IMPROVING DEMAND OUTLOOK

SECTOR UPDATE

NUVAMA PULSE

Companies	Rating	Target	Upside (%)	TP Chg (%)
2Ws				
EIM	Hold	6,900	(1)	8
TVSL	Buy	4,100	16	21
BJAUT	Hold	9,800	9	4
HMCL	Buy	6,200	15	19
Other OEMs				
MSIL	Buy	18,200	15	27
HYUNDAI	Buy	3,200	14	23
MM	Buy	4,200	17	14
TTMT	Reduce	680	(4)	11
AL	Reduce	123	(13)	7
ESCORTS	Hold	3,800	3	6

Improving demand outlook

Customer sentiments have received a huge boost from GST cuts, as per our channel checks, leading to expectations of double-digit growth in festive period across PV, 2W and tractor segments. Led by benefits of GST cuts, new products, upcoming pay commission for government employees and interest rate/income tax reforms, we are upgrading Auto OEM revenue estimates by up to 5%. Moreover, better scale and lower discounts are supporting EBITDA upgrades by up to 14%.

Better affordability is likely to aid recovery in entry-level segments, leading to a rise in target multiples for MSIL, HYUNDAI and HMCL. Our top picks are MSIL, TVSL, MM and HMCL while we downgrade EIM/BJAUT to 'HOLD' from 'BUY' due to limited upside potential.

Channel checks imply robust growth in festive season

Our channel checks indicate robust growth prospects in the upcoming festive period (Navratri to Diwali) with expectations of 15–40% growth in PVs/2Ws, 10–15% in Tractors and 10–15% in CVs. The enquiry levels have increased strongly across categories. Led by steep vehicle price cuts, dealers expect better demand from entry-level demand in PVs and 2Ws. There has been a significant increase in entry-level vehicles, at over 65% in 2W and over 25% in PV in the past seven years, leading to postponement of purchases by low/mid income households, which could see a recovery due to vehicle price cuts.

Healthy prospects for 2W, PV and tractor companies over FY25–28E

Led by benefits of GST cuts of up to 13%, new products, upcoming pay commission for government employees, interest rate cuts and income tax reforms, we maintain our constructive view ahead for 2W, Tractor and PV, with expectations of volume CAGR at 6%, 6% and 5%, respectively, over FY25–28E. Our upcycle thesis stays–the past 30-year historical trend indicates that sales' peaks across these segments could be as much as two–three years away, considering the average trough-to-peak duration. We are upgrading Auto OEM revenue estimates by up to 5%. Moreover, better scale and lower discounts are supporting EBITDA upgrades by up to 14%.

Increasing TPs for Auto OEMs; Top picks MSIL, TVSL, MM and HMCL

We have jacked up TPs for auto OEMs by up to 27%, led by upgrade in estimates, and application of higher valuation multiples for OEMs with exposure to entry-level segments (MSIL, HYUNDAI and HMCL). Our Top picks in OEM space are MSIL (TP: INR18,200), TVSL (TP: INR4,100), MM (TP: INR4,200) and HMCL (TP: INR6,200). Among these OEMs, MSIL, TVSL and MM are focused on multiple launches ahead, which should aid in covering whitespaces and support volume performance. Meanwhile, we downgrade EIM (TP: INR6,900) and BJAUT (TP: INR9,800) to '**HOLD**' from 'BUY' due to limited upside potential.

Raghunandhan NL
raghunandhan.nl@nuvama.com

Manav Shah
manavt.shah@nuvama.com

Rahul Kumar
rahuls.k@nuvama.com

Key takeaways from channel checks

MSIL Bihar dealer interaction highlights

- **Dealer FY26 volume expectations:** Growth outlook has been revised upward from 2–3% earlier to 6–7%, supported by GST rate cuts.
- **Business size:** Annual sales are ~6,300 units, translating to ~500 units per month.
- **Festive expectations:** Enquiries have strengthened with festive season sales likely to grow to ~1,100 units versus ~900 units last year.
- **Inventory:** Current inventory stands at ~550 units, with only 200–300 units as free stock and the rest allocated for deliveries. Inventory is likely to rise to ~650 units by September-end, driven by festive stocking.
- **OEM incentives:** MSIL is offering incentives of up to ~INR25,000 per vehicle to clear stocks ahead of September 22, driving strong offtake—particularly for sub-4m PVs. A brief slowdown is likely post-September 22 until month-end.
- **Customer mix:** Of total sales, government employees contribute ~40%, private-sector employees at ~20%, and ~40% from self-employed buyers.
- **Market mix:** Rural sales contribute ~20% of total volumes, with the balance ~80% from urban markets.
- **Financing:** Financing penetration is ~90%, dominated by private-sector banks actively seeking higher market share.
- **Consumer preferences:** Customer preference has been shifting toward SUVs, with affordability not a concern given aggressive financing support.
- **Newly launched *Victoris***: Customer feedback so far has been reasonable, but not exceptional. Sales performance in the first two–three months is not expected to be a true reflection of demand and should stabilise over time. A similar trend was seen with the Fronx, which initially underperformed compared with the Baleno before gaining traction.

Hyundai Madhya Pradesh dealer interaction highlights

- **Dealer festive expectations (Navratri-Diwali):** Growth outlook is likely to be ~20% this festive season compared with the last festive season, supported by GST rate cuts. The enquiries have remained mostly stagnant and are likely to rise post-September 22.
- **Business size:** Monthly sales are at ~100–120 units.
- **Inventory:** Current inventory days stand at ~60–70 days.
- **Customer mix:** Of the total sales, salaried employees contribute ~80%, and ~20% from self-employed buyers.
- **Market mix:** Rural sales contribute ~25% of total volumes, with the balance ~75% from urban markets.
- **Demand curve:** The demand for PVs remained flat from Apr–Aug'25.
- **Consumer preferences**: Customer preference has been shifting from hatchbacks to SUVs and this scenario shall persist.

- **Trends by model**: Demand for Creta model has been increasing while interest for i10 NIOS and i20 models have been softening. The dealer does not expect any major hit on Creta sales, owing to MSIL's newly launched Victoris model, as he believes that Hyundai Creta brand is perceived to be premium in comparison to MSIL brand.

- **Postponement of sales:** Dealers are facing postponement of retail sales over the past month. The dealer is carrying GST cess credits, which could create a significant working capital burden if it is not adjusted or refunded.

TVSL Maharashtra dealer interaction highlights

- **FY26 volume expectations:** The dealer is expecting 30–40% growth in the H2FY26. During the period Apr–Aug'25, volume surged40% YoY.

- **Festive season expectation:** Festive sales are likely to grow 40–50% compared with the festive period last year.

- **Inventory:** Starting October 1, inventory will be 5,000 units versus monthly sales of 2,000 units. Retails in Sep-25 is likely at 1,700–1,800 units and wholesales are likely at 3,800 units.

- **Customer mix:** About ~40% are self-employed, ~40% are salaried, and ~20% are students.

- **Sales by segment:** About ~40% of the models sold are 125cc and above, while ~60% are 100cc. Scooter contributes to ~80% of the volume, and motorcycles at ~20%. Within scooters, Jupiter is the largest selling model, followed by iQube at ~300 units. Jupiter's monthly sales stands at ~1,400 units. Within the motorcycle segment, Raider is the largest selling model, followed by Apache and then Ronin. Raider monthly sales stands at ~150 units.

- **EVs:** The newly launched TVS Orbiter is expected to contribute additional monthly sales of ~100 units. Enquiries have risen following the Orbiter model launch. TVSL has gained market share in recent months, supported by better quality compared to rival models.

- **Market share for EVs in Pune in Sep'25**: BJUAT (38.3%), TVSL (21.6%), Ather (17.9%), HMCL (8.5%), and other OEMs (13.7%)

- **Jupiter:** Jupiter is doing well owing to new features introduced in the refreshed Jupiter and 125cc model. The share of 125cc model is at ~40% of Jupiter sales. Jupiter has gained share from Honda Activa, owing to better value for money proposition.

- **Raider:** Raider is seeing growth in FY26 on a low base, an increase in the number of features and price cut.

- **Apache:** The Apache model is also doing well and has gained market share from Pulsar.

- **Ronin** sales are also growing MoM, and the dealer expects Ronin monthly sales to increase to ~200 units.

- **Financing:** TVS credit financing share stood at 13%. Major financiers are IDFC Bank and Shriram Finance. Customers are not facing any financing issues. Currently, the average rejection ratio is 16% vs peak of 30%.

- **Working capital financing:** Major financiers are L&T finance, Shriram, and IDFC Bank.

- **Marketing budget of the dealer:** Festive season marketing: spend is expected at INR2.7mn. The marketing budget has been increased by 10% in comparison with last year.
- **Enquiries:** 20% of the enquiries are digital, and the conversion ratio is 35%.
- **Incentives:** TVSL is not giving incentives currently whereas Honda is giving up to ~INR4,000 per vehicle incentive to the dealers for building inventories before the festive period.
- **Credit**: TVSL is not providing any credit period to the dealers.

Honda Motorcycles & Scooters India (HMSI) Bihar dealer interaction highlights

- **Dealer FY26 volume expectations:** Growth expectations have been revised sharply upward from ~15% earlier to 23–25%, driven by GST rate cuts. The 2W segment is highly price-sensitive, and improved affordability is likely to translate into higher retail demand.
- **Business size:** Annual sales stand at ~14,600 units, translating to ~1,200-plus units per month.
- **Festive expectations:** Enquiries have risen significantly, though bookings are likely to pick up only after September 22. Festive season volumes are projected to grow 20%-plus YoY, reaching ~3,700 units versus ~3,000 units last year.
- **Inventory:** Current inventory levels are ~2,000 units, likely to rise to ~2,300 units by September-end.
- **OEM incentives:** HMSI is offering incentives of up to ~INR3,000 per vehicle to clear stocks before September 22. This has driven higher offtake in early September, though a brief slowdown is expected post-22nd till month-end.
- **Customer mix:** Sales are split evenly between self-employed and salaried buyers (50:50).
- **Market mix:** Rural share stands at 42% and urban share at 58%, indicating balanced demand contribution.
- **Financing:** Financing penetration is ~52–55%, with NBFCs such as Cholamandalam, Tata Capital, and Bajaj Finserv displaying strong aggression to grow loan books.
- **Market share:** Honda has lost ~4% market share, primarily to TVSL. The shift has primarily been led by scooters, where TVS Jupiter is seen as a better value-for-money product.
- **Shift to Premium:** Customers are upgrading to higher engine-capacity motorcycles. The newly launched Shine 100 Deluxe is positioned against Hero Splendor, while the base variant competes with Hero HF Deluxe. Shine Deluxe is likely to capture ~10% market share from Hero Splendor.

HMSI Madhya Pradesh dealer interaction highlights

- **Dealer festive expectations (Navratri-Diwali):** The growth outlook is likely to be ~20% in the festive season, supported by the GST rate cuts. SP Shine 125/ Hornet125 are likely to report see robust growth, followed by scooters. Motorcycles are likely to perform better than scooters.
- **Business size:** Monthly sales are at ~800–900 units.
- **Inventory:** Current inventory days stand at ~60–70 days.
- **Market mix:** The dealer usually caters to the urban market. Hence, urban contributes to ~80% of the total volumes and the balance ~20% pf the volumes comes from rural market.
- **Customer mix:** Of the total sales, salaried employees contribute ~60%, and ~40% from self-employed buyers.
- **EV penetration**: The penetration for EVs is likely to continue, but at a lower pace, due to the GST rate cuts in ICE models.
- **Market share loss for Activa:** Compared with TVS Jupiter, Activa is facing decline in market share, as Jupiter provides better value for money.
- **Premiumization:** Customers may shift from Livo 110cc to 125cc models.
- **New launches:** In Q1FY27, a new EV is expected, possibly QC1 model with higher battery size.

Ather Energy Madhya Pradesh dealer interaction highlights

- **Dealer festive expectations (Navratri-Diwali):** The dealer is expecting to sell ~1,100 units this Aug-Oct'25 period, compared to ~1,200-1,300 units in FY25.
- **Business:** Monthly sales are ~100-150 units. The business grew ~15–20% from Apr-Aug'25, led by improved demand and supplies.
- **Brand building activities** include aggressive marketing on radios, newspapers, TV, OTT platforms and social media.
- **Customer preference:** Customers are shifting from ICE to EV, owing to better aspirational value and lower running costs. Around 90% of the customers are purchasing the Ather Stack.
- **Product mix:** Rizta contributes to ~90% of sales, while 450 contributes to remaining ~10%.
- **Inventory:** Current inventory days stand at ~30-40 days.
- **Market share:** The market share of Ola is gradually declining and getting replaced by Ather and TVSL. The current market share of Ather in Madhya Pradesh is 28%. The recently launched TVS Orbiter model will lead to higher competition to the Ather Rizta model.
- **Dealer policies:** Ather is better than HMSI considering dealer policies as Ather is very dealer centric and provides various schemes and incentives to the dealers. The margins are ~4-5%, similar to industry margins but better than HMSI.
- **Servicing:** EVs need to get their first servicing done at 5,000kms and it is not free while ICE scooters get 3–4 free services.

- **Financing penetration:** Financing ratio is at ~50% of the total sales as the remaining~50% of the sales is paid in cash.

HMCL Jharkhand dealer interaction highlights

- **H2FY26 volume expectations:** The dealer is expecting 7% growth in H2FY26. During the period Apr–Aug'25, volume grew by 3% YoY.

- **Dealer festive expectations (Navratri-Diwali):** The dealer expects volume to grow 10–12% YoY, led by GST cuts and strong rural demand, owing to higher crop production.

- **Business size:** Monthly sales is ~800 units. The portfolio mix comprises ~30% for Splendor, ~30% for 125cc motorcycles, ~10% for scooters, and the remaining ~30% for other motorcycles. Within the 125cc segment, sales are split between **Xtreme (~40%), Glamour (~40%)** and **Super Splendor contributing the balance (~20%).**

- **Customer mix:** Of the total sales, salaried employees contribute ~30% and the remaining ~70% is contributed by the self-employed customers.

- **Market mix:** Rural sales contribute ~70% of total volumes, with the balance ~30% from urban markets.

- **Inventory:** The dealer has current inventory of ~90 days.

- **Dealer margin:** Dealer margins are fixed on an absolute basis, with earnings of INR2,200 per unit for the Splendor and INR2,600 per unit for the Xtreme.

- **Enquiries and conversion rate:** Digital channels account for ~15% of total enquiries with conversion at only ~5–6%. Telephone enquiries contribute the highest share of enquiries at ~40%, with a strong conversion rate of ~20–25%. Online portals such as Bikedekho add another ~5–6% of leads. Walk-ins account for ~10% of enquiries, and remain the most effective channel, delivering conversions of ~40–45%.

- **Consumer shift:** The dealer sees limited shift of customers due to GST rate cuts, although expects customers to upgrade to a higher version of the same model. For example, the customers are shifting from Glamour to the New Glamour X, which is expected to add ~5-7% to volumes in the 125cc segment.

- **Vida VX2:** The scooter has good sales potential, but the supply compared with demand is less. The dealer sells ~20–25 units monthly and has an inventory of 5–7 scooters per month.

- **ICE scooter sales:** The dealer currently sells 80 units per month and expects to add another 20 units monthly with the launch of new and refreshed models.

- **Retail vs Wholesale:** Retail momentum remained weak in the first three weeks of September but shall improve post September 22. Retails are likely at ~800 units for the month, and wholesales are likely at ~950 units, indicating further **inventory build-up at the dealer level** ahead of the festive season.

- **Financing:** Financier supporter is easily available, dominated by Hero FinCorp's share at ~30–35% followed by L&T Finance, IDFC Bank, HDFC etc. Financing penetration stands at ~40-45%.

- **Others:** In Jharkhand, EIM-RE and TVSL are performing well followed by HMSI and HMCL. EV penetration in the state stands at ~5-6% with Ather, Ola and TVSL performing well having majority sales in urban areas.

Escorts Kubota Haryana and Rajasthan dealer interaction highlights

- **Dealer FY26 expectations:** The dealer expects volume to grow by 8–9% in FY26 due to the GST rate cuts and higher crop production. Volume growth in H2FY26 is likely at 9–10% YoY.

- **Festive demand expectation:** The dealer expects volume to grow by at least 10% YoY during the festive season.

- **FY26 YTD growth:** Tractor volume grew 3–4% YoY during Apr–Aug'25 in Haryana and by 8–9% in Rajasthan.

- **Discounts:** Discounts are in the range of 3–4%. Discounts may reduce, once GST cuts are implemented.

- **New launches:** The recently launched Promaxx series (39-47HP) is getting a positive response from customers. Meanwhile, the Worldmaxx series introduced last year did not receive similar traction.

- **Financing:** Escorts credit has started the financing, but it is not present in Haryana and Rajasthan. It has started their operations in states of Uttar Pradesh and Madhya Pradesh. Major financiers are HDFC, Kotak Bank, RBL Bank, Indusind, L&T finance and AU finance. Shriram Finance's share is low due to high interest rates.

- **Inventory levels:** Inventory days stands at 50-plus days.

- **Dealer margins:** Dealer margins are on an absolute basis. The dealer gets INR20,000–25,000 per unit for lower HP tractors and INR35,000–40,000 per unit on higher HP tractors.

- **Market share:** MM is the fastest-growing OEM, followed by Sonalika while TAFE has seen a decline in market share. MM has been gaining share due to its better quality and pricing. Best-selling models of MM are 265, 275, and 575 models.

- **Credit to dealers:** The company is not providing credit to the dealers.

- **Sale of four wheel drive (4WD):** Share of 4WD tractor is at 5-7% in Haryana. The low share is due to the high cost of 4WD tractors. The price difference between 2WD and 4WD tractor for the same model is INR0.1-0.15mn. The dealer expects the 4WD tractor share to increase gradually owing to better efficiency.

TTMT Rajasthan MHCV dealer interaction highlights

- **FY26 sales expectations:** The dealer expects volume to grow 5–7% in H2FY26. FY26 is expected to be flat.

- **Festive demand expectations:** The dealer expects volume to grow by 10–15% during the festive season.

- **FY26 YTD performance:** Total industry volume (TIV) of Rajasthan declined by 15% YoY to 8,700 unit during the same period, led by lower freight availability and loss of share to Railways.

- **Customer mix:** The bulk of customers are large customers.

- **Freight generating sectors:** Rajasthan is one of the largest cement-producing states in India, and is the largest contributor to freight. The other major segments contributing to freight are marbles, granite and e-commerce.
- **Impact of GST cut on transporters:** Working capital requirements for transporters are likely to rise. Earlier, they incurred 28% GST on purchase of vehicles, but offset only 12%, while service billing to customers. With the recent GST revision, they will now incur 18% GST and also offset 18%, while service billing to customers.
- **Enquiries:** Enquiry levels have improved, with a noticeable rise in small transporters.
- **Discounts:** Discounts are being reduced. For example, discounts for 55T tonne truck, which was earlier at INR0.66 mn is reducing to INR0.62 mn.
- **AC cabin regulation:** The dealer has not witnessed any impact on demand due to the implementation of the AC cabin regulation.
- **Financing:** HDFC continues to be the most aggressive player, followed by Indusind Bank, while Kotak and Tata Credit remains cautious. Among nationalised banks, Bank of India and SBI now contributing around 5% of TIV, compared to negligible levels earlier.
- **Resale value:** The price of second-hand vehicles will decline in line with the reduction in new vehicle prices. Currently, the resale value of five-year-old vehicles are at about 50–60% of the value of a new vehicle, depending on vehicle condition.
- **New features:** In the 55-ton category, the addition of new features such as ADAS and driver-assistance systems increases the vehicle price by about INR90,000.
- **Demand for the Tipper segment:** The tipper segment is expected to grow by 15%, driven by infra spends.
- **Market share in the Tipper segment:** In region where dealer operates, TTMT market share is 65%, AL market share is 30% and others have market share of 5%.
- **Market share in tractor-trailers:** Market share of AL was 50%, TTMT is at 44% and others have 6%. However, TTMT is gaining share due to an improvement in mileage.
- **TTMT gaining market share** in the >25-ton category, driven by its cost advantage from in-house engines and rising e-commerce demand. The price difference stands at INR0.3–0.35 mn between TTMT and its competitors.
- **Average age of the truck:** The lifespan of new vehicles is around 10 years.
- **Online Enquiries** stood at 7-8%. The conversion rate is 10% from these enquiries.
- **Inventory days** stand at 20 days.

Landscape: Domestic and macro sway

Healthy demand: 2W, tractor and PV positioned for growth

Led by benefits of GST cuts of up to 13%, new products, upcoming pay commission for government employees, interest rate cuts and income tax reforms, we maintain constructive view ahead for 2W, tractor and PV, with expectations of a volume CAGR at 6%, 6% and 5% over FY25–28E.

Exhibit 1: Healthy demand; cycle upturn to endure

Domestic volumes (mn units)	FY24	FY25	FY26E	FY27E	FY28E	CAGR FY25-28E (%)
2W	18.5	20	21.5	23	24.1	6%
Growth (%)	14	9	7	7	5	
3W	0.7	0.7	0.8	0.8	0.8	3%
Growth (%)	42	7	4	3	2	
PV	4.2	4.3	4.5	4.8	5	5%
Growth (%)	9	3	4	7	4	
CV	1	1	1	1	1	2%
Growth (%)	1	-1	3	1	0	
Tractor	0.9	0.9	1	1.1	1.1	6%
Growth (%)	-7	7	8	6	5	

Source: SIAM, Nuvama Research

Sales volumes across segments have been riding an upcycle in past three–four years. We expect upward momentum to sustain and move towards new peaks in another two–three years, considering average trough-to-peak duration in the past 30-years.

Sales cycle by segment

- **2Ws:** On 2Ws, volume trough was in FY22, and expectation is to surpass the previous peak by FY26 and then proceed to creation of a new peak in subsequent years. Thus, 2W is still at a nascent stage of the upcycle. The minimum/average duration of upcycle as per historical data is six/eight years; hence, the upcycle can continue till FY28/FY30.

- **PVs:** On PVs, volume trough was in FY21. Volume crossed the previous peak in FY23 and is now proceeding to create new peaks. Hence, PV is at a mid to advanced stage of the upcycle. Average/maximum duration of upcycle as per historical data is six/eight years; hence, upcycle can continue up to FY27/FY29.

- **Tractors:** On tractors, volume trough was in FY22. Volume crossed the previous peak in FY23 and is now proceeding to create new peaks. Thus, tractors are at mid-stage of the upcycle. Average/maximum duration of upcycle as per historical data is five/six years. Hence, the upcycle can continue up to FY27/28.

- **MHCVs:** On MHCVs, volume trough was in FY21. The growth is continuing, and is closer to a peak. Thus, MHCV is at an advanced stage of the upcycle. Average/maximum duration of upcycle as per historical data is five/six years. Hence, upcycle can continue up to FY26/27. Sales peak could be first in MHCVs and then in other segments

Exhibit 2: MHCV cycles over past 25 years; current upcycle at advanced stage and nearing peak

Trough to Peak years	FY01-07	FY09-12	FY14-19	Avg.
Volume growth (%)				
Trough to Peak	236	90	95	**140**
Previous Peak to Trough	(23)	(33)	(43)	**(33)**
Previous Peak to Peak	159	27	12	**66**
Duration (years)				
Trough to Peak	6	3	5	**5**
Previous Peak to Trough	2	2	2	**2**

Source: SIAM, Nuvama Research

Exhibit 3: The 2W cycles over 30 years; new upcycle began in FY23 and likely to continue

Trough to Peak years	FY93-00	FY01-07	FY08-19	Avg.
Volume growth (%)				
Trough to Peak	153	116	193	**154**
Previous Peak to Trough	(19)	(2)	(8)	**(10)**
Previous Peak to Peak	104	113	170	**129**
Duration (years)				
Trough to Peak	7	6	11	**8**
Previous Peak to Trough	2	1	1	**1**

Source: SIAM, Nuvama Research

Exhibit 4: PV cycles over 30 years; upcycles generally last for six years

Trough to Peak years	FY92-00	FY02-08	FY09-13	FY14-19	Avg.
Volume growth (%)					
Trough to Peak	316	130	72	35	**138**
Previous Peak to Trough	(21)	(8)	0	(6)	**(9)**
Previous Peak to Peak	228	111	72	27	**109**
Duration (years)					
Trough to Peak	8	6	4	5	**6**
Previous Peak to Trough	2	2	1	1	**2**

Source: SIAM, Nuvama Research

Exhibit 5: Tractor cycles over past 30 years; new upcycle from FY23

Trough to Peak years	FY86-92	FY94-98	FY03-07	FY08-14	FY16-21	Avg.
Volume growth (%)						
Trough to Peak	96	86	95	109	82	**94**
Previous Peak to Trough	(4)	(8)	(38)	(3)	(22)	**(15)**
Previous Peak to Peak	87	71	21	102	42	**65**
Duration (years)						
Trough to Peak	6	4	4	6	5	**5**
Previous Peak to Trough	1	2	3	1	2	**2**

Source: SIAM, Nuvama Research

GST cuts to provide boost to demand

GST cuts have been notable – 2W (below <350cc), PV (below 4metre and <1200cc for Petrol / <1500cc for diesel), 3W, CV and components seeing reduction from 28% to 18%. The incremental positive highlight is Tractors and Tractor parts seeing GST cut from 12% and 18% to 5% each, which corrects the inverted duty structure. Further, cess is not being levied, and there is no change in GST for EVs.

Exhibit 6: GST cuts to provide a boost to demand

Product	Under earlier GST regime			Under new GST regime
	GST	Cess	Cumulative rate	
Passenger Vehicles				
Small Cars Petrol/LPG/CNG	28	1	29	18
Small Cars Diesel	28	3	31	18
Hybrid cars over 4m, displacement below 1500cc	28	15	43	40
Cars over 4m, displacement below 1500cc	28	17	45	40
Cars over 4m, displacement above 1500cc	28	20	48	40
Cars over 4m, displacement above 1500cc, ground clearance 170mm	28	22	50	40
Two wheelers				
Two wheelers	28		28	18
Two wheelers over 350cc	28	3	31	40
Three wheelers	**28**		**28**	**18**
Commercial vehicles				
Commercial vehicles	28		28	18
Tractors	**12**		**12**	**5**
Electric vehicles	**5**		**5**	**5**

Source: Finance Ministry, Nuvama Research

Updates by segment

- **2W:** GST cut from 28% to 18% for <350cc vehicles. GST increased from 28% to 40% for >350cc vehicles. This is positive for 2W OEMs, but the only marginal negative was for EIM-RE, which derives 9% of domestic sales volumes from >350cc vehicles.

- **Tractors and Tractor parts** seeing GST cut from 12% and 18% to 5% each, which corrects the inverted duty structure. This is positive for M&M and Escorts Kubota.

- **CV:** GST cut from 28% to 18%. This is marginal positive for CV OEMs as it improves affordability for small fleet operators. However, it is neutral for large operators, as GST is a pass-through.

- **PV:** GST has reduced for below 4metre vehicles and <1,200cc engine displacement for Petrol and <1,500cc engine displacement for diesel. The higher length/engine vehicles to see increase in GST to 40%. The cess is not being levied, and there is no change in GST for EVs. This is positive for all PV OEMs.

Exhibit 7: PV OEMs: Blended GST cut at 9-10%

OEMs	Weighted GST pre change	Weighted GST post change	Reduction
MSIL	34	25	(9)
HYUNDAI	35	26	(9)
TTMT	29	19	(10)
MM	42	32	(10)

Source: Finance Ministry, Nuvama Research

To provide an additional boost to entry-level segment, MSIL has taken aggressive cuts in small cars such as S-Presso, Alto and Celerio.

Exhibit 8: MSIL: Aggressive cuts in small cars

		Ex showroom prices (INR)			(INR)	(INR)
Model	**Variant**	**Earlier (A)**	**New (B)**	**Calculated price (GST cuts + discounts) (C)**	**Cut in prices (B-A)**	**Gap (B-C)**
Alto	Top	620,500	512,900	528,180	(107,600)	(15,280)
	Bottom	423,000	369,900	347,015	(53,100)	22,885
S-Presso	Top	611,500	481,900	524,925	(129,600)	(43,025)
	Bottom	426,500	349,900	355,226	(76,600)	(5,326)
Dzire	Top	1,019,000	931,300	934,722	(87,700)	(3,422)
	Bottom	684,000	625,600	627,429	(58,400)	(1,829)
Celerio	Top	737,000	642,900	635,045	(94,100)	7,855
	Bottom	564,000	469,900	476,353	(94,100)	(6,453)
Swift	Top	964,500	879,900	848,729	(84,600)	31,171
	Bottom	649,000	578,900	559,323	(70,100)	19,577
IGNIS	Top	812,000	740,700	713,842	(71,300)	26,858
	Bottom	585,000	535,100	505,617	(49,900)	29,483
Baleno	Top	996,000	909,900	867,624	(86,100)	42,276
	Bottom	674,000	598,900	572,256	(75,100)	26,644
WagonR	Top	761,500	681,900	657,519	(79,600)	24,381
	Bottom	578,500	498,900	489,654	(79,600)	9,246
Eeco	Top	695,500	627,500	616,977	(68,000)	10,523
	Bottom	569,500	518,100	501,398	(51,400)	16,702
Brezza	Top	1,414,000	1,301,300	1,350,550	(112,700)	(49,250)
	Bottom	869,000	825,900	823,839	(43,100)	2,061
Ertiga	Top	1,340,500	1,294,100	1,295,517	(46,400)	(1,417)
	Bottom	911,500	880,000	880,913	(31,500)	(913)
Grand Vitara	Top	2,068,000	1,961,000	1,886,604	(107,000)	74,396
	Bottom	1,142,000	1,076,500	1,091,678	(65,500)	(15,178)
XL6	Top	1,483,500	1,431,500	1,425,718	(52,000)	5,782
	Bottom	1,193,500	1,152,300	1,145,450	(41,200)	6,850
Fronx	Top	1,303,500	1,190,900	1,191,692	(112,600)	(792)
	Bottom	758,500	684,900	691,767	(73,600)	(6,867)
Jimny	Top	1,505,000	1,453,100	1,260,074	(51,900)	193,026
	Bottom	1,275,500	1,231,500	1,052,674	(44,000)	178,826
Invicto	Top	2,922,000	2,860,300	2,692,260	(61,700)	168,040
	Bottom	2,551,000	2,497,400	2,345,351	(53,600)	152,049

Source: Company, Nuvama Research

As per our channel checks, there is expectation of improvement in entry-level demand in PVs and 2Ws. There has been significant increase in entry-level vehicles, at over 65% in 2W and over 25% in PV in past seven years, leading to postponement of purchases by low/mid income households, which could see a recovery due to vehicle price cuts.

Pay commission to support demand

Over the medium term, demand from government employees is likely to surge as the pay commission takes effect next year. Government employees represent a significant pool of customers – central/state employees adding up over 3.5mn/ 15mn and PSU employees at over 1.5mn. In the aftermath of the last two Pay Commission increases, PV and 2W industry demand increased by during the three subsequent months of the payouts.

Exhibit 9: Pay commission implementation has historically supported sales

			PV industry growth for 3 months...		2W industry growth for 3 months...	
	Pay increase vs. the last pay commission (range)	Arrears pay-out details	...before pay-out (%)	...after pay-out (%)	...before pay-out (%)	...after pay-out (%)
6th pay comm	2.6x – 2.7x	40% paid out in Sep-08 and 60% in Apr-09	2	4	3	13
7th pay comm	2.7x – 3.1x	Paid out in Aug-16	7	18	14	21

Source: SIAM, Finance Ministry, Nuvama Research

New products to aid growth, especially in PVs

PV OEMs such as MSIL, MM and HYUNDAI have planned multiple launches to cover whitespaces and support volumes. In near-term MSIL should see support to volumes owing to recently launched Victoris model and upcoming eVitara model. In contrast, HYUNDAI and MM should see support to volumes led by major launches in FY27/28.

Exhibit 10: MSIL: Victoris and E-Vitara to aid volumes in FY26/27

Model	New/Refresh	Segment	Launch period
Victoris	New	SUV (> 4m)	25-Sep
e-Vitara	New	SUV (EV)	Q4FY26
Y43 (Punch rival)	New	SUV (< 4m)	5-Jul
Multiple Hybrid models		Across product portfolio	By FY30
Three new EVs	New		By FY30

Source: Media reports, Nuvama Research

Exhibit 11: MM: Aggressive pipeline in FY27/28

Model	New/Refresh	Segment	Launch period
Bolero	Refresh	SUV (< 4m)	25-Aug
XUV 700	Refresh	SUV (> 4m)	Early 2026
Thar 3-door	Refresh	SUV (< 4m)	End 2025
XEV 7e	New	SUV (EV)	Early 2026
Thar-E	New	SUV (EV)	2026
Vision X	New	SUV (ICE/EV)	2027
Vision T	New	SUV (ICE/EV)	2027
Vision S	New	SUV (ICE/EV)	2027
Vision SXT	New	SUV (ICE/EV)	2027

Source: Media reports, Nuvama Research

Exhibit 12: Hyundai: Major launches in FY27/28

Model	New/Refresh	Segment	Launch period
Venue	New generation	SUV (< 4m)	25-Oct
Verna	Refresh	Sedan	26-Apr
Exter	Refresh	SUV (< 4m)	Mid-26
New Compact SUV (based on Bayon platform)	New	SUV (< 4m)	Mid-26
Micro E-SUV (Inster)	New	SUV (EV)	Late-26
i20	Refresh	Hatchback	2027-28
Alcazar	Refresh	SUV (> 4m)	2027-28
Creta	New generation	SUV (> 4m)	28-Feb
Palisade	New	SUV (> 4m)	2028

Source: Media reports, Nuvama Research

Exhibit 13: TTMT-PV: Sierra key model to watch in Q4FY26

Model	New/Refresh	Segment	Launch period
Sierra EV	New	SUV (> 4m)	End 2025
Sierra ICE	New	SUV (> 4m)	Early 2026
Avinya	New	SUV (EV)	2027
Avinya X	New	SUV (EV)	2027
Two ICE models	New		By FY30
Two EV models	New		By FY30

Source: Media reports, Nuvama Research

Among 2W OEMs, TVSL is relatively more aggressive will multiple launches expected in premium segment. In mass-market 125cc segment, both HMCL and BJAUT are planning launches, to strengthen position.

Exhibit 14: 2W: TVSL focus on premium; HMCL/BJAUT targeting to improve presence in 125cc

OEM	Model	New/Refresh	Segment	Launch period
BJAUT	125cc motorcycle	New	125cc commuter	Q4FY26
TVSL	6 Norton models	New	400-1,200cc	2026-2028
TVSL	RTX 300	New	300cc	2026
HMCL	125cc motorcycle	New	125cc commuter	2026
Honda	Activa 7G	New	100-125cc	2026
Honda	EV	New	Commuter	Q1FY27
EIM-RE	Flying Flea EV	New	Premium	2026
EIM-RE	E-Himalayan	New	Premium	2026
EIM-RE	Himalayan 750	New	750cc	2026
EIM-RE	250cc model	New	250cc	2027

Source: Media reports, Nuvama Research

Discounts trending lower

In Sep-25, blended discounts have eased across OEMs on MoM basis, driven by the announcement of GST rate cuts. Lower levels of discounts should support margin performance ahead. MSIL has cut discounts to zero, post price revisions, which should drive margin expansion of up to 100bps, as per our estimates.

Exhibit 15: Discounts trending lower

	Maruti Suzuki	MoM (%)	Hyundai Motor	MoM (%)	M&M	MoM (%)	Tata Motors	MoM (%)
24-Apr	19,969		15,131		21,304		8,210	
24-May	21,297	7	19,321	28	16,907	-21	18,295	123
24-Jun	23,927	12	20,755	7	1,255	-93	11,460	-37
24-Jul	27,005	13	21,675	4	1,303	4	21,925	91
24-Aug	23,597	-13	25,814	19	3,715	185	22,734	4
24-Sep	23,863	1	25,463	-1	27,051	628	34,887	53
24-Oct	24,391	2	30,886	21	15,101	-44	36,431	4
24-Nov	24,659	1	31,368	2	22,120	46	16,615	-54
24-Dec	28,082	14	31,534	1	27,170	23	19,449	17
25-Jan	18,489	-34	10,276	-67	3,210	-88	10,072	-48
25-Feb	18,395	-1	15,011	46	13,878	332	17,064	69
25-Mar	22,765	24	24,183	61	39,912	188	21,727	27
25-Apr	18,586	-18	23,587	-2	13,081	-67	17,925	-17
25-May	17,262	-7	28,914	23	13,097	0	18,995	6
Jun-25	18,995	10	27,070	(6)	12,829	(2)	18,232	(4)
Jul-25	20,086	6	27,227	1	25,389	98	21,416	17
Aug-25	20,394	2	28,826	6	22,921	(10)	22,949	7
Sep-25	-	(100)	24,240	(16)	-*	(100)	22,942	(0)

Source: Industry, Nuvama Research; Note: Details of revised discounts to be announced prior to festive period commencing from 22nd September.*

Increasing TPs for Auto OEMs; Top picks MSIL, TVSL, MM and HMCL

We upgrade Auto OEM revenue estimates by up to 5%. Furthermore, better scale and lower discounts, is supporting EBITDA upgrades by up to 14%.

Exhibit 16: OEMs: Increasing revenue estimates by up to 5%, and EBITDA forecast by up to 14%

Companies	Revenue (INRmn)			Change (%)			EBITDA (INRmn)			Change (%)			EBITDA margin (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
2Ws															
EIM (C)	222,815	250,642	274,585	4	5	5	55,245	63,395	70,331	6	7	8	24.8	25.3	25.6
TVSL (P)	438,602	500,196	556,909	3	4	5	58,921	70,824	82,601	7	10	14	13.4	14.2	14.8
BJAUT (P)	556,852	621,362	682,793	(0)	1	1	113,858	128,947	142,131	1	4	4	20.4	20.8	20.8
HMCL (P)	439,409	469,779	496,306	1	3	4	64,321	71,409	75,817	2	8	11	14.6	15.2	15.3
Other OEMs															
MSIL (P)	1,718,765	1,907,627	2,046,595	2	3	4	204,978	244,758	271,510	10	14	14	11.9	12.8	13.3
HYUNDAI (C)	711,553	812,181	918,641	(1)	1	2	96,059	115,537	135,664	1	5	9	13.5	14.2	14.8
MM (P)	1,406,669	1,597,287	1,711,502	1	2	3	205,693	240,132	257,089	4	10	11	14.6	15.0	15.0
TTMT (C)	4,517,044	4,920,206	5,283,550	0	2	3	482,883	568,191	641,131	2	3	5	10.7	11.5	12.1
AL (P)	411,352	432,963	448,308	1	3	4	53,887	56,642	57,910	3	7	9	13.1	13.1	12.9
ESCORTS (P)	111,824	125,498	139,347	1	1	1	14,202	17,194	20,206	4	6	8	12.7	13.7	14.5

Source: Nuvama Research

We have jacked up TPs for Auto OEMs by up to 27%, led by upgrade in estimates, and application of higher valuation multiples for OEMs with exposure to entry-level segments (MSIL, HYUNDAI and HMCL).

Exhibit 17: TPs: Increase of up to 27%

Companies	Rating	TP (INR/sh)			FY25-28 CAGR (%)		Sep-27E target P/E multiple (x)		TP change due to
		New	Old	Chg (%)	Revenue	EBITDA	New	Old	
2Ws									
EIM (C)	Hold	6,900	6,400	8	13	14	30	30	Higher revenue/margin estimates
TVSL (P)	Buy	4,100	3,400	21	15	23	35	35	Higher revenue/margin estimates
BJAUT (P)	Hold	9,800	9,400	4	11	12	25	25	Higher revenue/margin estimates
HMCL (P)	Buy	6,200	5,200	19	7	9	20	18	Higher valuation multiple/ estimates
Other OEMs									
MSIL (P)	Buy	18,200	14,300	27	10	15	30	27	Higher valuation multiple/ estimates
HYUNDAI (C)	Buy	3,200	2,600	23	10	15	33	30	Higher valuation multiple/ estimates
MM (P)	Buy	4,200	3,700	14	14	15	25	25	Higher revenue/margin estimates
TTMT (C)	Reduce	680	610	11	6	5	India CV: 10 EV/E JLR: 2 EV/E	India CV: 9 EV/E JLR: 2 EV/E	Higher valuation multiple/ estimates
AL (P)	Reduce	123	115	7	5	6	10 EV/E	10 EV/E	Higher revenue/margin estimates
Escorts (P)	Hold	3,800	3,600	6	11	20	30	30	Higher revenue/margin estimates

Source: Nuvama Research

Our Top picks in OEM space are MSIL (TP: INR18,200), TVSL (TP: INR4,100), MM (TP: INR4,200) and HMCL (TP: INR6,200). Among these OEMs, MSIL, TVSL and MM are focused on multiple launches ahead, which should aid in covering whitespaces and support volume performance. Meanwhile, we are downgrading EIM (TP: INR6,900) and BJAUT (TP: INR9,800) to '**HOLD'** from 'BUY' due to limited upside potential.

Exhibit 18: Top picks MSIL, TVSL, MM, HMCL; downgrade EIM, BJAUT to 'HOLD'

Companies	Rating	CMP	Target Price	Upside (%)
2Ws				
EIM	Hold	6,974	6,900	-1
TVSL	Buy	3,529	4,100	16
BJAUT	Hold	8,971	9,800	9
HMCL	Buy	5,408	6,200	15
Other OEMs				
MSIL	Buy	15,864	18,200	15
HYUNDAI	Buy	2,809	3,200	14
MM	Buy	3,592	4,200	17
TTMT	Reduce	707	680	-4
AL	Reduce	141	123	-13
ESCORTS	Hold	3,688	3,800	3

Source: Nuvama Research

DISCLAIMER

Nuvama Wealth Management Limited (defined as "NWML" or "Research Entity") a company duly incorporated under the Companies Act, 1956 (CIN No L67110MH1993PLC344634) having its Registered office situated at 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, Investment Adviser, Research Analyst and other related activities. Name of Compliance/Grievance officer: Mr. Atul Bapna, E-mail address: complianceofficer.nwm@nuvama.com Contact details +91 (22) 6623 3478 Investor Grievance e-mail address- grievance.nwm@nuvama.com

This Report has been prepared by NWML in the capacity of a Research Analyst having SEBI Registration No.INH000011316 and Enlistment no. 5723 with BSE and distributed as per SEBI (Research Analysts) Regulations 2014. This report does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 includes Financial Instruments and Currency Derivatives. The information contained herein is from publicly available data or other sources believed to be reliable. This report is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in Securities referred to in this document (including the merits and risks involved), and should consult his own advisors to determine the merits and risks of such investment. The investment discussed or views expressed may not be suitable for all investors.

This information is strictly confidential and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form 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 NWML and associates, subsidiaries / group companies to any registration or licensing requirements within such jurisdiction. The distribution of this report in certain jurisdictions may be restricted by law, and persons in whose possession this report comes, should observe, any such restrictions. The information given in this report is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. NWML reserves the right to make modifications and alterations to this statement as may be required from time to time. NWML or any of its associates / group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NWML is committed to providing independent and transparent recommendation to its clients. Neither NWML nor any of its associates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including loss of revenue or lost profits that may arise from or in connection with the use of the information. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. Past performance is not necessarily a guide to future performance .The disclosures of interest statements incorporated in this report are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. The information provided in these reports remains, unless otherwise stated, the copyright of NWML. All layout, design, original artwork, concepts and other Intellectual Properties, remains the property and copyright of NWML and may not be used in any form or for any purpose whatsoever by any party without the express written permission of the copyright holders.

NWML shall not be liable for any delay or any other interruption which may occur in presenting the data due to any reason including network (Internet) reasons or snags in the system, break down of the system or any other equipment, server breakdown, maintenance shutdown, breakdown of communication services or inability of the NWML to present the data. In no event shall NWML be liable for any damages, including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by the NWML through this report.

We offer our research services to clients as well as our prospects. Though this report is disseminated to all the customers simultaneously, not all customers may receive this report at the same time. We will not treat recipients as customers by virtue of their receiving this report.

NWML and its associates, officer, directors, and employees, research analyst (including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the Securities, mentioned herein or (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 subject company/company(ies) discussed herein or act as advisor or lender/borrower to such company(ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance. (c) NWML may have proprietary long/short position in the above mentioned scrip(s) and therefore should be considered as interested. (d) The views provided herein are general in nature and do not consider risk appetite or investment objective of any particular investor; readers are requested to take independent professional advice before investing. This should not be construed as invitation or solicitation to do business with NWML (e) Registration granted by SEBI and certification from NISM in no way guarantee performance of NWML or provide any assurance of returns to investors and clients.

NWML or its associates may have received compensation from the subject company in the past 12 months. NWML or its associates may have managed or co-managed public offering of securities for the subject company in the past 12 months. NWML or its associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. NWML or its associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. NWML or its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. Research analyst or his/her relative or NWML's associates may have financial interest in the subject company. NWML and/or its Group Companies, their Directors, affiliates and/or employees may have interests/ positions, financial or otherwise in the Securities/Currencies and other investment products mentioned in this report. NWML, its associates, research analyst and his/her relative may have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (i) exchange rates can be volatile and are subject to large fluctuations; (ii) the value of currencies may be affected by numerous market factors, including world and national economic, political and regulatory events, events in equity and debt markets and changes in interest rates; and (iii) currencies may be subject to devaluation or government imposed exchange controls which could affect the value of the currency. Investors in securities such as ADRs and Currency Derivatives, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Research analyst has served as an officer, director or employee of subject Company: No

NWML has financial interest in the subject companies: No

NWML's Associates may have actual / beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report.

Research analyst or his/her relative has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report: No

NWML has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report: No

Subject company may have been client during twelve months preceding the date of distribution of the research report.

There were no instances of non-compliance by NWML on any matter related to the capital markets, resulting in significant and material disciplinary action during the last three years.
A graph of daily closing prices of the securities is also available at www.nseindia.com

Analyst Certification:
The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Additional Disclaimers

Disclaimer for U.S. Persons
This research report is a product of NWML, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by NWML only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, NWML has entered into an agreement with a U.S. registered broker-dealer, Nuvama Financial Services Inc. (formerly Edelweiss Financial Services Inc.) ("NFSI"). Transactions in securities discussed in this research report should be effected through NFSI.

Disclaimer for U.K. Persons
The contents of this research report have not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 ("FSMA").

In the United Kingdom, this research report is being distributed only to and is directed only at (a) persons who have professional experience in matters relating to investments falling within Article 19(5) of the FSMA (Financial Promotion) Order 2005 (the "Order"); (b) persons falling within Article 49(2)(a) to (d) of the Order (including high net worth companies and unincorporated associations); and (c) any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons").

This research report must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this research report relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this research report or any of its contents. This research report must not be distributed, published, reproduced or disclosed (in whole or in part) by recipients to any other person.

Disclaimer for Canadian Persons
This research report is a product of NWML, which is the employer of the research analysts who have prepared the research report. The research analysts preparing the research report are resident outside the Canada and are not associated persons of any Canadian registered adviser and/or dealer and, therefore, the analysts are not subject to supervision by a Canadian registered adviser and/or dealer, and are not required to satisfy the regulatory licensing requirements of the Ontario Securities Commission, other Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and are not required to otherwise comply with Canadian rules or regulations regarding, among other things, the research analysts' business or relationship with a subject company or trading of securities by a research analyst.

This report is intended for distribution by NWML only to "Permitted Clients" (as defined in National Instrument 31-103 ("NI 31-103")) who are resident in the Province of Ontario, Canada (an "Ontario Permitted Client"). If the recipient of this report is not an Ontario Permitted Client, as specified above, then the recipient should not act upon this report and should return the report to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any Canadian person.

NWML is relying on an exemption from the adviser and/or dealer registration requirements under NI 31-103 available to certain international advisers and/or dealers. Please be advised that (i) NWML is not registered in the Province of Ontario to trade in securities nor is it registered in the Province of Ontario to provide advice with respect to securities; (ii) NWML's head office or principal place of business is located in India; (iii) all or substantially all of NWML's assets may be situated outside of Canada; (iv) there may be difficulty enforcing legal rights against NWML because of the above; and (v) the name and address of the NWML's agent for service of process in the Province of Ontario is: Bamac Services Inc., 181 Bay Street, Suite 2100, Toronto, Ontario M5J 2T3 Canada.

Disclaimer for Singapore Persons
In Singapore, this report is being distributed by Nuvama Investment Advisors Private Limited (NIAPL) (Previously Edelweiss Investment Advisors Private Limited ("EIAPL")) (Co. Reg. No. 201016306H) which is a holder of a capital markets services license and an exempt financial adviser in Singapore and (ii) solely to persons who qualify as "institutional investors" or "accredited investors" as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Pursuant to regulations 33, 34, 35 and 36 of the Financial Advisers Regulations ("FAR"), sections 25, 27 and 36 of the Financial Advisers Act, Chapter 110 of Singapore shall not apply to NIAPL when providing any financial advisory services to an accredited investor (as defined in regulation 36 of the FAR. Persons in Singapore should contact NIAPL in respect of any matter arising from, or in connection with this publication/communication. This report is not suitable for private investors.

Disclaimer for Hong Kong persons
This report is distributed in Hong Kong by Nuvama Investment Advisors (Hong Kong) Private Limited (NIAHK) (Previously Edelweiss Securities (Hong Kong) Private Limited (ESHK)), a licensed corporation (BOM -874) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to Section 116(1) of the Securities and Futures Ordinance "SFO". 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 report also does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of any individual recipients. The Indian Analyst(s) who compile this report is/are not located in Hong Kong and is/are not licensed to carry on regulated activities in Hong Kong and does not / do not hold themselves out as being able to do so.

INVESTMENT IN SECURITIES MARKET ARE SUBJECT TO MARKET RISKS. READ ALL THE RELATED DOCUMENTS CAREFULLY BEFORE INVESTING.

Abneesh Roy
Head of Research Committee
Abneesh.Roy@nuvama.com

ABNEESH KUMAR ROY

Digitally signed by ABNEESH KUMAR ROY
DN: c=IN, o=Personal,
pseudonym=47IeWj0vIzKRUdWSEFvWUquxP0HUOyNu,
2.5.4.20=e648fc28137c6fa4c0e6296c524ee518d54fd4f7ba4be4d07cb750c531c68e2c,
postalCode=400098, st=Maharashtra,
serialNumber=7370c9de10fb28bbf7cbc6f71afe3cfe848fa7245a8d681629dc3093fb2a8ea9,
cn=ABNEESH KUMAR ROY
Date: 2025.09.20 00:05:33 +05'30'
Adobe Acrobat version: 2025.001.20693