

Consumption First; Private Capex Next?



Radhika Piplani

✉ Radhika.Piplani@motilaloswal.com

Tanisha Ladha

✉ Tanisha.Ladha@motilaloswal.com

Executive Summary

- Over the past few months, India has faced multiple headwinds, primarily driven by geopolitics and wars, resulting in FII outflows of USD9b between Jul and Sep'25. Domestically, urban consumption was relatively muted due to high interest rates, low liquidity, and lower growth in the IT and banking sectors. To counter the weakening demand, the RBI cut policy rates by 100bp to 5.5%, reduced the CRR rate by 150bp to accelerate rate transmission, and added systemic liquidity of nearly INR9t in the banking system through daily and permanent operations, including FX swaps, OMOs, CRR cut, VRR/VRRRs. Moreover, the government frontloaded capex spending and reduced income and GST tax rates. While it is still early to assess the full impact of this monetary and fiscal push, early indicators appear to be positive. Auto retail sales surged to a record high toward the end of Sep'25. Vehicle registrations rose 34% to 1.16m units, driven by significant growth across PVs, 2Ws, CVs, and tractors.
- We believe this marks the beginning of a turnaround in India's domestic growth momentum, despite ongoing external sector risks. We expect domestic consumption to pick up significantly in 3QFY26, paving the way for a robust revival in the private capex cycle.
- Private capex complements consumption, albeit with a lag of two quarters. We observe that sectors like Power T&D, Coal, Telecom, Oil & Gas, Ports, Cement, Airlines, Defense, and Electronics are already expanding capacities, positioning themselves to seize opportunities in the next phase of growth. These core sectors, in our view, are driven not by cyclical but by the structural changes unfolding in aspirational India.
- It is important to note that this leg of growth is NOT funded by banking credit. Instead, it is supported by external funding, IPOs, QIPs, and, more importantly, corporate debt.
- With the RBI's October policy easing regulatory measures for banks and NBFCs, credit flow within the system is expected to accelerate, potentially driving further increases in planned capital spending.
- To identify a trackable indicator, monitor high-frequency auto registrations, sales figures, and dealer channel checks.

Overview

India's growth outlook has improved, supported by domestic monetary, regulatory, and fiscal policy levers:

1. The RBI has raised its FY26 GDP forecast to 6.8% from 6.5% in its October policy. We believe FY26 GDP could reach 7% if US tariff rates are reduced to at least 25% from the current 50% by November.

- Real GDP growth for 1QFY26: 7.8% (130bp higher than the RBI estimate; 100bp higher than the market consensus). 2QFY26 could also positively surprise the markets, supported by a favorable base and low deflator.
- Note that the strong growth in 1Q and 2Q is driven by more than just a low base and subdued deflator. Services (defense/government spending, BFSI, realty, travel, tourism) and agriculture & allied activities (rural consumption) were two strong domestic pillars of growth in 1QFY26. 2QFY26 is expected to be supported by a favorable monsoon, government spending, and frontloading of exports to the US. However, the impact of the 50% US tariffs will likely begin to slow exports from 3QFY26.
- We concur that **nominal GDP growth** slowed to 8.8% in 1QFY26 vs. 10.8% in 4QFY25 as the GDP deflator eased to 0.9% YoY from 3.1% in 4QFY25. This deflator issue is expected to continue through FY26, with both CPI and WPI being low. Consequently, the disparity between GDP data and weak high-frequency indicators (auto sales, diesel consumption, IIP, exports) is likely to continue. Our **nominal GDP estimate for FY26 stands at 9%**.

2. Center capex + state capex = INR6.6t in 5MFYTD26.

In 5MFYTD, the center's capex grew by a strong 43% YoY to INR4.3t (38.5% of BE). For the 20 states analyzed, capex increased 10.1% YoY to INR2.2t (21.6% of BE). Although state capex is progressing slower than the center's (likely due to recent procurement digitalization changes under the GFR 2025 rules), it is expected to pick up momentum soon.

3. Major tax overhauls: a) GST reform (Sep'25); b) income tax cut (Feb'25).

Engines of growth within private capex

Two engines of policy easing:

1. **Monetary policy push and regulatory changes:** CRR cut by 150bp and repo cut by 100bp (expect further 50bp); surplus liquidity averaging INR2.5t on a daily basis in 2QFY26; FX swaps and OMOs; risk weight reductions on lending by banks to MSMEs/real estate/NBFCs; domestic banks to fund M&As by Indian corporates; regulatory easing for NBFCs (especially reduced risk weights for infrastructure lending); changes in the ECL framework for banks; LAS (loans against shares) for banks; and higher IPO funding limits for banks.
2. **Fiscal push:** Income tax; GST rejig; frontloaded capex spend; support packages for MSMEs (including a potential increase in credit guarantee limits for MSMEs impacted by trade tariffs); 3% DA increase for government employees under the 7th pay commission starting from Jul'25; and upcoming 8th pay commission hike effective Jan'26.

- Private capex complements consumption, albeit with a lag. Businesses typically invest only after observing clear signs of demand pickup. Assuming domestic demand begins to rise significantly from 2HFY26, capex is expected to follow with a lag of two quarters. With policy reforms currently focused on boosting consumption, the next phase of recovery is likely to emerge from private capex activity.
- India's current capex/GDP ratio stands at ~30%, below the 2004-08 peak of ~35%. The investment outlook for private players remains muted (geopolitics, export slowdown, and demand uncertainty).
- We have identified sectors driven by structural drivers - **Power T&D, Coal, Telecom, Oil & Gas, Ports, Cement, Airlines, Defense, Electronics.**
- To assess private capex sectoral opportunities, we have analyzed FY26 capex guidance from NSE 500 companies, management commentaries, financial data from banks, ECBs, and corporate debt to validate sector-wise investment momentum.

Insights on private capex

As a precursor to our detailed analysis, here are some significant takeaways :

- **Fact:** India is targeting sustained real GDP growth of 7-8%.
Insight: Core sectors like metals, cement, coal, and power are already expanding capacity in anticipation of future demand.
- **Fact:** The top five sectors (Oil & Gas, Coal, Power, Auto, Telecom) drive 80% of private capex.
Insight: Auto sector weakness is a key drag on capex; reviving demand in this segment could boost overall capex.
- **Fact:** Power utilities and transmission & distribution (T&D) networks are set for large-scale capacity upgrades.
- **Insight:** The power sector benefits from both healthy corporate balance sheets and strong bank credit support. The power sector within infra received 40% of the total credit sanctioned by banks/FI in FY25. This trend has continued into FY26.
- **Fact:** Corporate balance sheets are strong.
Insight: Sectors that are undertaking capacity expansions also have strong B/S. Hence, fewer corporations are seeking bank credit. Industrial credit growth slowed to 5.9% in FYTD26 vs 8.9% in FYTD25, but sectors like electronics, power, and metals continue to see healthy credit demand.
- **Fact:** ECBs were a preferred capital-raising route last year.
Insight: Sectors that benefited include data centers, renewables, chemicals, and electronics.
- **Fact:** The highest IPO proceeds were raised in 2024.
Insight: IPO activity remains strong this year in electronics, power, engineering, and IT despite global uncertainty.
- **Fact:** The corporate debt market is gaining traction.
Insight: Gross corporate debt issuance exceeded repayments in 2Y, possibly highlighting bond issuance as an alternate source for capex funding.

Two sectors contribute 50% to India's private capex – Power & Utilities

Capex by sectors (INR b)

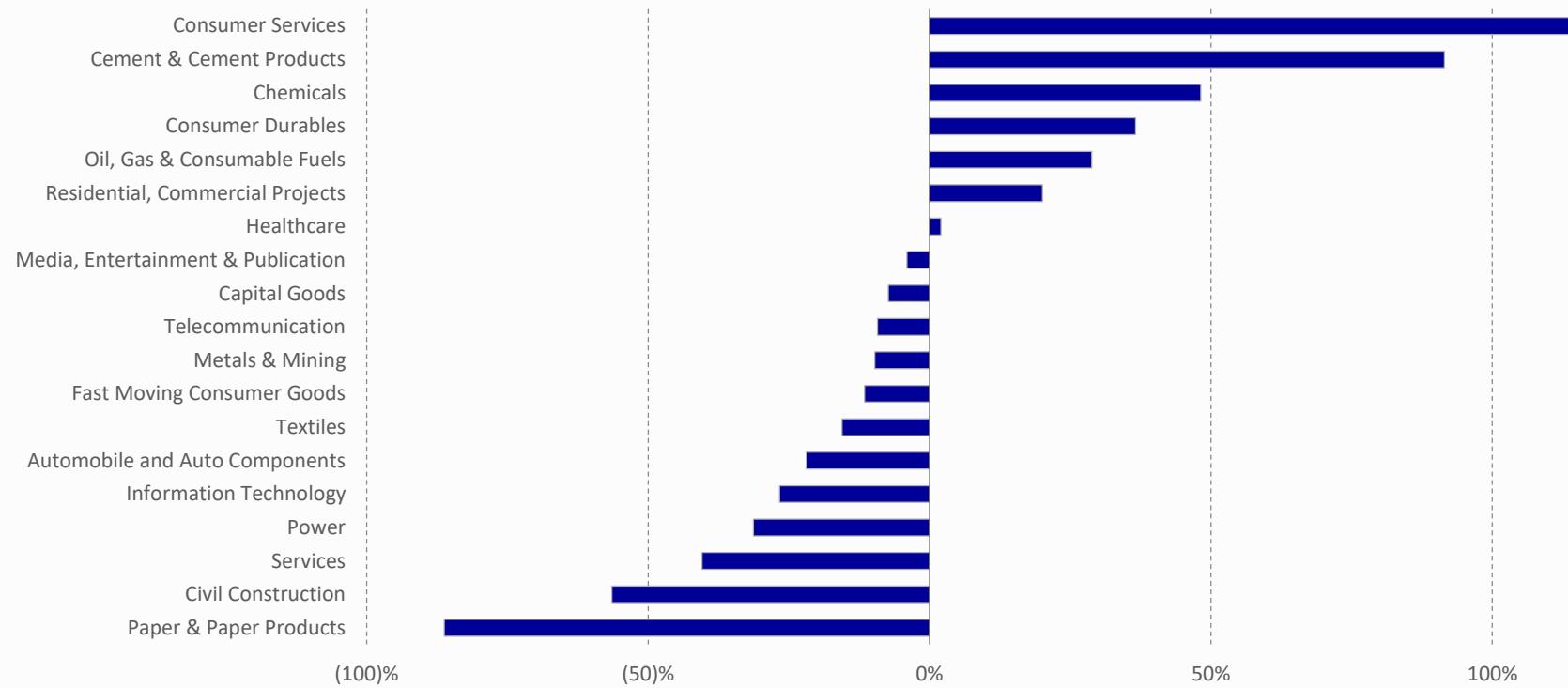
Capex by Sectors (INR b)	Average Capex (2011-20)	Average Capex (2022-25)	Consensus Estimate 2026	Avg Share (2011-20)	Avg Share (2022-25)	FY26 share	Growth (2026 over 2022-25)	Incremental contribution to growth 2022-25	Growth (2026 over 2025)	Incremental contribution to growth 2026
Oil, Gas & Consumable Fuels	1,245	2,475	2,829	34.9%	42.1%	35.2%	14	53.3	(0)	16.3
Power	512	582	1,252	14.4%	9.9%	15.6%	115	3.0	51	30.9
Metals & Mining	549	830	1,055	15.4%	14.1%	13.1%	27	12.2	(-5)	10.4
Telecommunication	323	470	681	9.1%	8.0%	8.5%	45	6.3	17	9.8
Auto & Ancillaries (excl. Tata Motors)	202	347	413	5.7%	5.9%	5.1%	19	6.3	(7)	3.0
Cement & Cement Products	74	231	370	2.1%	3.9%	4.6%	60	6.8	23	6.4
Healthcare	127	206	229	3.6%	3.5%	2.8%	11	3.4	(10)	1.1
Chemicals	56	125	159	1.6%	2.1%	2.0%	27	3.0	23	1.5
Capital Goods	73	113	181	2.1%	1.9%	2.2%	61	1.7	18	3.0
IT	91	101	173	2.6%	1.7%	2.2%	71	0.4	59	3.3
FMCG	62	89	98	1.8%	1.5%	1.2%	9	1.2	(4)	0.4
Services	80	80	248	2.2%	1.4%	3.1%	212	(0.0)	154	7.8
Civil Construction	90	62	78	2.5%	1.1%	1.0%	26	(1.2)	23	0.7
Consumer Services	16	53	85	0.4%	0.9%	1.1%	61	1.6	16	1.5
Consumer Durables	22	47	52	0.6%	0.8%	0.7%	11	1.1	(3)	0.2
Residential, Commercial Projects	19	35	99	0.5%	0.6%	1.2%	185	0.7	143	3.0
Textiles	12	16	27	0.3%	0.3%	0.3%	71	0.2	35	0.5
Media, Entertainment & Publication	9	13	13	0.3%	0.2%	0.2%	(0)	0.2	34	(0.0)
Paper & Paper Products	5	1	0	0.1%	0%	0%	(76)	(0.2)	(88)	(0.0)
Total	3,568	5,875	8,042				37	100	12	100

Source: NSE, MOFSL

October 2025

Emerging sectors for capex: ECom, Diversified Retail, Hotels

Delta shift in capex: Traditional vs emerging sectors (2011–20 vs 2022–25)



Source: CEIC, MOFSL Research

Power, Utilities, Oil & Gas, Ports, Airlines to lead capex growth

- According to street consensus, FY26 NSE 500 capex is expected to grow 11.6% YoY to INR8.0t (FY25: INR7.2t). Focusing on core sectors with structural drivers, growth is expected at 23%, reaching INR6.3t (FY25: INR5.1t).
- Sectors contributing the most to private capex include oil & gas, coal, power T&D, telecom, and auto.
- We have divided sectors into four quadrants based on the size of their capital spending.

Big sectors, big capex – INR4.0t (20% YoY)

- ❖ Power Generation/Utilities/ T&D
- ❖ Coal
- ❖ Telecom
- ❖ Oil & Gas
- ❖ Auto

Small sectors, big capex – INR0.5t (52% YoY)

- ❖ Defense
- ❖ Cap goods
- ❖ Carbon black
- ❖ Pesticides
- ❖ Agrochemicals
- ❖ Fertilizers
- ❖ Textiles
- ❖ Ecom
- ❖ Industrial Minerals
- ❖ Civil Construction
- ❖ Speciality chemicals
- ❖ Zinc
- ❖ Realty & Data Centre

Big sectors, small capex – INR1.8t (24% YoY)

- ❖ Aluminum
- ❖ Cement
- ❖ Airlines
- ❖ Ports
- ❖ Pharma/Hospitals
- ❖ Iron & Steel
- ❖ Aluminium
- ❖ IT

Small sectors, small capex

- ❖ Cables
- ❖ Retail
- ❖ Restaurants
- ❖ Hotels
- ❖ Footwear
- ❖ FMCG
- ❖ Sugar
- ❖ Logistics
- ❖ Media

Big sectors, big capex: Power, Coal, Auto

Power Generation/Utilities/T&D

- These sectors are witnessing increased T&D spending across India. Capex is rising across renewables/hydro/offshore wind/thermal power (JSW, NTPC, Adani Power, Tata Power).
- **Generation & Utilities (JSW Energy, BHEL, Torrent Power):** Capex is expected to grow 70% YoY to INR1.3t
- **Transmission & Distribution (T&D) (PGCL, Apar Industries, GE Vernova):** Capex is expected to rise 155% YoY to INR0.2t

Coal India: The company is leading the sector with 40% capex growth (INR0.2t). FY25 saw subdued growth. The company is expanding capacities in FY26 by re-opening 32 defunct mines, launching up to five new opencast mines through PPP, and issuing tenders to construct 5 GW of renewable capacity—3 GW solar and 2 GW wind.

Telecom

- Maintenance capex remains the focus. With FPO funds exhausted, Vi is relying on internal cash and non-bank financing to drive its capital expenditure, especially amid unresolved AGR issues (a bank raise is in process, but nothing has been confirmed yet). Meanwhile, Airtel continues to prioritize maintenance capex following the completion of its 5G rollout. It is also allocating capital toward data center investments.
- The total sector capex is expected to rise ~INR100b in FY26 to INR0.7t (**Vodafone**: +73% YoY (INR73bn); **Airtel**: +9% YoY (INR32b)).

Oil & gas

- The sector anticipates aggressive capacity expansion, driven by higher demand (green energy, crude oil, NG demand to double by 2040) (Oil India, GAIL).
- Capex is expected to rise 14% to INR1.5t (excl. RIL, CIL) (GAIL, Gujarat State Petronet, IGL, BPCL, HPCL, Petronet LNG Ltd).

Auto & Auto Ancillaries (ex-Tata Motors): OEM capex growth remains flat; capex of tire companies is likely to grow 38% to INR70b.

- Tire companies (replacement segment: Apollo: +98% YoY; JK: +45%), EVs and tractor segments are witnessing capex growth. Larger segments like CV and PV are witnessing a slowdown. OEMs' capex is expected to pick up after the rundown of inventory. The sector stands to benefit significantly from the GST cut.

Big sectors, small capex: Cement, Airlines, Ports

Cement

- Healthy expansion by all companies in anticipation of strong demand in the next 2-3 years; cash-rich B/S (more equity, less debt)
- Capex to rise 25% to INR0.3t (Ambuja, UT)

Airlines (InterGlobe Aviation): Sharp increase in capex to INR0.1t, focused on leasing aircraft and adding international routes

Ports

- Expansion of port infra, acquisition of additional fleet, and growth in logistics business; over 300% surge in sector capex to INR0.1t
- **Adani Ports**: 576% YoY (INR0.1t); 'transforming company into integrated transport utility company... rail, terminals, ICDs, warehouses, agri-logistics, and now trucking' – Ashwani Gupta, CEO (Adani Ports)
- **JSW Infra**: 154% to INR52b; Gujarat Pipavav: >200% YoY (INR3b)

Aluminum/iron and steel

- Maintenance capex continues as aluminum realizations remain under pressure from Chinese exports and global surplus. Newer segments, like Specialty Alumina, remain relatively small. Funding: Internal accruals (~80%) + debt
- Capex to rise 7.3% to INR0.4t (Vedanta, Hindalco: US subsidiary Novelis led capex on aluminum recycling, National Aluminum Co. Ltd)

IT

- Maintenance capex across Tier-1, Tier-2 companies; tariff/global trade-led uncertainty remains a key risk, driving lower headcounts
- Only Coforge (IT) and Anant Raj (Realty) have announced data center-driven fresh capex; several unlisted players announcing capex in this space

Small sectors, big capex: Defense, Cap Goods, Agro/Specialty Chemicals (1/2)

Defense

- Sharp increase in orders within India as well as outside (drones, aircraft, explosives)
- 95% YoY capex growth to **INR64b** (Hal; Zen Technologies); Industrial & Defense Explosives – 140% YoY to INR24b (Solar Industries)

Cap goods

- **Mixed capex performance.** Companies entering newer segments; traditional segments stagnant. Strong sub-segment growth in castings & forging (AIA Eng.), **Electrodes & Refractories (HEG)**, heavy electrical equipment (Triveni Turbine), industrial products (Honeywell automation)
- 18% YoY capex growth to INR41b

Civil construction

- Afcons/ IRB-ECB; Kalpataru/KEC – Internal accruals
- IRB Infra Developers (232% YoY), KNR Cons (317% YoY), KEC (83% YoY), NCC (109% YoY), PNC Infratech (178% YoY). (Note: RITES capex at (-) 40% YoY; L&T: 0%)
- Negative: Delayed payments in water projects; Positive: rise in renewable/hydro/wind projects
- 17% YoY capex growth to INR70b

Fertilizers/pesticides/agrochemicals

- Domestic demand: Good. Global demand: Mixed (Africa, Middle East, South Asia performing well; US weak)
- 62% growth in capex to INR53b (UPL, Bayer CropScience, Chambal, Coromandel)

Specialty chemicals

- Robust demand led by expansion in agrochemicals, pharma, and fluorochemicals
- 19% capex growth to INR44b (SRF - announced two new projects of INR7.4b for agrochem in Dahej and Indore)

Small sectors, big capex: ECom, Realty, Zinc, Industrial Minerals, Carbon Black (2/2)

Industrial minerals

- Major capex allocated toward slurry pipeline and digital mining (IoT/Drone-based)
- 57% YoY increase in capex to INR55b (NMDC, Gravita India, Gujarat Mineral Development)

Zinc

- Restraint capacity expansion; steady zinc demand with higher production costs (exploring rare earth element opportunities)
Production lower due to lower ore grades in certain mines and global price volatilities; Funding: Internal accruals
- Hindustan Zinc: 33% capex growth to INR57b

Textiles

- Domestic: Weak, Global: Expectations of higher exports; Global uncertainty weighs; FTAs provide some support (UK-India FTA).
- 40% YoY capex to INR28b (KPR mill, Vardhman)

Ecommerce

- Expansion in tier-2, tier-3 cities; warehouse building; Risk: Competition
- >100% capex growth to INR13b (Eternal Ltd)

Carbon Black

- (PCBL) INR35b capex is allocated across three initiatives over the next five years, expanding carbon black capacity to over 1MT and doubling Aquapharm's capacity and infusion in the new JV for nano silicon products. Global CB demand is expected to post a 3.6% CAGR. The Indian tire industry is likely to clock 7-8%, positioned to capitalize on the EV battery market growth.
- PCBL capex: 117% YoY to INR7b

Realty

- Only a few companies are adding fresh capital; inventory is an issue for the remaining companies. The sector is likely to benefit the most from interest rate cuts, fiscal push (income tax, GST rate cut), and easy liquidity.
- 84% capex growth to INR61b (DLF, Prestige Estates)

Sectors announcing capex projects – Metals, Renewables, Power, Electronics

- While companies typically begin the year with capex targets, they often face challenges in meeting them. Here, we examine capex announcements across key sectors in FY25 and 1QFY26 to identify where actual investment activity is taking place.

Industry	Value of new project announcements in FY25 (Rs bn)
Renewable electricity	5538
Steel	3013
Conventional electricity	2055
Other Chemicals	1402
Inorganic chemicals	1365
Electronics	1129
Passenger vehicles	635
Storage batteries	502
Commercial complexes	362
Misc manufactured articles (Aerospace, defence)	348

Source: CMIE, MOFSL Research

Industry	Value of new project announcements in Q1FY26 (Rs bn)
Aluminium & aluminium products	1280
Renewable electricity (Solar & Wind)	443
Air transport services (Indigo)	427
Conventional electricity (Power Storage)	189
Electronics (Solar Cells, PVC)	122
ITES (Data Centres)	120
Inorganic chemicals	103
Cement	82
Drugs & pharmaceuticals	74

Source: CMIE, MOFSL Research

- Newer sectors: Renewables, inorganic chemicals, infra (airports, ports), defense, data centers, semiconductors, green hydrogen, EVs, energy storage (Tata, JSW, Adani, Reliance, etc)

Banks lending money to Power, Renewable, Electronics, Airline

- RBI's sectoral credit data shows strong lending growth in Metals, Electronics, and Power. Through our corporate channel checks, we have compared private sector capex plans/announcements with areas where banks are actively disbursing credit.
- **Objective:** To assess whether the market can support these capex plans and validate if private sector investment intentions align with actual bank lending trends.

KEY SECTORS WHERE CREDIT OFFTAKE IS TAKING PLACE

- Power generation/distribution
- Renewables (solar)
- Electronics
- Airline
- Telecom (Vi)
- Data centers
- Metals (slower but ongoing growth)
- Ports (deployment of capital raised is an issue)

KEY SECTORS WHERE CREDIT OFFTAKE IS NOT TAKING PLACE

- FMCG (only organic capex taking place; not much borrowing from banks)
- Diversified retail (Banks hesitate to lend)
- Specialty chemicals (destocking still a challenge)
- Auto
- Pharma (very few players looking for capex)
- Railways (only a few small players looking for capex; recent government policy update a concern)
- Textiles
- Footwear
- Housing (inventory buildup a concern)
- Defense (banks forbidden to lend)
- Cement (strong B/S; own financing)

Sectors dependent on banks (monthly data highlights) – Metals, Electronics, Power

Services loans growth remained resilient: 11% YoY/10% FYTD

- Within services – **trade/real estate/NBFCs**: strong growth

Personal loans growth remained stable: 11.8% YoY (Jul'25: 11.9%)

- Within retail – **housing: tepid/ credit card: slowing /gold: strong**
- Vehicle** loan growth decelerating (lowest in three months), but decent at 8.7% YoY

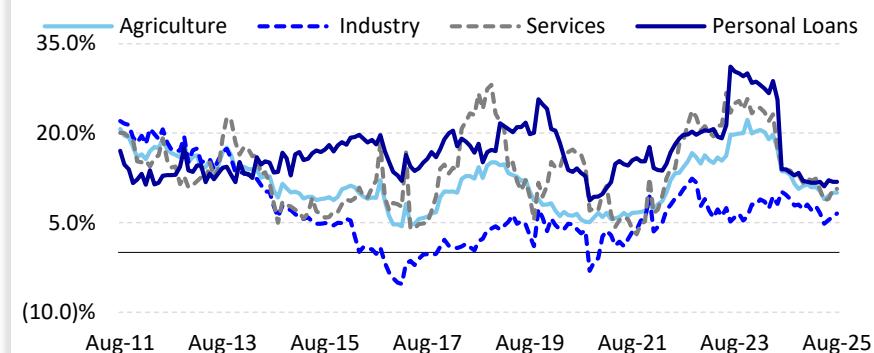
Industry leaders

- Micro** (21% YoY/17% FTYD); **medium enterprises** (13% YoY), **large enterprises** growth improved but still muted
- Basic metal**: Modest 9% growth; followed by the **Engg segment** (20% YoY)
- Power**: 11% YoY/8% FTYD, decent for a large sector.
- Petroleum**: Decelerated but still robust at 9% YoY/5% FTYD
- Chemicals**: Improved to 7% YoY/6% FTYD, the highest growth in five months

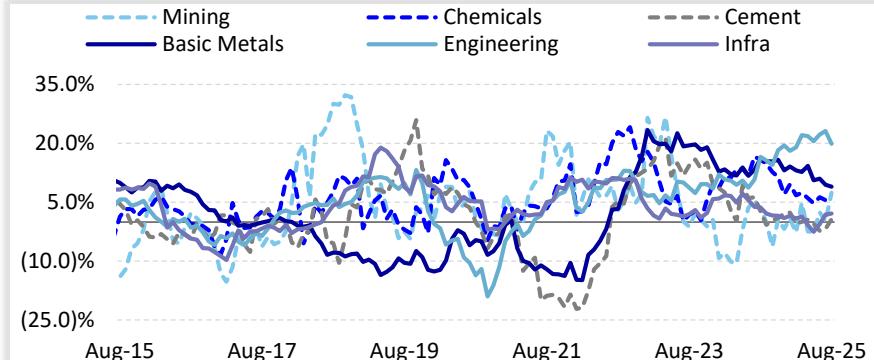
Industry laggards

- Infra** continues to struggle with 2% YoY growth; **Telecom** witnessed a 17% YoY decline/20% FTYD; **Ports** declined 14% YoY/15% FTYD; **Cement** growth improved slightly but still muted at 0.7% YoY/-0.6% FTYD

Broad sectoral credit growth (%YoY)



Sub-sector-wise credit growth (%YoY)



Source: CEIC, MOFSL

Sector-wise ECB flows

- There is a growing reliance on ECBs, IPOs, QIPs, and corporate debt. This slide focuses on sectors leveraging ECB funding to drive modernization and capital expansion.

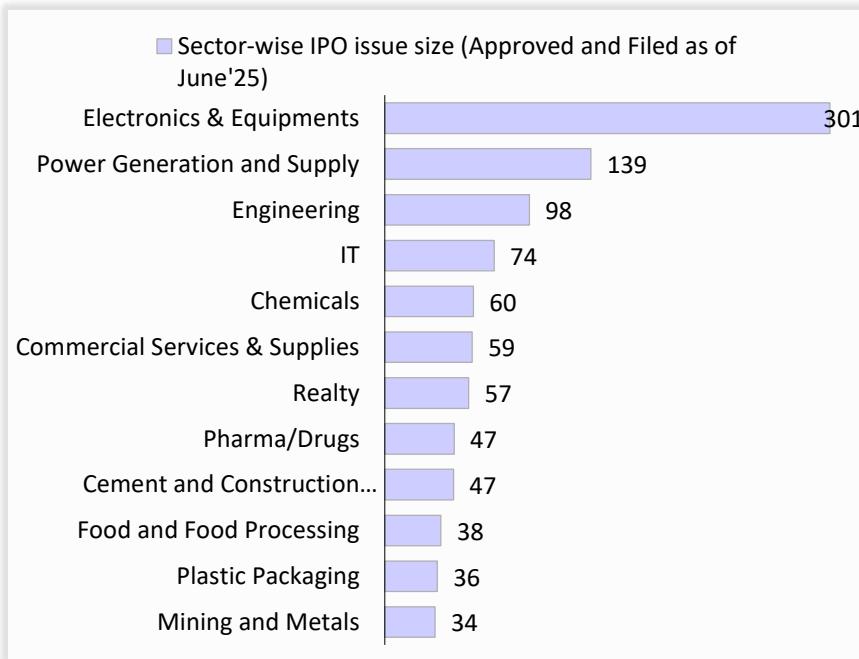
Sector		Purpose of ECB funding over the past year
Services (Aviation)		InterGlobe Aviation raised INR818m to expand its aircraft fleet
Data Centers		INR877m borrowed to build new data centers
Renewable Energy		New green energy projects by Adani Green & Tata Power Renewable
Chemicals & Chemical Products		INR520m for modernization and new projects (SNF Limited, Mundra Petrochem)
Electronic Products		Funding for smart metering and semiconductor manufacturing projects
Basic Metals		For importing capital goods for manufacturing
Infrastructure		Civil engineering firms (Afcons, IRB) using ECBs for new infrastructure projects
Others		Scattered inflows in cement, solar energy, and refractory materials

Source: RBI, MOFSL

Sector-wise IPO announcements – Electronics, Power

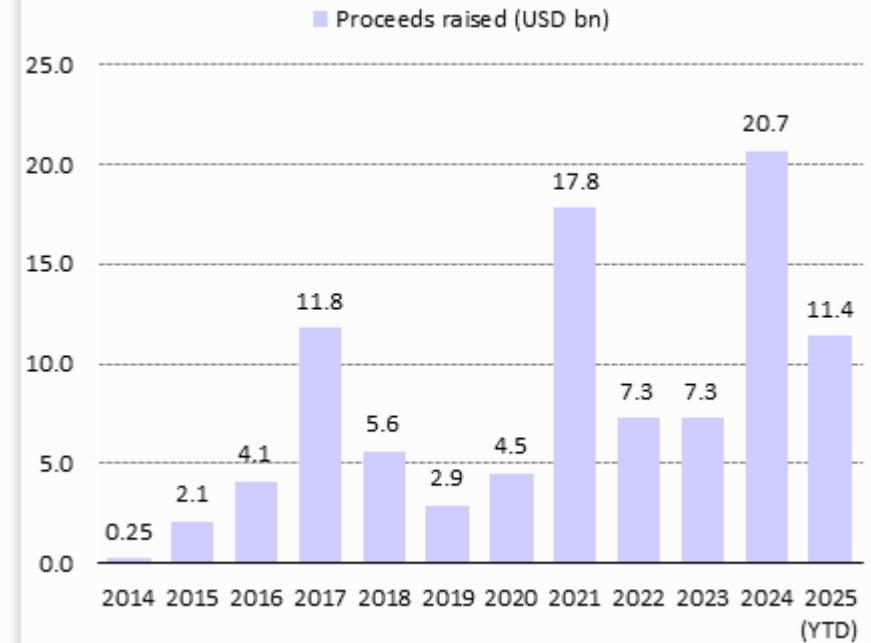
- Electronics and power have the largest issue size in IPOs.

Sector-wise IPO size (INR b)



Source: MOFSL Research

Despite global uncertainties, USD11.4b was raised in CYTD25 via IPO route

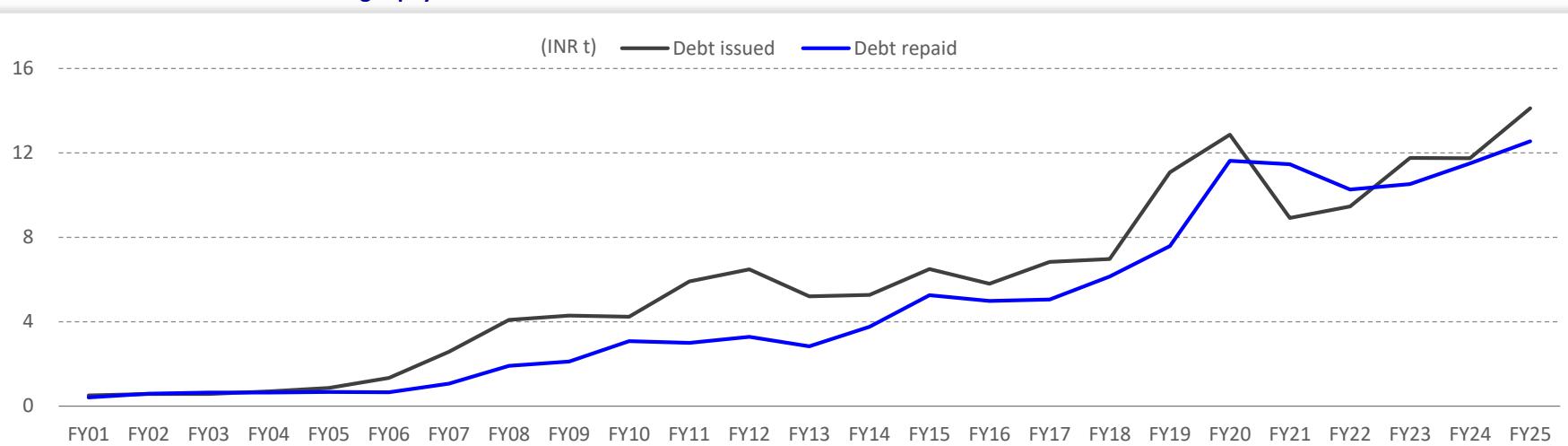


Source: MOFSL Research

Net corporate debt issuance picks up

- India's gross corporate debt issuance at INR14t, as reported by listed players with over INR100m in market caps, has begun to exceed repayments of INR13t over the past three years. This trend not only signals a positive outlook for private capex but also highlights corporate debt as an active financing instrument over and above the traditional banking route and equity raises.
- Looking at the breakdown of corporate debt by sectors over 1QFY26, the top five sectors—excluding financials and government—were Utilities, Materials, Consumer Discretionary, Industrials, and Consumer Staples, totaling around INR750b.

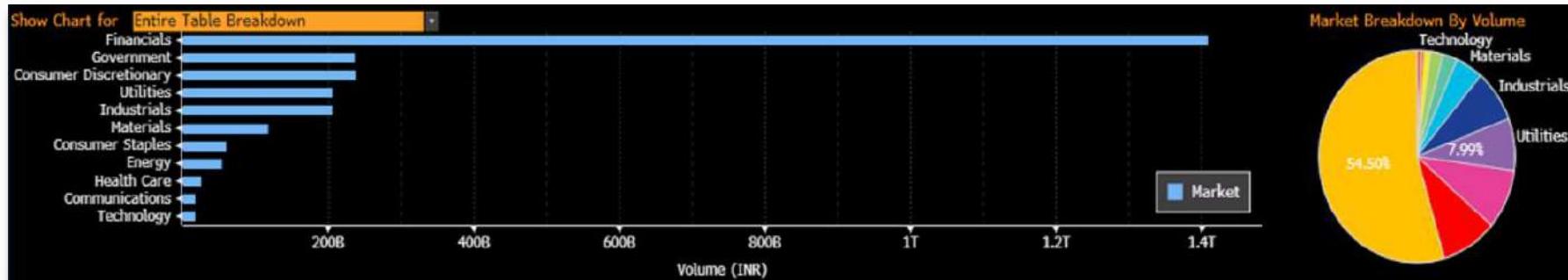
Debt issuance has started exceeding repayment after a decade



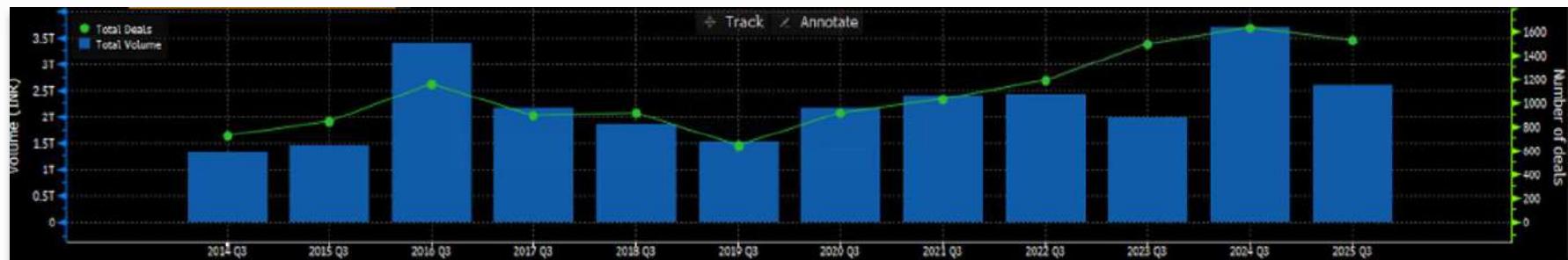
Source: Bloomberg, MOFSL

Consumer Discretionary, Utilities, and Materials gain from corporate debt pickup

Breakdown of corporate debt by sectors for 2QFY26



Quarterly corporate bond issuance volume (INR t)



Source: Bloomberg, MOFSL

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 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS 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") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL. In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276



Disclaimer:

This report is intended for distribution to Retail Investors.

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alterations 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, enlistment as RA with Exchange 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 Patel 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+

Ms. Hemangi Date

Mr. Kumud Upadhyay

Mr. Ajay Menon

Mr. Neeraj Agarwal

Mr. Siddhartha Khemka

Contact No.

022 40548000 / 022 67490600

022 40548082

022 40548083

022 40548085

022 50362452

Email ID

query@motilaloswal.com

servicehead@motilaloswal.com

am@motilaloswal.com

na@motilaloswal.com

po.research@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, BSE enlistment no. 5028 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. 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 dpgrivances@motilaloswal.com.