

India's GST rationalization is growth-accretive, big-ticket reform. We see this as a major market mover and upgrade our Nifty target to 28,000 for Sep-26, while recommending investors to play this through Autos and Cement. The second-order benefits are key: this speeds up formalization of the economy and improves competitiveness of Indian companies. We think the government should absorb the revenue loss through the higher deficit, as the growth accretion will cover the shortfall within 2-3 years.

GST rationalization

The Prime Minister announced major GST rationalization in his Independence Day speech on 15-Aug-25, per which rates will be condensed to two major slabs. Subsequent media reports suggest a rationalization to three rates—5%, 18%, and a sin tax rate of 40%, though these are unconfirmed. This is a massive positive for India as it i) is a consumption stimulus, ii) will lead to ease of doing business with fewer rates, and iii) result in greater formalization of the economy as cost-benefit of evasion turns adverse.

Big boost for autos, durables, and cement

PVs, 2Ws, ACs, cement, and packaged foods are key beneficiaries. The best way to play this would be through companies addressing mass-segment brands in each category – we pick **Hero Motocorp**, **Maruti Suzuki**, **Voltas**, and **Ultratech** as key stocks; **Bikaji** is a small-cap idea. The benefits accrue to a narrow segment of the market (9.5% of Nifty) with a negligible (below 1%) direct EPS impact for the Nifty. We estimate 10-15% EPS revisions for the companies in the relevant sectors.

Key imponderables

i) We expect the Centre to absorb 0.1%/0.2% slippage in the central fiscal deficit for FY26/FY27 – partially made up by buoyancy and asset sales. ii) The BJP has the numbers to push this through, although it will need to convince state governments (including their own) as the revenue loss pushes a few beyond the 3%/3.5% deficit ceiling. iii) Implementation timelines are uncertain, given the multi-step approval process. The government should look through near-term fiscal slippage; India's complex GST is a millstone around the growth neck, and rationalization is worth the risk. Strong macro-financial stability, highlighted by the recent ratings upgrade, makes this the perfect time to push this through. **We do note that this is not a done deal: GST Council approval is needed and rates on individual categories could change in the final announcement.**

Tariff overhang continues

The US-Russia summit failed to arrive at a final decision, although it made some progress. India's additional 25% tariff remains an overhang, though there were some encouraging [comments from](#) the US President. We see the possibility of a negotiated settlement on this issue before the 27-Aug-25 deadline. Key milestones would be a) resumption of trade talks between India and the US (on hold for now), b) any signs of India paring Russian crude imports. Even if the 50% tariff remains, there are now mitigants, including the GST rationalization and the rating upgrade from S&P.

Rating upgrade – Timely facilitator

S&P upgraded India's sovereign rating to BBB on 14-Aug-25. India's outstanding overseas debt, at 19% of GDP, is too small for this to be a material benefit. However, this is a timely recognition of India's fortress balance sheet and will serve to calm potential investor fears around the impact of elevated US tariffs. It also, we believe, gives the government more freedom to risk a higher fisc through GST rationalization.

Market view

This is a rerating trigger from the market, given the long-term growth benefits to the economy. We revise our Nifty target to 28,000, with an aggressive 20.7x 1YF PER (+1sd above the 5Y average). The GST rationalization offsets near-term worries on weak growth and tepid earnings. The six-week downtrend should now reverse, as i) the outlook for earnings improves considerably, and ii) valuations will factor in the broader positives of this big-ticket reform measure. This move supports our sector positioning: we are OW on Consumer discretionary, and prefer SMIDs in staples and cement within materials.

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GST rationalization

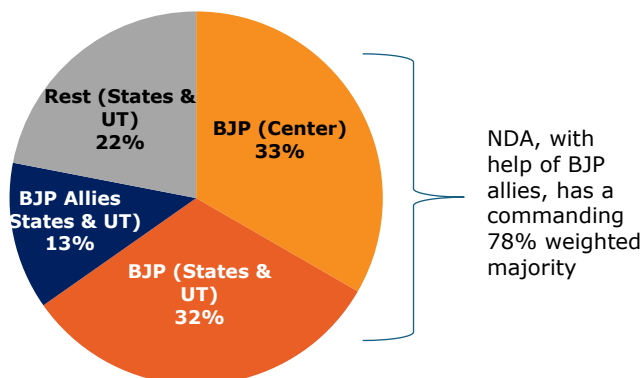
- The Prime Minister announced major GST rationalization in his Independence Day speech on 15-Aug-25. The announcement is low on detail, but he did mention that the rates would be reduced substantially.

"Friends, This Diwali, I am going to make it a double Diwali for you. This Diwali, you fellow countrymen are going to get a very big gift. In the last 8 years, we have done a big reform of GST, reduced the tax burden across the country, simplified the tax regime and after 8 years, the need of the hour is that we should review it once. We started the review by setting up a high-power committee and also held discussions with the states.

My dear countrymen, we are coming with the next generation of GST reforms, this will be a gift for you this Diwali, taxes needed by the common man will be reduced substantially, a lot of facilities will be increased. Our MSMEs, our small entrepreneurs, will get a huge benefit. Everyday items will become very cheap and that will also give a new boost to the economy"

- Subsequent media reports suggest a rationalization to three rates – 5%, 18%, and a sin tax rate of 40%, though these are unconfirmed.
- The rationalization must be approved by the GST Council. The central government has a 33% vote in the Council and the remaining 67% is equally split between 31 states/UTs. All decisions must be cleared with a 75% weighted average majority, which means that the vote needs to carry 20/31 states. The BJP can carry this on its strength.

Exhibit 1: BJP and its allies hold sufficient numbers to push this through



Source: Election Commission, Emkay Research

Exhibit 2: Current and likely new categorization of items within the GST slabs

Current GST rate	Likely new GST rates	Category	Key items
0% (exempt)	0%	Goods	Fresh milk, Eggs, Fruits, Vegetables, Salt, Unpacked foodgrains, Sanitary napkins, Contraceptives, Books, Newspapers, Khadi fabrics, Agricultural implements, Hearing aids
0% (exempt)		Services	Educational services, Healthcare services, Public transportation, Government services, Agricultural services, Religious services, Library services
5%	5%	Goods	Packaged milk products, Edible oils, Sugar, Tea, Coffee, Spices, Cashew nuts, LPG (domestic), Coal, Life-saving drugs, Electric vehicles, Readymade Garment & Footwear under Rs1000
5%		Services	Economy air travel, Railway transport, Small restaurants (below Rs7,500), Goods transport services, Print media advertising
12%		Goods	Butter, Ghee, Cheese, Processed foods, Building materials, Computers, Mobile accessories, Construction materials, Packaging materials
12%		Services	Business class air travel, Hotel accommodation (Rs1,000-7,500), Construction services (residential), Works contracts
18%		Services	Health Insurance, Term Life Insurance
18%	18%	Goods	Mobile phones, Televisions, Electronic items, Cosmetics, Readymade garments & Footwear (above Rs1,000), Cements, Steel products, Machinery, Furniture
18%		Services	Telecom services, IT services, Consulting, Legal services, Financial services, Hotel accommodation (above Rs7,500), Courier services, Entertainment services
28%		Goods	Air conditioners, Cement, Luxury watches, High-end electronics
28%		Services	Luxury hotels (5-star)
	40%	Goods	Aerated drinks, Tobacco products, Luxury cars, SUVs
		Services	Casino services, Online gaming, Betting and gambling services

Source: Media articles, Emkay Research

Sector wise impact

Auto, Ancillary. and EMS

(Chirag Jain)

- GST cut from 28% to 18% in Autos (2Ws/3Ws/4Ws) benefits HMCL, TVSL, MSIL, BJAUT, and M&M; ancillaries Pricol, Sandhar, and ASK Auto also gain.
- Tractors see a GST drop, from 12% to 5%; Escorts (76% revenue/71% EBIT) and M&M (25% revenue/34% EBIT) benefit from affordability and stricter Trem-V norms.

The Consumer Durables (ACs, Kitchen appliances) GST cut (28% to 18%/12% to 5%) aids Voltas, Bluestar, PG Electroplast, Stovekraft, and TTK Prestige.

Exhibit 3: Auto, Ancillary, and EMS – Changes from old GST to new GST

Item	Existing GST	New GST	Best stock ideas
Autos (2Ws)	28%	18%	HMCL (leader in entry level 2Ws; 79% market share); TVSL (would benefit from improved scooter demand; 25% market share) Several 2W focused ancillaries like Pricol (65% revenue from 2Ws), Sandhar Technologies (66% revenue from 2Ws), and ASK Automotive (69% revenue from 2Ws) will also benefit
Autos (4Ws)	28%	18%	MSIL (62% of domestic volumes contributed by compact cars)
Autos (3Ws)	28%	18%	BJAUT and M&M would be key beneficiaries
Autos (Tractors)	12%	5%	Escorts (76%/71% revenue/EBIT share) and M&M (25%/34% revenue/EBIT share) to benefit, led by increased affordability amid upcoming stricter Trem-V norms
Consumer Durables (ACs)	28%	18%	Voltas (caters to first-time/price-sensitive buyers) - RACs contribute 53% to total revenue; UCP segment (77% revenue share from RACs) is 86% of SoTP Bluestar : RACs contribute 35% to overall revenue; Unitary Products are 55% of SoTP (75% revenue share in UP is from RACs)
Consumer Durables (ACs)	28%	18%	Contract manufacturers like PG Electroplast (sitting on huge inventory; 62% revenue contribution from ACs) would also benefit
Consumer Durables (Kitchen Appliances)	12%	5%	Stovekraft (Pressure cookers/Induction and gas cooktops/non-stick cookware together contribute to 57% of revenue) and TTK Prestige (Cookers and cookware contributes to 41% of revenue); Other players – Bajaj Electricals
Consumer Durables (WMs and Refs)	18%	18%	No impact from these categories, as they are already taxed at 18%. Key players: Voltas (Volt BEKO), Whirlpool; Havells (Lloyds)
Consumer Durables (Water purifiers)	18%	18%	No impact from these categories as they are already taxed at 18%. Key players: Eureka Forbes, Voltas
Consumer Durables (Air Coolers)	18%	18%	No impact from these categories as they are already taxed at 18%. Key players: Symphony
Consumer Durables (Fans, Water Heaters, Room Heaters)	18%	18%	No impact from these categories as they are already taxed at 18%. Players: Crompton Consumer, Havells, Bajaj Electricals
Consumer Durables (Switches and Switchgears)	18%	18%	No impact from these categories as they are already taxed at 18%. Players: Havells; Polycab
Consumer Durables (Lighting)	18%	18%	No impact from these categories as they are already taxed at 18%. Players: Havells; Bajaj Electricals
Consumer Durables (Electric Cookers, Vacuum Cleaners)	18%	18%	No impact from these categories as they are already taxed at 18%. Players: Stovekraft; Havells
EMS (Mobiles/Laptops/Tablets)	18%	18%	No impact from these categories as they are already taxed at 18%. Key Players: Dixon Technologies

Source: Media articles, Emkay Research

Cement

(Harsh Mittal)

- Cement, despite not being a sin or luxury good, is taxed at 28% vs 18% for steel and other building materials, making India the highest taxed market globally compared to Australia at 10%, Singapore at 9% and EU VAT at 17-20%. A potential cut to 18% at an average spot price of ~Rs300/bag would lower prices by ~Rs20/bag; while demand is relatively inelastic in the short term, the move could support mid-to-long term growth. The shift would cost the exchequer Rs170–180bn annually (on FY25 volumes) but would be a major positive for cement companies, aiding demand momentum and improvement in working capital management.

Exhibit 4: Cement – Changes from old GST to new GST

Item	Existing GST	New GST expected	Best stock ideas
Cement	28%	18%	Ultratech, Star Cement, and JK Cement

Source: Media articles, Emkay Research

FMCG

(Nitin Gupta)

- Within our FMCG coverage, home and personal care categories may see limited direct benefits due to their predominant classification under the 5% and 18% slabs. In contrast, food & beverage companies are positioned for receive direct benefits on down-shifts in rates. We expect players such as Bikaji, Gopal Snacks, Nestlé, and Dabur to see GST driven demand boost. We await fine prints before revising our estimates. On relatively better execution, we prefer GCPL, Marico, Emami, Bikaji, and Gopal. Overall, rate rationalization (to have direct and indirect benefits) is seen as a positive development for the FMCG sector, fostering long-term growth.

Exhibit 5: FMCG – From old GST to new GST

Item	Existing GST	New GST expected	Best stock ideas
Ghee	12%	5%	ITC, Dabur (less than 1% of revenue)
Salty Snacks	12%	5%	Bikaji (80% of revenue), Gopal Snacks (85% of revenue), ITC (8% of other FMCG revenue), Marico (negligible)
Instant noodles	12%	5%	Nestlé India (23% of revenue), ITC (7% of other FMCG revenue), HUL
Butter	12%	5%	Britannia (1-2% revenue share)
Cheese	12%	5%	Britannia (1-2% revenue share)
Juice	12%	5%	Dabur (16% of domestic revenue), ITC (3% of revenue)
Pasta	12%	5%	Nestlé India (3% of revenue), ITC (2% of other FMCG revenue)
Ketchup	12%	5%	Nestlé India (2% of revenue), HUL (1% of revenue)
Chyawanprash	12%	5%	Dabur (7% of revenue)
Soya chunks	12%	5%	Marico (low single digit share of domestic revenue)
Wafers	12%	5%	Britannia (2% of revenue)
Mouth wash	12%	18%	Colgate, HUL, Dabur (Low single digit revenue share)
Baby care	12%	5%	Dabur India (negligible share)

Source: Media articles, Emkay Research

QSR, Footwear, and Durables

(Devanshu Bansal)

- The GST cut on footwear—priced below Rs1,000—from 12% to 5% is set to benefit Relaxo, Bata, Khadim, Metro, and Campus by boosting affordability, narrowing the gap with unorganized players, and accelerating the shift to organized. In durables, a reduction from 28% to 18% supports AVL and EMIL, making products more affordable while also aiding premiumization if GST parity is maintained across price points. For QSRs, the move to lower GST on raw materials, from 12% to 5%, helps players like JUBI, Westlife, Devyani, Sapphire, and RBA, as cheaper inputs in select components ease the burden of raw materials that account for 25-35% of sales.

Exhibit 6: QSR, Footwear and Durables – From old GST to new GST

Item	Existing GST	New GST expected	Best stock ideas
Footwear (<Rs1,000)	12%	5%	Relaxo, Bata, Khadim, Metro, Campus – GST reduction will make products affordable as well as reduce the pricing gap with unorganized players, enabling accelerated shift toward organized
Durables	28%	18%	AVL, EMIL – Durables is an aspirational category and GST reduction will make products affordable. Premiumization should also improve in case GST parity across price-points is maintained
QSR Raw Material	12%	5%	JUBI, Westlife, Devyani, Sapphire, RBA – RM expense is 25-35% of sales and players can benefit from cheaper RM cost in select components in the overall basket

Source: Media articles, Emkay Research

Insurance and NBFCs

(Avinash Singh)

- The General Insurance GST cut, from 18% to 5%, directly benefits STARHEALTH, and NIVABUPA; second-order gains would be seen by GODIGIT and ICICIGI via margin improvement in Motor OD and pickup in 2W/PV sales driving Motor Premiums. Life Insurance sees Term Life GST drop, from 18% to 5%, aiding MAXF.
- NBFCs (CIFC, MMFS, BAF) gain indirectly from stronger vehicle and white goods demand, despite no change in GST on fees.

Exhibit 7: Insurance and NBFCs – From old GST to new GST

Item	Existing GST	New GST expected	Best stock ideas
General Insurance	18%	5%	First Order impact: STARHEALTH, NIVABUPA Second Order Impact: GODIGIT, ICICIGI – Purely from the GST impact perspective, it is retail health where this meaningful cut could induce growth. On the other hand, benefit for the likes of ICICIGI and GODIGIT would be the second order impact, as lower GST rate might allow better margin in Motor OD and a likely pick up in 2W/PV sales could drive Motor Premiums
Life Insurance	Term Life: 18% Traditional Life Savings: 4.5% on 1 st year; 2.25% on renewal ULIP: 18%, only on Charges, and not on total premiums	Term Life: 5% Traditional Life Savings: 4.5% on 1 st year; 2.25% on renewal ULIP: 18%, only on Charges, and not on total premiums	MAXF: Likely benefits limited to Term Insurance only
NBFC	18% on Fees and charges	Unchanged	CIFC, MMFS, BAF: Major benefits here would be the second order impact on Vehicle and white goods sales

Source: Media articles, Emkay Research

Macro Impact

(Madhavi Arora)

Policy intent to reform GST to a two-tier structure is a welcome move, especially as indirect taxes are regressive in nature. We estimate GST changes-led general government revenue loss of ~0.4% of GDP on annualized basis, with states bearing a disproportionate hit. Assuming no changes in expenditure, we estimate the Centre's FY26 net fiscal slippage at ~0.2% of GDP with lower direct and indirect taxes being offset by revenue buffers in the form of higher dividend and PSU divestment. CPI inflation could also ease, by ~50-60bps over a year. This move strengthens our sectoral rotation theme 'Consumption over Capex'. *Ceteris paribus*, such tax changes should boost consumption in consumer durables, autos, cement, and similar sectors. However, net impact on aggregate demand will hinge on net fiscal impulse. Any reduction in capex or revex outlays on the social sector/rural schemes could limit the overall demand lift.

Government intends to move to a two-tier GST structure

The Centre plans to rationalize the current GST system by end Sep-25, moving it to a dual-slab structure, ie 5% and 18%, replacing the current 4-tier structure, along with 40% slab on luxury/sin goods. About 90% of items in the 28% slab will move to 18%, and nearly all in the 12% slab will move to the 5% slab. Notably, some items in the highest GST slab (28%) also attract compensation cess, taking their effective rate to over 40%. Simplifying the GST structure is a welcome reform toward boosting domestic consumption, especially as India's tax incidence has been increasing. [We had advocated lower dependence on Indirect Taxes](#) for tax revenues, given that it is a more regressive form of taxation (India's indirect tax-to-revenue ratio is one of the highest among EMs).

Annualized general government GST revenue hit to be as high as ~0.4% of GDP

Majority of the GST revenue (70-75%) accrues from items in the 18% slab. In comparison, the 28%, 12%, and 5% slabs bring in ~14%, ~5%, and ~7% of total GST revenue, respectively. Our ballpark estimates suggest that the proposed rate rationalization could cost the exchequer more than Rs1.2trn on annualized basis (over 0.4% of GDP). Assuming implementation from Oct-25, the FY26 fiscal impact for general government finances owing to GST changes would be ~0.2% of GDP. Assuming gross loss will be shared equally by the Centre and states, this would imply gross revenue loss of ~0.1% of GDP from GST changes for the Centre, for FY26. This could further strain bond yields.

This would put added pressure on the Centre's gross tax revenue (GTR)—already trailing budgeted growth (GTR growth for Q1FY26 is tracking ~5% vs 13% BE), making the BE tax buoyancy of 1.1x appear too ambitious. While some buffers may be available in the form of higher non-tax revenue, helped by higher RBI and PSU dividends as well as possible divestment in the IDBI/LIC stake sale (leading to no slippage in divestment targets), the Centre's effective fiscal slippage could be ~0.2% of GDP, assuming no reduction in revex or capex (both of which are clocking higher growth than budgeted for Q1FY26). Some additional buffers can come from the residual compensation cess revenue of over Rs1.2trn by end-FY26 (to be possibly split equally between the Centre and states).

Disinflationary effect of ~50-60bps on annualized basis

GST rationalization could ease headline CPI inflation by over 50-60bps on an annualized basis, also affected by the effective pass-through. The largest impact—of ~40bps—will come from certain goods in the F&B category (processed and packaged foods, butter, ghee, etc) moving to the 5% slab (from 12% now). On the other hand, most items in the 28% slab are not captured in the current CPI basket (business class air travel, casinos, luxury hotels, online gaming, etc). There may be a positive impact of ~20bps from those items that are present in the CPI basket (vehicles, ACs, packaged drinks, etc). Notably, the impending change in the CPI basket (likely Feb-26 onward) is likely to reduce the weight of F&B in the basket which may mitigate some of this impact.

'Consumption over Capex' sectoral rotation theme gathers further steam

The [sector rotation theme of consumption over capex](#) will see further traction. However, the net impact on aggregate demand will hinge on how the government offsets the resulting revenue loss. If fiscal targets are to be maintained, this gap is likely to be bridged by reducing other expenditures—whether in capex, or revex outlays in the social sector and rural schemes—limiting the overall lift to demand. However, all else equal, such tax changes should boost consumption in FMCG, consumer durables, autos, cement, and similar sectors, with even the Insurance sector seeing a gain.

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States' fiscal to see a disproportionate hit from GST rationalization

GST also forms a large part of states' revenue – around 23% of FY25P revenue receipts/~44% of FY25P own tax revenue (OTR); and, with states' fiscal position in a more precarious state than the Centre's, the hit from GST revenue losses may be higher. We had highlighted earlier that the Centre's estimated net revenue hit owing to GST (adjusted for tax devolution to states) could be less than 0.15% of GDP, states' losses could be disproportionately higher as states not only depend on SGST as part of their own tax revenue but also receive a proportion of the Centre's GST revenue as devolution. **Thus, states' effective losses due to GST changes could even hit ~0.3% of GDP on annualized basis.**

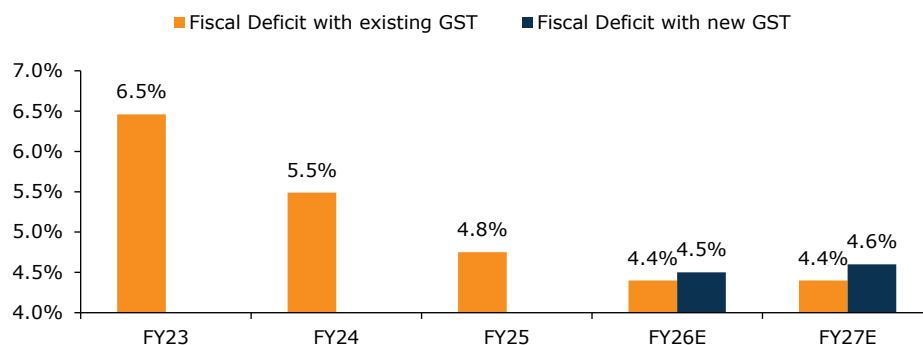
We note that states posted aggregate FD/GDP of 3.2% in FY25P – with their FD/GDP having risen by 0.6ppt in only two years amid rising incidences of freebies/subsidies and constrained revenue growth. States' Q1FY26 tax revenue growth has also been anemic (~2% vs 13% budgeted) and thus revenue loss from the GST rate rationalization (and lower tax devolution from the Centre) will put further pressure on their already-constrained fiscal position. With revex turning increasingly sticky, states may be compelled to cut capex to keep their fiscal position under control.

The states with the highest share of SGST in their OTR (ie BR, GJ, WB, KA, and UK) will face the most pressure. With the Centre needing states' approval to pass this reform via the GST Council, it may propose sharing of any new cess (sin/clean energy) with the states, and improve its devolution under the Finance Commission recommendations to sweeten the deal and reduce states' revenue pressures. We will also keep a lookout for the split of the residual cess fund after the expiry of compensation cess in Mar-26.

Fiscal impact

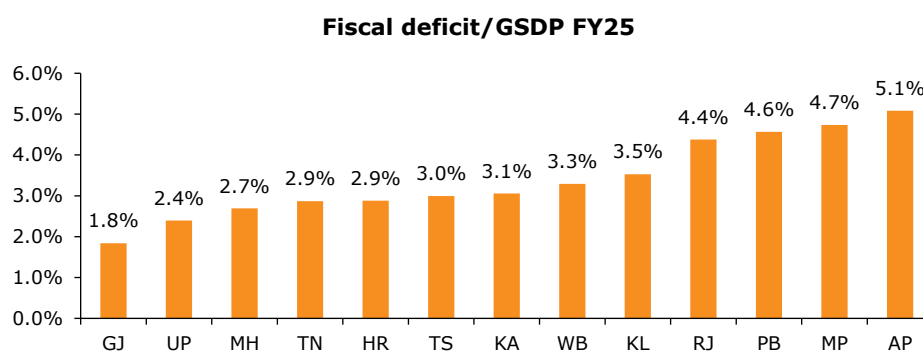
- Fiscal deficit could widen by 0.1% in FY26E and by 0.2% in FY27E, though we see this as transient which would likely normalize within 2-3 years. The growth boost outweighs the short-term slippage.

Exhibit 8: Fiscal cost is digestible



Source: CMIE, Emkay Estimates

Exhibit 9: States breaching the 3% fiscal deficit mark remain a key monitorable



Source: CEIC, Emkay Estimates

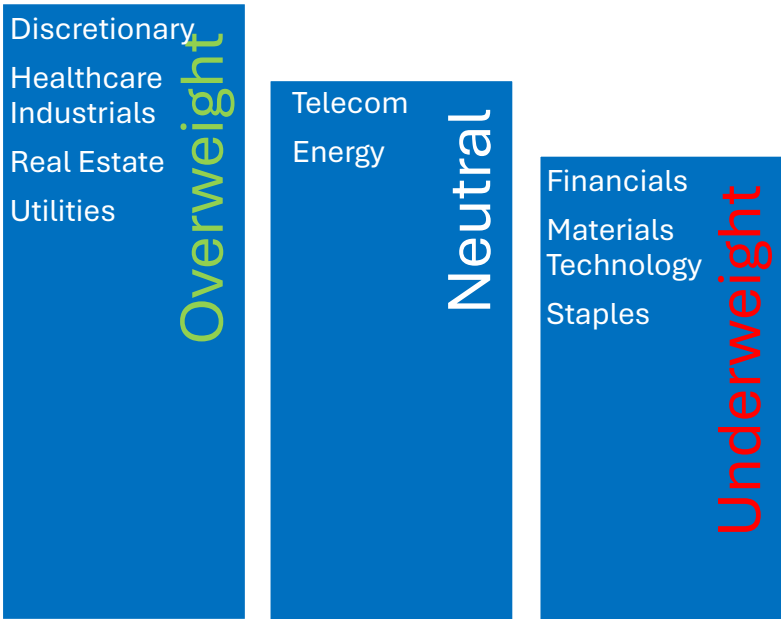
Exhibit 10: External borrowings to accelerate with ratings upgrade



Source: RBI, MOSPI, Emkay Research

Emkay Model Portfolio

Exhibit 11: Sector positioning



Source: Bloomberg, Emkay Research

Exhibit 12: Emkay Model Portfolio

Stock/Sector	New EMP weights	BSE 200 Weights	Stance	Over-/Under-weight by
Discretionary	26%	12%	OWT	14.5%
Eternal	8%			
Maruti Suzuki India	3%			
TVS Motor	4%			
Dixon Technologies	6%			
Shriram Pistons & Rings	5%			
Materials	5%	8%	UWT	-2.6%
UltraTech Cement	5%			
Telecom	4%	4%	Neutral	0.4%
Bharti Airtel	4%			
Energy	6%	8%	Neutral	-1.8%
Reliance Industries	6%			
Industrials	14%	9%	OWT	4.6%
CG Power	3%			
Interglobe Aviation	6%			
Voltas	5%			
Technology	8%	11%	UWT	-3.4%
Infosys	5%			
Mphasis	3%			
Healthcare	13%	6%	OWT	7.4%
Max Healthcare	3%			
Sun Pharma	5%			
Metropolis Healthcare	5%			
Staples	5%	8%	UWT	-2.7%
Bikaji Foods International	5%			
Financials	19%	30%	UWT	-11.0%
ICICI Bank	5%			
One97 Communications	6%			
Shriram Finance	3%			
Motilal Oswal Financial Services	5%			
Uncovered Sectors		5%		
Utilities		4%	OWT	
Real Estate		1%	OWT	
Total Weights	100%			

Source: Bloomberg, Emkay Research

Exhibit 13: Emkay Model Portfolio – Key Valuation Metrics

Stock	New weights	Reco	TP (Rs)	Price (Rs)	M Cap (Rs bn)	EPS growth (% YoY)			RoE (%)			P/E* (x)		
						FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
UltraTech Cement	5%	BUY	14,700	12,498	3,683	(14.6)	57.0	34.4	9.4	12.9	15.3	61.0	38.2	28.4
Infosys	5%	BUY	1,750	1,586	6,589	1.8	6.6	8.9	28.9	28.4	28.4	24.7	23.1	21.2
Mphasis	3%	ADD	2,950	2,827	538	8.8	8.2	13.9	18.5	18.5	19.8	31.6	29.2	25.6
Shriram Pistons & Rings	5%	BUY	3,050	2,444	108	14.5	15.9	13.7	23.5	22.2	21.0	21.2	18.3	16.1
CG Power	3%	BUY	765	668	1,051	14.6	55.4	29.9	28.4	34.2	34.4	104.9	67.5	51.9
Interglobe Aviation	6%	BUY	6,000	5,861	2,265	(9.6)	21.6	21.8	129.1	65.8	48.1	31.2	25.7	21.1
Sun Pharma	5%	BUY	2,250	1,694	4,065	15.3	9.2	17.5	17.1	16.6	17.5	37.2	32.1	27.3
Max Healthcare	3%	ADD	1,250	1,216	1,182	10.1	31.3	18.0	14.2	16.1	16.2	83.9	63.9	54.1
Metropolis Healthcare	5%	BUY	2,052	1,945	101	12.2	35.9	21.1	11.9	14.0	15.1	69.5	51.1	42.2
Shriram Finance	3%	BUY	750	646	1,214	14.9	19.8	21.3	17.8	16.5	17.5	14.7	12.2	10.1
ICICI Bank	5%	Buy	1,600	1,426	10,175	14.4	9.5	7.4	18.0	16.8	15.9	21.4	19.5	18.2
One97 Communications	6%	BUY	1,050	1,002	639	N/A	NA	143.3	(4.7)	4.0	9.2	(43.0)	103.3	42.5
Motilal Oswal Financial Services	5%	BUY	850	911	546	0.7	(4.6)	20.9	25.3	19.6	19.8	21.8	22.9	18.9
Reliance Industries	6%	BUY	1,450	1,476	19,975	0.0	10.4	9.5	8.5	8.8	8.9	28.7	26.0	23.7
Bikaji Foods International	5%	BUY	825	753	189	(24.4)	38.3	26.6	15.4	18.6	20.1	93.9	67.9	53.6
Maruti Suzuki India	3%	BUY	13,500	12,419	3,905	5.6	12.6	11.5	15.7	15.8	15.8	28.0	24.8	22.3
TVS Motor	4%	BUY	3,100	2,850	1,354	30.1	34.3	19.6	30.7	32.0	29.8	50.0	37.2	31.1
Eternal	8%	BUY	290	257	2,482	35.1	(82.9)	1,895.7	2.1	0.3	5.7	471.0	2,759.8	138.3
Voltas	5%	BUY	1,450	1,377	456	233.9	4.2	25.0	13.6	12.8	14.4	54.1	52.0	41.6
Dixon Technologies	6%	BUY	19,800	15,960	966	71.5	69.6	63.5	27.0	30.6	36.1	87.8	89.2	54.6
Bharti Airtel	4%	BUY	1,325	1,901	11,406	76.0	49.1	N/A	16.5	20.2	-	52.1	34.8	-
Wtd average	100%					4.9	31.2	22.8	20.1	17.5	16.8	68.9	254.2	34.0

Source: Bloomberg, Emkay Research; Note: * P/E is median

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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