

India sneak peek

Published research

Aurobindo Pharma (HOLD - Downgrade, TP: Rs1,368) - Positives priced in; downgrade to HOLD

Asian Paints Limited (REDUCE - Maintained, TP: Rs2,340) - Persistent weakness drives earnings cut

Data Patterns (India) Ltd (ADD - Maintained, TP: Rs2,800) - Weak performance; outlook on track

Exide Industries Ltd (REDUCE - Maintained, TP: Rs395) - Sales growth slowdown persists

Financial Services - AMCs (Overweight - Maintained) - Better inflow despite choppy markets

Metropolis Healthcare Ltd. (ADD - Upgrade, TP: Rs2,380) - Steady performance likely to continue

PG Electroplast (REDUCE - Maintained, TP: Rs515) - Robust performance in 1H; dilution for capex

TCPL Packaging Ltd (ADD - Maintained, TP: Rs4,250) - Strong delivery in 1H; momentum to sustain

Top Investment Idea

Gland Pharma Ltd (HOLD - Upgrade, TP: Rs1,768) - Cenexi drag remains; better risk-reward ratio






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- 2QFY25 revenue was in line with expectations, but EBITDA was 22% above our estimate, led by a sharp 500bp QoQ growth in base business margin.
- Cenexi should see positive EBITDA in 4QFY25F and FY26F. Management expects Cenexi to deliver EUR200m+ revenue in FY26F.
- Upgrade the stock's rating to HOLD (from REDUCE earlier) with an unchanged target price of Rs1,768.

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

- RIL to pump Rs 65,000 cr into Andhra Pradesh for 500 biogas plants, its biggest RE investment outside Gujarat
- Supreme Court rejects SEBI's appeal against SAT order exonerating Mukesh Ambani in 2007 case
- RBI rolls out rules to reclassify FPI investment as FDI
- SEBI Proposes Amendments To Insider Trading And Disclosure Regulations
- Vistara completes merger with Air India: With cabin mood lights and selfies

Expert speak

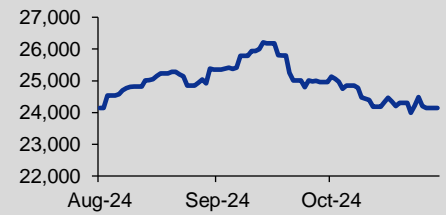
- Shenu Agarwal, MD & CEO – Ashok Leyland 
- Sorab Agarwal, MD – Action Construction Equipment 
- Suyog Kotecha, CEO & ED – Aarti Industries 
- Rakesh Verma, CMD – Map My India 
- PN Vasudevan, MD – Equitas Small Finance Bank 

Alternative research desk

Trading desk

Key Metrics

Nifty Index



Day Low	CMP	Day High
24,005	24,141	24,337

DXY	105.5	USDvsINR	84.4
US10YR (%)	4.3	IND10YR (%)	6.8
Brent Crude (\$/bbl)	72.0	WTI (\$/bbl)	68.2
Gold (\$/oz)	2,623	Aluminum (\$/MT)	2,621

Flows (Rs m)

DII	FII
20,266	(23,069)

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Aurobindo Pharma (HOLD - Downgrade, TP: Rs1,368) - Positives priced in; downgrade to HOLD

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- Weak 2Q results. Margin impacted by higher R&D spending & weak US biz.
- Pen-G and Vizag plant should start contributing from FY26F.
- FY25F/26F EPS estimates revised downwards by 7%/9%. We downgrade the stock's rating to HOLD (ADD earlier) with a lower target price of Rs1,368.

Asian Paints Limited (REDUCE - Maintained, TP: Rs2,340) - Persistent weakness drives earnings cut

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- Consolidated sales in 2QFY25 fell by 5.3% yoy. Decorative volume declined by 0.5% on account of weak demand. Industrial biz fared relatively better.
- Management maintains its outlook of double-digit volume growth for FY25F. Margin is expected to remain under pressure due to competitive intensity
- Heightened competitive intensity amidst a weak demand environment limits room for near-term margin growth. Retain REDUCE with a new TP of Rs2,340.

Data Patterns (India) Ltd (ADD - Maintained, TP: Rs2,800) - Weak performance; outlook on track

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- 2Q EBITDA stood at Rs343m, down ~16% YoY, 26-27% below our/Bloomberg consensus estimates. The EBITDA margin was flat YoY at 37.7%.
- Management expects a 20-25% revenue growth in FY25F and the order inflow at Rs7-8bn in FY25F and Rs20bn in FY26F.
- We lower our earnings estimates by 23%/28% for FY25F/26F and introduce FY27F EPS of Rs63.5. Retain our ADD rating with a lower TP of Rs2,800.

Exide Industries Ltd (REDUCE - Maintained, TP: Rs395) - Sales growth slowdown persists

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- 2Q EPS growth of 4% yoy to Rs3.5 was 7% below our/Bloomberg consensus estimates due to weak sales momentum and EBITDA margin pressure.
- We cut FY25F-27F EPS by 4-7% due to sales estimate downgrade of 3%.
- We maintain our REDUCE rating as the forward P/E valuation is still elevated at +1SD above the 10-year mean level, considering sales slowdown concerns.

Financial Services - AMCs (Overweight - Maintained) - Better inflow despite choppy markets

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- MFs' AUM grew at a slow pace of ~0.7% mom due to sluggish market movement in Oct 2024, even as net inflow touched a lifetime high of Rs2.4tr.
- Equity fund inflow regained momentum led by strong inflow into existing large-cap, mid-cap & flexi-cap schemes with slower inflow to sectoral/thematic funds.
- ABSL AMC (ADD, TP Rs1,000) is our high-conviction idea due to its turnaround story, followed by NAM (ADD, TP Rs900) due to consistent market share gains.

Metropolis Healthcare Ltd. (ADD - Upgrade, TP: Rs2,380) - Steady performance likely to continue
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- Healthy 2Q performance of double-digit growth on all fronts. Despite the lab addition impact of 1.2% on EBITDA, the margin improved by 50bp QoQ.
- We expect a mid-teen top-line growth in FY25F/26F. Margin to be stable at 25-26%. On track to complete the addition of 25 labs in FY25F (17 in 1HFY25).
- Resume coverage on the stock with an ADD rating & a higher TP of Rs2,380.

PG Electroplast (REDUCE - Maintained, TP: Rs515) - Robust performance in 1H; dilution for capex
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- 2Q EBITDA grew 50% YoY to Rs564m, 15% above our estimate & 11% above consensus. EBITDA margin expanded by 24bp to 8.4%. PAT grew by 56% YoY.
- Management revised its FY25F guidance to a revenue of Rs42.5bn (up ~50%), additional revenue of Rs6bn from a JV and PAT of Rs2.5bn, up 83% YoY.
- We raise our earnings estimates by 10%/26% for FY25F/26F and introduce FY27F EPS of Rs12.8; Retain REDUCE rating with a higher TP of Rs515.

TCPL Packaging Ltd (ADD - Maintained, TP: Rs4,250) - Strong delivery in 1H; momentum to sustain
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- TCPL Packaging posted 14% yoy (+14.1% qoq) sales growth in 2Q led by strong momentum in export business and c.8% growth in domestic business.
- Export contribution continues to rise, as per our estimate, settling at 35% of 1HFY25 sales (vs. 32%/30% salience in 1HFY24/FY24, respectively).
- We retain our ADD rating on TCPL Packaging with an unchanged target price of Rs4,250 (22x FY27F EPS) and it remains our high-conviction stock idea.

Actionable Ideas [▶ Top](#)

Figure 1: Top Buys (All ADD Ratings)

Company	Bloomberg Ticker	Market Capital (Rs bn)	Price	Target Price	Up/down (%)	Analyst Name
Large Cap						
Tata Consultancy Services	TCS IN	15,191	4,199	4,915	17%	Abhishek SHINDADKAR
HDFC Bank	HDFCB IN	13,497	1,766	2,150	22%	Jignesh SHIAL
State Bank of India	SBIN IN	7,565	848	1,100	30%	Jignesh SHIAL
Bajaj Finance Ltd	BAF IN	4,196	6,779	9,000	33%	Jignesh SHIAL
Maruti Suzuki	MSIL IN	3,584	11,400	14,593	28%	Pramod AMTHE
Pidilite Industries Limited	PIDI IN	1,577	3,100	3,470	12%	Rohan KALLE
Cipla Ltd	CIPLA IN	1,254	1,553	1,640	6%	Praful BOHRA
Mid-cap						
Lupin Ltd	LPC IN	951	2,085	2,329	12%	Praful BOHRA
Hero MotoCorp	HMCL IN	951	4,758	5,812	22%	Pramod AMTHE
Bharat Forge	BHFC IN	651	1,398	1,831	31%	Pramod AMTHE
Container Corp of India Ltd	CCRI IN	506	830	1,083	30%	Rajarshi MAITRA
Petronet LNG	PLNG IN	490	327	519	59%	Satish KUMAR
Aditya Birla Sunlife AMC	ABSLAMC IN	229	794	1,000	26%	Jignesh SHIAL
Small-cap						
Skipper Limited	SKIPPER IN	64	572	615	8%	Arafat SAIYED
Cyient DLM Ltd	CYIENTDL IN	52	650	1,000	54%	Arafat SAIYED
Globus Spirits Ltd	GBSL IN	31	1,068	1,588	49%	Nitin AWASTHI
TCPL Packaging Ltd	TCPL IN	30	3,251	4,250	31%	Nishant BAGRECHA
BCL Industries Ltd	BCLIL IN	16	56	98	77%	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						
Tata Steel	TATA IN	1,810	145	82	-43%	Satish KUMAR
InterGlobe Aviation Ltd	INDIGO IN	1,646	4,012	2,400	-40%	Rajarshi MAITRA
Mid-cap						
SBI Cards	SBICARD IN	659	693	500	-28%	Jignesh SHIAL
Exide Industries Ltd	EXID IN	371	437	395	-10%	Pramod AMTHE
Clean Science and Technology	CLEAN IN	148	1,394	665	-52%	Satish KUMAR

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Figure 3: Report links

Date	Analyst	Report Title
12 Nov 2024	Nishant Bagrecha	TCPL Packaging Ltd - Strong delivery in 1H; momentum to sustain (ADD-Maintained)
12 Nov 2024	Yogesh Soni	Metropolis Healthcare Ltd. - Steady performance likely to continue (ADD-Upgrade)
12 Nov 2024	Arafat Saiyed	Data Patterns (India) Ltd - Weak performance; outlook on track (ADD-Maintained)
11 Nov 2024	Jignesh Shial	Financial Services - AMCs - Better inflow despite choppy markets (Overweight-Maintained)
11 Nov 2024	Arafat Saiyed	PG Electroplast - Robust performance in 1H; dilution for capex (REDUCE-Maintained)
11 Nov 2024	Praful Bohra	Aurobindo Pharma - Positives priced in; downgrade to HOLD (HOLD-Downgrade)
11 Nov 2024	Pramod Amthe	Exide Industries Ltd - Sales growth slowdown persists (REDUCE-Maintained)
10 Nov 2024	Satish Kumar	Strategy Note - Money, Military and Markets- IV
09 Nov 2024	Praful Bohra	Lupin Ltd - Strong performance; upbeat outlook (ADD-Maintained)
09 Nov 2024	Rohan Kalle	Kansai Nerolac Paints Limited - Weakness persists (REDUCE-Maintained)
09 Nov 2024	Pramod Amthe	Ashok Leyland - Gradual volume recovery likely (ADD-Maintained)
09 Nov 2024	Rohan Kalle	Ethos Limited - Growth acceleration expected (ADD-Maintained)
09 Nov 2024	Rohan Kalle	Emami Ltd - Favourable seasonality to aid growth in 2H (ADD-Maintained)
09 Nov 2024	Pramod Amthe	Tata Motors - Weakness across divisions (REDUCE-Maintained)
09 Nov 2024	Praful Bohra	Divi's Laboratories - Visibility improving in CS business (ADD-Maintained)
08 Nov 2024	Pramod Amthe	Mahindra & Mahindra - Changing gear for rural market recovery (HOLD-Maintained)
08 Nov 2024	Jignesh Shial	Aavas Financiers Ltd - Gearing up for growth with focus on spreads (ADD-Maintained)
08 Nov 2024	Arafat Saiyed	Cummins India Ltd - Healthy domestic demand in 1H; exports to pick up (HOLD-Upgrade)
08 Nov 2024	Jignesh Shial	State Bank of India - Other income drives outperformance (ADD-Maintained)
07 Nov 2024	Pramod Amthe	Timken Ltd - Weak 2Q performance (REDUCE-Maintained)

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Figure 1: Report links

Date	Analyst	Report Title
10 Nov 2024	Ishan Verma	IKIO Lighting
09 Nov 2024	Rohan Kalle	Asian Paints Limited - 2QFY25 First Cut: Weaker than expected performance; Miss on all fronts
09 Nov 2024	Praful Bohra	Aurobindo Pharma - 2QFY25 First Cut: In-line revenue, miss on profitability
09 Nov 2024	Arafat Saiyed	Data Patterns - 2QFY25 First Cut: Weaker than expected performance
09 Nov 2024	Satish Kumar	Epigral Ltd - Q2FY25 First cut
08 Nov 2024	Satish Kumar	Aarti industries-Q2 FY25 – Disastrous numbers. The perils of relying on a single molecule, MMA, are now evident. Given the ongoing challenges, we'll be lucky if the consensus EPS for FY26F is achieved by FY28F
07 Nov 2024	Rajarshi Maitra	Astral 2QFY25: Steady margin despite PVC price volatility; weak paints & adhesives margin is a dampener
07 Nov 2024	Satish Kumar	Clean science - What exactly are investors paying for? It's not growth—perhaps just a dream
07 Nov 2024	Pramod Amthe	Escorts Kubota - 2QFY25 Results and call highlights
07 Nov 2024	Rajarshi Maitra	Gujarat Pipavav 2QFY25 - Sharp volume dip yoy mars strong tariff – Risk reward not favourable
07 Nov 2024	Rajarshi Maitra	NCC 2QFY25 - 16% EBITDA dip yoy, low OB cover (vs. history) & just 8% yoy FY25 EBITDA growth guidance
07 Nov 2024	Satish Kumar	Sail - Disastrous results—it might be better to buy a lottery ticket than invest in SAIL
06 Nov 2024	Arafat Saiyed	Avalon Technologies: 2QFY25 First Cut: Strong beat on expectations; Is recovery sustainable?
06 Nov 2024	Pratyush Kamal	GAIL 2QFY25 Results First Cut
06 Nov 2024	Pratyush Kamal	Gujarat Gas 2QFY25 Results First Cut
06 Nov 2024	Satish Kumar	Tata steel - Debt continues to rise, EBITDA in India is declining, and the European operations remain in disarray
06 Nov 2024	Rohan Kalle	Raymond Lifestyle Limited - 2QFY25 Result First Cut
05 Nov 2024	Pramod Amthe	Timken India - 2QFY25 Results First Cut
04 Nov 2024	Satish Kumar	Coal India - E-auction prices will fall and staff costs wont come down
04 Nov 2024	Pramod Amthe	Exide Industries - 2QFY25 Results disappoint

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Stock Ratings	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.
<i>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.</i>	
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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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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.