PORTFOLIO
MANAGEMENT SERVICES

ANANDRATHI
ADVISORS LIMITED

IMPRESS PORTFOLIO

QUARTERLY COMMUNICATION

June' 25

FUND MANAGERS COMMUNICATION

June 2025

Global Market

During the month of May 2025: S&P 500 was up by 6.3%, led by healthy earnings growth & trade tensions eased. Progress in US trade negotiations with the European Union (EU) and a temporary delay to planned tariff hikes reduced fears of a global recession and fuelled broad-based gains across risk assets.

The G-20 GDP-weighted inflation continued its declining trend in Mar'25 at 3.3% - the lowest in three-and-a-half years. Inflation in China continued in negative territory, while inflation in Europe and the US declined.

IMF World Economic outlook: The International Monetary Fund has given GDP prediction for 2025 - world GDP growth at 2.8%, with US at 1.8%, China at 4% and India at 6.2%. The outlook for India is relatively stable supported by private consumption.

Domestic Market

GST Collection: GST receipts in May month hit Rs. 2.01 lakh crore, marking a 16.4% growth, all-time high collection ever.

GDP - Mar'25 - GDP at a three-quarter high of 7.4%, beats expectations. India's final quarter GDP growth landed, ahead of consensus estimates. For the full year FY25 GDP growth was in line with CSO's advanced estimates. Strong consumption and investment supported growth.

Auto numbers: In May'25,Auto numbers were broadly in line with expectations, passenger vehicles sales number were muted. Ahead, positive rural markets, festival/wedding season, rabi output cashflows, better interest rates and higher disposable income, thanks to tax cuts, would keep the momentum healthy.

PMI: The HSBC India Manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, fell to 57.6 in May from 58.2 in April and 58.1 in March. (Manufacturing PMI data is an economic indicator that measures the activity level in the manufacturing sector. It is based on a survey of purchasing managers across manufacturing industries and provides insights into business conditions, including production, new orders, employment, supplier delivery times, and inventory levels).

CPI: Inflation eases to a six-year low; core inflation steady. Lower food prices drove India's retail inflation to a near six-year low at 3.16%. Expectations of normal monsoon are likely to result in higher agricultural production and buffer stock with the FCI. With crude prices also remaining benign, the CPI is expected below the RBI's target of 4% in the near term. With growth remaining below potential, the RBI is likely to continue its accommodative stance and opt for a further rate cut in the next MPC meeting.

IIP: India's Index of Industrial Production (IIP) growth moderated to 2.7% in Apr'25, down from the revised figure of 3.9% growth in Mar'25. Ahead, we expect better monsoons and a revival in capex from government to support industrial production while moderation in global growth will remain a drag. Industrial activity in India remains supported by strong government capex, recent tax reliefs, and a healthy rabi harvest.

Funds Flow: FII flows were positive in the month of May 2025 at Rs.11773 crores, DII flows remained healthy with positive inflows of Rs.67642 crores during the month. FIIs which were aggressive sellers in the last few months, have become incrementally positive.

Equity Market Outlook

Uncertainty related to tariff war persist, however the 90 days pause and negotiations and discussion going on between US and other countries, is likely to conclude on positive note compared to earlier tariff imposed.

Earnings season for Q4FY25 will be coming to end in next few days, till date results are mixed but broadly in line with expectations. Nifty 500 companies have reported results and revenue growth has been 6.2% & adjusted PAT growth has been 7.4%. Commodity companies were a mixed bag. Steel and Oil & Gas were muted while non-ferrous metal, cement marked some improvement.

Results from selective mid & small cap companies has been good, with few companies in defence, Pharma, renewables, IT, construction, cement, wires & cables, liquor, consumer discretionary reporting double digit profit growth. Few of these companies are part of our PMS Holdings as well.

Over all macro set up in India is quite comfortable with Brent Crude oil is now trading closer to $60-65/bbl, healthy GDP growth, lower inflation, expected lower interest rate in coming quarters, liquidity easing by RBI, revival of government capex, improved consumer discretionary demand led by tax deduction benefits and expected improvement in rural demand, benefits emerging from Global supply chain diversification would be positive factors. Recovery in profitability of corporate India is expected from Q1FY26 and pick up in coming quarters. We remain constructive on India economy and Indian equities for long term.

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

Q4 FY25

During the quarter Q4FY25 Nifty 500 reported revenue growth of 6.2% y-o-y and Adjusted PAT growth of 7.4% y-o-y. Our PMS Portfolio Companies have reported healthy growth in the recent quarter.

In Q4FY25 IMPRESS PMS portfolio companies have reported revenue growth of 24% and PAT growth of 42%.

During the quarter complete Exit was done in Carborundum Universal Limited & TTK Prestige Ltd.

Partial Exit was done in ITD Cementation India Limited, Alivus Life Sciences Limited & Varun Beverages Limited.

New stock added: PNB Housing Finance Limited.

IMPRESS PMS - Q4FY25 Results (₹ cr)										
		Q4FY25			Q4FY24			Growth Y-o-Y		
Sr.No.	Company Name	Sales	EBITDA	PAT	Sales	EBITDA	PAT	Sales	EBITDA	PAT
1	Aarti Pharmalabs Ltd.	564	146	88	506	118	65	11%	24%	35%
2	Alivus Life Sciences Ltd.	650	198	142	537	141	98	21%	40%	45%
3	Bharat Electronics Ltd.	9150	2816	2121	8564	2287	1786	7%	23%	19%
4	Coforge Ltd.	3410	527	306	2318	390	230	47%	35%	33%
5	ITD Cementation India Ltd.	2480	259	115	2258	221	89	10%	18%	29%
6	JK Lakshmi Cement Ltd.	1898	351	186	1781	337	162	7%	4%	14%
7	K.P.R. Mill Ltd.	1701	333	205	1626	335	214	5%	-1%	-4%
8	KEC International Ltd.	6872	539	268	6165	388	152	11%	39%	77%
9	KEI Industries Ltd.	2915	301	227	2330	255	169	25%	18%	34%
10	KPI Green Energy Ltd.	569	161	104	289	93	43	97%	74%	142%
11	PG Electroplast Ltd.	1910	212	146	1077	116	72	77%	82%	104%
12	PNB Housing Finance Ltd.	2022	1889	550	1810	1640	439	12%	15%	25%
13	Radico Khaitan Ltd.	4485	178	91	3895	123	57	15%	45%	60%
14	Ratnamani Metals & Tubes Ltd.	1715	302	203	1496	246	193	15%	23%	5%
15	Schneider Electric Infrastructure Ltd.	587	87	55	472	73	33	24%	18%	67%
16	Titagarh Rail Systems Ltd.	1006	102	74	1052	120	83	-4%	-15%	-12%
17	Varun Beverages Ltd.	5680	1264	732	4398	989	548	29%	28%	34%
	Average Growth							**24%**	**28%**	**42%**

KEC International

In Q4FY25 KEC international reported revenues of Rs.6872 cr up by 11% y-o-y, PAT was Rs.268 cr up by 77% y-o-y, led by margin expansion & Strong execution, especially in the T&D and cables segments. KEC is witenssing strong growth traction across its business segments, with T&D having healthy investment pipelines led by power sector capex. In Civil also company is getting big orders. Net Debt has reduced and stands at Rs. 3051 cr. Order intake during FY25 was Rs.24689 cr up by 36% y-o-y and outstanding order book is Rs.33,398 cr with international orders 33%. As per management outlook remains construtive on business, going ahead, T&D is expected to remain the key growth engine, supported by a strong order book and expanding global pipeline, while the non-T&D segment is expected to have a turnaround and start improving beyond FY26 through high-margin industrial, semiconductor, and export focused opportunities.

Key Risk: Execution delay, slowdown in power and civil sector.

Aarti Pharmalabs

In Q4FY25 AARTI Pharmalabs reported revenues of Rs.564 cr up by 11% y-o-y, PAT was Rs.88 cr up by 35% y-o-y. EBITDA margins expanded to 26%. The Company operates in three separate segments in the pharmaceutical industry – 1) Xanthinederivatives, 2) API intermediates and 3) CDMO/CMO. Xanthine derivatives contributed to 34% of the turnover in Q4, The API & Intermediate business recorded the highest ever quarterly sales and stood at 39% of the total turnover in Q4. The CDMO/CMO segment has contributed 27% of the turnover, CDMO has superior margins. Capex in FY25 wasRs.400 crore and similar capex will be in FY26.

Key Risk: Regulatory risk, execution delay.

Bharat Electronics Limited

In Q4FY25 BEL reported revenues of Rs.9119 cr up by 6.9% y-o-y, PAT was Rs.2104.8 cr up by 18% y-o-y. In FY26, BEL expects an order inflow of INR270b and revenue growth of 15%. BEL has an order book of INR717b and received inflows worth INR194b during FY25. Company is rightly positioned to benefit from the defence spending and to cater to wider defense electronics components across the army, navy and air force for the next few years. Company is targeting export revenue of USD120m in FY26. The company is evaluating opportunities in various countries, including Europe. We expect its margin performance to remain strong, driven by increased indigenization as well as continued R&D spend over years. BEL has judiciously maintained a right mix of orders across components and system integration-led orders, where components have higher margins and system integration orders have provided good revenue support.

Key Risk: Execution delays, goverment polcies.

Coforge Limited

In Q4FY25 Coforge reported revenues of Rs.3409.9 cr up by 47.1% y-o-y, PAT was Rs.261.1 cr up by 16.3% y-o-y. COFORGE reported a strong 4QFY25 revenue growth of 3.4% QoQ in CC terms . The company reported an order intake of USD2.1b in 4Q with five large deals, resulting in a robust 12-month executable order book of USD1.5b (+47% YoY). The underlying business momentum is healthy, driven by consistent deal wins and resilient client spending across key verticals. Management also expects organic growth in FY26 to exceed FY25 (~15% cc YoY), reflecting continued confidence in the core business. Taken together, we believe revenue visibility over the next 12 months remains high. Its strong offerings in BFS should enable it to participate in a demand recovery, and a strong TCV also indicates a robust near-term growth outlook.

Risk : Slowdown in US and cut in IT budgets by companies.

JK Lakshmi Cements

In Q4FY25 JK Lakshmi cement reported revenue of Rs.19 bn up by 6.6% y-o-y, PAT was Rs.1.9 bn up by 23.3% y-o-y, led by better realisations and volume. Management is looking at volume growth of ~10% in FY26 vs. expected industry growth of 6 -7.%. JKLC is committed to achieving its 30mtpa capacity target by FY30. There was improved demand in 4QFY25 across geographies. The infrastructure push by the govt has resulted in improved traction in both rural and urban housing. Company has guided for a capex of Rs.13b in FY26 & Rs.18bn in FY27.

Key Risk: Slowdown in housing and infra activity.

KEI Industries

In Q4FY25 KEI Industries reported revenues of Rs.2914.8 cr up by 25.1% y-o-y, PAT was Rs.226.5 cr up by 26.5% y-o-y with a volume grwoth of 21%. Exports contributed 16% to the topline during the quarter. Robust demand is being generated across multiple segments, including power generation (both renewable and coal-based thermal projects), solar energy, power transmission and distribution (T&D) by central and state utilities, as well as emerging areas such as data centers, infrastructure development (railways, metro projects), and electric vehicle (EV) charging infrastructure. KEI during FY25 incurred a capex of Rs 6,18 cr, Capex guidance of Rs.13bn for FY26. The company has guided for a 20%+ yearly topline growth from FY27 on the back of capacity expansion, with an expected EBITDAM of 11%, which will eventually inch upto 12/12.5% by FY28.

Key Risk: Competition intensity, slowdown in demand.

K.P.R. Mill Limited

In Q4FY25 KPR Mills reported revenues of Rs.1780 cr up by 4.4% y-o-y, PAT was Rs.204.55 cr down by 4% y-o-y. K.P.R. Mill Limited is one of the leading vertically integrated apparel manufacturing Companies in India built on fabulous values with 12 hi-tech manufacturing facilities and over 31,000 employees. Exporting to leading international brands, KPR mills has 6 State of the Art Spinning Mills with a capacity to produce 1,00,000 MT of yarn and 10,000 MT of Vortex Viscose yarn. 4 State of the Art Garment facilities Capacity to produce 177 Million knitted Garments, 2 State of the Art fabric processing facilities Capacity to process 25,000 MT of fabrics. In Sugar & Ethanol : 20,000 TCD sugar capacity in Karnataka, 470 KLPD Ethanol Capacity in Karnataka. KPR has debt free balance sheet. Expected recovery in exports markets would be positive for business.

Key Risk: Higher cotton prices, slowdown in exports markets.

KPI Green Energy

In Q4FY25 KPI Green reported revenues of Rs.569 cr up by 97% y-o-y, PAT was Rs.104 cr up by 142% y-o-y. In IPP KPI has installed capacity of 503 MW and 1.20 GW is upcoming. IPP has contributed 13% to revenue and CPP has contributed 87% in FY25. Company has 2.87 GW orders in hand, 2591 mw power evacuation capacity, 4180 acres of land bank and has ambitious target of 10GW by 2030. KPI Green Energy Limited has signed an MoU with the Government of Rajasthan for the development of Hybrid, Solar & Wind Power Projects. KPI Green Energy Limited serves as the solar and hybrid energy division of the KP Group.The company is dedicated to delivering solar and hybrid power solutions through various business verticals. Under the brand name 'Solarism,' KPI Green Energy Limited develops, constructs, owns, operates, and maintains solar and hybrid power plants. It functions as an Independent Power Producer (IPP) and as a service provider for Captive Power Producers (CPP), supporting clients with end-to-end energy solutions. For future growth company is looking for BESS, offshore tenders, green hydrozen projects & floating solar etc.

Key Risk: execution delay, slowdown in new orders.

Radico Khaitan Limited

In Q4FY25 Radico reported revenues of Rs.1304 cr up by 20.9% y-o-y, PAT was Rs.90.7 cr up by 59.7% y-o-y with the highest ever quarterly volume growth of 28%. P&A volumes rose 17% y/y, while regular volumes grew a robust 79%. Management anticipates further market-share gains through product launches (especially in luxury and super-premium whisky segments) and expanded distribution. The UK FTA is expected to reduce retail prices by 6–8% for imported liquor, making luxury spirits more accessible, favouring Radico's premium positioning. We remain optimistic on business outlook, aided by consistent premiumisation, backward integration driven by new manufacturing units and volume uptick boosting revenue and margins. Management anticipates robust, double-digit P&A volume growth to continue.

Key Risk: Regulatory risk, slowdown in consumer demand.

Ratnamani Metals & Tubes Limited

In Q4FY25 Ratnamani metals reported revenues of Rs.1715 cr up by 15% y-o-y, PAT was Rs.203 cr up by 5% y-o-y. Order book was Rs.2100 cr with exports comprising 55%. Value added products has helped on margins, the Q4 growth was driven by an increased contribution from high value-added products which also enhanced profitability. This year water pipes contribution has been higher, where margins are lower compared to oil & gas segment. Company has zero debt. Ravi Technoforge, its ball bearing ring manufacturing business achieved sales growth of 12% in Q4 and 11% for the full year. Ratnamani Finow Spooling Solutions is witnessing strong growth with healthy order book. Ratnamani has also done a JV with compnay in Saudi Arabia to produce a stainless-steel manufacturing facility in the region. With multiple expansion projects underway and positive industry outlook, company remains confident in its ability to continue scaling performance in the years to come, Management has given guidnace of 5-10% volume growth with EBITDA margin range of 16-18%.

Key Risk: Slowdown in industrail activity.

Schneider Electric Infrastructure Limited

In Q4FY25 Schneider India reported revenues of Rs.587 cr up by 24.4% y-o-y, EBITDA was up by 20.3% y-o-y. In FY25 company has reported highest ever revenue and profit. The company is looking forward to accelerate growths by leverage emerging segments and strengthen resilient segments. More stress on services, focus on modernization, digital services and remote asset monitoring to generate more service revenue. Company is witnessing healthy orders pipeline and would be beneficiary of capex in power sector. Mega trends for company remains, energy transition, AI & Digitisation, transportation and infrastructure. Focus segments fo the company remains, renewables, data center and semiconductor, power & grid, transport & infrastructure.

Key Risk: Slowdown in orders, delayed execution.

Varun Beverages

In Q4FY25 Varun Beverages reported revenues of Rs.5566.9 cr up by 28.9% y-o-y, PAT was Rs.731.4 cr up by 33.5% y-o-y. Volume mix stood at CSD 75%, juice 7% and water 18%. Management expects double-digit growth in both Indian and international markets, with a focus on deeper market penetration and capacity expansion. Domestic margins are expected to sustain at 21% while international margins are expected to improve after backward integration. The company is focusing on distribution expansion, more chilling equipment, and aggressive Go-To-Market efforts.

Key Risk: competition, seasonality.

ITD Cementation

In Q4FY25 ITD Cementation reported revenues of Rs.2480 cr up by 10% y-o-y, PAT was Rs.114 cr, EBITDA margin has come in at 10.8%. Order book stands at 18300 crores. Management has guided for 20-25% revenue growth, with focus on marine and underground metros and the airports and underground railway tunnel, road tunnels, some bridge and some buildings and industrial structures, the airports and the roads and data center, there is a visibility of around INR90,000 crores of project pipeline. Vadhavan port will be a Rs.15000 crore oppurtunity. ITD is also evaluating oppurtunity in middle east as well.

Key Risk: Slower execution, slowdown in new orders.

Alivus Life Science

In Q4FY25 Alivus reported revenues of Rs.649.6 cr up by 21.1% y-o-y, PAT was Rs.141.9 cr up by 44.9% y-o-y, EBITDA margin were at 32.1%, driven by better product mix and new product launches. Regulated markets contributed 86% in Q4FY25. in API future growth will be driven by new product launches, Geographical expansion, Focus on new markets becoming more regulated & Pursue 2nd source opportunities with top generic players. CDMO Ramp , Expand into complex API platform & Oncology & HP API will be new growth areas. Capacity expansion Greenfield – Solapur, Second Phase Dahej expansion, Ankleshwar Pharma blocks expansion, Build standalone R&D infrastructure for expansion into new growth levers.

Risk : Regulatory risks, execution delays.

Titagarh Rail Systems Limited

In Q4FY25 Titagarh Rail reported revenues of Rs.1005 cr down by -4.45% y-o-y, PAT was Rs.73.6 cr down by 11.6% y-o-y. In wagons compnay achieved highest ever quarterly production for 7632 MTs in Q4 and Annual production of ~27240 MTs. In passenger segment 6 metro coaches were dispatched. Received more than Rs. 1200 Crs worth of orders in FY25 across business segments. As of March '25 order book consists of orders for ~11,500 wagons and 1,583 Metro and Vande Bharat coaches. The company has 12,000 p.a. wagon Capacity, in passenger coaches it is 300 per annum and proposed to go to 1200 per annum. Indian Railways is expected to procure around 1-1.2 lakh incremental wagons representing a market opportunity of ₹ 35,000-40,000 cr. The Government of India aims in launching 400 Vande Bharat train in the upcoming years.The estimated opportunity size is ₹ 50,000- 60,000 cr. for Vande Bharat and ₹ 60,000 to 65,000 cr. for other variations of Vande Bharat trains. Govt. targets to increase total operational metro rail network by >2x to 1,700 km & this expansion will entail procurement of ~5000 metro rail coaches in the near future and increase the metro coverage to 50 cities.

Key Risk: Slowdown in government orders.

PG Electroplast Limited

In Q4FY25 PG Electroplast reported revenues of Rs.1909.9 cr up by 77.4% y-o-y, PAT was Rs.145 cr up by 108.8% y-o-y. PGEL delivered strong Q4 and FY25 revenue growth, driven by robust performance in its products business, with continued market share gains in Room AC, Washing Machine, and air coolers. The growth outlook remains positive, supported by ongoing client additions and new SKU launches. FY26 will see elevated capex for greenfield and brownfield projects across RAC, WM, refrigerators, compressors, air coolers, and plastics, with a target to double the gross block by FY27. Despite the surge in capex, the company remains focused on cost control and efficient asset sweating, aiming to drive strong growth. The company currently serves 35 brands, covering ~40–50% of Indian RAC brands. A compressor client tie-up is nearing finalization, with a 2.5m unit Phase-1 facility targeted for in-house use and commercialization expected by Q4FY26, likely aiding medium-term margin expansion. Capex guidance at Rs. 8-9bn.

Key Risk: Slowdown in consumer demand.

PNB Housing Finance Limited

In Q4FY25 PNBHFL reported Net Interest income of Rs.73.4 cr up by 16.2% y-o-y, PAT was Rs.55 cr up by 25.3% y-o-y. Company has healthy asset quality, Net NPA were 0.69% as on 31st March 2025. PNB Housing Finance is set for growth in the upcoming years, completely shifting its focus from the Super Prime Segment to the lower cost Segment that is Prime, Emerging and major focus on Affordable Segment. Management guidance by FY27 retail loan book is going to be Rs. 1,00,000 crore. Out of Rs. 1,00,000 crore, Affordable will be Rs. 15,000 crores, Emerging will be Rs. 25,000 crores and the balance Rs. 60,000 crore will be a Prime book. We remain constructive on the growth outlook, Hence we are buying for long term investment. Housing finance industry has shown remarkable resilience and growth, as per ICRA, the housing finance industry is expected to continue its growth momentum with 13% to 15% annual growth, expected for FY'25-'26.

Key Risk: Slowdown in housing demand, higher NPA

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