MARKET PULSE

VALUATION INDIA CORPORATE INSIGHTS

Valuation INDIA

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A monthly reading of the numbers, deals and policy that move Indian capital.

THE COVER STORY · PAGE 04

The Pause Deepens. India Waits.

Governor Sanjay Malhotra's Monetary Policy Committee holds at 5.25% for a fourth consecutive meeting. Strategic buyers rewrite the M&A tape. India's solar fleet quietly crosses 162 gigawatts. The next cut moves further out.

BY THE EDITORIAL TEAM · VALUATION INDIA

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Astrotalk joins the club as India's 2026 class hits seven — and the AI-native cohort deepens.

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FROM THE FINANCIAL ADVISORY DESK

Editor's Note

Dear reader,

August had the quiet quality of a month in which nothing spectacular happened and, precisely for that reason, a great deal was decided. The Reserve Bank's fourth consecutive hold is a signal about **duration** — the cost of long money is settling at today's levels, not tomorrow's. Boards should model FY27 refinancings accordingly.

Beneath the headline calm, three quieter trends stand out: the return of the **strategic corporate acquirer**, the acceleration of the **AI-native unicorn cohort**, and the arrival of **solar at scale** as a live investable theme. In this issue, we walk through each.

As always, we welcome your questions — the contact page carries our details.

Gaurav Kshirsagar

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AUGUST BY THE NUMBERS

5.25%	162 GW	133	+7,650 CR
REPO HELD · 4TH HOLD	INDIA SOLAR · 50X SINCE 2014	TOTAL UNICORNS · #3 GLOBALLY	FII INFLOW · AUG MTD

Deal Street

Where India's boardrooms are actually putting the cheque book.

LEAD STORY · STRATEGIC M&A

India's M&A market turns strategic and selective

Two bolt-ons defined the tape: ***Indo Borax–Kronox*** *(USD 25.7m for 64%) and* ***Wipro Consumer–Dermatouch*** *(USD 24.3m for 60%). Nine deals worth roughly USD 75 million printed in a single week. The domestic strategic acquirer is back.*

August delivered a decisive shift in the tone of India's M&A market. Where mid-2025 and Q1 2026 were characterised by transformative cross-sector consolidation, the recent tape is now dominated by **bolt-on strategic transactions** — smaller in headline size, but consistently targeted at specific specialty capabilities, brands and channel-access. Buyers appear to be paying up for very focused additions rather than for scale.

The tighter cost of capital is pushing acquirers toward **disciplined bolt-ons** — expect fewer but better-scoped engagements. Valuation ranges on **specialty chemicals, consumer healthcare, hospitals, industrial-tech and medical-tech** will progressively firm as strategic-buyer competition rises through H2.

> *“The strategic corporate is back — not for scale, but for capability.”*

NOTABLE AUGUST DEALS

USD 25.7 M

Indo Borax → Kronox Lab

Specialty fine chemicals · 64% stake

USD 24.3 M

Wipro Consumer → Dermatouch

Skincare brand · 60% acquisition

USD 75 M

9-deal weekly clip

17-21 Aug 2026 · strategic bolt-ons

THE COVER STORY · MONETARY POLICY

The Pause Deepens. India Waits.

*The Reserve Bank of India's fourth consecutive hold on 5 August sends a message about **duration**. Bond markets have moved the next cut from Q4 CY 2026 to Q1 CY 2027. Corporate treasurers should model accordingly.*

BY THE EDITORIAL TEAM

G**overnor Sanjay Malhotra**'s Monetary Policy Committee, meeting from 3 to 5 August 2026, voted **unanimously** to hold the policy repo rate at **5.25%** — the Standing Deposit Facility at 5.00% and the Marginal Standing Facility and Bank Rate at 5.50%. The stance remains *neutral*. It is the **fourth consecutive hold** since the 100 basis points of cumulative cuts through February 2025 to February 2026, and the Committee's language made clear that patience — not action — is the operative posture.

The rationale is external. Governor Malhotra pointed to the continuing conflict in West Asia and global market volatility as warranting a wait-and-watch posture, with the domestic macro described as stable. It is a language of prudence rather than of pessimism.

The operative signal for corporate treasuries and boards is **duration of the hold**. Bond markets have now shifted expectations of the next 25 bps cut from Q4 CY 2026 to **Q1 CY 2027**.

For CFOs modelling FY27 refinancings, the practical implication is immediate. Long-tenor rupee coupons that were expected sub-7% on 5-10 year NCDs are now printing **25-40 basis points wider**. Hedging costs against a firmer dollar have edged up in parallel. CFOs with meaningful FY27 US-dollar payables should revisit forward-cover ladders now, not in October.

Valuation India continues to hold **WACC assumptions unchanged** in current models, and pushes terminal growth for India Inc. at the **6.5–7% trend** rather than the higher 7–8% that some 2025 vintages had assumed.

The broader read is that the RBI is buying itself optionality. With August CPI still under-reported and the Fed's own September decision yet to land, waiting is the cheapest form of policy insurance available.

> *“Bond markets have shifted the next cut from Q4 2026 to Q1 2027. That is a message about duration, not direction.”*

THE MPC AT A GLANCE · 5 AUG 2026

REPO RATE	VOTE	STANCE	CONSECUTIVE HOLDS	EXPECTED NEXT CUT
5.25%	6-0	NEUTRAL	4	Q1 2027

Sector Radar

Four sectors — where boards are actually looking this month.

01 · INFORMATION TECHNOLOGY

AI monetisation is the new benchmark

With Q1 FY27 prints fully digested, the conversation has moved from topline growth to **AI monetisation quality**. Infosys's AI services at 8.2% of Q1 revenue and TCV of USD 3.6 bn (61% net new) set a benchmark peers are now trying to match.

02 · INDUSTRIALS & MOBILITY

Solar PV manufacturing scales up

The **INR 24,000 cr PLI for High-Efficiency Solar PV Modules** anchors India's clean-tech build-out. EV bus/truck financing consultation closed end-July; final guidelines expected shortly. Capacity utilisation and DVA compliance now the sensitivity-heavy DCF inputs.

03 · PHARMA & HEALTHCARE

Consumer healthcare gets bid up

August's strategic-buyer wave crossed prominently into **consumer healthcare and specialty chemicals**. Wipro Consumer–Dermatouch showed the pattern. PE consolidation in single-specialty hospitals and diagnostic platforms remains on track — multiples firming.

04 · ESG & CLIMATE

Solar fleet crosses 162 GW

India's total renewable capacity reached **236.5 GW** by end-June (ex-large hydro), with **solar at 162.2 GW** — a **50× expansion since 2014**. PM Surya Ghar programme: 40 lakh beneficiaries, 33+ lakh rooftop systems. The physical asset base is now genuinely at scale.

SOLAR AT SCALE · BY THE NUMBERS

162.2 GW	236.5 GW	50×	40 LAKH	INR 24,000 CR
SOLAR CAPACITY (JUN'26)	TOTAL RENEWABLE	EXPANSION SINCE 2014	SURYA GHAR HHS	PLI (HIGH-EFF PV MOD)

Source: MNRE, PIB, Valuation India analysis. Excludes large hydro.

By the Numbers

Startups, cross-border compliance, and the world beyond India.

2026 UNICORN CLASS · BY MONTH

Seven in eight months.

JAN	**Juspay**	*Payments*
APR	**KreditBee**	*Consumer lending*
MAY	**Skyroot**	*Space tech*
JUN	**Sarvam**	*AI foundation models*
JUN	**Square Yards**	*Prop-tech*
JUL	**Emergent**	*AI coding*
AUG	**Astrotalk**	*Advisory marketplace*

CROSS-BORDER · T-MINUS 5 WEEKS

FEMA · 1 October.

The **FEMA (Export & Import of Goods and Services) Regulations, 2026** come into force on **1 October**. Exporters and importers with active USD-INR or EUR-INR flows should be in the final stages of documentation, hedge-accounting and forward-cover reviews.

The ECB, Guarantees and Authorised Persons regulations remain the operative framework. RBI's compounding-orders cadence stayed elevated through August.

GLOBAL LENS · 15-16 SEPTEMBER

September in play.

No FOMC in August. Attention now sits firmly on **15-16 September**, which Chair Kevin Warsh has publicly said hinges on the July and August CPI prints. With three officials having dissented for a hike at the 28-29 July hold, the September outcome is genuinely open.

TO CONTINUE THE CONVERSATION

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OUR PRACTICE

- Business & Equity Valuations
- Purchase Price Allocation
- Fairness & Swap-Ratio Opinions
- ESOP & Sweat-Equity Valuations
- FEMA / RBI Pricing Reports
- Financial Modelling
- CFO Services
- Audit & Assurance

— Thank you for reading Market Pulse. See you next month. —