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India Strategy



All eyes on domestic demand recovery

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Top Picks

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ABB India
Apollo Hospitals Enterprise
Bharti Airtel
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Indian Railway Catering and Tourism Corporation
KEI Industries
Samhi Hotels
Triveni Turbine

Exhibit 1: Model Portfolio v/s Nifty

Returns	Model Portfolio	Nifty	Perf.
Since Nov'18	156.0%	133.0%	22.9%
Since Last Report	1.2%	1.1%	0.1%
Since Apr'23	15.1%	14.0%	1.1%

Source: PL

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All eyes on domestic demand recovery

Indian markets have shown a lot of resilience in past few months despite big events and disruptions around global tariff wars, Isreal Iran war and operation Sindoor. FII remains net sellers YTD, although they have been net buyers in past few weeks. Markets seem to have learnt to live with global volatility and adverse geopolitical news flows given flip flops in US policies around tariffs and big variations in crude and global politics. India US trade deal remains a WIP with issues around agriculture, dairy, GM crops and labor-intensive industries, with no easy solution to these long pending issues.

1Q has seen the front ending of Govt Capex with a growth of 61% and 39% in April and May. There is a momentum in ordering and significant pick up in defense expenditure. RBI has cut the repo rate by 100bps and has plans to reduce CRR by 100bps in a gradual manner. This move will help improve the liquidity in the system and improve credit growth, which was just 9.5% in 1Q26.

All eyes rest on the revival of consumption demand given 1) normal monsoons 2) multi-year low food inflation 3) cut in interest rates and CRR and 4) benefits of tax cuts in FY26 budget. 1Q26 has shown a mixed trend with stable demand and no major acceleration. The upcoming festival season and spatial distribution of monsoons holds key to broad based demand revival.

FY27 NIFTY EPS was introduced in Oct24 and there has been a cut of 7.3% and 6.15% in PL NIFTY EPS for FY26 and FY27. NIFTY EEPS has seen a change of -1.5/-0.6% for FY26/27 with 13.4% CAGR over FY25-27 and EPS of Rs1271/1451. We value NIFTY at 2.5% discount to 15-year average PE at 18.5x and arrive at 12-month target of 26889 (25521 earlier). We believe that domestic oriented sectors like Domestic Pharma, select staples, Banks, capital goods, defense and power will outperform in the near term.

FY26/27 EPS cut 1.2/0.6%, 13.4% EPS CAGR over FY25-27

We estimate a growth of 2% in sales, 15% in EBIDTA and 15.6% in PBT for our coverage universe. Ex oil & Gas, we estimate 10.5% growth in EBIDTA and 7.7% in PBT. Telecom, AMC, EMS, cement, Capital Goods and Oil and Gas will lead to growth. Building material, consumer durables, travel, financial services will report decline in PBT. Banks, Consumer, IT and Pharma will report less than mid- single digit PBT growth.

- EMS and AMCs will report 43.2% and 59.5% PBT growth on strong EBDTA growth. Commodity sectors like cement and oil and Gas will report EBIDTA growth of 42.6% and 29.7% on low base and inventory gains. Capital Goods, Financial services and Hospitals will report EBIDTA growth of 15.9/18.7/20.9% respectively. Banks/consumer/ IT services/ Pharma and Travel will report a growth of 5.4%/3.8/4.8/5/5.5%.

- Building Materials, consumer, Pharma, Durables and travel will report a YoY decline in EBITDA margins by 28-107bps. Cement, Metals, Oil and Gas, EMS and Telecom will report a margin expansion of 458/186/396/393/382 bps YoY.
- Demand scenario remains mixed as rural demand remains steady and urban demand is showing faint signs of slow recovery. 1Q has a positive impact of marriage season demand marred by erratic rains and Operation Sindoor. Marriage demand has been positive for jewellery, watches and 2-wheelers etc. Durables (AC, Fans) have been hit by early monsoons and incessant rains all through April and May25.
- Consumer staples have shown some uptick in demand on lower inflation and the waning impact of price increases to neutralize RM inflation as current RM trends remain favorable. Competitive intensity remains elevated led by B2C brands and dilution of distribution moat enjoyed by consumer companies due to quick/ online commerce.
- Capital goods and defense - Public capital expenditure by the Government of India witnessed robust growth in the first two months of FY26, increasing by 61% YoY in April and 39% YoY in May. Additionally, capex by the Ministry of Defense rose by 92% in April and 271% in May, aligning with the government's focus on defense indigenization and likely supporting improved order visibility for domestic defense manufacturers.
- Demand for cement and steel remained tepid and the outlook remains mixed with all eyes on 2H26. Benign inputs are likely to provide margin support. Metals have seen firm prices while crude has been weak. Cement sector should show better profitability due to benign inputs.
- Banks are showing some pressure on credit growth. Recent rate cuts are likely to revive growth and CRR cut will support margins better than expected.
- We believe that domestic oriented sectors will continue to outperform. We expect Domestic Pharma, Retail, select staples, Banks, defense and power sectors to outperform in near term.
- The earnings outlook has remained hazy. FY27 NIFTY EPS was introduced in Oct24 and there has been a cut of 7.3% and 6.15% in PL NIFTY EPS for FY26 and FY27. Consensus EPS cuts have been steeper at 8.9% and 7.5% respectively, NIFTY during the same period has moved up by just 0.8%. NIFTY free float EPS growth during FY23-25 has been 14.2% and the growth over FY25-27 is estimated at 13.4%.
- NIFTY EEPS has seen a change of -1.5/-0.6% for FY26/27 with 13.4% CAGR over FY25-27 and EPS of Rs1271/1451. Our EPS estimates are lower than consensus by 1.7/2.9% for FY26/27. NIFTY is currently trading at 19x 1-year forward EPS, which is at par with 15-year average and is at a discount of 5.4%-to-10-year average PE of 20.1x.
- **Base Case:** We value NIFTY at 2.5% discount to 15-year average PE at 18.5x with March27 EPS of 1451.5 and arrive at 12-month target of 26889 (25521 earlier). **Bull Case:** We value NIFTY at PE of 20x and arrive at bull case target of 28957 (27590 earlier). **Bear Case:** Nifty can trade at a 10% discount to LPA with a target of 24821 (24831 earlier).

- **Model Portfolio:** We remain overweight on Banks, Healthcare, Consumer, Telecom and Capital goods. We remain underweight on IT services, cement and metals, diverse financials and Oil and Gas. We increase weight on Axis Bank, SBI, Apollo Hospitals, and add Chola Finance in model portfolio.
- **High Conviction Picks:** We are removing Max Healthcare, Britannia, M&M, Sun Pharma, Rainbow Hospitals, Chalet and Eris from conviction picks as of now. We structurally remain positive on most of these names, but current stock prices are close to our target prices leaving little room for an upside in near term. We add Apollo Hospitals, Lupin labs and Samhi hotels in our picks.

Broad based demand recovery remains elusive

GOI has taken several initiatives to push for revival of domestic consumption demand, but it had a very limited impact so far. Rural demand has shown revival from the past few quarters as normal monsoons last year, improved crop prices and peaked out inflation enabled recovery. However, urban demand had nosedived as food inflation showed a spike in 3Q25. The analysis of the actual demand trend across consumption sectors depicts that:

- Consumer durables demand peaked in 1Q25 as AC demand was strong due to harsh summers, post that there has been a gradual softening of sales growth across segments. Weather trends have further affected sales in 1Q26.
- FMCG sales, which have been in a slow lane, have seen a revival in 1Q26 as the impact of volume stabilization and price hikes of last year enable growth.
- Discretionary consumption sales have been steady due to higher gold prices and gains by listed players from unorganized trade channels.
- Overall 2W/PV demand remains tepid with 1Q volumes showing a decline YoY.

Exhibit 2: Demand shows mixed trend as broad based recovery eludes

	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1 FY26
Electrical & Consumer Durables	6.5%	5.4%	4.4%	12.4%	15.5%	11.4%	9.2%	7.9%	5.1%
Lighting & Switchgear	0.2%	1.2%	2.5%	5.9%	5.7%	3.2%	7.3%	4.6%	6.2%
Discretionary Sales	15.4%	16.1%	13.7%	11.5%	8.3%	8.4%	13.2%	12.0%	13.5%
FMCG	12.7%	10.4%	5.2%	5.7%	3.4%	4.7%	3.1%	3.5%	5.6%
Hotels	23.1%	19.1%	20.1%	19.5%	10.9%	22.4%	22.4%	22.9%	21.5%
Building Material	6.8%	12.1%	8.5%	15.1%	9.4%	4.2%	4.5%	3.1%	0.0%
2-Wheelers	11.2%	-1.6%	22.6%	24.9%	20.4%	12.6%	3.0%	1.4%	-7.3%
Passenger Vehicles	9.4%	4.7%	8.3%	11.5%	3.0%	-1.8%	4.5%	2.4%	2.3%

Source: PL

Consumer Confidence: Divergence Between Urban and Rural Sentiment

Urban and rural sentiments are showing signs of divergence. FY25 saw gradual build up in rural sentiments, more so after normal monsoons. Urban sentiments dipped after spike in food inflation in 3Q, however with food inflation coming off, the sentiments are gradually improving.

Urban sentiments seem to have bottomed out

- **Urban Current Situation Index (CSI)** fell from a near-term high of 98.5 in Mar-24 to 93.7 by Jan-25, while the **Future Expectations Index (FEI)** softened from 125.2 to 120.7 over the same period. The subdued optimism reflected urban employment concerns, persistent inflation in food and services, and a cautious stance on discretionary spending.
- **Urban Consumption Supported by Stable Core and Fuel Prices:** Muted core and fuel inflation, combined with recent monetary policy easing, have created headroom for discretionary consumption. The urban CSI and FEI have shown an improvement from Jan25 lows showing the impact of moderating inflation

which will boost demand with a lag. Categories such as personal transport, consumer electronics, retail and residential upgrades are expected to benefit from the dual tailwinds of lower EMI and improved real incomes.

Rural sentiments steady, normal monsoons may lift it further

- **Rural households**, conversely, show more resilience. The rural CSI has been steadily rising from 96.5 in Jan-24 to 100 by May-25, while the FEI improved from 124.3 to 125.9. This suggests stronger sentiment driven by favourable monsoon/agricultural output and increased government spending in rural development schemes. Rural demand has been ahead of urban demand from past few quarters. Benign inflation and normal monsoons will help sustain firm rural demand in coming quarters.
- **Real Income Effects and Rural Demand Recovery**: The sustained decline in food prices, particularly in vegetables and cereals, has enhanced the real purchasing power of rural and low-income households. With food accounting for a significant share of their consumption basket, this disinflation is expected to translate into higher spending on fast-moving consumer goods (FMCG), Agri-inputs, Auto, housing, marriages and low-value durables. The increase in Kharif sowing, aided by a normal monsoon, further supports a positive rural income outlook.

Exhibit 3: Consumer Confidence Survey: gradual uptick positive for demand

Month	Urban		Rural	
	Current situation index	Future expectations index	Current situation index	Future expectations index
Jan-24	95.1	123.1	96.5	124.3
Mar-24	98.5	125.2	100.4	125.9
May-24	97.1	124.8	98.8	124.7
Jul-24	93.9	120.7	96.1	122.4
Sep-24	94.7	121.4	96.9	123.4
Nov-24	94.0	121.9	96.4	123.9
Jan-25	93.7	120.7	98.0	124.1
Mar-25	95.5	122.4	100.1	125.9
May-25	95.4	123.4	100.0	126.2

Source: CMIE, PL

Tax Relief expected to accelerate Demand in FY26

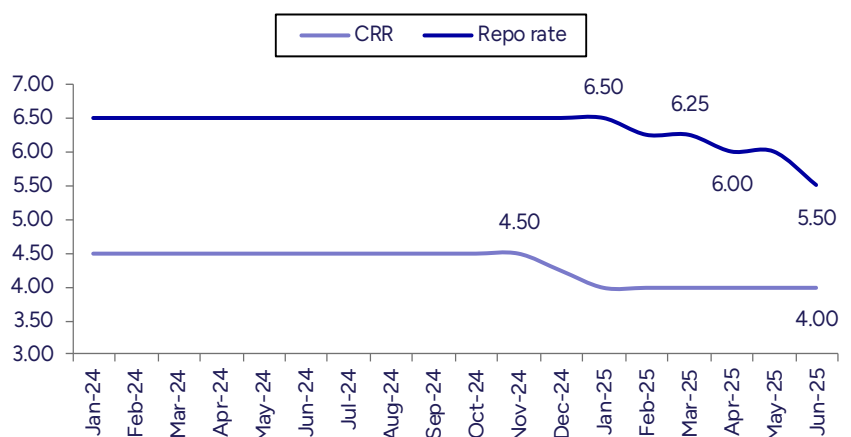
The ₹1 Lakh crore income tax relief announced in the Union Budget FY26 has begun to lift consumer sentiment, particularly in urban India, although clear signs of revival are not yet visible (1Q26). The restructured personal income tax regime has raised disposable incomes for over 5.65 crore taxpayers, with maximum benefit accruing to salaried individuals in the ₹8–24 lakh income range. The trajectory of consumption recovery is expected to unfold along the following lines:

- **High-Income Households Driving Discretionary Spending:** Given that the tax relief disproportionately benefits individuals earning above ₹8 lakh annually, there has been a stronger uptick in discretionary consumption. Travel bookings, home renovation, lifestyle products, and jewellery have seen recovery, especially in Tier-1 and Tier-2 cities, sustaining consumption recovery at the premium end.
- **Festive Season to Catalyze Broad-Based Recovery:** The full consumption impact of tax cuts is expected to materialize from August onwards, coinciding with Raksha Bandhan, Ganesh Chaturthi, and Onam festivals. With monsoons progressing well and inflation moderating, rural sentiment is also expected to strengthen, supporting broader demand recovery.
- **Tax Cuts Gain Traction Amid Stable Inflation:** The impact of ₹1 lakh crore in income tax relief is being strengthened by easing food inflation (down from 10.8% to 1%) and stable global commodity prices, which are preserving real incomes. RBI's June rate cut, and liquidity support further ease borrowing costs, amplifying the tax cuts' effect on demand recovery. The tax savings are estimated to drive ₹3.3 lakh crore in additional consumption over FY26.

RBI Shifts Gear: Focus on Growth with sharp rate cut

In a bold move to support domestic demand, the Reserve Bank of India (RBI), in its June 2025 monetary policy meeting, cut the repo rate by 50 basis points to 5.5% (third consecutive reduction with a cumulative easing of 100 bps since February 25). Alongside the rate cut, the RBI also announced a phased 100 bps reduction in the Cash Reserve Ratio (CRR) from 4% to 3% starting September 2025, aimed at injecting ₹2.5 lakh crore of durable liquidity into the banking system. The cut reflects RBI's growing concern over weakening global growth in an environment of slow domestic inflation and the need to accelerate the economy.

Exhibit 4: CY25 has seen a 100bps reduction in repo rate and 50bps in CRR



Source: Company, PL

Policy Stance Shifts to 'Neutral': RBI has changed its stance from 'Accommodative' to 'neutral', reflecting a more flexible approach even as the easing bias is still present, the RBI now aims to respond dynamically to macro data – especially inflation, external spillovers, and liquidity trends.

Credit Disbursal Trends: Easing Liquidity and Shifting Sectoral Dynamics

- Recent trends in bank credit disbursal indicate a notable recalibration in lending patterns across key consumption-linked sectors. On a year-over-year basis, unsecured credit, which had experienced robust growth through FY24 (peaking at 29.7% in Q1FY24)—has decelerated sharply to 8.3% by Q4FY25. Similarly, credit to consumer durables has contracted, turning negative in H2FY25, which points to softening discretionary demand and likely saturation in certain urban consumption pockets.
- In contrast, the services and housing sectors—though also on a decelerating path—have shown relative resilience. Credit growth to services moderated from 23.8% in Q4FY24 to 15.8% by Q4FY25, while housing credit remained more stable, declining modestly from 13.4% to 10.7% over the same period. This relative stability suggests underlying demand support from structural urbanization and policy tailwinds such as affordable housing incentives.

Exhibit 5: Outstanding Banking Credit growth slows down

SECTOR	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25
Services	22.7%	21.5%	22.9%	23.8%	18.8%	15.8%	14.3%	15.8%
Housing	14.7%	13.1%	12.9%	13.4%	13.5%	12.6%	11.1%	10.7%
Unsecured	29.7%	24.7%	22.6%	19.6%	14.8%	12.4%	10.2%	8.3%
Consumer Durables	16.7%	9.8%	13.6%	13.0%	7.6%	8.6%	-1.1%	-1.3%

Source: RBI, PL

Improved Liquidity & Lending Capacity: The phased CRR cut is set to release substantial liquidity, enhancing banks' ability to lend and easing funding constraints. As funding costs decline, banks are likely to offer more competitive lending rates, especially in unsecured credit and SME financing. Similarly, the pressure on banks to curtail retail and unsecured credit seems to have peaked, which in the current environment of lower CRR incentivizing greater credit flow to consumption-linked sectors such as housing, automobiles, and small businesses.

Cheaper Credit & Lower EMIs: With the policy rate reduced to 5.50%, banks are expected to lower lending rates across key consumer segments such as housing, auto, personal, and MSME loans. For homebuyers, this translates into meaningful EMI savings and improved affordability, particularly for middle- and upper-middle-income households. The easing of borrowing costs is expected to unlock discretionary spending and strengthen credit demand in interest-sensitive sectors.

Policy Transmission and Credit-Linked Consumption: With inflation expectations firmly anchored and liquidity conditions improving post-CRR reduction, transmission of past policy rate cuts is gaining momentum. Lower borrowing costs are expected to spur credit demand in segments such as housing, personal loans, and SME financing. This will further reinforce consumption recovery, particularly among middle-income cohorts.

Inflation Trends Turning Benign

India's inflation landscape has undergone a sharp and sustained turnaround over the past year, led primarily by a steep moderation in food prices. After peaking at 3QFY25, the headline Consumer Price Index (CPI) inflation has consistently trended downward, falling to 2.1% in June 2025, the lowest in over three years. This easing trajectory is underpinned by a broad-based decline in food inflation—particularly in perishables like vegetables and pulses—alongside softening global commodity prices and stable core inflation.

Food Inflation: enters a deflationary zone

- Inflation in the Food and Beverages fell sharply from a peak of 9.7% in October 2024 to a decline of 0.2% in June 2025. The Consumer Food Price Index (CFPI) also declined from 10.9% to -1.1% over the same period, reflecting a correction in high-frequency prices of perishables—particularly vegetables and pulses—amid improved rabi arrivals, easing mandi prices (DPIIT), and favourable monsoon outlook.
- Government supply-side interventions—such as the release of buffer stocks, import facilitation of pulses, and retail price controls—also helped moderate food inflation. Recent change in duty structure on imports of edible oils will further soften food inflation.
- As of early July 2025, 11.1% YoY increase in Kharif sowing has further reinforced expectations of a strong agricultural supply outlook.

Fuel and Light: From Deflation to Stabilization

The Fuel and Light segment remained in deflation for much of FY25, reaching a low of -5.5% in July 2024. However, inflation turned positive by Q1 FY26, registering 2.8% in May which has softened to 2.6% in June 2025, largely due to soft global energy prices. Overall energy prices are likely to remain stable as crude is likely to remain in a range of USD 65–75 per barrel range.

Core Inflation: Sticky but Stable

Core inflation, which excludes volatile food and fuel components, remained relatively sticky with 20bps MoM increase in June25, reflecting structural price rigidity in services.

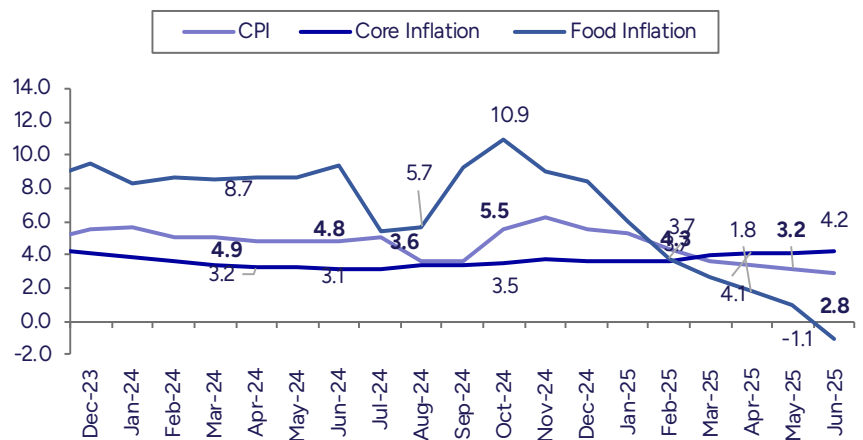
- The Miscellaneous category, a proxy for core services, rose from 5.2% to 5.5%, driven by elevated costs in education, healthcare, and personal care.
- Housing inflation inched up modestly from 2.6% to 3.2% in May and is steady at the same rate, indicating firming urban rental dynamics. Clothing and Footwear inflation declined 10bps to 2.6%, reflecting stable input costs and moderate consumer demand.
- The Pan, Tobacco & Intoxicants segment remained contained in the 2.4–3.1% range due to regulatory pricing and tax stability.

Exhibit 6: Food Inflation has softened from a high of 10.9% in Oct to a decline of 1.1% in June25

Consumer Price Index (CPI)		Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Weight		5.1	3.6	3.7	5.5	6.2	5.5	5.2	4.3	3.6	3.3	3.2	2.8	2.1
Food, Beverages	45.9	8.4	5.1	5.3	8.4	9.7	8.2	7.7	5.7	3.8	2.9	2.1	1.5	-0.2
Pan Tobacco and Intoxicants	2.4	3.1	3.0	2.7	2.5	2.5	2.3	2.5	2.3	2.4	2.5	2.1	2.4	2.4
Clothing and Footwear	6.5	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.7	2.7	2.6
Housing	10.1	2.7	2.7	2.7	2.7	2.8	2.9	2.7	2.8	2.9	3.0	3.0	3.2	3.2
Fuel and light	6.8	-3.6	-5.5	-5.3	-1.3	-1.7	-1.8	-1.3	-1.4	-1.3	1.5	2.9	2.8	2.6
Miscellaneous	28.3	3.4	3.8	3.9	4.0	4.3	4.3	4.2	4.3	4.8	5.0	5.0	5.2	5.5
Consumer Food Price Index	39.1	9.4	5.4	5.7	9.2	10.9	9.0	8.4	6.0	3.7	2.7	1.8	1.0	-1.1

Source: CMIE, PL

Exhibit 7: Core Inflation up by 20bps to 4.4%, food inflation declines 1.1%

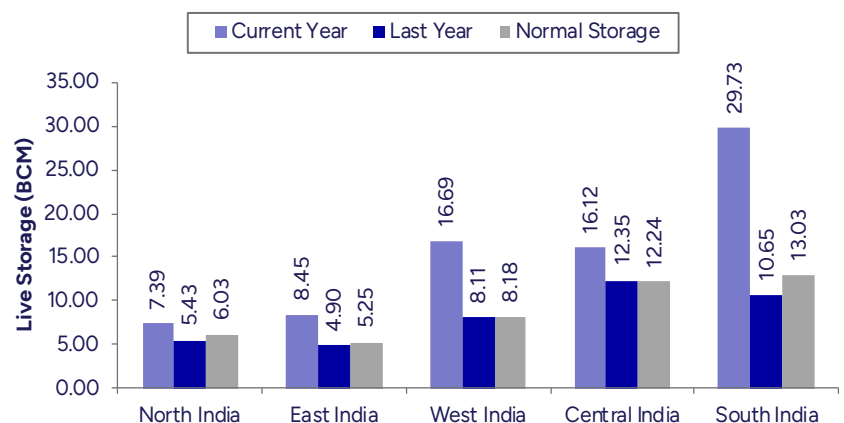


Source: CMIE, PL

Monsoon – Normal monsoons positive for demand

India's water reservoir levels at 78.4BCM remain significantly higher than last years and normal levels of 41.4/44.7bn BCM. With monsoons likely to be 106% of LPA and rising water reservoir levels, the hopes of a good crop for both Kharif and Rabi look positive at this point of time.

Exhibit 8: Reservoir levels remain higher than LY and normal levels



Source: Company, PL

Exhibit 9: Reservoir Storage (BCM) - July 3rd, - up 89% YoY

Region	2025	2024	Normal Storage	Change YoY	vs Normal storage
All India	78.38	41.43	44.73	89%	75%
North India	7.39	5.43	6.03	36%	23%
East India	8.45	4.90	5.25	72%	61%
West India	16.69	8.11	8.18	106%	104%
Central India	16.12	12.35	12.24	31%	32%
South India	29.73	10.65	13.03	179%	128%

Source: Company, PL

- The southwest monsoon arrived early this year—covering all regions by June 29, more than a week ahead. With the southwest monsoon progressing well, cumulative rainfall is 15% above LPA.
- Spatial distribution variation persists with east and northeast having 19% deficit in monsoon rain while south peninsula is 4% deficient in rains. Northwest and central India has a surplus of 33% and 44% in rains so far.
- 29 out of 36 metrological subdivisions have normal or excess rainfall while 7 regions have deficient rains. 86% of the area in the country has normal/excess rainfall while 14% of the areas have deficient rainfall.

Exhibit 10: Rainfall Data – East and Northeast has shortfall in rains

Period ending	Cumulative % Deviation from Normal				
(Base: June1,2025)	EAST & NORTH-EAST INDIA	NORTH-WEST INDIA	CENTRAL INDIA	SOUTH PENINSULA	Country as a whole
11-Jun-25	-24%	-28%	-47%	-41%	-34%
18-Jun-25	-28%	-3%	-5%	0%	-11%
25-Jun-25	-10%	37%	18%	-5%	7%
02-Jul-25	-18%	45%	28%	-1%	11%
09-Jul-25	-19%	33%	44%	-4%	15%

Source: Company, PL

Exhibit 11: 29 out of 36 metrological subdivisions and 86% of area has normal and above rainfall

CATEGORY	No. of Subdivisions				Subdivisional %area of country			
	18-Jun-25	25-Jun-25	02-Jul-25	09-Jul-25	18-Jun-25	25-Jun-25	02-Jul-25	09-Jul-25
Large Excess	2	4	6	7	8%	13%	24%	28%
Excess	5	8	10	10	12%	25%	24%	25%
Normal	13	14	13	12	31%	36%	39%	33%
Deficient	16	10	7	7	49%	26%	13%	14%
Large Deficient	0	0	0	0	0%	0%	0%	0%
No Rain	0	0	0	0	0%	0%	0%	0%

Source: Company, PL

Exhibit 12: Kharif Sowing – up 11% led by pulses and coarse cereals

Crops (Lac Ha)	Till 4th July			
	Normal Area	In 2025	In 2024	YoY %
Rice	403.09	69.3	64.52	7.4%
Pulses	129.61	42.57	31.48	35.2%
Coarse Cereals	180.71	77.18	63.79	21.0%
Oilseeds	194.63	108.25	94.94	14.0%
Sugarcane	52.51	55.16	54.88	0.5%
Jute & Mesta	6.59	5.47	5.62	-2.7%
Cotton	129.5	79.54	78.58	1.2%
Total		437.47	393.81	11.1%

Source: Company, PL

Rural Incomes to boost consumption demand: Improved Kharif sowing—up 11.1% YoY in Q1, 2025 and expectations of a better Rabi season (normal monsoons, soil moisture and water reservoir levels) are set to lift rural incomes across major crop-producing states. This recovery will support consumption in FMCG, durables, auto, housing, appliances, mobile phones and apparel etc.

Food Inflation to Remain Low, Real Incomes to Rise

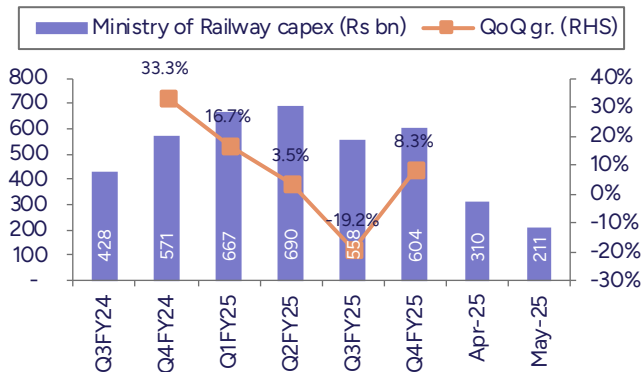
- A well-distributed and normal monsoon is expected to contain food inflation, particularly for perishables like vegetables and pulses. Benign inflation on a high base of 2H25 will improve real purchasing power, especially for rural and fixed-income households.
- Sentiment and Employment Multiplier: Higher rainfall supports not just crop output but also ancillary rural employment through farm labor, logistics, and rural construction. The resulting increase in income and sentiment tends to fuel demand in sectors like tractors, two-wheelers, rural housing, and low-ticket consumer finance. This feedback loop between agricultural output and consumption is especially pronounced in Tier 3 and Tier 4 towns.

Public capex front ended, mfg. capex sees uptick in 2025

Public capital expenditure by the Government of India witnessed robust growth in the first two months of FY26, increasing by 61% YoY in April and 39% YoY in May. This strong momentum in infrastructure-led public capex is expected to accelerate the pace of tendering activity across the country, driving higher order inflows for project execution companies.

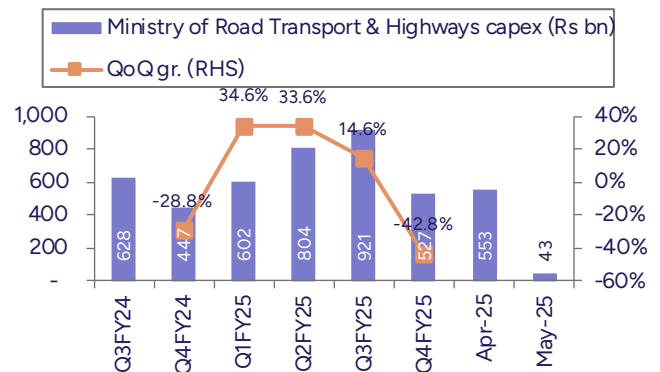
Additionally, capex by the Ministry of Defence rose significantly by 92% in April and 271% in May, aligning with the government's focus on defence indigenization and likely supporting improved order visibility for domestic defence manufacturers.

Exhibit 13: Ministry of Railway capex growth



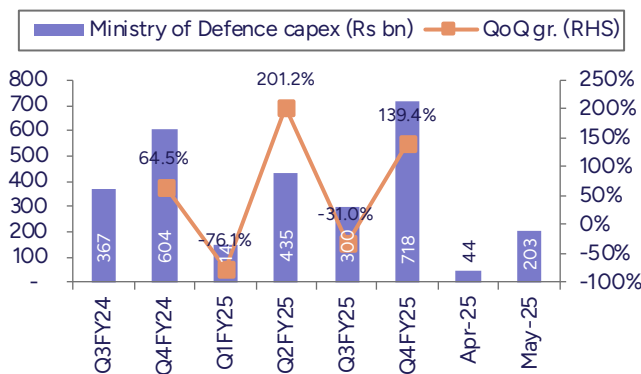
Source: Industry, PL

Exhibit 14: Ministry of Road Transport capex in Q1FY26



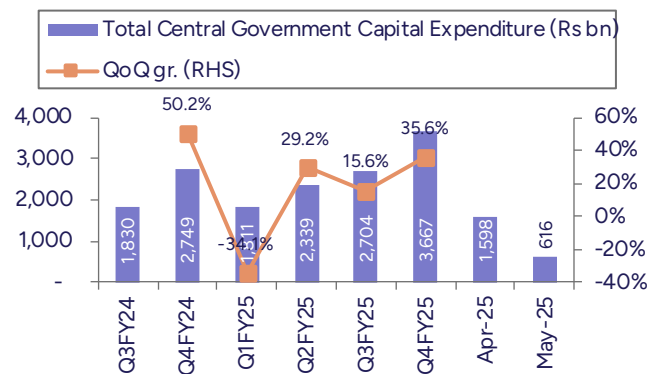
Source: Industry, PL

Exhibit 15: Ministry of Defense spent ~Rs203bn in May



Source: Industry, PL

Exhibit 16: Robust YoY growth in total capex by government

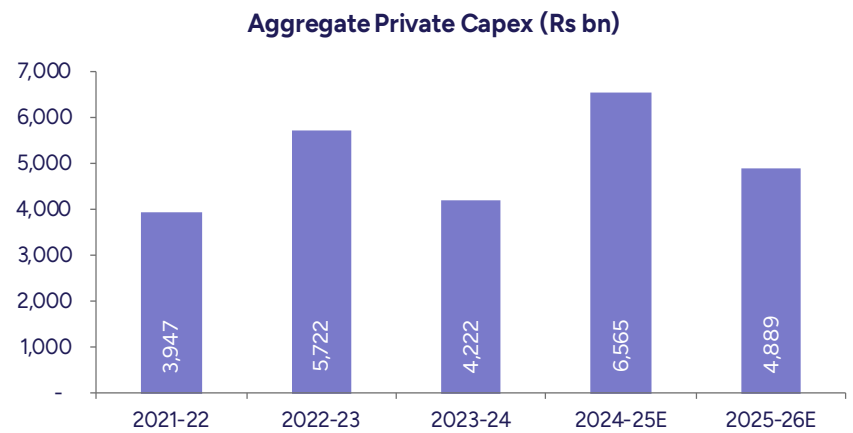


Source: Industry, PL

Manufacturing leads to private capex revival

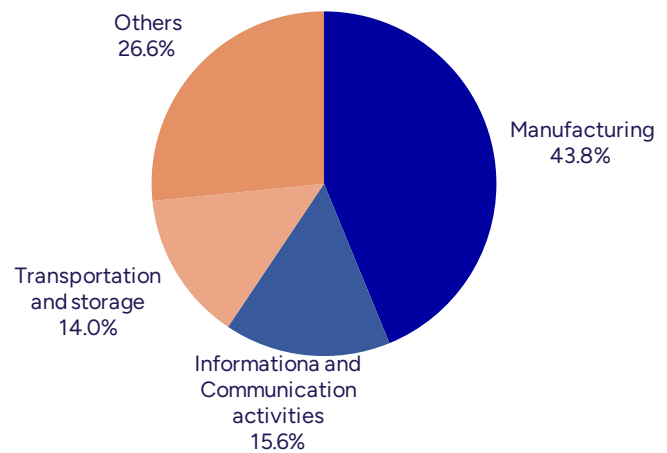
Private sector capital expenditure in India for the acquisition of new gross fixed assets is expected to grow by ~55% YoY to Rs6.6trn in 2025. Over the period 2022–2026E, private capex is expected to register a healthy CAGR of ~24%, driven predominantly by investments in the manufacturing sector, which is estimated to account for 43.8% of total private capex in 2025. This strong momentum in private sector investment, alongside robust public capex, is anticipated to support increased ordering activity for capital goods companies within our coverage universe.

Exhibit 17: Private capex to see a ~55% YoY growth in 2025



Source: MOSPI

Exhibit 18: Manufacturing to lead the private capex surge



Source: MOSPI

Nifty Valuation

	Weight-age (%)	FY24	FY25	FY26E	FY27E		Weight-age (%)	FY24	FY25	FY26E	FY27E
Banking & Fin.	37.4					Telecom	4.7				
PER (x)		22.8	21.1	18.3	15.7	PER (x)		86.2	44.2	38.8	33.5
PAT Growth (%)		22.3	7.9	15.3	16.9	PAT Growth (%)		61.4	95.0	14.0	15.7
Technology	11.1					Cement	1.3				
PER (x)		27.0	24.8	23.4	21.3	PER (x)		52.9	61.3	40.5	27.9
PAT Growth (%)		3.8	8.7	5.8	10.0	PAT Growth (%)		38.3	(13.8)	51.6	45.2
Oil & Gas	9.8					Others	1.5				
PER (x)		18.9	21.6	19.7	19.5	PER (x)		54.7	44.9	40.3	29.2
PAT Growth (%)		33.6	(12.5)	9.8	1.0	PAT Growth (%)		(4.6)	21.9	11.3	38.2
Consumer	11.4					Ports & Logistics	0.9				
PER (x)		52.4	55.4	49.4	42.2	PER (x)		38.2	27.9	24.6	21.3
PAT Growth (%)		18.1	(5.4)	12.1	17.0	PAT Growth (%)		52.8	36.8	13.6	15.5
Auto	7.1					Nifty as on Jul 14	25,082				
PER (x)		20.9	23.2	19.7	18.6	EPS (Rs) - Free Float - PL		1,018.4	1,127.8	1,271.0	1,451.5
PAT Growth (%)		154.6	(10.2)	18.0	5.6	Growth (%)		17.7	10.7	12.7	14.2
Eng. & Power	7.5					PER (x)		24.6	22.2	19.7	17.3
PER (x)		26.1	23.7	21.5	18.8	EPS (Rs) - Free Float - Nifty Cons.		1,018.4	1,127.8	1,292.5	1,494.6
PAT Growth (%)		16.9	10.4	10.3	14.0	Var. (PL e v/s Cons.) (%)		-	-	(1.7)	(2.9)
Pharma	3.6					Sensex as on Jul 14	82,253				
PER (x)		36.2	31.3	29.1	26.8	EPS (Rs) - Free Float - PL		3,012.3	3,631.8	3,824.0	4,386.6
PAT Growth (%)		21.5	15.6	7.5	8.5	Growth (%)		9.8	20.6	5.3	14.7
Metals	3.6					PER (x)		27.3	22.6	21.5	18.8
PER (x)		14.3	14.2	11.1	9.3	EPS (Rs) - Free Float - Sensex Cons.		3,012.3	3,631.8	3,870.4	4,486.1
PAT Growth (%)		8.6	0.6	28.7	19.1	Var. (PL e v/s Cons.) (%)		-	-	(1.2)	(2.2)

Source: Company Data, PL

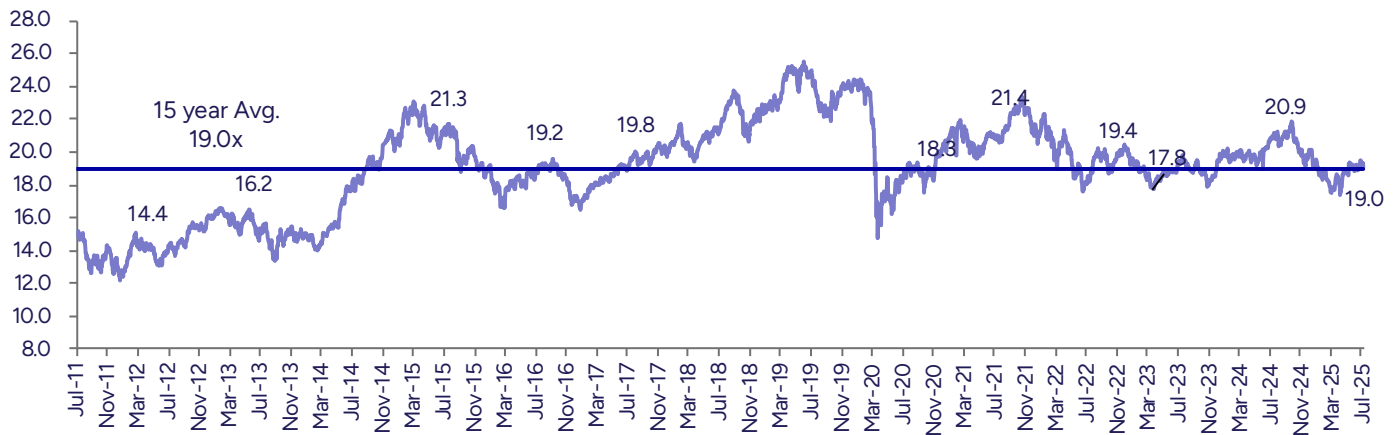
Note: Sector Weightages updated as on July 14, 2025

Exhibit 19: FY26: Cement, Metals, Telecom, CG, BFSI to see higher growth; Auto, Healthcare and Oil and Gas to drag earnings

	NIFY Sectoral EPS - PLe (Rs)				% Gr.				% Contribution to total EPS			
	2024	2025	2026	2027	2024	2025	2026	2027	2024	2025	2026	2027
Auto	91.6	86.8	101.7	107.1	148.4%	-5.3%	17.2%	5.3%	9.0%	7.7%	8.0%	7.4%
BFSI	441.5	497.8	556.4	650.5	15.2%	12.8%	11.8%	16.9%	43.3%	44.1%	43.8%	44.8%
Cement	6.6	6.0	9.1	13.2	32.0%	-8.8%	51.0%	45.2%	0.6%	0.5%	0.7%	0.9%
Consumer	62.2	63.0	70.7	83.6	13.0%	1.3%	12.2%	18.2%	6.1%	5.6%	5.6%	5.8%
Eng. & Power	71.9	84.4	95.0	110.1	12.7%	17.4%	12.5%	15.9%	7.1%	7.5%	7.5%	7.6%
Healthcare	27.7	33.9	36.0	38.0	17.7%	22.4%	6.1%	5.5%	2.7%	3.0%	2.8%	2.6%
Metals	59.5	67.6	88.8	108.8	-4.1%	13.6%	31.4%	22.4%	5.8%	6.0%	7.0%	7.5%
Oil & Gas	120.1	115.3	125.2	126.2	19.1%	-4.0%	8.6%	0.8%	11.8%	10.2%	9.8%	8.7%
Others	9.1	9.1	11.9	16.7	-15.4%	0.2%	30.4%	40.5%	0.9%	0.8%	0.9%	1.1%
Ports & Logistics	6.5	9.4	10.6	12.2	45.8%	44.7%	13.2%	15.5%	0.9%	0.8%	0.9%	1.1%
Technology	106.7	123.5	130.4	144.4	-3.1%	15.8%	5.5%	10.8%	0.6%	0.8%	0.8%	0.8%
Telecom	15.0	31.0	35.3	40.8	54.0%	106.4%	13.6%	15.7%	10.5%	11.0%	10.3%	9.9%
Nifty	1,018.4	1,127.8	1,271.0	1,451.5	17.7%	10.7%	12.7%	14.2%				

Source: PL

Exhibit 20: Nifty trading at 15- year average 1-year forward PE

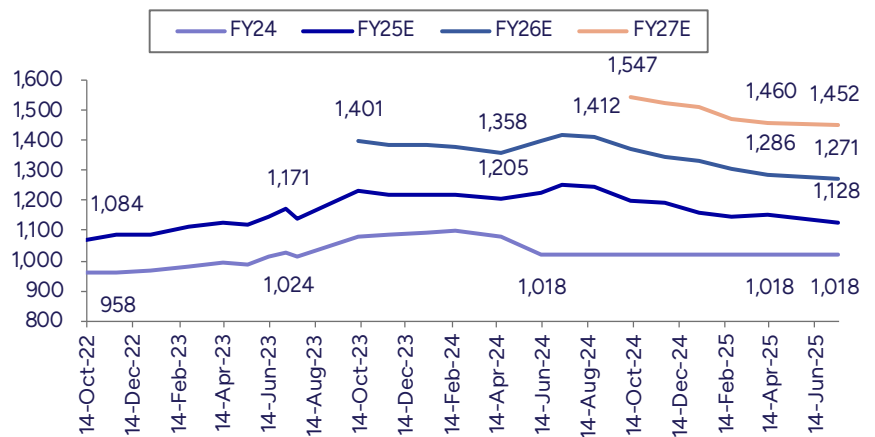


Source: PL

FY26/27 EPS has seen a cut of 1.2/0.6% while consensus EPS has seen a cut of 3/2.2%

PL estimates for FY26/27 are 1.7/2.9% lower than consensus.

Exhibit 21: NIFTY EPS trend – FY25-27 CAGR at 13.4%



Source: PL

Exhibit 22: Model Portfolio v/s Nifty

Returns	Model Portfolio	Nifty	Perf.
Since Nov'18	156.0%	133.0%	22.9%
Since Last Report	1.2%	1.1%	0.1%
Since Apr'23	15.1%	14.0%	1.1%

Source: PL

Model Portfolio

Sectors	Mcap (Rs bn)	Nifty Weightage (%)	PL Weightage (%)	Weights
Automobiles		7.1	7.1	Equalweight
Mahindra & Mahindra	3,845	2.4	3.2	
Maruti Suzuki	3,934	1.4	2.1	
Tata Motors	2,483	1.3	0.8	
Eicher Motors	1,519	0.7	1.0	
Banks		31.1	32.0	Overweight
Axis Bank	3,637	2.9	3.0	
HDFC Bank	15,205	13.3	12.0	
ICICI Bank	10,155	8.8	10.0	
Kotak Mahindra Bank	4,382	2.8	4.0	
State Bank Of India	7,219	2.7	3.0	
Cement and Metals		4.9	3.3	Underweight
UltraTech Cement	3,688	1.3	1.3	
Hindalco Industries	1,498	0.9	1.0	
Tata Steel	2,003	1.2	1.0	
Capital Goods & Engineering		7.5	10.6	Overweight
ABB	1,197		2.6	
Larsen & Toubro	4,808	3.7	3.5	
Siemens	1,123		1.5	
Bharat Electronics	2,977	1.3	1.5	
Hindustan Aeronautics	3,268		1.5	
Consumer		11.5	12.6	Overweight
Britannia Industries	1,392	1.6	2.0	
Hindustan Unilever	5,913	1.9	1.0	
Interglobe Aviation	2,296		3.0	
ITC	5,250	3.4	3.6	
Titan Company	3,023	1.2	2.0	
Pidilite Industries	1,508		1.0	
Healthcare		3.6	7.3	Overweight
Max Healthcare	1,214.79		2.3	
Sun Pharmaceutical Industries	4,037	1.6	1.7	
Lupin Lab	1,199		1.0	
Apollo Hospitals Enterprises	1,038	0.7	2.3	
IT		11.2	8.9	Underweight
Infosys	6,523	5.1	4.3	
LTI Mindtree	1,528.57		1.6	
Tata Consultancy Services	11,660	3.0	3.0	
Diversified Financials		6.4	4.2	Underweight
HDFC AMC	1,089		1.0	
Bajaj Finance	5,710	2.2	2.2	
Cholamandalam Investment & Fin. Co.	1,286		1.0	
Oil & Gas		9.8	9.0	Underweight
Reliance Industries	20,079	9.0	9.0	
Telecom		4.7	5.0	Overweight
Bharti Airtel	11,521	4.7	5.0	
Others		2.4	-	Underweight
Cash			-	

PL Model Portfolio has outperformed NIFTY by 22.9% since Nov 2018, 1.1% since April 23 and flat since last report.

Please refer the Model Portfolio Disclaimer at the end of this report.

- **Automobiles: Equal weight:** We retain equal weight. We are lowering weights behind TAMO due to slow CV and domestic PV demand and uncertainty around JLR. We retain positive stance on M&M given strong momentum in both PV and Tractors. We expect Maruti to gain traction with revival in demand. We are adding Eicher as a domestic play which caters to premium segment which should sustain demand in a challenging scenario.
- **Banks: overweight:** We retain overweight on Banks given reasonable valuations and less impact of global uncertainties on their operations. We turn overweight Axis Bank and SBI given that they will be bigger beneficiaries of recent changes in on Repo rate and CRR cuts.
- **Capital Goods – Overweight:** We retain overweight on capital goods given strong ordering momentum and execution in Govt orders and expected strength in domestic manufacturing capex. We increase weight behind L&T on strong ordering momentum and likely strength in Middle East business.
- **Consumer: Overweight:** We remain overweight on consumers with a stock specific approach. We cut weight behind Britannia by 50bps post ~20% rally in stock price from the lows. We believe Interglobe Aviation is well placed to gain from sustained travel and likely a reduction in ATF prices, we remain significantly overweight on the stock.
- **Healthcare: Overweight:** We remain structurally positive on Hospitals and increase weight behind Apollo Hospitals as a large cap domestic centric play. We believe the demerger of Apollo24*7 will unlock value and provide an upside to the resultant business of Apollo Hospitals.
- **IT services: Underweight:** we remain underweight on IT services as current phase of global uncertainty will result in slow ordering by clients. Although BFSI is holding strong, but any potential slowdown in retail, ER&D and manufacturing can delay recovery.
- **Oil and Gas: underweight;** we remain underweight but are equal weight on RIL given likely strength in refining business and value assignment in new energy business in future.
- **Telecom: Overweight:** we retain overweight on Bharti Airtel as a structural play on rising data usage in telecom.
- **Cement and metals:** We remain underweight on cement and metals as domestic demand remains sluggish. However, pricing and profitability is showing an uptick. We add Tata steel to model portfolio as firm steel prices will improve profitability.

Conviction Picks Changes

We are removing Max Healthcare, Britannia, M&M, Sun Pharma, Rainbow Hospitals, Chalet and Eris from conviction picks as of now. We structurally remain positive on most of these names, but current stock prices are close to our target prices leaving little room for an upside in near term. We add Apollo Hospitals, Lupin labs and Samhi hotels in our picks.

Apollo Hospitals Enterprise: The demerger of HealthCo is expected to unlock value for Apollo's core hospital and offline pharmacy businesses, enabling focused growth and better capital allocation. The stake sale to Advent and merger with Keimed will create an integrated pharmacy distribution platform. Digital breakeven is expected in 4 quarters, with Management reiterated its guidance of Rs17.5bn EBITDA for the NewCo entity by FY27, offering further visibility. We estimate 27% EBITDA CAGR over FY25–27E and recommend 'BUY' with TP of Rs8,350/share; valuing the hospital business at 26x EV/EBITDA, offline pharmacy at 30x EV/EBITDA, and Apollo 24/7 at 1x sales.

Lupin: Lupin's performance is largely aided by higher US and India sales. Further, margins continued to improve with better product mix and cost optimization measures. Better product mix continued niche launches in the US, clearance from USFDA for facilities, domestic formulations regaining momentum, and cost optimization measures are likely to help sustain performance. Maintain 'BUY' rating.

Samhi Hotels: Samhi Hotels is expected to gain from the fund infusion by GIC and consequent deleveraging with its net debt reduction to Rs14bn (net debt to EBITDA is set to decline from 5.1x in FY25 to 1.7x in FY27E). SAMHI IN trades at 14.2x/11.7x our FY26E/FY27E EBITDA (adjusting for the minority interest in newly formed JV platform funded by GIC) and now has valuation as well as BS comfort. Retain BUY with a TP of Rs308 (15.5x FY27E EBITDA).

High Conviction Picks

	CMP (Rs.)	TP (Rs)	Upside	Mcap (Rs bn)	Mcap (US\$ m)	Revenue Gr. (%)			Earnings Gr. (%)			RoE (%)			RoCE (%)*			PER (x)			P/BV (x)*		
						2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2026E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E
Large Cap																							
ABB India	5,648	6,851	21.3%	1,196.7	13,920	16.7	13.5	14.0	50.2	7.4	14.5	28.8	26.2	25.5	33.2	29.9	29.0	63.8	59.5	51.9	16.9	14.4	12.2
Apollo Hospitals Enterprise	7,220	8,350	15.7%	1,038.2	12,077	14.3	14.0	18.2	60.9	35.3	37.0	19.1	21.6	24.1	19.2	21.5	25.7	71.8	53.1	38.7	12.6	10.5	8.4
Bharti Airtel	1,921	2,148	11.8%	10,909.6	1,26,900	15.3	16.0	9.4	95.0	14.0	15.7	26.9	23.3	21.5	15.2	16.4	16.1	41.5	36.4	31.5	9.6	7.6	6.1
Hindustan Aeronautics	4,886	5,500	12.6%	3,267.8	38,011	3.9	9.0	14.2	18.2	1.3	8.6	26.1	22.3	20.8	15.9	13.2	12.7	39.1	38.6	35.5	9.3	8.0	6.9
ICICI Bank	1,423	1,700	19.5%	10,136.0	1,17,902	9.1	8.3	15.0	13.9	3.9	15.2	18.0	15.9	16.0	2.4	2.2	2.2	21.5	20.7	17.9	3.6	3.1	2.7
InterGlobe Aviation	5,932	6,691	12.8%	2,291.9	26,660	17.3	9.6	19.9	(0.3)	3.9	5.2	156.2	66.9	42.4	124.6	74.0	56.7	25.8	24.9	23.6	24.5	12.6	8.3
ITC	419	538	28.3%	5,248.4	61,049	5.9	6.3	7.5	(2.0)	9.7	13.9	28.5	29.8	30.5	32.2	33.9	34.4	26.3	23.9	21.0	7.7	6.6	6.2
Kotak Mahindra Bank	2,204	2,400	8.9%	4,381.6	50,967	9.0	8.4	16.0	19.3	(13.4)	17.4	15.4	11.5	12.0	2.5	1.9	2.0	26.6	30.8	26.2	3.8	3.4	3.0
Lupin	1,926	2,400	24.6%	879.5	10,230	14.7	11.7	6.6	72.1	23.7	5.3	20.8	21.3	18.6	20.9	22.1	20.5	26.8	21.7	20.6	5.1	4.2	3.5
Titan Company	3,405	3,756	10.3%	3,030.2	35,247	16.2	16.1	13.8	(6.7)	38.5	20.9	21.3	24.8	24.8	17.8	19.8	20.6	90.9	65.6	54.2	18.0	14.8	12.3
Mid / Small Caps																							
Astral Ltd.	1,495	1,630	9.0%	402.2	4,678	3.4	14.5	15.8	(4.9)	22.4	26.8	15.3	16.4	17.9	20.8	21.8	23.7	77.5	63.3	49.9	11.1	9.7	8.3
Crompton Greaves Consumer Electric	339	423	24.9%	218.0	2,536	7.5	13.0	14.2	26.2	18.0	20.3	17.4	18.2	19.2	21.9	23.7	25.0	39.2	33.2	27.6	6.4	5.7	4.9
Ingersoll-Rand (India)	4,202	4,522	7.6%	132.7	1,543	11.5	14.6	14.9	20.3	9.7	15.8	45.0	45.5	47.4	53.6	54.2	56.5	49.6	45.2	39.0	21.8	19.5	17.6
Indian Railway Catering and Tourism C	770	864	12.2%	616.2	7,168	9.7	13.7	7.8	8.3	11.9	10.8	36.8	35.0	32.2	43.4	41.5	38.6	48.6	43.4	39.2	16.8	13.9	11.6
KEI Industries	3,733	4,455	19.4%	356.7	4,149	19.9	19.4	19.2	13.2	23.4	22.3	15.6	13.9	14.9	21.5	19.2	20.3	51.2	41.5	33.9	6.2	5.4	4.7
Samhi Hotels	238	308	29.4%	52.6	612	18.0	13.9	11.9	NA	120.3	39.6	7.5	11.8	12.0	9.1	10.6	11.8	64.5	29.3	21.0	4.6	2.8	2.3
Triveni Turbine	649	772	19.0%	206.4	2,401	21.3	24.4	30.0	32.7	32.1	30.1	33.3	35.3	36.3	38.3	39.7	41.4	57.8	43.7	33.6	17.4	13.8	10.9

* For Banks P/BV = P/ABV & RoCE = RoAA

Added: Apollo Hospitals Enterprise, Lupin and Samhi Hotels

Removed: Britannia Industries, Max Healthcare Institute, Mahindra & Mahindra, Sun Pharmaceutical Industries, Chalet Hotels, Eris Lifesciences and Rainbow Children's Medicare

Exhibit 23: Current Valuations in ~38% (48% earlier) Nifty50 companies are lower than 2016-20 avg. levels

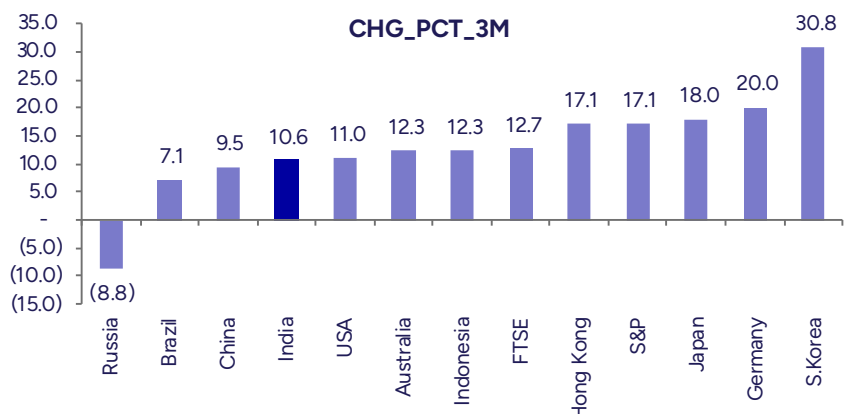
12 Month Forward Average PE	2009-11	2011-13	2013-16	2016-20	2022	2023	2024	2025	Current Valuations*
Nifty Index	16.3	14.7	18.8	22.0	18.5	20.4	18.4	18.6	19.8
Adani Enterprises	3.0	2.8	4.2	13.4	49.0	114.0	112.1	57.5	50.7
Adani Ports & Special Economic Zone Ltd	28.8	18.5	18.3	18.1	17.7	31.2	25.4	20.1	24.4
Apollo Hospital Enterprises	24.5	29.9	58.6	81.2	53.3	66.5	71.8	65.3	57.3
Asian Paints Ltd	21.5	30.1	39.9	51.7	64.5	82.7	61.8	66.5	65.7
Axis Bank Ltd	13.1	9.9	14.0	72.8	16.2	20.2	15.0	12.1	13.0
Bajaj Auto Ltd	9.7	15.1	17.5	17.7	16.3	17.4	15.6	21.5	31.4
Bajaj Finance Ltd	10.2	10.8	15.5	11.4	8.6	10.5	14.8	14.8	11.2
Bajaj Finserv Ltd	5.5	6.6	9.9	26.9	24.7	43.2	32.4	29.0	27.7
Bharat Electronics Ltd	15.8	12.7	14.4	17.8	11.0	16.8	19.7	22.6	36.8
Bharti Airtel Ltd	20.9	45.4	29.3	72.6	-0.3	57.3	54.2	30.0	27.9
Cipla Ltd/India	23.5	19.3	34.3	29.8	23.8	28.3	24.1	20.2	23.6
Coal India Ltd	2.9	13.7	15.8	14.2	5.5	4.0	3.8	5.2	7.9
Dr Reddy's Laboratories Ltd	27.6	16.8	26.8	30.2	35.0	24.3	14.3	16.3	18.4
Eicher Motors Ltd	7.0	12.0	NA	34.7	38.9	31.9	24.8	22.5	27.2
Eternal Ltd	NA	NA	NA	NA	-	-63.4	70.1	204.6	299.3
Grasim Industries Ltd	6.0	8.2	19.1	20.0	8.8	14.5	17.1	27.9	34.8
HCL Technologies Ltd	13.3	9.0	14.1	12.9	15.7	21.3	18.4	21.4	25.4
HDFC Bank Ltd	20.7	18.5	18.0	21.5	19.0	19.9	17.3	17.2	17.5
HDFC Life Insurance Co. Ltd.	NA	NA	-	42.8	91.2	103.0	80.4	78.4	67.3
Hero MotoCorp Ltd	16.0	17.5	17.4	18.0	21.1	20.4	15.4	15.8	20.1
Hindalco Industries Ltd	9.9	9.0	17.2	9.9	5.3	8.6	9.4	8.2	9.5
Hindustan Unilever Ltd	24.3	25.2	37.1	50.1	61.7	60.2	58.1	57.3	54.5
ICICI Bank Ltd	19.5	13.6	15.0	30.5	15.0	17.7	16.0	15.5	17.5
IndusInd Bank Ltd	12.3	14.4	17.6	26.4	13.5	13.0	10.1	21.7	27.0
Infosys Ltd	20.5	16.0	16.5	16.4	20.4	29.9	25.2	22.6	26.3
ITC Ltd	19.4	22.9	30.5	24.2	15.9	16.1	19.0	19.2	19.8
Jio Financial Services Ltd	NA	NA	NA	NA	-	-	-	61.3	NA
JSW Steel Ltd	16.2	25.2	25.6	10.2	4.8	15.7	26.1	33.4	32.2
Kotak Mahindra Bank Ltd	17.6	18.6	25.9	29.1	27.4	27.1	21.8	18.0	17.4
Larsen & Toubro Ltd	20.9	18.0	26.2	19.8	15.3	24.7	22.6	28.5	29.4
Mahindra & Mahindra Ltd	12.0	13.5	22.6	34.4	27.4	17.5	16.5	16.4	25.7
Maruti Suzuki India Ltd	17.2	15.9	17.5	31.9	48.5	38.1	24.5	22.7	25.0
Nestle India Ltd	32.3	40.5	63.5	55.6	77.6	78.7	65.4	69.3	68.6
NTPC Ltd	17.9	11.9	10.8	10.7	5.9	7.2	8.3	10.7	15.0
Oil & Natural Gas Corp Ltd	10.8	9.2	17.1	10.4	3.6	4.3	4.3	5.9	8.9
Power Grid Corp of India Ltd	17.6	12.5	11.5	10.5	6.6	8.1	10.0	12.8	18.3
Reliance Industries Ltd	13.5	10.5	9.4	13.4	20.5	21.9	22.8	24.1	25.0
SBI Life Insurance Co.	NA	NA	-	32.4	55.9	68.3	66.2	62.0	59.4
State Bank of India	11.9	8.9	25.1	200.4	7.2	8.9	7.8	7.5	9.5
Sun Pharmaceutical Industries Ltd	18.1	20.6	37.2	42.0	40.7	32.8	25.1	27.7	35.0
Tata Consultancy Services Ltd	16.3	16.9	20.1	20.7	26.3	32.0	27.5	27.2	29.6
Tata Consumer Products	19.9	18.1	3.7	32.6	50.4	65.2	60.5	73.0	70.8
Tata Motors Ltd	5.3	6.5	11.6	-0.8	-5.1	-13.5	14.7	8.7	13.6
Tata Steel Ltd	-6.7	NA	-13.6	7.5	2.5	7.2	-1.0	-40.0	28.0
Tech Mahindra Ltd	12.9	7.2	15.6	13.4	13.4	23.0	27.7	32.6	28.3
Titan Co Ltd	21.2	29.4	38.8	56.5	68.9	67.8	64.1	84.0	76.0
Trent Ltd	NA	-117.4	81.6	36.7	90.2	140.2	52.5	55.5	116.3
UltraTech Cement Ltd	13.7	16.1	28.4	35.4	20.5	33.5	31.7	39.2	42.9
UPL Ltd	5.9	6.7	13.3	33.9	43.2	48.6	34.7	29.9	24.3
Wipro Ltd	15.6	13.2	15.1	14.8	14.9	27.7	20.3	18.4	21.4

Source: PL * as of July 14, 2025

All eyes on domestic demand revival

- FY27 NIFTY EPS was introduced in Oct24 and there has been a cut of 7.3% and 6.15% in PL NIFTY EPS for FY26 and FY27. Consensus EPS cuts have been steeper at 8.9% and 7.5% respectively, NIFTY during the same period has moved up by just 0.8%. NIFTY free float EPS growth during FY23-25 has been 14.2% and the growth over FY25-27 is estimated at 13.4%.
- Indian markets have shown a lot of resilience in past few months despite big events and disruptions around global tariff wars, Isreal Iran war and operation Sindoor. FII remains net sellers YTD, although they have been net buyers in past few weeks. Markets seem to have learnt to live with global volatility and adverse geopolitical news flows given flip flops in US policies around tariffs and big variations in crude and global politics.
- RBI has cut the repo rate by 100bps and has plans to reduce CRR by 100bps in a gradual manner. This move will help improve the liquidity in the system and improve credit growth, which was just 9.5% in 1Q26.
- India US trade deal remains a WIP with issues around agriculture, dairy, GM crops and labor-intensive industries. We note that some of these issues are pending since WTO era and there is no easy solution to these as it has impact on large sections of Indian farmers, their livelihood and food security of the country in the long term.
- 1Q has seen the front ending of Govt Capex with a growth of 61% and 39% in April and May. There is a momentum in ordering and significant pick up in defense expenditure. Private capex showed an increase of 55% last year and manufacturing is 44% of the same. Although there might be some corrections in the same, it is likely to show a healthy increase over FY14 levels.
- All eyes rest on the revival of consumption demand given 1) normal monsoons 2) multi-year low food inflation 3) cut in interest rates and CRR and 4) benefits of tax cuts in FY26 budget. 1Q26 has shown a mixed trend with stable demand and no major acceleration. The upcoming festival season and spatial distribution of monsoons holds key to broad based demand revival.

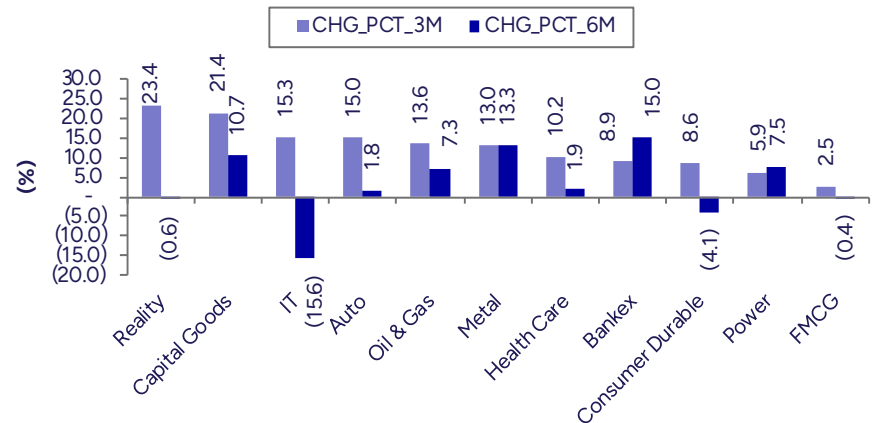
Exhibit 24: Nifty50 up 10.6% in 3M mostly in line with US and China



Source: PL

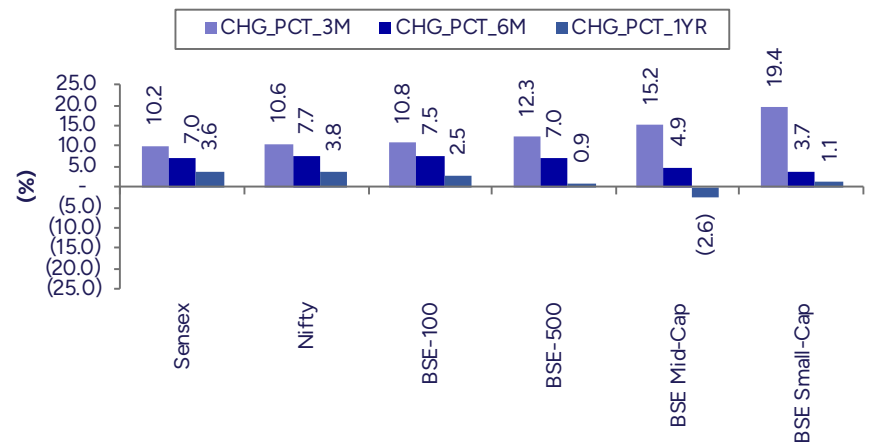
Risk appetite is rising as small cap and mid cap indices have outperformed NIFTY by 8.8/4.4% in 3months. NIFTY had outperformed mid and small caps by 280/400bps. NIFTY has outperformed mid and small caps by 6.4% and 2.7% over last 1 year.

Exhibit 25: Realty, Auto, IT, CG, O&G and Metals report double digit gains



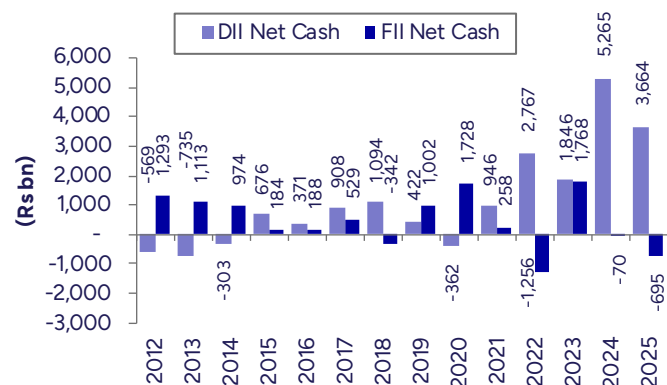
Source: PL

Exhibit 26: Small cap/ Mid cap indices report huge outperformance



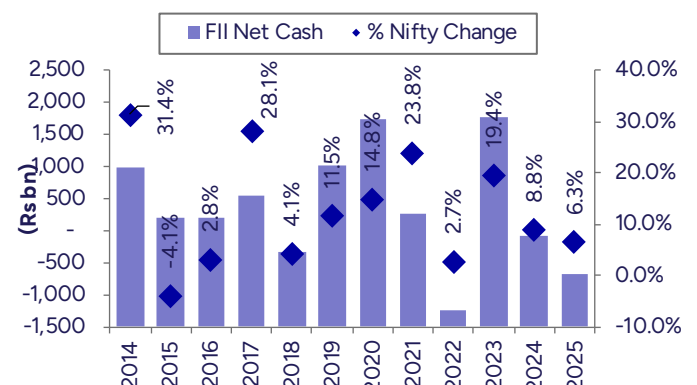
Source: PL

Exhibit 27: DII flows Rs3664bn, FII outflows at Rs695bn YTD



Source: PL

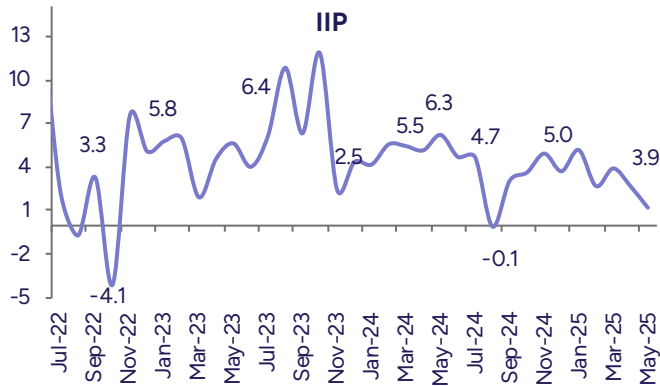
Exhibit 28: NIFTY up 6.3% YTD amidst high volatility



Source: PL

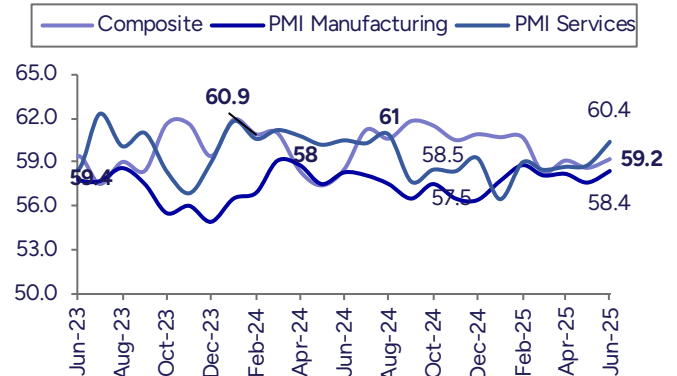
High Frequency indicators show resilience and uptick in momentum

Exhibit 29: IIP falls to 9-Month low of 1.2% YoY in May'25



Source: Ministry of commerce, PL

Exhibit 30: Jun'25 PMI expands to 60.4, led by services growth



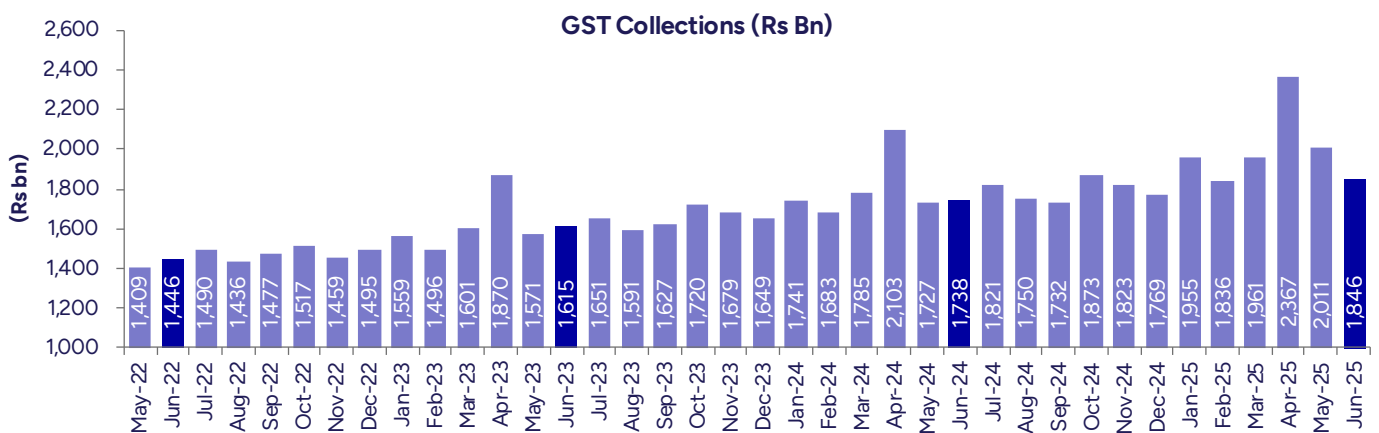
Source: Ministry of commerce, PL

Exhibit 31: May'25 IIP falls to 1.2%, despite 14.1% growth in capital goods as power and FMCG remains in slow mode

	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25
General	6.3	4.7	4.7	-0.1	3.1	3.7	5.0	3.7	5.2	2.7	3.9	2.7	1.2
Mining	6.6	10.3	3.8	-4.3	0.2	0.9	1.9	2.7	4.4	1.6	1.2	-0.2	-0.1
Manufacturing	5.1	3.2	4.4	1.1	3.9	4.4	5.5	3.7	5.8	2.8	4.0	3.1	2.6
Electricity	13.7	8.6	7.9	-3.7	0.5	2.0	4.4	6.2	2.4	3.6	7.5	1.7	-5.8
Use-Based													
Basic goods	7.3	6.3	5.9	-2.6	1.8	2.5	2.7	3.8	5.5	2.8	3.9	-0.2	-1.9
Intermediate goods	3.5	3.2	7.0	3.1	4.3	4.8	4.8	6.4	5.3	1.0	3.8	4.9	3.5
Capital goods	2.6	3.8	11.8	0.5	3.6	3.1	8.8	10.5	10.2	8.2	3.6	14.0	14.1
Infra/Construction Goods	7.6	8.2	5.5	2.7	3.5	4.7	8.0	8.4	7.3	6.8	9.9	4.7	6.3
Consumer Durables	12.6	8.8	8.2	5.4	6.3	5.7	14.1	8.1	7.1	3.7	6.9	6.2	-0.7
Consumer Non-durables	2.8	-1.5	-4.3	-4.5	2.2	2.6	0.4	-7.5	-0.2	-2.1	-4.0	-2.7	-2.4

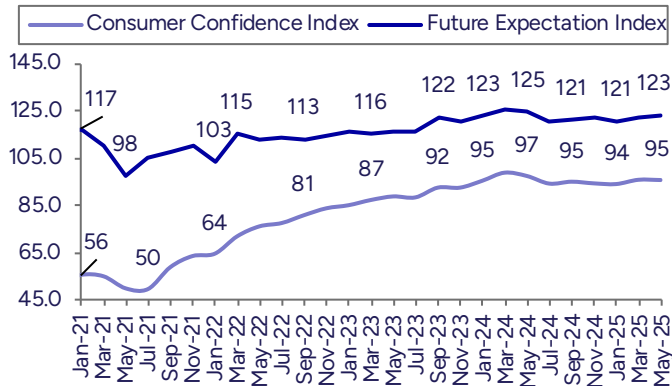
Source: MOSPI, PL

Exhibit 32: Jun'25 GST Collection at Rs.1.85bn, up 6.2% YoY, compensation cess up by 2.6% YoY



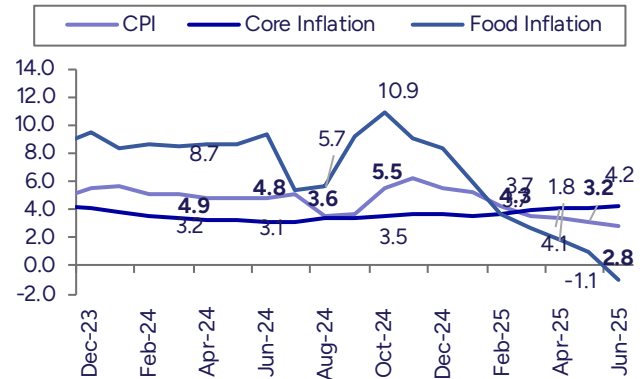
Source: GOI, PL

Exhibit 33: FEI-CCI gap at 28 in May'25, 4% up since Mar'25



Source: CMIE, PL

Exhibit 34: CPI at 2.1% in June'25, Core Inflation at 4.4%



Source: MOSPI, PL

Exhibit 35: Food Inflation declines 1.1% from a high of 10.9% in Oct

Consumer Price Index (CPI)	Weight	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
		5.1	3.6	3.7	5.5	6.2	5.5	5.2	4.3	3.6	3.3	3.2	2.8	2.1
Food, Beverages	45.9	8.4	5.1	5.3	8.4	9.7	8.2	7.7	5.7	3.8	2.9	2.1	1.5	-0.2
Pan Tobacco and Intoxicants	2.4	3.1	3.0	2.7	2.5	2.5	2.3	2.5	2.3	2.4	2.5	2.1	2.4	2.4
Clothing and Footwear	6.5	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.7	2.7	2.6
Housing	10.1	2.7	2.7	2.7	2.7	2.8	2.9	2.7	2.8	2.9	3.0	3.0	3.2	3.2
Fuel and light	6.8	-3.6	-5.5	-5.3	-1.3	-1.7	-1.8	-1.3	-1.4	-1.3	1.5	2.9	2.8	2.6
Miscellaneous	28.3	3.4	3.8	3.9	4.0	4.3	4.3	4.2	4.3	4.8	5.0	5.0	5.2	5.5
Consumer Food Price Index	39.1	9.4	5.4	5.7	9.2	10.9	9.0	8.4	6.0	3.7	2.7	1.8	1.0	-1.1

Source: MOSPI, PL

Exhibit 36: India's Trade Deficit down 1% YoY, sharp YoY% decline seen in Oil and Gold (26% and 13%)

Merchandise Trade (USD bn)	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25
Exports	39.6	35.2	34.7	34.5	34.3	39.0	32.0	37.8	36.4	36.9	42.0	38.5	38.7
YoY %	13%	2%	1%	-10%	0%	17%	-5%	-2%	-3%	-11%	1%	9%	-2%
Imports	61.6	56.0	59.5	68.5	58.7	65.1	63.9	58.5	59.4	51.0	63.5	64.9	60.6
YoY %	7%	0%	11%	10%	8%	2%	16%	0%	10%	-16%	11%	19%	-2%
- Oil	19.9	15.1	14.5	12.1	14.9	18.9	15.9	13.6	13.4	11.9	19.0	20.7	14.8
YoY %	28%	0%	23%	-26%	6%	17%	7%	-9%	-13%	-30%	16%	26%	-26%
- Gold	2.9	2.5	3.5	12.6	4.6	4.9	9.8	4.7	2.7	2.3	4.5	3.1	2.5
YoY %	-21%	-19%	0%	154%	13%	-32%	186%	55%	41%	-62%	192%	5%	-13%
- Non Oil Non Gold	38.8	38.5	41.5	43.8	39.2	41.3	38.2	40.2	43.3	36.7	39.9	40.9	42.7
YoY %	1%	1%	9%	7%	8%	2%	4%	0%	19%	-3%	2%	17%	10%
Trade Deficit	(22.0)	(20.8)	(24.8)	(34.0)	(24.4)	(26.1)	(32.0)	(20.7)	(23.0)	(14.1)	(21.5)	(26.4)	(21.9)
YoY %	-2%	-5%	30%	42%	22%	-14%	50%	4%	39%	-28%	40%	37%	-1%

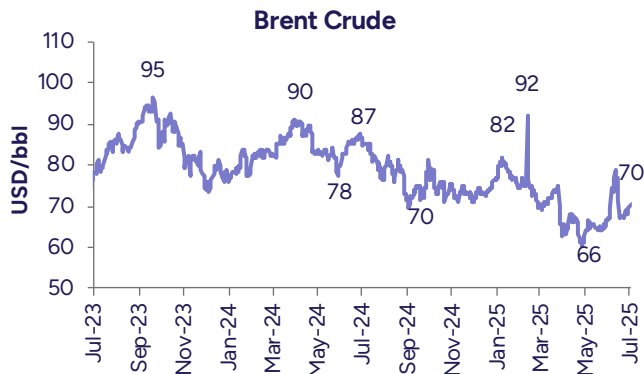
Source: Ministry of Commerce, PL

Exhibit 37: India's Service exports up 9% YoY and imports down 2% in May, Services Balance up 20% to USD 15.3 bn

Services	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25
Exports (Receipts)	29.6	28.7	30.6	30.3	32.6	34.4	32.1	37.0	34.7	31.6	35.6	35.3	32.4
YoY %	10%	3%	17%	6%	15%	23%	14%	17%	12%	12%	19%	17%	9%
Imports (Payments)	16.9	15.1	15.9	16.5	16.5	17.2	17.2	17.8	16.7	14.5	13.7	17.5	17.1
YoY %	6%	-3%	16%	9%	13%	28%	26%	14%	13%	-5%	-17%	5%	2%
Services balance	12.8	13.5	14.6	13.9	16.0	17.2	14.9	19.2	18.0	17.1	21.9	17.8	15.3
YoY %	15%	11%	17%	2%	16%	18%	3%	20%	11%	31%	63%	32%	20%

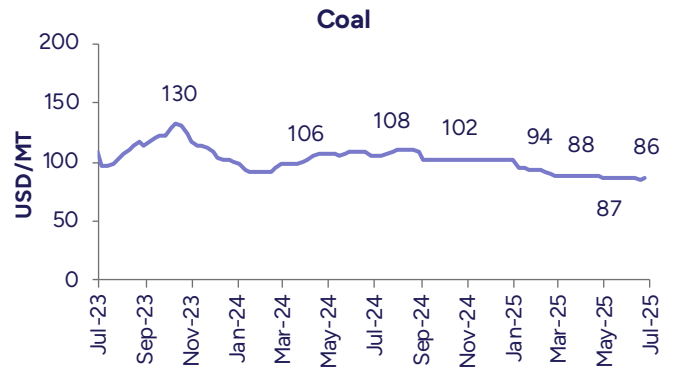
Source: Ministry of Commerce, PL

Exhibit 38: Crude down at \$70.4, down 6% since May'25 peak



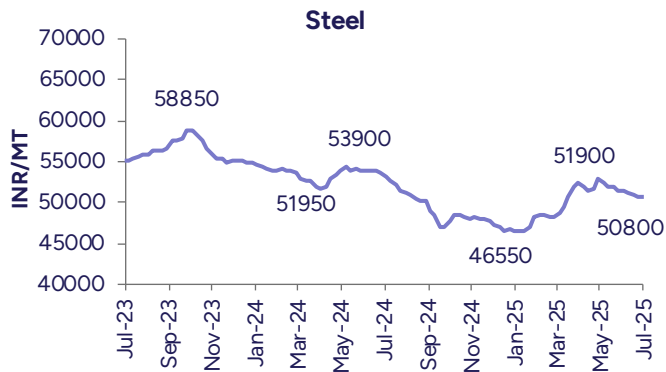
Source: PL

Exhibit 39: Coal prices soften 3% since Mar'25



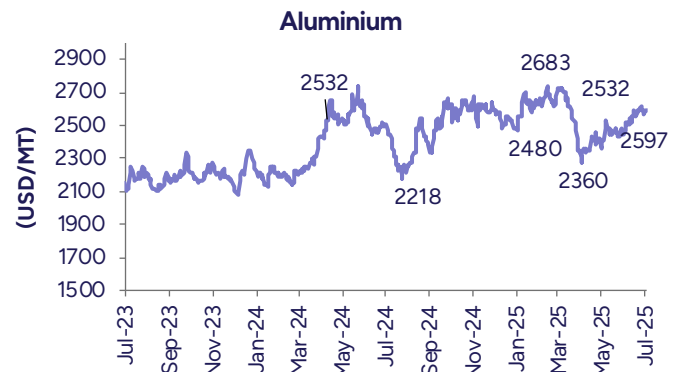
Source: Bigmint, PL

Exhibit 40: Steel prices are up 2.4% since Mar'25



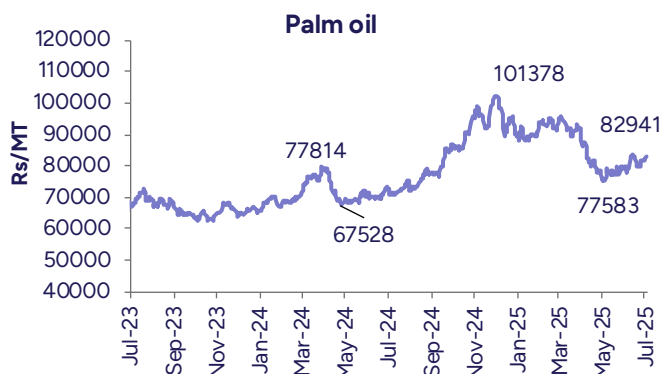
Source: Bigmint, PL

Exhibit 41: Aluminium prices up by 4% in last 1 month



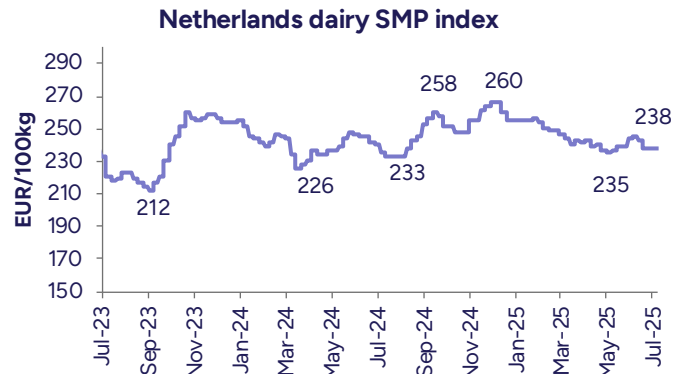
Source: PL

Exhibit 42: Palm oil prices are down 9% since Mar'25



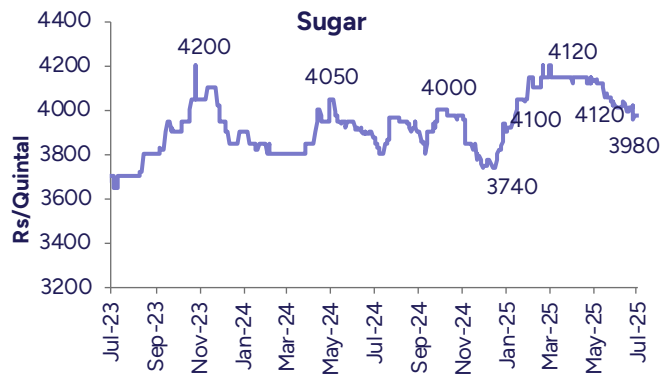
Source: PL

Exhibit 43: SMP prices down 4% since Mar'25



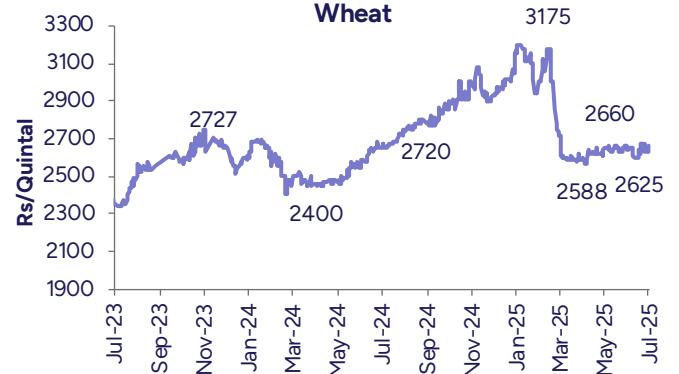
Source: PL

Exhibit 44: Sugar prices down 4% since Mar'25



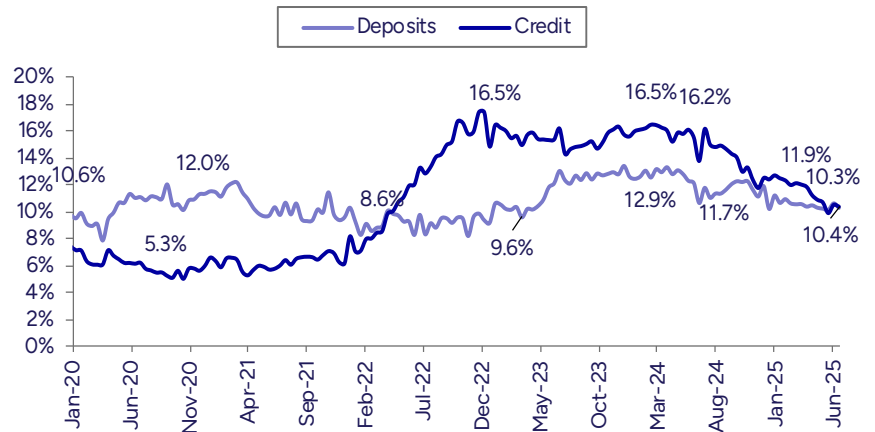
Source: PL

Exhibit 45: Wheat prices up 3% since April



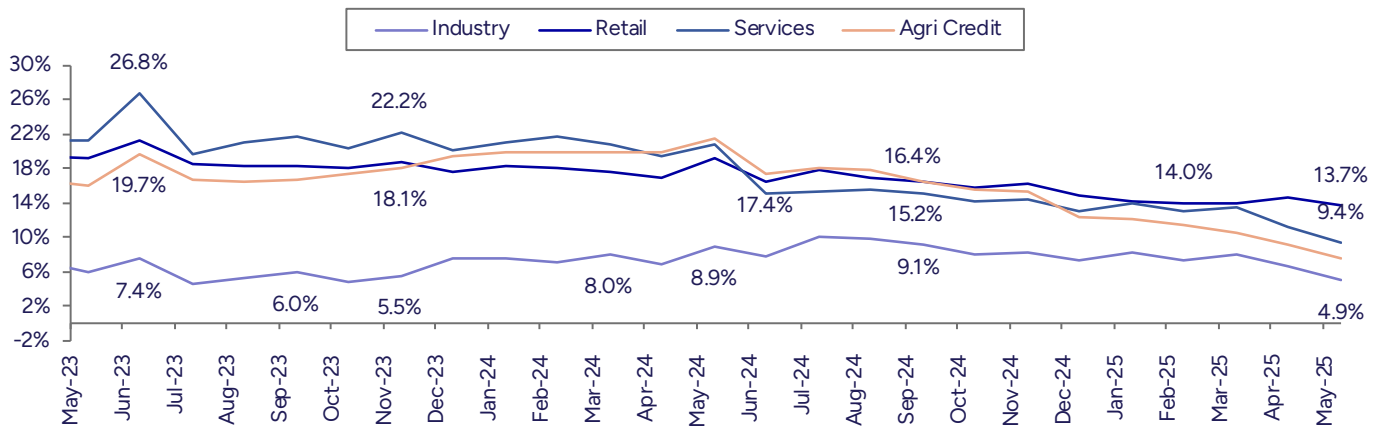
Source: PL

Exhibit 46: C-D gr. gap negative as credit growth slides in 1Q26



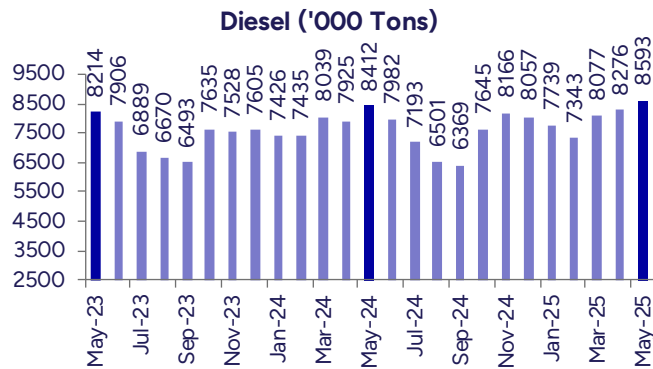
Source: RBI, PL

Exhibit 47: Agri and industrial credit growth has slowed down by 290bps and 310 bps since Mar'25



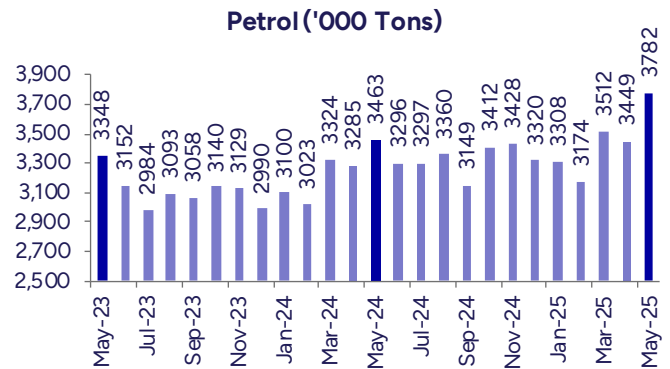
Source: RBI, PL

Exhibit 48: Diesel usage in May'25 is up 2.2% YoY at 8.6MMT



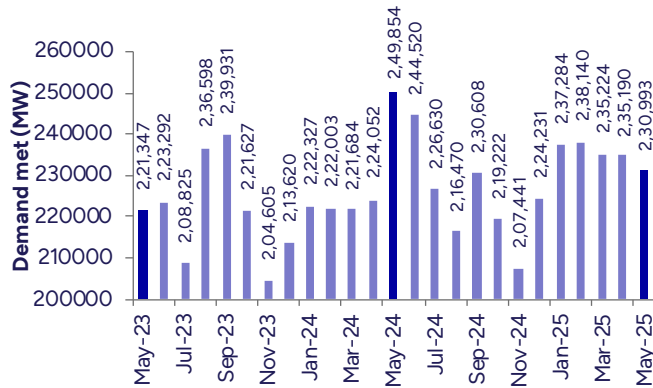
Source: PPAC, PL

Exhibit 49: May'25 consumption rises 9.2%YoY to 3.8MMT



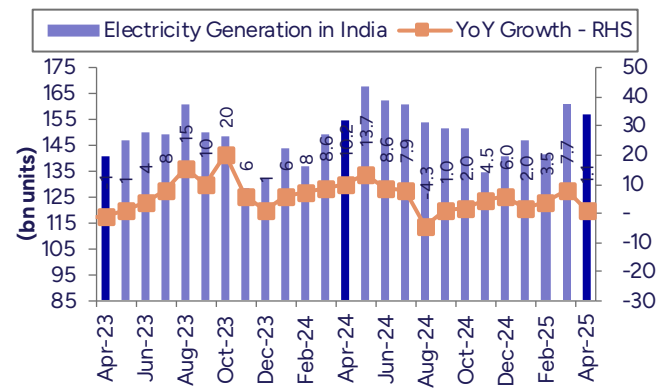
Source: PPAC, PL

Exhibit 50: May'25 Power demand down 7.3% YoY



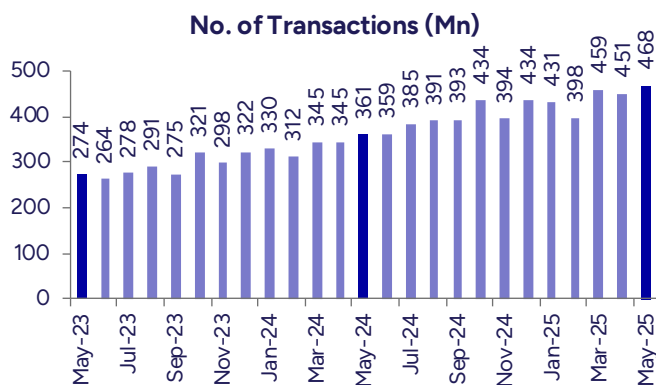
Source: CEA, PL

Exhibit 51: Energy generation up 1.1 %YoY in Apr'25



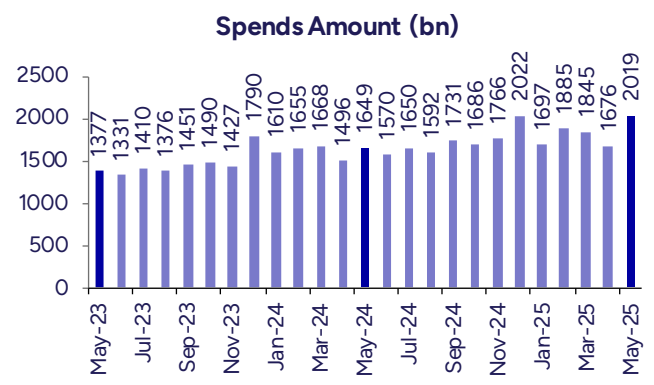
Source: CEA, PL

Exhibit 52: May'25 Credit Card transaction up 29.6% YoY



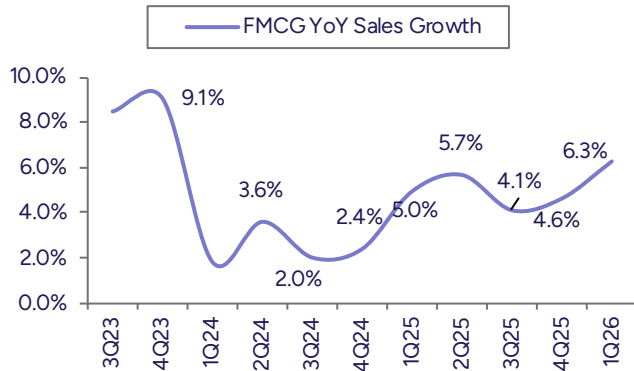
Source: RBI, PL

Exhibit 53: Credit cards - May'25 Spending up 15.2% YoY



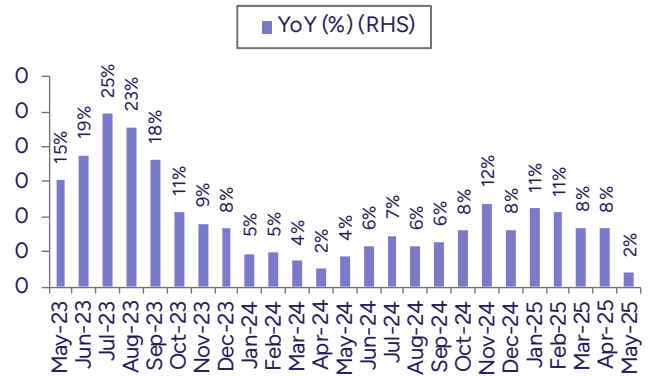
Source: RBI, PL

Exhibit 54: FMCG sales in recovery zone with 6.3% growth YoY



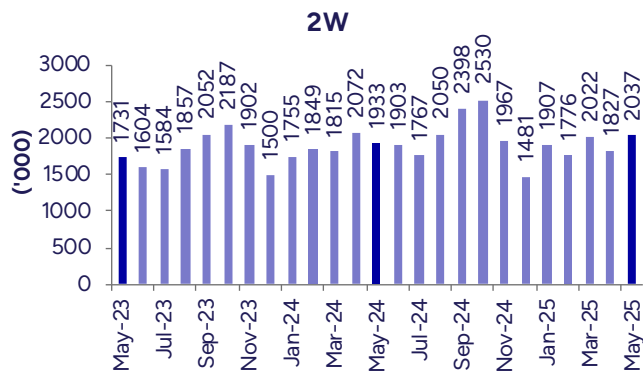
Source: Company, PL

Exhibit 55: May'25 Air traffic rises by 2 % YoY to 14.1 mn



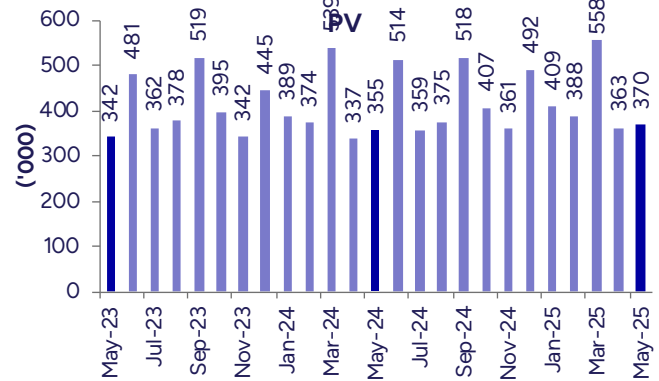
Source: DGCA, PL

Exhibit 56: May'25 2W Sales up 5.4% YoY at 2.03 mn



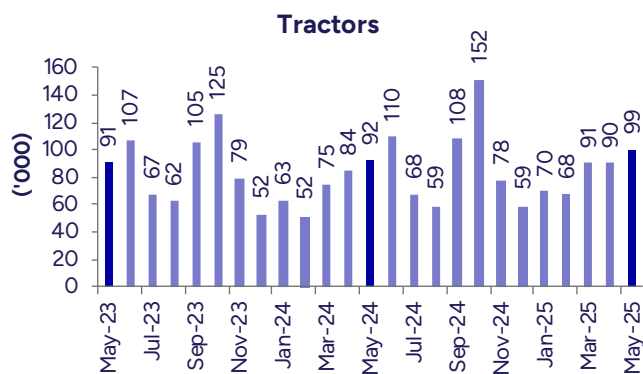
Source: SIAM, PL

Exhibit 57: PV sales are up by 4.4%YoY in May'25



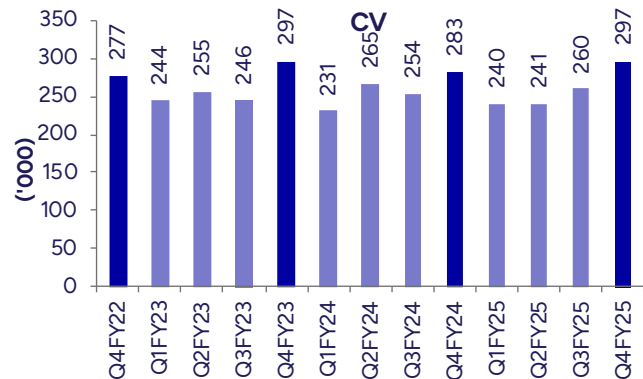
Source: SIAM, PL (*TATA motors only gives Quarterly numbers)

Exhibit 58: May'25 Tractor volumes up 8.4% at 99k



Source: SIAM, PL

Exhibit 59: 4QFY25 CV volumes up 4.6% YoY at 297k



Source: SIAM, PL

4QFY25 Results – Trading BUY & SELL Ideas

BUY

National Aluminium Company

Tata Steel

ICICI Bank

Hindustan Petroleum Company

Mahanagar Gas

Lupin Labs

Divi's Laboratories

Krishna Institute of Medical Sciences

Fortis Healthcare

Delhivery

SELL

Havells India

Voltas

PVR

These are purely tactical trades and don't reflect our long-term fundamental calls.

FY26/27 EPS cut by 1.2/0.6%, commodities show strong profit growth

We estimate a growth of 2% in sales, 15% in EBIDTA and 15.6% in PBT for our coverage universe. Ex oil & Gas, we estimate 10.5% growth in EBIDTA and 7.7% in PBT. Telecom, AMC, EMS, cement, Capital Goods and Oil and Gas will lead to growth. Building material, consumer durables, travel, financial services will report decline in PBT. Banks, Consumer, IT and Pharma will report less than mid- single digit PBT growth.

- EMS and AMCs will report 43.2% and 59.5% PBT growth on strong EBDTA growth. Commodity sectors like cement and oil and Gas will report EBIDTA growth of 42.6% and 29.7% on low base and inventory gains. Capital Goods, Financial services and Hospitals will report EBIDTA growth of 15.9/18.7/20.9% respectively. Banks/consumer/ IT services/ Pharma and Travel will report a growth of 5.4%/3.8/4.8/5/5.5%.
- Building Materials, consumer, Pharma, Durables and travel will report a YoY decline in EBIDTA margins by 28-107bps. Cement, Metals, Oil and Gas, EMS and Telecom will report a margin expansion of 458/186/396/393/382 bps YoY.
- Demand scenario remains mixed as rural demand remains steady and urban demand is showing faint signs of slow recovery. 1Q has a positive impact of marriage season demand marred by erratic rains and Operation Sindoor. Marriage demand has been positive for jewellery, watches and 2-wheelers etc. Durables (AC, Fans) have been hit by early monsoons and incessant rains all through April and May25.
- Consumer staples have shown some uptick in demand on lower inflation and the waning impact of price increases to neutralize RM inflation as current RM trends remain favorable. Competitive intensity remains elevated led by B2C brands and dilution of distribution moat enjoyed by consumer companies due to quick/ online commerce.
- Capital goods and defense - Public capital expenditure by the Government of India witnessed robust growth in the first two months of FY26, increasing by 61% YoY in April and 39% YoY in May. Additionally, capex by the Ministry of Defense rose by 92% in April and 271% in May, aligning with the government's focus on defense indigenization and likely supporting improved order visibility for domestic defense manufacturers.
- Demand for cement and steel remained tepid and the outlook remains mixed with all eyes on 2H26. Benign commodities are likely to provide margin support. Metals have seen firm prices while crude has been weak. Cement sector should show better profitability due to benign inputs.
- Banks are showing some pressure on credit growth. Recent rate cuts are likely to revive growth and CRR cut will support margins better than expected.
- We believe that domestic oriented sectors will continue to outperform. We expect Domestic Pharma, Retail, select staples, Banks, defense and power sectors to outperform in near term.

Exhibit 60: PL Universe – cement, EMS, Oil and Gas, Telecom and Metals lead PBT growth; BFSI, consumer, Pharma drag

3QFY25 Results	Revenue (%)		EBITDA Growth (%)		EBITDA Margin (bps)		PBT Growth (%)		PAT Gr. (%)	
	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ
AMC	18.1	4.4					43.2	(3.4)	2.3	19.1
Banks	3.5	1.4	5.4	(0.2)	136	(122)	3.4	0.8	4.3	0.5
Building Material	4.3	(9.3)	(0.9)	(11.2)	(73)	(30)	(4.0)	(12.7)	2.2	(11.5)
Capital Goods	15.1	(22.0)	15.5	(43.2)	4	(414)	15.9	(44.6)	17.6	(47.1)
Cement	11.3	(5.3)	42.6	(2.4)	458	62	49.5	(7.0)	51.2	(6.4)
Chemicals	5.5	(3.3)	9.0	(7.5)	58	(82)	10.0	(12.5)	10.7	(16.6)
Consumer Durables	5.4	(11.0)	2.5	(23.2)	(28)	(155)	(0.0)	(24.3)	0.4	(24.8)
Consumer	9.4	7.3	3.8	9.9	(107)	48	2.6	9.9	3.1	10.2
Education	8.5	3.8	(1.6)	(16.3)	(215)	(507)	(5.5)	(18.0)	43.8	(19.4)
EMS	7.5	(14.9)	73.5	(37.0)	393	(362)	59.5	(45.5)	59.1	(46.6)
Financial Services	20.8	5.6	20.9	3.3	7	(180)	(5.5)	(28.8)	22.7	3.1
HFCs	9.0	(0.1)	7.5	0.5	(116)	50	8.7	(0.9)	7.9	(0.0)
Hospitals	14.2	3.0	18.7	(0.4)	72	(65)	13.7	(2.0)	15.7	(0.6)
IT	4.9	0.2	4.8	(0.3)	(2)	(9)	4.1	(1.1)	4.5	(2.1)
Logistics	12.7	7.6	25.6	9.9	58	12	(0.9)	4.3	6.1	(9.8)
Media	8.7	0.8	17.0	16.8	135	259	108.6	65.7	116.3	79.7
Metals	0.0	(8.7)	13.4	1.2	186	155	17.9	(3.7)	28.6	(1.2)
Oil & Gas	(4.4)	(7.5)	29.7	10.8	396	248	49.5	19.6	54.4	24.0
Pharma	8.0	2.5	5.0	5.0	(75)	64	4.0	3.2	5.5	10.5
Telecom	26.6	1.8	36.1	(0.7)	382	(141)	113.7	(3.2)	106.8	(36.5)
Travel	7.8	(4.4)	5.5	(12.6)	(63)	(265)	(1.9)	(15.5)	(2.8)	(12.1)
Total	2.0	(5.7)	15.1	0.4	263	139	15.6	(1.1)	18.7	(0.1)
Ex BFSI	1.6	(6.4)	19.0	0.5	258 bps	120 bps	23.9	0.7	26.4	(0.5)
Ex Oil and Gas	7.0	(4.4)	10.5	(2.9)	93 bps	42 bps	7.7	(6.4)	10.6	(5.9)

Source: PL

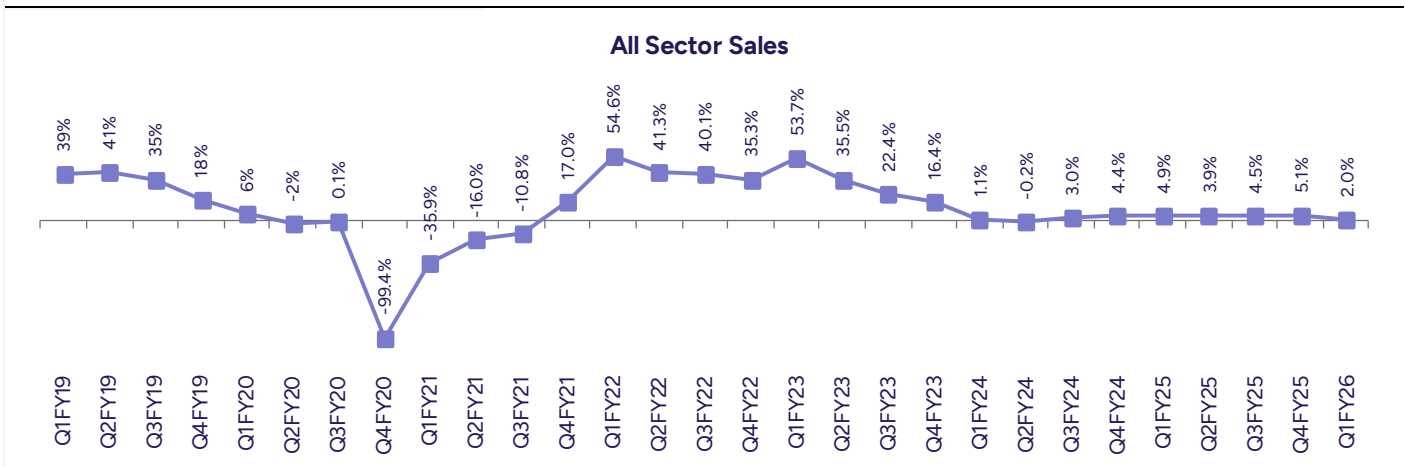
Exhibit 61: (ex-Oil & Gas) – Telecom, Metals, cement, Banks and NBFC increase share of incremental profit pool

	Q1FY26	Q4FY25	Q3FY25	Q2FY25	Q1FY25	Q4FY24	Q3FY24	Q2FY24	Q1FY24
Banks	19.4%	-3.7%	41.8%	59.4%	26.8%	48.9%	-9.9%	20.6%	72.3%
Building Material	0.0%	-0.5%	-0.6%	-0.7%	0.3%	-0.2%	0.4%	1.8%	0.1%
Capital Goods	6.0%	6.6%	8.5%	10.3%	10.8%	16.1%	10.9%	3.7%	4.3%
Cement	10.2%	3.9%	-10.4%	-4.3%	-2.0%	9.9%	17.6%	6.6%	3.4%
Chemicals	0.8%	1.6%	0.7%	0.7%	1.3%	-2.0%	-2.4%	-1.7%	-1.8%
Consumer Durables	0.2%	3.0%	1.7%	0.4%	2.5%	-0.4%	-1.1%	-0.2%	0.8%
Consumer	2.6%	0.5%	-1.1%	-2.3%	2.0%	1.9%	5.1%	6.4%	5.3%
Education	0.0%	0.1%	0.2%	0.1%	0.1%	0.3%	0.0%	0.0%	0.2%
Financial Services	9.5%	10.9%	12.5%	7.7%	12.8%	9.3%	9.1%	7.2%	4.2%
EMS	0.3%	0.6%	0.4%	0.2%	0.1%	0.1%	0.1%	0.0%	0.1%
HFCs	0.6%	0.1%	-0.4%	-0.3%	-0.9%	0.8%	2.6%	3.2%	1.4%
Hospitals	1.6%	1.9%	2.4%	1.7%	2.1%	1.4%	1.6%	1.4%	0.8%
IT	6.1%	7.9%	12.3%	8.2%	11.8%	2.0%	0.3%	6.4%	8.5%
Logistics	0.2%	0.3%	0.0%	0.2%	0.5%	0.1%	0.7%	0.3%	0.6%
Media	0.4%	0.5%	0.8%	-0.8%	0.3%	0.3%	0.1%	1.8%	-0.2%
Metals	13.6%	17.9%	-2.7%	5.1%	15.5%	-5.4%	38.7%	22.3%	-25.8%
Pharma	2.6%	8.4%	10.3%	7.2%	12.2%	9.1%	10.2%	6.5%	8.1%
Telecom	24.7%	29.6%	21.1%	7.2%	0.5%	2.3%	5.7%	6.0%	7.1%
Travel	1.3%	10.5%	2.6%	0.1%	3.2%	5.5%	10.3%	7.7%	10.7%

Source: Company, PL

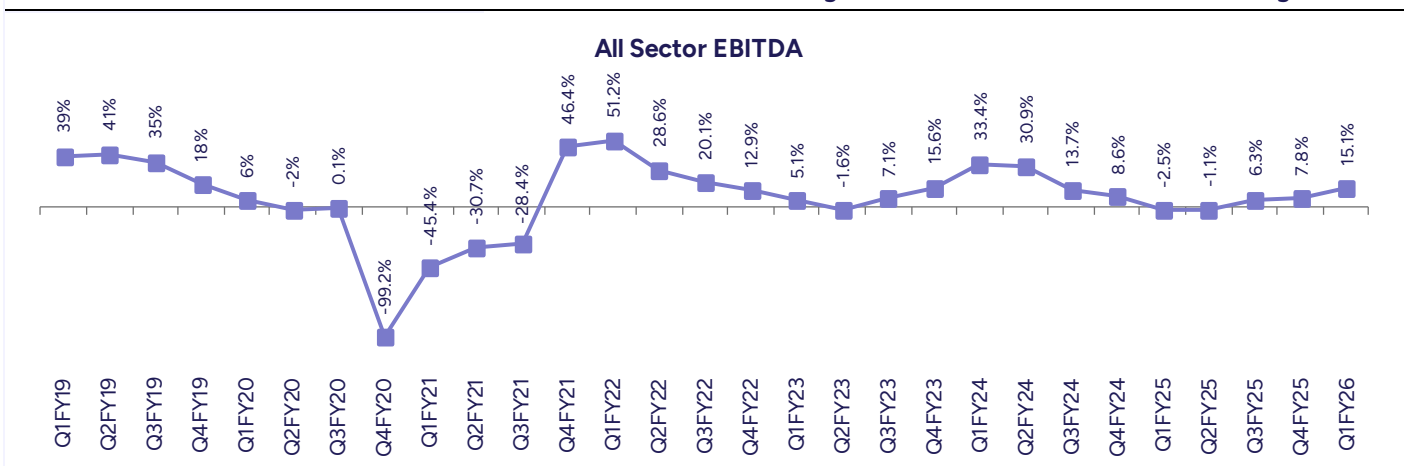
1Q26 shows slow demand recovery, front ended Govt capex

Exhibit 62: CG, Telecom, NBFC, Hospitals and cement boost sales



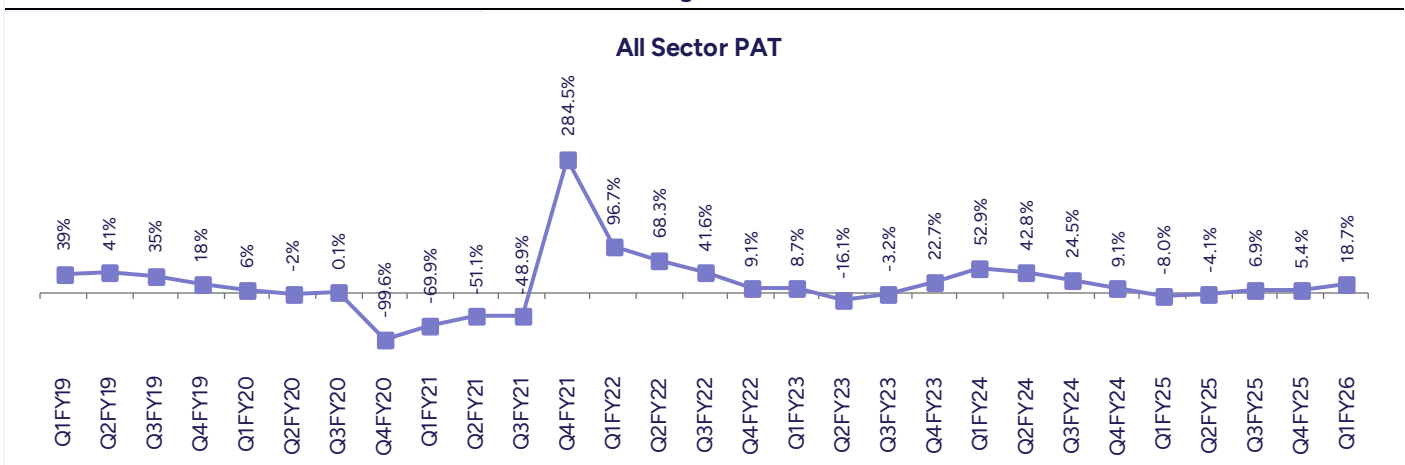
Source: Company, PL

Exhibit 63: CG, cement, metals, telecom, oil and Gas and EMS lead, building material, IT, Pharma and consumers drag



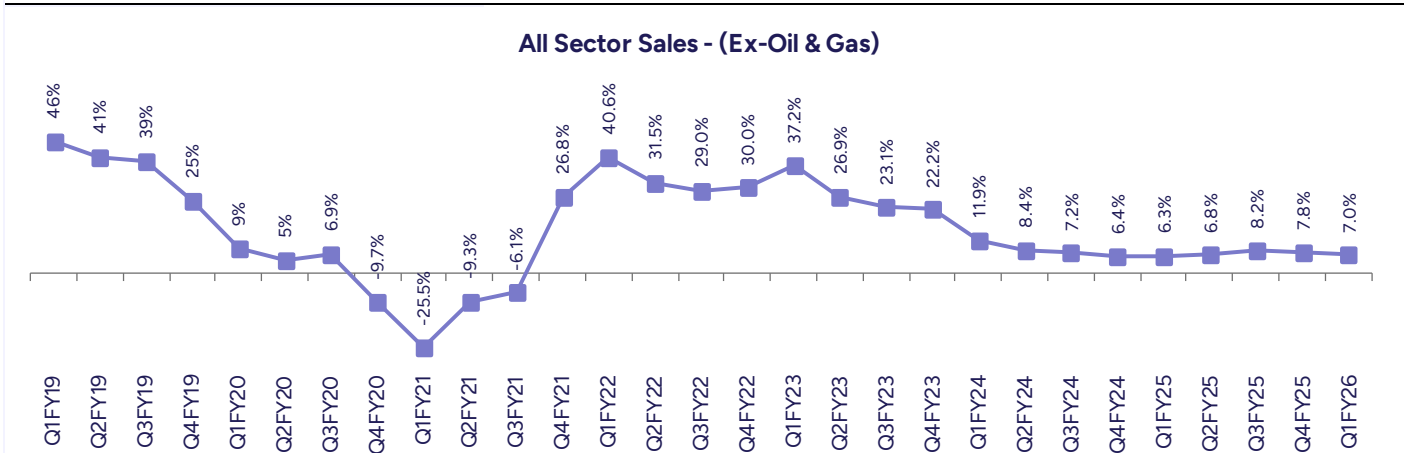
Source: Company, PL

Exhibit 64: CG, Telecom, cement, Metals and Oil and Gas led growth



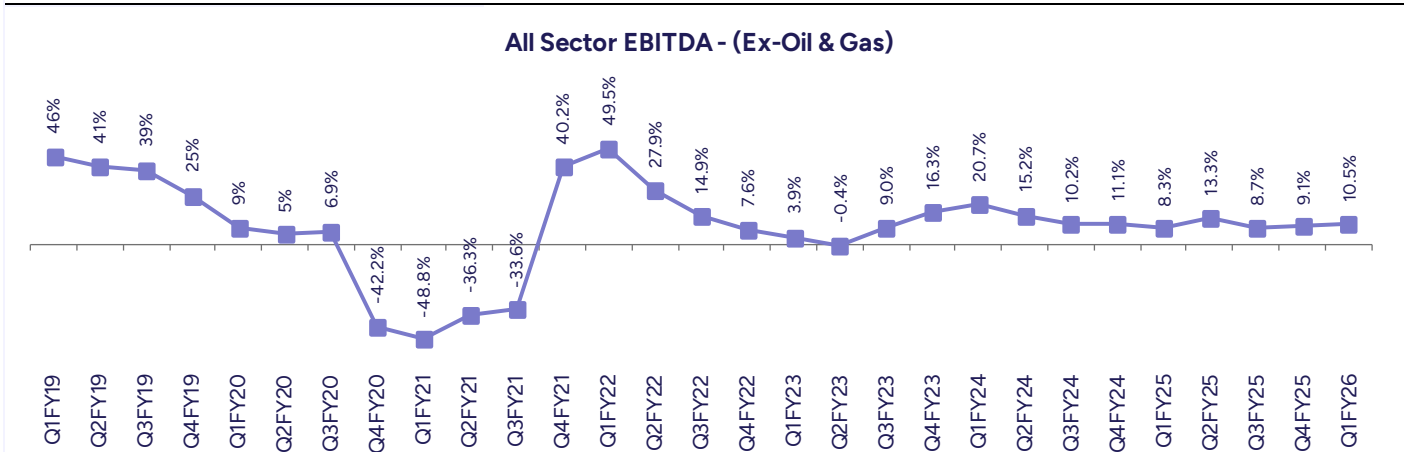
Source: Company, PL

Exhibit 65: Banks, IT, Building Material, Pharma, Travel drag sales



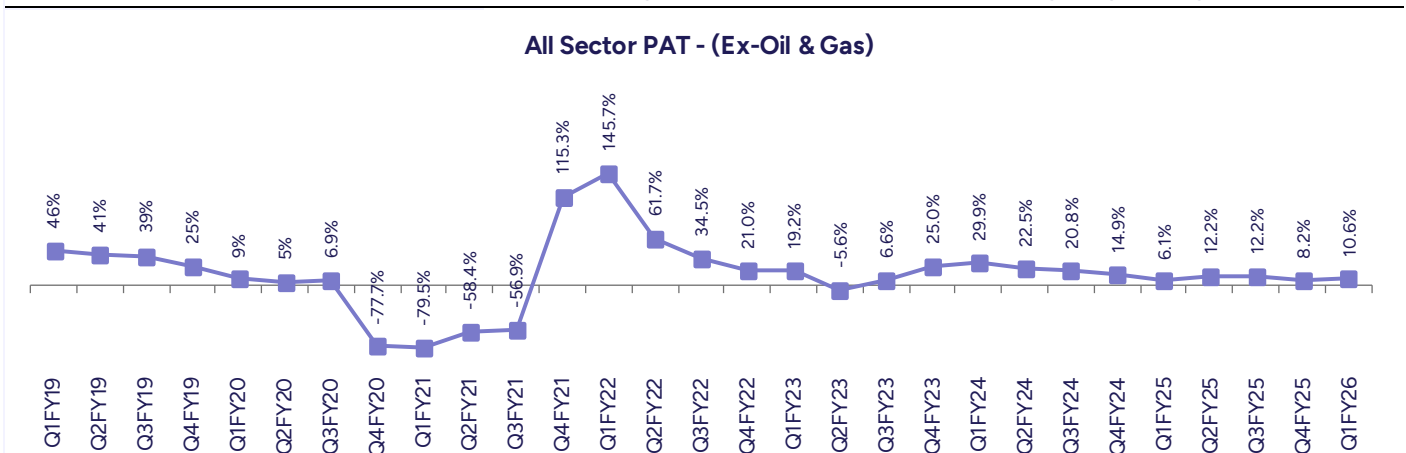
Source: Company, PL

Exhibit 66: Banks, Consumer, Durables, Pharma, Travel and IT services report single digit EBITDA growth



Source: Company, PL

Exhibit 67: Banks, IT, consumer, durables, Pharma, Building materials will report low to mid-single digit PAT growth YoY



Source: Company, PL

Exhibit 68: 1QFY26 Result Snapshot

(Rs mn)	Revenue					EBITDA					PAT					Remarks
	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	
Banks																
Axis Bank	1,38,298	1,34,482	2.8	1,38,105	0.1	1,11,249	1,01,062	10.1	1,07,524	3.5	67,431	60,346	11.7	71,175	-5.3	Banks under our coverage are likely to see a weak quarter due to seasonality as core earnings (ex-IIB) may fall by -2.6% QoQ/+2.0% YoY to Rs577bn (-2.4% QoQ in Q4FY25). Loan/deposit growth is expected at +1.0%/+0.6% QoQ and 10.6%/11.7% YoY (+3.7%/+5.0% QoQ in Q4FY25). LDR may rise sequentially by 26bps to 83.3%. While reported NIM might fall by 10-15bps QoQ owing to repo rate reduction, calculated NIM may remain flat QoQ at 3.32% vs 3.53% a year ago (-6bps QoQ in Q4FY25) due to (1) back-ended growth in Q4 (2) sharp increase in period end cash balances in Q4. Hence sequential NII growth would be a key monitorable in this quarter. Due to seasonality in case of PSU banks, fees might fall by 11.1% QoQ but grow by 15.1% YoY to Rs394.7bn, which would be partially offset by 5.9% QoQ fall in opex to Rs914bn (+11.2% YoY). Core PPoP may be Rs927bn (-1.5% QoQ/+3.4% YoY) due to weaker NII/fees. Slippage ratio may increase owing to rise in agri slippages (usually in Q1).
Bank of Baroda	1,13,933	1,16,001	-1.8	1,10,196	3.4	69,630	71,613	-2.8	81,321	-14.4	37,465	44,582	-16.0	50,477	-25.8	
City Union Bank	6,125	5,452	12.4	6,003	2.0	4,237	3,735	13.4	4,410	-3.9	2,735	2,645	3.4	2,880	-5.0	
DCB Bank	5,692	4,966	14.6	5,580	2.0	2,633	2,054	28.2	3,054	-13.8	1,435	1,314	9.2	1,771	-19.0	
Federal Bank	24,597	22,920	7.3	23,774	3.5	14,393	15,009	-4.1	14,654	-1.8	8,865	10,095	-12.2	10,302	-13.9	
HDFC Bank	3,14,306	2,98,371	5.3	3,13,658	0.2	2,48,970	2,38,846	4.2	2,58,367	-3.6	1,64,222	1,61,748	1.5	1,69,161	-2.9	
ICICI Bank	2,12,512	1,95,529	8.7	2,10,789	0.8	1,69,988	1,60,248	6.1	1,75,503	-3.1	1,16,491	1,10,591	5.3	1,25,156	-6.9	
IndusInd bank	44,974	54,076	-16.8	30,483	47.5	28,131	39,267	-28.4	-4,725	NA	10,599	21,522	-50.8	-22,360	NA	
Kotak Mahindra Bank	73,486	68,424	7.4	72,836	0.9	51,700	52,541	-1.6	54,722	-5.5	33,319	35,161	-5.2	35,517	-6.2	
State Bank of India	4,25,923	4,11,255	3.6	4,27,746	-0.4	3,00,929	2,64,486	13.8	3,12,860	-3.8	1,95,764	1,70,352	14.9	1,86,426	5.0	
Union Bank of India	94,872	94,121	0.8	95,140	-0.3	80,515	77,853	3.4	77,001	4.6	45,277	36,789	23.1	49,849	-9.2	
Total	14,54,719	14,05,596	3.5	14,34,312	1.4	10,82,375	10,26,714	5.4	10,84,691	-0.2	6,83,603	6,55,143	4.3	6,80,355	0.5	
Building Materials																
Astral Ltd.	14,734	13,836	6.5	16,814	-12.4	2,288	2,144	6.7	3,019	-24.2	1,224	1,195	2.4	1,781	-31.3	We expect single-digit revenue growth from building material sector due to weak demand, along with contraction in margins. Plastic pipe companies in our coverage expect soft volume growth of 5.2% YoY, while tiles and bathware sectors are likely to experience single digit growth expecting demand to pick up in H2FY26. We expect Century plyboards and Greenpanel to outperform in the building material sector with a expansion in margins, as timber cost is expected to ease.
Century Plyboard (I)	11,119	10,054	10.6	11,983	-7.2	1,320	1,112	18.7	1,346	-1.9	666	341	95.4	466	42.9	
Cera Sanitaryware	4,256	4,007	6.2	5,805	-26.7	651	581	12.1	1,081	-39.8	517	475	8.9	863	-40.1	
Finolex Industries	10,453	11,405	-8.3	11,718	-10.8	1,528	2,067	-26.1	1,713	-10.8	1,472	1,671	-11.9	1,646	-10.5	
Greenpanel Industries	4,192	3,650	14.9	3,745	11.9	378	360	4.7	480	-21.3	156	157	-1.0	294	-47.0	
Kajaria Ceramics	11,639	11,137	4.5	12,219	-4.7	1,688	1,671	1.0	1,384	22.0	962	921	4.5	663	45.1	
Supreme Industries	27,538	26,364	4.5	30,271	-9.0	3,853	3,873	-0.5	4,163	-7.4	2,662	2,734	-2.6	2,939	-9.4	
Total	83,931	80,452	4.3	92,555	-9.3	11,705	11,807	-0.9	13,185	-11.2	7,660	7,494	2.2	8,652	-11.5	

(Rs mn)	Revenue					EBITDA					PAT					Remarks
	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	
Capital Goods																
ABB	32,702	28,309	15.5	31,596	3.5	6,050	5,425	11.5	5,823	3.9	4,954	4,426	11.9	4,741	4.5	
Apar Inds Ltd	46,359	40,105	15.6	52,098	-11.0	4,149	3,766	10.2	4,582	-9.5	2,271	2,025	12.1	2,500	-9.2	
BEML	7,013	6,341	10.6	16,525	-57.6	-351	-501	NA	4,225	NA	-621	-705	NA	2,876	NA	
Bharat Electronics	49,622	41,988	18.2	91,197	-45.6	11,413	9,367	21.8	27,890	-59.1	9,149	7,761	17.9	21,048	-56.5	We expect our capital goods coverage
BHEL	67,929	54,849	23.8	89,934	-24.5	-1,019	-1,694	NA	8,317	NA	-1,727	-2,125	NA	5,040	NA	universe to report strong performance in
Carborandum Universal	12,678	11,975	5.9	12,171	4.2	1,623	1,936	-16.2	1,463	10.9	947	1,130	-16.2	291	224.9	Q1FY26 owing to the 1) lower base effect for
Elgi Equipments	8,794	8,011	9.8	9,929	-11.4	1,284	1,139	12.7	1,499	-14.4	850	728	16.7	1,020	-16.6	many companies, especially EPC companies,
Engineers India	8,413	6,238	34.9	10,102	-16.7	925	510	81.4	2,184	-57.6	1,100	589	86.7	2,129	-48.3	due to general elections held in Q1FY25, 2)
GE Vernova T&D India	12,784	9,583	33.4	11,525	10.9	2,518	1,822	38.2	2,671	-5.7	1,801	1,345	33.8	2,015	-10.6	recent geopolitical incidents leading to
Grindwell Norton	7,315	7,056	3.7	7,095	3.1	1,361	1,331	2.2	1,273	6.9	942	932	1.1	925	1.8	better performance out of defence
Harsha Engineering	3,629	3,432	5.7	3,730	-2.7	533	552	-3.3	352	51.7	346	361	-4.1	253	36.6	companies, 3) strong domestic traction for
Hindustan Aeronautics	47,170	43,475	8.5	1,36,999	-65.6	10,684	9,907	7.8	52,949	-79.8	11,350	10,898	4.1	39,767	-71.5	product companies, and 4) strong YoY
Ingersoll-Rand (India)	3,495	3,177	10.0	3,223	8.4	856	828	3.4	835	2.6	652	619	5.4	677	-3.6	growth seen in the public capex for railways,
KEC International	50,390	45,119	11.7	68,721	-26.7	3,477	2,704	28.6	5,388	-35.5	1,418	636	123.0	2,682	-47.1	defence, power, road transport and highways
Cummins India	25,352	23,042	10.0	24,569	3.2	4,918	4,673	5.2	5,197	-5.4	4,410	4,198	5.1	5,214	-15.4	etc. in Q1FY26. The strong performance is
Kalpataru Power Transmission	45,514	37,219	22.3	62,042	-26.6	3,869	3,135	23.4	5,232	-26.1	1,677	1,166	43.8	2,657	-36.9	anticipated despite cautious exports and
Kirloskar Pneumatic Company	3,135	2,753	13.9	5,916	-47.0	458	393	16.6	1,097	-58.3	320	269	18.9	839	-61.9	tariff related uncertainties along with
Larsen & Toubro	6,33,423	5,51,198	14.9	7,43,923	-14.9	65,212	56,153	16.1	82,025	-20.5	34,371	27,857	23.4	51,339	-33.1	continued weakness in the consumable
Praj Industries	7,824	6,991	11.9	8,597	-9.0	673	868	-22.5	754	-10.7	431	560	-23.0	398	8.3	companies. Overall, we expect
Siemens	42,154	37,628	12.0	42,590	-1.0	5,143	4,855	5.9	5,301	-3.0	4,330	4,343	-0.3	4,705	-8.0	revenue/EBITDA growth of ~15.1%/15.5% YoY
Thermax	24,238	21,844	11.0	30,849	-21.4	1,721	1,412	21.9	2,997	-42.6	1,352	1,158	16.8	2,057	-34.3	(~15.3%/14.9% YoY ex-L&T). Execution pace,
Triveni Turbine	5,457	4,633	17.8	5,380	1.4	1,146	956	19.9	1,204	-4.8	967	800	20.8	939	3.0	domestic capex momentum and trade deal
Voltamp Transformers	4,419	4,282	3.2	6,248	-29.3	756	758	-0.3	1,164	-35.1	746	794	-6.1	968	-23.0	between the USA and India impacting the
Total	11,49,808	9,99,248	15.1	14,74,959	-22.0	1,27,399	1,10,294	15.5	2,24,422	-43.2	82,034	69,768	17.6	1,55,080	-47.1	export business of many of our coverage

(Rs mn)	Revenue					EBITDA					PAT					Remarks
	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	
Cement																
ACC	56,119	51,549	8.9	60,665	-7.5	8,612	6,791	26.8	8,302	3.7	4,761	3,614	31.8	5,548	-14.2	Cement coverage companies to report strong YoY EBITDA growth of 43% (-2% QoQ) in Q1FY26, driven by improved pricing aided by South (10%+ QoQ) & East (+7%) regions. North was sticky (+2%), followed by West (flat) and Central (-2-3%) led to a 3% QoQ increase in average India realisation. Demand was muted due to heatwaves, early monsoon, and weakened run rate of Govt infra spending in May. Operating performance is expected to be strong YoY with low H1 base; with average EBITDA/t likely to rise by ~Rs270 YoY to Rs1,105/t, aided by stable costs.
Ambuja Cement	91,761	83,115	10.4	98,886	-7.2	18,156	12,798	41.9	18,676	-2.8	10,693	7,896	35.4	10,128	5.6	
Dalmia Bharat	36,738	36,210	1.5	40,910	-10.2	8,089	6,690	20.9	7,930	2.0	3,066	2,255	36.0	4,350	-29.5	
Nuvoco Vistas Corporation	27,438	26,365	4.1	30,423	-9.8	4,683	3,434	36.4	5,516	-15.1	1,120	28	3,845.1	1,655	-32.3	
Shree Cement	52,192	48,347	8.0	52,402	-0.4	13,841	9,164	51.1	13,813	0.2	5,283	3,177	66.3	5,560	-5.0	
Ultratech Cement	2,04,235	1,75,324	16.5	2,11,347	-3.4	44,549	29,810	49.4	46,097	-3.4	25,692	16,501	55.7	26,821	-4.2	
Total	4,68,484	4,20,910	11.3	4,94,632	-5.3	97,930	68,687	42.6	1,00,333	-2.4	50,615	33,471	51.2	54,063	-6.4	
Chemicals																
Aarti Industries	20,917	18,550	12.8	19,490	7.3	2,889	3,060	-5.6	2,680	7.8	1,072	1,390	-22.9	950	12.9	Specialty chemical companies under our coverage are expected to report a 5.5% YoY increase in revenue, although a sequential decline of 3.3% is anticipated. On the margin front, we expect an improvement of 58bps YoY. This YoY growth is primarily driven by higher volumes across most companies compared to the previous year, along with improved realizations for companies with exposure to refrigerant gases and those insulated from Chinese competition. The pain for agrochemical focused companies is expected to persist, with margins to remain under pressure in the near term. With several anti-dumping investigations currently underway by the DGTR, we expect several domestic chemical companies to benefit once these duties are implemented. Companies with exposure to fluorination are likely to gain from a steady improvement in realizations for key refrigerants. Sectors such as dyes, pigments, and polymer additives are expected to witness stable demand.
Clean Science and Technology	2,638	2,240	17.8	2,637	0.1	1,086	947	14.7	1,048	3.7	770	659	16.9	741	4.0	
Deepak Nitrite	20,528	21,668	-5.3	21,797	-5.8	2,900	3,092	-6.2	3,165	-8.4	1,831	2,025	-9.6	2,327	-21.3	
Fine Organic Industries	5,715	5,497	4.0	6,068	-5.8	1,186	1,397	-15.1	1,196	-0.8	964	1,137	-15.3	970	-0.6	
Gujarat Fluorochemicals	12,243	11,760	4.1	12,250	-0.1	3,126	2,620	19.3	3,060	2.2	1,489	1,080	37.9	1,910	-22.0	
Jubilant Ingrevia	10,381	10,243	1.3	10,513	-1.2	1,363	1,095	24.4	1,467	-7.1	653	487	33.9	740	-11.9	
Laxmi Organic Industries	6,888	7,182	-4.1	7,097	-2.9	517	712	-27.4	590	-12.3	99	344	-71.1	218	-54.3	
Navin Fluorine International	7,494	5,237	43.1	7,009	6.9	2,001	1,004	99.4	1,787	12.0	1,141	512	122.8	950	20.0	
NOCIL	3,554	3,722	-4.5	3,397	4.6	386	411	-5.9	342	12.9	249	270	-7.9	208	19.6	
PCBL Chemicals	22,134	21,436	3.3	20,875	6.0	3,350	3,583	-6.5	2,977	12.5	1,147	1,179	-2.7	1,002	14.5	
SRF	37,069	34,641	7.0	43,133	-14.1	7,035	6,034	16.6	9,574	-26.5	3,243	2,531	28.2	5,261	-38.3	
Vinati Organics	5,955	5,247	13.5	6,485	-8.2	1,646	1,251	31.6	1,836	-10.3	1,150	859	33.8	1,276	-9.8	
Total	1,55,518	1,47,423	5.5	1,60,750	-3.3	27,485	25,205	9.0	29,721	-7.5	13,809	12,474	10.7	16,552	-16.6	

(Rs mn)	Revenue					EBITDA					PAT					Remarks
	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	
Consumer Durables																
Bajaj Electicals	11,986	11,549	3.8	12,655	-5.3	765	754	1.5	930	-17.7	312	281	11.0	590	-47.2	Consumer durables sector experienced a healthy domestic demand in cables aided by volume growth while exports are expected to remain flat. FMEG has a moderate growth in appliances. RAC segment is expected to report 15% YoY decline for coverage companies due to low demand, impacted by early rains during the quarter. We expect our consumer durables universe to register sales/EBITDA/PAT growth of 5.4%/2.5%/0.4% YoY in 1QFY26. Our top picks is KEI.
Cello World	5,476	5,007	9.4	5,888	-7.0	1,384	1,293	7.1	1,352	2.4	916	832	10.1	882	3.9	
Crompton Greaves Consumer Electricals	21,976	21,377	2.8	20,606	6.6	2,373	2,324	2.1	2,644	-10.2	1,503	1,517	-0.9	1,695	-11.3	
Havells India	59,731	58,062	2.9	65,436	-8.7	5,316	5,722	-7.1	7,571	-29.8	3,503	4,075	-14.0	5,170	-32.2	
KEI Inds	24,029	20,605	16.6	29,148	-17.6	2,475	2,146	15.4	3,013	-17.9	1,753	1,502	16.7	2,266	-22.7	
Polycab India	55,627	46,980	18.4	69,858	-20.4	7,398	5,834	26.8	10,254	-27.8	5,211	3,960	31.6	7,267	-28.3	
R R Kabel	20,265	18,081	12.1	22,178	-8.6	1,382	949	45.6	1,944	-28.9	894	644	38.9	1,291	-30.8	
Voltas	44,229	49,210	-10.1	47,676	-7.2	2,742	4,238	-35.3	3,328	-17.6	2,123	3,342	-36.5	2,410	-11.9	
Total	2,43,319	2,30,871	5.4	2,73,445	-11.0	23,837	23,260	2.5	31,036	-23.2	16,215	16,154	0.4	21,571	-24.8	
Consumer Staples																
Asian Paints	92,388	89,697	3.0	83,589	10.5	17,923	16,938	5.8	14,362	24.8	11,743	11,713	0.3	8,774	33.8	We estimate our coverage universe to report Sales, EBITDA, PAT growth of 9.4%/3.8% and 3.1% respectively on 107bps YoY EBITDA margin contraction. Rural areas continue to grow ahead of slowly reviving urban demand. Staples coverage universe will post a growth of 6.2%/0.6% in sales and EBITDA. QSR will report a 17% increase in sales and 20.9% in EBITDA. Retail shows a 17.4% increase in sales and 15.8% growth in EBITDA. Staples volume growth is expected to improve mildly, supported by higher realizations from calibrated price hikes. Rural demand remains strong, with a slight uptick in urban demand. However, unseasonal weather in May-June will impact results. Competitive intensity remains high across key FMCG categories. QSR recovery is slower than expected, especially in North India due to Operation Sindoor. Jewellery sales were strong, driven by price-led growth during a busy wedding season. Paints saw QoQ improvement, though partly affected by unseasonal rains and regional disruptions. ITC remains our top pick.
Britannia Industries	46,328	42,503	9.0	44,322	4.5	8,339	7,537	10.6	8,052	3.6	5,814	5,302	9.7	5,638	3.1	
Colgate Palmolive	14,818	14,967	-1.0	14,625	1.3	4,942	5,083	-2.8	4,980	-0.8	3,502	3,607	-2.9	3,550	-1.4	
Dabur India	34,328	33,491	2.5	28,301	21.3	6,660	6,550	1.7	4,269	56.0	4,974	4,944	0.6	3,127	59.1	
Avenue Supermarts	1,63,765	1,40,691	16.4	1,48,719	10.1	13,511	12,213	10.6	9,551	41.5	8,041	7,737	3.9	5,508	46.0	
Emami	9,242	9,061	2.0	9,631	-4.0	2,033	2,165	-6.1	2,194	-7.3	1,595	1,527	4.5	1,622	-1.6	
Hindustan Unilever	1,60,293	1,53,390	4.5	1,52,140	5.4	36,547	36,060	1.3	34,660	5.4	26,215	25,720	1.9	24,970	5.0	
ITC	1,80,201	1,70,001	6.0	1,72,482	4.5	61,809	62,955	-1.8	59,864	3.2	49,772	49,205	1.2	48,747	2.1	
Jubilant FoodWorks	17,016	14,396	18.2	15,872	7.2	3,318	2,782	19.3	3,056	8.6	642	515	24.7	495	29.9	
Kansai Nerolac Paints	21,324	20,504	4.0	17,404	22.5	3,369	3,344	0.7	1,778	89.5	2,390	2,411	-0.9	1,235	93.5	
Metro Brands Asia	6,337	5,761	10.0	6,428	-1.4	1,964	1,804	8.9	1,972	-0.4	905	917	-1.3	947	-4.4	
Marico	32,112	26,430	21.5	27,300	17.6	6,198	6,260	-1.0	4,580	35.3	4,725	4,740	-0.3	3,450	37.0	
Mold Tech Packaging	2,144	1,967	9.0	2,026	5.8	390	357	9.3	383	1.9	163	165	-1.4	163	0.2	
Nestle India	51,509	48,140	7.0	55,039	-6.4	11,950	11,023	8.4	13,890	-14.0	7,540	7,346	2.6	8,854	-14.8	
Pidilite Industries	36,500	33,954	7.5	31,411	16.2	8,760	8,127	7.8	6,326	38.5	6,096	5,721	6.6	4,532	34.5	
Restaurant Brands Asia	6,082	4,905	24.0	4,898	24.2	851	625	36.2	749	13.6	-104	-269	NA	-254	NA	
Titan Company	1,43,431	1,20,530	19.0	1,34,770	6.4	14,773	12,110	22.0	14,380	2.7	9,310	7,700	20.9	8,700	7.0	
Westlife Development	6,672	6,163	8.3	6,031	10.6	901	786	14.6	770	16.9	42	33	30.1	15	178.5	
Total	10,24,490	9,36,550	9.4	9,54,988	7.3	2,04,239	1,96,719	3.8	1,85,816	9.9	1,43,366	1,39,032	3.1	1,30,073	10.2	

(Rs mn)	Revenue					EBITDA					PAT					Remarks
	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	
Education																
DOMS Industries	5,501	4,450	23.6	5,087	8.1	952	864	10.2	883	7.8	540	518	4.1	484	11.4	Education companies under our coverage are expected to post 8.5% YoY top-line growth in Q1FY26E. DOMS IN is likely to sustain momentum led by Uniclan's consolidation, though margins may compress 210bps due to the hygiene business. SCHAND IN may see revenue pressure from lower syndication income and is likely to report an operating loss. NELI IN may struggle due to second-hand book usage and weak stationery pricing, with EBITDA margin down 40bps. DOMS IN remains our top pick with a TP of Rs3,087 (60x FY27E EPS).
Navneet Education	8,127	7,978	1.9	4,338	87.3	2,210	2,199	0.5	786	181.3	1,513	851	77.8	503	201.0	
S Chand & Co	1,052	1,107	-4.9	4,714	-77.7	-65	84	NA	2,032	NA	-114	-21	NA	1,419	NA	
Total	14,680	13,535	8.5	14,139	3.8	3,097	3,147	-1.6	3,700	-16.3	1,940	1,349	43.8	2,406	-19.4	
EMS																
Avalon Technologies	2,593	1,995	30.0	3,428	-24.4	249	44	469.3	414	-39.8	124	-23	NA	243	-49.0	EMS companies are expected to post single digit growth in Q1FY26 results, with sales/EBITDA/PAT growth of 7.5%/73.5%/59.1% YoY, on the back of robust order execution and margin improvement led by cost rationalization and increased contribution from high-margin segments.
Cyient DLM	2,760	2,579	7.0	4,281	-35.5	221	200	10.4	574	-61.5	64	106	-39.3	310	-79.3	
Kaynes Technology India	7,559	5,040	50.0	9,845	-23.2	1,096	669	63.8	1,679	-34.7	622	508	22.4	1,162	-46.4	
Syrma SGS Technology	9,888	11,599	-14.8	9,244	7.0	791	446	77.4	1,075	-26.4	454	203	123.3	654	-30.6	
Total	22,801	21,212	7.5	26,797	-14.9	2,357	1,359	73.5	3,741	-37.0	1,265	795	59.1	2,369	-46.6	
Financial Services																
Bajaj Finance	1,03,645	83,653	23.9	98,072	5.7	85,978	69,500	23.7	79,763	7.8	48,395	39,120	23.7	45,456	6.5	Tepid volumes in CV/PV and disruption in economic activity are likely to result in a slowdown in growth for auto financiers. However, we expect profitability to improve as a decline in CoF will help improve NIM, given their rate of lending is fixed. Our outlook remains positive backed by improving margin trajectory and healthy credit cost environment; slowdown in growth, however, is a dampener. We expect diversified players (CIFC and SHFL) to perform better as they have multiple levers to deliver growth. BAF has reported steady AUM growth of 25% YoY- stable NIM and improving credit cost outlook will be key positives in Q1FY26. We remain wary of asset quality trends for SHFL.
Cholamandalam Investment and Finance Company	32,598	25,738	26.7	30,557	6.7	24,051	18,499	30.0	23,315	3.2	13,012	9,422	38.1	12,667	2.7	
Shriram Finance	58,667	52,339	12.1	55,655	5.4	42,190	38,541	9.5	43,353	-2.7	21,932	19,806	10.7	21,394	2.5	
Sundaram Finance	6,838	5,298	29.1	6,685	2.3	6,509	4,755	36.9	7,258	-10.3	4,298	3,077	39.7	5,459	-21.3	
Total	2,01,748	1,67,028	20.8	1,90,969	5.6	1,58,729	1,31,296	20.9	1,53,689	3.3	87,638	71,425	22.7	84,975	3.1	

(Rs mn)	Revenue					EBITDA					PAT					Remarks
	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	
Healthcare																
Apollo Hospitals Enterprise	56,816	50,856	11.7	55,922	1.6	8,021	6,751	18.8	7,697	4.2	3,656	3,052	19.8	3,896	-6.2	The demerger of HealthCo unlocks value for Apollo's core hospital and offline pharmacy businesses, enabling focused growth and better capital allocation. The stake sale to Advent and merger with Keimed will create an integrated pharmacy distribution platform. Digital breakeven is expected in 4 quarters, with Management reiterated its guidance of Rs17.5bn EBITDA for the NewCo entity by FY27, offering further visibility. We estimate 27% EBITDA CAGR over FY25–27E and recommend 'BUY' with TP of Rs8,350/share; valuing the hospital business at 26x EV/EBITDA, offline pharmacy at 30x EV/EBITDA, and Apollo 24/7 at 1x sales.
Aster DM Healthcare	10,559	10,019	5.4	10,003	5.6	1,963	1,659	18.3	1,854	5.9	899	734	22.5	784	14.6	
Fortis Healthcare	20,815	18,588	12.0	20,072	3.7	4,143	3,424	21.0	4,355	-4.9	1,918	1,659	15.7	1,839	4.3	
HealthCare Global Enterprises	6,032	5,256	14.8	5,852	3.1	1,086	909	19.4	1,057	2.7	118	121	-2.7	74	59.6	
Jupiter Life Line Hospitals	3,259	2,871	13.5	3,267	-0.3	732	639	14.6	783	-6.5	425	446	-4.7	449	-5.2	
Krishna Institute of Medical Sciences	8,849	6,884	28.5	7,969	11.0	2,100	1,794	17.0	1,980	6.1	880	866	1.6	910	-3.3	
Max Healthcare Institute	23,923	19,350	23.6	23,260	2.9	6,052	4,990	21.3	6,320	-4.2	3,642	2,950	23.5	3,760	-3.1	
Narayana Hrudayalaya	15,381	13,410	14.7	14,754	4.2	3,518	3,039	15.8	3,577	-1.7	2,141	2,016	6.2	1,963	9.1	
Rainbow Children's Medicare	3,457	3,302	4.7	3,701	-6.6	1,037	937	10.7	1,147	-9.6	475	395	20.2	563	-15.7	
Total	1,49,092	1,30,535	14.2	1,44,801	3.0	28,651	24,142	18.7	28,770	-0.4	14,154	12,238	15.7	14,238	-0.6	
Housing Finance																
Aavas Financiers	2,837	2,446	16.0	2,705	4.9	1,932	1,695	14.0	2,009	-3.8	1,466	1,261	16.3	1,537	-4.6	Our coverage HFCs could see a soft quarter; AuM could see a flattish growth of 1.1% QoQ and 8.2% YoY to Rs3.7trn in Q1FY26 (vs 3% QoQ in Q4FY25) with a downtick in disbursements by 26.5% sequentially as Q1 is generally a weak quarter for HFCs. Housing segment for banks (incl. HDFC) may grow by ~1.9% QoQ/10.0% YoY. Disbursal run-rate of LICHF/CANF is a key monitorable, given weak credit flow in the last few quarters. NIM for coverage HFCs could fall by 3bps QoQ to 3.13%. NII may remain flat QoQ and grow by 9.0% YoY to Rs27.8bn due to faster repricing of loans. Other income could reduce by 44.3% QoQ to Rs1.6bn owing to seasonality which would be partly offset by 20.2% moderation in opex to Rs5.56bn mainly led by fall in other opex (-28.2% QoQ). Hence, PPoP could be flat QoQ at Rs23.9bn. We see provisions inching up QoQ to 19bps from 15bps as Q1 sees slower recoveries. PAT might also remain flat QoQ at Rs17.5bn.
Can Fin Homes	3,499	3,214	8.9	3,485	0.4	2,985	2,796	6.8	2,946	1.3	2,216	1,996	11.0	2,339	-5.3	
LIC Housing Finance	21,503	19,891	8.1	21,664	-0.7	18,954	17,715	7.0	18,790	0.9	13,867	13,002	6.7	13,680	1.4	
Total	27,839	25,551	9.0	27,855	-0.1	23,871	22,206	7.5	23,744	0.5	17,550	16,260	7.9	17,556	-0.0	

(Rs mn)	Revenue					EBITDA					PAT					Remarks
	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	
Information Technology																
Cyient	17.7	16.8	5.6	19.1	-7.3	2.0	2.0	0.1	2.4	-15.1	1.3	1.4	-6.6	1.7	-21.4	We expect weak performance in a seasonally strong quarter with all companies in our coverage expected to report sequential revenue decline in CC terms (except INFO, LTIM, MPHL & PSYS). Although the intensity of tariff uncertainties has reduced to some extent, demand recovery in tariff-induced verticals continues to be weak with global enterprises remaining cautious and sensing near-term uncertainties. Due to these headwinds Tier I companies are expected to report median revenue decline of 0.7% QoQ CC while Tier II companies are expected to report median revenue decline of 2.5% QoQ CC with sharp decline in Tata Elxsi & Tata Tech due to weakness in the automotive segment. Currency volatility continues with major currencies of EUR and GBP having strengthened against USD by 5.9% and 7.6% QoQ, respectively, which will translate into tailwinds to the tune of 60-400bps QoQ in reported terms. On the margins front, we expect median margin to decline for both Tier I and II companies due to weak quarterly performance, which will be mitigated by currency tailwinds.
HCL Technologies	303.7	280.6	8.2	302.5	0.4	52.5	48.0	9.5	54.4	-3.5	41.9	42.6	-1.7	43.1	-2.8	
Infosys	419.7	393.2	6.7	409.3	2.5	88.6	82.9	6.8	85.8	3.3	68.5	63.8	7.4	70.4	-2.8	
KPIT Technologies	15.3	13.6	12.1	15.3	0.1	2.6	2.4	10.7	2.7	-1.5	2.0	2.0	-4.1	2.4	-20.0	
LTIMindtree	98.3	91.4	7.5	97.7	0.6	14.1	13.7	2.5	13.5	4.5	11.8	11.4	3.9	11.3	4.6	
L&T Technology Services	29.2	24.6	18.4	29.8	-2.2	3.8	3.8	-1.8	3.9	-4.4	3.0	3.1	-3.9	3.1	-3.1	
Mphasis	37.5	34.2	9.6	37.1	1.1	5.8	5.1	12.5	5.7	1.8	4.6	4.0	12.8	4.5	2.1	
Persistent Systems	33.4	27.4	22.2	32.4	3.1	5.2	3.8	36.7	5.1	3.9	4.2	3.1	37.8	4.0	6.7	
Tata Consultancy Services	642.3	626.1	2.6	644.8	-0.4	154.8	154.4	0.2	156.0	-0.8	121.5	120.4	0.9	122.2	-0.6	
Tata Technologies	12.3	12.7	-3.4	12.9	-4.7	1.7	2.0	-15.6	2.0	-16.0	1.5	1.6	-8.4	1.9	-21.4	
Tech Mahindra	133.2	130.1	2.4	133.8	-0.5	14.5	11.0	31.7	14.1	3.3	12.4	8.5	45.5	11.7	6.2	
Tata Elxsi	8.9	9.3	-3.9	9.1	-2.0	1.7	2.3	-24.4	1.8	-7.0	1.6	1.8	-11.4	1.7	-5.4	
Wipro	220.4	219.6	0.3	225.0	-2.1	37.9	36.1	5.1	39.1	-3.0	32.8	30.0	9.3	35.7	-8.0	
Total	1,972	1,880	4.9	1,969	0.2	385	367	4.8	386	-0.3	307	294	4.5	314	-2.1	

(Rs mn)	Revenue					EBITDA					PAT					Remarks
	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	
Logistics																
Delhivery	24,622	21,723	13.3	21,916	12.4	1,342	971	38.3	1,191	12.7	554	596	-7.1	726	-23.6	We expect 12.7% YoY revenue growth for our logistics coverage in 1QFY26E, led by DELHIVER IN and MAHLOG IN. DELHIVER IN's B2C volumes are likely to grow in early double digits as Ecom Express clients transition to its network. MAHLOG IN should benefit from 14.5% YoY growth in M&M's auto volumes. TCIEXP IN, however, may see flat B2B volumes and realizations.EBITDA of our coverage universe is expected to grow 25.5% YoY,as DELHIVER IN's PTL margin is likely to be at 10% (vs 3.2% in 1QFY25) and MAHLOG IN's strong standalone performance. TCIEXP IN is likely to report flattish operating metrics.
Mahindra Logistics	16,206	14,200	14.1	15,695	3.3	794	663	19.8	777	2.2	-5	-93	NA	-68	NA	
TCI Express	2,950	2,930	0.7	3,075	-4.1	336	335	0.3	282	19.5	231	231	-0.2	207	11.7	
Total	43,779	38,853	12.7	40,686	7.6	2,472	1,969	25.6	2,249	9.9	780	735	6.1	864	-9.8	
Media																
Imagicaaworld Entertainment	1,903	1,840	3.4	944	101.6	1,117	1,104	1.1	405	176.0	742	691	7.3	151	389.9	Industry-wide BO collections rose 26.8% YoY to ~Rs24.7bn in 1QFY26E, aided by titles like Housefull 5 and Raid 2 etc. PVRINOX IN is expected to see 10.2% YoY growth in footfalls to 33.5mn with a 5.4% pre-Ind AS EBITDA margin in 1QFY26E. Z IN's performance may remain muted due to weak ad spends and higher A&P, dragging EBITDA margin down 80bps to 12.0%. In Entertainment, NAZARA IN's growth is likely to be supported by acquisitions (Curve Games, Freaks 4U, Fusebox) despite continued pressure in Kiddopia and Nodwin. IMAGICAA IN may see 2.0% YoY footfall growth to 1.24mn, aided by its new Indore water park, with an EBITDA margin of 58.7%.
Nazara Technologies	4,872	2,501	94.8	5,202	-6.3	487	249	95.3	510	-4.6	226	226	-0.1	159	42.5	
PVR Inox	14,306	11,907	20.1	12,498	14.5	3,735	2,515	48.5	2,831	31.9	-892	-1,787	NA	-1,248	NA	
Zee Entertainment	19,733	21,305	-7.4	21,841	-9.7	2,368	2,717	-12.8	2,852	-17.0	1,404	1,554	-9.6	1,761	-20.3	
Total	40,814	37,553	8.7	40,485	0.8	7,707	6,585	17.0	6,598	16.8	1,479	684	116.3	823	79.7	

(Rs mn)	Revenue					EBITDA					PAT					Remarks
	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	
Metals & Mining																
Hindalco Industries	598	570	5.0	649	-7.8	80	75	6.6	88	-9.5	39	37	5.2	53	-25.6	Metals coverage is expected to report a mixed performance, with steel companies benefiting from ~4% QoQ NSR improvement, led by higher flat (+6% QoQ) and longs (+3.5% QoQ) prices and ~USD10–12/t drop in coking coal costs. Volumes are expected to decline YoY (except JSTL) due to early monsoon and maintenance shutdowns. Steel EBITDA/t is likely to rise by ~Rs2,400 QoQ. JDSL is expected to post a 32% QoQ increase in EBITDA/t on better pricing and 9% volume growth. Non-ferrous performance is likely to weaken due to a sharp QoQ decline in alumina (~20%) and aluminium (~7%) prices. Novelis would see impact of tariffs with steady volumes. Iron ore prices remained elevated till June, which would aid NMDC's EBITDA/t to improve 16% QoQ.
Jindal Stainless	114	94	21.0	102	11.8	14	12	14.1	11	30.3	8	6	15.7	6	26.9	
Jindal Steel & Power	124	136	-9.2	132	-6.3	25	28	-10.6	23	11.5	10	13	-23.9	-3	NA	
JSW Steel	397	429	-7.6	448	-11.4	70	55	27.7	64	10.3	17	8	103.4	16	10.5	
National Aluminium Co.	40	29	38.6	53	-24.8	19	9	100.9	28	-31.9	14	6	131.5	21	-33.0	
NMDC	67	54	24.4	70	-3.9	22	23	-6.9	21	6.2	17	20	-11.7	15	16.8	
Steel Authority of India	255	240	6.1	287	-11.3	31	22	41.2	29	9.7	9	0	8,061.8	12	-26.0	
Tata Steel	507	548	-7.5	562	-9.8	70	67	4.9	66	7.1	18	11	60.8	15	16.2	
Total	2,101	2,100	0.0	2,303	-8.7	332	292	13.4	328	1.2	132	102	28.6	133	-1.2	
Travel & Tourism																
Chalet Hotels	4,326	3,610	19.8	5,220	-17.1	1,698	1,402	21.1	2,414	-29.7	618	607	1.9	1,238	-50.1	1QFY26E is likely to reflect the impact of geopolitical disruptions, notably in hospitality and aviation. Hotel occupancies dipped to 58–60% in May-25 post the Pahalgam terror attack, though ARR's held firm at Rs7,300–7,500, indicating pricing resilience. Air traffic growth slowed to 1.9% YoY (14.1mn pax), the weakest in recent quarters. Luggage faced a tough but less geopolitically impacted environment. We expect RevPAR growth of 2%/16%/15% for CHALET IN, LEMONTRE IN, and SAMHI IN, respectively. For INDIGO IN, yields may decline ~4% YoY, with revenue at Rs210bn and EBITDAR margin at 28.6% (ex-FX).
InterGlobe Aviation	2,10,179	1,95,707	7.4	2,21,519	-5.1	60,084	57,833	3.9	69,535	-13.6	25,767	27,288	-5.6	29,309	-12.1	
Indian Railway Catering and Tourism Corporation	12,382	11,176	10.8	12,685	-2.4	4,274	3,749	14.0	3,855	10.9	3,383	3,055	10.7	3,125	8.2	
Lemon Tree Hotels	3,124	2,680	16.6	3,785	-17.5	1,350	1,151	17.3	2,041	-33.9	210	198	6.1	846	-75.2	
Samhi Hotels	2,767	2,499	10.7	3,188	-13.2	960	821	17.0	1,215	-21.0	185	42	337.9	420	-55.9	
Safari Industries (India)	5,085	4,500	13.0	4,211	20.8	732	659	11.2	609	20.3	474	444	6.7	376	26.0	
V.I.P. Industries	6,325	6,389	-1.0	4,942	28.0	620	493	25.7	65	853.6	143	40	254.1	-316	NA	
Total	2,44,188	2,26,561	7.8	2,55,550	-4.4	69,718	66,108	5.5	79,734	-12.6	30,781	31,675	-2.8	34,999	-12.1	

(Rs mn)	Revenue					EBITDA					PAT					Remarks
	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	
Oil & Gas																
Bharat Petroleum Corporation	993.2	1,131.0	-12.2	1,111.8	-10.7	102.6	56.5	81.6	77.6	32.1	61.9	30.1	105.2	32.1	92.5	Expansion in marketing margins primarily is expected to result in the OMCs reporting a staggering 122% YoY rise in EBITDA in Q1FY26. ONGC and Oil India are expected to report 8% YoY decline in combined sales with flat EBITDA. Decline in YoY sales of RIL is arrested due to better contribution from non-oil segments. RIL is expected to report 16% YoY rise in EBITDA driven by all segments. CGDs are expected to report expansion in EBITDA/scm QoQ due to lower sourcing cost. Overall, the sector is expected to result in 4% YoY decline in revenues. Driven primarily by the better contribution from the OMCs and RIL, the sector however, is expected to show 29.7% YoY rise in EBITDA. Aggregate PAT is expected to register 54% YoY rise, driven primarily by OMCs and RIL.
GAIL (India)	355.3	336.9	5.5	357.1	-0.5	32.3	45.3	-28.6	32.2	0.5	20.3	27.2	-25.3	20.5	-0.7	
Gujarat Gas	43.0	44.5	-3.5	41.0	4.7	6.3	5.4	16.8	4.5	39.2	3.9	3.3	17.8	2.9	35.3	
Gujarat State Petronet	2.2	3.4	-35.5	2.0	7.3	1.5	3.0	-49.2	1.2	22.6	1.2	2.1	-43.5	0.7	69.2	
Hindustan Petroleum Corporation	1,012.3	1,067.5	-5.2	1,006.5	0.6	89.2	21.1	323.0	58.0	53.6	53.3	3.6	1,396.8	33.5	58.7	
Indraprastha Gas	39.2	35.2	11.4	39.5	-0.8	5.4	5.8	-6.9	5.0	8.8	3.8	4.0	-4.8	3.5	9.4	
Indian Oil Corporation	1,905.5	1,932.4	-1.4	1,949.7	-2.3	171.8	86.3	98.9	135.7	26.5	92.9	26.4	251.6	72.6	28.0	
Mahanagar Gas	18.4	15.9	15.6	18.6	-1.5	4.0	4.2	-3.2	3.8	6.8	2.8	2.8	-1.0	2.5	11.3	
Manglore Refinery Petrochemicals	184.2	232.5	-20.8	246.0	-25.1	11.8	6.1	95.3	11.3	4.6	4.3	0.7	559.2	3.6	19.0	
Oil India	56.3	58.4	-3.5	55.2	2.1	24.4	24.7	-0.9	19.8	23.2	15.6	14.7	6.1	15.9	-2.2	
Oil & Natural Gas Corporation	322.0	352.7	-8.7	349.8	-7.9	187.6	186.2	0.8	190.1	-1.3	95.9	89.4	7.3	64.5	48.7	
Petronet LNG	115.2	134.2	-14.1	123.2	-6.4	11.9	15.6	-24.0	15.1	-21.5	8.1	11.4	-29.0	10.7	-24.2	
Reliance Industries	2,275.9	2,317.8	-1.8	2,613.9	-12.9	451.0	387.7	16.4	438.3	2.9	202.7	151.4	33.9	194.1	4.5	
Total	7,322.8	7,662.2	-4.4	7,914.2	-7.5	1,099.9	847.7	29.7	992.8	10.8	566.8	367.2	54.4	457.2	24.0	

(Rs mn)	Revenue					EBITDA					PAT					Remarks
	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	
Pharma																
Aurobindo Pharma	81,981	75,670	8.3	83,821	-2.2	16,861	16,196	4.1	17,919	-5.9	9,082	9,182	-1.1	9,035	0.5	Pharmaceuticals companies in our coverage are poised to post single-digit EBITDA growth in Q1FY26 due to a high base in the US. In contrast, domestic formulations will continue to report steady 7-12% growth YoY. The US business is expected to show de-growth YoY, but ex-gRevlimid, we expect the base business to grow. Currency tailwinds and stable raw material prices will continue to support gross margins. On the domestic formulations front, pick-up is seen from Jun, and we see overall growth in trade generic business to remain soft. However, continued ramp-up in chronic therapies is likely to support growth during the quarter. Our top picks remain SUNP, LPC and ERIS.
Cipla	69,593	66,939	4.0	67,297	3.4	16,819	17,158	-2.0	15,376	9.4	11,905	11,776	1.1	12,218	-2.6	
Divis Lab	23,870	21,180	12.7	25,850	-7.7	7,577	6,230	21.6	8,860	-14.5	5,384	4,300	25.2	6,620	-18.7	
Dr. Reddy's Laboratories	83,982	76,727	9.5	85,060	-1.3	20,906	21,270	-1.7	20,505	2.0	13,695	13,920	-1.6	15,873	-13.7	
Eris Lifesciences	7,610	7,197	5.7	7,053	7.9	2,714	2,500	8.6	2,524	7.5	1,093	832	31.4	938	16.5	
Indoco Remedies	3,979	4,315	-7.8	3,902	2.0	104	478	-78.2	-8	NA	-328	10	NA	-423	NA	
IPCA Labs	23,196	20,926	10.8	22,467	3.2	4,327	3,875	11.7	4,098	5.6	2,298	1,922	19.5	2,729	-15.8	
JB Chem & Pharma	11,110	10,044	10.6	9,495	17.0	3,072	2,804	9.6	2,265	35.7	2,038	1,768	15.3	1,457	39.9	
Lupin	64,735	56,003	15.6	56,671	14.2	17,626	12,864	37.0	12,921	36.4	11,144	8,013	39.1	7,725	44.3	
Sun Pharmaceutical Industries	1,35,131	1,26,528	6.8	1,29,588	4.3	38,126	36,581	4.2	34,249	11.3	29,691	28,356	4.7	21,499	38.1	
Torrent Pharma	31,297	28,590	9.5	29,590	5.8	10,267	9,040	13.6	9,640	6.5	5,859	4,570	28.2	4,980	17.7	
Zydus Lifesciences	63,970	62,075	3.1	65,279	-2.0	19,143	21,092	-9.2	21,649	-11.6	12,449	14,199	-12.3	11,709	6.3	
Total	6,00,456	5,56,195	8.0	5,86,074	2.5	1,57,543	1,50,086	5.0	1,49,997	5.0	1,04,310	98,849	5.5	94,360	10.5	
Telecom																
Bharti Airtel	4,87,498	3,85,064	26.6	4,78,762	1.8	2,68,124	1,97,076	36.1	2,70,088	-0.7	70,825	34,249	106.8	1,11,619	-36.5	
Total	4,87,498	3,85,064	26.6	4,78,762	1.8	2,68,124	1,97,076	36.1	2,70,088	-0.7	70,825	34,249	106.8	1,11,619	-36.5	
Total (Rs bn)	17,809	17,465	2.0	18,877	-5.7	4,114	3,574	15.1	4,098	0.4	2,333	1,965	18.7	2,335	-0.1	

Source: Company, PL

PL Valuation

[illegible]

Sector / Company Name	Rating	Price (Rs)	TP	Upside (%)	M cap (Rs bn)	Revenues (Rs bn)				PAT (Rs bn)				EBITDA (Rs bn)				EPS (Rs)				BVPS (Rs)				RoE (%)				RoCE (%)				PER (x)				P/BV (x)				EV/EBITDA (x)				
						2024	2025	2026E	2027E	2024	2025	2026E	2027E	2024	2025	2026E	2027E	2024	2025	2026E	2027E	2024	2025	2026E	2027E	2024	2025	2026E	2027E	2024	2025	2026E	2027E	2024	2025	2026E	2027E	2024	2025	2026E	2027E					
Consumer Staples																																														
Asian Paints	Reduce	2,402	2,140	(10.9)	2,303.6	354.9	339.1	358.3	378.0	54.6	40.3	42.8	45.8	75.8	60.1	64.9	68.8	56.8	42.0	44.7	47.6	155.2	202.2	222.4	243.0	315	211	210	204	36.6	24.8	24.7	23.8	42.2	57.2	53.8	50.5	12.3	11.9	10.8	9.9	30.0	37.8	34.8	32.6	
Britannia Industries	BUY	5,778	5,941	2.8	139.9	87.7	79.4	88.3	28.6	21.4	22.0	24.8	28.6	31.7	31.9	36.0	40.8	88.7	91.4	103.1	18.8	13.6	80.8	202.1	236.7	57.2	53.1	53.9	54.2	45.9	40.7	56.2	57.8	65.1	63.2	56.0	48.6	35.3	32.0	28.6	24.4	43.9	43.6	38.4	33.6	
Colgate Palmolive	HOLD	2,378	2,528	6.3	646.8	56.8	60.4	64.5	69.5	13.4	14.4	15.0	16.4	19.0	16.1	21.1	23.0	49.4	52.8	55.3	60.2	68.9	61.2	63.0	66.2	74.8	81.2	89.1	93.2	96.3	101.5	16.1	10.8	48.2	45.0	43.0	39.5	34.5	38.9	37.8	33.3	32.5	30.0	27.6		
Dabur India	HOLD	526	501	(4.9)	932.6	24.0	25.6	37.1	50.3	8.4	7.7	9.2	11.1	24.0	23.2	25.2	27.7	10.4	10.0	10.8	11.9	55.7	60.9	63.6	69.6	9.6	9.1	7.4	7.9	18.9	8.3	7.3	8.1	50.6	52.8	48.6	44.2	9.4	8.6	8.3	7.6	38.4	39.5	36.5	32.9	
Avenue Supermarts	HOLD	4,011	3,923	(2.2)	2,610.3	507.9	593.6	710.6	859.9	25.4	27.0	29.6	34.4	41.0	44.9	52.4	62.4	39.0	41.6	45.4	52.9	287.3	329.3	374.2	427.1	14.6	13.5	12.9	13.2	19.4	18.0	17.6	17.2	103.0	96.5	88.3	75.8	10.0	12.2	10.7	9.4	63.2	58.1	50.0	42.2	
Emami	Acc	585	697	19.0	255.5	35.8	38.1	40.9	44.4	7.3	8.1	9.0	10.1	9.5	10.3	11.1	11.9	8.7	8.5	20.7	23.2	56.1	61.7	73.4	86.2	30.7	31.4	30.6	29.1	31.2	32.1	30.7	28.7	35.0	31.7	28.3	25.2	10.4	9.5	8.0	6.8	26.8	24.5	22.1	20.1	
Hindustan Unilever	Acc	2,517	2,601	3.3	5,910.0	604.7	614.7	659.6	715.7	102.0	102.2	105.7	115.8	119.9	129.9	149.9	166.3	43.4	43.5	45.0	49.3	216.9	209.2	216.9	222.9	20.2	20.4	21.0	22.3	25.9	26.1	27.1	28.1	58.0	57.9	55.9	51.1	116	120	115	113	40.9	40.6	38.7	34.8	
ITC	BUY	499	538	7.6	5,248.4	654.4	693.2	739.9	792.5	203.6	199.9	219.3	249.8	244.1	240.2	261.7	295.3	8.3	8.0	7.5	8.9	57.9	54.3	63.2	67.7	29.1	28.5	29.8	30.5	32.6	32.2	33.9	34.4	25.7	26.3	23.9	21.0	7.2	7.7	6.6	6.2	20.8	21.1	9.0	8.7	
Jubilant FoodWorks	HOLD	680	689	1.3	446.6	53.4	61.0	73.7	86.0	2.5	2.1	3.6	4.8	10.9	11.6	15.0	17.8	3.7	3.3	5.5	7.3	33.5	34.4	38.7	42.3	11.3	9.6	9.1	9.1	21.1	20.6	27.9	31.6	82.4	208.9	233.3	92.7	20.3	19.8	17.6	16.1	41.0	38.1	29.6	24.8	
Kansai Nerolac Paints	Acc	246	248	0.7	98.8	73.9	75.0	79.8	85.4	7.0	6.6	7.7	8.2	10.4	9.7	10.9	12.0	8.7	8.2	9.5	10.2	69.9	78.8	86.8	94.0	13.7	11.1	11.4	11.2	16.8	13.0	13.2	13.2	28.3	29.9	26.0	24.2	3.5	3.1	2.8	2.6	7.6	8.2	6.1	4.5	
Marico	Acc	728	784	(14)	939.1	96.5	108.3	122.7	155.5	14.3	15.8	17.2	19.7	20.3	21.4	23.4	27.1	11.1	12.3	13.4	15.3	29.7	30.8	33.6	36.6	37.5	40.6	41.4	43.5	44.0	45.8	47.4	51.0	65.7	59.3	54.5	47.7	24.5	23.6	21.6	19.9	45.9	43.1	39.2	33.9	
Metro Brands	HOLD	1,82	1,95	11	321.7	23.6	25.1	28.6	33.3	4.1	3.5	4.0	4.6	7.0	7.6	8.6	10.0	5.2	5.0	5.7	6.9	68.5	62.8	70.0	79.4	24.2	19.8	22.2	22.6	27.6	28.1	31.2	31.9	77.9	91.0	80.3	70.1	7.2	8.8	15.9	14.9	44.8	41.5	36.4	31.0	
Mold-Tek Packaging	Acc	705	723	2.6	23.4	7.0	7.8	9.0	10.4	0.7	0.6	0.7	1.0	1.3	1.4	1.7	2.0	20.0	18.2	22.1	28.9	178.9	82.0	212.2	235.1	11.5	9.8	10.9	12.9	14.3	2.1	1.8	1.9	35.2	38.7	31.9	24.1	3.9	3.7	3.0	2.5	18.5	17.8	14.5	12.1	
Nestle India	Acc	2,393	2,550	6.6	2,307.1	243.9	220.0	220.5	243.9	39.2	30.5	32.6	36.9	58.5	47.7	51.9	58.5	40.7	31.6	33.8	38.3	34.7	42.7	48.4	56.1	95.2	81.7	74.2	73.2	80.2	102.7	89.2	89.6	58.8	75.7	70.8	62.5	69.1	56.0	49.4	42.6	39.3	45.5	44.4	39.3	
Pidilite Industries	BUY	2,966	3,428	15.6	1,508.5	12.8	11.4	16.7	16.2	18.2	18.2	21.4	24.9	26.9	27.1	30.1	35.3	37.9	35.8	42.0	49.0	52.8	165.3	118	220.2	252.8	23.3	23.5	23.8	22.3	29.7	28.8	29.4	27.3	82.9	70.5	60.6	56.1	17.9	15.5	13.5	11.7	54.9	49.0	41.6	38.3
Restaurant Brands Asia	Acc	82	89	8.7	47.6	7.6	9.7	23.5	28.2	-0.2	-0.9	-0.3	-0.1	2.4	2.8	3.7	4.7	-12	-15	-0.5	-0.2	31.8	38.8	38.3	38.2	-3.7	-4.2	-1.3	-0.5	14	3.4	6.0	(69.0)	(54.5)	2.6	2.1	2.1	2.1	6.6	5.2	4.2	3.6				
Titan Company	BUY	3,405	3,756	10.3	3,030.2	47.18	548.4	637.0	724.6	35.7	33.4	46.2	55.9	50.9	52.9	70.3	81.2	40.2	37.5	51.9	62.8	162.4	188.9	229.4	276.2	27.0	21.3	24.8	24.8	23.0	17.8	19.8	20.6	84.8	90.9	65.6	54.2	21.0	18.0	14.8	12.3	60.5	59.5	44.2	38.2	
Westlife Foodworld	HOLD	784	769	(19)	122.3	23.9	24.9	29.5	34.4	0.7	0.1	0.6	0.9	3.7	3.2	4.4	5.2	4.5	0.8	3.7	5.7	37.7	38.7	40.4	43.5	12.1	2.1	9.3	14.5	23.4	13.3	22.2	27.3	175.4	992.4	21.6	19.3	20.8	20.3	19.4	18.0	33.3	38.5	28.1	23.4	
Education																																														
DOMS Industries	BUY	2,334	3,087	32.3	141.6	15.4	19.1	23.7	29.3	1.5	2.0	2.4	3.1	2.7	3.5	4.1	5.2	25.2	33.7	39.6	51.4	14.2	165.2	203.4	253.5	26.6	22.5	21.5	22.5	31.9	26.4	25.5	27.1	92.5	69.2	58.9	45.4	17.4	14.1	11.5	9.2	51.3	40.5	33.9	26.6	
Naveet Education	HOLD	149	145	(2.3)	32.9	17.5	17.9	19.4	21.5	1.8	1.4	2.0	2.4	3.0	3.2	3.5	4.0	8.1	6.4	9.3	10.6	57.2	82.9	99.6	97.6	15.0	9.0	10.7	11.4	16.3	5.4	13.4	18.8	16.4	23.3	16.1	14.0	12.6	18	17	15	11.9	10.8	10.0	8.8	
S Chand and Company	BUY	224	286	27.6	7.9	6.6	7.2	8.1	8.8	0.6	0.6	0.8	0.9	1.1	1.3	1.6	1.7	16.1	18.0	23.5	26.0	267.2	280.9	300.4	322.4	6.2	6.6	8.1	8.4	5.1	7.3	8.3	8.6	14.0	23.4	16.6	8.6	0.8	0.8	0.7	0.7	11.9	10.9	5.4	4.5	3.9
EMS																																														
Avalon Technologies	Acc	877	927	5.7	58.0	8.7	11.0	13.8	17.8	0.3	0.6	0.9	1.4	0.6	1.1	1.6	2.2	4.3	9.6	13.9	20.4	83.3	92.4	106.3	126.7	5.2	10.9	14.0	17.5	7.0	14.1	17.7	22.1	205.9	91.5	63.1	43.0	10.5	9.5	8.2	6.9	92.6	50.6	37.4	27.1	
Cyient DLM	Acc	474	546	15.0	37.6	11.9	15.2	16.9	22.3	0.6	0.7	0.9	1.4	1.1	1.4	1.7	2.4	7.7	8.6	12.0	18.2	116.6	119.7	134.7	155.6	11.1	7.3	9.3	12.4	15.0	11.6	13.4	17.4	61.5	55.3	39.7	26.1	4.1	4.0	3.5	3.0	30.3	27.1	21.4	15.4	
Kaynes Technology India	HOLD	6,023	6,068	0.7	386.0	18.0	27.2	41.7	63.0	1.8	2.9	4.1	6.4	2.5	4.1	6.5	10.0	28.7	45.8	63.6	100.4	389.1	443.2	496.1	596.5	10.6	11.0	13.5	16.4	14.7	14.5	16.6	21.3	206.0	10.0	10.5	16.6	10.1	10.1	10.7	10.3	93.5	60.3	40.0	24.9	
Syma SGS Technology	HOLD	681	625	(8.3)	121.3	31.5	37.9	50.4	65.7	1.1	1.7	2.1	2.8	2.0	3.2	4.0	5.4	6.0	9.5	11.9	15.4	90.9	98.3	108.7	122.6	6.8	10.1	11.5	13.4	10.2	13.0	14.2	15.6	12.7	71.4	57.3	44.1	7.5	6.9	6.3	5.6	62.3	38.4	31.6	24.3	
Financial Services																																														
BAJaj Finance	HOLD	919	900	(2.1)	5,704.7	349.3	429.5	544.8	687.4	144.5	177.8	217.3	281.9	239.4	300.5	379.4	482.0	23.6	27.0	35.0	45.4	124.3	160.2	192.5	234.4	220	19.9	21.3	44	4.0	4.2	4.4	39.0	34.0	26.3	20.2	7.4	5.7	4.8	3.9	-	-	-	-		
CholaMandlam Investment and Finance Company	HOLD	1528	1575	3.0	1285.0	83.8	102.3	100.8	116.3	34.2	42.6	57.0																																		

Sector / Company Name	Rating	Price (Rs)	TP (Rs)	Upside (%)	M cap (Rs bn)	Revenues (Rs bn)				PAT (Rs bn)				EBITDA (Rs bn)				EPS (Rs)				BVPS (Rs)				RoE (%)				RoCE (%)				PER (x)				P/BV (x)				EV/EBITDA (x)			
						2024	2025	2026E	2027E	2024	2025	2026E	2027E	2024	2025	2026E	2027E	2024	2025	2026E	2027E	2024	2025	2026E	2027E	2024	2025	2026E	2027E	2024	2025	2026E	2027E	2024	2025	2026E	2027E	2024	2025	2026E	2027E				
Oil & Gas																																													
Bharat Petroleum Corporation	Reduce	344	311	(9.6)	1494.2	4,480.8	4,402.7	4,008.1	4,953.3	2713	37.1	32.0	37.4	440.8	254.0	248.4	248.8	62.5	31.6	29.3	29.4	174.3	177.6	203.1	218.9	42.0	17.5	15.0	13.9	31.7	14.3	12.2	10.8	5.5	10.9	11.8	11.7	2.0	1.8	1.7	1.6	4.3	7.5	7.9	8.2
GAIL (India)	HOLD	84	84	(0.0)	1207.5	1306.4	1372.9	1547.0	1621.3	88.0	88.8	89.5	97.3	152.7	143.3	159.6	152.7	1.4	1.5	1.6	14.8	97.6	107.3	115.0	123.3	14.7	13.2	12.3	12.4	13.2	13.0	11.7	12.2	13.7	13.6	15.5	12.4	1.9	1.7	1.6	1.5	10.3	9.3	9.6	8.7
Gujarat Gas	SELL	463	404	(12.7)	318.8	156.9	154.9	170.5	184.2	11.0	11.5	13.0	12.7	18.8	18.8	21.6	21.5	16.0	16.6	16.8	18.4	111.7	122.8	135.2	147.3	15.0	14.2	14.6	13.0	11.1	17.0	18.9	18.8	28.9	27.8	24.6	25.2	4.1	3.8	3.4	3.1	15.5	16.8	14.5	14.3
Gujarat State Petronet	HOLD	323	348	7.7	182.0	17.6	10.1	11.8	13.2	12.8	8.1	8.3	9.1	15.0	8.1	9.6	10.9	22.8	14.3	14.8	16.1	122.2	131.3	201.7	218.0	13.1	7.7	7.5	7.8	13.4	5.8	6.9	7.6	14.2	22.5	21.9	20.0	1.8	1.7	1.6	1.5	11.8	20.1	16.8	14.7
Hindustan Petroleum Corporation	SELL	430	360	(16.2)	914.9	4,338.6	4,341.1	3,932.5	4,049.2	160.1	167.4	144.9	132.7	249.3	165.5	188.7	220.4	75.2	31.6	34.0	62.4	220.5	240.3	280.7	327.6	40.4	13.7	20.7	20.5	18.5	9.1	10.7	11.2	5.7	13.6	8.0	6.9	1.9	1.8	1.5	1.3	6.2	9.5	7.7	7.0
Indraprastha Gas	Reduce	217	186	(14.4)	304.2	400.0	149.3	163.3	173.3	17.5	14.7	14.6	15.2	23.7	19.8	20.7	22.0	12.5	10.5	10.4	10.8	61.1	66.3	73.1	80.1	22.4	16.5	16.0	14.1	25.0	16.9	16.4	16.1	17.4	20.7	20.8	20.1	3.6	3.3	3.0	2.7	11.9	14.2	13.4	12.6
Indian Oil Corporation	Reduce	150	138	(8.3)	2,067.1	7,763.5	7,581.1	8,011.4	8,561.5	431.6	19.5	16.1	23.95	755.9	359.9	450.6	525.7	31.3	8.7	13.2	17.4	133.2	155.4	163.1	153.0	26.7	6.5	9.4	11.7	20.4	6.0	6.2	9.9	4.8	17.3	11.4	8.6	1.1	1.1	1.0	1.0	4.3	9.6	7.8	6.6
Mahanagar Gas	HOLD	1477	1425	(3.5)	145.9	62.4	69.2	76.0	85.5	12.9	13.4	11.3	12.8	18.4	15.1	15.3	18.0	10.5	15.8	11.7	12.95	520.6	596.2	665.0	742.7	27.8	19.9	18.2	18.4	33.7	21.7	21.1	21.1	11.3	14.0	12.9	11.4	2.8	2.5	2.2	2.0	7.7	9.5	8.5	7.5
Mangalore Refinery & Petrochemicals	HOLD	142	146	2.8	248.8	904.1	946.8	936.8	977.0	36.0	10.5	27.1	26.3	77.0	22.9	60.5	61.1	20.5	0.3	1.5	15.0	75.6	73.8	85.7	97.2	31.2	0.4	18.4	16.4	24.6	3.7	17.7	17.0	6.9	492.0	9.2	9.5	19	19	17	15	4.8	16.5	5.8	5.3
Oil India	BUY	446	566	27.0	725.2	221.3	221.2	227.8	253.4	79.1	61.1	74.7	89.1	92.6	87.7	105.6	126.0	48.7	37.6	45.9	54.8	271.3	279.3	311.2	349.2	20.2	13.7	15.5	16.6	14.8	12.1	14.2	16.0	9.2	11.9	9.7	8.1	1.6	1.6	1.4	1.3	8.7	9.2	7.3	5.8
Oil & Natural Gas Corporation	Acc	244	284	16.4	3,072.3	6,531.7	6,632.6	5,997.2	6,287.4	536.4	381.8	439.3	448.8	1081.9	988.6	1049.8	1092.3	42.6	30.3	34.9	35.7	269.5	273.0	295.3	318.1	17.3	11.2	12.3	11.6	17.1	12.8	12.4	12.6	5.7	8.0	7.0	6.8	0.9	0.9	0.8	0.8	3.9	4.4	3.9	3.4
Petronet LNG	Reduce	304	315	3.8	455.7	557.7	509.8	497.3	526.5	35.4	39.3	43.3	47.3	52.1	55.2	62.1	69.9	23.6	26.2	28.9	31.5	113.1	129.2	145.7	163.9	22.2	21.6	21.0	20.4	27.8	26.0	25.6	25.2	12.9	11.6	10.5	9.6	2.7	2.4	2.1	1.9	7.3	6.6	6.1	5.5
Reliance Industries	HOLD	1484	1479	(0.3)	20,077.4	9,010.6	9,846.9	9,832.6	10,443.9	696.2	696.5	744.5	747.0	16,22.3	16,54.4	18,54.0	19,25.0	51.4	51.5	55.0	55.2	586.4	623.1	672.8	722.9	9.2	8.5	8.5	7.9	10.2	9.5	9.8	9.2	28.8	28.8	27.0	26.9	2.5	2.4	2.2	2.1	13.9	13.7	11.9	11.1
Pharma																																													
Aurobindo Pharma	BUY	1199	1440	26.5	661.3	290.0	317.2	342.3	373.6	35.6	34.9	40.8	46.8	58.4	66.1	71.5	79.5	60.7	60.0	70.3	80.6	509.3	562.2	624.3	696.7	12.5	11.2	11.8	12.2	12.7	12.9	12.8	13.3	11.8	11.0	11.2	11.1	2.2	2.0	1.8	1.6	11.3	10.0	9.0	7.9
Cipla	Acc	1484	1730	16.6	1198.1	257.7	275.5	298.9	320.5	41.2	52.7	51.0	52.9	62.9	71.3	72.0	75.3	51.1	65.3	63.1	65.5	330.8	386.4	429.7	471.9	16.5	18.2	16.5	14.5	20.4	20.4	18.1	17.1	29.1	22.7	23.5	22.7	4.5	3.8	3.5	3.1	19.0	16.8	16.3	15.2
Div's Laboratories	Acc	6,779	6,800	0.3	1796.3	78.6	94.0	110.0	127.0	16.2	25.2	27.2	32.9	22.2	30.0	37.3	44.8	61.1	95.2	102.7	124.2	52.1	564.9	637.5	731.7	12.3	17.7	17.1	18.1	14.0	18.2	20.6	21.7	111.0	71.2	66.0	54.6	13.2	12.0	10.6	9.3	79.0	58.6	47.0	39.0
Dr. Reddy's Laboratories	Reduce	1251	1225	(2.0)	1043.0	279.2	325.5	355.9	354.6	55.7	56.5	57.2	43.3	78.4	86.2	91.9	73.3	66.8	67.8	68.6	51.9	336.4	399.7	454.5	492.7	21.6	18.4	16.1	11.0	23.3	20.3	17.8	11.7	11.7	11.4	11.2	24.1	3.7	3.1	2.8	2.5	12.5	12.0	11.0	10.2
Eris Lifesciences	BUY	1747	1740	(0.4)	237.5	20.1	28.9	32.7	36.7	3.9	3.5	5.2	7.3	6.7	10.2	11.8	13.6	28.6	25.6	38.5	53.4	190.2	209.9	240.9	286.3	16.3	12.8	17.1	20.3	11.8	13.2	16.3	20.2	61.1	68.2	45.4	32.7	9.2	8.3	7.3	6.1	37.2	25.5	21.5	18.0
Indoco Remedies	HOLD	318	325	2.1	29.4	18.2	16.6	18.3	21.1	0.9	-0.8	-0.1	0.9	2.4	1.0	1.6	3.0	9.3	-8.6	-1.6	9.6	12.0	11.8	10.2	18.9	8.0	-7.4	-1.5	8.5	9.8	-0.8	2.3	8.9	34.3	(37.2)	###	33.0	2.6	2.9	2.9	2.7	14.6	39.3	25.2	13.3
Ipca Laboratories	Acc	1457	1525	4.7	369.6	77.1	89.4	98.5	110.0	6.6	9.4	10.6	12.8	12.9	16.9	19.9	23.3	25.8	37.2	42.0	50.6	249.6	273.9	318.8	362.7	10.8	14.2	14.3	14.9	12.4	16.2	18.2	19.8	56.4	39.2	34.7	28.8	5.8	5.3	4.6	4.0	29.1	21.9	18.4	15.4
J.B. Chemicals & Pharmaceuticals	BUY	1638	2030	23.9	254.2	34.8	39.2	43.9	49.2	5.5	6.6	8.1	9.8	9.0	10.3	12.1	14.4	35.6	42.5	52.4	63.0	188.4	221.2	257.6	305.6	20.5	20.8	21.9	22.4	24.0	25.6	27.5	28.1	46.0	38.5	31.2	26.0	8.7	7.4	6.4	5.4	28.2	24.2	20.1	17.1
Lupin	BUY	1926	2400	24.6	879.5	198.1	227.1	253.6	270.3	19.0	32.8	40.5	42.7	35.9	52.8	63.9	65.4	41.7	71.7	88.8	93.5	316.6	376.8	458.5	545.0	14.2	20.8	21.3	16.6	15.4	20.9	22.1	20.5	46.2	26.8	21.7	20.6	6.1	5.1	4.2	3.5	24.9	17.0	15.5	12.7
Sun Pharmaceutical Industries	BUY	1883	2000	6.9	4,037.1	485.0	525.8	572.3	633.0	95.8	109.3	122.9	149.0	29.9	150.9	177.7	188.7	41.8	49.2	51.2	62.1	265.4	301.0	332.3	373.3	15.0	16.1	16.2	17.6	16.2	17.8	16.9	19.0	40.2	34.2	32.9	27.1	6.3	5.6	5.1	4.5	30.5	28.1	24.6	20.1
Torrent Pharmaceuticals	Acc	3,405	3,850	13.1	1150.9	107.3	115.2	129.6	145.1	16.6	19.1	25.4	31.1	33.7	37.2	43.1	49.4	46.4	57.2	75.3	91.9	202.8	224.6	264.7	309.9	24.0	26.8	30.8	32.0	23.0	27.3	33.3	37.9	73.4	59.5	45.2	37.0	16.8	15.2	12.9	11.0	35.0	31.6	26.9	23.2
Zydus Lifesciences	Acc	968	970	0.2	974.3	195.5	232.4	249.2	252.7	38.4	45.3	45.3	40.2	53.0	69.0	66.9	58.8	38.1	45.0	45.0	40.0	117.1	238.1	270.5	297.9	20.5	20.7	17.7	14.1	23.1	25.1	19.9	16.4	25.4	21.5	21.5	24.2	4.9	4.1	3.6	3.3	16.3	14.2	14.4	16.0
Real Estate																																													
Suntech Realty	BUY	442	650	47.1	64.7	5.6	8.5	10.4	24.4	0.7	1.5	3.5	5.7	12	19	4.3	7.4	4.8	10.3	23.7	39.2	210.3	222.5	244.3	281.4	2.4	4.7	10.2	14.9	3.1	4.8	10.8	17.0	113	43.1	86	11.3	2.1	2.0	1.8	1.6	57.5	35.8	15.5	8.9
Travel & Tourism																																													
Chalet Hotels	BUY	868	1130	30.2	89.6	14.2	17.2	18.8	24.5	2.4	3.4	4.9	5.7	5.8	7.4	9.9	11.2	11.6	15.8	22.3	26.2	90	119.4	118.8	165.3	11.1	11.1	14.8	15.1	9.8	10.7	13.6	11.1	74.8	55.0	38.9	33.2	9.6	6.2	5.4	4.7	37.3	28.8	21.3	18.9
Indian Railway Catering and Tourism Corporation	BUY	770	864	12.2	616.2	42.8	46.7	53.2	57.3	11.7	12.7	14.2	15.7	14.7	15.5	17.8	19.9	14.6	15.8	15.5	16.3	41.0	36.8	35.0	32.2	49.4	43.4	41.5	38.6																

Notes

PL's Recommendation Nomenclature

Buy	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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Model Portfolio Disclaimer

Launch Date: November 2025

Period of Updation: The model portfolio is updated after a gap of usually 6-7 weeks in line with India Strategy Reports release. However, it can be updated earlier or later depending on specific events like Budget, Elections or any seen or unforeseen event which could have an impact on various stocks, sectors and economy. These events can be economic and non-economic in nature and include all such events which we feel can impact the markets.

Rationale of stocks in model portfolio: Given in write up every time we update the model portfolio. The model portfolio will be overweight, Equalweight and underweight in comparison to benchmark adopted. However, PL Model portfolio can have stocks which are not a part of those benchmarks. In such cases we reserve the right to have weight in non-benchmark stocks as per our conviction. In normal cases the overweight rating will normally have stocks where we are having Buy, Accumulate rating as per PL reports, but in cases it can have overweight even with Hold rating. Equal weight rating will mirror hold in the PL reports. Underweight ratings normally mirror Reduce and sell rating in the PL reports, however at times model portfolio can be underweight even with Hold/ Accumulate rating. However, as we can have stocks outside benchmarks and for the purpose of re-balancing the portfolio, there are likely to be variations in the allocations based on the criteria and our conviction. The model portfolio can avoid having benchmark constituents if they are not under active coverage of PL Research. Model portfolio can avoid having any stock in the model portfolio if it is in benchmark and we have assigned a rating to the stock. The model portfolio also will have a provision to hold cash to the maximum extent of 20% of its value.

Underlying the universe of stocks: PL Model portfolio will be a Multicap portfolio. It will mostly have large/Mid cap stocks and can have small caps also from time to time. However, it will not have micro-cap stocks in the portfolio.

Basis of security selection: PL Model portfolio will select stocks based on fundamental analysis which includes business, financials and ratios. However, if the outlook remains good for long term, the portfolio can have stocks with high PE multiples or the companies which are yet to start making profits or even commencing commercial operations or start operating production units. PL Model portfolio can adopt any investing principle excluding technical, derivatives, commodities and Quant principles.

Investment objective of model portfolio: PL Model portfolio aims for positive absolute returns in the portfolio and the basket of stocks selected. It will aim at providing returns superior to the large cap indices like Nifty 50 and Nifty100.

Investment horizon of model portfolio: Investment horizon of the model portfolio is perpetual, although we shall monitor the performance of the model portfolio each time on revision and from inception and periodic intervals which we shall disclose in the model portfolio writeup.

Risk disclosures: Risk of loss in trading/investment can be substantial and even more than the amount / margin given by you. Investment in securities market are subject to market risks, you are requested to read all the related documents carefully before investing. You should carefully consider whether trading/investment is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. Prabhudas Lilladher Private Limited and any of its employees, directors, associates, group entities, or affiliates shall not be liable for losses, if any, incurred by you. You are further cautioned that trading/investments in financial markets are subject to market risks and are advised to seek independent third party trading/investment advice outside _ Prabhudas Lilladher Private Limited /group/associates/affiliates/director's/ employees before and during your trading/investment. There is no guarantee/assurance as to returns or profits or capital protection or appreciation. Prabhudas Lilladher Private Limited and any of its employees, directors, associates, and/or employees, directors, associates of Prabhudas Lilladher Private Limited 's group entities or affiliates is not inducing you for trading/investing in the financial market(s). Trading/Investment decision is your sole responsibility. You must also read the Risk Disclosure Document and Do's and Don'ts before investing.

Benchmark: PL Model portfolio will be benchmarked against Indices like Nifty 50, NIFTY100. The portfolio will not be a sectoral or theme portfolio. The portfolio will have allocations based on various sectors and segments.