



## India Equities - *The Gridlock Intensifies*

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## THE GRIDLOCK INTENSIFIES

In our December 2022 note ([India Equities: CY23 – The Gridlock or the Goldilocks!](#)), we had laid three scenarios with varying probabilities that the India and Global Equities were grappling with for CY23. We had assigned the highest probability to a scenario of “R-I” which means Recession with Declining Inflation. Last couple of months has shown that we live in an age of perfect uncertainty.

India inflation data ‘disappointed’ with a reading much higher than the consensus although the post release analysis seems to suggest data inconsistency. Earnings trajectory continues to be tad disappointing with continued margin pressures and muted demand. The earnings growth estimates are now veering towards low double-digit levels and turning out to be increasingly vulnerable. The MPC will now likely consider another hike in April meeting which was earlier a pause in our base case. With that, the lending rates will be higher than what we believe is the red line for mortgages and durables.

Globally too, the headwinds continued to take toll on the sentiments with stronger labor markets in the US leading to higher than expected non-farm payrolls, slowing disinflation, strong retail sales and PMI services. The buoyant reaction function of the market seems to have rolled back. The terminal rate for fed fund has moved towards 5.40 pc (vs. earlier expectation of sub 5 pc). The narrative has clearly solidified towards ‘Higher for Longer’ and hence the investor sentiment going ‘risk off’. This has led to Dollar Index (DXY) moving higher, corrections in equities and commodities and rise in bond yields.

So from the three scenarios that we had drawn out in our Dec strategy note, we are now grappling with a likely fourth one which seems like a blend of all three – growth sustaining above the comfort of the central banks and the equity markets, a sticky core inflation, a tight labor market et al. Specific to India, earnings which are now much more muted yet valuations are higher than the averages backed by domestic flows. To us this is now a perfect ‘Gridlock’ situation – what will lead to the disentanglement is anyone’s guess and how it disentangles, will determine the decisive move for all asset classes.

We are grappling with a likely fourth one, which seems like a blend of all scenarios – growth sustaining and slowing disinflation (due to sticky core inflation).

R + I

### Recession with Rising Inflation

Markets seems to have moved away from it as the base case.

R - I

### Recession with Declining Inflation

Highest probability event discounted by the market in Dec 2022. Currently, we are seeing slowing disinflation and on aggregate, growth is holding up, albeit divergent trends witnessed across manufacturing, housing, and services industries in U.S. Thus, this scenario has not completely played out.

G - I

### Growth with Declining Inflation

The Goldilocks!!  
Synchronized tone across central banks stating disinflation trends in Feb 2023 policy meets and better than expected data across sentiment and economic indicators led to the play off this scenario especially in Jan and first week of current month. However, the buoyant sentiment (or soft landing narrative) faded with the release of US CPI and commentary across various Fed officials.



## DART ESTIMATES POST Q3FY23 RESULTS

Post the Q3FY23 earnings, Dart Earnings Index Trajectory (DEIT, Page 33) which measures the ratio of upgrades to downgrades for our coverage universe stands at ~0.7 (incl. BFSI), making it the fifth consecutive quarter of net downgrades. Autos and Hotels have done well in Q3 in terms of YoY growth in topline and bottom line. Whereas Cement posted weak set of nos. on YoY basis, albeit topline and operating performance improved sequentially. Positive contribution towards variance in PAT (i.e. % diff between actuals vs estimated) in Q3 was led by stocks like Prestige, Chalet Hotels, Oberoi Realty, Apollo Tyres, NIIT Ltd, Dr Reddy's Laboratories, Maruti Suzuki and M&M. Negative contribution was led by stocks like Sudarshan Chemicals, Heidelberg Cement, Zee Entertainment, UBL, FSN E-commerce, JK Cement, Aditya Birla Fashion and United Spirits.

We are now parked at FY24 topline growth of 12% for our coverage universe (166 comps, ex BFSI) and operating profit growth of 17%. These capture sluggish macroeconomic factors that may weaken demand over H1FY24 at the least. Aggregate earnings are projected to grow at 21% for FY24 vs. 13% for FY23. ~32% of the companies would benefit from favorable base effect in FY24, as earnings growth were negative in previous year.

Our estimates build in outperform in terms of earnings growth for Autos, Cement and Consumer Discretionary (Alcobev and Durables). It is notable that Cement and Alcobev sectors have a favorable base effect going into FY24. We expect growth to normalize to pre pandemic levels of 7% to 9% (in CC terms) for IT Services because of uncertainty around growth in major economies. Higher cost of deposits that could compress the NIMs and possibility of credit growth tapering off because of uncertainty around demand and higher base are headwinds that could lead to muted earnings for Banks.

### Change in aggregated estimates

(in bps)	Net Sales			EBITDA			PAT		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
DART Universe (178)	25	(50)	(36)	(188)	(369)	(340)	91	(55)	(2)
Large Cap (47)	76	(39)	(37)	(203)	(394)	(364)	95	(60)	2
Mid Cap (47)	(221)	(208)	(173)	(45)	(299)	(327)	196	14	(57)
Small Cap (84)	63	124	189	(321)	(186)	(55)	(236)	(121)	63

Source: DART

# DART AGGREGATE GROWTH ESTIMATES (%)



## DART Universe (No of Comp. – 183 / M Cap – \$ 1,494 bn)

Particulars	FY22A	FY23E	FY24E	FY25E
Revenue	19.3	21.8	11.6	11.3
EBITDA	11.9	16.6	13.6	12.9
PAT	36.1	25.3	15.9	13.6

Source: DART

## DART Universe – Ex BFSI (No of Comp. – 166 / M Cap – \$ 1,146 bn)

Particulars	FY22A	FY23E	FY24E	FY25E
Revenue	20.9	21.6	12.2	11.2
EBITDA	14.1	16.5	17.1	13.4
PAT	27.8	13.4	21.0	16.3

Source: DART

## DART Large Cap Universe (No of Comp. – 49 / M Cap – \$ 1,251 bn)

Particulars	FY22A	FY23E	FY24E	FY25E
Revenue	18.1	21.9	11.2	10.8
EBITDA	11.9	17.2	12.6	12.3
PAT	39.6	26.3	13.4	12.6

Source: DART

## DART Mid Cap Universe (No of Comp. – 47 / M Cap – \$ 176 bn)

Particulars	FY22A	FY23E	FY24E	FY25E
Revenue	22.4	23.0	12.1	12.3
EBITDA	14.1	16.1	14.4	14.3
PAT	27.0	21.6	27.1	16.7

Source: DART

## DART Small Cap Universe (No of Comp. – 87 / M Cap – \$ 67 bn)

Particulars	FY22A	FY23E	FY24E	FY25E
Revenue	23.3	19.6	14.2	13.0
EBITDA	6.8	9.0	25.3	17.4
PAT	7.8	16.9	35.3	22.6

Source: DART

Note: For BFSI - Net sales and EDIBTA reflect NII and PPoP and IT Services is EBIT fig and not EBITDA.

	Net Sales				EBITDA				PAT			
Sector (Rs bn)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
<b>Agri Based (7)</b>	<b>683</b>	<b>804</b>	<b>882</b>	<b>956</b>	<b>132</b>	<b>152</b>	<b>176</b>	<b>195</b>	<b>63</b>	<b>71</b>	<b>85</b>	<b>99</b>
Agrochemicals (5)	592	701	761	821	119	140	158	175	54	63	74	86
Sugar (2)	91	104	121	135	13	12	18	20	9	8	11	13
<b>Auto &amp; Ancillary (32)</b>	<b>3,776</b>	<b>4,851</b>	<b>5,572</b>	<b>6,306</b>	<b>420</b>	<b>574</b>	<b>712</b>	<b>823</b>	<b>260</b>	<b>359</b>	<b>458</b>	<b>540</b>
<b>BFSI * (17)</b>	<b>3,968</b>	<b>4,885</b>	<b>5,298</b>	<b>5,936</b>	<b>2,975</b>	<b>3,470</b>	<b>3,773</b>	<b>4,231</b>	<b>1,396</b>	<b>2,038</b>	<b>2,219</b>	<b>2,435</b>
<b>Cements (13)</b>	<b>1,506</b>	<b>1,853</b>	<b>1,959</b>	<b>2,148</b>	<b>312</b>	<b>273</b>	<b>357</b>	<b>412</b>	<b>155</b>	<b>117</b>	<b>166</b>	<b>199</b>
<b>Chemicals (7)</b>	<b>349</b>	<b>417</b>	<b>476</b>	<b>539</b>	<b>78</b>	<b>83</b>	<b>102</b>	<b>124</b>	<b>49</b>	<b>51</b>	<b>63</b>	<b>77</b>
<b>Consumer Discretionary (16)</b>	<b>802</b>	<b>983</b>	<b>1,115</b>	<b>1,270</b>	<b>90</b>	<b>116</b>	<b>146</b>	<b>177</b>	<b>49</b>	<b>70</b>	<b>89</b>	<b>112</b>
AlcoBev (3)	180	210	228	253	26	25	33	42	15	15	21	27
Consumer Durable (9)	572	684	790	910	56	62	80	97	36	40	53	66
Hotels and Leisure (4)	49	89	97	108	9	29	33	38	(3)	14	16	19
<b>Consumer Staples (26)</b>	<b>2,836</b>	<b>3,425</b>	<b>3,806</b>	<b>4,204</b>	<b>625</b>	<b>766</b>	<b>887</b>	<b>991</b>	<b>443</b>	<b>532</b>	<b>620</b>	<b>694</b>
<b>Infra &amp; Constructions (9)</b>	<b>480</b>	<b>552</b>	<b>627</b>	<b>700</b>	<b>63</b>	<b>73</b>	<b>83</b>	<b>93</b>	<b>27</b>	<b>35</b>	<b>41</b>	<b>47</b>
<b>IT and Digital Services # (24)</b>	<b>6,100</b>	<b>7,320</b>	<b>8,166</b>	<b>8,917</b>	<b>1,231</b>	<b>1,366</b>	<b>1,517</b>	<b>1,683</b>	<b>1,001</b>	<b>1,074</b>	<b>1,184</b>	<b>1,321</b>
<b>Media (2)</b>	<b>118</b>	<b>118</b>	<b>128</b>	<b>140</b>	<b>40</b>	<b>35</b>	<b>38</b>	<b>44</b>	<b>27</b>	<b>23</b>	<b>25</b>	<b>29</b>
<b>Pharma (16)</b>	<b>1,599</b>	<b>1,758</b>	<b>1,960</b>	<b>2,183</b>	<b>356</b>	<b>386</b>	<b>469</b>	<b>535</b>	<b>232</b>	<b>241</b>	<b>301</b>	<b>350</b>
<b>Real Estate (8)</b>	<b>321</b>	<b>402</b>	<b>464</b>	<b>507</b>	<b>85</b>	<b>115</b>	<b>140</b>	<b>155</b>	<b>55</b>	<b>62</b>	<b>93</b>	<b>108</b>
<b>Retail (5)</b>	<b>475</b>	<b>695</b>	<b>846</b>	<b>1,019</b>	<b>45</b>	<b>72</b>	<b>92</b>	<b>115</b>	<b>17</b>	<b>33</b>	<b>45</b>	<b>60</b>
<b>Telecom (1)</b>	<b>1,165</b>	<b>1,398</b>	<b>1,583</b>	<b>1,774</b>	<b>575</b>	<b>711</b>	<b>809</b>	<b>922</b>	<b>43</b>	<b>76</b>	<b>150</b>	<b>226</b>
<b>Total Excl BFSI (166)</b>	<b>20,211</b>	<b>24,577</b>	<b>27,585</b>	<b>30,661</b>	<b>4,053</b>	<b>4,722</b>	<b>5,529</b>	<b>6,269</b>	<b>2,420</b>	<b>2,744</b>	<b>3,321</b>	<b>3,861</b>
<b>Total Aggregates (183)</b>	<b>24,179</b>	<b>29,462</b>	<b>32,884</b>	<b>36,597</b>	<b>7,028</b>	<b>8,192</b>	<b>9,302</b>	<b>10,500</b>	<b>3,816</b>	<b>4,781</b>	<b>5,540</b>	<b>6,296</b>

\* BFSI: Net sales and EDIBTA reflect NII and PPOp; For BoB, Canara, Indian, used amalgamated prior year numbers for comparison purpose. # IT Services is EBIT fig and not EBITDA.

YoY Growth (%)	Net Sales				EBITDA				PAT			
Sector (Rs bn)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
<b>Agri Based (7)</b>	<b>15.9</b>	<b>17.7</b>	<b>9.6</b>	<b>8.4</b>	<b>13.6</b>	<b>15.2</b>	<b>15.7</b>	<b>10.6</b>	<b>21.3</b>	<b>11.4</b>	<b>20.5</b>	<b>16.7</b>
Agrochemicals (5)	19.6	18.4	8.5	8.0	14.6	18.1	12.7	10.4	22.4	15.6	16.8	17.2
Sugar (2)	(3.7)	13.5	17.1	10.9	5.0	(11.1)	50.7	12.7	15.1	(14.3)	50.7	13.7
<b>Auto &amp; Ancillary (32)</b>	<b>24.4</b>	<b>28.5</b>	<b>14.8</b>	<b>13.2</b>	<b>9.5</b>	<b>36.5</b>	<b>24.1</b>	<b>15.7</b>	<b>28.0</b>	<b>37.9</b>	<b>27.8</b>	<b>17.7</b>
<b>BFSI * (17)</b>	<b>11.6</b>	<b>23.1</b>	<b>8.5</b>	<b>12.0</b>	<b>8.9</b>	<b>16.6</b>	<b>8.8</b>	<b>12.1</b>	<b>53.4</b>	<b>46.0</b>	<b>8.9</b>	<b>9.7</b>
<b>Cements (13)</b>	<b>17.0</b>	<b>23.0</b>	<b>5.7</b>	<b>9.6</b>	<b>(0.6)</b>	<b>(12.5)</b>	<b>31.0</b>	<b>15.4</b>	<b>1.9</b>	<b>(24.7)</b>	<b>42.0</b>	<b>20.0</b>
<b>Chemicals (7)</b>	<b>40.3</b>	<b>19.3</b>	<b>14.3</b>	<b>13.1</b>	<b>25.2</b>	<b>6.4</b>	<b>23.7</b>	<b>21.1</b>	<b>28.2</b>	<b>5.6</b>	<b>22.8</b>	<b>21.4</b>
<b>Consumer Discretionary (16)</b>	<b>30.7</b>	<b>22.6</b>	<b>13.4</b>	<b>13.9</b>	<b>36.8</b>	<b>28.6</b>	<b>25.8</b>	<b>21.0</b>	<b>59.8</b>	<b>43.4</b>	<b>28.4</b>	<b>25.0</b>
AlcoBev (3)	24.1	16.5	8.6	10.8	40.2	(1.3)	31.4	25.0	69.8	(2.4)	38.9	28.9
Consumer Durable (9)	30.4	19.6	15.4	15.2	15.2	9.8	29.4	21.7	11.8	10.8	30.9	24.8
Hotels (4)	66.9	80.2	9.9	10.6	LTP	242.4	13.3	15.4	LTL	LTP	10.5	20.6
<b>Consumer Staples (26)</b>	<b>21.3</b>	<b>20.8</b>	<b>11.1</b>	<b>10.5</b>	<b>15.2</b>	<b>22.4</b>	<b>15.9</b>	<b>11.7</b>	<b>15.1</b>	<b>20.1</b>	<b>16.5</b>	<b>11.9</b>
<b>Infra &amp; Constructions (9)</b>	<b>21.1</b>	<b>15.0</b>	<b>13.6</b>	<b>11.6</b>	<b>6.2</b>	<b>15.5</b>	<b>14.3</b>	<b>11.6</b>	<b>13.4</b>	<b>28.8</b>	<b>17.5</b>	<b>13.4</b>
<b>IT and Digital Services # (24)</b>	<b>20.6</b>	<b>20.0</b>	<b>11.6</b>	<b>9.2</b>	<b>14.1</b>	<b>10.9</b>	<b>11.1</b>	<b>10.9</b>	<b>16.1</b>	<b>7.3</b>	<b>10.3</b>	<b>11.6</b>
<b>Media (2)</b>	<b>13.7</b>	<b>0.0</b>	<b>8.5</b>	<b>9.2</b>	<b>3.3</b>	<b>(12.0)</b>	<b>8.8</b>	<b>15.7</b>	<b>1.7</b>	<b>-15.6</b>	<b>11.1</b>	<b>14.4</b>
<b>Pharma (16)</b>	<b>11.7</b>	<b>9.9</b>	<b>11.5</b>	<b>11.3</b>	<b>4.3</b>	<b>8.2</b>	<b>21.4</b>	<b>14.1</b>	<b>5.0</b>	<b>3.9</b>	<b>24.9</b>	<b>16.2</b>
<b>Real Estate (8)</b>	<b>25.4</b>	<b>25.2</b>	<b>15.4</b>	<b>9.3</b>	<b>26.4</b>	<b>35.6</b>	<b>22.0</b>	<b>10.7</b>	<b>21.2</b>	<b>13.7</b>	<b>49.3</b>	<b>16.1</b>
<b>Retail (5)</b>	<b>37.5</b>	<b>46.3</b>	<b>21.8</b>	<b>20.4</b>	<b>59.2</b>	<b>61.9</b>	<b>27.0</b>	<b>25.2</b>	<b>228.0</b>	<b>91.3</b>	<b>35.2</b>	<b>34.6</b>
<b>Telecom (1)</b>	<b>15.8</b>	<b>19.9</b>	<b>13.2</b>	<b>12.1</b>	<b>26.8</b>	<b>23.7</b>	<b>13.7</b>	<b>14.1</b>	<b>LTP</b>	<b>79.1</b>	<b>96.6</b>	<b>50.7</b>
<b>Total Excl BFSI (166)</b>	<b>20.9</b>	<b>21.6</b>	<b>12.2</b>	<b>11.2</b>	<b>14.1</b>	<b>16.5</b>	<b>17.1</b>	<b>13.4</b>	<b>27.8</b>	<b>13.4</b>	<b>21.0</b>	<b>16.3</b>
<b>Total Aggregates (183)</b>	<b>19.3</b>	<b>21.8</b>	<b>11.6</b>	<b>11.3</b>	<b>11.9</b>	<b>16.6</b>	<b>13.6</b>	<b>12.9</b>	<b>36.1</b>	<b>25.3</b>	<b>15.9</b>	<b>13.6</b>

\* BFSI: Net sales and EDIBTA reflect NII and PPOp; For BoB, Canara, Indian, used amalgamated prior year numbers for comparison purpose. # IT Services is EBIT fig and not EBITDA.



## PORTFOLIO POSITIONING

We retain structurally positive view on Banks (OW Private Banks) and neutral on IT Services. That apart we prefer to go more defensive oriented sectors (low beta plays) with preference for Staples. For discretionary plays, our top picks are Alcobev and Durables.

Post Q3 earnings season, we have revised our stance for sectors like Agri Inputs, QSR and Pharma. We have a neutral vs. positive stance for Agri Inputs sector. Concerns around El Nino phenomenon that could influence monsoons in India and high channel inventory because of lower offtake in Q3, would have a negative impact on top line growth for companies. QSR sector faces pressures of high inflation and consumers tightening spends across discretionary category. As we expect the negative macro trends to continue in the near term, hence we have revised our stance to neutral from positive. While Pharma sector valuations have corrected to reasonable levels, and FY24 could show relatively higher growth on a favorable base; the sector still has headwinds in terms of US business (competition, working capital and price erosion), compliance especially in the light of FDA restarting physical inspection in India. Hence, we have a neutral stance until we see light at the end of the tunnel.

The big macro positioning apart, we continue with our preference on bottoms up stock picks than macros. We believe that the current environment continues to be fluid and this may well extend into the Q4 earnings season. Hence, the returns for the broader market may also be back loaded for the CY23. Having said that we also believe that the best-case return scenario for Nifty is low double digit for the next 12 months odd. Unless of course we see a sharp drawdown on the index and that makes us go back to the macro allocations as the preferred mode of defining portfolio weights.

Sector	12 month Stance	Top BUY		
<b>Agri Based</b>		<b>Large Cap</b>	<b>Mid Cap</b>	<b>Small Cap</b>
- Agri Inputs	Neutral	PI Industries		
- Sugar	Neutral			Balrampur Chini Mills
<b>Autos and Ancillary</b>	Neutral	M&M		Subros
<b>BFSI</b>	Positive	ICICI Bank, HDFC Bank, SBI		Aptus Value
<b>Cement</b>	Positive		Dalmia Bharat	Birla Corp
<b>Consumer Staples</b>				
- FMCG	Positive	HUL, Marico		
- QSR	Neutral			Westlife Foodworld
<b>Consumer Discretionary</b>				
- AlcoBev	Positive			Radico Khaitan
- Hotels and Leisure	Neutral			Mahindra Holidays, Chalet Hotel
- Jewelry	Positive	Titan		
- Paints	Positive	Asian Paints		
<b>Chemicals</b>	Neutral		Aarti Industries	
<b>Consumer Durables</b>	Positive		Polycab	Blue Star, Syrma
<b>IT and Digital Services</b>	Neutral		Paytm	Nazara, Rategain
<b>Infra and Construction</b>	Positive			H.G. Infra, PNC Infra
<b>Pharmaceuticals</b>	Neutral			Ajanta Pharma, JB Chemical
<b>Real Estate</b>	Positive	DLF	Oberoi Realty	
<b>Retail</b>	Positive		ABFRL	
<b>Telecom</b>	Positive	Bharti Airtel		

## Agri Inputs (Neutral)

An extended monsoon season led to delay in Kharif harvesting, in turn, leading to a delayed start to Rabi sowing. Erratic rainfall resulted in lower crop infestations, crop damages and lower sprays of agrochemicals impacting demand during Kharif and thereby leading to higher inventory build-up.

Export demand too remained soft impacted by higher channel inventory and weakness from Europe and US which have been hit by adverse climatic conditions. With raw materials showing signs of softening we are also witnessing some deferment in orders/lower stocking by end customers.

Risk of El Nino will be a near term overhang. However, reservoir levels are healthy at 95% levels and will be a mitigating factor.

## AlcoBev (Positive)

AlcoBev companies' volume growth segment has been soft yet supportive. However, gross and EBITDA margins have been under pressure due to RM inflation.

For 9MFY23, gross margins for UNSP/RDCK and UBL declined by ~430/380/575 bps and EBITDA margin by ~80/360/30 bps. This shall improve from hereon given state govt have allowed prices hike. Up state has given ~11-12% price hike in Country Liquor.

Driven by price increases, premiumization, stable RM, supportive base and a meaningful correction in valuations, we find the risk-reward to be favorable.

Radico remains preferred pick even on structural basis driven by premiumization, new product launches and backward integration.

## Automobiles (Neutral)

PVs demand continues to be strong on the back of a healthy order backlog and lower system inventory. Production is ramping up gradually owing to easing supply-side issues. 2Ws entry-level and export demand remains subdued however recovery is expected from Q4 onwards on back of the pickup in rural demand.

We expect moderation in CVs in FY24 due to high base, lower discounts, the ripple effect of high-interest rates in many sectors, and price increase due to implementation of BS6 Phase2 norms. LCVs being a price-sensitive segment is showing signs of weakness due to higher inflation.

Tractor segment has been delivering healthy volumes which are likely to see moderation in growth in FY24.

## BFSI (Positive)

Banking system growth has been sustaining with sequential growth at 3-4, largely broad based. We build in ~200-250 bps lower system growth for FY24E vs FY23E, factoring in higher base and moderation in corporate growth. With continued rise in policy rates, any signs of demand turning slower remains a key monitorable.

Expect NIMs to peak by Q4FY23/Q1FY23 and build in ~20 bps moderation in NIM for large private banks in FY23E (ex of HDFCB) vs FY23E.

Focus is shifting back to liability accretion and banks with strong retail liability franchise will benefit. With low corporate leverage and limited slippages, we have seen consistent decline in GNPA ratios across banks. Credit costs are expected to remain below long-term averages, benefitting from high PCR (at 76% for system) and healthy recoveries. However, a high base of FY23E will limit P&L growth even as RoEs strengthen.

## Cement (Positive)

Expect near term realizations to sustain given the need to generate cash flows and sustain P&L and Balance Sheet for players to justify premium. However, we are also cautious since we assign a higher probability to aggressive capacity additions vs. incremental demand over next 5-7 years. This will limit realization growth in our view.

Our analysis suggest that volumes shall continue to drive FY22-25E earnings for our coverage universe. We estimate revenues to grow at 12.6% CAGR over FY22-25E driven by 10.6% volume CAGR and 1.7% (~2.8% CAGR over FY17-22) realization CAGR. Concurrently, EBITDA is projected to grow at 9.8% CAGR over FY22-25E as EBITDA/tn is expected to remain flat.

Cement players announced Rs10-15/ bag price hike mid-Feb'23 which if it sustain, coupled with softening in cost pressure and better volume growth (~8% in Q3FY23) will aid improvement in EBITDA/ tn from Q3FY23 – even then we project net ~25% decline in FY23.

## Chemical (Neutral)

Chemical companies have started witnessing signs of softening in raw material prices along with moderation in energy and logistics costs which should translate to margin improvement in the coming quarters.

Organic chemical manufacturers who bore the maximum brunt of elevated crude prices are expected to see improvement in their operating profitability with cooling off in crude prices (avg 10.9% QoQ) which will result in decline in raw material prices. Slowdown in demand from discretionary industries impacted the performance of companies like Aarti Industries, Atul and Sudarshan Chemicals who have high exposure towards these Industries.

We expect slow recovery in demand from these discretionary segments in FY24 as the threat of global economic slowdown lingers. CRAMS players like SRF and Navin Fluorine remain unaffected and are seeing speedy ramp up if new contracts and capex.

## Consumer Durables (Positive)

Consumer Durables witnessed moderate consumer demand amid an inflationary environment and seasonality. On a YoY basis, margins remained under pressure. However softening of commodity costs and exhaustion of most of high cost inventory led to sequential Improvement.

Inadequate price increases and higher A&P spends in Q3 weighed on profitability. Improvement in consumer sentiment and expectation of harsh summer is likely to boost prospects for cooling products - RAC and Fans in Q4.

We expect margins to improve sequentially in Q4 post complete liquidation of high cost inventory and better operational efficiencies. Upward trend in raw material costs are likely to be mitigated by price increases during the peak season. Overall, we expect mid-teens revenue growth in our coverage universe over the next two years driven by revival in the housing sector and capex cycle, boost in local electronic manufacturing, calibrated price hikes and penetration gains.

## Consumer Staples (Positive)

Significant inflation and partial price pass on by the consumer companies have resulted in down trading in the industry. The impact was higher in the rural areas and consumer adaption to new prices is taking time.

Going ahead, we believe that moderation/stability in RM prices is the key for acceleration in volume growth. We expect FMCG companies to get benefited from the likely recovery in rural growth. Though initial projections about El-Nino this year, we believe that the demand would not be impacted if monsoon deviation is below 10%.

We build in a moderation in input inflation from hereon. However, another round of increase in commodity prices would dent the margins and profitability thus putting our estimates on risk of another downgrade.

## Jewellery (Positive)

Considering part of tradition and culture, gold demand is expected to remain high. Definite shift from buying gold for investment to buying jewellery is observed.

Hence contribution of studded jewellery is expected to go higher. With high young population and change in fashion trends, demand for fashion/studded jewellery is expected to increase. Further, as gold purity remains a concern, unorganised to organised shift would continue. Also, branded players entering in new regions is increasing contribution of organised players. Going ahead, with stability in gold prices, jewellery sales are expected to increase.

As the gold jewellery volume base is favourable we remain optimistic on jewellery business. The growth and profitability in watches business would be driven by innovation and new store addition. We believe with traction in volumes the eyewear business would start reporting consistent profitability.

## Paints (Positive)

We remain confident on the growth in the industry due to lower per capita consumption (~4kg/annum vs global avg of 14kg/annum). In addition, reduced painting cycle (4-5 years vs 7-8 years earlier) would help double digit growth infact. Government spending on housing development and conversion from 'kuchha' houses to 'pukka' houses are benefits for painting industry.

Recent entry of JSW and Grasim is not a major concern as the paint industry (Rs 545bn) would grow at higher pace and all players in the industry would be able to post strong growth. In the near term, we believe that amongst all discretionary categories paint category would revamp faster considering higher growth opportunities in rural market and continuous urbanization process.

## QSR (Neutral)

One of the most benefitted consumption categories on large and diverse population and changing eating habits, we believe that eating outside food demand as a segment would emerge as a huge structural opportunity.

The branded QSR is likely to benefit considering health awareness and hygiene. The large share of young population in the country is in our view the strongest of growth triggers as they keep experimenting with different cuisines.

However, recent surge in milk and wheat prices, and lower price pass through by QSR companies, possess threat to margin performance. Further lower demand due to high prices would pressurize SSSG and profitability in the near term.

## Hotels and Leisure (Neutral)

Recovery in hotel industry post covid has been sharp and steep especially in luxury segment and at leisure locations. ARR grew by a healthy 25-30% vs pre-covid and occupancies at par with pre-covid. With events such as G20 Summit, ICC Men's World cup, ICC Women's T20 world cup, ISL and hockey WC outlook for the industry remains upbeat. Strong demand from corporates, MICE, domestic leisure travellers, foreign travellers shall further boost demand. Demand is expected to grow by ~6-8% whereas supply will trail at ~3-4%.

We remain neutral, as we believe most of the optimism has already been priced in leaving limited room to err. Driven by significantly high base of FY23, incremental growth over FY23-25 would be modest especially for luxury hotels in leisure segment.

Risk of flat/ de-growth in FY24 EBITDA too can't be ruled out. Q1FY24 would be the critical quarter as high base kicks in.



## IT & Digital Services (Neutral)

Tier-1 and Tier-2 names saw mixed set of results vs. estm, where beat as well as miss was largely led by vertical/segment specific performance. OPM largely veered towards better than estm performance, led by operating efficiency including benefit from on-boarding of freshers over last 9-12 months, flat-to-negative net headcount intake, and net F/X gains.

Consensus estm for US\$ Rev growth for Tier-1 names implies avg growth at 10.1%/10.3% for 24E/25E and for Tier-2 companies at 16.4%/14%, and these are slightly ahead of our estm. For 24/25E, expect OPM of 17.6%/17.7% for Tier 1 names and OPM of 14.8%/14.9% for Tier-2 names, reflecting limited margin improvement as a result of return to normalcy costs.

Continue to expect moderation in growth rates in Rev for I.T services, lacking little upside and despite correction (implies Tier-1 names at ~2.5x and Tier-2 at 1.5x on PEG basis) and don't see any near term trigger.

## Infra and Construction (Positive)

The continuing thrust on infrastructure with budgetary rise of 37.4% in capital expenditure to Rs10 tn (22.2% of total expenditure) has been a key support to the visibility and sector performance. Of this, 54.4% is being spent on road, railways, urban infra, metro and water segments.

The PM GatiShakti Master Plan is aimed at supporting higher spend on infrastructure coupled with increased efficiencies in execution and monitoring. YTDFY23 NHAI awarding/ constructed stands at 4,261 kms/ 3,104 kms. YTDFY23 MoRTH awarding/ constructed stands at 8,400 kms/ 6,803 kms.

Stocks in our coverage universe have healthy order book visibility of ~2.6x. We expect EBITDA margin would normalize by the end of FY23, which marginally declined in H1FY23 due to increased cost of input materials.

## Pharmaceuticals (Neutral)

Sector has faced multiple headwinds, however stock performance has mirrored that with time and value corrections. Uncertainty related to price erosion in the US remains high (low double digit erosion vs ours of mid-single digit) impacting the sector, GM likely to get offset by softening of input cost QoQ.

Cost optimization measures remains priority for Indian Pharma companies. Build in 10-12% domestic growth in FY24 mainly led by a) price hikes which would offset the adverse NLEM price cut impact, improvement in volumes and new launches b) US business would not be one size fit all - timing is crucial as is niche and differentiated products.

Balance sheet has already seen very good improvement, where the majority of companies are cash rich or have little debt. Cash is likely to go towards M&A (companies prioritizing India) / niche therapeutic growth areas. Our coverage universe 1 year forward multiple has corrected to 22x FY24 P/E trading at reasonable levels.

## Real Estate (Positive)

All India unit sales(primary market) in FY22 witnessed the highest traction over the past decade and topping the previous cycle high of c.500K units (FY13). Notably new launch absorption rate (a key metric to gauge overall sentiment in the residential real estate market) is also trending at a decal high of 40%.

Momentum has sustained in H1FY23 with key listed developers sustaining record presales run rate in a seasonally weak period. We believe key demand levers viz, affordability, growing start-up ecosystem, wealth creation in other asset classes and bullish outlook for top white collar job creating industries- BFSI & IT largely remain healthy. Further, supply levers like access to funding largely concentrated in the organised players, rising cost of construction and land are intact, this, positioning larger players on a strong footing.

Key risks are mortgage rates climbing to double digits impacting overall industry sales volumes.

## Retail (Positive)

Retail industry has seen healthy growth and sustained momentum in consumption in urban markets. However, rural consumption (Tier II-IV cities) has been soft. This coupled with normalization of costs, steep increase in A&P and higher expenses on new store roll-outs has impacted EBITDA.

With rising urbanization, higher disposable income, growing aspirations and consequent uptick in spending by customers, the long-term levers are in place for retailers. We expect the retailers to register moderate revenue growth with improvement in margins from hereon.

## Sugar (Neutral)

Sugarcane yields in key sugar producing states of Maharashtra and Karnataka are witnessing a decline impacted by early maturity of cane crop on account of unfavorable weather conditions. Maharashtra sugar output is expected to see a drop of ~12% YoY while sugar production is expected to be lower by ~7% YoY in Karnataka for SS 22-23. With closing Sugar inventory expected to be similar to last year at ~5.4mn tons (in line with governments target) we expect domestic sugar realisations to remain firm at ~Rs 36/kg with upward bias over the remainder of SS 22-23.

With an expected drop in overall sugar output the government is highly unlikely to announce any further export allotments for remainder of the season which will result in sugar millers losing out on the opportunity to benefit from the strong rally in international sugar prices. India is on course to achieve 12% ethanol blending by the end of 22-23, however we believe that scale up of direct juice route and faster rollout of E-20 compatible cars would hold the key in achieving the target of 20% blending by 2025.

## Telecom (Positive)

Telecom is a structural long-term growth story in our view driven by modest subscriber (2-3% CAGR) and healthy ARPU growth led by price increase and upgrades from 2G to 4G/4G to 5G. In parallel, we expect telcos to benefit from growth in enterprise, home BB segment too.

Current EV/EBITDA multiple partly factors this optimism, even in absence of multiple expansion, conversion of debt to equity on FCF generation would be an additional market cap growth driver.

That said, 5G in our view will be a drag on telcos performance, especially in the near term when use cases are limited and capex is front-loaded.

# PREFERRED PICKS SNAPSHOT



Companies	Stock	Sales CAGR (%)	EBIDTA CAGR (%)	PAT CAGR (%)	FY24E					
	Beta	FY23-25E	FY23-25E	FY23-25E	OCF > Capex	FCF - Positive	P/E(x)	EV/EBIDTA (x)	Mcap/Sales	ROE (%)
Aarti Industries	0.7	12.7	24.0	26.4	☒	☒	28.6	16.6	2.5	12.6
ABFRL	1.1	56.0	52.0	LTP	✓	✓	131.1	16.6	1.9	6.0
Ajanta Pharma	0.5	11.9	23.8	22.9	✓	✓	19.3	14.2	3.7	19.5
Asian Paints	0.8	14.5	24.0	26.0	✓	✓	50.1	33.2	6.7	32.0
Balrampur Chini	0.6	16.5	39.9	46.1	✓	✓	11.9	9.0	1.2	18.1
Bharti Airtel	0.7	16.5	18.6	87.6	☒	☒	58.1	9.1	3.1	9.6
Birla Corporation	0.8	9.2	40.9	257.3	✓	✓	16.0	7.9	0.7	6.8
Blue Star	0.4	15.4	24.4	26.0	✓	✓	42.0	24.1	1.6	22.9
Chalet Hotels	0.8	56.7	97.1	LTP	☒	☒	40.3	24.4	6.9	12.7
Dalmia Bharat	1.2	18.6	28.1	37.9	☒	☒	33.6	12.4	2.2	6.2
DLF	1.5	77.9	116.9	80.8	✓	✓	27.8	32.3	4.3	18.2
H G Infra	1.2	17.2	15.5	15.0	✓	✓	9.3	5.7	0.9	24.9
HUL	0.7	9.7	12.3	11.8	✓	✓	52.3	33.7	8.2	22.2
JB Chemicals	0.6	13.1	18.2	24.2	✓	✓	29.1	17.9	4.3	19.1
M&M	1.0	15.0	16.0	18.0	✓	✓	19.1	12.5	1.6	18.2
Mahindra Holiday	1.1	17.9	20.3	20.8	✓	✓	34.6	14.0	4.6	23.0
Marico	0.6	11.5	13.3	15.0	✓	✓	42.3	30.1	5.9	36.3
Nazara Tech	1.1	27.7	35.0	32.1	✓	✓	43.5	19.6	2.4	7.2
Oberoi Realty	1.3	65.7	133.3	64.5	✓	✓	17.5	12.2	6.3	14.2
Paytm	0.6	36.1	LTP	LTP	✓	✓	(38.3)	(56.1)	3.5	(7.3)
PI Industries	0.6	17.0	17.6	13.0	✓	✓	35.3	24.7	6.2	17.6
PNC Infratech	0.7	13.1	12.5	13.6	✓	✓	12.7	7.7	1.0	14.7
Polycab	0.8	12.3	12.6	13.3	✓	✓	33.3	22.0	2.8	19.4
Radico Khaitan	0.6	8.5	8.6	9.7	☒	☒	69.0	41.4	4.7	10.8
Rategain	1.5	38.1	55.8	60.9	✓	✓	42.9	25.1	4.1	12.2

Companies	Stock	Sales CAGR (%)	EBIDTA CAGR (%)	PAT CAGR (%)	FY24E					
	Beta	FY23-25E	FY23-25E	FY23-25E	OCF > Capex	FCF - Positive	P/E(x)	EV/EBIDTA (x)	Mcap/Sales	ROE (%)
Subros	0.5	12.0	22.0	75.0	✓	✓	17.1	14.6	0.6	12.3
Syrma SGS	0.5	13.9	47.5	47.6	✓	☒	28.3	15.5	1.9	10.1
Titan	1.0	12.3	11.4	12.2	✓	✓	57.2	39.7	5.1	27.3
Westlife	0.5	26.1	28.6	47.7	✓	✓	54.3	21.1	3.4	27.9

Source: DART

## PREFERRED PICKS SNAPSHOT (BFSI)

Banks	Stock	CAGR NII (%)	CAGR PAT (%)	Advances CAGR %	FY24E				
	Beta	FY23-25E	FY23-25E	FY23-25E	P/E(x)	P/ABV (x)	Gross NPA %	ROE (%)	ROA (%)
HDFC Bank	1.1	13.9	14.3	15.0	15.7	2.5	0.8	16.8	2.0
ICICI Bank	1.0	8.8	9.3	16.0	11.1	1.7	2.5	15.7	2.0
SBIN	1.1	9.0	5.3	12.5	3.0	0.5	2.8	15.7	1.0
Aptus Housing	0.8	23.8	24.2	30.4	22.6	3.7	1.3	17.3	7.4

Source: DART

	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Asian Paints	291.0	345.4	398.3	453.1	48.0	60.7	78.8	93.4	32.6	40.0	53.3	63.6	34.2	42.0	55.8	66.5
Bharti Airtel	1165.5	1397.9	1582.8	1774.4	575.3	711.5	808.7	922.4	42.5	76.2	149.8	225.8	7.7	13.3	26.2	39.5
DLF	57.2	70.7	81.7	83.2	17.4	22.9	27.7	27.9	14.9	24.6	31.1	36.2	6.0	9.9	12.6	14.6
HUL	511.9	595.1	656.3	715.6	125.0	137.0	156.5	172.7	88.5	99.0	112.1	123.8	37.5	42.1	47.7	52.7
M&M	574.5	817.7	982.5	1140.8	70.4	100.2	125.9	150.7	49.4	68.3	86.7	103.4	40.8	54.9	69.7	83.2
Marico	95.1	97.7	109.5	121.5	16.8	18.4	21.0	23.6	12.3	13.0	15.1	17.1	9.7	10.2	11.9	13.5
PI Industries	53.0	66.9	78.8	91.7	11.4	15.9	18.9	22.0	8.4	12.6	13.8	16.1	55.6	82.9	91.2	105.9
Titan	272.1	371.0	420.6	467.6	32.8	49.0	54.4	60.8	22.3	33.7	37.7	42.4	24.6	38.0	42.5	47.8
<b>Aggregate</b>	<b>2529</b>	<b>3044</b>	<b>3430</b>	<b>3818</b>	<b>847</b>	<b>1033</b>	<b>1189</b>	<b>1348</b>	<b>236</b>	<b>312</b>	<b>429</b>	<b>543</b>				
<b>Growth (%)</b>		<b>20.4</b>	<b>12.7</b>	<b>11.3</b>		<b>22.0</b>	<b>15.1</b>	<b>13.4</b>		<b>32.3</b>	<b>37.7</b>	<b>26.6</b>				

Source: DART



# PREFERRED PICKS VALUATION MATRIX – LARGE CAPS



	Mcap	CMP	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
	(Rs bn)	(Rs)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Asian Paints	2,683	2,798	81.7	66.7	50.1	42.0	23.6	27.3	32.0	33.3	55.2	43.0	33.2	28.0	9.2	7.8	6.7	5.9
Bharti Airtel	4,306	773	100.3	58.1	29.6	19.6	6.8	9.6	15.0	19.0	10.7	9.1	7.8	6.5	3.7	3.1	2.7	2.4
DLF	866	350	58.0	35.3	27.8	23.9	13.5	17.2	18.2	18.6	51.3	39.0	32.3	32.1	6.1	5.0	4.3	4.2
HUL	5,397	2,494	66.5	59.2	52.3	47.3	18.4	20.1	22.2	23.8	42.5	38.7	33.7	30.4	10.5	9.1	8.2	7.5
M&M	1,579	1,331	32.6	24.2	19.1	16.0	13.7	16.4	18.2	18.6	22.9	15.7	12.5	10.5	2.7	1.9	1.6	1.4
Marico	649	503	51.7	49.2	42.3	37.4	37.2	36.1	36.3	34.8	38.0	34.7	30.1	26.5	6.8	6.6	5.9	5.3
PI Industries	488	3,216	57.8	38.8	35.3	30.4	14.7	18.8	17.6	17.5	41.7	29.7	24.7	20.8	9.2	7.3	6.2	5.3
Titan	2,157	2,430	99.0	64.0	57.2	50.8	26.3	31.2	27.3	24.5	66.1	44.3	39.7	35.1	7.9	5.8	5.1	4.6

Source: DART, CMP as on 22<sup>nd</sup> Feb 2023

# PREFERRED PICKS EARNINGS ESTIMATES – MID CAPS



	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Aarti Industries	54.5	68.1	75.6	86.4	11.1	11.2	13.5	17.2	5.7	5.6	6.7	9.0	18.8	15.5	18.5	24.8
ABFRL	78.2	117.2	133.6	149.8	10.8	16.6	20.8	24.9	(0.8)	1.9	4.3	7.6	(0.9)	1.9	4.3	7.5
Dalmia Bharat	112.9	135.0	166.7	190.0	24.3	23.9	32.8	39.3	8.2	6.9	10.7	13.2	43.8	37.0	57.0	70.4
Oberoi Realty	26.9	43.5	48.3	50.5	11.8	22.5	25.0	28.0	10.5	17.6	17.4	20.2	28.8	48.3	48.0	55.7
Paytm	49.6	79.4	111.6	147.1	(23.5)	(18.5)	(5.0)	8.1	(24.0)	(20.4)	(10.1)	0.6	(38.0)	(32.2)	(15.8)	0.9
Polycab	122.0	143.7	160.5	181.0	12.7	17.9	20.1	22.6	8.5	12.0	13.5	15.4	56.7	80.4	90.6	103.3
<b>Aggregate</b>	<b>444</b>	<b>587</b>	<b>696</b>	<b>805</b>	<b>47</b>	<b>74</b>	<b>107</b>	<b>140</b>	<b>8</b>	<b>24</b>	<b>43</b>	<b>66</b>				
<b>Growth (%)</b>		<b>32.2</b>	<b>18.6</b>	<b>15.6</b>		<b>55.9</b>	<b>45.7</b>	<b>30.7</b>		<b>191.4</b>	<b>80.1</b>	<b>55.3</b>				

Source: DART. # Technology is EBIT fig and not EBITDA

# PREFERRED PICKS VALUATION MATRIX – MID CAPS



	Mcap	CMP	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
	(Rs bn)	(Rs)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Aarti Industries	191	528	28.1	34.0	28.6	21.3	14.3	11.8	12.6	14.9	19.1	19.4	16.6	13.3	3.5	2.8	2.5	2.2
ABFRL	222	234	NA	131.1	59.0	33.4	(2.9)	6.0	9.2	12.5	27.0	16.6	12.3	9.9	2.8	1.9	1.7	1.5
Dalmia Bharat	358	1,913	43.7	51.6	33.6	27.2	5.6	4.4	6.2	7.3	14.2	15.1	12.4	10.3	3.2	2.7	2.2	1.9
Oberoi Realty	305	840	29.2	17.4	17.5	15.1	12.0	17.1	14.2	16.9	25.8	13.5	12.2	10.9	7.9	7.5	5.0	4.4
Paytm	386	608	(16.4)	(18.9)	(38.3)	750.9	(23.2)	(14.7)	(7.3)	0.4	(12.0)	(15.2)	(56.1)	36.6	7.8	4.9	3.5	2.6
Polycab	449	3,013	53.1	37.5	33.3	29.2	17.8	20.0	19.4	19.1	35.3	24.8	22.0	19.2	3.7	3.1	2.8	2.5

Source: DART. # Technologys is EBIT fig and not EBITDA, CMP as on 22<sup>nd</sup> Feb 2023

# PREFERRED PICKS EARNINGS ESTIMATES – SMALL CAPS



	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Ajanta Pharma	32.8	37.4	41.8	46.9	9.3	7.8	10.3	12.0	7.1	6.2	8.1	9.3	55.4	48.0	62.8	72.4
Balrampur Chini	48.5	49.6	63.4	67.4	7.0	5.1	9.5	10.0	4.7	3.1	6.2	6.6	22.8	15.2	30.4	32.5
Birla Corporation	74.6	87.8	94.6	104.8	11.1	8.2	13.6	16.4	4.3	0.5	4.2	6.3	55.7	6.4	54.4	81.6
Bluestar	60.5	74.7	85.6	99.5	3.5	4.7	5.9	7.3	1.7	2.7	3.3	4.3	17.4	27.8	34.6	44.2
Chalet Hotels	4.9	10.8	13.2	15.6	0.8	4.1	5.6	7.3	(0.8)	1.8	1.9	3.2	(3.7)	8.8	9.3	8.8
H.G. Infra	36.2	44.0	54.9	60.4	5.8	7.1	8.7	9.5	3.4	4.1	5.0	5.5	52.0	63.5	77.2	84.0
JB Chemicals	24.2	30.5	34.7	39.0	5.7	6.7	8.3	9.4	4.1	4.0	5.1	6.2	52.7	51.6	66.0	79.6
Mahindra Holiday	9.6	12.0	13.3	14.8	2.3	3.0	3.4	3.8	1.2	1.5	1.7	1.9	6.0	7.5	8.7	9.8
Nazara Tech	6.2	11.2	14.6	18.3	0.9	1.2	1.7	2.2	0.3	0.6	0.8	1.1	4.3	8.1	12.3	16.8
PNC Infratech	63.1	68.9	76.6	88.2	9.2	9.3	10.2	11.7	5.2	5.5	6.2	7.1	20.1	21.6	24.0	27.9
Radico Khaitan	28.7	31.4	35.2	38.9	4.1	3.7	5.9	6.9	2.5	2.2	3.5	4.4	18.9	16.2	26.5	33.4
Rategain	3.7	5.7	9.0	10.9	0.3	0.8	1.5	2.0	0.1	0.5	0.9	1.3	0.8	4.6	8.0	11.9
Subros	22.4	27.6	31.7	34.6	1.5	1.7	2.7	3.1	0.3	0.4	1.1	1.3	5.0	6.4	16.8	19.3
Syrma SGS	12.7	18.1	24.4	31.5	1.3	1.8	2.7	3.9	0.8	1.1	1.7	2.4	4.3	6.2	9.4	13.5
Westlife	15.8	23.2	29.9	36.8	1.9	3.9	5.1	6.4	(0.0)	1.2	1.9	2.6	(0.1)	7.7	12.1	16.8
<b>Aggregate</b>	<b>445</b>	<b>534</b>	<b>625</b>	<b>710</b>	<b>65</b>	<b>70</b>	<b>96</b>	<b>113</b>	<b>35</b>	<b>36</b>	<b>52</b>	<b>64</b>				
<b>Growth (%)</b>		<b>20.1</b>	<b>17.1</b>	<b>13.5</b>		<b>6.9</b>	<b>37.2</b>	<b>17.5</b>		<b>1.1</b>	<b>45.5</b>	<b>23.2</b>				

Source: DART. # Technology is EBIT fig and not EBITDA

# PREFERRED PICKS VALUATION MATRIX – SMALL CAPS



	Mcap	CMP	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
	(Rs bn)	(Rs)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Ajanta Pharma	156	1,215	14.6	25.3	19.3	16.8	22.8	17.5	19.5	19.0	11.0	19.3	14.2	11.9	4.8	4.2	3.7	3.3
Balrampur Chini	73	360	15.8	23.7	11.9	11.1	17.3	10.5	18.1	17.0	12.2	16.8	9.0	8.1	1.5	1.5	1.2	1.1
Birla Corporation	67	874	15.7	136.7	16.0	10.7	7.4	0.8	6.8	9.5	9.2	13.1	7.9	6.4	0.9	0.8	0.7	0.6
Bluestar	140	1,452	83.4	52.2	42.0	32.8	17.6	23.3	22.9	23.3	40.9	30.1	24.1	19.4	2.3	1.9	1.6	1.4
Chalet Hotels	74	362	NA	40.3	38.3	23.0	(5.5)	12.7	11.8	17.0	119.6	24.4	17.7	13.3	15.0	6.9	5.6	4.8
H.G. Infra	47	719	13.8	11.3	9.3	8.6	28.3	26.4	24.9	21.6	8.3	7.1	5.7	5.2	1.3	1.1	0.9	0.8
JB Chemicals	148	1,918	36.4	37.2	29.1	24.1	20.7	17.3	19.1	19.5	25.8	22.6	17.9	15.3	20.1	16.0	14.0	12.5
Mahindra Holiday	55	272	43.4	34.6	29.7	26.5	26.5	23.0	21.2	19.4	18.1	14.0	12.2	10.8	5.7	4.6	4.1	3.7
Nazara Tech	35	536	123.9	55.6	43.5	31.9	3.3	6.0	7.2	9.0	34.3	27.2	19.6	13.7	5.7	3.2	2.4	1.9
PNC Infratech	78	304	15.1	14.1	12.7	10.9	16.3	15.2	14.7	14.7	8.2	8.2	7.7	6.8	1.2	1.1	1.0	0.9
Radico Khaitan	147	1,099	59.2	69.0	42.1	33.6	13.6	10.8	15.5	15.9	36.8	41.4	26.0	21.8	5.1	4.7	4.2	3.8
Rategain	37	344	499.3	75.1	42.9	29.0	1.9	7.7	12.2	15.7	120.5	46.3	25.1	18.3	10.2	6.5	4.1	3.4
Subros	19	227	57.4	44.7	17.1	14.9	4.0	5.0	12.3	13.0	26.8	24.1	14.6	12.9	0.8	0.7	0.6	0.5
Syrma SGS	47	265	61.1	42.9	28.3	19.7	13.8	10.2	10.1	13.0	29.8	23.0	15.5	10.7	3.7	2.6	1.9	1.5
Westlife Food	102	657	NA	85.2	54.3	39.0	-0.3	23.1	27.9	29.1	58.8	28.3	21.1	16.2	6.5	4.4	3.4	2.8

Source: DART. # Technologys is EBIT fig and not EBITDA, CMP as on 22nd Feb 2023



## Large Cap

	NII (Rs bn)				PPOP (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
HDFC Bank	720.1	858.5	980.5	1,112.9	640.8	705.2	822.0	943.4	369.6	436.2	504.5	570.1	66.7	78.7	91.0	102.8
ICICI Bank	474.7	617.7	651.8	730.9	392.5	489.5	500.6	551.2	233.4	317.8	334.8	379.4	33.6	45.7	48.2	54.6
SBIN	1,207.1	1,454.3	1,565.7	1,728.1	752.9	844.7	929.4	1,005.1	316.8	511.3	564.7	566.4	35.5	57.3	63.3	63.5
<b>Aggregate</b>	<b>2,402</b>	<b>2,931</b>	<b>3,198</b>	<b>3,572</b>	<b>1,786</b>	<b>2,039</b>	<b>2,252</b>	<b>2,500</b>	<b>920</b>	<b>1,265</b>	<b>1,404</b>	<b>1,516</b>				
<b>Growth (%)</b>		<b>22.0</b>	<b>9.1</b>	<b>11.7</b>		<b>14.2</b>	<b>10.4</b>	<b>11.0</b>		<b>37.6</b>	<b>11.0</b>	<b>8.0</b>				

	Mcap (Rs bn)	CMP (Rs)	P/ABV (x)				P/E (x)				ROE (%)				ROA (%)			
			FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
HDFC Bank	8,987	1,611	3.7	3.2	2.8	2.4	24.2	20.5	17.7	15.7	16.7	16.9	16.8	16.4	1.9	2.0	2.0	2.0
ICICI Bank	5,873	841	3.7	3.1	2.7	2.3	25.0	18.4	17.5	15.4	14.7	17.2	15.7	15.5	1.8	2.1	2.0	2.0
SBIN	4,587	514	2.0	1.6	1.4	1.3	14.5	9.0	8.3	8.1	11.9	16.8	15.7	14.2	0.7	1.0	1.0	1.0

CMP as on 22nd Feb 2023

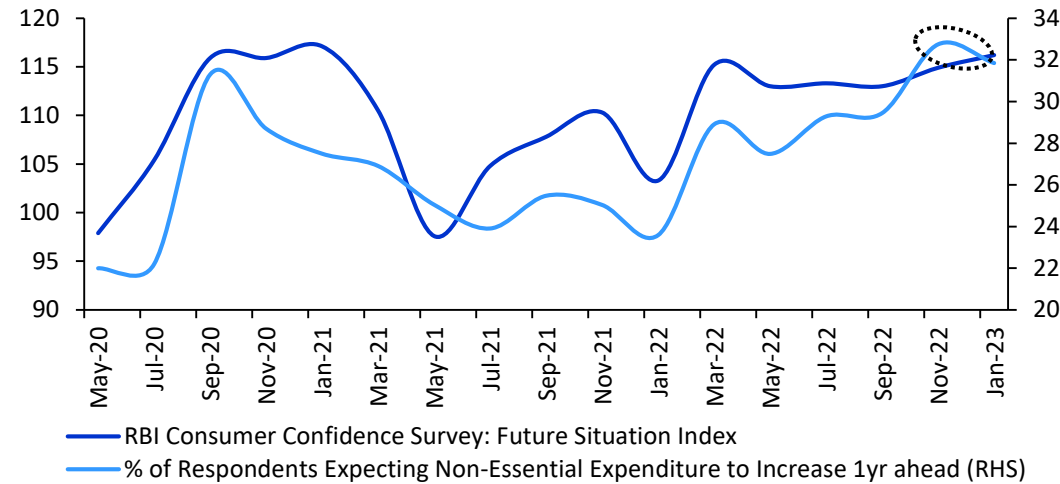
## Small Cap

	NII (Rs bn)				PPOP (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Aptus Housing	5.8	7.7	9.5	11.8	5.1	6.8	8.2	10.2	3.7	4.9	6.2	7.6	7.4	9.9	12.4	15.3
<b>Aggregate</b>	<b>5.8</b>	<b>7.7</b>	<b>9.5</b>	<b>11.8</b>	<b>5.1</b>	<b>6.8</b>	<b>8.2</b>	<b>10.2</b>	<b>3.7</b>	<b>4.9</b>	<b>6.2</b>	<b>7.6</b>				
<b>Growth (%)</b>		<b>32.8</b>	<b>23.4</b>	<b>24.2</b>		<b>33.3</b>	<b>20.6</b>	<b>24.4</b>		<b>32.4</b>	<b>26.5</b>	<b>22.6</b>				

	Mcap (Rs bn)	CMP (Rs)	P/ABV (x)				P/E (x)				ROE (%)				ROA (%)			
			FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Aptus Housing	125	251	4.3	3.8	3.3	2.8	33.7	25.3	20.2	16.4	15.1	15.8	17.3	18.5	7.3	7.6	7.4	7.0

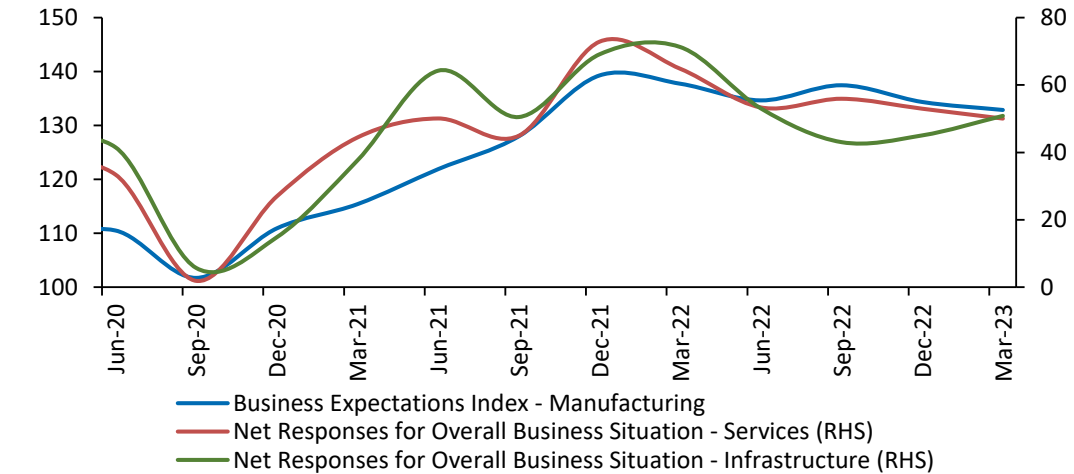
CMP as on 22<sup>nd</sup> Feb 2023

**Exhibit 1: Rising confidence reflected among consumers albeit consumers cautious on non-essential expenditures**



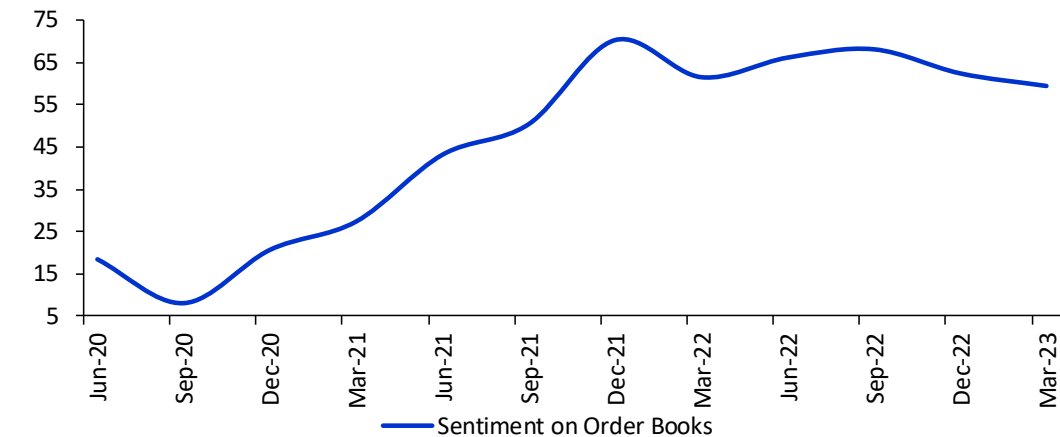
Source: IndiaDataHub, RBI, DART

**Exhibit 2: Manufacturing and Services companies are expecting marginal decline in business sentiment in Q4 whereas Infrastructure companies are expecting an uptick**



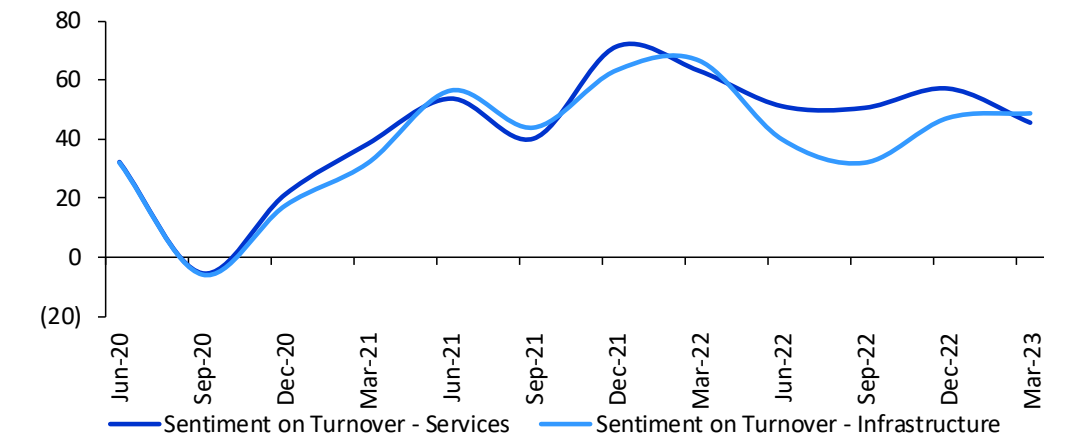
Source: IndiaDataHub, RBI, DART | Net response is Proportion of Optimistic minus Pessimistic response

**Exhibit 3: Manufacturers have seen moderation in sentiment on order books**



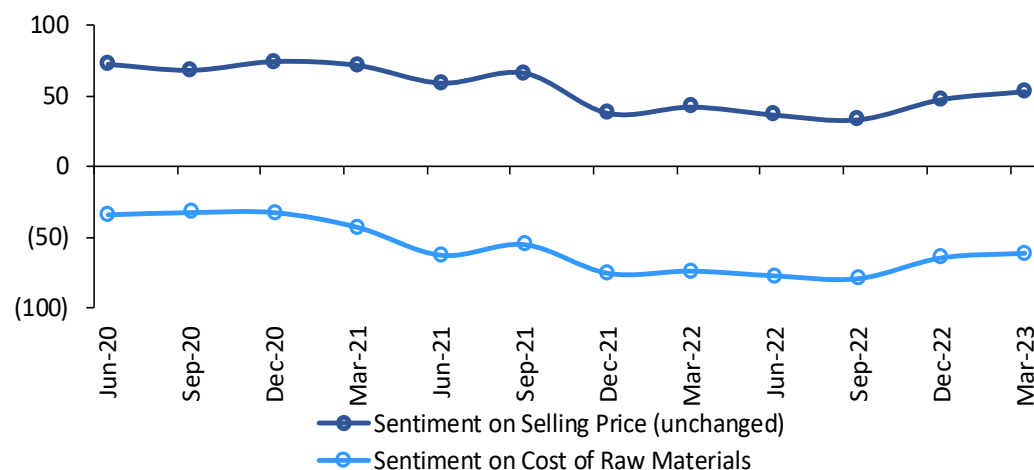
Source: IndiaDataHub, RBI, DART | Sentiment on order book is Proportion of Optimistic - Pessimistic

**Exhibit 4: Services companies expect a decline in turnover but infrastructure companies expect a rise in turnover**



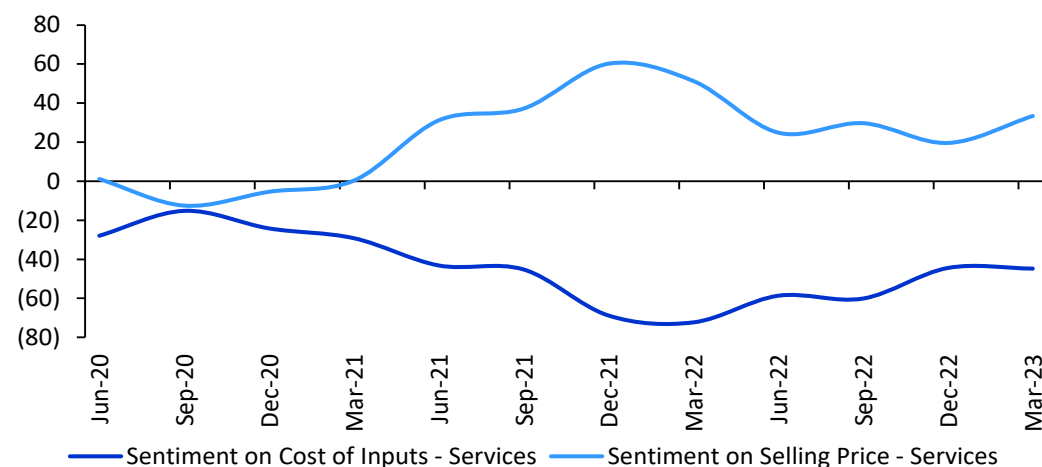
Source: IndiaDataHub, RBI, DART | Sentiment on turnover is Proportion of Optimistic - Pessimistic

**Exhibit 5: Manufacturers expect selling prices to remain unchanged and raw material prices to slightly soften vs. last quarter**



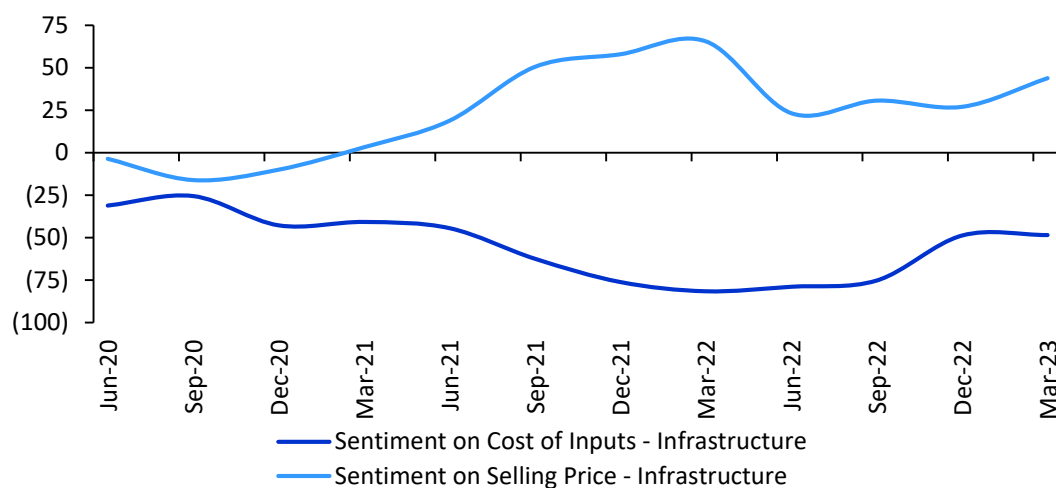
Source: IndiaDataHub, RBI, DART | Sentiment on cost is Proportion of Optimistic (down) - Pessimistic (high)

**Exhibit 6: Services companies expect similar cost pressures as last quarter but higher selling price**



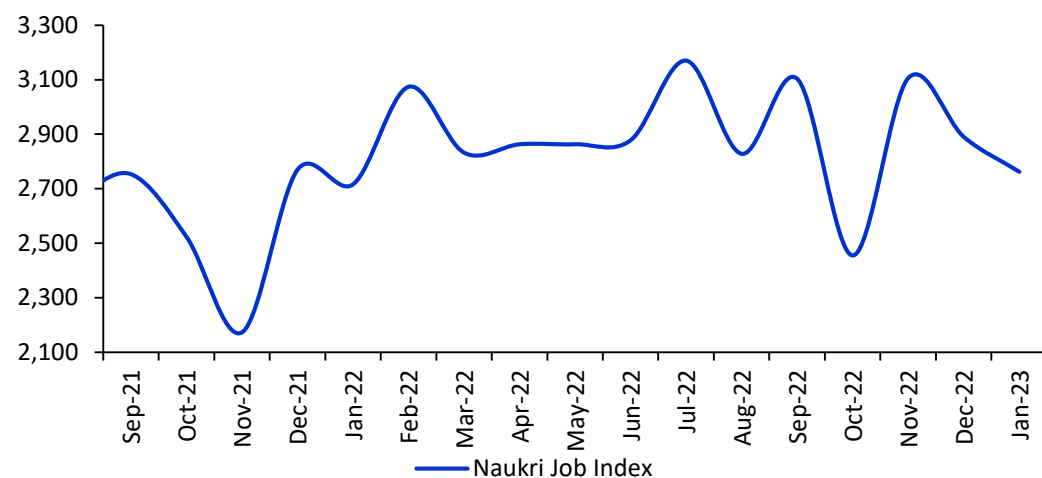
Source: IndiaDataHub, RBI, DART | Sentiment on cost is Proportion of Optimistic (down) - Pessimistic (high), Sentiment on selling price is Proportion of Optimistic (increase) minus Pessimistic (decrease) response.

**Exhibit 7: Likewise, infrastructure companies expect similar cost pressures as last quarter but higher selling price**



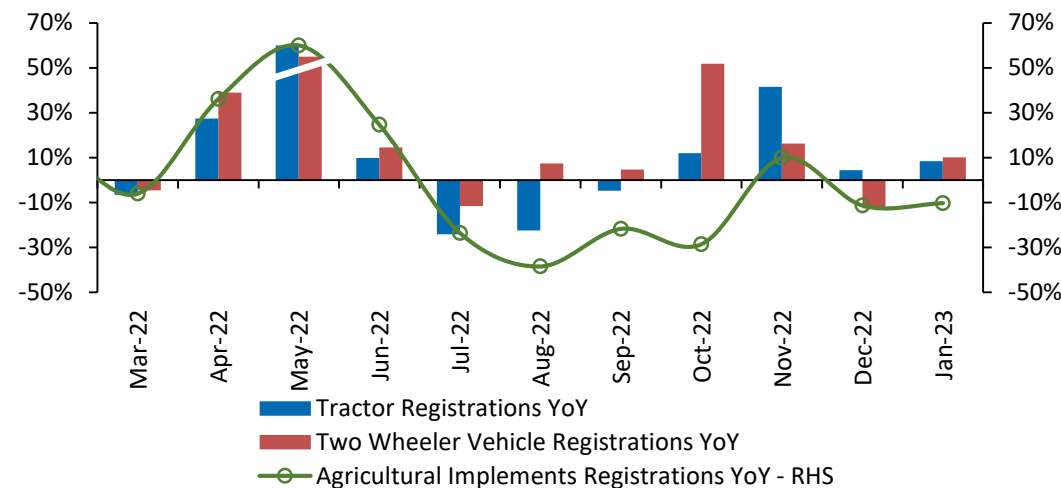
Source: IndiaDataHub, RBI, DART | Sentiment on cost is Proportion of Optimistic (down) - Pessimistic (high), Sentiment on selling price is Proportion of Optimistic (increase) minus Pessimistic (decrease) response.

**Exhibit 8: Hiring activity has weakened in last couple of months**



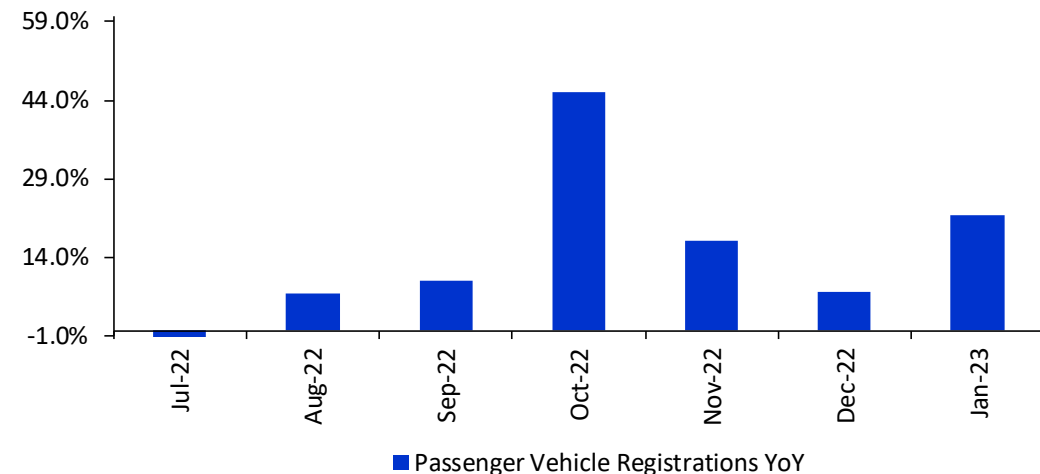
Source: IndiaDataHub, DART

**Exhibit 9: Indicators state rural demand is bottoming out....**



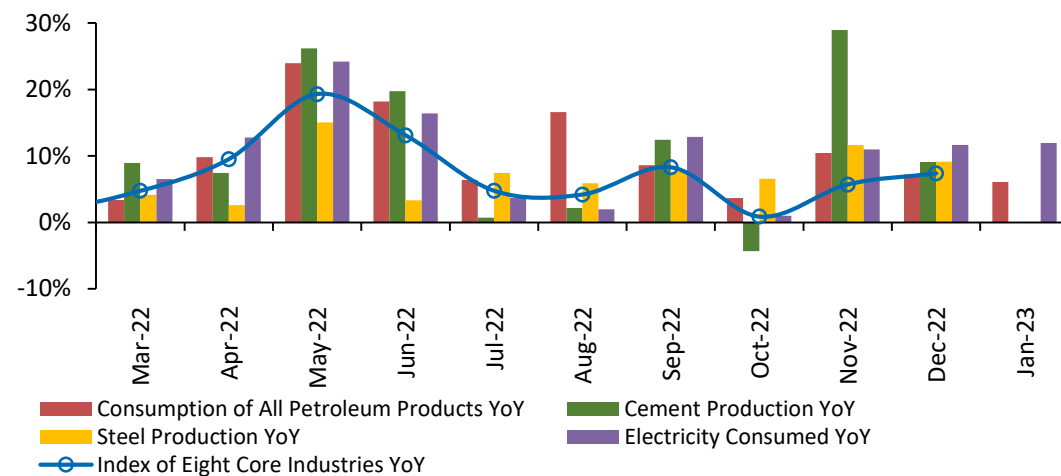
Source: IndiaDataHub, DART, Agricultural implements includes Harvesters, Tillers, Agricultural Trailers, et al

**Exhibit 10: .....and urban demand seeing a rebound**



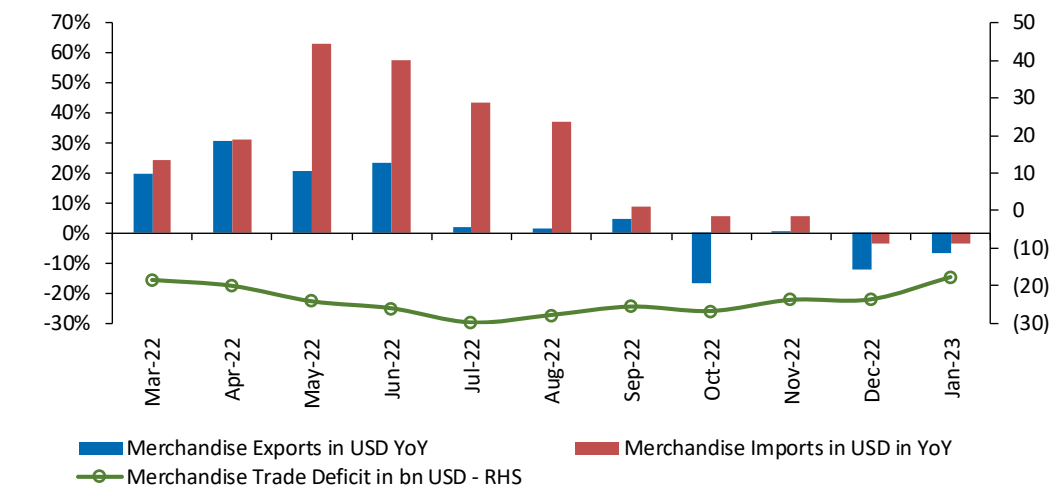
Source: IndiaDataHub, DART

**Exhibit 11: Industry level indicators are holding up although some moderation in petroleum consumption**



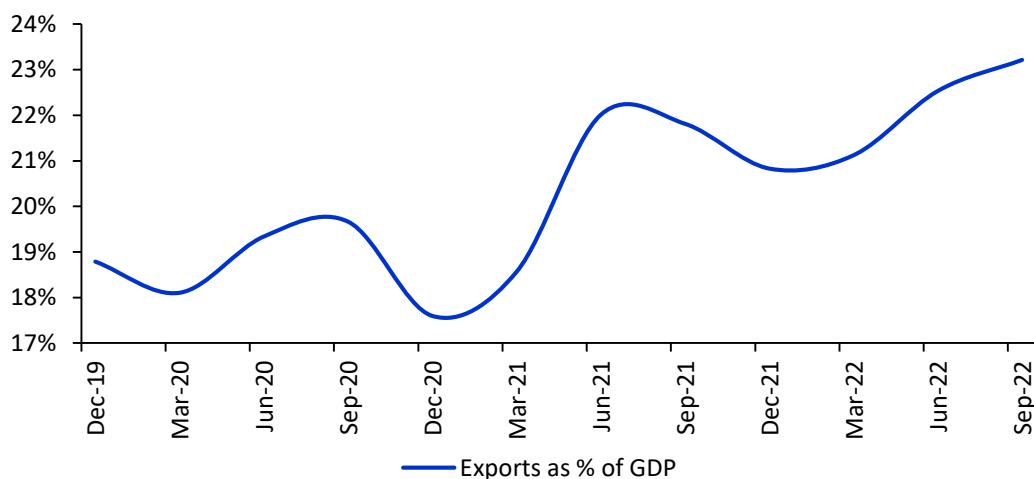
Source: IndiaDataHub, DART

**Exhibit 12: Trade deficit improved - Decline in exports as global demand slows and slower increase in imports as domestic demand remains uneven**



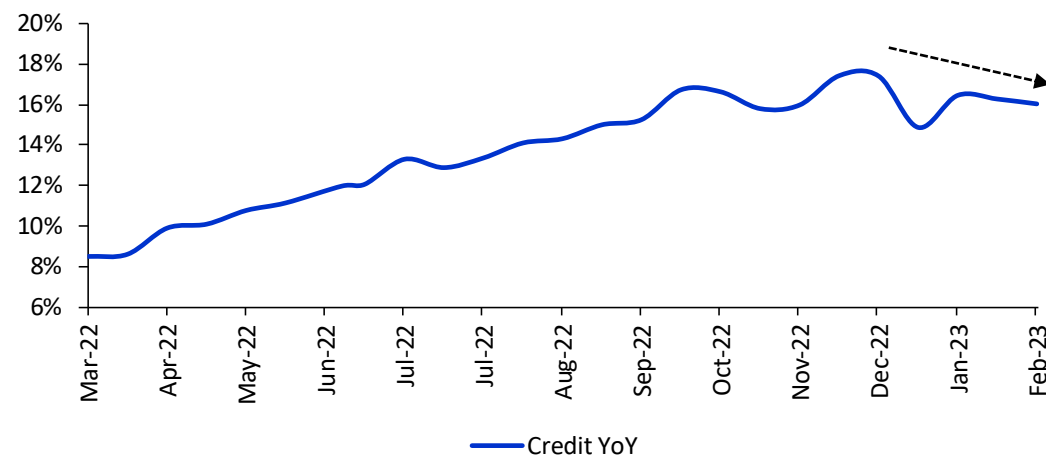
Source: IndiaDataHub, DART

**Exhibit 13: Slower growth in exports could negatively impact GDP as export's contribution has grown significantly in last 3 years**



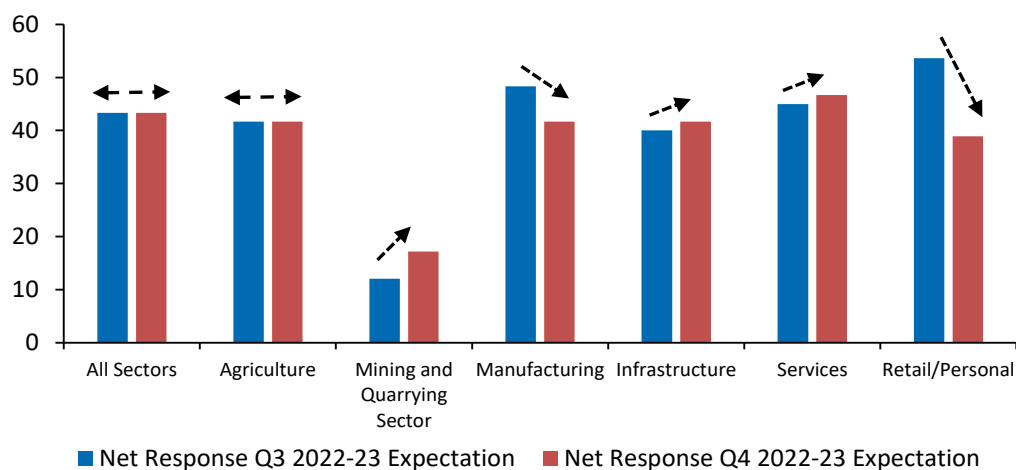
Source: IndiaDataHub, DART

**Exhibit 14: Credit growth seeing some signs of moderation**



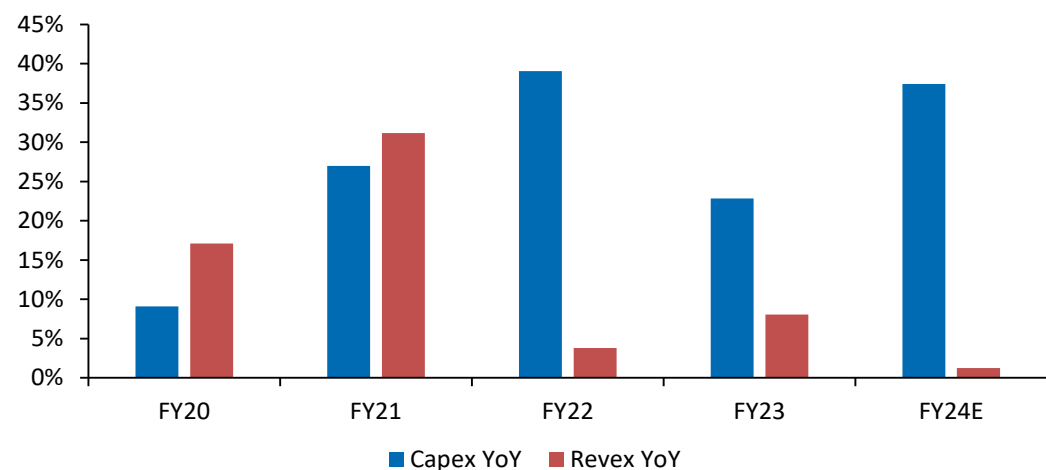
Source: IndiaDataHub, DART

**Exhibit 15: Bank lending survey states moderation expected in manufacturing and personal loans**



Source: RBI, DART | Net responses is % of banks reporting optimism (increase) minus pessimism (decrease)

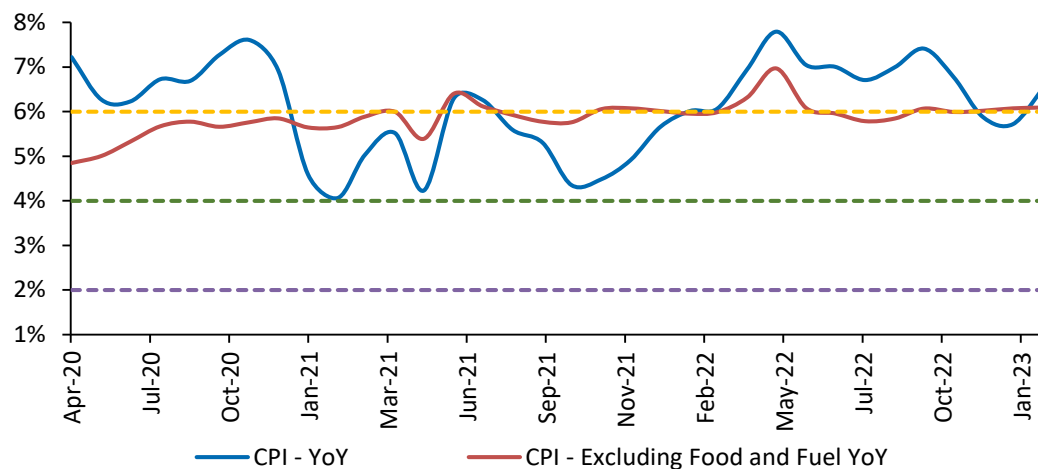
**Exhibit 16: Improved quality of government spending with higher expenditure in more productive asset which have greater multiplier effect**



Source: Bloomberg, IndiaDataHub, DART

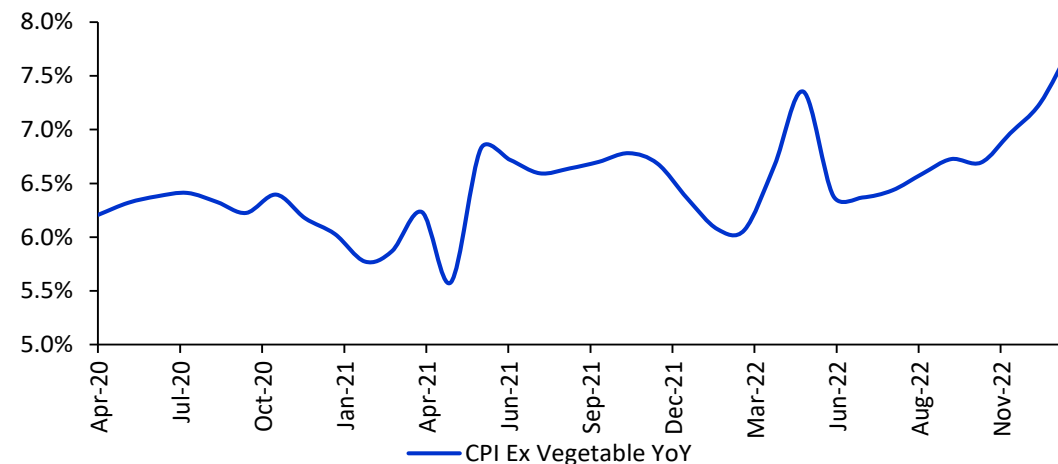


**Exhibit 17: Inflation above the target of 4% has led to RBI hiking rates aggressively in last 12 months**



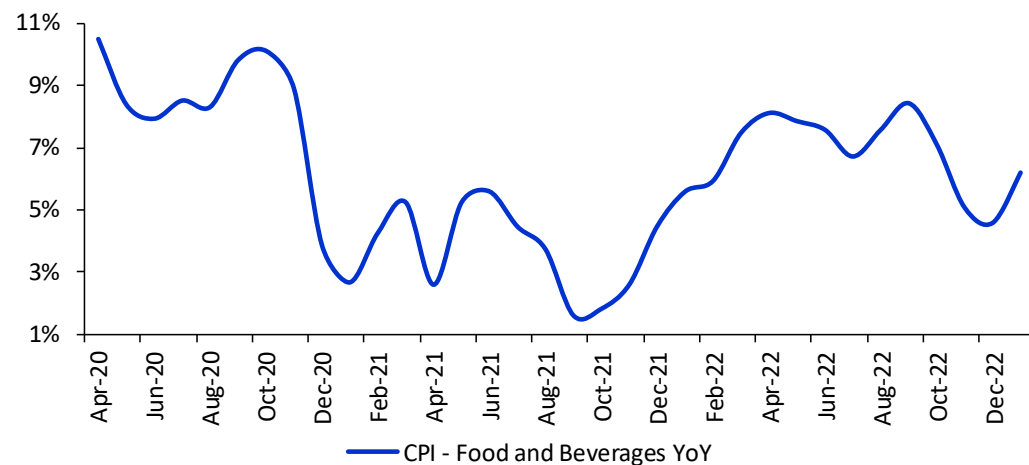
Source: IndiaDataHub, DART

**Exhibit 18: Headline inflation remains high even after removing volatile component like vegetables**



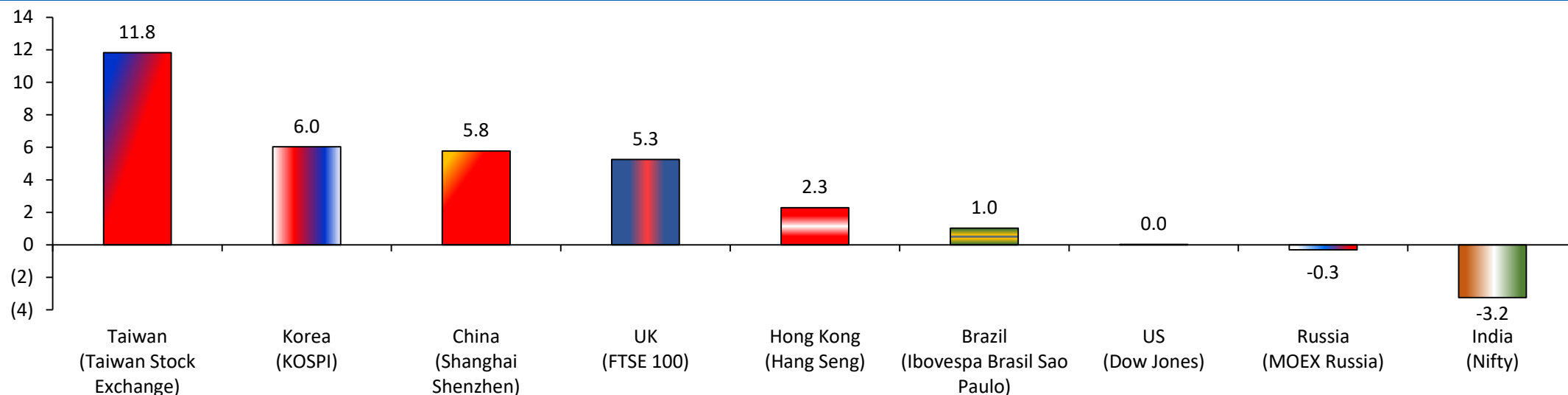
Source: IndiaDataHub, DART

**Exhibit 19: Base case expectation of pause gets pushed with Jan CPI read higher than expected because of higher food and beverages prices.**



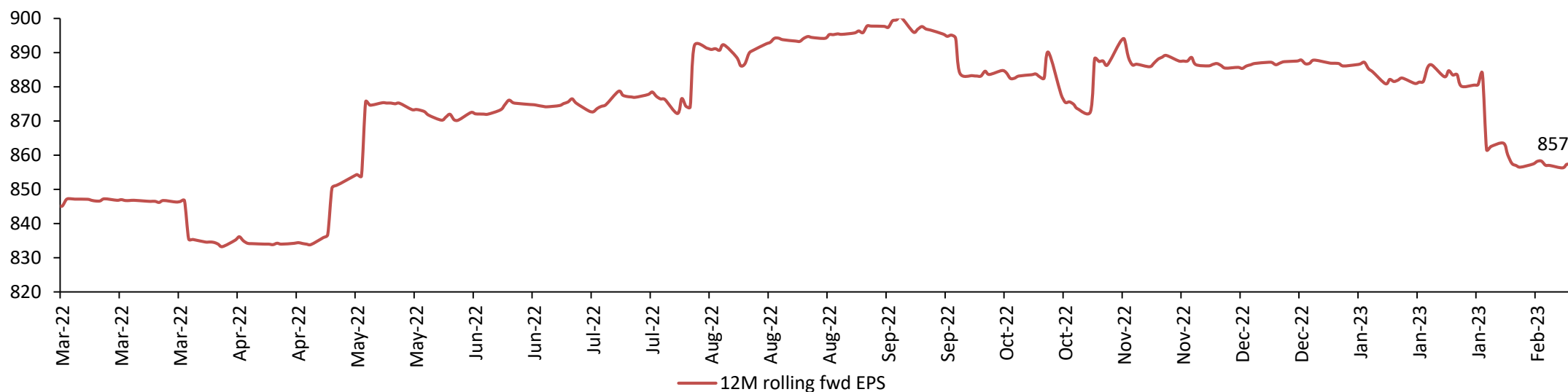
Source: IndiaDataHub, DART

## Exhibit 20: India Equities have underperformed vs peers on CYTD basis



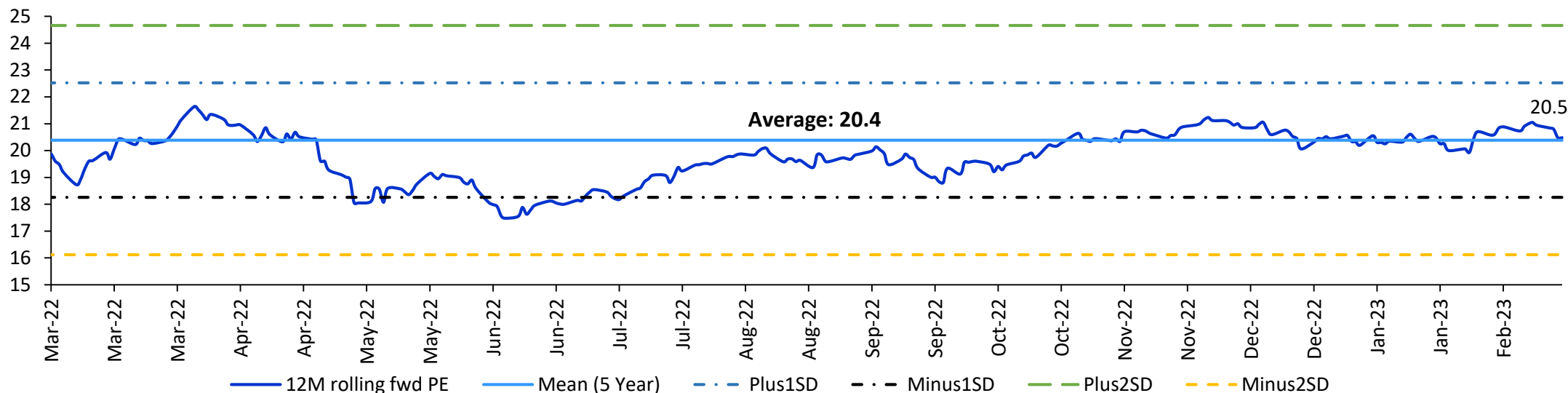
Source: Bloomberg (Dec 30<sup>th</sup> 2022 to 23<sup>rd</sup> Feb 2023), DART | Returns shown in USD terms

## Exhibit 21: Nifty earnings estimates have started getting cut



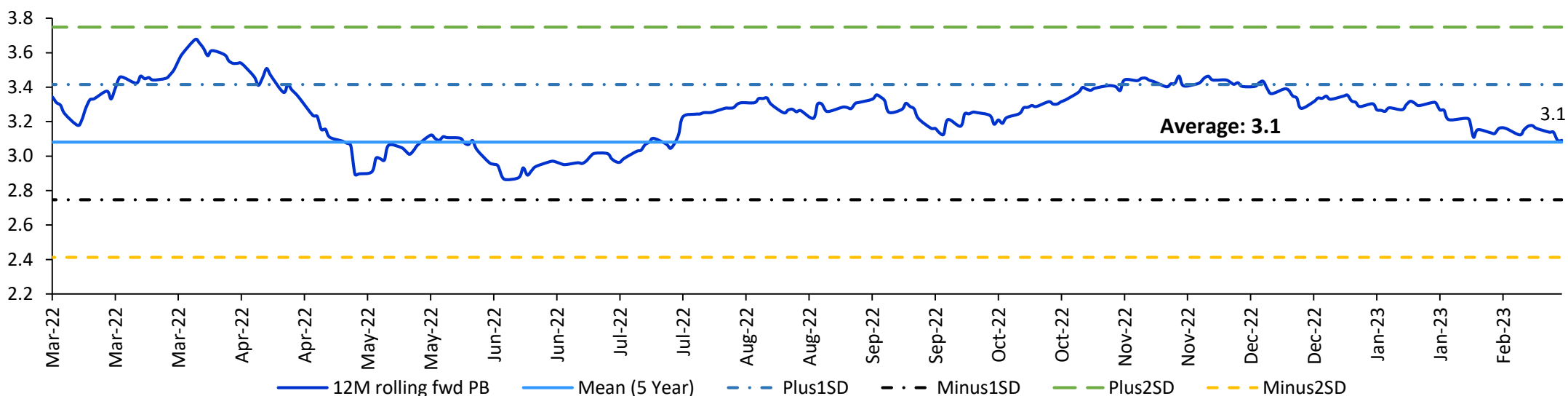
Source: Bloomberg, (Data as on 23<sup>rd</sup> Feb 2023), DART

**Exhibit 22: Forward Nifty P/E – Converging towards 5 year average**



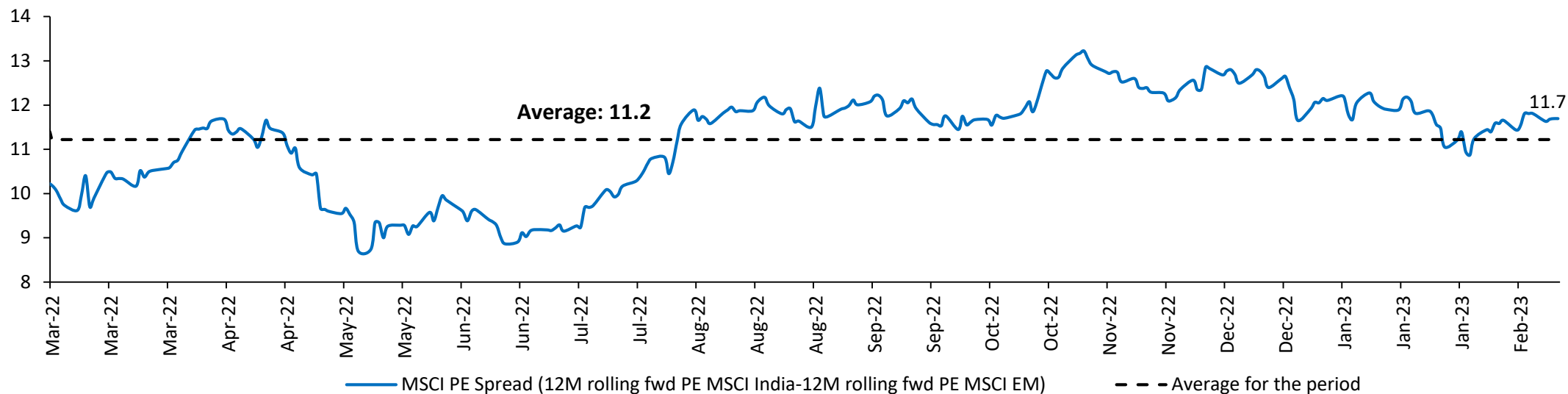
Source: Bloomberg, (Data as on 23<sup>rd</sup> Feb 2023), DART

**Exhibit 23: Forward Nifty P/BV – Similar trend witnessed here as well**



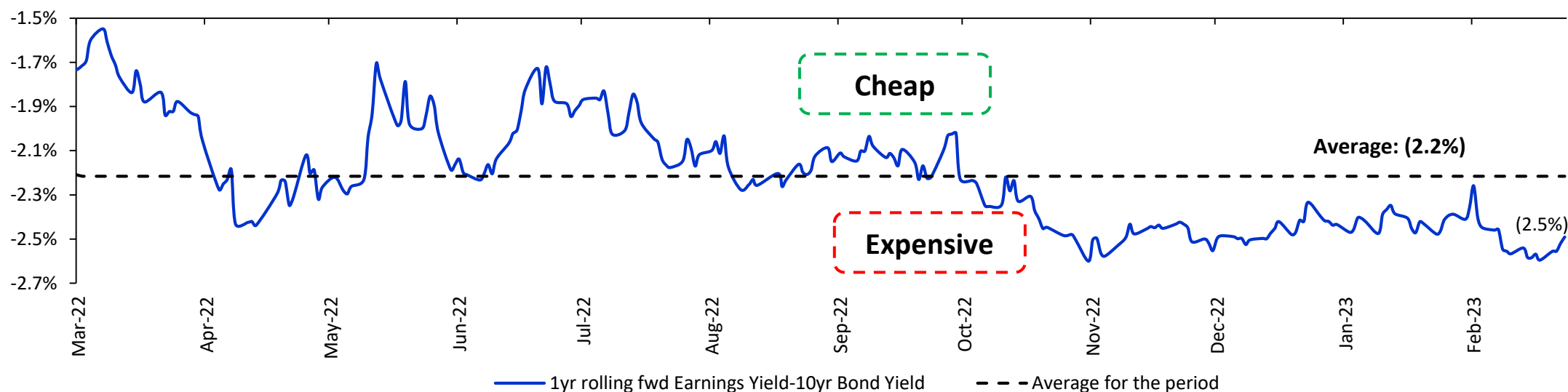
Source: Bloomberg, (Data as on 23<sup>rd</sup> Feb 2023), DART

**Exhibit 24: Expensive - MSCI India is trading above the average spreads**



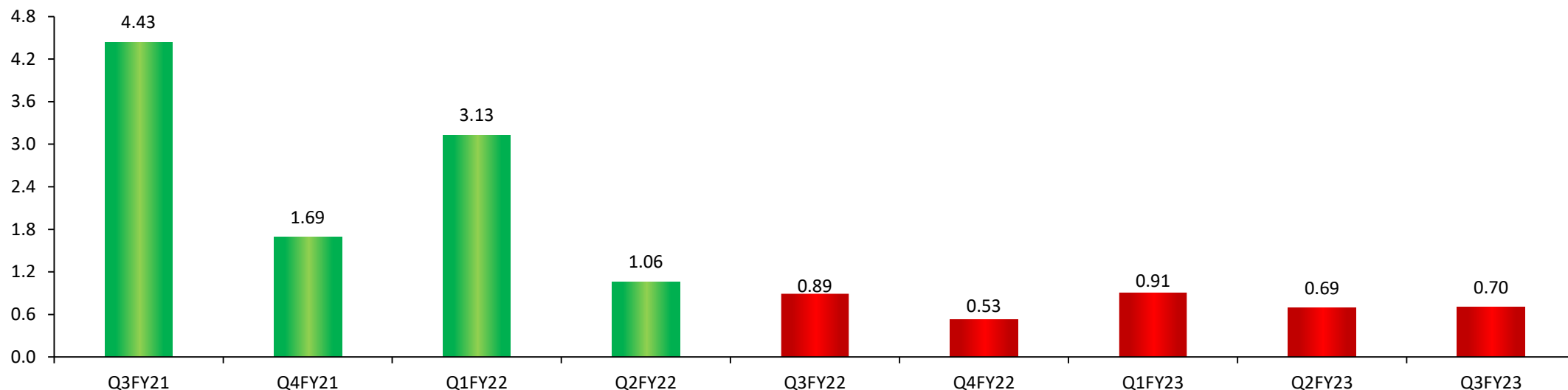
Source: Bloomberg, (Data as on 23<sup>rd</sup> Feb 2023), DART

**Exhibit 25: Nifty is expensive when compared with longer end bond**



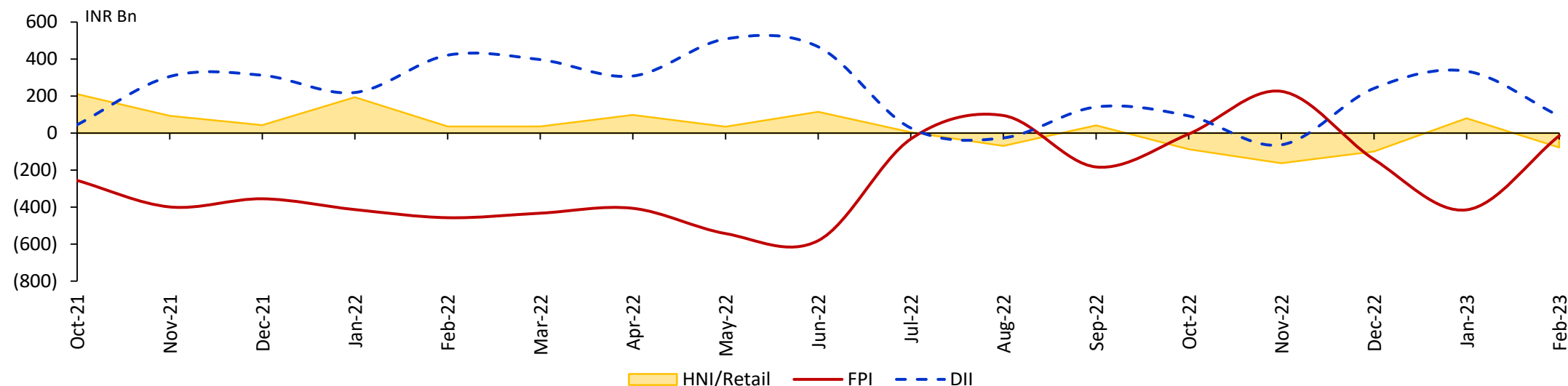
Source: Bloomberg, (Data as on 23<sup>rd</sup> Feb 2023), DART

## Exhibit 26: DART Earnings Index Trajectory (DEIT) – Fifth consecutive quarter of net downgrades



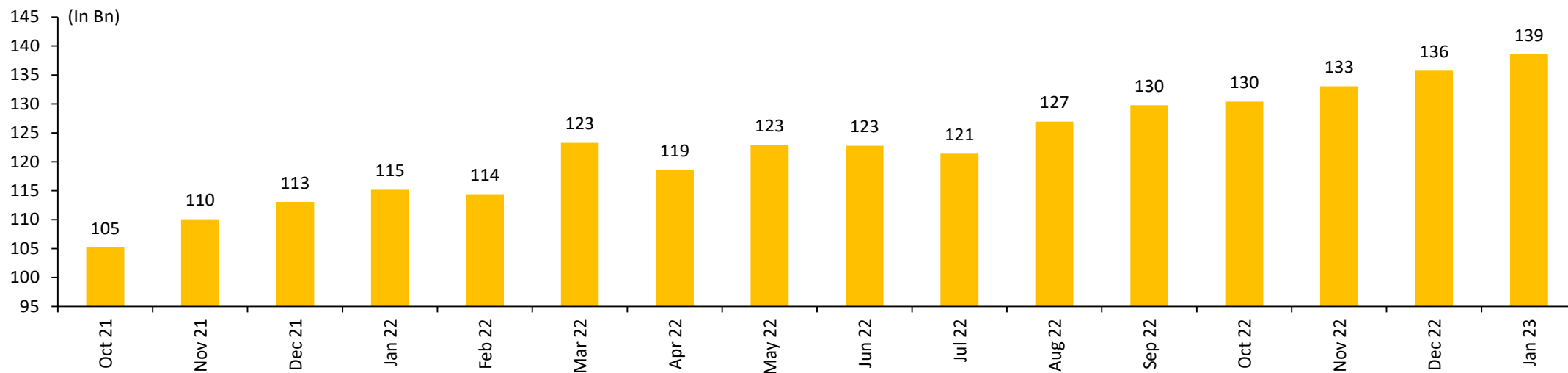
Source: DART, as of Feb 21<sup>st</sup> 2023, Note: DEIT >1 - More Upgrades vs Downgrades, DEIT = 1 Equal weight of Upgrades vs Downgrades, DEIT <1 - More Downgrades vs Upgrades

## Exhibit 27: FPI / DII / HNI Flows



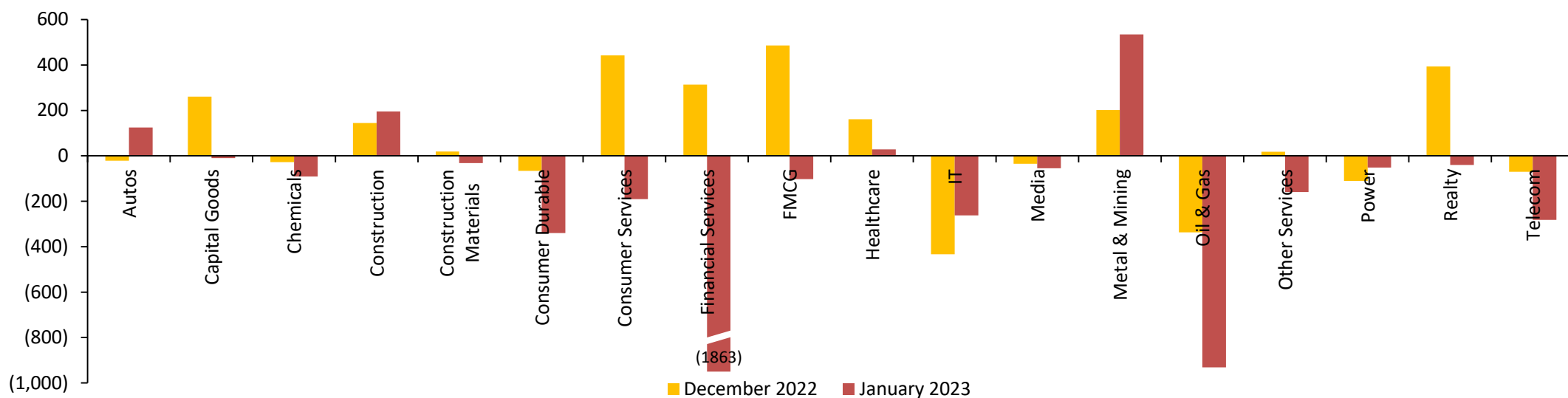
Source: Bloomberg, (Data as on 17th Feb 2023), DART

**Exhibit 28: Monthly SIP Inflows stays strong**



Source: IndiaDataHub, DART

**Exhibit 29: Monthly Flows in Key Sectors (US\$ Mn.)**



Source: IndiaDataHub, DART



## Automobile

Hero MotoCorp

The recently announced union budget further solidifies the platform with its focus on capital expenditure on one hand, an increasing disposable income on the other. Company expects double-digit revenue growth for the next fiscal for two-wheeler industry.

## Consumer

Hindustan Unilever

Despite high inflation, rural spending has increased YoY. Going forward union budget measures and moderation in inflation would help rural demand to improve in the coming qtrs.

## Consumer

Britannia

Company has 28,000 rural distributors versus 26,000 in March 2022 and rural's share has gained 1.5 times vs. the share that gained on all-India basis.

## Hotels

Indian Hotels

Outlook remains strong as lot of events are happening this year, including G20, IPL, World Cup Cricket which should boost the demand or provide the necessary buffer should there be any form of headwinds coming from anywhere.

## QSR

Devyani International

As wallet size remained the same and as consumers are seeing broad based inflation, they are tightening spends in terms of various discretionary categories.

## Footwear

Bata India

ASP both sequentially and vs. last year has gone up by ~13%. However, unlike the first half of this year, no price hikes have taken place and growth is driven by Premiumization.

## Automobile

Bajaj Auto

The turnaround in the fate of the industry happened during the festive. Before the festive, the industry was in negative territory. After sanitizing for base effects from the previous year, management expects growth at retail side to be 3% to 5% and growth should remain on this trajectory here onwards.

- Some of FMCG and Tractor companies have shared their optimism around rural demand recovery.
- 2Ws industry expected to do well led by rural demand recovery and budget announcements favorable for consumption and capex related sectors.
- Continued buoyancy seen in consumer behavior, which has led to strong operational numbers from Hotel companies. Outlook remains robust because of wedding season and foreign travel gaining momentum.
- Consumers tightening their spends and prioritizing across discretionary segments.
- Divergent demand trends witnessed across value and premium segment with the former seeing a weak demand because of sluggish macro-economic trends.

## Automobile

M&M

Company expects the tractor industry to grow over 10%, vs. 5%

## Automobile

TVS Motors

Robust revenue growth, better mix (largely driven by Premiumization) and the cost reduction initiatives would lead to a sustained EBITDA improvement in Q4.

## Paints Asian Paints

Large base and extended monsoon in Oct led to muted volume growth. Bounce back seen in Nov and especially in Dec where company has seen double digit volume growth.

## Banks Kotak Mahindra Bank

Let us assume that there is a fair probability of both Cinderella and Goldilocks also continuing for a while. So we need to watch this very closely as we go into 2023 and beyond.

## Ceramics Kajaria Ceramics

Negative affect on sales due to festivity and extended holidays although surge in demand seen during Nov and Dec'22. Co expects better growth and recovery in margin from Q4 onwards.

- Companies in sectors like tiles, paints, consumer durables negatively affected in Q3FY23 because of delayed monsoon, more no. of holidays due to festivals and demand not panning out as management envisaged. Outlook for Q4 remains optimistic as demand recovering and raw material prices are stabilizing.
- Healthy volume growth, improved realization, lower employee costs and stabilization of raw material prices like coal has helped cement companies improve operating profits sequentially. Outlook remains positive because of government spending, pick up in urban real estate and demand recovery in rural.
- Banks reported resilient performance in Q3 with advances growing between 3% to 6% (for most banks), continued improvement in Net interest margins and asset quality.
- IT sector is transitioning towards a period of normalization and may see slower growth of 7% to 9% in cc terms in the next couple of fiscal years. In the near term, management's commentary remains cautiously optimistic with respect to overall business outlook. Attrition has also cooled off and net hiring in Q3FY23 was neutral.
- Weak demand seen in discretionary segments like auto, textile that has affected top line growth for some of the specialty chemicals companies. Although demand in coatings, plastic and glass applications has seen a bit of revival. Companies are also witnessing decline in raw material costs during Q3FY23 impact of which would be visible in coming quarters. Companies expect demand to normalize primarily because of China reopening.

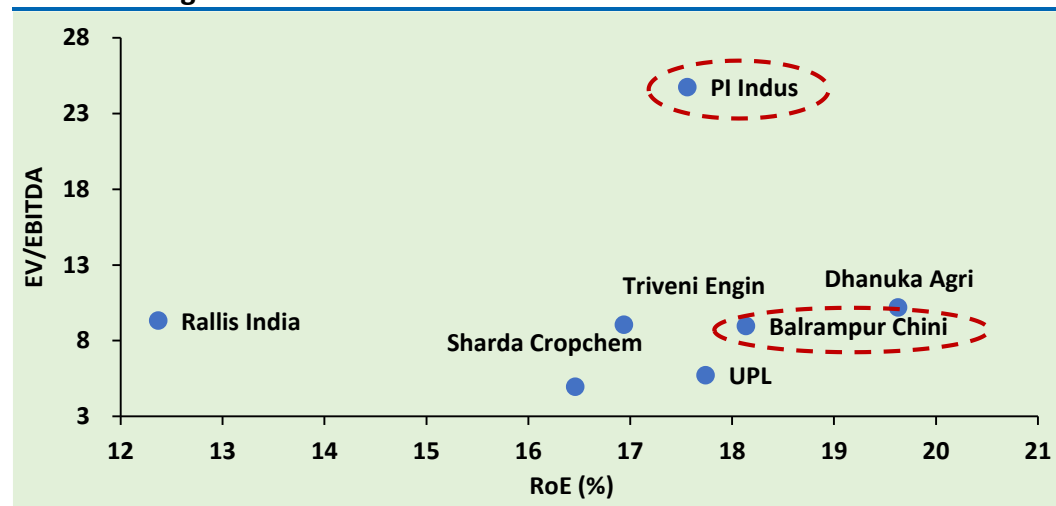
## Chemicals Aarti Industries

Textiles slowdown has been going on for couple of quarters because of global demand slowdown and high inflation. Currently, global recessionary trends are also visible in other segments like auto, etc. Company expects demand recovery to come in from the first half of next fiscal year. Some decline seen in the raw materials prices in the last quarter, and the impact would be seen in Q4FY23.

## Chemicals Tata Chemicals

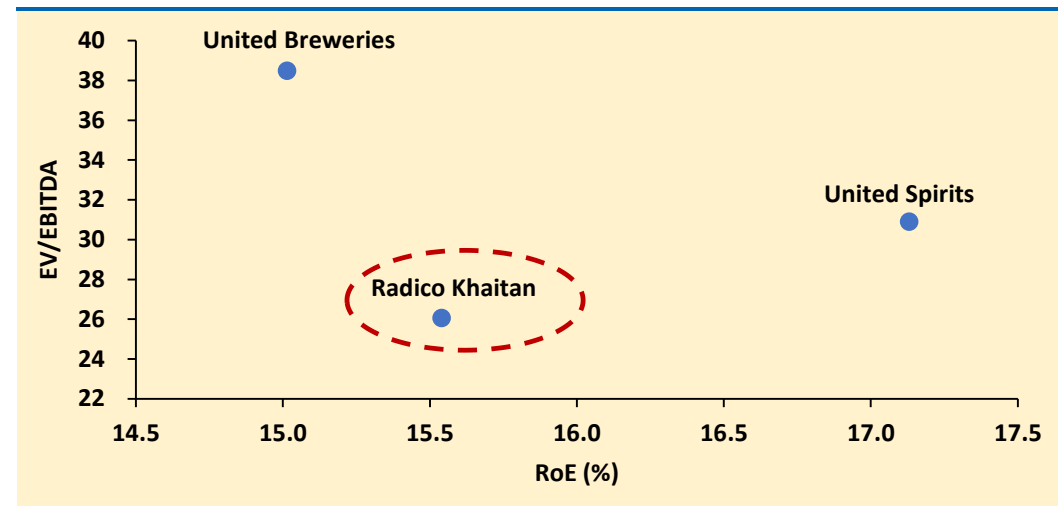
Overall, the demand is firm. The demand-supply situation is balanced with trend tending towards a tightness, especially because China has reopened and their inventories are running low.

Exhibit 30: Agri Based



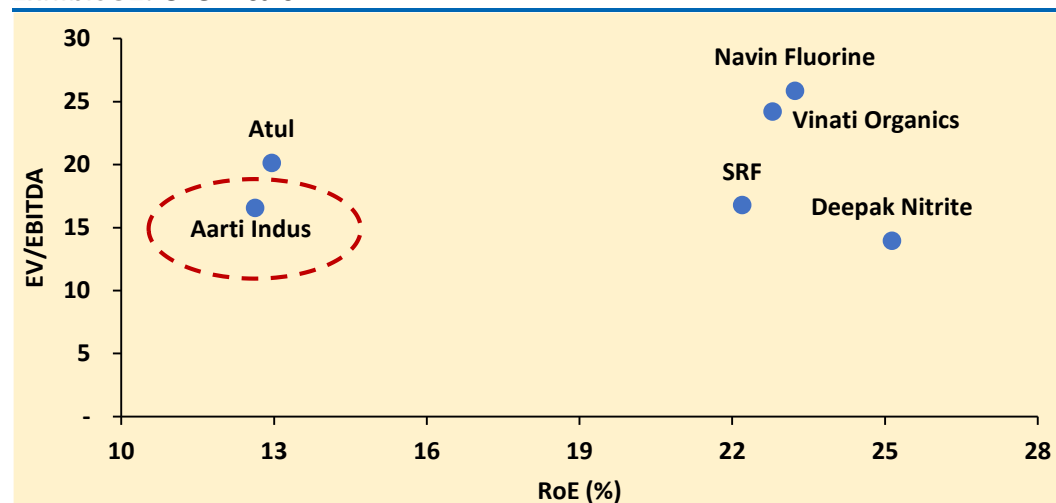
Source: DART

Exhibit 31: Alcobev



Source: DART

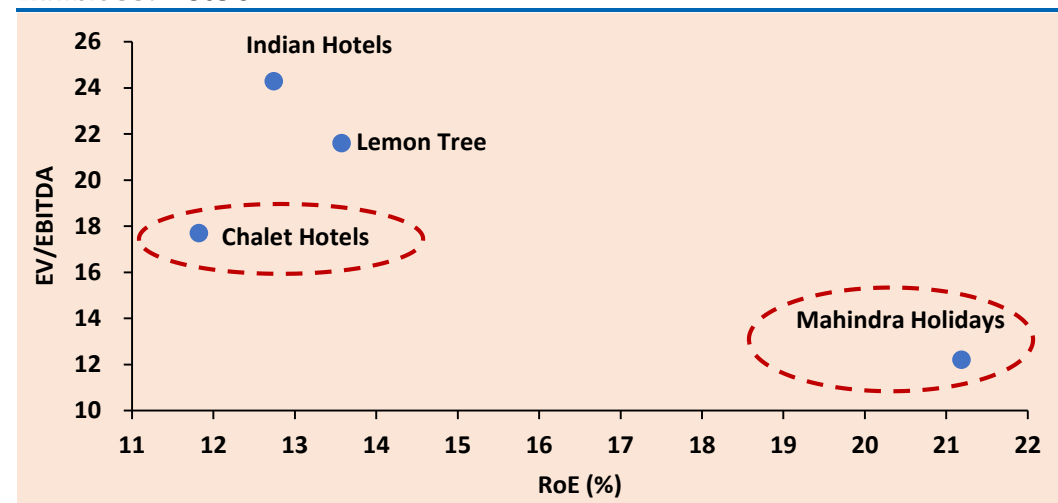
Exhibit 32: Chemicals



Source: DART

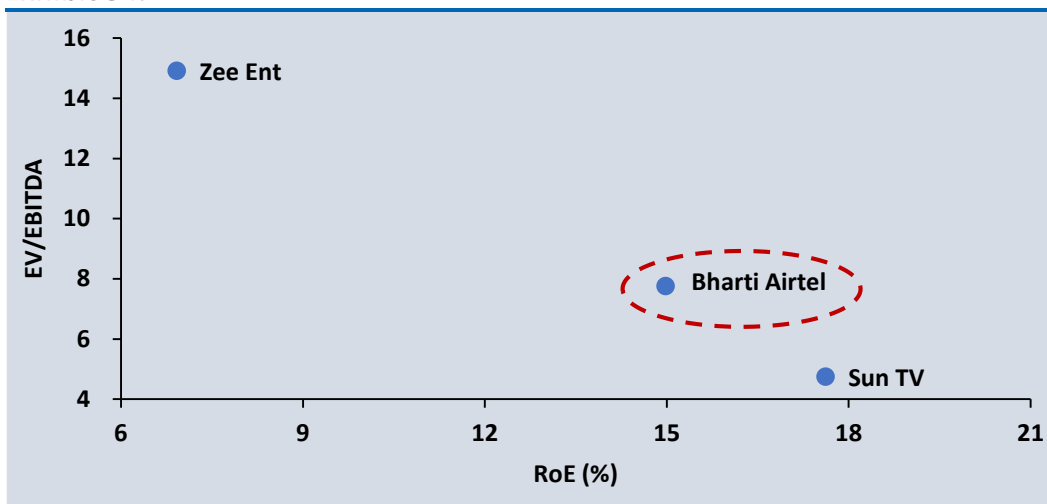
DART Preferred Picks

Exhibit 33: Hotels



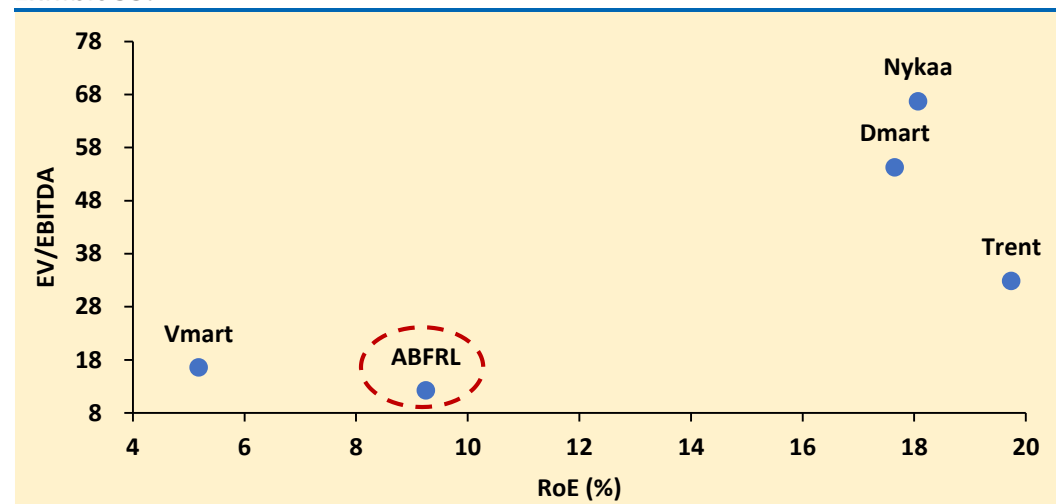
Source: DART

Exhibit 34: Media & Telecom



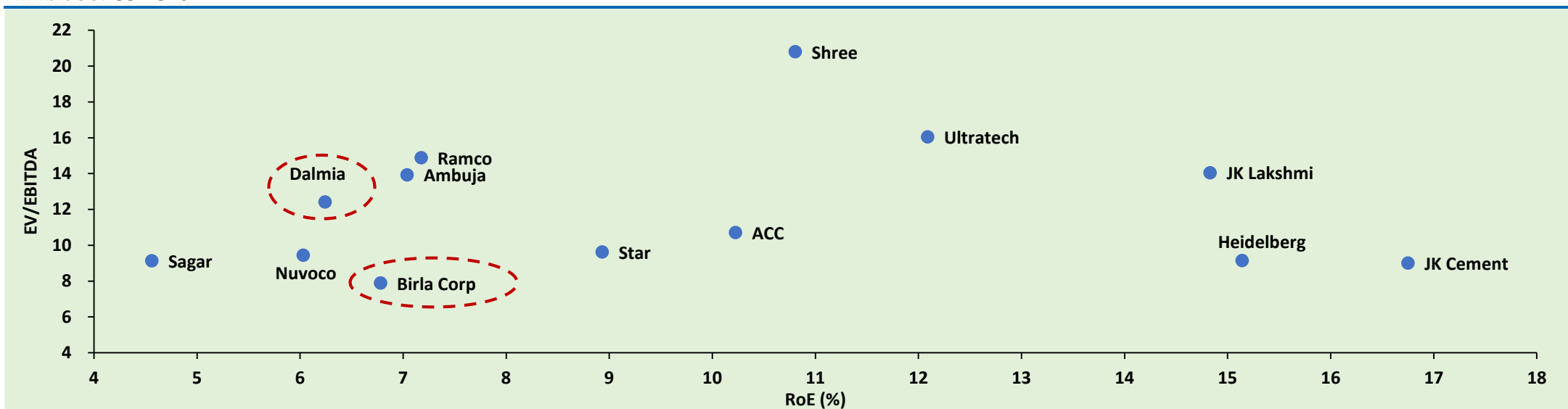
Source: DART

Exhibit 35: Retail



Source: DART

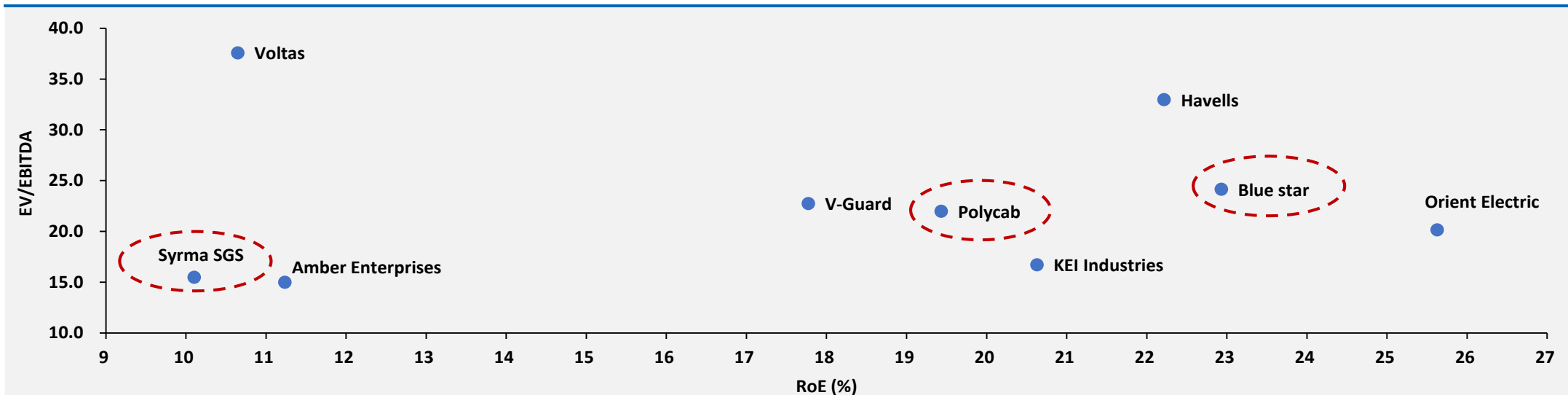
Exhibit 36: Cement



Source: DART

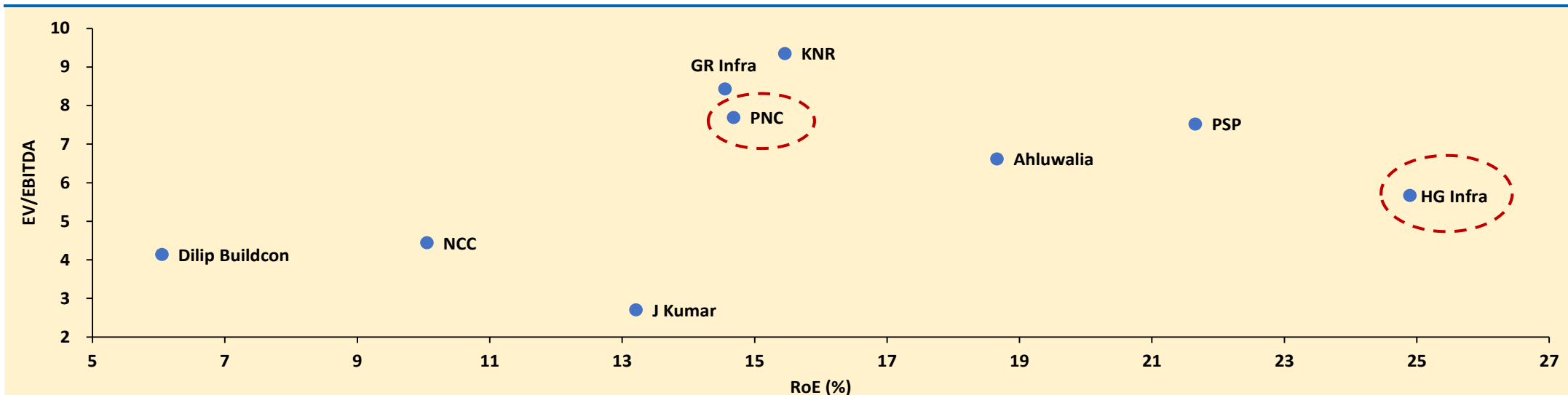
DART Preferred Picks

## Exhibit 37: Consumer Durable



Source: DART

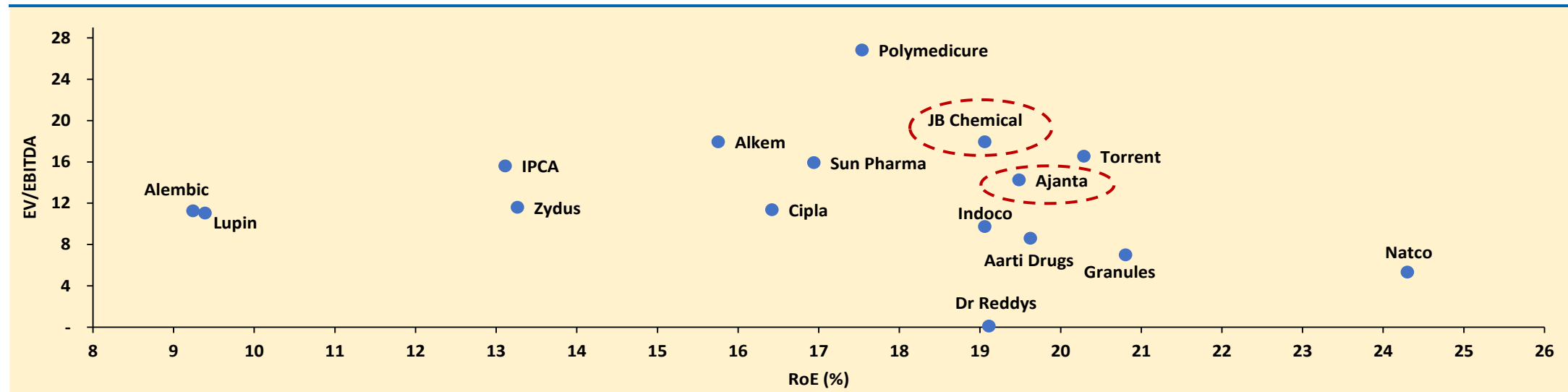
## Exhibit 38: Infra & Construction



Source: DART

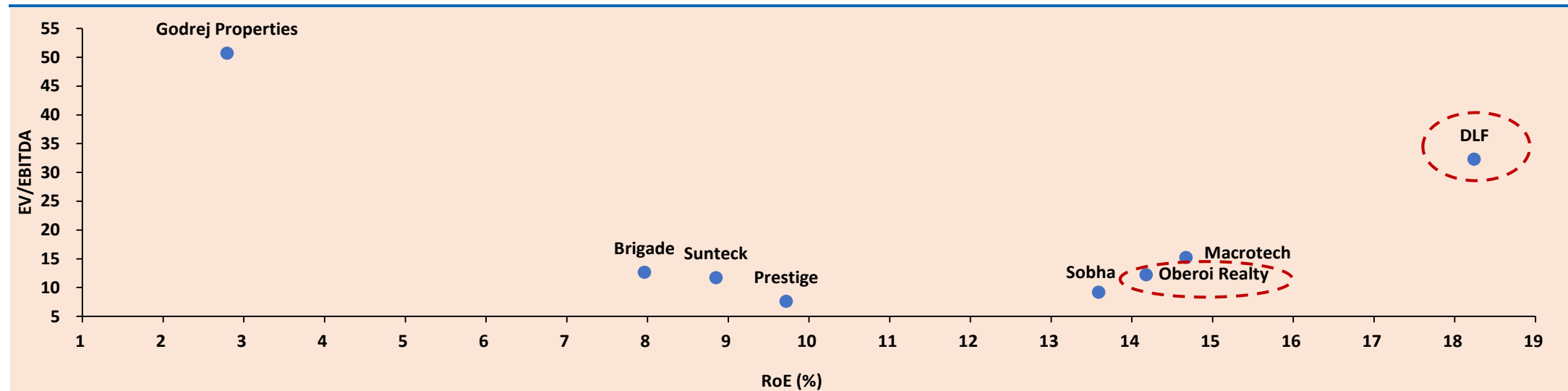
DART Preferred Picks

## Exhibit 39: Pharmaceuticals



Source: DART

## Exhibit 40: Real Estate

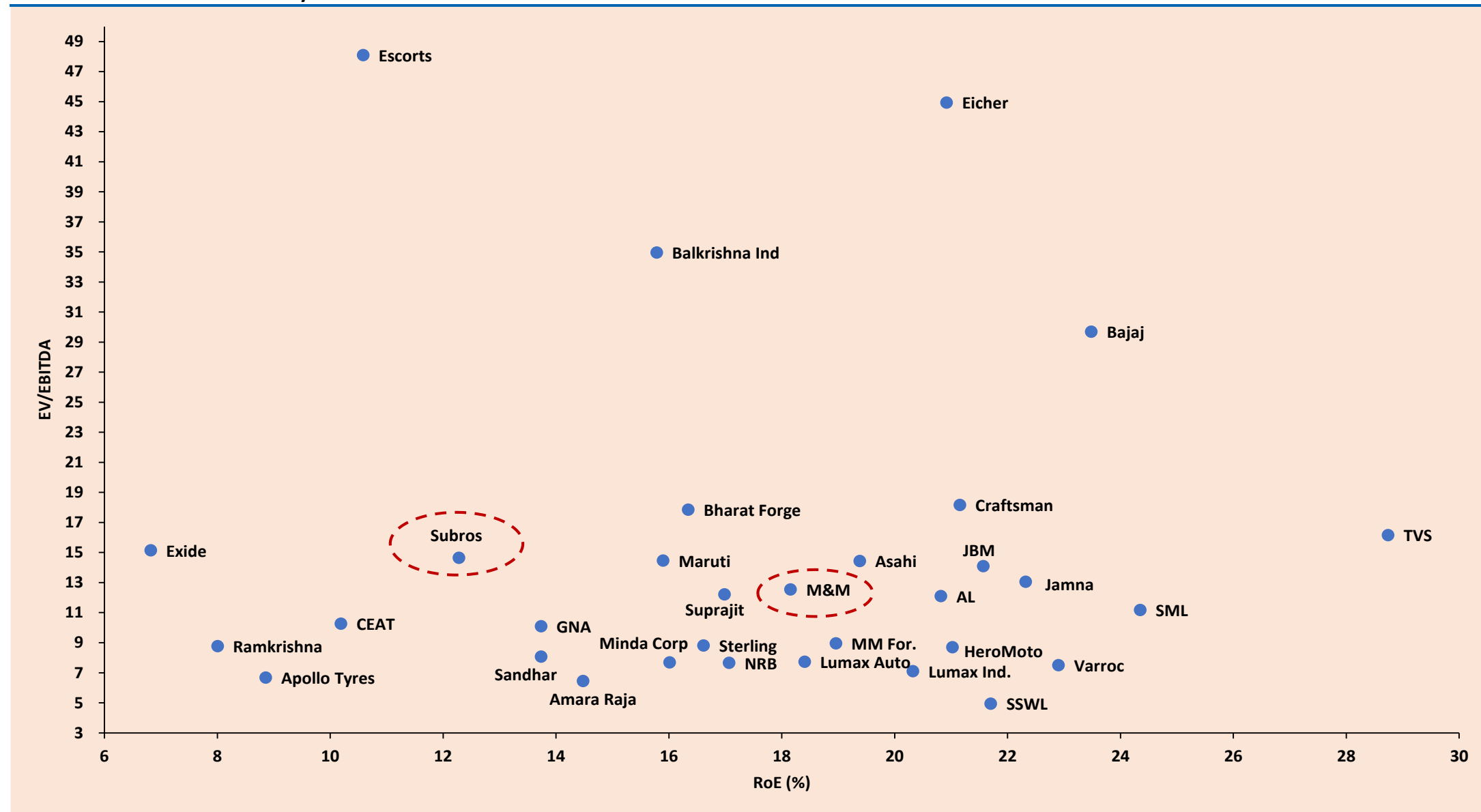


Source: DART

DART Preferred Picks



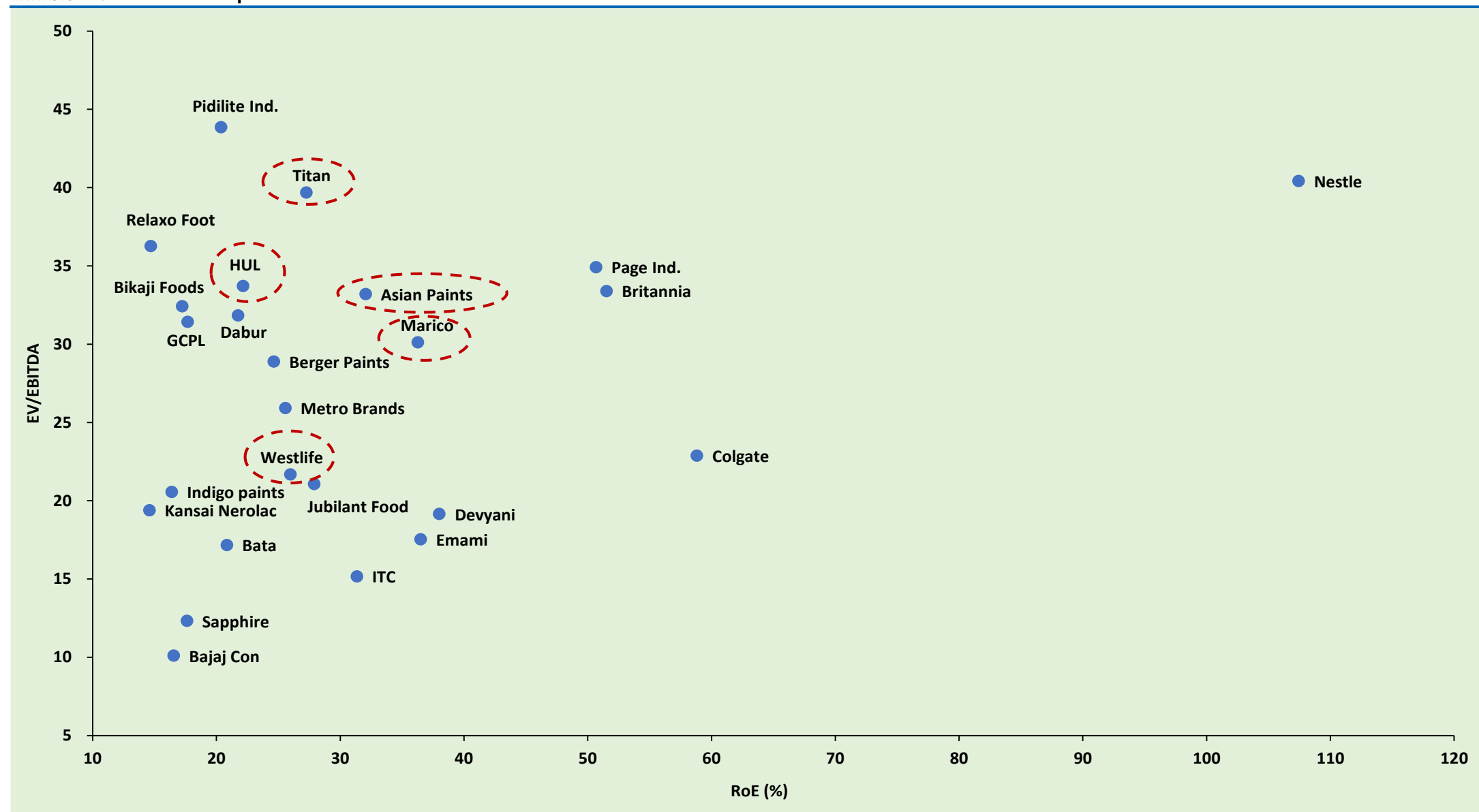
Exhibit 41: Auto & Auto Ancillary



Source: DART

DART Preferred Picks

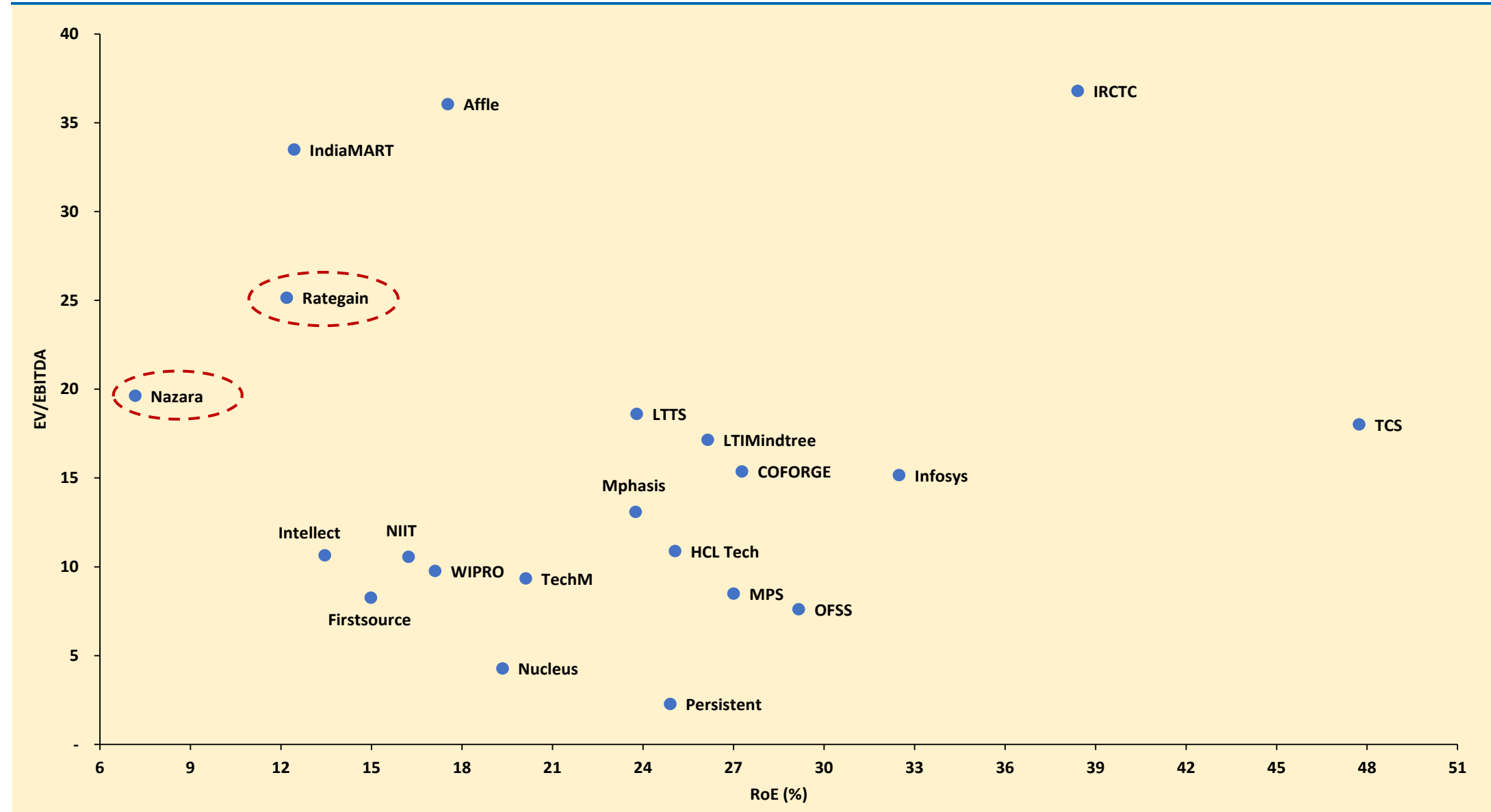
## Exhibit 42: Consumer Staples



Source: DART

DART Preferred Picks

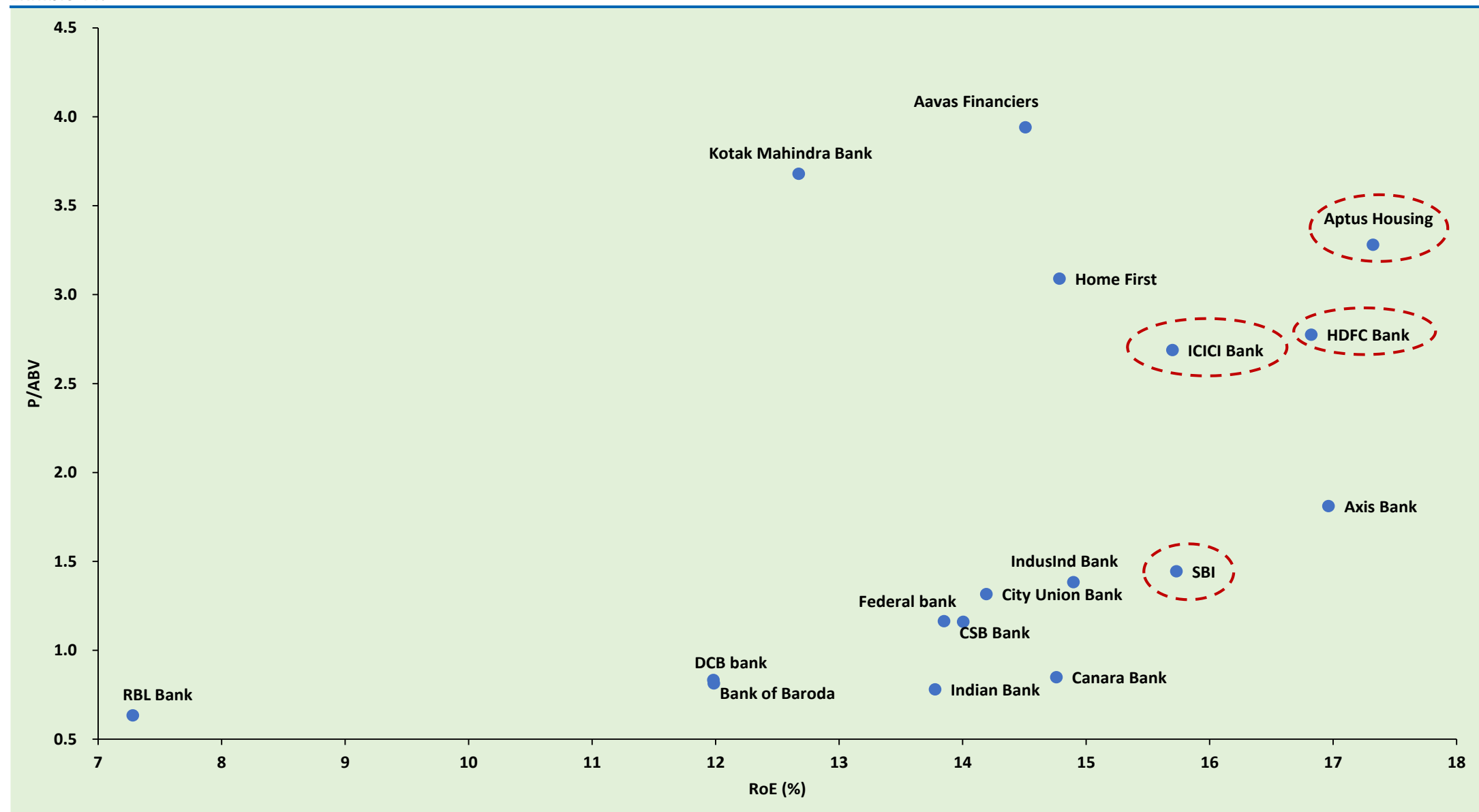
# Exhibit 43: IT and Digital Services



Source: DART

DART Preferred Picks

Exhibit 44: BFSI



Source: DART

DART Preferred Picks

## Agri Inputs

### PI Industries (CMP: Rs 3,161, TP: Rs 4,237, BUY)

PI Industries healthy 9MFY23 performance has been primarily driven by the CSM segment, which has registered a growth of ~30% YoY. With a strong order book of USD ~1.8bn, healthy R&D pipeline (4-5 products to be commercialized every year) and surge in enquiries from the non-agchem space the growth outlook for CSM segment looks solid and will continue to register healthy double digit growth over FY24/FY25.

Domestic business also clocked in a growth of 15% YoY for 9MFY23 aided by incremental sales from its new product launches. Despite a muted performance in Q3FY23 we expect rebound in Q4FY23 with improved Rabi acreages and expects healthy performance over FY24 driven by scale up of newly launched products.

The Company continues to witness a surge in new enquiries with ~25% coming from the non-agchem space. The company has 4 to 5 products ready at commercial scale and plans to commercialize 4-5 more non-agchem products next year. With addition of these products the company is aiming to clock ~20% of its overall CSM sales from the non-agchem portfolio over next 4-5 years. This shall help the company to diversify its product offerings and open up new opportunities in the coming years.

Company continues to actively scout for inorganic opportunities on the Pharma side which could open up a new growth area going forward. We maintain our Buy rating on the stock with a revised target price of Rs 4,237 (40x FY25E EPS).

## AlcoBev

### Radico Khaitan (CMP: Rs 1,099, TP: Rs 1,330, BUY)

We expect FY24 to be a strong earnings recovery year driven by (1) ~11-12% price increase in Country Liquor (2) price increases in IMFL (3) strong premiumization pipeline (4) benefit from backward integration and (5) favorable base leading to 43% earnings CAGR over FY23-25E.

New product launches addressing gaps in portfolio (deluxe and upper prestige) to drive growth beyond FY25. Valuations (41/33x FY24/25E EPS) partly captures this optimism but as growth pans out, we expect further re-rating. Maintain BUY with unchanged TP of Rs 1,330 @ 40x FY25E EPS.

## Automobiles

### **Mahindra & Mahindra (CMP: Rs 1,331, TP: Rs 1,646, BUY)**

M&M is in the midst of a very strong model cycle in SUVs. We believe high demand for premium SUVs like XUV700, Thar and Scorpio-N will help in stronger net ASP per vehicle and margin expansion. However, in LCV, price sensitivity and inflationary situation may put pressure on demand. Margin expansion will be driven by operating leverage, and removal of introductory pricing on many models. The increase in prices due to BS6 Phase 2 of Rs.9-15k will put some pressure on margin.

We believe the stock shall trade at a premium to historical multiple as the company moves higher to its guided ROE target of 18%. Our SOTP valuation comes at Rs.1646 (Value the core business at Rs.1132 per share (17x FY25E core EPS) and subsidiaries at Rs.287 per share +Value of EVs arm Rs.227).

### **Subros (CMP: Rs 287, TP: Rs 386, BUY)**

Key beneficiary of the premiumization trend in PVs and increasing penetration of EV in PVs. We expect PVs demand to continue to be strong for the next two years led by a recovery in the economy and normalised inventory.

New business for Toyota and Maruti alliance products would help in incremental revenue growth of Rs.1.4-1.5bn in FY24. Given the technological change in compressors and requirement of Engine cooling module, we expect content per vehicle to increase by 1.5-2.5x in EVs. Margin is also expected to see recovery from 4Q on account of recovery in fabrication cost inflation from customers and lower logistics cost.

After building significant market share in domestic PVs AC segment, the company embarked on diversifying its revenue base through entry into new business verticals like bus/truck ACs, radiators and Railways. We expect these segment will also start contributing significant revenue in medium term.

We anticipate 88% EPS CAGR over FY23-25E led by 40% EBITDA CAGR and value the stock Rs.386 (based on 20x FY25 EPS).



## BFSI

### **HDFC Bank (CMP: Rs 1,611, TP: Rs 1,980, BUY)**

HDFCB stands out for the strength of its balance sheet displayed over cycles and stable AQ/growth metrics through COVID. Recent valuations reflect merger overhang, lower than anticipated deposit accretion (though above industry) and weaker margins vs peers. Immediate impact on return ratios from regulatory requirements upon amalgamation to be very limited in our view. Also, even as NIM at 4.1% are its lowest in a long time, risk adjusted NIM are close to pre-COVID levels at ~3.5%. Consequently, while margins are at their lowest, RoAs for the bank are at their peak. As share of higher yielding loans increase, NIM rise will largely be offset by a consequent increase in credit costs.

We believe that there are significant synergies to play out post-merger in terms of CoF benefit to the mortgage book, largely non-overlapping customer profile, benefits on growth metrics from a longer tenor mortgage book and expect the bank to deliver ~1.9-2% RoA on a sustained basis. We value the stock at a TP of Rs.1980 implying 3.2x Sep24E P/ABV (standalone bank at 3x). The stock currently trades at 2.6x Sep-24E PABV, below its long term average multiples (10/5 year).

### **ICICI Bank (CMP: Rs 841, TP: Rs 1,120, BUY)**

With lower total stress over the last 11 quarters through COVID vs private peers, 9M credit costs at par with industry best, improved NIM and PPOP metrics, and high contingency buffers (1.2% of loans, higher than peers), we expect ICICI standalone valuation multiples to be at par with HDFCB going forward. Reported and expected RoAs are at par with HDFCB, and RoEs should be higher vs HDFCB post the latter's merger.

Moreover, we believe also ICICI's digital capabilities are superior to peers. The bank also boasts of industry best CoF. We value the standalone bank at 3x ABV and add Rs160 for its subsidiaries with a TP of Rs1120, valuing the consolidated entity at 3.4x Sep-24E ABV. The stock currently trades at 2.5x Sep-24E PABV.

## SOTP Valuation

Entity	Stake	Per Share Value	Methodology
ICICI Standalone (A)*		963	3.0x FY22E ABV
Foreign Banking Subsidiaries		7	1x Net Worth
ICICI Home Finance	100%	2	0.5x Net Worth
ICICI Prudential Life Insurance	51%	66	2x EV
ICICI Lombard General Insurance	48%	46	30 x Earnings
ICICI AMC	51%	29	8% of AUM
ICICI Securities	75%	19	13x Earnings
Other Subsidiaries		15	
Value of Subsidiaries (B)		184	
Holdco. Discount	15%		
Value of the bank (A+B)		1120	
Contribution of subs to total (%)		16%	

Source: Company, DART; \* Adjusted for investment in subsidiaries

## State Bank of India (CMP: Rs 514, TP: Rs 700, BUY)

With consistently superior asset quality metrics, improving near term growth/NIM outlook, and robust digital capabilities, we expect continued re-rating of the stock to higher multiples. SBI's incremental stress formation since the COVID outbreak has been amongst the lowest in industry, far below its private peers. To calculate stress formation, we use net slippage thorough COVID, and add a % of ECLGS/restructured book that may flow thru to NPA pool over time. Even after adjusting for large recoveries over the period for SBI, stress as a % of advances is ~30 bps lower vs large peers.

With 75% of loans floating rate (45% linked to MCLR), near term NIM outlook remains upbeat. While concerns over a large corporate exposure could keep the stock range bound in the near, we believe the stock undemanding at sub 1x standalone valuations. Strong subsidiary performance and scope of value unlocking also aid positive outlook on the stock. We value the standalone bank at 1.5x ABV and add Rs170 for its subsidiaries (post a 15% holdco discount), arriving at a TP of Rs700. SBI standalone trades at ~1.0x Sep-24E PBV currently.

## SOTP Valuation

Particulars	Stake (%)	Per Share Value	Methodology
<b>Standalone Bank (A)*</b>	100	535	<b>1.5x Sep24E P/ABV</b>
<b>Lending Business</b>			
SBI Card	69	59	30x P/E
<b>Insurance Business</b>			
SBI Life Insurance	56	85	2.4x P/EV
SBI General Insurance	70	5	30x P/E
<b>Capital Market</b>			
SBI Funds Management	63	36	9% of AUM
SBI Capital Markets	100	14	20 X P/E
<b>Value of Subsidiaries (B)</b>		<b>199</b>	
Holdco. Discount	15		
<b>Value of the bank (A+B)</b>		<b>703</b>	
Contribution of subs to total (%)		24	

Source: Company, DART; \* Adjusted for investment in subsidiaries

## Aptus Value Housing (CMP: Rs 251, TP: Rs 430, BUY)

Incorporated in FY10, Aptus' strength lies in underwriting of informal segment in Tier 2/3 cities, aiding industry best margins. This, along with the HFC's lean cost structure and strong underwriting & collections aid RoA of ~6-6.5% on a steady state basis. Its focus on self-employed segment, presence in deeper geographies, and higher share of SBL & fixed-rate loans has supported higher yields for Aptus, which are ~400 bps higher vs peers. Normalized RoA at ~6-6.5% is superior to peers (~3.5-4%), while valuations today are in-line or lower vs that of peers. With 17% CAGR in BV over FY22-25E, we expect stock price to be supported by both re-rating of multiples and BV growth, as RoE strengthens (no dilution risk).

The HFC generates healthy yields at ~17% with limited credit costs (at par with well-managed HFCs). The company's high focus on customers' asset creation ability while underwriting, lending to non-cyclical resilient profiles, and robust collections has held it in good stead in our view. Though 1+ dpd at ~8% is higher vs peers, this is explained by lower moratorium offered earlier vs peers, resulting in higher cash flow mismatch at borrower's end. In a rising interest rate environment, even though yield expansion will be limited by high share of fixed rate loans (80%), this will be offset by CoF benefit from rating upgrades, high share of fixed rate borrowings & a large equity base. We value the HFC at 5.0x of Sep-24E P/BV, arriving at TP of Rs430 against RoA/RoE of 7%/19% for FY25E. The stock currently trades at 3.6x Sep-24 P/BV.

## Cement

### Birla Corporation (CMP: Rs 874, TP: Rs 1,315, BUY)

BCORP has 11 plants at 8 locations, with a total capacity of around 20mtpa. BCORP's capacity is primarily based in Central region (9.4mtpa - 47%), Western region (4.4mtpa - 22%) and Northern region (4.2mtpa - 21%) whereas balance 10% (2.1mtpa) in East. We like BCORP's focus on trade segment (75% share), increasing share of premium products (51% share in trade), higher share (88%) of high margin blended cement and sizable presence in relatively better regions of Central, North and West. Improvement in profitability to continue as Mukutban utilization improves and full benefit to be seen in FY25E. To support the growth beyond FY23E, BCORP will embark on the next phase of growth to enhance its capacity to 30mtpa by FY30E from 20mtpa in FY22. We expect 12.0%/ 13.8%/ 13.5% revenue/ EBITDA/ APAT CAGR over FY22-25E led by 11.9%/ 7.8%/ 9.8% volume growth and 5.8%/ 0.0%/ 1.0% cement realization growth in FY23E/ FY24E/ FY25E. Maintain BUY with a revised TP of Rs1,315 based on 8x consolidated FY25E EV/EBITDA and 50% Capital WIP of FY25E (Our TP factors EV of USD 84/tn).

### Dalmia Bharat (CMP: Rs 1,913, TP: Rs 2,333, BUY)

DALBHARA is set to expand its capacity from 35.9mtpa (FY22)/ 37mtpa (Q3FY23) to 54.2 (including 5.2mtpa of JPA)/ 75mtpa by FY24E/ FY27E through organic and inorganic capex. It targets to start 2.5/ 2mtpa (brownfield) in East/ South, 2.5/ 2mtpa in East/ South (Greenfield) in FY24. It also plans to add 3mtpa (1/ 0.9/ 1.2 in East/ South/ NE) through upgradation. It allocated Rs85.5-92 bn capex (till 49mtpa) for above GU + 4.72mtpa clinker expansion and green initiatives and maintenance/ ROI. We expect 19.0%/ 17.5%/ 17.2% revenue/ EBITDA/ APAT CAGR over FY22-25E led by 15.0%/ 23.5%/ 14.0% volume growth and +4.0%/ 0%/ 0% realization growth in FY23E/ FY24E/ FY25E.

We factor rise in Net Debt from -Rs14.4 bn (FY22) to Rs48.0 bn (FY25E) considering Rs32 bn/ Rs70.3 bn (Rs32.3 bn for JPA acquisition)/ Rs30 bn capex in FY23E/ FY24E/ FY25E. DALBHARA expects to gain market share with capital allocation plans and 15.4% capacity CAGR from 35.9mtpa in FY22 to 110-130mtpa in FY31 (49/ 75mtpa by FY24/ FY27). This is structurally positive as it enhances growth visibility. We like DALBHARA as we expect it to witness highest volume/ revenue/ EBITDA/ APAT growth CAGR of 17.4%/ 19%/ 17.5%/ 17.2% over FY22-25E among peers having >20mtpa capacity, diversification from East and South to West and Central region, aims to become pan India player coupled with attractive valuation of 12.4x/ 10.3x FY24E/ FY25E EV/EBITDA and \$91/tn FY24E/ FY25E EV/tn. Thus, we maintain Buy with a TP of Rs2,333 based on 12x FY25E EV/EBITDA + 50% of FY25E CWIP.

## Chemical

### **Aarti Industries (CMP: Rs 528, TP: Rs. 844 BUY)**

Aarti Industries 3 long term contracts (LTC) (Cumulative peak revenue potential of ~Rs 9.9bn) are expected to see healthy ramp up over FY24E/25E which along with its upcoming projects over next 2 quarters – Nitro Chloro Benzene expansion, addition of new specialty chemical blocks and commencement of supply contract for Nitric Acid shall drive growth over FY24E/FY25E.

The company has further set out a capex plan of ~Rs 25-30bn over FY24-FY25 which shall largely be used towards introduction of Chloro toluenes value chain, setting up multi-purpose plants and adding new range of value added products and chemistries. These projects which will also generate higher margins of ~25-30% shall drive the company's growth from FY25 and beyond.

The company has guided for a healthy EBITDA CAGR of 25% over FY24-FY25E on the back of strong boost expected to come from ramp up in LTC and newer projects. Despite near term demand concerns, ARTO's long term prospects look healthy driven by its future investments towards adding newer chemistries and expanding its VAP offerings. We maintain our Buy rating on the stock with a revised target price of Rs 844 (34x FY25 EPS).

The stock has seen a correction of ~23% since demerger in Oct 22. We believe concerns regarding the slow demand on the discretionary end have already been priced in with management also indicating some signs of recovery over FY24. With ramp up of its Long term contracts and contribution from its other expansion projects expected to kick in from H2FY24 onwards we expect healthy performance in FY24/FY25E and remain positive on ARTO's long term prospects.

## Consumer Durables

### Blue Star (CMP: Rs 1,229, TP: Rs 1,457, BUY)

Blue Star continues to maintain leadership in conventional & ducted AC and Scroll Chillers and #2 positions in VRF and Screw Chillers. The company expects market share to improve 50bps by FY23E end (13.25% currently) and to 15% by FY25E.

We are enthused by Blue Star's EBIT margin performance in UCP segment in 9MFY23 (+210bps) compared to Voltas (-300bps) and Lloyd (operating loss). Management maintained guidance of 8-8.5% margins in UCP in FY23E, up 200bps YoY. We believe that indigenization, and logistics cost benefit from Sri City plant (+150-200bps) will help margin expansion going ahead.

In EMP business, carry forward order book stood at Rs 37bn (+59.5% YoY), providing healthy revenue visibility. Tenders from data centres, metro railways and manufacturing sectors remained strong. The company expects ~20-25% growth due to the uptick in capex cycle. Margins are likely to improve with better operating leverage FY24E onwards.

Under its 3-yr strategic roadmap 'Blue Star@81', the company targets to clock Rs 100bn revenue by FY25, growing at CAGR of 17-18%. Blue Star is poised to benefit due to optimistic summer outlook, low RAC penetration, infrastructure spending and in-house manufacturing. We like the company due to its disciplined pricing strategy and positive outlook on margins, strong order pipeline, diversified portfolio and widespread distribution. The stock currently trades at 33x FY25E EPS and has rallied 20% since Q3 result update.

### Polycab (CMP: Rs 2,554, TP: Rs 3,100, BUY)

Polycab enjoys strong distribution network comprising 4,600+ dealers and distributors, servicing 205K retail outlets, giving it a strong competitive advantage. Polycab is currently running three projects defining its future roadmap 1) 'Project Leap', aim to cross Rs 200bn (USD 2.4bn) top-line by FY26. 2) Udaan'- cost benefit of 80bps in 2 years via innovation and alternate sourcing of RMs, 3) 'Shikhar'- targets to reach 300 cities in 3 years with an aim to directly reach +50% retailers and drive 3x sales.

Over the next five years, the management expects FMEG business (~11% contribution) to grow 2x the market. With premiumization and cost control measures, FMEG EBIT margin is expected to reach double digit.

The domestic wires & cables market is estimated at ~ Rs 600-650 bn. Being the leader in wires and cables with a market share of ~24%, Polycab is poised to benefit from the shift from unorganized to organized. Going ahead, revival in construction and infrastructure activities, GOI's focus on augmenting renewable energy capacity and affordable housing scheme should augur well for Polycab.

We are structurally positive on the company due to its strong brand image, robust long term growth prospects and expected scale up in FMEG business. We expect healthy return ratios of 19-20% over FY23E-25E led by higher revenue and margin growth.

### **Syrma SGS Technology (CMP: Rs 279, TP: Rs 357, BUY)**

Syrma undertakes high margin, flexible volume businesses across automotive, healthcare, industrial, and consumer segments. It specialises in manufacture of PCBA, RFID, magnetics and electromechanical products. The company has long standing relationship with marquee customers like TVS, Bosch, AO Smith, Total Power Europe, Phoenix Contact, etc. Top 10 customer concentration is ~50% which ensures minimum impact in case of disturbances with any single customer.

Syrma's order book grew ~24% from Rs 17bn as of Sep'22 to Rs 21bn currently, which provides healthy revenue visibility. Despite headwinds in exports, the company continued to exhibit robust revenue growth (+54% in 9MFY23) on the back healthy execution in domestic business, mainly in consumer and automotive sector.

In the past, Syрма has delivered EBITDA margin of 10%+, better compared to most peers like Amber, Dixon. ODM share fell in 9MFY23 due to headwinds in export led Healthcare business.

Revival in exports by Q1FY24, better operating leverage, focus on entire value chain and favourable segmental revenue mix should help improve margins by ~220bps to 12.3% by FY25E.

Indian EMS companies are expected to grow ~5x by FY26E driven by import substitution, PLI scheme, China +1 strategy and export focus. We believe Syрма is well positioned to capitalize on this opportunity with its strong client relationship and manufacturing expertise. With better operational efficiency, asset turnover is projected to improve to 6-7x in next two years from ~4x currently. Considering strong growth potential, presence across industries with differentiated product offering and higher margins compared to most peers, we believe valuations are attractive at these levels. Initiate with a Buy and TP of Rs 357 (26x FY25E earnings).



## Consumer Staples

### Hindustan Unilever (CMP: Rs 2,494, TP: Rs 2,900, Accumulate)

HUL has advanced its reach to 9mn out of 11mn outlets in the domestic market. Though the room for further network expansion is low especially in highly penetrated categories like soaps and detergents, the company would focus on increasing contribution of premium products. Further, the company caters to multiple categories in personal care and home care segments where penetration is very low and has potential to post exponential growth, going ahead. The focus on digital sales through Shikhar and Samadhaan would help the company to better maintain channel inventories and improve volume growth.

Over the last decade, HUL has improved its margin by 1,000bps driven by premiumization and cost control measures. Due to lower price pass on, GM remained lower in the recent past. Nevertheless, with decline in palm oil prices (37% YoY in Feb) and stabilization in other commodities, we believe that the company would be able to increase its GM. Further, premiumization and operational efficiencies would help the company to reinstate margins to ~25% in FY25E. We value the stock at 55x FY25E EPS with a TP of Rs 2,900.

### Marico (CMP: Rs 503, TP: Rs 558, Accumulate)

Despite severe inflation in most edible oils, copra prices are cooling off providing much needed support to margins. In the recent quarter, Marico was able to post 120bps improvement in GM owing to softening of copra prices and calibrated price hikes – amongst the rarest of companies to post GM expansion.

Further, the company's food business has witnessed very strong growth over last three years and is expected to reach to Rs 8.5-10bn mark by FY25E. We are encouraged by the innovations in the category and response to its products.

As urban markets are growing faster compared to rural, in the near term Marico is better placed compared to peers as it has 70% of its business attributed from urban areas. Further, the key areas – Saffola and VAHO portfolio – would benefit from favorable base. Hence volume growth for Marico is expected to improve in the near term.

Despite sharp correction in copra prices and price pass on, we expect 8.5% revenue CAGR over FY22-25E – mainly led by volume growth. Further, we expect margins to improve to 19.2/19.4% in FY24/25E compared to 18.5% in Q3FY23. The stock trades at 38x FY25E EPS. We value the stock at 42x FY25E EPS to arrive at a TP of Rs 558. Maintain Accumulate.

## Consumer Discretionary

### Jewellery

**Titan (CMP: Rs 2,430, TP: Rs 2,773, BUY)**

Our industry conversation suggests, 7.0mn weddings will be solemnised in H1CY23, which would help the jewellery sales to increase. Further, Titan's vision to add new collections across categories store addition in the domestic and international markets would help it to post high growth, going ahead.

Studded jewellery contribution would remain high - We attribute this to couple of parameters – (1) change in consumer behavior – purchase of jewellery for fashion against investment earlier (2) change in consumer taste - young population likes variations. We believe that both the factors would continue to play out for a long time.

As studded jewellery fetches high margins, scope for margins improvement remains high.

Over next 12 months, we believe that volume base for Titan would remain favourable considering higher number of weddings. We believe that the growth would be led by volumes and hence there would be traction in absolute profitability.

Considering leader in the jewellery space, we believe that the scarcity premium would remain attached to the stock. We value the stock at 58x FY25E EPS to arrive at a TP of Rs 2,773.

## Paints and Building Materials

### Asian Paints (CMP: Rs 2,798, TP: Rs 3,460, BUY)

Asian Paints posted flattish volume growth in decorative segment on an unfavorable base of 18%. The performance was partially impacted by extended monsoon. APL would remain a key beneficiary of rural revival as the company has 50% revenue contribution attributed from these regions. Going ahead, we believe that the company would continue to outpace peers with products across all layers of the paint segments, better offerings and strong distribution network.

Margins have been impacted in the recent past due to high inflation and unfavorable product mix. We expect margins to revert to mean as the higher cost RM pass through is absorbed.

Despite high price hikes during FY23E, we anticipate 15.3% revenue growth in FY24E led by volumes. With price pass on and moderation in commodity prices, we expect margins to improve to 19.8/20.6% in FY24/25E compared to 18.7% reported in Q3FY23. Also, improvement in sales mix would help the company to augment margins.

The stock trades at 42x FY25E. Considering recent price hikes and commodity deflation we expect margins to improve here on. We have valued the stock at 52x FY25E. Maintain Buy with TP of Rs 3,460.

## QSR

### Westlife Foodworld (CMP: Rs 657, TP: Rs 926, BUY)

WLDL is looking to add additional ~300 stores over the next 5 years across all store segments including Mc Café, ETOF's and Drive-through's taking store count to ~580 to 630 by FY27E. In the long run, we believe that the market offers scope for 1000+ stores in the regions where it operates. Southern markets would remain a key focus for further expansion and the new store contribution from South to remain at ~60%. Also, contribution of small towns would be higher in next leg of growth (~60%).

Mc Café to remain a focal point - focus remains on continued ramp up of Mc Café formats, it is currently present in ~84% of the total stores. The Mc Café format has allowed WLD to better utilize the time before lunch and cross-over to an alternate revenue generation stream with minimal capex deployment. As of Q3FY23 the total number of Mc café outlets stood at 288 across the covered region.

The margin profile of the company is evolving led by the evolving product portfolio. Better product mix would be driven by Mc café and value combos/ bundles followed by premiumization and filling meals strategy. The margins are expected to expand through various routes – (1) 100 -150 bps margin expansion through product mix and net pricing (2) 80 – 100 bps margin improvement through cost savings and (3) 300 – 350 bps margin increase through operating leverage. However, the negative impact of increase in royalty (150-200bps) and store gestation (100-120bps) would partially restrict margin expansion. Overall, By FY27 pre-IND AS margins are expected to improve from current 12.8% to 15-17% (18-20% post IND AS).

The aggressive store expansion plan to aid WLDL in reducing capex/store and increase its profitability (cost rationalization and increasing share of Mc Café). This combined gives strong growth drivers for the medium term. Over the long term, the sector wide growth and the company level innovations to provide headroom for incremental growth. We value the stock at 55x FY25E EPS to arrive at the TP of Rs 926.

## Hotels and Leisure

### **Mahindra Holidays (CMP: Rs 272, TP: Rs 395, BUY)**

MHRIL is a leading vacation ownerships (VO) company in India with high consumer focus, service standards and brand recall. MHRIL has been generating ~Rs 2-2.5bn FCF p.a. That said, we believe from here onwards (1) MHRIL's aggressive room addition plans (~400 p.a.) shall drive strong member additions. (2) MHRIL's core product of 25-year membership with such long-term commitment has been a deterrent.

To overcome this, MHRIL has launched a 3-yr product 'Go Zest' to tap millennials and 10-year 'Go Bliss' to tap senior citizens. This shall augment member growth. (3) HCRO is poised for a turnaround. MHRIL intends to do a strategic sale on turnaround to recoup its investments. (5) Co plans to enter into leisure hospitality segment investing upto ~Rs 3bn for two assets acquisition and thereafter seeking couple of hotels through management contracts. These could increase the opportunity size.

We thus believe MHRIL has the potential to re-rate itself over the next 1-2 years. MHRIL trades at 13/11.5x FY24/25E EV/EBITDA and 32/28x PE. Reiterate BUY with TP of Rs 395 @ 18x FY25E EV/E.

### **Chalet Hotels (CMP: Rs 362, TP: Rs 493, BUY)**

Chalet is poised for a strong EBITDA/APAT CAGR of 33/64% over FY23-25E on account of (1) Increase in hotels room portfolio (2) operationalization of ~120 rooms at Westin Powai which has been under renovation (3) revival of corporate and foreign travel which shall drive the occupancies higher (4) re-negotiation of rates with corporates and (5) office rental portfolio to become ~4.5x (0.5 to 2.2mn sqft) driving the segment EBITDA contribution 3x (Rs 0.8bn to ~Rs 2.25bn). The above makes Chalet an attractive growth and re-rating play.

We ascribe 15x EV/E multiple to Chalet's commercial portfolio and 18x EV/E to Hotel business (vs. 22x for IHCL). BUY with TP of Rs 493. Chalet trades at 17.5/13.5x FY24/25E EV/EBITDA and 38.5/23.5x PE.

## IT & Digital Services

### Nazara Technology (CMP Rs.536, TP: Rs.850, BUY)

Nazara offers a multi-pronged approach to play gaming ecosystem in India and US, operating via a portfolio with investments/investee companies wherein it benefits from gaming spends in form of subscription, Ad revenues, media rights from IPs, platform fees etc. Key Segments include- A) Gamified e-learning apps Kiddopia (age 6-12) and Animal Jam (age 8-12), B) E-Sports via i) Nodwin (Esport IPs/Media rights licensing, Content production, Sponsorships, etc), ii) Leading Sports website Sportskeeda, C) Adtech (focused in US market), D) Real Money Gaming (Skilled based Games, includes Fantasy Sports).

Gamified e-learning (26% of Rev), saw Revenue of Rs. 804mn, up 14% QoQ, and EBITDA of Rs. 73mn. Kiddopia saw strong 3.7% QoQ subscriber growth with steady ARPU at \$6.8. Revised pricing was undertaken for new users in Nov & Dec'22, which will take effect in coming quarters. EBITDA was lower as: a) Nazara chose to spend on user acquisition marketing in Kiddopia, though also guiding on maintaining unit economics discipline, and b) Investments in Animal Jam related to people, cohort-data and product building continues.

Within E-Sports, Nodwin (35% of Revenue), saw sales of Rs.1.5Bn, up 11.6% QoQ, led by revival of offline events and reported EBITDA of 9mn. Management remains bullish on leveraging existing IPs, creation of new IPs, and increasing no. of offline events (gaming as well as OML IPs). EBITDA margins will be lower due to necessary investments in D2C biz. and new IP creation (CORE eSports margins to stay in 4-5% range). Sportskeeda (11% of Revenue), saw sales of Rs. 356mn, up 26.7% QoQ, with EBITDA of Rs. 135mn.

Nazara is expected to see robust performance hereon led by 1) improved pricing in Kiddopia (increased by ~24% over last 6months), 2) potential growth/margin recovery in Animal Jam, 3) Sustained traction in eSports offline events and thus eventual IP monetisation, 4) synergies gains from Adtech business and 5) large optionality in RMG/Freemium business. We remain positive view on Nazara with DCF based TP of Rs. 850 implying ~3x on FY25E EV/Rev.

## One 97 Communications - Paytm (CMP Rs.608, TP: Rs.1,250, BUY)

Paytm is India's leading 'Super App', which provides consumers and merchants a comprehensive set of payments / financial / commerce services. Paytm's is distinctly a 'True platform', as it has no real-world marginal cost attached on most of its business use cases, and thus can scale-up with significant operating leverage (CM improved from 24% to 44% on YoY basis). Paytm services both, 'Wants as well as Need' side of consumers use cases and thus is highly scalable business model both on volumes (MTU ~85mn) and ARPU (~Rs970 p.a.).

Lending distribution taking leaps, ECL performance is best compared to industry: Other Financial Services Business has reported strong growth of 28% QoQ and 256% YoY in Q3FY23 with quarterly revenues at Rs4.4bn (22% of Rev). Paytm is distributing about Rs480bn worth of loans in annualised basis (up 5.5x at Rs260bn on TTM basis). Paytm makes a commission of 2.5%-5% take-rate with no credit recourse of any kind. Paytm's NBFC partners has observed ECL of 1.1% - 5.5%.

Creating annuities & engagement: Created regular revenue flows in form of annuities such as Soundbox for small merchants that has witnessed massive adoption (added 3.8mn new devices on TTM basis – total base at 6mn) and Postpaid (BNPL) loans for consumers (added ~5.8mn New loans taking the user count to 10mn in Q3). Both these segment are growing at very fast cliff and cumulatively adding Rs10bn+ on annualized basis.

PLATFORM leverage to ensure large profit pools: It has significant advantage of being a PLATFORM with no real-world marginal cost attached on most of its business use cases and thus can scale-up with significant leverage. The company has reduced losses by Rs4.3bn in last 4 quarters with very strong growth of 42% (incremental revenues of Rs. 6bn) during the same period. In Q3FY23 the company has achieved Adj.EBIDTA margins of 1.5% but can go to 'double digit range' in near-to-medium term. We expect it to turn PAT positive in FY25E at Adj EBIDTA margins of 13%.

View: Maintain Buy with a DCF based TP of Rs. 1,250, implies 5x of FY25E EV/Rev.



## **Rategain Travel Technology (CMP Rs.344, TP: Rs.440, Buy)**

RateGain Travel Technologies (RG) is a SaaS provider for travel and hospitality focusing on Revenue Maximization products. RateGain counts top travel companies including top 23 of 30 Hotel Chains as its key clients. Rategain's products have strong inter-operability, across multiple Service lines (Data, Distribution, Martech) for Booking life-cycle. RateGain has strong presence within its key customer base (2,400+clients) with advanced solutions for key digital needs (Wide visibility, Direct Booking, Social Media influencing, etc.).

RateGain is at a right intersection of multiple tailwinds of 1) Significant Revenge travel led demand/volume recovery (Bloom estm for Top100 Travel companies suggest 31% Revenue CAGR over CY21- 24), 2) Digital adoption by the Travel/Hospitality segment, 3) Shift towards 'Buy against Build' for tech-solution-spends by the Hospitality industry, 4) faster adoption of 'Revenue-enhancing' SaaS offering and 5) Consumer spend shift towards 'Experiences over owning assets'. In Jan-23, Rategain completed acquisition of Adara Inc., a U.S based company, for \$16mn, which provides actionable, travel intent consumer data, to drive better RoAS (Return on Ad. Spend) for Travel Tourism & Hospitality clients. This transaction was valued attractively at 0.65x of TTM Sep'22 Sales.

RG ability to acquire quality product under stress and turnaround through cost control and cross-sell led scaleup has led to robust growth performance of 50% CAGR over FY21-FY23E. Company has recently acquired Adara at mere 0.65x Price/Revenue basis and is confident to turn around the business both in growth/profitability within 2 quarters.

We expect RateGain to deliver multi-year hyper growth performance (Rev/EPS CAGR of 38%/61% over FY23-FY25E). During Q3FY23, Revenue growth was up 11% QoQ, at Rs. 1,383mn. EBITDA stood at 16%, led by operating leverage. Guidance for 30%+ organic growth was re-iterated for FY23E, setting up the business for high growth trajectory.

## Infra and Construction

### H G Infra (CMP: Rs 719, TP: Rs 1,066, BUY)

With receipt of appointed date for all projects, the entire execution benefits to start flowing from FY23E. We expect 21.7% (vs. guidance of 25%)/ 24.9%/ 10.0% revenue growth for FY23E/ FY24E/ FY25E. HGINFRA won orders worth Rs43.3 bn/ Rs56.1 bn (Rs43.7 bn Ganga Expressway from Adani in Q1FY23, Rs8.5 bn Karnal Ring Road HAM from NHAI in Q3FY23 and Rs3.5 bn Delhi Metro from DMRC in Q3FY23) during FY22/ YTD FY23. The current order book of Rs110.6 bn provides revenue visibility for 2.8x TTM revenue. We maintain our order inflow estimates to Rs90 bn/ Rs70 bn/ Rs70 bn for FY23E/ FY24E/ FY25E.

We expect revenue/ Adj. PAT CAGR of 18.7%/ 17.3% over FY22-25E with healthy EBITDA margin of ~15.8%. We expect NWC (excluding cash) days to remain at a comfortable level of 85/ 85/ 85 days in FY23E/ FY24E/ FY25E vs. 100/ 96 in FY21/ FY22. We expect 0.2x/ 0.1x/ 0.1x Net D:E for FY23E/ FY24E/ FY25E and healthy return ratios (average RoE/ RoCE of 24.3%/ 23.3% over FY22-25E), led by strong PAT growth, comfortable NWC days, healthy balance sheet, and healthy fixed asset turnover. Though the stock has increased ~135% since our Q4FY21 result note on 14 May'21, it still looks attractive at 6.0x/ 5.5x/ 5.0x FY23E/ FY24E/ FY25E core construction EPS, hence we maintain BUY with SOTP of Rs1,066 (10x FY25E EPS) and 1x FY25E P/B for HAM equity investments. We factor Rs4.5 bn/ Rs1.9 bn/ Rs4.7 bn equity investment in HAM for FY23E/ FY24E/ FY25E.

### PNC Infratech (CMP: Rs 304, TP: Rs 404, BUY)

PNCL's order book stands at Rs178.4 bn as on Q3FY23 (2.6x TTM revenue). We factor order inflow of Rs144 bn (Rs70 bn fresh inflow)/ Rs90 bn/ Rs100 bn in FY23E/ FY24E/ FY25E. We expect healthy revenue/ APAT CAGR of 11.8%/ 11.5% over FY22-25E. Post robust growth in FY22, we factor revenue/ APAT growth of 9.3%/ 7.4% in FY23E, 11.1%/ 11.2% in FY24E and 15.2%/ 16.0% in FY25E driven by healthy execution across projects. Despite stock has run up ~31% from our last result update (15 Nov'22), current core construction valuations of 9.5x/ 8.6x/ 7.4x FY23E/ FY24E/ FY25E EPS are attractive. Thus, we maintain Buy, with SOTP of Rs404 (10x FY25E EPS and 1x FY25E P/B for road BOT and 1x P/B for HAM assets).

We expect debt to rise to Rs2.2 bn/ Rs2.5 bn/ Rs2.9 bn in FY23E/ FY24E/ FY25E vs. Rs2.2 bn in FY22. We factor NWC excl. cash (% of revenue) of 25.3%/ 23.9%/ 22.8% in FY23E/ FY24E/ FY25E vs. 24.6% (FY22). We factor capex of Rs4 bn (over FY22-25E), and an equity investment of Rs19.2 bn (over FY22-25E) in HAM.

## Pharmaceuticals

### Ajanta Pharma (CMP: Rs 1,215, TP: Rs 1,593, BUY)

Ajanta Pharma has a major presence in branded business of India, Asia, Africa (~73% of revenues) which is a high margin segment for the company. All its major therapies including pain management, cardiovascular, ophthalmology & dermatology continue to outperform the IPM. We expect a domestic formulation revenue CAGR of 15% over FY23E-25E.

Ajanta has 200+ products across therapies in branded generic markets (Asia & Africa) with its front end presence and 850 MRs. It is focused on new product registrations and adding new MRs to enhance marketing efforts. We expect branded generic market of Asia & Africa (43% of total sales) to show revenue CAGR of 13% over FY23E-25E.

We believe Ajanta Pharma will continue to see strong growth momentum and outperform in branded generic markets of India/Asia/Africa aided by market share gain in existing products, new product launches and price hikes. Further most of required investments in terms of field force expansion, new products registrations and ramping up promotional activity has already been baked in and therefore operating leverage to play out with the increase in sales and MR productivity. Increasing pace of launches and normalizing price erosion in the US would further give comfort to earnings. We expect revenue/EBITDA/PAT CAGR of 12%/24%/23% over FY23E-25E. We expect FCF generation of around Rs14.3bn over FY23E-25E.

### JB Chemicals (CMP: Rs 1,918, TP: Rs 2,475, BUY)

JB has a strong focus on domestic chronic portfolio which provides earnings visibility with superior cash flows and return ratios. The domestic formulations business (48% of revenues as on FY22) has consistently outperformed the IPM, driven by its chronic portfolio which contributes 50% to the total domestic formulations. JB is now the fastest growing company in cardiology segment amongst the top 10 players in the IPM with small bolt acquisitions.

The company has also been successful on inorganic pursuits ploughing back cash for growth. JB is judiciously deploying capital and free cash flow in the value- accretive brands and franchises which offers revenue synergies, through geographic and distribution expansion, along with prescriber overlaps. We project 16% domestic revenue CAGR over FY23E- 25E led by new launches, line extensions, improving MR productivity & inorganic growth via strong brand franchises.

Growth in export formulations & CMO would be led by new product launches, ramp-up of product filings and scale-up of existing facilities. We expect 9% revenue CAGR over FY23E-25E on high base in the international markets. We recommend Buy rating with target price of Rs2,475 at 27x FY24 P/E (adjusted for ESOP & Amortisation). We expect FCF generation of around Rs14bn over FY23E-25E and the company is focused on average dividend payout of 25% annually.

## Real Estate

### DLF (CMP: Rs 350, TP: Rs 530, BUY)

We view DLF as a low risk compounder given a sizeable mix of annuity portfolio accounting for c.30% of NAV and limited reinvestment requirement in land (>200msf of saleable potential). We believe DLF is a prime beneficiary of real estate upcycle given a combination of 1) diversified product mix and fast churning residential portfolio, 2) brand leadership in core market of operations, 3) optionality to scale-up higher using the sizeable land reserves (>150msf) and 4) offering a play on near REIT ready ~40msf of prime operating annuity assets. Valuations also looking attractive with DevCo trading at >40% discount to our estimated Mar '24E NAV. Deteriorating macro outlook impacting overall property demand is a key risk.

Overall, we see DLF sustaining its superior earnings and cashflow profile – core ROE at >15% for FY23E/FY24E. Weakening economic growth outlook impacting overall real estate demand is a key risk.

## SOTP summary break-up

Mar '24	Value (Rs bn)	Per Share	% of GAV	Comments
<b>Residential</b>	<b>86</b>	<b>35</b>	<b>6.1</b>	<b>Balance Inventory + planned launches</b>
Inventory	11	5		
Under Construction	75	30		
<b>Land Banks</b>	<b>709</b>	<b>287</b>	<b>50.4</b>	<b>DCF upto next 15 years</b>
DLF-5	197	80		acquired in 80-90
New Gurgaon / ROG	235	95		
TDR / TOD potential	85	34		c.60msf starting FY31 to FY60
Delhi	126	51		c.2.5msf in Chanakyapuri where Price / sf is >Rs100k
Rest of India	66	27		-
DLF Rental Business	33	13	2.3	at 8% cap rate F25E NOI
Others	75	30		HSSIDC, Lodhi hotel and Noida IT land
HSIIDC Land	13	5	1.0	67:33 JV with Hines 11.8acres (next to cyber city) - auction Rs1600cr, FV 1900cr
Noida IT	42	17		>20 acres of land @ market txn
Hotel Land	20	8	1.4	Lodhi Hotel, 6 acres of land - Rs30-40bn
<b>Devco GAV</b>	<b>903</b>	<b>365</b>	<b>64.2</b>	
Net Debt	(14)	(6)		
<b>Devco NAV</b>	<b>917</b>	<b>370</b>	<b>70.4</b>	
<b>DCCDL GAV</b>	<b>504</b>	<b>204</b>	<b>35.8</b>	
Leased Assets	388	157	27.6	at 8% cap rate F25E
Land Banks	116	47	8.3	Exit at 8.5% cap rate
Net Debt	119	48		
<b>DCCDL NAV</b>	<b>386</b>	<b>156</b>	<b>29.6</b>	
<b>Total</b>	<b>1,303</b>	<b>526</b>	<b>100.0</b>	
Shares Outstanding	2.5			
<b>Group NAV / sh</b>	<b>526</b>			

Source: DART

## Oberoi Realty (CMP: Rs 840, TP: Rs 1,250, BUY)

All round contribution to P&L from different segments translated into a ROE of 25% /19% (annualized) for the Q / 9MFY23 respectively; reflecting the true underlying profitability of Oberoi's operating assets. The higher revenues recognition in the residential segment (Mulund projects) aided the ROE print. Notably residential EBITDA margin came-in at 56.4%.

The developer plans on accelerating BD activity with proceeds from late cycle projects (Mulund / 360 west). We estimate net proceeds from these projects at ~Rs80bn. In this regard, the developer acquired 8.5 acre land parcel in Pokhran (Thane) for Rs1.9bn consolidating its existing land bank in Thane. Also, the management confirmed signing a MOU for acquiring a land parcel in Gurgaon.

We raise our TP to Rs1,250 as we incorporate new Thane land acquisition and higher cashflow contribution from 360 west in our estimates. Reiterate buy – 1) deep micro market strategy (tapping across price points) in Thane likely to aid market share gains, 2) business development activity garnering traction with scope for +ve surprise and 3) limited drag on FCF from slow moving projects.

### SOTP summary break-up

Mar'24	Value (Rs bn)	Per share	% of GAV	Comments
Ongoing + Planned	93,756	258	26	
Ready Inventory & Receivables	27,290	75	8	
Land Bank	65,470	180	18	Unused Thane, Borivali, Goregaon, Bhandup
Annuity (Retail + Office)	1,40,954	388	40	at 8% cap rate on FY25E NOI
Hospitality	20,984	58	6	18x EV / EBITDA from first year of normalized earnings
Others	7,061	19	2	School, property mgmt
<b>Total GAV</b>	<b>3,55,515</b>	<b>978</b>		
Net Debt	5,659	16		
<b>NAV</b>	<b>3,49,855</b>	<b>962</b>		
Shrs outstanding	364			
<b>NAV / sh</b>	<b>962</b>			
Premium to Development business	20%			2.5msf of annual execution starting FY28 in MMR (ex-Thane)
<b>Target NAV / share</b>	<b>1,065</b>			

Source: DART

## Target NAV summary

Particulars (Rs mn)	EV / EVITDA	NAV premium	Blended average
Development business	3,66,566	2,23,820	2,95,193
Annuity (Retail + Office)	1,40,954	1,40,954	1,40,954
Hospitality	20,984	20,984	20,984
Others	7,061	7,061	7,061
<b>Total GAV</b>	<b>5,35,564</b>	<b>3,92,818</b>	<b>4,64,191</b>
Net Debt	5,659	5,659	5,659
<b>NAV</b>	<b>5,29,905</b>	<b>3,87,159</b>	<b>4,58,532</b>
<b>NAV / share</b>	<b>1,457</b>	<b>1,065</b>	<b>1,261</b>

Source: DART

## Retail

### **ABFRL (CMP: Rs 234, TP: Rs 385, BUY)**

ABFRL is a healthy and diversified portfolio mix of leading brands in Lifestyle, fashion retailing (Pantaloon and Style-Up), innerwear (Van Heusen), youth western wear, super-premium brands and ethnic luxury fashion. MFL is a steady growth and FCF engine, while others can provide strong growth and margin kicker.

Recent acquisition of Reebok, House of Masaba and entry into D2C platforms business shall further augment the growth momentum. Mgmt highlighted that it may overshoot its growth aspirations outlined in 'Vision 2026' and may come up with revised guidance.

That said, with number of business under growth/incubation stage and significant step-up in investments to support this businesses, earnings continue to remain volatile and is a key concern. BUY with TP of Rs 385 @ 15x FY25E EV/E on post IndAS basis. ABFRL is current trading at 11.5/9.5x FY24/25E EV/E.

## Sugar

### **Balrampur Chini Mills (CMP: Rs 360, TP: Rs 425, Accumulate)**

Balrampur Chini Mills successfully commissioned its 2 new distilleries at Maizapur (320 KLPD) and Balrampur (170 KLPD) during Q3FY23 taking its total distillation capacity to 1050 KLPD. With all its capacities up and running the company is expected to clock in peak production of ~35mn litres starting FY24. Factoring in the higher capacity we expect the distillery business to deliver a Sales/EBIT CAGR of 30.5/14.6% over FY22-FY25E. With higher distillery capacity the proportion of Distillery segment contribution to the overall sales is expected to move up from 20.4% in FY22 to ~33% in FY24E and will be the key growth driver for the company going forward.

Owing to delayed start to the crushing season the company has cut its sugar crushing and ethanol production guidance (from ~23mn litres to ~20.5mn litres) for FY23. However, the overall crushing estimate for SS 22-23 remains unchanged at ~10.3mn tons (up by ~16% YoY) with crushing expected to spill over to Q1FY24 which shall result in higher crushing in FY24. Cane availability is expected to be higher by ~5-15% next season (depending on weather conditions) which shall lead to higher Sugar output and provide sufficient feedstock for Ethanol distilleries to operate at peak.



Outlook for FY24 remains robust on the back of expectations of higher sugar recoveries, higher cane availability and incremental contribution from the newly commissioned distilleries. We remain positive on the stock driven by 1. Accelerated Distillery Expansions, 2. Higher than industry recovery rates with strong focus on cane development program 3. Highly integrated business operations, 4. Superior Cash Flow (Cumulative free cash flow of Rs ~7.5bn expected over FY23E-FY25E). We maintain our accumulate rating with a revised target price of Rs 425.

However we remain watchful on the government's policy announcements on the Ethanol realisations for Direct Juice and Grains route, SAP prices for SS 22-23, additional export quota allotment and introduction of E-20 compatible cars which could play a significant role in driving the growth of the overall industry.

#### SOTP Valuation

Segments	FY25E	EV/EBIT	EV (Rs mn)
Sugar	2,393	7.0	16,751
Distillery	5,753	14.0	80,541
Power	309	5.0	1,547
<b>Total</b>	<b>8,455</b>		<b>98,838</b>
Net Debt			12,073
M-Cap			86,766
No of Shares			204
Target Price			425
Book value/Share			203
Implied P/BV			2.1

Source: Company, DART

## Telecom

### **Bharti Airtel (CMP: Rs 773, TP Rs 860, Accumulate)**

Bharti delivered a healthy 47/30% in India Wireless/Consolidated 4-year EBITDA CAGR driven by subscriber market share gains and ARPU growth. Bharti's recent sharp price increases for 2G segment from Rs 99 to Rs 155 (~57%) for 2G customers is a proof of pudding of price increases which is inevitable for the sector. In parallel, we expect it to capitalize on alternate revenue streams viz. FTTH, content, payment, healthcare, education etc., in partnership with other players that ride on the telcos infrastructure. Thus, Bharti is a proxy play on evolved telecom industry structure, potential tariff increases and upgrades.

Tariff increase in near-term, listing process initiation for Jio and further weakening and consequent shutdown of VIL as an optionality are key triggers. Bharti currently trades at 7.4/6.2x FY24/25E EV/E. BUY with a TP of Rs 860 @ 10/6x for India Wireless/Africa.

## Agri-inputs

	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
Company	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Dhanuka Agritech	14.8	16.8	18.2	19.6	2.6	2.7	3.0	3.3	2.1	2.2	2.3	2.5	44.8	47.5	49.1	52.9
PI Industries	53.0	66.9	78.8	91.7	11.4	15.9	18.9	22.0	8.4	12.6	13.8	16.1	55.6	82.9	91.2	105.9
Rallis	25.9	29.1	31.9	35.8	2.7	3.2	4.0	4.5	1.6	1.7	2.3	2.6	8.4	9.0	11.8	13.3
Sharda Cropchem	35.8	42.3	48.2	53.4	6.8	6.9	8.4	9.9	3.5	3.3	3.9	4.4	38.7	36.7	42.8	49.2
UPL Ltd	462.4	545.6	583.5	620.6	95.3	111.8	124.0	135.0	38.8	43.1	51.2	60.6	51.6	57.4	68.2	80.7
<b>AGGREGATES</b>	<b>592</b>	<b>701</b>	<b>761</b>	<b>821</b>	<b>119</b>	<b>140</b>	<b>158</b>	<b>175</b>	<b>54</b>	<b>63</b>	<b>74</b>	<b>86</b>				
<b>Growth (%)</b>	<b>19.6</b>	<b>18.4</b>	<b>8.5</b>	<b>8.0</b>	<b>14.6</b>	<b>18.1</b>	<b>12.7</b>	<b>10.4</b>	<b>22.4</b>	<b>15.6</b>	<b>16.8</b>	<b>17.2</b>				

Source: DART

	Mcap	CMP	TP	Upside	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
Company	(Rs bn)	(Rs)	(Rs)	(%)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Dhanuka Agri	31	676	900	33	15.1	14.2	13.8	12.8	23.8	21.8	19.6	18.2	11.6	11.3	10.2	9.1	2.1	1.8	1.7	1.6
PI Industries	488	3,216	4,237	32	57.8	38.8	35.3	30.4	14.7	18.8	17.6	17.5	41.7	29.7	24.7	20.8	9.2	7.3	6.2	5.3
Rallis	39	201	240	19	23.8	22.4	17.0	15.1	10.0	10.0	12.4	12.9	13.6	11.7	9.3	8.2	1.5	1.3	1.2	1.1
Sharda Crop	43	477	688	44	12.3	13.0	11.1	9.7	19.8	16.2	16.5	16.5	6.1	6.1	5.0	4.1	1.2	1.0	0.9	0.8
UPL Ltd	555	739	1,035	40	14.3	12.9	10.8	9.2	17.0	16.7	17.7	18.3	8.1	6.7	5.7	4.9	1.2	1.0	1.0	0.9
<b>TOTAL MCAP</b>	<b>1,156</b>																			

Source: DART

## AlcoBev

	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
Company	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Radico Khaitan	28.7	31.4	35.2	38.9	4.1	3.7	5.9	6.9	2.5	2.2	3.5	4.4	18.9	16.2	26.5	33.4
United Brew	58.3	75.6	83.2	91.8	6.8	7.0	10.0	13.7	3.6	4.0	6.1	8.8	13.4	15.2	23.1	18.8
United Spirits	93.4	103.2	109.9	122.4	14.9	14.7	17.6	21.2	9.3	8.9	11.2	13.7	12.8	12.2	15.4	33.2
<b>AGGREGATES</b>	<b>180</b>	<b>210</b>	<b>228</b>	<b>253</b>	<b>26</b>	<b>25</b>	<b>33</b>	<b>42</b>	<b>15</b>	<b>15</b>	<b>21</b>	<b>27</b>				
<b>Growth (%)</b>	<b>24.1</b>	<b>16.5</b>	<b>8.6</b>	<b>10.8</b>	<b>40.2</b>	<b>(1.3)</b>	<b>31.4</b>	<b>25.0</b>	<b>69.8</b>	<b>(2.4)</b>	<b>38.9</b>	<b>28.9</b>				

Source: DART

	Mcap	CMP	TP	Upside	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
Company	(Rs bn)	(Rs)	(Rs)	(%)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Radico Khaitan	147	1,099	1,330	21	59.2	69.0	42.1	33.6	13.6	10.8	15.5	15.9	36.8	41.4	26.0	21.8	5.1	4.7	4.2	3.8
United Brew	383	1,447	1,640	13	110.2	97.6	64.0	44.4	9.5	10.1	15.0	19.1	55.8	54.7	38.5	27.7	6.6	5.1	4.6	4.2
United Spirits	543	746	915	23	59.9	63.0	49.8	40.9	20.6	16.3	17.1	17.5	37.5	37.3	30.9	25.2	5.8	5.3	4.9	4.4
<b>TOTAL MCAP</b>	<b>1,072</b>																			

Source: DART

## Auto & Ancillary

	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Asahi India	31.7	38.8	43.5	50.2	7.6	8.4	9.1	10.5	3.4	3.9	4.4	5.3	14.1	16.1	18.3	21.8
Ashok Leyland	216.9	339.3	406.4	475.8	9.9	24.5	34.2	41.2	5.4	11.2	18.4	23.6	1.9	3.8	6.3	8.1
Amara Raja	87.0	104.4	110.7	121.6	10.2	13.6	15.1	16.8	5.1	7.0	7.7	8.8	30.0	40.8	45.0	47.5
Apollo Tyres	209.5	242.5	259.7	279.7	25.7	30.2	33.5	36.3	6.4	8.9	11.2	13.0	10.1	14.0	17.6	20.5
Bharat Forge	104.6	119.7	138.6	155.8	20.2	18.6	24.5	27.5	9.9	8.2	12.6	14.6	21.2	17.6	27.0	31.3
Balkrishna Inds	82.7	98.9	102.0	110.7	19.8	17.4	22.7	25.5	14.1	12.5	16.1	17.9	73.0	64.5	83.3	92.8
Bajaj Auto	331.4	370.4	415.0	448.0	52.6	64.7	71.4	76.6	47.0	55.0	60.5	65.0	162.5	194.4	213.9	229.7
CEAT	93.6	111.8	120.7	129.5	7.1	8.5	11.8	13.1	0.8	1.6	3.5	4.2	20.8	39.3	87.5	102.6
Craftsman Auto	22.2	29.0	33.8	38.1	5.3	6.7	7.8	8.9	1.6	2.3	3.2	3.9	77.2	109.9	151.0	185.0
Eicher Motors	103.0	142.2	164.3	180.7	21.7	34.5	42.2	47.5	16.8	27.1	34.4	40.4	61.4	99.2	125.9	147.9
Escorts	71.5	79.6	87.4	96.9	9.5	7.7	10.0	11.4	7.7	7.1	9.2	10.8	69.3	64.0	82.9	97.9
Exide Ind	123.8	139.9	149.3	164.5	14.0	16.2	18.8	20.1	7.6	8.6	10.2	10.8	9.0	10.1	12.0	12.7
GNA Axles	12.7	14.4	14.4	16.1	1.8	2.0	2.0	2.3	0.9	1.0	1.0	1.2	41.4	45.2	45.9	53.8
Hero Motocorp	292.5	347.7	383.6	418.8	33.7	41.6	49.8	55.8	24.7	29.7	36.2	41.1	123.8	148.8	181.0	206.0
JBM Auto	31.9	41.9	55.2	66.9	3.4	4.3	6.1	7.5	1.6	1.4	2.6	3.5	13.2	11.6	21.6	29.7
Jamna Auto	17.2	22.4	25.1	28.7	2.3	2.5	2.9	3.2	1.4	1.5	1.8	2.0	3.5	3.9	4.4	5.1
Lumax Auto Tech	15.1	18.4	20.6	23.0	1.5	1.9	2.3	2.5	0.7	1.0	1.2	1.3	10.2	14.9	17.9	19.3
Lumax Industries	17.5	23.0	25.4	27.8	1.3	2.1	2.5	2.8	0.5	1.0	1.3	1.5	56.4	110.5	138.5	155.3
Minda Corporation	29.8	43.8	50.2	56.6	2.9	4.6	5.8	6.5	1.9	2.2	3.0	3.4	6.7	9.2	12.6	14.4
M & M	574.5	817.7	982.5	1140.8	70.4	100.2	125.9	150.7	49.4	68.3	86.7	103.4	40.8	54.9	69.7	83.2
MM Forgings	11.2	14.3	15.9	18.3	1.9	2.7	2.9	3.4	1.1	1.3	1.4	1.6	44.8	53.3	57.2	68.1
Maruti Suzuki	883.0	1171.7	1364.8	1573.4	57.0	107.4	144.1	176.1	37.7	75.1	99.4	122.6	124.7	248.5	329.0	406.0
NRB Bearings	9.2	10.3	11.4	12.5	1.3	1.7	2.0	2.2	0.6	0.9	1.1	1.3	6.4	9.6	11.7	13.1
Ramkrishna Forg	22.9	28.9	28.9	31.3	5.3	6.3	6.2	6.7	2.1	2.3	2.3	2.7	12.9	14.1	14.5	17.0

	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Sandhar Tech	23.2	28.7	34.0	36.7	2.1	2.4	3.4	3.8	0.6	0.6	1.3	1.6	9.3	10.6	22.0	26.2
Suprajit Eng	18.4	27.6	31.4	35.9	2.6	3.1	4.0	4.7	1.7	1.6	2.3	2.8	12.5	11.8	16.6	20.4
SML ISUZU	9.2	14.7	18.1	22.3	(0.8)	0.3	1.1	1.3	(1.4)	(0.3)	0.4	0.5	(98.5)	(20.7)	24.2	37.7
SSWL	35.6	41.1	44.4	48.1	4.5	4.6	5.4	6.0	2.1	2.2	2.8	3.3	13.2	14.0	18.2	21.3
Sterling Tools	5.1	7.6	9.4	11.6	0.7	1.1	1.3	1.7	0.3	0.5	0.7	1.0	7.1	14.5	19.8	26.9
Subros	22.4	27.6	31.7	34.6	1.5	1.7	2.7	3.1	0.3	0.4	1.1	1.3	5.0	6.4	16.8	19.3
TVS Motor	207.9	262.9	312.9	364.3	19.6	26.5	32.9	39.0	8.9	14.0	18.4	22.4	18.8	29.5	38.8	47.2
Varroc Eng.	58.4	70.4	80.3	86.9	3.6	5.8	7.6	8.6	(0.8)	0.6	2.2	2.8	(5.3)	3.7	14.4	18.5
<b>AGGREGATES</b>	<b>3776</b>	<b>4851</b>	<b>5572</b>	<b>6306</b>	<b>420</b>	<b>574</b>	<b>712</b>	<b>823</b>	<b>260</b>	<b>359</b>	<b>458</b>	<b>540</b>				
<b>Growth (%)</b>	<b>24.4</b>	<b>28.5</b>	<b>14.8</b>	<b>13.2</b>	<b>9.5</b>	<b>36.5</b>	<b>24.1</b>	<b>15.7</b>	<b>28.0</b>	<b>37.9</b>	<b>27.8</b>	<b>17.7</b>				

## Auto & Ancillary

	Mcap	CMP	TP	Upside	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
	(Rs bn)	(Rs)	(Rs)	(%)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Asahi India	119	490	546	11	34.8	30.5	26.8	22.5	21.4	20.2	19.4	19.6	17.1	15.6	14.4	12.3	3.8	3.1	2.7	2.4
Ashok Leyland	419	143	185	29	77.4	37.5	22.8	17.8	6.3	12.9	20.8	26.0	43.4	17.6	12.1	9.3	1.9	1.2	1.0	0.9
Amara Raja	97	567	644	14	18.9	13.9	12.6	11.9	11.7	14.5	14.5	14.9	9.5	7.2	6.5	5.8	1.1	0.9	0.9	0.8
Apollo Tyres	188	329	349	6	32.4	23.4	18.7	16.0	5.6	7.4	8.9	9.8	9.4	7.7	6.7	5.9	0.9	0.8	0.7	0.7
Bharat Forge	390	838	891	6	39.4	47.5	31.0	26.8	16.3	11.9	16.3	16.6	21.8	23.9	17.9	15.1	3.7	3.3	2.8	2.5
Balkrishna Inds	398	2,058	2,227	8	28.2	31.9	24.7	22.2	17.1	12.6	15.8	16.2	40.2	45.8	35.0	31.2	4.8	4.0	3.9	3.6
Bajaj Auto	1,113	3,847	4,355	13	23.7	19.8	18.0	16.7	18.1	21.3	23.5	23.7	40.8	32.8	29.7	27.7	3.4	3.0	2.7	2.5
CEAT	60	1,476	1,539	4	71.0	37.5	16.9	14.4	2.6	4.8	10.2	11.3	17.1	14.3	10.3	9.3	0.6	0.5	0.5	0.5
Craftsman Auto	71	3,363	3,701	10	43.6	30.6	22.3	18.2	15.5	18.6	21.2	21.2	26.5	21.3	18.2	16.0	3.2	2.4	2.1	1.9
Eicher Motors	888	3,255	3,362	3	53.0	32.8	25.8	22.0	16.3	19.0	20.9	22.3	87.4	54.9	44.9	39.9	8.6	6.2	5.4	4.9
Escorts	256	2,090	2,193	5	30.2	32.7	25.2	21.4	11.5	8.7	10.6	11.5	50.5	62.2	48.1	42.0	3.6	3.2	2.9	2.6
Exide Ind	147	173	0	0	19.3	17.1	14.5	13.6	6.2	6.2	6.8	6.6	20.4	17.5	15.1	14.1	1.2	1.1	1.0	0.9
GNA Axles	20	918	670	(27)	22.2	20.3	20.0	17.1	16.0	15.2	13.7	14.5	12.0	10.7	10.1	8.9	1.6	1.4	1.4	1.2
Hero Motocorp	499	2,500	2,985	19	20.2	16.8	13.8	12.1	16.0	18.4	21.0	22.0	13.0	10.6	8.7	7.5	1.7	1.4	1.3	1.2
JBM Auto	66	562	643	14	42.6	48.3	26.0	18.9	19.0	14.3	22.3	24.5	23.3	18.4	13.0	10.4	2.1	1.6	1.2	1.0
Jamna Auto	40	100	106	6	28.4	26.1	22.7	19.8	22.3	21.3	21.6	21.3	18.4	16.1	14.1	12.3	2.3	1.8	1.6	1.4
Lumax Auto	18	269	294	9	26.2	18.1	15.0	13.9	13.0	17.5	18.4	17.3	12.6	9.4	7.7	6.4	1.2	1.0	0.9	0.8
Lumax Ind	15	1,646	2,355	43	29.2	14.9	11.9	10.6	10.5	20.2	20.3	20.5	14.3	8.7	7.1	6.6	0.9	0.7	0.6	0.6
Minda Corp	45	197	291	48	29.5	21.5	15.6	13.6	12.0	14.0	16.0	15.3	15.8	10.0	7.7	6.4	1.5	1.0	0.9	0.8
M & M	1,579	1,331	1,646	24	32.6	24.2	19.1	16.0	13.7	16.4	18.2	18.6	22.9	15.7	12.5	10.5	2.7	1.9	1.6	1.4
MM Forgings	21	863	957	11	19.3	16.2	15.1	12.7	20.6	20.9	19.0	19.2	12.8	9.8	9.0	7.7	1.9	1.5	1.3	1.1
Maruti Suzuki	2,617	8,663	10,150	17	69.5	34.9	26.3	21.3	7.1	13.3	15.9	17.5	38.4	20.1	14.5	11.3	3.0	2.2	1.9	1.7
NRB Bearings	14	143	-	-	22.5	14.9	12.2	11.0	11.5	15.7	17.1	16.4	12.3	9.1	7.7	6.6	1.5	1.3	1.2	1.1
RK Forging	42	266	272	2	20.5	18.8	18.3	15.7	9.0	7.8	8.0	8.6	11.0	8.9	8.8	7.8	1.9	1.5	1.5	1.4

Source: DART

	Mcap	CMP	TP	Upside	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
	(Rs bn)	(Rs)	(Rs)	(%)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Sandhar Tech	14	226	372	65	24.3	21.3	10.3	8.6	8.3	7.8	13.7	14.1	13.5	11.4	8.1	7.3	0.6	0.5	0.4	0.4
Suprajit Eng	48	350	370	6	28.0	29.6	21.1	17.2	16.7	14.4	17.0	24.0	19.1	17.6	12.2	10.7	2.6	1.7	1.5	1.3
SML ISUZU	10	699	636	(9)	(7.1)	(33.8)	28.9	18.6	(68.4)	(20.7)	24.4	29.7	(15.6)	40.1	11.2	8.8	1.1	0.7	0.6	0.5
SSWL	24	152	255	68	11.5	10.9	8.3	7.2	24.2	20.5	21.7	20.5	0.0	0.0	0.0	4.2	0.7	0.6	0.5	0.5
Sterling Tools	12	330	430	31	46.5	22.7	16.7	12.3	7.6	13.8	16.6	19.4	19.1	11.1	8.8	6.7	2.3	1.6	1.3	1.0
Subros	19	287	386	34	57.4	44.7	17.1	14.9	4.0	5.0	12.3	13.0	26.8	24.1	14.6	12.9	0.8	0.7	0.6	0.5
TVS Motor	528	1,112	1,113	0	59.1	37.7	28.7	23.6	19.9	26.4	28.7	28.8	27.7	20.5	16.1	13.2	2.5	2.0	1.7	1.5
Varroc Eng.	39	258	352	37	(48.4)	69.3	17.9	13.9	(3.2)	4.0	22.9	23.4	15.2	9.8	7.5	6.4	0.7	0.6	0.5	0.5
<b>TOTAL MCAP</b>	<b>9,817</b>																			

Source: DART, UR- Under Review



## BFSI

	NII (Rs bn)				PPOP (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Axis Bank	331.3	434.1	459.1	510.9	247.4	330.0	367.2	428.0	130.3	218.6	228.4	267.5	42.4	71.2	74.4	87.1
Bank of Baroda	326.2	414.7	446.4	509.5	223.9	263.2	270.5	305.6	72.7	140.4	126.1	134.4	14.7	27.1	24.4	26.0
CSB Bank	11.5	13.5	14.5	16.7	6.1	7.0	7.1	8.4	4.6	5.2	4.7	5.5	26.4	29.9	27.2	31.9
Canara Bank	263.8	320.3	342.2	371.9	230.9	278.6	277.9	302.6	56.8	107.0	115.0	123.0	31.3	59.0	63.4	67.8
City Union Bank	19.2	22.4	24.5	28.2	16.0	19.0	19.9	22.5	7.6	10.0	11.3	12.9	10.3	13.5	15.3	17.5
DCB bank	13.6	17.1	19.1	22.5	8.0	7.6	9.1	11.5	2.9	4.5	5.7	7.1	9.2	14.5	18.3	22.9
Federal bank	59.6	72.2	80.7	92.6	37.6	46.6	53.2	62.2	18.9	28.8	31.7	36.6	9.0	13.7	15.1	17.4
HDFC Bank	720.1	858.5	980.5	1,112.9	640.8	705.2	822.0	943.4	369.6	436.2	504.5	570.1	66.7	78.7	91.0	102.8
ICICI Bank	474.7	617.7	651.8	730.9	392.5	489.5	500.6	551.2	233.4	317.8	334.8	379.4	33.6	45.7	48.2	54.6
Indian Bank	167.3	205.2	204.2	217.9	127.2	154.0	143.8	148.8	39.4	57.6	67.3	67.5	31.7	46.3	54.1	54.2
IndusInd Bank	150.0	175.6	199.6	227.3	131.0	142.1	164.8	190.0	48.7	75.0	88.2	102.5	62.9	96.9	113.8	132.3
Kotak Mah Bank	168.2	215.2	238.3	281.6	120.5	144.2	163.6	196.2	85.7	104.6	112.2	131.1	43.2	52.7	56.5	66.1
RBL Bank	40.3	44.3	48.3	55.7	27.5	22.5	25.3	31.2	(0.7)	9.1	10.2	13.0	(1.2)	15.2	17.1	21.7
State Bank of India	1,207.1	1,454.3	1,565.7	1,728.1	752.9	844.7	929.4	1,005.1	316.8	511.3	564.7	566.4	35.5	57.3	63.3	63.5
Aptus Value	5.8	7.7	9.5	11.8	5.1	6.8	8.2	10.2	3.7	4.9	6.2	7.6	7.4	9.9	12.4	15.3
Aavas Financiers	6.5	7.9	9.3	11.1	4.8	5.4	6.7	8.5	3.6	4.1	5.0	6.4	45.2	52.6	63.9	81.0
Home First Finance	3.0	3.9	4.8	6.1	2.5	3.1	3.9	4.9	1.9	2.3	2.9	3.6	21.2	25.8	32.8	41.6
<b>AGGREGATES</b>	<b>3,968</b>	<b>4,885</b>	<b>5,298</b>	<b>5,936</b>	<b>2,975</b>	<b>3,470</b>	<b>3,773</b>	<b>4,231</b>	<b>1,396</b>	<b>2,038</b>	<b>2,219</b>	<b>2,435</b>				
<b>Growth (%)</b>	<b>11.6</b>	<b>23.1</b>	<b>8.5</b>	<b>12.0</b>	<b>8.9</b>	<b>16.6</b>	<b>8.8</b>	<b>12.1</b>	<b>53.4</b>	<b>46.0</b>	<b>8.9</b>	<b>9.7</b>				

	Mcap	CMP	TP	Upside	P/ABV (x)				P/E (x)				ROE (%)				ROA(x)			
	(Rs bn)	(Rs)	(Rs)	(%)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Axis Bank	2,557	831	1,130	36	2.3	2.1	1.8	1.5	19.6	11.7	11.2	9.5	12.0	18.3	17.0	17.0	1.2	1.8	1.7	1.7
Bank of Baroda	811	157	200	27	1.2	0.9	0.8	0.7	10.7	5.8	6.4	6.0	8.9	15.2	12.0	11.4	0.6	1.0	0.8	0.8
Canara Bank	493	272	340	25	1.3	1.0	0.8	0.8	8.7	4.6	4.3	4.0	9.1	15.3	14.8	15.2	0.5	0.8	0.8	0.8
CSB Bank	41	234	350	50	1.6	1.3	1.2	1.0	8.9	7.8	8.6	7.3	19.0	17.8	13.9	14.1	1.9	1.9	1.5	1.5
City Union Bank	99	133	220	65	1.8	1.6	1.3	1.1	12.9	9.8	8.7	7.6	12.2	14.2	14.2	14.3	1.3	1.6	1.6	1.6
DCB bank	35	113	150	33	1.1	0.9	0.8	0.7	12.2	7.8	6.2	4.9	7.4	10.6	12.0	13.3	0.7	0.9	1.0	1.0
Federal bank	265	125	150	20	1.6	1.3	1.2	1.0	13.9	9.1	8.3	7.2	10.8	14.4	14.0	14.2	0.9	1.2	1.2	1.2
HDFC Bank	8,987	1,611	1,980	23	3.7	3.2	2.8	2.4	24.2	20.5	17.7	15.7	16.7	16.9	16.8	16.4	1.9	2.0	2.0	2.0
ICICI Bank	5,873	841	1,120	33	3.7	3.1	2.7	2.3	25.0	18.4	17.5	15.4	14.7	17.2	15.7	15.5	1.8	2.1	2.0	2.0
Indian Bank	341	274	345	26	1.2	0.9	0.8	0.7	8.7	5.9	5.2	5.2	10.3	13.4	13.8	12.4	0.6	0.8	0.9	0.9
IndusInd Bank	843	1,086	1,500	38	1.8	1.6	1.4	1.2	17.3	11.2	9.5	8.2	10.6	14.5	14.9	15.1	1.3	1.8	1.8	1.8
Kotak M Bank	3,378	1,701	2,200	29	4.8	4.2	3.7	3.2	39.4	32.3	30.1	25.7	12.6	13.5	12.7	13.0	2.1	2.3	2.1	2.1
RBL Bank	92	154	200	30	0.7	0.7	0.6	0.6	(124)	10.1	9.0	7.1	(0.6)	7.0	7.3	8.5	(0.1)	0.8	0.8	0.8
SBIN	4,587	514	700	36	2.0	1.6	1.4	1.3	14.5	9.0	8.3	8.1	11.9	16.8	15.7	14.2	0.7	1.0	1.0	1.0
Aptus Value	125	251	430	71	4.3	3.8	3.3	2.8	33.7	25.3	20.2	16.4	15.1	15.8	17.3	18.5	7.3	7.6	7.4	7.0
Aavas Financiers	147	1,861	2,250	21	5.2	4.6	3.9	3.4	41.2	35.4	29.1	23.0	13.7	13.8	14.5	15.8	3.6	3.5	3.5	3.7
Home First	65	736	1,050	43	4.1	3.6	3.1	2.6	34.7	28.5	22.4	17.7	12.6	13.4	14.8	16.1	3.9	3.9	3.8	3.7
<b>TOTAL MCAP</b>	<b>28,738</b>																			

Source: DART

## Cement

	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
ACC	161.5	221.6	192.0	209.6	30.0	19.4	26.6	32.1	19.2	9.9	14.9	18.4	102.1	52.7	79.4	98.2
Ambuja	139.6	199.3	160.6	173.2	32.1	32.1	33.5	38.5	21.5	24.1	20.6	23.9	11.5	12.9	10.4	12.0
Birla Corp	74.6	87.8	94.6	104.8	11.1	8.2	13.6	16.4	4.3	0.5	4.2	6.3	55.7	6.4	54.4	81.6
Dalmia Bharat	112.9	135.0	166.7	190.0	24.3	23.9	32.8	39.3	8.2	6.9	10.7	13.2	43.8	37.0	57.0	70.4
Heidelberg	23.0	22.9	24.3	26.2	4.3	2.9	4.1	4.8	2.5	1.3	2.3	2.9	11.1	5.6	10.0	12.7
JKLC	79.9	96.2	113.7	128.8	14.8	13.2	18.4	22.2	6.7	4.5	7.4	10.1	87.1	58.3	95.4	131.0
JKCE	54.2	64.6	68.9	76.2	9.5	9.0	11.1	13.2	4.0	3.9	5.1	6.3	34.2	33.5	43.7	53.9
Nuvoco	93.2	110.8	121.9	131.8	15.0	13.4	18.2	21.9	0.4	(0.6)	2.9	5.6	1.1	(1.7)	8.1	15.7
Sagar Cement	16.0	22.9	31.2	34.2	2.8	2.0	4.3	5.5	0.7	(0.8)	0.8	1.7	5.3	6.6	6.2	13.2
Shree Cement	143.1	166.8	186.8	202.7	36.5	30.3	42.7	47.5	22.7	12.7	20.9	22.1	629.7	352.2	578.5	611.5
Star Cement	22.2	26.8	29.5	36.8	3.5	4.2	5.1	6.8	2.5	2.1	2.2	2.6	6.0	5.1	5.4	6.4
The Ramco Cement	59.8	77.0	85.3	91.7	12.8	10.8	14.7	16.6	5.9	2.8	5.0	6.4	25.0	11.9	21.1	26.9
Ultratech Cement	526.0	621.3	684.0	741.7	115.1	103.1	131.9	147.3	56.7	49.6	69.0	79.7	196.3	171.8	239.2	276.1
<b>AGGREGATES</b>	<b>1,506</b>	<b>1,853</b>	<b>1,959</b>	<b>2,148</b>	<b>312</b>	<b>273</b>	<b>357</b>	<b>412</b>	<b>155</b>	<b>117</b>	<b>166</b>	<b>199</b>				
<b>Growth (%)</b>	<b>17.0</b>	<b>23.0</b>	<b>5.7</b>	<b>9.6</b>	<b>(0.6)</b>	<b>(12.5)</b>	<b>31.0</b>	<b>15.4</b>	<b>1.9</b>	<b>(24.7)</b>	<b>42.0</b>	<b>20.0</b>				

Source: DART

	Mcap	CMP	TP	Upside	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
	(Rs bn)	(Rs)	(Rs)	(%)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
ACC	329	1,752	2,162	23	17.2	33.3	22.1	17.8	14.2	7.0	10.2	12.0	8.5	15.4	10.7	8.6	2.0	1.5	1.7	1.6
Ambuja	666	335	409	22	29.2	26.0	32.3	27.8	10.7	10.1	7.0	7.7	15.4	14.3	13.9	12.0	4.8	3.3	4.1	3.8
Birla Corp	67	874	1,315	51	15.7	136.7	16.0	10.7	7.4	0.8	6.8	9.5	9.2	13.1	7.9	6.4	0.9	0.8	0.7	0.6
Dalmia Bharat	358	1,913	2,333	22	43.7	51.6	33.6	27.2	5.6	4.4	6.2	7.3	14.2	15.1	12.4	10.3	3.2	2.7	2.2	1.9
Heidelberg	38	169	181	7	15.2	30.0	16.9	13.4	16.5	8.4	15.1	18.5	8.4	12.6	9.1	7.6	1.7	1.7	1.6	1.5
JKLC	217	2,803	2,788	(1)	32.2	48.0	29.4	21.4	17.0	10.0	14.8	17.7	16.3	19.3	14.0	11.2	2.7	2.3	1.9	1.7
JKCE	88	746	787	5	21.8	22.3	17.1	13.8	17.5	14.8	16.8	17.7	9.9	11.0	9.0	7.1	1.6	1.4	1.3	1.2
Nuvoco	130	363	344	(5)	322.8	(210)	44.6	23.1	0.9	(1.5)	6.0	9.8	12.0	13.4	9.4	7.6	1.4	1.2	1.1	1.0
Sagar Cement	28	212	241	14	40.1	32.1	34.3	16.1	5.4	5.7	4.6	9.1	14.9	21.2	9.1	6.8	1.7	1.2	0.9	0.8
Shree Cement	946	26,215	24,546	(6)	41.6	74.4	45.3	42.9	14.0	7.1	10.8	10.4	24.0	29.3	20.8	18.5	6.6	5.7	5.1	4.7
Star Cement	44	109	122	12	18.2	21.4	20.2	17.0	11.6	9.2	8.9	9.7	10.8	9.7	9.6	7.3	2.0	1.6	1.5	1.2
Ramco Cem	171	724	693	(4)	29.0	60.8	34.2	26.8	14.7	4.2	7.2	8.5	16.2	20.3	14.9	12.9	2.9	2.2	2.0	1.9
Ultratech Ceme	2,080	7,206	7,643	6	36.7	42.0	30.1	26.1	12.0	9.5	12.1	12.6	18.4	20.8	16.0	14.1	4.0	3.3	3.0	2.8
<b>TOTAL MCAP</b>	<b>5,162</b>																			

Source: DART

## Chemicals

	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
Company	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Aarti Industries	54.5	68.1	75.6	86.4	11.1	11.2	13.5	17.2	5.7	5.6	6.7	9.0	18.8	15.5	18.5	24.8
Atul	50.8	55.5	61.1	68.5	9.1	8.1	10.5	12.7	6.0	5.4	6.7	8.0	204.2	183.3	227.7	270.8
Deepak Nitrite	68.0	80.2	89.6	99.5	16.0	13.3	17.5	21.9	10.7	8.8	11.7	14.6	78.2	64.4	85.7	106.7
Navin Fluorine	14.5	21.5	31.0	37.7	3.5	5.6	8.4	10.6	2.6	3.8	5.5	6.7	53.1	76.6	110.1	135.8
SRF	123.1	147.8	168.1	185.7	31.0	36.6	42.2	47.6	18.9	22.7	25.9	29.0	63.8	76.7	87.3	97.9
Sudarshan Chem	22.0	22.1	24.3	26.7	2.7	1.8	2.4	3.5	1.3	0.2	0.8	1.6	18.8	3.6	10.9	22.5
Vinati Organics	16.2	21.5	26.5	34.1	4.3	6.3	7.9	10.6	3.5	4.9	6.0	7.9	33.4	47.2	58.7	77.2
<b>AGGREGATES</b>	<b>349</b>	<b>417</b>	<b>476</b>	<b>539</b>	<b>78</b>	<b>83</b>	<b>102</b>	<b>124</b>	<b>49</b>	<b>51</b>	<b>63</b>	<b>77</b>				
<b>Growth (%)</b>	<b>40.3</b>	<b>19.3</b>	<b>14.3</b>	<b>13.1</b>	<b>25.2</b>	<b>6.4</b>	<b>23.7</b>	<b>21.1</b>	<b>28.2</b>	<b>5.6</b>	<b>22.8</b>	<b>21.4</b>				

Source: DART

	Mcap	CMP	TP	Upside	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
Company	(Rs bn)	(Rs)	(Rs)	(%)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Aarti Industries	191	528	844	60	28.1	34.0	28.6	21.3	14.3	11.8	12.6	14.9	19.1	19.4	16.6	13.3	3.5	2.8	2.5	2.2
Atul	211	7,162	8,124	13	35.1	39.1	31.5	26.4	14.6	11.6	13.0	13.7	23.3	26.1	20.1	16.6	4.2	3.8	3.5	3.1
Deepak Nitrite	245	1,794	2,349	31	22.9	27.8	20.9	16.8	37.5	23.6	25.1	24.9	15.4	18.6	13.9	10.8	3.6	3.1	2.7	2.5
Navin Fluorine	210	4,233	5,070	20	79.7	55.3	38.5	31.2	15.1	19.1	23.2	23.5	58.8	38.2	25.9	20.6	14.4	9.8	6.8	5.6
SRF	676	2,280	3,116	37	35.8	29.7	26.1	23.3	24.5	23.8	22.2	20.7	22.7	19.4	16.8	14.8	5.5	4.6	4.0	3.6
Sudarshan Che	25	365	405	11	19.4	101.2	33.6	16.2	16.5	3.0	8.5	15.9	12.0	18.9	13.2	8.8	1.1	1.1	1.0	0.9
Vinati Organics	193	1,877	2,315	23	56.2	39.7	32.0	24.3	21.5	22.6	22.8	23.3	44.5	30.4	24.2	18.0	11.9	9.0	7.3	5.7
<b>TOTAL MCAP</b>	<b>1,751</b>																			

Source: DART

## Consumer Durables

	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
Company	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Amber Enter	42.1	58.3	71.0	85.7	2.8	3.6	4.7	5.9	1.1	1.3	2.1	3.0	32.4	37.3	63.5	88.8
BLUESTAR	60.5	74.7	85.6	99.5	3.5	4.7	5.9	7.3	1.7	2.7	3.3	4.3	17.4	27.8	34.6	44.2
Havells	139.4	162.9	183.6	205.3	17.6	15.8	22.0	26.9	12.0	11.0	15.4	19.1	19.1	17.5	24.7	30.6
KEI Industries	57.3	67.4	78.7	92.7	5.9	7.1	8.7	10.4	3.8	4.8	5.9	7.1	41.9	53.3	65.6	79.2
Orient Electric	24.5	26.7	30.7	34.8	2.3	1.9	2.8	3.6	1.3	1.1	1.6	2.1	6.0	5.0	7.6	10.0
Polycab	122.0	143.7	160.5	181.0	12.7	17.9	20.1	22.6	8.5	12.0	13.5	15.4	56.7	80.4	90.6	103.3
Syrma SGS	12.7	18.1	24.4	31.5	1.3	1.8	2.7	3.9	0.8	1.1	1.7	2.4	4.3	6.2	9.4	13.5
V-Guard	34.7	40.7	49.2	55.8	3.3	3.3	4.6	5.9	2.3	2.1	2.8	3.8	5.3	4.8	6.5	8.7
Voltas	79.3	91.9	106.1	123.3	6.8	5.6	8.1	10.5	5.0	4.3	6.3	8.6	15.2	13.0	19.0	25.8
<b>AGGREGATES</b>	<b>572</b>	<b>684</b>	<b>790</b>	<b>910</b>	<b>56</b>	<b>62</b>	<b>80</b>	<b>97</b>	<b>36</b>	<b>40</b>	<b>53</b>	<b>66</b>				
<b>Growth (%)</b>	<b>30.4</b>	<b>19.6</b>	<b>15.4</b>	<b>15.2</b>	<b>15.2</b>	<b>9.8</b>	<b>29.4</b>	<b>21.7</b>	<b>11.8</b>	<b>10.8</b>	<b>30.9</b>	<b>24.8</b>				

Source: DART

	Mcap	CMP	TP	Upside	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
Company	(Rs bn)	(Rs)	(Rs)	(%)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Amber Enter	64	1,896	2,353	24	58.5	50.8	29.9	21.4	6.5	7.1	11.2	13.9	24.9	20.3	15.0	12.1	1.5	1.1	0.9	0.7
BLUESTAR	140	1,452	1,480	2	83.4	52.2	42.0	32.8	17.6	23.3	22.9	23.3	40.9	30.1	24.1	19.4	2.3	1.9	1.6	1.4
Havells	753	1,203	1,374	14	62.9	68.7	48.8	39.3	21.4	17.6	22.2	23.6	41.6	46.2	33.0	26.7	5.4	4.6	4.1	3.7
KEI Industries	149	1,653	1,758	6	39.5	31.0	25.2	20.9	19.2	20.3	20.6	20.5	25.2	20.8	16.7	13.7	2.6	2.2	1.9	1.6
Orient Electric	58	275	295	7	46.1	54.9	36.3	27.6	25.4	18.9	25.6	28.5	24.6	29.8	20.2	15.6	2.4	2.2	1.9	1.7
Polycab	449	3,013	3,136	4	53.1	37.5	33.3	29.2	17.8	20.0	19.4	19.1	35.3	24.8	22.0	19.2	3.7	3.1	2.8	2.5
Syrma SGS	47	265	357	35	61.1	42.9	28.3	19.7	13.8	10.2	10.1	13.0	29.8	23.0	15.5	10.7	3.7	2.6	1.9	1.5
V-Guard	104	242	293	21	46.0	49.9	36.9	27.7	17.4	14.4	17.8	20.6	31.2	31.9	22.7	17.9	3.0	2.6	2.1	1.9
Voltas	303	914	920	1	60.0	70.1	48.2	35.4	9.6	2.3	10.6	13.5	44.0	54.1	37.6	29.1	3.8	3.3	2.9	2.5
<b>TOTAL MCAP</b>	<b>2,266</b>																			

Source: DART

## Consumer Staples

	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Asian Paints	291.0	345.4	398.3	453.1	48.0	60.7	78.8	93.4	32.6	40.0	53.3	63.6	34.2	42.0	55.8	66.5
Bajaj Consumer	8.8	9.4	10.0	10.6	1.8	1.3	1.6	1.8	1.7	1.4	1.6	1.7	11.8	9.3	10.6	11.4
Bata	23.9	33.9	38.3	41.4	4.2	7.8	9.9	10.8	1.0	3.2	4.6	5.1	7.8	24.9	35.5	39.6
Berger Paints	87.6	106.2	123.2	139.5	13.3	14.6	19.0	22.0	8.3	8.8	11.7	13.7	8.5	9.1	12.0	14.1
Bikaji Foods	16.1	20.5	25.0	30.3	1.4	2.1	2.9	3.8	0.8	1.2	1.8	2.4	3.0	4.9	6.9	9.5
Britannia	141.4	166.7	175.7	193.5	21.4	28.7	32.1	35.5	14.6	19.9	21.9	24.3	60.2	82.6	90.7	100.7
Colgate	51.0	52.5	56.6	61.3	15.7	15.2	16.7	18.2	10.8	10.2	11.2	12.3	39.6	37.5	41.3	45.2
Dabur India	108.9	116.2	129.8	144.9	22.5	23.7	27.2	30.4	18.2	19.4	22.3	25.0	9.9	11.0	12.6	14.2
Devyani	20.8	30.5	39.5	48.0	4.8	6.9	9.4	11.5	1.8	2.9	4.5	5.9	1.3	2.3	3.8	4.9
Emami	31.9	33.7	37.0	40.6	9.5	8.5	10.0	11.0	8.4	6.4	7.9	8.1	19.0	14.6	17.9	18.3
GCPL	122.8	134.0	147.7	161.0	24.0	24.2	29.2	32.7	17.9	17.8	21.5	24.2	17.5	17.4	21.1	23.7
HUL	511.9	595.1	656.3	715.6	125.0	137.0	156.5	172.7	88.5	99.0	112.1	123.8	37.5	42.1	47.7	52.7
Indigo paints	9.1	10.7	13.2	16.1	1.4	1.6	2.1	2.7	0.8	1.1	1.4	1.8	14.9	17.7	24.2	28.7
ITC	563.4	721.1	763.3	808.3	189.3	259.2	282.2	303.1	150.6	195.4	213.3	229.7	12.2	15.9	17.3	18.6
Jubilant Foodworks	43.3	51.7	58.9	67.4	11.0	12.1	14.2	16.8	4.4	4.3	5.4	6.5	6.6	6.6	8.2	9.8
Kansai Nerolac	63.7	75.1	83.5	92.0	6.5	8.3	11.0	12.4	4.2	4.8	6.7	7.7	7.4	8.8	12.4	14.2
Marico	95.1	97.7	109.5	121.5	16.8	18.4	21.0	23.6	12.3	13.0	15.1	17.1	9.7	10.2	11.9	13.5
Metro Brands	13.4	21.3	24.5	27.9	4.1	7.1	8.4	9.9	2.1	3.9	4.8	5.7	7.9	14.2	17.5	21.1
Nestle	147.4	169.0	189.5	211.6	35.7	37.1	44.2	51.1	23.5	23.9	29.7	34.4	219.7	247.9	307.7	357.3
Page Industries	38.9	50.5	58.1	66.0	7.9	9.0	12.1	13.8	5.4	6.1	8.3	9.5	481.0	544.8	741.3	848.3
Pidilite	99.2	118.6	132.2	147.8	18.5	20.3	26.3	30.5	12.1	13.7	18.2	21.4	23.8	26.9	35.8	42.1
Relaxo	26.5	27.5	32.7	38.8	4.2	3.2	5.2	6.3	2.3	1.5	2.9	3.7	9.3	6.0	11.8	15.0
Rest. Brands Asia	14.9	20.6	24.7	28.1	1.0	1.2	2.0	2.8	(2.1)	(2.0)	(1.9)	(1.4)	(4.8)	(4.1)	(3.8)	(2.9)

Source: DART

	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Sapphire Foods	17.2	23.1	28.5	34.3	3.1	4.5	5.8	7.2	0.5	1.5	2.2	2.6	7.2	24.2	35.2	41.2
Titan	272.1	371.0	420.6	467.6	32.8	49.0	54.4	60.8	22.3	33.7	37.7	42.4	24.6	38.0	42.5	47.8
Westlife Food	15.8	23.2	29.9	36.8	1.9	3.9	5.1	6.4	-0.0	1.2	1.9	2.6	-0.1	7.7	12.1	16.8
<b>AGGREGATES</b>	<b>2,836</b>	<b>3,425</b>	<b>3,806</b>	<b>4,204</b>	<b>625</b>	<b>766</b>	<b>887</b>	<b>991</b>	<b>443</b>	<b>532</b>	<b>620</b>	<b>694</b>				
<b>Growth (%)</b>	<b>21.3</b>	<b>20.8</b>	<b>11.1</b>	<b>10.5</b>	<b>15.2</b>	<b>22.4</b>	<b>15.9</b>	<b>11.7</b>	<b>15.1</b>	<b>20.1</b>	<b>16.5</b>	<b>11.9</b>				



	Mcap	CMP	TP	Upside	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
	(Rs bn)	(Rs)	(Rs)	(%)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Asian Paints	2,683	2,798	3,460	24	81.7	66.7	50.1	42.0	23.6	27.3	32.0	33.3	55.2	43.0	33.2	28.0	9.2	7.8	6.7	5.9
Bajaj Consumer	25	168	158	(6)	14.2	18.1	15.8	14.7	21.5	15.7	16.6	16.2	9.5	12.5	10.1	8.5	2.8	2.6	2.5	2.3
Bata	183	1,426	1,782	25	181.6	57.3	40.2	36.0	5.6	16.7	20.8	19.8	41.7	22.0	17.2	15.2	7.7	5.4	4.8	4.4
Berger Paints	551	567	621	10	66.4	62.4	47.1	40.3	22.8	21.1	24.6	25.1	41.7	37.5	28.9	24.5	6.3	5.2	4.5	3.9
Bikaji Foods	94	376	464	24	123.2	77.2	54.0	39.6	10.9	14.1	17.2	19.6	66.6	44.6	32.4	24.4	5.8	4.6	3.8	3.1
Britannia	1,081	4,485	5,242	17	74.5	54.3	49.4	44.5	47.8	64.5	51.5	43.3	50.9	37.6	33.4	29.9	7.6	6.5	6.2	5.6
Colgate	396	1,458	1,492	2	36.8	38.8	35.3	32.2	74.4	57.0	58.8	60.3	24.9	25.2	22.9	20.8	7.8	7.6	7.0	6.5
Dabur India	942	533	680	28	54.0	48.5	42.3	37.6	22.7	21.6	21.7	21.4	39.1	37.0	31.8	27.9	8.6	8.1	7.3	6.5
Devyani	183	152	195	28	118.4	65.0	40.6	31.3	44.2	34.6	38.0	34.2	38.7	26.3	19.1	15.1	8.8	6.0	4.6	3.8
Emami	176	395	477	21	20.8	27.1	22.1	21.5	29.0	30.5	36.5	36.3	18.3	20.5	17.5	16.0	5.5	5.2	4.8	4.3
GCPL	949	929	888	(4)	52.9	53.4	44.1	39.2	17.1	15.2	17.7	18.8	39.4	38.1	31.4	27.8	7.7	7.1	6.4	5.9
HUL	5,397	2,494	2,900	16	66.5	59.2	52.3	47.3	18.4	20.1	22.2	23.8	42.5	38.7	33.7	30.4	10.5	9.1	8.2	7.5
Indigo paints	49	1,028	1,120	9	69.0	58.2	42.5	35.8	13.9	16.3	16.4	17.9	34.4	28.4	20.6	15.5	5.4	4.6	3.7	3.1
ITC	4,682	384	432	12	31.4	24.2	22.2	20.6	25.0	30.9	31.3	30.8	23.0	16.7	15.2	13.9	8.3	6.5	6.1	5.8
Jubilant Food	299	453	489	8	68.2	69.0	55.1	46.2	24.7	20.8	26.0	29.4	27.5	25.4	21.7	18.2	6.9	5.8	5.1	4.4
Kansai Nerolac	225	417	500	20	56.1	47.1	33.8	29.5	10.2	11.3	14.6	15.3	34.5	25.8	19.4	17.0	3.5	3.0	2.7	2.4
Marico	649	503	558	11	51.7	49.2	42.3	37.4	37.2	36.1	36.3	34.8	38.0	34.7	30.1	26.5	6.8	6.6	5.9	5.3
Metro Brands	228	838	1,056	26	106.6	58.9	47.9	39.7	20.4	26.6	25.6	24.4	55.3	31.2	25.9	21.6	16.9	10.7	9.3	8.1
Nestle	1,799	18,660	23,228	24	84.9	75.3	60.6	52.2	114.8	105.2	107.4	97.5	50.0	48.0	40.4	35.0	12.2	10.6	9.5	8.5
Page Industries	424	37,971	45,809	21	78.9	69.7	51.2	44.8	54.4	48.6	50.7	45.0	53.7	46.9	34.9	30.4	10.9	8.4	7.3	6.4
Pidilite	1,167	2,298	2,818	23	96.7	85.5	64.2	54.6	18.9	18.3	20.4	20.0	63.0	57.3	43.8	37.4	11.8	9.8	8.8	7.9
Relaxo	195	785	900	15	84.0	130.4	66.7	52.3	14.0	8.3	14.7	16.3	46.4	59.9	36.3	29.3	7.3	7.1	6.0	5.0
Rest.Brands Asia	48	98	117	20	NA	NA	NA	NA	(37.3)	(21.8)	(25.6)	(24.8)	52.0	43.3	26.3	18.6	3.2	2.3	1.9	1.7
Sapphire Foods	78	1,223	1,440	18	169.0	50.6	34.7	29.7	6.1	14.1	17.6	17.3	24.5	16.6	12.3	9.3	4.5	3.4	2.7	2.3
Titan	2,157	2,430	2,773	14	99.0	64.0	57.2	50.8	26.3	31.2	27.3	24.5	66.1	44.3	39.7	35.1	7.9	5.8	5.1	4.6
Westlife Food	102	657	926	41	NA	85.2	54.3	39.0	(0.3)	23.1	27.9	29.1	58.8	28.3	21.1	16.2	6.5	4.4	3.4	2.8
<b>TOTAL MCAP</b>	<b>24,762</b>																			

Source: DART

## Hotels and Leisure

	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Chalet Hotels	4.9	10.8	13.2	15.6	0.8	4.1	5.6	7.3	(0.8)	1.8	1.9	3.2	(3.7)	8.8	9.3	8.8
Indian Hotels	30.6	57.1	60.9	65.5	4.0	17.9	19.0	21.0	(2.8)	10.0	10.9	12.5	(2.0)	7.1	7.7	2.0
Lemon Tree Hotels	4.0	8.6	9.9	11.7	1.3	4.4	5.2	6.3	(0.7)	1.1	1.4	1.6	(0.9)	1.4	1.7	15.5
Mahindra Holiday	9.6	12.0	13.3	14.8	2.3	3.0	3.4	3.8	1.2	1.5	1.7	1.9	6.0	7.5	8.7	9.8
<b>AGGREGATES</b>	<b>49</b>	<b>89</b>	<b>97</b>	<b>108</b>	<b>9</b>	<b>29</b>	<b>33</b>	<b>38</b>	<b>(3)</b>	<b>14</b>	<b>16</b>	<b>19</b>				
<b>Growth (%)</b>	<b>66.9</b>	<b>80.2</b>	<b>9.9</b>	<b>10.6</b>	<b>LTP</b>	<b>242.4</b>	<b>13.3</b>	<b>15.4</b>	<b>LTL</b>	<b>LTP</b>	<b>10.5</b>	<b>20.6</b>				

Source: DART

	Mcap	CMP	TP	Upside	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
	(Rs bn)	(Rs)	(Rs)	(%)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Chalet Hotels	74	362	493	36	NA	40.3	38.3	23.0	(5.5)	12.7	11.8	17.0	119.6	24.4	17.7	13.3	15.0	6.9	5.6	4.8
Indian Hotels	426	300	330	10	NA	46.0	42.3	36.9	(5.2)	13.3	12.7	12.9	118.6	26.4	24.3	21.4	13.9	7.4	7.0	6.5
Lemon Tree	58	73	92	26	NA	67.5	50.8	38.4	(8.4)	12.2	13.6	13.8	103.5	26.1	21.6	17.6	14.4	6.8	5.9	5.0
Mah. Holiday	55	272	395	45	43.4	34.6	29.7	26.5	26.5	23.0	21.2	19.4	18.1	14.0	12.2	10.8	5.7	4.6	4.1	3.7
<b>TOTAL MCAP</b>	<b>613</b>																			

Source: DART

## IT and Digital Services

	Net Sales (Rs bn)				EBIT (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Affle India	10.8	14.3	17.2	21.5	1.8	2.4	3.1	4.2	2.1	2.4	3.0	4.0	13.6	18.1	22.6	30.0
Coforge	64.3	80.3	94.0	104.8	8.9	11.4	12.9	14.2	6.6	8.2	9.5	10.8	106.6	132.1	153.0	172.9
Firstsource	59.2	60.4	66.5	73.0	7.1	5.6	6.8	7.6	5.4	5.0	5.1	5.9	7.9	7.4	7.5	8.7
HCL Tech	856.5	1,014.6	1,132.6	1,231.0	162.0	185.6	207.4	225.7	135.0	147.3	162.4	176.6	49.8	54.4	59.9	65.2
IndiaMART	7.5	9.8	11.8	14.2	3.0	2.4	3.0	3.9	3.0	2.9	3.0	3.9	97.8	94.3	97.3	128.6
Infosys	1,216.4	1,481.2	1,629.7	1,758.1	280.2	312.7	342.0	373.4	221.1	243.9	262.4	287.2	52.6	58.1	63.4	69.4
Intellect Design	18.8	21.8	25.0	28.7	3.7	2.7	3.4	4.6	3.5	2.4	3.0	3.6	25.1	17.0	21.8	25.6
IRCTC	18.8	35.1	39.7	45.5	8.4	12.1	12.8	14.7	6.6	9.6	10.3	11.8	8.4	12.0	12.9	14.7
LTIMindtree	261.9	334.0	381.7	425.5	46.6	53.0	59.8	66.9	39.7	43.8	47.7	53.6	134.2	148.0	161.1	181.1
LTTS	65.7	80.1	100.1	112.0	12.0	14.7	16.3	18.6	9.6	11.6	12.5	14.3	90.1	108.6	117.6	134.3
Mphasis	119.6	141.0	156.9	172.6	18.3	21.3	23.7	26.0	14.3	16.4	18.3	20.1	75.2	86.7	96.8	106.3
MPS	4.5	5.1	5.9	6.6	1.1	1.3	1.5	1.6	0.9	1.1	1.2	1.3	48.9	62.2	69.2	76.8
Nazara	6.2	11.2	14.6	18.3	0.5	0.6	1.1	1.7	0.3	0.6	0.8	1.1	4.3	9.6	12.3	16.8
NIIT	13.7	17.2	22.0	26.4	2.4	2.5	3.1	3.7	2.3	2.0	2.7	3.0	16.9	14.6	19.7	22.2
Nucleus Soft.	5.0	5.9	7.1	8.1	0.2	0.9	1.2	1.5	0.4	0.9	1.2	1.4	14.9	32.0	43.6	51.1
OFSS	52.2	58.0	63.0	68.8	24.1	24.5	27.3	29.7	18.9	18.5	21.0	22.8	219.0	214.7	243.1	264.2
Paytm	49.6	79.4	111.6	147.1	(26.0)	(23.1)	(11.8)	(1.3)	(24.0)	(20.4)	(10.1)	0.6	(37.0)	(32.2)	(15.9)	0.8
Persistent	57.1	83.7	98.9	110.7	7.9	12.4	14.1	15.9	6.9	9.6	10.7	12.1	90.3	125.8	139.8	158.3
Ramco Sys.	5.3	5.0	6.3	7.8	(0.8)	(2.1)	(1.2)	(0.4)	(0.7)	(2.1)	(1.2)	(0.3)	(23.7)	(58.6)	(31.5)	(9.1)

	Net Sales (Rs bn)				EBIT (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Rategain	3.7	5.7	9.0	10.9	0.3	0.4	0.5	0.4	0.1	0.5	0.9	1.3	0.7	4.6	8.0	11.9
TCS	1917.5	2259.2	2494.0	2699.1	484.5	541.4	579.9	636.5	383.3	418.6	448.3	493.5	103.6	114.4	122.5	136.7
TECHM	446.5	536.4	594.5	643.4	65.0	62.7	72.1	77.9	55.7	50.0	55.1	60.6	63.2	56.7	62.2	68.4
Wipro	797.5	910.4	991.0	1060.7	140.3	138.7	150.7	161.7	122.2	112.7	123.0	133.5	22.3	20.6	22.4	25.2
Zomato	41.9	70.8	93.0	122.0	(20.0)	(18.1)	(12.7)	(6.3)	(12.1)	(11.5)	(6.7)	(1.1)	(1.9)	(1.3)	(0.8)	(0.1)
<b>AGGREGATES</b>	<b>6,100</b>	<b>7,320</b>	<b>8,166</b>	<b>8,917</b>	<b>1,231</b>	<b>1,366</b>	<b>1,517</b>	<b>1,683</b>	<b>1,001</b>	<b>1,074</b>	<b>1,184</b>	<b>1,321</b>				
<b>Growth (%)</b>	<b>20.6</b>	<b>20.0</b>	<b>11.6</b>	<b>9.2</b>	<b>14.1</b>	<b>10.9</b>	<b>11.1</b>	<b>10.9</b>	<b>16.1</b>	<b>7.3</b>	<b>10.3</b>	<b>11.6</b>				

## IT and Digital Services

	Mcap	CMP	TP	Upside	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
	(Rs bn)	(Rs)	(Rs)	(%)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Affle India	136	1,022	1,250	22	75.3	56.4	45.1	34.1	27.9	17.5	17.5	19.3	64.2	46.9	36.1	26.9	12.6	9.5	7.9	6.3
Coforge	270	4,343	4,490	3	40.7	32.9	28.4	25.1	25.5	27.6	27.3	26.5	22.0	17.6	15.4	13.7	4.2	3.4	2.9	2.6
Firstsource	83	118	130	10	14.9	15.9	15.7	13.6	18.4	15.9	15.0	16.2	9.0	9.9	8.3	7.3	1.4	1.4	1.2	1.1
HCL Tech	2,960	1,093	1,240	13	22.0	20.1	18.2	16.8	22.2	23.4	25.1	26.2	13.4	12.0	10.9	10.0	3.5	2.9	2.6	2.4
IndiaMART	148	4,840	6,000	24	49.5	51.3	49.7	37.6	3.0	8.0	12.4	15.9	38.8	42.8	33.5	25.2	19.6	15.2	12.6	10.4
Infosys	6,553	1,562	1,670	7	29.7	26.9	24.6	22.5	29.2	31.9	32.5	154.6	19.2	17.0	15.2	13.7	5.4	4.4	4.0	3.7
Intellect Design	62	461	520	13	18.4	27.1	21.1	18.0	21.8	11.7	13.5	13.9	11.1	13.1	10.6	8.2	3.3	2.8	2.5	2.2
IRCTC	494	618	650	5	73.9	51.4	48.0	41.9	39.7	44.4	38.4	37.0	56.4	39.2	36.8	31.9	26.3	14.1	12.4	10.9
LTIMindtree	1,423	4,805	4,350	(9)	35.8	32.5	29.8	26.5	30.6	28.1	26.1	25.4	22.5	19.5	17.1	15.1	5.4	4.3	3.7	3.3
LTTs	395	3,712	3,230	(13)	41.2	34.2	31.6	27.6	25.1	25.5	23.8	23.7	25.5	21.1	18.6	16.3	6.0	4.9	3.9	3.5
Mphasis	415	2,194	2,130	(3)	29.2	25.3	22.7	20.6	21.2	22.8	23.8	24.5	17.5	14.9	13.1	11.8	3.5	2.9	2.6	2.4
MPS	19	1,105	1,080	(2)	22.6	17.8	16.0	14.4	23.3	27.3	27.0	26.8	12.2	9.8	8.5	7.6	4.2	3.7	3.2	2.9
Nazara	35	536	850	59	123.9	55.6	43.5	31.9	3.3	6.0	7.2	9.0	34.3	27.2	19.6	13.7	5.7	3.2	2.4	1.9
NIIT	46	338	400	18	20.0	23.1	17.1	15.2	14.6	12.9	16.2	16.7	14.4	13.7	10.6	8.6	3.3	2.7	2.1	1.7
Nucleus Soft.	16	589	670	14	39.5	18.4	13.5	11.5	7.0	16.3	19.4	19.6	20.8	6.5	4.3	3.1	3.2	2.7	2.2	1.9
OFSS	273	3,161	4,100	30	14.4	14.7	13.0	12.0	27.1	26.0	29.2	31.0	8.7	8.5	7.6	6.9	5.2	4.7	4.3	4.0
Paytm	386	608	1,250	105	(16.4)	(18.9)	(38.3)	750.9	(23.2)	(14.7)	(7.3)	0.4	(12.0)	(15.2)	(56.1)	36.6	7.8	4.9	3.5	2.6
Persistent	385	5,040	3,960	(21)	55.8	40.1	36.0	31.8	22.4	25.4	24.9	24.2	3.2	2.5	2.3	2.1	6.7	4.6	3.9	3.5
Ramco Sys.	8	224	300	34	(9.4)	(3.8)	(7.1)	(24.6)	(11.8)	(39.0)	(25.8)	(8.5)	(363)	(6.1)	(24.5)	19.5	1.6	1.7	1.3	1.1
Rategain	37	344	440	28	499.3	75.1	42.9	29.0	1.9	7.7	12.2	15.7	120.5	46.3	25.1	18.3	10.2	6.5	4.1	3.4
TCS	12,447	3,402	3,420	1	32.8	29.7	27.8	24.9	43.7	46.8	47.7	49.1	22.2	19.7	18.0	16.4	6.5	5.5	5.0	4.6
TECHM	991	1,126	1,090	(3)	17.8	19.9	18.1	16.5	21.5	18.5	20.1	21.9	10.5	10.5	9.3	8.7	2.2	1.8	1.7	1.5
Wipro	2,161	395	400	1	17.7	19.2	17.6	15.7	20.2	16.3	17.1	16.8	11.4	10.9	9.8	8.8	2.7	2.4	2.2	2.0
Zomato	451	53	55	4	(27.5)	(39.3)	(66.9)	(420)	(9.8)	(7.1)	(4.3)	(0.7)	(23.4)	(34.9)	(78.2)	563.1	10.7	6.4	4.8	3.7
<b>TOTAL MCAP</b>	<b>30,460</b>																			

## Infra and Constructions

	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
ACIL	26.9	29.4	34.6	39.2	2.6	2.9	3.8	4.4	1.6	1.9	2.5	2.9	23.2	27.8	37.5	43.4
DBL	90.1	98.3	106.3	112.5	7.9	10.9	13.3	14.2	(1.4)	1.0	2.8	3.0	(9.9)	6.7	19.1	20.5
GR Infra	79.2	84.0	91.3	100.0	12.8	13.5	13.7	15.0	7.7	8.5	8.2	8.7	79.6	88.4	84.7	90.3
HG Infra	36.2	44.0	54.9	60.4	5.8	7.1	8.7	9.5	3.4	4.1	5.0	5.5	52.0	63.5	77.2	84.0
JKIL	35.3	42.9	49.4	55.7	5.3	6.4	7.3	8.2	2.1	2.8	3.3	3.8	27.2	37.7	43.7	50.5
KNR Infra	32.7	36.2	41.2	45.8	6.8	7.1	7.6	8.4	3.6	4.1	4.5	5.1	13.0	14.5	16.0	18.0
NCC	99.3	128.5	147.8	166.6	10.0	13.0	15.3	17.2	3.4	5.5	6.6	7.9	5.5	8.7	10.5	12.6
PSP Infra	17.5	19.8	25.0	31.2	2.6	2.5	3.1	3.9	1.6	1.5	2.0	2.5	45.1	40.6	54.2	70.3
PNC Infra	63.1	68.9	76.6	88.2	9.2	9.3	10.2	11.7	5.2	5.5	6.2	7.1	20.1	21.6	24.0	27.9
<b>AGGREGATES</b>	<b>480</b>	<b>552</b>	<b>627</b>	<b>700</b>	<b>63</b>	<b>73</b>	<b>83</b>	<b>93</b>	<b>27</b>	<b>35</b>	<b>41</b>	<b>47</b>				
<b>Growth (%)</b>	<b>21.1</b>	<b>15.0</b>	<b>13.6</b>	<b>11.6</b>	<b>6.2</b>	<b>15.5</b>	<b>14.3</b>	<b>11.6</b>	<b>13.4</b>	<b>28.8</b>	<b>17.5</b>	<b>13.4</b>				

Source: DART

	Mcap	CMP	TP	Upside	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
	(Rs bn)	(Rs)	(Rs)	(%)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
ACIL	32	472	521	10	20.4	17.0	12.6	10.9	16.2	16.5	18.7	18.0	10.6	9.1	6.6	5.3	1.2	1.1	0.9	0.8
DBL	30	202	233	15	(20.5)	30.1	10.6	9.9	(3.5)	2.3	6.0	6.0	7.2	4.8	4.1	4.3	0.3	0.3	0.3	0.3
GR Infra	107	1,105	1,391	26	13.9	12.5	13.0	12.2	19.3	17.8	14.6	13.5	8.9	8.4	8.4	7.8	1.3	1.3	1.2	1.1
HG Infra	47	719	1,066	48	13.8	11.3	9.3	8.6	28.3	26.4	24.9	21.6	8.3	7.1	5.7	5.2	1.3	1.1	0.9	0.8
JKIL	19	254	404	59	9.3	6.8	5.8	5.0	10.4	12.8	13.2	13.5	3.7	3.3	2.7	2.3	0.5	0.4	0.4	0.3
KNR Infra	72	256	292	14	19.7	17.7	16.0	14.2	17.7	16.7	15.5	14.8	10.4	9.8	9.3	8.3	2.2	2.0	1.7	1.6
NCC	53	89	113	27	16.2	10.2	8.4	7.1	6.3	9.2	10.1	11.0	6.1	5.2	4.4	3.9	0.5	0.4	0.4	0.3
PSP Infra	24	669	844	26	14.8	16.5	12.3	9.5	26.5	19.5	21.7	22.8	9.0	9.7	7.5	5.9	1.4	1.2	1.0	0.8
PNC Infra	78	304	404	33	15.1	14.1	12.7	10.9	16.3	15.2	14.7	14.7	8.2	8.2	7.7	6.8	1.2	1.1	1.0	0.9
<b>TOTAL MCAP</b>	<b>462</b>																			

Source: DART

## Media

	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Sun TV	35.8	37.4	39.3	42.0	23.1	24.0	24.3	26.1	16.4	17.0	17.5	18.4	41.7	43.0	44.4	46.8
Zee Enter	81.9	80.4	88.4	97.5	16.8	11.1	13.9	18.1	10.5	5.7	7.7	10.4	10.9	6.0	8.0	10.9
<b>AGGREGATES</b>	<b>118</b>	<b>118</b>	<b>128</b>	<b>140</b>	<b>40</b>	<b>35</b>	<b>38</b>	<b>44</b>	<b>27</b>	<b>23</b>	<b>25</b>	<b>29</b>				
<b>Growth (%)</b>	<b>13.7</b>	<b>0.0</b>	<b>8.5</b>	<b>9.2</b>	<b>3.3</b>	<b>(12.0)</b>	<b>8.8</b>	<b>15.7</b>	<b>1.7</b>	<b>(15.6)</b>	<b>11.1</b>	<b>14.4</b>				

	Mcap	CMP	TP	Upside	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
	(Rs bn)	(Rs)	(Rs)	(%)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Sun TV	173	438	560	28	10.7	10.4	10.1	9.6	21.6	19.7	17.6	15.7	6.1	5.5	4.7	3.9	4.8	4.6	4.4	4.1
Zee Enter	198	206	315	53	20.0	36.4	27.1	20.1	10.0	5.3	6.9	8.8	11.8	18.5	14.9	11.2	2.4	2.5	2.2	2.0
<b>TOTAL MCAP</b>	<b>370</b>																			

Source: DART

## Pharmaceuticals

	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Aarti Drugs	24.9	26.6	30.0	33.6	3.3	3.0	4.1	4.9	2.1	1.6	2.4	3.0	22.1	17.4	25.6	32.2
Alembic Pharma	53.1	56.1	62.1	69.2	10.0	8.3	9.9	11.0	7.0	4.3	5.2	5.9	35.7	21.7	26.4	29.8
Ajanta Pharma	33.4	38.0	42.4	47.5	9.3	7.8	10.3	12.0	7.1	6.2	8.1	9.3	55.4	48.0	62.8	72.4
Alkem Lab	106.3	116.5	129.1	143.3	20.5	17.8	21.3	25.1	16.6	13.1	15.9	18.9	138.8	109.9	132.7	158.0
Cipla	217.6	226.1	258.6	293.4	47.0	48.6	63.4	72.8	28.4	29.1	39.5	46.1	35.2	36.0	49.0	57.1
Dr Reddy	212.2	241.8	257.5	281.7	45.0	61.9	68.0	76.6	29.8	39.7	44.1	50.4	141.6	238.6	264.9	302.9
Granules India	37.6	44.6	52.0	60.3	7.2	9.0	11.1	13.2	4.1	5.0	6.4	7.8	17.1	20.6	26.6	32.3
IPCA Lab	58.3	62.0	69.3	77.4	12.8	10.5	13.5	16.3	8.6	5.8	8.3	10.1	33.9	23.0	32.6	39.9
Indoco Remedies	15.4	16.9	19.6	22.3	3.3	3.1	4.0	4.6	1.5	1.6	2.2	2.6	16.8	17.6	24.2	28.5
JB Chemicals	24.2	30.5	34.7	39.0	5.7	6.7	8.3	9.4	4.1	4.0	5.1	6.2	52.7	51.6	66.0	79.6
Lupin Ltd	164.1	159.6	177.1	197.3	22.9	16.3	28.3	35.5	4.6	4.0	11.7	16.0	10.2	8.8	25.7	35.3
Natco Pharma	19.4	27.0	36.8	42.9	5.4	9.6	17.2	21.3	4.0	6.8	12.8	16.0	22.1	37.5	70.0	87.4
Poly Medicure	9.2	11.0	13.2	15.8	2.1	2.6	3.3	4.2	1.5	1.7	2.3	2.9	15.3	18.1	23.6	29.7
Sun Pharma	386.5	435.3	482.8	534.6	102.4	115.8	132.8	147.0	76.7	82.4	97.5	109.7	32.0	34.4	40.6	45.7
Torrent Pharma	84.2	94.8	107.4	119.9	24.3	28.4	32.9	37.2	12.6	12.3	14.0	17.1	37.3	36.4	41.5	50.6
Zydus Life Sciences	152.7	171.5	187.7	204.6	35.2	36.4	40.2	43.8	23.0	23.1	25.4	27.7	22.7	22.8	25.1	27.4
<b>AGGREGATES</b>	<b>1,599</b>	<b>1,758</b>	<b>1,960</b>	<b>2,183</b>	<b>356</b>	<b>386</b>	<b>469</b>	<b>535</b>	<b>232</b>	<b>241</b>	<b>301</b>	<b>350</b>				
<b>Growth (%)</b>	<b>11.7</b>	<b>9.9</b>	<b>11.5</b>	<b>11.3</b>	<b>4.3</b>	<b>8.2</b>	<b>21.4</b>	<b>14.1</b>	<b>5.0</b>	<b>3.9</b>	<b>24.9</b>	<b>16.2</b>				

Source: DART



	Mcap	CMP	TP	Upside	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
	(Rs bn)	(Rs)	(Rs)	(%)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Aarti Drugs	34	364	451	24	16.4	21.0	14.2	11.3	21.0	14.7	19.1	20.6	11.9	13.1	9.7	7.9	1.4	1.3	1.1	1.0
Alembic Pharma	102	521	595	14	14.6	24.0	19.7	17.5	13.6	8.0	9.4	10.1	11.0	13.1	11.0	10.0	1.9	1.8	1.6	1.5
Ajanta Pharma	156	1,215	1,593	31	14.6	25.3	19.3	16.8	22.8	17.5	19.5	19.0	11.0	19.3	14.2	11.9	4.7	4.1	3.7	3.3
Alkem Lab	392	3,276	3,701	13	23.6	29.8	24.7	20.7	20.7	14.5	15.8	16.6	19.1	21.7	17.9	15.0	3.7	3.4	3.0	2.7
Cipla	776	963	1,314	36	27.3	26.7	19.6	16.9	12.6	13.3	16.4	17.2	15.8	15.0	11.4	9.6	3.6	3.4	3.0	2.6
Dr Reddy	745	4,477	5,064	13	28.8	25.0	18.8	16.9	15.7	16.4	19.1	18.0	0.4	0.3	0.1	-0.3	3.5	3.1	2.9	2.6
Granules India	68	280	452	61	16.4	13.6	10.5	8.7	17.3	18.6	20.8	20.9	10.8	8.9	7.0	5.7	1.8	1.5	1.3	1.1
IPCA Lab	104	820	960	17	24.2	35.6	25.2	20.6	16.9	10.2	13.1	14.3	16.4	20.2	15.6	12.9	1.8	1.7	1.5	1.3
Indoco Rem	34	358	513	43	21.3	20.4	14.8	12.6	18.5	16.6	19.6	19.6	10.8	11.1	8.6	7.3	2.2	2.0	1.7	1.5
JB Chemicals	148	1,918	2,475	29	36.4	37.2	29.1	24.1	20.7	17.3	19.1	19.5	25.8	22.6	17.9	15.3	6.1	4.9	4.3	3.8
Lupin Ltd	302	664	748	13	65.3	75.5	25.8	18.8	3.6	3.3	9.2	11.7	14.0	19.8	11.3	8.8	1.8	1.9	1.7	1.5
Natco Pharma	99	544	601	10	24.6	14.5	7.8	6.2	9.6	15.1	24.3	25.2	18.3	10.0	5.3	3.9	5.1	3.7	2.7	2.3
Poly Medicure	91	951	1,141	20	62.3	52.5	40.3	32.0	14.3	15.1	17.5	19.2	41.7	34.9	26.8	21.5	9.9	8.3	6.9	5.8
Sun Pharma	2,324	969	1,251	29	30.3	28.2	23.8	21.2	16.2	16.2	16.9	16.7	27.5	18.7	15.9	13.9	6.0	5.3	4.8	4.3
Torrent Pharma	502	1,484	1,794	21	39.8	40.8	35.8	29.3	21.4	19.7	20.3	22.2	22.5	19.6	16.5	14.2	6.0	5.3	4.7	4.2
Zydus Life	470	464	517	11	20.4	20.3	18.5	17.0	15.3	13.2	13.3	13.0	13.7	13.2	11.6	10.3	3.1	2.7	2.5	2.3
<b>TOTAL MCAP</b>	<b>6,347</b>																			

Source: DART

## Real Estate

	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Brigade	30.0	38.4	41.5	45.6	7.7	10.0	10.5	12.1	0.8	1.7	2.5	3.4	3.7	7.3	10.9	14.8
DLF	57.2	70.7	81.7	83.2	17.4	22.9	27.7	27.9	14.9	24.6	31.1	36.2	6.0	9.9	12.6	14.6
Godrej Properties	18.2	32.1	38.8	45.7	1.3	5.2	7.1	9.6	3.5	6.2	7.5	8.9	12.6	22.2	26.8	32.2
Macrotech	92.3	105.3	108.2	113.5	21.2	28.9	30.0	31.2	12.0	6.4	18.6	19.9	25.0	13.3	38.5	41.3
Oberoi	26.9	43.5	48.3	50.5	11.8	22.5	25.0	28.0	10.5	17.6	17.4	20.2	28.8	48.3	48.0	55.7
Prestige	63.9	73.9	98.5	113.3	15.3	18.3	29.0	34.8	11.5	3.3	9.5	11.6	28.7	8.2	23.8	29.0
Sobha	27.3	30.0	34.8	42.4	8.9	4.9	6.9	8.1	1.2	1.5	3.8	5.3	12.3	16.1	39.9	55.6
Sunteck	5.1	7.9	12.0	12.5	1.0	2.0	3.9	3.5	0.3	1.1	2.6	2.3	2.2	7.6	18.8	16.6
<b>AGGREGATES</b>	<b>321</b>	<b>402</b>	<b>464</b>	<b>507</b>	<b>85</b>	<b>115</b>	<b>140</b>	<b>155</b>	<b>55</b>	<b>62</b>	<b>93</b>	<b>108</b>				
<b>Growth (%)</b>	<b>25.4</b>	<b>25.2</b>	<b>15.4</b>	<b>9.3</b>	<b>26.4</b>	<b>35.6</b>	<b>22.0</b>	<b>10.7</b>	<b>21.2</b>	<b>13.7</b>	<b>49.3</b>	<b>16.1</b>				

	Mcap	CMP	TP	Upside	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
	(Rs bn)	(Rs)	(Rs)	(%)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Brigade	106	482	560	16	131.5	65.6	44.3	32.5	3.2	5.7	8.0	10.0	17.3	13.2	12.6	11.0	3.5	2.8	2.6	2.3
DLF	866	350	530	51	58.0	35.3	27.8	23.9	13.5	17.2	18.2	18.6	51.3	39.0	32.3	32.1	6.1	5.0	4.3	4.2
Godrej Prop.	306	1,100	1,400	27	87.3	49.6	41.0	34.2	(23.0)	(3.6)	2.8	6.7	269.3	68.6	50.7	37.4	60.3	34.3	28.3	24.1
Macrotech	409	850	1,200	41	34.0	63.7	22.1	20.6	12.7	15.1	14.7	13.7	21.5	15.8	15.2	14.6	4.4	3.9	3.8	3.6
Oberoi	305	840	1,250	49	29.2	17.4	17.5	15.1	12.0	17.1	14.2	16.9	25.8	13.5	12.2	10.9	11.3	7.0	6.3	6.0
Prestige	166	414	800	93	14.4	50.6	17.4	14.3	13.5	3.6	9.7	10.8	14.4	12.0	7.6	6.3	2.6	2.2	1.7	1.5
Sobha	55	580	1,050	81	47.1	36.1	14.5	10.4	4.7	5.9	13.6	16.5	7.1	12.9	9.2	7.8	2.0	1.8	1.6	1.3
Sunteck	43	308	420	36	137.3	40.6	16.4	18.5	1.1	3.8	8.9	7.3	48.2	23.2	11.7	13.3	8.4	5.5	3.6	3.5
<b>TOTAL MCAP</b>	<b>2,256</b>																			

Source: DART

## Retail

	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
ABFRL	78.2	117.2	133.6	149.8	10.8	16.6	20.8	24.9	(0.8)	1.9	4.3	7.6	(0.9)	1.9	4.3	7.5
Dmart	303.5	424.1	513.3	623.3	25.0	37.9	45.9	57.2	16.2	25.0	30.0	37.5	24.9	38.6	46.3	57.9
Nykaa	37.7	52.6	72.7	95.3	0.4	2.9	6.4	10.7	(0.8)	0.5	2.8	5.6	(1.8)	0.2	1.0	2.0
Trent	38.8	76.4	94.8	113.3	6.3	11.8	14.7	17.6	2.6	5.5	7.2	8.8	7.4	15.4	20.1	24.7
V-Mart	16.7	24.8	31.9	36.9	2.0	3.0	3.9	4.4	0.1	0.1	0.5	0.7	5.9	6.8	22.9	34.0
<b>AGGREGATES</b>	<b>475</b>	<b>695</b>	<b>846</b>	<b>1,019</b>	<b>45</b>	<b>72</b>	<b>92</b>	<b>115</b>	<b>17</b>	<b>33</b>	<b>45</b>	<b>60</b>				
<b>Growth (%)</b>	<b>37.5</b>	<b>46.3</b>	<b>21.8</b>	<b>20.4</b>	<b>59.2</b>	<b>61.9</b>	<b>27.0</b>	<b>25.2</b>	<b>228.0</b>	<b>91.3</b>	<b>35.2</b>	<b>34.6</b>				

	Mcap	CMP	TP	Upside	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
	(Rs bn)	(Rs)	(Rs)	(%)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
ABFRL	222	234	385	64	NA	NA	131.1	59.0	33.4	(34.5)	(2.9)	6.0	9.2	12.5	50.3	27.0	16.6	12.3	9.9	4.3
Dmart	2,267	3,499	4,050	16	214.7	154.8	100.2	83.5	66.8	9.5	11.6	16.1	17.7	20.3	142.3	99.5	65.8	54.3	43.5	9.5
Nykaa	412	144	200	38	109.9	NA	831.0	154.1	76.3	15.1	(9.1)	3.8	18.1	29.7	44.9	197.4	146.5	66.7	40.0	16.9
Trent	480	1,350	1,400	4	NA	167.1	80.2	61.4	50.0	(1.8)	10.0	18.3	19.7	19.8	226.3	75.9	41.0	32.9	27.2	23.4
V-Mart	48	2,442	3,350	37	NA	447.1	384.9	115.1	77.6	(1.0)	1.4	1.6	5.2	7.2	41.4	29.1	21.0	16.6	14.8	4.5
<b>TOTAL MCAP</b>	<b>3,429</b>																			

Source: DART

## Sugar

	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Balrampur Chini	48.5	49.6	63.4	67.4	7.0	5.1	9.5	10.0	4.7	3.1	6.2	6.6	22.8	15.2	30.4	32.5
Triveni Eng.	42.9	54.0	58.0	67.2	6.4	6.8	8.5	10.2	4.2	4.5	5.3	6.5	17.8	20.7	24.2	29.5
<b>AGGREGATES</b>	<b>91</b>	<b>104</b>	<b>121</b>	<b>135</b>	<b>13</b>	<b>12</b>	<b>18</b>	<b>20</b>	<b>9</b>	<b>8</b>	<b>11</b>	<b>13</b>				
<b>Growth (%)</b>	<b>(3.7)</b>	<b>13.5</b>	<b>17.1</b>	<b>10.9</b>	<b>5.0</b>	<b>(11.1)</b>	<b>50.7</b>	<b>12.7</b>	<b>15.1</b>	<b>(14.3)</b>	<b>50.7</b>	<b>13.7</b>				

Source: DART

	Mcap	CMP	TP	Upside	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
	(Rs bn)	(Rs)	(Rs)	(%)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Balrampur Chini	73	360	425	18	15.8	23.7	11.9	11.1	17.3	10.5	18.1	17.0	12.2	16.8	9.0	8.1	1.5	1.5	1.2	1.1
Triveni Eng.	66	272	317	16	15.3	13.2	11.2	9.2	24.8	18.8	16.9	17.7	12.7	11.2	9.0	7.6	1.5	1.2	1.1	1.0
<b>TOTAL MCAP</b>	<b>139</b>																			

Source: DART

## Telecom

	Net Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)			
	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Bharti Airtel	1,165.5	1,397.9	1,582.8	1,774.4	575.3	711.5	808.7	922.4	42.5	76.2	149.8	225.8	7.7	13.3	26.2	39.5
<b>AGGREGATES</b>	<b>1,165</b>	<b>1,398</b>	<b>1,583</b>	<b>1,774</b>	<b>575</b>	<b>711</b>	<b>809</b>	<b>922</b>	<b>43</b>	<b>76</b>	<b>150</b>	<b>226</b>				
<b>Growth (%)</b>	<b>15.8</b>	<b>19.9</b>	<b>13.2</b>	<b>12.1</b>	<b>26.8</b>	<b>23.7</b>	<b>13.7</b>	<b>14.1</b>	<b>(128.2)</b>	<b>79.1</b>	<b>96.6</b>	<b>50.7</b>				

	Mcap	CMP	TP	Upside	P/E (x)				ROE (%)				EV/EBITDA(x)				Mcap/Sales (x)			
	(Rs bn)	(Rs)	(Rs)	(%)	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E	FY22A	FY23E	FY24E	FY25E
Bharti Airtel	4,306	773	860	11	100.3	58.1	29.6	19.6	6.8	9.6	15.0	19.0	10.7	9.1	7.8	6.5	3.7	3.1	2.7	2.4
<b>TOTAL MCAP</b>	<b>4,306</b>																			

Source: DART

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## DART RATING MATRIX

Total Return Expectation (12 Months)

Buy	> 20%
Accumulate	10 to 20%
Reduce	0 to 10%
Sell	< 0%

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