Premium Portfolios

What is Premium portfolio?

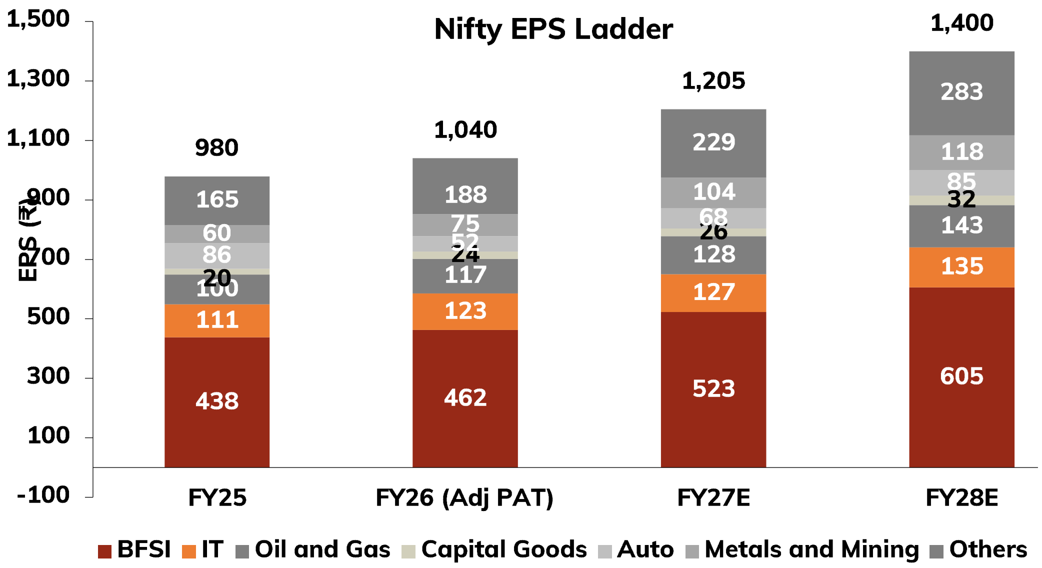
- Premium Portfolio is a collection of ready-made equity baskets, designed & managed by well-established and reputed investment Professionals.
- Equity as an asset class is being widely recognized as an asset generating inflation beating returns or real returns over a long period of time and is indeed very much liquid in nature.
- With Premium Portfolio, Investors get to invest in a range of curated equity baskets investing across themes, style and market capitalization, aiming for long term wealth creation.
- These ready to invest baskets follow a concentrated approach investing in up to 25 handpicked stocks with ideal investment horizon of 3-5 years.
- Our Premium Portfolio's help investor to smoothen their investment journey in equities by providing complete end to end online platform to invest, track performance and execute rebalancing in just few clicks.
- Under premium portfolios we currently offer 4 different themes of portfolios catering to different profile of investors based on risk profiles.

- At the index level i.e. Nifty 50 FY26 earnings performance was largely in line with expectations, reflecting resilience despite a volatile macro backdrop.

- Ongoing geopolitical conflict is driving up risk premiums, fueling energy prices, and causing capital outflows from emerging markets.

- Corporate earnings have been muted in the recent past with FY24-26 Nifty earnings CAGR at ~4%. Currently, we are on the cusp of double-digit growth trajectory with earnings CAGR over FY26- 28E at ~ 16%, being the key driver for markets to inch higher as current valuations now below the 10-year average of 18.2x (vs current 16.7x).

- We expect near-term volatility to persist. However, sharp market corrections are creating potential entry opportunities. We recommend to gradual accumulation of our premium portfolios based on risk appetite and investment horizon.



Sensex & Nifty Target (12 month rolling target)				
Earning Estimates	FY25	FY26	FY27E	FY28E
Nifty EPS (₹/share)	980	1,040	1,205	1,400
Growth (% YoY)	2.0%	6.2%	15.8%	16.2%
Earnings CAGR over FY26-28E				16.0%
FY28E EPS				1,400
PE Multiple Assigned				20
Nifty Target (using FY28E EPS)				28,000

Selection Philosophy : Capital Efficiency and Growth

ICICI Direct

Stock Catalyst

Capital Efficiency
- Margins expansion
- Improved Asset Turnover

Improvement in RoCEs

Growth
- Industry Tailwind
- Any structural development for Company

Increase in Topline/Profits

ICICI Direct

Leaders of tomorrow

- A portfolio investing into handpicked stocks, mostly mid and small cap stocks, that potentially could become the winners of tomorrow. Small caps are high beta segments and are poised to do well in a growing economy, supported by sharper earning revision compared to large cap stocks. Portfolio is specifically created and designed using bottom-up style of investing. Our stock selection methodology involves identifying 15 to 25 handpicked companies with robust business model, healthy financials, strong cash flow generation and high corporate governance. Leaders of Tomorrow portfolio is suitable for clients who have higher risk appetite and who wish to complement their portfolio with small cap offering and have an ideal time horizon for investment of 3-5 years..
- The portfolio invest into diverse sectors with the objective of generating alpha over FD returns while minimizing risk during times of crisis.

Portfolio Highlights

Inception Date: 22nd Feb 2021

Initial Investment Amount: 4,83,496

Benchmark: Nifty Index

Benchmark Return: 64.3%

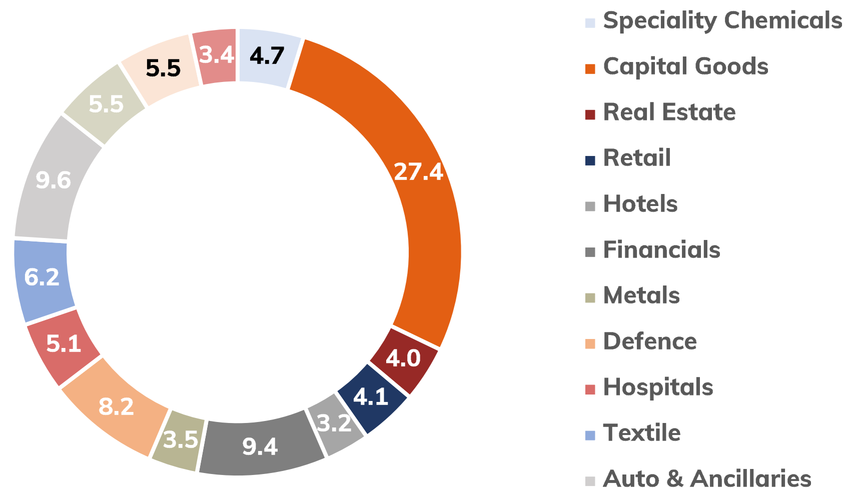
Investment Horizon: 3-5 years

Source: Bloomberg, ICICI Direct Research

Portfolio Allocation

Company Name	Weightage
Financials	
RBL Bank	4.7
Manappuram Finance	4.7
Metals	
Goodluck India	3.5
Defence	
Data Patterns	3.8
Azad Engineering	4.4
Hospitals	
HCG	5.1
Textile	
Indocount	6.2
Auto & Ancillaries	
Sansera Engineering	5.4
Exide Industries	4.2
FMCG	
Allied Blenders and Distilliaries	5.5
EMS	
Syrma SGS Tech	5.5
Building Materials	
Greenlam	3.4

Company Name	Weightage
Speciality Chemicals	
Neogen Chemicals	4.7
Capital Goods	
Aeroflex Industries	4.8
Timken India	4.3
Elgi Equipment	4.3
KSB	4.8
ACE	3.5
Rishabh Instruments	5.7
Real Estate	
Keystone Realtors	4.0
Retail	
Bluestone jewellery	4.1
Hotels	
ITC Hotels	3.2



What's In	
Company	**Rationale**
Data Patterns	Company continues to deliver industry-leading execution in revenue while sustaining robust EBITDA margins. Company is well placed to benefit from growing opportunities across defence electronics, supported by a robust order backlog and improving execution. We expect the company to sustain healthy growth and profitability, aided by increasing indigenisation and participation in next-generation defence programmes
Bluestone Lifestyle & Jewellery	Company is a digital first D2C jewellery retail company in India. It outlined aggressive growth outlook of 50% revenue CAGR and EBIDTA margins doubling over FY26-30. Management reiterated confidence in its business model, which will help it to deliver consistent strong growth despite near term global uncertainties and volatile gold prices in the coming years. The stock is currently trading at discount valuations of 24x and 18x on FY27E & FY28E EV/EBIDTA
Action Construction Equipment	It is India's leading crane manufacturer, with ~92% of FY26 revenue coming from its Cranes, Material Handling & Construction Equipment business. The company is well positioned to benefit from India's infrastructure capex cycle, supported by its ₹575 crore defence order book, KATO Works JV, and growing exports. Management targets ₹6,000–6,200 crore revenue by FY29/30, with expected 13.7% revenue CAGR and 14.2% PAT CAGR over FY26–28E, backed by a debt-free balance sheet and 15–16% EBITDA margin guidance
Keystone Realtors	Established in 1995 is a prominent MMR redeveloper having focus on redevelopment space. The company is expected to ride on massive redevelopment need of MMR necessitated by its ageing housing stock, land scarcity and high population density. KRL has built a strong overall project portfolio of ₹ 66,683 crore. It has almost ₹ 55,000 crore unsold inventory, which provides it a multi-year pre-sales growth trajectory (₹ 4022 crore pre-sales in FY26, aspires presales of ₹10,000 crore in FY30E). KRL is estimated to generate cash inflows of ₹ 17,415 crore after deducting JV/DM/Equity partner share. It has added 25 projects worth ₹27,800 crore since FY23 at gross margins of 35% highlighting its asset light margin first approach.

What's In- What's Out??

What's In	
Company	**Rationale**
Goodluck India	Company is engaged in manufacturing precision-engineered steel products, having a total installed capacity of 5 lakh tons per annum. It has in the recent past also commissioned 1.5 lakh artillery gun shells (155 mm) annual capacity, under its subsidiary Goodluck Defence & Aerospace. GIL has transformed itself over the past three decades from a traditional steel manufacturer into a provider of precision-engineered steel solutions, with an increasing focus on high-value-added products. With artillery shell capacity sold out and company expanding aggressively in this space, we expect topline and PAT growth to accelerate at GIL with substantially improvement in margins and return ratios profile. The stock trades inexpensive at ~16x P/E on FY28E
Exide Industries	They are the market leader in duopolistic organized Indian lead acid battery market with presence across automotive & industrial applications. It also has dual presence in Li-On battery space through assembly operations (1.5 GWh, Nexcharge) & Li-On Cell manufacturing venture (12 GWh, Exide Energy Sols). EIL continues to make meaningful progress in its transition to next – generation energy solutions with its greenfield lithium-ion cell manufacturing facility in Bengaluru. With nearly ₹4,800 crore already invested and commercial sampling beginning, the lithium-ion project is moving from the investment phase to near term commissioning. We see this as long term structurally positive for EIL amid debt free b/s and healthy core RoIC at its base business
What's Out	
CSB Bank	We are exiting the stock amid the emerging promoter overhang, with Fairfax reportedly committing to divest its stake in CSB Bank as part of its proposed acquisition in another bank. While the bank's operational outlook remains healthy, the uncertainty around a potential change in promoter ownership, coupled with lingering concerns over SME asset quality despite recent improvement, could weigh on near-term valuations
Somany Ceramics	It is the second largest tiles manufacturer in the domestic tiles market having ~75 MSM capacity. We note that at current prices, tiles volume offtake might be challenging, and thus H1 is likely to be muted. Furthermore, we believe other building material players offer better growth visibility. Thus, one can exit the stock
HPL Electric	A leading electrical equipment manufacturer with 57% of FY26 revenue derived from its Metering & Systems business. The company remains highly dependent on timely execution of its ₹3,200+ crore smart metering order book under the RDSS scheme, while elevated debt (₹750 crore), higher interest costs and raw material price volatility could weigh on margins and earnings growth

What's Out	
Company	**Rationale**
Techno Electric	An EPC company with growing exposure to transmission, smart metering and data centres. The company remains dependent on sustained execution of its ~₹9,600 crore order book and successful scale-up of its data centre business, where meaningful profitability is still some time away. Additionally, margin pressure from higher input costs, execution risks in large EPC projects, and the ₹1,250 crore FY27 capex plan could weigh on return ratios and near-term earnings
Brigade Enterprises	One of the leading property developers in South India. Its offerings include Grade-A commercial property, affordable to ultra-premium housing in real estate business and operational marquee hotel assets in hospitality segment (listed entity). The company reported muted presales performance in FY26 at ₹ 7424 crore, down 5% YoY. Recently, its ₹ 2000+ crore GDV project, Morgan Heights in Chennai has been put on hold due to revocation of Environmental Clearance, which is likely to impact its pre-sales performance during Q1FY27. Further, the company lacks near term positive triggers. Hence, we recommend to exit the stock
HEG	One of the leading graphite electrode manufacturers in India and a key exporter with ~65%- 70% of production exported to global markets. The global graphite electrode industry is yet to see meaningful pricing discipline leading to subdued profitability for Indian players including HEG. With de-merger around the corner and changing profile of Greentech company, recommend Exit

Pankaj Pandey **Head – Research** **pankaj.pandey@icicisecurities.com**

ICICI Direct Research Desk,
ICICI Securities Limited,
3rd Floor, Brillanto House,
Road No 13, MIDC
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

Disclaimer

ANALYST CERTIFICATION

I/We, Pankaj Pandey Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: U67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

Disclaimer

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.
Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.
ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report

ICICI Securities Ltd.(ICICI Securities Ltd). Registered office of ICICI Securities Ltd is at ICICI Securities Ltd. - ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025, India, CIN: U67120MH1995PLC086241Tel No: - 022 - 6807 7100. ICICI Securities Ltd is a SEBI registered with SEBI as a Research Analyst vide registration no. INH000000990. Name of the Compliance officer (Research Analyst): Mr. Atul Agarwal, Contact number: 022-40701000, E-mail address: complianceofficer@icicisecurities.com. Investment in securities market are subject to market risks, read all the related documents carefully before investing. ICICI Securities Ltd and affiliates accept no liabilities for any loss or damage of any kind arising out of any actions taken in reliance thereon. The information mentioned herein above is only for consumption by the client and such material should not be redistributed.

The information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities Limited. The contents are solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments or any other product. While due care has been taken in preparing this mail, ICICI Securities Ltd and affiliates accept no liabilities for any loss or damage of any kind arising out of any inaccurate, delayed or incomplete information nor for any actions taken in reliance thereon. This mail is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities Ltd and affiliates to any registration or licensing requirement within such jurisdiction. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors. For any queries or grievances: Mr. Bhavesh Soni Email address: headservicequality@icicidirect.com Contact Number: 18601231122