

Market snapshot



Today's top research idea

Phoenix Mills: Commissioning of new malls to drive growth beyond FY27; Upgrade to Buy

- ❖ Driven by mall renovations and ramp up of new mall, we project a 21% CAGR in retail rental income, reaching INR28b by FY27. Total income is expected to hit INR39b. PHNX's office portfolio is projected to increase nearly fourfold, reaching 7.1msf. This growth will boost office rental income to INR6b by FY27, representing a 71% CAGR over FY25-27 or a 3x increase. Additionally, hospitality portfolio will triple to over ~1,800 keys from 588keys currently.
- ❖ The company's acquisition of the remaining 49% stake in Island Star Mall Developers (ISMDPL) strengthens its high-quality retail asset portfolio, unlocking long-term value. The transaction is expected to be earnings-accretive from year one with significant upside as rental income stabilizes and the 2.71msf incremental FSI potential is developed over the medium term.
- ❖ Staggered payments over three years will keep the net debt-to-equity ratio below 0.4x for the next two years. We upgrade our rating to BUY with a revised TP of INR2,044 (earlier INR1,673), implying upside potential of 35%.



Research covered

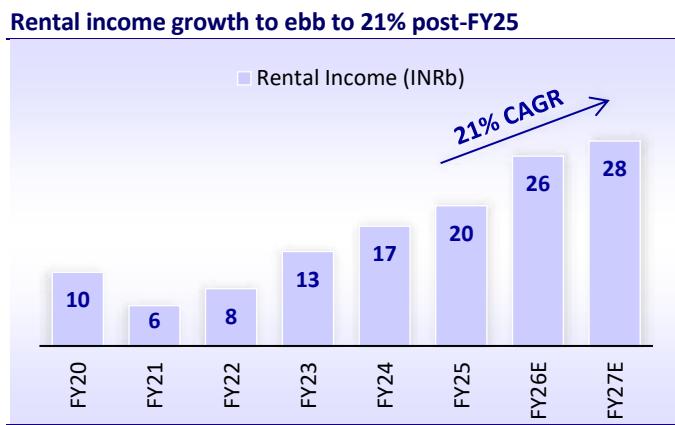
Cos/Sector	Key Highlights
Phoenix Mills	Commissioning of new malls to drive growth beyond FY27; Upgrade to Buy
21st Annual Global Investor Conference	CEO track Takeaways: Clean Energy Shift Witnessing Healthy Demand PayTM Zepto AU Small Finance Bank India's Reform Agenda
Bulls & Bears	Weakness persists; India underperforms global markets
Automobiles	Green shoots visible in 2Ws, demand revival hopes pinned on GST rate cuts
EcoScope	GST Monitor: GST collections stand at INR1.9t in Aug'25

Note: Flows, MTD includes provisional numbers.

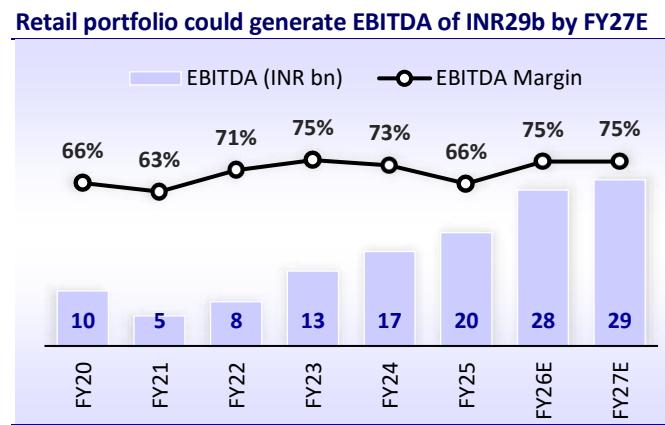
*Average



Chart of the Day: Phoenix Mills: Commissioning of new malls to drive growth beyond FY27; Upgrade to Buy



Source: Company, MOFSL



Source: Company, MOFSL

Research Team (Gautam.Duggad@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on textbox for the detailed news link

1

Bharat Electronics secures new orders worth ₹644 crore
Company has received additional orders valued at ₹644 crore since its last disclosure on July 30, 2025. The major orders include data centres, ship fire control system, tank navigation system, communication equipment, seekers, jammers, simulators, electronic voting machines, upgrades, spares, and services.

2

United Breweries begins Kingfisher production at Ilios brewery in Andhra Pradesh

The development follows the company's earlier disclosure in May 2025 regarding a leasing arrangement with Ilios Breweries Private Limited to enhance manufacturing capabilities in the state.

3

Puravankara secures redevelopment project in South Mumbai's Malabar Hill
Puravankara has secured a Rs 2,700-crore project to redevelop a prime housing society in Mumbai's Malabar Hill, adding 7 lakh sq ft of development potential. This acquisition strengthens Puravankara's Mumbai portfolio, now totaling 4.25 million sq ft with a potential gross development value of Rs 10,500 crores.

4

Fortis Healthcare arm inks 15-year lease with RR Lifesciences to expand NCR reach

Fortis Healthcare's subsidiary, International Hospital Limited, has secured a 15-year lease. This agreement with RR Lifesciences Limited allows Fortis to operate and expand its facility in Greater Noida.

5

Syрма SGS announces electronics manufacturing JV with Italy's Elemaster

This JV, will establish a dedicated, India-focused platform to serve high-reliability customers across the railway, industrial, and medical electronics sectors. The facility formed under this JV, will be located at the Bommasandra Industrial Area, Bengaluru, and will have an initial footprint of nearly 20,000 square feet, configured for SMT, THT and box-build assembly lines

6

AXISCADES Technologies wins \$1.2 million pilot orders in aircraft cabin interiors

The contracts have been awarded by two global leaders—one a leading aerospace original equipment manufacturer (OEM) and the other a renowned aircraft cabin interior company with operations in Europe and the United States.

7

Rural India sees surge in affordable premium FMCG purchases, outpacing urban markets

Rural India is increasingly embracing affordable premium FMCG products, surpassing urban areas in consumption volume with a 51% share. This shift is driven by factors like low-unit packs, rising aspirations fueled by increased content consumption, and brands

BSE SENSEX	S&P CNX
80,364	24,625



Bloomberg	PHNX IN
Equity Shares (m)	358
M.Cap.(INRb)/(USDb)	542.5 / 6.2
52-Week Range (INR)	1968 / 1338
1, 6, 12 Rel. Per (%)	4/-13/-17
12M Avg Val (INR M)	1275

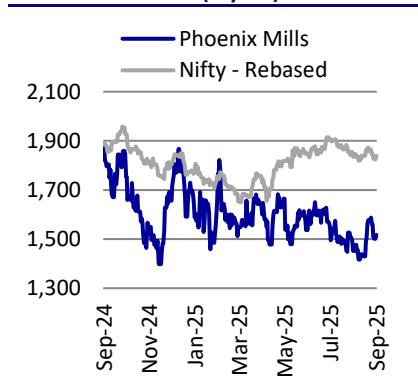
Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	38.1	46.7	52.1
EBITDA	21.6	28.9	35.0
EBITDA Margin (%)	56.7	61.8	67.2
PAT	9.8	17.8	22.2
EPS (INR)	27.5	49.7	62.1
EPS Gr. (%)	-10.6	80.6	24.8
BV/Sh. (INR)	292.2	338.9	398.0
Ratios			
RoE (%)	9.9	15.8	16.8
RoCE (%)	11.1	13.3	14.3
Payout (%)	9.1	6.0	4.8
Valuations			
P/E (x)	55.1	30.5	24.4
P/BV (x)	5.2	4.5	3.8
EV/EBITDA (x)	27.0	20.4	16.5
Div yld (%)	0.2	0.2	0.2

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	47.3	47.3	47.3
DII	12.7	12.6	13.3
FII	36.3	36.2	35.4
Others	3.7	4.0	4.0

Stock Performance (1-year)



CMP: INR1,517 TP: INR2,044 (+35%) Upgrade to Buy
Commissioning of new malls to drive growth beyond FY27

Upcoming malls set to boost growth

- During FY15-25, PHNX's retail portfolio witnessed an 11% CAGR in consumption, supported by ~7% like-for-like growth in the existing malls and the opening of new malls in Lucknow, Indore, Ahmedabad, Pune, and Bengaluru. Additionally, retail rental income clocked a similar 12% CAGR during this period, mirroring the consumption growth.
- We anticipate this positive growth trend to continue, primarily driven by the ramp-up of new malls. As of 1QFY26, trading occupancy stood at 89%, down from 91% in Mar'25.
- Flat or declining consumption in certain mature assets is linked to ongoing revamps and tenant churn. In Bengaluru, approximately 10% of the leasable area is currently under fit-outs or being repurposed from hypermarkets to high-performing fashion anchors. Pune is undergoing a similar transformation, replacing outdated anchors and restaurants with newer, more relevant offerings. Management remains optimistic about the long-term performance, projecting strong growth from FY27 onward once the revamps are completed.
- The recently commissioned Phoenix Palassio (Lucknow), Phoenix Citadel (Indore), Mall of Millennium, and Palladium Ahmedabad achieved average trading occupancy of 94% within 6-8 quarters of operation. The company aims to sustain this success with its existing malls and replicate it in the upcoming malls in Gujarat and Kolkata.
- Further expansions are underway at Phoenix Palladium (0.35msft), expected to be launched by FY26-27. With the acquisition of 22.1 acres in Coimbatore and Chandigarh Mohali in FY25, PHNX is set to more than double its portfolio by FY30.
- As a result, we estimate a 21% CAGR in retail rental income over FY25-27E to reach INR28b by FY27E and total income to reach INR39b.

Office portfolio to surge 3x!

- After the implementation of the 'mall of the future' strategy, PHNX successfully delivered its first asset, Fountainhead (0.8msf), in Pune in 4QFY22. This marked the beginning of a significant expansion of its office portfolio, which now totals 2msf. Despite initial concerns over office demand, the Fountainhead asset has seen a steady rise in occupancy, reaching 65% since its completion, signaling a positive outlook for the office sector within its retail spaces.
- The company continues to diversify and expand its office portfolio within its existing mall properties across key locations. Notable developments include office spaces at malls in Bengaluru (1.2msf), Chennai (0.4msf), and Palladium Mumbai (1.1msf). Additionally, newly launched malls in Pune (1.2msf) and Bengaluru (1.2msf) are also contributing to the growth of PHNX's office segment. These strategic expansions highlight PHNX's commitment to increasing its office presence in high-demand urban areas.

- Looking forward, PHNX's office portfolio is expected to grow significantly over the next few years. By FY27, in a phased completion, the portfolio is projected to increase nearly fourfold, reaching 7.1msf. This growth will boost rental income to INR6b by FY27, representing a 71% CAGR over FY25-27 or a 3x increase, as per the company. This trajectory underscores the company's confidence in the long-term demand for office spaces within its mall-based developments.

Hotel segment to benefit from strong momentum

- PHNX's flagship hotel, St. Regis, has seen a strong improvement in operations, thanks to demand tailwinds. During 1QFY26, the asset posted an ARR of ~INR16,425 (+13% YoY) and an improved EBITDA margin of ~47%.
- It is currently developing a 400-key premium hotel, Grand Hyatt, at its MarketCity mall in Bengaluru. This is expected to be completed in FY27-28 with an estimated capex of INR10b.
- Phase 3 of PMC Bengaluru will see another hotel with 300 keys, which will soon commence construction. Meanwhile, Phoenix Citadel will see another 300-key hotel, which is currently at the planning stage.
- The company has also acquired an 11-acre land parcel in Thane in FY24 and the project is likely to have another premium hotel.
- This will triple its hospitality portfolio to over ~1,800 keys (588 keys currently operational).

Valuation and view

- While new malls continue to ramp up well, PHNX is implementing measures to accelerate consumption at mature malls. These initiatives, along with a further increase in trading occupancy, will help PHNX sustain healthy traction in consumption.
- The company's acquisition of the remaining 49% stake in Island Star Mall Developers (ISMDPL) strengthens its high-quality retail asset portfolio, unlocking long-term value. The transaction is expected to be earnings-accretive from year one with significant upside as rental income stabilizes and the 2.71msf incremental FSI potential is developed over the medium term. Staggered payments over three years will keep the net debt-to-equity ratio below 0.4x for the next two years.
- **We upgrade our rating to BUY with a revised TP of INR2,044 (earlier INR1,673), implying upside potential of 35%.**



Clean Energy Shift

Mr. Sumant Sinha
Chairman & CEO, ReNew

Trillion-dollar opportunity to power growth and returns

We hosted Mr. Sumant Sinha, Chairman and CEO of ReNew, as a part of the CEO Track at AGIC CY25. Here are our key insights from the session:

Multiple tailwinds driving renewable energy growth

Mr. Sinha believes governments around the world are increasingly pushing for clean energy adoption, creating strong momentum for renewable energy (RE). A significant milestone was set at COP28 in 2023 (held in Dubai), where the target was set to **triple installed capacity** for RE. However, the primary driver now is economics rather than just government policy. As technology evolves, costs are expected to continue declining, making RE increasingly relevant and essential. He also emphasized that the actual impact of climate change is progressing much faster than anticipated, though often under-recognized. This urgency is prompting governments worldwide to accelerate their push for RE adoption.

India's RE capacity and growth outlook

RE's share in the energy mix is projected to keep growing substantially. India, in particular, is at a crucial point where RE is the key driver of capacity growth. While coal remains important to manage constraints where RE growth lags, its role is gradually being limited. India needs an annual RE capacity addition of 60-70 GW to meet its energy requirements and goals. In FY24, about 18-19 GW of renewable energy capacity was added. This rose sharply to around 30 GW in FY25 and will potentially rise to 40 GW in FY26. As RE capacity installations continue at a brisk pace, demand for renewable energy is not expected to be a constraint. Under the Viksit Bharat Plan 2047, India aims to add a monumental 2,000 GW of renewable energy capacity. While achieving the interim milestone of 500 GW is significant, it is not the final goal. India's net zero plan targets no new fossil fuel additions by 2070, underscoring the long-term commitment to clean energy.

Regulatory tailwinds and technology progress to unlock new demand avenues

The government's drive to indigenize module production is unlikely to stop at solar cells and could, eventually, encompass wafers, ingots, polysilicon, batteries, and inverters over the coming years. This is notable as several domestic manufacturing players have already started making investments in allied sectors/components such as ingots/wafers/batteries. Despite the easier and cheaper option of importing from China, India wants to avoid worsening its already large trade deficit with China.

(around USD100 billion). Over time, as India establishes its manufacturing ecosystem, costs will decline, enabling self-sufficiency and even potential exports. The government's vision is to transition to green hydrogen, which is currently about twice as expensive as grey hydrogen but is expected to become more affordable within the next 4-5 years. Green hydrogen will be a major driver for renewable energy expansion. According to current estimates, every 1 mmtpa of green hydrogen production requires ~20 GW of RE capacity, which means the government's target of producing 5 mmtpa of GH domestically may involve additional RE capacity installation of 100 GW.

ReNew's strategic focus areas

Mr. Sinha emphasized that ReNew is focused on building two long-term competitive advantages: scale, which enables the lowest cost of production, and backward integration, which is critical for survival given policymakers' emphasis on creating an end-to-end value chain. ReNew currently has an 11.1GW commissioned capacity and has pioneered Round-the-Clock (RTC) renewable energy projects that deliver base-load power by combining solar, wind, and battery energy storage systems (BESS). On the manufacturing front, the company operates 6.5 GW of solar module capacity with 2.5 GW of operational cell capacity and plans to add another 4 GW of cell capacity in the near term. Additionally, ReNew has secured 30 GW of connectivity until 2030 and beyond, ensuring visibility for sustained long-term growth.

Market dynamics shifting towards complex tenders

There is an overcapacity in solar module manufacturing (around 100 GW ALMM-compliant capacity). However, cell manufacturing capacity is still insufficient, and smaller players may struggle to keep up. In the current solar market, vanilla bids for daytime power are no longer common. Instead, the focus has shifted to more complex tenders involving solar plus battery storage, RTC, and hybrid power projects. ReNew is uniquely positioned here, being the only company with operational RTC projects and the largest wind capacity in India. In the last two years, 70-80 GW of power purchase agreements (PPAs) have been signed, and it is expected that majority of the pending bids will be finalized as DISCOMs make decisions.

Story in charts

Capacity addition (GW)

Capacity addition (GW)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Thermal	5.4	3.4	4.3	4.1	1.4	1.2	5.9	3.7
Nuclear	0.0	0.0	0.0	0.0	0.0	0.0	1.4	0.0
Hydro	0.8	0.1	0.3	0.5	0.5	0.1	0.1	0.8
Solar	9.4	6.5	6.4	5.5	13.9	12.8	15.0	23.8
Wind	1.8	1.6	2.1	1.6	1.1	2.3	3.3	4.2
Other RE	0.6	0.5	0.9	0.4	0.4	0.2	0.2	0.7
Total capacity addition	18.0	12.1	14.0	12.0	17.3	16.6	25.9	33.3

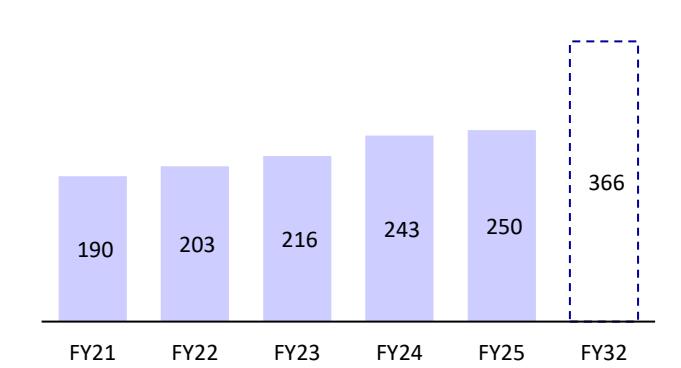
Source: CEA, NPP, MOFSL

All-India installed capacity (GW)

Particulars	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Thermal	222.9	226.3	230.6	234.7	236.1	237.3	243.2	246.9
Nuclear	6.8	6.8	6.8	6.8	6.8	6.8	8.2	8.2
Hydro	45.3	45.4	45.7	46.2	46.7	46.9	46.9	47.7
Solar	21.7	28.2	34.6	40.1	54.0	66.8	81.8	105.6
Wind	34.0	35.6	37.7	39.2	40.4	42.6	45.9	50.0
Other RE	13.3	13.8	14.7	15.1	15.5	15.7	15.9	16.7
Total capacity (GW)	344.0	356.1	370.1	382.2	399.5	416.1	442.0	475.2

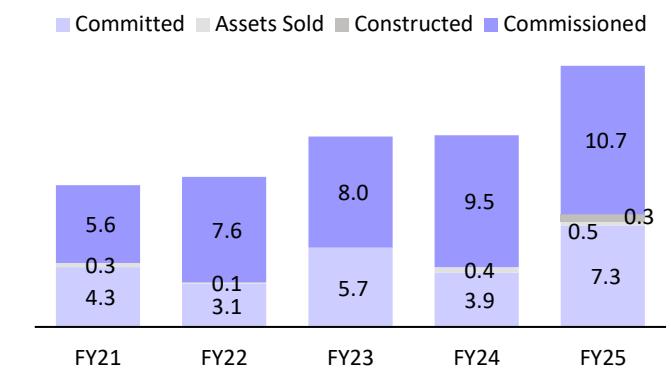
Source: CEA, NPP, MOFSL

India's peak demand continues to climb (in GW)



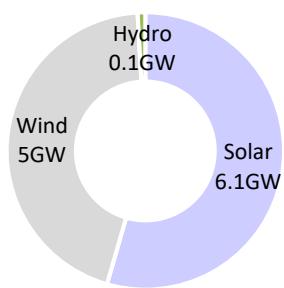
Source: ReNew, MOFSL

ReNew's execution over the years (in GW)



Source: ReNew, MOFSL

ReNew's 11.2GW commissioned capacity break-up



Source: ReNew, MOFSL

ReNew's 7.3GW committed capacity break-up



Source: ReNew, MOFSL



Witnessing Healthy Demand

Ms. Shveta Arya
MD, Cummins India

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	120.9	141.5	163.0
EBITDA	23.8	27.9	32.4
Adj. PAT	23.1	27.3	31.7
EPS (INR)	83.5	98.4	114.3
EPS Gr. (%)	16.4	17.8	16.3
BV/Sh. (INR)	287.3	325.8	370.9
Ratios			
RoE (%)	30.9	32.1	32.8
RoCE (%)	29.4	30.6	31.3
Payout (%)	58.8	58.7	58.5
Valuations			
P/E (x)	46.5	39.4	33.9
P/BV (x)	13.5	11.9	10.5
EV/EBITDA (x)	44.0	37.4	32.1
Div Yield (%)	1.2	1.4	1.6

Impact of geopolitics on manufacturing

Manufacturing growth in India

We hosted Ms. Shveta Arya, MD of Cummins India, as part of our CEO track session at AGIC 2025. Here are the key takeaways of the session:

Witnessing positive demand triggers amid volatile global situation

The overall manufacturing space in India is witnessing positive demand triggers from both urban and rural regions, aided by a stable government at the center, policy initiatives such as proposed GST rate changes, focus on infrastructure development, and policies related to the indigenization of manufacturing. All these factors are driving improvement in overall manufacturing growth in India. Segments such as electronics, renewables, auto components, pharma, hospitality, etc. are growing quite well.

US tariff can impact supply chains and global demand in near term

The current US tariff situation is resulting in potentially higher cost of exports from India and is making China and Vietnam more competitive in terms of costing for exports. It is still uncertain how the situation will pan out in the future. However, India has established itself as a good hub for meeting the demand for exports.

Players like Cummins have already established themselves as preferred vendors for the global supply chain for Cummins Inc. The company can continue to capitalize on its products for other markets beyond the US. Along with this, its widespread network of global vendors will also help the company to adjust supply chains if required.

Domestic powergen market is growing after initial demand pressures from norm transition

Domestic powergen segment is back to pre-emission norm levels in terms of volumes as demand has come back in most of the nodes. Demand has improved from segments such as manufacturing, commercial real estate, quick commerce, hospital, data centers, etc., and the company expects steady growth in demand across these segments.

Cummins will capitalize on BESS demand with its newly launched product

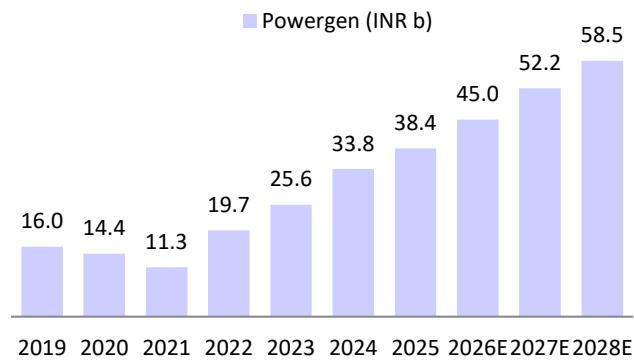
The company had already launched a product on BESS and expects to capitalize on the demand coming from individual establishments in storing the surplus renewable power. Though key components of BESS are currently not made in India, the company designs and assembles them here and has demand coming in from various segments of the industry.

With large part of components already indigenized, Cummins is better placed than others

The company has already indigenized a large part of components that go into its powergen products, except for a few critical electronic components. Thus, it is better than other players in the industry. Also, the company is not much impacted in terms of higher costs due to BIS QCO norms, except for certain logistical delays.

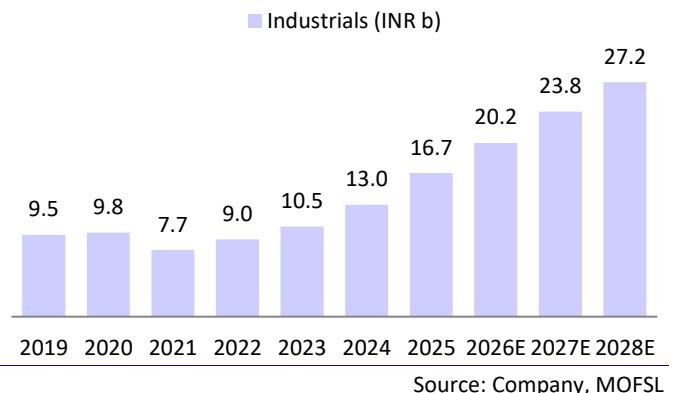
Story in charts

We expect 15% CAGR in the Powergen segment over FY25-FY28E



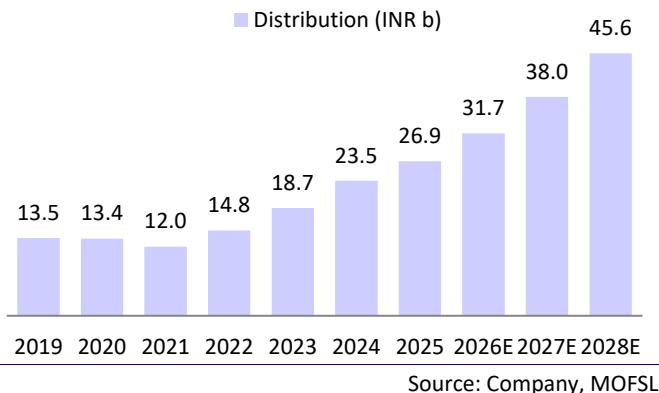
Source: Company, MOFSL

We expect 18% CAGR in the Industrial segment over FY25-FY28E



Source: Company, MOFSL

We expect 19% CAGR in the Distribution segment over FY25-FY28E



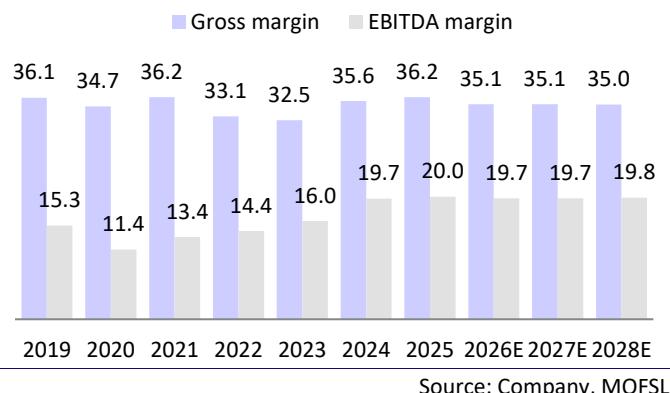
Source: Company, MOFSL

Exports to clock 17% CAGR on a low base over FY25-FY28E



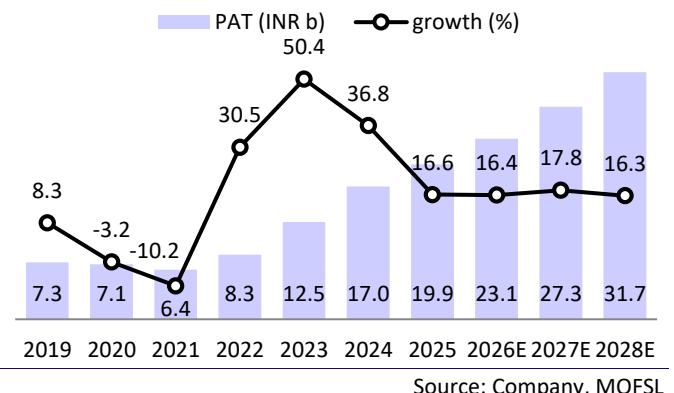
Source: Company, MOFSL

Margin to be stable post FY25



Source: Company, MOFSL

PAT to clock 17% CAGR over FY25-28E



Source: Company, MOFSL

Paytm



Financials & Valuations (INR b)

Y/E March	FY26		FY27	
	FY25	E	E	
Revenue from Op	69.0	83.8	101.6	
Contribution Profit	36.8	46.7	58.6	
Adjusted EBITDA	(6.9)	2.7	8.9	
EBITDA	(15.1)	0.5	7.4	
PAT	(6.7)	3.9	9.9	
EPS (INR)	(10.4)	6.1	14.7	
EPS Gr. (%)	NM	NM	143.2	
Ratios				
Contribution Margin %	53.3	55.8	57.7	
Adjusted EBITDA Margin (%)	(21.9)	0.7	7.3	
EBITDA Margin (%)	(10.0)	3.2	8.8	
RoE (%)	(4.7)	2.6	6.4	
RoA (%)	(3.4)	1.7	3.9	
Valuations				
P/E(X)	NA	202.9	83.4	
P/BV (X)	5.2	5.3	5.2	
P/Sales (X)	11.4	9.5	8.1	

Building scale with sustainability

Tech, product innovation to remain a differentiator

We hosted Mr. Vijay Shekhar Sharma, Founder & CEO of Paytm, as a part of CEO Track at AGIC 2025. Here are our key insights from the session:

Profitability built on 0-MDR foundation

Paytm reiterated that its business model has been structurally designed on a 0-MDR framework, and profitability has been demonstrated even without transaction fees on UPI. Management emphasized that the model is viable, scalable, and risk-free. The 1QFY26 PAT of INR1.23b underscores that Paytm has entered a sustainable profitability phase, aided by recurring subscription revenues, AI-led efficiency, and disciplined cost controls. Retail payments now account for over 50% of transaction share, reducing cash dependency and driving long-term monetization levers.

Payments and Devices: A recurring revenue stream; innovation remains key

Merchant payments remain the core strength, with device subscriptions (Soundbox, POS) forming a recurring revenue stream similar to telecom ARPU. Paytm highlighted that the Soundbox is not just a payment device but a platform, with a long-term target of 100m deployments. Interestingly, price sensitivity has not been a barrier, as merchants value reliability and value-added bundled services over lower pricing. The company is aiming to address UPI market share challenges and make a comeback in coming quarters (just as Chrome did for internet browsing).

Financial services: Partner-led and regulator-aligned

Paytm continues to focus on scaling financial services business through partnerships, adding new lending partners recently. The merchant loan trajectory remains strong, while Paytm Postpaid and Wallet will be relaunched in line with regulatory approval. Management stressed that fintech's role is not to alter credit-to-GDP ratios but to expand credit accessibility. Financial services will remain a critical revenue driver alongside payments, with both businesses working in tandem as acquisition funnels and monetization levers.

AI-first approach: Driving efficiency and customer stickiness

AI is being embedded across Paytm's ecosystem, from predicting merchant churn and delinquency to improving collection bonuses and customer engagement.

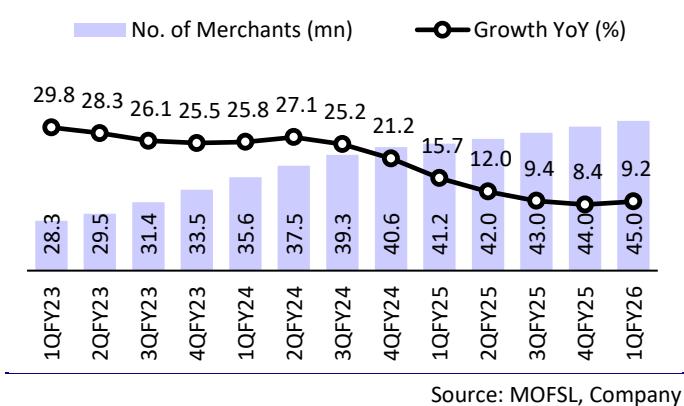
Marketing spends and operating costs are being sharply reduced as AI improves targeting and interventions. Management underscored that AI is not only a cost lever but it will also enable new product innovations that Paytm will showcase in the near future, reinforcing its positioning as a regulated, AI-first technology company.

Looking ahead: Building a universal fintech platform

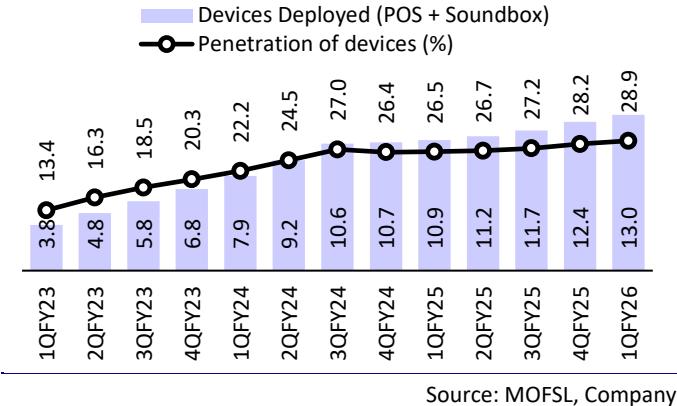
Paytm's medium-term strategy rests on four pillars: (1) defending leadership in merchant payments through deeper device penetration, (2) scaling financial services in partnership with lenders, (3) leveraging AI for efficiency and innovation, and (4) exploring selective international expansion. Management reiterated its confidence that the company is now positioned not just as a payments player, but as a **universal fintech platform**, trusted and AI-first, with strong focus on sustainable profitability.

Story in charts

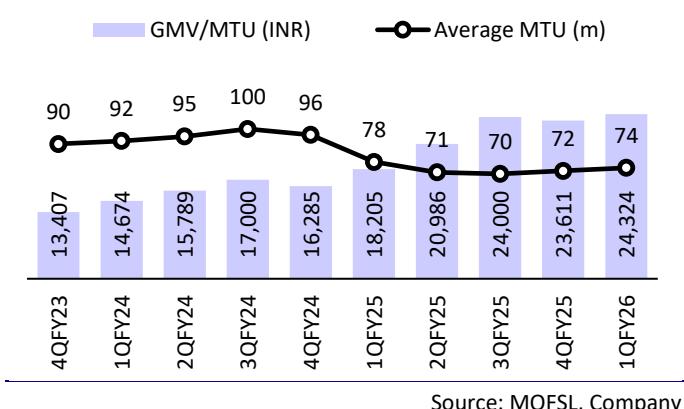
Paytm's merchant base has grown to 45m



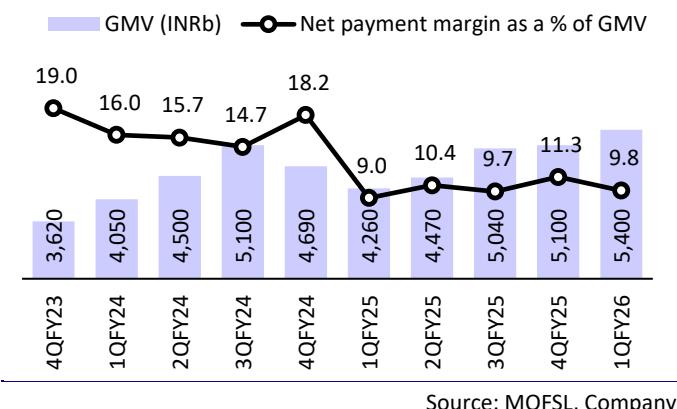
Devices deployed have grown 19% YoY to 13m



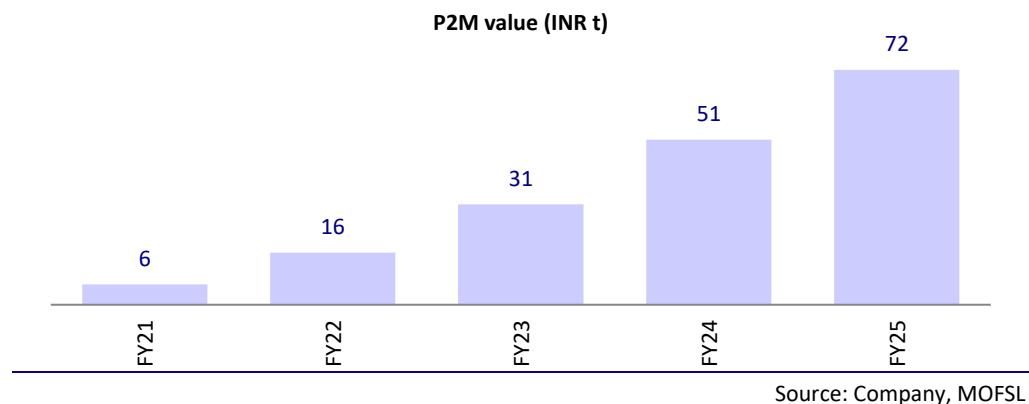
Average MTU has recovered to 74m



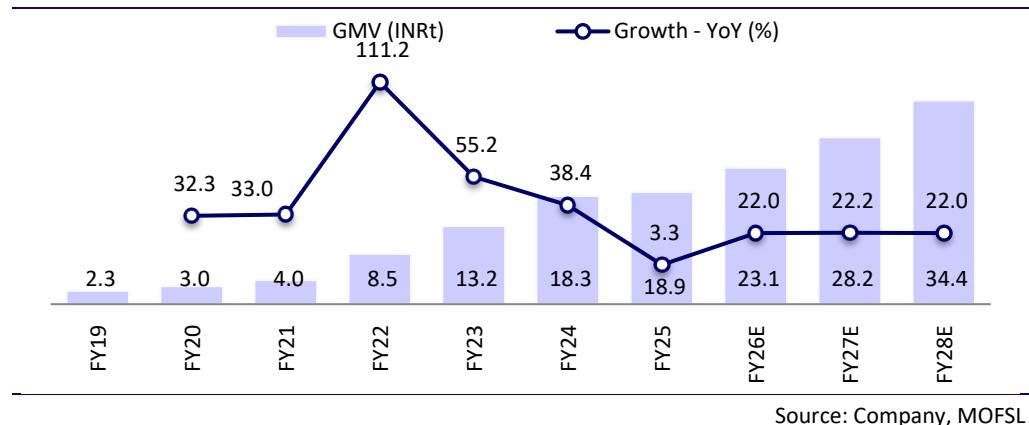
GMV has risen to INR5.4t (27% YoY)



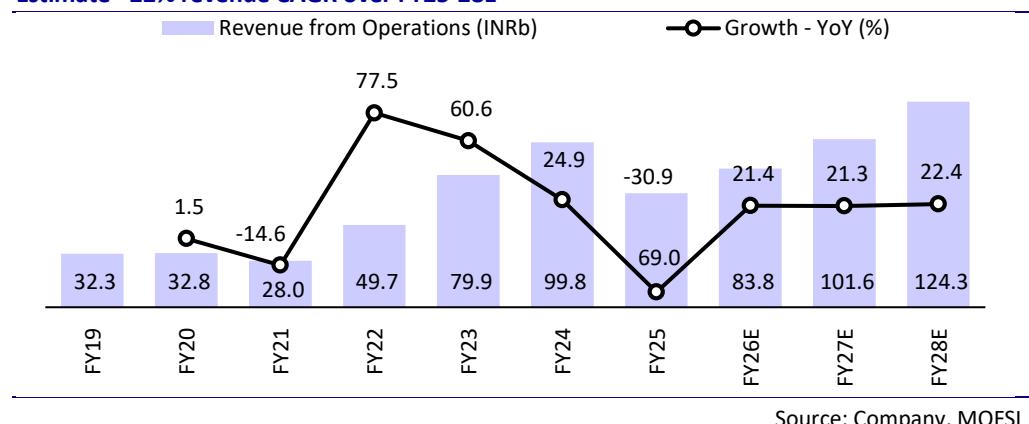
P2M value (INR t) continues to grow at a healthy pace for the industry



Estimate GMV to clock 22% CAGR over FY25-28E



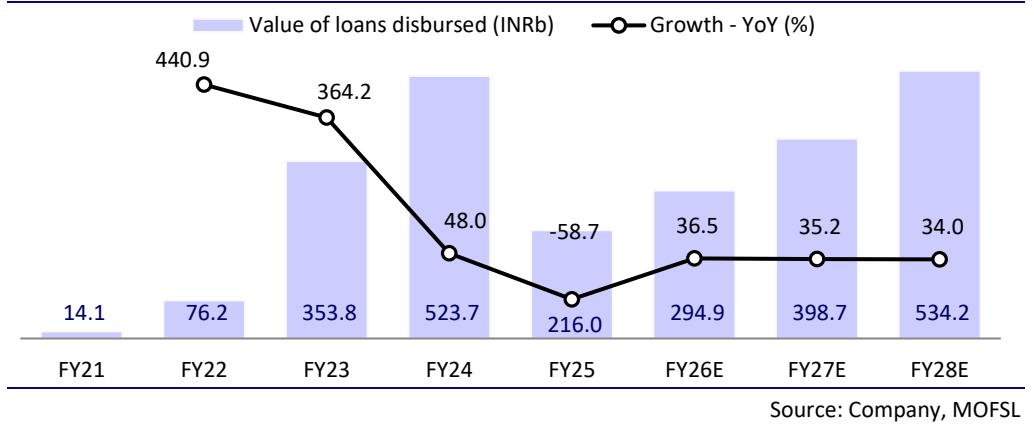
Estimate ~22% revenue CAGR over FY25-28E



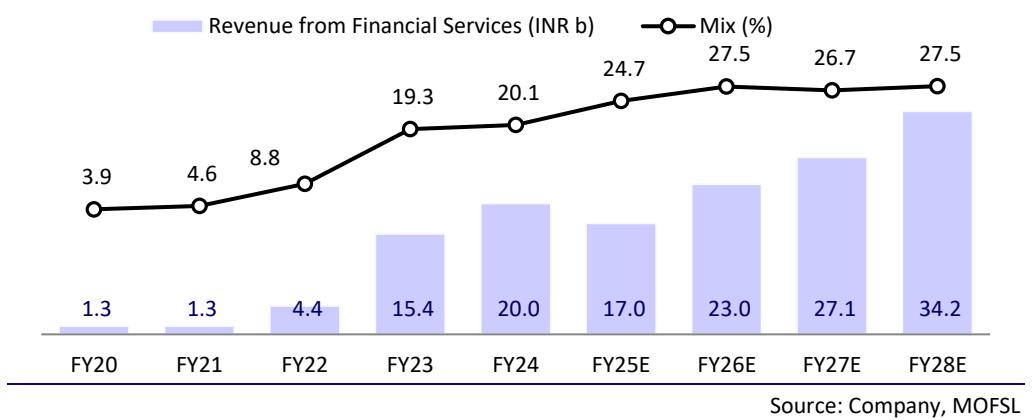
Revenue from operations to see 22% CAGR over FY25-28E

Loans disbursement expected to clock ~35% CAGR over FY25-28E

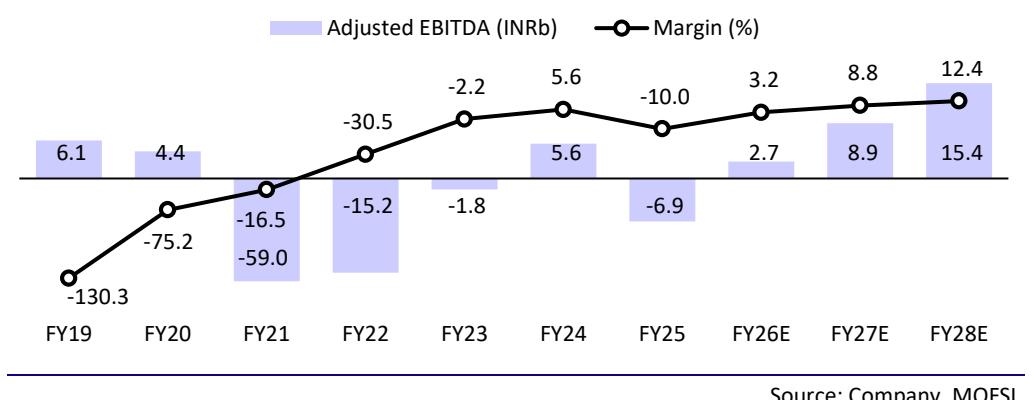
Estimate 35% CAGR in value of loans disbursed over FY25-28E



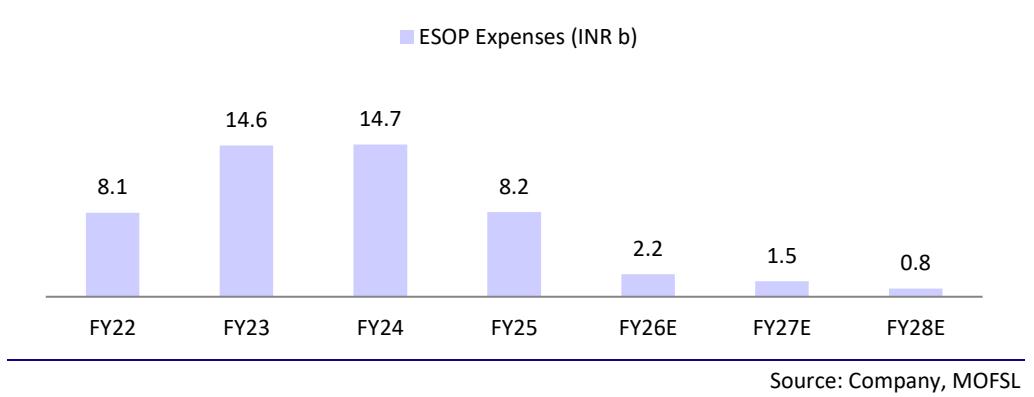
Mix of financial revenue is estimated to increase to 27% by FY28E



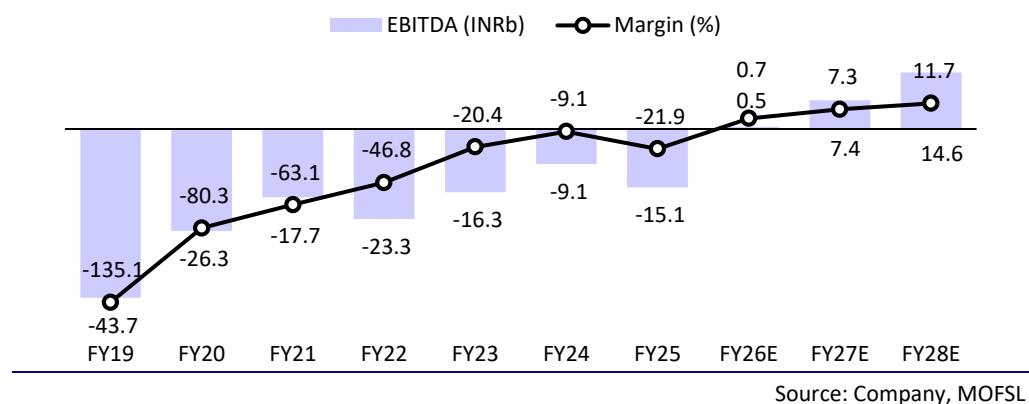
Adj EBITDA to turn positive in FY26E after achieving profitability in 1QFY26



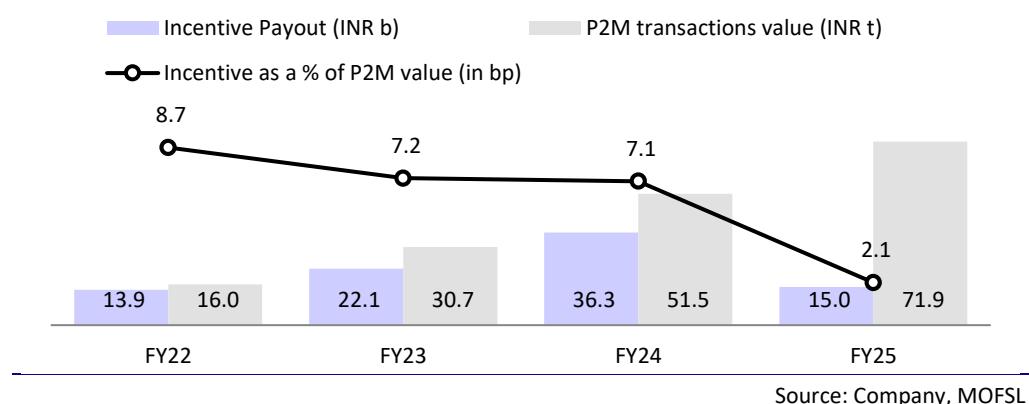
ESOP expenses are expected to reduce sharply over coming years



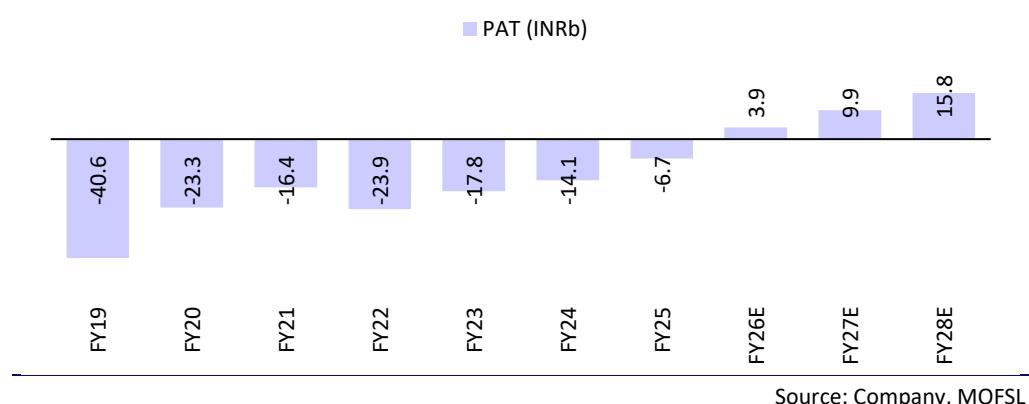
Estimate Paytm to report positive EBITDA in FY27E



Incentive payout by government has declined sharply for FY25



Estimate earnings to turn profitable in FY26E with PAT rising to INR15.8b in FY28E



Estimate Paytm to achieve profitability in FY26E

zepto



Mr. Aadit Palicha
Co-founder & CEO

Zepto

Scaling India's quick commerce flywheel

We hosted Mr. Aadit Palicha, Co-Founder and CEO of Zepto, as a part of the CEO Track at AGIC CY25. Here are our key insights from the session:

Cost discipline key to scaling from here

Zepto believes cost efficiency will be key to scaling the company over the next few years. Management expects profitability to expand notably despite fast growth. On penetration, the company mentioned that majority of the GMV still comes from metro cities, which themselves remain significantly underpenetrated. While AOV remains stable, the company's focus is on maximizing order volumes and take rates while reducing cost per order through density. Shorter delivery distances and high-rise concentration are proving critical in lowering unit costs, setting the foundation for long-term profitability.

Unit economics on an improving trajectory

Mature stores are already profitable and growing well above average, while newer cities are achieving profitability faster than before. Further, delivery costs in high-density clusters are below industry benchmarks, highlighting the structural cost advantage from scale.

Execution advantage in quick commerce

The business continues to demonstrate an execution edge over smaller peers. While new entrants have struggled to scale meaningfully, Zepto has consolidated its position as one of the largest players in this space. Management believes that long-term economics will be dictated by density, efficiency, and capital discipline.

Roadmap: Volume leadership through density

Zepto's model is designed around volume, take rate, and cost per order rather than pushing AOV. Its strategic roadmap focuses on doubling down on density-led economics, extending selectively into adjacent categories like electronics and apparel, and avoiding high-burn verticals such as fashion. While competitive dynamics remain fluid, Zepto views scale efficiency (not just expansion) as the winning formula in India's quick commerce industry.



AU Small Finance Bank

Mr. Sanjay Agarwal
MD & CEO, AU Small Finance Bank

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	80.1	88.3	112.5
PPoP	45.8	51.5	66.0
PAT	21.1	26.5	36.1
NIM (%)	6.0	5.1	5.3
EPS (INR)	29.8	35.5	48.3
EPS Gr. (%)	33.9	19.2	35.9
BV/Sh. (INR)	229	263	309
ABV/Sh. (INR)	223	255	300
Ratios			
RoA (%)	1.6	1.5	1.7
RoE (%)	14.3	14.4	16.9
Valuations			
P/E(X)	24.2	20.3	14.9
P/BV (X)	3.1	2.7	2.3
P/ABV (X)	3.2	2.8	2.4

Big opportunity, bigger responsibility

Pioneering sustainable scale for tomorrow

We hosted Mr. Sanjay Agarwal, Founder, Managing Director and CEO of AU Small Finance Bank, as a part of CEO Track at AGIC 2025. Here are our key insights from the session:

Entering the next orbit of growth with universal bank transition

AU has become the first SFB to receive the Reserve Bank of India's in-principle approval to transition into a universal bank. This milestone is not merely a change in license but a transformation in identity, credibility and opportunity. It signals AU's arrival as a full-spectrum banking institution with the ability to tap deeper pools of deposits, expand product breadth, and structurally lower its cost of funds. AU currently has a balance sheet of over INR1.6t, deposits of INR1.28t and a customer base of 11.6m as of Jun'25. AU is now positioned to scale more aggressively while de-risking its franchise. The coming years will see AU leverage this transition to strengthen brand acceptance, deepen relationships in urban India, and accelerate the pace of franchise building.

Liability franchise – pivoting from rate to relationship

Deposits grew 31% YoY in 1QFY26, with CASA steady at ~29%. While past growth was led by competitive pricing, the universal bank tag allows AU to pivot toward relationship-led liabilities, with stronger traction from corporates, MSMEs and mass-affluent customers. A planned addition of 70-80 urban, liability-focused branches and an expanded transaction banking suite are expected to strengthen deposit stickiness and lower funding costs, driving a more sustainable liability franchise over the next 12-18 months.

Secured lending remains the core growth engine

Secured loans (~90% of AUM) remain the anchor of AU's strategy. The wheels business (32% of AUM) is expected to sustain double-digit growth, supported by deeper reach in South/East and a broad product mix. Mortgages and MBL (33% of AUM) are positioned for ~20% growth once southern stress normalizes by end-FY26. The commercial banking book (~21% of AUM) is expanding at ~30% YoY, aided by transaction-led solutions. Gold loans, though just 2% of AUM, are emerging as a scalable, high-RoA business. This secured-led approach provides compounding growth with controlled risk, ensuring resilience through cycles.

Bank to adapt calibrated approach in unsecured lending

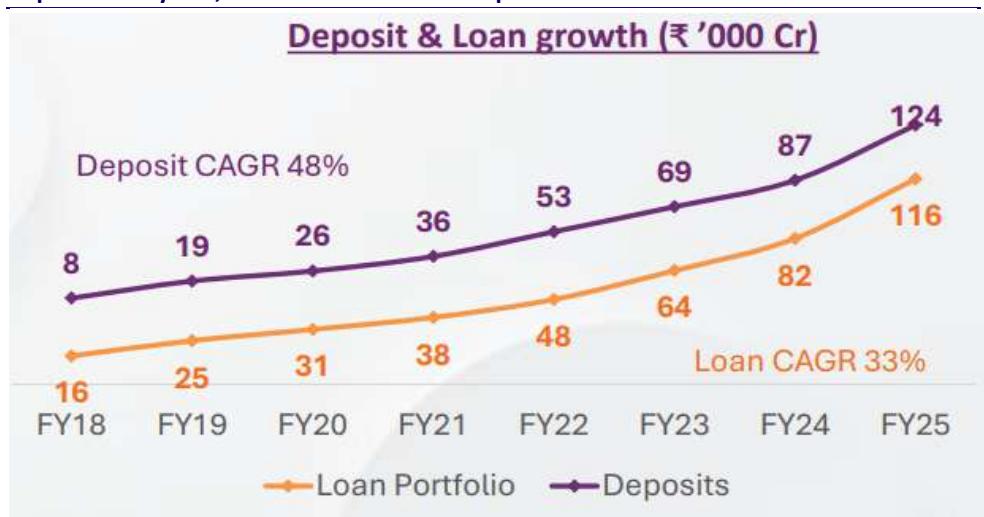
AU continues to rationalize its unsecured portfolio (down 23% YoY), prioritizing stability over near-term growth. The MFI book (~6% of AUM) is being rebuilt under tighter underwriting, with ~97% of 1Q disbursements covered by CGFMU guarantees, which should cap credit costs. In credit cards, corrective actions including sharper analytics and limit adjustments are underway, with stress expected to peak in 1HFY26 before stabilizing. This prudent approach ensures that unsecured will remain a tactical lever, rather than a growth driver, until market conditions normalize. The bank aims to operate at 80-90bp credit cost over the medium term.

Looking ahead: Universal banking remains a key value compounder

Over the next three years, AU's growth playbook rests on four pillars: a more granular and sticky liability base, secured-led loan compounding across wheels, mortgages and commercial banking, calibrated participation in unsecured until stress abates, and steady RoA expansion toward 1.8% by FY27. As the first SFB to make the leap, AU is uniquely positioned to emerge not just as a universal bank in form, but as a universal franchise in substance — profitable, resilient and built for scale.

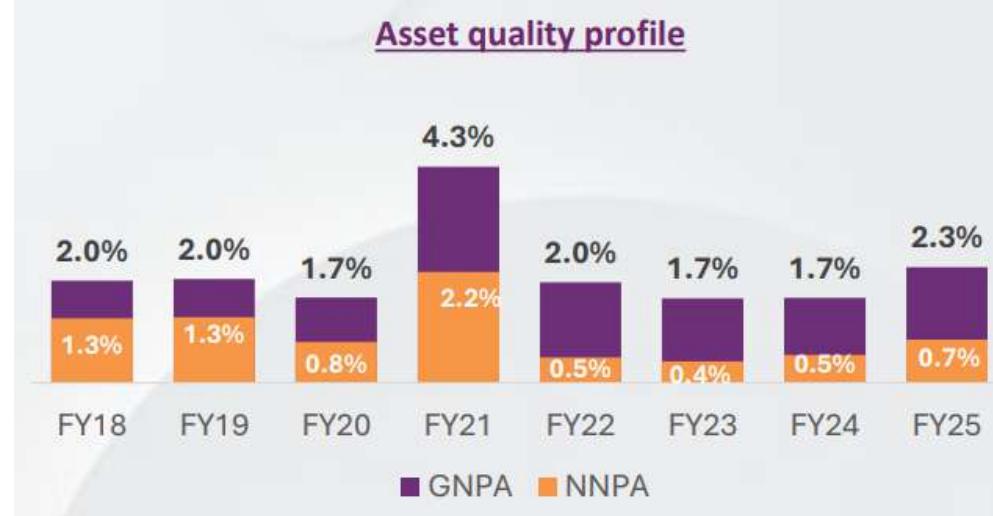
Story in charts

In past seven years, loan CAGR is 33% and deposit CAGR is 48%



Source: Company, MOFSL

Asset quality profile over the years



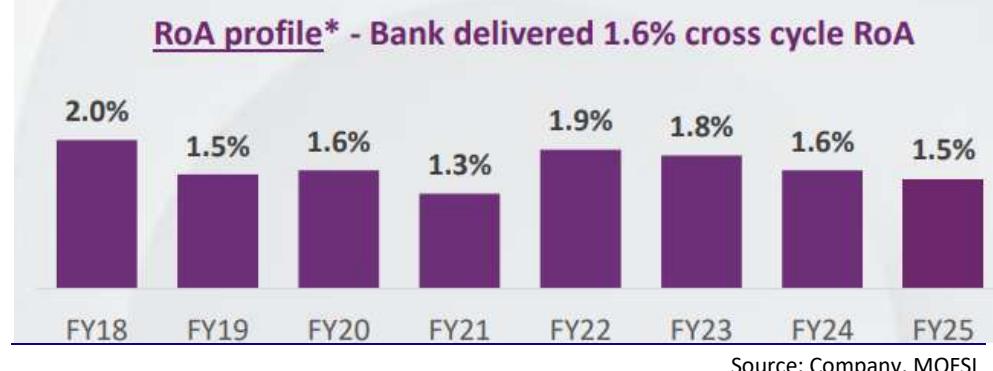
Source: Company, MOFSL

Credit cost on avg total asset trend over the years



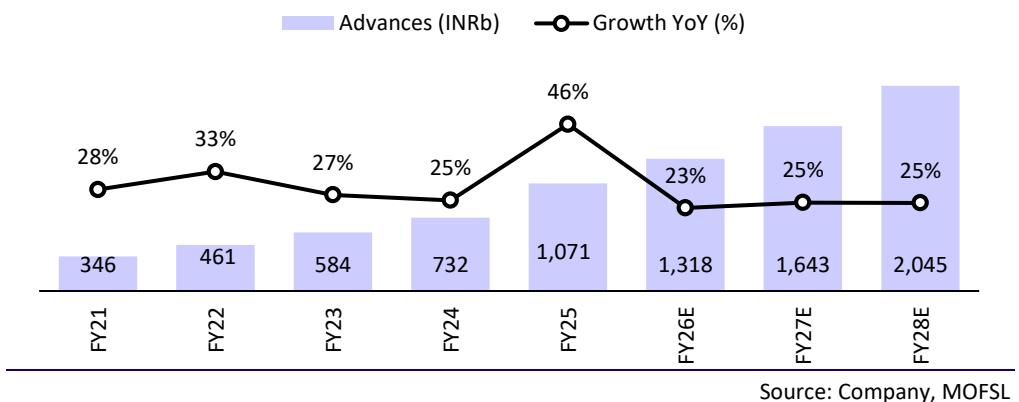
Source: Company, MOFSL

Bank has delivered average RoA of 1.6% over the years



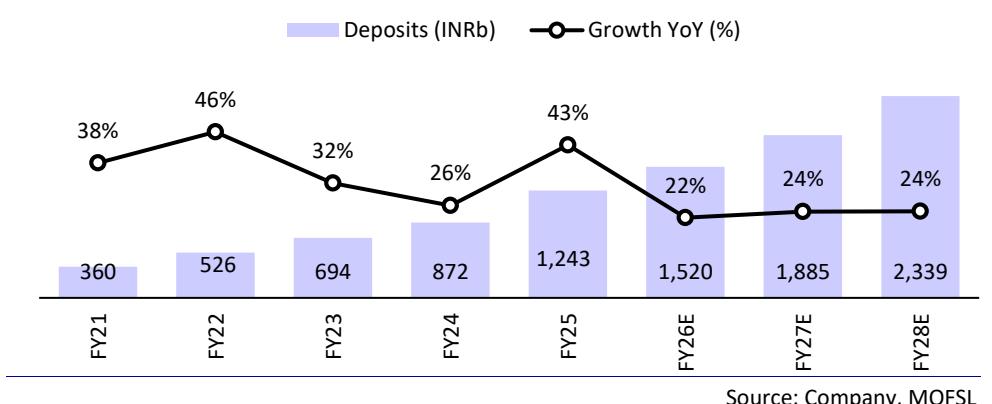
Source: Company, MOFSL

Estimate loan book to grow at 24% CAGR over next FY25-28E

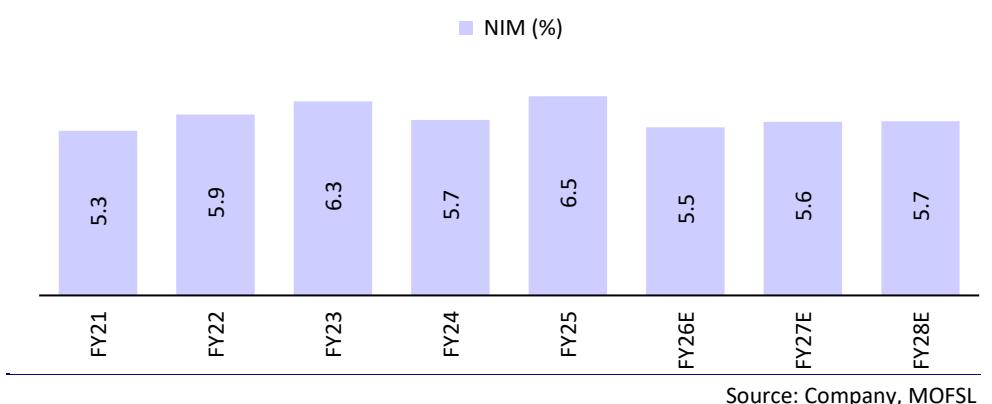


We estimate loan CAGR of 24% over FY25-28E, aided by MFI recovery and continued traction in key business segments, along with universal banking transition

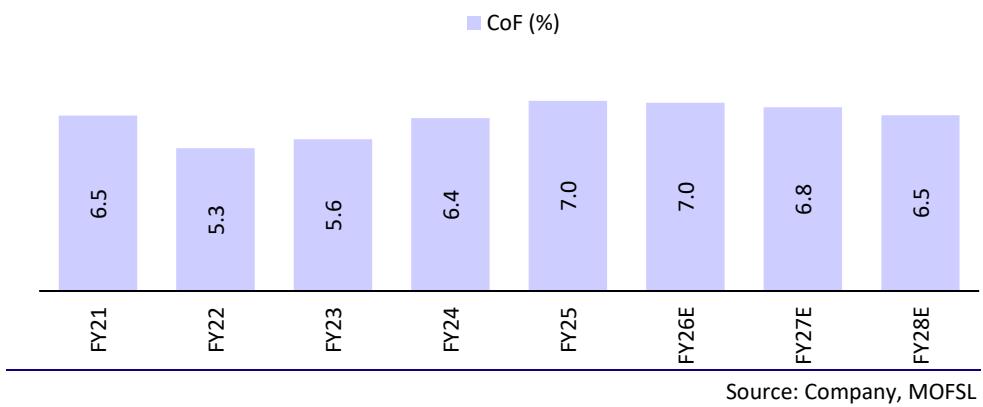
Estimate deposits to reach ~INR2.3t by FY28E



NIMs likely to be maintained at 5.5-5.7% over FY26-27E

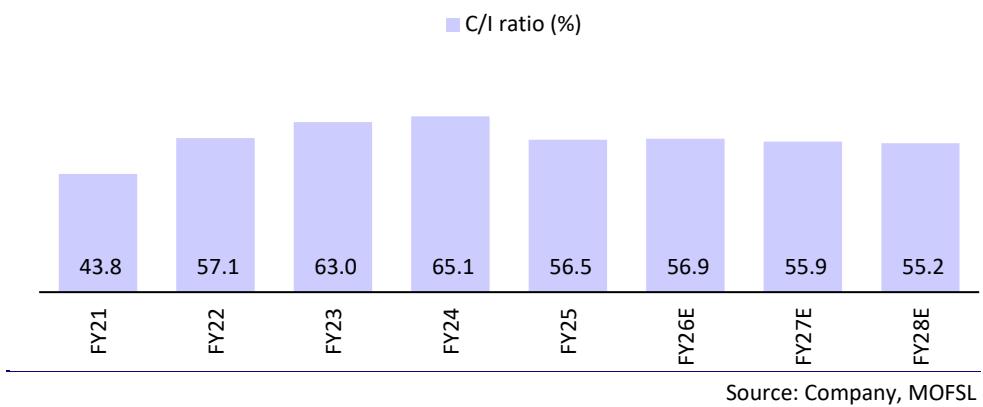


Cost of fund expected to decline to 6.8% by FY27E



Source: Company, MOFSL

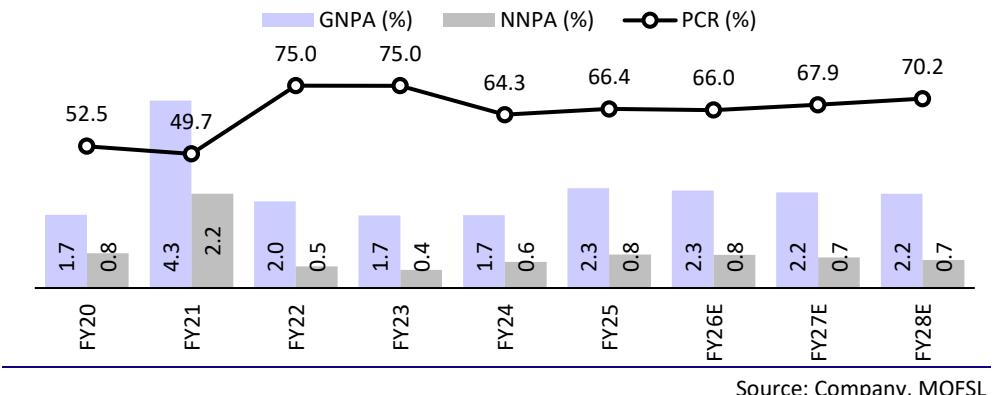
Estimate C/I ratio to improve to 55% by FY28E



Source: Company, MOFSL

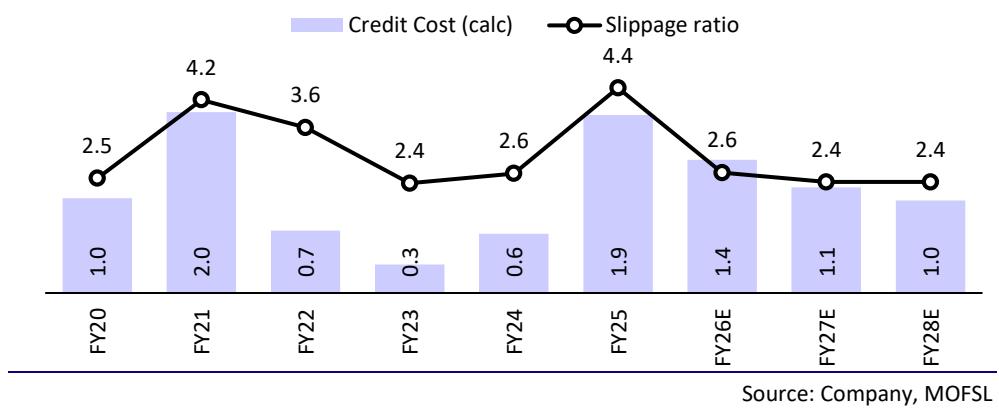
Estimate AU's GNPA/NNPA ratios to remain stable at 2.2%/0.7% in FY28E

Credit cost are likely to decline post the blip of FY25-26E



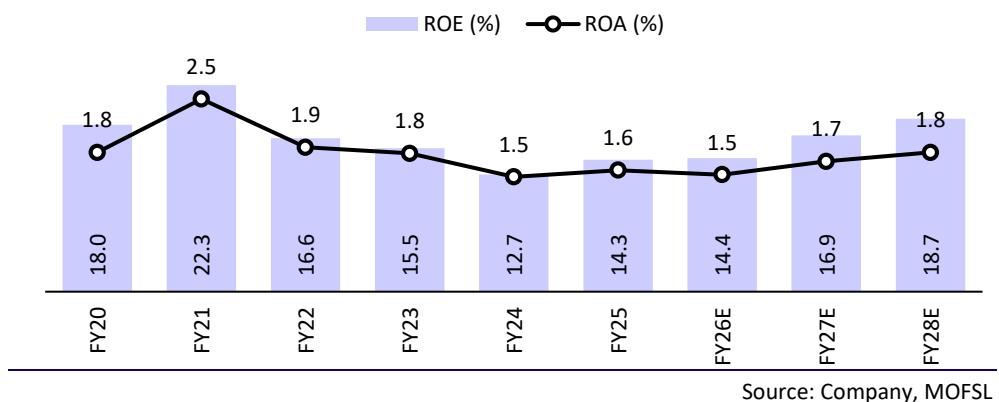
Source: Company, MOFSL

Estimate credit cost (calc) to sustain at ~1% by FY28E



Estimate RoA/RoE to recover to 1.8%/18.7% by FY28E

RoA to improve to 1.7-1.8% amid decline in credit cost and stable NIMs





India's Reform Agenda

Mr. Rajiv Memani
Chairman & CEO, EY India

India's Reform Agenda: GST and beyond

Moving toward a more resilient India

We hosted Mr. Rajiv Memani, Chairman and CEO of EY India and President of CII 2025-26, as a part of CEO Track at AGIC CY25. Here are our key insights from the session:

A serious intent to bring in another wave of reforms

The level of engagement and discussions on reforms have been on a high keel—the first time in this term of government. Deeper engagement by the Prime Minister suggests serious intent to reform. Key pillars that the government is focusing on include: (i) GST 2.0, (ii) ease of doing business, (iii) sectoral unlocks, and (iv) improving competitiveness.

A 2.0 refresh proposed for GST

GST 1.0 was by far the biggest tax-related reform in the past decade, but some fatigue had begun to creep in; hence, there was an urgent need to look at it through a fresh lens and weed out systemic blockages. The goal of lowering the tax slabs for several products and services is to stimulate downstream consumption, lower the incidence of inverted duty structure, simplify slabs, address classification issues and ease procedures. Strategically, this should be seen as a long-term signal for business- and investment-friendly decisions.

All eyes on meeting of Council of State Ministers

The proposals are currently at the level of Council of State Ministers, which is likely to meet over the next few days. Once proposals are approved by the council, the implementation of new measures could be swift, especially as the festive season is around the corner. While there have been some concerns over few states not being on board, Mr. Memani indicated that states could actually be better off in GST 2.0, as they will likely end up getting 50% of compensation cess, which will likely offset any hit from lower GST rates.

Input tax credit issue may stay in few cases

While one of the key objectives of GST 2.0 is to resolve the issue of blocked input tax credit (ITC), in some cases this may sustain, especially where the final goods/services are proposed to be exempt from GST. In such cases, while the amount of ITC may come down (owing to lower taxes), it may not be feasible for the exchequer to provide ITC benefits. Consequently, in such cases the overall pass-through to the end consumer prices could be lower than the total reduction in the GST rate.

However, since multiple industry representations have been made, the final outcome is awaited.

Impact on fiscal account expected to be manageable

As per Mr. Memani, the impact of foregone GST revenue on the fiscal should be manageable. The government has displayed remarkable fiscal rectitude over the years and has generally worked with conservative estimates, so it is unlikely that it will deviate materially from this path. The multiplier effect of higher disposable income can also compensate somewhat, as volumes may pick up owing to lower retail prices. Moreover, in an extreme situation, the government has multiple avenues to mobilize receipts, with the standout being the disinvestment route, which the government has utilized moderately over the past few years. At some stage the government will have to consider disinvestments more intently now.

Ease of doing business — the silent reforms

Improving the ease of doing business can go a long way to extract the value for the private sector. Some key measures that could help businesses include: (i) faster environmental approvals, (ii) single-window clearances and faster construction permits, (iii) judicial reforms and decriminalization of smaller infractions, and (iv) tax simplification. The ease-of-doing-business efforts are driven directly by the cabinet secretary. The team is engaging in high-level benchmarking exercise with other nations and cross-benchmarking between states to identify best practices.

The next leg of reforms: Factor reforms and sectoral unlocks

Mr. Memani iterated that there will be a cavalry of reforms, and after GST, one can expect to see long overdue factor market reforms, especially in land and labor. Unlike the 1991 reforms, the current set of reforms will likely come in discrete waves wherein the government is likely to announce reforms concerning a particular sector or factor with a gap. The approach is to scrutinize key sectors minutely and then announce a comprehensive dossier of reform measures. Some of the key sectoral unlocks could be in mining, tourism, energy, manufacturing, etc.

Aiming to energize the private sector

One of the key objectives of the proposed GST 2.0 reforms is to infuse energy into the private sector through higher final consumer demand. This should lead to better capacity utilization, and can ultimately be a key driver for reviving private capex. Moreover, any dip in indirect taxes could be moderated by higher direct taxes induced by higher demand. Also, the government is gradually directing market focus toward debt/GDP rather than just fiscal deficit, so as to mitigate any over-reaction to short-term aberrations in the fiscal consolidation trajectory.

India Inc. scorecard on R&D, capex and wage growth needs to improve

Mr. Memani highlighted that Indian policymakers have three key expectations from the private sector to gradually take India on the path of resilience and greater self-reliance: (i) reversal of severe underinvestment in R&D; (ii) better wage growth; & (iii) capex and capacity building

India probably has among the lowest average R&D-to-revenue ratios among key countries globally, and private companies have been very conservative and calibrated on capital investments. While this approach may have served to generate higher RoE historically, current times call for a greater focus on R&D to ensure more value addition. He also indicated that India needs to wean away from the low-cost model and reorient its economy to drive more trickle-down benefits. Unless the bottom 30% of India is strengthened, the consumption flywheel is unlikely to start.

A playbook for higher capex intensity

Mr. Memani indicated that the government is focusing on comprehensive factor reforms and improved ease-of-doing business to enhance India's competitiveness and shift it toward higher value addition. Many of these could be achieved through easier and streamlined processes. The number of clearances needs to be pruned; for e.g., many industries currently face onerous clearance requirements (Mining-43, Hospital-65, Hotels-46). These can be cut down and the overall clearance timeline should also be crunched to within 1 year.

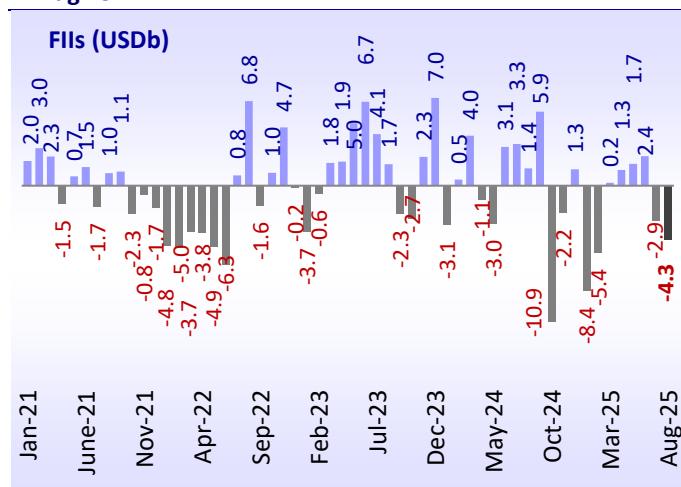
Bulls & Bears

India Valuations Handbook

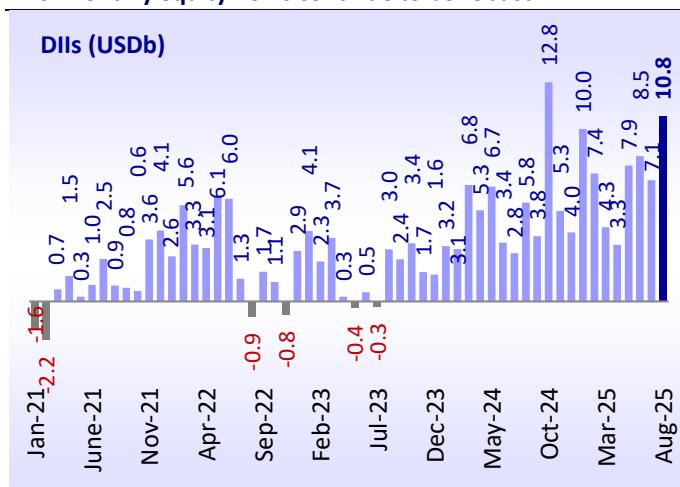
BULLS & BEARS (September 2025): India Valuations Handbook — Weakness persists; India underperforms global markets

- **Market corrects for the second consecutive month in Aug'25:** The Nifty ended 1.4% lower MoM at 24,427 in Aug'25 – the second consecutive month of a decline. Notably, with extreme volatility, the index hovered around ~816 points before closing 342 points lower. The Nifty is still up 3.3% in CY25YTD. The Nifty Smallcap 100 (-4.1% MoM) and Nifty Midcap 100 (-2.9% MoM) underperformed the Nifty-50 during the month. Over the last 12 months, largecaps, midcaps, and smallcaps have declined 3.2%, 6%, and 10.8%, respectively. Over the last five years, midcaps (CAGR: 27.3%) have significantly outperformed largecaps (CAGR: 16.5%) by 119%, while smallcaps (CAGR: 25.3%) have markedly outperformed largecaps by 93%.
- **DII inflows vs. FII outflows:** In Aug'25, DIIs posted the second-highest ever inflows at USD10.8b after a record high in Oct'24. FII outflows reached USD15.3b in CY25YTD vs. outflows of USD0.8b in CY24. DII inflows into equities remained robust at USD59.4b in CY25YTD vs. USD62.9b in CY24.
- **All major sectors end lower in Aug'25:** Among the sectors, Utilities (-5%), Real Estate (-5%), Telecom (-4%), Healthcare (-4%), and Oil & Gas (-4%) were the top laggards MoM, while Automobiles (+6%) and Consumer (+1%) were the only gainers. The breadth was adverse in Aug'25, with 29 Nifty stocks ending lower. Hero Motocorp (+19%), Maruti Suzuki (+17%), Eicher Motors (+12%), Titan (+8%), and Bajaj Auto (+8%) were the top performers, while Shriram Finance (-8%), Adani Enterprises (-8%), IndusInd Bank (-7%), Sun Pharma (-7%), and HDFC Bank (-6%) were the key laggards.
- **India among the laggards in Aug'25:** Among the key global markets, China (+8%), Brazil (+6%), Indonesia (+5%), Japan (+4%), Taiwan (+3%), the US (+2%), MSCI EM (+1%), and the UK (+1%) ended higher in local currency terms. However, Korea (-2%), India (-1%), and Germany (-1%) ended lower MoM in Aug'25. Over the last 12 months in USD terms, the MSCI India Index (-11%) underperformed the MSCI EM Index (+14%). Over the last 10 years, the MSCI India Index notably outperformed the MSCI EM Index by a robust 62%. In P/E terms, the MSCI India Index is trading at a 65% premium to the MSCI EM Index, below its historical average premium of 80%.
- **Earnings review – 1QFY26: Modest yet Resilient!**: Corporate earnings for 1QFY26, perceived as the “Crossover quarter,” marked a transition from the subdued low-single-digit earnings growth of FY25 to a sustainable double-digit growth trajectory. A key highlight of the quarter was better sectoral breadth of earnings growth. Of the 25 sectors under our coverage, 16 delivered double-digit growth, eight reported single-digit growth, and only one sector experienced a decline in PAT. The aggregate earnings of the MOFSL Universe companies grew 11% YoY (vs. our estimate of 9% YoY) in 1QFY26. For Nifty-50, PAT grew 8% YoY (vs. our estimate of +5%). Nifty reported a single-digit earnings growth for the fifth consecutive quarter since the pandemic (Jun'20; please refer to the [detailed report](#)).
- **Our view:** Indian markets have been lackluster over the past year (Nifty -3.2% YoY) and underperformed several global peers. This is primarily attributed to earnings weakness, compounded further by a series of geopolitical and macro headwinds. We believe that the influence of the US tariff wars on Indian markets will be limited. India's real GDP growth surprised positively as it accelerated to 7.8% YoY in 1QFY26 (highest in five quarters), up from 6.5% in 1QFY25 and well above our expectations of 6.5%. The expansion was broad-based, with manufacturing, agriculture, and services all contributing meaningfully to the strong performance. The Nifty trades at 22x FY26E earnings, near its LPA of 20.7x. While our [model portfolio](#) bias remains towards largecaps (~70% weight), we have turned more constructive towards mid-caps (with 22% weight vs. 16% earlier) owing to better earnings delivery and improving prospects. We are OW on BFSI, Consumer Discretionary, Industrials, Healthcare & Telecom, while we are UW on Oil & Gas, Cement, Real Estate, and Metals.
- **Top ideas: Largecaps** – Bharti Airtel, ICICI Bank, Larsen & Toubro, Mahindra & Mahindra, Sun Pharma, Ultratech Cement, Titan Company, Eternal, Bharat Electronics, Tech Mahindra, TVS Motor, Lodha Developers, and Indian Hotels. **Midcaps and Smallcaps** – Dixon Technologies, SRF, Suzlon Energy, Jindal Stainless, Coforge, Supreme Industries, Page Industries, Keynes Tech, Radico Khaitan, UTI AMC, and Niva Bupa Health.

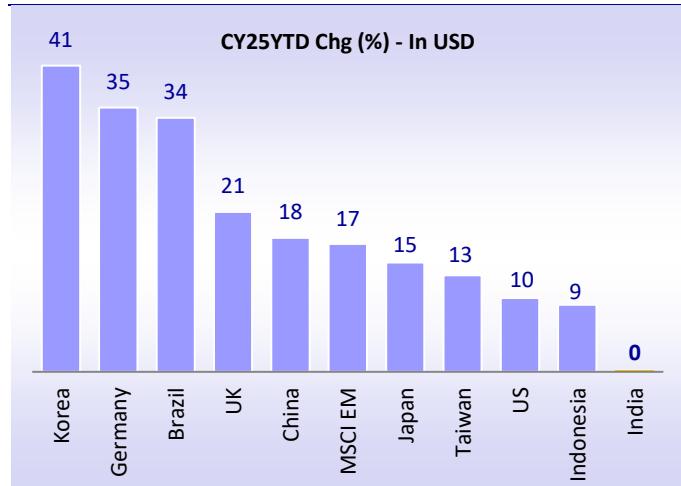
FIIs record equity outflows for the second consecutive month in Aug'25



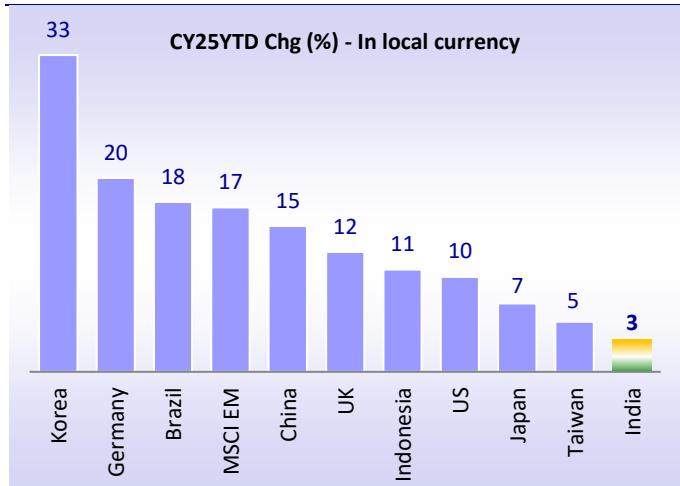
DIIs' monthly equity flows continue to be robust



World equity indices in USD terms in CY25YTD (%)



World equity indices in local currency terms in CY25YTD (%)



Automobiles

Sector Update | 29 August 2025

Automobiles

Proposed GST cut and normal monsoons fuel hopes of demand revival

2Ws sales volumes postponement of PV purchases

- The proposed GST rate rationalization has created concern among consumers, leading to the postponement of purchase decisions, most notably in the PV segment. This has led to a significant decline in sales, with widespread confusion regarding what the eventual GST rates will settle at, especially for the luxury segment across both PVs and CVs.
- With the monsoon season in full swing, there is a significant change in demand, especially in rural regions, given the positive rural sentiments. Both TVs and PVs have been on a decline, with the upcoming festive season. On the back of the proposed GST cut and with positive rural sentiments, most dealers are expecting demand revival for the sector during the festive season.
- In Passenger Vehicles, MSIL dealers are hopeful that a GST rate cut may drive a revival for small car sales, while consumers persist around rising stock levels and dealers are pushing for a GST cut. The festive season is likely to be a key driver for PVs, likely to be introduced through the dealer channel.
- With the introduction of the GST rationalization, dealers are optimistic to aggressive. Each dealer is pushing for a GST cut. Considering the festive season ahead into August, we expect the 2W segment to outperform peers with ~10% YoY growth in August.
- We also expect the PV segment to see a weak dip (down 3% YoY), given uncertainty around GST. Further, we expect tractors to continue posting strong growth in the coming months, with the introduction of the GST cut. On the back of the proposed rate cuts as well as a positive rural sentiment, most dealers are expecting demand revival for the sector during the festive season.

Player wise feedback

Most dealers in the dealer channel suggests that demand has been picking up over the last couple of months, especially in rural regions, led by positive rural sentiments. HMCL has recently launched the new Glitter 1.35 with highly advanced features.

Authoritative - Research analyst: Arun Kumar
 Investors are advised to refer through important disclaimers made at the last page of the Research Report.
 Motilal Oswal research is available on www.motilaloswal.com/research/disclaimer.aspx, Bloomberg, Thomson Reuters, Factiva and S&P Capital IQ.

Green shoots visible in 2Ws, demand revival hopes pinned on GST rate cuts

PV wholesale volumes continued to show weakness and declined 2% YoY for the four listed companies in Aug'25. Overall, PV volumes for the four listed entities grew 1% YoY for YTD. PV wholesales in Aug'25 remained weak as customers postponed their purchase decisions ahead of the proposed GST restructuring. In 2Ws, the four listed players posted 15% YoY growth in Aug'25, largely driven by strong growth by TVS and RE, even as HMCL/BJAUT posted single-digit growth. Overall, 2W volumes for the four listed entities grew 7% YoY for YTD, largely driven by exports. In CVs, the three listed peers posted 8.4% YoY growth in Aug'25, largely fueled by exports and bus sales. Overall, for YTDFY26, CV sales for the three listed players have grown 2% YoY. In tractors, MM/Escorts have seen robust 28%/27% growth. The GST rate rationalization decision remains the key monitorable for the sector. Our top OEM picks are MSIL and MM.

- PVs (in line):** PV wholesale volumes continued to remain weak, declining by 2% YoY for the four listed players. This is the first month after Nov'21 that MM posted a decline in UV segment (-2% YoY). MM has adopted a conservative stance as it does not want to burden dealers with too much stock ahead of the proposed GST rationalization. MSIL volumes were largely stable, down 0.6% YoY to 181k units (in line). Strong export growth of 40.5% YoY was offset by a 7.5% YoY drop in domestic sales. Hyundai reported a 4.2% YoY decline in PV sales (in line), while TTMT volumes fell 2.6% YoY to 43,315 units (in line). On YTD basis, aggregate PV volumes for the four listed companies were up 1% YoY.
- 2Ws (mixed):** The four listed players posted 15% YoY growth in Aug'25, largely led by TVS and RE. BJAUT sales grew 5% YoY to 418k units (in line). While export momentum continued to be strong (29% YoY and 13% YTD), domestic sales were down 8.4% YoY. BJAUT domestic 2W sales remained weak and declined by 12% YoY. TVSL continued to outperform peers and posted a strong 30% YoY growth in total vehicle sales to 509.5k units (vs. estimate of 460k units). 2W sales grew 29.5% YoY and 3W sales rose 47% YoY. Overall, exports grew 35.4% YoY to 135k units. EV sales grew 1.4% YoY to 25.2k units. HMCL's Aug'25 sales rose 8% YoY to 553k units (in line). RE volumes grew 55% YoY to 114k units and were above our estimate of 99k units. RE is likely to have pushed stock ahead of the festive season, which has boosted wholesales. Overall, 2W volumes for the four listed entities have grown 7% YoY YTD, largely driven by exports.
- CVs (in line):** The three listed peers posted 8% YoY growth in Aug'25, largely led by exports and bus sales. For TTMT, overall CV sales grew 10% YoY to 29,863 units (in line). MHC/LCV sales grew 15%/5% YoY in Aug'25 to 15k each. TTMT CV growth was driven by 77% YoY growth in exports, while domestic sales were up 6% YoY. AL posted 5.4% YoY growth in CV volumes to 15k units (in line) in Aug'25. While MHC sales were up 8.3% YoY, LCV sales grew just 1% YoY. Within MHCVs, truck sales remained flat YoY, whereas bus sales grew 36% YoY. VECV sales grew 9.5% YoY in Aug'25 to 7.2k units. Overall, for YTDFY26, CV sales for the three listed players have posted 2% YoY growth.

- **Tractors (above):** For MM, tractor volume rose 28% YoY to 28.1k units (above est. of 24k units). However, Escorts for the first time in this fiscal has shown strong double-digit growth of 27% YoY in volumes to 8.5k units (above est. of 7k units). Overall, tractor growth momentum is likely to remain intact in FY26, backed by timely monsoons, strong reservoir levels, and an early festive season. With Kharif sowing exceeding last year's acreage and a potential GST cut on tractors and farm machinery, industry sentiment remains upbeat. However, in MM's press release, the company flagged that the IMD's forecast of surplus Sep'25 rainfall in certain regions could pressure Kharif harvests, requiring careful management.
- **Valuation and view:** Our dealer checks suggest some visible green shoots in 2Ws over the last couple of months. PV wholesales were impacted by the impending GST rate cut proposal. CVs posted 8% YoY growth over a low base of last year. The decision by the GST Council on the proposed rate cut remains the key monitorable for the sector. MSIL is our top pick among auto OEMs, as its upcoming new launches and the current export momentum should drive healthy earnings growth. We like MM given the uptrend in tractors and healthy growth in UVs.

Auto OEM Sales snapshot August 2025

Company Sales	Aug-25	Aug-24	YoY (%) chg	July-25	MoM (%) chg	YTD FY26	YTD FY25	(%) chg	FY26E	Gr. (%)	Residual Growth	Residual Monthly Run rate
Maruti Suzuki	1,80,683	1,81,782	-0.6	1,80,526	0.1	8,89,070	8,78,691	1.2	23,47,677	5.1	7.6	2,08,372
Domestic	1,44,145	1,55,779	-7.5	1,48,781	-3.1	7,23,815	7,58,143	-4.5	19,40,637	2.0	6.4	1,73,832
Export	36,538	26,003	40.5	31,745	15.1	1,65,255	1,20,548	37.1	4,07,040	22.4	14.0	34,541
Hyundai Motor	60,501	63,175	-4.2	60,073	0.7	3,00,973	3,19,793	-5.9	7,71,150	1.2	6.3	67,168
Domestic	44,001	49,525	-11.2	43,973	0.1	2,20,233	2,47,993	-11.2	5,83,256	-2.6	3.5	51,860
Exports	16,500	13,650	20.9	16,100	2.5	80,740	71,800	12.5	1,87,894	15.0	17.0	15,308
Mahindra & Mahindra	1,04,018	97,800	6.4	1,12,399	-7.5	5,97,755	5,24,474	14.0	15,22,160	11.5	9.9	1,32,058
UV (incl. pick-ups)	64,294	65,607	-2.0	73,109	-12.1	3,60,576	3,18,037	13.4	9,47,532	12.5	12.0	83,851
Three-Wheelers	10,527	9,326	12.9	9,475	11.1	40,561	30,574	32.7	97,848	14.0	3.7	8,184
Tractors	28,117	21,917	28.3	28,708	-2.1	1,90,914	1,70,593	11.9	4,62,859	9.0	7.0	38,849
Escorts Kubota	8,456	6,652	27.1	7,154	18.2	46,191	43,985	5.0	1,19,021	3.0	1.8	10,404
Tata Motors	73,178	71,693	2.1	69,131	5.9	3,52,724	3,73,580	-5.6	9,07,444	-2.8	-0.9	79,246
CV's	29,863	27,207	9.8	28,956	3.1	1,44,425	1,45,458	-0.7	3,74,114	-0.7	-0.8	32,813
PVs	43,315	44,486	-2.6	40,175	7.8	2,08,299	2,28,122	-8.7	5,33,330	-4.1	-0.9	46,433
Hero MotoCorp	5,53,727	5,12,360	8.1	4,49,755	23.1	23,70,552	24,17,790	-2.0	59,94,651	1.6	4.1	5,17,728
Bajaj Auto	4,17,616	3,97,804	5.0	3,66,000	14.1	18,94,853	18,54,029	2.2	48,29,558	3.8	4.9	4,19,244
Domestic	2,32,398	2,53,827	-8.4	1,83,143	26.9	10,50,349	11,55,445	-9.1	27,23,183	-2.3	2.5	2,38,976
Exports	1,85,218	1,43,977	28.6	1,82,857	1.3	8,44,504	6,98,584	20.9	21,06,375	13.0	8.3	1,80,267
TVS Motor	5,09,536	3,91,588	30.1	4,56,350	11.7	22,43,058	18,32,903	22.4	53,01,259	11.8	5.1	4,36,886
Domestic	3,74,169	2,91,612	28.3	3,13,721	19.3	16,12,600	13,81,790	16.7	38,34,780	8.1	2.6	3,17,454
Exports	1,35,367	99,976	35.4	1,42,629	-5.1	6,30,458	4,51,113	39.8	14,66,479	22.7	12.3	1,19,432
Eicher Motors												
Royal Enfield	1,14,002	73,629	54.8	88,045	29.5	4,67,575	3,67,801	27.1	11,16,405	10.6	1.2	92,690
VECV	7,167	6,543	9.5	7,115	0.7	35,927	32,867	9.3	96,290	6.8	5.4	8,623
Ashok Leyland	15,239	14,463	5.4	15,064	1.2	74,541	72,284	3.1	2,04,834	5.0	6.1	18,613
M&HCV	9,381	8,663	8.3	9,529	-1.6	46,981	44,988	4.4	1,33,166	5.7	6.3	12,312
LCV	5,858	5,800	1.0	5,535	5.8	27,560	27,296	1	71,668	3.8	5.6	6,301

GST Monitor: GST collections stand at INR1.9t in Aug'25

Grew 6.5% vs. 7.5% in Jul'25

- India's GST collections for Aug'25 reached INR1.86t (vs. INR1.96t in Jul'25 and INR1.75t in Aug'24), marking a 6.5% YoY increase—lower than last month (7.5% YoY in Jul'25) and lower than the growth recorded in Aug'24 (10.3% YoY). The moderation (vis-à-vis Aug'24) was mainly led by a contraction in GST collections on imports and a moderation in the growth of IGST collections. (*Exhibit 1*).
- In Aug'25, CGST collections amounted to INR340.8b (up 10.4% YoY in Aug'25 vs. 8.9% YoY in Aug'24), and SGST collections stood at INR428.5b (up 11.6% YoY in Aug'25 vs. 7.3% in Aug'24). IGST collections amounted to INR971.9b (up 3.8% YoY in Aug'25 vs. 12.5% YoY in Aug'24; *Exhibit 2*).
- GST collected on domestic activities grew at a three-month high of 9.7% in Aug'25 vs. 9% in Aug'24. On the other hand, GST collected on imports contracted 9.8% YoY to INR493.5b in Aug'25 vs. growth of 12.6% YoY in Aug'24. GST collected on domestic transactions constituted 76% of the total GST receipts in FYTD26 vs. 76.6% in FYTD25 and 76.4% in FY25 (*Exhibit 3*).
- GST collections for Apr-Aug'25 totaled INR9.1t, registering a 9.9% increase over the same period last year—suggesting a stable fiscal position going into the first half of FY26.
- For FY26, the GoI has budgeted a growth of 11%, implying GST receipts of INR24.5t or monthly receipts of INR2.0t (*Exhibit 4*). We believe the FY26BE target is achievable. GST collections in FY26 are expected to remain strong, supported by steady economic growth, better tax compliance, and increased formalization of businesses. Import-led tax buoyancy, expanding digital footprint (e-invoicing, AI audits), and reduced evasion are expected to drive revenues further.
- However, the new GST structure announced could be mildly negative for fiscal balances in the short run but has the potential to turn neutral or even positive in the medium term through higher consumption, better compliance, and reduced disputes.

Exhibit 1: GST collections stood at INR1.86t in Aug'25

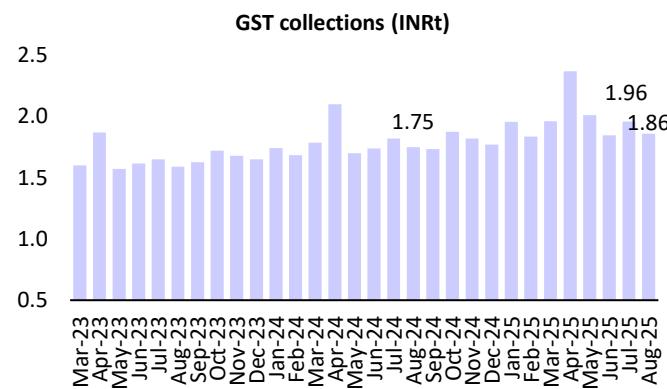


Exhibit 2: IGST collections growth moderated; collections on imports contracted

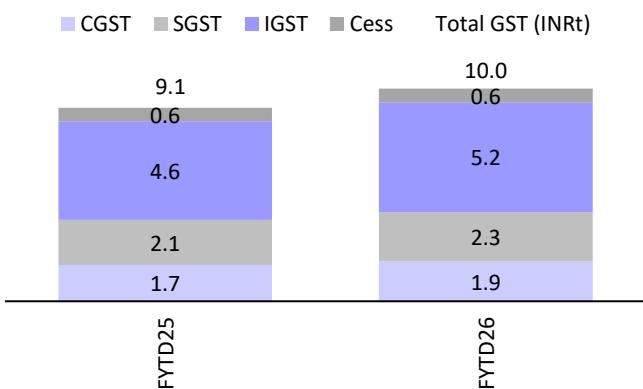


Exhibit 3: GST collected on domestic activities stood at 76% in Aug'25

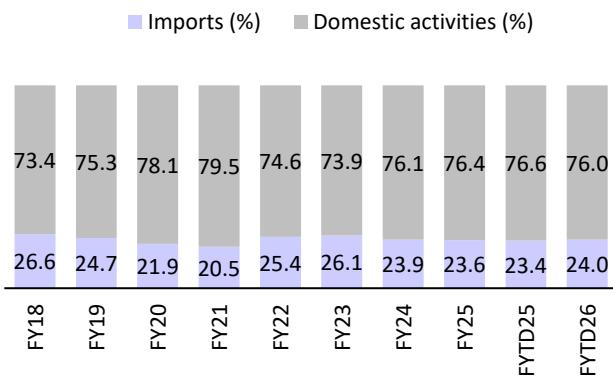
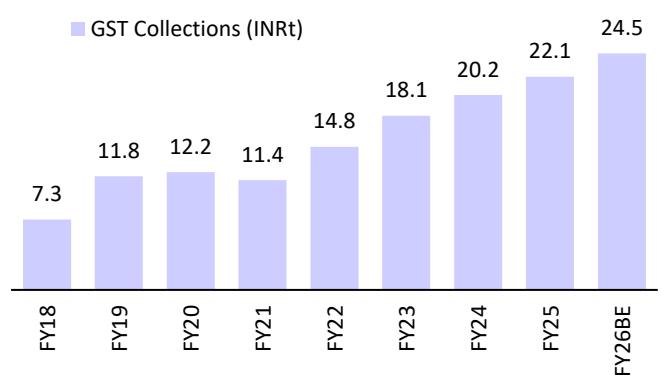


Exhibit 4: FY26 GST collections budgeted at INR24.5t, implying average monthly receipts of INR2t



Source: Finance Ministry, MOFSL



Mankind Pharma: Will Grow Export Portfolio In Double-Digits; Rajeev Juneja, VC & MD

- Co. is largely a domestic player not impacted by tariffs right now
- Consumer healthcare currently accounts for 8-9% of sales, will grow much faster
- Will see high-teens growth & profits in our consumer healthcare portfolio
- Will Grow Export Portfolio In Double-Digits

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Kaynes Tech: Expect Over ₹1,500 Cr Revenue From Semiconductor Business By FY28; Jairam Sampath, WTD & CFO

- Commercial shipment of chips will start from Q4FY26
- Foresee significant revenue in FY26
- Don't expect U.S. tariffs to disrupt our exports
- Expect Over ₹1,500 Cr Revenue From Semiconductor Business By FY28

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Premier Energies: Company's Orderbook Now Stands At Over Rs 10,000 crore; Vinay Rustagi, CBO

- Systematically increasing value chain domestically, with a goal to source nearly 100% of raw materials in India within 2-3 years
- Production lines are nearly fully sold out for the next 12-15 months, operating at close to full capacity utilization
- Current order book stands at over Rs 10,000 crore, with more than 99% of it coming from domestic Indian customers
- Overall demand environment is very positive, driven by government schemes and rapid sector expansion

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Radico Khaitan: Momentum From Q1FY26 Continues Into Q2; Dilip Bantwala, CFO

- Expect to grow prestige & above segment volume & overall volume by 20%+ in FY26
- Will take another 2-3 months to access total tariff impact
- Have seen no demand impact because of rains in North India
- Luxury & Semi luxury portfolio at 10% of sales, growing at 50%
- Luxury and semi-luxury to be 20-25% of sales in 4-5 years

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SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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