

Convex Choices

High Conviction Investment Ideas After the Q1FY26 Results
September 19, 2025



India Equity Strategy

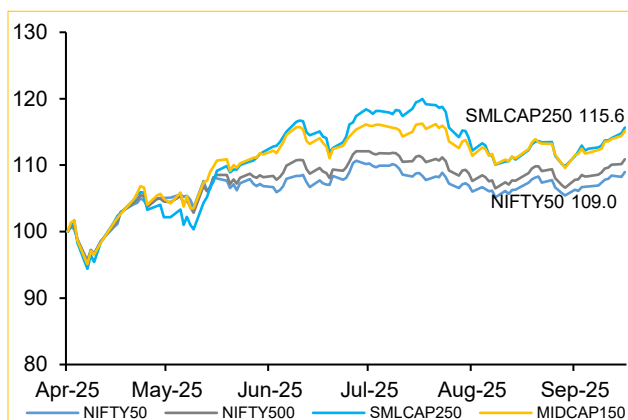
Convex Choices: India Equity Strategy (1/3)

Market Direction Hangs In Balance With A Positive Bias

In Convex Choices - Edition I published on Mar 07 ([link here](#)), we recommended to 'Play the Panic', building long-term long positions. Since then, Nifty 50 has returned ~12% while Nifty Midcap 150 and Nifty Small Cap 250 have returned 19% each. We turned 'cautiously optimistic' on the markets in our June 20 edition ([link here](#)) with any clearing up of negative news screen to take markets higher. Selective churning into stronger sectors, right stock selection and higher cash positions was recommended. **We maintain our view that the market remains resilient and triggers are shaping up well for markets to GO UP; albeit with selective cash deployment in our select sectors.**

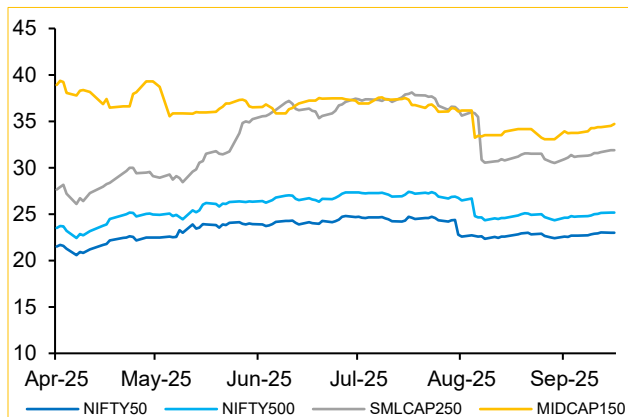
Market View: Constructive with Caution - India's equity market is navigating a delicate balance: policy support, liquidity, and retail flows on one side, and US tariffs, domestic growth concerns and FII risk aversion on the other. Our bias remains constructively positive, but we emphasize sectoral selectivity and valuation discipline.

Index Returns were muted for Q2, robust for H1FY26



Source: Factset, Choice Institutional Equities

Valuations continue to remain stretched



Source: Bloomberg, Choice Institutional Equities

Revenue Growth remains muted across sectors

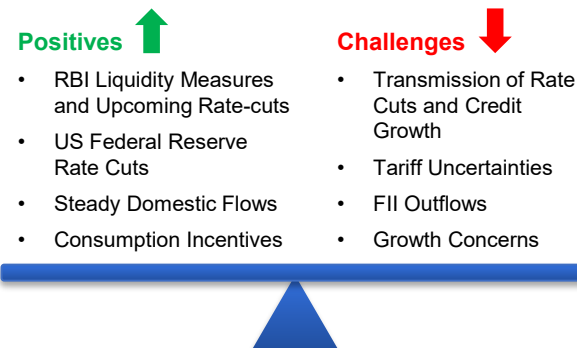
Revenue Gr. YOY	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Basic Materials	2.3%	(0.1%)	15.4%	(3.1%)	5.2%
Consumer Discretionary	12.5%	7.5%	15.2%	7.5%	7.1%
Consumer Staples	4.5%	7.9%	12.5%	14.3%	14.7%
Diversified	10.6%	16.0%	6.3%	(17.0%)	(11.0%)
Energy	4.8%	2.3%	3.9%	(1.7%)	(0.3%)
Healthcare	12.5%	13.6%	19.3%	12.1%	10.4%
Industrials	13.3%	19.5%	41.8%	(8.6%)	13.0%
Real Estate	30.9%	24.1%	44.4%	(5.9%)	6.8%
REITs & Invts	25.2%	26.7%	18.6%	(4.7%)	24.7%
Technology	6.1%	11.2%	10.4%	10.0%	9.9%
Telecommunications	9.7%	18.1%	25.1%	15.4%	16.7%
Transportation	12.8%	10.0%	11.9%	6.5%	14.7%
Utilities	13.6%	(0.1%)	12.1%	(4.3%)	(0.1%)
Nifty 500 Avg	7.2%	5.7%	12.6%	1.3%	5.0%

Outliers overstate the averages for Net Income

PAT Gr. YoY	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Basic Materials	(1.5%)	24.3%	9.0%	30.3%	13.3%
Consumer Discretionary	24.5%	(6.8%)	(4.8%)	(14.8%)	0.5%
Consumer Staples	10.3%	5.0%	5.4%	37.5%	4.3%
Diversified	113.2%	495.3%	(85.0%)	532.3%	(43.9%)
Energy	(41.3%)	(44.7%)	(9.3%)	2.4%	53.2%
Healthcare	40.5%	23.4%	22.0%	32.5%	(2.4%)
Industrials	28.9%	20.5%	14.9%	10.5%	12.0%
Real Estate	68.9%	4.1%	24.4%	(6.5%)	4.9%
REITs & Invts	16.0%	37.2%	3094.5%	19.9%	61.4%
Technology	10.4%	14.2%	12.5%	4.0%	8.4%
Telecommunications	(107.1%)	(86.1%)	(490.6%)	(292.3%)	234.5%
Transportation	43.6%	27.0%	27.8%	9.9%	(1.7%)
Utilities	(14.4%)	0.8%	8.1%	16.0%	0.4%
Nifty 500 Avg	(2.3%)	(3.5%)	13.6%	13.9%	14.7%

Source: Factset, Choice Institutional Equities

MARKET DIRECTION HANGS IN BALANCE



Investment Strategy

Theme	Rationale	Key Sectors
Domestic Consumption	GST Cuts, Festive boost, Rural Recovery	Autos, AlcoBev
Interest Rate Sensitives	Upcoming Rate Cut Cycle	Financials, Real Estate
Currency Sensitives	Higher Revenues in INR Terms	IT Services
Government Spending	Spurt in Infrastructure Spending	Capital Goods, Cement, Defence
CDMOs, Complex Generics	Peptides, No Tariff Threats	Pharmaceuticals

Our Sector View

Positive: Autos & Auto Anc., AlcoBev, Cement, Oil & Gas – Downstream, Healthcare, Aerospace, Defence, Capital Goods
Neutral: Steel, Mining, Oil & Gas – Upstream, Financials, IT Services, ER&D

Key Near-Term Triggers

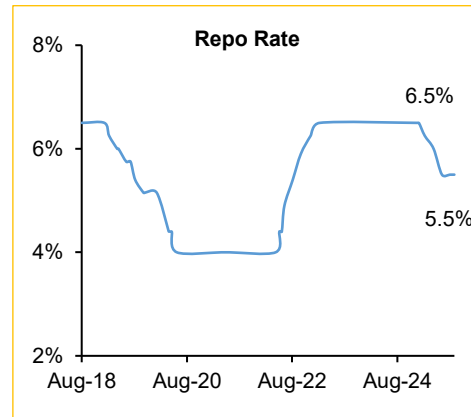
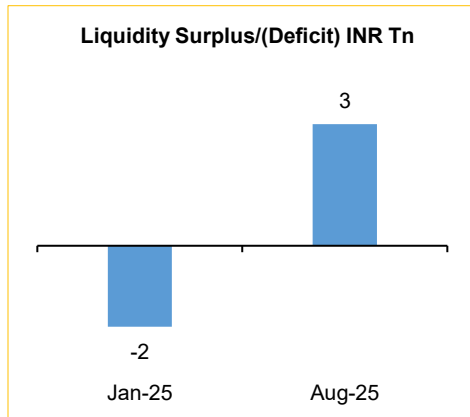
Event	Period	Potential Impact
RBI Policy	Oct'25	Dovish Tone with Rate Guidance
US Fed Meeting	Nov'25	More Rate Cuts
Festive Consumption	Oct-Dec'25	Increased Discretionary Spending
Q2FY26 Earnings	Oct-Nov'25	Growth and Margin Trends
IPO Pipeline	Ongoing	Liquidity Absorption + Retail Enthusiasm

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Convex Choices: India Equity Strategy (2/3)

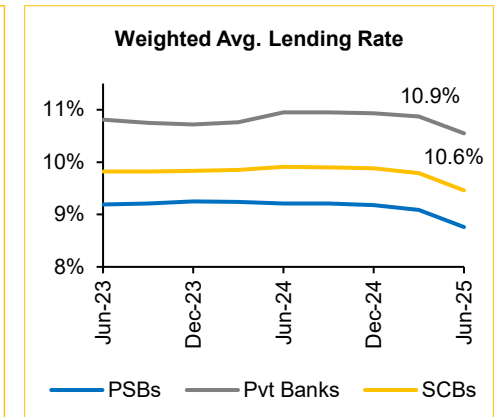
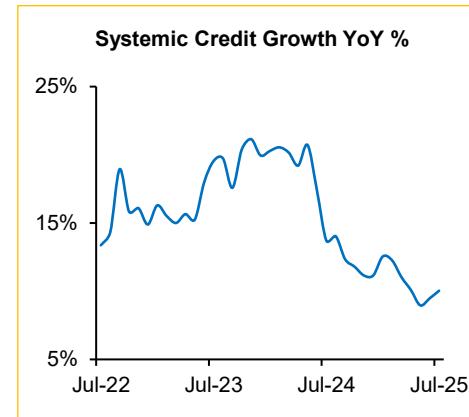
1 Strong domestic liquidity powered by OMOs and rate cuts...

- RBI's Variable Rate Repo Auctions have injected the banking system with sufficient liquidity, repo rate cuts are expected to drive liquidity and credit offtake higher.
- We expect further rate cuts in line with US rate cuts by RBI in H1FY26E.



1 however, transmission and credit growth remains muted.

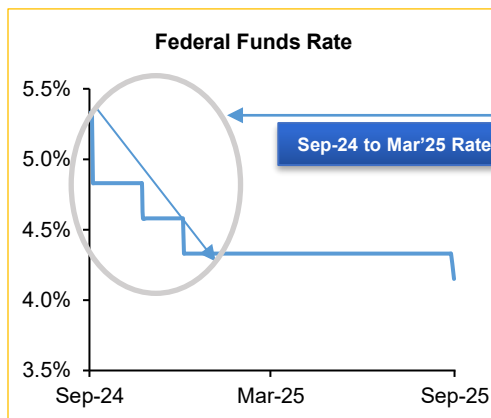
- Credit offtake has seen muted growth over the last 6 months, primarily driven by transmission challenges as banks have only been able to pass on 30-50 bps out of the 100 bps rate cut by RBI.



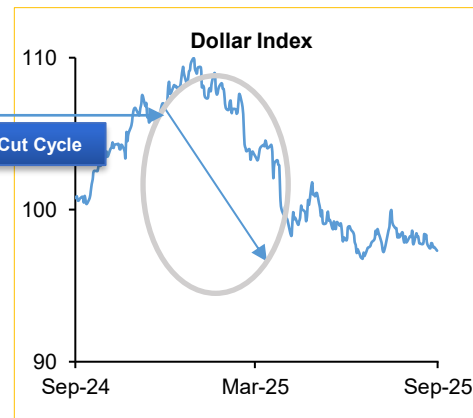
Source: RBI, Choice Institutional Equities

2 US Fed Pivots leading to global tailwinds...

- A Fed rate-cut pivot would:
 - Weaken the USD, stabilizing EM currencies including the INR
 - Ease pressure on FII outflows
 - Improve risk appetite globally, benefiting emerging markets like India
- RBI may follow with its own rate cut by early 2026, creating a benign monetary policy environment for rate-sensitive sectors.



Source: FRED, Choice Institutional Equities



Source: Factset, Choice Institutional Equities

2 while, geopolitical and tariff risks weigh heavy.

- It is expected that as US-India trade negotiations conclude over the next few weeks, there is possibility of the additional 25% tariffs to be done away with.
- However, the base tariffs of 25% are likely to come down in the range of 15%-20%, post the negotiations. Under the new tariffs the competitiveness of Indian exports to USA like Textiles, Gems & Jewellery etc. remains to be seen.

Category	Exports to USA FY25 (US\$ bn)	% Total
IT & Other Services	41.8	34.1%
Pharmaceuticals	8.9	7.2%
Energy (Mineral & Other Fuels)	4.4	3.6%
Capital Goods (Electrical Equipment)	12.6	10.3%
Metals & Mining	3.0	2.4%
Capital Goods – Other Machinery	6.6	5.4%
Other Goods	45.3	37.0%

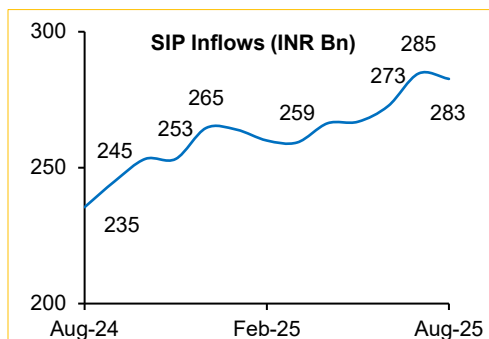
50% Tariff	Exempt	Partially Exempt
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Source: Choice Institutional Equities

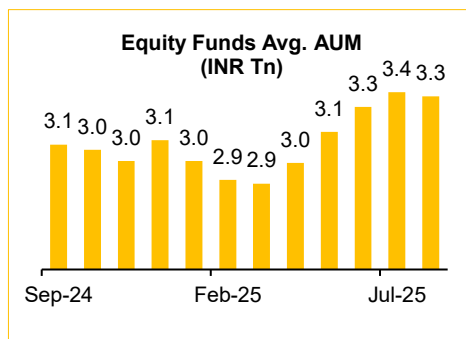
Convex Choices: India Equity Strategy (2/3)

3 SIPs ensure domestic flows continue with strength....

- SIP inflows continue to hit record highs, now averaging over INR 274 Bn per month for FY26 YTD, reflecting deepening retail investor participation.
- DII have been consistent net buyers even during FII selling phases, acting as a stabilizing force for markets.
- This sustained inflow is also helping to absorb supply from the primary market and limiting volatility.



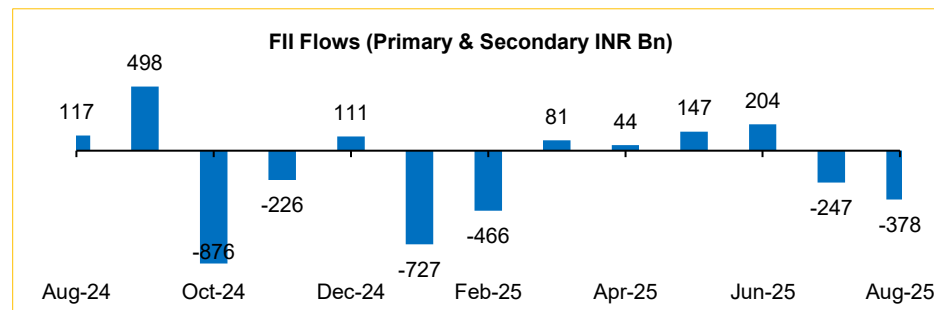
Source: AMFI, Choice Institutional Equities



Source: SEBI, Choice Institutional Equities

3 whereas, FII outflow persist amid global uncertainties.

- FII remain cautious due to:
 - Rich valuations relative to other Emerging Markets, coupled with domestic growth concerns
 - Uncertainty around global demand
 - Trade tensions
- In FY25, FIIs injected INR 1.21 Tn in the primary market.
- YTD FII outflow works out to be around INR 1,340 Bn, pressuring index-heavy sectors like IT and Financials.



Source: SEBI, Choice Institutional Equities

4 Tax rebates and GST cuts support near-term consumption...

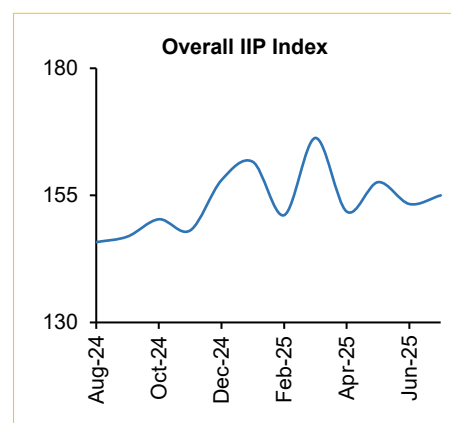
- The Income Tax Rebate for incomes up to INR 1.2 Mn, as well as GST rate rationalizations are likely to improve purchasing power.
- With expected acceleration in government spending for capex and revenue expenditure, consumption for the festive season is likely to come in higher.

Sector	Rate Reduction/Increases
Consumer Durables	28% → 18%
Commercial Vehicles	28% → 18%
Cement	28% → 18%
Insurance	28% → 0%
Solar Cells	18% → 5%
Fertilizers	12%/18% → 5%
Passenger Vehicles (sub 4m)	28% → 18%

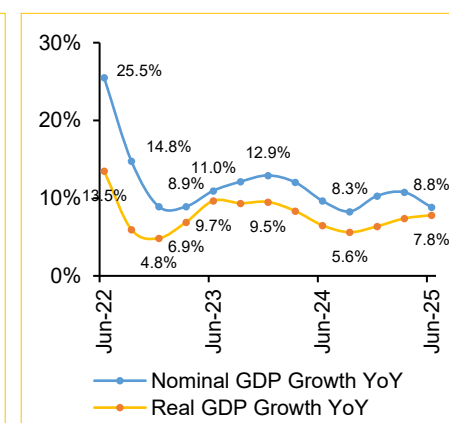
Source: Choice Institutional Equities

4 ...however growth concerns persist.

- While headline GDP remains strong, high-frequency data (e.g., IIP, PMI-Manufacturing, rural demand) show **signs of deceleration**.
- CPI Inflation came in at 2.7% for the Jun'25 quarter, indicating signs of waning demand and falling prices. This has narrowed the gap between Real & Nominal GDP (see chart below).



Source: CMIE, Choice Institutional Equities



Source: Factset, Choice Institutional Equities

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Choice Sector View – 1/4

Industry	Sector	Outlook	Choice Sector View
Basic Materials	Construction Materials	Positive	Multiple Tailwinds Drive Positive Construction Materials Sector Outlook Cement: Positive Cement sector outlook for FY26/27E is driven by: 1) GST rate cut from 28% to 18%, 2) Pent up demand from weak FY25 and YTD FY26E, 3) Higher spending by central and state governments on infrastructure (+12-15% CAGR over FY25-27E), coupled with steady demand from IHB and Real Estate sectors due to favourable interest rate cycle, 4) Implementation of cost optimization initiatives by cement companies, 5) Improving product mix, 6) Increasing capacity utilisation with higher demand, and 7) Improvement in pricing due to higher demand and better capacity utilisation. Industry volumes are projected to grow by ~8% YoY in FY26E, and FY27E could see double-digit growth in our view. While Q2FY26 may witness seasonal softness due to the monsoon, the overall pricing and demand outlook remains favourable. Building Materials (Tiles, Bathware, PVC Pipes, Plywood, MDF, etc.): The broader industry-wide drivers discussed above in cement will benefit the Indian Building Materials Sector. Additionally, the implementation of BIS norms for furniture imports from early 2026 is expected to stimulate domestic plywood/MDF demand.
	Steel & Other Metals	Neutral	India is a Bright Spot for Steel and Non Ferrous Demand, Currency Depreciation to Support Domestic Pricing Steel: Global demand for steel and non-ferrous metals is expected to be impacted by US tariffs related friction in the global manufacturing supply chains. The tariff situation, apart from several other dynamics, continues to weigh on global steel prices. At such a time, steel demand in India is expected to be relatively stronger, and grow by high single digits in FY26/27E. Recent imposition of 11-12% safeguard duty would protect pricing and profitability for Indian steel mills. Non-Ferrous Metals: While demand for non-ferrous metals like Aluminium, Zinc, Copper is expected to grow by high single digits over FY26/27E, pricing is expected to be supported by currency depreciation.
	Mining	Neutral	Steel Production Growth to Drive Higher Iron ore Demand; Coal Pricing to Increase in FY27 Iron ore: Iron ore demand in India would be supported by strong growth in steel production in FY26/27E. Pricing, which is a function of domestic as well as global factors, is expected to be stable. Coal: Coal pricing in India is largely fixed (for 85-90% of the volumes), and is altered once in 2-3 years. We expect a ~10% hike in prices for this segment in FY27E by Coal India as the company needs to pass on the impact of wage inflation. Pricing for rest of the 10-15% volumes is expected to be volatile owing to a combination of factors like international coal prices, domestic availability of lower-priced coal etc.

Choice Sector View – 2/4

Industry	Sector	Outlook	Choice Sector View
Consumer Discretionary	AlcoBev	Positive	Premiumization lifts volumes, while Impact of Maharashtra Hike will be realized in Q2FY26E Premiumization is a long term trend supported by increasing launches by major players in Prestige & Above (P&A) category. Further, consumption boost via tax incentives to offer additional avenues for volume growth. Maharashtra hiked excise by 50% on IMFL, this went into effect on 24 June, 2025, the full impact on volumes will be a key monitorable for this quarter. India sold 1.1Bn cases worth INR 3.2Tn in FY23, with IMFL contributing 70% of volumes and whisky/brandy accounting for ~80% of value and volume. Over FY23–28E, IMFL volumes are projected to expand at 9.9% CAGR while overall AlcoBev volumes will grow at 6.1% CAGR, led by premiumization, reinforcing India's position as one of the fastest-growing AlcoBev markets globally.
	Automobile & Auto Ancillaries	Positive	GST Restructuring Set To Unlock Overall Auto Demand We expect India's automobile sector to expand at a 7.6% CAGR over FY25–FY28E, driven by a boost in overall demand as a result of reduction in GST, as well as rising disposable income, rural demand growth and a shift toward premiumization. In 2Ws, the demand is moving towards higher-capacity (≥125cc) bikes, with their market share rising from 24.2% in FY22 to 28.8% in FY25, registering a healthy CAGR of 11.8%. Meanwhile, in the 4W segment, Multi-Utility Vehicles (MUVs) have gained significant traction, increasing their market share, from 38.5% in FY21 to 62.3% in FY25, growing at an impressive CAGR of 23.2%. For the auto ancillary space, we remain positive on the strength of new product launches. We expect auto ancillary companies to continue benefiting from the trend of premiumization and technological upgrades.
Energy	Oil & Gas-Upstream	Neutral	Cautious Outlook on Indian E&P We maintain a cautious outlook on Indian E&P. As part of recent revisions, the GST rate on oil and gas exploration, production, and pipeline services has increased from 12% to 18%. We believe that a higher GST rate will make exploration & production (E&P) projects – particularly coal-bed methane (CBM) initiatives – less competitive, creating headwinds for efforts aimed at boosting domestic output and reducing import dependence. We estimate domestic oil and gas production to grow at low to mid-single digits by FY28E. Increased gas volumes and a new gas well-linked pricing structure should help domestic E&P firms make up for the lower Brent realization anticipated this year. Our assessment on the Indian oil and gas upstream market is neutral, nevertheless, as we continue to exercise caution in the execution of the production rise.
	Oil & Gas-Downstream	Positive	India's Fuel Demand Outpaces Global Growth India's oil consumption is forecast to grow at roughly 3% CAGR FY25-FY28E, led primarily by increased demand from transportation fuel. Meanwhile, natural gas consumption is expected to expand at ~6% CAGR, benefitting city gas distributors. Simultaneously, gasoline and diesel consumption growth in India is outpacing global averages. Moreover, based on recent GST reforms, lower rate for automobile industry is poised to benefit lubricants—an area insulated from direct government intervention, compared to other consumable fuels. With summer driving winding down in the northern hemisphere, we expect Brent prices to cool and average about US\$69/bbl this fiscal year. This should support healthy GRMs, reduce LPG losses and drive stronger auto-fuel margins in FY26E versus FY25.

Choice Sector View – 3/4

Industry	Sector	Outlook	Choice Sector View
Financials	Banks	Neutral	Credit Growth remains muted, however rate cuts and festive cheer expected to give a robust H2FY26E Margins across banks contracted following repo rate cuts and are likely to moderate further in Q2FY26E, as rate cuts transmission works its way through the economy. However, banks expect margins to recover from Q3FY26, supported by deposit repricing, which will help cushion NIMs. In the near term, NIMs will decline in Q2FY26E due to the full-quarter impact of the June 2025 policy rate cut. Earnings growth is expected to bottom out in H1FY26, with an improvement in credit costs as stress in unsecured lending eases. Looking ahead, further rate cuts could give a fresh boost to credit growth in the second half of FY26. Credit-Deposit Ratio and credit offtake remain key monitorables going ahead.
	NBFCs	Neutral	NBFCs to grow faster than banks over FY25-FY28E, while credit stress keeps growth in check NBFC credit offtake is expected to grow at a CAGR of 17% - 18% for FY26E as per CRISIL. With increasing formalization of the economy, higher demand NBFCs are expected to gain market share from Banks. However, segments like MSME Loans, Personal Loans and Small Ticket Loans have seen increase in delinquencies causing write-offs and stress. We expect that post increase in demand growth these stresses should subside. We remain positive on secured loan segments like Affordable Housing, Gold Loans and Loans Against Property. NIMs are likely to improve driven by yield-cost dynamics and rating upgrades.
Healthcare	Hospitals	Positive	Indian Hospitals Enter a Golden Era: From Underserved to Unstoppable The Indian hospital sector is entering a golden phase. Once under-penetrated, low-margin and infrastructure-heavy, it is now evolving into a high-growth, high-return sector. Structural tailwinds are driving compounding cash flows, expanding margins and steady scale-up in a country with a strong health needs. With longer life expectancy, rising insurance coverage and booming medical tourism, this sector is no longer just for social good but a powerful long-term investment story. Since healthcare delivery accounts for ~71% of the overall healthcare market and the value of this segment is set to cross INR 7.7 trillion by FY27, it is one of the biggest long-term opportunities in Indian equities.
	Pharmaceuticals	Positive	Indian Pharma Navigates Tariff Uncertainty While Biosimilars and CDMO Drive the Next Leg of Growth In the near term, pricing pressure in US generics and tariff-related uncertainties have weighed on sentiment, prompting a strategic push toward geographic diversification and higher contribution from non-US markets. Policy support, such as GST rate cuts on essential drugs, is also aiding affordability and access. Over the longer term, sustained traction in Biosimilars, CDMO, and complex therapies like peptides and injectables are expected to drive structural growth. With industry innovation intact and external risks relatively contained, the sector is poised to grow at an estimated CAGR of 8–9%, underpinning a positive outlook.

Choice Sector View – 4/4

Industry	Sector	Outlook	Choice Sector View
Industrials	Aerospace & Defence	Positive	India Accelerates Defence Self-Reliance: Export Opportunities and Domestic Momentum The recent “Operation Sindoor” reinforced the precision and capability of India’s technologically advanced indigenous systems. We believe it generated a strong international interest in Indian weapon platforms. Domestic Defence production was up 16.7% YoY, reaching INR 1.50 Tn in FY25, under ‘Atmanirbhar Bharat.’ Domestic manufacturing improved, from 30–35% to ~65%. The MoD signed deals worth over INR 2.09 Tn in FY25, double the previous peak; ~81% of which were awarded to domestic players. It is now targeting INR 3.0 Tn in production and INR 500 Bn in exports by FY29E. We expect defence to sustain strong growth, supported by domestic and rising global demand.
	Electrical Equipment	Positive	Growth Momentum Continues In the TLT-EPC segment, working capital has increased due to higher YoY revenue growth. Cable & Wire (C&W) and Transformers segments continued to witness Capex growth, to meet accelerating demand. Majority of companies are reaching their peak capacity utilisation. OPM of all the above-mentioned segments has been rising owing to better than the operating leverage. At the same time, companies picked up plum orders which were available in the addressable market. Over FY25–FY30, the C&W segment is projected to grow ~2x real GDP growth vs (historically) ~1.5x real GDP growth.
	Machinery	Positive	Moderate Quarter, Better Times Ahead The Solar and Agricultural Pump Industry witnessed a muted Q1FY26, with volumes remaining largely flat under the PM-KUSUM Scheme. Exports, however, continued to deliver strong growth, supported by robust demand from Africa and the Middle East, helping offset concerns over potential US tariffs. With sizeable domestic order inflows of ~ INR 2400 crores anticipated in Q2FY26E, the industry remains confident of achieving 18-20% revenue growth in FY26E, while sustaining operating margins in the range of ~ 22- 24%. Further growth momentum is expected as company’s ramp up manufacturing capacities and deepen distribution networks.
Technology	IT Services	Neutral	Weak Start amid Macros; TCV Conversion Remains Key Catalyst IT services sector reported muted Q1FY26 performance led by macroeconomic uncertainty & delayed discretionary spending. However, strong TCV wins driven by cost take-outs & vendor consolidation offers some support. Potential Fed rate cuts may ease macro pressures, improving H2FY26 performance through better TCV conversion. We expect Tier-I IT firms to grow in the range of -1% to 5%, while mid-tier firms may outperform, with 5% to 25% growth in FY26E. We believe AI-driven transformation is emerging as a key growth lever, shifting models from T&M billing to SAAS & Platform-led services. This should support sustainable revenue growth despite lower net headcount additions & margin expansion via productivity gains from a long-term perspective. While our view remains ‘Neutral’, we believe there is valuation comfort across our coverage where most of the IT companies are trading below their 5-year mean.
	ER&D	Neutral	Broad-based Weakness across Board; Recovery expected from H2 In Q1FY26, all the Indian pure-play ER&D service providers reported a sequential revenue decline ranging between -1.5% to -4.2% owing to broad-based weakness across key verticals. Margins remained under pressure across the board, driven by pricing concession, client discounts & operating leverage pressure. The near-term outlook for ER&D services remains subdued due to persistent US tariff uncertainties, geopolitical tensions & weak Automotive demand, leading to delayed product cycles & deferred client investments. We expect a gradual recovery in H2FY26, driven by a strong deal momentum, ramp-ups & easing of tariff pressures. Deal conversion & execution remain key catalysts for growth, while ongoing macroeconomic headwinds pose a risk to a sustained recovery in the ER&D segment.

Convex Choices Edition III: High Conviction Investment Ideas

Company	Sector	Market Cap (INR Bn)	CMP (INR) (As on Sep'18, 25)	Target Price (INR)	Potential Upside (%)
Bharat Dynamics Ltd	Aerospace & Defence	590	1,609	1,965	22.1%
Bharat Electronics Ltd	Aerospace & Defence	2,996	410	500	22.0%
Data Patterns India Ltd	Aerospace & Defence	159	2,837	3,100	9.3%
Mahindra & Mahindra Ltd.	Automobile & Auto Ancillaries	4,522	3,637	4,450	22.4%
Lumax Auto Technologies Ltd.	Automobile & Auto Ancillaries	75	1,106	1,330	20.3%
Allied Blender & Distilleries Ltd.	AlcoBev	154	551	590	7.1%
Radico Khaitan Ltd.	AlcoBev	402	3,010	3,340	11.0%
Hindware Home Innovation	Basic Materials	28	329	375	14.0%
Man Industries	Basic Materials	32	431	480	11.4%
Birla Corporation Ltd.	Construction Materials	99	1,285	1,650	28.4%
Nuvoco Vistas Corporation Ltd.	Construction Materials	161	450	560	24.4%
Jeena Sikho Lifecare	Hospitals	103	825	900	9.1%
Yatharth Hospital & Trauma Care Services	Hospitals	77	789	850	7.7%
Gulf Oil Lubricants India Ltd.	Oil, Gas & Consumable Fuels	64	1,298	1,600	23.3%
Granules India	Pharmaceuticals	132	545	640	17.4%
Senores Pharmaceuticals	Pharmaceuticals	33	717	960	33.9%
Coforge	Technology	611	1,827	1,930	5.6%
Happiest Minds	Technology	86	575	730	27.0%
Zensar Tech	Technology	193	850	1,130	32.9%

Convex Choices Edition II : Update on our previous recommendations

Company	CMP*	Current TP	Current Rating	Returns(%)* Since Edition II	Investment Case	Edition III Inclusion
Ajanta Pharma	2,547	2,995	Buy	0.1%	AJP was our top pick, supported by a strong product pipeline across markets, led by the US. While promotional and employee-related costs may rise as the company further strengthens its pipeline, we expect these to normalise by FY27E, easing margin pressure.	✗
Apollo Hospitals Enterprise	7,840	9,000	Buy	11.9%	APHS was our preferred idea, given its unique positioning as India's most integrated healthcare player with strong visibility on both growth and profitability. The metro-focused capacity expansion and pipeline of 4,372 beds will drive high-margin specialty growth and diagnostics and pharmacy businesses are scaling rapidly, targeting double-digit growth and margin improvement.	✗
Bharat Electronics	410	500	Buy	3.0%	We maintain this stock as our high conviction idea, supported by strong confidence in its growth trajectory. The company is well-positioned to capture a significant share of upcoming defence opportunities, aided by recent developments. Additionally, its focus on export expansion and investments in future technologies, such as AI, reinforce our positive outlook.	✓
Coforge	1,827	1,930	Buy	1.8%	We maintain high conviction in COFORGE, driven by strong execution and weekly large-deal proposals. The company's growth is underpinned by: (1) Hyper-specialization in Travel, Financial Services, and Healthcare; (2) Differentiation through deep domain expertise; and (3) Advanced engineering capabilities, including AI-led development and platforms like Forge-X. These strengths enable software acceleration and legacy modernization, establishing engineering excellence as a core growth driver. Collectively, these factors reinforce our positive outlook on the stock.	✓
EFCIL	334	465	Buy	11.3%	We are evaluating the prospects of the amalgamation of EFCIL subsidiary "Whitehills Interior Ltd" (WIL), which carries out the asset-light Design & Build (D&B) business offering end-to-end interior solutions from concept to execution, which includes interior design and fit-out services to create functional and aesthetically pleasing work environments. The D&B division contributed 40% to FY25 Revenue and has a growing and diversified orderbook, being one of the growth engines of EFCIL. WIL was initially floated as a 51% subsidiary of EFCIL with the majority of the balance 49% being held by EFCIL promoters.	✗
Hindustan Aeronautics	4,853	5,570	Buy	-1.0%	HAL was our top pick in Q4FY25, supported by anticipated near-term catalysts: (1) finalization of the Tejas Mk2 and AMCA engine deals, (2) the potential acquisition of the SU-57E, and (3) the 97-unit Tejas Mk-1A order. However, GE has repeatedly delayed the delivery of engines for the Tejas program. At this stage, we will hold our stance until the engine program issue is resolved, after which we will reassess our view on the company.	✗
Lumax Auto Tech.	1,106	1,330	Buy	0.5%	Lumax Auto Tech. remains our recommended stock, boasting of a robust order book of INR 15,000 Mn, providing strong visibility over the next few years. Its focus on high-growth, technology-driven segments, positions LMAX for sustainable growth in the evolving mobility landscape.	✓

* CMP as on 18th September 2025

* Returns from Convex Choices Edition II (June 19, 2025)

Convex Choices Edition II : Update on our previous recommendations

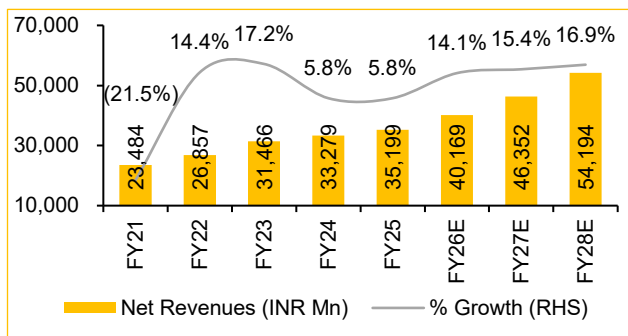
Company	CMP*	Current TP	Current Rating	Returns(%)* Since Edition II	Investment Case	Edition III Inclusion
Lumax Industries	4,270	4,400	Add	34.5%	Lumax Industries was our preferred pick in Q4FY25, supported by its robust order book and a growing LED lighting segment. We remain positive on the company and expect the LED share to reach 65–70% in FY26. We believe a deeper LED penetration and an increase in contribution by the PV segment will drive growth, as these areas have higher content per vehicle.	✗
Mahindra & Mahindra	3,637	4,450	Buy	17.6%	We maintain MM as our preferred investment idea, driven by its leadership in the farm equipment segment and strong positioning in the LCV and MUV categories. The company continues to expand its market share, backed by a robust product portfolio and wide distribution network. While competition in MUVs remains intense, MM's consistent growth and diversification support a long-term investment proposition.	✓
Man Industries	431	480	Buy	17.4%	Man Industries (MAN) is a leading large-diameter pipe manufacturer with ~75–80% export revenue and a strong order book of INR 47Bn, supported by a robust INR 150Bn bid pipeline. Beyond its LSAW, HSAW, and ERW businesses, growth is backed by capacity additions — a 20KTPA stainless steel pipe facility in Jammu and a 300KTPA H-SAW plant in Saudi Arabia, with a total capex of INR 11.1Bn. The Saudi plant alone can generate INR 20Bn annual revenue at 12–14% margins, while Jammu targets 20–25% EBITDA in niche industries. Land monetization (~INR 7.5Bn) further strengthens the balance sheet.	✓
Marksans Pharma	179	210	Add	-27.8%	Marksans Pharma was our preferred investment idea in Q4FY25, driven by its strong US/UK pipeline and operating leverage from the Teva plant scale-up. Near-term outlook has moderated amid US pricing pressure and broader market slowdown; however, we remain positive on the company's ability to launch and scale up products.	✗
Nuvoco Vistas	450	560	Buy	32.7%	Nuvoco remains our top pick since Q4FY25 and we remains positive post Q1FY26 also, supported by strong returns. We favor its premiumization strategy, rising trade share for improved pricing, expansion into the western region via Vadraj Cement acquisition, and continued cost optimization efforts.	✓
Ultratech Cement	12,648	15,210	Buy	10.9%	Ultratech was our top pick in Q4FY25, and we stay positive on its pan-India capacity mix, strategic entry into wires & cables, and successful turnaround of India Cement assets, driving a 725 bps ROCE expansion over FY25-28E.	✗
Yatharth Hospital & Trauma Care Services	789	850	Buy	55.9%	YATHARTH Hospital remains our preferred pick, supported by multiple strong growth levers: a favourable shift in payer mix from government schemes towards higher-yielding cash and TPA segments, a strong focus on high-end specialties and strategic expansion into the high-ARPOB Delhi-NCR market. The company is targeting annual capacity additions of 300–500 beds through the acquisition of at least one hospital each year.	✓

* CMP as on 18th September 2025

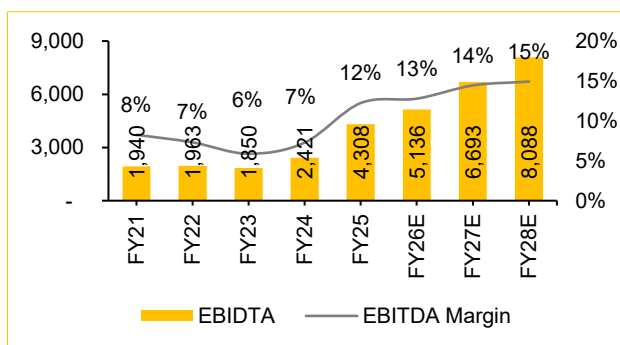
* Returns from Convex Choices Edition II (19th June 2025)

Allied Blenders & Distillers I Rating – ADD | CMP: INR 551 | TP: INR 590

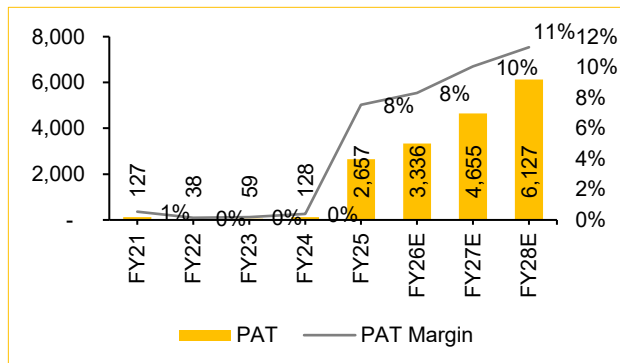
We expect 11.8% CAGR for revenues FY25-FY28E



Premiumization & Backward Integration to improve margins by 2.7% by FY28E



We believe PAT margin to improve by 3.8% by FY28E



Source: AB DL, Choice Institutional Equities

Business Overview

ABDL, founded in 1988, is a leading player in Indian-made Foreign Liquor (IMFL) market. Its flagship product, Officer's Choice Whisky, launched in 1987, is the third best-selling Whisky worldwide, with sales of 22.6Mn cases. The company is focused on premiumization, recently introducing its super-premium Gin, Zoya and acquiring brands, such as Rock Paper Rum and Woodburns, to enhance its portfolio. On the operational side, ABDL is implementing backward integration, targeting 100% in-house production of Extra-neutral Alcohol (ENA) and malt.

What are ABDL's plans to expand into the luxury AlcoBev market?

- In Q1FY26, the P&A portfolio showed 46.9% volume growth; its contribution rose to 46.2% (volume) and 55.8% (value), up from 36.9% and 46.1%, reflecting ongoing portfolio premiumization.
- ABDL has partnered with the superstar Ranveer Singh for 'ABDL Maestro,' which will spearhead the company's Luxury and Super Premium offering as they scale up over the next 3 years.
- The upcoming malt plant, with a capacity of ~4 MLPA, will become a crucial factor in the final flavour, taste, and success of this strategic play.

What does ABDL's distribution network look like?

- Domestic Presence:** ABDL is one of the four companies to have a pan-India distribution network. ABDL has access to ~80k retail touchpoints (~80% of the total PoS), which becomes a critical factor for availing the benefits of distribution efficiency.
- Exports:** With an export revenue share of 5% and exposure to 23 countries, ABDL is placed perfectly for the spurt in premium brands' volumes.

What is the expected margin and how will it improve?

- The vendor rate reset carried out after the IPO boosted margin significantly by ~500 bps in FY25; EBITDA Margin of which was 12.2%.
- The acquisition of the distillery in Maharashtra, malt plant activation and further upgrades to PET bottle manufacturing will further improve the margin.
- We expect ABDL to achieve industry parity EBITDA margin of 14.9% by FY28E.

Why invest in ABDL?

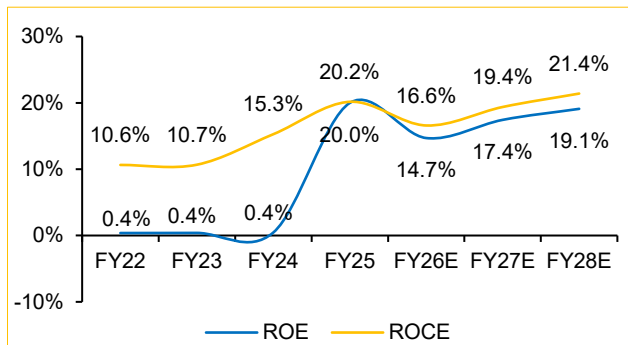
- We believe the growth of new brands is not seeing a fair appreciation in terms of their market price. These brands have a potential revenue growth CAGR of 15%, with added optionality for Indian Single Malt kicking in over the next 1–2 years.
- Further, as the vertical integration is completed, there is an expected margin expansion of 300bps over the next 3 years, leading to a net income CAGR of 32.1%.
- Additionally, we believe lower interest cost owing to reduction in debt will boost profitability at Net Income level.

Recommendation: We currently have an 'ADD' rating on the stock with a target price of INR 590.

Key Risks:

- Brands launches may possibly fail to gain volume and market share: ABDL launched several brands in new categories and at heightened price points.
- Delay in plant setup can lead to lower EBITDA Margin: The backward integration strategy will play out only on the strength of the new integrated plants coming online as per the established timelines.

ROCE will improve to 19.1% under our assumptions by FY28E



Source: ABDL, Choice Institutional Equities

One-year forward PE band



Game of Liquor_Indian AlcoBev_Spirits Industry_Thematic



[Click here to read the full Report](#)

Income Statement (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Gross Revenue	76,686	80,732	92,131	1,06,312	1,24,298
Excise Duty	43,407	45,533	51,962	59,960	70,104
Net Revenue	33,279	35,199	40,169	46,352	54,194
Gross Profit	12,299	14,812	16,904	20,043	23,587
EBITDA	2,421	4,308	5,136	6,693	8,088
Depreciation	579	606	784	926	981
EBIT	1,843	3,701	4,351	5,767	7,107
Other Income	63	207	176	140	140
Interest Expense	63	207	176	140	140
PBT	178	2,657	3,336	4,655	6,127
Reported PAT	18	1,948	2,447	3,414	4,494
EPS (INR)	0.07	6.97	8.75	12.21	16.07

Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Profitability Ratios					
Gross Margin	37.0	42.1	42.1	43.2	43.5
EBITDA Margin	7.3	12.2	12.8	14.4	14.9
EBIT Margin	5.5	10.5	10.8	12.4	13.1
PAT Margin	0.1	6.3	6.5	8.1	9.7

Working Capital (Days)					
Inventory Days (X)	73	103	103	103	103
Receivable Days (X)	136	181	172	169	165
Creditor Days (X)	122	109	109	109	109
Working Capital Days	87	175	166	163	159

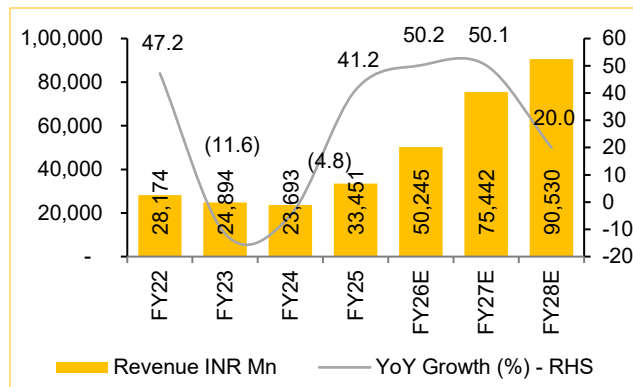
Dupont Analysis					
Tax Burden	14.3%	73.3%	73.3%	73.3%	73.3%
Interest Burden	6.9%	71.8%	76.7%	80.7%	86.2%
EBIT Margin	5.5%	10.5%	10.8%	12.4%	13.1%
Asset Turnover	1.3	1.1	1.1	1.1	1.2
Equity Multiplier	6.3	3.2	2.3	2.1	2.0
ROE	0.4%	20.0%	14.7%	17.4%	19.1%

Leverage Ratios					
Net Debt to Equity (X)	2.0x	0.5x	0.5x	0.4x	0.3x
Net Debt to EBITDA (X)	3.3x	1.9x	1.9x	1.4x	0.9x
Interest Cover (X)	1.1x	3.0x	3.7x	4.6x	6.3x

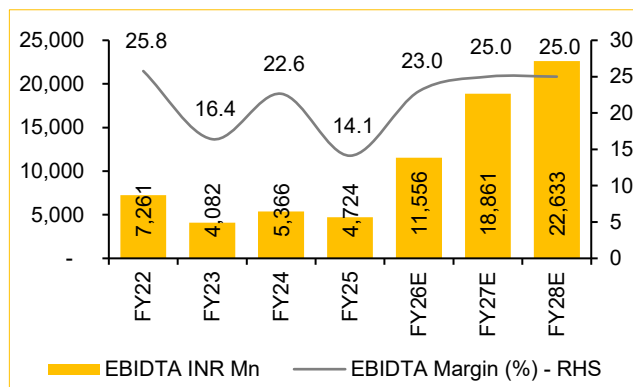
Source: ABDL, Choice Institutional Equities

Bharat Dynamics I Rating – BUY I CMP : INR 1,609 I TP: INR 1,965

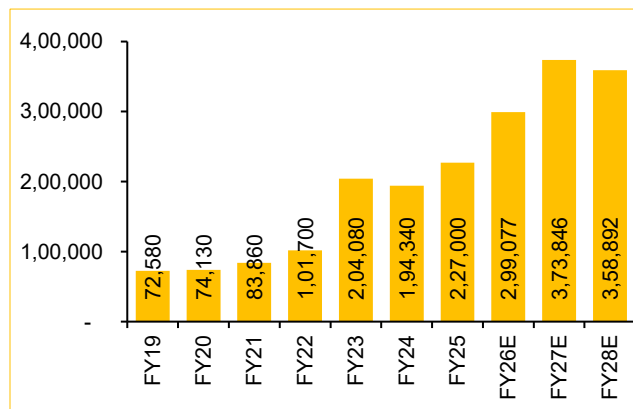
Revenue expected to expand 39.2% CAGR over FY25-28E



EBITDA Margin to improve led by better mix



Strong order book position (INR Mn)



Business Overview:

BDL, established in 1970, is a Government of India enterprise under the Ministry of Defence. It is a leading manufacturer of strategic defence systems, including surface-to-air missiles (SAMs), air-to-air missiles (AAMs), anti-tank guided missiles (ATGMs), torpedoes and allied defence equipment. Headquartered in Hyderabad, BDL operates three manufacturing units in Telangana and Andhra Pradesh, with new facilities under development in Maharashtra, Telangana and Uttar Pradesh. The company has also expanded into defence exports and forged strategic partnerships with both the public and private sectors, strengthening its position as a key contributor to India's defence ecosystem.

What is BDL's medium- to long-term growth outlook?

In our view, BDL is uniquely positioned in India's defence ecosystem, with its strongest moat being in the missile and air defence domain. **Post-Operation Sindoor, the government realised that India needs a robust, multi-layered air defence shield to counter incoming aerial threats, particularly ballistic and cruise missiles.** Pakistan's deployment of ballistic systems during the conflict served as a wake-up call, pushing the government to accelerate the procurement of advanced air defence systems. **We believe this shift has structurally changed the demand trajectory for BDL's core offering.**

BDL today stands as the lead system integrator for India's frontline missile platforms, including the **Akash Missile Systems, MR-SAM, LR-SAM and the upcoming Akash-NG.** These platforms form the backbone of India's layered air defence architecture. In addition, BDL's portfolio is not restricted to air defence alone; it extends into Anti-Tank Guided Missiles (ATGMs) and strategic weapon systems, making it an indispensable partner for the armed forces.

In our opinion, BDL is not just another PSU defence manufacturer—it is a strategic enabler of India's deterrence capability. With a growing order book and a clear policy tailwind, we expect revenue to compound at a healthy 30–40% CAGR over the next 3–5 years, supported by improving margin as scale builds.

What makes BDL a strong investment opportunity

We believe BDL stands out as a compelling play on India's defence indigenisation theme. A significant 90–95% of its product portfolio is indigenised, insulating the company from any risk of import restrictions and aligning it firmly with the government's Atmanirbhar Bharat vision. We think this provides long-term policy support and de-risks its supply chain. Moreover, BDL's robust unexecuted **order book stands at ~7.1x FY25 revenues** and is **executable over the next 5–6 years**, lending strong earnings visibility and growth stability. We expect this to drive consistent performance even amid short-term execution challenges.

Importantly, the company has a **healthy project pipeline worth INR 200 Bn over the next 2–3 years**, which should further strengthen its positioning in the defence value chain. We also like BDL's diverse manufacturing portfolio spanning strategic missiles, underwater weapons and countermeasure systems, which reduces dependence on a single program. In our view, BDL remains strategically aligned with the Ministry of Defence's long-term procurement roadmap, and we expect it to be a key beneficiary of rising domestic defence spending.

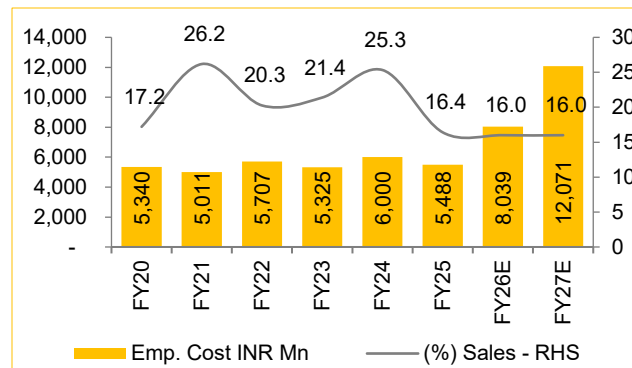
Near-term catalysts: 1) INR 200 Bn order pipeline, 2) Expecting strong export orders, and 3) Potential global OEM partnership.

Valuation: At present, we have a "BUY" rating on the stock with a Target Price of INR 1,965.

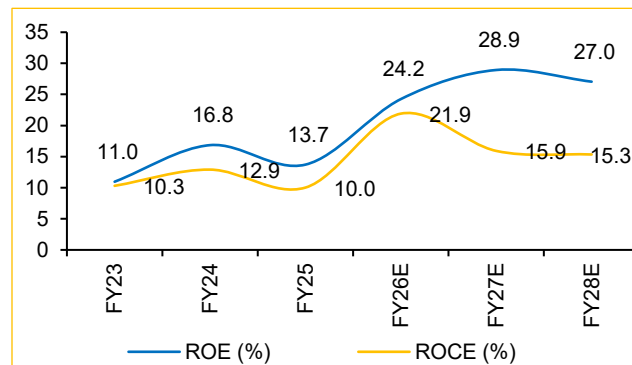
Key Risks: 1) Dependence on other platform manufacturers to deliver BDL platforms, 2) Possible changes in defence policies, 3) Probable economic downturn, and 4) Likely shifting of government priorities. These can reduce demand for defence products and services.

[Recent Report Link : Q1FY26 Result Update](#)

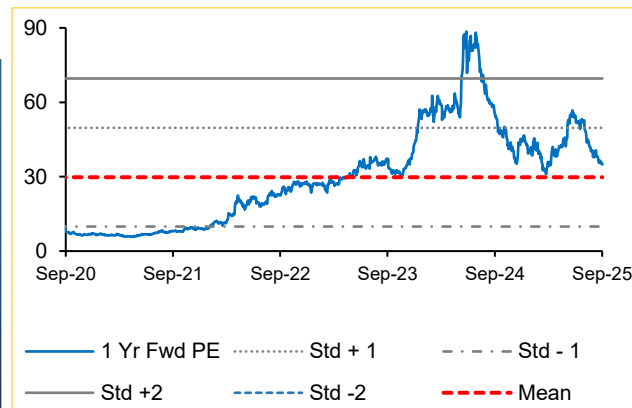
Employee cost trend



ROE & ROCE trend



One year forward PE band



BDL - Income Statement (INR Mn)

	FY25	FY26E	FY27E	FY28E
Revenue	33,451	50,245	75,442	90,530
Gross Profit	16,672	27,132	41,493	49,792
EBITDA	4,724	11,556	18,861	22,633
Depreciation	707	765	866	986
EBIT	4,691	11,507	18,786	22,543
Other Income	3,504	5,527	7,544	9,053
Interest Expense	33	50	75	90
PBT	7,488	16,269	25,464	30,610
Reported PAT	5,496	11,942	18,692	22,470
EPS (INR)	15.0	32.6	51.0	61.3

Balance Sheet

	FY25	FY26E	FY27E	FY28E
Net Worth	40,090	49,253	64,610	83,078
Total Debt	-	-	-	-
Other Long-term Liabilities	33,734	40,200	52,814	63,376
Trade Payables	15,056	20,649	31,004	37,204
Other Current Liabilities	28,546	42,878	64,381	77,257
Total Net Worth & Liab.	1,17,425	1,52,980	2,12,808	2,60,915
Net Fixed Assets	9,703	10,438	12,572	14,586
CWIP	1,171	1,507	2,263	2,716
Other Non-current Asset	2,772	4,163	6,251	7,501
Inventories	26,451	37,167	53,740	62,007
Trade Receivables	8,264	11,013	15,502	17,362
Cash & Bank Balance	41,904	45,917	62,028	88,726
Other Current Assets	27,161	42,774	60,453	68,017
Total Assets	1,17,425	1,52,980	2,12,808	2,60,915

Financial Ratios

Growth Ratios

	FY25	FY26E	FY27E	FY28E
Revenue (%)	41.2	50.2	50.1	20.0
EBITDA (%)	(12.0)	144.6	63.2	20.0
PAT (%)	(10.3)	117.3	56.5	20.2

Margin Ratios

	FY25	FY26E	FY27E	FY28E
EBITDA Margin (%)	14.1	23.0	25.0	25.0
PAT Margin (%)	14.9	21.4	22.5	22.6

Performance Ratios

	FY25	FY26E	FY27E	FY28E
OCF/EBITDA (x)	0.4	0.3	0.7	1.1
OCF/IC (%)	(0.9)	1.1	4.9	(4.4)
ROE (%)	13.7	24.2	28.9	27.0
ROCE (%)	7.4	13.4	15.9	15.3

Turnover Ratio (Days)

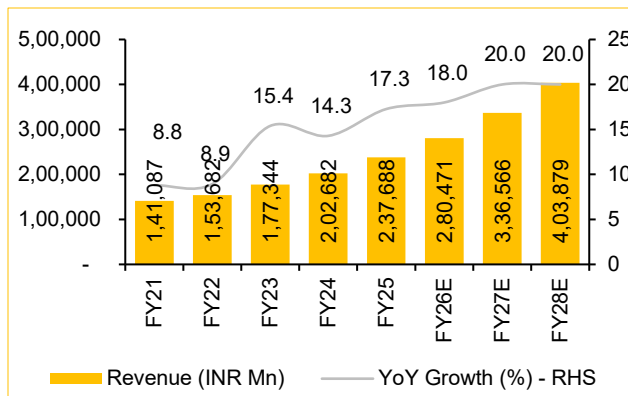
	FY25	FY26E	FY27E	FY28E
Inventory (Days)	289	270	260	250
Debtors (Days)	90	80	75	70
Payables (Days)	164	150	150	150
Cash Conversion Cycle (Days)	215	200	185	170

Leverage Ratio

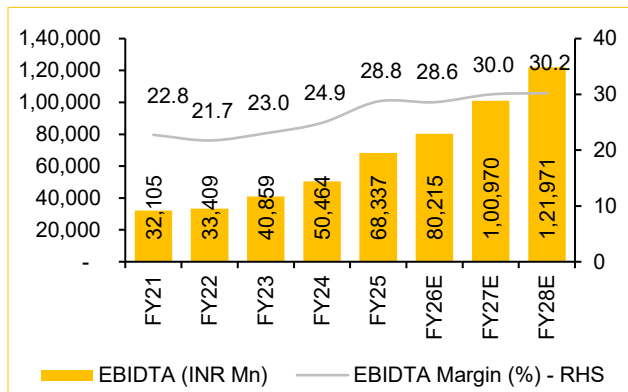
	FY25	FY26E	FY27E	FY28E
Net Debt to Equity (x)	(1.0)	(0.9)	(1.0)	(1.1)
Net Debt to EBITDA (x)	(8.9)	(4.0)	(3.3)	(3.9)
Interest Cover (x)	141.7	231.5	251.7	251.7

Bharat Electronics I Rating – BUY I CMP : INR 410 I TP: INR 500

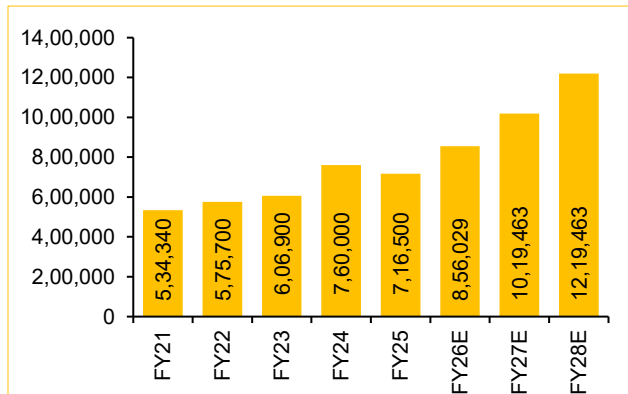
Revenue expected to expand 19.3% CAGR over FY25-28E



EBITDA Margin to improve led by better mix



Strong order book position (INR Mn)



Business Overview:

BHE, a leading Indian defence and aerospace electronics company under the MoD, specialises in advanced electronic systems for defence, aerospace and civilian applications. Its portfolio includes radars, communication systems, avionics and missile guidance. Serving key clients, such as the Indian Armed Forces, DRDO, ISRO and international defence organisations, BHE plays a vital role in defence modernisation and the “Aatmanirbhar Bharat” initiative. With an unexecuted order book of INR 716.5 Bn (3.0x FY25 revenue), the company ensures strong visibility and steady growth.

How is BHE a beneficiary of India's defence eco-system & export potential?

BHE's platform demonstrated exceptional performance during Operation Sindoor, with extensive deployment in the India-Pakistan conflict. This success has reinforced the Indian armed forces' confidence in BHE's capabilities while showcasing its ability to deliver complex, mission-critical systems. This expertise is now gaining recognition in the international market. **BHE's robust order book of over INR 716 Bn**, combined with high-visibility projects, provides strong revenue growth momentum and cements BHE's leadership in the sector. These projects include INR 300+ Bn QRSAM, **INR 270 Bn in assured orders in FY26E** and strategic programs, such as NGC subsystems, LCA upgrades and radar and EW systems.

In response to rising geopolitical tensions, we expect BHE to accelerate its project execution, **supported by a strong (~35% contribution) MSME vendor eco-system**. This is expected to drive faster revenue recognition, while its in-house design supports healthy margin expansion. Furthermore, **BHE is tapping into growing export opportunities**, particularly in Europe and is actively investing in emerging technologies, such as drone warfare and AI-integrated solutions. These initiatives enhance BHE's future earnings visibility and position the company for sustained long-term growth.

What makes BHE a strong investment opportunity?

Our research indicates that, electronic components contribute approximately 30–60% of the cost of defence equipment, depending on the platform type. **BHE holds a strategic position** in India's defence sector, catering to **all arms of the armed forces** and serving as a key supplier to major defence companies.

Additionally, BHE is well-placed in the defence sector, as it is solely not dependent on order inflows from major DPSUs. Its diversified portfolio, strong R&D capabilities and increasing presence in both, defence and non-defence, sectors enhance its long-term growth potential. The company's ability to secure independent contracts from other DPSUs and expand into new technological domains, such as AI and cybersecurity, further strengthens its investment appeal.

Near-term triggers: 1) QR-SAM, MR-SAM, Kusha Project, Akash SAM, 2) We expect a significant amount of defence business to come from Europe in the near to medium term.

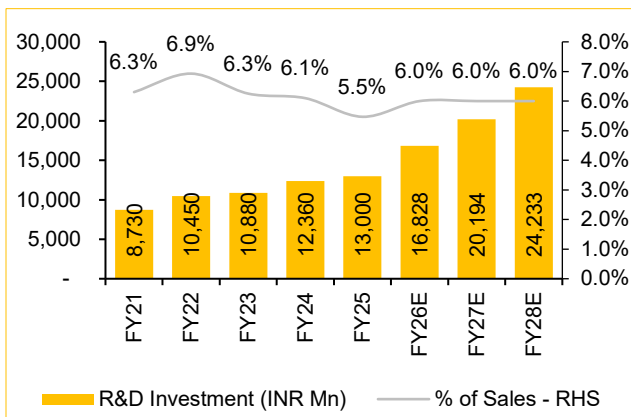
Valuation: At present, we have a “BUY” rating on the stock with a Target Price of INR 500.

Key Risks:

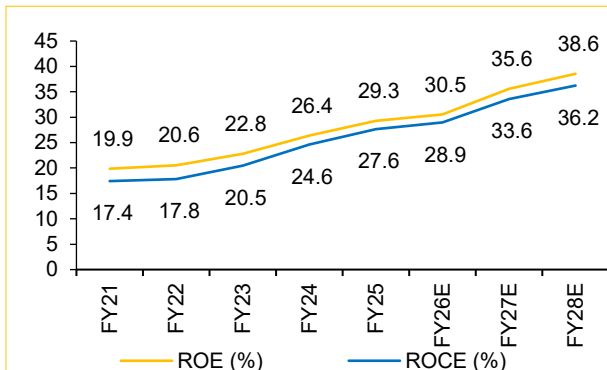
- Supply chain risk – Dependence on specific raw materials, semiconductors and critical components can lead to delays and cost overruns due to global shortages or trade restrictions.
- Market risk – Possible changes in defence policies, probable economic downturns and likely shift in government priorities can reduce demand for defence products and services.

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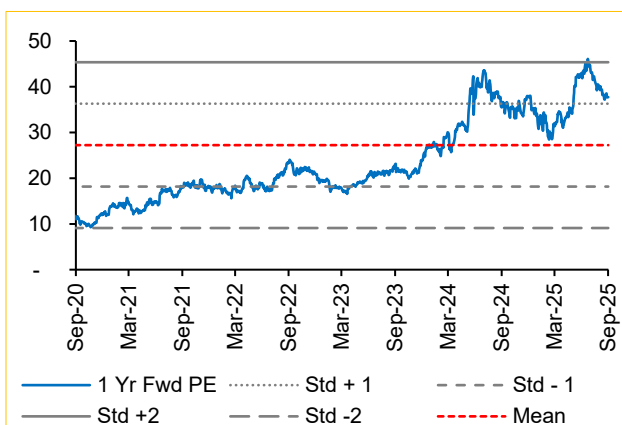
Sustained R&D investment



ROE & ROCE trend



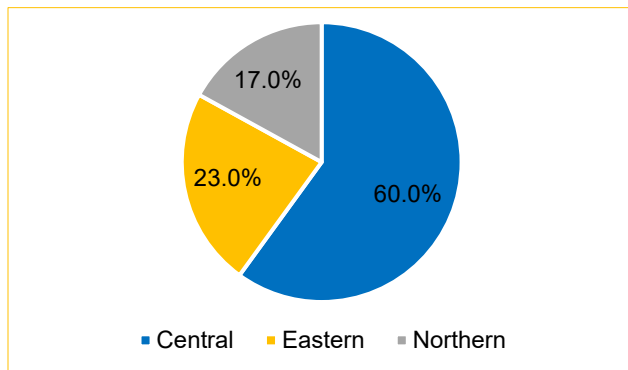
One year forward PE band



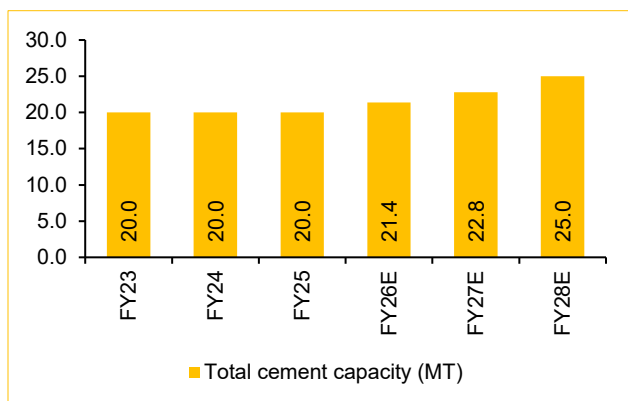
BHE - Income Statement (INR Mn)	FY25	FY26E	FY27E	FY28E
Income Statement				
Revenue	2,37,688	2,80,471	3,36,566	4,03,879
Gross Profit	1,15,815	1,35,748	1,65,590	1,97,901
EBITDA	68,337	80,215	1,00,970	1,21,971
Depreciation	4,674	5,149	5,430	6,001
EBIT	71,087	84,883	1,09,003	1,32,126
Interest Expense	97	112	135	162
Other Income	7,424	9,816	13,463	16,155
PBT	70,990	84,770	1,08,868	1,31,964
Reported PAT	53,227	63,997	82,324	99,781
EPS (INR)	7.3	8.8	11.3	13.7
Balance Sheet				
Source of fund				
Net Worth	1,99,928	2,19,127	2,43,825	2,73,759
Deferred Tax	1,016	1,198	1,438	1,726
Other Liabilities & Provisions	9,849	11,622	13,947	16,736
Trade Payables	33,388	42,263	53,482	64,178
Other Current Liabilities	1,56,741	1,84,954	2,21,945	2,66,334
Provisions	7,397	8,729	10,474	12,569
Total Liabilities	4,08,319	4,67,893	5,45,110	6,35,301
Application of fund				
Net Fixed Assets	32,045	37,897	43,467	48,467
Capital Work in Progress	4,770	5,628	6,754	8,105
Investments	5,816	6,863	8,236	9,883
Other Non-current Asset	17,109	20,188	24,226	29,071
Cash & Bank Balance	95,451	1,06,332	1,16,933	1,27,396
Loans & Advances & Other Assets	68,361	80,666	96,799	1,16,159
Other Current Assets	1,84,767	2,10,320	2,48,695	2,96,221
Total Assets	4,08,319	4,67,893	5,45,110	6,35,301
Financial Ratios				
Growth Ratios				
Revenue (%)	17.3	18.0	20.0	20.0
EBITDA (%)	35.4	17.4	25.9	20.8
PAT (%)	33.6	20.2	28.6	21.2
Margin Ratios				
EBITDA Margin (%)	28.8	28.6	30.0	30.2
PAT Margin (%)	21.7	22.0	23.5	23.8
Performance Ratios				
OCF/EBITDA (x)	0.1	0.9	0.8	0.8
OCF/IC (%)	5.6	61.9	65.7	65.8
ROE (%)	29.3	30.5	35.6	38.6
ROCE (%)	35.6	38.7	44.7	48.3
Turnover Ratio (Days)				
Inventory (Days)	140	135	134	134
Debtors (Days)	140	135	132	132
Payables (Days)	51	60	58	58
Cash Conversion Cycle (Days)	229	210	208	208
Financial Stability Ratios				
Net Debt to Equity (x)	(0.5)	(0.5)	(0.5)	(0.5)
Net Debt to EBITDA (x)	(1.4)	(1.3)	(1.2)	(1.0)
Interest Cover (x)	734	757	810	818

Birla Corporation I Rating – BUY | CMP: INR 1,285 | TP: INR 1,650

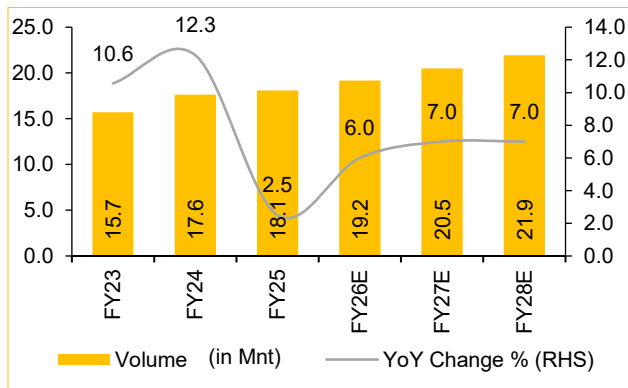
Strategic foray into the central region



Targeting ~25 Mnt cement capacity by FY28E



Volume expected to reach 21.9 Mnt in FY28E



Business Overview: BCORP, the flagship company of the M.P. Birla Group, is a leading cement manufacturer in India with operations across northern, central, and eastern regions. The company has a current capacity of ~20 MTPA and plans to expand to ~27.6 MTPA by FY29E through brownfield and greenfield projects. It has strengthened its balance sheet by reducing debt and recently secured a limestone mining lease in Rajasthan. Apart from cement, it also operates in jute, linoleum, and auto trim segments, though cement remains the core business.

Elaborate on BCORP's upcoming capacity expansion in terms of scale, capital efficiency, and funding strategy, and how BCORP plans to ensure balance sheet strength during this growth phase. How does the company plan to ramp up capacity utilisation after expansion?

BCORP is undertaking a robust capacity expansion program, targeting a ~38% increase in cement capacity, from 20 MTPA in FY25 to ~27.6 MTPA by FY29E. The project is being executed at a highly competitive capital cost of USD 67/tonne, while maintaining financial prudence, with net debt-to-EBITDA expected to remain below 2x. This expansion positions the company well for long-term growth, with our assumptions already factoring in 5 MTPA slated for commissioning in FY28E.

Strategically, BCORP's expanded capacity in central and northern markets will enable it to consolidate share in the core regions, while the eastern market — where demand growth is structurally higher than the industry average — will be an important lever for volume ramp-up. Additionally, improved logistics, deeper trade channel penetration, and a stronger premium product portfolio will support faster absorption of capacity.

With cost pressure from clinker purchase, plant shutdowns and rising employee costs, how is BCORP positioning itself for margin recovery and long-term growth?

Margin improvement is expected as external clinker purchases phase out and volumes from Mukutban normalize. The company is shifting towards value-led growth by reducing non-trade sales, increasing blended cement and strengthening its premium portfolio — premium share in Mukutban has already risen from 40% to 50%. While employee costs were higher due to increments and lower absorption on weak volumes, this pressure should ease with improving utilisation. On growth, BCORP has earmarked INR 10–11Bn capex for the year, including commissioning of the Kundangunj line, and remains open to M&A opportunities to enhance its long-term positioning.

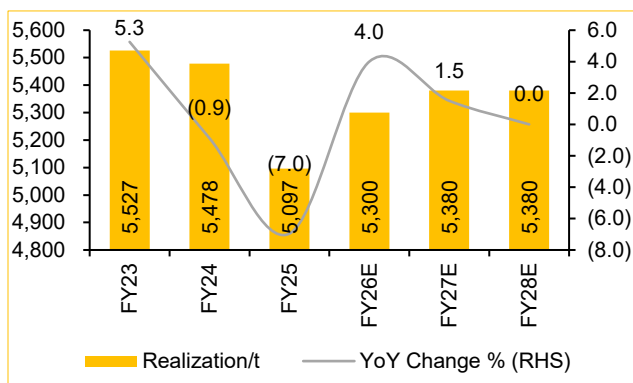
Outlook: We arrive at a 1-year forward target price (TP) of INR 1,650/share for BCORP. We now value the company using our EV/Capital Employed (EV/CE) framework, assigning a multiple of 1.1x for both, FY27E and FY28E, which we believe is conservative given the doubling of ROCE (ex-CWIP), from 6.2% in FY25 to 13.3% in FY28E, under reasonable operational assumptions.

Risks:

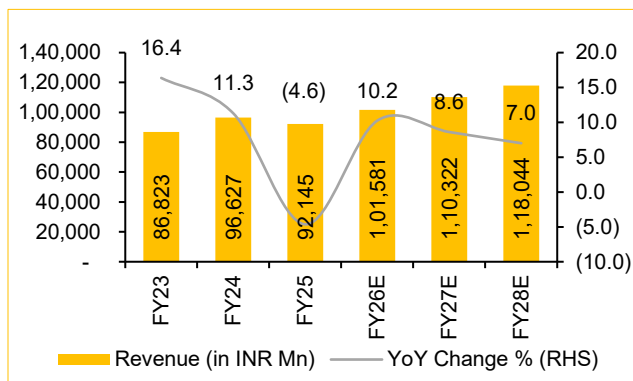
- Profitability risk from potential dependence on high-cost external clinker purchases during operational disruptions
- Competitive risk from limited capacity expansion before 2027, restricting market share gains against faster-growing peers

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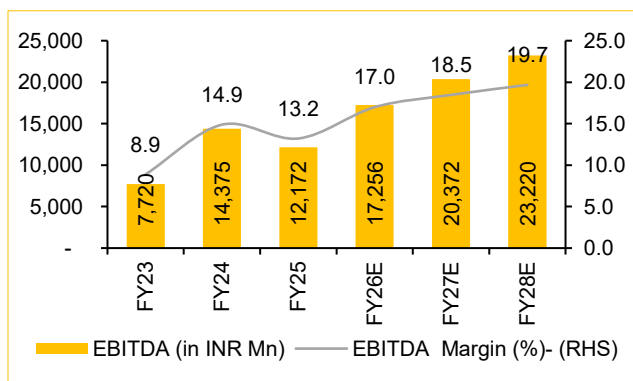
Realisation bottomed out in FY25



Rev expected to improve with growing realisation and vol



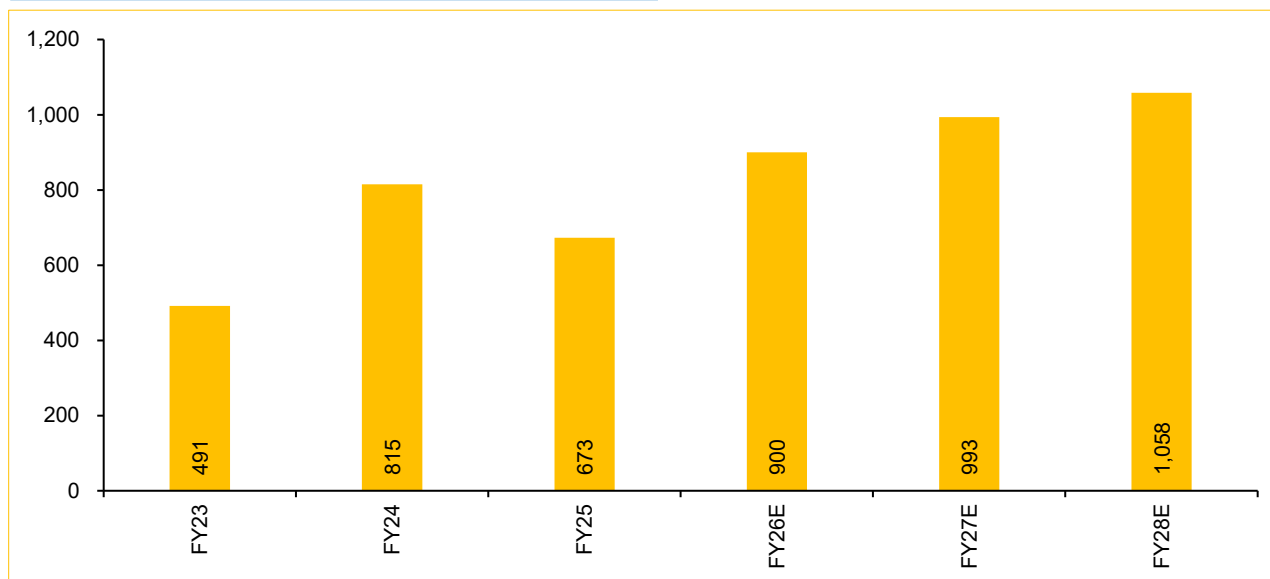
EBITDA expected to expand at a CAGR of 31.4% over FY25-28



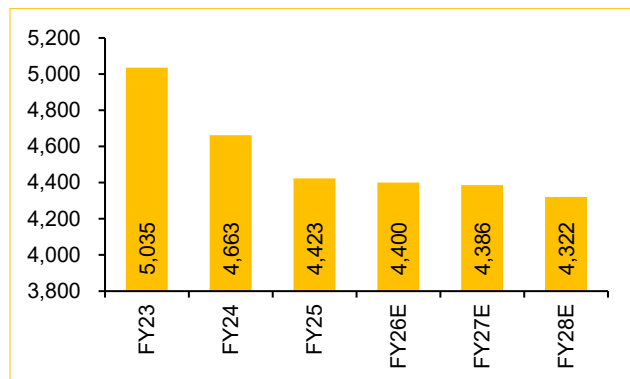
Key operating metrics of BCORP Ltd.

Particulars (INR/t)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total cement capacity (in Mnt)	20.0	20.0	20.0	21.4	22.8	25.0
Utilisation (%)	79%	88%	90%	90%	90%	88%
Sales volume (in Mnt)	15.7	17.6	18.1	19.2	20.5	21.9
Realisation/t	5,527	5,478	5,097	5,300	5,380	5,380
EBITDA/t	491	815	673	900	993	1,058
Total Cost/t	5,035	4,663	4,423	4,400	4,386	4,322
Power & Fuel cost/t	1,510	1,104	980	921	857	805
COGS/t	696	896	766	795	807	807
Freight Exp/t	1,201	1,293	1,307	1,327	1,340	1,327

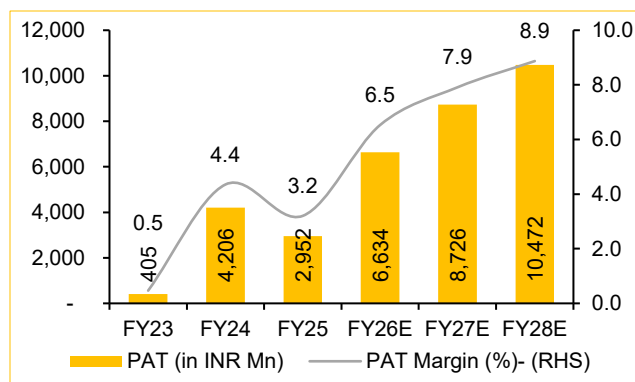
Cost reduction initiatives lead to an increase in EBITDA/t



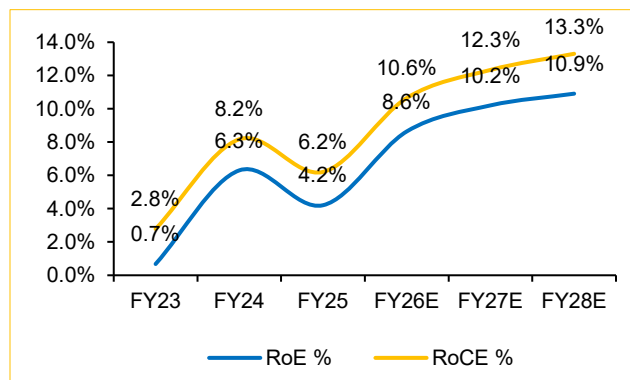
Consistent reduction in Total cost/t



Strong PAT growth



ROE & ROCE to trend higher

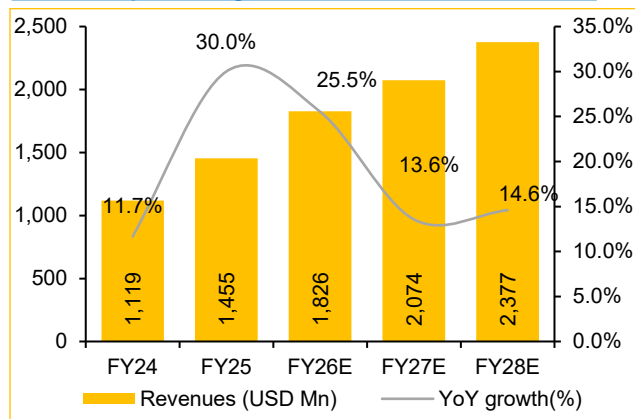


Profit & Loss (in INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	96,627	92,145	1,01,581	1,10,322	1,18,044
Gross profit	80,818	78,300	86,343	93,773	1,00,337
EBITDA	14,375	12,172	17,256	20,372	23,220
Depreciation	5,783	5,719	6,074	6,578	7,166
EBIT	8,592	6,454	11,182	13,794	16,054
Other Income	856	979	914	1,103	1,180
Interest Expenses	3,717	3,271	3,216	3,216	3,216
Exceptional Item	(68)	384	-	-	-
PAT	4,206	2,952	6,634	8,726	10,472
EPS (INR)	54.6	38.3	86.1	113.3	136.0

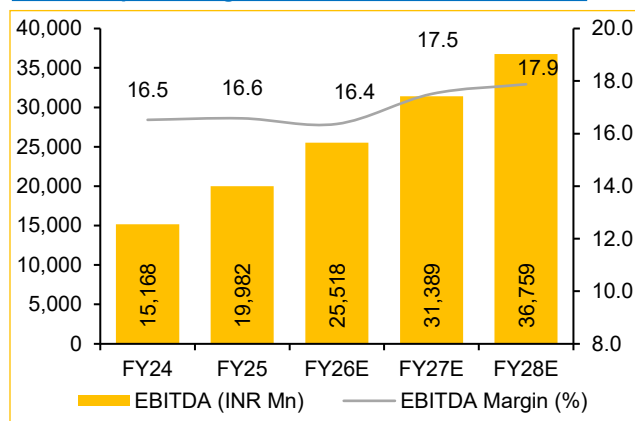
Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)					
Revenue	11.3	(4.6)	10.2	8.6	7.0
EBITDA	86.2	(15.3)	41.8	18.1	14.0
Margin Ratios (%)					
EBITDA	14.9	13.2	17.0	18.5	19.7
PAT	4.4	3.2	6.5	7.9	8.9
Performance Ratios (%)					
OCF/EBITDA (x)	1.1	1.4	0.9	0.8	0.8
OCF/IC	16.3	17.5	15.3	16.5	17.4
ROE	6.3	4.2	8.6	10.2	10.9
ROCE	8.2	6.2	10.6	12.3	13.3
Turnover Ratios (Days)					
Inventory	36	38	38	38	38
Debtor	16	13	15	18	21
Payables	33	35	35	35	35
Cash Conversion Cycle	19	17	19	22	25
Financial Stability Ratios (x)					
Net debt to Equity	0.4	0.3	0.3	0.2	0.2
Net debt to EBITDA	1.9	1.8	1.2	1.0	0.7
Interest Cover	2.3	2.0	3.5	4.3	5.0
Valuation Metrics					
Fully diluted shares (Mn)	77	77	77	77	77
PE(x)	26.1	33.1	15.0	11.4	9.5
EV (INR Mn)	1,45,817	1,30,253	1,31,250	1,29,302	1,27,094
EV/EBITDA (x)	10.1	10.7	7.6	6.3	5.5
Price to BV (x)	1.6	1.4	1.3	1.2	1.0
EV/CE (x)	1.2	1.1	1.1	1.1	1.1
EV/OCF	9.0	7.8	8.7	7.5	6.5

Coforge I Rating – BUY I CMP: INR 1,827 I TP: INR 1,930

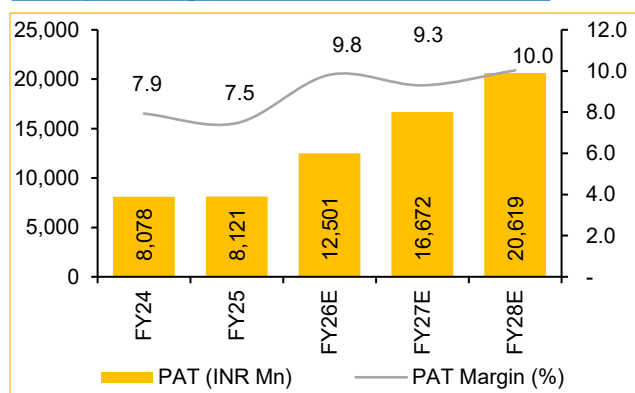
Revenue expected to grow at 17.8% CAGR over FY25-28E



EBITDA expected to grow at 22.5% CAGR over FY25-28E



PAT expected to grow at 36.4% CAGR over FY25-28E



Business Overview: COFORGE is a global digital services and solutions provider, ranked among the top 20 Indian software exporters, serving global clients like British Airways, ING Group, SEI Investments, Sabre, and SITA. Over the years, COFORGE has set up subsidiaries in the US, Singapore, Australia, UK, Germany and Thailand, mainly to market and mobilize projects for the software division. The company has business partnerships with large IT companies across the world.

How is COFORGE set to outgrow peers despite macro challenges?

COFORGE is well-positioned to lead industry growth in FY26E due to several key strengths

- Firstly, the company's disciplined execution and unique intensity in delivering results sets it apart from peers. COFORGE emphasizes growth through solution-based, proactive large managed services deals, **focusing on expanding wallet share within existing clients rather than relying solely on client budget increase. This strategy ensures resilience through economic cycles, supported by a strong signed order book and a robust deal pipeline.**
- Having a proven history of building deep pools of specialized architects and industry-specific experts further differentiates COFORGE from peers. **Despite macroeconomic fluctuations the company's strategic pivot towards large deals is quite instrumental in the growth and profitability that it has witnessed so far.**

Why Invest in COFORGE?

COFORGE's execution intensity is led by weekly large-deal proposals & disciplined pursuit of key bets;

(1) Hyper-Specialization in industries like Travel, Financial Services, & Healthcare.

(2) Enabling differentiation through deep domain expertise.

(3) Deep Engineering Capabilities, led by AI-driven development & platforms like Forge-X.

This supports rapid software development & legacy modernisation, positioning engineering excellence as a core growth driver. COFORGE reported a robust Q1FY26, with 5 large deal wins leading to record order intake of USD 507 Mn & an executable order book of USD 1.55Bn (+46.9% YoY). Sequential USD revenue rose 9.6%, setting the stage for a strong FY26E, with H2 expected to outperform H1, driven by revenue realization from recent wins. Travel led vertical growth (+32.3%), while BFS declined slightly (-1.1%). The Americas remained key, contributing 56.7% of revenue. Post Advantage-Go's exit, estimates are revised.

Given these factors, **we expect Revenue / EBITDA / PAT to grow at a CAGR of 19.5% / 24.8% / 34.7% over FY25–FY28E. Rolling forward to FY28 estimates & taking average FY27E & FY28E EPS of INR 55.1, we arrive at a revised Target Price of INR 1,930 with a PE multiple of 35x & have maintained our rating to BUY.**

Valuation: We currently have a 'BUY' rating on the stock with a target price of INR 1,930.

Key Risks:

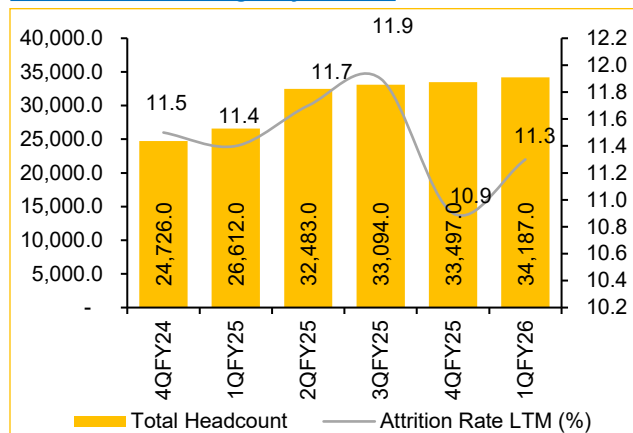
Slower TCV Conversion: Amidst global macro-economic challenges there is a possibility of clients spending gradually, thereby slowing down the actual revenue conversions from TCV won, which we believe could be a key risk factor to the company's growth and profitability in FY26E.

Currency exchange volatility: Fluctuations in foreign currency exchange rates can affect profit margins and financial stability, especially in global contracts.

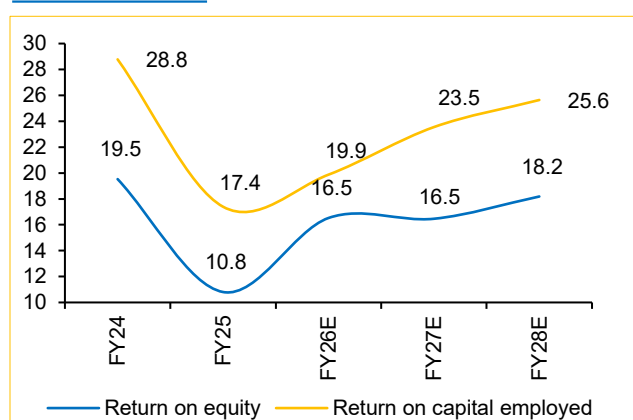
Geopolitical Policy Impact on the IT sector: A significant portion of the COFORGE's revenue is derived from the US market. Policy shifts under the Trump administration and global geopolitical tensions may reduce capital flows into the IT sector, leading to short-term investment slowdowns and impacting growth.

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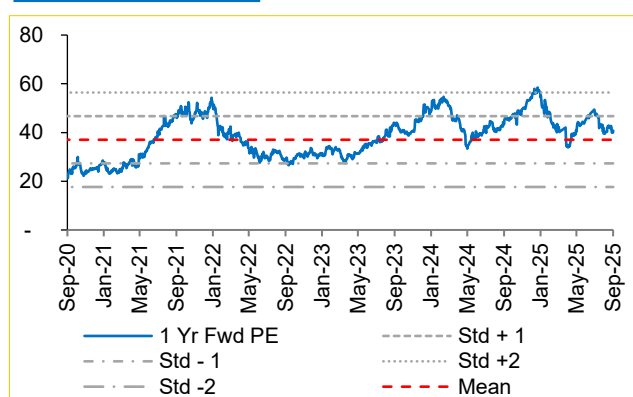
Attrition rate rose marginally to 11.3%



ROE & ROCE trend



1 Year Forward PE band



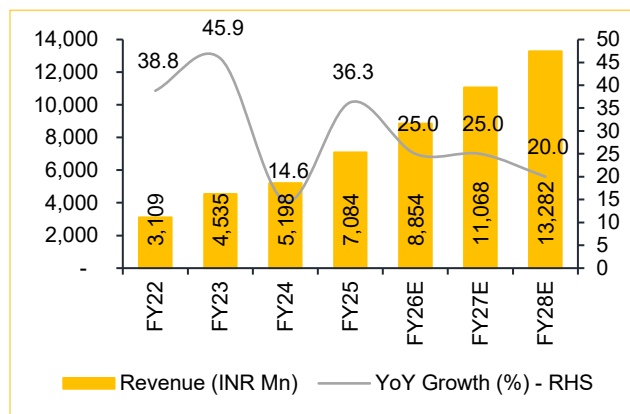
Income Statement (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	91,790	1,20,507	1,55,901	1,79,267	2,05,594
Gross Profit	28,893	41,325	51,281	58,929	67,798
EBITDA	15,168	19,982	25,518	31,389	36,759
Depreciation	3,186	4,276	5,642	5,800	5,800
EBIT	11,982	15,706	19,876	25,589	30,959
Other income	231	268	936	1,040	1,200
Interest Expense	1,256	1,347	1,872	2,000	2,000
PAT	8,078	8,121	12,501	16,672	20,619
EPS (INR)	25.9	24.4	36.9	49.3	60.9

Key Financial Ratios

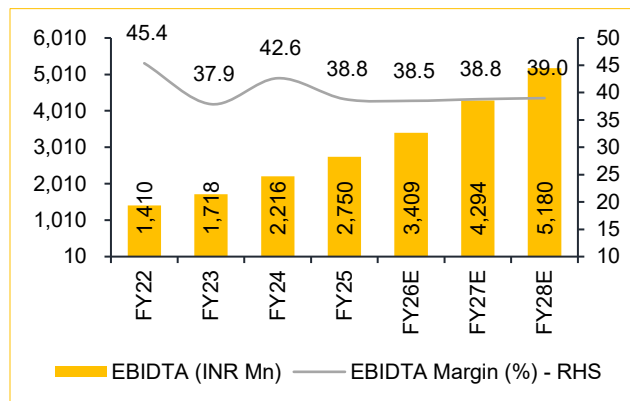
Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)					
Revenues (USD)	11.7	30.0	25.5	13.6	14.6
Revenues	14.5	31.3	29.4	15.0	14.7
EBITDA	7.9	31.7	27.7	23.0	17.1
EBIT	4.5	31.1	26.5	28.7	21.0
Margin Ratios (%)					
EBITDA Margin	16.5	16.6	16.4	17.5	17.9
EBIT Margin	13.1	13.0	12.7	14.3	15.1
Profitability (%)					
ROE	19.5	10.8	16.5	16.5	18.2
ROIC	31.1	27.7	34.7	34.9	37.7
ROCE	28.8	17.4	19.9	23.5	25.6
Valuation					
OCF / EBITDA (%)	59.6	61.9	66.3	58.8	61.0
EV/ EBITDA (x)	23.2	22.2	20.5	18.4	15.6
BVPS (x)	603.1	1245.0	276.3	302.1	338.3
Free Cash flow yield(%)	7.0	8.2	8.3	8.4	8.6

Data Patterns India I Rating – BUY | CMP : INR 2,837 | TP: INR 3,100

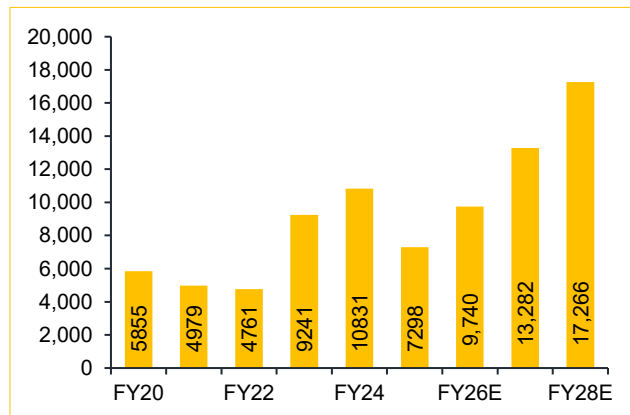
Revenue expected to expand 23.3% CAGR over FY25-28E



EBITDA Margin to improve led by better mix



Order book position (INR Mn)



Business Overview:

DATAPATT is a leading indigenous defence electronics solutions provider, specializing in design, development, and manufacturing of mission-critical systems. With expertise across radars, electronic warfare, avionics, and space electronics, the company stands out as a vertically integrated player with strong in-house capabilities and long-term partnerships with DRDO, ISRO, and the armed forces.

What makes DATAPATT special in private defence player circle?

In our view, DATAPATT stands out among private defence players owing to its **deep involvement in defence developmental programs**. A significant share of its revenue comes from design and development contracts. Once a system is successfully developed and proven, it typically transitions into the production phase, creating a long tail of revenue visibility. This model positions DATAPATT not only as a development partner but also as a long-term production beneficiary, giving it a strong runway for sustainable growth.

What further differentiates DATAPATT is its use of **highly sophisticated technologies**. The company has established expertise in **EW systems, radars, avionics, automatic test equipment (ATE) system and space electronics**—domains where few Indian private players have demonstrated credible capabilities. This positions the company in a niche segment of the ecosystem, allowing it to command higher entry barriers and build long-term relationships with both, DRDO and the armed forces.

In addition, we anticipate DATAPATT benefits from being an **end-to-end solutions provider**, with in-house design, development and manufacturing capabilities. This vertical integration not only reduces reliance on external vendors but also enhances margin and controls cost.

In our opinion, DATAPATT represents a **rare private sector story in Indian defence**, combining high-tech expertise with strong participation in developmental programs. As India accelerates its indigenisation push and allocates higher spends to electronic warfare, avionics and radar systems, we expect the company to be a significant long-term beneficiary.

How DATAPATT's profile strengthens its position in defence ecosystem?

In our view, one of the underappreciated strengths of DATAPATT is its robust financial profile, which allows it to consistently reinvest in R&D and scale up without stressing its balance sheet. It operates with minimal debt and consistently generates strong free cash flows, ensuring that future growth is not dependent on external capital. This strength is particularly critical in defence electronics, where long development cycles and heavy upfront investments often strain the balance sheet of smaller private peers.

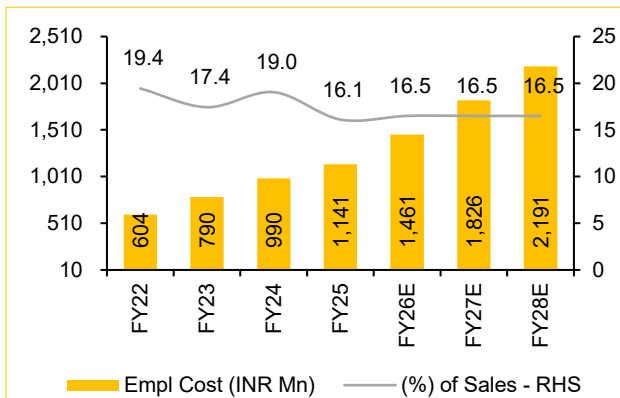
We also expect the company's **superior margin profile** — a result of its vertically-integrated model and focus on high-value electronics — gives it a greater resilience and flexibility. While most defence manufacturers operate at mid-teen EBITDA Margin, DATAPATT has historically delivered well above that, reflecting its niche positioning in complex systems rather than commoditised assembly work. In our opinion, this combination of financial discipline and profitability creates a virtuous cycle, where strong cash flows fund further R&D, which, in turn, strengthens its technological edge and long-term order pipeline.

Valuation: At present, we have a "BUY" rating on the stock with a Target Price of INR 3,100.

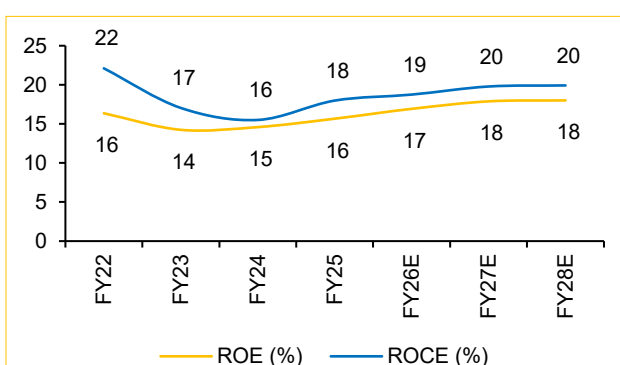
Key Risks: 1) **High dependency on government contracts** – Any possible delay in order placements or budget allocation could impact revenue flow, 2) **Project execution risk** – Long development cycles in defence electronics carry risks of cost/time overruns, 3) **Customer concentration** – Bulk of revenues tied to DRDO, ISRO and defence PSUs, limiting diversification.

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Employee cost trend



ROE & ROCE trend



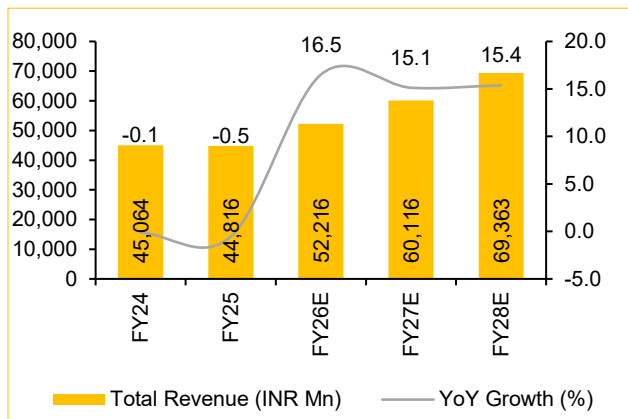
One year forward PE band



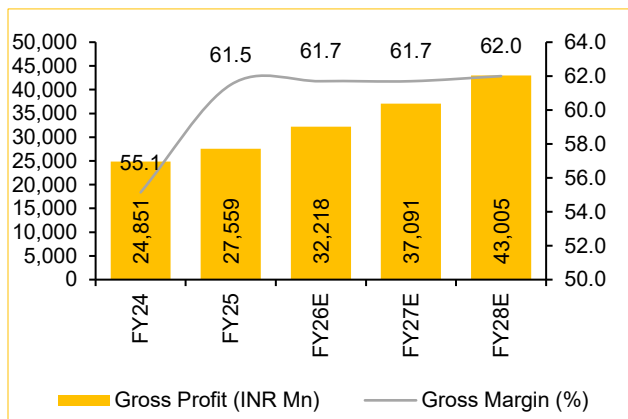
DATAPATT - Income Statement (INR Mn)	FY25	FY26E	FY27E	FY28E
Income Statement				
Revenue	7,084	8,854	11,068	13,282
Gross Profit	4,323	5,445	6,840	8,235
EBITDA	2,750	3,409	4,294	5,180
Depreciation	139	204	256	309
EBIT	2,611	3,205	4,038	4,871
Other Income	463	664	830	996
Interest Expense	121	151	189	227
PBT	2,953	3,718	4,679	5,640
Reported PAT	2,218	2,788	3,509	4,230
EPS (INR)	40	50	63	76
NOPAT	1,961	2,404	3,029	3,653
Balance Sheet				
Net worth	15,082	17,871	21,380	25,610
Other Non-Current Liabilities	542	699	874	1,049
Trade Payables	838	1,019	1,274	1,528
Other Current Liabilities	1,929	2,412	3,014	3,617
Total Net Worth & Liabilities	18,391	22,000	26,542	31,804
Fixed Assets	1,710	2,256	2,750	3,191
Capital Work in Progress	128	160	200	240
Other Non-current Asset	2,040	2,550	3,187	3,824
Inventories	3,185	4,003	5,003	6,004
Sundry Debtors	5,964	6,792	8,187	9,825
Cash and Bank Balance	1,264	1,759	1,670	2,067
Other Current Assets	4,101	4,480	5,545	6,654
Total Assets	18,391	22,000	26,542	31,804
Financial Ratios				
Growth Ratios				
Revenue (%)	36.3	25.0	25.0	20.0
EBITDA (%)	24.1	24.0	26.0	20.6
PAT (%)	22.1	25.7	25.9	20.5
Margin Ratios				
EBITDA Margin (%)	38.8	38.5	38.8	39.0
PAT Margin (%)	31.3	31.5	31.7	31.8
Performance ratios				
OCF/EBITDA (X)	(0.3)	0.5	0.3	0.4
OCF/IC (%)	(6.5)	11.1	6.9	8.0
ROE (%)	15.7	16.9	17.9	18.0
ROCE (%)	18.0	18.7	19.8	19.9
Turnover Ratio (Days)				
Inventory (Days)	164	160	155	155
Debtors (Days)	307	280	270	270
Payables (Days)	43	42	42	42
Cash Conversion Cycle (Days)	428	398	383	383
Financial Stability Ratios				
Net debt to Equity (x)	(0.2)	(0.2)	(0.2)	(0.2)
Net debt to EBITDA (x)	(1.0)	(1.0)	(1.0)	(1.0)
Interest Cover (x)	5.6	4.8	4.9	4.9

Granules India | Rating: BUY | CMP: INR 545 | TP: INR 640

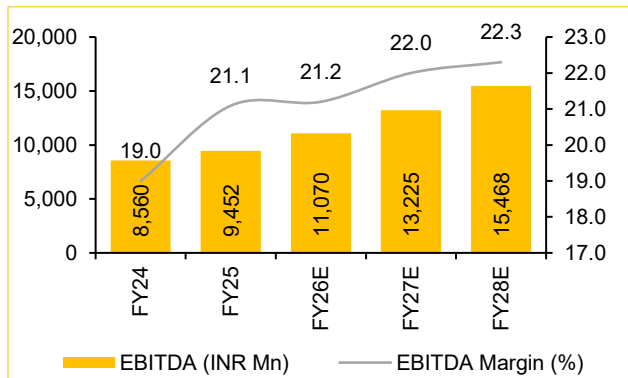
Revenue to Expand by 15.7% CAGR (FY25-28E)



Gross Margins to Remain at FY25 Levels



EBITDA Margins to Improve by 121bps by FY28E



Business Overview: GRAN India is a vertically integrated pharmaceutical company engaged in the development, manufacturing, and marketing of APIs, pharmaceutical formulation intermediates and finished dosages (FD) across more than 80 countries. Headquartered in Hyderabad, the company operates eight manufacturing facilities in India and two in the US, with global accreditations from US FDA, EU GMP, TGA and WHO GMP. Its product portfolio is anchored by high-volume APIs such as paracetamol, ibuprofen, and metformin, supported by one of the world's largest PFI/FD plants at Gagillapur. With strong R&D capabilities in Hyderabad and Pune, Granules is expanding into complex generics and specialty segments, including peptides through its acquisition of Senn Chemicals, while also building a growing presence in CDMO services.

Can GRAN's facility clearances unlock the next leg of growth?

GRAN's Gagillapur plant, under remediation since August 2024, is on track for FDA clearance by December 2025. A full status report was submitted in July with no concerns raised, and the site is eligible for re-inspection in September 2025. Post-clearance, management aims to commercialize pending approvals, positioning the company for a strong recovery from FY27E. In parallel, the Genome Valley facility, which recently completed its first FDA inspection with only one procedural observation, adds 10 Bn doses of capacity and provides a second source of US supply—enhancing scalability and mitigating tariff-related risks.

Is GRAN positioned to capture the next wave of specialty and peptide opportunities?

In FD, GRAN has a strong pipeline with six launch-ready products in Europe and multiple large-volume Rx launches in the US, including several first-to-file (FTF) opportunities led by CNS therapies. This should support sustained double-digit growth. Meanwhile, the CDMO/Peptides division, bolstered by the Senn Chemicals acquisition, is beginning to contribute meaningfully. With a dedicated R&D center slated for October 2025 and a commercial-scale peptide facility by FY27, the company is well-positioned to scale high-value therapies, including GLP-1 and oncology products. While the US remains a key market, Granules is expected to prioritize Europe, leveraging its Switzerland plant as front-end and India as a CDMO hub.

Why Invest in GRAN?

GRAN is well-positioned for sustainable growth driven by strong execution and strategic investments:

- **Strategic Capacity Addition:** GRAN is set for a comeback in FY26E, supported by the commencement of production at its Genome Valley facility, which adds ~40% new capacity alongside multiple product approvals.
- **Peptide-CDMO Foray:** The acquisition of Senn Chemicals provides GRAN a strong entry into the CDMO and peptides space, expected to become a meaningful revenue contributor in the coming years.
- **Margin Expansion:** The Genome Valley scale-up will enhance operating leverage, with EBITDA margin expansion of ~100bps anticipated as utilization ramps up.

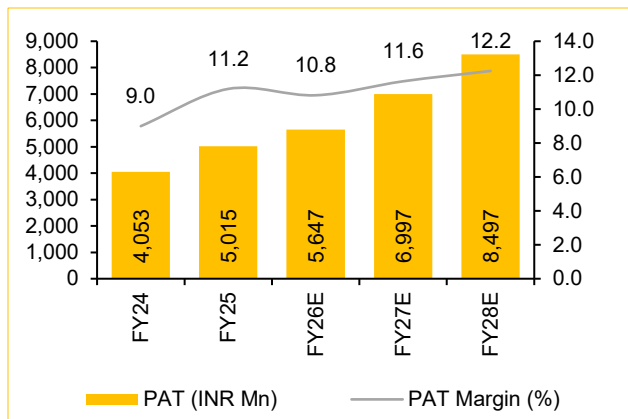
Recommendation: We currently have a 'BUY' rating on the stock with a target price of INR 640.

Key Risks:

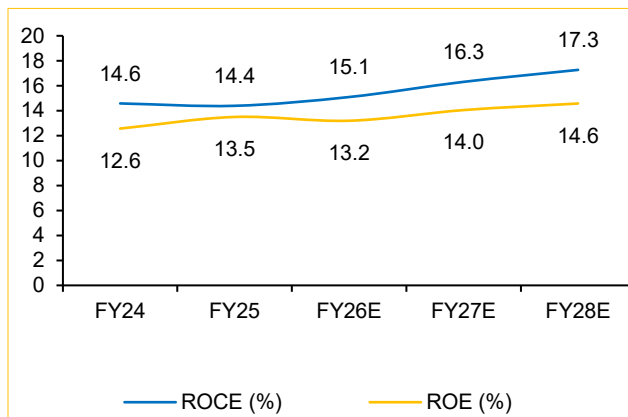
- **Regulatory and Compliance Risks:** Delays or adverse outcomes in regulatory approvals, especially in the US, could impact product launches and revenue visibility.
- **Rising Promotional Spend:** Continued expansion of the field force and promotional intensity may pressure EBITDA margins if revenue growth lags expectations.
- **US Generic Pricing Pressure:** Sustained price erosion and competitive intensity in the US generics market could offset gains from new launches.

[Recent Report Link : Q1FY26 Result Update](#)

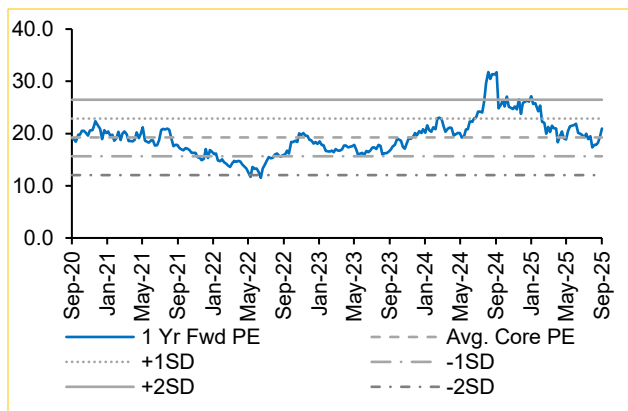
PAT to Expand by 19.2% CAGR (FY25-27E)



ROE & ROCE Trends



1 year forward PE Band

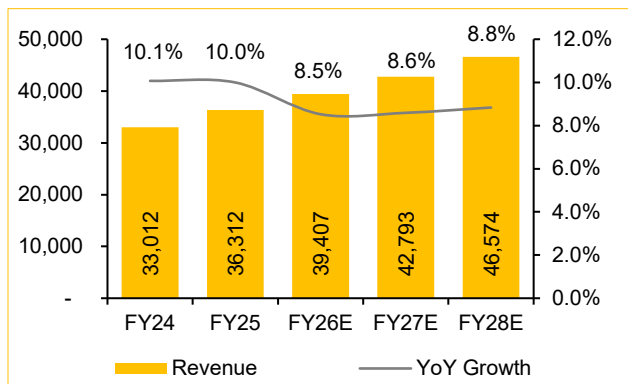


Income Statement Values (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	45,064	44,816	52,216	60,116	69,363
Gross Profit	24,851	27,559	32,218	37,091	43,005
EBITDA	8,560	9,452	11,070	13,225	15,468
Depreciation	2,073	2,255	2,668	3,088	3,438
EBIT	6,486	7,197	8,401	10,137	12,030
Other Income	44	129	157	180	208
Interest Expense	1,058	1,032	1,029	989	909
PBT	5,472	6,602	7,530	9,329	11,329
Reported PAT	4,053	5,015	5,647	6,997	8,497
EPS	16.7	20.7	23.3	28.9	35.1

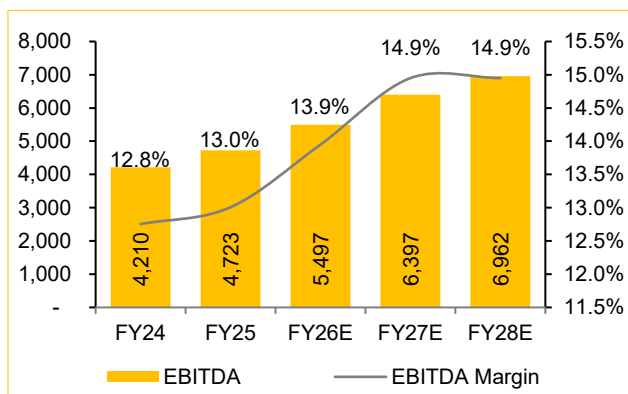
Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)					
Revenues	(0.1)	(0.5)	16.5	15.1	15.4
Gross Profit	12.7	10.9	16.9	15.1	15.9
EBITDA	(6.3)	10.4	17.1	19.5	17.0
PAT	(21.5)	23.7	12.6	23.9	21.4
Margins					
Gross Profit Margin	55.1	61.5	61.7	61.7	62.0
EBITDA Margin	19.0	21.1	21.2	22.0	22.3
PBT Margin	12.1	14.7	14.4	15.5	16.3
Tax Rate	25.9	24.0	25.0	25.0	25.0
PAT Margin	9.0	11.2	10.8	11.6	12.2
Profitability					
Return on Equity (ROE)	12.6	13.5	13.2	14.0	14.6
Return on Invested Capital (ROIC)	17.8	16.9	18.4	19.0	19.2
Return on Capital Employed (ROCE)	14.6	14.4	15.1	16.3	17.3
Financial leverage					
Pre-tax OCF/EBITDA (x)	0.7	1.1	0.9	0.9	0.8
OCF / Net profit (x)	1.1	1.7	1.5	1.3	1.2
Debt to Equity (x)	0.4	0.3	0.3	0.2	0.2
Interest Coverage (x)	6.1	7.0	8.2	10.3	13.2
Working Capital					
Inventory days (x)	105.3	109.4	100.0	95.0	95.0
Receivable days (x)	79.8	76.7	75.0	75.0	75.0
Creditor days (x)	60.7	59.1	60.0	60.0	60.0
Working Capital days (x)	124.5	127.0	115.0	110.0	110.0
Valuation Metrics					
No of Shares (INR Mn)	242.0	242.4	242.0	242.0	242.0
EPS (INR)	16.7	20.7	23.3	28.9	35.1
BVPS (INR)	133.3	153.3	176.9	205.8	240.9
Market Cap (INR Mn)	1,32,132	1,32,132	1,32,334	1,32,132	1,32,132
PE (x)	32.6	26.4	23.4	18.9	15.6
P/BV (x)	4.1	3.6	3.1	2.7	2.3
EV/EBITDA (x)	16.4	14.7	12.4	10.2	8.5
EV/Sales (x)	3.1	3.1	2.6	2.3	1.9

Gulf Oil Lubricants India I Rating: BUY I CMP: INR 1,298 I TP: INR 1,600

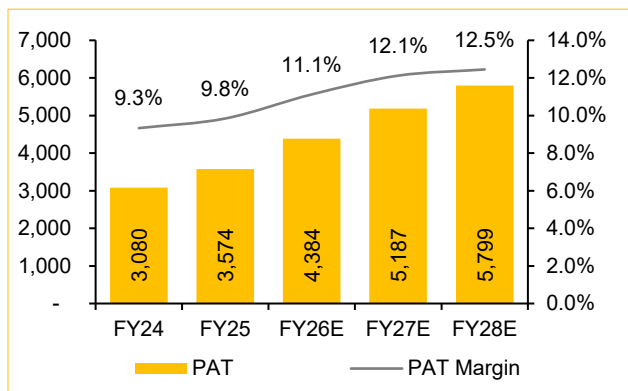
Revenue expected to grow at 8.7% CAGR (FY25-28E)



EBITDA expected to grow at 13.8% CAGR over FY25-28E



PAT expected to grow at 17.5% CAGR over FY25-28E



Business Overview: Gulf Oil Lubricants India Ltd (GOLI), part of the Hinduja Group, is a key player in India's lubricant industry. The company provides high-performance lubrication solutions for both automotive and industrial segments. It serves both B2B and B2C markets, with a strong export presence. The firm's distribution network of 90,000+ retail outlets, 40+ OEMs partnerships and 500+ B2B clients, ensuring a strong and widespread market presence.

Is GOLI Well Positioned to benefit in lubricants space in Crowded market amid the absence of Government Intervention?

To drive superior returns in the Indian lubricants sector, we believe a company must exhibit (a) strong pricing power, (b) a compelling brand, (c) a clear cost advantage, and (d) strategic exposure to Diesel Exhaust Fluid in anticipation of upcoming regulatory tailwinds.

In our view, Gulf Oil has been able to increase the volume along with the rise in average realised prices as compared to its closest competitor which has been growing volumes below the average industry growth rate. We note that rise in average realised prices could be on the back of either product mix, price hike or schemes. Gulf Oil has been spending less yet making the most of its A&P expenses. However, GOLI lags behind the competition in terms of strategic foresight as far as procurement of Base Oil is concerned. Gulf Oil has greater market share in Diesel Exhaust Fluid (DEF) and is expected to grow volumes on the back of BS VII which is expected to be implemented over the next two years.

Why Invest in GOLI?

GOLI is poised for strong growth on the back of several key factors:

- **Volume outperformance via Integrated Approach:** GOLI's strategic alignment across operations, sales and strategy has created a competitive advantage. The firm has delivered 7-8% CAGR as compared to industry average growth rate of 3.8%. Moreover, it has the ability to anticipate demand across 15 segments, such as Passenger Cars and Industrials. Therefore, it has invested appropriately in plant's ability to grow market share in the B2C segment, which accounts for 53% of the business. Having secured partnerships with 40+ OEMs in order to expand in the B2B market, we believe GOLI is well-positioned to increase volumes.
- **From Pricing Leverage to Profit Stability – GOLI's Game Plan:** GOLI has raised its average realized price by 21% over the past 7 years, driven by product mix, product hike and schemes. By comparing the average realized price with Brent crude and Asian Base Oils, we conclude GOLI is now focusing on maintaining or increasing margins or increasing margins coupled with volume growth. As we expect Brent prices to decline over the next year, in line with US EIA and IEA; we expect GOLI's EBITDA margin to rise by 100bps above its current guidance band of 12-14% in FY27E-28E.
- **Consistent Investment In Branding Builds Competitive Moat:** GOLI has consistently invested INR0.5-1.0 Bn p.a. over the past 10 years in order to build its brand equity. This has propelled loyalty, margin-backed volume growth, and landed GOLI a competitive advantage. The firm has further sharpened its consumer insight by appointing FMCG leaders Abhijit Kulkarni (as COO) and Aarthi Shridhar (as CMO). Additionally, GOLI's global motorsport associations – most notably with McLaren and Williams Racing – offer a compelling, yet underutilized pathway into passenger vehicle segment where the firm holds <5% market share.

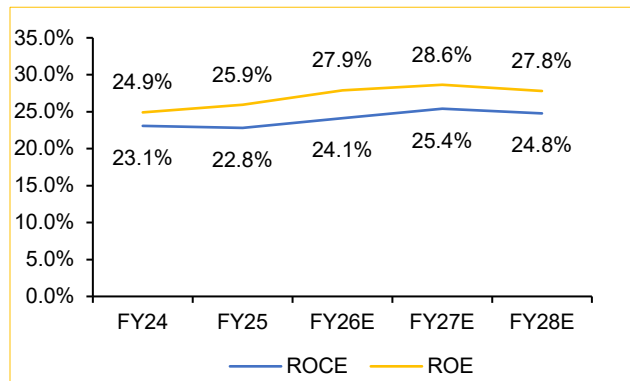
Recommendation: We currently have a 'BUY' rating on the stock with a target price of INR 1,600.

Key Risks:

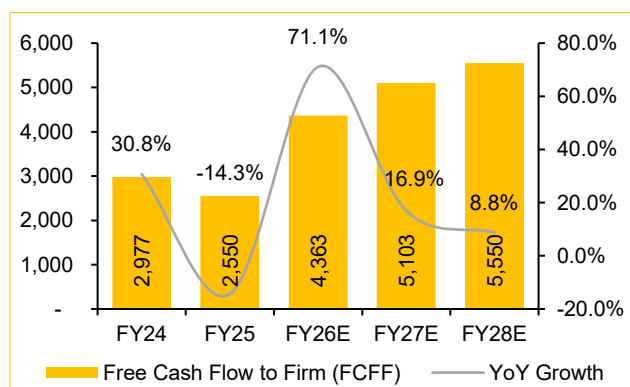
- Higher than expected depreciation of currency may further pressurise margins.
- Faster than anticipated adoption of Electric vehicles.
- Stricter than expected emission norms, particularly for diesel passenger cars under BSVII.

Recent Report Link : Initiating Coverage Gulf Oil Lubricants India Ltd. Driving Growth Through Strategy, Stability and Brand

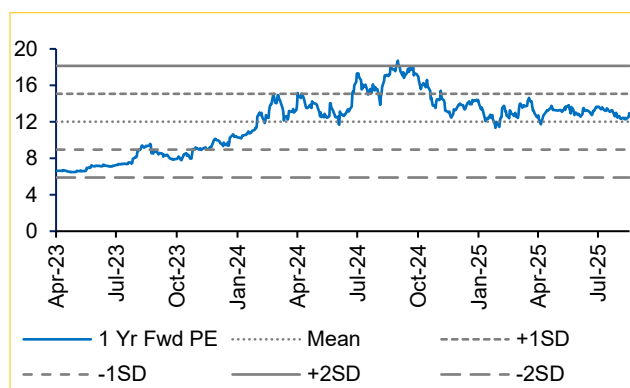
RoE & RoIC Trends (FY25-28E)



Free Cash Flow to Firm (FCFF) trend



1 year forward PE Band

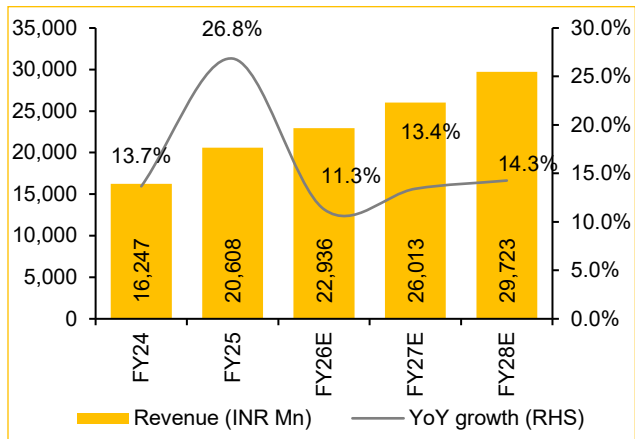


Income Statement Values (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	33,012	36,312	39,407	42,793	46,574
Gross Profit	13,551	15,293	16,945	18,829	20,492
EBITDA	4,210	4,723	5,497	6,397	6,962
Depreciation	507	558	522	550	581
EBIT	3,703	4,165	4,975	5,847	6,382
Other Income	681	987	1,172	1,406	1,687
Interest Expense	259	359	302	337	337
PBT	4,123	4,795	5,845	6,916	7,732
Reported PAT	3,080	3,574	4,384	5,187	5,799
EPS	62.2	72.1	88.5	104.7	117.1

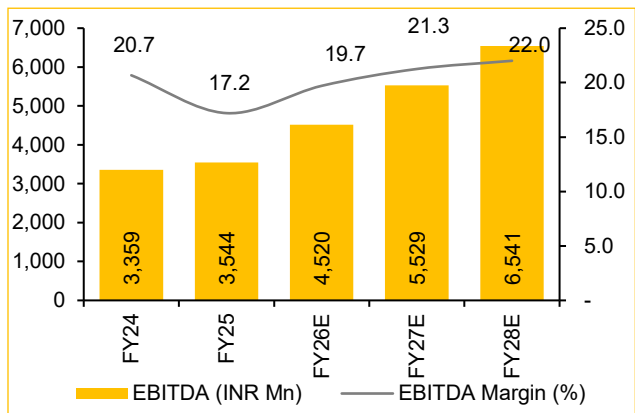
Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)					
Revenues	10.1	10.0	8.5	8.6	8.8
Gross Profit	28.6	12.9	10.8	11.1	8.8
EBITDA	22.8	12.2	16.4	16.4	8.8
PAT	32.6	16.0	22.7	18.3	11.8
Margins (%)					
Gross Profit Margin	41.0	42.1	43.0	44.0	44.0
EBITDA Margin	12.8	13.0	13.9	14.9	14.9
Tax Rate	25.3	25.5	25.0	25.0	25.0
PAT Margin	32.6	16.0	22.7	18.3	11.8
Profitability (%)					
Return on Equity (ROE)	24.9	25.9	27.9	28.6	27.8
Return on Invested Capital (ROIC)	17.2	17.0	18.1	19.1	18.6
Return on Capital Employed (ROCE)	23.1	22.8	24.1	25.4	24.8
Financial Leverage (x)					
Pre-tax OCF/EBITDA	1.05	1.10	0.93	0.66	0.66
OCF / Net profit	1.1	1.1	0.8	0.8	0.8
Working Capital					
Inventory Days	93	88	88	88	88
Receivable Days	55	50	50	50	50
Creditor Days	93	97	97	97	97
Working Capital Days	55	41	41	41	41
Valuation Metrics					
No of Shares (Mn)	49	49	49	49	49
EPS (INR)	62.2	72.1	88.5	104.7	117.1
BVPS (INR)	277.16	310.56	355.01	407.62	466.42
Market Cap (INR Mn)	62,631	62,631	62,631	62,631	62,631
PE (x)	15.0	15.8	14.3	12.1	10.8
P/BV (x)	4.6	4.1	3.6	3.1	2.7
EV/EBITDA (x)	10.1	10.7	9.9	8.1	7.1
EV/Sales (x)	1.3	1.4	1.4	1.2	1.1

Happiest Minds Technologies | Rating – BUY | CMP: INR 575 | TP: INR 730

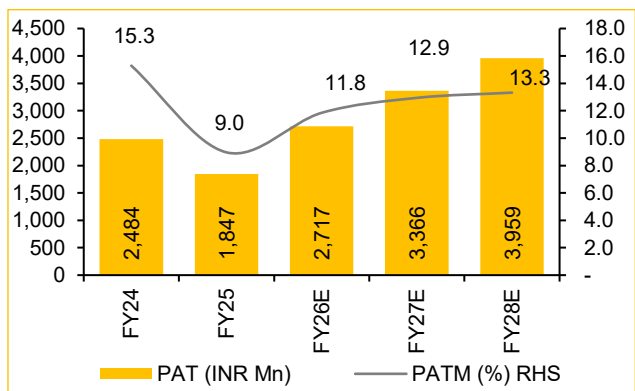
Revenue expected to grow at 13.0% CAGR over FY25-28E



EBITDA expected to grow at 22.6% CAGR over FY25-28E



PAT to grow at 28.9% CAGR over FY25-28E



Business Overview: HAPPSTMN is an AI-led, customer-first digital engineering company offering secure, scalable solutions, from chip to cloud. It specialises in product engineering, cybersecurity, analytics & automation, serving industries such as BFSI, EdTech, Healthcare, Mfg. & Retail. With expertise in GenAI & strong partnerships with Microsoft & AWS, HAPPSTMN drives innovation through platforms, such as Arttha, a unified digital payments suite & FuzionX, a next-gen gaming studio. With over 6,500 professionals in 43 global offices and more than 280 clients, the company blends creativity and advanced tech to deliver a transformative digital experience across diverse sectors.

How can HAPPSTMN benefit from value migration in India's tech sector ?

HAPPSTMN has a well-diversified portfolio in over 9 industry verticals, which helps de-risk its operations from adverse micro- or macroeconomic conditions affecting any single sector. The company is a leading digital services provider, with approximately 95% of its revenue generated from digital offerings, such as Cloud, SaaS and Analytics — segments that continue to deliver robust, double-digit annual growth.

Among its business units, the GenAI division, which currently contributes 2.3% to the company's top line, is also experiencing strong sequential double-digit growth. **We believe this sustained momentum in digital services positions HAPPSTMN uniquely in India's IT sector and supports its long-term growth outlook.**

Why invest in HAPPSTMN ?

HAPPSTMN's growth is backed by consistent execution & strategic initiatives amid market uncertainties. The company posted its 20th consecutive quarter of QoQ growth in Q1FY26. HAPPSTMN's strategic transformation focuses on vertical reorganisation, GenAI & client acquisitions driving sustainable growth. Targeting high-potential sectors, such as Cloud, Data, Cybersecurity & AI, it emphasises BFSI & Healthcare. Arttha Banking platform is projected to grow 20–25% YoY, while the SaaS-based "Insurance in a Box" gains traction, alongside strong momentum in Medical Devices & Bioinformatics.

Operationally, HAPPSTMN continues to improve efficiency, with utilisation increasing by 150 basis points to 78.9%. This improvement was driven by non-linear growth, supported by negligible headcount addition. Its GenAI unit grew 12% QoQ & Automation services grew 14% QoQ, helping clients manage cost pressures. India revenue rose 21% QoQ, now comprising 17.6% of total, showing successful geographic diversification. With 10 transformational initiatives underway, robust vertical growth (TME 18%, Manufacturing 22%) & continued investments, HAPPSTMN is on track for double-digit profitable growth in FY26E & FY27E.

Valuation: We currently have a 'BUY' rating on the stock with a target price of INR 730.

Key Risks:

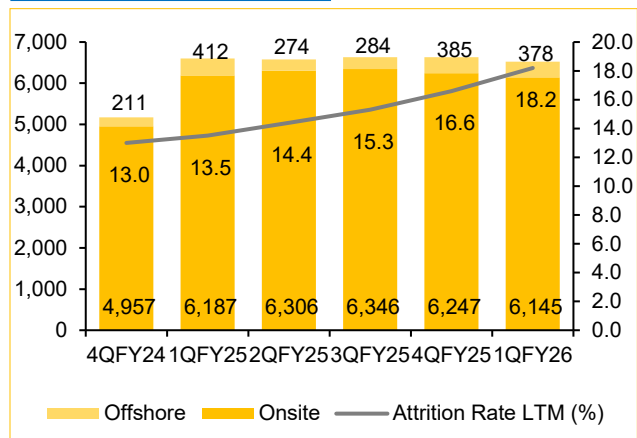
Platform Performance & Scalability Concerns: Arttha Banking & Insurance-in-a-Box platforms must meet scalability & performance expectations; any underperformance or technical flaws could hinder client satisfaction & market adoption.

Margins & Competition Pressure: The digital IT services sector faces fierce competition, with pricing pressure from major players or shift in client demands. Investments in GenAI are vital, yet delayed or failed returns could strain margins & impact short-term financial performance.

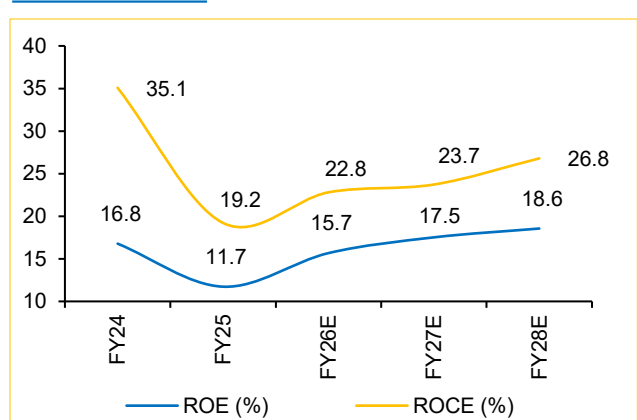
Deal Conversion at Risk amid Economic Volatility: The rebound in tech spending is contingent upon favourable macro trends. Any global economic downturn or delayed recovery could weaken enterprise IT budgets, affecting pipeline conversion and revenue growth.

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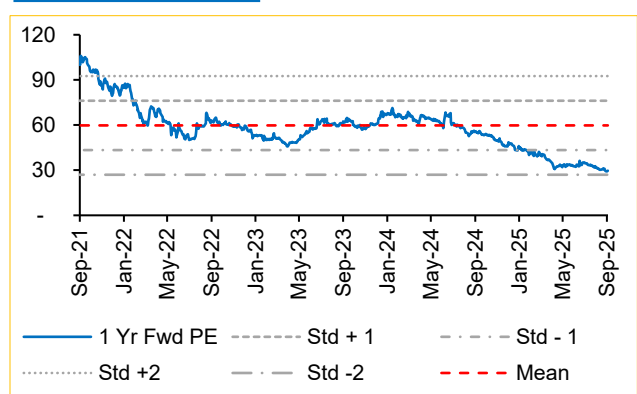
Attrition rate remained elevated



ROE & ROCE trend



1 Year Forward PE band



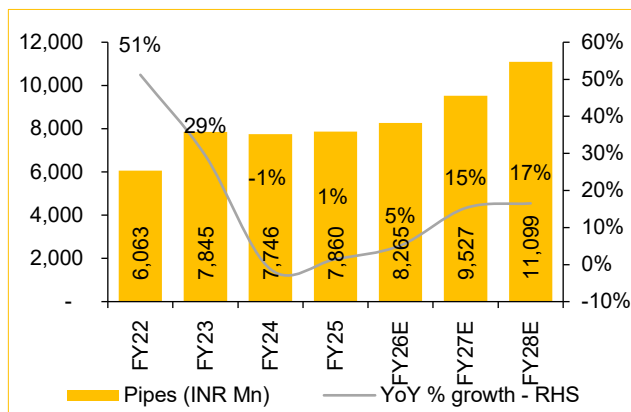
Income Statement (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	16,247	20,608	22,936	26,013	29,723
Gross Profit	6,100	6,955	7,356	8,390	9,735
EBITDA	3,359	3,544	4,520	5,529	6,541
Depreciation	583	887	944	1,100	1,260
EBIT	2,776	2,657	3,576	4,429	5,281
Other Income	854	1,014	1,131	1,200	1,190
Interest Expense	423	995	1,038	1,080	1,120
PAT	2,484	1,847	2,717	3,366	3,959
EPS (INR)	16.7	12.3	18.1	22.4	26.3

Key Financial Ratios

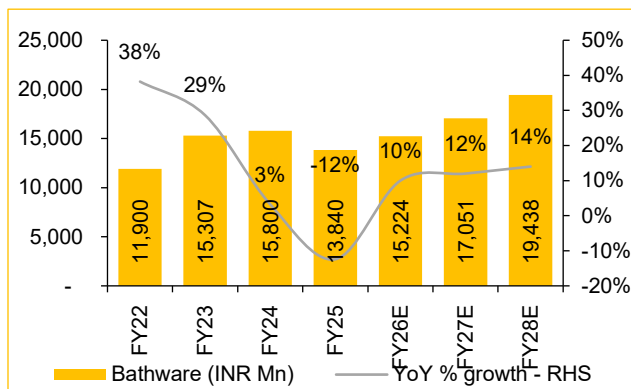
Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)					
Revenues (USD)	10.3	24.2	9.7	12.7	14.2
Revenues	13.7	26.8	11.3	13.4	14.3
Gross Profit	(2.0)	14.0	5.8	14.1	16.0
EBITDA	(6.4)	5.5	27.5	22.3	18.3
EBIT	(12.4)	(4.3)	34.6	23.8	19.2
Margin Ratios (%)					
EBITDA Margin	20.7	17.2	19.7	21.3	22.0
EBIT Margin	17.1	12.9	15.6	17.0	17.8
Profitability (%)					
ROE	16.8	11.7	15.7	17.5	18.6
ROIC	45.3	22.2	26.0	25.7	29.3
ROCE	35.1	19.2	22.8	23.7	26.8
Valuation					
OCF / EBITDA (%)	63.3	66.7	83.4	66.9	74.5
EV/ EBITDA (x)	36.0	32.4	20.4	16.7	13.9
BVPS (x)	247.8	262.3	288.1	319.3	354.6
Free Cash flow yield(%)	1.3	-5.5	2.0	1.6	2.6

Hindware Home Innovation I Rating – BUY I CMP : INR 329 I TP: INR 375

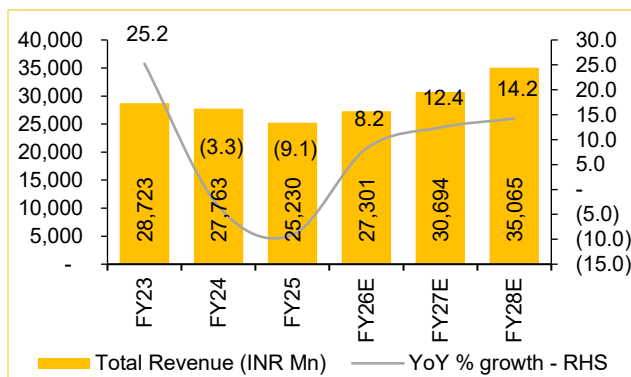
Piping segment to rebound over FY25-28E



Bathware segment to grow by 12% CAGR over FY25-FY28E



Total revenue to grow by 12% CAGR over FY25-FY28E



Business Overview: HINDWARE is a prominent player in the Building Materials sector, specialising in Sanitaryware, Faucetware, Pipes and also has a presence in the Consumer Appliances segment. Bathware/Pipes/Consumer Appliances segments respectively contributed 64% / 22% / 14% of revenue in Q1FY26. In March 2025, HINDWARE announced a turnaround plan and demerger of its loss-making Consumer Appliance business. Also, it appointed a new CEO to turnaround its Bathware business, where the company was not performing up to its full potential. Strategic and tactical initiatives are underway to strengthen the Pipes business too. Investment case for HINDWARE hinges upon a turnaround of the **Bathware and Consumer Appliances segments and improvement in the Pipes business.**

What is the turnaround plan for its Bathware segment?

HINDWARE holds a prominent position in the Bathware segment, supported by strong brand awareness and recall. However, it has been losing its market share over the last several quarters. In March 2025, the company appointed Mr. Nirupam Sahay as the CEO to turn around the business. Mr. Sahay has embarked on a new go-to-market strategy, which focuses on premiumisation, new product launches and strong engagement with weighted dealers. These initiatives have already started to deliver good results, as the segment reported high double-digit growth in Q1. New products contributed ~33% of Q1 sales, while institutional sales accounted for 25% of overall EBITDA. Management is confident of growing significantly faster than the market's low single-digit pace, regaining HINDWARE's market share, and targeting mid-teens EBITDA Margin in FY26E and high-teens by FY27E.

What initiatives HINDWARE's is taking to improve its Pipes business?

HINDWARE's Pipes business has a strong brand recall and good presence in key states, such as Telangana, Andhra Pradesh, Maharashtra and Gujarat. To support future growth and meet rising demand, the company has planned a new capex of 12.5KT at Roorkee. Additionally, HINDWARE is also broadening its product portfolio with new offering, such as foam core pipes for underground drainage, double-wall corrugated (DWC) pipes and polypropylene (PPR) random plumbing pipes and fittings, which command higher margins. Backed by these initiatives, the management is confident of achieving 10% volume growth with 9.5% to 10% EBITDA margin.

What's the plan for turning around appliances business?

HINDWARE's management has announced the demerger of Consumer Appliances business, a value unlocking event for its shareholders. The scheme has to undergo regulatory approvals, which might take up to 6–9 months from now. Meanwhile, the management is also focusing on discontinuing unprofitable product lines, such as ceiling and other fans, air purifiers, furniture fittings and water purifiers. The plan is to strengthen its position in specific, high-demand and profitable categories, such as kitchen hobs and chimneys.

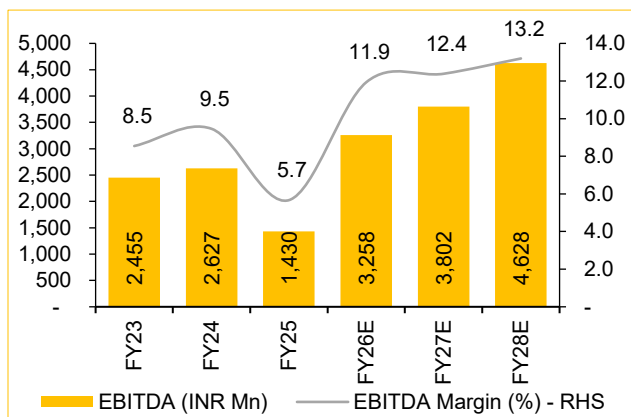
Valuation: We now value HINDWARE on 1 year forward (blend of FY27E-FY28E) EV/EBITDA multiple of 9x which we believe is conservative given significant turnaround expected in ROCE from 1.4% in FY25 to 17.0% by FY28E. We did a sanity check of our EV/EBITDA TP using implied P/BV, and P/E multiples. On our TP of INR 375, FY27E implied PB/PE multiples are 3.4x/31x.

Key Risks:

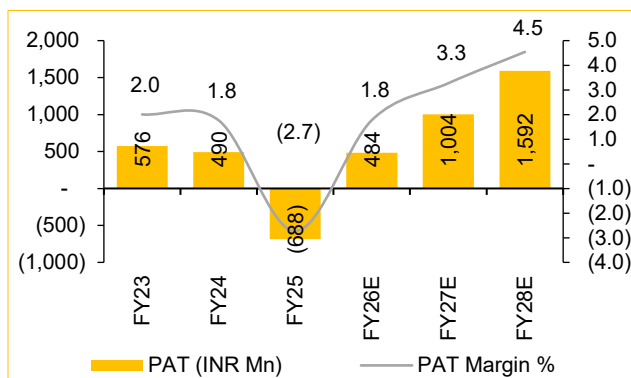
- **Order Book:** High dependence on a few large orders makes the order book vulnerable to delays or cancellations.
- **Capex –** Large capex burden poses a risk if new plants fail to ramp up as planned.
- **Regulatory Risk –** Regulatory changes may disrupt operations or lead to compliance costs.

[Recent Report Link : Q1FY26 Result Update](#)

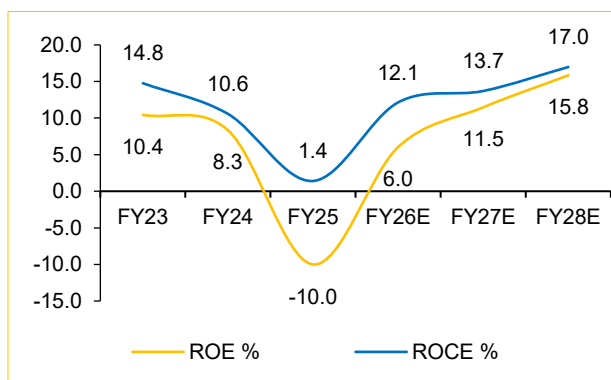
EBITDA Margins to improve led by better mix



PAT to rebound over FY25-FY28E



ROE & ROCE trends

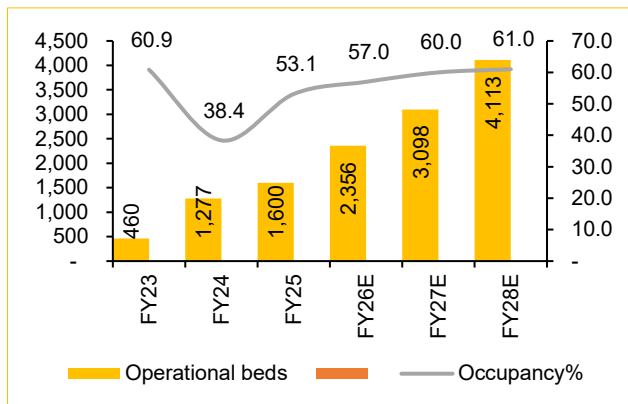


Income Statement (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	27,763	25,230	27,301	30,694	35,065
Gross Profit	12,646	11,129	12,043	13,659	15,779
EBITDA	2,627	1,430	3,258	3,802	4,628
Depreciation	1,188	1,225	1,411	1,633	1,784
EBIT	1,438	205	1,847	2,169	2,844
Interest Expense	926	891	891	860	799
Other Income (Including EO Items)	364	405	400	450	500
PBT	876	(577)	862	1,558	2,346
Reported PAT	581	(509)	644	1,164	1,752
Adjusted PAT	490	(688)	484	1,004	1,592
EPS (INR)	6.8	(8.2)	5.8	12.0	19.0

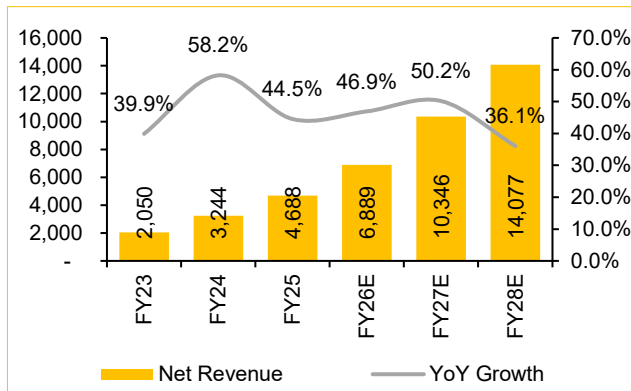
Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios					
Revenue (%)	(3.3)	(9.1)	8.2	12.4	14.2
EBITDA (%)	7.0	(45.5)	127.8	16.7	21.7
PAT (%)	(14.9)	NA	NA	107.6	58.6
Margin Ratios					
EBITDA Margins (%)	9.5	5.7	11.9	12.4	13.2
Gross Margins (%)	45.6	44.1	44.1	44.5	45.0
PAT Margins (%)	1.8	(2.7)	1.8	3.3	4.5
Performance Ratios					
ROE %	8.3	(10.0)	6.0	11.5	15.8
ROCE %	10.6	1.4	12.1	13.7	17.0
ROIC %	10.7	1.6	12.4	14.0	17.6
Turnover Ratio (Days)					
Inventory (days)	77	87	87	87	85
Debtors (days)	60	73	73	70	69
Payables (days)	41	59	58	58	58
Working Capital (days)	96	102	102	99	96
Financial Stability Ratios					
Net Debt to Equity (x)	1.4	0.9	0.8	0.7	0.5
Net Debt to EBITDA (x)	3.1	4.9	2.1	1.7	1.2
Interest Cover (x)	1.6	0.2	2.1	2.5	3.6
Valuation Metrics					
Fully diluted shares (Mn)	72	84	84	84	84
Price (INR)	326	326	326	326	326
Market Cap(INR Mn)	23,570	27,270	27,270	27,270	27,270
PE(x)	48	NA	56	27	17
EV (INR Mn)	30,608	33,486	33,300	32,829	31,942
EV/EBITDA (x)	11.7	23.4	10.2	8.6	6.9
Price to BV (x)	3.9	3.5	3.3	2.9	2.5
OCF/IC	17.8	15.2	14.4	18.7	20.4

Jeena Sikho Lifecare I Rating – BUY | CMP: INR 825 | TP: INR 900

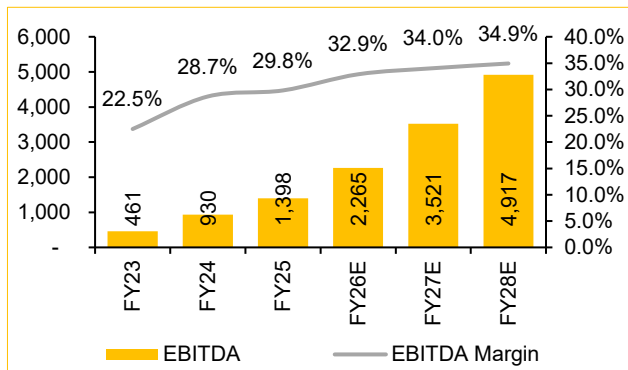
Operating beds to increase by ~2,500 beds in 3 years



Revenue expected to grow at ~44% CAGR (FY25-28E)



Despite expansion, EBITDA margin to improve annually



Business Overview: JSLL, headquartered in Zirakpur, Punjab, is a leading provider of Ayurvedic healthcare services and products, focussed on delivering affordable, high-quality and holistic treatment. The company has built a strong pan-India presence with a strong network of 50 hospitals and 65 clinics and day-care centres with 330+ Ayurvedic medicines & wellness products. Its primary healthcare facilities function under the name Shuddhi Ayurveda Panchakarma Hospital (HIIMS), focusing on the treatment of various health conditions including cancer, diabetes, liver disorders, arthritis, high cholesterol, thyroid issues and joint pain.

Is JSLL's strategic bed expansion poised to drive long-term growth?

JSLL expanded its operational bed capacity to 2,570 beds, with a clear roadmap to scale to 7,000–10,000 beds in 3–5 years. Recent tie-ups with Ayurveda colleges (Mohali, Vrindavan, Aurangabad) provide low-CAPEX access to new facilities, accelerating growth without straining capital. Occupancy rates have also improved and management expects steady gains as new hospitals mature. Given India's large unmet demand for alternative healthcare, JSLL's expansion positions it to capture both domestic and international patient bases.

Could product launch transform the OTC JSLL's revenue mix?

The launch of JSLL's OTC range, starting with the PET Liver-Spleen Shuddhi Kit, has seen strong initial traction, with 2,200 orders in the first hour. With plans to introduce 15+ products (covering BP, sugar, kidney, liver, anxiety and sexual wellness), the management targets INR 500Cr OTC turnover in 1.5–2 years. The OTC vertical offers high margins (~85% gross, ~20% PAT after distribution) and complements hospitals by cross-referring patients. If successful, OTC can diversify revenues beyond hospital services, creating a scalable consumer health brand.

Could JSLL sustain its exceptional profit margin amid rapid expansion?

JSLL delivered 45% EBITDA Margin in Q1FY26, supported by high-margin Panchakarma services and rising patient volumes. While expansion typically pressures margin, JSLL offsets this with scale benefits, strong occupancy and cross-subsidisation strategies (e.g., offering 10% free treatment for weaker sections to reduce ad-spends via word of mouth). The management guides for maintaining a 20–25% PAT margin even as hospital beds and OTC products expand aggressively. With operational efficiency and low-cost hospital tie-ups, profitability is expected to remain resilient.

Will international expansion boost JSLL's brand and earnings?

JSLL has set up clinics in Dubai and Abu Dhabi, with plans for 4 more in the UAE and early success in Nepal, which generated profits in its first quarter. This international foray positions JSLL as a global Ayurveda brand, catering to the rising demand for natural healthcare abroad. With India's Ayurveda industry gaining government backing under "Vocal for Local" and "Make in India," JSLL is well-placed to capture diaspora and wellness tourism markets.

Why invest in JSLL?

Investing in JSLL offers exposure to India's fast-growing Ayurveda and alternative healthcare sector. JSLL has scaled up its healthcare presence to 2,570 operational beds across 100+ cities, with plans to expand to 7,000–10,000 beds in 3–5 years. Additionally, its OTC Ayurvedic products pipeline targets a INR 500Cr market in the next two years, supported by clinical trials and pan-India distribution. With proven execution, diversified growth drivers (hospitals + products) and robust demand for natural healthcare, JSLL presents a compelling long-term investment opportunity.

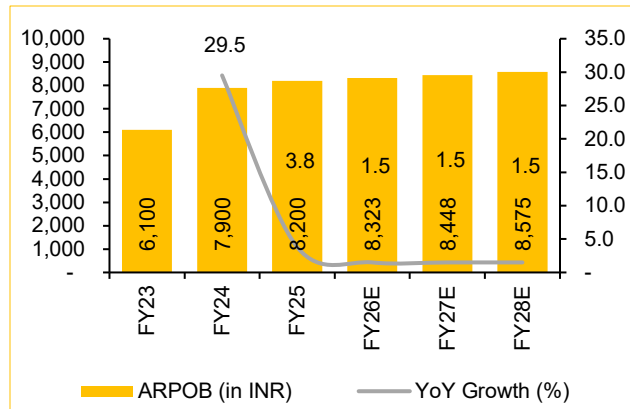
Recommendation: We currently have a 'BUY' rating on the stock with a target price of INR 900.

Key Risks:

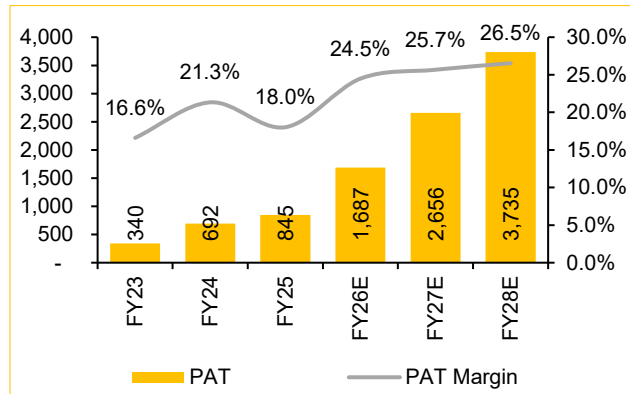
- **Key-man risk:** As the founder and driving force behind JSLL, Mr. Manish Grover is deeply involved in operations, strategy, brand and vision. Any disruption to his leadership could impact decision-making, culture or stakeholder trust,
- **Consumer complaints:** JSLL may face consumer complaints and lawsuits over defective products or treatment-related injuries, damaging reputation and confidence.

[Recent Report Link: JSLL Initiating Coverage](#)

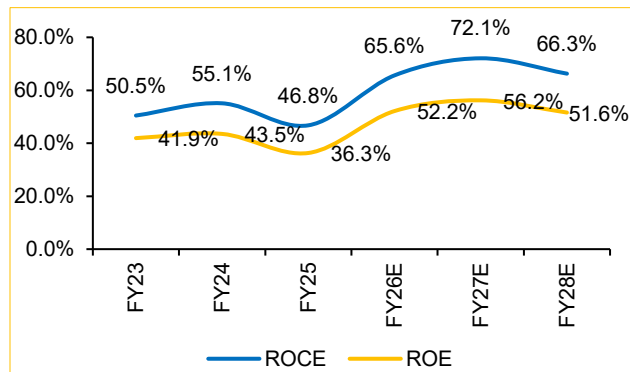
Sustained ARPOB amid new bed additions



PAT expected to grow at ~64% CAGR (FY25-28E)



ROE & ROCE trend

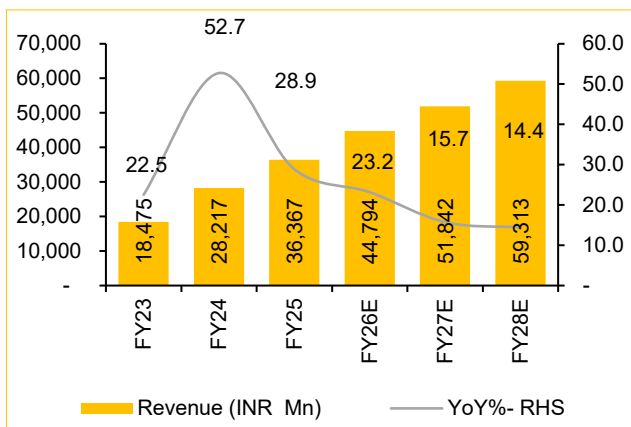


Income Statement (INR Mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	2,050	3,244	4,688	6,889	10,346	14,077
Gross Profit	1,876	3,028	4,376	6,433	9,666	13,160
EBITDA	461	930	1,398	2,265	3,521	4,917
Depreciation	32	51	284	104	109	114
EBIT	429	879	1,114	2,161	3,412	4,803
Other Income	26	64	68	96	140	190
Interest Expense	9	4	51	5	5	5
PBT	445	939	1,131	2,253	3,547	4,989
Reported PAT	340	692	845	1,687	2,656	3,735
EPS (INR)	4.9	5.6	6.8	13.6	21.4	30.1

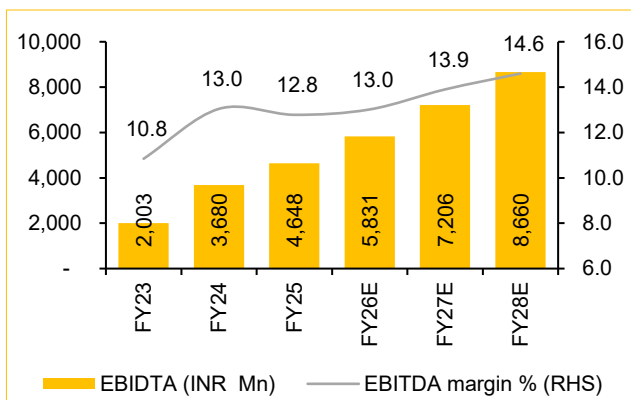
Ratio Analysis	FY23	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)						
Revenues	39.9	58.2	44.5	46.9	50.2	36.1
Gross Profit	42.8	61.4	44.5	47.0	50.3	36.1
EBITDA	154.7	101.7	50.3	62.0	55.4	39.7
EBIT	190.1	104.9	26.8	94.0	57.9	40.8
PBT	195.1	110.8	20.4	99.2	57.4	40.7
PAT	203.0	103.4	22.1	99.6	57.4	40.7
Margins (%)						
Gross Profit Margin	91.5	93.4	93.3	93.4	93.4	93.5
EBITDA Margin	22.5	28.7	29.8	32.9	34.0	34.9
EBIT Margin	20.9	27.1	23.8	31.4	33.0	34.1
PBT Margin	21.7	29.0	24.1	32.7	34.3	35.4
PAT Margin	16.6	21.3	18.0	24.5	25.7	26.5
Profitability						
Return on Equity (ROE)	41.9	43.5	36.3	52.2	56.2	51.6
Return on Invested Capital (ROIC)	25.7	33.6	29.3	43.2	44.7	41.0
Return on Capital Employed (ROCE)	50.5	55.1	46.8	65.6	72.1	66.3
Financial Leverage						
OCF/EBITDA (x)	0.4	0.4	0.6	0.8	0.6	0.7
OCF / Net profit (x)	0.5	0.5	1.0	1.1	0.9	0.9
Debt to Equity (x)	0.0	0.0	0.0	0.0	0.0	0.0
Interest Coverage (x)	0.0	0.0	0.0	0.0	0.0	0.0
Working Capital						
Inventory days (x)	86	122	135	135	145	160
Receivable days (x)	39	46	76	50	50	50
Creditor days (x)	127	75	111	110	110	110
Working Capital Days	(2)	93	100	75	85	100
Valuation Metrics						
No of Shares (INR Mn)	69	125	124	124	124	124
EPS (INR)	4.9	5.6	6.8	13.6	21.4	30.1
BVPS (INR)	18.2	15.4	22.0	30.1	46.0	70.5
Market Cap (INR Mn)	48,818	88,084	87,943	87,943	87,943	87,943
PE (x)	143.4	127.3	104.1	52.1	33.1	23.5
P/BV (x)	38.8	45.8	32.2	23.5	15.4	10.0
EV/EBITDA (x)	105.2	94.1	62.8	38.3	24.2	16.8
EV/Sales (x)	23.7	27.0	18.7	12.6	8.2	5.9

Lumax Auto Technologies | Rating – BUY | CMP: INR 1,106 | TP: INR 1,330

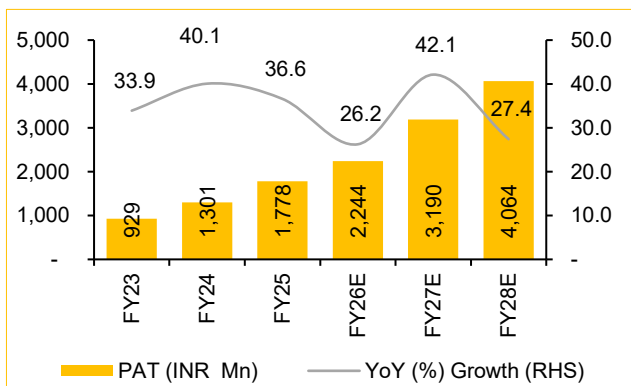
Revenue expected to grow 17.7% CAGR over FY25–28E



EBITDA Margin to improve over the years



PAT projected to expand 31.7% CAGR over FY25–28E



Business overview: LMAX, a part of Lumax-DK Jain Group, has 40 years of automotive component manufacturing experience in India. The company operates 26 facilities in 6 Indian states, supported by 2 engineering centres and international design centres in Taiwan and the Czech Republic. LMAX serves major OEMs with a diversified product portfolio including lighting, interior systems, electronics and alternative fuel components. In Q1FY26, LMAX reported revenue of INR 10,264 Mn with an EBITDA Margin of 12.2%. Revenue is expected to expand at a CAGR of 17.7% over FY25–28E, powered by increased JV wallet share and growing scale in high-value segments.

What is the impact of IAC India's complete acquisition on LMAX's growth?

LMAX acquisition of the remaining 25% stake in IAC India for INR 2,210 Mn has made it a wholly-owned subsidiary. IAC contributed around INR 3,170 Mn to LMAX's revenue in Q1FY26. The acquisition will reduce minority interest in LMAX's consolidated earnings, from ~23% in FY25 to 15% FY27E onwards, enhancing PAT for its shareholders.

The company is exploring IAC's legal merger into the standalone entity so as to streamline operations and drive synergies. IAC's INR 8,000 Mn order book and exclusive supply role for Mahindra's BEV models (BE6, XUV 9e) strengthen its positioning in high-value interior systems and the EV segment. We expect this acquisition to significantly improve free cash flow and provide leverage for future inorganic growth by FY27E.

What will drive LMAX's revenue and profitability growth through FY28E?

We expect LMAX to grow INR 36,367 Mn in FY25 to approximately INR 59,313 Mn by FY28E, supported by new product launches, higher content per vehicle and deeper OEM penetration. In addition, the company plans 1–2 strategic acquisitions in lightweighting and export-oriented segments, following its approach of acquiring majority stakes (typically over 60%) while retaining operational independence of acquired firms.

Strategic partnerships with global players, such as Alps Alpine (infotainment systems) and Yokowo (connected vehicle antennas), will drive technology-led expansion. On the profitability front, we expect APAT to grow from INR 1,778 Mn in FY25 to INR 4,064 Mn in FY28E, supported by margin expansion, increased JV wallet share and growing scale in high-value segments.

What makes LMAX a standout investment in India's automobile industry?

LMAX stands out in India's automobile industry owing to its robust financial performance, with consolidated revenue at INR 10,264 Mn and a 30.7% YoY profit increase in Q1FY26. The company's aggressive growth strategy – driven by strategic acquisitions, such as Greenfuel in the CNG fuels space and the full consolidation of IAC India – positions it at the forefront of emerging mobility solutions. LMAX's expanding product portfolio, focus on R&D and rapid capacity additions enable it to capitalise on the shift towards EVs and CNG vehicles. Its diversified client base and consistent double-digit growth prove market dominance. With ongoing investments in technology and a clear roadmap for margin expansion, LMAX is well-placed for sustained outperformance and value creation.

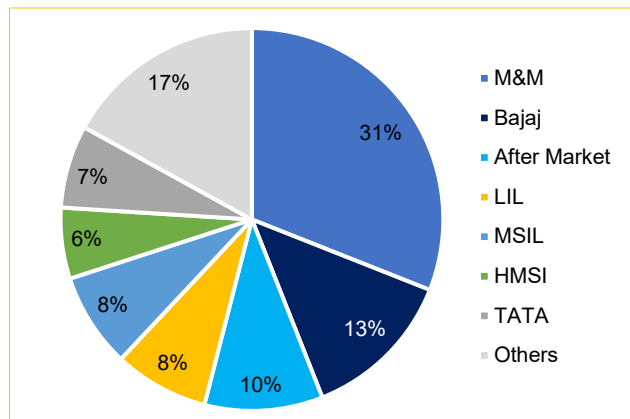
Recommendation: We maintain a positive outlook on LMAX, maintaining our 'BUY' rating, with a TP of INR 1,330.

Key Risks:

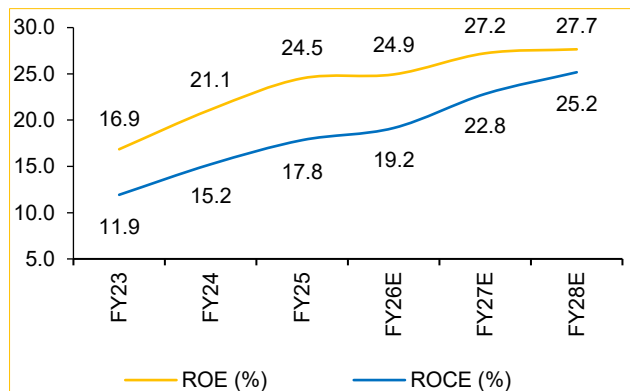
- **Cyclical industry exposure:** LMAX is highly dependent on the automotive industry which is cyclical in nature. Any possible slowdown in automobile sales or likely supply chain disruption could directly and drastically affect its revenues and profitability.

[Recent Report Link: Sector Upgrade & Coverage Review](#)

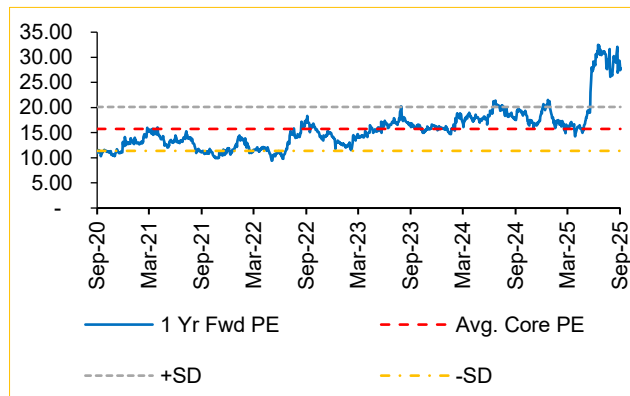
Customer wise revenue split – Q1FY26



ROE & ROCE on an upward trend



One year forward PE band

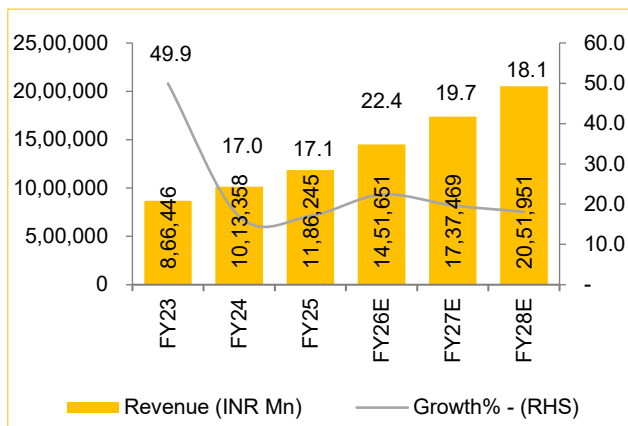


Income Statement (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	28,217	36,367	44,794	51,842	59,313
Gross Profit	10,190	12,916	15,980	18,663	21,471
EBITDA	3,680	4,648	5,831	7,206	8,660
Depreciation	1,180	1,286	1,636	1,781	1,905
EBIT	2,500	3,361	4,195	5,425	6,754
Other Income	450	510	529	640	720
Interest Expenses	684	790	925	925	925
Extraordinary Item	-	-	-	-	-
Reported PAT	1,669	2,292	2,772	3,753	4,781
Adjusted PAT	1,301	1,778	2,244	3,190	4,064
EPS (INR)	19.1	26.1	32.9	46.8	59.6

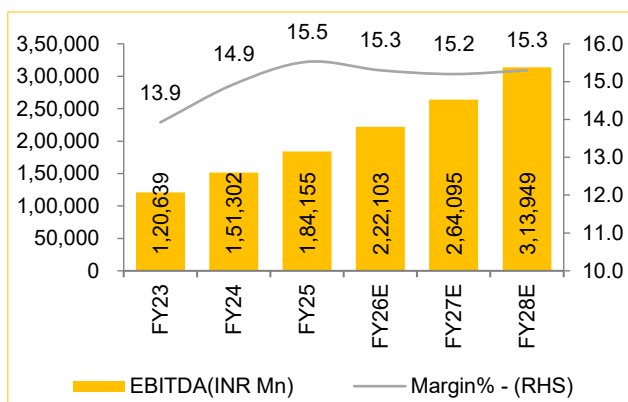
Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)					
Revenue	52.7	28.9	23.2	15.7	14.4
EBITDA	83.7	26.3	25.5	23.6	20.2
PAT	49.7	37.3	20.9	35.4	27.4
Margins (%)					
EBITDA	13.0	12.8	13.0	13.9	14.6
PAT	5.9	6.3	6.2	7.2	8.1
Profitability (%)					
ROE	21.1	24.5	24.9	27.2	27.7
ROCE	15.2	17.8	19.2	22.8	25.2
ROIC	12.1	14.5	14.7	18.8	22.9
Working Capital					
Inventory Days	50	57	57	57	57
Debtor Days	75	80	78	78	78
Payable Days	98	106	100	98	98
Cash Conversion Cycle	27	31	35	37	37
Valuation Metrics					
PE(x)	54.7	40.1	31.7	22.3	17.5
EV/EBITDA (x)	21.0	16.9	13.6	10.8	8.7
Price to BV (x)	9.0	7.6	6.4	5.2	4.1
EV/OCF (x)	29.2	27.0	23.7	14.3	11.3

Mahindra & Mahindra I Rating – BUY | CMP: INR 3,637 | TP: INR 4,450

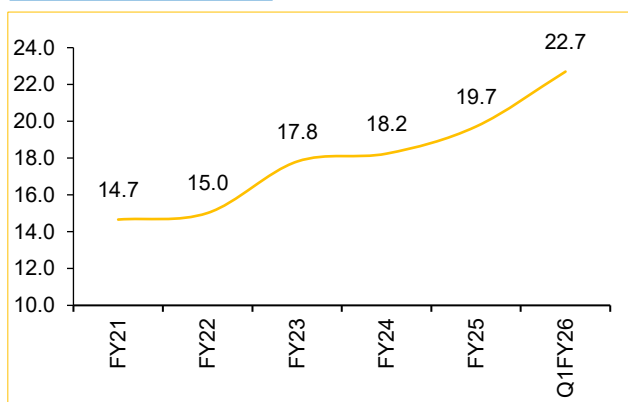
Revenue expected to grow 20.0% CAGR over FY25–28E



EBITDA Margin to stabilize at 15%



MUV market share on rise



Business overview: MM is a leading player in India's automotive and farm equipment sectors, with a strong presence in SUVs, tractors and electric vehicles, supported by the launch of new EV models. MM benefits from its strong brand equity, an extensive distribution network and tech-driven mobility solutions. In Q1FY26, MM reported revenue of INR 341,4Bn with an EBITDA margin of 14.0%. Revenue is expected to expand at a CAGR of 20.0% over FY25–28E, supported by sustained rural demand, an expanding EV portfolio and a growing SUV segment.

Could MM sustain its growth and emerge as a MUV segment leader?

MM has demonstrated impressive growth, with a CAGR of 37.2%, from FY21 to FY25 in MUV sales, reaching 5,51,487 units. Its MUV market share has moved from 14.7% in FY21 to 19.7% in FY25 and 22.7% in Q1FY26, indicating a strong upward trajectory. MSIL is the leader with a market share of 24.2% in Q1FY26, while it improved from 21.6% in FY21 to 25.7% in FY25. Additionally, MSIL has expanded with 33.2% CAGR in MUV sales, reaching 7,20,186 units in the same period. While MM is sustaining its growth, it will be a challenge to emerge as the leader in the SUV space in the near term, given MSIL's superior volume and new model launches.

Is MM's farm equipment market share growing; can it sustain its leadership?

MM has steadily increased its market share, from 38.2% in FY21 to 43.3% in FY25, showcasing consistent growth. With its closest competitor, Sonalika International, holding less than 15% market share, M&M faces no immediate threat to its leadership. The widening gap indicates MM's dominance is strengthening, supported by its strong product portfolio and market reach. MM's revenue share from the Farm Equipment Segment (FES) stands at ~27% as of Q1FY26, ensuring a stable contribution to its overall revenue.

Will MM's new EV launches significantly improve its overall passenger vehicle sales?

In FY25, EVs accounted for 1.5% of M&M's SUV volumes (8,392 out of 5,51,487 units). However, with the launch of the BE 6 and XEV 9e, the monthly EV sales have increased to ~4,000 units. This has lifted the EV penetration to ~8% of SUV volumes, reflecting a significant push towards electrification, particularly in the premium segment. This positions MM for long-term growth in the EV space, which is growing faster than ICE.

What makes MM a standout investment in India's automobile industry?

MM has strengthened its position in India's auto industry with consistent market share gains in key segments. As of Q1FY26, the company has expanded its MUV market share to 22.7%, capitalising on the rising demand for utility vehicles. In the commercial segment, MM leads with a 45.5% market share in the LCV segment. Additionally, MM's tractor market share has reached 45.2% in Q1FY26, highlighting its stronghold in rural as well as agricultural sectors. With a well-diversified portfolio across high-growth categories, MM is well-positioned to sustain its growth momentum and capitalise on evolving consumer preferences.

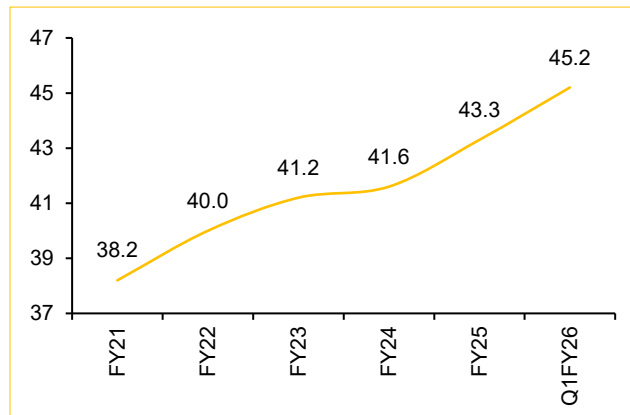
Recommendation: We maintain a positive outlook on MM, maintaining our 'BUY' rating, with a TP of INR 4,450.

Key Risks:

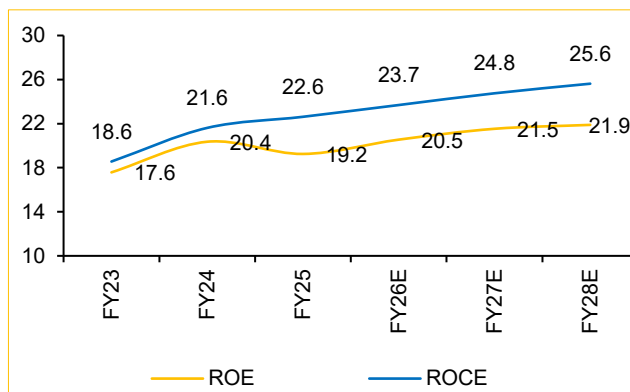
- **Competition risk:** Increased competition in the EV and SUV segments, tech-driven mobility startups and global automakers intensifies pricing pressure and the need for continuous innovation.

[Recent Report Link: Sector Upgrade & Coverage Review](#)

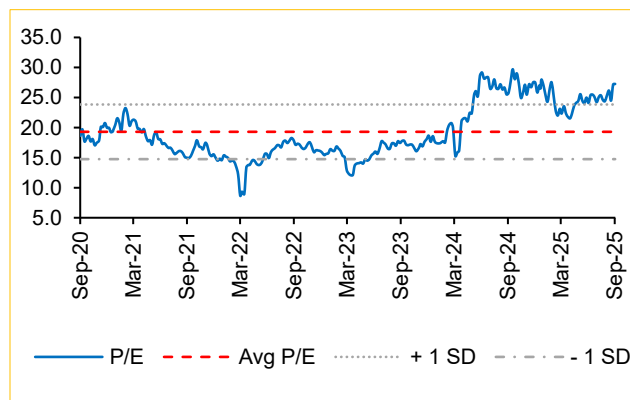
Farm dominance: MM's market share accelerates



ROE & ROCE on an upward trend



One year forward PE band

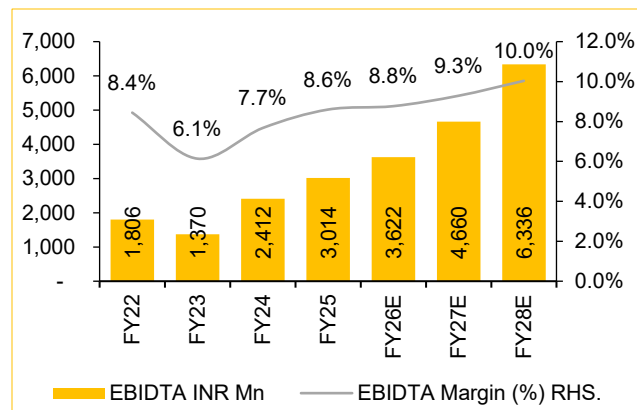


Income Statement INR Mn	FY24	FY25	FY26E	FY27E	FY28E
Revenue	10,13,358	11,86,245	14,51,651	17,37,469	20,51,951
Gross Profit	2,73,409	3,22,844	3,91,946	4,67,379	5,49,923
EBITDA	1,51,302	1,84,155	2,22,103	2,64,095	3,13,949
Depreciation	34,880	42,268	49,441	52,441	55,941
EBIT	1,16,422	1,41,887	1,72,662	2,11,654	2,58,008
Interest Expenses	1,405	2,505	1,045	880	735
Other Income	19,561	17,119	20,323	26,062	30,779
Exceptional Item	-	-	-	-	-
Reported PAT	1,06,423	1,18,550	1,47,794	1,82,364	2,18,919
Adjusted PAT	1,06,423	1,18,550	1,47,794	1,82,364	2,18,919
EPS (INR)	86	95.3	118.9	146.7	176.0

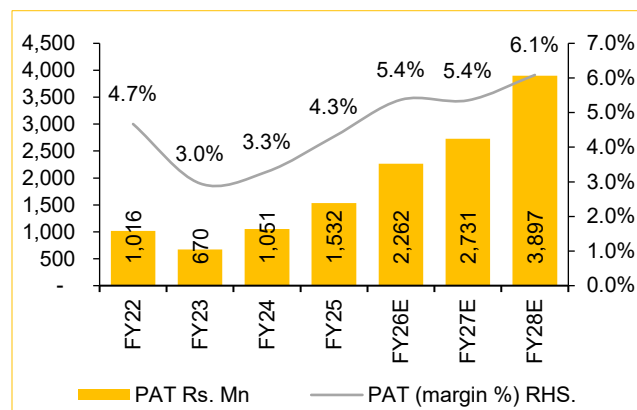
Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)					
Revenue	17.0	17.1	22.4	19.7	18.1
EBITDA	25.4	21.7	20.6	18.9	18.9
PAT	39.6	11.4	24.7	23.4	20.0
Margins (%)					
EBITDA	14.9	15.5	15.3	15.2	15.3
PAT	10.5	10.0	10.2	10.5	10.7
Profitability (%)					
ROE	20.4	19.2	20.5	21.5	21.9
ROCE	21.6	22.6	23.7	24.8	25.6
ROIC	20.7	21.4	24.8	25.9	26.6
Working Capital					
Inventory Days	34	32	32	33	35
Debtor Days	16	18	17	18	20
Payable Days	79	85	72	70	68
Cash Conversion Cycle	(28)	(39)	(21)	(16)	(10)
Valuation Metrics					
PE(x)	41.9	37.7	30.2	24.5	20.4
EV/EBITDA (x)	29.2	23.7	19.4	16.2	13.5
Price to BV (x)	8.5	7.2	6.2	5.3	4.5
EV/OCF (x)	39.2	26.3	29.4	20.0	18.3

Man Industries I Rating – BUY | CMP : INR 431 | TP: INR 480

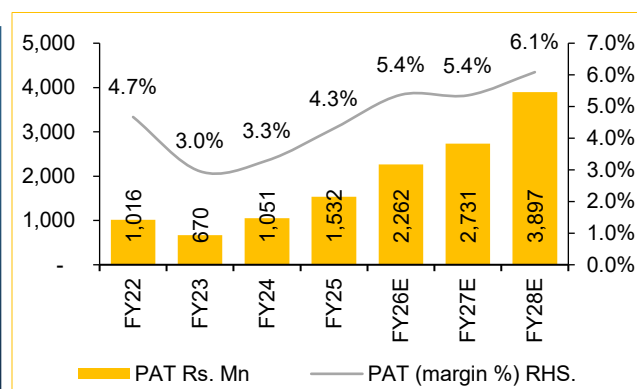
Revenue to expand by 22% CAGR over FY25–FY28E



EBITDA anticipated to by 28% CAGR over FY25–FY28E



PAT to grow by 37% CAGR over FY25–FY28E



Business Overview: Man Industries (MAN) is a leading manufacturer of large diameter pipes, having over three decades of experience. It operates in LSAW, HSAW and ERW pipes, along with coating products. MAN has a global customer reach, exporting to over 30 nations. At present, exports account for ~75% to 80% of its consolidated revenue and 80% of the order book, which stands at INR 47Bn. We forecast Revenue/EBITDA CAGR of 22%/28% over FY25–28E, driven by its stated order book and a bid pipeline of INR 150 Bn and other capacity addition projects, which are underway.

Does MAN's investment thesis hinge on its existing business? Is it a compelling investment idea?

Apart from the core in LSAW, HSAW and ERW pipes assets, which are MAN's mainstay now, there are other compelling reasons which make us constructive on MAN: 1) Capacity addition at Jammu 20 KT Stainless Steel pipes facility at an outlay of INR 5.6Bn) and at Saudi 300 KT H-Saw pipes facility at an outlay of INR 5.5Bn), 2) Cash inflow from Navi Mumbai land parcel monetisation of ~INR 7.5Bn (~25% of current market capitalisation) spread over the next 5-6 years. Therefore, we forecast EBITDA margin expansion of 144bps over FY25–28E driven by increasing share of value-added products and operating leverage benefits of higher capacity utilisation at the existing plants.

Are capacity expansions on track to support growth and cater to higher-margin export orders?

Man Industries operates two advanced manufacturing facilities in Anjar (Gujarat) and Pithampur (Madhya Pradesh), with a combined capacity of over 1.18MnTPA. The company is now setting up two new greenfield plants: a 20KTPA stainless steel seamless pipe facility in Jammu & Kashmir and a 300KTPA H-SAW pipe facility in Saudi Arabia. With a total capex of INR 11.1Bn, both plants are expected to be operational by Q3/Q4 of FY26E. At full capacity, the Saudi plant is projected to generate INR 20Bn in annual revenue, while the Jammu plant is expected to contribute INR 10–12Bn. The Saudi facility targets regional demand in water and oil & gas sectors, benefiting from higher margins (12–14%) and favourable tax regimes, expanding MAN global footprint. Meanwhile, the Jammu plant leverages state incentives and enters a high-margin business (20–25% EBITDA), catering to diverse industries, such as defence, power, marine and food processing.

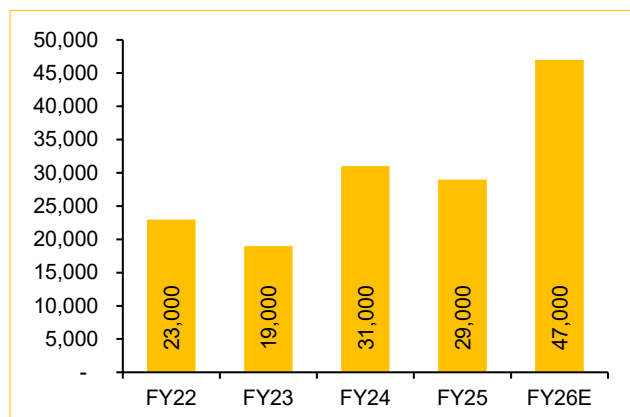
Valuation: We arrive at a 1-year forward TP of INR 480/share for MAN. We now value MAN on our EV/CE framework, where we assign an EV/CE multiple of 1.35/ 1.35x for FY27E/ 28E, which we believe is conservative given strong ROCE even under reasonable assumptions. This valuation framework gives us the flexibility to assign a commensurate valuation multiple on the basis of an objective assessment of the quantifiable forecast financial performance of the company. We do a sanity check of our EV/CE TP on implied EV/EBITDA, P/BV and P/E multiples. On our TP of INR 480 FY27E, implied EVEBITDA/PB/PE multiples are 7.9x/1.4x/11.8x.

Key Risks:

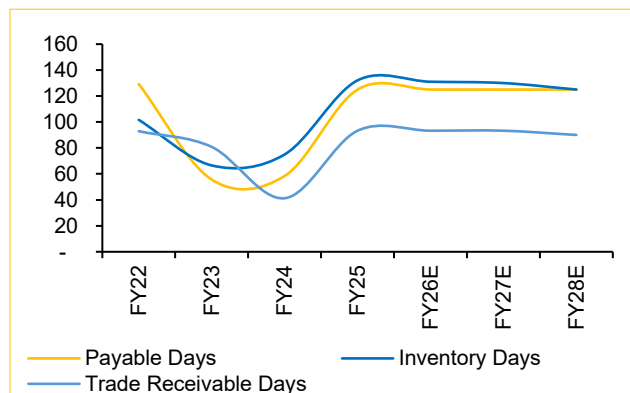
- **Order Book:** High dependence on a few large orders makes the order book vulnerable to delays or cancellations.
- **Capex:** Large capex burden poses a risk if new plants fail to ramp up as planned.
- **Regulatory Risk:** Regulatory changes may disrupt operations or lead to higher compliance costs.

[Recent Report Link : Q1FY26 Result Update](#)

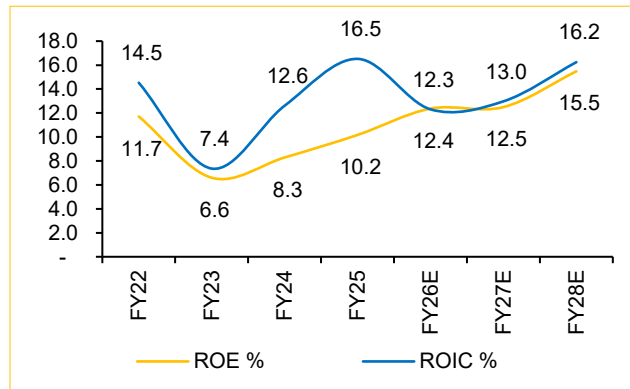
Order book trend (INR Mn)



Working capital days to remain stable



Improving ROE & ROIC trajectory

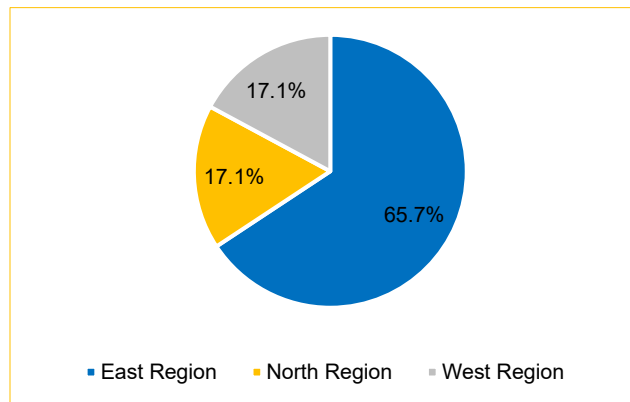


Income Statement (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	31,422	35,054	41,312	50,164	63,126
Gross Profit	6,547	11,696	9,096	11,240	14,466
EBITDA	2,412	3,014	3,622	4,660	6,336
Depreciation	611	453	889	1,109	1,274
EBIT	1,801	2,562	2,734	3,552	5,062
Interest Expense	878	996	506	746	746
Other Income	521	518	800	850	900
PBT	1,443	2,084	3,028	3,656	5,216
Adjusted PAT	1,051	1,532	2,262	2,731	3,897
EPS (INR)	16.2	23.7	33.6	40.6	57.9
NOPAT	1,312	1,883	2,042	2,653	3,781

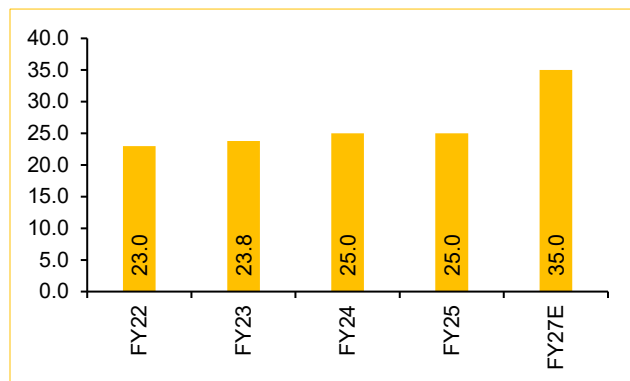
Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios					
Revenue (%)	40.8	11.6	17.9	21.4	25.8
EBITDA (%)	76.1	25.0	20.2	28.7	36.0
PAT (%)	56.8	45.7	47.7	20.7	42.7
Margin Ratios					
Gross Margins (%)	20.8	33.4	22.0	22.4	22.9
EBITDA Margins (%)	7.7	8.6	8.8	9.3	10.0
PAT Margins (%)	3.3	4.4	5.5	5.4	6.2
Performance Ratios					
ROE %	8.3	10.2	12.4	12.5	15.5
ROIC %	12.6	16.5	12.3	13.0	16.2
ROCE %	6.7	8.1	10.0	10.1	12.4
Turnover Ratio (Days)					
Payable Days	58	125	125	125	125
Inventory Days	75	132	131	130	125
Trade Receivable Days	41	93	93	93	90
Working Capital Days	58	100	99	98	90
Financial Stability Ratios					
Net Debt to Equity (x)	0.0	0.0	0.1	0.2	0.2
Net Debt to EBITDA (x)	0.2	0.3	0.6	0.9	0.7
Interest Cover (x)	2.1	2.6	5.4	4.8	6.8
Valuation Metrics					
Fully diluted shares (Mn)	64.7	64.7	67.2	67.2	67.2
Price (INR)	363.0	407.0	407.0	407.0	407.0
Market Cap(INR Mn)	23,499	26,349	27,367	27,367	27,367
PE(x)	22.3	17.2	12.1	10.0	7.0
EV (INR Mn)	24,035	27,117	29,589	31,720	31,507
EV/EBITDA (x)	10.0	9.0	8.2	6.8	5.0
Price to BV (x)	217	248	305	345	403
OCF/IC	1.7	1.6	1.3	1.2	1.0
EV/IC	7.0	39.9	14.4	13.7	8.2

Nuvoco Vistas Corporation | Rating – BUY | CMP: INR 450 | TP: INR 560

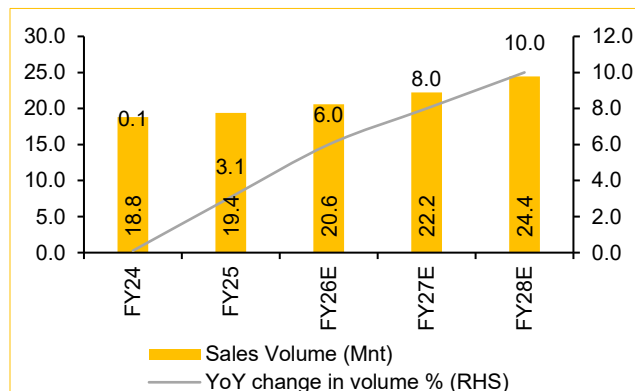
Strategic foray into the Western region



Targeting ~35 Mnt cement capacity by FY27E



Volume expected to reach 24.4 Mnt in FY28E



Business Overview: NUVOCO, the fifth-largest cement firm in India in terms of capacity, is set to scale up its capacity from 25 MTPA in FY25 to 35 MTPA by FY27E. This implies an ~18.3% CAGR over FY25–27E, driven by the Vadraj acquisition and 4 MTPA capacity expansion in the Eastern region. In this area, NUVOCO holds a dominant position, with 19 MTPA and the North with 6 MTPA capacity as of FY25. The company operates 13 cement plants, 58 RMC units, 150 MW of captive power, 44.7 MW of WHRS, and 5.3 MW of solar capacity.

As Nuvoco's new capacities come online progressively, how would GST reduction help gain market share?

The reduction of GST to 18% is a significant tailwind for the cement sector, particularly as it improves affordability for retail customers and boosts demand in the housing and infrastructure segments. For NUVOCO, this comes at an opportune time when the company is expanding its capacity, from 25 MTPA to 35 MTPA, by FY27E, including the Vadraj acquisition and debottlenecking in the East. Lower tax is expected to stimulate incremental consumption, especially in Tier-II/III housing and IHB segments, where price sensitivity is higher. This will help ramp up volumes faster and sweat its new assets more efficiently. In addition, the GST reduction will enhance pricing for the sector as a whole. Nuvoco would gain market share in its core regions of East, North, and West India.

In the East, NUVOCO continues to strengthen its leadership position (~17% market share currently) and is adding 4 MTPA of capacity in the next 2 years, with growth expected by robust government spending — up 35% in West Bengal (to INR 393 Bn) and 18% in Jharkhand (to INR 226 Bn). Meanwhile, in the North (~5% share), state capex rose sharply by 40% to INR 537 Bn, further enhancing demand prospects.

Overall, these initiatives not only expand NUVOCO's presence in high-growth regions but also deliver capacity at a competitive cost, reinforcing its long-term value creation strategy for investors.

What's the cost-saving potential from NUVOCO's ongoing initiatives in FY26E, and how does it impact EBITDA per tonne?

NUVOCO is targeting cost savings of around INR 50/t in FY26E through a series of initiatives, including: Ramping up slag usage, from 45,000 to 75,000 t/month, upgrading the Nimbol WHRS, from 4.7 MW to 6.6 MW, with an estimated capex of ~INR 100 Mn, increasing AFR usage, from the existing 12% to 15–16%, setting up hybrid wind-solar power in the North, reducing lead distance, by 12–15 km, and commissioning the Odisha railway siding to enable 100% clinker movement to Jaipur by Q3FY26E. With these measures, we expect NUVOCO's EBITDA/t to surpass INR 1,000/t in FY26E.

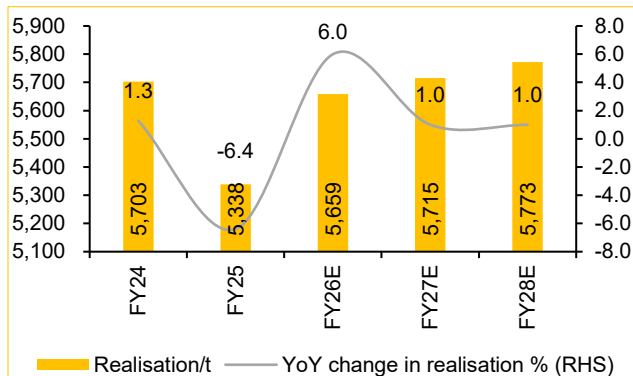
Outlook: We arrive at a 1-year forward target price (TP) of INR 560/share for NUVOCO. We now value the company using our EV/Capital Employed (EV/CE) framework, assigning a multiple of 1.6x for both FY27E and FY28E. This valuation remains conservative, considering the expected near-tripling of ROCE, from 3.9% in FY25 to 15.9% in FY28E, based on reasonable operational assumptions.

Risks:

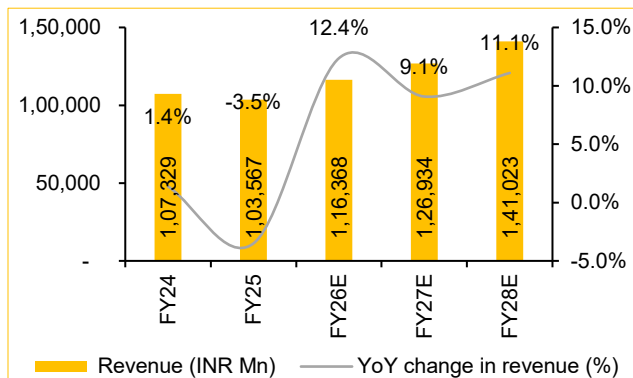
- **Financing:** INR 12 Bn bridge loan reliant on equity conversion/partners.
- **Operations:** C/K ratio sustainability is tough in OPC-heavy Gujarat.
- **Regulatory/Demand:** Higher levies & infra slowdown risk margins.

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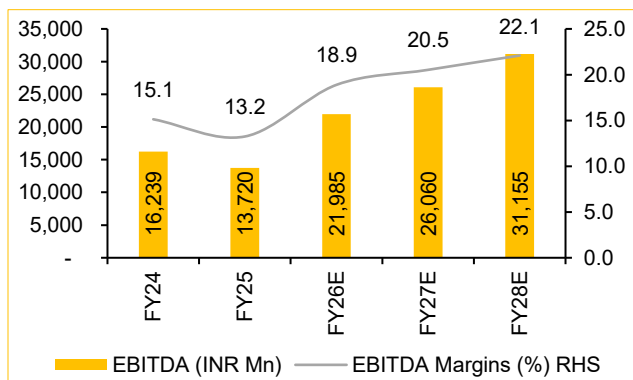
Realisation bottomed out, expected to grow



Revenue anticipated to improve with growing demand



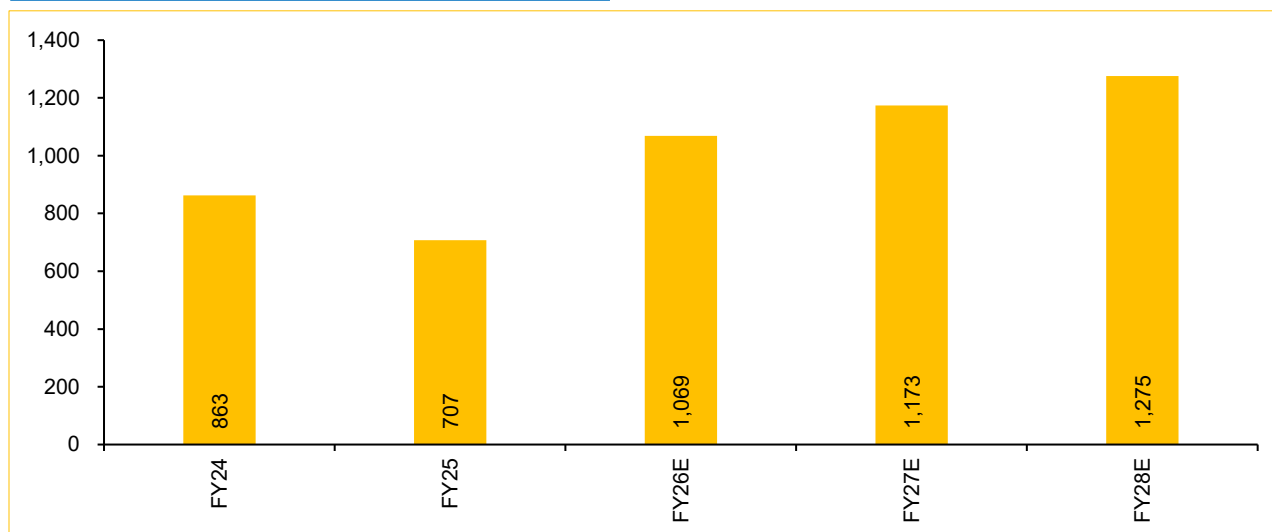
EBITDA projected to grow at a CAGR of 31.4% over FY25-28E



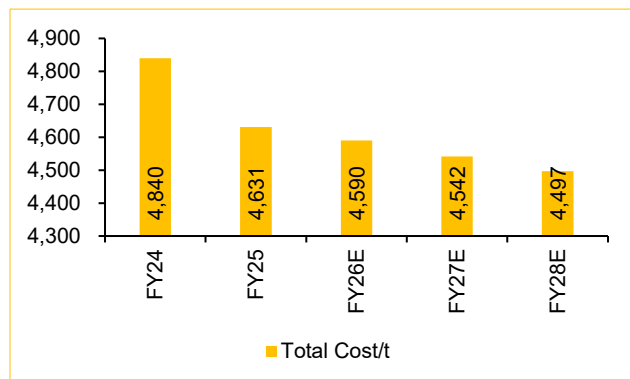
Key operating metrics of Nuvoco Vistas Corporation Ltd.

Particulars	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total cement capacity (in Mnt)	23.8	25.0	25.0	25.0	35.0	35.0
Utilization (%)	79%	75%	78%	82%	63%	70%
Sales volume (in Mnt)	18.8	18.8	19.4	20.6	22.2	24.4
Realisation/t	5,631	5,703	5,338	5,659	5,715	5,773
EBITDA/t	644	863	707	1,069	1,173	1,275
Total Cost/t	4,987	4,840	4,631	4,590	4,542	4,497
Power & Fuel cost/t	1,485	1,137	1,015	955	907	861
COGS/t	950	1,038	1,063	1,047	1,057	1,068
Freight Exp/t	1,499	1,556	1,440	1,411	1,389	1,367

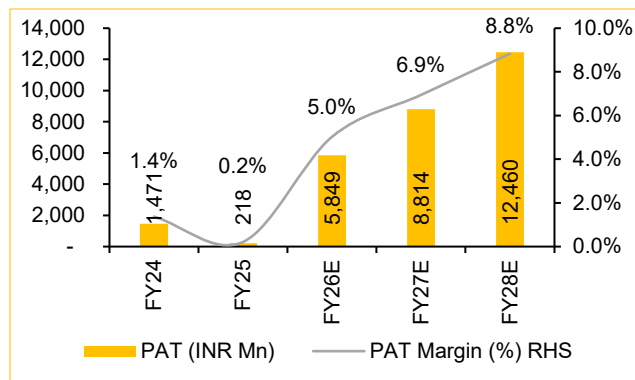
Cost reduction initiatives led to increase in EBITDA/t



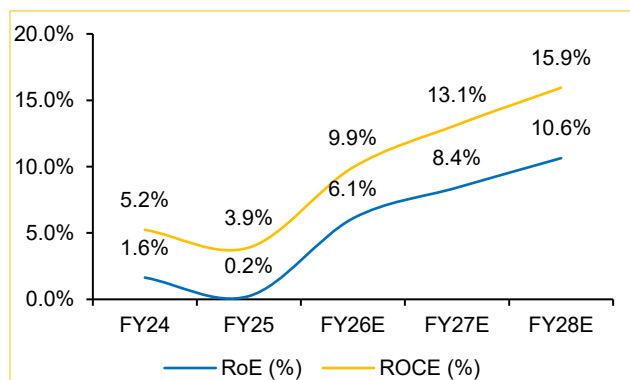
Cost-efficiency Improves from Project Bridge



Strong PAT growth



ROE & ROCE to trend up

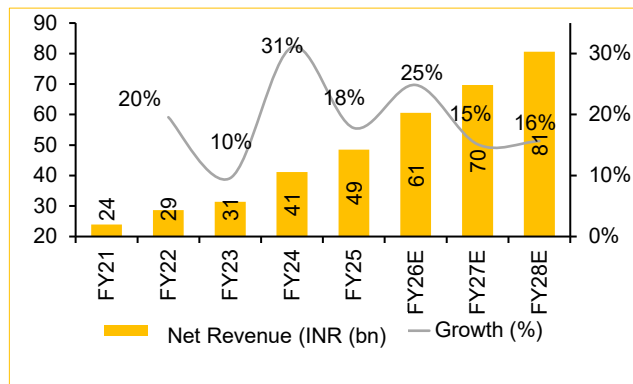


Profit & Loss (in INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	1,07,329	1,03,567	1,16,368	1,26,934	1,41,023
Gross Profit	87,792	82,949	94,840	1,03,451	1,14,934
EBITDA	16,239	13,720	21,985	26,060	31,155
Depreciation	9,186	8,685	9,669	10,054	10,555
EBIT	7,052	5,035	12,316	16,006	20,601
Other Income	335	194	218	238	264
Interest Expenses	5,328	4,964	4,705	4,445	4,185
PAT	1,471	218	5,849	8,814	12,460
EPS (INR)	4.1	0.6	16.4	24.7	34.9

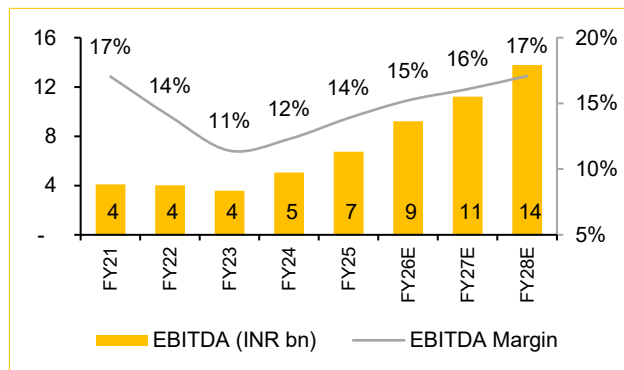
Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)					
Revenue	1.4	(3.5)	12.4	9.1	11.1
EBITDA	34.2	(15.5)	60.2	18.5	19.6
Margin Ratios (%)					
EBITDA	15.1	13.2	18.9	20.5	22.1
PAT	1.4	0.2	5.0	6.9	8.8
Performance Ratios (%)					
OCF/EBITDA (x)	1.0	1.0	0.8	0.8	0.8
OCF/IC	12.8	10.8	14.6	18.1	20.4
ROE	1.6	0.2	6.1	8.4	10.6
ROCE	5.2	3.9	9.9	13.1	15.9
Turnover Ratios (Days)					
Inventory	32	27	30	32	34
Debtor	20	23	28	30	32
Payables	57	56	55	54	52
Cash Conversion Cycle	(5)	(6)	3	8	14
Financial Stability Ratios (x)					
Net debt to Equity	0.4	0.4	0.3	0.2	0.1
Net debt to EBITDA	2.5	2.7	1.5	0.9	0.5
Interest Cover	1.3	1.0	2.6	3.6	4.9
Valuation Metrics					
Fully diluted shares (Mn)	357	357	357	357	357
PE(x)	74.3	634.5	26.1	17.3	12.3
EV (INR Mn)	1,49,653	1,74,971	1,85,119	1,76,995	1,69,209
EV/EBITDA (x)	9.2	12.8	8.4	6.8	5.4
Price to BV (x)	1.2	1.5	1.6	1.5	1.3
EV/CE (x)	1.1	1.4	1.4	1.3	1.2
EV/OCF	9.4	13.2	10.5	8.2	6.9

Radico Khaitan | Rating – BUY | CMP: INR 3,010 | TP: INR 3,340

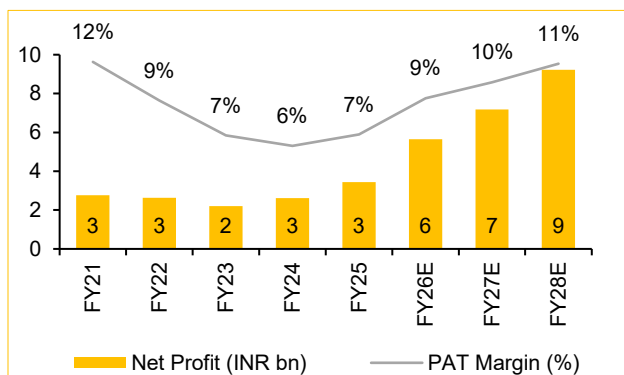
Revenue projected to expand by CAGR of 18.5% from FY25 to FY28E



Driving the margin up by 320 bps by FY28E



We expect PAT to grow by 435bps over FY25-28E



Source: RDCK, Choice Institutional Equities

Business Overview: RDCK is one of India's oldest and largest Indian-made Foreign Liquor (IMFL) manufacturer. It is a distiller, which entered the branded space in 1998 with 8PM Whisky. Its flagship – Magic Moments Vodka – commands 80% share in India and ranks 6th globally. Morpheus XO leads premium Brandy with over 60% share. With over 15 launches in as many years, 13 in the premium segment, RDCK's Prestige & Above category grew 21.1% YoY in FY25, contributing nearly 41% of IMFL volumes. Recent premium launches include Rampur Indian Single Malt, Jaisalmer Gin and Royal Ranthambore Whisky, supported by celebrity partnerships and strong digital campaigns.

Could RDCK balance high-margin P&A growth without compromising traction in Popular segment?

RDCK is successfully executing a dual-growth strategy. P&A expansion has made it the primary revenue driver (48.2%), while Popular volumes are regaining traction, owing to policy reforms. With 5 of 8 Millionaire brands in P&A and a supportive regulatory backdrop, both segments are poised for strong FY25–28E CAGRs of 23.3% (P&A) and 22.6% (Popular), respectively.

Could RDCK's distribution and bottling strength act as a sustainable moat?

RDCK's extensive distribution and bottling infrastructure acts as a sustainable moat by creating high barriers to entry. With over 1,00,000 retail outlets, 10,000 on-premise accounts, a strong CSD presence and key brands capturing up to 16% market share, the company ensures unmatched market penetration. Supported by 43 bottling units, over 300 sales executives and operations in over 100 countries, this scale secures brand visibility, deep market access and operational efficiency.

How is RDCK leveraging backward integration to strengthen margins?

RDCK is leveraging backward integration by expanding its ENA capacity to 321Mn litres through new grain-based and dual-feed distilleries, ensuring supply security, cost stability and consistent quality. RDCK will save cost, owing to lighter packaging and local sourcing. With major capex behind, this integrated setup is expected to drive ~320 bps margin expansion over FY25–28E through improved mix, lower leverage and stronger free cash flow.

Why invest in RDCK?

Investing in RDCK offers exposure to India's growing Premium and Popular spirits market. It has built a strong brand portfolio, with several Prestige & Above brands leading revenue contribution, supported by a wide distribution network across retail, on-premise and international markets. Additionally, its backward-integrated operations ensure supply security, cost-efficiency and margin support. With proven execution, a diversified portfolio and operational scale, RDCK presents a compelling investment opportunity.

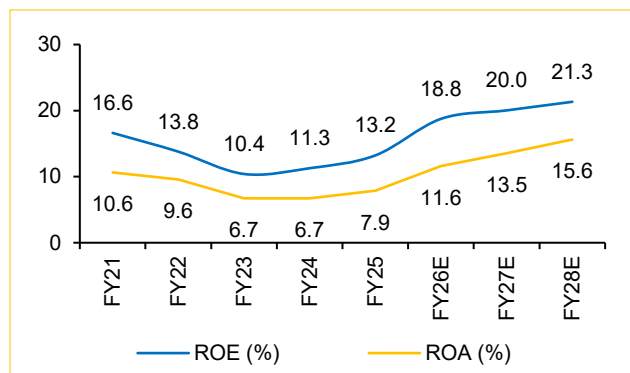
Valuation:

- RDCK is poised for FY25–28E Revenue / EBITDA / PAT CAGR of 18.5% / 26.9% / 39%, respectively, driven by premiumization, distribution scale-up and cost synergies. We have a 'BUY' rating with a target price of INR 3,340 based on DCF methodology. Our valuation implies a ~62.2x / 48.4x PE on FY27E / FY28E EPS.

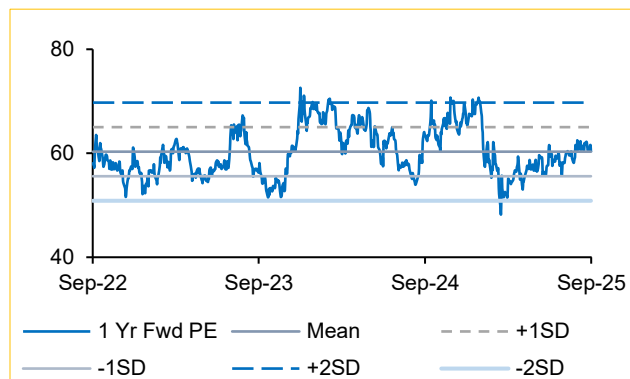
Key Risks:

- RDCK faces risks from rising competition in Vodka, Brandy and the premium segment, which could pressure margin and possibly affect market share.
- Additionally, advertising restrictions and state-level regulatory changes governing pricing and branding may limit marketing flexibility and create volatility in volumes and growth.

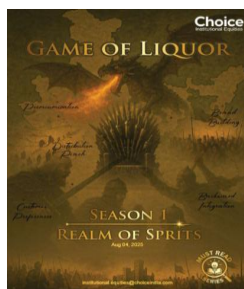
We expect return ratios to improve consistently over FY25-28E



One-year forward PE band



Game of Liquor_Indian AlcoBev_Spirits Industry_Thematic



[Click here to read the full Report](#)

Income Statement (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Gross Revenue	1,70,986	2,08,318	2,39,845	2,77,383	1,70,986
Excise Duty	1,22,474	1,49,088	1,70,112	1,96,737	1,22,474
Net Revenue	48,512	60,567	69,733	80,646	48,512
Gross Profit	20,773	26,048	30,682	36,291	20,773
EBITDA	6,736	9,224	11,217	13,778	6,736
Depreciation	1,401	1,353	1,408	1,463	1,401
EBIT	5,335	7,871	9,809	12,315	5,335
Other Income	49	42	42	42	49
Interest Expense	762	439	265	82	762
PBT	4,626	7,504	9,618	12,306	4,626
Reported PAT	3,432	5,640	7,181	9,221	3,432
EPS (INR)	26	42	54	69	26

Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Profitability Ratios (%)					
Gross Margin	42.5	42.8	43.0	44.0	45.0
EBITDA Margin	12.3	13.9	15.2	16.1	17.1
EBIT Margin	9.5	11.0	13.0	14.1	15.3
PAT Margin	6.4	7.1	9.3	10.3	11.4

Working Capital (Days)					
Inventory Days	120	142	142	142	142
Receivable Days	87	89	85	88	88
Creditor Days	41	41	44	46	48
Working Capital Days	166	190	183	184	182

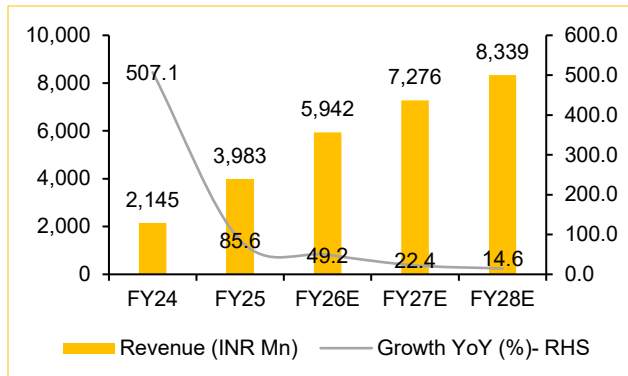
DuPont Analysis					
Tax Burden	75%	74%	75%	75%	75%
Interest Burden	89%	87%	95%	98%	100%
EBIT Margin	10%	11%	13%	14%	15%
Asset Turnover	1.1	1.1	1.2	1.3	1.4
Equity Multiplier	1.7	1.7	1.6	1.5	1.4
ROE	11.3%	13.2%	18.8%	20.0%	21.3%

Leverage Ratios					
Net Debt to Equity (x)	0.3	0.2	0.1	0.0	-0.1
Net Debt to EBITDA (x)	1.3	0.9	0.5	0.1	-0.3
Interest Cover (x)	6.6	7.0	17.9	37.1	151.0

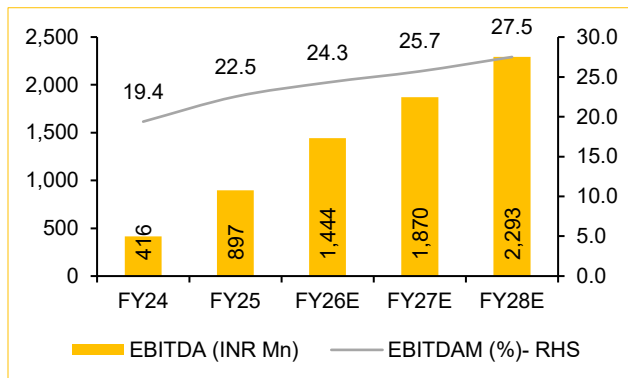
Source: RDCK, Choice Institutional Equities

Senores Pharmaceuticals | Rating: BUY | CMP: INR 717 | TP: INR 960

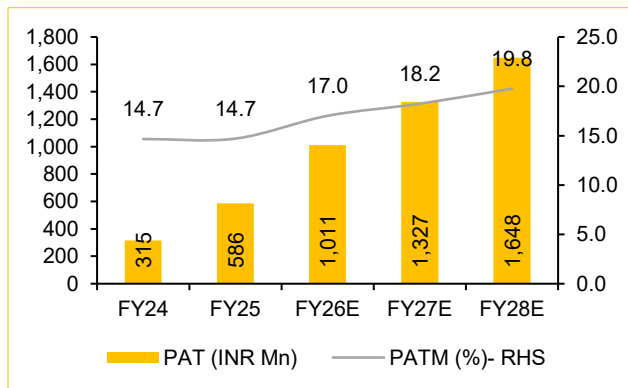
Revenue to expand at 27.9% CAGR (FY25-28E)



EBITDA set for strong growth and margin expansion



PAT to grow in-line with EBITDA



Business Overview: SENORES develops and markets complex generics and niche formulations across regulated and emerging markets, exporting to 40+ countries. It operates a USFDA-approved oral solids facility in Atlanta and multiple plants in Gujarat (India), along with a new API unit for backward integration. The portfolio includes 61 approved ANDAs and a growing pipeline in peptides, injectables and specialty drugs, complemented by 285 approved products in emerging markets. SENORES is also expanding its CDMO/CMO offering through strategic acquisitions, with Q1FY26 revenue showing strong double-digit growth across both, regulated and emerging markets.

With large regulated market exposure, how does SENORES remain resilient to tariff risks?

SENORES derives a significant share of its revenue from regulated markets, such as the US and EU (69% in Q1FY26), supported by its FDA-approved oral solids facility in Atlanta. Unlike peers that depend on India-based exports, SENORES' US manufacturing footprint mitigates tariff-related risks and allows participation in high-barrier, high-margin segments, such as controlled substances and government contracts. The company is also expanding into sterile injectables at the Atlanta site, broadening its regulated-market offering beyond oral solids. Meanwhile, its India-based facilities continue to supply over 40 emerging markets, further diversifying revenue streams. This dual manufacturing and geographic strategy provides Senores with both, tariff resilience and structural growth visibility.

What makes SENORES' pipeline distinct as compared to Indian generic peers?

SENORES' pipeline stands out for its depth in both, regulated and emerging markets. In the US and EU, it has 70 ANDA approvals, 27 commercialised products, and 57 under development, with ~75% filings in complex generics (CGT) versus ~53% industry average—ensuring higher-margin opportunities and exclusivity windows. In emerging markets, it has filed 719 applications across 40+ countries, with 308 already approved and ~300 more expected in the next 15–18 months. **We believe this dual engine of differentiated complex filings in regulated markets and a strong product pipeline in emerging markets gives SENORES a scalable, sustainable growth platform well ahead of peers.**

Why Invest in SENORES?

SENORES is entering a high-growth phase supported by multiple levers:

- **Strong revenue momentum:** Management has guided for ~50% revenue growth, led by differentiated launches in high-growth, low-competition therapies with CGT-linked exclusivity. Long-term CDMO contracts and US government supplies further add stability and reduce pricing volatility.
- **Earnings acceleration:** With injectables capex nearing completion, SENORES is set to enter its monetisation phase, driving operating leverage and supporting a sharp step-up in profitability. We model ~72% PAT growth in FY26E on a conservative basis (vs. management guidance at 100%).
- **Margin expansion:** Backward integration through its new API facility, coupled with better fixed-cost absorption, is expected to drive ~175 bps EBITDA Margin expansion in FY26E.

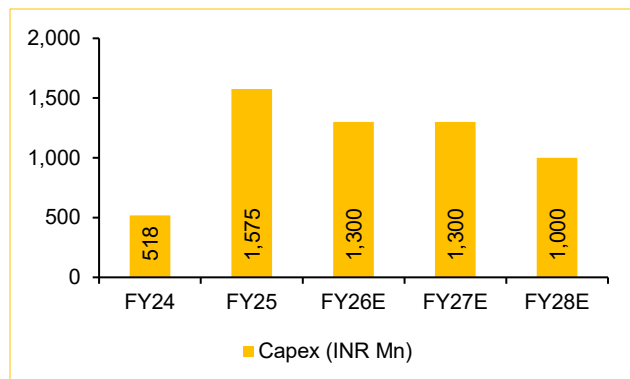
Recommendation: We currently have a 'BUY' rating on the stock with a target price of INR 960.

Key Risks:

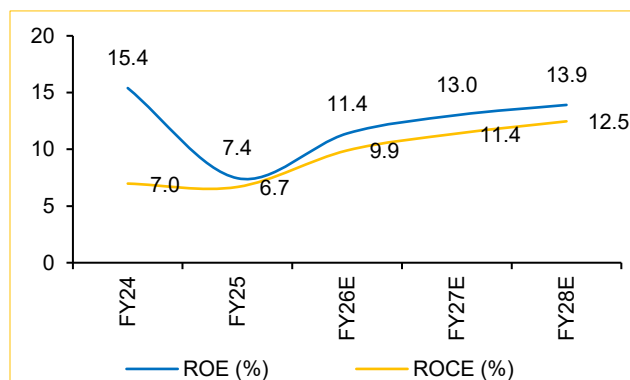
- **Limited front-end presence in emerging markets:** Despite wide registrations, SENORES relies primarily on distributor-led models in most emerging geographies, which may limit pricing power or control over market share expansion.
- **Execution risk in sterile injectables expansion:** The US sterile injectables market is a high-barrier. Any delays in capex completion, regulatory clearances or customer onboarding could affect scale-up timelines and revenue ramp-up.
- **Regulatory compliance risk:** Operating across regulated and emerging markets, the company remains exposed to risks of audit observations, import alerts or approval delays that could impact product timelines and market access.

Initiating Coverage Report

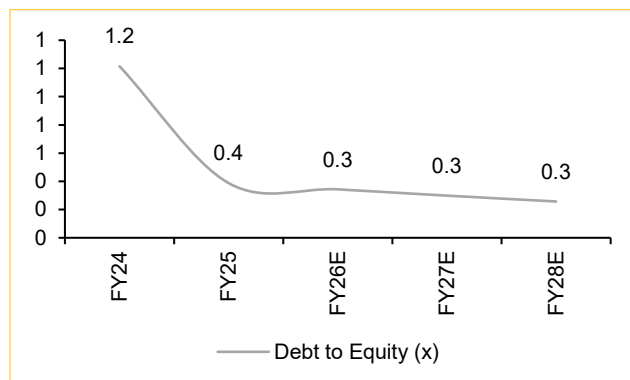
Capex trends



ROE & ROCE trends



Debt to Equity (x)

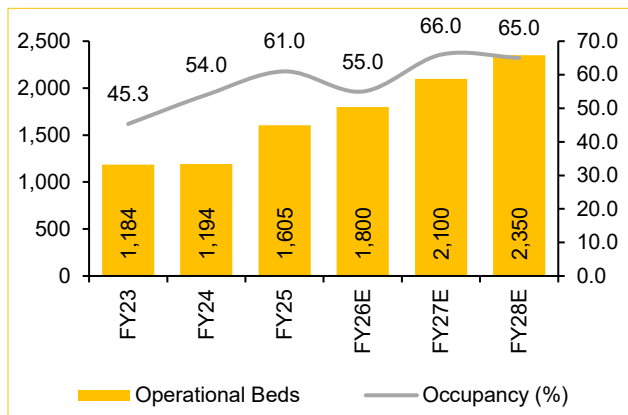


Income Statement Values (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	2,145	3,983	5,942	7,276	8,339
Gross Profit	1,084	2,176	3,298	4,074	4,711
EBITDA	416	897	1,444	1,870	2,293
Depreciation	100	168	264	362	437
EBIT	316	729	1,180	1,508	1,857
Other Income	28	193	297	364	417
Interest Expense	94	216	213	213	213
PBT	249	706	1,264	1,659	2,060
Reported PAT	315	586	1,011	1,327	1,648
EPS (INR)	10.3	12.7	22.0	28.8	35.8

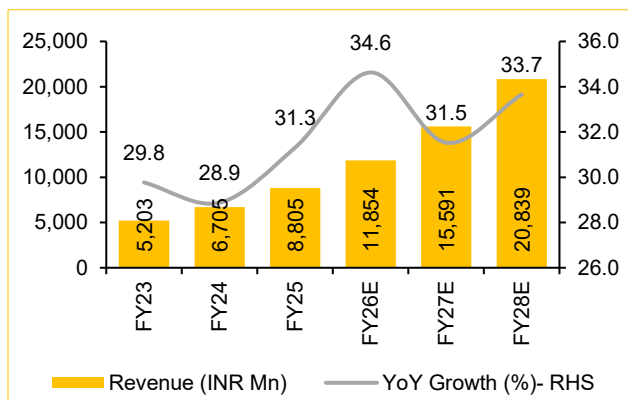
Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)					
Revenues	507.1	85.6	49.2	22.4	14.6
Gross Profit	380.2	100.7	51.6	23.5	15.6
EBITDA	228.3	115.7	61.0	29.5	22.6
PAT	273.0	86.2	72.6	31.3	24.2
Margins (%)					
Gross Profit Margin	50.5	54.6	55.5	56.0	56.5
EBITDA Margin	19.4	22.5	24.3	25.7	27.5
PBT Margin	11.6	17.7	21.3	22.8	24.7
Tax Rate	(31.1)	17.3	20.0	20.0	20.0
PAT Margin	14.7	14.7	17.0	18.2	19.8
Profitability (%)					
Return On Equity (ROE)	15.4	7.4	11.4	13.0	13.9
Return On Invested Capital (ROIC)	10.0	5.7	8.2	9.4	10.2
Return On Capital Employed (ROCE)	7.0	6.7	9.9	11.4	12.5
Financial Leverage (x)					
OCF/EBITDA	(0.5)	(0.5)	1.3	1.0	1.0
OCF / Net Profit	(0.6)	(0.8)	1.8	1.3	1.3
Debt to Equity	1.2	0.4	0.3	0.3	0.3
Interest Coverage	3.3	3.4	5.5	7.1	8.7
Working Capital (x)					
Inventory Days	63.6	51.9	50.0	50.0	50.0
Receivable Days	190.6	113.5	90.0	90.0	90.0
Creditor Days	388.7	135.8	120.0	120.0	120.0
Working Capital Days	(134.5)	29.7	20.0	20.0	20.0
Valuation Metrics					
No of Shares (Mn)	30.5	46.1	46.1	46.1	46.1
EPS (INR)	10.3	12.7	22.0	28.8	35.8
BVPS (INR)	67.0	170.7	192.7	221.5	257.3
PE (x)	66.7	54.1	31.3	23.9	19.2
P/BV	10.3	4.0	3.6	3.1	2.7
EV/EBITDA	56.1	34.4	21.5	16.5	13.1
EV/Sales	10.9	7.8	5.2	4.2	3.6

Yatharth Hospital & Trauma Care | Rating – BUY | CMP: INR 789 | TP: INR 850

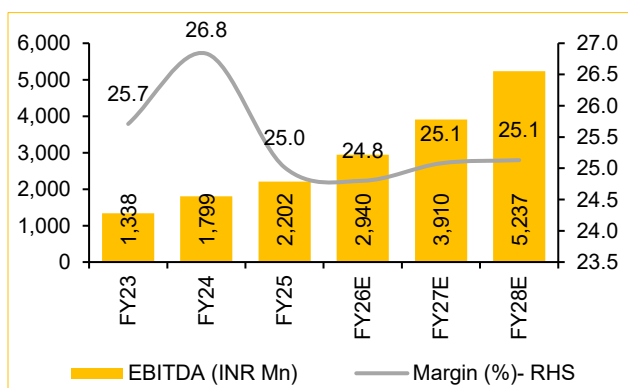
Operating beds to increase by 250-350 beds every year



Revenue expected to grow at ~33% CAGR (FY25-28E)



Despite expansion, EBITDA Margin to sustain at ~25%



Business Overview: YATHARTH is a leading hospital chain in North India, operating 7 multi-specialty facilities with a strong footprint in the Delhi-NCR region. Since FY21, the company has more than doubled its bed capacity, from 1,100 to 2,300, in FY25, while maintaining a healthy occupancy rate of 65% and reporting an ARPOB of INR 32,395 in Q1FY26. Looking ahead, YATHARTH plans to scale up its capacity to around 3,000 beds by FY28E, largely within Delhi-NCR, targeting revenue growth of ~30% CAGR while sustaining its robust EBITDA Margin of 25%.

Is YATHARTH's New Delhi and Faridabad Expansion Poised to Transform its Growth Trajectory?

With ~700 new beds across New Delhi and Faridabad, YATHARTH is set for accelerated growth from Q2FY26E. The New Delhi facility started operations in July 2025, while the Faridabad hospital will be inaugurated soon. Both centres are equipped with advanced robotic surgery and oncology infrastructure, alongside super-specialties. Given the fact that Greater Faridabad facility turned profitable within a year, the management expects a similar ramp-up here. These hospitals will not only lift ARPOB (estimated INR 38,000 vs group average INR 32,395) but also strengthen YATHARTH's clinical edge in oncology, cardiology and paediatric specialties.

Could YATHARTH Sustain EBITDA Margin amidst Rapid Expansion?

YATHARTH reported a healthy 25% EBITDA Margin in Q1FY26, marking 13 consecutive quarters of profitability growth. With two large hospitals being commissioned, the management expects a short-term drag of ~100 bps, but profitability should normalise by Q4FY26E as occupancy ramps up. Importantly, the turnaround of Greater Faridabad facility into EBITDA-positive status offsets some expansion costs. The company's strong payer mix strategy further provides a cushion for CAPEX without stressing profitability.

Will Oncology Continue to Lead YATHARTH's Specialty Growth?

Oncology has emerged as a key revenue driver, now contributing ~10% to the group's topline, with a remarkable 50% YoY growth. At Noida Extension alone, oncology accounts for 17% of total revenues. With the addition of radiation oncology at both, Faridabad and New Delhi, facilities, the management expects oncology's share to rise towards 15% over the next 2-3 years. This aligns with YATHARTH's purposeful push into high-value super-specialties—oncology, neurosciences, cardiology and orthopaedics—backed by recruitment of top-tier consultants. Oncology cases not only enhance ARPOB but also attract international patients, supporting YATHARTH's medical value travel strategy.

What is the Outlook for YATHARTH's Brownfield Expansion?

With the Delhi and Faridabad projects nearing completion, YATHARTH is re-focusing on its Brownfield pipeline at Greater Noida and Noida Extension. These projects will add 450 beds (200 in Greater Noida and the remainder in Noida Extension). Construction at Greater Noida has reached the infrastructure stage, while map approvals are being finalised for Noida Extension. Together with Greenfield prospects in Ghaziabad and other NCR cities, YATHARTH plans a CAPEX outlay of INR 14-15 Bn over the next three years.

Why Invest in YATHARTH?

YATHARTH is well-placed to capture India's rising healthcare demand through strategic expansion and stable EBITDA Margin. ARPOB has grown 16% in two years to INR 32,395 in Q1FY26. However, it's still below the industry's INR 50,000-75,000 range, thus, offering strong growth potential as brand visibility improves. At 17x EV/EBITDA, the stock offers an attractive long-term play on structural healthcare growth in India.

Near-term Triggers: Operationalisation of two new facilities in July '25: New Delhi (300+ beds) and Faridabad (400 beds).

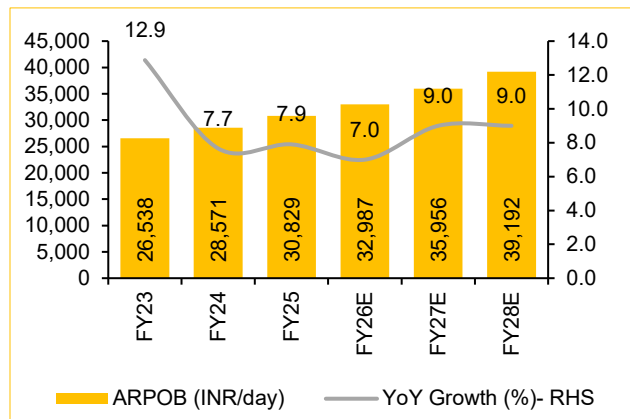
Recommendation: We currently have a 'BUY' rating on the stock with a target price of INR 850.

Key Risks:

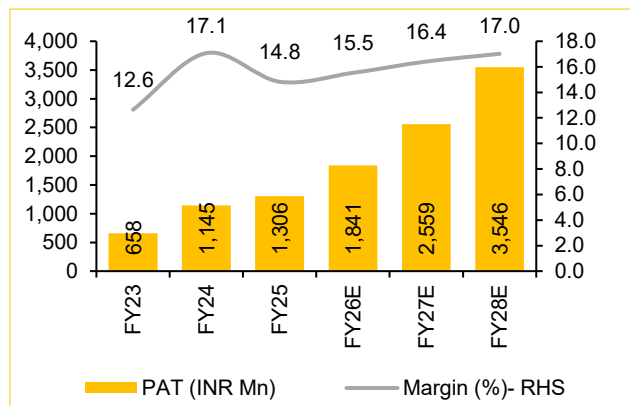
- Competition:** The rise of new or well-established competitors in the healthcare sector could erode YATHARTH's market share and reduce patient inflow, impacting the hospital's growth and sustainability.
- Operational challenges:** The planned expansion of bed capacity to 3,000 beds could pose operational challenges.

Recent Report Link : [Q1FY26 Result Update](#) | [Management Meet Note](#)

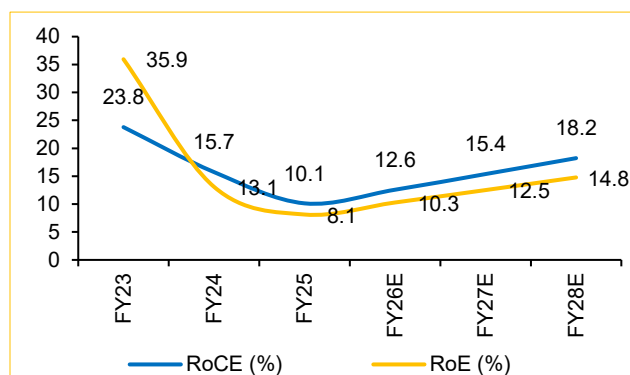
Sustained ARPOB growth amid new bed additions



PAT margin to sustain at ~16% for the next 3 years



ROE & ROCE trend

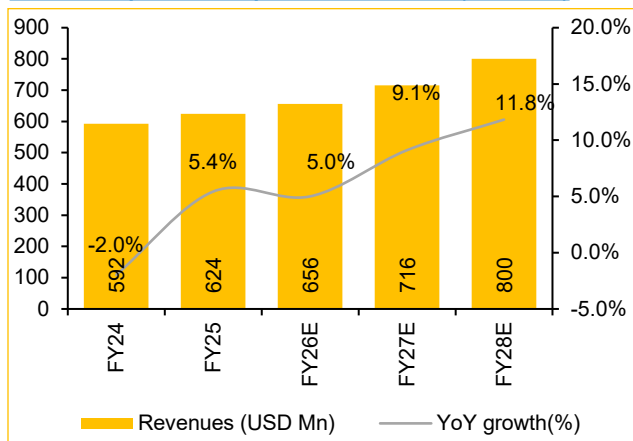


Income Statement (INR Mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	5,203	6,705	8,805	11,854	15,591	20,839
Gross Profit	4,274	5,372	7,020	9,459	12,439	16,625
EBITDA	1,338	1,799	2,202	2,940	3,910	5,237
Depreciation	275	293	572	690	765	862
EBIT	1,063	1,506	1,631	2,250	3,146	4,375
Other Income	28	156	162	238	312	417
Interest Expense	214	94	75	0	0	0
PBT	877	1,568	1,717	2,487	3,458	4,792
Reported PAT	658	1,145	1,306	1,841	2,559	3,546
EPS (INR)	10.0	13.3	13.5	19.1	26.6	36.8

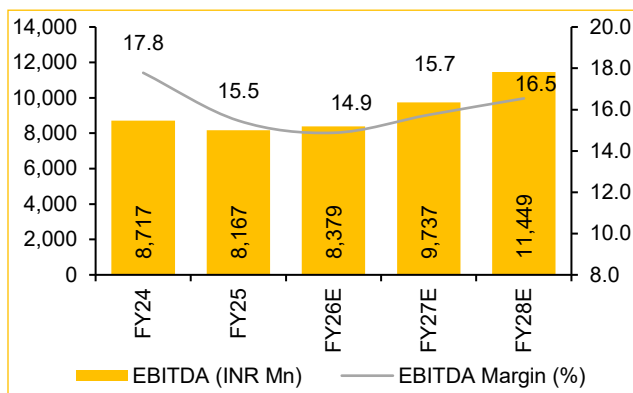
Ratio Analysis	FY23	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)						
Revenues	29.8	28.9	31.3	34.6	31.5	33.7
EBITDA	20.7	34.5	22.4	33.5	33.0	33.9
PBT	38.9	78.9	9.5	44.8	39.0	38.6
PAT	48.9	74.1	14.0	41.0	39.0	38.6
Margins (%)						
Gross Profit Margin	82.1	80.1	79.7	79.8	79.8	79.8
EBITDA Margin	25.7	26.8	25.0	24.8	25.1	25.1
PBT Margin	16.9	23.4	19.5	21.0	22.2	23.0
Tax Rate	25.0	27.0	24.0	26.0	26.0	26.0
PAT Margin	12.6	17.1	14.8	15.5	16.4	17.0
Profitability (%)						
Return On Equity (ROE)	35.9	13.1	8.1	10.3	12.5	14.8
Return On Invested Capital (ROIC)	29.3	36.0	19.0	15.7	19.0	22.0
Return On Capital Employed (ROCE)	23.8	15.7	10.1	12.6	15.4	18.2
Financial Leverage (x)						
OCF/EBITDA (x)	0.0	0.8	1.8	1.6	1.1	0.0
OCF / Net profit (x)	0.0	1.3	3.0	2.6	1.7	0.0
Debt to Equity (x)	1.46	0.10	0.01	0.00	0.00	0.00
Interest Coverage (x)	5.0	16.0	21.7	0.0	0.0	0.0
Working Capital						
Inventory days (x)	24	22	43	42	40	38
Receivable days (x)	76	124	125	120	110	100
Creditor days (x)	12	16	12	12	15	15
Working Capital Days	88	130	156	150	135	123
Valuation Metrics						
BVPS (INR)	27.9	101.8	166.6	185.7	212.3	249.1
PE (x)	68.2	51.4	50.6	35.9	25.8	18.6
P/BV (x)	24.5	6.7	4.1	3.7	3.2	2.8
EV/EBITDA (x)	35.3	31.8	28.0	20.9	15.7	12.1
EV/Sales (x)	9.1	8.5	7.0	5.2	3.9	3.0

Zensar Technologies | Rating – BUY | CMP: INR 850 | TP: INR 1,130

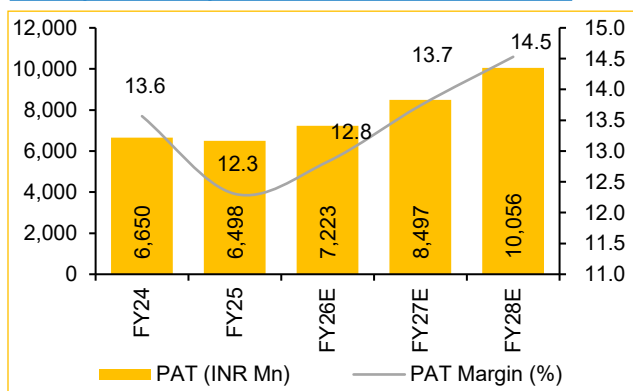
Revenue expected to expand at 8.6% CAGR (FY25-28E)



EBITDA expected to grow at 11.9% CAGR over FY25-28E



PAT expected to expand at 15.6% CAGR over FY25-28E



Business overview: ZENT is a leading technology solutions company which provides innovative digital solutions to help clients achieve their business goals. Its core philosophy is 'Experience-led Everything' and is committed to conceptualising, designing, engineering, marketing & managing digital solutions and experiences for over 145 leading enterprises. Headquartered in Pune, India, ZENT is a RPG Group company, build lasting relationships with large customers, such as Cisco, National Grid, Fujitsu, Marks & Spencer, Danaher Corporation, Electronic Arts & Logitech. The company's headcount stands at 10,500, in more than 30 locations worldwide, including Milpitas, Seattle, Princeton, Cape Town, London, Zurich, Singapore & Mexico City.

What gives ZENT a competitive edge over its mid-cap peers?

- ZENT's growth is propelled by strategic initiatives & differentiated services. It's **focussed offering — Advanced Engineering, Data Engineering & Analytics, Experience Services & Cloud Infrastructure & Security** — grew 8.2% YoY in FY25, surpassing overall growth of 5.4%. These services, tailored to suit large clients, are driving double-digit growth in non-TMT verticals.
- **Strong cash position augurs well for strategic acquisitions & investments** – ZENT's strong cash position of USD 315.7 Mn (Q1FY26), with USD 29 Mn dividend pending, enables strategic M&As & future investments. Past acquisitions, such as M3bi (2021) & BridgeView Lifesciences (2025) enhanced capabilities in Data Analytics & Healthcare (Veeva systems), reflecting a prudent, innovation-driven capital allocation strategy.
- **Large deal wins**, driven by a strong sales incentive plan & internal platform, yield 60–65% net new wins & lower client concentration risk. **Emphasis on AI-led, innovative deals over vendor consolidation** further enhance the company's market position & competitiveness.
- ZENT aims to be an AI-first organisation, with 30% of its pipeline AI-driven. Its **AI playbook** includes offering, such as **AI Amber, AI Engineering Buddy (in partnership with Microsoft) & The Vinci AIOps platform**. Its advanced **Agentic RAG solution** enables action-oriented Agentic AI capabilities, while **ZenLabs** drives R&D to drive innovation for cost-efficient tech solutions.

Why invest in ZENT ?

ZENT's performance in H1FY26E is likely to face pressure due to tariff-related headwinds, particularly in the Manufacturing & Consumer Services (MCS) vertical. However, with macro conditions expected to improve in H2FY26E, driven by anticipated Fed rate cuts, ZENT is well-positioned to benefit from a rebound in technology spending. The company is focusing on AI-led, innovative deals over vendor consolidation, distinguishing itself from peers. Its GenAI accelerator, Zen's AI, is gaining traction, contributing to a strong pipeline — 30% of active deals are AI-driven, accounting for 20% of TCV. In Q1FY26, TCV grew 11.7% YoY to USD 172 Mn, with longer deal tenures and higher ACVs. Vertical-wise, Telecom, BFSI & Healthcare saw sequential growth, while MCS declined, but is expected to rebound in Q2FY26E. Regional outlook is mixed, with Europe set to recover & Africa seeing positive signs under new leadership. ZENT holds a robust cash balance of USD 315.7 Mn, supporting future M&A & strategic investments. Thus, **we believe ZENT remains well-placed for long-term growth as we project Revenue/EBITDA/PAT to expand at a CAGR of 8.6%/ 11.9%/ 15.6%, respectively, over FY25-FY28E.**

Valuation: We currently have a 'BUY' rating on the stock, with a Target Price of INR 1,130.

Key risks:

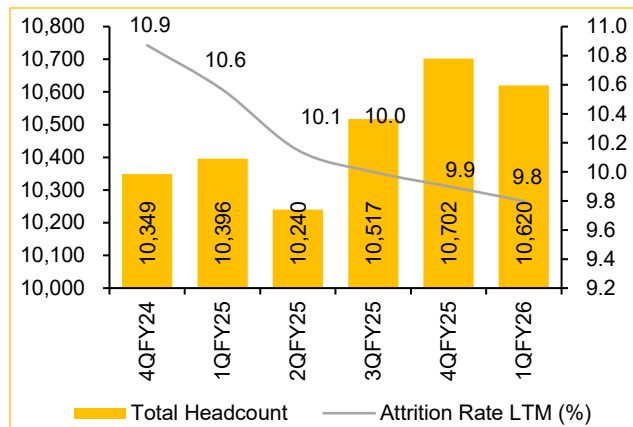
Delayed strategic acquisition may hinder potential growth story: Strong cash reserves position ZENT well for strategic M&As amid global uncertainty. ZENT remains cautious, targeting margin & EPS-accretive deals, but any prolonged delay could impact its profitability & long-term growth potential.

Non-TMT client concentration risk: Although client concentration is improving, reliance on large non-TMT clients for double-digit growth poses a risk if key accounts reduce spending or shift priorities away from ZENT's core offering.

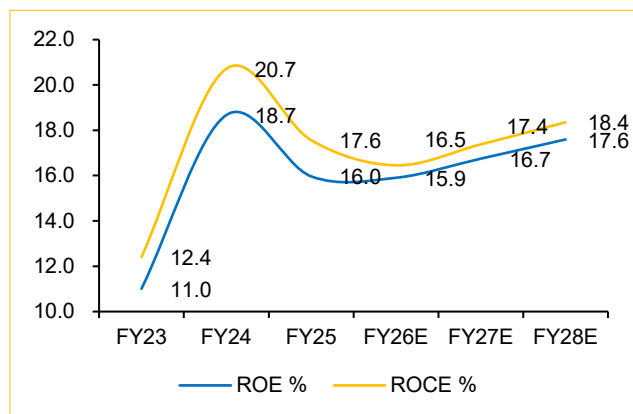
Slower TCV conversion: Amidst global macro-economic challenges, there is a possibility of delay in clients spending, thereby slowing down the actual revenue conversions from TCV won, which, we believe, could be a key risk factor to the company's growth & profitability in FY26E.

[Recent Report Link : Q1FY26 Result Update](#)

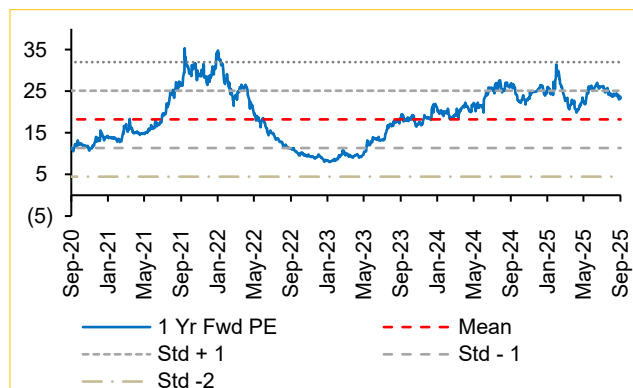
Attrition rate declined to 9.8%



ROE & ROCE trend



1 Year forward PE band



Income Statement (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD Mn)	592	624	656	716	800
Revenue	49,019	52,806	56,316	61,840	69,213
Gross Profit	11,843	11,890	12,615	14,375	16,571
EBITDA	8,717	8,167	8,379	9,737	11,449
Depreciation	1,338	1,019	906	920	960
EBIT	7,379	7,148	7,473	8,817	10,489
Other Income	1,588	1,602	2,279	2,627	3,004
Interest Expense	209	173	141	115	85
PAT	6,650	6,498	7,223	8,497	10,056
EPS (INR)	29.1	28.4	31.4	37.0	43.8

Key Financial Ratios

Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)					
Revenues (USD)	(2.0)	5.4	5.0	9.1	11.8
Revenues (INR)	1.1	7.7	6.6	9.8	11.9
EBITDA	57.9	(6.3)	2.6	16.2	17.6
EBIT	99.9	(3.1)	4.5	18.0	19.0
Margin Ratios (%)					
EBITDA Margin	17.8	15.5	14.9	15.7	16.5
EBIT Margin	15.1	13.5	13.3	14.3	15.2
Profitability (%)					
ROE	18.7	16.0	15.9	16.7	17.6
ROIC	19.5	16.1	14.9	15.6	16.3
ROCE	20.7	17.6	16.5	17.4	18.4
Financial Leverage					
OCF / Net profit (%)	73.7%	69.2%	87.7%	84.7%	90.3%
EV/ EBITDA (x)	10.7	18.9	21.8	18.9	16.2
BVPS (x)	157.3	179.3	200.1	223.5	251.8
Free Cash Flow yield (%)	5.7%	3.2%	3.1%	3.3%	4.3%

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CHOICE RATING DISTRIBUTION & METHODOLOGY

Large Cap*

BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months

Mid & Small Cap*

BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months

Other Ratings

NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change

Sector View

POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in statis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

*Large Cap: More Than INR 20,000 Cr Market Cap
*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

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