

# India Morning Roundup

**January 7, 2025**

## Contents

### • Information Technology- 3QFY25 Result Preview- Navigating seasonal headwinds with recovery in sight:

#### Key Points

- After a decent Q2 results, we expect IT companies to show muted performance in the Q3FY25 quarter (except for HCLT, Coforge and Persistent Systems), driven primarily by seasonal furloughs, slowdown in manufacturing, communications and Retail verticals and weak spending stage in EU & UK region. Sequentially, growth should be slower, but far better than that of last year due to lower furloughs. Growth drivers would be, BFSI among verticals and core modernization, cloud & data among the services.
- Tier-II companies are expected to outpace Tier-I's in growth this quarter. Expect CC revenue growth of -1.0% to 3.9% QoQ for Tier-I (lowest for TechM and Highest for HCLT) and -0.4% to 5.3% for Tier-II (lowest for Zensar and highest for Coforge). On an average, we expect 80-130bps cross-currency headwinds for our coverage on a sequential basis.
- Expect EBIT margins to mostly decline mainly due to the impact of furloughs and wage hikes. Among Tier-I's, LTIM's margin will decline the most due to the full impact of wage hikes in Q3, followed by Wipro, Infosys, HCLT and TechM. Among Tier-II's, Birlasoft's margins will bottom out in Q3 with 140bps decline, followed by Mphasis and Zensar. However Persistent and Coforge's margins will expand. Benefits from the ongoing cost measures will likely get offset by lowering utilization, large deal investments and ramp ups. A recovery in discretionary spending is a critical margin tailwind.
- Beyond this temporary phase, easing macroeconomic uncertainties suggest a better outlook for tech spending in CY25. While the recovery in H1FY25 was slow, there are now visible signs of an acceleration across multiple verticals, with Hi-Tech showing early recovery alongside a strengthening BFSI sector. Expect a gradual recovery in the BFSI vertical and large deal ramp ups as deal momentum continues.

### • Alco-Bev - Channel Check- Consumer Discretionary | Channel check update- Alco-Bev continues to buck the overall consumption slowdown trend:

#### Key Points

- Our channel checks on Alco-Bev demand in Western and Eastern India indicate that the last 15 days of Dec'24 saw strong demand with a few outlets calling out over 20% YoY revenue growth.
- While the sample size of our channel checks was limited, the trend in Alco-Bev demand seems to be positive relative to most other consumption categories.
- We have a 'buy' rating on United Spirits (UNSP) and 'hold' rating on United Breweries (UBBL).

### • Corporate/Global/Local News

### • Valuation Of Companies In Our Coverage Universe

Local Indices			
(Chg %)	Close	Daily	YTD
BSE Sensex	77,965	(1.6)	(0.2)
NSE Nifty	23,616	(1.6)	(0.1)

Sectoral Indices			
(Chg %)	Close	Daily	YTD
CNX Mid-Cap	56,367	(2.7)	(1.5)
CNX Bank Nifty Index	49,922	(2.1)	(1.8)
CNX Metal Index	8,456	(3.1)	(2.2)
CNX FMCG Index	56,714	(1.9)	(0.2)
CNX Infrastructure Index	8,391	(2.4)	(0.9)
CNX Auto Index	23,482	(2.2)	2.8
CNX Pharma Index	23,073	(0.8)	(1.4)
CNX Energy Index	34,731	(3.2)	(1.3)
CNX IT Index	43,675	(0.1)	0.8

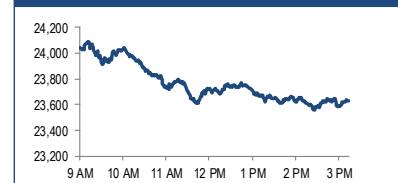
World Indices			
Dow Jones	42,707	(0.1)	0.4
S & P 500	5,975	0.6	1.6
FTSE 100	8,250	0.3	0.9
Nasdaq	19,865	1.2	2.9
Hang Seng	19,600	(0.4)	(2.3)
Shanghai Comp	3,209	0.1	(4.3)

Net Investment			
	7-Jan	1M	3M
FII's (US\$m)	193.9	1,097.1	(1,847.2)
MF's (US\$m)	166.2	441.0	530.1
DII turnover (Rsmn)	820.6	1,659.1	8,905.1

Volume			
	7-Jan	US\$bn	Chg%
Cash (NSE + BSE)	4.9	4.9	13.3
F&O (net)	17.9	17.9	3.6

Forex/Money Markets				
	7-Jan	1 D	1 M	3M
Rs/US\$	85.8	85.8	84.7	84.0
Rs/EUR	88.9	88.3	89.6	92.0
Rs/GBP	107.1	106.4	108.1	109.8
10 yr G-Sec	6.7	6.8	6.7	6.8
Call Money	6.0	7.2	6.3	6.2

Commodities & others				
	7-Jan	1 D	1 M	3 M
Gold (US\$/ounce)	2,641	2,637	2,665	2,647
Brent Crude (US\$)	76	76	71	79
Aluminium (US\$)	2,490	2,494	2,604	2,653
Copper (US\$/mt)	9,003	8,877	9,123	9,944



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

## Corporate News

- **Confidence Petroleum India** has commissioned 13 additional Auto LPG Dispensing Stations, bringing the total number of stations to 287.
- **Bodhi Tree Multimedia** has received approval for incorporation of Subsidiary company by name 'Mad Lab Alpha' or any other name as approved by Ministry of Corporate Affairs.
- **Bharti Airtel** has enhanced network coverage in Prayagraj ahead of the Maha Kumbh. The company has installed 287 new sites, optimized over 340 existing sites and has laid an additional 74 kilometers of fiber in the city to enhance mobile coverage.
- **Adani Wilmar** has reported a 6% annual growth in sales volumes and a 33% increase in revenue in the December quarter (Q3FY25). The company reported 4% sales volumes growth and 39% revenue increase in edible oils business
- **TARC** has delivered an outstanding operational performance for the third quarter of FY2025 achieving presales of Rs 11.5bn , maintaining a consistent growth trajectory. For the first nine months of FY2025, the company registered presales of Rs 24.8bn, marking an impressive six-fold year-on-year increase.
- **Arkade Developers** has added 3 new redevelopment projects in key micro-markets within Western Suburbs of Mumbai. Collectively, Arkade will be developing 20,232 square meters (Approximately 5 Acres) across these redevelopment projects located in Andheri East, Malad West and Borivali West.
- **Wardwizard Innovations & Mobility** has signed a Memorandum of Understanding (MoU) with C4V, a New York-based lithium-ion battery technology company specialized in battery cell design and optimization.
- **Happy Forgings** has received an approval for capex budget of around Rs 650 crore to set up facilities for heavy weight forged and machined components. The Board of Directors of the company at their meeting held on January 6, 2025 has inter alia, approved the same.
- **Gensol Engineering** has secured a significant EPC contract from Renowned Public Sector Undertaking for Development of 275MW Solar PV Project at RE Solar Park, Khavda Rann of Kutch, Gujarat, with a total bid value of around Rs 10.6197 bn (Including GST), including three years of O&M.
- **Angel One** has reported 51.7% growth in client base to 29.52 million in December 2024 as against 19.45 million recorded in December 2023. The company's client base rose by 2.6% Month-on-Month (MoM) from 28.78 million clients in November 2024.

## Global/Local News

- India's services sector witnessed a faster growth in the month of December, as demand buoyancy continued to drive new business inflows higher, which in turn supported output growth and prompted firms to recruit additional workers.
- National Bank for Agriculture and Rural Development (NABARD) Chairman Shaji KV has said that India's rural credit ecosystem is increasingly getting formalised and borrowers across the country are preferring formal sources due to a variety of reasons, including interest subventions and subsidised credit.
- SBI research on consumption expenditure survey has stated that rural poverty has declined significantly to 4.86 per cent in the fiscal ending March 2024 from 25.7 per cent in 2011-12 mainly driven by government support programmes.
- Commerce and Industry Minister Piyush Goyal has said that foreign direct investment (FDI) inflows into the country are surging, with investors from the Middle East, Japan, European Union, and the US recognising India's status as a top investment destination, driving rapid economic growth and generating millions of new jobs.
- Commerce and Industry Minister Piyush Goyal has said that the government is working on an export strategy to further accelerate the country's goods and services shipments. He said the ministry is working on a 'very' targeted manner to take the exports to USD 2 trillion by 2030 by addressing concerns of exporters and identifying areas of India's competitive advantages and strengths.

# Information Technology

## 3QFY25 Result Preview

January 07, 2025

### Navigating seasonal headwinds with recovery in sight

#### Key Points

- After a decent Q2 results, we expect IT companies to show muted performance in the Q3FY25 quarter (except for HCLT, Coforge and Persistent Systems), driven primarily by seasonal furloughs, slowdown in manufacturing, communications and Retail verticals and weak spending stage in EU & UK region. Sequentially, growth should be slower, but far better than that of last year due to lower furloughs. Growth drivers would be, BFSI among verticals and core modernization, cloud & data among the services.
- Tier-II companies are expected to outpace Tier-I in growth this quarter. Expect CC revenue growth of -1.0% to 3.9% QoQ for Tier-I (lowest for TechM and Highest for HCLT) and -0.4% to 5.3% for Tier-II (lowest for Zensar and highest for Coforge). On an average, we expect 80-130bps cross-currency headwinds for our coverage on a sequential basis.
- Expect EBIT margins to mostly decline mainly due to the impact of furloughs and wage hikes. Among Tier-I's, LTIM's margin will decline the most due to the full impact of wage hikes in Q3, followed by Wipro, Infosys, HCLT and TechM. Among Tier-II's, Birlasoft's margins will bottom out in Q3 with 140bps decline, followed by Mphasis and Zensar. However Persistent and Coforge's margins will expand. Benefits from the ongoing cost measures will likely get offset by lowering utilization, large deal investments and ramp ups. A recovery in discretionary spending is a critical margin tailwind.
- Beyond this temporary phase, easing macroeconomic uncertainties suggest a better outlook for tech spending in CY25. While the recovery in H1FY25 was slow, there are now visible signs of an acceleration across multiple verticals, with Hi-Tech showing early recovery alongside a strengthening BFSI sector. Expect a gradual recovery in the BFSI vertical and large deal ramp ups as deal momentum continues.

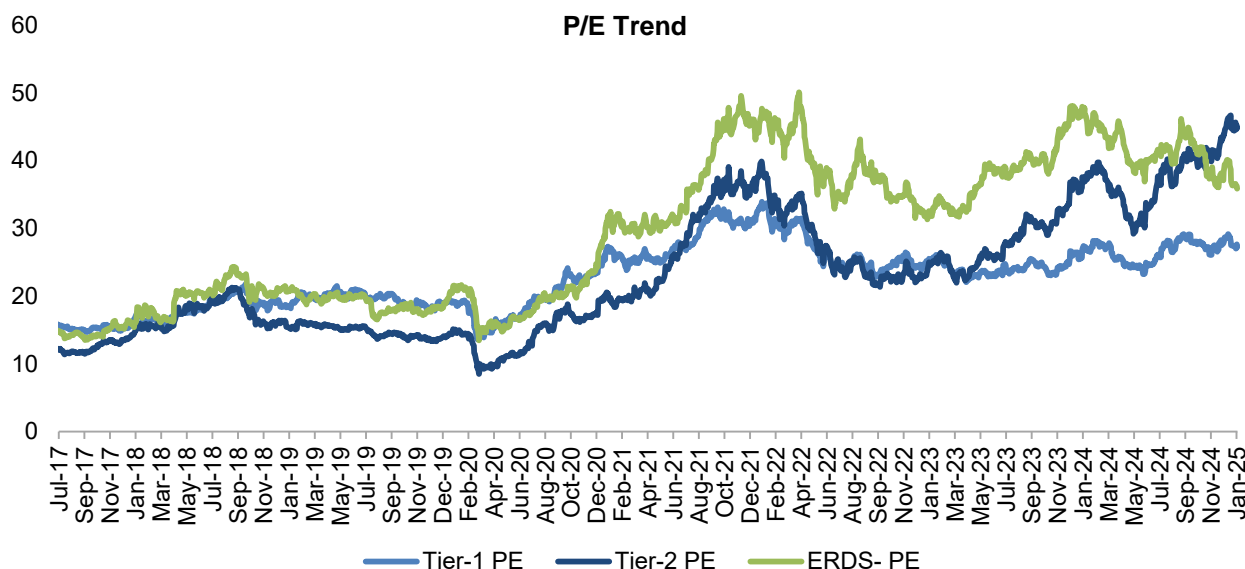
**Outlook & Top picks:** H2FY25 to drive growth recovery with Q3 being stable and acceleration in Q4. While short-term headwinds may impact revenue variance, client enthusiasm for IT spending in CY25 remains intact. Rate cut in Dec'24 and the conclusion of US elections will bring more stability in Tech budgets for clients from CY25 onwards, though the expectation that rate cut cycle may slowdown in CY25 may lead to some uncertainty for 1HCY25. Expect further improvement in the demand environment and enterprise spending towards IT post Q3FY25 as major macro uncertainties are out of sight. Our top picks would be TCS on the highest margin of stability with industry par revenue growth and leading margins; HCL Tech on its favorable ER&D and software business, LTIM on its strong BFSI & Hi-Tech portfolio and synergy benefits in good demand environment and Coforge on exceptional execution even in a bad environment coupled with the successful Cigniti integration driving growth and margins.

**Points to focus on – Industry:** We believe the key areas to look for would be: a) Discretionary spending trends in BFSI and GenAI initiatives; b) Margin levers and revenue guidance for FY26; c) Large deal ramp ups and small deal volumes d) Fresher onboarding and lateral addition e) investment plans and g) expected changes due to Trump coming to power.

**Guidance:** We expect Infosys, HCLT and Wipro to increase its FY25 revenue growth guidance from the current indicated levels. The lower end of the guidance will improve for all the three names as overall demand environment is getting better. Overall, US geo is getting into better demand environment with improving consulting business along with green shoots in BFSI, Hi-Tech and Healthcare verticals. However, expect EBIT margin guidance to be maintained at earlier levels.

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

**Exhibit 1: 12-month forward PE multiple charts of Tier-1, Tier-2 and ERDS players. Much above pre-pandemic levels**



Source: Companies, Bloomberg, Nirmal Bang Institutional Equities.

**Exhibit 2: Summary of financial performance by IT companies in our coverage universe for 3QFY25E**

(Rsmn) Companies	Revenue						EBIT			EBIT Margin (%)			PAT		
	3QFY25E	YoY (%)	QoQ (%)	Revenue USD (mn)	QoQ Growth CC (%)	QoQ Growth USD (%)	3QFY25E	YoY (%)	QoQ (%)	3QFY24	2QFY25	3QFY25E	3QFY25E	YoY (%)	QoQ (%)
TCS	6,52,203	7.7%	1.5%	7,680	1.0%	0.1%	1,60,367	5.8%	3.7%	25.0%	24.1%	24.6%	1,27,446	14.8%	6.6%
Infosys	4,14,158	6.7%	1.0%	4,877	0.6%	-0.3%	84,820	6.5%	-1.9%	20.5%	21.1%	20.5%	66,789	9.3%	2.5%
HCL Tech	3,01,815	6.1%	4.6%	3,554	3.9%	3.2%	54,360	-3.2%	1.4%	19.7%	18.6%	18.0%	42,924	-0.8%	1.3%
Wipro	2,25,817	1.7%	1.3%	2,659	0.9%	-0.1%	36,131	10.8%	-3.8%	14.7%	16.8%	16.0%	31,484	16.6%	-2.4%
LTIMindtree	96,914	7.5%	2.7%	1,141	1.7%	1.3%	12,641	-8.8%	-13.3%	15.4%	15.5%	13.0%	10,776	-7.8%	-13.9%
Tech Mahindra	1,35,020	3.1%	1.4%	1,590	-1.0%	0.1%	12,557	78.6%	-1.9%	5.4%	9.6%	9.3%	11,408	117.8%	-9.3%
Persistent	30,519	22.2%	5.3%	359	4.4%	4.0%	4,403	21.3%	8.4%	14.5%	14.0%	14.4%	3,491	22.0%	7.4%
Coforge	32,677	40.6%	6.7%	385	5.3%	4.2%	4,005	25.1%	11.3%	13.8%	11.7%	12.3%	2,769	14.0%	18.5%
Mphasis	35,616	6.7%	0.7%	421	0.5%	0.1%	5,271	6.0%	-3.2%	14.9%	15.4%	14.8%	3,849	3.0%	-9.1%
Zensar	13,270	10.2%	1.5%	156	-0.4%	0.0%	1,729	-2.0%	0.9%	14.6%	13.1%	13.0%	1,702	5.3%	9.2%
Birlasoft	13,894	3.5%	1.5%	164	0.6%	0.2%	1,264	-34.6%	-11.7%	14.4%	10.5%	9.1%	1,141	-29.2%	-10.6%

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 3: Key things to focus on in the numbers and in the management commentary.**

TCS	Q3FY25	QoQ , %	YoY , %	Comments
Revenue USD	7,680	0.1	5.5	Anticipate a 1% CC revenue growth in Q3FY25. This is led by continued deal scale-up, strong growth in emerging markets and incremental growth pick-up in BFSI and Hi-tech vertical. However, headwinds from furloughs, decline in BSNL revenue will pull down the growth.
EBIT (INR mn)	160,367	3.7	5.8	Expect deal wins to be range bound in between US\$ 7-9bn due to lack of mega deal activity for IT industry
EBIT margin,%	24.6	50bps	-40bps	We expect margin to expand by 50bps QoQ due to rupee depreciation partly offset by seasonal furloughs and investment in talent.
Adj. PAT (INR mn)	127,446	6.6	14.8	Key metrics to monitor: a) BFSI & Hi-tech vertical commentary, b) supply side issues in Manufacturing (Auto & aerospace) c) Spending outlook in Europe & UK geo, d) Demand outlook and client budgets for CY25, e) Margin levers f) Gen AI project wins and scale up.

Infosys	Q3FY25	QoQ , %	YoY , %	Comments
Revenue USD	4,877	-0.3	4.6	Anticipate a 0.6% CC revenue growth in Q3FY25. Ramp up of large and mega deal wins last year have now stabilized and furloughs impact to offset the third party sale for service delivery.
EBIT (INR mn)	84,820	-1.9	6.5	-
EBIT margin,%	20.5	-60bps	0bps	Margins to remain stable YoY due to ongoing cost rationalisation program and rupee benefits to absorb the headwinds from furloughs and large deal investments.
Adj. PAT (INR mn)	66,789	2.5	9.3	Key metrics to monitor: a) Senior management attrition, b) Discretionary spending status especially in BFSI, c) margin levers and wage hike announcements d) small deal volumes pick up, e) composition of revenues from third party sale and f) client budgeting.

Wipro (IT Services)	Q3FY25	QoQ , %	YoY , %	Comments
Revenue USD	2,659	-0.1	-0.2	Anticipate a QoQ CC revenue growth of 0.9%. Positive growth from BFSI mortgage business and CAPCO is likely to offset by pressure from Energy and Utilities and Manufacturing vertical especially in Europe.
EBIT (INR mn)	36,131	-3.8	10.8	Expect TCV to be in range of US\$1.1 to 1.4bn range.
EBIT margin,%	16.0	-80bps	130bps	Expect margins to decline 80bps sequentially due to 2 months of wage hikes in Q3 (announced from 1 <sup>st</sup> Sep, 24) and furlough impact.
Adj. PAT (INR mn)	31,484	-2.4	16.6	Key metrics to monitor are: a) New measures of CEO to turnaround the business; b) Senior management attrition impact on business; c) Consulting and mortgage business commentary, d) margin levers to meet the target of 17% EBIT Margins and e) Deal pipeline, large deal wins and small deal volumes.

HCLT	Q3FY25	QoQ (%)	YoY (%)	Comments
Revenue (USD mn)	3,554	3.2	4.1	We anticipate sequential revenue growth of 3.9% in CC terms. Growth will be led by HCL Software business and some support from the BFSI segment where slight pick-up in discretionary was seen. Expect guidance to improve for FY25.
EBIT (INR mn)	54,360	1.4	-3.2	Expect TCV of net new deal wins to be ~US\$2.2bn, similar to Q2.
EBIT margin (%)	18.0	-60bps	-170bps	Expect EBIT margin to contract by 60bps QoQ. This is due to furloughs and deferral of wage revisions to Q3 and Q4 with expected impact of 65-80bps and 50-60bps respectively. However, higher margin in Software business can bring a positive surprise on overall margins.
Adj. PAT (INR mn)	42,924	1.3	-0.8	Key metrics to monitor are: a) Demand outlook in ER&D and product business, b) new bookings flow which had been tepid over last few quarters, c) Verizon deal impact on revenues, d) margins levers to hit aspirational target of 19-20% band and e) client budgeting towards IT.



TECHM	Q3FY25	QoQ (%)	YoY (%)	Comments
Revenue (USD mn)	1,590	0.1	1.1	Expect revenue to decrease by 1.0% in CC QoQ due to the furloughs impact, lack of deal wins and weak communication business partly offsetting by conviva seasonality.
EBIT (INR mn)	12,557	-1.9	78.6	Expect net new deal win to be in between US\$300-500mn.
EBIT margin (%)	9.3	-30bps	390bps	Margin to decrease by 30bps sequentially due to furloughs and negative impact from currency (~150-200bps) offsetting by cost measures take under Project Fortius.
Adj. PAT (INR mn)	11,408	-9.3	117.8	Key metrics to monitor are: a) Margins levers to reach 14-15% band by FY27, b) health of Communication vertical, where peers are coming up with mega deals; c) Improvement in market share in BFSI sector; and d) Health of the Deal pipeline and positioning in cost takeout deals

LTIM	Q3FY25	QoQ (%)	YoY (%)	Comments
Revenue (USD mn)	1,141	1.3	5.3	Anticipate a sequential growth of 1.7% in CC terms driven by healthy momentum in BFSI vertical and ramp up of large deals signed by the company in the last 18 months (~US\$2bn TCV signed).
EBIT (INR mn)	12,641	-13.3	-8.8	Expect deal win to be in line with past quarters, in between US\$1.3-1.5bn
EBIT margin (%)	13.0	-150bps	-140bps	We expect margins to contract by 150bps on sequential basis due to usual furloughs, wage hikes and slowdown in utilization to ~85%.
Adj. PAT (INR mn)	10,776	-13.9	-7.8	Key metrics to monitor: a) Demand outlook for BFSI & Hi-Tech; b) furloughs in Q3; c) Synergy benefits; d) management and top level stability, e) Margin levers to touch aspirations of 17% (Project North Star), and f) Healthcare vertical uptick.

Mphasis	Q3FY25	QoQ , %	YoY, %	Comments
Revenue USD	421	0.1	4.8	Expect a sequential growth of 0.5% QoQ in CC basis on the back of pick up in the BFSI vertical. There will be some support from the Healthcare platform Javelin. But most of this will offset by furloughs in Q3.
EBIT (INR mn)	5,271	-3.2	6.0	Net new deal wins to be ~US\$300mn after past few disappointments.
EBIT margin,%	14.8	-60bps	-10bps	Expect EBIT margin to decline by 60bps sequentially due to some unusual furloughs impact and continued investments in R&D for newer technology and trying to stay ahead in the Gen AI landscape.
Adj. PAT (INR mn)	3,849	-9.1	3.0	Key metrics to monitor are: a) BFSI vertical and Digital risk business commentary, b) Overall client spending outlook and pricing, c) non-top 10 accounts commentary plus their progression into larger ticket size and d) margin trajectory as acquisition integration cost will be lower.

Persistent Systems	Q3FY25	QoQ , %	YoY, %	Comments
Revenue USD	359	4.0	19.6	Expect PSYS to deliver 4.4% QoQ CC revenue growth, led by broad based growth and ramp up of large deal wins in Healthcare vertical, followed by BFSI and Hi-tech. Contribution from Arraka and SohoDragon to support the solid Q3 growth.
EBIT (INR mn)	4,403	8.4	21.3	Expect robust TCV and ACV in Q3
EBIT margin,%	14.4	40bps	-10bps	We see margin expansion of 40bps QoQ.
Adj. PAT (INR mn)	3,491	7.4	22.0	Key metrics to monitor are: a) Success factors leading to industry outperformance and its sustainability in ongoing future; b) Demand recovery in Hi-Tech vertical; b) Deal pipeline and conversion timelines and c) demand margin outlook for FY25 d) large deal trajectory and e) headcount addition.

Coforge	Q3FY25	QoQ (%)	YoY (%)	Comments
Revenue (USD mn)	385	4.2	36.5	Anticipate a soft 5.3% CC sequential growth. This will be broad based across verticals, large deal ramp ups and support from Cigniti as well. Strong 12month executable order book supports the strong revenue growth.
EBIT (INR mn)	4,005	11.3	25.1	Expect orderbook to remain healthy at ~US\$400mn for Q3
EBIT margin (%)	12.3	60bps	-150bps	Expect margin to expand 60bps sequentially as the impact from furloughs will be mitigated by strong topline growth and impact reversal of wage hikes. ESOP costs to weigh on margins in H2FY25. Cigniti's standalone margin to hit 18% by Q4FY25.
Adj. PAT (INR mn)	2,769	18.5	14.0	Key metrics to monitor are: a) Update on the Cigniti merger and future trajectory on synergies and integration b) large deal pipeline and 12 month executable order book c) Client budgeting and spending outlook; d) levers to achieve 150bps margin expansion by FY27.

Birlasoft	Q3FY25	QoQ (%)	YoY (%)	Comments
Revenue (USD mn)	164	0.2	1.4	Expect slight sequential revenue growth of 0.6% in CC terms. BFSI will be muted due to furloughs, while Life sciences will remain stable.
EBIT (INR mn)	1,264	-11.7	-34.6	Expect better TCV of deal wins on QoQ level, ~US\$150-180mn for Q3.
EBIT margin (%)	9.1	-140bps	-530bps	Expect margin decline of ~140bps on QoQ basis due to furloughs and wage hike impact of ~150-200bps. This will be offset by some efficiency and currency tailwinds (~20bps). We expect margin decline to bottom out in Q3 and from here on margin expansion should happen.
Adj. PAT (INR mn)	1,141	-10.6	-29.2	Key metrics to monitor are: a) Demand recovery in BFSI and Manufacturing which make up ~65% of revenue; b) Margin trajectory and steps to improve margins; c) positioning in cost takeout and pricing pressure; d) strengthening of ERP portfolio of business; and e) deal wins

Zensar Technologies	Q3FY25	QoQ (%)	YoY (%)	Comments
Revenue (USD mn)	156	0.0	8.0	Expect a sequential revenue decline of 0.4% on CC basis. BFSI is expected to remain muted, while the TMT vertical will be sluggish. MCS and healthcare will support growth.
EBIT (INR mn)	1,729	0.9	-2.0	Expect deal win TCV of ~US\$170mn-190mn for Q3
EBIT margin (%)	13.0	-10bps	-160bps	Expect margin to decline by 10bps QoQ on impact of furloughs in BFSI and TMT vertical.
Adj. PAT (INR mn)	1,702	9.2	5.3	Key metrics to monitor are: a) Demand recovery in TMT vertical; b) Margin trajectory and steps to improve margins; c) new measures of CEO to turnaround the business; d) senior level hiring or attrition

### How has street estimates changed post Q2FY25 results for FY26 & FY27?

Among Tier-IIs except for TCS, TechM and LTIM, all other companies have seen their EPS estimates upgraded for FY26 & FY27. This is largely due to margin pressure in LTIM & Tech M and weaker quality of revenues and lack of mega deal wins for TCS. Wipro benefits from strong cost cutting measures and HCLT / INFO to benefit from better revenue growth. From a revenue standpoint only Wipro and TCS growth estimates got downgraded for FY26 & FY27.

Among Tier-IIIs, except for Birlasoft, all companies have seen EPS upgrade for FY26 & FY27. Coforge and Persistent leads the pack followed by Mphasis & Zensar. This is primarily driven by strong revenue growth upgrades along with margin expansion. For Mphasis, growth recovery is still underway but strong cost measures are supporting margins. Whereas for Zensar, revenue growth expectation continues to remain weak but margin will support the EPS

### Exhibit 4: Old estimates vs New estimates

TCS	Old bbg estimates			New bbg estimates			Change in estimates %		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
Revenue (INR mn)	25,88,293	28,24,040	30,74,782	25,79,553	27,94,336	30,58,756	-0.3%	-1.1%	-0.5%
EBIT (INR mn)	6,54,228	7,19,335	7,86,757	6,40,013	7,13,476	7,89,080	-2.2%	-0.8%	0.3%
EBIT margin %	25.3	25.5	25.6	24.8	25.5	25.8	-50bps	10bps	20bps
PAT (INR mn)	5,12,697	5,70,145	6,28,003	4,98,397	5,58,315	6,20,385	-2.8%	-2.1%	-1.2%
EPS	141.4	157.0	173.3	137.5	154.1	171.5	-2.8%	-1.9%	-1.1%

Infosys	Old bbg estimates			New bbg estimates			Change in estimates %		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
Revenue (INR mn)	16,24,075	17,77,483	19,42,937	16,31,838	17,82,463	19,55,766	0.5%	0.3%	0.7%
EBIT (INR mn)	3,39,841	3,79,486	4,22,902	3,43,426	3,80,724	4,26,313	1.1%	0.3%	0.8%
EBIT margin %	20.9	21.3	21.8	21.0	21.4	21.8	10bps	0bps	0bps
PAT (INR mn)	2,67,476	3,02,238	3,31,848	2,65,363	3,00,762	3,34,569	-0.8%	-0.5%	0.8%
EPS	64.7	73.0	80.2	63.9	72.4	80.6	-1.3%	-0.8%	0.5%

HCL Technologies	Old bbg estimates			New bbg estimates			Change in estimates %		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
Revenue (INR mn)	11,61,857	12,70,812	13,91,743	11,71,378	12,83,060	14,10,856	0.8%	1.0%	1.4%
EBIT (INR mn)	2,11,959	2,37,557	2,61,174	2,15,627	2,41,342	2,68,862	1.7%	1.6%	2.9%
EBIT margin %	18.2	18.7	18.8	18.4	18.8	19.1	20bps	10bps	30bps
PAT (INR mn)	1,71,312	1,88,548	2,08,973	1,73,681	1,91,110	2,13,597	1.4%	1.4%	2.2%
EPS	63.1	69.4	76.9	64.0	70.4	78.6	1.3%	1.4%	2.2%

Wipro	Old bbg estimates			New bbg estimates			Change in estimates %		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
Revenue (INR mn)	8,97,601	9,60,950	10,34,994	8,92,794	9,48,094	10,24,887	-0.5%	-1.3%	-1.0%
EBIT (INR mn)	1,44,475	1,57,779	1,72,662	1,45,894	1,56,853	1,71,828	1.0%	-0.6%	-0.5%
EBIT margin %	16.1	16.4	16.7	16.3	16.5	16.8	20bps	10bps	10bps
PAT (INR mn)	1,20,455	1,32,173	1,46,601	1,22,470	1,31,770	1,45,875	1.7%	-0.3%	-0.5%
EPS	11.5	12.6	14.0	11.8	12.9	14.3	2.5%	1.9%	2.2%

LTIMindtree	Old bbg estimates			New bbg estimates			Change in estimates %		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
Revenue (INR mn)	3,81,696	4,28,208	4,82,686	3,81,668	4,28,242	4,82,260	0.0%	0.0%	-0.1%
EBIT (INR mn)	59,664	70,945	81,850	58,325	69,144	80,546	-2.2%	-2.5%	-1.6%
EBIT margin %	15.6	16.6	17.0	15.3	16.1	16.7	-30bps	-40bps	-30bps
PAT (INR mn)	49,938	59,676	68,803	49,116	58,444	67,818	-1.6%	-2.1%	-1.4%
EPS	167.0	199.6	229.1	165.6	196.6	227.6	-0.9%	-1.5%	-0.7%



Tech Mahindra	Old bbg estimates			New bbg estimates			Change in estimates %		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
Revenue (INR mn)	5,33,463	5,77,435	6,30,239	5,35,046	5,78,579	6,32,280	0.3%	0.2%	0.3%
EBIT (INR mn)	52,075	71,479	88,806	51,921	71,417	88,073	-0.3%	-0.1%	-0.8%
EBIT margin %	9.8	12.4	14.1	9.7	12.3	13.9	-10bps	0bps	-20bps
PAT (INR mn)	41,770	57,365	70,152	42,596	56,871	69,816	2.0%	-0.9%	-0.5%
EPS	47.1	64.7	79.5	48.4	64.3	78.8	2.8%	-0.7%	-0.9%

Persistent Systems	Old bbg estimates			New bbg estimates			Change in estimates %		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
Revenue (INR mn)	1,15,970	1,36,094	1,59,740	1,17,516	1,38,955	1,63,659	1.3%	2.1%	2.5%
EBIT (INR mn)	16,665	21,043	25,836	16,980	21,503	26,423	1.9%	2.2%	2.3%
EBIT margin %	14.4	15.5	16.2	14.4	15.5	16.1	10bps	0bps	0bps
PAT (INR mn)	13,322	16,737	20,599	13,570	17,080	21,022	1.9%	2.0%	2.1%
EPS	87.0	109.8	134.1	87.9	111.0	136.5	0.9%	1.0%	1.8%

Coforge	Old bbg estimates			New bbg estimates			Change in estimates %		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
Revenue (INR mn)	1,09,812	1,29,467	1,46,986	1,18,109	1,41,178	1,64,339	7.6%	9.0%	11.8%
EBIT (INR mn)	14,389	17,897	20,937	15,051	19,278	23,205	4.6%	7.7%	10.8%
EBIT margin %	13.1	13.8	14.2	12.7	13.7	14.1	-40bps	-20bps	-10bps
PAT (INR mn)	10,220	13,531	15,951	10,003	14,039	17,031	-2.1%	3.8%	6.8%
EPS	154.8	200.1	236.8	149.7	204.1	247.4	-3.3%	2.0%	4.5%

Mphasis	Old bbg estimates			New bbg estimates			Change in estimates %		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
Revenue (INR mn)	1,42,274	1,58,612	1,78,454	1,42,451	1,59,192	1,79,090	0.1%	0.4%	0.4%
EBIT (INR mn)	21,842	25,084	28,499	21,929	25,190	28,784	0.4%	0.4%	1.0%
EBIT margin %	15.4	15.8	16.0	15.4	15.8	16.1	0bps	0bps	10bps
PAT (INR mn)	17,022	19,657	22,515	17,117	19,713	22,688	0.6%	0.3%	0.8%
EPS	90.2	104.4	119.1	90.5	104.1	119.7	0.3%	-0.3%	0.5%

Birlasoft	Old bbg estimates			New bbg estimates			Change in estimates %		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
Revenue (INR mn)	56,128	63,480	70,581	55,108	61,121	68,384	-1.8%	-3.7%	-3.1%
EBIT (INR mn)	7,641	8,974	10,492	6,553	8,152	9,830	-14.2%	-9.2%	-6.3%
EBIT margin %	13.6	14.1	14.9	11.9	13.3	14.4	-170bps	-80bps	-50bps
PAT (INR mn)	6,436	7,640	8,712	5,588	6,796	8,185	-13.2%	-11.0%	-6.0%
EPS	23.0	27.5	31.2	20.1	24.6	29.4	-12.4%	-10.4%	-5.8%

Zensar Technologies	Old bbg estimates			New bbg estimates			Change in estimates %		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
Revenue (INR mn)	52,510	58,517	66,080	52,674	58,417	65,562	0.3%	-0.2%	-0.8%
EBIT (INR mn)	7,291	8,447	9,605	6,844	7,956	9,443	-6.1%	-5.8%	-1.7%
EBIT margin %	13.9	14.4	14.5	13.0	13.6	14.4	-90bps	-80bps	-10bps
PAT (INR mn)	6,525	7,477	8,568	6,471	7,363	8,433	-0.8%	-1.5%	-1.6%
EPS	28.7	32.8	37.6	28.1	32.9	39.4	-2.0%	0.1%	4.8%

Source: Company, Nirmal Bang Institutional Equities Research

# Alco-Bev – Channel Check

Consumer Discretionary | Channel check update

January 06, 2025

## Alco-Bev continues to buck the overall consumption slowdown trend

### Key Points

- Our channel checks on Alco-Bev demand in Western and Eastern India indicate that the last 15 days of Dec'24 saw strong demand with a few outlets calling out over 20% YoY revenue growth.
- While the sample size of our channel checks was limited, the trend in Alco-Bev demand seems to be positive relative to most other consumption categories.
- We have a 'buy' rating on United Spirits (UNSP) and 'hold' rating on United Breweries (UBBL).

Particulars	Rating	CMP (Rs)	TP (Rs)
UNSP	Buy	1,682	1,735
UBBL	Hold	2,128	2,060

We recently visited a few Alco-Bev outlets in Western India and Eastern India to get insights into the current demand trends in the sector for the Christmas-New Year period.

### The following are the key highlights from our visits:

- Our channel check conducted in early December 2024 suggested strong primary sales in anticipation of the Christmas and New Year festivities, and it was encouraging to observe that these were complemented by good secondary sales as well.
- While the feedback was mixed, most outlets we visited highlighted that demand was better in the last fortnight of the year compared to similar period last year. A few outlets called out over 20% YoY revenue growth during the last 15 days of the quarter.
- **Most sold brands –**
  - **Beer** – In the Western region, in the outlets visited, Kingfisher (UBBL) and Tuborg (Carlsberg) were the preferred brands and similar trend was observed in the Eastern region as well. At the lower end of the price segment, London Pilsner (UBBL) continues to do well in the western market.
  - **Whiskey** – Royal Challenge (UNSP) was one of the most preferred brands in both regions. Apart from that, in the Western region, McDowell's (UNSP), DSP Black (UNSP) and Imperial Blue (Pernod Ricard) are the other brands seeing strong demand. In the Eastern region, Chivas Regal (Pernod Ricard) and Black Dog (UNSP) are doing well.
- **Wine** – Sula and Fratelli were the most sought after brands in both the regions with Sula preferred among the two. Gifting of wine as a trend was not much visible in the areas visited.

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

- **Other points**

- **Beer**

- While Heineken Silver (UBBL) is seeing some traction among consumers, demand has not been great as expected as generally mass market products do well in this period.
- Similarly, the newly launched Amstel Grande (UBBL), though available across outlets visited, has not seen any material uptick in sales as yet.
- Bira (Bira 91) had some supply issues during the last Christmas-New Year period but these issues seem to be largely corrected this time; though it will vary depending upon the region and the markets visited.

- Old Monk rum has some supply issues but the general feedback was that it has some issues every year in the winter season.

**Our view** – We remain positive about the structural growth potential of UNITDSPR, underpinned by ongoing premiumisation in the Spirits market and the fact that ~90% of the company's sales now come from the P&A category.

The recent efforts on innovation & renovation, entry into new categories like Tequila and investments in its own local brands & start-ups (a small but burgeoning category over the last couple of years) are also enhancing long term growth prospects.

The Alco-Bev sector also provides better near term visibility on strong earnings growth - unlike most other consumption plays, especially given our view that K-Shaped recovery is likely to continue for the next couple of years rather than a sustained broad-based revival.

Earnings CAGR for UNSP is likely to be ~17% over the next three years, slightly higher than the ~14% CAGR seen over the preceding five years. We have a buy rating on UNSP with a TP of Rs1,735 assigning a multiple of 60x on Sept'26E EPS on the standalone business and Rs140/share value assigned to the Royal Challengers Bangalore (RCB) cricket franchise, valuing the business at ~Rs100bn.

## Valuation Of Companies In Our Coverage Universe

### Auto - OEM

Varun Baxi (varun.baxi@nirmalbang.com)

#### Operational Metrics

Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
Bajaj Auto	8,824	9,983	Sell	28,737	4,46,852	5,05,353	5,67,752	88,229	1,05,723	1,19,839	74,788	83,523	94,194	268.0	299.0	337.0	12.7	16.5	12.2
Eicher Motors	5,250	5,540	Buy	16,784	1,65,358	1,89,845	2,24,155	43,269	50,568	61,427	40,008	48,028	57,807	146.1	175.4	211.1	16.4	19.1	20.2
Hero MotoCorp	4,203	5,934	Buy	9,803	3,74,557	4,20,741	4,73,046	52,557	61,428	70,957	41,280	47,561	54,406	206.5	237.9	272.2	12.4	16.2	14.8
Mahindra & Mahindra	3,106	3,388	Buy	45,039	9,87,634	11,62,702	13,76,110	1,26,662	1,60,453	1,84,399	1,07,178	1,14,007	1,28,004	86.0	92.0	103.0	18.0	20.7	9.3
Maruti Suzuki India	11,756	14,540	Buy	43,103	14,09,326	15,10,236	17,18,260	1,64,011	1,93,310	2,21,656	1,32,094	1,42,319	1,67,582	420.0	453.0	533.0	10.4	16.3	12.6
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Ashok Leyland	226	242	Hold	7,745	3,83,670	3,75,922	4,04,735	46,066	43,983	49,378	27,116	25,966	30,142	9.0	9.0	10.0	2.7	3.5	5.4
TVS Motor Co	2,414	2,333	Sell	13,374	3,17,764	3,62,704	4,15,541	35,131	41,711	53,189	20,820	25,151	33,487	43.8	52.9	70.5	14.4	23.0	26.8

#### Valuation Metrics

Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Large Cap (M-cap >US\$5bn)																			
Bajaj Auto	8,824	9,983	Sell	28,737	32.9	29.5	26.2	28.0	23.2	20.4	9.9	9.0	8.2	30.1	30.5	31.3	37.7	39.1	40.2
Eicher Motors	5,250	5,540	Buy	16,784	35.9	29.9	24.9	33.3	28.1	22.6	8.0	6.8	5.8	22.2	22.6	23.2	25.4	25.8	26.8
Hero MotoCorp	4,203	5,934	Buy	9,803	20.4	17.7	15.4	15.9	13.6	11.6	4.7	4.2	3.7	23.0	23.6	24.1	29.3	30.7	31.4
Mahindra & Mahindra	3,106	3,388	Buy	45,039	36.1	33.8	30.2	30.2	23.6	20.3	7.5	6.4	5.5	20.8	18.9	18.1	23.8	23.3	22.7
Maruti Suzuki India	11,756	14,540	Buy	43,103	28.0	26.0	22.1	22.5	19.0	16.6	4.4	3.9	3.5	15.7	15.1	15.7	20.5	20.1	19.9
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Ashok Leyland	226	242	Hold	7,745	25.1	25.1	22.6	15.0	15.4	13.5	6.9	6.1	5.4	30.1	25.6	26.2	33.4	28.3	30.6
TVS Motor Co	2,414	2,333	Sell	13,374	55.1	45.6	34.2	33.0	27.4	21.1	14.8	11.8	9.2	26.9	25.9	27.1	28.7	29.6	32.5

### Auto - Ancillary

Varun Baxi (varun.baxi@nirmalbang.com)

#### Operational Metrics

Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
Balkrishna Industries	2,723	2,603	Sell	6,139	93,757	1,04,426	1,16,350	22,811	26,418	29,900	14,376	17,014	19,658	74.4	88.0	101.7	11.4	14.5	16.9
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Apollo Tyres	501	571	Hold	3,709	2,53,777	2,74,830	3,02,998	44,473	40,794	45,581	17,988	16,402	19,794	28.3	25.8	31.2	9.3	1.2	4.9
Endurance Technologies	2,082	1,938	Hold	3,415	88,040	1,02,575	1,18,917	10,363	13,082	17,081	4,901	6,436	8,678	34.8	45.7	61.7	16.2	28.4	33.1
Small Cap (M-cap <US\$1.5bn)																			
Ceat	3,070	3,425	Buy	1,448	1,19,435	1,34,025	1,64,219	16,522	15,332	20,441	6,145	5,431	8,087	159.0	142.0	207.0	17.3	11.2	14.7
Jamna Auto Industries	98	146	Buy	454	23,253	25,439	28,691	2,614	3,307	3,931	1,684	2,189	2,685	4.2	5.5	6.7	11.1	22.6	26.3
Minda Corp Ltd	509	467	Buy	1,419	43,001	46,665	52,021	4,615	5,103	5,982	2,845	2,370	3,218	11.9	9.9	13.5	10.0	13.9	6.3
Sansera Engineering	1,419	1,833	Buy	1,025	28,114	32,057	37,901	4,799	5,578	6,898	1,854	2,468	3,595	35.0	46.7	68.0	16.1	19.9	39.3
Suprajit Engineering	446	667	Buy	713	28,959	35,510	41,688	3,230	3,604	5,449	1,673	1,508	3,070	12.2	11.0	22.4	20.0	29.9	35.5

#### Valuation Metrics

Company	CMP	TP (Rs)	Current	M-cap	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
	(Rs)		Rating	(US\$m)	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Large Cap (M-cap >US\$5bn)																			
Balkrishna Industries	2,723	2,603	Sell	6,139	36.6	30.9	26.8	24.4	21.1	18.6	5.9	5.3	4.7	16.2	17.1	17.7	16.4	17.6	18.8
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Apollo Tyres	501	571	Hold	3,709	17.7	19.4	16.0	7.8	8.5	7.6	2.2	2.1	1.8	12.7	10.6	11.5	15.8	12.3	13.8
Endurance Technologies	2,082	1,938	Hold	3,415	59.8	45.5	33.8	27.9	22.1	16.9	6.8	6.1	5.4	11.9	14.1	17.0	14.4	17.6	21.1
Small Cap (M-cap <US\$1.5bn)																			
Ceat	3,070	3,425	Buy	1,448	19.3	21.6	14.8	8.5	9.1	6.8	3.1	2.8	2.5	16.4	12.9	17.3	18.7	15.0	17.5
Jamna Auto Industries	98	146	Buy	454	23.1	17.7	14.5	14.9	11.8	9.9	5.0	4.3	3.7	22.9	25.9	27.4	23.3	24.7	23.5
Minda Corp	509	467	Buy	1,419	42.8	51.4	37.8	27.7	25.0	21.4	7.7	6.8	5.8	17.9	13.2	15.4	19.2	16.9	19.7
Sansera Engineering	1,419	1,833	Buy	1,025	40.5	30.4	20.9	19.8	17.1	13.8	5.7	2.7	2.4	14.7	11.9	12.1	15.9	15.3	15.8
Suprajit Engineering	446	667	Buy	713	36.5	40.5	19.9	18.9	16.9	11.2	4.5	4.7	4.1	12.3	11.6	20.5	14.1	14.4	21.2

Banking																			
Rati Pandit (rati.pandit@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net Interest Income (Rsmn)			Op Profit (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	NII	PPOP	PAT
Large Cap (M-cap >US\$5bn)																			
Axis Bank	1,063	1,319	Buy	38,384	4,98,945	5,49,117	6,03,486	3,71,232	4,25,345	4,79,213	2,48,614	2,63,703	2,94,786	80.5	85.3	95.3	10.0	13.6	8.9
Bandhan Bank	152	182	Hold	2,848	1,03,256	1,22,805	1,43,355	66,395	78,919	93,936	22,296	39,579	46,847	13.8	24.6	29.1	17.8	18.9	45.0
Bank of Baroda	228	302	Buy	13,748	4,47,215	4,85,076	5,35,210	3,09,652	3,37,782	3,67,714	1,77,888	1,87,330	2,00,784	34.4	36.2	38.8	9.4	9.0	6.2
HDFC Bank	1,711	2,026	Buy	1,52,568	10,85,325	12,57,889	13,93,437	9,43,875	10,22,581	11,37,573	6,08,123	6,92,061	7,72,602	80.0	90.7	101.2	13.3	9.8	12.7
ICICI Bank	1,264	1,545	Buy	1,04,071	7,43,057	8,20,227	9,21,700	5,81,308	6,69,345	7,65,930	4,08,883	4,60,683	5,10,338	58.2	65.4	72.4	11.4	14.8	11.7
IndusInd Bank	970	1,443	Hold	8,813	2,06,159	2,23,778	2,60,995	1,57,403	1,60,693	1,92,400	89,498	80,724	1,05,326	115.0	103.6	135.2	12.5	10.6	8.5
Kotak Mahindra Bank	1,780	2,045	Hold	41,263	2,59,932	2,86,271	3,22,300	1,95,875	2,15,325	2,47,260	1,37,816	1,69,715	1,66,616	69.3	85.4	83.8	11.4	12.4	10.0
Punjab National Bank	102	120	Buy	13,636	4,00,831	4,34,526	4,83,562	2,49,308	2,81,308	3,21,281	82,446	1,47,999	1,75,227	7.5	12.9	15.2	9.8	13.5	45.8
State Bank of India	776	1,065	Buy	80,807	15,98,758	17,32,625	19,52,625	8,66,972	12,00,244	13,56,163	6,10,766	7,44,720	8,27,954	68.4	83.4	92.8	10.5	25.1	16.4
Yes Bank	19	-	UR	6,910	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
AU Small Finance Bank	560	850	Buy	4,863	51,571	76,029	98,231	24,382	39,846	52,192	15,347	20,982	27,462	22.9	28.2	36.9	38.0	46.3	33.8
City Union Bank	169	176	Hold	1,459	21,235	23,070	24,698	15,167	16,231	17,994	10,157	10,930	12,160	13.7	14.8	16.4	7.8	8.9	9.4
Federal Bank	198	231	Buy	5,652	82,935	96,458	1,14,489	51,745	60,225	77,106	37,206	39,733	52,587	15.3	17.2	21.4	17.5	22.1	18.9
RBL Bank	167	219	Hold	1,182	60,429	68,612	81,796	30,308	37,876	48,084	11,679	11,456	18,137	19.3	18.9	29.8	16.3	26.0	24.6
Small Cap (M-cap <US\$1.5bn)																			
DCB Bank	117	145	Buy	428	19,279	21,440	25,395	8,644	10,008	12,842	5,360	6,020	7,694	17.1	19.2	24.5	14.8	21.9	19.8
Equitas Small Finance Bank	69	77	Hold	922	30,798	34,727	41,997	13,774	15,521	19,678	7,990	4,564	9,350	7.0	4.0	8.2	16.8	19.5	8.2

Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			P/BV (X)			RoE (%)			RoA (%)					
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E			
Large Cap (M-cap >US\$5bn)																			
Axis Bank	1,063	1,319	Buy	38,384	13.2	12.5	11.2	2.2	1.9	1.8	18.0	16.0	15.4	1.8	1.7	1.7			
Bandhan Bank	152	182	Hold	2,848	11.0	6.2	5.2	1.2	1.1	0.9	10.8	17.0	17.5	1.3	2.1	2.2			
Bank of Baroda	228	302	Buy	13,748	6.6	6.3	5.9	1.1	0.9	0.8	16.9	15.3	14.2	1.2	1.1	1.1			
HDFC Bank	1,711	2,026	Buy	1,52,568	21.4	18.9	16.9	3.0	2.7	2.4	16.9	15.1	15.2	2.0	1.8	1.9			
ICICI Bank	1,264	1,545	Buy	1,04,071	21.7	19.3	17.5	3.9	3.4	2.9	18.6	18.0	17.4	2.4	2.3	2.2			
IndusInd Bank	970	1,443	Hold	8,813	8.4	9.4	7.2	1.2	1.1	1.0	15.2	12.3	14.4	1.8	1.5	1.6			
Kotak Mahindra Bank	1,780	2,045	Hold	41,263	25.7	20.8	21.2	3.7	3.0	2.7	15.3	15.8	13.3	2.5	2.6	2.3			
Punjab National Bank	102	120	Buy	13,636	13.6	7.9	6.7	1.2	1.0	0.9	8.0	12.7	13.2	0.5	0.9	1.0			
State Bank of India	776	1,065	Buy	80,807	11.3	9.3	8.4	1.9	1.6	1.4	17.3	18.1	17.4	1.0	1.1	1.1			
Yes Bank	19	-	UR	6,910	-	-	-	-	-	-	-	-	-	-	-	-			
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
AU Small Finance Bank	560	850	Buy	4,863	24.5	19.9	15.2	3.1	2.6	2.3	13.0	14.3	15.2	1.5	1.6	1.6			
City Union Bank	169	176	Hold	1,459	12.3	11.4	10.3	1.5	1.4	1.2	12.8	12.3	12.3	1.5	1.5	1.5			
Federal Bank	198	231	Buy	5,652	12.9	11.5	9.2	1.7	1.5	1.3	14.7	13.6	15.1	1.3	1.3	1.4			
RBL Bank	167	219	Hold	1,182	8.6	8.8	5.6	0.7	0.7	0.6	8.2	7.5	10.9	0.9	0.8	1.1			
Small Cap (M-cap <US\$1.5bn)																			
DCB Bank	117	145	Buy	428	6.8	6.1	4.8	0.8	0.7	0.6	11.1	11.3	12.9	0.9	0.9	1.0			
Equitas Small Finance Bank	69	77	Hold	922	9.9	17.3	8.4	1.4	1.3	1.2	14.4	7.4	14.0	2.0	0.9	1.6			

NBFC																			
Rati Pandit (rati.pandit@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net Interest Income (Rsmn)			Op Profit (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	NII	PPOP	PAT					
Large Cap (M-cap >US\$5bn)																			
Housing & Urban Development Corp	239	289	Buy	5,586	26,924	33,079	44,449	26,354	33,402	45,631	21,167	26,671	33,994	10.6	13.3	17.0	28.5	31.6	26.7
Muthoot Finance	2,186	2,239	Buy	10,234	77,928	1,00,646	1,14,373	56,466	75,176	85,043	40,497	50,216	58,435	100.9	125.1	145.6	21.1	22.7	20.1
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Manappuram Finance	179	200	Buy	1,770	38,924	45,591	51,806	23,300	27,742	32,205	16,578	18,951	22,141	19.6	22.4	26.2	15.4	17.6	15.6
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			P/ABV (X)			RoE (%)			RoA (%)					
FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E								
Large Cap (M-cap >US\$5bn)																			
Housing & Urban Development Corp	239	289	Buy	5,586	22.6	18.0	14.1	2.9	2.7	2.4	13.2	15.3	17.7	2.4	2.5	2.5			
Muthoot Finance	2,186	2,239	Buy	10,234	21.7	17.5	15.0	4.0	3.5	3.0	17.9	19.1	19.0	5.1	5.2	5.1			
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Manappuram Finance	179	200	Buy	1,770	9.1	8.0	6.8	1.5	1.3	1.2	17.2	17.0	17.3	5.2	5.0	5.0			



NBFC																			
Shreya Khandelwal (shreya.khandelwal@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	Net Interest Income (Rsmn)			Op Profit (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	NII	PPOP	PAT
Large Cap (M-cap >US\$5bn)																			
Bajaj Finance	7,349	7,200	Hold	53,053	3,49,259	4,43,748	5,61,627	2,39,403	3,13,188	3,97,450	1,44,512	1,81,885	2,37,752	233.8	294.3	384.7	26.8	28.8	28.3
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Aavas Financiers	1,691	1,825	Hold	1,561	9,063	12,558	15,846	6,489	8,448	10,785	4,907	6,363	8,078	62.1	80.5	102.2	32.2	28.9	28.3
LIC Housing Finance	594	775	Buy	3,812	86,509	86,728	96,048	76,976	76,940	85,280	47,654	54,472	58,872	86.6	99.0	107.0	5.4	5.3	11.1
PNB Housing Finance	897	1,100	Buy	2,719	24,438	27,270	35,440	21,427	23,698	32,219	15,274	18,804	25,448	58.8	72.4	98.0	20.4	22.6	29.1
Poonawalla Fincorp	313	275	Sell	2,843	19,493	22,969	27,566	13,897	15,593	18,487	16,515	10,323	11,829	13.2	13.4	15.4	18.9	15.3	(15.4)
Small Cap (M-cap <US\$1.5bn)																			
Can Fin Homes	698	900	Hold	1,084	34,899	38,399	43,022	10,760	11,383	13,430	7,507	8,088	9,439	56.4	60.7	70.9	11.0	11.7	12.1
Home First Finance	1,037	1,190	Hold	1,084	5,278	6,754	8,955	4,254	5,129	6,583	3,057	3,723	4,702	34.5	42.1	53.1	30.2	24.4	24.0
Repco Home Finance	414	600	Buy	302	6,504	7,393	8,461	5,242	6,202	7,283	3,947	4,640	5,480	63.1	74.2	87.6	14.1	17.9	17.8

Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	Valuation Metrics											
					P/E (X)			P/ABV (X)			RoE (%)			RoA (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Large Cap (M-cap >US\$5bn)																
Bajaj Finance	7,349	7,200	Hold	53,053	31.4	25.0	19.1	6.0	4.9	4.0	22.1	21.4	22.8	4.4	4.3	4.6
Mid Cap (M-cap between US\$1.5bn to 5bn)																
Aavas Financiers	1,691	1,825	Hold	1,561	27.2	21.0	16.6	3.6	3.1	2.7	13.9	15.8	17.0	3.3	3.5	3.6
LIC Housing Finance	594	775	Buy	3,812	6.9	6.0	5.6	1.2	1.1	0.9	16.3	16.2	15.3	1.7	1.8	1.7
PNB Housing Finance	897	1,100	Buy	2,719	15.3	12.4	9.2	1.6	1.4	1.3	11.8	11.8	14.1	2.2	2.3	2.7
Poonawalla Fincorp	313	275	Sell	2,843	23.7	23.4	20.4	3.0	3.4	3.0	14.0	13.5	15.4	4.8	4.3	4.2
Small Cap (M-cap <US\$1.5bn)																
Can Fin Homes	698	900	Hold	1,084	12.4	11.5	9.8	2.2	1.9	1.6	18.8	17.2	17.3	2.1	2.1	2.1
Home First Finance	1,037	1,190	Hold	1,084	30.0	24.6	19.5	4.5	3.9	3.3	15.5	16.2	17.4	3.8	3.4	3.3
Repoo Home Finance	414	600	Buy	302	6.6	5.6	4.7	0.9	0.8	0.7	14.6	15.0	15.6	3.0	3.2	3.3

Auto NBFC																			
Shreya Khandelwal (shreya.khandelwal@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	Net Interest Income (Rsmn)			Op Profit (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	NII	PPOP	PAT
Large Cap (M-cap >US\$5bn)																			
Cholamandalam Investment and Finance	1,294	1,500	Hold	12,690	83,831	1,14,485	1,53,425	59,039	79,721	1,08,549	34,228	46,245	64,941	41.6	56.2	79.0	35.3	35.6	37.7
Shriram Finance	2,970	2,850	Hold	13,023	1,87,935	2,22,751	2,61,261	1,42,020	1,68,016	1,96,077	71,905	88,497	1,05,484	192.0	236.4	281.7	17.9	17.5	21.1
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Mahindra & Mahindra Financial	271	290	Hold	3,905	66,818	76,468	97,204	41,783	48,272	63,438	17,596	22,865	32,400	14.3	18.5	26.2	20.6	23.2	35.7
Sundaram Finance	4,456	4,285	Hold	5,773	19,488	22,274	26,164	19,705	19,564	22,718	13,202	13,891	15,963	118.8	125.0	143.7	15.9	7.4	10.0

Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	Valuation Metrics											
					P/E (X)			P/BV (X)			RoE (%)			RoA (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Large Cap (M-cap >US\$5bn)																
Cholamandalam Investment and Finance	1,294	1,500	Hold	12,690	31.1	23.0	16.4	6.1	4.8	3.8	20.2	21.2	24.0	2.5	2.6	2.9
Shriram Finance	2,970	2,850	Hold	13,023	15.5	12.6	10.5	2.6	2.2	1.8	15.7	17.0	17.4	3.3	3.4	3.6
Mid Cap (M-cap between US\$1.5bn to 5bn)																
Mahindra & Mahindra Financial	271	290	Hold	3,905	19.0	14.6	10.3	1.8	1.7	1.5	10.0	12.1	15.2	1.7	1.8	2.2
Sundaram Finance	4,456	3,550	Hold	5,773	37.5	35.6	31.0	5.5	4.9	4.1	15.3	13.7	13.6	2.9	2.5	2.5

Insurance																			
Shreya Khandelwal (shreya.khandelwal@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	NBP (Rsmn)			Operating surplus (Rsmn)			PAT (Rsmn)			EVPS			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	NII	PPOP	PAT
Large Cap (M-cap >US\$5bn)																			
HDFC Life Insurance	606	675	Hold	15,213	2,96,314	3,35,945	3,84,878	8,82,986	7,47,553	8,52,467	15,689	19,897	22,645	221	257	300	14.0	(1.7)	20.1
ICICI Pru Life Insurance	662	850	Buy	11,156	1,86,788	2,28,496	2,63,044	8,18,420	8,35,519	9,39,982	8,524	12,736	13,291	294	331	375	18.7	7.2	24.9
SBI Life Insurance	1,435	1,890	Buy	16,766	3,82,383	4,54,872	5,32,200	12,44,659	11,09,664	12,92,588	18,938	20,586	21,874	583	695	825	18.0	1.9	7.5
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Max Financial	1,092	1,145	Hold	4,396	1,10,231	1,33,517	1,58,154	3,93,862	3,29,378	3,70,613	3,597	3,723	3,944	452	543	651	19.8	(3.0)	4.7
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	P/EV (x)			P/BV (x)			RoE (%)			RoEV (%)					
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E			
Large Cap (M-cap >US\$5bn)																			
HDFC Life Insurance	606	675	Hold	15,213	2.7	2.4	2.0	9.2	8.0	7.0	11.6	13.1	13.1	17.5	16.5	16.5			
ICICI Pru Life Insurance	662	850	Buy	11,156	2.3	2.0	1.8	8.9	8.1	7.4	8.3	11.4	10.8	14.1	14.2	14.6			
SBI Life Insurance	1,435	1,890	Buy	16,766	2.5	2.1	1.7	9.8	8.9	8.0	13.8	13.4	12.9	21.8	19.9	19.3			
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Max Financial	1,092	1,145	Hold	4,396	2.4	2.0	1.7	50.1	42.3	42.3	9.5	9.0	9.1	20.2	20.1	19.9			
Capital Goods																			
Natasha Jain (natasha.jain@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	Sales	EBITDA	PAT
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Apar Industries	11,154	9,945	Hold	5,225	1,61,530	1,87,877	2,20,089	15,223	15,992	18,789	8,251	8,663	10,273	205.4	215.7	255.7	16.7	11.1	11.6
KEC International	1,196	1,150	Hold	3,711	1,99,142	2,30,438	2,67,592	12,146	16,592	23,280	3,468	6,847	11,474	13.0	25.6	43.0	15.9	38.4	81.9
Solar Industries India	9,479	10,980	Hold	10,004	60,695	78,907	93,448	13,692	19,806	24,670	8,356	12,232	15,125	92.4	135.2	167.1	24.1	34.2	34.5
Thermax	4,154	4,855	Hold	5,772	93,235	1,08,055	1,27,897	7,974	10,481	13,685	5,866	7,714	9,967	52.1	68.5	88.5	17.1	31.0	30.4
Small Cap (M-cap <US\$1.5bn)																			
Power Mech Projects	2,737	2,750	Hold	1,009	42,067	52,360	60,513	4,961	6,662	8,713	2,483	3,998	5,481	78.5	126.4	173.3	19.9	32.5	48.6
Triveni Turbine	752	720	Hold	2,789	16,539	21,531	27,262	3,188	4,586	5,943	2,693	3,745	4,818	8.5	11.8	15.2	28.4	36.5	33.8
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Apar Industries	11,154	9,945	Hold	5,225	54.3	51.7	43.6	29.3	27.9	23.7	11.6	13.0	10.5	27.0	23.7	26.6	41.1	35.9	40.1
KEC International	1,196	1,150	Hold	3,711	92.0	46.7	27.8	29.1	21.3	15.2	7.8	5.9	5.0	8.8	14.4	19.4	14.5	18.4	24.6
Solar Industries India	9,479	10,980	Hold	10,004	102.6	70.1	56.7	63.2	43.7	35.1	26.0	23.1	17.7	25.3	33.0	31.1	26.8	31.4	32.0
Thermax	4,154	4,855	Hold	5,772	79.7	60.6	46.9	62.4	47.5	36.4	10.5	9.5	8.1	15.5	16.5	18.6	12.5	14.8	17.9
Small Cap (M-cap <US\$1.5bn)																			
Power Mech Projects	2,737	2,750	Hold	1,009	34.9	21.7	15.8	17.3	12.9	9.8	4.7	3.9	3.1	15.9	19.7	21.9	22.8	25.7	28.6
Triveni Turbine	752	720	Hold	2,789	88.5	63.8	49.5	73.7	51.3	39.6	25.1	19.3	15.4	28.1	30.2	30.8	30.7	34.7	36.0

Consumer Durables & Consumer Electricals																			
Natasha Jain (natasha.jain@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mnn)	Net sales (Rsmnn)			EBITDA (Rsmnn)			PAT (Rsmnn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
Havells India	1,646	1,875	Hold	12,036	1,85,900	2,13,149	2,44,991	18,426	23,553	30,015	12,708	16,214	20,792	20.3	25.9	33.2	14.8	27.6	27.9
Polycab India	6,948	7,625	Hold	12,189	1,80,394	2,24,084	2,65,679	24,918	28,636	35,533	17,840	19,889	24,564	118.7	132.6	163.8	21.4	19.4	17.3
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Bajaj Electricals	759	725	Sell	1,021	96,854	47,618	51,999	6,649	2,478	3,448	4,150	1,209	2,036	20.2	10.5	17.7	(26.7)	(28.0)	(30.0)
Blue Star	2,224	1,915	Hold	5,334	46,413	1,18,581	1,42,381	2,597	8,436	10,492	1,349	5,599	7,008	11.7	27.2	34.1	75.1	101.0	128.0
Crompton Greaves Consumer Electricals	371	455	Buy	2,785	73,128	82,702	93,269	7,137	9,570	11,646	4,399	6,092	7,705	6.8	12.0	14.4	12.9	27.7	32.3
Dixon Technologies India	18,037	17,190	Hold	12,636	1,76,909	3,46,801	4,76,708	6,976	12,920	18,869	3,677	7,445	11,547	61.5	193.1	220.3	64.2	64.5	77.2
V-Guard Industries	421	505	Buy	2,139	48,567	56,024	63,799	4,267	5,659	7,030	2,576	3,493	4,633	5.9	8.0	10.7	14.6	28.4	34.1
Voltas	1,776	1,715	Hold	6,853	1,24,812	1,45,341	1,67,822	4,746	9,918	13,171	2,520	7,343	10,061	7.6	22.2	30.4	16.0	66.6	99.8
Whirlpool of India	1,799	1,990	Hold	2,661	66,677	68,298	78,383	3,703	4,030	4,781	2,190	2,308	2,980	17.3	18.2	23.5	8.4	13.6	16.6
Small Cap (M-cap <US\$1.5bn)																			
Amber Enterprises India	7,665	6,965	Hold	3,023	67,293	85,180	1,04,245	4,919	6,459	8,440	1,352	2,020	3,058	40.1	60.0	90.8	24.5	31.0	50.4
IFB Industries	1,832	2,250	Buy	866	41,041	49,309	57,783	1,608	2,761	4,397	5,711	1,232	2,444	4.2	29.8	59.2	18.7	65.4	(34.6)
Orient Electric	233	300	Buy	579	28,121	31,079	34,969	1,443	1,892	2,506	3,138	797	1,313	2.9	3.7	6.2	11.5	31.8	(35.3)
Stove Kraft	882	1,005	Buy	340	13,643	15,748	18,447	1,188	1,732	2,138	2,701	590	820	10.3	17.8	24.8	16.3	34.2	(44.9)
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mnn)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Large Cap (M-cap >US\$5bn)																			
Havells India	1,646	1,875	Hold	12,036	81.2	63.6	49.6	55.0	43.0	33.7	13.8	12.5	11.0	18.1	20.6	23.5	18.0	21.1	25.2
Polycab India	6,948	7,625	Hold	12,189	58.5	52.4	42.4	41.8	36.4	29.3	12.7	11.0	9.4	21.8	20.9	22.1	26.8	26.5	28.4
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Bajaj Electricals	759	725	Sell	1,021	37.6	72.3	42.9	12.8	34.2	24.6	6.1	4.2	3.9	21.1	5.8	9.1	24.2	6.4	10.1
Blue Star	2,224	1,915	Hold	5,334	190.0	81.8	65.2	175.3	54.0	43.4	17.5	17.0	14.9	9.1	21.1	24.3	10.4	24.9	28.0
Crompton Greaves Consumer Electricals	371	455	Buy	2,785	54.2	30.9	25.8	33.9	25.3	20.8	7.9	7.6	6.9	15.6	20.1	23.6	14.5	20.5	25.2
Dixon Technologies India	18,037	17,190	Hold	12,636	293.3	93.4	81.9	155.2	83.8	57.4	63.7	48.9	32.6	21.7	33.7	34.9	28.2	45.2	47.3
V-Guard Industries	421	505	Buy	2,139	71.1	52.7	39.4	43.5	32.8	26.4	10.0	9.2	7.8	15.1	18.4	21.3	16.0	20.9	24.8
Voltas	1,776	1,715	Hold	6,853	233.1	80.0	58.4	123.5	59.1	44.5	10.1	10.1	9.0	4.5	12.7	16.3	6.7	14.3	18.3
Whirlpool of India	1,799	1,990	Hold	2,661	104.2	98.8	76.5	57.1	52.4	44.2	6.5	6.2	6.6	6.4	6.0	8.3	5.2	5.1	6.9
Small Cap (M-cap <US\$1.5bn)																			
Amber Enterprises India	7,665	6,965	Hold	3,023	191.0	127.7	84.4	54.2	41.3	31.6	12.5	11.7	10.3	6.7	9.5	13.0	8.6	11.0	14.2
IFB Industries	1,832	2,250	Buy	866	438.8	61.5	31.0	45.9	26.8	16.8	10.4	9.2	9.2	2.7	15.9	29.6	4.8	17.0	32.7
Orient Electric	233	300	Buy	579	81.4	62.9	37.5	34.1	26.0	19.6	7.8	7.5	6.8	12.3	12.3	19.1	14.2	17.9	26.6
Stove Kraft	882	1,005	Buy	340	85.5	49.6	35.6	25.7	17.6	14.3	6.6	6.0	5.2	8.1	12.7	15.6	12.5	16.9	20.7
Construction																			
Jyoti Gupta (jyoti.gupta@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mnn)	Net sales (Rsmnn)			EBITDA (Rsmnn)			PAT (Rsmnn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	Sales	EBITDA	PAT
Small Cap (M-cap <US\$1.5bn)																			
Ashoka Buldcon	278	248	Hold	910	77,267	87,624	1,01,644	5,765	8,083	13,127	90	5,001	9,645	8.0	18.6	31.5	14.7	50.9	937.7
KNR Constructions	329	397	Buy	1,079	40,910	43,964	49,671	7,010	8,468	9,544	4,938	5,767	6,677	17.6	19.8	22.8	10.2	16.7	16.3
PNC Infratech	311	511	Hold	930	76,992	81,626	93,014	12,774	10,573	15,368	8,498	6,869	10,919	33.1	26.5	40.6	9.9	9.7	13.4
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mnn)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Small Cap (M-cap <US\$1.5bn)																			
Ashoka Buldcon	278	248	Hold	910	41.3	32.3	25.0	13.8	9.8	6.0	2.3	2.0	1.6	6.7	14.4	20.4	7.9	12.8	16.7
KNR Constructions	329	397	Buy	1,079	28.3	23.8	19.9	12.7	10.5	9.4	2.9	2.4	2.1	16.6	15.9	15.7	17.1	16.6	16.3
PNC Infratech	311	511	Hold	930	19.7	22.7	17.7	6.3	7.6	5.2	1.7	1.5	1.2	19.5	13.3	17.5	16.8	12.0	15.8

Cement																			
Jyoti Gupta (jyoti.gupta@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mnn)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
Ambuja Cements	530	683	Buy	15,221	3,31,596	3,49,973	4,69,286	65,472	60,546	92,853	46,513	35,417	58,294	20.5	14.4	23.7	19.0	19.1	12.0
Dalmia Bharat	1,756	1,759	Hold	3,841	1,46,840	1,44,883	1,49,256	26,320	25,520	29,618	8,540	9,744	11,391	42.5	52.0	60.8	0.8	6.1	15.5
Shree Cement	25,909	30,988	Buy	10,902	1,95,291	2,05,170	2,50,849	43,635	47,277	66,286	24,684	19,439	30,910	684.2	538.8	856.7	13.3	23.3	11.9
UltraTech Cement	11,504	12,792	Buy	38,731	7,09,081	7,94,412	9,01,858	1,29,686	1,53,931	1,86,500	70,760	93,233	1,04,823	245.1	321.8	363.1	12.8	19.9	21.7
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
ACC	1,984	2,464	Hold	4,345	1,99,522	1,96,434	2,35,642	30,420	29,675	40,886	21,086	17,626	25,702	113.1	93.9	136.9	8.7	15.9	10.4
JK Cement	4,702	5,099	Buy	4,237	1,15,560	1,19,538	1,56,124	20,598	19,814	30,472	7,927	8,124	13,949	92.8	105.1	180.5	16.2	21.6	32.7
The Ramco Cements	952	947	Buy	2,624	93,498	89,623	1,01,598	16,076	14,812	19,452	4,501	4,671	6,967	16.8	19.8	29.6	4.2	10.0	24.4
Nuvoco Vistas Corp	350	425	Buy	1,457	1,07,329	1,12,384	1,19,315	16,237	16,678	22,106	1,474	2,617	5,129	4.1	7.3	14.4	5.4	16.7	86.6
Small Cap (M-cap <US\$1.5bn)																			
Birla Corp	1,205	1,504	Buy	1,082	96,627	97,310	1,06,284	14,411	16,192	19,932	4,172	5,649	7,940	59.1	73.4	103.1	4.9	17.6	38.0
HeidelbergCement India	211	172	Sell	558	23,658	22,623	23,635	3,167	3,630	4,395	1,678	1,959	2,375	7.3	8.6	10.5	(0.0)	17.8	19.0
JK Lakshmi Cement	797	912	Buy	1,094	67,885	66,763	82,395	10,522	10,462	14,430	4,793	4,835	7,268	34.5	41.1	61.7	10.2	17.1	23.1
Sagar Cements	219	232	Hold	334	25,046	25,000	27,458	2,459	3,451	4,636	(517)	579	1,423	(4.0)	4.4	10.9	4.7	37.3	#NUM!
Star Cement	223	232	Hold	1,050	29,107	30,728	35,668	5,563	5,276	7,000	2,951	2,487	3,576	7.3	6.2	8.8	10.7	12.2	10.1
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mnn)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Large Cap (M-cap >US\$5bn)																			
Ambuja Cements	530	683	Buy	15,221	25.9	36.8	22.4	19.7	21.3	13.9	2.8	2.6	2.4	11.1	6.8	10.3	13.9	12.9	17.6
Dalmia Bharat	1,756	1,759	Hold	3,841	41.3	33.8	28.9	12.8	13.2	11.3	2.0	1.9	1.8	5.1	5.5	6.1	9.3	10.2	11.0
Shree Cement	25,909	30,988	Buy	10,902	37.9	48.1	30.2	21.2	19.5	13.9	4.6	4.3	3.8	12.8	9.2	13.3	18.4	22.3	28.7
UltraTech Cement	11,504	12,792	Buy	38,731	46.9	35.7	31.7	25.7	21.7	17.9	5.5	4.8	4.3	12.3	14.5	14.3	13.3	19.3	22.1
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
ACC	1,984	2,464	Hold	4,345	17.5	21.1	14.5	11.4	11.7	8.5	2.4	2.2	1.9	14.2	10.7	14.1	18.4	19.0	23.2
JK Cement	4,702	5,099	Buy	4,237	50.7	44.7	26.0	19.3	20.1	13.0	6.5	5.6	4.5	15.6	13.5	19.3	10.6	13.2	18.9
The Ramco Cements	952	947	Buy	2,624	56.8	48.1	32.2	17.0	18.4	14.0	3.1	2.9	2.7	7.1	6.3	8.8	8.0	8.7	11.8
Nuvoco Vistas Corp	350	425	Buy	1,457	84.8	47.9	24.3	10.3	10.0	7.6	1.4	1.4	1.3	1.7	2.9	5.4	5.9	9.0	12.5
Small Cap (M-cap <US\$1.5bn)																			
Birla Corp	1,205	1,504	Buy	1,082	20.4	16.4	11.7	8.2	7.3	5.9	1.5	1.4	1.2	6.7	8.6	11.1	7.1	11.8	14.8
HeidelbergCement India	211	172	Sell	558	28.8	24.4	20.1	14.0	12.2	10.1	3.4	3.3	3.3	11.6	13.8	16.5	13.7	21.2	25.6
JK Lakshmi Cement	797	912	Buy	1,094	23.1	19.4	12.9	10.2	10.2	7.4	2.9	2.5	2.1	15.7	13.7	17.6	11.6	14.2	17.5
Sagar Cements	219	232	Hold	334	(55.3)	49.7	20.1	16.4	11.7	8.7	1.8	1.7	1.6	(3.2)	3.6	8.3	2.4	8.1	11.9
Star Cement	223	232	Hold	1,050	30.5	35.9	25.3	17.1	18.0	13.6	3.3	3.1	2.7	11.5	8.8	11.4	12.8	13.6	15.7
Tiles																			
Jyoti Gupta (jyoti.gupta@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mnn)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	Sales	EBITDA	PAT
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Kajaria Ceramics	1,107	1,631	Buy	2,057	45,784	50,205	56,557	6,997	7,652	9,721	4,334	4,575	6,087	27.2	29.9	38.7	11.1	17.9	18.5
Small Cap (M-cap <US\$1.5bn)																			
Somany Ceramics	635	854	Buy	304	25,914	28,100	32,052	2,532	2,601	2,888	994	1,148	1,369	24.2	31.1	37.5	11.2	6.8	17.4
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mnn)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Kajaria Ceramics	1,107	1,631	Buy	2,057	40.7	37.1	28.6	24.5	22.4	17.6	6.7	6.0	5.2	16.1	15.1	17.7	19.3	18.8	22.3
Small Cap (M-cap <US\$1.5bn)																			
Somany Ceramics	635	854	Buy	304	26.2	20.4	17.0	10.8	10.5	9.5	3.0	2.7	2.4	11.2	11.7	12.5	13.0	12.5	12.7

Defence																			
Jyoti Gupta (jyoti.gupta@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
Bharat Electronics	282	285	Hold	24,052	2,02,682	2,35,418	2,73,099	50,464	63,424	73,639	39,845	50,003	57,152	5.5	6.8	7.8	16.1	20.8	19.8
Hindustan Aeronautics	4,102	5,056	Buy	31,991	3,03,811	3,46,949	4,02,051	97,411	1,26,782	1,69,037	76,211	1,04,591	1,19,052	114.0	156.6	178.2	15.0	31.7	25.0
Mazagon Dock Shipbuilders	2,130	4,106	Hold	10,022	94,666	1,15,402	1,46,242	14,116	21,449	33,796	19,370	22,700	31,779	96.0	112.5	157.6	24.3	54.7	28.1
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Bharat Dynamics	1,132	1,058	Sell	4,840	23,693	32,097	43,390	5,366	9,945	12,858	6,127	9,411	11,513	16.7	25.7	31.4	35.3	54.8	37.1
Bharat Earth Movers	3,897	4,679	Hold	1,893	40,543	43,595	51,163	4,421	5,188	7,682	2,817	3,032	5,086	67.6	72.8	122.1	12.3	31.8	34.4
Data Patterns	2,345	2,881	Buy	1,531	5,198	6,317	7,725	2,216	2,529	3,097	1,817	2,094	2,510	32.4	37.4	44.8	21.9	18.2	17.5
Small Cap (M-cap <US\$1.5bn)																			
Astra Microwave Products	767	888	Hold	849	9,088	11,195	13,515	1,916	2,665	3,175	1,211	1,614	1,961	12.8	17.0	20.6	21.9	28.7	27.3
Paras Defence and Space Technologies	969	1,037	Hold	455	2,535	3,256	4,090	511	686	1,026	321	417	653	8.2	10.7	16.7	27.0	41.7	42.6
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Large Cap (M-cap >US\$5bn)																			
Bharat Electronics	282	285	Hold	24,052	51.3	41.5	36.2	29.4	24.9	19.6	3.0	2.8	2.6	28.0	27.0	27.1	31.0	30.7	33.0
Hindustan Aeronautics	4,102	5,056	Buy	31,991	36.0	26.2	23.0	25.8	20.7	19.6	198.0	166.7	141.3	31.5	28.5	24.8	24.0	26.3	27.9
Mazagon Dock Shipbuilders	2,130	4,106	Hold	10,022	22.2	18.9	13.5	32.7	20.4	19.1	6.8	6.2	5.4	31.8	34.2	27.2	28.6	34.3	27.6
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Bharat Dynamics	1,132	1,058	Sell	4,840	67.8	44.1	36.1	59.4	50.9	29.4	4.6	4.0	3.5	24.5	26.9	28.8	12.3	15.3	18.5
Bharat Earth Movers	3,897	4,679	Hold	1,893	57.6	53.5	31.9	29.3	21.7	15.1	9.7	7.8	6.2	10.8	16.2	17.5	15.5	21.6	23.0
Data Patterns	2,345	2,881	Buy	1,531	72.4	62.7	52.3	45.4	37.6	33.8	7.9	6.1	4.6	14.9	15.8	16.3	16.6	17.8	18.8
Small Cap (M-cap <US\$1.5bn)																			
Astra Microwave Products	767	888	Hold	849	59.9	45.1	37.2	31.7	28.0	20.4	7.9	7.0	6.2	15.6	16.6	17.2	21.3	23.3	24.1
Paras Defence and Space Technologies	969	1,037	Hold	455	118.2	90.6	58.0	54.2	36.1	30.3	9.4	8.6	7.6	9.0	12.6	13.1	10.9	16.0	17.3
Chemicals																			
Ramesh Sankaranarayanan (ramesh.s@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
PI Industries	3,600	4,297	Hold	6,370	76,658	82,909	1,06,036	20,146	22,725	27,152	16,815	17,482	20,571	110.9	115.3	135.7	17.6	16.1	10.6
UPL	521	553	Hold	4,830	4,30,980	4,64,761	5,42,387	45,390	74,099	1,02,809	(9,480)	2,618	29,469	(12.6)	3.5	39.3	12.2	50.5	#NUM!
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Coromandel International	1,938	1,834	Hold	6,660	2,20,584	2,31,134	2,14,938	23,988	24,004	27,087	16,422	16,316	18,598	55.9	55.4	63.2	(1.3)	6.3	6.4
Sumitomo Chemical India	515	629	Buy	2,998	28,439	32,963	40,806	4,746	7,161	9,586	3,698	5,714	7,446	7.4	11.4	14.9	19.8	42.1	41.9
Tata Chemicals	991	820	Sell	2,945	1,54,210	1,52,496	1,71,863	28,470	23,080	30,373	2,679	7,179	12,957	44.9	27.6	50.9	5.6	3.3	119.9
Small Cap (M-cap <US\$1.5bn)																			
Anupam Rasayan India	711	486	Sell	911	11,287	9,301	14,715	3,070	2,426	4,097	1,033	631	1,774	9.1	5.6	15.6	14.2	15.5	31.0
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Large Cap (M-cap >US\$5bn)																			
PI Industries	3,600	4,297	Hold	6,370	32.5	31.2	26.5	25.2	22.4	18.7	6.3	5.3	4.5	18.4	14.6	14.4	21.1	18.0	18.0
UPL	521	553	Hold	4,830	(41.3)	149.4	13.3	14.3	8.8	6.3	1.4	1.4	1.3	2.6	6.6	11.0	(3.3)	0.9	10.1
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Coromandel International	1,938	1,834	Hold	6,660	34.7	35.0	30.7	22.4	22.4	19.8	6.2	5.5	4.9	17.8	14.8	15.1	19.0	16.0	17.0
Sumitomo Chemical India	515	629	Buy	2,998	69.6	45.1	34.6	53.0	35.2	26.3	10.5	8.9	7.4	12.2	17.4	20.0	15.3	30.5	32.2
Tata Chemicals	991	820	Sell	2,945	22.1	35.9	19.5	10.4	12.8	9.7	1.1	1.1	1.1	4.5	2.6	4.4	5.4	3.0	5.6
Small Cap (M-cap <US\$1.5bn)																			
Anupam Rasayan India	711	486	Sell	911	78.2	128.1	45.5	27.9	35.2	20.9	3.0	2.6	2.5	4.4	3.0	5.3	4.1	2.2	5.7



Specialty Chemicals																			
Abhishek Navalgund (abhishek.navalgund@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
SRF	2,277	2,000	Sell	7,873	1,31,385	1,48,849	1,73,191	25,841	28,764	36,136	13,357	13,779	17,928	45.0	46.5	60.4	14.8	18.3	15.9
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Aarti Industries	404	400	Sell	1,707	63,720	73,366	90,853	9,760	10,012	12,496	4,160	2,933	3,891	11.5	8.1	10.7	19.4	13.2	(3.3)
Clean Science & Technology	1,445	1,500	Hold	1,790	7,915	10,564	13,773	3,321	4,161	5,267	2,440	3,058	3,694	23.0	28.8	34.8	31.9	25.9	23.0
Fine Organic Industries	4,419	6,500	Buy	1,580	21,230	23,710	27,481	5,340	5,845	6,402	4,123	4,563	4,980	134.5	148.8	162.4	13.8	9.5	9.9
Navin Fluorine International	3,347	3,800	Buy	20,650	23,152	28,216	3,983	4,949	6,977	2,285	3,014	4,649	5,024	46.1	60.8	93.8	(58.5)	(32.1)	29.1
Vinati Organics	1,715	1,520	Sell	2,073	19,000	23,763	29,975	4,697	6,178	7,853	3,230	3,916	5,051	31.4	38.1	49.1	25.6	29.3	25.1
Small Cap (M-cap <US\$1.5bn)																			
Advanced Enzyme Technologies	345	400	Hold	450	6,239	7,147	8,282	2,045	2,531	2,930	1,443	1,705	2,021	12.9	15.2	18.1	15.2	19.7	18.3
Camlin Fine Sciences	131	100	Hold	255	16,131	15,729	18,700	739	1,362	2,643	(401)	(43)	941	(2.4)	(0.3)	5.6	7.7	89.1	#NUM!
Galaxy Surfactants	2,450	3,500	Buy	1,013	37,944	42,691	47,275	4,622	5,517	6,437	3,015	3,651	4,533	85.0	103.0	127.9	11.6	18.0	22.6
Neogen Chemicals	2,103	1,550	Hold	647	6,907	9,752	12,858	1,101	1,551	2,109	357	583	781	13.5	22.1	29.6	36.4	38.4	48.0
Rossari Biotech	767	955	Buy	495	18,306	21,209	25,489	2,498	2,800	3,441	1,307	1,446	1,777	23.7	26.2	32.2	18.0	17.4	16.6
Tatva Chintan Pharma Chem	887	700	Sell	242	3,935	3,859	5,427	682	405	895	304	146	488	13.7	6.6	22.0	17.4	14.6	26.8

Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Valuation Metrics														
					P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Large Cap (M-cap >US\$5bn)																			
SRF Ltd	2,277	2,000	Sell	7,873	50.6	49.0	37.7	27.7	24.9	19.8	5.9	5.5	4.9	12.3	11.5	13.7	7.7	6.4	5.8
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Aarti Industries	404	400	Sell	1,707	35.1	49.9	37.7	18.1	17.7	14.2	2.8	2.7	2.6	8.1	5.5	7.0	7.4	6.4	7.6
Clean Science & Technology	1,445	1,500	Hold	1,790	62.8	50.2	41.5	45.3	36.1	28.6	12.8	10.2	8.2	22.1	22.6	21.9	25.9	26.7	26.9
Fine Organic Industries	4,419	6,500	Buy	1,580	32.9	29.7	27.2	23.4	21.4	19.5	7.0	5.9	5.0	23.8	21.7	20.0	27.4	24.6	21.8
Navin Fluorine International	3,347	3,800	Buy	1,936	72.6	55.0	35.7	35.2	25.0	76.3	7.0	6.4	5.7	10.0	12.1	16.8	7.5	6.9	6.3
Vinati Organics	1,715	1,520	Sell	2,073	54.6	45.0	34.9	37.8	28.7	22.6	7.2	6.4	5.6	13.8	15.1	17.3	18.6	12.6	14.7
Small Cap (M-cap <US\$1.5bn)																			
Advanced Enzyme Technologies	345	400	Hold	450	26.7	22.6	19.1	16.3	13.2	11.4	2.9	2.6	2.3	11.3	12.1	12.7	7.7	9.5	10.8
Camlin Fine Sciences	131	100	Hold	255	(54.6)	(515.0)	23.3	37.3	20.2	10.4	2.5	2.6	2.3	(4.8)	(0.5)	10.4	(0.3)	2.5	8.9
Galaxy Surfactants	2,450	3,500	Buy	1,013	28.8	23.8	19.2	18.1	15.2	13.0	4.0	3.5	3.1	14.8	15.7	17.1	18.8	23.7	16.2
Neogen Chemicals	2,103	1,550	Hold	647	155.6	95.2	71.1	53.9	38.2	28.1	7.3	6.8	6.3	5.2	7.2	7.1	5.9	6.5	5.8
Rossari Biotech	767	955	Buy	495	32.4	29.2	23.8	17.1	15.3	12.4	4.0	3.6	3.1	13.3	13.0	14.0	22.2	17.8	17.7
Tatva Chintan Pharma Chem	887	700	Sell	242	64.7	134.4	40.3	30.6	51.6	23.3	2.7	2.6	2.5	4.8	2.0	6.3	21.7	8.1	4.1

Hotels																			
Abhishek Navalgund (abhishek.navalgund@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
Indian Hotels Co	844	790	Buy	14,015	67,688	81,698	91,351	21,571	27,221	31,578	12,591	16,977	19,968	8.9	12.0	14.1	16.2	21.0	25.9
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
EIH Ltd	409	420	Hold	2,986	25,113	26,860	28,001	9,269	9,997	10,413	6,445	7,230	7,497	10.3	11.6	12.0	5.6	6.0	7.9
Chalet Hotels	955	954	Buy	2,433	14,173	17,803	23,107	5,846	8,331	10,870	2,782	3,715	6,118	13.6	17.1	28.1	27.7	36.4	48.3
Small Cap (M-cap <US\$1.5bn)																			
Lemon Tree Hotels	150	140	Hold	1,387	10,711	12,232	14,099	5,232	6,062	7,241	1,485	1,985	3,081	1.9	2.5	3.9	14.7	17.6	44.0
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Large Cap (M-cap >US\$5bn)																			
Indian Hotels Co	844	750	Buy	14,015	94.9	70.4	59.9	60.2	47.7	41.1	12.6	10.7	9.0	13.3	15.1	15.0	15.3	18.6	19.8
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
EIH Ltd	409	420	Hold	2,986	39.7	35.4	34.1	26.8	24.9	23.9	6.5	5.4	4.7	16.4	15.4	13.7	15.9	14.8	12.5
Chalet Hotels	955	980	Buy	2,433	70.4	56.0	34.0	43.9	30.8	23.6	10.6	6.5	5.4	15.0	11.5	16.0	10.1	9.4	11.3
Small Cap (M-cap <US\$1.5bn)																			
Lemon Tree Hotels	150	140	Hold	1,387	80.0	59.9	38.6	28.2	24.3	20.4	12.5	10.0	7.9	15.4	17.0	20.9	12.7	13.4	16.1

Consumer Staples																			
Krishnan Sambamoorthy (krishnan.s@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
Britannia Industries	4,791	5,570	Hold	13,459	1,67,693	1,79,582	2,00,532	31,698	30,214	34,723	21,419	20,835	24,295	88.9	86.5	100.9	9.4	4.7	6.5
Colgate-Palmolive India	2,753	3,295	Hold	8,734	56,804	63,086	70,570	19,008	20,886	23,507	13,382	15,329	16,894	49.2	56.4	62.1	11.5	11.2	12.4
Dabur India	505	640	Buy	10,435	1,24,040	1,29,972	1,43,017	24,002	23,625	26,925	18,427	17,966	20,370	10.4	10.1	11.5	7.4	5.9	5.1
Godrej Consumer Products	1,142	1,310	Hold	13,623	1,40,961	1,46,736	1,65,040	29,435	30,525	36,198	19,163	20,014	25,080	18.7	19.6	24.5	8.2	10.9	14.4
Hindustan Unilever	2,376	2,765	Hold	65,110	6,04,690	6,27,884	6,93,601	1,41,900	1,47,786	1,63,601	1,02,030	1,05,436	1,16,593	43.4	44.9	49.6	7.1	7.4	6.9
ITC	443	515	Hold	64,588	6,54,408	7,42,674	8,23,140	2,45,088	2,57,488	2,84,294	2,04,278	2,07,248	2,26,077	16.4	16.6	18.1	12.2	7.7	5.2
Marico	648	660	Hold	9,793	96,530	1,05,831	1,18,369	20,260	21,982	25,121	14,810	16,622	17,867	11.5	12.9	13.9	10.7	11.4	9.8
Nestle India	2,185	2,445	Hold	24,568	2,43,939	2,04,436	2,34,706	58,490	47,546	56,621	39,588	31,487	37,164	32.8	32.7	38.5	(1.9)	(1.6)	(3.1)
P&G Hygiene & Health Care	14,653	17,800	Hold	5,547	42,057	44,877	50,869	9,833	10,367	12,972	6,817	7,698	9,704	209.8	236.9	298.6	10.0	14.9	19.3
Tata Consumer Products	947	1,265	Buy	10,981	1,52,059	1,75,624	1,96,858	22,841	26,737	33,363	14,002	14,612	20,062	14.7	14.8	20.3	13.8	20.9	19.7
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Emami	585	615	Sell	2,994	35,781	38,664	39,804	9,495	10,390	10,907	8,112	9,115	9,294	18.6	20.9	21.3	5.5	7.2	7.0
Gillette India	9,585	9,480	Hold	3,642	26,331	29,974	33,301	6,274	6,909	7,892	4,117	4,653	5,387	126.3	142.8	165.3	12.5	12.2	14.4

Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	Valuation Metrics														
					P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Large Cap (M-cap >US\$5bn)																			
Britannia Industries	4,791	5,570	Hold	13,459	53.9	55.4	47.5	36.4	38.2	33.2	29.2	26.6	24.0	57.2	50.3	53.0	33.4	32.7	35.7
Colgate-Palmolive India	2,753	3,295	Hold	8,734	56.0	48.8	44.3	38.7	35.2	31.3	39.9	39.9	39.9	74.5	81.8	90.1	73.8	81.7	90.0
Dabur India	505	640	Buy	10,435	48.5	49.8	43.9	36.9	37.4	32.9	8.7	8.0	7.4	19.6	17.5	18.1	17.2	15.6	16.3
Godrej Consumer Products	1,142	1,310	Hold	65,110	60.9	58.4	46.6	40.0	38.6	32.5	9.3	9.3	9.3	14.5	15.6	18.7	12.7	12.7	15.4
Hindustan Unilever	2,376	2,765	Hold	64,588	54.8	52.9	47.9	38.5	37.0	33.4	11.0	11.4	12.0	20.2	21.1	24.4	19.2	20.1	23.3
ITC	443	515	Hold	64,588	27.1	26.7	24.4	21.9	20.8	18.8	7.7	7.5	7.3	29.2	28.4	30.3	25.4	24.8	26.7
Marico	648	660	Hold	9,793	56.5	50.3	46.8	41.0	37.8	33.1	21.8	19.3	18.5	38.8	40.7	40.4	31.1	32.0	32.5
Nestle India	2,185	2,445	Hold	24,568	66.5	66.9	56.7	35.9	44.1	37.1	62.4	59.1	53.3	109.2	90.8	98.6	111.0	93.4	101.1
P&G Hygiene & Health Care	14,653	17,800	Hold	5,547	69.9	61.9	49.1	47.8	45.3	36.2	61.4	55.8	45.5	79.2	94.6	102.3	88.6	105.8	113.4
Tata Consumer Products	947	1,265	Buy	10,981	64.4	64.1	46.7	41.1	35.1	28.1	5.6	4.8	4.6	8.7	8.2	10.0	7.5	6.4	7.7
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Emami	585	615	Sell	2,994	31.4	28.0	27.5	26.7	24.4	23.3	10.4	8.9	8.2	34.2	34.4	31.3	40.5	40.3	36.1
Gillette India	9,585	9,480	Hold	3,642	75.9	67.1	58.0	49.0	44.5	39.0	32.2	34.0	34.0	42.0	49.2	58.6	42.7	49.8	59.1

Consumer Discretionary																			
Krishnan Sambamoorthy (krishnan.s@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mnn)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
Asian Paints	2,267	2,675	Hold	25,361	3,54,947	3,51,789	4,06,041	75,850	62,864	77,558	54,602	41,722	49,117	56.9	43.5	51.2	7.0	1.1	(5.2)
Berger Paints India	448	535	Hold	6,086	1,11,989	1,17,405	1,31,517	18,613	19,342	21,997	11,677	12,390	14,261	10.0	10.6	12.2	8.4	8.7	10.5
Jubilant Foodworks	767	590	Hold	5,899	56,541	78,604	88,342	11,436	15,891	18,416	2,742	2,719	4,513	4.2	4.1	6.8	25.0	26.9	28.3
United Breweries	2,076	2,060	Hold	6,401	81,227	90,649	1,04,246	6,962	9,886	13,708	4,100	5,998	8,768	15.5	22.7	33.2	13.3	40.3	46.2
United Spirits	1,641	1,735	Buy	13,921	1,06,920	1,14,606	1,33,074	17,080	19,792	23,980	13,253	13,400	17,358	18.3	18.5	23.9	11.6	18.5	14.4
Small Cap (M-cap <US\$1.5bn)																			
Restaurant Brands Asia	84	99	Hold	487	24,371	26,277	31,558	2,421	2,666	3,940	(2,367)	(2,321)	(1,525)	(4.8)	(4.7)	(3.1)	13.8	27.6	-
Westlife Foodworld	804	945	Buy	1,462	23,918	25,234	29,776	3,693	3,409	5,200	692	170	1,384	4.4	1.1	8.9	11.6	18.7	41.4

Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$m)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Large Cap (M-cap >US\$5bn)																			
Asian Paints	2,267	2,675	Hold	25,361	39.8	52.1	44.3	28.3	34.1	27.6	11.6	11.6	11.4	31.5	22.2	25.9	26.7	19.0	22.8
Berger Paints India	448	535	Hold	6,086	44.8	42.2	36.7	27.9	26.8	23.6	8.1	7.0	6.1	23.7	21.4	21.5	20.9	19.7	20.0
Jubilant Foodworks	767	590	Hold	5,899	182.5	187.0	112.7	45.3	32.6	28.1	23.2	24.0	26.4	12.6	12.9	23.7	9.2	10.4	12.1
United Breweries	2,076	2,060	Hold	6,401	133.9	91.4	62.5	78.7	55.4	40.0	13.1	12.4	11.5	10.1	14.0	19.1	9.2	13.0	18.2
United Spirits	1,641	1,735	Buy	13,921	89.7	88.7	68.7	69.2	59.7	49.3	17.1	15.3	13.6	19.0	17.2	19.7	21.3	19.0	21.1
Small Cap (M-cap <US\$1.5bn)																			
Restaurant Brands Asia	84	99	Hold	487	(17.6)	(17.9)	(27.2)	17.8	16.2	10.9	6.6	10.5	17.2	(32.6)	(45.5)	(47.9)	(10.7)	(9.5)	5.5
Westlife Foodworld	804	945	Buy	1,462	182.7	730.7	90.3	34.2	37.0	24.3	21.2	20.6	16.7	12.0	2.9	20.5	16.9	10.2	19.9

Information Technology																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
HCL Technologies	1,953	2,172	Buy	61,808	10,99,130	11,75,916	13,24,824	2,00,270	2,17,416	2,51,216	1,56,840	1,73,546	1,94,483	58.0	64.0	71.7	9.8	12.0	11.4
Infosys	1,938	2,191	Hold	93,838	15,36,710	16,35,418	18,39,732	3,17,470	3,47,831	3,97,331	2,62,480	2,70,155	3,11,382	63.4	65.2	75.2	9.4	11.9	8.9
LTIMindtree	5,731	7,542	Buy	19,803	3,55,170	3,85,290	4,44,784	55,685	58,580	73,913	45,846	49,548	61,217	154.9	167.5	206.9	11.9	15.2	15.6
Tata Consultancy Services	4,095	4,964	Buy	1,72,786	24,08,930	26,08,185	29,17,082	5,93,460	6,47,900	7,34,975	4,73,170	5,08,347	5,70,994	125.5	139.2	157.8	10.0	11.3	9.9
Tech Mahindra	1,686	1,749	Hold	19,249	5,19,955	5,38,693	5,98,553	31,474	51,522	75,938	23,578	43,407	57,418	26.8	49.3	65.2	7.3	55.3	56.1
Wipro	294	600	Hold	35,932	8,97,603	9,01,947	9,88,765	1,35,759	1,45,010	1,65,077	1,11,121	1,23,934	1,41,540	20.9	23.3	26.6	5.0	10.3	12.9
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Birlasoft	545	744	Buy	1,759	52,781	55,512	63,652	7,512	6,184	7,861	6,238	5,440	6,635	22.6	19.7	24.0	9.8	2.3	3.1
Coforge	9,632	8,896	Buy	7,510	91,790	1,19,947	1,46,716	11,892	15,042	20,252	8,080	9,593	14,076	130.7	155.2	227.8	26.4	30.5	32.0
Mphasis	2,898	3,474	Hold	6,409	1,32,785	1,44,898	1,67,293	20,114	22,251	26,789	15,549	16,824	19,731	82.6	89.0	104.3	12.2	15.4	12.6
Persistent Systems	6,311	5,896	Hold	11,471	98,216	1,17,314	1,39,565	14,149	17,154	21,341	10,935	13,628	16,450	71.8	89.5	108.0	19.2	22.8	22.7
Zensar Technologies	772	739	Hold	2,043	49,018	53,106	59,631	7,377	6,884	8,260	6,649	6,540	7,381	29.6	29.1	32.8	10.3	5.8	5.4
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Large Cap (M-cap >US\$5bn)																			
HCL Technologies	1,953	2,172	Buy	61,808	33.7	30.5	27.2	25.2	23.2	20.1	7.8	7.5	7.2	23.5	25.1	27.0	21.7	22.7	25.2
Infosys	1,938	2,191	Hold	93,838	30.6	29.7	25.8	24.7	22.6	19.8	2.2	2.0	1.8	32.0	29.5	31.0	25.6	24.9	26.5
LTIMindtree	5,731	7,542	Buy	19,803	37.0	34.2	27.7	29.1	27.7	21.9	8.5	7.6	6.4	25.0	23.4	25.1	21.3	18.9	20.8
Tata Consultancy Services	4,095	4,964	Buy	1,72,786	32.6	29.4	26.0	24.2	22.2	19.6	16.1	12.8	9.5	51.7	48.5	41.7	48.6	46.1	39.9
Tech Mahindra	1,686	1,749	Hold	19,249	63.0	34.2	25.9	50.5	30.9	20.9	3.4	3.5	3.3	8.5	16.2	21.1	8.0	13.5	19.9
Wipro	294	600	Hold	35,932	14.1	12.6	11.1	20.7	19.4	17.0	2.1	1.8	1.5	14.4	15.1	14.9	11.2	11.5	11.5
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Birlasoft	545	744	Buy	1,759	24.1	27.7	22.7	19.6	23.9	18.8	5.0	4.5	4.0	22.7	16.9	18.5	20.4	14.4	16.4
Coforge	9,632	8,896	Buy	7,510	73.7	62.1	42.3	54.1	42.8	31.8	16.4	14.3	11.4	23.4	24.0	29.4	25.7	25.9	30.1
Mphasis	2,898	3,474	Hold	6,409	35.1	32.6	27.8	26.2	23.6	19.6	3.9	4.4	4.0	18.6	19.5	22.0	16.4	17.8	22.5
Persistent Systems	6,311	5,896	Hold	11,471	87.9	70.5	58.4	68.7	56.7	45.6	19.6	16.4	14.1	24.5	25.7	26.7	22.6	23.1	24.7
Zensar Technologies	772	739	Hold	2,043	26.1	26.5	23.5	22.5	24.1	20.1	4.9	4.8	4.6	20.3	18.2	19.9	15.1	12.9	15.1
Others																			
Abhishek Navalgund (abhishek.navalgund@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	Sales	EBITDA	PAT
Small Cap (M-cap <US\$1.5bn)																			
CCL Products India	699	650	Buy	1,088	26,537	31,718	38,294	4,453	5,378	7,053	2,501	2,763	4,107	18.8	20.8	30.9	20.1	25.9	28.2
LA Opala RG	314	380	Buy	406	3,651	4,249	5,075	1,360	1,611	1,928	1,277	1,348	1,636	11.3	12.1	14.7	17.9	19.1	13.2
Mold-Tek Packaging	652	800	Buy	253	6,986	7,940	9,317	1,332	1,475	1,762	666	711	899	20.1	21.5	27.2	15.5	15.0	16.2
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Small Cap (M-cap <US\$1.5bn)																			
CCL Products India	699	650	Buy	1,088	37.2	33.6	22.6	24.2	20.0	15.3	5.5	5.0	4.3	15.8	15.6	20.4	14.5	11.0	10.8
LA Opala RG	314	380	Buy	406	27.7	25.8	21.3	22.1	18.7	15.6	4.1	3.7	3.3	15.7	15.0	16.3	14.6	11.7	11.5
Mold-Tek Packaging	652	800	Buy	253	32.4	30.3	24.0	17.2	15.5	13.0	3.6	3.4	3.1	11.5	11.6	13.5	14.3	14.1	16.3

Retail																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mnn)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	Sales	EBITDA	PAT
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Bata India	1,424	1,563	Buy	2,134	34,786	37,383	42,181	7,859	8,138	10,171	2,927	4,020	4,198	22.8	31.3	32.7	10.1	13.8	19.8
Small Cap (M-cap <US\$1.5bn)																			
V-Mart Retail	3,629	4,325	Hold	838	27,856	32,488	38,810	2,131	3,885	5,309	(968)	(153)	827	(49.1)	(7.8)	42.0	18.0	57.9	NA
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mnn)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Bata India	1,424	1,563	Buy	2,134	62.5	45.5	43.6	24.1	23.3	18.7	12.0	12.4	11.2	19.8	26.8	27.0	13.2	11.8	16.9
Small Cap (M-cap <US\$1.5bn)																			
V-Mart Retail	3,629	4,325	Hold	838	(73.9)	(466.0)	86.5	34.1	18.7	13.7	9.6	9.7	8.7	(12.1)	(2.1)	10.6	(0.7)	27.5	20.0
Pharmaceuticals																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mnn)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
Cipla India	1,491	1,876	Buy	14,047	2,57,741	2,81,499	3,09,874	62,911	70,318	80,567	42,667	48,163	56,833	52.8	59.7	70.4	9.6	13.2	15.4
Dr Reddy's Laboratories	1,350	7,897	Buy	13,140	2,79,200	2,98,805	3,22,695	75,009	74,060	76,525	51,444	50,835	52,519	309.9	306.2	316.4	7.5	1.0	1.0
Gland Pharma	1,891	2,025	Hold	3,633	56,647	64,313	75,288	13,331	17,125	20,750	7,725	10,858	13,673	46.9	65.9	83.0	15.3	24.8	33.0
Lupin	2,360	1,971	Hold	12,558	2,00,108	2,17,488	2,40,177	38,105	43,806	52,432	19,145	25,647	33,059	42.0	56.3	72.5	9.6	17.3	31.4
Mankind Pharma	2,885	2,236	Hold	13,879	1,03,348	1,20,425	1,41,568	25,351	30,636	37,726	18,427	22,385	28,932	46.0	55.9	72.2	17.0	22.0	25.3
Sun Pharmaceutical Industries	1,847	1,863	Hold	51,691	4,84,969	5,50,453	6,17,688	1,30,231	1,49,017	1,70,192	1,00,065	1,13,165	1,35,310	41.7	47.2	56.4	12.9	14.3	16.3
Torrent Pharmaceuticals	3,363	2,999	Hold	13,273	1,07,280	1,21,006	1,37,616	33,680	39,193	46,035	15,940	18,713	23,419	47.2	55.4	69.3	13.3	16.9	21.2
Zydus Lifesciences	961	1,250	Hold	11,282	1,95,474	2,21,857	2,46,774	53,033	61,781	73,646	37,880	44,977	54,189	37.7	44.7	53.9	12.4	17.8	19.6
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Ajanta Pharma	2,947	2,644	Hold	4,293	42,087	47,046	53,884	11,719	13,785	17,201	8,162	9,617	13,392	63.7	75.1	104.5	13.1	21.1	28.1
Alembic Pharmaceuticals	1,066	981	Hold	2,443	62,286	73,429	81,789	9,334	13,669	16,036	6,158	8,863	10,708	31.3	45.1	54.5	14.6	31.1	31.9
Alkem Laboratories	5,527	5,380	Hold	7,707	1,26,676	1,41,753	1,57,347	22,455	27,419	32,969	17,964	22,186	26,800	150.3	185.6	224.2	11.5	21.2	22.1
JB Chemicals & Pharmaceuticals	1,827	2,246	Buy	3,315	34,842	40,459	46,518	8,969	11,026	13,187	5,519	7,219	8,918	35.7	46.7	60.2	15.5	21.3	27.1
Natco Pharma	1,309	1,516	Hold	2,734	39,988	41,635	45,563	17,514	17,128	19,142	13,883	13,061	14,800	77.6	73.0	82.7	6.7	4.5	3.3
Pfizer India	5,129	4,014	Sell	2,736	21,932	24,564	27,511	6,353	7,180	8,473	5,454	5,824	6,889	119.2	127.3	150.6	12.0	15.5	12.4
Sanofi India	6,093	-	UR	1,637	27,701	28,511	31,718	7,044	8,037	10,116	5,258	5,902	7,817	228.6	256.6	339.9	7.0	19.8	21.9
Small Cap (M-cap <US\$1.5bn)																			
Eris Lifesciences	1,275	1,348	Buy	2,024	20,091	25,210	29,400	6,748	8,883	10,656	3,920	6,060	7,397	28.8	44.6	54.4	21.0	25.7	37.4
Indoco Remedies	334	334	Hold	359	18,173	20,899	24,034	2,443	3,501	4,339	970	1,809	2,411	8.9	18.0	24.6	15.0	33.3	57.6
Jubilant Pharmova	1,024	878	Hold	1,903	67,029	73,705	83,418	9,008	11,026	14,552	1,493	3,065	5,331	9.5	19.4	33.7	11.6	27.1	89.0
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mnn)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Large Cap (M-cap >US\$5bn)																			
Cipla India	1,491	1,876	Buy	14,047	28.2	25.0	21.2	18.5	16.5	14.4	5.1	4.5	3.9	17.0	16.7	17.0	16.4	16.2	16.5
Dr Reddy's Laboratories	1,350	7,897	Buy	13,140	4.4	4.4	4.3	14.4	14.6	14.1	1.0	0.8	0.7	20.0	16.8	15.3	18.6	15.6	14.4
Gland Pharma	1,891	2,025	Hold	3,633	40.3	28.7	22.8	20.5	16.0	13.2	3.9	3.5	3.1	9.3	11.7	13.0	9.3	12.1	13.6
Lupin	2,360	1,971	Hold	12,558	56.2	41.9	32.5	29.5	25.7	21.4	8.6	7.6	6.6	14.3	16.7	18.6	11.9	14.0	15.8
Mankind Pharma	2,885	2,236	Hold	13,879	62.7	51.6	39.9	46.4	38.4	31.2	15.2	12.4	10.1	21.9	21.3	22.1	20.7	20.2	21.1
Sun Pharmaceutical Industries	1,847	1,863	Hold	51,691	44.3	39.2	32.8	33.4	29.2	25.6	7.9	7.1	6.2	16.7	16.7	17.7	14.7	15.1	16.0
Torrent Pharmaceuticals	3,363	2,999	Hold	13,273	71.3	60.7	48.5	33.4	28.7	24.4	17.7	14.4	11.8	24.4	25.1	26.5	15.1	17.1	20.3
Zydus Lifesciences	961	1,250	Hold	11,282	25.5	21.5	17.8	18.4	15.8	13.3	5.6	4.8	4.1	20.3	20.7	21.0	16.7	17.1	17.7
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Ajanta Pharma	2,947	2,644	Hold	4,293	46.3	39.3	28.2	30.7	26.1	20.9	11.1	9.3	7.6	23.5	24.2	27.0	22.5	23.2	26.1
Alembic Pharmaceuticals	1,066	981	Hold	2,443	34.0	23.6	19.6	23.4	15.9	13.6	4.8	4.4	3.8	13.4	17.1	18.0	12.5	16.1	17.3
Alkem Laboratories	5,527	5,380	Hold	7,707	36.8	29.8	24.7	28.9	23.6	19.7	7.0	6.2	5.3	18.6	19.9	20.6	15.7	17.1	18.4
JB Chemicals & Pharmaceuticals	1,827	2,246	Buy	3,315	51.2	39.1	30.3	32.0	26.0	21.8	11.4	9.5	7.7	20.4	22.3	22.7	17.6	19.9	20.7
Natco Pharma	1,309	1,516	Hold	2,734	16.9	17.9	15.8	12.8	13.1	11.7	4.9	4.1	3.5	23.7	18.9	18.3	33.7	28.2	26.8
Pfizer India	5,129	4,014	Sell	2,736	43.0	40.3	34.1	34.2	30.3	25.7	7.3	6.7	6.0	16.0	15.4	16.4	15.7	15.2	16.1
Sanofi India	6,093	-	UR	1,637	26.7	23.7	17.9	18.5	16.2	12.9	11.0	9.2	7.7	30.0	51.5	66.7	28.8	49.1	63.9
Small Cap (M-cap <US\$1.5bn)																			
Eris Lifesciences	1,275	1,348	Buy	2,024	44.2	28.6	23.4	26.9	20.4	17.0	7.9	6.9	5.8	16.4	21.4	22.0	9.4	10.9	14.5
Indoco Remedies	334	334	Hold	359	37.3	18.5	13.6	13.8	9.7	7.8	3.0	2.7	2.3	9.1	15.3	17.6	7.6	12.9	15.0
Jubilant Pharmova	1,024	878	Hold	1,903	108.4	52.8	30.4	21.1	17.2	13.0	3.0	2.9	2.7	2.8	5.5	8.9	2.7	4.6	6.7

Multiplex																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	Sales	EBITDA	PAT
Small Cap (M-cap <US\$1.5bn)																			
PVR INOX	1,251	1,863	Buy	1,432	61,071	66,089	83,347	7,121	7,578	16,414	1,144	1,208	7,047	12.0	12.0	72.0	16.8	51.8	148.2
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Small Cap (M-cap <US\$1.5bn)																			
PVR INOX	1,251	1,863	Buy	1,432	104.2	104.2	17.4	19.1	17.9	8.3	1.7	1.7	1.5	1.6	1.6	9.1	2.1	2.4	8.7
Oil & Gas																			
Ramesh Sankaranarayanan (ramesh.s@nirmalbang.com)																			
Operational Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	Net sales (Rsmn)			EBITDA (Rsmn)			PAT (Rsmn)			EPS (Rs)			CAGR FY24-FY26E		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	Sales	EBITDA	PAT
Large Cap (M-cap >US\$5bn)																			
Bharat Petroleum Corp	285	327	Hold	14,412	44,80,830	42,51,397	48,58,828	4,42,618	2,16,485	2,60,431	2,71,265	1,16,935	1,59,297	63.5	27.4	37.3	4.1	(23.3)	(23.4)
GAIL India	185	224	Hold	14,160	13,05,731	12,81,361	11,06,025	1,33,044	1,57,099	1,55,662	88,365	1,06,373	95,557	13.4	16.2	14.5	(8.0)	8.2	4.0
Gujarat Gas	509	415	Sell	4,086	1,56,902	1,66,123	1,93,582	18,764	20,245	19,920	10,880	12,033	16,234	15.8	17.5	23.6	11.1	3.0	22.2
Hindustan Petroleum Corp	389	396	Hold	9,652	43,38,565	41,66,078	41,93,667	2,49,278	1,57,269	2,19,457	1,57,658	63,713	1,12,314	75.3	29.9	52.8	(1.7)	(6.2)	(15.6)
Indian Oil Corp	133	134	Sell	21,883	77,63,519	78,37,892	66,65,142	7,55,908	3,28,338	5,38,007	4,17,297	1,17,374	2,39,012	30.3	8.5	17.4	(7.3)	(15.6)	(24.3)
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Gujarat State Petronet	359	482	Buy	2,359	20,315	12,415	12,248	15,040	8,003	7,566	12,846	8,538	7,977	22.8	15.1	14.1	(22.4)	(29.1)	(21.2)
Indraprastha Gas	424	373	Sell	3,463	1,40,000	1,52,183	1,86,228	23,637	16,843	23,827	19,851	14,673	20,081	28.4	21.0	28.0	15.3	0.4	0.6
Petronet LNG	328	368	Hold	5,745	5,27,293	5,04,381	4,28,172	52,054	55,074	65,011	36,524	38,809	45,517	24.4	25.9	30.3	(9.9)	11.8	11.6
Small Cap (M-cap <US\$1.5bn)																			
Mahanagar Gas	1,275	1,164	Sell	1,468	62,445	67,100	76,808	18,426	14,953	15,929	12,891	10,174	10,944	130.5	103.0	110.8	10.9	(7.0)	(7.9)
Valuation Metrics																			
Company	CMP (Rs)	TP (Rs)	Current Rating	M-cap (US\$mn)	P/E (X)			EV/EBITDA (X)			P/BV (X)			RoE (%)			RoCE (%)		
					FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Large Cap (M-cap >US\$5bn)																			
Bharat Petroleum Corp	285	327	Hold	14,412	4.5	10.4	7.6	3.6	7.3	6.1	1.6	1.5	1.3	35.9	14.2	17.3	22.2	8.9	12.5
GAIL India	185	224	Hold	14,160	13.7	11.4	12.7	10.6	9.0	9.1	1.9	1.7	1.6	14.7	15.8	13.0	8.6	9.5	8.3
Gujarat Gas	509	415	Sell	4,086	32.2	29.1	21.6	18.2	16.9	17.1	4.8	4.3	3.8	14.1	14.5	17.5	12.1	12.3	14.3
Hindustan Petroleum Corp	389	396	Hold	9,652	5.2	13.0	7.4	5.6	8.9	6.4	1.8	1.7	1.5	40.4	14.9	22.3	16.6	8.2	11.8
Indian Oil Corp	133	134	Sell	21,883	4.4	15.6	7.7	3.9	9.1	5.5	1.0	1.0	0.9	22.8	6.2	11.8	14.1	3.4	6.9
Mid Cap (M-cap between US\$1.5bn to 5bn)																			
Gujarat State Petronet	359	482	Buy	2,359	15.7	23.7	25.4	13.1	24.7	26.1	2.0	1.9	1.8	13.1	7.9	7.0	9.9	4.0	3.6
Indraprastha Gas	424	373	Sell	3,463	15.0	20.2	15.1	11.3	15.8	11.2	3.1	2.9	2.8	22.6	22.6	14.9	15.7	8.7	11.8
Petronet LNG	328	368	Hold	5,745	13.5	12.7	10.8	8.0	7.6	6.4	2.8	2.5	2.2	22.4	20.9	21.4	16.0	15.6	15.3
Small Cap (M-cap <US\$1.5bn)																			
Mahanagar Gas	1,275	1,164	Sell	1,468	9.8	12.4	11.5	6.6	8.1	7.6	2.4	2.2	1.9	27.8	18.6	17.7	23.3	15.0	14.2



## DISCLOSURES

This Report is published by Nirmal Bang Equities Private Limited (hereinafter referred to as "NBEPL") for private circulation. NBEPL is a registered Research Analyst under SEBI (Research Analyst) Regulations, 2014 having Registration no. INH000001436. NBEPL is also a registered Stock Broker with National Stock Exchange of India Limited and BSE Limited in cash and derivatives segments.

NBEPL has other business divisions with independent research teams separated by Chinese walls, and therefore may, at times, have different or contrary views on stocks and markets.

NBEPL or its associates have not been debarred / suspended by SEBI or any other regulatory authority for accessing / dealing in securities Market. NBEPL, its associates or analyst or his relatives do not hold any financial interest in the subject company. NBEPL or its associates or Analyst do not have any conflict or material conflict of interest at the time of publication of the research report with the subject company. NBEPL or its associates or Analyst or his relatives do not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report.

NBEPL or its associates / analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months. NBEPL or its associates have not received any compensation or other benefits from the company covered by Analyst or third party in connection with the research report. Analyst has not served as an officer, director or employee of Subject Company and NBEPL / analyst has not been engaged in market making activity of the subject company.

**Analyst Certification:** I/We, Krishnan Sambamoorthy, Vaibhav Chechani, research analyst and Sunny Bhadra, Suket Kothari Research Associate, the author of this report, hereby certify that the views expressed in this research report accurately reflects my/our personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst(s) principally responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

## Disclaimer

### Stock Ratings Absolute Returns

BUY > 15%

HOLD -5% to 14%

SELL < -5%

### DISCLAIMER

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. NBEPL is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. In preparing this research, we did not take into account the investment objectives, financial situation and particular needs of the reader.

This research has been prepared for the general use of the clients of NBEPL and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NBEPL will not treat recipients as customers by virtue of their receiving this report. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NBEPL & its group companies to registration or licensing requirements within such jurisdictions.

The report is based on the information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. We accept no obligation to correct or update the information or opinions in it. NBEPL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NBEPL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This information is subject to change without any prior notice. NBEPL reserves its absolute discretion and right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, NBEPL is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Before making an investment decision on the basis of this research, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Opinions expressed are subject to change without any notice. Neither the company nor the director or the employees of NBEPL accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. Here it may be noted that neither NBEPL, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profit that may arise from or in connection with the use of the information contained in this report.

Copyright of this document vests exclusively with NBEPL.

\*"Registration granted by SEBI and certification from NISM in no way guarantee the performance of the intermediary or provide any assurance of returns to investors."

Our reports are also available on our website [www.nirmalbang.com](http://www.nirmalbang.com)

### Access all our reports on Bloomberg, Thomson Reuters and Factset.

Team Details:			
Name		Email Id	Direct Line
Rahul Arora	CEO	rahul.arora@nirmalbang.com	-
Krishnan Sambamoorthy	Head of Research	krishnan.s@nirmalbang.com	+91 22 6273 8210
Dealing			
Ravi Jagtiani	Dealing Desk	ravi.jagtiani@nirmalbang.com	+91 22 6273 8230, +91 22 6636 8833
Michael Pillai	Dealing Desk	michael.pillai@nirmalbang.com	+91 22 6273 8102/8103, +91 22 6636 8830

## Nirmal Bang Equities Pvt. Ltd.

### Correspondence Address

B-2, 301/302, Marathon Innova,  
Nr. Peninsula Corporate Park,  
Lower Parel (W), Mumbai-400013.  
Board No. : 91 22 6273 8000/1; Fax. : 022 6273 8010