

India

InCred Sector rating

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

India Strategy

High-conviction ideas – Aug 2025

- The high-frequency economic data shows a gradual improvement while all hopes are on the festive season demand, starting from mid-Aug 2025.
- In our high-conviction list, we introduce E2E Networks (ADD), as Artificial Intelligence infra play; book profit in UPL, as the cyclical recovery is priced in.
- We continue to remain cautious and prefer large-cap stocks. We upgrade select stocks in IT & FMCG sectors where the valuation correction was quick.

Macroeconomic data points towards a mixed trend

- The above-normal southwest monsoon rainfall trend sustained in Jul 2025, leading to the cumulative period being 7% above the long period average (LPA). This should continue to support the rural market sentiment in the festive season that commences from mid-Aug 2025.
- The growth in India's industrial production marginally improved to 1.5% yoy in Jun 2025 from 1.2% in May 2025.
- The tariff challenge from the US is a cause of concern, as it will impact the high-employment sectors like garment and jewellery exports. The Indian rupee or INR's depreciation in recent weeks (~3% in one month) can hit net importers adversely.
- Jun 2025 quarterly results indicate a slow revenue growth in mid-single digit while benign commodity costs aided in retaining/improving the EBITDA margin.

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

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

- Outperformers** to Nifty: Thyrocare Technologies (ADD), Camlin Fine Sciences (ADD), and Skipper (ADD).
- Underperformers** to Nifty: Tata Consultancy Services (ADD), Bajaj Auto (ADD), and Lupin (ADD).

Addition to the list:

- E2E Networks (ADD)** - The company has 1) emerged as one of the top-tier cloud GPU infrastructure provider with a comprehensive line-up, 2) a battle-tested software (TIR), and 3) balance sheet (B/S) strength and parentage post equity infusion by Larsen & Toubro or L&T and is trusted by researchers, start-ups, and enterprises given price performance & scalability, predictable & affordable pricing, and open-source technology build.

Deletion from the list:

- UPL (ADD)** - Sharp run-up in the share price overlooks the short-term weak results' impact on consensus estimates.

Technical trend favourable ideas – Shriram Finance (ADD) and Skipper (ADD).

Research Analyst(s)

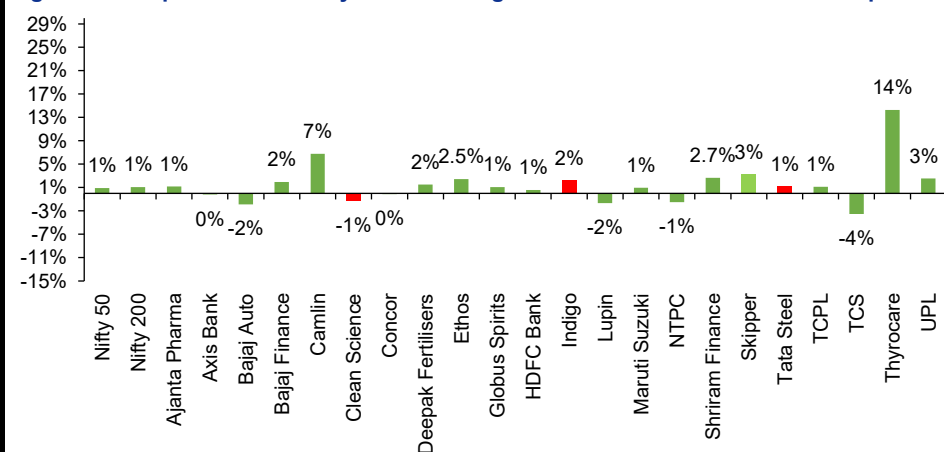


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Figure 1: Compounded monthly returns of high-conviction stock ideas since Sep 2022\



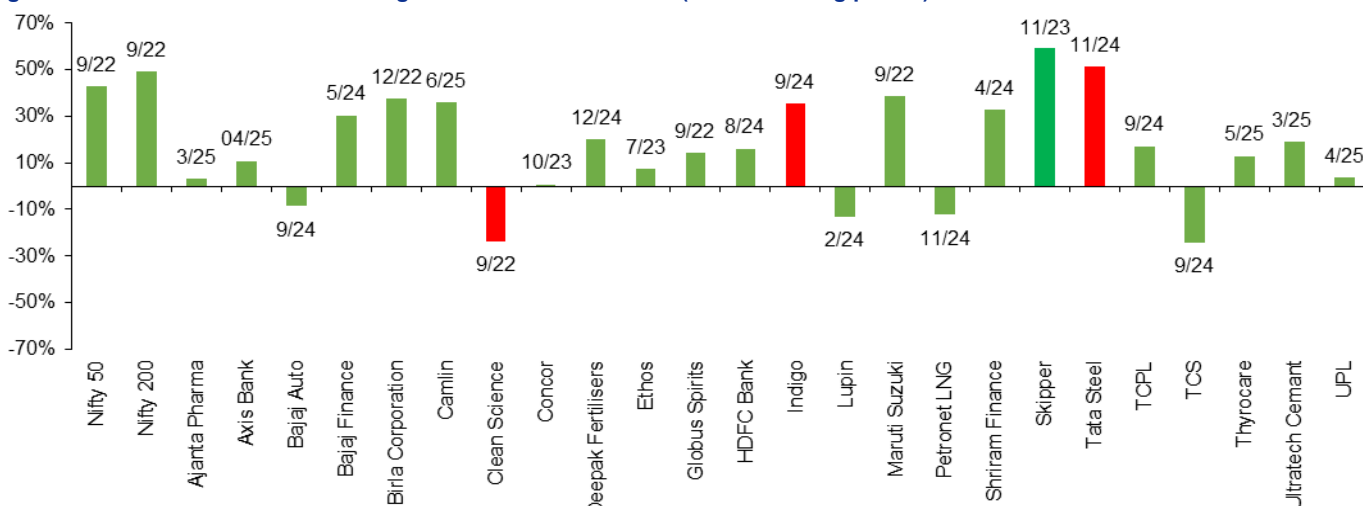
SOURCE: INCRED RESEARCH, COMPANY REPORTS

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	1,49,87,993	2,250	13.0%	Bhavik Shah
TCS	ADD	1,09,07,394	3,818	24.2%	Abhishek SHINDADKAR
Bajaj Finance	ADD	53,94,650	1,100	24.3%	Meghna LUTHRA
Maruti Suzuki	ADD	38,12,078	13,621	10.2%	Pramod AMTHE
Axis Bank	ADD	32,50,323	1,430	33.8%	Bhavik Shah
NTPC	ADD	31,56,764	390	17.4%	Ishan VERMA
Bajaj Auto	ADD	22,42,012	10,400	27.0%	Pramod AMTHE
InterGlobe Aviation	REDUCE	21,90,892	3,030	-47.6%	Rajarshi MAITRA
Tata Steel	REDUCE	19,53,271	82	-48.6%	Satish KUMAR
Shriram Finance	ADD	11,52,461	870	39.2%	Meghna LUTHRA
Lupin	ADD	8,42,992	2,400	27.5%	Yogesh SONI
Mid-Cap Ideas					
Container Corporation of India	ADD	4,34,465	970	66.7%	Rajarshi MAITRA
Ajanta Pharma	ADD	3,22,910	3,100	17.6%	Yogesh SONI
Small-Cap Ideas					
Clean Science and Technology	REDUCE	1,25,356	683	-43.2%	Satish KUMAR
Deepak Fertilisers & Petrochemicals Corporation	ADD	1,91,299	2,051	32.7%	Pratyush KAMAL
Ethos	ADD	72,477	3,400	23.1%	Rohan KALLE
Thyrocare Technologies	ADD	70,304	1,400	3.5%	Yogesh SONI
Skipper	ADD	59,367	612	16.7%	Ishan VERMA
Camlin Fine Sciences	ADD	50,232	428	57.1%	Satish KUMAR
E2E Networks	ADD	42,472	3,245	49.6%	Abhishek SHINDADKAR
Globus Spirits	ADD	35,001	1,646	33.6%	Nitin AWASTHI
TCPL Packaging	ADD	30,891	4,530	30.9%	Nishant BAGRECHA

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Last six months' changes in our high-conviction ideas

	ADD	Remove
Jul-2025	NTPC (ADD)	Petronet LNG (ADD), Birla Corporation (ADD), and Ultratech Cement (ADD)
Jun-2025	Camlin Life Sciences (ADD)	Adani Ports (ADD) and Cipla (ADD)
May-2025	Thyrocare Technologies (ADD)	Pidilite Industries (ADD), Marico (ADD), and SBI Cards (REDUCE)
Apr-2025	Axis Bank (ADD) and UPL (ADD)	ABB India (ADD), Bharat Forge (ADD), and Cyient DLM (ADD)
Mar-2025	ABB India (ADD), Ajanta Pharma (ADD), Birla Corporation (ADD), Cummins India (ADD), Ethos (ADD), and Ultratech Cement (ADD)	Hero MotoCorp (ADD) and State Bank of India (ADD)
Feb-2025	Adani Ports and Special Economic Zone (ADD), Bajaj Auto (ADD), Marico (ADD), and Shriram Finance (ADD)	Aditya Birla Sunlife AMC (ADD)

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.