

India sneak peek

Published research

Auto & Parts - Overall (Neutral - Maintained) - 2QFY25 results review

Balrampur Chini Mills Ltd (REDUCE - Maintained, TP: Rs261) - Maintain our anti-consensus view; REDUCE

Globus Spirits Ltd (ADD - Maintained, TP: Rs1,584) - On the right track

Top Investment Idea

Eicher Motors Ltd (HOLD - Upgrade, TP: Rs4,841) - Better sales execution drives upgrade






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- 2QFY25 EPS grew by 8% yoy and qoq, beating our estimate but in line with the Bloomberg consensus estimate.
- Bottoming out of market share & competition comforts. Impressed by improved management execution to capture festive season-led demand recovery.
- Upgrade EPS by 5% and rating to HOLD with new SOTP-based TP. Production change-over challenges for new emission norms in Jan 2025 is short-term risk.

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

- Bharti Global completes acquisition of 24.5% of BT Group from Altice UK
- Hilton partners with Olive by Embassy to launch 150 Spark hotels in India
- Singapore Airlines continues to be our strategic partner: N Chandrasekaran
- Xiaomi raises 2023 EV delivery target to 130k units on strong demand
- Godrej Agrovet, Provivi partner to launch eco-friendly pest control

Expert speak

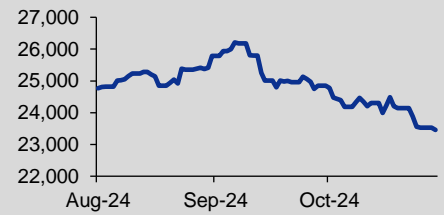
- Ravi Jakhar, Director – Allcargo Logistics 
- Vishal Thakkar, Deputy CFO – Anupam Rasayan India 
- D Ram Reddy, MD – Balaji Amines 
- Shreevar Kheruka, MD & CEO – Borosil 
- Kaleeswaran Arunachalam, CFO – CG Consumer Electricals 

Alternative research desk

Trading desk

Key Metrics

Nifty Index



Day Low	CMP	Day High
23,350	23,454	23,607

DXY	106.2	USDvsINR	84.4
US10YR (%)	4.4	IND10YR (%)	6.9
Brent Crude (\$/bbl)	73.3	WTI (\$/bbl)	69.2
Gold (\$/oz)	2,609	Aluminum (\$/MT)	2,650

Flows (Rs m)

DII	FII
23,306	(14,034)

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- 2Q EBITDA estimate was missed by majority of our companies (80%) due to gross margin qoq dip and ASP discount. Festive-led recovery provides hope.
- Consensus EPS estimate upgrade for FY25F-26F was selective - only for 20% of our 17 auto sector coverage universe - mostly in tractor and 2W segments.
- With a sharp Nifty Auto Index correction, P/E valuation eases to mean level but with the delay in interest rate cut to revive demand, we retain Neutral rating.

Balrampur Chini Mills Ltd (REDUCE - Maintained, TP: Rs261) - Maintain our anti-consensus view; REDUCE
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- We maintain our anti-consensus view on the sugar sector based on probable policy decisions that are not being factored in by consensus expectations.
- We hold our view - politics will override policies.
- We continue to have a REDUCE rating on Balrampur Chini Mills with a marginally lower target price of Rs261 or 10x FY26F EPS (from Rs264 earlier).

Globus Spirits Ltd (ADD - Maintained, TP: Rs1,584) - On the right track
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- We expected IMFL and IMIL segments of the company to do exceedingly well in 2QFY25. As expected, the company delivered on this front.
- We expected its margin to see pressure in 2Q & stage a recovery due to raw material prices easing from 3Q. Raw material prices have fallen from Oct 2024.
- Retain our ADD rating on the stock with a marginally lower TP of Rs1,584.

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	14,543	4,020	4,915	22%	Abhishek SHINDADKAR
HDFC Bank	HDFCB IN	13,032	1,705	2,150	26%	Jignesh SHIAL
State Bank of India	SBIN IN	7,267	814	1,100	35%	Jignesh SHIAL
Bajaj Finance Ltd	BAF IN	4,066	6,568	9,000	37%	Jignesh SHIAL
Maruti Suzuki	MSIL IN	3,488	11,094	14,593	32%	Pramod AMTHE
Pidilite Industries Limited	PIDI IN	1,536	3,019	3,470	15%	Rohan KALLE
Cipla Ltd	CIPLA IN	1,183	1,465	1,640	12%	Praful BOHRA
Mid-cap						
Lupin Ltd	LPC IN	929	2,036	2,329	14%	Praful BOHRA
Hero MotoCorp	HMCL IN	947	4,733	5,810	23%	Pramod AMTHE
Bharat Forge	BHFC IN	607	1,305	1,622	24%	Pramod AMTHE
Container Corp of India Ltd	CCRI IN	479	786	1,083	38%	Rajarshi MAITRA
Petronet LNG	PLNG IN	468	312	519	66%	Satish KUMAR
Aditya Birla Sunlife AMC	ABSLAMC IN	233	807	1,000	24%	Jignesh SHIAL
Small-cap						
Skipper Limited	SKIPPER IN	60	530	615	16%	Arafat SAIYED
Cyient DLM Ltd	CYIENTDL IN	49	623	1,000	60%	Arafat SAIYED
Globus Spirits Ltd	GBSL IN	23	812	1,584	95%	Nitin AWASTHI
TCPL Packaging Ltd	TCPL IN	28	3,127	4,250	36%	Nishant BAGRECHA
BCL Industries Ltd	BCLIL IN	16	53	98	86%	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	1,763	141	82	-42%	Satish KUMAR
InterGlobe Aviation Ltd	INDIGO IN	1,646	3,976	2,400	-40%	Rajarshi MAITRA
Mid-cap						
SBI Cards	SBICARD IN	644	677	500	-26%	Jignesh SHIAL
Exide Industries Ltd	EXID IN	352	415	395	-5%	Pramod AMTHE
Clean Science and Technology	CLEAN IN	136	1,284	665	-48%	Satish KUMAR

SOURCES: INCRED RESEARCH, BLOOMBERG

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Figure 3: Report links

Date	Analyst	Report Title
19 Nov 2024	Pramod Amthe	Auto & Parts - Overall - 2QFY25 results review (Neutral-Maintained)
18 Nov 2024	Nitin Awasthi	Balrampur Chini Mills Ltd - Maintain our anti-consensus view; REDUCE (REDUCE-Maintained)
18 Nov 2024	Nitin Awasthi	Globus Spirits Ltd - On the right track (ADD-Maintained)
16 Nov 2024	Nishant Bagrecha	Cement - Trailing in 1H, infra spending to revive 2H (Overweight-Maintained)
16 Nov 2024	Rajarshi Maitra	PNC Infratech Ltd - Dismal results – awaiting resolution with MORTH (HOLD-Upgrade)
16 Nov 2024	Satish Kumar	Chemicals - Others - Export Chemicals-III (Underweight-Maintained)
16 Nov 2024	Jignesh Shial	Fusion Finance Limited - Projections volatile; discontinue coverage (NOT RATED-)
15 Nov 2024	Pramod Amthe	Apollo Tyres Ltd - Margin pressure continues (REDUCE-Maintained)
15 Nov 2024	Arafat Saiyed	Finolex Cables - High-cost inventory impacts earnings (REDUCE-Maintained)
15 Nov 2024	Arafat Saiyed	Crompton Greaves Consumer Electricals - Double-digit margin and premiumization (ADD-Upgrade)
15 Nov 2024	Pramod Amthe	Hero MotoCorp - Volume momentum to sustain (ADD-Maintained)
14 Nov 2024	Praful Bohra	Alkem Laboratories Ltd - Moving in the right direction (ADD-Upgrade)
14 Nov 2024	Pramod Amthe	Eicher Motors Ltd - Better sales execution drives upgrade (HOLD-Upgrade)
14 Nov 2024	Arafat Saiyed	Thermax Ltd - Order inflow on track; concerns over valuation (HOLD-Maintained)
14 Nov 2024	Praful Bohra	Ipsca Laboratories Ltd - Faster turnaround in Unichem portfolio (ADD-Upgrade)
14 Nov 2024	Pramod Amthe	Bharat Forge - Sales momentum slowdown prolongs (ADD-Maintained)
13 Nov 2024	Pramod Amthe	Bosch Ltd - Prolonged slow sales momentum to haunt (REDUCE-Maintained)
13 Nov 2024	Ishan Verma	Elin Electronics - Resilient growth & diversification drive 2Q results (ADD-Maintained)
13 Nov 2024	Pramod Amthe	Samvardhana Motherson International Ltd - Profits weaken; balance sheet strengthens (HOLD-Maintained)
12 Nov 2024	Nishant Bagrecha	TCPL Packaging Ltd - Strong delivery in 1H; momentum to sustain (ADD-Maintained)

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Figure 4: Report links

Date	Analyst	Report Title
17 Nov 2024	Satish Kumar	Steel - China trade appears to be over before it began, SELL
16 Nov 2024	Nishant Bagrecha	Cement - channel check (Mid-Nov 2024) on East and South market - Shows no sign of recovery
15 Nov 2024	Rajarshi Maitra	Dilip Buildcon 2QFY25 - Construction EBITDA declined 24% yoy, weak order-flow
14 Nov 2024	Rohan Kalle	Agro Tech Foods Ltd (Not Rated) - Acquisition of Del Monte Foods
14 Nov 2024	Satish Kumar	Anupam Rasayan India Ltd - Q2FY25 First cut
14 Nov 2024	Rajarshi Maitra	Delhivery 2QFY25 - Glacial growth & margin dip in Express, weak PTL margin; only silver lining is PTL volume rise
14 Nov 2024	Rajarshi Maitra	VRL Logistics 2QFY25 - Increased focus on margin is a positive
14 Nov 2024	Rajarshi Maitra	Bluedart Express 2QFY25 - Margin languishes despite rise in air cargo; expensive valuations
13 Nov 2024	Satish Kumar	Deepak Nitrite - EPS is unlikely to exceed 55-56 in FY25. Consensus earnings estimates need to be cut by 20% for FY25F and 30% for FY26F
13 Nov 2024	Nitin Awasthi	Gulshan Polyols Ltd - 2QFY25 Results First Cut
13 Nov 2024	Rajarshi Maitra	KNR Constructions 2QFY25 - Weak result, guidance and order book; expensive valuation
13 Nov 2024	Satish Kumar	PI Industries Ltd - Q2FY25 First cut - FY25F earnings in line with consensus expectations
13 Nov 2024	Pramod Amthe	SKF India - 2QFY25 Results First Cut
13 Nov 2024	Satish Kumar	Clean science - Heading towards triple digits, with further declines likely to follow
12 Nov 2024	Arafat Saiyed	Finolex Cables - 2QFY25 First Cut: Weaker than expected performance
12 Nov 2024	Pramod Amthe	SAMIL - 2QFY25 Result disappoint
12 Nov 2024	Arafat Saiyed	Siemens - 5th Transform - Innovation Day 2024: Key takeaways
12 Nov 2024	Satish Kumar	Solid Oxide Fuel Cell (SOFC) - Trump's Return Poses Challenges for Solid Oxide Fuel Cells, Subsidy Reliance at Risk
12 Nov 2024	Satish Kumar	Vinati Organics - Q2FY25 First cut
11 Nov 2024	Nitin Awasthi	Balrampur Chini Mills Ltd - Challenging quarter with profitability concerns

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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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