

Combined fiscal deficit at 39.7% of BEs in 1HFY24

Government investments grew 40% YoY in 1HFY24

- Based on the provisional data of 19 major states, total receipts of all the states grew only 1.2% YoY in 2QFY24 (and 7.6% YoY in 1HFY24), led by a sharp contraction in the center's transfer to states (devolution + grants). Total spending, however, grew 14.9% YoY in 2QFY24 (and 14.3% YoY in 1HFY24). Consequently, states' aggregate fiscal deficit came in at INR3.2t/INR4t in 2QFY24/1HFY24 (4.5%/2.8% of GDP) vs. INR1.8t/INR2.5t in 2QFY23/1HFY23 (2.7%/1.9% of GDP).
- As a percentage of budget estimates (BEs), total receipts stood at 39.5% of BEs in 1HFY24 (down from 41% in 1HFY23), while the total spending was also at a 14-year high of 39.7% (38.3%). Capital outlays (excluding loans & advances, L&As) grew 55.4% YoY in 1HFY24 and stood at 33% of BEs, the highest in more than a decade. Thus, states' aggregate fiscal deficit was 40.6% of BEs in 1HFY24, compared to 28.7% of BEs in 1HFY23.
- An analysis of individual states suggests that four states (GJ, KA, MH, and OD) witnessed a fiscal surplus in 1HFY24, of which, MH and OD posted a fiscal surplus in 1HFY23 as well. In contrast, AP's and BH's 1HFY24 fiscal deficit exceeded the full-year target (almost similar to that in 1HFY23). Some other large states such as KL, PB, TS, and RJ recorded a fiscal deficit of more than 50% of the target in 1HFY24, much higher than the achievement in 1HFY23.
- Within states' total receipts, while states' own receipts (taxes and non-taxes) have increased 12.8% YoY in 1HFY24, the transfer from the center (devolution + grants) were up just 0.2% YoY. The latter was driven by a contraction of 62% YoY in 'grants from the center' in 2QFY24, marking its worst fall in more than a decade and the fourth decline in the past five quarters. The 'devolution of taxes' also shrank 6.2% YoY in 2Q, after a very strong growth of 65.7% YoY in 1QFY24.
- Within states' spending, revenue spending grew 9.7% YoY in 1HFY24 vs. 15.4% growth in 1HFY23, while capital spending (including L&As) surged 49.6% YoY in 1HFY24, following 7.1% YoY growth in 1HFY23.
- A combined analysis of the central and state governments confirms that total receipts rose 16.4% YoY in 1HFY24 (vs. 19.9% in 1HFY23) and the total spending grew 18.8% (vs. 14.3% in 1HFY23) during the first half of FY24. Combined capital outlays surged 39.5% YoY (vs. 28.7% in 1HFY23) in 1HFY24, along with 13.6% YoY growth in revenue spending (vs. 11.6% in 1HFY23).
- It means that total receipts were 46.6% of BEs in 1HFY24 (down from 47.9% in 1HFY23), while the total spending was 44.5% of BEs (vs. 43.5% in 1HFY23). Consequently, the combined fiscal deficit was 39.7% of BEs in 1HFY24, higher than 34.3% in 1HFY23, but lower than 65-70% target achieved over FY17-FY20. Assuming ~8% YoY growth in nominal GDP in 2QFY24, our calculations suggest that GG fiscal deficit stood at 7.8% of GDP in 1HFY24 vs. 6.7% of GDP in 1HFY23.

Total receipts of all the states grew by just 1.2% YoY in 2QFY24, while their total spending grew 14.9% YoY

States' fiscal deficit was 40.6% of BEs in 1HFY24: Based on the provisional data of 19 states, total receipts of all the states grew by just 1.2% YoY in 2QFY24, following 14.5% growth in 1Q. It implies that states' total receipts grew 7.6% YoY in 1HFY24, achieving 39.5% of BEs, compared to 25.2% YoY growth and 41% of BEs in 1HFY23 (*Exhibit 1*).

At the same time, their total spending grew 14.9% YoY in 2QFY24, following 13.6% YoY growth in 1Q. It implies that states' total spending grew 14.3% YoY in 1HFY24, achieving 39.7% of BEs, compared to 14.4% YoY growth and 38.8% of BEs in 1HFY23 (*Exhibit 2*).

Data for all states is based on 19 major states, for which monthly data up to Sep'23 is available. These states account for 90-91% of all states' Budget. The states/UT covered in this report are Andhra Pradesh (AP), Bihar (BH), Chhattisgarh (CT), Gujarat (GJ), Haryana (HR), Himachal Pradesh (HP), Jharkhand (JH), Karnataka (KA), Kerala (KL), Madhya Pradesh (MP), Maharashtra (MH), Odisha (OD), Punjab (PB), Rajasthan (RJ), Tamil Nadu (TN), Telangana (TS), Uttarakhand (UK), Uttar Pradesh (UP) and West Bengal (WB).

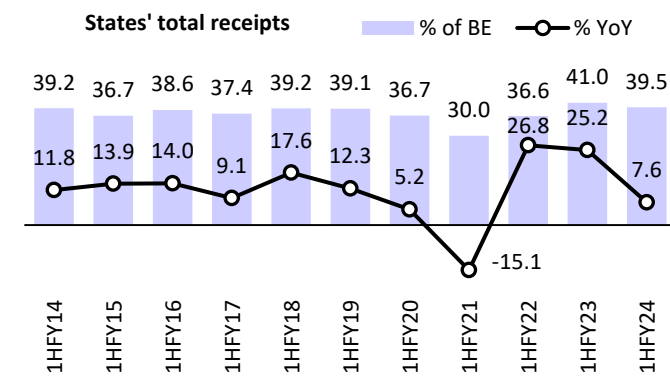
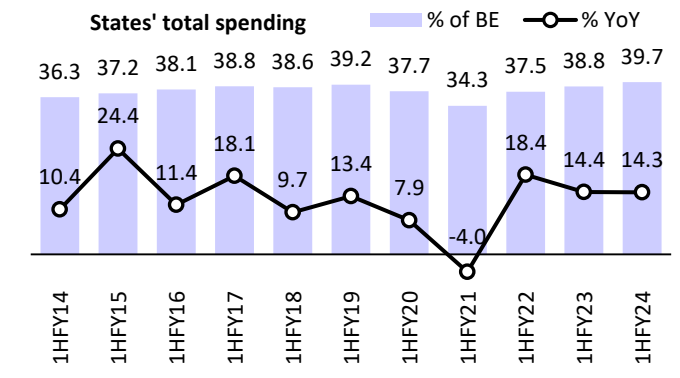
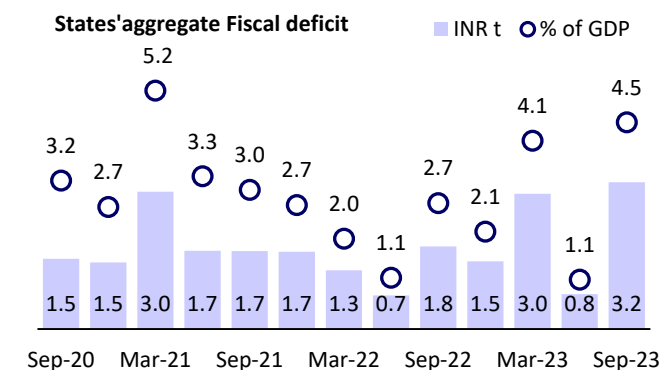
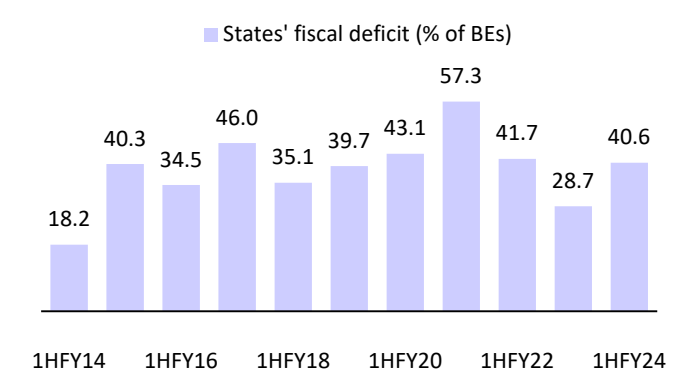
Nikhil Gupta – Research analyst (Nikhil.Gupta@MotilalOswal.com)

Tanisha Ladha – Research analyst (Tanisha.Ladha@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

As a result, states' aggregate fiscal deficit increased to INR3.2t in 2QFY24, the highest ever in absolute terms. As a percentage of GDP, it increased to 4.5%, the highest in 10 quarters (*Exhibit 3*). In other words, their aggregate fiscal deficit was INR4t (or 2.8% of GDP) in 1HFY24, compared to INR2.5t (or 1.9% of GDP) in 1HFY23. States have achieved 40.6% of their full-year target in 1HFY24, much higher than 28.7% of BEs in 1HFY23 (*Exhibit 4*).

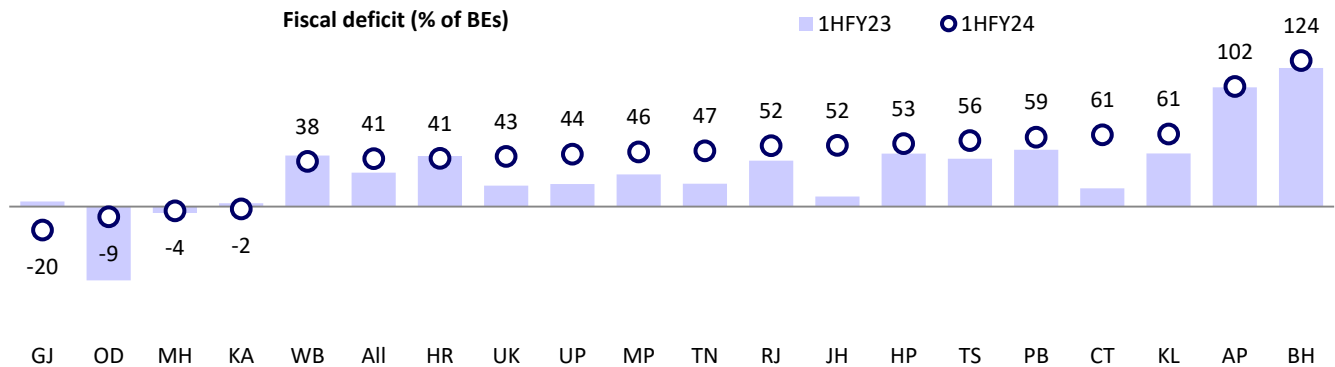
Exhibit 1: Total receipts stood at 39.5% of BEs in 1HFY24...**Exhibit 2: ...and total spending was 39.7% of BEs****Exhibit 3: States' aggregate fiscal deficit was 4.5% of GDP in 2QFY24...****Exhibit 4: ...and it stood at 40.6% of BEs in 1HFY24, much higher than 28.7% of BEs in 1HFY23**

* Assuming nominal GDP growth at 8% YoY in 1HFY24
Source: Comptroller and Auditor General (CAG), CEIC, MOFSL

Four states posted a fiscal surplus in 1HFY24, compared to just two in 1HFY23: An analysis of individual states suggests that four states – GJ, KA, MH, and OD – posted a fiscal surplus in 1HFY24 (*Exhibit 5*). Only two of these states (MH and OD) posted a surplus in 1HFY23.

Four states – GJ, KA, MH, and OD – posted a fiscal surplus in 1HFY24, while the fiscal deficit of two states – AP and BH – exceeded the full-year target

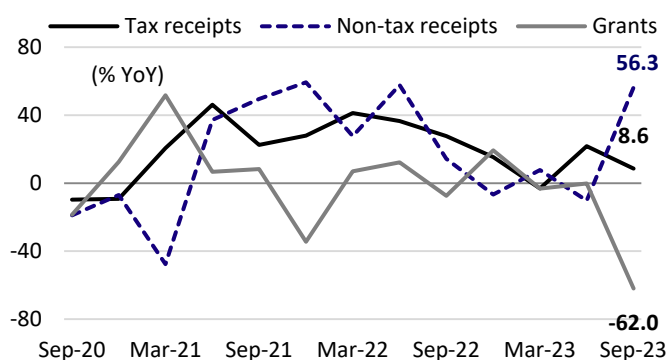
In contrast, AP's and BH's 1HFY24 fiscal deficit exceeded the full-year target. AP's fiscal deficit in 1HFY24 was 102% of full-year BEs (very similar to 101% of BEs in 1HFY23), while it was as high as 124% of BEs for BH in 1H (vs. 118% in 1HFY23). Besides these two states, seven other states (RJ, JH, HP, TS, PB, CT, and KL) witnessed a fiscal deficit of more than 50% of BEs in 1HFY24. Overall, based on these 19 states, the aggregate fiscal deficit of all states was just 40.6% of BEs in 1HFY24, higher than 28.7% of BEs achieved in 1HFY23.

Exhibit 5: Comparison of provisional fiscal deficit of states in 1HFY24 and 1HFY23 (% of BEs)

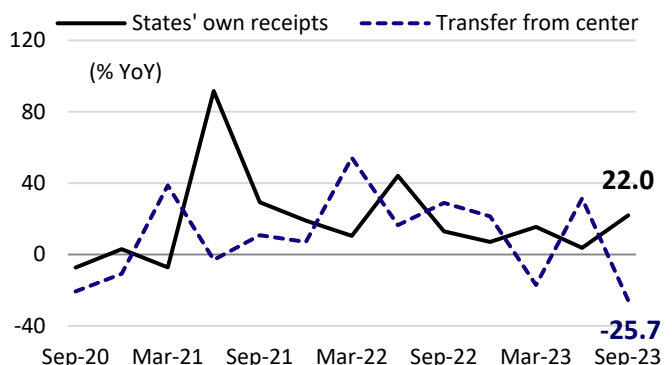
Source: CEIC, CAG, CEIC, MOFSL

States' total receipts grew 7.6% YoY in 1HFY24, almost entirely driven by their own receipts, as the center's transfer to states were largely flat

Tax receipts remained strong, non-tax receipts contracted: Total tax receipts of all states grew 8.6% YoY in 2QFY24, implying a growth of 14.6 % YoY in 1HFY24 vs. a growth of 27.7%/21.7% in 2QFY23/1QFY24 and 31.6% in 1HFY23. On the other hand, state's non-tax receipts increased strongly by 56.3% in 2QFY24 vs. a growth of 14.3% in 2QFY23 and a fall of 10.2% YoY in 1QFY24. Grants-in-aid contracted 62% YoY, marking its third successive fall and the fourth in the past five quarters (*Exhibit 6*). A re-classification of these sources confirms that the Center's transfer to states declined 25.7% YoY in 2QFY24 vs. a growth of 29%/31.4% in 2QFY23/1QFY24. States' own receipts, on the other hand, grew 22% YoY in 2QFY24 vs. 13%/3.8% YoY in 2QFY23/1QFY24 (*Exhibit 7*). Thus, states' total receipts grew 7.6% YoY in 1HFY24, almost entirely driven by their own receipts (up 12.8% YoY), as the center's transfer to states were largely flat (up just 0.2% YoY).

Exhibit 6: While tax and non-tax receipts grew, grants-in-aid contracted sharply in 2QFY24

Estimates for all states are based on data of 19 states

Exhibit 7: Center's transfer to states shrank by 25.7% YoY in 2QFY24

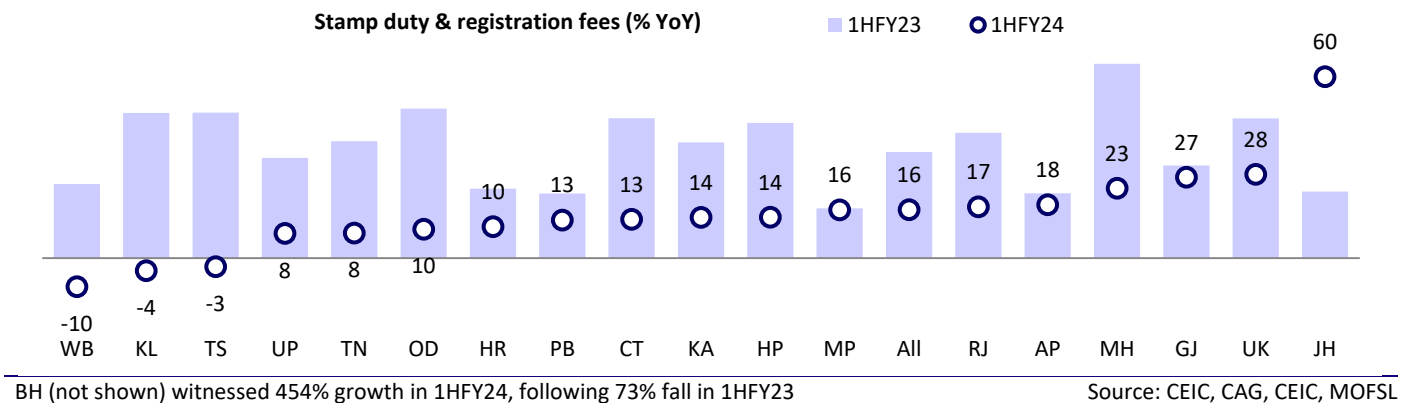
Source: CEIC, CAG, MOFSL

Stamp duty and registration charges grew in double digits in 1QFY24: One of the major components of states' receipts is stamp duties and registration fees collected by states. An analysis of monthly data available for 19 states suggests that together, these charges grew 18% YoY in 2QFY24 vs. 9.1%/14.2% YoY growth in 2QFY23/1QFY24 (*Exhibit 8*). In 1HFY24, states' stamp duty & registration fees were up 16% YoY, following 35% growth in 1HFY23.

Stamp duty & registration fees of 19 states grew 18% YoY in 2QFY24 and 16% in 1HFY24.

Of the 19 states, three states – KL, TS, and WB – witnessed a contraction in 1HFY24, and there were only two states – JH and BH – that posted higher growth in 1HFY24 vs. 1HFY23 (BH is not shown in *Exhibit 8* because it grew 454% YoY in 1HFY24, following a fall of 73% YoY in 1HFY23).

Exhibit 8: Stamp duty and registration charges grew 16% YoY in 1HFY24



States' capex was up 55.4% YoY in 1HFY24, following 1.9% growth in 1HFY23 and stood at 33% of BEs, the highest achievement in 1H in at least the past decade

Capital spending grew sharply in 1QFY24: Within states' spending, the growth in capital spending outpaced revenue spending for the fifth consecutive quarter in 2QFY24. Revenue spending grew 11.6% YoY in 2QFY24 vs. 16.5% growth in the same quarter last year, while capital spending (including L&As) jumped 35.8% YoY, following 18.3% growth in 2QFY23 (*Exhibit 9*). Excluding L&As, capital outlays (or capex) of all states grew 44.4% YoY in 2QFY24, compared to a growth of 9.3%/75.2% YoY in 2QFY23/1QFY24. Overall, states' capex was up 55.4% YoY in 1HFY24, following 1.9% growth in 1HFY23 and stood at 33% of BEs, the highest achievement in 1H in at least the past decade (*Exhibit 10*).

Exhibit 9: Revenue spending of all states grew 11.6% YoY in 2QFY24, while capital spending was up 36%

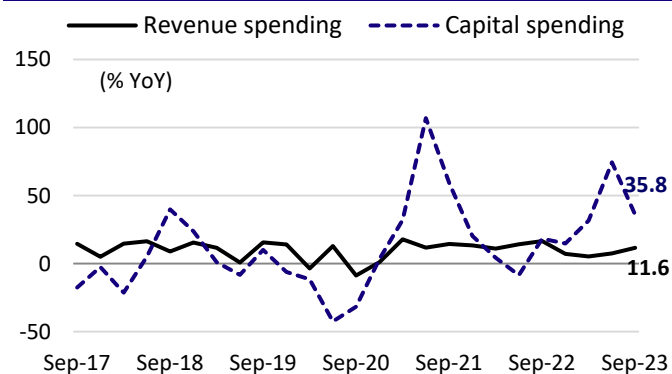
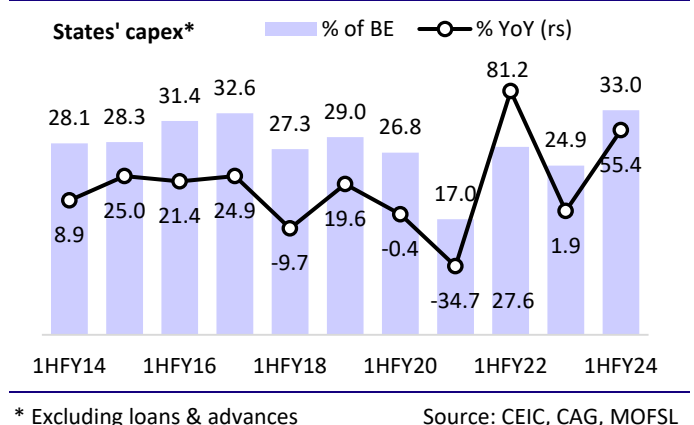
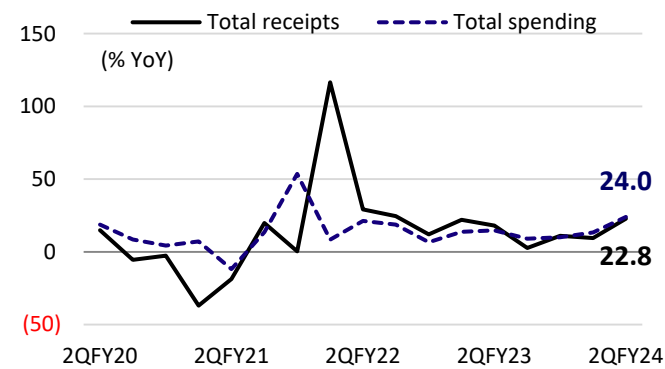
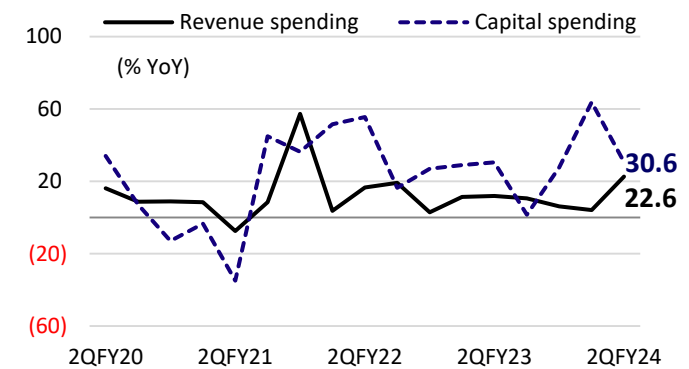


Exhibit 10: States' capex* was 33% of BEs in 1HFY24, the highest in at least a decade



Total receipts rose 22.8% YoY (vs. 9.5% in 1QFY24) and total spending grew 24% in 2QFY24 (vs. 13.3%)

Combined capital spending continued to grow strongly in 2QFY24: A combined analysis of the central and state governments confirms that total receipts rose 22.8% YoY (vs. 9.5% in 1QFY24) and total spending grew 24% in 2QFY24 (vs. 13.3%). In 1HFY24, total receipts, thus, grew 16.4%, while the total spending growth was 18.8%. As % of BEs, total receipts were 46.6% in 1HFY24, lower than 47.9% in 1HFY23, but the total spending was 44.5% of BEs in 1HFY24, higher than 43.5% in 1HFY23.

Exhibit 11: Total receipts and spending grew 23-24% YoY each in 2QFY24**Exhibit 12: Within spending, capital spending grew 30.6% YoY in 2QFY24, faster than revenue spending**

Source: CEIC, CAG, Controller General of Accounts (CGA), MOFSL

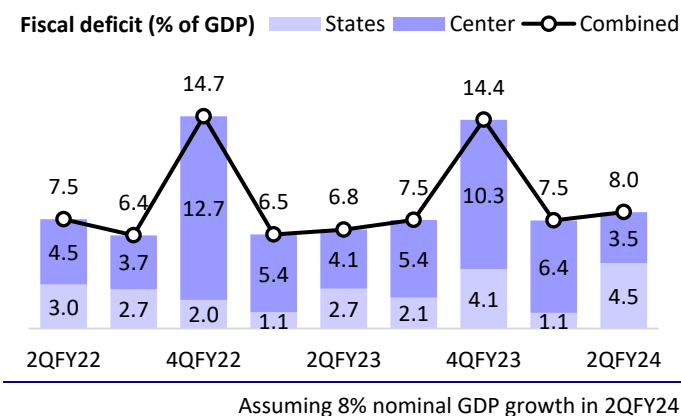
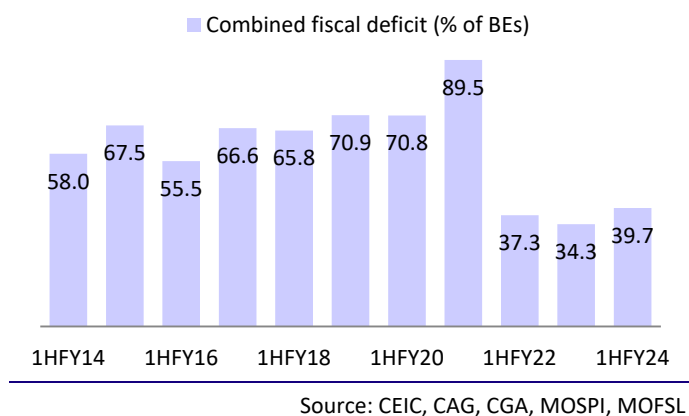
The combined capex (excluding L&As) grew 39.5% YoY and was 41.1% of BEs in 1HFY24, compared to 37.1% of BEs in 1HFY23.

Further, revenue spending grew at a 10-quarter high of 22.6% YoY in 2QFY24, while the combined capital spending surged 30.6% YoY (*Exhibit 12*). This was the 11th double-digit growth in capital spending in the past 12 quarters. Capital spending, thus, was 41.1% of BEs in 1HFY24, much higher than the corresponding period in the previous years. The combined capex (excluding L&As) grew 39.5% YoY in 1HFY24 (following 28.7% YoY in 1HFY23) and was 41.1% of BEs in 1HFY24, compared to 37.1% of BEs in 1HFY23.

Our calculations suggest that the GG fiscal deficit stood at 8% of GDP in 2QFY24 vs. 6.8%/7.5% in 2QFY23/1QFY24

Combined fiscal deficit was 7.8% of GDP and 39.7% of BEs in 1HFY24: Assuming 8% YoY nominal GDP growth in 2QFY24, our calculations suggest that the GG fiscal deficit was at 8% of GDP in 2QFY24 vs. 6.8%/7.5% in 2QFY23/1QFY24 (*Exhibit 13*). While the states' aggregate fiscal deficit in 2QFY24 stood at 4.5% of GDP (vs. 2.7%/1.1% of GDP in 2QFY23/1QFY24), the Center's stood at 3.5% of GDP (vs. 4.1%/6.4% of GDP in 2QFY23/1QFY24).

As a % of BEs, states' aggregate fiscal deficit was just 40.6% in 1HFY24, while it was 39.3% for the Center, implying the combined fiscal deficit of 39.7% of BEs in 1HFY24, higher than that in the past two years, but much lower than 65-70% achieved during the pre-Covid period (*Exhibit 14*).

Exhibit 13: Combined fiscal deficit was 8% of GDP in 2QFY24, primarily led by the Center**Exhibit 14: Combined FD of the government stood at 39.7% of BEs in 1HFY24**

Source: CEIC, CAG, CGA, MOSPI, MOFSL

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

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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

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 (erstwhile Motilal Oswal Securities Limited - MOSL) 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, its 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:

- received any compensation/other benefits from the subject company of this report
- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- 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 its 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:

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.