TOP PICKS

July 2026

Markets Enter Earnings Season with Improving Macro Tailwinds

Market Performance: Recovery Supported by Improving Risk Sentiment: Indian equity markets staged a recovery during June 2026 after witnessing heightened volatility earlier in the month. The decline in geopolitical risk premium following the de-escalation of tensions in West Asia, coupled with a sharp correction in crude oil prices, encouraged investors to gradually rebuild equity exposure. **The Nifty Smallcap 250 (4.30%) and Nifty Microcap 250 (6.35%) outperformed frontline indices, supported by strong domestic liquidity, while NIFTY 50, Nifty 500 and Nifty Midcap 100 gained marginally by 1.35%, 1.5% and 0.12%, respectively, MoM.**

Monsoon Outlook: The progress of the southwest monsoon will remain a key determinant of India's macroeconomic and corporate earnings outlook over the coming quarters. **While rainfall activity is expected to improve during July, recent weather models indicate an increasing probability of El Niño conditions developing during the latter part of the monsoon, particularly during August and September**. Although the timing and intensity of its impact remain uncertain, El Niño has historically been associated with uneven rainfall distribution and below-normal precipitation across parts of the country.

Q1FY27 Earnings: Management Commentary Likely to Drive Market Performance: With the commencement of the Q1FY27 earnings season, investors are expected to shift their focus from macroeconomic developments toward corporate fundamentals. While quarterly earnings growth is likely to remain mixed across several sectors, management commentary regarding future demand conditions will be equally, if not more, important than reported financial performance. **Investors will closely monitor management guidance relating to demand recovery, pricing power, raw material costs, margin sustainability, order inflows, capital expenditure plans, export demand and working capital trends.** Companies capable of delivering positive earnings surprises along with confident management commentary are expected to outperform, whereas businesses reporting cautious outlooks may witness valuation compression despite meeting earnings expectations.

Global Developments: Easing Geopolitical Tensions Improve Market Sentiment: The reduction in geopolitical uncertainty has significantly lowered the risk premium embedded in crude oil prices, resulting in Brent crude correcting sharply from its recent highs. As India imports nearly 85% of its crude oil requirements, lower oil prices represent a significant macroeconomic positive by reducing the country's import bill, easing inflationary pressures, improving the Current Account Deficit (CAD), supporting the Indian Rupee and enhancing corporate profitability across several sectors. **While the immediate geopolitical risks have moderated, investors continue to monitor developments in the region closely, as any renewed escalation could quickly reverse the recent improvement in market sentiment.**

Broader Economic Impact of Oil Prices and Fuel Costs: One of the most significant positive developments during the past month has been the sharp decline in international crude oil prices ($73 bbl) following the easing of geopolitical tensions. Lower crude prices are expected to reduce India's oil import bill, improve the Current Account Deficit (CAD), moderate inflationary pressures and support corporate margins across fuel-intensive industries including aviation, logistics, chemicals, paints and cement. **However, the recent increase in domestic diesel prices is likely to keep freight and transportation costs elevated in the near term, resulting in some pressure on logistics expenses and supply chain costs. Nevertheless, if global crude prices remain benign, the broader economic benefits are expected to outweigh the temporary impact of higher domestic fuel prices**.

Currency Volatility, Bond Yields and RBI Policy Remain Key Market Drivers: Despite improving domestic fundamentals, global uncertainty continues to drive currency volatility across emerging markets, including India. The Indian Rupee has remained under pressure due to intermittent strength in the US Dollar and elevated US Treasury yields, although lower crude prices have helped limit depreciation. The Indian Rupee has depreciated meaningfully (near ~95/$). **The RBI has maintained a balanced policy approach by ensuring adequate liquidity while introducing measures aimed at encouraging foreign capital inflows into domestic financial markets**. The benchmark 10-year Indian government bond yield currently trades in the ~6.7%–7% range, having recently moved to the highest levels in over a year (7%), driven by rising crude oil prices, inflation concerns, and global tightening expectations.

The FII–DII Great Divergence: Foreign institutional investors have continued to remain net sellers in Indian equities during much of 2026, reflecting concerns over elevated domestic valuations, global monetary policy uncertainty and the relative attractiveness of developed markets. However, strong and consistent inflows from domestic institutional investors have helped absorb much of the foreign selling pressure, thereby providing stability to the broader market. **Going forward, sustained moderation in crude oil prices, improving earnings visibility, stable currency movements and lower global bond yields could encourage foreign investors to gradually increase allocations toward Indian equities during the second half of FY27. Total FII outflows in FY27 YTD have reached nearly $13 billion while DIIs have infused $ 22 billion.**

Domestic Growth Outlook: Growth Resilience with Emerging Risks: India continues to remain among the fastest-growing major economies globally. Strong domestic demand, public infrastructure spending, manufacturing activity, formalisation of the economy, and financial sector stability continue to support medium-term growth prospects. GDP growth for FY27 is expected to be in the range of 6.7%–6.9%, supported by strong domestic demand, continued government capital expenditure, and a gradual recovery in private sector investments. **However, emerging risks, including rising energy prices, global slowdown concerns, currency weakness, and weak monsoon expectations, may create temporary pressure on growth and inflation dynamics during FY27, and in such a case, growth may slip below 6.5%.** Thus, while the structural growth story remains intact, the near-term outlook is increasingly influenced by external vulnerabilities.

Equity Market Valuation & Relative Positioning: From an equity market perspective, valuations have corrected meaningfully, with the benchmark Nifty 50 index now trading closer to its long-term averages of around 18x one-year forward earnings. India continues to command a premium relative to emerging markets due to its superior growth visibility and earnings quality, but this premium has moderated significantly from earlier elevated levels. **While the recent valuation reset improves the medium-term attractiveness of Indian equities, the sustainability of further market upside will increasingly depend on corporate earnings delivery and the ability of companies to protect margins amid rising input costs, elevated energy prices, higher logistics expenses, and potential inflationary pressures arising from the recent increase in diesel prices.**

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Indian Economy Nearing Cyclical Recovery Amid Persistent Global Risks: Despite persistent global uncertainties, India's domestic growth outlook remains resilient, with macroeconomic indicators suggesting improved momentum in FY27 compared to FY26. Continued policy support from both the government and the RBI, including growth-oriented fiscal measures, the recent RBI dividend (2.87 Lc Cr) and supportive liquidity conditions, is expected to strengthen economic activity going forward. **In CY26, Indian equities are shifting from a consolidation phase to one driven by earnings visibility, valuation comfort, fiscal discipline, and sustainable growth.**

Relative Underperformance Provides an Opportunity to Add Equity for the Long Term: In CY25 as well as in CY26, the Indian market has underperformed the US market and other emerging markets by a notable margin. FTSE India is now trading at a PE premium of 50% to the EM index (PE). During Sep'24, the Indian market traded at a 97% PE premium to EM. Now, after the correction, it is trading at a 50% premium, which looks attractive compared to the past. That said, it is to be noted that relative valuation stabilisation does not necessarily translate into an immediate rally in the current scenario.

Style & Sector Rotation - A Key to Generating Alpha Moving Forward: As highlighted in our earlier reports, the risk-reward in mid- and small-cap stocks had started turning favourable, and the recovery witnessed during last three month has broadly validated this thesis. **It's true that SMMID (Small, Micro & Mid Cap have bounced back strongly in the last three months, the current valuation multiple leaves limited room for disappointment. Consequently, future market performance will increasingly depend upon the ability of companies to deliver sustained earnings growth, healthy free cash flow generation and improving return on capital employed. We continue to believe that quality and growth-oriented companies with sustainable business models, pricing power, and earnings visibility will remain key outperformers through FY27.** As a result, the focus should remain on bottom-up stock selection, with emphasis on companies that can navigate cost pressures while sustaining growth, as the market increasingly rewards consistency, balance sheet strength, and execution capability.

In this environment, our strategy focuses on Growth at a Reasonable Price (GARP), quality businesses, market leaders, domestically oriented sectors, and selected export plays. We continue to:

1. **Overweight:** BFSI, Telecom, Capital goods, Healthcare, Power & Energy
2. Maintain **a positive view on select discretionary and retail consumption** plays
3. Prefer **select capex-linked cyclical stocks,** which now offer attractive valuations and reasonable growth visibility
4. Remain **cautious on IT** in the medium term, led by AI disruption.

Remain Constructive in a Volatile Environment: Looking ahead, we maintain a constructive yet selective view on Indian equities for July 2026. The easing of geopolitical tensions, declining crude oil prices, resilient domestic macroeconomic conditions, improving rural outlook and supportive policy measures from the RBI provide a favourable backdrop for equities. However, the market is increasingly transitioning into an environment where earnings quality, valuation discipline and stock selection will determine investment success, rather than broad-based market expansion. **While near-term volatility may remain elevated, long-term investors may continue to use market corrections selectively to accumulate high-quality businesses aligned with India's structural growth themes.**

We have refreshed our Top Picks by booking profits in Kalpataru Projects and Navin Fluorine while adding APL Apollo Tubes and HCG Ltd.

We maintain the Dec'26 Nifty target at 27,220

We believe the Indian economy remains well-positioned for sustained growth, acting as a relative safe haven amid global economic volatility. Our constructive long-term outlook is underpinned by India's favourable economic structure, increased capital expenditure outlined in the Union Budget 2026–27, and the implementation of GST 2.0 reforms, all of which are expected to accelerate credit growth, particularly for banks. These structural drivers should support double-digit corporate earnings growth, enabling Indian equities to deliver healthy double-digit returns over the next 2–3 years. We project Nifty earnings to grow at a robust 13% CAGR over FY23–28, with financials expected to remain the largest contributors to earnings growth in FY27 and FY28. That said, near-term risks to market multiples include geopolitical tensions, crude price volatility, rupee depreciation, and any delay in the earnings recovery cycle. In our base case, we maintain our December 2026 Nifty target of 27,220, based on a valuation of 19.5x December 2027 earnings.

Market volatility in India, as reflected in the VIX, has contracted from recent highs. It is currently at 13, indicating lower volatility in the near term. While extreme volatility has subsided, the market is not entirely out of the woods. Intermittent spikes may persist, especially given ongoing global uncertainties. While the medium-to-long-term outlook for the Indian economy and corporate earnings remains constructive, supported by domestic demand resilience, improving earnings visibility, and structural reforms, the near term may witness increased volatility driven by commodity price movements, global risk aversion, and foreign fund flows. **Hence, we recommend investors maintain good liquidity (10-15%) to use any dips in a phased manner and build a position in high-quality companies (where the earnings visibility is quite high) with an investment horizon of 12-18 months.**

Bull Case: We value NIFTY at 20.5x, implying a Dec'26 target of 28,615. Markets are closely tracking the global growth outlook under President Trump, with expectations of easing tariff-related uncertainties in 2026. Domestically, a revival in private capex, supported by policy continuity and improving business confidence, along with political stability, fiscal discipline, and rural recovery, is likely to drive growth. With Nifty earnings expected to sustain a 13%+ CAGR over FY23–28, this backdrop could attract fresh capital inflows into Indian markets and support a re-rating of valuations, strengthening the equity outlook.

Bear Case: We value NIFTY at 16.5x, implying a Dec'26 target of 23,030. While valuations may remain above average amid potential policy shifts under the Trump regime, persistent inflation in developed markets and historically elevated interest rates increase downside risks. Uncertainty around currency movements, oil prices, and global trade is likely to weigh on export-driven growth. In 2026. Additionally, concerns over global growth, exacerbated by tariffs and geopolitical tensions, could compress market multiples in the near term

Based on the above themes, we recommend the following stocks: Kotak Bank, Bajaj Finance, Bharti Airtel, Avenue Supermarts, ICICI Bank, Varun Beverages Ltd, APL Apollo Tubes, HCG Ltd, LG Electronics (I) Ltd, Nestle India Ltd, Eternal Ltd, Ujjivan Small Finance Bank, Chalet Hotels, Minda Corporation Ltd, Dalmia Bharat Ltd.

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Axis Securities Top Picks

Category	Company Name	Sector	Stock price	Target Price	Upside (%)	12 Month Fwd PE	12 Month Fwd P/BV	Dividend Yield	TR 1M%	TR 3M%	TR 6M%	TR YTD%
Large Cap	Bajaj Finance Ltd.	Financials	1,005	1,160	15%	25.2	4.6	0.5	11.3	26.1	2.4	2.4
Large Cap	Varun Beverages Ltd.	Consumer Staples	508	630	24%	49.3	7.7	0.1	-3.9	32.4	3.8	3.8
Large Cap	Kotak Mahindra Bank Ltd.	Financials	392	500	27%	19.7	1.9	0.2	2.1	11.0	-10.9	-10.9
Large Cap	Bharti Airtel Ltd	Communication Services	1,852	2,530	37%	29.2	6.4	1.3	1.3	3.9	-12.0	-12.0
Large Cap	Avenue Supermarts Ltd.	Consumer Staples	4,381	5,270	20%	77.3	10.2	NA	8.0	10.7	15.8	15.8
Large Cap	ICICI Bank Ltd.	Financials	1,375	1,700	24%	15.8	2.4	0.9	9.5	14.0	2.4	2.4
Large Cap	LG Electronics India Ltd.	Consumer Discretionary	1,552	1,815	17%	47.6	11.8	NA	1.8	7.7	2.0	2.0
Large Cap	Nestle India Ltd.	Consumer Staples	1,405	1,640	17%	69.8	43.6	0.9	-1.1	19.6	9.7	9.7
Large Cap	Eternal Ltd.	Consumer Discretionary	265	360	36%	123.2	7.5	NA	5.6	15.6	-4.8	-4.8
Mid Cap	Dalmia Bharat Ltd	Materials	1,701	2,430	43%	29.0	1.7	0.5	-2.4	-4.1	-20.0	-20.0
Mid Cap	APL Apollo Tubes Ltd.	Materials	1,789	2,250	26%	33.5	7.6	0.5	-2.3	-7.7	-6.5	-6.5
Small Cap	Ujjivan Small Finance Bank Ltd.	Financials	59	78	32%	11.1	1.5	NA	8.6	16.9	11.4	11.4
Small Cap	Chalet Hotels Ltd.	Consumer Discretionary	815	1,000	23%	29.5	4.1	0.1	3.9	16.0	-6.4	-6.4
Small Cap	Minda Corporation Ltd.	Consumer Discretionary	697	785	13%	38.3	5.3	0.2	11.6	37.8	21.5	21.5
Small Cap	Healthcare Global Enterprises Ltd.	Healthcare	627	750	20%	68.6	6.3	NA	-1.6	19.4	-4.7	-4.7

Source: Company, Axis Securities, CMP as of 30th June 2026; All Target Prices have an investment horizon of over one year.

Multi-Asset Scorecard

- In 2025, Gold emerged as the top-performing asset class for most of the year. However, following a correction in gold prices during the current month, the S&P 500 has taken the lead as the best-performing asset class YTD. The broader market remained the best-performing domestic asset class during both 2023 and 2024. However, a sharp correction beginning in October 2024 weighed on overall returns and sentiment. The broader market continued to face pressure during January–May 2026 on a year-to-date (YTD) basis. Despite this, the Small-cap and Mid-cap segments significantly outperformed the Nifty 50, delivering better returns YTD.
- The Nifty 50 was among the weakest-performing asset classes in 2024, largely due to sustained FII outflows. The index has remained under pressure amid geopolitical uncertainties arising from the West Asia conflict. In 2026 YTD, both Emerging and Developed Markets have outperformed the Indian market.

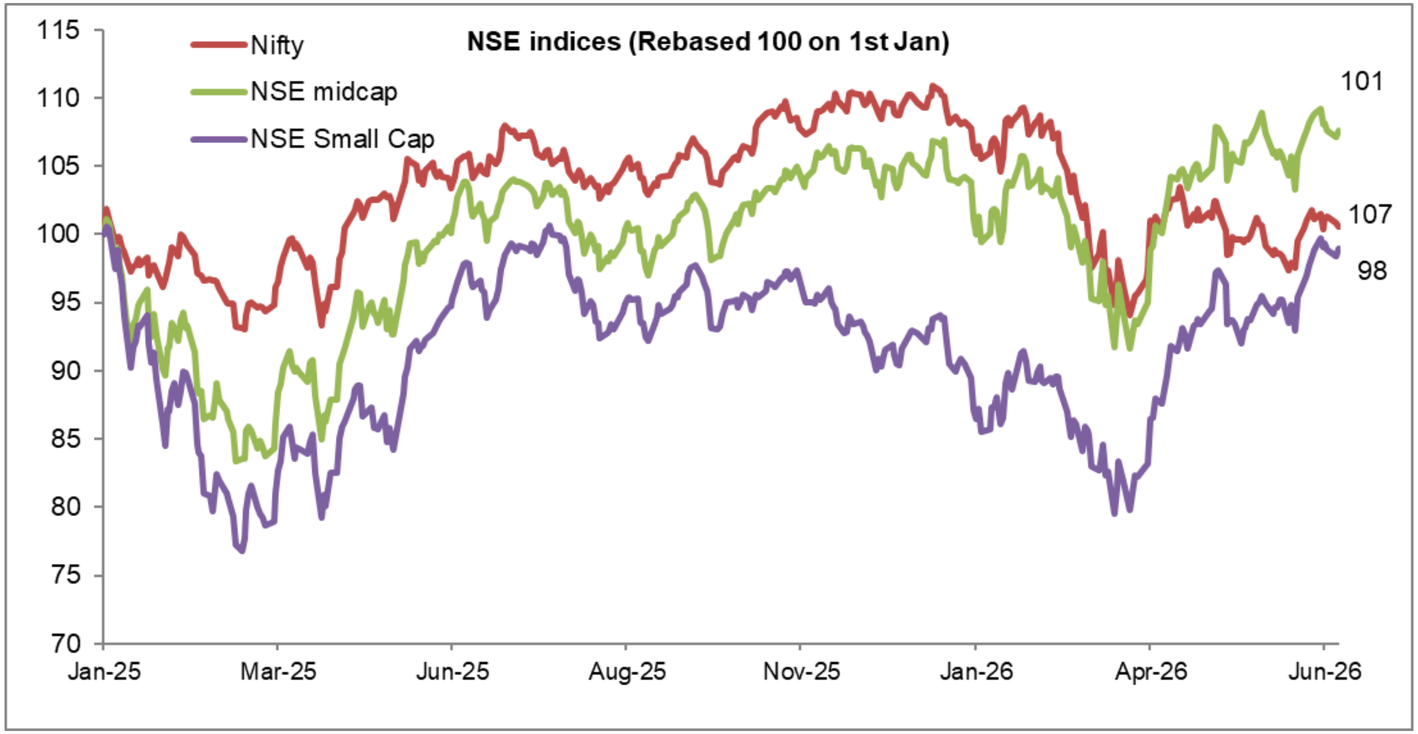
Yearly performance of Asset Classes (%)

Rank	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 (YTD)
1	MCX Gold: 32%	Mid Cap: 39%	S&P 500: 30%	Mid Cap: 56%	Crisil Comp Bond: 9%	Crisil comp Bond: 13%	SmallCap: 57%	MCX Gold: 8%	S&P 500: 29%	MCX Gold: 28%	SmallCap: 59%	MCX Gold: 14.3%	SmallCap: 55.6%	SmallCap: 23.9%	MCX Gold: 61.5%	S&P 500: 8.7%
2	Crisil comp Bond: 7%	SmallCap: 37%	Nifty 50: 7%	SmallCap: 55%	SmallCap: 7%	EM Index: 10%	Mid Cap: 47%	Crisil comp Bond: 6%	MCX Gold: 25%	Mid Cap: 22%	Mid Cap: 46%	Nifty 50: 4.3%	Midcap: 46.6%	Midcap: 23.8%	EM Index: 18.7%	EM Index: 7.8%
3	S&P 500: 0%	Nifty 50: 28%	Crisil comp Bond: 4%	Nifty 50: 31%	Mid Cap: 6%	MCX Gold: 10%	EM Index: 29%	Nifty 50: 3%	EM Index: 17%	SmallCap: 21%	S&P 500: 27%	Mid Cap: 3.5%	S&P 500: 24.6%	S&P 500: 23.8%	S&P 500: 11.2%	SmallCap: 6.5%
4	EM Index: -21%	EM Index: 14%	Mid Cap: -5%	Crisil comp Bond: 14%	S&P 500: -1%	S&P 500: 10%	Nifty 50: 29%	S&P 500: -6%	Nifty 50: 12%	S&P 500: 16%	Nifty 50: 24%	BSE Bond index: 2.9%	Nifty 50: 20%	MCX Gold: 20.9%	Nifty 50: 10.25%	MCX Gold: 5.1%
5	Nifty 50: -25%	S&P 500: 13%	EM Index: -6%	S&P 500: 11%	Nifty 50: -4%	Mid Cap: 7%	S&P 500: 19%	Mid Cap: -15%	Crisil comp Bond: 11%	Nifty 50: 15%	Crisil comp Bond: 2%	SmallCap: -13.8%	MCX Gold: 14.9%	NSE G Sec composite: 9.9%	NSE G Sec composite: 6.2%	NSE G Sec composite: 2.7%
6	Mid Cap: -31%	MCX Gold: 12%	MCX Gold: -8%	EM Index: -1%	MCX Gold: -7%	Nifty 50: 3%	MCX Gold: 6%	EM Index: -16%	Mid Cap: -4%	EM Index: 13%	EM Index: -2%	S&P 500: -19.2%	BSE Bond index: 7.9%	EM Index: 9.5%	Midcap: 5.4%	Midcap: 2.2%
7	SmallCap: -34%	Crisil comp Bond: 9%	SmallCap: -8%	MCX Gold: -6%	EM Index: -18%	SmallCap: 2%	Crisil comp Bond: 5%	SmallCap: -29%	SmallCap: -10%	Crisil comp Bond: 12%	MCX Gold: -4%	EM Index: -19.6%	EM Index: 5.7%	Nifty 50: 8.8%	SmallCap: -4.9%	Nifty 50: -8.7%

Source: Bloomberg, Axis Securities.

2025 & 2026 YTD: A Year of Divergence in the Returns

After almost 15 months of underperformance, Nifty touched the all-time high level of 26,216 in 2025 (similar levels earlier seen in Sep'24). In 2025, Nifty and Small Caps saw huge divergence in returns. This gap started reversing in 2026. **In Jan'26, NIFTY touched an all-time high of 26,329 but has corrected since then by ~15% due to geopolitical unrest in the Middle East and has marked a low of 22,331 in Mar'26. However, on ceasefire announcements the index recovered by ~6% since its low. Nifty is lagging and continues to underperform broader indices.**



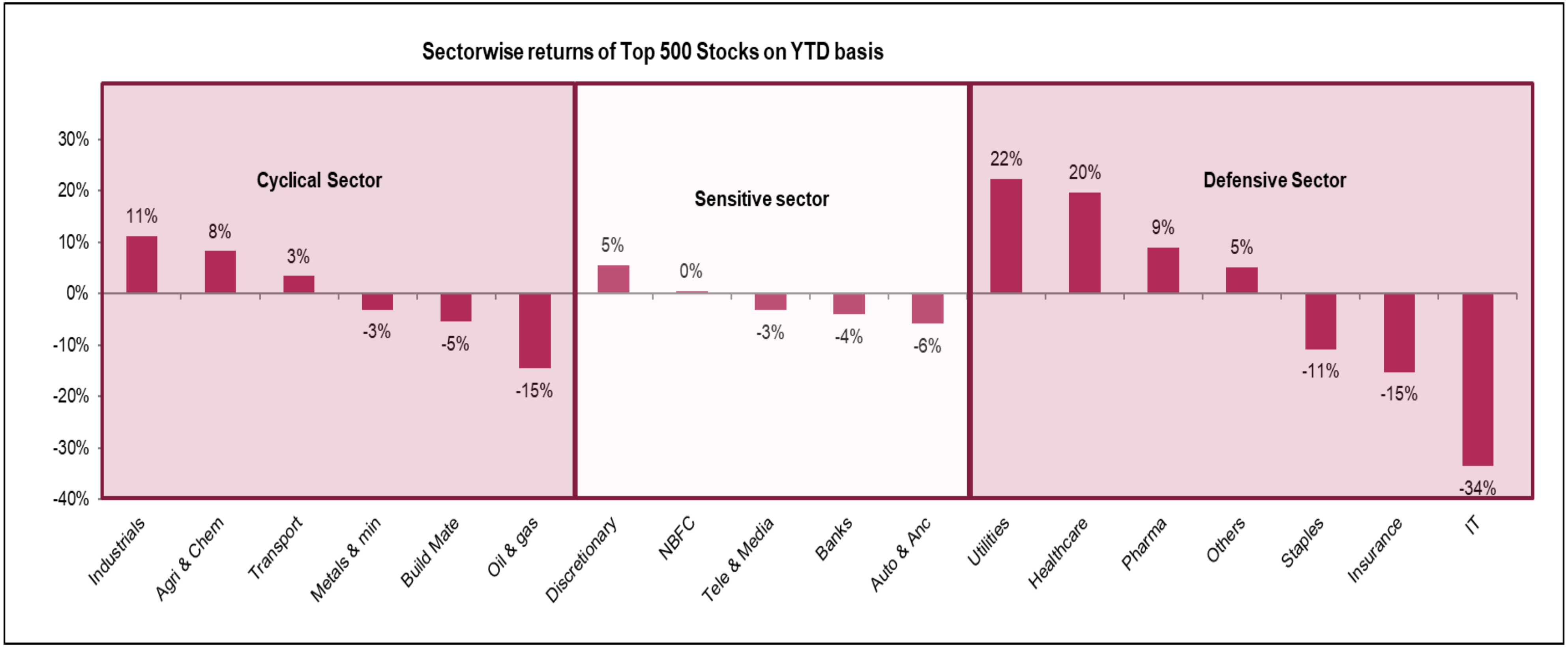
Source: Bloomberg, Axis Securities

Correction/Growth from 1st Jan'26

- Nifty 50: -8.7%
- NSE Mid Cap 100: +1.7%
- NSE Small Cap 250: +6.3%

Performance on a YTD basis [31st Dec'25 to 30 Jun'26

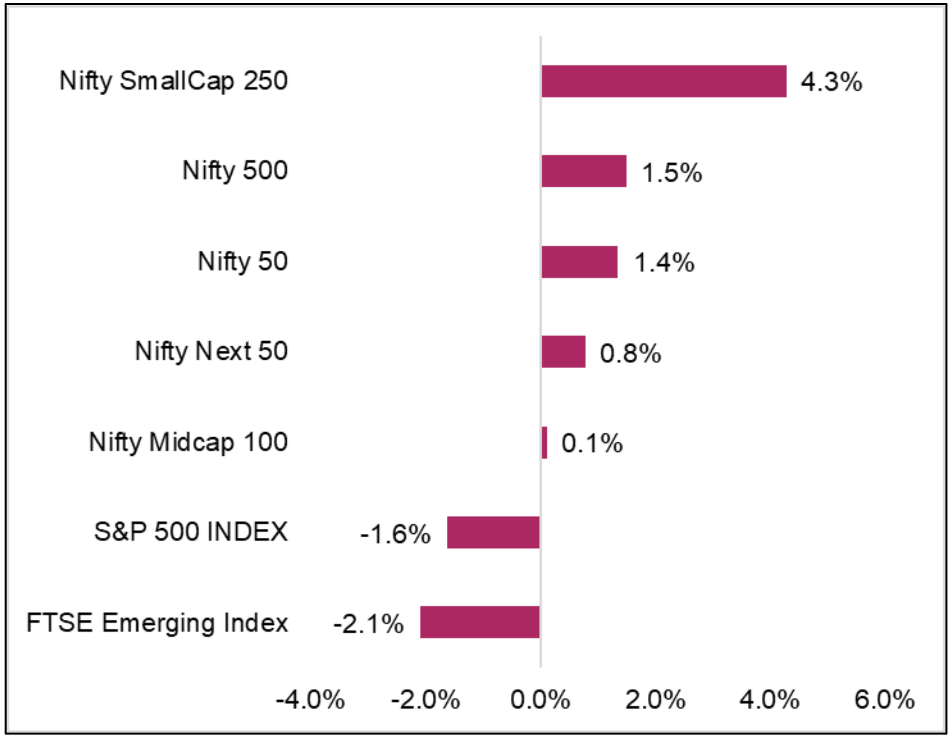
- YTD rally led by Utilities and Healthcare in defensive and Industrials, Agri & Chemical in Cyclicals. Metals index came under pressure on strengthening of USD. **IT Sector Underperformance continues to remain under focus – led by AI concerns**
- Market has slightly shifted towards the Defensive sectors. Sensitive sectors remained muted.
- Export-oriented sectors continue to face challenges in the volatile global environment amidst the ongoing West Asia Crisis

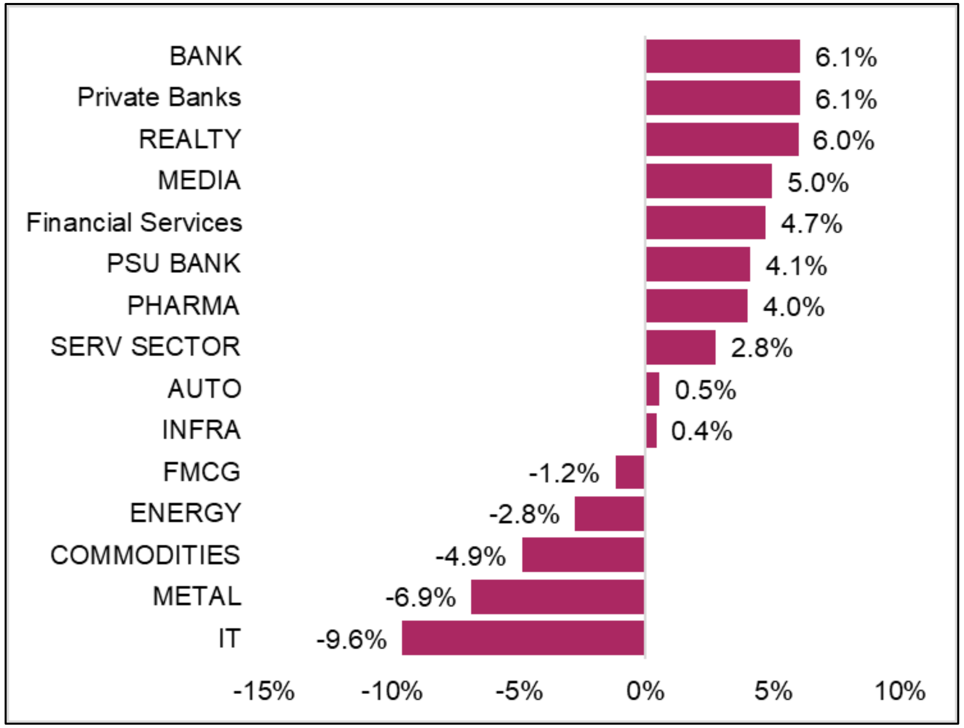


Source: Bloomberg, Axis Securities

What Happened in the Last One Month?

- Correction in all the major World Indices. S&P 500 and FTSE emerging markets [major weight of China and Taiwan] relatively underperformed vis-à-vis Nifty 50. However, Nifty Small cap, Nifty 50, and Nifty 500 outperformed. Nifty Mid Cap which was the top performer last month remained muted.
- Market breadth remained mix across sectors with Media, Banks (Pvt & PSU), Realty and pharma emerged relatively better. IT and Metal remained major underperforming sector.





Source: Bloomberg, Axis Securities

Quarterly Sector Scorecard

- Nearly 93% of the sectors have outperformed the Nifty 50 in Apr-June’26 so far, indicating buying across the broader market.
- Mar’26, Dec’24 and Jun’25 quarters’ performance was similar to the Jun’22 (Russia-Ukraine). Mar’23 (Adani crisis) was the worst quarter. Broader indices continue to outperform Nifty 50 by a wide margin, driven by better earnings and growth optionality.
- In Apr-June’26 so far, Realty, Media, Banks and Energy outperformed the Nifty 50 index by a good margin. IT remains an underperformer

	Quarterly returns (%)																	
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar'25	Jun'25	Sep'25	Dec'25	Mar'26	FY27 YTD Apr-Jun'26
% of sectors outperformed the market	56%	50%	75%	38%	25%	63%	69%	50%	44%	56%	44%	50.0%	37.5%	50.0%	40.0%	46.7%	46.7%	93.3%
Nifty 50	1%	-10%	8%	6%	-4%	11%	2%	11%	3%	7%	8%	-8.4%	-0.5%	8.5%	-3.6%	5.4%	-13.9%	6.9%
Nifty Next 50	-3%	-11%	16%	0%	-10%	16%	3%	18%	14%	18%	8%	-11.7%	-7.4%	9.4%	-1.7%	1.2%	-12.1%	18.7%
Nifty 500	-1%	-10%	11%	4%	-6%	13%	5%	12%	4%	11%	8%	-7.8%	-4.6%	10.7%	-3.7%	4.1%	-13.3%	12.0%
Nifty Midcap 100	-2%	-11%	16%	3%	-5%	19%	13%	14%	4%	15%	9%	-4.9%	-9.6%	15.6%	-5.4%	6.0%	-12.1%	17.4%
Nifty SmallCap 250	-4%	-14%	14%	3%	-7%	20%	16%	15%	2%	19%	8%	-4.2%	-14.4%	17.8%	-6.2%	-1.2%	-13.4%	24.0%
AUTO	-4%	11%	9%	-1%	-3%	24%	7%	15%	15%	17%	8%	-16%	-6%	12.1%	11.2%	5.1%	-14.8%	11.4%
BANK	3%	-8%	16%	11%	-6%	10%	0%	8%	-2%	12%	0%	-4%	1%	11.1%	-4.7%	8.3%	-15.0%	14.5%
COMMODITIES	7%	-16%	11%	7%	-7%	9%	8%	19%	8%	9%	8%	-18%	5%	5.5%	0.5%	4.2%	-2.5%	7.3%
Financial Services	-1%	-10%	13%	8%	-5%	11%	-1%	8%	-2%	12%	4%	-4%	6%	8.4%	-4.2%	5.2%	-14.1%	12.9%
ENERGY	14%	-3%	2%	1%	-12%	8%	11%	22%	17%	5%	8%	-21%	-3.6%	8.9%	-4.3%	-0.5%	0.1%	14.0%
FMCG	-3%	4%	18%	-1%	4%	14%	-1%	10%	-5%	5%	16%	-14%	-5%	2.4%	-0.3%	0.6%	-17.3%	7.1%
IT	-6%	-23%	-3%	6%	0%	3%	8%	12%	-2%	1%	18%	5%	-16.1%	5.6%	-13.6%	12.9%	-23.5%	-9.5%
INFRA	1%	-8%	7%	6%	-3%	13%	9%	17%	14%	8%	6%	-12%	0%	11.3%	-4.3%	5.5%	-9.9%	9.7%
MEDIA	7%	-20%	9%	-3%	-15%	3%	30%	5%	-25%	13%	6%	-15%	-18.9%	18.9%	-12.1%	-7.7%	-11.3%	17.2%
METAL	16%	-27%	24%	17%	-18%	13%	10%	17%	3%	18%	5%	-16%	6%	4.9%	5.3%	9.7%	1.2%	12.4%
PHARMA	-4%	-10%	7%	-3%	-5%	15%	12%	9%	13%	3%	19%	0%	-9.1%	4.3%	-2.7%	5.1%	-1.4%	13.9%
PSU BANK	8%	-11%	23%	44%	-14%	11%	28%	9%	23%	5%	-8%	-4%	-3.5%	15.0%	4.5%	12.0%	-6.6%	7.9%
Private Banks	2%	-9%	19%	10%	-6%	11%	1%	8%	-5%	12%	1%	-7%	4%	9.8%	-6.3%	7.4%	-15.1%	15.7%
REALTY	-4%	-17%	10%	2%	-10%	34%	11%	36%	15%	22%	0%	-4%	-19.3%	15.9%	-12.1%	0.3%	-25.1%	27.4%
SERV SECTOR	-1%	-12%	10%	6%	-7%	8%	1%	10%	1%	9%	9%	-4%	-1.3%	8.3%	-5.6%	5.2%	-15.4%	7.5%

Source: Bloomberg, Axis Securities, Note: Outperforming sectors (vs. Nifty during the quarter) highlighted in green for the quarter

Performance of Various Indices & Sector Outlook

- Indian equities have witnessed recovery in June, 2026 following discussion between US & Iran on peace deal after obsersving sharp volatility in May'26. Most global indices recovered since **8th Apr'26 due to Ceasefire announcement in West Asia and on going talk between US & Iran.** Global indices performance remained mixed in last one month with Indonesia, South Africa and NASDAQ underperforming all other indices. Korea , Japan and Taiwan market outperformed all other markets in various time frame though Korea and Taiwan market witnessed increasing volatility in last one month.
- **Positive Near-term Outlook:** Power, Defence, Energy & Banks. Improving Outlook: Industrials, Capital Goods, Pharma. With recent sharp correction in crude, outlook for crude sensitive sectors like Autos, Paints, OMCs, Fertilisers, Ceramics, Airlines, Food Delivery, Commodity Chemicals are expected to improve subject to stability in crude prices. •**Mixed Bag**: Discretionary, Consumption, Cement
- **Near-term Challenging but Well-placed for Longer-time Horizons:** IT. **Metal sector came under pressure on strengthening of USD but overall positive**

National Index						
Index Performance (%)	**1m**	**3m**	**6m**	**Since 28 Feb'25**	**Since 26 Sep'24**	**1Year**
Nifty 50	1.4%	6.9%	-8.7%	7.9%	-9.0%	-6.5%
Nifty Next 50	0.8%	18.7%	3.3%	25.5%	-7.1%	3.8%
Nifty 500	1.5%	12.0%	-3.7%	15.7%	-6.1%	-2.6%
Nifty Midcap 100	0.1%	17.4%	2.2%	29.0%	2.2%	3.4%
Nifty SmallCap 250	4.3%	24.0%	6.2%	28.0%	-3.9%	-0.4%
Sector Index (%)	**1m**	**3m**	**6m**	**Since 28 Feb'25**	**Since 26 Sep'24**	**1Year**
NIFTY AUTO	0.5%	11.4%	-6.1%	29.2%	-3.7%	10.9%
NIFTY BANK	6.1%	14.5%	-3.4%	19.0%	5.8%	0.4%
NIFTY COMMODITIES	-4.9%	7.3%	2.9%	28.9%	0.7%	9.6%
Nifty Financial Services	4.7%	12.9%	-3.8%	15.3%	5.6%	-2.3%
NIFTY ENERGY	-2.8%	14.0%	12.5%	32.4%	-10.0%	8.7%
NIFTY FMCG	-1.2%	7.1%	-12.0%	-3.7%	-26.2%	-11.1%
NIFTY IT	-9.6%	-9.5%	-30.6%	-29.5%	-37.6%	-32.5%
NIFTY INFRA	0.4%	9.7%	-2.3%	22.5%	-2.8%	-0.2%
NIFTY MEDIA	5.0%	17.2%	2.3%	6.6%	-31.2%	-15.7%
NIFTY METAL	-6.9%	12.4%	12.1%	52.3%	25.4%	31.3%
NIFTY PHARMA	4.0%	13.9%	11.5%	27.8%	8.9%	14.9%
NIFTY PSU BANK	4.1%	7.9%	-0.5%	50.3%	24.8%	17.9%
Nifty Private Banks	6.1%	15.7%	-2.8%	15.3%	2.5%	-1.2%
NIFTY REALTY	6.0%	27.4%	-5.5%	4.0%	-26.7%	-15.9%
NIFTY SERV SECTOR	2.8%	7.5%	-9.4%	3.7%	-9.5%	-9.6%

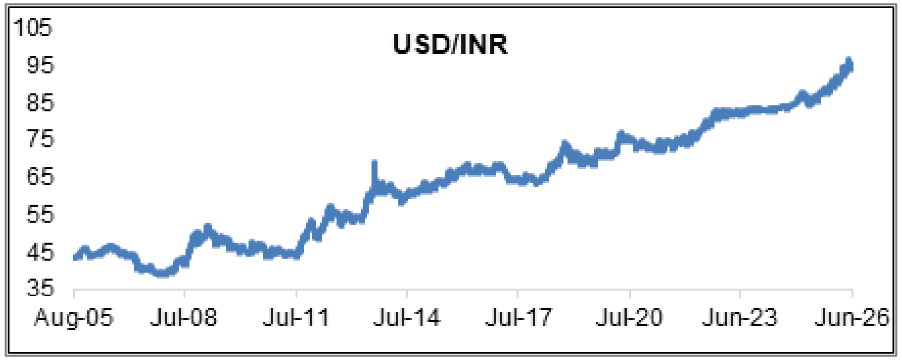
International Index						
Index Performance (%)	**1m**	**3m**	**6m**	**Since 28 Feb'25**	**Since 26 Sep'24**	**1Year**
Shanghai Comp	0.6%	5.2%	3.2%	23.3%	36.4%	18.9%
Bovespa	-1.4%	-8.6%	6.3%	39.5%	28.8%	23.4%
south africa	-4.9%	-4.4%	-5.9%	29.4%	28.3%	14.5%
Korea	0.0%	67.8%	101.1%	234.7%	217.3%	176.0%
Mexico	-1.3%	-1.2%	5.3%	30.2%	26.6%	18.9%
Indonesia	-7.9%	-19.9%	-34.7%	-10.0%	-27.1%	-18.5%
Argentina	0.8%	6.5%	4.6%	44.7%	86.1%	60.0%
Japan	5.6%	37.2%	39.2%	88.6%	80.0%	73.0%
Hongkong	-9.1%	-7.7%	-10.7%	-0.3%	14.8%	-4.9%
Philipines	4.7%	1.5%	-0.3%	0.7%	-19.1%	-5.1%
Taiwan	3.1%	45.4%	59.3%	100.1%	101.8%	107.3%
Singapore	2.6%	5.8%	11.3%	32.7%	44.3%	30.4%
Thailand	1.5%	9.9%	26.3%	32.2%	9.4%	46.0%
Veitnam	-0.2%	11.1%	4.2%	42.5%	44.0%	35.2%
Dow	2.3%	12.6%	8.6%	19.1%	23.8%	18.4%
Nasdaq	-3.6%	20.4%	11.8%	37.9%	42.9%	27.6%
FTSE 100 INDEX	1.3%	3.6%	6.2%	19.7%	27.2%	20.3%
DAX INDEX	-0.7%	9.9%	1.8%	10.6%	29.6%	4.3%
CAC 40 INDEX	2.3%	7.1%	2.8%	3.2%	8.2%	9.3%
S&P 500 Index	-1.5%	14.3%	9.0%	25.4%	29.9%	20.3%

Source: Bloomberg, Axis Securities, and Performance as of 30th Jun 2026

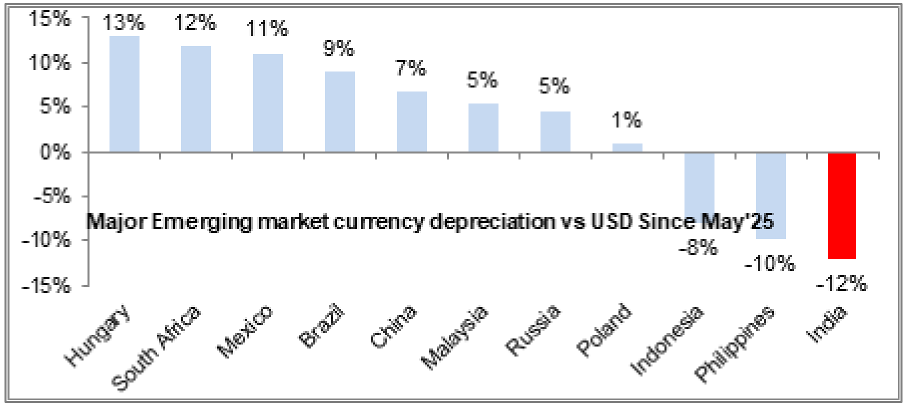
Commodity prices corrected on strengthening of USD

- **Precious Metals:** Gold prices corrected by ~11% MoM, while Silver prices corrected by more than 20% MoM sliding to 7 month low.
- **Industrial Metals:** Aluminum prices also corrected by 16%. Copper and Zinc followed, correcting by 2.6% and 1.6% in last 1M respectively**.**
- **Crude:** Brent crude stood at $73.3/bbl correcting sharply from recent high of $100 bbl and near to the levels of $71/bbl, witnessed 3 months ago. Oil prices corrected amidst US-Iran peace deal talks. Rupee continued to weaken against the dollar and was the worst performing currency. India VIX has reduced significantly from three month ago signifying less volatility.

Market Indicator	30-06-2026	1m ago	3m ago	Since 28 Feb'25	Since 26 Sep'24	1Year
Brent Crude ($/bbl)	73.3	92.1	104.0	73.2	71.6	67.6
Bond Yield (GOi 10Yr)	6.8	7.0	7.0	6.7	6.7	6.3
USD/INR	94.7	95.0	94.8	87.5	83.6	85.8
India Vix	13.6	16.2	27.9	13.9	12.0	12.8



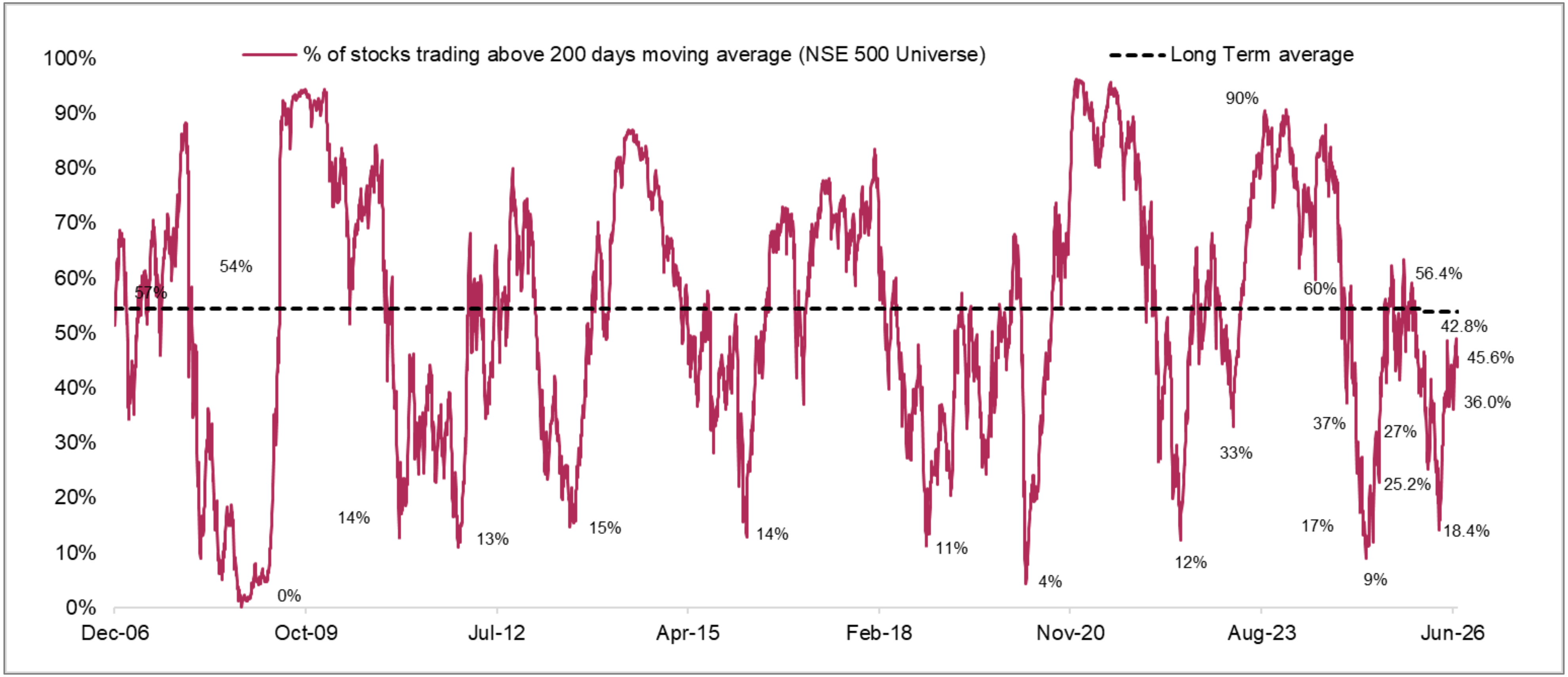
Commodity Index	1m	3m	6m	Since 28 Feb'25	Since 26 Sep'24	1Year
Gold ($/OZ)	-11.1%	-13.5%	-6.5%	41.3%	51.1%	22.3%
Steel ($/ton)	-2.0%	2.1%	11.2%	4.2%	6.5%	10.0%
Aluminium ($/ton)	-16.2%	-11.8%	6.5%	19.8%	23.5%	21.9%
Copper ($/ton)	-2.6%	8.1%	6.4%	41.9%	33.3%	31.9%
Zinc ($/ton)	-1.6%	9.6%	14.0%	26.1%	14.9%	26.3%



Source: Bloomberg, Axis Securities, Performance as of 30th Jun 2026

NSE 500 Universe (200-day Moving Average) below the Average Levels

Despite the recent correction, the market remains below the neutral zone, with only ~45.6% of NSE 500 stocks trading above their long-term averages. Near-to-medium-term market direction will largely depend on macroeconomic trends, geopolitical developments in the Middle East, and their impact on energy prices and corporate earnings. Going forward, sectoral and style rotation is expected to remain a key market theme.



Source: Bloomberg, Axis Securities

52W-High Analysis

- From the trough of 30th Mar'26 Nifty has recovered by 8%. 70 stocks (vs. 6 in Mar'26) are now trading near their 52-week highs.
- 139 (~28%) stocks are still trading below 20% of their 52-week highs (vs. 140 (~28%) in Mar'26).
- 137 (~27%) of the stocks have corrected by over 30% from their 52-week high (vs. 44% in Mar'26).
- 26 Large cap stock now at a 52 Week high (vs. 1 in Mar'26), reflecting current market recovery.
- Similarly, out of 55 PSUs, 11 stocks are near their 52-week high, post the recovery over the last 2 months (vs just 1 stock in Mar'26).
- Overall market breadth has improved since March 2026.

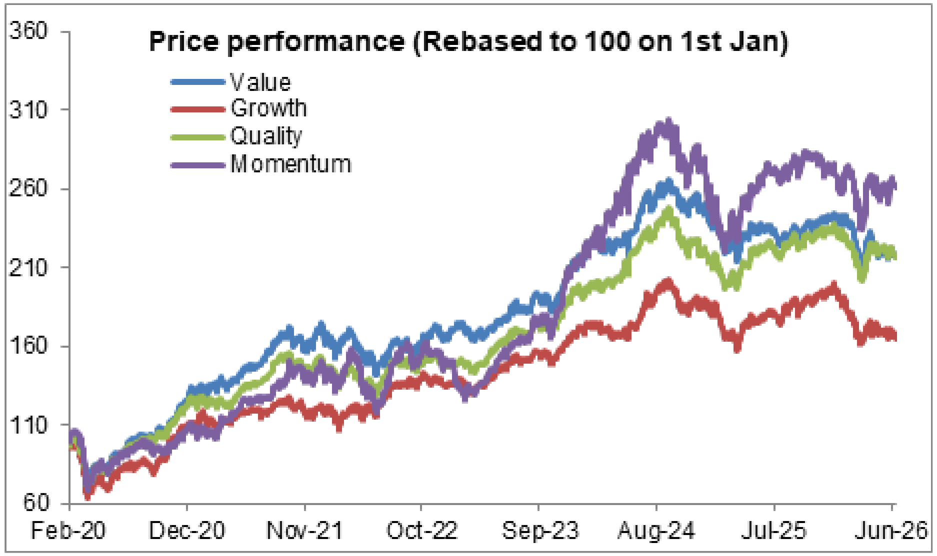
		Current level of number of stocks as compared to 52W high			
Sector	**No of Stocks**	**Near to 52W high**	**5%-20% below 52W high**	**20%-30% below 52W high**	**Below 30%**
Agri & Chem	36	7	11	10	8
Auto & Anc	42	10	14	11	7
Banks	28	8	12	6	2
Build Mate	40	3	11	11	15
Discretionary	30	4	7	5	14
Healthcare	49	24	14	4	7
Industrials	46	21	5	10	10
IT	42	1	6	5	30
Metals & min	25	6	11	6	2
NBFC	61	13	20	13	14
Oil & gas	16	1	6	7	1
Others	8	3	2	1	2
Staples	34	4	4	10	16
Tele & Media	15	3	3	5	4
Transport	10	4	3	2	1
Utilities	18	6	8	0	4
Total	**500**	**118**	**139**	**106**	**137**
Large cap	**100**	**26**	**37**	**17**	**15**
Mid cap	**150**	**34**	**47**	**34**	**24**
Small cap	**250**	**58**	**53**	**55**	**98**
PSUs	**55**	**11**	**19**	**16**	**8**

Source: Bloomberg, Axis Securities

Style Indicators

Quality was the Best-Performing Theme in last One Year

- Both quality and growth fared better than value and momentum in 2025. Quality has outperformed all other style indicators in last 1 year followed by Growth and Momentum. But in last 3m and 6m momentum had an edge on all other style, indicating gradual increase in risk appetite.
- We believe that structural growth and high-quality plays, which offer robust corporate balance sheets and long-term sustained earnings visibility, will continue to outpace the broader market irrespective of near-term volatility.

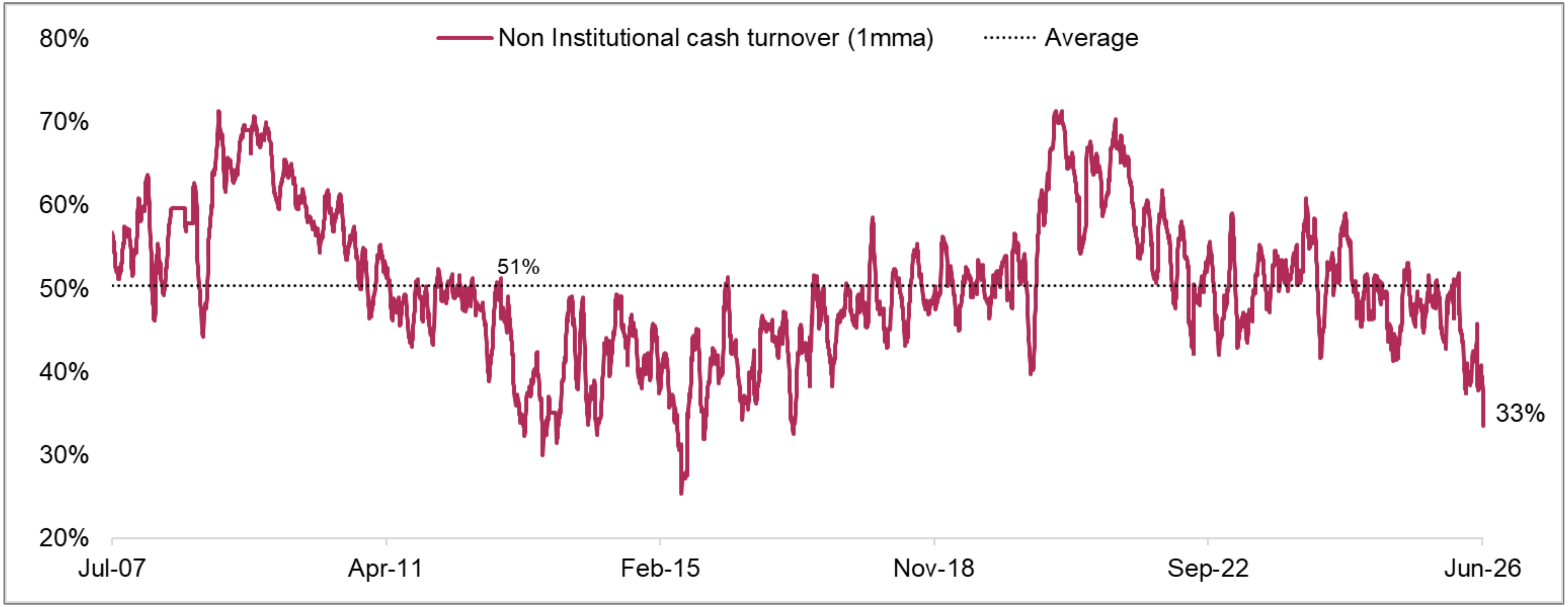


Performance (%)				
Perf	**Value**	**Growth**	**Quality**	**Momentum**
2022	**-0.9%**	**12.4%**	**-0.9%**	**7.1%**
2023	**27.8%**	**24.8%**	**32.0%**	**39.0%**
2024	**15.6%**	**9.8%**	**11.3%**	**30.0%**
2025	**-1.2%**	**5.4%**	**7.3%**	**-0.7%**
1m	**-1.0%**	**-1.6%**	**-2.4%**	**0.5%**
3m	**2.3%**	**1.5%**	**7.5%**	**11.2%**
6m	**-10.2%**	**-15.0%**	**-7.0%**	**-3.1%**
1YR	**-8.5%**	**-8.4%**	**-3.6%**	**-5.4%**
2YR	**-9.1%**	**-4.8%**	**-1.9%**	**-4.6%**

Source: Bloomberg, Axis Securities, Performance as of 30th Jun 2026

Non-institutional Turnover Remains below Average Levels

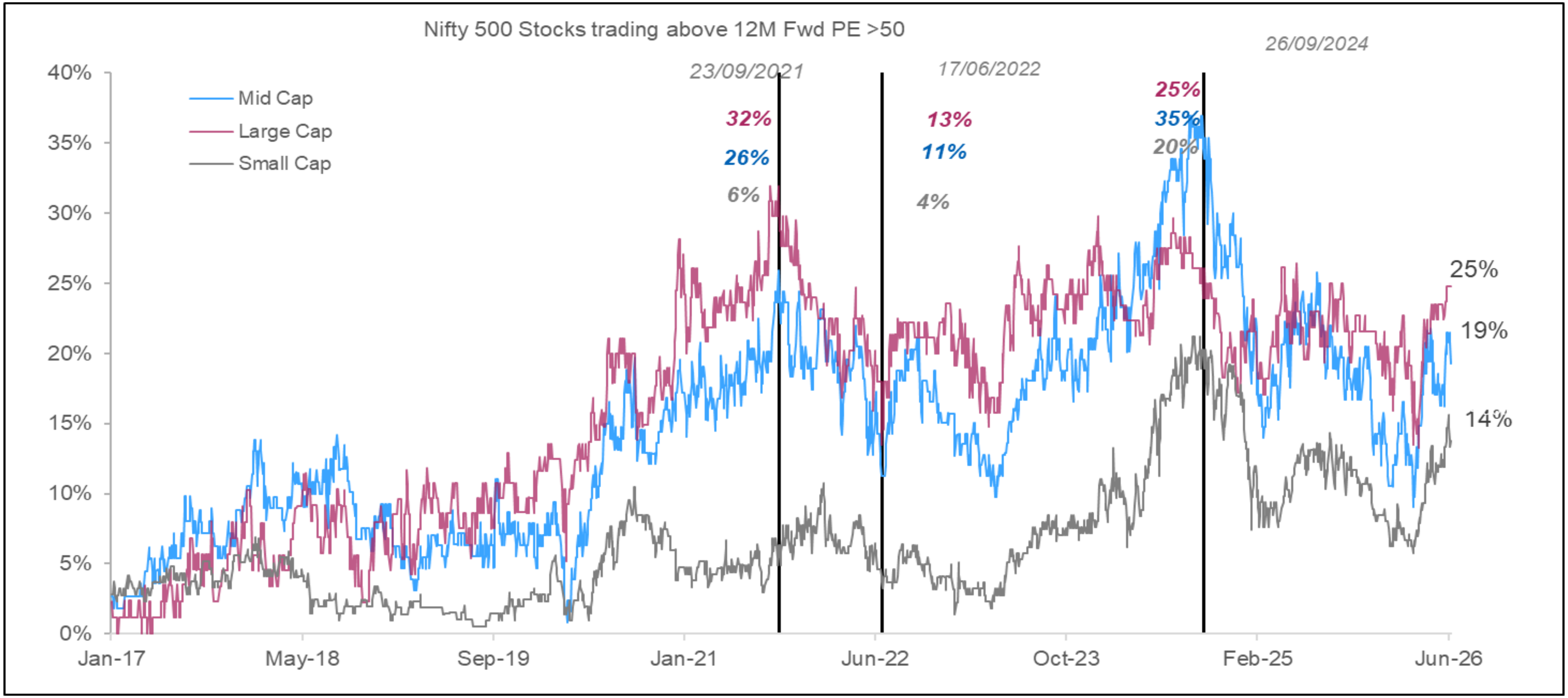
- Non-institutional (Retail) cash turnover is currently sitting at 33%, which is below its long-term average of 51%. The turnover saw a noticeable dip over the last three months, bottoming out recently as retail investors paused during a period of lower-than-expected returns in the broader market and heightened global volatility.
- Retail investor participation will be key monitorable and is expected to improve in the coming months, given that equity is the only asset class that has given a positive return on the longer time frame and outperformed other asset classes.



Source: Bloomberg, Axis Securities

Number of NSE 500 stocks trading above 12M Fwd PE > 50

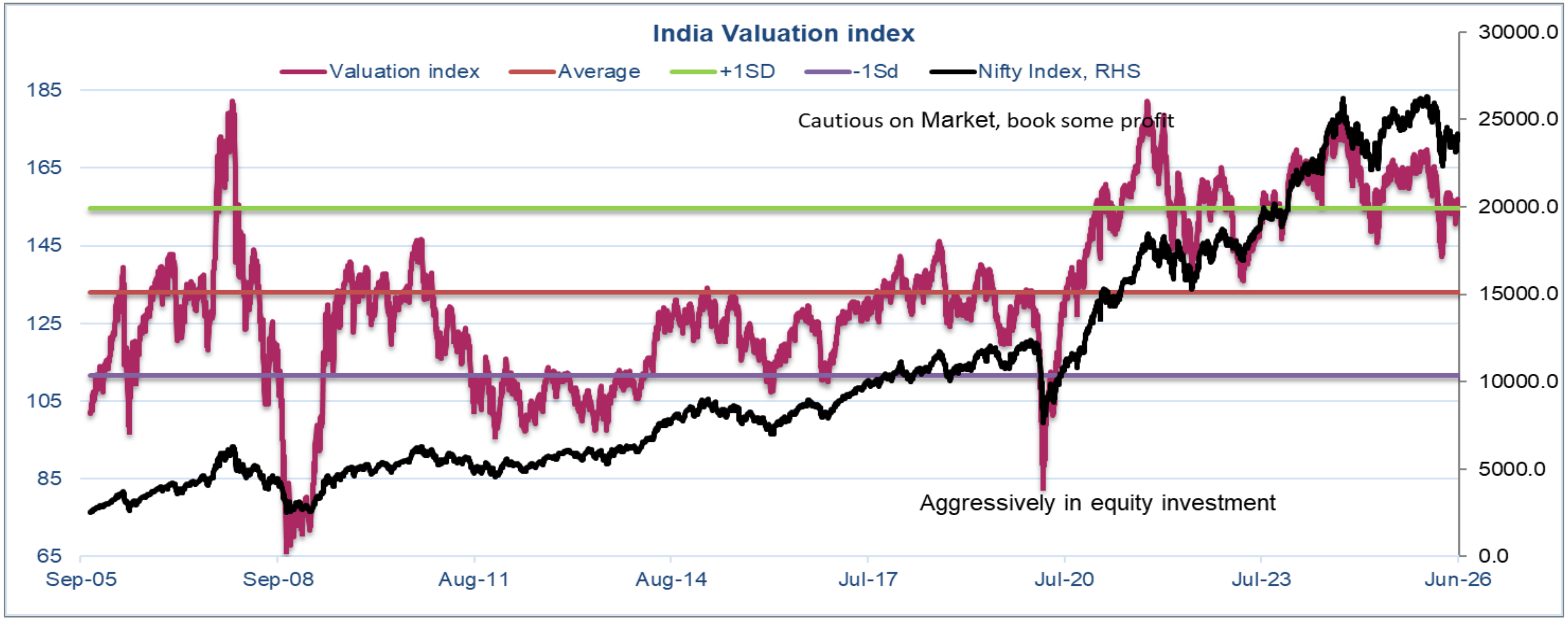
PE compression was observed across the board during the previous FII selling phase between 09/2021 and 06/2022, when total FII outflows exceeded $34.5 Bn. 12MF P/E of stocks is currently still lower than the Sep'24 levels.



Source: Refinitiv, Axis Securities

India Valuation Index: Rebounded over last 1 month

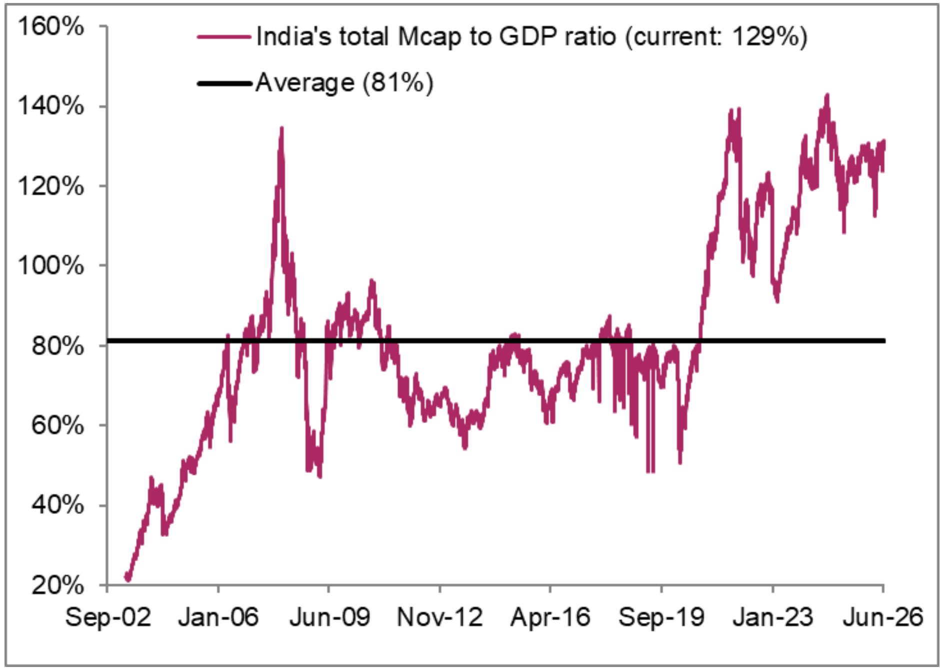
- Market valuation index is currently trading just near the +1stdev line, following a rebound over the last month. Current valuations have rebounded from the trough of late Mar'26 but scope for further re-rating will depend on earnings growth, de-escalation of tension between US and Iran, crude price trazactory and currency stability. Stock selection and tactical sector rotation will be key to achieving outperformance.
- The calculation of the India Valuation Index is based on four fundamental market parameters (12m fwd PE, 12m fwd PB, Bond Equity Earnings Yield Ratio, and MCAP to GDP Ratio).

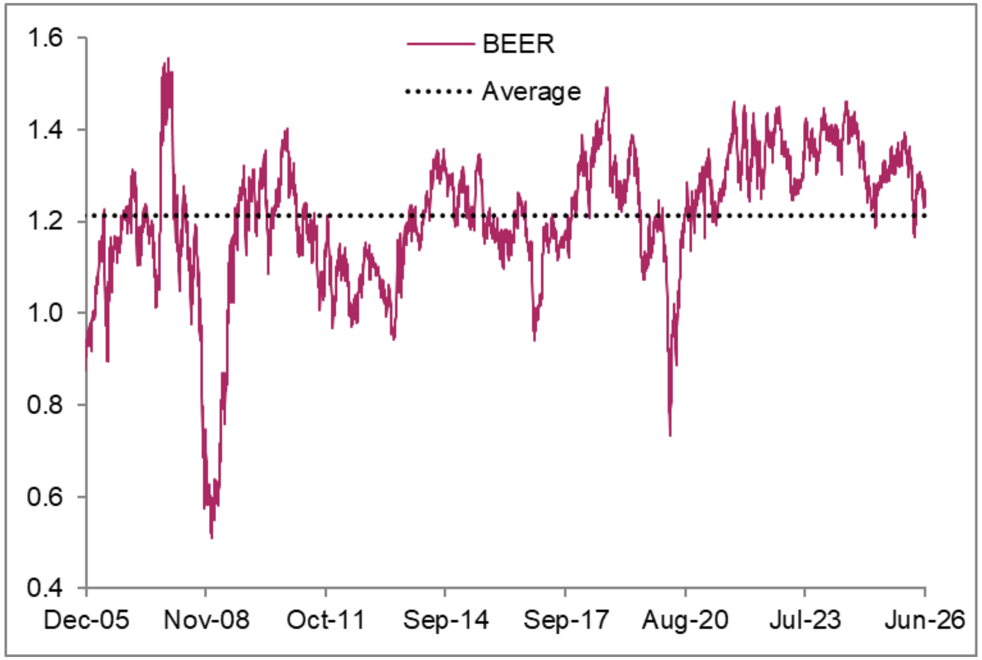


Source: Bloomberg, Axis Securities

In terms of Mcap to GDP, India Stands Less Expensive than the US Market

- **BEER:** Indian bond yields have increased by 24 bps since 18th Sep'24 (the start of the US Fed's Rate cut cycle) due to recent geopolitical tensions. This is despite the consumption boost, fiscal consolidation in the Union Budget, and rate cuts by the RBI. The Bond to Equity Earnings Yields ratio is now trading slightly above the long-term average. However Bond yield witnessed correction following RBI recent announcement on NRE and FCNR Bond deposit.
- **India's Total Market Cap to GDP has rebounded to 129**% from the recent trough of 112% in Mar'26 (still below 143% in Sep'24), though above its long-term average (rebased after the FY26 GDP estimate of Rs 345.47 Tn released by the government on 27th Feb'26). This indicates that the market has now retraced from overvaluation towards fair valuation.
- **Historical Perspective**: Historically, similar upward earnings momentum was witnessed in FY10 earnings immediately after the GFC crisis, leading to the Market Cap to GDP ratio



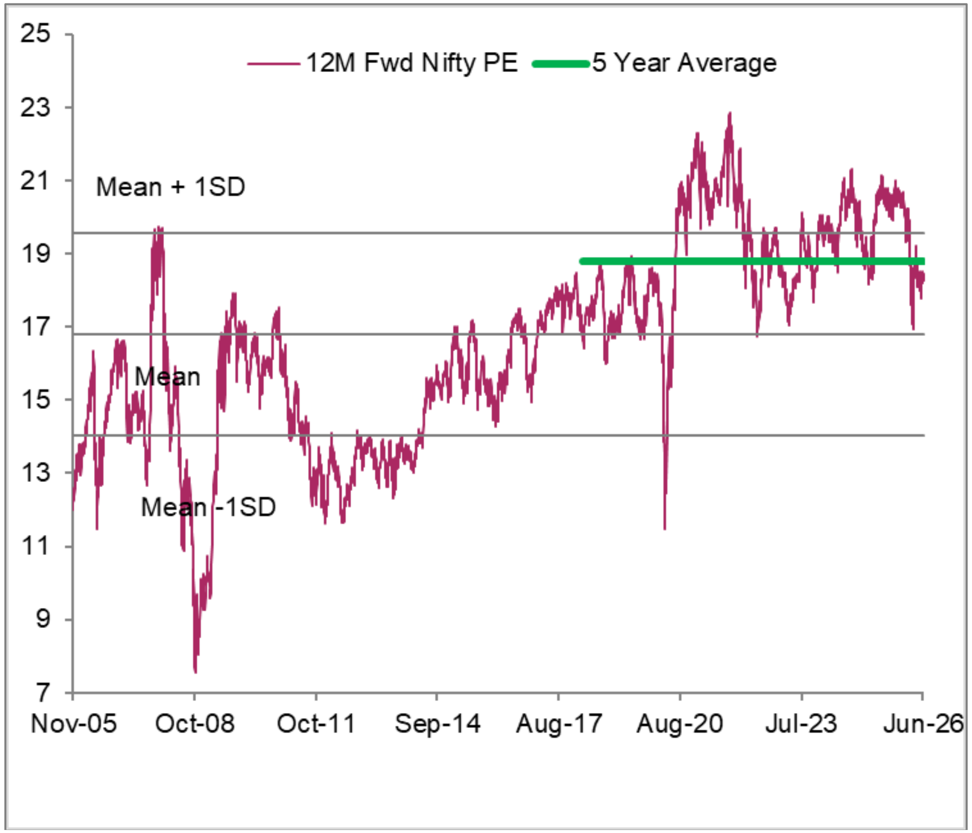


Source: Bloomberg, Axis Securities

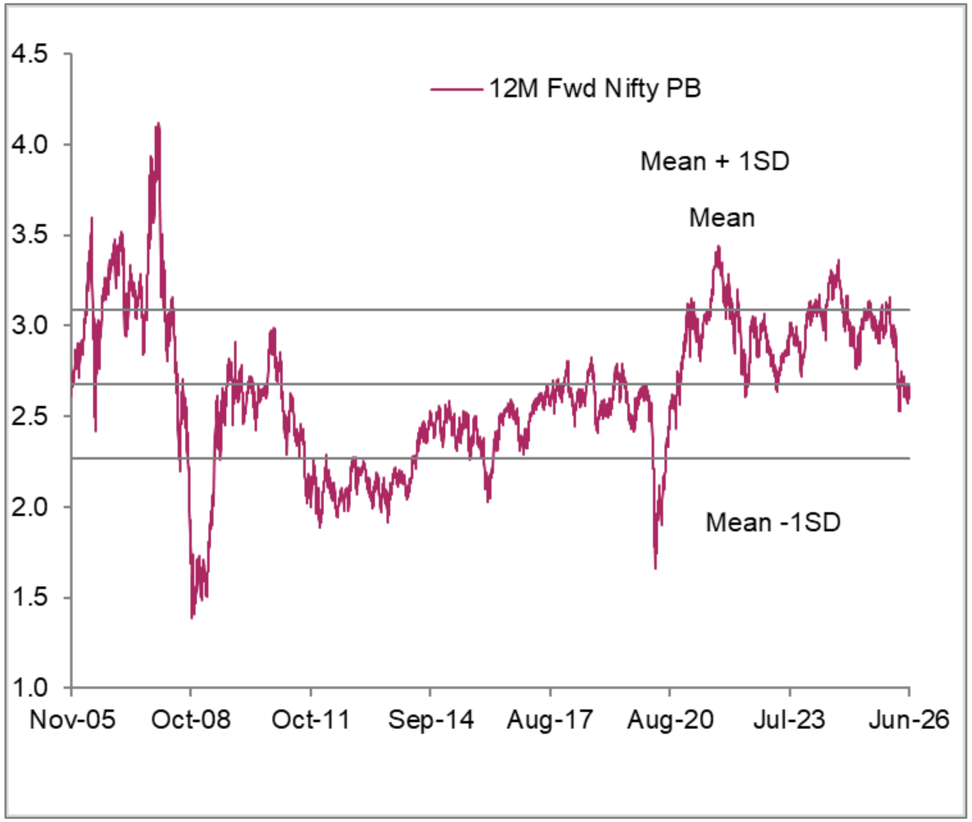
Market Valuation: 12M Fwd PE Now Trading at 18.4x (recovered from 17.3x in Mar'26); still below recent high of 21x

- NIFTY is currently trading at 18.4x on a 12M Fwd PE, which stands near to its long-term average of 18.2x. It also trades below the long-term average of a 12M Fwd PB.
- Current valuations though lower than recent high of 21x, rerating will be dependent on complete resolution of Iran War and earnings outlook. Style rotation and sector selection are keys to generating alpha.

Nifty 12M Fwd PE



Nifty 12M Fwd PB



Source: Bloomberg, Axis Securities

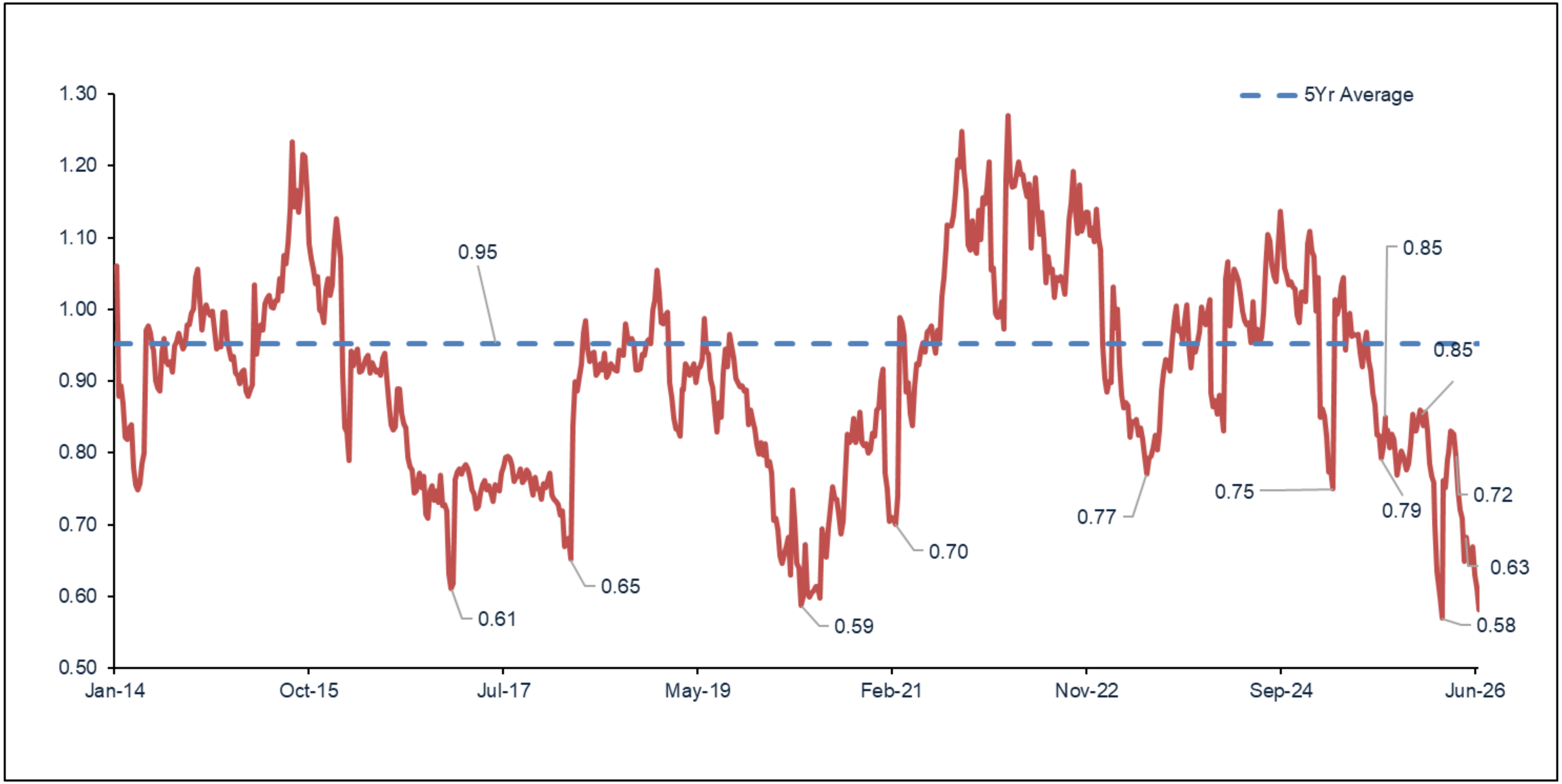
Valuation Correction in The Broader Index

- Many sectors are still in the Oversold zone as compared to the Sep’24 levels except PSU banks and Pharma

	12m fwd PE	Long term Avg	Valuation as on Sep'24	% down from Sep'24
PSU Banks	8.2	9.9	7.6	9.0%
Pharma	31.5	24.2	30.8	2.3%
Infra	21.6	18.9	22.6	-4.4%
Auto	23.6	19.5	24.8	-4.8%
Energy	14.4	11.8	15.3	-5.6%
Banks	13.2	15.6	14.2	-7.0%
Nifty	18.3	**18.3**	**21.3**	**-14.0%**
Service sec	17.1	18.3	20.6	-17.4%
Media	20.3	22.4	25.3	-19.9%
Metal	11.6	11.3	16.2	-28.3%
FMCG	28.5	33.2	42.8	-33.4%
Realty	26.2	27.0	44.8	-41.5%
IT	14.9	20.7	29.2	-49.1%

Source: Bloomberg, Axis Securities

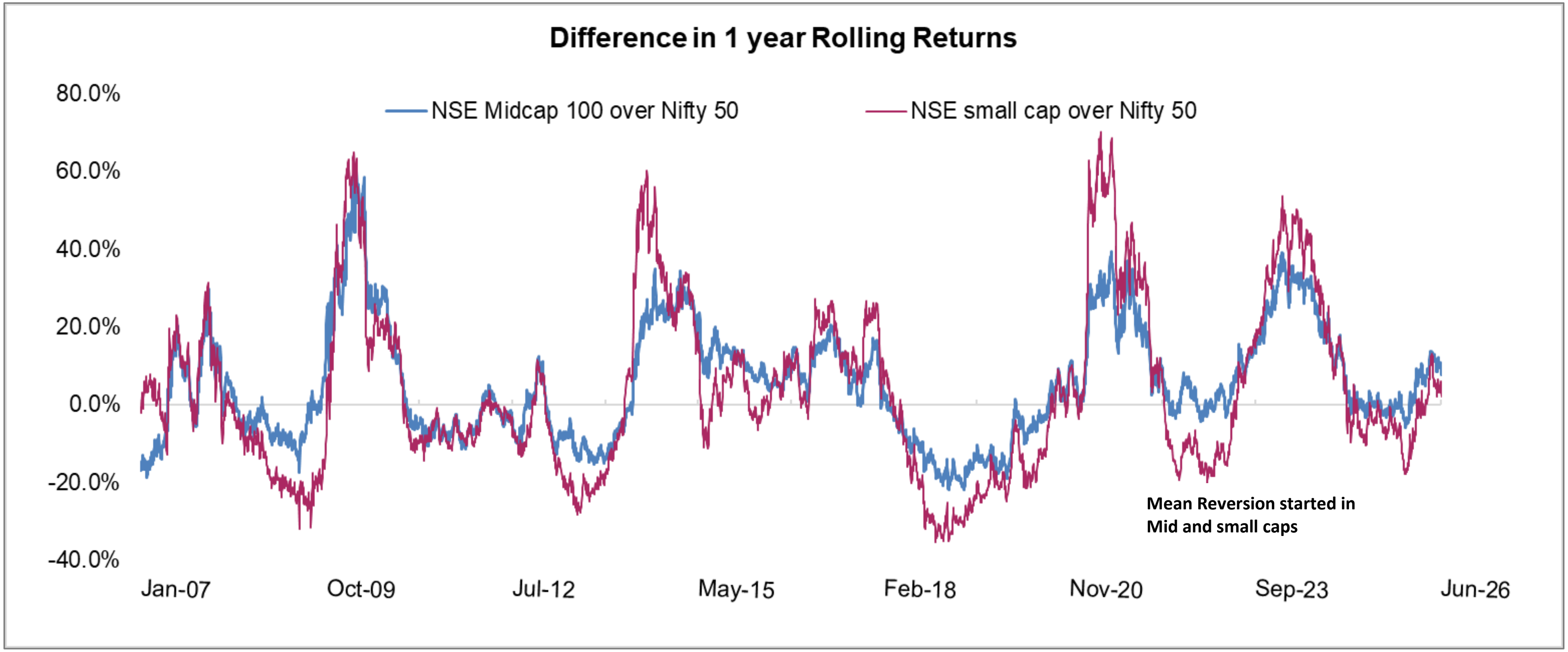
Nifty IT vs NASDAQ 100 - Relative 12M Fwd PE



Source: Bloomberg, Axis Securities

Market is on the verge of Mean reversion in 1-year Rolling Returns

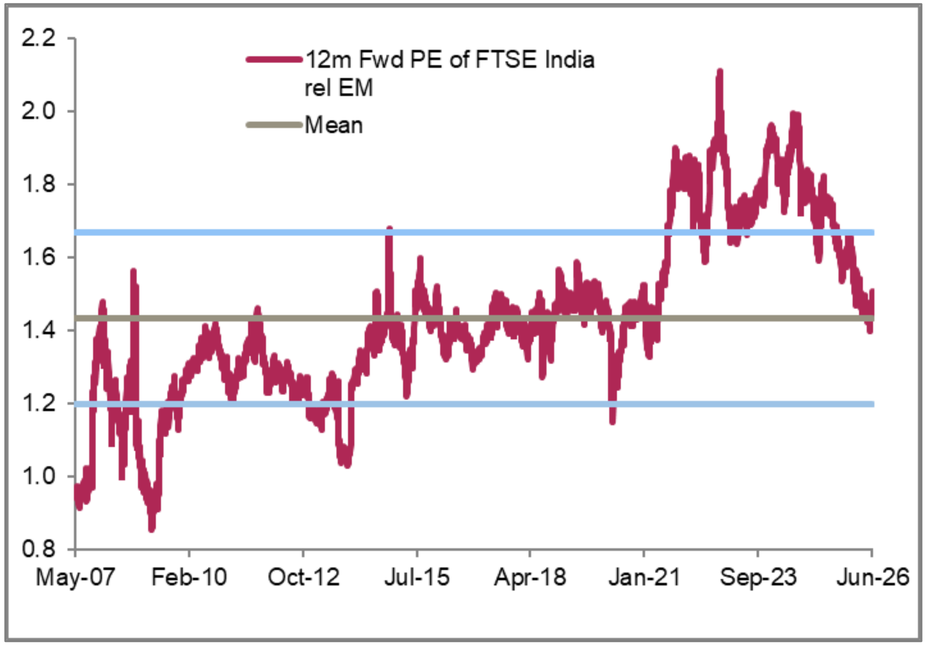
- The broader market is on the verge of mean reversion

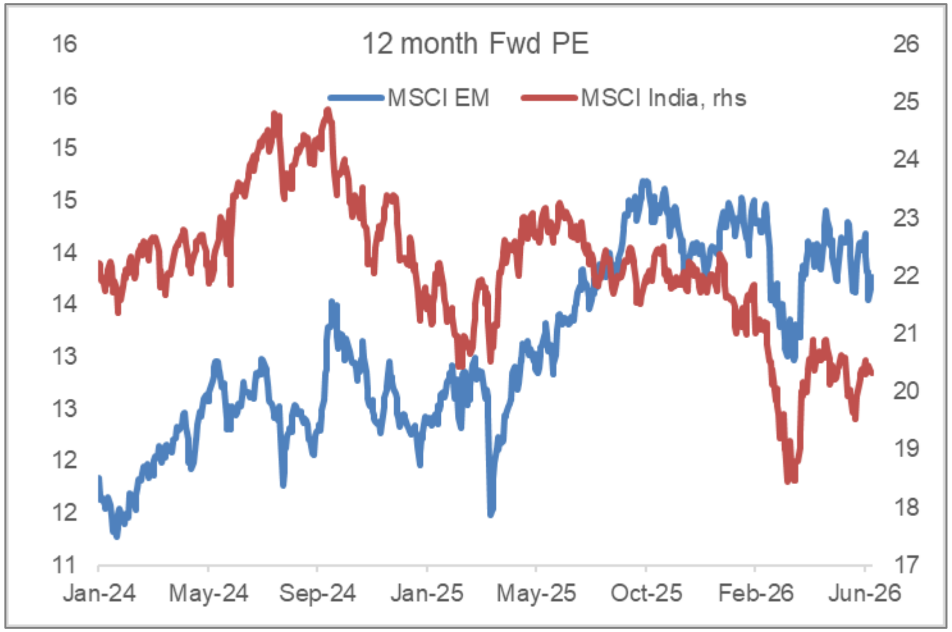


Source: Bloomberg, Axis Securities

Market Valuations - On a Relative Basis, India Looks Attractive vs the EM Index

- Benchmark indices have corrected from all-time highs, and so have the valuations. FTSE India is now trading at a PE premium of 50% (48% vs last month) to the EM index (PE) inline with LT average. During Sep'24, the Indian market traded at a 97% PE premium to EM, and now, after the correction, it is trading at a 50% premium, which looks attractive compared to the past.
- We believe the Indian equity market will continue to trade at a higher premium to EM due to a) Strong economic growth compared to other EM countries, b) A healthy earnings outlook for FY27, c) Sustained demand across sectors, d) A well-capitalized banking sector with improving fundamentals, e) Expectations of a revival in the private Capex cycle, and f) GST 2.0 reforms.

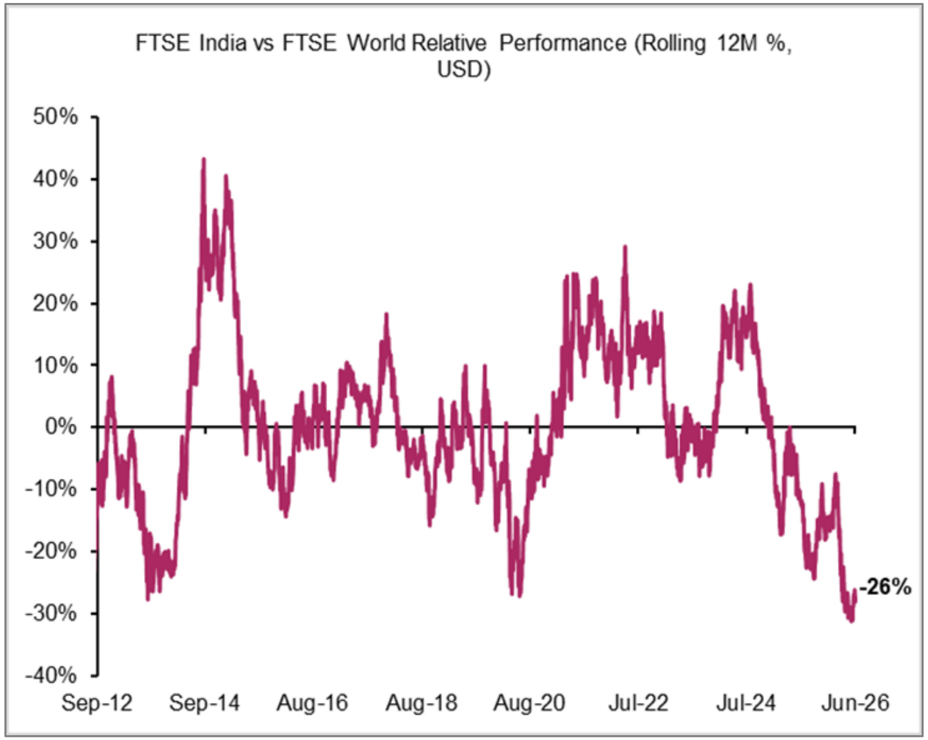


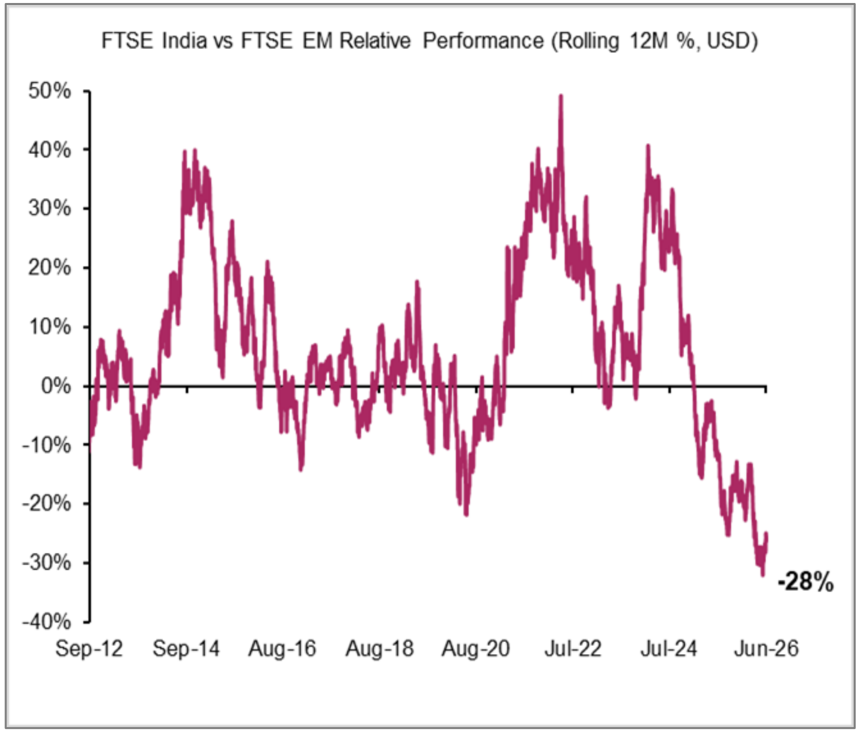


Source: Bloomberg, Axis Securities

India's Standing vs the Emerging Market and World Index

- Relative underperformance of the Indian market has led to decline in premium though recovered slightly in last one month vs the world and the emerging markets.
- Earnings recovery, and stable macro policy could lead to mean reversion going forward.

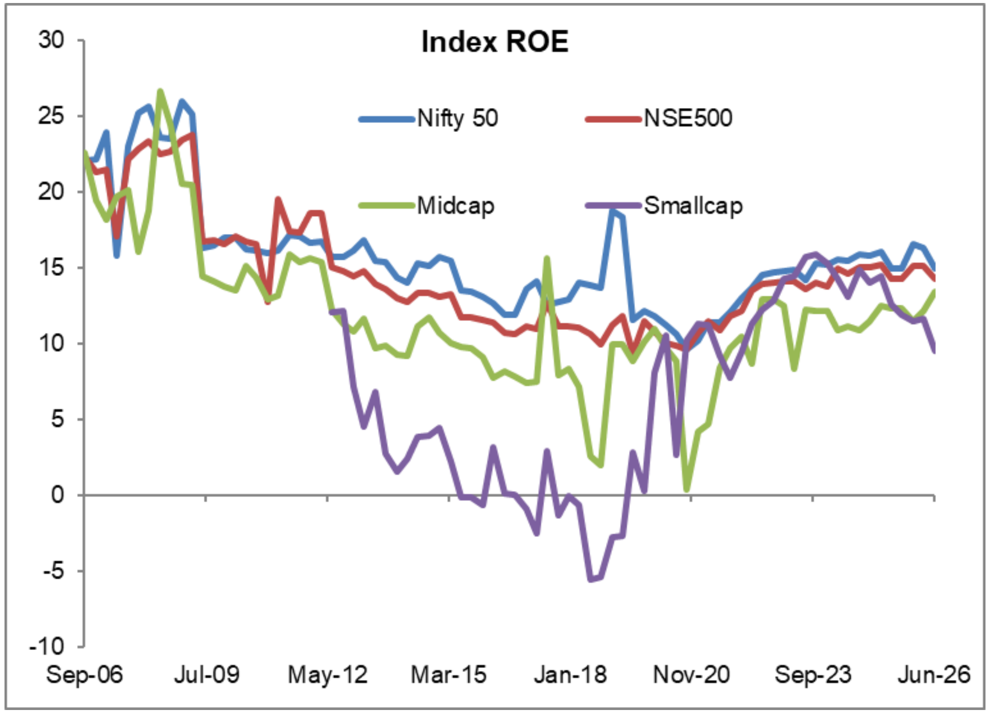


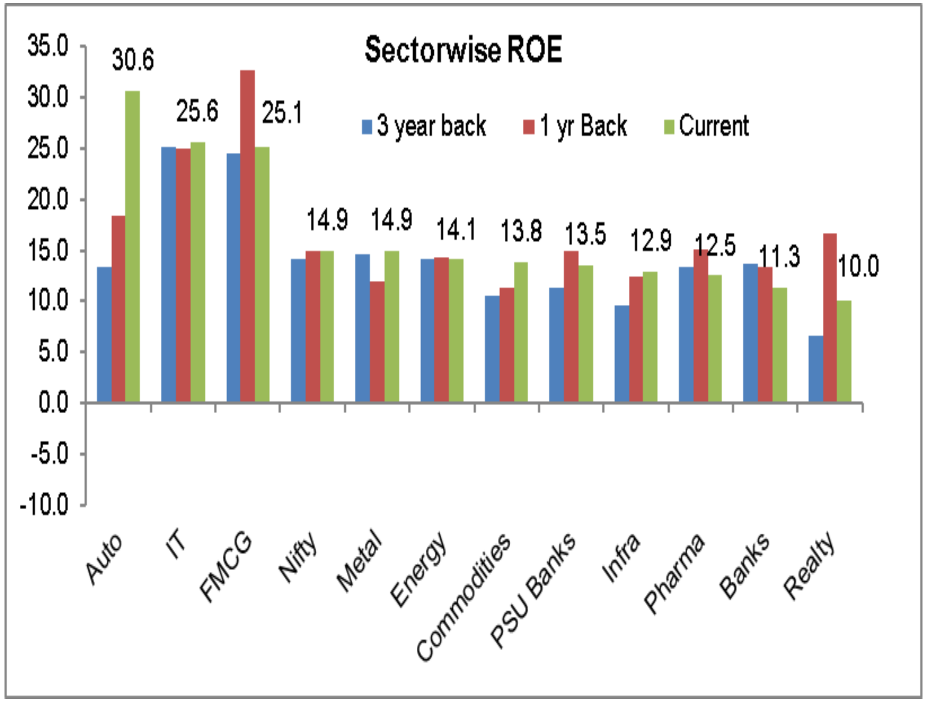


Source: Bloomberg, Axis Securities

Return Ratios Analysis

- ROE is improving with MIDCAP outperforming other indices while Small cap ROE languishing.
- Some moderation seen in the ROE of the cyclical sector in last one year. Energy & Pharma sector witnessed improvement in ROE in last one year.
- The Auto sectors' profitability has improved in the past one year based on the positive outlook and premiumization. Sector wise Auto, FMCG and IT ROE remains best in class in last three years.

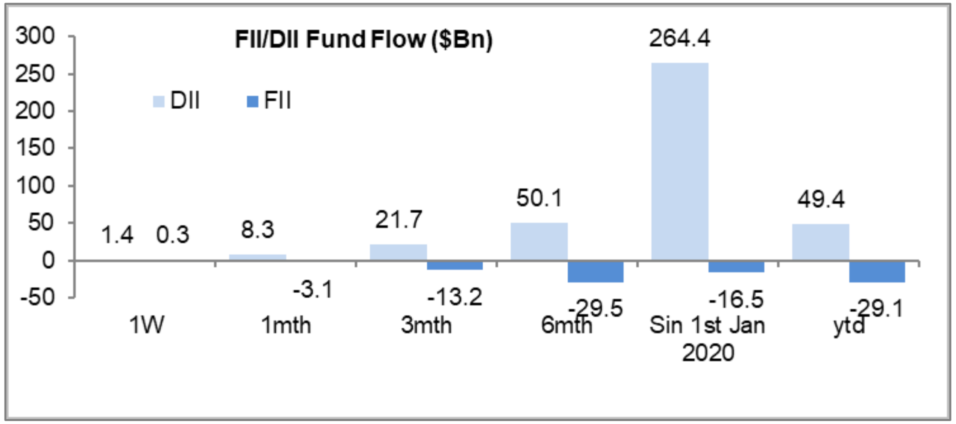


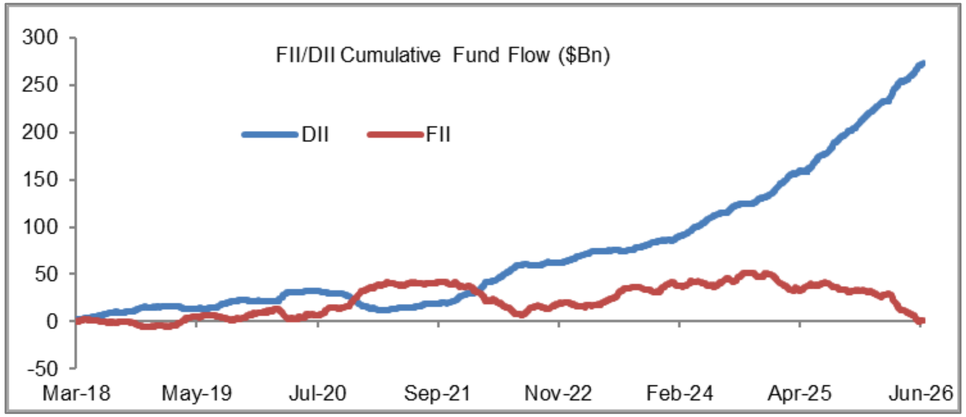


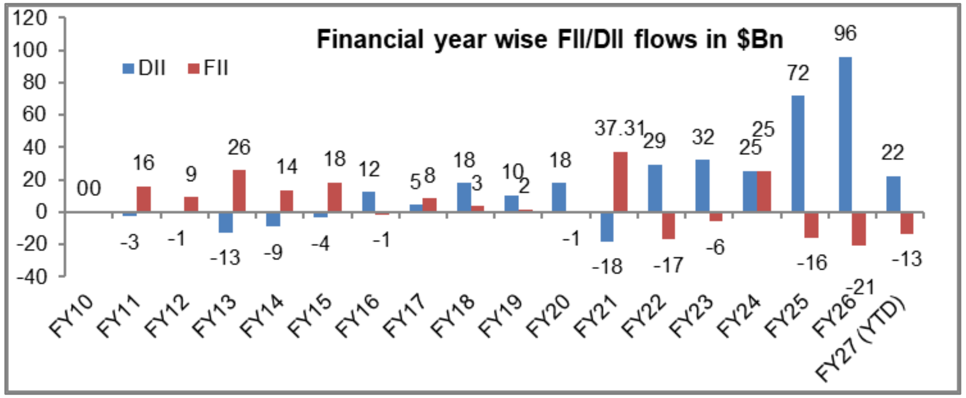
Source: Bloomberg, Axis Securities

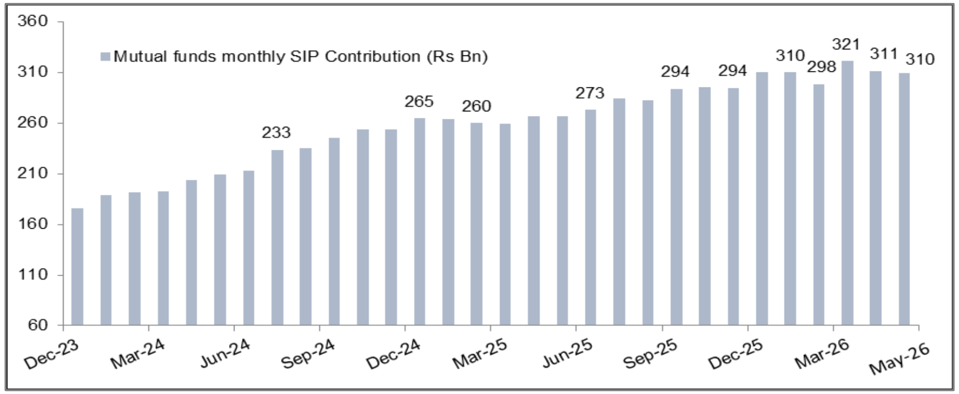
FII Selling Seen in FY25 and FY26

The Indian market has emerged from the overdependence on the FII flows since FY20. From FY20 till now, DIIs have invested $264.4 Bn while FIIs have sold $16.5 Bn in the Indian market. Even with FII selling, our market remains resilient, and buying has been seen at every level, indicating the improvement in the risk appetite of the domestic investors and confidence in the India story. Though intensity of FII selling has reduced in last two weeks.





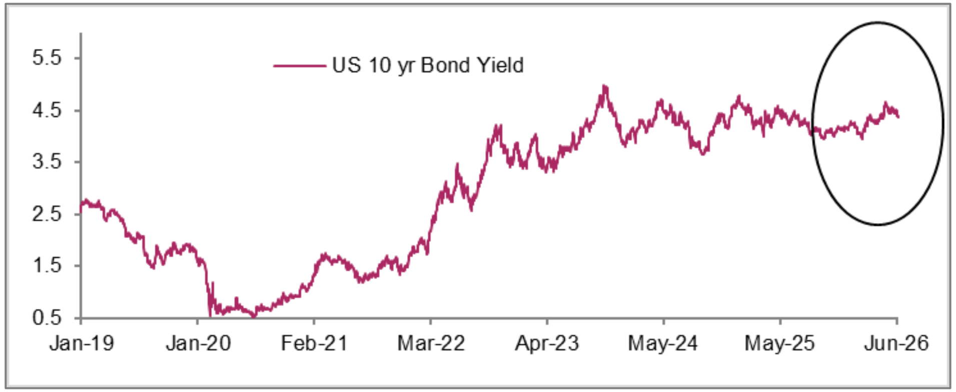


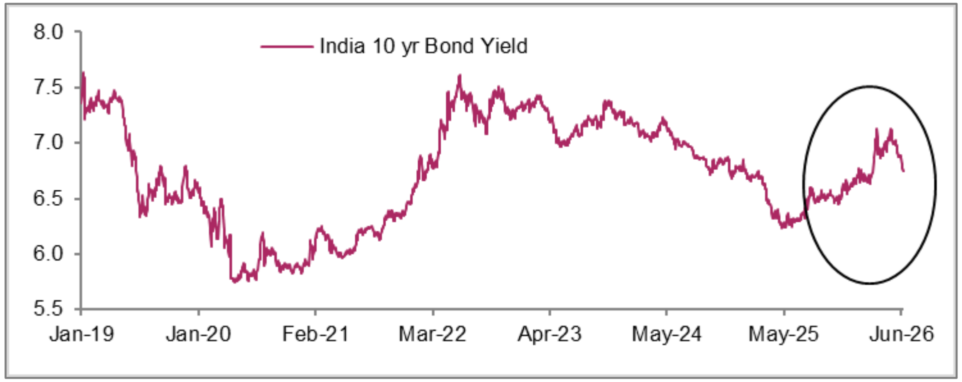


Source: Bloomberg, Axis Securities

Macro Continues to Drive Near-Term Market Fundamentals

- US bond yields have reduced to 4.39% from 4.49% towards the start of June'26. Markets now price in nearly a 50% chance of a Fed rate hike by 25bps by September 2026.
- Indian bond yields corrected from recent high of 7.10% to 6.77% led by declining in crude oil prices reduced inflation concerns and boosted by demand for government securities. The correlation between the Indian and US markets continued to be decoupled and stood at -48% levels vs. the historical pattern of 70%.

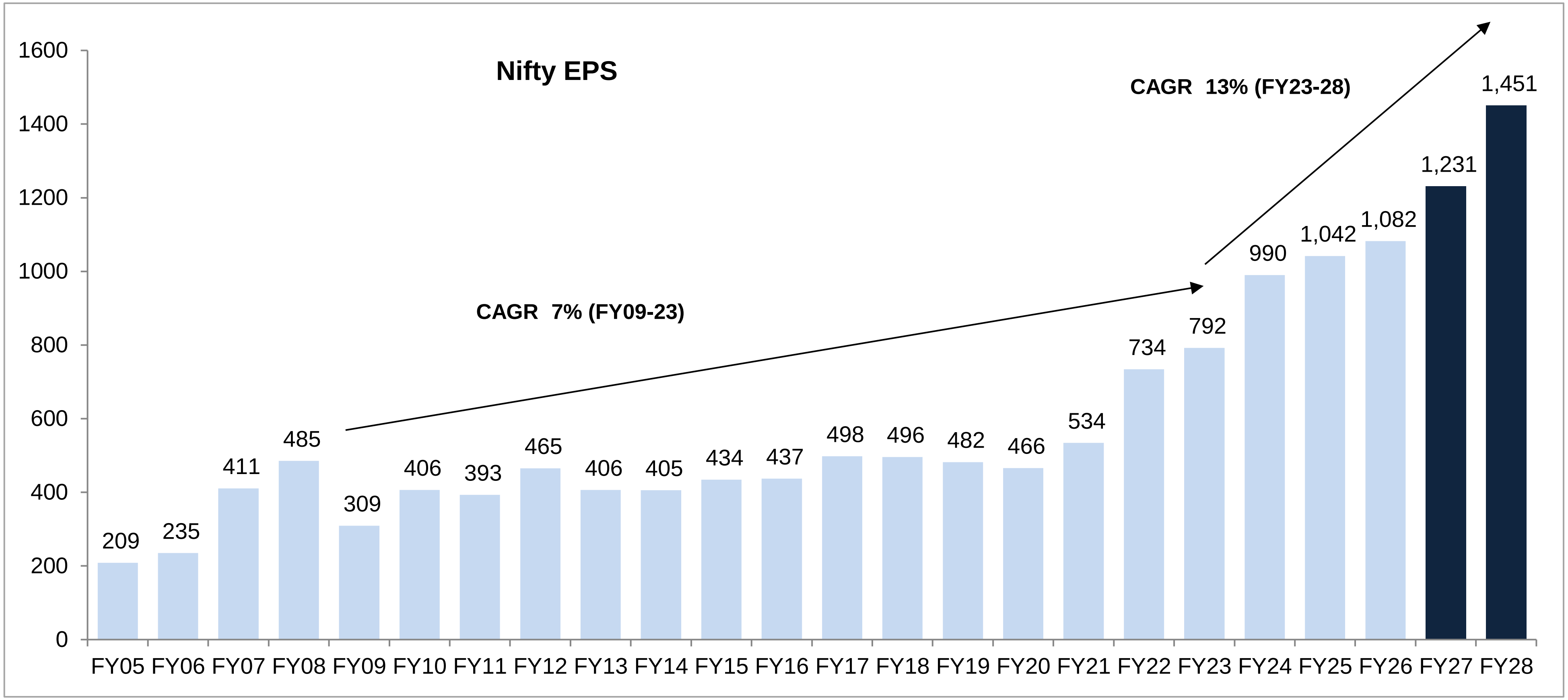




Source: Bloomberg, Axis Securities

NIFTY EPS Growth Expectation Remains Robust – De-escalation of tension between US-Iran remains positive

- Nifty EPS is expected to grow at 13% CAGR over FY23-FY28 vs. 7% CAGR over FY09-FY23.



Cut in FY27 Nifty EPS by 2.8%

- After Q4FY26, we foresee FY27/28 NIFTY Earnings at 1,231/1,451. We have downgraded our FY27 Nifty EPS expectations by -2.8% and keep FY28 expectation largely unchanged. The majority of the downgrades are related to downgrades seen in FMCG, IT, Oil & Gas, Financials & Cement sectors, while upgrades were visible in Metals (continued improvement in Profitability trends), industrials, Auto & Telecom
- Q4FY26 earnings were largely in line with expectations, reflecting improving business momentum. The near-term market outlook remains cautiously constructive despite elevated volatility. Indian equities continue to benefit from structural domestic growth drivers, strong government capex, healthy banking system balance sheets, formalization of the economy, and sustained domestic liquidity inflows. However, investors should remain mindful of rising geopolitical risks, elevated oil prices, monsoon uncertainty and currency volatility.

Nifty EPS	**Post Q3FY26**		**Post Q4FY26**		**Chg post Q4FY26**	
Sector	**FY27E**	**FY28E**	**FY27E**	**FY28E**	**FY27E**	**FY28E**
Financial	559	644	547	629	-2.0%	-4.3%
IT	129	137	122	127	-5.7%	-9.1%
Oil & Gas	126	136	125	134	-1.2%	-3.2%
FMCG/Discretionary	78	89	76	89	-2.1%	-1.1%
Power	46	48	45	48	-1.0%	-2.2%
Industrial	73	85	81	96	11.5%	10.8%
Pharma	35	40	34	41	-0.8%	-0.2%
Metals	91	98	112	119	23.0%	18.6%
Automobile	80	96	86	101	7.9%	3.0%
Cement	10	12	9	11	-6.2%	-3.1%
Telecom	41	51	42	54	3.2%	4.2%
Total	**1,267**	**1,447**	**1,231**	**1,451**	**-2.8%**	**0%**

Source: Bloomberg, Axis Securities

The Last 4 Quarters' Rolling Profits for NSE 500 (Sum of the Earnings of the Last 4 Quarters)

A few interesting findings from our study: Sector-wise:

- The last 4 quarters' cumulative net profit reached an all-time high in Q4FY26, crossing the mark of 17.02 Lc Cr.
- NSE 500 earnings grew by 12% YoY, indicating a broad-based recovery in earnings during the quarter. Auto, Metals, Financials, Oil & Gas, and industrials witnessed notable YoY growth, while Staples, Discretionary and Transport witnessed decline.

	Sector-wise Net profit for NSE 500 – Trailing 4 Quarters (In Cr)											QoQ	YoY
	Q2FY20	Q4FY23	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Growth %	Growth %
Auto & Anc	36,212	43,028	68,426	70,977	72,945	73,813	75,509	77,647	84,321	88,623	92,401	4.3%	22.4%
Staples	34,044	49,516	48,309	50,298	49,873	50,775	69,875	70,478	70,070	74,705	61,089	-18.2%	-12.6%
Discretionary	18,283	30,085	30,085	33,752	35,517	37,134	38,828	36,400	29,207	30,731	32,351	5.3%	-16.7%
Financials	85,507	3,87,050	4,91,062	5,12,352	5,32,335	5,55,935	5,67,553	5,79,079	5,97,883	6,16,356	6,32,634	2.6%	11.5%
IT	81,462	1,14,293	1,22,274	1,24,997	1,29,644	1,33,100	1,32,401	1,35,566	1,43,461	1,39,716	1,45,314	4.0%	9.8%
Oil & gas	1,00,204	1,28,660	2,29,182	1,99,877	1,73,186	1,69,965	1,67,660	1,87,145	2,05,215	2,21,240	2,27,699	2.9%	35.8%
Metals & min	58,266	88,438	87,823	91,399	1,01,569	1,00,859	1,11,935	1,16,729	1,19,285	1,23,257	1,47,509	19.7%	31.8%
Industrials	31,188	37,174	48,191	50,923	59,526	60,645	70,638	72,172	82,227	84,937	87,827	3.4%	24.3%
Build Mate	22,387	23,965	36,531	37,477	37,743	45,690	37,098	38,758	46,008	46,897	46,954	0.1%	26.6%
Healthcare	28,133	39,045	50,109	59,490	62,670	64,931	69,323	64,035	67,356	67,755	67,994	0.4%	-1.9%
Utilities	27,165	59,631	74,954	71,391	67,802	68,312	72,397	74,382	76,201	76,250	81,061	6.3%	12.0%
Transport	2,462	4,152	13,326	13,307	12,377	11,988	13,445	12,705	11,014	9,704	4,919	-49.3%	-63.4%
Agri & Chem	12,424	31,842	17,428	16,874	17,128	19,783	23,502	24,661	24,003	23,692	22,240	-6.1%	-5.4%
Tele & Media	-19,015	12,474	15,212	18,160	22,784	38,279	50,953	52,344	52,597	41,866	38,724	-7.5%	-24.0%
Others	12,486	16,661	16,277	23,158	29,535	26,194	13,991	12,780	12,984	17,884	14,150	-20.9%	1.1%
Total	**5,31,208**	**10,66,015**	**13,52,675**	**13,74,433**	**14,04,634**	**14,57,405**	**15,15,109**	**15,54,882**	**16,21,832**	**16,63,611**	**17,02,866**	2.4%	12.4%
Ex Oil and Gas	**4,31,004**	**9,37,354**	**11,23,493**	**11,74,556**	**12,31,448**	**12,87,440**	**13,47,448**	**13,67,737**	**14,16,617**	**14,42,371**	**14,75,167**		
Total Growth		**2%**	**3%**	**2%**	**2%**	**4%**	**4%**	**3%**	**4%**	**3%**	**2%**		
Growth ex Oil and Gas		**8%**	**4%**	**5%**	**5%**	**5%**	**5%**	**2%**	**4%**	**2%**	**2%**		

Source: Bloomberg, Axis Securities, Note: Tata Motors, IRB and Vodafone are not included in the study.

BAJAJ FINANCE – PRIORITISING ASSET QUALITY OVER GROWTH

Bajaj Finance (BAF) is one of India's largest NBFCs for consumer finance, with a wide product portfolio comprising loans for two-wheelers, consumer durables, housing, and small businesses, among others. The company operates its business through 1,550+ urban and 2,600+ rural lending branches, with over 2.3+ Lc distribution points and caters to a customer base of 100+ Mn.

Industry view

Over Weight

CMP
1,005

Target Price
1,160

Upside
15%

Key Rationale

- **Asset Quality Entering a Favourable Phase:** In Q4, BAF witnessed a sequential improvement in asset quality. Vintage credit performance across 3MOB, 6MOB and 9MOB continues to reflect significant improvement, indicating improved underwriting outcomes. Asset quality improvement would be supported by the winding down of the captive finance book and normalisation in the MSME segment. Resultantly, **credit costs are expected to trend downwards and range between 1.45-1.6% in FY26 and are contingent on the gradual easing of geopolitical uncertainties.** However, the management indicated that FY27 credit cost guidance includes a certain level of conservatism, considering the macro uncertainty. The management highlighted that **ECL provisioning is driven by a bottom-up, product-level assessment done on a quarterly basis, ensuring closer alignment with evolving portfolio risks**. BAF has continued to strengthen its PCR across Stage 1/Stage2 reflecting a consciously conservative stance.
- **Broad-Based Growth Momentum with Emerging Segment Driving Growth**: In Q4, BAF's AUM growth was broad-based, albeit temporarily moderated by conscious portfolio recalibration in captive 2-Wheeler financing (expected to be wound down to Rs 1,500 Cr by FY27) and MSME (growth slowed to 6% vs historical range of 20-25%). However, **the worst for the MSME portfolio is largely behind, and the management remains confident of resuming double-digit growth in this segment from Q2/Q3FY27 onwards**. Incrementally, AUM growth will be driven by newer segments – CV, Tractors and Gold. The newer segment contributed to ~3.5% of AUM growth in FY26 and is expected to scale further on a favourable base. The Gold portfolio is expected to continue its strong growth momentum, supported by doubling the distribution network for gold loans, and is expected to contribute ~5% of the portfolio mix vs ~3.5% presently.

The **management has guided to add 15-17 Mn customers during FY27 and expects AUM growth to remain healthy at 22-24% in FY27**, **mainly aided by new businesses launched in the last few years**.

- **RoA Improvement Underway**: BAF has guided for **RoA to range between 4.4-4.6% in FY27, supported by improving operating leverage and lower credit costs**. The management is confident of delivering RoA in the guided range even in the absence of NIM improvement opportunities. The management has guided Opex-to-NTI to improve by 25-40bps going into FY27, led by scale benefits and AI-led efficiency. The management highlighted that AI-led call entre agent costs ~1/3rd of human call centre agents and will remain a key cost ratio improvement driver. BAF remains confident of earnings growth outpacing balance sheet growth in FY27.
- **Outlook & Valuation:** BAF is entering a phase of improved growth and earnings, with AUM growth seen at 22-24%, underpinned by normalisation in MSME, winding-down of the captive book, continued market share gains (~2x system growth), and strong momentum in emerging segments such as Gold, CV, 2-wheelers and tractors. Asset quality tailwinds, led by captive run-down and calibrated underwriting, are expected to drive credit costs lower. Importantly, the ongoing FINAI transformation creates a multi-year runway for productivity gains and scalability. Profitability is poised to sustain, with operating leverage and AI-led efficiencies driving cost ratios lower. We expect BAF to register a strong AUM/NII/Earnings growth of 24/22/27% CAGR over FY26-28E while delivering an RoA of 4.4-4.5% over FY27-28E. **BAF continues to reinforce its positioning as a high-quality compounding franchise, underpinned by strong execution, healthy, sustained growth delivery drivers, and a strong return ratio profile**.
- **Key Risks:** a) Slowdown in credit growth momentum, b) Asset Quality challenges in newer segments

Key Financials (Consolidated)

Y/E Mar (Rs Bn)	NII (Rs Bn)	PPOP (Rs Bn)	PAT (Rs Bn)	EPS (Rs)	ABV (Rs)	P/ABV (x)	ROAA (%)	NNPA (%)
FY25	364	292	168	27.0	156.6	6.4	4.5	0.4
FY26	441	355	193	31.1	184.8	5.4	4.2	0.4
FY27E	534	430	253	40.7	217.2	4.6	4.5	0.4
FY28E	656	532	313	50.3	257.2	3.9	4.5	0.4

Source: Company, Axis Securities

Income Statement (Rs Bn)

Y/E March	FY25	FY26	FY27E	FY28E
Net Interest Income	**364**	**441**	**534**	**656**
Other Income	77	92	108	127
Total Income	**441**	**533**	**642**	**784**
Total Operating Expense	149	178	212	252
PPOP	**292**	**355**	**430**	**532**
Provisions & Contingencies	71	95	92	114
PBT	**220**	**260**	**338**	**418**
Provision for Tax	53	65	85	105
PAT	**168**	**193**	**253**	**313**

Source: Company, Axis Research

Balance Sheet (Rs Bn)

Y/E March	FY25	FY26	FY27E	FY28E
SOURCES OF FUNDS				
Share capital	1	6	6	6
Reserves and Surplus	988	1164	1371	1628
Shareholders' funds	**989**	**1170**	**1377**	**1634**
Borrowings	3612	4351	5508	6861
Other Liabilities and Provisions	714	685	840	1046
Total liabilities	59	79	98	121
	4661	**5600**	**6984**	**8616**
APPLICATION OF FUNDS				
Cash & Bank Balance	135	158	197	242
Investments	344	306	374	462
Advances	4078	4989	6181	7633
Fixed Assets & Other Assets	103	147	232	279
Total assets	**4661**	**5600**	**6984**	**8616**

Source: Company, Axis Research

Valuation Ratios (%)

Y/E March	FY25	FY26	FY27E	FY28E
EPS	27.0	31.1	40.7	50.3
Earnings growth (%)	*15.6*	*15.0*	*30.9*	*23.6*
BVPS	159.4	188.1	221.5	262.8
Adj. BVPS	156.6	184.8	217.2	257.2
ROAA (%)	4.5	4.2	4.5	4.5
ROAE (%)	18.8	18.1	19.9	20.8
P/E (x)	37.2	32.3	24.7	20.0
P/ABV (x)	6.4	5.4	4.6	3.9
Dividend Yield (%)	0.4	0.6	0.8	1.0
PROFITABILITY & OPERATING EFFICIENCY				
NIM (%)	8.8	8.8	8.7	8.7
Cost/Avg. Asset Ratio (%)	3.5	3.5	3.4	3.2
Cost-Income Ratio (%)	33.9	33.3	33.0	32.1

Source: Company, Axis Research

Balance Sheet Structure Ratios (%)

Y/E March	FY25	FY26	FY27E	FY28E
Loan Growth (%)	25.9	21.6	23.9	23.5
Borrowings Growth (%)	23.1	20.4	26.6	24.6
Equity/Assets (%)	24.3	23.4	22.3	21.4
Equity/Advances (%)	21.2	20.9	19.7	19.0
Total Capital Adequacy Ratio	21.9	21.6	20.6	19.6
ASSET QUALITY				
Gross NPLs (Rs Bn)	37	51	66	85
Net NPLs (Rs Bn)	17	21	27	34
Gross NPLs (%)	0.9	1.0	1.1	1.1
Net NPLs (%)	0.4	0.4	0.4	0.4
Coverage Ratio (%)	53.7	59.7	60.0	60.0
Provision/Avg. Loans (%)	1.9	2.1	1.7	1.7
ROAA TREE				
Net Interest Income	8.6	8.6	8.5	8.4
Non-Interest Income	1.8	1.8	1.7	1.6
Operating Cost	3.5	3.5	3.4	3.2
Provisions	1.7	1.8	1.5	1.5
Tax	1.3	1.3	1.4	1.4
ROAA	3.9	3.8	4.0	4.0
Leverage (x)	4.8	4.8	4.9	5.2
ROAE	18.8	18.1	19.9	20.8

Source: Company, Axis Research

Varun Beverages – Geared for Growth

VBL is a key player in the global beverage industry and the second-largest franchisee of PepsiCo worldwide (outside the US), with operations across 10 countries under franchise rights and an additional 4 countries under distribution rights. The company contributes ~90% of PepsiCo's beverage sales volume in India, which remains its largest market, accounting for ~73% of net revenues in CY24. VBL holds franchise rights for PepsiCo products in Nepal, Sri Lanka, Morocco, Zambia, Zimbabwe, South Africa, Lesotho, Eswatini and DRC along with distribution rights in Namibia, Botswana, Mozambique, and Madagascar.

Industry view

Equal Weight

CMP
508

Target Price
630

Upside
24%

Key Rationale

- **Consistent Top/bottom Line Performance:** In Q1CY26, consolidated volumes grew 16.3% YoY to 363 Mn cases, driven by India (+14.4%) and international markets (+21.4%). Domestic demand remained strong, supported by distribution reach, execution, and capacity investments. Growth initiatives included pack upsizing, targeted price-point launches, and new products in the energy and juice segments. India's realisation per case declined by 1.5% due to these strategies, while consolidated realisation rose 1.6%, aided by better international pricing and favourable currency.
- **International Operations Continued to Scale Steadily, led by Africa, with Volumes growing 21.4% in Q1CY26,** supported by healthy growth in South Africa driven by deeper general trade expansion**.** The company also expanded its product portfolio, with the snacks business in Morocco ramping up well, while snack distribution in Zimbabwe and Zambia gained traction. Ongoing Visi-cooler additions, backward integration, and capacity enhancements strengthened supply-chain efficiency and cost competitiveness. In South Africa, the acquisition of Twizza has been fully completed, and the company has entered into an agreement to acquire Crickley Dairy via BevCo. Further, focus remains on scaling snacks and deepening presence in high-growth markets.
- **Beer Pilot Adds a New Growth Lever:** VBL entered the beer and alcoholic beverages market through a strategic exclusive distribution agreement with Carlsberg to test market and sell beer in select African subsidiaries. The low-capex, test-and-learn approach supports portfolio diversification and strengthens presence in key growth markets.
- **VBL Strengthens ties with PepsiCo till 2049:** Varun Beverages has extended its exclusive PepsiCo India bottling agreement by another 10 years till 2049.PepsiCo has also removed restrictions that earlier limited VBL to only Pepsi-related operations, giving the company greater business flexibility and long-term growth potential. VBL continues to expand aggressively across India and global markets, backed by strong demand for soft drinks and energy beverages.
- **Outlook**: VBL is poised to maintain its strong growth trajectory, driven by multiple levers: 1) Strengthening foot fold in South Africa with acquisition of Twizza and Crickley; 2) Expansion of its snacks portfolio beyond India, particularly in Zimbabwe and Zambia; 3) Continued efforts to enhance distribution reach with a focus on rural penetration; 4) Ongoing distribution expansion and adequate capacity position the company well to sustain growth; 5) Ongoing expansion of the high-margin Sting energy drink (launched Sting Classic – Gold & Black & Sting in Cans), along with a sharper focus on value-added dairy, sports drinks (Gatorade), and juice categories; and 6) Entry into alcoholic beverages. These strategic initiatives are set to support sustained revenue and margin expansion. We expect revenue/EBITDA/PAT to grow at 23%/26%/30% CAGR over CY25-28E.

Key Financials (Consolidated)

Y/E Dec (Rs Cr)	Net Sales (Rs Cr)	EBITDA (Rs Cr)	Net Profit (Rs Cr)	EPS (Rs)	PER (x)	EV/EBITDA (x)	ROE (%)	ROCE (%)
CY25	21,685	5,049	3,036	9.0	55.9	34.0	15.7	16.1
CY26E	26,215	6,421	4,056	12.0	42.3	26.3	17.8	17.9
CY27E	32,481	8,071	5,271	15.6	32.5	20.4	19.4	19.9
CY28E	40,243	10,116	6,788	20	25	16	20	21

Source: Company, Axis Securities

Profit & Loss (Rs Cr)

Y/E DEC	CY25	CY26E	CY27E	CY28E
Net sales	**21,685**	**26,215**	**32,481**	**40,243**
Growth, %	11.5	20.9	23.9	23.9
Other operating income	-	619	681	749
Total income	21,685	26,834	33,161	40,992
Raw material expenses	(9,715)	(11,950)	(14,698)	(18,079)
Employee expenses	(2,201)	(2,894)	(3,820)	(5,042)
Other Operating expenses	(4,720)	(5,569)	(6,572)	(7,755)
EBITDA (Core)	**5,049**	**6,421**	**8,071**	**10,116**
Growth, %	7.2	27.2	25.7	25.3
Margin, %	23.3	24.5	24.8	25.1
Depreciation	(1,216)	(1,160)	(1,235)	(1,310)
EBIT	**3,833**	**5,261**	**6,836**	**8,806**
Growth, %	1.8	37.2	29.9	28.8
Margin, %	17.7	20.1	21.0	21.9
Other Income	352	133	144	156
Non-recurring Items	-	-	-	-
Pre-tax profit	**4,016**	**5,309**	**6,899**	**8,885**
Tax provided	(948)	(1,253)	(1,628)	(2,097)
Net Profit	**3,068**	**4,056**	**5,271**	**6,788**
Unadj. shares (Cr)	338	338	338	338

Source: Company, Axis Research

Balance Sheet (Rs Cr)

Y/E DEC	CY25	CY26E	CY27E	CY28E
Cash & bank	1,998	5,077	8,619	13,604
Debtors	1,249	718	890	1,103
Inventory	2,952	3,568	4,421	5,478
Loans & advances	1,178	1,178	1,178	1,178
Other current assets	512	512	512	512
Total current assets	7,889	11,054	15,620	21,875
Investments	11	11	11	11
Gross fixed assets	23,768	25,268	26,768	28,268
Less: Depreciation	(6,841)	(8,001)	(9,236)	(10,546)
Add: Capital WIP	266	266	266	266
Net fixed assets	17,193	17,533	17,798	17,988
Non-current assets	302	302	302	302
Total assets	**25,559**	**29,063**	**33,894**	**40,339**
Current liabilities	4,067	4,360	4,765	5,266
Provisions	190	190	190	190
Total current liabilities	4,257	4,550	4,955	5,457
Non-current liabilities	1,560	1,560	1,560	1,560
Total liabilities	5,817	6,110	6,515	7,016
Paid-up capital	676	676	676	676
Reserves & surplus	18,902	22,114	26,540	32,483
Shareholders' equity	19,741	22,952	27,378	33,322
Total equity & liabilities	**25,559**	**29,063**	**33,894**	**40,339**

Source: Company, Axis Research

Cash Flow (Rs Cr)

Cash Flow	CY25	CY26E	CY27E	CY28E
Pre-tax profit	4,016	5,309	6,899	8,885
Depreciation	1,216	1,160	1,235	1,310
Chg in working capital	(703)	207	(620)	(768)
Total tax paid	(821)	(1,253)	(1,628)	(2,097)
Cash flow from operating activities	**3,708**	**5,423**	**5,887**	**7,331**
Capital expenditure	(3,788)	(1,500)	(1,500)	(1,500)
Change in marketable securities	-	-	-	-
Cash flow from investing activities	**(3,793)**	**(1,500)**	**(1,500)**	**(1,500)**
Free cash flow	(85)	3,923	4,387	5,831
Equity raised/(repaid)	-	-	-	-
Dividend (incl. tax)	(227)	(845)	(845)	(845)
Cash flow from financing activities	**(495)**	**(845)**	**(845)**	**(845)**
Net chg in cash	(580)	3,078	3,542	4,986
Opening cash balance	2,450	1,998	5,077	8,619
Closing cash balance	1,998	5,077	8,619	13,604

Source: Company, Axis Research

Ratio Analysis (%)

Key Ratios	CY25	CY26E	CY27E	CY28E
Per Share data				
EPS (INR)	9.0	12.0	15.6	20.1
Growth, %	16.4	32.2	30.0	28.8
Book NAV/share (INR)	57.9	67.4	80.5	98.1
FDEPS (INR)	9.1	12.0	15.6	20.1
CEPS (INR)	12.7	15.4	19.2	24.0
CFPS (INR)	9.5	15.7	17.0	21.2
DPS (INR)	0.7	2.5	2.5	2.5
Return ratios				
Return on assets (%)	13.3	15.2	17.0	18.5
Return on equity (%)	15.7	17.8	19.4	20.5
Return on capital employed (%)	16.1	17.9	19.9	21.4
Turnover ratios				
Asset turnover (x)	1.2	1.3	1.6	1.8
Receivable days	21.0	10.0	10.0	10.0
Inventory days	49.7	49.7	49.7	49.7
Payable days	30.7	30.3	30.5	30.7
Working capital days	30.7	22.5	25.1	27.2
Liquidity ratios				
Current ratio (x)	1.9	2.5	3.3	4.2
Quick ratio (x)	1.2	1.7	2.4	3.1
Interest cover (x)	22.6	62.0	84.9	115.1
Total debt/Equity (%)	0.1	0.1	0.1	0.1
Net debt/Equity (%)	(0.1)	(0.3)	(0.4)	(0.5)
Valuation				
PER (x)	55.9	42.3	32.5	25.3
PEG (x) - y-o-y growth	3.4	1.3	1.1	0.9
Price/Book (x)	8.8	7.5	6.3	5.2
EV/Net sales (x)	7.9	6.4	5.1	4.0
EV/EBITDA (x)	34.0	26.3	20.4	15.8

Source: Company, Axis Research

KOTAK MAHINDRA BANK LTD – POISED FOR SUSTAINED, HIGH-QUALITY GROWTH AND RoA IMPROVEMENT

Kotak Mahindra Bank (KMB) is one of India's leading diversified financial services groups, offering a broad range of solutions across customer segments and geographies. Through its subsidiaries, the bank operates in investment banking, equity broking, securities-backed lending, and vehicle financing. It serves retail customers (including salaried and self-employed), small businesses, NRIs, institutions, and government entities, supported by a strong focus on convenience, innovation, and digital-first offerings.

Industry view

Over weight

CMP
392

Target Price
500

Upside
27%

Key Rationale

- **Unsecured Book Stress Behind; Credit Costs Outlook Stable**: In Q4, a **sharp decline in slippages and credit costs was the highlight**. Slippages decline was aided by improved collection efficiency (CE) across CV, MFI, and credit cards. The secured book continues to exhibit near-negligible delinquencies. The management clarified that there were no one-time corporate lumpy recoveries in Q4, and the entire asset quality improvement was driven by better collections in retail accounts. Moreover, the **peak of the unsecured stress is now behind, with improving trends expected to sustain**. While the impact of the West Asia conflict has so far not been reflected in the bank's asset quality metrics, **as a proactive measure, KMB has applied tighter underwriting across the bottom-end unsecured spectrum**. Thus, looking into FY27, the credit costs outlook appears favourable as the unsecured portfolio stress continues to normalise with the credit cost trajectory improving. The **ECL transition is expected to have a one-time impact of <2% on net worth, and as per the bank's calculation, the impact on steady-state credit costs is not expected to be material**.
- **Building Blocks in Place; Fee Income Trajectory to Improve**: KMB's fee income was weighed down by lower credit card traction as it remained flat after the lifting of the embargo. The management indicated that the bank has undertaken a comprehensive restack of the credit card portfolio, which is largely complete. Thus, **acceleration in card acquisitions and spends growth is expected to drive healthy fee income**. Moreover, **cross-selling of the subsidiary products through the bank** should further support fee income growth.
- **NIMs to Remain Range-bound With A Slight Negative Bias:** In Q4, NIMs surprised positively, expanding 13bps QoQ; however were benefited from the day convention and core NIMs remained flat QoQ at 4.54%. Going into FY27, **the trajectory is expected to remain soft with margins remaining range-bound and moving with a slight negative bias, though the quantum is expected to be less sharp**. The bank has taken a TD rate hike in order to target multiple customer segments and strategically locking in longer-tenor deposits. The increased TD rates are skewed towards longer durations, and thus the implied increase in CoF would be more pronounced in H2FY27. Going ahead, NIM compression is expected to be more gradual and largely offset by the improving pace of unsecured portfolios and focus on low-cost CASA mobilisation. We expect NIMs to remain steady at 4.6% (+/-5bps) over FY27-28E.
- **Outlook & Valuation:** KMB enters FY27 with the credit cycle having demonstrably turned, thereby supporting credit cost normalisation, cost efficiency gains driving opex ratio improvement, and building blocks in place towards a stronger fee income profile, which would collectively aid RoA improvement to 2.0-2.1% over FY27-28E, in the absence of NIM improvement levers. **We believe current valuations are attractive, given a healthy earnings growth trajectory of ~21% CAGR over FY26-28E and sustained RoA delivery of 2+%.**
- **Key risks:** a) Slowdown in overall credit momentum, which could potentially derail bank's earnings, b) Focus on unsecured growth may improve margins but could pressure asset quality.

Key Financials (Standalone)

Y/E Mar	NII (Rs Bn)	PPOP (Rs Bn)	Net Profit (Rs Bn)	EPS (Rs)	ABV (Rs)	P/ABV (x)	ROAA (%)	NNPA (%)
FY25	283	210	165	16.5	116.6	3.3	2.1	0.3
FY26	300	221	140	14.1	134.8	2.9	1.9	0.3
FY27E	340	259	166	16.7	150.7	2.5	2.0	0.2
FY28E	400	319	204	20.5	170.1	2.3	2.1	0.2

Source: Company, Axis Securities.

Profit & Loss (Rs Bn)

Y/E MAR	FY25	FY26	FY27E	FY28E
Net Interest Income	**283**	**300**	**340**	**400**
Other Income	114	116	139	165
Total Income	398	416	478	564
Total Operating Exp.	188	196	219	246
PPOP	**210**	**221**	**259**	**319**
Provisions & Contingencies	29	35	38	47
Exceptional Items	35	0	0	0
PBT	**216**	**186**	**221**	**272**
Provision for Tax	51	46	55	68
PAT	**165**	**140**	**166**	**204**

Source: Company, Axis Research

Balance Sheet (Rs Bn)

Y/E MAR	FY25	FY26	FY27E	FY28E
SOURCES OF FUNDS				
Share capital	10	10	10	10
Reserves and Surplus	1,162	1,342	1,502	1,697
Shareholders' funds	1,172	1,353	1,513	1,709
Deposits	4,991	5,725	6,660	7,765
Borrowings	484	325	464	613
Other Liabilities, provisions	289	428	451	526
Total liabilities	**6,936**	**7,830**	**9,088**	**10,613**
APPLICATION OF FUNDS				
Cash & Bank Balance	658	841	873	1,017
Investments	1,819	1,725	2,134	2,488
Advances	4,269	4,960	5,765	6,739
Fixed Assets & Other Assets	190	304	316	369
Total assets	**6,936**	**7,830**	**9,088**	**10,613**

Source: Company, Axis Research

KEY RATIOS (%)

Y/E MAR	FY25	FY26	FY27E	FY28E
VALUATION RATIOS				
EPS	16.5	14.1	16.7	20.5
Change (%)	*19.3*	*-14.9*	*18.5*	*22.7*
BVPS	117.9	136.0	152.1	171.8
Adj. BVPS	116.6	134.8	150.7	170.1
ROAA (%)	2.1	1.9	2.0	2.1
ROAE (%)	12.6	11.0	11.6	12.6
P/E (x)	23.2	27.3	23.0	18.8
P/ABV (x)	3.3	2.9	2.5	2.3
PROFITABILITY				
NIM (%)	5.0	4.6	4.6	4.6
Cost-Assets Ratio	2.9	2.7	2.6	2.5
Cost-Income Ratio	47.2	47.0	45.8	43.5

Source: Company, Axis Research

Balance Sheet Structure Ratios (%)

Y/E MAR	FY25	FY26	FY27E	FY28E
Loan Growth (%)	13.5	16.2	16.2	16.9
Deposit Growth (%)	11.2	14.7	16.3	16.6
C-D Ratio (%)	85.5	86.6	86.6	86.8
Equity/Assets	16.9	17.3	16.6	16.1
Equity/Loans	27.5	27.3	26.2	25.4
ASSET QUALITY				
Gross NPLs (%)	1.4	1.2	1.1	1.1
Net NPLs (%)	0.3	0.3	0.2	0.2
PCR	78.1	79.0	78.0	78.0
Credit Cost	0.7	0.8	0.7	0.8

Source: Company, Axis Research

BHARTI AIRTEL LTD – HIGHEST ARPU IN THE INDUSTRY

Bharti Airtel (Airtel), headquartered in New Delhi, is an Indian multinational telecommunications company operating in 18 countries across South Asia, Africa, and the Channel Islands. It is India's second-largest telecom operator, boasting a strong domestic presence and a comprehensive digital services portfolio that includes fibre optic networks, mobile and desktop telephony, and other digital solutions.

Industry view

Over Weight

CMP
1,852

Target Price
2,530

Upside
37%

Key Rationale

- **Best ARPU in the Industry:** Bharti Airtel leads the industry in ARPU, with management expecting further improvement from the current Rs 257 level, compared to Reliance's Rs 214. This growth is driven by a more diverse customer base, continued migration from 2G to 4G/5G, and increasing adoption of value-added services. The company remains on track to reach its ARPU target of Rs 300, supported by rising data consumption and deeper rural penetration. Average data usage per customer remains strong at 31.4 GB/month, further bolstering revenue growth.
- **Huge Revenue and Profit Growth Potential:** Bharti Airtel's business fundamentals remain strong, with continued improvements across key metrics. Management anticipates sustained revenue and profit growth driven by expanding rural distribution, network investments, and increasing 4G coverage. The company also sees strategic opportunities in tower sales, minority investments, and potential IPOs in mobile money. Airtel's digital portfolio is gaining traction alongside market share expansion. It has maintained a substantial share of 4G/5G net additions, with the smartphone customer base growing by 5.8 Mn QoQ, now accounting for 80% of the total customer base. Moreover, Airtel's Africa business is expected to continue its strong performance on a sequential basis.
- **Data Centre & AI:** Through Nxtra (Subsidiary), Bharti Airtel plans to reach 1 GW capacity in the next three to four years, aiming for a 25% market share. It recently raised $1 Bn from marquee investors. To strengthen its digital infrastructure in the data centre space, the company plans to build 56 edge data centres over the next 18–24 months to improve low-latency computing capabilities. The company has also deployed around 143,000 km of fibre over the last three years to support future network and data growth. Currently, AI is being embedded into core operations, including self-serving voice bots, handling 70% of customer calls, and automated power optimisation for radio layers. It identified 14 Bn spam calls in Q4FY26.
- **Moderated Capex and Capital Allocation Initiatives:** Bharti Airtel does not anticipate any immediate significant capex despite the ongoing 5G rollout. Management expects capex levels to remain stable, with investments primarily directed toward broadband expansion, enterprise solutions, and data centres. However, capex related to 4G radio is expected to decline with the completion of the rural rollout. Airtel aims to implement a few initiatives, such as deleveraging the balance sheet, dividend payments, and selective investment verticals.
- **Valuation & Recommendation:** We maintain our **BUY** rating on the stock, driven by the company's superior margins, impressive subscriber growth, and increased 4G conversions.
- **Key risks:** a) Competitors may eat into the company's market share, resulting in loss of sustainable revenue.

Key Financials (Consolidated)

Y/E March	Sales (Rs Cr)	EBITDA (Rs Cr)	PAT (Rs Cr)	EPS (Rs)	P/E (X)	ROE (%)	ROCE (%)	EV/EBITDA (X)
FY25	1,72,985	93,159	37,481	58.6	31.6	38.3	17.7	12.9
FY26	2,10,973	1,19,675	33,823	48.7	38.0	25.2	13.9	9.9
FY27E	2,41,607	1,38,683	42,859	70.3	26.3	26.3	15.0	8.2
FY28E	2,77,250	1,58,577	53,138	87.2	21.2	27.0	16.6	6.7

Source: Company, Axis Securities Research

Profit & Loss (Rs Cr)

Y/E March	FY25	FY26	FY27E	FY28E
Net sales	**1,72,985**	**2,10,973**	**2,41,607**	**2,77,250**
Change (YoY, %)	15	22	15	15
Operating expenses	**79,826**	**91,298**	**1,02,925**	**1,18,673**
EBITDA	**93,159**	**1,19,675**	**1,38,683**	**1,58,577**
Change (YoY, %)	19.0	28.5	15.9	14.3
Margin (%)	53.9	56.7	57.4	57.2
Depreciation	45,570	52,711	60,242	66,292
Interest paid	21,754	21,555	21,218	21,048
Other income	1,574	2,817	3,141	3,604
PBT	**34,696**	**44,808**	**60,364**	**74,842**
Tax	917	11,350	17,506	21,704
Effective tax rate (%)	3%	25%	29%	29%
Share of JV/Associate	3,703	(365)	-	-
Exceptional items	7,287	3,418	-	-
Net profit	**37,481**	**33,823**	**42,859**	**53,138**
Reported EPS	62	55	70	87
Adjusted net profit	**44,768**	**37,240**	**42,859**	**53,138**
Change (YoY, %)	2	(17)	15	24
Adj EPS	50	49	70	87
Dividend per share	16	24	24	24
Dividend Payout (%)	26	26	26	26

Source: Company, Axis Securities Research

Balance Sheet (Rs Cr)

Y/E March	FY25	FY26	FY27E	FY28E
Share capital	**2,900**	**3,047**	**3,047**	**3,047**
Reserves & surplus	1,10,772	1,46,010	1,74,242	2,12,753
Shareholders' funds	1,13,672	1,49,057	1,77,289	2,15,800
Total Debt	1,48,312	1,21,671	1,01,671	89,671
Other liabilities	75,589	81,598	81,598	81,598
Current Liabilities & Provisions	1,80,440	1,74,506	2,01,321	2,20,132
Current liabilities	1,00,837	1,17,136	1,32,685	1,46,231
Provisions	36,155	35,783	50,335	57,760
Total liabilities	**3,60,893**	**3,56,188**	**3,66,289**	**3,75,260**
Total equity & liabilities	**5,14,360**	**5,52,152**	**5,95,176**	**6,46,786**
Net fixed assets	1,43,272	1,57,066	1,56,824	1,45,533
Investments	544	1,139	1,139	1,139
Other non-current assets	3,03,376	3,03,732	3,03,732	3,03,732
Current assets	67,589	90,216	1,33,481	1,96,383
Inventories	452	601	601	601
Sundry Debtors	7,456	7,978	9,136	10,484
Cash & Liquid	16,720	30,377	65,483	1,24,067
Other Current Assets	16,195	26,834	33,835	36,805
Total assets	**5,14,781**	**5,52,152**	**5,95,176**	**6,46,786**

Source: Company, Axis Securities Research

Cash Flow (Rs Cr)

Y/E March	FY25	FY26	FY27E	FY28E
Pre-tax Profit	**38,399**	**45,173**	**60,364**	**74,842**
Depreciation	45,570	52,711	60,242	66,292
Change in working capital	32,840	(14,904)	18,656	14,493
Other operating activities	12,893	15,321	18,077	17,443
Cash flow from operations (a)	**1,28,785**	**86,950**	**1,39,833**	**1,51,366**
Capital expenditure	1,14,460	(66,504)	(60,000)	(55,000)
Change in investments	3,142	5,064	-	-
Other investing activities	(2,41,359)	(3,617)	3,141	3,604
Cash flow from investing (b)	**(1,23,756)**	**(65,058)**	**(56,859)**	**(51,396)**
Equity raised/(repaid)	24	147	-	-
Debt raised/(repaid)	(604)	1,230	(16,714)	(9,840)
Dividend paid	(9,751)	(14,627)	(14,627)	(14,627)
Change in minorities	16,251	7,111	4,691	4,128
Other financing activities	(10,568)	(2,096)	(21,218)	(21,048)
Cash flow from financing (c)	**(4,649)**	**(8,235)**	**(47,868)**	**(41,386)**
Net change in cash (a+b+c)	**380**	**13,657**	**35,106**	**58,584**
Opening cash balance	16,340	16,720	30,377	65,483
Closing cash balance	16,720	30,377	65,483	1,24,067

Source: Company, Axis Securities Research

Ratio Analysis (%)

Y/E March	FY25	FY26	FY27E	FY28E
Book Value (Rs)	**187**	**245**	**291**	**354**
Adj EPS (Rs)	50	49	70	87
Adj EPS growth (%)	86	-2	44	24
EBITDA margin (%)	54	57	57	57
Pre-tax margin (%)	20	21	25	27
Debt/Equity (x)	0.9	0.7	0.5	0.3
ROCE (%)	18	14	15	17
ROE (%)	38	26	26	27
Financial leverage ratios				
Debt / Equity (x)	0.9	0.7	0.5	0.3
Interest Coverage (x)	4.3	5.6	6.5	7.5
Interest / Debt (%)	18	21	23	27
Working Capital & Liquidity Ratio				
Inventory days	0	0	0	53
Receivable days	16	14	14	37
Payable days	79	77	77	61
Valuation ratio				
PER (x)	31.6	38.0	26.3	21.2
Adjusted PER (x)	37	38	26	21
P/BV (x)	9.8	7.5	6.3	5.2
EV/EBITDA (x)	12.9	9.9	8.2	6.7
Market Cap. / Sales (x)	6.4	5.3	4.6	4.0

Source: Company, Axis Securities Research

Avenue Supermarts Ltd – POSITIONING FOR THE NEXT PHASE OF GROWTH

D-Mart is a one-stop supermarket chain that aims to offer customers a wide range of basic home and personal products under one roof. The company was founded by Mr. Radhakishan Damani and his family to cater to the evolving needs of the Indian family. Since the launch of its first store in Powai in 2002, D-Mart has established a strong presence with 502 locations across Maharashtra, Gujarat, Andhra Pradesh, Madhya Pradesh, Karnataka, Telangana, Chhattisgarh, NCR, Tamil Nadu, Punjab, and Rajasthan. Additionally, the company operates in the online and multi-channel grocery retail segment under the brand name D-Mart Ready. Through D-Mart Ready, customers can order a broad range of grocery and household products via its mobile app and website, www.dmart.in. Orders can be picked up from designated D-Mart Ready Pick-up Points or delivered directly to customers' doorsteps. Many Pick-up Points also feature a curated selection of merchandise available for instant purchase.

Industry view

Equal Weight

CMP
4,381

Target Price
5,270

Upside
20%

Key Rationale

- **Positioning for the next phase of growth:** D-Mart has consistently delivered 17-20% CAGR revenue growth over the past several quarters, driven by 14-15% expansion in its network and retail space. The recent investment in D-Mart Ready to support operations, working capital, and expansion, which is a step in the right direction. This strategic move will strengthen the company's position in the competitive online grocery market and is expected to yield long-term benefits. In fact, in Q4FY26, DMart reported 19% YoY revenue growth.
- **Margins remain intact:** Despite a challenging environment marked by pressure in GM&A sales and rising competition from other value retailers and Q-commerce players, the company has maintained its overall Gross and EBITDA margins at approximately 15% and 7-8%, respectively, over the past several quarters. This reflects D-Mart's strong execution capabilities, robust business model (EDLP), and operational efficiencies.
- **Extensive retail network:** D-Mart has consistently maintained its store opening expansion, with its total store network reaching 502 as of date. This represents a 14% CAGR, positioning the company to benefit as demand revives in the coming quarters. The company aims to increase its store count by 10-20% in the coming years. Further, the management sees potential for 1800+ store additions across India over a longer period.
- **Improving outlook:** D-Mart has faced several challenges over the past few years, impacted by a subdued demand environment, particularly in the value segment. Larger and newer stores have longer gestation periods, affecting overall profitability, along with increasing competition from both organised players and online platforms. However, the company has undertaken several initiatives to address these challenges, such as: 1) changes in leadership to revamp the slowing GM&A category, 2) focusing on improving profitability in D-Mart Ready through a gradual expansion strategy, and 3) targeting a 10-20% store addition on an existing base of 500 stores, which is a step in the right direction. The overall improving consumer demand, supported by stable macroeconomics, is expected to further support these initiatives and drive growth in high-margin general merchandise and apparel categories. Additionally, a reduction in the GST rate cut has spurred consumption and indirectly supports discretionary spending. **Hence, we maintain our BUY rating on the stock.**

Key Financials (Standalone)

Y/E Mar (Rs Cr)	Net Sales (Rs Cr)	EBITDA (Rs Cr)	Net Profit (Rs Cr)	EPS (Rs)	PER (x)	ROE (%)	ROCE (%)
FY25	59,358	4,487	2,707	41.6	104.8	12.6	13.4
FY26	68,821	5,187	2,970	45.6	95.6	12.1	13.0
FY27E	82,971	6,703	3,965	60.9	71.6	13.9	14.8
FY28E	99,873	8,504	4,892	75.2	58.0	14.7	15.7

Source: Company, Axis Securities.

Profit & Loss (Rs Cr)

Y/E Mar	FY25	FY26	FY27E	FY28E
Net sales	**59,358**	**68,821**	**82,971**	**99,873**
Growth, %	16.9	15.9	20.6	20.4
Raw material expenses	(50,552)	(58,460)	(70,152)	(84,182)
Employee expenses	(1,166)	(1,541)	(1,865)	(2,257)
Other Operating Expenses	(3,153)	(3,633)	(4,251)	(4,931)
EBITDA (Core)	**4,487**	**5,187**	**6,703**	**8,504**
Growth, %	9.3	15.6	29.2	26.9
Margin, %	7.6	7.5	8.1	8.5
Depreciation	(870)	(1,037)	(1,271)	(1,735)
EBIT	**3,618**	**4,150**	**5,432**	**6,769**
Growth, %	7.3	14.7	30.9	24.6
Margin, %	6.1	6.0	6.5	6.8
Other Income	124	74	149	182
Non-recurring Items	-	-	-	-
Pre-tax profit	**3,673**	**4,082**	**5,432**	**6,794**
Tax provided	(965)	(1,112)	(1,467)	(1,902)
Profit after tax	**2,707**	**2,970**	**3,965**	**4,892**

Source: Company, Axis Research

Balance Sheet (Rs Cr)

Y/E Mar	FY25	FY26	FY27E	FY28E
Cash & bank	358	304	1,271	3,440
Debtors	154	149	180	217
Inventory	5,044	5,901	7,114	8,563
Loans & advances	-	-	-	-
Other current assets	835	1,122	1,122	1,122
Total current assets	6,392	7,478	9,689	13,344
Investments	178	206	206	206
Gross fixed assets	20,097	25,018	28,318	31,618
Less: Depreciation	(3,897)	(4,934)	(6,204)	(7,939)
Add: Capital WIP	1,099	1,300	1,300	1,300
Net fixed assets	17,299	21,384	23,413	24,979
Non-current assets	452	457	457	457
Total assets	**24,321**	**29,525**	**33,766**	**38,986**
Current liabilities	2,212	3,782	4,057	4,386
Provisions	-	-	-	-
Total current liabilities	2,212	3,782	4,057	4,386
Non-current liabilities	681	1,280	1,280	1,280
Total liabilities	2,894	5,061	5,337	5,665
Paid-up capital	651	652	652	652
Reserves & surplus	20,777	23,812	27,777	32,669
Shareholders' equity	21,428	24,464	28,429	33,321
Total equity & liabilities	**24,321**	**29,525**	**33,766**	**38,986**

Source: Company, Axis Research

Cash flow (Rs Cr)

Y/E Mar	FY25	FY26	FY27E	FY28E
Pre-tax profit	3,673	4,082	5,432	6,794
Depreciation	870	1,037	1,271	1,735
Change in working capital.	(244)	1,014	(969)	(1,157)
Total tax paid	(945)	(1,102)	(1,467)	(1,902)
Cash flow from operating activities	**3,353**	**5,030**	**4,267**	**5,469**
Capital expenditure	(3,826)	(5,122)	(3,300)	(3,300)
Change in marketable securities	105	(1)	-	-
Cash flow from investing activities	**(3,656)**	**(5,151)**	**(3,300)**	**(3,300)**
Free cash flow	(302)	(121)	967	2,169
Equity raised/(repaid)	-	1	-	-
Dividend (incl. tax)	-	-	-	-
Cash flow from financing activities	**-**	**1**	**-**	**-**
Net change in cash	(302)	(120)	967	2,169
Opening cash balance	638	358	304	1,271
Closing cash balance	358	304	1,271	3,440

Source: Company, Axis Research

Ratios (%)

Y/E Mar	FY25	FY26	FY27E	FY28E
Per Share data				
EPS (INR)	41.6	45.6	60.9	75.2
Growth, %	6.8	9.7	33.5	23.4
Book NAV/share (INR)	329.3	375.9	436.9	512.1
FDEPS (INR)	41.6	45.6	60.9	75.2
CEPS (INR)	55.0	61.6	80.5	101.8
CFPS (INR)	50.6	76.2	63.3	81.3
Return ratios				
Return on assets (%)	12.2	11.6	13.0	13.9
Return on equity (%)	12.6	12.1	13.9	14.7
Return on capital employed (%)	13.4	13.0	14.8	15.7
Turnover ratios				
Asset turnover (x)	3.1	3.1	3.3	3.6
Sales/Total assets (x)	2.6	2.6	2.6	2.7
Sales/Net FA (x)	3.8	3.6	3.7	4.1
Working capital/Sales (x)	0.1	0.0	0.1	0.1
Receivable days	0.9	0.8	0.8	0.8
Inventory days	31.0	31.3	31.3	31.3
Payable days	7.1	7.7	7.7	7.8
Working capital days	23.5	18.0	19.2	20.2
Liquidity ratios				
Current ratio (x)	2.9	2.0	2.4	3.0
Quick ratio (x)	0.6	0.4	0.6	1.1
Valuation				
PER (x)	104.8	95.6	71.6	58.0
PEG (x) - y-o-y growth	15.5	9.9	2.1	2.5
Price/Book (x)	13.2	11.6	10.0	8.5
EV/Net sales (x)	4.8	4.1	3.4	2.8
EV/EBITDA (x)	63.2	54.7	42.1	33.0
EV/EBIT (x)	78.3	68.3	52.0	41.4

Source: Company, Axis Research

ICICI BANK LIMITED – STEADY SHIP AMIDST TURBULENT MACROS; BEST ROA DELIVERY AMONGST PEERS

ICICI Bank (ICICIBC) is one of the largest private sector banks in India, with business operations spread across Retail, Corporate, and Insurance. It is supported by a strong liability franchise and a healthy retail corporate mix. The bank's subsidiaries, such as ICICI Venture Funds, ICICI Pru AMC, ICICI Securities, ICICI Prudential, and ICICI Lombard, are among the leading companies in their respective domains.

Key Rationale

- **Growth Acceleration with Focus on Quality and Profitability:** In Q4FY26, ICICIB witnessed a meaningful improvement in credit growth, inching up to ~16% YoY vs a 11-13% YoY growth delivery over the past 4-5 quarters. On a segmental basis, mortgage growth, which was earlier held back due to spread pressures, is now seeing a pick-up in disbursements despite elevated competitive intensity. The credit card segment continues to report a muted performance; however, the management remains committed to improving the pace of growth through steady new customer acquisition and gradual normalisation in revolver behaviour. While the domestic economic outlook remains broadly stable, pockets of uncertainty persist, arising from geopolitical tensions, necessitating a calibrated growth approach. The bank will continue to anchor its strategy around risk-adjusted returns. We expect ICICIB to deliver a healthy ~16% CAGR credit growth over FY26-28E.
- **NIMs to Remain Range-Bound:** ICICIB's performance on margins was in line with expectations. In Q4, NIMs stood at 4.32%, reflecting the impact of the Dec'25 rate cut on yields, while continued TD repricing, lower KCC slippages and 5 bps impact from the IT refund supported margins. The loan mix remains skewed towards ~56% repo-linked, 13% MCLR, and 31% fixed-rate loans, with the repo cut impact largely flowing through. While some benefits of the deposit repricing are yet to flow through, the bank will continue to monitor incremental pricing dynamics. Management has indicated that NIMs will remain range-bound with limited upside. We expect NIMs to remain in the range of 4.35% (+/-5 bps) over FY27-28E.
- **Benign Credit Cost Outlook with Stable Asset Quality Trends:** ICICIB's credit costs surprised positively, supported by lower slippages and higher write-backs and recoveries in the corporate portfolio. The bank has witnessed a meaningful decline in slippages within its unsecured portfolio. Management remains confident that benign credit cost trends will continue, with credit costs being contained at sub-50 bps going ahead. So far, the bank has not seen any material risk arising from the West Asia war and has not tightened credit filters, but will continue to calibrate actions as and when needed.
- **Opex Growth to Trail Business Growth:** Opex growth for ICICIB throughout FY26 has been broadly in line with management expectations, with some upside driven by higher PSL compliance costs and employee remuneration impact from labour code changes. Despite these pressures, opex growth has trailed business growth, and the bank expects this trend to sustain going forward, driving operational efficiency.
- **Outlook & Valuation:** ICICIB's outlook remains constructive, supported by a healthy, broad-based credit growth acceleration. While margins are expected to remain range-bound with limited scope for improvement as the impact of rate cuts is largely absorbed, benign credit costs supported by stable asset quality trends should support earnings resilience, and controlled opex growth driving operational efficiency should support earnings resilience. The bank has identified levers to improve fee income, particularly from the card-related segment, which should further support earnings. **We expect the bank's RoA/RoE to remain steady at 2.2-2.3%/16-17% over the medium term. We believe ICICIB's premium valuation vs peers is well deserved and justified, given its consistent performance delivery.**
- **Key risks:** a) Significant slowdown in credit growth

Industry view

Over Weight

CMP
1,375

Target Price
1,700

Upside
24%

Key Financials (Standalone)

Y/E Mar	NII (Rs Bn)	PPOP (Rs Bn)	Net Profit (Rs Bn)	EPS (Rs)	ABV (Rs)	P/ABV (x)	ROAA (%)	NNPA (%)
FY25	1,097	673	472	66.3	373.9	3.7	2.3	0.4
FY26	1,188	716	501	70.0	432.7	3.2	2.2	0.4
FY27E	1,364	834	572	79.9	499.6	2.8	2.2	0.4
FY28E	1,578	981	674	94.2	578.2	2.4	2.2	0.4

Source: Company, Axis Securities.

Profit & Loss (Rs Bn)

Y/E MAR	FY25	FY26	FY27E	FY28E
Net Interest Income	**812**	**881**	**1,014**	**1,178**
Other Income	285	308	350	399
Total Income	**1,097**	**1,188**	**1,364**	**1,578**
Total Operating Exp.	424	472	530	596
PPOP	**673**	**716**	**834**	**981**
Provisions & Contingencies	47	54	76	88
PBT	**626**	**662**	**758**	**893**
Provision for Tax	154	161	186	219
PAT	**472**	**501**	**572**	**674**

Source: Company, Axis Research

Balance Sheet (Rs Bn)

Y/E MAR	FY25	FY26	FY27E	FY28E
SOURCES OF FUNDS				
Share capital	14	14	14	14
Reserves and surplus	2,907	3,359	3,848	4,424
Shareholders' funds	**2,921**	**3,374**	**3,863**	**4,438**
Total Deposits	16,103	17,946	20,616	23,807
Total Borrowings	17,339	19,196	22,333	26,021
Other Liabilities, provisions	923	1,155	1,341	1,559
Total	**21,182**	**23,725**	**27,536**	**32,018**
APPLICATION OF FUNDS				
Cash & Bank Balance	1,856	2,303	2,584	2,984
Investments	5,048	4,922	5,778	6,672
Advances	13,418	15,539	18,059	21,065
Fixed Assets & Other Assets	862	961	1,115	1,297
Total Assets	**21,182**	**23,725**	**27,536**	**32,018**

Source: Company, Axis Research

KEY RATIOS (%)

Y/E MAR	FY25	FY26	FY27E	FY28E
VALUATION RATIOS				
EPS	66.3	70.0	79.9	94.2
Earnings Growth (%)	*13.9*	*5.6*	*14.1*	*17.8*
BVPS	410.0	471.1	539.4	619.7
Adj. BVPS	373.9	432.7	499.6	578.2
ROAA (%)	2.3	2.2	2.2	2.2
ROAE (%)	17.8	15.9	15.8	16.2
P/E (x)	20.7	19.6	17.2	14.6
P/ABV (x)	3.7	3.2	2.8	2.4
Dividend Yield (%)	0.8	0.9	1.0	1.2
PROFITABILITY				
NIM (%) – Domestic	4.3	4.3	4.4	4.4
NIM (%) - Global	2.1	2.1	2.1	2.0
Cost-Income Ratio	38.6	39.7	38.9	37.8

Source: Company, Axis Research

Balance Sheet Structure Ratios (%)

Y/E MAR	FY25	FY26	FY27E	FY28E
Loan Growth (%)	13.3	15.8	16.2	16.6
Deposit Growth (%)	14.0	11.4	14.9	15.5
C-D Ratio (%)	83.3	86.6	87.6	88.5
Equity to Assets (%)	13.8	14.2	14.0	13.9
Equity to Loans (%)	21.8	21.7	21.4	21.1
CRAR (%)	16.6	17.2	16.9	16.4
Tier I (%)	15.9	16.4	16.2	15.8
ASSET QUALITY				
Gross NPLs (%)	2.1	1.5	1.5	1.6
Net NPLs (%)	0.4	0.4	0.4	0.4
PCR	80.0	76.1	76.3	76.3
Credit cost	0.4	0.4	0.5	0.5

Source: Company, Axis Research

LG ELECTRONICS LTD – HIGH VOLTAGE GROWTH STORY

LG Electronics is the market leader in India across major home appliances and consumer electronics. The company holds leadership positions across several key product categories, including washing machines, refrigerators, panel televisions, inverter air conditioners, and microwave ovens. Its strength in the offline channel is particularly significant, as this segment accounts for nearly 80% of the total value of the major home appliances and consumer electronics market in India (excluding mobile phones).

Industry view

Over Weight

CMP
1,552

Target Price
1,815

Upside
17%

Key Rationale

- **Market Leader:** LG Electronics India continues to strengthen its leadership position across key consumer durable categories, including air conditioners, refrigerators, washing machines and televisions. The company delivered its highest-ever quarterly revenue of Rs 8,054 Cr in Q4FY26 with broad-based growth across premium and mass-premium segments. Strong traction in premium products such as French-door refrigerators, OLED TVs, and higher-star-rated ACs is improving product mix and supporting long-term profitability. LG's robust brand equity, wide distribution network and growing acceptance in Tier-2 and Tier-3 cities position it well to outperform industry growth over the medium term.
- **Improving Localisation and Profitability:** The company's aggressive localisation and manufacturing expansion strategy provides strong earnings visibility. LG has committed nearly Rs 5,000 Cr towards the Sri City manufacturing plant, which will significantly enhance RAC and compressor capacity while strengthening exports. Localisation levels have already improved to 55.2%, helping reduce import dependence and mitigate currency volatility. Management expects exports to become a key profitability driver going ahead, supported by increasing shipments of premium refrigerators, washing machines, and Essential Series products to global markets. This export-led growth strategy can meaningfully improve operating leverage and margins over time.
- **Diversified Revenue:** LG is also building multiple high-growth verticals that can diversify revenue streams. Businesses, such as AMC services, B2B solutions, commercial air conditioning, dishwashers, and information display solutions, are witnessing healthy momentum. The company highlighted strong recurring revenues from AMC operations along with rising contributions from institutional and infrastructure orders. Additionally, new categories such as chest freezers and fixed-speed ACs expand LG's addressable market opportunity.
- **Outlook & Guidance:** Management remains optimistic on FY27 and has guided for mid-teen revenue growth along with early double-digit EBITDA margins. Demand momentum in ACs and premium appliances remains strong, aided by heatwave conditions, low appliance penetration and improving consumer preference for larger and energy-efficient products. While commodity prices and currency fluctuations remain near-term risks, LG's strong balance sheet, Rs 4,476 Cr cash position and expanding manufacturing footprint provide healthy long-term growth visibility.
- **Recommendation & Valuation:** Valuing the company at 44x FY28E EPS, we arrive at a target price of Rs 1,815/share.

Key Financials (Consolidated)

Y/E March	Sales (Rs Cr)	EBITDA (Rs Cr)	Net Profit (Rs Cr)	EPS (Rs Cr)	PER (X)	EV/EBITDA (X)	RoE (%)	Net Debt/Equity (X)
FY25	24,367	3,110	2,203	32	49	35	37	0.9
FY26	24,605	2,408	1,685	25	63	45	22	0.8
FY27E	27,739	3,467	2,586	38	41	31	29	0.7
FY28E	30,513	3,967	2,791	41	38	27	27	0.7

Source: Company, Axis Securities

Profit & Loss (Rs Cr)

Y/E Mar, Rs Cr	FY25	FY26	FY27E	FY28E
Total operating revenues	24,367	24,605	27,739	30,513
Growth (%)	14	1	13	10
EBITDA	3,110	2,408	3,467	3,967
EBITDA margin (%)	13	10	13	13
Growth (%)	*40*	*-23*	*44*	*14*
Depreciation & amortization	380	396	471	596
EBIT	2,730	2,012	3,165	3,482
EBIT margin (%)	11	8	11	11
Interest	31	41	41	45
Other income	264	328	370	336
Profit before tax	2,963	2,300	3,494	3,772
Total Tax	760	614	909	981
Profit After Tax	2,203	1,685	2,586	2,791
net margin (%)	9.0	6.8	9.3	9.1
EPS (Rs)	32	25	38	41
Growth (%)	46%	-24%	53%	8%

Source: Company, Axis Research,

Balance Sheet (Rs Cr)

As of 31st Mar, Rs Cr	FY25	FY26	FY27E	FY28E
Equity share capital	679	679	679	679
Other equity	5,291	6,987	8,273	9,764
Total Equity	5,970	7,666	8,951	10,442
Non-Current Liabilities				
Financial Liabilities	331	344	344	344
Other Non-current liabilities	318	456	456	456
Total Non-Current Liabilities	649	801	801	801
Current Liabilities				
Financial Liabilities	97	115	115	115
Other Current Liabilities	4,801	5,055	5,493	5,889
Total Current Liabilities	4,898	5,170	5,608	6,003
Total Equity & Liabilities	11,517	13,636	15,360	17,247
APPLICATION OF FUNDS				
Non-Current Assets				
Net Fixed Assets	1,404	2,018	2,548	3,452
Financial Assets	572	860	860	860
Total Non-Current Assets	1,976	2,878	3,407	4,311
Current Assets				
Inventories	3,031	2,962	3,116	3,427
Financial Assets	6,266	7,550	8,591	9,261
Other current assets	243	247	247	247
Total Current Assets	9,541	10,758	11,953	12,935
Total Assets	11,517	13,636	15,360	17,247

Source: Company, Axis Research

Cash Flow (Rs Cr)

Y/E Mar (Rs Cr)	FY25	FY26	FY27E	FY28E
PBT	2,963	2,300	3,494	3,772
Depreciation	380	396	471	596
Others	-233	-178	0	0
Tax Paid	-754	-621	-909	-981
Changes in Working Capital	-703	-175	753	-152
Net Cash from Operations	1,654	1,721	3,810	3,235
Capex	-335	-1,172	-1,000	-1,500
Change in Investment	248	268	0	0
Others	59	48	0	0
Net Cash from Investing	-28	-856	-1,000	-1,500
Change in debt	-76	-91	0	0
Change in Equity	0	0	0	0
Others	-30	-36	0	0
Net Cash from Financing	-106	-127	0	0
Net Change in Cash	1,520	737	2,810	1,735

Source: Company, Axis Research

Ratio Analysis (x,%)

Y/E Mar	FY25	FY26	FY27E	FY28E
PROFITABILITY RATIOS				
EBITDA Margin (%)	13%	10%	13%	13%
net margin (%)	9.04	6.85	9.32	9.15
Return on invested capital (%)	41	24	32	31
Return on equity (%)	37	22	29	27
EFFICIENCY RATIOS				
Fixed Asset Turnover	17.35	12.19	10.89	8.84
Debtor days	31	38	34	30
Inventory days	60	64	59	58
Payable days	70	73	72	73
PER SHARE DATA				
EPS (Rs)	32.46	24.83	38.10	41.13
Book value per share (Rs)	87.96	112.94	131.89	153.86
VALUATION RATIOS				
P/E				
P/BV	48.52	63.44	41.34	38.30
EV/EBITDA	17.91	13.95	11.94	10.24
LIQUIDITY RATIOS				
Total Debt/Equity(x)	0.93	0.78	0.72	0.65
Total Asset/Equity(x)	1.93	1.78	1.72	1.65
Current Ratio(x)	1.95	2.08	2.13	2.15
Quick Ratio(x)	1.33	1.51	1.58	1.58
Interest Cover(x)	89.07	49.58	77.99	76.60

Source: Company, Axis Research

Nestle India Ltd – LONG-TERM STORY REMAINS INTACT

Nestlé India manufactures and markets a wide range of food and beverage products, including milk and milk products, coffee, tea, noodles, chocolates, confectionery, and infant nutrition. Some of its popular brands in India include Maggi, Nescafé, KitKat, MilkyBar, and Nestle Everyday. Furthermore, it recently acquired Purina Petcare to enter into the pet care business and launched Gerber Cereals to drive the premiumisation agenda. The company operates a robust distribution network that covers both urban and rural areas of India.

Industry view

Equal Weight

CMP
1,405

Target Price
1,640

Upside
17%

Key Rationale

- **Robust Performance:** Nestlé India reported revenue growth of 23.4% YoY, driven by double-digit volume expansion. Growth was led by strong momentum in confectionery, beverages, prepared dishes, and pet food, alongside robust traction in MAGGI noodles, while the Milk and Nutrition portfolio remained resilient with steady growth. EBITDA increased ~28% YoY, with margins expanding 85 bps to 26.3%, despite a marginal gross margin contraction of 18 bps YoY. On the distribution front, the company strengthened its rural reach to ~216,000 villages, with a sharper focus on improving coverage quality and execution, resulting in one of the strongest reach expansions in the industry.
- **Demand Environment:** Consumption trends have strengthened in recent quarters, with urban markets sustaining momentum and several Rurban pockets turning positive. Notably, seven of Nestlé's twelve power brands delivered double-digit growth, underscoring the breadth of recovery. Management indicated that coffee and cocoa prices remained soft on improved supply, while sugar stayed stable. Edible oil prices had firmed up, in line with crude, and wheat output was impacted by unseasonal rains, affecting quality and supply. Meanwhile, milk prices remained elevated due to seasonal tightness.
- **GST Reforms – A Structural Positive:** The proposed GST rate reduction to 5% on packaged foods, dairy products, noodles, pasta, sauces, and ketchup is expected to enhance affordability and stimulate discretionary demand. Nestlé, with its wide presence in these categories, stands to be a key beneficiary, particularly in noodles and cooking aids.
- **Outlook:** Nestlé remains well-positioned for long-term growth, underpinned by its dominant domestic franchise, continued innovation, distribution-led market penetration, capacity expansion, and increasing out-of-home consumption. While volatile commodity prices, especially in coffee, cocoa, and edible oils, may keep near-term margins under pressure, the expected moderation in milk prices alongside its strong pricing power and efficiency initiatives should partly offset cost headwinds. Hence, we maintain our BUY rating on the stock.

Key Financials (Standalone)

Y/E Mar (Rs Cr)	Net Sales (Rs Cr)	EBITDA (Rs Cr)	Net Profit (Rs Cr)	EPS (Rs)	PER (x)	ROE (%)	ROCE (%)
FY25	20,078	4,774	3,024	31.4	44.9	73.4	40.1
FY26	23,071	5,306	3,424	17.8	79.2	81.3	45.4
FY27E	25,659	6,251	4,029	20.9	67.3	74.2	50.2
FY28E	29,837	7,462	4,867	25.2	55.7	71.3	50.0

Source: Company, Axis Securities.

Profit & Loss (Rs Cr)

Y/E Mar (Rs Cr)	FY25	FY26	FY27E	FY28E
Net sales	**20,078**	**23,071**	**25,659**	**29,837**
Growth, %	(17)	15	11	16
Other operating income	124	83	91	101
Total income	20,202	23,155	25,750	29,938
Raw material expenses	(8,750)	(10,341)	(11,375)	(12,740)
Employee expenses	(2,024)	(2,166)	(2,339)	(2,807)
Other Operating Expenses	(4,654)	(5,341)	(5,785)	(6,928)
EBITDA (Core)	**4,774**	**5,306**	**6,251**	**7,462**
Growth, %	(18)	11	18	19
Margin, %	24	23	24	25
Depreciation	(540)	(699)	(697)	(779)
EBIT	**4,234**	**4,607**	**5,554**	**6,684**
Growth, %	(20)	9	21	20
Margin, %	21	20	22	22
Interest paid	(136)	(158)	(159)	(160)
Other Income	59	40	48	53
Non-recurring Items	(291)	(121)	-	-
Pre-tax profit	**3,866**	**4,368**	**5,444**	**6,577**
Tax provided	(1,133)	(1,065)	(1,416)	(1,710)
Profit after tax	**2,733**	**3,303**	**4,029**	**4,867**
Unadj. shares (Cr)	96	193	193	193

Source: Company, Axis Research

Balance Sheet (Rs Cr)

Y/E Mar (Rs Cr)	FY25	FY26	FY27E	FY28E
Cash & bank	96	1,341	1,613	3,281
Marketable securities at cost	-	-	-	-
Debtors	363	329	281	327
Inventory	2,850	2,569	2,857	3,323
Loans & advances	74	80	80	80
Other current assets	415	340	340	340
Total current assets	3,798	4,660	5,172	7,350
Investments	706	706	706	706
Gross fixed assets	8,543	8,538	9,538	10,538
Less: Depreciation	(3,069)	(3,069)	(3,766)	(4,544)
Add: Capital WIP	1,173	507	507	507
Net fixed assets	6,646	5,976	6,279	6,500
Non-current assets	1,174	1,195	1,195	1,195
Total assets	**12,324**	**12,535**	**13,351**	**15,751**
Current liabilities	4,640	4,970	4,251	4,744
Provisions	3,090	2,824	3,140	3,652
Total current liabilities	7,730	7,794	7,392	8,395
Non-current liabilities	476	528	528	528
Total liabilities	8,207	8,322	7,920	8,923
Paid-up capital	96	193	193	193
Reserves & surplus	4,021	4,021	5,238	6,635
Shareholders' equity	4,117	4,214	5,431	6,828
Total equity & liabilities	**12,324**	**12,535**	**13,351**	**15,751**

Source: Company, Axis Research

Cash flow (Rs Cr)

Y/E Mar (Rs Cr)	FY25	FY26	FY27E	FY28E
Pre-tax profit	3,866	4,368	5,444	6,577
Depreciation	540	699	697	779
Chg in working capital	181	428	(642)	493
Total tax paid	(1,084)	(1,013)	(1,416)	(1,710)
Other operating activities	-	-	-	-
Cash flow from operating activities	**3,502**	**4,483**	**4,083**	**6,138**
Capital expenditure	(1,984)	(29)	(1,000)	(1,000)
Chg in investments	(282)	-	-	-
Chg in marketable securities	40	-	-	-
Other investing activities	-	-	-	-
Cash flow from investing activities	**(2,226)**	**(29)**	**(1,000)**	**(1,000)**
Free cash flow	1,276	4,454	3,083	5,138
Equity raised/(repaid)	1	96	274	-
Debt raised/(repaid)	(3)	(2)	-	-
Dividend (incl. tax)	(2,459)	(2,459)	(3,085)	(3,470)
Other financing activities	-	-	-	-
Cash flow from financing activities	**(2,461)**	**(2,364)**	**(2,811)**	**(3,470)**
Net change in cash	(1,184)	2,090	272	1,668
Opening cash balance	779	96	1,341	1,613
Closing cash balance	96	1,341	1,613	3,281

Source: Company, Axis Research

Ratios (%)

Y/E Mar	FY25	FY26	FY27E	FY28E
EPS (Rs)	31.4	17.8	20.9	25.2
Growth, %	(23.0)	(43.4)	17.7	20.8
Book NAV/share (Rs)	42.7	21.9	28.2	35.4
FDEPS (Rs)	31.4	17.8	20.9	25.2
CEPS (Rs)	40.0	22.0	24.5	29.3
CFPS (Rs)	26.5	26.9	20.9	31.6
DPS (Rs)	25.5	12.8	16.0	18.0
Return ratios				
Return on assets (%)	25.1	27.8	32.3	34.5
Return on equity (%)	73.4	81.3	74.2	71.3
Return on capital employed (%)	40.1	45.4	50.2	50.0
Turnover ratios				
Asset turnover (x)	4.1	4.6	5.6	5.6
Sales/Total assets (x)	1.8	1.9	2.0	2.1
Sales/Net FA (x)	3.4	3.7	4.2	4.7
Receivable days	6.6	5.2	4.0	4.0
Inventory days	51.8	40.6	40.6	40.6
Payable days	62.1	64.6	52.6	53.1
Working capital days	(17.1)	(26.1)	(9.9)	(8.2)
Liquidity ratios				
Current ratio (x)	0.8	0.9	1.2	1.5
Quick ratio (x)	0.2	0.4	0.5	0.8
Interest cover (x)	31.1	29.1	35.0	41.7
Total debt/Equity (%)	0.2	0.0	0.0	0.0
Valuation				
PER (x)	44.9	79.2	67.3	55.7
PEG (x) - y-o-y growth	(1.9)	(1.8)	3.8	2.7
Price/Book (x)	32.9	64.4	50.0	39.7
EV/Net sales (x)	6.8	11.7	10.5	9.0
EV/EBITDA (x)	28.6	50.9	43.1	35.9
EV/EBIT (x)	32.2	58.6	48.6	40.1

Source: Company, Axis Research

Eternal Ltd – REDEFINING THE CONSUMPTION INDUSTRY

Eternal Limited, formerly Zomato Limited, operates as an Internet portal that helps connect users, restaurant partners/third-party merchants and delivery partners. The company has an asset-light business model based on aggregating demand and supply while enabling efficient last-mile logistics, creating strong network effects, and high user engagement. It consists of four major businesses, namely Zomato, Blinkit, District, and Hyperpure.

Industry view

Equal Weight

CMP
265

Target Price
360

Upside
36%

Key Rationale

- **Quick Commerce & Food Delivery Vertical to Continue its Growth Trajectory:** In the Quick Commerce segment, the company recorded a Net Order Value (NOV) of Rs 14,386 Cr, reflecting a 95.4% YoY increase. Adjusted EBITDA improved significantly, turning positive at Rs 37 Cr, representing 0.3% of NOV. This was driven by assortment expansion, geographic coverage and demand densification. Management guided over 60% NOV CAGR for the next three years, anticipating the business to grow more than four times its current scale. Food delivery NOV grew 18.8% YoY in Q4FY26, marking the third consecutive quarter of improved growth following the slowdown in Q1FY26. Adjusted EBITDA margin reached a record high of 5.5% of NOV (Rs 532 Cr). Growth was driven by initiatives such as reducing the gold member minimum order value to Rs 99 from Rs 199, offering discounts to price-sensitive users, and expanding meal options priced below Rs 250.
- **Hyperpure and District (Going-Out) Business Building Strong Momentum:** Hyperpure's restaurant supply revenue growth improved to 37% YoY. The overall adjusted revenue came in at Rs 978 Cr. The segment achieved a positive adjusted EBITDA of Rs 5 Cr (0.5% margin). Management emphasised that, despite being the smallest segment, Hyperpure will be a meaningful contributor to the overall company's $1 Bn profit target. The going-out segment reported NOV of Rs 2,736 Cr in Q4FY26, growing 46.5% YoY. EBITDA losses reduced sharply to Rs 81 Cr from Rs 121 Cr in Q3FY26, while margins improved to -3.0% from -4.7%. For FY26, NOV increased 42% YoY. The company has guided for $3 Bn NOV and $150 Mn EBITDA by FY30, implying strong 30%+ annual growth from current levels. The District app now brings together restaurant bookings, movie tickets, concert tickets, sports events, and local retail discovery on a single platform. With every new service added, customer engagement has improved, and retention has strengthened.
- **Platform Aggregator with Strong Network Effects:** Zomato operates a two-sided marketplace connecting users, restaurants, and delivery partners, creating strong network effects. As the platform scales, more restaurants join due to higher demand visibility, and more users are attracted by greater choice and convenience. This flywheel effect strengthens Zomato's competitive positioning and increases switching costs. The company also benefits from data-driven optimisation across pricing, logistics, and customer experience. Such a platform model enables scalable growth while improving efficiencies over time.
- **AI Adoption to Provide Feasibility Among Users:** Management views AI as a growth enabler rather than merely a cost-saving tool. Eternal is leveraging AI to make the platform more accessible for first-time users, non-English speakers, older customers, and users in Tier 2/3 cities. Features such as Zomato's Healthy Mode and Natural Language Search are aimed at enhancing customer experience and engagement. Management remains confident that regular, high-frequency users will continue to prefer dedicated apps over chat-based platforms.
- **Valuation & Recommendation:** We maintain our **BUY rating on the stock**, driven by the company's transition to adj. EBITDA positive in key verticals, strong scalability potential, and continued expansion into adjacent consumption categories.
- **Key risks:** a) Slowdown in discretionary spending; b) Competitors may eat market share, resulting in loss of sustainable revenue.

Key Financials (Consolidated)

Y/E March	Sales (Rs Cr)	EBITDA (Rs Cr)	PAT (Rs Cr)	EPS (Rs)	P/E (X)	ROE (%)	ROCE (%)	EV/EBITDA (X)
FY25	20,243	637	527	0.6	441.6	1.7%	2.7%	354.9
FY26	54,364	1,208	366	0.4	662.5	1.1%	3.0%	189.4
FY27E	77,269	4,233	2,611	2.7	98.1	6.9%	10.3%	53.5
FY28E	1,22,945	6,615	4,067	4.2	63.0	8.4%	12.1%	33.0

Source: Company, Axis Securities Research

Profit & Loss (Rs Cr)

Y/E March	FY25	FY26	FY27E	FY28E
Net sales	**20,243**	**54,364**	**77,269**	**1,22,945**
Other operating income	0	0	0	0
Total Income	**20,243**	**54,364**	**77,269**	**1,22,945**
Purchase of stock-in-trade	5,653	32,115	20,863	30,736
Change in inventories of traded goods	-88	-1,948	0	0
Employee benefits expense	2,558	3,536	13,677	25,818
Operating Expenses	11,483	19,453	38,497	59,776
Total Cost	**14,041**	**22,989**	**73,036**	**1,16,331**
EBITDA	**637**	**1,208**	**4,233**	**6,615**
EBITDA Margin (%)	3%	2%	5%	5%
Depreciation	577	1,597	1,757	2,196
Interest & Fin Chg.	154	392	404	420
Pre-tax profit	**697**	**615**	**3,482**	**5,422**
Tax provision	170	249	870	1,356
Profit after Tax	**527**	**366**	**2,611**	**4,067**
EPS	**0.61**	**0.38**	**2.70**	**4.21**

Source: Company, Axis Securities Research

Balance Sheet (Rs Cr)

Y/E March	FY25	FY26	FY27E	FY28E
Total Equity	30,317	30,980	33,591	37,658
Lease Liabilities	(7)	(7)	(7)	(7)
Provisions	**30,310**	**30,973**	**33,584**	**37,651**
Deferred Tax Liabilities	1,654	3,833	600	600
Total non-current liabilities	120	156	156	156
Current Liabilities	212	102	102	102
Lease Liabilities	391	759	115	115
Trade Payables	1,536	3,010	6,351	10,105
A] Total O/S Dues of micro-enterprises and small enterprises	75	232	232	232
B] Total O/S Dues of creditors other than micro-enterprises and small enterprises	1,461	2,778	2,778	2,778
Other Financial Liabilities	913	1,105	1,105	1,105
Provisions	452	744	26	26
Other Current Liabilities	34	54	276	276
Total Current Liabilities	**3,326**	**5,672**	**7,873**	**11,627**
Total Equity and Liabilities	**35,623**	**40,736**	**42,320**	**50,141**
Assets				
Property, Plant and Equipment	965	2,033	290	390
Right-of-use asset	1,918	4,294	4,294	4,294
Goodwill	5,737	5,737	5,737	4,717
Other intangible assets	912	611	991	991
Investments	10,920	9,742	9,742	9,742
Other Financial Assets	2,744	1,606	1,606	1,894
Other Non-Current Assets	546	675	675	675
Total Non-Current Assets	**23,922**	**25,036**	**23,544**	**22,911**
Inventories	176	2,181	915	1,347
Investments	2,272	5,091	5,091	4,485
Trade Receivables	1,946	1,764	3,387	5,389
Cash and Cash Equivalents	666	996	3,444	11,300
Other Financial Assets	2,769	3,537	3,537	3,537
Other Current Assets	924	1,604	1,604	372
Total Current Assets	**11,701**	**15,700**	**18,777**	**27,230**
Total Assets	**35,623**	**40,736**	**42,320**	**50,141**

Source: Company, Axis Securities Research

Cash Flow (Rs Cr)

Y/E March	FY25	FY26	FY27E	FY28E
Profit before tax	697	615	3,482	5,422
Depreciation	576	1,291	1,757	2,196
Changes in Working Capital	6,792	998	6,525	9,226
Cash Flow from Operating Activities	**6,796**	**632**	**5,655**	**7,870**
Capital expenditure	(936)	(1,751)	(1,743)	100
Cash flow from Investing	**(7,993)**	**536**	**(1,743)**	**100**
Equity Raised	-	-	-	-
Debt Raised	-	-	-	-
Cash flow from financing	**(406)**	**(601)**	**(721)**	**(721)**
Net Change in Cash	**(1,603)**	**567**	**3,190**	**7,249**

Source: Company, Axis Securities Research

Ratio Analysis (%)

Y/E March	FY25	FY26	FY27E	FY28E
Growth Ratio	-	-	-	-
Net Sales Growth (%)	67%	169%	42%	59%
EBIT Growth (%)	1417%	90%	250%	56%
PAT Growth (%)	134%	18%	286%	50%
Adj. EPS Growth (%)	50%	-31%	614%	56%
Margin Ratios	-	-	-	-
EBITDA Margin (%) (Core)	3%	2%	5%	5%
EBIT Margin (%)	4%	2%	5%	5%
Pre-Tax Margin (%)	3%	1%	5%	4%
PAT Margin (%)	3%	1%	3%	3%
Efficiency Ratios				
Asset Turnover (x)	1	1	2	2
Receivable days	16	16	16	16
Inventory Days	16	16	16	16
Payable days	30	30	30	30
Financial Stability Ratios				
Total Debt/Equity (x)	-	-	-	-
Current Ratio (x)	2	2	2	2
Quick Ratio (x)	4	4	5	5
Interest Cover (x)	2	2	9	13
Operational & Financial Ratios				
Earnings Per Share (Rs)	0.6	0.4	2.7	4.2
Book Value (Rs)	35	32	35	39
Tax Rate (%)	24%	40%	25%	25%
Performance Ratios				
ROA (%)	2%	2%	11%	26%
ROCE (%)	3%	3%	10%	12%
ROE (%)	2%	1%	7%	8%
PER (x)	441.6	662.5	98.1	63.0
EV/EBITDA (x)	355	189	53	33
P/BV (x)	7.2	7.8	7.2	6.4

Source: Company, Axis Securities Research

Dalmia Bharat Ltd – Capacity Expansion and Profitable Growth to Drive Margins

Dalmia Bharat Limited (DBL), established in 1939, has emerged as one of the fastest-growing players in the Indian cement sector. It holds a 5% share of India's cement capacity in its operational areas. DBL boasts a total cement production capacity of 54.7 million tonnes per annum (mtpa), a clinker capacity of 30.4 mtpa, and a power generation capacity of 397 MW, including waste heat recovery systems (WHRS) and solar power. Thecompany'ss operations extend across 18 locations in India, encompassing integrated plants and 10 grinding units, supported by a robust distribution network of over 46,000 channel partners nationwide.

Industry view

Equal Weight

CMP
1,701

Target Price
2,430

Upside
43%

Key Rationale

- **Strategic Capacity Addition to Fuel Growth:** Strategic Capacity Addition to Fuel Growth: The company had earlier announced a capacity expansion plan comprising a 6 MTPA cement unit and a ~3–3.5 MTPA clinker unit at Kadapa, along with a 3 MTPA bulk terminal in Chennai, with a total capex of Rs 3,287 Cr. These projects are expected to be commissioned by Q2FY28. In addition, its 6 MTPA expansion in the western region (3 MTPA each at Pune and Belgaum) is progressing well and is also slated for commissioning by Q2FY28. Addition of 5.7 mtpa on acquisition of JP asset will boost its presence in Central India. These expansions, coupled with a current utilisation of ~61% (offering strong operating leverage), are expected to drive growth, with the company projected to deliver ~6% volume CAGR over FY25–FY28E.
- **Improved Realisations and Cost Efficiency to Support Margins:** The company's quarterly performance was supported by higher realisations and lower costs. Cement prices have improved, driven by rising fuel and packaging costs across its regions, and are expected to help offset the current increase in input costs. In parallel, the company is actively undertaking cost-saving initiatives, targeting a reduction of Rs 150–200 per tonne over the next two years through enhanced operational efficiency and process optimisation. It has already achieved a cost reduction of Rs 100/tonne in FY26. These initiatives are likely to support profitability and drive margin expansion going forward. Accordingly, we estimate EBITDA margins in the range of 21–22% over FY27–FY28E.
- **Higher Consolidation and Profitable Growth Strategy to Benefit the Company:** The Indian cement industry is witnessing a wave of consolidation, with larger players acquiring regional or mid-sized firms to enhance market presence, optimise logistics, and achieve cost synergies. This consolidation trend is expected to reduce competitive intensity, enabling better price discipline and margin stability across the sector.
- **Outlook:** The company is undertaking strategic capacity additions to capitalise on strong demand and improve market presence. These expansions are expected to enhance volume growth, capture incremental market share, and support long-term revenue and EBITDA growth. Timely commissioning of new capacity will be key to sustaining competitive advantage amid sector consolidation.
- We remain positive on the company's growth prospects and expect it to deliver a Volume/Revenue/EBITDA/PAT CAGR of 6%8%/15%/25% over FY25-FY28E. Capacity expansion, market share gains, and operational efficiencies will drive this growth. Pricing remains a key factor to monitor closely.
- **Valuation:** The stock is currently trading at 10.5x and 9.5x FY27E/FY28E EV/EBITDA and EV/tonne of $65 and $61. The valuation remains attractive compared to other larger peers. We maintain our BUY rating on the stock with a TP of Rs 2,430/share, implying an upside of 43% from the CMP
- **Key risks:** a) Lower realisation and demand in its key markets, b)
  Delay in capacity expansion and higher input costs may impact margins.

Key Financials

Y/E Mar (Rs Cr)	Net Sales (Rs Cr)	EBITDA (Rs Cr)	Net Profit (Rs Cr)	EPS (Rs)	PER (x)	EV/EBIDTA (x)	ROE (%)	ROCE (%)
FY25E	14,680	2,628	827	44	47	15	5	7
FY26	13,980	2,407	796	36	57	17	4	6
FY27E	15,133	3,186	1,221	68	30	13	7	8
FY28E	17,140	3,812	1,434	76	27	11	7	9

Source: Company, Axis Securities

Profit & Loss (Rs Cr)

Y/E Mar	FY25	FY26	FY27E	FY28E
Net sales	13,980	14,804	16,198	17,629
Other operating income	0	0	0	0
Total income	13,980	14,804	16,198	17,629
Raw Material	2,328	2,338	2,517	2,718
Power & Fuel	2,903	2,980	3,335	3,602
Freight & Forwarding	3,286	3,234	3,566	3,852
Employee benefit expenses	885	894	950	1,045
Other Expenses	2,171	2,275	2,472	2,720
EBITDA	**2,407**	**3,083**	**3,359**	**3,694**
Other income	253	222	243	229
PBIDT	2,660	3,305	3,602	3,923
Depreciation	1,331	1,349	1,480	1,616
Interest & Fin Chg.	399	480	490	506
E/o income / (Expense)	-	-	-	-
Pre-tax profit	930	1,476	1,632	1,801
Tax provision	118	293	408	450
RPAT	812	1,183	1,224	1,350
Minority Interests	16	18	18	18
Associates	-	-	-	-
APAT after EO item	**796**	**1,165**	**1,206**	**1,332**

Source: Company, Axis Research

Balance Sheet (Rs Cr)

Y/E Mar	FY25	FY26	FY27E	FY28E
Total assets	30,226	33,312	34,573	35,944
Net Block	19,228	21,302	23,062	24,090
CWIP	2,497	2,593	2,593	2,593
Investments	675	773	773	773
Wkg. cap. (excl cash)	736	762	833	908
Cash / Bank balance	158	224	224	377
Misc. Assets	6,932	7,658	7,089	7,203
Capital employed	30,226	33,312	34,573	35,944
Equity capital	38	38	38	38
Reserves	17,336	17,941	19,053	20,292
Minority Interests	126	144	162	180
Borrowings	5,258	6,752	6,752	6,752
Def tax Liabilities	2,036	2,237	2,237	2,237
Other Liabilities and Provisions	5,432	6,200	6,331	6,445

Source: Company, Axis Research

Cash Flow (Rs Cr)

Y/E Mar	FY25	FY26	FY27E	FY28E
Profit before tax	817	1,449	1,632	1,801
Depriciation	1,331	1,349	1,480	1,616
Interest Expenses	399	480	490	506
Non operating/ EO item	-258	-206	-243	-229
Change in W/C	-230	-659	-71	-75
Income Tax	-71	-99	-408	-450
Operating Cash Flow	2,117	2,278	2,879	3,169
Capital Expenditure	-2,664	-2,056	-3,240	-2,644
Investments	-54	-47	700	-
Others	371	82	243	229
Investing Cash Flow	-2,270	-3,023	-2,297	-2,415
Borrowings	648	1,531	-	-
Interest Expenses	-444	-446	-490	-506
Dividend paid	-169	-169	-94	-94
Others	-20	-108	-	-
Financing Cash Flow	2	81	-58	-60
Change in Cash	-192	63	-0	154
Opening Cash	341	149	212	212
Closing Cash	149	212	212	365

Source: Company, Axis Research

Ratio Analysis (%)

Key Ratios	FY25	FY26	FY27E	FY28E
Operational Ratios				
Sales growth	-5%	6%	9%	9%
OPM	17%	21%	21%	21%
Op. profit growth	-8%	28%	9%	10%
COGS / Net sales	61%	58%	58%	58%
Overheads/Net sales	22%	21%	21%	21%
Depreciation / G. block	4.5%	5.2%	5.1%	5.1%
Effective interest rate	7.6%	7.1%	7.3%	7.5%
Efficiency Ratios				
Total Asset turnover (x)	0.46	0.44	0.47	0.49
Sales/Gross block (x)	0.47	0.57	0.56	0.56
Sales/Net block(x)	0.73	0.69	0.70	0.73
Working capital/Sales (x)	0.21	0.20	0.14	0.13
Valuation Ratios				
P/BV (x)	1.87	1.81	1.70	1.60
PER (x)	48	29	27	25
EV/Ebitda (x)	14.1	11.3	10.6	9.6
EV/Sales (x)	2.4	2.4	2.2	2.0
EV/Tonne $ (x)	80	74	76	61

Source: Company, Axis Research

APL Apollo Tubes Ltd – Strong Margins Despite Disruptions; Focus Shifts to Profitability Over Volumes

APL Apollo Tubes Limited (APL Apollo), incorporated in 1986 and headquartered in Delhi-NCR (Noida, Uttar Pradesh), is India's largest branded manufacturer of structural steel tubes, commanding ~65% share of the organised domestic market. The company operates 11 manufacturing facilities with ~5 MTPA (including one plant in the UAE) and supplies a wide range of ERW structural tubes, hollow sections, galvanised and colour-coated products across urban infrastructure, real estate, housing, commercial construction and solar applications, distributed through a pan-India network of 800+ distributors.

Industry view

Over Weight

CMP
1,789

Target Price
2,250

Upside
26%

Key Rationale

- **Resilient Q4FY26 Despite Disruptions:** Despite late-quarter disruptions (war impact, energy shortages, destocking), the company delivered ~Rs 5,500/t EBITDA, driven by strong brand premium and better product mix amidst supply tightness in steel tubes. Management remains confident of sustaining Rs 5,000-5,500/t EBITDA, even in volatile conditions.
- **Strategic Shift; Profitability Over Volume in Near Term:** Given demand uncertainty and macro headwinds, management highlighted a clear pivot. The focus will be on protecting margins and absolute EBITDA rather than volumes. Volume growth will be volatile and could be below guidance in the near term as Apr-May'26 trends indicate weak volumes but strong profitability.
- **Strong Cash Generation & Balance Sheet Strength:** FY26 Operating Cash Flow stood robust at ~Rs 2,000 Cr (up 65% YoY), Free Cash Flow at ~Rs 1,336 Cr (from Rs 374 Cr in FY25), Net Cash at ~Rs 1,500 Cr+ (jump from Rs 304 Cr in FY25). A significant ~Rs 1,000 Cr cash build-up in Q4 alone was driven by inventory reduction (30-40k tonnes) and working capital efficiency. This strong balance sheet enables self-funded capex, higher dividends, and potential buybacks.
- **Outlook & Recommendation:** Management highlighted war-driven global disruptions and near-term headwinds for the sector, such as a steel price increase (HRC up ~Rs 3,000/ton), which has led to channel destocking and energy/gas/labour shortages. As a result, the earlier 20% YoY volume growth guidance for FY27 was revised towards the lower end of 15-20% (at risk in the near term). Management emphasised that margin guidance is more reliable than volume guidance in current conditions and maintained its EBITDA/t guidance at Rs 5,000-5,500/t. FY27 EBITDA growth guidance is 20-25%, and PAT growth will be 25-30% YoY. On the valuation front, stock is trading at 32x its 12-month forward consensus EPS vs. its long-term average of 37x. We expect Revenue/EBITDA/PAT CAGR of 19%/19%/22%, respectively, over FY26-28E. Hence, we recommend a BUY on the stock.

Key Financials (Consolidated)

Y/E Mar	Net Sales (Rs Cr)	EBITDA (Rs Cr)	Net Profit (Rs Cr)	EPS (Rs)	PER (x)	ROCE (%)	ROE (%)	EV/EBIDTA (x)
FY25	20,690	1,199	757	27.3	56.1	20.1%	19.4%	35.9
FY26	22,460	1,802	1,203	43.3	43.5	28.6%	25.3%	29.2
FY27E	27,402	2,165	1,464	52.7	34.0	28.9%	24.6%	23.2
FY28E	32,063	2,565	1,784	64.3	27.9	28.5%	24.0%	19.5

Source: Company, Axis Securities Research

Profit & Loss (Rs Cr)

Y/E March	FY25	FY26	FY27E	FY28E
Total Sales	**20,690**	**22,460**	**27,402**	**32,063**
Total Raw Materials	17,870	18,890	23,155	27,093
COGS	19,158	20,288	24,854	29,049
EBITDA	**1,199**	**1,802**	**2,165**	**2,565**
EBITDA per tonne	**3,797**	**5,161**	**5,412**	**5,481**
Depreciation	201	231	256	280
Interest & Finance charges	133	125	95	66
Other Income	96	112	113	128
EBT (as reported)	**960**	**1,557**	**1,926**	**2,348**
Tax	203	354	462	564
RPAT	**757**	**1,203**	**1,464**	**1,784**

Source: Company, Axis Securities Research

Balance Sheet (Rs Cr)

Y/E March	FY25	FY26	FY27E	FY28E
Equity Share Capital	56	56	56	56
Reserves	4,153	5,241	6,552	8,184
Net worth	4,209	5,297	6,608	8,239
Total loans	615	452	352	252
Deferred tax liability (Net)	153	180	180	180
Capital Employed	**5,172**	**6,156**	**7,419**	**8,997**
Net block	3,370	3,740	3,984	4,204
Investments	126	48	219	257
Inventories	1,623	1,445	2,102	2,372
Sundry debtors	267	351	300	351
Cash and cash equivalents	369	644	1,268	2,547
Total Current Assets	3,183	3,854	4,910	6,678
Total Current Liabilities	2,424	2,677	3,000	3,510
Net Current Assets	759	1,177	1,910	3,168
Capital Deployed	**5,172**	**6,156**	**7,419**	**8,997**

Source: Company, Axis Securities Research

Cash Flow (Rs Cr)

Y/E March	FY25	FY26	FY27E	FY28E
PBT	960	1,557	1,926	2,348
Depriciation & Amortization	201	231	256	280
Incr/(Decr) in Deferred Tax Liability	-	-	-	-
(Incr)/Decr in Working Capital	167	545	(109)	21
Net Cash Flow from Operating	**1,213**	**2,103**	**1,594**	**2,022**
(Incr)/ Decr in Gross PP&E incl Capital Advances	(723)	(696)	(500)	(500)
(Incr)/Decr In Work in Progress	-	-	-	-
(Incr)/Decr In Investments	-	-	(171)	(37)
(Incr)/Decr in Other Non-Current Assets	-	-	(115)	(63)
Cash Flow from Investing	**(375)**	**(1,394)**	**(622)**	**(425)**
(Decr)/Incr in Borrowings	(514)	(162)	(100)	(100)
Dividend	(153)	(160)	(153)	(153)
Cash Flow from Financing	**(815)**	**(438)**	**(348)**	**(318)**
Cash at the Start of the Year	345	369	644	1,268
Cash at the End of the Year	**369**	**644**	**1,268**	**2,547**

Source: Axis Securities Research

Ratio Analysis (%)

Ratios	FY25	FY26	FY27E	FY28E
Growth (%)				
Sales	14.2	8.6	22.0	17.0
EBITDA	0.6	50.3	20.1	18.5
APAT	3.4	58.9	21.7	21.9
Profitability (%)				
EBITDA Margin	5.8	8.0	7.9	8.0
Adj. Net Profit Margin	3.7	5.4	5.3	5.6
ROCE	20.1	28.6	28.9	28.5
ROE	19.4	25.3	24.6	24.0
Per Share Data (Rs.)				
AEPS	27.3	43.3	52.7	64.3
Reported CEPS	35.6	52.3	61.1	73.3
BVPS	151.6	190.7	237.9	296.7
Valuations (x)				
PER (x)	56.1	43.5	34.0	27.9
PEG (x)	16.7	0.7	1.6	1.3
P/BV (x)	10.1	9.9	7.5	6.0
EV/EBITDA (x)	35.9	29.3	23.2	19.5
Dividend Yield (%)	0.38%	0.45%	0.29%	0.29%
Turnover days				
Inventory Days	31.1	27.6	26.0	28.1
Debtor Days	3.7	5.2	4.5	3.8
Payable Days	43.6	45.9	41.7	40.9
Gearing Ratio				
D/E	0.1	0.1	0.1	0.0

Source: Axis Securities Research

UJJIVAN SMALL FINANCE BANK LIMITED – STANDING TALL THROUGH THE MFI DOWN CYCLE

Ujjivan Small Finance Bank Ltd. (UJSFB) is a leading and diversified SFB that transitioned from a NBFC (Ujjivan Financial Services Ltd.) in Feb'17. The bank primarily serves low and middle-income individuals and businesses in metro and urban areas with limited or no access to formal banking and financial services. Its diversified portfolio includes Microfinance-both group and individual products, MSE Finance, Affordable Housing Finance, FIG Finance, and newly introduced offerings such as vehicle loans, and gold loans.

Industry view

Over weight

CMP
59

Target Price
78

Upside
32%

Key Rationale

- **Diversification Strategy and Secured Portfolio Scale-Up Remain Key Focus**: UJSFB highlighted that the RBI has acknowledged the ongoing diversification of the loan portfolio, and focus continues to remain on building a diversified and well-balanced portfolio, while simultaneously improving the mix of secured assets. **The management has guided for the share of secured advances to improve to 56% in FY27 vs ~49% in FY26**. **The secured asset growth is expected to remain robust at 35-40% in FY27, led by the aforementioned segments**. The MFI portfolio has stabilised and resumed its growth trajectory, post a meaningful slowdown following the implementation of the guardrails. Management expects **MFI growth to remain muted at 8-10%**, with secured businesses growing materially faster. **We expect UJSFB's credit growth momentum to sustain and deliver a strong credit growth of ~25% CAGR over FY26-28E**.
- **NIMs Holding Firm Despite Mix Shift:** In Q4, UJSFB's NIM expansion of 20 bps QoQ was aided by a combination of multiple factors such as lower CoF, better liquidity utilisation, stable yields and lower interest reversals amidst shift towards the relatively lower-yielding secured segments. Going forward, despite the improving share of secured portfolio in the overall advances mix, **NIMs are expected to be maintained at exit-FY26 levels of ~8.5% over FY27**. On the liability front, **UJSFB expects continued easing in CoF, with nearly 25-30 bps of benefit still left to accrue from recent rate actions taken in Apr'26** (impact expected to be larger vs Jan'26 rate cut with ~33% of the book getting repriced). **We expect NIMs to remain rangebound between 8.0% and 8.2% over FY27-28E.**
- **Asset Quality Remains Stable Amid External Uncertainties:** UJSFB's asset quality trends continued to improve sequentially, with MFI X-bucket CE at 99.8% vs 99.6% QoQ. **Credit costs moderated meaningfully during the quarters, and management expects credit costs to settle at 1.4-1.5% of GLB in FY27, driven by healthy asset quality trends in the secured book and normalised trends in the MFI portfolio**. Management indicated that the **ongoing West Asia crisis has not had any material impact on asset quality so far, given the bank's largely retail and granular portfolio composition, with negligible exposure to foreign currency-linked risks**. The customer profile is believed to remain relatively insulated from any immediate first-order impact arising from the geopolitical crisis.
- **Outlook & Valuation:** UJSFB appears well-positioned to deliver healthy and sustainable growth over the medium term, supported by the acceleration of its portfolio diversification strategy, strong traction in secured businesses, and an improving liability franchise. The bank's shift towards better-yielding secured products, along with the benefit accruing from the SA rate cut taken in Apr'26, should help UJSFB maintain a resilient NIM profile. Asset quality trends across both secured and MFI portfolios continue to remain comfortable, aided by tighter underwriting, strong collection efficiencies, and prudent portfolio monitoring. Strong NIMs and gradually moderating credit costs should offset the impact of higher Opex as the bank continues to invest in the franchise at tech, enabling it to scale RoA to 1.6-1.8% over FY27-28E.
- **Key risks:** a) Scalability of new products, b) Asset quality concerns in the MFI segment

Key Financials (Standalone)

Y/E Mar	NII (Rs Cr)	PPOP (Rs Cr)	Net Profit (Rs Cr)	EPS (Rs)	ABV (Rs)	P/ABV (x)	ROAA (%)	NNPA (%)
FY25	3,636	1,689	726	3.8	30.2	2.0	1.6	0.5
FY26	3,871	1,710	693	3.6	33.7	1.8	1.3	0.4
FY27E	4,837	2,124	1,076	5.5	39.0	1.5	1.7	0.4
FY28E	5,872	2,682	1,411	7.3	46.0	1.3	1.8	0.4

Source: Company, Axis Securities.

Profit & Loss (Rs Cr)

Y/E MAR	FY25	FY26	FY27E	FY28E
Net Interest Income	**3,636**	**3,871**	**4,837**	**5,872**
Other Income	846	1,108	1,320	1,569
Total Income	**4,482**	**4,979**	**6,156**	**7,441**
Total Operating Exp.	2,793	3,268	4,032	4,759
PPOP	**1,689**	**1,710**	**2,124**	**2,682**
Provisions & Contingencies	748	799	685	797
PBT	**941**	**911**	**1,439**	**1,886**
Provision for Tax	215	218	363	475
PAT	**726**	**693**	**1,076**	**1,411**

Source: Company, Axis Research

Balance Sheet (Rs Cr)

Y/E MAR	FY25	FY26	FY27E	FY28E
SOURCES OF FUNDS				
Share capital	1,935	1,943	1,943	1,943
Reserves and Surplus	90	97	142	187
Shareholders' funds	4,059	4,776	5,852	7,262
Deposits	**5,994**	**6,718**	**7,794**	**9,205**
Borrowings	37,630	45,668	56,624	70,402
Other Liabilities, provisions	2,845	3,736	5,296	6,836
Total liabilities	1,130	1,321	1,642	2,036
	47,689	**57,541**	**71,498**	**88,667**
APPLICATION OF FUNDS				
Cash & Bank Balance	3,170	3,143	3,724	4,630
Investments	11,730	12,724	15,550	19,334
Advances	31,390	39,761	49,847	61,754
Fixed Assets & Other Assets	1,399	1,913	2,377	2,948
Total assets	**47,689**	**57,541**	**71,498**	**88,667**

Source: Company, Axis Research

KEY RATIOS (%)

Y/E MAR	FY25	FY26	FY27E	FY28E
VALUATION RATIOS				
EPS	3.8	3.6	5.5	7.3
Earnings Growth (%)	*-43.5*	*-4.9*	*55.3*	*31.1*
BVPS	31.0	34.6	40.1	47.4
Adj. BVPS	30.2	33.7	39.0	46.0
ROAA (%)	1.6	1.3	1.7	1.8
ROAE (%)	12.6	10.9	14.8	16.6
P/E (x)	15.7	16.6	10.7	8.1
P/ABV (x)	2.0	1.8	1.5	1.3
PROFITABILITY				
NIM (%)	8.7	8.1	8.3	8.1
Cost-Assets Ratio	6.3	6.2	6.2	5.9
Cost-Income Ratio	62.3	65.6	65.5	64.0

Source: Company, Axis Research

Balance Sheet Structure Ratios (%)

Y/E MAR	FY25	FY26	FY27E	FY28E
Loan Growth (%)	7.9	26.6	25.4	23.9
Deposits Growth (%)	19.6	21.4	24.0	24.3
Equity/Assets (%)	8.5	8.3	8.2	8.2
Equity/Loans (%)	19.1	16.9	15.6	14.9
Total Capital Adequacy Ratio (CAR)	23.1	21.1	19.6	18.6
ASSET QUALITY				
Gross NPLs (%)	2.2	2.3	2.2	2.2
Net NPLs (%)	0.5	0.4	0.4	0.4
PCR	78.1	81.5	81.0	81.0
Credit costs	2.6	2.2	1.5	1.4

Source: Company, Axis Research

CHALET HOTELS LTD – ARR LED GROWTH

Chalet Hotels Limited is a leading owner, developer, and asset manager of high-end hotels in India, primarily operating in key metro cities such as Mumbai, Hyderabad, Bengaluru, and Pune. The company's portfolio comprises luxury and upper upscale hotels managed by renowned global brands like Marriott, Westin, and Four Points. Chalet follows an integrated business model that combines hospitality with commercial and mixed-use developments, leveraging synergies in operations, location, and asset management. With a focus on premium urban markets, efficiency, and sustainable practices, Chalet continues to enhance its portfolio through strategic expansions and redevelopment projects.

Industry view

Equal Weight

CMP
815

Target Price
1,000

Upside
23%

Key Rationale

- **Stronger Demand Cycle:** Chalet remains well positioned to benefit from India's structural hospitality upcycle, driven by rising domestic travel, increasing disposable incomes, robust wedding demand, and strong MICE activity. Despite temporary geopolitical disruptions and Mumbai market softness in Q4FY26, the company delivered resilient operational performance with FY26 hospitality revenue growth of 14% YoY. Management highlighted that supply additions continue to lag demand across key micro markets, supporting sustained ARR growth. Chalet's focus on premium assets in high-entry-barrier markets like Mumbai, Bengaluru, Hyderabad, and NCR provides strong pricing power and long-term occupancy stability.
- **Diversified Growth Pipeline:** The company's growth visibility remains robust with operating inventory crossing 3,389 rooms and total pipeline exceeding 5,000 keys. Strategic additions, such as the ultra-luxury The Ritz-Carlton Hyderabad and the Udaipur resort acquisition, strengthen Chalet's positioning across both business and leisure segments. Simultaneously, stabilisation of newer assets, including Bengaluru expansion, Khandala resort, and Delhi airport project, is expected to meaningfully improve occupancy and operating leverage over the next 2-3 years. The commercial real estate portfolio also provides annuity-style cash flows, with a monthly rental run-rate already reaching Rs 28 Cr and expected to scale further after Cygnus 2 commissioning.
- **Strong Balance Sheet and Internal Cash Generation:** Despite investing nearly Rs 1,900 Cr in growth capex over the past two years, net debt reduced to ~Rs 1,900 Cr from Rs 2,500 Cr, supported by strong operating cash flows. Management expects the planned Rs 3,000 Cr capex over FY27-FY29 to be largely funded through internal accruals, limiting leverage risk. The company also maintains strong EBITDA margins near 43% and continues to generate high-margin rental income from its CRE assets.
- **Outlook & Guidance:** Management remains optimistic on the medium-term hospitality outlook despite near-term geopolitical uncertainties. Demand trends in April and May have already improved meaningfully, while leisure assets continue to witness strong traction. Stabilisation of recently added inventory, ramp-up of resorts, and commissioning of commercial real estate assets are expected to drive earnings growth over the next few years. The company expects monthly CRE rentals to rise to Rs 30 Cr in FY27, while Cygnus 2 and Hyderabad projects provide long-term upside.

Key Financials (Consolidated)

Y/E Mar	Net Sales (Rs Cr)	EBITDA (Rs Cr)	Net Profit (Rs Cr)	EPS (Rs)	PER (x)	EV/EBITDA (x)	P/BV (x)	ROE (%)
FY25	1,718	736	143	6.5	137.1	29.9	6.4	4.7
FY26	2,770	1,187	645	29.6	30.3	18.3	5.3	17.4
FY27E	3,271	1,426	756	34.7	25.9	15.0	4.4	17.1
FY28E	3,191	1,436	767	35.2	23.2	13.4	3.4	14.8

Source: Company, Axis Securities

Profit & Loss (Rs Cr)

Y/E Mar, Rs Cr	FY25	FY26	FY27E	FY28E
Net Sales	**1,718**	**2,770**	**3,271**	**3,191**
Growth (%)	**21.2%**	**61.2%**	**18.1%**	**-2.4%**
Total Expenditure	982	1,582	1,845	1,755
Raw Material Consumed	117	130	373	287
Gross margins (%)	**93.2%**	**95.3%**	**88.6%**	**91.0%**
Employee Expenses	234	288	393	383
% of sales	13.5%	13.5%	12.0%	12.0%
Other Expenses	631	1,165	1,080	1,085
% of sales	36.7%	42.1%	33.0%	34.0%
EBIDTA	**736**	**1,187**	**1,426**	**1,436**
EBITDAM (%)	**42.8%**	**42.9%**	**43.6%**	**45.0%**
Depreciation	179	230	243	270
% of GB	3.8%	4.5%	4.0%	4.0%
EBIT	557	957	1,183	1,166
EBITM (%)	32.4%	34.6%	36.2%	36.5%
Interest	159	180	195	168
Other Income	36	43	47	52
Share of P/L of Associates	0	0	0	0
PBT	434	818	1,035	1,050
Tax Rate (%)	**67.2%**	**21.2%**	**27.0%**	**27.0%**
Tax	292	174	280	284
Reported PAT	**143**	**645**	**756**	**767**

Source: Company, Axis Research,

Balance Sheet (Rs Cr)

Y/E Mar, Rs Cr	FY25	FY26	FY27E	FY28E
Share Capital	218	219	219	219
Reserves & Surplus	2,827	3,479	4,215	4,961
Net Worth	3,046	3,698	4,433	5,180
Total Loan funds	2,679	2,461	2,161	1,861
Deferred Tax Liability	85	220	170	170
Long Term Provisions	16	19	16	16
Other Long-Term Liability	41	72	90	87
Capital Employed	**7,063**	**7,309**	**7,677**	**8,013**
Gross Block	4,684	5,131	6,081	6,751
Less: Depreciation	1,472	1,702	1,945	2,215
Net Block	3,212	3,429	4,136	4,536
Investments	99	15	15	15
Sundry Debtors	78	69	117	114
Cash & Bank Bal	186	309	365	337
Loans & Advances	23	80	80	80
Inventory	633	269	100	60
Other Current Assets	147	162	162	162
Total Current Assets	2,204	1,287	1,153	945
Curr Liab & Prov	1,165	903	838	768
Net Current Assets	-1,039	-384	-315	-177
Total Assets	**7,063**	**7,309**	**7,676**	**8,02**

Source: Company, Axis Research

Cash Flow (Rs Cr)

Y/E Mar (Rs Cr)	FY25	FY26	FY27E	FY28E
PBT	434	818	1,035	1,050
Add: depreciation	179	230	243	270
Add: Interest	159	180	195	168
Cash flow from operations	772	1,229	1,473	1,488
Change in working capital	54	86	-96	74
Taxes	292	174	280	284
Net cash from operations	427	970	1,290	1,130
Capital expenditure	-1,130	-662	-674	-670
Net cash from investing	-1,228	-583	-670	-670
Increase/Decrease in debt	-271	-217	-300	-300
Dividends	0	-10	-20	-20
Proceedings from equity	13	1	-0	0
Interest	-159	-180	-195	-168
Others	1,272	144	-48	0
Net cash from financing	855	-263	-563	-488
Net Inc./(Dec.) in Cash	53	123	57	-28
Opening cash balance	132	186	309	365
Closing cash balance	186	309	365	337

Source: Company, Axis Research

Ratio Analysis (x,%)

Y/E Mar	FY25	FY26	FY27E	FY28E
Sales growth	**21.2**	**61.2**	**18.1**	**(2.4)**
OPM	**42.8**	**42.9**	**43.6**	**45.0**
Oper. profit growth	25.9	61.3	20.1	0.7
COGS / Net sales	6.8	4.7	11.4	9.0
Overheads/Net sales	50.4	52.4	45.0	46.0
Depreciation / G. block	**3.8**	**4.5**	**4.0**	**4.0**
Effective interest rate	67.2	21.2	27.0	27.0
Net wkg.cap / Net sales	0.1	0.1	0.0	0.1
Net sales / Gr block (x)	0.4	0.5	0.5	0.5
RoCE	**9.4**	**16.0**	**19.3**	**17.9**
Debt / equity (x)	0.9	0.7	0.5	0.4
Effective tax rate	67.2	21.2	27.0	27.0
RoE	**4.7**	**17.4**	**17.1**	**14.8**
Payout ratio (Div/NP)	0.0	0.0	0.0	0.0
EPS (Rs.)	**6.5**	**29.6**	**34.7**	**35.2**
EPS Growth	0.0	0.0	0.0	0.0
CEPS (Rs.)	14.7	40.1	45.8	47.5
DPS (Rs.)	0.0	1.0	2.0	2.0

Source: Company, Axis Research

MINDA CORPORATION LTD - PREMIUM ELECTRONICS & EV PLATFORMS POWERING NEXT GROWTH PHASE

Minda Corporation Ltd (Minda), established in 1958 and headquartered in Noida, India, is a major technology-driven manufacturer of automotive components and systems for both domestic and global original equipment manufacturers (OEMs). It is the flagship company of the Spark Minda Group and a leading supplier of mechatronic products, wiring harnesses, vehicle access systems, instrument clusters, connectivity systems, and interior & plastic components across passenger vehicles, commercial vehicles, two-wheelers, three-wheelers, and off-road vehicles.

Industry View

Over Weight

CMP
697

Target Price
785

Upside
13%

Key Rationale

- **Product Portfolio Expansion & Key Order Wins:** MCL's product strategy in Q4FY26 reflects a strong shift toward premiumization, platform-level offerings, and EV-focused technologies across segments. The company expanded its premium PV portfolio with a lifetime sunroof order valued at ~Rs 1,050 Cr, with mass production expected to commence in the next 4-5 months and peak ramp-up likely by FY28. MCL also secured multiple orders for advanced TFT instrument clusters ranging from 3-inch to 15-inch displays across PV and CV segments, supported by rising premium content per vehicle. Further, the Toyo Denso JV secured new switch orders from leading Japanese OEMs, with SOP targeted for Q4FY27. In the EV space, the newly formed Turntide Technologies JV strengthens MCL's presence in axial flux motors and motor controllers for compact EV architectures across 2W, 3W, and CV segments. On the innovation front, the company filed 11 new patents during Q4FY26, taking total patent filings to 330, of which 147 have already been granted.
- **Strong Order Book:** Minda Corporation's order book continues to provide strong medium-term revenue visibility and highlights the success of its premiumization and export-led growth strategy. The company reported a record lifetime order book of over Rs 10,000 Cr during FY26, with Q4 alone contributing ~Rs 3,500 Cr worth of new wins. Importantly, ~20% of the total order inflows were export-linked, supporting geographical diversification and reducing dependence on domestic cyclicality. The order pipeline remains diversified across sunroofs, wiring harnesses, TFT clusters, TPMS, switches, and EV solutions, with a typical execution lifecycle of 48-60 months, thereby providing sustained revenue visibility over the medium term
- **Flash Electronics Performance:** Associate company, Flash Electronics, delivered a healthy operational performance in Q4FY26, supported by strong export execution, improved utilisation levels and lower finance costs. Flash reported quarterly revenues of ~Rs 493 Cr, while EBITDA stood at Rs 89 Cr (+106% YoY) with EBITDA margins of ~18%. PAT came in at Rs 49 Cr (+137% YoY), with PAT margins of ~9.9%. For FY26, EBITDA and PAT stood at Rs 310 Cr and Rs 137 Cr, respectively. Growth was driven by higher-margin export programs within the metallic business, improved operating efficiencies and lower interest costs. Strategically, Flash continues to strengthen its EV portfolio through its dedicated technical centre in Poland, focusing on passenger vehicle EV motors, while expanding export opportunities through facilities in Vietnam and Indonesia. The company also remains well-positioned to benefit from increasing EV penetration and localisation trends across global OEMs.
- **Valuation & Outlook:** We remain positive on Minda Corp's growth trajectory, supported by strong order inflows, premiumization, expanding EV opportunities, and technology-led product offerings. Backed by a robust Rs 10,000 Cr order book and management's confidence in outperforming industry growth through organic and inorganic initiatives, we project a CAGR of 18%/22%/30% in Revenue/EBITDA/Adj PAT over FY27-28E, with a higher share of profits from associates expected to further support PAT growth.
- **Key risks:** Macro-economic uncertainty, Higher depreciation cost.

Key Financials (Consolidated)

Y/E Mar	Net Sales (Rs Cr)	EBITDA (Rs Cr)	Net Profit (Rs Cr)	EPS (Rs)	PER (x)	ROCE (%)	ROE (%)	EV/EBITDA (x)
FY25	5,056	575	255	10.7	50.5	15.3	12.2	23.4
FY26	6,185	721	360	15.0	34.0	16.2	14.7	17.6
FY27E	7,249	877	471	19.7	35.3	18.6	16.6	19.7
FY28E	8,601	1,076	606	25.4	27.5	20.5	18.4	15.8

Source: Company, Axis Securities Research

Profit & Loss (Rs Cr)

Y/E Mar	FY25A	FY26A	FY27E	FY28E
Net sales	**5,056**	**6,185**	**7,249**	**8,601**
Raw materials	3,147	3,900	4,567	5,418
Staff costs	782.5	933.5	1,024.7	1,178.4
Other expenses	552.5	631.2	780.5	928.2
Total expenses	4,482	5,464	6,372	7,525
EBITDA	**575**	**721**	**877**	**1,076**
Depreciation	204	230	249	289
EBIT	**371**	**491**	**628**	**787**
Other income	32	15	34	34
Interest expense	67	122	121	121
Exceptional (expenses)/income	0	-1	1	0
Profit before tax	**336**	**383**	**542**	**700**
Tax expense	96	106	150	194
Associates	16	81	80	100
Adjusted PAT	**255**	**359**	**472**	**606**
Reported PAT	**255**	**360**	**471**	**606**
No. of shares	23.9	23.9	23.9	23.9
Reported EPS (Rs/share)	**10.7**	**15.0**	**19.8**	**25.4**

Source: Company, Axis Securities Research

Balance Sheet (Rs Cr)

Y/E Mar	FY25A	FY26A	FY27E	FY28E
Total assets	**3,882**	**4,202**	**4,519**	**4,894**
Net Block	1,347	1,446	1,392	1,299
CWIP	65	129	184	239
Goodwill	93	93	93	93
Investments	1,476	1,558	1,558	1,558
Wkg. cap. (excl cash)	805	828	1,243	1,419
Cash / Bank balance	97	147	49	286
Misc. Assets	0	0	0	0
Capital employed	**3,882**	**4,202**	**4,519**	**4,894**
Equity capital	48	48	48	48
Reserves	2,154	2,596	2,988	3,486
Pref. Share Capital	0	0	0	0
Minority Interests	0	15	15	15
Borrowings	1,668	1,534	1,448	1,323
Def tax Liabilities	12	9	21	22

Source: Company, Axis Securities Research

Cash Flow (Rs Cr)

Y/E Mar	FY25A	FY26A	FY27E	FY28E
Sources	**1,473.5**	**368.2**	**566.7**	**663.4**
Cash profit	511	629	762	916
(-) Dividends	16.7	16.7	0.0	8.4
Retained earnings	494.0	611.8	762.3	907.7
Issue of equity	0.0	0.0	0.0	0.0
Change in Oth. Reserves	0.0	15.0	0.0	0.0
Borrowings	1,074.3	(138.1)	(87.0)	(125.0)
Others	(94.8)	(120.6)	(108.7)	(119.3)
Applications	**1,473.5**	**368.2**	**566.7**	**663.4**
Capital expenditure	497.1	419.6	250.0	250.0
Investments	1,127.9	82.8	0.0	0.0
Net current assets	(57.3)	(3.5)	415.1	176.2
Change in cash	(94.2)	(130.7)	(98.4)	237.2

Source: Axis Securities Research

Ratio Analysis (%)

Key Ratios	FY25A	FY26A	FY27E	FY28E
Sales growth	**8.7**	**22.3**	**17.2**	**18.6**
EBITDA margin	**11.4**	**11.7**	**12.1**	**12.5**
EBITDA growth	11.7	25.5	21.6	22.7
COGS / Net sales	26.4	25.3	24.9	24.5
Overheads/Net sales	28.3	27.7	26.9	26.5
Depreciation / G. block	9.3	9.1	9.1	9.9
Effective interest rate	6.7	9.0	6.3	7.9
Net wkg.cap / Net sales	0.1	0.1	0.1	0.1
Net sales / Gr block (x)	2.3	2.4	2.7	2.9
RoCE	**15.3**	**16.2**	**18.6**	**20.5**
Debt/equity (x)	0.7	0.6	0.5	0.4
Effective tax rate	28.7	27.7	27.6	27.7
RoE	**12.2**	**14.7**	**16.6**	**18.4**
Payout ratio (Div/NP)	6.6	4.7	0.0	1.4
EPS (Rs.)	**10.7**	**15.0**	**19.8**	**25.4**
EPS Growth	12.4	40.3	31.9	28.4
Adj EPS (Rs.)	**10.7**	**15.0**	**19.7**	**25.4**

Source: Axis Securities Research

HEALTHCARE GLOBAL ENTERPRISES – ONCOLOGY FOCUSED HOSPITAL CHAIN

Healthcare Global Enterprises (HCG) has strategically positioned itself as India's foremost pure-play oncology powerhouse, commanding a network of nearly 22 Comprehensive Cancer Centers (CCCs) and dedicated infusion facilities across the nation. It has a total of 25 hospitals with an operating capacity of 2,304 beds across 19 cities and has a strong track record of being the first to introduce advanced technologies in India, such as Adaptive Radiation, Tomotherapy, and MR- LINAC.

Industry view

Over Weight

CMP
627

Target Price
750

Upside
20%

Key Rationale

- **Cancer - Fastest-Growing Tertiary Care Segment:** It is the fastest-growing segment within the healthcare ecosystem, expanding at 14% annually, driven by a 9% CAGR in costs and a 5–6% annual increase in the number of cases. However, HCG outpaces industry growth by 8% CAGR in terms of operational bed capacity and at 8% CAGR in terms of ARPOB growth from FY23-26. Cost-wise, the industry outpaced the growth of HCG because of a hub-and-spoke network. This led to a rise in volumes and has made it affordable to patients in India. According to FICCI, the comprehensive market, which includes drugs, diagnostics, and specialised treatment facilities, is valued at Rs 1.3 Lc Cr (~$15 Bn) and is projected to steadily grow at 10–12% annually. The oncology segment alone accounts for around Rs 30,000 Cr, witnessing an impressive nationwide growth rate of 13–14%. To meet these healthcare needs, private hospitals, diagnostic chains, and pharmaceutical or biologics enterprises have collectively committed over Rs 10,000 Cr in fresh investments. KKR's strategic investment boosts HCG's operational efficiency. Leveraging 25 centres, strong brand recall, and advanced clinical capabilities, HCG is positioned for sustained patient registration growth.
- **Addition of 1,000 Beds by FY30 to Support Future Growth:** HCG plans to add 1,000 beds by FY30, with 40% being greenfield in cities such as Pune, Varanasi, Surat, and Kanpur, while brownfield constitutes 60% of the expansion. Currently, management has outlined plans to add 200+ beds across key locations, including 120-130 beds in Whitefield, Bangalore, 75 beds in Cuttack, 30 beds in Ranchi, 50 beds in Vizag, and 20+ beds in Bhavnagar. These are all brownfield expansions with a cost of Rs 45 Lc per bed, which leads to faster breakeven and higher ROCE. Additionally, it plans to add 8-10 LINACs and increase Centre of Excellence (CoE) count from 1 (KR) today to 3+ across regions. HCG's new 110+ bed Bangalore centre features advanced MR-Linac technology, creating a clear clinical differentiation.

India's advanced radiation therapy infrastructure faces a severe deficit, with only about 0.3 PET-CT scanners and 0.3 LINACs per Mn people compared to 6.2 and 11.9, respectively, in the US. Consequently, each LINAC in India handles nearly 3,216 cancer cases—almost eight times the patient load of its US counterpart, which serves just 419. This stark equipment shortage highlights a critical supply-demand gap. Management has guided for 15% growth in revenue and 1% expansion in EBITDA margin for FY27 at nearly 19%. The aim is to reach 25% margin gradually for their overall portfolio of hospitals across India.

- **Strategic Drivers for Accelerated Margin Expansion:** HCG is entering a highly margin-accretive phase, positioning its EBITDA margins for meaningful acceleration. This upward trajectory is primarily driven by unlocking strong operating leverage, achieved through increased utilisation rates at existing centres and strategic new LINAC installations. The expansion is further supported by targeted brownfield additions and an optimised case-and-payer mix. Backed by KKR's proven execution capabilities, HCG's new management team is well-equipped to instil rigorous operational and financial discipline. This powerful combination will accelerate value creation, structurally shifting the company toward higher profitability, superior capital efficiency, and sustainable long-term growth.
- **Outlook & Valuation:** HCG's strong outlook relies on (a) tripling outpatient centres, recruiting 23 specialised oncologists, (b) continuous brownfield capacity growth, and (c) aggressively ramping up operations at both Whitefield and North Bangalore hospital facility hubs. We expect revenue, EBITDA, and PAT to grow by 10%, 19% and 231% CAGR for FY26-29E, respectively, with EBITDA margins expanding by 200 bps to 21.3% by FY28E.
- **Key Risks:** a) Increased debt levels due to expansion plans of 45% by FY30. (b) Competitive market with large chain hospitals entering the space. (c) Adverse pricing regulations to cater to the general masses could lead to lower profitability.

Key Financials (Consolidated)

Y/E Dec (Rs Cr)	Net Sales (Rs Cr)	EBITDA (Rs Cr)	Net Profit (Rs Cr)	EPS (Rs)	PER (x)	EV/EBITDA (x)	ROE (%)	ROCE (%)
FY25	2,223	387	49	3.5	154	23.2	5.3	6.8
FY26	2,545	466	23	1.5	344	19.4	1.7	8.5
FY27E	2,713	515	89	6.0	105	19.9	6.3	9
FY28E	3,075	655	250	16.7	37	15.0	15.0	17

Source: Company, Axis Securities Research

Income Statement (Rs Cr)

Particulars (Rs Cr) P/L	FY25	FY26	FY27E	FY28E
Net Sales	**2,223**	**2,545**	**2,713**	**3,075**
Growth (%)	**16.3%**	**14.5%**	**6.6%**	**13.3%**
Total Expenditure	1,836	2,080	2,198	2,420
Raw Material Consumed	590	702	711	778
% of sales	26.1%	27.2%	26.2%	25.3%
Gross margins (%)	**73.9%**	**72.8%**	**73.8%**	**74.7%**
Employee Expenses	353	379	402	443
% of sales	15.9%	14.9%	14.8%	14.4%
Other Expenses	901	1,009	1,085	1,199
% of sales	40.6%	39.6%	40.0%	39.0%
EBITDA	**387**	**466**	**515**	**655**
EBITDAM (%)	**17.4%**	**18.3%**	**19.0%**	**21.3%**
EBIT	176	222	226	404
EBITM (%)	7.9%	8.7%	8.3%	13.1%
Other Income	35	25	25	25
Exceptional Items	0	45	0	0
Share of P/L of Associates	1	1	1	1
PBT	**57**	**27**	**111**	**312**
Tax Rate (%)	14.3%	15.4%	20.0%	20.0%
Tax	8	4	22	62
Reported PAT	**49**	**23**	**89**	**250**

Source: Company, Axis Securities Research

Balance Sheet (Rs Cr)

Y/E Mar, Rs. Cr (Balance Sheet)	FY25	FY26	FY27E	FY28E
Share Capital	139	149	149	149
Reserves & Surplus	783	1,183	1,272	1,521
Shareholders Fund	922	1,332	1,421	1,671
Minority Interest	68	78	79	80
- Long Term Borrowings	1,380	1,359	1,229	1,099
- Deferred Tax Liabilities (Net)	4	2	4	4
- Other Long-Term Liabilities	102	108	59	67
- Long Term Provisions	21	25	21	21
Total Non-Current Liabilities	1,507	1,495	1,314	1,192
- Short Term Borrowings	398	311	281	251
- Trade Payables	334	351	401	455
- Other Current Liabilities	235	267	275	312
- Short Term Provisions	19	23	19	19
Total Current Liabilities	1,046	1,017	1,037	1,092
Total Liabilities	**3,543**	**3,922**	**3,850**	**4,034**
Gross Block	2,165	2,533	2,633	2,733
Depreciation	896	1,140	1,430	1,681
% of GB	41.4%	45.0%	54.3%	61.5%
- Fixed Assets	2,471	2,487	2,405	2,254
- Non-Current Investments	7	7	7	7
- Deferred Tax Asset (Net)	25	40	25	25
- Long Term Loans & Advances	86	107	86	86
- Other Non-Current Assets	111	146	111	111
Total Non-Current Assets	2,699	2,787	2,634	2,482
- Inventories	53	60	56	64
- Trade Receivables	401	421	446	505
- Cash & Cash Equivalents	348	541	672	940
- Short Term Loans & Advances	3	3	3	3
- Other Current Assets	39	110	39	39
Total Current Assets	844	1,135	1,217	1,552
TOTAL ASSETS	**3,543**	**3,923**	**3,851**	**4,034**

Source: Company, Axis Securities Research

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UTTAM KUMAR SRIMAL

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