

Economy

Macro

July 16, 2025

8th Pay Commission: One-time boost... some time away

Even as the intermittent noise about the 8th Central Pay Commission continues, the implementation is likely to be around 1.5 years out, with the Terms of Reference (ToR) and Commission members yet to be finalized. Past Pay Commissions have pegged the fiscal cost at 0.6-0.8% of GDP. We estimate the fitment factor at the minimum pay level at around 1.8 (real growth in pay at around 13%). Select discretionary consumption and savings (physical and equities) have been key beneficiaries in past pay revisions.

Government yet to notify the ToR and appoint the CPC members

The process started in January 2025 with the announcement of the 8th Central Pay Commission (CPC). Subsequently, the Joint Consultative Machinery has been in discussions to finalize the Terms of Reference for the Commission, though it is yet to be finalized by the government. The usual process would be to constitute the CPC, which will then begin deliberations with central and state government officials, representatives of employee organizations and pensioners, experts, etc. After the consultations, the CPC will submit their report and recommendations to the government. The government will seek Cabinet approval to implement the recommendations.

8th Central Pay Commission implementation unlikely before 4QCY26

Based on previous CPC timelines, we expect 8th CPC recommendations to be implemented around 4QCY26/1QCY27. We note that average time taken to submit the report is around 1.5 years from the date of CPC formation (1.5 years for 6th CPC and 7th CPC; around three years for 4th CPC and 5th CPC). The time taken by the government to implement after report submission has been 3-9 months. Exhibit 1 summarizes the timelines over the last four CPCs.

Fitment factor likely at 1.8; historically, fiscal cost at 0.6-0.8% of GDP

While it is premature and speculative to ascertain the impact of the 8th CPC on the fiscal, past CPC reports have pegged the impact at 0.6-0.8% of GDP. 8th CPC will likely keep the fiscal cost capped at similar levels, translating to around Rs2.4-3.2 tn of additional expenditure. We estimate that at the minimum pay level (Rs18,000 as per 7th CPC), the fitment factor could be around 1.8 (moving up to Rs30,000 in 8th CPC). This implies a pay growth (in real terms) of around 13% (14.3% in 7CPC) (see Exhibit 2).

8th CPC to impact 3.3 mn employees, similar to 7th CPC

We expect the 8th CPC to directly impact 3.3 mn central government employees, similar to 7th Pay Commission (see Exhibit 3). The bulk of the benefit will accrue to employees in Grade C, who constitute almost 90% of the central government workforce and may have a higher marginal propensity to consume. It is important to note that the share of central government employees' compensation versus listed companies' compensation has steadily reduced over the past decade (see Exhibit 4).

Summary of key macro metrics for India

	2023	2024	2025E	2026E
Real economy				
Real GDP growth (%)	7.6	9.2	6.5	6.2
Nominal GDP growth (%)	14.0	12.0	9.8	8.0
CPI Inflation (avg., %)	6.7	5.4	4.6	2.6
Public finance				
Center's GFD/GDP (%)	6.4	5.6	4.8	4.4
Monetary policy				
Repo Rate (% eop)	6.50	6.50	6.25	5.00
SDF Rate (% eop)	6.25	6.25	6.00	4.75
CRR (% eop)	4.5	4.5	4.0	3.0
External sector				
Current Account Balance (% of GDP)	(2.0)	(0.7)	(0.7)	(1.0)
Brent crude oil price (avg., USD/bbl)	95.4	82.9	78.9	70.0
USD/INR (avg.)	80.3	82.8	84.6	86.1

Source: CEIC, Bloomberg, RBI, Kotak Institutional Equities estimates

Quick Numbers

We estimate a fitment factor of around 1.83 as base case for 8th CPC

We estimate a pay increase (in real terms) of around 13% as base case for 8th CPC

We expect another 1.5-2 years for implementation of 8th CPC

Full sector coverage on KINSITE

Suvodeep Rakshit
suvodeep.rakshit@kotak.com
+91-22-4336-0898

Anindya Bhowmik
anindya.bhowmik@kotak.com
+91-22-4336-0897

Swarupjit Palit
swarupjit.palit@kotak.com
+91-22-4336-0859

CPCs provided a short-lived boost to consumption in the past

We note that India historically witnessed consumption-led GDP growth in the year of CPCs. RBI estimated that 7th CPC and OROP had positively impacted real GDP growth by 2 ppt in FY2017. However, we note that a consumption-led growth cycle has not sustained historically, with the RBI noting a negative impact on consumption on the subsequent year (see Exhibit 5). It is also important to note that consumption has not been a sustainable driver of GDP growth over the past 30 years (see Exhibit 6).

We note that, volume growth of staples companies witnessed mild recovery during 7th CPC implementation, while certain discretionary companies witnessed decent growth (see Exhibits 7-9). It is important to note that there were disruptions from demonetization in 3QFY17, which may have diluted the impact of 7th CPC during this period. We note that most consumer companies delivered weaker-than-expected profit during this period, with actual profit being considerably less than 12m forward expectations (see Exhibit 10). Only a handful discretionary companies delivered better-than-expected earnings in FY2017, while the beat in earnings were more meaningful and slightly broader in FY2018.

8th CPC can provide a tangible boost to savings

A more underrated impact of pay commissions had been on the savings front. Exhibit 11 shows that physical savings improved, post the implementation of the past few pay commissions, while gross financial savings improved post 7th CPC. At the same time, we note a sharp increase in allocation toward equities in gross financial savings of Indian households, during those periods (see Exhibit 12). Based on our estimate of Rs2.4-3.2 tn of additional income accrued by the central government employees, we expect an incremental Rs1-1.5 tn of savings to be created, which may incrementally flow into a mix of physical savings, deposits and shares and debentures segment.

Implementation could take 1.5-2 years after formation of CPC

Exhibit 1: Summary of Pay Commissions in India

4th Pay Commission (1986)		5th Pay Commission (1996)	
Dates		Dates	
Date of implementation (legal)	1-Jan-86	Date of implementation (legal)	1-Jan-96
Date of Commission announcement	26-Jul-83	Date of Commission announcement	1-Sep-93
Date of Committee formation	1-Sep-83	Date of Committee formation	9-Apr-94
Date of report submission	un-86 - May-87	Date of report submission	30-Jan-97
Date of report acceptance/implementation	19-Sep-86	Date of report acceptance/implementation	24-Oct-97
Implications		Implications	
Fiscal impact (Rs bn)	19	Fiscal impact (Rs bn)	128
- Pay and allowances (Rs bn)	13	- Pay and allowances (Rs bn)	76
- Pensions (Rs bn)	3	- Pensions (Rs bn)	12
- Arrears, est. (Rs bn)	3	- Arrears (Rs bn)	40
Nominal GDP (Rs bn, FY1987)	3,184	Nominal GDP (Rs bn, FY1998)	15,453
Fiscal impact w/o arrears (% of GDP)	0.5	Fiscal impact w/o arrears (% of GDP)	0.6
Fiscal impact (% of GDP)	0.6	Fiscal impact (% of GDP)	0.8

6th Pay Commission (2006)		7th Pay Commission (2016)	
Dates		Dates	
Date of implementation (legal)	1-Jan-06	Date of implementation (legal)	1-Jan-16
Date of Commission announcement	20-Jul-06	Date of Commission announcement	25-Sep-13
Date of Committee formation	5-Oct-06	Date of Committee formation	28-Feb-14
Date of report submission	24-Mar-08	Date of report submission	19-Nov-15
Date of report acceptance/implementation	14-Aug-08	Date of report acceptance/implementation	29-Jun-16
Implications		Implications	
Fiscal impact (Rs bn)	306	Fiscal impact (Rs bn)	1,142
- Pay and allowances (Rs bn)	108	- Pay and allowances (Rs bn)	684
- Pensions (Rs bn)	18	- Pensions (Rs bn)	337
- Arrears (Rs bn)	181	- Arrears (Rs bn)	121
Nominal GDP (Rs bn, FY2009)	55,142	Nominal GDP (Rs bn, FY2017)	153,917
Fiscal impact w/o arrears (% of GDP)	0.2	Fiscal impact w/o arrears (% of GDP)	0.7
Fiscal impact (% of GDP)	0.6	Fiscal impact (% of GDP)	0.7

Source: Pay Commission reports, Media reports, Kotak Institutional Equities estimates

We expect a fitment factor of around 1.8 and real pay increase of around 13% in 8CPC

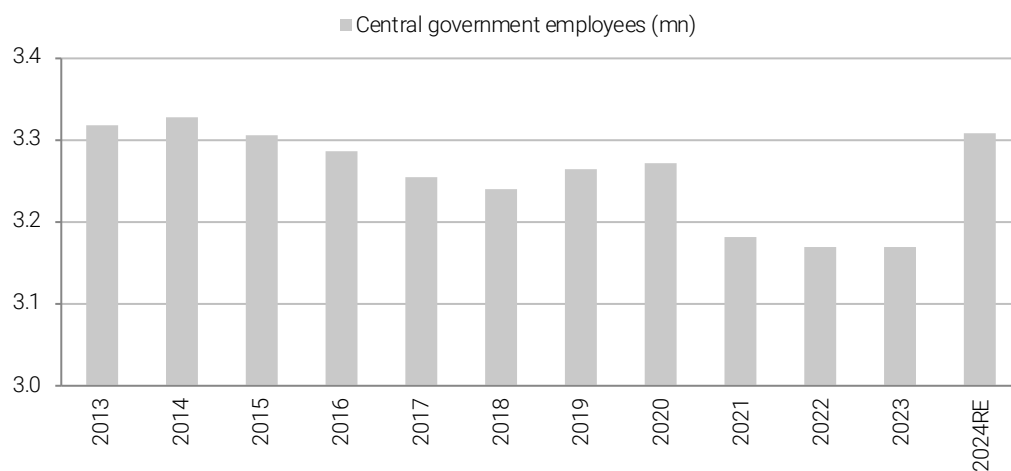
Exhibit 2: Estimated minimum pay required (Rs per month)

	Monthly household spending (Rs/month)		
	January 2006 (6CPC estimates)	January 2016 (7CPC estimates)	January 2026 (KIE estimates)
Rice/wheat	770	1,108	1,829
Pulses (tur/urad/moong)	288	704	1,057
Vegetables	270	1,177	2,285
Fruits	324	693	1,144
Milk	432	679	1,019
Sugar/jaggery	120	188	272
Edible oil	180	410	657
Fish, meat, egg	1,080	3,059	5,565
Detergents, etc.	200	291	423
Clothing	440	907	1,453
Fuel, electricity, water charges	827	2,305	3,926
Other expenditures (incl. housing)	548	5,946	12,259
Calculated minimum pay	5,479	17,469	31,889
Minimum pay (incl. DA step up/grade pay)	6,660	17,993	32,697
Recommended minimum pay	6,660	18,000	33,000
Government approved minimum pay	7,000	18,000	
Fitment factor (minimum pay level, X)	1.86	2.57	1.83
Pay increase (nominal terms, %)	86	157	83
Pay increase (real terms, %)	54	14	13

Source: Pay commission reports, Kotak Institutional Equities estimates

We expect 3.3-3.5 mn central government employees to benefit from 8th CPC

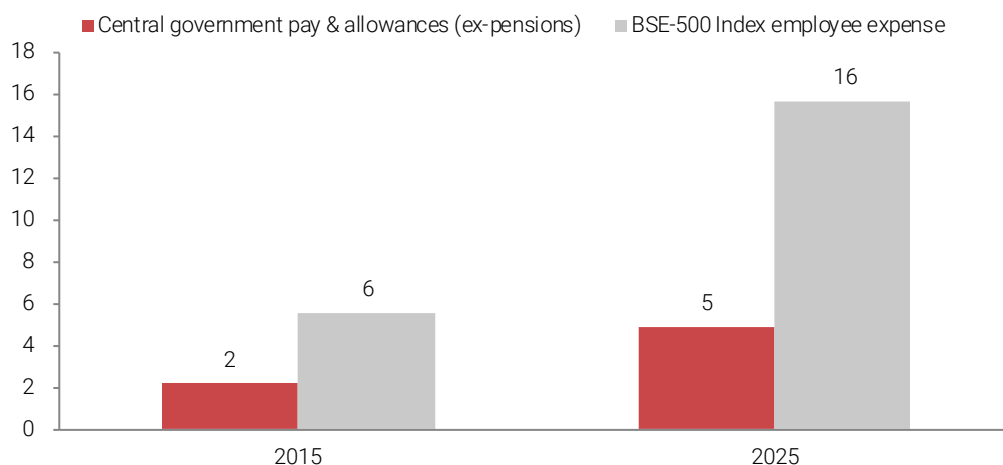
Exhibit 3: Number of central government employees, March fiscal year-ends, 2013-24RE (mn)



Source: Union budget, Kotak Institutional Equities

Steady decline in role of central government versus corporate sector in formal income growth of salaried individuals

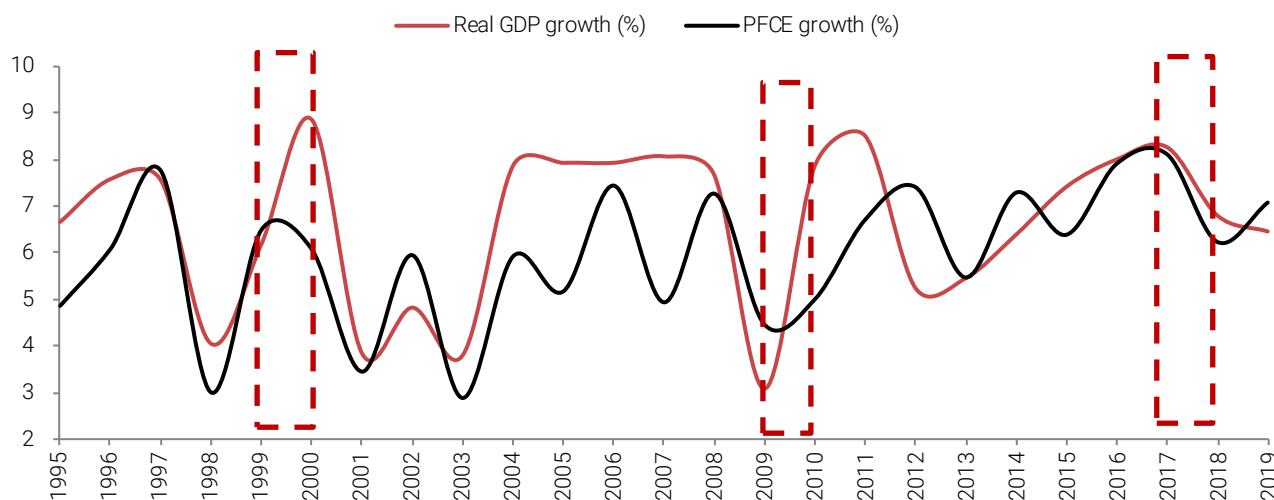
Exhibit 4: Pay and allowances of central government employees versus employee expenses of BSE-500 Index companies (current constituents), March fiscal year-ends, 2015-25 (Rs tn)



Source: Union budget, Capitaline, Kotak Institutional Equities

India witnessed consumption-led GDP growth in the year of pay commission implementation; impact withered away the following year

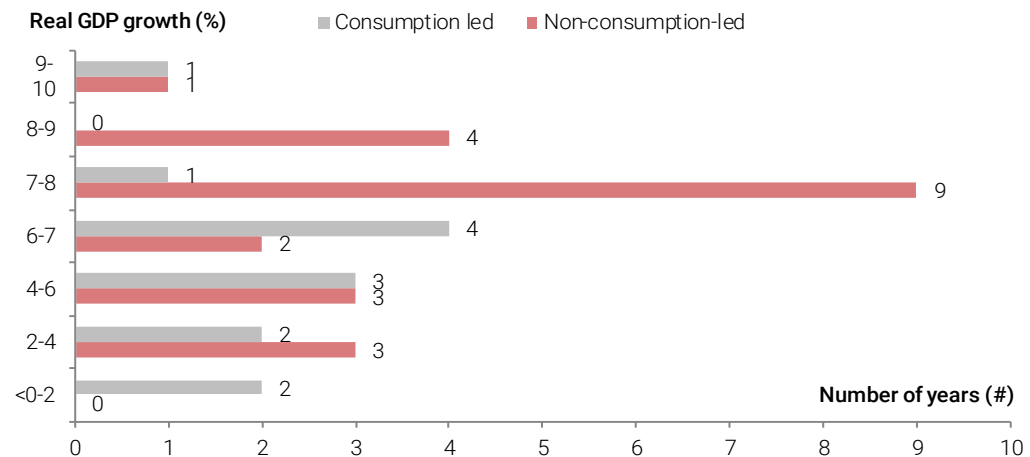
Exhibit 5: Real PFCE versus real GDP growth, March fiscal year-ends, 1995-2025 (%)



Source: CEIC, Kotak Institutional Equities

Consumption has not been a sustainable driver of GDP growth

Exhibit 6: Count of driver of real GDP growth across growth rate ranges, March fiscal year-ends, 1991-2025 (#)



Notes:

(a) Consumption-led is defined as real private consumption growth higher than real GDP growth.

Source: CEIC, Kotak Institutional Equities

A number of auto companies reported strong volume growth during 7th CPC; 3QFY17 distorted by demonetization

Exhibit 7: Volume growth of auto OEMs, March fiscal year-ends, 2016-19 (%)

	1QFY16	2QFY16	3QFY16	4QFY16	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19
Yoy change (%)																
Ashok Leyland	42.5	56.9	28.8	31.0	16.8	(12.5)	7.4	9.9	(12.1)	20.3	40.8	24.2	49.9	35.1	(1)	2
Bajaj Auto																
Two wheelers	(1.0)	1.7	8.2	23.8	13.0	23.5	(3.3)	(11.8)	(22.3)	0.8	1.5	20.4	39.3	18.6	38	23
Three wheelers	(8.8)	(10.3)	19.5	46.3	48.3	10.8	(18.8)	(29.8)	(30.4)	14.2	105.4	144.7	80.4	31.6	(17)	(16)
Eicher Motors																
Two wheelers	44.5	55.6	53.9	60.0	37.4	30.8	37.0	19.8	24.8	21.7	18.0	27.9	22.8	5.4	(5)	(15)
Commercial vehicles	14.2	14.7	35.5	39.5	27.7	18.4	(8.3)	10.4	(27.1)	18.1	41.2	31.5	42.8	21.3	4	(10)
Hero Motocorp	(4.6)	(7.2)	3.9	8.1	6.6	17.2	(12.7)	(5.8)	6.1	11.3	16.4	22.9	13.7	5.0	5	(11)
Maruti Suzuki	13.0	12.4	16.2	5.1	5.4	18.5	3.9	14.8	14.3	19.4	12.4	11.6	25.9	(0.4)	1	0
M&M (passenger vehicles)	(1.3)	(1.1)	17.5	20.0	13.4	16.4	(11.7)	(9.1)	(6.0)	16.9	1.5	10.0	9.0	(7.1)	(0)	7
Tata Motors																
Commercial vehicles	(1.0)	(0.2)	1.4	17.7	11.2	(2.6)	(2.3)	(2.8)	(17.5)	28.0	42.3	37.2	84.7	33.9	3	(1)
Passenger vehicles	11.9	(2.5)	(11.0)	(21.4)	(1.2)	19.7	20.8	22.4	8.3	12.2	22.7	41.7	33.3	3.1	(0)	(9)

Source: SIAM, Kotak Institutional Equities

Only a handful of consumer companies witnessed improvement in volume growth, after the implementation of 7th CPC

Exhibit 8: Volume growth of consumer companies, March fiscal year-ends, 2016-19 (%)

	1QFY16	2QFY16	3QFY16	4QFY16	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19
Staples																
Britannia Industries - Domestic	10.0	12.0	11.0	10.0	8.0	8.0	2.0	2.0	2.0	6.0	13.0	12.5	12.5	11.0	8.0	7.0
Colgate - Overall	3.0	3.0	1.0	6.0	6.0	4.0	4.0	(3.0)	(5.0)	(1.0)	12.0	4.0	4.0	7.0	7.0	5.0
Dabur - Domestic	8.1	5.0	(2.5)	7.0	4.1	4.5	4.5	2.4	(4.4)	7.2	13.0	7.7	21.0	8.1	12.4	4.2
HUL (FMCG business)	6.0	7.0	6.0	4.0	4.0	(1.0)	(1.0)	4.0	—	4.0	11.0	11.0	12.0	10.0	10.0	7.0
Marico - Domestic	6.0	5.5	10.5	8.4	8.0	3.4	3.4	10.0	(4.0)	8.5	9.4	1.0	12.4	6.0	6.0	8.0
Marico - Parachute	8.0	11.0	4.0	6.0	7.0	(6.0)	(6.0)	15.0	(5.0)	8.0	15.0	(5.0)	9.0	8.0	9.0	6.0
Marico - Saffola	4.0	4.0	17.0	13.0	11.0	8.0	8.0	6.0	(3.0)	9.0	—	(1.0)	10.0	5.0	2.0	18.0
Discretionary																
Asian Paints (decoratives)	10.0	7.0	16.5	14.0	12.0	12.0	3.0	10.0	2.0	9.0	6.0	10.0	13.0	11.0	22.0	11.0
ITC - Cigarettes	(17.0)	(17.0)	(4.0)	—	3.0	4.0	(1.0)	—	2.0	(7.0)	(5.0)	(4.0)	1.0	7.0	7.5	10.0
Pidlite - Domestic consumer business	5.0	3.0	12.0	14.0	9.0	7.8	7.8	6.0	—	15.0	23.0	13.0	20.0	11.0	13.0	4.0

Source: Companies, Kotak Institutional Equities

Most consumer companies delivered modest revenue growth, but better PAT growth, driven by improvement in margins

Exhibit 9: Key financial metrics of major consumer companies during 7th CPC, March fiscal year-ends, 2016-19 (%)

Company	Sector	Revenue growth (%)				EBITDA margin (%)				PAT growth (%)			
		2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
Bajaj Auto	Automobiles & Components	4.5	(3.6)	16	20	21	20	19	17	30	0	4	10
Eicher Motors	Automobiles & Components	NA	14	27	9.3	27	31	31	30	NA	25	31	2
Hero Motocorp	Automobiles & Components	3.3	0.5	13	4.7	15	16	16	15	34	16	2	(6)
Mahindra & Mahindra	Automobiles & Components	6	10	10	13.7	13	13	14	14	5	9	68	(10)
Maruti Suzuki India	Automobiles & Components	13	18	17	7.8	15	15	15	13	39	27	11	(9)
Tata Motors	Automobiles & Components	3.8	(1.2)	8.1	3.6	13	11	10	(2)	(8)	(49)	16	(118)
TVS Motor Co	Automobiles & Components	11	10	31	23	7	7	9	11	36	31	31	5
Asian Paints	Commodity Chemicals	8.1	6.2	(2.7)	14.4	17	17	19	20	25	12	5	5
Berger Paints	Commodity Chemicals	(2.3)	7.8	13.5	17.3	15	16	16	15	38	18	5	8
Ambuja Cements	Construction Materials	112	17	10	4.1	16	16	15	17	29	63	53	(8)
UltraTech Cement	Construction Materials	3	1	22	34	19.5	20.5	18.7	17.4	26	10	(11)	1
Blue Star	Consumer Durables & Apparel	19	15	6	13	4.2	5.1	5.7	6.4	15	12	14	35
Havells India	Consumer Durables & Apparel	(16)	(19)	32	24	10	11	12	12	47	0	17	19
Page Industries	Consumer Durables & Apparel	16	19	20	12	21	19	21	22	18	15	30	11
Voltas	Consumer Durables & Apparel	10	5.5	6.2	11	7.4	9.1	10.3	7.7	(3)	56	11	(10)
Britannia Industries	Consumer Staples	6.9	7.8	9.5	12	14	14	15	16	48	6	14	15
Colgate Palmolive (India)	Consumer Staples	(2.9)	2.9	5.2	6.6	23	24	26	28	8	(4)	18	11
Dabur India	Consumer Staples	(0.6)	(2.1)	1.4	10.3	20	20	21	20	17	4	7	10
Godrej Consumer Products	Consumer Staples	1.8	10	6.3	4.7	16	20	21	20	17	22	14	45
Hindustan Unilever	Consumer Staples	0.7	3.0	7.2	11	18	19	21	22	13	3	21	19
ITC	Consumer Staples	0.9	9.1	1.6	11	37	36	38	38	(1)	9	8	15
Marico	Consumer Staples	5.0	(1.7)	16	16	17	20	17	17	24	10	7	36
Nestle India	Consumer Staples	12	9	13	10	20	21	23	24	14	22	31	22
Radico Khaitan	Consumer Staples	11	1.7	8.5	15	11	13	15	17	8	1	53	56
Tata Consumer Products	Consumer Staples	(17)	2.2	0.5	6.4	5	11	11	10	(108)	(1,477)	29	(18)
United Breweries	Consumer Staples	3.1	(2.2)	18.8	15	14	14	16	18	5	(16)	72	43
United Spirits	Consumer Staples	(9.0)	3.8	(2.6)	8.7	3.7	7.0	13	15	(115)	104	85	23
Varun Beverages	Consumer Staples	14	3.7	51	41	21	21	17	17	(54)	340	47	53
Indian Hotels Co	Hotels & Restaurants	(4.0)	(0.1)	2.1	10	13	12	16	17	15	(59)	(200)	189
Jubilant Foodworks	Hotels & Restaurants	16	6	17	18	10.8	8.9	14.6	16.8	(12)	(31)	193	63
Avenue Supermarts	Retailing	33	30	26	33	7.2	8.1	9.0	8.2	52	49	67	13
Titan Co	Retailing	(5.4)	18	22	23	8.3	7.9	10.1	10.1	(17)	16	45	23
Trent	Retailing	(29)	7.5	19	22	5.9	7.1	8.9	8.7	72	66	16	4

Source: Capitaline, Kotak Institutional Equities

Most consumer companies delivered poor earnings versus 12m prior expectations

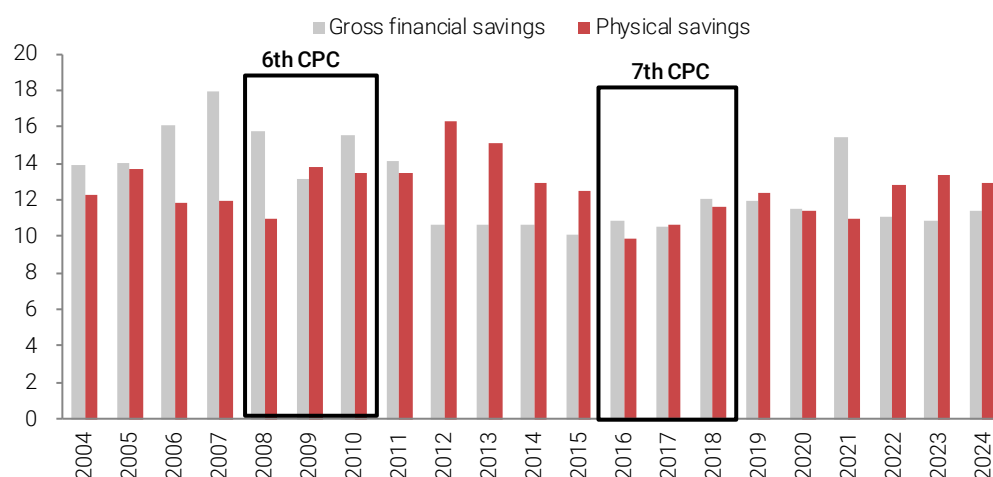
Exhibit 10: Actual PAT versus 12-m forward consensus PAT estimates during 7th CPC, March fiscal year-ends, 2016-19 (%)

Company	Sector	Actuals versus estimates (%)			
		2016	2017	2018	2019
Bajaj Auto	Automobiles & Components	4.0	(2.9)	(5)	(3)
Eicher Motors	Automobiles & Components	(8.1)	(0.6)	0	(18)
Hero Motocorp	Automobiles & Components	(8.7)	1.4	(6)	(17)
Mahindra & Mahindra	Automobiles & Components	(40.6)	(27.9)	5	(23)
Maruti Suzuki India	Automobiles & Components	(7.4)	(1.1)	(23)	(41)
Tata Motors	Automobiles & Components	(39.3)	(57.2)	(43)	NM
TVS Motor Co	Automobiles & Components	(25.0)	(23.3)	(14)	(36)
Blue Star	Consumer Durables & Apparel	(19.3)	(19.1)	(22)	(10)
Havells India	Consumer Durables & Apparel	(8.2)	(11.1)	(1)	(5)
Page Industries	Consumer Durables & Apparel	(11.4)	(7.6)	3	(8)
Voltas	Consumer Durables & Apparel	(13.4)	30.3	16	(23)
Britannia Industries	Consumer Staples	21.8	(13.0)	(6)	(6)
Colgate Palmolive (India)	Consumer Staples	(10.7)	(15.4)	(0)	(0)
Dabur India	Consumer Staples	(5.5)	(11.4)	(7)	(5)
Godrej Consumer Products	Consumer Staples	(7.5)	(3.7)	(4)	22
Hindustan Unilever	Consumer Staples	(11.4)	(10.7)	6	2
ITC	Consumer Staples	(16.0)	(12.0)	(9)	0
Marico	Consumer Staples	(2.5)	(10.7)	(12)	10
Nestle India	Consumer Staples	(41.0)	(16.1)	5	10
Radico Khaitan	Consumer Staples	(8.8)	(24.9)	19	36
Tata Consumer Products	Consumer Staples	(105.5)	(12.7)	(0)	(35)
United Breweries	Consumer Staples	(30.3)	(43.6)	2	25
United Spirits	Consumer Staples	(75.7)	(54.5)	(14)	(13)
Varun Beverages	Consumer Staples	NA	NA	10	23
Indian Hotels Co	Hotels & Restaurants	NM	NM	(52)	5
Jubilant Foodworks	Hotels & Restaurants	(44.4)	(61.2)	45	28
Avenue Supermarts	Retailing	NA	NA	10	(16)
Titan Co	Retailing	(35.0)	(16.1)	15	(4)
Trent	Retailing	(70.3)	(58.6)	(53)	(52)

Source: Bloomberg, Kotak Institutional Equities

India witnessed decent increase in physical savings during the periods of 6th and 7th CPC

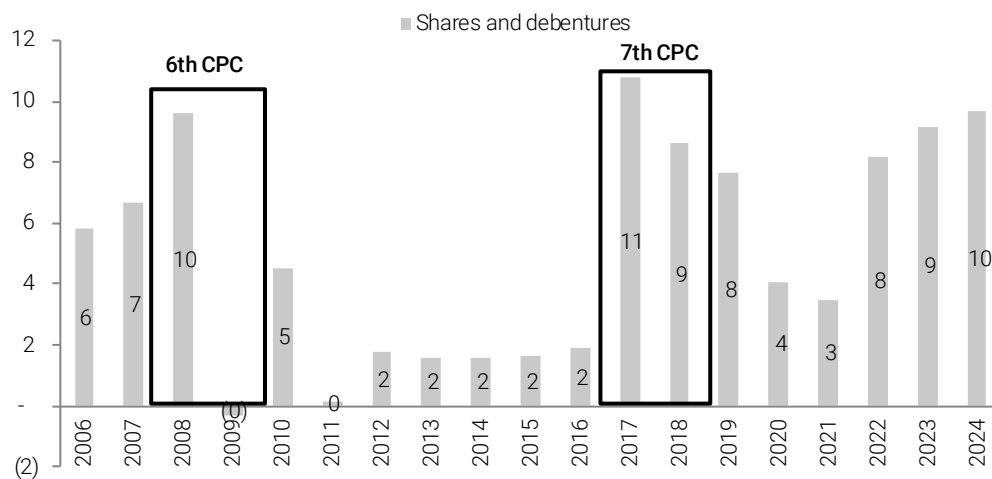
Exhibit 11: Household gross financial and physical savings as a proportion of GDP, March fiscal year-ends, 2004-24 (%)



Source: CEIC, RBI, Kotak Institutional Equities

Sharp increase in allocation to shares and debentures seen during earlier CPCs

Exhibit 12: Shares and debentures as a proportion of gross household financial savings, March fiscal year-ends, 2006-24 (%)



Source: RBI, Kotak Institutional Equities

"Each of the analysts named below hereby certifies that, with respect to each subject company and its securities for which the analyst is responsible in this report, (1) all of the views expressed in this report accurately reflect his or her personal views about the subject companies and securities, and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report: Suvodeep Rakshit, Anindya Bhowmik, Swarupjit Palit."

Ratings and other definitions/identifiers

Definitions of ratings

BUY. We expect this stock to deliver more than 15% returns over the next 12 months.

ADD. We expect this stock to deliver 5-15% returns over the next 12 months.

REDUCE. We expect this stock to deliver -5+5% returns over the next 12 months.

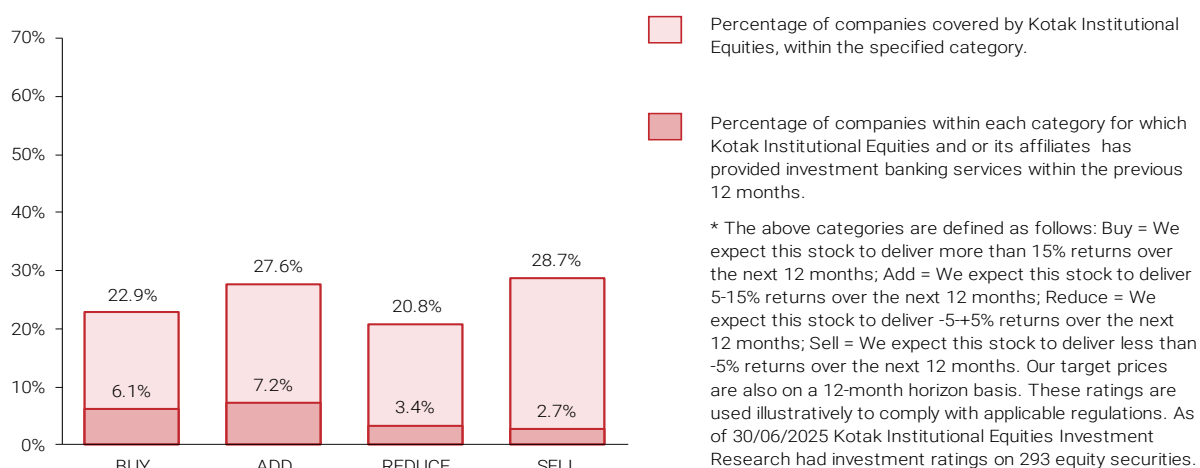
SELL. We expect this stock to deliver <-5% returns over the next 12 months.

Our Fair Value estimates are also on a 12-month horizon basis.

Our Ratings System does not take into account short-term volatility in stock prices related to movements in the market. Hence, a particular Rating may not strictly be in accordance with the Rating System at all times.

Distribution of ratings/investment banking relationships

Kotak Institutional Equities Research coverage universe



Source: Kotak Institutional Equities

As of June 30, 2025

Coverage view

The coverage view represents each analyst's overall fundamental outlook on the Sector. The coverage view will consist of one of the following designations: **Attractive, Neutral, Cautious.**

Other ratings/identifiers

NR = Not Rated. The investment rating and fair value, if any, have been suspended temporarily. Such suspension is in compliance with applicable regulation(s) and/or Kotak Securities policies in circumstances when Kotak Securities or its affiliates is acting in an advisory capacity in a merger or strategic transaction involving this company and in certain other circumstances.

CS = Coverage Suspended. Kotak Securities has suspended coverage of this company.

NC = Not Covered. Kotak Securities does not cover this company.

RS = Rating Suspended. Kotak Securities Research has suspended the investment rating and fair value, if any, for this stock, because there is not a sufficient fundamental basis for determining an investment rating or fair value. The previous investment rating and fair value, if any, are no longer in effect for this stock and should not be relied upon.

NA = Not Available or Not Applicable. The information is not available for display or is not applicable.

NM = Not Meaningful. The information is not meaningful and is therefore excluded.

Corporate Office

Kotak Securities Ltd.
27 BKC, Plot No. C-27, "G Block" Bandra Kurla
Complex, Bandra (E) Mumbai 400 051, India
Tel: +91-22-43360000

Overseas Affiliates

Kotak Mahindra (UK) Ltd
8th Floor, Portoken House
155-157 Minorities, London EC3N 1LS
Tel: +44-20-7977-6900

Kotak Mahindra Inc
PENN 1,1 Pennsylvania Plaza,
Suite 1720, New York, NY 10119, USA
Tel: +1-212-600-8858

Copyright 2025 Kotak Institutional Equities (Kotak Securities Limited). All rights reserved.

The Kotak Institutional Equities research report is solely a product of Kotak Securities Limited and may be used for general information only. The legal entity preparing this research report is not registered as a broker-dealer in the United States and, therefore, is not subject to US rules regarding the preparation of research reports and/or the independence of research analysts.

1. Note that the research analysts contributing to this report are residents outside the United States and are not associates, employees, registered or qualified as research analysts with FINRA or a US-regulated broker dealer; and
2. Such research analysts may not be associated persons of Kotak Mahindra Inc. and therefore, may not be subject to FINRA Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst.

3. Kotak Mahindra Inc. does not accept or receive any compensation of any kind directly from US institutional investors for the dissemination of the Kotak Securities Limited research reports. However, Kotak Securities Limited has entered into an agreement with Kotak Mahindra Inc. which includes payment for sourcing new major US institutional investors and service existing clients based out of the US.

4. In the United States, this research report is available solely for distribution to major US institutional investors, as defined in Rule 15a – 6 under the Securities Exchange Act of 1934. This research report is distributed in the United States by Kotak Mahindra Inc., a US-registered broker and dealer and a member of FINRA. Kotak Mahindra Inc., a US-registered broker-dealer, accepts responsibility for this research report and its dissemination in the United States.

5. This Kotak Securities Limited research report is not intended for any other persons in the United States. All major US institutional investors or persons outside the United States, having received this Kotak Securities Limited research report shall neither distribute the original nor a copy to any other person in the United States. Any US recipient of the research who wishes to effect a transaction in any security covered by the report should do so with or through Kotak Mahindra Inc. Please contact a US-registered representative; Gijo Joseph, Kotak Mahindra Inc., PENN 1,1 Pennsylvania Plaza, Suite 1720, New York, NY 10119, Direct +1 212 600 8858, gijo.joseph@kotak.com.

6. This document does not constitute an offer of, or an invitation by or on behalf of Kotak Securities Limited or its affiliates or any other company to any person, to buy or sell any security. The information contained herein has been obtained from published information and other sources, which Kotak Securities Limited or its affiliates consider to be reliable. None of Kotak Securities Limited accepts any liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are made as of the date of this document. Emerging securities markets may be subject to risks significantly higher than more established markets. In particular, the political and economic environment, company practices and market prices and volumes may be subject to significant variations. The ability to assess such risks may also be limited due to significantly lower information quantity and quality. By accepting this document, you agree to be bound by all the foregoing provisions.

This report is distributed in Singapore by Kotak Mahindra (UK) Limited (Singapore Branch) to institutional investors, accredited investors or expert investors only as defined under the Securities and Futures Act. Recipients of this analysis /report are to contact Kotak Mahindra (UK) Limited (Singapore Branch) (16 Raffles Quay, #35-02/03, Hong Leong Building, Singapore 048581) in respect of any matters arising from, or in connection with, this analysis/report. Kotak Mahindra (UK) Limited (Singapore Branch) is regulated by the Monetary Authority of Singapore.

Kotak Securities Limited and its affiliates are a full-service, integrated investment banking, investment management, brokerage and financing group. We along with our affiliates are leading underwriter of securities and participants in virtually all securities trading markets in India. We and our affiliates have investment banking and other business relationships with a significant percentage of the companies covered by our Investment Research Department. Our research professionals provide important input into our investment banking and other business selection processes. Investors should assume that Kotak Securities Limited and/or its affiliates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material. Our research professionals are paid in part based on the profitability of Kotak Securities Limited, which includes earnings from investment banking and other businesses. Kotak Securities Limited generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, Kotak Securities Limited generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. We are not soliciting any action based on this material. It is for the general information of clients of Kotak Securities Limited. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. Kotak Securities Limited does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment. Certain transactions – including those involving futures, options, and other derivatives as well as non-investment-grade securities – give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavor to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so. We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. Kotak Securities Limited and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency-denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the current derivatives risk disclosure document before entering into any derivative transactions.

Kotak Securities Limited established in 1994, is a subsidiary of Kotak Mahindra Bank Limited.

Kotak Securities Limited is a corporate trading and clearing member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Metropolitan Stock Exchange of India Limited (MSE), National Commodity and Derivatives Exchange (NCDEX) and Multi Commodity Exchange (MCX). Our businesses include stock broking, services rendered in connection with distribution of primary market issues and financial products like mutual funds and fixed deposits, depository services and portfolio management.

Kotak Securities Limited is also a Depository Participant with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Kotak Securities Limited is also registered with Insurance Regulatory and Development Authority and having composite license acts as Corporate Agent of Kotak Mahindra Life Insurance Company Limited and Zurich Kotak General Insurance Company (India) Limited (Formerly known as Kotak Mahindra General Insurance Company Limited) and is also a Mutual Fund Advisor registered with Association of Mutual Funds in India (AMFI). Kotak Securities Limited is registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014.

We hereby declare that our activities were neither suspended nor we have defaulted with any stock exchange authority with whom we are registered in last five years. However, SEBI, Exchanges and Depositories have conducted the routine inspection and based on their observations have issued advise letters or levied minor penalty on KSL for certain operational deviations. We have not been debarred from doing business by any stock exchange/SEBI or any other authorities, nor has our certificate of registration been cancelled by SEBI at any point of time.

We offer our research services to primarily institutional investors and their employees, directors, fund managers, advisors who are registered with us. Details of Associates are available on website, i.e. www.kotak.com and https://www.kotak.com/en/investor-relations/governance/subsidiaries.html.

Research Analyst has served as an officer, director or employee of subject company(ies): No.

We or our associates may have received compensation from the subject company(ies) in the past 12 months.

We or our associates have managed or co-managed public offering of securities for the subject company(ies) or acted as a market maker in the financial instruments of the subject company/company (ies) discussed herein in the past 12 months. YES. Visit our website for more details https://kie.kotak.com.

We or our associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months. We or our associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months. We or our associates may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.

Our associates may have financial interest in the subject company(ies).

Research Analyst or his/her relative's financial interest in the subject company(ies): No

Kotak Securities Limited has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of Research Report: YES. Nature of Financial Interest: Holding equity shares or derivatives of the subject company.

Our associates may have actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.

Research Analyst or his/her relatives have actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No.

Kotak Securities Limited has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No

Subject company(ies) may have been client during twelve months preceding the date of distribution of the research report.

A graph of daily closing prices of securities is available at https://www.moneycontrol.com/india/stockpricequote/ and http://economictimes.indiatimes.com/markets/stocks/stock-quotes. (Choose a company from the list on the browser and select the "three years" icon in the price chart).

First Cut notes published on this site are for information purposes only. They represent early notations and responses by analysts to recent events. Data in the notes may not have been verified by us and investors should not act upon any data or views in these notes. Most First Cut notes, but not necessarily all, will be followed by final research reports on the subject.

There could be variance between the First Cut note and the final research note on any subject, in which case the contents of the final research note would prevail. We accept no liability of the First Cut Notes.

Analyst Certification

The analyst(s) authoring this research report hereby certifies that the views expressed in this research report accurately reflect such research analyst's personal views about the subject securities and issuers and that no part of his or her compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report.

This report or any portion hereof may not be reprinted, sold or redistributed without the written consent of Firm. Firm Research is disseminated and available primarily electronically, and, in some cases, in printed form.

Additional information on recommended securities is available on request.

Our research should not be considered as an advertisement or advice, professional or otherwise. The investor is requested to take into consideration all the risk factors including their financial condition, suitability to risk return profile and the like and take professional advice before investing.

Investments 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.

For more information related to investments in the securities market, please visit the SEBI Investor Website https://investor.sebi.gov.in/ and the SEBI Saa@thi Mobile App.

Derivatives are a sophisticated investment device. The investor is requested to take into consideration all the risk factors before actually trading in derivative contracts. Compliance Officer Details: Mr. Hiren Thakkar. Call: 022 - 4285 8484, or Email: ks.compliance@kotak.com.

Kotak Securities Limited. Registered Office: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051. CIN: U99999MH1994PLC134051, Telephone No.: +22 43360000, Fax No.: +22 67132430. Website: www.kotak.com / www.kotaksecurities.com. Correspondence Address: Infinity IT Park, Bldg. No 21, Opp. Film City Road, A K Vaidya Marg, Malad (East), Mumbai 400097. Telephone No: 42856825. SEBI Registration No: IN2000200137(Member of NSE, BSE, MSE, MCX & NCDEX), AMFI ARN 0164, PMS INP000000258 and Research Analyst INH000000586. NSDL/CDSL: IN-DP-629-2021. Compliance Officer Details: Mr. Hiren Thakkar. Call: 022 - 4285 8484, or Email: ks.compliance@kotak.com

Details of	Contact Person	Address	Contact No.	Email ID
Customer Care/ Complaints	Mr. Ritesh Shah	Kotak Towers, 8th Floor, Building No.21, Infinity Park, Off Western Express Highway, Malad (East), Mumbai, Maharashtra - 400097	18002099393	ks.escalation@kotak.com
Head of Customer Care	Mr. Tabrez Anwar		022-42858208	ks.servicehead@kotak.com
Compliance Officer	Mr. Hiren Thakkar		022-42858484	ks.compliance@kotak.com
CEO	Mr. Shripal Shah		022-42858301	ceo.ks@kotak.com
Principal Officer (For the purpose of Research Analyst activities)	Mr. Kawaljeet Saluja	Kotak Securities Limited, 27BKC, 8th Floor, Plot No. C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	022-62664011	ks.po@kotak.com

In absence of response/complaint not addressed to your satisfaction, you may lodge a complaint with SEBI at SEBI, NSE, BSE, Investor Service Center | NCDEX, MCX. Please quote your Service Ticket/Complaint Ref No. while raising your complaint at SEBI SCORES/Exchange portal at https://scores.sebi.gov.in. Kindly refer https://www.kotaksecurities.com/contact-us/ and for online dispute Resolution platform - Smart ODR

Our Investor Charter is your trusted companion, offering essential guidelines to navigate the investment landscape. Discover principles for informed decision-making, risk management, and ethical investing by visiting https://www.kotaksecurities.com/disclaimer/investor-charter/

Please refer link for regulatory disclosure and terms and conditions as applicable to Research Analyst under SEBI norms. Disclosure of minimum mandatory terms and conditions to clients