

Union Budget 2024-25



Government stays focused on long-term macro stability

Committed to achieving fiscal deficit of 4.5% of GDP by FY26

The Interim Union Budget 2024 was presented on 1st Feb'24. Although the Finance Minister had already informed that no “spectacular announcements” were forthcoming, the market participants had some expectations. However, the government did not announce any new schemes or incentives and followed the fiscal deficit consolidation path by maintaining its investment-led spending growth strategy.

Fiscal deficit budgeted at 5.1% of GDP in FY25BE, reduced to 5.8% of GDP in FY24RE:

In stark contrast to the market expectations of 5.3-5.4% of GDP (and our forecast of 5.2% of GDP), the Government of India (GoI) has budgeted a fiscal deficit of 5.1% of GDP for FY25, implying a consolidation of 70 basis points (bp) next year. Moreover, the GoI has also lowered its deficit target for FY24 to 5.8% of GDP, notwithstanding the fact that the nominal GDP growth estimate for FY24 was also revised down. Therefore, the fiscal deficit for FY24 is revised down to INR17.35t from the target of INR17.87t. For FY25, the fiscal deficit is budgeted at INR16.8t. Total liabilities of the GoI are likely to ease to 56% of GDP in FY25BE from 56.9% of GDP in FY24RE, owing to lower national small saving funds (NSSF). The GoI has budgeted gross market borrowings (GMBs) at INR14.1t in FY25BE vs. INR15.4t in FY24RE, and net market borrowings (NMBs) and NSSF are kept unchanged at INR11.8t and INR4.7t, respectively.

Tax receipts could surpass the budgeted growth of 12.5%/11.5% YoY in FY24RE/FY25BE:

The GoI has raised its FY24 gross tax receipt forecasts by INR760b to INR34.4t. However, due to higher devolution and lower divestments, total receipts are raised by only INR400b. The GoI has budgeted 11.5% growth in gross taxes for FY25, with total receipts growing by 11.8%. As highlighted in our Budget [preview](#), we believe that gross taxes could be higher due to corporate income taxes. Therefore, while we expect gross taxes and receipt growth for FY25 at ~12% (similar to FY25BE), we believe that total receipts could come in at INR31.3t, about INR500b higher than FY25BE. Further, the GoI has halved its divestment receipts to INR300b in FY24 and budgeted it at INR500b for FY25 (in line with our forecasts).

GoI continues to focus on better spending quality: At a time when there were high expectations to announce measures to support the rural sector, the GoI kept revenue expenditure growth at just 3.2% YoY, and propelled capital expenditure (capex) strongly for the fifth consecutive year. Excluding interest payment subsidies, revenue expenditure is budgeted to grow 5.7% YoY in FY25, marking the slowest growth in 12 years. The GoI's capital spending, however, is budgeted to grow 16.9% YoY in FY25BE (due to downward revision in FY24), following an average of 30% YoY during FY21-FY24RE. Since the GoI's total expenditure is budgeted to grow just 6.1% in FY25BE, the share of capital spending is budgeted to rise to 23.3% of total spending, marking the highest share in the past three decades.

Research Team (Gautam.Duggad@MotilalOswal.com)

Research Analyst: Nikhil Gupta (Nikhil.Gupta@MotilalOswal.com) | **Tanisha Ladha** (Tanisha.Ladha@motilalosal.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.motilalosal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

IEBR capex finally expected to grow after four years of consecutive declines:

Notably, as highlighted in our recent [report](#), a large portion of the GoI's higher capex is re-allocated from the internal and extra-budgetary resources (IEBR) of central public sector enterprises (CPSEs). After declining at an average of 10% during the last four years, IEBR capex is expected to grow 2.4% YoY in FY25BE.

Overall, notwithstanding the general elections, the GoI's ability to resist any populist schemes or incentives is extremely commendable. Moreover, given the fact that it has budgeted a fiscal deficit of 5.1% of GDP for FY25 (and lower than budgeted in FY24RE), the GoI looks serious about its (tall) task of achieving 4.5% of GDP by FY26. This clearly shows that the GoI is totally committed to long-term macro-economic stability, even if it comes at the expense of growth in the short term.

Market strategy

The Vote-on-Account was presented against the backdrop of a bullish macro and micro environment for India, with equity markets reaching new highs. Further, this was the last budget before the forthcoming Lok Sabha Elections in Apr-May'24, and thus expectations of some populism were not unfounded considering the underlying weak consumption demand in the economy, especially in rural India.

However, the Budget presented by the Honorable Finance Minister has eschewed populism and instead adhered to the path of fiscal consolidation without making any populist announcements for any section of the society. There were no changes or adjustments to direct or indirect taxes. In an election year, the government is proposing a modest 3.2% revenue expenditure growth with no increase in allocation for any subsidy/rural spending. The budget maintains its emphasis on capex, with a 17% higher allocation for capital spending in FY25 BE (capex has gone up to INR9.5t in FY24 RE from INR3.1t in FY19).

As in the recent past, the budget math appears quite credible with 10.5% nominal GDP growth and 5.1% fiscal deficit for FY25E. This highlights the government's intent to achieve the 4.5% fiscal deficit target committed for FY26. This will keep the 10Y yields under check and provide a conducive framework for higher private capex in the economy. The bond market, of course, reacted favorably. Sticking to fiscal consolidation in a year of high-stake general elections augurs well strategically from the country's rating perspective, even as India prepares for its inclusion in the global bond indices.

Consumption, however, has not received any push in the budget from a near-term perspective. Therefore, to that extent, it's a dampener. Corporate earnings in 3QFY24 have once again highlighted the prevailing weak consumption demand in the economy.

Overall from an equity market perspective, we believe the budget further reinforces India's strong macro-micro positioning in an increasingly fragile world. Equity markets would benefit from a long-term focus on fiscal consolidation and capex, in our opinion. Combination of 7% GDP growth and ~15% Nifty earnings CAGR over FY24-26, supported by a stable currency and moderating inflation puts India in a quasi-goldilocks scenario, in our view.

We anticipate the market to quickly discount the budget and shift focus to the trajectory of corporate earnings growth, which has remained resilient so far in 9MFY24 (albeit, witnessing some challenges with downgrades outweighing upgrades in 3QFY24). We continue to expect 20%+ earnings growth for Nifty in FY24. Valuations for Nifty remain in line with its LPA at 19.5-20x one-year forward earnings. We prefer PSU Banks, Industrials (Capital Goods, Cement), Real Estate, Consumer Discretionary and NBFCs, while we are UW on IT, and Metals. We recently upgraded Energy to Neutral and downgraded Auto and Pharma to Neutral in [our model portfolio revision](#)

Top ideas: Large-caps – L&T, SBI, ICICI Bank, Coal India, Titan, M&M, Gail, ITC, HCL Tech, Cipla.

Mid-caps – Indian Hotels, Zomato, Godrej Property, Sobha Developers, Dalmia Bharat, Angel One, IIFL Finance, PNB Housing, Lemon Tree, Restaurant Brands Asia.



Sharp focus on fiscal consolidation

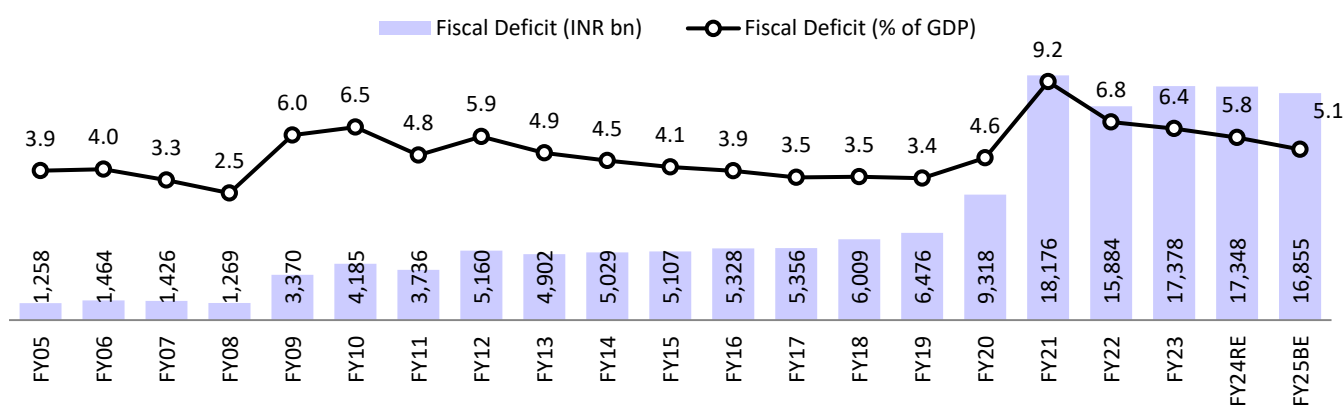
Fiscal deficit targeted at 5.1%/5.8% of GDP in FY24RE/FY25BE

India's Finance Minister Nirmala Sitharaman on 1st Feb'24 presented the Interim Union Budget 2024-25. The Gol committed to fiscal prudence rather than announcing big populist measures in the run-up to Lok Sabha elections in Apr-May'24. Overall, the Gol has budgeted a much slower growth in total spending (6.1% in FY25BE vs. 7.1%/10.5% in FY24RE/FY23) and robust receipts growth (11.8% in FY25BE vs. 12.2%/11.3% in FY24RE/FY23) in order to achieve a fiscal deficit target of 5.1% of GDP by FY25.

While the government raised its total receipt estimates to INR27.6t in FY24RE (from INR27.2t in FY24BE), the expenditure target was reduced to INR44.9t in FY24RE (same as in FY24BE). After making these changes, the fiscal deficit stands at INR17.3t in FY24RE (from INR17.9t in FY24BE). Consequently, the fiscal deficit is expected to come down to 5.8% of GDP in FY24RE from 5.9% of GDP in FY24BE, despite a lower nominal GDP growth of 8.9% YoY in FY24 vs. earlier expected 10.5% YoY in FY24BE.

For FY25, the Gol expects total receipts to rise 11.8% YoY to INR30.8t in FY25BE (vs. our forecast of 12% YoY growth). Further, total expenditure is budgeted to grow 6.1% YoY to INR47.7t (vs. our assumption of 5.9% YoY growth). Consequently, in stark contrast to the market expectations of 5.3-5.4% of GDP (and our forecast of 5.2% of GDP), the Gol has budgeted a fiscal deficit of 5.1% of GDP for FY25, implying a consolidation of 70bp next year (refer to *Exhibit 1*).

Exhibit 1: Trends in fiscal deficit over the past two decades; fiscal deficit expected to decline to 5.1% of GDP in FY25BE



Source: Government, MOFSL

The Gol has budgeted gross market borrowings (GMBs) at INR14.1t in FY25BE vs. INR15.4t in FY24RE, while net market borrowings (NMBs) and NSSF are kept unchanged at INR11.8t and INR4.7t, respectively. It means that around 28% of the fiscal deficit in FY25BE is planned to be financed through small savings vs. 23%/27% in FY23/FY24RE (*Exhibit 2 and 3*).

Exhibit 2: NMBs pegged at INR11.8t in FY25 and short-term borrowings at INR0.5t

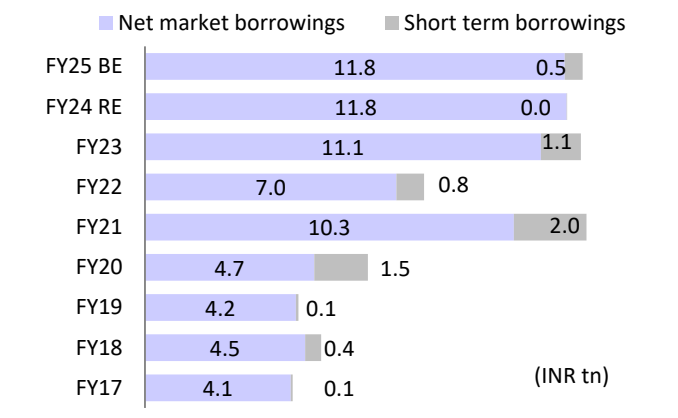
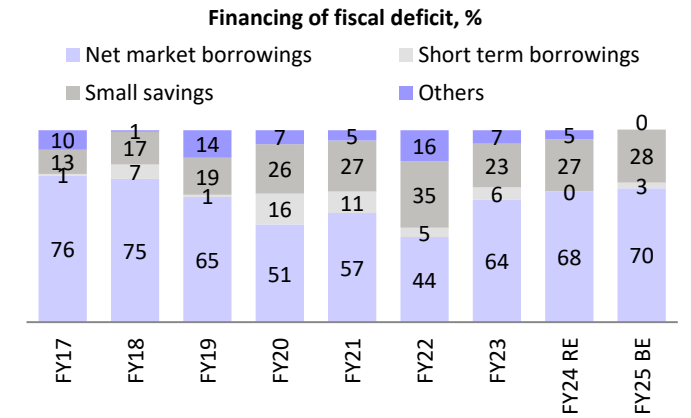


Exhibit 3: Over one-fourth of the fiscal deficit is expected to be financed by small savings



Source: Government, MOFSL

Exhibit 4: Union Budget 2024-25 in numbers

	FY22	FY23	FY24RE		FY25BE			
	INR t	INR t	INR t	% YoY	% of GDP	INR t	% YoY	% of GDP
Total receipts	22.1	24.6	27.6	12.2	9.3	30.8	11.8	9.4
Revenue receipts	21.7	23.8	27.0	13.3	9.1	30.0	11.2	9.2
Gross taxes	27.1	30.5	34.4	12.5	11.6	38.3	11.5	11.7
Net taxes	18.0	21.0	23.2	10.8	7.8	26.0	11.9	7.9
Direct taxes	14.1	16.6	19.5	17.2	6.6	22.0	13.1	6.7
Corporation taxes	7.1	8.3	9.2	11.7	3.1	10.4	13.0	3.2
Income taxes	7.0	8.3	10.2	22.7	3.4	11.6	13.1	3.5
Indirect taxes	13.0	14.0	14.9	7.0	5.0	16.3	9.4	5.0
Customs	2.0	2.1	2.2	2.5	0.7	2.3	5.8	0.7
Excise duties	3.9	3.2	3.0	-4.8	1.0	3.2	5.0	1.0
Goods & services tax (GST)	7.0	8.5	9.6	12.7	3.2	10.7	11.6	3.3
Devolution to States	9.0	9.6	11.1	16.4	3.8	12.3	10.4	3.8
Non-tax revenue	3.7	2.9	3.8	31.7	1.3	4.0	6.4	1.2
Non-debt capital receipts	0.4	0.7	0.6	-22.4	0.2	0.8	41.1	0.2
Divestment	0.1	0.5	0.3	-34.8	0.1	0.5	66.7	0.2
Total expenditure	37.9	41.9	44.9	7.1	15.1	47.7	6.1	14.5
Core spending	24.8	26.9	29.9	11.5	10.1	31.7	5.7	9.7
Revenue expenditure	32.0	34.5	35.4	2.5	11.9	36.5	3.2	11.2
Interest payments	8.1	9.3	10.6	13.7	3.6	11.9	12.8	3.6
Defense	5.0	5.8	4.4	-23.8	1.5	4.1	-7.0	1.3
Subsidies	2.3	2.6	3.0	16.6	1.0	2.8	-5.3	0.9
Pensions	2.0	2.4	2.4	-1.5	0.8	2.4	0.7	0.7
Grants to states/UTs	6.2	6.5	5.9	-9.4	2.0	6.2	4.9	1.9
Non-defense pay/allowances	2.5	2.7	2.9	7.5	1.0	3.1	7.0	1.0
Other	3.4	2.5	2.9	16.1	1.0	2.6	-11.1	0.8
Capital expenditure	5.9	7.4	9.5	28.4	3.2	11.1	16.9	3.4
Fiscal deficit	15.8	17.4	17.3		5.8	16.9		5.1
Revenue deficit	10.3	10.7	8.4		2.8	6.5		2.0
Capital deficit	5.5	6.7	8.9		3.0	10.3		3.1
Primary deficit	7.8	8.1	6.8		2.3	5.0		1.5
Nominal GDP	235	272	296.6	8.9		327.7	10.5	

Source: Union Budget documents, MOFSL

Tax receipts could grow faster than targeted in FY24RE/FY25BE

The Gol has raised its FY24 total receipts to INR27.6t from INR27.2t budgeted, owing to higher gross tax collections. The Gol has raised its FY24 gross tax receipt forecasts by INR760b to INR34.4t. However, due to higher devolution and lower divestments, total receipts are revised up by only INR400b. The higher revision in gross tax collections in FY24 is mainly due to INR1.2t higher collections of income taxes (INR 10.2t in FY24RE vs. INR9.0t in FY24BE). On the other hand, indirect tax collections are lowered by INR454b in FY24RE (INR14.9t in FY24RE vs. INR 15.4t in FY24BE). The lower revision mainly stemmed from a fall in excise and customs duty collections. Non-tax revenue receipts have been revised higher to INR3.8t in FY24RE from INR3.1t in FY24BE, mainly led by high dividends received in this fiscal – INR1.5t in FY24RE vs. INR0.9t in FY24BE.

The Gol has budgeted 11.5% growth in gross taxes for FY25, with total receipts growing by 11.8% (*Exhibit 5*). Within total receipts, net tax receipts are expected to grow by ~11.9% YoY in FY25BE (10.8% in FY24BE) and non-tax receipts are expected to grow by 6.4% (vs. 31.7% in FY24RE). Therefore, net taxes are likely to account for ~84% of total receipts in FY25 (flat vs. FY24), while non-tax receipts are likely to account for ~13% of total receipts in FY25, lower than 14% in FY24 (*Exhibit 6*).

Exhibit 5: Receipts expected to grow decently in FY25BE...

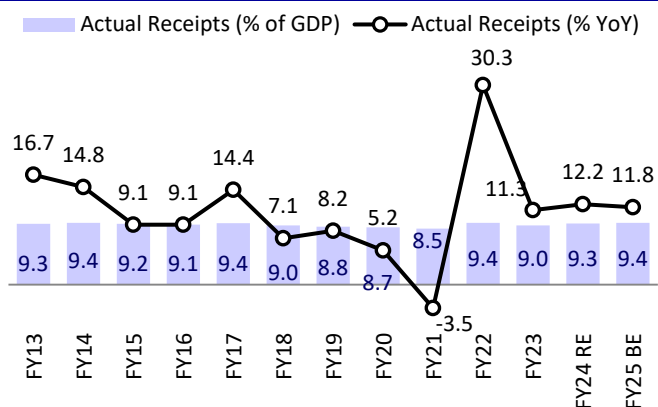
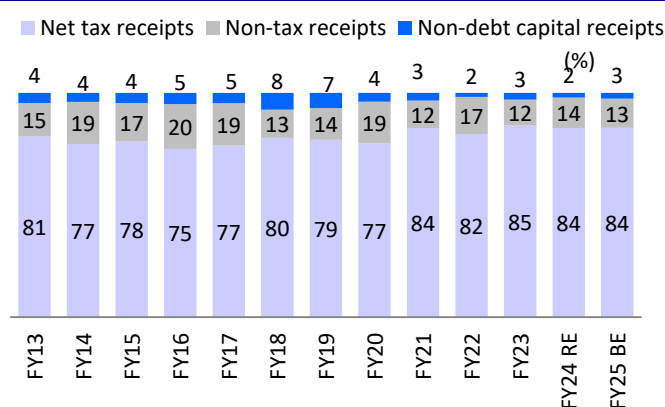


Exhibit 6: ...and taxes to account for 84% of receipts



Source: Union Budget documents, MOFSL

Due to 12.5% YoY growth in gross tax revenue and 8.9% YoY growth in nominal GDP, the Gol expects a tax buoyancy of 1.4x in FY24RE, higher than 0.8x in FY23.

Tax buoyancy is budgeted to moderate in FY25BE

Due to 12.5% YoY growth in gross tax revenue and 8.9% YoY growth in nominal GDP, the Gol expects a tax buoyancy of 1.4x in FY24RE vs. 0.8x in FY23. However, the Gol has budgeted a lower tax buoyancy of 1.1x in FY25 (*Exhibit 7*) due to a relatively higher nominal growth expectation of 10.5% in FY25 and a lower gross tax revenue growth of 11.5%.

Gol lowers disinvestment target

The Gol has halved its divestment receipts to INR300b in FY24 and budgeted it at INR500b for FY25, in line with our forecasts (*Exhibit 8*).

As highlighted in our Budget [preview](#), we believe that gross taxes could be higher due to corporate income taxes. Therefore, while we expect gross taxes and receipt growth for FY25 at ~12% (similar to FY25BE), we believe that total receipts could be INR31.3t, about INR500b higher than FY25BE.

Exhibit 7: Gross tax buoyancy expected at 1.4x in FY24

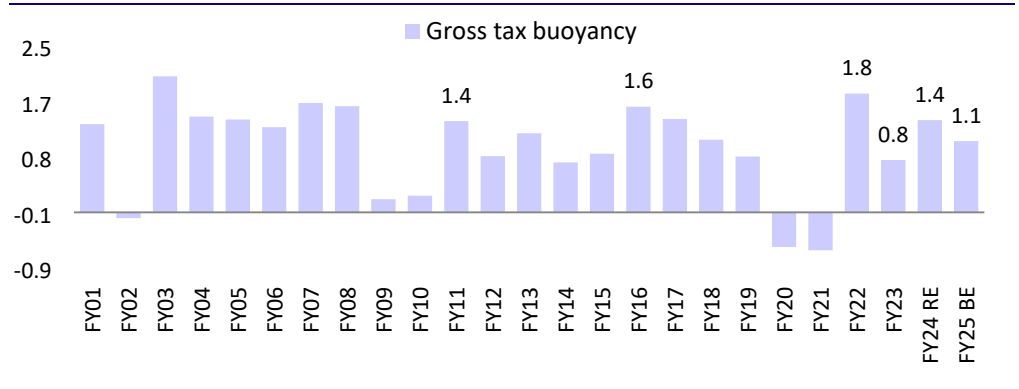
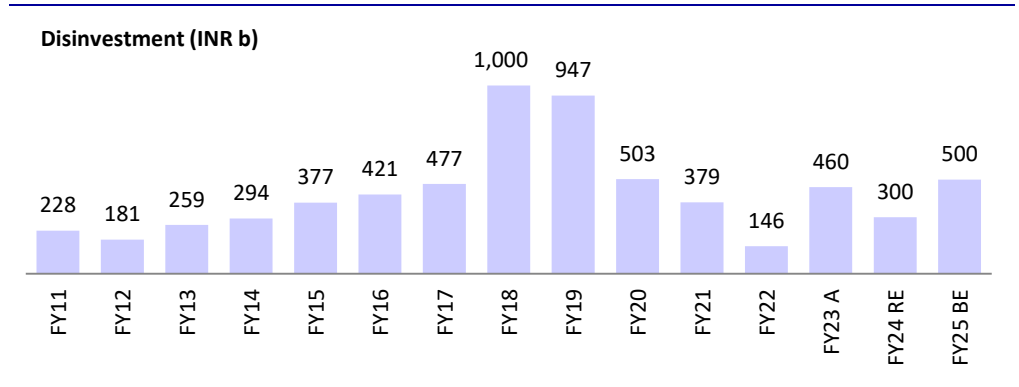


Exhibit 8: Divestment target lowered to INR300b in FY24



Source: Union Budget documents, MOFSL

Total spending budgeted to grow 6.1% YoY in FY25BE

Total GoI spending budgeted to grow at the lowest rate in 19 years in FY25

The GoI's total spending is budgeted at INR47.7t in FY25BE, implying 6.1% YoY growth, the lowest in 19 years (*Exhibit 9*). Excluding interest payments and subsidies, the primary spending of the GoI is budgeted to grow 5.7% YoY, the lowest in 12 years. If so, the fiscal impulse for economic growth is likely to subside next year. As a percent of GDP, it is budgeted to drop to 14.5% of GDP in FY25 from 15.1% of GDP in FY24RE (*Exhibit 10*).

Exhibit 9: Total spending growth budgeted to increase 6.1% in FY25BE followed by 7.1% YoY in FY24RE

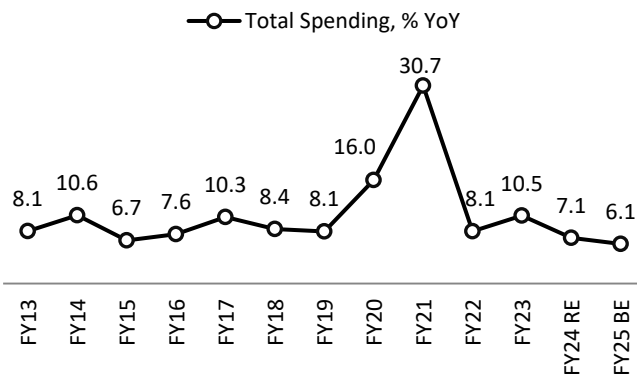
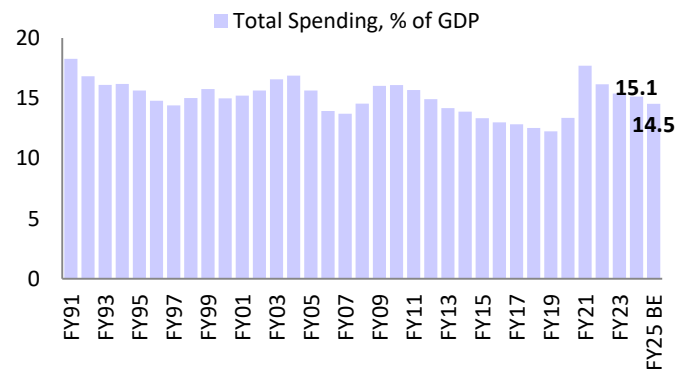


Exhibit 10: Total spending budgeted to decelerate to 14.5% of GDP in FY25BE



Source: Government, MOFSL

Total spending growth of 6.1% YoY in FY25 is largely aided by 16.9% YoY growth in capital spending of the GoI.

Within total spending, capital spending is budgeted to grow 16.9% YoY in FY25BE (partly supported by a downward revision in FY24RE), following an average of 30% YoY during FY21-FY24RE. The GoI's capital spending has surged by more than 3x in the past five years to INR11.1t in FY25BE, from INR3.4t in FY20. Revenue spending, on the other hand, is expected to grow by 3.2% YoY next year, not very different from 2.5% in FY24RE. Excluding interest payments and subsidies, revenue expenditure is budgeted to grow 0.5% YoY in FY25, marking the slowest growth in 51 years. Thus, the share of capital spending is budgeted to rise to 23.3% of total spending, marking the highest share in the past three decades (*Exhibits 11, 12*).

Exhibit 11: Capital spending (as a % of total spending) is budgeted to rise to a 30-year high in FY25BE...

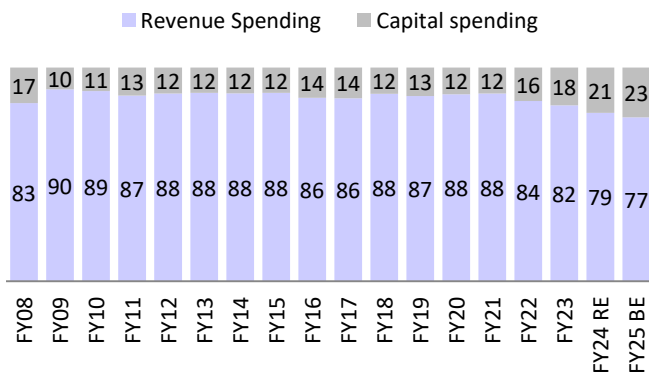
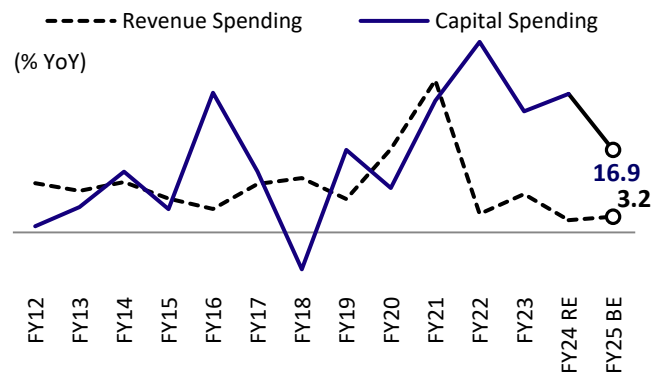


Exhibit 12: ...as capex is expected to grow 16.9% YoY during the year



Source: Union Budget documents, MOFSL

Center’s capex budgeted to grow 15% YoY in FY25BE

The Gol has budgeted a total capital spending of INR11.1tn in FY25 vs. INR9.5t in FY24RE (lowered from INR10.0t in FY24BE). This implies a growth of 16.9% YoY in FY25BE, following an average growth of 30% in during FY21-FY24RE. However, excluding loans and advances (INR1.2t) and equity infusion into BSNL (INR831b), the Gol’s actual capex is budgeted at INR8.9t in FY25 vs. INR7.7t in FY24RE (a growth of 15% in FY25BE vs. an average of 23.5% in the last 4 years).

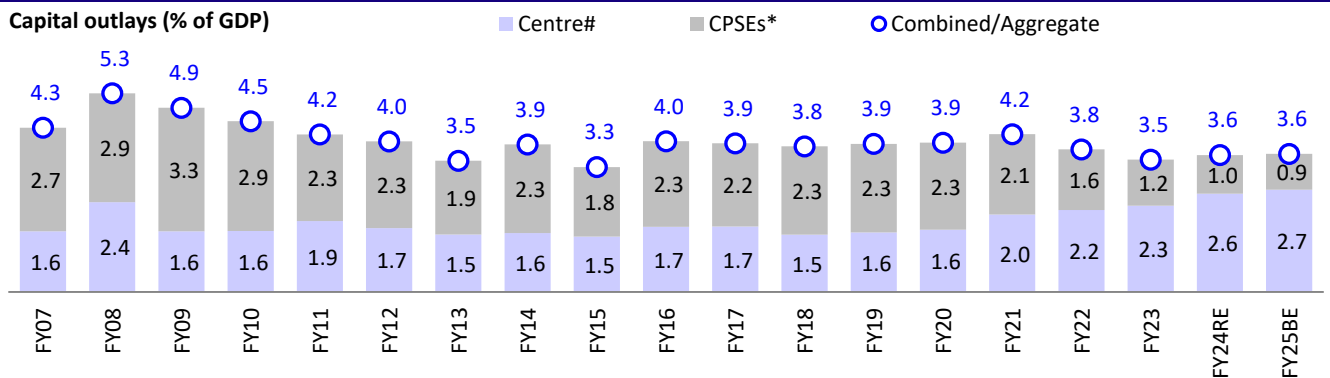
Combined capex to grow 11.5% YoY

Notably, IEBR capex is budgeted at INR3.1t in FY25BE vs. INR3.0t in FY24RE. Consequently, IEBR capex is expected to grow 2.4% YoY in FY25BE after declining at an average of 10% during the last four years. As a percentage of GDP, CPSEs’ capex is likely to fall to 0.9% in FY25 (1.0% of GDP in FY24RE) and that of the government is expected to increase to 2.7% of GDP from 2.6% in FY24RE.

The total government capex is budgeted at 3.6% of GDP in FY25, same as in FY24RE

Therefore, the combined capex is projected to increase only by 11.5% YoY in FY25BE vs. an average growth of 10% in the last two years and 12.5% in FY24RE. As % of GDP, combined capex is estimated at 3.6% of GDP (lower than pre-Covid levels of 3.9% of GDP) in FY25 but similar to FY24RE and slightly higher than FY23 (Exhibit 13).

Exhibit 13: While the Center’s capex as % of GDP is expected to rise, that of CPSEs is expected to reduce further in FY25BE



Excluding loans and advances and BSNL capital infusion

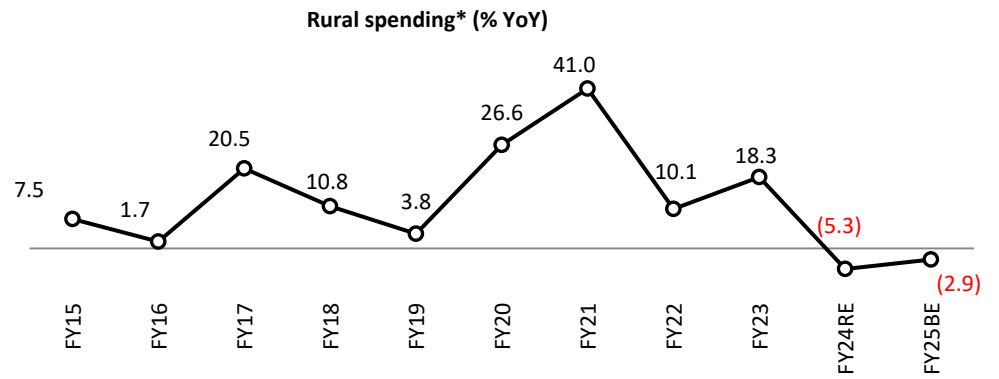
*Excluding Department of food & public distribution
Source: Union Budget documents, MOFSL

Rural spending to contract for the second consecutive year in FY25BE

Rural spending to contract for the second consecutive year in FY25BE:

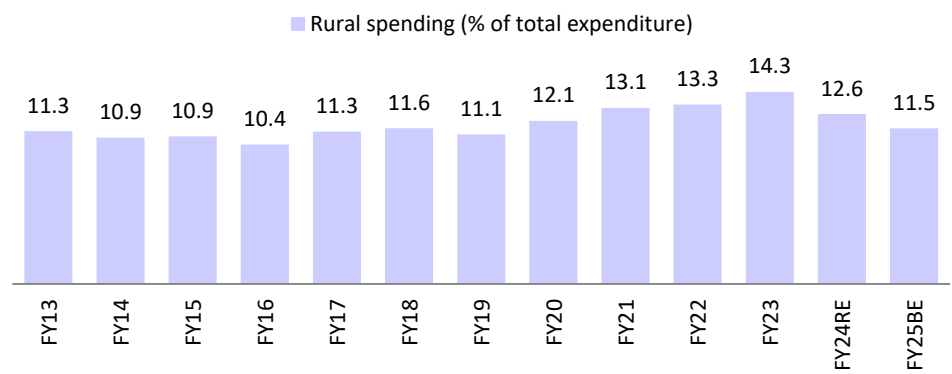
Following 18.3% YoY growth in FY23, rural spending was estimated at INR5.7t in FY24RE, a decline of 5.3% YoY during the year. It is budgeted at INR5.5t in FY25E, implying the second consecutive fall of 2.9% YoY. This means that any expectations of the Gol supporting the weak farm sector before the general elections were entirely missed. Consequently, the share of rural spending in the Gol’s total spending has come down to a six-year low of 11.5% in FY25 (Exhibit 14 and 15).

Exhibit 14: Rural spending is budgeted to contract for the second successive year...



*Ministry of rural development, Panchayati Raj, Fertilizer and Agriculture

Exhibit 15: ...leading to six-year lowest share in total spending in FY25BE



Source: Union Budget documents, MOFSL

Government focuses on long-term macro stability, even if it comes at the short-term cost

With 5.1% budgeted deficit in FY25, the task of bringing it down to 4.5% of GDP becomes achievable

Although the Finance Minister had already informed that no “spectacular announcements” were forthcoming, the market participants had some expectations. However, the GoI did not announce any new schemes or incentives and followed the fiscal deficit consolidation path by maintaining its investment-led spending growth strategy.

The GoI has kept revenue expenditure growth at minimal (just 3.2% YoY) and propelled capex strongly for the fifth consecutive year. The GoI’s capital spending, however, is budgeted to grow 16.9% YoY in FY25BE, following an average of 30% YoY during FY21-FY24RE. Capital spending has surged more than 3x in the past five years to INR11.1t in FY25BE, from INR3.4t in FY20. Since total expenditure is budgeted to grow just 6.1% in FY25BE, the share of capital spending is budgeted to rise to 23.3% of total spending, marking the highest share in the past three decades.

Notably, as highlighted in our recent [report](#), a large portion of the GoI’s higher capex is re-allocated from the internal and extra-budgetary resources (IEBR) of central public sector enterprises (CPSEs). After declining at an average of 10% during the last four years, IEBR capex is expected to grow 2.4% YoY in FY25BE. It means that the GoI’s combined capex is budgeted to grow 11.5% YoY in FY25BE.

In stark contrast to the market expectations of 5.3-5.4% of GDP (and our forecast of 5.2% of GDP), the GoI has budgeted a fiscal deficit of 5.1% of GDP for FY25, implying a consolidation of 70bp next year. Moreover, the GoI has lowered its deficit target for FY24 to 5.8% of GDP, notwithstanding the fact that the nominal GDP growth estimate for FY24 was also lowered.

The GoI is totally committed to the long-term macro-economic stability, even if it comes at the expense of growth in the short term

Overall, notwithstanding the general elections, the GoI’s ability to resist any populist schemes or incentives is extremely commendable. Moreover, the fact that it has budgeted a fiscal deficit of 5.1% of GDP for FY25 (and lower than budgeted in FY24RE), the GoI is extremely serious about its (tall) task of achieving 4.5% of GDP by FY26. This clearly shows that the GoI is totally committed to the long-term macro-economic stability, even if it comes at the sacrifice of growth in the short term.



Agriculture

Budget Impact: Positive

Sector Stance: Positive

The Interim Union Budget 2024 has reflected the government's focus on welfare of the farmer community, along with faster growth in the sector. The key announcements influencing the agriculture sector and farmers are:

Area	Key proposal	Impact
Fertilizer subsidy reduced by 13% to INR1,640b (<i>over FY24 Revised allocation</i>)	❖ The overall budget allocation for fertilizer subsidy was cut 13% to INR1,640b (Urea subsidy cut by ~7% to INR1,190b and Complex Fertilizer subsidy cut by 25% to INR450b). The prices of key raw materials are currently on an upward trend; hence, we believe that the government will revise subsidy allocation as per the requirement and after assessing the raw material scenario during the year.	Neutral
Electronic National Agriculture Market has integrated 1,361 mandis	❖ The Electronic National Agriculture Market has integrated 1,361 mandis and is providing services to 180m farmers, with trading volume of 3t.	Positive
Gave crop insurance to 40m farmers	❖ Crop insurance has been given to 40m farmers under the PM Fasal Bima Yojana. The budget allocation was marginally lowered by 3% to INR146b.	Positive
Promoting private-public investments in post-harvest activity	❖ The government is promoting private and public investments in post-harvest activities, including aggregation, modern storage, efficient supply chains, primary and secondary processing, and marketing and branding. This ensures faster growth in the sector.	Positive
Exploring application of Nano DAP	❖ After the successful adoption of Nano Urea, the application of Nano DAP on various crops will be expanded in all agro-climatic zones.	Positive
Formulating strategy to achieve self-reliance in oil seeds	❖ The government is formulating a strategy to achieve self-reliance for oil seeds, such as mustard, groundnut, sesame, soybean, and sunflower. ❖ The strategy will cover research for high-yielding varieties, widespread adoption of modern farming techniques, market linkages, procurement, value addition, and crop insurance.	Positive

Outlook

For the agriculture sector, the Budget focused on: i) structural changes to improve farmers' profitability for the long term, ii) better prices for agri produce by integrating mandis digitally, iii) de-risking farmers' profitability through crop insurance, iv) supporting farmers in terms of financial and material aid, and v) promoting efficient and balanced use of chemical fertilizer. The government's long-term objective of increasing farmers' income will benefit the agrochemical and fertilizer companies.



Autos

Budget Impact: Positive

Sector Stance: Positive

The Interim Union Budget 2024 has completely focused on EVs by extending its budgetary support to FAME and PLI schemes. The government has indicated to continue its budgetary allocation to the Scheme for Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicles in India (FAME- India). However, it has reduced the allocation, which in turn should result in a lower incentive per unit on EVs. On the other hand, the government has increased the budget allocation to the PLI scheme, which will benefit the industry players. It remains to be seen, though, how much of the advantages OEMs pass on to their customers.

At a glance

Area	Key proposals	Impact
Reduced budgeted allocation to FAME scheme	❖ The government has extended budgetary allocation to FAME subsidy in FY24-25. However, the allocation has been reduced to INR26.71b for FY24-25 vs. INR48.07 in FY23-24.	Negative
Increased budgeted allocation to PLI scheme	❖ The allocation to the PLI scheme for FY24-25 has been increased to INR35b from INR4.84b.	Positive

Outlook and recommendations

As expected, the Interim Union Budget 2024 did not have any big announcement specific to the auto sector, though there were some specific measures that were largely positive. While the continuation of the FAME subsidy allocation is positive, the reduction in the allocation should lead to lower growth in EV penetration.



Cement

Budget Impact: Neutral

Sector Stance: Positive

In the Interim Union Budget 2024, the government has proposed the development of three major economic railway corridors including for Cement, under the PM Gati Shakti initiative to enable multi-model connectivity. This corridor will help cement companies improve logistics efficiency and reduce costs. Further, the allocations on housing schemes and roads have been increased on a higher base of last year.

At a glance

Area	Key proposal	Impact
Allocation for housing schemes	<ul style="list-style-type: none"> ❖ Allocation for housing schemes (PMAY) stood at INR807b, up ~49% YoY vs. 2023-24RE. ❖ A housing scheme for the middle class will be launched. 	Positive
Allocation for Roads	<ul style="list-style-type: none"> ❖ Allocation for Roads stood at INR2,722b, up 3% YoY vs. 2023-24RE. ❖ Allocation for Pradhan Mantri Gram Sadak Yojana stood at INR189b, up 16% YoY vs. 2023-24RE. 	Neutral

Outlook and recommendations

Cement: We remain positive on the sector as we expect demand to improve going forward, led by strong demand from infrastructure projects and housing and an expected pick-up in commercial and private capex. We estimate a ~7% CAGR in industry volume in the long term. Further, fuel prices have seen corrections in the past few months, which we believe will drive margin for cement companies. UTCEM is our top pick in the large-cap space. Among mid-cap stocks, we prefer DALBHARA and JKCE.



Capital Goods

Budget Impact: Positive

Sector Stance: Positive

In the Interim Union Budget 2024, the government increased the overall capex outlay from INR10t to INR11.1t, up 11% YoY. The key heads under which the allocation was increased are Defense (INR1.7t; +9% YoY), Railways (INR2.5t; +5% YoY) and Roads (INR2.6t; +3% YoY). The government has chosen to walk the fiscal tightrope with a view to narrow the fiscal deficit (5.1% FY25BE vs. 5.8% FY24RE); therefore, capex growth has seen some moderation compared to recent years. Notable announcements include the creation of dedicated rail corridors under PM Gati Shakti, initiatives on blending compressed biogas (CBG) with CNG, and conversion of 40,000 ordinary bogies to Vande Bharat.

At a glance

Area	Key proposal	Impact
Capital allocation	❖ The capital allocation grew 11.1% YoY to INR11.1t for FY25E from INR10t for FY24.	Positive
State - interest free loans	❖ The continuation of 50-year interest-free loans for capex investments to state governments worth INR1.3t.	Positive
Allocation for Defence	❖ Defense capital outlay increased by 9.4% YoY to INR1.7t for FY25E from INR1.57t (FY24RE)	Positive
Allocation for Railways	❖ Railway capital allocation increased by 4.9% YoY to INR2.55t for FY2025E from INR2.4t for FY24	Positive
Allocation for Roads	❖ Capital allocation for roads and bridges was enhanced by 3% YoY to INR2.6t for FY2025E from INR2.4t for FY24	Neutral
Emphasis on railway corridors	❖ Creation of dedicated rail corridors for 1) energy, mineral & cement sectors, 2) in areas of high traffic density, 3) port connectivity under PM Gati Shakti	Positive
Spending target for Jal Jeevan Mission	❖ Largely flat at INR701.6b vs. INR700b for FY24	Neutral
Airport expansion	❖ AAI capital allocation flat at INR34.5b vs. FY24RE	Neutral
Metros	❖ Metro rail capital allocation hiked by 9% to INR213b	Positive
Vande Bharat	❖ 40k normal bogies to be converted into Vande Bharat-class	Positive
Coal gasification	❖ Target of 100MT by 2030	Positive
Green energy	❖ VGF for offshore wind projects of 1GW	Neutral
EV charging	❖ Payment security mechanism for EV manufacturing and charging infra	Positive

Outlook and recommendations

The Interim Union Budget 2024 did not have any big announcements specific to the capital goods sector, apart from an increased capex outlay across segments. The government had already front-loaded the capex in the last three years, and hence the growth in the overall outlay was expected to moderate to 12-15% for FY25. However, 11% growth in overall capex is slightly lower than this range. We note that the increased outlay for defence, railways and initiatives for green energy would be positive for capital goods companies. All eyes will also be on private capex across sectors. Our top picks in the sector are L&T and ABB in large-cap space and KOEL in the mid-cap space.



Financials

Budget Impact: Neutral

Sector Stance: Positive

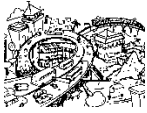
The Interim Union Budget 2024 announcements were neutral for the banking sector. The key government recommendations were as follows: (i) Housing scheme for the middle class to be launched; (ii) Higher capex outlay will boost the overall credit demand; (iii) Allocation toward Guarantee emergency credit line has been reduced; and (iv) Allocation under PMAY has been enhanced.

At a glance

Area	Key proposals	Impact
Guarantee emergency credit lines	❖ Allocation toward Guarantee emergency credit line facility to eligible MSME borrowers reduced to INR102b from INR140b last year	Negative
Pradhan Mantri Awas Yojana (PMAY)	❖ Allocation toward the PMAY scheme increased to INR807b from INR796b last year.	Positive
Increased capex outlay to facilitate credit	❖ Capex increased by 11.1% to INR11t from INR10t last year. This should aid capex recovery and boost credit demand.	Positive
PMAY (Grameen)	❖ PMAY (Grameen) close to achieving target of 30m houses, additional 20m targeted for next five years	Positive
Housing for middle class scheme	❖ Housing for middle class scheme to be launched to promote middle class to buy/built their own houses	Positive
Pradhan Mantri Jan Arogya Yojana (PMJAY)	❖ Increased the allocation from INR72b to INR75b. The healthcare cover under the Ayushman Bharat scheme will be extended to all ASHA workers, Anganwadi workers, and helpers.	Neutral
Crop Insurance Scheme	❖ Government's flagship crop insurance scheme Pradhan Mantri Fasal Bima Yojana (PMFBY) has assisted 40m farmers till now. Unlike previous schemes, PMFBY is open for both loanee and non-loanee farmers. The allocation has increased from INR136.25b to INR146b.	Neutral

Outlook and recommendation

'Housing for all' remains a high-priority area for the government and it has announced plans to increase the outlay under PMAY scheme. Besides, the government also plans to introduce a housing scheme for the middle class, which should boost housing loan demand and support loan growth for affordable housing players. The increase in capex outlay (though controlled) will support wholesale loan growth for the banking sector, mainly benefitting PSU banks. Moreover, as the government treads on the path of fiscal consolidation, we expect bond yields to remain under control, thus enabling PSU banks to report healthy treasury performance. **Our top ideas:** ICICIBC, SBIN, IIB, and FB.



Infrastructure

Budget Impact: Neutral

Sector Stance: Positive

Capex trend robust; moderate outlay across key sectors

At a glance

Area	Key proposals	Impact
Roads	❖ While gross budgetary support rose 3% YoY to INR2.7tn in FY25BE, the funding via IEBR was pegged again at zero.	Neutral
Railways	❖ The sector witnessed 2% growth on the overall capex outlay. While budget-linked allocation grew 5% YoY, the IEBR was pegged lower by 35%.	Neutral
Defense	❖ Defense capex increased 9% to INR1.72t.	Neutral
Others	❖ Allocations to PMAY grew ~50% YoY to INR807b in FY25BE.	Positive

Outlook and recommendations

- **Infrastructure:** Overall capex growth has been moderate and below our and Street expectations, especially in the Roads and Railways segments.
- **Our top pick:** In the Roads segment, we continue to prefer KNR Constructions.



Logistics

Budget Impact: Neutral

Sector Stance: Positive

At a glance

Area	Key proposals	Impact
Logistics	❖ Implementation of three major railway corridors under PM Gati Shakti to improve logistics efficiency and reduce costs.	Positive

Outlook and recommendations

- **Logistics:** The implementation of three railway corridor programs will improve the turnaround time and increase volume handling capacity. It would also improve operational efficiency and reduce logistics costs at the industry level.
- **Our top picks: VRL Logistics and Transport Corporation** are our preferred plays in the Logistics sector.



Metals

Budget Impact: Neutral

Sector Stance: Positive

There was no significant budget proposal for the metals sector that would influence the stock prices; however, the overall emphasis on capex by both the Central and state governments should boost demand for metals.

At a glance

Area	Key proposals	Impact
Capex	❖ Overall budgeted capex outlay increased 17% YoY in FY25BE. This covers several sectors, which consume metals.	Positive
Rail Corridor	❖ The government's focus on developing railways corridors under the PM Gati Shakti Yojana should address issues faced by the mining and ferrous companies in terms of timely rake availability.	Positive

Outlook and recommendations

- **Steel:** The infrastructure sector accounts for ~60% of the total domestic steel demand, with construction at ~20% and automobile at ~8%. The domestic steel demand has bounced back strongly in FY24. While global markets remain challenging, most of the players have indicated a strong demand environment in the domestic markets, which should support volumes.
- We maintain our positive view on metals, with Coal India as **our top pick**.



Oil and Gas

Budget Impact: Neutral

Sector Stance: Positive

In the Interim Union Budget 2024, the government focused on green and renewable energy with the aim of meeting the net-zero target by 2070. Accordingly, the government intends to set up 100mmt of coal gasification and liquefaction capacity by 2030. The government will also provide viability gap funding for offshore wind energy with an initial capacity of 1GW.

At a glance

Area	Key proposals	Impact
Coal gasification and liquefaction	❖ The government intends to set up coal gasification and liquefaction capacity of 100 MMT by 2030 with the aim of reducing imports of natural gas, methanol, and ammonia.	Positive
Wind energy	❖ The government will provide viability gap funding for harnessing the country's offshore wind energy potential with initial capacity of 1GW.	Positive
Promotion of blended CNG	❖ The government will mandate the blending of compressed biogas (CBG) in CNG and D-PNG in a phased manner. In FY24 budget, the government had already exempted CNG from the excise duty on the amount of GST on biogas or compressed biogas blended with CNG.	Positive
Capital support	❖ The government had announced a capital support of INR300b to OMCs in FY24E. However, there was no expenditure in FY24 as it was delayed to FY25. Additionally, the quantum of support has also been halved to INR150b.	Negative

Outlook and recommendation

The promotion of coal gasification will help to reduce import dependency on natural gas, methanol, and urea, considering ~93% of country's methanol requirements and 22% of urea requirements were met through imports in FY22. The promotion of CBG blending in natural gas will also help to reduce India's natural gas imports while also reducing costs for CGDs.

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

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 be 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.motilalosal.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 Limited are available on the website at <http://onlinereports.motilalosal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have 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.

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. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilalosal.com/ResearchAnalyst/PublishViewLitigation.aspx>

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 Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisers Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- 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.
- received compensation/other benefits from the subject company in the past 12 months
- 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.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 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)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with 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.

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.

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.

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.