Top Fundamental Picks of the Month

Top Picks

Company	Stock Code	Sector	Market Cap (₹ crore)	Recommended Price (₹)	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	1,16,837	1,737	1,685	2,125	26%	55.5	43.4	32.8	37.9	26.1	30.3
Lodha Developers	MACDEV	Real Estate	1,20,250	1,208	1,208	1,450	20%	29.0	24.8	15.6	16.1	15.1	15.1
Adani Ports & SEZ	ADAPOR	Logistics	4,41,669	1,680	1,903	2,210	16%	26.1	22.1	13.1	13.5	14.2	14.7
Hindustan Aeronautics Ltd	HINAER	Defence	3,16,130	4,239	4,675	5,820	24%	30.3	25.7	28.4	28.3	21.4	21.3
Lenskart Solutions	LENSOL	Consumer Discretionary	1,28,039	693	732	900	23%	135.6	90.4	18.9	23.6	10.2	13.6
Bharat Heavy Electricals	BHEL	Capital Goods	1,49,955	430	422	605	43%	39.8	24.4	14.8	17.5	12.4	17.2
Ultratech Cement	ULTCEM	Cement	3,61,405	12,428	12,428	14,600	17%	37.8	27.1	13.9	17.3	11.3	14.3
MID CAP and SMALL CAP													
Gujarat Fluorochemicals	GUJFLU	Chemicals	52,201	4,670	4,820	5,660	17%	50.1	40.6	11.8	12.9	10.8	11.8
Indigo paints	INDPAI	FMCG	4,714	991	991	1,170	18%	27.9	23.1	17.9	21.5	14.6	17.4
Bharat Forge	BHAFOR	Auto Ancillary	83,792	1,885	1,685	2,460	46%	59.1	37.6	13.1	15.9	15.5	18.0
Centum Electronics	CENELE	EMS	6,462	4,677	4,503	5,500	31%	64.7	46.3	26.0	29.3	19.3	21.9
Amber enterprises	AMBEN	EMS	22,026	6,222	6,222	7,500	21%	82.0	37.7	6.2	11.8	7.1	11.8
NRB Bearings	NRBBEA	Capital Goods	4,193	472	427	600	41%	26.9	21.4	17.4	19.3	14.8	16.7
Star Cement	STACEM	Cement	7,010	175	175	215	23%	19.2	16.9	13.8	12.6	10.6	11.0
BEML	BEML	Capital Goods	17,178	2,020	2,020	2,765	37%	43.5	29.2	15.4	19.9	11.9	15.4
Apollo tyres	APOTYR	Auto Ancillary	26,486	415	415	520	25%	18.6	12.1	9.0	12.7	8.0	11.2
PG Electroplast	PGELEC	EMS	15,266	539	539	720	34%	61.0	35.7	10.4	14.4	7.9	12.2

*Note: Potential upside is computed as (Target Price/CMP-1)*100, recommended price is the price at which the stock was recommended.*

Rationale for Top Large Cap Picks

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.
Lodha Developers	Lodha Developers is one of the largest Real estate developers based in Mumbai. It has the largest portfolio of projects worth ₹ 2 trn for development, 660 acre shovel ready land for data centre and 3700 acre land at Pallava and upper Thane. It has ongoing projects worth ₹43200 crore of which ₹8200 is unsold, further it has projects worth ₹19000 crore to be launched in H2FY27E. Lodha is scaling up its annuity income across 1) Office & Retail 2) Warehousing & Industrial and 3) Data Centre (DC). As on FY26, its office, retail, warehousing and industrial portfolio generated annualised rental income of ~₹ 310 crore, which is expected to generate ₹ 3750 crore from FY31 (balance capex of ₹ 1580 crore)
Adani Ports & SEZ	Adani Ports aspires to achieve volume of 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 expects 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 Ltd	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 Solutions	Lenskart Solutions (Lenskart): Lenskart is a leading D2C eyewear player in India and with presence across select international markets. AI-enabled vertical integration, strong supply chain capabilities, remote eye-testing technology and an omnichannel delivery platform have helped Lenskart build a strong moat through rapid product innovation, lower production costs and wider assortments. we expect its revenue/EBITDA/PAT to grow at 27%/37%/59% CAGR over FY26-29E. Strong FCF generation will aid in consistent store expansion in the coming years.
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 11.9% by FY28E, supported by operating leverage and favourable business mix. We expect the revenues and PAT to grow at a 31% CAGR and 95.3% over FY26-FY28E.
Ultratech Cement	Being the India's largest cement manufacturer with total cement capacity of ~210 mtpa, company is expected to see better-than-industry volume growth (~11% CAGR during FY26-28E), primarily led by aggressive organic capacity addition plan, pick-up in demand and improvement in utilization level. Though there might be some margin pressure due to higher costs, we expect company's operational performance to improve over Q4FY27-FY28E, led by better realization, focus on cost measures and positive operating leverage. We estimate EBITDA/ton of Rs 1301/ton in FY28E (from Rs 1103/ton in FY26). We believe that UltraTech is strongly positioned in terms of scale of operations, diverse market-mix, significant growth capex with incremental return on capital and lower earnings volatility. We expect revenue to grow 15% CAGR over FY26-28E while EBITDA & PAT are expected to grow at ~20% & ~27% CAGR respectively.

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.
Indigo paints	Indigo Paints (IPL): IPL incorporated in 2000, is India's one of the fastest growing decorative paint company. Crude prices have declined by ~22% from its peak and trading at around $91/barrel. Any further correction in the crude prices augurs well for paint companies as it reduces substantial stress on the margins. With strong presence in high margin differentiated products (~30% of revenues), IPL is well-poised to grab better share in the high demand Q3FY27 and Q4FY27. Also, EBIDTA margins in H2FY27 are expected to be relatively better compared to H1FY27. Post recent correction stock is available at 23x its FY28E EPS.
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 ~28% revenue and ~31% PAT CAGR over FY26–28E
Amber enterprises	Amber Enterprises is a leading manufacturer and solution provider for room air-conditioner (RAC) industry, commanding leadership with market share of ~25%+. Business mix; AC & Components: ~64% of revenue, Electronics: ~32%, Railways & Defence: 4-5%. Amber's revenue growth is increasingly driven by diversification away from its seasonal room air conditioner (RAC) business and electronics business ramping up. Future growth will be further supported by a new smartphone manufacturing subsidiary for Oppo, Realme, and OnePlus starting in FY28, alongside a ₹4,300 crore PCB manufacturing capex expected to launch in CY28. We expect revenue and PAT to grow ~43% and 82% CAGR respectively over FY26-FY28E.
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 18.9% in FY28E, strengthens the long-term earnings outlook. We expect Revenue and PAT to grow at 14.8% and 12.6% CAGR respectively over FY26-FY28E.
Star Cement	Star cement has strong foothold in North-Eastern region with capacity of 9.7 mtpa and is rapidly expanding its presence in Eastern region states also (like West Bengal and Bihar). We estimate ~9% CAGR volume growth over FY26-FY28 considering improvement in demand scenario of north-east region. Though there might be some pressure on margin in near term due to higher cost, it will improve gradually from Q4FY27 with estimated EBITDA/ton of ₹1665/ton in FY28E (vs ₹ 1703/ton in FY26) led by improvement in realisation, continuous focus on operational efficiencies and positive operating leverage
BEML	BEML offers a compelling play on India's growing rail, metro and defence capex, supported by a strong ₹21,388 crore order book and robust tender pipeline. Improving execution, recovery in mining and higher-margin export opportunities are expected to drive earnings growth, with margins likely to improve in H2FY27. We expect revenue and PAT to grow at ~26% and ~102% CAGR, respectively, over FY26–FY28E.
Apollo tyres	Apollo Tyres (ATL), is a leading tyre manufacturer, having operations in India & Europe. In India, ATL has substantial presence in TBR (~30% market share) and PCR space (~20% market share). In Q2FY27, the India business of Apollo delivered double digit volume growth across segments. Now, amidst easing geo-political tensions crude prices have witnessed a decline from a high of $ 118/barrel to $ 93/barrel. Domestic Natural rubber prices also tracking the same are down from ₹ 300/kg to ~₹ 282/kg which aids margin recovery going ahead. With controlled leverage of B/S (Net debt: EBITDA<1x) and growth capex under execution we maintain our BUY rating on the stock & value Apollo Tyres at 7x on avg. of FY28-29E EV/EBITDA .
PG Electroplast	PG Electroplast (PGEL) is a diversified electronics manufacturing services (EMS) and plastic injection moulding company with strong footholds across consumer durables space. RAC (61% of revenue), Washing machine & Coolers (15% of revenue), plastic moulding (15% of revenue) and electronics and others (9% of revenue). Management expects full-year RAC volumes to grow over 20% YoY alongside 40–50% growth in washing machines, putting the company on track for a ~30% revenue CAGR over FY26–FY28E. Upcoming expansions—including captive AC compressor mass production by early 2027 and a refrigerator plant scaling up in FY28E—will further drive growth and reduce import reliance.

Target price achieved so far....

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%
Kotak Mahindra Bank	KOTMAH	BFSI	422089	417	475	14%
Saregama India	SAREIN	Media	9511	493	650	32%

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