India sneak peek

Published research

Agribusiness (Underweight - Maintained) - Sugar sector faces unprecedented turmoil

Persistent Systems Ltd (HOLD - Maintained, TP: Rs6,863) - No change in execution; bookings rigour

Strategy Note - Wither free trade, welcome to tariffs!

Quick analysis

Ashok Leyland - EV investment prioritised for high growth profitable India over UK losses

NVIDIA - Scaling Laws and the Future of AI Compute | Why NVIDIA's CEO mentioned "Almost the entire world got it wrong"

Trump's Tariff on Venezuelan Oil Rattles India: Can It Weather the Storm?

Top Investment Idea

Sonata Software (ADD - Upgrade, TP: Rs399) - Understanding the impact on EA revenue

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- MSFT direct sales taking over partner accounts could impact domestic biz.
- The impact may be sometime away but Sonata undertaking control measures.
- Trimming our estimates but upgrading to ADD post recent price correction.

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

- Donald Trump places 25% tariff on imported autos, expecting to raise USD 100 bn in tax revenues
- Defence Ministry inks ₹6,900 crore contracts with Bharat forge, TATA for artillery gun systems, vehicles procurement
- IT major Wipro bags £500 million, 10-year deal with UK's Phoenix Group
- Mother Dairy eyes Rs 20,000 cr in revenue, launches 'pro' range of products
- Demand dip: Switch Mobility UK likely to shut down its Sherburn plant

Expert speak

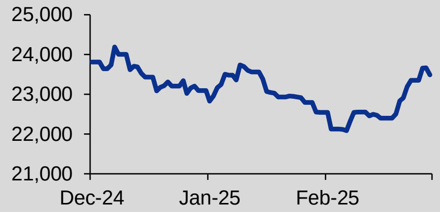
- Shobana Kamineni, Chairperson – Apollo Hospitals Enterprise
- Arnab Banerjee, CEO & MD – CEAT
- Sanjay Agarwal, MD & CEO – AU Small Finance Bank
- Kapil Grover, GCMDO – Burger King India
- Manoj Verma, COO – Bikaji Foods International

Alternative research desk

Trading desk

Key Metrics

Nifty Index



Day Low	CMP	Day High
23,452	23,487	23,737

DXY	104.3	**USDvsINR**	85.7
US10YR (%)	4.3	**IND10YR (%)**	6.6
Brent Crude ($/bbl)	73.9	**WTI ($/bbl)**	69.8
Gold ($/oz)	3032	**Aluminum ($/MT)**	2607

Flows (Rs m)

DII	FII
-6,964	22,406

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Published research ➤ Top

Agribusiness (Underweight - Maintained) - Sugar sector faces unprecedented turmoil
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- Above-normal heatwaves forecast by IMD for SY26F could cut sugarcane yield further (3-9% per 2-4°C rise), worsening the sugar production crisis in India.
- To stabilize sugar stock, ethanol output from juice & B-molasses may be cut to prioritize sugar output, hurting sugar-ethanol makers & capping sugar prices.
- Investors must urgently review their sugar sector holdings and re-evaluate the risks posed by falling production, ethanol restrictions, and market volatility.

Persistent Systems Ltd (HOLD - Maintained, TP: Rs6,863) - No change in execution; bookings rigour
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- Business momentum and commentary appears encouraging.
- No change in client conversations.
- Appears confident of achieving the stated EBIT margin guidance for FY25F and beyond.

Strategy Note - Wither free trade, welcome to tariffs!
satish.kumar@incredresearch.com

- Imposing tariffs based on trade surplus/deficit goes against common sense and belies all post-Second World War theories of economic efficiency.
- However, this seemingly irrational economic move and withdrawal of the US safety umbrella over Europe is leading to Germany's rise - a positive for India.
- The US has undermined the WTO by giving a free hand to all nations to serve their self-interest. India appears to be playing its cards well.

Quick analysis ➤ Top

Ashok Leyland - EV investment prioritised for high growth profitable India over UK losses

- Management plans to prioritise EV spend for high growth India EV market, while close manufacturing plant in loss making UK. It plans to continue after sales division and new orders through imported vehicles.
- India EV truck & bus market is evolving better than expected, where it guides breakeven for EBITDA in FY25F and PBT in FY26F. It feels, no immediate need to make provision in equity value investment in Switch UK, while GBP80mn debt to be repaid in next 4-years.
- With GoI subsidy prioritising EV spend on buses in coming years, Ashok new strategy is better positioned to drive momentum. We reiterate ADD rating, as MHCV demand seen improvement in recent months.

NVIDIA - Scaling Laws and the Future of AI Compute | Why NVIDIA's CEO mentioned "Almost the entire world got it wrong"

- Pre-training scaling laws, driving LLM progress through vast data and compute, are nearing exhaustion due to limited data availability and declining efficiency.
- Post-training scaling laws, enhanced by Chain of Thought reasoning, boost model performance and efficiency with minimal initial compute.
- The rise of post-training shifts compute burdens to inference, balancing developer savings with user-side resource demands.

Trump's Tariff on Venezuelan Oil Rattles India: Can It Weather the Storm?

- The US imposes a 25% tariff on countries buying Venezuelan oil, effective April 2, 2025, targeting Venezuela's alleged hostility.
- As a key importer, India faces higher costs & supply risks, though its limited reliance (<5% x imports) offers a buffer.
- The tariff threatens higher oil prices and geopolitical strain, with India poised to adapt despite the turbulence.

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						
HDFC Bank	**HDFCB IN**	13,824	1,807	2,150	19%	Meghna LUTHRA
Tata Consultancy Services	**TCS IN**	13,155	3,636	3,925	8%	Abhishek SHINDADKAR
Bajaj Finance Ltd	**BAF IN**	5,496	8,866	9,750	10%	Jignesh SHIAL
Maruti Suzuki	**MSIL IN**	3,689	11,734	14,261	22%	Pramod AMTHE
UltraTech Cement Ltd	**UTCEM IN**	3,360	11,402	12,900	13%	Nishant BAGRECHA
Adani Ports & Special Economic Zone Ltd	**ADSEZ IN**	2,552	1,182	1,457	23%	Rajarshi MAITRA
Bajaj Auto	**BJAUT IN**	2,228	7,977	10,590	33%	Pramod AMTHE
Pidilite Industries Limited	**PIDI IN**	1,447	2,845	3,470	22%	Rohan KALLE
Shriram Finance Limited	**SHFL IN**	1,264	672	800	19%	Meghna LUTHRA
Cipla Ltd	**CIPLA IN**	1,192	1,476	1,640	11%	Yogesh SONI
ABB India Ltd	**ABB IN**	1,171	5,524	7,627	38%	Arafat SAIYED
Mid-cap						
Lupin Ltd	**LPC IN**	940	2,059	2,329	13%	Yogesh SONI
Cummins India Ltd	**KKC IN**	833	3,005	3,909	30%	Arafat SAIYED
Marico Ltd	**MRCO IN**	829	640	750	17%	Rohan KALLE
Hero MotoCorp	**HMCL IN**	729	3,646	5,525	52%	Pramod AMTHE
Bharat Forge	**BHFC IN**	566	1,183	1,407	19%	Pramod AMTHE
Petronet LNG	**PLNG IN**	444	296	519	75%	Pratyush KAMAL
Container Corp of India Ltd	**CCRI IN**	418	687	1,133	65%	Rajarshi MAITRA
Small-cap						
Ajanta Pharma Ltd	**AJP IN**	341	2,729	3,220	18%	Yogesh SONI
Deepak Fertilisers & Petrochemicals Corp. Ltd.	**DFPC IN**	141	1,116	2,051	84%	Pratyush KAMAL
Birla Corporation Ltd	**BCORP IN**	82	1,059	1,455	37%	Nishant BAGRECHA
Ethos Limited	**ETHOSLTD IN**	60	2,465	3,400	38%	Rohan KALLE
Skipper Limited	**SKIPPER IN**	48	455	695	53%	Ishan VERMA
TCPL Packaging Ltd	**TCPL IN**	42	4,655	4,380	-6%	Nishant BAGRECHA
Cyient DLM Ltd	**CYIENTDL IN**	31	388	818	111%	Arafat SAIYED
Globus Spirits Ltd	**GBSL IN**	30	1,052	1,584	51%	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**	1,945	156	82	-47%	Satish KUMAR
InterGlobe Aviation Ltd	**INDIGO IN**	1,646	5,025	3,030	-40%	Rajarshi MAITRA
Mid-cap						
SBI Cards	**SBICARD IN**	826	869	550	-37%	Meghna LUTHRA
Clean Science and Technology	**CLEAN IN**	128	1,201	683	-43%	Satish KUMAR

SOURCES: INCRED RESEARCH, BLOOMBERG

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Figure 3: Report links

Date	Analyst	Report Title
26 Mar 2025	Nitin Awasthi	Agribusiness - Sugar sector faces unprecedented turmoil (Underweight-Maintained)
26 Mar 2025	Abhishek Shindadkar	Persistent Systems Ltd - No change in execution; bookings rigour (HOLD-Maintained)
26 Mar 2025	Satish Kumar	Strategy Note - Wither free trade, welcome to tariffs!
24 Mar 2025	Meghna Luthra	BFSI - Ears to the ground: Not for the faint hearted (Overweight-Maintained)
21 Mar 2025	Meghna Luthra	Financial Services - AMCs - Risk is a part of the business (Overweight-Maintained)
19 Mar 2025	Rohan Kalle	Pidilite Industries Limited - Analyst Day - Highlights (ADD-Maintained)
16 Mar 2025	Abhishek Shindadkar	Sonata Software - Understanding the impact on EA revenue (ADD-Upgrade)
15 Mar 2025	Satish Kumar	UPL Limited - Global agchem cycle is turning; retain ADD (ADD-Maintained)
14 Mar 2025	Satish Kumar	Strategy Note - Trouble in Pakistan – Is CPEC over?
12 Mar 2025	Meghna Luthra	Financial Services - AMCs - Volatility puts investment discipline to test (Overweight-Maintained)
11 Mar 2025	Satish Kumar	Ami Organics Ltd - EPS growth to taper down; retain REDUCE (REDUCE-Maintained)
06 Mar 2025	Bhavik Shah	Axis Bank - Concerns priced in; upgrade to ADD (ADD-Upgrade)
06 Mar 2025	Ishan Verma	Industrial Goods and Services - India power T&D biz – High-voltage growth (Overweight-Maintained)
06 Mar 2025	Pramod Amthe	Balkrishna Industries Ltd - Bhuj plant visit takeaways (ADD-Maintained)
05 Mar 2025	Pramod Amthe	Strategy Note - High conviction and doubler stock ideas
04 Mar 2025	Arafat Saiyed	Industrial - Overall - Assessing the scope of disruption in C&W (Under Review-Initiate)
03 Mar 2025	Pramod Amthe	Autos - Feb 2025 auto sales volume performance (Neutral-Maintained)
02 Mar 2025	Satish Kumar	Strategy Note - Is Europe on its own? It appears so
02 Mar 2025	Abhishek Shindadkar	Tata Consultancy Services - Trimming estimates and target price (ADD-Maintained)
02 Mar 2025	Abhishek Shindadkar	LTIMindtree Ltd - It's tough out there (ADD-Maintained)

Latest Quick Analysis Top

Figure 4: Report links

Date	Analyst	Report Title
25 Mar 2025	Satish Kumar	Acetonitrile and MIPA - Dumping duty proposed on Acetonitrile- MIPA has much stronger case
25 Mar 2025	Pramod Amthe	Ather Energy Limited - Experience Centre and Facility Visit takeaways
25 Mar 2025	Ishan Verma	Power Sector - BESS Push: VGF-backed Capacity Tripled to 13.2 GWh
24 Mar 2025	Shubham Dalia	GenAI - GenAI is boosting software developer productivity by 26% | Less experienced software developers' productivity gains are around 40%
24 Mar 2025	Pratyush Kamal	PNGRB's Zone Division & Tariff Proposal Ignites GAIL's Stock Rally
24 Mar 2025	Pratyush Kamal	US LNG Projects Get Green Light: 31 mtpa Boost to Global Supply Amid Legal Battles
21 Mar 2025	Rajarshi Maitra	Domestic aviation (Feb 25) - Strong industry traffic; Tata regains some market share (up 133bps MoM) from IndiGo
21 Mar 2025	Pramod Amthe	Hero MotoCorp - Hero MotoCorp invests in E3&4W maker
21 Mar 2025	Abhishek Shindadkar	IT Services: Put and takes for Indian IT from Accenture 2QFY25 Earnings – Follow the bookings
21 Mar 2025	Ishan Verma	Power Sector - Monthly Update – Demand Recovers
19 Mar 2025	Rajarshi Maitra	IndiGo - Analyst meet takeaways
19 Mar 2025	Shubham Dalia	NVIDIA - GTC 2025 Keynote Report: Pioneering the AI Revolution
19 Mar 2025	Shubham Dalia	NVIDIA - China is now directly trying to remove dependency on NVIDIA's advance chips I Releases hardware independent inference framework | Boosts token throughput of A800
18 Mar 2025	Pratyush Kamal	Trade War Disrupts Global LNG Flows: China Shuns US Gas, Turns to Alternatives
16 Mar 2025	Satish Kumar	SRF - Refrigerants: The temporary bounce is typical in a supply chain squeeze, which often occurs in dying commodities
13 Mar 2025	Satish Kumar	Deepak Nitrite - Phenol and DASDA spreads continue to decline, and consensus EPS estimates appear too high
12 Mar 2025	Satish Kumar	Ammonium Nitrate - Russian exports are coming down
12 Mar 2025	Nishant Bagrecha	Cement - Our take on additional proposed duties on limestone mining in the state of Tamil Nadu
12 Mar 2025	Abhishek Shindadkar	Read through for Indian IT from Delta Airlines Investor Update - Doing is believing – Trims its Jan 10, 2025 forecast
12 Mar 2025	Nitin Awasthi	Shrimp Sector - Shrimp Import Trends in the U.S. : January 2025

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Recommendation Framework

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.

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

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

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