TAKSH

TAKSH ASSET MANAGEMENT

INVESTMENT OBJECTIVE

The investment strategy of the Fund shall be guided by a focus on businesses demonstrating the potential to scale.

The Fund shall prioritize those investments which have a proven track record of generating consistent cash flows, valuing stability over sporadic gains.

The strategy lies in the systematic investment plan model, which reflects a deliberate and measured approach. The model embodies the ethos of "slow and steady wins the race," drawing parallels to the methodical pace of a tortoise. This will help ensure that there is a resilient and sustained growth trajectory, aligning with the Fund's commitment to both financial prudence and long-term wealth creation.

FUND CHARACTERISTICS

Manager: Taksh Asset Management Private Limited

Legal Structure: Category III Open-ended AIF

First Close Date: 6th August 2024

Benchmark: Nifty 500 TRI

Management Fees: Up to 2.25%

Exit Load at the time of Redemption: 1.5% up to 12 months; 1.0% between 12-24 months; NIL thereafter

ADMINISTRATIVE INFORMATION

Custodian: Kotak Mahindra Bank

Fund Accountant: Kotak Mahindra Bank

RTA: Computer Age Management Services Limited (CAMS)

Auditor: E&Y

CONTACT

Ankur Joshi, Co-Founder & COO

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"Do not wait; the time will never be 'just right'. Start where you stand."
— Napoleon Hill

The past month and the first half of May have brought a whirlwind of developments – marked by intense news flow, geopolitical uncertainty and market volatility. Despite the turbulence, Indian equities have demonstrated remarkable resilience. This underscores a key investment principle that we hold dear at Taksh: ***the importance of staying invested with clarity, discipline and conviction***.

GLOBAL BACKDROP: A CHANGING LANDSCAPE IN TRADE AND GEOPOLITICS

Global dynamics continue to evolve. Following the **90-day pause in reciprocal tariffs** (excluding China), negotiations – particularly between India and the U.S. – have gained momentum, raising prospects for a bilateral agreement. Additionally, the India-UK Free Trade Agreement signed on May 06, is expected to significantly enhance trade across several key sectors.

However, the most impactful development was the **terror attack in Pahalgam** and India's firm response which temporarily heightened tensions with Pakistan. This led to a short-term correction in the markets. Encouragingly, recent announcements of a **ceasefire and efforts at de-escalation** have helped stabilize sentiments.

On the trade front, too, signs remain constructive, especially with positive signals emerging from the U.S. As geopolitical tensions ease and attention shifts back to fundamentals, markets have responded positively – further supported by a stronger-than-expected Q4 earnings season.

DOMESTIC MACRO: A STABLE FOUNDATION

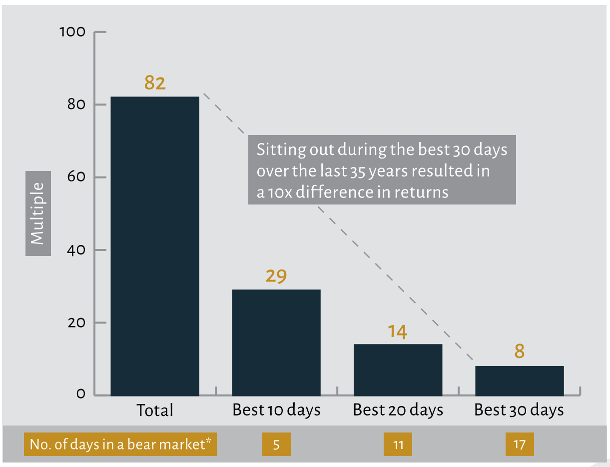
India's domestic macro environment remains supportive. Crude oil prices have softened; bond yields are steady and the rupee has shown resilience. The Reserve Bank of India's accommodative stance and liquidity support continue to create a favorable environment for credit expansion and consumption growth. These factors provide a cushion against global headwinds and reinforce the long-term growth story.

INVESTING THROUGH UNCERTAINTY: OUR PHILOSOPHY

While we remain mindful of risks, we view periods of volatility as windows of opportunity. As Napoleon Hill rightly noted, the 'right time' to act rarely comes with perfect clarity. History teaches us that some of the most rewarding days in the market occur during periods of uncertainty – precisely when it is most difficult to stay the course.

Missing even a handful of these pivotal days can have a significant long-term impact. Over a 35-year period, ₹1 invested consistently could have compounded **82x – but missing the best 30 days would reduce this to just 8x**. This stark difference illustrates the power of staying invested through the cycles.

At Taksh, we do not attempt to time the market. Instead, we focus on delivering strong **risk-adjusted returns** through a consistent, research-driven process.



Source: NSE India, Taksh Research, Data as on February 11, 2025. Start Date – July 3, 1990.

Disclaimer: The above graph is used to explain the concept and is for illustrative purposes only. It should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in the future.

*Bear Markets have been defined as periods of drawdown greater than 20%.

RISK IS CONSTANT – BUT PREPAREDNESS IS KEY

Risks – whether in the form of oil price shocks, geopolitical events or regulatory shifts – **are rarely predictable, yet ever-present**. Our approach to portfolio construction is designed with this reality in mind.

We do not seek to predict every shock but to withstand them. For example, while we remain optimistic about the long-term aviation theme, our exposure is capped at 5%. We recognize that fuel prices, geopolitical dynamics and regulatory shifts lie beyond our control.

Our broader risk framework includes:

- **Liquidity Discipline:** Our portfolios are designed to be fully liquidated within 20 trading days
- **Governance Rigor:** Monthly reviews, quarterly universe reassessments and in-depth research for all holdings
- **Prudent Allocation:** Strict limits on position sizing and sectoral exposures to avoid concentration risks

This disciplined approach enables us not only to pursue returns, but also to build **resilience across cycles and surprises**.

EARNINGS REVIEW

The ongoing Q4FY25 earnings season has been encouraging. Based on data from 109 companies in the BSE 500, for which the results have been announced to date, overall earnings have grown 6% year-on-year. In comparison, our portfolio companies delivered ~24% growth over the same period – demonstrating robust execution and strong fundamentals.

Our holdings continue to outperform peers with promising outlooks for the medium term.

PORTFOLIO STRATEGY: GROWTH WITH RESILIENCE

Our portfolio is structured for long-term capital appreciation, with a **targeted RoE of 23% for FY27 and earnings CAGR of 21% over FY25-27E**. With a PEG ratio of 2.0x, **valuations remain attractive**, supporting our focus on sustainable growth and income across a diversified sectoral mix.

At Taksh, we are committed to building a resilient and enduring investment institution – founded on trust, discipline and a long-term view. Amid market noise, our focus remains unwavering: **creating consistent value through cycles, guided by research, governance and strategic clarity**.

We thank you for your continued trust and look forward to navigating the future together – with conviction, prudence and purpose.

Q4FY25 Portfolio Earnings

Sl. no	Company Name	(Rs mn)			YOY			Our Take on Results
		Net Sales	EBITDA	Adjusted PAT	Net Sales	EBITDA	PAT	
1	**ICICI Bank Limited**[1]	2,11,929	1,76,643	1,26,296	11.0%	17.5%	18.0%	ICICI Bank continues to report strong performance with ~18% YoY earnings growth, led by 18% YoY operating profit growth. NII grew ~11% YoY in Q4FY25, while the loan book grew 13% YoY. Tighter cost growth continues to aid operating profit growth. Deposits grew 14% YoY. NIM showed improvement of 10 bps QoQ at ~4.4%, but was led by a few one-offs (day count, CRR cut, interest on IT refund and lower slippages). Fee income grew ~16% YoY. Asset quality metrics remained stable with gross slippage at 1.6% overall (flat QoQ, adjusted for higher agriculture slippages in the previous quarter). Credit cost stayed low at 0.3%. RoE was solid at ~18%.
2	**Eternal Limited**	58,330	720	390	63.8%	-16.3%	-77.7%	Zomato's food delivery GOV grew 16% YoY, driven by 10% MTU growth and higher frequency/AOV, with slight QoQ improvements in restaurant and customer delivery take rates. Blinkit's Q-commerce GOV rose 21% QoQ, fueled by a 29% surge in orders despite a 5.9% drop in AOV, while adding 294 new stores to reach 1,301; however, EBITDA losses widened to ₹1.8 bn due to rapid expansion and customer acquisition. The company remains on track to hit 2,000 dark stores by Dec 2025, with growth shifting beyond top cities, though margin expansion is being challenged by rising competition.
3	**Torrent Power Ltd**	–	–	–	–	–	–	–
4	**Bharti Airtel Limited**	4,78,762	2,74,946	1,26,159	27.3%	39.7%	178.9%	In Q4FY25 Bharti Airtel reported consolidated revenue of ₹479 billion reflecting a strong 27% YoY and 6% QoQ growth. India Mobile revenue stood at ₹266 billion, growing 21% YoY. Consolidated EBITDA beat expectations at ₹270 billion (Consensus: ₹268 bn), with India EBITDA at ₹158 billion also ahead of estimates. India Mobile EBITDA margins improved by 35 bps QoQ and 407 bps YoY to 59.2%. ARPU remained flat QoQ at ₹245, up 17% YoY and 19% better than second player. The total wireless subscriber base grew 2.7% YoY to 362 million, beating expectations.
5	**Divis Laboratories Limited**	–	–	–	–	–	–	–

Q4FY25 Portfolio Earnings

Sl. no	Company Name	(Rs mn)			YOY			Our Take on Results
		Net Sales	EBITDA	Adjusted PAT	Net Sales	EBITDA	PAT	
6	**Avenue Supermarts Limited**	1,44,624	9,814	6,197	16.7%	4.4%	2.6%	DMart added 28 stores in Q4FY25, growing its total store count to 415 (+14% YoY). DMart Ready performed strongly in metro areas, with home delivery effectively offsetting the impact of closing several pick-up points. Standalone gross margins declined slightly by ~24 bps YoY to 13.5% and ~59 bps QoQ, while employee costs and other expenses grew ~28% and ~27% YoY, outpacing revenue growth. Standalone PAT rose ~3% YoY, aided by a lower effective tax rate of 21.4% versus 24.8% in Q4FY24.
7	**Bajaj Finance Limited**[1]	1,38,241	72,051	39,404	23.4%	23.3%	15.8%	Bajaj Finance reported a PAT of ₹45 billion in 4QFY25, up 16% YoY and broadly in line with estimates, supported by a 2% YoY rise in core PBT and a lower effective tax rate of 20% due to ₹2.5 billion in tax reversals. NII grew 23% YoY driven by strong 26% AUM growth, although NIM compressed 36 bps YoY to 8.5%, remaining stable QoQ. Growth was led by unsecured segments like consumer B2C (+33% YoY), SME (+31%), and rural B2C (+22%). Mortgage disbursements accelerated to +25% YoY as demand picked up in 2HFY25. Operating expenses rose 20% YoY, below top-line growth, leading to an improved cost-to-AUM ratio of 3.9%. Credit costs rose to 2.3% due to a one-off ₹3.6 billion provision from ECL model changes; adjusted for this, credit cost was 1.97%
8	**Info Edge India Limited**	–	–	–	–	–	–	–

Q4FY25 Portfolio Earnings

Sl. no	Company Name	(Rs mn)			YOY			Our Take on Results
		Net Sales	EBITDA	Adjusted PAT	Net Sales	EBITDA	PAT	
9	**Cholamandalam Investment and Finance Company Limited[1]**	30,594	23,233	12,508	29.7%	43.9%	19.3%	Cholamandalam Investment & Finance reported a PAT of ₹13 billion in 4QFY25, up 19% YoY and in line with our estimates, with core PBT rising 40% YoY and beating forecasts by 4%, driven by lower-than-expected operating expenses, though partially offset by elevated credit costs. NII grew strongly by 30% YoY, aided by 27% AUM growth, despite a modest 9 bps YoY compression in NIM. Operating expenses rose just 11% YoY, improving cost efficiency with the cost-to-AAUM ratio declining 50 bps YoY to 3.1%. Credit costs moderated to 1.4%, with stable ECL coverage and write-offs at 1.1%, while asset quality improved, with stage-2 and stage-3 ratios down 20 bps and 10 bps QoQ, respectively. RoA improved sequentially to 3.6%, though down 30 bps YoY.
10	**Reliance Industries Limited**	26,46,000	4,36,000	1,90,000	9.9%	2.6%	0.5%	Reliance reported a steady Q4FY25 with consolidated EBITDA up 3% YoY to INR 438bn and PAT up 1% YoY, broadly in line with estimates. Strong growth in Digital Services (+18% YoY) and Retail (+15% YoY) offset the decline in O2C (-10% YoY) and E&P (-9% YoY) segments. Looking ahead, Digital and Retail are expected to drive growth, while challenges persist for O2C due to weak global demand and oversupply.
	Portfolio Aggregate						**23.6%**	

Source: Internal Analysis

*For Companies which have announced the results as of 14-May-2025

Note - YoY growth for our portfolio companies is based on the aggregate PAT reported for Q4FY25 and Q4FY24

1 Net Sales is Net Interest Income and EBITDA is Pre-Provision Operating Profit for Financial companies as highlighted above

FUND DYNAMICS

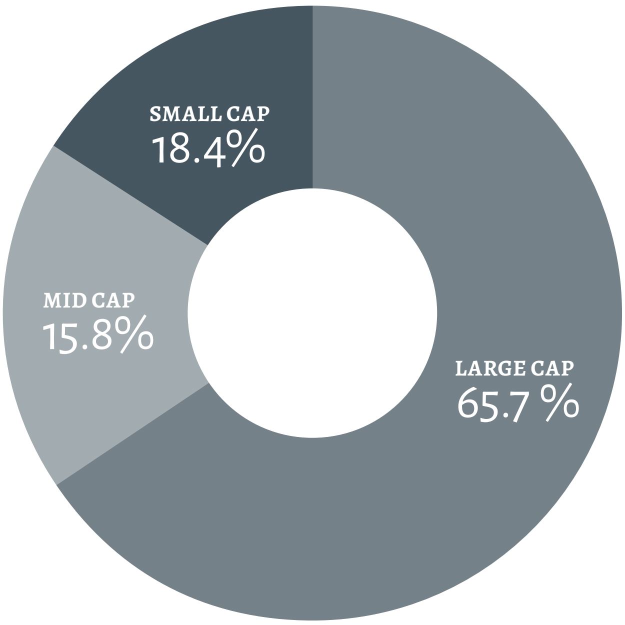
TOP 10 HOLDINGS

Allocation (%)

Company	Sector	Weight %
ICICI Bank Limited	Banks	5.9
Eternal Limited	Consumer Services	5.5
Torrent Power Ltd	Power	5.3
Bharti Airtel Limited	Telecommunication	5.2
Divis Laboratories Limited	Healthcare	4.8
Avenue Supermarts Limited	Consumer Services	4.6
Bajaj Finance Limited	Finance	4.4
Info Edge India Limited	Consumer Services	3.9
Cholamandalam Investment and Finance Company Limited	Finance	3.9
Reliance Industries Limited	Oil, Gas & Consumable Fuels	3.5

Data as on April 30, 2025

MARKET CAPITALIZATION*

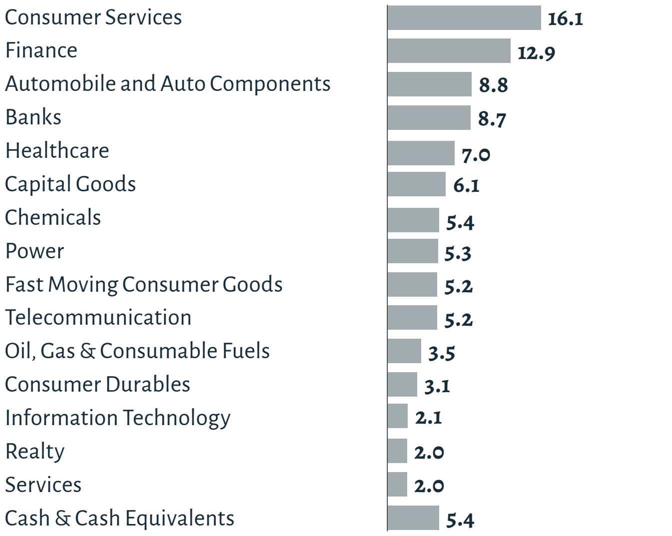


*Cash excluded

As per AMFI Classification; Data as on April 30, 2025

SECTOR BREAKUP

Allocation (%)



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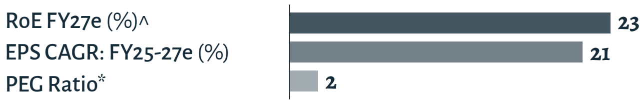
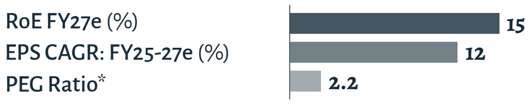
PORTFOLIO QUANTS

Taksh India Enterprising Fund



NIFTY 500 TRI

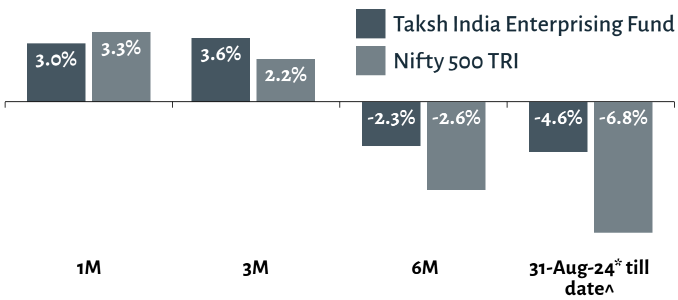


*PEG Ratio is Price/Earnings to Growth calculated as FY25 PE divided by the expected EPS growth for FY25-27e

^adjusted for one-time and non-recurring items

Source: Bloomberg; Internal Research. Data as on April 30, 2025

FUND PERFORMANCE



^Data as on 30th April,2025. First Close date - 6th August,2024.

*Note - As the fund was in the capital deployment phase during its first month (August 2024) with an average cash holding of approximately 69%, the returns are presented from the end of August 2024 which is the 8-month returns as of the end of April 2025.

Disclaimers:

#Returns are calculated on a post-expenses, pre-carry, and pre-tax basis. Above mentioned returns are Strategy level returns and might deviate for different share classes. Past performance may or may not be sustained in future. Returns for greater than one year are annualised returns.

The Scheme is yet to complete one year from the date of first closing and hence benchmark report is not available as of now. Further, the Scheme notes to publish the same as when it is available. The NIFTY 500 TRI returns are disclosed from reference perspective to show performance of the scheme and the said benchmark to the readers and the same shall not be construed as the Scheme has been benchmarked with NIFTY 500 TRI. The Investment objective/ strategy of the Fund is not structured in a way which is identical/ similar to the compared benchmark.

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