Buy	648	37,894	45,674	52,699	5,135	6,333	7,889	1,240	1,360	1,565	15.6	17.1	19.7	17.9	24.0	12.3

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Bata India	701	759	Hold	934	54.3	38.2	31.4	13.5	12.1	10.9	5.6	5.6	5.5	10.5	14.8	17.8	8.0	10.2	12.4
Small Cap (M-cap <US$1.5bn)																			
V-Mart Retail	785	788	Buy	648	50.3	45.9	39.9	14.0	11.3	9.1	6.6	5.7	5.0	14.1	13.3	13.4	17.2	14.7	15.4

Multiplex

Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY26-FY28E		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	Sales	EBITDA	PAT
Small Cap (M-cap <US$1.5bn)																			
PVR INOX	1,019	1,340	Buy	1,038	67,192	74,554	81,870	8,571	10,339	13,095	3,866	3,234	5,141	39.4	33.0	52.4	10.4	23.6	15.3

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Small Cap (M-cap <US$1.5bn)																			
PVR INOX	1,019	1,340	Buy	1,038	25.9	30.9	19.4	11.9	9.8	7.8	1.4	1.3	1.2	5.4	4.3	6.5	3.9	4.1	6.1

Others

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Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY26-FY28E		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	Sales	EBITDA	PAT
Small Cap (M-cap <US$1.5bn)																			
CCL Products India	1,201	1,370	Buy	1,664	44,574	47,699	54,721	7,329	8,255	9,438	3,881	4,948	5,989	29.2	37.2	45.0	10.8	13.5	24.2
LA Opala RG	186	240	Buy	214	3,091	3,905	4,448	1,157	1,449	1,606	941	1,262	1,425	8.5	11.4	12.8	20.0	17.8	23.1
Mold-Tek Packaging	701	800	Buy	242	8,866	10,331	11,839	1,724	2,001	2,345	723	853	1,092	21.9	25.8	33.1	15.6	16.6	22.9

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Small Cap (M-cap <US$1.5bn)																			
CCL Products India	1,201	1,370	Buy	1,664	41.2	32.3	26.7	23.3	20.7	18.1	6.8	5.9	5.1	18.0	19.7	20.6	13.2	14.8	16.0
LA Opala RG	186	240	Buy	214	21.9	16.3	14.5	13.4	10.7	9.7	2.5	2.3	2.0	11.4	14.6	14.9	8.8	10.5	10.6
Mold-Tek Packaging	701	800	Buy	242	32.0	27.1	21.2	14.8	12.7	10.8	3.4	3.1	2.7	10.9	11.8	13.6	9.8	10.7	12.0

Hotels

Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY26-FY28E		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	Sales	EBITDA	PAT
Large Cap (M-cap >US$5bn)																			
Indian Hotels Co	725	850	Buy	10,707	96,892	1,11,018	1,22,583	31,947	37,966	42,728	18,765	24,653	29,464	14.7	17.4	20.7	12.5	15.7	25.3
Mid Cap (M-cap between US$1.5bn to 5bn)																			
EIH Ltd	340	387	Buy	2,207	29,396	30,511	34,592	10,238	11,121	13,226	7,604	8,023	9,596	12.2	12.8	15.3	8.5	13.7	12.3
Chalet Hotels	856	1,019	Buy	1,945	27,698	27,401	28,934	11,874	12,699	13,723	6,460	6,552	7,125	29.4	29.8	32.5	2.2	7.5	5.0
Leela Palaces Hotels & Resorts Ltd	493	581	Buy	1,706	15,399	17,953	20,671	7,555	8,758	10,104	4,157	4,666	5,554	12.4	14.0	16.6	15.9	15.6	15.6
Small Cap (M-cap <US$1.5bn)																			
Lemon Tree Hotels	112	133	Hold	917	14,445	16,608	18,412	6,912	8,101	9,343	2,538	3,281	4,286	3.2	4.1	5.4	12.9	16.3	30.0

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Large Cap (M-cap >US$5bn)																			
Indian Hotels Co	725	850	Buy	10,707	49.4	41.8	35.0	31.0	26.1	23.2	7.9	6.6	5.5	15.5	17.2	17.1	16.0	17.4	16.6
Mid Cap (M-cap between US$1.5bn to 5bn)																			
EIH Ltd	340	387	Buy	2,207	28.0	26.5	22.2	19.7	18.1	15.2	4.0	3.5	3.1	15.4	14.2	14.9	12.4	12.6	13.4
Chalet Hotels	856	1,019	Buy	1,945	29.1	28.7	26.4	17.5	16.3	15.1	5.1	4.3	3.7	19.2	16.3	15.1	13.0	11.9	11.6
Leela Palaces Hotels & Resorts Ltd	493	581	Buy	1,706	39.6	35.3	29.6	23.5	20.2	17.5	2.5	2.4	2.2	8.3	7.0	7.7	6.9	6.7	7.2
Small Cap (M-cap <US$1.5bn)																			
Lemon Tree Hotels	112	133	Hold	917	34.8	27.0	20.6	14.7	12.6	10.9	4.3	3.6	3.0	19.9	21.1	22.2	15.4	16.9	18.3

Pharmaceuticals

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Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY26-FY28E		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	Sales	EBITDA	PAT
Large Cap (M-cap >US$5bn)																			
Cipla India	1,442	1,892	Buy	12,082	2,81,626	3,21,798	3,60,708	58,829	64,004	74,856	40,997	44,082	52,290	50.8	54.6	64.7	13.2	12.8	12.9
Dr Reddy's Laboratories	1,223	1,274	Hold	10,591	3,35,933	3,61,311	4,05,171	67,050	74,243	87,940	42,466	44,970	54,661	51.6	54.2	65.9	9.8	14.5	13.5
Gland Pharma	2,459	2,003	Sell	4,208	64,307	69,614	77,695	16,295	17,957	19,247	10,760	12,131	14,343	65.3	73.7	87.1	9.9	8.7	15.5
Lupin	2,479	2,421	Hold	11,757	2,79,580	3,06,328	3,33,898	81,595	78,333	85,644	52,496	51,283	56,994	114.8	112.2	124.7	9.3	2.5	4.2
Mankind Pharma	2,566	2,569	Hold	10,993	1,42,776	1,59,681	1,77,246	36,174	40,513	44,976	19,128	25,306	30,247	46.3	61.3	73.3	11.4	11.5	25.7
Sun Pharmaceutical Industries	1,956	2,275	Buy	48,696	5,84,621	6,53,399	7,33,335	1,77,314	1,96,127	2,23,913	1,24,796	1,34,170	1,55,882	52.0	55.9	65.0	12.0	12.4	11.8
Torrent Pharmaceuticals	5,005	4,856	Hold	17,574	1,39,800	1,90,215	2,14,943	45,590	62,365	71,643	21,793	39,669	47,212	64.5	117.4	139.7	24.0	25.4	47.2
Zydus Lifesciences	1,149	1,207	Hold	11,890	2,71,484	3,15,680	3,40,934	71,946	83,898	87,258	44,601	53,084	55,201	44.3	52.8	54.9	12.1	10.1	11.3
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Ajanta Pharma	3,469	3,196	Hold	4,496	54,529	64,154	70,368	13,948	17,224	19,142	10,851	12,044	13,388	86.3	95.8	106.5	13.6	17.1	11.1
Alembic Pharmaceuticals	843	827	Hold	1,718	73,449	80,870	88,273	11,185	12,761	13,998	5,129	7,280	7,922	26.1	37.0	40.3	9.6	11.9	24.3
Alkem Laboratories	5,653	5,957	Hold	7,011	1,47,123	1,60,908	1,77,295	30,052	31,520	35,468	23,018	24,958	28,486	192.5	208.8	238.3	9.8	8.6	11.2
Natco Pharma	951	834	Sell	1,766	40,783	32,334	36,772	14,365	8,649	11,322	14,185	7,906	9,326	79.2	44.2	52.1	(5.0)	(11.2)	(18.9)
Pfizer India	4,578	5,182	Hold	2,173	25,197	27,012	28,959	9,041	9,696	10,366	7,588	7,895	8,468	165.9	172.6	185.1	7.2	7.1	5.6
Sanofi India	3,387	3,931	Hold	809	18,374	19,476	20,450	4,913	5,446	4,981	3,468	3,944	3,596	150.8	171.5	156.3	5.5	0.7	1.8
Small Cap (M-cap <US$1.5bn)																			
Eris Lifesciences	1,463	1,732	Buy	2,104	31,294	36,303	39,911	11,201	13,455	14,934	6,369	6,636	7,456	46.0	47.9	53.8	12.9	15.5	8.2
Indoco Remedies	245	273	Hold	234	18,453	21,445	23,911	1,418	2,251	3,158	(987)	293	851	(10.3)	3.6	9.6	13.8	49.2	NA
Jubilant Pharmova	1,024	1,175	Buy	1,692	82,796	94,000	1,05,874	12,598	15,294	18,285	4,381	5,737	7,428	27.7	36.3	47.0	13.1	20.5	30.2
Zota Health Care	1,332	1,799	Buy	479	5,387	9,312	13,739	185	608	1,983	(668)	(318)	891	(19.4)	(9.2)	25.8	59.7	227.0	NA

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Large Cap (M-cap >US$5bn)																			
Cipla India	1,442	1,892	Buy	12,082	28.4	26.4	22.3	18.3	16.8	14.4	3.4	3.0	2.7	12.5	12.1	12.9	12.2	11.9	12.6
Dr Reddy's Laboratories	1,223	1,274	Hold	10,591	23.7	22.6	18.6	16.2	14.6	12.3	2.7	2.4	2.2	11.9	11.2	12.3	10.4	8.9	9.7
Gland Pharma	2,459	2,003	Sell	4,208	37.6	33.4	28.2	23.0	20.9	19.5	3.9	3.5	3.1	11.0	11.1	11.7	8.4	9.7	9.4
Lupin	2,479	2,421	Hold	11,757	21.6	22.1	19.9	13.7	14.3	13.1	5.0	4.3	3.6	26.5	20.9	19.7	20.9	17.2	16.7
Mankind Pharma	2,566	2,569	Hold	10,993	55.4	41.9	35.0	30.5	27.2	24.5	6.4	5.6	4.8	12.5	14.4	14.9	9.8	11.5	12.6
Sun Pharmaceutical Industries	1,956	2,275	Buy	48,696	37.6	35.0	30.1	24.9	22.5	19.7	5.6	4.9	4.2	16.0	14.9	15.0	15.3	14.2	14.4
Torrent Pharmaceuticals	5,005	4,856	Hold	17,574	77.6	42.6	35.8	40.1	29.3	25.5	20.2	15.4	12.1	27.3	41.0	37.8	9.6	11.1	12.6
Zydus Lifesciences	1,149	1,207	Hold	11,890	25.9	21.8	20.9	16.7	14.3	13.8	4.3	3.7	3.2	17.5	18.1	16.3	12.5	12.2	11.6
Mid Cap (M-cap between US$1.5bn to 5bn)																			
Ajanta Pharma	3,469	3,196	Hold	4,496	40.2	36.2	32.6	30.8	24.9	22.4	9.6	7.9	6.5	26.1	23.9	21.9	24.4	22.3	20.9
Alembic Pharmaceuticals	843	827	Hold	1,718	32.3	22.8	20.9	16.1	14.1	12.9	2.9	2.7	2.4	9.4	12.2	12.2	8.4	10.6	10.7
Alkem Laboratories	5,653	5,957	Hold	7,011	29.4	27.1	23.7	22.5	21.4	19.0	4.7	4.2	3.7	17.8	16.9	17.0	15.3	14.6	15.1
Natco Pharma	951	834	Sell	1,766	12.0	21.5	18.2	10.6	17.6	13.4	1.8	1.7	1.6	15.4	8.0	8.8	19.3	9.8	11.5
Pfizer India	4,578	5,182	Hold	2,173	27.6	26.5	24.7	19.8	18.5	17.3	5.0	4.4	4.0	18.0	17.7	17.0	17.6	17.4	16.7
Sanofi India	3,387	3,931	Hold	809	22.5	19.8	21.7	15.4	13.9	15.1	10.4	8.7	7.5	43.1	47.9	37.2	42.2	47.0	36.6
Small Cap (M-cap <US$1.5bn)																			
Eris Lifesciences	1,463	1,732	Buy	2,104	31.8	30.5	27.2	20.1	16.8	15.1	5.2	4.6	4.0	18.9	15.9	15.8	12.8	12.0	12.2
Indoco Remedies	245	273	Hold	234	(23.7)	68.7	25.4	23.2	14.6	10.4	2.5	2.4	2.2	(10.2)	3.2	8.8	0.7	2.9	6.0
Jubilant Pharmova	1,024	1,175	Buy	1,692	36.9	28.2	21.8	14.8	12.2	10.2	2.3	2.1	1.9	6.6	7.7	9.0	4.8	5.4	6.1
Zota Health Care	1,332	1,799	Buy	479	(68.8)	(144.5)	51.6	244.0	74.4	22.8	6.6	6.9	6.1	(14.5)	(4.7)	12.6	(7.5)	(0.8)	11.1

Stationery

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Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY26-FY28E		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	Sales	EBITDA	PAT
Mid Cap (M-cap between US$1.5bn to 5bn)																			
DOMS Industries	2,268	2,990	Buy	1,428	23,264	28,261	34,524	4,026	4,710	6,198	2,396	2,714	3,719	39.5	44.7	61.3	21.8	24.1	24.6
Small Cap (M-cap <US$1.5bn)																			
Flair Writing Industries	253	356	Buy	277	12,501	14,001	15,821	2,245	2,355	2,808	1,413	1,464	1,729	13.4	13.9	16.4	12.5	11.8	10.6
Linc	107	116	Buy	66	5,430	5,674	5,958	595	617	797	367	383	502	5.5	5.8	7.8	4.7	15.8	17.0
Kokuyo Camlin	84	73	Sell	88	8,060	8,825	9,708	581	433	767	248	124	334	2.5	1.2	3.3	9.7	14.9	16.1

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Mid Cap (M-cap between US$1.5bn to 5bn)																			
DOMS Industries	2,268	2,990	Buy	1,428	57.5	50.7	37.0	34.4	29.4	22.3	11.3	9.4	7.6	20.1	18.9	21.1	22.6	21.5	23.9
Small Cap (M-cap <US$1.5bn)																			
Flair Writing Industries	253	356	Buy	277	18.9	18.2	15.4	12.1	11.6	9.7	2.3	2.1	1.8	13.1	12.0	12.6	14.5	13.5	14.5
Linc	107	116	Buy	66	19.2	18.4	13.6	10.8	10.4	8.0	2.4	2.1	1.9	13.3	12.4	14.6	16.7	15.2	18.2
Kokuyo Camlin	84	73	Sell	88	34.1	68.3	25.3	15.0	20.1	11.3	2.6	2.5	2.3	7.9	3.8	9.6	10.3	5.3	12.1

E-Retail/E-Commerce

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Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY26-FY28E		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	Sales	EBITDA	PAT
Large Cap (M-cap >US$5bn)																			
Eternal	287	360	Buy	28,770	5,43,640	10,12,124	14,08,941	12,080	38,332	63,914	3,660	22,693	38,823	0.4	2.4	4.0	61.0	130.0	225.7
Swiggy	271	330	Buy	7,747	2,30,530	2,75,722	3,43,012	(32,310)	(6,770)	9,881	(41,540)	(16,356)	(2,606)	(15.0)	(5.9)	(0.9)	22.0	-	(75.0)

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			P/S (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Large Cap (M-cap >US$5bn)																			
Eternal	287	360	Buy	28,770	756.6	122.0	71.3	5.1	2.7	2.0	8.9	7.7	6.6	1.2	6.3	9.2	(0.7)	4.2	7.3
Swiggy	271	330	Buy	7,747	(18.0)	(45.8)	(293.6)	3.2	2.7	2.2	4.1	4.3	4.2	(22.7)	(9.4)	(1.5)	(21.3)	(10.2)	(2.5)

Flex Workspace

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Operational Metrics

Company	CMP	TP (Rs)	Current	M-cap	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY26-FY28E		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	Sales	EBITDA	PAT
Small Cap (M-cap <US$1.5bn)																			
Wework India Management	681	983	Buy	979	24,402	30,172	36,719	4,772	6,038	7,518	792	1,455	1,886	6	11	14	22.7	25.5	54.3
Smartworks Coworking Spaces	486	630	Buy	576	17,958	22,982	29,112	3,144	4,374	5,677	105	1,428	3,452	0.9	12.5	30.2	27.3	34.4	472.6
Indiqube Spaces	164	222	Buy	361	14,508	18,577	22,804	2,333	3,320	4,456	(1,063)	(576)	736	(5.0)	(2.7)	3.5	25.4	38.2	#NUM!
Awfis Space Solutions	288	386	Buy	213	14,940	18,385	22,615	2,130	2,821	3,560	713	1,314	1,834	10.0	18.4	25.6	23.0	29.3	60.3

Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US$mn)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Small Cap (M-cap <US$1.5bn)																			
Wework India Management	681	983	Buy	979	116.4	63.4	48.9	20.3	16.1	12.9	2.3	1.5	1.1	30.8	39.7	35.5	38.3	40.7	42.2
Smartworks Coworking Spaces	486	630	Buy	576	527.5	38.9	16.1	17.6	12.6	9.7	10.5	8.2	5.5	3.3	23.7	40.8	19.0	25.7	27.5
Indiqube Spaces	164	222	Buy	361	(32.7)	(60.4)	47.2	14.5	10.2	7.6	6.8	7.6	6.5	(41.6)	(11.9)	14.9	17.3	23.1	24.0
Awfis Space Solutions	288	386	Buy	213	28.8	15.7	11.2	9.5	7.2	5.7	3.7	3.0	2.4	14.1	21.3	23.6	15.2	25.2	26.2

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