

# India sneak peek

## Published research

**Strategy Note** - High-conviction ideas – Sep 2025

## Quick analysis

**Automobile sector** - GST cut to aid demand revival

**Chemplast Sanmar** - Adani's expansion projects are unlikely to be a dampener; domestic PVC prices are rising after ADD, while valuations are near multi-year lows.

**Deepak Fertilisers and Petrochemicals Corporation Limited (DFPCL)** - GST Reforms Trim Deepak Fertilisers Incentives While Igniting Nitric Acid Demand Surge

## Top Investment Idea






**Strategy Note** - All hopes on festive season-led policy action  
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- Weakness in high frequency economic indicators gets the required attention via the Govt's planned policy action likely in the coming weeks to revive them.
- The weak results season prevailed, with slow EBITDA growth and very few sectors recording an upgrade. FY26F-27F EPS cut trend of 1-3% prolongs.
- Favourable domestic fund inflow aids Nifty-50 consolidation and helps the forward P/E to ease below the 10-year mean. Retain flat index return outlook.

## What's in the news *(Click on news for more information)*

- GST Council approves two-rate tax slab effective September 22
- Cabinet Clears Rs 1,500-Crore Incentive Scheme In Push For Rare Earth, Critical Minerals
- RIR Power to commence commercial production of semiconductor chip next March, says Odisha's Principal Secretary for IT
- India, EFTA trade pact to come into force from October 1: Switzerland
- NSE appoints former IFSCA chairman Injeti Srinivas as Public Interest Director

## Expert speak

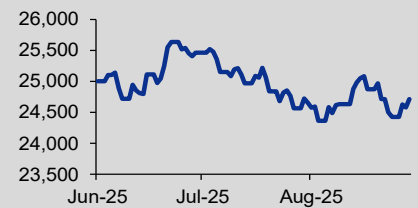
- Rajeev Mantri, CFO – Bandhan Bank 
- Tarun Arora, CEO – Zydus Wellness 
- Arnab Banerjee, ED – CEAT 
- Keshav Bhajanka, ED – Century Plyboards (India) 
- R Srikrishna, CEO – Hexaware Technologies 

## Alternative research desk

## Trading desk

### Key Metrics

#### Nifty Index



DXY	98.2	USDvsINR	88.0
US10YR (%)	4.22	IND10YR (%)	6.52
Brent Crude (\$/bbl)	67.3	WTI (\$/bbl)	63.6
Gold (\$/oz)	3,529	Aluminum (\$/MT)	2,619

### Flows (Rs m)

DII	FII
24,953	(16,665)

### Actionable Ideas

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**Published research** ➤ [Top](#)**Strategy Note** - High-conviction ideas – Sep 2025*pramod.amthe@incredresearch.com*

- Amid the high-frequency economic data showing a mixed trend and the GST rate overhaul to revive demand, strong GDP growth provides comfort.
- In our high-conviction stocks list, we have removed Ethos for the likely policy headwinds from GST changes & INR depreciation impact on its sales growth.
- We continue to remain cautious on Nifty-50 index, setting a flat target, with a preference for large-cap stocks.

**Quick analysis** ➤ [Top](#)**Automobile sector** - GST cut to aid demand revival

- GST council proposes reform by cutting GST slabs to 5%, 18% and 40% and removing of cess effective Sep 22, 2025.
- Auto sector, which contributes around 15% of India GST collection with average rate of 18-28% is a major beneficiary. Near 10% reduction in motorcycles, compact cars, CVs is a big benefit to revive demand.
- Considering demand elasticity of different products, we expect demand recovery to sharp in 2W and compact cars of 500-700bps in FY26-27F. Better pricing power to benefit in FY27F. ADD on Maruti, Hero Motcorp, Bajaj Auto, Ashok Leyland. Limited benefit in SUVs leads to HOLD on M&M, REDUCE on Hyundai, Tata Motors.

**Chemplast Sanmar** - Adani's expansion projects are unlikely to be a dampener; domestic PVC prices are rising after ADD, while valuations are near multi-year lows.

- Some investors have raised concerns regarding the Indian PVC pricing outlook, as Reliance and Adani are expected to add ~2 million tonnes of capacity by FY29. While Reliance's capacity will be ethylene-based, Adani plans to set up a 1 million tonne PVC plant through the coal route. The coal route is a more expensive method of producing PVC, and at current prices it would barely generate a positive EBITDA. To achieve its targeted IRR of ~18–20%, PVC prices would need to rise to around ₹100/kg, assuming other costs remain unchanged. At this level, Chemplast would generate an EBITDA of ~₹25/kg from its suspension PVC plant
- Indian PVC demand is growing at double digits, and currently ~60% of the 2.5 million tonnes of domestic demand is met through imports. By the time Reliance and Adani commission their capacities, Indian demand is expected to reach ~5 million tonnes. Even after the addition of ~2 million tonnes of new capacity, the country will still need to import ~1 million tonnes of PVC to meet domestic requirements
- Following the imposition of ADD, domestic PVC prices have risen by ~10%. As inventories clear, prices are expected to move above ₹90/kg in the coming months. Valuations of PVC producers such as Chemplast remain attractive. In addition, its new non-cyclical CDMO business is scaling well, and management has guided for EBITDA of ₹180–200 crore by FY27F

**Deepak Fertilisers and Petrochemicals Corporation Limited (DFPCL) - GST Reforms Trim Deepak Fertilisers Incentives While Igniting Nitric Acid Demand Surge**

- GST cut on ammonia and nitric acid slashes Deepak Fertilisers reimbursement incentives by two-thirds yet unlocks competitive edges against imports
- Reduced incentives hit EBITDA by Rs96-100 crore annually but enhanced nitric acid affordability drives market share gains and higher realizations
- Backward integration shields Deepak Fertilisers from full impact as lower duties correct inverted structures and curb Chinese dumping threats
- Overall outlook remains bullish with compensated losses fueling long-term growth in chemicals segment amid mining and agriculture demand

Actionable Ideas ➤ [Top](#)

Figure 1: Top Buys (All ADD Ratings)

Company	Bloomberg Ticker	Market Capital (Rs bn)	Price	Target Price	Up/down (%)	Analyst Name
<b>Large Cap</b>						
HDFC Bank	HDFCB IN	14,655	954	1,125	18%	Bhavik Shah
Tata Consultancy Services	TCS IN	11,207	3,098	3,818	23%	Abhishek SHINDADKAR
Bajaj Finance Ltd	BAF IN	5,577	896	1,100	23%	Meghna LUTHRA
Maruti Suzuki	MSIL IN	4,693	14,927	14,509	-3%	Pramod AMTHE
Axis Bank	AXSB IN	3,272	1,055	1,430	36%	Bhavik Shah
NTPC Ltd	NTPC IN	3,241	334	390	17%	Ishan VERMA
Bajaj Auto	BJAUT IN	2,546	9,116	9,944	9%	Pramod AMTHE
Shriram Finance Limited	SHFL IN	1,103	586	870	48%	Meghna LUTHRA
<b>Mid-cap</b>						
Lupin Ltd	LPC IN	891	1,951	2,400	23%	Yogesh SONI
Container Corp of India Ltd	CCRI IN	418	549	970	77%	Rajarshi MAITRA
Ajanta Pharma Ltd	AJP IN	320	2,558	3,100	21%	Yogesh SONI
Deepak Fertilisers & Petrochemicals Corp. Ltd.	DFPC IN	182	1,443	2,051	42%	Pratyush KAMAL
<b>Small-cap</b>						
Skipper Limited	SKIPPER IN	63	544	612	12%	Ishan VERMA
Thyrocare Technologies Ltd.	THYROCAR IN	69	1,302	1,400	8%	Yogesh SONI
E2E Network	E2E IN	53	2,643	3,245	23%	Abhishek SHINDADKAR
Camlin Fine Sciences	CFIN IN	40	215	428	100%	Satish KUMAR
TCPL Packaging Ltd	TCPL IN	31	3,416	4,530	33%	Nishant BAGRECHA
Globus Spirits Ltd	GBSL IN	32	1,103	1,850	68%	Nitin AWASTHI

SOURCES: INCRED RESEARCH, BLOOMBERG

Figure 2: Top Sells (All REDUCE Ratings)

Company	Bloomberg Ticker	Market Capital (Rs bn)	Price	Target Price	Up/down (%)	Analyst Name
<b>Large Cap</b>						
InterGlobe Aviation Ltd	INDIGO IN	2,219	5,740	3,030	-47%	Rajarshi MAITRA
Tata Steel	TATA IN	2,095	168	82	-51%	Satish KUMAR
<b>Mid-cap</b>						
Clean Science and Technology	CLEAN IN	125	1,174	683	-42%	Satish KUMAR

SOURCES: INCRED RESEARCH, BLOOMBERG

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Figure 3: Report links

Date	Analyst	Report Title
03 Sep 2025	Pramod Amthe	<a href="#">Strategy Note - High-conviction ideas – Sep 2025</a>
02 Sep 2025	Pramod Amthe	<a href="#">Autos - Aug 2025 auto sales volume performance (Neutral-Maintained)</a>
31 Aug 2025	Satish Kumar	<a href="#">Strategy Note - US trade policy is illogical—don't seek logic</a>
31 Aug 2025	Nishant Bagrecha	<a href="#">Cement - Invoice price hike; pan-India price dip (Overweight-Maintained)</a>
30 Aug 2025	Rajarshi Maitra	<a href="#">Delhivery - Headwinds on the horizon (REDUCE-Initiate)</a>
29 Aug 2025	Pramod Amthe	<a href="#">Strategy Note - All hopes on festive season-led policy action</a>
29 Aug 2025	Meghna Luthra	<a href="#">Financial Services - Overall - Credit Card Monthly: Rising ticket sizes (Overweight-Maintained)</a>
29 Aug 2025	Shakthi Karanam	<a href="#">Apollo Hospitals and Enterprises - Rise in healthcare spending is quite positive (ADD-Initiate)</a>
27 Aug 2025	Abhishek Shindadkar	<a href="#">E2E Network - IndiaAI order win improves growth visibility (ADD-Maintained)</a>
24 Aug 2025	Satish Kumar	<a href="#">Strategy Note - Trump tantrums- Unintended benefit to India</a>
22 Aug 2025	Meghna Luthra	<a href="#">Financial Services - Overall - 1Q Review: NBFCs slow down, AMCs shine (Overweight-Maintained)</a>
22 Aug 2025	Bhavik Shah	<a href="#">Banks - Axis/Kotak look attractive as growth plays (Overweight-Maintained)</a>
22 Aug 2025	Nitin Awasthi	<a href="#">Globus Spirits Ltd - Mumbai non-deal roadshow highlights (ADD-Maintained)</a>
19 Aug 2025	Pramod Amthe	<a href="#">Auto &amp; Parts - Overall - GST beneficiaries post 1Q results review (Neutral-Maintained)</a>
18 Aug 2025	Meghna Luthra	<a href="#">Spandana Spahoorty Financial - Walking on a tight rope (HOLD-Maintained)</a>
18 Aug 2025	Nitin Awasthi	<a href="#">Globus Spirits Ltd - Ethanol &amp; IMIL - twin levers of growth (ADD-Maintained)</a>
14 Aug 2025	Pramod Amthe	<a href="#">Endurance Technologies Ltd - Gearing up for ABS opportunity (ADD-Maintained)</a>
14 Aug 2025	Pramod Amthe	<a href="#">Ashok Leyland - EBITDA margin expansion prevails in 1Q (ADD-Maintained)</a>
13 Aug 2025	Meghna Luthra	<a href="#">Aavas Financiers Ltd - A slow quarter of amendments (ADD-Maintained)</a>
12 Aug 2025	Rajarshi Maitra	<a href="#">KNR Constructions Ltd - Pain likely to continue in the rest of FY26F (HOLD-Maintained)</a>

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Figure 4: Report links

Date	Analyst	Report Title
02 Sep 2025	Ishan Verma	<a href="#">Adani Power - Recent wins reinforce thermal leadership</a>
02 Sep 2025	Pramod Amthe	<a href="#">Ashok Leyland - Ashok Leyland to Invest in the EV Battery Ecosystem</a>
02 Sep 2025	Nitin Awasthi	<a href="#">Sugar Sector - Too Much Sugar, Not Enough Truth</a>
30 Aug 2025	Bhavik Shah	<a href="#">Banks - Monthly sectoral credit trend by RBI – July 2025</a>
28 Aug 2025	Rajarshi Maitra	<a href="#">Domestic aviation (July 25): Domestic traffic declined 3.4% yoy (post last 2 months of just 2.3% yoy rise), Tepid PLF</a>
28 Aug 2025	Shubham Dalia	<a href="#">NVIDIA Q2FY26 Results - Data Center Segment Achieves Record Revenue of \$41.1 Billion, Up 56% YoY</a>
28 Aug 2025	Pratyush Kamal	<a href="#">Changing Trends in Brent and Henry Hub Indexation Drive Long-Term LNG Contract Strategies</a>
27 Aug 2025	Satish Kumar	<a href="#">Chemplast Sanmar-ADD has started to drive PVC prices up in India. PVC prices rose by 10% on 27th August 2025</a>
25 Aug 2025	Ishan Verma	<a href="#">Power Sector - Supreme Court and MoP in action- can your electricity bill increase to liquidate DISCOMs RA?</a>
23 Aug 2025	Shubham Dalia	<a href="#">Aerospace &amp; Defence - As highlighted earlier, India finally moves ahead with Safran for 61,000Cr AMCA jet engine project   DRDO's Kaveri engine to be repurposed</a>
22 Aug 2025	Satish Kumar	<a href="#">Camlin Fine Sciences - Indian Vanillin Exporters Poised for Structural Margin Upside Amid China's Market Exit on Account of Anti-Dumping Duties (ADD)</a>
22 Aug 2025	Pratyush Kamal	<a href="#">Deepak Fertilisers and Petrochemicals Corporation Limited (DFPCL) - Ammonium Nitrate Spreads Moderate Amid Rising Ammonia Costs and Stable Demand, Bolstering Deepak Fertilisers Resilience</a>
20 Aug 2025	Shubham Dalia	<a href="#">Hindustan Aeronautics Limited - Government approves 97 Tejas MK1A deal   HAL's orderbook surpasses 2.5L Cr+   Delivery Schedule and Revenue Impact</a>
20 Aug 2025	Satish Kumar	<a href="#">Tata Steel - Near term tailwinds likely in Europe- Buy for a trading upside of 20-25%</a>
18 Aug 2025	Shubham Dalia	<a href="#">Aerospace &amp; Defence - India's 2035 Vision of A Fully-Indigenous Multi-Tier Air Defence Shield   The Sudarshan Chakra</a>
18 Aug 2025	Satish Kumar	<a href="#">Chemplast Sanmar - ADD to Drive PVC Margin Recovery; Chemplast CMDO Volumes Set to Rise Despite Execution Risks</a>
18 Aug 2025	Rajarshi Maitra	<a href="#">Infrastructure 1QFY26 review - EBITDA down 7% yoy; hopes of recovery in 2HFY26</a>
18 Aug 2025	Yogesh Soni	<a href="#">LitTracker: Patent Litigation Monitor - JYNARQUE (TOLVAPTAN): Patent Litigation</a>
15 Aug 2025	Rajarshi Maitra	<a href="#">Ports, logistics &amp; aviation - 1QFY26 results review</a>
14 Aug 2025	Satish Kumar	<a href="#">Deepak Nitrite Ltd - Q1FY26 Result Update with earnings call Highlights</a>

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**Recommendation Framework****Stock Ratings**

Definition:

**Add** The stock's total return is expected to exceed 10% over the next 12 months.**Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.**Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

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Definition:

**Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.**Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.**Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.**Country Ratings**

Definition:

**Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.**Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.**Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.