

India sneak peek

Published research

Alkem Laboratories Ltd (HOLD - Downgrade, TP: Rs5,750) - Chasing growth over profitability

Birlasoft (HOLD - Maintained, TP: Rs421) - Weak execution continues

Bosch Ltd (REDUCE - Maintained, TP: Rs27,910) - Sales growth recovery is difficult to sustain

Top Investment Idea






Zydus Lifesciences (HOLD - Downgrade, TP: Rs950) - Navigating post-gRevlimid margin pressure
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- Zydus Lifesciences posted in-line 4Q performance with a beat on the margin front. US biz posted robust growth of 27% QoQ while India biz was strong.
- We express caution regarding the sustainability of elevated margins and project a 330bp/500bp decline in gross/EBITDA margins over FY26F-27F.
- We have cut FY26F EPS by 7%. We also downgrade our rating on the stock to HOLD (from ADD) with a lower target price of Rs950 (Rs1,150 earlier).

What's in the news *(Click on news for more information)*

- Sebi probing delayed disclosures of accounting lapses at IndusInd Bank
- Lenders told to monitor gold loan portfolios, ensure checks in place: RBI
- India core to global automakers' plans, but EV adoption still slow: Moody's
- India's defence budget may near Rs 32 trillion by 2047: CII-KPMG report
- Epack Durable Bets On Product Diversification To Aid FY26 Growth

Expert speak

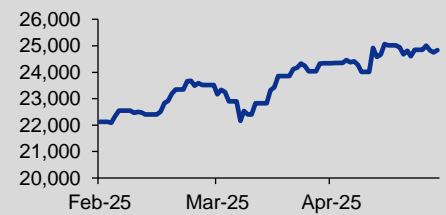
- Ramaswamy Narayana, CMD – GIC Housing Finance 
- PR Hari, CMD – Garden Reach Shipbuilders & Engineers 
- Ajit Kumar Rai, CMD – Suprajit Engineering 
- Ravi Viswanathan, MD – TVS Supply Chain Solutions 
- Rakesh Jain, CMD – GAIL (India) 

Alternative research desk

Trading desk

Key Metrics

Nifty Index



DXY	99.2	USDvsINR	85.5
US10YR (%)	4.43	IND10YR (%)	6.25
Brent Crude (\$/bbl)	64.2	WTI (\$/bbl)	60.8
Gold (\$/oz)	3,317	Aluminum (\$/MT)	2,451

Flows (Rs m)

DII	FII
42,865	8,840

Actionable Ideas

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Alkem Laboratories Ltd (HOLD - Downgrade, TP: Rs5,750) - Chasing growth over profitability

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- Alkem Laboratories' 4QFY25 results showed a significant miss, with EBITDA being 24% below our estimate & margin at 12.4%, 400bp below our estimate.
- Flat margin in FY26F. Planned R&D expenses and operating losses from CDMO & med-tech businesses are likely to exert 70-90bp pressure on margin.
- FY26F EPS cut by 10% because of margin pressure. We downgrade our rating on the stock to HOLD with a lower target price of Rs5,750.

Birlasoft (HOLD - Maintained, TP: Rs421) - Weak execution continues

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- Weak execution continues. Revenue missed estimates while the EBIT margin beat was driven by one-offs.
- Client-specific challenges, especially in top 6-10, continue to impact execution.
- Cash balance (US\$259m), and valuation (11x EV/EBITDA) are key anchors.

Bosch Ltd (REDUCE - Maintained, TP: Rs27,910) - Sales growth recovery is difficult to sustain

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- 4Q EPS grew by 24% yoy and 10% qoq to Rs188, which was aided by low base sales growth benefit, lower depreciation and higher other income.
- We retain FY26F-27F EBITDA but raise EPS estimates by 8% for lower capex-led depreciation & higher other income from the sale of video solutions division.
- The recent stock price bounce-back lifted P/BV valuation to a rich +1SD above the mean. Maintain REDUCE rating on the stock with a higher TP of Rs27,910.

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Figure 1: Top Buys (All ADD Ratings)

Company	Bloomberg Ticker	Market Capital (Rs bn)	Price	Target Price	Up/down (%)	Analyst Name
Large Cap						
HDFC Bank	HDFCB IN	14,761	1,928	2,200	14%	Meghna LUTHRA
Tata Consultancy Services	TCS IN	12,656	3,498	3,589	3%	Abhishek SHINDADKAR
Bajaj Finance Ltd	BAF IN	5,720	9,204	10,800	17%	Meghna LUTHRA
Maruti Suzuki	MSIL IN	3,896	12,392	13,621	10%	Pramod AMTHE
UltraTech Cement Ltd	UTCEM IN	3,321	11,269	13,550	20%	Nishant BAGRECHA
Axis Bank	AXSB IN	3,725	1,202	1,430	19%	Bhavik Shah
Adani Ports & Special Economic Zone Ltd	ADSEZ IN	3,108	1,439	1,457	1%	Rajarshi MAITRA
Bajaj Auto	BJAUT IN	2,478	8,875	10,590	19%	Pramod AMTHE
Shriram Finance Limited	SHFL IN	1,227	652	830	27%	Jignesh SHIAL
Cipla Ltd	CIPLA IN	1,193	1,477	1,680	14%	Yogesh SONI
Mid-cap						
Lupin Ltd	LPC IN	900	1,970	2,400	22%	Yogesh SONI
Marico Ltd	MRCO IN	938	723	750	4%	Rohan KALLE
UPL Limited	UPLL IN	513	631	1,289	104%	Satish KUMAR
Petronet LNG	PLNG IN	471	314	519	65%	Pratyush KAMAL
Container Corp of India Ltd	CCRI IN	479	786	970	23%	Rajarshi MAITRA
Small-cap						
Ajanta Pharma Ltd	AJP IN	322	2,576	3,100	20%	Yogesh SONI
Deepak Fertilisers & Petrochemicals Corp. Ltd.	DFPC IN	192	1,520	2,051	35%	Pratyush KAMAL
Birla Corporation Ltd	BCORP IN	107	1,391	1,530	10%	Nishant BAGRECHA
Ethos Limited	ETHOSLTD IN	71	2,893	3,400	18%	Rohan KALLE
Skipper Limited	SKIPPER IN	58	500	612	22%	Ishan VERMA
Thyrocare Technologies Ltd.	THYROCAR IN	54	1,026	1,010	-2%	Yogesh SONI
TCPL Packaging Ltd	TCPL IN	40	4,379	4,380	0%	Nishant BAGRECHA
Globus Spirits Ltd	GBSL IN	28	971	1,584	63%	Nitin AWASTHI

SOURCES: INCRED RESEARCH, BLOOMBERG

Figure 2: Top Sells (All REDUCE Ratings)

Company	Bloomberg Ticker	Market Capital (Rs bn)	Price	Target Price	Up/down (%)	Analyst Name
Large Cap						
InterGlobe Aviation Ltd	INDIGO IN	2,057	5,322	3,030	-43%	Rajarshi MAITRA
Tata Steel	TATA IN	2,036	163	82	-50%	Satish KUMAR
Mid-cap						
Clean Science and Technology	CLEAN IN	156	1,467	683	-53%	Satish KUMAR

SOURCES: INCRED RESEARCH, BLOOMBERG

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Figure 3: Report links

Date	Analyst	Report Title
29 May 2025	Nishant Bagrecha	JK Lakshmi Cement - Profitability led by volume and realization (ADD-Maintained)
29 May 2025	Pramod Amthe	Bosch Ltd - Sales growth recovery is difficult to sustain (REDUCE-Maintained)
29 May 2025	Abhishek Shindadkar	Birlasoft - Weak execution continues (HOLD-Maintained)
28 May 2025	Satish Kumar	Strategy Note - Balochistan & KPK - determinants of future Asia
28 May 2025	Pramod Amthe	Timken Ltd - Tepid sales momentum prolongs (REDUCE-Maintained)
28 May 2025	Ishan Verma	Adani Power Ltd - A pure play in thermal power space (ADD-Initiate)
27 May 2025	Nishant Bagrecha	J K Cement Ltd - Strong execution-backed performance (HOLD-Maintained)
27 May 2025	Abhishek Shindadkar	Sonata Software - Takeaways from non-deal roadshow (ADD-Maintained)
25 May 2025	Rajarshi Maitra	Astral Ltd. - Steady margin; expensive valuation (REDUCE-Maintained)
24 May 2025	Rajarshi Maitra	Container Corp of India Ltd - Keep the faith (ADD-Maintained)
24 May 2025	Nishant Bagrecha	Ramco Cements Ltd - Miss on all fronts; 1Q offers a sigh of relief (REDUCE-Downgrade)
24 May 2025	Pramod Amthe	Balkrishna Industries Ltd - Car tyre expansion is long-gestation project (REDUCE-Downgrade)
23 May 2025	Meghna Luthra	Financial Services - Overall - Softer credit card spending post festivities (Overweight-Maintained)
23 May 2025	Pramod Amthe	Ashok Leyland - EBITDA margin scales historic peak (ADD-Maintained)
22 May 2025	Yogesh Soni	Zydus Lifesciences - Navigating post-qRevlimid margin pressure (HOLD-Downgrade)
22 May 2025	Bhavik Shah	IndusInd Bank - New accounting lapses surprise negatively (HOLD-Maintained)
22 May 2025	Rohan Kalle	Colgate Palmolive India - Challenging environment expected to persist (HOLD-Maintained)
21 May 2025	Yogesh Soni	Torrent Pharmaceuticals Ltd - Long-term growth story intact (HOLD-Maintained)
19 May 2025	Satish Kumar	Strategy Note - Crude oil - The queen's gambit by Saudi
19 May 2025	Yogesh Soni	Lupin Ltd - Robust US launch pipeline to drive growth (ADD-Maintained)

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Figure 4: Report links

Date	Analyst	Report Title
29 May 2025	Pramod Amthe	IT Services - Birlasoft 4QFY25 Earnings Update
29 May 2025	Shubham Dalia	NVIDIA Q1 FY26 Data centers revenue up 73% YoY Microsoft alone processed over 100 trillion tokens in Q1
29 May 2025	Abhishek Shindadkar	IT Services - Birlasoft 4QFY25 Earnings Update
28 May 2025	Satish Kumar	Deepak Nitrite Q4 FY25:Weak performance continues (after adjusting for ₹161 crore Q4 government incentive) — once again, consensus estimates appear overly optimistic, resembling Excel-driven dreams rather than grounded financial forecasts
28 May 2025	Satish Kumar	Sail - Possibly the only steel stock with rational earnings estimates — no surprise, given that 80% of analysts maintain a sell/hold rating
27 May 2025	Nitin Awasthi	Agribusiness : From Field to Barn: Gene Editing Moves Up the Value Chain
27 May 2025	Pramod Amthe	Bosch - 4QFY25 Results First Cut
27 May 2025	Satish Kumar	Gujarat Fluorochemicals Ltd - Q4FY25 & FY25 First cut
27 May 2025	Nishant Bagrecha	JK Lakshmi Cement Ltd. - Strong profitability driven by better than expected uptick in vol and realisation
27 May 2025	Pramod Amthe	Tata Motors - Annual Report Analysis
27 May 2025	Ishan Verma	KEC International - 4QFY25 first cut: Strong revenue growth with margin expansion
27 May 2025	Niharika Agarwal	OneSource (UNRATED): Powers Global GLP-1 Demand with India's Most Advanced Assembly Network
26 May 2025	Rajarshi Maitra	Finolex Industries 4QFY25: Tepid result, but qoq improvement is encouraging
25 May 2025	Satish Kumar	Camlin fine sciences - Vanillin – Expect Indian export prices to rise to US\$20/kg by H2 FY26F
25 May 2025	Ishan Verma	NTPC Ltd - 4QFY25: Steady growth with strong pipeline
24 May 2025	Satish Kumar	Camlin Fine Sciences - The company is firmly on track to achieve EBITDA in excess of ₹400 crore in FY26F
24 May 2025	Nishant Bagrecha	JK Cement / Cement - Profitability shines with strong vol and cost savings
24 May 2025	Satish Kumar	JSW Steel - Consensus estimates are like Pakistan DGISPR's claims of Indian war damage—exaggerated and detached from reality
23 May 2025	Pramod Amthe	Timken India - 4QFY25 Results First Cut
21 May 2025	Satish Kumar	Laxmi Organic Industries Ltd - Q4FY25 & FY25 First cut

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Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.