

18<sup>th</sup> March 2025

# Way2Wealth Premier List 2025



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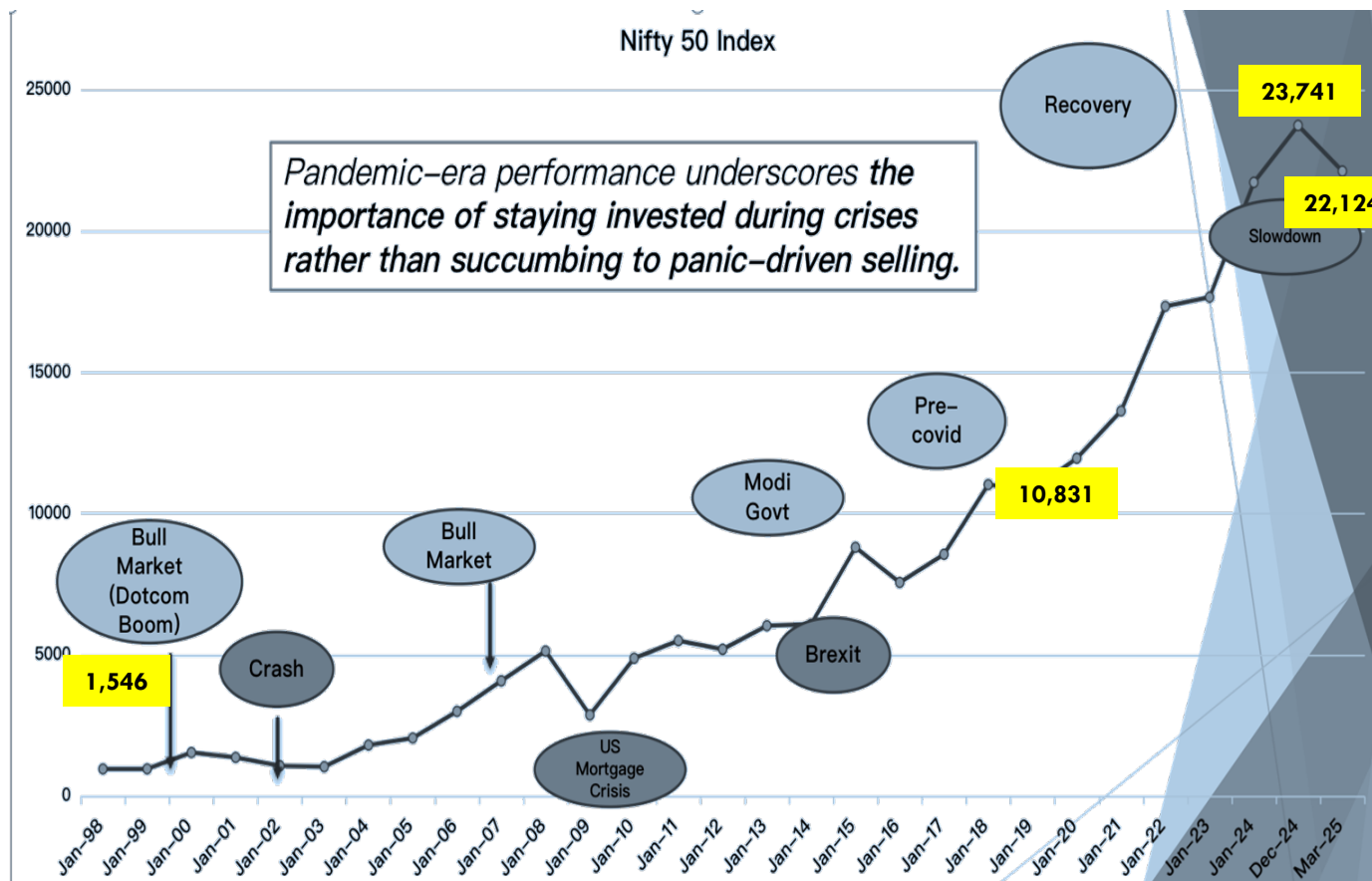
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# **Market Scenario**

# Nifty's Historical Data

## Short Term Pain & Long Term Gain



Source: Way2Wealth Research

## Nifty's Longest Monthly Losing Streaks

No. of Consecutive Monthly Loss	Months	Fall in Nifty
8	Sep1994 - April1995	-31.4%
5	Sep 2024 - Feb 2025	-14.3%
5	Jul-Nov 1996	-26.0%
4	Oct 1990 - Jan 1991	-28.5%
4	May-Aug 1998	-26.4%
4	Jun - Sep 2001	-21.8%
3	Sep - Nov 2008	-36.8%
3	Jan - March 2020	-29.3%
3	Feb - April 1993	-20.7%
3	Feb - April 2001	-18.0%
3	March - May 2000	-16.6%
3	Jul - Sep 2011	-12.5%

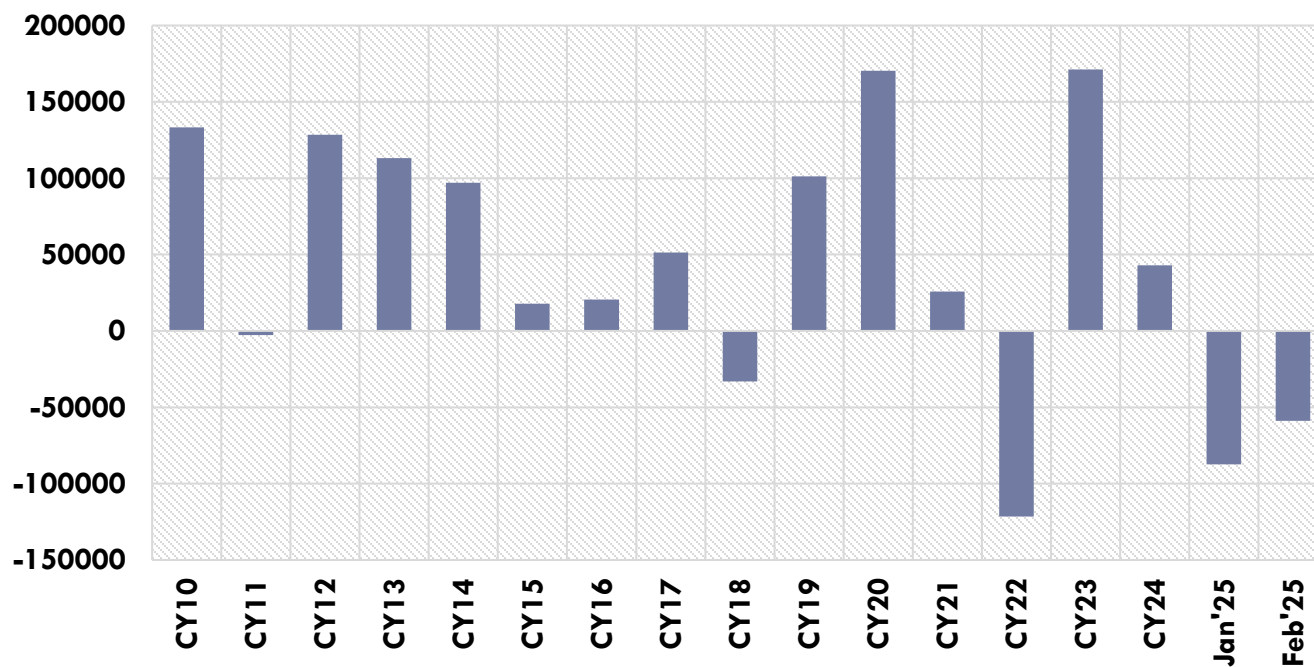
Source: ET

# FII Activity in Equity Market

**FIIs posted the fifth consecutive month of outflows into equities in Feb'25**

**FIIs selling stocks across sectors (Rs crs)**

**FPI/FII Net Investments (Equity) (crs)**



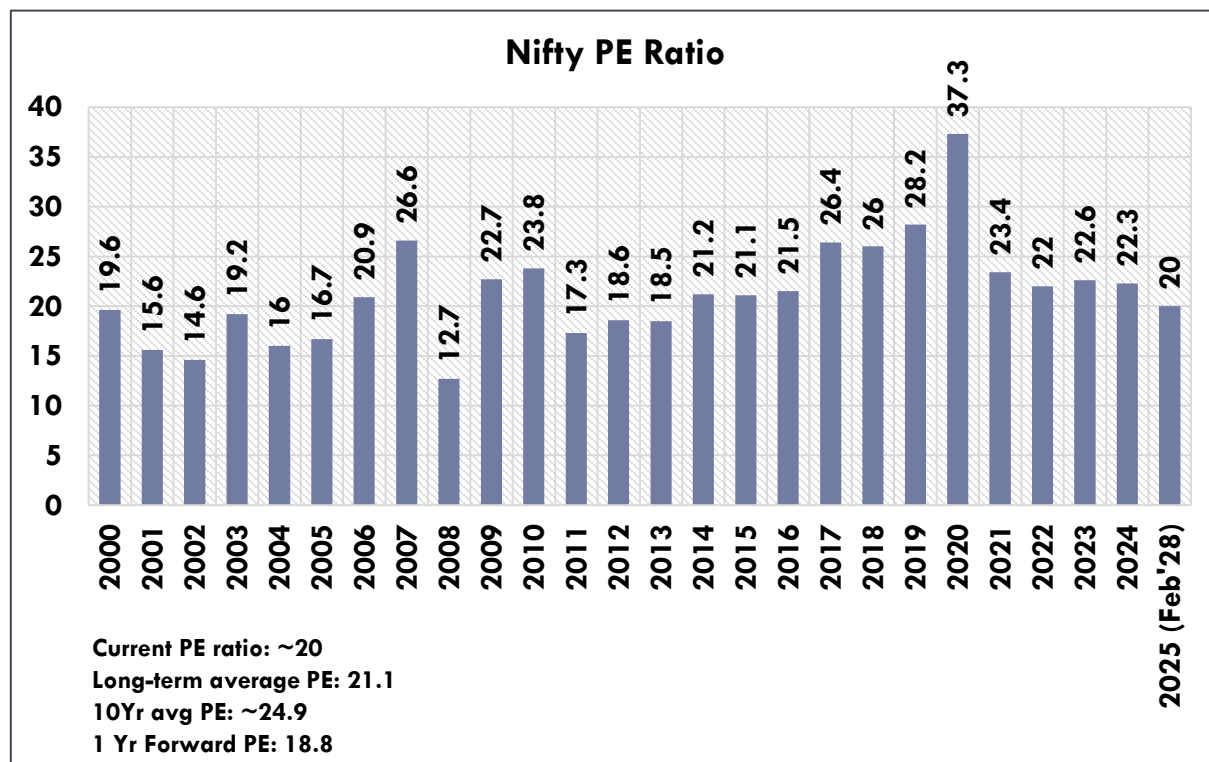
Source: Moneycontrol

Sector	February	January
Financials	-6,991	-24,949
FMCG	-6,904	-5,428
Capital Goods	-4,464	-5,697
Auto	-3,969	-5,823
Construction Materials	-3,844	-2,070
Oil & Gas	-3,377	-1,572
Construction	-3,351	-2,879
Power	-3,086	-4,198
Consumer Services	-2,857	-8,347
Consumer Durables	-2,290	-3,800
Healthcare	-1,462	-4,372
Realty	-1,189	-1,002
Metals	-1,164	-2,382
Diversified	-251	227
Utilities	-76	-46

Source: ET

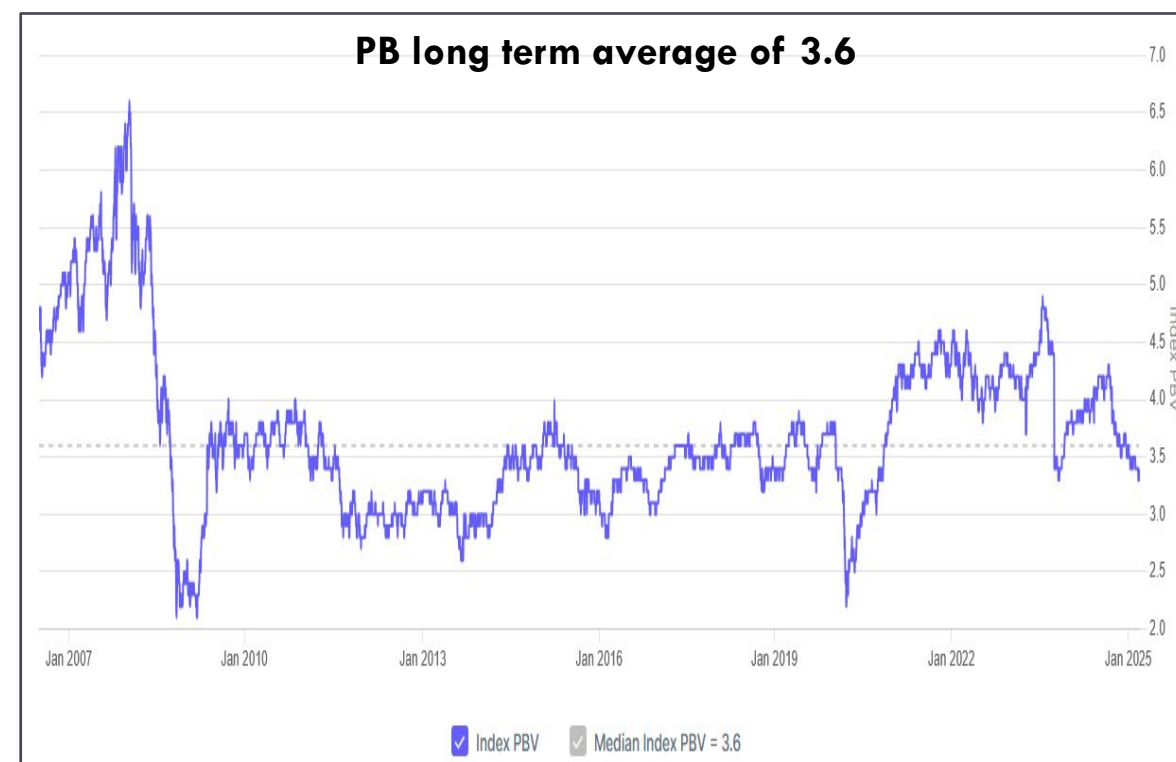
# Nifty's current valuations looks attractive

## PE Ratio



Source: Screener, Bloomberg

## PB Ratio

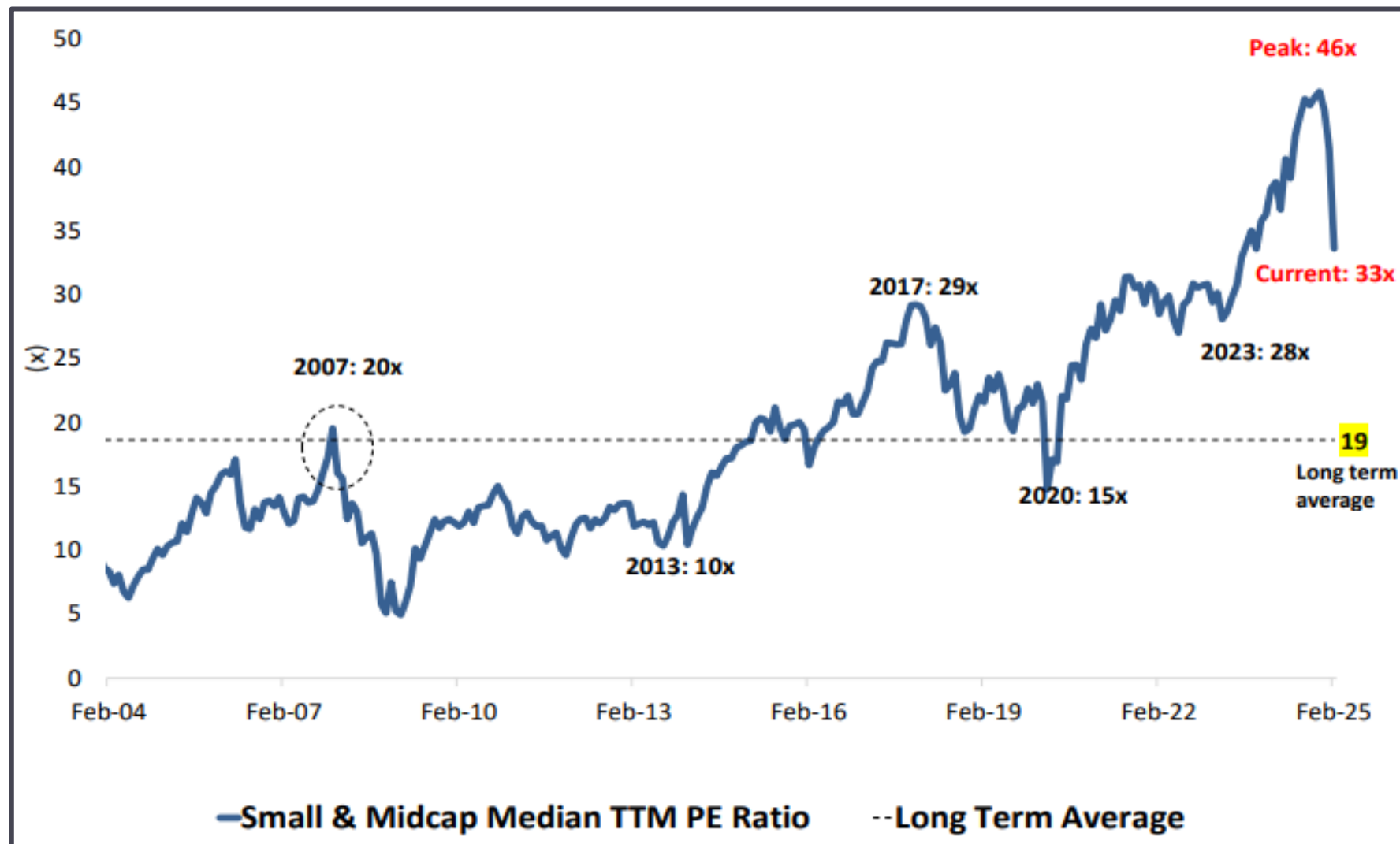




**WPL 2025**

(Way2Wealth Premier List)

# Small & Midcap Valuation Multiples



*Better earning prospect to justify valuation*

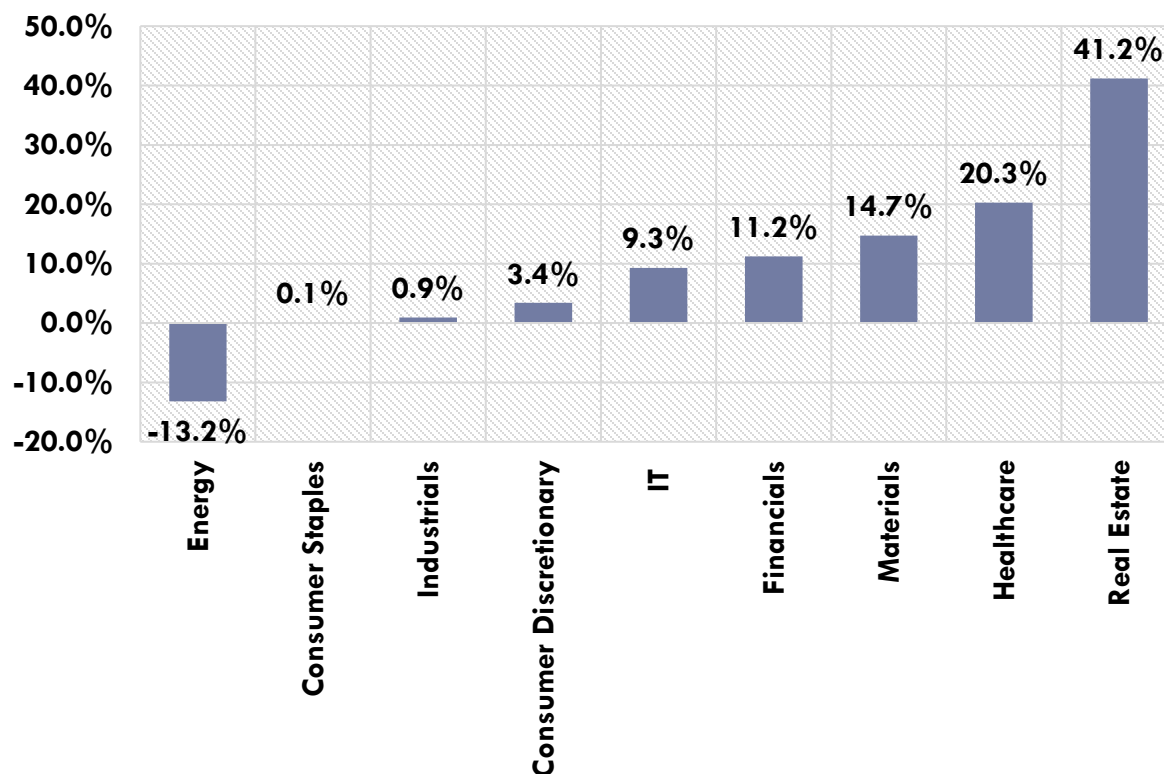
Source: <https://www.dspim.com>

# Earnings Growth

Corporate India saw a modest earnings recovery in the Dec'24 quarter, driven by consumption demand and margin expansion in some sectors

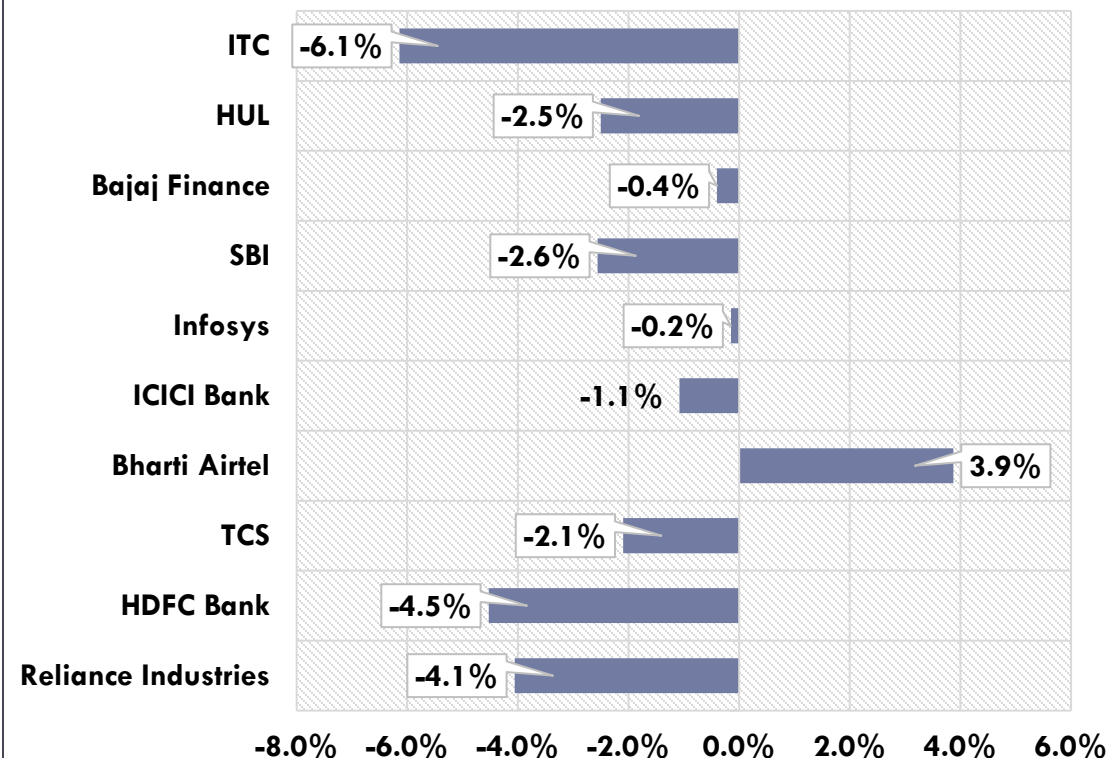
The lacklustre quarterly performance also led to earnings downgrades for most companies, which is contributing to the high volatility

Sector-wise earnings growth (YoY) for BSE 500



Source: ET

9 of 10 top BSE 500 firms have seen earnings downgrades in past two month



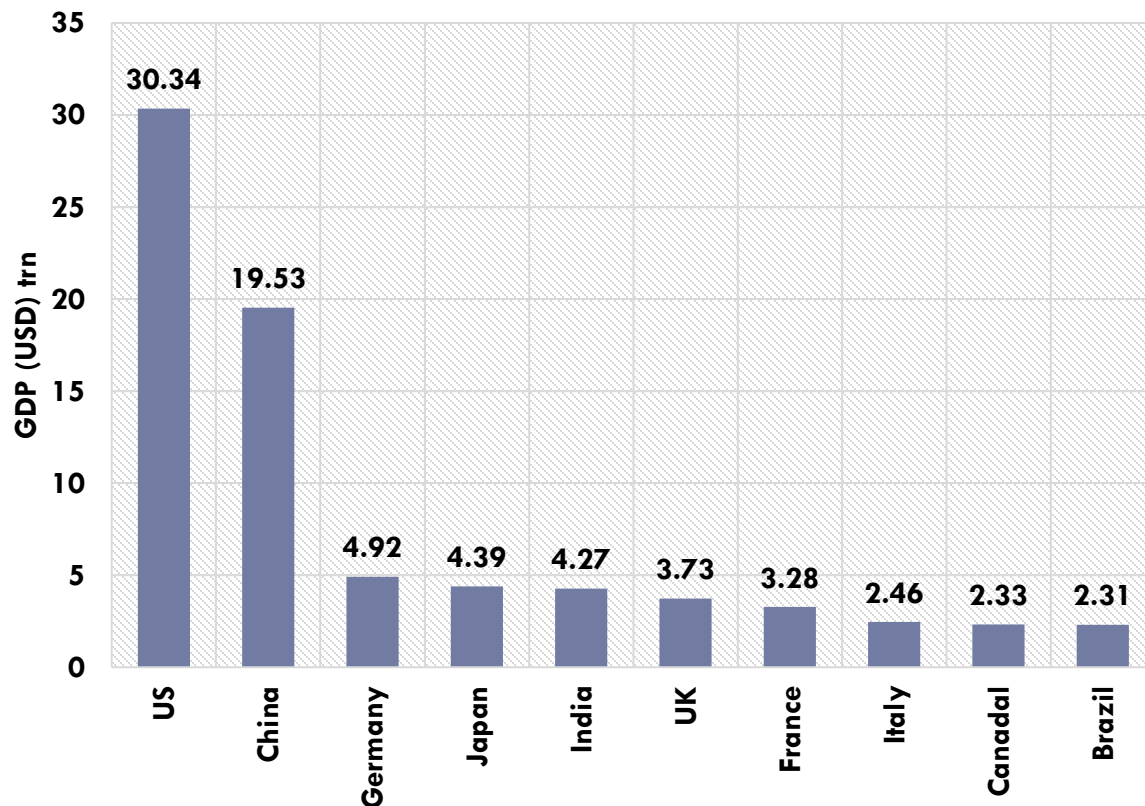
Source: ET, Reuters-Refinitiv

# **Macro Economic Scenario**

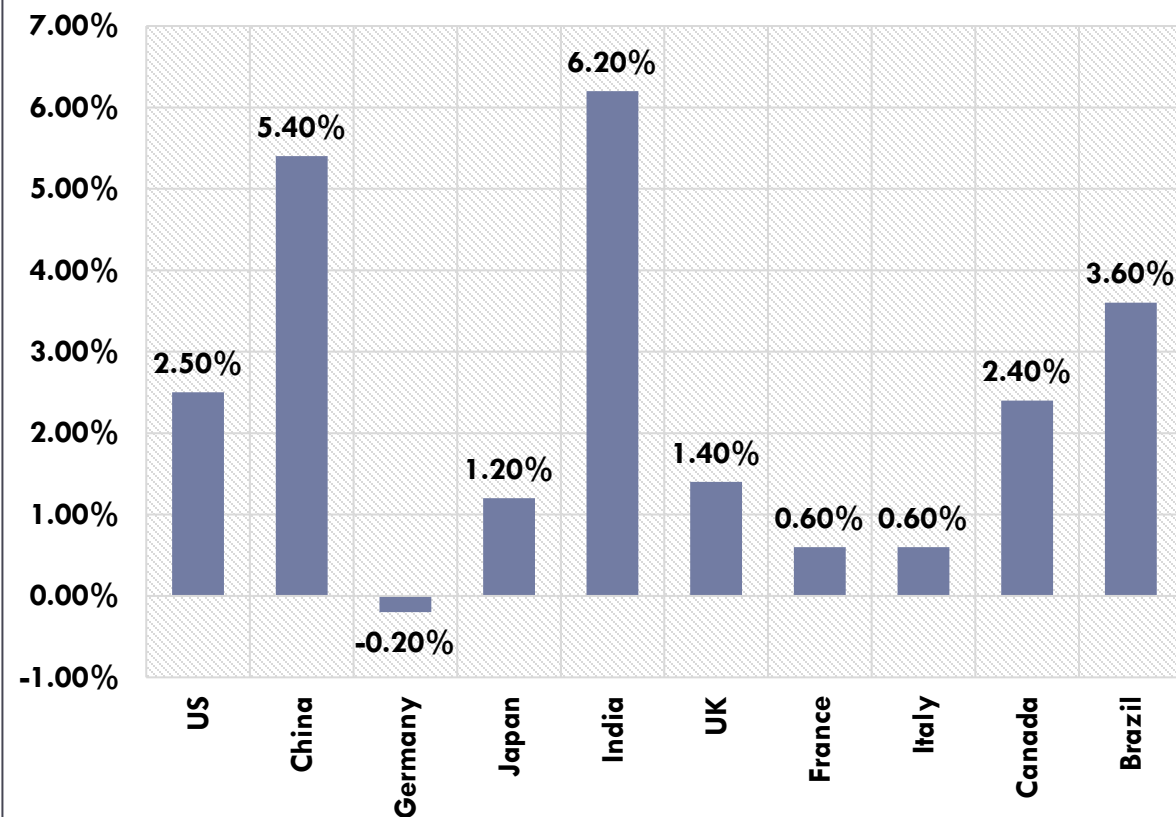


# Macro Economic Data

**Largest Economies in the World in 2025**



**Annual GDP Growth Rate**



Source: <https://www.forbesindia.com/article/explainers/top-10-largest-economies-in-the-world/86159/1>

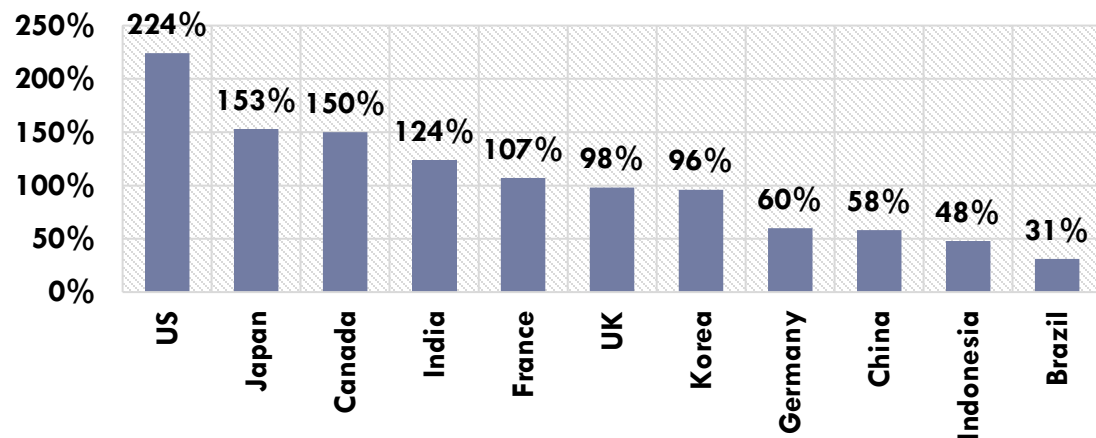


# WPL 2025

(Way2Wealth Premier List)

## Macro Economic Data

### Market capitalization-to-GDP ratio



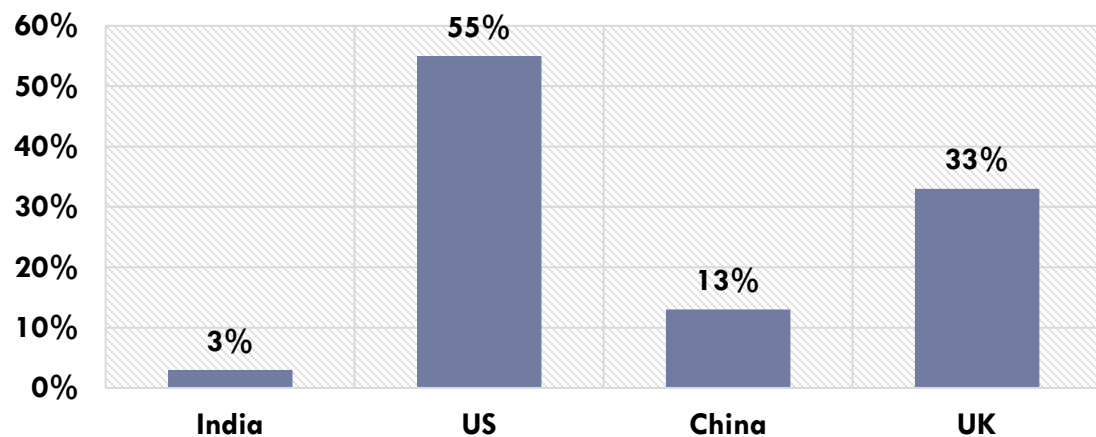
Source: Motilal research (Based on IMF GDP for CY23 and latest Mkt cap)

### India Market Cap to GDP ratio

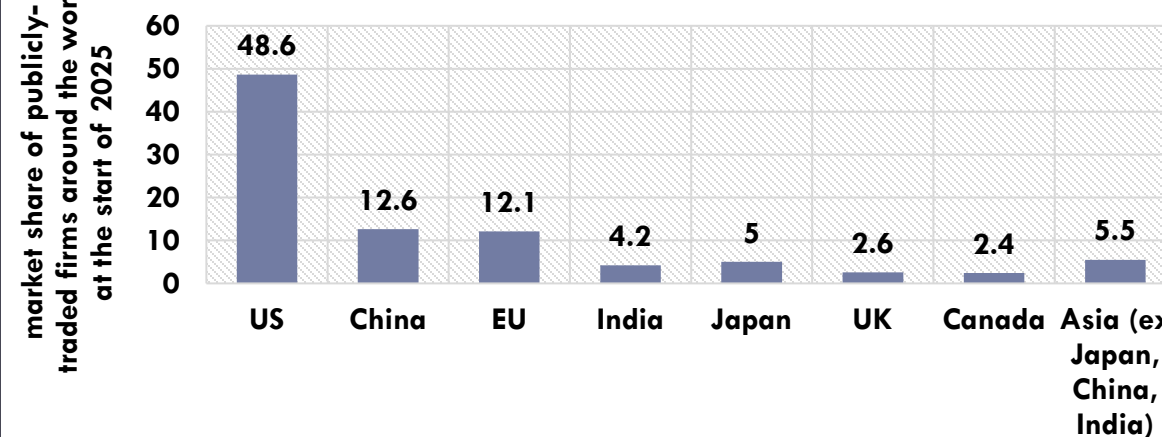


Source: <https://www.dspim.com>

### Retail Investors Penetration into stock market (2023)

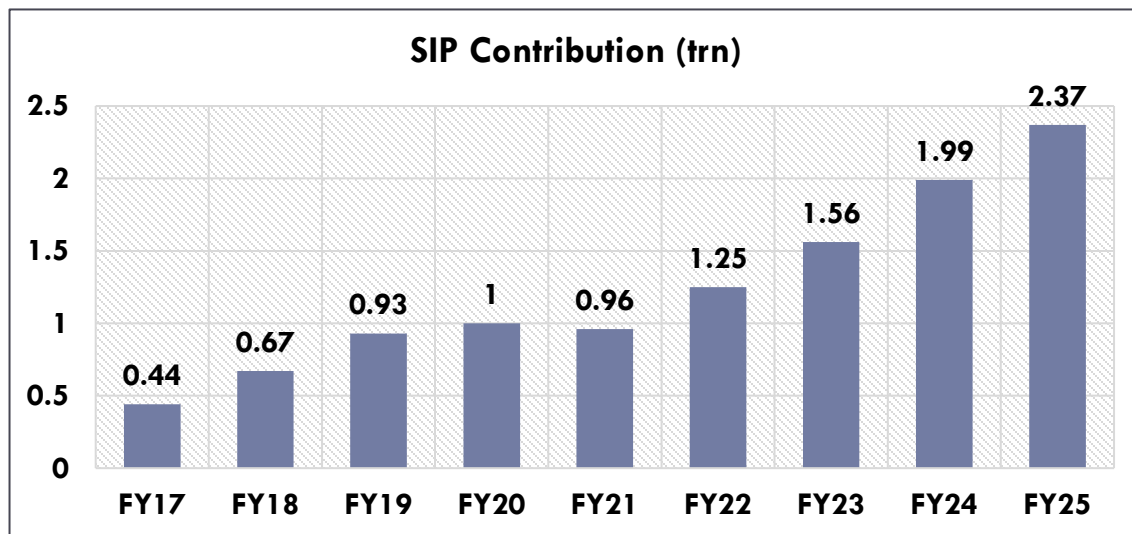


### Market share to global equities (%)

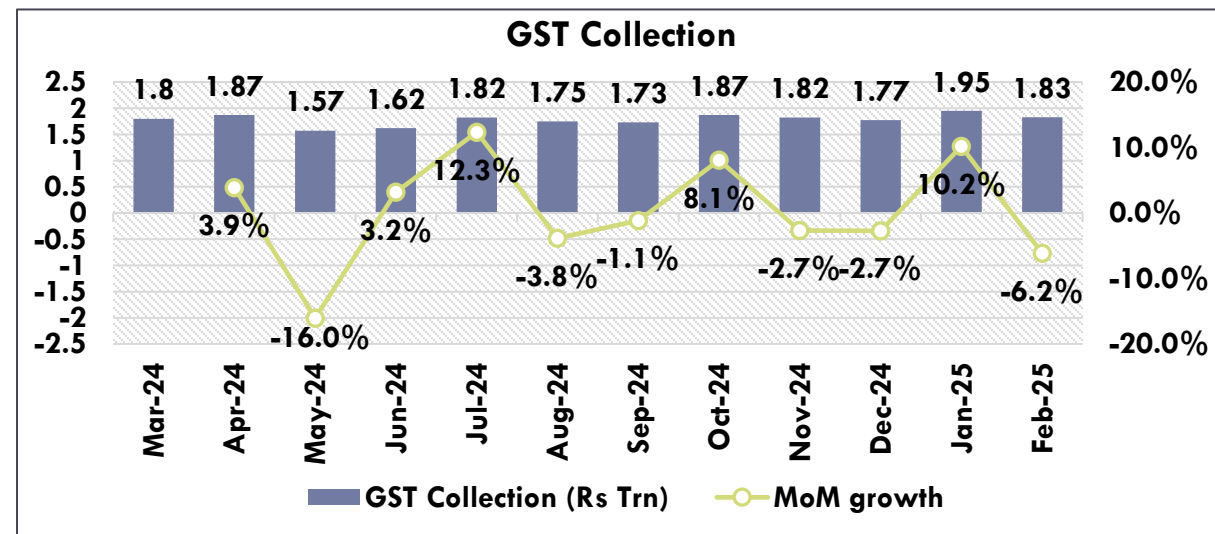


Source: <https://www.visualcapitalist.com/124-trillion-global-stock-market-by-region/>

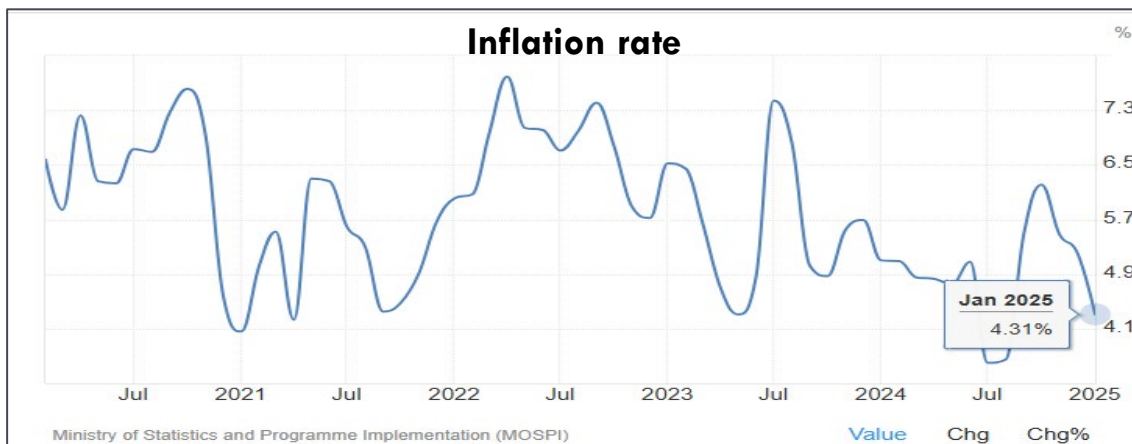
# Macro Economic Data



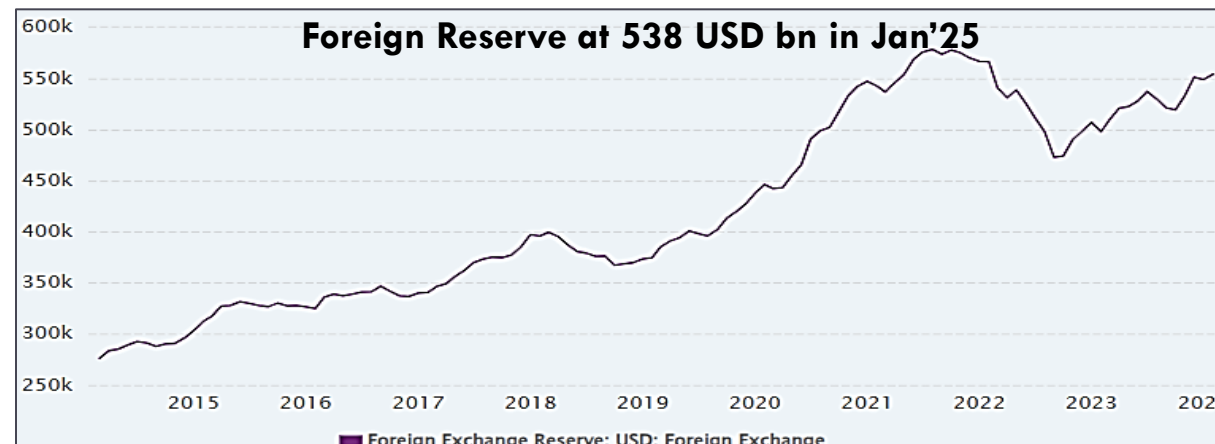
Source: <https://www.amfiindia.com/mutual-fund>



Source: <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1992123>



Source: <https://tradingeconomics.com/india/inflation-cpi>



Source: <https://www.ceicdata.com/en/indicator/india/foreign-exchange-reserves>

## Summary

### **Patience combined with opportunity is a great thing to have India's Long Term Outlook Remains Strong**

#### **Macro indicators are steadily indicating towards a brighter picture:**

- The Union Budget focused on stimulating consumption growth through income tax reductions and higher capital expenditure while ensuring fiscal prudence
- The Reserve Bank of India (RBI) has maintained an accommodative monetary policy by reducing interest rates and enhancing liquidity, with another rate cut anticipated in April 2025.
- Crude prices have reached their lowest point in four years, enhancing India's trade position
- Inflation is anticipated to ease, with the Consumer Price Index (CPI) inflation forecasted to drop to 4.3% in FY27 from 4.9% in FY25. Additionally, the current account deficit is expected to stay under 1% of GDP, highlighting India's continued external resilience
- A stable government over the past decade has ensured consistency and predictability in policies, fostering a business environment characterized by greater efficiency and agility
- India is projected to become the world's third-largest economy by FY27 as per IMF, with its economic growth set to hit \$5 trillion plus in the next three years. We believe India will continue to stand out as the fastest-growing major economy globally in the coming years.

# Way2Wealth Premier List (WPL) 2025

**Premier: Value+Growth**

# Way2Wealth Premier List 2025

Sr. No.	Stock	CMP*	MCap (₹ crs)	Target (₹)	Potential Upside (%)
1	<u>Reliance Industries Ltd (RELIANCE)</u>	1239	16,88,705	1,400	13.0%
2	<u>ICICI Bank Ltd (ICICIBANK)</u>	1269	8,83,061	1,425	12.3%
3	<u>Mahindra And Mahindra Ltd (M&amp;M)</u>	2705	3,17,003	3,200	18.3%
4	<u>Power Grid Corporation of India Ltd (POWERGRID)</u>	267	2,48,931	305	14.1%
5	<u>InterGlobe Aviation Ltd (INDIGO)</u>	4780	1,81,652	5,400	13.0%
6	<u>Trent Ltd (TRENT)</u>	5160	1,78,540	5,900	14.4%
7	<u>Varun Beverages Ltd (VBL)</u>	507	1,65,081	600	18.3%
8	<u>Apollo Hospitals Enterprise Ltd (APOLLOHOSP)</u>	6157	87,790	6,800	10.4%
9	<u>Blue Star Ltd (BLUESTARCO)</u>	2014	41,650	2,250	11.7%
10	<u>Inox Wind Ltd (INOXWING)</u>	161	21,175	185	15.2%
11	<u>VA Tech Wabag Ltd (WABAG)</u>	1335	8,255	1,520	13.8%
	<b>Average Return</b>				<b>14% plus</b>

\* CMP as on 17<sup>th</sup> March 2025

Horizon of 6-9 months

CMP (₹)	MCAP (₹ crs)	Target (₹)	Upside
1239	16,88,705	1,400	13.0%

- ▶ Reliance Industries Limited is India's largest conglomerate, leading in digital services via Jio and retail through Reliance Retail. It drives growth with investments in AI, green energy, and infrastructure. Reliance Jio has partnered with SpaceX to bring Starlink's satellite internet to India, focusing on rural areas and leveraging Jio's retail network to expand its broadband reach.
- ▶ Reliance Jio leads India's digital sector with 170 million 5G subscribers and a 12% YoY ARPU increase to ₹203.3. It added 2 million new home broadband connections, reaching 17 million total. Reliance Retail grew revenue to ₹900bn, opening 779 new stores, and expanding its luxury and e-commerce offerings.
- ▶ The Oil-to-Chemicals (O2C) segment remained resilient, with EBITDA rising 2.4% YoY to ₹144bn (\$1.72bn), supported by a 9% increase in production volumes to 18 million tons and strong domestic demand for gasoline (+44%), diesel (+23%), polymers (+11%), and polyester (+12%). The segment benefited from feedstock optimization and a greater reliance on cost-effective ethane.
- ▶ Reliance's oil and gas business demonstrated strong profitability, with revenue of \$744mn (₹63.7bn), up 2.5% QoQ, and EBITDA margins of 87.4%, the highest among all segments. Production from the KG-D6 field remained stable at 28.04 MMSCMD, with gas prices at \$9.74 per MMBtu, while robust domestic LNG demand surged by 10% YoY, supporting strong pricing.
- ▶ Looking ahead, Reliance is heavily investing in expansion, with a Q3 capex of ₹320bn (\$3.8bn). Major upcoming projects include a 1.5 million-ton PVC & CPVC facility at Dahej/Nagothane, a 1 million-ton speciality polyester expansion with 3 million tons PTA support, and an expansion of its ethane sourcing capabilities with three new VLEC ships. In addition, AI-driven digital services, quick commerce expansion, and a deeper B2B retail penetration further strengthen its growth prospects. With a diversified portfolio spanning telecom, retail, and energy, along with significant investments in emerging sectors like AI and green energy, Reliance Industries is well-positioned for sustainable long-term growth, making it a value buy stock at CMP trading at EV/EBITDA 10.3x FY26E.

RELIANCE	REVENUE (₹ bn)	Growth (%)	EBITDA (₹ bn)	Growth (%)	EBITDA Margin (%)	PAT (₹ bn)	Growth (%)	P/E (x)	RoE (%)
FY25E	9.629	6.9	1.67	3.1	17.3	715.8	2.8	23.9	8.5
FY26E	10.22	6.1	1.91	14.4	18.7	839	17.2	19.9	9.1
FY27E	10.8	5.7	2.12	11.0	19.6	954.9	13.8	17.5	9.7

Source: Bloomberg Estimates



**WPL 2025**

(Way2Wealth Premier List)

# ICICI Bank Ltd (ICICIBANK)

**WAY2WEALTH**

Research Desk

CMP (₹)	MCAP (₹ crs)	Target (₹)	Upside
1269	8,83,061	1,425	12.3%

- ▶ ICICI Bank Ltd. continues to post best-in-class operational performance in Q3FY25 as well, despite challenging environment for the industry in terms of asset quality headwinds in MFI and personal loan portfolio. In a prudent move, analyzing the delinquency trends in the unsecured lending space, the management had intentionally slowed down its pace of growth in the unsecured segment which constitute ~14% portfolio mix. As a result, bank's asset quality was better placed compared to some of other peers, with GNPA and NNPA remaining largely stable on a sequential basis. Credit cost for Q3FY25 stood at 37bps, although it is likely to inch up in Q4FY25, management expects it to remain below ~50bps.
- ▶ The ICICI Bank loan book growth was robust amid challenging environment, total advances rose by +13.9% YoY and +2.9% sequentially to ₹13,144bn. The retail loan book growth was somewhat sluggish during the quarter owing to a marginal slowdown in the mortgage book due to pricing pressures. However, management remains optimistic growth prospects and expects robust growth momentum in business banking segment supported by digitization and formalization of the segment. Led by healthy growth in term deposits (+13% YoY) and CASA deposits (+16% YoY), overall deposit base rose by 14% YoY.
- ▶ On the operational parameters, ICICI Bank continues to outperform its peers notably. Net interest income rose +9% YoY/+2% QoQ to ₹204bn with NIM coming at 4.3% moderating -18bps YoY/-2bps QoQ. Management has guided that NIMs would be maintained at around current levels over the near term until the benchmark repo rates are cut by the central bank. During Q3FY25, operating expenses grew by +5% YoY but remained flat QoQ at ₹106bn, with cost to income ratio remaining stable at 38.5% QoQ and down from 39.4% in Q3FY24. While the bank continues to invest in branch expansion and technological advancements, cost ratios remain stable, which remains key operational highlight. Provisions during the quarter rose +17% YoY but remained flat QoQ to ₹12bn. Resultantly, PAT for the quarter came at ₹118bn, up 15% YoY.
- ▶ ICICI Bank Ltd. continues to post best-in-class performance on most of the operating parameters at times when some of its peers are struggling to cope up. Bank's business growth at 14% YoY is commendable as other players shy of going aggressive in deposit growth especially at high cost of fund. The management's commentary indicates a likely peak out of challenging situation in unsecured loan segment. We remain bullish on the bank's ability to post healthy earnings growth going forward as well and hence recommend investors to Buy this stock, at CMP of ₹1,269, trading at a P/BV ~2.8x FY26E.

ICICIBANK	NII (₹ bn)	Growth (%)	Core PPOP (₹ bn)	Growth (%)	NIM (%)	PAT (₹ bn)	Growth (%)	P/Bk (x)	RoA (%)
FY25E	807	9%	657	15%	4.5%	466	14%	3.2	2.4%
FY26E	886	10%	731	11%	4.3%	504	8%	2.8	2.2%
FY27E	1025	16%	859	17%	4.3%	576	14%	2.4	2.2%

Source: Bloomberg Estimates

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CMP (₹)	MCAP (₹ crs)	Target (₹)	Upside
2705	3,17,003	3,200	18.3%

- ▶ M&M, the flagship company of the Mahindra Group, focuses on the automotive and tractor segments. It is the only automotive company with a presence across all vehicle categories, leading the market in light commercial vehicles (LCVs) and being a key player in utility vehicles (UVs) and three-wheelers (3Ws). M&M also manufactures medium and heavy commercial vehicles (MHCVs) and has a presence in the two-wheeler market through its investment in Jawa. In addition to its strong automotive business, M&M is the market leader in tractors, holding a 40% market share. The company also promotes or holds controlling interests in various businesses under the Mahindra brand, including IT services, NBFCs, logistics, hospitality, real estate, and auto ancillary sectors.
- ▶ **Auto segment** – This segment saw strong growth in the previous quarter in both SUV and LCV segments and is expected to grow due to an increase in customer preference and EV segment is expected to thrive with the launch of their sporty BE 6e and XEV 9e electric SUVs
- ▶ **Farm segment** – The farm business saw a volume growth of 20% in Q3 with a record-high 44.2% market share despite international challenges. Upcoming quarter is poised to perform well, with the industry expected to grow over 15%, driven by favorable factors like good reservoir levels, healthy sowing, and improved MSP.
- ▶ **Tractor business** – Mahindra's tractor segment is growing through successful product transformations, geographic expansion, and operational excellence, with cautious optimism for continued momentum.
- ▶ M&M expects continued growth in the tractor industry, driven by strong farm sentiment, higher rainfall, increased kharif output, and government spending. With higher groundwater levels and strong farmer cash flows, tractor demand is expected to remain strong even at high levels. Automotive volumes are also improving, with strong demand for new launches like the Thar and lower-than-normal inventory levels. Looking ahead, M&M's strategy focuses on tighter capital allocation, exiting loss-making subsidiaries, and concentrating on its core UV and emerging EV businesses. At the CMP, we find M&M an attractive BUY as it trades at 21x FY-26E P/E.

M&M	REVENUE (₹ bn)	Growth (%)	EBITDA (₹ bn)	Growth (%)	EBITDA Margin (%)	PAT (₹ bn)	Growth (%)	P/E (x)	RoE (%)
FY25E	1,322	(4%)	223.3	(7%)	16.9%	125.7	11.6%	26.2	15.6%
FY26E	1,502	14%	246.0	10%	16.4%	142.0	13.0%	21.0	14.0%
FY27E	1,686	12%	276.9	12%	16.4	164.2	15.6%	19.0	17.4%

Source: Bloomberg Estimates

**WPL 2025**

(Way2Wealth Premier List)

# Power Grid Corporation of India Ltd (POWERGRID)

**WAY2WEALTH**

Research Desk

CMP (₹)	MCAP (₹ crs)	Target (₹)	Upside
267	2,48,931	305	14.1%

- ▶ Powergrid is the largest domestic power transmission utility with transmission lines of 179594 ckt km and 552961 MVA of transformation capacity. It operates and maintains extensive network of transmission lines, substations and associated infrastructure forming the backbone of the India's entire power network. It derives nearly 92% of its revenue from transmission charges. The inter-state transmission system estimates transmission schemes at an estimated cost of ₹1,986.45bn expected to be added in the grid cumulatively by 2028-29.
- ▶ The company has earmarked a strong ₹250bn capex for FY25 with ₹142bn allocated for Tariff Based Competitive Bidding (TCBC) projects while ₹39bn allocated to Regulated Tariff Mechanism (RTM). Capitalization for FY25 is expected to be around ~₹180bn. The company has emerged as L1 bidder in 7 TBCB projects during Q3FY25 and for 9MFY25, it has won project bids worth ₹630bn with levelised tariff of ₹80bn leading to total commissioning pipeline of ₹1.43tn over the next four years. Currently bidding pipeline in hand stands at ~ ₹520bn.
- ▶ Powergrid posted a soft quarterly performance in Q3FY25 with standalone revenue moderating -4% YoY to ₹101bn. However, the management maintains positive outlook as nearly 33% of the current order book constitute of RTM projects which generates a healthy RoE of ~15%. This quarter was impacted by O&M norms, as per new CERC tariff regulations to the tune of ₹1.4bn.
- ▶ Focusing on diversification, the company also forayed into Telecom and Consultancy business. It operates its telecom business through wholly owned 'Powergrid Teleservices Ltd. (Powertel). It has a license to operate nationally and as an Internet Service Provider. It added ~12 new customers during the quarter and reported a topline of ₹2.3bn. Leveraging company's expertise in transmission system, it provides services such as system studies, design engineering, load dispatch and project management in the areas of transmission, sub-transmission and distribution.
- ▶ Despite rising competitive intensity, Powergrid has maintained its market leadership position in the power transmission industry. The company is also building its capabilities in renewable energy transmission and thus will be a leading beneficiary of Govt. of India's ambitious RE capacity expansion plans. Strong project pipeline of ~₹1.4tn provides long-term revenue visibility of the company and with anticipation of ramp-up in bidding activity, order intake is going to get stronger. At CMP ₹267, company is trading at 15x its FY26E against its historical average of 14x.

POWERGRID	REVENUE (₹ bn)	Growth (%)	EBITDA (₹ bn)	Growth (%)	EBITDA Margin (%)	PAT (₹ bn)	Growth (%)	P/E (x)	RoE (%)
FY25E	463	1%	392	-2%	84.7%	159	2%	15.9	17.0%
FY26E	493	7%	420	7%	85.2%	171	8%	14.8	17.1%
FY27E	526	7%	447	6%	85.0%	183	7%	13.9	17.1%

Source: Bloomberg Estimates

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CMP (₹)	MCAP (₹ crs)	Target (₹)	Upside
4780	1,81,652	5,400	13.0%

- ▶ Interglobe Aviation Ltd. is the largest player in the Indian aviation space garnering ~64% market share as on Dec-24. It operates over 2,200 daily flights with a fleet of nearly 437 planes and flies over 89 domestic and 37 international destinations. Supported by festive season and year-end travelling led to passenger load factor (PLF) of 87% with available seat kilometers (ASK) of 40.8bn. However, it was somewhat offset by a forex loss of ₹14.6bn in Q3FY25. The company management believes that the pick-up in international business will act as a natural hedge to forex fluctuations.
- ▶ The airline plans its early entry into the long-haul market and establish presence in Europe through damp-leased Boeing 787 planes from Norse Atlantic Airways. It expects the deliveries of Airbus A321 XLR planes in 2025 and A350-900 aircraft from 2027 onwards. One Boeing 787-9 aircraft has been added into operations from March 1st while three more such planes will join the fleet in the second half of this year.
- ▶ Company has undertaken several measures to increase its global brand awareness as the management aims to capture a larger share of growth in the international market over the coming years. Some of the major European airlines indicating a preference to transatlantic routes given higher yields, opens newer opportunities for long-haul international routes.
- ▶ Indigo added four new destinations in international market during Q3FY25 and would add two more in CY25, to take the total to 40. Thus, the capacity share in the international market is expected to reach around 30% by FY25. In domestic markets as well, the airline added 2 destinations and 50 new routes.
- ▶ In budget 2025, the finance minister announced modified UDAN scheme with aim to improve regional connectivity which will include 220 new destinations and focus on connecting smaller airports in hilly, aspirational and Northeast districts. The management of the company remains extremely positive on the prospects of Indian Aviation sector.
- ▶ Indigo is better placed compared to its key peers in India in terms of new plane order execution as the company received 58 deliveries in 2024 which represents highest number of aircrafts received in a single year. This allows the company to expand its coverage network rapidly and strengthen its non-metro reach to increase PLF and maintain market leadership position. At CMP ₹4780, stock is trading at 24x its FY26E P/E.

INDIGO	REVENUE (₹ bn)	Growth (%)	EBITDA (₹ bn)	Growth (%)	EBITDA Margin (%)	PAT (₹ bn)	Growth (%)	P/E (x)	RoE (%)
FY25E	795	15%	169	4%	21.3%	63	-	28.1	132.6%
FY26E	892	12%	204	21%	22.9%	78	24%	24.0	68.1%
FY27E	1009	13%	235	15%	23.3%	92	18%	21.5	45.9%

Source: Bloomberg Estimates

**WPL 2025**

(Way2Wealth Premier List)

## Trent Ltd (TRENT)

CMP (₹)	MCAP (₹ crs)	Target (₹)	Upside
5160	1,78,540	5,900	14.4%

- ▶ Trent is one of the leading retail players in the Indian retail industry with series of established brands across retail segments. Trent operates in both the value and lifestyle segments with an exclusive owned brand portfolio across Westside (Lifestyle), Zudio (Value fashion retail), Utsa (Ethnic Fashion retail), Samoh and Misbu. As of December 31, 2024, Trent has approximately 947 stores in over 200 cities across India. Trent's MD P Venkatesalu emphasizes focusing on consumer needs amid intense competition, including the re-entry of Shein via Reliance Retail. Despite demand fluctuations, Trent continues its robust expansion with Zudio, aiming for significant market growth in the future.
- ▶ Westside, one of Trent's leading lifestyle concepts, offers own branded fashion apparel, footwear and accessories for women, men and children, along with a wide range of home furnishings and decor. Westside has an active presence in all aspects of the value chain, including design, production, supply chain, own distribution and deep customer connect.
- ▶ Zudio is anchored around accessibility and compelling value. Zudio offers function and fashion at irresistible prices for women, men and children. Zudio now enjoys the top three positions in major value fashion states in India. Barring West Bengal (dominated by regional plays), Zudio is set to lead the market. Pan-India, Zudio is the leader, with 545 stores in FY24, followed by Max Fashion/VMart at 529/174 respectively. Additionally, Trent's Star stores, primarily located in Maharashtra, Karnataka, and Telangana, aim to create local scale and enhance customer accessibility.
- ▶ For 9MFY25 revenues grew by 44% y-o-y, EBITDA margin remaining flat y-o-y at 16.6% and PAT growing by 58% y-o-y. Trent is seeing strong pick-up in new initiatives/categories through higher contribution from online sales and emerging categories. For Q3FY25, standalone revenue/PAT growing by 37% y-o-y each; EBITDA margin fell by 34 bps y-o-y to 18.5%. Revenue growth was driven by store additions (27% y-o-y net additions). Gross margin of Westside and Zudio remained consistent.
- ▶ We expect TRENT's portfolio to outperformed peers on key parameters – Store size, revenue per sqft/per store and improving EBITDA margin along with leading topline growth. At CMP ₹5160, stock is trading at 80x its FY26E P/E.
- ▶ **Risk:** Any moderation in store additions, increased competition from emerging fast fashion player.

Trent	REVENUE (₹ bn)	Growth (%)	EBITDA (₹ bn)	Growth (%)	EBITDA Margin (%)	PAT (₹ bn)	Growth (%)	P/E (x)	RoE (%)
<b>FY25E</b>	174	40.4	27.3	42.2	15.7	15.8	6.8	113.3	32.3
<b>FY26E</b>	229	31.8	36.2	32.6	15.8	21.8	38.0	79.6	33.6
<b>FY27E</b>	294	28.4	33.1	33.1	16.4	29.7	36.2	58.1	33.5

Source: Bloomberg Estimates

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**WPL 2025**

(Way2Wealth Premier List)

## Varun Beverages Ltd (VBL)

CMP (₹)	MCAP (₹ crs)	Target (₹)	Upside
507	1,65,081	600	18.3%

- ▶ VBL has deepened collaboration with PepsiCo, venturing into new segments and geographies to diversify and grow product portfolio. In CY'24, company has entered into an Exclusive Snacks Appointment Agreement to manufacture and package Cheetos in Morocco by May'25. Also signed another exclusive snacks franchising appointment for "Simba Munchiez" in Zimbabwe and Zambia, with distribution started in Feb'25, and manufacturing set to commence by Oct'25 and Apr'26, respectively. These expansion into the snacks market in these three countries marks a key milestone in enhancing portfolio and leveraging synergies with existing infrastructure.
- ▶ The company's recent expansion into international markets, including the integration of The Beverage Company Proprietary Limited (BevCo) in South Africa and acquisitions in Tanzania and Ghana, has further strengthened its global footprint. As of December 31, 2024, the company has 48 state-of-the-art manufacturing facilities (36 in India & 12 in international territories). Further, it has a robust supply chain with 130+ depots, 2,600+ owned vehicles, 2,800+ primary distributors and presently installed 1.15 Million+ visi-coolers across various markets. These assets ensure seamless product availability and enhanced market reach, particularly in under-penetrated regions.
- ▶ VBL has reported a revenue growth of 38% YoY in Q4CY24, led by volume growth of 38% YoY, which was majorly driven by the volume addition from South Africa and the Democratic Republic of Congo (DRC). EBITDA margins were flat YoY at 15.7% due to the consolidation of South Africa business. Management has guided to continue this growth momentum with double-digit volume growth in the domestic market and outpace domestic growth rate for international markets. Projected capex for CY25 is ~₹31bn, of which VBL has already spent ~₹16.5m as of Dec'24. The capex is aimed at increasing its total capacity by 25% from the CY24 level by setting up greenfield facilities in India (~₹20bn - Prayagraj, Damtal, Buxar & Meghalaya) and snacks manufacturing in international territories.
- ▶ With over three decades of partnership, VBL has become a key player globally and the second-largest PepsiCo franchisee (outside the US). Expanded distribution, market penetration, and product offerings have fueled robust results (revenue/EBITDA 6-year CAGR: 22.9%/26.6% respectively). The upcoming summer season, coupled with strategic marketing campaigns and an expanding portfolio of products, is expected to drive growth going forward. At the CMP, we find VBL an attractive BUY as it trades at 42x FY26E P/E..

VBL	REVENUE (₹ bn)	Growth (%)	EBITDA (₹ bn)	Growth (%)	EBITDA Margin (%)	PAT (₹ bn)	Growth (%)	P/E (x)	RoE (%)
<b>FY25E</b>	243	18.7	56.4	19.7	23.2	33.7	30.1	50.7	20.0
<b>FY26E</b>	282	16.0	65.8	16.7	23.3	40.5	56.4	41.9	19.8
<b>FY27E</b>	316	11.9	74.1	12.6	23.5	45.5	75.7	37.3	19.7

Source: Bloomberg Estimates

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CMP (₹)	MCAP (₹ crs)	Target (₹)	Upside
6157	87,790	6,800	10.4%

- ▶ **Expansion Roadmap** – AHEL has outlined a strategic expansion plan to add over 1,700 beds across FY26 and FY27, with a capex investment of approximately ₹28.8bn. This growth will be concentrated in metro and tier-1 cities such as Bangalore, Hyderabad, Gurgaon, and Kolkata, targeting higher profitability. Additionally, the company has laid out a long-term capacity expansion roadmap, aiming to add around 1,770 beds beyond FY28 through a mix of brownfield and greenfield projects, with an estimated capex of ₹32.2bn. These expansions will focus on key markets like Chennai, Varanasi, Mumbai, and Lucknow. AHS also continues to explore selective bolt-on acquisitions in metro and tier-1 cities to further strengthen its growth trajectory.
- ▶ **Apollo 24/7's Insurance Foray** – Approvals Secured, Growth Expected from 4QFY25: Apollo 24/7 has secured all necessary IRDAI approvals, including a corporate agency license and digital clearances, for its insurance business. Currently, the platform operates as a marketing setup, offering only group health insurance, with a GMV of ₹3.5crs for the full quarter. However, from this quarter onwards, Apollo 24/7 will onboard at least three life insurance and three health insurance companies. The business will start reflecting from April 1, with more clarity on GMV projections by March. Beyond GMV, the insurance vertical is expected to drive significant margin expansion, given the high profitability of retail health and term insurance products.
- ▶ **Q3FY25 performance** – During Q3FY25, revenue grew 14% YoY to ₹5,527crs, while EBITDA increased 24% YoY, with an EBITDA margin of 14% and a PAT margin of 7%. The Hospitals segment (50% of sales) reported sales/EBITDA growth of 13%/14% to ₹2,785crs/₹670crs, with margins improving 30bps to 24.1%. ARPOB rose 8% YoY to ₹60,839, while patient volumes increased ~5% YoY. Occupancy improved to 68% (vs. 66% in Q2FY24), while ALOS remained stable at 3.3 days. The Healthco segment (43% of sales) posted revenue/EBITDA of ₹2,352crs/₹56.6crs, with platform GMV growing 11% YoY to ₹760crs (stable QoQ). The company added 132 net new stores, bringing the total store count to 6,360 (330 added YTD). The AHLL segment (7% of sales) saw revenue growth of 15.3% YoY to ₹390crs, while EBITDA grew 32% YoY to ₹34.2crs. Primary care revenue rose 17% YoY to ₹110crs, while specialty care revenue increased 13% YoY to ₹170crs. The number of network collection centers expanded by 180 YoY, reaching 2,221 centers.
- ▶ Apollo Hospitals aims to drive growth through four key strategic initiatives: (1) steady improvement in occupancy across existing hospitals, (2) expanding total bed capacity via M&A, brownfield, and greenfield projects, (3) enhancing Healthco offerings to strengthen its offline and online pharmacy presence, and (4) expanding AHLL's reach through a broader network of diagnostic and specialty care centers. These efforts are expected to support revenue growth, improve operational efficiencies, and drive sustained profitability across segments. At the current market price, the stock trades at 46x FY26E PE. Therefore, we recommend a buy rating on the stock.

APOLLOHOSP	REVENUE (₹ bn)	Growth (%)	EBITDA (₹ bn)	Growth (%)	EBITDA Margin (%)	PAT (₹ bn)	Growth (%)	P/E (x)	RoE (%)
FY25E	218.6	15%	30.4	27%	14%	14.5	62%	61	19%
FY26E	259.5	19%	37.4	23%	14%	19.2	33%	46	21%
FY27E	302.9	17%	44.9	20%	15%	24.4	27%	36	22%

Source: Bloomberg Estimates

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**WPL 2025**

(Way2Wealth Premier List)

## Blue Star Ltd (BLUESTARCO)

CMP (₹)	MCAP (₹ crs)	Target (₹)	Upside
2014	41,650	2,250	11.7%

- ▶ **Surging AC Demand Fueled by Heatwave and Expanding Markets:** The Indian HVAC industry is undergoing a significant transformation, driven by the growing demand for smart, connected, and sustainable climate control solutions. Blue Star's Room Air Conditioner (RAC) segment is poised for strong growth, supported by the early onset of intense summer conditions. According to the India Meteorological Department (IMD), temperatures across the country already seem like peak summer levels. Heatwave alerts have been issued for parts of Konkan, coastal Karnataka, and North Kerala, with temperatures surpassing 40°C in some areas. This unusual weather pattern has accelerated the demand for air conditioners, as consumers seek relief from the scorching heat. The surge in demand is driven by rising disposable incomes and strong growth in tier-3 markets, with additional demand from replacement buyers and multi-room households. India's AC market is projected to double by FY30. Commercial air conditioning is also expanding rapidly, with over 20% growth in retail spaces, showrooms, small hospitals, and hotels, even in smaller towns. During this momentum, Blue Star has successfully increased its market share from 13.75% to 14% and is targeting 15% in the coming years.
- ▶ **Capacity expansion:** Blue Star continues to enhance its manufacturing capabilities with a committed investment of ₹400 crore, including ₹200 crore already deployed last year. The Sricity facility, currently operating at full capacity with 0.65 million units, is set to expand to 0.825 million units and eventually scale up to 1.2 million units by 2027. Meanwhile, its Himachal plant has already reached its peak capacity of 0.65 million units.
- ▶ **Q3FY25 performance:** The company reported a 25% YoY and 23% QoQ revenue growth, reaching ₹2,807crs, driven by strong performances across segments, high demand for RACs, and a robust festive season. Unitary Products segment reported a 22% YoY growth to ₹1,164crs, fueled by festive-led RAC demand, while EMPS sales reported a 32% YoY increase to ₹1,562crs. EBITDA improved by 35% YoY/ 40% QoQ to ₹209crs, with a 7.5% margin. Adjusted PAT increased to 19% YoY to ₹120crs, while the order book reached a record ₹6,802crs, marking a 12.8% YoY growth.
- ▶ **Blue Star is poised for strong growth,** driven by rising RAC demand, robust EMPS order inflows, and international expansion. The RAC industry is expected to grow at a 19% CAGR over five years, with increasing penetration and stable margins (7-7.5% for EMPS, 8-8.5% for Unitary Products). With ₹7.5-8bn capex, scalable production, and localization efforts, the company is well-positioned for market expansion. Revenue, EBITDA, and PAT are projected to grow at a CAGR of 15%, 21%, and 24%, respectively, from FY24 to FY27E, with EBITDA and PAT margins stable at 8% and 5%. At the current market price, the stock trades at 59x FY26E PE. Therefore, we recommend a buy rating on the stock.

BLUESTARCO	REVENUE (₹ bn)	Growth (%)	EBITDA (₹ bn)	Growth (%)	EBITDA Margin (%)	PAT (₹ bn)	Growth (%)	P/E (x)	RoE (%)
<b>FY25E</b>	110.49	14%	8.84	33%	8%	5.79	37%	69	18%
<b>FY26E</b>	127.99	16%	10.24	16%	8%	6.72	19%	59	17%
<b>FY27E</b>	148.28	16%	11.86	16%	8%	7.84	17%	51	17%

Source: Bloomberg Estimates

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**WPL 2025**

(Way2Wealth Premier List)

## Inox Wind Ltd (INOXWIND)

CMP (₹)	MCAP (₹ crs)	Target (₹)	Upside
161	21,175	185	15.2%

- ▶ Inox Wind Limited, a leading renewable energy company in India, specializes in wind turbine manufacturing, turnkey project solutions, and operations & maintenance (O&M) services. The company delivered its best-ever Q3 results in FY25, with revenue growing 96% YoY and EBITDA surging 192% YoY. Its profit after tax (PAT) reached ₹112crs, marking a significant increase from ₹2crs in Q3 FY24. This financial turnaround, combined with improving operational efficiency, positions Inox Wind as a high-growth investment opportunity with strong profit potential.
- ▶ With a 3.3 GW order book, Inox Wind has secured revenue streams for the next 2-3 years. It has won large-scale projects from industry leaders like Hero Future Energies, Serentica Renewables, and Continuum, ensuring steady cash flow and business expansion. With India's renewable energy demand rising, Inox Wind is well-positioned to capitalize on future orders and maintain strong growth momentum.
- ▶ To improve profitability, Inox Wind is launching nacelle manufacturing, crane services, and transformer production in Q4FY25. This reduces third-party dependency, lowers costs, and enhances efficiency, leading to higher profit margins. By controlling critical parts of its supply chain, the company is set to deliver better returns and long-term value for investors.
- ▶ With a focus on next-generation wind technology, Inox Wind has introduced higher-capacity turbines, including 3 MW models and plans for 4.X MW turbines. These advanced wind turbines will enhance efficiency, power generation, and cost-effectiveness, making Inox Wind's products highly competitive in both domestic and international markets. Continuous innovation ensures that the company stays ahead of industry trends, positioning it for future growth and profitability.
- ▶ India aims to add 80 GW of wind power capacity over the next 8 years, supported by government policies, hybrid energy tenders, and green energy mandates. As one of the leading wind energy players in India, Inox Wind is well-positioned to capture a significant market share, making it a potential value investment at CMP trading at P/E 26x FY26E.

INOXWIND	REVENUE (₹ bn)	Growth (%)	EBITDA (₹ bn)	Growth (%)	EBITDA Margin (%)	PAT (₹ bn)	Growth (%)	P/E (x)	RoE (%)
FY25E	39.87	128.7	7.48	178.1	18.8	4.64	NA	45.5	18.9
FY26E	65.2	63.5	11.88	58.8	18.2	8.86	90.9	26	27
FY27E	96.57	48.1	17.31	45.7	17.9	12.1	36.6	19.3	27.4

Source: Bloomberg Estimates



**WPL 2025**

(Way2Wealth Premier List)

# VA Tech Wabag Ltd (WABAG)

CMP (₹)	MCAP (₹ crs)	Target (₹)	Upside
1335	8,255	1,520	13.8%

- ▶ VA Tech Wabag Ltd., an Indian multinational headquartered in Chennai, was founded by Max Reder in 1924 in Breslau, Germany. Over the past century, it has become a leader in water treatment, specializing in the design, construction, and operation of drinking water, wastewater treatment, industrial water treatment, and desalination plants. Operating in over 25 countries, the company holds 125+ in-house IP rights and runs R&D centers in Europe and India. The company operates on an asset-light model, VA Tech Wabag focuses on Engineering and Procurement (EP) while outsourcing civil activities. It offers a wide range of services, including EPC, O&M, DBO, BOOT, and HAM, serving both municipal and industrial clients across regions such as India, Southeast Asia, the Middle East, Africa, Europe, and Latin America.
- ▶ VA Tech Wabag (VATW) has a strong order book of ₹142bn (about 4 times its TTM revenue), ensuring revenue visibility for the next 3-5 years. Recent wins include a ₹1.45bn desalination pipeline project for Chennai Petroleum and a ₹7bn Design-Build-Operate order in Zambia, funded by the European Investment Bank. With a 58% EPC and 42% O&M order mix, WABAG is shifting focus towards EP projects for faster execution and higher margins, while aiming to increase its O&M revenue share to 18-20% in the coming years.
- ▶ VTW has launched a key long-term strategy called "Wriddhi," designed to propel the company into a new phase of growth, innovation, and sustainability. In response to the evolving global water market, the strategy emphasizes advancing technological innovation, expanding Wabag's global presence, fostering strategic partnerships, and promoting sustainable practices..
- ▶ VTW has focused on improving revenue quality and predictability, divesting low-profit European subsidiaries, which led to a revenue decline in the past two years. Despite this, profitability has improved, with EBITDA margins rising to 13.2% from 7.7% in 2021. Looking ahead, the company expects strong revenue growth in India and MEA, with a CAGR of 15%-20% over the next 3-5 years. EBITDA margins are expected to remain between 13%-15%, with potential to exceed this range. At the CMP, we find Va Tech Wabag an attractive BUY as it trades at 22.3x FY-26E P/E.

WABAG	REVENUE (₹ bn)	Growth (%)	EBITDA (₹ bn)	Growth (%)	EBITDA Margin (%)	PAT (₹ bn)	Growth (%)	P/E (x)	RoE (%)
<b>FY25E</b>	32.4	13.7%	4.2	13.5%	13.0%	2.8	16.7%	28.9	14.3%
<b>FY26E</b>	38.2	17.9%	5.5	31.0%	14.4%	3.6	28.6%	22.3	15.9%
<b>FY27E</b>	44.5	16.5%	6.5	18.2%	14.6%	4.5	25.0%	18.2	16.4%

*Source: Bloomberg Estimates*

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