Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	80,158	-0.3	2.6
Nifty-50	24,580	-0.2	4.0
Nifty-M 100	56,977	0.3	-0.4
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	6,416	-0.7	9.1
Nasdaq	21,280	-0.8	10.2
FTSE 100	9,117	-0.9	11.5
DAX	23,487	-2.3	18.0
Hang Seng	9,108	-0.2	24.9
Nikkei 225	42,310	0.3	6.1
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	69	0.7	-6.4
Gold ($/OZ)	3,533	1.6	34.6
Cu (US$/MT)	9,911	1.2	14.5
Almn (US$/MT)	2,625	0.3	3.9
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	88.2	0.0	3.0
USD/EUR	1.2	-0.6	12.4
USD/JPY	148.4	0.8	-5.6
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.6	-0.02	-0.2
10 Yrs AAA Corp	7.3	-0.23	0.0
Flows (USD b)	**2-Sep**	**MTD**	**CYTD**
FIIs	-0.1	-0.32	-15.3
DIIs	0.29	0.78	59.4
Volumes (INRb)	**2-Sep**	**MTD***	**YTD***
Cash	1,001	1020	1066
F&O	6,72,398	2,56,528	2,19,137

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

ICICI Bank | Annual Report Update: Compounding growth through prudent execution

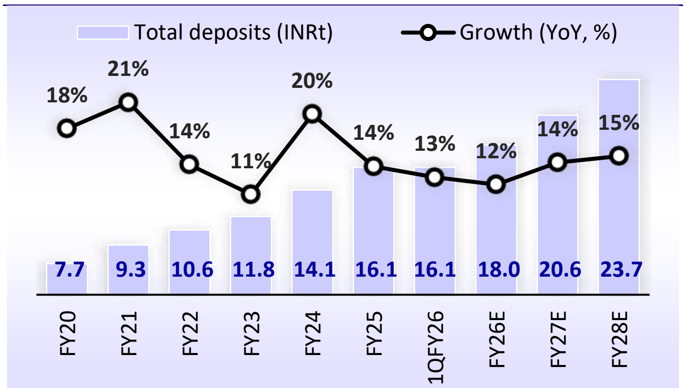
- ICICI Bank's (ICICIBC) FY25 annual report emphasizes the progress that the bank has made in building a resilient franchise to deliver sustained profitable growth. The bank has strengthened its branch network and credit models to cater to businesses and self-employed customers. The bank continues to focus on high-yielding segments, supported by data-driven onboarding, digital platforms, and transaction banking, which also boosts fee income.
- Business Banking segment has thus emerged as a key growth driver, delivering 34% YoY growth in FY25 and contributing ~20% of total loans. The concentration of top 20 borrowers has declined, while top 20 depositors' mix has inched up to ~4.2%, yet comfortable. ICICIBC purchased PSLCs worth INR1,183b (vs. INR1,097b in FY24) and sold PSLCs worth INR1,229b (INR880b in FY24). Banca fees grew at a tepid rate to INR10.8b (from INR9.8b in FY24).
- The bank's focus on leveraging technology while scaling up Retail, SME business will increase efficiency, leading to a decline in the C/I ratio to ~36% by FY28E. We estimate ICICBC to deliver RoA/RoE of 2.3%/16.7% in FY27E and retain our BUY rating with a TP of INR1,670 (2.7x FY27E ABV + SOTP of INR270).

Research covered

Cos/Sector	Key Highlights
ICICI Bank | Annual Report Update	Compounding growth through prudent execution
21st Annual Global Investor Conference	CEO track Takeaways: Lodha Developers | Indian Hotels | Haldiram Group | Mckinsey & Co | MMRDA | Metro Brands | Shri Piyush Goyal | Ex Army Chief
India Strategy	The Eagle Eye | Tariff headwinds dampen benefits of GST cuts

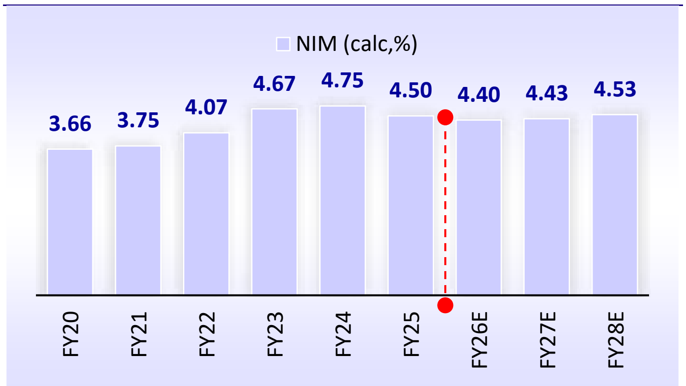
Chart of the Day: ICICI Bank (Compounding growth through prudent execution)

Deposits clocked ~17% CAGR over FY23-25; expect healthy traction to continue



Source: Company, MOFSL

NIMs likely to recover from FY27E, aided by phased CRR cut and deposit repricing



Source: MOFSL, Company

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

TCS signs €550 million deal with Scandinavian non-life insurer Tryg

As part of the seven-year €550M agreement, TCS will partner with Tryg to simplify and standardise operations across its three major markets and drive technological transformation, to accelerate the company's growth journey.

2

Indus Towers announces Africa foray, starting with Nigeria, Uganda, Zambia

Indus Towers, will grow in Africa. Nigeria, Uganda, and Zambia are the first targets. Airtel's Africa business is the anchor customer. Indus has strong financials after Vodafone Idea payments.

3

Ceat expects Camso integration to boost its topline by 10-15%

Ceat anticipates a 10-15% revenue boost following the integration of Camso, acquired from Michelin for USD 225 million. This acquisition provides access to a global customer base and manufacturing facilities, strengthening Ceat's position in the high-margin off-highway tyres segment.

4

Adani Power gets Coal Ministry clearance to start mining at MP's Dhirauli block

Adani Power gains coal ministry's nod for Dhirauli mine in Madhya Pradesh. Mahan Energen Ltd will manage the mine. It will fuel Adani's Mahan power plant, undergoing expansion. The mine boasts 620 MMT reserves and a 6.5 MTPA peak production capacity.

5

Waaree Energies to acquire 64% stake in Kotson's for Rs 192 crore

Waaree Energies' board has approved acquiring a 64% stake in Kotson's Pvt Ltd, a transformer solutions provider, for ₹192 crore. This acquisition will make Kotson's a subsidiary of Waaree Energies. Additionally, the board approved acquiring 100% shareholding of Impactgrid Renewables from Waaree Forever Energies.

6

PNC Infratech emerges lowest bidder for ₹297-crore Varanasi airport runway upgrade

The project, valued at ₹297.01 crore (exclusive of GST), involves the extension of the runway along with re-carpeting, strengthening of the existing runway, and allied works

7

E2E Networks bags ₹177-crore order from MeitY's IndiaAI mission

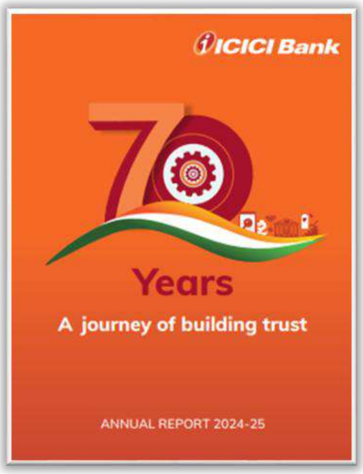
Company has received major order worth ₹177 crore from the Ministry of Electronics and Information Technology (MeitY) under the IndiaAI Mission. The company has received a formal letter from the ministry for the immediate allocation of H100 SXM and H200 SXM GPU resources to GNANI AI…

2 September 2025

Annual Report Update | Sector: Financials

ICICI Bank

BSE SENSEX	S&P CNX
80,158	24,580



Bloomberg	ICICIBC IN
Equity Shares (m)	7138
M.Cap.(INRb)/(USDb)	9954.4 / 112.9
52-Week Range (INR)	1500 / 1186
1, 6, 12 Rel. Per (%)	-5/5/16
12M Avg Val (INR M)	15562
Free float (%)	100.0

Financials Snapshot (INR b)

Y/E March	FY25	FY26E	FY27E
NII	812	899	1,039
OP	673	769	887
NP	472	526	600
NIM (%)	4.5	4.4	4.4
EPS (INR)	66.8	73.9	84.2
EPS Gr (%)	14.4	10.6	14.0
ABV/Sh (INR)	373	448	522
Cons. BV/Sh (INR)	438	514	603
Ratios			
RoA (%)	2.4	2.3	2.3
RoE (%)	18.0	17.0	16.7
Valuations			
P/BV (x) (Cons)	3.2	2.7	2.3
P/ABV (x)*	3.0	2.5	2.1
P/E (x)	20.8	18.8	16.5
Adj P/E (x)*	16.8	15.2	13.3

*** Adjusted for Investment in subsidiaries**

CMP: INR 1,394 TP: INR1,670 (+20%) Buy

Compounding growth through prudent execution

Tech capabilities remain a key differentiator

- **ICICI Bank's (ICICIBC) FY25 annual report emphasizes the progress that the bank has made in building a resilient franchise to deliver sustained profitable growth. The bank has strengthened its branch network and credit models to cater to businesses and self-employed customers.**
- **The bank continues to focus on high-yielding segments, supported by data-driven onboarding, digital platforms, and transaction banking, which also boosts fee income. Business Banking segment has thus emerged as a key growth driver, delivering 34% YoY growth in FY25 and contributing ~20% of total loans.**
- **Its 'Bank to Bank Tech' theme has witnessed strong digital adoption, with online transactions accounting for ~95% of total transactions. IMobile Pay (10m+ users) and InstaBIZ (3m+ SMEs) are scaling up rapidly, alongside innovations like upgraded Neo Remittance and API Banking 2.0.**
- **The concentration of top 20 borrowers has declined, while top 20 depositors' mix has inched up to ~4.2%, yet comfortable. ICICIBC purchased PSLCs worth INR1,183b (vs. INR1,097b in FY24) and sold PSLCs worth INR1,229b (INR880b in FY24). Banca fees grew at a tepid rate to INR10.8b (from INR9.8b in FY24).**
- **The bank's focus on leveraging technology while scaling up Retail, SME business will increase efficiency, leading to a decline in the C/I ratio to ~36% by FY28E. We estimate ICICBC to deliver RoA/RoE of 2.3%/16.7% in FY27E and retain our BUY rating with a TP of INR1,670 (2.7x FY27E ABV + SOTP of INR270).**

Loan growth healthy; estimate ~16% CAGR over FY26-28E

ICICIBC sustained healthy loan growth with ~15% CAGR over FY23-25, outpacing system growth, led by retail and business banking. Unsecured loan growth has, however, flattened and the segment now forms 12.8% of the loan book. Vehicle finance growth has been modest due to demand softness and pricing pressure, and we expect growth trends to recover in 2H, supported by reduced borrowing costs and lower GST & direct tax rates. The bank continues to focus on high-yielding segments, supported by data-driven onboarding, digital platforms, and transaction banking, which also bolsters fee income. We estimate ICICIBC to deliver ~16% loan CAGR over FY26-28E.

Business Banking shines as a key growth engine

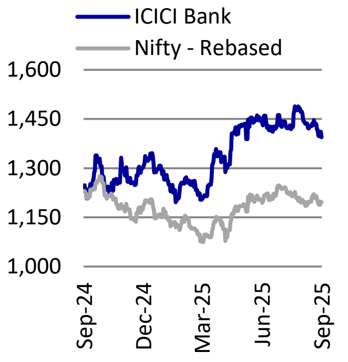
ICICIBC's Business Banking segment has emerged as a key growth driver, delivering 34% YoY growth in FY25 (~30% YoY growth in 1QFY26). The segment now forms ~20% of total loans, supported by targeted investments in distribution, credit underwriting, and digital capabilities. The bank has strengthened its branch network and credit models to cater to business and self-employed customers, while digital offerings and transaction banking continue to drive both lending and fee income. The portfolio remains granular, well-diversified, and resilient with low credit costs, positioning the segment for sustainable growth. However, retail & rural loans grew at a modest 6.1% YoY in 1QFY26, though they continue to form the largest share at 58.5% of total loans.

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	0.0	0.0	0.0
DII	35.9	36.7	36.2
FII	56.8	55.9	56.1
Others	7.4	7.4	7.7

FII Includes depository receipts

Stock Performance (1-year)



Focus on granular retail franchise; CASA moderation limited vs. peers

The bank reported healthy deposit growth of ~13% YoY in 1QFY26 (17% CAGR in FY23-25), supported by its strong digital platform, wide branch reach, and focus on low-cost deposits through salary accounts and transaction banking. These factors have enabled ICICIBC to maintain the best liability profile among peers. While retail deposits remain the core funding source, the bank also engages in wholesale banking to strengthen corporate relationships. Despite a moderation in CASA ratio to 41.2% (still ahead of peers), traction in current account deposits (+23% YoY) and a likely revival in SA amid an easing rate cycle should support its funding profile. With a healthy CD ratio of 84.8% and calibrated pricing strategy, we estimate ICICIBC to report ~15% CAGR in deposits over FY26-28E.

NIMs under slight pressure; bank maintains tight control on funding costs

The bank remains focused on strengthening its retail deposit base, with CASA at 41.2% and LDR at ~85%. Reported NIMs contracted by 7bp QoQ to 4.34% in 1QFY26 (4-6bp on adjusted basis aided by SA rate cuts). Retail TD repricing and reduced reliance on high-cost wholesale deposits lowered CoF by 16bp QoQ, though margin pressure is likely to persist in 2QFY26 as loan repricing outpaces deposits (53% book being repo-linked). The phased 100bp CRR cut will, however, boost liquidity and offset margin pressure. We thus expect NIMs to stabilize and recover thereafter from 2HFY26 onward, enabling 17% CAGR in NII over FY26-28E.

Opex growth continues to trail revenue growth; C/I ratio dips to 37.8%

ICICIBC has delivered strong operating efficiency, with the cost-to-income ratio improving to 37.8% in 1QFY26 (supported by treasury gains, 38.6% in FY25), despite continued investments in technology and business expansion. Alongside this, core fee income grew ~15% in FY25, aided by Retail and Business Banking initiatives, healthy credit card spends, and traction in transaction banking, FX, and derivatives. With operating expenses expected to grow at ~11% YoY over FY25-27E, the bank's focus on leveraging technology and scaling granular Retail/SME volumes should drive further efficiencies, enabling the C/I ratio to moderate to ~36% by FY28E.

Digital platforms powering next-gen growth

ICICIBC's **'Bank to Bank Tech'** theme underscores its deep focus on embedding digital transformation across operations and customer engagement, with flagship platform, iMobile Pay (10mn+ active non-ICICI users) and InstaBIZ (3mn+ SMEs) driving onboarding and transactions. In FY25, digital adoption surged, as ~95% of individual financial transactions were conducted online, aided by initiatives like InstaBIZ 3.0 for non-customers, expansion of STACK ecosystems, and industry-first products such as Insta EPC. The bank also launched innovations, including an upgraded Neo Remittance System (USD25b processed), AI-powered fraud prevention, Digital Rupee pilots, and API Banking 2.0.

Asset quality stable; robust underwriting to enable controlled credit cost

ICICIBC has sustained strong asset quality across cycles, supported by prudent underwriting and real-time technology-backed risk management. The bank maintains a healthy PCR at 76% and carries contingent provisions of INR131b (~1% of loans), providing cushion against credit costs. While secured retail loan performance remains robust and NPLs in unsecured loans have stabilized, credit costs may inch up as the recoveries from bad loans moderate. GNPAs in the priority and non-priority sectors have also improved, with major improvement seen in the Industry and Services sectors (Exhibit 28). We estimate GNPA/NNPA to remain steady at 1.6%/0.4% by FY27 with normalized credit costs of ~50bp.

Capital ratios healthy; segmental performance remains balanced

Capitalization remains healthy, with Tier-1 at 15.7% and CAR at 16.3%, which will be further aided by the RBI's policy reversal on NBFC/MFI risk weights, effective Apr'25 (bank reported CET1/CAR of 16.3%/~17.0% in 1Q, including profits). The bank's segmental performance remained balanced, with Retail PBT rising 15% YoY, contributing ~35% of total profits on the back of 16% revenue growth, while Treasury delivered strong 26% YoY PBT growth (30% of profits). The Corporate segment saw revenue growth of 14% YoY, though PBT rose by a modest 8% YoY, reflecting subdued corporate demand, lower recoveries and NIM moderation.

MD&A: Prudent growth and robust buffers ensure resilient performance

- **Prudent underwriting and risk filters:** Management emphasized a calibrated growth approach with strengthened underwriting across Retail, SME, and Business Banking, leveraging data analytics and behavior scoring for prudent credit delivery. Exposure to lower-rated corporates is taken selectively, balancing risk and returns.
- **Contingency buffers and provisions:** The bank maintains healthy contingency provisions over and above regulatory requirements, supplementing PCR and standard provisions, reflecting a conservative stance. These buffers strengthen balance sheet resilience and provide flexibility to manage potential future asset quality challenges.

Other highlights

- **Bank remains net PSLC seller; though PSL purchase continues in FY25:** The bank purchased priority sector lending certificates (PSLCs) worth INR1183b (vs. INR1097b in FY24) and sold PSLCs worth INR1229b (INR880b in FY24).
- **Bancassurance income has seen a tepid ~3% CAGR over FY21-25:** Fees from bancassurance increased to INR10.8b (from INR9.8b in FY24). Fee from the sale of life insurance/MF & other products increased to INR3.3b/INR6.3b in FY25 (INR3.1b/INR5.4b in FY24); however, fees from the sale of non-life insurance declined to INR1.2b (INR1.25b in FY24).
- **Contingent liabilities:** Contingent liabilities grew ~30% YoY in FY25 (19% CAGR over FY23-25), primarily due to an increase in interest rate swaps/futures (up 41% YoY) and forward exchange contracts (up 11% YoY). Contingent liabilities form ~285% of total assets.

Valuation and view

ICICIBC has been reporting a stellar performance for the past few years, irrespective of the sectoral challenges such as unsecured asset quality issues, systemic growth moderation, liability accretion or NIM headwinds. During 1QFY26, the controlled NIM decline of 7bp was another solid beat in that series, compared to a double-digit contraction reported by many peers. The continued improvement in asset mix, limited NIM compression and healthy growth in Business Banking and select retail segments position the bank well to deliver robust profitability. The bank's investment in technology has resulted in consistent productivity gains and steady improvement in cost ratios. Asset quality remains under control, while the bank continues to carry a contingency provisioning buffer of INR131b (1.0% of loans). **We estimate ICICBC to deliver RoA/RoE of 2.3%/16.7% in FY27 and retain our BUY rating with a SoTP-based TP of INR1,670 (2.7x FY27E ABV + SOTP of INR270).**

India Real Estate

Mr. Abhishek Lodha
Managing Director & CEO

Indian Housing: The growth engine of a USD10t economy

Long-term demand driver in place

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	137.8	181.1	189.3
EBITDA	39.9	51.6	53.9
Adj. PAT	27.6	36.5	38.7
EPS (INR)	27.7	36.6	38.8
EPS Gr. (%)	69.8	32.1	6.2
BV/Sh. (INR)	202.3	234.6	269.2
Ratios			
RoE (%)	14.6	16.7	15.4
RoCE (%)	12.1	13.8	13.3
Payout (%)	15.3	11.6	10.9
Valuations			
P/E (x)	43.2	32.7	30.8
P/BV (x)	5.9	5.1	4.4
EV/EBITDA (x)	31.2	23.9	22.5
Div Yield (%)	0.4	0.4	0.4

We hosted Mr. Abhishek Lodha, MD & CEO of Lodha Developers, as part of CEO Track at AGIC 2025. Here are our key insights from the session:

Real estate to grow ~2x faster than the Indian economy

India's economy is undergoing a significant transformation, with its GDP reaching over USD3t in FY22. The real estate sector, which contributed 6-7% of the GDP, is on track for a major expansion. By 2031, real estate's share of the GDP is projected to increase to 13-15%. This growth is driven by rising incomes, with India's per capita income expected to climb from around USD2,000 in FY22 to USD4,819 by FY31. This shift will enable 75 to 100 million new households to become homeowners. As a result, the real estate market is expected to grow to nearly USD1t by 2031, representing a CAGR of about 20% between 2022 and 2031.

Tailwinds in place to drive demand in long run

India's growing and young population is fueling a significant increase in demand for real estate. Each year, over 20 million students graduate and enter the workforce, driving rapid urbanization and job growth in major cities. This trend is further boosted by the increasing nuclearization of families in urban areas, which is creating a greater need for individual housing units. The rising wages of this young workforce are also making real estate more affordable, supporting the strong demand for homes.

Robust wage growth and job creation to sustain housing demand

In India, the average wage across industries has consistently grown by more than 9% annually over the past 8 to 10 years, with the exception of the Covid-19 pandemic year. An analysis of 60 large listed companies (excluding major IT firms) shows that their wage bills increased by 11.2%. When large IT companies are included in this group, the overall wage growth drops to 7.1%. This is largely because IT companies have added fewer employees compared to other sectors. The presence of global captive centers (GCCs) in India is creating a significant number of jobs, effectively compensating for the slowdown in hiring by traditional IT services companies. This trend is set to accelerate, with the number of GCCs in India and the jobs they create both projected to increase by 1.5x between FY25 and FY30.

Supply-side consolidating - unlikely to keep pace with accelerating demand

Key policy changes in India, such as the implementation of the Real Estate (Regulation and Development) Act (RERA), demonetization, and amendments to the Benami Act, combined with the collapse of IL&FS, have fundamentally reshaped the real estate market. These reforms led to a significant consolidation in the industry. Around 60% of developers left the market, primarily due to a lack of funding and an inability to deliver projects on time. As a result, over 50% of the current real estate supply is now provided by top developers in each market. The market share of both listed and leading non-listed developers has doubled from 2017 to 34% by FY24, a trend that is expected to continue. Following the Covid-19 pandemic, there has been a notable shift toward premiumization. Buyers are increasingly seeking larger homes, which has caused the total value of real estate sales to grow faster than the volume of units sold.

Low risk to margins from construction cost inflation

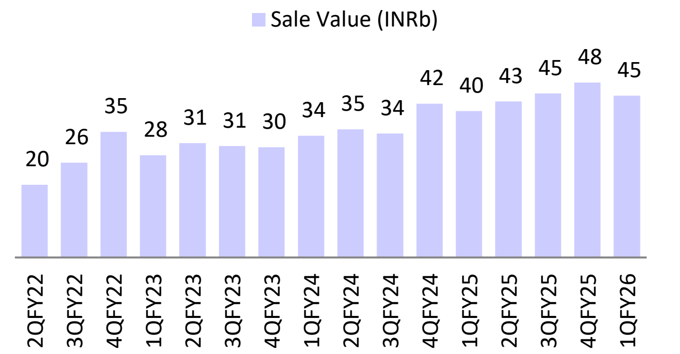
Construction costs, which make up 25% to 45% of a property's final sales price, are kept stable by a few key factors. A third of these costs comes from low-skilled and semi-skilled labor. India has a large and readily available workforce, with ~250 million people underemployed in the agricultural sector. This constant supply helps keep labor inflation low. While commodity prices can spike, as they did during the Russia-Ukraine war, these increases are typically short-lived. The market quickly adjusts, leading to price moderation. Since most projects take about 3-5 years to build, developers have the flexibility to manage costs over the project's life. Additionally, having a stock of completed and advanced under-construction homes helps developers protect against sudden material price increases.

‘20:20’ Action Plan for LODHA

Since its public listing in FY21, LODHA has been strategically expanding into new markets to grow its residential business. In FY25, the company's presales increased by 21% YoY to INR176.3b, which exceeded its own projections. For FY26, LODHA plans to launch new projects with a GDV of INR188b. LODHA's current inventory includes 7.5msf of completed projects and 16.8msf of ongoing ones. Looking ahead, LODHA has a planned inventory of ~85msf. This significant pipeline is expected to fuel a 20% CAGR, with the goal of reaching INR500b in presales by FY31. Additionally, LODHA is also focused on generating rental income, aiming for INR15b annually. The company has a clear path to achieve over INR11b from its operational and under-construction assets by 2031, with INR5b expected by the end of FY26. This rental income will be enough to cover interest costs, helping LODHA maintain a D/E well below its internal limit of 0.5x.

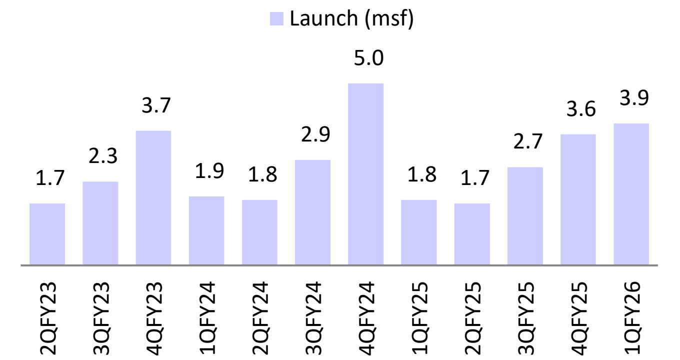
Story in charts

Reported presales of INR45b, up 10% YoY



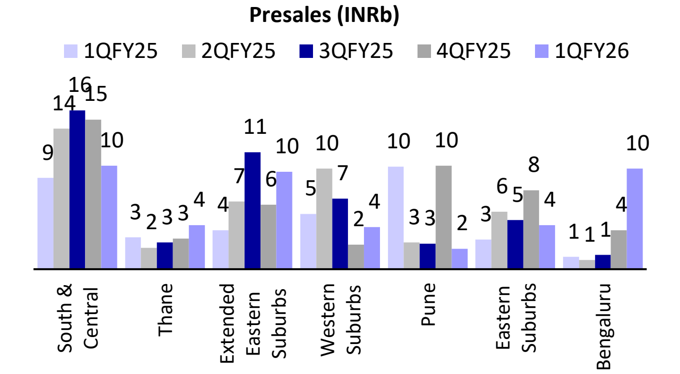
Source: Company, MOFSL

Launched 3.9msf in 1Q



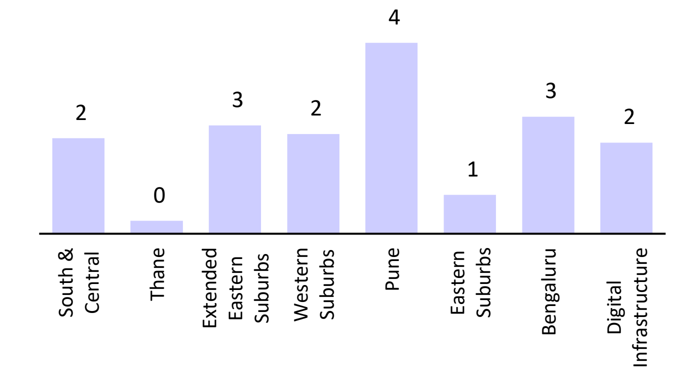
Source: Company, MOFSL

Steady performance in under-penetrated markets



Source: Company, MOFSL

Planned launches for the next 12M (msft)



Source: Company, MOFSL

Launch pipeline for the rest of FY26 has a healthy mix of own/JDA projects

Micro-market	Own/JDA	Area (msf)	Est. GDV (INRb)	No. of Projects
MMR – South Central	Own	0.3	9.0	1
MMR – South Central	JDA	1.4	35.7	2
MMR – Western Suburbs	Own	0.2	3.7	1
MMR – Western Suburbs	JDA	1.6	25.0	1
MMR - Thane	Own	0.3	3.8	1
MMR - Eastern Suburbs	Own	1.9	13.9	1
MMR - Eastern Suburbs	Own	0.2	3.7	1
MMR - Ext Eastern Suburbs	JDA	0.4	8.2	1
Pune	Own	3.4	30.8	3
Pune	JDA	1.0	7.9	1
Bangalore	Own	2.3	24.0	2
Bangalore	JDA	0.4	4.9	1
MMR – South Central	Own	0.3	9.0	1
Grand Total		**13.4**	**170.6**	**16**

Source: Company, MOFSL

In 1Q, LODHA signed new projects with GDV worth INR227b

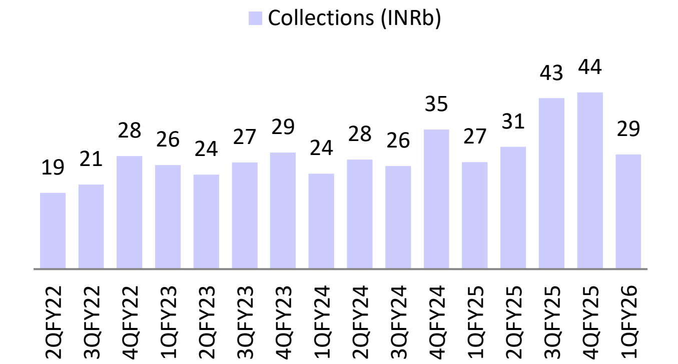
Micro-market	Period Added	Saleable Area (msf)	Est. GDV
MMR – South Central	Q1-26	2.4	65
MMR – South Central	Q1-26	0.3	9
MMR – Western Suburbs	Q1-26	2.3	44
Pune - North East	Q1-26	2.4	25
Bangalore - North	Q1-26	7	84
Total		**14.4**	**227**

Annualized cost inflation for the company's portfolio moderated since Mar'21

Commodity/Component	Mar'21 to Jun'25		
	% Share in total cost	% Change	Weighted Impact
Steel	11.7	-6.3	-0.7
Flooring materials	5.2	15.2	0.8
Electrical	3.8	-3.3	-0.1
Plumbing	2.2	-11.9	-0.3
Labor	34.2	15.7	5.4
External Windows	3.3	12.3	0.4
RMC	12.3	11.9	1.5
Lifts & Elevators	3.7	13.0	0.5
Carpentry Materials	2.3	15.5	0.4
Painting	0.8	5.9	0.0
CP Fittings	2.4	15.7	0.4
Firefighting	1.7	21.2	0.4
Gypsum	1.4	51.9	0.7
Overall			**10.8**

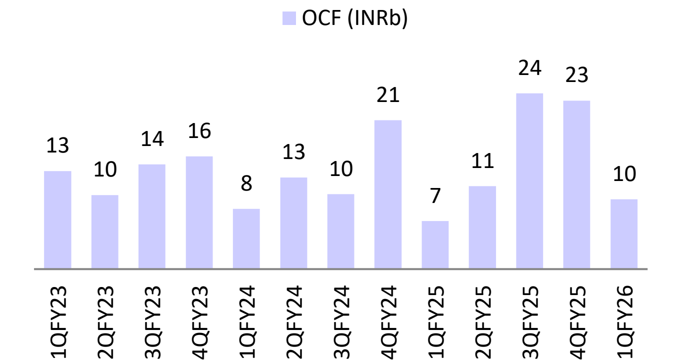
Source: Company, MOFSL

Collections increased 7% YoY to INR29b



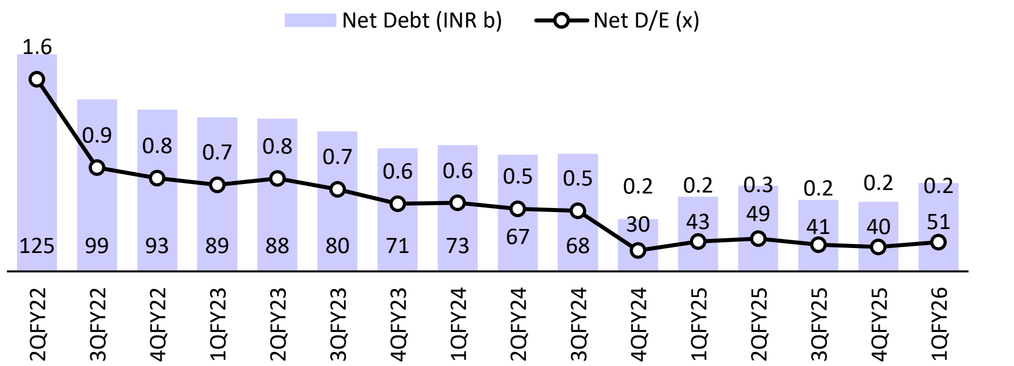
Source: MOFSL, Company

Generated OCF of INR10b



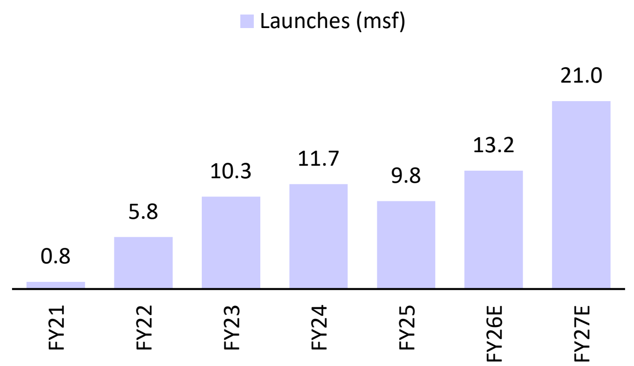
Source: MOFSL, Company

Reduction in debt levels despite continued spending on BD



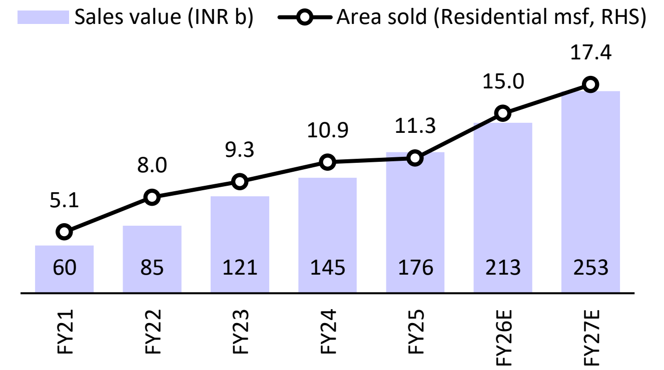
Source: MOFSL, Company

Expect launches to sustain at 10msf+



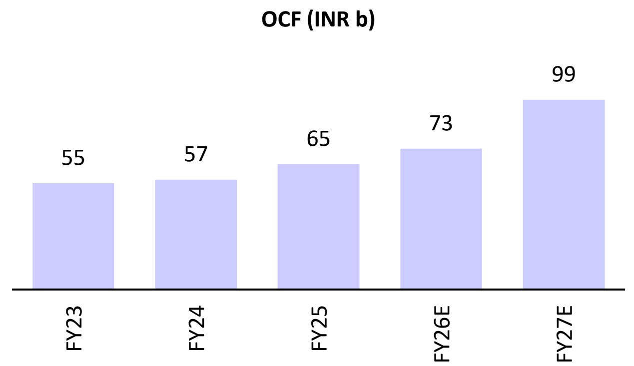
Source: MOFSL, Company

Expect 20% CAGR in presales over FY25-27, reaching INR253b



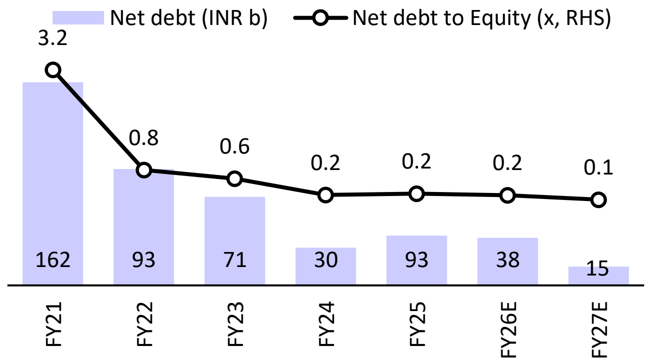
Source: MOFSL, Company

Expect LODHA to generate ~INR99b OCF by FY27



Source: Company, MOFSL

Healthy balance sheet despite land investments



Source: Company, MOFSL

IHCL

Indian Hotels Company Limited

Mr. Puneet Chatwal
MD & CEO, Indian Hotels

Financials & Valuations (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	83.3	100.1	112.9
EBITDA	27.7	33.8	39.7
Adj. PAT	16.8	19.0	22.9
EBITDA Margin (%)	33.2	33.7	35.1
Cons. Adj. EPS (INR)	11.8	13.4	16.1
EPS Gr. (%)	33.4	13.0	20.8
BV/Sh. (INR)	78.6	91.1	106.5
Ratios			
Net D:E	(0.3)	(0.3)	(0.4)
RoE (%)	16.3	15.7	16.3
RoCE (%)	15.8	16.7	17.1
Payout (%)	6.0	6.0	5.0
Valuations			
P/E (x)	64.8	57.3	47.5
EV/EBITDA (x)	38.8	31.5	26.2
Div. Yield (%)	0.1	0.1	0.1
FCF Yield (%)	0.6	1.2	2.0

Leveraging Structural Demand with Iconic Projects and Global Scale

We hosted Mr. Puneet Chhatwal, MD and CEO of Indian Hotels, as part of the CEO Track at AGIC CY25. Here are our key insights from the session:

Structural tailwinds creating a multi-year growth opportunity

The rising affluence, with the middle-class share expanding from 31% in CY24 to 38% by CY30 and disposable incomes increasing 50%, is set to drive robust growth in discretionary spending, particularly in travel and hospitality. Tourism demand in India is expected to grow at a strong 9-11% CAGR, while supply is anticipated at around 6-8%, supported by both domestic and foreign travel. Foreign tourist arrivals are projected to more than double from 10.9m in CY19 (similar level in CY24) to 25m by CY30. Supportive policy initiatives are set to drive further sector growth. The government's USD2t infrastructure investment plan, regional air connectivity through UDAN, and favorable measures such as tourism infrastructure status and MSME financing are expected to improve accessibility, enhance capacity, and accelerate the formalization of the hospitality sector. **The ARR is currently stable and expected to witness a mid-to-high single digit growth, with strong flow-through on EBITDA.**

Asset-light international strategy for scalable growth

The company is pursuing an international expansion strategy with a strong focus on an asset-light approach to enhance returns and mitigate capital risk. Expansion is targeted across the Middle East, Southeast Asia, and Europe, with gateway cities like New York, London, and Paris identified as key priorities. Southeast Asia remains a central growth market, while the US is being approached selectively, given its segmented nature. International presence, particularly in the luxury and lifestyle segments, is expected to strengthen brand equity and global recognition. A notable addition includes a new hotel in Frankfurt (expected to be operational by Feb'26), strategically located near the Indian consulate, underscoring the brand's focus on key global hubs.

Pipeline of iconic projects

IHCL has curated a robust pipeline of landmark developments across key destinations, reinforcing its positioning in the luxury, lifestyle, and leisure segments. These projects are designed to enhance brand differentiation while catering to both domestic and international demand.

- **Taj Bandstand, Mumbai** – A marquee project comprising 330 keys along with 85 branded residences. IHCL has secured all necessary approvals, enabling the project to move ahead, with construction expected to commence before the end of FY26.
- **Lakshadweep Islands (Suheli & Kadmat)** – Exclusive eco-luxury resorts that will establish a pioneering presence in one of India's most pristine tourism frontiers.
- **Goa & Gujarat Leisure Assets –** Upcoming large-scale developments at Shiroda, Aguada Plateau, Goa MOPA, and Ekta Nagar (Statue of Unity), aimed at creating distinctive leisure and tourism destinations.

Accelerated 2030 growth plan

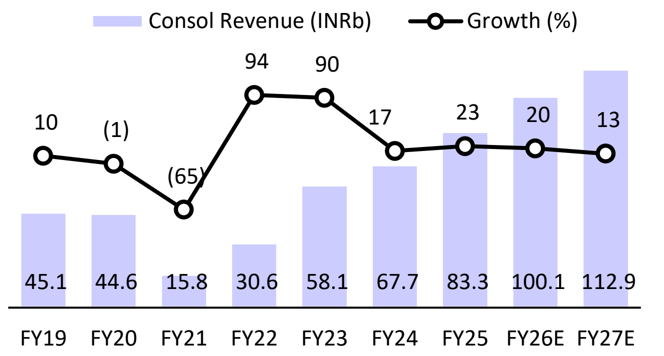
IHCL continues on its path towards **Accelerated 2030**, underpinned by scale, profitability, and sustainability. The plan targets expansion of its hotel portfolio from over 565 properties in FY25 to over 700 by FY30, with more than 500 operational assets, strengthening its leadership position in the hospitality sector. Enterprise revenues are expected to more than double from INR148b in FY25 to INR300b, while consolidated revenues are projected to grow from INR85b to INR150b. Alongside topline growth, profitability remains central, with ROCE improving from 17% to over 20%, supported by disciplined capital allocation and an asset-light model.

Innovative dining concepts driving global brand equity

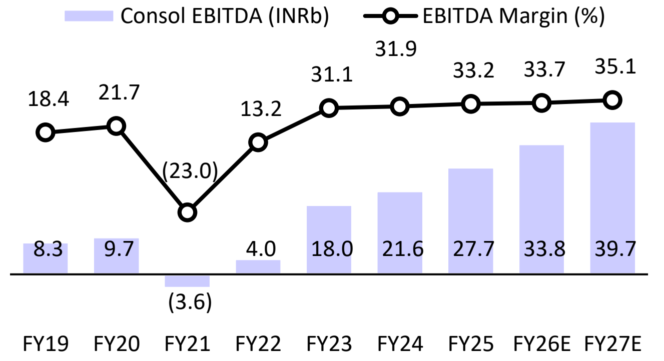
IHCL is strengthening its F&B business by expanding existing brands and introducing new concepts like **LOYA in Mumbai** and **House of Ming in London**, enhancing global brand equity. Growth is being supported by digitization, revenue management tools, and increasing demand from weddings, with additional wedding dates in 2H providing a strong tailwind.

Story in charts

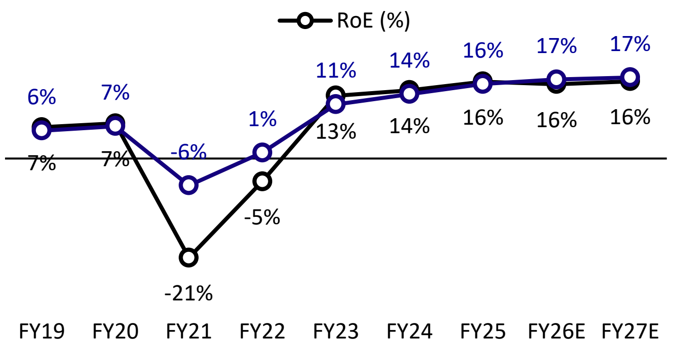
Trend in sales



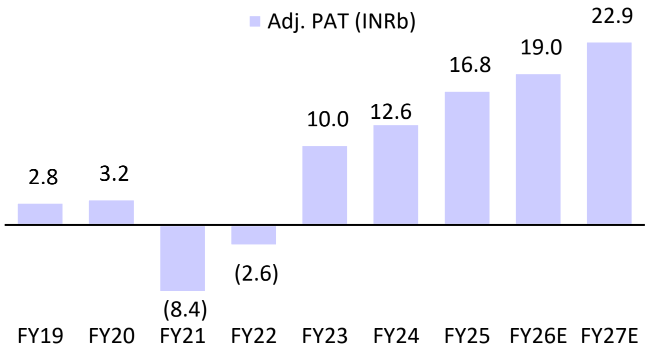
Consolidated EBITDA trend



ROE trend



Adj PAT trend



Haldiram's

Haldiram's Group

Mr. Krishan Chutani
CEO, Haldiram's Group

Brand legacy continues, looking to expand global footprint

We hosted Mr. Krishan Chutani, CEO of Haldiram's Group (Haldiram), and Mr. Shivkishan Agarwal, Promoter, as part of our CEO Track at AGIC 2025. Here are our key insights from the session:

Legacy, scale, and financial strength

Haldiram stands as one of India's largest packaged food brands, backed by a rich 90+ year legacy and leadership in the savory snacks category. It is the sixth-largest packaged food player in India, commanding nearly 40% market share in ethnic snacks. With a presence in 80+ countries and distribution across ~4m outlets in India, Haldiram has built a truly expansive footprint. Financially, it is a large, profitable, and debt-free enterprise. In FY25, the company reported revenue of USD1.45b with an adjusted EBITDA margin of 18%. The company operates at less than 25 days working capital. The business has delivered a 13% CAGR during FY22-25. Haldiram portfolio is well-diversified across ethnic snacks (64%), western snacks (14%), sweets (8%), ready-to-eat/frozen (4%), and others such as bakery, beverages, and gift packs (11%). Strategic acquisitions of regional packaged food brands like Aakash, Babaji, and Vitmore have further expanded its consumer base and added ~USD90m in revenue.

Brand equity and consumer loyalty

Haldiram has cemented its position as one of the most trusted consumer brands in India, thanks to its consistency in delivering authentic taste over decades. This has fostered strong consumer confidence, loyalty, and repeat consumption. The company has deep penetration in tier-3 and tier-4 towns, and the brand enjoys unmatched mindshare. Its distinctive taste profile and high repeat usage have created a loyal customer base, while minimal reliance on traditional marketing underscores its strength in organic, word-of-mouth-driven growth. Leveraging this powerful brand equity, Haldiram has successfully diversified into newer categories such as ready-to-eat meals, beverages, and bakery, positioning itself as a credible challenger across multiple consumer segments.

Distribution leadership and competitive advantage

Haldiram has built one of the most extensive and robust distribution networks in India's snacks industry, with a reach across ~4m outlets, translating into 46% penetration of the salty snacks segment. Its dominance is most pronounced in North India, where it covers 1.8m retailers (60% penetration). In West and East India, its distribution spans ~0.8m retailers each (41% and 36% penetration respectively). In South India, it serves ~0.6m retailers (42% penetration). This wide and balanced regional presence gives Haldiram a clear edge over competitors like PepsiCo, Bingo, Balaji, Bikaji and others, ensuring superior product availability across both urban and rural markets. Such scale in distribution is a key enabler of portfolio expansion and future growth.

Guidance

Haldiram aims to achieve ~USD2.9b in sales by FY30 through a focused category-level growth strategy that capitalizes on its strong brand and market presence. This strategy is built on three pillars: strengthening core categories such as ethnic and western snacks, expanding developing segments including ready-to-eat, frozen, and bakery products, and entering into new categories such as beverages and noodles to further diversify its portfolio. The company expects that the incremental revenue growth, from USD1.4b in FY25 to USD2.9b by FY30, to be largely broad-based across ethnic snacks, western snacks, sweets, and ready-to-eat & frozen products. Alongside this growth plan, synergies from the merger of two sizable family businesses present key opportunities to enhance EBITDA margins. These synergies focus on centralizing procurement of raw and packaging materials, consolidating back-end functions and teams to reduce costs, and optimizing production and demand clusters to cut transportation expenses. Together, these measures position the merged entity for substantial margin improvements, operational efficiency, and long-term financial gains.

McKinsey & Company

Mr. Renny Thomas, McKinsey

Mr. Renny Thomas
Sr. Partner, McKinsey

Rewiring enterprises to unlock the value of AI

Thoughtful, inclusive, and astonishingly forward-looking

We hosted Mr. Renny Thomas, Senior Partner, McKinsey & Company, as part of CEO Track at AGIC 2025. Below are key insights from the session:

AI potential vs. bottom-line reality

While AI dominates headlines, only around 11% of enterprises currently see measurable bottom-line benefits, despite 93% of them experimenting with the technology. Mr. Thomas likened this to electricity's adoption curve, where domain-specific applications, not just the breakthrough itself, drove real economic value. For now, AI remains largely consumer-focused, and enterprises must adapt it with domain expertise to realize commercial impact.

Moving beyond deterministic tech

Enterprise adoption faces challenges because today's AI is probabilistic, not deterministic. This creates hesitation around accountability when errors occur. Mr. Thomas emphasized that AI cannot be treated as "plug and play", instead organizations need to rewire operating models, redesign workflows, and create accountability frameworks that balance innovation with enterprise-grade reliability and trust.

Multi-agent systems: The breakthrough ahead

Mr. Thomas highlighted the shift from single LLMs to multi-agent systems as a turning point. Similar to specialized machines on an assembly line, multiple agents can collaborate to complete complex, non-linear tasks. From credit memo generation to relationship support in wealth management, these systems reduce hallucinations, improve reliability, and embed applied intelligence into everyday operations, enabling employees to operate at superhuman levels.

Practical enterprise applications – From concept to tangible impact

Mr. Thomas emphasized that AI in enterprises is no longer just a pilot exercise but is beginning to create tangible impact through targeted use cases. In credit analysis, for example, multi-agent systems are streamlining one of the most time-intensive tasks in banking. Instead of analysts manually gathering documents, checking calculations, and drafting credit memos, AI agents now automate the process end-to-end, fetching relevant data, validating it against predefined criteria, critiquing results, and producing complete structured outputs. This not only reduces turnaround time but also improves accuracy and consistency. Similarly, in wealth management, AI agents are reshaping how relationship managers engage with clients. By recommending next-best actions, tailoring conversations to individual profiles, and automating follow-ups, these tools ensure advice is not only personalized but also compliant and timely. These are not futuristic experiments; they are already operational, demonstrating how AI can be embedded seamlessly into core workflows to enhance both productivity and client experience.

Differentiating winners from laggards

According to Mr. Thomas, enterprises creating real impact share five traits: a bold vision with financial targets rather than vanity metrics; a full-stack approach integrating GenAI with traditional AI and automation; prioritization of transformative domains instead of point solutions; adoption of multi-agent systems for reliability; and embedding AI into frontline operations with proper governance and accountability.

India's AI opportunity

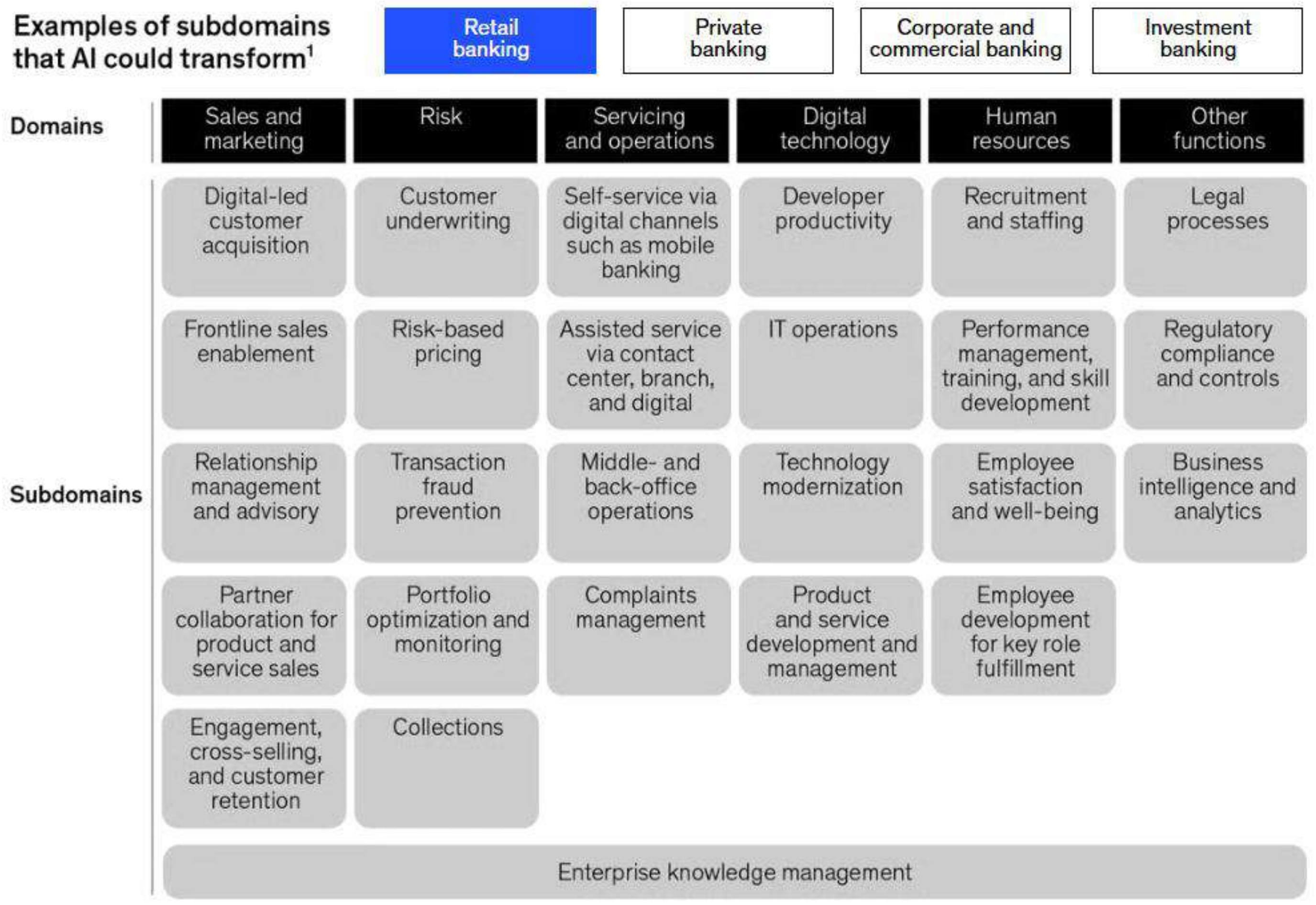
India has a unique chance to leapfrog global peers, thanks to its digital infrastructure, lighter legacy systems, and ability to design for linguistic and cultural diversity. Success will depend on inclusive design, trust-building, and scalable India-first strategies. Mr. Thomas noted that Indian banks and corporates may even outpace Western counterparts in AI adoption over the next decade.

Collaboration, not just competition

The future of AI will be shaped not only by competition but also by collaboration across ecosystems. Mr. Thomas emphasized that banks, fintechs, and NBFCs can jointly scale impact through APIs, shared platforms, and co-created propositions. Those who orchestrate such ecosystems will pull ahead of peers who attempt to go it alone.

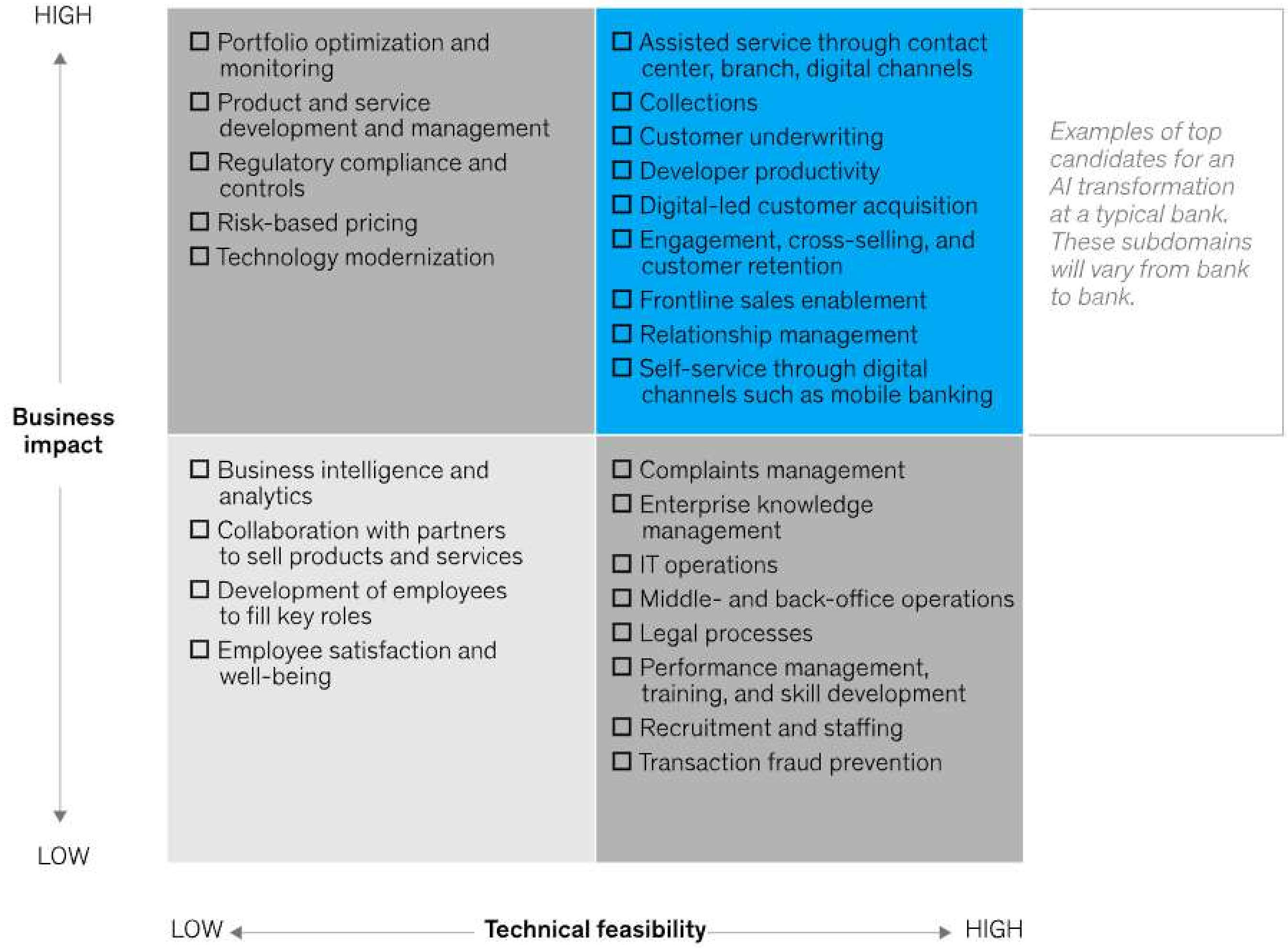
Story in charts

Banks can identify business areas for AI transformation and then rewire them to boost value



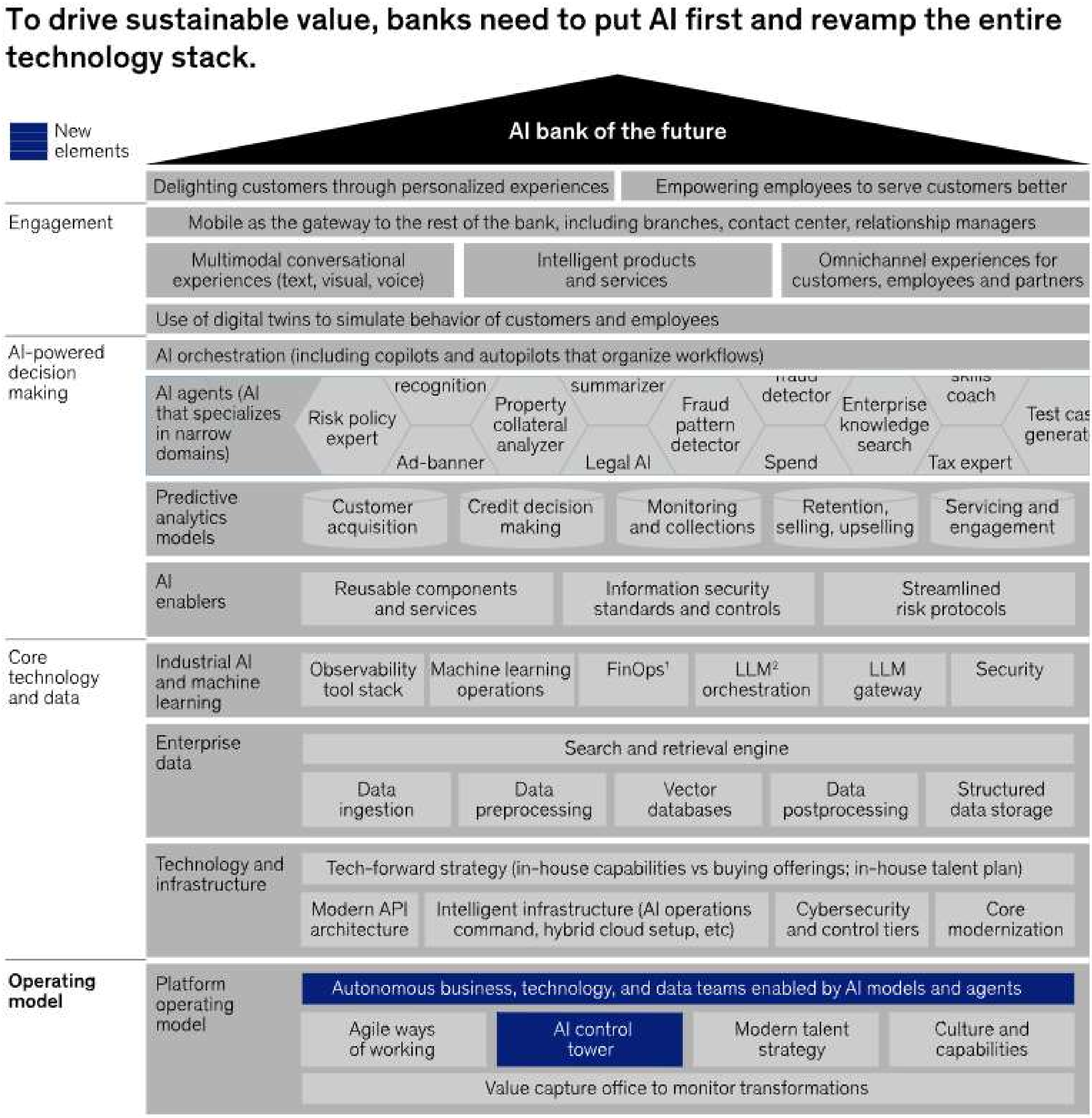
Source: McKinsey, MOFSL

Bank subdomain with high business impact and high technical feasibility should be first in line for AI transformation



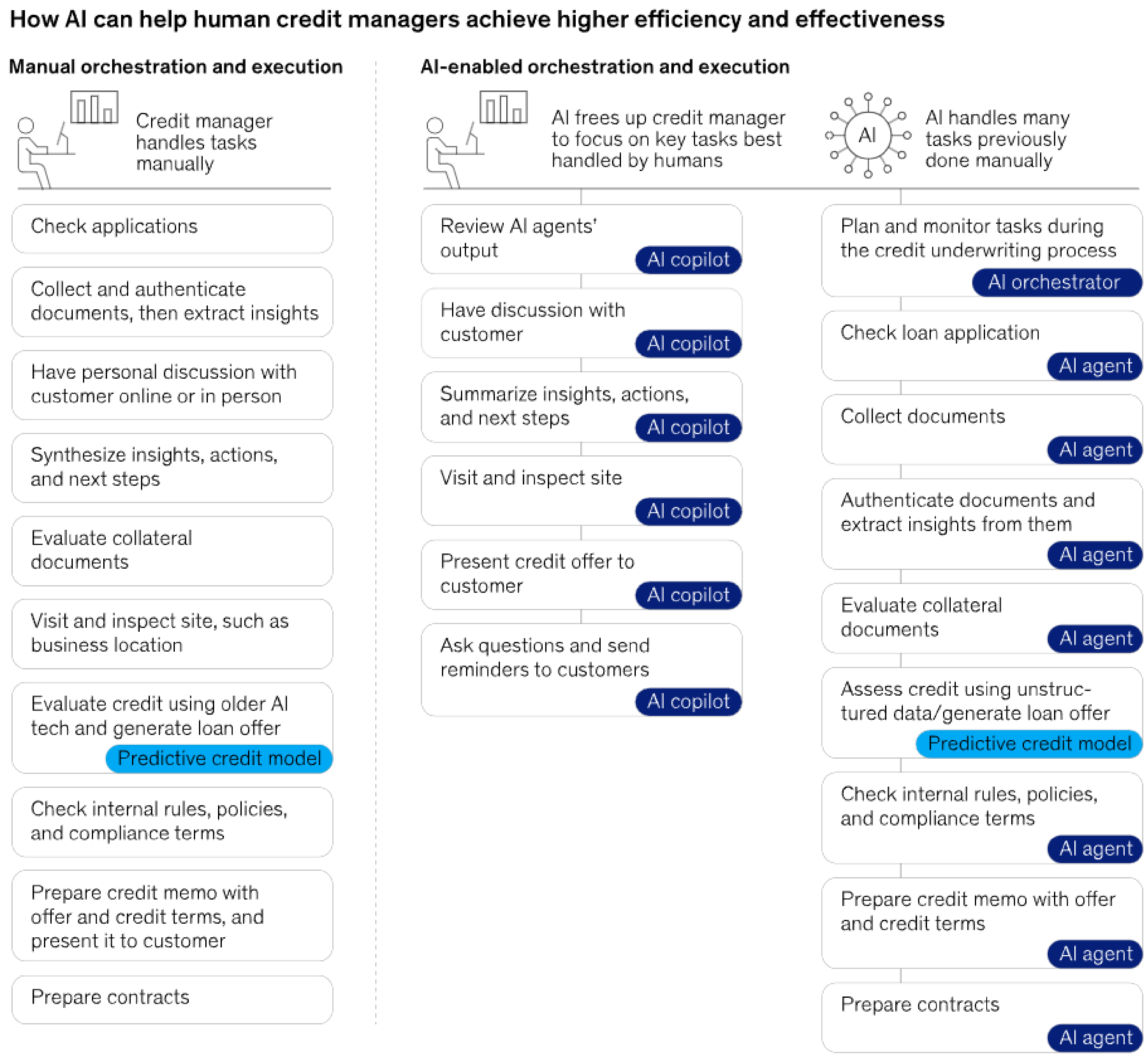
Source: McKinsey, MOFSL

To drive sustainable value, banks need to put AI first and revamp the entire technology



Source: McKinsey, MOFSL

Credit manager's role has the potential to evolve significantly thanks to AI



Source: McKinsey, MOFSL

Project Man of Maharashtra

Dr. Sanjay Mukherjee
Metropolitan Commissioner of MMRDA

Transforming MMR with sustainable Infrastructure

MMRDA executing several big-ticket infra projects

We hosted Dr. Sanjay Mukherjee, Metropolitan Commissioner of MMRDA, as a part of the CEO Track at AGIC CY25. Here are our key insights from the session:

Big-ticket projects strategically being executed to transform MMR

MMRDA is the largest project implementation agency in India focused on developing big-ticket projects in the MMR region. The recently completed MTHL project has significantly improved connectivity, and several such projects are under execution. It is the largest sea bridge in India. MMRDA is largely a self-funded agency with limited funding from Central Authorities, allowing faster execution. MMRDA raises funds from Land Monetization, availing financing credit lines and multi-lateral funding from agencies like JICA.

MMRDA launches ‘Mumbai in Minutes’ project

MMRDA has initiated the ‘Mumbai in Minutes' project, which will guarantee travel times of under 59 minutes from one part of the city to another. It expects ongoing infrastructure developments, particularly in Metro and road networks, to help achieve this vision. This project aims to reduce travel time, enhance connectivity, and provide a strong fillip to real estate development in the region.
Key components of the initiatives include: a) Adding new metro lines to connect suburban areas with business hubs, b) Coastal Road Project to ease traffic congestion, c) Trans-Harbor Link to improve connectivity, and d) Building new tunnels and flyovers. While the vision comes with its own challenges, it is expected to significantly ease travel conditions in the region, contributing significantly to India’s GDP.

Vision 2047 – Develop MMR into economic powerhouse

MMRDA is currently executing projects worth INR3t across metro lines, roads, bridges, etc. It expects to raise the region’s GDP from the current USD140b to USD300b by 2030, and USD1t by 2047. Several strategic corridors have been identified for development to improve connectivity across various parts of the region. These developments would be driven by investments from both the public and private sectors.

Metro Brands

Mr. Nissan Joseph
Chairman & CEO, Metro Brands

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	27.8	32.3	37.1
EBITDA	8.4	10.0	11.6
Adj. PAT	4.2	5.0	5.9
EPS (INR)	15.4	18.6	22.0
EPS Gr. (%)	10.8	20.4	18.3
BV/Sh. (INR)	74.5	86.8	101.4
Ratios			
RoE (%)	22.8	23.6	24.0
RoCE (%)	15.6	15.9	16.2
Payout (%)	35.8	34.8	34.8
Valuations			
P/E (x)	76.7	63.7	53.9
EV/EBITDA (x)	39.6	33.4	28.5
EV/Sales (X)	12.0	10.3	8.9
Div. Yield (%)	22.8	23.6	24.0

Curating India’s footwear wardrobe

We hosted Mr. Nissan Joseph, CEO of Metro Brands ltd, as part of CEO Track at AGIC 2025. Here are our key insights from the session:

Walking the growth runway

The Indian retail footwear industry remains structurally attractive, underpinned by impulse-driven buying behavior, rising aspirational consumption, and the ongoing formalization of the ~70% unorganized market. Strategic enablers such as prime store locations, curated presentation, and omnichannel last-mile delivery drive higher conversions, while occasions (e.g., weddings) and lifestyle shifts (athleisure, fitness) provide steady demand tailwinds. Although near-term demand has seen diversion toward travel and hospitality, consumer aspiration and spending power remain resilient. With premiumization, the rapid scale-up of sports & athleisure, and the migration of value consumers into organized retail, the industry is positioned for growth outpacing GDP. Short-term volatility aside, footwear is a durable discretionary category with long-term structural drivers intact.

Metro Brands: Curating India’s footwear wardrobe

Metro Brands is firmly positioned as a footwear specialist, curating India’s footwear wardrobe across occasions, price points, and lifestyles through 938 stores in 206 cities and 9 brands. Its portfolio spans:

- **Core** *(Metro, Mochi, Walkway)* - Anchored by premium house-brand heavy banners Metro and Mochi (high-margin) and value-focused Walkway (margin-dilutive but largest runway, targeting unorganized-to-organized shift).
- **Strategic** *(Crocs, Fitflop, Clarks)* - These brands combine distribution through Metro/Mochi (MBOs) with the ability to scale via EBOs. Crocs delivers strong profitability and industry-leading ROC, while Clarks and Fitflop broaden Metro’s addressable market.
- **Sports** & **Athleisure** *(Fila, Foot Locker, New Era)* - Tapping into India’s USD7.5b athleisure and Gen Z sneaker culture, this division expands Metro’s reach to younger, lifestyle-driven consumers. While initially margin-dilutive, it builds long-term growth optionality and future-proofs the portfolio.

While near-term growth has moderated amid market normalization, management remains confident that resilient consumer aspiration and structural tailwinds from athleisure and value formalization will help Metro sustain **early-to-mid teens growth**, comfortably outpacing industry averages. Growth is anchored by the following structural levers:

Disciplined expansion: Scaling beyond 200 cities profitably

Metro sees a significant opportunity to scale beyond its current ~200 cities into a potential 600-city footprint. Its strategy prioritizes clustering and backfilling in proven markets, adding complementary banners such as Mochi and Crocs around successful stores to maximize demand capture, deepen market share, and pre-empt competition. While rental escalations temporarily slowed expansion, Metro plans to re-accelerate store growth as costs normalize, maintaining its disciplined and profitability-focused approach.

Sports & Lifestyle: Expanding the addressable market

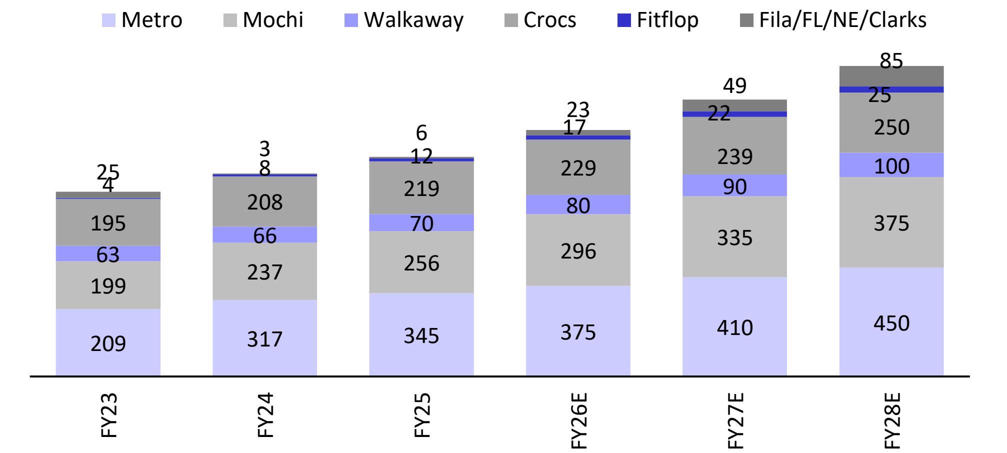
Brands like Fila, Foot Locker, and New Era provide a structural growth lever in India's expanding athleisure market. Rising fitness adoption, and Gen Z's preference for athleisure as daily wear are driving demand. While margins are slightly dilutive, the segment expands Metro's addressable market and customer base. Notably, Metro already ranks as Skechers' largest customer in India.

Value Footwear: Zudio of footwear

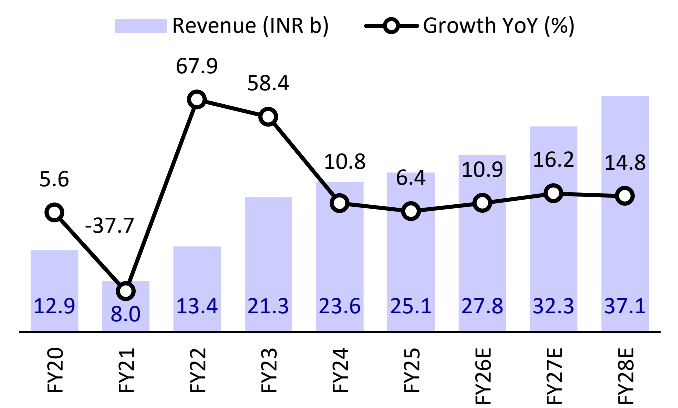
Metro sees its largest growth lever in value footwear, with ~70% of India's market still unorganized. Walkway, with an ASP of INR600-700, is positioned to formalize this segment by offering affordable yet stylish products that upgrade consumers from unbranded to branded retail. The company is following a phased strategy, scaling first in South and West India to refine the operating model.

Story in charts

Expect MBL to reach ~1,285 stores by FY28 (vs. 908 in FY25)

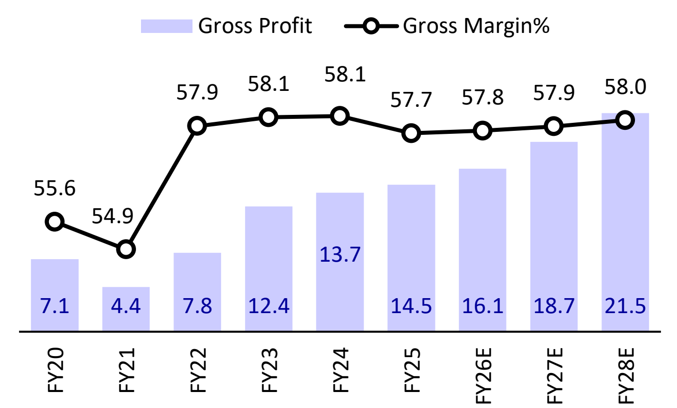


Expect 14% revenue CAGR over FY25-28



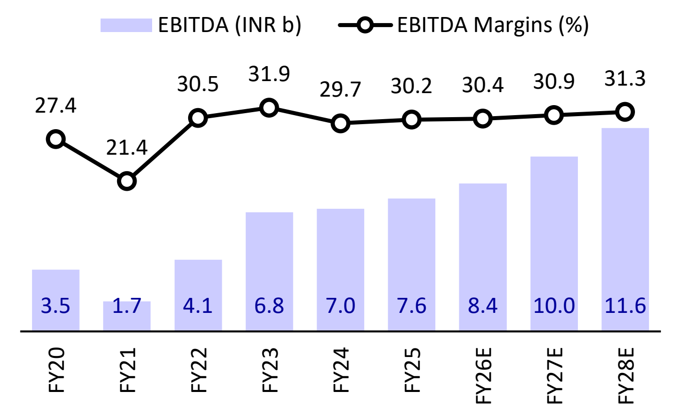
Source: MOFSL, Company

Expect MBL to clock a 14% GP CAGR over FY25-28



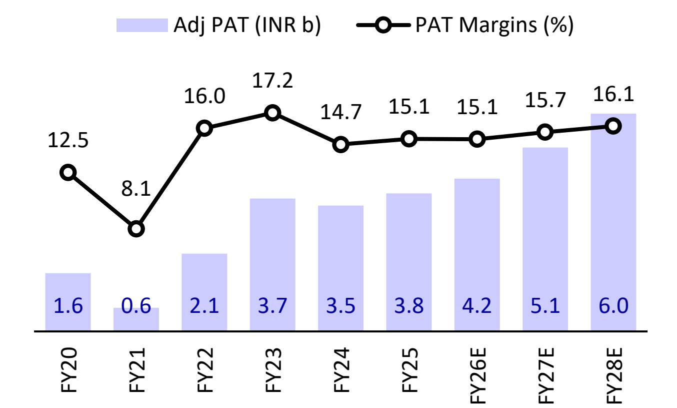
Source: MOFSL, Company

Expect 15% EBITDA CAGR over FY25-28



Source: MOFSL, Company

Expect 16% adj. PAT CAGR over FY25-28



Source: MOFSL, Company

TRANSFORMING TRADE, STRENGTHENING INDIA

Shri Piyush Goyal, Minister of Commerce and Industry, Government of India

Transforming Trade, Strengthening India

Turning Crisis into Opportunity!!

We hosted Shri Piyush Goyal, Minister of Commerce and Industry, Government of India, as part of our CEO track session at AGIC 2025. Here are the key takeaways of the session:

An opportunity to strengthen ties with other countries

Shri Piyush Goyal highlighted that the Indian economy is on a very strong footing and with several macro-economic indicators in very robust shape. He reassured that government is actively working to mitigate the current crisis on trade engagement with US, by turning it into an opportunity by strengthening and deepening India's relationship with other key economic blocs/countries. India has finalized bilateral agreements with UK, Australia, UAE, Mauritius, the EFTA bloc (with members including Norway, Switzerland) while there is very active dialogue in progress with the European Union. More such trade agreements will be struck in future and it is heartening to note enthusiasm across nations to deepen trade ties with India.

Optimistic of improvement in relations with US

Indo-US ties have been impacted somewhat over the recent punitive tariffs from US on Indian exports. Nonetheless, Shri Goyal is hopeful of an improvement, as near-term geopolitical issues seem to have overwhelmed long-term trade interests for the time being. However, India continues to engage with the US and Shri Goyal remains optimistic that a mutually beneficial bilateral trade deal should be struck with US, once there is a thaw in current situation

GST 2.0 to be implemented swiftly

The GST council meets on 3rd-4th September and Shri Goyal believes that once the proposed GST 2.0 measures are finalized and approved, the implementation could be very swift, as this coincides with the festive season buying and currently there is some holdback on purchasing decisions owing expectations of lower GST. The commerce & industry minister reiterated that the new GST measures, once implemented will not only give boost to consumer sentiment and demand fillip but also make compliance easier as several procedures will be streamlined.

Readying the arsenal of reforms

The commerce & industry Minister stated that the government is working tirelessly to design a comprehensive package of reforms to further strengthen the business environment and manufacturing prowess of Indian economy. The government of India is working actively with corporate sector to fortify India's long-term capacity and is proactively seeking feedback from industry captains to identify specific areas for reforms.

Wide scope of reforms: In addition to policy changes, focus will be on improving the ease of doing business, ease of living, ironing out the needless day-to-day hassles that reduce business efficiency. The government is working to deregulate several aspects of business, ease processes, procedures and also attempt to decriminalize minor offences - which otherwise tend to place avoidable burden on the businesses. The government has already brought out Jan Vishwas Bill 2.0 and ~355 different sections of different laws have already been decriminalized. Further attempting to explore another 1000 sections across IPR laws, protection from dumping, safeguard duty laws, central, state, local bodies laws, factory act, labor laws, change of land usage etc. He also indicated there could be some positive movement forward on disinvestments as well.

Quantum Leap for a Viksit Bharat

Shri Goyal stated that India will strive to become as self-reliant as possible, to shield Indian economy from global, geopolitical disruptions in a volatile and uncertain world. However, self-reliance will not mean India becomes insular, rather it will go hand in hand with building stronger relations with other nations.

Invoking the Prime Minister’s vision of a Viksit Bharat (developed India) by 2047, he exhorted industry captains to envision India for longer term, aspire big and build capacities for future. Indian industry also needs to now move beyond incremental change and take quantum leap in this journey. The in-tandem working of government and RBI in assuring strong growth with price stability should encourage private sector to take bold steps. Infrastructure and capacity building should be a strong force multiplier and help India become an even stronger economic superpower.

Resilient India in a dynamic geopolitical world

General (Dr) Manoj Mukund Naravane (Retd)
Ex-Army Chief

India's positioning amid current geopolitics

Defense sector in India

We hosted General (Dr) Manoj Mukund Naravane (Retd), Ex-Army Chief, as part of our CEO track session at AGIC 2025. Here are the key takeaways of the session:

India's relations with its neighbors

General Naravane believes that India's meeting with China at the Shanghai Cooperation Organisation is not necessarily an outcome of recent unfavorable tariff/realpolitik actions from the US, as commonly believed. In fact, India has always sought a healthy working relationship with China to ensure regional and global stability, cognizing the fact that both are large, populous and civilized countries with economic ascendancy. While China continues to provide both overt and covert support to Pakistan, it should eventually dawn on China that such behavior is mutually detrimental. General Naravane indicated that India is not unduly perturbed by China's string-of-pearls strategy, and India also engages in several bilateral goodwill initiatives with other neighbors of China, such as Vietnam, Mongolia, etc. India does, however, need to develop as much self-sufficiency as possible in manufacturing to reduce dependence on China, especially for critical and strategic items. For Pakistan, General Naravane believes that India will have to maintain vigil at the borders, owing to strained ties with Pakistan, where its army literally drives the narrative by targeting India. This situation can resolve only through internal popular churn in Pakistan and cannot be changed through external intervention.
As regards other neighboring countries such as Bangladesh, Sri Lanka, Maldives, etc., India has desisted from the big brother syndrome and has displayed remarkable restraint in dealing with any deviant behavior of smaller neighbors.

Shaping modern warfare through emerging technologies

Modern warfare is becoming increasingly technology-driven, with drones and counter-drone systems playing a central role. These are expected to see continuous innovation and investment. Indian companies are beginning to participate actively in this space, reflecting both domestic needs and the opportunities to build export capabilities. The pace of adoption and integration of such technologies will be key to maintaining operational effectiveness.

Self-reliance in defense production

India’s focus on self-reliance in defense has grown steadily, with greater emphasis on indigenous manufacturing, design, and technology development. The ‘Make in India’ initiative has encouraged domestic companies to expand capabilities across areas such as equipment, systems, and advanced technologies. This shift not only reduces external dependence but also creates opportunities for innovation, local job creation, and the development of a stronger industrial base that can support long-term security needs. Incrementally, enhanced investments toward R&D and development of bigger platforms should be the key focus areas of defense sector companies and MoD.

Building capabilities and partnerships

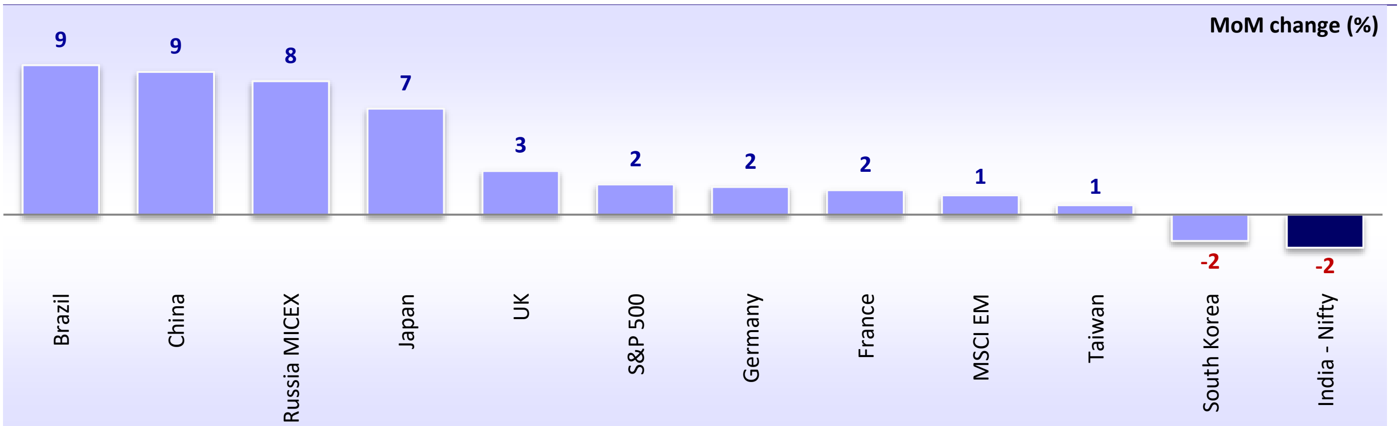
General Naravane highlighted that strengthening defense is not only about equipment but also about capabilities. Training, logistics, and support infrastructure remain vital areas that need constant improvement. International partnerships can play an enabling role in this process, whether through technology transfers, JVs, or collaborative research. By engaging with a wider set of global partners, India can access new capabilities while ensuring greater strategic autonomy.

INDIA STRATEGY – SEP’25 (THE EAGLE EYE): Tariff headwinds dampen benefits of GST cuts

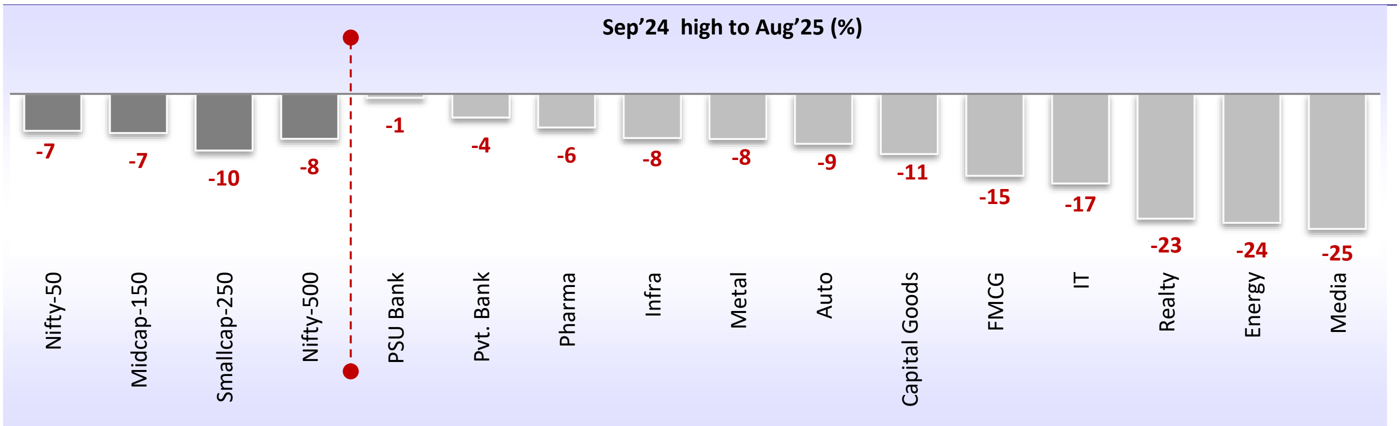
The key highlights of the 'The Eagle Eye' are as follows:

- a) India underperforms global equities monthly and YTD; b) Trade tariffs are starting to leave a visible imprint on U.S. inflation; c) Estimated GDP impact of US Tariffs by country; d) GST reforms poised to boost the consumption Growth Engine; e) A review of India markets since Sep’24 highs; f) Earnings remain muted, however, domestic flows hits record highs; g) About 70% of the BSE-200 constituents end lower in Aug’25; h) Earnings growth outpaced the index only in Midcaps; i) DII monthly inflows hit second-highest level, FII outflows intensify; j) India–US 10-year yield spread widens marginally after hovering near historical lows; k) Large-cap valuations near their average; small- and mid-caps remain stretched.
- Notable Published reports in Aug’25: a) Initiating Coverages on: HDB Financials, KPIT Technologies, TATA Technologies, TATA Elxsi; b) Earnings review 1QFY26 - Modest yet Resilient!; c) India Strategy| Ownership analysis – DIIs fortify their grip!

MoM performance of global equity indices in USD terms (%)



Broad-based weakness in key sectoral indices since Sep’24 highs, Banks outperform



Indian Hotels: Industry Would Be Happy With 5% GST On Less Than ₹7,500 Without Input Tax Credit; Puneet Chhatwal, MD & CEO

- Rs 7,500/night cap was introduced 8 years ago & remains unadjusted for inflation
- Industry would be happy with 5% GST on less than Rs 7500 without input tax credit
- See majority of next leg of growth coming from mid-scale hotels
- Will continue to grow other brands, but focus on Taj remains
- Ginger well positioned to reach 250-hotel portfolio within next 12-18 months

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HPCL: Will Get Legitimate Compensation Based On Under-Recovery Approved By Govt; Rajneesh Narang, Director Finance

- LPG under recoveries have come down
- Co will get legitimate compensation based on under-recovery approved by govt
- Sourcing of crude is an economic decision, 13% Russian crude was sourced in Q1
- Russian oil has always been a part of crude basket

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Piramal Enterprises: Credit Growth Under Pressure As GST Council Decision Is Awaited; Jairam Sridharan, MD & CEO

- Seeing people postponing car purchases due to GST decisions
- Negative impact will go away the moment final GST announcement comes in
- Don't expect credit cost to increase in coming quarters
- See 5-10 bps reduction in loan market and 40-45 bps in the bod market

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Aadhar Housing: AUM Is Expected To Double Over The Next 3 Years To Around ₹50,000 Cr; Rishi Anand, CEO

- AUM is expected to double over the next 3 years to around 50,000 Crs
- Maintain guidance of 20-22% AUM growth & 18-20% disbursement growth
- Aadhar's focus on core products helps in sustaining healthy growth
- See exit RoA of 4.2-4.3% by FY26 end

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Max Estate: Will Launch Projects Worth ₹9,500 Cr Across Delhi-NCR Region; Nitin Kansal, CFO

- Realisation for projects to be launched will be around 23000 – 24000/sqft
- Aim to make sales of around Rs 6,500 Crs
- Will launch projects worth ₹9,500 cr across Delhi-NCR region
- Total debt is of Rs 1500 crs on account of commercial assets

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BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
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NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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