

Top Fundamental Picks of the Month

Company	Stock Code	Sector	Market Cap (₹ crore)	CMP (₹)	Target Price (₹)	Potential Upside (%)	P/E(x)		ROCE/ROA(%)		ROE(%)	
							FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
LARGE CAP												
LG Electronics India	LGELEC	Consumer Durables	1,17,903	1,737	2,040	17%	54.6	42.6	32.7	38.0	26.0	30.3
Hyundai Motor India	HYUMOT	Auto	1,66,400	2,048	2,520	23%	29.6	22.8	25.7	27.8	23.5	25.1
Adani Ports & SEZ	ADAPOR	Logistics	4,07,110	1,767	2,050	16%	26.1	22.1	13.1	13.5	14.2	14.7
Hindustan Aeronautics Ltd	HINAER	Defence	3,33,719	4,565	5,820	27%	29.6	25.1	28.4	28.3	21.4	21.3
Lenskart	LENSOL	Cosumer Discretionary	1,20,317	693	850	23%	-	84.5	19.0	23.8	10.2	13.7
Bharat Heavy Electricals	BHEL	Capital Goods	1,48,127	425	575	35%	34.8	25.9	15.1	16.7	14.1	16.1
Kotak Mahindra Bank	KOTMAH	BFSI	4,22,089	417	475	15%	25.4	22.5	2.0	2.0	11.4	11.5
MID CAP and SMALL CAP												
Gujarat Fluorochemicals	GUJFLU	Chemicals	47,487	4,323	5,800	34%	50.1	40.6	11.8	12.9	10.8	11.8
Astral	ASTPOL	Building Materials	36,214	1,348	1,830	36%	50.9	42.5	21.3	22.2	16.3	16.9
Jindal Stainless	JINSTA	Metals	60,538	735	915	24%	16.2	13.3	16.3	16.9	16.3	17.6
Bharat Forge	BHAFOR	Auto Ancillary	92,123	1,885	2,475	31%	65.3	41.9	12.0	14.7	13.3	15.8
Centum Electronics	CENELE	EMS	7,018	4,677	5,900	26%	73.2	52.4	26.6	30.0	20.0	22.5
Radico Khaitan	RADKHA	FMCG	58,213	4,260	5,100	20%	65.9	50.8	26.4	30.4	21.5	22.8
NRB Bearings	NRBBEA	Capital Goods	5,021	518	610	18%	30.1	25.6	18.6	19.4	15.9	16.7
Saregama Inda	SAREIN	Media	9,511	493	650	32%	37.6	29.3	18.3	21.4	14.1	16.5
Pondy Oxides & Chemicals	PONOXI	Metals	3,379	445	625	40%	21.5	14.2	19.9	25.2	16.8	20.6
Apollo Micro Systems	APOMIC	Defence	14,615	393	485	23%	104.7	55.7	6.5	10.4	4.9	6.3

Company Name	Rationale
LARGE CAP	
LG Electronics India	LG Electronics India is a leading consumer durable player with a strong brand franchise across TVs, refrigerators, washing machines and air conditioners. The company is witnessing healthy premiumisation, with strong traction in large-screen TVs, OLED/QNED TVs, French-door refrigerators and 8kg+ washing machines. Exports and capacity expansion provide an additional growth runway, with exports targeted to rise from ~6% of sales to double-digit levels over the next 1-2 years, while the ₹5,000 crore Sri City expansion will further enhance capacity and localisation. Increasing localisation, expansion in B2B/AMC businesses and improving festive demand are expected to support margin expansion, with management targeting mid-teen revenue growth and early double-digit EBITDA margins in FY27
Hyundai Motor India	Hyundai Motors India (HML) is a prominent auto OEM in the PV space with market share pegged at 12.6% in FY26. HML is entering a high product cycle phase, with two major launches in H2FY27 (a localized EV-compact SUV and mid-size ICE SUV), which are expected to drive incremental volumes. Combined with strong brand positioning & rural expansion, HML is well-placed to outperform industry growth while guiding 8-10% volume growth in FY27. We assign BUY rating and value it at ₹ 2,520 i.e. 28x P/E on FY28E EPS.
Adani Ports & SEZ	Adani Ports targets 1 billion metric tonne in FY31 (FY26 – 500 MMT) while scaling up its network across Marine (136 to 200+ vessels), Trains & Tracks (132 to 200 rakes), Multi-Modal Logistics Parks (12 to 16 MMLPs), Warehouses (3.1 msf to 12 msf) and Trucks (937 to 2000 owned trucks). It targets to grow its revenues/EBITDA/Net CFO at a CAGR of 19%/18%/18% over FY26-FY31 led by strong growth envisaged across Ports (17%/18% CAGR in revenue/EBITDA), Logistics (34%/27%) and Marine (17%/19%).
Hindustan Aeronautics	HAL is among India's largest defence PSUs with leadership across aircrafts, helicopters, aeroengines, and avionics. The company ended FY26 with an order book of ~₹2.5 lakh crore (7.6x FY26 revenue), providing strong visibility. Improving engine supplies, execution ramp-up in LCA Mk-1A, HTT-40 and helicopter programs are expected to drive healthy double-digit revenue growth with stable ~30-31% EBITDA margins in the coming period
Lenskart	Lenskart Solutions Ltd. (Lenskart) is a leading D2C eyewear player in India (60% of business) and with presence across select international markets. Rising prevalence of refractive errors and shift to organised players will help India's eyewear market to grow at CAGR of 13% to Rs.1,48,300cr over FY25-30. With store additions across India/international markets expected to grow at 13% CAGR, better product mix through innovation and transacting customers growing at 22% CAGR over FY26-29E, we expect consolidated revenue/EBITDA/PAT to grow at 27%/37%/59% CAGR over FY26-29E.
Bharat Heavy Electricals	BHEL, India's leading EPC & power equipment player, with ₹2.6 lakh crore order book (~7.5x book to bill on FY26 revenue) offering robust multi-year revenue visibility. EBITDA margin is expected to expand from 6.9% in FY26 to 11.5% by FY28E, supported by operating leverage and favourable business mix. We expect the revenues and PAT to grow at a 30.5% CAGR and 90% over FY26-FY28E.
Kotak Mahindra Bank	Kotak Mahindra Bank, India's fourth-largest private sector bank with a ~₹5.3 lakh crore loan book, looks attractive at current levels, supported by leadership clarity (Anup Saha - new MD), ~15-17% FY27E loan growth, favourable FCNR(B) inflows, largely stable margins and benign asset quality. With the stock trading near historical lows at ~1.7x FY28E BV, we see scope for rerating as leadership overhang and growth improve; we value the standalone bank at ~2.1x FY28E BV.

Rationale for Top Mid and Small Cap Picks

Company Name	Rationale
MID CAP and SMALL CAP	
Gujarat Fluorochemicals	Gujarat Fluorochemicals is a compelling play in the Indian Fluorination Chemistry with a diverse offering in the areas of speciality chemicals, fluorochemicals, new fluoropolymers and recently into battery materials. It is expanding into high end fluoropolymers wherein Chinese competition is limited and expanding into Refrigerant gases. It has created a separate entity for battery materials business whereby it plans to supply ~50% of battery materials for LI batteries.
Astral	Astral is eyeing double digit volume growth along with 16-18% EBITDA margins in plumbing for FY27, supported by stability in PVC prices (following MIP implementation), market share gains and strong demand outlook. Its Adhesives/Paints/Bathware businesses are expected to grow in revenues by 15-20% YoY/ 20-25% YoY/ 20-25% YoY in FY27. Its backward integration in CPVC resin manufacturing is expected to strengthen market positioning along with ~200 bps margin expansion.
Jindal Stainless	Jindal Stainless is India's largest stainless-steel company. It is well positioned to benefit from growing structural demand tailwinds, with stainless steel gaining prominence across infrastructure applications due to its durability and corrosion resistance. Moreover, strengthening its value-added product portfolio, easing raw material pricing, and deeper backward integration are expected to support performance, with revenue and EBITDA expected to grow at a CAGR of ~13%/14% over FY26-28E. We assign BUY rating on JSL with target price at ₹915, i.e. 10.5x on FY28E EV/EBITDA.
Bharat Forge	Bharat Forge is a leading forging player domestically, manufacturing components with application in Automotive sector and Industrial sectors. It is now transitioning from a traditional automotive forging company into a diversified precision engineering player with significant exposure to defence, aerospace & semiconductors with an unexecuted defence order book of ~₹11,000 crore along with newly announced MOUs and partnerships with multiple defence players. Supported by improving exports and CV upcycle, we assign BUY rating on BFL & value it at ₹ 2,475 i.e. 55x P/E on FY28E
Centum Electronics	Centum Electronics is a high-reliability ESDM player with 3+ decades of experience across defence, aerospace, space, semiconductor equipment and industrials. With ~50% of FY26 revenue from Aerospace, Defence & Space, Centum is seeing strong traction in BTS (Build-to-Spec), which offers 20%+ margins versus 9-11% for EMS, with its revenue contribution expected to increase from ~28% in FY26 to ~33% by FY28E. Rising BTS mix, defence/space localisation and semiconductor equipment growth are expected to drive ~26% revenue and ~33% PAT CAGR over FY26-28E
Radico Khaitan	Radico Khaitan (RKL) is one of the recognised IMFL company in India with portfolio of 8 millionaire brands. sustained momentum across premium and luxury brands coupled with new launches in vodka and new tequila brand with Prestige & Above (P&A) volumes to grow by 25% in the coming years. The management increased margins guidance to 20% in FY27 (from ~18% earlier), driven by the increasing contribution of higher-margin P&A and better operating leverage. With debt free balance sheet and improving cash flows, the company is well-poised to explore for attractive acquisitions.
NRB Bearings	NRB Bearings is India's largest needle and conventional cylindrical roller bearings producer. NRB has a significant presence in Indian automotives. Company diversification into industrial, aerospace and defence segments, alongside an expected EBITDA margin expansion from 17.4% in FY26 to 18.7% in FY28E, strengthens the long-term earnings outlook. We expect Revenue and PAT to grow at 13% and 13.3% CAGR respectively over FY26-FY28E
Saregama	Accelerated monetisation through paid subscription will be a game changer for Saregama in medium term with India's paid streaming penetration at around 3% and every 1 percentage point increase in penetration translates to over 10 million paying subscribers. The fructification of the same could lead to 2-3x increase in Saregama's licensing revenues (₹ 614 crore in FY26) in medium to long term.
Pondy Oxides & Chemicals	Pondy Oxide is one of the India's largest recyclers operating in non-ferrous metals (Copper and Lead). Rising demand for sustainable raw materials and stringent environmental regulations are expected to create long-term growth opportunities for POCL. Moreover, healthy capacity expansion across lead and copper, along with focus on higher value-added products, is expected to drive healthy revenue and EBITDA CAGR of ~31%/26% over FY26-29E. We assign BUY rating on POCL with target price at ₹625, i.e. 20x PE on FY28E.
Apollo Micro Systems	AMSL designs, develops, and sells high-performance, mission-critical, and time-critical solutions to Aerospace, Defence, Space, and Homeland Security for MoD. The company has 700 technological innovations and is involved in 150+ indigenous defence initiatives with distinctive competitive advantages built over 4 decades in defence electronics. Meanwhile, the acquisition of IDL Explosives and on-going acquisition in Premier Explosives are expanding capabilities beyond electronics into explosives, warheads, propellants and rocket motors. The order book has improved sharply from a mere 700 crore to over 1700 crore in the past year while management expects ₹2,500-3,000 crore of additional orders during FY27. We expect Apollo to grow from a subsystem supplier towards a broader weapon-systems platform

Target prices achieved from previous monthly top picks

Company	Stock Code	Sector	Market Cap (₹ crore)	Provided CMP(₹)	Target Price (₹)	Upside Achieved (%)
Allied Blenders & Distillers	ALLBLE	FMCG	16,908	620	728	17%
Bluestone Jewellery	BLUJEW	Retail	8,635	568	700	23%
Indo Count Industries	INDCOU	Textiles	8,597	310	418	35%
Zen Technologies	ZENTEC	Defence	14,708	1,612	1,900	18%
Bharat Heavy Electricals	BHEL	Capital Goods	1,45,829	292	343	17%
Steel Authority of India	SAIL	Metals	84,676	167	200	20%

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