NIRMAL BANG
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# Institutional Equities

# India Morning Roundup

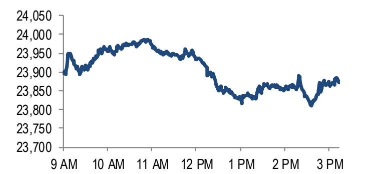
**July 24, 2026**

## Contents



| Local Indices | | | |
|---|---|---|---|
| (Chg %) | Close | Daily | YTD |
| BSE Sensex | 76,391 | (0.5) | (10.4) |
| NSE Nifty | 23,870 | (0.5) | (8.6) |
| **Sectoral Indices** | | | |
| (Chg %) | Close | Daily | YTD |
| CNX Mid-Cap | 61,685 | (1.0) | 2.0 |
| CNX Bank Nifty Index | 56,592 | (0.9) | (5.0) |
| CNX Metal Index | 12,470 | (0.7) | 11.7 |
| CNX FMCG Index | 49,033 | (0.4) | (11.6) |
| CNX Infrastructure Index | 9,280 | (1.0) | (3.5) |
| CNX Auto Index | 27,521 | 0.7 | (2.4) |
| CNX Pharma Index | 25,654 | (0.4) | 12.9 |
| CNX Energy Index | 39,045 | (1.0) | 10.5 |
| CNX IT Index | 28,534 | (0.1) | (24.7) |
| **World Indices** | | | |
| Dow Jones | 51,712 | (1.0) | 7.6 |
| S & P 500 | 7,408 | (1.2) | 8.2 |
| FTSE 100 | 10,639 | (0.7) | 7.1 |
| Nasdaq | 25,138 | (2.2) | 8.2 |
| Hang Seng | 25,211 | 1.3 | (1.6) |
| Shanghai Comp | 3,877 | 0.3 | (2.3) |
| **Net Investment** | | | |
| | 24-Jul | 1M | 3M |
| FIIs (US$mn) | 375.8 | 35.2 | (133.2) |
| MFs (US$mn) | 360.5 | 136.3 | (428.8) |
| DII turnover (Rsmn) | (418.3) | 680.2 | 941.4 |
| **Volume** | | | |
| | 24-Jul | US$bn | Chg% |
| Cash (NSE + BSE) | 4.7 | 4.7 | (2.5) |
| F&O (net) | 29.8 | 29.8 | (0.9) |

| Forex/Money Markets | | | | |
|---|---|---|---|---|
| | 24-Jul | 1 D | 1 M | 3M |
| Rs/US$ | 96.6 | 96.6 | 94.7 | 94.1 |
| Rs/EUR | 110.2 | 110.1 | 108.1 | 110.0 |
| Rs/GBP | 129.1 | 129.1 | 125.3 | 127.1 |
| 10 yr G-Sec | 6.8 | 6.8 | 6.9 | 7.0 |
| Call Money | 5.2 | 4.9 | 4.9 | 4.9 |
| **Commodities & others** | | | | |
| | 24-Jul | 1 D | 1 M | 3 M |
| Gold (US$/ounce | 4,043 | 4,052 | 4,007 | 4,710 |
| Brent Crude (US$ | 100 | 101 | 74 | 91 |
| Aluminimum (US: | 3,188 | 3,193 | 3,233 | 3,620 |
| Copper (US$/mt) | 13,595 | 13,808 | 13,371 | 13,356 |




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


**NBIE Research**
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- **Infosys Ltd. (INFY)- Information Technology | 1QFY27 Result Update- Guidance cut on a seasonally strong quarter:**

**Key Points**

- Infosys reported weak performance in Q1FY27, with the guidance cut at the top end from 3.5% to 3% CC has left questions on expected AI deflation. Revenue at US$5,082mn was 1% higher than consensus estimates. It was 1% lower than NBIE estimates. It was up by 1% and up by 2.4% on QoQ and YoY CC basis respectively. We had estimated 1.4% QoQ CC growth. Full year weak expectation was on the back of macro uncertainty and competitive pricing environment.

- EBIT margin at 21.1% was 20bps lower than NBIE and in line with consensus estimates. Tailwinds included 70 basis points of rupee depreciation, 20 basis points of Project Maximus, 20 basis points net benefit due to amortization of cost on intangibles incurred in Q4 offset by the impact of new acquisitions in Q1. Headwinds included 50 basis points of investment in AI sales and marketing, 40 basis points of one-time revenue impact arising out of program termination, one-time cost benefit of 30 basis points, which was offset by 20 basis points due to the increase in various other expenses.

- Large deal TCV for 1Q was at US$3.6bn and was up 12.5% but down 5.2% on QoQ and YoY basis respectively. Net new TCV was at US$2.2bn or 61% of large deal TCV and was up 67% and 5.3% on QoQ and YoY basis respectively.

- Revenue growth guidance for FY27 is in the range of 1.5-3% in YoY CC terms. The guidance reset is explicitly scenario-based on the macro outlook rather than a single point estimate. The lower end of the revised 1.5-3% CC growth band assumes further deterioration in the macro backdrop; the upper end assumes some improvement, though even that improved case is softer than what the management had underwritten back in April.

- **United Spirits (UNITDSPR) - Alco-Bev | Q1FY27 Result Update - Resilient Growth Despite Volume Headwinds:**

**Key Points**

- United Spirits Limited delivered resilient performance in Q1FY27 despite volume headwinds as premiumisation continued to drive growth, excluding Maharashtra. Net sales at Rs2.7bn were up 6.0% YoY and within the above 6.0% growth; Prestige & Above segment grew in solid double digits at 10.1%. This was on the back of Smirnoff local flavour innovation and broad-based growth across the portfolio.

- Despite Maharashtra-led volume disruption, UNSP delivered strong Q1FY27 margin performance with gross margin expanding by ~210bps YoY to 46.1% driven by better mix, pricing, and productivity initiatives.
  We have upwardly revised our PAT estimates by 2.1%/4.7% for FY27E/FY28E as we remain structurally positive on United Spirits given the strong premiumisation trends, better mix, and healthy medium-term earnings visibility. We maintain our **BUY** rating on the stock.

## Corporate News

- Sona BLW Precision Forgings has signed definitive agreements with DENSO Corporation, Japan, to set up two joint ventures. The partnership will focus on developing, manufacturing, and marketing advanced electric and hybrid powertrain systems across various vehicle segments.
- Highway Infrastructure has received a Letter of Acceptance worth Rs 286.8 mn from the National Highways Authority of India. The contract covers operations, user fee collection at Kozhinjipatti Toll Plaza, and maintenance of adjacent facilities over a 90-day period.
- HCL Technologies has partnered with TIM Brasil to enable South America's first cross-platform eSIM transfer capability. Powered by its Device Entitlement Gateway, the technology allows users to transfer eSIM profiles seamlessly across devices and operating systems.
- Waaree Solar Americas, a subsidiary of Waaree Energies, has secured an order for 125 MW solar modules. The high-efficiency HJT solar modules will be supplied to a renewable power project manager during FY27.
- Saatvik Solar Industries, a subsidiary of Saatvik Green Energy, has won a Rs 1.38 bn order from an independent power producer/EPC player. The order entails supplying Solar PV Modules and is set to be completed by December 2026.
- INDO SMC has secured a purchase order valued at Rs 666 mn from an Indian engineering firm. The order is for supplying VFD Panels and is slated for completion before July 31, 2026.
- Veerhealth Care has bagged a contract manufacturing order worth Rs 7.64 mn from a leading FMCG firm. The project involves supplying skincare products within a timeline of 45 days.
- Zydus Lifesciences has received approval to conduct a Phase III clinical trial for Desidustat in treating sickle cell disease. Partnering with ICMR, the double-blind study will evaluate the oral tablet's safety and efficacy in 164 patients over 203 days.
- Patel Retail has commissioned a new Curry Powder Production Line with a 8 Ton per shift capacity at its facility. Built with an investment of around Rs 8 mn, the line aims to boost supply for domestic and export markets.
- Intellect Design Arena has signed a strategic partnership with a leading Sharjah-based bank to modernize its corporate banking ecosystem. The bank will deploy Intellect's microservices-based eMACH.ai architecture for front-to-back transactional banking.

## Global/Local News

- External Affairs Minister S. Jaishankar met US Secretary of State Marco Rubio in Manila to discuss key strategic areas, including trade, tariffs, energy, defence, critical minerals, and AI.
- RBI's July Bulletin highlights that the Indian economy continues to sustain strong momentum through June 2026, with a noticeable recovery in foreign portfolio investments.
- Union Minister Sarbananda Sonowal and Panama's Foreign Minister Javier Martinez-Acha Vasquez discussed deepening maritime ties around logistics, shipping, security, and digital transformation.
- Crisil Ratings reports that elevated input costs from the West Asia conflict are projected to compress cement makers' operating margins by Rs 50-75 per tonne in FY27.
- The Global Trade Research Initiative warned that proposed US tariffs on generic medicines could impact India's pharmaceutical exports, though Indian generics will likely retain a price advantage.

# Cipla (CIPLA)

Pharmaceuticals | 1QFY27 Result Update

**BUY**

**CMP: Rs1,394 | Target Price (TP): Rs1,615 | Upside: 15.9%**

**July 23, 2026**

## Looking Beyond the Near-Term, Positioned for Next Growth Phase

**Key Points**

- Near-term earnings remain subdued, but the management reiterated its US$1bn North America exit run-rate, reinforcing confidence in a stronger H2FY27 driven by complex launches.
- India continues to be the anchor of growth, with double-digit momentum, improving chronic mix, and sustained outperformance versus the IPM.
- Margin pressure appears transitory, with FY27 EBITDA guidance maintained at 18.5-20%, supported by the ramp-up of high-margin respiratory and peptide launches.
- We expect Cipla to deliver a 10% revenue CAGR over FY26-FY28E, underpinned by a stronger US pipeline, resilient domestic franchise, and healthy international execution.
- Despite lowering our target price to Rs1,615, we retain BUY and continue to view Cipla as a top pick, given its improving growth visibility, robust balance sheet, and attractive long-term earnings trajectory.

**Business performance:** One India grew 12% YoY, driven by strong chronic execution and new launches, with branded Rx business growing 15.4% led by respiratory, anti-diabetes, cardiac, and urology. Chronic mix improved to 60.4%. North America stood at US$162mn, supported by launches of generic Ventolin, Nintedanib, and Dapagliflozin, while the management reiterated its US$1bn exit run-rate target, backed by Ventolin ramp-up, three respiratory launches (including generic Advair), and a key peptide opportunity. South Africa continued to outperform the private market despite tender headwinds, while EMEU grew 5% YoY (US$) with stable margins. Gross margin declined to 62.5% due to product mix, inventory charges, and manufacturing readiness costs, resulting in EBITDA margin of 16.7%. Management, however, maintained its FY27 EBITDA guidance of 18.5-20%, supported by the upcoming high-margin launches.

**Outlook:** We expect Cipla to deliver a 10% revenue CAGR over FY26-FY28E, supported by continued strength in the India business, a recovery in North America driven by complex respiratory launches and peptide opportunities, and steady execution across international markets. We forecast an EBITDA margin of 21.4% by FY28E as the current investment cycle normalizes and the contribution from high-margin launches increases. Cipla's ~Rs95bn net cash position provides significant optionality for value-accretive inorganic opportunities while maintaining balance sheet strength.

**Valuation:** We maintain our BUY rating on Cipla with a revised target price of Rs1,615 (earlier Rs1,883), based on 26x FY28E EPS of Rs62.1. While we have moderated our earnings estimates to reflect a slower near-term recovery in the US business, our medium-term investment thesis remains intact. We believe Cipla is entering the next phase of growth, underpinned by sustained double-digit momentum in the India business, a differentiated and increasingly visible respiratory pipeline in the US, and an improving mix of complex products that should support margin expansion as launch-related investments normalize. The company's strong execution track record, industry-leading balance sheet with ~Rs95bn net cash, and ample optionality for value-accretive capital allocation further strengthen its long-term growth profile. We continue to view Cipla as one of our preferred ideas in the Indian pharmaceutical sector, given its attractive combination of earnings visibility, improving return profile, and optionality from future launches.

| | |
|---|---|
| Est Change | Downwards |
| TP Change | Downwards |
| Rating Change | Maintain |

**Company Data and Valuation Summary**

| | |
|---|---|
| Reuters: | CIPL.BO |
| Bloomberg: | CIPLA IN Equity |
| Mkt Cap (Rsbn/US$bn): | 1,125.3 / 11.7 |
| 52 Wk H / L (Rs): | 1,673 / 1,166 |
| ADTV-3M (mn) (Rs/US$): | 2,629.3 / 27.6 |
| Stock performance (%) 1M/6M/1yr: | (2.8) / 5.9 / (5.5) |
| Nifty 50 performance (%) 1M/6M/1yr: | (0.6) / (0.1) / (4.8) |

| Shareholding | 3QFY26 | 4QFY26 | 1QFY27 |
|---|---|---|---|
| Promoters | 29.2 | 29.2 | 29.2 |
| DIIs | 30.7 | 32.0 | 34.6 |
| FIIs | 23.9 | 22.6 | 20.2 |
| Others | 16.1 | 16.3 | 16.0 |
| Pro pledge | 0.0 | 0.0 | 0.0 |

**Financial and Valuation Summary**

| Particulars (Rsmn) | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| Net Sales | 275,476 | 281,626 | 316,033 | 342,058 |
| *Growth YoY %* | *6.9* | *2.2* | *12.2* | *8.2* |
| *Gross margin %* | *67.6* | *66.1* | *62.2* | *62.7* |
| EBITDA | 71,279 | 59,249 | 59,479 | 73,826 |
| *EBITDA margin %* | *25.9* | *21.0* | *18.8* | *21.6* |
| Adj PAT | 52,725 | 40,836 | 39,783 | 50,288 |
| *Growth YoY %* | *23.3* | *(22.5)* | *(2.6)* | *26.4* |
| Adj EPS (Rs) | 65.3 | 50.6 | 49.2 | 62.3 |
| *RoCE* | *15.8* | *10.3* | *9.3* | *10.8* |
| *RoE* | *18.2* | *12.4* | *11.1* | *12.7* |
| *RoIC* | *20.9* | *14.1* | *12.5* | *14.9* |
| P/E | *21.4* | *27.6* | *28.3* | *22.4* |
| EV/EBITDA | *14.7* | *17.5* | *17.5* | *13.7* |
| P/BV | *3.6* | *3.3* | *3.0* | *2.7* |

*Source: Company, Bloomberg, Nirmal Bang Institutional Equities Research*

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

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**Exhibit 1: 1QFY27 consolidated performance**

| Particulars (Rsmn) | 1Q26 | 2Q26 | 3Q26 | 4Q26 | 1Q27 | 2Q27E | 3Q27E | 4Q27E | FY26 | FY27E |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net Sales** | **69,575** | **75,894** | **70,745** | **65,412** | **71,193** | **76,000** | **85,000** | **83,841** | **281,626** | **316,033** |
| *YoY Change (%)* | *3.9* | *7.6* | *0.0* | *-2.8* | *2.3* | *0.1* | *20.1* | *28.2* | *2.2* | *12.2* |
| **Gross Profit** | **47,868** | **50,918** | **44,424** | **42,925** | **44,521** | **46,588** | **52,700** | **52,637** | **186,135** | **196,446** |
| *Margin (%)* | *68.8* | *67.1* | *62.8* | *65.6* | *62.5* | *61.3* | *62.0* | *62.8* | *66.1* | *62.2* |
| **EBITDA** | **17,781** | **18,948** | **12,551** | **9,970** | **11,923** | **12,888** | **17,400** | **17,269** | **59,249** | **59,479** |
| *YoY Change (%)* | *3.6* | *0.5* | *-36.9* | *-35.2* | *-32.9* | *-32.0* | *38.6* | *73.2* | *-16.9* | *0.4* |
| *Margin (%)* | *25.6* | *25.0* | *17.7* | *15.2* | *16.7* | *17.0* | *20.5* | *20.6* | *21.0* | *18.8* |
| Depreciation | 2,527 | 2,970 | 2,784 | 4,249 | 3,042 | 3,250 | 3,300 | 3,408 | 12,530 | 13,000 |
| Interest | 141 | 132 | 140 | 131 | 170 | 130 | 125 | 125 | 544 | 550 |
| Other income | 2,586 | 2,690 | 2,063 | 1,482 | 2,109 | 1,950 | 1,950 | 1,991 | 8,820 | 8,000 |
| Extraordinary Items | - | - | -2,759 | - | - | - | - | - | -2,759 | - |
| **PBT (bei)** | **17,699** | **18,535** | **11,690** | **7,071** | **10,819** | **11,458** | **15,925** | **15,727** | **54,995** | **53,929** |
| **PBT** | **17,699** | **18,535** | **8,931** | **7,071** | **10,819** | **11,458** | **15,925** | **15,727** | **52,236** | **53,929** |
| Tax | 4,779 | 5,005 | 2,186 | 1,570 | 2,948 | 2,979 | 4,061 | 4,033 | 13,538 | 14,022 |
| *ETR (%)* | *27.0* | *27.0* | *24.5* | *22.2* | *27.3* | *26.0* | *25.5* | *25.6* | *25.9* | *26.0* |
| Reported PAT | 12,976 | 13,512 | 6,758 | 5,546 | 7,891 | 8,431 | 11,816 | 11,645 | 38,792 | 39,783 |
| **Adj. PAT** | **12,976** | **13,512** | **8,842** | **5,546** | **7,891** | **8,431** | **11,816** | **11,645** | **40,836** | **39,783** |
| *YoY Change (%)* | *10.2* | *3.7* | *-57.0* | *-54.6* | *-39.2* | *-37.6* | *74.8* | *110.0* | *-26.4* | *2.6* |
| **Adj. EPS (Rs)** | **16.1** | **16.7** | **10.9** | **6.9** | **9.8** | **10.4** | **14.6** | **14.4** | **50.5** | **49.2** |

*Source: Company, Nirmal Bang Institutional Equities Research*

## 1QFY27 Concall highlights

### Financial Highlights

- Consolidated revenue grew 2.0% YoY to Rs71.2bn, driven by healthy performance in One India, North America, and EMEU. Reported growth was impacted by an accounting presentation change in South Africa, with underlying business growth closer to 4.0% YoY.
- EBITDA margin moderated to 16.7%, impacted by higher launch-related investments, adverse product mix, inventory write-offs, lower PLI accruals, and elevated freight costs due to geopolitical disruptions. Management expects these headwinds to ease as key US launches ramp up and operating leverage improves.
- R&D spend remains slightly elevated at 6.8% of revenue, reflecting continued investments in respiratory, peptide, and other complex product opportunities.

### One India

- One India delivered 12.0% YoY growth, supported by broad-based performance across key therapies, continued outperformance in the chronic portfolio, new product launches, and sustained field execution.
- The branded prescription business grew 15.4%, outperforming the IPM on the back of strong momentum in respiratory, anti-diabetes, cardiac, and urology. Management noted that the underlying portfolio continued to deliver healthy growth beyond recent partnered launches.
- Chronic therapies now account for 60.4% of the India portfolio. Cipla expects the chronic mix to improve further over the medium term, led by continued investments in respiratory, diabetes, cardiology, urology, and dermatology, while retaining a strong acute portfolio.

- Yurpeak recorded quarterly sales of around Rs800mn, emerging as the second-largest brand in the category. Cipla is not planning additions to its ~12,000-member field force during FY27; focus is on productivity improvements from the existing force.

**North America**

- North America: Revenue degrew 28% YoY. Management reiterated its target of crossing US$1bn annualised run-rate for FY27 supported by upcoming launches.
- Cipla expects four key launches over the next 12 months, including a peptide product and respiratory assets, which are expected to drive the next leg of growth.
- Management highlighted that investments behind these launches have largely been incurred, with revenues expected to follow after approvals. Existing products such as Ventolin are also expected to ramp up meaningfully over the coming quarters aided by 180-day CGT.
- On Lanreotide, the management is to pursue a two-pronged strategy, supporting remediation at Pharmathen, while simultaneously progressing technology transfer to an alternate US manufacturing site. Lanreotide is not included in the company's internal growth assumptions until regulatory visibility improves.

**EMEU / One Africa**

- EMEU: Revenue grew 16.0% YoY to Rs9.9bn, driven by broad-based growth across key markets, supported by new product launches, improved commercial execution, and a favourable product mix. Management highlighted continued momentum across the branded portfolio, reinforcing international markets as a key growth driver.
- One Africa: South Africa in the private market achieved strong secondary growth of 6.5%, outperforming the overall market growth of 5.7% as per IQVIA MAT-based statistics, thereby offsetting lower sales in the tender business.

**Others**

- Management reiterated its target of achieving a US$1bn annualised revenue run-rate by end-FY27, driven by a combination of upcoming launches, continued ramp-up of Ventolin on 180-day CGT exclusivity, and contribution from the broader pipeline.
- Cipla maintains its 18.5-20.0% EBITDA margin guidance for FY27, supported by operating leverage from new product launches. Management acknowledged that delays in approvals could pose a risk to margins but expects sequential improvement through the year as revenues scale up and cost-optimisation initiatives gain traction.

### Exhibit 2: Actual performance vs NBIE estimates

| (Rsmn) | Actual | NBIE estimate | *Var. (%)* | Bloomberg Consensus Estimate | *Var. (%)* |
|---|---|---|---|---|---|
| Sales | 71,193 | 68,044 | *4.6* | 71,309 | *(0.2)* |
| EBITDA | 11,923 | 12,090 | *(1.4)* | 12,694 | *(6.1)* |
| *EBITDA margin (%)* | *16.7* | *17.8* | *(102) bps* | *17.8* | *(105) bps* |
| PAT | 7,891 | 7,183 | *9.9* | 8,404 | *(6.1)* |
| *PAT margin (%)* | *11.1* | *10.6* | *53 bps* | *11.8* | *(70) bps* |

*Source: Company, Nirmal Bang Institutional Equities Research*

### Exhibit 3: Revised estimates

| (Rsmn) | New estimates | | Old estimates | | *Change (%)* | |
|---|---|---|---|---|---|---|
| | FY27E | FY28E | FY27E | FY28E | FY27E | FY28E |
| Revenue | 316,033 | 342,058 | 310,633 | 335,669 | *1.7* | *1.9* |
| EBITDA | 59,479 | 73,826 | 72,081 | 85,156 | *(17.5)* | *(13.3)* |
| *Margin (%)* | *18.8* | *21.6* | *23.2* | *25.4* | *(438) bps* | *(379) bps* |
| PAT | 39,783 | 50,288 | 49,108 | 58,672 | *(19.0)* | *(14.3)* |
| *Margin (%)* | *12.6* | *14.7* | *15.8* | *17.5* | *(322) bps* | *(278) bps* |
| EPS (Rs) | 49.2 | 62.3 | 60.8 | 72.6 | *(19.0)* | *(14.3)* |

*Source: Nirmal Bang Institutional Equities Research*

### Exhibit 4: Segment revenue

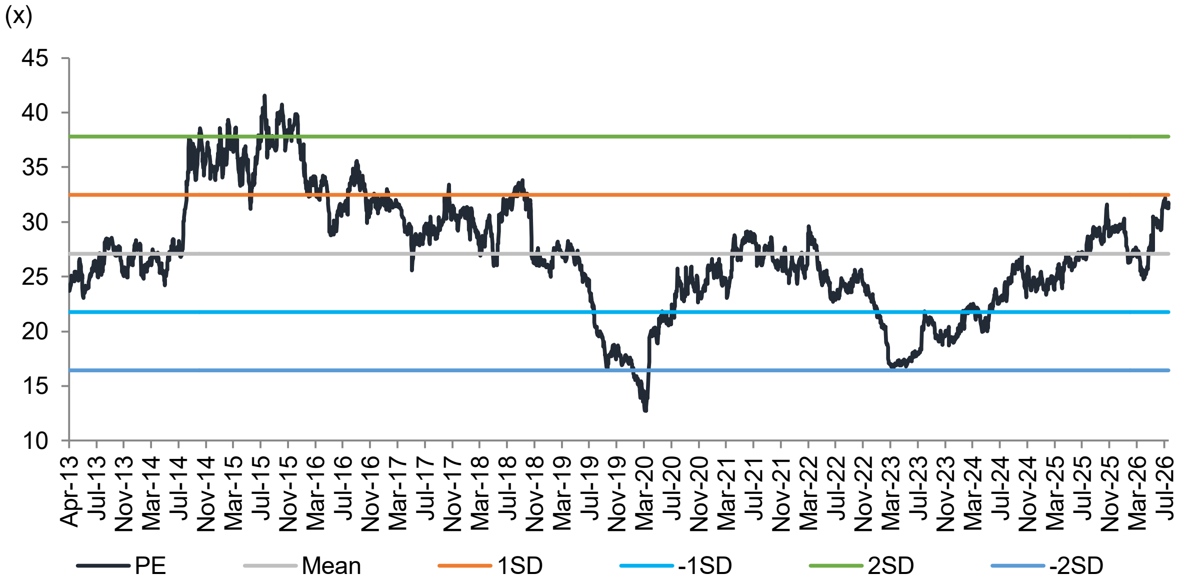
| Segmental Revenue (Rsmn) | 1QFY26 | 4QFY26 | 1QFY27 | YoY (%) | QoQ (%) |
|---|---|---|---|---|---|
| India | 30,700 | 30,070 | 34,520 | *12.4* | *14.8* |
| US$ (mn) | 226 | 155 | 162 | *(28.3)* | *4.5* |
| South Africa, Sub-Saharan, and Cipla Global Access business | 8,710 | 12,360 | 9,770 | *12.2* | *(21.0)* |
| International Markets (EU & EMs) | 8,610 | 8,190 | 9,990 | *16.0* | *22.0* |
| API | 1,020 | 640 | 1,590 | *55.9* | *148.4* |
| Others# | 1,210 | 0 | 0 | *(100.0)* | - |

*Source: Nirmal Bang Institutional Equities Research; Note: #Others reporting is clubbed into API from 4QFY26*

### Valuation and outlook

We maintain our BUY rating on Cipla with a revised target price of Rs1,615 (earlier Rs1,883), based on 26x FY28E EPS of Rs62.1**.** While we have fine-tuned our estimates to reflect the timing of key US launches and the near-term impact of launch-related investments, our medium-term investment thesis remains firmly intact. We expect Cipla to deliver a 10% revenue CAGR over FY26-FY28E, supported by sustained double-digit growth in the India business, a meaningful ramp-up in the North America business (led by its respiratory portfolio and peptide opportunities), and steady execution across other international markets. As launch investments normalize and the contribution from high-value, differentiated products increases, we expect operating leverage to drive EBITDA margin expansion to 21.4% by FY28E**,** resulting in healthy earnings growth over the medium term. Cipla's leadership in chronic therapies, differentiated respiratory capabilities, improving US pipeline visibility, and consistent execution position the company well to deliver sustainable growth while further strengthening its return profile. In addition, the company's ~Rs95bn net cash balance provides significant strategic flexibility to pursue value-accretive inorganic opportunities and invest in future growth without compromising balance sheet strength. We continue to view Cipla as one of our preferred ideas in the Indian pharmaceutical sector, given its high-quality franchise, improving earnings visibility, strong cash generation, multiple medium-term growth catalysts, and attractive risk-reward proposition.

**Exhibit 5: One-year rolling forward P/E**




*Source: Company, BSE, Bloomberg, Nirmal Bang Institutional Equities Research*

## Financial statements

### Exhibit 6: Income statement

| Y/E March (Rsmn) | FY24 | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|
| **Net Sales** | **257,741** | **275,476** | **281,626** | **316,033** | **342,058** |
| *Growth YoY %* | *13.3* | *6.9* | *2.2* | *12.2* | *8.2* |
| **Gross profit** | **169,545** | **186,186** | **186,135** | **196,446** | **214,571** |
| ***Gross margin %*** | ***65.8*** | ***67.6*** | ***66.1*** | ***62.2*** | ***62.7*** |
| Staff costs | 43,100 | 48,328 | 53,663 | 58,493 | 61,418 |
| ***% of sales*** | ***16.7*** | ***17.5*** | ***19.1*** | ***18.5*** | ***18.0*** |
| Other expenses | 63,534 | 66,579 | 73,222 | 78,473 | 79,328 |
| ***% of sales*** | ***24.7*** | ***24.2*** | ***26.0*** | ***24.8*** | ***23.2*** |
| **EBITDA** | **62,911** | **71,279** | **59,249** | **59,479** | **73,826** |
| *Growth YoY %* | *25.1* | *13.3* | *-16.9* | *0.4* | *24.1* |
| ***EBITDA margin %*** | ***24.4*** | ***25.9*** | ***21.0*** | ***18.8*** | ***21.6*** |
| Depreciation | 10,510 | 11,070 | 12,530 | 13,000 | 13,700 |
| EBIT | 52,400 | 60,209 | 46,719 | 46,479 | 60,126 |
| Interest | 899 | 620 | 544 | 550 | 500 |
| Other income | 7,466 | 8,619 | 8,820 | 8,000 | 8,500 |
| PBT (bei) | 58,967 | 68,208 | 54,995 | 53,929 | 68,126 |
| PBT | 57,019 | 68,208 | 52,236 | 53,929 | 68,126 |
| ETR | 27 | 22 | 26 | 26 | 26 |
| PAT | 41,553 | 52,910 | 38,698 | 39,908 | 50,413 |
| **Adj PAT** | **42,762** | **52,725** | **40,836** | **39,783** | **50,288** |
| ***Growth YoY %*** | ***45.9*** | ***23.3*** | ***-22.5*** | ***-2.6*** | ***26.4*** |

*Source: Company, Nirmal Bang Institutional Equities Research*

### Exhibit 7: Balance sheet

| Y/E March (Rsmn) | FY24 | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|
| Share capital | 1,615 | 1,615 | 1,616 | 1,616 | 1,616 |
| Reserves | 266,409 | 311,277 | 343,587 | 372,986 | 418,145 |
| **Net worth** | **268,023** | **312,893** | **345,202** | **374,602** | **419,760** |
| Long term debt | 0 | 120 | 1,175 | 6,087 | 6,990 |
| Short term debt | 2,470 | 801 | 1,405 | 1,405 | 1,405 |
| **Total debt** | **2,470** | **921** | **2,580** | **7,492** | **8,395** |
| **Net debt** | **-54,350** | **-80,010** | **-87,289** | **-82,566** | **-116,491** |
| Other non-current liabilities | 6,697 | 6,019 | 8,447 | 8,447 | 8,447 |
| **Total Equity & Liabilities** | **327,178** | **373,870** | **424,960** | **460,019** | **504,529** |
| Gross block | 100,079 | 108,006 | 123,303 | 141,851 | 151,851 |
| Accumulated depreciation | 49,390 | 55,384 | 62,905 | 82,453 | 94,153 |
| **Net Block** | **50,690** | **52,623** | **60,398** | **59,398** | **57,698** |
| CWIP | 8,643 | 12,128 | 15,863 | 15,863 | 15,863 |
| Intangible and others | 47,130 | 49,864 | 68,505 | 68,505 | 68,505 |
| Other non-current assets | 26,790 | 26,767 | 38,735 | 39,735 | 47,735 |
| Investments | 48,070 | 72,932 | 76,794 | 76,794 | 76,794 |
| Trade receivables | 47,707 | 55,064 | 56,201 | 63,207 | 61,570 |
| Inventories | 52,380 | 56,421 | 65,967 | 60,046 | 66,701 |
| Cash & Cash Equivalents | 8,750 | 7,998 | 13,074 | 13,264 | 48,092 |
| Other current assets | 37,019 | 40,074 | 29,423 | 63,207 | 61,570 |
| **Total current assets** | **193,925** | **232,490** | **241,459** | **276,518** | **314,728** |
| Trade payables | 24,740 | 28,375 | 32,299 | 33,849 | 33,963 |
| Other current liabilities | 25,248 | 25,664 | 36,432 | 35,630 | 33,963 |
| **Total current liabilities** | **52,458** | **54,840** | **70,136** | **70,884** | **69,332** |
| **Total Assets** | **327,178** | **373,870** | **424,960** | **460,019** | **504,529** |

*Source: Company, Nirmal Bang Institutional Equities Research*

### Exhibit 8: Cash flow

| Y/E March (Rsmn) | FY24 | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|
| **PBT** | **58,967** | **68,208** | **52,657** | **53,929** | **68,126** |
| Depreciation | 10,510 | 11,070 | 12,110 | 13,000 | 13,700 |
| Interest | 899 | 620 | 544 | 550 | 500 |
| Other adjustments | (5,001) | (6,512) | (7,796) | (8,000) | (8,500) |
| Change in Working capital | (8,061) | (6,655) | (2,252) | (34,122) | (4,934) |
| Tax paid | (15,975) | (16,681) | (15,862) | (14,022) | (17,713) |
| **Operating cash flow** | **41,339** | **50,050** | **39,400** | **11,336** | **51,178** |
| Capex | (12,815) | (15,148) | (30,117) | (12,000) | (12,000) |
| **Free cash flow** | **28,524** | **34,902** | **9,283** | **(664)** | **39,178** |
| Other investing activities | (17,065) | (21,763) | 6,856 | (1,000) | (8,000) |
| **Investing cash flow** | **(29,880)** | **(36,911)** | **(23,261)** | **(13,000)** | **(20,000)** |
| Issuance of share capital | 0 | 1 | 0 | 0 | 0 |
| Movement of Debt | (3,775) | (1,663) | 800 | 4,912 | 903 |
| Dividend paid (incl DDT) | (6,862) | (10,498) | (12,924) | (10,509) | (5,254) |
| Other financing activities | (7,719) | (1,729) | 1,061 | 7,450 | 8,000 |
| **Financing cash flow** | **(18,355)** | **(13,890)** | **(11,063)** | **1,854** | **3,649** |
| **Net change in cash flow** | **(6,896)** | **(751)** | **5,076** | **190** | **34,827** |
| Opening C&CE | 15,646 | 8,750 | 7,998 | 13,074 | 13,264 |
| Closing C&CE | 8,750 | 7,998 | 13,074 | 13,264 | 48,092 |

*Source: Company, Nirmal Bang Institutional Equities Research*

### Exhibit 9: Key ratios

| Y/E March | FY24 | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|
| **Per share (Rs)** | | | | | |
| Adj EPS | 53.0 | 65.3 | 50.6 | 49.2 | 62.3 |
| Book value | 332.0 | 387.4 | 427.3 | 463.7 | 519.6 |
| DPS | 8.5 | 13.0 | 16.0 | 13.0 | 6.5 |
| **Valuation (x)** | | | | | |
| P/Sales | 4.4 | 4.1 | 4.0 | 3.6 | 3.3 |
| EV/EBITDA | 17.0 | 14.7 | 17.5 | 17.5 | 13.7 |
| P/E | 26.3 | 21.4 | 27.6 | 28.3 | 22.4 |
| P/BV | 4.2 | 3.6 | 3.3 | 3.0 | 2.7 |
| **Return ratios (%)** | | | | | |
| RoCE | 14.9 | 15.8 | 10.3 | 9.3 | 10.8 |
| RoCE (pre-tax) | 20.5 | 20.4 | 13.9 | 12.5 | 14.6 |
| RoE | 16.9 | 18.2 | 12.4 | 11.1 | 12.7 |
| RoIC | 18.7 | 20.9 | 14.1 | 12.5 | 14.9 |
| **Profitability ratios (%)** | | | | | |
| Gross margin | 65.8 | 67.6 | 66.1 | 62.2 | 62.7 |
| EBITDA margin | 24.4 | 25.9 | 21.0 | 18.8 | 21.6 |
| PAT margin | 16.6 | 19.1 | 14.5 | 12.6 | 14.7 |
| **Liquidity ratios (%)** | | | | | |
| Current ratio | 3.7 | 4.2 | 3.4 | 3.9 | 4.5 |
| Quick ratio | 2.7 | 3.2 | 2.5 | 3.1 | 3.6 |
| **Solvency ratio (%)** | | | | | |
| Net Debt to Equity ratio | (0.2) | (0.3) | (0.3) | (0.2) | (0.3) |
| **Turnover ratios** | | | | | |
| Fixed asset turnover ratio (x) | 2.5 | 2.5 | 2.2 | 2.2 | 2.4 |
| Debtor days | 62.5 | 68.1 | 72.1 | 69.0 | 66.6 |
| Inventory days | 73.6 | 72.1 | 79.3 | 72.8 | 67.6 |
| Creditor days | 35.5 | 35.2 | 39.3 | 38.2 | 36.2 |
| Net Working capital days | 100.6 | 105.0 | 112.1 | 103.5 | 98.0 |

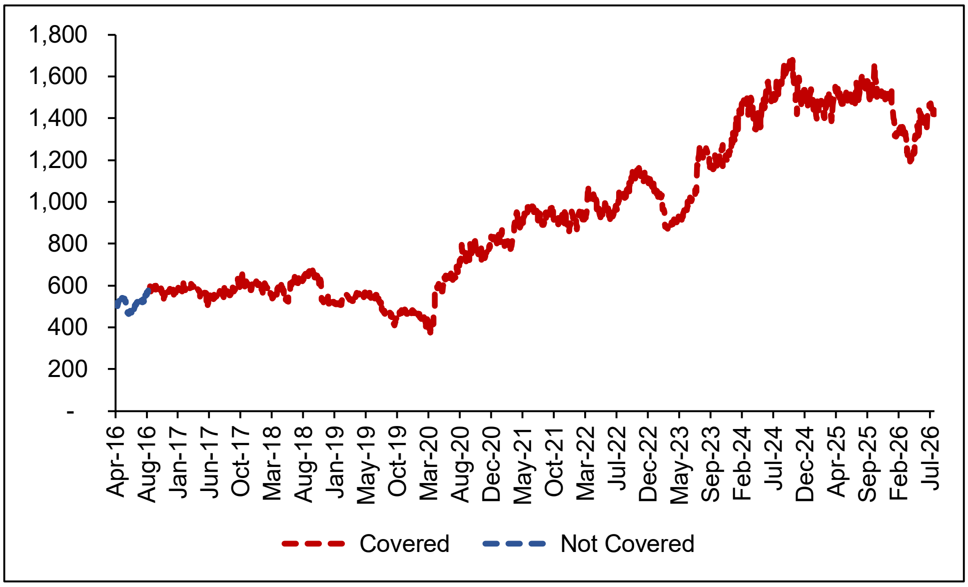
*Source: Company, Nirmal Bang Institutional Equities Research*

## Rating Track

| Date | Rating | Market price (Rs) | Target price (Rs) |
|---|---|---|---|
| 9 February 2017 | Buy | 560 | 700 |
| 6 September 2016 | Buy | 577 | 700 |
| 10 November 2016 | Buy | 566 | 700 |
| 26 December 2016 | Buy | 582 | 700 |
| 9 February 2017 | Buy | 603 | 700 |
| 26 May 2017 | Buy | 504 | 684 |
| 8 November 2017 | Buy | 608 | 713 |
| 8 February 2018 | Buy | 569 | 716 |
| 23 May 2018 | Buy | 525 | 647 |
| 9 August 2018 | Hold | 633 | 647 |
| 6 November 2018 | Hold | 563 | 657 |
| 7 February 2019 | Buy | 528 | 657 |
| 5 April 2019 | Buy | 522 | 695 |
| 23 May 2019 | Buy | 554 | 653 |
| 8 August 2019 | Buy | 519 | 636 |
| 23 September 2019 | Buy | 463 | 632 |
| 7 November 2019 | Buy | 481 | 632 |
| 6 February 2020 | Buy | 447 | 632 |
| 27 March 2020 | Buy | 387 | 523 |
| 23 April 2020 | Hold | 587 | 582 |
| 18 May 2020 | Hold | 570 | 575 |
| 10 August 2020 | Hold | 729 | 773 |
| 22 September 2020 | Buy | 778 | 933 |
| 29 September 2020 | Buy | 775 | 933 |
| 9 November 2020 | Buy | 790 | 951 |
| 7 January 2021 | Buy | 825 | 1,067 |
| 31 January 2021 | Buy | 826 | 1,071 |
| 16 May 2021 | Hold | 904 | 977 |
| 6 August 2021 | Hold | 945 | 1,006 |
| 26 September 2021 | Hold | 968 | 1,042 |
| 27 October 2021 | Buy | 907 | 1,041 |
| 23 December 2021 | Buy | 890 | 1,101 |
| 26 January 2022 | Buy | 904 | 1,069 |
| 21 February 2022 | Buy | 908 | 1,237 |
| 11 May 2022 | Buy | 926 | 1,138 |
| 31 July 2022 | Buy | 978 | 1,141 |
| 29 September 2022 | Buy | 1,097 | 1,268 |
| 5 November 2022 | Buy | 1,146 | 1,321 |
| 26 January 2023 | Buy | 1,034 | 1,263 |
| 16 March 2023 | Buy | 883 | 1,043 |
| 13 May 2023 | Buy | 935 | 1,097 |
| 27 July 2023 | Buy | 1,069 | 1,245 |
| 29 October 2023 | Buy | 1,174 | 1,400 |
| 28 January 2024 | Buy | 1,374 | 1,532 |
| 12 May 2024 | Buy | 1,340 | 1,594 |
| 27 July 2024 | Buy | 1,587 | 1,876 |
| 28 January 2025 | Buy | 1,447 | 1,729 |
| 2 May 2025 | Buy | 1,550 | 1,851 |
| 14 May 2025 | Buy | 1,520 | 1,835 |
| 27 July 2025 | Buy | 1,533 | 1,871 |
| 31 October 2025 | Hold | 1,540 | 1,654 |
| 9 January 2026 | Hold | 1,461 | 1,654 |
| 24 January 2026 | Buy | 1,315 | 1,551 |
| 14 May 2026 | Hold | 1,328 | 1,404 |

| | | | |
|---|---|---|---|
| 8 July 2026 | Buy | 1,457 | 1,892 |
| 23 July 2026 | Buy | 1,394 | 1,615 |

## Rating Track Graph



# Infosys Ltd. (INFY)

## Information Technology | 1QFY27 Result Update

**SELL**

**CMP: Rs1,047 | Target Price (TP): Rs968| Downside: 7.6%**

**July 24, 2026**

## Guidance cut on a seasonally strong quarter

### Key Points

- Infosys reported weak performance in Q1FY27, with the guidance cut at the top end from 3.5% to 3% CC has left questions on expected AI deflation. Revenue at US$5,082mn was 1% higher than consensus estimates. It was 1% lower than NBIE estimates. It was up by 1% and up by 2.4% on QoQ and YoY CC basis respectively. We had estimated 1.4% QoQ CC growth. Full year weak expectation was on the back of macro uncertainty and competitive pricing environment.
- EBIT margin at 21.1% was 20bps lower than NBIE and in line with consensus estimates. Tailwinds included 70 basis points of rupee depreciation, 20 basis points of Project Maximus, 20 basis points net benefit due to amortization of cost on intangibles incurred in Q4 offset by the impact of new acquisitions in Q1. Headwinds included 50 basis points of investment in AI sales and marketing, 40 basis points of one-time revenue impact arising out of program termination, one-time cost benefit of 30 basis points, which was offset by 20 basis points due to the increase in various other expenses.
- Large deal TCV for 1Q was at US$3.6bn and was up 12.5% but down 5.2% on QoQ and YoY basis respectively. Net new TCV was at US$2.2bn or 61% of large deal TCV and was up 67% and 5.3% on QoQ and YoY basis respectively.
- Revenue growth guidance for FY27 is in the range of 1.5-3% in YoY CC terms. The guidance reset is explicitly scenario-based on the macro outlook rather than a single point estimate. The lower end of the revised 1.5-3% CC growth band assumes further deterioration in the macro backdrop; the upper end assumes some improvement, though even that improved case is softer than what the management had underwritten back in April.

**Volumes Soften Through Q1:** Volumes came in weaker than both internal expectations and historical Q1 seasonality. The management said that this isn't a one-quarter issue: softness in Q1 volumes has a cascading effect into Q2 and, by extension, the rest of the year, which is one of the core mechanics behind the guidance cut, alongside the one-off client termination and softer than expected pricing.

**Frontier engineers and wage hike: The** management reiterated the plan to build a team of 6,000 frontier engineers over the next few years to support AI-related client work. It was clear that this isn't an immediate lateral hiring push, the primary route is upskilling existing staff and training new college recruits into these roles, with external lateral hiring as a smaller, supplementary channel given how specialized the skill set is. Salary increases roll out is in two tranches, effective October for most of the employee base and January 2027 for the rest. Unlike FY26, where the hike cycle was split across two fiscal years, the full impact of this cycle lands within FY27 itself, already factored into the 20-22% EBIT margin guidance.

**Valuation and outlook:** Sustained large deal wins in Q1FY27, AI-first transformation tailwinds, and disciplined capital allocation have enhanced long-term visibility, but lowering the FY27 guidance reiterates the seriousness of AI led deflation and this could just be the beginning of what is to come. **We remain underweight on the sector for FY27 due to Gen AI-led compression, explained in our latest note– pain coming sooner than expectations.** We re-iterate our 'SELL' rating on the stock with a lower TP of Rs968 (earlier Rs1,051) while valuing the stock at a lower multiple of 13x (vs 14x earlier).

| | |
|---|---|
| Est Change | Maintain |
| TP Change | Downwards |
| Rating Change | Maintain |

### Company Data and Valuation Summary

| | |
|---|---|
| Reuters | INFY.BO |
| Bloomberg | INFO IN Equity |
| Mkt Cap (Rs bn/US$ bn) | 4,249.9 / 44.2 |
| 52 Wk H / L (Rs) | 1,728 / 982 |
| ADTV-3M (mn) (Rs/US$) | 16,683.7 / 176.2 |
| Stock performance (%) 1M/6M/1yr | (1.3) / (18.8) / (15.9) |
| Nifty 50 performance (%) 1M/6M/1yr | (0.6) / (0.1) / (4.8) |

| Shareholding | 3QFY26 | 4QFY26 | 1QFY27 |
|---|---|---|---|
| Promoters | 14.5 | 14.4 | 13.8 |
| DIIs | 41.3 | 43.4 | 43.0 |
| FIIs | 30.3 | 28.5 | 27.1 |
| Others | 13.9 | 13.8 | 16.1 |
| Pro pledge | 0.0 | 0.0 | 0.0 |

### Financial and Valuation Summary

| Particulars (Rsbn) | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| Revenue (Rsbn) | 1630 | 1787 | 1955 | 2000 |
| *YoY Growth (%)* | 6.1 | 9.6 | 9.4 | 2.3 |
| *Gross Margin (%)* | *33.4* | *32.9* | *32.7* | *31.7* |
| EBIT (Rsbn) | 344 | 363 | 387 | 397 |
| *EBIT (%)* | *21.1* | *20.3* | *19.8* | *19.9* |
| Adj. PAT (Rsbn) | 268 | 295 | 294 | 302 |
| *PAT Margin (%)* | *16.4* | *16.5* | *15.0* | *15.1* |
| *YoY Growth (%)* | 1.9 | 10.2 | (0.3) | 2.6 |
| FDEPS-Adjusted (Rs) | 64.5 | 72.8 | 72.5 | 74.4 |
| *ROE (%)* | *29.0* | *31.1* | *32.1* | *32.2* |
| *Post - Tax ROCE (%)* | *24.3* | *25.8* | *27.2* | *27.6* |
| *Post Tax ROIC (%)* | *34.5* | *38.2* | *38.0* | *37.6* |
| P/E (x) | 16.3 | 14.5 | 14.5 | 14.1 |
| EV/EBITDA | 10.1 | 9.7 | 9.3 | 8.9 |
| P/BV (x) | 1.1 | 1.1 | 1.2 | 1.1 |

*Source: Company, Bloomberg, Nirmal Bang Institutional Equities Research*

**Key Links-**

**Last results note:** 4QFY26 result update

**Sector Review Note**: pain coming sooner than expectations

*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 | Q1 27 | Q2 27 | Q3 27 | Q4 27 | FY26 | FY 27 | Q1 27E | Var |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Net Sales (US$mn)** | **4,941** | **5,076** | **5,099** | **5,040** | **5,082** | **5,164** | **5,181** | **5,159** | **20,156** | **20,587** | **5,132** | *(1.0)* |
| ***QoQ Change (%)*** | **4.5** | **2.7** | **0.5** | **-1.2** | **0.8** | **1.6** | **0.3** | **-0.4** | | | **1.8** | |
| **Net Sales** | **4,22,790** | **4,44,900** | **4,54,790** | **4,64,020** | **4,82,110** | **4,90,589** | **4,92,217** | **4,90,127** | **17,86,500** | **19,55,043** | **4,73,215** | *1.9* |
| *YoY Change (%)* | *2.6* | *2.2* | *0.6* | *-1.3* | 1.0 | *1.6* | *0.3* | *-0.4* | *9.6* | *9.4* | *1.4* | |
| **Software Expenses** | **2,80,840** | **2,96,180** | **3,14,970** | **3,06,340** | **3,17,870** | **3,28,814** | **3,34,827** | **3,33,406** | **11,98,330** | **13,14,917** | **3,15,946** | *0.6* |
| *% of Sales* | *66.4* | *66.6* | *69.3* | *66.0* | 65.9 | *67.0* | *68.0* | *68.0* | *67.1* | *67.3* | *66.8* | |
| **Gross Profit** | **1,41,950** | **1,48,720** | **1,39,820** | **1,57,680** | 1,64,240 | **1,61,775** | **1,57,390** | **1,56,721** | **5,88,170** | **6,40,126** | **1,57,269** | *4.4* |
| *Margin (%)* | *33.6* | *33.4* | *30.7* | *34.0* | 34.1 | *33.0* | *32.0* | *32.0* | *32.9* | *32.7* | *33.2* | |
| **Operating Expenses** | **42,520** | **43,370** | **44,720** | **46,010** | 50,150 | **50,161** | **50,023** | **49,783** | **1,76,620** | **2,00,117** | **43,543** | *15.2* |
| *% of Sales* | *10.1* | *9.7* | *9.8* | *9.9* | 10.4 | *10.2* | *10.2* | *10.2* | *9.9* | *10.2* | *9.2* | |
| **EBIT** | **88,030** | **93,530** | **83,550** | **97,430** | 1,01,630 | **98,368** | **93,585** | **93,215** | **3,62,540** | **3,86,798** | **1,00,949** | *0.7* |
| *YoY Change (%)* | *6.2* | *8.1* | *-6.2* | *13.6* | 15.4 | *5.2* | *12.0* | *-4.3* | *5.3* | *6.7* | *14.7* | |
| *Margin (%)* | *20.8* | *21.0* | *18.4* | *21.0* | 21.1 | *20.1* | *19.0* | *19.0* | *20.3* | *19.8* | *21.3* | |
| Interest | 1,050 | 1,060 | 1,000 | 1,050 | 1,190 | 1,190 | 1,190 | 1,190 | 4,160 | 4,760 | 1,050 | *13.3* |
| Other Income | 10,420 | 9,820 | 9,740 | 11,590 | 9,840 | 7,157 | 8,538 | 7,227 | 41,570 | 32,762 | 10,869 | *(9.5)* |
| **PBT** | **97,400** | **1,02,290** | **92,290** | **1,07,970** | 1,10,280 | **1,04,335** | **1,00,933** | **99,252** | **3,99,950** | **4,14,800** | **1,10,768** | *(0.4)* |
| Tax | 28,160 | 28,540 | 25,630 | 22,880 | 32,530 | 30,257 | 29,271 | 28,783 | 1,05,210 | 1,20,841 | 31,015 | *4.9* |
| *ETR (%)* | *28.9* | *27.9* | *27.8* | *21.2* | 29.5 | *29.0* | *29.0* | *29.0* | *26.3* | *29.1* | *28.0* | |
| Reported PAT | 69,210 | 73,640 | 66,540 | 84,970 | 77,630 | 73,958 | 71,542 | 70,349 | 2,94,360 | 2,93,479 | 79,633 | *(2.5)* |
| **Adj. PAT** | **69,240** | **73,750** | **66,660** | **85,090** | 77,750 | **74,078** | **71,662** | **70,469** | **2,94,740** | **2,93,959** | **79,753** | *(2.5)* |
| *YoY Change (%)* | *8.7* | *13.2* | *-2.3* | *20.8* | 12.2 | *0.4* | *7.5* | *-17.2* | *10.2* | *-0.3* | *15.1* | |
| **Adj. EPS (Rs)** | **16.7** | **17.8** | **16.2** | **21.0** | 19.2 | **18.3** | **17.7** | **17.4** | **72.8** | **72.5** | **19.7** | *(2.5)* |

*Source: Company, Nirmal Bang Institutional Equities Research*

### Exhibit 2: Change in our estimates

| Infosys | New | | Old | | *Change* | |
|---|---|---|---|---|---|---|
| **Change in estimates** | **FY27E** | **FY28E** | **FY27E** | **FY28E** | ***FY27E*** | ***FY28E*** |
| Revenues (Rsbn) | 1,955 | 2,000 | 1,913 | 1,972 | 2.2% | 1.4% |
| EBIT (Rsbn) | 387 | 397 | 377 | 391 | 2.7% | 1.7% |
| *EBIT margin (%)* | 19.8 | 19.9 | 19.7 | 19.8 | 10bps | 10bps |
| EPS (Rs) | 72.5 | 74.4 | 71.6 | 75.0 | 1.4% | -0.7% |
| Revenues (US$mn) | 20,587 | 21,048 | 20,794 | 21,437 | -1.0% | -1.8% |
| Revenue growth (%) | 2.1 | 2.2 | 3.2 | 3.1 | -100bps | -80bps |

*Source: Company, Nirmal Bang Institutional Equities Research*

### Exhibit 3: NBIE vs consensus estimates

| | Consensus | | NBIE | | *NBIE/Consensus* | |
|---|---|---|---|---|---|---|
| | **FY27E** | **FY28E** | **FY27E** | **FY28E** | ***FY27E*** | ***FY28E*** |
| Revenues (US$ mn) | 20,505 | 21,417 | 20,587 | 21,048 | 100% | 98% |
| Revenue (Rsbn) | 1,956 | 2,043 | 1,955 | 2,000 | 100% | 98% |
| EBIT (Rsbn) | 407 | 428 | 387 | 397 | 95% | 93% |
| PAT Adj (Rsbn) | 315 | 333 | 293 | 301 | 93% | 91% |
| FDEPS Adj (Rs) | 77.3 | 81.5 | 72.5 | 74.4 | 94% | 91% |
| EBIT Margin (%) | 20.8 | 21.0 | 19.8 | 19.9 | -100bps | -110bps |

*Source: Company, Nirmal Bang Institutional Equities Research*
*Note: We have taken the USD/INR rate at Rs95 for FY27E and FY28E*

# Highlights from the 1QFY27 results and analyst call

## Leadership Change Announcement

- Salil Parekh's term ends March 31, 2027. Nandan Nilekani announced that the board has appointed Ashish Dash as the new CEO. Dash is an internal candidate with 31+ years at Infosys, having joined from IIT Kharagpur as a software engineer. He has worked across delivery, account management, sales, and has run the sure practice covering multiple verticals.
- Ashish Dash will work as a mentee under Salil over the next few months for a smooth transition.

## Revenue Misses Expectations; Guidance Revised Downward

- For 1QFY27, the revenue was at US$5,082bn and was up by 2.9% and 2.4% on YoY USD and CC basis respectively. Growth was lower than expectations, primarily due to:
  - ~50bps one-time impact from a program termination by an ERS client during the quarter.
  - Volumes were soft and weaker than historical Q1 trends.
  - Client expectations on AI productivity and high competitive intensity resulted in a softer-than-expected price increase.
  - Lower revenue from a European manufacturing client.
- In 1Q, it signed 22 large deals during the quarter with 5 in financial services, 5 in communications/ERS, 3 in manufacturing, 2 in retail, 1 each in life sciences, high tech, and others. Region-wise, it signed 11 in North America, 8 in Europe, 3 in RoW.
- For 1Q, Large deal TCV was strong at $3.6 billion with net new at 61%. Out of 22 large deals won, three were worth ~$400mn each. 20% of large deals were from vendor consolidation, with healthy margins.
- Revenue guidance for FY27 revised to 1.5% to 3% YoY CC growth (from 1.5-3.5% earlier). This includes :
  - ~1.7% contribution from recently closed acquisitions (Optimum Healthcare IT and Stratus).
  - ~1%+ impact from the large European manufacturing client (reduced spend + conscious decision to not pursue uneconomic deals).
  - ~0.75-1% impact from shift towards offshore.
  - Lower end assumes further macro deterioration; top end assumes macro improvement, though lower than assumed in April.

## Verticals and geographies

- Among geographies on YoY basis, the growth was led by Europe (+5%), North America (+3%) and ROW (2%) while India fell 11.3%.
- Among verticals on YoY basis, the growth was led by BFSI (+2.9%), manufacturing (+1.6%), communications (+2.9%), Life sciences (+26.6%), EUR (+1.3%) and ‘Others’ (-12.4%) vertical, retail (-1.8%) and Technology (+1.5%)
- In Financial Services, uncertainty and geopolitical instabilities are causing hesitancy among clients, with spending patterns taking a more cautious approach. Client priorities are centered on efficiency, productivity, and modernization, while discretionary spend is being evaluated more carefully. The momentum is seen across banking, payments, capital markets, and wealth management. AI adoption is proving to be incremental and additive, with clients increasingly engaging Infosys to support their AI journeys across strategy, platforms, engineering, and operations. This was reflected in strong deal wins this quarter, with approximately $1 billion in large deal net new TCV. GCCs continue to expand, and Infosys is partnering with clients both in the set-up and growth of GCCs.

- In Manufacturing, growth continues to be impacted by lower revenue from a large European client. Clients remain cautious on discretionary spends, and decision-making is elongated, especially in European auto. The impact of tariffs, geopolitical uncertainty, and energy costs is keeping budgets tightly controlled. While AI adoption is creating new opportunity areas, it is also raising productivity expectations from clients. Infosys is getting better pricing on AI skills and consulting. The company remains focused on supporting clients through digital, AI modernization, and consolidation initiatives while balancing growth opportunities with disciplined deal selection and sustainable pricing.
- The ERS (Energy, Resources, Services / Utilities) segment was impacted by a one-off client program termination, adjusted for which the growth was strong. Macroeconomic uncertainty continues to influence client spending patterns and decision timelines. Clients are driving business priorities including cost optimization, operational resilience, productivity improvements, and regulatory compliance. Narrative AI is emerging as a strong growth catalyst, driving process re-imagination and productivity initiatives. Infosys's partnerships with hyper-scalers and AI native companies are allowing for faster experimentation and ideation.
- In Retail & CPG, consumer spend remains muted and budgets are tightly controlled due to geopolitics, inflation, and tariffs. The trend is shifting towards AI modernization and productivity-led programs funded through operational efficiency and cost optimization. Clients are asking for AI productivity commitments, leading to new pricing structures. Infosys is leveraging its native knowledge of the client's business processes and technology landscapes, augmenting it with AI. The large deal pipeline is healthy, but decision cycles are longer.
- In Communications, the operating environment remains challenging as clients continue to exercise discipline on discretionary spending and closely scrutinize investment decisions. AI is reshaping spending patterns, with enterprises increasingly prioritizing initiatives that deliver near-term gains. Telecom is undergoing significant transformation with consolidation and M&A, along with increased investments, especially for OEMs. Infosys remains focused on aligning its offerings to these evolving client priorities and helping enterprises realize measurable business outcomes.
- From a geographical perspective, North America led with 11 large deals signed during the quarter, the highest among all regions. Client caution persists with discretionary spending under pressure, but vendor consolidation trends are favoring Infosys given the depth of delivery and technology understanding it brings to clients. Europe contributed 8 large deals, though the European manufacturing client continues to be a drag with reduced spend plus conscious deal exits, accounting for roughly 1%+ impact on the overall guidance. The guidance assumes that FX and ERS verticals will grow higher than the company average. The Rest of the World accounted for 3 large deals during the quarter. On the onsite-offshore mix front, the onsite mix excluding new acquisitions dropped 30bps QoQ and is expected to reduce by 75 to 100 basis points for the full year as part of the business model de-risking strategy. Higher offshoring contributed to a sequential revenue growth impact but also aided margin improvement during the quarter.

### Demand environment

- Macro remains uncertain with geopolitical instability, tariffs, and high competitive intensity.
- Clients are cautious on discretionary spending, prioritizing AI modernization, cloud, cost optimization, and productivity.
- High competitive intensity - competitors offering aggressive pricing, sometimes with uneconomical AI productivity assumptions.
- AI is creating deflation in existing services, but being offset by new AI-driven services.
- Volumes expected to be flat or marginally positive for FY27.

## Margin Holds Up Despite Headwinds

- For 1Q, adjusted EBIT margin was at 21.1% and was up 20bps on QoQ basis.
  - Tailwinds: 70bps from rupee depreciation, 20bps from Project Maximus, 20bps net benefit from amortization intangibles (Q4) offset by new acquisitions.
  - Headwinds: 50bps from AI/sales & marketing investments, 40bps from one-time revenue impact (program termination).
  - One-time cost benefit of ~30bps was offset by 20bps from other expenses.
- Margin guidance maintained at 20-22% for FY27, assuming headwinds from wage hikes, productivity pass-through, AI investments, and ~50bps impact from acquisitions. Partly offset by Project Maximus and currency benefits.
- ETR for FY27 is expected between 29-30%.

## Employee metrics

- Headcount at the end of 1Q was 328,062 implying a net reduction of 532 employees on QoQ basis.
- Attrition for 1QFY27 stood at 13% and was higher by 40bps QoQ.
- Utilization, excluding trainees, for 4QFY26 was 84.9% and was up by 190bps QoQ. The comfortable range for utilization remains at 83-85%.

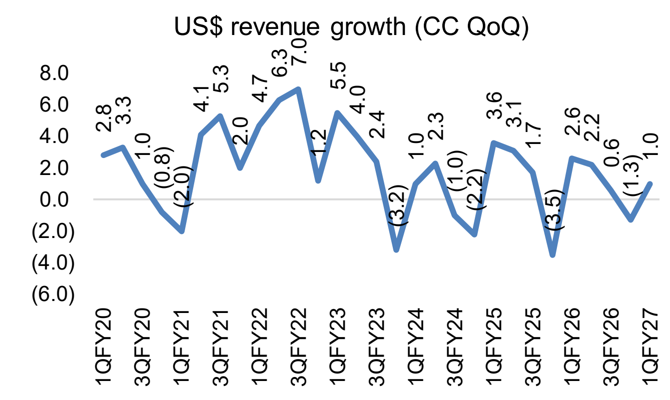
## AI Revenue Momentum Strong

- AI services' revenue at 8.2% of overall revenue, is growing at strong double-digit QoQ over the last several quarters.\\
- Strong traction across all six areas of the AI strategy hexagon, with higher share from process AI, AI strategy & engineering, and data for AI.
- 80,000+ employees working on coding tools (Cloud Code, Codex) for clients and internal projects.
- Plan to build 6,000 frontier engineers over the next few years.
- Topaz Fabric platform allows clients to use any foundation model (closed/open weight, cloud/on premise) while keeping data sovereignty. Currently working with 15 different models.
- For a healthcare company, AI agents reduced Medicaid eligibility verification time from 6-8 days to ~4 minutes.

## Miscellaneous

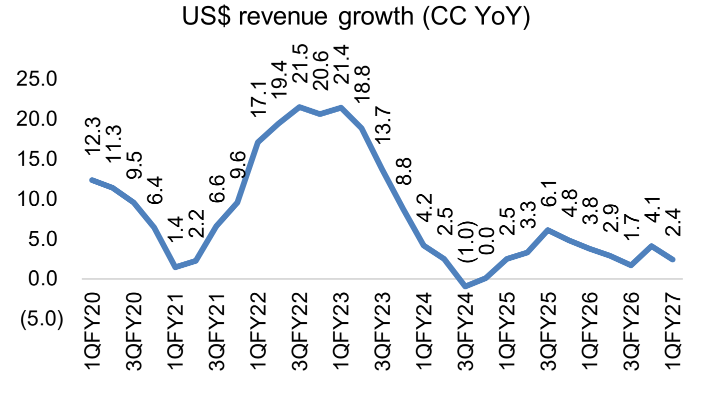
- FCF for 1QFY27 stood at US$955mn and was 116.5% of net profit.
- DSO for 1Q was 63 days; lower by 4 and 7 days on QoQ and YoY basis, respectively.
- It added 155 new clients in 1QFY27 taking the total count to 2,027 clients.
- The onsite mix at 22.8% was 30bps flat on QoQ basis
- The ERS client project was terminated during Q1, and the full impact has been absorbed in Q1. No follow-through the impact in Q2 for that specific program.

**Exhibit 4: QoQ CC growth is strong**



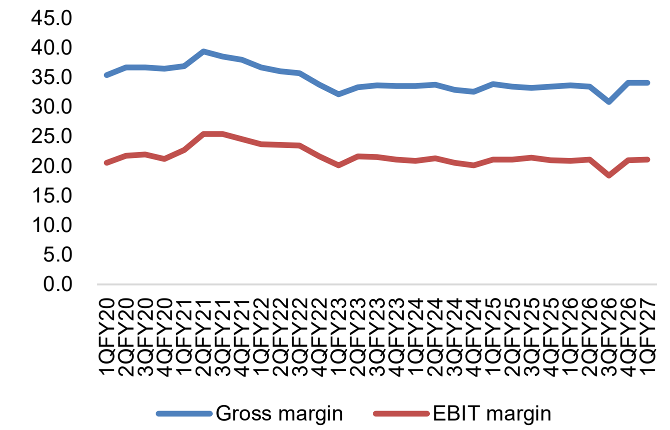

*Source: Company, Nirmal Bang Institutional Equities Research*

**Exhibit 5: YoY CC growth declines**



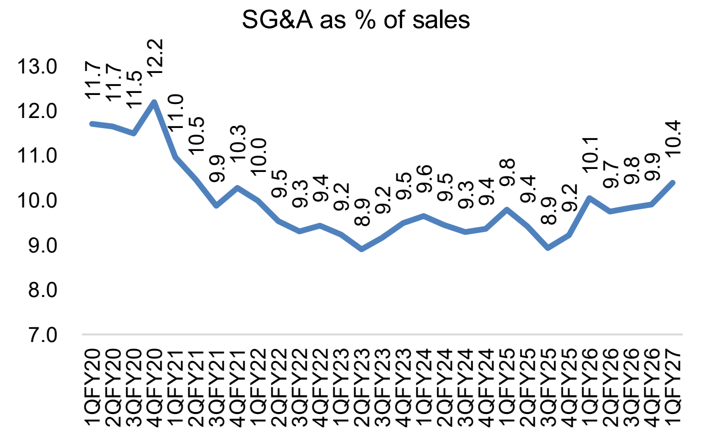

*Source: Company, Nirmal Bang Institutional Equities Research*

**Exhibit 6: Margins increase QoQ**



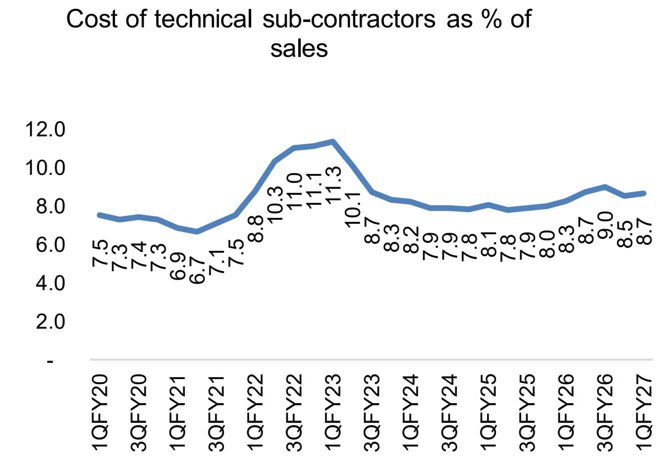

*Source: Company, Nirmal Bang Institutional Equities Research*

**Exhibit 7: SG&A inches upwards**



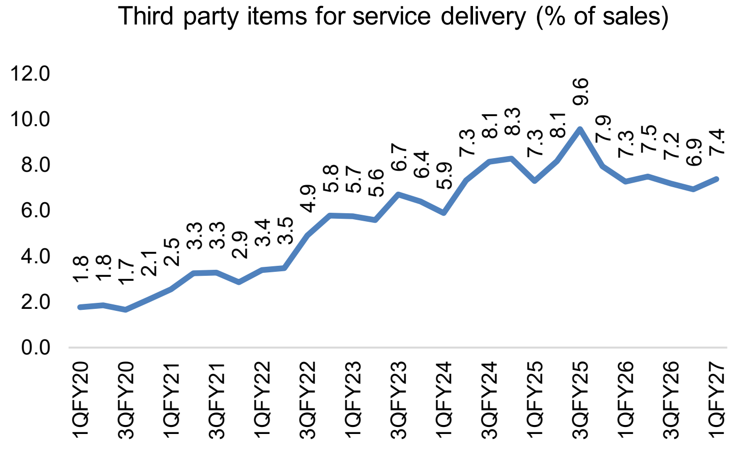

*Source: Company, Nirmal Bang Institutional Equities Research*

**Exhibit 8: Sub-contracting costs increase QoQ**



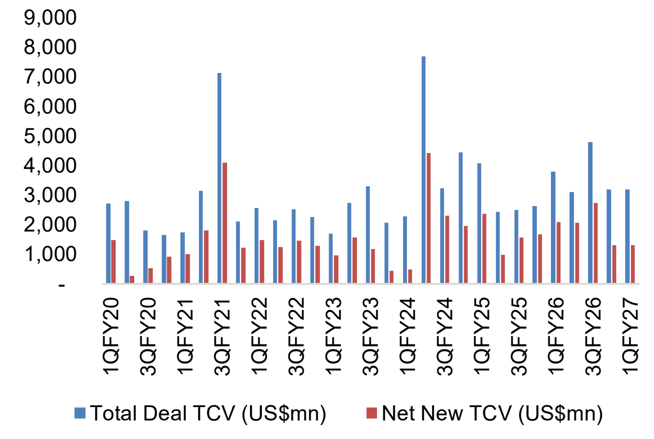

*Source: Company, Nirmal Bang Institutional Equities Research*

**Exhibit 9: Low third-party items**



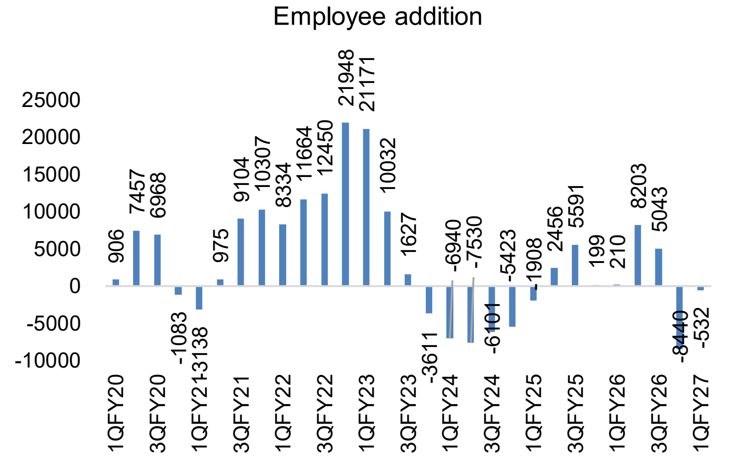

*Source: Company, Nirmal Bang Institutional Equities Research*

**Exhibit 10: TCV declines YoY**



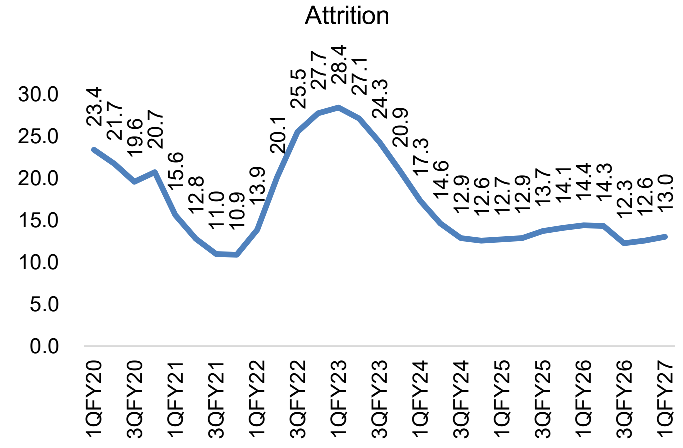

*Source: Company, Nirmal Bang Institutional Equities Research*

**Exhibit 11: Headcount reduction**



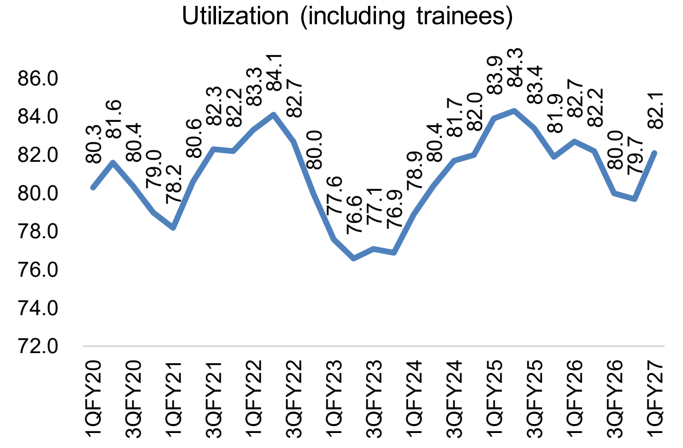

*Source: Company, Nirmal Bang Institutional Equities Research*

**Exhibit 12: Attrition inches upwards**




*Source: Company, Nirmal Bang Institutional Equities Research*

**Exhibit 13: Utilization goes up QoQ**




*Source: Company, Nirmal Bang Institutional Equities Research*

**Exhibit 14: Constant currency YoY growth metrics**

| | 4QFY24 | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | 2QFY26 | 3QFY26 | 4QFY26 | 1QFY27 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Constant currency growth (YoY, %)** | **0** | **2.5** | **3.3** | **6.1** | **4.8** | **3.8** | **2.9** | **1.7** | **4.1** | **2.4** |
| | | | | | | | | | | |
| **By Geography** | | | | | | | | | | |
| North America | -2.2% | -1.2% | -2.7% | 4.8% | -0.4% | 0.4% | 2.0% | -1.0% | 4.1% | 3.2% |
| Europe | 4.9% | 9.1% | 15.5% | 12.2% | 15.0% | 12.3% | 6.3% | 7.2% | 4.1% | 2.8% |
| India | -15.4% | 19.9% | 16.0% | 40.1% | 43.7% | -1.0% | 6.8% | -1.8% | 0.0% | -1.6% |
| ROW | 4.5% | 2.3% | 3.8% | -11.1% | -2.2% | 0.4% | -3.9% | 2.5% | 5.0% | -4.2% |
| | | | | | | | | | | |
| **By Vertical** | **4QFY24** | **1QFY25** | **2QFY25** | **3QFY25** | **4QFY25** | **1QFY26** | **2QFY26** | **3QFY26** | **4QFY26** | **!QFY27** |
| Financial Services | -8.5% | 0.3% | 2.3% | 6.1% | 12.6% | 5.6% | 5.4% | 3.9% | 2.9% | 2.4% |
| Retail | -3.7% | -3.0% | -9.6% | 0.1% | -2.6% | 0.4% | -2.3% | -5.5% | 0.5% | -1.8% |
| Communication | 4.5% | 5.4% | 7.0% | 4.0% | 0.0% | 4.0% | 4.7% | 9.9% | 9.0% | 1.3% |
| Energy, Utilities, Resources and Services | 3.3% | 6.3% | 10.9% | 8.6% | 1.5% | 6.4% | 2.1% | 0.5% | 6.7% | 1.3% |
| Manufacturing | 8.7% | 6.0% | 12.9% | 10.7% | 14.0% | 12.2% | 6.6% | 6.6% | 1.3% | 1.0% |
| Hi-Tech | 9.7% | 2.1% | 6.0% | 8.4% | -1.1% | 1.7% | 8.6% | -2.2% | -1.2% | 2.4% |
| Life Sciences | 1.0% | 2.9% | 3.5% | 6.3% | -3.4% | -7.9% | -10.5% | -5.4% | 11.6% | 24.0% |
| Others | 0.5% | 4.5% | 1.2% | 3.2% | -2.8% | -15.3% | -2.4% | -9.3% | 14.0% | -9.9% |
| | | | | | | | | | | |
| **CC growth (QoQ, %)** | **-2.2** | **3.6** | **3.1** | **1.7** | **-3.5** | **2.6** | **2.2** | **0.6** | **-1.3** | **1** |

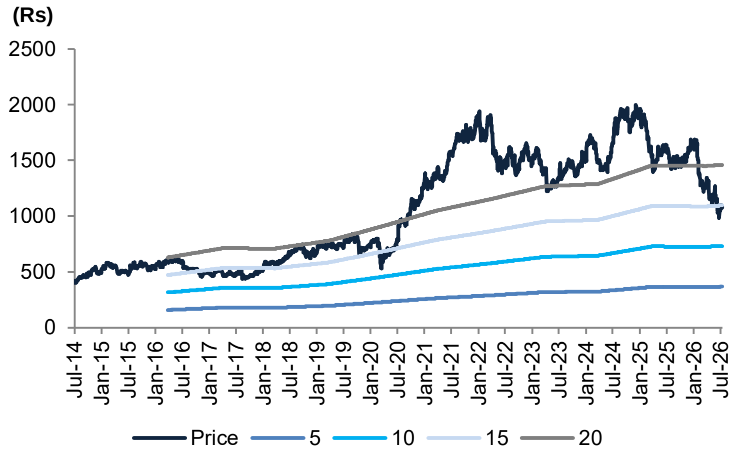
*Source: Company, Nirmal Bang Institutional Equities Research*

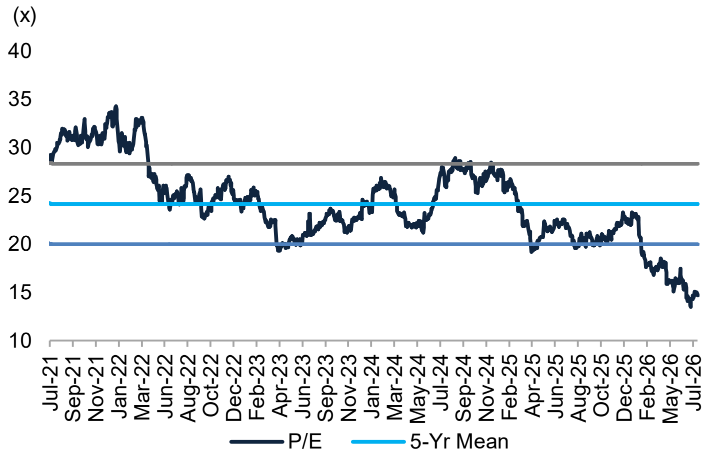
### Exhibit 15: Key metrics**

| | 4QFY24 | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | 2QFY26 | 3QFY26 | 4QFY26 | 1QFY27 |
|---|---|---|---|---|---|---|---|---|---|---|
| **P&L (Rsmn)** | | | | | | | | | | |
| Revenue | 3,79,230 | 3,93,150 | 4,09,860 | 4,17,640 | 4,09,250 | 4,22,790 | 4,44,900 | 4,54,790 | 4,64,020 | 4,82,110 |
| EBIT | 76,210 | 82,880 | 86,490 | 89,120 | 85,750 | 88,030 | 93,530 | 83,550 | 97,430 | 1,01,630 |
| PAT | 79,690 | 63,680 | 65,060 | 68,120 | 70,330 | 69,210 | 73,640 | 66,540 | 84,970 | 77,630 |
| **Vertical Mix (%)** | | | | | | | | | | |
| Financial Services | 26.4 | 27.5 | 27.2 | 27.8 | 28.4 | 27.9 | 27.7 | 28.2 | 28.0 | 27.9 |
| Retail | 14.3 | 13.8 | 13.3 | 13.8 | 13.3 | 13.4 | 12.7 | 12.8 | 12.8 | 12.8 |
| Communication | 12.3 | 12.1 | 11.9 | 11.2 | 11.7 | 12.0 | 12.1 | 12.1 | 12.4 | 12.0 |
| Energy, Utilities, Resources and Services | 13.4 | 13.3 | 13.5 | 13.5 | 13.0 | 13.6 | 13.4 | 13.2 | 13.2 | 13.4 |
| Manufacturing | 14.7 | 14.7 | 15.7 | 15.5 | 15.9 | 16.1 | 16.5 | 16.7 | 15.9 | 15.9 |
| Hi-Tech | 8.7 | 8.0 | 8.0 | 7.9 | 8.3 | 7.8 | 8.3 | 7.4 | 7.7 | 7.7 |
| Life Sciences | 7.3 | 7.3 | 7.3 | 7.6 | 6.8 | 6.5 | 6.4 | 7.2 | 7.3 | 8.0 |
| Others | 2.9 | 3.3 | 3.1 | 2.7 | 2.6 | 2.7 | 2.9 | 2.4 | 2.7 | 2.3 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| **Geographic Mix (%)** | | | | | | | | | | |
| North America | 59.6 | 58.9 | 57.4 | 58.4 | 57.1 | 56.5 | 56.3 | 55.9 | 55.7 | 56.4 |
| Europe | 28.6 | 28.4 | 29.8 | 29.8 | 31.2 | 31.5 | 31.7 | 32.7 | 32.6 | 32.1 |
| India | 2.2 | 3.1 | 3.1 | 3.1 | 2.9 | 2.9 | 3.1 | 2.8 | 2.6 | 2.5 |
| Rest of the world | 9.6 | 9.6 | 9.7 | 8.7 | 8.8 | 9.1 | 8.9 | 8.6 | 9.1 | 9.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | | | | | | | | | | |
| **Utilization (%) (including Trainees)** | **82.0** | **83.9** | **84.3** | **83.4** | **81.9** | **82.7** | **82.2** | **80.0** | **79.7** | 82.1 |
| **Utilization (%) (Excluding Trainees)** | **83.5** | **85.3** | **85.9** | **86.0** | **84.9** | **85.2** | **85.1** | **84.1** | **83.0** | 84.9 |
| | | | | | | | | | | |
| **Effort Mix** | | | | | | | | | | |
| Onsite | 24.2 | 23.9 | 24.1 | 24 | 23.6 | 23.6 | 23.2 | 23.1 | 22.8 | 22.8 |
| Offshore | 75.8 | 76.1 | 75.9 | 76 | 76.4 | 76.4 | 76.8 | 76.9 | 77.2 | 77.2 |
| | | | | | | | | | | |
| **Clients Concentration (%)** | | | | | | | | | | |
| Top-5 clients | 13.6 | 13.5 | 13.7 | 12.7 | 13.1 | 13.2 | 13.0 | 12.8 | 12.6 | 12.1 |
| Top-10 clients | 20.4 | 20.9 | 20.9 | 19.9 | 20.7 | 20.8 | 20.7 | 20.6 | 20.2 | 19.9 |
| **Number of Clients** | | | | | | | | | | |
| US$1m | 959 | 987 | 985 | 997 | 992 | 1,011 | 1,012 | 1,012 | 1,018 | 1,026 |
| US$10m | 315 | 309 | 307 | 301 | 309 | 317 | 322 | 326 | 328 | 333 |
| US$50m+ | 83 | 84 | 86 | 89 | 85 | 85 | 85 | 84 | 88 | 85 |
| US$100m | 40 | 40 | 41 | 41 | 39 | 41 | 41 | 41 | 41 | 41 |
| | | | | | | | | | | |
| Employees | 3,17,240 | 3,15,332 | 3,17,788 | 3,23,379 | 3,23,578 | 3,23,788 | 3,31,991 | 3,37,034 | 3,28,594 | 3,28,062 |
| Net addition | -5,423 | -1,908 | 2,456 | 5,591 | 199 | 210 | 8,203 | 5,043 | -8,440 | -532 |
| Attrition (consolidated, %) | 12.6 | 12.7 | 12.9 | 13.7 | 14.1 | 14.4 | 14.3 | 12.3 | 12.6 | 13.0 |
| Revenue (US$) | 4,564 | 4,714 | 4,894 | 4,939 | 4,730 | 4,941 | 5,076 | 5,099 | 5,040 | 5,082 |
| TCV | | | | | | | | | | |
| Quarterly TCV (US$mn) | 4,454 | 4,085 | 2,430 | 2,495 | 2,637 | 3,797 | 3,100 | 4,800 | 3,200 | 3,600 |
| Quarterly TCV growth (YoY) | 115% | 79% | -68% | -23% | -41% | -7% | 28% | 92% | 21% | -5% |
| Quarterly TCV growth (QoQ) | 37% | -8% | -41% | 3% | 6% | 44% | -18% | 55% | -33% | 13% |
| TTM TCV (US$mn) | 17,664 | 19,464 | 14,210 | 13,464 | 11,647 | 11,359 | 12,029 | 14,334 | 14,897 | 14,700 |
| Growth YoY in TTM TCV | 80% | 87% | -7% | -12% | -34% | -42% | -15% | 6% | 28% | 29% |
| Net New in TCV | 58% | 58% | 58% | 63% | 63% | 55% | 67% | 57% | 41% | 61% |
| Net New in TCV | 2,566 | 2,353 | 1,400 | 1,572 | 1,672 | 2,085 | 2,077 | 2,736 | 1,312 | 2196 |
| Growth | 115% | 79% | -68% | -32% | -15% | -12% | 108% | 74% | -22% | 5% |
| Net New TCV TTM | 10,174 | 11,211 | 8,185 | 6,897 | 6,609 | 6,325 | 7405 | 8569 | 8210 | 8,321 |
| Growth (YoY) | 80% | 87% | -7% | -10% | -28% | -43% | -3% | 24% | 24% | 32% |
| | 4,432 | 4,918 | 3,753 | 2,568 | 3,244 | 3,756 | 4,162 | 4,813 | 4,048 | 3,508 |
| TTM revenue | 18,562 | 18,659 | 18,835 | 19,111 | 19,277 | 19,504 | 19,686 | 19,846 | 20,156 | 20,297 |
| TTM Total Book/Bill ratio | 95% | 104% | 75% | 70% | 60% | 58% | 61% | 72% | 74% | 72% |
| TTM Net new Book/Bill ratio | 55% | 60% | 43% | 36% | 34% | 32% | 38% | 43% | 41% | 41% |
| Women Employees (%) | 39.2 | 39.2 | 39.0 | 39.0 | 39.0 | 39.1 | 39.5 | 39.5 | 39.5 | 39.5 |

*Source: Company, Nirmal Bang Institutional Equities Research*

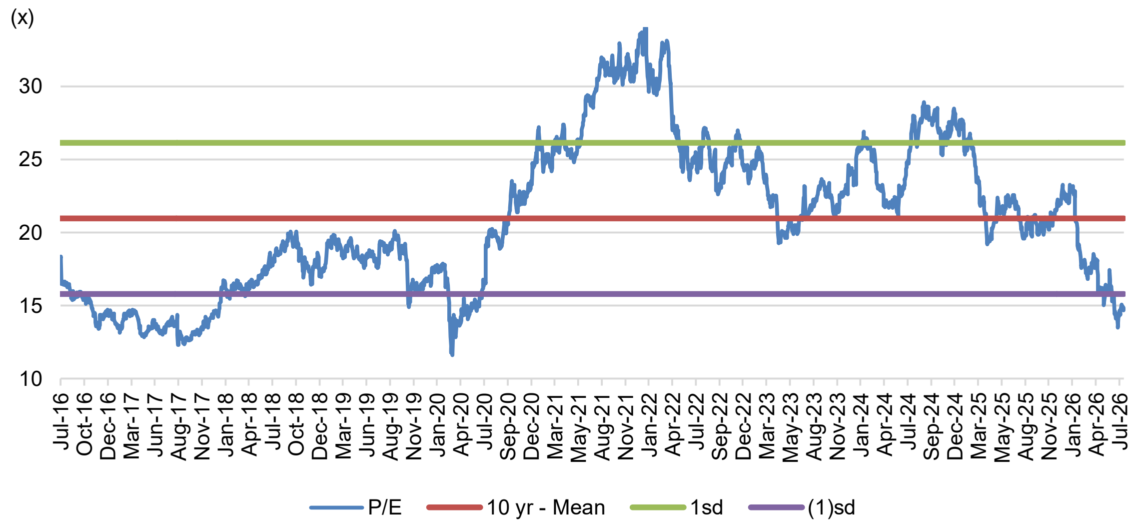
**Exhibit 16: PE multiple charts**




*Source: Company, Bloomberg, Nirmal Bang Institutional Equities Research*

**Exhibit 17: Infosys's one-year forward P/E discount to TCS**




*Source: Bloomberg, Nirmal Bang Institutional Equities Research*

## Financials

### Exhibit 18: Income statement

| Y/E March (Rs bn) | FY24 | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|
| **Average INR/US$** | **82.8** | **84.6** | **88.6** | **95.0** | **95.0** |
| **Net Sales (US$mn)** | **18,562** | **19,277** | **20,156** | **20,587** | **21,048** |
| ***-Growth (%)*** | **1.9** | **3.9** | **4.6** | **2.1** | **2.2** |
| **Net Sales** | 1,537 | 1,630 | 1,787 | 1,955 | 2,000 |
| *-Growth (%)* | 4.7 | 6.1 | 9.6 | 9.4 | 2.3 |
| Direct Costs | 1,027 | 1,085 | 1,198 | 1,315 | 1,366 |
| **Gross Margin** | **509** | **545** | **588** | **640** | **634** |
| ***% of sales*** | **33.1** | **33.4** | **32.9** | **32.7** | **31.7** |
| SG&A | 145 | 152 | 177 | 200 | 182 |
| *% of sales* | 9.4 | 9.3 | 9.9 | 10.2 | 9.1 |
| **EBITDA** | 364 | 392 | 412 | 440 | 452 |
| ***% of sales*** | 23.7 | 24.1 | 23.0 | 22.5 | 22.6 |
| Depreciation | 47 | 48 | 49 | 53 | 55 |
| *% of sales* | 3.0 | 3.0 | 2.7 | 2.7 | 2.7 |
| **EBIT** | **317** | **344** | **363** | **387** | **397** |
| ***% of sales*** | **20.7** | **21.1** | **20.3** | **19.8** | **19.9** |
| Other income (net) | 47 | 36 | 42 | 33 | 32 |
| PBT | 360 | 376 | 400 | 415 | 425 |
| *-PBT margin (%)* | 23.4 | 23.1 | 22.4 | 21.2 | 21.2 |
| Provision for tax | 97 | 109 | 105 | 121 | 123 |
| *Effective tax rate (%)* | 27.1 | 28.9 | 26.3 | 29.1 | 29.0 |
| **Net profit (adjusted)** | 262 | 268 | 295 | 294 | 302 |
| *-Growth (%)* | 8.9 | 1.9 | 10.2 | (0.3) | 2.6 |
| *-Net profit margin (%)* | 17.1 | 16.4 | 16.5 | 15.0 | 15.1 |

*Source: Company, Nirmal Bang Institutional Equities Research*

### Exhibit 19: Cash flow

| Y/E March (Rs bn) | FY24 | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|
| PBT | 360 | 376 | 400 | 415 | 425 |
| Depreciation | 47 | 48 | 49 | 53 | 55 |
| Interest | 5 | 4 | 4 | 5 | 5 |
| Other adjustments | 15 | 8 | 9 | 0 | 0 |
| Change in Working capital | -52 | -107 | -23 | 31 | -3 |
| Tax paid | -92 | -56 | -86 | -121 | -123 |
| **Operating cash flow** | **261** | **368** | **358** | **349** | **325** |
| Capex | -22 | -22 | -27 | -98 | -55 |
| **Free cash flow** | **239** | **345** | **331** | **252** | **270** |
| Other investing activities | -37 | -8 | 131 | 25 | 32 |
| **Investing cash flow** | **-59** | **-30** | **103** | **-73** | **-23** |
| Issuance of share capital | - | - | - | - | - |
| Movement of Debt | 0 | -10 | -36 | -21 | -5 |
| Dividend paid (incl DDT) | -154 | -35 | -361 | -231 | -231 |
| Other financing activities | -20 | -24 | -14 | 0 | 0 |
| **Financing cash flow** | **-175** | **-242** | **-668** | **-251** | **-235** |
| Net change in cash flow | 27 | 96 | -39 | 25 | 67 |
| Opening C&CE | 122 | 148 | 245 | 222 | 182 |
| Closing C&CE | 148 | 245 | 222 | 182 | 249 |

*Source: Company, Nirmal Bang Institutional Equities Research*

### Exhibit 20: Balance sheet

| Y/E March (Rs bn) | FY24 | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|
| Share capital | 21 | 21 | 20 | 20 | 20 |
| Reserves | 860 | 937 | 908 | 876 | 947 |
| **Net worth** | **885** | **962** | **933** | **901** | **971** |
| Long term debt | 64 | 58 | 60 | 53 | 53 |
| Short term debt | 20 | 25 | 32 | 34 | 34 |
| **Total debt** | **84** | **82** | **92** | **87** | **87** |
| **Net debt** | **(193)** | **(287)** | **(260)** | **(174)** | **(241)** |
| Other non-current liabilities | 430 | 469 | 567 | 586 | 590 |
| **Total Equity & Liabilities** | **1,378** | **1,489** | **1,560** | **1,540** | **1,615** |
| Net Block | 128 | 128 | 133 | 134 | 134 |
| Right to use assets | 66 | 63 | 62 | 61 | 61 |
| Intangible and others | 87 | 129 | 149 | 193 | 193 |
| Other non-current assets | 203 | 198 | 180 | 175 | 175 |
| Investments | 129 | 125 | 130 | 79 | 79 |
| Trade receivables | 430 | 440 | 507 | 524 | 530 |
| Cash & Cash Equivalents | 148 | 245 | 222 | 182 | 249 |
| Other current assets | 188 | 162 | 176 | 191 | 193 |
| **Total current assets** | **894** | **971** | **1,035** | **977** | **1,052** |
| Trade payables | 40 | 42 | 47 | 45 | 45 |
| Other current liabilities | 348 | 387 | 476 | 491 | 495 |
| **Total current liabilities** | **388** | **429** | **523** | **536** | **540** |
| **Total Assets** | **1,378** | **1,489** | **1,560** | **1,540** | **1,615** |

*Source: Company, Nirmal Bang Institutional Equities Research*

### Exhibit 21: Key ratios

| Y/E March | FY24 | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|
| **Per Share (Rs)** | | | | | |
| FDEPS | 63.4 | 64.5 | 72.8 | 72.5 | 74.4 |
| Dividend Per Share | 38.0 | 43.0 | 48.0 | 57.0 | 57.0 |
| Book Value | 885 | 962 | 933 | 901 | 971 |
| **Valuation (x)** | | | | | |
| P/Sales | 2.8 | 2.7 | 2.4 | 2.2 | 2.1 |
| EV/EBITDA | 11.2 | 10.1 | 9.7 | 9.3 | 8.9 |
| P/E | 16.6 | 16.3 | 14.5 | 14.5 | 14.1 |
| P/BV | 1.2 | 1.1 | 1.1 | 1.2 | 1.1 |
| **Return ratios (%)** | | | | | |
| RoCE | 25.6 | 24.3 | 25.8 | 27.2 | 27.6 |
| RoCE (pre-tax) | 35.1 | 34.2 | 35.0 | 38.4 | 38.8 |
| RoE | 32.0 | 29.0 | 31.1 | 32.1 | 32.2 |
| RoIC | 32.8 | 34.5 | 38.2 | 38.0 | 37.6 |
| **Profitability ratios (%)** | | | | | |
| Gross margin | 33.1 | 33.4 | 32.9 | 32.7 | 31.7 |
| EBITDA margin | 23.7 | 24.1 | 23.0 | 22.5 | 22.6 |
| PAT margin | 17.1 | 16.4 | 16.5 | 15.0 | 15.1 |
| **Liquidity ratios (%)** | | | | | |
| Current ratio | 2.3 | 2.3 | 2.0 | 1.8 | 1.9 |
| Quick ratio | 2.3 | 2.3 | 2.0 | 1.8 | 1.9 |
| **Solvency ratio (%)** | | | | | |
| Net Debt to Equity ratio | -0.2 | -0.3 | -0.3 | -0.2 | -0.2 |
| **Turnover ratios** | | | | | |
| Fixed asset turnover ratio (x) | 1.1 | 1.1 | 1.1 | 1.3 | 1.2 |
| Debtor days | 104.4 | 101.5 | 108.4 | 102.3 | 97.8 |
| Creditor days | 9.6 | 9.6 | 10.1 | 8.7 | 8.3 |
| Net Working capital days | 94.8 | 91.9 | 98.2 | 93.5 | 89.5 |

*Source: Company, Nirmal Bang Institutional Equities Research*

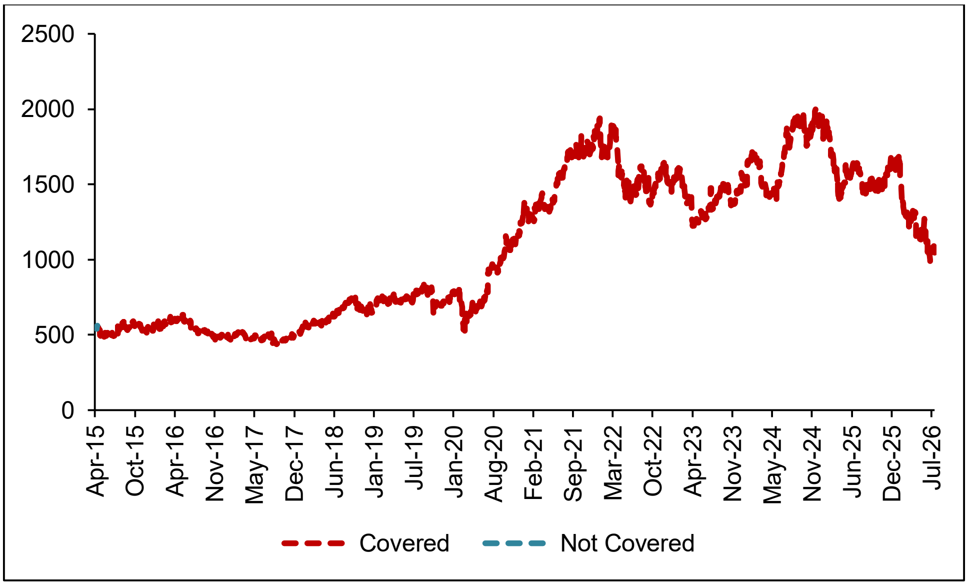
## Rating track

| Date | Rating | Market price (Rs) | Target price (Rs) |
|---|---|---|---|
| 13 April 2015 | Hold | 2,229 | 2,147 |
| 27 April 2015 | Sell | 1,995 | 1,823 |
| 4 June 2015 | Sell | 2,032 | 1,823 |
| 22 July 2015** | Hold | 1,116 | 1,189 |
| 7 September 2015 | Hold | 1,074 | 1,189 |
| 14 September 2015 | Hold | 1,091 | 1,189 |
| 13 October 2015 | Hold | 1,122 | 1,194 |
| 8 January 2016 | Under Review | 1,063 | - |
| 14 January 2016 | Under Review | 1,133 | - |
| 14 March 2016 | Sell | 1,141 | 1,002 |
| 15 April 2016 | Sell | 1,173 | 1,010 |
| 9 June 2016 | Sell | 1,238 | 1,010 |
| 18 July 2016 | Sell | 1,072 | 988 |
| 29 August 2016 | Sell | 1,020 | 970 |
| 17 October 2016 | Sell | 1,027 | 964 |
| 10 January 2017 | Sell | 970 | 920 |
| 16 January 2017 | Sell | 975 | 910 |
| 14 February 2017 | Sell | 985 | 926 |
| 15 April 2017 | Sell | 931 | 887 |
| 15 May 2017 | Sell | 964 | 887 |
| 21 June 2017 | Sell | 944 | 844 |
| 17 July 2017 | Sell | 972 | 846 |
| 21 August 2017 | Sell | 923 | 794 |
| 28 August 2017 | Sell | 912 | 836 |
| 11 September 2017 | Sell | 884 | 836 |
| 28 September 2017 | Sell | 906 | 833 |
| 25 October 2017 | Sell | 924 | 873 |
| 26 December 2017 | Under Review | 1,039 | - |
| 15 January 2018 | Under Review | 1,079 | - |
| 17 March 2018 | Hold | 1,170 | 1,154 |
| 14 April 2018 | Hold | 1,171 | 1,157 |
| 24 April 2018 | Hold | 1,188 | 1,157 |
| 3 July 2018 | Hold | 1,307 | 1,314 |
| 14 July 2018 | Hold | 1,317 | 1,328 |
| 5 October 2018** | Hold | 711 | 752 |
| 17 October 2018 | Hold | 695 | 756 |
| 27 December 2018 | Hold | 644 | 688 |
| 7 January 2019 | Sell | 661 | 620 |
| 14 January 2019 | Sell | 684 | 603 |
| 19 March 2019 | Sell | 710 | 620 |
| 15 April 2019 | Sell | 748 | 601 |
| 27 June 2019 | Sell | 739 | 601 |
| 15 July 2019 | Sell | 727 | 596 |
| 23 September 2019 | Sell | 765 | 607 |
| 14 October 2019 | Sell | 815 | 625 |
| 22 October 2019 | Sell | 768 | 625 |
| 8 November 2019 | Sell | 708 | 625 |
| 2 January 2020 | Under Review | 737 | - |
| 13 January 2020 | Under Review | 740 | - |
| 31 March 2020 | Sell | 654 | 550 |
| 21 April 2020 | Sell | 653 | 543 |
| 9 July 2020 | Under Review | 775 | - |
| 16 July 2020 | Under Review | 834 | - |
| 6 September 2020 | Hold | 919 | 1,027 |
| 28 September 2020 | Hold | 1,011 | 1,096 |
| 15 October 2020 | Hold | 1,137 | 1,218 |
| 12 November 2020 | Hold | 1,123 | 1,218 |
| 29 December 2020 | Hold | 1,240 | 1,325 |
| 14 January 2021 | Hold | 1,387 | 1,446 |
| 15 April 2021 | Hold | 1,397 | 1,411 |
| 5 July 2021 | Hold | 1,579 | 1,667 |

| | | | |
|---|---|---|---|
| 15 July 2021 | Hold | 1,575 | 1,614 |
| 22 September 2021 | Hold | 1,718 | 1,689 |
| 14 October 2021 | Hold | 1,709 | 1,779 |
| 20 December 2021 | Hold | 1,821 | 1,958 |
| 13 January 2022 | Hold | 1,877 | 2,046 |
| 8 April 2022 | Sell | 1,811 | 1,653 |
| 15 April 2022 | Sell | 1,749 | 1,584 |
| 19 May 2022 | Sell | 1,509 | 1,283 |
| 2 June 2022 | Sell | 1,478 | 1,283 |
| 8 July 2022 | Sell | 1,498 | 1,172 |
| 25 July 2022 | Sell | 1,506 | 1,142 |
| 10 October 2022 | Sell | 1,451 | 1,182 |
| 14 October 2022 | Sell | 1,420 | 1,153 |
| 13 January 2023 | Sell | 1,483 | 1,161 |
| 20 March 2023 | Sell | 1,421 | 1,218 |
| 14 April 2023 | Sell | 1,389 | 1,202 |
| 14 June 2023 | Sell | 1,292 | 1,168 |
| 21July 2023 | Sell | 1,450 | 1,206 |
| 26 September 2023 | Sell | 1,492 | 1,267 |
| 13 October 2023 | Sell | 1,466 | 1,253 |
| 15 December 2023 | Sell | 1,501 | 1,300 |
| 12 January 2024 | Sell | 1,494 | 1,325 |
| 19 March 2024 | Hold | 1,603 | 1,610 |
| 19 April 2024 | Hold | 1,419 | 1,512 |
| 19 July 2024 | Hold | 1,764 | 1,985 |
| 03 September 2024 | Hold | 1,944 | 2,009 |
| 18 October 2024 | Hold | 1,968 | 2,191 |
| 17 January 2025 | Hold | 1,926 | 2,199 |
| 18 February 2025 | Buy | 1,843 | 2,199 |
| 07 April 2025 | Buy | 1,452 | 1,709 |
| 18 April 2025 | Buy | 1,420 | 1,709 |
| 02 July 2025 | Hold | 1,602 | 1,686 |
| 24 July 2025 | Hold | 1,575 | 1,746 |
| 17 October 2025 | Hold | 1,472 | 1,677 |
| 15 January 2026 | Buy | 1,600 | 1,864 |
| 07 April 2026 | Buy | 1,306 | 1,746 |
| 24 April 2026 | Buy | 1,241 | 1,610 |
| 06 July 2026 | Sell | 1,042 | 1,051 |
| 24 July 2026 | Sell | 1,047 | 968 |

** Post 1:1 bonus issue of equity shares

## Rating track graph



# United Spirits (UNITDSPR)

Alco-Bev | Q1FY27 Result Update

**BUY**

**CMP: Rs1,419 | Target Price (TP): Rs1,676 | Upside: 18.1%** **July 24, 2026**

## Resilient Growth Despite Volume Headwinds

### Key Points

- United Spirits Limited delivered resilient performance in Q1FY27 despite volume headwinds as premiumisation continued to drive growth, excluding Maharashtra. Net sales at Rs2.7bn were up 6.0% YoY and within the above 6.0% growth; Prestige & Above segment grew in solid double digits at 10.1%. This was on the back of Smirnoff local flavour innovation and broad-based growth across the portfolio.
- Despite Maharashtra-led volume disruption, UNSP delivered strong Q1FY27 margin performance with gross margin expanding by ~210bps YoY to 46.1% driven by better mix, pricing, and productivity initiatives.
- We have upwardly revised our PAT estimates by 2.1%/4.7% for FY27E/FY28E as we remain structurally positive on United Spirits given the strong premiumisation trends, better mix, and healthy medium-term earnings visibility. We maintain our **BUY** rating on the stock.

**Q1FY27 performance update:** Standalone net sales grew ~6.0% YoY at Rs27.03bn (vs our est. of 7.2%; an increase to Rs29bn). EBITDA increased 4% YoY to Rs4.3bn (vs our est. of Rs5.1bn). PBT came in at Rs5.5bn (NBIE: Rs4.9bn). Adjusted PAT (APAT) increased to Rs4.7bn while recurring PAT increased by 51.6% YoY to Rs3.9bn. Although overall volumes for the quarter declined 3.2% YoY (vs est. of 5.4%), P&A contributed 91.7% of net sales, highlighting continued premiumisation of the portfolio.

Gross revenue grew for the quarter and was up 5% YoY to Rs61.1bn in Q1FY27 from Rs58.23bn in Q1FY26 (it was Rs68.3bn in Q4FY26). Overall gross margin contracted to 46.1% (down by 100bps QoQ vs est. 43.5%). However gross margin expanded by 210bps over the previous year aided by sustained revenue growth management interventions, better mix, and productivity flow-through, partially offset by the West Asia crisis. The company reported higher ad spends (up by 170bps to 11.5% QoQ) and high employee costs (increased to 4.9% QoQ from 4.6% in Q4FY26), which led to EBITDA margin contraction of ~340bps QoQ to 16% (vs est. 17.6%).

Prestige & Above (P&A) witnessed value growth of ~10.1% YoY, while the Popular segment declined ~17.6% YoY in value due to the continued impact of Maharashtra Made Liquor (MML) and the recent Karnataka policy changes, affecting lower-end realisations. Excise duty was up by ~30bps QoQ to 55.8% as a % of gross sales in Q1FY27. Management remains confident that consumer-centric interventions would accelerate growth through the year.

| | |
|---|---|
| Est Change | Upward |
| TP Change | Downward |
| Rating Change | No Change |

**Company Data and Valuation Summary**

| | |
|---|---|
| Reuters: | UNSP.BO |
| Bloomberg: | UNITDSPR IN Equity |
| Mkt Cap (Rsbn/US$bn): | 1,031.4 / 10.7 |
| 52 Wk H / L (Rs): | 1,488 / 1,211 |
| ADTV-3M (mn) (Rs/US$): | 1,395.4 / 14.6 |
| Stock performance (%) 1M/6M/1yr: | 6.0 / 6.4 / 5.6 |
| Nifty 50 performance (%) 1M/6M/1yr: | (0.6) / (0.1) / (4.8) |

| Shareholding | 3QFY26 | 4QFY26 | 1QFY27 |
|---|---|---|---|
| Promoters | 56.7 | 56.7 | 56.7 |
| DIIs | 15.4 | 15.4 | 17.2 |
| FIIs | 14.1 | 14.4 | 12.9 |
| Others | 13.8 | 13.5 | 13.3 |
| Pro pledge | 84.6 | 84.6 | 84.6 |

**Financial and Valuation Summary**

| Particulars (Rsmn) | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|
| Net Sales | 1,15,730 | 1,24,480 | 1,36,355 | 1,51,806 |
| *% Growth* | *8.2* | *7.6* | *9.5* | *11.3* |
| *Gross margin (%)* | *44.7* | *46.4* | *45.7* | *46.2* |
| EBITDA | 20,580 | 22,960 | 24,571 | 28,038 |
| *EBITDA margin (%)* | *17.8* | *18.4* | *18.0* | *18.5* |
| Adjusted PAT | 16,077 | 19,210 | 18,484 | 21,237 |
| *Growth YoY (%)* | *21.3* | *19.5* | *-3.8* | *14.9* |
| Adj EPS (Rs) | 22.2 | 26.5 | 25.5 | 29.3 |
| *RoCE (%)* | *22.0* | *24.0* | *20.3* | *20.8* |
| *RoE (%)* | *20.4* | *22.0* | *18.8* | *19.5* |
| *RoIC (%)* | *22.3* | *24.0* | *21.9* | *23.3* |
| P/E | *64.0* | *53.5* | *55.6* | *48.4* |
| EV/EBITDA | *49.1* | *44.0* | *41.0* | *35.7* |
| P/BV | *13.1* | *11.8* | *10.5* | *9.5* |

*Source: Company, Bloomberg, Nirmal Bang Institutional Equities Research*

**Key Links:**

1QFY27 Result

1QFY27 Press Release

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

**View and valuation:** Despite the Maharashtra disruption, underlying demand trends remained healthy and strong in the core portfolio. Structurally, we continue to be positive on UNSP led by: 1) sustained premiumisation with increasing contribution from the Prestige & Above portfolio, 2) strong demand environment outside Maharashtra, 3) continued focus on productivity and operating efficiencies, and 4) potential benefits from India-UK FTA through both raw material savings and long-term volume opportunities. We continue to value UNSP at a target multiple of 48x (5.5% discount to 5 year average P/E of 50.8x) on our standalone Jun-28 EPS of 30.8 and attribute Rs196/share towards RCB stake value, arriving at a revised TP of Rs1,676 (vs Rs1,731 earlier), implying a ~18.1% upside from a CMP of Rs1419. We maintain our BUY rating on the stock.

**Key risks:** Changes in taxation and volatility in raw material prices.

**Exhibit 1: 1QFY27 standalone performance**

| Particulars (Rsmn) | 1Q25 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 3Q26 | 4Q26 | 1Q27 | *1Q27E* | Var |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total revenues** | **23,520** | **28,430** | **34,320** | **29,460** | **25,490** | **31,700** | **36,830** | **30,460** | **27,030** | **29,140** | **-7.2%** |
| *YoY change (%)* | *8.3* | *-0.8* | *14.8* | *10.5* | *8.4* | *11.5* | *7.3* | *3.4* | *6.0* | *14.3* | |
| **Gross Profit** | **10,460** | **12,850** | **15,350** | **13,100** | **11,210** | **14,930** | **17,280** | **14,400** | **12,460** | **12,680** | |
| *Margin (%)* | *44.5* | *45.2* | *44.7* | *44.5* | *44.0* | *47.1* | *46.9* | *47.3* | *46.1* | *43.5* | |
| **EBITDA** | **4,580** | **5,070** | **5,880** | **5,050** | **4,150** | **6,720** | **6,180** | **5,910** | **4,320** | **5,140** | **-820** |
| *Margins (%)* | *19.5* | *17.8* | *17.1* | *17.1* | *16.3* | *21.2* | *16.8* | *19.4* | *16.0* | *17.6* | *-1.7* |
| *EBITDA growth (%)* | *23.1* | *7.8* | *19.7* | *39.5* | *-9.4* | *32.5* | *5.1* | *17.0* | *4.1* | *23.9* | |
| Depreciation | 650 | 690 | 720 | 680 | 680 | 650 | 790 | 710 | 700 | | |
| Interest | 220 | 250 | 200 | 220 | 490 | 210 | 190 | 690 | 300 | | |
| Other income | 320 | 340 | 1,900 | 1,700 | 610 | 760 | 1,440 | 2,950 | 2,220 | | |
| **PBT** | **4,030** | **4,470** | **6,860** | **5,850** | **3,590** | **6,620** | **6,640** | **7,460** | **5,540** | | |
| Tax | 1,040 | 1,120 | 1,623 | 1,340 | 928 | 1,673 | 1,269 | 1,350 | 820 | | |
| *Rate (%)* | *25.8* | *25.1* | *23.7* | *22.9* | *25.8* | *25.3* | 19.1 | 18.1 | 14.8 | | |
| **Adj. PAT** | **2,990** | **3,350** | **5,237** | **4,510** | **2,662** | **4,947** | **5,371** | **6,110** | **4,720** | **5,030** | **-6.2%** |
| *YoY change (%)* | *25.6* | *5.3* | *50.5* | *9.9* | *-11.0* | *47.7* | *2.6* | *35.5* | *77.3* | | |
| Adj. EPS (Rs) | 4.1 | 4.6 | 7.2 | 6.2 | 3.7 | 6.8 | 7.4 | 8.4 | 6.5 | 6.9 | *-0.4* |

*Source: Company, Nirmal Bang Institutional Equities Research*

**Exhibit 2: Common-size P&L over the quarters**

| Particulars (%) | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | 2QFY26 | 3QFY26 | 4QFY26 | 1QFY27 |
|---|---|---|---|---|---|---|---|---|---|
| Gross margin | 44.5 | 45.2 | 44.7 | 44.5 | 44.0 | 47.1 | 46.9 | 47.3 | 46.1 |
| Staff Cost | 5.7 | 5.7 | 5.0 | 4.7 | 5.3 | 5.5 | 4.7 | 4.6 | 4.9 |
| Advertising Cost | 7.4 | 9.0 | 11.0 | 10.8 | 9.3 | 7.6 | 14.0 | 9.8 | 11.5 |
| Other expenses | 11.9 | 12.6 | 11.5 | 11.9 | 13.0 | 12.8 | 11.5 | 13.4 | 13.7 |
| EBITDA | 19.5 | 17.8 | 17.1 | 17.1 | 16.3 | 21.2 | 16.8 | 19.4 | 16.0 |
| EBIT | 16.7 | 15.4 | 15.0 | 14.8 | 13.6 | 19.1 | 14.6 | 17.1 | 13.4 |
| PBT | 17.1 | 15.7 | 20.0 | 19.9 | 14.1 | 20.9 | 18.0 | 24.5 | 20.5 |
| Adjusted PAT | 12.7 | 11.8 | 15.3 | 15.3 | 10.4 | 15.6 | 14.6 | 20.1 | 17.5 |

*Source: Company, Nirmal Bang Institutional Equities Research*

### Exhibit 3: Change in our estimates

| Y/E March (Rsmn) | Old estimates | | New estimates | | Change (%) | |
|---|---|---|---|---|---|---|
| | FY27E | FY28E | FY27E | FY28E | FY27E | FY28E |
| Net sales | 1,36,912 | 1,52,430 | 1,36,578 | 1,52,547 | -0.2 | 0.1 |
| EBITDA | 24,671 | 28,154 | 25,198 | 29,396 | 2.1 | 4.4 |
| *EBITDA margin (%)* | 18.0 | 18.5 | *18.4* | *19.3* | *0.4* | *0.8* |
| PAT | 18,559 | 21,323 | 18,953 | 22,333 | 2.1 | 4.7 |

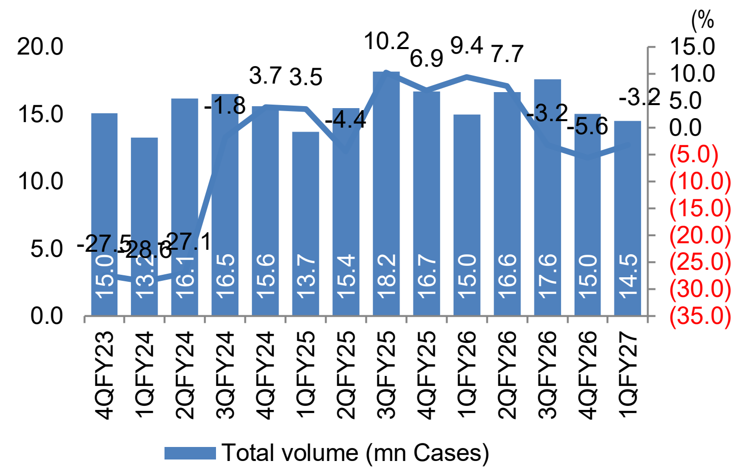
*Source: Company, Nirmal Bang Institutional Equities Research*

### Exhibit 4: Our estimates vs actual

| Particulars (Rs. Mn) | 1QFY26 | 4QFY26 | 1QFY27 | *YoY (%)* | *Q-o-Q (%)* | NBIE Estimates | *Deviation (%)* |
|---|---|---|---|---|---|---|---|
| Net Sales | 25,490 | 30,460 | 27,030 | 6.0 | -11.3 | 29,945 | -9.7 |
| EBITDA | 4,150 | 5,910 | 4,320 | 4.1 | -26.9 | 4,947 | -12.7 |
| *EBITDA margin (%)* | *16.3* | *19.4* | *16.0* | *-0.3* | *-3.4* | 16.5 | *-0.5* |
| PAT | 2,662 | 6,110 | 4,720 | 77.3 | -22.7 | 3,542 | 33.3 |

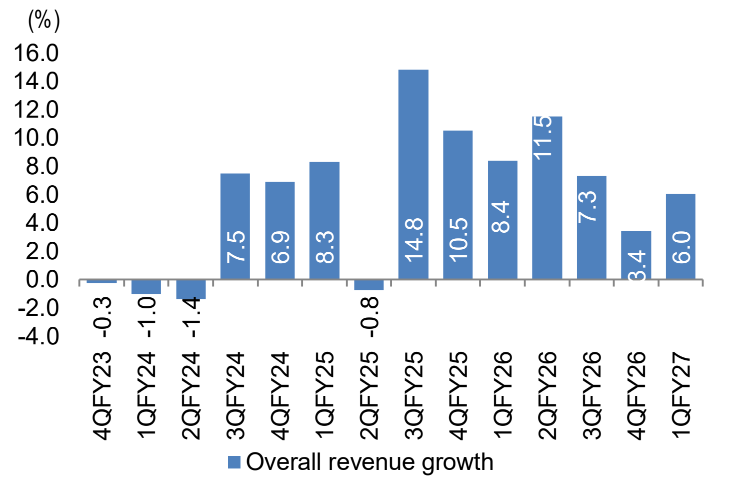
*Source: Company, Nirmal Bang Institutional Equities Research*

### Exhibit 5: Total volume growth declined to 3.2% in Q1FY27



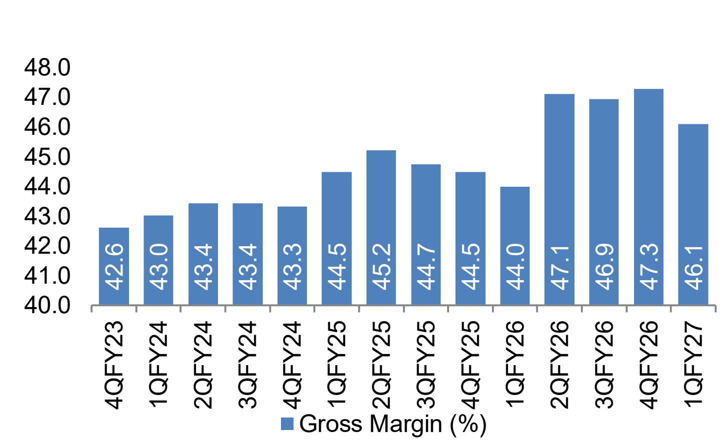

*Source: Company, Nirmal Bang Institutional Equities Research*

### Exhibit 6: Revenue was up 6% YoY to Rs27bn



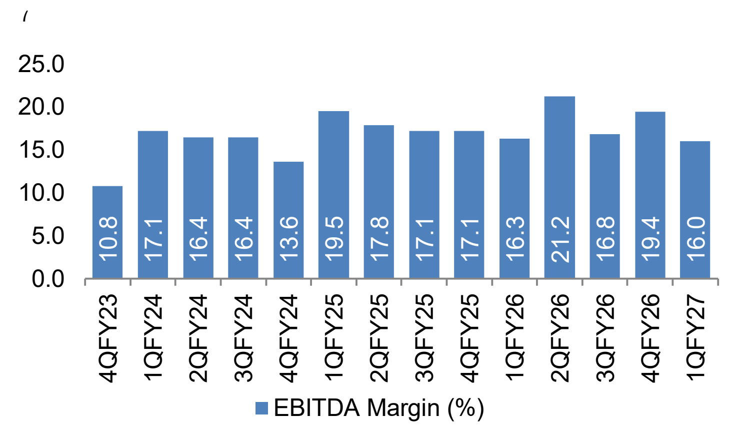

*Source: Company, Nirmal Bang Institutional Equities Research*

### Exhibit 7: Gross margin was down by ~120bps YoY to 46.1%



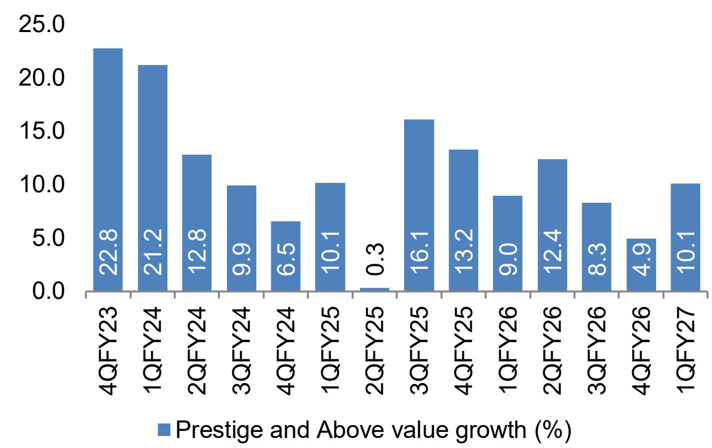

*Source: Company, Nirmal Bang Institutional Equities Research*

### Exhibit 8: EBITDA margin declined to ~16.1% in Q1FY27 YoY from 19.4% in Q4FY26



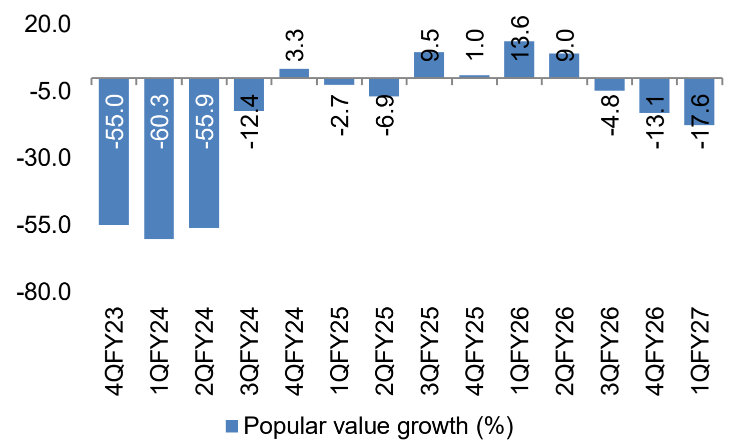

*Source: Company, Nirmal Bang Institutional Equities Research*

**Exhibit 9: P&A value growth increased 10.1% YoY in Q1FY27**



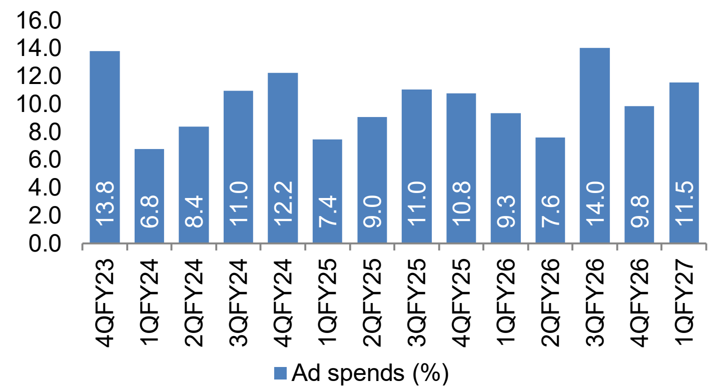

*Source: Company, Nirmal Bang Institutional Equities Research*

**Exhibit 10: Popular segment value growth declined 17.6% YoY in Q1FY27**



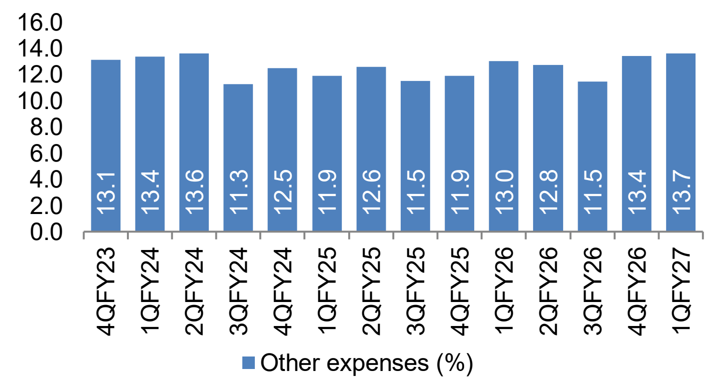

*Source: Company, Nirmal Bang Institutional Equities Research*

**Exhibit 11: Ad spends as % of sales**




*Source: Company, Nirmal Bang Institutional Equities Research*

**Exhibit 12: Other expenses as % of sales**




*Source: Company, Nirmal Bang Institutional Equities Research*

## United Spirits Q1FY27 earnings call highlights

### Current Environment/Industry Commentary

- UK-FTA came into force during the quarter; first shipment cleared at concessional duty, but the management expects the real consumer-facing benefit only from around **Oct-26**, given 60-70 days of pre-FTA inventory still in the pipeline (corporation + distributor + wholesaler stock).
- Blended price reduction expected on the BII/scotch portfolio: **7-9%** on a national weighted-average basis, unaffected (for now) by the ~12-13% rupee depreciation over the last 8-9 months.
- Karnataka's slab-reduction policy is now in 'full bloom' from June; anchor brand pack sizes were cut (McDowell's 180ml pack effectively went from 235-240ml equivalent fill to 200-205ml), translating to a **10-15% effective price cut.** Karnataka is ~6-7% of national P&A value.
- Crude has eased to US$80-90/bbl from >US$100 previously, but the management flagged this as the key swing factor for FY27 gross margin.
- West Asia crisis cost impact this quarter: ~Rs300mn spread across glass, energy, packaging, and logistics.

### Segmental/Portfolio Performance

- Popular segment (<10% of revenue) took a **double policy hit** this quarter continuing the Maharashtra impact and the Karnataka transition.
- McDowell's renovated bundle launched in UP, Rajasthan, and Haryana; the management repeatedly pointed to the **October call** for a real read once ~85% of salient markets are covered (pre-festive season).
- RC (Mid-Prestige) and Signature (Upper Prestige) continue to gain share as challenger brands; the management explicitly guided not to **sum individual brand growth assumptions** into a 'number' for the total portfolio.

### Brands/Innovation Highlights

- Royal Challenge crossed **10 million cases** (trailing 12 months).
- Signature (Upper Prestige) crossed the **Rs10bn NSV club**- now the fourth such brand alongside McDowell's No.1, Royal Challenge, and Johnnie Walker.
- Smirnoff did **~Rs2,500mn NSV in Q1FY27 alone**, driven by the Minty Jamun and Mango Mirchi flavour innovations.
- Black & White is now the #1 scotch/international whiskey in India by volume and FIFA World Cup 26-linked campaign reached around 78 million consumers.

### Corporate Action

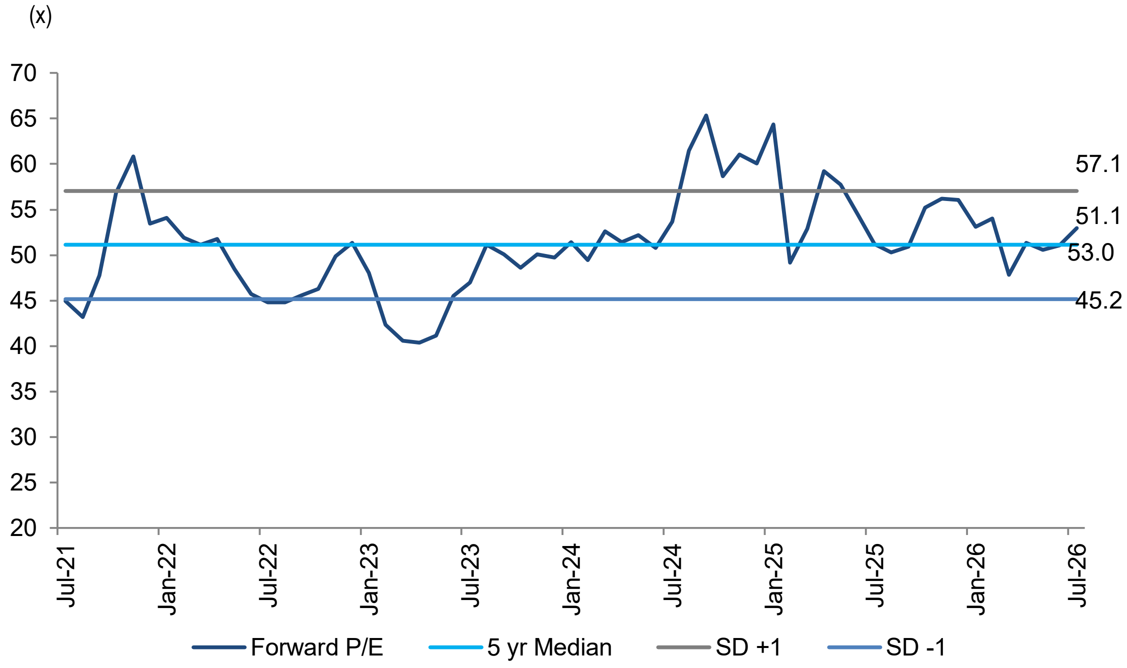
- RCSPL/RCB stake sale: CCI approval received; BCCI approval is the pending item, expected in 60-90 days, keeping the deal on its original 6-7 month timeline (announced Mar-26) — closing guided for **Sep-Oct '26**.

### Outlook

- The management reiterated confidence in delivering medium term healthy growth despite near term state-specific disruptions.

- Management guided **H2FY27 to be stronger than H1** as the Maharashtra base effect fades and Karnataka tailwinds continue to build.
- A&P guidance held at 10.5-11% of net sales for FY27.
- Premiumisation continues to be a key growth driver for the company aided by a better mix and innovation led growth.
- The management expects regulatory tailwinds including UK-FTA and favourable state policy changes to support premiumisation and profitability in medium term.
- Overall commentary remained constructive on demand trends, margin outlook, and long-term growth opportunity within Indian alcobev.

**Exhibit 13: One-year forward P/E**




*Source: Company, Nirmal Bang Institutional Equities Research*

## Financials (standalone)

### Exhibit 14: Income statement

| Y/E March (Rsmn) | FY24 | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|
| **Net Sales** | **1,06,920** | **1,15,730** | **1,24,480** | **1,36,578** | **1,52,547** |
| *Growth YoY %* | *3.1* | *8.2* | *7.6* | *9.7* | *11.7* |
| **Gross profit** | **46,440** | **51,760** | **57,820** | **62,416** | **70,477** |
| ***Gross margin %*** | ***43.4*** | ***44.7*** | ***46.4*** | ***45.7*** | ***46.2*** |
| Staff costs | 5,430 | 6,050 | 6,230 | 7,239 | 8,085 |
| *% of sales* | *5.1* | *5.2* | *5.0* | *5.3* | *5.3* |
| A&P | 10,410 | 11,280 | 12,950 | 13,385 | 14,950 |
| *% of sales* | *9.7* | *9.7* | *10.4* | *9.8* | *9.8* |
| Other expenses | 13,520 | 13,850 | 15,680 | 16,594 | 18,046 |
| *% of sales* | *12.6* | *12.0* | *12.6* | *12.2* | *11.8* |
| **EBITDA** | **17,080** | **20,580** | **22,960** | **25,198** | **29,396** |
| *Growth YoY %* | *26.6* | *20.5* | *11.6* | *9.7* | *16.7* |
| ***EBITDA margin %*** | **16.0** | **17.8** | **18.4** | **18.4** | **19.3** |
| Depreciation | 2,640 | 2,740 | 2,830 | 3,120 | 3,302 |
| EBIT | 14,440 | 17,840 | 20,130 | 22,078 | 26,094 |
| Interest | 760 | 890 | 1,580 | 800 | 800 |
| Other income | 3,350 | 4,260 | 5,760 | 4,050 | 4,444 |
| PBT (bei) | 17,030 | 21,210 | 24,310 | 25,328 | 29,737 |
| PBT | 16,897 | 20,713 | 23,400 | 25,328 | 29,737 |
| ETR | 22.2 | 24.2 | 21.0 | 25.2 | 24.9 |
| PAT | 13,120 | 15,580 | 18,300 | 18,953 | 22,333 |
| **Adj PAT** | **13,253** | **16,077** | **19,210** | **18,953** | **22,333** |
| ***% Growth*** | **57.3** | **21.3** | **19.5** | **-1.3** | **17.8** |

*Source: Company, Nirmal Bang Institutional Equities Research*

### Exhibit 15: Balance sheet

| Y/E March (Rsmn) | FY24 | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|
| Share capital | 1,450 | 1,450 | 1,450 | 1,450 | 1,450 |
| Reserves | 68,180 | 77,340 | 85,760 | 97,132 | 1,08,298 |
| **Net worth** | **69,630** | **78,790** | **87,210** | **98,582** | **1,09,748** |
| **Total debt** | **0** | **0** | **0** | **0** | **0** |
| **Net debt** | **-12,090** | **-17,730** | **-18,820** | **-20,997** | **-28,201** |
| Other non-current liabilities | 630 | 3250 | 1210 | 1210 | 1210 |
| **Total Equity & Liabilities** | **70,260** | **82,040** | **88,420** | **99,792** | **1,10,958** |
| Gross block | 27,857 | 32,207 | 33,787 | 34,787 | 35,787 |
| Acc depreciation | 15,407 | 18,147 | 20,977 | 24,097 | 27,399 |
| Net block | 12,450 | 14,060 | 12,810 | 10,690 | 8,388 |
| CWIP | 370 | 720 | 700 | 700 | 700 |
| Investments | 8,230 | 11,070 | 14,540 | 23,220 | 23,220 |
| Trade receivables | 27,630 | 32,880 | 35,920 | 38,167 | 42,630 |
| Inventories | 20,630 | 23,050 | 26,590 | 27,316 | 30,509 |
| Cash & Cash Equivalents | 12,090 | 17,730 | 18,820 | 20,997 | 28,201 |
| Loans & advances | 20,410 | 20,340 | 21,240 | 23,240 | 25,240 |
| Other current assets | 3,840 | 5,780 | 5,180 | 5,439 | 5,711 |
| **Total current assets** | **84,600** | **99,780** | **1,07,750** | **1,15,158** | **1,32,291** |
| Trade payables | 18,270 | 21,520 | 23,770 | 25,362 | 27,978 |
| Other current liabilities | 17,120 | 22,070 | 23,610 | 24,791 | 26,030 |
| **Total current liabilities** | **35,390** | **43,590** | **47,380** | **50,152** | **54,008** |
| **Total assets** | **70,260** | **82,040** | **88,420** | **99,616** | **1,10,591** |

*Source: Company, Nirmal Bang Institutional Equities Research*

### Exhibit 16: Cash flow

| Y/E March (Rsmn) | FY24 | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|
| **PBT** | **16,860** | **20,560** | **23,400** | **25,328** | **29,737** |
| Depreciation | 2,640 | 2,740 | 2,830 | 3,120 | 3,302 |
| Interest | -500 | -110 | -840 | 800 | 800 |
| Other adjustments | -980 | -1,860 | -1,590 | -4,050 | -4,444 |
| Change in Working capital | -5,760 | -3,540 | -5,630 | -2,459 | -6,073 |
| Tax paid | -3,130 | -1,730 | -3,340 | -6,375 | -7,405 |
| **Operating cash flow** | **9,130** | **16,060** | **14,830** | **16,364** | **15,918** |
| Capex | -790 | -1,610 | 720 | -1,000 | -1,000 |
| **Free cash flow** | **9,980** | **16,030** | **17,210** | **19,414** | **19,362** |
| Other investing activities | -356 | -3,540 | -30 | -2,735 | 4,444 |
| **Investing cash flow** | **-1,146** | **-5,150** | **690** | **-3,735** | **3,444** |
| Issuance of share capital | 0 | 0 | 0 | 0 | 0 |
| Movement of Debt | 0 | 0 | -1,430 | 0 | 0 |
| Dividend paid (incl DDT) | -2,910 | -3,500 | 0 | -9,477 | -11,166 |
| Other financing activities | -1,480 | -1,770 | -13,000 | -800 | -800 |
| **Financing cash flow** | **-4,390** | **-5,270** | **-14,430** | **-10,277** | **-11,966** |
| **Net change in cash flow** | **3,594** | **5,640** | **1,090** | **2,353** | **7,571** |
| Opening C&CE | 8,496 | 12,090 | 17,730 | 18,820 | 20,997 |
| Closing C&CE | 12,090 | 17,730 | 18,820 | 21,173 | 28,568 |

*Source: Company, Nirmal Bang Institutional Equities Research*

### Exhibit 17: Key ratios

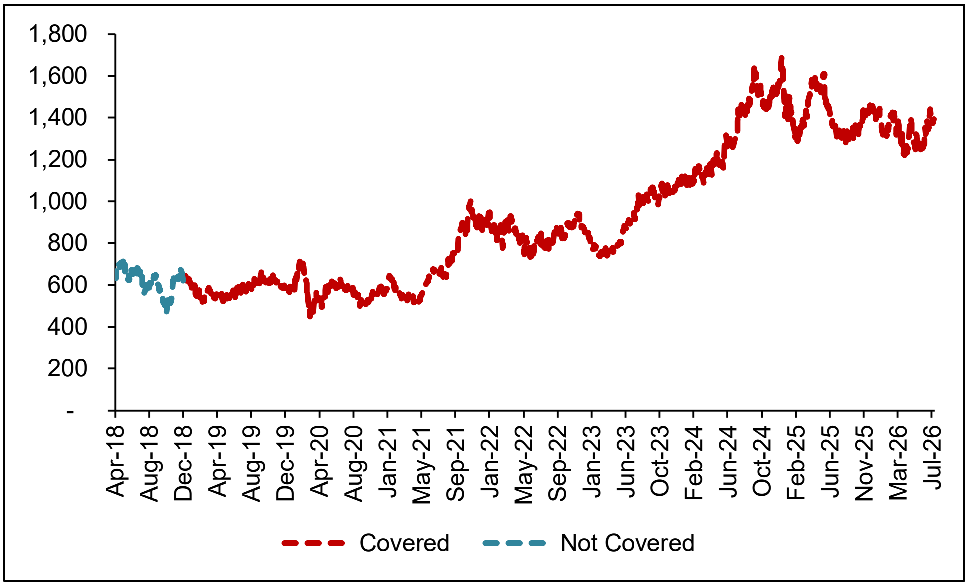
| Y/E March | FY24 | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|
| **Per share (Rs)** | | | | | |
| Adj EPS | 18.3 | 22.2 | 26.5 | 26.1 | 30.8 |
| Book value | 95.8 | 108.5 | 120.0 | 135.7 | 151.1 |
| DPS | 9.0 | 8.0 | 11.0 | 13.1 | 15.4 |
| **Valuation (x)** | | | | | |
| P/Sales | 9.7 | 8.9 | 8.3 | 7.5 | 6.7 |
| EV/EBITDA | 59.5 | 49.1 | 44.0 | 40.0 | 34.0 |
| P/E | 77.6 | 64.0 | 53.5 | 54.3 | 46.1 |
| P/BV | 14.8 | 13.1 | 11.8 | 10.5 | 9.4 |
| **Return ratios (%)** | | | | | |
| RoCE | 21.3 | 22.0 | 24.0 | 20.8 | 21.8 |
| RoCE (pre-tax) | 27.4 | 29.0 | 30.4 | 27.8 | 29.0 |
| RoE | 19.0 | 20.4 | 22.0 | 19.2 | 20.3 |
| ROIC | 20.7 | 22.3 | 24.0 | 22.5 | 24.5 |
| **Profitability ratios (%)** | | | | | |
| Gross margin | 43.4 | 44.7 | 46.4 | 45.7 | 46.2 |
| EBITDA margin | 16.0 | 17.8 | 18.4 | 18.4 | 19.3 |
| PAT margin | 12.4 | 13.9 | 15.4 | 13.9 | 14.6 |
| **Liquidity ratios (x)** | | | | | |
| Current ratio | 2.4 | 2.3 | 2.3 | 2.3 | 2.4 |
| Quick ratio | 1.8 | 1.8 | 1.7 | 1.8 | 1.9 |
| **Solvency ratio (x)** | | | | | |
| Net Debt to Equity ratio | -0.2 | -0.2 | -0.2 | -0.2 | -0.3 |
| **Turnover ratios** | | | | | |
| Fixed asset turnover ratio (x) | 8.6 | 8.2 | 9.7 | 12.8 | 18.2 |
| Debtor days | 88 | 95 | 101 | 99 | 97 |
| Inventory days | 73 | 69 | 73 | 72 | 69 |
| Creditor days | 61 | 63 | 66 | 66 | 64 |
| Net Working capital days | 100 | 102 | 107 | 105 | 102 |

*Source: Company, Nirmal Bang Institutional Equities Research*

## Rating track

| Date | Rating | Market price (Rs) | Target price (Rs) |
|---|---|---|---|
| 13 December 2018 | Buy | 641 | 760 |
| 25 January 2019 | Buy | 572 | 740 |
| 9 April 2019 | Buy | 535 | 710 |
| 31 May 2019 | Buy | 540 | 660 |
| 24 July 2019 | Buy | 579 | 675 |
| 29 October 2019 | Buy | 634 | 780 |
| 29 January 2020 | Buy | 656 | 785 |
| 30 March 2020 | Buy | 488 | 670 |
| 02 June 2020 | Buy | 591 | 695 |
| 29 July 2020 | Buy | 589 | 675 |
| 22 September 2020 | Buy | 515 | 675 |
| 6 November 2020 | Buy | 534 | 660 |
| 8 January 2021 | Buy | 616 | 715 |
| 28 January 2021 | Buy | 594 | 715 |
| 9 April 2021 | Buy | 546 | 715 |
| 24 May 2021 | Buy | 573 | 685 |
| 26 July 2021 | Hold | 658 | 680 |
| 23 September 2021 | Hold | 774 | 760 |
| 29 October 2021 | Hold | 893 | 890 |
| 27 January 2022 | Hold | 840 | 885 |
| 21 February 2022 | Buy | 836 | 965 |
| 31 May 2022 | Hold | 823 | 920 |
| 28 July 2022 | Hold | 793 | 855 |
| 14 September 2022 | Hold | 853 | 930 |
| 26 October 2022 | Hold | 864 | 870 |
| 26 December 2022 | Hold | 874 | 880 |
| 26 January 2023 | Hold | 769 | 815 |
| 22 March 2023 | Buy | 766 | 905 |
| 20 May 2023 | Hold | 817 | 830 |
| 22 July 2023 | Hold | 1,039 | 995 |
| 10 November 2023 | Hold | 1,097 | 1,040 |
| 24 January 2024 | Hold | 1,112 | 1,130 |
| 28 May 2024 | Hold | 1,158 | 1,180 |
| 10 July 2024 | Hold | 1,288 | 1,235 |
| 24 July 2024 | Hold | 1,383 | 1,505 |
| 27 August 2024 | Buy | 1,429 | 1,725 |
| 9 October 2024 | Buy | 1,523 | 1,775 |
| 25 October 2024 | Buy | 1,460 | 1,735 |
| 21 November 2024 | Buy | 1,493 | 1,735 |
| 9 January 2025 | Buy | 1,576 | 1,830 |
| 25 January 2025 | Buy | 1,471 | 1,855 |
| 7 March 2025 | Buy | 1,328 | 1,670 |
| 11 April 2025 | Buy | 1,474 | 1,750 |
| 23 May 2025 | Buy | 1,579 | 1,845 |
| 09 July 2025 | Buy | 1,365 | 1,665 |
| 12 August 2025 | Buy | 1,298 | 1,665 |
| 09 October 2025 | Buy | 1,333 | 1,650 |
| 1 November 2025 | Buy | 1,431 | 1,650 |
| 08 January 2026 | Buy | 1,350 | 1,685 |
| 21 January 2026 | Buy | 1,320 | 1,680 |
| 07 April 2026 | Buy | 1,238 | 1,626 |
| 17 May 2026 | Buy | 1,321 | 1,606 |
| 24 July 2026 | Buy | 1,419 | 1,676 |

## Rating chart



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 | 11,284 | 12,941 | Buy | 32,584 | 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 | 7,722 | 8,574 | Buy | 21,899 | 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 | 5,174 | 6,293 | Buy | 10,696 | 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 | 3,230 | 4,523 | Buy | 41,495 | 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 | 13,403 | 16,110 | Buy | 43,538 | 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 | 1,954 | 2,017 | Hold | 16,407 | 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 | 151 | 182 | Buy | 9,143 | 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 | 3,920 | 4,265 | Hold | 19,240 | 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 | 1,233 | 1,411 | Buy | 5,022 | 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 | 11,284 | 12,941 | Buy | 32,584 | 32.1 | 27.6 | 23.7 | 26.1 | 21.9 | 18.3 | 9.0 | 7.9 | 6.8 | 28.1 | 28.8 | 28.7 | 36.5 | 37.5 | 37.6 |
| Eicher Motors | 7,722 | 8,574 | Buy | 21,899 | 38.0 | 33.4 | 28.3 | 36.7 | 31.6 | 26.4 | 9.9 | 8.4 | 7.3 | 22.2 | 21.8 | 21.8 | 24.5 | 25.3 | 25.6 |
| Hero MotoCorp | 5,174 | 6,293 | Buy | 10,696 | 19.2 | 18.5 | 15.1 | 15.0 | 14.5 | 11.6 | 4.8 | 4.5 | 4.1 | 25.0 | 24.4 | 27.4 | 31.9 | 31.6 | 35.5 |
| Mahindra & Mahindra | 3,230 | 4,523 | Buy | 41,495 | 25.5 | 24.3 | 19.2 | 17.1 | 16.3 | 12.4 | 5.4 | 4.5 | 3.8 | 21.2 | 18.7 | 19.6 | 27.3 | 24.3 | 25.5 |
| Maruti Suzuki India | 13,403 | 16,110 | Buy | 43,538 | 28.0 | 27.0 | 22.1 | 19.0 | 17.2 | 13.6 | 4.0 | 3.6 | 3.2 | 14.3 | 13.4 | 14.5 | 18.4 | 17.5 | 19.0 |
| Hyundai Motor India | 1,954 | 2,017 | Hold | 16,407 | 29.2 | 28.8 | 24.5 | 17.4 | 16.5 | 14.1 | 7.9 | 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 | 151 | 182 | Buy | 9,143 | 22.6 | 22.1 | 18.8 | 15.1 | 14.5 | 12.3 | 6.7 | 6.1 | 5.4 | 31.8 | 29.1 | 30.6 | 37.6 | 35.6 | 38.8 |
| TVS Motor Co | 3,920 | 4,265 | Hold | 19,240 | 50.9 | 45.5 | 36.7 | 31.1 | 27.3 | 22.0 | 16.6 | 12.7 | 9.8 | 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 | 1,233 | 1,411 | Buy | 5,022 | (92.2) | (88.5) | (147.5) | 13.0 | 8.5 | 6.0 | 18.3 | 23.1 | 27.4 | (19.9) | (26.1) | (18.6) | (12.6) | (15.9) | (9.8) |

## Auto - Ancillary

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) | | | | | | | | | | | | | | | | | | | |
| Balkrishna Industries | 2,011 | 2,541 | Buy | 4,017 | 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 | 424 | 480 | Hold | 2,784 | 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 | 3,345 | 3,927 | Hold | 1,398 | 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 | 3,189 | 3,028 | Hold | 2,056 | 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 | 488 | 578 | Buy | 691 | 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 | 503 | 602 | Buy | 1,024 | 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 | 2,011 | 2,541 | Buy | 4,017 | 28.3 | 24.9 | 20.9 | 20.4 | 16.3 | 13.8 | 3.5 | 3.2 | 2.8 | 12.5 | 12.8 | 13.5 | 11.4 | 13.2 | 14.5 |
| Mid Cap (M-cap between US$1.5bn to 5bn) | | | | | | | | | | | | | | | | | | | |
| Apollo Tyres | 424 | 480 | Hold | 2,784 | 11.2 | 16.6 | 13.3 | 6.9 | 7.0 | 6.1 | 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 | 3,345 | 3,927 | Hold | 1,398 | 19.4 | 23.7 | 15.9 | 8.0 | 9.1 | 7.6 | 2.7 | 2.5 | 2.3 | 14.5 | 10.6 | 14.7 | 16.8 | 11.3 | 14.8 |
| Sansera Engineering | 3,189 | 3,028 | Hold | 2,056 | 59.1 | 50.6 | 37.0 | 31.6 | 25.0 | 19.5 | 6.4 | 5.7 | 4.9 | 11.5 | 12.0 | 14.3 | 14.3 | 14.8 | 17.7 |
| Suprajit Engineering | 488 | 578 | Buy | 691 | 35.1 | 22.5 | 18.6 | 18.0 | 13.4 | 11.3 | 4.7 | 4.1 | 3.5 | 13.3 | 18.0 | 18.7 | 16.3 | 18.9 | 20.0 |
| ASK Automotive Ltd | 503 | 602 | Buy | 1,024 | 33.3 | 28.4 | 22.5 | 19.9 | 17.1 | 14.0 | 7.6 | 6.2 | 5.0 | 22.7 | 21.8 | 22.2 | 20.7 | 21.6 | 23.6 |

# Banking

Akshat Agrawal (akshat.agrawal@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) | | | | | | | | | | | | | | | | | | | |
| Axis Bank | 1,223 | 1,490 | Buy | 39,311 | 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 | 166 | 200 | Hold | 2,761 | 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 | 243 | 316 | Buy | 12,991 | 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 | 747 | 1,020 | Buy | 1,18,935 | 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 | 1,435 | 1,820 | Buy | 1,06,341 | 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 | 1,006 | 1,050 | Hold | 8,094 | 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 | 383 | 475 | Buy | 39,399 | 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 | 110 | 115 | Hold | 13,080 | 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 | 1,013 | 1,279 | Buy | 96,571 | 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 | 979 | 1,067 | Hold | 7,580 | 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 | 220 | 235 | Buy | 2,251 | 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 | 354 | 375 | Buy | 9,037 | 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 | 354 | 386 | Hold | 5,668 | 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 | 631 | 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 | 78 | 70 | Hold | 927 | 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 | 48 | 62 | Buy | 1,285 | 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 | 1,223 | 1,490 | Hold | 39,311 | 15.5 | 12.0 | 9.9 | 1.9 | 1.7 | 1.5 | 12.7 | 14.3 | 15.2 | 1.4 | 1.6 | 1.7 |
| Bandhan Bank | 166 | 200 | Hold | 2,761 | 21.8 | 12.2 | 9.5 | 1.1 | 1.0 | 1.0 | 4.9 | 8.2 | 9.9 | 0.6 | 1.0 | 1.1 |
| Bank of Baroda | 243 | 316 | Buy | 12,991 | 6.3 | 6.2 | 5.2 | 0.9 | 0.8 | 0.7 | 13.8 | 12.6 | 13.5 | 1.1 | 1.0 | 1.0 |
| HDFC Bank | 747 | 1,020 | Buy | 1,18,935 | 15.4 | 14.5 | 12.4 | 2.1 | 1.9 | 1.7 | 14.0 | 13.4 | 14.1 | 1.8 | 1.7 | 1.8 |
| ICICI Bank | 1,435 | 1,820 | Buy | 1,06,341 | 20.5 | 20.0 | 17.8 | 3.1 | 2.8 | 2.5 | 15.9 | 14.4 | 14.4 | 2.2 | 2.0 | 2.0 |
| IndusInd Bank | 1,006 | 1,050 | Hold | 8,094 | 88.1 | 21.7 | 14.0 | 1.3 | 1.2 | 1.1 | 1.4 | 5.3 | 7.8 | 0.2 | 0.6 | 0.9 |
| Kotak Mahindra Bank | 383 | 475 | Buy | 39,399 | 27.4 | 23.0 | 19.6 | 2.8 | 2.5 | 2.2 | 11.1 | 11.6 | 12.1 | 1.9 | 1.9 | 1.9 |
| Punjab National Bank | 110 | 115 | Hold | 13,080 | 7.5 | 6.6 | 5.7 | 1.0 | 0.9 | 0.8 | 12.5 | 12.7 | 13.3 | 0.9 | 0.9 | 0.9 |
| State Bank of India | 1,013 | 1,279 | Buy | 96,571 | 11.7 | 11.1 | 9.4 | 1.8 | 1.6 | 1.4 | 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 | 979 | 1,067 | Hold | 7,580 | 27.7 | 20.3 | 16.4 | 3.9 | 3.3 | 2.8 | 14.2 | 16.7 | 17.7 | 1.5 | 1.7 | 1.8 |
| City Union Bank | 220 | 235 | Buy | 2,251 | 12.3 | 10.2 | 8.7 | 1.6 | 1.4 | 1.2 | 13.2 | 14.0 | 14.5 | 1.5 | 1.5 | 1.5 |
| Federal Bank | 354 | 375 | Buy | 9,037 | 21.2 | 15.4 | 14.3 | 2.3 | 2.0 | 1.7 | 11.4 | 13.8 | 13.5 | 1.1 | 1.4 | 1.4 |
| RBL Bank | 354 | 386 | Hold | 5,668 | 26.6 | 31.3 | 20.7 | 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 | 631 | 8.3 | 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 | 78 | 70 | Hold | 927 | 86.9 | 15.5 | 10.1 | 1.5 | 1.4 | 1.3 | 1.7 | 9.0 | 12.6 | 0.2 | 0.9 | 1.2 |
| South Indian Bank | 48 | 62 | Buy | 1,285 | 8.5 | 6.9 | 5.8 | 1.1 | 1.0 | 0.8 | 13.5 | 14.7 | 15.3 | 1.1 | 1.2 | 1.2 |

# NBFC

Akshat Agrawal (akshat.agrawal@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) | | | | | | | | | | | | | | | | | | | |
| Housing & Urban Development Corp | 197 | 219 | Hold | 4,071 | 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 | 3,010 | 4,265 | Buy | 12,487 | 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 | 352 | 337 | Hold | 3,421 | 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 | 1,386 | 1,714 | Buy | 1,135 | 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 | 534 | 572 | Hold | 3,033 | 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 | 1,067 | 992 | Hold | 2,872 | 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 | 819 | 995 | Buy | 1,126 | 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 | 1,202 | 1,448 | Buy | 1,298 | 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 | 391 | 461 | Buy | 252 | 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 | 197 | 219 | Hold | 4,071 | 9.8 | 10.4 | 8.3 | 1.8 | 1.6 | 1.4 | 20.2 | 16.2 | 18.0 | 2.7 | 2.1 | 2.2 |
| Muthoot Finance | 3,010 | 4,265 | Buy | 12,487 | 11.9 | 9.4 | 8.8 | 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 | 352 | 337 | Hold | 3,421 | 21.7 | 15.7 | 15.1 | 2.2 | 2.0 | 1.7 | 11.0 | 12.6 | 12.3 | 2.8 | 2.9 | 3.0 |
| Aavas Financiers | 1,386 | 1,714 | Buy | 1,135 | 16.8 | 11.5 | 10.3 | 2.2 | 1.9 | 1.6 | 13.9 | 17.3 | 16.6 | 3.3 | 4.2 | 4.0 |
| LIC Housing Finance | 534 | 572 | Hold | 3,033 | 5.3 | 4.9 | 4.3 | 0.8 | 0.7 | 0.7 | 14.4 | 13.6 | 14.0 | 1.8 | 1.7 | 1.8 |
| PNB Housing Finance | 1,067 | 992 | Hold | 2,872 | 11.9 | 12.0 | 10.2 | 1.5 | 1.3 | 1.2 | 12.9 | 11.4 | 11.9 | 2.6 | 2.3 | 2.3 |
| Small Cap (M-cap <US$1.5bn) | | | | | | | | | | | | | | | | |
| Can Fin Homes | 819 | 995 | Buy | 1,126 | 10.0 | 10.1 | 8.2 | 1.9 | 1.6 | 1.4 | 19.7 | 16.8 | 17.6 | 2.5 | 2.3 | 2.5 |
| Home First Finance | 1,202 | 1,448 | Buy | 1,298 | 23.1 | 21.4 | 17.5 | 3.0 | 2.7 | 2.3 | 15.7 | 12.5 | 13.5 | 3.9 | 3.5 | 3.5 |
| Repco Home Finance | 391 | 461 | Buy | 252 | 5.4 | 5.4 | 4.9 | 0.6 | 0.6 | 0.5 | 12.5 | 11.1 | 11.1 | 2.9 | 2.6 | 2.6 |

# NBFC

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## Operational Metrics

| Company | CMP (Rs) | TP (Rs) | Current Rating | M-cap (US$mn) | Net Interest Income (Rsmn) FY26 | FY27E | FY28E | Op Profit (Rsmn) FY26 | FY27E | FY28E | PAT (Rsmn) FY26 | FY27E | FY28E | EPS (Rs) FY26 | FY27E | FY28E | CAGR FY26-FY28E NII | PPOP | PAT |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Large Cap (M-cap >US$5bn)** | | | | | | | | | | | | | | | | | | | |
| Bajaj Finance | 1,040 | 1,230 | Buy | 66,886 | 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 | 692 | 890 | Buy | 5,939 | 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 | 465 | 470 | Hold | 4,230 | 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 (Rs) | TP (Rs) | Current Rating | M-cap (US$mn) | P/E (X) FY26 | FY27E | FY28E | P/ABV (X) FY26 | FY27E | FY28E | RoE (%) FY26 | FY27E | FY28E | RoA (%) FY26 | FY27E | FY28E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Large Cap (M-cap >US$5bn)** | | | | | | | | | | | | | | | | |
| Bajaj Finance | 1,040 | 1,230 | Buy | 66,886 | 36.2 | 23.0 | 20.7 | 5.6 | 4.7 | 4.0 | 17.9 | 22.0 | 20.5 | 3.8 | 4.6 | 4.4 |
| HDB Finanacial | 692 | 890 | Buy | 5,939 | 22.6 | 16.6 | 13.7 | 2.8 | 2.4 | 2.1 | 13.9 | 15.4 | 16.0 | 2.2 | 2.6 | 2.7 |
| **Mid Cap (M-cap between US$1.5bn to 5bn)** | | | | | | | | | | | | | | | | |
| Poonawalla Fincorp | 465 | 470 | Hold | 4,230 | 69.4 | 37.8 | 29.8 | 6.1 | 3.7 | 3.4 | 5.9 | 9.5 | 11.7 | 1.1 | 1.4 | 1.3 |

# Insurance

Vinod Rajamani (vinod.rajamani@nirmalbang.com)

## Operational Metrics

| Company | CMP (Rs) | TP (Rs) | Current Rating | M-cap (US$mn) | APE (Rsmn) FY26 | FY27E | FY28E | NBV (Rsmn) FY26 | FY27E | FY28E | APE/NBV Margin (%) FY26 | FY27E | FY28E | EVPS (Rs) FY26 | FY27E | FY28E | CAGR FY26-FY28E APE | NBV |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Large Cap (M-cap >US$5bn)** | | | | | | | | | | | | | | | | | | |
| HDFC Life Insurance | 551 | 700 | Buy | 12,366 | 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 | 502 | 660 | Buy | 7,517 | 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 | 1,854 | 2,360 | Buy | 19,213 | 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 | 153 | 205 | Buy | 1,501 | 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 | 1,504 | 1,980 | Buy | 5,362 | 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 (Rs) | TP (Rs) | Current Rating | M-cap (US$mn) | P/EV (X) FY26 | FY27E | FY28E | P/BV (X) FY26 | FY27E | FY28E | RoE (%) FY26 | FY27E | FY28E | RoEV (%) FY26 | FY27E | FY28E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Large Cap (M-cap >US$5bn)** | | | | | | | | | | | | | | | | |
| HDFC Life Insurance | 551 | 700 | Buy | 12,366 | 1.9 | 1.7 | 1.4 | 6.7 | 5.9 | 5.4 | 11.3 | 10.9 | 10.3 | 12.1 | 15.9 | 14.9 |
| ICICI Pru Life Insurance | 502 | 660 | Buy | 7,517 | 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 | 1,854 | 2,360 | Buy | 19,213 | 2.3 | 2.0 | 1.7 | 9.7 | 8.5 | 7.4 | 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 | 153 | 205 | Buy | 1,501 | 2.0 | 1.7 | 1.4 | 9.0 | 8.6 | 8.1 | 8.1 | 8.0 | 8.4 | 18.4 | 17.9 | 17.9 |
| Max Financial Services | 1,504 | 1,980 | Buy | 5,362 | 2.2 | 1.9 | 1.6 | 8.3 | 7.8 | 7.3 | 4.4 | 5.8 | 7.1 | 14.6 | 18.8 | 18.6 |

# Auto NBFC

Vinod Rajamani (vinod.rajamani@nirmalbang.com)

## Operational Metrics

| Company | CMP (Rs) | TP (Rs) | Current Rating | M-cap (US$mn) | Net Interest Income (Rsmn) FY26 | FY27E | FY28E | Op Profit (Rsmn) FY26 | FY27E | FY28E | PAT (Rsmn) FY26 | FY27E | FY28E | EPS (Rs) FY26 | FY27E | FY28E | CAGR FY26-FY28E NII | PPOP | PAT |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Large Cap (M-cap >US$5bn)** | | | | | | | | | | | | | | | | | | | |
| Cholamandalam Investment and Finance | 1,717 | 1,860 | Hold | 15,154 | 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 | 1,026 | 1,230 | Buy | 24,938 | 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 | 370 | 380 | Hold | 5,319 | 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 | 4,416 | 5,240 | Hold | 5,069 | 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 (Rs) | TP (Rs) | Current Rating | M-cap (US$mn) | P/E (X) FY26 | FY27E | FY28E | P/BV (X) FY26 | FY27E | FY28E | RoE (%) FY26 | FY27E | FY28E | RoA (%) FY26 | FY27E | FY28E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Large Cap (M-cap >US$5bn)** | | | | | | | | | | | | | | | | |
| Cholamandalam Investment and Finance | 1,717 | 1,860 | Hold | 15,154 | 27.7 | 20.2 | 17.1 | 5.0 | 4.1 | 3.3 | 19.3 | 21.2 | 20.6 | 2.3 | 2.7 | 2.7 |
| Shriram Finance | 1,026 | 1,230 | Buy | 24,938 | 19.3 | 19.2 | 14.6 | 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 | 370 | 380 | Hold | 5,319 | 18.5 | 13.4 | 9.7 | 2.2 | 1.9 | 1.7 | 12.5 | 14.4 | 17.1 | 2.0 | 2.2 | 2.5 |
| Sundaram Finance | 4,416 | 5,240 | Hold | 5,069 | 25.7 | 19.0 | 17.5 | 3.9 | 3.2 | 2.7 | 15.4 | 18.3 | 16.5 | 2.9 | 3.6 | 3.4 |

## Consumer Durables & Consumer Electricals

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 |
| **Large Cap (M-cap >US$5bn)** | | | | | | | | | | | | | | | | | | | |
| Havells India | 1,210 | 1,385 | Buy | 7,845 | 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 | 8,935 | 10,505 | Buy | 13,907 | 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 | 326 | 341 | Hold | 389 | 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 | 1,634 | 2,025 | Buy | 3,471 | 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 | 252 | 358 | Buy | 1,680 | 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 | 13,829 | 12,103 | Buy | 8,736 | 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 | 294 | 410 | Buy | 1,329 | 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 | 1,310 | 1,253 | Hold | 4,479 | 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 | 771 | 931 | Hold | 1,010 | 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 | 577 | 560 | Buy | 1,708 | 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 | 7,430 | 8,084 | Hold | 2,707 | 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 | 1,303 | 1,561 | Buy | 545 | 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 | 174 | 255 | 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 | 746 | 657 | Buy | 255 | 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 | 231 | 310 | Buy | 230 | 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 | 1,210 | 1,385 | Buy | 7,845 | 46.5 | 42.2 | 36.3 | 34.0 | 28.3 | 24.2 | 8.0 | 7.5 | 6.6 | 18.7 | 18.4 | 19.4 | 16.8 | 19.0 | 20.7 |
| Polycab India | 8,935 | 10,505 | Buy | 13,907 | 50.3 | 40.4 | 33.6 | 33.4 | 27.7 | 23.6 | 11.2 | 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 | 326 | 341 | Hold | 389 | (59.1) | 49.9 | 21.7 | 23.2 | 15.1 | 10.5 | 2.4 | 2.3 | 2.1 | (5.7) | 4.6 | 9.5 | 0.6 | 4.7 | 9.0 |
| Blue Star | 1,634 | 2,025 | Buy | 3,471 | 59.3 | 43.8 | 37.2 | 36.4 | 28.7 | 25.2 | 9.8 | 6.0 | 5.4 | 16.2 | 17.0 | 15.4 | 20.5 | 20.5 | 18.8 |
| Crompton Greaves Consumer Electricals | 252 | 358 | Buy | 1,680 | 31.6 | 24.5 | 21.7 | 19.4 | 14.7 | 12.6 | 5.5 | 5.9 | 5.3 | 16.5 | 23.6 | 26.8 | 17.3 | 26.2 | 30.1 |
| Dixon Technologies India | 13,829 | 12,103 | Buy | 8,736 | 58.4 | 67.5 | 50.7 | 45.0 | 32.3 | 25.1 | 18.0 | 16.4 | 12.5 | 30.8 | 24.4 | 24.7 | 24.7 | 34.7 | 36.3 |
| V-Guard Industries | 294 | 410 | Buy | 1,329 | 36.5 | 28.7 | 21.9 | 24.3 | 18.6 | 14.9 | 5.4 | 5.0 | 4.3 | 13.8 | 18.2 | 21.1 | 18.0 | 22.0 | 25.2 |
| Voltas | 1,310 | 1,253 | Hold | 4,479 | 107.7 | 63.5 | 38.5 | 67.3 | 42.1 | 28.4 | 6.8 | 6.6 | 5.8 | 5.8 | 10.5 | 16.0 | 7.6 | 12.8 | 18.2 |
| Whirlpool of India | 771 | 931 | Hold | 1,010 | 33.3 | 26.9 | 23.2 | 15.0 | 12.2 | 10.8 | 2.4 | 2.2 | 2.0 | 7.2 | 8.4 | 9.1 | 6.7 | 7.7 | 8.4 |
| PG Electroplast Ltd | 577 | 560 | Buy | 1,708 | 83.7 | 66.7 | 40.9 | 43.0 | 32.4 | 20.9 | 5.4 | 5.0 | 4.5 | 6.7 | 7.8 | 11.5 | 6.9 | 8.3 | 11.6 |
| **Small Cap (M-cap <US$1.5bn)** | | | | | | | | | | | | | | | | | | | |
| Amber Enterprises India | 7,430 | 8,084 | Hold | 2,707 | 85.2 | 63.0 | 37.7 | 29.4 | 24.4 | 17.8 | 6.0 | 5.5 | 4.8 | 5.3 | 9.3 | 13.7 | 9.8 | 9.3 | 11.1 |
| IFB Industries | 1,303 | 1,561 | Buy | 545 | 40.3 | 31.1 | 24.3 | 17.2 | 15.3 | 12.7 | 5.4 | 4.6 | 3.9 | 14.4 | 16.0 | 17.4 | 18.3 | 19.7 | 21.8 |
| Orient Electric | 174 | 255 | Buy | 384 | 35.1 | 27.9 | 21.9 | 16.2 | 13.0 | 10.8 | 4.9 | 4.6 | 4.1 | 13.2 | 17.0 | 19.8 | 21.4 | 24.0 | 27.2 |
| Stove Kraft | 746 | 657 | Buy | 255 | 58.8 | 41.4 | 27.1 | 14.7 | 13.3 | 11.3 | 4.9 | 4.5 | 3.9 | 8.6 | 11.3 | 15.4 | 15.1 | 18.1 | 19.6 |
| EPACK Durables | 231 | 310 | Buy | 230 | 679.1 | 48.7 | 18.6 | 25.6 | 14.4 | 8.6 | 2.3 | 2.2 | 2.0 | 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 | 788 | 976 | Buy | 1,852 | 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 | 788 | 976 | Buy | 1,852 | 53.3 | 40.4 | 29.6 | 35.4 | 25.3 | 19.8 | 9.0 | 7.3 | 5.9 | 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 | 1,210 | Under Review | Under Review | 1,991 | 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 | 490 | 422 | Hold | 208 | 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 | 1,210 | Under Review | Under Review | 1,991 | 63.0 | 39.0 | 31.6 | 30.7 | 21.9 | 18.9 | 7.0 | 6.3 | 5.5 | 12.0 | 15.4 | 13.9 | 14.7 | 18.0 | 16.5 |
| **Small Cap (M-cap <US$1.5bn)** | | | | | | | | | | | | | | | | | | | |
| Somany Ceramics | 490 | 422 | Hold | 208 | 34.7 | 41.4 | 34.2 | 10.4 | 10.4 | 9.7 | 2.6 | 2.4 | 2.2 | 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 | 424 | 554 | Buy | 10,874 | 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 | 1,855 | 2,083 | Buy | 3,594 | 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 | 26,825 | 28,758 | Hold | 10,000 | 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 | 11,908 | 13,662 | Buy | 36,255 | 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 | 5,668 | 6,120 | Hold | 4,525 | 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 | 915 | 1,084 | Buy | 2,234 | 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 | 362 | 451 | Buy | 1,335 | 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 | 974 | 1,234 | Buy | 775 | 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 | 574 | 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 | 424 | 554 | Buy | 10,874 | 23.3 | 40.8 | 30.1 | 16.1 | 13.6 | 11.3 | 1.5 | 1.4 | 1.3 | 6.6 | 3.5 | 4.5 | 8.0 | 2.9 | 3.9 |
| Dalmia Bharat | 1,855 | 2,083 | Buy | 3,594 | 30.0 | 31.1 | 24.9 | 12.0 | 11.4 | 9.4 | 1.9 | 1.8 | 1.7 | 6.5 | 6.0 | 7.1 | 5.9 | 5.3 | 5.9 |
| Shree Cement | 26,825 | 28,758 | Hold | 10,000 | 56.7 | 56.8 | 47.6 | 21.6 | 19.4 | 16.7 | 4.3 | 4.1 | 3.8 | 7.8 | 7.4 | 8.3 | 9.6 | 9.3 | 10.1 |
| UltraTech Cement | 11,908 | 13,662 | Buy | 36,255 | 42.4 | 35.7 | 30.3 | 21.6 | 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 | 5,668 | 6,120 | Hold | 4,525 | 42.7 | 34.0 | 29.6 | 20.8 | 17.8 | 15.5 | 6.2 | 5.3 | 4.6 | 15.6 | 16.8 | 16.7 | 9.7 | 10.8 | 10.7 |
| The Ramco Cements | 915 | 1,084 | Buy | 2,234 | 77.6 | 55.9 | 31.3 | 17.6 | 15.6 | 12.7 | 2.7 | 2.5 | 2.4 | 3.6 | 4.6 | 7.8 | 6.1 | 7.1 | 9.8 |
| Nuvoco Vistas Corp | 362 | 451 | Buy | 1,335 | 32.6 | 50.5 | 26.2 | 9.6 | 10.4 | 8.5 | 1.3 | 1.2 | 1.2 | 3.7 | 2.5 | 4.6 | 4.8 | 3.9 | 5.4 |
| **Small Cap (M-cap <US$1.5bn)** | | | | | | | | | | | | | | | | | | | |
| Birla Corp | 974 | 1,234 | Buy | 775 | 13.3 | 12.5 | 10.1 | 6.6 | 6.3 | 5.4 | 1.0 | 1.0 | 0.9 | 7.8 | 7.9 | 9.1 | 6.4 | 6.6 | 7.5 |
| JK Lakshmi Cement | 574 | 693 | Buy | 736 | 16.7 | 16.6 | 16.0 | 8.4 | 7.7 | 6.6 | 1.8 | 1.7 | 1.6 | 11.1 | 10.6 | 10.2 | 8.6 | 8.2 | 7.8 |

## Construction

### Operational Metrics

| Company | CMP (Rs) | TP (Rs) | Current Rating | M-cap (US$mn) | Net sales (Rsmn) FY25 | Net sales (Rsmn) FY26 | Net sales (Rsmn) FY27E | EBITDA (Rsmn) FY25 | EBITDA (Rsmn) FY26 | EBITDA (Rsmn) FY27E | PAT (Rsmn) FY25 | PAT (Rsmn) FY26 | PAT (Rsmn) FY27E | EPS (Rs) FY25 | EPS (Rs) FY26 | EPS (Rs) FY27E | CAGR FY25-FY27E Sales | CAGR FY25-FY27E EBITDA | CAGR FY25-FY27E PAT |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Small Cap (M-cap <US$1.5bn)** | | | | | | | | | | | | | | | | | | | |
| Ashoka Buildcon | 121 | 109 | Hold | 351 | 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 | 119 | 101 | Sell | 347 | 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 | 234 | 214 | Hold | 620 | 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 (Rs) | TP (Rs) | Current Rating | M-cap (US$mn) | P/E (X) FY25 | P/E (X) FY26 | P/E (X) FY27E | EV/EBITDA (X) FY25 | EV/EBITDA (X) FY26 | EV/EBITDA (X) FY27E | P/BV (X) FY25 | P/BV (X) FY26 | P/BV (X) FY27E | RoE (%) FY25 | RoE (%) FY26 | RoE (%) FY27E | RoCE (%) FY25 | RoCE (%) FY26 | RoCE (%) FY27E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Small Cap (M-cap <US$1.5bn)** | | | | | | | | | | | | | | | | | | | |
| Ashoka Buildcon | 121 | 109 | Hold | 351 | 17.2 | 9.2 | 11.5 | 9.5 | 9.0 | 8.4 | 0.8 | 0.7 | 0.6 | 5.1 | 7.7 | 5.7 | 5.8 | 5.7 | 5.7 |
| KNR Constructions | 119 | 101 | Sell | 347 | 4.6 | 26.4 | 23.6 | 5.1 | 15.9 | 13.7 | 0.9 | 0.7 | 0.6 | 19.2 | 2.8 | 2.8 | 20.8 | 3.1 | 2.9 |
| PNC Infratech | 234 | 214 | Hold | 620 | 8.5 | 17.4 | 16.3 | 5.5 | 9.8 | 8.4 | 1.1 | 1.0 | 1.0 | 13.6 | 6.0 | 6.0 | 12.2 | 6.0 | 6.7 |

## Defence

### Operational Metrics

| Company | CMP (Rs) | TP (Rs) | Current Rating | M-cap (US$mn) | Net sales (Rsmn) FY25 | Net sales (Rsmn) FY26 | Net sales (Rsmn) FY27E | EBITDA (Rsmn) FY25 | EBITDA (Rsmn) FY26 | EBITDA (Rsmn) FY27E | PAT (Rsmn) FY25 | PAT (Rsmn) FY26 | PAT (Rsmn) FY27E | EPS (Rs) FY25 | EPS (Rs) FY26 | EPS (Rs) FY27E | CAGR FY25-FY27E Sales | CAGR FY25-FY27E EBITDA | CAGR FY25-FY27E PAT |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Large Cap (M-cap >US$5bn)** | | | | | | | | | | | | | | | | | | | |
| Bharat Electronics | 405 | 497 | Buy | 30,613 | 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 | 4,593 | 5,432 | Buy | 31,733 | 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 | 2,299 | 3,158 | Buy | 9,581 | 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 | 18,621 | 19,995 | Buy | 17,409 | 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 | 1,240 | 1,434 | Buy | 4,695 | 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 | 1,731 | 2,000 | Buy | 1,489 | 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 | 4,598 | 4,156 | Hold | 2,659 | 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 | 1,783 | 1,139 | Buy | 1,749 | 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 | 1,198 | 863 | Hold | 997 | 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 (Rs) | TP (Rs) | Current Rating | M-cap (US$mn) | P/E (X) FY25 | P/E (X) FY26 | P/E (X) FY27E | EV/EBITDA (X) FY25 | EV/EBITDA (X) FY26 | EV/EBITDA (X) FY27E | P/BV (X) FY25 | P/BV (X) FY26 | P/BV (X) FY27E | RoE (%) FY25 | RoE (%) FY26 | RoE (%) FY27E | RoCE (%) FY25 | RoCE (%) FY26 | RoCE (%) FY27E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Large Cap (M-cap >US$5bn)** | | | | | | | | | | | | | | | | | | | |
| Bharat Electronics | 405 | 497 | Buy | 30,613 | 55.7 | 48.9 | 41.7 | 42.0 | 35.6 | 30.9 | 14.8 | 12.3 | 10.5 | 29.3 | 27.6 | 27.2 | 33.0 | 32.3 | 31.7 |
| Hindustan Aeronautics | 4,593 | 5,432 | Buy | 31,733 | 36.7 | 33.7 | 29.8 | 28.0 | 27.5 | 22.8 | 8.8 | 7.5 | 6.4 | 26.1 | 24.0 | 23.2 | 15.9 | 11.2 | 10.7 |
| Mazagon Dock Shipbuilders | 2,299 | 3,158 | Buy | 9,581 | 38.4 | 33.7 | 30.6 | 37.2 | 31.6 | 28.2 | 11.7 | 9.3 | 7.2 | 34.0 | 30.7 | 26.6 | 27.4 | 25.4 | 21.9 |
| Solar Industries India | 18,621 | 19,995 | Buy | 17,409 | 166.9 | 100.5 | 62.9 | 86.1 | 64.4 | 44.4 | 38.4 | 26.8 | 19.4 | 26.3 | 31.5 | 35.8 | 36.3 | 35.3 | 37.8 |
| **Mid Cap (M-cap between US$1.5bn to 5bn)** | | | | | | | | | | | | | | | | | | | |
| Bharat Dynamics | 1,240 | 1,434 | Buy | 4,695 | 82.7 | 75.5 | 57.6 | 87.3 | 85.9 | 57.4 | 11.3 | 10.7 | 9.4 | 14.4 | 14.6 | 17.4 | 5.5 | 5.4 | 8.1 |
| Bharat Earth Movers | 1,731 | 2,000 | Buy | 1,489 | 49.3 | 56.7 | 36.2 | 28.9 | 32.8 | 22.6 | 5.0 | 4.6 | 4.2 | 10.5 | 8.5 | 12.1 | 14.8 | 11.2 | 16.1 |
| Data Patterns | 4,598 | 4,156 | Hold | 2,659 | 116.1 | 93.8 | 76.0 | 89.9 | 68.5 | 54.1 | 17.1 | 14.8 | 12.8 | 15.7 | 16.9 | 18.1 | 19.1 | 21.6 | 23.8 |
| **Small Cap (M-cap <US$1.5bn)** | | | | | | | | | | | | | | | | | | | |
| Astra Microwave Products | 1,783 | 1,139 | Buy | 1,749 | 110.3 | 99.1 | 86.5 | 64.1 | 56.0 | 47.6 | 15.4 | 13.6 | 12.0 | 14.9 | 14.6 | 14.7 | 20.8 | 20.6 | 21.7 |
| Paras Defence and Space Technologies | 1,198 | 863 | Hold | 997 | 152.0 | 113.0 | 86.9 | 98.4 | 79.4 | 57.7 | 15.2 | 13.3 | 11.5 | 11.8 | 12.5 | 14.2 | 14.6 | 14.7 | 18.1 |

## Consumer Staples

### Operational Metrics

| Company | CMP (Rs) | TP (Rs) | Current Rating | M-cap (US$mn) | Net sales (Rsmn) FY26 | Net sales (Rsmn) FY27E | Net sales (Rsmn) FY28E | EBITDA (Rsmn) FY26 | EBITDA (Rsmn) FY27E | EBITDA (Rsmn) FY28E | PAT (Rsmn) FY26 | PAT (Rsmn) FY27E | PAT (Rsmn) FY28E | EPS (Rs) FY26 | EPS (Rs) FY27E | EPS (Rs) FY28E | CAGR FY26-FY28E Sales | CAGR FY26-FY28E EBITDA | CAGR FY26-FY28E PAT |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Large Cap (M-cap >US$5bn)** | | | | | | | | | | | | | | | | | | | |
| Britannia Industries | 5,388 | 6,770 | Buy | 13,409 | 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 | 2,086 | 2,095 | Hold | 5,861 | 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 | 423 | 480 | Hold | 7,756 | 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 | 1,059 | 1,155 | Hold | 11,192 | 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 | 2,162 | 2,260 | Hold | 52,479 | 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 | 281 | 320 | Hold | 36,415 | 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 | 853 | 885 | Hold | 11,445 | 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 | 1,540 | Hold | 28,847 | 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 | 8,984 | 11,900 | Buy | 3,013 | 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 | 1,108 | 1,315 | Buy | 11,326 | 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 | 416 | 445 | Hold | 1,877 | 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 | 7,787 | 9,130 | Buy | 2,622 | 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 (Rs) | TP (Rs) | Current Rating | M-cap (US$mn) | P/E (X) FY26 | P/E (X) FY27E | P/E (X) FY28E | EV/EBITDA (X) FY26 | EV/EBITDA (X) FY27E | EV/EBITDA (X) FY28E | P/BV (X) FY26 | P/BV (X) FY27E | P/BV (X) FY28E | RoE (%) FY26 | RoE (%) FY27E | RoE (%) FY28E | RoCE (%) FY26 | RoCE (%) FY27E | RoCE (%) FY28E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Large Cap (M-cap >US$5bn)** | | | | | | | | | | | | | | | | | | | |
| Britannia Industries | 5,388 | 6,770 | Buy | 13,409 | 51.2 | 49.2 | 41.0 | 36.4 | 34.3 | 28.9 | 25.4 | 23.1 | 20.9 | 54.3 | 49.2 | 53.5 | 40.9 | 37.6 | 41.6 |
| Colgate-Palmolive India | 2,086 | 2,095 | Hold | 5,861 | 42.0 | 39.0 | 36.8 | 29.6 | 28.0 | 26.3 | 35.8 | 35.8 | 35.8 | 83.1 | 91.7 | 97.3 | 84.4 | 94.0 | 99.7 |
| Dabur India | 423 | 480 | Hold | 7,756 | 39.8 | 39.4 | 35.3 | 29.0 | 28.1 | 25.4 | 6.7 | 6.4 | 6.2 | 17.0 | 16.4 | 17.7 | 15.9 | 15.4 | 16.6 |
| Godrej Consumer Products | 1,059 | 1,155 | Hold | 11,192 | 51.7 | 49.7 | 41.7 | 34.7 | 33.3 | 28.6 | 8.6 | 8.6 | 8.6 | 17.0 | 16.8 | 18.8 | 13.1 | 14.3 | 16.1 |
| Hindustan Unilever | 2,162 | 2,260 | Hold | 52,479 | 46.6 | 47.0 | 43.4 | 33.2 | 32.3 | 29.8 | 10.4 | 10.4 | 10.4 | 22.1 | 22.1 | 24.0 | 21.6 | 21.6 | 23.4 |
| ITC | 281 | 320 | Hold | 36,415 | 11.3 | 19.2 | 17.9 | 9.2 | 12.7 | 11.8 | 4.4 | 4.3 | 4.3 | 42.3 | 22.8 | 24.1 | 38.7 | 22.8 | 24.2 |
| Marico | 853 | 885 | Hold | 11,445 | 62.9 | 54.8 | 46.6 | 46.7 | 39.4 | 33.6 | 26.3 | 23.4 | 20.9 | 43.1 | 45.3 | 47.4 | 26.8 | 27.1 | 29.8 |
| Nestle India | 1,448 | 1,540 | Hold | 28,847 | 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 | 8,984 | 11,889 | Buy | 3,013 | 34.1 | 33.4 | 30.2 | 25.0 | 24.1 | 21.8 | 38.7 | 34.7 | 31.1 | 114.9 | 109.7 | 108.6 | 124.4 | 123.2 | 122.0 |
| Tata Consumer Products | 1,108 | 1,315 | Buy | 11,326 | 70.2 | 57.0 | 44.2 | 38.5 | 32.5 | 26.9 | 5.0 | 4.7 | 4.3 | 7.5 | 8.5 | 10.1 | 6.2 | 7.0 | 8.3 |
| **Mid Cap (M-cap between US$1.5bn to 5bn)** | | | | | | | | | | | | | | | | | | | |
| Emami | 416 | 445 | Hold | 1,877 | 21.3 | 18.9 | 19.4 | 18.1 | 15.0 | 14.8 | 6.2 | 4.9 | 4.5 | 30.4 | 29.0 | 24.1 | 38.1 | 34.9 | 28.3 |
| Gillette India | 7,787 | 9,130 | Buy | 2,622 | 38.8 | 40.2 | 36.2 | 26.6 | 27.4 | 24.7 | 26.8 | 30.5 | 29.2 | 66.4 | 71.0 | 82.5 | 67.3 | 72.2 | 84.0 |

## Consumer Discretionary

### Operational Metrics

| Company | CMP (Rs) | TP (Rs) | Current Rating | M-cap (US$mn) | Net sales (Rsmn) FY26 | Net sales (Rsmn) FY27E | Net sales (Rsmn) FY28E | EBITDA (Rsmn) FY26 | EBITDA (Rsmn) FY27E | EBITDA (Rsmn) FY28E | PAT (Rsmn) FY26 | PAT (Rsmn) FY27E | PAT (Rsmn) FY28E | EPS (Rs) FY26 | EPS (Rs) FY27E | EPS (Rs) FY28E | CAGR FY26-FY28E Sales | CAGR FY26-FY28E EBITDA | CAGR FY26-FY28E PAT |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Large Cap (M-cap >US$5bn)** | | | | | | | | | | | | | | | | | | | |
| Asian Paints | 2,669 | 2,750 | Hold | 26,449 | 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 | 494 | 560 | Hold | 5,946 | 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 | 412 | 475 | Hold | 2,811 | 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 | 1,398 | 1,625 | Buy | 3,818 | 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 | 1,418 | 1,731 | Buy | 10,656 | 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 | 65 | 76 | Hold | 477 | 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 | 478 | 580 | Buy | 770 | 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 (Rs) | TP (Rs) | Current Rating | M-cap (US$mn) | P/E (X) FY26 | P/E (X) FY27E | P/E (X) FY28E | EV/EBITDA (X) FY26 | EV/EBITDA (X) FY27E | EV/EBITDA (X) FY28E | P/BV (X) FY26 | P/BV (X) FY27E | P/BV (X) FY28E | RoE (%) FY26 | RoE (%) FY27E | RoE (%) FY28E | RoCE (%) FY26 | RoCE (%) FY27E | RoCE (%) FY28E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Large Cap (M-cap >US$5bn)** | | | | | | | | | | | | | | | | | | | |
| Asian Paints | 2,669 | 2,750 | Hold | 26,449 | 57.1 | 54.8 | 43.7 | 37.4 | 35.6 | 30.3 | 12.0 | 11.4 | 10.9 | 22.0 | 21.3 | 24.2 | 17.8 | 20.0 | 22.5 |
| Berger Paints India | 494 | 560 | Hold | 5,946 | 48.8 | 46.4 | 41.5 | 31.0 | 29.3 | 26.4 | 6.9 | 6.3 | 5.6 | 18.1 | 17.0 | 17.2 | 15.7 | 14.7 | 16.3 |
| Jubilant Foodworks | 412 | 475 | Hold | 2,811 | 80.3 | 56.1 | 47.9 | 15.2 | 13.9 | 12.4 | 11.9 | 10.2 | 14.3 | 14.8 | 18.3 | 29.8 | 10.5 | 19.1 | 21.5 |
| United Breweries | 1,398 | 1,625 | Buy | 3,818 | 99.3 | 105.3 | 55.2 | 46.8 | 48.3 | 31.2 | 8.2 | 7.9 | 7.5 | 8.4 | 7.6 | 13.9 | 8.1 | 7.0 | 11.9 |
| United Spirits | 1,418 | 1,731 | Buy | 10,656 | 53.5 | 55.4 | 48.2 | 44.1 | 41.0 | 36.0 | 11.8 | 10.5 | 9.4 | 22.0 | 18.9 | 19.6 | 24.0 | 20.4 | 20.9 |
| **Small Cap (M-cap <US$1.5bn)** | | | | | | | | | | | | | | | | | | | |
| Restaurant Brands Asia | 65 | 76 | Hold | 477 | (18.7) | (25.2) | (52.5) | 14.7 | 12.1 | 9.4 | 5.2 | 6.6 | 7.6 | (24.8) | (23.2) | (13.5) | (1.1) | 5.5 | 14.9 |
| Westlife Foodworld | 478 | 580 | Buy | 770 | (2,653.5) | (423.5) | 108.2 | 22.6 | 20.7 | 15.3 | 12.0 | 12.4 | 11.1 | (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 | 1,245 | 900 | Sell | 34,898 | 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 | 1,047 | 1,051 | Sell | 43,909 | 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 | 3,965 | 3,046 | Sell | 12,152 | 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 | 2,243 | 1,682 | Sell | 83,843 | 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 | 1,556 | 1,150 | Sell | 15,754 | 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 | 175 | 147 | Sell | 17,889 | 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 | 279 | 363 | Hold | 806 | 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 | 1,440 | 1,395 | Hold | 6,586 | 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 | 2,232 | 2,347 | Hold | 4,402 | 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 | 5,002 | 5,315 | Hold | 8,152 | 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 | 487 | 613 | Hold | 1,145 | 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 | 551 | 900 | Buy | 1,560 | 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 | 3,388 | 3,857 | Hold | 2,180 | 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 | 696 | 725 | Hold | 2,921 | 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 | 1,245 | 900 | Sell | 34,898 | 20.2 | 17.8 | 18.0 | 13.7 | 12.5 | 12.4 | 4.5 | 4.5 | 4.4 | 24.0 | 25.4 | 25.0 | 22.9 | 24.6 | 24.6 |
| Infosys | 1,047 | 1,051 | Sell | 43,909 | 14.4 | 14.3 | 13.9 | 11.0 | 10.5 | 10.2 | 1.1 | 1.0 | 1.0 | 31.1 | 30.7 | 29.4 | 25.8 | 25.7 | 24.6 |
| LTIMindtree | 3,965 | 3,046 | Sell | 12,152 | 23.5 | 19.8 | 18.2 | 16.1 | 14.4 | 13.2 | 4.9 | 4.4 | 3.8 | 21.3 | 23.2 | 22.2 | 19.4 | 19.7 | 19.2 |
| Tata Consultancy Services | 2,243 | 1,682 | Sell | 83,843 | 16.5 | 15.4 | 15.9 | 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 | 1,556 | 1,150 | Sell | 15,754 | 28.6 | 20.4 | 18.0 | 20.1 | 16.5 | 14.7 | 2.8 | 2.7 | 2.5 | 16.6 | 21.7 | 22.6 | 17.9 | 20.4 | 21.1 |
| Wipro | 175 | 147 | Sell | 17,889 | 13.9 | 12.8 | 12.7 | 9.1 | 8.6 | 8.4 | 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 | 279 | 363 | Hold | 806 | 15.0 | 12.7 | 11.6 | 9.9 | 9.2 | 8.3 | 1.9 | 1.7 | 1.5 | 13.7 | 14.2 | 14.0 | 12.7 | 13.4 | 13.4 |
| Coforge | 1,440 | 1,395 | Hold | 6,586 | 31.3 | 26.8 | 22.8 | 27.0 | 18.2 | 13.3 | 5.1 | 6.2 | 5.1 | 16.5 | 20.9 | 24.4 | 20.8 | 24.2 | 28.6 |
| Mphasis | 2,232 | 2,347 | Hold | 4,402 | 22.8 | 19.0 | 16.6 | 17.1 | 14.7 | 13.0 | 2.4 | 2.2 | 2.0 | 18.3 | 19.9 | 20.5 | 15.6 | 16.2 | 16.7 |
| Persistent Systems | 5,002 | 5,315 | Hold | 8,152 | 42.0 | 34.3 | 28.4 | 33.3 | 27.0 | 22.6 | 10.0 | 8.2 | 6.7 | 26.3 | 26.4 | 26.1 | 25.0 | 22.2 | 20.2 |
| Zensar Technologies | 487 | 613 | Hold | 1,145 | 14.1 | 12.9 | 12.7 | 10.8 | 9.9 | 9.0 | 2.3 | 2.8 | 3.6 | 17.6 | 19.8 | 25.1 | 13.0 | 14.4 | 19.2 |
| KPIT Technologies | 551 | 900 | Buy | 1,560 | 23.5 | 18.3 | 15.0 | 14.8 | 12.4 | 10.3 | 4.2 | 3.6 | 3.0 | 19.7 | 21.3 | 22.0 | 20.0 | 19.4 | 20.1 |
| Tata Elxsi | 3,388 | 3,857 | Hold | 2,180 | 29.1 | 26.4 | 22.0 | 33.3 | 27.3 | 23.2 | 6.9 | 6.2 | 5.5 | 23.8 | 23.9 | 25.4 | 18.9 | 20.4 | 21.7 |
| Tata Technologies | 696 | 725 | Hold | 2,921 | 51.7 | 38.1 | 31.5 | 38.7 | 29.8 | 24.4 | 7.2 | 6.8 | 6.2 | 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 | 676 | 759 | Hold | 898 | 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 | 760 | 788 | Buy | 624 | 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 | 676 | 759 | Hold | 898 | 52.4 | 36.9 | 30.3 | 13.1 | 11.7 | 10.5 | 5.4 | 5.4 | 5.3 | 10.5 | 14.8 | 17.8 | 8.0 | 10.2 | 12.4 |
| **Small Cap (M-cap <US$1.5bn)** | | | | | | | | | | | | | | | | | | | |
| V-Mart Retail | 760 | 788 | Buy | 624 | 48.7 | 44.4 | 38.6 | 13.6 | 11.0 | 8.8 | 6.3 | 5.6 | 4.9 | 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 | 1,007 | 1,340 | Buy | 1,022 | 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 | 1,007 | 1,340 | Buy | 1,022 | 25.6 | 30.6 | 19.2 | 11.7 | 9.7 | 7.7 | 1.3 | 1.3 | 1.2 | 5.4 | 4.3 | 6.5 | 3.9 | 4.1 | 6.1 |

# Others

Abhishek Navalgund (abhishek.navalgund@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) | | | | | | | | | | | | | | | | | | | |
| CCL Products India | 1,185 | 1,370 | Buy | 1,635 | 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 | 188 | 240 | Buy | 215 | 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 | 714 | 800 | Buy | 245 | 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 | 1,185 | 1,370 | Buy | 1,635 | 40.6 | 31.9 | 26.3 | 23.1 | 20.5 | 17.9 | 6.7 | 5.9 | 5.1 | 18.0 | 19.7 | 20.6 | 13.2 | 14.8 | 16.0 |
| LA Opala RG | 188 | 240 | Buy | 215 | 22.1 | 16.5 | 14.6 | 13.5 | 10.8 | 9.8 | 2.5 | 2.3 | 2.1 | 11.4 | 14.6 | 14.9 | 8.8 | 10.5 | 10.6 |
| Mold-Tek Packaging | 714 | 800 | Buy | 245 | 32.6 | 27.6 | 21.6 | 15.0 | 12.9 | 11.0 | 3.4 | 3.1 | 2.8 | 10.9 | 11.8 | 13.6 | 9.8 | 10.7 | 12.0 |

# Hotels

Abhishek Navalgund (abhishek.navalgund@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) | | | | | | | | | | | | | | | | | | | |
| Indian Hotels Co | 724 | 850 | Buy | 10,648 | 96,892 | 1,11,628 | 1,23,242 | 31,947 | 38,036 | 42,826 | 18,765 | 24,191 | 28,957 | 14.7 | 17.0 | 20.4 | 12.8 | 15.8 | 24.2 |
| Mid Cap (M-cap between US$1.5bn to 5bn) | | | | | | | | | | | | | | | | | | | |
| EIH Ltd | 321 | 387 | Buy | 2,076 | 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 | 820 | 1,019 | Buy | 1,855 | 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 | 476 | 581 | Buy | 1,642 | 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 | 110 | 133 | Hold | 901 | 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 | 724 | 850 | Buy | 10,648 | 49.3 | 42.5 | 35.5 | 30.9 | 26.0 | 23.1 | 7.9 | 6.6 | 5.5 | 15.5 | 16.9 | 16.8 | 16.0 | 17.2 | 16.6 |
| Mid Cap (M-cap between US$1.5bn to 5bn) | | | | | | | | | | | | | | | | | | | |
| EIH Ltd | 321 | 387 | Buy | 2,076 | 26.4 | 25.0 | 20.9 | 18.5 | 17.1 | 14.4 | 3.8 | 3.3 | 2.9 | 15.4 | 14.2 | 14.9 | 12.4 | 12.6 | 13.4 |
| Chalet Hotels | 820 | 1,019 | Buy | 1,855 | 27.9 | 27.5 | 25.3 | 16.8 | 15.7 | 14.5 | 4.9 | 4.1 | 3.6 | 19.2 | 16.3 | 15.1 | 13.0 | 11.9 | 11.6 |
| Leela Palaces Hotels & Resorts Ltd | 476 | 581 | Buy | 1,642 | 38.2 | 34.1 | 28.6 | 22.7 | 19.6 | 17.0 | 2.5 | 2.3 | 2.1 | 8.3 | 7.0 | 7.7 | 6.9 | 6.7 | 7.2 |
| Small Cap (M-cap <US$1.5bn) | | | | | | | | | | | | | | | | | | | |
| Lemon Tree Hotels | 110 | 133 | Hold | 901 | 34.3 | 26.6 | 20.3 | 14.5 | 12.4 | 10.8 | 4.2 | 3.5 | 2.9 | 19.9 | 21.1 | 22.2 | 15.4 | 16.9 | 18.3 |

# Pharmaceuticals

Niharika Agarwal (niharika.agarwal@nirmalbang.com)

## Operational Metrics

| Company | CMP (Rs) | TP (Rs) | Current Rating | M-cap (US$mn) | Net sales (Rsmn) FY26 | Net sales (Rsmn) FY27E | Net sales (Rsmn) FY28E | EBITDA (Rsmn) FY26 | EBITDA (Rsmn) FY27E | EBITDA (Rsmn) FY28E | PAT (Rsmn) FY26 | PAT (Rsmn) FY27E | PAT (Rsmn) FY28E | EPS (Rs) FY26 | EPS (Rs) FY27E | EPS (Rs) FY28E | CAGR FY26-FY28E Sales | CAGR FY26-FY28E EBITDA | CAGR FY26-FY28E PAT |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Large Cap (M-cap >US$5bn)** | | | | | | | | | | | | | | | | | | | |
| Cipla India | 1,393 | 1,615 | Buy | 11,627 | 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 | 1,166 | 1,098 | Sell | 10,058 | 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 | 2,378 | 2,003 | Sell | 4,052 | 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 | 2,396 | 2,421 | Hold | 11,320 | 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 | 2,557 | 2,569 | Hold | 10,912 | 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 | 1,954 | 2,275 | Buy | 48,438 | 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 | 5,065 | 4,856 | Hold | 19,906 | 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 | 1,114 | 1,207 | Hold | 11,479 | 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 | 3,440 | 3,196 | Hold | 4,440 | 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 | 798 | 827 | Hold | 1,621 | 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 | 5,602 | 5,957 | Hold | 6,920 | 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 | 919 | 834 | Sell | 1,700 | 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 | 4,652 | 5,182 | Hold | 2,199 | 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 | 3,394 | 3,931 | Hold | 808 | 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 | 1,396 | 1,732 | Buy | 1,998 | 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 | 238 | 273 | Hold | 227 | 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 | 971 | 1,175 | Buy | 1,598 | 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 | 1,296 | 1,799 | Buy | 464 | 5,387 | 9,312 | 13,739 | 185 | 608 | 1,983 | (668) | (318) | 891 | (19.4) | (9.2) | 25.8 | 59.7 | 227.0 | - |

## Valuation Metrics

| Company | CMP (Rs) | TP (Rs) | Current Rating | M-cap (US$mn) | P/E (X) FY26 | P/E (X) FY27E | P/E (X) FY28E | EV/EBITDA (X) FY26 | EV/EBITDA (X) FY27E | EV/EBITDA (X) FY28E | P/BV (X) FY26 | P/BV (X) FY27E | P/BV (X) FY28E | RoE (%) FY26 | RoE (%) FY27E | RoE (%) FY28E | RoCE (%) FY26 | RoCE (%) FY27E | RoCE (%) FY28E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Large Cap (M-cap >US$5bn)** | | | | | | | | | | | | | | | | | | | |
| Cipla India | 1,393 | 1,615 | Buy | 11,627 | 27.4 | 25.5 | 21.5 | 17.6 | 16.2 | 13.9 | 3.3 | 2.9 | 2.6 | 12.5 | 12.1 | 12.9 | 12.2 | 11.9 | 12.6 |
| Dr Reddy's Laboratories | 1,166 | 1,098 | Sell | 10,058 | 22.6 | 21.5 | 17.7 | 15.4 | 13.9 | 11.8 | 2.5 | 2.3 | 2.1 | 11.9 | 11.2 | 12.3 | 10.4 | 8.9 | 9.7 |
| Gland Pharma | 2,378 | 2,003 | Sell | 4,052 | 36.4 | 32.3 | 27.3 | 22.2 | 20.1 | 18.8 | 3.8 | 3.4 | 3.0 | 11.0 | 11.1 | 11.7 | 8.4 | 9.7 | 9.4 |
| Lupin | 2,396 | 2,421 | Hold | 11,320 | 20.9 | 21.4 | 19.2 | 13.3 | 13.8 | 12.6 | 4.9 | 4.1 | 3.5 | 26.5 | 20.9 | 19.7 | 20.9 | 17.2 | 16.7 |
| Mankind Pharma | 2,557 | 2,569 | Hold | 10,912 | 55.2 | 41.7 | 34.9 | 30.4 | 27.1 | 24.4 | 6.4 | 5.5 | 4.8 | 12.5 | 14.4 | 14.9 | 9.8 | 11.5 | 12.6 |
| Sun Pharmaceutical Industries | 1,954 | 2,275 | Buy | 48,438 | 37.6 | 34.9 | 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 | 5,065 | 4,856 | Hold | 19,906 | 78.6 | 43.2 | 36.3 | 45.2 | 33.0 | 28.8 | 20.4 | 15.6 | 12.2 | 27.3 | 41.0 | 37.8 | 9.6 | 11.1 | 12.6 |
| Zydus Lifesciences | 1,114 | 1,207 | Hold | 11,479 | 25.1 | 21.1 | 20.3 | 16.2 | 13.9 | 13.4 | 4.1 | 3.6 | 3.1 | 17.5 | 18.1 | 16.3 | 12.5 | 12.2 | 11.6 |
| **Mid Cap (M-cap between US$1.5bn to 5bn)** | | | | | | | | | | | | | | | | | | | |
| Ajanta Pharma | 3,440 | 3,196 | Hold | 4,440 | 39.8 | 35.9 | 32.3 | 30.5 | 24.7 | 22.2 | 9.5 | 7.8 | 6.5 | 26.1 | 23.9 | 21.9 | 24.4 | 22.3 | 20.9 |
| Alembic Pharmaceuticals | 798 | 827 | Hold | 1,621 | 30.6 | 21.6 | 19.8 | 15.3 | 13.4 | 12.3 | 2.8 | 2.5 | 2.3 | 9.4 | 12.2 | 12.2 | 8.4 | 10.6 | 10.7 |
| Alkem Laboratories | 5,602 | 5,957 | Hold | 6,920 | 29.1 | 26.8 | 23.5 | 22.3 | 21.2 | 18.9 | 4.7 | 4.1 | 3.6 | 17.8 | 16.9 | 17.0 | 15.3 | 14.6 | 15.1 |
| Natco Pharma | 919 | 834 | Sell | 1,700 | 11.6 | 20.8 | 17.6 | 10.2 | 16.9 | 12.9 | 1.8 | 1.7 | 1.6 | 15.4 | 8.0 | 8.8 | 19.3 | 9.8 | 11.5 |
| Pfizer India | 4,652 | 5,182 | Hold | 2,199 | 28.0 | 27.0 | 25.1 | 20.2 | 18.8 | 17.6 | 5.1 | 4.5 | 4.1 | 18.0 | 17.7 | 17.0 | 17.6 | 17.4 | 16.7 |
| Sanofi India | 3,394 | 3,931 | Hold | 808 | 22.5 | 19.8 | 21.7 | 15.4 | 13.9 | 15.2 | 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 | 1,396 | 1,732 | Buy | 1,998 | 30.3 | 29.1 | 25.9 | 19.3 | 16.1 | 14.5 | 5.0 | 4.4 | 3.9 | 18.9 | 15.9 | 15.8 | 12.8 | 12.0 | 12.2 |
| Indoco Remedies | 238 | 273 | Hold | 227 | (23.1) | 66.9 | 24.8 | 22.8 | 14.4 | 10.2 | 2.4 | 2.4 | 2.2 | (10.2) | 3.2 | 8.8 | 0.7 | 2.9 | 6.0 |
| Jubilant Pharmova | 971 | 1,175 | Buy | 1,598 | 35.0 | 26.7 | 20.6 | 14.1 | 11.6 | 9.7 | 2.2 | 2.0 | 1.8 | 6.6 | 7.7 | 9.0 | 4.8 | 5.4 | 6.1 |
| Zota Health Care | 1,296 | 1,799 | Buy | 464 | (66.9) | (140.6) | 50.2 | 237.4 | 72.3 | 22.2 | 6.4 | 6.7 | 5.9 | (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 | 2,230 | 2,990 | Buy | 1,398 | 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 | 246 | 356 | Buy | 267 | 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 | 103 | 116 | Buy | 63 | 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 | 87 | 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 | 2,230 | 2,990 | Buy | 1,398 | 56.5 | 49.9 | 36.4 | 33.8 | 28.9 | 22.0 | 11.1 | 9.2 | 7.5 | 20.1 | 18.9 | 21.1 | 22.6 | 21.5 | 23.9 |
| Small Cap (M-cap <US$1.5bn) | | | | | | | | | | | | | | | | | | | |
| Flair Writing Industries | 246 | 356 | Buy | 267 | 18.3 | 17.7 | 15.0 | 11.8 | 11.2 | 9.4 | 2.3 | 2.0 | 1.8 | 13.1 | 12.0 | 12.6 | 14.5 | 13.5 | 14.5 |
| Linc | 103 | 116 | Buy | 63 | 18.7 | 17.8 | 13.2 | 10.4 | 10.1 | 7.8 | 2.4 | 2.1 | 1.8 | 13.3 | 12.4 | 14.6 | 16.7 | 15.2 | 18.2 |
| Kokuyo Camlin | 84 | 73 | Sell | 87 | 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 | 364 | Buy | 28,668 | 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 | 262 | 330 | Buy | 7,459 | 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 | 364 | Buy | 28,668 | 757.0 | 122.1 | 71.4 | 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 | 262 | 330 | Buy | 7,459 | (17.4) | (44.3) | (283.8) | 3.1 | 2.6 | 2.1 | 3.9 | 4.2 | 4.1 | (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 | 700 | 983 | Buy | 1,002 | 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 | 481 | 630 | Buy | 568 | 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 | 180 | 222 | Buy | 395 | 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 | - |
| Awfis Space Solutions | 278 | 386 | Buy | 206 | 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 | 700 | 983 | Buy | 1,002 | 119.6 | 65.1 | 50.2 | 20.9 | 16.5 | 13.3 | 2.3 | 1.6 | 1.1 | 30.8 | 39.7 | 35.5 | 38.3 | 40.7 | 42.2 |
| Smartworks Coworking Spaces | 481 | 630 | Buy | 568 | 522.4 | 38.5 | 15.9 | 17.4 | 12.5 | 9.6 | 10.4 | 8.2 | 5.4 | 3.3 | 23.7 | 40.8 | 19.0 | 25.7 | 27.5 |
| Indiqube Spaces | 180 | 222 | Buy | 395 | (35.9) | (66.4) | 51.9 | 16.0 | 11.2 | 8.4 | 7.4 | 8.4 | 7.2 | (41.6) | (11.9) | 14.9 | 17.3 | 23.1 | 24.0 |
| Awfis Space Solutions | 278 | 386 | Buy | 206 | 27.9 | 15.2 | 10.9 | 9.2 | 6.9 | 5.5 | 3.6 | 2.9 | 2.3 | 14.1 | 21.3 | 23.6 | 15.2 | 25.2 | 26.2 |

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BUY > 15%

HOLD -5% to14%

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