Solid Research
Solid Relationships

Focus Investment Ideas

October 2025

Focus Investment Ideas

Large Cap	Mid Cap
Bharti Airtel	Swiggy
Hindustan Unilever	Vishal Mega Mart
Bharat Electronics	Dalmia Bharat
Canara Bank	Radico Khaitan
Hero MotoCorp	Acme Solar

Valuation Snapshot

Preferred Large/Mid Cap Stocks	M. Cap (₹ b)	CMP (₹)	Target (₹)	Upside (%)	EPS CAGR FY26-FY27E (%)	PE (x)		PB (x)		RoE (%)	
						FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Large Cap											
Bharti Airtel	11,577	1,939	2,285	18%	45%	64.0	30.3	9.5	6.4	18.0	25.8
HUL	5,911	2,496	3,050	22%	9%	56.3	47.5	11.9	11.2	20.7	24.1
BEL	3,001	404	490	21%	17%	55.8	41.1	14.9	9.4	26.8	22.9
Canara Bank	1,163	126	140	11%	9%	6.7	5.7	1.2	1.0	19.9	18.2
Hero MotoCorp	1,124	5,520	6,168	12%	10%	24.4	20.2	5.6	4.8	23.9	24.7
Mid/Small Cap											
Swiggy	1,049	420	560	33%	NA	NA	NA	9.4	15.3	-34.6	-25.1
VMM	699	150	170	13%	28%	109.1	66.3	10.8	8.4	10.5	13.5
Dalmia Bharat	420	2,230	2,660	19%	37%	60.2	32.1	2.4	2.1	4.1	6.9
Radico Khaitan	401	2,982	3,250	9%	41%	115.6	58.0	14.8	10.9	12.8	18.7
Acme Solar	175	284	370	30%	51%	62.9	27.7	3.8	3.1	7.7	11.8

CMP as on 8th October 2025

Focus Investment Ideas

Bharti Airtel
Our preferred pick in the telecom sector

Key Rationales

- Bharti Airtel is well-positioned for long-term value creation, supported by its strong premiumization strategy, Airtel Africa's digital & financial services growth and margin expansions.

- With capex intensity expected to decline in FY26 (following lower FY25 India capex of ~₹300b), Bharti is likely to generate robust free cash flows of ~₹1t over FY26-27E, enabling balance sheet strength and improved shareholder returns.

- We model a 14%/17% CAGR in Bharti's consolidated revenue/EBITDA (FY25–28E) driven by an expected ~15% India wireless tariff hike (Dec'25), faster home broadband growth, & continued strong double-digit growth in Africa.

Hindustan Unilever
Growth aspirations falling in place; more to come!

Key Rationales

- Hindustan Unilever (HUVR) remains a structurally strong play in India's FMCG sector, supported by its deep distribution, robust brand portfolio, and focus on volume-led growth. GST reduction on personal care (18%→5%) and packaged foods (18%→5%) is set to enhance category growth and consumer demand.

- The company has appointed Priya Nair as its new Managing Director and Chief Executive Officer, effective August 1, 2025. The market views this leadership transition as a positive signal of renewed focus and intent from parent firm Unilever to accelerate growth in its second-largest market.

- With macro tailwinds from lower inflation, supportive policy measures, and benign commodities, operating performance is set to strengthen. We model a revenue/EBITDA/APAT CAGR of 7%/7%/8% over FY25–28E.

Focus Investment Ideas

Bharat Electronics
Strong Multi-Year Growth Visibility

Key Rationales

- The Indian Army has issued the much-awaited ₹300b tender to Bharat Electronics for the DRDO-developed QRSAM 'Anant Shastra' project (5–6 regiments), with BEL as lead integrator, lifting its order book past ₹1t.

- BEL is well positioned under the TPCR 2025 roadmap to capture opportunities across Army, Navy, & Air Force, spanning EW systems, radars, communication networks, & drone-countering solutions, ensuring multi-year growth visibility.

- We expect BEL to benefit from orders for next-generation corvettes, electronic warfare, follow-on orders for electronics for 97 Tejas Mk1A, loitering munition programs, and export opportunities. We anticipate Sales/EBITDA/PAT CAGR of 18%/17%/17% over FY25–28.

Canara Bank
Strong Fundamentals Driving Sustainable Growth

Key Rationales

- Canara Bank (CBK) will see value unlocking through the planned IPOs of Canara Robeco Asset Management Company and Canara HSBC Life Insurance, allowing the bank to divest its stake and generate returns from its investments in these ventures.

- With contained opex, stable cost of funds, and a gradual recovery in NIMs expected to be 2.75–2.8% in 2HFY26, CBK is likely to generate healthy returns, while maintaining robust provisions for stressed assets, ensuring balance sheet strength and improved shareholder value.

- We model a strong earnings trajectory for CBK, factoring in better other income and lower provisions, with expected FY25–27E RoA/RoE of 1.1%/19% and an upward revision in earnings by 11–13%, reflecting sustainable revenue and profit growth.

Solid Research
Solid Relationships

Focus Investment Ideas

Hero Motocorp
Volumes to revive from the festive season!

Key Rationales

- Hero MotoCorp (HMCL) reported a strong start to the festive season with robust traction across dealerships and expects record festive sales. Nearly 95% of its product portfolio benefits from the GST rate cuts, which along with festive demand, should aid volume recovery.

- We expect HMCL to end FY26 with about 1% volume growth and post a much better 6% volume growth in domestic business in FY27E. We also factor in a marginal 30bp margin improvement in both years.

- HMCL will also benefit from a gradual rural recovery, given strong brand equity in the economy segments. We project a CAGR of ~7%/8%/9% in revenue/EBITDA/PAT over FY25-27.

Swiggy
Strategic Moves Fuel Growth and Profitability

Key Rationales

- Swiggy's board has approved the sale of its entire 11.8% stake in cab aggregator Rapido to Prosus and Westbridge Capital for ~₹2,400 crore, releasing cash from a non-core business to strengthen liquidity and reinvest into its core operations.

- With Instamart being moved to a subsidiary for sharper focus, Swiggy expects its Quick Commerce arm to achieve profitability sooner, aided by easing competition, moderated dark store expansion, and lower acquisition costs.

- Swiggy has strengthened its Food Delivery outlook, with growth estimates raised to 21–23% for FY26–FY27 (vs. 19–20% earlier). On the QC side, we expect contribution margins to recover meaningfully over the next few quarters.

Focus Investment Ideas

Vishal Mega Mart

Building blocks; outperformance to sustain

Key Rationales

- Vishal Mega Mart (VMM), one of India's largest value retailers with 696 stores across 458 cities (72% in Tier 2+ India), plans to add 100+ stores annually across 1,250+ Tier 2+ towns and select Tier 1 cities, backed by strong store-level economics.

- VMM's revenue mix—Apparel (44%), FMCG (28%), and General Merchandise (28%)—along with 73% contribution from private brands, supports high footfall, strong wallet share, and consistent profitability. The company enjoys ~50% RoCE and double-digit SSSG, enabling self-funded expansion through its asset-light model.

- The recent GST cut on apparel and footwear (to 5%) is expected to boost value retail demand. VMM is projected to deliver a 19% revenue CAGR and 24% PAT CAGR over FY25–28, driven by steady store additions and margin improvements.

Dalmia Bharat

Building Strength for Sustainable Growth

Key Rationales

- Dalmia Bharat is well-positioned for long-term value creation, supported by its resilient pricing in core markets, disciplined cost control, and strategic clinker-backed capacity expansion across South and Northeast India, which will increase grinding capacity to ~64mtpa by FY28.

- With strong operational efficiency and steady cement demand growth of ~6-7% YoY, aided by government spending and housing recovery, the company is likely to sustain healthy operating margins and remain competitive in its core markets.

- We model a revenue/EBITDA/PAT CAGR of 10%/22%/31% over FY25–28, driven by expanding volumes (~7% CAGR), improving EBITDA/t (INR1,130–1,210), and operational leverage from capacity expansion, supporting medium-to-long-term growth.

Focus Investment Ideas

Radico Khaitan
Crafted for connoisseurs!

Key Rationales

- Radico Khaitan is well positioned for long-term growth through aggressive expansion in the premium and luxury spirits segment, leveraging strong brand equity with leading products like 8PM, Magic Moments, and Rampur Single Malt.
- It commands an 8% market share in the ₹200mn Prestige & Above (P&A) segment, with rising consumer premiumization. New launches like Morpheus Super Premium Whisky & Spirit of Kashmir support future growth.
- We estimate revenue/EBITDA/APAT CAGR of 16%/22%/30% over FY25-FY28, supported by margin expansion of 125-150bp annually for the next three years, led by premiumization & operating leverage.

Acme Solar
Our top pick in the renewable power space

Key Rationales

- Acme Solar is well-positioned for long-term value creation, driven by its strong project execution capabilities, ability to secure power purchase agreements (PPAs), and disciplined financial management, which together support sustainable earnings growth.
- With an aggressive capacity expansion plan, Acme aims to grow installed capacity from 2.5GW at the end of FY25 to 5.5GW by FY28, while initiatives like battery storage provide additional avenues for incremental revenue and EBITDA growth, enhancing long-term shareholder value.
- Acme remains our top pick in the Power/Renewables space. We model an EBITDA CAGR of 74% over FY25–28E, supported by commissioning of new capacity, incremental project awards, and operational efficiencies.

Sneha Poddar
VP - Retail Research

Divya Agrawal
CA, Research Analyst

Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx

MOFSL, it's associates, Research Analyst or their relatives may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst or their relatives may have actual beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance, however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report..

In the past 12 months, MOFSL or any of its associates may have:

a) received any compensation/other benefits from the subject company of this report
b) managed or co-managed public offering of securities from subject company of this research report,
c) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
d) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

- MOFSL and it's associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.
- Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.
- Research Analyst may have served as director/officer/employee in the subject company.
- MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:

a) a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.
(b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures. To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclosure of Interest Statement

Analyst ownership of the stock No

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Financial Services Limited (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

MOTILAL Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co.Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore, as per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Disclaimer:

This report is intended for distribution to Retail Investors.

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be` suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

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

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN .: 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.