

SECTORAL PERFORMANCE VALUATION AND FINANCIAL PARAMETERS

SEPTEMBER 2025

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PREFACE

This report presents an overview of the Indian economy, highlighting key macroeconomic indicators and analysis of the core sectors that significantly influence economic performance. It offers sector-wise insights into structural trends, demand drivers, and challenges shaping growth trajectories. The report focuses on the top public listed companies in each sector and examines their financial and valuation parameters.

Our report covers the following:

1. Macro economic indicators for India
2. Analysis of the core sectors impacting the Indian economy
 - a. Insights on the key factors affecting the performance of the sector.
 - b. Margins: The trend of EBITDA margin demonstrates how the weighted average profitability of the companies in the sector have changed over the last four years.
 - c. Revenue growth: The compounded annual growth rate of revenue over the past four years depicts the growth trend of the sector.
 - d. Current leverage: The ratio of the debt to market capitalisation depicts the average leverage of the companies in the sector.
 - e. Beta: Beta is a measure of a stock's volatility relative to the overall market. In valuation, beta is a key input in calculating the Cost of Equity, which is used in models like the Discounted Cash Flow to estimate a company's intrinsic value.
 - f. Equity returns: This analysis depicts how the stock prices of the key players in the industry have performed over the past three years vis-à-vis the Nifty 50 and the sectoral index.
 - g. Valuation multiples: The comparison of current valuation multiples with the average multiples of the past three years depicts how the market is valuing a particular stock vis – a – vis the historical period.

This report is useful for audit teams, tax teams, lawyers, private equity professionals, investment bankers and finance teams of corporates to carry out indicative benchmarking of financial and valuation parameters of their target companies. This report provides an overview of financial and valuation parameters and should not be used for any decision making purpose. Feel free to connect with us, as we can help you to carry out a detail valuation analysis.

AGENDA

 Click a topic to jump to that chapter.

01 Key Economic Parameters

02 Automobile Manufacturing

03 Pharmaceuticals

04 Steel

05 Information Technology

06 Power Generation

07 Oil & Gas

08 Healthcare

09 Banks

10 Defence

11 Fast Moving Consumer Goods

12 Retail

13 Infrastructure

14 Automotive Parts & Equipment

15 Chemicals

16 NBFC





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Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of \$9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.

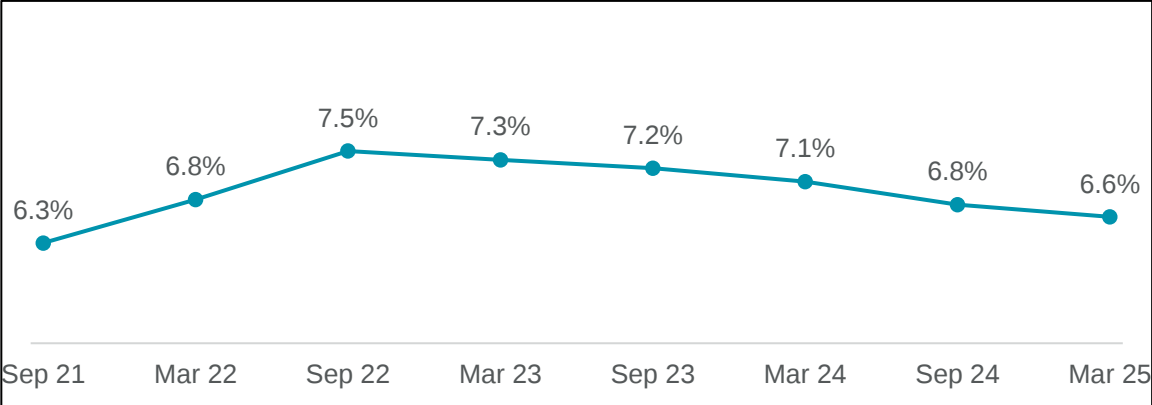
01

KEY ECONOMIC PARAMETERS

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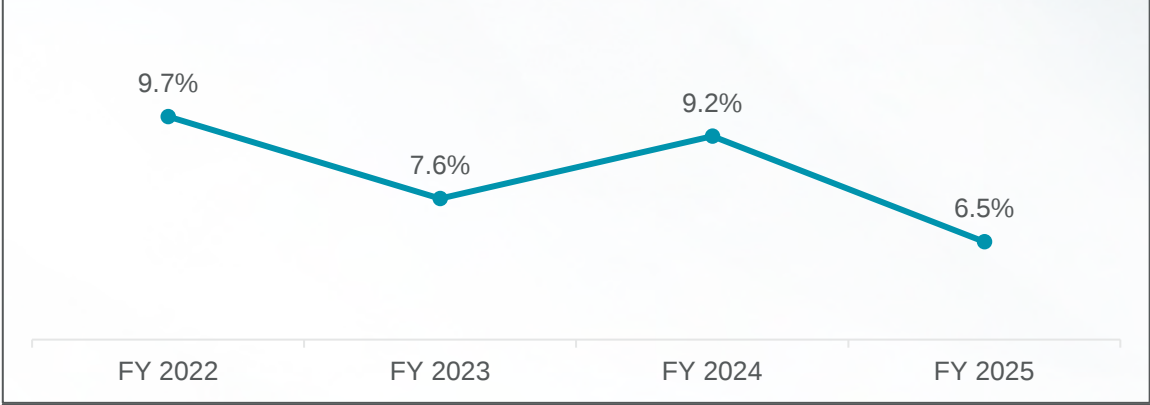
KEY ECONOMIC PARAMETERS

10 year Government Security Yield



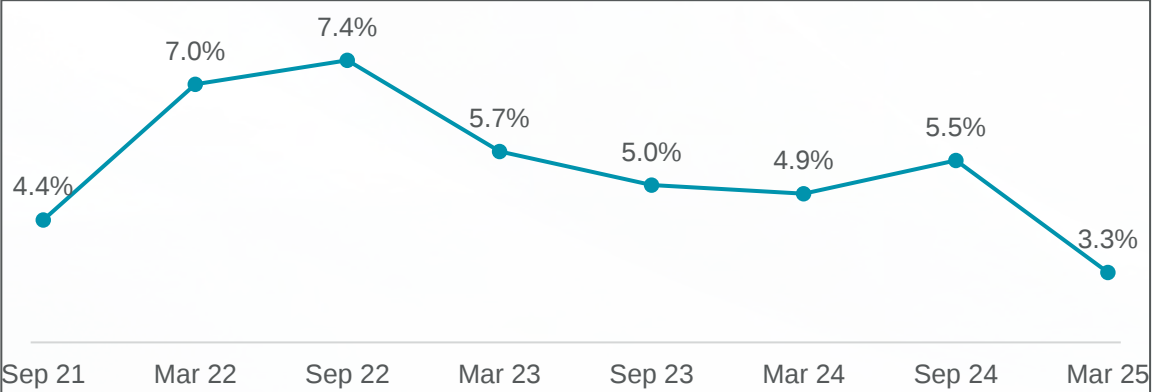
- G-Sec yields peaked in FY23, then gradually declined, signaling easing inflation and stable rate expectations.

Real GDP growth



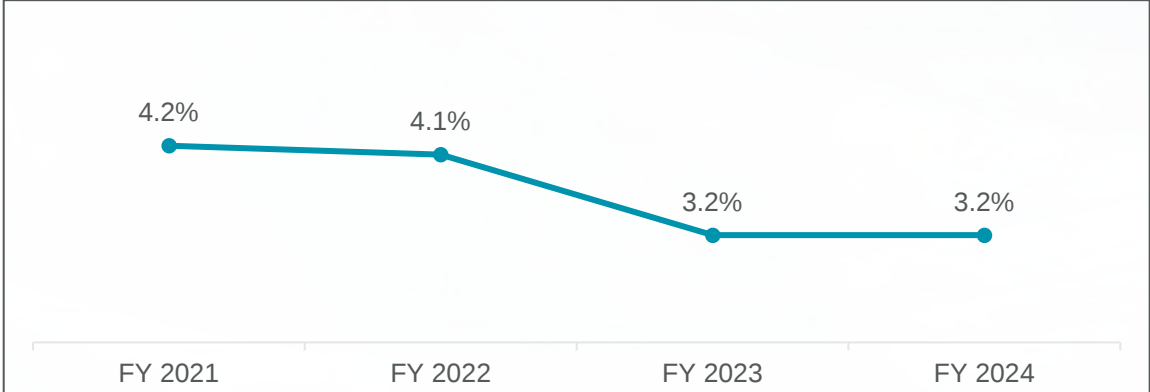
- The uneven trend highlights post-COVID recovery followed by slowdown due to external and domestic headwinds.

Consumer Price Index



- Gradual disinflation suggests policy effectiveness normalizing consumer prices after FY22 spikes.

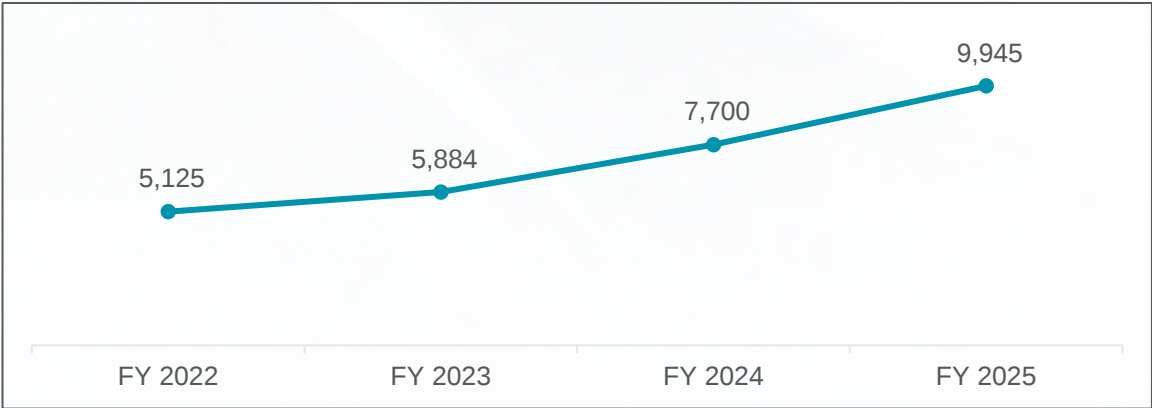
Unemployment Rate



- Unemployment declined steadily till FY23, then plateaued at 3.2%, indicating improved labor market stability.

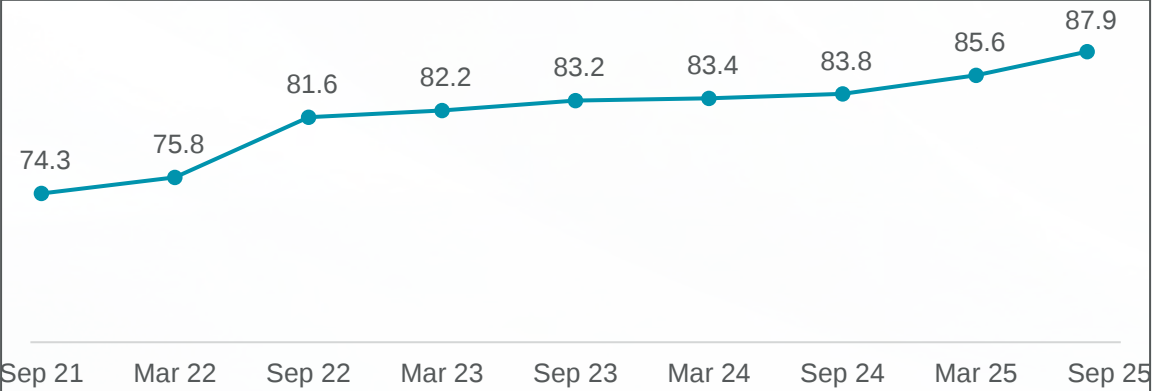
KEY ECONOMIC PARAMETERS

Gold Rate (INR per gram)



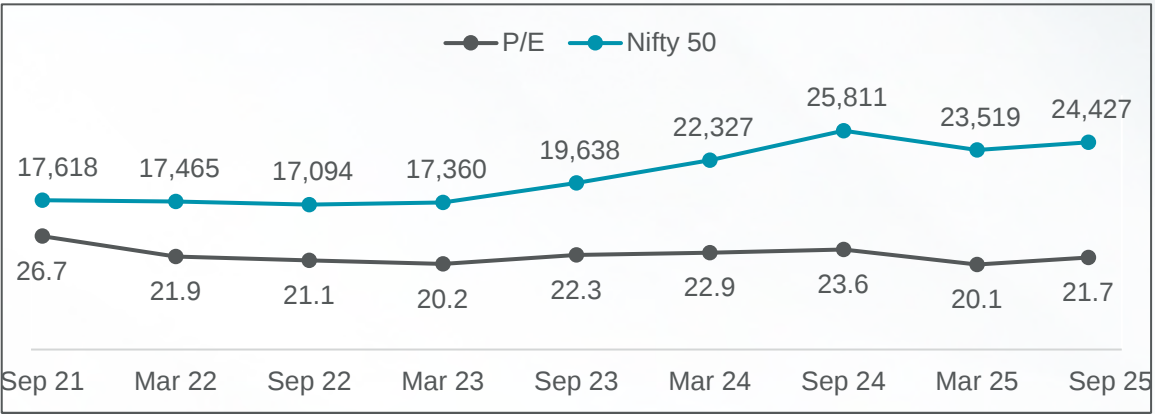
- Gold prices rose steadily across all years, indicating inflation hedge demand and global economic uncertainty.

Exchange rate USD / INR



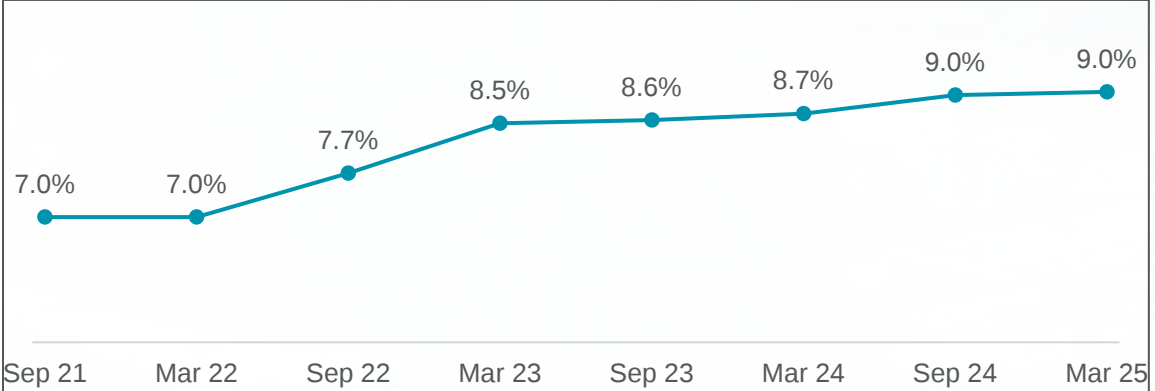
- The rupee steadily depreciated from 74.3 to 85.6, reflecting trade deficit and dollar strength.

Nifty 50



- After a flat FY22–FY23, Nifty surged in FY24, reflecting strong corporate earnings and sentiment.

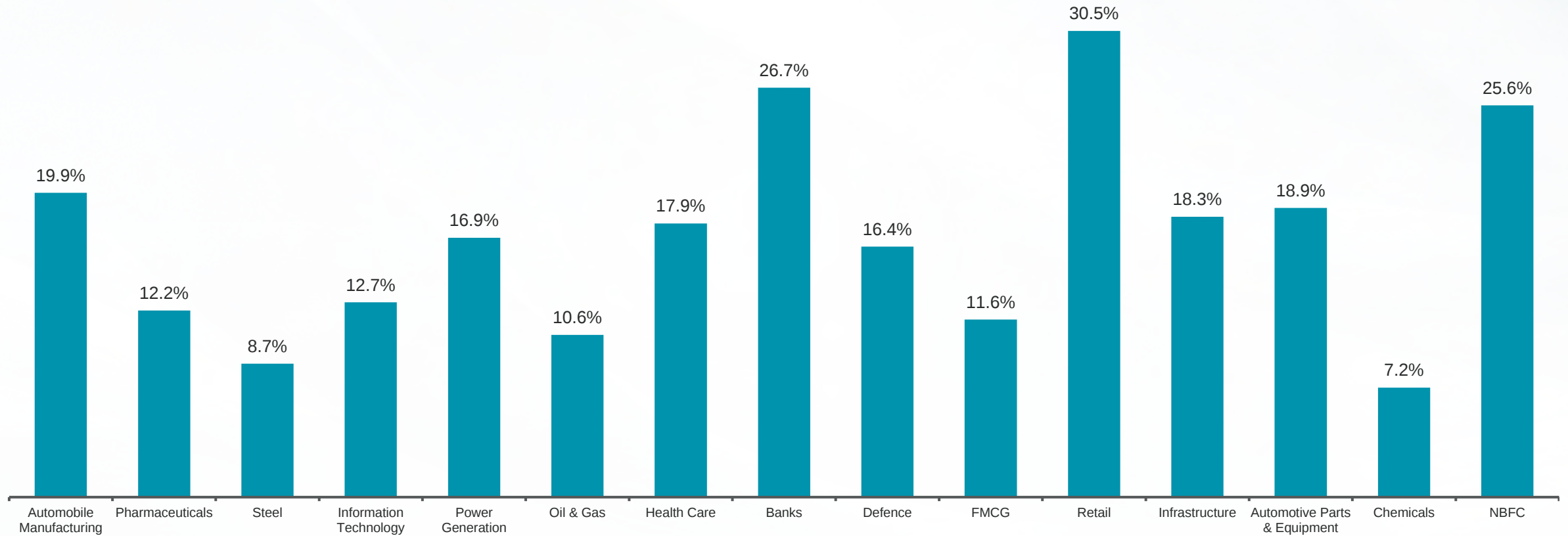
SBI – Marginal Cost Lending Rate (1year MCLR)



- The steady increase reflects RBI's rate hikes and rising borrowing costs in a tightening policy cycle.

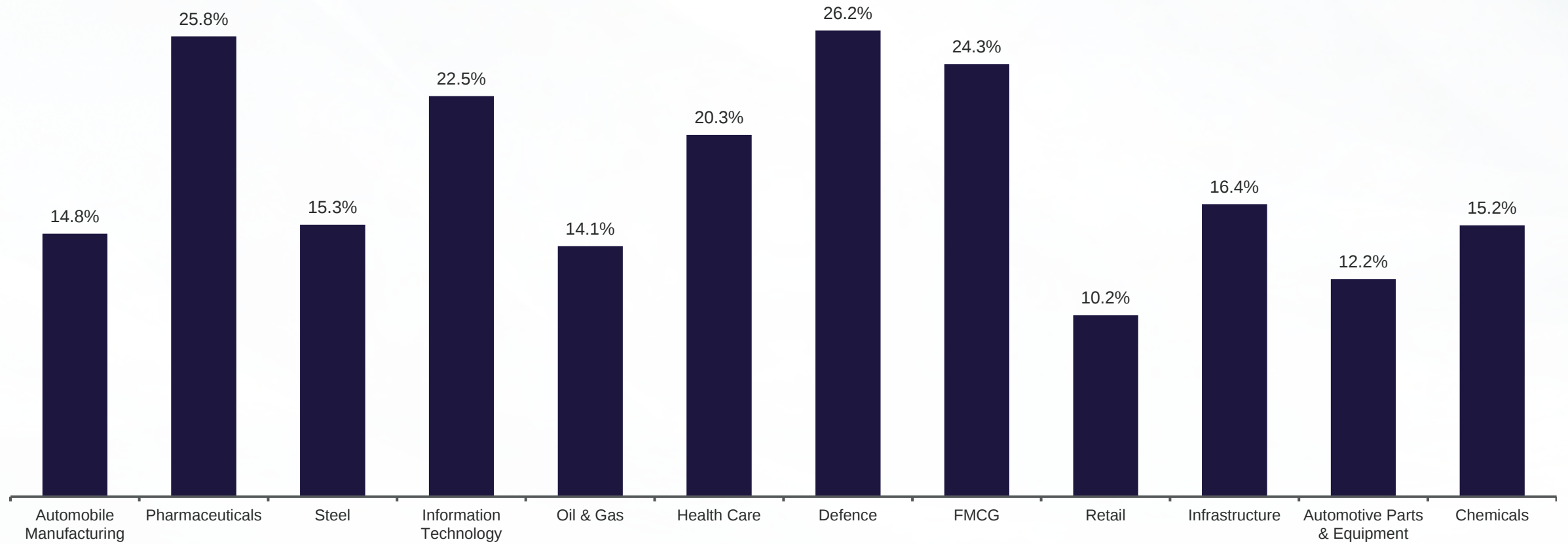
AT A GLANCE

Weighted Average Revenue CAGR (FY22 – FY25) of key players in each industry



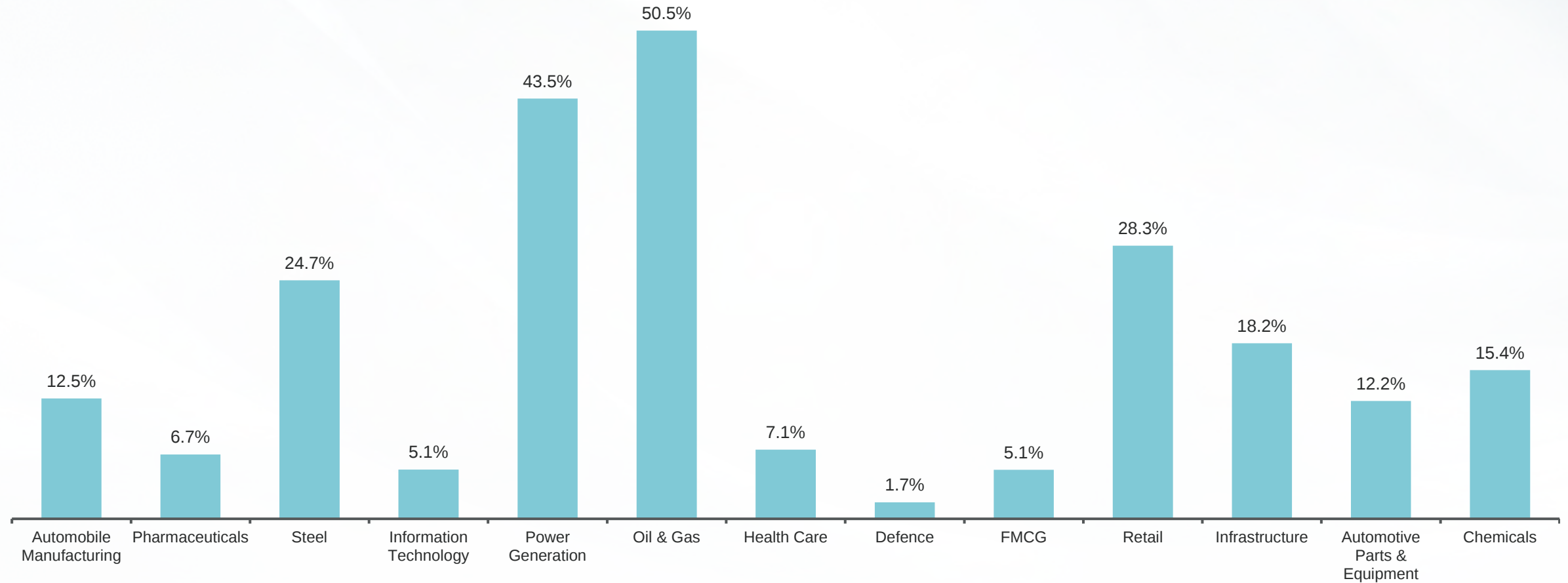
AT A GLANCE

Average EBIDTA Margin (FY25) of key players in each industry



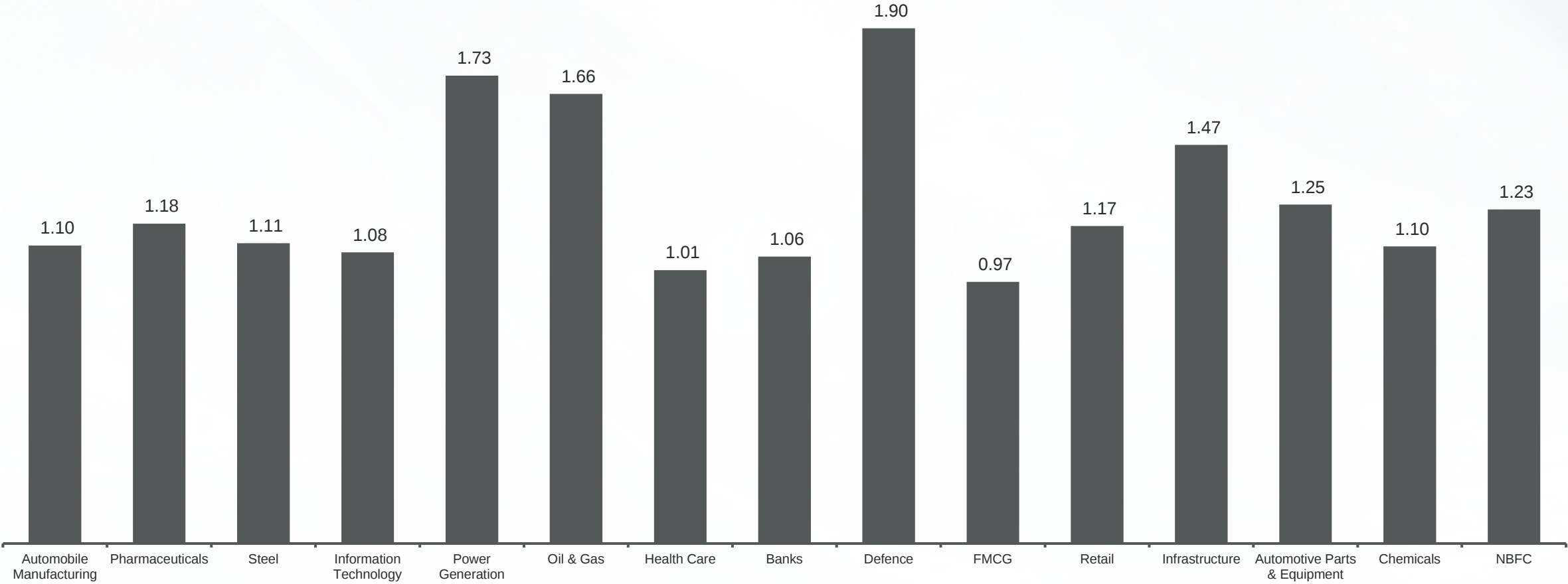
AT A GLANCE

Average Debt / Market Capitalization (31 July 2025) of key players in each industry



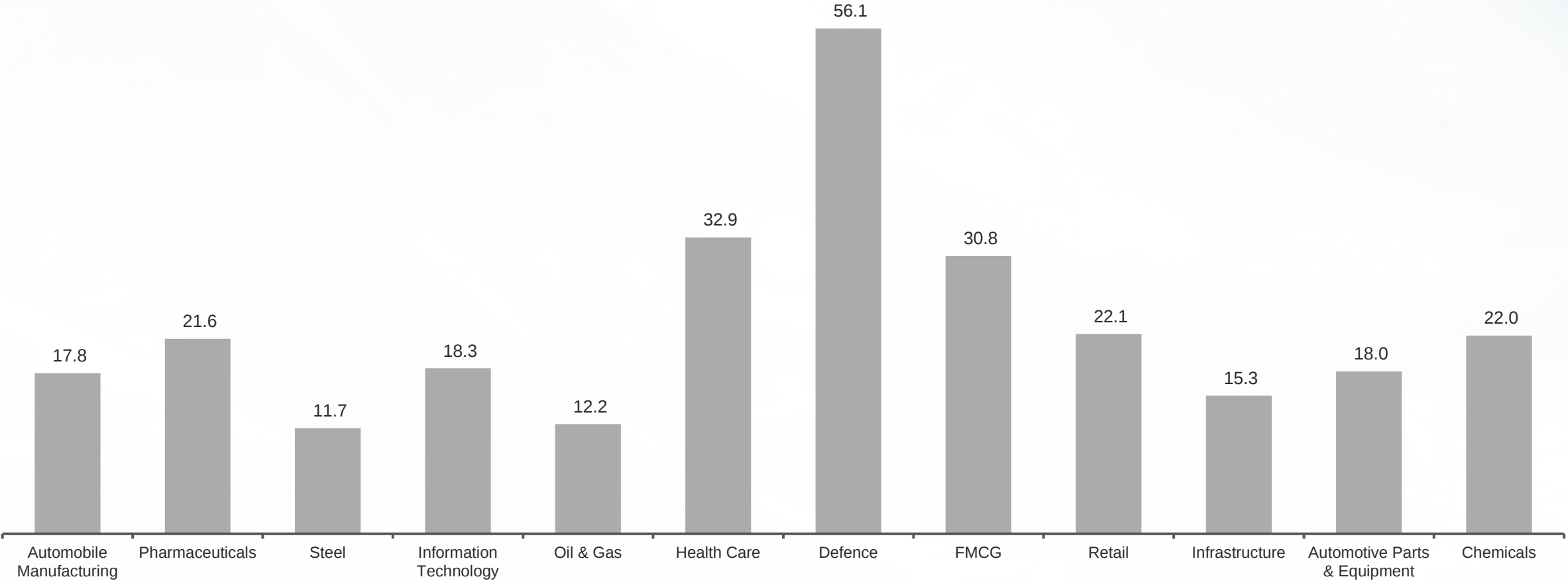
AT A GLANCE

Average Levered Beta (31 July 2025) of key players in each industry



AT A GLANCE

Average EV / EBITDA (31 July 2025) of key players in each industry





02

AUTOMOBILE MANUFACTURING

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AUTOMOBILE MANUFACTURING

Industry Overview

Passenger Vehicles ('PV'):

- The value of India's car manufacturing industry reached USD 52.1 billion in FY24 and is projected to reach USD 71.9 billion by 2029 at a CAGR of 6.7%. Production volume of passenger vehicles is expected to increase from 5.63 million units in FY24 to 6.94 million units by FY29 at a CAGR of 4.3%.
- Sports Utility Vehicles ('SUVs') constituted 46.9% of total PV volume in CY24, driven by consumer preference.
- Electric vehicle sales in FY25 increase to 150,391 units from 112,532 units in FY24 indicating a 33.6% y-o-y growth. Over the longer term, passenger EV sales are predicted to see an average annual growth of ~17.0% from FY24 to FY33, reaching over 468,000 units annually by FY33.
- Sales of hybrid and electric cars reached USD 6.9 billion in 2024 and is forecasted to reach USD 26.5 billion by FY28 at a CAGR of 40.0%.
- Growth in the PV segment is fueled by government support, rising incomes, infrastructure development and consumer preference for SUVs.

Commercial Vehicles ('CV'):

- CV sales are estimated at 1.04 million units in FY25 and projected to reach 1.49 million units by FY33, at a CAGR of 6.3%. The Indian government's INR 1.5 trillion interest-free loan scheme to states for capital expenditure is a strategic initiative aimed at accelerating infrastructure development and economic growth. This program is also expected to have a direct positive impact on CV demand.
- Scrappage policy and PLI schemes are expected to stimulate replacement demand.

Two- and Three-Wheelers:

- Two-Wheeler domestic sales grew 9.1% in FY25, reaching 19.61 million units from 17.97 million in FY24 and is projected to grow by 5-8% in FY26, driven by scooters and premium motorcycles. Three-wheeler domestic sales rose 7% in FY25.

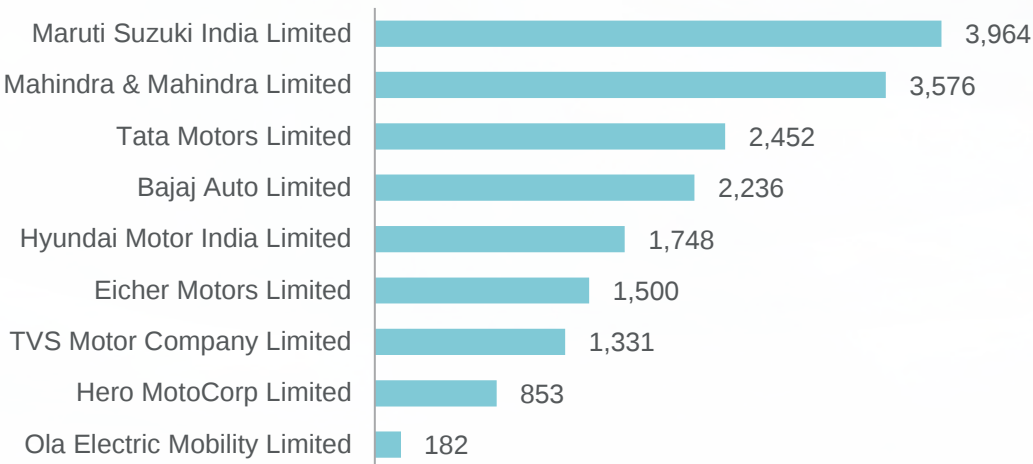
Recent GST advancements

The reduction in GST rates is expected to lower vehicle prices depending on the vehicle segment, with small cars potentially seeing a price cut. This tax cut can lead to increased demand, with growth in vehicle volumes. Mass-market OEMs like Maruti Suzuki, Mahindra & Mahindra, Hyundai, Tata, Honda, and Toyota are expected to benefit the most due to their exposure to the small car and mid-size segments.

Summary

India's automobile industry is poised for steady growth, with the passenger vehicle market expected to reach USD 71.9 billion by FY29. SUVs dominate with a 46.9% share, and electric vehicles are projected to grow at 17% CAGR until FY33. Commercial vehicle and two-wheeler segments are benefiting from policy support, rising incomes, and export demand. Rapid EV adoption, government incentives, and urbanization are set to drive future momentum across segments.

Market Capitalisation (INR billion):

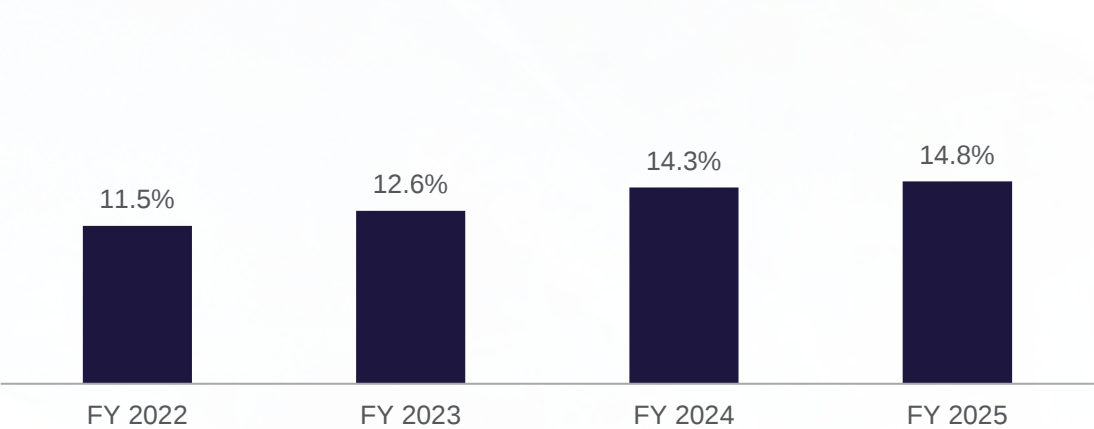


As on 31 July 2025

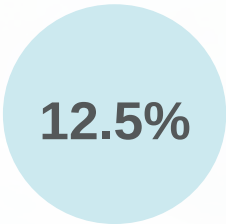
AUTOMOBILE MANUFACTURING

Financial and Valuation Parameters

Weighted Average EBITDA margin



Weighted Average
Revenue CAGR (FY22
– FY25)



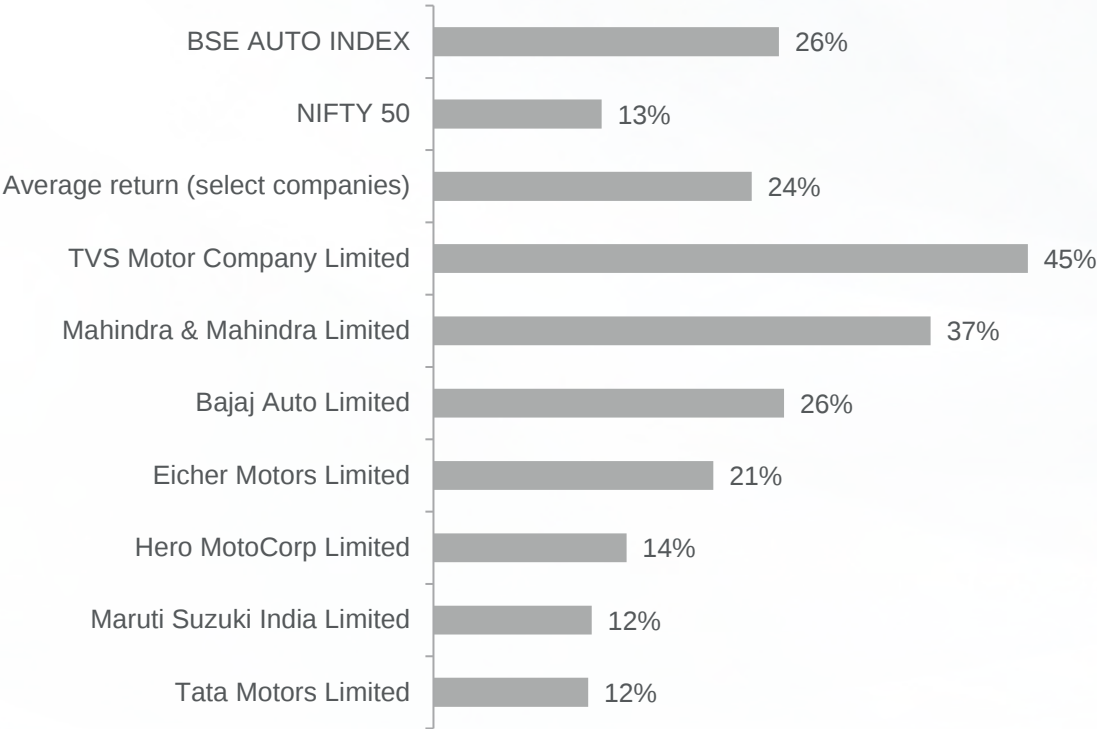
Average Debt /
Market
Capitalization
(31 July 2025)



Average Levered
Beta
(3 Years Monthly
as on 31 July 2025)

*Note: Excluding outliers
We have selected the automobile manufacturing companies listed in India for our analysis.*

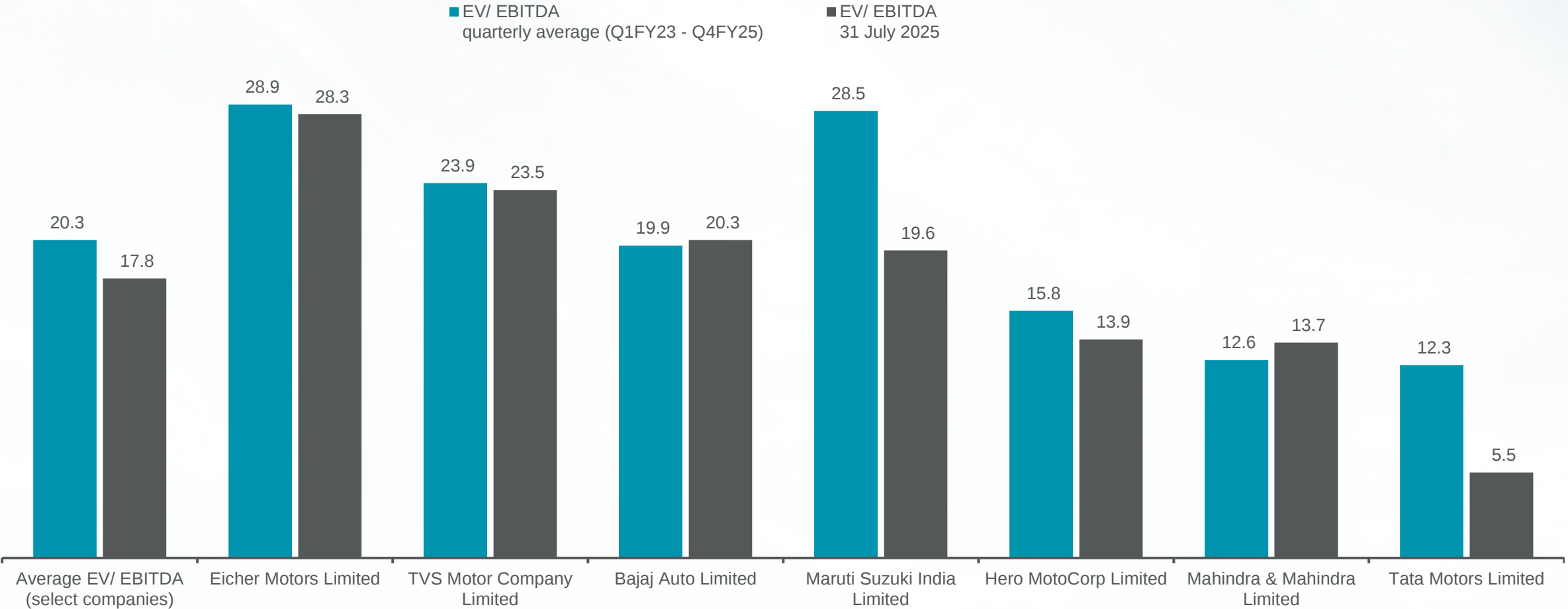
3 year's CAGR of indices and selected shares



*Note: Excluding outliers
Return period- 01 August 2022 – 31 July 2025*

AUTOMOBILE MANUFACTURING

Valuation Multiples (EV / EBITDA)



Note: Excluding outliers



03

PHARMACEUTICALS

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PHARMACEUTICALS

Industry Overview

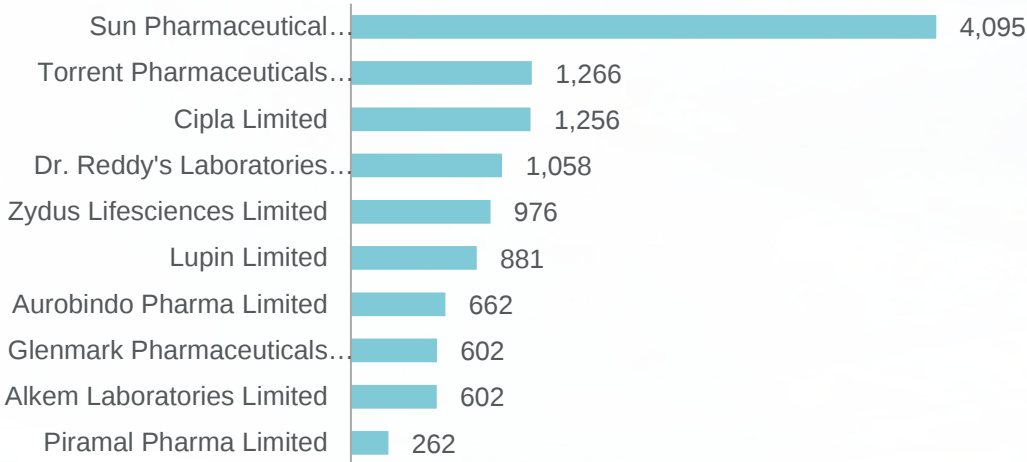
- **Market Growth Forecast:** India is known as the "Pharmacy of the World". India is the largest provider of generics and vaccines globally. The Indian pharmaceutical market was valued at USD 48.0 billion in FY23 and is projected to reach USD 56.0 billion by 2028, with a CAGR of 3.1%.
- **Dominance in Generics:** Generic drugs account for approximately 75% of total pharmaceutical volume in FY23. The Indian generics market was valued at USD 22,682.6 million in 2023 and is forecast to reach USD 31,300.4 million by FY28, at a CAGR of 6.7%.
- **Strong Export Performance and Future Targets:** Indian pharmaceutical exports grew by 8.4% from INR 1,437.38 billion (USD 17.3 billion) in FY21 to INR 1,830.52 billion (USD 22.0 billion) in FY24. Exports are projected to surge to USD 38.4 billion by 2028, at a CAGR of ~14.0%. In the long-run exports are expected to reach USD 350 billion by FY47, emphasizing a shift towards value-driven growth.
- **Key Export Segments and Destinations:** Drug formulations and biologicals dominate India's pharmaceutical exports, making up 78% in FY24. The United States remains the primary destination, accounting for 38.3% of exports in FY24, but India is diversifying its export markets to countries such as Belgium, the UK, and France.
- **High Reliance on API Imports and Vulnerability:** India relies heavily on imports for raw materials, with 60-90% of certain Active Pharmaceutical Ingredients ('APIs') sourced from other countries. China alone accounts for 72% of India's bulk drug and drug intermediate imports in FY24, an increase from 66% in FY21, highlighting a key supply chain vulnerability.
- **Persistent Intellectual Property (IP) Challenges:** India's IP regime continues to be a concern for innovative drugmakers due to the existing legal framework.
- **Rising Burden of Chronic Diseases:** The increasing prevalence of chronic diseases like diabetes, cancer, and cardiovascular conditions is a key market driver. A 2023 study revealed that 101 million people in India may have diabetes.

- **Opportunity from Patent Cliff:** The expiration of patents on products worth about USD 251 billion by FY30 presents an opportunity for Indian generic formulation companies, potentially generating worldwide revenue opportunities between USD 80 billion and USD 250 billion.

Summary

India, known as the "Pharmacy of the World," leads globally in generic and vaccine production. The pharma market is projected to grow to USD 56 billion by 2028, driven by strong exports and rising chronic disease. Generics dominate 75% of volume, and exports are set to reach USD 38.4 billion by FY28. However, heavy API import dependence, mainly on China, poses supply risks. The looming patent cliff also offers a major opportunity for Indian generics.

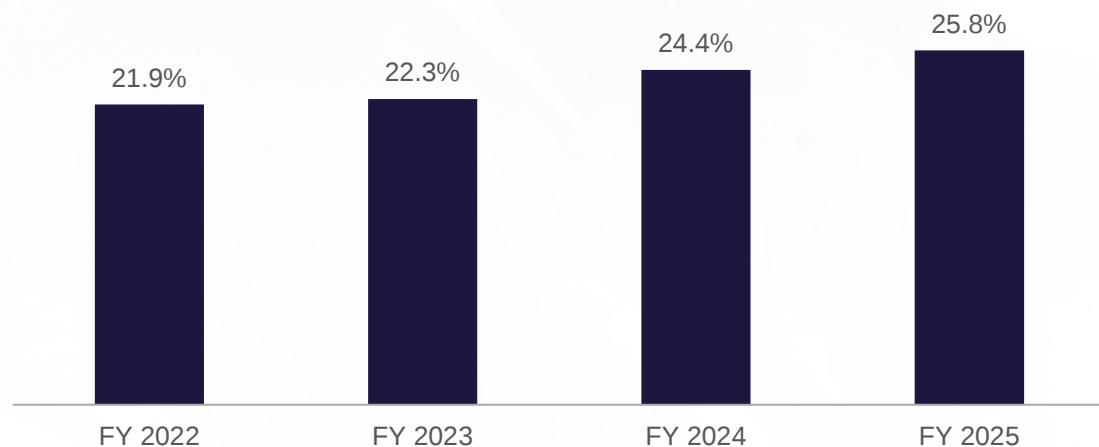
Market Capitalisation (INR billion):



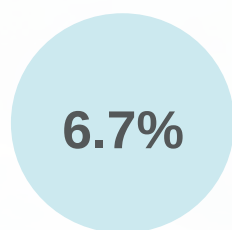
PHARMACEUTICALS

Financial and Valuation Parameters

Weighted Average EBITDA margin



Weighted Average
Revenue CAGR (FY22
– FY25)



Average Debt /
Market
Capitalization
(31 July 2025)

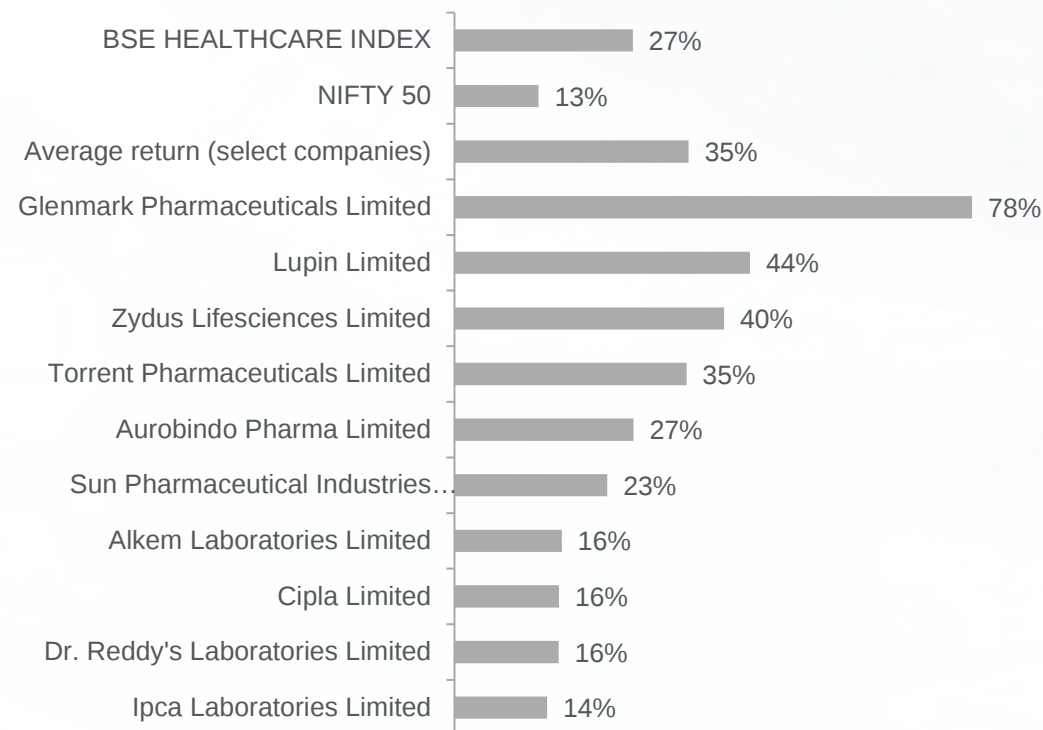


Average Levered
Beta
(3 Years Monthly
as on 31 July 2025)

Note: Excluding outliers

We have selected the pharmaceuticals companies listed in India for our analysis.

3 year's CAGR of indices and selected shares

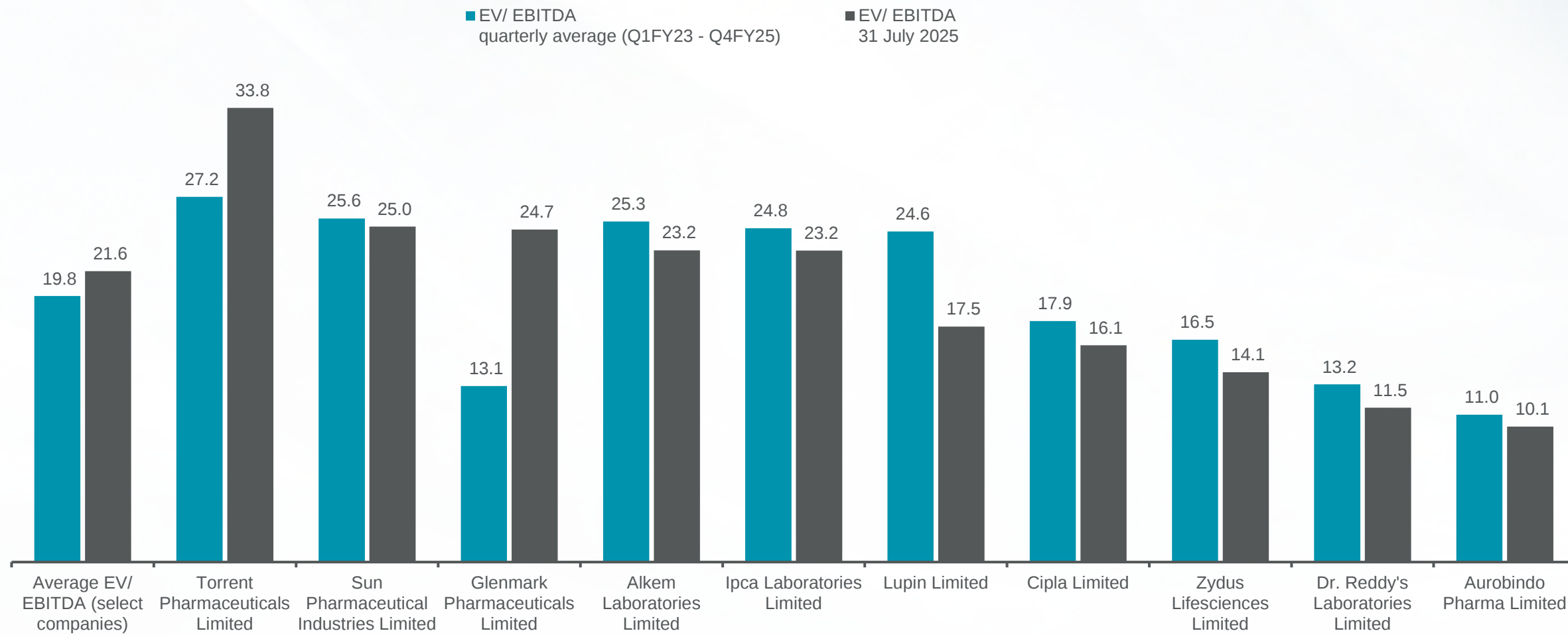


Note: Excluding outliers

Return period- 01 August 2022 – 31 July 2025

PHARMACEUTICALS

Valuation Multiples (EV / EBITDA)



Note: Excluding outliers

04

STEEL

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STEEL

Industry Overview

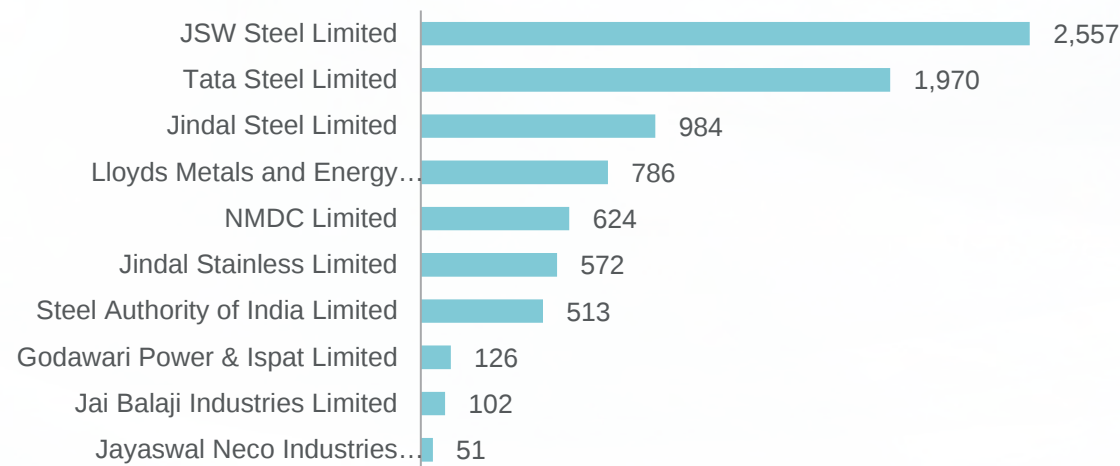
- **Domestic Demand Growth:** Domestic steel demand is expected to see growth of 9%-11% in FY26.
- **Improving Per Capita Consumption:** India's per capita finished steel consumption was 93.4 kg in CY23, lower than the world average of 219.3 kg. The National Steel Policy 2017 aims to significantly increase the per capita finished steel consumption to 160 kgs by 2030-31.
- **Significant Consumption Volume:** India's finished steel consumption was ~150 Million Tonnes ('MT') in FY25. The government's continued spending on infrastructure projects such as roads, railways, and ports is a primary catalyst for steel demand.
- **Ambitious Production Capacity Targets:** The National Steel Policy 2017 sets a goal to achieve 300 MT of steel production capacity by FY31 from the existing 179.5 MT in FY24, aiming to meet an expected steel demand of 230 MT by FY31. This expansion is projected to require an additional investment of ~USD 156 billion by FY31.
- **FDI and PLI Scheme Support:** India encourages investment with 100% Foreign Direct Investment ('FDI') allowed via the automatic route in the steel sector. The PLI scheme for Specialty Steel is expected to attract investment of USD 5.19 billion and add 26 MT of capacity in the next five years.
- **India Becomes Net Importer:** India transitioned into a net importer of steel in FY24, with imports increasing from 6 MT in FY23 to 8.3 MT in FY24.
- **Global Oversupply and Import Threat:** While India's domestic demand-supply is anticipated to be balanced, the global oversupply situation, particularly from China, might maintain a high import threat.
- **Price Moderation:** Domestic finished steel prices stood at ~INR 62,800 per tonne in March 2025, representing a 1% quarter-on-quarter decline. International steel prices similarly decreased by 3.4% quarter-on-quarter to Yuan 3,680 per tonne in March 2025.

- **Robust End-User Industry Contribution:** The automotive industry accounts for 10% of steel demand. The capital goods sector, currently representing 11% of steel consumption, is anticipated to increase its share to 14-15% by 2025-26. The infrastructure sector, currently 9% of consumption, is expected to rise to 11% by FY26.

Summary

India's steel demand is projected to grow 9–11% in FY26, driven by infrastructure, automotive, and capital goods sectors. Per capita steel consumption remains below global averages, offering significant growth headroom. The National Steel Policy targets 300 MT production capacity by FY31, requiring over USD 156 billion investment. Despite strong domestic demand, global oversupply—especially from China—pose competitive risks. Policy support through FDI and the PLI scheme continues to attract investment and boost capacity.

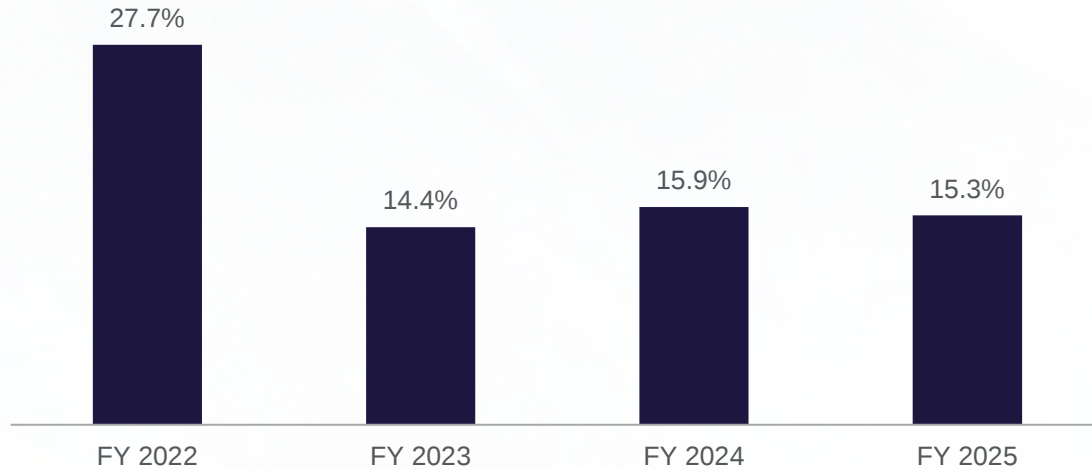
Market Capitalisation (INR billion):



STEEL

Financial and Valuation Parameters

Weighted Average EBITDA margin



8.7%

Weighted Average
Revenue CAGR (FY22
– FY25)

24.7%

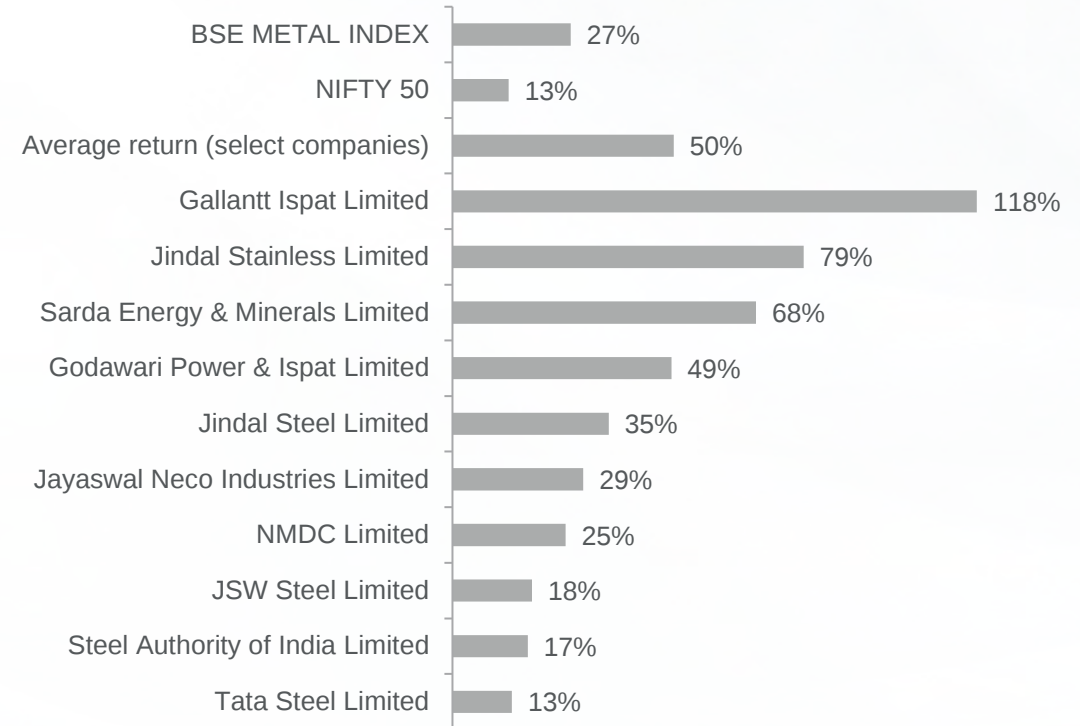
Average Debt /
Market
Capitalization
(31 July 2025)

1.11

Average Levered
Beta
(3 Years Monthly
as on 31 July 2025)

*Note: Excluding outliers
We have selected the steel companies listed in India for our analysis.*

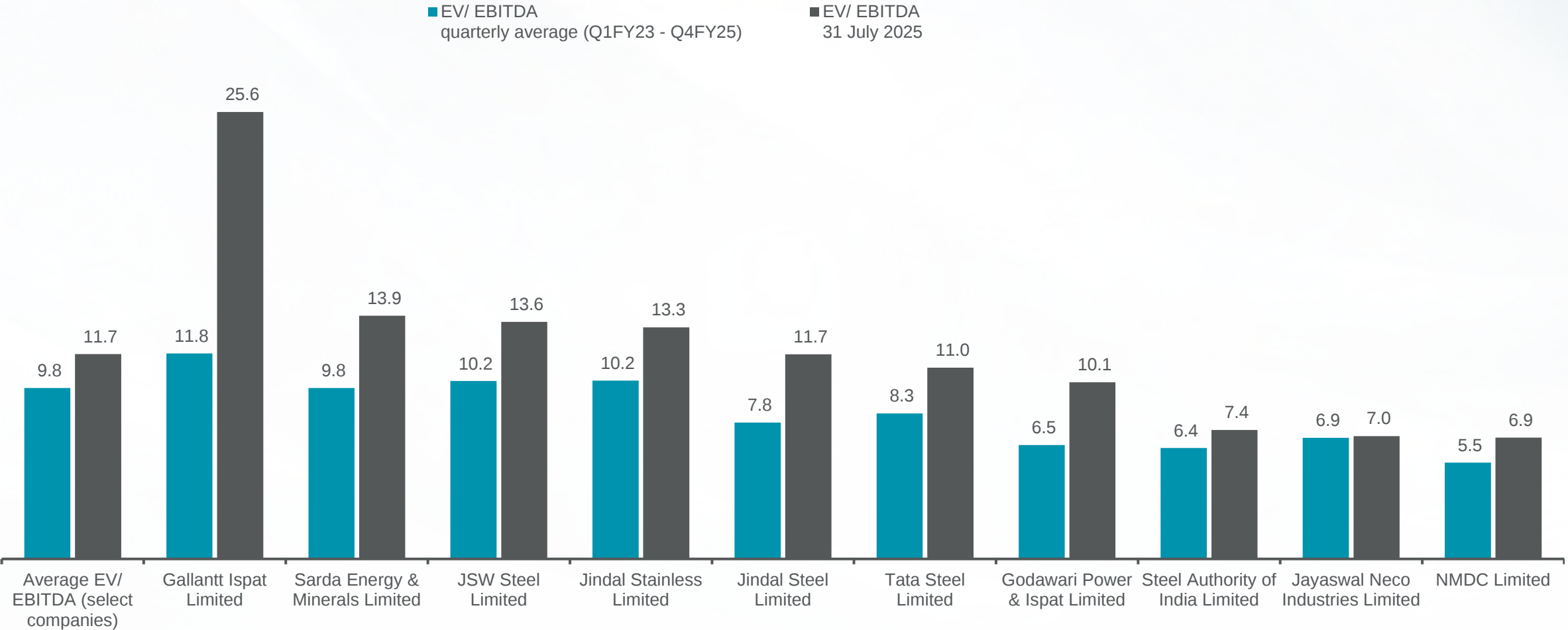
3 year's CAGR of indices and selected shares



*Note: Excluding outliers
Return period- 01 August 2022 – 31 July 2025*

STEEL

Valuation Multiples (EV / EBITDA)



Note: Excluding outliers

05

INFORMATION TECHNOLOGY

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INFORMATION TECHNOLOGY

Industry Overview

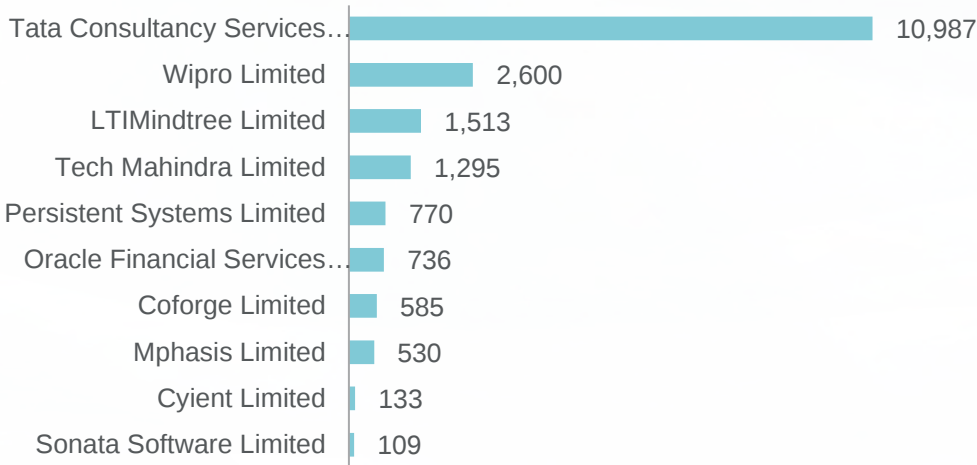
- **Industry Growth Projected:** The Indian tech industry's total revenue increased by 11.6% from USD 253.3 billion in FY24 to USD 282.6 billion in FY25.
- **Significant Export Expansion:** India's IT services export revenue, excluding hardware, has reached USD 224 billion in FY25 from USD 199 billion in FY24, representing a growth of 12.6%.
- **Strong Domestic Market Performance:** The domestic technology sector is set to cross USD 58 billion in FY25 from USD 54 billion in FY24, with a 7.4% y-o-y growth, driven by governmental initiatives like 'Digital India' and 'Start-up India'.
- **Pivotal Contribution to National Economy:** The Indian IT industry is a cornerstone of the economy, contributing approximately 8% to the nation's GDP.
- **Shift in Client Acquisition Strategy:** The number of new clients added by top 5 Indian IT companies for deals greater than USD 1 million decreased from 330 in FY23 to 36 in FY24, suggesting a focus on strengthening existing client relationships rather than new acquisitions.
- **Revenue at Risk from GenAI in ADM:** Application Development and Maintenance (ADM) services, which constitute 35-45% of IT service industry revenues, face significant disruption. Enterprise-wide implementation of GenAI Copilot tools could lead to ~40% productivity gains, potentially putting ~10-15% of overall IT services revenues at risk.
- **Cloud/Software as a Service (SaaS) Market Adoption:** Cloud software solutions continue to gain acceptance, with SaaS accounting for 59% of the private cloud market in 2022. This is projected to increase to 80% by 2026, with an estimated revenue of USD 280 billion, indicating a strong trend towards pay-per-usage models.
- **Stable Operating Profitability:** Operating margins for leading IT players are expected to remain stable in FY25, showing a marginal improvement in 9MFY25, demonstrating resilience amidst increased employee compensation and AI R&D investments.

- **Growing BPO Services Market:** The Indian BPO services market, which stood at USD 13,636.6 million in 2023, is forecast to grow to USD 16,689.3 million by FY28 with a CAGR of 4.1%, indicating sustained demand for outsourced business processes.
- **Strong Government Capital Expenditure:** The Indian government has allocated INR 11,210 billion for capital expenditure in FY26, indicating significant public investment in infrastructure and digital initiatives that will benefit the IT industry.

Summary

India's tech industry is projected to grow 11.6% in FY25, reaching USD 282.6 billion, with exports driving a major share. Domestic demand is strong, boosted by government initiatives like Digital India and Start-up India. The sector contributes ~8% to GDP and is increasingly investing in emerging technologies like AI, cloud, and cybersecurity. While new client acquisition has slowed, IT firms are prioritizing existing relationships to maintain profitability. Rapid cloud and BPO market expansion further underlines the sector's resilience and strategic evolution.

Market Capitalisation (INR billion):

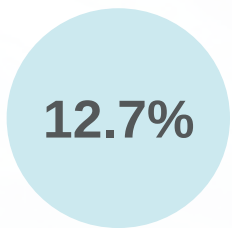
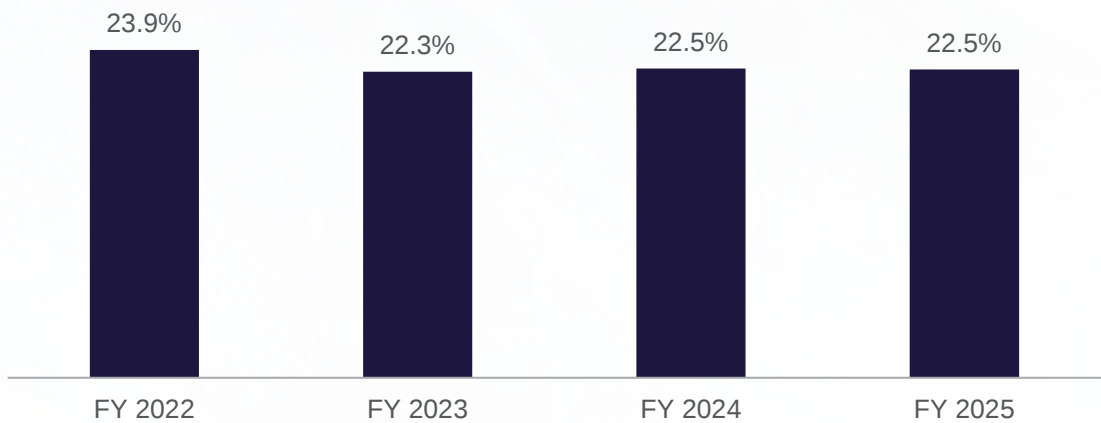


As on 31 July 2025

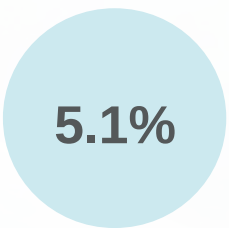
INFORMATION TECHNOLOGY

Financial and Valuation Parameters

Weighted Average EBITDA margin



Weighted Average
Revenue CAGR (FY22
– FY25)



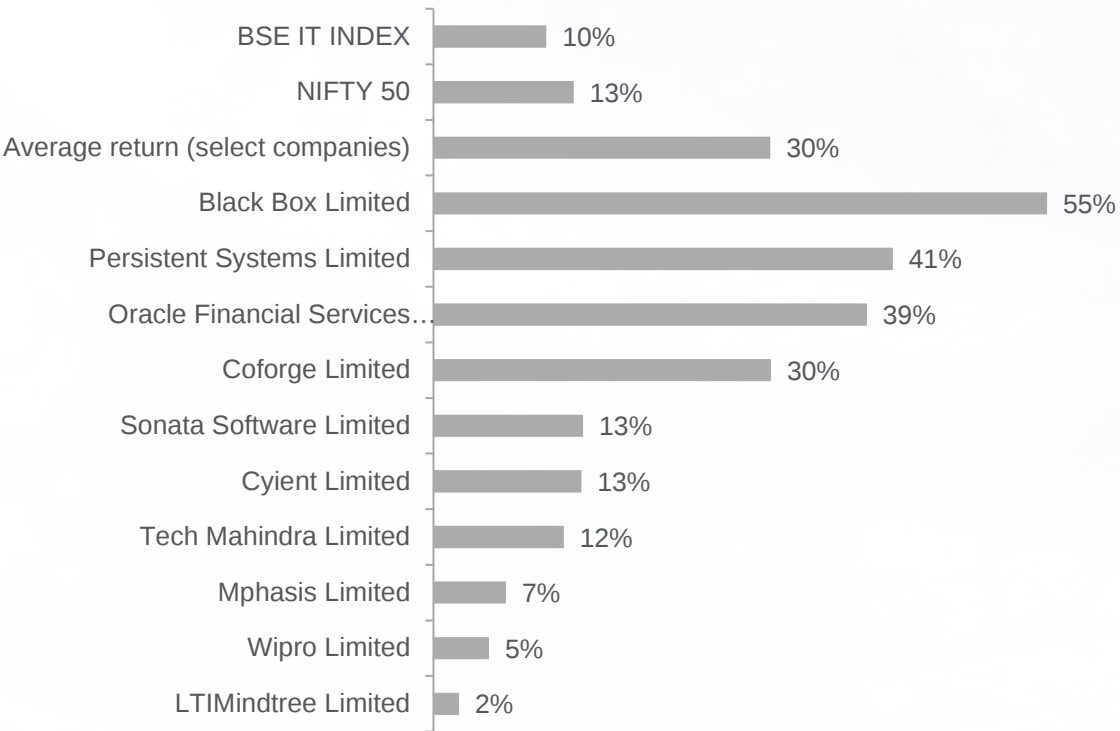
Average Debt /
Market
Capitalization
(31 July 2025)



Average Levered
Beta
(3 Years Monthly
as on 31 July 2025)

*Note: Excluding outliers
We have selected the information technology companies listed in India for our analysis.*

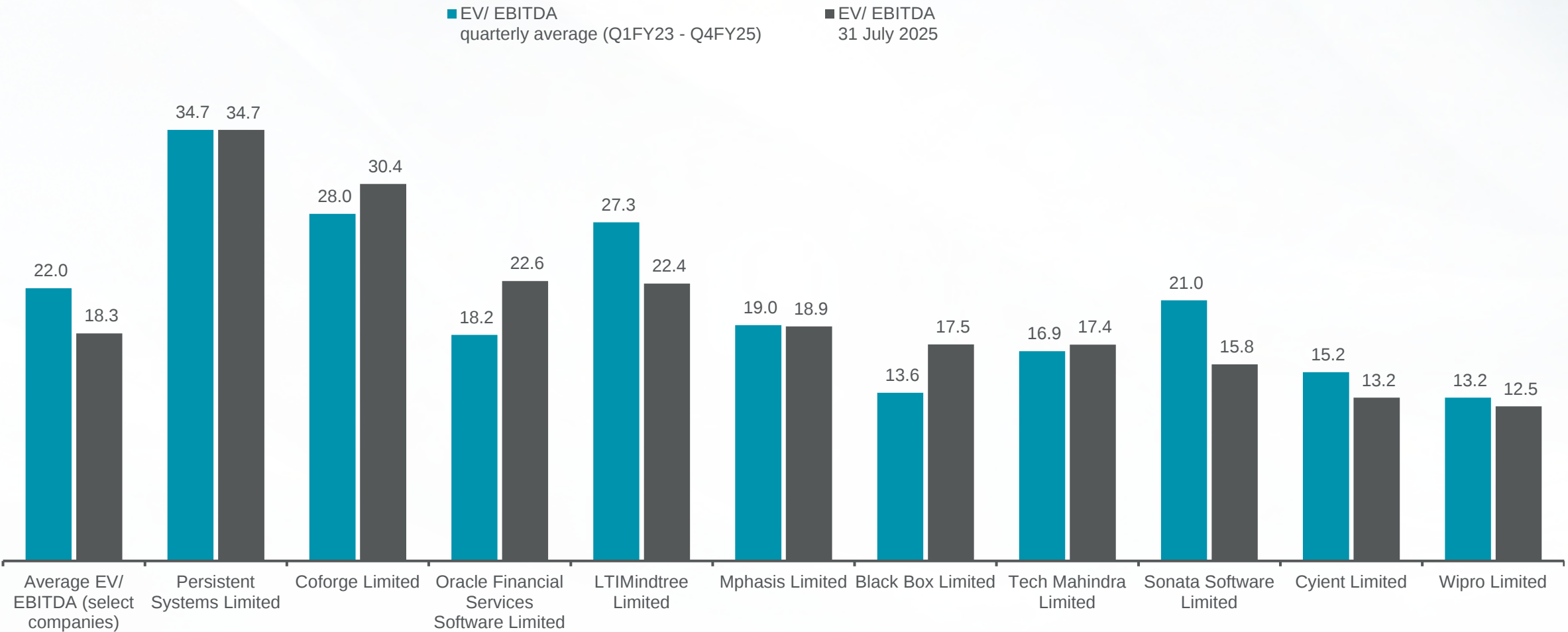
3 year's CAGR of indices and selected shares



*Note: Excluding outliers
Return period- 01 August 2022 – 31 July 2025*

INFORMATION TECHNOLOGY

Valuation Multiples (EV / EBITDA)



Note: Excluding outliers

06

POWER GENERATION

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POWER GENERATION

Industry Overview

Thermal Power

- Thermal power remained India's dominant energy source in FY24, accounting for 55.0% (approximately 243.0 GW) of the total installed power capacity of 441.9 GW and contributing 76.5% to the total electricity generation of 1,739.091 Billion Units. India's power demand, growing at 6% CAGR through FY32, requires thermal support alongside renewables.
- Government aims to add 80 GW thermal capacity by FY32, addressing rising industrial electricity needs. Currently, 33.9 GW of thermal projects are under construction, signaling ongoing investment in the sector. Despite additions, coal's share in total capacity is projected to reduce from 52.8% in FY22 to 28.8% by FY32 due to renewable growth.
- Coal and lignite plant load factors (PLF) reached 71.6% in FY24, its highest since FY13. Gas-based power capacity will not expand due to high costs, primarily serving peak demand backup. Supercritical and ultra-supercritical technologies are enhancing thermal plant efficiency and reducing emissions.

Renewable Power

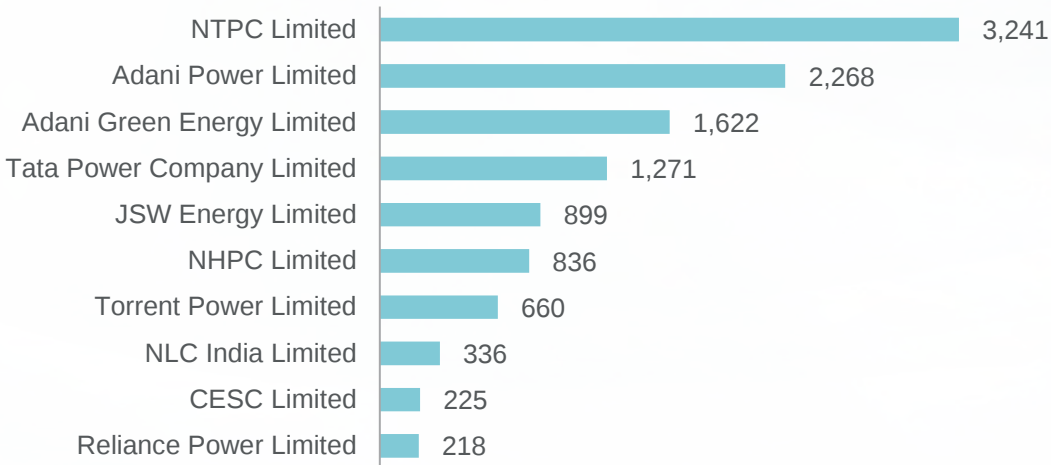
- Renewable energy capacity (including large hydro) reached 209.4 GW by the end of FY24, constituting 45% of India's total installed power capacity of 441.9 GW, while non-fossil fuel sources collectively contributed 23.5% to the total electricity generation of 1,739.091 Billion Units. The nation targets 500 GW non-fossil fuel capacity by 2030, requires 50 GW annual additions. 15 GW of hydropower projects are under construction, tapping India's 145 GW hydroelectric potential.
- Solar energy capacity reached 97.9 GW by end of FY24, leading the mix with 47% of renewables. A record 24.5 GW solar capacity was added in 2024. Utility-scale solar system costs fell 23% from INR 39 per watt in Q3FY23 to INR 30 per watt in Q3FY24, boosting equity IRR. The PM Surya Ghar scheme aims for 10 million rooftop solar households by FY27. INR 12.0 trillion capital expenditure is expected for the solar sector by FY32.
- India is 4th globally in wind energy capacity, reaching 50 GW by March 2025.

- Power evacuation and land acquisition challenges hinder timely renewable project completion.
- Wind and solar power have distinct generation profiles: solar during the day, and wind at night or when solar is low. Combining both reduces generation variability, smoothing supply-demand mismatches, and minimizing storage needs and associated costs.

Summary

India's energy landscape is evolving, with thermal power still contributing 76.5% of generation in FY24, even as renewables rapidly scale. The government plans to add 80 GW thermal and 50 GW renewable capacity annually, aiming for 500 GW non-fossil capacity by FY30. Solar energy leads the renewable push, while wind, hydro, and pumped storage projects gain momentum. Technological upgrades and strong capex are enhancing efficiency, though challenges like land acquisition and evacuation persist.

Market Capitalisation (INR billion):

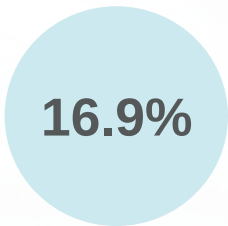
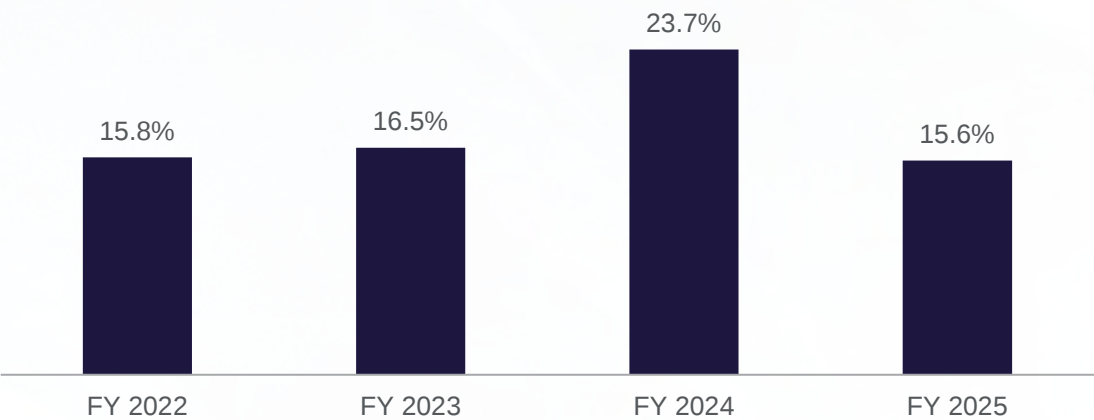


As on 31 July 2025

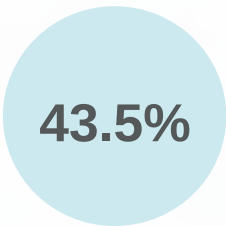
POWER GENERATION

Financial and Valuation Parameters

Weighted Average PAT margin



Weighted Average
Revenue CAGR (FY22
– FY25)



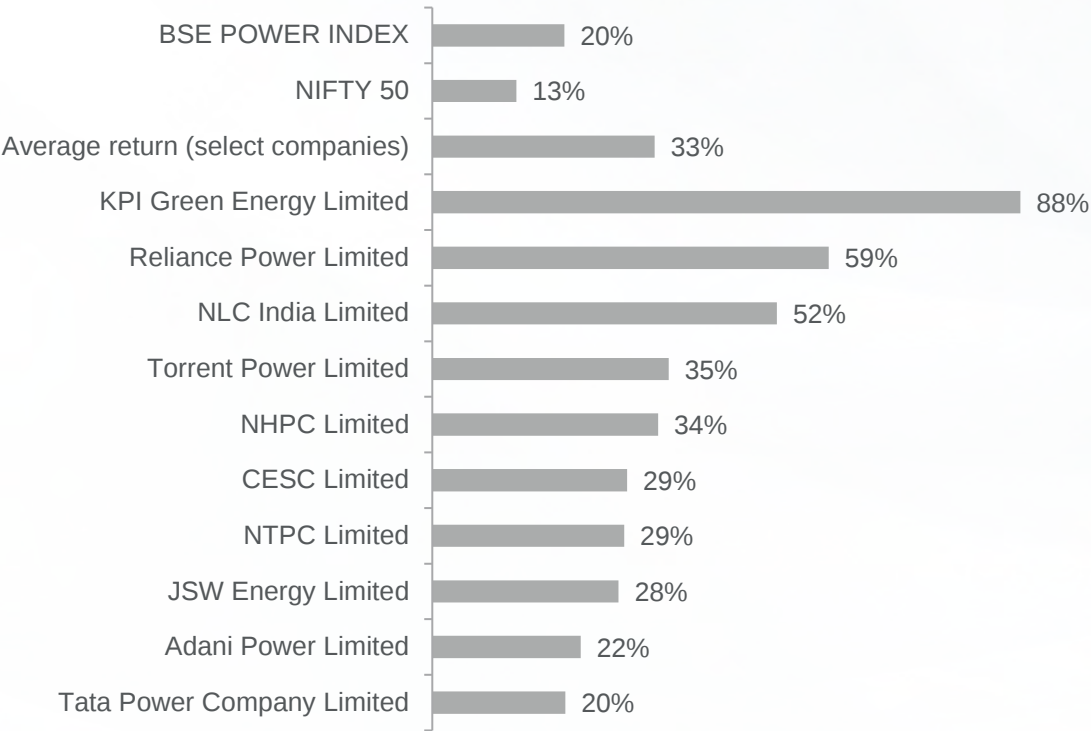
Average Debt /
Market
Capitalization
(31 July 2025)



Average Levered
Beta
(3 Years Monthly
as on 31 July 2025)

*Note: Excluding outliers
We have selected the power generation companies listed in India for our analysis.*

3 year's CAGR of indices and selected shares



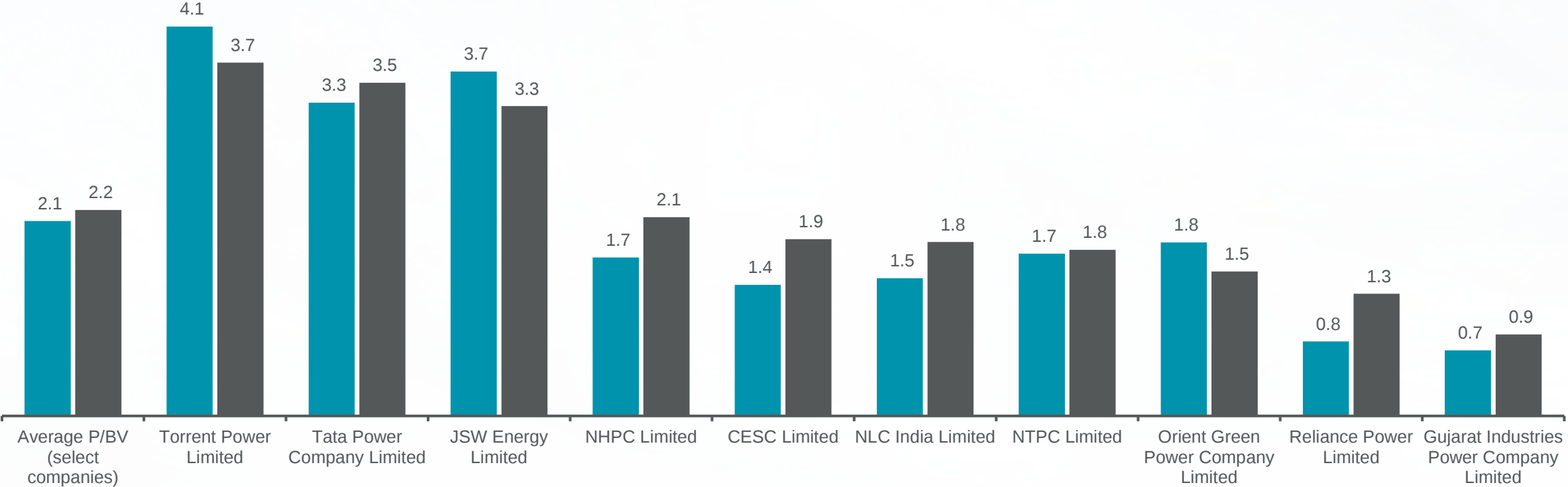
*Note: Excluding outliers
Return period- 01 August 2022 – 31 July 2025*

POWER GENERATION

Valuation Multiples (P/ BV)

■ P/ BV
quarterly average (Q1FY23 - Q4FY25)

■ P/ BV
31 July 2025



Note: Excluding outliers

07

OIL & GAS

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OIL & GAS

Industry Overview

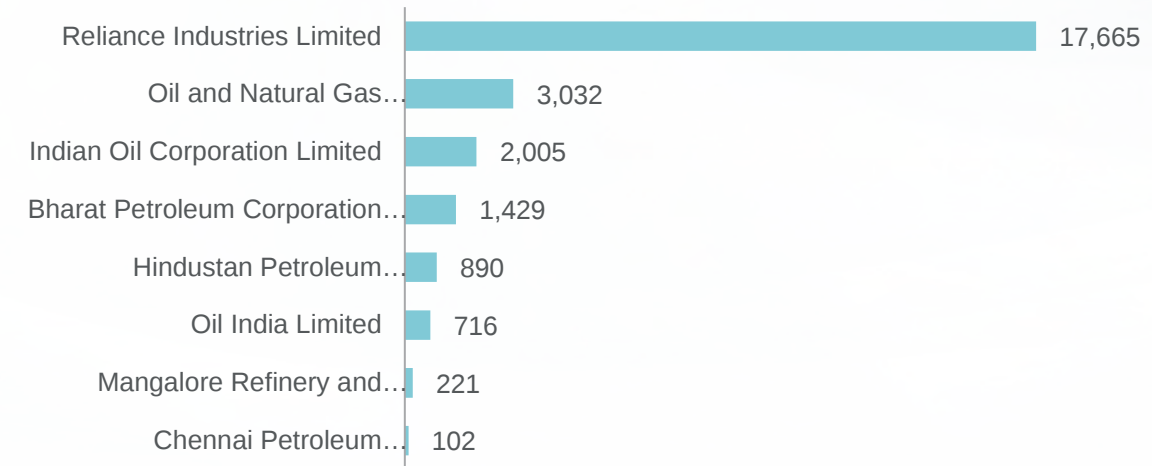
- **Strong Petroleum Product Consumption Growth:** As the world's third-largest oil consumer, India's consumption of petroleum products is projected to increase to 270.6 million tonnes of oil equivalent (mtoe) in FY25 and 276.6 mtoe in FY26, reaching 321.1 million tonnes of oil equivalent in FY34. This growth is primarily driven by robust demand from the transportation (including aviation), construction, and manufacturing.
- **Volatile Crude Oil Price:** Brent crude prices averaged USD 79.8/bbl in Q2 FY25 and further declined to an average of USD 75.8/bbl in Q4 FY25. While geopolitical tensions in the Middle East occasionally caused prices to increase, they were subsequently eased by persistent concerns over weak global demand, oversupply, trade tensions, and speculative selling.
- **Rising Crude Oil Import Dependency:** India's reliance on crude oil imports increased to 87.6% in Q2 FY25 (from 87.0% a year ago) and further to 88.4% in Q4FY25. This growing dependency makes India vulnerable to global price fluctuations.
- **Continuous Decline in Domestic Crude Oil Production:** Indigenous crude oil production has been declining gradually and on a sustained basis. This decline is primarily attributed to ageing oil fields and a lack of new material discoveries.
- **Ambitious Refining Capacity Expansion Plans:** India, which holds the world's fourth-largest refining capacity at 256.8 MMTPA, is set to expand this capacity to 310 MMTPA by 2028. Currently, approximately 44 MMTPA of additional capacity is under development, predominantly led by public sector undertakings.
- **Aggressive City Gas Distribution (CGD) Infrastructure Expansion:** The government is focusing on expanding the CGD sector, with plans to increase CNG stations to 18,000 by FY30 (from 6,861 in FY24) and domestic PNG connections to 125 million by FY30 (from 13 million in FY24).

- **Refiners Diversifying into Petrochemicals:** To mitigate the long-term risk of declining demand for traditional fuels, major Indian refiners like HPCL, IOCL, ONGC, and BPCL are strategically diversifying into petrochemicals. This involves substantial capital expenditures, such as IOCL's allocation of INR 610 billion for its Paradip petrochemical complex. However, these ventures carry inherent risks due to the complexity and historically lower profitability of the petrochemical sector for PSUs.

Summary

India, the world's third-largest oil consumer, is witnessing steady growth in petroleum product demand, led by transport and manufacturing sectors. Crude oil import dependency has risen to 88.4% amid declining domestic production and volatile global prices. Refining capacity is set to expand from 256.8 to 310 MMTPA by FY28, while city gas infrastructure is scaling rapidly. To counter long-term fuel demand risks, refiners are diversifying into petrochemicals, though profitability remains uncertain.

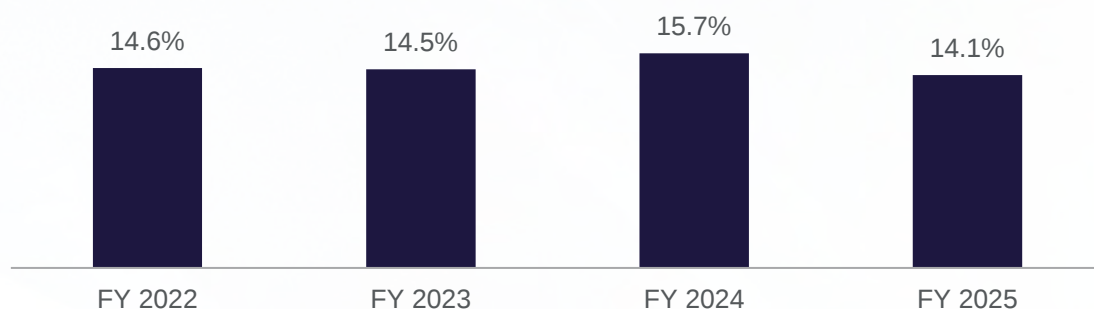
Market Capitalisation (INR billion):



OIL & GAS

Financial and Valuation Parameters

Weighted Average EBITDA margin



10.6%

Weighted Average
Revenue CAGR (FY22
– FY25)

50.5%

Average Debt /
Market
Capitalization
(31 July 2025)

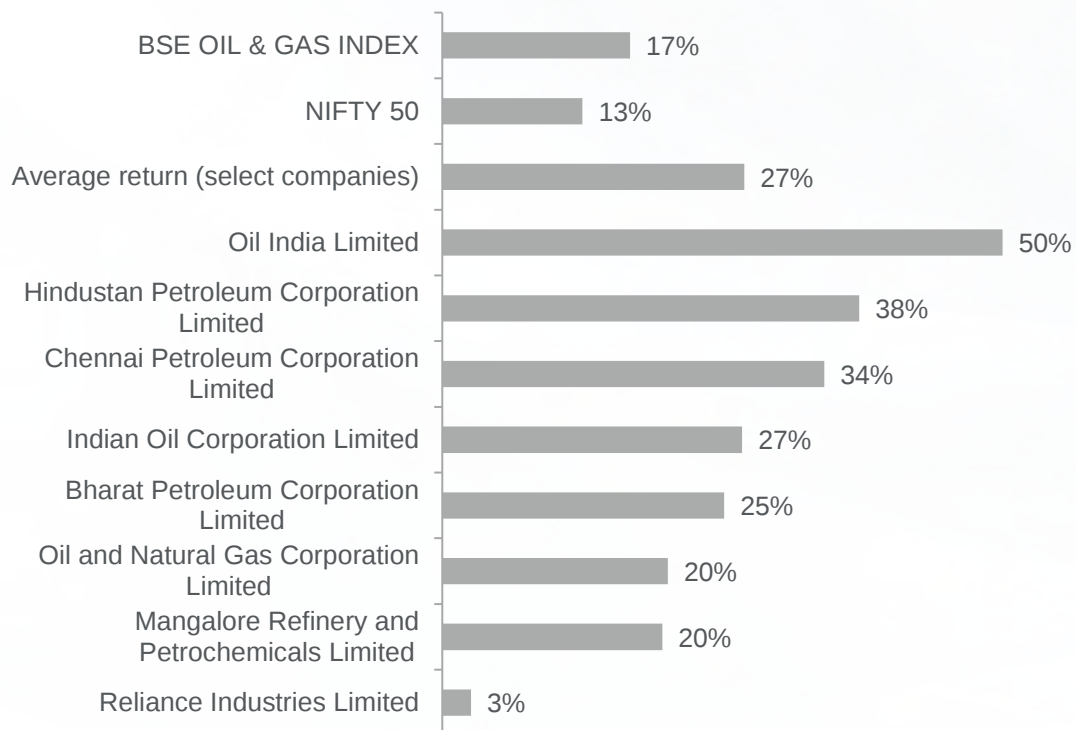
1.66

Average Levered
Beta
(3 Years Monthly
as on 31 July 2025)

Note: Excluding outliers

We have selected the information technology companies listed in India for our analysis.

3 year's CAGR of indices and selected shares

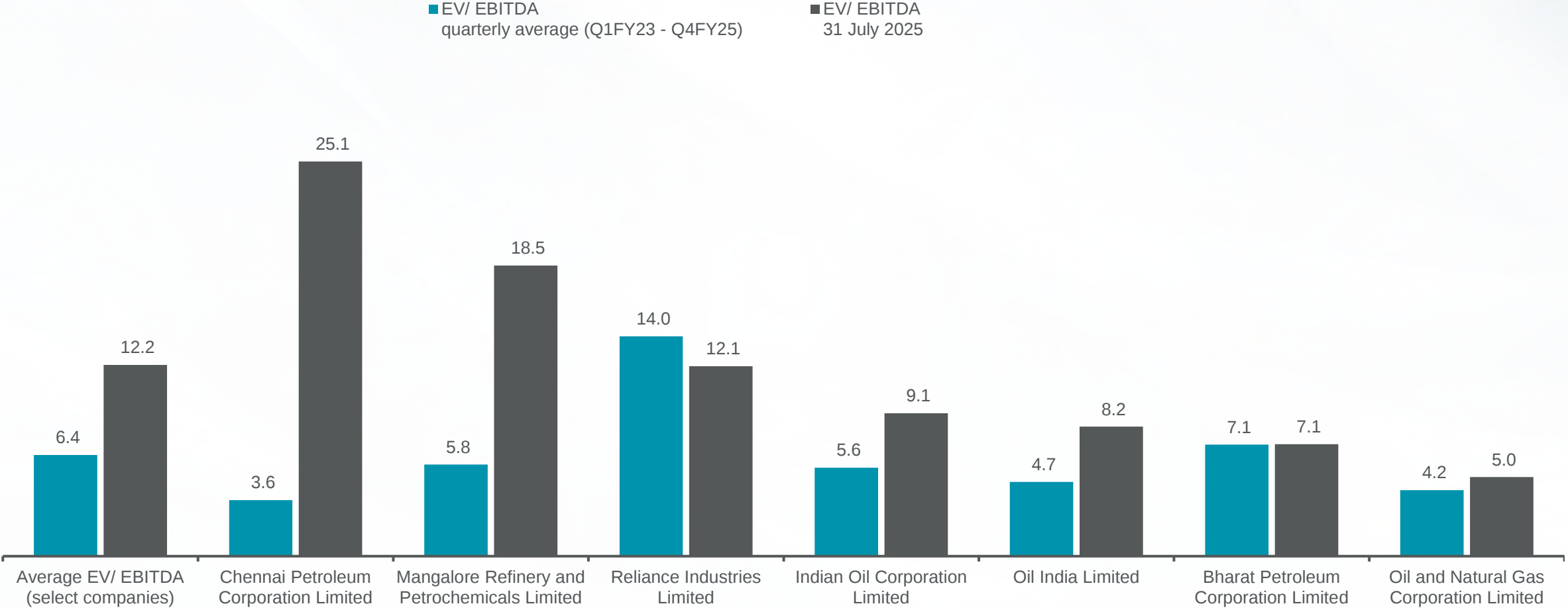


Note: Excluding outliers

Return period- 01 August 2022 – 31 July 2025

OIL & GAS

Valuation Multiples (EV / EBITDA)



Note: Excluding outliers



08

HEALTHCARE

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HEALTHCARE

Industry Overview

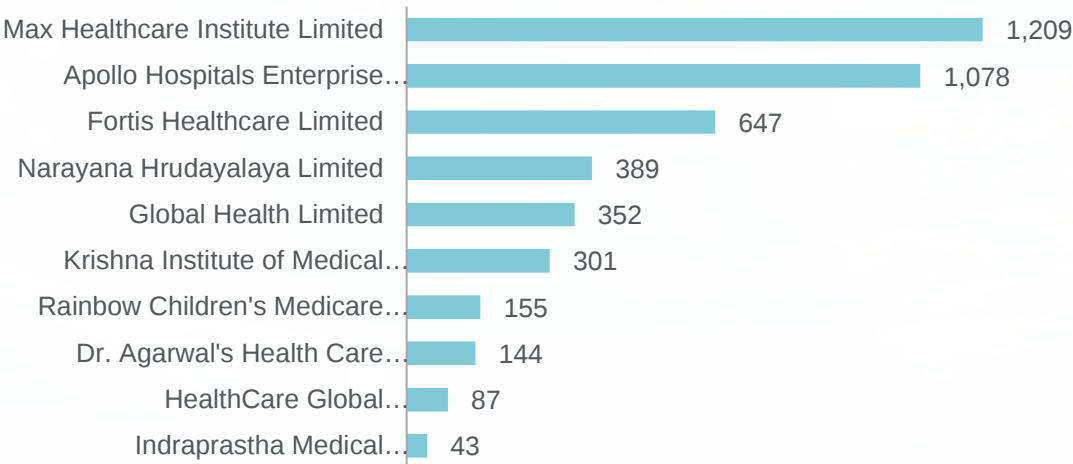
- **Market Scale & Projected Growth:** The Indian healthcare industry reached USD 372 billion in FY23. Total healthcare spending is projected to increase at a CAGR of 9.5% between FY25 and FY29.
- **Healthcare Spending Insights:** Public healthcare spending increased from 1.6% of GDP in FY21 to 1.9% in FY24, with the government aiming to reach 2.5% by FY25.
- **Rising Healthcare Costs for Households:** In 2023, India's healthcare costs surged by 14%, consuming 7.9% of the average annual household expenditure. 23% of hospital costs are financed through loans.
- **Ayushman Bharat PM-JAY's Broad Reach:** The Pradhan Mantri Jan Arogya Yojana (PMJAY), described as the world's largest government-funded healthcare program, aims to provide annual health cover of up to INR 500,000 (USD 5,813) to 530 million beneficiaries, representing 40% of the population.
- **Medical Workforce Shortage:** In FY24, India had an estimated 0.8 physicians per 1,000 inhabitants. The doctor-to-population in India falls short of the WHO's recommended ratio of 1:1,000.
- **Rapid Expansion in Medical Education:** As of March 2025, India had 780 medical colleges. To address shortages of doctors, the government has increased medical education seats by 130% (110,000 seats) in the past decade, aiming to add 75,000 more seats in the next five years.
- **Hospital Bed Capacity:** India had an estimated 0.5 hospital beds per 1,000 people in FY24. This is expected to rise slightly to 0.6 by FY29. The national health policy, however, aims for a more ambitious target of two beds per 1,000 people. In terms of future capacity, it is projected that the industry will see an increase of 63,416 new beds by FY26 to enhance emergency preparedness.
- **Booming Medical Tourism:** India's medical tourism sector was valued at USD 7.69 billion in FY24, with a forecast to reach USD 14.31 billion by 2029. The number of medical tourists significantly increased to 635,000 in FY23 from 183,000 in FY20.

- **Key Hospital Performance Indicators:** Average Revenue Per Occupied Bed increased by 4.64% from INR 53,577 in 9MFY24 to INR 56,062 in 9MFY25, primarily driven by high surgical volumes and elective procedures. The Average Length of Stay decreased to 3.58 days in 9MFY25 (from 3.77 days in 9MFY24) due to increased efficiencies and minimally invasive procedures. The average occupancy rate for top players stood at 63.65% in 9MFY25.

Summary

India's healthcare industry reached USD 372 billion in 2023, overall spending expected to grow at a 9.5% CAGR through 2029. Public health investment is rising, though household healthcare costs are surging. Initiatives like PM-JAY aim to provide broad insurance coverage to 530 million people. Despite progress in medical education and hospital infrastructure, workforce and bed shortages persist. Medical tourism is booming, and operational metrics for top hospitals show improving efficiency and performance.

Market Capitalisation (INR billion):

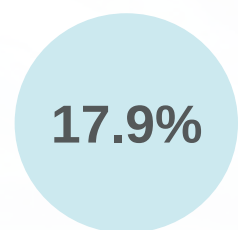
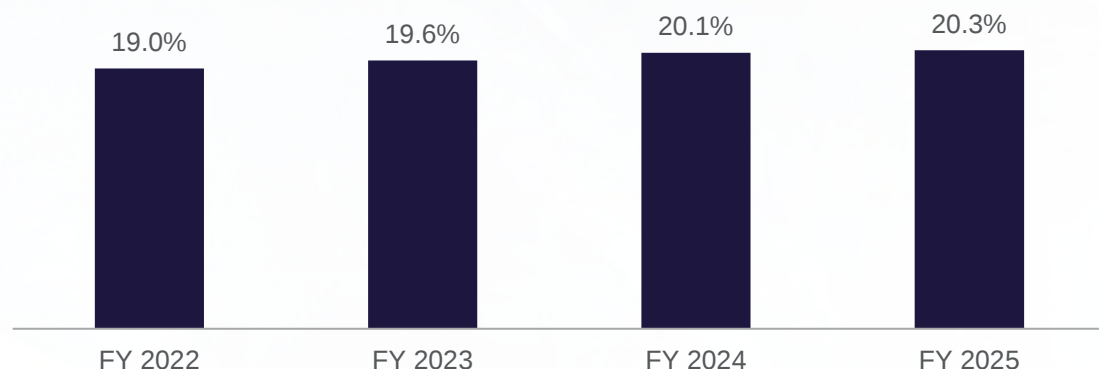


As on 31 July 2025

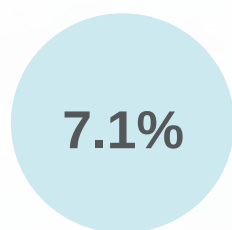
HEALTHCARE

Financial and Valuation Parameters

Weighted Average EBITDA margin



Weighted Average
Revenue CAGR (FY22
– FY25)



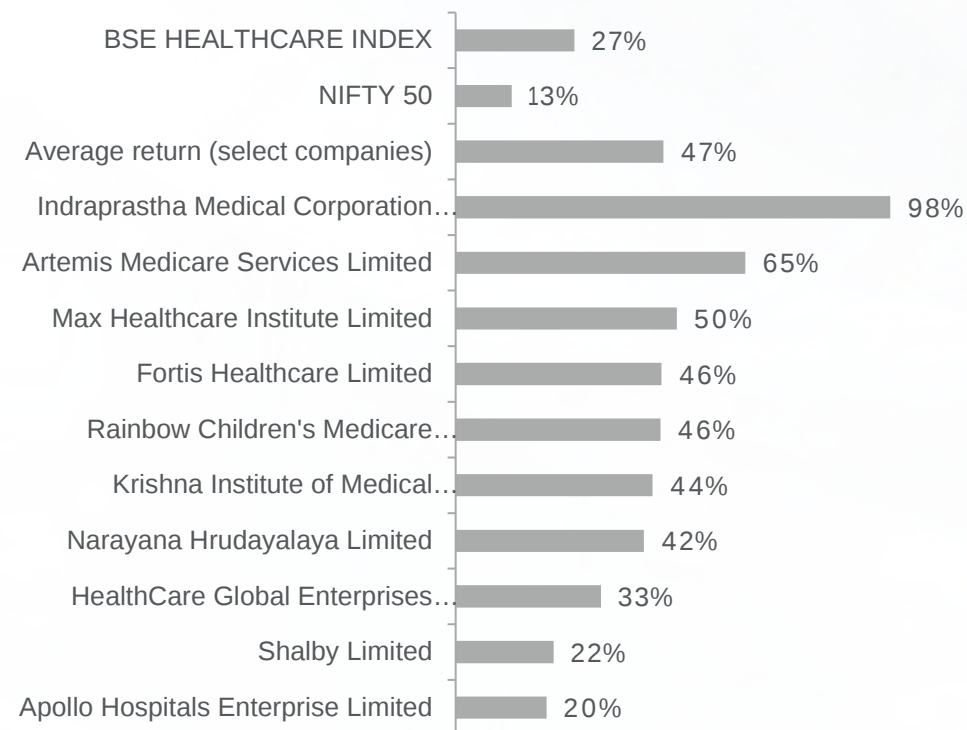
Average Debt /
Market
Capitalization
(31 July 2025)



Average Levered
Beta
(3 Years Monthly
as on 31 July 2025)

*Note: Excluding outliers
We have selected the healthcare companies listed in India for our analysis.*

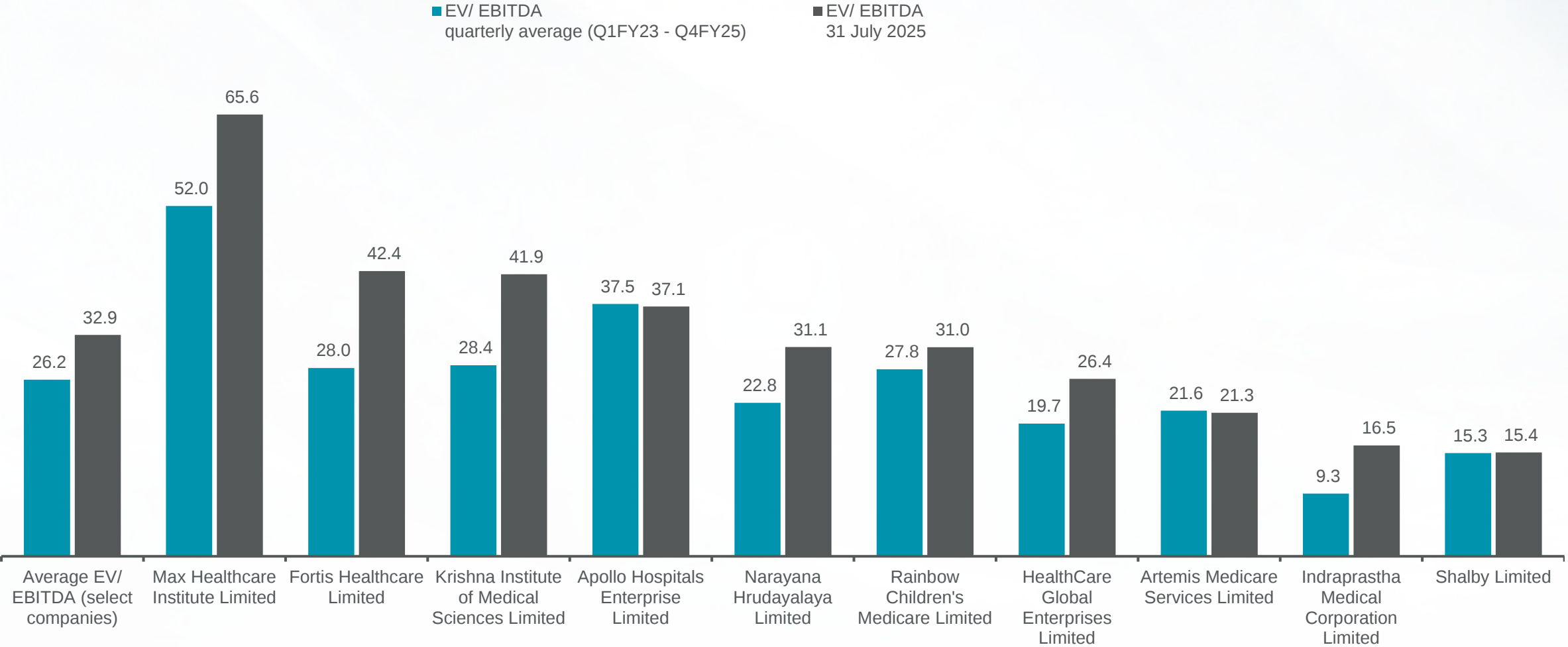
3 year's CAGR of indices and selected shares



*Note: Excluding outliers
Return period- 01 August 2022 – 31 July 2025*

HEALTHCARE

Valuation Multiples (EV / EBITDA)



Note: Excluding outliers



BANK

09
BANKS

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BANKS

Industry Overview

- **Net Interest Margin (NIM) Compression Expected:** The banking sector is currently facing pressure on its NIM due to slower credit growth, elevated deposit rates, and a deceleration in the growth of low-cost current account savings account deposits. NIMs are expected to decline by 5-7 basis points (bps) for every 25 bps repo rate cut.
- **Loan Growth Projections:** Loan growth is anticipated to improve to 12-13% in FY26 from 11.5% in FY25 driven by a recovery in the unsecured lending segment and a gradual pick-up in private capital expenditure, supported by improved liquidity conditions and anticipated rate cuts.
- **Non-Performing Assets:** Gross Non-Performing Assets ('GNPA') for Public Sector Banks improved to 2.6% in Q4FY25 from 3.5% a year ago driven by lower incremental slippages, as well as robust recoveries and upgradations. Private Sector banks, particularly those exposed to microfinance and unsecured lending, faced continued asset quality pressures. GNPA of Private Sector Banks stood at 1.7% in Q4FY25, a decline from 1.8% a year ago.
- **MSME Financing Expansion:** Credit access for Micro, Small, and Medium Enterprises (MSMEs) in India has shown robust growth, increasing by 13.98% to INR 26.34 trillion in FY24, up from INR 23.11 trillion in 2023. Further bolstering financial access, the Indian government is set to launch a new credit guarantee scheme for MSMEs, offering collateral-free loans up to INR 1 billion.
- **Digital Payment Adoption:** The market was valued at USD 3,475.53 million in FY24 and is forecast expand to USD 25,806.20 million by FY34 with a CAGR of ~22%. This growth is supported by rising internet penetration and the proliferation of digital payment solutions. For example, UPI (Unified Payments Interface) transactions in India crossed the trillion-dollar mark in FY23, with 89 million transactions, contributing to 46% of total global digital payments.

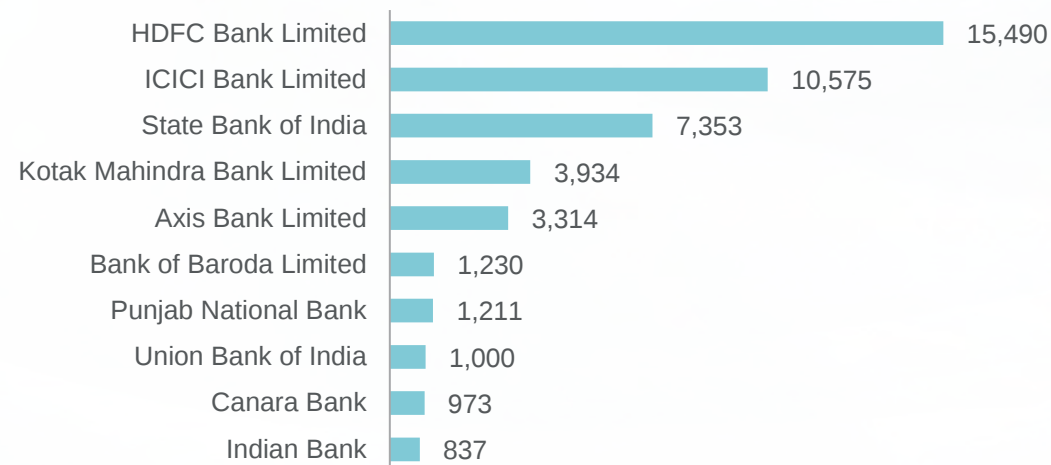
Recent GST advancements

The Banking industry currently faces 18% GST on most services with exemptions on basic transactions. The upcoming GST reform are expected to simplify slabs but most likely maintain the 18% rate for banking, improving compliance ease with no major impact on tax incidence.

Summary

India's banking sector is witnessing NIM compression due to rising deposit costs and slower CASA growth, with NIMs expected to dip 5–7 bps per 25 bps repo cut. Loan growth is set to improve to 12–13% in FY26, driven by recovery in unsecured lending and capex revival. Public sector banks saw GNPA fall to 2.6%, while private banks face pressure in microfinance segments. MSME credit rose nearly 14%, aided by new credit guarantee schemes. Digital payments are booming, with UPI crossing the trillion-dollar mark in FY23.

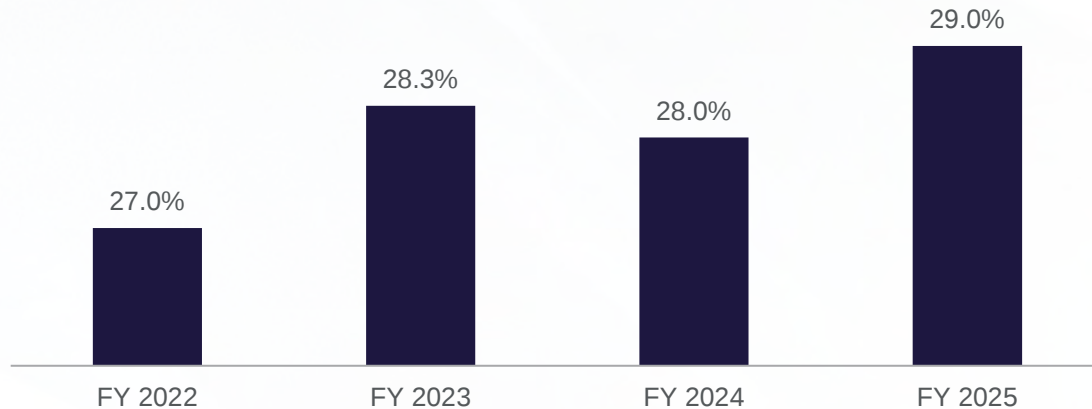
Market Capitalisation (INR billion):



BANKS

Financial and Valuation Parameters

Weighted Average PAT margin



26.7%

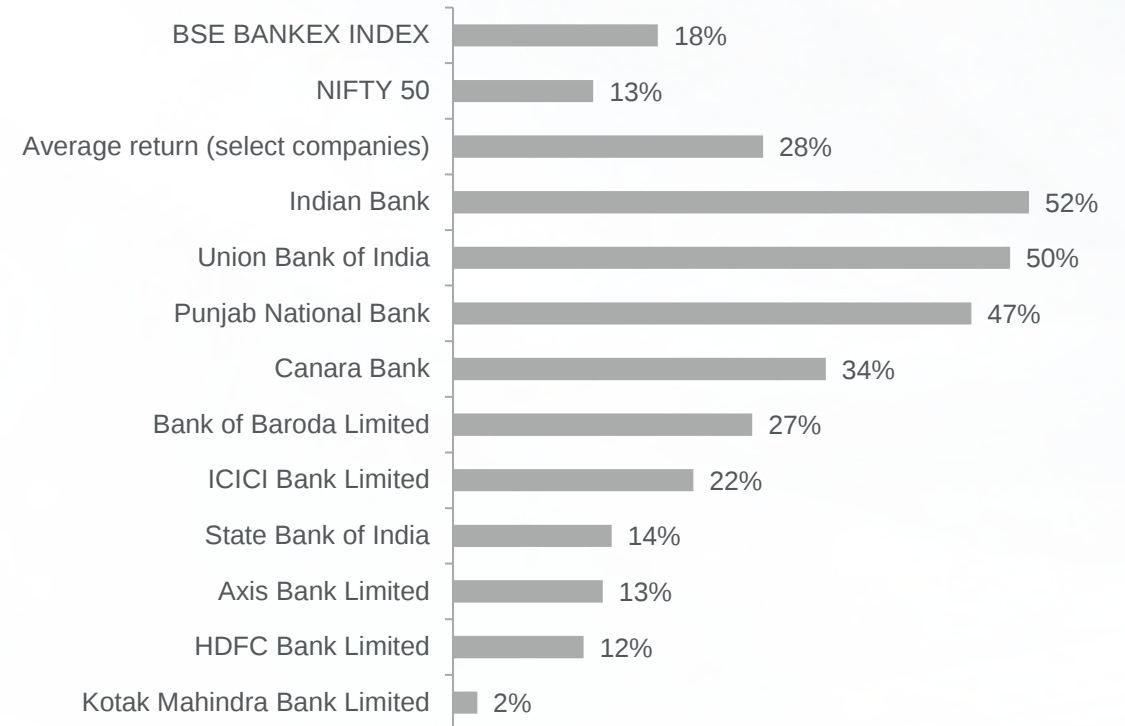
Weighted Average
Revenue CAGR (FY22
– FY25)

1.06

Average Levered
Beta
(3 Years Monthly
as on 31 July 2025)

*Note: Excluding outliers
We have selected the banks listed in India for our analysis.*

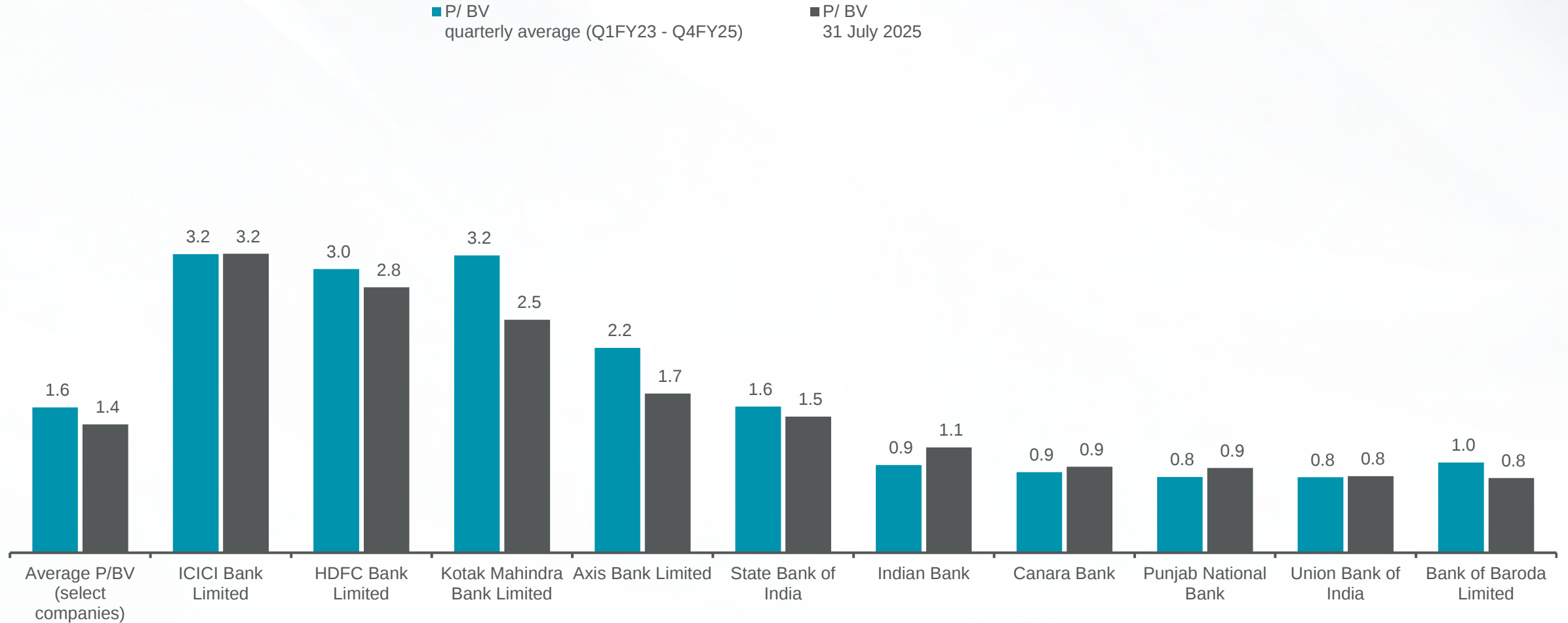
3 year's CAGR of indices and selected shares



*Note: Excluding outliers
Return period- 01 August 2022 – 31 July 2025*

BANKS

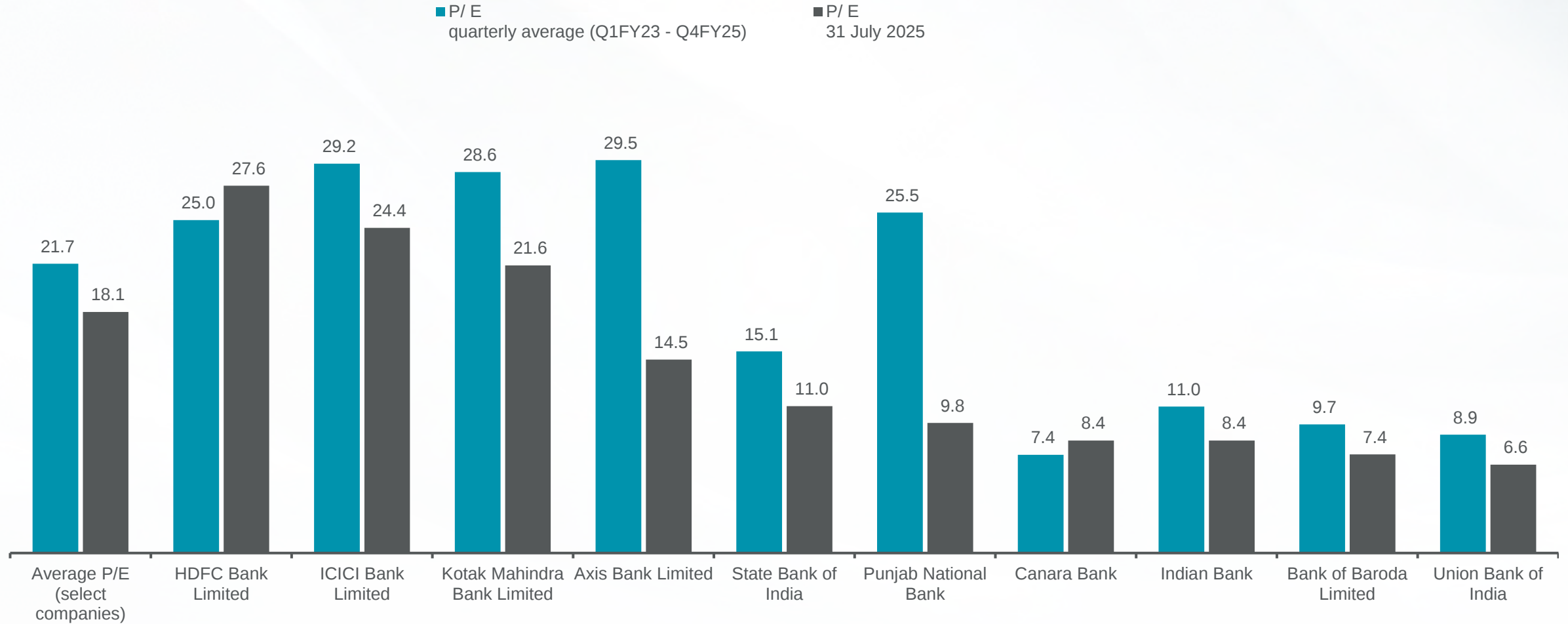
Valuation Multiples (P/ BV)



Note: Excluding outliers

BANKS

Valuation Multiples (P/ E)



Note: Excluding outliers

10

DEFENCE

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DEFENCE

Industry Overview

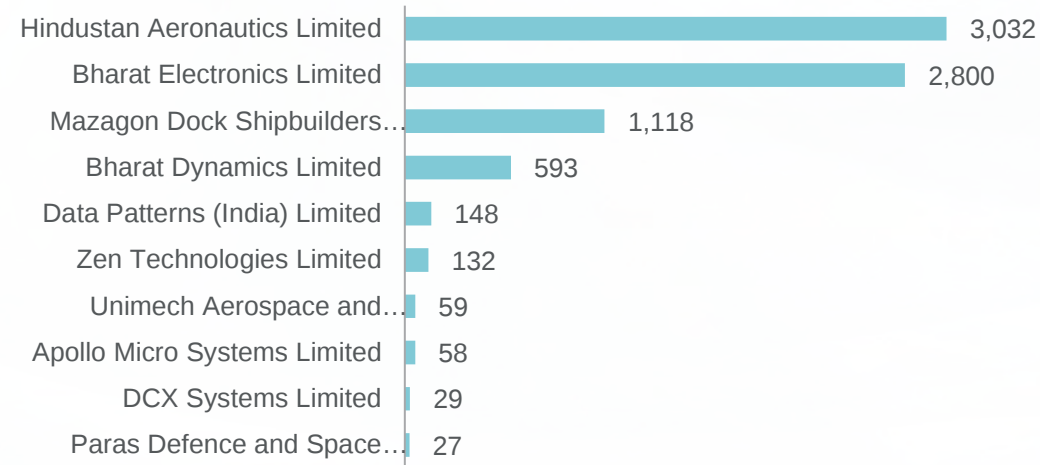
- **Market Size & Growth:** In FY24, India's aerospace and defence market reached USD 33.29 billion, making it the second largest in the Asia Pacific region, holding a 15.4% share. The market is projected to grow at a CAGR of 10.3% from FY24-FY29.
- **Defence Expenditure:** The Ministry of Defence announced an investment of INR 5,935.37 billion for defence spending in FY24, an increase from INR 5,251.66 billion in FY23. The defence spending grew at an 8.33% CAGR from FY18 to FY24.
- **Ambitious Domestic Production Targets:** India has set an ambitious annual defence production outlay of INR 1,750 billion for FY25, which is expected to grow at a CAGR of around 14.4% to INR 3,000 billion by FY29. Domestic defence production stood at approximately INR 1,300 billion in FY24, marking a 174% increase from FY15.
- **Defence Export:** India's defence exports have seen significant growth, reaching approximately INR 210 billion in FY24. The country aims to increase exports to INR 300 billion by FY26, and further to INR 500 billion by 2029.
- **Indigenisation as a Core Strategy:** The government's 'Atmanirbhar Bharat' initiative strongly supports self-reliance, with 411 restricted defence items now mandating domestic procurement through multiple positive indigenisation lists. This has led to India meeting approximately 70% of its defence demand domestically, up from 54% before COVID-19.
- **Strategic Industrial Corridors & Manufacturing Facilities:** The establishment of two defence industrial corridors in Tamil Nadu and Uttar Pradesh in FY19 aims to create manufacturing hubs, attracting investments (over INR 20 billion in Tamil Nadu by FY23) and boosting local MSME participation. The new Tata-Airbus C-295 transport aircraft manufacturing facility in Vadodara, inaugurated in October 2024, further reinforces domestic production.
- **Increasing Private Sector Role:** There is a shift towards greater private sector participation, with companies like Tata Advanced Systems, L&T Defense, and Kalyani Group playing pivotal roles. Companies such as Vem Technologies are developing fully indigenous anti-tank guided missiles, and SMPP is forging partnerships for ammunition manufacturing.

- **Expanding Space & Satellite Capabilities:** India is strengthening its global space presence, having launched 424 foreign satellites over the past nine years. The budget for ISRO and other space agencies has more than doubled, supporting projects like Gaganyaan and satellite constellations, alongside the rise of a dynamic commercial space sector.

Summary

India's aerospace and defence market reached USD 33.29 billion in FY24, with a projected CAGR of 10.3% through 2029. Driven by rising defence expenditure, domestic production is set to reach INR 3,000 billion by FY29, with exports targeted to rise to INR 500 billion. Indigenisation under 'Atmanirbhar Bharat' is expected to fulfill most of the country's needs domestically.

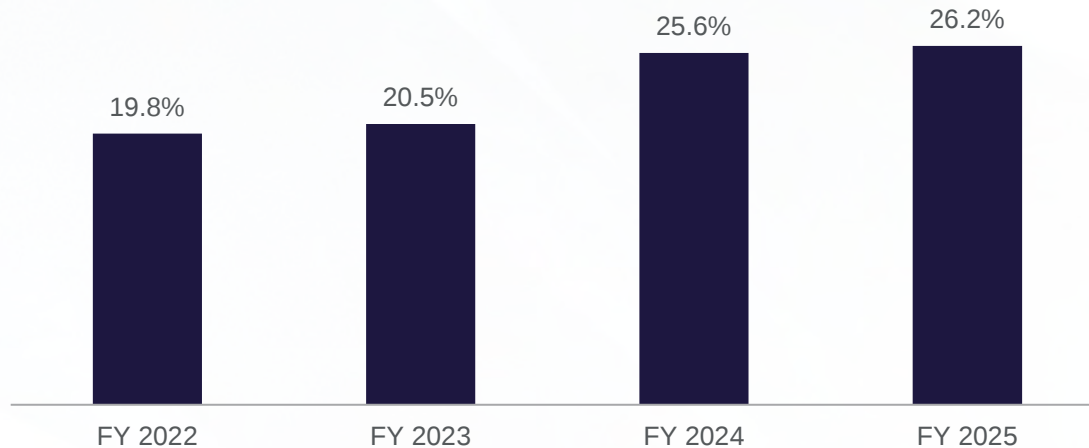
Market Capitalisation (INR billion):



DEFENCE

Financial and Valuation Parameters

Weighted Average EBITDA margin



16.4%

Weighted Average
Revenue CAGR (FY22
– FY25)

1.7%

Average Debt /
Market
Capitalization
(31 July 2025)

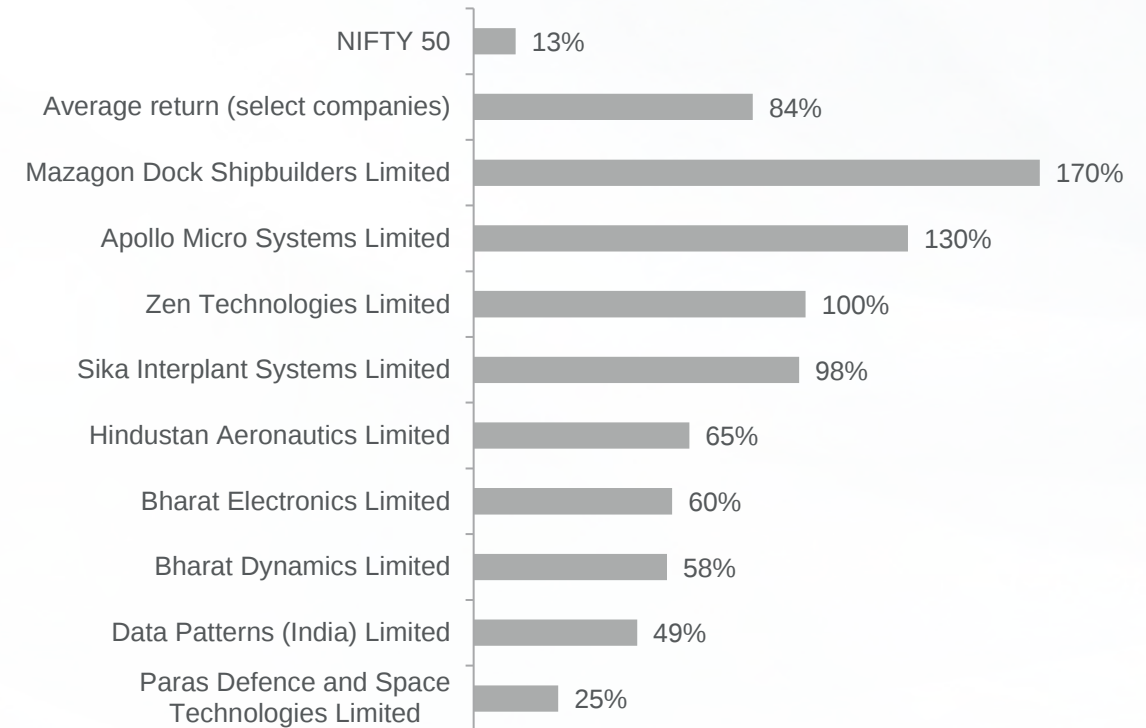
1.90

Average Levered
Beta
(3 Years Monthly
as on 31 July 2025)

Note: Excluding outliers

We have selected the defence companies listed in India for our analysis.

3 year's CAGR of indices and selected shares

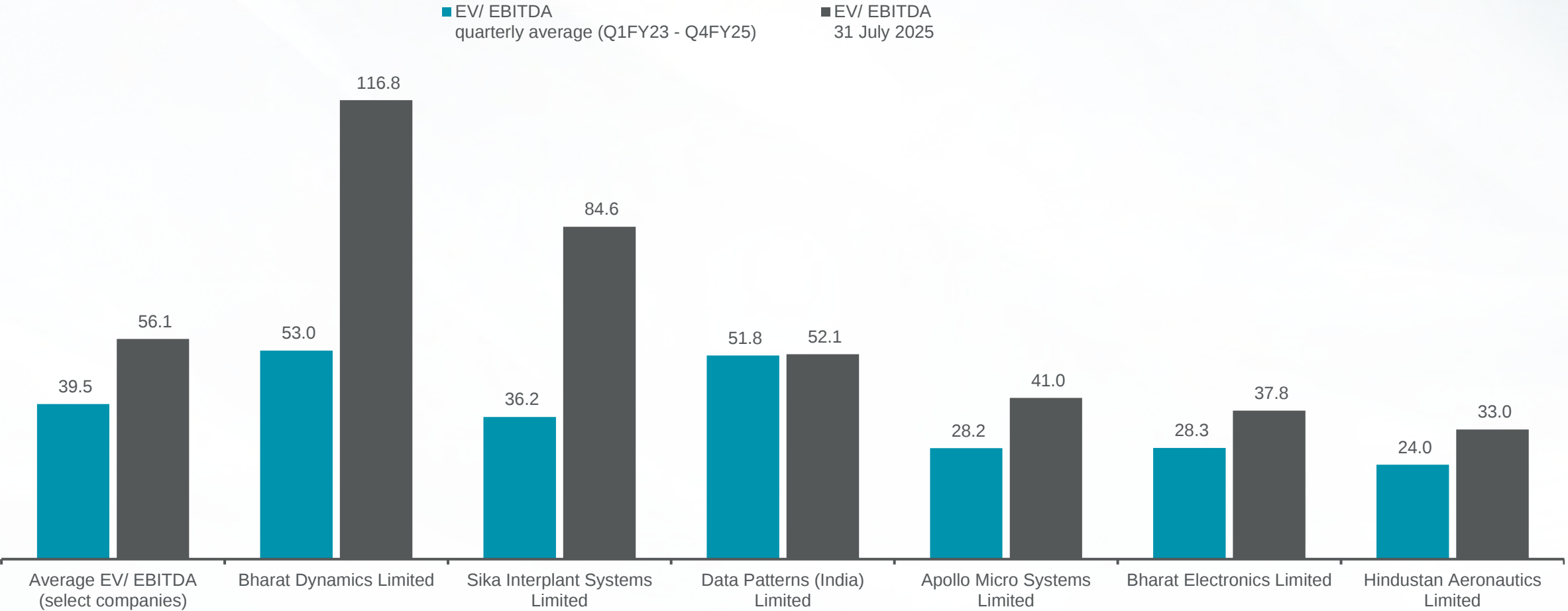


Note: Excluding outliers

Return period- 01 August 2022 – 31 July 2025

DEFENCE

Valuation Multiples (EV / EBITDA)



Note: Excluding outliers

11

**FAST MOVING
CONSUMER GOODS**

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FMCG

Industry Overview

- **Overall Revenue Growth Projection:** The FMCG universe is expected to clock low-single digit revenue growth of 2.7% YoY in 1QFY26. This follows a mid-single digit revenue growth of 6% YoY in 4QFY25, driven by price increases rather than volume growth.
- **Persistent Demand Weakness:** The demand environment remains sluggish, with early commentaries from major players like Marico, Dabur, and Godrej Consumer Products confirming continued inflationary pressures and slow urban growth. Urban consumption remains weak, serving as a drag on overall volume growth.
- **Rural Outperformance:** Rural demand continues to show an improving trajectory, outpacing urban growth and providing critical support to the sector. In 4QFY25, rural markets were the primary growth driver with 8.4% YoY value growth, while urban saw a 2.6% growth.
- **Commodity Cost Headwinds:** Elevated raw material prices, such as Palm Fatty Acid Distillate (PFAD) (~45% YoY), Tea (~26% YoY), and Coffee (~64% YoY) in 4QFY25, are impacting gross margins.
- **Impact on Summer Portfolio:** Unseasonal rains and delayed/truncated winters have adversely impacted summer-centric categories, including beverages, ice-cream, and talcum powder, leading to double-digit declines in April-May 2025 for these products.
- **Strategic Investments Continue:** Companies are maintaining or increasing strategic investments in brand building and advertising & promotions.
- **Positive Macro Tailwinds for FY26:** The overall macro environment is becoming supportive, with expectations of an above-normal monsoon, personal income tax rationalization, continued decline in inflation, and potential RBI rate cuts.
- **GDP Growth Projections:** India's real GDP is projected to grow at 6.5% in FY26, driven by strong rural demand, improving employment, and robust business activity.

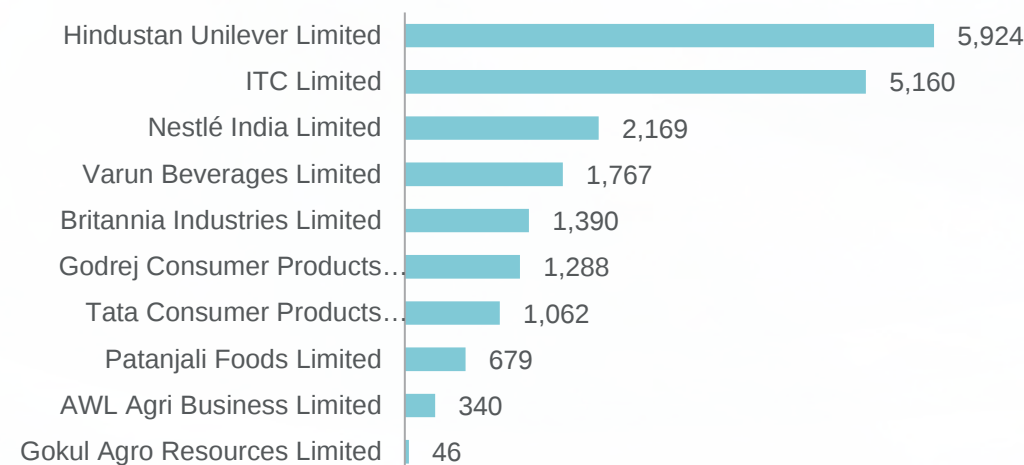
Recent GST advancements

Lower GST rates on many FMCG products are expected to reduce retail prices, boosting consumer demand. Increased affordability will likely stimulate volume growth, benefiting manufacturers, distributors, and retailers.

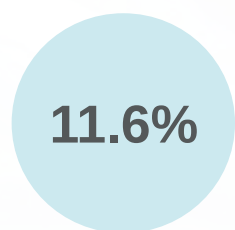
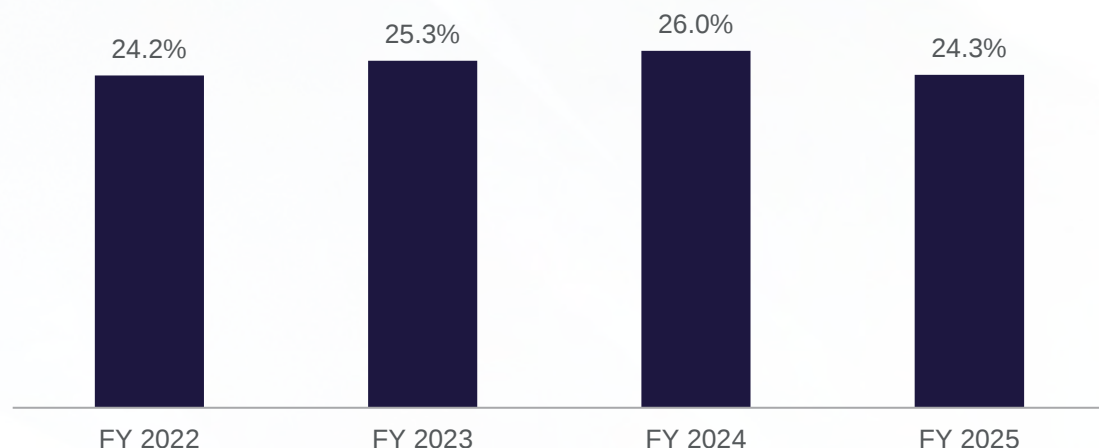
Summary

The FMCG sector is expected to grow modestly at 2.7% YoY in 1QFY26, with rural markets driving demand despite weak urban consumption. High raw material costs and unseasonal weather have hurt margins and summer-centric categories, though companies continue investing in brands and promotions. Positive macro factors like above-normal monsoon, easing inflation, and policy support are likely to aid recovery, with India's GDP projected to grow 6.5% in FY26.

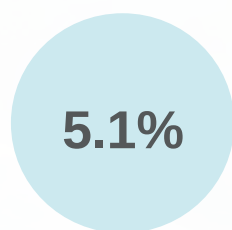
Market Capitalisation (INR billion):



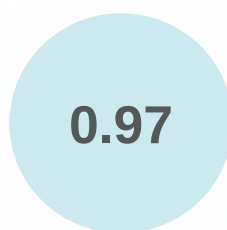
Weighted Average EBITDA margin



Weighted Average
Revenue CAGR (FY22
– FY25)



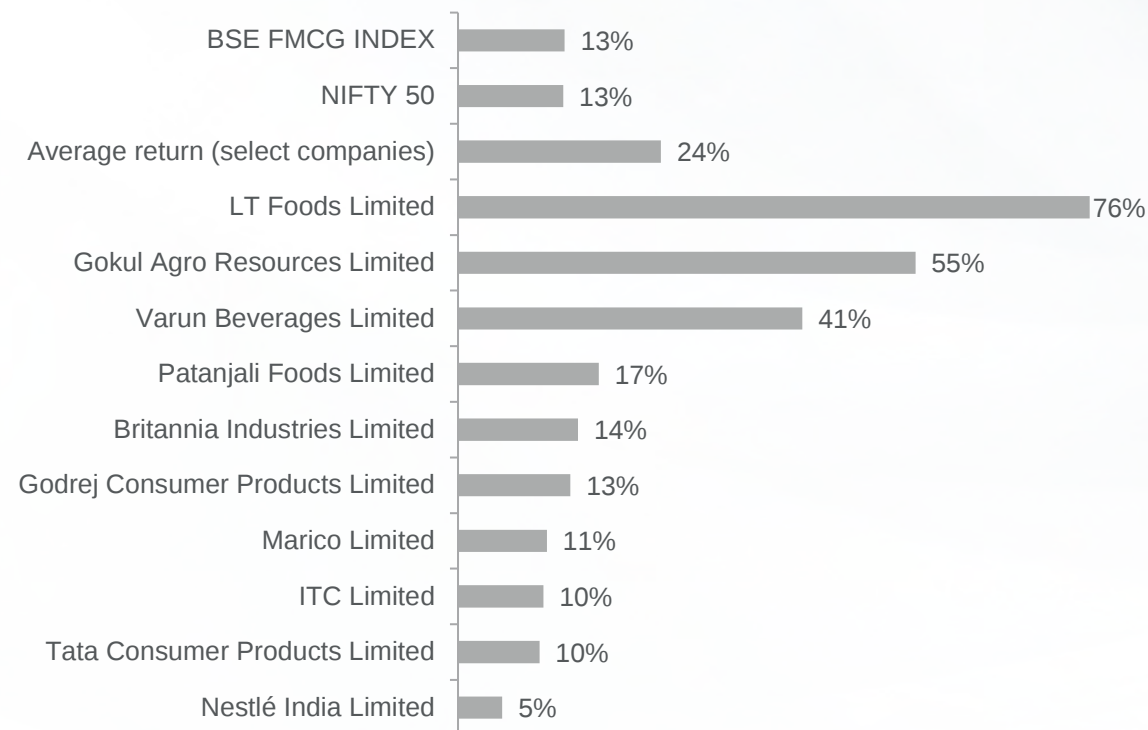
Average Debt /
Market
Capitalization
(31 July 2025)



Average Levered
Beta
(3 Years Monthly
as on 31 July 2025)

*Note: Excluding outliers
We have selected the FMCG companies listed in India for our analysis.*

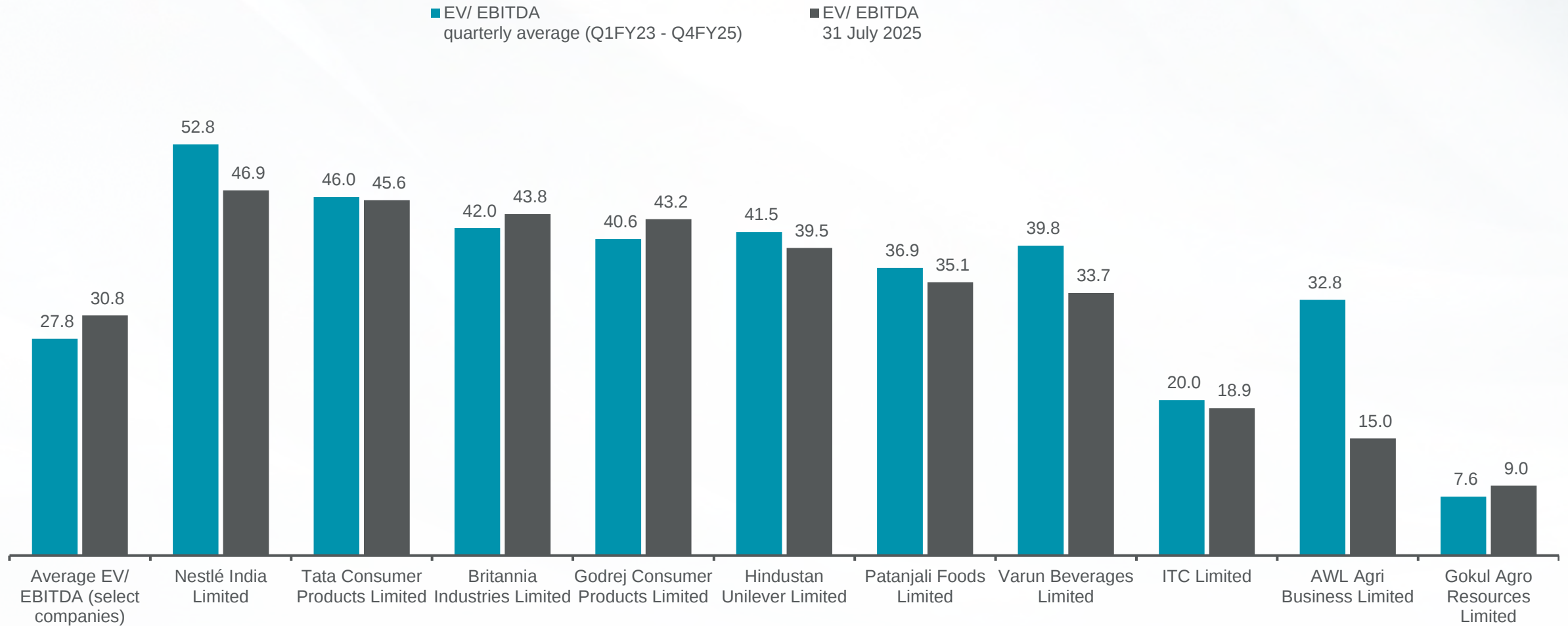
3 year's CAGR of indices and selected shares



*Note: Excluding outliers
Return period- 01 August 2022 – 31 July 2025*

FMCG

Valuation Multiples (EV / EBITDA)



Note: Excluding outliers

12

RETAIL

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RETAIL

Industry Overview

- **Overall Market Growth:** In FY24 the overall retail sales reached INR 134,800.5 billion. Retail sales are projected to grow at a CAGR of 9.0% between FY24 and FY29, eventually reaching INR 207,751.5 billion by FY29.
- **Online Retail Expansion:** The online retail sector in India expanded by 17.8% in 2023 to reach a value of USD 77,521.8 million. This rapid expansion is set to continue, with the sector forecasted to increase to USD 161,348.7 million in FY28. Online retail is expected to potentially reaching 9% in FY29.
- **Favourable Demographics Driving Consumption:** The working-age population is projected to exceed 1 billion by the end of this decade, and with a median age of just 29 years, India is set to benefit from a significant demographic dividend that will fuel a broader consumer base.
- **Surging Consumer Confidence and Disposable Incomes:** The net household disposable income per household reached USD 7,631.8 in FY23, a 1.4% increase over FY22, empowering consumers to allocate more funds towards diverse retail purchases, including online shopping.
- **Persistent Dominance and Adaptation of Traditional Retail:** Despite the rise of modern formats, kirana stores continue to overwhelmingly dominate the Indian retail industry, accounting for approximately 90% of total retail volume and three-quarters of overall grocery retail sales in 2024.
- **Aggressive Modern Retail Expansion:** Major players like Avenue Supermarts (DMart) added 50 new stores in FY25, expanding their footprint to 415 stores. Similarly, V2 Retail plans to open 100 stores annually.
- **Disruptive Impact of Quick-Commerce:** The quick-commerce sector is undergoing high growth, with sales surging from USD 0.5 billion in FY22 to USD 3.3 billion in FY24. Blinkit currently leads this market with an estimated 40-45% market share. Flipkart, Amazon, and Reliance Retail are all actively launching or expanding their quick-commerce operations, signalling intense competition and continued disruption.

- **Logistics Hurdles:** Logistics costs in India account for a high 16% of the country's GDP, considerably more than in China (10%) or the US/Europe (8%).

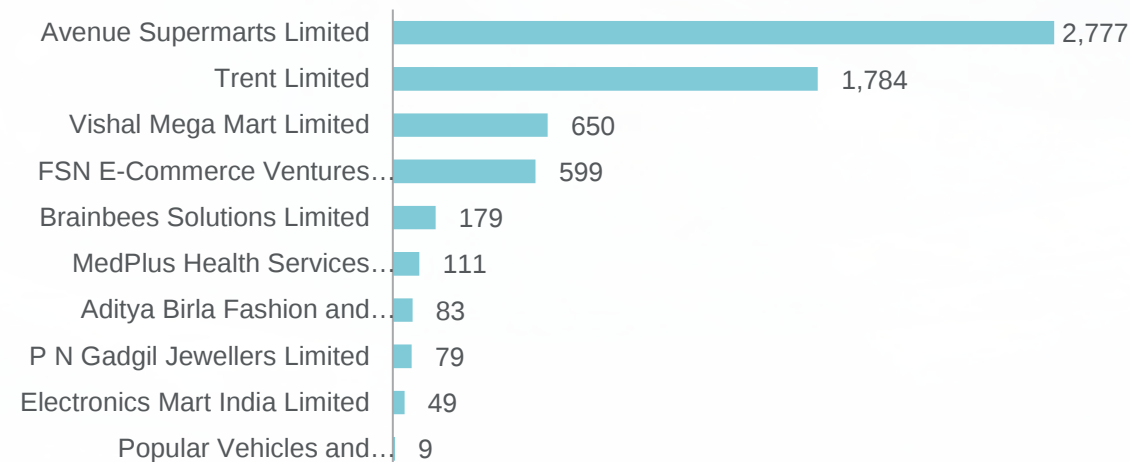
Recent GST advancements

Reduction of GST rates will lower retail prices across a wide range of goods, increasing consumer spending and demand. Price cuts on essential and everyday items will particularly benefit lower and middle-income consumers, boosting FMCG and consumer durables sales.

Summary

India's retail sales reached INR 134.8 trillion in FY24 and are projected to grow at a 9% CAGR to INR 207.8 trillion by FY29. Online retail expanded 17.8% in 2023 to USD 77.5 billion and is forecasted to touch USD 161.3 billion by FY28, reaching 9% share by FY29. Strong demographics, rising disposable incomes, and consumer confidence are fueling growth, while kirana stores remain dominant (90% share) alongside aggressive expansion of modern retail and rapid rise of quick-commerce led by Blinkit..

Market Capitalisation (INR billion):

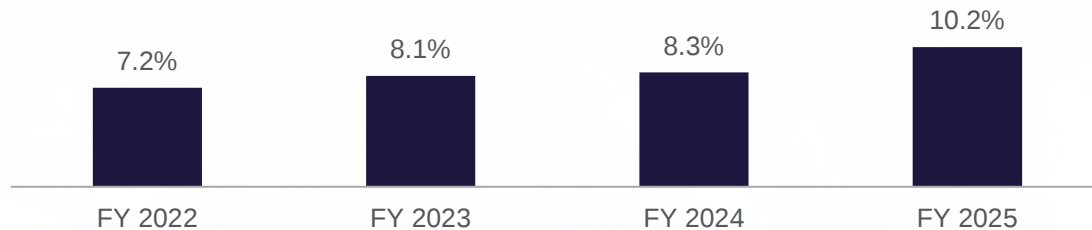


As on 31 July 2025

RETAIL

Financial and Valuation Parameters

Weighted Average EBITDA margin



30.5%

Weighted Average
Revenue CAGR (FY22
– FY25)

28.3%

Average Debt /
Market
Capitalization
(31 July 2025)

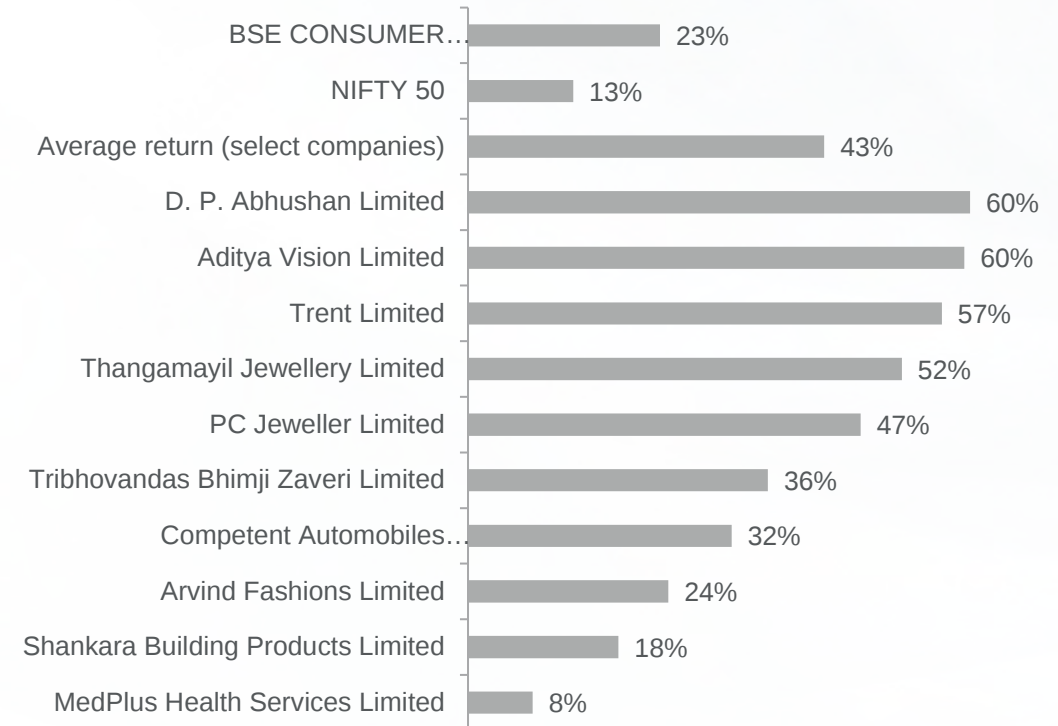
1.17

Average Levered
Beta
(3 Years Monthly
as on 31 July 2025)

Note: Excluding outliers

We have selected the retail companies listed in India for our analysis.

3 year's CAGR of indices and selected shares

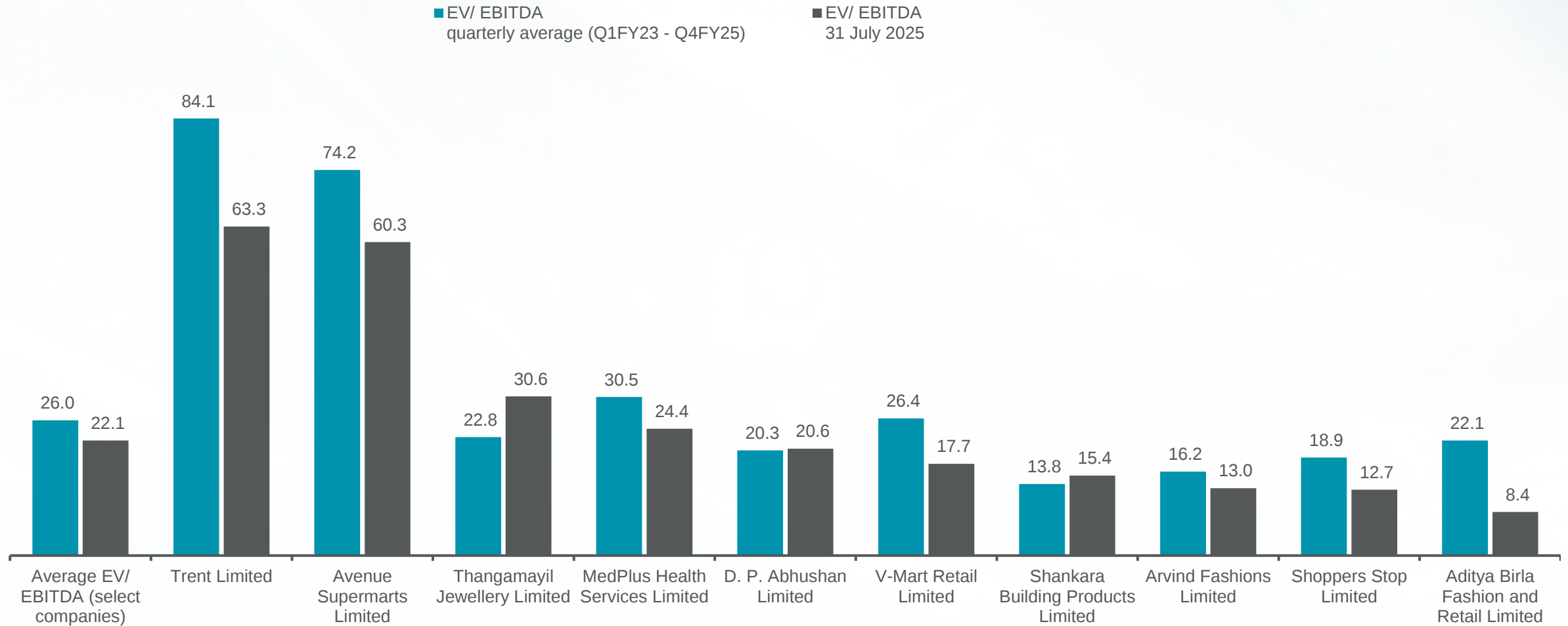


Note: Excluding outliers

Return period- 01 August 2022 – 31 July 2025

RETAIL

Valuation Multiples (EV / EBITDA)



Note: Excluding outliers

13

INFRASTRUCTURE

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INFRASTRUCTURE

Industry Overview

- **Overall Construction Industry Growth:** The Indian construction industry is projected to achieve a CAGR of 17.26% during FY22–FY27, with its value expected to reach USD 1.47 trillion by 2027.
- **Significant Capital Investment Boost:** Capital investment in India's infrastructure saw an increase of 33% to reach USD 12 billion in FY24, accounting for 3.3% of the GDP.
- **Highest Growth in Road & Bridge Construction:** India's highway, street, and bridge construction market demonstrated a CAGR of 11.76% from FY19 to FY24 and is forecasted to grow at a CAGR of 10.83% from FY24 to FY29.
- **Central Government Capex Trends:** The central government's capital expenditure (capex) budget for FY26 is set at INR 11.2 trillion.
- **World's Second Largest Road Network:** India boasts the world's second-largest road infrastructure network, covering 600,000 km. Major initiatives like the Bharatmala Pariyojana are set to expand this further, with its first phase targeting the development of 34,800 km of highways, including 27 greenfield corridors and expressways.
- **Strategic Tunnel Investments:** Strategic investments in tunnel projects are evident, with the inauguration of the Sela Tunnel. The upcoming Mumbai-Ahmedabad bullet train project also includes India's first undersea rail tunnel, stretching 7 km.
- **Positive Outlook for Transport Infrastructure Segments:**
 - **Airports:** Airports are robust air traffic growth, which reached 266.1 million passengers in 8MFY25 (8.5% y-o-y increase). New greenfield airports, such as those in Navi Mumbai and Jewar, are slated to begin operations in FY26.
 - **Seaports:** A stable outlook is based on moderate growth in cargo handling volumes (projected 5% y-o-y to 1,660 MTPA in FY26), bolstered by government initiatives focused on port-related industrial clusters and improved connectivity.

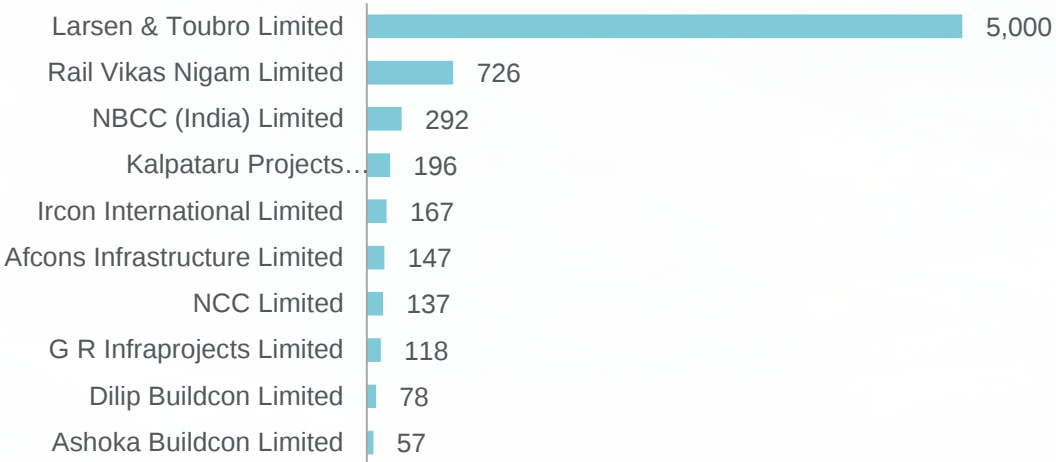
Recent GST advancements

The Infrastructure sector currently faces GST rates ranging from 1% to 28%, with critical inputs like cement taxed at the highest slab of 28%. The planned GST reforms to mainly 5% and 18% slabs are expected to significantly reduce construction costs, stimulate growth, and improve compliance ease in the sector.

Summary

India's construction industry is poised for rapid expansion, projected to reach USD 1.47 trillion by 2027 with a 17.26% CAGR. Massive capital investments, robust government capex, and growth in roads, bridges, and tunnels are driving momentum. Landmark projects like Bharatmala, the Mumbai-Ahmedabad bullet train, and expanding airport and seaport infrastructure further highlight the sector's potential. Asset monetisation and strategic infrastructure development are set to play pivotal roles in sustaining long-term growth.

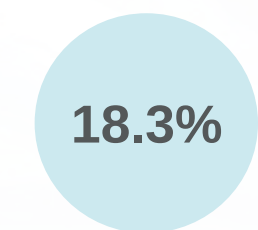
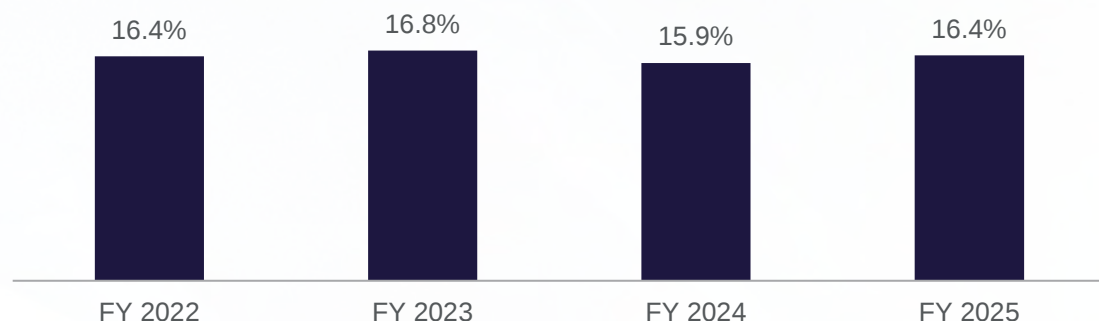
Market Capitalisation (INR billion):



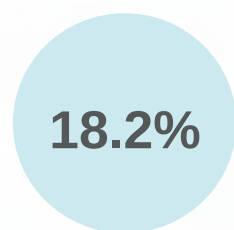
INFRASTRUCTURE

Financial and Valuation Parameters

Weighted Average EBITDA margin



Weighted Average
Revenue CAGR (FY22
– FY25)



Average Debt /
Market
Capitalization
(31 July 2025)

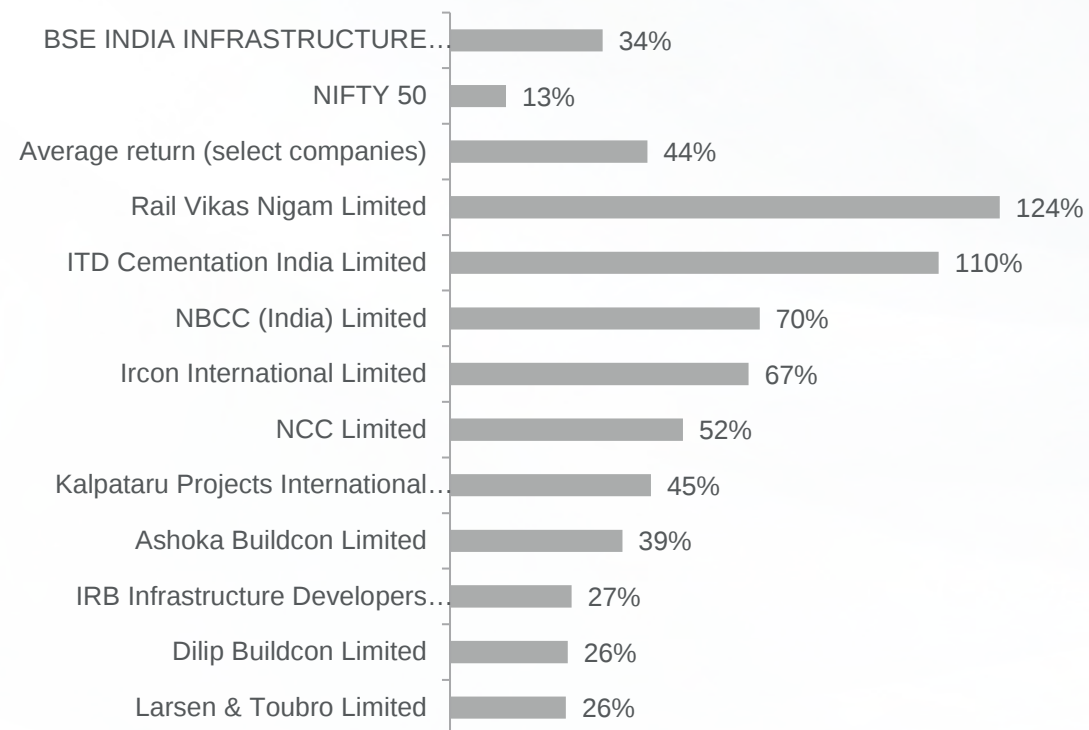


Average Levered
Beta
(3 Years Monthly
as on 31 July 2025)

Note: Excluding outliers

We have selected the infrastructure companies listed in India for our analysis.

3 year's CAGR of indices and selected shares



Note: Excluding outliers

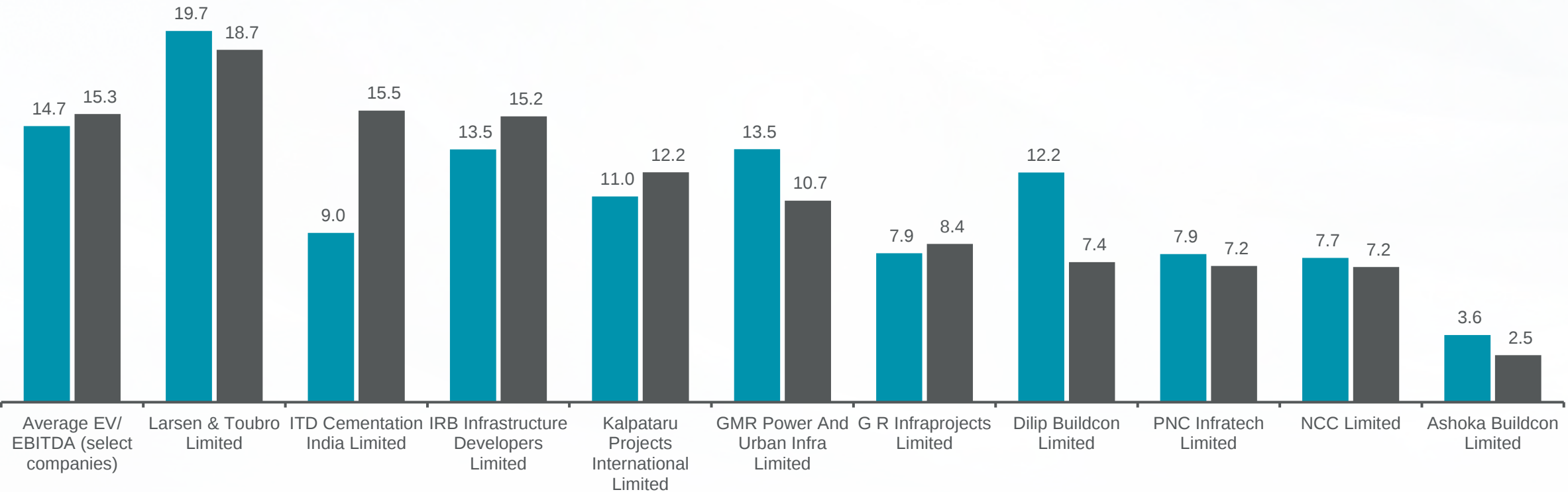
Return period- 01 August 2022 – 31 July 2025

INFRASTRUCTURE

Valuation Multiples (EV / EBITDA)

■ EV/ EBITDA
quarterly average (Q1FY23 - Q4FY25)

■ EV/ EBITDA
31 July 2025



Note: Excluding outliers

14

**AUTOMOTIVE PARTS
& EQUIPMENT**

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AUTOMOTIVE PARTS & EQUIPMENT

Industry Overview

- **Market Valuation and Strong Growth Trajectory:** The India automotive components market was valued at USD 79,957.46 million in FY23 and is projected to reach USD 144,647.65 million by 2033, demonstrating a CAGR of ~6% during this period.
- **Dominance of the Aftermarket Segment:** The aftermarket segment held the largest share of the automotive components market by sales channel, contributing USD 56,929.71 million in FY23, and is estimated to grow to USD 98,331.47 million by 2033, with a CAGR of 5.60%. This is driven by an increasing number of vehicles on the road, longer vehicle lifecycles, and rising consumer demand for customization.
- **Strong OEM Market Expansion:** The Original Equipment Manufacturer (OEM) segment is also set for substantial growth, valued at USD 23,027.75 million in FY23 and projected to reach USD 46,316.18 million by 2033, registering a significant CAGR of 7.2%. This growth is propelled by the rising demand for high-quality, durable components in new vehicle production and the expanding electric vehicle market.
- **Sustained Demand for Internal Combustion Engine (ICE) Components:** Despite the shift towards EVs, the ICE segment remains the largest contributor to the automotive components market, valued at USD 54,930.77 million in FY23 and estimated to reach USD 92,053.76 million by 2033, with a CAGR of 5.3%. This is driven by a robust automotive market, increasing middle class, and preference for personal mobility.
- **Rising Demand for Electric Vehicle (EV) Components:** The electric propulsion segment is a high-growth area, valued at USD 25,026.68 million in FY23 and projected to more than double to USD 52,593.88 million by 2033, at a strong CAGR of 7.7%. The retail sales of hybrid & electric cars in India experienced growth of 163.6% in FY23.
- **Government Incentives Fueling EV Component Manufacturing:** India's ambition to become the largest exporter of lithium-ion batteries within five years is supported by the government's USD 2,155.29 million Production-Linked Incentive (PLI) scheme. This initiative, along with the development of gigafactories, aims to localize battery production and stimulate demand for critical EV components.

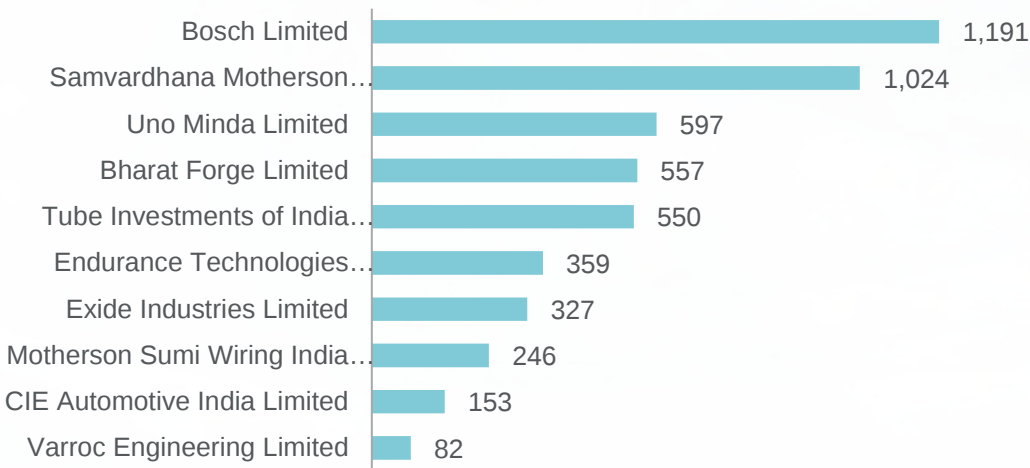
Recent GST advancements

The Automotive Parts and Equipment industry currently deals with multiple GST slabs (5%, 12%, 18%, 28%). The upcoming GST reform intends to primarily consolidate rates into 5% and 18%, reducing tax complexity and costs, thereby positively impacting manufacturing competitiveness and industry growth.

Summary

India's automotive components market is on a strong growth trajectory, expected to reach USD 144.6 billion by 2033 with a 6% CAGR. The aftermarket segment dominates, driven by vehicle longevity and customization trends, while OEM demand is surging with EV adoption. ICE components continue to lead in volume, though EV parts are witnessing rapid growth. Government incentives and PLI schemes are accelerating local EV component manufacturing and battery production.

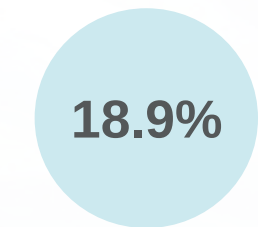
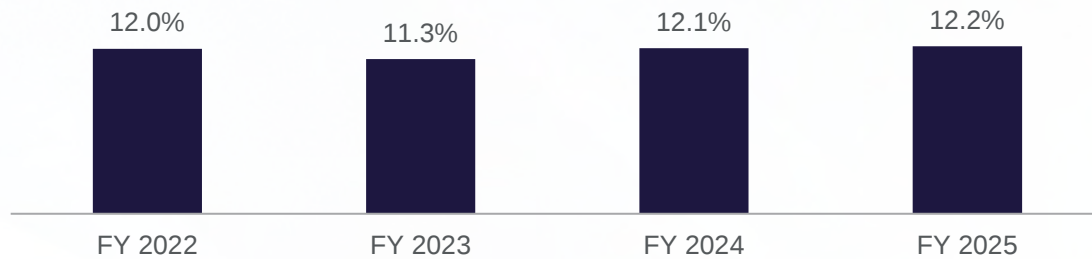
Market Capitalisation (INR billion):



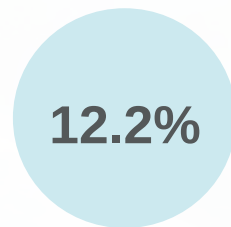
AUTOMOTIVE PARTS & EQUIPMENT

Financial and Valuation Parameters

Weighted Average EBITDA margin



Weighted Average
Revenue CAGR (FY22
– FY25)



Average Debt /
Market
Capitalization
(31 July 2025)

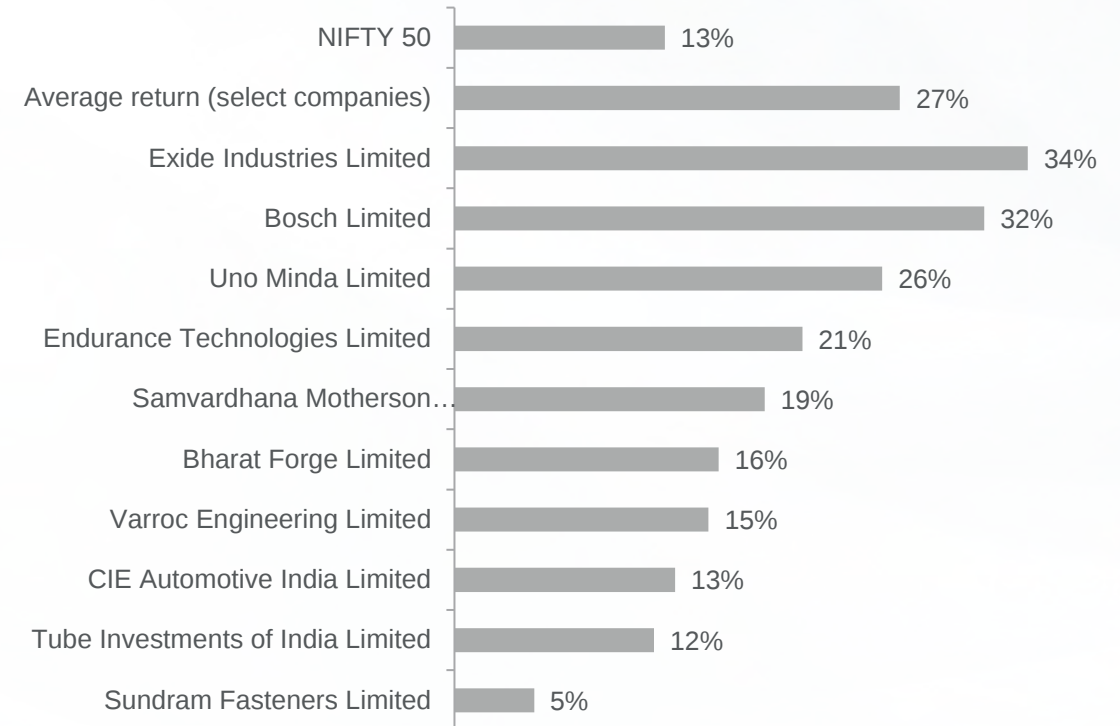


Average Levered
Beta
(3 Years Monthly
as on 31 July 2025)

Note: Excluding outliers

We have selected the automotive parts & equipment manufacturing companies listed in India for our analysis.

3 year's CAGR of indices and selected shares



Note: Excluding outliers

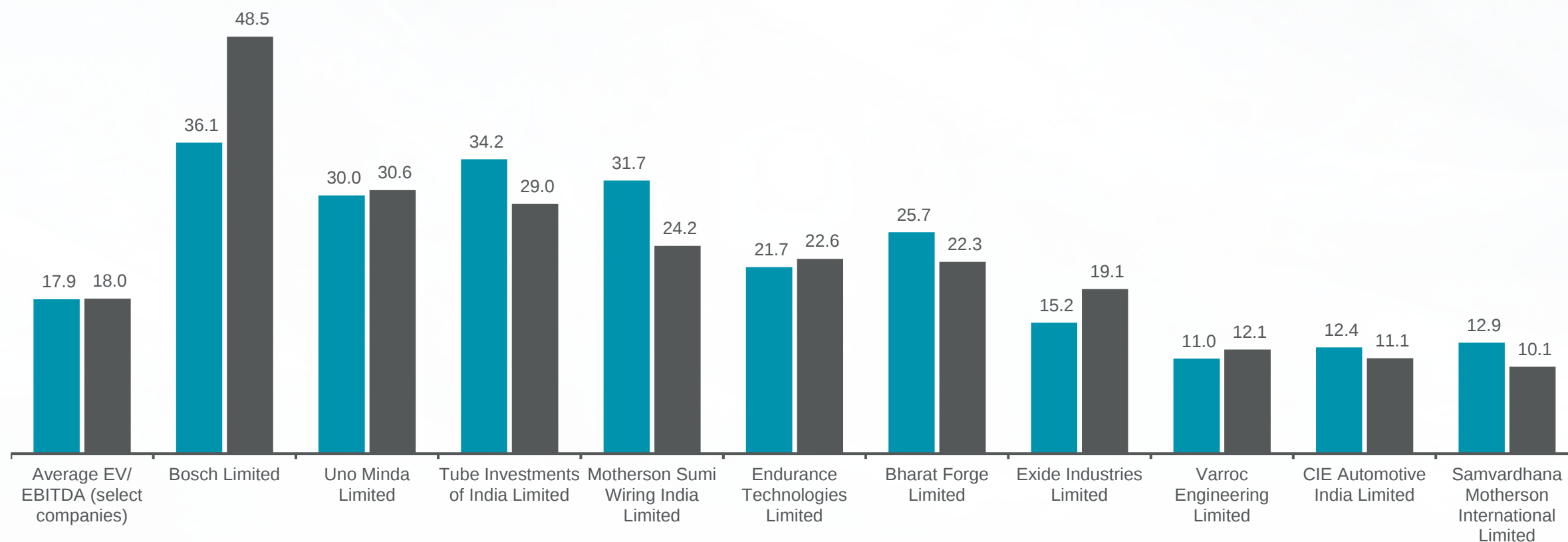
Return period- 01 August 2022 – 31 July 2025

AUTOMOTIVE PARTS & EQUIPMENT

Valuation Multiples (EV / EBITDA)

■ EV/ EBITDA
quarterly average (Q1FY23 - Q4FY25)

■ EV/ EBITDA
31 July 2025



Note: Excluding outliers

15

CHEMICALS

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CHEMICALS

Industry Overview

- **Market Expansion:** The Indian chemicals market is projected to grow from USD 152.2 billion in FY24 to USD 194.1 billion by FY29, at a CAGR of 5.0%.
- **Dominance of Commodity Chemicals:** Commodity chemicals remain the largest segment, accounting for 42.0% of the market's total value in FY24, with revenues of USD 63.9 billion. This segment's growth is largely driven by accelerating industrialization across India.
- **Growing Agriculture Chemicals Segment:** The agriculture chemicals segment is contributing USD 36.8 billion in 2024, equivalent to 24.2% of the market's aggregate value.
- **Petrochemical Sector Investment:** Petrochemical producers have collectively committed approximately USD 100 billion in investments to build capacity in India by FY30, aiming to bridge the country's supply deficit in petrochemical intermediates. India remains heavily dependent on imported petrochemical intermediates such as ethylene oxide, propylene oxide, polyols, phenol, acrylic acid, and styrene, which collectively comprise approximately 60% of its total petrochemical imports.
- **Growing Adhesives & Sealants Market:** The Indian adhesives & sealants market is forecasted to grow from USD 2,104.5 million in FY23 to USD 3,054.1 million by FY28, at a CAGR of 7.7%, driven by strong demand from the construction sector and the automotive industry.
- **Low Per Capita Consumption Offers Headroom:** Despite economic development, India's per capita chemical consumption is approximately 10% of the global average, indicating significant unrealized demand potential in end-use industries.
- **Government Initiatives for Self-Reliance:** The Indian government actively promotes self-reliance through initiatives like "Make in India" and "Atmanirbhar Bharat Abhiyan" to boost domestic production and reduce import dependence.
- **"China Plus One" Strategy as a Driver:** Global manufacturers are increasingly diversifying their supply chains away from China due to stringent environmental regulations and geopolitical tensions, which is set to significantly boost Indian chemical producers' export market share.

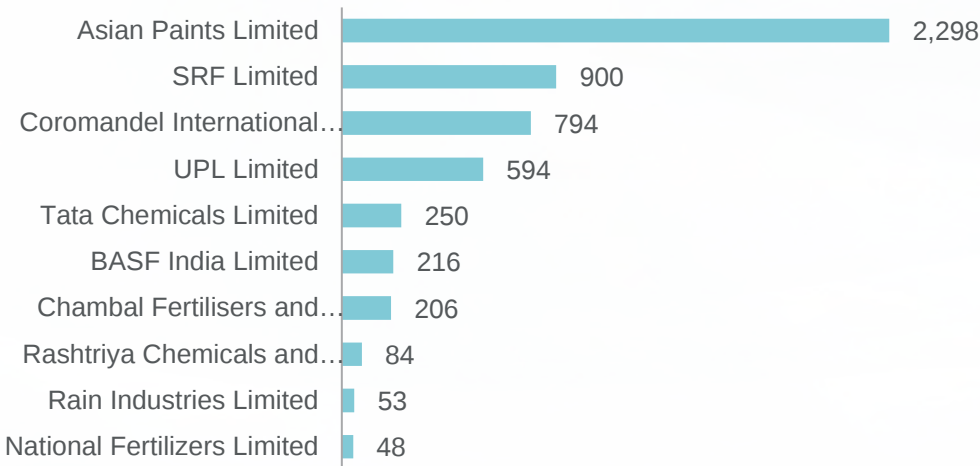
Recent GST advancements

The Chemicals industry currently faces GST rates broadly ranging from 5% to 28%, with expected slab rationalization favoring mainly 5% and 18% rates. This rationalization will reduce tax complexity, support affordability of critical chemicals, and stimulate growth in multiple downstream industries.

Summary

India's chemicals market is set to grow steadily from USD 152.2 billion in FY24 to USD 194.1 billion by 2029, led by commodity and agricultural chemicals. Investments in petrochemicals aim to reduce import dependency, while adhesives and sealants see rising demand from construction and auto sectors. Low per capita consumption signals untapped potential, supported by government self-reliance initiatives and global supply chain shifts. However, limited R&D spending continues to restrain innovation and value-added product development.

Market Capitalisation (INR billion):

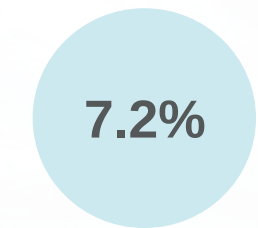
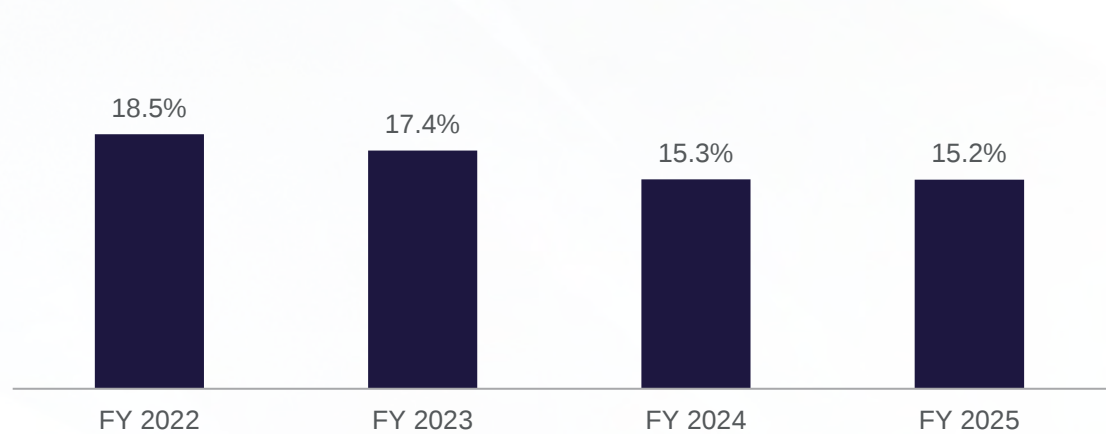


As on 31 July 2025

CHEMICALS

Financial and Valuation Parameters

Weighted Average EBITDA margin



Weighted Average
Revenue CAGR (FY22
– FY25)



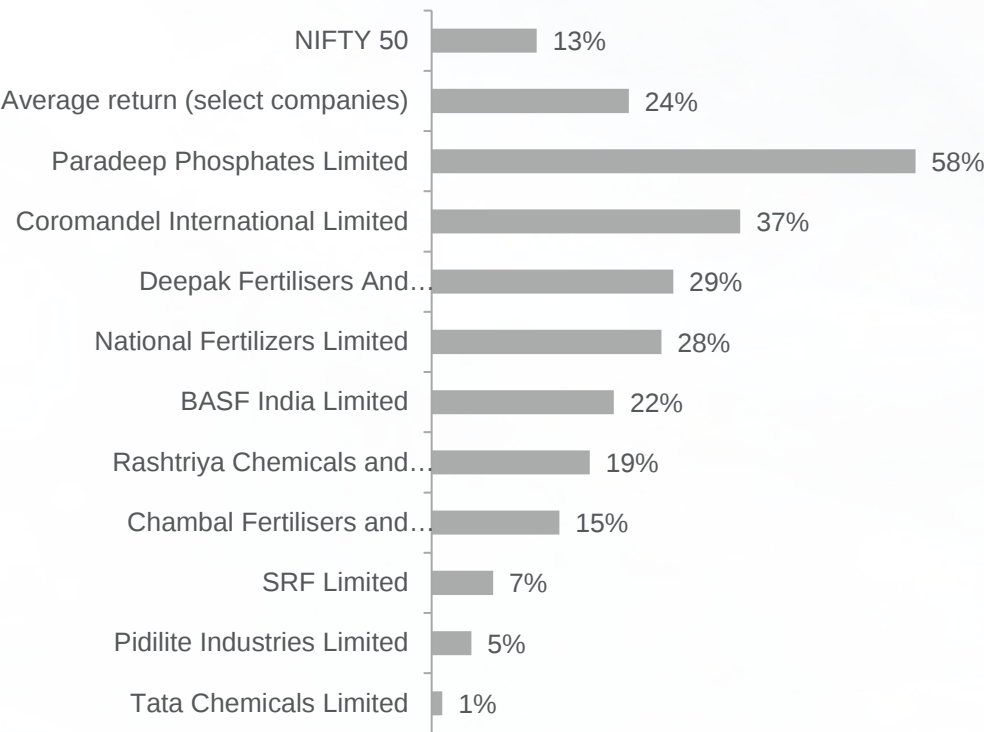
Average Debt /
Market
Capitalization
(31 July 2025)



Average Levered
Beta
(3 Years Monthly
as on 31 July 2025)

*Note: Excluding outliers
We have selected the chemical manufacturing companies listed in India for our analysis.*

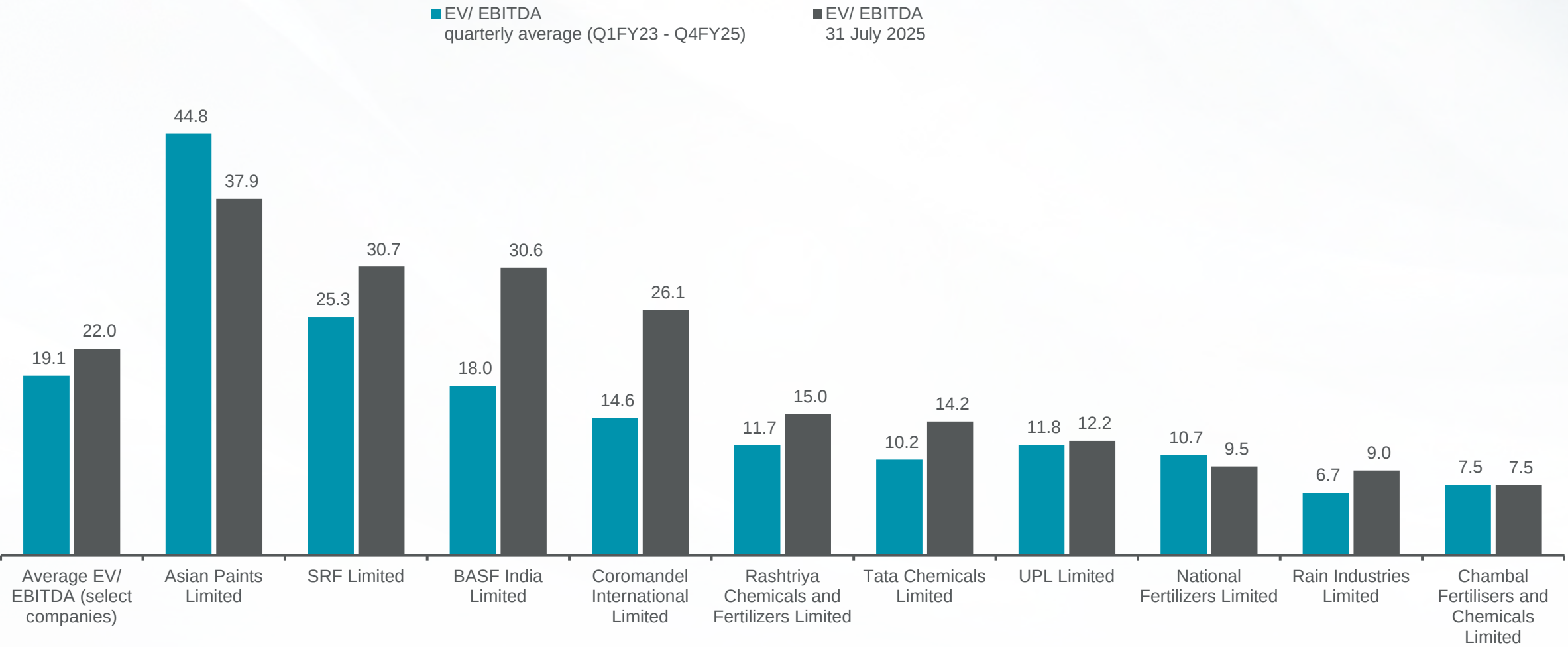
3 year's CAGR of indices and selected shares



*Note: Excluding outliers
Return period- 01 August 2022 – 31 July 2025*

CHEMICALS

Valuation Multiples (EV / EBITDA)



Note: Excluding outliers

16

NBFC

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NBFC

Industry Overview

- **Challenging FY25, Positive FY26 Outlook:** FY25 proved difficult for NBFCs due to margin pressure, moderated business growth, and elevated credit costs. However, there is a strong belief that growth, profitability, and return ratios have largely bottomed out, with an improved operational landscape expected in FY26E to support healthy loan growth and gradual asset quality improvements.
- **NBFCs Leading MSME Lending Growth:** NBFCs have emerged as front-runners in MSME lending, recording a 32% CAGR from FY21 to FY24, outpacing private banks (20.9%) and public sector banks (10.4%). As of H1 FY25, a credit gap of INR 18,300 billion remains in the MSME sector.
- **Dominance in Micro-Loan Against Property (Micro-LAP):** NBFCs maintain a dominant position in the Micro-LAP segment (loans under INR 10 lakh ticket size) with more than 45% market share, significantly ahead of private banks at 26% and PSU banks at 11%.
- **Funding Costs Stabilising:** While funding costs remained elevated, a recent repo rate cut is expected to offer relief with a lag. The cost of funds for NBFCs has shown declining trends sequentially, with expectations of falling rates from 2QFY26 aiding margin protection.
- **Asset Quality Trends Varying:** The overall asset quality across NBFCs saw mixed trends in Q4 FY25, with most players (excluding power financiers and Housing Finance Companies) experiencing stable or deteriorating asset quality, largely due to a weak macroeconomic environment.
- **Regulatory Impact on Lending:** Recent regulatory changes, including higher risk weights on unsecured personal loans and bank term loans to NBFCs, have influenced the sector. The Reserve Bank of India's (RBI) restoration of earlier risk weights on bank loans to NBFCs from April 2025 has significantly tapered growth in bank exposure to NBFCs.
- **Mutual Fund Debt Exposure at Record High:** Mutual Fund (MF) debt exposure to NBFCs (including Commercial Papers and Corporate Debt) reached an 82-month high of Rs 2.69 lakh crore in April 2025.

- **Bank Credit Growth to NBFCs Decelerates:** Banks' outstanding credit exposure to NBFCs was INR 16,100 billion in April 2025. The share of NBFC credit in total bank credit decreased from 9.5% in April 2024 to 8.9% in April 2025.

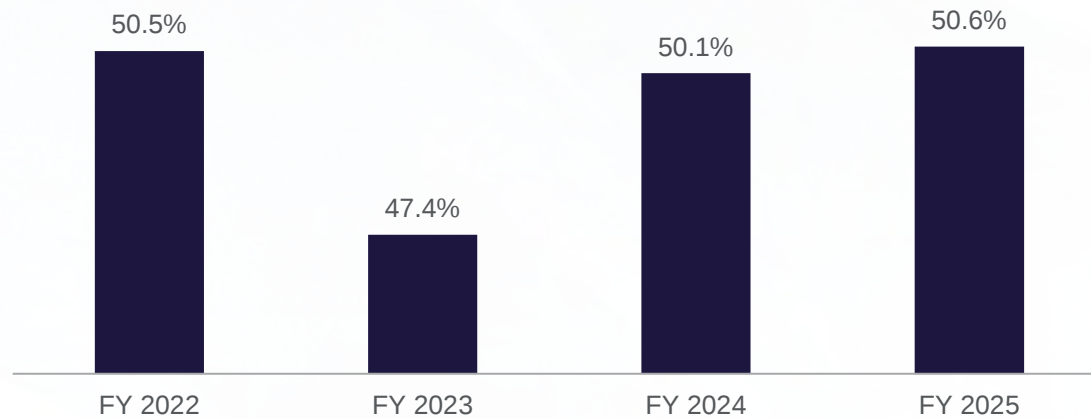
Summary

FY25 was a challenging year for NBFCs, marked by margin pressures, muted growth, and credit quality concerns. However, FY26 is expected to see recovery, aided by easing funding costs and an improving macroeconomic landscape. NBFCs continue to lead in MSME and Micro-LAP lending, despite evolving regulatory impacts. While bank credit to NBFCs has slowed, mutual fund debt exposure has surged to record highs, indicating shifting funding dynamics.

Market Capitalisation (INR billion):



Weighted Average PAT margin



25.6%

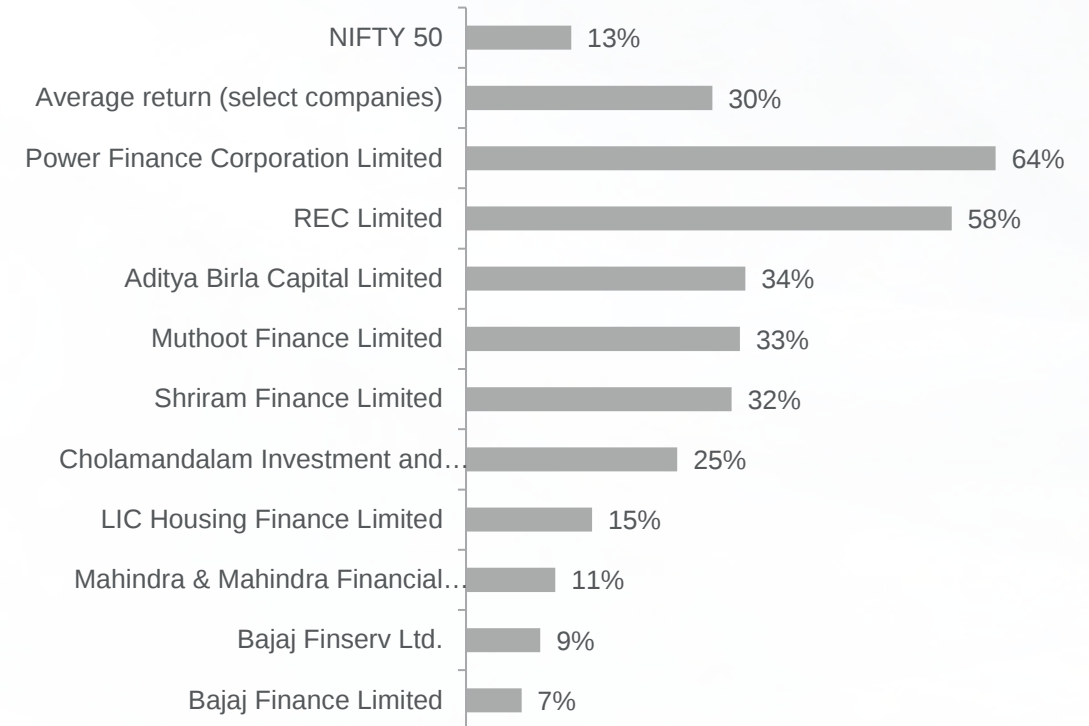
Weighted Average
Revenue CAGR (FY22
– FY25)

1.23

Average Levered
Beta
(3 Years Monthly
as on 31 July 2025)

*Note: Excluding outliers
We have selected the NBFCs listed in India for our analysis.*

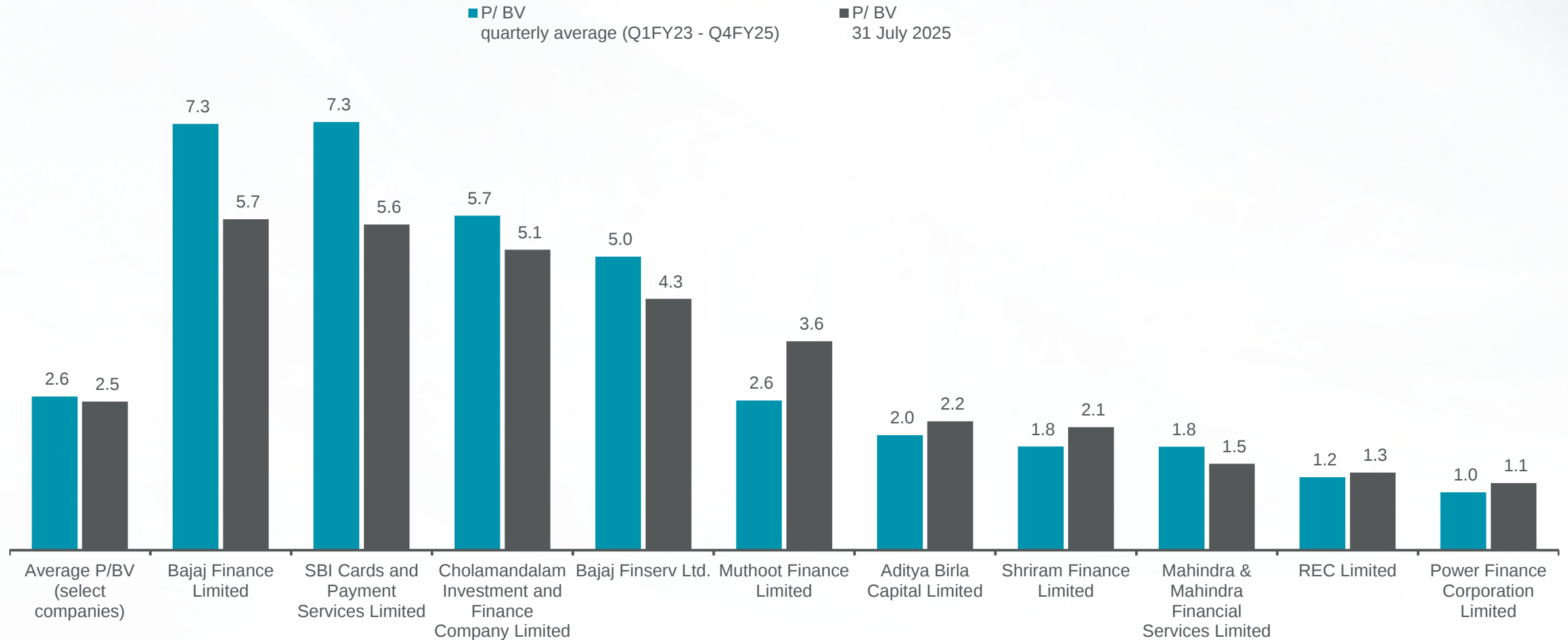
3 year's CAGR of indices and selected shares



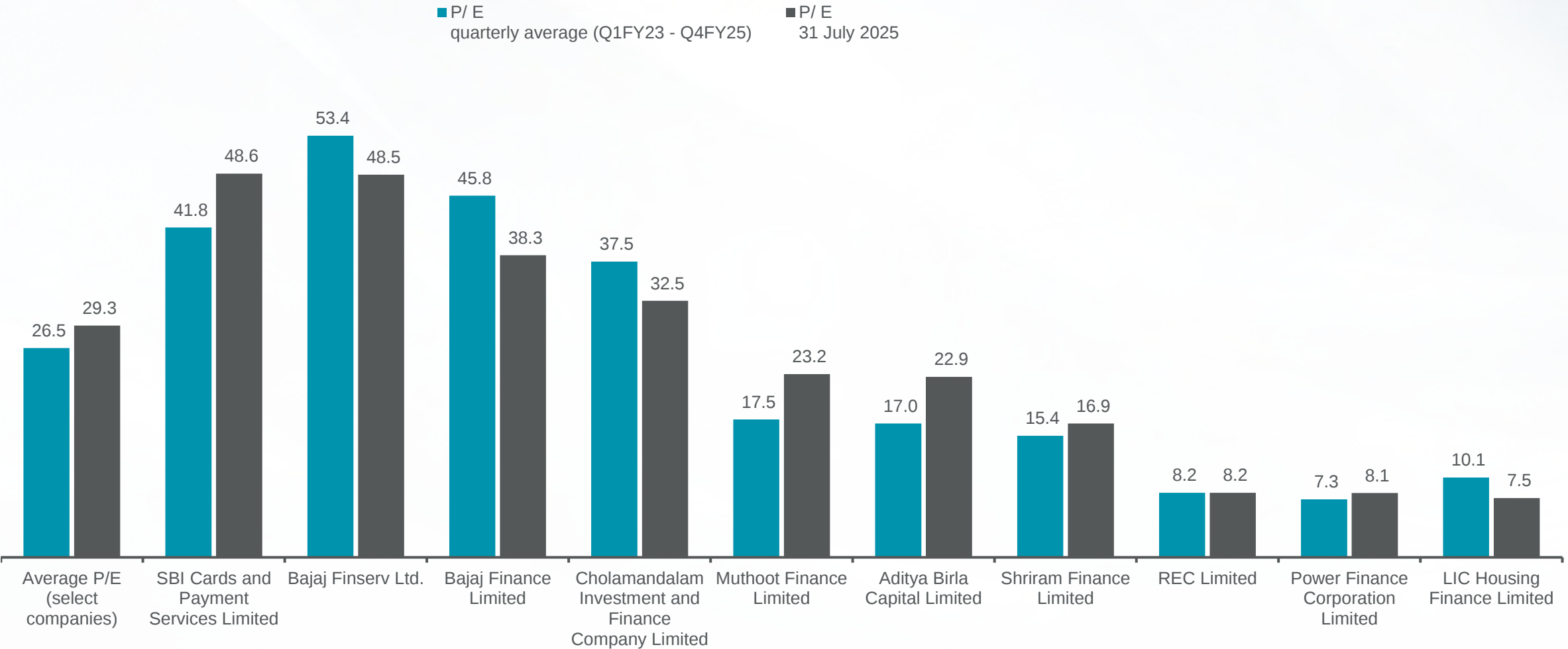
*Note: Excluding outliers
Return period- 01 August 2022 – 31 July 2025*

NBFC

Valuation Multiples (P/ BV)



Note: Excluding outliers



Note: Excluding outliers



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JUST TO
COME
THIS FAR.**