

## India

## InCred Sector rating

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

## India Strategy

## High-conviction ideas – Oct 2025

- Cohesive policy actions by the government (GST 2.0) and the RBI have come to aid the Oct-Nov festive season & provide hope of sustenance in 2H.
- In our high-conviction stocks list, we have introduced Apollo Tyres and upgraded the rating of automobile sector to Overweight (from Neutral).
- Consensus Nifty-50 EPS bottoming out will be a key monitorable in the results season, as the index continues to consolidate at current levels.

## Macroeconomic data points provide hope

- The bold reforms in the Goods and Services Tax (GST 2.0), aided by sustained rainfall, seem to be improving high frequency data points, as we enter the festive season with low Consumer Price Index (CPI) inflation and improved system liquidity. The Reserve Bank of India (RBI) has announced 22 new measures in its recent monetary policy to boost the banking sector's strength, improve credit flow, enhance ease of doing business, and simplify forex rules which will help in the medium term. With domestic consumption revival expected to limit the US import duty impact on India's exports, Gross Domestic Product (GDP) growth upgrades have started coming from Sep 2025, for the first time in the last one year.
- Nifty-50 stabilized in Sep 2025, after two months of a marginal slide. The near double-digit cut in Nifty-50 Bloomberg consensus EPS for CY26F-27F may bottom out soon, aided by government policy actions. The India MSCI P/E valuation premium vs. Asia easing to the 10-year mean level provides comfort. We expect the GST reforms to drive the auto sector's cyclical demand recovery, leading to upgrade of the sector's rating to Overweight, from Neutral in Sep 2025.

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), Skipper (ADD), and Shriram Finance (ADD).
- **Underperformers** to Nifty: Camlin Fine Sciences (ADD), Tata Consultancy Services (ADD), and Lupin (ADD).

**Addition to the list: Apollo Tyres (ADD)** - GST rate cut will help in normalizing its India business EBITDA margin soon, with the impact of a major provision made for Netherland plant shutdown behind us.

**Deletion from the list: E2E Networks (ADD)** - It enters the compliance restricted list.

**Technical trend favourable ideas** – Bajaj Auto (ADD) and Bajaj Finance (ADD).

## Research Analyst(s)

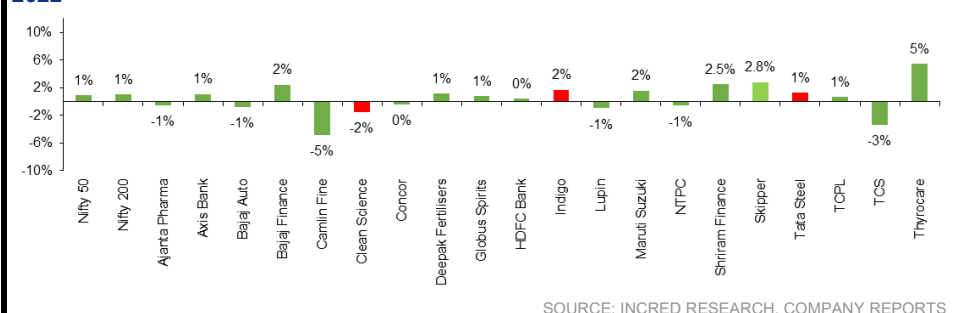


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**Figure 1: Compounded monthly returns of our high-conviction stock ideas since Sep 2022**



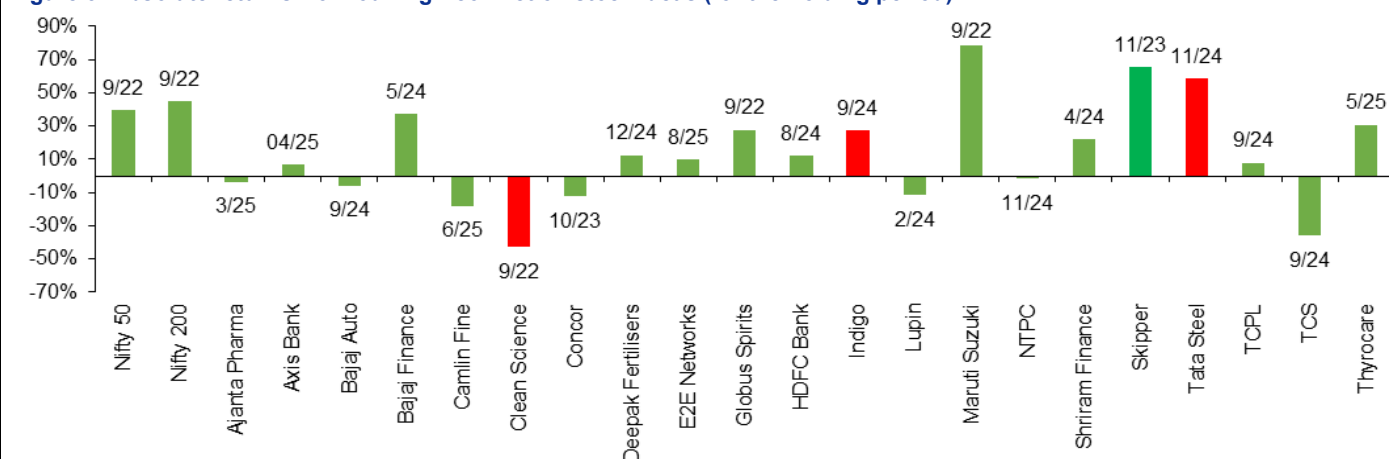
## High-conviction ideas – Oct 2025

**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	1,43,52,064	1,125	16.5%	Bhavik Shah
Tata Consultancy Services	ADD	1,01,64,360	3,818	31.6%	Abhishek SHINDADKAR
Bajaj Finance	ADD	59,62,215	1,100	11.1%	Meghna LUTHRA
Maruti Suzuki	ADD	48,10,903	17,677	11.8%	Pramod AMTHE
Axis Bank	ADD	35,47,465	1,430	21.1%	Bhavik Shah
NTPC	ADD	32,10,458	390	14.0%	Ishan VERMA
Bajaj Auto	ADD	23,46,487	10,758	23.9%	Pramod AMTHE
InterGlobe Aviation	REDUCE	21,17,025	3,420	-39.5%	Rajarshi MAITRA
Tata Steel	REDUCE	20,93,381	82	-52.7%	Satish KUMAR
Shriram Finance	ADD	11,76,000	870	34.7%	Meghna LUTHRA
Lupin	ADD	8,72,697	2,400	21.6%	Yogesh SONI
Mid-Cap Ideas	Stock Rating	Market Cap (Rs m)	Target Price (Rs)	Upside/Downside	Analyst Name
Container Corporation of India	ADD	3,93,360	970	81.8%	Rajarshi MAITRA
Apollo Tyres	ADD	2,90,911	586	23.7%	Pramod AMTHE
Ajanta Pharma	ADD	2,90,497	3,100	29.1%	Yogesh SONI
Small-Cap Ideas	Stock Rating	Market Cap (Rs m)	Target Price (Rs)	Upside/Downside	Analyst Name
Deepak Fertilisers & Petrochemicals Corp.	ADD	1,92,164	2,051	30.4%	Pratyush KAMAL
Clean Science and Technology	REDUCE	1,11,649	756	-30.3%	Satish KUMAR
Thyrocare Technologies	ADD	60,461	1,400	18.8%	Yogesh SONI
Skipper	ADD	58,594	612	16.7%	Ishan VERMA
Camlin Fine Sciences	ADD	35,372	474	143.8%	Satish KUMAR
Globus Spirits	ADD	29,991	1,850	73.0%	Nitin AWASTHI
TCPL Packaging	ADD	29,981	4,530	33.1%	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**

	ADDED	REMOVED
Sep-2025	None	Ethos (ADD)
Aug-2025	E2E Networks (ADD)	UPL (ADD)
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)

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.