PORTFOLIO
MANAGEMENT SERVICES

ANAND RATHI
ADVISORS LIMITED

# DECENNIUM OPPORTUNITY

## QUARTERLY COMMUNICATION

September' 24

# FUND MANAGERS COMMUNICATIONS

## September 2024

**Global Market:** During the month of August 2024: Major Equity indices in US markets, Europe, Nikkei closed with positive gains. The month has been volatile with news flow around Yen carry trade and Geo politics in middle east on headlines.

The IMF kept its 2024 global GDP growth forecast unchanged at 3.2% and raised its 2025 forecast by 0.1% to 3.3%. The global economy is set for modest growth over the next two years amid cooling activity in US, a bottoming out in Europe and stronger consumption & exports for CHINA. Growth projection for India is at 7% for 2024 and 6.5% in 2025.

Global Manufacturing PMI signals contraction. In Jul'24, the G-20 Manufacturing PMI fell below 50 for the fourth month in a row. The JPM world PMI slowed due to weaker growth in the US and China, the ongoing downturn in the euro zone and Japan contracting. Key issues were declining new orders and longer vendor lead times. Of 32 countries, only 15 saw PMI increases, with India is growing the fastest.

The US economy grew last quarter at a healthy 3% annual pace, fuelled by strong consumer spending and business investment, in an upgrade of its initial assessment, in Q1 the growth was 1.4%. Corporate profits also rebounded last quarter, helping to further dispel fears of a recession. The next FOMC meeting is scheduled for September 17th -18th & market is assigning some probability for a rate cut in upcoming meetings. Financial markets expect the Fed to begin its easing cycle next month with a 25-basis-point reduction in its benchmark overnight interest rate. The Fed has maintained its policy rate in the current 5.25%-5.50% range for more than a year.

**Domestic Market:** India's Q1 GDP at 6.7% was in line with expectations. Private consumption and investments picking up were key positives. On the demand side, key positives included a pickup in private consumption, which rose to an eightquarter high, while investments also accelerated. On the external front, exports growing quicker than imports meant the drag on growth from net exports was lower this quarter. Government expenditure, both capital and revenue, remained muted due to the code of conduct measures implemented before the elections.

**PMI:** Manufacturing activity in India stood at 57.5 in August , which is below July's reading of 58.1, but above the long-run average of 54.

India's core sector output accelerated to 6.1% in Jul'24, up from 5.1% in Jun, despite the high base effect. However, cumulative growth for the first four months of the fiscal year was 6.1%, lower than 6.6% recorded in the same period last year.

**RBI Policy:** The RBI delivered another status-quo policy, keeping the repo rate unchanged at 6.5%. The RBI kept its projections on growth and inflation unchanged at 7.2% and 4.5% respectively. The next policy meeting is scheduled for 7-9th Oct'24.

**Fund Flow:** FII flows were positive in Aug 24 with inflows of Rs.11,930 crores. DII flows remained healthy with inflows of Rs.39,333 crores during the month.

**Consumer price Inflation (CPI):** CPI inflation declined to 3.5% in Jul'24, aided by the sharp fall in food prices. Normal to above average monsoon across India is likely to keep inflation below the tolerance level. While recent inflation and unemployment data in the US point to rate cuts, the RBI is expected to continue its hawkish tone until headline inflation moves toward 4% sustainably.

**IIP :** Industrial production growth for Jun'24 eased to 4.2%, while the May figure was revised up to 6.2%. . Moderation in industrial production growth was as we expected. Capital and infra goods production were muted ahead of the elections, while consumption growth, as indicated by durables and non-durables production, was not particularly strong. Ahead, the government sticking to its capex plans would mean a ramp-up in infra spends, which would boost activity. On the consumption side, we see a pick-up in rural demand, which would be aided by better rainfall and more sown area. Thus, we expect a significant ramp-up in growth in H2 FY25.

**GST Collection:** Goods and Services Tax (GST) collections in August went up by 10 per cent from the same period last year to Rs. 1,74,962 crore

**August month Auto Numbers:** Two Wheelers maintained strong growth momentum, wholesale volumes rose to double digits, broadly in line with our estimate. PVs saw a slight decline on moderation of demand, yet broadly as we expected. CV volumes slipped to single digits due to heavy rains and a slow pickup in infrastructure activity. Tractor volumes were flattish, and broadly in line with our expectation. Ahead, we expect good volume trajectories across segments, with 2Ws outstripping others.

**Equity Market Outlook:** After a strong rally in markets in first half of calendar year 2024, markets are consolidating with sector rotation taking place. Some of the stocks in PSU, Defence, Railway and select midcaps where valuations got stretched has witnessed profit booking, while stocks in Pharma, IT, FMCG and Consumer durables has seen recovery in last two months. The Q1FY25 Results season has been a mixed bag with some moderation in growth was visible in select sectors due to impact of elections and heat waves in Q1FY25.

With Inflation, interest rate, stable oil prices and fiscal deficit under control along with strong economic activities data we believe the economy to maintain its growth momentum in coming quarters. Domestic liquidity likely to provide cushion to Indian equity market and with FII turning back the markets are likely to sustain at higher levels in spite of recent run up in the equity market. Although valuation in the market have been above average, correction if any would be shallow and it would be more of time correction or consolidation. However, stock specific activity is likely to continue the momentum. Long term outlook remains positive.

Regards,
**Mayur Shah**
(Fund Manager-Anand Rathi Advisors Ltd.)

# Q1FY25

During the quarter Q1FY25 Nifty 500 reported revenue growth of 8.6% y-o-y and PAT growth of 7.4% y-o-y. Our Portfolio Companies have reported healthy growth in recent quarter.

In Q1FY25 Decennium PMS has reported revenue growth of 17% y-o-y, operating profit growth of 30% and PAT growth of 35%.

During the quarter we have exited SYRMA SGS as results were below expectations from last few quarters. Profit booking was done in Poonawala fincorp & CERA Sanitrayware Ltd with full exit. Partial profit booking was done in Bharat Electronics Ltd.

New stocks added:

Deepak Nitrite which is a leading chemical intermediates producer with a diversified portfolio that caters to the dyes and pigments, agrochemical, pharmaceutical etc. Its products are manufactured across 6 locations.

Blue Star which offers widest range air conditioning and commercial refrigeration products, as well as a comprehensive range of air of purifiers, water purifiers, air coolers, cold storages and specialty products. With Presence of over 80 years in India, the company has presence over 18 countries with 7 manufacturing facilities in India.

IREDA a NAVRATNA company is India's largest pure-play green financing NBFC engaged in promoting, developing and financing renewable energy and energy conservation projects

| Decennium PMS - Q1FY25 Results (Rs cr) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Q1FY25 | | | Q1FY24 | | | Growth Y-o-Y | | |
| Sr.No. | Company Name | Sales | EBITDA | PAT | Sales | EBITDA | PAT | Sales | EBITDA | PAT |
| 1 | Bharat Electronics Ltd. | 4244 | 948 | 781 | 3533 | 673 | 529 | 20% | 41% | 48% |
| 2 | Blue Star Ltd. | 2865 | 238 | 169 | 2226 | 145 | 83 | 29% | 64% | 102% |
| 3 | Caplin Point Laboratories Ltd. | 459 | 152 | 125 | 395 | 127 | 104 | 16% | 20% | 20% |
| 4 | Concord Biotech Ltd. | 216 | 81 | 58 | 195 | 72 | 48 | 11% | 13% | 20% |
| 5 | Craftsman Automation Ltd. | 1151 | 197 | 59 | 1038 | 214 | 81 | 11% | -8% | -26% |
| 6 | Deepak Nitrite Ltd. | 2167 | 309 | 203 | 1768 | 210 | 150 | 23% | 47% | 35% |
| 7 | Elecon Engineering Company Ltd. | 392 | 92 | 71 | 414 | 100 | 72 | -5% | -8% | -2% |
| 8 | Ethos Ltd. | 273 | 43 | 23 | 230 | 34 | 18 | 19% | 28% | 28% |
| 9 | Global Health Ltd. | 861 | 186 | 106 | 780 | 184 | 102 | 10% | 1% | 4% |
| 10 | Indian Renewable Energy Development Agency Ltd. | 1510 | 1459 | 384 | 1143 | 1206 | 295 | 32% | 21% | 30% |
| 11 | KEC International Ltd. | 4512 | 270 | 88 | 4244 | 244 | 42 | 6% | 11% | 107% |
| 12 | Praj Industries Ltd. | 699 | 87 | 84 | 737 | 71 | 59 | -5% | 22% | 43% |
| 13 | RR Kabel Ltd. | 1808 | 95 | 64 | 1597 | 113 | 74 | 13% | -16% | -13% |
| 14 | Techno Electric & Engineering Company Ltd. | 375 | 52 | 53 | 274 | 21 | 28 | 37% | 148% | 91% |
| 15 | Tube Investments of India Ltd. | 4434 | 529 | 314 | 3767 | 467 | 278 | 18% | 13% | 13% |
| 16 | Vesuvius India Ltd. | 461 | 92 | 67 | 402 | 70 | 52 | 15% | 31% | 29% |
| 17 | Venus Pipes & Tubes Ltd. | 240 | 48 | 28 | 180 | 28 | 17 | 34% | 74% | 58% |
| | Average Growth | | | | | | | 17% | 30% | 35% |

## Bharat Electronics Ltd.

In Q1FY25 BEL reported revenues of Rs.4244 cr up by 20.1% y-o-y, PAT was Rs.781 cr up by 47.7% y-o-y. BEL's order book stood at INR 767bn (~3.9x of FY24 revenue) and expected order inflows of INR 250bn in FY25E show business visibility. BEL is expected to grow revenues by 15% and margins are expected in range of 23%-25% in FY25E. The capex is expected INR 8bn for new capacities and the upgradation of new technologies will help in additional revenue going forward. Defence, Non-defence, and exports mix stood at 86:11:3 in Q1FY25. Based on the breadth of offerings, BEL is a key beneficiary of the product import embargo lists released by the Ministry of Defense. It has a presence across products such as different types of radars, simulators, EW systems, electronic fuses, thermal imaging, integrated air command and control system, border surveillance system, and counter-drone systems, which will be indigenized over the next five years. We expect BEL to be a key beneficiary of growth in Defence Industry. **Key Risk :** A slowdown in order inflows from the defense and non-defense segments, increased competition.

## Craftsman Automation Limited

In Q1FY25 Craftsman Automation reported revenues of Rs.1151.2 cr up by 10.9% y-o-y, PAT was Rs.53.2 cr down by 28.6% y-o-y led by less than-expected aluminium product margins. We are positive about the medium to long term due to fresh opportunities in import substitution, lightweighting and industrials (heavy engines, off-highway, wind, capital goods; annual potential of over $100m in the next 4-5 years), reasonably priced acquisitions (Sunbeam, Frongberg and more ahead) and capacity expansion (a 25% increase), which would drive robust growth in powertrain and aluminium products. Industrial & engineering growth would be boosted by storage solutions and renewables. Industrial engines provides future growth oppurtunities. New opportunites : Heavy engines expected to reach over $ 100m annual revenues for Craftsman in next 4-5 years due to strong end-demand (AI data center driving generator engines demand; OEM engine manufacturers order book is full and double digit revenue growth expected for them) and casting supply constraints in USA/Europe/Brazil and de-risk from China is expected to be major opportunity ahead.**Key Risk :** Slowdown in Auto & Industrials.

## Praj Industries Ltd

In Q1FY25 Praj Industies reported revenues of Rs.699 cr down by 5% y-o-y, ebitda margins were 13.16% up by 291 bps which led to higher PAT at Rs.84.2 cr up by 43% y-o-y. Exports revenue were 23%, on segmental basis bio fuels contributed 72%, engineering 20%. Order book stands at 4044 cr and order inflows during the quarter were at Rs. 888 cr. Compnay remains debt free. As per management green based projects are gaining traction & CBG enquiry are increasing. Efforts to broadbase product mix have begun to yield targeted results. CBG, energy transition, climate action, services, and PHS have all contributed to business. The company is confident of growing 3x by FY2030. There is a big push in all the segments the company operates. The company also plans to utilise its money in making all the required investments for expansion of its business. R&D expenditure to be in the range of 70-80 cr for next year.**Key Risk** : Goverment policy.

## Deepak Nitrite

In Q1FY25 Deepak Nitrite reported revenues of Rs.2167 cr up by 23% y-o-y, PAT was Rs.203 cr up by 35% y-o-y. In Q1FY25, the Domestic and Export mix stood at 82:18. In FY25, the Company expects improved demand and higher product realization driven by completion of the destocking cycle in China. Company is planning capex of Rs.1200 cr, outlay towards polycarbonate compounding, a pilot plant is not included in the same. It envisages the ongoing opex initiatives will lead to increased volume with lower carbon footprint. The Company is continuing with a 4 years plan to enhance capability and take up opportunities, both domestically and internationally. Going forward, The Management said that growth shall be driven by the company's integrated model and stability & consumption push in India supported by government initiatives with large investment plan, PLI and increased infrastructure spending is creating space for double digit recovery across industry. Company is building a state-of-the-art R&D centre in Savli, Vadodara, with completion aimed by March 2025 and will enhance the company's innovation capabilities and support their strategic growth projects.**Key Risk :** Slowdown in demand, pricing risk.

## Tube Investments

In Q1FY25 Tube Investments of India reported revenues of Rs.1960.3 cr up by 10.1% y-o-y, PAT was Rs.154.5 cr up by 4.6% y-o-y. The engineering business saw a robust ~11% YoY growth, and the mobility segment showed signs of recovery. However, the metal-formed division struggled due to weak domestic PV demand. The company remains optimistic about achieving double-digit growth in core business revenue in the coming years. The company is aiming for double-digit growth in the core business. Growth will be driven by three factors 1) growing construction and non-auto segments, 2) demand in EVs for lighter components where it has expertise, and 3) export opportunities where it can leverage its strong market presence in metal forms and tubes globally. TIINDIA offers diversified revenue streams, with strong growth in the core business, ramp-up in CG Power, and the optionality of new businesses incubated under the TI-2 strategy. **Key Risk :** Slowdown in infra sector.

## ETHOS Ltd

In Q1FY25 Ethos ltd reported revenues of Rs.273.2 cr up by 18.8% y-o-y, PAT was Rs.23 cr up by 27.9% y-o-y. Ethos has added 4 stores in FY25TD with faster expansion in coming quarters; it has retained its annual outlook to add ~20 stores. Average sales price increased ~25% to Rs.2.21 lakhs, led by both, mix improvements toward high-end watches and price hikes. The company expects continued momentum over the medium term, supported by TAM expansion/own brand, ramp up of the Lifestyle vertical, and faster growth in pre-owned watches. Ethos also has tangible margin/WC tailwinds via gradual reduction in customs duty, higher exclusive mix, lower discounts, and better credit terms from brands. Exclusive brands mix remained flat at ~30% in Q1. Exclusive brand count reached ~55 with 2 new added in Q1. Ethos remained confident of partnering with ultra-luxury watch brands which are yet to enter India and will aid in its expansion. In addition, the initial success in Rimowa is strengthening Ethos' confidence for more tie-ups in the Lifestyle vertical. It is already in initial discussion stage with such brands and expects to sign a few of them within 12-18 months.**Key Risk :** Slowdown in consumer demand.

## KEC International

KEC INTERNATIONAL LIMITED

In Q1FY25 KEC International reported revenues of Rs.4511.9 cr up by 6.3% y-oy, PAT was Rs.87.6 cr up by 106.9% y-o-y. Election-hit manpower availability restrained order execution, leading to KEC's ordinary Q1 revenue growth and soft operating profitability. KEC has lready added orders in current financial year of ~Rs76.6bn, which is ~31% of FY25 inflow guidance. A healthy start to the year and robust prospects of ~Rs1.5trn (40-45% T&D, rest non T&D) mean it is trending well to deliver on its FY25 targeted additions of ~Rs250bn. With sturdy orders already, the current OB is ~Rs327bn. Company is balancing growth and fiscal strength with financial prudence. On the healthy assurance, sound opportunity landscape and gradual broadbasing, growth prospects are bright. FY25 revenue growth guidance has been retained at ~15%. **Key Risk :** Execution challenges, slowdown in economy & infra spending.

## Venus Pipes

venus® PIPES AND TUBES

in Q1FY25 Venus Pipes reported revenues of Rs.240.1 cr up by 34% y-o-y, PAT was Rs.27.5 cr up by 58% y-o-y, EBITDA margins was 20%. Exports have contributed 25% of the revenues & is experiencing strong momentum in Europe & also seeing substantial traction in the US and Middle East markets.Venus is Introducing a specialised product line of stainless and titanium welded tubes aimed at enhancing its competitive edge and profitability, this will allow to diversify into sectors requiring critical application such as food processing, pharma along with nuclear and power sector as well. The company is diversifying its product portfolio, to provide complete PFF (Piping, Fittings & Flanges) solutions to its customers across industries. Fittings represent a value-added product line that complements our pipes business. Capex would be around Rs.175 crores. **Key Risk :** Slowdown in user industry & higher commodity prices.

## Caplin Point Laboratories Limited

CAPLIN POINT LABORATORIES LTD.

In Q1FY25 Caplin Point reported revenues of Rs.459 cr up by 16% y-o-y, PAT was Rs.125 cr up by 20% y-o-y. Company's LatAm business shows strong revenue and bottom-line growth with robust cashflows. Branded generic segment drives growth in profitability with specialty products. Caplin's core business which is focused on Latin America and Francophone Africa is expected to grow at a steady pace with industry-average margins and benchmark cashflows and forms more than 95% of the revenues. Caplin's DNA of remaining debt-free and self-sustenance is highlighted by increasing cash surplus over the years. Strong Balance sheet of Caplin acts as an anchor for our long-term vision. Backward and forward integration to help save cost, capture more market and control supply chain which is expected to boost earnings. Caplin plans to enter more regulated markets such as Canada, Australia, MENA, Russia/CIS as well as enter the bigger LATAM markets of Mexico and Brazil in the near to medium term horizon for growth. **Key Risk :** Regulatory risks and delay in approval for new product launches.

## Elecon Engineering Company Ltd

In Q1FY25 Elecon Engineering reported revenues of Rs.392 cr down by 5% y-o-y, PAT was Rs.73 cr flat y-o-y, EBITDA margins have seen 60 bps contraction to 23.5% y-o-y, order intake was Rs.545 cr up by 9.7% y-o-y & total order book stands at 947 cr. Elecon continues to lead the domestic market in the Gear Segment, attributed to its state-of-the-art technology and its ability to provide customized solutions with the shortest lead times. This strategic advantage sets compnay apart from its competitors. Gear Division revenue was Rs 334 crores down by 7% y-o-y, This decrease is primarily due to slower order inflows during the last quarter, influenced by the general elections, which impacted both private and public capital expenditure. However, management anticipate that post-election stability and government support for infrastructure development will have a positive impact. Internationally, compnay remains on track to achieve its goal of deriving 50% of its revenue from overseas markets by FY30. In Q1FY25, international business contributed approximately 34% to overall revenues. The MHE segment continues to enhance its profitability. In Q1FY25, the EBIT margin increased by approximately 320 basis points, reaching 26.0%, driven by an improved product mix and leveraging opportunities in the aftermarket service segment. **Key Risk :** Slowdown in infra spending and manufacturing activity

## Concord Biotech Limited

In Q1FY25 Concord Biotech reported revenues of Rs.215.8 cr up by 10.8% y-o-y, PAT was Rs.59.6 cr up by 6% y-o-y. API Business: The API business reported modest growth of 4.5% YoY to INR 1,71.1 cr The company observed irregular procurement patterns from large customers, but management is optimistic about recovering sales over the full year. The introduction of new products and an expanding market share from existing clients are anticipated to drive a strong ramp-up in the API business. The formulations business demonstrated robust growth of 43.7% YoY but declined by 16.4% QoQ to INR 44.8 cr, reflecting deeper market penetration and greater acceptance of the company's products. Once the injectable plant begins contributing significantly over the next two to three years, a slight improvement in formulation margins is expected. Regulatory approvals in emerging markets are anticipated to accelerate compared to the previous year. Future growth will be driven by the addition of new dosage forms, such as injectables, broadening the product portfolio, and expanding geographic reach. Company has ready capacities and low utilization levels that present opportunities for operating leverage and margin expansion and ongoing exploration of opportunities in the CDMO segment, which will accelerate growth. **Key Risk:** Regulatory Risk.

## R R Kabel Limited

In Q1FY25 RR Kabel reported revenues of Rs.1808.1 cr up by 13.2% y-o-y, PAT was Rs.64.4 cr down by 13.4% y-o-y. The wires & cables mix during the quarter was 70:30. Exports business remained flat due to delay in shipments and container shortage. For the year trend of higher growth in cables compared to wires will continue. Cables demand will outpace the demand of wires, both domestic & exports market from a long term horizon. On the domestic front defense, solar, & infra, are some of the areas which provides the growth opportunities. The capex plan of Rs 5bn over FY24-FY25 is running on track and is expected to be completed by the end of FY25, doubling the power cable capacity, expanding its copper wire production including and PVC compound manufacturing facility. The new capacity will help RRK to achieve the volume growth of over 20% for next two to three years. **Key Risk:** slowdown in user industry & higher commdity prices.

## Vesuvius India

Q3 FY2018-19

In Q1FY25 Vesuvius India reported revenues of Rs.462.4 cr up by 14.2% y-o-y, PAT was Rs.67.4 cr up by 28.9% y-o-y. Vesuvius is consistently reporting healthy margins above 19% owing to high margin newer products and high level of service income. Vesuvius has market leading position in flow control (50% market share). It is expanding into advanced refractories with technology support from its parent. Vesuvius is a key beneficiary of India's steel capacity expansion (particularly flat steel). The company has spent capex of Rs1.2bn in 1HCY24 and on track to spend Rs10bn in next few years. In last two year and six months, the company spent total Rs4.3bn, which is yet to capitalised in revenue in coming years. The company strategy to manufacture new products and more inhouse manufacture in India, it will drive the growth for the company.**Key Risk :** slowdown in steel and metals sector.

## Global Healthcare Ltd ( Medanta)

In Q1FY25 Medanta reported revenues of Rs.861.1 cr up by 10.5% y-o-y, PAT was Rs.106.3 cr up by 4.2% y-o-y. ARPOB grew 1.5% y/y to Rs64,035/day, aided by a changed case mix and lower stays at matured hospitals. Medanta would enter Mumbai with a >500-bedded super-specialty hospital in Oshiwara. The company has been awarded 8,859sq.mtrs. at Rs1.25bn. Capital outlay is estimated at Rs12bn. The company caters to requirements across therapeutics, making it the preferred choice for a large patient base. Ahead, we reckon the momentum would continue, led by a) greater capacity utilisation at new hospitals; b) a rising share of international patients in the overall revenue pie and c) better ARPOB supported by a superior payor-case mix. The company is on track to scale up its Lucknow and Patna capacities. **key Risk :** Regulatory guidelines.

## Techno Electric Ltd ( Teec)

In Q1FY25 Techno Electric reported revenues of Rs.375.4 cr up by 37% y-o-y, PAT was Rs.53.3 cr up by 91.4% y-o-y. TEEC, a top EPC player with capabilities to provide solutions in T&D (EPC work for substation and distribution management system) and power generation (BoP and FGD) has recently diversified into high-growth businesses such as smart meter and data center. With a robust order backlog of Rs91bn (L1 position: Rs12bn), along with a strong enquiry pipeline, we expect TEEC's profits to double in the next 2 years as per management guidance. Order prospects are resilient, supported by the T&D, smart metering space, given the aggressive targets for renewable capacity additions. Multifold growth in the data center segment on the back of rising digitization globally would be benefiting TEEC. We expect TEEC to benefit from sharp jump in order backlog, favorable tailwind in power sector, and robust balance sheet (raised Rs12.5bn QIP) to fund the growth. **key Risk :** slowdown in power sector related capex.

---

## Blue Star India

In Q1FY25 Blue Star India reported revenues of Rs.2865.4 cr up by 28.7% y-o-y, PAT was Rs.168.8 cr up by 102.6% y-o-y. Robust demand owing to an unusually hot summer boosted Blue Star's Q1 FY25 RAC volumes. Supported by sturdy demand, its commercial refrigeration business continued to see traction. Prospects for the Electro Mechanical Plumbing category appear bright with a strong orderbook. With the RAC segment undergoing structural change, we remain optimistic on the business. The company intends to grow ahead of industry RAC growth, with a 15% market share in FY25 (13.75% in Q1 FY25) as it is optimistic regarding growth for the rest of the year. Management expects the industry to grow 20-25% per annum and the company growth at 25-30%. The company has planned capex of Rs4.5bn for FY25 and ~Rs7.5bn 8bn over the next two to three years. Management revised margin guidance for its EMP and UCP categories. It will continue to invest in R&D, manufacturing and digitalisation, prudently allocating capital. **key Risk :** Inability to gain market share, Significant delays in the pace of project execution.

---

## IREDA

In Q1FY25 IREDA reported operating profit of Rs.454 cr up by 31% y-o-y, PAT was Rs.384 cr up by 30% y-o-y. Loan book was Rs.63207 cr up by 34% y-o-y. NET NPA at 0.95%. IREDA is India's largest pure-play green financing NBFC with Navratna status, having comprehensive suite of financial products and related services for RE Sector. Robust global environment for RE growth, enabled by ambitious pledges & record high-capacity addition, outlook for India's RE sector is positive, with major policy announcements & ambitious targets. **key Risk :** Any delay in project execution by Borrowers.

**Disclaimer:** Anand Rathi Advisors ltd (ARAL) ("Portfolio Manager") SEBI Reg No. INP000000282 which is regulated under SEBI. This report has been issued by ARAL. Investments in securities are subject to market and other risks and there is no assurance or guarantee that the investment objectives of any of the investment approaches or portfolios offered by the Portfolio Manager (each, a "Portfolio") will be achieved. Portfolio performance may be affected by a wide variety of factors, including, without limitation, security-specific price shifts, changes in general market conditions and/or other micro and macro factors. A Portfolio performance results at any particular time will also be impacted by its investment objectives and the investment strategy it uses to achieve those objectives, including without limitation, its then-current asset allocation position. As the price/value of the underlying assets of a Portfolio fluctuates, the value of investors investments in that Portfolio and any income derived from it may go up or down. Individual returns of an investor for a particular Portfolio may also vary because of factors such as timings of entry and exit timings of additional flows and redemptions, individual investor mandate, specific Portfolio construction characteristics and/or structural parameters. Please refer to the Disclosure Document and Portfolio Management Services Agreement for Portfolio-specific, risk factors. Note that the composition of a Portfolio and the index(es) used to benchmark its performance are subject to change from time to time, as may be more fully described in the Disclosure Document. Note also that the composite benchmarks used for the Portfolios may be proprietary to the Portfolio Manager.

ARAL and its affiliates may trade for their own accounts as market maker / jobber and/or arbitrageur in any securities of this issuer(s) or in related investments, and may be on the opposite side of public orders. ARAL, its affiliates, directors, officers, and employees may have a long or short position in any securities of this issuer(s) or in related investments. ARAL or its affiliates may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. This is prepared for only private circulation. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report.

Past performance of a Portfolio does not indicate its future performance. The Portfolio Manager does not guarantee that any Portfolio will generate positive returns or that it will meet the needs/investment objectives of any particular person. The names of the Portfolios do not in any manner indicate their prospects or likelihood of returns. Before making an investment decision, please(1) carefully review the Disclosure Document, Portfolio Management Services Agreement, and other related documents, including issue documents pertaining to the underlying investments of the relevant Portfolio(s), and (2)consult your legal, tax and financial advisors to determine possible legal, tax and financial or any other consequences of investing in any of the Portfolios.

Investors are also advised to refer to the risk factors associated with Portfolio Management Services and read the Disclosure Document carefully and consult their Financial Advisor before taking decisions of investment.

For detailed risk factor, please refer to Disclosure Document before investing

*For internal circulation amongst registered clients only. Do not redistribute.*