Economy | Macro-Cap

Prices that make the story whole: Why is RBI turning dovish?

Manufacturing inflation doubled in three months, and the RBI did not blink

WPI manufacturing inflation doubled in three months, from 4.8% in March to 7.5% in June. But the headline number hides that out of 22 NIC subgroups (957 sub-series), only five are running double-digit year-on-year gains. The rest of the index, which is over half the basket, has barely moved. If we strip out gold, silver, and oil, there is no broad-based price pressure visible (exactly what the RBI governor mentioned!).

The current inflation shock is primarily cost-driven, not demand-driven. Higher crude oil prices and the rally in industrial metals have pushed up input costs across chemicals, textiles, rubber & plastics, basic metals, and allied sectors. However, most consumer-facing industries have largely absorbed these higher input costs instead of passing them on to retail prices.

Capex-related industries are the notable exception. Sectors such as electrical equipment, transformers, machine tools, railways, and aerospace components continue to record sustained price increases, reflecting strong investment demand rather than merely higher input costs. This reinforces the ongoing infrastructure and capital expenditure cycle.

This is why the RBI has paused in three meetings, keeping the repo rate unchanged at 5.25%. Inflation exists but is concentrated, which buys room to hold rather than tighten. While overall the stance is positive for consumption through the credit channel, the rate-sensitive sectors such as auto, realty, consumer durables, and NBFCs are likely to benefit more.

We expect the RBI to remain on hold through CY26; the window for policy tightening is likely to open next year (El Niño impact, manufacturing cost passthrough, high credit growth feeding into inflation, and global interest rate hike cycle). The RBI is expected to deliver a cumulative 75–100bp rate hike depending on data, implemented through calibrated 25bp increases at successive MPC meetings.

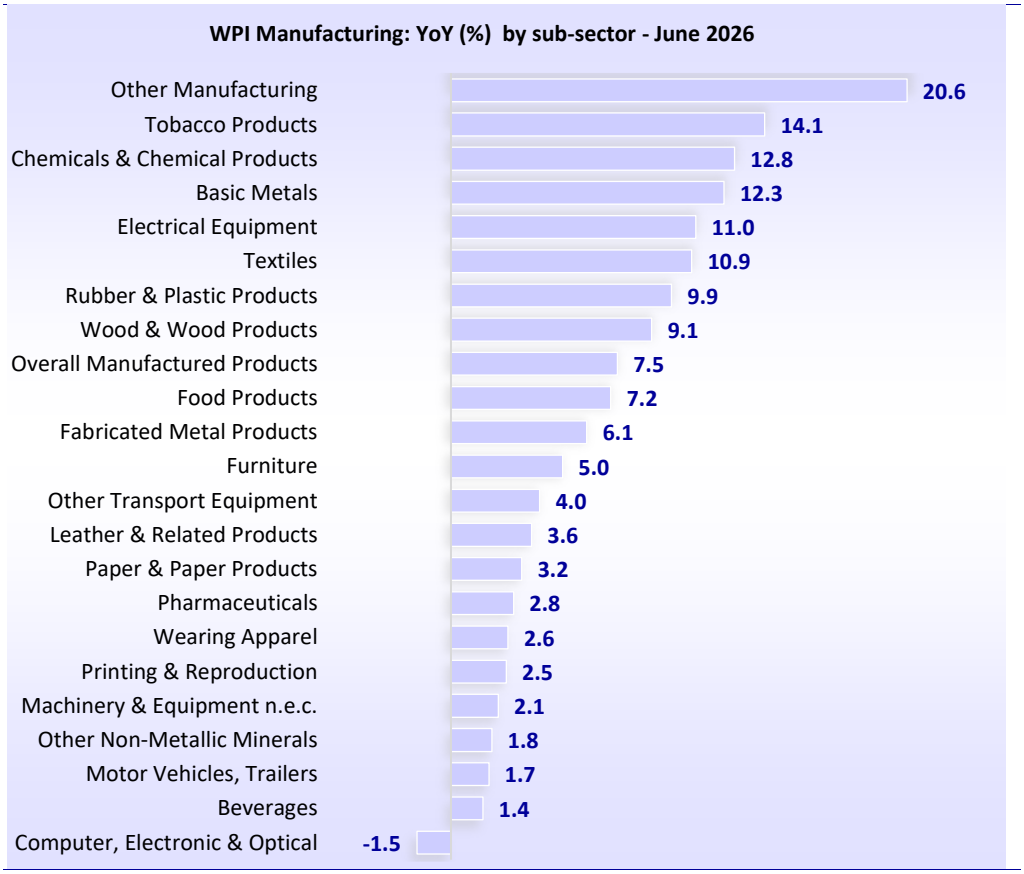
Price gains are concentrated in the following five sectors:

- **Basic metals, at 12.3% YoY in Jun'26, is the largest sector after food, with a weight of 8.4%. However, the MoM print turned negative, down 1%. Whether July confirms a plateau or the start of a reversal will matter.**
- **Chemicals picked up sharply over the last three months (13% YoY in Q1FY27). This sector is a part of the value chain for many specialty chemicals and cable insulation.**
- **Textiles and rubber & plastics are the two groups still accelerating. Textiles has one of the steepest increases outside chemicals and basic metals. Rubber & plastics posted the fastest single-month gain in June, up 1.1% MoM. Both point to cotton, synthetic-fiber, and crude-linked input costs working through the chain, with a lag.**
- **Electrical equipment increased by 11% YoY, its sixth consecutive month of gains. This looks like sustained demand pull rather than an input spike, which explains the capital-goods and data center capex story.**

Radhika Piplani – Research Analyst (Radhika.Piplani@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.

Exhibit 1: WPI manufacturing inflation by sub-sector (% YoY)



Source: CEIC, MOSL Research

Key findings:

Inflation remains contained despite rising input costs

Despite a sharp rise in WPI manufacturing inflation, the data suggests that input cost pressures have not yet translated into broad-based consumer inflation. Most manufacturers continue to absorb higher petrochemical and metal costs rather than passing them on through higher selling prices, keeping core inflation relatively benign. This is consistent with the RBI's assessment that the current inflation episode remains concentrated in a few commodity-linked sectors and is not yet broad-based. As long as cost pressures remain confined to producers and do not spill over into core inflation, the RBI has room to maintain its policy pause and delay monetary tightening.

Corporate margins under pressure, consumption remains supported

One of the most striking observations from the data is that manufacturers have largely absorbed higher input costs instead of passing them on to consumers. Petrochemical- and metal-intensive industries such as tyres, apparel, leather footwear, appliances, and automobiles have witnessed rising production costs, but retail prices have remained relatively stable. This suggests that competitive pressures and moderate demand conditions are limiting pricing power. While this is positive for household purchasing power and supports private consumption, particularly in discretionary segments, it also implies that corporate margins are likely to remain under pressure if elevated input costs persist.

Capex emerges as the strongest growth engine

Unlike consumer-facing sectors, capital goods industries continue to exhibit sustained pricing power, reflecting robust underlying demand rather than commodity-led inflation. Consistent price increases across fiber-optic cables, grid transformers, industrial machine tools, electrical equipment, railways, and aerospace components indicate that India's infrastructure, power transmission, manufacturing, and data center investment cycle remains firmly intact. The persistence of these gains over several months reinforces our view that the ongoing capex cycle is structural and is likely to remain an important driver of economic growth.

Producer inflation could become consumer inflation with a lag

The current manufacturing inflation shock remains largely confined to upstream industries and has not yet translated into broad-based consumer inflation, allowing the RBI to remain on hold. Although crude oil prices have moderated following the easing of geopolitical tensions, input costs across petrochemical- and metal-intensive industries remain significantly higher than at the beginning of the year. So far, manufacturers have largely absorbed these higher costs, limiting the pass-through to retail prices and keeping core inflation benign. However, if input costs remain elevated, bank credit continues to expand at around 18% YoY, and domestic demand remains resilient, firms may eventually regain pricing power and begin passing higher production costs on to consumers. Such a delayed pass-through could broaden inflationary pressures, lift core CPI inflation, and strengthen the case for the RBI to begin policy normalization in FY28.

Details:

Textiles: Three micro-themes running simultaneously

- Textiles posted 10.9% YoY growth in June and 9.4% YoY in Q1FY27, led by petrochemical-linked inputs. Polyester viscose blended yarn (17%), Viscose rayon & dacron yarn (14.7%), and polyester spun yarn (10.2%) are pushing inflation higher.
- Jute prices are high too, but that is due to raw jute acreage falling from a normal 6.6 lakh hectares to about 5.56 lakh hectares in the 2025-26 Kharif season, as farmers shifted to maize after years of jute prices sitting below MSP. Raw jute itself went from a trough of INR4,700 per quintal to an all-time high of INR17,750-18,000 by late Mar'26, which is why Textiles is looking at the steepest QoQ acceleration. The government permitted HDPE and plastic substitution for food grain packaging under the Jute Packaging Materials Act because mills could not physically source raw material at the mandated price. This is a domestic agricultural supply shock, and it can reverse once the new crop comes.
- Cotton prices are elevated too, consistent with the cotton MSP hike.
- **Apparel is not passing any of this through yet.** Wearing apparel overall is up just 2.6% YoY, despite the yarn and fabric inputs being higher by 2-6x. **Garment makers are absorbing input inflation rather than passing it into wholesale prices**, which is unlikely to hold if jute and cotton costs stay elevated through the rest of the year.

Leather: Leather shoes deflating; athleisure isn't

Leather carries the smallest weight of the sectors in this note, up 3.6% YoY in June. Leather shoes are up just 0.4% YoY. However, every synthetic and technical-content

item is picking up, like water footwear, which is up 14.2% YoY; footwear with textile uppers is up 10.6%; and leather-cum-rubber/plastic sandals are up 8%.

Wood: A resin story

Wood prices are up 9.1% YoY in Jun'26, but due to the engineered panel segment and not raw sawn wood, timber, or wooden planks. Particle Board is up 20.5% YoY, Veneered Particle Board is up 11.8%, and Plywood Board is up 8.4%. The engineered segment is bonded with resins, a petrochemical derivative.

Chemicals: Petro-linked chemical compounds pick up; bio-based declines

- Chemicals are up 12.9% YoY, led primarily by **Sulphuric Acid**, up 136% YoY in June and 41.6% in Q1 FY27. Sulphuric acid is an industrial input used across fertilizers, battery manufacturing, metal pickling, and dyes, and it's recovered as a byproduct of crude oil refining and metal smelting. It's through this channel that Rubber & Plastics, Textiles' synthetic yarns, and Wood's resin-bonded panels were picking up.
- Urea, the price-controlled fertilizer, is up just 1.1% YoY, while market-priced Mixed Fertilizer (NP) is up 43.2%, Ammonium Nitrate 37.3%, Ammonium Sulphate 32.4%, DAP 12.6%.
- Margin compression shows up in consumer-facing chemicals too, the same as in apparel and leather shoes. Soap is up just 4.2% in Jun'26, Shampoo 1.2%, Non-Medicated Toothpaste 0.9%, and Cosmetics & Perfumery is down 5.9%, even as the inputs feeding all of them are increasing. Branded, consumer-facing chemical products are absorbing the input shock rather than passing it through.
- **This suggests that even if WPI inflation runs high, CPI inflation is unlikely to see the same petrochemical cost pass-through to consumers.**

Pharma: Policy sets the price, not crude

- Pharma inflation is up 2.8% YoY in Jun'26. Several formulations posted 0% MoM and QoQ moves for several months running, possibly on account of India's Drug Price Control Order, under which the National Pharmaceutical Pricing Authority caps what manufacturers can charge on essential medicines, regardless of what's happening to input costs or global markets.
- The one exception is Salicylic Acid & its Salts (used in aspirin and topical preparations), up 16.8% YoY in Jun'26, the largest gainer in the sector.
- Some complex biologics and specialty inputs have declined sharply, plausibly on global API oversupply in a few segments or competitive pricing.

Rubber and Plastics: Packaging passes it through, tyres absorb it

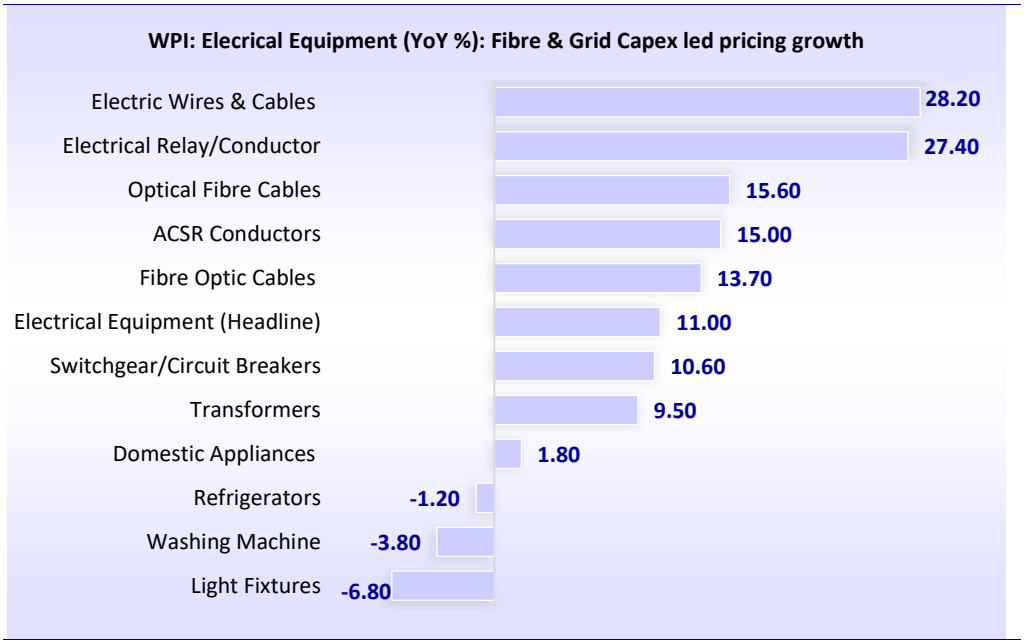
- Rubber and Plastics prices are up 9.9% YoY in Jun'26. Packaging plastics are passing higher input costs as they are direct price-takers from the chemicals that go into them.
- On the other hand, tyre prices are lower. Car Tyres (-0.3% YoY), Truck & Bus Tyres (-0.6%), and Tyres for Light Motor Vehicles (-0.6%) are all flat to negative, despite their two principal inputs, synthetic rubber and carbon black, increasing.

Electrical equipment: Data center-led price increase

- Electrical Equipment increased by 11% YoY in Jun'26. The gains have been from the past six consecutive months, implying it's a demand-pull rather than an input-shock.
- Optical Fiber Cables are up 15.6% YoY in Jun'26, and Fiber Optic Cables are up 13.7% (telecom, data-center-led growth).

- Electric Wires & Cables are up 28.2% YoY in Jun'26. Electrical Relay/Conductor is up 27.4%, and ACSR Conductors (aluminum-steel cable used in power transmission lines) are up 15%, tracking the copper and aluminum commodity cycle. Transformers (9.5%), Switchgear and Circuit Breakers (10.6%), and Parts of Electricity Distribution Apparatus (10.7%) point to grid and transmission capex.
- **Consumer-facing domestic appliances are, once again, absorbing costs rather than passing them through. Domestic appliances overall are up just 1.8% YoY in Jun'26, with Washing Machines declining 3.8% and Refrigerators dipping 1.2%, despite copper windings and wiring being core inputs to both**.

Exhibit 2: WPI: Electrical equipment fiber and grid capex-led pricing growth, % YoY



Source: CEIC, MOSL Research

Non-Metallic Minerals: Cement flat due to oversupply; glass prices up

- Other Non-Metallic Mineral Products prices rose by 1.84% YoY in June. Cement, the biggest weight within non-metallic minerals, is either flat or slightly negative. This is likely on account of intense competition among few large producers and excess capacity.
- Glass is where the prices have picked up. Blank Glass is up 18.8% YoY in Jun'26 alongside Marble Slab (10.7%) and Ceramic Tiles (9.1%), the main construction and decor-linked items. Separately, insulators, the porcelain and ceramic components used in power transmission, are up 12.5%, lining up closely with Electrical Equipment's 11.0% YoY (power, data center capex).

Basic Metals: Non-ferrous and precious metals lead the increase

- Basic Metals is up 12.31% YoY in Jun'26, but the June MoM print just turned negative.
- **Basic Iron & Steel, the sub-group within basic metals, is up only 6.4% YoY. But non-ferrous and precious metals are increasing fast.** Brass Tubes & Pipes (60.9% YoY), Gold Ore & Gold-Based Products (49.8%), Non-Alloyed Electrolytic Aluminum Plates (46.4%), Non-Alloyed Zinc (38.6%), Aluminum Semi-Finished Products (33.7%), Copper Wire Bars (30.7%), Copper Cathodes (29.2%). This is on account of a rally in global commodities and precious metals. **Gold prices**

rose due to safe-haven demand, and base metals on global supply and electrification demand.

- But most of the aluminum subsectors declined MoM, whether it's the bars, rods, disks or circles. This is because even oil prices retraced in June.

Fabricated Metals: Zinc and copper lead the growth

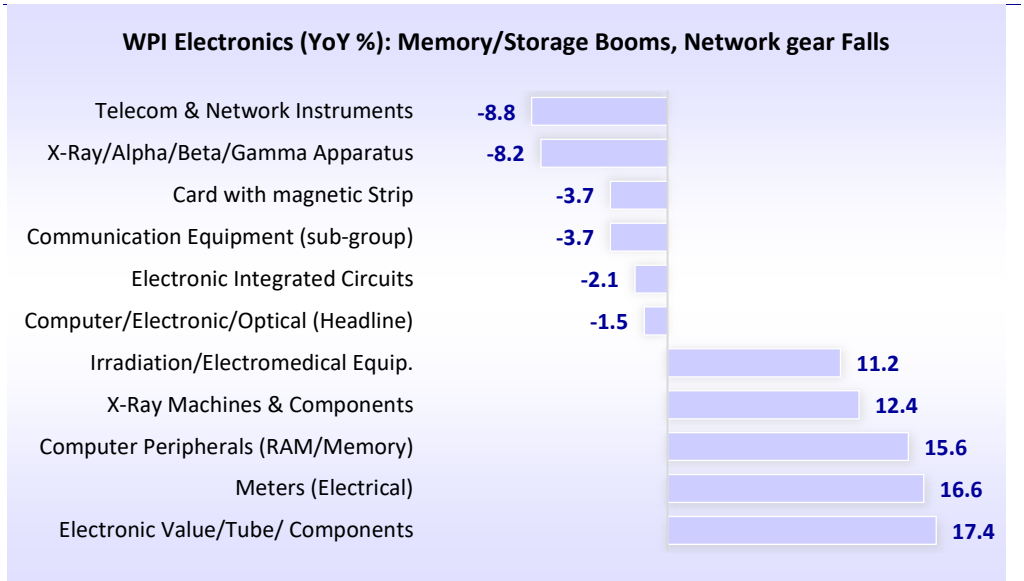
- Fabricated Metal Products, except Machinery & Equipment grew 6.1% YoY. Copper Bars, Rods & Wire Rods is up 21.3% YoY in Jun'26 (tracking closely with Copper Cathodes' 29.2% within Basic Metals). Galvanized sheet (Steel Coated with Zinc/Aluminum) is up 20.4% YoY with a 10.8% jump in the last quarter alone, and the driver is the zinc coating. The whole Treatment & Coating of Metals sub-group is up 18.3% YoY. Aluminum Utensils (11.7 per cent) and doors/Windows/Frames incorporating aluminum (10.7%) are also high.
- Weapons & Ammunition is down 3.3% YoY, likely due to government pricing.

Electronics: Memory booms, network gear dips

Computer, Electronic & Optical Products is down 1.53% YoY.

- **What's rising:** Computer Peripherals, which includes RAM and storage, is up 15.6% YoY (global memory-chip price surge, data center demand). Meters is the other notable riser, and it connects back to the copper price increase. X-Ray Machines (12.4%) and broader Irradiation/Electromedical Equipment (11.3%) are also seen rising.
- **What isn't:** Communication Equipment overall is down 3.7% in Jun'26. Within it, Telecommunication & Network Instruments, like routers, switches, and network hubs, are down 8.8% YoY. Cards with Magnetic Strip, down 3.7%, is a small but structurally declining category. The demand for magnetic-stripe cards keeps shrinking as chip-and-contactless payment technology displaces it, **a technology-substitution story rather than a price one.**

Exhibit 3: WPI Electronics (YoY %): Memory/Storage booms, network gear dips

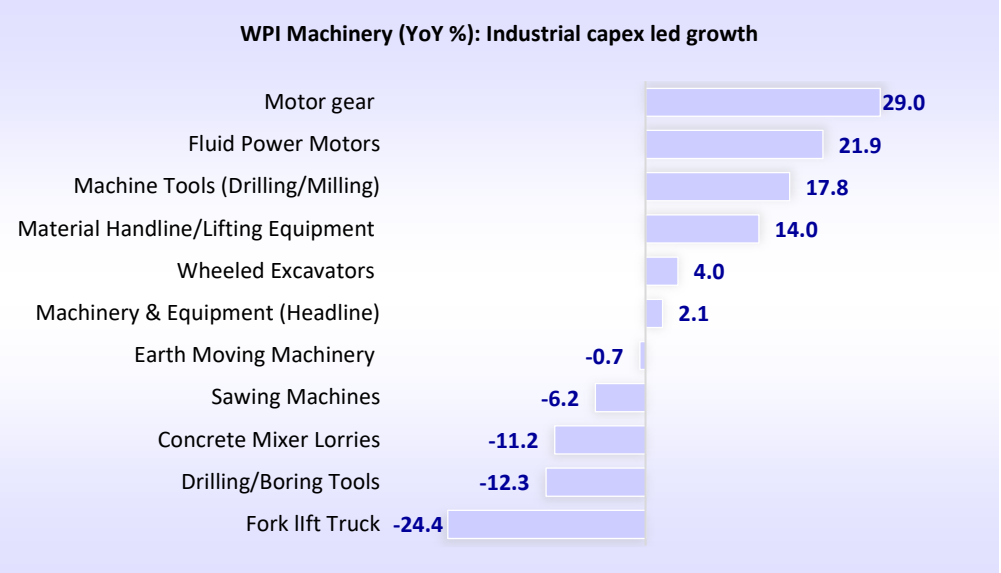


Source: CEIC, MOSL Research

Machinery: Construction equipment confirms the cement story, industrial capex doesn't

- Machinery & Equipment is up 2.1% YoY in Jun'26. Construction-linked machinery demand is soft. Concrete Mixer Lorries are down 11.2% YoY, Drilling or Boring Tools down 12.3%, Earth Moving Machinery down 0.7%.
- **Industrial and manufacturing capex categories** such as Fluid Power Motors (21.9% YoY), Machine Tools for Turning, Drilling, and Milling (17.8%), and Material Handling, Lifting & Hoisting Equipment (14.0%) are picking up.

Exhibit 4: WPI Machinery (YoY %): Industrial capex led growth

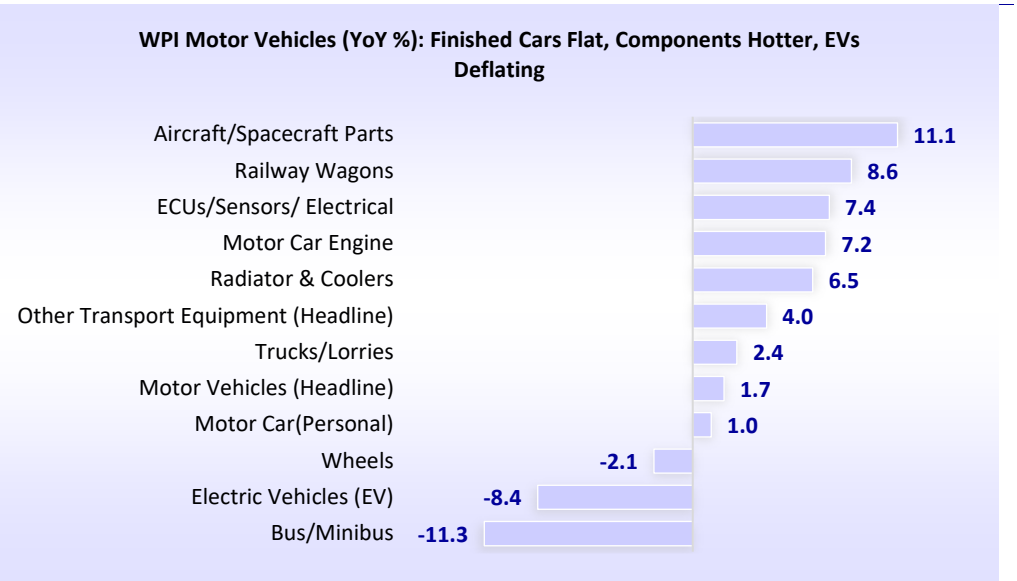


Source: CEIC, MOSL Research

Motor Vehicles: Finished cars absorb costs, EVs are genuinely deflating

- Motor Vehicles, Trailers & Semi-Trailers is up 1.7% YoY in Jun'26, and Other Transport Equipment is up 4% YoY.
- **Finished vehicle prices are not rising much. But the component prices are rising.** Motor Car is up just 0.97% YoY and Trucks/Lorries 2.36%, while the inputs are rising fast. Electronic Control Units, Sensors & Electrical Components up 7.36%, tracking the semiconductor and electronics cost pressure. Motor Car Engine up 7.25%, and Radiator & Coolers up 6.45%, tracking the aluminum commodity cycle.
- Electric Vehicles are down 8.36%YoY. EVs still consume copper, aluminum, and largely the same input chain as combustion vehicles, yet finished EV prices are falling. This is on account of technology-and-competition deflation.
- Within Other Transport Equipment, prices of Parts of Aircraft & Spacecraft (11.1%), Railway Wagons (8.6%), and Passenger Coaches (4.2%) are all seen rising (Aerospace and Rail capex).

Exhibit 5: WPI Motor Vehicles (YoY %): Finished Cars Flat, Components Hotter, EVs Deflating



Source: CEIC, MOSL Research

Furniture: Plastic prices lead the increase

Furniture computes to 5.03% YoY. Plastic Furniture, up 10.7% due to a rise in petrochemical prices and resin. Metal furniture increased by 5% and wooden furniture by 1-2%.

Other Manufacturing: Precious metal led increase

- Other Manufacturing computes to 20.55% YoY. It comprises silver, Gold, and precious stones.
- **Silver is up 88.46% YoY**. **Gold Biscuits/Coins/Ornaments is up 32.8%, Precious Metal Jewelry is up 25.1**%. Silver's outsized move likely reflects its smaller, more volatile market combined with overlapping industrial demand from solar and electronics manufacturing and investment flows.
- **Cut & Polished Diamond is down 10.8% YoY**. Diamonds have faced a global glut driven by lab-grown diamond competition and soft demand from China.

Outlook

- The one genuine strength in the data analysis is capex. Fiber-optic cable, grid transformers, industrial machine tools, and rail and aerospace components are all climbing steadily, as seen through six months of consistent price increases. This cements the data centers, grid build-out, and industrial capacity. This appears to be durable demand rather than a commodity spike.
- Gold and silver are driving the headline. The biggest shock for India has been the petrol-linked price increases. This is clearly visible through Chemicals, Textiles' synthetic fibers, Rubber & Plastics' packaging, Wood's resin panels, and the aluminum smelters inside Basic Metals. Petrochemical-heavy products got expensive. But consumer-facing ones didn't.
- Electric Vehicles are the exception. Prices are falling even as their inputs rise, because competition is beating cost pressure outright.
- **Key Takeaway:** Manufacturers are eating the cost instead of passing it on. It is seen in tyres, apparel, leather shoes, appliances, and cars. Prices have barely moved in regulated markets like Urea, pharma, defense production, and cement.

What this means for the RBI

- The RBI has room to stay on hold. Three consecutive pauses, repo rate at 5.25%, Neutral stance. The MPC in the last policy highlighted that greater clarity is needed on the path and composition of inflation before taking any policy action. While inflation is projected to remain above 5% over the next three quarters (at 5.9% in 3QFY27, 5.5% in 4QFY27, and 5.3% in 1QFY28) but the MPC is focused on whether the current food- and fuel-driven inflation spills over into broader price pressures and pushes up core inflation (core inflation is expected at 4.3% in FY27 in the Aug'26 policy, lower from 4.7% in the Jun'26 policy).
- Accordingly, while we expect the RBI to remain on hold through CY26, the window for policy tightening is likely to open next year. We expect the RBI to deliver a cumulative 75–100bp rate hike depending on data, implemented through calibrated 25bp increases at successive MPC meetings.
- While overall it is positive for consumption through the credit channel, the rate-sensitive sectors such as Auto, Realty, Consumer Durables, and NBFCs are likely to benefit more.

Exhibit 6: RBI lowered its FY27 inflation forecast to 5% in the Aug'26 policy from 5.1% in the Jun'26 policy

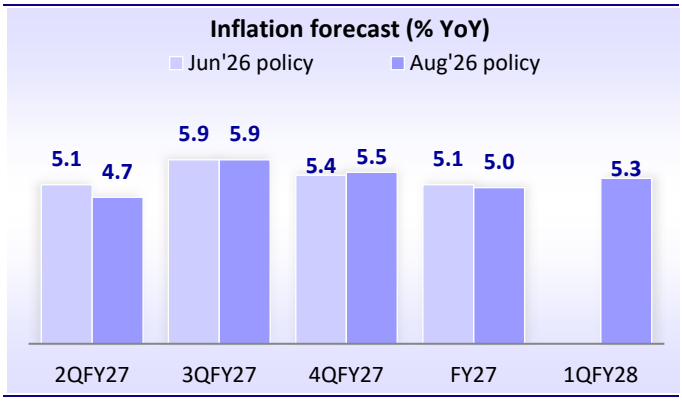
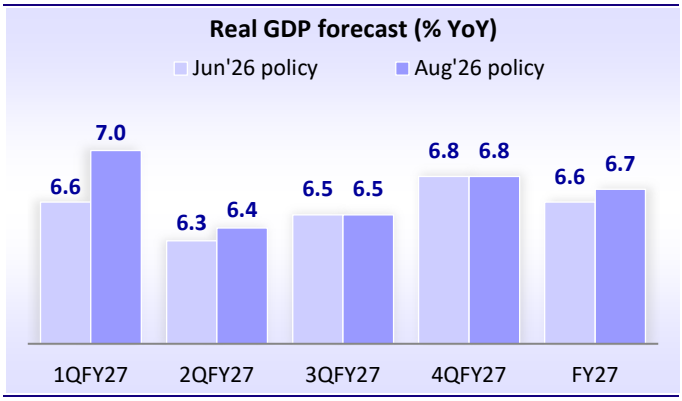


Exhibit 7: RBI increased its FY27 real GDP forecast to 6.7% in the Aug'26 policy from 6.6% in the Jun'26 policy



Source: RBI, MOFSL

Exhibit 8: Repo rate was unchanged at 5.25% in the Aug'26 policy

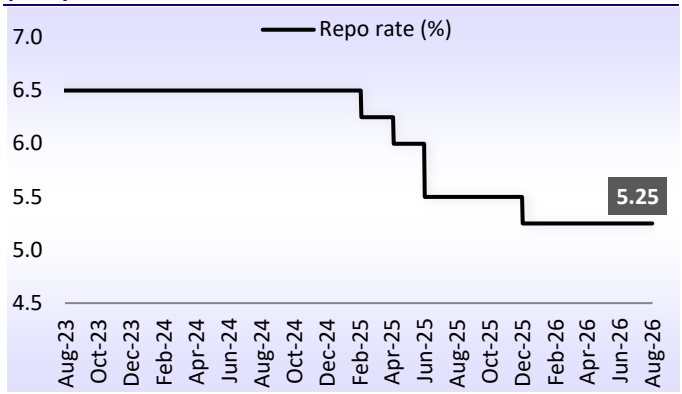
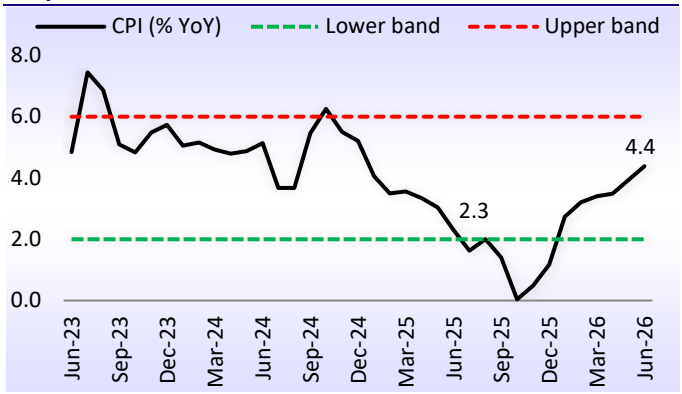


Exhibit 9: Inflation increased to 4.4% in Jun'26 from 3.9% in May'26



Source: RBI, 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, it's 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:
a) received any compensation/other benefits from the subject company of this report
b) managed or co-managed public offering of securities from subject company of this research report,
c) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
d) 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 it's 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	**Companies where there is interest**
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:

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.