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Company Alerts

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Mphasis: Focus on building momentum in large deals

- ▶ Developing disruptive propositions through AI in managed services deals
- ▶ Upping the game in managed services deals
- ▶ Retain REDUCE with FV of Rs2,600

Trent (TRENT)

Retailing

REDUCE

CMP(₹): 5,735

Fair Value(₹): 5,400

Sector View: Neutral

NIFTY-50: 24,812

June 19, 2025

FY2025 annual report analysis

Our analysis of Trent's FY2025 annual report indicates (1) increasing focus on category expansion (non-apparel contribution increased to 85% of standalone revenues) and geographic expansion, particularly of the Zudio format, (2) continued investment in supply chain and widespread use of RFID tagging, (3) calibrated expansion of Westside and fast-paced growth of Zudio, with focus on store experience to drive customer engagement, and (4) 15 net store additions in Star in FY2025, with increasing private label contribution.

Westside: Increasing focus on store quality and repeat buyers

Trent added 40 stores in FY2025 and consolidated 24 stores, with a net store addition of 16. According to the annual report, the company is focusing on providing a superior shopping experience to customers and hence will continue to consolidate stores that don't keep up with the ethos of the brand. Trent seeks to add stores in marquee locations with a size of 20k-30k sq. ft, indicating its focus on providing a premium shopping experience. Trent's loyalty member count (WSC) increased 38% yoy to 16.4 mn as of March 2025. More than 90% of Westside's revenues are attributable to its loyal WSC members, indicating strong retention.

Zudio: Fast-paced expansion in existing and new cities

Zudio crossed US\$1 bn in revenues in FY2025 (we estimate ~US\$1.2 bn of revenue). FY2025 was a year of geographic expansion for Zudio as the format added 220 new stores (net), entered 67 cities and added more presence in 56 cities, including many in tier 2 and tier 3 locations. Zudio aims to place its stores within arm's length of its target customers, ensuring accessibility and visibility. Zudio also added two stores in the UAE, ostensibly to test that market. Zudio remains an offline-only format due to unviable e-commerce economics.

Non-apparel categories becoming meaningful for the fashion business

Trent's standalone revenue per sq. ft increased to Rs16k, a yoy increase of 3.8%. The share of non-apparel categories continues to rise and was 85% of standalone revenues in FY2025. Trent is becoming a meaningful player in several categories: It sold 50 mn units of innerwear in FY2025, compared to 164 mn units sold by PAG. Similarly, it sold 27 mn units of footwear, compared to 50 mn units sold by Bata. It also sold 81 mn pieces of beauty products; assuming an ASP of Rs150, this implies a significant Rs12 bn of revenue from beauty, larger than several D2C brands.

Other formats: Private label focus for Star, declining importance of Inditex JVs

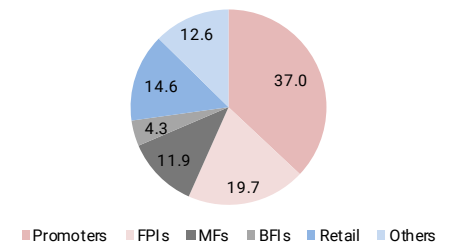
Star reported revenue growth of 25% yoy in FY2025, driven by 15 net store additions and decent SSSG performance. Star store additions were, however, lower than expected. Trent pared its stake in Massimo Dutti to 20% from 49% earlier and we believe this stake may unwind further. We retain revenue estimates, incorporate annual report details and revise FY2026-28E EPS upwards by 1-3%. Retain REDUCE with a revised SoTP-based FV of Rs5,400 (Rs5,250 earlier).

Company data and valuation summary

Stock data

CMP(Rs)/FV(Rs)/Rating	5,735/5,400/REDUCE
52-week range (Rs) (high-low)	8,346-4,488
Mcap (bn) (Rs/US\$)	2,039/23.6
ADTV-3M (mn) (Rs/US\$)	6,633/76.7

Shareholding pattern (%)



Price performance (%)	1M	3M	12M
Absolute	3	9	7
Rel. to Nifty	4	0	2
Rel. to MSCI India	0	0	0

Forecasts/Valuations	2025	2026E	2027E
EPS (Rs)	44.6	57.4	70.5
EPS growth (%)	10.4	28.8	22.8
P/E (X)	128.6	99.9	81.3
P/B (X)	37.3	26.8	19.8
EV/EBITDA (X)	74.0	58.9	46.5
RoE (%)	32.2	33.2	30.0
Div. yield (%)	0.0	0.0	0.0
Sales (Rs bn)	171	235	299
EBITDA (Rs bn)	28	36	45
Net profits (Rs bn)	15	22	27

Source: Bloomberg, Company data, Kotak Institutional Equities estimates

Prices in this report are based on the market close of June 18, 2025

Related Research

- [Trent: 4QFY25: Margins surprise, cash](#)
- [Trent: 3QFY25: SSSG normalization](#) 3Q note
- [Trent: Strong growth story, now fully priced in](#)

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FY2025 annual report highlights

Expansion of Trent playbook

In the annual report, management has highlighted its ability to leverage Trent's Playbook to expand emerging formats and categories such as beauty and personal care, lingerie, innerwear and footwear that would allow it to enhance the addressable market size. Launch of new formats such as Samoh in the premium occasion wear space, leveraging existing back-end operating platform, gives Trent the ability to nurture and step into newer customer and product segments. Expansion of Zudio format in the UAE market allows Trent to learn and improve its product value proposition and gives it the opportunity to establish itself in the international marketplace over time. According to the company, the average full price sell-through is 40% and Trent operates at a much higher level. Trent added 232 stores in FY2025. It added 16 stores of Westside, 220 stores of Zudio and shut four stores.

Geographic expansion strategy: Higher density in Tier 1 cities and more expansion into Tier 2/3 cities

Trent is increasingly expanding its presence across more diverse markets across India, including many Tier 2 and Tier 3 locations. The existing value proposition gives Trent the conviction to double down into more hinterlands going forward. Additionally, it continues to build on its presence in metro/Tier 1 cities. The agenda is to drive material reach and share of revenues in key proximate markets. Further, Trent is evolving the quality of store portfolio (including in terms of the look and feel of its stores) as it consciously increases the density of its presence in such markets. Given the business model choices and the intent to drive the share of revenues in proximate markets, it is primarily seeking to pursue revenue growth across comparative micro-markets vis-à-vis just the performance of comparative stores.

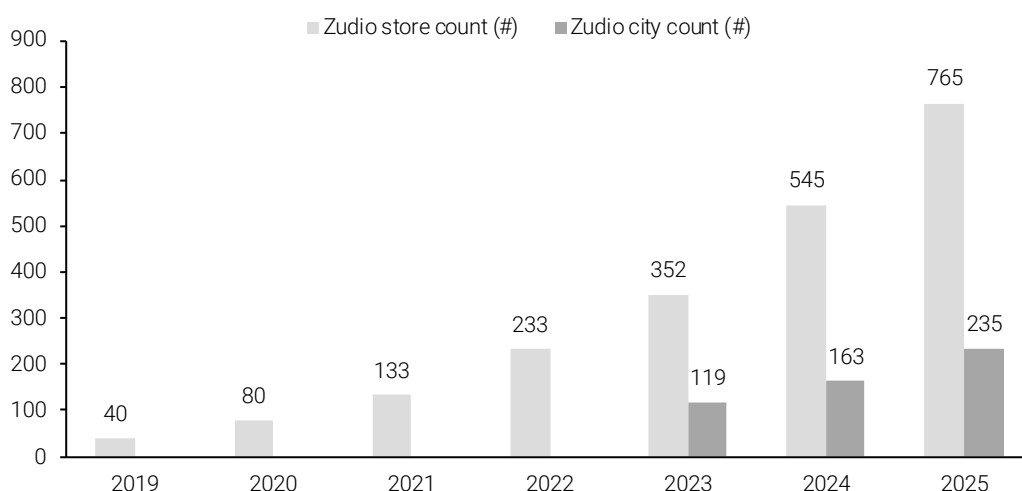
The store count in micro markets has steadily increased. This may have cannibalized some of the existing stores, but Trent prefers catering to a larger number of customers. Upgradation and consolidation of stores is natural as customers keep changing. Trent is focused on increasing density in its micro markets; this is already visible in a few areas. According to management, this strategy is right for the brand as the company's effort is to increase its share in relevant geographies. Management also stated that this strategy doesn't lead to an economics problem as stores are well planned out.

According to management, the lock-in period for Trent stores can be as low as 18 months and go up to 5 years. Landlords, on the other hand, could be locked in for longer. This happens because Trent generates very high sales density in the Indian context and provides better credibility than other tenants.

Exhibit 1: Store and city count of Westside, March fiscal year-ends (#)



Source: Company, Kotak Institutional Equities

Exhibit 2: Store and city count of Zudio, March fiscal year-ends (#)

Source: Company, Kotak Institutional Equities

Continuous enhancement of supply-chain capabilities

Given the scale, the complexities, the rapidly evolving consumer context and Trent's growth ambitions, the company is committing substantial investments in technology, automation and supply chains. For instance, across the fashion portfolio, it has transitioned to universal RFID tagging and tracking of merchandise. Its current operations already leverage numerous use cases from a diverse set of interventions. Trent expanded use of RFID (Radio Frequency Identification) across retail stores and distribution centers ('DCs'). This led to significant improvements in inventory accuracy, reduced cycle count times, and faster inward and outward processing at DCs. The ability to identify SKUs at a granular level, in real time, has not only improved operational efficiency but also enhanced ability to replenish stores with the right products at the right time.

Trent's fashion brands now use RFID for merchandise tracking, significantly improving supply chain management and unlocking new uses in distribution centers and stores. Faster 'box-to-floor' processes also increase product availability. For store employees, RFID adoption has simplified routine tasks, improved visibility, and freed up time to focus more on customer engagement. Future plans include automated stock-takes and faster resolution of out-of-stock issues. RFID checkouts is also being rolled out in a phased manner. According to the company, RFID implementation is difficult as it involves every stakeholder in the value chain (store, warehouse, vendors, etc.). However, it enables the possibility of operating the store with fewer employees and improving efficiencies of running the store.

Trent is investing in modernizing its backend infrastructure and logistics network to ensure agility and resilience in the face of accelerated retail growth and evolving customer demands, prioritizing faster delivery times, wider product availability, and a seamless shopping experience. Toward this, it has advanced a series of warehouse automation initiatives, including the deployment of spiral conveyors, boom conveyors, and cross-belt sorters. These solutions have considerably increased throughput capacity and reduced manual efforts in key processes such as sorting, loading, and unloading. Automation has also improved space utilization and allowed Trent to scale efficiently to meet peak demand periods.

Trent's operations are supported by a network of distribution centers, sourcing offices, and corporate offices. It follows a decentralized distribution model, which helps it meet regional demand more quickly and reduce lead times. Its sourcing offices are located close to key vendor hubs, allowing better coordination with suppliers. Around 90% of its sourcing is done within the country, which helps speed up procurement and reduces dependencies.

Westside: Steady growth driven by 16 net new store additions in FY2025

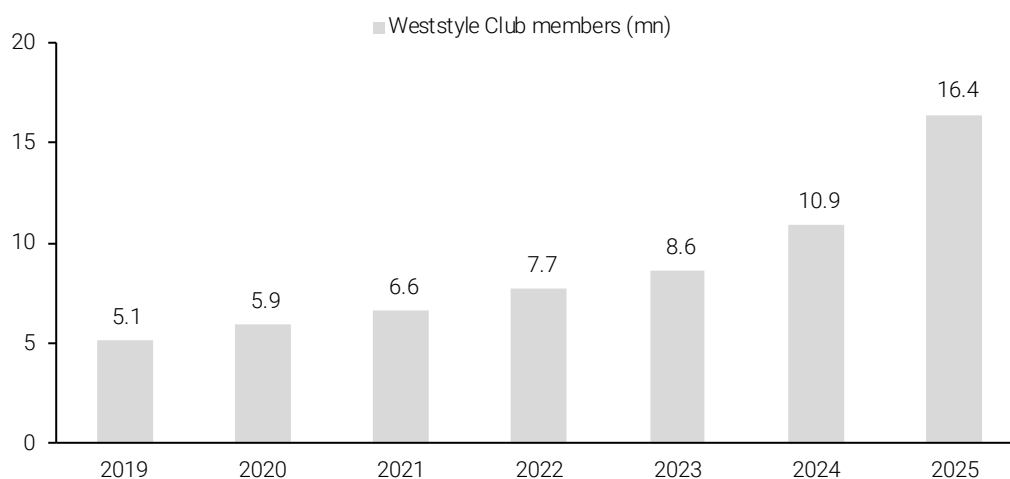
The company has stated that store portfolio review for brand congruence and consequential consolidation and enhancement initiatives remain an integral component of its strategy. In FY2025, Trent added 40 new Westside stores and consolidated 24 stores. It increasingly seeks to grow a portfolio of prominent stores that have significant street presence in marquee locations with an area predominantly between 20k-30k sq. ft. During FY2025, Westside focused on the following initiatives:

- ▶ Emphasis on freshness and on-trend fashion coupled with efficiency of supply chain.
- ▶ Deepening customer connection and community building through exclusive 'Wesness' program initiatives across select stores and cities.
- ▶ Scaling and leveraging the annual subscription-based customer engagement program—WestStyleClub.
- ▶ Accelerating reach coupled with a focus on a high-quality store footprint with prominent street presence.

The total investment in a new Westside COCO store (leased and operated by the company) is in the region of Rs80-90 mn across capex, deposits and inventory. Customer engagement is done in a patient and cost-effective manner. The company's Wesness program is a step in that direction. Trent continues to focus on its annual subscription program, WestStyleClub, to draw new members and renewals. In FY2025, WestStyleClub welcomed over 5.3 mn subscribers to the club, taking the total member base to 16.4 mn, up 38% yoy. Over 90% of Westside's revenues are attributable to its loyal WSC members.

Westside added ~5.5 mn new subscriptions to the loyalty program in FY2025

Exhibit 3: WestStyle Club members, March fiscal year-ends (mn)



Source: Company, Kotak Institutional Equities

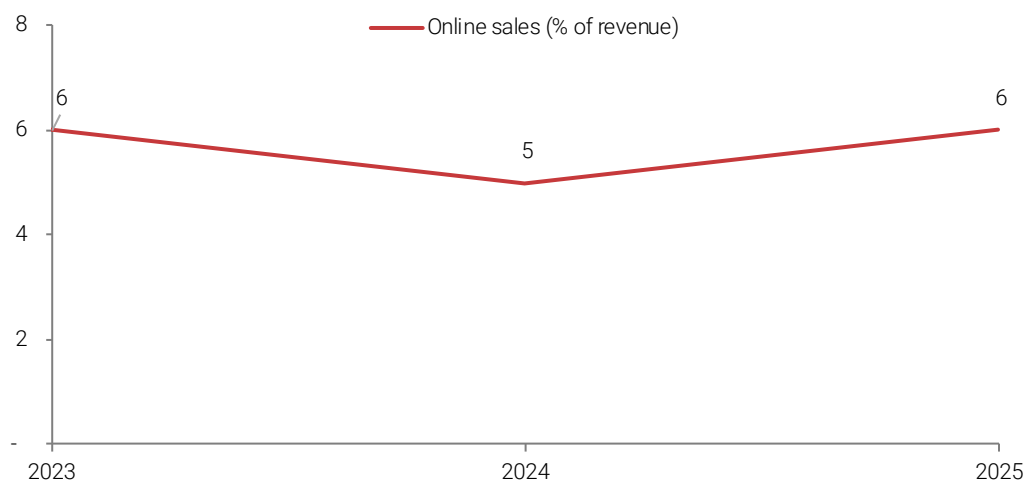
Westside offers a portfolio of exclusive fashion brands. In FY2025, it added Pome, its lab grown diamond offering available in select Westside stores.

Exhibit 4: Key brands of Westside

Brand	Category
Nuon	Apparel
LOV	Apparel
Studio Fit	Apparel
Ascot	Apparel
ETA	Apparel
Vark	Apparel
Wardrobe	Apparel
Hop	Apparel
Gia Curves	Apparel
Wunder Love	Apparel
Utsa	Apparel
Bombay Paisley	Apparel
Zuba	Apparel
Studio West	Beauty
Pome	Jewellery
Soleplay	Footwear
LUNA BLU	Footwear
Westside Home	Home décor

Source: Company, Kotak Institutional Equities

The online channel contributed around 6% of Westside revenues in FY2025. Trent's online business is profitable and registered volume growth of 41% in FY25. Trent adopts an omnichannel model, seamlessly sourced from its integrated pool of inventory across select stores and distribution centers. It looks forward to growing this channel significantly in the years ahead in order to allow Westside access to a very large and diverse audience. According to management, there are very few brands in India today that sell as much volume as Westside does online.

Exhibit 5: Online sales as proportion of total revenue of Westside, March fiscal year-ends (%)

Source: Company, Kotak Institutional Equities

Westside has pruned its city presence marginally**Exhibit 6: State-wise presence of Westside stores (#)**

State	2023	2024	2025
Maharashtra	36	39	42
Karnataka	24	26	30
Gujarat	21	27	28
Telangana	15	19	22
Tamil Nadu	16	17	20
Uttar Pradesh	14	14	16
Kerala	9	12	11
Delhi	8	7	9
Andhra Pradesh	6	6	8
Rajasthan	6	7	8
Madhya Pradesh	9	9	7
West Bengal	7	7	7
Haryana	4	3	6
Punjab	4	4	6
Assam	7	7	4
Chattisgarh	3	4	4
Uttarakhand	4	5	4
Bihar	4	4	3
Goa	2	2	3
Jharkhand	4	4	3
Chandigarh	2	2	2
Nagaland	1	1	2
Jammu	1	1	1
Odisha	3	2	1
Puducherry	1	1	1
Mizoram	1	1	—
Sikkim	1	1	—
Himachal Pradesh	1	—	—
Total	214	232	248

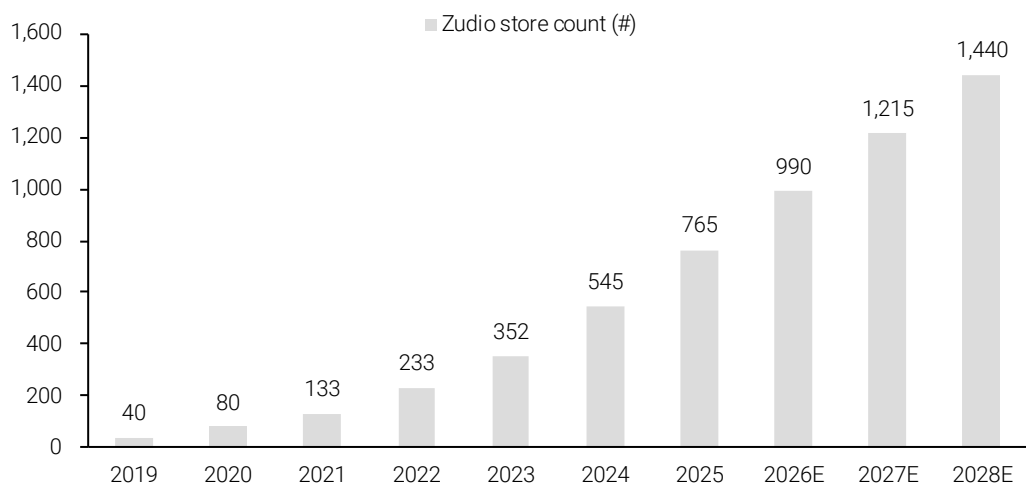
Source: Company, Kotak Institutional Equities

Zudio: Crosses US\$1 bn in revenue in FY2025

Trent added 242 new stores and consolidated 24 Zudio stores to end FY2025 with net store addition of 220 and Zudio store count of 765. In FY2025, Zudio crossed US\$1 bn in sales.

Zudio International: The brand made its international debut with its first store in Dubai, an opportunity to test its value-driven fashion proposition in a diverse and fashion-forward market. Trent will use its learnings in the UAE to further fine-tune its India offering.

The capital employed for a new Zudio COCO store is in the region of Rs30-40 mn, including capex, deposits and inventory. With a store size of around 7k-12k sq. ft, the concept enables expansion across numerous micro-markets. In FY2025, Zudio entered 67 cities and added more presence in 56 cities including many in tier 2 and tier 3 locations. Zudio aims to place its stores within arm's length of its target customers, ensuring accessibility and visibility.

Exhibit 7: Store count of Zudio, March fiscal year-ends (#)


Source: Company, Kotak Institutional Equities

Exhibit 8: State-wise presence of Zudio stores in India (#)

State	2023	2024	2025
Maharashtra	60	86	114
Gujarat	55	82	84
Karnataka	42	58	76
Telangana	34	42	66
Kerala	25	44	56
Uttar Pradesh	20	33	56
Tamil Nadu	17	24	36
Rajasthan	14	21	33
Delhi	3	14	29
Punjab	9	15	29
West Bengal	14	23	29
Andhra Pradesh	5	18	28
Haryana	8	13	23
Madhya Pradesh	11	15	20
Assam	5	9	15
Bihar	7	9	14
Odisha	4	8	13
Uttarakhand	3	7	10
Jharkhand	3	6	7
Chattisgarh	5	5	6
Goa	2	5	6
Manipur	2	2	3
Jammu	2	2	2
Nagaland	1	1	2
Sikkim	—	1	2
Himachal Pradesh	—	1	1
Meghalaya	1	1	1
Mizoram	—	—	1
Puducherry	—	—	1
Total	352	545	763

Note:

(a) The above list does not include the 2 stores added in Dubai in FY2025.

Source: Company, Kotak Institutional Equities

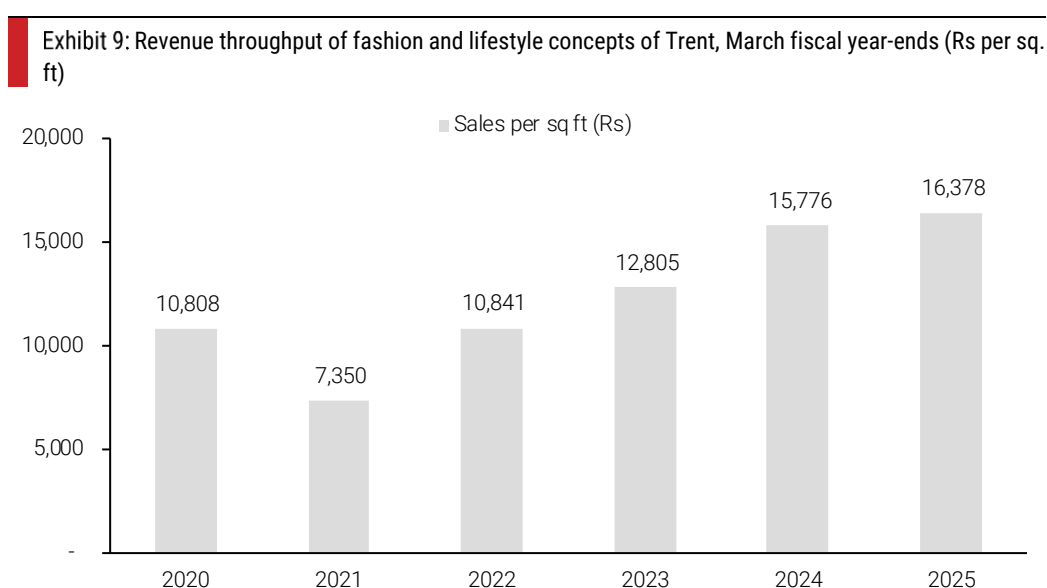
As the value fashion market becomes increasingly competitive, Zudio differentiates itself by delivering a compelling customer proposition that combines credible quality, responsiveness to consumer preferences, and price stability. By focusing on its own in-house brands, Zudio ensures that its offerings remain fresh and on-trend, consistently appealing to its target audience.

Zudio avoids price-discounting or heavy marketing spends and instead takes an approach to marketing and building brand visibility through expanding its presence in micro-markets. Zudio makes a conscious choice to refrain from going online owing to the channel's unattractive economics for this product segment.

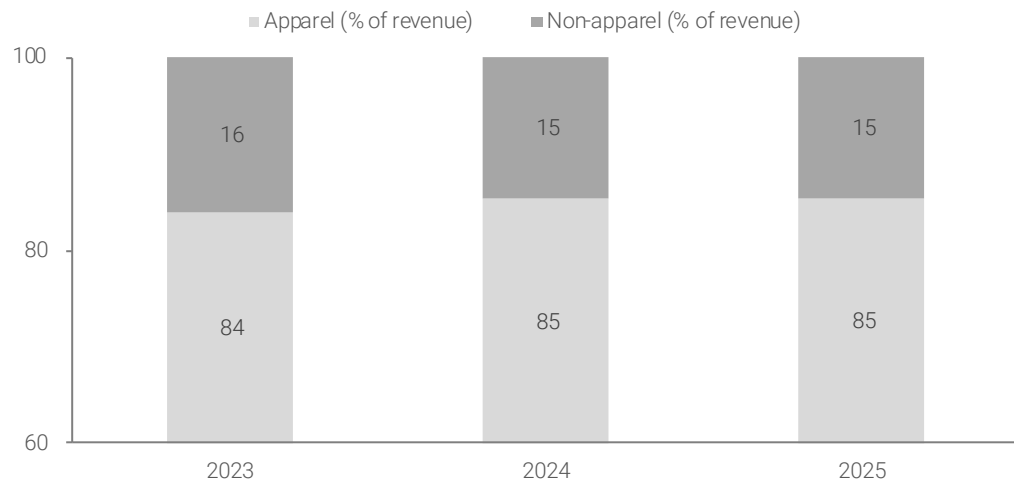
Overall fashion retail: Fast growing portfolio with multiple formats

Trent closed the year with a total of 1,043 stores in its fashion business: 248 stores of Westside, 765 stores of Zudio and 30 stores of other lifestyle concepts.

Revenue throughput increased 3.8% yoy to Rs16,378 per sq. ft driven by faster growth of higher-throughput Zudio format and steady like-for-like growth. We believe this offset the impact of the drag from large increase in store count toward the end of FY2025.

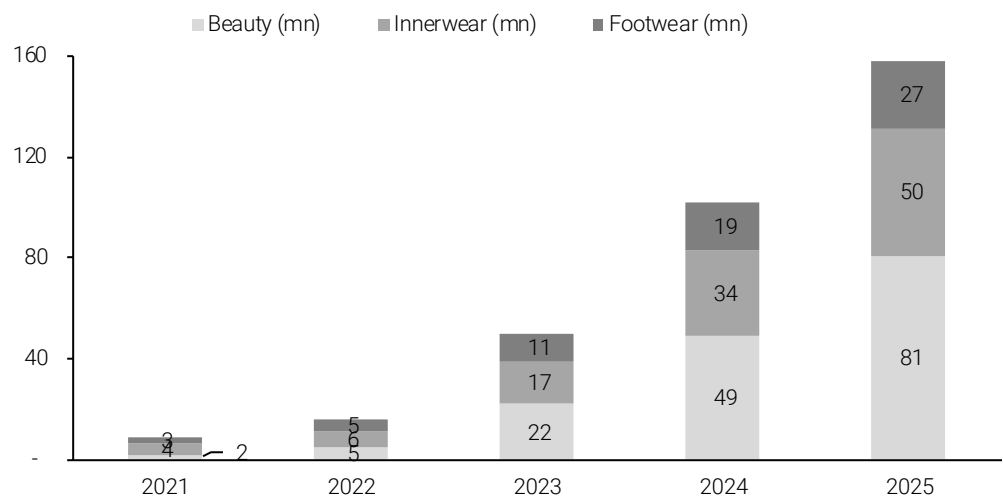


Source: Company, Kotak Institutional Equities

Exhibit 10: Contribution of apparel and non-apparel products to total revenue, March fiscal year-ends (%)

Source: Company, Kotak Institutional Equities

In its annual report, company has mentioned that in FY2025 it doubled down on lifestyle categories and non-apparel accounted for over 20% of its revenues. Footwear, innerwear and beauty continue to be emerging categories in the non-apparel space.

Footwear, innerwear and beauty continue to be emerging categories in the non-apparel space**Exhibit 11: Volume of sales of beauty, innerwear and footwear products, March fiscal year-ends (mn)**

Source: Company, Kotak Institutional Equities

Trent has scaled up its innerwear volumes significantly versus peers

Exhibit 12: Volume sales of innerwear of PAG and Trent, March fiscal year-ends (mn)

	2021	2022	2023	2024	2025	CAGR (%) 2023-25
PAG (mn)	101	127	154	156	164	3
Trent (mn)	4	6	17	34	50	71
Trent (% of PAG)	4	5	11	22	31	

Notes:

(a) Volume sales of PAG is an estimated number.

Source: Company, Kotak Institutional Equities estimates

Exhibit 13: Volume sales of footwear of BATA and Trent, March fiscal year-ends (mn)

	2021	2022	2023	2024	2025	CAGR (%) 2023-25
BATA India (mn)	32	38	48	46	50	2
Trent (mn)	3	5	11	19	27	57
Trent (% of BATA)	9	13	23	41	54	

Source: Company, Kotak Institutional Equities

Trent MAS Fashion Private Limited (TMF)

Trent MAS Fashion Private Limited (TMF) was incorporated in 2023 as a 50:50 joint venture between the company and MAS Amity Pte Ltd for undertaking the business of design, development and manufacture of apparel and apparel-related products, including but not limited to intimate wear. With MAS domain expertise in design capabilities and product knowledge, Trent expects this business to progressively contribute value to its customers. In FY2025, TMF contributed materially to the supply of innerwear for both Westside and Zudio.

Standalone business: EBITDA margins expand by 30 bps yoy to 16.5%

EBITDA margins of Trent's standalone business expanded 30 bps yoy to 16.5%. While gross margin declined 80 bps yoy due to higher contribution of revenues from Zudio, this was offset by operating leverage (in cost heads such as employee expense and fixed costs).

Exhibit 14: EBITDA margin profile of Trent, March fiscal year-ends (% of revenue)

	2023	2024	2025
Gross margin	45.4	45.2	44.4
Employee expenses	7.5	7.9	7.2
Other operating expenses	5.6	5.5	5.8
Rental expenses	9.2	9.5	9.3
Fixed cost of sales	8.5	6.2	5.5
G&A	6.7	5.4	4.8
Advertising and Promotion cost	1.8	0.7	0.7
EBITDA margin	14.5	16.2	16.5

Source: Company, Kotak Institutional Equities

Star: Continued focus on private labels

Trent added 12 net stores in its Star format in FY2025. The current portfolio consists of 78 Star stores across THPL and Fiora Hypermarket Ltd (FHL), concentrated in 10 cities. The Star business is increasingly anchored on a store proposition, offering a curated range of fresh produce, groceries, exclusive brands, FMCG products and home care in a size of 18k-24k sq. ft. Per Trent, the Star business registered strong consumer traction metrics driven by growing footfalls. The number of invoices on a like-for-like basis grew over 10%.

Over time, the Star offer has evolved into a distinct proposition famous for 'Fresh Foods'. Star has a network of over 1,000 farmers and sources more than 80% of its vegetables and more than 70% of its fruits directly from farmers. It is also among the few retailers in the country to serve its customers a wide range of fresh meats and seafood.

Its exclusive retail brands in the FMCG vertical have continued to witness encouraging offtake and comprised a 17% share among FMCG categories at the end of FY2025. As with fresh foods, the majority of the staples are directly sourced from millers. 'SMARTLE', its own brand launched last year in the general merchandise category, has gained good customer traction and now accounts for 79% revenue share in its participating category (this includes fresh produce as well).

Stars exclusive retail brand offerings

Exhibit 15: List of exclusive brands offered by Star Bazaar

Brand	Category
Klia	Cleaning-aids and home care products
Fabsta	Packaged food and beverages
Skye	Personal care products
ShubhAnand	Pooja products
Vaayo	Disposables and room freshners
Smartle	General merchandise
Star	Branded staples and fresh products
Zudio	Fashion & Lifestyle

Source: Company, Kotak Institutional Equities

Co-located Zudio stores contributed an estimated 32% to Trent Hypermarket's sales in FY2025

Exhibit 16: Estimated contribution of Zudio to Trent Hypermarket's revenues, March fiscal year-ends (Rs mn)

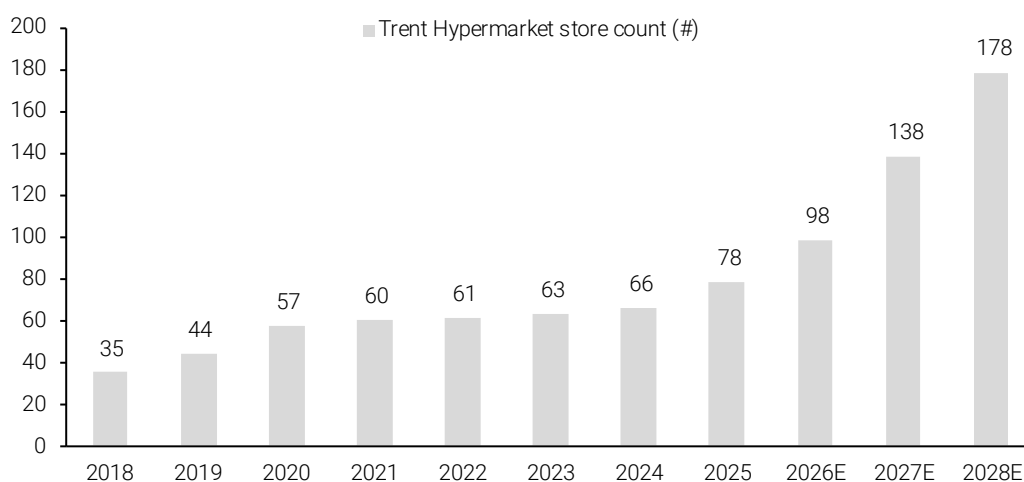
	2022	2023	2024	2025
Trent Hypermarket revenues (Rs mn)	13,384	18,110	21,889	27,327
Sales by Trent (standalone) to Trent Hypermarket (Rs mn)	1,639	4,808	6,987	8,667
Estimated contribution of Zudio to Trent Hypermarket revenues (%)	12	27	32	32

Source: Company, Kotak Institutional Equities estimates

Exhibit 17: Profit and loss statement of Trent Hypermarket, March fiscal year-ends (Rs mn)

	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Profit model											
Revenue	9,396	10,005	12,289	11,851	13,384	18,110	21,889	27,327	33,698	47,257	61,455
Gross profit	1,877	2,204	2,376	2,151	2,304	3,412	4,436	5,477	7,006	10,179	13,699
Gross margin (%)	20.0	22.0	19.3	18.1	17.2	18.8	20.3	20.0	20.8	21.5	22.3
Operating expenses	(10,430)	(10,808)	(13,034)	(12,105)	(13,911)	(18,180)	(21,634)	(27,448)	(33,559)	(46,587)	(59,822)
Employee expenses	(784)	(887)	(1,000)	(841)	(940)	(954)	(1,103)	(1,402)	(1,694)	(2,329)	(2,909)
Other expenses	(1,502)	(1,479)	(2,121)	(1,564)	(1,890)	(2,529)	(3,079)	(4,195)	(5,173)	(7,181)	(9,156)
EBITDA	(1,035)	(802)	(745)	(254)	(527)	(71)	255	(120)	139	669	1,633
EBITDA margin (%)	(11.0)	(8.0)	(6.1)	(2.1)	(3.9)	(0.4)	1.2	(0.4)	0.4	1.4	2.7
Other income	251	221	268	415	250	145	217	108	120	140	150
PBDIT	(784)	(581)	(477)	161	(277)	74	471	(13)	259	809	1,783
Financial charges	(19)	(4)	(410)	(420)	(404)	(392)	(311)	(60)	(62)	(66)	(69)
Depreciation	(319)	(328)	(655)	(669)	(696)	(716)	(1,099)	(807)	(929)	(1,068)	(1,228)
Pre-tax profit	(1,122)	(913)	(1,541)	(929)	(1,376)	(1,034)	(938)	(880)	(732)	(324)	486
Taxation	1	(1)	(10)	(16)	7	3	(6)	—	—	—	—
PAT (recurring)	(1,121)	(915)	(1,551)	(944)	(1,370)	(1,031)	(944)	(880)	(732)	(324)	486

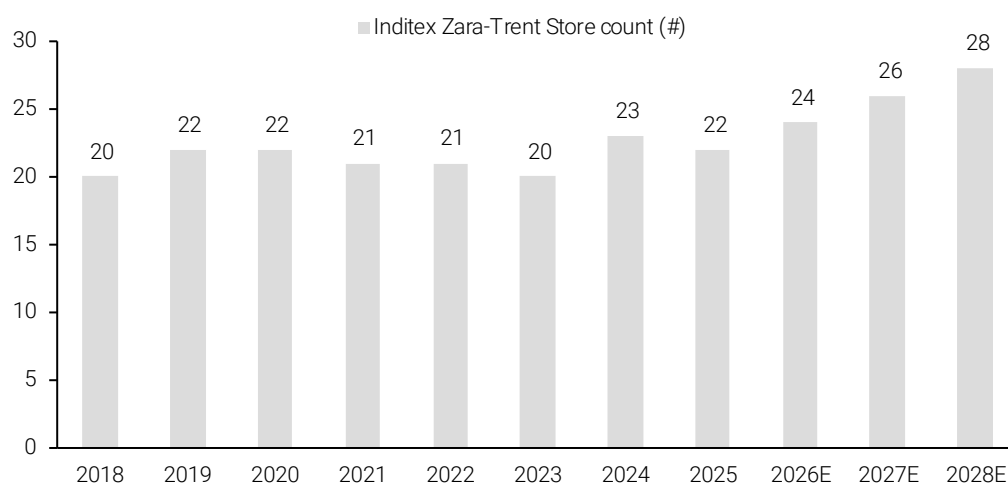
Source: Company, Kotak Institutional Equities estimates

Exhibit 18: Store count of Trent Hypermarket, March fiscal year-ends (#)


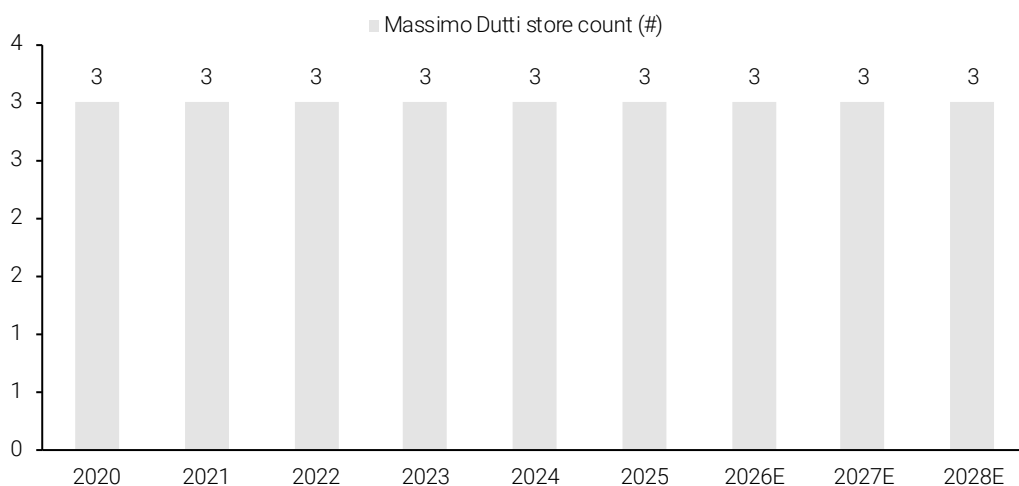
Source: Company, Kotak Institutional Equities estimates

Inditex JV: Trent pares its stake

During FY2025, the Zara entity recorded revenues of Rs27 bn, registering nil yoy growth. The incremental store openings for Zara continue to be calibrated with a focus on presence only in very high-quality retail spaces. The entity for Massimo Dutti operates 3 stores and recorded revenues of Rs1 bn, nil growth yoy.

Exhibit 19: Store count of Inditex Zara-Trent, March fiscal year-ends (#)

Source: Company, Kotak Institutional Equities estimates

Exhibit 20: Store count of Massimo Dutti, March fiscal year-ends (#)

Source: Company, Kotak Institutional Equities estimates

Including in the context of brand ownership and the arrangements for merchandise supply (with the majority partner entirely controlling these core customer propositions and the terms thereto), Trent views its related commitments as a financial investment. Pursuant to a Buyback Offer and Board approval in August 2024, Trent's shareholding in ITRIPL (Inditex Trent Retail India Private Limited) stands at 34.94%. Separately, pursuant to a sale of 29% shareholding in MDIPL in March 2025, Trent's shareholding in MDIPL (Massimo Dutti India Private Limited) stands at 20%.

Consequently, dividend income booked by Trent (dividend from 'others' in Trent standalone) came down meaningfully to Rs3 mn compared to Rs747 mn in FY2024. This figure may remain volatile although we note that with reducing stake, this income for Trent may remain lower than earlier.

Dividend income has been on a declining trend

Exhibit 21: Break-up of other income of Trent, March fiscal year-ends (Rs mn)

Other income	2022	2023	2024	2025
Interest income	202	156	174	300
Dividend income	1,115	1,482	750	245
Other non-operating income	1,473	2,479	2,585	2,749
Total	2,790	4,117	3,509	3,294

Source: Company, Kotak Institutional Equities

Inditex-Zara reported nil yoy revenue growth in FY2025

Exhibit 22: Profit and loss statement of Inditex Zara-Trent, March fiscal year-ends (Rs mn)

	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Profit model											
Revenue	12,200	14,319	15,705	11,261	18,154	25,538	27,689	27,821	38,740	35,562	39,829
Gross profit	5,186	5,483	6,073	3,394	6,816	10,085	10,564	10,614	14,780	13,567	15,195
Gross margin (%)	43	38	39	30	38	39	38	38	38	38	38
Employee expenses	(396)	(498)	(532)	(446)	(546)	(679)	(805)	(603)	(840)	(771)	(864)
Other expenses	(3,097)	(3,459)	(3,159)	(2,593)	(3,636)	(5,242)	(5,548)	(5,431)	(7,562)	(6,942)	(7,775)
EBITDA	1,692	1,525	2,382	355	2,634	4,164	4,211	4,580	6,377	5,854	6,557
EBITDA margin (%)	14	11	15	3	15	16	15	16	16	16	16
Other income	17	60	57	106	94	87	57	574	632	695	765
PBDIT	1,709	1,585	2,439	461	2,729	4,252	4,268	5,154	7,009	6,549	7,321
Financial charges	(20)	(2)	(189)	(151)	(140)	(162)	(175)	(82)	(114)	(105)	(118)
Depreciation	(449)	(464)	(724)	(861)	(596)	(532)	(822)	(1,047)	(1,459)	(1,339)	(1,500)
Pre-tax profit	1,241	1,119	1,526	(550)	1,993	3,558	3,271	4,025	5,436	5,105	5,704
Taxation	(415)	(404)	(486)	137	(505)	(915)	(833)	(1,026)	(1,413)	(1,327)	(1,540)
PAT (recurring)	826	715	1,041	(413)	1,488	2,643	2,438	2,998	4,023	3,778	4,164

Source: Company, Kotak Institutional Equities estimates

Efficient working capital management, in part supported by healthy inventory management

Trent remains focused on timely inventory management resulting in quick movement of goods across its warehouse and retail channels. This is visible from the tight working capital management, driven by reduction in inventory days in FY2025.

Exhibit 23: Net working capital of TRENT, March fiscal year-ends (as days of sales)

	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Current assets											
Inventory (Rs mn)	3,448	4,970	6,078	4,284	8,678	13,612	15,827	20,451	26,131	32,151	38,894
Inventory days - (1)	58	69	64	60	70	60	47	44	41	39	38
Trade receivables (Rs mn)	151	165	171	208	179	344	817	630	816	1,022	1,260
Receivable days - (2)	3	2	2	3	1	2	2	1	1	1	1
Loans and advances + other current assets (Rs mn)	2,977	3,588	4,334	4,295	5,525	7,051	10,556	13,735	17,869	22,432	27,722
Loans and advances + other current assets days - (3)	50	50	45	60	45	31	31	29	28	27	27
Current liabilities											
Current liabilities (Rs mn)	3,019	4,743	5,661	7,875	5,599	8,831	11,274	14,062	18,376	23,137	28,660
Current liabilities days - (4)	51	66	59	111	45	39	33	30	29	28	28
Provision (Rs mn)	205	212	254	204	309	713	1,788	1,929	2,506	3,143	3,881
Days of provision - (5)	3	3	3	3	3	3	5	4	4	4	4
Net working capital	3,353	3,768	4,668	708	8,474	11,462	14,139	18,824	23,934	29,324	35,334
Net working capital days - (1) + (2) + (3) - (4) - (5)	57	52	49	10	69	51	42	40	37	36	35

Source: Company, Kotak Institutional Equities estimates

Cash flow: Impacted by higher capex in FY2025

Trent reported a sharp increase in capex to Rs12.2 bn in FY2025 versus Rs7.2 bn in FY2024 (standalone). Trent's area addition increased by 49% yoy and partly explains the capex increase. Investments in back-end, warehousing and technology would possibly account for the remainder of the capex though the extent of yoy increase still looks high.

Adjusting for lease liability payments, Trent generated FCF of Rs3.2 bn in FY2025 compared with Rs7.1 bn in FY2024.

Exhibit 24: Cash flow generation of Trent, March fiscal year-ends (Rs mn)

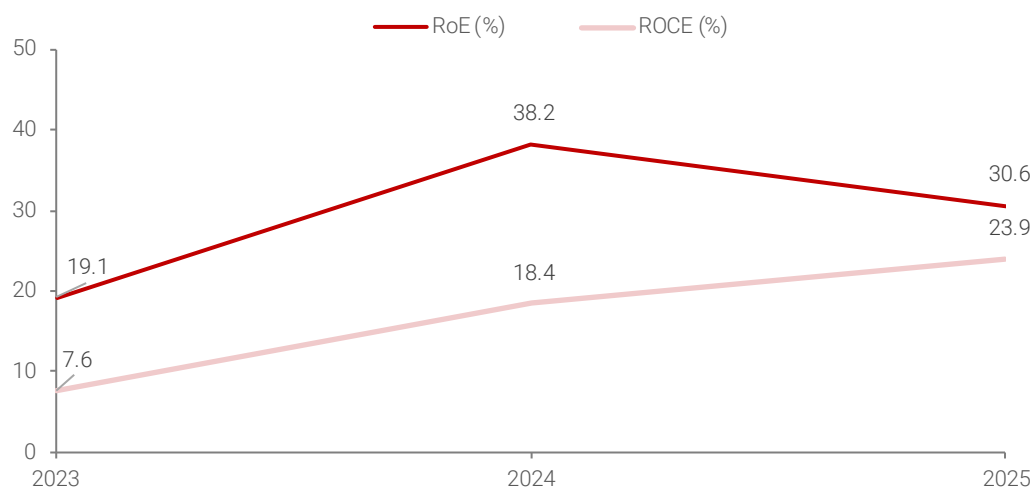
	2024	2025
Operating cash flow	13,490	16,609
Lease liabilities	(2,775)	(5,397)
Cash flow generated	10,715	11,212
Capital expenditure+acquisitions	(3,937)	(8,617)
Free cash flow	6,778	2,595

Source: Company, Kotak Institutional Equities

Return ratios on the way up

Healthy operating metrics, strong growth in net profits and healthy working capital management has driven a consistent improvement in Trent's return ratios.

Exhibit 25: Return ratios of Trent, March fiscal year-ends (%)



Source: Company, Kotak Institutional Equities

Exhibit 26: Key changes in estimates for Trent (standalone), March fiscal year-ends, 2026-28E (Rs mn)

	New estimates			Old estimates			% revision		
	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Total									
Revenue (Rs mn)	218,177	275,014	340,957	218,177	275,014	340,957	0.0	0.0	0.0
Revenue growth (%)	31	26	24	31	26	24			
Gross profit (Rs mn)	95,003	117,637	143,526	95,147	118,114	144,509	(0.2)	(0.4)	(0.7)
Gross margin (%)	43.5	42.8	42.1	43.6	42.9	42.4			
EBITDA (Rs mn)	35,485	44,601	56,288	35,268	43,474	54,108	0.6	2.6	4.0
EBITDA margin (%)	16.3	16.2	16.5	16.2	15.8	15.9			
PBT (Rs mn)	27,211	33,645	43,009	26,853	33,636	41,917	1.3	0.0	2.6
Net Profit (Rs mn)	20,408	25,066	32,042	20,140	25,059	31,228	1.3	0.0	2.6
EPS (Rs)	57.4	70.5	90.1	56.7	70.5	87.9	1.2	0.0	2.5
EPS growth (%)	29	23	28	27	24	25			

Source: Company, Kotak Institutional Equities estimates

Maintain REDUCE with FV of Rs5,400
Exhibit 27: SoTP-based Fair Value of Rs5,400

Standalone business (Westside, Zudio, Landmark, Utsa)	
June 2027E P/E (X)	65
Equity value (Rs mn)	1,742,557
Trent Hypermarket (50% stake)	0
June 2027E P/sales (X)	6.2
Equity value (Rs mn)	157,753
Inditex + Massimo Dutti (20% stake)	0
June 2027E P/E (X)	25
Equity value (Rs mn)	19,371
Total equity value of the company (Rs mn)	1,919,682
Diluted share count (mn)	356
Fair value per share (Rs)	5,400

Source: Kotak Institutional Equities estimates

Exhibit 28: Details of the segmental assumptions for Trent, March fiscal year-ends, 2019-28E (Rs mn)

	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Westside										
SSSG (%)	9	7	(35)	45	49	15	6	7	5	6
Stores (#)	150	165	174	200	214	232	248	266	288	311
Total retail area (mn sq.ft.)	2.4	3.0	2.8	3.2	3.9	5	5	6	7	7
Average revenue per sq.ft. (Rs)	10,532	10,639	7,159	9,950	11,973	12,311	12,417	12,812	13,159	13,616
COGS per sq.ft. (Rs)	4,134	4,125	2,263	3,878	5,207	5,294	5,277	5,445	5,593	5,787
EBITDA per sq.ft. (Rs)	1,080	1,034	53	450	1,508	1,847	2,142	2,210	2,336	2,485
Revenues (Rs mn)	22,785	25,421	15,356	28,096	40,891	52,271	62,067	72,657	82,960	93,794
Gross profit (Rs mn)	13,193	14,261	8,845	16,493	22,531	29,795	35,689	41,778	47,702	53,932
Gross profit margin (%)	57.9	56.1	57.6	58.7	55.1	57.0	57.5	57.5	57.5	57.5
EBITDA (Rs mn)	2,506	2,796	154	1,347	5,316	7,841	10,707	12,533	14,725	17,117
EBITDA margin (%)	11.0	11.0	1.0	4.8	13.0	15.0	17.3	17.3	17.8	18.3
Zudio										
Stores (#)	40	80	133	233	352	545	765	990	1,215	1,440
Total retail area (mn sq.ft.)	0.2	0.5	0.8	1.5	2.3	5	8	11	15	18
Average revenue per sq.ft. (Rs)	10,500	11,025	5,513	9,261	18,800	18,537	16,270	15,131	14,828	15,125
COGS per sq.ft. (Rs)	8,332	10,426	5,664	6,430	12,397	11,771	10,360	9,650	9,480	9,692
EBITDA per sq.ft. (Rs)	180	1,522	(1,378)	188	940	1,816	1,757	1,795	1,921	2,137
Revenues (Rs mn)	2,040	5,070	4,800	10,494	35,713	66,308	103,769	144,489	190,810	245,672
Gross profit (Rs mn)	622	1,597	1,248	3,208	12,164	24,202	37,689	52,334	68,825	88,245
Gross profit margin (%)	30.5	31.5	26.0	30.6	34.1	36.5	36.3	36.2	36.1	35.9
EBITDA (Rs mn)	31	507	(864)	213	1,786	6,495	11,207	17,136	24,716	34,706
EBITDA margin (%)	1.5	10.0	(18.0)	2.0	5.0	9.8	10.8	11.9	13.0	14.1

Source: Company, Kotak Institutional Equities estimates

Exhibit 29: Standalone financial snapshot of Trent, March fiscal year-ends, 2019-28E (Rs mn)

	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Profit model										
Revenue from operations	25,317	31,777	20,475	38,807	77,152	119,266	166,681	218,177	275,014	340,957
Gross profit	12,993	15,739	10,179	19,799	34,996	53,859	74,066	95,003	117,637	143,526
EBITDA	2,365	5,583	2,038	6,335	11,193	19,269	27,540	35,485	44,601	56,288
Depreciation and amortisation expense	(465)	(2,311)	(2,359)	(2,831)	(4,632)	(6,385)	(8,699)	(10,841)	(13,910)	(16,997)
EBIT	1,901	3,272	(321)	3,505	6,560	12,884	18,841	24,644	30,690	39,291
Other income	363	1,567	2,042	2,790	4,117	3,509	3,294	4,145	4,718	5,643
Finance costs	(368)	(2,383)	(2,380)	(2,933)	(3,572)	(3,094)	(1,369)	(1,578)	(1,763)	(1,925)
Profit before tax	1,896	2,455	(658)	3,362	7,105	13,300	20,766	27,211	33,645	43,009
Taxation	(617)	(909)	211	(734)	(1,559)	(3,008)	(4,918)	(6,803)	(8,579)	(10,967)
Profit after tax	1,279	1,546	(447)	2,628	5,546	10,292	15,848	20,408	25,066	32,042
Diluted EPS (Rs/share)	3.8	4.3	(1.4)	7.0	15.6	40.4	44.6	57.4	70.5	90.1
Weighted average number of shares - diluted (mn)	356	356	356	356	356	356	356	356	356	356
Balance sheet										
Shareholders' funds	16,968	24,990	25,159	27,200	30,799	44,472	59,144	78,132	101,423	131,246
Total debt	3,942	2,997	2,999	4,974	4,980	4,986	4,992	3,992	2,992	1,992
Long-term liabilities	—	21,471	25,583	40,835	38,206	12,398	17,067	21,987	27,458	32,929
Total shareholders' funds + liabilities	20,910	49,458	53,741	73,009	73,985	61,855	81,203	104,111	131,873	166,167
Net fixed assets	6,797	7,085	7,027	7,917	9,457	13,456	20,553	29,274	38,157	46,948
Investments	9,735	16,356	17,573	17,518	16,754	19,291	21,625	19,891	20,141	20,391
RoU assets	—	19,041	22,265	37,336	34,346	11,891	16,964	21,884	27,355	32,826
Cash balances	510	441	669	744	789	2,862	3,229	9,151	16,952	30,761
Net current assets excluding cash	3,796	5,466	5,127	8,270	11,099	13,802	18,375	23,453	28,810	34,784
Deferred tax assets	72	1,070	1,080	1,225	1,540	553	458	458	458	458
Total assets	20,910	49,458	53,741	73,009	73,985	61,855	81,203	104,111	131,873	166,167
Key ratios (%)										
Revenue growth	29	29	29	29	29	29	29	29	29	29
EBITDA growth	33	33	33	33	33	33	33	33	33	33
EPS growth	9	13	(133)	(589)	122	159	10	29	23	28
Gross margin	51.3	49.5	49.7	51.0	45.4	45.2	44.4	43.5	42.8	42.1
EBITDA margin	9.3	17.6	10.0	16.3	14.5	16.2	16.5	16.3	16.2	16.5
Tax rate	33	37	32	22	22	23	24	25	26	26
Debt/equity (X)	0.2	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.0	0.0
RoAE	7.7	7.4	(1.8)	10.0	19.1	27.3	30.6	29.7	27.9	27.5
RoACE	6.3	8.4	(0.8)	9.1	15.1	23.4	25.3	25.3	24.5	24.6
Cash flow										
Operating cash flow before working capital changes	(617)	982	(1,643)	830	3,166	9,299	15,745	20,613	26,003	33,485
Change in working capital	(1,067)	(1,670)	339	(3,142)	(2,830)	(2,703)	(4,573)	(5,079)	(5,356)	(5,974)
Net finance cost/income	(4)	(816)	(337)	(143)	545	416	1,925	2,567	2,955	3,718
Cash flow from operations	(1,688)	(1,504)	(1,641)	(2,455)	881	7,012	13,097	18,100	23,601	31,229
Capital expenditure+acquisitions	28	(7,486)	(1,732)	(1,489)	(2,178)	(8,704)	(12,684)	(11,030)	(14,550)	(15,957)
Free cash flow	(1,660)	(8,990)	(3,373)	(3,944)	(1,297)	(1,692)	413	7,070	9,052	15,272

Source: Company, Kotak Institutional Equities estimates

Mphasis (MPHL)

IT Services

REDUCE

 CMP(₹): **2,687**

 Fair Value(₹): **2,600**

 Sector View: **Neutral**

 NIFTY-50: **24,812**

June 18, 2025

Focus on building momentum in large deals

We interacted with Nitin Rakesh, CEO; Aravind Viswanathan, CFO; and Mike Meyer, Head of Strategic Sales. Key takeaways—(1) Mphasis is developing disruptive propositions through generative AI in managed services deals and has upped the game in large deals through a series of measures, (2) generative AI is an enabler of legacy modernization programs, (3) generative AI helps in the delivery of deals with newer clients and (4) the company aspires to achieve industry-leading growth. The stock trades at full valuations. Retain REDUCE with a revised FV of Rs2,600.

Developing disruptive propositions through AI in managed services deals

Mphasis lacks the size and scale to compete effectively in pure managed services deals against Tier-1 IT. AI adoption helps bridge the gap through disruptive propositions. For example, in support programs, instead of focusing on incremental savings in cost per service request (ticket) through offshoring/pyramid etc., and thereby competing on cost per ticket with larger players, Mphasis proposes to use AI to transform processes to eliminate the number of tickets generated in the first place for larger cost savings. Mphasis indicated that (1) a good track record of delivery, (2) hi-tech+high-touch approach to engagements and (3) the ability to frame a credible roadmap to execute on gen AI-based efficiencies are helping it in competitive bids against larger vendors.

Upping the game in managed services deals

Apart from embracing generative AI, Mphasis has made a few changes to up its game in large managed services deals, which are as follows—

- ▶ Better competitive pricing. Earlier, Mphasis was more solution-oriented with less emphasis on benchmarking prices w.r.t. competition. Certain bids were lost as a result. This aspect has been corrected under Mike Meyer.
- ▶ Mphasis recruited at scale for roles to address multi-tower deals to complement the existing strong team of solution architects.
- ▶ Focus and rigor around engaging with deal advisories have increased.
- ▶ Large deals now have a more rigorous sign-off process from the delivery organization. Deal reviews are more stringent and involve participation of multiple functions, such as delivery, solution architects and legal teams.

Retain REDUCE with FV of Rs2,600

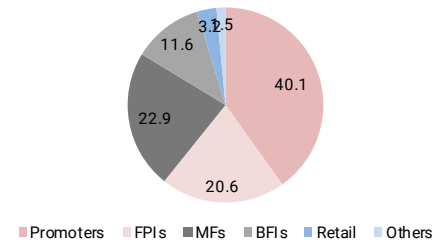
Mphasis' current focus is to get to better-than-industry-average growth. The next is to get to top quartile performance and ultimately progress to industry-leading growth. This requires getting rid of growth shackles in top accounts, consistent new wins and smart scale-up of accounts to larger sizes, areas where considerable progress is yet to be made in our view. We value the stock at 22X multiple (21X earlier) and roll over to June 2027E earnings (March earlier), leading to a revised FV of Rs2,600 (Rs2,400 earlier). Retain REDUCE.

Company data and valuation summary

Stock data

CMP(Rs)/FV(Rs)/Rating	2,687/2,600/REDUCE
52-week range (Rs) (high-low)	3,240-2,025
Mcap (bn) (Rs/US\$)	511/5.9
ADTV-3M (mn) (Rs/US\$)	1,677/19.4

Shareholding pattern (%)



Price performance (%)	1M	3M	12M
Absolute	3	17	11
Rel. to Nifty	4	9	6
Rel. to MSCI India	0	0	0

Forecasts/Valuations	2025	2026E	2027E
EPS (Rs)	89.9	98.5	111.1
EPS growth (%)	9.1	9.5	12.8
P/E (X)	29.9	27.3	24.2
P/B (X)	5.3	5.0	4.7
EV/EBITDA (X)	18.6	17.1	15.4
RoE (%)	18.4	18.8	20.0
Div. yield (%)	2.0	2.6	2.8
Sales (Rs bn)	142	154	171
EBITDA (Rs bn)	26	29	31
Net profits (Rs bn)	17	19	21

Source: Bloomberg, Company data, Kotak Institutional Equities estimates

Prices in this report are based on the market close of June 18, 2025

[Full sector coverage on KINSITE](#)

Generative AI is an enabler of legacy modernization programs

Consider programs that require modernization of a few hundred million lines of code. These would require several years of effort and also cost heavily. Generative AI helps reduce effort, cost and risks in such programs and hence, increasing RoI and making such programs viable for clients. Verticals such as BFSI and airlines have high exposure to mainframes and are leading candidates for legacy modernization programs. The hi-tech vertical has shown limited inclination toward legacy modernization. In healthcare, modernization entails simplification or eliminating of existing processes. Client conversations around modernization can yield new deals in 2026-27.

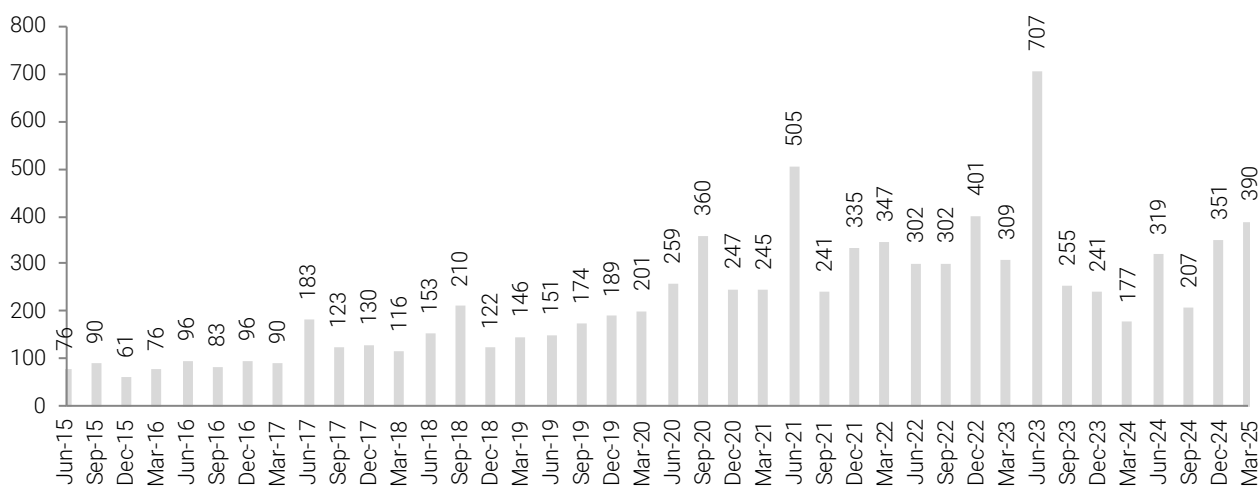
Generative AI helps in delivery of deals with newer clients

Mphasis' generative AI expertise helps make up for difficulty in acquiring adequate contextual knowledge in newer clients. The company's NeoZeta platform is capable of extracting knowledge from code and generating knowledge graphs from ingesting documents, which can be used for forward engineering. Mphasis focuses on reducing dependence on people by frequently capturing organizational knowledge in generative AI platforms.

Other highlights

- ▶ **Generative AI is aiding Mphasis in deal pursuits.** Generative AI adoption in production started sometime in the latter half of the previous year. Clients have many use cases but face challenges in implementation. They are willing to listen and partner with service providers such as Mphasis.
- ▶ **Generative AI will help Mphasis maintain or improve margins.** Revenue can deflate for managed services deals but margins can be maintained or increased through AI adoption. Focus is to change from being a people-based service provider to a solutions-based service provider.
- ▶ **Renewals.** Customers want to renegotiate earlier. Mphasis is renewing deals proactively, sometimes cannibalizing own revenue and making it up through other engagements.
- ▶ **Win ratios.** Success rate in winning large deals is higher in sizeable accounts opened 2-3 years ago since such clients are more receptive to such propositions.
- ▶ **Other highlights.** Mphasis is getting more ambitious in the healthcare vertical. Investments in the airlines vertical is bearing fruit currently.

Exhibit 1: Trend in new TCV wins in Direct business, US\$ mn, Jun-15-Mar-25



Source: Company, Kotak Institutional Equities

Exhibit 2: Key model assumptions, March fiscal year ends, 2020-28E

	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
INR/USD rate	71.4	74.3	75.2	80.4	82.5	84.7	86.6	88.5	90.0
Revenues (US\$ mn)	1,239	1,309	1,590	1,717	1,610	1,681	1,781	1,928	2,096
% growth	10.8	5.6	21.5	8.0	(6.3)	4.4	6.0	8.2	8.7
C/c revenue growth (%)	9.4	(1.6)	30.8	20.5	(6.5)	4.6	6.0	8.2	8.7
C/c revenue growth (organic %)	9.4	(1.6)	30.3	20.4	(8.6)	1.6	4.9	8.2	8.7
EBITDA margin (%)	18.7	18.5	17.7	17.6	18.2	18.6	18.5	18.3	18.0
EBIT margin (%)	16.0	16.1	77.0	15.3	15.1	15.3	15.3	15.5	15.5
SG&A (%)	10.2	11.8	11.5	11.2	11.9	12.8	12.7	12.6	12.5
Headcount	26,398	29,473	36,534	34,042	32,664	31,442	33,329	35,328	39,038
Headcount addition	1,913	3,075	7,061	(2,492)	(1,378)	(1,222)	1,887	2,000	3,709

Source: Company, Kotak Institutional Equities estimates

Exhibit 3: Key operating metrics

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Revenues (US\$ mn)	412	398	398	402	411	410	421	419	430
Revenues by verticals (%) - new (a)									
Banking and Capital market	52.2	49.3	47.1	46.8	47.1	47.7	47.9	48.7	50.0
Insurance	9.8	10.5	10.8	11.4	11.0	11.3	11.2	11.7	11.4
IT, communication & Entertainment	14.0	15.1	17.3	15.6	16.0	16.0	16.5	17.0	17.8
Logistics & transportation	13.8	14.2	13.4	13.7	13.7	13.7	13.1	12.2	10.9
Emerging industries	10.2	11.0	11.4	12.6	12.3	11.3	11.3	10.5	9.9
Revenues by delivery location (%)									
Onsite	53.5	52.1	52.1	53.2	56.0	57.1	57.3	59.0	59.9
Offshore	46.5	47.9	47.9	46.8	44.0	42.9	42.7	41.0	40.1
Revenues by project type (%)									
Time and Material	58.1	57.7	58.5	58.3	58.5	59.6	60.0	57.6	55.4
Transaction based	11.1	10.2	10.3	10.1	10.1	10.4	10.3	10.6	8.6
Fixed Price	30.8	32.0	31.2	31.6	31.4	30.0	29.7	31.8	36.0
Revenues by Secondary market segment- new (%)									
Direct International	94.6	94.9	95.1	95.4	95.4	95.8	95.8	95.9	96.7
DXC	3.8	3.5	3.2	2.9	3.0	2.6	2.7	2.7	2.5
Others	1.7	1.7	1.7	1.7	1.6	1.6	1.5	1.4	0.8
Revenues by geography (%)									
Americas	80.8	81.1	79.2	80.2	81.0	80.9	80.7	81.5	82.0
EMEA	10.7	10.4	12.0	11.6	11.0	11.1	11.0	10.2	9.9
India	5.5	5.7	6.0	5.5	5.3	5.3	5.7	6.0	5.1
ROW	3.0	2.9	2.9	2.7	2.7	2.7	2.6	2.4	2.9
Revenues by service line- new (%)									
Application services	70.7	71.0	70.5	70.7	71.2	71.4	71.3	71.7	71.8
Business Process Services	16.4	16.2	16.9	16.6	16.6	16.2	16.4	16.4	15.4
Infrastructure Services	12.9	12.8	12.7	12.7	12.3	12.4	12.3	11.9	12.7
Client metrics - new (excludes DXC)									
Top client contribution to revenues (%)	13	13	NA	NA	NA	NA	NA	NA	NA
Top 5 client contribution to revenues (%)	44	43	NA	NA	NA	NA	NA	NA	NA
Top 10 client contribution to revenues (%)	59	58	NA	NA	NA	NA	NA	NA	NA
Post merger of two top 10 accounts									
Top client contribution to revenues (%)	17	17	16	15	14	14	15	15	14
Top 5 client contribution to revenues (%)	49	47	47	46	44	44	43	43	42
Top 10 client contribution to revenues (%)	60	59	58	55	54	53	53	53	54
200 Million \$ clients	1	1	1	1	1	1	1	1	1
150 Million \$ clients	3	3	3	3	3	3	2	2	2
US\$100 mn clients	4	3	3	3	3	3	3	3	3
US\$75 mn clients	5	5	4	4	4	4	4	5	5
US\$50 mn clients	7	7	6	5	5	5	5	5	5
US\$20 mn clients	13	13	11	10	10	9	9	11	11
US\$10 mn clients	25	27	26	29	29	30	27	29	29
US\$5 mn clients	46	47	46	46	47	48	51	47	50
US\$1 mn clients	112	113	115	134	135	135	140	140	139
Deal win TCV (US\$ mn)	309	707	255	241	177	319	207	351	390
Headcount mix - new (%)									
Onsite billable	21.4	20.6	21.0	21.3	22.0	22.5	23.1	23.9	23.8
Onshore billable	78.6	79.4	79.0	78.7	78.0	77.5	76.9	76.1	76.2
Total billable employees	29,307	28,288	27,665	28,127	27,115	26,716	26,578	26,142	26,347
Total headcount	34,042	33,961	33,771	33,992	32,664	31,645	31,601	31,194	31,442
Utilization - new (%) (Applications + Infra)									
Including trainees									
-Onsite	89	89	87	84	86	86	87	86	89
-Offshore	75	75	72	69	71	75	74	74	78
Excluding trainees									
-Offshore	79	80	77	74	75	76	76	75	78

Notes:

(a) Client concentration is based on Trailing Twelve Months (TTM).

(b) Total headcount includes billable contractors, S&M and G&A professionals.

(c) Vertical disclosure has been reclassified in 1QFY24 to align with client distribution under go-to-market verticals.

Source: Company, Kotak Institutional Equities

Exhibit 4: Condensed P&L and BS for Mphasis, March fiscal year-ends, 2020-28E (Rs mn)

	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26E	Mar-27E	Mar-28E
Profit model									
Revenues	88,436	97,223	119,614	137,984	132,785	142,299	154,269	170,657	188,650
EBITDA	16,505	18,028	21,175	24,339	24,190	26,467	28,505	31,230	34,010
Depreciation (incl amortization of intangibles)	(2,317)	(2,419)	(2,906)	(3,253)	(4,076)	(4,762)	(4,889)	(4,803)	(4,857)
Other income	967	696	861	644	570	866	1,194	1,562	1,994
Pretax profits	15,155	16,305	19,130	21,730	20,684	22,571	24,810	27,989	31,147
Tax	(3,306)	(4,139)	(4,821)	(5,351)	(5,135)	(5,580)	(6,202)	(6,997)	(7,787)
Recurring profit after tax	11,849	12,167	14,309	16,379	15,549	16,991	18,607	20,992	23,360
Extraordinaries	—	—	—	—	—	—	—	—	—
Net income	11,849	12,167	14,309	16,379	15,549	16,991	18,607	20,992	23,360
Recurring diluted earnings per share (Rs)	63.5	65.0	76.2	86.9	82.4	89.9	98.5	111.1	123.6
Dividend per share (Rs)	35.0	65.0	46.0	50.0	55.0	55.0	70.0	75.0	75.0
Balance sheet									
Total equity	58,296	65,267	69,431	79,348	87,946	96,284	101,661	108,478	117,663
Total borrowings	12,954	11,811	12,519	10,528	23,886	18,882	18,882	18,882	18,882
Current liabilities	16,148	16,569	24,893	25,189	28,171	32,277	33,846	36,764	39,969
Total liabilities and equity	87,398	93,647	106,843	115,065	140,003	147,443	154,390	164,125	176,514
Cash	11,257	10,622	9,494	10,534	8,144	16,126	21,132	26,645	33,950
Other current assets	30,562	33,420	40,475	44,690	43,462	49,796	52,768	57,527	62,753
Goodwill	21,405	21,326	27,348	29,586	41,793	42,907	42,907	42,907	42,907
Investments	13,257	18,460	18,130	17,526	30,899	22,082	22,082	22,082	22,082
Tangible fixed assets	8,897	8,901	10,498	11,336	14,148	14,910	13,877	13,340	13,200
Deferred tax assets	2,020	918	898	1,393	1,557	1,623	1,623	1,623	1,623
Total assets	87,398	93,647	106,843	115,065	140,003	147,443	154,390	164,125	176,514
Ratios (%)									
EBITDA margin	18.7	18.5	17.7	17.6	18.2	18.6	18.5	18.3	18.0
EBIT margin	16.0	16.1	15.3	15.3	15.1	15.3	15.3	15.5	15.5
Cashflow statement									
Operating cash flow excl. WC changes	12,548	14,658	18,658	19,865	17,629	19,052	22,303	24,233	26,223
Change in WC/other adjustments	422	(453)	(1,501)	(5,779)	4,028	(2,341)	(1,403)	(1,841)	(2,021)
Capital expenditure (including acquisitions)	(1,243)	(2,057)	(6,411)	(1,112)	(13,249)	(3,418)	(3,857)	(4,266)	(4,716)
Free cash flow	11,727	12,148	10,747	12,974	8,408	13,293	17,043	18,126	19,486

Source: Company, Kotak Institutional Equities estimates

Kotak Institutional Equities: Valuation summary of KIE Universe stocks

Company	Rating	Price (Rs) 18-Jun-25	Fair Value (Rs)	Upside (%)	Mkt cap. (Rs bn) (US\$ bn)		O/S shares (mn)	EPS (Rs)			P/E (X)			P/B (X)			EV/EBITDA (X)			RoE (%)			Dividend yield (%)			ADV-3M (US\$ mn) Traded Delivered	
Automobiles & Components																											
Amara Raja Energy & Mobility	SELL	991	925	(7)	181	2.1	183	53	58	66	19	17	15	2.5	2.2	1.9	11	10	9	14	14	14	1.1	0.6	0.6	9	4
Apollo Tyres	SELL	445	405	(9)	283	3.3	638	20	26	31	23	17	15	1.9	1.8	1.6	9	7	6	9	11	12	1.1	1.6	1.6	8	4
Ashok Leyland	ADD	234	240	3	687	7.9	2,936	11	11	12	21	21	19	5.8	5.0	4.4	13	13	12	31	25	24	2.7	1.9	2.6	19	8
Bajaj Auto	SELL	8,468	7,250	(14)	2,365	27	279	300	336	365	28	25	23	7.4	6.9	6.6	21	19	17	29	28	29	2.5	3.2	3.5	42	22
Balkrishna Industries	SELL	2,444	2,100	(14)	472	5.5	193	86	98	104	29	25	24	4.5	4.0	3.5	17	16	15	17	17	16	0.7	0.7	0.8	12	6
Bharat Forge	SELL	1,298	900	(31)	620	7.2	478	21	26	33	61	50	39	6.7	6.2	5.6	25	25	21	12	13	15	0.6	0.7	0.7	24	11
CEAT	SELL	3,607	2,825	(22)	146	1.7	40	122	167	185	30	22	20	3.3	3.0	2.7	11	9	8	12	15	14	0.8	1.2	1.3	9	3
CIE Automotive	SELL	445	380	(15)	169	2.0	378	22	22	25	21	20	18	2.6	2.4	2.2	12	12	10	13	12	13	1.6	1.5	1.7	1	1
Eicher Motors	SELL	5,393	4,300	(20)	1,479	17.1	272	174	176	196	31	31	27	7.9	7.1	6.3	29	27	24	28	24	24	1.3	1.4	1.6	30	17
Endurance Technologies	REDUCE	2,427	2,050	(16)	341	3.9	141	59	67	77	41	36	31	6.0	5.3	4.7	21	18	16	15	15	15	0.4	0.6	0.7	4	2
Escorts Kubota	SELL	3,270	2,850	(13)	366	4.2	112	99	105	120	33	31	27	3.5	3.3	3.0	30	27	23	11	11	11	0.9	1.0	1.3	7	2
Exide Industries	SELL	378	290	(23)	321	3.7	850	13	14	16	30	27	24	2.2	2.1	1.9	17	16	14	8	8	9	0.5	0.7	0.7	12	5
Hero Motocorp	SELL	4,358	3,500	(20)	872	10.1	200	231	244	266	19	18	16	4.4	4.1	3.8	12	11	10	24	24	24	3.8	3.9	4.3	33	16
Hyundai Motor	BUY	1,931	2,050	6	1,569	18.1	813	69	72	88	28	27	22	9.6	7.9	6.5	17	16	13	35	29	30	1.1	1.5	1.8	20	14
Mahindra & Mahindra	BUY	3,041	3,500	15	3,782	43.7	1,159	102	118	128	30	26	24	5.7	4.8	4.1	21	18	16	21	20	19	0.8	0.6	0.6	101	56
Maruti Suzuki	ADD	12,748	12,275	(4)	4,008	46.3	314	470	500	555	27	26	23	4.3	3.9	3.5	18	16	14	17	16	16	1.1	1.6	1.7	56	32
MRF	SELL	137,950	115,000	(17)	585	6.8	4	4,409	5,539	6,272	31	25	22	3.2	2.8	2.5	14	11	10	11	12	12	0.2	0.2	0.2	14	6
Ola Electric	SELL	46	30	(35)	203	2.4	4,411	(5)	(3)	(3)	NM	NM	NM	4.0	5.5	8.0	NM	NM	NM	NM	NM	NM	0.0	0.0	0.0	28	8
Samvardhana Motherson	SELL	150	130	(13)	1,054	12.2	7,036	5	6	6	28	27	23	3.1	2.8	2.5	11	10	9	13	11	11	0.2	0.3	0.3	29	14
Schaeffler India	REDUCE	3,977	3,250	(18)	622	7.2	156	60	70	77	66	57	52	11.7	10.5	9.5	42	36	33	19	19	19	0.1	0.0	0.0	4	2
SKF	ADD	4,624	4,800	4	229	2.6	49	114	138	155	40	34	30	8.8	7.4	6.2	31	25	21	22	22	21	0.3	0.6	0.7	3	2
Sona BLW Precision	REDUCE	479	450	(6)	298	3.4	618	10	12	14	49	41	35	5.2	4.7	4.3	28	26	22	15	12	13	0.3	0.5	0.6	14	7
Tata Motors	SELL	670	600	(10)	2,468	28.5	3,677	61	53	73	11	13	9	2.1	1.8	1.5	4	5	3	22	16	18	0.9	0.6	0.7	135	53
Timken	ADD	3,237	3,300	2	243	2.8	75	59	67	81	54	49	40	8.6	7.4	6.4	40	34	28	17	16	17	0.0	0.0	0.0	7	4
TVS Motor	REDUCE	2,776	2,400	(14)	1,319	15.2	475	57	68	80	49	41	35	13.3	10.5	8.5	30	25	21	31	29	27	0.3	0.4	0.5	26	14
Uno Minda	SELL	1,064	900	(15)	611	7.1	572	16	19	21	65	56	51	10.6	9.0	7.7	34	29	26	16	16	15	0.2	0.2	0.3	8	4
Varroc Engineering	SELL	557	480	(14)	85	1.0	153	5	24	31	122	23	18	5.3	3.8	3.1	12	10	8	4	16	17	—	—	—	2	1
Automobiles & Components	Cautious				25,378	293.4					26.8	25.3	21.5	4.7	4.1	3.6	14.3	13.7	11.6	17.4	16.3	16.9	1.1	1.2	1.3	658	315
Banks																											
AU Small Finance Bank	ADD	795	650	(18)	592	6.8	745	28	37	48	28	22	17	3.6	3.1	2.6	—	—	—	13	15	17	—	—	—	32	16
Axis Bank	BUY	1,221	1,500	23	3,786	43.8	3,097	85	89	101	14	14	12	1.5	1.9	1.7	—	—	—	16	14	15	0.1	1.1	1.2	97	62
Bandhan Bank	BUY	181	225	24	291	3.4	1,611	17	22	26	11	8	7	1.1	1.1	1.0	—	—	—	12	14	14	1.5	1.9	2.3	18	7
Bank of Baroda	ADD	237	255	8	1,223	14.1	5,178	38	35	33	6	7	7	1.0	0.9	0.8	—	—	—	16	12	11	3.2	3.0	2.9	35	16
Canara Bank	ADD	108	105	(3)	982	11.3	9,071	19	17	19	6	6	6	1.1	1.0	0.9	—	—	—	18	14	14	3.5	3.1	3.5	39	18
City Union Bank	ADD	193	185	(4)	143	1.7	741	15	15	17	13	13	11	1.6	1.4	1.3	—	—	—	13	11	12	1.0	1.0	1.2	5	3
DCB Bank	BUY	143	160	12	45	0.5	314	20	22	31	7	7	5	0.9	0.8	0.7	—	—	—	11	11	14	0.9	1.3	2.3	3	2
Equitas Small Finance Bank	BUY	66	85	28	76	0.9	1,140	1	4	7	51	17	9	1.3	1.2	1.1	—	—	—	2	7	12	—	—	—	4	2
Federal Bank	BUY	207	225	9	509	5.9	2,455	17	16	20	13	13	11	1.6	1.4	1.3	—	—	—	13	11	12	0.6	1.2	1.4	22	12
HDFC Bank	ADD	1,934	2,100	9	14,815	171.3	7,652	88	98	112	22	20	17	3.0	2.7	2.4	—	—	—	14	14	15	1.1	1.3	1.4	259	174
ICICI Bank	BUY	1,413	1,600	13	10,078	116.5	7,123	67	70	77	21	20	18	3.5	3.1	2.7	—	—	—	18	16	15	0.8	1.0	1.1	197	132
IndusInd Bank	REDUCE	851	800	(6)	663	7.7	779	34	49	92	25	17	9	1.1	1.0	0.9	—	—	—	4	6	10	0.6	0.8	1.6	103	42
Karur Vysya Bank	BUY	247	260	5	198	2.3	805	24	23	26	10	11	10	1.7	1.5	1.4	—	—	—	18	15	15	2.5	2.4	2.7	8	4
Punjab National Bank	ADD	105	110	4	1,212	14.0	11,493	14	15	15	7	7	7	1.0	0.9	0.9	—	—	—	14	13	11	2.7	2.9	2.8	32	13
State Bank of India	BUY	792	975	23	7,067	81.7	8,925	79	67	83	10	12	10	1.8	1.6	1.4	—	—	—	17	13	14	2.0	2.0	2.1	119	62
Ujjivan Small Finance Bank	BUY	49	55	13	94	1.1	1,935	4	3	5	13	19	9	1.6	1.5	1.3	—	—	—	12	8	15	0.0	1.2	2.4	10	5
Union Bank	BUY	144	160	11	1,100	12.7	7,634	24	22	22	6	7	6	1.1	0.9	0.8	—	—	—	17	14	13	3.3	3.0	3.1	25	10
Utkarsh Small Finance Bank	BUY	24	32	36	26	0.3	1,102	0	(2)	4	126	NM	6	0.9	1.0	0.8	—	—	—	1	NM	15	—	—	—	1	1
YES Bank	SELL	20	17	(15)	624	7.2	31,354	1	1	1	26	18	13	1.3	1.2	1.1	—	—	—	5	7	9	—	—	—	42	17
Banks	Attractive				43,524	503.2					14.4	14.4	12.6	2.1	1.8	1.7				14.2	12.8	13.1	1.3	1.4	1.6	1,051	598

Source: Company, Bloomberg, Kotak Institutional Equities estimates

Kotak Institutional Equities: Valuation summary of KIE Universe stocks

Company	Rating	Price (Rs)	Fair Value	Upside	Mkt cap.		O/S shares	EPS (Rs)			P/E (X)			P/B (X)			EV/EBITDA (X)			RoE (%)			Dividend yield (%)			ADV-3M (US\$ mn)	
		18-Jun-25	(Rs)	(%)	(Rs bn)	(US\$ bn)	(mn)	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	Traded	Delivered
Capital goods																											
ABB	ADD	6,044	5,700	(6)	1,281	14.8	212	88	95	105	68	64	57	18.1	15.6	13.6	53	50	45	29	26	25	0.5	0.6	0.7	24	12
Bharat Electronics	SELL	401	300	(25)	2,928	33.8	7,310	7	8	10	55	47	40	14.7	12.4	10.4	41	35	29	29	28	28	0.6	0.9	1.0	114	52
BHEL	SELL	252	115	(54)	877	10.1	3,482	1	4	11	171	62	24	3.5	3.3	2.8	NM	37	16	2	5	13	(0.0)	(0.1)	(0.5)	38	13
Carborundum Universal	REDUCE	937	960	3	178	2.1	190	15	23	31	61	41	30	5.1	4.6	4.1	25	23	18	9	12	14	0.3	0.5	0.7	3	1
CG Power & Industrial	SELL	684	540	(21)	1,046	12.1	1,527	6	8	10	107	81	66	27.2	21.9	17.7	79	58	48	25	27	27	(0.3)	(0.4)	(0.4)	23	11
Cochin Shipyard	SELL	2,144	850	(60)	564	6.5	263	31	30	36	68	71	60	10.1	9.3	8.4	61	55	48	16	14	15	0.5	0.5	0.5	137	36
Cummins India	BUY	3,278	3,900	19	909	10.5	277	72	82	95	45	40	35	12.9	11.4	10.0	43	37	31	30	30	31	1.2	1.4	1.6	22	12
G R Infraprojects	SELL	1,290	1,150	(11)	125	1.4	97	83	91	104	15	14	12	1.6	1.4	1.3	14	12	10	10	11	11	0.0	0.0	0.0	3	1
IRB Infrastructure	ADD	49	60	24	293	3.4	6,039	1	2	3	43	20	17	1.5	1.5	1.4	12	11	9	4	7	9	2.8	4.2	5.2	10	4
Kalpataru Projects	BUY	1,200	1,220	2	205	2.4	160	34	61	80	35	20	15	2.9	2.6	2.2	12	10	8	9	14	16	0.3	0.4	0.6	5	2
KEC International	REDUCE	895	890	(1)	238	2.8	266	21	39	53	42	23	17	4.5	3.8	3.2	18	12	10	12	18	21	0.3	0.5	0.6	21	7
L&T	ADD	3,602	3,650	1	4,953	57.3	1,375	106	125	161	34	29	22	6.2	5.5	4.7	23	18	16	19	20	23	0.8	1.0	1.3	92	55
Praj Industries	BUY	488	700	43	90	1.0	184	10	13	19	50	37	25	6.5	5.5	4.5	—	—	—	16	16	20	0.0	0.0	0.0	6	2
Siemens	REDUCE	3,356	2,900	(14)	1,195	13.8	356	49	57	67	68	59	50	9.1	8.1	7.3	55	45	38	15	15	15	0.5	0.4	0.5	30	12
Thermax	ADD	3,509	3,500	(0)	418	4.8	113	56	68	83	63	51	42	8.0	7.2	6.3	47	39	32	13	15	16	0.0	0.4	0.4	5	3
Capital goods	Cautious				15,299	176.9					47.9	39.2	30.4	7.2	6.5	5.7	30.7	24.9	20.3	15.1	16.5	18.6	0.6	0.7	0.9	532	223
Capital Markets																											
360 One	ADD	1,119	1,150	3	441	5.1	406	27	30	34	42	37	33	6.2	5.4	4.1	—	—	—	20	16	15	0.5	0.6	0.7	15	8
ABSL AMC	ADD	750	750	0	216	2.5	288	32	34	36	23	22	21	5.8	5.3	4.8	—	—	—	NM	NM	NM	2.6	2.7	2.9	3	2
Angel One	BUY	2,867	2,800	(2)	259	3.0	90	130	104	131	22	27	22	4.6	4.1	3.7	—	—	—	27	16	18	1.3	1.3	1.6	43	10
CAMS	ADD	4,146	4,000	(4)	205	2.4	50	95	101	116	44	41	36	18.3	16.5	14.7	—	—	—	46	42	44	1.7	1.9	2.1	26	10
CRISIL	REDUCE	5,602	4,300	(23)	410	4.7	73	94	109	128	60	51	44	16.0	14.4	12.9	—	—	—	29	30	31	1.0	1.3	1.5	5	2
HDFC AMC	ADD	4,943	4,500	(9)	1,057	12.2	214	115	134	147	43	37	34	13.0	12.1	11.3	—	—	—	32	34	35	1.8	2.2	2.4	30	18
ICRA	REDUCE	6,720	6,500	(3)	65	0.7	10	177	208	237	38	32	28	5.8	5.4	41.4	—	—	—	16	17	34	0.1	0.2	0.2	1	1
Kfin Technologies	SELL	1,223	1,050	(14)	211	2.4	172	19	22	28	63	55	44	14.9	13.1	11.4	—	—	—	21	20	21	0.6	0.7	0.9	31	13
Nippon AMC	ADD	746	700	(6)	473	5.5	635	20	22	25	37	34	30	11.2	10.9	10.5	—	—	—	31	33	35	2.4	2.7	3.0	9	4
UTI AMC	BUY	1,252	1,300	4	160	1.9	128	57	54	58	22	23	22	3.5	3.4	3.3	—	—	—	16	15	15	3.8	3.4	3.7	3	2
Capital Markets	Cautious				3,498	40.4					37.4	34.7	30.6	8.8	8.0	7.2				24	23	24	1.5	1.7	1.9	166	374
Commercial & Professional Services																											
SIS	ADD	370	360	(3)	53	0.6	147	1	20	23	461	18	16	2.3	2.0	1.8	9	9	8	0	12	12	—	—	—	1	0
TeamLease Services	REDUCE	2,033	2,000	(2)	34	0.4	17	66	74	89	31	28	23	3.8	3.3	2.9	24	20	17	12.9	12.8	13.5	—	—	—	1	1
Commercial & Professional Services	Cautious				88	1.0					71.7	21.0	18.0	2.6	2.3	2.1	11.9	11.0	9.9	3.7	11.2	11.5	0.0	0.0	0.0	2	1
Commodity Chemicals																											
Asian Paints	REDUCE	2,281	2,250	(1)	2,188	25.3	959	42	44	51	54	52	45	11.3	10.4	9.6	36	34	31	21	21	22	1.1	1.2	1.4	35	19
Berger Paints	SELL	558	505	(9)	650	7.5	1166	10	11	12	55	52	47	10.6	9.4	8.5	35	33	30	20	19	19	0.7	0.8	1.0	5	2
Indigo Paints	REDUCE	1,101	1,000	(9)	52	0.6	48	30	28	31	37	40	35	5.1	4.6	4.2	21	22	19	15	12	12	0.3	0.4	0.6	1	1
Kansai Nerolac	REDUCE	244	265	9	197	2.3	808	8	9	10	29	26	24	3.1	2.9	2.8	18	16	15	11	12	12	1.5	1.9	2.1	1	0
Tata Chemicals	SELL	928	770	(17)	236	2.7	255	13	20	25	72	47	37	1.1	1.1	1.1	11	9	8	1	2	3	1.2	1.2	1.2	9	4
Commodity Chemicals	Cautious				3,325	38.4					52.3	48.5	42.3	6.1	5.8	5.5	29.4	26.9	24.6	11.7	11.9	12.9	1.0	1.1	1.4	50	26
Construction Materials																											
ACC	REDUCE	1,841	2,000	9	346	4.0	188	54	98	109	34	19	17	1.9	1.7	1.6	13	9	8	6	10	10	0.4	0.5	0.6	9	4
Ambuja Cements	SELL	545	360	(34)	1,343	15.5	2,463	7	13	18	76	42	31	2.5	2.4	2.3	24	18	14	4	6	7	0.4	0.5	0.6	18	10
Dalmia Bharat	SELL	2,049	1,650	(19)	384	4.4	187	42	60	72	48	34	28	2.2	2.1	2.0	16	13	12	5	6	7	0.4	0.5	0.6	9	5
Grasim Industries	REDUCE	2,675	2,750	3	1,820	21.0	681	58	91	121	46	29	22	1.9	1.8	1.6	12	10	9	4	6	8	0.4	0.4	0.4	22	12
J K Cement	SELL	5,876	3,160	(46)	454	5.2	77	103	135	156	57	44	38	7.5	6.5	5.6	24	19	17	14	16	16	0.3	0.3	0.3	8	4
Nuvoco Vistas Corp.	REDUCE	347	350	1	124	1.4	357	1	5	8	567	75	45	1.4	1.4	1.3	12	11	9	0	2	3	0.0	0.0	0.0	1	1
Shree Cement	SELL	29,305	19,550	(33)	1,057	12.2	36	332	420	448	88	70	65	5.0	4.8	4.5	26	21	18	6	7	7	0.4	0.5	0.5	13	7
The Ramco Cements	SELL	1,032	590	(43)	244	2.8	236	3	19	26	333	56	40	3.3	3.0	2.8	23	18	15	1	6	7	0.2	0.3	0.4	9	4
UltraTech Cement	SELL	11,406	7,350	(36)	3,361	38.9	295	209	314	367	55	36	31	4.8	4.4	3.9	28	20	17	9	13	13	0.7	0.7	0.9	43	25
Construction Materials	Cautious				9,133	105.6					58.0	36.8	29.9	3.0	2.8	2.6	18.3	14.2	12.3	5.2	7.7	8.8	0.5	0.5	0.6	131	73

Source: Company, Bloomberg, Kotak Institutional Equities estimates

Kotak Institutional Equities: Valuation summary of KIE Universe stocks

Company	Rating	Price (Rs)	Fair Value	Upside	Mkt cap.		O/S shares	EPS (Rs)			P/E (X)			P/B (X)			EV/EBITDA (X)			RoE (%)			Dividend yield (%)			ADV-3M (US\$ mn)	
		18-Jun-25	(Rs)	(%)	(Rs bn)	(US\$ bn)	(mn)	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	Traded	Delivered
Consumer Durables & Apparel																											
Aditya Birla Fashion and Retail	REDUCE	74	93	25	91	1.0	1,220	(5)	(5)	(4)	NM	NM	NM	1.3	1.5	1.6	11	11	8	NM	NM	NM	—	—	—	15	6
Campus Activewear	ADD	282	315	12	86	1.0	305	4	5	6	71	55	45	11.4	9.8	8.3	35	29	25	17	19	20	—	—	0.6	2	1
Cello World	BUY	603	735	22	133	1.5	226	15	17	19	39	36	31	6.1	5.6	5.0	25	23	20	20	17	17	0.2	0.8	1.0	2	1
Crompton Greaves Consumer	BUY	347	390	13	223	2.6	643	9	10	13	40	33	28	6.6	5.8	5.1	25	21	18	17	19	20	0.9	1.0	1.3	11	6
Eureka Forbes	BUY	590	800	36	114	1.3	209	8	10	14	75	57	41	2.8	2.7	2.5	42	33	25	4	5	6	—	—	—	2	1
Havells India	SELL	1,536	1,400	(9)	963	11.1	628	23	27	33	66	57	46	11.6	10.3	9.1	44	37	30	19	19	21	0.6	0.7	0.9	20	12
Page Industries	SELL	45,150	39,000	(14)	504	5.8	11	654	760	900	69	59	50	35.8	28.2	22.7	47	41	35	49	53	50	0.8	1.0	1.2	12	6
Polycab	SELL	5,989	5,100	(15)	901	10.4	151	134	160	192	45	37	31	9.2	7.8	6.6	30	25	21	22	23	23	0.6	0.7	0.9	31	14
Vedant Fashions	REDUCE	811	730	(10)	197	2.3	243	16	17	19	51	46	42	11.0	9.7	8.4	30	27	23	23	22	22	—	—	—	3	2
Voltas	SELL	1,292	1,035	(20)	427	4.9	331	25	27	35	51	48	36	6.6	6.0	5.4	38	38	30	14	13	16	0.5	0.6	0.8	29	14
Whirlpool	ADD	1,366	1,335	(2)	173	2.0	127	28	35	41	49	39	33	4.4	4.1	3.8	27	22	18	9	11	12	0.4	0.7	0.8	7	4
Consumer Durables & Apparel	Cautious				3,812	44.1					60.0	50.5	40.7	7.7	7.0	6.3	33.6	29.1	23.9	12.9	13.9	15.6	0.6	0.7	0.8	134	67
Consumer Staples																											
Britannia Industries	ADD	5,573	5,700	2	1,342	15.5	241	91	103	116	61	54	48	30.8	26.7	23.7	42	37	33	53	53	52	1.3	1.6	1.8	25	15
Colgate-Palmolive (India)	REDUCE	2,398	2,535	6	652	7.5	272	53	54	59	45	45	41	39.2	37.9	36.0	33	31	28	81	86	91	2.1	2.2	2.4	16	9
Dabur India	REDUCE	470	490	4	834	9.6	1,772	10	11	12	47	43	39	7.7	7.4	6.9	35	32	29	17	18	18	1.1	1.6	1.8	15	9
Godrej Consumer Products	ADD	1,197	1,285	7	1,224	14.2	1,023	19	22	26	64	53	46	10.2	9.3	8.3	41	36	31	16	18	19	0.9	0.9	1.0	18	11
Hindustan Unilever	ADD	2,297	2,300	0	5,398	62.4	2,350	43	44	49	53	52	46	11.0	11.2	10.9	37	36	32	20	21	24	2.3	1.8	2.0	56	37
Honasa Consumer	ADD	308	275	(11)	100	1.2	325	2	4	6	138	81	53	8.5	7.5	6.4	137	62	39	6	10	13	0.0	0.0	0.0	4	2
ITC	ADD	416	480	15	5,205	60.2	12,514	16	17	18	27	25	23	7.7	7.3	7.0	20	19	17	27	28	30	3.5	3.5	3.7	113	73
Jyothy Labs	SELL	335	350	4	123	1.4	367	10	10	11	33	33	30	6.0	5.6	5.2	23	24	22	19	17	18	1.0	1.8	2.1	3	2
Marico	REDUCE	690	675	(2)	894	10.3	1,290	13	14	15	55	50	45	22.4	20.8	19.3	41	37	33	42	43	44	1.5	1.7	1.8	19	12
Nestle India	REDUCE	2,341	2,250	(4)	2,257	26.1	964	31	35	39	75	68	59	54.8	49.4	45.2	48	44	39	81	77	80	1.2	1.3	1.5	23	13
Sula Vineyards	ADD	301	325	8	25	0.3	84	8	9	10	36	34	30	4.3	4.0	3.6	19	17	16	12	12	12	0.7	0.9	1.0	2	1
Tata Consumer Products	ADD	1,065	1,185	11	1,054	12.2	989	13	17	22	82	62	49	5.3	5.1	4.9	42	35	29	7	8	10	0.8	0.9	1.1	20	11
United Breweries	REDUCE	1,981	1,925	(3)	524	6.1	264	18	28	35	109	72	56	12.0	10.8	9.9	62	43	35	11	16	18	0.5	0.9	1.2	4	2
United Spirits	ADD	1,462	1,575	8	1,063	12.3	727	19	22	26	75	67	56	12.7	11.4	10.2	51	45	38	18	18	19	0.5	0.6	0.8	18	10
Varun Beverages	ADD	469	570	21	1,587	18.4	3,382	8	10	11	61	48	43	9.6	8.1	7.0	34	29	26	22	18	17	0.1	0.2	0.3	48	28
Consumer Staples	Attractive				22,283	257.6					46.4	42.4	38.1	10.8	10.2	9.6	32.8	30.0	26.8	23	24	25	1.9	1.8	2.0	385	234
Diversified Financials																											
Aadhar Housing Finance	BUY	440	560	27	190	2.2	436	21	25	31	21	17	14	3.0	2.5	2.2	—	—	—	17	16	16	—	—	—	4	2
Aavas Financiers	REDUCE	1,823	2,050	12	144	1.7	79	73	88	106	25	21	17	3.3	2.9	2.4	—	—	—	14	15	15	—	—	—	5	2
Aptus Value Housing Finance	BUY	317	400	26	159	1.8	500	15	17	21	21	18	15	3.7	3.2	2.8	—	—	—	19	19	20	1.4	1.6	1.9	10	6
Bajaj Finance	ADD	919	950	3	5,711	66.0	6,209	27	33	42	35	28	22	6.0	5.1	4.3	—	—	—	19	20	21	0.6	0.8	1.0	126	67
Bajaj Finserv	ADD	1,981	2,175	10	3,166	36.6	1,593	67	84	104	29	24	19	5.9	5.7	4.8	—	—	—	23	24	27	0.1	0.1	0.1	53	27
Bajaj Housing Finance	REDUCE	120	100	(17)	1,003	11.6	8,328	3	3	4	46	39	32	5.0	4.5	3.9	—	—	—	13	12	13	0.0	0.0	0.0	19	9
Cholamandalam	ADD	1,587	1,575	(1)	1,335	15.4	859	51	61	78	31	26	20	5.6	4.5	3.7	—	—	—	20	19	20	0.0	0.3	0.4	37	21
Five Star Business Finance	BUY	766	850	11	226	2.6	291	37	42	51	21	18	15	3.5	3.0	2.5	—	—	—	19	18	18	—	—	—	9	4
Home First Finance	BUY	1,283	1,500	17	132	1.5	103	42	51	65	30	25	20	4.6	3.1	2.7	—	—	—	16	16	15	—	0.4	0.5	6	3
India Shelter	ADD	874	950	9	94	1.1	111	34	41	49	26	21	18	3.6	3.1	2.6	—	—	—	15	16	16	—	—	—	3	2
L&T Finance	REDUCE	189	160	(15)	471	5.4	2,480	11	12	15	18	16	13	1.8	1.7	1.5	—	—	—	11	11	13	1.7	1.9	2.3	13	6
LIC Housing Finance	BUY	604	725	20	332	3.8	550	99	97	96	6	6	6	0.9	0.8	0.7	—	—	—	16	14	12	1.7	1.6	1.6	14	7
Mahindra & Mahindra Financial	ADD	266	300	13	370	4.3	1,235	19	20	24	14	13	11	1.7	1.6	1.4	—	—	—	12	12	13	3.2	3.4	4.0	9	5
Muthoot Finance	REDUCE	2,634	2,550	(3)	1,058	12.2	401	130	175	192	20	15	14	3.7	3.1	2.7	—	—	—	20	23	21	1.0	1.7	1.8	29	14
SBFC	REDUCE	107	100	(7)	117	1.4	1,107	3	4	5	34	29	23	4.1	3.6	3.1	—	—	—	12	12	13	—	—	—	4	2
SBI Cards and Payment Services	ADD	973	950	(2)	925	10.7	951	20	24	30	48	40	33	6.7	5.9	5.1	—	—	—	15	16	17	0.3	0.4	0.4	13	7
Shriram Finance	BUY	662	750	13	1,245	14.4	1,880	52	53	63	13	12	11	2.3	2.0	1.7	—	—	—	15	16	17	1.5	1.2	1.4	55	29
Diversified Financials	Attractive				16,679	192.8					25.4	21.5	17.9	4.1	3.6	3.1				16.3	16.8	17.4	0.6	0.7	0.8	411	212

Source: Company, Bloomberg, Kotak Institutional Equities estimates

Kotak Institutional Equities: Valuation summary of KIE Universe stocks

Company	Rating	Price (Rs)	Fair Value	Upside	Mkt cap.		O/S shares	EPS (Rs)			P/E (X)			P/B (X)			EV/EBITDA (X)			RoE (%)			Dividend yield (%)			ADV-3M (US\$ mn)	
		18-Jun-25	(Rs)	(%)	(Rs bn)	(US\$ bn)	(mn)	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	Traded	Delivered
Electric Utilities																											
Acme Solar Holdings	BUY	254	330	30	154	1.8	605	4	10	7	56	25	35	3.4	3.0	2.8	—	—	—	8	13	8	0.0	0.0	0.0	3	1
CESC	SELL	164	150	(8)	217	2.5	1,326	10	12	13	16	13	12	2.1	1.8	1.7	9	9	8	13	15	14	2.7	2.8	3.0	8	3
JSW Energy	SELL	504	420	(17)	881	10.2	1,745	11	19	28	45	27	18	3.2	2.9	2.5	24	12	10	8	11	15	0.4	0.4	0.4	22	10
NHPC	SELL	83	74	(10)	829	9.6	10,045	3	5	7	28	16	13	2.1	1.9	1.8	22	13	10	8	12	15	2.3	2.6	3.5	22	10
NTPC	SELL	332	320	(4)	3,223	37.3	9,895	24	24	26	14.0	13.6	13	1.7	1.6	1.5	10	10	9	13	12	12	2.4	2.6	2.5	59	37
Power Grid	SELL	287	275	(4)	2,672	30.9	9,301	17	20	22	17.1	14.3	13	2.9	2.6	2.4	10	8	8	17	19	19	3.1	3.2	3.5	50	31
Tata Power	SELL	393	335	(15)	1,257	14.5	3,196	13	19	22	31	21	18	3.5	3.0	2.6	13	12	11	12	16	15	—	—	—	32	13
Electric Utilities																											
Cautious					9,233	106.7					18.6	15.5	13.8	2.3	2.1	1.9	11.4	9.6	8.9	12.4	13.4	13.7	2.1	2.2	2.3	196	103
Electronic Manufacturing Services																											
Amber Enterprises	ADD	6,693	7,900	18	227	2.6	34	71	123	183	94	55	37	10.1	8.4	6.8	31	26	19	11	17	21	—	—	—	30	10
Avalon Technologies	SELL	835	610	(27)	56	0.6	65	10	15	21	86	57	40	8.9	7.7	6.5	48	36	26	11	14	18	—	—	—	4	2
Cyient DLM	REDUCE	458	450	(2)	36	0.4	79	9	12	19	53	39	25	3.8	3.5	3.1	26	20	15	7	9	12	—	—	—	2	1
Dixon Technologies	ADD	14,367	17,400	21	868	10.0	60	182	215	272	79.0	66.7	53	28.8	19.2	13.1	58	37	26	30	34	29	—	—	—	83	28
Kaynes Technology	REDUCE	5,720	6,010	5	367	4.2	58	46	72	114	124.6	79.5	50	11.7	10.1	8.2	89	55	35	11	15	20	—	—	—	40	12
Syrma SGS Technology	ADD	527	570	8	94	1.1	176	10	13	19	55	42	28	5.3	4.7	4.0	30	22	16	10	11	15	—	—	—	7	3
Electronic Manufacturing Services																											
Cautious					1,648	19.0					106.5	64.0	45.9	14.4	11.6	9.0	50.9	35.5	25.1	13.5	18.1	19.6	0.0	0.0	0.0	166	55
Fertilizers & Agricultural Chemicals																											
Bayer Cropscience	ADD	5,660	5,930	5	254	2.9	45	127	187	226	45	30	25	8.9	8.5	8.1	36	24	20	20	29	33	2.2	2.8	3.4	4	2
Godrej Agrovet	BUY	764	870	14	147	1.7	192	23	28	33	34	27	23	5.6	5.3	4.7	20	17	14	16	20	22	1.4	1.8	2.1	4.4	2.1
Rallis India	SELL	316	230	(27)	61	0.7	194	6	9	11	49	36	28	3.2	3.0	2.8	20	17	14	7	9	10	0.8	0.9	1.1	2	1
UPL	SELL	638	470	(26)	519	6.0	844	10	18	28	65	35	23	1.7	1.7	1.6	9	8	7	4	6	8	0.9	0.9	0.9	18	9
Fertilizers & Agricultural Chemicals																											
Cautious					981	11.3					42.7	29.9	22.2	2.7	2.5	2.3	12.3	10.7	9.2	6.3	8.2	10.4	1.3	1.6	1.8	28	14
Gas Utilities																											
GAIL (India)	SELL	186	155	(17)	1,221	14.1	6,575	14	13	13	13	14	14	1.7	1.6	1.5	10	10	9	14	12	11	4.0	3.5	3.8	31	16
GSPL	RS	326	-	(100)	184	2.1	564	14	13	14	23	25	24	1.7	1.6	1.6	14	13	12	8	7	7	1.5	1.5	1.5	3	1
Indraprastha Gas	SELL	206	150	(27)	288	3.3	1,400	12	12	12	18	17	16	3.1	2.9	2.7	14	13	13	18	18	17	2.1	2.7	2.8	12	4
Mahanagar Gas	SELL	1,426	1,020	(28)	141	1.6	99	101	87	89	14	16	16	2.4	2.2	2.0	10	10	10	18	14	13	2.1	2.1	2.2	10	4
Petronet LNG	SELL	297	250	(16)	446	5.2	1,500	27	27	29	11	11	10	2.3	1.9	1.7	6	6	6	22	19	18	3.4	0.8	1.7	8	4
Gas Utilities																											
Cautious					2,279	26.3					13.4	14.4	13.7	2.0	1.8	1.7	9.4	9.5	9.0	14.6	12.7	12.3	3.3	2.6	3.0	64	30
Health Care Services																											
Apollo Hospitals	BUY	6,934	8,515	23	997	11.5	144	101	127	163	69	55	42	12.1	10.2	8.5	34	28	23	19	20	22	0.3	0.3	0.3	35	23
Dr Agarwal's Health Care	ADD	399	410	3	126	1.5	316	3	4	6	148	101	70	6.8	6.3	5.8	27	22	18	5	6	9	0.0	0.0	0.0	—	—
Dr Lal Pathlabs	ADD	2,912	3,250	12	244	2.8	84	53	57	67	55	51	43	11.2	10.1	9.1	33	30	25	22	21	22	1.1	1.0	1.2	6	3
Global Health	ADD	1,172	1,275	9	315	3.6	268	19	21	26	61	55	45	9.3	8.1	7.0	34	30	24	17	16	17	0.0	0.3	0.3	3	2
KIMS	ADD	665	685	3	266	3.1	400	9	10	15	71	66	43	12.4	10.5	8.4	36	32	23	19	17	21	0.0	0.0	0.0	5	3
Max Healthcare	REDUCE	1,182	1,070	(9)	1,149	13.3	971	14	19	25	82	64	47	10.9	9.4	8.0	51	39	30	14	16	18	0.1	0.2	0.2	30	18
Metropolis Healthcare	ADD	1,709	1,875	10	89	1.0	52	28	39	47	60	44	36	6.6	5.9	5.4	29	23	19	12	14	16	0.3	0.5	0.8	2	1
Narayana Hrudayalaya	REDUCE	1,904	1,705	(10)	389	4.5	204	39	46	55	49	42	35	10.7	8.5	6.8	31	26	21	24	23	22	—	—	—	12	5
Rainbow Children's Medicare	ADD	1,459	1,520	4	148	1.7	102	24	28	33	61	52	44	10.1	8.6	7.4	29	25	21	18	18	18	0.2	0.3	0.3	4	2
Health Care Services																											
Neutral					4,018	46.4					69.4	56.1	43.6	10.2	8.8	7.5	36.5	30.1	24.0	14.7	15.7	17.2	0.2	0.3	0.3	106	61

Source: Company, Bloomberg, Kotak Institutional Equities estimates

Kotak Institutional Equities: Valuation summary of KIE Universe stocks

Company	Rating	Price (Rs)	Fair Value	Upside	Mkt cap.		O/S shares	EPS (Rs)			P/E (X)			P/B (X)			EV/EBITDA (X)			RoE (%)			Dividend yield (%)			ADV-3M (US\$ mn)		
		18-Jun-25	(Rs)	(%)	(Rs bn)	(US\$ bn)	(mn)	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	Traded	Delivered	
Hotels & Restaurants																												
Chalet Hotels	ADD	904	930	3	198	2.3	218	7	27	40		139	33	22	6.5	5.5	4.5	30	20	14	6	18	22	0.0	(0.2)	(0.3)	2	1
Devyani International	BUY	171	190	11	206	2.4	1,206	0	(0)	0		1,142	NM	448	18.8	18.9	18.5	26	22	19	2	NM	4	0.0	0.0	0.0	5	2
Indian Hotels	ADD	763	880	15	1,087	12.6	1,423	11	16	21		68	47	37	9.7	8.2	6.9	38	27	22	16	19	20	0.0	0.3	0.3	42	24
Jubilant Foodworks	ADD	682	720	6	450	5.2	660	3	5	7		206	141	99	19.8	17.9	15.7	38	31	26	10	13	17	0.2	0.2	0.3	15	7
Lemon Tree Hotels	REDUCE	136	130	(4)	108	1.2	792	2	3	5		55	41	29	9.3	8.2	7.0	19	16	13	18	21	26	0.0	1.1	1.3	5	2
Restaurant Brands Asia	REDUCE	76	85	12	44	0.5	582	(2)	(1)	(1)		NM	NM	NM	2.0	2.0	2.0	14	12	10	NM	NM	NM	—	—	—	2	1
Samhi Hotels	BUY	221	270	22	49	0.6	221	5	10	15		47	22	15	4.3	3.7	3.1	17	12	10	10	18	22	0.0	0.0	0.0	5	3
Sapphire Foods	ADD	327	365	11	105	1.2	320	1	1	2		327	405	171	7.5	7.4	7.1	22	19	16	2	2	4	—	—	—	2	1
Ventive Hospitality	ADD	699	840	20	163	1.9	234	(1)	14	24		NM	48	29	3.4	3.2	2.9	19	16	13	NM	7	10	—	—	—	2	1
Westlife Foodworld	REDUCE	701	700	(0)	109	1.3	156	1	4	7		898	190	104	18.1	16.8	14.9	35	26	21	2	9	15	—	—	—	1	1
Hotels & Restaurants	Attractive				2,519	29.1						113.2	61.9	44.0	8.7	7.8	6.7	29.9	23.0	18.4	7.7	12.6	15.3	0.0	0.2	0.2	80	43
Insurance																												
HDFC Life Insurance	BUY	766	875	14	1,651	19.1	2,020	8	10	11		91	79	68	11.2	10.6	9.9	—	—	—	12	14	15	0.2	0.3	0.4	24	14
ICICI Lombard	ADD	1,932	2,100	9	959	11.1	496	51	58	66		38	33	29	6.7	5.7	4.9	—	—	—	19	19	18	0.4	0.5	0.5	16	11
ICICI Prudential Life	BUY	631	790	25	913	10.6	1,441	8	9	11		77	68	60	7.6	6.9	6.2	—	—	—	10	11	11	0.5	0.5	0.5	9	5
LIC	BUY	935	1,260	35	5,911	68.3	6,325	76	80	83		12	12	11	4.6	3.6	2.9	—	—	—	46	35	28	—	—	—	17	7
Max Financial Services	BUY	1,587	1,540	(3)	548	6.3	345	2	2	3		851	741	632	—	—	—	—	—	—	1	1	1	—	—	—	19	12
Niva Bupa Health Insurance	ADD	81	85	5	148	1.7	1,827	1	2	3		73	42	31	—	—	—	—	—	—	8	10	13	—	—	—	12	5
PB Fintech	SELL	1,894	1,550	(18)	870	10.1	462	8	14	24		248	133	78	—	—	—	—	—	—	5	10	15	—	—	—	34	18
SBI Life Insurance	ADD	1,797	1,825	2	1,801	20.8	1,005	24	28	33		75	64	55	10.9	9.5	8.3	—	—	—	15	16	16	0.2	0.2	0.3	25	15
Star Health and Allied Insurance	REDUCE	436	400	(8)	256	3.0	588	11	15	20		40	28	22	3.7	3.2	2.8	—	—	—	10	12	14	—	—	—	8	4
Insurance	Attractive				13,057	151.0						22.7	21.1	19.7	6.3	5.1	4.3				28	24	22	0.1	0.1	0.1	164	92
Internet Software & Services																												
Brainbees Solutions	BUY	370	530	43	193	2.2	486.9	(4)	(5)	0		NM	NM	4,557	6.4	3.8	4.0	79	74	30	NM	NM	0.1	—	—	—	12	5
Cartrade Tech	SELL	1,684	975	(42)	80	0.9	50.8	26	31	37		64	54	45	3.9	3.6	3.3	49	36	28	6.3	6.9	7.7	—	—	—	9	4
Eternal	BUY	248	280	13	2,397	27.7	9,215	1	1	3		428	172	90	7.4	7.1	6.6	341	145	66	2.1	4.2	7.7	0.0	0.0	0.0	181	90
FSN E-commerce Ventures	REDUCE	196	185	(6)	561	6.5	2,875.0	0	1	2		839	205	110	43.3	35.8	27.0	120	73	51	5.2	19.1	28	—	—	—	24	13
Indiamart	REDUCE	2,472	2,425	(2)	148	1.7	60.0	101	97	106		24	26	23	6.5	5.4	4.6	21	18	15	30	23	21	0.8	0.8	0.8	4	2
Info Edge	ADD	1,468	1,625	11	951	11.0	647.2	11	18	21		132	83	71	3.4	3.3	3.2	84	70	59	2.7	4.1	4.6	0.4	0.3	0.4	21	11
Just Dial	BUY	877	1,275	45	75	0.9	85.0	69	64	68		13	14	13	1.6	1.4	1.3	7	5	3	13.5	11.1	10.6	—	—	—	5	2
Swiggy	BUY	365	415	14	911	10.5	2,489	(13)	(11)	(5)		NM	NM	NM	8.9	10.7	11.6	(30)	(42)	(313)	NM	NM	NM	0.0	0.0	0.0	60	25
Internet Software & Services	Attractive				5,316	61.5						NM	451	115	6.4	6.2	5.8	776	168	64	NM	1.4	5.1	0.1	0.1	0.1	316	147
IT Services																												
Coforge	BUY	1,834	1,800	(2)	613	7.1	351	29	41	53		63	44	35	9.7	8.9	8.1	31	24	19	20	21	24	0.8	1.0	1.7	62	24
Cyient	REDUCE	1,357	1,150	(15)	151	1.7	111	55	63	75		24	22	18	2.6	2.4	2.3	12	11	10	12	12	13	1.9	2.4	3.0	8	4
HCL Technologies	REDUCE	1,716	1,500	(13)	4,656	53.8	2,718	64	66	72		27	26	24	6.8	6.4	6.0	17	17	15	25	25	26	3.5	3.4	3.5	60	35
Hexaware Technologies	BUY	840	940	12	511	5.9	611	19	24	29		43	34	29	9.6	8.5	7.5	27	22	18	24	26	28	1.0	1.5	1.9	12	7
Indegene	BUY	586	700	19	141	1.6	241	17	20	24		34	29	25	5.6	4.7	4.0	23	19	16	21	17	17	0.0	0.0	0.0	9	4
Infosys	BUY	1,633	1,780	9	6,783	78.4	4,151	63	66	72		26	25	23	7.1	6.6	6.3	17	16	15	29	28	29	2.9	3.0	3.8	152	89
KPIT Technologies	SELL	1,422	1,000	(30)	390	4.5	274	28	31	37		52	46	38	13.4	11.1	9.3	30	28	23	30	26	26	0.6	0.7	0.9	21	8
L&T Technology Services	REDUCE	4,413	4,100	(7)	468	5.4	106	119	130	152		37	34	29	7.7	6.8	6.1	23	21	18	22	21	22	0.9	1.1	1.3	8	4
LTIMindtree	ADD	5,451	5,200	(5)	1,615	18.7	296	156	173	199		35	32	27	7.1	6.4	5.8	23	21	18	22	21	22	1.2	1.7	2.0	23	11
Mphasis	REDUCE	2,687	2,600	(3)	511	5.9	189	90	98	111		30	27	24	5.3	5.0	4.7	19	17	15	18	19	20	2.0	2.6	2.8	19	9
Persistent Systems	SELL	6,026	4,500	(25)	942	10.9	156	90	111	128		67	54	47	14.8	12.6	10.7	45	37	31	25	25	25	0.6	0.6	0.7	43	18
RateGain	REDUCE	436	540	24	52	0.6	119	18	16	19		25	27	23	3.1	2.8	2.4	20	22	16	13	11	11	—	—	—	2	1
Tata Elxsi	SELL	6,450	4,250	(34)	402	4.6	62	126	122	146		51	53	44	14.0	13.1	12.1	38	38	31	30	26	29	1.2	1.4	1.6	22	7
Tata Technologies	SELL	732	500	(32)	297	3.4	406	17	18	21		44	40	35	8.3	7.5	6.8	30	29	26	20	20	20	1.6	1.3	1.4	28	11
TCS	BUY	3,451	3,800	10	12,487	144.4	3,619	134	141	153		26	24	23	12.9	11.8	10.9	18	17	15	51	50	50	3.3	3.4	3.7	113	68
Tech Mahindra	BUY	1,711	1,850	8	1,514	17.5	890	48	60	78		36	28	22	5.6	5.3	5.0	21	17	13	16	19	24	2.2	2.3	3.0	40	23
Wipro	SELL	262	230	(12)	2,742	31.7	10,491	13	13	13		21	21	20	3.3	3.2	3.0	13	13	12	17	16	16	2.3	3.4	3.6	38	18
IT Services	Neutral				34,275	396.2						27.6	26.0	23.6	7.7	7.1	6.7	18.1	17.1	15.5	27.7	27.4	28.3	2.7	2.8	3.2	659	314

Kotak Institutional Equities: Valuation summary of KIE Universe stocks

Company	Rating	Price (Rs)	Fair Value	Upside	Mkt cap.		O/S shares	EPS (Rs)			P/E (X)			P/B (X)			EV/EBITDA (X)			RoE (%)			Dividend yield (%)			ADV-3M (US\$ mn)	
		18-Jun-25	(Rs)	(%)	(Rs bn)	(US\$ bn)	(mn)	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	Traded	Delivered
Media																											
PVR INOX	BUY	953	1,200	26	94	1.1	98	(15)	12	36	NM	80	27	1.1	1.1	1.1	27	14	9	NM	1	4	—	0.0	0.0	5	2
Sun TV Network	REDUCE	619	650	5	244	2.8	394	44	45	48	14	14	13	2.1	1.9	1.7	10	9	8	16	15	14	2.4	2.6	2.7	2	1
Zee Entertainment Enterprises	REDUCE	134	127	(5)	128	1.5	960	8	9	9	17	15	14	1.1	1.1	1.0	10	8	7	7	7	7	1.8	2.2	2.6	20	8
Media	Neutral				466	5.4					19.7	17.1	14.9	1.5	1.4	1.3	12.1	9.6	8.0	7.5	8.2	8.8	1.8	2.0	2.2	27	11
Metals & Mining																											
Gravita India	ADD	1,680	2,175	30	124	1.4	74	42	59	70	40	28	24	6.0	5.1	4.3	30.4	24.7	20.1	21	19	19	0.4	0.5	0.6	11	4
Hindalco Industries	BUY	645	735	14	1,450	16.8	2,220	76	64	66	8	10	10	1.2	1.0	1.0	5.5	5.6	5.4	15	11	10	0.8	1.0	1.0	41	21
Hindustan Zinc	SELL	453	350	(23)	1,913	22.1	4,225	25	24	25	18	19	18	14.4	14.4	14.4	11.1	10.9	10.5	73	76	78	6.4	5.3	5.5	19	9
Jindal Steel and Power	BUY	894	1,150	29	912	10.5	1,020	40	72	95	22	12	9	1.9	1.7	1.4	10.8	7.5	5.5	9	14	17	0.2	0.4	0.5	20	9
JSW Steel	REDUCE	986	1,000	1	2,412	27.9	2,445	16	63	80	63	16	12	3.0	2.6	2.2	13.9	8.4	7.0	5	18	19	0.3	0.6	0.8	23	11
National Aluminium Co.	REDUCE	186	205	10	342	4.0	1,837	29	22	22	6	9	8	1.9	1.7	1.5	3.7	4.7	4.2	33	21	19	4.3	4.6	4.8	28	11
NMDC	SELL	69	55	(20)	602	7.0	8,792	7	7	7	9	10	10	2.0	1.8	1.7	6.6	6.9	7.2	23	19	17	4.8	4.5	4.5	20	9
SAIL	SELL	127	80	(37)	525	6.1	4,130	6	9	7	20	13	17	0.9	0.9	0.8	7.6	6.3	6.9	4	6	5	1.5	2.2	1.7	26	9
Tata Steel	SELL	152	135	(11)	1,899	22.0	12,486	2	12	14	79	13	11	2.1	1.9	1.7	11.4	6.9	6.3	3	15	16	2.4	2.7	2.9	66	30
Vedanta	REDUCE	457	435	(5)	1,785	20.6	3,910	35	41	49	13	11	9	4.3	3.7	3.2	5.8	5.1	4.4	39	36	36	9.5	5.1	6.0	49	22
Metals & Mining	Cautious				11,964	138.3					18.1	13.0	11.5	2.4	2.1	1.9	8.4	6.9	6.2	13.1	16.4	16.5	3.4	2.8	3.0	303	131
Oil, Gas & Consumable Fuels																											
BPCL	SELL	316	220	(30)	1,370	15.8	4,273	34	24	22	9	13	14	1.7	1.5	1.4	5.8	7.2	7.9	19	12	10	3.2	2.5	2.3	39	20
Coal India	REDUCE	390	375	(4)	2,406	27.8	6,163	57	60	59	7	7	7	2.4	2.0	1.7	7.1	5.4	4.8	39	34	28	6.8	6.9	7.1	33	17
HPCL	SELL	394	210	(47)	838	9.7	2,128	35	29	32	11	13	13	1.8	1.7	1.5	9.1	9.5	9.0	17	13	13	2.7	2.2	2.4	27	13
IOCL	SELL	141	85	(40)	1,989	23.0	14,121	8	13	13	17	11	11	1.1	1.0	1.0	8.2	6.4	6.2	6	10	9	2.1	2.8	2.8	25	12
Oil India	SELL	470	315	(33)	764	8.8	1,627	38	42	44	12	11	11	1.7	1.5	1.4	9.0	7.8	7.3	14	14	14	2.4	3.2	3.3	18	8
ONGC	BUY	250	285	14	3,150	36.4	12,580	29	42	46	9	6	5	0.9	0.8	0.7	4.5	3.7	3.4	11	14	14	4.9	4.7	5.0	41	20
Reliance Industries	BUY	1,430	1,520	6	19,353	223.7	13,532	51	60	72	28	24	20	2.3	2.1	1.9	13.4	11.3	9.4	9	9	10	—	0.4	0.4	216	135
Oil, Gas & Consumable Fuels	Neutral				29,870	345.3					16.5	14.1	12.9	1.8	1.7	1.5	9.3	8.0	7.1	11.1	11.8	11.8	1.7	1.8	1.8	400	224
Pharmaceuticals																											
Alivus Life Sciences	BUY	1,005	1,350	34	123	1.4	123	40	43	52	25	23	19	4.4	3.7	3.1	18	16	13	19	17	17	-	-	-	1	1
Aurobindo Pharma	SELL	1,105	1,100	(0)	642	7.4	586	60	66	75	19	17	15	2.0	1.8	1.7	10	9	8	11	11	12	0.0	2.0	2.4	18	8
Biocon	REDUCE	342	345	1	411	4.7	1,202	(1)	8	13	NM	44	26	1.5	1.4	1.3	17	13	11	NM	3	5	0.2	0.5	0.8	12	4
Blue Jet Healthcare	ADD	884	820	(7)	153	1.8	173	18	24	29	50	37	30	13.5	10.0	7.7	40	28	22	31	31	29	0.1	0.1	0.2	5	3
Cipla	BUY	1,498	1,800	20	1,210	14.0	806	65	65	68	23	23	22	3.9	3.4	3.1	16	15	14	18	16	15	0.8	1.0	1.0	30	17
Concord Biotech	ADD	2,009	1,875	(7)	210	2.4	105	36	43	53	57	47	38	11.6	9.8	8.3	41	34	28	22	23	24	0.4	0.6	0.7	4	2
Divis Laboratories	SELL	6,549	5,000	(24)	1,739	20.1	265	83	101	134	79	65	49	11.6	10.4	9.1	57	46	35	15	17	20	0.5	0.5	0.7	39	22
Dr Reddy's Laboratories	REDUCE	1,313	1,250	(5)	1,096	12.7	832	70	64	55	19	21	24	3.2	2.8	2.6	12	13	15	19	15	11	0.6	0.8	0.8	33	18
Emcure Pharmaceuticals	BUY	1,339	1,625	21	254	2.9	189	36	50	58	37	27	23	5.7	4.9	4.2	18	14	12	19	20	20	—	0.9	1.1	3	2
Gland Pharma	REDUCE	1,735	1,500	(14)	286	3.3	164	43	59	72	41	29	24	3.1	2.9	2.7	21	17	14	8	10	12	1.2	1.5	1.6	6	3
JB Chemicals & Pharma	BUY	1,721	2,200	28	269	3.1	157	42	52	59	41	33	29	7.9	6.7	5.8	26	21	18	21	22	22	0.9	0.9	1.0	7	4
Laurus Labs	SELL	664	475	(29)	358	4.1	536	7	10	12	99	69	54	8.0	7.2	6.4	36	27	23	8	11	13	0.1	0.1	0.2	16	7
Lupin	ADD	1,954	2,305	18	892	10.3	455	72	85	83	27	23	24	5.1	4.3	3.8	17	14	14	21	20	17	0.4	0.8	0.8	27	15
Mankind Pharma	ADD	2,358	2,600	10	973	11.3	412	48	53	70	49	45	34	6.8	6.0	5.3	34	26	21	17	14	17	—	0.4	0.5	13	7
Piramal Pharma	BUY	193	305	58	257	3.0	1,323	1	1	4	301	223	52	3.1	3.1	2.9	21	20	14	1	1	6	—	—	—	14	6
Sai Life Sciences	REDUCE	738	750	2	154	1.8	207	8	10	14	90	74	54	7.2	6.6	5.8	37	30	23	11	9	11	—	—	—	5	3
Sun Pharmaceuticals	ADD	1,648	1,875	14	3,954	45.7	2,399	48	51	60	34	32	27	5.5	4.8	4.2	25	23	20	17	16	16	0.9	0.6	0.7	58	36
Syngene International	BUY	645	825	28	260	3.0	402	12	11	16	55	60	40	5.5	5.1	4.6	24	23	17	11	9	12	0.2	0.2	0.3	10	6
Torrent Pharmaceuticals	REDUCE	3,227	3,150	(2)	1,092	12.6	338	57	71	86	56	46	37	14.4	12.5	10.6	29	26	22	27	29	31	1.0	1.1	1.2	14	8
Pharmaceuticals	Neutral				14,333	165.7					36.1	32.5	28.4	4.9	4.4	3.9	21.8	19.6	17.2	13.5	13.4	13.8	0.5	0.6	0.7	314	169

Source: Company, Bloomberg, Kotak Institutional Equities estimates

Kotak Institutional Equities: Valuation summary of KIE Universe stocks

		Price (Rs)	Fair Value	Upside	Mkt cap.		O/S shares	EPS (Rs)			P/E (X)			P/B (X)			EV/EBITDA (X)			RoE (%)			Dividend yield (%)			ADV-3M (US\$ mn)	
Company	Rating	18-Jun-25	(Rs)	(%)	(Rs bn)	(US\$ bn)	(mn)	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	Traded	Delivered
Real Estate																											
Brigade Enterprises	BUY	1,168	1,365	17	285	3.3	244	28	31	47	42	37	25	5.1	4.5	3.9	21	19	13	15	13	17	0.2	0.2	0.2	6	3
Brookfield India Real Estate Trust	ADD	307	325	6	187	2.2	608	7	7	10	46	42	31	0.7	1.4	1.5	16	13	12	2	3	4	9.7	6.6	7.2	4	3
DLF	BUY	845	1,020	21	2,091	24.2	2,475	18	18	25	48	46	33	4.9	4.6	4.2	99	59	38	11	10	13	0.7	0.8	0.9	38	16
Embassy Office Parks REIT	ADD	392	400	—	371	4.3	948	23	10	15	17	39	26	1.6	1.7	1.8	18	16	14	9	4	7	5.9	6.2	6.6	5	4
Godrej Properties	SELL	2,461	2,100	(15)	741	8.6	301	46	55	86	53	44	29	4.3	3.9	3.4	1,749	159	52	10	9	13	—	—	—	29	13
Macrotech Developers	BUY	1,443	1,480	3	1,440	16.6	998	28	37	46	52	39	31	7.1	6.0	5.1	37	28	22	15	17	18	—	—	—	24	10
Mindspace REIT	ADD	415	420	1	253	2.9	609	8	12	17	53	35	24	1.7	1.8	1.9	18	16	14	3	5	8	5.2	5.7	6.2	1	1
Nexus Select Trust	ADD	139	145	4	210	2.4	1,515	3	5	5	44	29	26	1.5	1.6	1.6	17	15	14	3	5	6	6.0	6.5	7.0	3	2
Oberoi Realty	REDUCE	1,896	1,700	(10)	689	8.0	364	61	76	99	31	25	19	4.4	3.7	3.1	22	18	14	15	16	18	0.5	0.6	0.7	15	7
Phoenix Mills	REDUCE	1,606	1,570	(2)	574	6.6	358	38	48	53	42	34	30	5.5	4.8	4.1	26	20	17	14	15	15	0.2	0.2	0.2	15	8
Prestige Estates Projects	ADD	1,693	1,700	0	729	8.4	431	11	21	36	148	80	47	4.5	4.5	4.1	31	24	19	4	6	9	0.1	0.1	0.2	16	7
Signature Global	BUY	1,273	1,492	17	179	2.1	141	7	31	57	177	41	22	24.6	15.3	9.1	426	53	20	15	47	51	—	—	—	6	1
Sobha	ADD	1,555	1,580	2	166	1.9	107	9	35	59	180	45	27	3.6	3.4	3.1	54	25	15	3	8	12	0.2	0.3	0.3	5	2
Sunteck Realty	BUY	446	600	35	65	0.8	140	11	23	32	42	20	14	1.9	1.8	1.6	36	15	10	5	9	12	0.2	0.2	0.2	2	1
Real Estate	Attractive				7,982	92.3					47.2	40.1	29.2	4.0	3.7	3.5	35.3	26.6	20.2	8.4	9.4	11.8	1.0	1.1	1.2	167	80
Renewable Energy																											
Premier Energies	SELL	1,000	900	(10)	451	5.2	451	21	27	43	48	36	23	16.0	11.1	7.5	25	18	12	54	36	38	—	—	—	22	8
Waaree Energies	SELL	2,699	2,600	(4)	775	9.0	288	68	119	197	40	23	14	7.9	6.0	4.2	26	15	9	28	31	36	—	—	—	75	23
Renewable Energy	Cautious				8,433	14.2					43.7	26.3	16.1	10.0	7.2	5.0	25.8	15.9	10.3	23	27	31	0.0	0.0	0.0	96	31
Retailing																											
Avenue Supermarts	SELL	4,228	3,400	(20)	2,752	31.8	651	42	48	60	102	87	71	12.8	11.2	9.7	61	53	43	13	14	15	—	—	—	28	14
International Gemmological Institute	REDUCE	361	375	4	156	1.8	437	10	12	13	35	31	27	14.7	11.9	9.9	25	21	18	40	39	37	1.2	1.6	1.9	7	4
Metro Brands	SELL	1,180	1,100	(7)	321	3.7	272	13	16	20	91	72	59	18.8	16.2	13.9	42	35	29	20	24	25	1.7	0.6	0.6	1	1
Titan Company	REDUCE	3,468	3,375	(3)	3,079	35.6	888	42	50	59	82	69	59	26.5	21.0	16.9	50	43	37	36	34	32	0.3	0.5	0.5	36	20
Trent	REDUCE	5,735	5,400	(6)	2,039	23.6	356	45	57	71	129	100	81	37.3	26.8	19.8	74	59	46	32	33	30	—	—	—	77	33
Vishal Mega Mart	ADD	123	125	2	571	6.6	4,727	1	2	2	92	72	57	9.1	8.1	7.1	37	30	24	11	12	13	—	—	—	51	24
Retailing	Neutral				6,307	103.1					94.7	77.2	63.7	18.7	15.5	12.9	54.7	46.1	38.4	19.7	20	20	0.2	0.2	0.2	199	71
Specialty Chemicals																											
Aarti Industries	SELL	450	350	(22)	163	1.9	363	9	9	13	49	48	35	2.9	2.8	2.6	20	18	15	6	6	8	0.2	0.3	0.4	10	4
Aether Industries	ADD	769	910	18	102	1.2	133	13	16	21	60	47	37	4.6	4.2	3.8	42	31	23	8	9	11	—	—	0.0	2	1
Acutaas Chemicals	BUY	1,108	1,450	31	91	1.0	80	20	27	38	56	40	29	6.7	5.8	4.9	38	27	20	16	16	18	0.1	0.2	0.3	8	
Atul	SELL	7,048	5,450	(23)	207	2.4	29	164	224	262	43	31	27	3.7	3.3	3.0	21	16	14	9	11	12	0.4	0.6	0.7	8	3
Castrol India	ADD	208	225	8	206	2.4	989	9	11	12	22	19	18	9.0	8.2	7.4	15	13	12	42	45	44	3.8	4.1	4.3	11	4
Clean Science & Technology	ADD	1,445	1,500	4	154	1.8	106	25	32	43	58	45	34	10.8	9.0	7.4	40	31	24	20	22	24	0.3	0.4	0.5	2	1
Deepak Nitrite	ADD	1,911	2,180	14	261	3.0	136	51	59	70	37	33	27	4.8	4.2	3.7	24	22	20	14	14	14	0.3	0.3	0.4	7	3
Navin Fluorine	SELL	4,740	3,390	(28)	235	2.7	50	58	77	107	81	62	44	8.9	8.0	7.0	47	34	26	12	14	17	0.3	0.3	0.5	10	5
Neogen Chemicals	ADD	1,605	1,610	0	42	0.5	26	19	21	40	87	75	40	5.4	5.0	4.0	35	38	20	6	7	11	0.1	0.1	0.2	1	0
Pidlite Industries	ADD	2,968	3,175	7	1,510	17.5	509	41	47	53	72	63	56	15.5	14.0	12.8	49	43	39	23	23	24	0.7	0.9	1.2	13	7
PI Industries	SELL	4,139	3,030	(27)	628	7.3	152	109	113	130	38	37	32	6.2	5.4	4.7	28	26	22	18	16	16	0.4	0.5	0.5	14	8
S H Kelkar and Company	BUY	239	400	67	33	0.4	138	10	11	15	25	22	15	2.6	2.3	2.1	13	11	8	11	11	14	0.4	1.7	1.9	1	1
SRF	SELL	3,074	2,060	(33)	911	10.5	296	42	59	76	73	52	40	7.2	6.5	5.8	35	28	23	10	13	15	0.4	0.4	0.5	25	14
Vinati Organics	SELL	1,926	1,170	(39)	200	2.3	104	39	45	53	49	42	36	7.1	6.3	5.5	34	28	24	15	16	16	0.4	0.5	0.6	2	1
Specialty Chemicals	Neutral				4,743	54.8					53.1	44.9	37.3	7.4	6.7	5.9	32.6	27.7	23.3	14.0	14.9	15.9	0.6	0.7	0.9	112	53

Source: Company, Bloomberg, Kotak Institutional Equities estimates



Kotak Institutional Equities: Valuation summary of KIE Universe stocks

Company	Rating	Price (Rs)	Fair Value	Upside	Mkt cap.		O/S shares	EPS (Rs)			P/E (X)			P/B (X)			EV/EBITDA (X)			RoE (%)			Dividend yield (%)			ADV-3M (US\$ mn)	
		18-Jun-25	(Rs)	(%)	(Rs bn)	(US\$ bn)	(mn)	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	Traded	Delivered
Telecommunication Services																											
Bharti Airtel	ADD	1,866	1,935	4	11,183	129.3	5,800	35	54	70	53	35	27	9.5	8.1	6.8	13	10	8	21	25	28	0.9	1.1	1.3	179	121
Indus Towers	SELL	392	385	(2)	1,034	12.0	2,638	23	25	28	17	16	14	3.2	3.1	3.1	7	6	6	21	20	22	—	5.8	6.4	34	19
Vodafone Idea	SELL	7	6	(9)	711	8.2	108,343	(4)	(2)	(2)	NM	NM	NM	NM	NM	NM	16	15	13	NM	NM	NM	—	—	—	56	20
Tata Communications	SELL	1,700	1,600	(6)	484	5.6	285	33	59	70	52	29	24	16.0	12.3	9.3	13	11	10	39	48	43	1.5	1.4	1.6	8	4
Telecommunication Services		Attractive			13,412	155.1					58,315	89.3	50.2	17	18	17	13.0	10.1	8.6	0.0	19.8	33	0.7	1.4	1.6	277	164
Transportation																											
Adani Ports and SEZ	BUY	1,373	1,750	27	2,965	34.3	2,160	53	64	72	26	22	19	4.7	4.0	3.4	18	15	13	20	20	19	0.5	0.7	0.7	45	20
Container Corp.	SELL	746	690	(7)	454	5.3	609	21	25	30	35	30	25	3.7	3.5	3.3	22	19	16	11	12	14	1.2	1.4	1.7	15	8
Delhivery	BUY	365	420	15	273	3.2	758	1	3	4	254	116	83	2.9	2.8	2.7	72	39	29	1	2	3	—	—	—	18	8
Gateway Distriparks	BUY	63	81	28	32	0.4	500	5	5	6	13	12	11	1.4	1.3	1.2	10	7	6	12	11	12	2.9	3.2	3.5	1	1
GMR Airports	ADD	83	91	10	874	10.1	6,036	(2)	0	1	NM	NM	116	NM	NM	NM	32	21	18	NM	3	186	—	—	—	14	8
Gujarat Pipavav Port	REDUCE	159	150	(6)	77	0.9	483	8	9	10	19	17	15	3.6	3.0	2.5	11	10	9	19	19	18	5.2	—	—	5	2
InterGlobe Aviation	BUY	5,273	6,700	27	2,038	23.6	383	190	273	354	28	19	15	21.5	10.2	5.0	9	7	5	128	72	51	—	—	—	101	59
JSW Infrastructure	SELL	309	255	(17)	648	7.5	2,119	7	8	8	45	40	36	6.7	6.0	24.6	30	26	25	16	16	15	0.5	0.5	0.5	12	6
Transportation		Attractive			7,360	85.1					34.9	26.0	21.4	6.8	5.5	4.5	16.4	13.1	11.0	19.6	21	21	0.4	0.4	0.5	211	111
KIE universe					316,616	3,660					26.6	23.5	20.3	3.8	3.4	3.1	16.1	13.8	12.1	14.3	14.7	15.2	1.3	1.4	1.5		

Notes:

(a) We have used adjusted book values for banking companies.

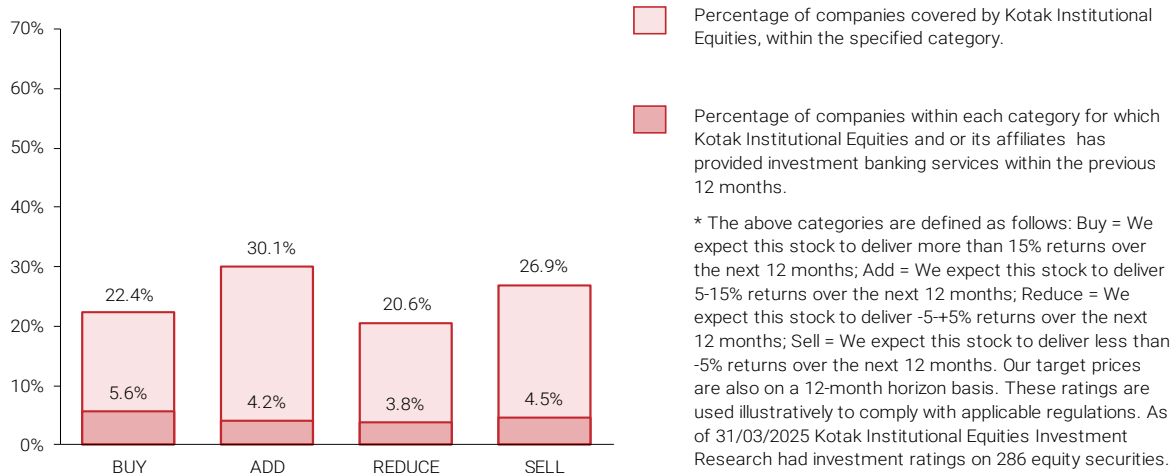
(b) 2024 means calendar year 2023, similarly for 2025 and 2026 for these particular companies.

(c) Exchange rate (Rs/US\$)= -

Source: Company, Bloomberg, Kotak Institutional Equities estimates

Distribution of ratings/investment banking relationships

Kotak Institutional Equities Research coverage universe



Source: Kotak Institutional Equities

As of March 31, 2025

Ratings and other definitions/identifiers

Definitions of ratings

BUY. We expect this stock to deliver more than 15% returns over the next 12 months.

ADD. We expect this stock to deliver 5-15% returns over the next 12 months.

REDUCE. We expect this stock to deliver -5+5% returns over the next 12 months.

SELL. We expect this stock to deliver <-5% returns over the next 12 months.

Our Fair Value estimates are also on a 12-month horizon basis. Our Ratings System does not take into account short-term volatility in stock prices related to movements in the market. Hence, a particular Rating may not strictly be in accordance with the Rating System at all times.

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