PORTFOLIO
MANAGEMENT SERVICES

ANAND RATHI
ADVISORS LIMITED

MNC 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 MNC PMS has reported revenue growth of 10% y-o-y and Adjusted PAT growth of 5%.

Complete Exit: Abbott India Ltd & 3M India Ltd.

Partial Exit: Cohance Lifesciences Limited.

New Stock Added: Nippon Life India Asset Management Limited.

MNC PMS - Q4FY25 Results (₹ cr)										
		Q4FY25			Q4FY24			Growth Y-o-Y		
Sr.No.	Company Name	Sales	EBITDA	PAT	Sales	EBITDA	PAT	Sales	EBITDA	PAT
1	Cohance Lifesciences Ltd.	402	74	39	253	73	53	59%	0%	-27%
2	CRISIL Ltd.	813	232	160	738	192	138	10%	21%	16%
3	Cummins India Ltd.	2428	525	439	2272	539	452	7%	-2%	-3%
4	Glaxosmithkline Pharmaceuticals Ltd.	974	333	263	930	257	194	5%	30%	35%
5	Hindustan Unilever Ltd.	15446	3619	2476	15041	3535	2561	3%	2%	-3%
6	Ingersoll-Rand (India) Ltd.	322	83	68	299	74	64	8%	14%	6%
7	ITD Cementation India Ltd.	2480	259	115	2258	221	89	10%	18%	29%
8	KFin Technologies Ltd.	283	122	85	228	105	76	24%	17%	13%
9	KSB Ltd.	595	68	48	544	61	43	9%	11%	13%
10	Linde India Ltd.	592	210	118	630	179	104	-6%	18%	13%
11	Maruti Suzuki India Ltd.	38842	4844	3839	36694	5221	3875	6%	-7%	-1%
12	Mphasis Ltd.	3710	703	446	3412	639	393	9%	10%	14%
13	Nestle India Ltd.	5448	1389	886	5254	1350	934	4%	3%	-5%
14	Nippon Life India Asset Management Ltd.	567	365	298	468	291	343	21%	26%	-13%
15	Procter & Gamble Hygiene & Health Care Ltd.	989	210	156	998	257	154	-1%	-19%	1%
16	Siemens Ltd.	4259	468	408	4152	637	649	3%	-27%	-37%
17	SKF India Ltd.	1213	285	203	1203	213	175	1%	33%	16%
18	Vesuvius India Ltd.	481	83	59	453	95	69	6%	-13%	-14%
19	Whirlpool Of India Ltd.	2005	183	119	1734	144	79	16%	27%	50%
	Average Growth							10%	8%	5%

Linde India

In Q4Fy25 Linde India reported revenues of Rs.592 cr down by 6% y-o-y, PAT was Rs.118 cr up by 13% y-o-y. Linde owns India's largest air separation plant and run more than 35 operating locations across the country. Company operates in two primary business segments Gases, Related Products & Services including pipeline, liquefied and compressed gases as well as comprehensive services. Project Engineering Division (PED), specialising in designing and implementing air separation units, nitrogen plants, and related infrastructure projects across various industries. We see significant long-term growth opportunities for Linde India that are expected to unfold over the coming years. Strategically located cylinder bottling units across the country and a strong fleet of cryogenic bulk tankers enables Linde India to be a leader in complete range of Industrial gas supplies in the country.

Key Risk: Slowdown in industrial activity.

Cummins India

In Q4FY25 Cummins India reported revenues of Rs.2456.9 cr up by 6.1% y-o-y, PAT was Rs.521.4 cr down by 7.2% y-o-y. Industrial segment delivered a healthy performance in 4QFY25, reflecting broad-based demand across key verticals. Powergen segment revenue declined by 7% YoY in 4QFY25, affected by a high base of last year, demand is expected to recover in FY26 led by residential, commercial, data centres etc. Export which is 19% of revenue surged 39% YoY in 4QFY25, Latin America and Europe continued to perform exceptionally well, Management is cautiously optimistic about exports for FY26 in light of the current tariffs and global trade policies. Cummins has guided for double-digit revenue growth in FY26. The growth is expected to be driven largely by domestic demand across the powergen, industrial, and distribution segments.

Key Risk: Slowdown in industrial activity and exports.

Suven Pharma Limited

Suven is actively expanding its niche technologies in new modalities within the CDMO space through both organic and inorganic growth. SUVEN has enhanced its R&D capabilities and strengthen its commercial presence in developed markets (US/EU/Japan). The company offers niche offerings in Anti-body Drug Conjugates (ADCs), oligonucleotide, and small molecules. SUVEN has established the necessary building blocks to achieve its USD1b revenue target. We believe successful execution will be crucial to achieving this target.

Procter & Gamble Hygiene & Health Care Limited

In Q4FY25 PGHH reported revenues of Rs.991.6 cr down by 1.1% y-o-y, PAT was Rs.156.1 cr down by 15.8% y-o-y. With a portfolio of essentials and healthcare, the company has remained focused on customer acquisition through product innovation. High growth potential for the feminine hygiene segment (65-68% mix of FY24 sales), coupled with the potential for market share gains, aided by strategic initiatives, including the fortification of significant market advantages and potential to sustain high operating margin from the long-term trend of premiumization in the feminine hygiene segment is positive for business.

Key Risk: Slowdown in consumer demand, higher competition intensity.

ITD Cementation Limited

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.

CRISIL Limited

In Q4Fy25 CRISIL reported revenues of Rs.813.2 cr up by 10.2% y-o-y, reported PAT was Rs.159.8 cr up by 16.1% y-o-y, adjusted PAT grew by 7.5% y-o-y. Ratings revenue grew by 17.7% y-o-y, Research revenue were flat. Bank credit growth moderated amid slowing service & retail growth. Crisil Ratings maintained its leading position in the corporate bond segment, driven by investor preference for rating quality. Crisil intends to achieve growth and margin expansion by leveraging its global talent and focusing on private capital, data analytics, and sustainability solutions. The company consolidated its market leadership position in domestic ratings, benefiting from investor preference for top-rated agencies. Despite industry headwinds, the position remains strong in the Global Risk & Research Solutions (GRRS) business. The company's focus on digitization and automation is driven by the demand for integrated credit platforms that connect data, create data marts, and automate the entire credit life cycle. Crisil is looking for opportunities to improve its client services and internal processes using GenAI technology across various sectors. The company is developing data and analytics expertise in emerging fields like electronics, semiconductors, solar PV modules, and electric vehicles (EVs) to assist both corporate and financial institution clients.

Key Risk: Slowdown in Global economy and Indian economy and slower credit growth.

Glaxo Pharma

In Q4FY25 Glaxo India reported revenues of Rs.966 cr up by 6% y-o-y, PAT was Rs.260 cr up by 36% y-o-y. EBITDA improved through better gross margin mainly on account of softening of raw material prices; improved productivity and cost efficiencies. We expect GLAXO to deliver a healthy growth driven by niche launches, market share gain, and enhanced reach. In addition to vaccines, GLAXO would also be introducing innovative drugs to treat endometrial and ovarian cancer. GLAXO has 16 drugs under clinical trials in India and plans to launch innovative products over the coming years s. Glaxo, a subsidiary of UK-based GSK plc, a leading global biopharma company, has established a rich legacy in India and completed more than 100 years. Company derives 81% revenue from Pharma and 18% revenues from Vaccines and 1% from specialty. GSK focus is on innovation.

Key Risk: Regulatory risk, delay in new product launches.

Hindustan Unilever Limited

In Q4FY25 HUL reported revenues of Rs.154.5 bn up by 2.7% y-o-y, PAT was Rs.25.7 bn up by 2.6% y-o-y with volume growth of 2%. The company plans to focus aggressively on volume acceleration, alongside new launches and the reactivation of its value proposition, which is expected to drive better growth in FY26. The macro outlook is set to improve in the near to medium term, aided by strong agri output, easing food inflation, and potential tax reliefs—supporting both rural and urban consumption. Management's emphasis is on driving growth in future core and market􀀀makers through premiumisation. Management has double-digit earnings growth aspiration, led by revenue growth. While urban demand remains soft, the company is optimistic regarding growth picking up ahead, helped by healthy rural demand, the Budget's consumption boost, lower commodity inflation and the normal monsoon forecast. Also, it plans to invest in brands (especially in the B&W segment) to drive volumes and innovation, which could weigh on margins in the near term.

Key Risk: Slowdown in consumer demand, higher inflation.

Ingersoll Rand India

In Q4FY25 Ingersoll Rand India reported revenues of Rs.322.3 cr up by 7.9% y-o-y, PAT was Rs.67.6 cr up by 5.9% y-o-y. IR India is well-positioned for its next phase of growth, driven by a Rs1.7bn greenfield capacity expansion which is expected to be fully operational from Q1FY26 and advancements in technology. As a leading player in the Indian air compressor market with an 18% market share and a 48% market share in the centrifugal compressor segment, the company benefits from robust demand-generation strategies, an optimized distribution network, and a strong focus on Make in India initiatives. Leveraging its parent company IR Inc.'s technological expertise, IR India has introduced ~50 new products over the past four years, further solidifying its market position. Additionally, its group procurement strategy enhances supply chain stability, supporting margin expansion. The company's entry into hydrogen compression also opens new avenues for future growth. IR India is well-positioned to capitalize on the growing demand for compressors in India given it is among the top 3 air compressor players in India, expanding its air compressor manufacturing capacity by 50% which will drive volumes & scale, and backed by strong global parentage of Ingersoll Rand Inc (IR Inc.), providing access to cutting-edge R&D and technology.

Key Risk: Slowdown in industrial activity.

KSB Limited

In Q4FY25 KSB Ltd reported reveues of Rs.595.4 cr up by 9.1% y-o-y, PAT was Rs.49 cr up by 13.6% y-o-y, Operating profit margin is at 11.4 %. As per management order book and growth outlook remains healthy with EBITDA margins of 13-14% over long term, company has capacity to meet demand and adding more capacity. KSB invest a lot into new business, new products, so that kind of development costs also get built in and sometime led to margins fluctuations. Solar pumps, wastewater treatment and sewage treatment, green hydrogen are another sector which has good growth prospects. Industrial pumps has been forte for long. Export is always a good opportunity for the company and was around 12%, being a global company, having the global network, and having a good cost, production sites here is positive. In railways company is getting good traction, Nuclear is a very big opportunity in long run.

Key Risk: Slowdown in user industry.

Maruti Suzuki India Limited

In Q4FY25 Maruti Suzuki reported revenues of Rs.406.7 bn up by 6.4% y-o-y, PAT was Rs.37.11 bn down by 4.3%. Domestic volumes would clock a 5% CAGR over FY25-27 due to higher income levels (income-tax cuts), a rebound in first-time buyers, rural demand, launches and lower finance costs. Exports would record a stronger, 16%, volume CAGR by levering Toyota/Suzuki's global networks and portfolio expansion (e-Vitara). According to media reports, MSIL is expected to launch six new models in the next three to four years in its focus segments within SUVs. Long term outlook remains constructive for Maruti with low car penetration in India.

Key Risk: Slowdown in consumer demand, higher competition.

MPhasis Limited

In Q4FY25 Mphasis reported revenues of Rs.3710 cr up by 8.7% y-o-y, PAT was Rs.446.6 cr up by 13.6% y-o-y. Deal TCV was the highest in last 7 quarters at USD 390 mn and the pipeline continues to remain strong. The management commented that the overall demand environment remains cautious because of the ongoing macro challenges. While some directly impacted verticals (logistics, transportation) have seen slowdowns, second order impact verticals (BFSI) are fairly resilient. On the back of strong TCV wins and steady TCV to revenue conversion, the management expects revenue growth to outpace industry growth in FY26. Outlook is constructive on Mphasis' business with continued share gains in large clients, solid presence in BFSI increasing presence in other verticals, which holds the company in a strong position over medium term.

Key Risk: Slowdown in IT spending, delayed decision making by customers.

Nestle India Limited

In Q4FY25 Nestle India reported revenues of Rs.52.3 bn up by 4.2% y-o-y, PAT was Rs.8.7 bn down by 4.5% y-o-y. In FY25, beverage, pet care, and Out-of-Home (OOH) businesses delivered double-digit growth. Confectionery experienced high single-digit growth in both value and volume, primarily driven by KitKat. Meanwhile, Prepared Dishes and Cooking Aids achieved mid-single-digit growth, with Maggi reporting an increase in volume. Milk Products and Nutrition continued to do well, backed by new launches. The company has been focusing on its RURBAN strategy; hence, growth was higher in RURBAN markets. Most of Nestle's categories have been reaping the benefits of distribution penetration. Packaged food penetration has improved in the tier-2 and rural markets. The company continues to focus on portfolio enhancement through ongoing innovation and premiumization initiatives. A major capital investment is underway with the establishment of Nestlé India's tenth factory in Odisha. The facility, focused on the Prepared Dishes and Cooking Aids portfolio, involves an initial investment of ~INR9b. Long term outlook remains constructive for business.

Key Risk: Slowdown in consumer demand, higher inflation.

Siemens Limited

In Q4FY25 Siemens India reported revenues of Rs.42.6 bn up by 2.6% y-o-y, PBT was Rs.6.1 bn down by 11% y-o-y. Exports are currently 12% and compnay intends to grow it to higher levels. Management continues to be positive about the economy & expect private sector CapEx to pick up. Mobility will be the growth driver. Smart infrastructure is doing well & will continue to grow that business both on the top line as well as the bottom line as well. Digital Industries business is a business where company see a huge upside coming in. As companies start expanding their CapEx, there will be a need for automation and digitalization solutions. Siemens has multiple product portfolio within Siemens Limited where it can provide a complete solution to customers. As the economy grows, private sector CapEx picks would up.

Key Risk: Slowdown in industrial activity and capex.

SKF India Limited

In Q4FY25 SKF India reported revenues of Rs.1213.4 cr up by 0.8% y-o-y, PAT was Rs.202.8 cr up by 16% y-o-y. Medium-term revenue growth would be in line with underlying industry trends, the outperformance limited to a gradual market share increase. The momentum in automotives is likely to persist; industrials would grow in double digits with a pick-up in general machinery and heavy industry. Medium-term margins would rise with greater localisation in industrials (45% to 65% in three years, expanding margins >100bps). SKF has announced division of the two businesses: automotive and industrials. SKF expects higher annual capex of Rs2.5bn-Rs2.7bn for the next 3 years, Largely for industrials segment for new plant, capacity expansion and localisation. Automotive capex would be for capacity expansion. The focus is on tapping opportunities in EVs, drives, Railways, construction and renewables. Medium-term margins would rise with greater localisation in industrials (45% to 65% in three years, expanding margins >100bps).

Key Risk : Slowdown in Auto and industrial activity.

KFIN Tech Limited

In Q4FY25 KFIN tech reported revenues of Rs.282.7 cr up by 23.8% y-o-y, PAT was Rs.85.1 cr up by 14.2% y-o-y. Segment wise, Domestic MF revenue grew by 23% YoY, Issuer solutions revenue increased 35% YoY, International and other investor revenue rose 16% YoY. Management remains confident of delivering revenue growth in the range of 18-20% for FY26 with EBITDA Margin at ~40-45%. In Domestic Mutual Funds The overall AUM grew by 25.9% YoY vs. 24.6% for the industry, market share at 32.4%. In issuer solutions Market Share in terms of serving NSE 500 companies increased to 49.6% in Mar'25 (vs. 48.1% in 3QFY25). Domestic Mutual Fund continues to remain the dominant business segment. However, the company is in the process of diversifying its business mix towards non-mutual fund segment and aspires to achieve a mix of 50:50 over next 3-5 years. KFin was onboarded as the ninth global partner to BlackRock's Aladdin Provider Network, which opens an opportunity to tap US & UK markets, providing an access to 108 funds and ~$10 trillion worth of assets.

Key Risk: slowdown in economy and slower growth in AUM with asset managers.

Vesuvius India Limited

In Q4FY25 Vesuvius India reported revenues of Rs.482.2 cr up by 6.4% y-o-y, PAT was Rs.59.3 cr down by 13.8% y-o-y. Vesuvius India continued to execute its strategic capex roadmap in Q1CY25, building on the ~Rs5.5bn invested between CY22-CY24 towards import substitution and backward integration. The company commissioned three new manufacturing facilities during the quarter Mould Flux and Alumina-Silica (AlSi) plants at its existing Kolkata site, and a Basic Monolithic plant at Visakhapatnam. Once fully operational, the facilities are expected to augment annual production capacity by ~250,000 tonnes. Management emphasized that capex is being executed in a highly strategic manner, aligned to evolving customer requirements. With the domestic steel industry undergoing technological upgradation, Vesuvius sees growing demand for advanced solutions and believes the timing is opportune to introduce global technologies into the Indian market. Vesuvius is a key beneficiary of India's steel capacity expansion (particularly flat steel). 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.

Whirlpool India

In Q4FY25 Whirlpool India reported revenues of Rs.2004.7 cr up by 15.6% y-o-y, PAT was Rs.119.5 cr up by 50.5% y-o-y. Revenue growth was driven by market share gains across refrigerator and washers along with the accelerated growth in premium segment and air conditioner category. The business continues its renewed momentum with double digit revenue growth in the fourth consecutive quarter despite softness in the refrigerator and washing machine industry. Not only has overall refrigerator and washing machine volume share improved very significantly over last year, share growth is broad based with robust share gains in Direct Cool, Frost free refrigerators, Fully automatic top load, semi-automatic washers and Front load washing machines which reflects rejuvenation of brand pull and the continued strong focus on executional excellence. Improvement in gross margins was driven by calibrated price actions, improved execution in high margin portfolio and the benefits from cost productivity actions offsetting the impact of commodity inflation. Whirlpool is one of the leading manufacturers and marketers of major home appliances in the country. It operates three state-of-the-art manufacturing facilities at Faridabad, Puducherry and Pune. Each of the manufacturing set-up features an infrastructure that is witness of Whirlpool's commitment to providing its consumer with best in class solutions. Company would be beneficiary of rising consumer income and demand.

Key Risk: Slowdown in steel and metals sector.

NIPPON INDIA AMC

In Q4FY25 Nippon India AMC reported revenues of Rs.567 cr up by 21% y-o-y, PAT was Rs.299 cr down by -12.9% y-o-y. Overall, AUM reached Rs 6.5 lakh crore (up 25% y-o-y/ flat q-o-q). Equity yields stood at ~57 bps, debt yields at ~25 bps, liquid and ETF yields at 12 bps and 15 bps, respectively, largely remained same q-o-q. Mutual fund flows have grown strongly largely due to buoyant market and higher retail participation in the last 5 years. Equities and ETFs are accounting for the incremental rise in overall assets reflecting the increasing risk appetite and need for diversification from retail investors. Steady retail flows and passive schemes would continue to support AUM growth. It has a relatively higher retail investor mix than industry (driven by higher share in AUM from B-30 versus the industry). Company would be beneficiary of financialisation of savings in long term.

Key Risk: Slowdown in equity market sentiments.

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