

# STRATEGY NOTE

## ICICI Prudential PMS Value Strategy

MARCH 2025

### PORTFOLIO PERFORMANCE

In February 2025, the Value Strategy gave a negative return of 7.57% as compared to the benchmark performance of negative 7.74% for the month. The performance of the Strategy was dragged down by overweight exposure to Banks & Finance, Auto Ancillaries and Textiles. Having exposure to stocks in these sectors led by HDFC Bank Ltd, Karur Vysya Bank Ltd in Banks & Finance, Vardhman Textiles Ltd in Textile sector and Apollo Tyres Ltd in the Auto Ancillaries also contributed to the negative performance of the Strategy. Having underweight exposure to Software sector and an overweight exposure to Metals & Mining contributed to the active return of the strategy. Having exposure to stocks like Jindal Steel & Power Ltd, Sarda Energy & Minerals Ltd and Bharti Airtel Ltd also contributed to the active return of the strategy.

We continue to remain overweight in Metals & Mining, Auto ancillaries, Industrial Products, Telecom and Textiles compared to the benchmark. We believe India's current expansion phase characterized by robust earnings and economic growth augurs well for these sectors. Albeit the recent slowdown has impacted performance of cyclical/investments related sectors. We remain underweight to IT, Consumer Non-Durables, Energy and Auto sectors. The current portfolio strategy has fared well over the long term, and we believe the portfolio has the potential to do well over the long term.

|                | 1<br>Month | 3<br>Months | 6<br>Months | 1<br>Year | 2<br>Years | 3<br>Years | 4<br>Years | 5<br>Years | Since<br>Inception* |
|----------------|------------|-------------|-------------|-----------|------------|------------|------------|------------|---------------------|
| Value Strategy | -7.57%     | -14.08%     | -17.09%     | 0.09%     | 29.63%     | 24.63%     | 24.31%     | 24.71%     | 12.51%              |
| BSE 500 TRI    | -7.74%     | -12.24%     | -16.14%     | -0.41%    | 17.84%     | 12.65%     | 14.15%     | 17.93%     | 12.30%              |

\*Since Inception: January 28, 2004 | Inception Date of the Strategy is the date of onboarding of first client of the Strategy| Since inception return from March 31, 2007 or Inception Date | Performance as on February 28, 2025. Performance data provided herein is not verified by SEBI | Index Data Source: [www.bseindia.com](http://www.bseindia.com) | Please click here to access the performance relative to other Portfolio Managers within the Strategy by Association of Portfolio Managers in India (APMI) : <https://www.apmiindia.org/apmi/welcomeiaperformance.htm?action=PMSmenu>  
Strategy performance mentioned above is the aggregate performance of all Clients in the Strategy using the Time Weighted Rate of Return (TWRR) methodology and the performance of an individual Client may vary significantly from the above. Returns for one year or less are on absolute basis, while returns more than one year are on annualized basis. All the returns calculated above are after deduction of the applicable expenses. Past performance may or may not be sustained in future and is no guarantee of future results. Please note that performance of one investor in the portfolio may vary significantly from that of other investors and that generated by the Investment Approach across all investors because of 1) the timing of inflows and outflows of funds; and 2) differences in the portfolio composition because of restrictions and other constraints.

### TOP 5 ALPHA CONTRIBUTORS

| Stock Name                  | Active Weight | Active Return | Sector Name                         | Active Weight | Active Return |
|-----------------------------|---------------|---------------|-------------------------------------|---------------|---------------|
| Jindal Steel & Power Ltd    | 3.63%         | 0.53%         | Software                            | -7.61%        | 0.43%         |
| Bharti Airtel Ltd           | 4.59%         | 0.19%         | Metals & Mining                     | 16.44%        | 0.42%         |
| Sarda Energy & Minerals Ltd | 5.35%         | 0.19%         | Power                               | -0.03%        | 0.25%         |
| TCS Ltd                     | -2.32%        | 0.18%         | Telecom                             | 4.05%         | 0.21%         |
| Tata Steel Ltd              | 1.19%         | 0.11%         | Industrial Products & Capital Goods | 1.46%         | 0.17%         |

Portfolio mentioned in the table are the top 5 active return generators. Active Return is the percentage gain or loss of a stock/sector relative to the Strategy benchmark. Active Weight is the percentage overweight or underweight of a stock/sector relative to the Strategy benchmark.

### PORTFOLIO ACTIVITY

| Stocks In               | Stocks Out  |
|-------------------------|---|
| Indiamart Intermesh Ltd | Cigniti Technologies Ltd<br>Sobha Ltd (Partly paid) |

### PORTFOLIO OUTLOOK

The Value Strategy aims to provide a varied stock portfolio, focusing on high-potential stocks trading below their intrinsic value. It may involve active management to capitalize on market trends for enhanced returns. Emphasis is placed on investing in undervalued companies with sustainable long-term growth potential.

The Value Strategy continues to seek opportunities that foster a portfolio that is positioned for sustained growth. A key focus of this portfolio is on companies in the Banking and Financial Services sector. The growing income levels are fueling demand for financial services across diverse income brackets. Credit, insurance, and investment penetration are on the rise, especially in rural areas, leveraging India's rapid expansion and reach of mobile and internet services. This sets the stage for additional growth opportunities.

The Value Strategy maintains an overweight position in select private sector banks, benefiting from visible turnarounds amid sector consolidation and increased stability. Banks have successfully addressed legacy issues, and with stabilizing credit costs, robust loan growth is anticipated to support the nation's economic development.

# Portfolio Insights

## ICICI Prudential PMS Value Strategy

(Value Strategy)

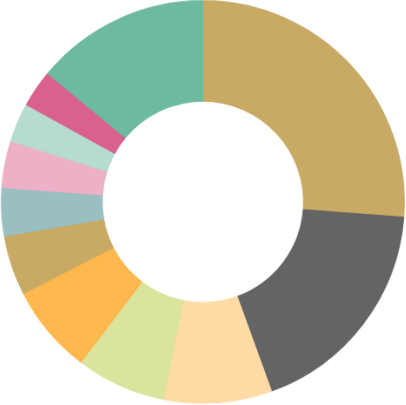
Data as on February 28, 2025

### Portfolio Details

#### Top 20 Holdings\*\*

|                                | Portfolio<br>Weighting % |
|--------------------------------|--------------------------|
| ICICI Bank Ltd                 | 7.71                     |
| Bharti Airtel Ltd              | 7.18                     |
| Larsen & Toubro Ltd            | 7.08                     |
| Sarda Energy & Minerals Ltd    | 5.50                     |
| Jindal Stainless Ltd           | 4.89                     |
| State Bank of India            | 4.43                     |
| Jindal Steel & Power Ltd       | 4.12                     |
| NTPC Ltd                       | 3.83                     |
| Aurobindo Pharma Ltd           | 3.73                     |
| HDFC Bank Ltd                  | 3.59                     |
| Apollo Tyres Ltd               | 3.56                     |
| Vardhman Textiles Ltd          | 3.11                     |
| Karur Vysya Bank Ltd           | 3.08                     |
| Vedanta Ltd                    | 2.97                     |
| SBI Life Insurance Company Ltd | 2.88                     |
| eClerx Services Ltd            | 2.79                     |
| CEAT Ltd                       | 2.69                     |
| Sobha Ltd                      | 2.63                     |
| India Cements Ltd              | 2.48                     |
| Indian Bank                    | 2.46                     |

#### Sector Exposure



|                                 | %     |
|---------------------------------|-------|
| Banks                           | 26.2  |
| Ferrous Metals                  | 18.3  |
| Auto Components                 | 8.7   |
| Telecom - Services              | 7.2   |
| Construction                    | 7.1   |
| Insurance                       | 4.8   |
| Power                           | 3.9   |
| Pharmaceuticals & Biotechnology | 3.8   |
| Textiles & Apparels             | 3.1   |
| Diversified Metals              | 3.0   |
| Other                           | 14.0  |
| Total                           | 100.0 |

#### Portfolio Valuations

|                 | Value<br>Strategy | BSE<br>500<br>TRI |
|-----------------|-------------------|-------------------|
| P/E Ratio (TTM) | 13.28             | 21.55             |
| P/B Ratio (TTM) | 2.23              | 3.20              |
| P/S Ratio (TTM) | 0.89              | 1.69              |

P/E – Price to Earning Ratio | P/B – Price to Book Ratio | P/S – Price to Sales Ratio

#### Market Cap Exposure



|           | %     |
|-----------|-------|
| Large Cap | 49.8  |
| Mid Cap   | 17.2  |
| Small Cap | 32.9  |
| Total     | 100.0 |

#### Portfolio Statistics

|                | 4Y TTM PAT % | ROE FY20 | ROE FY24 |
|----------------|--------------|----------|----------|
| Value Strategy | 44.87        | 9.81     | 14.92    |
| BSE 500 TRI    | 29.00        | 9.90     | 15.01    |

4Y TTM PAT of companies declared results up to December 2024 vs corresponding TTM period four years ago Source for Financials : Nuvama Securities Limited, www.bseindia.com | PAT - Profit after Tax | ROE – Return on Equity | TTM – Twelve Month Trailing Return

#### Risk Profile (Last 3 years)

|                    | Value<br>Strategy | BSE<br>500<br>TRI |
|--------------------|-------------------|-------------------|
| Standard Deviation | 18.90             | 14.48             |
| Alpha              | 9.66              | 0.00              |
| Beta               | 1.19              | 1.00              |
| Sharpe Ratio       | 0.96              | 0.43              |

Valuations are of the aggregate portfolio under each strategy. Above details represent dated facts of the underlying portfolio companies depending on the varied prevailing market and economic conditions. The portfolio data and the statistical analysis mentioned above is of the oldest client of the Strategy. The portfolio of individual clients may vary significantly. The sector(s)/stock(s) mentioned here do not constitute any recommendation and the strategy may or may not have any future positions in these stock(s)/Sector(s). \*\*Top 20 holdings (by weight) or all the stocks in the portfolio, whichever is less by number are disclosed.

# STOCK ADDITION FEBRUARY 2025

## INDIAMART INTERMESH LIMITED

### About The Company

- IndiaMART is India's online B2B marketplace, connecting buyers with suppliers across a wide array of industries. IndiaMART provides a platform for Small & Medium Enterprises (SMEs), large enterprises, and individual buyers, helping them access diverse portfolios of quality products.
- Today, over 20.6 Crore buyers can explore and choose from 11.5 Crore products, sourced from 82 Lakh suppliers, creating a one-stop platform for all business needs. IndiaMART offers enhanced business visibility and credibility for suppliers, with tools designed to support business growth and operational efficiency.

### Key Stock Drivers

- Net subscriber additions at -4K (vs +2.4K last qtr), resulting in total paying subscribers reaching 214K.
- Management has worked on improving experience for suppliers by improving matchmaking in terms of their target geography and categories. They are investing in category specific insights as they focus key verticals within the horizontal platform.
- Based on the business model, the company is expected to capitalize on the increasing digital adoption by businesses.

### Latest Financials *(as on December 31, 2024)*

- Revenue at Rs 3,543mn; growth of +1.9% QoQ, 16.0% YoY. Annualised revenue per paying subscriber was Rs 62,900 in 3QFY25. This grew from Rs 60,800 in 2QFY25 and Rs 55,100 in 3QFY24. ARPU has increased systematically, aided by differential pricing for Platinum customers, with some categories commanding a 50% premium
- EBIT Margins at 36.7% (+30bps QoQ, +1140bps YoY). PAT at Rs 1210mn (-10.4% QoQ, +47.7% YoY)

Source : Annual report, Phillip Capital result update 3QFY25

# TOP STOCK HOLDING IN THE PORTFOLIO

## ICICI BANK LIMITED

### About The Company

- One of the India's largest private bank and has a leadership position in other financial services business through its subsidiaries. The Bank has made inroads into the retail loan segment and has significantly improved its liability franchise.
- The Bank has a diversified loan book, having presence in both retail and corporate segments. Also, its loan portfolio is diversified across industries.

### Key Stock Drivers

- The Bank's improved capital adequacy and a wide branch network is likely to help support business growth in the long run. The Bank appears to be well-positioned to benefit from reduction in competitive intensity from NBFCs and other banks, which may face challenges of their own.
- The Bank has been delivering on loan growth, operating profits and return on equity and is well-positioned to outperform peers even in the future, likely due to a strong deposit franchise and digital leadership.

### Latest Financials (as on December 31, 2024)

- Net Interest Income was recorded at Rs 203.7 bn grew by 9/2% YoY/QoQ. Margins declined by ~2bps QoQ. NIMs stood at 4.25% vs. 4.27% QoQ. Non-interest income growth was strong at 16% YoY and was flattish QoQ.
- GNPA was stable at 1.96% vs. 1.97% QoQ. NNPA was flat QoQ at 0.4%.
- The bank reported a healthy credit growth of 15/4% YoY/QoQ and the deposit growth was broadly in line with credit growth at 14/2% YoY. The PAT stood at Rs 118 bn, grew by 0.4/14.8% QoQ/YoY.

Source : Axis Securities Result update

## BHARTI AIRTEL LIMITED

### About The Company

- Headquartered in India, Airtel is a global communications solutions provider. The company has its presence in Bangladesh and Sri Lanka through its associate entities and also in Africa.
- Airtel is India's largest integrated communications solutions provider and the second largest mobile operator in Africa. Airtel's retail portfolio includes high speed 4G/5G mobile broadband, Airtel Xstream Fiber that promises speeds up to 1 Gbps with convergence across linear and on-demand entertainment, streaming services spanning music and video, digital payments and financial services.

### Key Stock Drivers

- The company continues to gain market share in both wireless and non-wireless business because of investments in strategic areas, quality customers, position in Airtel Payment Bank and enterprise businesses and digital capabilities.
- Cash flows are likely to improve going ahead with the recent tariff increase and better cost management. With improving cash flow generation and adequate investments in digital offerings and networks, the Company is likely to grow in its core business and gain market share across its portfolio going ahead.

### Latest Financials (as on December 31, 2024)

- Bharti Airtel reported revenue of Rs 451 bn in Q3FY25. with a consolidated EBITDA of Rs245.9bn (up 12.6%QoQ. Adj PAT came in at Rs72.3bn (up 62.7%QoQ).
- Average revenue per user rose to Rs245 (+5.3% QoQ, +18%YoY) on the back of tariff hike undertaken by the company. Q3 4G net customer addition at 6.5mn.
- The company has paid Rs36.2bn to the Department of Telecommunications, and fully pre-paid all deferred liabilities pertaining to spectrum acquired in the 2016 auction.

Source : Market Research Reports published by ShareKhan Securities July 2024 , Financial results – Prabhudas Liladher result Update

# TOP STOCK HOLDING IN THE PORTFOLIO

## LARSEN & TOUBRO LIMITED

### About The Company

- The company is one of Asia's largest vertically integrated Engineering, Procurement and Construction (EPC) conglomerates, with a market position across segments such as infrastructure, power, hydrocarbons, heavy engineering, electrical and automation, IT, IT&TS etc.
- The company has been focusing on defense manufacturing and has been ramping up operations (invested ~₹8,000 crore) in the space over the last few years.

### Key Stock Drivers

- Due to its businesses across sectors such as defence, infrastructure (roads, railways, metros, and DRC), heavy engineering, and IT (digitalisation), the company is likely to benefit from the planned infrastructure capex and Atmanirbhar Bharat scheme by the Government of India.
- Further, the National Infrastructure Pipeline project is likely to lead to increased spends in critical areas. The company is hopeful to capitalise on these opportunities. The company remains a proxy for domestic capex and its improving business environment.

### Latest Financials (as on December 31, 2024)

- The company reported revenue of Rs647bn, up 17% YoY. Domestic execution remains muted, growing by just 2.8% YoY whereas international revenue increased by 36% YoY.
- Consolidated EBITDA came in at Rs62.5bn, up 9% YoY and PAT at Rs33.6bn increased by 14% YoY.
- Order inflow in Q3FY25 came in at a record Rs1.16tn, up 53% YoY. International orders comprised 53% of total order inflow. Closing order book stood at a record Rs5.64tn, up 20% YoY.

Source : Centrum Institutional Research – Result update

## SARDA ENERGY & MINERALS LIMITED

### About The Company

- The Company is a vertically integrated producer of steel with captive iron ore and exporter of niche grade manganese based ferroalloys. It has a self-sufficient captive power from waste heat & coal.
- The Company is one of the lowest cost producers of steel and one of the largest manufacturers and exporters of ferroalloys in India.

### Key Stock Drivers

- The group is one of the largest manufacturers of manganese-based ferroalloys in India and caters to both the domestic as well as global markets. China is seeing consolidation in Steel industry owing to rise in labor cost, increase in cost of production due to stringent pollution control measures, this could be a positive factor for the Company and may lead to a push in global demand of steel products.
- Revenue is diversified across sale of intermediate and finished steel products, ferroalloys, and surplus power from the captive power plant.

### Latest Financials (as on December 31, 2024)

- The company reported a 43% YoY increase in revenue to Rs 13,191 mn, driven by strong power generation. With EBITDA at Rs 3689, EBITDA margins expanded by 763 basis points YoY to 28%, though they declined by 115 basis points sequentially. Meanwhile, profit after tax (PAT) was reported at INR 2,001 mn, up 74.8% YoY but marginally down by 1.7% QoQ. PAT was recorded at Rs 2001 mn. PAT margins improved by 280 basis points YoY to 15.2%, though they contracted by 240 basis points QoQ.

Source: Phillip Capital result update, dated 18<sup>th</sup> November 2024



# TOP STOCK HOLDING IN THE PORTFOLIO

## JINDAL STAINLESS LTD

### About The Company

- The company is one of the largest stainless steel manufacturers in India.
- Incorporated in 1970, it ranks among the top 5 stainless steel manufacturers of the world.
- The Company has two stainless steel manufacturing complexes in India, in the states of Haryana and Odisha, and one overseas manufacturing unit in Indonesia.

### Key Stock Drivers

- The Company is undertaking capital expenditure to increase its stainless steel melting capacity, along with improving downstream capacities, building support infrastructure and improving cost efficiency.
- The Company is positioned for improvement in the business risk profile, driven by expected increase in scale and forward integration with ongoing capacity expansion and acquisitions, and efficient working capital management along with healthy demand outlook. This should support high cash accrual and sustenance of strong financial risk profile despite the ongoing capacity addition.

### Latest Financials (as on December 31, 2024)

- The company registered consolidated revenue from operations of Rs 99bn marginally up QoQ given higher volumes (+15% YoY) partially offset by lower realisations (-3% QoQ).
- Operating EBITDA came in at Rs 12.9bn, up 2% QoQ, driven by higher sales volume. Adjusted PAT came in at ~Rs 6.5bn (+7% QoQ).
- The total capex for 9MFY25 stood at ~Rs 38bn largely driven by the Chromeni acquisition and investments in Indonesia facility. JSL announced a fund-raise of Rs 50 bn in 2Q order to prepare for the expanding domestic stainless steel demand and uphold its dominant market position.

Source : JM Financial result update

## STATE BANK OF INDIA LIMITED (SBI)

### About The Company

- One of the largest public-sector bank in terms of assets, deposits, branches, number of customers, and employees having pan-India presence. The bank has been designated by the RBI as a domestic systemically important bank (D-SIB), which means that its continued functioning is critical for the economy.

### Key Stock Drivers

- The Bank enjoys one of the dominant positions and market share in the Indian banking space.
- Healthy financial statements, vast reach and a healthy business makes it seem to be competently-placed to gain market share as well as clients in the medium to long term. It has a good liability franchise to compete by taking lower risk and a recovery in earnings profile, which may help in multiple expansions.

### Latest Financials (as on December 31, 2024)

- SBI's Net Interest Income (NII) stood flat at Rs 414.5 bn in Q3FY25 (4% YoY). Non interest income declined by 4% YoY.
- Loans grew by 14% YoY led by SME and Agri. Deposit growth was slower at 2% QoQ and CASA ratio declined 80bps QoQ to 37.6%.
- Gross slippages declined QoQ (0.44% vs 0.55% QoQ) resulting in GNPA/NNPA of 2.07%/0.53% (-6bps/flat QoQ) with improvements across segments.

Source : IIFL Result update

# TOP STOCK HOLDING IN THE PORTFOLIO

## JINDAL STEEL & POWER LIMITED

### About The Company

- The Company part of the Naveen Jindal faction of the OP Jindal group, is currently among the leading integrated steel producers (ISP) in the country. The company's key business activities include iron ore and coal mining, manufacturing of pellets, sponge iron, hot metal, semi-steel products, finished steel products, and power generation, with its operations spread across Chhattisgarh (Raigarh and Raipur), Odisha (Barbil and Angul), and Jharkhand (Patratu), in India.

### Key Stock Drivers

- The company has a healthy balance in its product mix, with value-added products accounting for 64% of its sales.
- The high level of operational integration and the presence in value-added product segments enable the company to have a competitive cost of production and report better overall realisations and higher operating profits, thereby limiting margin contractions during the down cycles.
- Besides, the presence of the company across the entire steel value chain provides it with the flexibility to sell its products at various stages of production.

### Latest Financials (as on December 31, 2024)

- Revenue increased 5% QoQ to Rs117bn, led by 3% increase in volumes. EBITDA remained flat QoQ at Rs21.8bn, aided by forex gain of Rs550mn. The volume of value added products surged 6.4% QoQ and 6.2% YoY to 1.04 mn tonnes, driven by highgrowth sectors like shipbuilding, renewables and defense.
- PAT was recorded at Rs 9.5 bn, increasing by 10.4% QoQ and -50.7% YoY.
- JSPL incurred capex of Rs28.5bn, largely for the expansion at Angul, leading to an increase in net debt to Rs135bn in Q3FY25, up from Rs125bn in Q2FY25.

Source :IDBI Capital – Result update

## NTPC LIMITED

### About The Company

- The company was incorporated in 1975 as a thermal generation company and presently is one of the largest power generating entity in India.

### Key Stock Drivers

- The company has been accorded the status of a Maharatna, which gives it considerable operating flexibility. Alongside continuing its core business of coal and gas-based thermal generation, the company has diversified (in some cases through JVs) into related activities like consulting, hydro-power development, power trading, coal mining, and renewable projects (like wind and solar).
- The company has continued to maintain cost competitiveness because of its superior operating efficiencies and a large portfolio of operational projects, among which it has repaid the debt for several projects, resulting in low fixed charges.
- The company also has support due to majority ownership by Government of India (GOI) given the pivotal role the company plays in the country's power sector. Apart from direct support, the sovereign ownership affords it significant financial flexibility in raising low-cost funds from domestic, and more importantly, international markets.

### Latest Financials (as on December 31, 2024)

- Net consolidated revenue increased by 5% in 3QFY25 to Rs 450.5 bn due to higher power generation/sold on account of higher capacity YoY. EBITDA improved by 20% YoY due to higher generation, better PLF of Thermal power plants and domestic coal availability led to improvement in under recovery.
- EBITDA for the quarter stood at Rs 136.6 bn as compared to Rs 113.6 bn in last corresponding quarter. PAT remains flattish at Rs 51.7 bn, -0.8% YoY, -3.9% QoQ.

Source : JM Financial result update

# TOP STOCK HOLDING IN THE PORTFOLIO

## Aurobindo Pharma Ltd

### About The Company

- Aurobindo Pharma Limited headquartered at Hyderabad, India, develops, manufactures, and distributes generic pharmaceuticals, branded specialty pharmaceuticals and active pharmaceutical ingredients. The Company's robust product portfolio is spread over therapeutic/product areas encompassing central nervous system (CNS), Anti-Retroviral, Cardio-vascular (CVS0), Antibiotics, Gastroenterological, Anti-Diabetics and Anti-Allergic, supported by a strong R&D set-up.

### Key Stock Drivers

- The company is progressing on its journey of becoming one key player in the injectables business internationally which is expected to drive future growth. The company has laid down a ₹50bn capex plan, for setting up new and improving existing facilities across verticals.
- The Company commercialized four manufacturing facilities, including those for Pen-G, 6-APA, and injectables. Operations at these plants are expected to ramp up in the upcoming quarters, contributing to revenue and profitability. The Company is expected to continue its financial performance on account of sales driven by new product launches, expansion into emerging markets, volume increases, and stable pricing especially in the US.

### Latest Financials (as on December 31, 2024)

- In Q3FY25, the company reported a total income of Rs 8135.81 cr, QoQ +2.6%, YoY+ 8.3%.
- The profit after tax stood at Rs 845.57 cr in Q3FY25, which reflects a 3.5% increase from Q2FY25. However, there is a 10.0% decline YoY.
- Revenue from the Growth Market segment (10.9% of revenue) grew 39.2% YoY (+7.5% QoQ) to Rs 8,730 Mn, fuelled by higher demand across key geographies, new product launches, and improved market penetration.

Source : KR Choksey result update

## HDFC BANK LIMITED

### About The Company

- HDFC Bank Limited is one of the three systemically important banks as well as the largest private sector bank in India with a 15.2% market share in the banking sector's advances as on March 31, 2024. On April 4, 2022, a composite scheme of amalgamation with its promoter, HDFC Limited, was announced. After obtaining the necessary approvals, the merger was concluded and effective from July 1, 2023.

### Key Stock Drivers

- The Bank's strong capitalisation profile, with the common equity Tier I (CETI) ratio at 16.30% of the risk-weighted assets (RWAs) as on March 31, 2024, as well as its ability to raise capital is demonstrated in the past. HDFC Bank's capital position is further reinforced by its healthy earnings profile and comfortable asset quality.
- The strong growth across segments, coupled with its merger with HDFC Limited, led to a 55.2% YoY growth in the overall net advances to Rs. 24.85 lakh crore as on March 31, 2024.
- HDFC Bank's profitability levels are supported by the strong and consistent growth in net advances, steady fee income and comfortable asset quality, resulting in robust operating profitability.

### Latest Financials (as on December 31, 2024)

- The bank recorded a consolidated net revenue of Rs 652.8 bn in Q3FY25 (-14.2% QoQ and -9.0% YoY). The profit before tax stood flat at Rs 239.7 bn QoQ. The PAT was recorded at Rs 176.6 bn (-0.9% QoQ) and +2.3% YoY.
- Net Interest Income at Rs 306.5 bn grew by 8/2% YoY/QoQ. NIMs stood at 3.43% vs 3.46% QoQ.
- GNPA/NNPA increased marginally to 1.42/0.46% vs 1.36/0.41% QoQ.

Source : FY2024 Earnings Presentation ([www.hdfcbank.com](http://www.hdfcbank.com)), Financial Update – Axis Securities result update



## Investment Approach

**Investment Objective:** The Strategy aims to follow a value investment style and intends to offer a diversified portfolio of stocks that have high potential but are quoting at a discount to their fair/intrinsic value.

**Strategy :** Equity

**Types of securities:** Predominantly invests in listed equity and equity related securities. The Value Strategy may also take exposure to exchange traded derivative instruments for hedging purpose. For liquidity or defensive considerations or pending deployment, the Portfolio Manager may invest in debt, money market instruments, mutual fund schemes or debt ETFs.

**Basis for Selection of securities:** The Portfolio Manager follows value style of investing. The Value Strategy defines 'Value Investing' as "Good business at reasonable / attractive price" and not mediocre business at a bargain price. The Value Strategy uses various stock selection parameters while also adhering to the due diligence processes to identify stocks with potential to generate a compounded performance over the long term

**Investment Horizon:** 3 years and above | **Inception Date:** January 28, 2004 | **Benchmark:** BSE 500 TRI

The Value Strategy features mentioned herein involves risk and there can be no assurance that specific objectives will be met under differing market conditions or cycles. The Strategy features as stated herein is only indicative in nature and is subject to change within the provisions of the disclosure document and Portfolio Management Services Agreement. Please refer to the disclosure document & Portfolio Management Services Agreement for details and risk factors. The details pertaining to the investment approach mentioned herein is a subset of details specified in the Disclosure Document. Kindly refer the Disclosure Document for the detailed investment approach before investing. Client's may invest with us directly as well. To invest in any of our PMS strategies directly, kindly write to us at PMS@icicipruamc.com

## Risk Factors & Disclaimers

- Mr. Anand Shah is the CIO of PMS & AIF. He oversees all PMS Strategies offered by ICICI Prudential Asset Management Company Limited (the AMC/ Portfolio Manager). The performance of the stock across Individual portfolios may vary significantly from the data depicted above. This is due to factors such as timing of entry and exit, timing of additional flows and redemptions, individual client mandates, specific portfolio construction characteristics or structural parameters which may have a bearing on individual portfolio performance. No claims may be made or entertained for any variances between the above performance depictions and that of the stock within individual client portfolios. There is no assurance that the value may be unlocked during our holding period of the stock. Investor's may note that the entity level performance of the Portfolio Manager is disclosed in the Disclosure Document and the same is available on the website of Portfolio Manager – [www.iciciprupms.com](http://www.iciciprupms.com). Performance data provided herein is not verified by SEBI.
- Investment in securities involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. The value of the portfolio may be affected by changes in the general market conditions, factors and forces affecting capital market. There can be no assurance that the objective of the Portfolio would be achieved. Investors are advised to refer to the Disclosure Document, Portfolio Management Services Agreement and other related documents carefully and consult their legal, tax and financial advisors to determine possible legal, tax and financial or any other consequences of investing/ redeeming under this Portfolio, before making a decision. Please note that performance of one investor in the portfolio may vary significantly from that of other investors and that generated by the Investment Approach across all investors because of 1) the timing of inflows and outflows of funds; and 2) differences in the portfolio composition because of restrictions and other constraints.
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