

India

InCred Sector rating

Overweight	Neutral	Underweight
Aluminium	Automobile	Agribusiness
Cement	Auto Ancillary	Aviation
Financial Services	Consumer staples	Building Materials
Oil and Gas	Infrastructure	Chemicals
Pharmaceuticals	Information Technology	Metals & Mining
		Ports & Logistics

India Strategy

High-conviction ideas – Jun 2025

- Macroeconomic data point towards the rainfall outlook improving & global oil prices easing, thereby ensuring the sustenance of India's GDP momentum.
- We introduce Camlin Fine Sciences (ADD) in our high-conviction stocks list, book profit in Adani Ports & SEZ (ADD) and remove Cipla (ADD).
- We continue to remain cautious and prefer large-cap stocks.

Macroeconomic outlook improves marginally

- The India Meteorological Department (IMD) has projected above-normal southwest monsoon rainfall in 2025 at 106% of the long-period average. After their eight-day early onset in Kerala, rains are expected to stall till 10 Jun 2025.
- As per the Centre for Monitoring Indian Economy or CMIE, the Mar 2025 quarter PAT growth of nearly 4,000 listed companies rose by 9% yoy (similar to 3Q), on marginally lower sales growth of 6.4% yoy. Nifty-50 companies' 4QFY25 EPS recorded a 5% growth yoy, leading to a marginal beat vs. the Bloomberg consensus estimate.
- India's real gross value added (GVA) grew by 6.8% in the quarter ended Mar 2025, as per the National Statistical Office. This is the fastest growth witnessed in the four quarters of FY25 and above the Bloomberg consensus estimate. Bumper yoy growth in the agriculture sector supported the overall GVA. With better-than-normal rainfall and easing global crude oil prices, the sustenance of GDP momentum improves.

Synopsis of high-conviction stock ideas: [Detail stock-wise PPT link](#)

Recent performance (since the start of the series in Sep 2022):

- Big outperformers to Nifty: Thyrocare Technologies (ADD), Birla Corporation (ADD), and Shriram Finance (ADD).
- Underperformers to Nifty: Tata Consultancy Services (ADD), Bajaj Auto (ADD), and Lupin (ADD).

Addition to the list - longest list in recent months

- **Camlin Life Sciences** - Stabilization of its vanillin plant and the imposition of anti-dumping duties (ADD) on vanillin in the US to transform profit outlook.

Deletion from the list:

- **Adani Ports & Special Economic Zone** - We book profit as its market price is now close to our target price.
- **Cipla** - Removed from our high-conviction list because of near-term margin pressure stemming from its product mix.

Technical trend favourable ideas – UPL, Skipper, and Petronet LNG.

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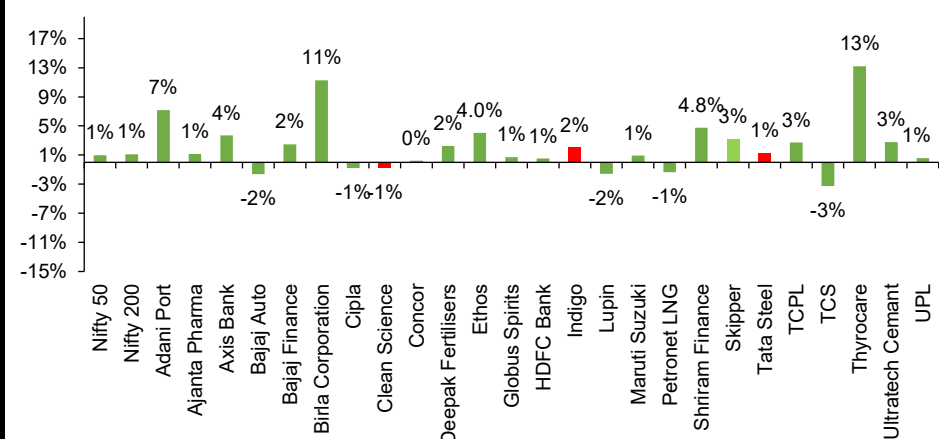
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Figure 1: Compounded monthly returns of high-conviction stock ideas since Sep 2022



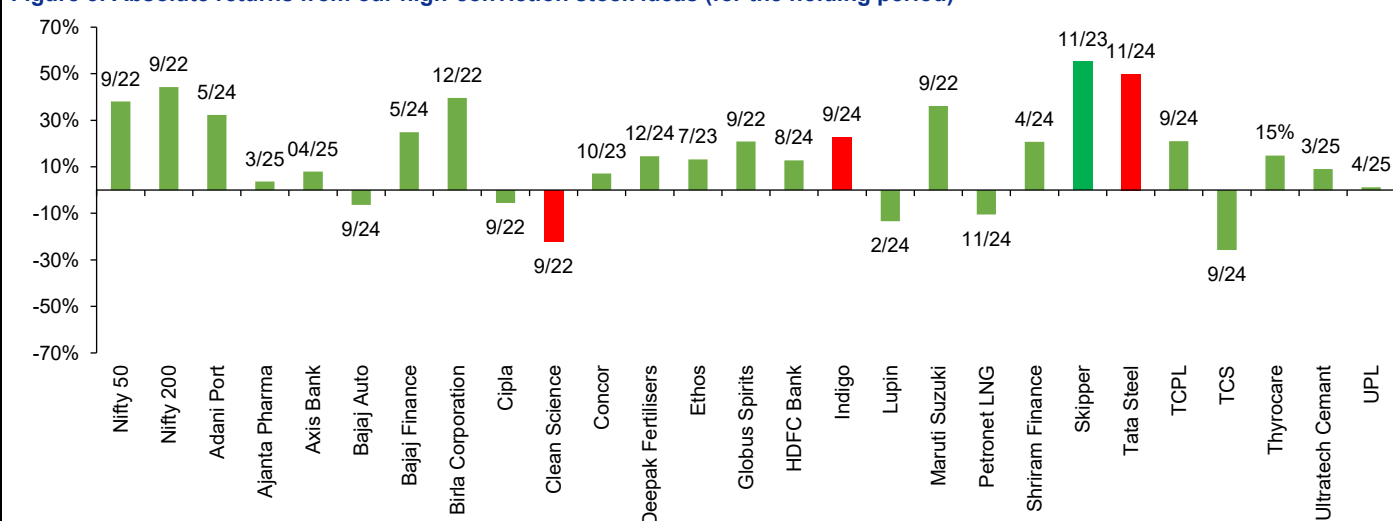
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: High-conviction stock ideas based on market-cap category and analyst coverage details

Large-Cap Ideas	Stock Rating	Market Cap (Rs m)	Target Price (Rs)	Upside/Downside	Analyst Name
HDFC Bank	ADD	1,48,00,256	2,200	14.3%	Bhavik SHAH
Tata Consultancy Services	ADD	1,23,71,771	3,589	5.4%	Abhishek SHINDADKAR
Bajaj Finance	ADD	56,03,125	10,800	20.3%	Meghna LUTHRA
Maruti Suzuki	ADD	38,29,001	13,621	12.3%	Pramod AMTHE
Axis Bank	ADD	36,77,767	1,430	21.0%	Bhavik SHAH
UltraTech Cement	ADD	32,65,367	13,550	22.8%	Nishant BAGRECHA
Bajaj Auto	ADD	24,01,271	10,400	21.5%	Pramod AMTHE
InterGlobe Aviation	REDUCE	20,89,086	3,030	-43.7%	Rajarshi MAITRA
Tata Steel	REDUCE	19,72,576	82	-47.9%	Satish KUMAR
Shriram Finance	ADD	12,24,143	830	28.0%	Meghna LUTHRA
Lupin	ADD	8,95,955	2,400	22.8%	Yogesh SONI
Mid-Cap Ideas	Stock Rating	Market Cap (Rs m)	Target Price (Rs)	Upside/Downside	Analyst Name
UPL	ADD	5,18,250	1,289	102.9%	Satish KUMAR
Petronet LNG	ADD	4,59,712	519	70.0%	Pratyush KAMAL
Container Corporation of India	ADD	4,80,844	970	23.4%	Rajarshi MAITRA
Ajanta Pharma	ADD	3,21,010	3,100	21.1%	Yogesh SONI
Small-Cap Ideas	Stock Rating	Market Cap (Rs m)	Target Price (Rs)	Upside/Downside	Analyst Name
Deepak Fertilisers & Petrochemicals Corporation	ADD	1,95,231	2,051	33.2%	Pratyush KAMAL
Clean Science and Technology	REDUCE	1,57,964	683	-53.8%	Satish KUMAR
Birla Corporation	ADD	1,05,969	1,530	11.6%	Nishant BAGRECHA
Ethos	ADD	67,634	3,400	23.6%	Rohan KALLE
Skipper	ADD	56,808	612	24.8%	Ishan VERMA
Thyrocare Technologies	ADD	52,810	1,010	1.8%	Yogesh SONI
TCPL Packaging	ADD	35,322	4,530	17.2%	Nishant BAGRECHA
Camlin Fine Sciences	ADD	45,763	428	76.6%	Satish KUMAR
Globus Spirits	ADD	28,671	1,584	60.2%	Nitin AWASTHI

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Absolute returns from our high-conviction stock ideas (for the holding period)



SOURCE: INCRED RESEARCH, COMPANY REPORTS

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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.